

Red bull case : digital marketing assignment

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While traveling In Asia, the outtran business man and former marketing
manager of Procter & Gamble Dietrich Mathematics discovered the " tonic
drinks" used by truck drivers and factory workers to stay awake and alert
during their shifts.

He immediately saw an opportunity to market those functional drinks outside
Asia. Mathematics approached the manufacturers of the drink, bought the
foreign licensing rights in exchange for a 51 % stake in his company, and
launched the drink in Austria. That's how the Red Bull company was founded
in 1984. The drink was sold exclusively in Austria for five years and then
spread into neighboring countries like Hungary and Slovenia, followed by
Germany and Switzerland. It invaded the united States and Canada In 1997,
and was authorized in France very recently.

A closer look at Red Bulls strategy 2 roof is not really determined by a
demographic, but by a " state of mind". Red Bull consumers want to be
physically and mentally fit and wide awake. It can be young executives who
want to face a more and more dynamic and demanding way of life. Or it can
be teenagers who want to try new alcoholic mix, and be able to stay awake
and to dance all night long. At least, it could be sportsmen who want to
improve their performance, increase their physical endurance and boost
their energy.

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These people are very hard to seduce because there are many brands competing on the market. Figure 1 - Examples of competitive products The positioning of Red Bull is : It is the first stimulation drink, for both mind and body, to be used at any time, anywhere, by anyone, not only as a thirst-quencher but also as a cure against tiredness. To build its brand equity, Red Bull developed an eye-catching logo : two bulls and a yellow sun, and an effective, " Red Bull gives you wings". Red Bull's brand equity is mainly based on word of mouth, which gives the product a mystical image.

Due to this strategy and the WOOOF strategy that build a very strong brand awareness, the brand has a really strong " affect" with the customer, which leads to a bunch of rumors, good and bad ones. The strategy Red Bull adopted is totally unusual. They did not use traditional informative or persuasive communications and it restricted the drinks supply. Red Bull used " buzz marketing" and Moral marketing". The company has divided the U. S. into eight decentralized sales units, each of which is handled on a city-by-city basis.

Each unit creates distribution, makes sales calls and develops targeted marketing plans. Their mission is to find out where the target hangs out and what interests them. It's their job to get the message out to the right clubs and at the right events. Their entry strategy is to seed happening places such as shops, clubs, bars and stores. They focus initially on opinion leaders who obtain positive direct experience with the brand. Once word of mouth has created a buzz about the product, they then widen distribution to areas surrounding the " in" spots.

Markus Pickier, vice-strategic planning, Red Bull North America said " We go to on-premise accounts [vs.. Retailers] first, because the product gets a lot of visibility and attention. It goes faster to deal with individual accounts, not big chains and their authorization process. Employs teams of " consumer educators," who distribute free samples in the street. Bull created and cultivated its brand image by sponsoring extreme and adventure- related sports, such as freestyle, B. A. S. E Jumping, snowboard, mountain hiking or more recently Formula 1 .

The company underwrites a number of extreme sports competitions and sponsors about three dozen athletes from alternative sports. In the antithesis of any major's marketing plan, Red Bull buys traditional advertising last. Only when a market is deemed mature does the company begin a media push. The idea is to reinforce, not introduce, the brand. " Media is not a tool that we use to establish the market," said up-marketing David Rowdy. " It is a critical part. It's just later in the development. Red Bull's marketing strategy Contrary to traditional advertising practice, Red bull only advertises after it believes a local market is maturing. Instead of traditional advertising, Red Bull relied on a strategy of word-of-mouth or " buzz" marketing. Red Bull focused on creating a buzz through various stealth marketing techniques, playing on associations with energy, danger and youth culture, carefully cultivating its mystique image. Mathematics invested 35% of turnover in marketing and sponsorship in events.

In his words, " we don't bring the product to the people, we bring people to the product. We make it available and those who love our style come to us," adding, " Red Bull isn't a drink, it's a way of life. " The above the line <https://assignbuster.com/red-bull-case-digital-marketing-assignment/>

communication: Red Bull gives you wings. The aim of their advertising campaigns is to reflect the brand personality: Cheeky, witty, self-ironic, unpredictable and unique. Opinion leader marketing: Opinion Leaders, especially in the sport and cultural area, are a perfect target group for Red Bull. Red Bull develops relationships with them and treats them like friends.

Red Bull worldwide has over 250 agreements with top athletes, but not one written contract. Event marketing: Red Bull's event marketing also covers both areas, sports and culture, through a variety of events like Fluting, Crashed Ice, X-Fighters, Creative Contest, Music Academy, and many more. Red Bull doesn't sponsor events, Red Bull creates, organizes and supports new, innovative and image. Through its sponsorship of youth culture and extreme sports events, Red Bull developed a cult following among marketing-wary Generation Y-ers, (18- to 29-year olds) who perceived it as an anti- brand.

