



Case Example

***Wine and spirit
producer***

<p>Client Situation</p>	<ul style="list-style-type: none"> • A world major challenger in market of spirits & Champagne • Brands sold by exclusive distributors specialized in alcohol but which sells other brands from the company but also from other companies • Champagne Brand portfolio : 1 middle-of-the-range brand with high volume and one top-of-the-range brand with low volume • Difficulties after very good year-2000 sales • Champagne world leader on duty-free market
<p>Important Issues</p>	<ul style="list-style-type: none"> • Under-developed brand potential • Low profitability Vs turnover (Weight of champagne profit among the group profit is very lower than the weight of Champagne turnover compared to the group turnover) & Low profitability Vs competitors • Weak Brand Equity (low customer loyalty, high price elasticity, positions kept thanks to promotion and lower pricing) • Brand Investments decrease • Multi-actor intensive competition (private labels..) in France (63% of the world volume) and strong competition with sparkling wines in the other main geographic markets
<p>Activities</p>	<ul style="list-style-type: none"> • Stimulating demand by a repositioning on boosting need state and value creating segment • Optimising portfolio : choosing countries where to divest, invest or harvest • Optimising commercial position through distribution channels (retail, out-of-home, liquor specialists & duty-free) and by strengthening Weighted Distribution • Optimising pricing : reducing price dispersion and promotional sales • Adjusting range strategy & up-grading mix category (Pink, Vintage, Dry...) • Adjusting resource allocation : dispatching of the communication mix • Developing Brand Equity and customer loyalty
<p>Benefits Delivered</p>	<ul style="list-style-type: none"> • Decreasing by 50% the delay to build & deploy the strategy • Objectives : <ul style="list-style-type: none"> • Sales in volume : +25% in 3 years • Sales in value : + 40% in 3 years • Operating result : + 45% in 3 years <p style="text-align: right;">} In line with the objectives</p>