

Perrier research

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Perrier Synopsis Perrier, French mineral water, made appearance in a unique source with a long history. The Legend dates back to 218 B. C. , Hannibal and his army set up camp on the site now known as “ Les Bouillens” (French for bubbling), while on their way to Rome after the Spanish campaign. The Romans came later and were also the first to build baths at the site of the spring. Towards the end of the 18th century, Dr. Perrier took over the estate of Les Bouillens, which the Granierfamilyhad equipped with a bottling plant for mineral water earlier that century.

Perrier was a respected physician and he wrote countless articles about the benefits of this mineral water, which he also prescribed to many of his patients. Oddly enough, it was an Englishman called Harmsworth who made Perrier world famous. He was also responsible for the development of the new distinctive bottle in 1903, the design of which was inspired by the Indian exercise clubs he used to stay in shape. Because of his acute business sense and good connections, Harmsworth managed to become the supplier to the British army in the then colony of India. This enabled him to reach many British subjects in due course.

This success was followed by similar successes in England where Perrier even became the preferred water at Buckingham Palace. The Perrier source is complicated from a geological point of view. The source is situated to the north of the small town of Vergeze on the way to Nimes and is surrounded by limestone. The carbon dioxide used in Perrier does not come from the same borehole as the Perrier water; the two are combined at a later stage of the process. Case Analysis Strengths • Well-know and positive reputation. • Reliability • Competent Research and development • Good-looking Image in

consumer's eyes. Weaknesses Higher price than other firms' bottled water. • Perrier's bottles are not so handy to the buyers in a hurry. • Too many label for each bottled product could make consumer confused. Opportunities • Constant growth of health-conscious consumers. • Asian market is challenging to give a try. • Advertising could play more role than ever if Perrier can be able to come up with new one. Threats • Other companies with cheaper bottled water are main challenge. • Local companies' products would always be a first option for local buyers over Perrier. • Loyalty of buyers could change anytime if other companies can offer better price and so on.

The Five Force Framework The Threat of Potential Entrants Barriers to entry are relatively high since brand recognition is incredibly important. Additionally, larger firms experience significant benefits from economies of scope and scale, making it difficult for new entrants to match their operational efficiencies. Independent brands are able to find success in niche and local markets. Bargaining Power of Buyers Depending on their buyer, buyer power can range from low to medium. Perrier represent roughly 20% of sparkling bottled water segment. However, these relationships are contractual so few changes can be made.

Beyond this, other buyers of other products have low power because they are in their own market and strong brand names grant them pricing power in most markets. Bargaining power of suppliers Supplier power for Perrier is medium. I believe that since there are several competitors in this market, suppliers can be persuaded by alluring proposition from other peer competitors. If the competitors can offer more interesting proposition than

Perrier could, the situation could be changed dramatically. As a result, Perrier should have its own contract suppliers to supply products.

Threat of Substitutes The threat of substitutes is medium to high. If we consider solely on Perrier's market, there are many competitive firms trying hard to be the market leader despite Perrier's largest market share. The competition in this market is filled with emerging companies every year, so we can conclude that if Perrier perishes, no one cares. Substitute products are all over the market as much as consumers grow.

Threat of Competitive Rivals Apart from the main competitors of Perrier, Kishu has seized the market share in some cities in United States.

Thus, There are many competitors powerful enough to challenge Perrier in this market. So Perrier should be aware and alert of any move from the other companies so as to be ready to take immediate action if the others start moving.

Conclusion From the above analysis, Perrier has the very famed brand recognition in consumers' eyes but nothing lasts long since there are still a lot of competitors ready to replace the number one rank in this market. With Kishu's in effort to make a foothold in the market, it is not easy for Perrier to thrive greatly in the market.

Thus, it is still a long way to go for Perrier on its way ahead. Furthermore, its new advertisement, as we know it, would still need a lot of improvement in order to catch consumers' eyes since it looks less unlikely to succeed. As a result, Perrier needs to be careful with everything it's dealing with right now; advertisement, slight loss in market share and so on.

Question Q. Should the advertising agency's idea be accepted? As far as I'm concerned, the commercial idea from the agency have not impressed consumer to

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satisfactory degree since the tone and mood of the commercial did not match people lifestyle.

The idea of beautiful sleeping woman being bitten by Dracula and the following line “...it’s good, but it’s not Perrier” do not convey much essence of why Perrier is better than blood. The idea is to be a metaphor that blood is as necessary for life as Perrier water, but the way people thinking about it would be a joke. Don’t forget that Perrier’s look is considered a high-end product, but the commercial give us a picture of fun thought rather than premium product. Q. How should Perrier be promoted at this stage in its life? Perrier should come up with something more incisive, majestic and premium look in terms of TV commercial.

Additionally, Perrier can make use of other advertising approaches such as holding up luxurious events occasionally to remain a noble look in consumers’ eyes, but somehow tie in its story with the events. To sum up, In this life stage of Perrier, it does not need too many unimportant commercials since it does not need to get consumer out of its target, but what it needs to do is try to keep the brand as premium as possible and to keep old customer to remain loyal for long time. ----- Potential Entrants Buyers Suppliers Substitutes Competitive Rival