**Q#3: Critically assess Red Bull’s mode of market entry into non-domestic markets and make appropriate recommendations for future global expansion.**

Red Bull has a fantastic marketing momentum and it has taken the nation by storm and continues to maintain it stranglehold on the every drink market-despite an abundance of competitors. It seems like Red Bull is omnipresent: all over TV, sponsoring every sports and utilizing every other major form of advertising. While it may seem like Red Bull is flooding every advertising arena, in fact it does not. Red Bull has an advertising strategy that separates them from competitors and it has been paying dividends.

Red Bull should now concentrate on maintaining the leading position in existing countries and develop new market. Red Bull has always focused on young-sters and uses them as brand ambassadors by recruiting student brand managers they should continue doing it because these students tend to take the brand forward with their growth. Initially they use Red Bull on its own, but over ages they can use it as mixer, which is generally done by working adults. Related to the pricing, Red Bull should take this forward, as an image has an already been created for them based on its pricing.

When it entered a new market, Red Bull strove to build buzz about the product through its "seeding program," where the company micro-targeted the shops, clubs, bars, and stores. This enabled the cultural elite to access the product first and hopefully influence consumers further down the pyramid of influence through word-of-mouth. Red Bull also targeted "opinion leaders" who were likely to influence consumer purchases. These included action sports athletes and entertainment celebrities. The company attempted to reach these individuals by making Red Bull available at sports competitions, in limos before award shows, and at exclusive after-parties. Red Bull's limited availability in the early stages of development contributed to the brand's cachet, as evidenced by the presence of gray markets in countries bordering Austria. After six-months of selectively seeding a new market, the company gradually expanded its presence to locations surrounding these spots i.e shops, clubs, bars, and stores. These locations were typically less price-sensitive than the seeding locations and served to widen access to the brand. Availability was still limited and word-of mouth continued to be a main driver of awareness. However, any consumer who wanted to purchase the product could do so if they sought it out. Finally, Red Bull reached the mass-market via supermarkets. As Norbert Kraihamer explained, ''We are very focused on consumer base building and not just heading for maximum weighted distribution."7 Additionally, Red Bull engaged in "pre-marketing" to establish awareness in markets where its product was not yet sold. Pre-marketing involved sponsoring events that took place in a country where Red Bull was not available, such as the Red Bull Snowthrill of Chamonix ski contest in France. The international ski contest exposed French consumers to the product and the athletes it sponsored. Red Bull also exported its television productions to countries it had yet to enter. The television programs, which featured Red Bull sponsored events and athlete endorsers, acted as ambassadors for the brand in the absence of any market presence. For example, if a Colombian athlete sponsored by Red Bull was competing in a televised Red Bull event, Colombian television stations would have interest in broadcasting the event. Colombian television viewers would then gain knowledge of the brand's involvement with their countryman or countrywoman and would associate Red Bull with that person and his or her event. Of the premarketing strategy, Kraihamer said, ''We want to be recognized as the pre-eminent brand, even if we are not there."

The expansion of Red Bull in other countries is the great opportunity to take advantage of the markets in other countries apart from the home of Red Bull; Austria. Red Bull wants to expand their markets to other countries because the company saw the way to increased sales and profitability. There was a threat of competitors in the international market, but the objective of Red Bull is to make a great place in the global community.

From 1987 to 2010, the number of countries targeted by the company has increased from 1 to 160. This can be seen as the successful of management that has worked hard and faced with many problems of the company. When the news of Red Bull’s advancing sales spread in Europe, many competitors came on the market. Red Bull starts to move into the German market was very successful. Three months later, Mateschitz could not get enough aluminum to produce the cans anywhere in Europe. After that, sales of Red Bull dropped faster and it took four years to take back to the top in the German market. The expansion to England is more challenging. The British marketing team could not use the term “energy drink” because a pharmaceutical company owned that label. And forced Red Bull to use the term “stimulation.” Therefore, in two short years, Red Bull’s English operation was dropped with only 2 million cans sold. Thus,

Mateschitz fired staffs and pulled the products from the pubs, also hired and Austrian marketing director who focused on nightclubs and the student market. The way to reach consumers without spending a lot of money on advertising is buzz marketing. For example, Mateschitz hired students to drive Minis with a big Redbull can on top and cruised around campuses with free samples at parties.The rule of buzz marketing is to reach “alpha bees,” because if they like the product, they will tell other people. The student marketing buzz boosted sales, and in 2000 Red Bull’s sales in England increased to 200 million cans.

