THE IMPORTANCE OF CUSTOMER-BASED BRAND EQUITY AND BRAND LOYALTY IN BUILDING STRONG BRANDS

How Red Bull has utilized brand extension into the sports industry in their brand building

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Declaration

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**Objectives**  
The main objectives of this study were to investigate the importance of brand loyalty and brand equity in building strong brands, as well as how brand extension may act as a tool in fostering the growth of the two. The study will also aim to determine whether Red Bull has been able to do so through their extension into the sports industry. The results can assist brands in learning the factors affecting brand equity and brand loyalty, and the role brand extensions play in building strong brands.

**Summary**  
Branding is a technique used to strengthen brands and allows them to distinguish themselves from their competition. Based on the literature review, a conceptual framework was developed which suggested the relationships between brand loyalty, brand equity, brand extension, brand awareness, and consumer-brand relationships. A survey and a focus group were conducted to determine whether the relationships suggested were accurate, as well as determine what some of the main drivers of brand loyalty are.

**Conclusions**  
The four significant aspects of branding were tested using a multiple regression and correlation analyses to determine whether their relationships were positive or negative. Most of the results aligned with those in previous literature, where the relationships were positive. The only outlier was the relationship between brand extension and brand loyalty, where there was no significant relationship. The analysis of the focus group discussion came up with three main topics: brand trust, brand awareness, and brand associations. These further strengthen the results of the presented hypotheses. In terms of implications for international business, the research presented further shows the importance of brand loyalty and brand equity in building strong brands, as well as how brand extension may act as a vital tool in fostering both. Here, it's important to understand consumer motivations and values to foster strong consumer-brand relationships.

**Key words:** Consumer-brand relationships, brand equity, brand loyalty, brand awareness, brand extension, branding

**Language:** English
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1. INTRODUCTION

1.1 Background

Branding is a technique used to build sustainable, differential advantage for brands by playing on the nature of human beings (Rooney, 1995). It's a vital part of building strong brands, as it allows them to distinguish themselves from their competition. In branding, the two most discussed and important aspects for managers to keep in mind are brand equity and brand loyalty (Aaker, 1990). These two work hand in hand in building strong consumer-brand relationships. Branding strengthens these consumer-brand relationships and creates value for business partners, which is why it has grown in importance (Aaker, 1994). Products combined with a strong brand allow for the brands to expect and create a greater profit margin as customers are willing to pay more (Keller, 2013).

Red Bull was the first player in the market for energy drinks, and since it was founded, it has continued to grow into the global brand that it is today (Keller, 2013). Like all brands, Red Bull has utilized a branding strategy that has proved very successful for them. They have extended the brand into the media, through Red Bull Media House, and into the sports industry, through their own events and sports teams, as well as sponsorships. Extension into the sports industry has proved an important tool in fostering brand loyalty for the brand, as the events and sports teams have allowed consumers of Red Bull to become engaged with the brand, and through these experiences, invest time, energy, or money in the brand outside those used during consumption (Keller, 2013). Subsequently, this paper aims to further investigate the importance of brand extension in fostering brand loyalty, and how Red Bull utilized the sports industry in doing so. The study will also contribute to the literature considering the significance of brand equity and brand loyalty in building strong brands.
1.2 Research Objectives and Questions

The objectives of this study are to investigate the importance of brand loyalty and brand equity in building strong brands, as well as how brand extension may act as a tool in fostering the growth of the two. Brand loyalty and brand equity are aspects known to influence brand building activities, particularly consumer-brand relationships, which are vital in building strong brands. Since brand extensions are often discussed as a tool in fostering both brand equity and brand loyalty, the study will also aim to determine whether that is the case regarding Red Bull and their extension into the sports industry.

1. Why are brand equity and brand loyalty important in building strong brands?
2. How may brand extensions foster brand loyalty and brand equity?
3. How has Red Bull utilized the sports industry as a key driver of business and an extension of the core brand?
2. LITERATURE REVIEW

2.1 Background on branding

The simplest definition of branding is the creation of a strong, positive image of a company and its products or services in the mind of consumers, to distinguish the product from a competitor’s (Keller, 2013). The classic definition of a brand according to the American Marketing Association is:

“A name, term, design, symbol, or any other feature that identifies one seller’s goods or services as distinct from those of other sellers” (American Marketing Association, 2018).

Nowadays, the definitions of brand and branding are significantly broader, as they include more internal processes, and aim to explain all the aspects of a brand as well as its development (Heding et al., 2009). A good and strong brand will give customers value for their money, and employees confidence in their products. They can also deliver several other benefits if the brands are utilized correctly, such as creating shareholder value. The value is determined by the expectations about the value attained through the long-term cash flow generated by the branding strategy (Doyle, 2010). A branding strategy can be characterized by its breadth and depth, where the breadth has to do with the product mix and which products the brand has, and depth has to do with the brand portfolio and the set of brand extension lines that the brand offers for sale to buyers.

A strong brand can create loyalty, which will lead to customer satisfaction and repurchase of the preferred brand. Keller (2013) argues that a product combined with a strong brand can expect a greater profit margin, as customers are willing to pay more, and are thus able to achieve a price premium. Building a strong brand involves engaging with customers through step-by-step processes, after which consumers can identify with and be connected to the brand (Becker-Olsen & Hill, 2006). These processes aim to build
connections between the brand and consumer through appealing to their values and emotions.

2.2 Consumer-brand relationships

Relationships generally involve a mutual exchange and are voluntary, involving at their core the supplying of meaning to the persons who engage them, adding meaning at each level or depth of the connection. A consumer-brand relationship refers to a voluntary connection between an individual consumer and a brand (Kumar & Kaushik, 2018). According to Aaker (1997), there exists a need to anthropomorphize objects, or assign personal qualities to inanimate objects. This would explain the emotional connection that consumers often develop with brands. At their core, consumer-brand relationships are a matter of the compatibility of product attributes with the consumers’ personality traits (Fournier, 1998). Consequently, consumers who identify with a brand, tend to be invested in the developments and activities of the brand.

When it comes to developing long-term consumer-brand relationships, brand experience and brand identification may act as important tools in forming and strengthening the relationships (Kumar & Kaushik, 2018). Here brand experience is more subjective, as it has to do with the consumers’ internal responses and behavioral responses caused by the brand related stimuli. Contrarily, brand identification is active, as it is selective and often motivated by one or more of the consumers’ needs being satisfied. The more the consumer identifies with the brand, the more benefits they can derive from it (Kumar & Kaushik, 2018). This makes it a very valuable tool in developing strong consumer-brand relationships as it influences communication and emotional exchange between consumers and brands.

2.3 Brand equity in building strong brands

Brand equity can be defined from two perspectives, the financial perspective, and the emotional perspective (Heding et al., 2009; Keller, 2013). The financial perspective of
brand equity relies on the value that a brand may hold. This paper will focus on the emotional perspective that resides in the minds of consumers, and thus is subjective as it relies on the perspective of the individual consumer (Keller, 1993). Aaker (1991) defined brand equity as,

“A set of assets or liabilities in the form of brand visibility, brand associations and customer loyalty that add or subtract from the value of a current or potential product or service driven by the brand.” (Aaker 1991)

When brand equity is high, one can assume customers have strong and positive associations relating to the brand, see the brand as high quality, and have a sense of loyalty when it comes to the brand (Yoo et al., 2000). In contrast, customer-based brand equity is said to be negative when consumers don’t favor elements in the marketing mix of the brand when compared to an unnamed version of the product or service (Keller, 1993). Keller (2001) created the customer-based brand equity (CBBE) model, also known as the resonance model, to provide answers as to what makes a strong brand and what the building blocks of a strong brand are. This has to do with the general guidelines when it comes to managing customer-based brand equity, and explains how brand equity should be built, measured, and managed (Keller, 1993; 2013).

*Figure 1: The resonance model (Keller, 2001)*
The first level of the CBBE model has to do with salience or the brand’s image, as it forms the foundation of customer-based brand equity. Saliency represents the idea of brand awareness, as awareness can affect perceptions and attitudes toward the brand (Aaker, 1996). Hausman (2004), argued that brand awareness can be described as an attitude toward the brand expressed through the likelihood to repurchase and recommend. That is, the more brand awareness that exists in the mind of the consumer, the greater the likelihood of a positive consumer-brand relationship developing. Additionally, Gabrielsson (2005) argues that the strength of a brand is measured by brand awareness, as it represents the consumers ability to recognize and recall the brand, hence, it plays an important role in the growth of brand equity.

The second level consists of performance and imagery, which together represent the meaning of the brand or brand image. The brand image is related to the identity perceived by the consumer, or its intended meaning existing in the minds of consumers (Kumar & Kaushik, 2018). An example of this would be the way Red Bull has created their brand image to be prevalent, using distinctive colors and different dimensions than other canned drinks, as well as a price premium allowing it to be painted as a premium brand (Gorse et al., 2010). Imagery represents the social or psychological needs of the consumer, and how the brand will meet them. Consumers tend to have different perceptions of brands formed over time, through their own experiences gained by interacting with a product or service (Gorse et al., 2010). The product or service in itself is the core of brand equity, as it wholly contributes to the consumer’s experience. Brand performance has to do with the physical and functional needs that the product needs to meet or exceed, from the consumers perspective. If this does not occur, successful marketing cannot be achieved (Keller, 2013).

The third level identifies the response of consumers to the created brand image and marketing efforts to maintain it. These are identified as brand feelings and brand judgements (Keller, 2013). Brand judgments are the consumer’s personal perception of the brand, that reflect second level brand performance and imagery, and brand feelings more reflect the consumers emotions brought about by the brand. The final level is
consumer-brand resonance, which is the relationship between the brand and the consumer. For the brand to be relevant and connected to the consumer, the brand needs to reflect the consumers core values. Only then can an emotional connection be formed (Underwood et al., 2001).

