

RED BULL: THE WIIINGS
MIGRATION

HONORS THESIS

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by

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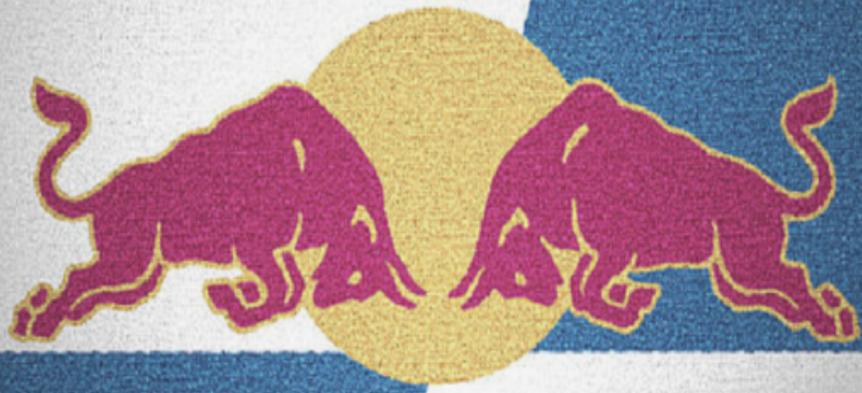
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Red Bull®

THE
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Introduction

What if I told you that for \$2 and something cents, you could get: the confidence to base-jump from Mt. Kilimanjaro, the endurance to compete in a triathlon across New Zealand, and the concentration to backflip over a 72ft canyon in Utah? Would you buy it? Red Bull isn't just Caffeine, Taurine, B-vitamins, and Alpine Spring Water. Red Bull is an experience; it's a lifestyle. It's about being bold, taking enormous risks to break barriers, and setting higher goals for not just yourself but for others around the globe. Red Bull is something to inspire others and to soar to higher heights, and on occasion, break records to set the bar higher for the next person.

Red Bull is about improving one's ability to perform under pressure. Whether you are an extreme athlete or a student in college writing a thesis so that he can graduate from the Honors College, Red Bull provides that boost of energy and focus to trample any obstacles one might face in their daily lives. It gives you "wings when you need them."¹

This thesis was written to explore the unique sports marketing strategy Red Bull has been using over the years. From Formula 1 racing sponsorships to hosting extreme sporting events around the globe, if it's an adrenaline inducing activity, the bulls are charging forward. In this thesis, I will be discussing the following topics:

- The History of Red Bull
- Events and Athletic Involvement
- How Red Bull Created a Need
- The Future of Red Bull
- SWOT analysis
- Potential International Expansions

¹ Red Bull Energy Drink. (2016). Retrieved May 02, 2016, from <http://energydrink-us.redbull.com/red-bull-energy-drink>

The primary topic in this thesis is the Future of Red Bull and its potential international expansions. I have chosen three different countries Red Bull GmbH has either not penetrated or has had difficulty gaining the market share. For each country, I have provided different events and/or programs Red Bull could potentially implement in order to engage with current customers as well as new customers. Each event and/or program has been developed through secondary research in order to support my reasoning for that event.



History of Red Bull

Founded in the mid 1980's Red Bull was product of Krating Daeng, a non-carbonated energy drink created by Chaleo Yoovidhya. Krating Daeng was introduced in Thailand as a caffeinated beverage targeted mainly to blue-collar workers for a boost of energy. The co-founder of Red Bull, Dietrich Mateschitz, was an Austrian entrepreneur. Mateschitz was the international marketing director for a German toothpaste company, Blendax. When visiting Thailand, Mateschitz found that Krating Daeng helped with his jet lag. Inspired by the caffeinated drink, Dietrich Mateschitz partnered with Chaleo Yoovidhya to create their own formula. On April 1, 1987, the first can of Red Bull Energy Drink was sold in Austria.

Red Bull positioned their product as an upscale drink with a high price. They were first mainly sold at Austrian ski resorts. In 1992 Red Bull hit the international market and began selling in Hungary and Slovenia. In March 1994, Red Bull began selling in Germany. "By June, it was claiming a quarter of the sports drink market."² According to Associated Press, this put Red Bull ahead of Gatorade. Later, it entered the United States in California, Oregon, Texas, and Colorado in 1997. According to *Beverage World*, 300 million cans of Red Bull were sold by 1998. By 1999 Red Bull was sold in more than 50 countries with the United States and the United Kingdom as their most profitable countries. Red Bull's headquarters is still located in Fuschl Am See, Austria and is mainly run by the Yoovidhya family.

Instead of using traditional advertising, Red Bull focused on getting their cans in the hands of their target market; extreme athletes. As extreme sports, such as

² *International Directory of Company Histories*, Vol.60. St. James Press, 2004.

skateboarding and snowboard, gained attention in the 1990's, Mateschitz saw a profitable market. Strictly word-of-mouth, Red Bull sponsored the extreme athletes and attended sporting events to hand out samples of their products.

From sponsoring Formula 1 races to setting world records in highest free-fall for Red Bull Stratos, Red Bull continues to trump the energy drink industry. According to Caffeine Informer, Red Bull held 43 percent of the market shares in 2014.³ 28 years and 60 billion cans later, Red Bull is sold in 169 countries. But selling energy drinks isn't all that Red Bull can do. They have created an enormous amount of entertainment in the extreme sports industry.

³ Top Selling Energy Drink Brands. (n.d.). Retrieved May 02, 2016, from <http://www.caffeineinformer.com/the-15-top-energy-drink-brands>



Teams and Events

Whether it's the sound of an engine roaring, the buzz from a plane soaring, Red Bull has found a way to push the envelope in a variety of sporting competition. "Instead of the commercial, be the show. Instead of the banner ad, be the feature story."⁴ Using this approach, Red Bull continues to engage with their fans on a personal level. Keeping their target market as males from the ages of 18-34, Red Bull uses sporting events to connect with this age group.⁵ In this section, I'm going to talk about a handful of their events and athletes they sponsor.

Rampage

Rampage is a free-ride mountain bike competition held in Virgin, Utah near Zion National Park. Professional mountain bikers are hand picked and invited to compete for the top prize. The contestants are judged on their ability to perform tricks while completing the course under a certain amount of time. To add the creativity factor, contestants are allowed to choose the line they wish to ride down the mountainside. Their crew would create a path down the mountain and create opportunities for difficult tricks. Rampage is similar to freestyle skiing and snowboarding except the riders are on a mountain bike and ride down a rocky trail off the side of a mountain.

The competition started in October 2001. Red Bull hosts the event every year during the month of October. After the 2004 competition, Red Bull canceled the event

⁴ O'Brien, J. (2012, December 19). How Red Bull Takes Content Marketing to the Extreme. Retrieved May 02, 2016, from <http://mashable.com/2012/12/19/red-bull-content-marketing/>

⁵ Passport. (2016). "Red Bull GmbH in Soft Drinks (World). *Global Company Profile*. Retrieved from <http://www.euromonitor.com>

due to increasing risks the competitors were attempting. In 2008, Rampage returned after several renovations to make the course safer for the contestants. Red Bull flattened paths and added wooden features to give contestants stability while riding down the mountain but also adding opportunity for bigger tricks. When Rampage started in 2001, the prize fund was \$8,000. In 2015, the total prize fund increased to \$100,000.⁶

Not only has the competition increased in popularity but has also created an enormous amount of buzz on social media. In 2013, second place winner, Kelly McGarry, posted a video recorded on his GoPro of his Rampage run. From start to finish, the viewer can see every pebble that McGarry sees and every possibility for a slight mishap and long tumble down the mountain. That wasn't the only thing that captured attention. One minute and nine seconds into the video you can see McGarry backflip over a 72ft canyon. This particular video had almost 30 million views on YouTube and made it on the top 100 things people searched on Google in 2013.

If you are interested in attending Red Bull's Rampage event, spectator tickets are limited but sold for \$25 on the official Red Bull Rampage website. If tickets are sold out, there is still a chance to watch the event live on Red Bull TV. Red Bull Signature Series also airs on NBC in the month of December. If fans haven't already seen videos shared by their friends on Facebook, they can also catch highlight videos on Red Bull's website.