However, Mateschitz never give up and started to test-market Red Bull in California. In April 1997 he began to fight with the big company like Coca-Cola. The slim 8.3 oz. can of Red Bull give efficiency more than a bottle of coke. As a result, in the first year, Red Bull sold over 5 million cans in California. Red Bull reacted the buzz strategy that worked so well in Europe. Volkswagen Beetles with big Red Bull cans strapped to their backs showed up at public places with free samples where people might need something to refresh. When Red Bull came into bars and bartenders noticed that new drink was a money machine. After that, Red Bull mixed with vodka or jager became popular drink across the nation.

According to Clairlouvet (n.d.), Red Bull is the successful brand in both the developed and the developing world in terms of sales in Turkey, Japan, Brazil, and USA. Nowadays, Red Bull is a company present in 162 countries with a strong brand image all around the world, and they try to keep this image. However, if Red Bull can keep the same image worldwide, it does not mean the company will win in the local markets are exactly the same everywhere. Red Bull has known how to use the perfect method with local teams in each market.

Targeting the “Y generation”, this is the classic marketing strategy that might be boring, but Red Bull trying to reach their consumers in its promotion strategy also in its promotion strategy by having a “street marketing’ strategy. The “Wings Team’s” set up a relationship with the consumers, to have them meet the product, to talk with consumers about how they like the product or not. In most countries the wings are attractive female students and male because of worldwide different cultural. Red Bull believed that the best way to reach consumers is to hire them. Red Bull uses their strategy in the student social by sports, events, and big parties. The strength of Red Bull is to gradually put a real passion for the brand in the Wings Team and the Student Brand Managers. Therefore, these people will help the company to promote a good image of the brand to make a positive aspect on targeted consumers. These well known things are the process of Red Bull: a Mini with a can strapped on the top, painted with Red Bull colors.

In addition, Red Bull uses their strategy by organized many events around the world to support its marketing.

1. Street Luge Racing - Red Bull Streets of San Francisco

2. POROROCA – Surfing the Amazon – Amazon Delta, Brazil

3. Red Bull Big Wave – Cape Town, SA

4. Rail sliding – Queenstown, New Zealand

5. Air Acrobatics – Austria

6. Mountainbike free-ride competition – Utah

7. Motocross Freestyle – Red Bull X-Fighters, Madrid, Spain

8. Red Bull Race Down to the Middle of the Earth – Germany

9. Paris-Dakar Rally – Senegal, Africa

10. Red Bull Flugtag – USA

11. Red Bull Music Academy

12. Deep Sea Diving without Oxygen – Monaco

**Sustaining Red Bull’s Brand Equity:**

**Protecting sources of Brand Equity**

•“Red Bull gives you wings”

•Red Bull logo unchanged

•Consistent positioning “Energy Drink”

•Copy right the brand elements

**Fortifying versus leveraging**

* Event marketing: Red Bull Flugtag
* Fortified Brand equity as the event was a perfect fit with Red Bull’s image
* Red Bull Sugar free
* Leveraged on Red Bull’s image and charged Premium price

**Fine tuning the supporting Marketing Program**

* Product related performance associations
* Created new food category (Functional food)
* Red Bull Sugar free(Innovative product)
* Non Product related imagery associations
* Keeping empty bottles at the restaurants
* Targeting right opinion leaders like Robby Nash (wind surfing), Eddie Irvine (Formula 1) –when Red Bull became international
* Glass refrigerators to display Red Bulls logo
* Sampling at the right place right time
* Expanding Brand awareness
* Buzz marketing
* Developing Red Bull Mystique
* Word of mouth
* Improving Brand Image
* Scientific support
* Opinion leaders
* Entering New markets
* From Austria to UK then US and so on...

**Brand Extension**

**SPORTS BAR**   
Near Sports facilities like Ice Skating Skiing featuring extreme sports Advertise the Sports Bar make discount passes available in the Sports facilities   
  
**ENERGY SNACK BAR**   
Content on the same lines as Red Bull WOM and creating a Buzz Making it available to Elite class and selected stores then going down the pyramid   
  
**EXTREME SPORTS CHANNEL**   
Featuring extreme sports and the events sponsored by Red Bull Sponsoring various events to increase the visibility of the channel TVCs