



GREY GOOSE®

Mocktails

Mission, History, Growth

Mission:

“We believe in boldly savoring life's pleasures, finding delight in the simple luxuries nature offers and reveling in the sensorial experiences. We celebrate and appreciate the good things in life, in a way that only the French can.”



History:

Grey Goose was founded in Cognac, France, in 1997. The brand's founder Sidney Frank was an experienced marketer that was well known for his campaign promoting Jägermeister, a massive success at the time. After this feat, Frank wanted to use his skills to break into the vodka market, which was one of the most competitive beverage groups at the time. Competitors such as Absolut and Smirnoff had already been known and trusted by consumers since the early 1900s. In order to break into this market, Frank decided to focus his new brand on becoming a premium option. By carefully pricing their vodka considerably above competitors, Grey Goose was able to effectively craft the successful luxury brand that we know today.

Growth:

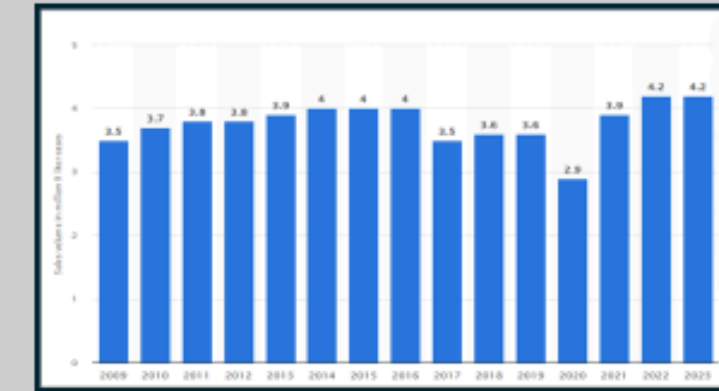


Figure 1. (Grey Goose Sales Growth)

Grey Goose's performance has been historically strong since its founding. In the first five years of operation, the brand saw a 1700% increase in sales. The brand's sales continued to mature as they began to introduce new, but limited, offerings to diversify their product line. These efforts maintained reduced growth of around 13% annually for the next couple years. However, the brand's reluctance to further invest in broadening their offerings has affected their growth recently. Specifically, 2023 sales growth was a disappointing 0%, emphasizing the brand's pressing need for innovation.

Social and Environmental Impact

Environmental Change:

Ambitious Sustainability Goals

- Reducing North American distillery emissions by 50%.
- Targeting net-zero emissions by 2030, setting industry benchmarks (Murdoch, Bacardi ESG).

Concrete Actions

- Sustainable production practices, including efficient distillation and eco-friendly packaging.

Addressing Social Change:

Tackling Alcohol Misuse

- Training bartenders to serve responsibly, creating enjoyable experiences without excessive drinking.
- 'Less is More' campaign: Encouraging moderation and non-alcoholic options.
- Collaborating with 12 industry leaders to promote safe consumption (IARD).

Modern Ethical Appeal

- Resonates with values of ethical consumers, improving well-being and enhancing brand image.

SWOT Analysis

Strengths <ul style="list-style-type: none"> • Trusted Craftsmanship • Strong Brand Recognition • Distinctive Brand Identity 	<ul style="list-style-type: none"> • Reputation for premium quality, blending French spring water with carefully curated winter wheat • Premium positioning appeals to high-end consumers willing to pay more for luxury spirits • Among the world's top three most recognized vodka brands; 82% of spirits drinkers recognize the name and iconic bottle design.
Weaknesses <ul style="list-style-type: none"> • Limited Product Diversification • Lagging in Flavor Innovation • Absence in Non-Alcoholic Market 	<ul style="list-style-type: none"> • Focus on core vodka offerings may limit the brand's ability to compete in emerging product categories • Competitors like Cîroc and Absolut have captured market share through extensive flavored drink portfolios • Lack of presence in the rapidly growing mocktail and non-alcoholic spirits segment
Opportunities <ul style="list-style-type: none"> • Product Line Expansion • Collaborations and Partnerships • Sustainability Initiatives 	<ul style="list-style-type: none"> • Leverage trusted reputation to enter non-alcoholic mocktails and flavored vodka markets • Partner with luxury brands or celebrity ambassadors to further solidify high-end positioning • Enhance appeal to eco-conscious consumers by adopting environmentally friendly practices in production and packaging
Threats <ul style="list-style-type: none"> • Intense Competition • Lifestyle Shifts • Economic Downturns 	<ul style="list-style-type: none"> • Brands like Cîroc, Absolut, and Smirnoff are aggressively investing in diversified offerings and marketing • Rising demand for non-alcoholic alternatives could reduce traditional vodka sales • Luxury positioning makes the brand vulnerable to economic instability, where consumers may opt for more affordable options

STP Analysis

- The management of the Grey Goose brand has consistently developed market segmentation strategies around their established premium image. These strategies target both psychographic and demographic market segments, aiming to attract affluent consumers who seek exclusivity and sophistication.
- Founder Sidney Frank utilized the practice of “irrational value assessment” through the pricing of their offerings. By charging \$50 for their 1.75L bottles, a price significantly greater than competitors like Titos and Svedka targeted consumers naturally assumed Grey Goose to be a higher quality or more exclusive product.
- Grey Goose used a combination of product donations to high-class events, strategic product placements in shows like *Sex in the City*, and partnerships with artists such as Jay-Z and Kanye West, along with sponsorships of prestigious events like the Grammys and Cannes Film Festival, to establish itself as an elite, globally recognized brand associated with luxury and trendiness.



