

Good eandj gallo winery case study example

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1- Desert wine business could be divided into two categories. High-quality desert wine and low-quality desert wine. Galo is already successful in selling its high-quality desert wine. After more than 90 years of experience, the privately owned business is doing outstandingly internationally selling its fine brands. (Cohen) As far as the low-quality wine is concerned. Its importance does not match with that of its other fine brands. This is because it has already established a market for its superior quality brands and the consumers of its low-quality brands are limited as compared to other brands. Even if the company is forced to stop production of thunderbird and other low-quality brands, a very minute share would get hurt. Hence, although the company has no plan to stop its production, the importance for its thunderbird brand would get less with the time.

2- There surely exists a strategic fit between Galo's desert wine business and its other brands. Strategic fit could be explained as match between company's objectives and a particular project, brand or venture it wants to undertake. Keeping the notion in mind, Galo has got more than 90 years of experience in producing desert wines. Its market shares in the desert wine business, although less than its international sales, is still greater in the local markets and inner cities. Furthermore, the cost advantage and profitability is also the factor which leads to a strategic fit between its brands and desert wine businesses. There involves less cost in producing cheap wines. The profit margins are also higher in cheaper brands. Furthermore due to an established circle of consumers, it does not have to involve in advertising of its brands. Hence, all these reasons combine make a strategic fit between the dessert wine business and its other brands.

3- The notion of social responsibility may not be the preferred choice or phenomena for the wine business. If social responsibility had been a major concern for the wine businesses, it might have operated in the first place. Similarly, even in the present situation, Galo is aware of the limitations of their current strategy. There are clear reservations regarding the fact whether the strategy chosen would prove to be effective or not. Whether the goal needs to worry about the ethics of the business decision in its legal state is a matter of choice for the business itself. It has operated for a huge period and profited due to its fortified low-quality wines. If the question is asked keeping in mind the practical possibilities, the past has shown that the business does not need to worry about the ethics unless it is legal. But it may be forced by the consumer reaction to take safety measures regarding quality and health.

4-I would propose two strategies for the night train or thunderbird. The first strategy is to lower its production gradually, and after a decided period stops the production of the brands altogether. I propose this as Galo would earn goodwill due to ending its fortified low-quality brands. Another strategy could be that Galo should gradually increase the quality and price of its thunderbird and night train. This will lead to its cheaper brands to enter into the cadre of fine quality wines, and the company would no longer be criticized for being a part of low quality fortified wine business.

Works Cited

Cohen, Eli. 'Applying Best-Worst Scaling To Wine Marketing.' International Journal of Wine Business Research 21. 1 (2009): 8-23. Web.