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Carson Bell

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Acquisition of Major League Sport Teams: Red Bull's motives behind the unprecedented move and why other corporations should be careful when doing the same

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ABSTRACT

The purpose of this paper is to examine the energy drink producer Red Bull and its motives behind major league sport team acquisition and management. In doing so, we discover that the business opportunity was largely successful for the energy drink producer, however, organizations must be cautious should they decide to follow suite. The energy drink corporation's motives were found to be largely marketing and business diversification related. Arguments are also introduced positing that the corporation's intentions also included those of an altruistic nature. Though the acquisition of teams was assessed to be largely successful, it was determined that Red Bull did face prominent opposition from fans and consumers. Because of Red Bull's existing history in extreme sport sponsorship, this opposition may have been less severe than if the company had not been associated with sport. With this in mind, companies seeking to acquire sport teams should conduct extensive research regarding how the public may react to the new ownership, and specifically which teams best reflect the company's brand and values. Methods of the analysis include gathering research from various sport analysts, examining interviews with Red Bull co-founder Dietrich Mateschitz, and compiling empirical data on Red Bull's various sport teams.

INTRODUCTION

Corporations have had a long-standing involvement within the world of sport. In the past thirty years alone there have been annual conferences whose sole purpose is to facilitate partnership agreements between companies and major sport teams (Belzer, 2013). Although corporations have become more and more involved within the sport industry, no company has had as active a role as the energy drink giant Red Bull. Since its inception, the Austrian based company has found new and innovated ways to integrate itself into the world of sport. Largely focused on extreme athletics, Red Bull's strategies have included sponsoring individual athletes, hosting entire sporting events, and even creating new sport categories of their own (Kerr, 2014). One of the largest leaps the company has taken, however, is the outright acquisition and rebranding of sport teams. Throughout this paper we examine the energy drink giant Red Bull and its decision to break away from traditional sponsorship models, and move instead into sport team ownership. The paper begins with a brief summary of Red Bull's history, followed by an examination of the three motives regarding the corporations' acquisition of different teams: Marketing, business diversification, and corporate social responsibility. The paper concludes with a brief discussion of the effectiveness of this unprecedented move by Red Bull, and if other companies should be following their lead.

BACKGROUND

Working as an international marketing director for a German Multinational, Austrian born Dietrich Mateschitz was forced to travel across the globe (Dolan, 2005). Frequently traveling not only between countries, but also continents, Mateschitz was faced with drastic changes in time zones, and often succumbed to jet lag (2005). After a long haul flight from Europe to Thailand in 1982, however, Mateschitz discovered a tonic drink called Krating Daeng marketed as a stimulating agent (Owen, 2012). After sipping on one of these drinks over ice, his jet lag would “all but disappear” (Dolan, 2005). Astonished by the products effects, Mateschitz quickly discovered that these small tonic drinks were being produced and sold “extremely well all over Asia” (2005). After meeting a Thai Pharmaceutical owner who sold the product, Chaleo Yoovidhya, the two teamed up and decided to bring the Asian based drink to international markets (Owen, 2012). Both Mateschitz and Yoovidhya invested approximately \$500,000, and took an equal stake in their new business venture (Soloman, 2012). Not too long after, Red Bull, and the beginning of an energy drink movement, was formed (2012).

On April 1, 1987 the first can of Red Bull was sold in Austria (Red Bull GmbH, 2015a). Since then, the company boasts that it has been “giving wings” for over 27 years (2015a). Since its inception, Red Bull has sold over 50 billion cans in over 167 different countries (2015a). When Red Bull was created, the company didn’t introduce simply a new product to market, but an entirely new product category (2015a). That being said, the energy drink tycoon was not an instant success. According to Jordi Benitez, shortly after the launch of Red Bull, there was a very real possibility that the company would go “belly-up” almost as quickly as it had started (Benitez, 2012). According to Benitez, energy drink sales were struggling, as “the market was not ready for this new product” (2012). However, the President of the Institute for Advertising and Marketing Research at the University of Vienna, Wolfgang Mayerhofer, stated that things begin to change for the company after Mateschitz “ ‘introduced the drink into the then-emerging world of mountain biking and snowboarding clubs’ ” (2012). After Mateschitz bold move, Red Bull began to flourish and become the hugely successful corporation it is today.

