

Advertising strategy of redbull

Business



Introduction One of the leader in the energy drink market, Red Bull was created in 1984 by Dietrich Mateschitz and now produces an annual turnover of more than 3 billion Euros (Gschwandtner 2004).

Red bull is an internationally popular energy drink that is intended to taste like mixed berries. Red Bull is packaged in a slim aluminium blue and silver container with two red bulls as the logo. It provides 8.3 US fl. oz. of thirst quenching power fluid and contains 80 mg.

of pure caffeine; this energy drink combats mental and physical fatigue (Redbull 2011). Red Bull however, was not always Red Bull; this energy drink originated in Thailand and it was sold under the name " Krating Daeng". For more than 20 years, Red Bull has managed to establish itself brilliantly in the world, which, despite the widespread economic gloom, has always taken a growing interest for this new drink (Nicole 2011). Case Study 64% of volume was generated by consumptions in bars clubs and petrol stations. Retail outlets made up the remaining 36% of volume. Red Bull has always relied on a word-of-mouth or " buzz" marketing instead of traditional advertising.

They focus on getting the word out through various stealth marketing techniques playing on associations with energy, danger and youth culture, careful cultivating its mystique. (Kotler & Keller 2006) explain that " marketers should understand the fundamental elements of effective communications. " It was further explained that " there are eight basic steps in effective communication; determining the target audience, determining the objectives, designing the communications, selecting the channels, establishing the budget, deciding on a media mix, measuring the results, and

manage integrated marketing communications. A major part of Red Bull's marketing was sponsorship of extreme sports events such as BMX biking, kite-boarding, extreme snowboarding, free skiing, paragliding and sky diving. Soon the drink became associated with dangerous, on the edge, adrenaline-fuelled activities (Redbull 2011). Red bull also hired consumer education teams to drive cars that were painted blue and silver with logos on the side and a giant red bull that can be mounted on the back.

These consumer education teams usually comprised of 2 ladies and they handed out red bull for free to those who are in need of an energy boost. Red bull also launched a programme at universities whereby students were hired to promote the product on campus by throwing red bull parties courtesy of red bull and to raise the awareness of Red Bull in the university press. The following is an analysis of Red Bull's Promotional Activities. In order to effectively examine how Red Bull communicates its' consumers I will focus on three areas; the target audience, the design of the communications message, and an analysis of the modes of the media communication mix. By examining these three areas, I will understand if Red Bull followed the eight steps to building effective communication with their consumers.

The first step that a company has to accomplish in order to build effective communication is Identifying the Target Audience. This process must start with a clear understanding with who the potential consumers and current consumers are. It is also a pre-requisite for the company to identify what the influencers are. The target audience is a critical influence on the communicators' decisions on what to say, how to say it, when to say it, where to say it and whom to say it (Kotler and Keller, 2006). Some potential

<https://assignbuster.com/advertising-strategy-of-redbull/>

and current consumers of Red Bull are; Travellers, College Students, Public Service Employees (Police, Military and Fire), and Fitness buffs. Travellers have some outside influences on if they are going to be in the market for this product.

If a person is travelling by Air they may not want that energy offered by this drink, as they might prefer to sleep on a flight, whereas a person driving on a long journey like to Genting Highlands for example would be a perfect example of someone wanting this to stay awake. College Students and Business employees would be grouped into the target market in the same segment because of their similarities. The consumers would be looking for a “pick me up” in order to complete work. Maybe the college student has a paper due soon and will be pulling an “all-nighter” to complete it, or the business person has a report that they need to present to their boss the next day. They are looking for something to keep them focused though out that long night. Public Service Employees such as; Police, Military and Fire Fighters are also in the target market of this company.

These jobs require extremely long hours of shift work. For example the Fire Fighters and Police shift may start at 1: 00 am. This is a time when the body is normally sleeping, so these consumers would look for something to wake them up. Personally, after going through officer school training previously when I was serving my National Service (NS) there were times when I had to stay awake for over 48 hours straight, and I was constantly feeling the urge for an energy drink to take that sleepy feeling off. Fitness buffs are also in the market for Red Bull. These people tend to look for an “edge” while working out.

<https://assignbuster.com/advertising-strategy-of-redbull/>

Buyers pass through three consumer response stages; cognitive, affective and behavioural (Percy 2008). This is the “learn-feel-do” sequence of how the consumer’s perception is relative to a product. I will look at the Communicative Model of how the consumer passes through this sequence. During the cognitive (learn) stage, the communications campaign will focus on exposure, reception and a cognitive response. During the affective (feel) stage, the communications campaign will touch attitude and intention.

Finally during the behavior (do) stage, the communications campaign will touch on behavior (Kotler & Keller, 2006). Red Bulls exposure, consists of informing potential consumers about the benefits of their product. Some examples are the claims that it revitalizes the mind and body, strictly targeting new consumers in their individual target segments of students, business personnel, police, fire fighters and the military. A second message for exposure is that it improves reaction speed and stimulates the metabolism. These messages tie directly back to their target markets.

