

BUSINESS CASE STUDY



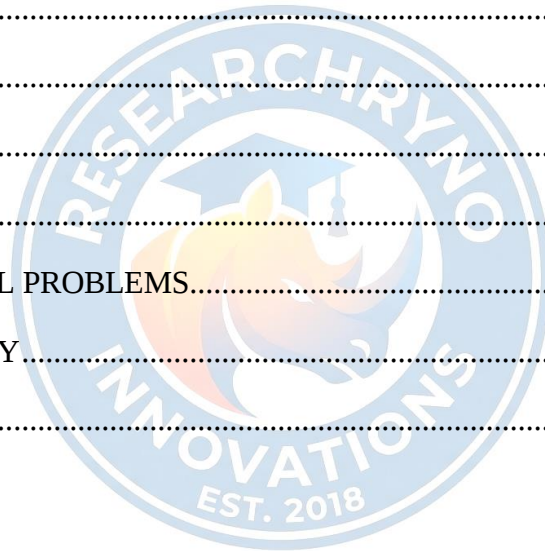
EXECUTIVE SUMMARY

In this assignment, Egan's Irish Whiskey's market competency had been analysed in a critical manner in order to evaluate the risks and opportunities present in the industry. The organisation had been delivering quality Irish whiskeys in the market for over 100 years. Having effective business planning the company had been able to mitigate the tumultuous conditions that were present in their business. However there are multiple competitors present in the liquor business, therefore Egan's Whiskey needs to take on strategic business decisions to expand the market of its liquor business. The well-known brand Egan's Whisky faces challenges in a competitive sector. The business should increase results, simplify procedures, improve financial matters, invest in employee growth, and use the Ansoff Matrix in order to take advantage of its strengths and prospects. Egan's Whisky may achieve long-term success and maintain competitiveness in the whisky market by concentrating on market penetration, product development, market expansion, and diversification.



Table of Contents

Introduction	4
Critically assessing success factors and the challenges associated with different dimensions of strategy of Egan's Whisky	4
Competitors	4
PESTEL	5
PORTER'S 5 FORCES.....	6
ORGANIZATION INTERNAL ANALYSIS.....	7
Business Model Analysis	7
VRIO	8
Value Chain Analysis	10
BCG MATRIX	11
CONCLUSIONS.....	13
RECOMMENDATIONS	14
SOLVING INTERNAL PROBLEMS.....	14
GROWTH STRATEGY.....	14
References	17



Introduction

Egan's Irish Whiskey is one of the oldest spirit dealers in Irish markets. The company has a long legacy of serving the finest whiskeys in the spirit business which started their business in 1852 (Murphy, 2020). Offaly, P & H Egan Ltd was established over 100 years ago to serve extraordinary tastes to customers coming from different cultural backgrounds. For six generations the company has been sourcing, blending and bottling one of the finest whiskeys for the people who are getting spruced from the islands of Ireland. In this competitive industry of the liquor business, various companies are emerging in the industry. Hence Egan's Irish whiskey has significant competitors in the industry which can enhance the possibilities of disruption of their long-lived legacy in business. Hence the organisation needs to have strategic business planning for future development and customer attractiveness in the industry. Therefore in this assignment, various frameworks have been used in order to analyse the current position of the organisation and based upon these proper recommendations have been provided.

Critically assessing success factors and the challenges associated with different dimensions of strategy of Egan's Whisky

Competitors

Egan's Irish whiskey has a wide range of competitors in the current liquor industry. Ireland is popular for Irish whiskeys and Guinness. Hence there is a significant amount of opportunities present for Egan's Irish Whiskey to sustain its competitiveness with the finest quality whiskeys present in its product range. According to the reports the current alcoholic markets of Ireland hold almost 6364 million US dollars market (Statista, 2023). Hence various brands are taking significant developments to enhance their business strategies to retain customer attractiveness. To name a few, Irish Whispers is one of the famous pub and restaurant chains having effective marketing practises to do casual happy hours, and savoury diners to attract customers. Although Egan's Irish Whiskey does not have its own hotel or restaurant business which can be a negative point in the business. As customer attractiveness is the most important factor to enhance brand marketing Egan's Irish whiskey needs to have effective developments in the liquor industry (Kupc, 2020). On the other hand, Cassidy Wines can be recognised as one of the famous family businesses in the liquor industry. Therefore Egan's Irish Whiskey should adopt a proper business strategy to retain customer interest.

