



Red Bull

It's a safe bet that most people reading this textbook are familiar with Red Bull. The \$6.4 billion company that virtually created the market for energy drinks revels in its association with cultural events such as concerts and extreme sports including snowboarding and surfing. The company uses a variety of communication channels in addition to advertising and public relations to promote the brand. Red Bull's Facebook page has 38 million "likes," and 1 million people follow its Twitter feed.

At concerts and other events, street teams pass out free samples while driving specially modified cars with giant Red Bull cans mounted on them. Also, the company sponsors the Infiniti Red Bull Formula One racing team. In addition, the Red Bull Arena in Harrison, New Jersey, is home to the New York Red Bulls Major League Soccer team. Needless to say, Red Bull is not only high energy; it's high profile, too!

The brand's slogan, "Red Bull Gives You Wings," made Red Bull the perfect corporate partner for one of the biggest public relations coups in recent years. In fall 2012, Red Bull sponsored Felix Baumgartner's death-defying skydive from the edge of space (see Exhibit 14-1). After seven years of planning, Baumgartner jumped from a helium-filled balloon at an altitude of 24 miles. As a worldwide audience watched on television and YouTube, Baumgartner plummeted toward earth at speeds as high as Mach 1.24 (834 miles per hour) before landing safely. Needless to say, the Red Bull logo was prominently displayed on his uniform, and the event received extensive publicity in the press.

The success of the Red Bull Stratos project helps the Red Bull brand stand out from a crowded field of competitors that include

Monster and Rockstar. As brand strategist Roger Addis noted, "It's a smart move because it's such a singular event. If the logo is buried in a sea of logos on a NASCAR car, you're completely diluted by all the others." The ad industry seems to agree; Red Bull topped *Advertising Age* magazine's 2012 Best of Creativity rankings in the integrated/interactive category.

Sponsorships and event marketing are critical marketing tools for global companies such as Red Bull. When developing IMC solutions and strategies, global companies and advertising agencies are giving these and other special forms of promotion an increasingly prominent role in the communication mix; in the first decades of the twenty-first century, worldwide expenditures on sales promotion have been growing at double-digit rates. Sales promotion, direct marketing, and specialized forms of marketing communication such as infomercials and the Internet are also growing in importance. Personal selling remains an important promotional tool as well. Taken together, the marketing mix elements discussed in this chapter and Chapter 13 can be used to create highly effective, integrated promotional campaigns that support global brands.

Dietrich Mateschitz, Red Bull's creator, trusted his entrepreneurial instincts instead of relying on traditional marketing research. As Mateschitz recalls, "When we first started, we said that there is not an existing market for Red Bull, but Red Bull will create it. And this is what finally became true." In other words, Mateschitz succeeded at accomplishing one of the most basic goals in marketing: He discovered a market segment with needs that weren't being met by any existing product. Today, Red Bull's blue-and-silver cans emblazoned with the iconic charging bulls logo are recognized around the globe. Mateschitz's marketing instincts have made him a wealthy man; in 2005, for example, he was featured in *Forbes* magazine's cover story on billionaires.

With typical entrepreneurial flair, Mateschitz pursues alternatives to orthodox advertising strategies and tactics. "We were always looking for a different, more creative point of view," he says. For example, Red Bull utilizes a communication tool known as marketer-produced media. *The Red Bulletin* is a monthly magazine produced by Red Bull Media House. Red Bull distributes more than 3 million copies of each issue through newsstand sales, subscriptions, and as a free iPad app. The magazine is available in Austria, Germany, Great Britain, Kuwait, New Zealand, Poland, and South Africa. In 2011, *The Red Bulletin* was launched in the United States; 1.2 million free copies were distributed in major newspapers such as *The Los Angeles Times*, *The Chicago Tribune*, and *The New York Daily News*. The first U.S. issue featured San Francisco Giants pitcher Tim Lincecum, one of hundreds of athletes who are sponsored by Red Bull. As publisher Raymond Roker put it, "We are entering a new age of media in terms of what consumers of content want and expect."

