

Red bull marketing assignment assignment

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Dissertation Proposal: The detailed exploration of the global energy drinks market with a primary focus on the marketing strategies of Red Bull.

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The detailed exploration of the global energy drinks market with primary focus on the marketing strategies of Red Bull. Rationale for Study

Introduction The main aim of this dissertation is to give an extensive report of how Red Bull became and maintained their market leader status through their various marketing strategies. It will also explore the energy drinks market as well as the soft drinks market with a primary focus on the company Red Bull. I will also detail consumer behaviours and buying patterns by doing primary research such as an online survey.

This will then build on the secondary data about Red Bull and its marketing strategies as well as concepts from the academic literature about components and strategy. I will be researching this area as it is an extremely competitive market with good levels of growth. Red Bull as a company owe their success to the marketing strategies used to communicate with their target customer base and not on the quality of the product inside the can. ' Red Bull would never have made it out of the initial testing stage. Despite this, Red Bull has built a strong brand by communicating the product's functionality through their marketing. For this reason focusing on Red Bull <https://assignbuster.com/red-bull-marketingassignment-assignment-essay-samples/>

appealed to me as I find it fascinating that a company whose product doesn't perform well at the blind taste test stage can still out perform their competitors on the global and domestic stages. Research Question Why and how has Red Bull maintained its status as the industry leader in the energy drink market and what strategies has Red Bull employed to consolidate its position? Significance The energy drink market is a constantly evolving and dynamic market with high levels of competition and low barriers to entry.

It is also a market that is experience good levels of growth worldwide that are expected to continue. ' More than \$40 billion sales of sports and energy drinks were recorded in 2010. The global sports and energy drinks market volume is estimated to grow at a CAGR (compound annual growth rate) of more than 3% every year. The value of the market was more than \$38 billion and is expected to cross the \$52 billion by 2016. The largest share was contributed by North America with over 37%; followed by Asia-Pacific with over 30%. Europe is expected to show a rapid growth amongst the geographies.

Several markets are dominated by regional players but " Red Bull" and " Gatorade" are the undisputed market leaders in the energy and sports drinks respectively. The global market for sports and energy drinks is expected to cross \$52 billion in value and 13 billion litres in volume by 2016. '

Background The first ' energy drink' was released by a Thai company called Taisho Pharmaceutical in 1962 and went by the name Lipovitan D. This product was the inspiration behind the Red Bull product created by Dietrich Mateschitz in 1984. Dietrich Mateschitz fine-tuned the product, developed a

unique marketing concept and in 1987, started selling Red Bull Energy Drink on the Austrian market. This was not only the launch of a completely new product, in fact it was the birth of a totally new product category. ' In 1992 Red Bull commissioned their first advertising campaign, it was created by a company called ' Kastner ; Partners and established the beginning of the Red Bull cartoon campaign strategy: a well-known character, event or subject, to which a broad audience can relate, is found in a " larger than life" story with an unexpected twist. By this point Red Bull was still not available in lucrative markets such as Germany, the UK and the USA. In 1994 the authorisation of Germany was granted. The UK followed in 95 and USA in 97; 10 years since it was first available. Today Red Bull has annual sales of approx. 4 billion cans in more than 160 countries. Aim and Objectives My objectives are: * To understand how and why Red Bull became the market leader. * To analyse the marketing strategies employed by Red Bull from emergence to present. * How the strategies employed by Red Bull affect consumer behaviour.

The main aim of this dissertation is to gain a deep understanding of why Red Bull markets their product in the way that they do. I aim to be able to draw a detailed conclusion back up with evidence as to how I think they should market their product in future in an ever evolving market. Literature Review I will be using a number of different sources in order to gain a good understanding of my dissertation subject for different angles and perspectives. My primary source of information will be extracted from Academic journals as well as strategic marketing books.

I will also use websites such as the official Red Bull site as it offers information about the company's adverts and history. For statistical information I will use the Mintel report service and then tie in the information with my other areas of research. Journals Journal of marketing management volume 27, issues 7-8 July 2011. Demystifying customer brand engagement: Exploring the loyalty nexus. The article: Demystifying customer brand engagement: Exploring the loyalty nexus talks about how companies can build a brand loyalty and how consumers buying patterns are affected by this brand nexus.

It offers an up to date source of information regarding this important subject that is a key part of Red Bulls business strategy and will allow me to investigate the subject further. One of the weaknesses regarding the journal and article in question is its length. I will find further material exploring this subject to gain a deeper understanding from more than one perspective.

Journal of marketing management volume 26, issues 11-12 October 2010. Do brand names in a foreign language lead to different brand perceptions?

This article is very relevant to my dissertation topic as Red Bull is a global company spanning 160 different countries and many different cultures. In the west red Bull is associated with the 'cool' factor but this is a huge contrast to how it is perceived in countries such as Thailand where it is considered a 'poor mans' drink used to keep factory workers stimulated throughout the day. Due to these different perception on different countries this article will help me understand how the name Red Bull is perceived in different countries around the world. Books Nigel Piercy (2008).