2.4 The importance of brand loyalty

As shown in the resonance model (Keller, 2001), brand resonance is the final level customer-based brand equity pyramid. Brand resonance, though the smallest section in the pyramid, is vital in forming connections between brands and consumers. It is made up of four categories: behavioral loyalty, attitudinal attachment, sense of community, and active engagement (Keller, 2013). Aaker (1991) has described brand loyalty as the strongest of the five stages of consumer relationships. The concept of brand loyalty is deeply embedded in consumer-brand relationships and plays an important role in building and maintaining strong brands. Oliver (1997) defines brand loyalty as,

“a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1997)

A reason for the commitment has to do with how well the brand resonates with the consumers core values and expectations. According to Tsiotsou (2013), brand loyalty creates barriers to entry for competitors and is more profitable in the long run. For brands to increase brand loyalty, they need to appeal to the consumer's psyche, as it is a key factor in forming connections between brands and consumers. This is because by appealing to the consumers core values through a reflection of the brands core values, brands can attract a customer base that is understanding and loyal to them (Tsiotsou, 2013). This can be done through the brand image. Here, it is important to engage with a specific set of consumers, as that way the resultant experience with the brand is more likely to be positive, which may lead to increased loyalty (Tsiotsou, 2013). There are many
factors that increase this brand loyalty, when it comes to the more physical aspects of the brand, such as high quality, unique features, low price sensitivity and the ability to create strong identification between the consumer and the brand's values (Tsiotsou, 2013). These are important in building the brand image as well, as they make a brand more appealing to consumers, in contrast to ones of, for example, low quality and standardized features.

Loyalty can be divided into two perspectives, behavioral and attitudinal loyalty. Behavioral loyalty is the likelihood and willingness of a consumer repurchasing the brand, whereas attitudinal loyalty is the commitment the consumer has towards the brand (Chaudhuri & Holbrook, 2001). It is of high interest to any firm to utilize the benefits of loyal customers, as it leads to marketing advantages, more customers, and the ability to charge a price premium (Aaker, 1991).

### 2.4.1 Attitudinal loyalty

As previously stated, Chaudhuri and Holbrook (2001) define attitudinal loyalty as, “the level of commitment of the average consumer toward the brand.” This can be seen as one of the intangible parts of the concept of loyalty, which can be associated with the emotional aspects of purchasing behavior. Due to it being intangible, attitudinal loyalty cannot wholly be measured, but is vital in order to build long-term consumer brand relationships, as it's something that's less likely manipulated by competitors (Chaudhuri & Holbrook, 2001). As a result, consumers with a strong sense of attitudinal loyalty toward a certain brand will have more controlled feelings when opting to purchase products in the same category as a brand they are loyal to. Regardless, attitudinal loyalty has been criticized due to its intangible nature, as it is not essential when it comes to positive brand associations, as the more tangible behavioral factors, such as price, are missing (Delgado-Ballester & Munera-Alemán, 2001).

One tool that may be used to create or grow attitudinal loyalty is through brand experience. As aforementioned, attitudinal loyalty is intangible, so it cannot be measured.
That is why creating memorable experiences for consumers can be a way of appealing to the intangible aspect of loyalty. Experiences are a very unique offering because consumers have a desire to experience things firsthand, which is why companies often wrap experiences around their normal offerings in order to improve them in the eyes of consumers (Pine & Gilmore, 1998). This is appealing to consumers because experiences are inherently personal, and differ from consumer to consumer, making them special. Bozwick et al. (2007) argue that firms need to create experiences where the content of the experiences is created hand in hand with the consumers. This will show the consumers commitment to the brand as well as the experience. Arguably, this will also affect the consumers perception of the brand, based on prior expectations and the experience effects, whether positive or negative. It's important that these experiences meet or exceed the needs and expectations of the consumer, in order to promote the growth of brand loyalty (Stausholm & Kristinsson, 2018).

2.4.2 Behavioral loyalty

According to Bloemer and Kasper (1995), true brand loyalty is defined as,

“a behavioral response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands which is a function of psychological processes resulting in brand commitment.” (Bloemer & Kasper, 1995).

Here, the behavioral aspect is highlighted as it is the more tangible in contrast to attitudinal loyalty, thus some researchers argue it’s the more important perspective of loyalty when making purchasing decisions. When it comes to the purchase of a product, consumers go through a buying decision process where they recognize a need, find information, evaluate alternatives, purchase a product, and evaluate their purchase decision (Day, 1969). In time, when it comes to the repurchase of a product, consumers will no longer need to find information and evaluate alternative products, since they have previously made the purchase decision. Skipping those few steps is an example of behavioral
loyalty, as the consumer is solely relying on their previous experience and knowledge of the product when making the purchasing decision (Jacoby & Kyner, 1973). Here, conversely with attitudinal loyalty, the main issue with behavioral loyalty is the lack of an emotional aspect.

Useful tools in increasing behavioral loyalty are brand awareness and brand engagement. Brand awareness is how memorable or recognizable a brand is to consumers. It is also one of the main drivers of brand equity. It influences the formation and strength of brand associations when discussing brand image, which affects consumer decision making (Keller, 1993). The strength of these associations depends on how well the brand's image is integrated into the marketing program (Keller & Aaker, 1992). Brand image has to do with the perceptions of the brand that the brand associations in the consumers mind reflect. This means, for a brand to increase brand awareness, they need to appeal to the consumer in a way which is memorable, through reflecting the consumers own values in the values and image of the brand. Brand engagement is the creation of emotional attachments between consumers and brands (Becker-Olsen & Hill, 2006). This engagement has gained a lot of attention due to its role in creating consumer loyalty, word of mouth, consumer involvement, the development of consumer-brand relationships, and more positive customer perceptions of price (Becker-Olsen & Hill, 2006). Consequently, it is a good tool in measuring and potentially growing brand loyalty.

2.4.3 Satisfaction and loyalty

Brand satisfaction has been identified as a major driver of brand trust and brand trust is a driver of brand loyalty (Chaudhuri & Holbrook, 2001). Satisfaction, as defined by the Cambridge dictionary is,

“a pleasant feeling you get when you receive something you wanted or when you have done something you have wanted to do; the act of fulfilling (achieving) a need or wish” (Cambridge Dictionary, 2022)
There are two types of satisfaction, latent and manifest. The impact they have on brand loyalty differs, as the type is dependent on the outcome of the subjective analysis of whether the alternative meets or exceeds the expectations of a consumer (Bloemer & Kasper, 1995). Manifest satisfaction is the result of a well elaborated evaluation, whereas latent satisfaction is a result of an indirect evaluation that is not elaborated on. This could be simplified to the idea that manifest satisfaction is less spurious than latent satisfaction as it requires thorough evaluation. Bloemer and Kasper’s (1995) research shows that the type of satisfaction affects the relationship between brand satisfaction and brand loyalty.

Strong brands are said to contain components that are ‘identifiable, enduring, and meaningful’ in the eyes of consumers, and allow brands to be distinguished from their competitors (Wallace et al., 2011). One could argue that in order for an emotional bond to be formed between a consumer and a brand, there needs to be a sense of satisfaction in the eyes of the consumer. According to Park et al. (2006), for a consumer to perceive a brand as significant and connect the brand with the consumer’s self, it needs to offer them satisfaction of some kind.

There are several different perspectives that one can view satisfaction and loyalty from (Oliver, 1997). The one relevant to this paper, is where satisfaction and loyalty can exist independently from one another, as arguably for a customer to be loyal to a brand, they need to be satisfied. This satisfaction forms the basis of brand loyalty, as in the beginning of a consumption relationship, the consumer needs to be satisfied with the brand in order to consider repurchasing the product (Oliver, 1997). Thus, if the consumer is unsatisfied, it is unlikely that a loyal relationship will form between the brand and consumer. If the consumer is satisfied, loyalty to the brand is established and will continue to grow over time, slowly making satisfaction less important, meaning there is less pressure on the brand to exceed customer expectations as the loyalty grows (Oliver, 1997).
2.5 Building brand loyalty through brand extension

Brand extension is one of many ways to grow brand loyalty and increase consumer engagement, as well as add further meaning to the core brand (Heding et al., 2009). Kapferer (2008) describes brand extension as using an existing brand name in a new product line or category. A strong and established brand can help provide a foundation for brand extension, which can strengthen a brand's position and increase its value (Aaker & Keller, 1990). Establishing extensions that have shared attributes with the core brand and that vary only slightly from one another will allow for successful diversification of the brand (Feldman & Lynch, 1988). The success of brand extension depends on three different factors: (1) the beliefs and attitudes of the consumer toward the brand (2) brand associations that facilitate these beliefs and attitudes, and (3) that no negative associations are created through the extension (Aaker & Keller, 1990). Broniarczyk & Alba (1994) argue that an extended brand might compensate for their lack of category similarity to the core brand through its benefit-related associations. Here one can use the customer-based brand equity model to assess the benefits the brand may produce to the consumers.

Three types of brands are identified by Tybout and Calder (2010): functional, image, and experimental. This is important because when it comes to brand extension, the type of brand affects how far a brand can be extended. When it comes to functional brands, the consumer is only slightly involved, and the differentiation of the extension lies in the brand's performance. The issue with functional brands is that they cannot be extended very far, as they must maintain high performance within their core market (Kapferer, 2008). Image brands on the other hand aid in the communication of the desirable image of the brand, as a reflection of the core brand (Tybout & Calder, 2010). Image brands can extend further than functional brands as the desirable brand image depends on the consumer, so they can be extended as long as the extensions remain relevant to the core meaning of the brand. Lastly, the experiential brand focuses on delivering experiences to consumers, through which consumer engagement is high due to it being a source of inspiration and more psychological attributes, than physical ones. This allows brands to
extend far from the core brand, without negatively affecting it (Heding et al., 2009; Kapferer, 2008). Nonetheless, not everyone agrees with the idea that brand extensions create value for a firm. Douglas et al. (2001) argue that there is a risk of overextension of a brand, where the brand is stretched too thin thus diluting its equity and image. This means that unless the brand extension is somewhat of a reflection of the brand’s core values and image, the risk of it being unsuccessful is high.

Brand extensions allow brands to take advantage of their brand name recognition as well as image in order to enter new markets (Aaker & Keller, 1990). When doing so, for brands to extend successfully, they need to exhibit the core values of the brand. This is because consumers will either accept or reject the extension depending on how trustworthy the brand is in satisfying consumer wants and needs (Keller & Aaker, 1992). This trust, as previously stated, is a driver and predictor of brand loyalty, as when a customer is willing to rely on the ability of the brand to perform, their trust in the brand increases, and in turn, it will increase their commitment, or loyalty, to the brand. (Chaudhuri & Holbrook, 2001).

2.6 The Red Bull phenomena as an example of successful brand extension

Red Bull, a privately owned Austrian energy drink manufacturer, was the first player in the market for energy drinks when it was founded in 1985 by Dietrich Mateschitz (Keller, 2013). Mateschitz came across a popular Thai energy drink called ‘Krating Daeng’ (Red Bull in Thai), and decided to bring it to Europe, making a deal with TC Pharmaceuticals, a beverage manufacturer, for international rights of Krating Daeng. A few years later, Red Bull was introduced into the Austrian market with its catchy slogan that is still used today, “Red Bull gives you wiiings” (Keller, 2013; Red Bull, 2022). Mateschitz developed an entirely new product and a new, unique marketing concept, leading to a whole new product category to be born - energy drinks.