PESTEL

The external situation of the company Egan's Whisky will be described using the PESTEL framework.

Political	Change in government rules, Issues Related to Trade Agreements, and Political Instability of the countries.
Economical	Fluctuation of currency rates, inflation and Economic Slowdown, economic instability
Social	Cultural preferences, Health concerns among the consumers, Trends of drinking among the consumers
Technological	Presence in the digital medium, advancement of technology, automation of supply chain using technology.
Legal	Labour laws, taxation, and Intellectual property rights.
Environmental	Sustainable growth, Environmental concern and pollution control

Figure: PESTLE framework

(Source: Self-Created)

Analysis

Based on the PESTLE analysis, Egan's Irish Whisky has several significant difficulties. Production, price, and distribution are impacted by political changes in trade agreements and governmental policy. Profitability and growth are impacted by economic factors like inflation, currency changes, and economic unpredictability. Utilising technology and online channels can improve marketing and sales, while cultural preferences and health issues affect consumer demand. Legal compliance with intellectual property protection, tax, and labour regulations is essential. In addition, solving customer demands for eco-friendly practices and maintaining environmental sustainability are crucial factors. To maintain long-term success in the cutthroat spirits market, Egan's Whisky must solve several issues, including legal compliance, unstable economic conditions, technical developments, and environmental sustainability.

Challenges Faced by the Egan's Whisky

According to the Pestle analysis of the Irish Whisky brand Elgan the company has several external issues in the market. They face some significant issues in their business in the legal

field as they were unable to comply with the labour laws and protect intellectual property rights. They were also having several economic issues in their organisation for the changing licensing rules and the taxation rules of the countries. The lack of technological advancement is also a big issue for them. They need to work on these issues and mitigate them before these issues become more crucial. The company doesn't have enough presence in the digital medium. According to the study of Ghahremani-Nahr and Nozari, (2021) having a digital presence is very crucial for the brands in the current scenario. This also creates a big issue in their business, they need to work on these problems. Due to these issues, they stay behind their competitors. If the company improves their online presence and increases its digital marketing then it can improve its brand image among the people more efficiently and increase its number of sales. The Irish spirit brand Egan's Whiskey also has several environmental challenges in their organisation which needs strong attention. This will also be very much helpful for them to build a sustainable brand image,

PORTER'S 5 FORCES

Porter's 5 forces

Forces	Analysis	Competitiveness
Competitive Rivalry	The spirit industries are extremely competitive, with many well-known brands and worker suppliers.	Medium
Bargaining Power of Buyers	Spirit industry buyers typically have a lot of negotiating power. Customers are able to switch between brands and have a wide selection of possibilities.	Low
Bargaining Power of Suppliers	Suppliers in the spirit sector have very limited bargaining power because the brands can easily switch to other suppliers.	High
Threat of Substitute	Limited Number of substitutes available in the market thus this is also not a big issue for the band Elgan's Whisky	High

The threat of New Entrants	The Spirit sector is a highly regulated sector thus entry of new brands is very difficult.	High
-----------------------------------	--	------

Figure: Porter's Five Framework

(Source: Self-Created)

Analysis

According to Porter's Five Table, the company has a good advantage due to operating in the spirit sector. They are operating in a sector which is very much regulated by the government thus it is very tough for other companies in this industry which gives them a high competitive advantage. On the other hand, they have good bargaining power with suppliers. They can easily switch their supplier if they don't agree to give anything on their demand price. Though the bargaining power of the consumers is a big threat to them as the consumers can easily switch brands if they don't meet their demands.

Success Factors of Elgan's Whiskey in Context

There are several success factors of the brand. According to this analysis, they brand has been very successful in the spirit sector due to its high competitive advantages. The high rules and regulations are one of their biggest advantages for success as due to these rules and regulations they don't need to face so much competition in the market. There is a very limited number of brands in the spirit sector(Baranyai and Kozma, 2019), which helped them in making a good profit around the market. One more factor for their success was the less number of substitutes available on the market. Beer and alcohol are the only substitutes for the Brand Egan's Whiskey. Thus they had very limited indirect competition, this also worked as a success factor for them. Egan's Whiskey had very good bargaining power with suppliers. They had an option of switching the supplier if the supplier creates any problems. As a result, they spruced the products at a very cheap rate from the supplier. This helped them so much in building a successful business.