MARKETING

When discussing energy drinks, it is not surprising that Red Bull surfaces to the top of most conversations. Leading the industry with 43% market share, Red Bull consistently overshadows competitors in the production and distribution of product (Mitchell, 2015). In order to maintain market share and customer loyalty, competitors such as Coca-Cola have gone so far as to safeguard its “secret formula” (Mikkelson, 2011). Red Bull, however, freely displays their ingredients on their website and cans, and has not actively pursued any patents for components of their energy drink (Red Bull GmbH, 2015b). How then has Red Bull been so successful, consistently barring competitors from becoming the industry leader? The answer is simple: Unique marketing strategies. In this section, we examine how the acquisition of sports teams provides the energy drink titan with a promotional edge over traditional sponsors. We begin by examining Red Bull’s rebranding of acquired sport teams in order to increase brand awareness and exposure. From there, we continue by assessing Red Bull’s use of teams to progress the brand’s lifestyle image. Finally, this section concludes by taking into consideration additional marketing strategies Red Bull employs in conjunction with the acquisition of teams.

Introducing Red Bull to the Masses

Red Bull is no longer satisfied with simply having their logo displayed neatly on the side of jerseys and uniforms. The company has chosen to expand beyond traditional sponsorship models and acquire teams in order to change all aspects the team’s identity; this includes “names, colors, and, in some cases, even

erasing club records” (2014). This complete overhaul of sport teams is in an effort to create as much brand exposure as possible (Louvet, 2011). Though we acknowledge that this is not ground-breaking insight, it is worth noting the overall effectiveness of the strategy. Take, for example, the company’s two Formula One racing squads. Infinite Red Bull Racing and Scuderia Toro Rosso (“Red Bull” in Italian) are equipped with motor vehicles embroidered with the company’s analogous red and blue design (Hall, 2009). According to one estimate, the Formula One teams generated the equivalent of over \$283 million in on screen-exposure in 2013 alone (Sylt, 2014). Although this figure is quite high, it is still a conservative estimate of the teams’ overall advertising generation. Since Infinite Red Bull Racing and Scuderia Toro Rosso are both named and owned by Red Bull, it is virtually impossible to speak of the team or athletes without also mentioning the parent company. These racing squads, however, are only a small piece of a much larger picture. Almost all of Red Bull’s acquired sport teams compete in the highest possible league within their respective category. This means that many of the sporting events are broadcast globally to millions of potential viewers (Fox Sports, 2015). With each team embodying all aspects of the company’s brand, Red Bull receives an insurmountable amount of marketing exposure annually. Although this surface level brand exposure is one of the principle reasons behind Red Bull’s rebranding of sport teams, the company’s marketing objectives extend beyond rudimentary advertising practices.

Part of the Team

In the realm of marketing and advertising, professionals employ various techniques in order to connect with current and potential consumers. The goal is often to create brand loyalty and preference for their product over competitors. This often takes shape in the form of popular marketing strategies such as product differentiation, or cost leadership. In the case of Red Bull, however, the company took a more indirect approach: Team Identification.

According to an analysis of the relationship between spectators and sport teams, the greater an individual identifies with a given team, the more likely it is that this individual will engage in “direct, and indirect sport consumption, such as event attendance and purchases of team products” (Theodorakis et al., 2012). In essence, if Red Bull is able to integrate themselves with sport teams to the extent that the two become synonymous, individuals who identify with Red Bull’s teams will also likely identify with the corporation as well. This may lead to improved brand perception along with increased sales of Red Bull products. Furthermore, the analysis revealed that individuals often use sport games as a manner of satisfying social interaction needs with other fans (2012). By merging the Red Bull brand with specific sport teams, the company has effectively become a component of many sport fans social interactions. As described in an Article by Brandon Gutman, this is akin to the marketing strategy where corporations attempt to connect with consumers through memorable and noteworthy experiences (Gutman, 2012).

By fully incorporating Red Bull within action filled sports, and their resulting social contexts, the company is attempting to associate themselves as much as possible with a fast-paced and fun-loving lifestyle (Perlut, 2012). Hopefully the next time you see a case of Red Bull sitting on the grocery store counter, you’ll think of the way you felt after watching the New York Red Bulls score last night’s incredible game winning goal, or back to the day you and your fellow EC Red Bull fans hosted that playoffs party together. With any luck you’ll decide to pick up those slim blue and red cans, and shift from a potential customer to product consumer.