⁶ G. (2015, October 13). Red Bull Rampage: 5 Things You Need To Know. Retrieved May 2, 2016, from <http://www.pinkbike.com/news/5-things-you-need-to-know-red-bull-rampage-2015.html>



Red Bull Air Race

Conceived in 2001, the Red Bull Air Race was a new idea and approach to challenge pilots from across the world. Formally known as “Air Gates,” which started in 2002, the first test run was completed by Hungarian pilot Peter Besenyei. In 2003 the name changed to what we call it now, Red Bull Air Race. The first official stage was hosted in Zeltweg, Austria. The second stage was later hosted that same year in Hungary. In 2004, Red Bull Air Race continued to expand having three races in England, Hungary, and America. In 2005, Red Bull renamed the series “Red Bull Air Race World Series.” From 2004 to 2009, there was an increase in interest in the series. In 2009, there were 15 pilots from 12 different countries competing.

In the Red Bull Air Race, pilots from around the world would fly, individually, through a challenging obstacle course for the fastest time. The obstacle course consisted tight turns, almost like slaloming, through pylons known as “Air Gates”.

The pilots are to at least attend two mandatory training sessions in order to race the qualifying round. The training sessions establish the order in which the pilots would start in the qualifying round. In the Qualifying round, the racers fly two sessions in order to move forward. The top 14 pilots with the fastest time move to the next round, Round of 14. Round of 14 is considered “Race Day” because this is when the tournament bracket begins to change. In this race 14 pilots compete in head-to-head heats. The seven fastest pilots from each heat, plus the fastest loser will move to the Round of 8. In the Round of 8, the pilots compete in another head-to-head session. The top 4 racers will move to the next round, Final 4. In this round, the pilots race individually and win their place as 1st, 2nd, 3rd, or 4th.

World Champion Points are added at the end of the rounds to determine the World Champion winner. Each racer from 1st to 14th place, in each round from the Qualifying round to the Final 4, are awarded points from 15 points to 0 points.

Red Bull Stratos

In October 2012, Felix Baumgartner set two world records. In a helium balloon, Felix Baumgartner floated 24 miles into the Earth's stratosphere. Austrian skydiver, Felix Baumgartner broke the worlds record for the highest base-jump at approximately 128,100 feet. He also broke the speed of sound while falling at an estimated speed of 833.9 mph. The entire trip back to the Earth's surface was 9:09 minutes; 4:22 minutes were spent freefalling.⁷

This record-breaking event took social media on by storm. Today, the video has over 40 million views on Red Bull's YouTube channel.⁸ Not only did Red Bull's YouTube channel reach an estimated eight million views the day of the event, but Twitter also generated an enormous amount of buzz. Surrounding the day of the event, hashtags such as: #Livejump, #redbullstratos, #stratos, and a couple of other relating hashtags were filling news feeds and generated over two million posts.⁹

⁷ World Record Jump. (n.d.). Retrieved May 02, 2016, from <http://www.redbullstratos.com/the-mission/world-record-jump/>

⁸ R. (2012, October 14). Felix Baumgartner's supersonic freefall from 128k' - Mission Highlights. Retrieved May 02, 2016, from <https://www.youtube.com/watch?v=FHtvDA0W34I>

⁹ Boies, J. (2012, October 15). How Red Bull Stratos Successfully Soared Across Social Media. Retrieved May 02, 2016, from <https://www.salesforce.com/blog/2012/10/how-red-bull-stratos-successfully-soared-across-social-media.html>

Other Events and Sponsorships

If you were to visit redbull.com, you can see the extensive amount of athletes, adventurers, video gamers, musicians, and many others that Red Bull has sponsored throughout the years. Red Bull owns soccer teams in Germany, Austria, and Brazil. They are also involved in multiple engine-powered races. The list goes on for what seems like forever and the company doesn't plan on slowing down anytime soon.



Creating a Need

As of May 2015, according to Forbes, the Red Bull brand was valued at \$7.2 billion.¹⁰ But it wasn't until Red Bull expanded in the United States in 1997 for them to really gain attention. When they initially started, the energy drink sold slowly in Eastern European markets. In 1987, when Red Bull first came out, sales were growing, but so were their losses. Losing a million dollars after the first two years, people were beginning to believe the company would fail. But Mateschitz wouldn't give in. He said, "As long as I can think clearly, I can think of alternatives. All you need is bright eyes and a clear mind."¹¹ After getting the company back in the black, Mateschitz realized that Austria's market was too small.

Mateschitz wanted to dominate the German market. At first, it was very successful. After seeing the demand for energy drinks, competitors created their own caffeinated beverages. Red Bull's sales plummeted and a competitor named Flying Horse took over the market. It took Red Bull four years to regain the German market.

Red Bull also expanded to England. That was a hurdle the company had to overcome. After two years, Red Bull was \$12 million in debt and only sold 2 million cans. Mateschitz did not take this lightly. He fired the entire staff and pulled his product from the shelves. He then brought in an Austrian marketing director who was focused on nightclubs and marketing to students. This is when Red Bull's marketing strategy changed specifically to word of mouth marketing in order to save money. And it worked. By 2000, Red Bull sold 200 million cans in England.

¹⁰ The Worlds Most Valuable Brands. (2015, May). Retrieved May 02, 2016, from <http://www.forbes.com/companies/red-bull/>

¹¹ GSCHWANDTNER, G. (n.d.). The Powerful Sales Strategy Behind Red Bull. Retrieved May 02, 2016, from <http://www.sellingpower.com/content/article/index.php?i=1181>

Mateschitz envisioned a unique market when he first started the company. He just needed to find that target market. The following table represents Red Bull's 4 p's, product, price, place, and promotion:

Country	Austria	United States
Product	Red Bull	Red Bull
Price	Premium	Premium
Place	Austria	United States
Promotion	Word of mouth through sporting events	Word of mouth through sporting events

As you can see, not much has changed for Red Bull and their strategy. They only needed to find the best place to sell. After hitting the United States market in California, Red Bull's main competitor was Coca-Cola. Their advantage over Coke was that they had a smaller can, so there was less needed to drink, and a bigger punch packed with caffeine. Red Bull continued using their "buzz" strategy in California. They had employees attend beaches, colleges, gyms, offices, and events, with backpacks in the shape of the Red Bull can strapped to their backs with free samples of Red Bull. Red Bull also gave free coolers packed with their products to bars in populated areas. Bartenders saw that their customers loved it. Specialty drinks and shots were then created with the primary ingredient being Red Bull, Vodka-Red Bull and Jagerbombs, which sold in LA for \$10 a pop.¹⁰

Now, Red Bull is considered a lead brand in the energy drink industry. Many believe it is because of their unique marketing strategy that herds customers to exciting events that are only available to those consumers who interact with the brand through social media and Red Bull's personal website. Today, Red Bull is involved with close to 500 extreme sport athletes who push their limits and often break records all around the

¹⁰ GSCHWANDTNER, G. (n.d.). The Powerful Sales Strategy Behind Red Bull.

globe. So, not only are their consumers getting involved by attending Red Bull's events, but athletes are also getting involved to compete in the events. Mateschitz says in an interview, "We don't bring the product to the consumer, we bring consumers to the product."¹⁰

According to European Brand Institute, Red Bull placed 1st in "Top 10 Strongest Austrian Brands" consecutively since 2011. In 2012 and 2013, Red Bull was 1st in "Top 10 Brand Movers on YouTube" according to Marketing Charts.¹² As of April 2016, Red Bull has generated almost 1.5 billion views with over 5 million subscribers on their YouTube channel.¹³ With these videos, Red Bull has taken a completely different approach at advertising their product. "The videos show the athletes performing incredible maneuvers and acrobatic feats, with the product itself taking a very secondary role."¹⁴ Instead of thinking of their consumers as basic customers, they turn their customers into fans of the product and what it represents.

But how has Red Bull built a strong relationship with its consumers? According to Nancy F. Koehn, a professor of business administration at Harvard Business School, Red Bull has built a "brand without relying on the essential equipment of a mass-marketing campaign."¹⁵ Red Bull doesn't use traditional advertising methods like "billboards, banner ads, taxicab holograms, blimps, [or] Super Bowl spots."¹⁴ Like mentioned before, Red Bull brings their product to their consumers in places their

¹⁰ GSCHWANDTNER, G. (n.d.). The Powerful Sales Strategy Behind Red Bull.

