

# **Selling energy: An analysis of Red Bull's marketing strategies**

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# Selling Energy: An Analysis of Red Bull's Marketing Strategies

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## ABSTRACT

This paper's objective is to provide the reasons for Red Bull Gmhb's marketing success in the global energy drink market. It focuses on the company's marketing strategies and product positioning for their flagship product, Red Bull Energy Drink. It discusses the company's history and the emergence of the new product category "functional energy". Congruently, it considers how this gave Red Bull first-mover advantage. Investigation into Red Bull's marketing mix provides insight into the company's product, price, place, and promotion, also known as the four Ps. Product is analyzed by looking into taste, ingredients, and packaging. Price is analyzed by the effects of internal and external market forces. Different geographic locations and environmental factors are used to analyze Red Bull's effectiveness of place. Lastly, the various promotional tactics that Red Bull implements are identified and analyzed. The primary evidence was gathered by interviewing Professor Albert Dolecek, Senior Lecturer of Marketing at Vienna University of Economics and Business, who is also a private Strategic Marketing Consultant. Also, information was gained from speaking with a Red Bull sales associate, who will remain anonymous.

## INTRODUCTION

Since the beginning of mankind, human beings have used an array of food and drink to meet their specific dietary needs and wants. Some drinks have stood the test of time and have been a favorite among societies for generations. Specifically, I am referring to coffee and tea, both of which have high caffeine content and have provided people with a brief boost of energy for centuries. Both drinks still remain incredibly popular and are arguably among the top five most consumed beverages in the world. Moreover, many people have become reliant on these caffeine packed drinks and would even claim that they would "not be able to function" without their morning coffee or post lunch tea. Thus, there is no doubt that a market exists for a beverage that is specifically engineered, and scientifically proven, to increase physical endurance and mental alertness. A drink that would effectively provide users with the energy to finish a long day of work, perform in a sporting event, continue studying, or aid in any other day-to-day activities.

Austrian entrepreneur, Dietrich Mateschitz, saw the market potential for this type of beverage in Europe and founded Red Bull Gmhb in Austria in 1985. The product itself is also named Red Bull and is an energy drink that "Vitalizes Body and Mind®" (Red Bull, 2013) using scientifically proven ingredients to induce the product's desired effect. Red Bull Gmhb was a pioneer in the energy drink market and was the first company to introduce this new product category into Europe and North America. Today, the energy drink industry has gone worldwide with a global consumption of 4.8 billion litres and a \$37 billion market worth in 2011 (Zenith International, 2012). Red Bull was able to evolve itself from a small Austrian start-up company with a product that had never been seen by the global market, outside of Asia, into a multinational company. Moreover, the company has held the position as the market share leader in this industry since its inception over twenty years ago. It can be seen as a marketing wonder, given that the product itself has remained quite static throughout its history. Subsequently, a major factor and huge component of Red Bull's success can be attributed to their unique marketing strategy and effective branding. Red Bull has been able to portray itself as more than just a product, but as a lifestyle. This

paper analyzes how Red Bull's marketing mix, composed of promotion, price, place, and product, has led to their product's global success.

## **BACKGROUND**

### **Birth of the Energy Drink**

Before establishing Red Bull GmbH, Dietrich Mateschitz had obtained a marketing degree from the University of Commerce in Vienna and was the International Marketing Director for Blendax, a Procter & Gamble company. Due to his occupation, Mr. Mateschitz spent much of his time travelling internationally on business trips. On a particular trip to Thailand, he tried a popular Thai beverage called Krating Daeng, which is considered to be the original energy drink and is very similar to present day Red Bull. Dietrich was pleased to find that the drink had cured his jet lag and provided him with a boost of energy (Solomon, 2012). He quickly became fascinated by Krating Daeng and realized the market for such a beverage in his home country of Austria. Dietrich quit his job in 1984 and created Red Bull GmbH with his partner Chaleo Yoovidhya, who was the creator of Krating Daeng and owner of TC Pharmaceuticals. The Thai beverage manufacturer, TC Pharmaceuticals, owned the rights for the energy drink recipe and in exchange for a 51 percent stake in Red Bull, he sold the foreign licensing rights to Mateschitz (Aaker, 2011), thus giving Dietrich Mateschitz 49 percent ownership of the company. The partners agreed that Dietrich would run the company and act as its CEO. Dietrich established Red Bull GmbH in his home country of Austria in 1985 and launched the Red Bull energy drink in 1987.

