

# [Diageo key performance indicators](https://assignbuster.com/diageo-key-performance-indicators/)

Diageo Scotch Producer is multinational alcoholic beverage company which has its head office in London United Kingdom. Guiness and Grand Metropoliton merge their companies and forms Diageo Scotch Producer. It is known as the world’s largest producer of spirits whose chief products are wine and beer, vodka, rum and whisky. Diageo is also the world’s largest producer of whisky which manufactures in 28 distilleries and also in two grain distilleries. Its products are sold in 180 counties. It has several offices in around 80 countries. It has approximately 25000 employees in the world which is huge in count. Diageo started treading on December 17, 1997 at the London Stock Exchange. As of now it is the 12th-largest company on the London Stock Exchange on the basis of market capitalization which recorded almost £34. 5 billion on 2011. It has many famous alcohol brands like Johnnie Walker, Crown Royal, J&B, Ciroc and Ketel One vodkas etc. In Scotch production in the world Diageo holds the largest number of shares. In 2012, the accurate sell of Diageo was 10, 762 £ million and its growth increased 6% compared to 2011. It also performs production and distribution factors, which is malting, distilleries, breweries, packaging plants, maturation warehouses, cooperages, and distribution warehouses. almost 80% of Diageo production field situated in Australia, Canada, Cameroon, Ghana, Ireland, Jamaica, Kenya, Nigeria, Uganda, the United Kingdom, and the USA.

## 1. 1 PRODUCTS

Diageo always introduces with new innovative products and also develop exciting products. In the present global business competition, every organization wants to prove their shelves in their special field. Diageo has many brands that are very famous and acceptable by consumers. The products which are produced by Diageo which are given below-

## Spirits- The Diageo brand areas is 17 of the famous 100 premium distilled spirits brands in the world, and seven of the top 20 premium spirits brands. in spirit product with names are brandy(Bertrams VO), cognac(Hennacy), gin ( Gordon’s gin, Tanqueray London Dry) , liqueurs (Baileys, Romana Sambuca, Sheridan’s), rum (Bundaberg Rum, Cacique rum, Captain Morgan rum), spirit drinks (Pimm’s), tequila(Don Julio, José Cuervo), vodka (Ciroc, ketel one, Smirnoff), whisky(Jonnie walker, White Horse, old parr, J&B, Bell’s). It serve these products in worldwide. It is the largest producer of whisky.

Beers- It’s one of the second largest product is beer and brand are Jamaican lager Red Stripe, Kenya’s national beer brand Tusker, and Ireland’s Kilkenny red, Bell, Serengeti, Senator Keg and Harp lager etc.

Wines- Chalone Vineyard, Blossom Hill, Justerini & Brooks, Vignobles Internationaux, Piat d’Or, Rosenblum Cellars, Dom Pérignon, Sterling Vineyards. These famous wines are produce by Diageo and they are very likable by consumers.

## 1. 2 diageo’s Mission-

Diageo mission is customer centric. First it understands who are the customers, what are their requirement taste and expectations. Then it researches the customer’s requirement as what are their demands. After that it analyzes and develops new product as well as polishes its existing product.

Innovation- Innovation is the reason for the success and popularity of their brands among customer because they know how the customers taste is changing with generation to generation. Rowson’s Reserve, Snapp, Captain Morgan Black, John Walker & Sons Odyssey, Jeremiah Weed, Spirits dispense are some of the brands which created high revenue generation and helped the company to monitor their product with help of customer attention on brand loyalty

trust- Diageo one of the main factor in successful business is trust. they always focus to trust the customer taste. It is not only with new customers but also with existing customers. They maintain this factor with its research and development management and best services.

employee management- Its another mission is employee improvement because it believed that employee are one of the basic factor of the successful organization so they improve their employee time to time training and monitoring. It follow to maintain a various manpower in which the several contributions made by all employees, through their personalities, experiences and perspectives and rewarding. Company polish the employees with the couple of rotations and the training courses, they give good results.

So these factors are very helpful to achieve the company mission. Diageo generally look forward, it always maintain old generation value to new generation value. it stand with customer trust and innovating idea.