Recent Product Placement in Netflix show, *Emily in Paris*

Introducing: Grey Goose Premium Mocktails



Product Description

- This new collection from Grey Goose will be an introduction of a new genre of premium mocktails, designed to deliver the sophistication of iconic cocktails without the alcohol.
- The collection will feature top-shelf selections including the Mojito, Cosmopolitan, Sea Breeze, and Moscow Mule.
- These flavors will be crafted using high quality, all-natural ingredients, enhancing the mocktails' appeal as a healthier and more refreshing alternative.
- The products will be packaged in elegant single-serving glass bottles that replicate Grey Goose's signature frosted glass presentation to ensure product recognition.

Strategic Rational

- The mocktail market does not have a dominate premium offering; many high-quality top-shelf selections are not widely available as mocktails.
- Grey Goose would be especially suited to introduce these offering due to its prominent use in their traditional alcoholic counterparts. The brands association with the traditional offerings will create credibility for the brand to deliver non-alcoholic options that will maintain the same high standards of quality.
- The introduction of this mocktail collection would address the main opportunity and threat relevant to Grey Goose. Specifically, this product development will allow Grey Goose to compete with other companies that have already invested in adjacent beverage verticals.

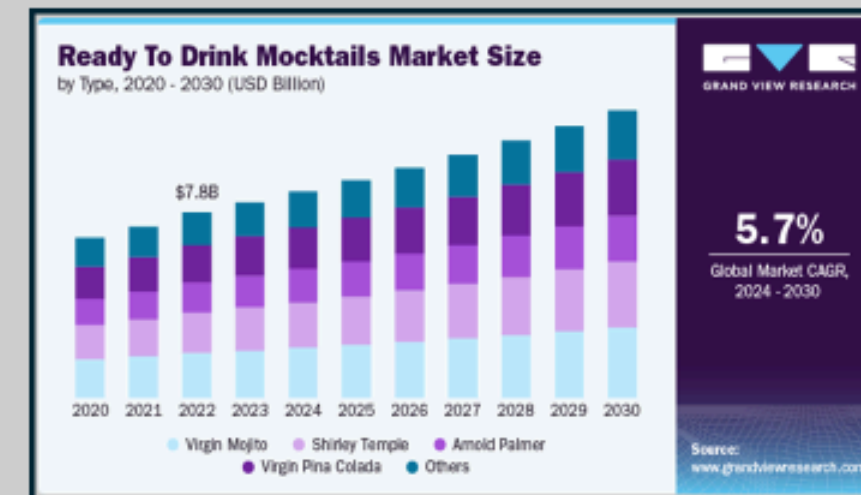
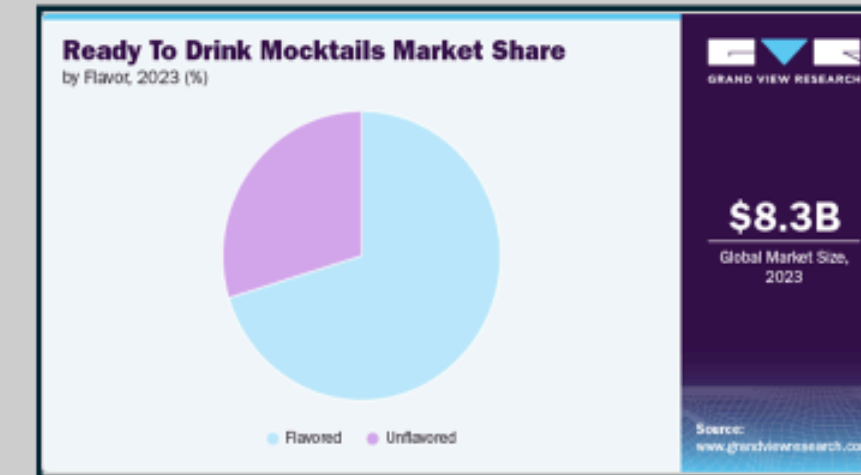
Selected Markets Commentary

Market Description:

- Mocktails are non-alcoholic beverage offerings that replicate the taste and presentation of traditional cocktails. This market has seen staggering growth recently, with many young consumer now exploring a sober lifestyle.
- Many new brands have emerged hoping to capitalize on this unrivaled growth, catapulting the value of the mocktail market to \$8.3 billion in 2023.

Growth of the Market:

- This growth is projected to continue over the coming years, becoming 12.39 billion by 2032.
- Overall, the Mocktail market is an extremely advantageous opportunity for investment, with a large amount of market share opening for new competitors.



