

SUNTORY WHISKY MARKETING PLAN

Summer 2020

Kampai Group

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INTRODUCTION AND BACKGROUND → Fabiana Gautier

“Whiskey” or “whisky” comes from the Gaelic word *uisge beatha (uisge in short)*, which means “water of life.” However, there has been a constant doubt about the spelling of this spirit, and actually, both words are correct.

The spelling of the word depends on where the spirit comes from. For example: if the spirit comes from Scotland, Japan, Canada, Australia, England, Finland, Germany, India, or any part of the world except the United States or Ireland, the correct spelling would be “**Whisky.**” However, it comes from either the United States or Ireland; it is spelled “Whiskey.”

The origin of Whisky began in 1000-1200 AD (*Anno Domini*, Latin for “in the year of the Lord”) when traveling monks brought distilling techniques from mainland Europe to Scotland and Ireland as a solution to the unavailability of wine. The Scottish and Irish monasteries, lacking grapes, turned to the fermentation of grain mash, resulting in the first distillations of modern whisky.

The first type of whisky ever made was single malt. This blend, created in 1494, came to exist due to the abundance of barley in Scotland. This whisky is made of 100% barley, which is “malted” by soaking the grain in water for a couple of days. As a result, enzymes are released and unfermentable starch is converted into fermentable sugars.

The name “single malt” comes from the fact that this type of whisky is produced at a single distillery, using only malted barley as a grain.

Most often, there is a misconception that all whisky can be called Scotch. However, in order for a Whisky to be called “Scotch Whisky” it must be made in Scotland. This category has

both single malts and blended whiskeys in it. This rule also applies to Bourbon Whisky, which can only be made in America.

Nevertheless, how did the art of distillation arrived to Japan? How did Suntory become one of the best distilleries in the world?

It all started in 1918 when the company Settsu Shuzo sent Masataka Taketsuru to Scotland to study organic chemistry at the University of Glasgow to expand his previous knowledge about crafting alcoholic beverages (which he obtained at his family's sake brewery for Japanese alcoholic beverages), to create Japan's first genuine whisky.

Taketsuru started focusing on the art of distilling and after three apprenticeships in Scotland, Masataka Taketsuru became the first Japanese to master the art of whisky distillation.

In 1920 he and his newly-wed Scottish wife Rita returned to Japan. Sadly, as a consequence of the recessions after World War I, Settsu Shuzo decided to leave the whisky project aside, leaving Taketsuru heartbroken as his dream was no longer going to materialize.

However, Kotobukiya Limited's (now Suntory) founder Shinjiro Torii, was looking for someone to help him pursue his dream which was to create an authentic whisky born from the Japanese climate and suited to Japanese palates.

In 1923 the company hired Masataka (the only Japanese who possessed the knowledge about how to produce whisky) to direct building Japan's first single malt distillery, Yamazaki Distillery and produce the first Japanese whisky.

Suntory Shirofuda (white label) was the name of Japan's first genuine whisky which was created and introduced to the market only six (6) years after founding Yamazaki. Nevertheless, this spirit did not appeal to the Japanese consumers. It was not until Suntory's second attempt to

penetrate the market that all efforts done by both Masataka Taketsuru and Shinjiro Torii started seeing results. Suntory Kakubin was a complete hit and 80 years later, the square bottle continues to be Japan's #1 best-selling whisky.

In 1934, eleven (11) years after Yamazaki Distillery was founded, Masataka left the company to start his own distillery which is now known as Nikka Whisky.

I. EXECUTIVE SUMMARY → Pannin Poopat & Fabiana Gautier

Suntory's marketing plan will be emphasizing on two main goals. Our first goal is to increase Suntory's popularity in the U.S. market, along with our first objective of increasing brand and product awareness by advertising through several marketing channels. The goal is to ensure that all products are approachable throughout the customers' journey. The second objective is to continue to position Suntory and its wide range of premium products and outstanding customer service, as a "premium" brand in the minds of targeted consumers.

Our second goal is to increase Suntory's market share and profitability. The first objective for this goal is to enlarge market share in the American market from 2% to 5% in the next three years, mainly by developing an effective marketing strategy. The second objective is to increase the company's profitability in the U.S. market from 14% to 20% in the next five years by implementing the right marketing strategy that enables the company to grow the size of new customers while retaining existing customers. Additionally, the distribution channels should be enhanced and expanded in order to achieve this objective.

Furthermore, in this paper, we discuss multiple marketing tactics and IMC activities that undoubtedly will benefit and lead Suntory towards the mentioned goals. Some of the tactics that we will discuss further in this marketing plan are CRM (Customer Relationship Management),

enhancing the relationship with online and offline distribution channels, partnering with online channels for a sweepstake, cooperating innovative devices to encourage call-to-action, and other marketing strategies needed to meet the goals and objectives previously mentioned. .

II. *SITUATION ANALYSIS*

A. The Internal Environment

Review of marketing goals and objectives → Kampai Group

- Target niche audience of high end consumers and whiskey fanatics
- Expand US market share
- Portray Suntory whiskies as a brand with a wide array of premium products (ranging from high end to super premium)
- Increase single malt whiskey popularity
- Increase profitability

Explain how these goals and objectives are being achieved.

All goals and objectives mentioned above are being achieved by firstly, using the advertisement throughout the media mix to increase the popularity of Suntory whisky through raising awareness of the brand as a high end and quality brand among the existing and potential target consumers. Along with the ensuring of the product availability in high end hotels and restaurants. Plus, the wide array of premium whisky products is also being portrayed, in order to establish the company's brand image as "high quality" and "premium" in the consumers' perception. In addition, the goals can be obtained by increasing Suntory's competitive advantage to be more prominent among it's niche market in the U.S., as well as enhancing the distribution

channels and marketing strategies to retain and acquire customers. Thus, the projected results are the growing marketing share of Suntory's whisky in the U.S. market, together with the rising of the company's profitability.

Mission statement: → Zifan Chen

Suntory Group:

"To create harmony with people and nature."

*"Our **Mission** is the fundamental reason for **Suntory** to exist, and guides and inspires our organization. We will focus on the needs of our customers and consumers. We deeply respect nature and will strive to protect the environment."*

Suntory Whisky:

Born from the Japanese way, speaking to the soul and awakening our senses, taking us back to where it all began. Suntory Whisky embodies the harmony that exists between Japanese nature and Japanese people.

Suntory Whisky is the fusion of the delicate forces of Japanese nature itself combined with the passion and precision of the best Japanese artisans.

The goals and objectives are consistent with Suntory whisky's mission as this organization is proud of the harmony between humans and nature that exist in their whisky. Therefore, we hope to orient our brand as high-end products that can provide customers with a premium experience. The border mission of Suntory Group emphasizes its existence and

customer satisfaction. In this case, we hope to generate a reasonable profit by satisfying customers' needs. Suntory will also take its social responsibility to keep the harmony between human and nature by caring about environmental issues.

Review of current marketing strategy and performance

→ Zifan Chen

According to the research from Accurate (2015), the main purpose of the Suntory whisky business is to increase the revenue and profit in the past few years. Suntory has increased the competitive power of its products by reinforcing the products management and redefining the distribution channels strategy. Meanwhile, Suntory developed effective marketing strategies to promote its core whisky brands by focusing on customers' demand. Firstly, Suntory tried to grow its core business by stimulating consumption according to different whisky drinking occasions of customers. Secondly, Suntory focused on customer-centric innovation to enhance the brand value for target customers which was predicted to increase customer participation. Thirdly, Suntory has improved the customer service to build up a solid relationship between customers and the brand.

In Suntory Group's latest strategy announcement (2020), the general strategy of its spirits business aims to enlarge the business scale by continuously developing the brand value and focusing more on strategic brands. At the same time, Suntory should provide customers with qualified products and services by increasing investment in the product development process, marketing strategies, and selling strategies. For the global whisky business, the key point is still to ensure the quality of products and to keep good customer relationships.

→ Mariana Pinedo

It is important to note that as of June 21st 2020, Beam Suntory has participated in the advertising boycott against Facebook. Following recent posts from President Trump, many advertisers are abstaining from the platform due to the way they handle misinformation and hate speech. All Facebook ad spend across Beam Suntory's portfolio has been cut for the entirety of

July. At least \$604,500 in ad spend has been confirmed to be cancelled from the firm. Beam Suntory will reevaluate as to whether they will make changes beyond July. This change will lead to massive changes in their marketing strategy as the firm will need to reevaluate how they will reach their target audience during this time. During a time where lockdown is still taking place in the US due to the pandemic, digital marketing and e-commerce has become a critical component of the firm's strategy. Although the details of the reallocation has not been confirmed, a focus on digital marketing would be highly beneficial due to the crisis.

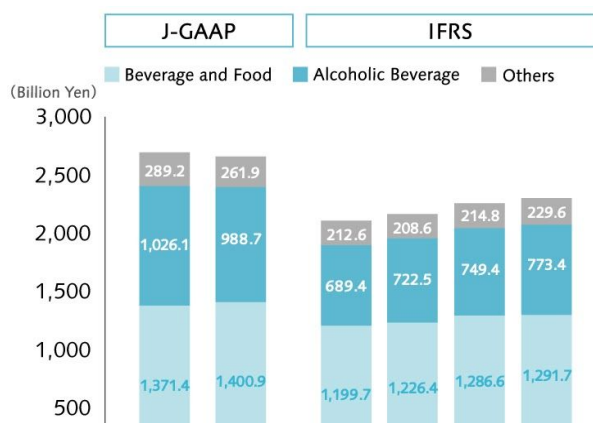
→ Mariana Pinedo & Fabiana Gautier

According to Suntory's financial statement the company's performance in a 12-month gap, ending on December 31, 2019, we can appreciate that the company has concentrated in expanding in Japan and internationally the alcoholic beverages segment (this segment includes spirits, beer, wine and other alcoholic beverages).

Overall, Suntory grew by 2% during a one year period with a revenue (excluding excise taxes) of ¥ 2,294.7 trillion in 2019 versus ¥ 2,250.8 trillion in 2018.

The brand's revenue (excluding excise taxes) has seen a 9.2% increase in its revenue between 2016 and 2019 and is expected to grow by about 2.8% during this year (2020). However, it is unclear whether the forecast has been adjusted given the current nature of the global economy.

We can also appreciate a growth in the operating income of 3.5% (¥ 259,646 million (2019) - ¥ 250,859 million (2016)), meaning that the company was able to control the manufacturing costs and other expenses, while managing to increase its revenue.



The company's goodwill decreased from ¥867,986 million in 2018 to ¥857,328 million in 2019. If we break it down, we can appreciate

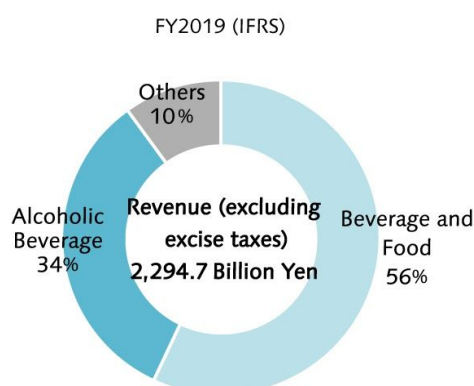
that 71.6% comes from the Alcoholic beverages Segment (¥609,292 million), 28.9% from the Beverages and foods (¥250,685 million), and the 0.4% is from other segments not disclosed in the financial statement.

All things considered, we can confidently say that Suntory has a high level of awareness among customers and by so, creating a possibility to increase the level of awareness in the market of the Americas when it comes to Japanese Whisky.

Focusing on the alcoholic beverages segment, the revenue (excluding excise taxes - internal taxes that are levied on the sale of goods (alcohol, fuel, and tobacco) and services) at the end of 2019 was of ¥ 773.4 billion, an increase of 3.2% compared to the ¥749.4 billion generated the year before.

Revenue, including excise taxes in 2019, was ¥2,569,230 trillion, which ¥297,744 million belongs to the revenue media in the Americas in the alcoholic beverage segment. This said, we can appreciate an increase of 11.8% in one year if we compare it with the ¥266,259 million generated 2018.