Since 1998, Red Bull has been involved in another high-profile initiative. The Red Bull Music Academy is a series of concerts, workshops, art installations, and other cultural events that rotate from year to year among different international cities. Red Bull Music Academy also sponsors stages at international music festivals such as Montreux Jazz; RBMA Radio is a Web resource where listeners can access new music, live concerts, interviews, and other content. Despite the name, Red Bull plays down its participation in the Academy; according to the Web site, "The Red Bull Music Academy is not a sponsored event, but a long-term music initiative, commit[t]ed to fostering creative exchange amongst those who have made and continue to make a difference in the world of sound." Needless to say, the Red Bull logo is visible everywhere, and coolers filled with the drink are placed in strategic locations.

In its first two years of existence, the Academy was held in Berlin; subsequent host cities have included Dublin, Rome, London, Cape Town, and New York City. Songwriters, DJs, producers, and musicians are invited to apply to the Academy; out of thousands of applicants, 62 people are selected to participate each year. The participants attend workshops and lectures during the day; in the evenings, they break into teams to write and record music. Red Bull makes no ownership claims on any music that is produced at the Academy. As Torsten Schmidt, one of the Academy's founders, explains, "That's

part of the opening speech: there is no catch. We are going to offer you nothing in the end but inspiration and this chance of being here together."

In 2013, the Red Bull Music Academy returned to New York City for the first time since 2001. Many of the workshops and lectures were open to the public; for example, a panel discussion featuring veteran music producers Nile Rodgers, Tony Visconti, and Ken Scott was devoted to David Bowie's studio recordings. There were presentations and performances by industry legends such as ambient music pioneer Brian Eno and Giorgio Moroder, who was Donna Summer's producer.

One enthusiastic alumnus of the Academy explained its impact and importance this way: "The people behind the academy, they're not just 'suits'; they are really special people who are passionate about artists. Above them they have some 'suits' to deal with, but I've never dealt with them." Still, there are some dissenting voices. Matthew Herbert is a British electronic musician whose recordings include "One Pig," an album cataloging the life (and death) of, well, one pig. He has participated in the Red Bull Music Academy in the past, but has no plans to do so in the future. "My overriding impression of any music industry Red Bull tie-in is that the brand is always louder than the art. I don't think one would come away from any interaction with them thinking that they were interested in anything else other than selling caffeinated sugary drinks," he said.

Nirmalya Kumar, a marketing professor at the London Business School, has written a case study on Red Bull titled "The Anti-Brand Brand." Kumar gives Red Bull high marks for its nontraditional marketing communication strategy. As Kumar explains, "Part of being a great brand is conveying what you stand for in an authentic manner so consumers find it believable. The music academy and the [Baumgartner] air show have given Red Bull a lot of that."

Discussion Questions

- 14-10. What is the critical thinking issue raised by the case?
- ★ 14-11. Summarize the different types of marketing communications that Red Bull uses. Are these "traditional" or "nontraditional"?
- ★ 14-12. What communication goal does each of Red Bull's marketing communication tools accomplish? Are you familiar with any additional brand touch points that aren't mentioned in the case?
- 14-13. What is the risk of sponsoring a special event such as Felix Baumgartner's historic skydive?
- 14-14. Red Bull and other energy drinks have generated negative publicity regarding possible health hazards. Discuss.
- 14-15. What makes Red Bull, in Professor Kumar's words, an "anti-brand brand"?

Sources: Ben Sesario, "Live Music and a Canned Patron," *The New York Times* (April 26, 2013), p. C1; William M. Welch, "Skydiver's Space Jump Pays Off for Red Bull," *USA Today* (October 21, 2012); Nat Ives, "Red Bull Brings Its Monthly Magazine, *Red Bulletin*, to the U.S.," *Advertising Age* (May 8, 2011); Kerry A. Dolan, "The Soda with Buzz," *Forbes* (March 28, 2005), pp. 126-130.