The focus of Red Bull is characterizing the brand in a way that represents uniqueness, youthfulness, and taking risks (Red Bull, 2022). They are one of the strong brands that
strives through creating a brand image that stands out from other brands in the same market, by breaking norms. Red Bull has successfully been able to combine both high loyalty and unique brand extension in building their strong brand, and that is why it is the basis of this research. By exploring the Red Bull phenomena, this research will hopefully be able to provide insight into the importance of utilizing brand extension in fostering brand loyalty and building strong brands.

The success of Red Bull is highly related to the perceived quality of their products as well as the value received by the consumer. According to Keller (2013), building a strong brand simply entails exploiting the benefits of the brand's loyal consumers. From its beginnings, Red Bull was never just a product, but rather a lifestyle brand (Sterling, 2014). The lifestyle is one of being a risk taker, daring to step out of your comfort zone, through extreme experiences (Red Bull, 2022). They created a personality for the brand which aligns with the attributes that they are seeking in their customer base. This, one could argue, may be one of the main reasons for its success, as often brands forget the importance of appealing to the consumer psyche in their branding. Contrarily, some researchers argue that even though Red Bull's corporate strategy supports their efforts of building and maintaining the brand, not all the efforts have had a positive impact on the strength of the brand (Stausholm & Kristinsson, 2018).

2.6.1 Red Bull's brand portfolio

Red Bull was the first player in the market for energy drinks, creating the whole product category in itself (Keller, 2013). This made it the first mover, giving it certain advantages when it came to shaping the legal and competitive environment of the industry. The three largest players in the industry, Red Bull, Monster and Rockstar energy, hold around 36% of the total market share in the energy drink industry, of which 24.4% is held by Red Bull (Euromonitor, 2018). The main way products within the industry are differentiated is through their branding and marketing strategies since the production of energy drinks is quite simple. This is something Red Bull has done very successfully through different promotional activities and brand extensions.
During the early growth of Red Bull, they began building the brand through attachments to things such as nightlife, student life, and extreme sports. They mainly focused on action/extreme sports sponsorships in order to gain awareness in these markets (Kunz et al., 2016). Nowadays, Red Bull GmbH is a branded house with multiple products and services within it that can be divided into three categories: Red Bull energy drinks, Red Bull Media House, and Red Bull sports ownership (Red Bull, 2022). Red Bull energy drinks consist of the classic flavor, as well as sugar-free, special editions, and organics, the classic one being the most popular. The Red Bull Media House is the brands multi-platform media company that produces TV, mobile, digital, audio, and print media products and content (Sterling, 2014). The media house has several sub-brands such as The Red Bulletin, Red Bull studios, and the Red Bull mobile app (Kunz et al., 2016). Lastly, Red Bull sports ownership consists of teams and sponsorships in all kinds of different sports, including motorsport, football, ice hockey and esports (Red Bull, 2022).

Though Red Bull has extensions in both the sports industry and in the media, their brand portfolio is quite narrow given their strategy is largely focused on the promotion of a few products to a particular market - young people who have an affinity for the extreme (Kunz et al., 2016). Hence, they have been able to extend the brand successfully due to their brand-building activities in their early growth. Additionally, Red Bull has a very path dependent strategy, which means they have a clear goal when entering new industries. In order to increase their brand awareness, they constantly evaluate possible new markets and sub-industries to expand into (Stausholm & Kristinsson, 2018).

2.6.2 Brand loyalty in the sports industry

When it comes to the sports industry, consumer perceptions and thoughts are particularly important due to the passionate fan base that sports address (Wakefield, 2016). Brand loyalty becomes very strong and present when consumers are engaged or willing to invest their time, energy, money, or any other resources in the brand outside of the ones they use during the consumption of the brand (Keller, 2013). Within the sports industry, it's
important for brands to reflect the consumers core values and create a distinct brand image, in order to be able to utilize the emotion-laden response of sports fans (Underwood et al., 2001). This is important because consumers interacting with the brand's content will view it as personally relevant. An example would be sponsored events or venues, such as Red Bull Storm Chase or Gillette Stadium. Here, through acknowledging the importance of fans identification with their organization, brands can enhance brand equity and brand loyalty (Underwood et al., 2001).

Some research found that even if the fans are aware of the service provider brand, they won't necessarily engage with this brand (Tsordia et al., 2018). This means that in order to attract fans and consumers of sport content, the brand needs to connect with them on a level that allows them to identify themselves with the brand. Additionally, it was found that team identification significantly and positively influences both brand awareness and perceived fit of the brand with the team/ sponsoree (Tsordia et al., 2018). With that being said, in order to stand out, Red Bull went on to establish its own sports with ‘Red Bull branding and Red Bull rules’ (Gorse et al., 2010). An example of this would be their first independent sports event ‘Flugtag’ where contestants built a contraption in which they launched themselves off a building. When it comes to utilizing sports as an extension of the core brand and a key driver of business, not many companies can or would rival this type of innovation (Gorse et al., 2010). Consequently, this has proved very successful as Red Bull is known for establishing itself first and foremost in the world of extreme sports, and was later able to enter the more high-profile, traditional sports with authority and authenticity (Gorse et al., 2010).

### 2.7 Conceptual framework

In light of existing literature, the key attributes of branding that allow for the creation of strong brands are brand loyalty and customer-based brand equity (Keller 2001; Aaker 1991). However, the literature exploring the relation of brand extensions as a drivers of brand loyalty is limited, thus more research is needed to aid managers in understanding the positive effects of brand extension on brand loyalty. This paper will attempt to come
to conclusions regarding brand extensions as drivers of brand loyalty, as well as try to determine some of the key factors present in Red Bull’s branding strategy, that have made it such a strong brand.

Figure 2: Conceptual Framework

The conceptual framework in Figure 2 shows the link between brand extension and the key attributes in the creation of strong brands. It will be used in the research to aid in the analysis of Red Bull GmbH brand extension. In order to understand the relationships within the framework, one can refer to the appropriate sections in the literature review of past research. The arrows in the framework represent the relationships between the attributes and key concepts that have been discussed in previous research. Brand extension has been discussed as a driver of both brand equity and brand loyalty. The research focusses mainly on brand extension as a driver of brand loyalty. Brand awareness is one of the tools used to grow brand equity and is of great importance in successful brand extension. Brand equity and brand loyalty are the main drivers of positive consumer brand relationships, which subsequently is what allows for the development of strong brands.
3. METHODOLOGY

3.1 Research approach and expectations

As discussed earlier, customer-based brand equity and brand loyalty have been areas of interest when it comes to building strong consumer-brand relationships, as well as strong brands. Aaker (1991) and Keller (2001) explored these concepts when it comes to brand building, where they are key factors when in building strong brands, but more at the surface level. Based on the findings of those studies, as well as those of Tsiotsou (2013), it's expected that loyalty needs to be looked at from both the behavioral and attitudinal perspective, to determine which tools may be used to positively influence them. Similarly, Keller’s exploration of brand equity shows that each level in the CBBE model needs to be looked at separately, in order to determine which external factors will positively influence customer-based brand equity (Keller, 2001; Keller, 2013). Based on the expected relationships between the variables discussed, the following hypotheses may be presented:

\[ H1a: \text{There is a positive relationship between brand loyalty and consumer-brand relationships} \]

\[ H1b: \text{There is a positive relationship between brand equity and consumer-brand relationships} \]

Brand awareness and brand experience in particular are seen as very important factors in driving brand equity and brand loyalty, since consumers thrive on positive, individual experiences with brands (Keller, 1993; Kumar & Kaushik, 2018). According to Aaker (1996), brand awareness is one of the key drivers of brand equity, as it affects perceptions and attitudes that consumers may have towards a brand. Similarly, Keller (1993) argues that it influences consumer decision making through influencing the formation and the strength of brand associations in brand image. Additionally, Yoo et al. (2000) conducted research on brand equity, which showed the importance of brand awareness is building
strong brand equity. The scales developed will be used as measures in this research as well (Yoo et al., 2000).

**H2a:** There is a positive relationship between brand awareness and brand equity

In this study, brand equity and brand loyalty will be looked at as the key attributes working hand in hand in the creation of strong brands. According to research conducted by Park et al. (2006), consumers tend to react more favorably to brand extensions when they have brand awareness of the brand in question, when compared to those without. Additionally, as discussed in the research of Chaudhuri and Holbrook (2001), brand extensions are successful when there is trust in the brand in satisfying consumer wants and needs, and this in turn will increase the consumer’s commitment, or loyalty, to the brand. In previous research, loyalty has been measured using scales, which will be used in this study as well (Bloemer & Kasper, 1994). With that being said, the following hypotheses may be presented:

**H3:** There is a positive relationship between brand extension and brand loyalty.

**H4:** Consumers with brand awareness of Red Bull will react more favorably to the brand extension than those without.

**3.2 Research Design and Data Collection**

The aim of this research is to cover the independent variables shown in the conceptual framework, as well as determine their relationships between one another. To do so, a survey containing five different branding scales was presented first, which was created using the Webropol 3.0 program. These scales are aimed at stimulating responses that will allow for the measurement of the correlations between the independent variables presented in the hypotheses. Due to limited time and resources, the survey was distributed to mainly Aalto University undergraduate students, and a convenience sample
of the data was used. The survey responses were collected between February 25 and March 4 in 2022.

The aim of the survey, alongside stimulating responses to measure the hypotheses, was to pinpoint consumers of Red Bull that are also loyal to the brand, for a focus group. Out of the 71 responses obtained, 70.4% consume Red Bull on a regular basis, and of these only 29.6% consider themselves loyal to the brand. Out of these loyal consumers, five respondents were selected to participate in a focus group discussion regarding Red Bull brand extension.

As mentioned previously, the study consisted of five independent variables: brand awareness, consumer-brand relationships, brand equity, brand loyalty, and brand extension, which were used to formulate five different hypotheses. These variables were measured in the survey using Likert scales, to find numerical correlations between them. The scales were placed in the order above, after questions regarding consumption and loyalty to Red Bull. If they answered ‘yes’ to being loyal to Red Bull, all of the branding scales were visible to them. If they answered ‘no’ or ‘I don’t know’ to that question, two of the scales, the ones regarding brand equity and brand loyalty, were hidden.

