

University of Wales
Trinity Saint David

LCBB4004
LEVEL 4

MARKETING FUNDAMENTALS
ASSESSMENT 2

Understanding Red Bull - Marketing Analysis



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October 2020

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Introduction

Marketing contributes to financial prosperity, offers employment and income for millions of individuals engaged in the field.

This essay focuses on a world-famous brand from the Industry of the energy drink, Red Bull, to analyse its current marketing situation and its stakeholders.

The blockbuster of the energy drink industry since 1987 is Red Bull, and it is sold by an Austrian Company, having the highest market share worldwide. It comes into the market in very attractive packaging of slim and tall blue and silver can, moreover, around 7.5 billion cans have been sold in 2019 worldwide (Red Bull, 2021).

Chapter I The role of Marketing in creating value for customers

1.1 The Societal Marketing Concept of Red Bull

From William and Moore's (1999) perspective, the societal marketing concept holds that an organisation should make great marketing decisions by considering customer's needs, the organisation requirements, and society's long-term interests. Over time, therefore, customers' actual use satisfactions and repurchases will determine its prosperity or failure.

According to Van Dam and Apeldoorn (1966), sustainable marketing is a development to accept the limitations of marketing philosophy and acknowledge that there is a need to impose regulatory constraints on the market mechanism in economic movement.

Is the movement that meets the needs of the current generation without imposing constraints on the needs of future generations (Baines, et.al., 2011, p.694).

The Red Bull company continue to practice a sustainable strategy and to minimise the carbon footprint, pursuing projects that can focus on sustainability and improvement of the environment, continuing to reutilise renewable energy source, and striving to become a completely green-friendly source.

Firstly, at Red Bull, the reusing circle starts with every one of the aluminium cans which are forever recyclable. Aluminium cans are incredibly light in weight, neutral in taste, smaller fit as a fiddle, and are solid and strong, moreover, 95% of the energy is saved through recycling.

Additionally, CO₂ discharges can be decreased thanks to its conservative, convenient shape and low weight during transport.

This is a conclusive favourable position since reusing an aluminium beverage can use around 95% less energy contrasted with the creation of another can.



(Fig.1, Source: Red Bull Official Website)

Secondly, an aluminium can is recycled efficiently in only 60 days and transformed into a new one. Certainly, aluminium is perhaps one of the quickest material which can be reused.



(Fig.2, Source: Red Bull Official Website)

Thirdly, significant amounts of energy can be saved by melting down and reuse the aluminium cans an infinite numbers of times. And this is a big advantage for the environment.



(Fig.3, Source: Red Bull Official Website)

Most of the Red Bull cans from every one of the 171 market sectors are created according to the "wall-to-wall" principle. This signifies that the production and filling occur at the same location, bringing significant environmental advantages, using already 80% of the energy needed for production from renewable sources.

One manner by which marketing benefits society is by informing and educating the buyers. Promoting frequently has a convincing intent, yet for the most part, starts when an organization identify a shopper needs and look to explain how the products or service meet consumer's needs.

For clients with strong established defined needs, marketing gives methods for finding out about new products and what they do. Marketing can likewise offer more useful data to help for making a buy, for example, addresses, telephone numbers, item delivery dates, stores, opening/closing hours, and web addresses.

1.2 Red Bull Branding Strategy

The term of the brand can be described as "a physical labeling of items" with the goal that customers can recognize which firm delivers which products or services (Soto, 2008, p.8). Then again, a brand can be characterized as "a seller's guarantee for a particular set of benefits, advantages, and services reliable to the purchasers" (Kotler et al., 2001, p.188).

Additionally, the American Marketing Association (2021) characterizes branding as a name, term, design, image, or whatever element that differentiates a seller from another's seller's goods or services.

Customers are seeking happiness, comfort, and fulfilment in their lives, and they get it to some degree through the items they purchase.

If the brands that they are buying give them a positive experience, customers form an opinion that the brand is worthy of trust, which gives them genuine feelings of peace of mind when purchasing (Dudovskiy, 2013). Successful brands generate strong, positive, and durable impressions through their correspondences, and related psychological sentiments and feelings, not only functionality through use (Baines, et.al., 2011).

Buyers like brands because for the following reasons, they help individuals to distinguish their favoured items, minimise levels of risk and improve the quality of the shopping experience, assist individuals with checking the degree of item quality, diminish the measure of time spent settling on item-based choices and, thusly, decreasing the time spending by shopping.

Marketing communications play a significant role in informing the essence of the brand's personality. By creating positive connections links with a brand, shoppers can find consolidation through their purchases.

"Red Bull gives you wings", is a straightforward message that reveals to us everything about the Red Bull brand. Red Bull core message is more established than the social media and Red Bull Media House, and emphasise not only the significance of the core message but also triggers various feelings in individuals, in harmony with their dreams and aspirations. Red Bull produces content, but their targeted audiences are diverse and therefore, they produce diverse content as well.

As a content producer, the target audience is diverse, and, in this way, they produce diverse content too, adding value to their audience. Additionally, while they are continually generating brand awareness, they promote games and inspire individuals to create content, sharing videos on their digital media channels.