Extending Beyond Acquisitions

As noted above, after the acquisition of a sports club, the energy drink company weaves their brand into every aspect of the team. In regards to the New York Red Bull's, the energy drink corporation went even further and purchased the sports team home stadium, renaming the venue the Red Bull Arena (Carter, 2011). What's more, the company mandated that arena staff attend Red Bull seminars in order to acclimatize them to the organization's expectations and brand (2011). In this instance, spectators who attend New York Red Bull games are fully immersed within the Red Bull culture and brand image. Sport team, venue, and staff, Red Bull has successfully moved from sport sponsor to sport provider. Even when events and sport games are held at the arena that do not include the New York Red Bulls, attendees are nonetheless inundated with Red Bull advertisements and continuously reminded of the company's very own soccer club, and more importantly, their brand (2011).

A large part of Red Bull's considerable success has been largely attributed to the company's marketing efforts (Pangarkar & Agarwal, 2013). Since the acquisition of Red Bull's various sport teams, the company has experienced increased sales and considerable growth (2013). Unfortunately, due to the various other marketing strategies the company employs, it is not possible to determine to what extent the acquisition and rebranding of sport teams contributed to this growth. Nevertheless, as demonstrated by the company's Formula One Teams, we can firmly assert that the company's actions have generated considerable marketing exposure for the corporation. Later on, we discuss whether all the attention Red Bull has received through its teams has been positive, and potential problems that may arise for companies who choose to follow the same marketing strategy. Before that, however, we move forward by examining the second reason behind Red Bull's acquisition of sport teams.

BUSINESS DIVERSIFICATION

Looking beyond the obvious marketing gains that are derived from Red Bull's sport team acquisitions can be difficult. After all, it would make sense for marketing to be the sole motive behind Red Bull's above normal sponsorship into these teams. But what if the acquisitions are not only a way to help endorse and promote their energy drink, but also a way to broaden the scope of Red Bull's overall business model.

In the early 2000's, co-founder Dietrich Mateschitz was quoted in an article suggesting that "[i]t makes no sense to build a company on one product" (The Economist, 2002). At this time, Red Bull had only secured one Austrian ice hockey team known now as the EC Red Bull Salzburg (Red Bull GmbH, 2015c). In the next four years, however, Red Bull would go on to acquire four soccer clubs, an additional hockey team, along with two Formula One racing Teams (Conway, 2014). Though this may seem like a sizeable entry into the business of sports, these are only some of the more popular teams; Red Bull has also entered a team into an Extreme Sailing Racing Series (Carson, 2014), along with inserting itself into the arena of electronic sports (Gaudiosi, 2015). As noted by Bartie et al., with the value of sport teams on the rise, and the potential profits that can be achieved, sport teams are beginning to be "run as sophisticated enterprises" (Bartie, Etna, & Kishner, 2015). In this section we address two of Red Bull's teams, Red Bull Racing and New York Red Bulls, and illustrate how the acquisition of these teams demonstrates an expansion of the corporation's business model.

Red Bull Racing

In 2004, Red Bull took a major leap and purchased Jaguar's Formula One racing team (BBC Sport, 2004). Although this was a major risk, organizations were not shocked by Red Bull's entrance into Formula One, as it provided the energy drink corporation with considerable marketing opportunities. What is surprising,

however, is the additional corporate benefit Red Bull is able to reap beyond marketing strategies. Even if Red Bull had not rebranded the team at all, and made no move exploit the team for advertising purposes, the acquisition of the Formula One racing team would still have been a smart business venture. This is due to the fact that “prize money is the main reason why Red Bull Racing is now worth \$640 million... More than half of Red Bull [Racing’s] revenue stems from on-track winnings, which topped \$125 million last year” (Smith, 2014). Irrespective of marketing potential, the formula one team is largely valuable in and of itself. Some may raise the argument, however, that these revenue streams are quite large, but so are the subsequent costs. In 2011, Red Bull Racing’s total revenue reached \$374.6 million, but the cost incurred surmounted to \$367.1. Nevertheless, this still yielded an annual profit of \$7.5 million (Sylt, 2014). Furthermore, one must keep in mind that the costs include considerable investment by Red Bull with research and development costs surpassing \$122.3 million by the year 2012 (Sylt, 2014). This investment in the team’s development has helped place the team at the top of the standings, ultimately causing the increase in team valuation by 60% from 2012 to 2014 (Smith, 2014). One can view Red Bull Racing as a marketing tool, yes, but also as an extension of the company’s business that is not only yielding profit, but also increasing considerably in value.