For the focus group discussion, five participants who consume Red Bull and are loyal to the brand were chosen. The focus group included a basis discussion of Red Bull as a brand, and why the participants consider themselves loyal to the brand. The discussion was guided by open-ended questions, to provoke answers that may add to the arguments made regarding loyalty and the brand extensions of Red Bull. Two extensions were then introduced into the discussion, one false one and one real one. This was to provoke either positive or negative reactions, and to see the extent of the loyalty consumers had toward the brand. The full description of the extensions can be found in the appendix.

In order to start the analysis process of the focus group, a transcript of the discussion was created. The discussion was recorded in order to provide an accurate transcript afterwards, due to the nature of the discussion. After the discussion had been transcribed,
there were no specific criteria to follow in the preliminary analysis, allowing for general ideas regarding the discussion to be formed. This was followed by a deeper analysis of the data in a manner in which main themes were identified and significant comments were pinpointed. The themes identified were relating to brand loyalty, and whether it influences consumer reactions to new brand extensions of Red Bull.

3.3 Measures

The measures used in the survey of this study were adopted from existing literature discussed in the literature review. Slight modifications were made, regarding the number of statements used in the scales to ensure the suitability to the variables in question. Firstly, brand awareness towards Red Bull was measured using a three-item adopted from previous research by Yoo et al. (2000), which consisted of questions regarding the respondent’s awareness of the Red Bull brand. This scale was found to be highly reliable ($\alpha = 0.784$).

The respondent’s consumer-brand relationship was measured next using a four-item scale adopted from Kumar and Kaushik (2018). It included statements regarding the consumers sense of belonging to Red Bull such as ‘This brand embodies what I believe in’ and ‘I care about the developments of this brand’. A Likert scale was used, where respondents were asked to indicate how much they agree or disagree with each of the indicated statements. Here the reliability of the scale was found to be reliable ($\alpha = 0.846$).

Brand equity and brand loyalty of the respondents towards Red Bull were measured using a Likert scale as well. Brand equity was measured using a three-item scale, adopted from Yoo et al. (2000) containing statements such as ‘It makes sense to Red Bull instead of another brand, even if they are the same’. The Cronbach’s alpha value here was found be insufficient at $\alpha = 0.465$. Similarly, brand loyalty was measured using a four-item scale, adopted from Bloemer and Kasper (1994), where the Cronbach’s alpha value was found to be insufficient at $\alpha = 0.175$. However, when one of the statements, ‘If Red Bull is not
available at the store, I will buy another favorite brand’, was removed, the Cronbach’s alpha value increased to $\alpha = 0.409$.

Brand extension knowledge and acceptance of respondents was measured similarly, using a five-item scale developed for the purpose of this survey. For this scale, the reliability value was found to be sufficient ($\alpha = 0.851$). The intention of the scale was to gain an understanding of the knowledge respondents had as well as their support towards brand extensions of Red Bull. All the items were measured using a five-point Likert scale. All the scale items can be found in the appendix.

Lastly, a focus group was conducted which was qualitative in nature. The purpose of the focus group was to focus on the main themes of the research and gain additional insight into the attitudes of participants towards Red Bull and their brand extensions, particularly into the sports industry. Thematic analysis was used in order to find repeated patterns within the collected data.

### 3.4 Participants

![Participant ages](image)

*Figure 3. Participant ages*
71 subjects participated in the survey. 52% of the participants identified as male, and 48% identified as female. The median age of the participants was 21, with the recorded average being 21.2.

![Bar chart showing participant loyalty to Red Bull.](image)

*Figure 4. Participant loyalty to Red Bull.*

The survey did not contain any questions regarding nationality, because it was deemed irrelevant as Red Bull is such a global brand. In order to find the participants for the focus group, a question was asked regarding whether or not participants were loyal to Red Bull. The ones that were loyal to Red Bull, were then randomly chosen for the focus group. Out of the 71 subjects participating in the survey 21 (29.6%) were loyal, 40 (56.3%) weren’t loyal, and 10 (14.1%) didn’t know. Those answering yes to being loyal had access to the entirety of the survey in order to gain more relevant information regarding Red Bull brand equity and brand loyalty.

### 3.5 Data Analysis

In analyzing the data collected through the survey and the focus group, the chosen software’s were the IBM SPSS Statistics 27.0 program and the Microsoft Word & 365 Transcription feature. The correlations between the independent variables were analyzed
through conducting a regression analysis in order to find the correlation coefficients and determine whether there was a significant relationship between the variables. The data collected through the focus group was qualitative in nature, thus the analysis consisted of major themes connected to brand loyalty to Red Bull. This thematic analysis allowed for a deeper analysis of the data, through the major repeated patterns found, in order to find major themes present, that explain the research in question. Themes were identified regarding brand loyalty and the consumer-brand relationship of the participants with Red Bull.

4. FINDINGS AND ANALYSIS

4.1 Quantitative data

The correlations between the independent variables in the research were measured using regression analysis and correlations. Each variable was measured using a Likert scale containing three to five items relating to the variable. An analysis of the reliability of the variable scales was conducted first, using the Cronbach’s alpha, in order to determine the reliability of the data. Then regression analyses were conducted to determine the relationships between the variables, as well as whether correlations existed between respondent answers in the scales, at the significance level (p < .05).

4.1.1 Brand loyalty as a predictor of consumer-brand relationships

Correlation and multiple regression analysis were used to determine the relationship between brand loyalty and consumer-brand relationships. Table 1 shows the results of the regression analysis, as well as the descriptive statistics results. As can be seen in Table 1, there is a strong positive correlation between brand loyalty and consumer-brand relationships which indicates that those with higher brand loyalty tend to have stronger consumer-brand relationships, $r(19) = .401$, $p < .05$. 
Table 1. Summary statistics, correlations, and results for the regression analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>STDEV</th>
<th>Correlation with consumer-brand relationships</th>
<th>Multiple regression weights</th>
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</thead>
<tbody>
<tr>
<td>Consumer-brand</td>
<td>3.679</td>
<td>.587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>relationships</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>3.679</td>
<td>.495</td>
<td>.401</td>
<td>.476</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>.401</td>
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</tbody>
</table>

Figure 5. Scatterplot showing the relationship between the answers in the brand loyalty and consumer-brand relationship scales.

The multiple regression analysis with brand loyalty as a predictor of consumer-brand relationships produced $R^2 = .161$, $F(1, 19) = 3.647$, $p < .05$. As seen in Table 1, the brand loyalty scale had significant positive regression weights, which would indicate that participants with a higher score in the brand loyalty scale will also have a higher score in the consumer-brand relationship scale. The correlation can be seen in Figure 5. This data shows we can accept $H1a$ where there is a positive relationship between brand loyalty and consumer-brand relationships.
4.1.2 Brand equity as a predictor of consumer-brand relationships

Similarly to brand loyalty, a correlation and multiple regression analysis was conducted in order to determine the relationship between brand equity and consumer-brand relationships. Table 2 shows the results of the regression analysis, as well as the descriptive statistics results. As can be seen from Table 2, there is a moderate positive correlation between brand equity and consumer-brand relationships, which indicates that those with greater brand equity will have stronger consumer-brand relationships, r(19)= .299, p< .05.

Table 2. Summary statistics, correlations, and results for the regression analysis.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>STDEV</th>
<th>Correlation with consumer-brand relationships</th>
<th>Multiple regression weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer-brand relationships</td>
<td>3.679</td>
<td>.587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand equity</td>
<td>4.048</td>
<td>.661</td>
<td>.299</td>
<td>.266 .299</td>
</tr>
</tbody>
</table>

Figure 6. Scatterplot showing the relationship between the answers in the brand equity and consumer-brand relationship scales.
The multiple regression analysis showing brand equity as a predictor for consumer-brand relationships produced $R^2= .09$, $F(1, 19)= 1.869$, $p< .05$. As seen in Table 2, brand equity had significant regression weights, which would indicate that participants with a high score in the brand equity scale will also have high score in the consumer-brand relationship scale. The correlation can be seen in Figure 6. This shows we can accept $H1b$ where there is a positive relationship between brand equity and consumer-brand relationships.

### 4.1.3 Brand awareness as a predictor of brand equity

As done with previous scales, a correlation and multiple regression analysis was conducted in order to determine the relationship between brand awareness and brand equity. Table 3 shows the results of the regression analysis, as well as the descriptive statistics results. As can be seen in Table 3, there is a strong positive correlation between brand awareness and brand equity, which indicates that those with greater brand awareness will also have greater brand equity, $r(19)= .419$, $p< .05$.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>STDEV</th>
<th>Correlation with brand equity</th>
<th>Multiple regression weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand equity</td>
<td>4.048</td>
<td>.661</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand awareness</td>
<td>4.667</td>
<td>.683</td>
<td>.419</td>
<td>.405</td>
</tr>
</tbody>
</table>

The multiple regression analysis showing brand awareness as a predictor of brand equity produced $R^2= .175$, $F(1, 19)= 4.035$, $p< .05$. As can be seen in Table 3, brand awareness has significant regression weights, which would indicate that participants with a high score in the brand awareness scale will also have a high score in the brand equity scale. The correlation can be seen in Figure 7. Here, the data shows that we can accept $H2$ where there is a positive relationship between brand awareness and brand equity.
4.1.4 Brand extension as a predictor of brand loyalty

To determine the relationship between brand extension and brand loyalty, a correlation and multiple regression analysis was conducted. Table 4 shows the results of the regression analysis, as well as the descriptive statistics results. As seen in Table 4, there is no significant correlation between brand extension and brand equity, which indicates that having a greater score in the brand extension scale had no effect on the score in the brand loyalty scale, $r(19)=0.004$, $p<0.05$.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>STDEV</th>
<th>Correlation with brand loyalty</th>
<th>Multiple regression weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand loyalty</td>
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<td>0.495</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand extension</td>
<td>3.752</td>
<td>0.782</td>
<td>0.004</td>
<td>0.002</td>
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</table>

Figure 7. Scatterplot showing the relationship between the answers in the brand awareness and brand equity scales.
The multiple regression showing brand extension as a predictor of brand loyalty produced $R^2 = .00$, $F(1, 19) = .00$, $p < .05$. As can be seen in Table 4, brand extension has barely any regression weights, which would indicate that participants with high scores in the brand extension scale did not necessarily have high scores in the brand loyalty scale. The correlation can be seen in Figure 8. The data shows that we may reject $H3$ where there is a positive relationship between brand extension and brand loyalty.

