

# Market strategy for red bull commerce essay



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Red Bull is a sweet, caffeinated drink that promises the high energy boost to consumers. The merchandise is available in 250ml tins, 350ml bottles with 4 battalions. Merchandise is offered in merely two spirits. The merchandise contains taurine, caffeine, glucuronolactone and B vitamins ( Bach, 2007 ) .

Red Bull being a functional merchandise offers to better mental and physical effort. Brand has long been advancing as merchandise to be used at any clip including during athletics and work, analyzing, and socialising. Furthermore, Red Bull promises to heighten the public presentation during increased emphasis and strain, increase concentration and better reaction velocity, besides stimulate metamorphosis in organic structure. More significantly it vitalizes the organic structure and head.

## **Rivals**

Equally far as competition environment and rivals of Red Bull are concerned, Red Bull has to confront two different degrees of competition. The first is competition within energy drink industry and secondly sport drink industry.

In energy drink, there are many big trade names involved such as Coca Cola and Pepsi. Coca Cola and Pepsi being major participants of drink industry have entered into energy drink industry by establishing their energy merchandises. The invasion of globally large companies into energy drinks has created a tough market competition for Red Bull. Furthermore, this market competition has grown the energy industry by maximal sale.

Competition nowadays in athletics industry grow with the being of many athletics imbibe energy such as Gatorade by Pepsi, Powerade by Coca Cola and Lucozade.

## **Merchandise Distribution**

With the usage of appropriate merchandise distribution channels Red Bull has created a trade name image such as utmost events and high profile athleticss events. Impulsive and high profile athletics events have helped Red Bull to set up a alone place in the market. In add-on, Red Bull has applied strong selling and wider distribution tactics that has led increased ingestion and influenced to growing of the merchandise. To gat itself identified and keep this position Red Bull has adopted elaborate and effectual gross revenues scheme by placing cardinal countries such as bars and nines which has helped to increase trade name visiblenss.

### SWOT Analysis for Red Bull

#### Strengths

**Market Leadership:** Red Bull is already a planetary market leader within the energy drink industry with the largest sale and big market portion.

**Successful Marketing Tacticss:** Red Bull has been using a batch of publicities and good targeted campaigns/sponsorship which have greatly helped the trade name in past to spread out and increase consumer trade name consciousness.

**Brand Name:** Red Bull is the universe ' most popular energy drink and with effectual selling tools merchandise has created a trade name image.

**Brand Quality:** Red Bull did non accomplish the success and gained maximal market portion merely because of selling tactics but merchandise quality has

besides shared in this success of the trade name. Red Bull with strong and fresh gustatory sensation has become a trade name individuality.

### Failings

**High Cost and Expensive Merchandise:** The monetary value of Red Bull is really high and it is excessively expensive for an mean individual to afford it.

**Lack of Innovation and Unique Selling Position:** Within the industry there are figure of rivals who are using invention in merchandise and alone merchandising merchandise. Red Bull, on the other manus, is less advanced and does non utilize alone merchandising point.

**Reliant on Small Product Base:** Red Bull is merely trade name in the market with limited spirits and offers no assortment in the merchandise. Bing one trade name merchandise, it is hard to capture market.

### Opportunities

**Extension of Merchandise:** Since Red Bull is individual branded merchandise in the market, there is an chance for it to widen its merchandises line by developing more advanced merchandises. This will assist Red Bull to retain market portion.

**Hardcore Promotions and Ad:** Red Bull has non yet used hardcore publicity and advertisement and there is chance for it

**Consumer Recognition utilizing Sports Events Sponsorship:** Sports events are best chance for Red Bull to acknowledge its merchandise by athlete and pupils. Sports events are popular non merely in jock but besides in pupils.

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## Menaces

Health concerns: Red Bull has high caffeine content in the drink which if used in surplus can be harmful. Furthermore, in many states there are rigorous regulations on the merchandise which contains high caffeine.

Consumer Awareness of Health: In instance of consumer consciousness related to wellness, there is possibility that consumers give up the usage or avoid the usage of Red Bull. Consumer may believe Red bull as an alternate energy drink instead than natural drink.

Elephantine Rivals: The presence of big and elephantine rivals can impact the market place of Red Bull.

## **Aims with Goals for Gross saless Volume, Market Share and Net income**

The market aims of Red Bull are as follows:

To spread out the presence of Red Bull among a maturing market sections and

To billow new energy drinks being launched by known and beverage giants such as Pepsi and Coca Cola

To derive maximal market portion by increasing the sale

Adopt and entree the market section in an effectual manner

The above aims are supported by the principle that the company 's presence is of import in the market and the adulthood of its mark section has called

for an enhanced multi-offer attack to counterbalance the market's adulthood.

## **Goals for Gross sales Volume, Net income and Market Share**

Red Bull is universe's figure one energy drink and its sale is more than 2 billion tins yearly. Red Bull, in 2004, has deserving US \$ 2 billion portion in the energy drink market of North America while in Canada its market portion is estimated as C \$ 100 million. After the launching of Red Bull in the 1990s, trade name has dominates the North American market and much in front of other elephantine trade names such as Coca-Cola and PepsiCo. Being the market leader, Red Bull in 2004 owns a 50-percent market portion. In 2006 Red Bull has 42.6 % of planetary market portion in 2007 it decreased to 35.2 and in the twelvemonth of 2008 trade name regained its market portion and now has 40 % .

With new market sections ( Students and Athlete ) Red Bull will be able to accomplish more market portion because pupils are normally of age of 15 to 22 and they need physical every bit good as mental energy encouragement to hold active life. Sports adult male likewise needs to physical energy that meets their demand. Energy drinks are already really popular among childs. If more sportswoman and pupils are convinced to utilize Red Bull it will give more net income and increase market portion to trade name.

Selling Scheme

The undermentioned selling scheme has been designed for market section ( Students and Athlete ) . Marketing Strategy has been designed utilizing 4 Ps of selling.

#### Merchandise

##### Merchandise Variation

In the presence of other athleticss and energy drink there is monolithic competition and it will be hard for Red Bull to hold addition market sections. Therefore Red Bull will present different spirits in drink.

##### Merchandise Invention

Red Bull will utilize invention such as new and attractive packaging.

##### Merchandise Differentiation

To keep trade names ' different individuality, exposure of merchandise will be different and alone from other trade names in the market.

#### Monetary value

##### Cost Recovery Pricing

Red Bull has ever followed high pricing policy but for this market section selling policy of Red Bull will concentrate on mean pricing policy harmonizing which new size of drinks will be introduced with lower monetary values.

#### Topographic point

#### Direct Sale

Merchandise will be sold at different supermarkets and stores

### Indirect Sale

Through this selling scheme Red Bull will be sold at alone selling point such as educational establishment, university colleges and athleticss topographic points such as athleticss nine

### Promotion

#### Individual Communication

Since famous person indorsement is acquiring popular particularly in athleticss and energy drink therefore a athletics famous person will be used to back the merchandise.

#### Mass Communication

Merchandise will be advertised utilizing different agencies of mass communicating such as electronic media and paper media.