## 1. 3 Diageo key performance indicators

KPIs (key performance indicators) present a bunch of scope centralized on those conditions of organizational execution that are the most hard to do for the present and future goals of an organization. There are only a few KPIs in an organization , and they have certain aspects. Diageo follow those KPIs to achieve their mission.

Feedback Rate: it is depending on the percentage of user posts or questions which are admin responded.

Feedback Time: The average amount of time that it takes for the admin to feedback to consumer posts or questions.

Engagement Rate: The quantity of consumer intercommunication (Likes, comments, and shares) that happen with company page.

Essential Influencer Identification: Identifying the consumers that most repeatedly interact with company products and know about company new products.

User Activity: Identifying the times of days and the days of week in which your users are engaging most frequently with your Page.

Social media also KPIs can support business resolution for Diageo company, these are

## Brand Knowledge

## Understanding competition

## Product Response

## for offline marketing campaigns deciding subject

## Looking forward for crisis management.

## boost up event promotions

## 1. 4 Customer Requirements (Whats)

Following are the Customer Requirements from Diageo in the four basis aspects in which it provides its services

1. Quality of Products: For the selection of Scotch the first basic criteria which the customers search for is the quality of the product. The better the quality is the more the customers will tend to buy that liquor.

2. Brand name: Brand name or company reputation is another important factor in case of liquor selection. Customers will definitely look for the better brands as they have of reputation for serving better quality of liquors.

3. Taste: Different people have different tastes. Some people may like very strong liquors or some other people may like liquors for refreshment which may not be so strong. So the taste of the liquor plays a great role for the choice of Scotch selection.

4. Effect on Health: The quality of Scotch should be such that it does not have any adverse effects on health. If any liquor affects the health badly then people will stop getting attracted to it.

5. Cost of Product: Budget management is also one of the key requirements of the customer while selecting a liquor product. While customers may compromise on a very high quality liquor having a high price and would prefer a medium quality liquor with a comparatively reasonable price.

6. Product Makeover: The looks and makeover of the products also gives an impression to the customer. The more colorful and good packaged products tend to attract more customers.

7. Innovation: For a company selling products innovation is really very important and plays one of the crucial roles to the customers in selecting its products. The taste of the customer changes every time. To satisfy them the company must be innovative enough to bring changes in its products which can attract potential customers.

8. Variety of Products: Thousand of peoples want different tastes and flavors while choosing their liquor. Men prefer beer, whiskey or wine but women prefer vodkas more. So the company should have a various range of products to satisfy the customer needs.

9. Globally Procurable: The liquors of a reputed company should be available globally so that people from any parts of the world would be able to buy the liquor of their favorite brand.

10. Age of the Product: In case of liquors like wine and scotch they get better with ages. In order to store the liquor for a good number of years the company should preserve the liquors using proper procedures.

11. Liquor Style: The choice of drinks depends entirely on the choice of taste of the customer or the occasion. Whether it is a party or a corporate lunch or a casual dinner the choice of liquor differs. Everyone, for a change, needs a simple (yet extravagant) choice of alcoholic drinks for a party. The knowledge of drinks is always better whether or not it is a normal poolside party, or a special occasion or a corporate event. Again the liquor style varies between men and women. While women prefer the light calorie, fruitier and refreshing drinks, men normally prefers strong alcohol.

12. Aftertaste flavors: Customers favors those liquor which have a good aftertaste flavors and have a long lasting effect.

13. Customer Satisfaction: The satisfaction of the customer highly influences the choice of customer for the selection of liquor. The company should always try to research on constant innovation in taste and varieties of products so that the confidence of the customer grows.

14. Proper Concern: When giving services to the customer, the Company should be capable enough and rehearse assiduousness. Furthermore, proper planning and sufficient administration should be there before proficient action for which it is accountable.

## 1. 5 Technical Requirement (HOWS)

Following are the methodologies which Diageo applies in order to fulfill the customer requirements.

1. Employee Training: Diageo trains its employees to the best of its level so that they can work in a professional environment while working on advancements. Having more than 25000 employees its main motive is to always nurturing the brands and growing the business.

2. Testing of Controls: Diageo’s integral authority over liquor market is a combination of mechanisms sketched out by its core management team over the various products in the market, information about competitor company products etc.

3. Diversity in workforce: Diageo maintains diversity in workforce. Having their office in more than 80 countries in the world Diageo consists of employees having diversified cultures and languages intermingling together to bring forth success to the company.