### **Business to Consumer (B2C) Market**

As Red Bull is a consumer good, the energy drink was marketed as Business to Consumer. "Business-to-Consumer marketing refers to the tactics and best practices used to promote products and services among consumers" (Brafton, 2013). Consumer marketing is more personal compared to Business to Business (B2B) marketing and requires that Red Bull not just focus on the product's function or features, but also appeal to the customer's wants in order to evoke an emotional response. In consumer's minds, the product can be more than just a drink, but also a symbol of a lifestyle or persona that they want to convey to others by consuming the beverage (Boag, 2013). Red Bull has focused on building a brand and reputation for their drink that would offer more than just nutritional value but also powerful social value.

### **Positioning and Target Market**

Red Bull executed an open approach to the positioning of their product in the market. Generally, it is recommended for companies to define a specific target market as marketing to the general population is an exceedingly expensive and difficult endeavour, especially for a start-up company with a small amount of resources (Porta, 2010). Furthermore, the broad reach of such an approach can cause the customer to become confused. Due to the vague definition of the product characteristics, it becomes difficult to decipher exactly what utility will be gained from the product. However, Red Bull was able to overcome the obstacles of an open position and communicate their products' attributes to a broad target market through carefully crafted messages, based on customer needs and wants.

Effective product positioning ensures that marketing messages resonate with target consumers and compel them to take action (Richards, 2013). Mateschitz devised the brand positioning statement "revitalizes body and mind" as Red Bull's message to the consumers. The statement focuses on the function of the drink and the tangible benefit that it delivers to the consumer, in a simple, yet intriguing manner. Contrary to traditional market segmentation, Red Bull's target market was not demographic or a psychographic, but instead was anyone in need of energy, regardless of age, sex, income or any other defining characteristics. Red Bull's Group Marketing and Sales Director, Norbert Kraihamer, stated that "we only have two dimensions: people who are mentally fatigued

and people who are physically fatigued or both” (Aaker, 2011). Furthermore, Red Bull neglected to specify any specific consumption occasions as the company wanted consumers to drink their product whenever they needed a boost, regardless of time or place. By not identifying a narrow target market or limiting itself to certain occasions or activities, Red Bull was able to penetrate many market segments and leave space for the company to grow. Such a tactic made Red Bull very flexible in the course of time as the energy drink industry matured, consequently allowing the company to adapt with changing trends and the entrance of competitors, a strong contribution to Red Bull’s ability to remain the market leader.

## **ANALYSIS**

### **The Product**

Red Bull Energy Drink is a consumer convenience good, which means that the buyer generally puts little thought into the decision-making process. Since this category of goods is “widely-available, purchased frequently and with minimal effort” (Investopedia, 2013), the consumers often are price sensitive and habit oriented. Red Bull, however, was introducing a brand new product category to the market, “functional energy”, named thus because the beverages were meant to be consumed for energy, not enjoyment purposes (Aaker, 2011). In view of that, Red Bull was able to benefit from first-mover advantage and market their product as a preference good. A preference good establishes a brand preference and loyalty from consumers, thus creating customers that habitually choose that product (Boag, 2013). Red Bull encouraged the consumers’ view of their product as a preference good with a strong marketing campaign that created brand prestige.

