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**Assessment 2 – Individual report
(Portfolio: Brand Extension)**



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Introduction

Company Overview

Red Bull GmbH functions in the international functional beverages market through its energy drink business segment. Since 1987, Red Bull GmbH has maintained its headquarters in Austria while becoming the market leader for energy drinks across the globe (Euromonitor International, 2023). The company's main identity derives from its performance-based energising products, while its product range extends to sugar-free and tropical variations.

In 2022, the company operated worldwide, selling more than 11.5 billion cans across over 175 countries (Statista, 2023). The perception of Red Bull's brand identity presents itself as dynamic while being adventurous and high-energy in nature, targeting young adults aged 18–34 who include athletes, students, and professionals wanting performance boosts (Bergstrom, 2017). Through its famous "Red Bull gives you wings" tagline the brand established its position as a lifestyle-oriented aspirational brand which generates powerful emotional and symbolic connections with consumers.

Purpose of the Report

The proposed new brand extension from Red Bull combines caffeine-stimulating properties with ginger wellness benefits through the creation of Red Bull Cold Coffee with Ginger Flavour. The report aims to study the potential market feasibility alongside consumer segments and strategic market position for this new product.

The brand extension benefits from the established energy and innovation reputation of Red Bull by delivering a product that complies with health-oriented trends and targets the expanding market for ready-to-consume coffee beverages (Mintel, 2024). The report employs STP (Segmentation, Targeting, Positioning) marketing framework alongside the Marketing Mix (4Ps) to conduct market strategy analysis before suggesting an effective go-to-market approach. The main objective focuses on determining whether this product will contribute to Red Bull's product line while improving its market standing in established and emerging markets.

Brand Extension

Brand Extension: Red Bull Cold Coffee with Ginger Flavour



Figure 1 – This image generated by my-self using Microsoft Designer AI

Description of the Proposed New Brand Extension

Description of the Proposed New Brand Extension This new ready-to-drink beverage named Red Bull Cold Coffee with Ginger Flavour brings together the original energy formula of Red Bull with the natural advantages of ginger roots. The new product innovation as an innovative cold brew coffee specifically aims to address consumers who need sustained energy while improving focus along with digestive health benefits. The beverage prepares its coffee by cold extraction while adding caffeine and ginger root extract which delivers immune function increase alongside anti-inflammatory benefits. The product provides modern active individuals with an easy-to-carry and low-calorie beverage containing no sugar that targets health-conscious consumers.

This extension stands out through its two-purpose functionality by blending caffeine energy improvements with rising health beverage market requirements according to Biological Sciences (2023). This product stands apart from standard cold coffee items through its ginger infusion component while satisfying modern consumer interest in natural herbal drink additives (Statista, 2024).

Alignment with Existing Brand Values and Market Position

Red Bull maintains an enduring connexion with high-performance youth culture and extreme sports and dynamic lifestyles. The upcoming brand extension fits Red Bull's fundamental values through its delivery of high-energy innovative trendsetting products. The "Red Bull gives you wings" marketing slogan continues through this new product version which adds an innovative spin to the promotion of physical and mental well-being.

The product stays within Red Bull's target audience of young adults 18–34 because it combines the popular stimulant coffee with the health benefits of ginger. Lifestyle-oriented functional beverages appeal to university students along with busy professionals and athletes who belong to this age demographic (Bergstrom, 2017, p.7).

Value Addition, Market Gap & Emerging Needs

The functional RTD coffee market is expanding at a quick pace (Statista, 2024) which makes Red Bull Cold Coffee with Ginger an innovative addition to a promising segment. People who care about their health are steering away from conventional energy drinks because of their sugar content along with artificial additives. The extension provides consumers with a natural functional beverage system that offers mental alertness and complete wellness benefits while remaining simple to use.

The market for coffee and energy drinks continues to grow but premium herbal-infused ready-to-drink beverages have not adequately addressed this segment. The company should leverage its current consumer base and target new coffee-focused health-conscious people with its product expansion plan.

