

# High cost marketing campaigns of red bull orange marketing essay



**ASSIGN  
BUSTER**

We are now going to introduce Red Bull Orange energy drink as a product line extension of Red bull Drinks, we chose this orange flavour for Red Bull energy drink because majority of people don't like taste of energy drink, and almost all people use Red Bull energy drink for mental alertness and freshness.

We find out from a global survey that most favourite fruit juice in the world is orange juice, and our new product line extension in Red Bull energy drink is adding orange flavour in traditional Red Bull energy drink so that people use it as orange juice with energy and we can attract new customers globally.

All the ingredients of Red Bull energy drink will be same only addition of orange flavour will be made so that people like its sparkling orange taste and use it like a soft drink not as a medicine.

Our target market is students , people who do night shift works , drivers and every one because everyone like orange drink in daily life for freshness in all areas of world . therefore whole world is our target market and our aim is to make every single person our new Red Bull Orange consumer.

We will do free sampling of Red Bull Orange throughout the world, as we did in past for Red Bull energy drink

We will use up to date advertising mediums so that everyone will be known about our new product. We will conduct surveys and researches about our new product.

## 2) SITUATION ANALYSIS

Red Bull's first launch was in 1987. Red Bull headquarters are located in Fuschl am See, near to Salzburg, Austria

31 years ago, Dietrick Mateschitz, an international marketing director of a toothpaste German company, discovered a thailand energy drink at the time, Krating Daeng, which influenced him to create the Red Bull that is now the energy drink the most consumed around the world. It is distributed in over 130 countries and its goal is to give consumers what they want and this is to keep mental alertness and to have a better physical performance. Promotion has a great importance in the Red Bull GmbH company. They have an aggressive international campaign that contains many activities from extreme sports like Formula one race cars, break dancing, snowboarding etc. which has a great interaction with its clients. Red Bull GmbH also launched this year, their first flavor, Red bull Cola, a mix between the most recognized soft drink, Cola & the most recognized energy drink, Red Bull. Their 250 ml recyclable aluminium can is very useful and handy. The average cost per unit is approximately 2\$ but bought in bigger packages, you can have better deals. The company built a network of dedicated distribution in other words, distributors need to have different, special staff to promote their product, in this case Red Bull. The target market are both males and females in the average age from 15 to 30 years old that has less sleep then the normal average per person. Most of them are athletes, shift workers, executives, night clubbers etc. All these elements (campaigns, promotion, place, price, distribution, etc.) have a big influence in the purchase of our product which makes the sales take over 70% worldwide on the energy drink market.

According to researchers, the second best seller the business is Monster, which makes it a direct competitor to Red Bull. Their energy drink comes in a 500 ml recyclable aluminium can and it has the same 2\$ price as our product. It has the same target market and put a lot of importance in promotion but not as much as they should.

Almost every person knows Red Bull Energy drink. it is easily available in stores and people use it because of its strong brand image, good quality and effectiveness.

And now we are going to introduce Red Bull Orange and after launching this new energy drink consumer of Red Bull will be increased , its market will grow rapidly and company will make more profits within very short period of time.

## **Current Market**

current market of Red Bull is very wide almost the whole world. Red Bull is distributed in 130 countries of the world. special in the western countries every single person is our customer. because of our strong brand name and strong market we will be successful in our new product Red Bull Orange.

In our consumer it includes professionals, students, drivers, night workers , and people from almost all professions. and now with our new product Red Bull Orange we can capture most customers , people can use this as soft drink because of its Orange taste. they will love its taste and with its great orange taste they can also get freshness and alertness.

## 2. 1 Market Summery

Around 4 billion cans of Red Bull drink are consumed every year. More than 130 different countries of the world are our markets. And there are almost 7000 employees of Red Bull around the world who are responsible for the success of the company. Red Bull is capturing this huge market through an excellent marketing strategy, by conducting seminars, surveys and free sampling.

Red Bull targets young adult consumers ages 16 to 29, young urban professionals, and post-secondary school students. Red Bull created a strategic program to attract post-secondary students by providing them free cases of drink and convincing them to throw parties and also, targeting clubgoers by stocking Red Bull at the clubs. This viral campaign created a noticeable effect by boosting sales. Supported by sleek advertising, it came out with a small silver blue can to attract young urban professionals who prefer a stylish life, providing another reason to drink Red Bull, the style, as suggested by the advertisement slogan, "Red Bull Gives You Wings".