New York Red Bulls

Although Red Bull’s Formula team has proved to produce a healthy sum of profit, not all of the organizations teams are quite so lucky. In 2012, the New York Red Bulls brought in an estimated \$22 million in team earnings, however the team’s costs surpassed their revenue, and the Red Bulls finished their season with a negative operating income of \$9 million (Smith, 2015). Examining the team’s income statement, the New York Red Bull’s appear to be an unfavourable investment in terms of business diversification. Nonetheless, a factor that must be taken into consideration is the team’s overall value. Described once as “stragglers” in the Major League of Soccer (Kerr, 2014), the club has been able to make an astounding recovery and, at the time of writing, sit prominently at the top of the Eastern Conference (New York Red Bulls, 2015). This drastic shift is largely attributed to Red Bull’s acquisition, and subsequent support, of the team (Kerr, 2014). From 2012 to 2015 alone, the team has experienced an increased valuation of \$30 million (Smith, 2013; Smith, 2015). This is a relative increase of over 26%. Therefore, although the soccer club experiences periods of negative profit, New York Red Bull’s unrealized gains exceed the club’s monetary outlays. In short, if Red Bull were ever to choose to sell the club, the company would expect a considerable return on their investment.

By acquiring sport teams, Red Bull is able to expand beyond traditional sponsorship and marketing arrangements and instead develop their enterprise to include team ownership and management. As illustrated by the organization’s Red Bull Racing team and U.S. based soccer club, Red Bull has been successful in transforming their teams into valuable assets. Although some sports analyst predict that Red Bull will soon divest from some of its teams (Iapicco, 2015), it seems far more likely that the company will continue to pursue this extension of their business model, and acquire further teams.

CORPORATE SOCIAL RESPONSIBILITY

Although a clear business case exists behind Red Bull’s acquisition of sport teams, a potential third more altruistic motive exist that could be a driver for the company’s actions: Corporate social responsibility (CSR). Within this section, we examine arguments to support the assertion that, at least in part, Red Bull’s acquisition of sport teams is altruistic.

Before we begin, however, we would like to address the concept of Corporate Social Responsibility in and of itself. CSR is not the easiest subject to broach. It is a widely debated topic with individuals found to both support and oppose the idea. On the one hand, it has been argued that CSR is used by corporation as simply a guise to advance the organizations own agenda, and that benefits provided to society are merely a by-product (Rangan et al., 2015). Others, however, believe that CSR is in fact utilized positively and reflects “pure corporate philanthropy” (Hopkins, 2004). To clarify this issue, CSR in the context of this paper, and when applied to Red Bull, is referred to as an action taken by an organization to improve economically, socially, or environmentally the state of one or more stakeholders regardless of individual corporate benefit, and without diminishing the state of any other entity.

Not a Sponsor, a Vehicle

As one critic, Danny O’Leary, has stated, “Red Bull is not a sponsor of sports, it is its vehicle” (O’Leary, 2013). O’Leary argues that Red Bull is not a traditional sponsor concerned only with what the athlete or team can provide for them, but instead a “philanthropist” with a genuine interest for its “athletes and the advancement of sport” (2013). O’Leary’s views are largely attributed to the fact that Red Bull listens to the athletes and sport teams it sponsors, and invests in their “growth as much as their own marketing benefits” (2013). This sentiment is echoed by one of the first American athletes sponsored by Red Bull, Travis Pastrana. The extreme sport athlete describes how Red Bull approaches all of its sponsored athletes yearly and asks “how can we help you progress your sport, and in doing so, how can you help us take something and make it bigger that it’s ever been done. Not just by a little bit, but by a lot.” (HBO, 2013). Red Bull’s approach to sponsorship and team acquisition is to progress athletes, teams, and sports to the point where they are the biggest and best. In order to do so, Red Bull is continuously seeking ways to support and assist their athletes and teams. A large part of this, is taking the time to hear directly from athletes what their needs are, and how they believe Red Bull can help them. It cannot be denied that one of the principle reason Red Bull wants their athletes and teams to be at the top of their respective league is the marketing and business diversification reasons listed above, however the corporation also seems to have a genuine interest in advancing a community that is much larger than themselves. Instead of the customary top down approach many traditional sponsors take, Red Bull appears to form a two-way partnership with their athletes and teams. The organization’s goal is not to direct, but assist in creating outstanding athletes and sport teams (O’Leary, 2013). Pastrana attributes much of his success to the energy drink giant, expressing that “Red Bull gives me the opportunity to live my dreams, and not just imagine what it would be like” (2013).

