

ASSESSMENT

Assessment Component 1



LEVEL 5 ASSESSMENT SPECIFICATION

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Programme:	BA/HND Business Portfolio		
Module:	Marketing in Practice		
Module code:	BMBM5024	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Gwyneth Jones	Internal Verifier:	Robyn Griffiths
Assignment Title:	Situation Analysis	Word count:	Report – 2000 Words
Submission deadline:	28 th March 2025	Return date of provisional marks & written feedback:	16 th May 2025
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 40%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

Module Learning Outcomes (from module syllabus)
Conduct a situational analyse of an organisation's external and internal environment to inform a new strategic marketing direction

This report analyses Red Bull's external and internal marketing conditions to build strategic marketing guidelines for future development. An evaluation includes basic information about the company's history as well as SWOT analysis alongside PESTEL external assessment Porter's Five Forces competitive sector review and internal resources and capabilities evaluation. Red Bull needs to maintain its brand positioning through sponsorships and premium products, yet it must solve problems including growing market competition and shifting customer interests toward health concerns. Future strategic actions receive evaluations through the provided recommendations.

1. Introduction

The Austrian company, Red Bull, launched its operations in 1987 through the partnership of Dietrich Mateschitz and Chaleo Yoovidhya. The brand functions through its distinctive selling point (USP) in delivering enhanced energy and performance benefits to target users ranging from professional athletes to busy working professionals. Red Bull exists as more than an energy drink because it represents a lifestyle brand associated with extreme sports and innovation alongside adventurous pursuits. As its guiding statement demonstrates "Give wings to people and ideas" Red Bull dedicates itself to enabling consumers to maximize each day of their lives.

Red Bull continues thriving in the market as it achieves its highest earnings while maintaining constant revenue growth from one year to the next. Red Bull achieved a 12% revenue growth throughout 2023 raising its total revenue to €11.6 billion (MSN, n.d.). The company achieves its growth through a worldwide expansion that extends to more than 170 countries. The company achieved its successful performance through distinctive marketing approaches which supplied support for extreme sports and musicians and influencers.

2. External Market Conditions.

Industry Trends and Market Performance

The global energy drink industry demonstrates substantial growth because people continuously seek refreshing beverages to boost their mental and physical abilities. The energy drink industry started 2024 with a value of USD 55 billion which experts expect to extend its growth by 7.2% annually through 2030 (Energy Drinks Market Size, Share & Trend Analysis Report, n.d.). The energy drink market experiences accelerating growth because urban populations expand, and people prefer functional beverages containing more than water alone along with seeking quick energy solutions.

The market leader Red Bull experiences success because of these evolving trends in the market. The market threat stems from the fact that multiple competitors are competing aggressively to gain from the energy drinks industry expansion. The market

environment has changed because customers now pick organic drinks with no sugar along with healthier versions of energy beverages. The future success of Red Bull depends on adjusting to new market preferences because the company continues to maintain its leadership position (Baker et al., 2020).

PESTEL Analysis

- **Political:** The operations of Red Bull face considerable influence by political variables throughout different regions. Several international governments enforce boundaries on energy drink sales and marketing initiatives which require obligatory health alerts and age-based purchase restrictions. Worldwide bans prevent energy drink retail for younger consumers because of the elevated sugar and caffeine amounts found in these beverages (Prado, 2024). Red Bull must follow labor laws together with tax policies established in each country while operating globally.
- **Economic:** Material economic conditions determine how much people spend money and what items they will buy. The global economic recovery from the pandemic produces rising disposable household earnings which impacts emerging markets like India China and Southeast Asia (Energy Drink Market Size, Share | Growth Research, n.d.). The rising demand among people in newly emerging markets creates substantial expansion potential for Red Bull because these customers want performance-enhancing beverages. The spending on non-essential items including energy drinks may decrease when economic recessions or downturns occur.
- **Sociocultural:** The change in public health perceptions functions as a primary influence on the energy drink sector. The market demands organic along with low-sugar and sugar-free options because consumers prioritize both natural ingredients and health lifestyles (Baker et al., 2020). To sustain market appeal Red Bull introduced Red Bull Sugarfree along with Red Bull Zero but will require additional health-conscious product introduction.
- **Technological:** The development process at Red Bull depends heavily on technological innovations and marketing initiatives based on these new technologies. Through digital channels as well as social media strategies and partner collaborations with influencers the company successfully engages with younger consumer demographics (Jacobsen, 2023). Red Bull's investments in production process and supply chain technology enhancement allow the company to fulfill expanding worldwide market requirements successfully.
- **Environmental:** Customers increasingly value environmental sustainability so Red Bull needs to transition toward more sustainable business operations. Red Bull implements two key environmental initiatives that consist of recyclable packaging and decreased energy consumption within their production facilities. The company experiences continuous monitoring because of its environmental effects on operations and packaging (Rodriguez-Sanchez & Sellers-Rubio, 2020).

- **Legal:** The regulatory framework that controls the energy drink sector continues to transform. Operation within the energy drink market means Red Bull needs to comply with multifaceted rules about health statements packaging requirements and marketing limitations. Energy drinks throughout the European Union market now need to display alerts about health hazards that develop from high caffeine consumption (Evan, 2013). Modifications in existing food regulations will affect how Red Bull conducts marketing and develops its products.