Red Bull entered the market with only one product, the Red Bull Energy Drink, and since then has only slightly expanded their product line. Their product mix is very limited and essentially has no width or length, only depth in their flagship drink, which now comes in sugar free, zero calorie, cola, and editions which are fruit flavored. Having a small product mix can be advantageous for a business as it keeps the company from over extending itself and spreading its resources too thin (Gordon, 2004). Also, a large product mix runs the risk of cannibalizing its own products, meaning that, the company launches too many products into the market and starts losing sales from an old product to a new one. However, there are also disadvantages for Red Bull having a small product mix. By having a small product mix, it is more difficult for the company to diversify risk, attract buyers with different preferences, and increase profitability from multiple market segments (Gordon, 2004). Yet Red Bull’s original energy drink’s popularity and market leading sales has substantially offset most of these disadvantages, with the help of their open brand positioning and non-segmented target market.

### The Taste and Ingredients

Different cultures often have different diets and, thus, prefer certain tastes that they are familiar with. Krating Daeng was tailored towards the Asian market and was very popular among the Asian population. Accordingly, Red Bull could have simply kept the same formula and optimistically entered the product into the European market without making any changes; however, Mateschitz opted to “westernize” the product. In order to be more fitting for European taste, the drink was altered by adding carbonation, lowering the caffeine content, diluting it and adding/removing some minor ingredients (Aaker, 2011). Although this was a necessary step, Kraihamer stated that “we [Red Bull] never cared about the taste a lot because we are more concerned about the function of the product” (Aaker, 2011). This attitude would be considered highly abnormal as most beverage products focus on and advertise the taste of their product. Justly, most consumers favor and purchase certain drinks according to their taste. However, with Red Bull’s new beverage category of functional energy, taste was not the most important aspect, but instead it was the elements that provided the energy function.

The drink is moderately sweet but has a somewhat of a medicine taste to it. The company does not try to mask the “medicine” taste, but instead embraces it as a way to assure the consumer that what they are drinking is

more than just a soft drink. The main ingredients in Red Bull and the ones in which provide energy are caffeine, B-vitamins, sucrose, glucose and taurine. Contrary to popular belief, one 250 ml can of Red Bull has only 80 mg of caffeine, compared to a small cup of Tim Horton's coffee which has 100 mg of caffeine (Tim Hortons, 2012). Given that the focus of Red Bull's marketing is on the function of the product, it is important for the company to ensure that their ingredients are of high quality, to assure the consumer that the drink is safe and effective. Accordingly, Red Bull proudly presents on their website that the "water in Red Bull is alpine water of highest quality, which comes from the Austrian and Swiss Alps" and "the sugar is produced from sugar beet", while the enhancing "ingredients such as taurine, caffeine and vitamins are synthetically produced to ensure high and consistent quality" and "all ingredients comply with food regulatory requirements". It is important for Red Bull to publicly post their ingredients and how they are derived in order to create credibility of the product's effectiveness, as their marketing is based on its energy-providing benefits. Red Bull's product generates the following functional properties:

- Improves physical endurance
- Stimulates metabolism and helps eliminate waste substances
- Improves overall feeling of well-being
- Improves reaction speed and concentration
- Increases mental alertness

### Packaging

It is essential that the packaging of a product represents the rest of the marketing mix as it is visible at the most important part of the buying process, the point of sale (Bizcommunity.com, 2012). Red Bull Energy Drink's can is attention grabbing and features two red bulls aggressively lunging at each other in front of a yellow sun, portraying the power and speed that the drink provides its users. The blue and silver background of the can is more calming and plays to the intellect and sophistication that can come of the mental alertness. Thus, portraying a multi-sensory appeal to the consumer, which "attracts greater attention, intensifies perception and stimulates interest in buying" (Bizcommunity.com, 2012). This is important in differentiating Red Bull from its competitors and conveying its branding image to the consumer. The text, energy drink, is clearly displayed under the logo as to assure the consumer that they are buying a functional product. The Red Bull can is smaller than a typical 355-ml soft drink – at 250 ml, it is slim and tall. The reason for a smaller can is related to its function and the arguably poor taste. Having larger cans increases materials costs and is unnecessary if the desired effect of the product can be induced from a smaller amount of fluid.