Through this move Red Bull sustains its market dominance while adding new products to a high-demand segment which strengthens its reputation for innovation and flexibility.

STP for the New Brand Extension

1. Segmentation

When markets receive segmentation treatment businesses divide consumer groups based on buyer needs characteristics and behaviours according to Solomon et al. (2019, p. 230). The unique positioning of Red Bull's new functional beverage product Cold Coffee with Ginger caters to various consumer segments within its market segment.

Demographic segmentation is highly relevant. The main consumer group consists of people between 18 and 34 years old since they form a major segment of the coffee and energy drinks markets (IBISWorld, 2024). The population segment most commonly includes students together with young professionals and athletes and entrepreneurs. The target market consisting of physically-active individuals seeking both caffeine and wellness features makes them ideal consumers for cold brew coffee beverages infused with ginger health benefits.

Geographic segmentation strategy targets developed market cities such as the UK, USA, Canada and emerging market cities such as India, Brazil and Indonesia because these areas show increasing trends in energy drink and cold brew consumption. The inhabitants of urban areas have improved access to premium ready-to-drink beverages while Western lifestyle trends influence them (Euromonitor International, 2024).

Psychographic segmentation consists of consumers who follow trends and value both health and wellness. Multiple consumers now avoid traditional sugary energy drinks by choosing functional and healthier beverage options. Ginger brings anti-inflammatory and digestive benefits to consumers who wish to experience both energy and holistic wellness (Healthline, 2024).

Behavioural segmentation of Red Bull customers comprises current Red Bull users and frequent consumers of caffeine-based energy drinks. The consumer base for Red Bull consists of people who drink it regularly and buy coffee to maintain energy levels and these customers will explore new products with improved value propositions. The

single product solution of Red Bull Cold Coffee with Ginger provides caffeine users with energetic benefits and great taste and health advantages.

2. Targeting

The decision process of targeting selects particular segments for service according to their strategic fit and attractiveness. The marketing strategy of Red Bull will focus on serving two distinct segments of health-focused coffee drinkers and energy drink users between 18 and 34 years old.

Urban millennials and Gen Z consumers represent the main target segment because they exhibit the following characteristics:

- Energetic and brand-aware.
- Interested in premium, functional beverages.
- Conscious of sugar intake and wellness trends.

People who work out along with creative workers and students who need stamina during their day belong to the secondary market segments. The consumer groups prioritise portable solutions together with efficient performance and innovative features when selecting their drinks.

Through its differentiated marketing strategy Red Bull maintains market leadership in the energy drink category as it attracts consumers who stayed away from regular energy beverages because of their sugar or artificial ingredient content.

3. Positioning

Positioning establishes where a product stands in customers' mental perceptions about its market offerings. The authors of Chaffey and Ellis-Chadwick (2019, p. 310) explain that proper positioning reveals how a product stands out in terms of value versus its competition.

Positioning Statement: Young energetic adults who prioritise their health can enjoy Red Bull Cold Coffee with Ginger as a ready-to-drink beverage that combines

performance enhancement with wellness benefits for premium caffeinated refreshment.

The product stands apart from Starbucks RTD coffee, Monster Java and Costa Cold Brew because it provides **functional energy** through **natural wellness (ginger)** benefits. The Starbucks brand emphasises taste enjoyment but Monster Java provides intense caffeine and sweetness. Red Bull's innovation fulfils the market needs by combining **function, flavour and fitness benefits**.

The new product extension works within Red Bull's brand DNA for high performance which strengthens the company's lifestyle approach while responding to worldwide health-oriented consumer choices. The strategic product placement helps Red Bull maintain its brand identity as both an energy drink company and a **functional lifestyle beverage** provider that reacts to market changes.

Customer Personal Profile

The customer persona represents an ideal consumer population which researchers develop through genuine market data and empirical studies. Market segmentation enables companies to customise their product communications and promotional materials to create meaningful connexions with their target customers.