In addition, Suntory Spirits Limited recorded 7% year-on-year sales growth. Whiskys delivered strong growth, centered on strategic brands Kakubin, Jim Beam, Torys, and Maker's Mark. Besides this growth on sales, Suntory gives credit to its recent launches such as *Suntory World Whisky Ao*, which in their opinion, revived their consumers' interest. This new product, which was launched in April 2019.



*Beverage and Food: Non-alcoholic beverages, health drinks, processed food, other products

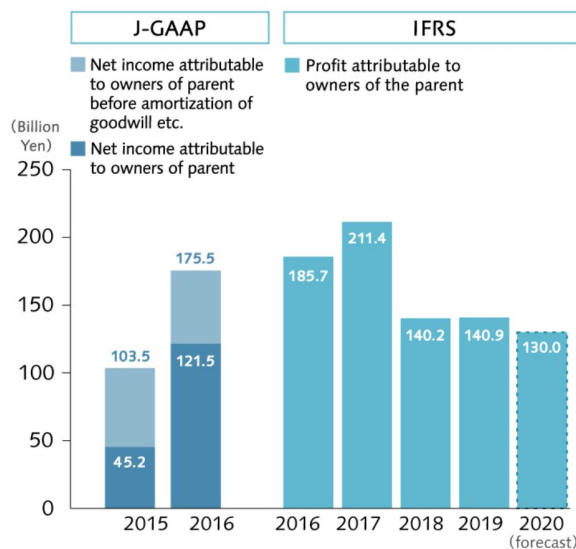
'Ao', means blue in Japanese and Suntory used it as a symbolic way to describe the ocean that connects the five largest whisky regions in the world (Scotland, Ireland, Canada, USA, and

Japan), which are used for the blend. We believe that this new bottle, which is sold out in almost every platform, helped Suntory reposition themselves in the minds of the customer. As a result, we expect an increase in the market here in the United States.

Nevertheless, why all of the sudden we see an increase of 11% in the revenue from the Americas? This could be explained by the consistent and on-growing consumer demand for premium spirits here in the United States since 2012. The increasing trend in the single malt whisky world makes us certain that we will see even more growth in the market of the Americas in the upcoming years

It is important to highlight that in Suntory's financial statement (2019), the overall revenue is forecasted to increase in 2020, but the profit is predicted to decrease. The reason for this problem can be the ineffectiveness of cost-benefit management. Due to the unstable situation of the world, the increasing cost of production and transportation make Suntory have to change the

price structure of its products. Therefore, the revenue will increase due to the high prices. However, if the margin between costs and revenue cannot cover the growth of cost, the profit will decline. Also, in an unstable situation, customers may focus more on basic needs in their daily lives, which may impact Suntory's sales to some degree.



Review of current and anticipated organizational resources

→ Mariana Pinedo

Founded in 1899, Suntory Group has accumulated a vast amount of organizational resources over the years. With over a century of operating, the firm certainly has an advantage when it comes to experience. As of December 31st 2019, Suntory Group had 40,210 employees. The firm is committed to hiring top talent known for their precision and passion. Also referred to as Suntorians, the team is the driving force behind the growth and success of the firm. The top 3 values Suntory instills in their employees are: Family, Engagement and Yatte Minahare! which roughly translates to “go for it”. As for the financial resources, the firm's consolidated revenue amassed 2,295 billion Yen (\$21B) with 34% of that coming from the alcoholic beverage segment. The consolidated operating income totalled to 259 billion Yen (\$2.4B). Given the current nature of the economy during the coronavirus pandemic, it is highly likely that the levels of these resources will or have already changed. Suntory whiskeys are widely consumed at high end restaurants and bars. As many have been forced to shut their doors, consumption is bound to decrease leading to lower sales. With a sudden cash flow reduction, many of Suntory's other resources could be jeopardized. In addition to the expected financial impact, talent could be temporarily or permanently be let go as a result. Relationships with important suppliers could disappear as many restaurants do not recover from the crisis, forcing permanent closures.

As areas in the US market continue to experience stay at home orders due to the pandemic, E-commerce has become more important than ever. Although it is important to maintain strong relationships with all suppliers, temporarily shifting focus to e-commerce vendors is absolutely key during the current crisis. Many consumers do not have access to Suntory whiskies outside of their favorite restaurant or bar, as retail vendors are less common in the US than food and beverage outlets. Focusing on e-commerce allows Suntory to reach all consumers nationwide during this trying time. Ensuring these vendors have a steady supply of products is essential.

→ Zifan Chen

In December 2019, Suntory released an announcement of reorganization which became effective a month later in January 2020. In this announcement, Suntory Group made important

decisions about the organizational changes and executive appointment of major Group Companies. Corporate Strategy Division of Suntory Beverage & Food Limited will be reorganized to promote core brand innovation and the development of new businesses across regions.

This decision indicates that Suntory Group will pay more attention to the overseas business in the following years. In this case, Beam Suntory who is responsible for Suntory's whisky business in the US market can get more resources like human resources, technology resources, and financial support from Suntory Group for promoting Suntory whisky. With additional resources, Suntory whisky is supposed to provide better customer service and conduct more effective marketing strategies.

| | Change | Purpose |
|--|--|---|
| <i>Suntory Holdings Limited</i> | Establishing Global Public Relations Department | To plan and implement public relations strategy to enhance corporate brand value globally. |
| | Changing the name of Alcohol Responsibility and Sustainability Department to Global Alcohol Responsibility and Sustainability Department | To clarify the mission to comprehensively implement policies and strategies to address alcohol-related issues from a group-wide perspective |
| <i>Suntory Beverage & Food Limited</i> | Establishing a new “Cross Region Development Department” has been established under the Corporate Strategy Division | To promote core brand innovation and the development of new businesses across regions |

According to the organizational structure, it is the Beam Suntory company which is responsible for Suntory's whisky business in the US market. Beam Suntory Inc. is an American company which is the subsidiary of Suntory Beverage & Food Ltd, which itself is a subsidiary of Suntory Holdings of Osaka, Japan (Wikipedia).

Review of current and anticipated cultural and structural issues

- **Customer orientation** → whisky - High-ended customer
- **Short-term planning** → increase the market share, long-term planning: increase the popularity of Suntory whisky as Japanese single malt whisky
- Suntory Group already made some organizational changes for its oversea business
- The organization emphasizes the relationship between company and customers and promise to deliver everything good for customers
- Suntory Group believes that they establish the brand value by accepting challenges and taking social responsibility

Suntory's current marketing strategy is to deliver brand value by establishing good customer relationships and improving customer engagement. This matches Suntory's emphasis on customer relationships. Since the target market is the high-ended market which is a niche market, Beam Suntory may better serve customers with the increased resources from organizational changes.

B. The Customer Environment → Fabiana Gautier

Who are the firm's current and potential customers? → Fabiana Gautier

In order to get a deep understanding of the users, we will start by dividing our customers into three (3) segments: Starting, medium, and experts. All three segments are located within the cities of New York, Chicago, Miami, Los Angeles, San Francisco, and Houston.

Each segment has its own buying process and “habits”, making it easier for us marketers to target and convert them into customers. After making them our customers, we will devote our time to turn them loyal customers, advocates of our brand, and our best advertisement.

To start, we will explain the segment we call “*Starting*”. This group is starting to get into the world of high-end whisky, single malt. Also, has little to no knowledge about this world and lacks the information in regards to where to buy, average price, collectible items, etc. For all the reasons mentioned above, this segment tends to buy at the duty free as their minds are more open to new things as the customer is in what we like to call “airplane mode.”

Following the Starting segment, we have the “*Medium*.” This group is characterized by having a medium-level of knowledge when it comes to the distillery world. However, they are still in the discovering phase. As a result, this segment likes to do some research yet keep it conservative by buying at local alcohol stores and online.

Last but not least, we have the “*Experts*.” The risk-takers, the hunters, collectors, with a true passion and devoted to this world who is always looking to invest in rare/expensive bottles. Besides, a good portion of this group is part of a whisky investment fund and has whisky tasting groups and has extensive knowledge and even certifications regarding whisky from different countries.

For marketing purposes, we have decided to create two (2) target audiences for the purpose of generating less waste and targeting more efficiently.

Our first target audience is our current customers: medium to heavy users. This target's demographic is composed of Male between the ages of 45 to 65, married, with a high-level of education, high-income, and with high-level of knowledge about the distillery world.

Regarding the psychographic aspects, our current customers are social drinkers, but they drink mostly at home. In addition, they are characterized by being wise investors and likes to travel and study (mostly history) and enjoys a luxurious lifestyle.

Our secondary target audience is composed of Male and female between the ages of 35 to 45, which we are considering as our potential customers, categorized as light to medium users. The person targeted within this group has a high-level of education and income, also, is in a serious relationship or married, with kids or starting a family.

Psychographic wise they are socially active, enjoy hanging out with friends and like to learn new things and they are willing to pay for experiences as well as for collectibles.

Going further, not only identify our targets, but we were also able to identify the important players in the purchase process for the firm's products which are:

Purchasers → Consumer

Users → Consumer, friends

Influencers → Whisky experts, websites, whisky groups, friends

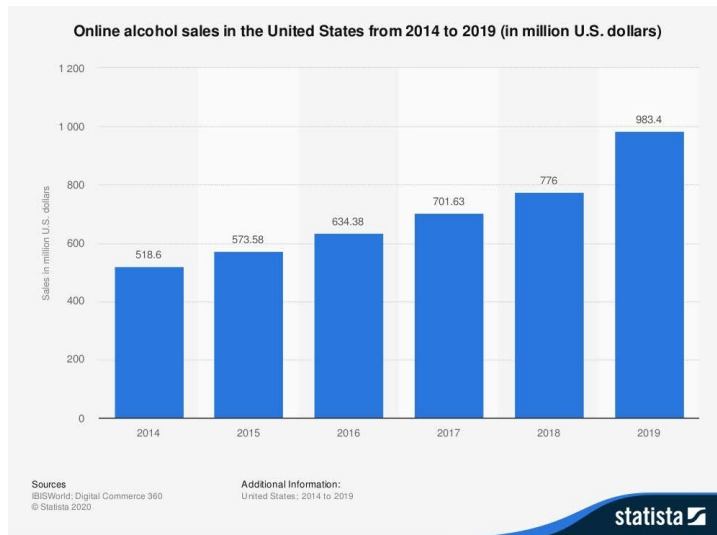
Bearer of financial responsibility → consumer

What do customers do with the firm's products? → Fabiana Gautier

Suntory is a brand that offers something that goes beyond the supreme product itself, it offers an unforgettable one. This brand focuses on delivering beyond that simple whisky they

can order at a bar. Single Malt is the synonym of success ,big aspirations and wealth, as this type of whisky is consumed by knowledgeable and experienced people.

In addition, single malt whisky’s ritual makes the simple act of drinking a true experience in every bottle they open. With every aroma found in each bottle, the connection created between



the consumer and the distillery (in this case Yamazaki) helps us marketer create that desired relationship that will hopefully end up in a loyal customer.

When it comes to the purchase of the product itself, we know that Suntory’s products are purchased online and on brick-and-mortar (duty-free, alcohol stores, high-end

bars). However, due to the technological world advancing/growing extremely rapidly, there has been an impressive growth in the online alcohol sales in the United States, especially in the period 2018 with a 776 million dollars versus the sales in 2019 which were 983.4 million dollars.

Due to COVID-19, we expect online sales to increase exponentially, as well as the trend of drinking at home, due to social distancing and safety.

It is important to highlight that the trend “drinking at home” was already popular among whisky drinkers, especially those who consume high-end brands such as Suntory.

This high-end product is consumed as a “ritual.” First is all about appreciating the smells found in the whisky. Second, the creation of the ice ball which can be handmade or made by

putting a big ice square into a copper machine that will mold it in a matter of seconds (no electricity required). Third, four (4) drops of water which are optional, are added to the whisky and last but not least, we have the fifth (5) step which is the appreciation of the body of the whisky while enjoying it.