Pastrana is not the only athlete praising the energy drink company. Red Bull’s Formula One driver David Coulthard has stated that having Red Bull as the owner of the racing team “allows you to be, for better or worse, yourself” (Ho, 2006). Traditional formula racing teams are endorsed by numerous companies each with a set of criteria for how athletes should behave both on and off the track. Coulthard commented that when driving for a team such as “Mercedes, you represent Daimler and you represent Mobil Siemens, Hugo Boss” and that there is a “much finer line of what is politically correct” (2006). Red Bull’s goal, however, is for athletes to be the best they can possibly be, regardless of their personal endeavours.

When it comes to Red Bull, Travis Pastrana and David Coulthard are not unique. Countless athletes and teams have come forward to praise the energy drink corporation and the advancements the company has made in the sports industry. Without Red Bull, numerous athletes and sports teams would not be at the level they are today, and the world of professional sports would be drastically different.

Commitment through Acquisition

When viewing Red Bull from a socially responsible perspective, critics may argue that if Red Bull really were a sport “philanthropist”, as O’Leary has suggested, there would be no reason for the company to fully acquire sport teams. If the company wished to support the sport industry altruistically traditional sponsorship, or even donations, would suffice. It is the position of this paper, however, that by acquiring sport teams outright, Red Bull has signalled a greater commitment and support of athletes and various sport categories. In a New York Times article, Julie Bosman notes how team names are “like a tattoo”; it is possible, but very difficult, to change. By acquiring and rebranding sport teams with their name and image, Red Bull has effectively made a pledge to support the team far beyond any traditional sponsor or owner.

Further arguments may be raised that Red Bull’s actions cannot possibly be regarded as CSR as the company reaps considerable financial benefit in terms of brand exposure and team earnings. Financial gain, however, is a necessary component of supporting the sport industry altruistically on a global level. Jensen et al. discussed that revenue streams, including that provided by the rebranding of a sports team, “are needed to keep up with the exponentially growing cost of running a professional sports franchise” (2008). If Red Bull were to invest in sports teams across the globe and not make any attempt to earn revenue from their investment, the company would suffer large financial outlays. Though this would be a very generous donation on behalf of Red Bull in the name of sport, by gaining marketing exposure through their teams, Red Bull is able to access additional revenue that they are then able to reinvest into teams; the more exposure the company receives, the more teams they are able to support, the more growth and development of clubs and overall sport.

Red Bull has supported countless athletes and teams around the world, allowing individuals to push the boundaries of sport and pursue their dreams (Vinton, 2013). Though it is naïve to believe that the actions of the multi-billion dollar organization are completely selfless, it is hard to deny the advancements Red Bull has made for the sports community. As the wife of one former extreme sport athlete, Shane McConkey, stated, “[Red Bull] treated him like family. It’s such a huge company, and I’m amazed they treat all their athletes like that” (2013).

DISCUSSION

This paper has so far only focused on the motives behind Red Bull’s acquisition of sport teams and the ensuing benefits derived from the company’s action. To provide a more complete analysis, we examine the reaction from the general public over Red Bull’s acquisitions, why the company was well positioned to make the move, and if other companies are able to successfully follow the energy drink giant’s lead.

Red Bull Backlash

Almost immediately after acquiring a new sport team, the energy drink tycoon changes the team’s logo and colours to reflect that of Red Bull. The organization even went so far as to change the New Jersey Metro Stars name to the *New York Red Bulls*, regardless of the fact that the team continues to be based in New Jersey (Havsy, 2006). Sport critics have argued that this sort of rebranding destroys the clubs culture and traditions (Jensen et al., 2008). Critics, however, are not the only ones disapproving of Red Bull’s actions. In Leipzig Germany, the acquisition and rebranding of local soccer club SSV Markranstädt was met with “in-stadium protests and match boycotts by some opposition teams” (Kerr, 2014). Some fans even went so far as to use “weed-killer to burn protest slogans into the team’s home turf” (2014). Although it may seem as though the public is unfairly criticizing Red Bull, in some cases it is actually long-

standing team supporters who become the victim in the wake of the new team ownership. After Red Bull acquired the soccer club SV Salzburg, the organization instituted guidelines meant to prohibit fans from wearing the team's former violet and white colours (Jensen et al., 2008). At matches, those who refused to head Red Bull's policies were "harassed and assaulted with beer bottles"; not surprisingly, this led to damaged relationships with these devoted fans (2008). Although the backlash may seem extreme, many view Red Bull's acquisition as a positive step forward. In an article by Paul Joyce, former professional soccer player and past vice-president of the German Football Association, Franz Beckenbauer, rebuffs many critics stating that "[w]hether you play in purple, blue or green is irrelevant; the only thing that matters is the team being successful" (Joyce, 2005). It can be argued that being a sport fan is not about team names or colours, but supporting a group of athletes to do their best. Red Bull has enabled many teams to prosper within their respective leagues and could be classified as one of the ultimate sport fans.

