

Red bull case study

Education



Q1. The pure and strong cola drink comes with all power packs. By looking at Red bull cola drink and its profile, I would prefer to target two market segments specifically; behavioural and psychographic. I will pre-dominantly be focusing at behavioural segmentation. As it going to speak much about product's quality. BEHAVOURIAL SEGMENTATION: Behaviourial segmentation is the major segmentation which I would like to focus in order to be succeeded in capturing market. The very vital point through I feel that market of Red Bull cola can flourish is the quality and awareness to people of its product. QUALITY: Red bull cola that holds natural and pure ingredients plus there are no sweeteners, preservatives and artificial colour in the drink. Just a simple dedicated pure drink which enhance the quality of brand. Product quality must be differentiation point from competitors. ?

AWARENESS: This is perhaps the best option where Red Bull cola can flourish their self. One way or another; this is the most important part of segmentation. This is where they have to get their strategy right, Red bull cola making awareness to particularly people of UK, who are very conscious about their health and diet.

The message which can be send by Red Bull cola about their drink is that; it is fully designed to people's preference diet. As it is the only drink which contains the original kola nut and coca leaf with more caffeine that helps people to stay active in their day to day life. There is no artificial colour, preservatives and sweeteners. Therefore, it is build to serve your health most than other cola drinks. It's ' 100% natural and strong'.

PSYCHOGRAPHIC: Marketers are increasingly segmenting their market on consumer's lifestyle.

Red Bull cola must also target psychographic segments as it appeals to be iconic brand. They have more focus on life style and social class of people. They are trying to be trendy. ? SOCIAL CLASS: I would further like to divide social class into disco club, gig, sporting venues and musical concerts. Red bull segmenting social class may also prove to be a fruitful venture. This segment target those people who loves to go gigs, concert, sporting venues and disco clubs. Red bull cola will be main organizers of above areas and that create an icon in consumers mind about Red Bull cola essentials. ? LIFE STYLE:

The reason I have chosen lifestyle segmentation is because the people of UK more renown as the nation who loves to be healthy and fit. Perhaps we can say them mainstreams, these people need security. They will buy well known, safe brands and avoid risk. Therefore Red Bull cola is just tailor made for those who loves to go secure. Red Bull cola is 100% pure and strong and dismiss the philosophy of artificial flavour. You can take it with you on exercise, you can use it as appealing product. Red Bull brand name says it all. Q2. Red bull cola wants to sparkle in a way with their product ingredients information.

Therefore, their message is clear; they want to captualize the market on basis of pureness and naturalism of their product. As they have used slogan " strong and natural" prominently. According to them " we use high quality, authentic ingredients that create a greater tasting out of other cola".

However, Red bull campaign for their energy drink went successful when represent their brand by cartonize advertisement and appealing slogan " Red bull gives you wings". Red Bull Cola marketing campaign much focusing <https://assignbuster.com/red-bull-case-study/>

strategically on psychographic segmentation particularly than any other segment. 100% natural ingredients may get customer toward them but high caffeine; once again prove to be a barrier in their targeting customer. Before I get to strategic segments let me post the article which Red Bull cola has disclosed. “ LONDON: Red bull unveils a £2 million campaign for simply cola – Red Bull is rolling out a £2m marketing drive to support its entry into the ultra-competitive cola market, which will push the naturalness of the product” - DATED: June 08. STRATEGIC SEGMENTS: Market and service segments which require changes in marketing mix can be distinguished from strategic segments.

Strategic segments are those segments which are aligned by company for long period of return. In other words they look out for longer vision of company which compromises strategic planning. They can be outlined by 4 P's, let me explain the Red Bull Cola's strategy on 4P's which I believe they belong to. 4 P's; product, price, promotion and place. ? PRODUCT: This is the very important point and red bull cola trying a lot to stick with it. Product's information, as they defines it's a 100% natural product, contains no artificial colour, sweeteners and preservatives.