While it was marketed as a sports drink, it was mostly sold in clubs and bars. Sampling Sampling is done by highly motivated and well educated employees of Red Bull and not " professional" promotion teams. Their briefing is simple: Find tired and exhausted people. They do it in a charming, non offensive way. All we give them is the product, a free range of clothes and a tiny, but very attractive sampling car. As their core target is very young, Red Bull needed to secure a huge presence on the Internet, which is by far the media that young people use the most.

With their word- of-mouth based strategy and their buzz marketing, it was quite obvious that Internet was going to become a very powerful tool for Red

Bull. They are aware of the fact that Internet has brought people together and allowed everyone to be connected no matter where they live. Thanks to the new social and digital age, people can share their experiences and knowledge through the building of social networks and communities. Red Bull's online marketing strategy is very cohesive to their overall marketing strategy. It is based on word-of-mouth and creating a buzz around the brand.

Whether it be with sport, music or culture, Red Bull offers long-term content that the consumer will enjoy so they can talk about the brand on blogs for example and tell their friends about it. Rather than focusing on selling millions of cans, they just prefer creating a universe that people will love, most of the time through effective storytelling. As I said before, Red Bull's marketing strategy involves a lot of event organization round the world. Red Bull takes the excitement of being in the event and delivering it to people across communication, and most of that is done by digital communication.

In fact, 50% of Red Bull's communication budget is dedicated to digital media. Backbone has a presence on many of social platforms, including Backbone, Twitter, Namespace. Yet Red Bull is aware that it is no longer enough to have a fan page on backbone for example, not only because a large majority of companies have one as well, but also because people get bored very easily and their attention is becoming more and more difficult to catch. Red Bull understands this issue and offers a lot more than mere online product promotion. They provide their consumers with meaningful content.

Each event organized and sponsored by Red Bull has its own website (for example, [www. Redistributable. Com](http://www.Redistributable.Com)) They offer a number of short pieces of

content, such as videos of the previous events, content about the riders, the tricks, behind-the-scenes, parties, etc. Those pieces of content are also displayed in social platforms, Namespace playing generally a role of a hub where all of the content comes together . This is how Red Bull started to build their fan community. It enables Red Bull to create a number of access points that the consumers discover, experience the content and get involved into Red Bull's world.

On backbone or Namespace, the one of the most popular pages with over 2 400 000 fans. It is tailored to the consumers' wants and needs. They don't advertise their product directly, they don't even bother giving details about the accompany vision and mission, leaving only a very short description at the bottom of the page. On the other hand, they offer some entertaining, simple yet addicting games that consumers enjoy, such as the Red Bull Air Race game. Some others fun applications are available on Backbone, such as Red Bull Roustabout, which is an online version of the old game " Rock Paper Scissors".

Bart Johnston, Interactive Director of Archival which developed the application said " We wanted to create a viral application for Backbone Platform that was fun and playful. We think people will ask their friends to install it because it's a really interesting way of saying What's up? To your buddy. " 3 Figure 2 - Red Bull's official fan page on Backbone Video content is a good way to start but it does not necessarily create engagement, which is Red Bull's main objective. Therefore they found other ways to entertain their customers. For instance ' phone and ' pod touch users, they developed applications and games.

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Understanding their consumers is a major concern for Red Bull so they knew about their extensive use of chatting platforms such as ms. They also knew that Ms users tend to be on ms while watching TV, so they are working to get them engaging with it so they could then play, talk, share it with their friends while watching TV programs. Therefore they created a game on ms, that could be shared n backbone as well (that way content remains cohesive). This is a really effective way for Red Bull to get their consumers involved and active in the community.

Figure 3 - Red Bull's ' phone games Taking one step further, Red Bull initiated in 2009 a new project called Red Bull reporter 4. It gives the opportunity to anyone to become a Red Bull reporter, and start working for Red Bull as a writer, photographer, filmmaker or presenter. The consumer has complete control on the creation and sharing of the content. As Red Bull has hundreds of events going on all over the world. It can be huge event that attract over 50000 people on the event site like the Red Bull flagstuffs, but it can also be smaller events like the mascara pit stop in Time Square, or the Donkey cross in Greece.

Red Bull is trying to leverage these projects by sending their reporters to these small events so they could write reports, do presentations, videos, and finally come back and submit them on the website. This time it is not Red Bull that creates the content but the consumers themselves and they are in total control of it. They are responsible for sharing it and spreading it. Again for Red Bull it is all about engaging them to greater collaboration.