¹² Top 10 strongest Austrian Brands - 2015 (European Brand Institute) | Ranking The Brands. (2013). Retrieved May 02, 2016, from <http://www.rankingthebrands.com/The-Brand-Rankings.aspx?rankingID=205>

¹³ R. (n.d.). Red Bull. Retrieved May 02, 2016, from <https://www.youtube.com/user/redbull/about>

¹⁴ Collier, M. (2013). *Think like a rock star: How to create social media and marketing strategies that turn customers into fans* (1st ed.). McGraw-Hill Education.

¹⁵ Rodgers, A. (2001). It's a (Red) Bull Market After All. Retrieved May 2, 2016, from <http://www.fastcompany.com/64658/its-red-bull-market-after-all>

¹⁴ Veerasamy, V.(n.d.). Building A Powerful Brand Through Earned Word-of-Mouth: 8 Reasons Why Red Bull Is Freaking Awesome. Retrieved on May 2, 2016, from <http://www.referralcandy.com/blog/red-bull/>

consumers are most likely to be. While most companies are spending millions of dollars on celebrity endorsements, Mateschitz relies on the loyalty of Red Bulls consumers and word of mouth promotions.

Like Gatorade, Red Bull connects and focuses on athletes. Except, they target to extreme athletes. Both companies take different approaches to better their athletes. As Gatorade restores electrolytes, Red Bull increases concentration. Mateschitz says, “It’s an efficiency product. I’m talking about improving endurance, concentration, reaction time, speed, vigilance, and emotional status. Taste is of no importance whatsoever.”¹⁴ All qualities needed for extreme athletes while performing life-risking stunts.

Red Bull isn’t interested in creating the best tasting beverage. They’re focused on providing a once in a lifetime experience. That’s how they created a need for their fans. They established an environment for extreme athletes to soar to new heights and break world records. The brand attracts people who will “surf in Nova Scotia in January or jump out of a plane to ‘fly’ across the English Channel.”¹⁶ It’s the lifestyle that Red Bull sells for two dollars per can. It’s their continuous interest in extreme sporting events that attracts consumers to become fans.

But it’s not only extreme athletes they attract. Red Bull Records searches around the globe for talented artists and musicians that have the same mission, to be bold and unique. Their offices are located in Los Angeles and London. Their artist portfolio consists of indie rock artist AWOLNATION, Beartooth, Twin Atlantic and more.

Red Bull Media House is the primary source that provides Red Bull fans with opportunity to stay connected. As an umbrella brand, they offer Red Bull media from

¹⁶ Dolan, K. (2005). The Soda With Buzz. Retrieved on May 2, 2016, from <http://www.forbes.com/forbes/2005/0328/126.html>



platforms like: Red Bull TV, Red Bulletin, Red Bull MOBILE, social media accounts, and more. Through these various platforms, fans are provided the opportunity to further engage with the Red Bull brand constantly. Red Bull Media House also has Servus Media and Terra Mater Factual Studios. Servus is available for German-speaking countries while Terra Mater offers films and documentaries on “wildlife, nature, science, and history.”¹⁷

The company was also the driving force behind Wings For Life non-profit organization. Wings For Life is an organization based out Salzburg. Their main focus is helping people with spinal cord injuries. Through research projects and clinical studies, Wings For Life searches for ways to help cure spinal injuries or accommodate those who have been injured. Red Bull gets involved further by hosting the annual Wings For Life World Run. People from all over the globe come together to run for those who can't. Plus, 100% of all sign-up fees, \$50 US per runner, are donated to Wings For Life for research. To make the run more interesting, 30 minutes after the race starts, “Catcher Cars” are sent from the starting line to catch those who are falling behind.¹⁸

¹⁷ Red Bull Media House: About. (n.d.). Retrieved May 2, 2016, from <https://www.redbullmediahouse.com/company/about.html>

¹⁸ The Whole World Running Together. (2016). Retrieved May 02, 2016, from <http://www.wingsforlifeworldrun.com/us/en/>

Future of Red Bull

As Red Bull continues to hold onto its loyal fans, the company should be looking for alternatives to continue controlling the market. In this section I will discuss the strengths, weaknesses, opportunities and threats Red Bull currently has. I will also discuss potential expansions in other countries, events, and product extensions.

Strengths

- ***Energy Drink Category Leader:*** Red Bull has established themselves as an edgy brand globally. They are well established and well known while maintaining a consistent brand image across the globe.
- ***Marketing Strategy:*** Red Bulls position through extreme sports has built a strong identity with the company and its product.
- ***Large Geographic Presence:*** Red Bull has a broad geographic presence. Being sold in 169 countries can ensure long-term growth.

Weaknesses

- ***Market Dependent:*** Red Bull relies on the demand for energy drinks. This makes the company vulnerable to any attacks or governmental regulations on the energy drink industry.
- ***Lack of partnership with TC Pharmaceuticals:*** TC Pharmaceutical owns the Red Bull brand in China. This makes it difficult for Red Bull GmbH to enter into Southeast Asia countries.
- ***Pricing:*** As a premium product, Red Bull has difficulty winning the Late Adopters market.



Opportunities

- **Emerging Markets:** Markets in the Asia Pacific have increased and will continue to increase from the years of 2015-2020. It is projected to be a 13% value CAGR increase over the 2015-2020 time period. While Latin America is projected to be at a 12% off-trade value CAGR over 2015-2020.
- **Expanding Production Facilities:** Red Bull currently produces all over their products in Austria by using “Alpine Spring Water.” If they were to open more production facilities throughout the globe, they can reduce production cost.

Threats

- **Competitors:** Monster is a large competitor as they offer a large variety of flavors to their customers. They also teamed up with The Coca-Cola Company (TCCC) for all their energy drink selections.
- **Regulations & Publicity:** Governmental concerns for energy drink consumption and health risks related to consumption have increased. Effective on June 1, 2016, Latvia will ban energy drink companies from sponsoring sporting events as well as require health warnings on advertisements.¹⁹ They will also ban energy drinks sales to anyone under the age of 18.
- **Premium Positioning:** With emerging markets such as Brazil and other lower income consumers, cheaper brands like Monster will have a competitive advantage over Red Bull.

¹⁹ Changes in alcohol and energy drink regulation: Baltics and Belarus - February 2016 | Lexology. (2016, February 17). Retrieved May 02, 2016, from <http://www.lexology.com/library/detail.aspx?g=08169bd4-d4f2-4271-b61b-d30abb97fdbd>

Expansion

China

I believe China is a key country Red Bull should look to next. As Red Bull does not currently have any Brand Shares in China, their sister company, Red Bull (TC Pharmaceutical Industry Co Ltd.) is placed in first with 34.2% of brand shares. China's Market Share in the category of Sports and Energy Drinks was 2,227.2 in 2015, with a 13.8% growth from 2014 to 2015.

While many believe Red Bull GmbH and TC Pharmaceutical Industry Co Ltd should join forces, here are ways Red Bull GmbH could penetrate the market alone through the following promotions and events:

Uber & Red Bull

Particularly in urban areas, taxis are a popular way to get around town. Didi Kuaidi dominates the taxi industry in China. In a recent memo Didi Kuaidi said it served three million passengers per day. Like other countries, China is facing competitors, like Uber, who are offering less expensive taxi services. According to an article in the New York Times, "more affluent and cosmopolitan Chinese have flocked to Uber's service, attracted by fares that are on average at least 35 percent cheaper than taxis, with the cars generally more luxurious than cabs and drivers who offer free water". The article also adds that Uber is "providing more than 100,000 rides a day in China."²⁰

²⁰ Mozur, P., & Isaac, M. (2015). Uber Spends Heavily to Establish Itself in China. Retrieved May 02, 2016, from http://www.nytimes.com/2015/06/09/technology/uber-spends-heavily-to-establish-itself-in-china.html?_r=0

This is where Red Bull comes in. As the article states, drivers are offering free water to their customers when they order an Uber. Uber offers several different categories to choose from. Those are as followed:

- **UberX:** The least expensive Uber service. Seats 4 riders. Drivers use sedans like Toyota Prius or Honda Accord. Also known as UberPop in Europe regions.
- **UberXL:** Seats at least 6 passengers. An UberXL car will be a SUV or a Minivan. The fare price is higher than the UberX.
- **UberSelect:** A luxury sedan that seats up to 4 riders. Expect a BMW, Mercedes, or an Audi with a leather interior. Formerly known as UberPlus in some markets.
- **UberPOOL:** Share your ride with another person and split the cost. This service is only available in LA, San Francisco, New York City, and Paris.
- **UberBLACK:** This service is Uber's "executive" luxury service. Commercially registered and insured livery vehicles. They are typically black SUV's or luxury sedans. This service is Uber's most expensive option with the highest fare price.²¹

Red Bull is known as a premium energy drink. Because of Red Bull's reputation, we want to continue our position as a luxury item. For this promotion, Red Bull will begin offering free Red Bulls to Uber riders who choose UberSelect, UberPOOL, or UberBLACK services. This promotion will only be offered during the hours of 8:00pm to 3:00am from Friday to Sunday. Most of Red Bull's target market, 18 – 34 year old men, will be looking for Uber rides to and from events, clubs, and/or bars during this time.

