

Example of case study on marketing

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SVEDKA Vodka Case Study

There is definitely a gap in the spirits industry between under-\$10 and \$25-and-up “prestige” vodkas; therefore, Cuvelier could convince U. S. distributors of SVEDKA vodka to launch this mid priced high quality brand at a selling price of \$12-13 for American consumers. It should be noted that the distributors could acquire 0.75 L vodka bottle SVEDKA at \$6 – \$6.5 and could offer it to retailers, stores, bar and night clubs at the price of \$9-10 depending upon sales volume growth of customers. The SVEDKA distributors could make relatively higher gross margins of 35 – 40% at aforementioned price that enables them to cover push marketing and brand activation expenses at different large-scale retail stores, bars, pubs, night clubs and party points. The main competitors for SVEDKA are Grey Goose, Stolichnaya, Absolut, Ketel One and Belvedere as they are considered to be top shelf prestige vodka brands. Hence, the distributors could offer a special \$1 trade incentive per bottle to large retailers for display, branding and push selling activities for the first year to attain brand recognition, brand recall and market share.

Cuvelier’s market research would validate that the ideal target market for SVEDKA should be young adults in the age of 18 – 30 years who are mostly students, young professionals and mid career employees with very selective food and beverage tastes despite as well as budget limits. In addition, the young adults mostly prefer premium quality products with a clear positioning and brand image; however, they also have penchant for their availability at affordable prices instead of paying high brand premiums due to budget constrictions. It is, indeed, an opportunity for SVEDKA distributors to be

capitalized because the taste, quality and price conscious targeted segment surely reject any generic unbranded vodkas and prefer mid price branded vodkas instead of prestige spirits if there are product similarities. In addition, the vodka consumption rate has increased significantly among in young adults amid popularity of bar culture that increases demand for vodka at weekend parties and social occasions. It should be argued that SVEDKA distributors could entice young adult to taste vodka samples that enable to enhance switchover from existing prestige brands to a mid priced brands. However, the similarity in brand values could also lead to relatively higher brand loyalty as the affordable pricing strategy will be a support role for SVEDKA in USA.

As far as branding is concerned, it should be emphasized that SVEDKA distributors should position it as an optimal quality vodka brand that could be purchased frequently due to its affordable price and be served at different occasions instead of usage at any particular setting. For instance, the brand positioning statement should also highlight the use of finest natural and organic materials that make SVEDKA a healthy alcoholic beverage for drinkers. Furthermore, the brand strategy also ensures communication of different vodka varieties such as Vanilla, Clementine, Citron and unflavored drinks that will suit tastes of diverse customers. The promotional campaign should support the perception of premium vodka brand for frequent all-purpose-use among taste conscious young adults at affordable prices. The distributors should utilize Integrated Marketing Communications (IMC) strategy to communicate the same brand message through all marketing channels as it will lead to clarity and consistency among vigilant and critical

young adult customers.

The promotions should be done through Print media, Social media and Below-the-line (BTL) activities at renowned and crowded bars, pubs, hotels, clubs and beach points. In fact, this will increase SVEDKA trail rate and penetration. The large institutional buyers and retailers should be awarded with Key Account status so they would promote on-premise trail and consumption. Internet social media are a vital tool for SVEDKA marketers to disseminate product information and videos as this country-specific viral marketing buzz will rapidly create brand awareness among potential customers and enhance their probability for trial. Later, the Face Book fan page, Instagram, Pinterest and You Tube communities could also be used as effective social networking channels for online sales at SVEDKA and retailer shopping platforms. The competing prestigious vodka brands have also been using Internet marketing strategy; therefore, it is mandatory for SVEDKA marketers to capitalize on the Swedish product origin as an elevator pitch for effective differentiation and positioning as a premium quality brand for savvy millennial generation.

The SVEDKA branding and promotional effectiveness could be measured by analyzing the scale of customer-generated content on social media communities and customer feedback about ad campaigns, quality of product information, brand perceptions about Swedish product and its competing brands, effectiveness of value proposition and brand messages. On the other hand, the retailers' observations and day-to-day interactions with consumers will provide further ground insights about branding success and failures.

Finally, the analysis of retail and institutional sales data will provide empirical

results about SVEDKA brand awareness, brand value, company – customer relationship and brand loyalty for strategic improvements.