

Red bull case analysis

Business, Company



Red Bull Case Analysis Purpose: to provide the chain of strategies Red Bull used to develop their brand equity and global market dominance in the energy beverage industry. **Target Market:** Red Bull does not target to a specific demographic or psychographic. Its strategy is to reach to a relatively broad consumer base. The target is anyone who need energy boost to combat their mental and/or physical fatigue. Red Bull knows their consumer base mostly involves students, drivers, clubbers, business professionals and athletes.

Product: Red Bull offers a premium energy drink supplement that provides essential ingredients to rejuvenate the mind and body. Red Bull consists of energy-enhancing ingredients: caffeine, taurine, and glucuronolactone packed in a 250 millilitre can. **Price:** Red Bull prices one 250 millilitre can at a premium price between \$1. 99 and \$3. 00 which makes it significantly more expensive than traditional soft drinks. Their pricing strategy is to charge at least 10 % greater than the most expensive competitor reinforce their position.

Promotion: Red Bull relies on one of the most effective forms of marketing, “word-of-mouth”. Along with the word-of-mouth strategy they also do event sponsorships, sampling programs, point-of-purchase marketing, athletic endorsements, and electronic media buys. **Red Bull Mystic:** When the product first launch Red Bull created a buzz by putting empty cans in bars and night club to make the consumers believe that it was a popular product. As a result the consumers started talking about and want to try it out of curiosity.

Event Sponsorships: Event sponsorships greatly increase the recognition of the brand. Red Bull currently has ninety individual events that have been

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created from the ground up. Most of the events are non-mainstream sports events that are typically extreme sports. Red Bull invests in doing their own events because they control everything and strive to make the event very unique, so they can get into the media. Athlete Endorsements: The athletes Red Bull endorses are carefully select for their individual qualities that fit with the brand's personality.

Red Bull would simply make the drink available to the athletes during their competition where they would sample it and then potentially become frequent users. When a particular athlete that fit with the brand would become one of their frequent users, Red Bull would then make a sponsorship deal with that athlete. Sampling: Sampling is the most essential aspect of Red Bull's marketing efforts. Red Bull offered samples specifically to consumers at music concerts, sport events, highway rest areas, and higher education campuses.

Red Bull assembles a team of college students to go out and encourage other to sample the drink, conduct research on drinking trends, implement on-campus promotions, collect customer feedback and educate the consumers about the product. Point-of-Purchase: Red Bull has its own miniature glass refrigerator with the brand logo on it. Red Bull also made sure that the refrigerator was placed in a prominent location in the environment. Unfortunately some places do not allow Red Bull to use their own miniature refrigerator, in this case Red Bull in the existing store refrigerator.

Traditional Advertisement: Red Bull uses television ads, print, and radio advertisements. The television ads are a short animated commercial that

clearly communicates the product benefits through intelligent dialogue and scenarios. The message in the commercials is “ Red Bull gives you wings” and this message correlates directly to the brands positions. The commercials fitted well with the global market and reached a wide target audience because of the usages of well-known animated characters and simple universal concepts. Place: Red Bull is sold in the global market, but there are a few countries that prohibit the sale of Red Bull because of specific ingredients and incidence in which Red Bull may have caused health complications. Those countries are France, Norway, and Denmark. In the countries that do allow the sale of Red Bull, it can be found in bars, nightclubs, convenience stores, school campuses, gas stations, and other places where the company believes their target will need an energy boost. Brand Strategy: The brand strives to continue to be the leader in energy drinks and uphold brand position and appeal.