Red Bull will monitor the Uber rider's reactions from social media platforms like Twitter, Facebook, and Instagram using the #UberWiiings. After each quarter, Red Bull will adjust their promotions to reach out to different segments of the market based off the consumer's social media posts.

²¹ Dough. (2015, December 16). What's the difference between UberX, XL, UberSelect, and Black Car? Retrieved May 02, 2016, from <http://www.ridesharingdriver.com/whats-the-difference-between-uberx-xl-uberplus-and-black-car/>

Red Bull Scooters

Red Bull has been known for their painted Mini Coopers with a giant Red Bull can on top. Due to the high amounts of traffic in urban areas in China, many have resorted to public transportation, walking, or electric scooters. According to an article in The Guardian, the “e-bike population in China will go from near zero to more than 150 million by 2015.”²² Because of this increase in interest, Red Bull will revamp their distribution strategy. Instead of using a Mini Cooper to travel in the city, we will paint an electric scooter for our Wings Team to ride. There are many advantages to using this method of transportation. Those are as followed:

1. Scooters are less expensive than Mini Coopers. Mini Coopers range from roughly US\$47,500 to US\$60,800 in China. Whereas an electric scooter can cost roughly between US\$400 and US\$700. The money saved from automotive expenses could be used for more promotional expenses.
2. Maneuverability through highly congested areas. Whether our Wings Team is driving on bike lanes or on sidewalks, Red Bull is more capable of getting through crowded areas on electric scooters.
3. Availability to consumers. Whether our consumers are walking or stuck behind a red light in traffic, our Wings Team will be able to hand out free drinks to either side of the road.
4. Scooters are considered to be fashion statements in China. Having a luxurious beverage on a luxurious item like an electric scooter, Red Bull will continue to maintain their image as a premium energy drink.

The Red Bull scooter will look similar to the one in the following photo. There will be an additional cooler located at the front of the scooter so that consumers will be

²² Cherry, C. (2013, November 20). Electric bikes: What experiences in China can tell us| Christopher Cherry. Retrieved May 02, 2016, from <http://www.theguardian.com/local-government-network/2013/nov/20/lessons-electric-bikes-china>

able to receive a refreshing cold Red Bull while also making the beverage easily accessible to the driver.

Red Bull Wake Open

Boating in China is ranked to be one of the top activities residents engage in during their leisure time. Red Bull will be hosting a wakeboarding competition at Beijing's popular cable park, Shun Yi Wake Park. The Bank of Beijing has already sponsored an event called the Wakeboard World Cup at Shun Yi Wake Park. When it comes to extreme sporting events, Red Bull knows how to put on a show. Red Bull already hosts a wakeboarding event in Tampa, Florida called the Red Bull Wake Open.

In the Red Bull Wake Open there are three different categories to compete in. The first is the "Boat" competition where competitors are pulled behind a boat and perform tricks over the wake. The competitor with the highest score wins. The second event is the Big Air event. This is where a cable pulls the athletes up a ramp to get the biggest air while simultaneously performing the best trick they can do. Again, the competitor with the highest score wins. The last event is the "Park" event. In this contest, extreme athletes are pulled by a cable through the Wakeboard Park. This park consists of a variety of ramps, kickers, and railings for the athletes to use. In each session, the wakeboarding athletes are allowed to use any ramp, kicker, or railing, in any order for a certain amount of time. They are judged on their performance and ability to land tricks using their creative strategy around the course.

Red Bull could take this exact event and bring it to Beijing, China. The primary focus for this event is to attract Red Bulls target market to the event in order to engage

with the people of China. For the Wake Open there will be two categories of competitor rankings; Professional and Amateur. With this, Red Bull can attract more potential consumers in the Beijing area. Amateurs who compete will be awarded a sponsorship from Red Bull and a grand welcoming to the Red Bull team in the after party. If spectators are unable to attend, they will be able to view the event on RedBullTV or through a live stream on RedBull.com.

Red Bull BC One

The Red Bull BC One breakdancing competition was started in 2004 in Biel, Switzerland. Since then, the competition has been growing and traveling around the world. The competition has been to Germany, Brazil, Italy, France, and South Korea and Red Bull has planned for the competition to be hosted in Nagoya, Japan for 2016. Because of the rapid increase in interest, the 2016 Red Bull BC One battle season will be a little different. Camps will be held around the world, in lieu of the former Finals season. The camp will be three days long and will include “jams, workshops, open battles, talks, exhibitions, theatre shows and more.” Throughout these camps, dancers will have the ability to make connections and learn different techniques from one another. At the end of the camp there will be a Red Bull BC One Cypher where a winner will be chosen to compete in the World Final.

Additional to the Red Bull camps, we will also provide camps for the local DJ's. The DJ's will also go through similar events like workshops, battles and learning opportunities to improve their artistic abilities. Red Bull will offer a sponsorship to the top DJ's from selected regions to compete in a new event, Red Bull Spin-Off.

With this event taking place in Japan, Red Bull will have the opportunity to penetrate the Chinese market and later reinforce their position as active extremist and multicultural involvement. The Red Bull BC One competition will be held in Beijing, China in 2018 at the MasterCard Center. The MasterCard Center holds 18,000 people and will be perfect for live broadcasting and recording of the dance competition. Highlights will be available on Red Bull's YouTube channel and RedBullTV. The live broadcasting will be available at RedBull.com and later available on RedBullTV.

Red Bull Delivery

Due to an increase in retail sales between 2009 and 2014, consumers are increasingly interested in online shopping. These items include clothing, electronics, entertainment items and groceries. Because of the currently low delivery costs, retail sales increased by 10,000% between 2009 and 2014. Mobile apps were considered the driving force in this sector. With this trend occurring in China, it would be a great idea to have Red Bull create a delivery service for consumers in urban and rural areas around populated cities like Beijing, Shanghai, and Guangzhou.

The ordering process will be simple. When a consumer makes an order from online retailers, Red Bull will be notified of the purchase. There will be a number of options the consumer can choose from. Those are as followed:

- 4 pk. 8.4oz or 12oz cans
- 12pk. 8.4oz or 12oz cans
- 24pk. 8.4oz or 12oz cans
- 48pk. 8.4oz or 12oz cans

All flavors of Red Bull will be available for purchase. When a consumer completes their first order of Red Bull Energy Drink, Red Bull will make a special

delivery to their doorstep. The package will be placed in a wooden box with a parachute attached. Inside the box there will be a letter to our new Red Bull customer. The letter will explain how the new consumer can sign up for a delivery account with Red Bull. It will also include information as to why they should create an account.