ORGANIZATION INTERNAL ANALYSIS

Business Model Analysis

Offerings

Egan's Irish Whiskey offers vintage whiskeys with the finest quality grains of malt. Rich complexities of flavours, smoothness and ageing of the liquor enable the purchaser to relish the whiskey. Having over 100 years in the business the company has high demand among the

Irish islands due to their effective business strategy. Triple distilled, unmalted grains in the whiskey make it demanding among consumers.

Customers

Egan's Irish Whiskey has a legacy of serving the finest whiskeys in the global context. As a result, customers from various regions all over the world have an interest in their products. Hence high brand value has been sustained within their business practices which has enabled them to retain competency in the global liquor market.

Infrastructure

The company produces the whiskeys from the county town of Tullamore. 116 years of liquor business makes the product a sustainable manner. Having a wide area of farm the company produces their own whiskeys. However, the company has partnerships with leading merchant houses for malting, brewing and bottling of the liquors. Therefore the company has a huge supply chain model which has enabled the organisation to produce rich quality whiskeys in the industry and meet the customer demand.

Financial viability

Financial resources are important in order to meet the developments in the business and meet customer expectations (Vermunt *et al.*, 2019). Egan's Irish Whiskey with the story of culture and heritage has the capability to proper financial resources within their business which has helped the organisation to reorganise the business even after so many tumultuous situations in the industry.

Hence in this condition, the company needs to adopt a transnational business strategy to develop more sustainable development in business where financial risks will be reduced at the same time supply chain management will be conducted in a holistic manner.

VRIO

Resources	Value	Rarity	Imitable	Organised	Competitive advantage
Customer attractiveness	Yes	Yes	No	Yes	High competitive advantage
Financial	Yes	No	Yes	Yes	Moderate

resources					competitive advantage
Development of products	Yes	Maybe	Yes	Yes	Moderate competitive advantage
Supply chain	Yes	Yes	Yes	Yes	High competitive advantage
Ecommerce	Yes	No	Yes	Yes	Moderate competitive advantage

Figure: VRIO framework

(Source: Created by self)

Egan's Irish Whiskey, being over 100 years in the business, has a strong customer appeal in the industry. Egan's vintage whiskeys, with their finest quality, have been one of the favourite brands among the Irish islands. Having internationalisation in business the company has been able to enhance their marketing throughout the world by attracting global customers from different corners. Customer attention towards the company makes the company a brand in the industry (Putra *et al.*, 2020). Hence this customer branding has enabled a high competitive advantage for Egan's Irish Whiskey. The company has been promoting their products and branding its business with the legacy of its family business strategy. Hence the company holds high investments from various investors in the liquor industry. Although there are a large number of companies present with similar strategies. Hence the company holds a moderate competitive advantage in this respect. Hence it can be identified as a moderate strategy as there are multiple competitors present with better products in the liquor categories. However, supply chain management of the business has been one of the key strategies in their business due to their loyal supply chain marketers. Along with this ecommerce platforms are marketing the Irish whiskeys of Egan's which are valuable in the industry.

Based upon the analysis it can be identified that the company has been marketing their vintage whiskeys for so many years. However, there are risks related to a lack of development in production and market research. If such discrepancies remain in the business

the company can face tremendous risks regarding future expansion of the market. Therefore this family-led business requires investing more in research and development and creating a well organised management team to do the market research and improve customer satisfaction for further expansion of business.