![Figure 8. Scatterplot showing the relationship between the answers in the brand extension and brand loyalty scales.](image)

4.2 Qualitative Data

To gain further insight into the importance of brand extension in fostering brand loyalty, a semi-structured focus group was carried out. The data collected from this focus group is descriptive, allowing for a deeper analysis to be conducted of the explanations and discussion between the interviewer and interviewees. This section of the research will focus on the findings regarding the themes in the focus group discussion about Red Bull. It can be found in the appendix. The focus group discussion questions were created based on the literature review, conceptual framework, and the developed hypotheses,
H4, where consumers with brand awareness of Red Bull will react more favorably to brand extension than those without. Due to its semi-structured nature, questions might have been added or modified during the discussion. Table 1 shows the demographics of the participants in the focus group.

<table>
<thead>
<tr>
<th>Participant #</th>
<th>Age</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>27</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>22</td>
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</tr>
<tr>
<td>3</td>
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<td>4</td>
<td>22</td>
<td>Male</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
<td>Female</td>
</tr>
</tbody>
</table>

*Table 1. Demographic details of focus group participants*

To begin the thematic analysis of the focus group discussion, the discussion was coded based off the themes that came up regularly. The ones that were the most prominent were: brand awareness, brand trust, and brand associations.

### 4.2.1 Brand Awareness

When the discussion began, participants were asked where their interest towards Red Bull comes from, and what kind of relationship they have with the brand. This was to determine where their loyalty to the brand stems from, and why they prefer Red Bull over other energy drink brands.

“If I think of an energy drink, it’s the first one and it’s because of this like ‘Red Bull gives you wings’ and all the YouTube or Instagram, Facebook, whatever content.” (Participant 1)

“If I think that I want an energy drink that’s the first brand that comes to my mind” (Participant 2)
“I guess also if I think about the energy drink, like Red Bull is the first one that comes to mind.” (Participant 3)

Many comments were made regarding the idea that Red Bull was the first energy drink brand that they could recall using.

“I first remember Red Bull when I was like 6 years old because or maybe five ‘cause my older brother was like ‘Hey kiddo, you want to try some Red Bull’.” (Participant 1)

“Yeah, for me I think because it was the most well branded energy drink especially around the time when you, when I started drinking caffeine.” (Participant 5)

When it comes to branding, Red Bull has been able to establish itself in the minds of most people and consumers, due to its large presence in the public eye. Participants pointed out that Red Bull really was the only energy drink they can recall being advertised, which ended up being one of their motivations behind its consumption.

“During the time when I was like 13 or 14 […] that’s when I started seeing those Red Bull cars going around, so obviously when you see those Red Bull cars, you’re like ‘Oh ****’ and then you’re like ‘Might as well go a buy a Red Bull so I don’t fall asleep’.” (Participant 5)

Most participants discussed the idea of their brand awareness of Red Bull being one of their key motivations when it comes to its consumption. The idea of Red Bull and their presence with sports also came up on several occasions as a reason behind their increased brand awareness.

“And then also in the Finnish Ice Hockey League, best young player, like the young player with the most points wears this Red Bull helmet. And yeah, I’m like when I visit Jukurit ice hockey matches, pretty much, like I see it there” (Participant 3)
“And we have whole football clubs named after Red Bull and certain founded by Red Bull.” (Participant 4)

Overall, participant brand awareness was a topic of significant importance when it came to their consumption of Red Bull and Red Bull branded content.

4.2.2 Brand Trust

Trust is discussed frequently as a driver of brand loyalty, and based off the answer’s participants gave, this was a prominent reason behind their purchase of Red Bull. When asking participants why they choose Red Bull over other brands and why they choose to be loyal to the brand, the theme of trust came up on countless occasions.

“I know what I get when I buy Red Bull and like I know its reliable. Like I get my energy from there, so that’s pretty much the reason I buy Red Bulls.” (Participant 2)

“Yeah, I feel like if I would go abroad, I would always buy Red Bull because that’s the only thing I know is good.” (Participant 3)

“Then, you know, wherever you go, there’s always Red Bull. You know what you’re expecting. You know what you’re getting. So then it’s easy to always opt out and buy that.” (Participant 5)

Participants were also motivated by the outer appearance of Red Bull when compared to other energy drinks. Additionally, even though energy drinks aren’t particularly healthy, some saw Red Bull as a healthier alternative and thus trusted the brand over other alternatives.
“Like some are just so over the top, it looks like some sort of slime or like radioactive drink that yeah. I know Red Bull is not really healthy, but it looks a bit better. Just you look at it and go ‘Ok, this isn’t probably poison’.” (Participant 1)

Regardless, when participants were asked about their opinions regarding the two introduced brand extensions, many argued that even though they would trust Red Bull as a brand, they wouldn’t purchase cosmetics products produced by them because it isn’t their expertise, and they wouldn’t think of them as high quality.

“I don’t wanna smell like Red Bull and like I wouldn’t see that like a high-quality product. I would see it as something that ok, every company does this like Adidas, everyone, they have their own shower gels and stuff, so yeah.” (Participant 2)

“I would put it on the same level as buying a moisturizer from Adidas for like 3 euros at S-Market and smells like a teenage boy and I wouldn’t really want to use it. Even though Red Bull is otherwise a trustworthy brand, it wouldn’t affect my decision to buy these.” (Participant 1)

“But I wouldn’t maybe use a Red Bull moisturizer just because I would think that its kind of low quality and I don’t want to put that stuff on my face, or my skin in general.” (Participant 3)

Most participants came to the same conclusions regarding whether they would support the introduced product extension, that being that even though Red Bull is a trustworthy brand, they wouldn’t use a skincare line produced by them, unless it was a collaboration with a trustworthy skincare brand, but even then, they would be skeptical.

“One product extension that I would put before any cosmetic stuff is maybe like a clothing collaboration with another sports brand like Adidas x Red Bull would be cool, because even that like, I think because they sponsor you know sports that would make sense for them.” (Participant 5)
“I don’t know if it would change the situation if it was like Red Bull collaboration with like a company that is like trustworthy in that area, maybe then I will consider using that product.” (Participant 2)

Overall, it’s important for consumers to trust the brand in the area of extension, when it comes to expanding the brand. If the extension is too far from the core values and brand image of the brand, it’s unlikely consumers will be interested.

4.2.3 Brand Associations

Brand associations were one of the main themes present in the discussion, as participants were asked what brand activities of Red Bull they interact with, so whether it’s purely for the consumption of the energy drink or whether they interact with other Red Bull brand related content. Here, most of the participants discussed the idea that Red Bull is the most well branded energy drink in their minds, and that they associate it to things like the basic energy drink flavor, as well as sports. These ideas can be seen from the following statements:

“Yeah, no like Red Bull for me purely, it’s just drinking the energy drink.” (Participant 5)

“Red Bull Tik Tok. Yeah, I think I like don’t follow any specific sport that Red Bull like sponsors, I follow like the events that Red Bull does or like the kind of sports that they sponsor but not a specific one, just overall.” (Participant 3)

“I feel like Red Bull sort of branded the whole energy drink taste. So when you think of an energy drink, I like think of the taste that Red Bull has, or at least a standard Red Bull.” (Participant 4)
Another key concept the Red Bull brand was associated with in the discussion was its sports content. Red Bull regularly sponsors events and athletes, as well as sports teams, and produces media content relating to the sports they are associated with. Many comments were made regarding sponsorships and particularly the Red Bull sports teams.

“I used to like race mountain biking and Red Bull is always like a big sponsor in that so yeah.” (Participant 1)

“But yeah, what I was going to add to the original question is like I mainly watch football and the clubs.” (Participant 4)

These brand associations were something that strongly affected the reactions of the participants, regarding the introduced brand extensions. When introduced, the participants were asked for their initial reaction to the extension, and whether it would be something that they would support. A similar answer came from each of the participants:

“So OK, we can imagine they got some expertise or something in it and they launch this, but I’d be more interested to see who they partnered with.” (Participant 1)

“Yeah, I think it would make sense if they had like a product line for shower gels or something, but I don’t think I would be consuming them.” (Participant 2)

“Uhm I personally would want to go with a company that has more expertise in that area.” (Participant 4)

With that being said, when the cosmetics products was linked to sports, so scenario A of Red Bull Sportmetics was introduced, the reaction to the extension was more positive because of the brand association that Red Bull has to sports.
“But the sports gel, or like the medics, that would probably be pretty interesting. I feel like for some reason I would think that they know how to make things like, products like that.” (Participant 3)

“It’s sort of stupid, but like also at the same time, I’d be like well I mean if I want to have like some branded Voltaren, that sounds ***** sick. I’ll do that.” (Participant 1)

It’s important for brand extensions to be something consumers can associate the brand with. Here, when the introduced brand extension had some relation to sports, participants felt more comfortable saying that it would be something that they would use, because Red Bull would be more trustworthy in that area.

5. DISCUSSION

Branding, as defined by Keller (2013), is the creation of a strong, positive image of a company and its products or services in the minds of consumers. As seen from the survey results and the focus group, Red Bull has succeeded in doing so through building a strong brand image and brand awareness, through marketing as well as brand associations, particularly in the sports industry.

A survey was conducted to determine whether there were any relationships between the variables that contribute to the creation of strong brands, through fostering consumer-brand relationships. Each hypothesis was tested separately to determine whether there was a positive relationship, or any relationship at all between the branding scales introduced.

Brand loyalty and its relationship with consumer-brand relationships was tested using a correlation and multiple regression analysis, to prove hypothesis $H1a$. In previous research by Bloemer and Kasper (1994), from where the brand loyalty scale was adopted, there was a significant positive relationship between brand loyalty and brand commitment,
which translates to consumer-brand relationships. Here, the data showed the same relationship where there is a strong positive correlation between the scores in the brand loyalty and consumer-brand relationship scales ($r(19) = .401, p< .05$). This means we can accept $H1a$, where there is a positive relationship between brand loyalty and consumer-brand relationships. With that being said, the Cronbach's alpha obtained for the loyalty scale was low ($\alpha = .409$), meaning it may not be reliable. This may be due to the limited sample size in the data.