→ Zifan Chen

Suntory is a proud eco-friendly organization. As a result, combined with the need to maintain a good image with their target customers who are often well-educated who will pay more attention to environmental issues, all whisky bottles are usually made of glasses which is a recyclable material to minimize environmental issues. In addition, Suntory whisky aims to provide premium whisky which is designed for the high-ended market, thus the brand contains a value of collection which makes people hold it for relatively longer time than other spirits. Furthermore, the Suntory group emphasized the harmony between human and nature and they announced concerns about the environmental issues in the mission statement. Therefore, it is reasonable that suntory will try their best to reduce the environmental problem during production. In conclusion, Suntory should perform well with this issue.

Where do customers purchase the firm's products?

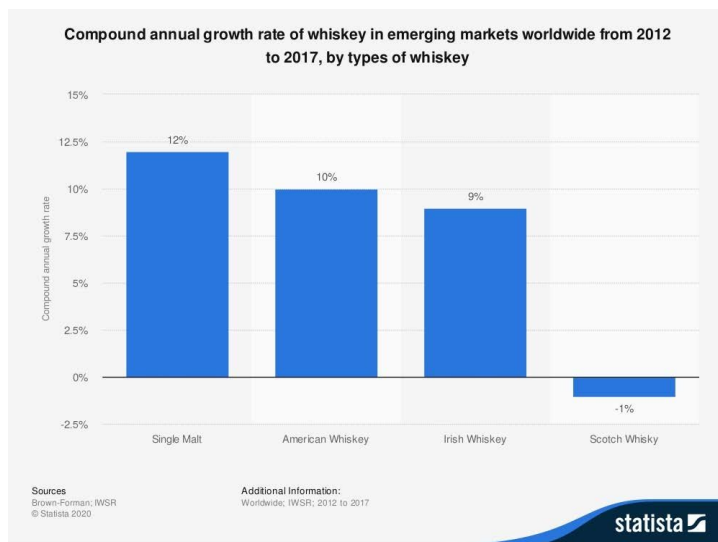
→ Mariana Pinedo

Within the US market, Suntory whiskey products are primarily available in high end bars, liquor stores and restaurants as well as specialty liquor stores and grocery stores. The premium whiskeys in Suntory's portfolio cater to a niche market of whiskey fanatics who are willing to invest in a higher quality product as well as higher end consumers in general. For this reason, Suntory whiskeys are generally not available in low-end or value retailers such as liquor stores, bars or restaurants. Suntory whiskeys are also available in e-commerce liquor retailers such as Drizly and Minibar as they offer a wide array of products ranging from value/budget beverages to super premium. Although the products are available online through third party retailers,

Suntory whiskeys are not available D2C on the Suntory website. Additionally, there currently is no Suntory retailer store within the US that sells directly to consumers.

→ Fabiana Gautier

Single malt became a trend around 2013 and it has increased its popularity exponentially for the past seven (7) years and it is expected to continue to do so. Additionally, The need for a unique experience has made this Whisky and its ritual a crowd pleaser, including a younger



audience that was not expected to be interested in such a prestigious product.

As mentioned above, online sales have increasingly become more popular and with a younger audience which undoubtedly is more tech-savvy that the current customer set this brand poses. To support our argument, nowadays, customers are

able to purchase the brand's product online, increasing the chances of a purchase as some of these bottles are not easy to find and buyers tend to buy other products when the one they want is not available. In addition, their store locator which is available through their website, allows customers to know where to buy their products and facilitates the buying process.

When do customers purchase the firm's products? → Fabiana Gautier

Purchase behavior with these types of products varies depending on the availability of the product. Meaning that if it is a rare bottle, the buyer will undoubtedly take the opportunity to acquire this product.

On the contrary, this high-end product is not consumed on a daily basis. This said, these bottles are mostly purchased as part of a collection, special events, celebrations, and other meaningful activities.

Going deeper into the behavioral aspects, the demand of the products varies depending on the knowledge of the person of the specific brand and or the rareness of the bottle.

Single malt can be consumed at any time of the year and it is mostly consumed at home due to the high- price of the bottle and the high-price of the glass at a bar or restaurant.

Why (and how) do customers select the firm's products? → Zifan Chen

Japanese whisky is modeled after the scotch tradition—double distilling malted and/or peated barley—before it is aged in wood barrels. Unlike the sweeter American bourbons and ryes, they tend to be drier, smokier, peatier, and come as single malts or blends. Suntory is the first whisky distillery in Japan and it has always been considered the pioneer of Japanese whisky. The company fulfills their promise, which is to provide customers with premium single malt whisky that is rooted in the Japanese nature and artisanship.

The competition starts at the second step of the consumer buying process, the information search, followed by the third step, the evaluation of alternatives. We believe that if we develop a relationship with the customer to create brand loyalty and as a result, the two steps mentioned above will be skipped and the customer will choose their preferred brand, Suntory.

To achieve this, an increase in the company's brand value through the customer's eyes must be achieved by increasing the faith in the value proposition of Suntory's product and also, by providing excellent customer service.

Since the target customers of this distillery are well-educated citizens with a high-income, price is not a big influence during the consideration process. Actually, this customer set is more interested in the Goodwill of the brand, the investment long-term, they are wise investors and take the time to do thorough research. Sometimes they even wait for the right time to make the investment.

This said, we, the Kampai group, believe that in order to get these customers to consider Suntory as an investment in the bottle segment, we must generate trust that will be based on the end goal of creating a long-term relationship. We aim to create a feeling of trust based on the uniqueness this brand has, the history and all past achievements that will show the customer that Suntory is here to stay and it is a brand which projections in the future only symbolize success.

Why do potential customers not purchase the firm's products? → Fabiana Gautier

We believe that potential buyers do not purchase Suntory's products as we believe there is a lack of knowledge about the different types of whisky and process of distillation which give customers an understanding of the premium price they are paying for.

In addition, most starting single malt consumers are following a trend. As a result, their go-to brands are those that are easily accessible (mostly in duty-free) and those who are extremely popular with amateurs such as Macallan or Glenfiddich.

The Whisky world is a pretty rough one, in fact, in order to completely understand why some non-customers do not choose Yamazaki distillery over the others.

First, we must start by naming some of the features, benefits and advantages the competitor brand poses, which are: Some brands are from the land where Whisky was invented,

Scotland, giving customers a level of trust in the product that Suntory as a Japanese brand can not, therefore, being the go-to option for those who are starting or want to make a safe investment.

Second, we have a fact that ties into the one above, which is word of mouth from a consumer to another. It has been proven that customers rely heavily on what their peers have to say; therefore, if the previous customers have not tried Suntory whisky, they will only talk and advocate for those commonly known.

Third, numerous brands are more accessible to consumers than Suntory and for those who are not that passionate about the whisky world, it might seem unnecessary to “hunt” or so rigorous research for a bottle when other elite brands are available online or at the spirits store located near them.

We must remember and take into consideration that in today’s world, clients (mainly millennials) want their shopping experience to be easy, convenient, fast and frictionless. If one of these parameters fails, chances are the customer will look for other options and pay for the most convenient one.

Last but not least, we encounter ourselves with a game-changer that has not been around that long, “Support Local.” This new trend has influenced thousands of Americans to support their local businesses and American brands in order to reactivate the economy and help businesses in these times of crisis. As a matter of fact, it has made several customers shift from a brand to another. Thus, American brands such as Jack Daniel’s, Notch Nantucket from the Triple Eight Distillery, and others will benefit from this perk.

For clarity purposes, we created a table in order to illustrate the F.A.B (Features, Benefits & Advantages) of the competition in this spirit’s segment here in the United States.

COMPETITORS

| Features | Benefits | Advantages |
|--|---|--|
| Some brands are from the land where Whisky was invented, Scotland. | Provides an automatic level of trust for those customers. An assurance of quality and that the value proposition of the brand is true. | Beginners and medium segments are more likely to buy this brand over a Japanese whisky brand - regardless of the history behind it. |
| Word of mouth from a consumer to another. | Customers rely heavily on their peers' reviews and recommendations. Beginners will not experiment and medium level customers will hesitate to do so. | If the referring peers have not tried Suntory, the chance of a new customer purchasing the brand are basically zero (0) |
| Numerous brands are more accessible to consumers than Suntory. | Easy and frictionless is what customers are looking for today. | Well-known brands (like Macallan) are easily accessible via several platforms (online and apps) and on physical stores. |
| Support Local | Americans feel the need to reactivate the economy, help and therefore, support American businesses. | Thanks to this movement, American brands such as Jack Daniel's, Notch Nantucket from the Triple Eight Distillery, and others, will be the preferred choice when considering a whisky purchase. |

→ Pannin Poopat

On the other hand, there are a number of features, benefits, and advantages that play a significant role in determining the key differentiation factors that highlight Japanese whisky uniqueness from other whiskey products that are being produced in the other parts of the world.

The first feature of Japanese whisky is the climate. Japan has four distinct seasons and very warm temperatures during the summer. The warm climate plays a significant role in the maturation process and leads to the advantage that Japanese whisky will be matured more quickly. Thus, resulting in the benefit of the older aged and refined taste of whisky than it actually is.

The next feature is that Japanese whisky producers use pure good conditioned mineral water in the production process and most of the companies, such as Suntory and Nikka own their water sources. The advantage of using mineral water similarly with the production of Sake is acknowledged that it gives a different trait. Along with the usage of bamboo filter, the produced whisky has unique and pure characteristics that can not be found in the whiskey produced elsewhere. Moreover, those characteristics are enhanced by the usage of a wide variety of yeast in the fermentation process. Yeast is one of the important factors that differentiate each brand of Japanese whisky. Suntory whisky has created its own strain, *suntoryeus lactobacillus*, resulting in an even further distinctiveness to its character.

The third crucial feature is the wood. Japanese whisky producers are using 200 year-old Japanese Oak or Mizunara that grows mainly in Hokkaido to make whisky barrels. This kind of Oak is considerably rare, compared to American and European Oak, and it is also more porous and softer than other kinds. Although the casks made of Mizunara are easier to be damaged and broken, this porous wood contributed to the one of a kind set of flavours that only the Japanese whisky is able to acquire.

Lastly, in the distill process, Japanese whisky producers use natural low pressure distillation, which contributes to the advantage of being able to preserve a larger number of aromas with a thinner and lighter texture of the whisky, leading to the beloved smooth and mild texture that even non-whisky drinkers can enjoy.

The information on Japanese features, benefits, and advantages mentioned above is summarized in the table below for the clearer view of the overall picture.

JAPANESE WHISKY

| Feature | Benefit | Advantages |
|--|---|---|
| Japan has 4 distinct seasons, especially a very warm climate in summer. | The whisky tastes older and more refined than the actual age. | Whisky can be matured quickly in the casks. |
| Pure mineral water is used in the production as each company's owned water source. | Japanese whisky has unique and pure characteristics. | Pure mineral water gives japanese whisky characteristics. |
| Wide variety of yeasts are used in the process of fermentation. | | Yeast gives further distinctive characteristics as Suntory whisky has created its own strain, <i>suntoryeus lactobacillus</i> . |
| The usage of Mizunara, the 200 years old Japanese Oak in barrel production. | It gives Japanese whisky a one of a kind set of flavours. | Japanese Oak is more rare, porous and softer than American and European Oak. |
| Natural low pressure distillation process. | It has the smooth and mild texture that even non-whisky drinkers can enjoy. | Low pressure distillation is keeping a larger number of aromas with a thinner and lighter texture. |

→ Fabiana Gautier

Pricing wise, after extensive research and comparing all competitive/relevant brands we decided to showcase our findings by category.

