

Business environment argumentative essay



**ASSIGN
BUSTER**

The business environment for the white spirits industry in the UK, considering the rate of growth in the last five years, is prima facie quite positive. However, there a number of factors, mostly environmental, that could impinge and dampen expected growth prospects. Alcohol consumption is a much preferred mode of relaxation and an integral part of convivial British social life. Widely circulated market reports state that the sale of white spirits has grown by about 30 % in the last five years.

This represents a very significant increase in a population that is not growing at all. While more young people are joining the drinking fraternity every year the sharp rise in sales figures does indicate that the percentage of people drinking white spirits is increasing steadily. The value of the UK market for white spirits is currently about 3.5 billion GBP and represents practically 40 % of the total spirits market. The growth in consumption of white spirits is led by sales of vodka, followed by white rum and gin.

Tequila is a distant fourth. Sales takes place through clubs, pubs, restaurants and shops, individual or through supermarkets. Although supermarket sales have increased and own-label ranges have developed, distribution of these spirits is still dominated by the on-trade (public houses and clubs), which maintains profitability for the distillers and reinforces the importance of brands. By market value, the on-trade takes 70.5% of vodka sales, 65.

8% of the gin market, and 77.3% of white rum sales. (White Spirits Market Report, 2005) The main players in the market are Diageo, Bacardi-Martini, Allied Domecq, Glen Catrine and Pernod Ricard. Single brands tend to

dominate segments. Smirnoff vodka, Gordon's gin, Bacardi Rum and Jose Cuervo tequila are clear market leaders.

Diageo, the world's largest spirits company is very much the largest player in the market. Market watchers forecast the same rate of growth and expect sales of white spirits to improve steadily spurred on by the increasing popularity of vodka and the ripple effect of flavoured ready to drink products like Bacardi Breezer and Smirnoff Ice. The threat to the industry arises from the public perception of the seriousness of alcohol abuse, especially among the young. Independent surveys have shown that drinking among the young is very much on the rise and a number of pubs and bars break the laws and serve alcohol to people in the under eighteen age group. Alcohol Concern said the increase in drinking was harming health.

“ As a consequence, we have seen an increase in the amount alcohol-related harm, including a massive increase in the number people developing liver cirrhosis at an earlier age. With up to 22, 000 deaths linked to alcohol a year, as well as 1. 2 million incidents of alcohol-related violence, it is clear that problem drinking has to be tackled if we are to reduce the harm it does to our society. ” (UK alcohol sales buck the trend, 2005) Rising public concern is pushing the state to enforce stricter anti alcohol legislation as well as control alcohol advertising. These measures could, if carried through, affect the sales of white spirits in some measure over the next few years.

A research assignment, to be successful, will necessarily need a significant amount of credible and current data. The white spirits industry is important to the UK, both in terms of revenue and because of the social associations of

alcohol and drinking with the British way of life. Research assignments and investigations on the white spirits industry can focus on a number of issues that inter alia, could include marketing, advertising, production, sales, alcohol abuse and related social issues. A researcher will need to take up these issues sequentially to ensure proper coverage of all topics. At the same time, some avenues of information are so essential that they will need consultation for any research to be comprehensive.

As general sources of detailed background information, the websites of major white spirits companies like Diageo, Bacardi Martini, Gordon's and Allied Domecq are invaluable. Some encyclopedias also provide interesting information. The online encyclopedia Wikipedia is important not just for the information it provides but also for the number of links that are available and the plethora of accessible information. Many researchers and academics tend to think rather poorly of online information sources. Nothing could be further from the truth. The World Wide Web presents the largest body of information available on earth and all it needs is conscientious and ethical use for searching and utilizing information.

The use of online databases like Questia always proves to be useful. These online libraries contain a veritable repository of efficiently accessible information, traceable through simple search commands. A number of excellent market research companies bring out industry surveys very regularly. These are very detailed and contain a great deal of industry specific data. The Market Research reports published by Bharat Books, Market Research.

com and Datamonitor are extensive and accurate. While they are extremely expensive, many libraries contain sets of these surveys, which can provide a diligent and knowledge thirsty researcher with enormous material. Research assignments will most often also require the researcher to use books and literature by accepted theoreticians, economists and managers for clarification for some points for the literature review or for the background to the issue under investigation. Books by acknowledged marketing and management experts like Drucker, Kotler and Kaplan are available in most physical and online libraries. Joseph Heller and Edward de Bono run excellent websites that are stacked with articles for perusal and provide very pithy and precise information on most topics related to management, strategy and competition.

Research assignments in areas of liquor and tobacco always need some analysis of the role of ethics. The white spirits industry is no different and the issues of advertising and alcohol abuse are issues of national concern. It is advisable to consult appropriate legal and quasi-legal books on alcohol abuse and unacceptable advertising to get a handle on the subject. Books like “ The truth behind drinking” by George Foster and the website www.patient.co.uk are information sources that can give the researcher basic knowledge on the uglier side of the spirits business. Conclusion The white spirits industry in the UK is growing and encroaching on the sales of Scotch every year.

The market share of 40% it has already carved out in the total spirits industry indicates the strength of the challenge that white spirits is giving to

Scotch Whiskey in England. The white spirits industry in the UK, bolstered by the ever-increasing popularity of vodka is the largest in Europe and served by the biggest brands in the world. The increase in consumption of alcohol in the UK has become a matter of great concern for British society and incidences of alcohol abuse are on the rise. It is ironic that public forces are now beginning to join hands to attempt to curtail alcohol advertisement and consumption in the UK, famous worldwide as the home of Scotch.

The white spirits industry has to possibly take a frontline and extremely visible position in conveying the importance of responsibility in alcohol consumption to the youth of the country. Diageo Great Britain has already taken a huge step in this direction. Diageo has worked with The Portman Group to launch a comprehensive alcohol website for consumers; www.drinkaware.co.uk.

The site contains information, guidance and tips on safe drinking, whether consuming at home or out. At its heart is a unit calculator, which helps consumers work out how many units are in different drinks, and compare this to the UK Department of Health's defined daily guideline of 2-3 units a day for women, 3-4 for men. More than 15, 000 people access the site every month and the www.drinkaware.co.uk link is included on all our TV, print and outdoor advertising (" Diageo Great Britain Is," 2005, p.

25) Driving home the message for self-control in drinking will possibly help the industry much more in terms of public appreciation and support than the most powerful advertising campaigns. Bibliography Boyd, G. M. , Howard, J.

, ; Zucker, R. A. (Eds.). 1995.

<https://assignbuster.com/business-environment-argumentative-essay/>

Alcohol Problems among Adolescents Current Directions in Prevention

Research. Hillsdale, NJ: Lawrence Erlbaum Associates. Collins, T. , ; Vamplew, W.

2002. Mud, Sweat, and Beers : A Cultural History of Sport and Alcohol /. New York: Berg. Retrieved October 26, 2006, from Questia database: <http://www.questia.com>.

[com/PM.qst?a=o;d=102424447](http://www.questia.com/PM.qst?a=o;d=102424447) Diageo Great Britain Is Addressing Attitudes to Alcohol. 2005, September 26. New Statesman, 134, 25.

Retrieved October 26, 2006, from Questia database: [http://www.](http://www.questia.com/PM.qst?a=o;d=5012184751)

[questia.com/PM.qst?a=o;d=5012184751](http://www.questia.com/PM.qst?a=o;d=5012184751)