Demographic Profile

The 24-year-old graduate trainee Alex works as an employee in central London's financial sector. Pathfinding positions as the main target group for Red Bull's Cold Brew + Ginger brand expansion since he belongs to the 18–34year old urban adult segment. People aged 18 to 34 tend to select beverages that provide energy enhancement and health benefits to help them continue their active daily activities. Males make up the majority of consumers in this segment yet female demand is rising because of increasing health-related behaviour (Statista, 2024).

Due to his annual income of £35,000 Alex falls within the disposable income spectrum that allows him to purchase premium RTD (ready-to-drink) products (Grand View Research, 2024). The motel owner holds a business-related bachelor's degree and maintains an established career path. Customers in this market segment consist mainly of working professionals with university education along with students who maintain part-time earnings (Allied Market Research, 2024). Ready-to-drink convenience beverages are highly demanded by inhabitants of London, New York and Mumbai who reside in these big metropolitan areas.

Psychographic Profile

Alex places equal emphasis on self-development and being productive in addition to his commitment toward his wellness goals. His wellness lifestyle combines fixed and flexible components which include early mornings and two yoga classes per week together with fitness and nutritional online content. Maintenance of health represents his highest priority yet he chooses not to sacrifice taste or convenience for it. Beverages that increase his energy and deliver functional compounds are his beverage preference due to both his career workload and weekend lifestyle.

In his behavioural patterns Alex shows early adoption qualities. His habit includes examining product information labels along with social media distribution of health discoveries and continuous exploration for beverages that unite energy supplements with wellness benefits. His drive is based on dual objectives of career achievement and physical well-being which he seeks to achieve through being in peak mental shape while outperforming everybody else. His identity finds connexion with Red Bull Cold Brew + Ginger because it offers a clean energising drinking experience beyond typical sugary coffee beverages or artificial stimulants (HubSpot, 2024).

Alex's persona helps marketers develop campaigns and packaging and digital platforms which enhance their messages to appeal directly to his lifestyle preferences alongside his core beliefs and objectives.

Marketing Mix Strategy

7Ps Marketing Mix Strategies

Introduction

The strategic framework 7Ps Marketing Mix including Product, Price, Promotion, Place, Process, People and Physical Evidence helps organisations design offerings that meet their target markets efficiently. The application of this model to Red Bull's new Cold Coffee with Ginger Flavour helps the company meet customer needs which drives market penetration and strengthens brand connexion.

1. Product

The Red Bull Cold Coffee with Ginger Flavour provides energetic caffeine benefits and health-enhancing ginger properties to serve health-focused consumers of functional beverages.



Figure 2 – This image generated by my-self using Microsoft Designer AI

The Product Features:

- **Ingredients:** Arabica coffee extract, natural ginger infusion, low sugar content.
- **Packaging:** 250ml aluminium cans with recyclable materials that use sleek designs to convey vitality and wellness.
- **Quality Assurance:** Product maintains high manufacturing standards to provide consistent safety measures alongside taste quality.

The product innovation merges health-conscious product preferences with taste and convenience benefits that consumers desire (FANGMONGKOL, M.P., 2015). The ginger twist of this product stands out from other RTD coffees which helps it appeal to consumers with bold tastes.

2. Price

The product uses a value-based pricing method to position itself at a premium but affordable price of £2.50 per can. The unique ginger infusion contributes value to the product which matches consumer willingness to spend money on health-focused drinks. Compared to competitors:

- **Starbucks RTD:** £2.70
- **Costa Coffee RTD:** £2.60
- **Monster Java:** £2.20

The company adopts this pricing approach to achieve competitive positioning while maintaining customer perception of value by focusing on urban professionals alongside health-conscious millennials according to Jobber & Ellis-Chadwick (2019, p. 383).

3. Promotion

An integrated promotional campaign will leverage:

- **Digital Marketing:** The company promotes its lifestyle integration through targeted advertisements on Instagram and TikTok platforms.
- **Influencer Partnerships:** Collaborations with fitness and wellness influencers to endorse the product.
- **Experiential Marketing:** Sponsorship of Red Bull adventure events and music concerts, offering free samples.