Single Malt 12 years

The Glenrothes 12 Year Old Single Malt Scotch Whisky | \$55.00 (USD) → Scotland

Glenlivet 12 Year Old (1L) | \$63.99 (USD) → Scotland

Macallan Triple Cask 12 Year Old | \$69.99 (USD) → Scotland

Macallan 12 Year Old | \$71.99 (USD) → Scotland

Macallan Double Cask 12 Year Old | \$71.99 (USD) → Scotland

Dalmore 12 Yr (750ml) | \$64.99 (USD) → Scotland

Highland Park 12 YR (750ml) | \$65.99 (USD) → UK

Nikka Yoichi 12 Year | \$159 (USD) → Japan

(Suntory) Yamazaki 12 Year Old Single Malt | \$169.99 (USD) → Japan

(Suntory) Hakushu 12 Year Old Single Malt | \$199.99 (USD) → Japan

Single Malt 18 years

(Suntory) Hakushu – 18 Year Single Malt Japanese Whiskey | \$215.00 (USD)

Macallan Double Cask 18 Year Old | \$215.00 (USD) → Scotland

(Suntory) Yamazaki 18 Year Old | \$320.00 (USD) → Japan

Macallan Triple Cask 18 Year Old | \$329.99 (USD) → Scotland

Macallan 18 Year Old Sherry Oak | \$359.99 (USD) → Scotland

Single Malt 25 years

(Suntory) Yamazaki 25 Year Old \$8,200.00 → Japan

(Won the World Whiskies Awards 2019 | World's Best Japanese Whisky & The World's Best Single Malt)

Macallan 25 Year Old | \$2,299.99 (USD) → Scotland

Blended Whisky 17 years

BenRiach 17 Year Old Septendecim | \$156.99 (USD) → Scotland

Craigellachie 17 Year Old | \$166.99 (USD) → Scotland

(Suntory) Hibiki Whiskey 17 Year | \$179.00 (USD) → Japan

Highland Park 17yo Dark Bottling Note | \$190.00 (USD) → UK

The Macallan 17 Year Old Fine Oak | \$289.99 (USD) → Scotland

Blended Whisky 21 years

Dewar's Double Double 21 Years Old | \$55.99 (USD)

(Suntory) Hibiki Whiskey 21 Year | \$565.50 - \$1,020.95 (USD) → Japan
(Won the World Whiskies Awards 2019 | World's Best Blended Whisky)

Buchanan's – Red Seal 21 Year Blended Scotch Whiskey | \$169.99 → Scotland

HIGHLAND PARK 21 YR | \$359.99 (USD) → UK

World Blends Whisky

The Amahagan World Malt | \$200 → Japan

Suntory World Whisky - “Ao” | \$200 → Japan

Ichiro's Malt & Grain (Chichibu distillery) | \$130 to \$5,000 → Japan

Findings:

In the 12 year old single malt category we found that the most competitive price is from Nikka distillery, their biggest competitor, Masataka Taketsuru's distillery. Followed by Suntory's second biggest competitor, Macallan, the Scotch brand has started the single malt trend and is considered one of the most relevant in the market.

However, this does not make the Suntory uncomfortable, as this (*Suntory*) Yamazaki 12 Year Old Single Malt | \$169.99 (USD) has won the title of being the best in the market in this category for more than 7 years in a row. Nevertheless, we believe that some customers, specially beginners, do not feel comfortable spending more than one-hundred US dollars in a bottle, giving us an explanation of why other brands might be considered before suntory.

Furthermore, we have seen extremely competitive prices throughout all the categories, except the Single malt 25 years as the price of the Yamazaki 25 Year Old is \$8,200.00, that is almost four times the price of their competitor's, Macallan 25 Year Old (\$2,299.99).

It is important to note that suntory won World's Best Japanese Whisky & The World's Best Single Malt in 2019 with the Yamazaki 25 Year Old and the World's Best Blended Whisky 2019 with their Suntory Hibiki Whiskey 21 Year blend.

Our main explanation for the non-customers not choosing Suntory over the competitor will resume in lack of knowledge, exposure and awareness. The repetitive exposure of brands such as Macallan, make Suntory basically invisible and customers like the commonly known, the safe choice, the most seen one.

C. The External Environment

Competition → Pannin Poopat

The main competitor for Suntory is Nikka Whisky, which is the second largest distillery in Japan, after Suntory. Both companies are controlling 80% percent of the market share of Japanese whisky in the U.S. The company is owned by Asahi Breweries, the global brand of Japanese beer, spirits, soft drinks, and food. The founder of Nikka worked at Suntory for 10 years from 1923, as the only japanese who knew how to produce whisky at that time. He took the leading part in producing Japan's 1st genuine whiskey under Suntory's contract. The company is

offering various kinds of whisky, such as single malt, pure malt, used barrel, 12 years old, coffee grain whisky and coffee malt whisky. The price ranges from \$59.99 - \$184.99 with 51% alcohol, compared to Suntory which mostly has 43% alcohol. The products are available in offline liquor stores across the country and online stores that provide delivery service. The company has won international awards every year, similarly to Suntory since 2015 onwards.

Other direct competitors in the U.S. market are global whiskey brands that can mostly be purchased through both online and offline channels, those brands are Jack Daniels, Glenfiddich, Macallan, Shelter Point Distillery, Triple Eight Distillery, and Teeling Whiskey. Starting with Jack Daniel, the famous American whiskey brand which was founded in 1966 as the first distillery registered in America by Jasper Newton Daniel. The brand is still one of the top-selling whiskey in the world. Jack Daniels whiskey is famous for its usage of limestone spring water and charcoal mellowing process, which gives its whisky a unique flavour with smoothness. As a 140 years old brand, Jack Daniels performed well in brand management and advertising. Their products cover from common level to high level of whiskey with the prices ranging from \$25.99 to \$109.99.

Glenfiddich offers a Speyside single malt scotch whiskey produced by the owner, William Grant and his children. Grant started by building the distillery by his hands with the help of his sons and daughters in 1887, Scotland. Glenfiddich is one of the few single malt distilleries that remains entirely family owned and the first Scottish distillery to export to other countries, marketing its whisky as a single malt. The company became the World's Most Awarded Single Malt Scotch Whisky with the 12 year old that gives creamy, smooth and mellow finish, as the product is matured in American oak and European oak sherry casks for 12 years. They offer a wide range of products, starting from \$54.99 to \$5,499.99.

Macallan Distillery was founded in 1824 in Speyside, Scotland and the product of Macallan Scotch whiskey is one of the top five globally best-selling single-malt whiskey brands at present. Apart from the brand's obsession with quality and the use of Sherry seasoned casks,

one of the main factors that contributed to the trustworthiness of the brand is advertisements, distinctively started in the 70s, aiming to create relevance of their whisky to the target consumers and to tell the story of the brand. This communication campaign led to the product's global distribution, together with the core traditional concern that "whisky is best made in raw weather", giving the sweet, rich, and spicy characteristics, Macallan successfully led their products to nowadays popularity. The product prices ranged from \$34.99 to \$309.99.

Shelter Point is a farmer family-owned farm and distillery, founded in 2011 in Vancouver, Canada. The company is one of the very few distilleries that grow and harvest barley in their own sea-side farm. The company also has their own source of filtered water from a large natural aquifer. The company uses Scotch distilling method with the belief that sea air from the coast helps complement their whiskey products. Driving by the philosophy of "prioritizing quality over quantity, coexisting with nature and sourcing locally", as well as the whisky maturing process at a few hundred yards away from the ocean, the owner, Patrick Evans believes that his whisky has a unique flavor and world-class quality. Their products can be purchased only from their website with the prices range from \$56.51 to \$119.

An American brand, Triple Eight Distillery was extended from Nantucket vineyard and Cisco Breweries, owned by Dean and Melissa Long. The distillery was established in 2000 and became the first micro-distillery of the region on Nantucket island, Massachusetts. The company's whisky products, The Notch Nantucket Island Single Malt 8, 10, and 12 years have received plentiful international awards since 2014. The owners strongly believe that the Nantucket climate, which has the mixture of cool, moist, hot, and humid, plays a vital role in the aging process, hand in hand with the distinctive warehouse ventilation that lets ocean breeze flow in. The products are rare to find with the prices range from \$350 to \$499.

In 2012, award-winning Teeling Whiskey Distillery was the first new distillery established in Dublin, Ireland over 125 years. The company is founded by Jack and Stephen Teeling, the last generation of the Teeling family who were also the owners of a small craft

distillery in the past. The core vision of the company is to combine the conventional spirit with the innovation into their whiskey products. They use Irish whiskey as a foundation then enhance it with time, barrels, and style to create complex but subtle flavour of the whisky that the company is proud of. In addition, the different bottling process allows the products to maintain the body and richness in the containers. The product prices range between \$36.45 to \$128.07.

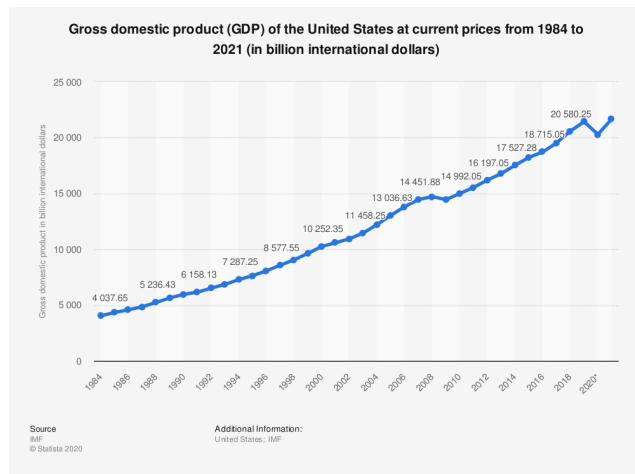
The indirect competitors are smaller Japanese distilleries, which also can be found in both online and offline stores in the U.S. Firstly, the brand called Ohishi. Ohishi whisky is made of water from the Kuma River and “gohyakumanishi” (5 million stones) rice which are organic materials. It is proud of its quality as it announced “*Ohishi Distillery makes a wonderful whisky that is sold in export markets only and is not to be considered as a Japanese Whisky*”. Their whisky prices ranged from \$60 to \$250.

Secondly, Chichibu Port Pipe. Chichibu distillery was founded in 2004 by Ichiro Akuto, and operational from 2008, it was the first new Japanese distillery since 1973. The company faithfully follows traditional Scotch whisky production methods, the distillery is trying to carve out its own distinctive character nurtured by Chichibu’s natural environment. The offering product prices are widely ranging from \$100 to \$3000.

Thirdly, Iwai Tradition, the company’s product is a blended whisky which consists of both single malts and grains. Then, Iwai whisky will be stored in casks that were used for bourbon, sherry, and wine for the aging process. As a result, it provides Iwai Tradition with harmony flavors. The company stated “*Iwai Tradition is a special tribute to Iwai and Japanese Whisky*”. The product prices ranged from \$30 to \$70.

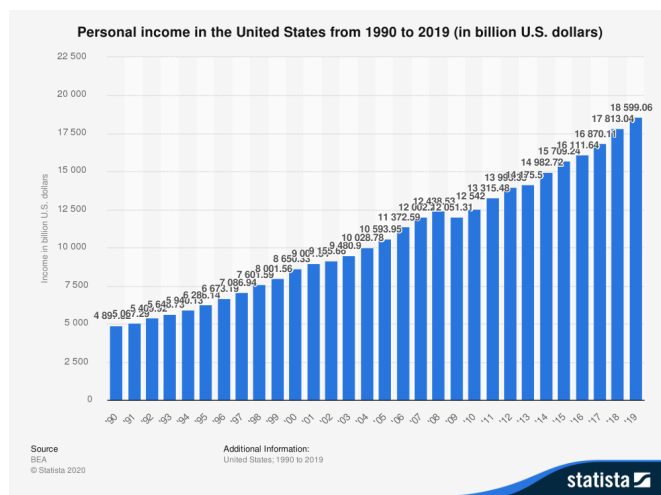
Fourthly, Akashi, the producer of Akashi whisky used to produce sake and shochu before started to produce whisky in 1919. Akashi whisky gets its popularity due to its tasty and complicated flavour. The product prices ranged from \$50 to \$200.