When a new customer creates a Red Bull delivery account they will have several customizable options. Those are as followed:

- ***Delivery Quantity and Size:*** Customers are allowed to choose a specific package size and can size they would like to have delivered.
- ***Flavor Options:*** Customers can see what flavors Red Bull has to offer and are able to pick which flavor they would like to be delivered. We will also add a “Create Your Own Crate” option so that customers can choose as many flavors and amount of those flavors for the package size they order.
- ***Delivery Options:*** With this feature, customers can choose where they want their Red Bull shipped. Whether it is at their office, their home, their apartment, or their friend’s apartment or home. They will also have the option to save shipping addresses to their private account in order to speed up the ordering process.
- ***Scheduled Deliveries:*** Say a consumer is hosting an event on a specific date. There will be a calendar feature the customer can use to schedule a Red Bull delivery to a requested address for that selected date. Shipping fees may be applied if they choose a date that is 1 – 2 days or 3 – 5 days away.
- ***Automatic Deliveries:*** With this feature, customers will be able to create automatic deliveries to their primary address or selected address. The options available are: weekly, every two weeks, monthly, every two months, or customized automatic deliveries (every 3 months or more). The customer will receive an email – or text message if requested - from Red Bull Deliveries at least 5 days before shipping. The customer will then be able to confirm this order and would like for their package to be delivered. After confirming, the customer will be charged on their most recently used credit card. If they wish to change payment options, there will be a link within the email, which will direct them to

their automatic delivery page. On this page, they will be able to modify the address, payment method, quantity & size, flavor, and confirm or cancel the order.

- ***Account Preferences:*** There will also be a section in the private account where customers can tell us a little about themselves and their interests. There will be a list of categories for the customer to choose from. For example, Wakeboarding, Water Skiing, Snowboarding, Surfing, Mountain Biking, Sailing, Music Events, and more. With this feature, we will be able to find out what our customers in the area(s) are more interested in. From there we can create events close to those areas. When we do have an upcoming event, there will be a special invitation with event details included in their delivery package.

The delivery truck will also be painted with a Red Bull logo printed on both sides.

This will be a great way to promote our delivery services around the cities we are already delivering to. On the back of the truck, there will be a message for our potential customer that says, “Need Wings? Go to RedBullDelivery.com and Place an Order.”

Other Ideas

Below I have listed a couple of other ideas Red Bull could potentially use to engage with consumers in China.

- ***Clean Water Support:*** Due to the 96% increase in consumption of bottled water between 2009 and 2014, Chinese residents are beginning to show an increase of concern about water safety and health. Red Bull already supports the Wings For Life non-profit organization but they could get involved with a number of non-profit organizations focused on providing clean and safe water. A couple of organizations are:
 - Splash – provides clean and safe water for kids and orphanages in China, Nepal, India, Cambodia, Bangladesh and Ethiopia.
 - BGE Foundation Safe Drinking Water project – addresses safe drinking water issues in rural areas of China. The project aims to create water

purification systems in problem areas to eliminate water-related diseases and disabilities for future generations.

- Charity: Water – creates water projects in 24 different countries in Africa, Asia, Central America and South America. Their primary focus is providing rural communities access to clean water for drinking and agricultural purposes.
- ***Badminton/Table Tennis:*** Badminton and Table Tennis are two popular sports in China. Chaoyang Park is one of the most popular city parks in Beijing, China. There is a great amount of activities for people to engage in. With about 713 acres, the park offers paths for running, beautiful scenery of plants and flowers, fairgrounds with rides, large swimming pools, and multiple sports facilities including a large area for table tennis. This would be a great place for Red Bull to get its logo seen by people of all ages. Red Bull could host a table tennis tournament or a badminton tournament within this park. Also, Chaoyang Park built a beach volleyball stadium, which was used during to volleyball events for the 2008 Summer Olympics. Red Bull could host a volleyball tournament as well. If Red Bull really wanted to expand the idea, they could host a Red Bull Field Day where multiple events could go on throughout the day.
- ***Care Packages for Schools:*** Within China’s Teen consumer segmentation, many teenagers suffer from stress. This is largely caused by the gaokao exam students are required to take at the end of high school. To show our care and value on education, Red Bull could send care packages for these students while they study hard for their exams.
- ***eSports Competition:*** According to a report in The Atlantic magazine, a group of teens called “Diaosi”, mostly play online video games, especially at night.²³ With this information, Red Bull could tap into this segment by hosting an eSports competition in populated cities in China.

²³ Barreda, D. M. (2013, June 29). Hip, Young, and Wired: China's 'Diaosi', in Charts. Retrieved May 02, 2016, from <http://www.theatlantic.com/china/archive/2013/06/hip-young-and-wired-chinas-diaosi-in-charts/277359/>

New Zealand

Red Bull's presence in New Zealand is placed in 3rd based on Brand Shares in the region. With only 14.7% of Brand Shares, they are behind Powerade (24.1%) and V, an energy drink owned by Suntory Holdings Ltd (39.4%). The Market Size for Sports and Energy Drinks is at 34.1 with a 1.5% growth since 2014. I believe Red Bull can increase their presence by sponsoring or creating the following events:

“Lead the Charge”

Due to an increase in demand for sustainability, consumers in New Zealand are increasingly purchasing Fairtrade, ethical, socially responsible and environmentally friendly products. According to Colmar Brunton's 2015 Better Futures Report, Gen Y consumers are the most motivated by the sustainability value propositions. It states that there was a 65% increase of Gen Y consumers willing to purchase sustainable products.

²³ According to Jacqueline Farman, CEO for Colmar Brunton, states, “There is no question that sustainable behaviors are now an everyday part of consumers' lives, and that's a cue more and more businesses are picking up on and the rest cannot afford to ignore.”²⁴

Since Generation Y is a large segment of Red Bull's target market, the company should look for ways to join the movement on sustainability. As Coca-Cola explained in

²⁴ Business must respond to sustainability – top consumer trends released. (2015, November 17). Retrieved May 02, 2016, from http://sustainable.org.nz/sustainability-news/business-must-respond-to-sustainability-top-consumer-trends-released#.Vx__XrSgrt4

its 2009/2010 sustainability report, biodegradable cans are not an option for soft drink packaging. They stated, “the process of capturing the embodied energy and raw materials in beverage bottles for reuse through recycling is, in our view, a much better option.”²⁵ Considering the soft drink giant, Coca-Cola, turned down biodegradable cans as an option, shows that it may not be a great investment for Red Bull.

For the “Lead the Charge” campaign, Red Bull will be hosting several events and opportunities for consumers to get involved with the sustainability movement. The type of events Red Bull will host will be focused on recycling and the importance of recycling. Below are a couple of ideas for events and promotions:

The Cycle of Recycling Festival

This promotion is focused on the act of recycling and the great it can do for the environment. At the end of every month, Red Bull will host a music event located in participating cities in New Zealand. Popular musicians from New Zealand will be invited to perform at these festivals to promote the recycling movement. These artists could include, Lorde, Naked and Famous, Kimbra, Kids of 88, Broods, David Dallas, Mt. Eden, and more. Local underground artist will be invited through online competitions on websites such as, ReverbNation, OurStage, and/or PureVolume. For these artist, they will be able to register for the contest and based off their likes, number of plays, fan engagement and other musical factors, the top 3 bands will be selected and invited to play at the festival.

²⁵ **Coca-Cola says biodegradable packaging 'not a viable option'**
By Guy Montague-Jones, 15-Feb-2011

The event will be open to the public and tickets will be sold for \$30. All proceeds will go to ocean clean up projects around the globe. At the event, participants are encouraged to bring their recycled cans of Red Bull. Upon arrival, all participants with recycled containers will first meet at the Red Bull Recycle Station. This will be open to people attending the event and those that are not attending the event. There will be prizes for different levels of participation based off the number of Red Bull cans that participant brings to the table. Those are as follows:

- 5 Red Bull cans: 1 free 12 oz. can of Red Bull (flavors are optional)
- 10 Red Bull cans: 2 free 12 oz. cans of Red Bull (flavors are optional)
- 25 Red Bull cans: 1 free 4 pk. of 8.4 oz. Red Bull Energy Drink
- 50 Red Bull cans: 1 free 12 pk. of 8.4 oz. Red Bull Energy Drink
- 100 Red Bull cans: 1 free 12 pk. of 8.4 oz. Red Bull and a free ticket to the festival
- 150 Red Bull cans: 1 free 12 pk. a free ticket and a promotional gift bundle
- 200+ Red Bull cans: 1 free 24 pk. a free ticket, a deluxe promotional gift bundle

The participant with the highest amount of recycled Red Bull cans after every monthly festival will be invited to our Hot Air Balloon event in February for free.

