

# Adolph coors in the brewing industry



**ASSIGN  
BUSTER**

1. Coors' success prior to 1978: Adolph Coors was a big success till the late 1970s, which can be attributed to the advantages in resources and competences of many aspects of the company. Apparently, Coors pursued strategies of both cost leadership and differentiation, with the latter as the more distinct one. The advantages can be developed from two aspects. a.

Vertical integration in producing process: Unlike other major brewers, many of the resources and materials Coors used to produce beer were self-supplied. They had their own rice-processing facilities and spring water field. They also canned their beers and recycle the aluminum. Coors made most of its labels and secondary packaging and built all of its malting equipment.

With these procedures, the company could protect itself from changes in the price offered by suppliers. In this way, Coors made its cost controlled. b.

Brand image shaped through differentiation: For over a hundred years, Coors held its label of using spring water from Rocky Mountain. The beers were kept refrigerated during the shipping process.

Coors make the beer non-pasteurized in order to keep the original taste. The company also adopted a 70-day fermentation process compared to the 30-day industry level. In addition, Coors made a freshness policy with the wholesalers saying its beer can only be on shelves for 60 days otherwise must be destroyed. With all these factors together, customers tend to perceive Coors' beer as tasty and high-quality. Besides, before 1978, Coors had its only brewery in Colorado and restrained its distribution within the 11 states in the West. This is consistent to the product's unique characteristics, making it more valued by customers.

The uniqueness and integrity within the brand image won the differentiation competence for Coors. 2. Coors' operating performance change during 1977 and 1985: Due to the development of the brewing industry and the changes of the external environment with time, Coors...