Economic Growth and Stability → Zifan Chen

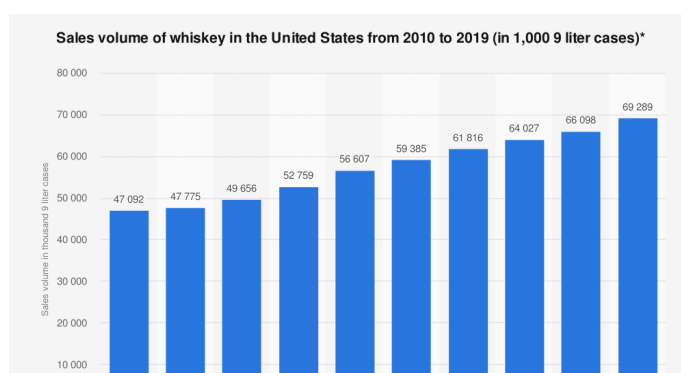


This chart illustrates the gross domestic product (GDP) of the United States from 1984 to 2019, with the prediction to 2021. The gross domestic product of the United States in 2019 has reached about 21.43 trillion international dollars. (Statista, April 2020)

There is a predicted decline in GDP in 2020 due to the pandemic of COVID-19 and then the recovery of the economy will boost the growth of GDP in 2021.



The stable growth rate of personal income in the United States indicates the ability of consumption in the US market. However, the same as the real GDP, it is predicted that there will be a decrease in personal income in 2020. This is to say that the distribution of consumer spending will be biased to basic live spendings like food and clothing instead of unnecessary consumption like spirits. It will impact the alcohol industry.



According to the bar chart shown to your left, we can appreciate how the sales

volume of whisky in the US market grew to 69 million 9 liter cases in 2019. That represents a growth of 47.1354% in a 9-year period starting in 2010 with 47.092 million 9 liter cases.

Political Trends → Pannin Poopat

The current relationship between the U.S. President, Donald Trump and Japan's President, Shinzo Abe have become better than before, resulting from Abe's high effort to invest in a close personal relationship with Trump. Despite Trump's unpredictable policies and words of criticism, regarding the relationship of Japan and European countries and his perception on Japanese automobile products as threats to America, the U.S. - Japan Trade Agreement contributes to the win-win situation allowing both countries to access each country's market with less restrictions. However, when it comes to security aspects, Trump's action towards North Korea's missile testing explicitly disregarded the safety of Japan's interests. Thus, in economic standpoints, the relationship between both countries seemed to be improving, but politically hard to project.

When it comes to political issues, COVID 19 pandemic has a tendency to create a strong political sense of nationalism amongst american citizens, as Donald Trump is a nationalist leader. Along with the tension that arose among the U.S. and other countries, especially China, the relationship of both countries turned bitter and resulted in trade war. Even Though, Japan was not affected directly by U.S.- China's tension, the awareness of the collapse of the U.S. domestic economy contributed to the feelings of "Americans should support the economy by purchasing the made in USA products." Thus, Suntory and other Japanese companies can be affected by those nationalist feelings which lead to the less consumption of imported products.

Moreover, the presidential election in fall, 2020 has a crucial role in determining the future relationship between both countries, as political viewpoints and personal relationships of the leaders can strongly influence economic ties and activities. If the new elected leader of the U.S. perceives Japan as his economic partner, both countries have a high tendency to further ease tariff, quota, and other restrictions, which might benefit the access and the flow of Japanese alcoholic products into American borders, resulting in more Imported Japanese supply available to the U.S. market.

Legal and Regulatory Issues → Pannin Poopat

The USA and Japan have negotiated and signed a new trade agreement which is now effective since the beginning of this year. There is a list of goods that are classified under the Harmonized Tariff Schedule of the United States (HTSUS). This U.S.-Japan Trade Agreement (USJTA) contributes to the reduction in limited tariffs and quota expansions, which enhance the access of Japanese exporters to the U.S. market. Even though alcoholic beverages are not listed, this trade agreement paved the way for the tendency of reducing tariffs for Japanese products and easing the United States' regulations on bottles for alcoholic beverages imported from Japan. As the U.S. requires Japanese products to be exported in specific sizes. Thus Japanese alcoholic companies are forced to produce bottles particularly for the U.S. market, which consequently put those companies in burdensome situations with production costs and exporting procedures.

Furthermore, the legal age for alcohol consumption in the U.S. is 21 years old. However, the minimum drinking age in American states does not affect the sales and market growth of Japanese whisky, by the reason that the main and potential target of whisky drinkers are above 35 years old.

Technological Advancements → Zifan Chen

Macro Level:

1. **Agriculture:** the development of agriculture will enlarge the supply of raw materials like malts which decrease the price of raw materials. The quality of raw materials will also be guaranteed due to the developed technology of agriculture. It has a positive impact on the price structure and profitability of Suntory's products.
2. **Metalworking:** the modern metalworking techniques will provide qualified distillers which are important for producing white whisky. It helps Suntory to improve the procedure of whisky production.
3. **Transportation:** Exporting large quantities of goods in a short period of time becomes possible due to the progress of the global transportation system. Suntory is now able to make sure the regular operation of its international sales.
4. **Whisky making technique:** The aging process of whisky making will stay unchanged due to the high requirement of time and experience. When seeking the mature flavor of aged whisky, technological advancement cannot help.

Micro Level:

1. **E-commerce:** Online stores expand the distribution channels of Suntory whisky.
2. **Internet Technology:** Providing better customer experience by improving customer service through online platforms.
3. **Advance website feature:** Suntory website provides a feature that allows customers to see a list of nearby offline liquor stores by entering the area zip code. Suntory is the only Japanese alcoholic brand that is offering this feature, contributing to the more convenient process for customers to find the destination to purchase Suntory's product.
4. **QR code:** Customers can track the sources of whisky production which satisfies customer concern of quality
5. **Big data analysis:** Customizing the recommendation or advertisement through big data analysis.

Sociocultural Trends → Zifan Chen

Due to the development of the economy, there is a stable growth of whisky sales in the U.S. market, which indicates the increasing demand for whisky drinkers. With a significant market scale, Suntory has more opportunities to grow its whisky business now. Although the demand for whisky has increased in recent years, quality is still the core concern of whisky buyers.

As one of the strongest makers of premium single malt whisky, Suntory should strategically emphasize on promoting the supreme quality to become a more relevant competitor marketing-wise.

Meanwhile, this spirit segment is becoming more and more competitive. We see thousands of new products coming out to the market and overwhelming customers with such a wide variety of options. Thus, Suntory must ensure and step-up their game in quality, quality control, and their marketing strategy world-wide but mainly in the U.S. in order to attract more customers and enhance brand loyalty.

The whisky-drinking culture is already established in this country. Consumers are more knowledgeable than before, which warns brands who are trying to fool their customers with standard spirits with an expensive price tag. Plus, we can not forget that nowadays, with the digital world playing an enormous role in our lives, all negative diminishing reviews about the brand are available for everyone to see and might cause fatal damage to the image of the company.

Based on a behavioral analysis done by us, the Kampai Group, we have learned that today, customers pay close attention to a brand's history while searching online for new products. With Suntory being around since 1899, and Yamazaki Distillery being the first Japanese whisky distillery founded in 1923, it gives customers a fascinating history which undoubtedly will increase their interest and will drive them to learn more and try this brand.

As mentioned before, the company's history gives them many opportunities for new/non-customers to start their journey with Suntory. However, we must not leave aside the opportunities this unique feature creates for this company to build relationships with customers and earn their trust and loyalty as they are now able to appreciate years of experience and consistency in the market.

A big threat the primary market of whisky faces is the continuous popularity the secondary market is gaining via social media platforms. We have explained throughout this document that rare, limited edition and old bottles of whiskey have become extremely popular among investors. Now with social media, collectors are able to create groups in which they trade, sell and auction these products. This poses a direct threat for Suntory as its focus and marketing efforts are all among the primary markets.

Last but not least, we have the new acceptance for young whisky. Even Though this does not affect the brand as it mainly targets the high-end market, there is still a chance this trend could increasingly appeal to the target mentioned before and the single malt elite whisky trend might lose popularity.

→ Pannin Poopat

Going into the social responsibility aspects, the beverage and alcoholic drink companies have been encountering the rising awareness and concerns on the environment, especially the packaging disposition. Even though, Suntory is not being affected by this issue, as their whisky packagings are made from glass, which is the recyclable material, the company ensures that the environment is one of their priorities, according to the corporate mission statement “To create harmony with people and nature”, by implementing the strict "Guidelines for the Environmental Design of Containers and Packaging" since 1997. The designs of their products’ packaging are made accordingly with the Guideline. For example, material selection for labels and color of glass bottles that can surely be recycled. Furthermore, Suntory has been reducing glass material

for alcoholic products by lightweighting the container, which in return contributes to the reduction of CO₂ emissions by 500 tons per year from the process of packaging production.

III. **SWOT ANALYSIS** → Fabiana Gautier, Zifan Chen, Mariana Pinedo & Xiaolin Shen

A. **Strengths**

Strength 1 → The organizational changes indicates more strategic support for the US whisky business.

→ Zifan Chen

In December 2019, Suntory has announced that it will reorganize some group companies including those involved in its whisky business of the US market. These organizational changes will clarify the oversea business strategic vision and improve the oversea marketing strategies. There will be more resources for developing its whisky business in the US market.

Strength 2 → Clear strategic vision helps Suntory to grow.

→ Zifan Chen

Suntory has a clear strategic vision for its whisky business in these years which gives them a right direction to grow. In the past years, Suntory's competitive strategy focuses on promoting its core businesses and improving the customer relationships. According to their new strategy announcement, Suntory will keep increasing its brand value by improving products quality and customer service in the next few years.

Strength 3→ Fascinating stories behind the classic Japanese whisky brand.

→ Zifan Chen

As the first Japanese whisky brand, Suntory has fascinating brand stories behind the brand which helps to establish a unique company culture and attracts customers to build up relationships.

Strength 4→ Unique production process and technique provides qualified products.

→ Xiaolin Shen

Because of Suntory's unique production process and technique, it has been widely loved by the public. For example, they select among wooden and stainless steel washbacks in the fermentation process, between different sizes and shapes of pot stills in the distillation process, and between various kinds of casks in the maturation (aging) process, creating a highly diverse variety of whiskies at every step of the process from mashing through fermentation, distillation, and maturation (aging). While the Scotch Whisky Distillery gradually began to use stainless steel fermentation tanks that were easier to control the fermentation process, the Hakushu and Yamazaki Distillery still adhered to the traditional brewing process and used traditional wooden barrel fermentation tanks. It is this persistence that allows the lactic acid bacteria accumulated in the fermentation tank to play a full role in the fermentation process, thereby enriching the overall flavor of the original wine. At the same time, the two distillation plants also have thousands of yeasts, which have undergone strict screening and fermentation, so that the traditional craftsmanship can be inherited and developed, and different flavors of original whiskey wine can be brewed. On the other hand, Suntory believes in the harmony between human and nature. The raw materials they use mostly come from the natural area in Japan which guarantee the quality of Suntory whisky.

Strength 5→ Suntory was the first Japanese Whisky distiller (Yamazaki Distillery).

→ Fabiana Gautier & Mariana Pinedo

With over a century since the firm was founded, Suntory is undoubtedly the most experienced whiskey distillery in Japan. In addition to creating exceptional product lines over this time,

Suntory has also had a head start to develop strong customer/supplier relationships, branding, company culture and much more.

Strength 6, 7 & 8→ Yamazaki distillery earned the right to be called the distillery of the year by numerous organizations and competitions worldwide on multiple occasions (2010, 2013, 2014, 2015, 2017). Yamazaki distillery has won multiple titles for “the best whisky in the world” in the single malt 12 and 18 years old and the Hakushu 25 Years Old categories. Suntory’s Hibiki 21 Year-Old has won the World’s Best Blended Whisky 6 times (2019) and it is categorized as “by far the most awarded blended whisky in the world.”

→ Fabiana Gautier & Mariana Pinedo

Awards for the distillery and products lines collectively improve the brands reputation and credibility. Credibility is particularly important for products with high price points as some consumers may be interested in expert reviews before investing.