In everything, they create and share Red Bull adds value to their audience.

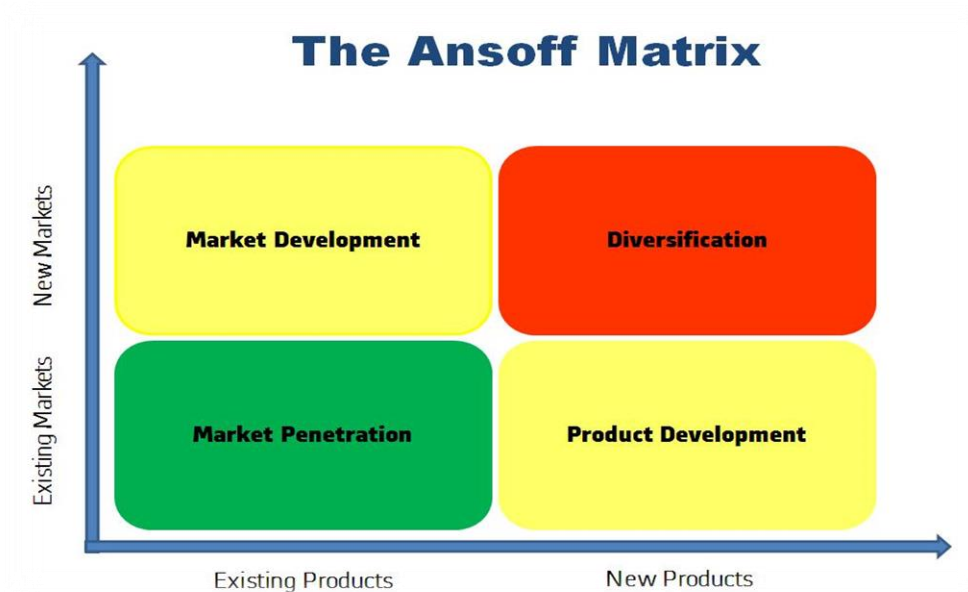
Content is the center of Red Bull's marketing strategy. The organization operates as a media group and promoting becomes the priority and obligation of the whole brand and each representative. The reason that the company is successful is that mainly it is not based on a single department.

Red Bull is about making dreams come true, creating value for its customers by making a brand that figures out how to be associated consistently be related to opportunity, inspiration, and freedom. It's an image that creates awareness itself through feelings and experience.

1.3 The Ansoff Matrix Strategy regarding Red Bull

Ansoff is a strategic framework that allows organisations to for their plans towards expansion and growth. The matrix helps them in the best combination of market and product development strategies (Khankasi, 2020).

The four components of the Ansoff Matrix for development (Fig.4) are market penetration, product development, market development, and diversification. In this essay, the focus will remain on product development and diversification.



(Fig.4, Source: Google Images)

Red Bull had introduced various aromas of the drink in 2003. For the product development to be hit, Red Bull had to engage in mass marketing to create awareness among the clients by making numerous wild and exotic aromas, for example, coconut and berry, in the summer times. Red Bull believes in developing the product and then attracting the clients towards it (Jochen, 2016).

Diversification is the growth strategy that centres on the launch of a new product for the new business sectors by the company. It means the organisations are involving themselves in the market with the product where they never operated before. This is the less secure strategy, as firms are moving with or little experience. However, diversification is highly rewarding while balancing the risk and rewards for the organisation. As Red Bull is an energy drink, it expands in the sports industry. Attracting novelty which is the combination of different downhill races for example ice hockey, skiing, and different kind of races, etc., and challenges sport (Carney, 2016).

1.4 Relationship Marketing

The purpose behind relationship marketing is to improve promoting productivity and enhance reciprocal value for the parties engaged with the relationship. Relationship marketing has the potential to improve marketing profitability and to generate mutual values by increasing marketing effectiveness or improving marketing efficiencies (Sheth & Parvatiyar, 1995; Sheth & Sisodia, 1995).

The principle rule that is based the relationship marketing is that there is a history of exchanges and future expectations of exchanges. Furthermore, a long-term view of the perspective, imagining a form of loyalty or continued attachment by the purchaser to the seller. The price as the main controlling component is replaced by customer service and quality of interaction between the two associations. The exchange is named collaborative because emphasise is on both organisations in order to accomplish their objectives in a mutually rewarding way (Baines, et.al., 2011, p.560).

The role of partnership in relationship marketing is important. However, many companies maintain numerous relationships with their various clients and providers.

Red Bull is a very responsive company, this means that their social teams are very prompt responding to almost every private message in the quickest manner they could.

The Red Bull Official Facebook page is not just a distribution page, is an interactive place, a community page where individuals engage with one another.

The more effectively individuals can communicate freely with one another, the greater the likelihood of group cohesiveness. Communications are influenced by the work environment, by the nature of the task, and by technology (Mullins, 2007, p.308).

