

Place Analysis: Red Bull

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Red Bull: Coffee-Flavored Energy Drink

Introduction In marketing, the concept of place refers to the strategies encompassing distribution decisions and activities (Lamb, Hair, & McDaniel, 2021). These decisions play a crucial role in shaping downstream activities, customer interactions, and the acquisition of new clients. For Red Bull's new product line, coffee-flavored energy drinks, it is essential to compare and examine both time-proven channels and new modes of distribution to ensure market availability and alignment with target market lifestyles.

Current Channels for Red Bull Energy Drinks Red Bull energy drinks are widely accessible due to their popularity among individuals involved in active lifestyles, extreme sports, and laborious jobs. The product can be commonly found in convenience stores and traditional supermarkets (Rose, 2022). Additionally, Red Bull maximizes its presence in truck stops, catering to long-haul truckers and drivers in need of an energy boost. Sponsorships provide a direct distribution opportunity, allowing the company to distribute its core products to event participants and spectators (Sanchay, 2020).

Channel Options for Red Bull Coffee-Flavored Energy Drinks The distribution options for Red Bull's energy drink products are chosen based on the company's market base. Red Bull energy drinks, including the new coffee-flavored variant, fall under the category of convenience products, requiring minimal decision-making effort (Lamb et al., 2021). Consequently, these products can be made available through various selling channels and retail points. The most suitable distribution channels for Red Bull coffee-flavored energy drinks include convenience stores, supermarkets, vending machines, and online shops.

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a. Convenience Stores and Supermarkets

Red Bull can leverage its presence in convenience stores located near bus stops, truck stops, gas stations, and traditional supermarkets to sell its coffee-flavored energy drinks (Rose, 2022). Convenience stores are ideal hubs for quick purchases and short-term decision-making by consumers. By strategically placing the coffee-flavored energy drinks in different convenience store locations, Red Bull can maintain its competitive position without disrupting the existing supply chain structure. Supermarkets, on the other hand, serve as primary intermediaries for retail activities, allowing consumers to compare competing products.

b. Vending Machines

Vending machines serve as channels for short-term purchasing decisions (French et al., 2010). These machines facilitate the quick sale of foods, snacks, and beverages. Red Bull can take advantage of vending machines located in various places such as schools, universities, train or subway stations, gyms, and sports centers (Rose, 2022). Selling through vending machines allows consumers to compare different options directly, similar to convenience store retail. This channel aligns with Red Bull's existing distribution and supply chain decisions, eliminating the need for additional costs.

c. Online Shops

Directly linked online shops offer another recommended option for the distribution of Red Bull coffee-flavored energy drinks (Anonymous, 2015). Platforms like Amazon.com enable wholesale purchases of Red Bull energy drinks, including the new coffee-flavored variant. Red Bull can utilize this e-commerce platform for large-scale retail activities. Online retail maximizes

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the company's supply chain efficiency as products can be directly fulfilled through third-party retail platforms. Leveraging established online retail capabilities, such as those provided by Amazon, reduces the need for Red Bull to set up its own online retail platform. Furthermore, online retail reduces the costs associated with physical store distribution while enhancing inventory management (Rose, 2022).

Synthesis

Distribution Decisions and Red Bull's Success When analyzing distribution strategies, cost-related aspects must be carefully considered. The selection of appropriate distribution channels requires evaluating their alignment with the product's nature and the existing distribution strategies of the business (Lamb et al., 2021).

The distribution options for Red Bull's coffee-flavored energy drink can contribute to the continued success of the company in the energy drink manufacturing and retail market primarily because the placement through convenience stores, supermarkets, and vending machines is already aligned with Red Bull's supply chain and distribution strategies. These recommended channels will allow Red Bull to maximize the sales potential of the product across three different selling points, without the burden of additional cost for product distribution. Retail through traditional channels can also ensure that Red Bull's existing customers will know about the coffee-flavored energy drink while also targeting new customers to try the product.

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