

The black box model marketing essay



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Consumer buying decision process describes the procedures when consumers to carefully evaluate the attributes of a product, brand or service and choose to purchase the products to meet a specific need. In the year 1910, Mr. Dewey introduced five stages of buying decision process which are problem or need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior.

In this case, I believe the most important person in the buying decision process is Mateshitz because he is the creator of red bull brand. Meanwhile, he did huge contribution to the evaluation of alternatives for successfully met customers' two needs: The pursuit of fashion elements and need energy after exercise because Red bull was fashion enough for it is carbonated and it can supply energy after exercise or high intensity work, recuperating energy quickly and drinkers could maintain a sober mind. Another factor is that he gave Red Bull drinks a totally new brand belief: sell red bull as an ultra-premium drinks in a category all its own by making it far-and-away the most expensive. As for the post-purchase behavior, he let the Red Bull drinks not only just a simple beverage, but also is synonymous with some extreme sports and many exclusive sports (e. g. red bull flugtag). The result of all the efforts is to let a lot of people who love extreme sports become big fans of the Red Bull drinks, also greatly increased the sense of satisfaction just after purchase a bottle of Red Bull drinks.

Another man is Johannes Kastner. He designed the Red Bull logo: blue-and-silver can emblazoned with two muscular bulls and slogan " gives you wings" which still used today. Consumers gain that information from Red Bull packaging and can also see it on TV, internet and other medias.

As for another largest shareholder Yoovidhya, because he is the creator of red bull energy drink and he finished Red Bull initial market positioning-Blue-collar workers, shift workers and truck drivers to help them to stay awake when staying up all night working in the year 1962, from this point, he is important to the buying decision process for the contribution to stage 1 Problem/Need Recognition.

A simple form can summarize the above ideas:

Five Stages of the Buying Decision Process

Who is important among five stages

Problem/Need Recognition

Yoovidhya

Information Search

Kastner

Evaluation of alternatives

Mateshitz

Purchase decision

Yoovidhya, Kastner^{1/4} Mateshitz

Post-purchase behavior

Mateshitz

The marketing communication for red bull can be divided into three parts: advertising and public awareness, public relations and sales promotion. Because Mateshitz developed red bull as both energy drinks and extreme sports brands, which means he let more people know about red bull and in the same time he created so many opportunities for the Red Bull's advertising and trademark appeared on major sporting events like the world's top racing F1. through all the strategies he made, red bull GmbH established its own Promotional channels, public relations and sales promotion were also improved under the influence of his multi-market strategy, so I hold the opinion that he is the most important one of creating marketing communication for red bull.

Of course, it is impossible to make Red Bull have so much success by only virtue of his own efforts. As we can see through this case, Yoovidhya created red bull formula and he is the founder of all these achievements while Kastner designed logo and slogan still in use today. Both of them made a great contribution in advertising, public relations on marketing communications.

In order to make our point of view clearer to understand, we should use another form.

An integral parts of the marketing communications

Who is important among those parts

advertising and public awareness

Mateshitz, Yoovidhya, Kastner

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public relations

Mateshitz, Yoovidhya, Kastner

sales promotion

Mateshitz

When people evaluate a kind of energy drinks, a lot of standards could on the list, and we are going to compare three of them: taste, functions and price.

Taste, as we all know it, could be the most important standard of consumers to evaluate beverages because drinks are for drinking and the taste is the first direct contact between consumers and products.

Although the requirements of different consumers for tastes are not the same, most people are able to have a clear definition for “tasty” and “taste bad.” The problem is when people think two drinks are all acceptable on tastes; it is very difficult to say which one is much better for the absence of a quantitative standard. We can find some words like “drink its energy drink it smells like cranberries and it tastes like sour cranberries, and they all carbonated beverage” as evaluation of taste on the internet for both Red Bull and Gatorade (A brand of sports-themed beverage manufactured by Pepsi).

