
Red Bull and Dietrich Mateschitz

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Red Bull

- An Energy drink sold by Austrian company Red Bull GmbH, created in 1987. In terms of market share, Red Bull is the highest-selling energy drink in the world, with 5.387 billion cans sold in 2013
 - Burt Helm (4 January 2005). "Energy Drinks Build Their Buzz". *BloombergBusinessweek*. BLOOMBERG L.P. Retrieved 2012-08-19.
- \$6.2 billion (sales)
- 166 Countries
- Austrian entrepreneur Dietrich Mateschitz was inspired by an existing energy drink named Krating Daeng (Thai: กระทิงแดง, Thai pronunciation: [kràtʰiŋ dɛːŋ]), which was first invented and sold in Thailand. He took this idea, modified the ingredients to suit the tastes of westerners,^[5] and, in partnership with Chaleo Yoovidhya, founded Red Bull GmbH in Chakkapong.
 - In Thai, *daeng* means red, and *krating* is the reddish-brown muscle-bound bovine called a "gaur", an animal slightly larger than the bison.
 - Red Bull is sold in a tall and slim blue-silver can, while Krating Daeng is in a gold shorter can.^[6] The two are different products, produced separately.

History

- https://en.wikipedia.org/wiki/Red_Bull
- In 1976, Chaleo Yoovidhya introduced a drink called Krating Daeng in Thailand, which means "red gaur" in English. It was inspired by the tonic Lipovitan, whose prime ingredient is taurine, and was popular among Thai truck drivers and laborers.
- After visiting Thailand in 1982, Dietrich Mateschitz discovered that Krating Daeng helped cure his jet lag.
- In 1984, Mateschitz co-founded Red Bull GmbH with Yoovidhya and turned it into a global brand. Red Bull was founded by each partner investing \$500,000 of savings and taking a stake in the new company. Yoovidhya and Mateschitz each held a 49% share of the new company. They gave the remaining 2% to Yoovidhya's son Chalerm, but it was agreed that Mateschitz would run the company.^[14]
- The product was launched in Austria in 1987.
- In 1992, the product expanded to international markets: Hungary and Slovenia. It entered the United States via California in 1997^[15] and the Middle East in 2000.
- In 2008, *Forbes* magazine listed both Chaleo and Mateschitz as the 250th richest people in the world with an estimated net worth of \$4 billion.
- Red Bull is headquartered in Fuschl am See, an Austrian village of 1500 inhabitants near Salzburg.
- In South East Asia, Red Bull and Krating Daeng are often confused for one another as Krating Daeng uses the Red Bull name in their packaging. They are two separate entities marketing for different markets.
 - The main differences are that Red Bull is in a blue silver tall can packaging while the Thailand Red Bull or Krating Daeng is in a smaller gold packaging. They differ in terms of tastes as well. Red Bull Energy Drink has less sugar and is carbonated.

Dietrich Mateschitz

- Mateschitz was born in Sankt Marein im Mürztal, Styria, Austria to a family of Croatian ancestry (Matešić).
- His parents were both primary school teachers and separated when he was a young child.
- Never married, he has a son.
- Net worth: US \$12.2 billion
 - (June 2015)
 - <http://www.forbes.com/profile/dietrich-mateschitz/>
- MBA –University of Vienna
- He holds a pilot's license and enjoys flying a Falcon 900 and a Piper Super Cub.



Dietrich Mateschitz

- After taking ten years to graduate from the *Hochschule für Welthandel* (now Vienna University of Economics and Business Administration) with a marketing degree,^[6] Mateschitz's first employer was Unilever, where he worked marketing detergents. He subsequently moved to Blendax, the German cosmetics company since bought by Procter & Gamble, where he worked on, among other things, the marketing of Blendax toothpaste.
- Traveling for Blendax -discovered Krating Daeng, a drink that would later become Red Bull.
- In 1984, he founded Red Bull GmbH ^[9] with his Thai partners Chaleo and Chalerm Yoovidhya, with the launch in Austria in 1987.^[8]
- Created a world market leader among energy drinks.
- He lives in Fuschl am See, Austria but also owns Laucala Island, off Fiji, which he bought from the Forbes family for £7 million.
- In 2013 Mateschitz purchased DeepFlight Super Falcon, an extreme \$1.7 million submarine for guests at his Laucala Island resort in Fiji.
 - https://en.wikipedia.org/wiki/Dietrich_Mateschitz

Marketing

- Associated with high intensity sports events.
- Marketed through
 - advertising,
 - events
 - Red Bull Cliff Diving World Series, Red Bull Air Race, Red Bull Crashed Ice
 - sports team ownerships
 - RB Leipzig, FC Red Bull Salzburg, Red Bull Brasil, New York Red Bulls, Red Bull Racing, Scuderia Toro Rosso
 - celebrity endorsements,
 - music, record label Red Bull Records.
- Aggressive marketing- spending as much as 30% of sales on advertising,
 - sponsorship of Felix Baumgartner's 120,000-foot skydive in October 2012
- Red Bull company slogan: "Red Bull gives you wings"
 - or "No Red Bull, no wings"

International growth and challenges

- Greatest early growth -India and Japan,
- China is only now opening to them
- The original Red Bull from Austria (carbonated) has been imported to China since 2014. In addition, the local energy drink brand is also called Red Bull. Red Bulls sold in China have two versions: a regular-strength version in a short, wide, gold-and-red can similar to the Thai drink; and an "extra-strength" version in a taller, thinner, blue-and-silver can more like the western version. Neither Chinese version is carbonated.
 - <http://www.foodnavigator-usa.com/Manufacturers/Red-Bull-targets-China-for-expansion-UPDATED>
- As one of the earliest and most successful functional beverage brands, the **local** Red Bull has grown steadily ever since it entered the Chinese market in 1995. Currently, the **local** Red Bull has five manufacturing hubs in China including Beijing, Hubei, Jiangsu, Guangzhou and Hainan and dozens of branch companies throughout the country with over 10,000 employees and 3 million points of sale. The **local** Red Bull's market share of vitamin drinks in China is currently increasing by over 20% each year and has reached ¥12 billion in 2012, equivalent to 1.9 billion USD.
 - http://www.reignwood.com/red_bull.asp

Potential Questions (Please add your own)

- Why do you feel that Red Bull has focused its marketing funding on aggressive sporting events?
- We have seen that the climate for entrepreneurship in Europe is a very difficult one. How did Red Bull deal with that?
- What, and how did, cultural issues affect the company's growth?
- Why do you think it took so long to Red Bull to enter the china Market? How do you think the presence of a local brand with the same name will affect them.
- What do you see as the major challenges facing Red Bull's continued growth?