### **Price**

The price of a product has a large impact on buyer choice and behaviour, as "from a customer's point of view, price, is an indicator of perceived value" (Boag, 2013). When an organization is price planning, they must look at both the internal and external factors that are affecting their pricing decisions.

### Internal

Internally, it is important that the price is congruent with their marketing objectives. As for Red Bull, they are focusing on the function of their product and its benefits for the consumer. Thus, a low price-high volume strategy would not be fitting for the company as buyers would perceive their product as cheap and ineffective. Red Bull wants their drink to be considered superior to the current beverage market of soft drinks and sports drinks, pricing it lower or at the same price would contradict this positioning. In addition, Red Bull's ingredients and high standard of quality make it relatively more expensive to produce. In order to cover fixed and variable costs of production, a higher price must be demanded in order to make a profit. The strategy most fitting for Red Bull would be one of product quality/innovation leadership which means setting prices high to symbolize

exceptional value (Boag, 2013). The company wants consumers to have the impression that Red Bull is unique and superior so they set the price at a premium to separate it from soft drinks and sports drinks (Aaker, 2011). Furthermore, by setting a premium price, Red Bull increased its product profit margins. Larger margins allow the company to support its outside sales representatives, which increases its participation in event sponsorships and sampling efforts.

### External

As Red Bull was introducing a brand new product category into the European market, they had a lot of control over how they wanted to price their energy drink in context with the external market. Congruently, they had no direct competition within their product category when the drink was first launched, which is typically a major factor in an organization's ability to choose a price. The primary competition at the time of the product launch was cola beverages and Red Bull, as mentioned above, purposely set their prices above to differentiate their product. The market is now mature and occupied by many competitors that impose an influence on Red Bull's price setting abilities. However, Red Bull has always maintained their premium product attitude and in every market would set a price "at least 10 percent greater than the most expensive competitor in order to maintain 'best of class' positioning" (Aaker, 2011). In doing so, they were consistent in influencing the consumer's overall perception of the product's quality: higher prices equal higher quality. This is known as a prestige pricing strategy, which is the practice of "setting a high price for a product, throughout its entire life cycle for the purpose of giving the impression of higher quality or of adding prestige value to the brand" (Boag, 2013). The reason Red Bull was able to exercise such a favorable strategy is due to many aspects. Firstly, they had first-mover advantage and introduced the product at a premium price. Furthermore, they have remained consistent with their premium pricing in spite of competition entering the market, thus, showing the confidence and superiority of their product. Secondly, Red Bull has always focused on the function of its beverage and its high level of quality. Through successful and consistent marketing focused on Red Bull's superior energy providing qualities, they were able to convince consumers that their product offered the best "energy", hence, increasing the consumers' perceived value they expect to receive from the product and the price customers are willing to pay is a result of this perceived value (Small Biz Viewpoints, 2012).

### **Placement**

Currently, Red Bull is distributed and sold in 165 countries worldwide (Red Bull, 2013). The distribution channels of such a large operation are immense; however, the company began small by selling solely in its home country of Austria in 1987 and expanded from there.

### Europe

Austria did not become a part of the European Union (EU) until 1995, so exporting its products into neighbouring countries was very difficult due to barriers of entry. Taurine, a key component of Red Bull's product, was not on the list of approved ingredients in any of the EU member states, except for Scotland. However, according to the EU's policy for approved food products, if a product was approved in one EU country then it could be sold in all EU countries (Aaker, 2011). So Red Bull expanded into England and from there into the rest of Europe. Although, this obstacle stalled expansion, it actually added to the hype of the beverage. The fact that the drink contained restricted ingredients, namely taurine, supported Red Bull's claims of its energy providing effects in the eyes of the consumers. Thus, Red Bull had already been promoted in Europe without having to do any marketing.