So, according to the above reasons, consumers do not have a unified standard for taste in the choice of alternative beverages of the Red Bull drinks. In other words, when tastes for Red Bull and its main competitors’

products (Gatorade, Vitamin, Pocari Sweat etc.) reach to a level that most consumers can accept, they tend to pay more attention to other aspects.

The main reason for consumers to buy energy drinks is they want to replenish their energy. Here, we selected the Red Bull drinks for Red Bull, the Powerade from the Coca-Cola Company, and PepsiCo's Gatorade to compare. We can see their nutrition facts by follow pictures:

D: red bullred-bull-nutritional-facts. jpgD: red bulllabelL380761. gif

After comparative analysis, those three drinks all contain many of the same nutrients like calories, sodium, carb and vitamins. A characteristic of Red Bull is caffeine contained, while other two drinks can provide more energy per bottle. D: red bull533752_f520. jpg

We all know that caffeine is a central nervous system stimulant, and when other factors were ignored, if consumers want to increase excitement immediately after sports, they are more likely to choose the Red Bull. If consumers would like to renew large amounts of water and energy substances, they may choose other Substitute Goods like Gatorade and Powerade.

Like the comparison for taste, it is difficult to conclude consumer standard for alternative energy drinks just based on one factor, which means concluded by the univariate analysis is not completely accurate.

As for the price, we can see them as follows

Products

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Price

price/100ml

Red bull

1. 79 (330ml)

1. 58 (335ml)

1. 99 (473ml)

0. 542

0. 445

0. 541

Gatorade

1. 35(01 prime, 118ml)

1. 5 (02 prime, 133ml)

1. 65 (03 prime, 500ml)

1. 14

1. 12

0. 33

Powerade

1. 08(ION4, 500ml)

1. 08(ZERO, 500ml)

0. 22

0. 22

Price comparison result shows that if consumers pay more attention to the price, then they would make a choice to Gatorade or Powerade.

Like we said above, if consumers' demand for marginal price within a certain price range is very small, means that when the price is higher or lower than an expectation, consumers will no longer be concerned on the level of prices. At that time, it is really hard to judge consumers' choice by price gap between Red bull drinks and its alternative products.

Here, we can simply summarize consumer choice tendency for Red bull and its alternatives. In univariate analysis, consumers would choose products which are tastier, recover fast after exercise, and cheaper. But the situation becomes very complicated if using multivariate analysis because price, taste, functions, advertising, marketing, and other factors will impact on the selection criteria of the consumers.

We all know that Red Bull has described its target market as post-modern hedonistic group. According to Arias (2001) those people can be described as intrepid, adventurous, and do not want to follow the traditions. Red Bull's market strategy and marketing always have some social impacts on their

behaviors. Here, we would like to use black box model to analysis those influences.

The Black Box Model

According to Black Box Model, the Red Bull' social influence is reflected in the environmental aspects, and due to there are a lot of sub-factors in the environmental one; we need to choose some of them to analysis.

Promotion is the one of the most important one in marketing stimuli for the reason almost all of the Red Bull events and competitions have promotional nature. To the customers in post-modern hedonistic group, they like those fashion and funny activities and competitions, they are more likely to purchase Red Bull's products after taking part in them or just watching them through TVs and internet.

The second one is culture in environmental factors. Consumers have their own habits or culture; however, for this group we can still find something in common. Most consumers in the post-modern hedonistic group like playing sports, they prefer highly thrilling sports and do not always follow traditional ideas. The influence for Red Bull on their social impacts is to make them more love sports, and more concerned about the Red Bull competitions. Finally, their buyer's response would be affected by those activities.

Customers will identify with the Red Bull brand and become Red Bull fans, of course they would choose Red Bull products and brand in a large extent.

Just as the case says that the core pillar of Red Bull's marketing campaign is they always claim that Red Bull drinks can improve athletic performance.