It is ideal to the company to keep the buzz of Red Bull prevalent in the mind of the consumers as well as innovate and retain current users. Brand Position: Red Bull is positioned as a premium energy-boosting beverage that revitalizes the body and mind. Points of Parity: In the saturated market of energy drinks they all claim to boost energy and performance. The ingredients in the majority of the drinks are similar containing b-vitamins and significant amounts of caffeine. Similar brands are: Lucozade, Monster, Rockstar, and Full Throttle

Points of Differences: Red Bull technically exploited the energy boosting drink market. There large focus on word-of-mouth and large network of unique sponsored events keeps their brand fresh in the consumers mind. The

are considered a premium drink with premium benefits because of the pricing and packaging appeal. Unlike their closest competitor they can focus exclusively on the Red Bull brand and continue to market towards local target markets instead of marketing to the masses as a whole. Core Brand Associations: Red Bull is associated with their extreme sports and athletic endorsement.

The events are unique and gather big media attention due to the uniqueness and hype. When a spectator is watching a Red Bull event they can expect to see something exciting because of previous Red Bull phenomenon. Red Bull has its own soccer team, Formula One Racing team and NASCAR team. If the sport is not a typical mainstream sport, Red Bull logo will probably be found at the sporting event.

Logo and Slogan: The logo is two red bulls facing toward each other as if they are going to collide in front of a yellow sun. The logo appears to be oriental theme and its significance probably is from the Thai energy drink, “Krating Daeng” that inspired Dietrich Mateschitz. The slogan is “Red Bull give you Wings”. Packaging: Red Bull uses a silver and blue 250 millilitre can with the Red Bull logo. Under the logo are the words “Energy Drink” and the phrase “Revitalizes body and mind” both, which effectively communicate the beneficial properties of the drink to the consumer.

The silver and blue pattern on the can is really effective in the brand's salience and the cans are mostly sold in singles, but are offered in convenient packs priced the same amount as if each can is sold separately.

Brand Mantra: Revitalize body and mind Four Steps of Brand Building Brand Salience: The aluminium and blue can pair with the logo “two red bull and

sun” is highly associate with the brand. Brand Performance: Red Bull small premium can is thought of as being very effective and provides an energy boost for anyone who needs revitalization.

Brand Judgement: Viewed a being performance enhancing fuel and cool. This is mainly due to brand association with extreme sports and events. Red Bull is judged one of the strongest because it comes in a one 250-millilitre can

Brand Feelings: Extreme, potent, excitement, revitalizing, cool, extravagant,

premium Brand Resonance: Red Bull has high brandloyaltyin the global market place. Consumers have high attachment and need for the product.

The communities of extreme performers and extreme sports athletes, college students, and partiers have high loyalty.

Red Bull has high engagement with consumers, often offering deals and promotions for their events and regularly will visit a college campus or event to handout free Red Bull. It is even a popular alcohol mixer. Distribution: To ensure the quality and consistency of the point of purchase display, Red Bull employs their own delivery drivers to delivery the beverage and restocks the refrigerators. The product can be found at most convenience stores, trendy locations, and nightclubs. Brand Image: Health concerns have been an issue for Red Bull since its inception.

There was one incident in particular with, Ross Cooney, a basketball player from Ireland drunk four cans of Red Bull before playing a game and died of Sudden Arrhythmia Death Syndrome. There was never a firm conclusion that his cause of death was because of the four cans of Red Bull, but recently a consumer did die because of drinking too many Monster energy drinks.

Monster is Red Bull's leading competitor and this incident can negatively affect Red Bull even though it was a competitor's product that cause.

The all-natural and organic industry is increasing and people are looking for energy products that are natural. There are a few energy beverage companies that are in that market already and Red Bull could enter it with no problem due to their brand equity. With that said, I recommend a few brand extensions. Other companies have different types such as a coffee version or a weaker version. The different brand extensions would satisfy needs in other submarkets that exist Red Bull just has to make sure they do not confuse the consumers and target the products strategically.

Red Bull has already began releasing and testing a small variety of flavours and I believe this is a good idea because I know from reviews and first hand experience that some people do not like the smell or flavour of the original beverage. I believe Red Bull's advertising does a good job appealing to all the consumers' lifestyle stages and appeals to the broad target. I believe Red Bull is doing a good job innovating their event marketing upping the ante every time. For example the Red Bull near space jump.