

Scotch whisky marketing strategy

[Business](#), [Marketing](#)



Scotch whisky is one of the most popular alcoholic beverages in the world (Anonymous 2002). Owing its flavor from the finest brewing processes and environment of Scotland, it was no doubt that the emergence of this drink led to the spontaneous growth of the beverage industry in Europe.

The culture-rich history of the beverage traces its roots back to the native Scots and the eras wherein the Scotch whisky was under the scrutiny of taxes that brewers hid underground so that they may produce the whisky.

At present time, it remains to be a favorite among drinkers worldwide, despite of the fact that it is expensive compared to beer and gin. Because of the emergence of the whisky among the alcohol drinkers as their favorite, distilleries have tried to produce the same whisky that Scots have succeeded in perfection. These attempts of the international distilleries have succeeded, although not as near to the perfection that the original brewers have achieved. Asia seemed to have smelled the brew of the brewers in such a way that they too, have joined the wagon, of having Scotch whisky among their favorite spirits.

An article in the Encyclopædia Britannica indicates that: "...any of several distilled liquors made from a fermented mash of cereal grains and including Scotch, Irish, and Canadian whiskeys and the various whiskeys of the United States. Whiskey is always aged in wooden containers, usually of white oak. The name, spelled without an e by the Scots and Canadians and with an e in Ireland and the United States, comes from the Celtic usquebaugh (Irish uisce beathadh, Scots Gaelic uisge beatha, both adaptations of the Latin phrase aqua vitae, meaning "water of life").

The earliest direct account of whiskey making is found in Scottish records dating from 1494. "(Anonymous 2006a) This just confirms the earlier statements that scotch whisky is an alcoholic beverage rich in its history. An uprising in the United States was even named after the famed alcoholic drink. (Anonymous 2006b) The different demand in each country in Europe posed a good market for the distribution of the alcoholic beverage. However, a marketing strategy is in order for us to understand the current situations of the countries in question.

It also is imperative for the firm to understand the marketing factors and its effects on the strategies to be undertaken. This paper will focus on the marketing strategies needed by the distillery, The Olde Distillerie. The Olde Distillerie is a small-scale, independent distillery based in Scotland. This study will focused in making a recommendation for the entry of the firm's products of a potential market among four countries namely: Denmark, Spain, Austria and Northern Ireland (Eire).

The focus will also include the market factors affects distribution of the distillery's products, with respect to the factors of the market, find the best environment, release the product and ultimately, formulate the necessary marketing strategies for the entry of the products of the distillery into the exploratory market of the countries mentioned above. The company mentioned produces a selection of whiskies matured in barrels made of oak for certain period of time, ranging from five up to fifteen years.

Each of the whiskies that undergo a different aging process has its own unique and distinct flavor that are appealing to different market segments:

The younger market segment with drinkers ranging from 18-30, favors the Monreith Malt. The strong-flavored Torhousemuir Tawny, however, is popular in the older market. Prices of each whisky differ from each other and are given as Aulde Lang Syne being the cheapest: sold at ? 25. 00; Auchland Moor, the most expensive of the six, sells at ? 70. 00 per bottle. The Torhousemuir Tawny, the whisky favored by the older generation, sells at ? 42.

50; the favorite of the younger crowd: Monreith Malt sold at ? 56. 99; with Garlieston Grain, ? 28. 99, and Skein-Duh, ? 35. 80, completing the collection. 70% of the profits generated are made from the mail order sales of the more expensive varieties, generally making up the largest share of the profits of the company. Retails, however, generate the smallest profit as the company has no way of monitoring the profit maximization schemes of the retailers and distributors that sell their products. The retails of these distributors, round up the profit shares of the company, earning the 30% to complete the 100% profit of The Olde Distillerie.

Current marketing strategy of the company involves information distributed through leaflets and posters on the retail outlets selling their products. The Point-of-Sale (POS) strategy is being employed by the company for its promotion. Other than the ones mentioned above, no other forms of promotion or marketing strategy is employed by the company. The three divisions of sales by the company include: The bulk of the sales at 75% are earned from the outlets in the upper class and some known cities in the

country namely Manchester, and from the shops in UK airports (Duty Free). 15% of sales are earned from the Visitor's Shop of the Distillery.

The Shop also offers a wide range of other products that compliment the main product, whisky, like tumblers. The 10% of the sales are made via the mail order, the sale made by delivery of the whisky from the distillery itself to the homes of the customer who purchased the product. Although a good opportunity for the firm is to exploit the growing demand of the scotch whisky in export, this cannot be adopted at present since the problem calls for the marketing strategy of the firm in establishing a distillery abroad and its entry of products at the present market of the countries to be established upon.

The export market is out of the question. The main parts of the paper would include the environmental analysis of the countries to be analyzed, the Strength-Weakness-Opportunities-Threats (SWOT) analysis, the possible entries to market that can be undertaken by the company to accomplish its goal of market penetration, and lastly, the recommendation that would be the final choice of the company for entry. If the recommendation would not fit the taste of the company, or if in some way would not fit the situation, a contingency plan would be available for the company's disposal.