

# [Red bull marketingassignment assignment](https://assignbuster.com/red-bull-marketingassignment-assignment/)

[](https://assignbuster.com/)[Art & Culture](https://assignbuster.com/essay-subjects/art-n-culture/)

A case study of the world’s most successful energy drink It may be ranked consistently among the worst In taste tests, and Is rumored to be a health risk, but Red Bull’s dominance over the energy drink market actually depends on such rumors. This company only manufactures and markets one product – and has become very good at it, being at the forefront of popular culture without being too outlandish. How did a traditional recipe from Thailand take over the world and become the world’s number one energy drink?

Introduction to Red Bull and Its Marketing Environment Corporate legend has it that its founder, Austrian Dietrich Mathematics was on a business trip in Thailand when he spotted a business opportunity with the local “ energy drinks”. An energy drink called Grating Dang, or Red Bull in Thai, caught his attention for curing his Jet lag. At the time, Grating Dang had already built a loyal following among Thai blue-collar workers such as taxi drivers by helping them stay alert during long and Irregular working hours.

Sold on the drinks effectiveness, he brought some samples home to Austria where he could gain greater clarity on the mind of business and marketing plan required to implement the “ Big Idea” called Red Bull. In 1984, he co-founded Red Bull Gumbo in Austria with Chalet Heavily, the owner of Grating Dang. Armed with marketing and scientific know-how, Red Bull would take over the world as a product that defined its category. Red Bull is the current market leader in the energy drinks market, a category It helped define. It holds 40% market share.

Competitors may or may not be In this category because the beverages business depends on products In adjacent categories which are interdependent. As a first-mover product that defines the energy drinks category, category perceptual mapping must factor in Red Bull, by which a favorable marketing strategy for competitors would be to avoid direct competition. While some other competitor companies, such as the Coca Cola Company and, rely on umbrella branding and brand extensions to market their products, Red Bull Gumbo strictly sells one main product line which is Red Bull.

Recently, other companies have attempted to encroach into Red Bull’s core product domain by selling similar products. Naughty G attempts to differentiate itself from Red Bull by offering efferent flavors such as cola and green tea, as well as a raunchy X factor. Shark is priced as more affordable to Red Bull but is more intense. Red Bull also belongs within the caffeinated drinks category. Competitors within this category Include coffee drinks from Ensnare and Struck. 2 Red Bull’s strengths are its authenticity, unique formula and its proven effectiveness.

Much speculation is held over how the formula works, and is the subject of academic literature. While it is discouraged by health professionals because of various reasons, many urban legends exist about Red Bull and its supposedly therapeutic properties. Rink anyone would want to drink for breakfast. Opportunities for Red Bull are market segments which could use the product benefits. For example, tertiary students were recently identified as people who drink lots of Red Bull because of the need to stay awake while studying for exams. Threats to Red Bull are its company’s dependence on a single product.

Environmental factors affecting the company include the latest research regarding the product. Red Bull has been subject to studies which say that the product is unhealthy or unsafe for regular consumption. As a result, there is a sizeable portion of the general public who would stay away from the product or advise their peers to stop drinking Red Bull. Because of these studies, Red Bull has even been banned in Germany, France, Denmark and Norway for various reasons like excessive caffeine, terrine or even amphetamine derivatives. Recently, the European Commission lifted these bans due to lack of evidence.

As a company marketed towards young trendsetters, the challenge for the company is to stay ahead with the latest developments in the entertainment scene and support local communities and their events. Recently, smaller companies from all over the world started pushing their own energy drinks. These companies do not have an extensive distribution network like Red Bull, so Red Bull is taking advantage of this by establishing its own media channels and producing original content. The Target Segment it Serves Red Bull targets market segments which it feels can strongly use its product benefit, I. . A major energy boost to help performance. In line with this product benefit, it supports youth tribes and subcultures elevate their art to a whole new level by organizing and supporting their events. By targeting the few trendsetters and early adopters, Red Bull uses the network effect to stay at the forefront of society. Red Bull’s primary target segment is the 18-25 yr age group. The product is based around a fundamental need of this demographic, so to understand where it is useful, we must first construct a consumer narrative of the 3 target group within this demographic.

This is a useful cryptographic indicator used in brand positioning. Success is core to the Red Bull consumer. In Mascots hierarchy of needs, this success ranks as egoistical and self-actualization, above more basic needs. He is an ordinary person and hero who seeks to be only the best at what he does, to achieve full potential. He looks up to role models who have already made it and are pioneers at what they do. The consumer’s main concern is staying real, fresh and within the circle, and in the scene. Within this exclusive circle of friends, his peers acknowledge mutual respect.

The Red Bull consumer may be a thrill seeker, or a cubicle commando. His main fears are not being able to maintain his current lifestyle. From this archetypal analysis we can identify certain shared values of Red Bull target nonusers and align our marketing campaign to complement them. 4 Typically, people who might belong to the profile are students, shift workers such as Red Bull is like a “ cheat code”, or a “ quick fix” to gain an unfair advantage due to the energy boost. It forms the basis for the reason why regular consumers of Red Bull are believers of the product.