Chaudhuri and Holbrook (2001) discussed the idea of brand satisfaction as a driver of brand trust, and brand trust subsequently as a driver of brand loyalty. This idea was clear in the thematic analysis of the focus group discussion as well. When asked about why they choose Red Bull over other energy drink brands, almost all participants answered that they always know what to expect when buying a Red Bull and they know that it's good, which makes it a trustworthy brand, thus they purchase it over other brands of energy drinks. Conversely, when participants were asked about their initial reactions to the introduced brand extensions, most argued that even though Red Bull is a trustworthy brand, they wouldn't purchase cosmetics products produced by them as it isn't something they would link to the brands image, thus Red Bull wouldn't necessarily be trustworthy in that area.

Brand equity and its relationship with consumer-brand relationships was measured similarly using a correlation and multiple regression analysis to prove hypothesis $H1b$. Previous research, where the brand equity scale was adopted from, shows that there should be a positive relationship between the two factors (Yoo et al., 2000). Here, when brand equity is high, customers have strong and positive associations relating to the brand, see the brand as high quality, and have a sense of loyalty when it comes to the brand. This can be seen in the focus groups thematic analysis, where most participants discussed brand associations and trust as drivers of their loyalty to Red Bull. The data collected from the survey strengthens this argument as there was a moderate positive relationship found between brand equity and consumer-brand relationship scales ($r(19) = .299, p< .05$). This means we move to accept $H1b$, where there is a positive relationship
between brand equity and consumer-brand relationships. Here, the Cronbach’s alpha value obtained for the equity scale was low ($\alpha = .465$), which means the scale may be unreliable. This again may be due to the limited sample size.

In terms of brand awareness and its relationship with brand equity, a correlation and multiple regression analysis was also carried out to prove the hypothesis $H2$, where there is a positive relationship between brand awareness and brand equity. As mentioned previously, brand awareness is discussed as a key driver of both brand equity and brand loyalty, and the more brand awareness that exists in the mind of the consumer, the greater the likelihood of a positive consumer-brand relationship forming (Hausman, 2004). With that being said, brand awareness was also one of the main themes present in the focus group discussion, particularly when participants were asked why they are loyal to Red Bull and what exactly draws them to choose Red Bull over other energy drink brands. The results from the correlation and multiple regression analysis strengthen this idea, as a strong positive correlation was found between brand awareness and brand equity ($r(19) = .419, p< .05$). This goes to indicate that the participants with a high score in the brand awareness scale will also have a high score in the brand equity scale. This proves hypothesis $H2$, meaning it is accepted. Here, the Cronbach’s alpha value for the brand awareness scale was adequate ($\alpha = .784$) meaning the scale was reliable. Nonetheless, due to the limited sample size, the results may not be accurate.

Brand awareness is discussed as one of the key drivers of brand equity and brand loyalty, as well as influencing the formation and strength of brand associations when discussing brand image (Keller, 1993). According to Aaker and Keller (1992), the strength of these associations largely depends on how well a brand’s image is integrated into the marketing program. This became clear in doing the thematic analysis of the focus group discussion, as brand awareness and brand associations were two of the main themes, alongside brand trust, that were frequently discussed. Participants argued that Red Bull has always been the most well branded energy drink on the market, and its visibility has greatly affected their relationship with the brand, as its prominence in the market and media make it memorable and thus the energy drink brand that they often opt to purchase.
Brand extension was also measured as a predictor of brand loyalty using the same correlation and multiple regression analysis as the three previous hypotheses. In this case, the purpose was to test $H3$, where there is a positive relationship between brand extension and brand loyalty. Previous research discussed brand extension as a driver of brand loyalty if there is a sense of satisfaction for the consumer (Keller & Aaker, 1992). According to Feldman and Lynch (1988), establishing extensions that have shared attributes with the core brand and that vary only slightly from one another will allow for successful diversification of the brand. This is something that was inherently clear in the focus group as two brand extensions of Red Bull were introduced. The reactions were significantly more positive when the extension was linked to sports versus when it wasn’t, as participants discussed the brand associations as a key driver of their loyalty to Red Bull. The results from the correlation and multiple regression analysis of the survey answers contradicts this research, as no significant correlation was found between brand extension and brand loyalty ($r(19) = .004, p< .05$). This means that we reject hypothesis $H3$, where there is a positive relationship between brand extension and brand loyalty. Here, the Cronbach’s alpha value for the brand extension scale was adequate ($\alpha = .851$) meaning the scale is reliable. With that being said, due to a limited sample size, the data may be inaccurate.

The initial hypothesis $H4$ states that consumers with more brand awareness of Red Bull will react more favorably to brand extension than those without. This hypothesis was developed based on research by Park et al. (2006) where it is argued that consumers with brand awareness will react more favorably to brand extensions. This was not the case when looking at participant answers in the focus group discussion. All participants had high brand awareness of Red Bull, but when the extensions were introduced, and were not relating to things Red Bull is often associated with, participants reactions were quite negative. Contrarily, when the extension was linked to the sports industry, the participant reactions were more positive, whereas when it was not linked to something Red Bull is associated with, the reactions were inherently more negative. This goes hand in hand with the ideas of Douglas et al. (2001) where overextension of the brand into
areas that stray too far from the brands core values, may lead to the dilution of the brands equity and image.

The focus group shows that though the extensions presented would not be something of interest to the participants, Red Bull’s prominence in the sports industry is one of key factors in its strength as a brand. Almost all participants had knowledge of Red Bull in particular areas in the sports industry, which is something many other energy drink brands don’t have. This goes hand in hand with previous research where many other companies cannot or would not rival the type of innovation Red Bull uses in utilizing sports as an extension of the core brand and a key driver of business (Gorse et al., 2010).

6. CONCLUSION

6.1 Main Findings

The purpose of this study was to determine the importance of brand equity and brand loyalty in consumer-brand relationships in building strong brands, as well find out how Red Bull has been able to utilize brand extension in the sports industry in their brand building. The main findings regarding the factors affecting the building of strong consumer-brand relationships, as well as the predictors of brand equity and brand loyalty were mostly in line with the stated hypotheses and previous literature.

The first research question was had to do with brand equity and brand loyalty, and their importance in building strong brands. Customer-based brand equity is discussed largely by Keller (2001), as he developed the CBBE model to provide answers and divide brand equity in a manner which allows its building blocks to be looked at separately. Brand equity, as supported by the research, has a positive relationship with consumer-brand relationships, meaning it can be thought of as a driver of them, and thus a driver of strong brands. Brand awareness forms the foundation of customer-based brand equity, and thus plays an important role in its growth. It is discussed as one of the ways in which the strength of a brand is measured, as it represents the consumers ability to recognize and
recall the brand (Gabrielsson, 2005). In the CBBE model, brand loyalty makes up one of the four categories of brand resonance, and is vital in forming connections between brands (Keller, 2013). Brand loyalty is deeply embedded in consumer-brand relationships, and thus plays an important role in building and maintaining strong brands. This was supported by the findings of this research, where there was a strong positive relationship between brand loyalty and consumer-brand relationships.

The second research question was one regarding the conditions under which brand extensions may foster brand loyalty. According to Feldman and Lynch (1988), brand extensions that have shared attributes with the core brand will allow for successful extension, versus those that are extended too far. Here, unless the brand extension somehow reflects the brand’s core values and image, the risk of it being unsuccessful is high (Douglas et al., 2001). The focus group discussion strengthened this argument, as when the extensions of Red Bull were introduced, the reactions of the participants were negative due to the extension not having anything to do with the image Red Bull has created for itself in the energy drink industry as well as the sports industry. This means that the extension cannot stray too far from the likeness of the brands current portfolio, otherwise it will likely be unsuccessful, as consumers will opt to use products from brands that are reliable in the product category. According to Aaker and Keller (1992), this is because consumers will either accept or reject the extension depending on how trustworthy the brand is in satisfying their wants and needs.

The final question was one regarding how Red Bull has utilized the sports industry as a key driver of business and extension of the core brand. Here, the success of Red Bull is highly related to the perceived quality of their products as well as the value received by the consumer. Red Bull, instead of focusing solely on branding the product, created a personality for the brand which aligns with the attributes of the customer base they have and are seeking to exploit. This is something that is clearly been successful when looking at the results of the focus group discussion. All the participants frequently discussed how well branded Red Bull is, in both everyday life and in the sports industry, as Red Bull is often associated with athletes or sports. In the sports industry, it’s important for brands to
reflect the consumers core values and create a distinct brand image. To stand out, Red Bull has established its own sports with ‘Red Bull branding and Red Bull rules’, which is the type of innovation not many other companies can rival (Gorse et al., 2010). Red Bull has been very successful in doing so through their own unique branding strategy that has included pushing oneself to the extremes through sports. With that being said, Red Bull is known for establishing itself first and foremost in the world of extreme sports but has later been able to enter more traditional sports with its established authority and authenticity. “Red Bull gives you wings.”

6.2 Implications for International Business

The key takeaway of this research for international business is the importance of fostering brand loyalty and brand equity in brand building, as well as how successful brand extension may act as a driver of both brand equity and brand loyalty if done correctly. The literature review discussed both brand equity and brand loyalty as drivers of consumer-brand relationships, thus they have become increasingly important to keep in mind. Managers need to consider the factors affecting these two aspects of consumer-brand relationships, in order to create branding strategies that appeal to consumers in the brands target consumer segment. This study found several factors affecting particularly brand loyalty, and the importance of brand associations in brand extensions.

It’s important to understand where consumer motivations to repurchase a particular product come from, to create a branding strategy that is appealing and stands out from other brands in the same market. A great example is Red Bull and the way they have taken advantage of the sports industry in building their brand image, for consumers who are young and have an affinity for sports, even the extreme. Instead of focusing on branding the product, they branded the lifestyle that surrounds it, which has allowed them to build the strong brand they have today. Brand extensions allow brands to grow brand equity and brand loyalty, as well as increase consumer engagement, which will subsequently foster the growth of the brand. Here, it’s important to keep in mind to not extend the brand too far from the brands core values, to avoid unsuccessful extension and negative associations to the brand. The customer-based brand equity (CBBE) model
is in this case an important tool in assessing the benefits that the brand may produce for consumers, so is something managers should opt to use.

Managers need to first and foremost strive to understand the consumer values and attitudes, in order to be able to create associations to them, and as a result foster strong consumer-brand relationships. This can be done through brand extensions, as when extensions have a strong connection to the brands core image, they will likely act as a tool in fostering brand loyalty, as was found out from the focus group discussion. If brand extensions are not seen as something relevant to the brand by the consumer, the reaction to it will likely be negative and will thus negatively impact brand trust and subsequently brand loyalty.