Red Bull's distribution strategy was, like all else, atypical. Instead of targeting the largest distributors with the greatest reach, Red Bull targeted small distributors who often became exclusively Red Bull distributors. They even went to the extreme of hiring teenagers / college students and giving them vans to distribute the product.

Small independent venues were also the first targets. Red Bull would find the small bars, restaurants and stores and give them a small cooler to sell the

beverage from. This was preferred rather than dealing with the demands of the larger stores, who eventually were begging to sell the product

## **2. 2SWOT ANALYSIS**

Strengths, Weaknesses, opportunities and threats are very important factors for making a strategy. Strength and weaknesses are company's internal matters it can be control by the country while Opportunities and Threats and company's external factors and these are not controllable

### **STRENGTHS**

No. 1 brand in energy drink market

Red Bull is fastest growing market share company

Strong brand name and brand image

Unique energy drink with orange flavour in the market.

Easy availability for everyone.

### **WEAKNESSES**

High-cost marketing campaigns of Red Bull Orange

Not healthy as fresh Orange juice

Not suitable for childrens

Not suitable for patients

High rates

## **OPPORTUNITIES:**

Rapidly growing market for energy drinks

Huge market size

No competition

High demand

Easily acceptable for consumers

## **THREATS:**

Threat of new entrance

Health issues

## **2.3 COMPETITION:**

### **Lucozade**

Lucozade is biggest competitor of Red Bull Orange. Lucozade covers a huge portion of market only with its fresh sparkling orange flavour. but Lucozade is not like traditional energy drinks like Red Bull , Boost , Blue Ox etc. it is just like a soft drink. and people use it like soft drink not as a traditional energy drink.

### **Ruby**

Ruby is American brand orange energy drink. they have good quality products but they don't have a huge market like Red Bull Orange therefore Red Bull Orange don't have much threat with this limited market orange energy drink

## **Monster**

Monster is 2nd largest selling energy drink after Red Bull, Therefore Monster is a strong competitor of Red Bull. but monster don't have orange flavour energy drink. But there is a threat that they will also produce their orange flavour energy drink after success of Red bull Orange.

## **Rockstar**

Rockstar is world 3rd largest selling brand in energy drink market. but as same as Monster they also don't have strong brand name to compete Red Bull Orange.

## **Pepsi Cola**

Pepsi cola is the one of the world largest soft drink selling company they have hyge market as Red Bull Orange. but Pepsi cola don't have variety in energy drinks.

## **Coca Cola**

Coca cola is world largest soft drink selling company their market is bigger then Red Bull Orange and have also have huge varieties of soft drinks and energy drinks and i think only Coca cola can compete and defete Red bull Orange if they also introduce their orange flavour drink in the market.

## **2. 4 Product Offerings**

Red Bull company is basically energy drink company and don't have huge verioty of products. Red Bull company have following products offering in energy drink market

Red Bull EnergyDrink

<https://assignbuster.com/high-cost-marketing-campaigns-of-red-bull-orange-marketing-essay/>



Red Bull Sugarfree

Red Bull Cola

Red Bull Energy Shots

These above are the only products offering by the Red Bull company . Red Bull energy drink is the traditional energy drink containing caffeine for alertness. Red Bull Sugarfree is same as Red Bull Energy Drink but containing very low fats because it is sugar free. Red Bull Cola is not like other Red Bull energy products because it don't have caffeine in it . it is traditional cola. and it is soft drink. Red Bull Energy Shots comes in both normal and sugarfree. it is basically small version of Red Bull Energy Drink having same amount of energy and this is quick and more effective.

## **2. 5 Distribution**

Red Bull is distributed in 130 countries of the world by world top distribution channels. it has strong network of retailers in the whole world, s developed and developing countries. some of the most important channelpartners being contracted are followings

Super stores

Bars

Off and on licence shops

Corner shops

Grocery shops

<https://assignbuster.com/high-cost-marketing-campaigns-of-red-bull-orange-marketing-essay/>

Airport shops

Railway station stores

Fast food shops

Cash and carry

Super markets

E. t. c

### **3) MARKETING STRATEGY:**

#### **3.1 OBJECTIVES:**

Objectives of Red Bull Orange according to the profitability of Red bull Company are followings.