3. Competitive Environment

Porter's Five Forces

- **Threat of New Entrants:** A company entering the energy drink market must spend significant capital while establishing its brand through advertisements to solve distribution challenges. Red Bull maintains an advantage over the emerging competition in the energy drink market because it combines its monopoly of brand equity with consumer devotion along with efficient production economies (Prado, 2024).
- **Bargaining Power of Suppliers:** Red Bull sources raw materials such as caffeine, taurine, and sugar from global suppliers. While there are many suppliers in the market, Red Bull's scale and purchasing power help mitigate the bargaining power of individual suppliers (Energy Drinks Market Size, Share | Growth Research, n.d.). The company's long-term supplier relationships ensure stability in the supply chain.
- **Bargaining Power of Consumers:** Consumers possess a strong influence within the energy drink purchasing market. The many available energy drink options including Monster and PepsiCo's Rockstar grant consumers freedom to change brands easily. The company maintains a dedicated customer base because of its advertising initiatives and brand endorsements together with steady product excellence (Jacobsen, 2023).
- **The threat of Substitutes:** Energy drink substitutes are functional beverages that include tea, coffee protein shakes, and water-based energy shots. The popularity of energy drinks continues to endure but health-conscious individuals choose alternative nutritious choices over them (Baker et al., 2020).
- **Industry Rivalry:** The energy drink business sector experiences intense market competition. Monster along with Rockstar and different niche brands compete with Red Bull in the energy drink market sector. The combination of its powerful brand identity with large sponsorship activities along with targeted marketing strategies allows Red Bull to maintain its top market position (Strategy Study: How Red Bull became a global brand through Marketing, n.d.).

Key Competitors and Their Strengths, Weaknesses, Market Share, and Strategies

- **Monster Energy:** Monster is Red Bull's biggest competitor and holds a substantial market share. It has a diverse product range and aggressive pricing

strategies. However, Monster lacks the same brand loyalty and premium positioning as Red Bull (Strategy Study: How Red Bull became a global brand through Marketing, n.d.).

- **PepsiCo's Rockstar:** Rockstar utilizes PepsiCo's worldwide distribution system as it operates as a major competitor. The brand recognition of this product remains limited while customers primarily associate it with affordability instead of Red Bull.
- **Smaller Brands:** Brand companies targeting specific sectors have found success by offering energy drinks based on health-focused and organic content. These brands' market presence grows despite facing significant hurdles against Red Bull's worldwide market reach and powerful advertising campaigns.

4. Internal Analysis

Key Resources, Assets, and Capabilities

The essential resources that underpin Red Bull's success include valuable brand value and extensive sales channels along with a talented marketing initiative. Through sponsoring extreme sports together with music events and cultural activities the company secured itself an exclusive market position. Thanks to its ample financial strength Red Bull uses significant investments to promote its products and develop innovative offerings under its brand. The company maintains its competitive standing by leveraging its supply chain and international partnerships which guarantee products reach customers across the world (Jacobsen, 2023).

5. SWOT Analysis

Strengths • Strong brand recognition and global market leadership. • The company uses sponsorship of extreme sports in conjunction with its effective marketing strategies. • The company offers customers a wide variety of products including those that are both sugar-free and organic.	Weaknesses • The company positions itself too heavily within the energy drink sector which restricts its options for market expansion through diversified development. • Consumer perception about energy drinks is at risk due to continuous health-related safety concerns.
Opportunities • The company should focus on market entry into Asia and Latin America for emerging regions. • Introduction of new product lines catering to health-conscious consumers. • Business growth within functional beverage products will keep expanding.	Threats • Increased competition from both established and new entrants. • The market faces challenges due to new regulatory changes which affect product development together with marketing approaches. • The public has developed unfavourable opinions about how energy drinks impact their health according to Baker et al. (2020).

6. Conclusion

The energy drink market leader Red Bull achieves its position through its intense brand recognition along with unique marketing methods and a dedicated customer network. Modern-day audiences feel a profound connection to the brand because Red Bull chooses to promote extreme sports and develop diverse advertisement strategies. The energy drink market continues to transform while Red Bull encounters major obstacles in adjusting its business approach to accommodate rising consumer interest in nutritious beverage functions.

The consumer focus on healthy lifestyle choices because of their sugar and caffeine worries creates difficulties but also opens new opportunities for Red Bull. For market sustainability, the company needs to expand its product range because customers increasingly want organic and low-sugar functional drinks. The company needs to shift towards healthier options because they will help attract customers who represent different age groups including health-conscious young people.

Red Bull can expect major business expansion from the Asia-Pacific markets. As people's income levels rise during urban development stages the market predicts high energy drink consumption demands. The company needs to modify its approach by tailoring marketing methods and product selection to match Asian preferences so it can benefit from this emerging zone.

Consumer interest in sustainability continues to grow and therefore Red Bull must develop superior environmental practices. To meet sustainability requirements the company devotes itself to the development of eco-friendly packaging while diminishing its greenhouse gas emissions throughout its supply chain and establishing ethical policies for source ingredient procurement.

Red Bull's continued achievement as a brand depends on its ability to create innovative products while expanding product selection and entering new markets. Red Bull will maintain market leadership by showing initiative toward market analysis trends while embracing sustainable approaches and healthy alternative products which will support its growth in an increasingly competitive environment.

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Generic Assessment Criteria	Marks available	Marks awarded
1. Engagement with Literature Skills		
	20	
2. Knowledge and Understanding Skills		
	20	
3. Cognitive and Intellectual Skills		
	20	
4. Practical Application Skills		
	20	
5. Transferable Skills for Life and Professional Practice		
	20	

Assessment Mark (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)	Late Submission Penalties (tick if appropriate)		%
	Up to 1 week late (40% Max)		
	Over 1 week late (0%)		