Value Chain Analysis

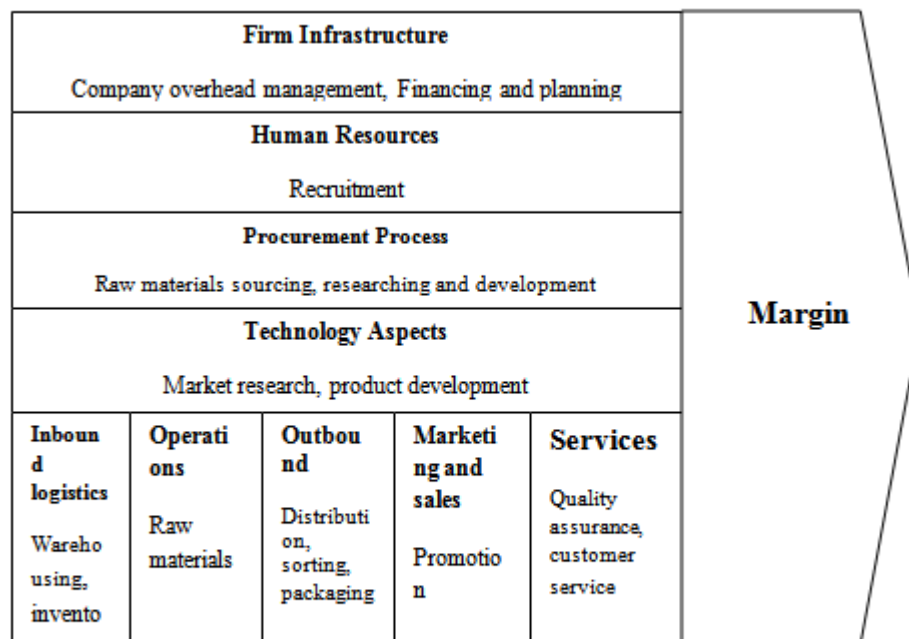


Figure : Value Chain Analysis

(Source: Created by self)

Egan's Irish Whiskey has a successful supply chain management and resourcing of the whiskeys which can be identified as the success factor for the business. The company's overhead management and financial planning have created significant positive impacts on the business. However, the human resources team has not such competency regarding the recruitment, and retention of the employees. As the company has a family-led business the company does not have an effective employee management team who will enable the proper organisation of the employees. Sourcing of raw materials, brewing and malting of the drinks has enabled the successful business strategy achievement for Egan's Irish Whiskey. However, the company does not have many effective technological developments which can create negative impacts on business as multiple competitors are present in the liquor business

who are consistently developing their strategy to retain customer satisfaction. Warehousing, inventory, and management in inbound logistics are well-developed. Operations, packaging, sorting and distribution of the whiskeys are conducted in an effective manner. The company's sales and marketing have been making prolific developments. Recently the company has partnered with the Fire Dept. Coffee team to bring brand new spirit-infused coffee line (PRnewswire, 2019). This strategy has enabled the company to target new markets in the industry. Quality assurance, and customer services in after-sales have made the company retain customer engagement in a proper manner. The company has a history of resurrection due to their dedicated interest in making whiskey business. Having an effective value chain model the organisation has been able to retain customer satisfaction in an effective manner. However, there are still challenges related to the global expansion of the business as multiple competitors are present in the global market.

4.4) BCG MATRIX

Cash generation		
Cash Usage	High	Low
	• Vintage Grain • Egan's 10 year Old Single Malt 	• Hot Irishman Superior Irish Coffee 

	High	• Egan's Centenary Limited Edition 	• 3 Sq Miles Cask Aged Irish Gin 
--	------	--	--

Figure: BCG Matrix

(Source: Self-Created)

Star: Products from Egan's Whisky with a high market share and market growth rate would be included in this section. These items stand out among the portfolio's other offerings and show great development potential and market dominance. For instance, Egan's Whisky would be categorised as a star if it has an item in the line that is gaining popularity and has a significant market share. In this case, the star product is Vintage Grain and Egan's 10 year Old Single Malt

Cash Cows: Cash cows are products that dominate their market despite having little growth. For the business, these products produce considerable cash flow and profitability. They could offer financial security and may not require a significant investment. In the case of Egan's Whisky, their Cash Cows product is Egan's Centenary Limited Edition.

Question Marks: Question marks are products or business units with a strong market growth potential but a low market share. They are sometimes referred to as problem children or wildcats. Due to the possibility that they will succeed or fail, these products need to be carefully chosen. In the case of Egan's whiskey, the question mark products are

Dogs: Dogs are a product or business unit that has a small market share and a slow rate of market growth. They often only make small earnings, and they might not have much future promise. In this case, the dog's products are 3 Sq Miles Cask Aged Irish Gin.

5) CONCLUSIONS

In the end, it can be concluded that the brand Egan's Whisky has built its legacy in the spirit sector with its different strategies. In their way of managing the business, they are facing so many problems and threats. Those are described below using a brief SWOT analysis.