6.3 Limitations and Future Research

There are several limitations that can be recognized in this research and context of the study. Firstly, there was an unequal distribution between survey answers, particularly for the brand loyalty and brand equity scales, which means that the sample size that was used in the data analysis was very limited. Here, two of the scales were only visible for those who answered yes to being loyal, which was less than 30% of the total respondents of the survey, the sample size used was only 71 respondents. This raises concerns regarding the lack of variance in the data, and thus reliability of the correlation and multiple regression analyses conducted using the variables. Future research would need to have a larger sample size to produce results that accurately represent the hypotheses. Additionally, the focus group conducted contained very standardized participants as most were in the same age group. With that being said, Red Bulls target consumer segment is young people, meaning it was appropriate.

Most of the measures used in the survey were deemed reliable, except the brand loyalty and brand equity scales. The Cronbach’s alpha values calculated for these two scales were low (\( \alpha = .465, .409 \)), which meant that they were unreliable, which may have negatively affected the data collected. With that being said, in previous research, the
Cronbach’s alpha values were adequate. Further research should include a more reliable measure and a larger sample size to increase the reliability of the data.

There are also limitations regarding the two scenarios introduced in the focus group, as they were artificial and manipulated to fit the presented research hypotheses. They were aimed at causing a reaction from participants, so they were made to strongly contradict the norms of Red Bull brand extensions. Additionally, the questions in the focus group could have been more specific in order to target more of the factors discussed as drivers of brand loyalty and brand equity. With that being said, the reactions obtained allowed for the proper discussion of H4.
7. REFERENCES


8. APPENDIX

8.1 Appendix A: Survey scales

a. Brand awareness scale (Yoo et al., 2000)
   i. I can recognize Red Bull among other competing brands.
   ii. Some characteristics of Red Bull come to my mind quickly.
   iii. I can quickly recall the symbol or logo of Red Bull.

b. Brand relationship scale (Kumar & Kaushik, 2018)
   i. I feel a strong sense of belonging to Red Bull.
   ii. Red Bull embodies what I believe in.
   iii. Red Bull means more to me than other brands.
   iv. I care about the developments relevant to Red Bull.

c. Brand loyalty scale (Bloemer & Kasper, 1994)
   i. I consider myself to be highly loyal to Red Bull.
   ii. Red Bull would be my first choice of energy drink.
   iii. If Red Bull isn’t available at the store, I will buy another favorite brand.
   iv. If Red Bull isn’t available in one store, I will go to another store.

d. Brand equity scale (Yoo et al., 2000)
   i. It makes sense to buy Red Bull instead of another brand, even if they are the same.
   ii. If another brand is not different from Red Bull in any way, it seems smarter to purchase Red Bull.
   iii. If there is another brand as good as Red Bull, I prefer to buy Red Bull.

b. Brand extension scale
   i. I am aware of the brand activities of Red Bull.
   ii. I know things about the Red Bull brand that most users don’t know.
   iii. I am interested in things relating to the Red Bull brand.
   iv. I am aware of the activities of Red Bull in the sports industry.
   v. I follow Red Bull sports related content.
8.2 Appendix B: Focus group structure and fake brand extensions

1. Why they were chosen for the focus group, and the purpose.
3. Why do you choose Red Bull over other energy drinks? Why do you trust the brand? Is there something that draws you to choose Red Bull?
4. What brand activities of Red Bull do you interact with? How do you think your loyalty to the brand affects how you react to new brand activities?
5. How does this affect your purchase behavior of Red Bull?
6. Lastly, I will present two brand extensions of Red Bull → What is your initial reaction to the extensions? Would they be something you would support? Would they be trustworthy products in your opinion? Why so?

a) Red Bull Sportmetrics: Cosmetics and sports performance goods for athletes and people with the affinity for the extreme. Sports tape and sports gel for muscle and joint pain relief. Cosmetics to ensure that the skin barrier stays protected, even in the most extreme environments. Body wash, body lotion, energizing face cream with SPF.

b) Red Bull Skincare: Skincare designed for men. Because men deserve to have youthful skin too. A line of skincare designed to rejuvenate and protect the skin's barrier in everyday life. The line consists of a rejuvenating moisturizer, an everyday SPF 30 sunscreen, an energizing face wash, and a sweat-wicking deodorant.

8.3 Appendix C: Focus group transcript

Interviewer (I): Uhm, so the first question that I would have is where do you think your interest towards Red Bull as a brand comes from, so why do you like Red Bull and or kind of what your relationship is with
Red Bull? For me personally, I watch, you know, like the YouTube programs that or like that they have, and then I obviously consume Red Bull as well on a regular basis.

Participant 1: Alright, I'll go first. Uhm, I think that I first remember Red Bull when I was like 6 years old because or maybe five 'cause my older brother was like hey kiddo, you want to try some Red Bull 'cause he was like 15 at the time and I was like “oh yeah” and it was always a thing. I'd go into his room and he'd like caffeinate me up and then I would terrorize my parents, I guess. But I didn't really drink it like that much for a long time, till I started going to the bar. Ah, Jager bombs. They just taste better with Red Bull, but then like I mean outside of that I haven't really drank Red Bull like too often, but if I think of an energy drink, it's the first one and it's because of like this 'Red Bull gives you wings' and all the YouTube or Instagram, Facebook, whatever content is or I used to like race mountain biking and Red Bull is always like a big sponsor in that so yeah.

I: They sponsor lots of extreme sports and stuff.

Participant 2: Yeah, uh, well I can say that for me it's like mostly if I think that I want an energy drink that's the first brand that comes to my mind, and I know what I get when I buy Red Bull and like I know it's reliable. Like I get my energy from there, so that's pretty much the reason I buy Red Bulls. Yeah, it's pretty much the only energy drink that I buy just because like I know what I get.

I: Yeah, for sure, for me, I was thinking about like if you go out of the country, and obviously finland has quite a few energy drink brands, so like battery and Nocco, all those, but they don't sell those in like most countries, so then you know if you go out of the country then it's like, hey there's Red Bull. I need an energy drink, I'll get Red Bull.

Participant 3: Yeah, I feel like if I would go like abroad, I would always buy Red Bull because that's the only thing that I know is good. Uhm and yeah, I guess if also if I think about energy drinks, like Red Bull is the first one that comes to mind or at least like the, because it has the specific flavoring that most energy drinks have, I think it was like probably the most popular one.

Participant 2: And also I have to add the like if I'm grocery shopping, usually Red Bulls are like positioned well, like if I’m going to the cashier and like buying my groceries, usually there’s like a place to grab one Red Bull with you so.

Participant 4: I feel like for me it was when I first started drinking like energy drinks and I used to drink a lot. It was more the fact that I wasn't technically allowed to drink them like my parents didn't want me to, and I don't know about the laws in Finland. But in Germany Red Bull is technically only allowed as of the
age of 16. But not many people know that, so you would still be able to buy it. Sometimes when you're younger, so it was. More of the fact. That it was sort of illegal that kind. Of made it you know, more interesting.

I: Yeah 'cause I think in Finland it's the same. You have to be 15 but they rarely are going to ID like a young person, unless its for alcohol.

Participant 5: Uhm, yeah for me I think because it was the most well branded energy drink, especially around the time when you when I started drinking caffeine, it was like if I didn't want to drink something or if I didn't want to drink coffee then I knew that Red Bull had been like advertised, like the ‘Red Bull antaa siiivet’, that ad and then I'd be like OK, let me test out Red Bull and then you know, wherever you go, there's always Red Bull. You know what you're expecting. You know what you're getting. So then it's easy to always opt out and buy that.

I: Yeah, yeah for sure because it is well, it is definitely a reliable brand because so many people consume it. I think when I was doing research it's sold in 170 countries or a bit over, which is a lot, so almost everywhere. Uhm but yeah, so this kind of answered already this next question, but why do you choose Red Bull over other energy drinks? And why do you trust the brand? And is there something that draws you in particular to choose Red Bull over other brands of energy drinks or caffeinated drinks in general.

Participant 1: Uh, I, I think that, one thing that kind of annoys me with other energy drinks is like the cans just have like this, like some of them are just so over the top, it looks like some sort of slime or like radioactive drink that yeah. I know Red Bull is not really healthy, but it looks a little bit like better. Just you look at it and you go OK, this isn't probably poison. And the other thing is the can size is kind of nice. Uh, some energy drinks they come in these like half liter cans, which is like way too much.

I: Like Monster for example.

Participant 1: Exactly and I also uh, I just get annoyed when like energy drinks promote this like ingredient guarana or something like that. Yeah, because it's not really very well proven to actually have stimulant effects. Maybe it does, maybe it doesn't, they're like plus guarana and you're like OK.

I: It's like I don't know what that is but sure.

Participant 1: Yeah, and that I don't know, it seems a bit sketchy if I don't really know what it is. I know Red Bull has it as well, but it's not like the key selling point.
I: Yeah for sure. And I feel like a lot of athletes do consume Red Bull, even though it may not be like the healthiest drink ever. But it is associated with a lot of athletes just because of the way it’s branded as well. Uhm, which I feel like a lot of people opt to buy Red Bull because they see it as more of like a healthy like functional drink than like basic energy drink maybe.

Participant 5: I don’t drink Red Bull ’cause I think it’s healthy. I just want energy. Yeah, but I mean yeah, just because it’s branded so well, I guess that’s why.

Participant 4: Right, well what I was going to say. I feel like Red Bull sort of branded the whole energy taste. So when you think of an energy drink, I feel like you think of the taste that Red Bull has, or at least a standard Red Bull. So I feel like. If you order anything that has energy like drinks in it, whether it be at a bar with some mixers or whatever, you would think of something that tastes like Red Bull. And why I stay loyal to Red Bull mainly is because I live close to the source and it’s. Fairly cheap. And yeah, that’s pretty much it.

Participant 1: I’m gonna add on that like, they came up with the taste first. Its like coca cola versus blue brand cola kind of thing.

I: Yeah, they were the first energy drink kind of, to hit all the markets so that’s why they are such an established brand and why they have a presence in so many countries as well, so for sure. And I feel like its something everyone has grown up with as well because of how prominent the brand is. As well, I feel like in Finland, because in a lot of sports like mainly hockey, because hockey is such a big thing in Finland, there’s those Red Bull like sponsored kind of players on all the teams. So I feel like that also maybe is a way for them or like it’s a very good way that they’re using their branding, kind of by associating players or certain teams or whatever to the brand.