Strength 9→ Popularity for single malt whisky has increased exponentially in the past 8 years.

→ Fabiana Gautier & Mariana Pinedo

As continual growth is seen in this category of whisky, Suntory has an advantage over competitors who do not offer single malts.

Strength 10→ Rare bottles of whisky have become highly valuable for collectors.

→ Fabiana Gautier & Mariana Pinedo

Whisky fanatics and collectors are willing to spend more per bottle than ever. Despite Suntory collector bottles pricing being less competitive for the mass market, the firm caters to another audience with high potential: high and ultra high net worth individuals as well as whisky fanatics.

B. Weaknesses

Weakness 1 → The United States is considered one of the major whisky countries in the world.
→ Fabiana Gautier

The United States is considered one of the major whisky countries in the world, with such a strong whisky production here (U.S.) there is the possibility of American preferring local brands, known brands.

Weakness 2 → Inconsistent growth of the profitability.
→ Zifan Chen

During the past 5 years, Suntory Group has had an inconsistent growth of the profitability. Although the revenue is predicted to grow in 2020, the profit is predicted to have a 1 trillion Yen decrease. This indicates the ineffectiveness of costs management and financial assets management. In this case, Suntory may raise the price of products to enlarge the gap between revenue and cost which will reduce its competitive advantage.

Weakness 3 → Supply shortage.
→ Xiaolin Shen

In order to cater to the surge in market demand, Yamazaki added two pairs of distillers to 16 in 2013. But to alleviate the serious shortage of raw wine stocks in high years, at least 10-15 years later. At present, the demand for Japanese whiskey in the world market is still growing rapidly, especially the two most important spirits consumption countries in the world-China and the United States. According to incomplete statistics, in the past 5 years, the sales of Riwei in the United States have increased by nearly 10 times, and in the past 10 years, sales in China have increased by 12 times. With the growing number of middle class in China and the continuous growth of demand for Japanese whiskey in India, Europe and South America (especially Brazil), the total output of Japanese whiskey (currently about 17 million liters) is far from satisfying the market's rapid increase in demand.

Weakness 4 → A wide variety of Suntory Whiskies is hard to find here in the U.S.

→ Fabiana Gautier

Even Though Suntory is found in the United States, we have realized that there is only a limited number of categories which can be found in stores such as Total Wine. Nevertheless, the search for bottles online can make our customers doubtful and might make them feel the need to outsource to other brands.

Weakness 5 → Relatively high threshold for potential customers to become a Suntory whisky drinker.

→ Zifan Chen

Since Suntory whisky targets the high-end market and aims to provide only premium whisky to the whisky fanatics, its products are barely available in the normal liquor stores. Or people may find it in the premium category on those online channels. In this case, it has a relatively high threshold for potential customers to become a Suntory whisky drinker.

Weakness 6 → Large price fluctuations.

→ Xiaolin Shen

The large price fluctuations caused by the shortage of supply have affected the supply demand balance

C. Opportunities (external situations independent of the firm—not strategic options)

Opportunity 1 → The US market contains potential for Suntory whisky.

→ Zifan Chen

The stable growth of the US economy in the past decades provides customers with strong consumption. Premium whisky becomes more and more affordable for most citizens. Therefore, the US market contains potential for Suntory whisky.

Opportunity 2→ Gain awareness especially in the collectors segment by auctioning limited edition, rare and old Suntory bottles.

→ Fabiana Gautier

As of 2019, rare bottles of whisky (particularly older varieties of single malt) have become one of the most valuable investments. With an increase of 582% in a 10 year gap, the demand for these highly collectible items give us the opportunity to launch limited edition bottles or even auction (both online and at special events) extremely rare/old bottles to the market.

The main goal and desired result will be to create more awareness, desire, increase website traffic, get more customers to subscribe to Suntory's newsletter, increase number of followers and engagement on social media (Instagram 83K and Twitter 9,865).

Opportunity 3→ A big market scale provides Suntory with more opportunity to promote its whisky and increase its profit.

→ Zifan Chen

It is reasonable to predict that the market demand of whisky will keep increasing due to the stable growth of whisky sales in the US market. A big market scale provides Suntory with more opportunity to promote its whisky and increase its profit.

Opportunity 4→ Become the number one Japanese whisky brand in the U.S market

→ Fabiana Gautier

With Nikka and Suntory being such close competitors and the two main Japanese whisky brands, there is the chance of creating advertisements

Opportunity 5→ Development of technology can improve Suntory whisky's production and sales in both macro level and micro level.

→ Zifan Chen

Development of technology can improve Suntory whisky's production and sales in both macro level and micro level. It helps Suntory to improve the profitability by reducing the costs and enlarging the sales.

Opportunity 6→ Place in the top 10 most consumed brands by americans.

→ Fabiana Gautier

People do not know that Jim Beam and other well-known brands are a part of the Suntory group. If we train sellers to educate customers about the brand and how it is related to a familiar brand, we might get a new customer by creating a level of intrigue and the level of trust will be guided by the previous judgement made from other products from the Suntory group.

Opportunity 7→ Create more suntory whisky tasting points in major cities such as San Francisco, Los Angeles, New York, Chicago and Miami.

→ Fabiana Gautier

Create more suntory whisky tasting points in major cities such as San Francisco, Los Angeles, New York, Chicago and Miami to expand customer base to educate and deliver an experience for current and potential new customers. (which will hopefully result in customer loyalty or the start of a relationship between the brand and the customer.)

Opportunity 8→ Consumers are more likely to recognize the brand value of Suntory as an imported whisky brand.

→ Zifan Chen

Consumers are getting more and more knowledgeable about whisky and concerns about stories behind the brand, therefore they are more likely to recognize the brand value of Suntory as an imported whisky brand.

Opportunity 9→ Let customers know Jim Beam and Suntory Whisky are part of the same company in order to generate trust and open the customer's mind.

→ Fabiana Gautier

People do not know that Jim Beam and other well-known brands are a part of the Suntory group. If we train sellers to educate customers about the brand and how it is related to a familiar brand, we might get a new customer by creating a level of intrigue and the level of trust will be guided by the previous judgement made from other products from the Suntory group.

Opportunity 10→ “Suntory World AO” gives Suntory the opportunity to expand into the U.S. and other countries.

→ Fabiana Gautier

The new blend “Suntory World AO” gives Suntory the opportunity to expand into the U.S. market and even the world as this blend combines the 5 major whisky countries of the world (Scotland, Ireland, Canada, USA, and Japan). This blend mainly satisfies the potential customer's needs, as this is an introduction to the knowledgeable world of distillery, without scaring them off with the unknown. In our personal opinion, giving the potential customers a piece of home (USA) is a possible door to start a relationship which could be followed with CRM and surveys.

Opportunity 11→ Build Quality CRM Database.

→ Fabiana Gautier

Suntory does not have a CRM system in place. If we take the opportunity to implement one, we stand the chance to create a relationship with the customer, have the data to understand the customers behavior and other key factors that will help sales here in the United States.

Opportunity 12→ Education opportunity on the exceptional quality of Suntory whisky.

→ Mariana Pinedo

In the U.S. market, many consumers are not familiar with Japanese whisky and the incredible quality. This means that there is a strong education opportunity for consumers who are unfamiliar.

D. Threats (external situations independent of the firm)

Threat 1→ “Supporting locals” could result in a decrease in the consumption of imported products. (*connection with beam family*)

→ Xiaolin Shen

The awareness of the collapse of the U.S. domestic economy contributed to the feelings of “Americans should support the economy by purchasing the made in USA products.” Thus, Suntory and other Japanese companies can be affected by those nationalist feelings which lead to the less consumption of imported products.

Threat 2→ COVID-19 impacts consumer’s attitude of shopping and power of consumption.

→ Zifan Chen

Due to the pandemic of COVID-19, the US economy is predicted to decline in 2020. The downturn of the economy will impact consumer’s attitude of shopping and power of consumption. Therefore, people will change their structure of consumption and reduce unnecessary spending.

Threat 3→ Lack of familiarity with Japanese whisky creating a comfort zone in Scotch, American and Irish brands.

→ Fabiana Gautier

Some consumers who are not familiar with Japanese whisky may simply not be interested in experimenting and trying the new product. For those who are not willing to go out of their comfort zone and try brands outside of their favorites, they may be less likely to try out a foreign brand.

Threat 4→ Companies in burdensome situations with production costs and exporting Procedures.

→ Xiaolin Shen

As the U.S requires Japanese products to be exported in specific sizes. Thus Japanese alcoholic companies are forced to produce bottles particularly for the U.S. market, which consequently put those companies in burdensome situations with production costs and exporting Procedures

Threat 5→ Market competition is getting more and more intensive.

→ Zifan Chen

Due to the growth of whisky products on the shelves, the market competition is getting more and more intensive. Customers have more choices of whisky now. Suntory not only competes with imported Japanese whisky brands but also competes with American whisky brands and other imported whisky brands in all categories.

E. The SWOT Matrix

| STRENGTHS | OPPORTUNITIES |
|-----------|---------------|
| | |

| | |
|---|---|
| <ul style="list-style-type: none"> • The United States is considered one of the major whisky countries in the world. • Clear strategic vision helps Suntory to grow. • Fascinating stories behind the classic Japanese whisky brand. • Unique production process and technique provides qualified products. • Suntory was the first Japanese Whisky distillery (Yamazaki Distillery). • Yamazaki distillery earned the right to be called the distillery of the year by numerous organizations and competitions worldwide on multiple occasions (2010, 2013, 2014, 2015, 2017) • Yamazaki distillery has won multiple titles for “the best whisky in the world” in the single malt 12 and 18 years old and the Hakushu 25 Years Old categories. • Suntory’s Hibiki 21 Year-Old has won the World’s Best Blended Whisky 6 times (2019) and it is categorized as “by far the most awarded blended whisky in the world.” • Popularity for single malt whisky has increased exponentially in the past 8 years. | <ul style="list-style-type: none"> • The US market contains potential for Suntory whisky. • Gain awareness especially in the collectors segment by auctioning limited edition, rare and old Suntory bottles. • A big market scale provides Suntory with more opportunity to promote its whisky and increase its profit. • Become the number one Japanese whisky brand in the U.S market. • Development of technology can improve Suntory whisky’s production and sales in both macro level and micro level. • Place in the top 10 most consumed brands by americans. • Create more suntory whisky tasting points in major cities such as San Francisco, Los Angeles, New York, Chicago and Miami • Consumers are more likely to recognize the brand value of Suntory as an imported whisky brand. • Let customers know Jim Beam and Suntory Whisky are part of the same company in order to generate trust and open the customer’s mind. |
|---|---|

| | |
|--|--|
| <ul style="list-style-type: none"> • Rare bottles of Whisky have become highly valuable for collectors | <ul style="list-style-type: none"> • “Suntory World AO” gives Suntory the opportunity to expand into the U.S. and other countries. • Build a quality CRM database. • Education opportunity on the exceptional quality of Suntory whisky |
| <p>WEAKNESSES</p> <ul style="list-style-type: none"> • The United States is considered one of the major whisky countries in the world. • Inconsistent growth of the profitability. • Supply shortage. • A wide variety of Suntory Whiskies is hard to find here in the U.S. • Relatively high threshold for potential customers to become a Suntory whisky drink. • Large price fluctuations. | <p>THREATS</p> <ul style="list-style-type: none"> • “Supporting locals” could result in a decrease in the consumption of imported products. (<i>connection with beam family</i>) • COVID-19 impacts consumer’s attitude of shopping and power of consumption. • Companies in burdensome situations with production costs and exporting Procedures. • Market competition is getting more and more intensive. |

F. Developing Competitive Advantages → Mariana Pinedo

With many years of distillery experience and unique production processes, Suntory whiskey undoubtedly offers a spectacular range of products. With this level of quality yet lower popularity compared to some competitors in the U.S., there is absolutely opportunity to scale market share in the U.S. market. There is a strong opportunity to focus on education by building strong relationships with vendors to increase product tastings. Tastings will truly demonstrate the impeccable quality of Suntory Whiskies to the mass amount of whiskey consumers in the U.S. who are unfamiliar with the brand. Tastings may lead to an increase in new loyal customers as well as increased word of mouth exposure.

