Case study on global wine industry

Business

Rivalry low as players are using segmented product to attract the market. Companies have tried to differentiate their products using the variety of grape (which is impacted by weather, soil and diseases). In an increasingly crowded retail market, market access is a critical issue. Supermarket dominance will require brand owners to adopt sophisticated marketing techniques in order to survive.

No of competitors & Size of competitors: Rivalry high as there are there are a huge number of players with no company having a significant market share. Medium size producers (revenue $5 ? $20) are most at risk of being " lost in the middle". They have suffered from tendency for large retailers to deal with large suppliers and are unable to clear their volumes through cellar-door sales. It is likely that distribution consolidation will drive future mergers between medium sized operators. C.

If demand is growing slowly: Rivalry high as demand isn't growing and profitability of wineries has trended down.

D. If players use price to sell volume: There is no such clear Information In this case. E. If brand loyalty does not exist: Rivalry high as brand loyalty doesn't matter but quality matters though high priced. Data shows high revenue from quality product such as ' Ultra- Premium' though percent of total volume Is very low. F.

If exit cost Is higher than staying in the industry: There Is no such clear Information In this case.