

Red Bull's space jump stunt with Felix Baumgartner 'worth £100m' in ad spend

The energy drink company's risk-taking marketing is paying off as industry insiders suggest its space jump could be worth £100m to the brand.

As Felix Baumgartner dropped through the sound barrier on Sunday, [his 24-mile \(36.8 KM\) freefall from the edge of space](#) did not just signal world records breaking.

For relieved Red Bull executives, his safe landing represented tens of millions of pounds of media coverage. One advertising executive guessed the exposure could be worth £10m in the UK and as much as £100m worldwide. To put that in context, a 30-second ad slot during the US Super Bowl, the most prime time you can get, costs £2.2m.

According to YouTube, **eight million people** watched Felix Baumgartner's high altitude jump on Sunday morning. It was exciting and death-defying. Some argued it was an elaborate publicity stunt that made Red Bull sales skyrocketed.

The jump marked Red Bull's most ambitious attempt yet to harness its caffeinated soft drink to the qualities of speed and adventure, following on from events ranging from a motorcyclist jumping on to the Arc de Triomphe to planes racing a slalom course metres above the Thames.

"I'm completely in awe of Red Bull as a brand," said marketing guru Mark Borkowski. "Very few brands would have the appetite to do something so risky."

It must help that rather than being answerable to shareholders, Red Bull is privately owned and led by "maverick" Dietrich Mateschitz, the Austrian toothpaste marketer who adapted Asia's tonic drinks to Western taste. In a soft drinks market dominated by Coca-Cola and Pepsi, he has pioneered "experiential" marketing, where companies use events to define their brand and build loyalty.

It does not come cheap. Accounts for the UK arm, which markets and distributes the drink in Great Britain and Ireland, show that its marketing costs were £48m last year, or 20pc of its £236m turnover. In addition, of its 181 UK employees, 52 were in marketing compared with just 15 in its finance office.

What do they all do? The UK accounts note that it organised two major events – the Red Bull Flugtag in Leeds, starring human-powered flying machines, and the Red Bull Speedjam motorsport rally in Cardiff. And that is just the UK arm. The really major events, such as the space jump, are arranged out of Austria.

In addition, Red Bull bypasses the traditional route of sponsorship to actually own sports teams. [Two Formula 1 teams](#), a Nascar team and various football teams sit in its portfolio.

As to whether it all works, a total of 4.2bn cans of Red Bull were sold globally in 2010 – the latest figures available - helping turnover rise 16pc to £3.05bn. To put that in context, the giant Coca-Cola Company turned over £22bn.

David Haigh, chief executive at Brand Finance, thinks the Red Bull brand is now likely to be worth at least £5bn.

Red Bull itself remains tight-lipped on the numbers involved. After all, it is so far dodging a backlash that all this daredevilry is just to plug a soft drink. As Mateschitz says: "If this were just a marketing gimmick, it would never work."

Source:

<https://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/leisure/9610119/Red-Bulls-space-jump-stunt-with-Felix-Baumgartner-worth-100m-in-ad-spend.html>

To do:

Comment on Red Bull Marketing Communication strategy. Does it paid off?