## America

In 1997, Red Bull entered the US market by using a “cell approach”. This approach once again embraced the pull strategy culture of Red Bull, and built off the brand image. The intensity of distribution was intentionally very low. Using the cell approach, Red Bull started off by selling its product in one city, Santa Cruz, CA, and only at specific stores that were considered “cool” (Aaker, 2011). They were purposely avoiding supermarkets and large chain stores to maintain the drink’s identity as a premium and unique product. As it became more popular, the drink spread to additional stores and cities across the US until it was available through most intermediaries. However, by starting small and at specific retailers, the product’s value and brand image were built in the minds of the consumers. Consequently, as they increased distribution across the US they were able to maintain its premium product category.

## International

Red Bull can now be found in supermarkets, convenience stores, restaurants, and an array of other retailers worldwide. In parallel, Red Bull has become exceedingly efficient in its manufacturing, storing, and delivery of its product to both reduce costs and ease its impact on the environment. Global distribution uses a lot of energy and energy is both a cost to the company and the environment. Red Bull has been innovative in keeping up with the growing societal demands of lowering emissions and reducing the environmental impact of large companies. This strategy is congruent with Red Bull’s ideology of being a premium product and a market leader. Thus, they have been able to retain and gain customers by being socially and environmentally responsible and a leader in lowering emissions. Red Bull uses one production hub in Central Europe to serve all 165 countries that the product is distributed to (Red Bull, 2013). The company uses wall-to-wall production, which means that the approximately two billion cans per year are manufactured and filled at the same site. The company claims this saves “the equivalent emissions of more than 10,000 truck journeys of 700 kilometers each” (Red Bull, 2013). In addition, 80 percent of the energy used in production comes from renewable resources. The can itself is one hundred percent recyclable and weighs sixty percent less than it did a decade ago (Red Bull, 2013). Furthermore, it is smaller than average cans and more compact than glass or plastic bottles, thus, allowing for more products to be shipped in less space. Also, where possible the company looks to ship everything by boat or train to reduce emissions from trucks. These procedures and techniques offer tremendous benefits to the company. They have greatly been able to reduce shipping costs by using a small compact can and eliminating transport between can manufacturing and filling. Also, by having all production done at one facility, Red Bull guarantees that the same premium product quality is enjoyed around the world. Lastly, it conveys to the customer that Red Bull has high corporate social responsibility and is contemporary, similar to the brand image that they have marketed for their products.

## **Promotion**

Through the use of highly effective promotion and marketing strategies, Red Bull has been able to quickly penetrate markets and maintain its image as “the energy drink”. Professor Alfred Dolecek, Senior Marketing Lecturer at Vienna University of Economics and Business and private strategic marketing consultant, explained in November 2013 that the key to Red Bull’s marketing success was their introduction of the new product category, energy drinks, and their heavy promotion on its energy giving benefits. By being the pioneer in the energy drink market, Red Bull had the immense opportunity to create the image of the energy drink industry and sculpt consumers’ perceptions of the product category. Their promotion goal was to make Red Bull the face of the energy drink market. The company’s promotions concentrated on the benefits the drink provided its users and the associated outgoing, energetic lifestyle.

## Pull Strategy

Two promotion strategies that are commonly used are the push strategy and pull strategy. In the push strategy, “the firms centre their activities on their existing products and services and look for ways to encourage, or even persuade, customers to buy” (Boag, 2013). Essentially, the push strategy attempts to create consumer demand for the product by bringing the product to the customer. Generally, the sales tactics have a heavy reliance on retailers to stock their product and market from within the store. The pull strategy is the opposite and attempts to bring the customers to you by promoting the benefits or value of the products to attract customers. Generally this is done through mass media promotions and word-of-mouth referrals. Dietrich Mateschitz was a firm believer in the pull strategy and stated that “We [Red Bull] don’t bring the product to the people, we bring people to the product.” (The Economist, 9 May 2002). Throughout Red Bull’s history, the company has implemented many innovative promotion media to pull in its customers.