Although tastings are a key tactic to demonstrate the product, providing taste tests to a large population is unrealistic. In order to reach a mass audience, there are certain tactics the brand could utilize. For example, Suntory Whisky currently does not leverage a CRM database or email marketing. There is a strong opportunity to build a quality database to boost communication with current loyal customers as well as those considering the products. Particularly in the loyal customer category, Suntory Whisky is a brand that has followers who are collectors or fanatics. Email marketing would be a highly efficient way to communicate directly with customers regarding new product launches, legacy product information, etc.

Overall, Suntory Whisky's main competitive advantage is product excellence. This is precisely why education is critical for growth in the U.S. market. The market's unfamiliarity with the products means the education process will not be an easy feat, but the novelty of the brand will also work as an advantage towards Suntory.

Regarding weaknesses, one issue for Suntory Whisky is the high price point. The prices surely turn away many consumers, however there is certainly an opportunity to target a niche audience. Those who are not turned away by the price point may feel the opposite; intrigued by the quality of the product given its price. Despite the intrigue, consumers may question the

credibility of high priced products that are lesser known. This is why education is a crucial opportunity for Suntory Whisky in the U.S. market. Many in the country are not aware of the excellent products the brand has to offer and this should be a strong focus on the firm's marketing efforts in the U.S. With a strong effort on education, Suntory Whisky has potential to become a top choice among whiskey admirers and high end consumers in the U.S. market.

Additionally, Suntory Whisky is a foreign product in a country with countless options in this category of spirits. This can pose a threat as many consumers will continue to choose what is familiar to them. However, Suntory Whisky is positioned more towards admirers and collectors of whisky. Food and beverage admirers are often fascinated by different cuisines and tasting beverages from foreign countries. In this case, despite some consumers turning away due to the lack of familiarity with Japanese whisky, the exoticism acts as an opportunity towards a different audience.

During the current economic crisis, the firm possesses added limitations in the U.S. market. The Covid-19 pandemic may cause complications with imports as Suntory Whiskies are manufactured abroad. This may lead to supply chain issues and decrease in efficiency. Additionally, competition continues to grow in the market within the product category. Despite Suntory's efforts to remain competitive, a higher number of competitors can lead to a decrease in market share.

Despite the firms limitations, there are number of tactics Suntory could implement, including but not limited to:

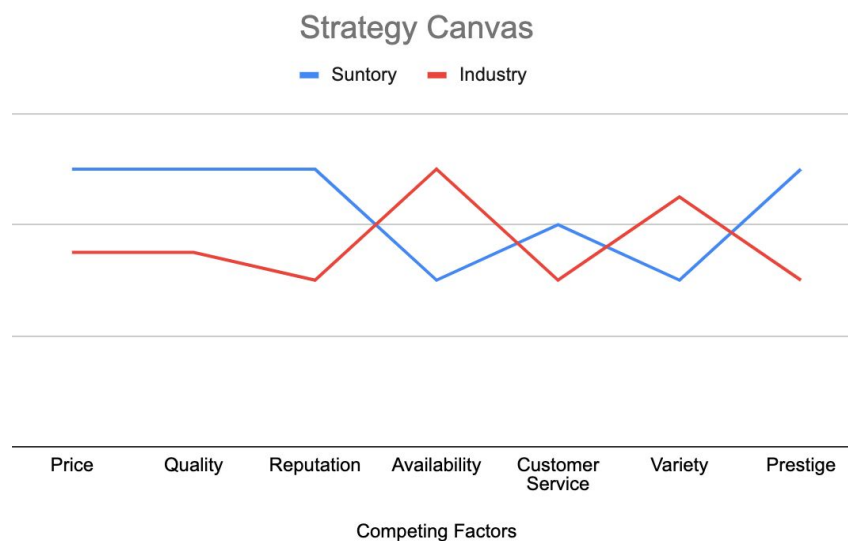
1. According to the social trend of whisky drinking, customers are interested in brand stories when they choose whisky. Suntory should utilize the power of its brand stories to promote its core business as a classical whisky brand.
2. The organizational change of the Suntory Group indicates that it will pay more attention to the oversea market. Suntory should distribute more resources including financial

resources, human resources, and technical resources to the US market since it provides about 15% of annual revenue.

3. Develop a marketing strategy based on the display of Suntory's uniqueness. Since it targets the high-end market, target customers will be relatively more knowledgeable about whisky so they are more likely to tell the uniqueness of Suntory whisky from other brands.
4. Taking advantage of technology to provide customers with better products and customer service. The relationship between brands and customers is still the key to success in market competition.
5. Although the outbreak of COVID-19 and BLM movement are impacting the society and economy, Suntory whiskey could establish a good brand image by taking corresponding social responsibilities and showing the company's attention to current social affairs.

G. Developing a Strategic Focus → Zifan Chen

The target market of Suntory whisky is the high-ended whisky drinkers who are 45 to 65 years old with stable high income and picky taste of whisky. Since the target market is very specific among all whisky drinkers, the strategic focus of Suntory should be niche marketing that mainly focuses on retaining current customers and converting potential customers into loyal customers.



→ Mariana Pinedo

IV. Marketing Goals and Objectives → Zifan Chen

A. Marketing Goal A: Increase Suntory whisky's popularity in the United States.

Objective A1→ Increase brand awareness of Suntory whisky.

Increasing brand awareness of Suntory whisky. By increasing the reach and frequency of Suntory's advertisement throughout the media mix, the marketing department should make sure Suntory whisky is known by every high-ended whisky drinker. Meanwhile, the selling department should utilize each distribution channel to ensure Suntory whisky products can be found on each shelf of most high-ended hotels and restaurants.

Objective A2→ Portray Suntory whisky as a brand with a wide array of premium products

The second objective is to portray Suntory whisky as a brand with a wide array of premium products. By providing premium whiskys and qualified customer service, Suntory whisky should build a great brand image in customer's hearts and minds which would let customers relate words like "high-quality", "premium", and "enjoy" to Suntory whisky. This objective is assigned to the production department and marketing department.

B. Marketing Goal B: Enlarging the market share and profitability

Objective B1→ Expand the market share of Suntory whisky in the US market from 3% to 5% in 3 years.

This objective is to expand the market share of Suntory whisky in the US market. It is estimated that Suntory whisky is now holding only 2% of the market share in the US market. By increasing the competitive advantage, Suntory whisky should be outstanding in its niche market. There should be an increase in the market share to 5% in the next 3 years. The marketing department should develop an effective marketing strategy to promote the core business and the selling department should make an effective selling strategy to increase the revenue.

Objective B2→ Increase the profitability of Suntory whisky business from 14% to 20% in 5 years

This objective is to increase the profitability of Suntory whisky business. In the next 5 years, Suntory's whisky business in the US market should keep a stable growth rate in the profit. The contribution of the US market should increase from about 14% in 2019 to 20% in 2025. To achieve this objective, it requires the selling department to enlarge the distribution channels and the marketing department to make effective marketing strategies to acquire new customers while retaining current customers.

V. Marketing Strategy

A. Primary and Secondary Target Market → Fabiana Gautier

Primary target market

As we mentioned before, our primary target market is composed of males between the ages of 45 to 65, married, with a high-level of education, high-income.

After extensive research, we have viewed that most of the consumers that compose this target market live in the cities such as: Los Angeles, Miami, Texas, Chicago and New York City. They live a luxurious lifestyle, like to travel often and they truly enjoy premium items.

This target is very family oriented and workaholic. Also, they have hobbies such as: reading, on-going learning (mainly about general knowledge and the alcoholic beverages world) and sports such as golf and tennis. This said, it is more than obvious that they possess a high-level of knowledge about the distillery world and have a constant hunger for a continuous learning experience.

They aim to be part of elite groups and like to socialize at very prestigious places, meaning that they are willing to spend substantial amounts of money as long as they receive the best.

Explaining even more this target; they know what they want, when they want it and how they want it. For this reason, superior quality is a MUST as this is also a need they have, a need to investing smartly and feel as this purchase will not depreciate over time

In addition, they also want to have an unique experience, alongside supreme customer service and dedicated sales persons that will make them sure about their purchase when they go to the physical store.

When it comes to online shopping, this target uses it mostly to hunt rare bottles or those that are hard to find in their favorite stores. However, as dedicated, heavy user, this target is willing to do extensive research in order to acquire the desired product, mainly if it will gain value in the near future.

Due to the high price of some bottles, our current customers drink mostly at home with friends, as they claim that buying a glass does not offer the same amount of benefit, the experience is not the same and the price is extremely high.

Secondary target market

Our secondary target market is located between Los Angeles, Miami, Texas, Chicago, New York City and Miami. Conformed by Male and female between the ages of 35 to 45, that have a full time job (high-income), married, with kids or about to start a family, and with a high-level of education.

Psychographic wise they are socially active, enjoy hanging out with friends and like to learn new things and they are willing to pay for experiences as well as for collectibles.

This target wants to feel all their efforts are paying off. Reason why they like to buy quality products and go to different places that offer a unique experience. However, as parents, some of these places have to be kid-friendly, like restaurants.

When it comes to buying habits, they are very comfortable with online shopping and they take their time to read the reviews. In addition, they take into consideration their friends' recommendations, but they stay conservative as they are just starting in the distillery world.

B. Product Strategy → Fabiana Gautier & Pannin Poopat

The name “Suntory” is exceptionally well known worldwide. However, for some potential new customers, names from Suntory® Whisky Products like the Hakushu range, the Hibiki range, or the Yamazaki range, can confuse the customer as they do not display Suntory’s logo.

Nevertheless, Suntory Whisky Toki is the only product that displays the name and is the product most start drinkers try.



Suntory’s logo is a clean, legible, distinctive logo. It is used mainly in black and it is not used very much. We have seen that the company lets each product have its own identity, which is cohesive with its branding.

Packaging wise, each range maintains a high-level of consistency that goes from the bottle to the label. In most cases, the only thing that changes in the label is the necessary information and color used to create a differentiation factor between the offering products.

It should be taken into consideration, changing the positioning of the logo in order to create more brand awareness. Another viable option is a point of sale (POS); this position will attract customers and will learn the different whiskeys corresponding to this brand. Also, this will generate more awareness and will incentive our customers set to search and learn more.

It is essential to highlight the fact that all products (Hakushu, Hibiki, Yamazaki and Suntory Whisky Toki) have their own distinctive bottle design, wich up to a point it is incredible as it makes it easier for the consumer to understand the different products offered by Suntory, but, again, there is no visible indicator that all of them come from the same company. Thus, the options provided before will be a possible solution to this issue.

As the products come in ranges of three (3) or two (2) bottles, allowing the customer to collect them and have more options while purchasing. In addition, their unique designs, especially the Hibiki range bottles, give the customers a feeling of elegance and offer an experience by buying it.

Positioning can be explained as the piece of land you own in a customer's mind. This said, we know without a doubt that Suntory is known as the first Japanese distillery and it is referred to as one of the premium brands.

For this reason, we believe that Suntory should take advantage of this positioning and start using it to influence others via social media by creating educational segments that will generate more intrigue and more desire to buy and by so, the brand creates an opportunity to communicate to the customers where to acquire their products and also, a direct link to delivery apps such as Drizly, would be a great addition as it gives customers to a "NOW" option and while staying at home. Besides, this also allows customers to discover which stores sell Suntory.

This said, we can reaffirm this would be a good addition as e-commerce-wise, the company does not sell their products. Nevertheless, they do offer store locator services, educational links such as how to carve by hand the famous ice ball and how to enjoy your glass of whisky.

The website offers an online contact tab for customers, but no number is displayed for immediate customer service. We suspect this is because they do not sell directly to the consumers.