Hot Air Balloon

For this event, Red Bull will head for the skies off the Bay of Islands in New Zealand. The event will be during the month of February, which is considered to be the best time for great weather in New Zealand. During the event, Red Bull will be launching hot air balloons into the sky directly from the Bay of Islands. All winning participants from The Cycle of Recycling Festivals will be invited to fly high above the bay to see the beautiful area from Red Bull's perspective.

For those participants that do not wish to get in a hot air balloon, Red Bull will offer an alternative method for participants to sight see; by sea. The Bay of Islands offers multiple opportunities to set sail around the coast. Red Bull will provide refreshments and nutritious snacks for all the guests attending the event.

During the event, professional base jumpers will be flying high into the sky and jumping out of the hot air balloons while performing tricks and group choreographies. All jumpers will be equipped with GoPros to catch it all on tape for viewers at home. Tandem jumps will be available for purchase on-site if participants are interested in the full experience of Red Bull. Each participant that signs up to jump will receive a promotional package and a medal that says, “I got my Wiiings in New Zealand”. Videos and other additional packages will be optional.

Red Bull Wiiings Camp

Teenager in New Zealand are looking for ways to get away from social media and technology. Due to the increase in such detox programs, teens are joining multiple-day youth programs. Red Bulls Academy currently offers camps for athletes in “New York, New Jersey, and select towns in Connecticut and Pennsylvania.”²⁶ The camps are primarily focused on soccer players and soccer teams. Players are involved with the program by improving their skills and their bond between each other while on the field.

For New Zealand, Red Bull will be changing their focus from soccer to more adventurous and extreme activities. All residents above the age of 14 are able to sign-up for the camp. The camp will be 10 days of educational and self-improving activities that will allow participants to push their personal boundaries and try something new. There

²⁶ Camp Programs. (n.d.). Retrieved May 02, 2016, from <http://www.redbullsacademy.com/training/camp-programs/>

will be a list of activities available for participants to sign-up for. A couple of programs and activities participants could sign up for are as follows:

- **Sailing:** In this program participants will learn the fundamentals of sailing and the different courses in racing. This will be an all day event where participants will learn the parts of the boat, basic maneuvers, tacking and gybing, finding the wind, the points of sail, and many other educational tips and tricks in sailing.
- **Bungee Jumping:** This program will be available as a “half-day” activity. Participants will learn about the safety procedures and what each piece of equipment is for. After going through the safety program, participants will be launched off a podium and fall several hundred feet.
- **Wakeboarding/Wake Surfing:** Riders will be split up between different levels of experience, beginner, intermediate, and advance. There will be specific days available to register for each level. The programs will progress throughout the 10 days in case participants would like to continue to improve their skills. There will be two “half-day” sessions for participants each day. One “half-day” session will be focused on wakeboarding, while the other session will be focused on wake surfing. This will allow participants the opportunity to continue improving one style or attempt to master both.
- **Rock Climbing:** Participants will learn the fundamentals of rock climbing as well as the different types of gear required for each style of rock climbing. This program is made to show participants the joys in outdoors activities. We will not be using standard rock walls you see in a gym or at a festival. Participants will engage in the reality of rock climbing on an actual rock wall.
- **Other Activities:** Participants will be able to sign up for classes on backpacking, fundamentals of camping, zip lines, mountain biking, skateboarding, dirt bike riding, and many more.

We want to provide the opportunity to improve everyone’s skills, but we also want to offer a fun experience for participants to engage in. The camp is meant to get people away from the Internet and find opportunities outside of their social norms.

Student Scholarships

According to the New Zealand, Student Loan Scheme Annual Report 2015, there has been an increase in the number of borrowers under the age of 27. Roughly 72.5% of students under the age of 27, in 2015, have borrowed money through student loans. From 2006, the percentage has increased from 65.5% to 72.5%.²⁷ As this percentage continues to rise, Red Bull could help students pay for school or pay off some of their loans. The Red Bull Scholarship program will be available for all students enrolled full-time in participating universities and/or colleges. There will be two different award options students could apply for, \$500 and \$1,000. The application process is simple. Students will fill out an application for either, or both, scholarship(s). The application will ask them certain questions in regards to their contribution to their community, their aspirations after graduation, and what makes them unique. They will also submit a 1-minute video explaining why they believe they are the perfect candidate for that specific award and what the brand, Red Bull, means to them.

Other Ideas

Below I have listed a couple of alternative events and ideas to help Red Bull engage with their target market in New Zealand.

- ***Rugby Sporting Events:*** People in New Zealand are very involved when it comes to Rugby. Pubs in populated cities will extend their operational hours during the months of September and October so that customers can watch the Rugby World Cup. With

²⁷ Ministry of Education. (2015). Student Loan Scheme. Retrieved May 2, 2016, from <https://www.educationcounts.govt.nz/publications/80898/student-loan-scheme-annual-report-2015>.

this type of attention and interest, Red Bull could host a watching party at select bars in specific cities so that customers can watch the game and stay energized throughout the night.

- ***Netball/Cricket Tournament:*** Two popular sports in New Zealand are Netball and Cricket. New Zealand's national cricket team, the Blackcaps, are currently sponsored by a variety of businesses, yet, none are energy drink brands. Red Bull could consider sponsoring the Blackcaps and providing opportunity for viewers to watch the games on RedBullTV. Another option would be to host an amateur cricket tournament in select cities to engage with their target market.

Brazil

Red Bull GmbH currently holds 2nd place in Brand Shares at 24.3% behind Gatorade at 28.8%. Even though Gatorade is in first place, their brand shares dropped from 30.9% in 2014 to 28.8% in 2015, while Red Bull grew from 23.0% in 2014 to 24.3% in 2015. The market size in Brazil for Sports and Energy Drinks in 2015 was at 264.8 with a growth of 3.4% from 2014 to 2015.

The reason I believe this country should be on Red Bull's radar is because they are planning on building a new production facility in Brazil. In order for Red Bull to gain attention and consumer loyalty, they should consider the following events or programs:

Red Bull's Big Wave

The shores of Brazil's gorgeous beaches are beginning to be crowded by spectators swarming in large numbers to watch surfers, from all over the world, compete in popular surf competitions. The impact of Gabriel Medina's world championship

surfing title cannot be understated for Brazil. Coincidentally, Red Bull is already a sponsor for the young surfer.

The Brazilian Surfing Institute noted that in the summer of 2015, surf shops received a record number of surfboard orders. Surf classes and lessons were also in high demand for the newly enthusiastic beginners. The institute also noted, “90% of people who purchase clothes by surf brands don’t play the sport. They buy them to be a part of something.”²⁸

As this trend continues to attract demand, Red Bull should grasp a bit of the wave as well. Red Bull already sponsors a surf competition called ‘Titans of Mavericks’ which is a large surf invitational at Half Moon Bay near San Francisco, California. In 2015, 24 surfers from around the globe were given a 48 hours notice invitation to the competition. Unfortunately, the competition was canceled “due to unforeseen circumstances and challenges” during the season.²⁹

The downside to this event was that management decided not to hold a festival for spectators that year due to a horrific incident the year before. During the 2014 competition, 13 spectators were injured after a wave knocked them into the water. In 2010, the event “attracted more than 100,000 live fans while thousands more watched on big screens at AT&T Park in San Francisco.”³⁰ The event organizers, Cartel Management plans to “elevate the experience and festival for the 2016 season.”²⁸

²⁸ Castro, D. (2015, December 21). Brazilian Surfing Strives to be more Than a Trendy Wave Through Marketing, Talent and the Internet. Retrieved May 02, 2016, from <http://www1.folha.uol.com.br/internacional/en/sports/>

²⁹ Castro, D. (2015, December 21). Brazilian Surfing Strives to be more Than a Trendy Wave Through Marketing, Talent and the Internet. Retrieved May 02, 2016, from <http://www1.folha.uol.com.br/internacional/en/sports/>

³⁰ Associated Press. (2016, February 12). Santa Cruz surfer wins Titans of Mavericks surf contest. Retrieved May 02, 2016, from <http://www.pressdemocrat.com/sports/>

²⁸ Castro, D. (2015, December 21). Brazilian Surfing Strives to be more Than a Trendy Wave Through Marketing, Talent and the Internet. Retrieved May 02, 2016, from <http://www1.folha.uol.com.br/internacional/en/sports/>

As Cartel Management organizes a festival or watch party for the ‘Titans of Mavericks’ competition, Red Bull should be focusing on its own niche in Brazil for surfing. There are a number of different surf competitions held in Brazil already. For Red Bull to create another contest will only be more work to plan, organize, and implement. During these already established events, Red Bull could continue sponsoring popular surfers that compete in these competitions. At the same time, promoting their products while utilizing the Wings Team during popular events and competitions.