## Early Stages

As the company was brand new, the initial small marketing budget forced Mateschitz to devise affordable yet effective ways to inform Austria of this brand new product. He wanted Red Bull to have high affective power and be seen as unique and original in order to attract opinion leaders and reference groups. Opinion leaders are individuals who have social influence over others and “advice from opinion leaders has been shown to be more effective in influencing behavior than paid media such as television, newspaper or other mass media” (Boag, 2013). Relating to the pull strategy, Red Bull sought to build an image that people wanted to be associated with. To build initial curiosity, “Mateschitz launched the brand by persuading students to drive around in Minis and Beetles with a Red Bull can strapped on top” (The Economist, 9 May 2002). This tactic was used to catch the attention of a broad range of potential customers and present the new company and product to the public. In addition, Red Bull would organize “parties around weird and wonderful themes” (The Economist, 9 May 2002). By having eccentric parties, Red Bull was differentiating itself and promoting the energetic brand image. Furthermore, the sponsoring of the parties was a clever way to develop word-of-mouth marketing among the party goers and their peers. Apart from being inexpensive, word-of-mouth marketing has many other benefits. University of North Carolina’s Center for Integrated Marketing and Sales conducted research on this marketing technique and has suggested that it builds long-term value as “customers who purchase products or services based on a referral are more likely to buy more than people who find your company through traditional marketing methods” (Wagner, 2013). Most importantly, however, it builds the brand. A brand, from a consumer’s perspective, provides information regarding the quality, value, social stigma and risk that is tied to the product (Boag, 2013). Thus, by sponsoring these parties, Red Bull Energy Drink was conveying to the public that their product is both fun and effective. This was supported by the use of Red Bull at the parties by the guests, where it provided them with the tangible energy benefits. It was a method of sampling promotion, where Red Bull would offer its product for free to engage with the customers. Then, “If the item meets their need, or they develop a taste or preference for the product or service, they’ll be likely to buy again even after the free time frame is over” (Gossel, 2009).

## Advertising

As the company grew, their marketing budget and capacity to reach new customers increased. Red Bull began to mass market by airing television commercials. Also known as undifferentiated marketing, it is a “sales-growth strategy that ignores market segment differences and attempts to appeal to all prospective customers with a single, basic product line through mass advertising and distribution” (BusinessDictionary.com, 2013). The commercials are cartoons that are simple, lighthearted and feature an array of characters. Generally, a commercial consists of a “character, event or subject, to which a broad audience can relate, is found in a ‘larger than life’ story with an unexpected twist” (Red Bull). For example, in one commercial a zebra has just finished drinking a Red Bull when it is attacked by an alligator; however, the zebra is able to escape and turn the alligator

into a purse. Advertising messages typically focus on product features and benefits, stressing the brand personality, or focus on positioning the product (Boag, 2013). The Red Bull commercials convey the benefits of the product, but in a highly exaggerated and comedic fashion, using the tagline “Red Bull gives you wings”. These commercials are congruent with the marketing mix of open positioning, as they do not target a specific market but, instead, anyone who has a sense of humor. The products’ benefits and features are presented in an outrageous manner as to not focus on one use of the product, thus, maintaining the product’s versatility in occasions of use and showing the brand’s thrilling personality. In addition, Red Bull’s commercials are very versatile and can be used to advertise globally. The characters do not pertain to any specific geographic area and can be understood by all cultures. Furthermore, since the commercials are cartoons, they can be dubbed over in any language necessary and aired in different markets.

