

Red bull market essay sample

[Business](#), [Branding](#)



Red bull entered the US market in 1997 because it was a politically stable developed country. The company used a “cell” approach to divide the key markets into geographic segments rather than attempting a nationwide launch. The company’s first test market was Santa Cruz, a beachside town that was known for its active lifestyle through skateboarding and surfing and the University of California Santa Cruz. The target population in Santa Cruz represented a good audience for the product as they were mostly sport enthusiasts and university students. From Santa Cruz, Red Bull moved into the nearby urban market of San Francisco, and then to Venice Beach, a trendy beachside city near in Los Angeles. brand in Maryland, New Jersey, New York, Pennsylvania, and Virginia.

When Red Bull entered a cell, it initially targeted high-end nightclubs, bars, plus exclusive health clubs and gyms in order to reach the trendy and active consumers. Like it had done in Europe, Red Bull gradually increased distribution to include downmarket bars and clubs, restaurants, convenience stores, and grocery chains. On college campuses, Red Bull recruited student brand managers to organize on-campus promotions such as renting out study rooms during finals week and stocking them with free cans of Red Bull and school supplies. Because the drinking age in the United States was much higher than in most other European countries, the college marketing events in the states never had an alcohol link.

Red Bull also implemented its sampling program, using Red Bull branded trucks and cars and teams of “consumer educators” that worked on a street level to promote the brand. Red Bull gradually expanded its distribution eastward in 1999, moving first into Texas and then to mountain resorts in

the Rocky Mountains. After establishing seeding programs in the Midwest and Chicago area, Red Bull moved into the East coast and Florida in 2000. Red Bull's growth in the American market outpaced the company's expectations. In 2000, the company achieved sales of 108 million cans, well above the 80 million can target. That year, the company's U. S. market share stood at 65 percent.

Red Bull North America, Inc. (RBNA) has been giving wings to US consumers since 1997. Based in Santa Monica, California, RBNA operates as a subsidiary of Red Bull GmbH, responsible for all sales and marketing activities related to Red Bull Energy Drinks across the United States and Canada.

Since the introduction of Red bull in the US there have been many competitors in the energy drink market. Some of them came from established brands like Coca-Cola and pepsi, while others from upstarts like Monster Energy drinks. Hansen Natural Corporation introduced the Monster brand in April 2002 as a direct competitor to Red Bull. Monter's ingredients were similar to Red Bull's but it can in a 16 ounce can, which meant twice the amount of energy drink liquid for roughly the same price as a can of Red Bull.

Founded in 1998 by Russell Weiner, Rockstar launched into what was the fastest-growing segment of the U. S. beverage market at the time, energy drinks. In addition to featuring different ingredients, which it claimed were "scientifically formulated to speed the recovery time of those who lead active and exhausting lifestyles—from athletes to rock stars," Rockstar sought to differentiate itself from the market leader, Red Bull, by using a 16 oz can size

as opposed to Red Bull's 8 oz can, and by marketing itself as "twice the size of Red Bull for the same price" (Rockstar wikipedia)

In extreme sports today the most visible sponsor is Red bull. The sport and company go hand in hand. Red bull and its association with extreme sports has given the company a "cool" image to young people. The brand's influence in extreme sports includes windsurfing, cliff diving, rock-climbing, Formula One, and even its own NASCAR racing team. The phenomenon of sponsoring a sports team isn't a new thing.

Coca-Cola started sport sponsorship in 1928 by being the first ever sponsor of that year's Olympic Games in Amsterdam. Coca Cola's sponsorship in sports, as well as its unique advertising campaigns around the world in which the ad that is shown in America is shown ubiquitously, has made it a brand found virtually everywhere. What made Red bull gain so much influence in the sporting scene was that they stuck to a niche, extreme sports, which gave the brand a greater association with the exciting and interesting side of life and that is something young people tend to gravitate to. (<http://bleacherreport.com/articles/34513-red-bull-influence-in-sports-what-makes-it-unique>)