The primary focus for Red Bull, when it comes to surfing, should be Red Bull Unleashed. In 2015, Red Bull Unleashed was the “first international surf contest to be held in a Wavegarden facility.” Wavegarden is a company that was founded by engineer Josema Odriozola and sports economist Karin Frisch in 2005. Their vision was to reproduce the same organic sensations while surfing a wave in the ocean but without the uncertainty of weather conditions. They created a stand-alone facility that is capable of producing waves for beginners up to professional levels.

In Dolgarrog, Wales, Wavegarden opened its facility, Surf Snowdonia, for Red Bull to host its Red Bull Unleashed surf competition. The event was successful for many reasons. First, the surfers were able to ride the “same number of identical waves” which brought the competition to a fair level, considering the ocean is unable to produce such a thing. Second, spectators and competitors were able to attend the event during great weather conditions. And third, spectators had great views while the competition took place. During the first event, there were approximately 2,000 spectators attending the event. Although, compared to the Titans of Mavericks, there weren’t as many spectators.

But seeing this type of turnout and participation for Red Bull Unleashed, Wavegarden can prepare larger facilities in the future.³¹

According to The Inertia, after the opening of Surf Snowdonia, the UK has “sparked international buzz” for another Wavegarden facility located in Vila Nova de Gaia, Portugal. Included in the article, Wavegarden is looking at expanding its location facilities to “California, Brazil, Australia, Switzerland, France, Spain, Morocco, Dubai and the top priority Austin, Texas.” With these potential expansions in the future, Red Bull Unleashed will have plenty of time to plan, organize, and implement their strategy for this event in Brazil. Until then, Red Bull will have to continue word-of-mouth promotions and attending popular surfing events in Brazil.³²

Red Bull Street Jam

Skateboarding is another board-based sport that is gaining attention in Brazil. With famous Brazilian skateboarders such as Bob Burnquist and Red Bull’s very own Pedro Barros, Brazil is beginning to turn towards skateboarding. Since skateboarders don’t need waves or an expensive surfboard, the sport has expanded throughout the vast Brazilian interior and poorer communities. Bob Burnquist states in an interview with Alyssa Roenigk, senior writer for ESPN The Magazine and ESPN.com, “Today, skateboarding is one of the fastest-growing sports in Brazil, with participation in the millions.”³³

³¹ Wavegarden. (n.d.). Big success at world's first Wavegarden surfing contest: Red Bull Unleashed, Surf Snowdonia. Retrieved May 02, 2016, from <http://www.wavegarden.com/>

³² The Inertia. (2015, September 22). Portugal Will Be Home to Europe’s Next Wavegarden. Retrieved May 02, 2016, from <http://www.theinertia.com/surf/portugal-will-be-home-to-europes-next-wavegarden/>

³³ Roenigk, A. (2013, April 10). X Games Foz do Iguaçu preview -- Bob Burnquist talks skateboarding and Brazil. Retrieved May 03, 2016, from <http://xgames.espn.go.com/xgames/skateboarding/article/9153450/x-games-foz-do-iguacu-preview-bob-burnquist-talks-skateboarding-brazil>

In 2012, Tony Hawk, one of the most renowned skateboarders, told The National, a newspaper in the United Arab Emirates, “I think the Olympics needs skateboarding much more than skateboarding need the Olympics. The Summer Games desperately need that cool factor, something that snowboarding has added to the Winter Olympics.” The International Olympic Committee (IOC) agreed with his statement. According to the IOC, skateboarding was not recognized as a “sport”. But in order to keep the Olympics “fresh and relevant” the IOC saw the potential skateboarding could offer to the Summer Olympics.³⁴ On April 1, 2014, the IOC announced that skateboarding would be “the newest sport accepted into the Olympics for the 2016 Summer Games in Rio de Janeiro.”³⁵

With skateboarding gaining attention in Brazil, it would be wise for Red Bull to grab a set of wheels and head to the local skate parks. Red Bull already left a large impression in Brazil after hosting the Red Bull Skate Generation in Florianopolis, Brazil. The event is notoriously known as Bowl Skating in Pedro Barros’ Legendary Backyard. Red Bull claims it as “an event which will never be repeated.”³⁶ This may be true due to the scenario that took place in the final round with four riders from each team division, Am, Pro, Master and Legend, all skating at the same time.

As the Bowl Skating in Pedro Barros’ Legendary Backyard goes down in Red Bull’s history books, there are still other opportunities Red Bull could take into consideration. While still creating divisions, Amateur, Pro, Masters and Legends, there

³⁴ O’Neil, D. (2012, August 11). No Rush for Gold. Retrieved May 02, 2016, from

http://espn.go.com/action/skateboarding/story/_/id/8253956/skateboarding-unlikely-become-olympic-sport

³⁵ Meronek, R. (2014, April 1). Skateboarding in 2016 Olympics, IOC Partners with The Boardr. Retrieved May 02, 2016, from https://theboardr.com/post/Skateboarding_Accepted_Into_the_2016_Olympics

³⁶ Neeson, N. (2015, November 14). Watch the Red Bull Skate Generation Replay. Retrieved May 02, 2016, from <http://www.redbull.com/us/en/skateboarding/stories/1331759396247/watch-red-bull-skate-generation-2015-live-here>

are many parks in Brazil to host another competition. A couple of great locations are as follows:

- ***Parque de Madureira:*** This skatepark, located in Rio de Janeiro, is considered a favorite spot. There have been a lot of competitions hosted at this park, like: CupNoodles, Bowl Jam, and many others. From staircases, ramps to bowls, Parque de Madureira has a lot to offer for a Red Bull Skate Open event.
- ***Rio Sul Skate Bowl:*** This skatepark is known for having “one of the best bowls of Rio.” With ample amount of lighting, Rio Sul Skate Bowl is open 24 hours a day and free to the public.³⁷
- ***Aterro do Flamengo Skatepark:*** After being rebuilt by Adidas, the skatepark has attracted more attention from a fresh image. The skatepark is also close to the water, which allows more opportunities to host an event.
- ***Copacabana Skatepark:*** Also located in Rio de Janeiro, west of the main beach at Copacabana. The skatepark includes a variety of street elements as well as vert features. There are multiple areas with seating options for spectators to watch from.

Opening another skateboarding competition in Brazil could refresh Red Bull’s position in Brazil and the consumer’s interest. Also keeping an eye out for upcoming extreme athletes from the area could benefit the brand, considering the impact that Pedro Barros has had within the country and within the Red Bull family.

Red Bull’s Wiiings Internship

In 2013, there were more than 8.5 million Young Adults, ages 18-29, which were in the Brazilian education system. 60 percent of that group was in college or graduate school. According to the Economic and Social Development Council and 2011 data from

³⁷ Blackiston, M. B. (2014, March 11). Riding the Best Skateboard Parks in Rio | The Rio Times | Brazil News. Retrieved May 02, 2016, from <http://riotimesonline.com/brazil-news/rio-sports/riding-the-best-skateboard-parks-in-rio/>

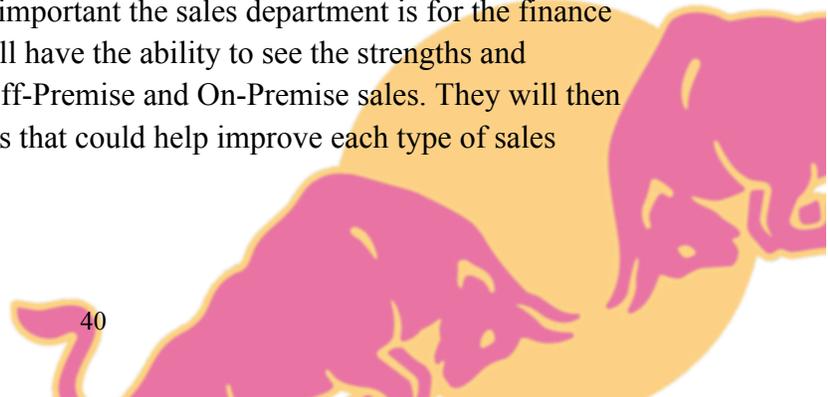
IBGE, 17.2% said their education was their main priority, while 42.6% said they only worked. By 2012, the study-only group had dropped and the work-only group increased to almost half of the age cohort.