Red Bull is the Master of Building relationships with its community by creating events. The impact of these events on contemporary society is difficult to overestimate. The brand is described as a lifestyle, a sports supporter, a well-recognized label worldwide by a great many fans.

Red Bull organized insane challenges and events with different purposes for example the freefall made by Felix Baumgartner straight from the stratosphere.

The reason for every single Red Bull event building brand recognition, associating positive feelings with brand events, and building a community of devoted clients through only the use of the digital network of communication. They broadcast live on YouTube and promote music festival stars like Coachella, and Lollapalooza festival where Red Bull is a partner in the event, creating an opportunity for brand awareness.

Chapter II Stakeholder engagement and their impact on the Marketing activities of Red Bull

2.1 Definition of Stakeholder, Red Bull's internal and external stakeholders

According to Cambridge Dictionary (2020), a stakeholder is an individual or group of individuals who own a share in a business.

A stakeholder is a party that has an interest in an organisation and can either influence or be influenced by the business. The primary stakeholders in a typical corporation are its investors, employees, customers, and suppliers. However, with the increasing attention on corporate social responsibility, the concept has been extended to include communities, governments, and trade commercials (Brock, 2020).

A partner has a personal interest in an organisation and can either influence or be affected by a business's operations and performance. Companies activity influences the local environment, for example, noisy night-time deliveries or a smelly factory would be unpopular with residents (BBC, 2020).

Partners can be internal or external to a company. Internal stakeholders are individuals whose interest in a company comes through a direct relationship, such as employment, ownership, or investment. External partners are those who do not directly work with the organisation but are affected somehow by the activities and outcomes of the company. Providers, creditors, and public groups are all considered external stakeholders. Data suggest Red Bull had from 2011 to 2013, 9694 employers and managers, and by the end of 2019, Red Bull employed 12.736 persons in 171 countries. Red Bull has a clear and explicit safety and labelling on an energy drink, adhering to each country's wellbeing and safety norms (Red Bull, 2020).

External stakeholders for Red Bull are for example buyers including consumers, purchasers, wholesalers and retailers, students from college or universities, young professionals, trunk drivers, partygoers, extreme sports.

Red Bull's attitude is to treat all stakeholders as partners, providers are interested in receiving a maximum sustainable price for their goods and services.

Pharmaceutical organisations synthetically produce the active elements of Red Bull, for example, the caffeine, taurine, glucuronolactone, glucose, acesulfame, aspartame/sucralose, and B group nutrients. Rexam is a British packaging specialist, Rexam is the one that supplies aluminium cans for the Red Bull organisation, and the one that transports the goods to the market is the JCL Logistics.

2.2 How Red Bull communicate with its Stakeholders

In order that the company can accomplish its targets and objectives, the work of individual members must be linked into coherent patterns of activities and relationships. This is accomplished over the structure of the business (Mullins, 2007, p.316).

Relatively, Red Bull is using a flat organisational structure, having a democratic approach style to leadership, where managers are team leaders as well.

The harmonious working relationship and great cooperation help for a significant level of staff morale and work productivity. Successful teamwork is a fundamental element of modern management styles, and teamwork is important in organisation where there is a direct effect on consumer satisfaction (Mullins, 2007, p.320).

The internal communication strategies are supported by all individuals of the company, and their attention is based on understanding and improving the key factor that impacts the company's communication system.

Red Bull's interior communication strategies include meetings, conferences, emails are some of the best instruments communication that every business utilise for sharing important communication and sending ordinary updates.

Organisational culture is a general concept that is difficult to describe, it is often connected to the character of an individual. Red Bull is a worldwide organisation having multicultural employment, data suggest that individuals are employed in over 170 countries.

Atkinson describes organisational culture as mirroring the hidden assumptions about how work is performed, what is acceptable and not acceptable, and what practices and actions are encouraged and discouraged (Mullins, 2007, p.721).

Red Bull's outside communication strategy includes newspapers, magazines, and their official website, radio, and TV are another communication tool that can influence the external participants. Social media and advance the organisation by spreading the message that requirements to reach the audience targeted.

By publishing the annual report, Red Bull can communicate and attract potential investors.

The communication with its partners is simple and is generally through the visual content in media channels, creating events.

Red Bull uses celebrities in its visual content, giving to the organisation another opportunity to produce brand awareness through the celebrity's endorsement. They inspire individuals to create content and share their videos on their digital media distribution platforms, content being the core of Red Bull's marketing strategy.

Conclusion and Recommendations

All in all, research shows that Red Bull is the top seller in the energy drink industry and has achieved immense success in terms of its promoting strategies. The organisation benefits from strong brand recognition and loyalty from its consumers.

My recommendations for Red Bull is to expand the product range offering, by introducing new aromas to the market, maybe creating a strategic partnership to enter a new industry that will enable the development of a new premixed spirit that could be sold directly to venues. Besides, expanding the product line by making the product more attractive in the female segment with natural ingredients and different flavours during the whole year, not only in summer times.

And like as a final thought, I'd like to add that my learning from this research was to understand how powerful and important the power of visual content is.

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