##### **First**

First objective of Red Bull Orange is to capture maximum market by introducing the world new taste of energy drink

##### **Second**

Second objective is to improve our sales volume of Red Bull Orange in whole world and increasing our total sales of Red Bull Orange 3 billion per year.

##### **Third**

Third objective is to introduce more fruit flavour in energy drinks to capture fully whole market and improving our brand verioity for future generation.

**Product Quality:**

Our main objective is to give our customer excellent quality . as Red Bull is top brand in energy drink industry , we will provide same quality in our new Red Bull Orange and remain market leader for long term future.

**Product Sales:**

Our second aim and objective is to maintain and improve our sales volume of Red bull orange. we will introduce this new brand through proper marketing channels and try to distribute this worldwide through proper distributing channels.

**Product extensions:**

Our third main aim and objective is to introduce new fruit flavours in energy drinks and providing our customers huge variety of energy drinks and full fill their demands efficiently.

**3. 2 TARGET MARKETS:**

Our target market is the whole world. All the developed and developing countries of the world.

But our primary market is people of age 16-29 years old . because people in these ages use more energy drinks therefore we will try to capture students and people from different professions who are between these ages.

becasuse people in between these ages are energetic amd Red Bull Orange will provide them more energy and they can enjoy life more.

Then our next market is the people who work in late night jobs. Because they will remain refresh by using our refreshing Red Bull orange. We capture

<https://assignbuster.com/high-cost-marketing-campaigns-of-red-bull-orange-marketing-essay/>

these people because working at night jobs makes person slow down and Red Bull Orange will refresh them for the next morning tiredness.

### **3. 4 STRATEGIES:**

#### **Product**

Red Bull Orange will give u same results of world, s top brand of energy drink Red Bull. By using the strong brand name , brand logo , can shape and most important same ingridiants of Red Bull Energy drink. So Red Bull Orange will be as effective as Red Bull Energy Drink. and defiantly better tase then Red Bull Energy Drink.

Our brand logo will be “ This will give you tasty wings to fly”

#### **Pricing**

Red Bull Orange will have best quality and top brand name but we will not ask high price from our customers. as our aim is to provide best quality and to introduce new taste of energy drink to the world.

Red Bull Orange will be introduced £ 1. 10 per can for retail and £1. 00 for whole sellers. as our pricing strategy is that not to start making profit from beginning but to introduce our tasty Red bull orange product to the market and capture huge market. we use penetrating pricing strategy to capture market rapidly.

#### **Distribution**

Our distribution strategy will be intensive distribution strategy. To cover the huge market we will use all available outlets. To give the taste of our new product we will use maximum number of whole sellers , retailers and

distributors so that every person can get easily our new Red Bull Orange from anywhere.

We will use all transportation mediums as roads , trains, planes, ships to distribute our Red Bull Orange every where in the whole world

## **Marketing communications**

For marketing communication of Red Bull Orange we will do following marketing communications

We will do advertising globally through proper marketing channels as TV. Internet, website, and messaging.

We will do event sponsorship in car rally racing.

We will conduct conferences and trade shows.

we will do packaging for Red Bull orange.

## **Advertising**

We will use TV. Commercials of new Red Bull Orange globally to attract maximum customers. We will use internet, we promote our Red Bull Orange by our websie, we do emails and tell the features of new product, we do advertising on famous websites so that maximum people can be aware about Red Bull Orange. We will use mobile phone and do text messages to aur local public.

## **Event sponsorship**

We will sponsor car rally races, bike , boat races in this way we can promote our product most efficiently.

## **Conferences and tradeshows**

We will arrange conferences and tradeshows in most bussy places of big cites to promote Red Bull Orange

## **Free sampling**

We will do free sampling in different countries by doing this we will make millions of our new customers

## **3. 5 Marketing Mix**

Red Bull Orange will be introduced in august 2010, we will do some action programs to promote our Red Bull Orange. Following is 4 months program to advertise and promote our new product.

### **July**

In july 2010 we arrange trade show for dealers to educate them that how to do it by proper planning. We will give them our product review. We will train our sales persons that how to promote Red Bull Orange to the general public by telling them the main features of it. and by proper marketing planning we will make such polices that after 6 months how our brand will become famous in the world.

