

Red bull marketing analysis

[Business](#), [Marketing](#)



Red Bull is the leader of the energy drink market. This company created in 1984 by Dietrich Mateschitz performs an annual turnover of more than 3 billion Euros. As we will see in this report, polemic, nonconformist, genius marketing are, among others, the ingredients that made Red Bull the star product of Energy Drink Segment in the world. For more than 20 years, Red Bull has managed to establish itself brilliantly in the world, which, despite the widespread economic gloom, has always taken a growing interest for this new drink.

In this report, we will analyse Red Bull and the environment in which the company evolves, its target and positioning through marketing tools. It will enable us to understand how Red Bull managed to reach its leader position and to think about some recommendations to further improve its strategy.

Why did we choose Red Bull?

Most of the people have one day seen or heard about the brand Red Bull. Red Bull is an energy drink that comes from the adaptation of the Thai energy drink “ Krating Daeng”, which means “ Red Bull”. There are several reasons that explain why we choose Red Bull Company.

The first reason of our choice results in a cultural factor. In fact Red Bull is a product that is targeting young customers. It means that, students are the most concerned by Red Bull so this is a product that can affect any of us. Besides it is a “ trendy product” in other words a fashionable product: nowadays everyone has already tasted a Red Bull. The second reason that pushes us to choose Red Bull Company was because of their Marketing communication, which is revolutionary.

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Some observers say that Red Bull uses an “ anti-brand” strategy. In fact, the company avoided usual methods of marketing, relying more on what is called 'buzz marketing' or word-of-mouth: “ viral marketing”. A brand image was created and cultivated which associated the drink with youthcultureand extreme and adventure-related sports, such as motor sports, mountain biking, snowboarding... In addition, we also choose Red Bull because without Red Bull there would not even be a market for the other products currently crowding the shelves. Thus, sales of the drink grew quickly from the beginning and Red Bull dominates the world’s energy-drink market with a 40% market share. Finally, what influences our choice too, was because Red Bull even being the leader has to face on how to build on its incredible sales growth and about all, and has to face thehealthissues concerning the effects of drinking Red Bull.

Executive Summary

A thorough analysis of Red Bull concludes that the company was set up the Energy Drink Market thanks to its own product, Red Bull energy drink. In fact, without Red Bull there would not even be a market for the other products currently massing the shelves. Now Red Bull is energizing people around the globe, touching down in over a hundred countries worldwide.

The Red Bull consumers can be divided into two segments: Students (and Clubbers) and workers. Each of them uses the Red Bull energy drinks to meet their personal needs. At the same time they can obtain physical edges, mental edges or just consumption for pleasure.

The ambitions of Red Bull are: maintaining the top-brand status in the energy drink market and clearly distinguish themselves from their competitors, who are marketing almost the same product but with extremely low prices.

Red Bull uses every ways of marketing to reach their target groups. Their marketing is mainly based on the “ 3 pillars of Red Bull: Sampling, Advertising and sponsoring”. In this way Red Bull is not just promoting their energy drink but is also selling a lifestyle, seemingly people are willing to be a part of this Red Bull extreme sports lifestyle.

Due to these extensive marketing efforts Red Bull obtained, and still is maintaining, the largest market share (70%) in the energy drinks market. As initiator of the energy drinks market, Red Bull holds a truly unique product. However the competition is high. Their main objectives are: maintain the lead and expand the market to Asia and Western Europe. To achieve these objectives they can create new products “ Black Red Bull” and focus on new target group such as the younger’s (13-15) and the older (35-50).

Company Presentation

Dietrich Mateschitz founded the company Red Bull GmbH in 1984. GmbH is the German equivalent of a limited liability company; it stands for 'Gesellschaft mit beschränkter Haftung'. The company's origins, though, lie in the owner's time spent in Asia. He came across products known as 'tonic drinks' and saw the chance to market functional drinks outside Asia.

One of these tonics, which came from Thailand and was used by workers to stay awake during their shifts, was called Krating Daeng or 'Red Bull'.

Mateschitz approached the manufacturers of the drink and bought the foreign licensing rights in exchange for a 51% stake in his company.

When Mateschitz launched the drink in his native Austria, he decided to target young professionals, rather than factory workers, as this younger segment of the population was more affluent and more appreciative of a trendy marketing campaign.

The Austrian market has been the first to commercialize the blue and red can with its famous slogan “ It gives you wings”. Today, Red bull company has a turnover of 3 billion euro a year which increased of 7, 9% in 2008. The drink is present in 160 countries in the world and it's the third soda drunk in Europe just behind Pepsi and Coca.

Red Bull operates within the energy drinks sector of the soft drinks market. This product is an example of a 'functional' drink. Functional foods respond to consumer interest in well being and performance. The major multinational soft drinks companies are investing in the area of functional drinks, developing their own brands and buying up existing ones. This is seen as being important, given that their traditional soft drinks markets are at the maturity stage in many countries. For these multinationals, new functional drinks offer opportunities for renewed business growth.

Nevertheless, the product was forbidden in some European countries because of the taurine effects and a high rate of caffeine with the European

precaution law. But for a few years, mentality evolves and countries are more open-minded and could commercialise this product. In 2010, Red bull is present in 25 European countries but not yet in Denmark for health safety as the Canada. This drink is supposed to give energy to the costumer thanks to a mixture of different ingredients (caffeine, guarana, taurine). The main target is the teenagers and young adults (16-35 years old). We can observe that, it would be pertinent to target teenagers in order to appeal more consumers of energy drink. This drink is sold four times more expensive than others drinks; today it's £ 1, 60. We can find this product in shops but also in nightclubs.

Red Bull has an aggressive international marketing campaign. The numerous sponsored activities range from extreme sports like windsurfing, snowboarding, skateboarding, kayaking, wake boarding, cliff diving, surfing, skating, freestyle motocross, rally, Formula 1 racing (World Champion 2010), and break dancing to art shows, music, and video games. In keeping with their target market of young males, Red Bull has also enlisted help from celebrities, such as Eminem that would appeal to this group (sponsoring the Red Bull "Em See Battle Rap championships").

It also hosts events like the Red Bull Flugtag and other such contests. Red Bull also sponsors soccerteams, with clubs in Austria, Germany, The United States and Brazil featuring the Red Bull trademark in their names. By associating the drink's image with these activities, the company seeks to promote a "cool" public image and raise brand power. In addition, the

slender container is used to suggest a "sexier" image than some other cola counterparts.

The Red Bull brand is associated with a designer image, energy-giving properties and glamorous lifestyles. These brand qualities have been developed through company sponsorship of sporting activities such as: motorsports, winter sports, base jumping, mountain biking; and cultural events such as the Red Bull Music Academy.