After they are exposed to these new consumers how is the new consumer responding. Red Bull seems to believe that their messages are receiving a good response, if not they would have developed a different message to give to the potential consumers. Now that Red Bull’s product is received well, what is the consumers’ cognitive response? Red Bull also believes that their response extremely satisfactory. Moving to the Affective stage and looking at Attitude, how does the consumer feel about the product (Varey 2002)? This is where their public relations department comes in. Based on Red Bulls’ marketing and how they have not changed, they understand that their products are generating a good attitude amongst consumers.

<https://assignbuster.com/advertising-strategy-of-redbull/>

Red Bull needs to build a good purchasing intention from their consumers. They need to formulate a message that keeps that consumer from purchasing their competitors drink. The final item that needs to be analyzed as part of Red Bulls Promotional Activities is the media communication mix. I will look at the major modes of communication; Advertising, Sales Promotion, Public Relations, Direct and Indirect Marketing (Varey 2002). Advertising is any paid form of non-personal presentation and promotion of ideas.

They can be a cost-effective way to disseminate messages to build brand preference Advertising Goals can be classified whether it is; informative advertising, persuasive advertising, reminder advertising, or reinforcement advertising (Kotler and Keller, 2006). Red Bulls advertising is hard to classify, but to me it seems like it is more reminder advertising than anything, but does hold some elaborate information. Most their ads consist of quirky drawings of two characters. One ad I can distinctly remember is an animation of these two quirky characters trapped on a desert island with a can of Red Bull. One of the characters dumps the can into the ocean in order to put a note in the can, the other yells at him saying what are you doing, remember Red Bull gives you wings, and then the fish in the ocean begins to fly off. Though this does not directly inform you of the product it leaves the consumer with the impression that Red Bull will help you do the “impossible”.

Every one of their ads I have seen is in this similar nature. Most of their ads are done on television, because they involve this type of animation. Most of the times I see these ads come up are during sporting events; they are present from football games to extreme dirt biking. I have seen them on all <https://assignbuster.com/advertising-strategy-of-redbull/>

of such sporting events from BMX Dirt Bike Racing to Formula 1. Although one area they stay away from is championship advertising, for example the World Cup. Recently I have seen ads in magazines, such as Maxim and Sports Illustrated as well.

Though I have not seen any Sales Promotion used by Red Bull, they utilize their Public Relations and Publicity effectively. Red Bull continually sponsors a multitude of events. Some sporting events I have seen Red Bull as a sponsor of are; Aircraft Races, Auto Racing, Motorcycle Racing, Skydiving, and "Taurus Awards" (stuntman award show). Their PR approach focuses on events such as the "Taurus Awards" and the Monument Valley Red Bull Air Race. Their second focus for their PR team is sponsoring Formula 1 drivers. The direct marketing approach of this company is limited.

There is a good amount of information on the companies' website, but limited on the product itself. The website will tell you the ingredients, claimed benefits and frequently asked questions. Other than the product the website has information about; sports, motorsports, "the Red Bull culture" and the company. You cannot purchase the product directly from the website as you are required to have to go to a retailer. Also they are also lacking in the internet marketing department.

. They only have their main website, and articles that are written about the product. I have never once seen a sole advertisement of Red Bull. Modern Marketing calling for more than developing a good product, pricing it attractively and making it accessible (Fill 1999). Companies must be able to communicate not only to present consumers but potential consumers as

well. Based on the analysis Red Bull, although it varies a little differently than other companies, it ensured effective communication.

This is one main reason why they are the top company in the energy drink market. Advertising Strategy Framework Who Target audience should be between the age of 16-35 years old with comfortable personal income. Target market should consist people who are aggressively pursuing their goals. They should have an active lifestyle that requires them to be constantly energized as they are always on the move. Thoughts and feelings Members of this target market currently think that Red Bull is the current market leader for energy drinks as compared to local brands such as Shark and Naughty-G.

Even if it is compared to the original golden 'kraeting daeng' redbull, this suits their palates much better as it is carbonated and also available sugar free. They are usually first exposed to this drink in bars and clubs where it is used as a mixer in drinks such as Vodka Redbull and Jagerbomb. Objectives and Measures We want the target audience to feel that red bull is the better alternative to coffee and other energy drinks. Also to create brand loyalty to Redbull for energy nourishments the way Starbucks is for coffee.

To increase sales by 40%. Behavioural Outcomes To also be the first brand that costumers think of when they need a energy boost. Positioning We will position the brand as a flavoursome and exotic drink bursting with energy that is THE REPLACEMENT for coffee. Message Quality and style of the message would be pure and simple, with an easy to remember catch phrase. The reason why the message has to be simple, is to retain the mystique and

exoticness of the brand. Creative Style Used The creative style implemented is one that utilizes resonance creative style that incorporates subliminal messaging to ensure that consumers are reminded of the key essence of the campaign.