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Market-Led Strategic Change: Transforming the Process of Going to Market.

Market-Led Strategic Change: Transforming the Process of Going to Market is an extremely well known and trusted to guide on how to market a company well. It has very well written and easy to understand concepts that I will be able to relate to my dissertation topic and give me a much more thorough understanding of the questions that I am trying to answer. Peter Doyle, Philip Stern (2006). Marketing management and strategy. 4th ed. Marketing management and strategy provides excellent theories and case studies in an accessible way. As with one of my other pieces of literature: Market-Led Strategic Change: Transforming the Process of Going to Market it will give me relevant research and case studies closely relate to my dissertation topic and enable me to give a more accurate and detailed analysis of Red Bull marketing strategies. The book in question has evolved through it editions and very relevant in today's modern business environment . Websites [www. redbull. com](http://www.redbull.com) www. redbull. com is an excellent source of information regarding company history and promotional campaigns.

It has a year by year history of Red Bull starting from the year of creation up to the present with added detail at key moments. It also has a large amount of information about the promotion aspect of things including videos and interviews. The website will enable me to judge what direction the company is heading in regarding promotions and sponsorships. As [redbull. com](http://redbull.com) is the companies official homepage it will clearly not offer a non-biased view of things and may be misleading at points. Reports Mintel reports: Sports and Energy Drinks – UK – September 2011, Jonny Forsyth, Senior Drinks Analyst [www. mintel. om](http://www.mintel.com) offers global insights into consumer behaviour, product <https://assignbuster.com/red-bull-marketingassignment-assignment-essay-samples/>

innovation and competitive marketing strategies. It has past and present studies and reports closely linked to my dissertation topic and will be an invaluable source of market information as well as expert analysis.

Methodology As mentioned previously I will be gathering my research from both primary research and secondary sources. For my primary research I will be contacting managers from the marketing team within the Red Bull company and asking questions relating to my dissertation topic such as why they employ the strategies that they do and how effective they believe they are.

If possible I would like to meet these managers in person in order to help me gain a deeper understanding of their answers. I feel that this will be a good avenue to go down as it is gathering information from the source, from people with extensive knowledge in relation to my dissertation topic. One weakness with this is that Red Bull is a huge company and receives thousands of requests similar in nature. To overcome this will be persistent and polite and use all available channels of communication to try and organise a meeting or an interview by e-mail.

Another aspect of my primary research will be by creating an online survey asking how consumers of Red Bull perceive the product, what they like about it and what they would change. Surveys are good means of gathering information about consumer wants and needs as it allows the consumer to describe their feelings towards the product and strategies directly. This information combined with my secondary research about marketing strategies will enable me to gain a detailed understanding of why Red Bull

use the strategies that have done in the past and what possible strategies they should employ in the future.

I will use Red Bulls YouTube channel to research into their advertising campaigns and product promotion. They have hundreds of videos uploaded onto their channel promoting their sponsorship of different sports, music and art events from around the world. I will analyse these campaigns and relate my finding to my primary and secondary data, drawing a conclusion about why they promote in this manner, how consumer react to these campaigns and the effect it has on brand image. As I research further into the subject I can then re-assess my previous research and hand pick what I feel is best suited to answering and explaining my dissertation topic.

To help me focus and stay disciplined on my dissertation I have created a Gantt chart. This will enable to organise my time and complete sections of my dissertation on schedule. Without this tool I feel that I could quite easily let the workload snowball into an unmanageable amount and spiral out of control. My Gantt chart is located at the end of my proposal. Limitations I expect there to be a number of limitations with regards to my dissertation. One of the main limitations that I predict is a difficulty in gather substantial and high quality primary evidence.

Red Bull being the huge company that they are will be extremely difficult to pin down for an interview. I have already tried to contact managers at Red Bull and received an email stating that they are extremely busy and will be unable to answer specific questions. Instead they sent me a marketing booklet which did prove extremely useful but was not what I was after.

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Another limitation to my dissertation that I have struggled with is finding statistical information for the company's history.

I have been able find certain information for certain years but cannot locate a full set of data relevant to Red Bull's marketing information. Timetable of

dissertation Task| Start Date| Duration (days)| End Date| Literature Review|

21/10/2011| 50| 10/12/2011| Research Methods| 23/10/2011| 30|

22/11/2011| Gathering Data| 25/11/2011| 90| 23/02/2012| Analysis|

25/01/2012| 60| 25/03/2012| Writing the Report| 15/02/2012| 55|

10/04/2012| Review| 25/03/2012| 15| 09/04/2012| Submission| 11/04/2012|

1| 12/04/2012| | | | Bibliography Websites <http://www.mecmanchester.co.uk/blog/exploring-value-new-research-methods.tml>

www.prnewswire.com/news-releases/marketsandmarkets-global-sports-and-energy-drinks-market-is-expected-to-reach-52-billion-by-2016-132305493.html

www.taisho.co.jp/lipovitan/museum/history/index.html

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