Truly a pure blend of 100% natural sources. Perhaps, they want to create product differentiation from competitors by adding natural ingredients, this is where they strengthening their product knowledge. This is where their main target is; to catch the market on the basis of product quality. Thus, for that they have to put the message right to the people. However, product is sold in 25cl and 35. 5cl cans, and it also comes in multipack of containing 4 bottles in it. ? PRICE: Price which are red bull cola charging is varying in <https://assignbuster.com/red-bull-case-study/>

different stores, Tesco selling it at ? 1. 0, Waitrose selling at ? 1. 20 and Budgens at ? 1. 09. By looking out the prices they are charging we can say that they are charging premium price for their product where as their giant competitors (PEPSI and COCA-COLA) sell their cola drink mostly on 60pence. Therefore, they are charging almost double of their competitors drink. The value added for their premium price is that red bull cola blended from 100% natural sources " Strong and Natural. " ? PROMOTION: Red bull cola, particularly promoting their drink by slogan " Natural drink"; through which customers normally are attracted.

They have achieved a great amount of success by setting energy drink slogan " Red bull gives you wings". However, as far as their promotion activities are concern, they are putting banners and advertisement in almost every store, and also offering free fridge to stores for placing their cola drink in unique and catchy way for customer. ? PLACE: The product is also in clubs, bars, restaurants and stores. Whereas Coca-Cola and Pepsi cola drink are normally not available in most of clubs and bars; where they have targeted places like clubs and bars.

As per red bull cola's initial strategy was capture the people who attends musical and sporting events, thus in cola drink they are also targeting the same genre. CONCLUDING 4P's STRATEGY OF RED BULL COLA: The main thing which I have observed that Red Bull Cola targeting is specifically product and promotion. Even though they are not emphasizing enough on price and place. Product information which underlay product topic plays evenly crucial and important role to push Red Bull Cola one step ahead of

competitors. However for that they have to get promotion strategy right. Q3. How is Red Bull differentiated from its competitors?

Red Bull Cola is differentiates itself in four main ways from its competitors (Coca-Cola and Pepsi Cola). Those four ways are ingredients, taste, appearance and price. INGREDIENTS: The Red Bull Cola drink is only cola drink which contains original coca leaf and kola nut. Other ingredients which they have used are; •Galangal •Lemon/Lime •Vanilla •Cinnamon •Cardamom •Orange •Corn mint ea •Ginger •Mace •Coca •Mustard seeds. •Clove •Liquorice •Pine Whereas, Pepsi and Coca-Cola use ingredients like caffeine, caramel flavour, natural flavour, phosphoric acid, carbonated water and high fructose corn syrup (sugar).

TASTE: Apparently the taste of Red Bull Cola is much different than the taste of its competitors, and that is quite understandable as well, as Red Bull Cola contains original sources of Cola drink; like original coca leaf and kola nut. In my survey; which is enclosed at the end of question 5, lot of people are quite surprised to taste original cola drink taste (Red Bull cola) as they were very much addicted of Coca-Cola and Pepsi Cola taste. APPEARENCE: The can of Red Bull cola is very much different than the can of Coca-Cola and Pepsi cola. Pepsi and Coca-Cola has almost same type of can.

However, Red bull can is much taller and thinner in size as compared to Pepsi and Coca-Cola. PRICE: Price which is charged by Red Bull Cola drink is almost double of price which is charged by their competitors; however they are also giving value added as their drink is extracted from 100% natural sources. Q.. 4 Target market is basically a breaking of market in segments

and then focusing on particular key segments. It helps business to be cost effective when 4Ps are applied within the selected or desired market segments. Red Bull Cola mainly targeting the psychographic segmentation, and at some extent Red Bull nergy drink is also targeting psychographic segmentation. Now let me explain some of the advertisement of Red Bull energy drink that has made on athletes. On their website I have seen video and testimonials of people which were something like this. A girl 24 year old doing climbing rock because she drinks red bull energy drink; she got the energy which she ever wanted. A 23 year old guy who's a motor cycle champion in 2008 uses same drink because he wants energy to perform exceptionally well, same with the person who is 34 year old and doing water sports. So the main theme is that if u wants to feel energy use red bull energy drinks.