Figure 4 - Red Bull reporter Another example of the content creation process, even more engaging than Red Bull Reporter, would be the Red Bull Bedroom Jam 5, because with this project consumers become the content that is celebrated and discussed. Teen bands submit their music and their peers would vote and Judge which one they think are the best bands. The selected bands get to have a stage set up in their bedrooms by Red Bull, and it gets streamed live across the Internet. A chatting functionality allows people to interact with each other and tell everyone about the bands they like the most for example.

The consumer is at the heart of the project. Red Bull steps back and only plays the role of a facilitator. The consumers are the real star, not Red Bull, which is an important point of Red Bull's online marketing strategy. Figure 5 - Red Bull Bedroom Jam Another key point for Red Bull is to cross the boundaries between the digital world and the real world, and treat them both the same way. Red Bull racing for charity was originally created to take Formula 1 from its very exclusive format and make it a more inclusive one, getting people really closer to that world.

Red Bull created an inline community where fans could choose a space for their photo on the car that was driven at Siltstone by David Calculator and Mark Webber, chat with people around them, sometimes even celebrities. This resulted in a very unique decoration on the car and raised money for charity. Still trying to get people closer to the world of formula 1, Red Bull created content through Twitter and an Phone application called Redouble Flaps, that allows people to have a direct info from the FI paddock, with little stories and anecdotes that come directly from the inside. Figure 6 - David
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Calculator's car at Siltstone Creating all those tools, platforms and content allows Red Bull to make the consumer forget that their primary and ultimate goal is to sell energy drink cans. It is all about getting commitment from their customers, trying to engage and excite consumers about the brand by being part of their world and contributing to their world in a way that it does not feel false or fake. Internet could have contributed to harm Red Bull's brand image by spreading all sorts of rumors about the energy drink.

One of the rumors that has been circulating for a while says that Red Bull's secret ingredient is bull's testicles. Another states that it is "liquid vicarage" and that someone overdosed from the drink because it has drugs in it.

Obviously all these rumors are false and they could have been really bad little attention to those rumors, remained silent and let the rumor spread.

There is only a FAQ section in the main website confirming that all those rumors are false. This lack of communication contributed to fueling the buzz around the brand, creating Red Bull's mystique and building their fan's community all over the web.

Red Bull doesn't really innovate through its products - it doesn't launch new products all the time, instead it innovates through its marketing. Hence, they created Red Bull Media House, which conducts all the media and public relations work, and that is responsible for the launching of other platforms such as Red Bull magazine, Red Bull mobile (which for now is only available in Austria, Switzerland and Germany), or Red Bull TV. As it becomes a bigger part of the consumers lives, Red Bull's marketing actually becomes their product.

We saw how Red Bull leverage social media to market their products by provide their customers with meaningful content. Sometimes, they tend to be a little too aggressive by doing what is called ambush marketing. Ambush marketing occurs when a brand pays to become the official sponsor of an event and another brand tries to connect itself to the same event, without paying the sponsorship fee and without breaking any laws. Nike used such methods a lot to gain some visibility on sport events that were officially sponsored by their main competitors Reebok and Aids.

At the 1992 summer Olympics in Barcelona, Nike sponsored press conferences with the US basketball team despite Reebok being the official sponsor. During the last Olympic Games in Vancouver, Red Bull also did some online ambush marketing. Red Bull posted some items to encourage their athletes on Twitter and Facebook, even though they weren't officially sponsoring the event. By doing that they were violating the Olympic rules, which say that advertiser who don't pay for an official sponsorship cannot associate their names with the games or the athletes during the events or the weeks surrounding them. We're rooting for you @Landslide's @Shawn_White @Greenbrier and @Treadles in the 2010 Winter #mystics! " Red Bull removed all Olympic-related Twitter posts, but argued that " the dynamic and nonuser-driven nature" of social media make it tricky to " stay within guidelines as they are defined. " 9 How can Red Bull do even better? Red Bull's use of Internet and social media is very innovative. It differs from most companies' strategy in the sense that it really involves the customer in the content creation and sharing process.

It engages the customer and get them closer to the brand. Red Bull's online marketing strategy is also very cohesive, every tool they used access to content on Twitter, Namespace and Backbone simultaneously. In my opinion, Red Bull is already one of the best examples of successful online racketing strategies, and this is partly why I chose to talk about it in this paper. It also makes it even more difficult to explain how they could get better. Red Bull's strategy has proven more than efficient so they should keep on offering meaningful and entertaining content to their consumers.