

Swot analysis of robert mondavi



**ASSIGN
BUSTER**

The global wine industry is estimated to be in size of \$130 billion to \$180 billion in retail sales which is attributed in three types of wine: Table wine (alcohol level 14%) and sparkling where Table wine accounted for the major share of the market. The table wine market is further divided into five principal segments: jug or commodity, popular premium (\$3-7 per bottle), super premium (\$7 -14 per bottle), ultra and luxury. The consumptions of premium wine kept growing in US and other non-European wine-producing nations, i. e. UK.

However, most of the continental European countries continue to keep high demand on inexpensive table wine. US paid \$7. 2 per bottle on average, which is higher than Western European consumers (\$4. 8 per bottle.).

Strengths: Mondavi Wineries are known for their high quality premium brands of wine due to the modern technology (New World Winery) and many years of experience of making high quality premium wine making. Most of the competition takes place in the popular wine segment was Mondavi's Woodbridge winery competes and does very well.

By stamping the Mondavi name on the popular premium wine segment they gain a competitive advantage. Mondavi had 16 different wine brands that all hold a high quality brand name. Robert Mondavi is known for always wanting to educate people about premium wines and helped tie music, food, and art to wine calling it a culture. Mondavi uses this as a form of advertising. Family holds 50% of the company's shares and majority of vote rights. Tim Mondavi and his team always focus on providing the best and highest quality wine.

Each winery employs modern technology to ensure the highest quality fermentation and aging process. Have many joint ventures around the world if they ever decide to increase their exports. Has a competitive advantage in both the popular premium wine segment and luxury wine segment.

Weaknesses: Share their discoveries and information freely with other wineries. Only 7% of their grapes are insourced making it difficult and costly to ensure their quality. This could hurt their high quality image. New sales forces of 200 were looked down on by Mondavi's distributors.

Instead of focusing on educating on fine wine they were more concerned over promotions, competitive pricing, demand forecasting, and shelf space management. Only had one single sales force for the entire product line.

Rely highly on their high quality image but. Opportunities: Mondavi holds significant, producing vineyards and notable growing experience. Suppliers are fragmented with limited influence. Customer base is growing—breadth of wine drinkers Threats: Industry is becoming more competitive with many rivals – both of comparable sizes and much smaller. Market is saturated with substitute products.