SWOT ANALYSIS

Strength ● Wide product range ● Good Brand Reputation	Weakness ● Overdependence on the whiskey market ● Less reach to the global market
Opportunity ● Growing Market ● Expanding to new market	Threat ● Change in the regulations ● Consumers drinking behaviour change

Figure: SWOT Analysis

(Source: Self-Created)

The brand Egan's whiskey has so much strength in the market. They have built a good brand image of their in the sector which is helping them a lot in managing their business. On the other hand, they are having different weaknesses in the same sectors. They are over-dependent on whisky and have expanded their product line to other products in the SPIRIT sectors, also they have not yet established a good brand presence in the global market which is a big weakness of them. Though they still have opportunities. The spirit market is growing very fast. Elgan's Whiskey can use this opportunity and build a good brand. They can also expand their business in different countries. The brands are having a good threat with the changing regulation in different countries and the changing consumer behaviours.

Problems and Opportunity

In conclusion, it has been identified that the brand has several internal and external problems. They are stuck on a single product which becomes their key issue for market growth. Also, the changing market and the changing regulations in the spirit sector is also big issue in their business. The study also concluded that the brand has many opportunities in the market as the spirit market is growing very fast. They can utilise these opportunities to increase their brand value and brand profit.

6) RECOMMENDATIONS

6.1) SOLVING INTERNAL PROBLEMS

To solve the issues faced by the company Egan's Whiskey they need to develop a strategy and follow them accordingly. The company is recommended to follow the below steps in order to solve their internal issues.

Diversification of Products: Egan's whiskey brand was facing several issues due to its overdependence on a single product. They are recommended to increase their product line and add some more products from the spirit sector in order to reduce the dependence on whiskey. Diversification improves brands financially (Tien and Ngoc, 2019). This diversification will also help them in increasing their market share in the spirit market. Also if any regulation change happens then it will affect the company much because they will have more products to give backup.

Advancement of Technology: One more issue seen in the brand was the use of old technologies. Thus they are recommended to enhance their technologies. This will help them in building a good supply chain by automating them and giving the consumers a good customer experience. They are also recommended to develop a digital presence that will be really helpful for them to build a better business. With the creation of a digital presence, they will be able to reach more customers and generate sales from them. Many companies have increased their sales using digital marketing and digital presence. Thus it is being recommended to Egan's Whiskey.

6.2) GROWTH STRATEGY

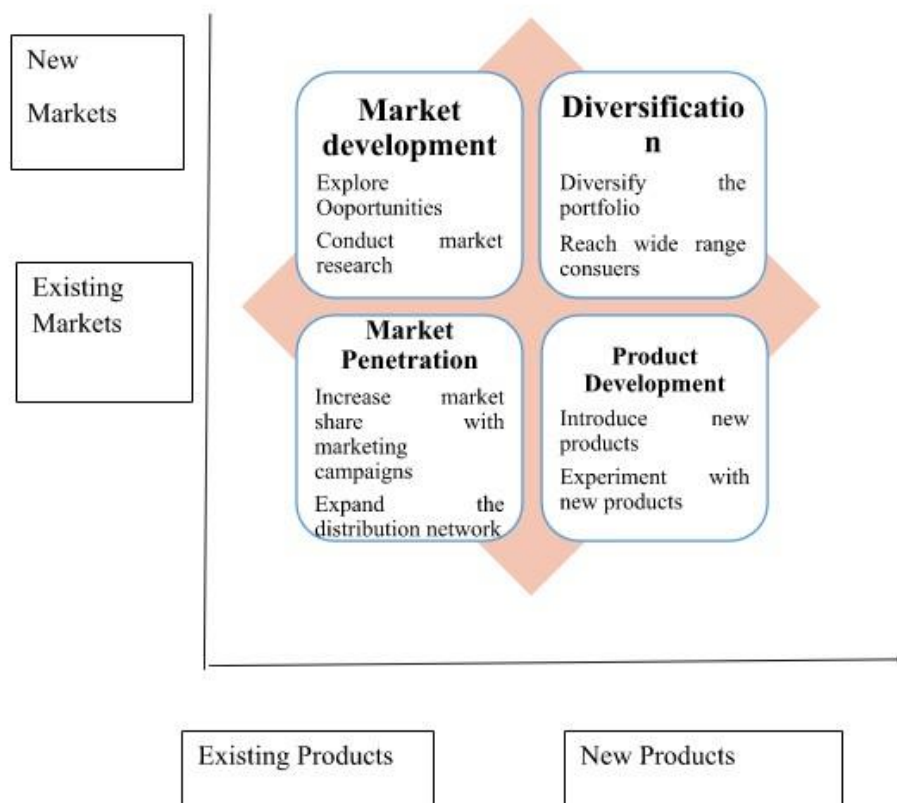


Figure: Ansoff Matrix Of Egan's Method
(Source: Self-Created)

Market Development

In regions where there is a rising demand for whisky, Egan's Whisky may be able to access new markets. The business can identify nations or regions with little opportunity through market research and analysis, and then create specific marketing strategies to appeal to consumers in those locations. This could entail changing brand messaging, packaging, and distribution methods to accommodate the unique cultural quirks and consumer preferences of other markets.