Selected Customer Segments: Description & Evaluation

- Grey Goose will target consumers that are **young, trendy, and health conscious**. Most of the selected individuals will be urban professionals over the age of 23. These customers have been found to value “purpose-driven advertising” that relates to the 34% of Gen Z who want to try new drink products if “it’s marketing aligns with the sober curious lifestyle.”
- The rise of wellness influencer culture has made the health-conscious, younger generation an appealing market segment due to its rapid adoption of the latest health trends. Already, “61% of Gen Z and 49% of Millennials are trying to drink less in 2024” to improve mental and physical health and make a lifestyle change. With such large numbers avoiding alcohol, there is no better time than to introduce mocktails to people still looking to be social.
- Many people in younger generations look towards influencers for tips on how to live out certain lifestyles, with wellness trends being on the rise. In 2024, 24% of Gen Z tried a non-alcoholic beverage for the first time because “a celebrity or influencer endorsed it.” Since this segment of people is growing, Grey Goose mocktails will have a strong base of supporters and will be able to grow quickly.



Segmentation Strategy

Demographic Segmentation

- **Age:** Focus on millennials (25–40) and Gen Z (18–24) who prioritize health-conscious lifestyles and social drinking alternatives.
- **Income:** Target middle to high-income individuals who value premium, luxury experiences.
- **Lifestyle Stage:** Appeal to young professionals, new parents, and older adults reducing alcohol consumption.

Psychographic Segmentation

- **Health-Conscious Consumers:** Individuals embracing wellness trends, such as mindful drinking or sober curiosity.
- **Social Moderators:** People who enjoy the social aspects of drinking but prefer non-alcoholic alternatives.
- **Sustainability Advocates:** Consumers who prioritize environmentally responsible brands.

Behavioral Segmentation

- **Occasion-Based:**
 - **Celebrations:** Weddings, baby showers, and corporate events where non-drinkers need inclusive options.
 - **Everyday Enjoyment:** At-home entertaining and casual gatherings.
- **Usage Rate:** Light drinkers or those avoiding alcohol entirely but seeking high-quality beverage experiences.
- **Brand Loyalty:** Existing Grey Goose consumers open to new product extensions.

Geographic Segmentation

- **Urban Areas:** Target cities with strong wellness trends and diverse social settings (e.g., New York, Los Angeles, London).
- **Global Markets:**
 - North America and Europe: Established markets for premium products.
 - Asia-Pacific: Emerging markets where non-alcoholic options are growing in popularity.

Cultural Segmentation

- **Non-Alcoholic Norms:** Regions or cultures where alcohol consumption is minimal or avoided, offering inclusivity without alienation.
- **Cultural Celebrations:** Leverage festivals and holidays to promote premium mocktail alternatives.

Selected Target Markets Commentary

1.

Sober Curious Consumers:

Individuals who are exploring sobriety or reducing alcohol consumption, seeking non-alcoholic options that align with their lifestyle. This market often overlaps with the health-conscious customer segment that the mocktail line aims to capture.

2.

Luxury Seeking Consumers:

Customers who admire Grey Goose's premium brand image and are looking for a mocktail that offers the same high-end quality and craftsmanship, allowing them to enjoy an elevated experience without the alcohol.

Selected Positioning Strategy Commentary

- The mocktail collection is positioned as a refined, upscale drink made for those who enjoy, or are curious of, a sober lifestyle. Customers will recognize its craftsmanship and quality, mirroring the same prestige as the original Grey Goose vodka. In order to reinforce this position, the mocktail line will only be available for purchase in high-end retailers.
- In terms of price, which will be clarified on the next slide, the product's pricing will further position the mocktail as a higher-quality good. This strategy positions the Grey Goose mocktail as a premium, luxury product, setting it apart from competing offerings in the market.



Pricing Strategy: “If it isn’t broken, don’t fix it”

Average Competitor Price (750ml): ~ \$20.57



~ \$21.89

~ \$13.49

~ \$24.99

~ \$21.89

Grey Goose Average Price (750ml): ~ \$34.49



- Grey Goose has traditionally implemented a competitor-based pricing strategy, positioning its prices above the average cost of entry level competitors. This approach has helped the company successfully outperform many other competing entities in the vodka industry, while also establishing its coveted premium image.

- The new line of Grey Goose mocktails will replicate this image in the emerging non-alcoholic beverage vertical. These new products will thus follow the aforementioned pricing strategy, trusting that it will create the same results as achieved with the company's primary product.

Average Competitor Price (six-units): ~ \$23.09



~ \$17.49

~ \$20.94

~ \$23.99

~ \$29.94

Grey Goose Mocktail Price (six units): ~ **\$38.48**



- Grey Goose currently charges 60% more for their vodka than the four largest entry level competitors. The company will use this same premium price gap to derive the cost of the mocktail line.

- The average cost of the four largest entry level mocktails competitors is currently \$23.09 for six units. Therefore, the Grey Goose mocktail line should be **\$38.48** for six units to maintain the same premium pricing.

Thank you!

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