From the inception of the Red Bull, this has been its core competitiveness. In order to increase it in the sports market, Red Bull can be said to be resorted to every means, also had a significant impact on the customers' purchase decision. Again, we use the 5 steps in buying habits to discuss the potential benefits of sports marketing as a tool in the consumer decision making process.

Need Recognition is the first step for this process. We all know that after a lot of exercise, people need to replenish energy and water; this raises the need for energy drinks. Red Bull aimed at the sports market thus can own the largest customer groups (athletes, sports enthusiasts, etc.) On the other hand, this decision also brought some negative impacts like over-concentration of the customer group increases the potential risk. But in my opinion, concentrated customer group makes publicity and advertising play better if the risk is under control.

The second one for the consumer decision making process is Information search. Red Bull's sponsorship of the sports market and organizes competitions like Red Bull Flugtag event give consumers a strong signal: we do the best job in the sports market not only our product and sell drinks but also expand our brand influence and held competitions. In other words, when customers want to buy energy drinks in a shop they have a great chance to buy Red Bull drinks, because Red Bull in the sports market gives them too much information, more specific, Red Bull's visibility in the sports market was improved by advertising, sponsorship and competitions and almost everyone in this market know it. This is the advantage for concentration of customer groups.

Evaluation of alternatives is the third step. We understand that Red Bull is not the only company which provides energy drinks. As we mentioned above, Powerade, Gatorade and other drinks with Red Bull in the market has already formed a strong competition with it and it's very difficult to judge customers would buy Red Bull rather than other alternatives simply according to taste or price gap. But when other factors added to the choice of alternatives, Red Bull drinks has a great advantage in the sports market for its advertising, sponsorship and competitions. Red Bull large numbers of inputs on the sports the market makes consumers have more tendencies to Red Bull products in the choice of energy drinks. We still want to emphasize is although Red Bull use sports marketing as a tool in the consumer decision making process could bring a lot of potential and current customers but this is not absolute, because other companies also own propaganda tool in the sports market.

After consumers' evaluation of alternatives, they would like to purchase the products they decided. Red Bull use sports marketing as a method to improve the brand images and popularity makes people have more change to buy its products. We do not want to talk too much because Purchase Decision is the extending of the evaluation.

In addition to drink Red Bull drinks after buying, what would you do else? Research showed that most of the satisfied buyers would concern the background and culture more or less after purchasing products. In the last step of consumer decision making process, Red Bull's sporting marketing strategy makes it have more opportunity to contact consumers. If consumers are satisfied after consumption, they would pay more attention to the Red

Bull advertising, competitions and so on. This phenomenon letting Red Bull even more famous in the market, at the same time, the advertising effect will be better. The two-way interaction can be showed as below

Red Bull's marketing strategy, advertising, sponsorship and competitions

Satisfied customers

Initiative to watch and know

Let more customers satisfice

Improve product awareness

In the article, we analyze the impact of three key figures on consumer purchasing decisions and marketing communication.

At the same time, we analyzed potential choice criteria used by consumers (taste, price, nutrients factors). Please always remember univariate analysis has significant limitations, because consumer purchases decisions was influenced by a variety of factors. In addition to the above three points, advertising, marketing, market strategy also play a significant role in it.

As for the third question we use the famous Black Box model to figure social influence to Red Bull's target market. We selected promotion and culture factors to show this kind of influence, the result showed us that people in the post-modern hedonistic group would more likely to purchase Red Bull's products and services because they are deeply impacted by the promotion methods and culture atmosphere created by Red Bull.

For the last part, we still use Five Stages model to discuss the potential benefits. Red Bull's sports marketing strategy is very smart for the reasons not only enhanced the core competitiveness of the products, but also narrowed the scope of advertising propaganda and made AD play a better role. But we need to remember is that this is not an absolute way, because other competitors can follow and copy its marketing model. Red Bull has a long way to go in order to do it better.