Diversification

Egan's Whisky may think about diversifying in order to reduce risks and increase its market share outside of the whisky business. This may include experimenting with related alcoholic drinks like handmade cocktails or expensive whisky. As an alternative, the business might

look at non-alcoholic possibilities like whiskey-infused goods or partnerships with other companies in the food and beverage sector. Egan's Whisky can expand its consumer base and access new revenue streams thanks to diversification.

Market Penetration

The primary goal for Egan's Whisky can be to grow its market share in the current whisky market. The business can launch aggressive marketing initiatives to target current consumers and attract new audiences by using its brand reputation and unique product offerings. In order to further penetrate the market, distribution networks can be expanded and ties with retailers and bars can be strengthened.

Product Development Egan's Whisky may spend money on product development in order to respond to changing tastes among consumers and enter new market areas. This may require releasing brand-new, cutting-edge whisky items like limited-edition releases, flavour variants, or unique conditioning processes. The business may attract a wider customer base and differentiate apart from the market by consistently experimenting and diversifying its product line.



References

Baranyai, T. and Kozma, M., 2019. Family Firms with New Leaders in the Global Market–A Potential Success Story?. *Acta Oeconomica*, 69(S2), pp.131-162. Available through: DOI: 10.1556/032.2019.69.S2.6 [Accessed 27 May, 2023]

Ghahremani-Nahr, J. and Nozari, H., 2021. A Survey for Investigating Key Performance Indicators in Digital Marketing. *International journal of Innovation in Marketing Elements*, 1(1), pp.1-6. Available through: <https://ijime.ir/index.php/ijime/article/download/4/1> [Accessed 27 May, 2023]

Kupc, B., 2020. *The impact of consumer knowledge on exploratory purchasing behaviour: Whiskey Consumer Perspective* (Doctoral dissertation, Dublin, National College

Ghahremani-Nahr, J. and Nozari, H., 2021. A Survey for Investigating Key Performance Indicators in Digital Marketing. *International journal of Innovation in Marketing Elements*, 1(1), pp.1-6. of Ireland).

Murphy, J., 2020. College Cocktail Competitions (1980-2020)-Version 1.

PRnewswire, 2019, Egan's Irish Whiskey and Fire Dept. Coffee: A Partnership Made in Coffee Heaven, Available through: <https://www.prnewswire.com/news-releases/egans-irish-whiskey-and-fire-dept-coffee-a-partnership-made-in-coffee-heaven-300953396.html> [Accessed 27 May, 2023]

Putra, D.S., Yulianti, F. and Abdurrahim, A., 2020. Attracting customers interest through celebrity endorses for marketplace. *JDM (Jurnal Dinamika Manajemen)*, 11(1), pp.84-92.

Statista, 2023, *Alcoholic Drinks - Ireland*, Available through: <https://www.statista.com/outlook/cmo/alcoholic-drinks/ireland#:~:text=Revenue%20in%20the%20Alcoholic%20Drinks,US%242%2C665.00m%20in%202023.> [Accessed 27 May, 2023]

Tien, N.H. and Ngoc, N.M., 2019. Related and Non-related Diversification Strategy of Domestic Business Groups in Vietnam. *International journal of advanced research in engineering and management*, 5(7), pp.12-17. Available through: https://www.researchgate.net/profile/Nguyen-Tien-32/publication/338719842_Related_and_Non-

[Related Diversification Strategy of Domestic Business Groups in Vietnam/links/6177dd913c987366c3ea95ca/Related-and-Non-Related-Diversification-Strategy-of-Domestic-Business-Groups-in-Vietnam.pdf](#) [Accessed 27 May, 2023]

Vermunt, D.A., Negro, S.O., Verweij, P.A., Kuppens, D.V. and Hekkert, M.P., 2019. Exploring barriers to implementing different circular business models. *Journal of Cleaner Production*, 222, pp.891-902.