### **August**

In august 2010 we sponsor a car rally race and in that race we use our Red Bull Orange logos on cars , we use signboards with our brand logos and we

give winning trophy with Red Bull Orange brand name . Through this sponsor most of people get familiar with our new launch.

## **September**

In September we will start our free sampling first in local market then in different countries of the world. we will give free samples to public for try and ask them their opinion about new tasty energy drink. This step will be very helpful for us to get the public responses and to make future decisions

## **October**

In October 2010 we start advertising our new brand openly in the whole world through newspapers television, radio, bill boards, bus stops, and through leaflets.

## **November**

In November we conduct a seminar of our whole sellers and retailers to ask them public response, we offer them discount rates and resultly they will try hard to promote our Red Bull Orange in energy drink market.

## **December**

In the beginning of December our product will be quiet famous in the world and we will have enough feed backs of our customers. Then we will improve quality of our product according to our customer demand if needed.

## **January**

At 1st January 2011 we conduct new year celebration in capital cities of 130 countries which we have our big market. And that will be our biggest and

final step to promote our Red Bull Orange worldwide. And hopefully 2011 will be out with the biggest sale of Red Bull Orange in the history.

### **3. 6 MARKETING RESEARCH:**

Marketing research is very important step to get feedback from our customers. If we don't do market research then we can't check what is our customer need , want and demand . whether our customers are liking our product or not.

We have many sources for our market research about Red Bull Orange. We had secondary data of existing users to our dealers, retailers and agents . and we can collect primary data by conduction surveys, interviews e. t. c.

One of our important resources to get information is our competitors . we can check their strategies and planning that can affect us. We can get this information from their users and can make our planning better than our competitors.

We can get our customers feed back through following actions to make future decisions about our newly launched product Red Bull Orange

#### **Surveys**

We will do surveys from our customers through questioners and check their need and demands from Red bull Orange.

To know our market for future decisions we must do surveys from our customers to get clear picture of our market.



## **Interviews**

We will do interviews from our customers to get the quick and more accurate information better than the surveys. Therefore we should do such interviews continuously.

## **Research and development**

We must develop research and development department in our company and ask them to give latest information to management of Red Bull Orange which will be very helpful to make effective decisions of management of Red Bull.

## **4 Financial Matters**

Red Bull is global market leader in energy drink market. We launched our Red Bull Orange last year. Definitely every business has a breakeven point, no product can start earning from start.

Same is with our new product Red Bull Orange was in loss and below then its breakeven point.

According to financial matters total sale of Red Bull Orange is 1 billion pounds with average whole sale price £ 1.00 per can and variable cost per can is £.60 for unit sale volume of 70 millions. First year loss is up to 30 million pounds. And break even calculation shows the Red Bull Orange can generate profit after sale exceeded 85 million during Red Bull Orange Second year. And moreover our break even assume per unit whole seller revenue of £1.00 and variable cost £.60 per can and first year estimated fixed cost is 85 million pounds.

## **5 CONTROLS:**

### **5. 1 Implementations**

We don't compromise on quality of our product. We have quality control department in our company who is working hard to maintain good quality of Red Bull Orange. We focus on customer feed backs and appreciate their complaints and try our best to reduce complaint rates about our product.

We try to do best advertising of our product. We have a experienced marketing department who is doing good to promote Red Bull Orange in the energy drink market. This department is making best TV commercial aid to attract customers. And also developing amazing bill board aids.

We are calling meetings of whole sellers continuously to encourage them to increase saled volumes of product

We conduct seminars for distributors and train them to deliver product in he whole market and making availability of product everywhere.

### **Health and safety**

Red Bull Orange is providing healthy drink. And trying hard to minimize side effects of energy drink,. So that we can provide safe and healthy energy drink to our customers. therefore our energy drink is best in all perspectives, by taste, by quality, and by health nutrition.

### **Performance Measurement**

We encourage our employees by giving them good rewards and extra bonuses for their good workings. this increases the performance of employees.

We do training programs for our employees for teaching them up to date technologies . And also we measure performance of our employees .

## **5. 2 Conclusion**

Red Bull is doing good business in the energy drink marke. it has huge market spread in up to 130 countries of the world and also have huge number of its customers. Red Bull is market leader of energy drinks which is providing best quality products.

But Red bull company don't have much varieties. they should do such product line extensions to make their business more strong.