# Zoecon case recommendation

The Problem(s). Does the South Delaware Coors distributorship offer sufficient investment potential given Mr. Brownlow’s current business and personal situation? Recommendation(s). Given Mr. Brownlow’s current business and personal situation operating the South Delaware Coors, Inc. distribution does offer sufficient investment potential. The following explanation is presented to evaluate the decision factors in the case. Profit Potential. From the studies conducted by Manson and Associates the potential profit can be estimated.

The primary objective was to determine the investment potential of the distribution of Coors. As shown in Table 1, in order to break even, the South Delaware Coors distribution would need to sell $247, 272 or 224, 793 gallons to break even. This amount is not out of reach when calculating the market potential. The market potential calculated in Table 2. The table uses 2002 estimates to approximate the first full year of production for the South Delaware Coors distribution. When total sale is multiplied with the wholesale price per gallon, the potential market for the distribution is 415, 128 gallons.

This potential market gallons sold is higher than the break even amount by 185%, creating a potential profit of $456, 641. The industry demand also shows market potential by using the tax approach from Table E of the Manson study. The tax approach shown in Table 3 provides a look into the industry demand of beer in Delaware, where the average revenue of a wholesaler in 1997 was $799, 944. Subtracted by the break-even cost, the tax approach shows revenue of $799, 944 from the average revenue of a wholesaler.

Comparing the break-even cost with the 1998 wholesaler revenue the profit increases 5. 8%, with estimated projected profit of $950, 111 in 2002. Market share is shown in table 4. The market shares A, B and C are reflective of the good, better, best scenarios respectively. Even with the worst market share of 436, 588. 2 gallons, it still surpasses the break even gallons by nearly double. The best market share scenario almost triples the breakeven point at 677, 647. 7 gallons. Market and Competitive Environments.

Since 1873, Coors has evolved into the fourth largest seller of beer in the United States, working on thephilosophyof " hard work, saving money, devotion to the quality of the product, caring about theenvironment, and giving people something to believing in. " The impact of Coors on the competitive environments can be seen in the consumer and retailer questionnaire results from the Manson and Associate studies. Study G shows a large consumer following of Coors products with 70% of consumers with a " certainly will" intention to buy Coors. Similarly the retailer questionnaire, study H, showed 88. % of retailers " certainly will" sell Coors products. Public Acceptance. Coors' history stands to show the acceptance in the quality of product Coors offers to their consumers for over 140 years. Similarly, as with the market and competitive environment, 70% of consumers have the intention to buy Coors' products. With this amount of anticipation from the consumers, there will most certainly be a spiked period of verbal advertisements from satisfied consumers. This type ofadvertisementis more powerful than any other advertisement because new consumers are more willing to try a new product when requested by someone they know.