Regardless if criticism is directed either towards Red Bull or towards sport fans, it is clear that the acquisition and rebranding of teams has created notable backlash for the organization. That being said, in comparison to Red Bull's fans across all sport categories, those who feel negatively affected by Red Bull's actions form a small percentage of the total. In the next sub-topics we explore why Red Bull did not face a larger backlash following its acquisition of various sport teams, and why other corporations may.

Red Bull Compatible with Sport

Through Red Bull's association with extreme sports from a very early stage, the company has successfully "branded itself a lifestyle product" (Ho, 2006). Even before the acquisition of sport teams, Red Bull has already been closely linked with several major athletes, and successfully introduced numerous sporting events of their own (Vinton, 2013). This may lead spectators to view the energy drink corporation as an already existing component of the sport industry, and have fewer objections to the companies take over and rebranding of teams. Critics have even gone so far as to say that Red Bull "is more robust than a lot of other brands in that category" (Ho, 2006), implying that the energy drink company is able to absorb and recover from consumer backlash much easier than other corporations. Others have commented that changing the name of a team to a corporate sponsor is more likely to be accepted by fans if "it connotes an image associated with a sporting endeavour", or "is similar to names used by other teams" (2008). With several teams already employing "Bulls" in their name, the consensus of the article was that Red Bull meets this specific acceptance criterion (2008). Conversely, companies who do not meet this criteria often fail in the rebranding of team names, such as the refusal of FedEx's bid to rename the Memphis franchise of the National Basketball Association "The Express" (2008).

Replicating Red Bull's Success

Though Red Bull did face backlash from fans, the decision to progress beyond traditional corporate sponsorship was largely successful. At first glance, managers may believe that by following in Red Bull's footsteps, their organization can enjoy the same marketing, business diversification, and CSR results as the energy drink giant has; this, however, may be misleading. As noted above, Red Bull as an organization was compatible with the sport industry long before any acquisitions took place. The company had already a long-history of sponsoring and developing the sport industry for a number of years (Shakeri, 2008). Nevertheless, even if there was an organization virtually identical to Red Bull in every respect, there is no guarantee that the organization's acquisition of a sport team would yield similar results. Variables such as team selection, team performance, and relative sport consumption over time, are unknowns that can have a significant effect on the parent company. Although research should be conducted to mitigate

uncertainty, it must be noted that, like many large corporate investments, there will always be a degree of risk.

In summation, the decision to outright acquire a sport team is dependent on a multitude of factors: First of all, the parent company should already have strong ties to sport, athletes, and events, or have the ability to develop an association with the community. Second, the parent company should engage in exhaustive research to determine exactly which teams, and sport categories, would best reflect the company's brand. Finally, an examination of alternative options, such as traditional sport sponsorship, or other business ventures, should be conducted to provide the company with a complete picture of all possible avenues.

CONCLUSION

Leading the energy drink industry for over 25 years, Red Bull has been a pioneer in exploring and developing new business ventures; the acquisition of sport teams is no different. One of the first corporations to pursue the opportunity, Red Bull has demonstrated that team ownership can provide significant marketing and business diversification benefits. The organization has been able to generate global brand recognition through their various teams while simultaneously developing their teams into valuable corporate assets. Additionally, one of the reasons behind Red Bull's shift from sponsorship to ownership was the company's CSR effort. By moving into a more concrete partnership with teams, the company is beginning to play a more active role within the tight knit community. It is important to note, however, that throughout the procurement of various teams, Red Bull has been faced with notable backlash from fans and consumers. Although the effects were mitigated by the energy drinks pre-existing involvement within the sport industry, organizations who are considering following this uncharted business move must be aware of how their involvement of team acquisition may be interpreted and of additional variable costs. Overall, Red Bull's decision to acquire sport teams has been a successful move by the corporation.

Since its decision to follow team ownership, the energy drink giant has also moved into other industry such as music and entertainment with the introduction of the company's Red Bull Media House. A similar examination and comparison of Red Bull's entrance into this industry may reveal further insights concerning the organization's overall business objectives.

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