Whereas, Red Bull cola for those who wants to drink fresh and natural drink because Red Bull cola is made of natural ingredients, no sweeteners, no artificial flavour and no artificial colour - 100% natural. However, Red Bull GmbH targets the social and sporting events specifically to leave a note on people's mind, for example that they proudly presents x games; in one way or another they are playing a mind game here, they are encoding a indirect message that passionate and extra ordinary athletes having a drink like Red Bull; so if you have similar passion or desire then you also try Red Bull.

COMPARING TARGET MARKET: To some extent Red Bull cola and energy drink; both are falling into a same target market; as ? Both are being sold in same stores normally. ? They both are trying to capture market on basis of psychographic segmentation, as red bull cola is targeting health conscious
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people and red bull energy drink targeting lifestyle of people who wants to feel pure freedom, who wants to try something new, energetic and innovative generation. However both underlay in psychographic segmentation. Both drinks are meant to boost up energy level. One is “Strong and Natural” so other is mainly energy drink. ? Both products are proud organizers of musical, games and social events. POSITIONING: Positioning is simply that how customer recall your product. By looking Red Bull Cola slogan “ Natural and Strong” one can say; whenever customer think about original cola drink; first thing which they will get in their mind is Red Bull Cola drink as it is 100% natural.

Whereas, Red Bull energy drink has now a firm grasp in world as one of leading energy drink, therefore whenever some one think about energy then he must think about Red Bull energy drink, further more their slogan says it all which is proving to be a very successful slogan for capturing market “ Red Bull Gives You Wings. ” Q5. Through my research and findings, I came to this point that red bull cola can not survive for long in market. There is not reason but reasons that can leave red bull’s step of introducing cola in vain. Many have come and many have failed in sector of cola.

After my qualitative research I would like to mention the things which are potential threats to red bull cola’s fancy entry, competitors, alternatives of product, price, taste and expectations. First thing which is consistently giving red signal to red bull cola entry is their giant competitors; Coca Cola and Pepsi Cola. The reason I all them giant competitors is because they are the oldest companies in cola sector and has world wide distribution mechanism. Through their product life they have targeted the every market

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segmentation; plus they hold customer loyalty status that has positive response to their cola drinks.

Second thing which is bothering to Red Bull Cola at the moment is alternatives to a product. Basically we can say it change of people preference culture. As per healthy requirement; people are now moving to a product which offers more nutrition and energy; just like natural fruit drink and energy drinks. Thus change in preference culture has not only affected the Red Bull cola but also to giant companies (Pepsi and Coca Cola); as their profits of last two year has slided. But at this point, some may say this is the right time to capture market but I personally dismiss this idea.

Thirdly, their pricing strategy didn't work out properly. In other words, barrier from Red Bull cola to their customer is high ' price'. Even if above two threats (competitors and alternatives to product) satisfy the product needs - still price problem will stand firm. Therefore, product's price is not at good value. Fourth thing which I want to languish here is the taste of Red Bull Cola differs a lot from the taste of others cola drinks. People are so used to taste of Coca Cola and Pepsi Cola that even if they taste pure cola like Red Bull Cola they dismiss its taste preference.

Now last and final threat through which I think they can't be succeeded into the UK market is that they haven't lived up to the people's expectation. People were expecting something innovative and energetic from Red Bull Company, but unfortunately it hasn't come out to be a product which people were expecting. However, bottom line is that Red Bull Cola has come up with flop strategy that seriously need to be reviewed because the threats that are

standing as barrier for Red Bull Cola for flourishing in markets are very competitive and strong.