Main Young Adults have given up on their studies in order to support themselves and/or their families. Red Bull will begin offering a “Wiiings” Internship for full-time college students to help support the student’s families and continue their college careers.

The Wiiings Internship will offer multiple opportunities for college students to discover their niche while working with an energetic company. The program will be composed of three different programs students may apply to. Those are as follows:

- ***Innovative Pilots*** – The Innovative Pilots program is designed for the creative mind. Interns will follow through three different departments in the order of Sales, Marketing, and later, Media.
 - **Sales:** When working for the sales department, interns will learn the difference between Off-Premise and On-Premise sales as well as how to communicate effectively with the different locations they are assigned. This will teach interns how to adapt quickly to different scenarios and atmospheres of their assigned businesses. With sales being the first department, they will better understand the needs companies may have when making purchasing decisions.
 - **Marketing:** After understanding the needs Off-Premise and On-Premise companies may have, the interns can dive deeper into the marketing aspect of Red Bull. Here interns will learn about the different strategies Red Bull uses to engage with their consumers as well as expand Red Bull’s reach to finding new customers. In this department, interns will learn how closely knitted the marketing and sales departments are and the importance of communication between the two.
 - **Media:** The final stage of the Innovative Pilots internship will be media. Interns will be able to take everything they learned from the sales and marketing sections of their internship and put their ideas on paper for consumers to see. This department will include, film and video editing, social media posts, and RedBulletin articles.

- **Bull Control** – The Bull Control program is designed for the operating or managing leaders. Interns will follow through three different departments in the order of Operations, IT & Media Technology, and later Finance.
 - **Operations:** The intern’s first stop is in the operations department. Interns will learn how the company operates on a global scale. The operations section is designed for interns to grasp a basic understand of how the brand works with the sales and marketing departments. Interns will be engaged in corporate projects that ensure the brands premium positioning.
 - **IT & Media Technology:** After the interns grasp an understanding of the operations department, they will then move to the IT & Media Technology segment of their internship. The purpose for this department is to show interns the importance of IT and how it affects the operations of the business as a whole. Interns will be tested on their problem solving skills with hypothetical scenarios where they must think of solutions to fix the problem. These could range from mobile app malfunctions, Internet crashes, and other various scenarios.
 - **Finance:** The final stop in the Bull Control internship is the Finance department. In this segment of their internship, interns will learn how crucial the finance department is and how it can affect every department and the company as a whole. Here they will learn about accounting, treasury and controlling, budgeting for each department, and providing the company with financial information and insights.
- **The Herd** – The Herd internship program is designed to show interns the importance of sustainability within the Red Bull community. Interns will follow through three different departments in the order of Finance, Sales, and later, HR.
 - **Finance:** The first department for The Herd internship is Finance. It is very similar to the Bull Control’s finance segment. Interns will learn about the accounting, treasury and controlling, and how budgeting works for each department within the company. Interns will prove their problem solving skills through a range of various scenarios they must find solutions to.
 - **Sales:** After the interns have learned about the finance department, they will move to the sales department. This will give the interns a better understanding of how important the sales department is for the finance department. Interns will have the ability to see the strengths and weaknesses for both Off-Premise and On-Premise sales. They will then have to create solutions that could help improve each type of sales strategies.



- **HR:** The final segment for The Herd internship is the HR department. After learning about the finance and sales departments, interns should have a good understanding of the different personality traits within each department. In the HR segment, interns will learn how to recruit applicants with similar charisma and drive that keeps the bull moving. Interns will also learn how to keep the energy flowing throughout the work staff by creating new ideas that will strengthen the company as a whole.

With this program available to college students within the Brazilian community, Red Bull will be able to engage with universities and colleges while also promoting the importance of education. By the end of the internship program, students will be able to take what they have learned and adapt it to their individual studies. If Red Bull sees potential in the intern, they will either be offered a position at Red Bull. If Red Bull notices a specific quality or personality in an intern, that intern may be invited back to go through another in depth program focused on their specific skills.

Other Ideas

Below I have listed more alternative programs or opportunities for Red Bull to further engage their target market in Brazil.

- ***Brazils Unique Fruits:*** Brazil is home to over 300 different types of fruits. Mainly because the land is very fertile. Although, many of the fruits are common in the U.S. and other regions, there are some fruits that can only be found in Brazil. Red Bull should consider creating an additional flavor specific to Brazil. Some ideas for a new flavor could be: Acai, Agua de coco da Bahia (Bahia Coconut Water), Maracuja, Jaca-mole, Carambola, Jaboticaba, Pitanga, Amora, Acerola, Caja, or Mangostin. As these are popular in Brazil, new customers may be open to trying it.³⁸
- ***“The Herd” Mobile App:*** Teenagers, ages 13-17, are very active on social media platforms in Brazil. According to a report in 2013 by Cetic, 62% of teenagers use

³⁸ Brazilian Fruits. Retrieved May 2, 2016, from <http://www.brazilmycountry.com/brazilian-fruits/>

their smartphones to access the Internet. The same report also states “close to 41% of Brazilian teenagers watch videos everyday.” Social media is a large contributor to this trend as 90% of teenagers confirmed they have profiles on networks like Facebook. Tumblr has also gained attention in Brazil where teenagers can read about trending content.³⁹ With this high level of engagement from teenagers, Red Bull could create a new social media application specifically for this target market. “The Herd” will be a social platform for users to create private accounts to share content with their friends but with a taste of something new. Participants will post videos, photos, or written articles about their active experiences. Whether it be skateboarding, snowboarding, surfing, skydiving, or something epic they did for the community, their friends can see what extreme activities they are doing. App users can geographically target posts in specific areas to see what other people are doing in the area. With this app, Red Bull can track what is popular within the various cities and make an appearance to engage with the mobile app users.

- ***Bike Sharing Program:*** Because of the high prices of petrol and costly maintenance, many Brazilians are selling their cars. Students have resorted to public transportation or riding bicycles in order to get around town. Red Bull could offer bike-sharing programs in college cities. Near populated student-living facilities, students will be able to rent a bike with a credit card, membership card, or by a mobile app. The first 30 minutes are on us. There will be an identification code that will scan as soon as the bike is locked in any Red Bull bike rack located in various places around the college town, on campus, or at the grocery store. After 30 minutes, if the bike is not returned to a Red Bull bike rack, there will be a \$5 charge for an additional 30 minutes. After the additional 30 minutes, a \$10 fee will be charged every 15 minutes.

³⁹ Teixeira, M. (2015, July 15). Targeting Teenagers Online in Brazil. Retrieved May 03, 2016, from <http://techinbrazil.com/targeting-teenagers-online-in-brazil>

Conclusion

There are many opportunities around the world for Red Bull to venture off to and explore. With the extreme sporting industry increasing in popularity and as more consumers get involved with outdoor activities, the possibilities are endless.

Throughout this thesis I have provided the history of Red Bull and how it was created. I have also explained a couple of popular Red Bull events in order to illustrate the interest Red Bull has in creating successful and unique sporting events. I then explored the effective strategy Red Bull has adopted and developed over the years in order to create a need and attract loyal fans. After conducting an analysis over Red Bull's strengths, weaknesses opportunities and threats, I was able to cultivate alternatives for Red Bull to use as it continues to expand and penetrate markets in other countries.

Like a bird that flies high in the sky, it can't be pulled down as long as it has wings. The next time you are looking for the confidence to base-jump off Mt. Kilimanjaro, the endurance to compete in a triathlon across New Zealand, or the concentration to backflip over a 72ft canyon in Utah, for \$2 and something cents, you will find all that and more at the bottom of a slim, silver and blue can.