4. Multitalented Employee: Consultants need to adopt many of the competencies when on a consulting avocation and when working within a client environment. The 4 interpersonal skills which Diageo consultants have are Listening, Patience, Objectivity and Being engaging and nonthreatening. These are essential in achieving the aspired outcome.

5. Sales Skills: The basic sales techniques used by Diageo to convince its clients are as follows

i) Understanding, communicating and answering the required queries regarding the liquor products and their qualities to the potential customers.

ii) Depicting and strategizing the sales plan.

iii) Following unparallel practices for advertising and actualizing value added services

iv) Chalking out a layout before actually starting to deliver their products in the market.

6. Communication Skills: The excellent communication skills of Diageo consultants had enhanced its effectiveness professionally. Its experts have to do the constant market research while talking to the target customers regarding the product customization and taking their valuable feedback.

7. Analytical Skills: Diageo core group of employees are able to analyze the market research data send by the field workers and come up with well reasoned, realistic, well strategized marketing plan which have increased its reputation as a one of the best liquor company in the world.

8. Ability to Synthesize: The skill-set of Diageo employees in comprehending the prime issues in the liquor market and their ability to synthesize and finding solutions to smoothen those issues by various researches have contributed to the success of the company.

9. Creative Ability: It is of no confusion that creativity is the key asset of all. Without it, there could not have been any advancement, and everybody would be following the same steps. It is the creative ability of the Diageo which has made it the king of the liquor industry in the world.

10. Initiative: Diageo has sustained for such a long time because of its initiatives throughout its operations, customers, supply chain and association

11. Presentation skills: Diageo understands customer’s tastes. In addition to producing a huge variety of liquor products it also presents the same through the advertisements which attracts the customer even more.

12. Professional Team: The key to Diageo’s significant achievement in liquor market is because of its core professional team. With a mix of graduates and highly experienced workers they are able to perform all the jobs with a high satisfaction rate.

13. Knowledge of Industry: The high industrial knowledge of Diageo in liquor industry like customer preference, products of competitor groups etc has aided their performance. Having experts with thorough erudition in liquor industries who can apprehend the present and envisage the impending future have enhanced their performances all-through.

## 14. Environmental Sustainability: The investment done strategically in environmental sustainability is vital for the advancement of Diageo. It is one of its corporate engagement precedence and we have some determined targets – specifically for lowering the environmental effect of its manufacturing sites. The main motto of Diageo Scotch is to make all its products’ lifecycle sustainable. In order to do it Diageo is looking in all the stages of its value chain, sending raw materials assiduously, reducing energy and water, constantly recommending the suppliers for the reducing high environmental footprint material, recovering the waste products it produces and distributing its products with efficacy. Once our product goes to the customers and consumers Diageo is expecting them to make use of it and dispose of the packaging sensibly.

## 1. 6 House of quality

The attached excel file below shows the House of Quality designed using the above parameters (WHATS and HOWS).

## 1. 7 Outcomes

Following are outcomes of the HOQ

Among the methodologies which are used by Deloitte to satisfy the customer needs, the most successful are

Professional Training (252 points)

Ability to synthesize (213 points)

Testing of Control (201 points)

Analytical Skills (201 points)

Knowledge of Industry (198 points)

## 1. 8 Recommendations

It can be recommended from the above HOQ that Deloitte should focus more on some of the methods namely Professional Training, Ability to synthesize, Testing of Control, Analytical Skills and Knowledge of Industry which are the most effective methods that can be used to convince the clients.

## 1. 9 Conclusions

At this point, the customer requirement in the liquor market are taken in view while formulating the Customer Requirements (WHATS) by dividing the liquor sell of Diageo into three segments namely Spirits, Beers and Wines. Provisions are open so that modifications can be made due to any requirement in the upcoming years. The HOQ has been made based on the facts of Diageo Scotch that can be found in various websites. During the strategy making for the HOQ various concerns has emerged. For example, were the “ customer requirements” properly identified in this case? Were the company methodologies provided are justified? How the individual requirements would be gauged? Is the HOQ format needed to obtain analogous causatum? Nonetheless, it can be hoped that readers would find this to be a sagacious and constructive development. It will definitely be extended in the forthcoming days.