Figure 3 – Red Bull Promotional Campaign Approaches

The company uses these approaches to build brand excitement while strengthening community involvement by utilizing their current brand recognition. The combination of personalized email campaigns with loyalty programs as per Chris Hackley (2010) will strengthen customer loyalty.

4. Place

Distribution channels will encompass:

- **Retail:** Placement in supermarkets (e.g., Tesco, Sainsbury's), convenience stores, and health food outlets.
- **On-the-Go:** Availability in gyms, vending machines, and university campuses.

- **Online:** Sales through Red Bull's website and e-commerce platforms like Amazon.

The company adopts multiple sales channels to make their products accessible across different consumer purchasing methods. The effectiveness of supply chain logistics and management ensures products remain available to customers regularly (Zeithaml et al., 2018, p. 220).

5. Process

The production process emphasizes:

- **Quality Control:** Rigorous testing to maintain flavour consistency and safety standards.
- **Sustainability:** Eco-friendly manufacturing practices and recyclable packaging.
- **Customer Feedback:** QR codes on cans directing consumers to feedback platforms, facilitating continuous improvement.

The delivery of products becomes faster through streamlined operations which full fills the needs of consumers who need quick service. The combination of transparency and responsiveness builds brand trust according to Zeithaml et al. (2018, p. 250).

6. People

Key personnel include:



Figure 4 – David Coulthard, Red Bull Brand Ambassador, promoting the product during a Red Bull Racing event.

- **Brand Ambassadors:** Trained individuals representing the product at events and on social media.
- **Customer Service Teams:** Responsive support addressing consumer inquiries and feedback.
- **Marketing Staff:** Professionals executing targeted campaigns and analysing market trends.

Adequate training enables staff members to deliver the brand message in a clear and uniform manner. The training enables employees to give better service which produces satisfied customers alongside a stronger brand image. A positive brand image with customer loyalty develops through engaged staff (Bitner et al., 2016, p. 320).

7. Physical Evidence

Tangible elements reinforcing brand identity:

- **Packaging:** Distinctive design featuring ginger motifs and health-centric colour schemes.
- **Point-of-Sale Displays:** Eye-catching setups in retail outlets highlighting product benefits.
- **Online Presence:** A user-friendly website and active social media profiles showcasing product information and customer testimonials.

Consumer perceptions and purchase decisions become more efficient through sensory elements (VANTZOS, V., 2011, pp. 69-70).

Conclusion

The implementation of 7Ps framework for Red Bull Cold Coffee with Ginger Flavour enables a complete strategy that covers product creation alongside market placement and customer interaction methods. The planned strategy follows contemporary market patterns and consumer taste preferences which sets up the brand extension to succeed in the competitive ready-to-drink coffee market.

Conclusion

In summary, the planned brand extension supports both the parent brand identity together with corporate values and fulfils consumers' expanding market needs. The brand expands into health-focused products with eco-friendly elements because it responds to consumer preferences for wellness and addresses new market opportunities based on its existing market recognition. The application of the STP model in this report helped researchers find perfect target clients and differentiate the extension while delivering focused benefit-oriented communication.

Universal adaptation of the marketing mix through the 7Ps model aimed to achieve consistent products while validating prices and delivering excellent promotional campaigns along with outstanding service quality. The marketing strategy focused on delivering premium customer service with sustainable packing systems and digital services which align with modern customer expectations and corporate principles.

The extension's potential remains strong yet it faces three main obstacles which include resistance from existing customers while production costs rise and market competition intensifies. The product extension shows good prospects for sustainable growth because it aligns well with current market developments.

The brand should use data-based digital marketing strategies combined with influencer relations to create awareness while gaining trust from Gen Z and Millennial shoppers. The brand should use e-commerce platforms and short-time collaborative activities to drive both new customer trials and sustained customer retention.

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