Media Strategy We will use a six month national campaign aimed to climax during the months of September when Formula 1 comes to Singapore and continue at a high intensity through the busy school holiday season until the festive season at the end of the year. Also, to maximise total impressions and utilize a broad range of channels, a pulse approach will be used in scheduling media with the implementation of a profile match strategy such as television programs such as extreme sports screening on ESPN and Formula 1 telecast on national tv and ESPN. In order for this strategy to succeed, brand awareness and image are the pre-requisites that we must take note of. The campaign must connect with the target audience to encourage trial consumption and eventually lead to brand loyalty. Also the frequency has to be high in order to ensure that the consumers recognizes the products new image and branding.

In order to achieve a sales increase of 40%, the campaign will have to focus heavily on promoting Red Bull from September to December as extreme sports events and the annual Formula 1 takes place during this period. The influx of prime time television ads would be pertinent as well as the already existing pulse flight of outdoor, transit, magazine and newspaper advertisements. The selection of television prime time ads is based on the fact that it is still a staple in any major media campaign. Television also allows a demonstration of the advantages of Red Bull. It has been proven <https://assignbuster.com/advertising-strategy-of-redbull/>

that television advertisements provide a good reach and has a proven impact.

Magazines and newspaper is also another critical avenue that we should not forget as it provides critical brand awareness. It is able to project our campaign by means of clear and precise demographic selectivity due to the many different sections and types of magazines and newspapers we have today. Also with the influx of technology in the world today buses, trains and early all other medium of transportation have some form of advertisement area or informative media outlet such as screens at train stations, television on buses and mini screens in taxis. Such mediums are growing more and more popular as the potential for gross exposures far outweighs the selectivity of the target market as our targeted campaign would be exposed to the masses who commute to and fro daily. Public relations (PR) is another efficient approach to effectively build the Red Bull brand in line with the public's dogma.

In line with keeping with Red Bull's brand image of being an exotic energy drink that is full of mystique as well, Red Bull must also make substantial visible contributions to causes which affect the target market group as well. For one Red Bull might want to look into giving a public donation to the National Kidney Foundation or The Cancer Society as kidney failure and cancer are one of the top two diseases that affect a large group of people and these are diseases and illness that everyone can relate to. Other than just giving away the sum of money away, Red Bull should capitalize on the situation by announcing that for every can of Red Bull sold, a certain amount would be given back to the chosen foundation on top of the original donation <https://assignbuster.com/advertising-strategy-of-redbull/>

given. Red Bull could also look to partner with sportswear giants like Adidas or Nike or banks such as Standard Chartered or HSBS as these organizations have been organizing marathons every year as a bid to keep the nation healthy.

Red Bull could partner with them to do a marathon and have a presence at the main event. Individuals dressed in Red Bull apparel would be entitled to free carton of drinks and Red Bull promoters could be on site to distribute and give out Red Bull for all participants of the marathons so that runners can experience the energy boosting and thirst quenching feeling that Red Bull gives. Reference list 1. Kotler, P. , & Keller, K.

(2006): Marketing management , 12th edition, Upper Saddle River, NJ:

Pearson Prentice Hall 2. Gschwandtner, G. , Selling Power, “ The Powerful Sales Strategy Behind Red Bull” 2004 , [http://www. sellingpower. com/content/article.](http://www.sellingpower.com/content/article.php?a=9437)

[php? a= 9437](http://www.sellingpower.com/content/article.php?a=9437) accessed November 2011. 3. Gschwandtner, G. , Selling Power, “ This Bull Is Red ” 2004 , [http://www. sellingpower.](http://www.sellingpower.com/content/article.php?a=6332)

[com/content/article. php? a= 6332](http://www.businessweek.com/content/article.php?a=6332) accessed November 2011. 4. Nicole, St Pierre,. Business Week, “ Red Bull’s Energy-Drink Claims May Be Hype — But Not Its Sales” 2000, [http://www.](http://www.businessweek.com/bwdaily/dnflash/june2000/nf00630b.htm)

[businessweek. com/bwdaily/dnflash/june2000/nf00630b. htm](http://www.businessweek.com/bwdaily/dnflash/june2000/nf00630b.htm) accessed November 2011. 5. Professor Nirmalya Kuma, Sophie Linguri and AP Nader Tavassoli, London Business School, “ Red Bull: The Anti-Brand Brand”, 6. Red

<https://assignbuster.com/advertising-strategy-of-redbull/>

Bull, The Red Bull Company Website, “ Red Bull Energy Drink” 2011,
[http://www.](http://www.redbull.com/cs/Satellite/en_INT/red-bull-energy-drink/001242937921959)

[redbull.com/cs/Satellite/en_INT/red-bull-energy-drink/001242937921959](http://www.redbull.com/cs/Satellite/en_INT/red-bull-energy-drink/001242937921959) 7.

Larry Percy, (2008): Strategic Integrated Marketing Communications, UK:

Butterworth-Heinemann 8. Richard J. Varey, (2002): Marketing

Communication: Principles and Practice, New York: Routledge 9. Chris Fill,

(1999): Marketing Communications: Contexts, Contents and Strategy, New

Jersey: Prentice Hall