### Events and Athlete Sponsorships

Red Bull has been able to become synonymous with the action sports world. They sponsor an array of events and athletes all over the world, with the Red Bull logo and products proudly on display. Red Bull’s first sponsored event was in 1988, called the Dolomitenmann. It is an extreme sport relay combining running, paragliding, kayaking, and mountain biking. Such an event is the persona of what Red Bull wants consumers to associate with its brand. From there Red Bull has become “involved in a wide mix of sports such as wakeboarding and motorcycle racing, dozens of Red Bull music events, sponsoring athletes, teams and much more” (Aaker, 2013). Most of Red Bull’s sponsorships revolve around extreme sports for two reasons. One, these athletes and events have fewer sponsors and endorsements. Two, Red Bull wants its product to be viewed as an extreme energy drink with proven benefits. Choosing to sponsor smaller, lesser known events is much cheaper than nationally recognized events. However, the impact is much greater on the individuals that are a part of that specific event’s scene. Red Bull is giving the events and athletes the opportunity that they might not have had, thus building strong brand loyalty among certain groups, who then spread the message among other reference groups. Referring to the second point, Red Bull used extreme sports events and athletes to enhance its credibility as an energy providing beverage. Professor Dolecek (2013) stated that “Red Bull has always stuck to fun and outgoing. Every image always connected to energy”. By remaining consistent with their image and sponsoring extreme events or athletes, Red Bull establishes trust and rapport with their customers and prospects (Willman, 2010). Red Bull’s intense concentration on advertising and event and athlete sponsorship has been developed further through content marketing and their creation of Red Bull Media House.

### Content Marketing and Red Bull Media House

As consumers have begun to close off from traditional marketing, due to its saturation and changing demographic, a new marketing technique has emerged, called content marketing.

Content marketing’s purpose is to attract and retain customers by consistently creating and curating relevant and valuable content with the intention of changing or enhancing consumer behavior. It is an ongoing process that is best integrated into your overall marketing strategy, and it focuses on owning media, not renting it (Content Marketing Institute, 2013).

Red Bull has been following the same marketing ideology since Dietrich Mateschitz started the company, and in 2007 they founded Red Bull Media House (RBMH). As Red Bull had been heavily involved with creating or sponsoring events, action sports videos, and advertising, they decided to “not just sponsor, but instead own it” (Red Bull Employee). RBMH “is a multi-platform media company with a focus on sports, culture, and lifestyle” (RBMH). The content created through Red Bull Media House is featured on the Red Bull company homepage. The product itself is seldom talked about, but instead the focus is on the content itself. The idea is to give something valuable to the consumer that they perceive as good, and in theory they will give you something back, loyalty to the brand (O’Brien, 2012). This step has taken Red Bull’s marketing capability to the next level. On one hand, it

provides the company with the tools, professionals, and medium to produce professional quality advertisements on their own. On the other, and the more important, every piece of media that comes out of RBMH shares their brand with the world. Red Bull's credibility as "the energy drink", increases with every new and stimulating media output that the company provides its viewers.

## **CONCLUSION**

Red Bull's introduction of the energy drink has changed the beverage market indefinitely. Not only did the company introduce a new brand category, but also a lifestyle that is attached to the product. Since 1985, when Dietrich Mateschitz established Red Bull GmbH, the company has had complete confidence in their product and believed that consumers desired its energy benefits. "Red Bull has consistently pushed the idea of energy", stated Dolecek (2013), "they introduced the brand category of functional energy and everything they did said energy, they owned the category". Through effective product positioning and strategic marketing tactics, Red Bull has been able to remain the market leader in the energy drink market for over twenty five years. By employing open positioning and not targeting a specific market segment, Red Bull has been able to successfully adapt to the changing market conditions and competition. Furthermore, the company's rich history of applying the pull strategy has attracted loyal customers that want to be associated with the Red Bull brand image, an image that is supported by Red Bull's vast involvement in event and athlete sponsorships and the introduction of Red Bull Media. Overall, Red Bull's consistent marketing mix and strong focus on its product's energy component has provided the company with a premium product that has stood the test of time.

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