### Liquor Company

[BCG Style Case]



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- Liquor Company
- Round 2, BCG
- Mostly Qualitative
- Question & Answers From The Audience

# Liquor Company

• Our client is a multi-billion dollar liquor distributor. It has hired a consultant to determine why its whisky brand is not growing.

## [Question #1]



• How would you approach this case?

### [Question #1]



- Things to think about:
- Well, I'd start externally: What has happened with the competition and the customers? In terms of the competition, I would look at changes in market share, any new competition, the segmentation, and market growth. Regarding segmentation, I would also look at the customers, what do they want? Finally, I would look internally and look at our product, marketing, and pricing.

### [Question #2]



Where would you want to start in terms of the market?

## [Question #2]



#### Competition and Market Share

| Market Segment   | High             | Medium                     | Low     |
|------------------|------------------|----------------------------|---------|
| Growth this year | 14%              | -6%                        | 8%      |
| Competitiors     | 10 total (5 new) | 2 total (including client) | 4 total |

Our client is in the medium segment

## [Question #3]



• What would you want to know about in terms of customers?

## [Question #3]



#### Customer segmentation and trends

Our client's customers are as follows (give all this information at once):

| <u>70%</u>                            | <u>30%</u>                |  |
|---------------------------------------|---------------------------|--|
| Male                                  | Younger males and females |  |
| 40-55 years                           | 21-35                     |  |
| Like taste, brand                     | Bar and club crowd        |  |
| Usually enjoys a drink after work     | Drink mixed               |  |
| Into the tradition and brand          |                           |  |
| Drink whisky straight or on the rocks |                           |  |

## [Question #4]



- What about the product?
- "I would like to get some more information about the product and see if there have been any recent updates or changes to our offerings."

## [Question #4]



- Our marketing has been consistent. The distillers recently changed ingredients to save 0.25\$ per bottle, but that hasn't effected the taste. Also, we have recently risen in price from \$11 to \$12.
- The competition at the mid-range part of the market is at \$11.

### [Question #5]



• What about the effect on the younger crowd?

### [Question #5]



• I would assume this would affect them because they drink our product mixed, and there's probably little discernable difference to them. They probably have less brand loyalty as well.

### [Question #6]



• Now what would you recommend to our client?

## [Question #6]



- Well, it seems that we've learned a few things:
- Younger, bar crowd customers are price sensitive
- But 70% of our customers have great brand loyalty and would like migrate to the higher end market
- The 30% bar crowd are moving to the lower end market because they drink whiskey mixed
- The client should try to enter the higher premium market to recapture their customers and grow market share
- Client could also consider entering the low end market with a brand extension

### **Q&A Session - Any Questions?**



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### **Q&A Session – Any Questions?**



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