Participant 4: And we have whole football clubs named after Red Bull and certain founded by Red Bull.

I: Uhm yeah, so what brand activities of Red Bull do you interact with? So is it just purely the consumption of the actual energy drink or is there other Red Bull related content that you kind of interact with?

Participant 5: I personally drink it because I want energy. Nothing else to do with the sports aspect of it.

Participant 3: Red Bull TikTok.

Participant 1: Yeah, I think mostly for me on Instagram and following extreme sports stuff they do. I’m not sure what else they sponsor, I mean I guess normal sports but I don’t really follow those so much.
I: Yeah, they actually have a lot of media content. They have like a magazine and stuff like that which a lot of Red Bull users don’t know about. Uhm, which I was as well, when I was doing research, I had no idea that they were so widespread. Uh, because they also have a couple of formula one teams and stuff like that, which is super cool.

Participant 2: Yeah, at least I follow like football. There’s a team in Germany, Red Bull Leipzig, and then there’s one in Austria, Red Bull Salzburg, and then there’s one in New York as well, Red Bull New York. I think there’s one or two more. Even so like, that’s pretty much it for me beyond the drinking.

Participant 3: Yeah, I think I like don’t follow any specific sport that Red Bull like sponsors, but I follow like the events that Red Bull does or like the kind of like the sports that they sponsor but no a specific one, just overall.

I: Yeah, like the sports events kind of that they organize.

Participant 2: And then also in Finnish Ice Hockey League. Yeah, best young player, like the young player with the most points wears this Red Bull helmet and yeah, I’m like when I visit Jukurit ice hockey matches, pretty much, like I see it there and they have like announcements like “and player #25 Aatu Räty is wearing the Red Bull helmet which belongs to the most points scored young player”.

I: Yeah, that’s like the YouTube channel show, like Red Bull Läpimurto, which is about these like young players, like prospective ice hockey players, that like I follow just out of curiosity, when I was looking at all the media content Red Bull makes, and it was actually like very interesting to watch because you learned about all like the ice hockey players and their training and stuff like that.

Participant 5: Ah, also during the time when I was like 13 or 14, you know like the time when you like actually start falling asleep during your 8:00 AM class when you haven’t had your morning cup of coffee, that’s when I started seeing those Red Bull cars going around, so obviously you’re like “Oh ****” and then you’re like “might as well go buy a Red Bull so I don’t fall asleep”. But I didn’t see that from any other brand like energy drinks, so I think also that’s what like influenced like me when I started drinking energy drinks it was always red bull.

Participant 1: Yeah, I was just gonna say the red bull car thing as well. I’ve been to a couple things where the car comes and just hand out Red Bulls for free.

I: How do you think your loyalty to the brand affects how you react to new brand activities?
Participant 1: I think if Red Bull had a new like product, I’d be interested to try it like. No, I definitely think that. Or if it wasn’t like a new drink or snack or something like that, if it was just like Uh Red Bulls now sponsoring, I don’t know, Aalto University, I’d be like, oh cool, I’m interested in that. I’m going to check it out so if I was to see it yeah.

Participant 2: Yeah, I can add a like football context and with the teams, and like the teams that are sponsored by Red Bull and like kind of like owned by Red Bull. There’s also this like negative opinions about it ‘cause I know like a lot of football fans think like the Red Bull teams are like plastic, they don’t have any tradition and like you know that kind of point of view, if it makes sense, but yeah.

I: Yeah, because what I read at least about those is that Red Bull kind of, purchased or bought the team and then changed the name and then a lot of people were very butthurt by the change of the name because the club that they supported had been the same for years and years and years and then Red Bull switched the name.

Participant 2: Yeah, I would be mad as well.

Participant 4: It’s been a very long discussion in Germany with RB Leipzig and it has gotten to the point where they changed, and its not actually called Red Bull Leipzig anymore, even though its still owned by them. But it was like the only non-traditional club and they just had so much money, more money compared to other clubs, that they basically bough their way into the first league and everyone hated them for it because those traditional clubs got de-ranked basically. But yeah, what I was going to add to the original question is like I mainly watch the football and clubs. What I do remember watching, I believe it was sponsored by Red Bull, when Felix Baumgartner jumped from the atmosphere from that weird spaceship thingy. I remember that was a very big deal, like I don’t know when that was like 2015 or something but yeah.

I: Yeah, ‘cause they have very unconventional sports events or like sports things that they sponsor or are a part of as well. Because they’ve come up with a couple of their own events which are really really random. I think the first one was something like the competitors had to build a contraption with which they like would kind of jump or like I don’t know, propel themselves off a building to see like, I don’t know, who would fall the nicest or something physics related.

I: But yeah, OK, I’ll go to the last part. Uh, so I’m going to present two different brand activities of Red Bull, new ones and I just am going to ask for your initial reactions and if they would be something that you would support, or if its something you would find trustworthy.
I: So I’m going to read the first one. Uhm, this is Red Bull Sportmetics, so cosmetics and sports performance goods for athletes and people with the affinity for the extreme. So sports tape and sports gel for muscle and joint pain relief and then cosmetics to ensure the skin's barrier stays protected even in the most extreme environments. So this would include body wash, body lotion, and then an energizing face cream with SPF.

Participant 1: I think I think it's cool if the pricing is like good, I'd be, I guess interested, but you know, I'd also be curious who's actually making the products? Because, well, Red Bull's not like a pharmaceutical company so OK, we can imagine that they got some expertise or something in it and they launch this, but I'd be more interested to see who they partnered with. I think it'd be kind of cool to have a Red Bull gel. It's sort of stupid, but like also at the same time, I'd be like, well, I mean, if I want to have like some branded Voltaren that sounds ******* sick. I'll do that.

Participant 5: I'm kind of like that, I wouldn't want to smell like Red Bull physically.

Participant 3: Yeah, like even though it wouldn't necessarily smell like Red Bull, I would like associate it with the smell, and then I'd just be like hmm… but the sports gel, or like the medics that would probably be pretty interesting. I feel like for some reason I would think that they would know how to make things like, products like that.

Participant 2: Yeah, I think it would make sense if they had like a product line for shower gels or something, but I don't think I would be consuming them. I think that's pretty much how I feel about it.

I: Why do you think that is?

Participant 2: I don't know, just what you said that like I don't wanna smell like Red Bull and like I wouldn't see that like a high quality product. I would see it as something that OK every company does this, like Adidas, everyone, they have their own shower gels and stuff so yeah. Like it would make sense, but I wouldn't be consuming that. Then about all the medical stuff, yeah I think pretty much the same. Yeah it would make sense, but I wouldn't be too interested.

Participant 4: I feel like Red Bull has created almost an empire of energy drinks and I feel and I think it's very hard to get away from just having that as their brand image. And personally I feel like they should maybe just stick to their drinks and sponsoring their extreme sports, or having their sports teams. But I don't know about necessarily making medicinal products? Uhm, I personally would want to go with a company that maybe has more expertise in that area so.
I: That makes perfect sense. OK, now I’ll introduce the second one. Uhm so kind of similar but not exactly the same. So Red Bull skincare. Skincare designed for me because men deserve to have youthful and smooth skin too. A line of skincare designed to rejuvenate and protect the skin’s barrier in everyday life. The line consists of a moisturizer, an everyday SPF 30 sunscreen, a face wash, and a sweat-wicking deodorant.

Participant 5: Yeah, no like Red Bull for me purely its just drinking the energy drink. I don’t want to think of anything Red Bull on my body. I don’t know even if it like didn’t smell like it at all I wouldn’t. If I saw a Red Bull moisturizer I’d be like ******** get that as far away from me as possible”.

Participant 1: Yeah, I’m also going to pass because like there is already like so many bad skincare products out there that just have ***** ingredients that are not like beneficial or they’re just like actually bad for your skin, so. Like I would put it on the same level as buying a moisturizer from Adidas for like 3 euros at Smarket and it smells like a teenage boy and I wouldn’t really want to use it.

I: So the fact that Red Bull is a pretty trustworthy brand in general to you, and like with their products and whatever uhm, that wouldn’t affect your decision to purchase the cosmetics?

Participant 1: No.

Participant 2: Yeah, I agree and like pretty much the same that I said uh like the earlier case, I could see that, but I wouldn’t bee using that.

Participant 3: I don’t know if I can really say anything if there’s only a mens line that’s kind of discriminating, but yeah, I feel the same. Like I wouldn’t maybe use a Red Bull moisturizer just ‘cause I would think that its kind of low quality and I don’t want to put that stuff on my face, my skin in general.

I: Which makes perfect sense because Red Bull doesn’t produce cosmetics normally.

Participant 2: The thing I had in my mind was, I don’t know if it would change the situation if it was like a red bull collaboration with like a company that is like trustworthy in that area, maybe then I will consider using that product.

Participant 4: Yeah, I just I mean, I just use Axe like 23 in 1 shower gel you can use for literally everything, but I feel like, if Red Bull just had like any sort of products like that, I think you’d just be paying for the name pretty much. As I said earlier, I think they should just stick to their drinks and maybe diversity in that area a bit more rather than going into completely different areas, especially when pharmaceuticals are involved because its not necessarily the most popular field to get into.
I: That’s fair and they do like obviously have of their energy drinks all the limited editions and like the organics and those sugar-free ones and stuff. So they definitely do have a wide range of those energy drink products. Uhm, but yeah, so the purpose of, those were both obviously fake brand extensions of Red Bull, but yeah so it was good to hear that.

Participant 3: You know, obviously Red Bull as a brand is so known for simply their energy drinks as a product, so that you know if they were to introduce a product which is like on the complete opposite end of the spectrum of like products, that’s not something I would necessarily consume, even if I consume Red Bull otherwise.

Participant 5: One product extension that I would put before any cosmetic stuff is maybe like a clothing collaboration with another like sports brand like Adidas x Red Bull would be cool ‘cause even that like, I think ‘cause they sponsor you know sports that would make sense for them and I think people could be potentially interested in buying that but its not something I would look for either.

I: So yeah, like a more collaborative side would be more understandable for Red Bull, and I mean for sponsorships. They do like sponsor most of the things or most of their sports, minus obviously the sports teams that they do own themselves, because they have this philosophy of like it not being kind of a traditional sponsorship but rather that they’re kind of helping the athletes reach their goals, not particularly with just money, but like by coaching and stuff like that.

I: But yeah, that was all the questions I do have, and that was very good input, because all these things will be very good for my data analysis and conclusions. But yeah, I don’t have anything else so thank you for participating.