

Prime Hydration: 5 factors that drove the hype

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Last week, news outlets around South Africa reported a panic buying spree like nothing the country has seen since the shelves were emptied in the pre-lockdown of 2020. This time, however, it wasn't toilet paper people were after; it was an R40 energy drink called Prime.



Source: Shoprite Group

As reported nationally over the last few days, Checkers had its shelves cleared within hours as customers flocked to pick up 500ml of Prime for a bargain of R39,99 (when pre-release reports were estimating prices in the hundreds). Checkers took advantage of its first mover advantage before the drink became available elsewhere. The retailer also drove the limited stock agenda and, as headlines ran with Prime, sold out in minutes.



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So why was there such a rush to the shelves? Certainly, many level-headed parents were asking the same thing when their kids dragged them off to pay almost four times what a 500ml Energade costs. This is also in light of beverage powerhouse PepsiCo quietly launching a <u>new energy drink</u> in South Africa (Rockstar) not long ago. There was no rush to the shelves for them, so what makes beverage debutant Prime different?

1. Hype cycle

While the term is often used with new technologies, fads usually follow a predictable pattern of sharp ascent as adoption soars, partially attributable to the bandwagon effect. However, once everyone has had a try, the sales plummet back to more reasonable levels.

2. Price penetration

Marketers know that if you want people to try new products you need to introduce them at a price that gets consumers'

attention. With reports of astronomical prices (some expectation was as high as R500 a bottle), the launch price of R39,99 was a great way to bring people into the store.

3. Novelty

This is not the first time we have seen queues for new brands from overseas. When brands like Krispy Kreme, Starbucks, Burger King, H&M and Dunkin Donuts hit our shores, the hype was high, and consumers lined up for blocks to get a piece of the action. Consumers, especially young ones, thrive on novelty. Prime offers plenty of that.

4. Fame

Many older consumers are stuck in a mindset that underestimates the power of YouTube as a television format. Just because the owners of Prime (Logan Paul and KSI) are not headliners on DSTV or Netflix, that doesn't mean they aren't substantial TV stars. With hundreds of millions of followers, these two sportsmen turned YouTube celebrities are megafamous in younger circles. So, while many parents were asking what Prime is, their children know exactly what it is and where it comes from (although they might struggle to connect George Clooney to Nespresso).

5. Social media influence

At first, word got out about a controversial pricing strategy that would charge upwards of R400 for a bottle. This got the media asking the critical questions: "What is this and why is it costly?" Due to social media, however, teenagers were talking about Prime long before Checkers signed a deal to make the drink accessible on its shelves. International trends reach us on social media far quicker than cargo planes.



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So, what can we expect in the weeks to come? The same as we have seen before when expensive or global brands enter the South African market. The hype eventually dies down, and true value propositions are tested. Starbucks initially pushed South African wallets too far and almost failed. Their second attempt has been more measured, and there is hope.

Will South African consumers tolerate a drink at such a high price point? Yes, some might, but most will try it and move on to spend their money with slightly more wisdom. While conspicuous consumption is alive and well, we might be more likely to see Prime relegated to the Izikhothane battles on the streets of Soweto. We will also see a spike in product reviews from teens through TikTok.

Maybe it is an opportune time for YouTubers Logan Paul and KSI to make their way to South Africa soon. They have been

sharing some videos of the queues at Checkers, and certainly didn't expect this much attention.

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