The collegiate nature of such professions encourages peer approval through word-mouth. The nightlife, party and entertainment scene is another core market segment. Ask any clubber to name a non-alcoholic party drink, and Red Bull scores in top-of-mind awareness. Part of Red Bull’s Unique Selling Proposition (USPS) is its authenticity. Rumors regarding the Red Bull formula and government bans of the product in some countries have cemented the product’s egregious reputation. Thus, Red Bull is perceived as the ‘ real deal’. It is nonalcoholic and is a powerful stimulant; a drink for grownups.

Products / Services of Red Bull Red Bull Gumbo sells only one product line which is Red Bull energy drink. The core product is a solution for fatigue. On each can this core product benefit is explicitly stated: “ developed for periods of increased mental and physical exertion”. The actual reduce is the energy drink which contains high levels of caffeine and terrine stimulants as well as B vitamins which aid in bodily metabolism. The brand or augmented product are the intangible benefits which function at many levels to be discussed later.

Red Bull is “ speed in a can”. 5 Red Bull products are categorized in two types worldwide: The gold can or glass bottle variety (Red Bull Classic) The silver can variety adapted to suit Western palates. Red Bull Classic is indigenous and unique to South East Asia. It is marketed separately to represent a different subset of the values which Red Bull represents. The gold can variety is preferably sold in coffee shops at a cheaper price point. It is thicker than the silver can Red Bull and is non-carbonated. The can is compact and thick, almost impossible to crush.

The gold can is sturdy and designed to compete in the same category as local herbal tonics such as Tonight All Power Root. In Singapore, Red Bull Classic comes in a 20% less sugar variety known as Singapore Choice. Red Bull silver can was the result of the partnership of founders Dietrich Mathematics and Chalet Heavily. Dietrich worked with Chalet Heavily and several unnamed DOD scientists to create a version of Red Bull that would appeal to Western taste buds. The new formula was less thick and carbonated like fizzy soda.

Variants of the silver can are the sugar-free variety and Red Bull Cola brand extension. The Red Bull silver can variety is considered the international version and all marketing efforts established main product varieties strengthens Red Bull’s core business to venture into brand extensions. The ownership structure of Red Bull Gumbo is like a partnership model, freeing itself from corporate formalities that would make some companies appear less genuine and disconnected. Red Bull’s brand extension is built around the marketing efforts of the main product, and reinforces sales for the main product.

Red Bull publishes its own magazine, Red Bulletin, and has its own TV station, Red Bull TV, in its recent venture into the media industry. It satisfies the need for independent media and features the world of Red Bull events and its community of surfers, skaters, skydivers, snowboarders, graffiti artists, b-boys, Ads, emcees and other cultural icons. Most drink Red Bull; it is remarkable that all are somehow connected by Red Bull events. 6 Marketing Management Philosophy Red Bull marketing primarily centers around the silver can variety. The silver can is marketed with the societal philosophy in mind.

Is Red Bull merely selling a drink, or selling a solution of the needs that are associated with a particular lifestyle? Red Bull complements certain realities of working long hours or physical exertion. A brand’s association with a particular culture, subculture or tribe’ influences consumer buying decision. Studies have shown that top-of-mind awareness strongly relates to point-of- purchase decision. Also, an interesting fact is that companies with greater top-of- mind awareness spend less advertising dollar per consumer than companies with lower top-of-mind awareness.

Thus, Red Bull can afford to keep advertising to a minimum while focusing on building a direct connection to the consumer via active community engagement. Red Bull is a stakeholder in many street-side communities and helps elevate urban arts to the next level. Analysis of consumer needs reveals common areas “ quick fix” and “ real deal”. This implies that it is believably true that Red Bull can solve your problems and enhance your life. From here, we look at the range of market segments which show a demand or Red Bull. The students, doctor or extreme sports athlete is an ‘ ordinary guy with a massive task ahead.

This is where Red Bull comes in. The “ quick fix” turns the ordinary guy into a ‘ hero’. This implies that Red Bull is the ‘ magic’ to ‘ do more’. After metaphorical association and much brainstorming, ‘ do more’ relates to the ordinary guy suddenly being able to fly. Thus its slogan is “ Red Bull Gives You Wings”, with the drink as the ‘ Magician’ archetype. It is done in the “ Jester” style to show that Red Bull maintains a challenger brand philosophy despite its dominance in the category. 7 Methods of Promoting Red Bull Using semiotics, the silver can is shaped like a battery, with the logo of two bulls head energy and bravery.

The diagonal color divisions look like a lightning bolt and a checkerboard flag symbolic of the word ‘ go. At $3. 10 a can, Red Bull is usually the most expensive nonalcoholic beverage on the shelf. It is a premium-priced product, but it tastes terrible. It is clear that this product will not sell without a successful marketing campaign. Red Bull gained its massive popularity initially by remaining underground, not advertising, and being bold enough without being radical or outlandish. Aggressive product placement and below the line advertising was key.

During parties and school events organized by students, Red Bull would send its famous Red Bull girls to distribute cartons of Red Bull for free. Red Bull would also provide its own space-age turntable console. Vehicles decorated with Red Bull corporate id was a form of through the line advertising. Product placement of Red Bull in stores is in specially designed fridges which were frequently stolen. Owning a Red Bull fridge is like having your own pinball machine. It was the impetus for a successful viral marketing campaign and expansion of its distribution network in its relatively new markets such as USA and Canada.