

Robert mondavi corporation (rmc)

[Business](#), [Marketing](#)



Robert Mondavi Corporation (RMC) INTRODUCTION In relation to the present competitive scenario, in the United s winery industry, it is often observed that the organizations seek to integrate adequate measures in order to attain competitive position. In keeping with the greater focus and unabated competition of the present US wine market, the primary purpose of this report is to critically analyze the business strategies of Robert Mondavi Corporation (RMC), a renowned wine manufacturer and marketer in the global wine market. In this context, the discussion of the report would focus on identifying the major competencies of RMC in accordance with the US domestic wine market and industry. Additionally, the discussion will also demonstrate the proposed strategy of the company made in September' 2004 along with its acquisition of constellation brands during the same year in the month of December.

1. THE PREMIUM US DOMESTIC WINE MARKETS AND INDUSTRY

In terms of industry trends and competitive pressures faced by RMC in the US wine market, it is determined that the level of competitiveness is quite high due to presence quality service providers and increasing number of new entrants. In relation to the case scenario, it has been witnessed that the practice of selling wine directly to the potential consumers is one of the key success factors in the US wine market. Moreover, developing effective and strong business strategies along with strengthening brand value can also be taken into account as amid the key success factors for the respective industry in the US market (Silverman, Gilinsky and Guy, “ Robert Mondavi Corporation”). In order to clearly identify the key success factors influencing the premium US domestic wine markets, the following five forces analysis has been prepared.

FIVE FORCES ANALYSIS

Bargaining Power of Buyers The bargaining power of buyers is relatively high in the US domestic wine market. Therefore, the augmenting buyers' power is a major challenging factor for RMC in the US domestic wine market.

Bargaining Power of Suppliers The bargaining power of suppliers is moderate in the US domestic wine market which also signifies a growing challenge for RMC in the respective market.

Threat of Substitutes Due to the rapidly growing number of alcoholic beverages and products within the US market, the threat of substitutes is relatively higher which can have an impact on the wine business of RMC in the respective market.

Threat of New Entrants The US domestic wine market constitutes a range of dominant competitors from various global nations. Therefore, the rising figure of competent marketers can also be a major challenging aspect for the organization.

Competitive Rivalry The increasing numbers of global competitors, brands along with rapid changes in customer preferences signify a major competition for RMC to maintain its long-term profitability in the US domestic wine market.

Source: (Silverman, Gilinsky and Guy, “ Robert Mondavi Corporation”) 2.

STRATEGY IMPLEMENTED BY RMC With reference to the case scenario, it has been observed that the business strategy of RMC is highly focused on segmenting customers into different groups and offering authentic products at the right time. The financial performance represents that the business strategy of the company had played a crucial role in terms of increasing its annual turnover. It has been observed from the case that the financial performance of RMC has been witnessed to register continuous growth from the year 1990 to 1999. The following graphical representation depicts the increasing financial turnover rate of RMC. Exhibit 1: Source: (Silverman,

Gilinsky and Guy, “ Robert Mondavi Corporation”) Moreover, the effective business strategy of the company has also provided adequate support to RMC in terms of table wine segment within the US market. In this context, key components of the RMC’s business strategy involve effective quality management along with appropriate sales and marketing strategy (Silverman, Gilinsky and Guy, “ Robert Mondavi Corporation”).

3. RMC’s SWOT and Competencies

The following graphical presentation depicts the strengths, weakness, opportunities and threats of RMC in the US wine market and industry. Source: (Silverman, Gilinsky and Guy, “ Robert Mondavi Corporation”) According to the case scenario, the strong variation of premium brands along with domestic brand diversification procedures are the major strengths of RMC in the US wine market. Moreover, the growing demand of different premium brands and rapid pace of customer segments can be considered as amid the major opportunities of the company. However, the presence of dominant rivals along with the increasing number of different competitors in the US domestic industry are the major weaknesses which can also be regarded as few of the potential threats for RMC in the respective industry (Silverman, Gilinsky and Guy, “ Robert Mondavi Corporation”).

4. RMC’s PROPOSED STRATEGY IN SEPTEMBER 2004

The business strategy of RMC has witnessed reformation in terms of its different strategic processes which has been proposed by the organization in September 2004. In order to emphasize incremental improvement of the business processes the board/management of RMC has carried out significant research of the wine market and benchmarked different operational aspects. Moreover, the company has also restructured its

governance procedure associated with different functions performed in the organization (Robert Mondavi Corporation, “ Bank of America Securities”).

The changes that occurred in the year 2004 had been focused on adequate compliance of the vision set by the RMC’s founder Robert Mondavi. The business reformation process of the company during the year 2004 was highly focused on prioritizing the ‘ Value Growth Plan’ which can be more effective for the organization to generate strong stakeholder groups within the global wine market and industry. 5. CONSTELLATION BRANDS

ACQUISITION OF RMC - DECEMBER 2004 The constellation brands of RMC have often been witnessed to play a crucial role for the organization to build its strong stakeholder groups across different global wine markets. Moreover, the acquisition of different constellation brands has facilitated to build a strong stakeholder group. However, the strategy reformation of the company during the year 2004 was considerably focused on compelling lifestyle position brands. In this regard, it can be stated that the continuous focus on acquisition of constellation brands from different geographical locations would have create significant opportunities for RMC to strengthen its competitive position in the global market. The strategic benefits would also be enjoyed by the company in terms of building different customer segments and enabling it to dominate in the growing global wine market/industry (Robert Mondavi Corporation, “ Bank of America Securities”). Works Cited “ Bank of America Securities.” 34th Annual Investment Conference. Robert Mondavi Corporation, 2004. Web. 03 Jul. 2013. . Silverman, Murray. Armand Gilinsky, and Michael Guy. “ Robert Mondavi Corporation.” Case 12 (2001): C246-C262. Print.