

Perrier case study

Business



These are companies you don't want to come up against in your worst nightmare.

In the business they are in, they amass crushing market share. Perrier on Top j Perrier was globally known for its quality due to owe mineral content (particularly sodium) 0 This occurred because the water spent very little time filtering itself through minerals C] While the water flows underground It met with different gases which allows the water to capture its well known fizz 0 Not only was Perrier known for being the best, Perrier owned nine other brands including: Poland Spring, Great Bear, Coalitions, and Ozark j Bottled water was the fastest growing segment of the U. S. Beverage industry 0 Perrier controlled 24% of the total US.

Bottled-water business C] Perrier was dominating almost 50% of the Imported bottle water sector CLC Competition like Coca-Cola, Pepsico, and Enchantresses was hardly affecting the Perrier Takes a Hit 0 On a Friday , February 1990 news reached Premier's executive suite that traces of benzene had been found in its bottled water 0 Ronald Davis, President of Perrier Group of America ordered an intensive recall of all Perrier bottles in North America 0 Few days later Perrier S. A. Expanded the recall to the rest of the world 0 Good? Or sad?

Perrier Caught in a Lie At first the excuse given by Perrier officials was that the contamination occurred because an employee mistakenly used cleaning fluid containing benzene to clean the reduction-line machinery that fills bottles for North America Traces of benzene were now found in bottles of water in Holland and Denmark, poor Perrier was now caught in a lie Perrier

now finally admits that benzene naturally occurs in Peppier water but the problem was now visible because the workers forgot to replace the filter Can It Get Worst?

They are not only marketing for the rich and famous, they want to be an everyday thirst quencher. Major Problems 1. Benzene found in the water 2.

Managements drastic decision to recall all Peppier bottled water 3.

Management tried to cover up the issue by lying 4. Staying off of the market for 5 months 5. Management believed that this five month hiatus would not hurt them (over confidence) S. W.

O. T. Analysts 1. S = Strength 2. W = Weakness 1. Part of a large corporation, Nestlewater corp... 2. After benzene threat lost popularity, other brands name up 3.

O = Opportunity 4. T = Threats 3.

Everyone is more health conscious, water bottles are back in the game

Possible Solution Change their Whole Image In the past it has been seen when companies lose their reputation rather than trying to fix it they create a new identity Most people don't even notice it's the same company rather they think it's a new company all together For example: Firestone is now known as Bridgetown, same company but reinventing their reputation after the bursting tire incident I feel if Peppier comes up with a new identity they will gain more popularity faster than trying to clean their old one

Target a different Market I think they can change the design of Peppier, same bottle same name but different TA regret They can make Peppier a

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drink of the youth Drinking Peppier would not only be a drink but a statement Management would have to change their mindsets and past goals and now have to change their marketing campaigns for a new age group, primarily 18-25 This group will probably not even know what happened 18 years ago I feel Peppier will succeed under this idea because water is the drink all young people are into, with the fad of being in shape and getting ready for the summer, Peppier can grasp a lot of attention The End