



## THE TIMES 100

### BUSINESS CASE STUDIES

## Promotion – Red Bull

Dietrich Mateschitz founded Red Bull in 1985 and launched the Red Bull Energy Drink in 1987. Red Bull uses a progressive marketing strategy. There are several traditional approaches to promotion. Perhaps the best known is advertising. This is a key element of what is known as **above-the-line** promotion. This type of promotion usually delivers messages to a wide audience using the press, television, radio and the internet. Although this makes it easy to reach a large audience, it is more difficult to deliver a memorable message that is tailored to a specific target market. It can be costly: for example, television adverts at prime time are very expensive. In addition, businesses cannot completely control who sees or hears their adverts or how they respond. Red Bull's above-the-line promotion primarily helps to increase **top of mind** brand awareness amongst consumers.

**Below-the-line** promotions encompass all other forms of promotional activity. To reach targeted groups of consumers, Red Bull focuses heavily on developing inventive below-the-line promotions. Unlike other businesses, Red Bull creates and organises its own events around the world. These events provide a platform for talented athletes to showcase their skills and ambition. Sporting events include Red Bull X-Fighters and Red Bull Air Race, where the world's top FMX riders and pilots respectively perform world class flips, turns and tricks in front of tens of thousands of spectators. These events help to establish the brand values. They also begin the AIDA process, creating awareness and interest in Red Bull products. Events in summer 2011 included Red Bull cliff-diving in the south of Italy and the Red Bull Flugtag event in Leeds where individuals design, build and pilot their own home-made flying machines off a 30ft-high flight deck. Events like these support the **brand ethos** and contribute to the Red Bull experience. They are based on a belief that **mass awareness** can be achieved without requiring big budgets. The emphasis is on local activities that can have a big impact and create interesting media coverage.

**Push marketing** uses above-the-line promotional techniques to put products in front of consumers in order to generate sales. In contrast, **word of mouth** (WOM) promotion is based on the principle of **pull marketing**. It relies on the transmission of a positive marketing message from person to person through conversation or a personal communication such as email or text message. Red Bull extensively uses pull marketing. This approach involves getting consumers excited about the product and conveying this excitement to their family and friends. It is also about trying to get coverage of Red Bull events in the press. This coverage can encourage consumers to find out more about the product. The founder of Red Bull used pull marketing to promote his original product in the 1980s. He hired a Red Bull Wings Team to go out and talk to people one-to-one about the product. As people experience the drink and appreciate its qualities, they become **advocates** for the brand. They share their opinions with other consumers when they talk with friends. Red Bull continues to use this process:

“ Red Bull Wings Team . The team of students go out on the road in their Red Bull mini to help launch the product in new markets.

“ Student Brand Manager Programme . Individual students help activate a variety of events on campus.

“ Red Bull Bedroom Jam . This is a competition to help teenage musicians get out of their bedrooms and onto the big stage.

“ Red Bull Reporter . This project provides opportunities for aspiring writers, film-makers and presenters to report on world class Red Bull events.

These tools provide direct and relevant lines of communication with Red Bull's core youth audience. Facebook, Twitter and online blogs make it easy for people to exchange information quickly between themselves. These channels of communication make word-of-mouth and other pull marketing strategies more effective.





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### Questions

1. Define above-the-line promotion?

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2. Describe what is meant by pull-marketing?

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3. Explain how new technologies have made WOM promotion easier.

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4. Analyse the reasons why Red Bull continues to use above-the-line promotion even though it is expensive and difficult to control.

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### Task

Using the case study, your prior knowledge and any other research, write a report explaining how the promotional techniques adopted by Red Bull allow the business to meet all of the AIDA criteria:

- Attract **attention**
- Gain **interest**
- Generate **desire**
- Encourage **action**

### What have you learned?

**60 second challenge** . pair up with someone else in your group. One of the pair has to talk about promotion for 60 seconds without referring to their notes or hesitating. At the end of the 60 seconds, the second person has to talk for 30 seconds without referring to their notes, hesitating or repeating something the first person has said.