Suntory categorizes themselves as an authentic “house” and a family of whisky artisans. For this reason, they opened the doors of their two (2) distilleries, the Suntory Yamazaki distillery, located in Osaka and the Suntory Hakushu distillery located in Yamanashi Prefecture, to give customers the opportunity to have the authentic Japanese whisky experience as well as a unique learning experience that will enrich their pre-existing knowledge.

However, due to COVID-19, tours are not available at the moment. As a result, Live videos on Instagram and Facebook with an active Q&A could be a good strategy to maintain customers interested even though the distillery is closed to the public.

They also pride themselves on being environmentally conscious by implementing the strict “Guidelines for the Environmental Design of Containers and Packaging” that emphasizes on the recyclability of every product, ranging from the selection of label materials to glass colors. Thus, the dominant feature is the recyclable material of Suntory whisky products, as mentioned, which in return contributes to the benefit of the minimization of the environmental impact and global warming. Besides, another feature is the method of “light weighting” that Suntory has been using to lighten the mass of the containers of their alcoholic products, which led to the decreasing of Carbon Dioxide emissions derived from the production of packagings by 500 tons per year.

In order to showcase all of these features, a 30 second non-skippable ad in YouTube will be a good addition, alongside with a Hulu ad that will educate our eco-friendly potential customers about Suntory's effort to help the environment.

C. **Pricing Strategy** → Pannin Poopat

Suntory whisky prices are slightly above the average price in the U.S. market, as the company is assumed to be using a “price-quality inferences” strategy. This strategy associates the product with better quality by higher product price points, mainly to reinforce consumers' perception of Japanese whisky as another level of whisky produced with finer quality and craftsmanship.

The Suntory whisky prices ranged approximately from \$32.97 to \$149 on average. Nevertheless, for some rare and limited edition products, the price can go up to \$64,999.99 (Suntory Limited Edition: Rolling Stones 50th anniversary). However, with the lowest price point at \$32.97 for Suntory Toki whisky, we can appreciate the brand's full pricing strategy. Using the “reference prices” strategy shows how much they cause about how their prices are valued in the customer's mind. The price for this product is in the same range as other competing products in the market. Thus, Toki is perceived as a fair-priced product, which could be translated as the cost consumers believe a bottle of whisky should cost.

It must be noted that this strategy also opens a door for beginners, as this competitive price point enhances the chances of this customer set buying a Suntory whisky for the first time.

Comparing the competition prices, we can start by understanding the overall price point. Generally, whiskies in the American market sell for an average between \$15 to \$55 for popular brands, such as Fireball, Jameson, Jack Daniels, and Johnny Walker. Thus, Suntory whisky products are relatively more expensive than other standard brands in the market. However, comparing premium brands such as Nikka (\$59 to \$184.99), Macallan (\$34.99 to \$309.99),

Glenfiddich (\$54.99 to \$5,499.99), Teeling Whisky (\$36.45 to \$128.07), and Shelter Point (\$56.51 to \$119), which are Suntory's direct competitors. After looking at these prices, it can be said that Suntory's price point is in the same range as the brands mentioned before, even in the rare/collectible items which can soar up to thousands of dollars.

When the price is extremely competitive and not a tie-breaker, the positioning strategy and those elements that make the brand unique, are key when trying to make a sell.

According to the higher price point, compared to other whisky products in the market, Suntory's position is portrayed as a premium and high-quality brand that offers products produced with quality ingredients and different distillery processes. Thus, those ingredients and different distillation methods contributed to the critical differentiating point that gives Suntory and other Japanese whiskeys the smooth, unique and rich characteristics, which customers could not find from whisky produced in other countries. Supported by the internationally well-known brand from Japan, Suntory stands out from other smaller Japanese brands, such as Chichibu, Akashi, Iwai and Ohishi whisky, as Suntory products are perceived as trustworthy with the high standard.

For the connection to value, despite the fact that there are various whisky products from domestic and international brands that customers can find with the lower price, Suntory products have the value and quality worth the price in the eye of customers. Especially for certain groups of whisky drinkers, the price of rare products, such as Yamazaki 50 years old can be skyrocketed from \$139.99 to above \$100,000 in an auction. Purchasing whisky can be seen as an investment for some people, as the more aged the whisky is, the rarer it gets and the higher the price that those whisky collectors are willing to pay.

By the fact that liquor companies are prohibited from selling their alcoholic product in the U.S. market, those who take part in setting the final prices for customers to purchase the products are physical liquor stores and online distribution channels, such as Drizly. From recent

observation on Drizly, the prices of alcoholic beverages, especially wine and liquor from every brand, not only Suntory, are ended with .99. It can be clearly seen that Drizly is using the “price-ending” strategy to portray the prices that make customers feel like it is cheaper than it actually is. For example, Suntory’s Yamazaki 12 year is being sold at \$169.99, instead of \$170. Moreover, Drizly also uses a one-time discount tactic to attract customers to sign up for emails and in return, they will get \$5 off on their first orders.

D. Distribution/Supply Chain Strategy → Zifan Chen

To serve a niche market of the high-end customer segment, Suntory should position its core whisky brands as primary products in the US market. Therefore, Suntory’s overall distribution strategy must match its brand positioning strategy. The distribution strategy is to limit the distribution channels to only relevant channels like high-end restaurants and bars, qualified liquor stores, and trustful online retailers. This is to say, the distribution intensity should be selected according to the definition.

The channels and intermediaries to be used will be divided into online and offline. For the offline segment, we have high-end restaurants, high-end bars, and qualified liquor stores and for the online segment, we have what we like to call “trustful online retailers,” which englobe Drizzly, Minibar, and many other more used by our consumers.

It must be noted that Suntory’s objective is to promote its products as a primary whisky brand. In this case, Suntory’s distribution channels will be relatively narrower than other brands since they should match Suntory’s product positioning.

Since Suntory targets high-end consumers, a reasonable threshold gives consumers a sense of superiority and enhances Suntory whiskey's differentiation in the market. Therefore, the brand value is increased as the customer perception increases.

In order to ensure channel support, the company should sign a reasonable contract with its distribution partners to make sure Suntory whisky is always well displayed. This advantage could be possible by promising discounted prices for liquor stores or higher commission fees for online channels.

Getting more tactical, we believe that by establishing solid partnerships with delivery warehouses and stations through the US to develop efficient transportation systems will reduce transportation costs and the transportation time. As a result, this tactic will increase utility time.

Furthermore, improving the real-time inventory management of distribution channels to make sure Suntory whisky is always in stock and shippable for both offline and online channels, especially during public holidays and other important events. This improvement will also benefit the brand as it will increase customer and place utility.

Maintaining the brand's positioning as high-quality will increase the possession utility of Suntory whisky. On the other hand, well-designed packages with unique and limited designs could help us create an increase in the value of this brand's collectibles, meaning that the possession utility could gain exponential strength if done correctly.

E. Integrated Marketing Communication (Promotion) Strategy → Zifan Chen & Mariana Pinedo

The overall strategy is to keep utilizing traditional marketing platforms and also increasingly invest in online marketing platforms. We believe that the combination of traditional marketing and online marketing meets customer behavior and social trends.

The main objectives include improving the brand's image in the US, increasing Suntory's market share, and boosting e-commerce sales to bridge the gap between losses due to vendor closures. The general budget for a one-year strategy should be \$15 million, \$3.75 million for Q4.

In addition, there should be a strong focus on digital marketing efforts to enhance online sales. As the closure of key retailers such as bars and restaurants across the country remains a concern as a result of the pandemic, digital efforts can enhance sales with the benefit of home delivery. As Suntory does not sell its products directly to consumers online in the US, digital marketing efforts should be in partnership with their current e-commerce vendors Drizly and Minibar. CTA (call to action) buttons should link directly to their products, however, within Drizly or Minibar rather than their own landing page. This will allow for direct online sales as consumers continue to remain at home due to enforced lockdowns.

Consumer promotion elements

In the traditional way of Suntory's marketing strategy, it should keep collaborating with celebrities, displaying the brand story, and emphasizing Suntory whiskey's differentiation in the TV ads.

For the digital marketing strategy, Suntory should enhance digital marketing efforts to boost online sales with e-commerce vendors Drizly and Minibar. Tactics should include: email marketing, paid search advertising, search engine optimization (organic), social media advertising.

On the company's public relations side, Suntory could utilize Newsjacking to deliver brand messages, establish proper communication channels, provide 24/7 customer service, take social responsibility, and generate brand story content to improve the public reputation.

On the consumer side, the public relations strategy should target key food and beverage publications for earned media features. Some examples include Food & Wine, Bon Appetit and the Food Network Magazine. Tactics would include frequent pitching to publications and well as storytelling through press releases. This should target both print and digital media channels.

Beyond traditional publications, there is an additional PR opportunity with gifting to social media influencers. Gifting to key influencers is an opportunity to showcase the product to a broader audience. To enhance online sales, influencers can also help link directly to e-commerce vendors Drizly and minibar.

Collaboration with high-end restaurants, high-end bars, and qualified liquor stores to promote Suntory whisky is the main idea. In other words, the sales team should focus on relationship building strategy with critical vendors to increase the number of product tastings. Product tasting will showcase Suntory whiskeys quality to obtain new customers and enhance the personal selling strategy.

Since the main target customers do not worry a lot about financial factors, the promotion strategy would be to encourage bartenders, waiters, or store representatives to allow the customers to taste the product before buying it. However, implementing training within key retail vendors store representatives will enhance their product knowledge. Relationship building will encourage more tastings.

Trade (channel) promotion elements

- **Advertising strategy** → Have an excellent position (online and offline) to display the brand story to be able to emphasize the differentiation factor of Suntory.
- **Public relations/publicity strategy** → Ensure quality, have a suitable return policy and ensure a fast response to customers' needs.

- **Personal selling strategy** → Customized recommendation by liquor store and always allowing the customer to taste the product before making the purchase.
- **Trade sales promotion (push) strategy** → Ensure good shelf space in-store and also implement unique designs for Suntory shelves and bottles.

VI. Leadership Through Crisis → Zifan Chen, Mariana Pinedo, Pannin Poopat & Fabiana Gautier

The situation now

Ever since the Coronavirus or COVID-19 outbreak, people have stayed home and quarantined. Thus, they do not go out to drink at bars/ restaurants anymore, meaning that the population has opted to drink at home and gather in small groups.

As a result, brick-and-mortar sales have stopped being our customer's first option and online sales have gained exponential strength since March 2020 as customers rely heavily on this channel in order to avoid contact with others.

With today's world being almost entirely dependent on online platforms, it leaves Suntory with a subconscious suggestion to allocate more budget and marketing efforts to enhance their digital platforms.

We must remember that even though they are not allowed to sell their products directly through their website, liquor brands are allowed to sell via retailers in both online and physical

platforms. However, this means that revenue is shared with them, giving brands such as Suntory the task to develop new marketing strategies that will attract customers to the retailer's website or physical store in order to increase the number of sales.

During the past six months, the demand for spirits and liquors has increased. Nevertheless, according to several reports, people with a high level of income are spending less than before. This might be justified by the fact that people with high-income, most likely have a high level of education, therefore, they have a deeper understanding of the importance and need to be financially responsible and for this reason, they are cutting back on unnecessary expenses.

Another reason may be that high-income groups usually spend on outdoor activities. When facing quarantine, they have no choice but to stay at home. However, it is essential to highlight the fact that high-end whiskys are mostly consumed at home. As a result, it gives Suntory the opportunity to create a strategy that supports both "Stay At Home" and Suntory's sales by encouraging social distancing by drinking at home.

Economic outlook

The pandemic dramatically impacted the economic environment. Small companies did not survive, many people are losing their jobs, and some key industries, such as the manufacturing industry, cannot go back to regular production. As a matter of fact, it is predicted that this year's economy will decrease considerably. However, it is also predicted that there will be rapid growth that will alleviate all previous impacts.

The fluctuation of the economy will undoubtedly affect people's ability to consume and people's shopping structure. Suntory should prepare to face the changes in customer's purchase

behavior by conducting different product strategies, pricing strategies, marketing strategies, and other tactics that will lower the impact on the possible decrease in sales.

Forces shaping the next normal

Proactive marketing teams will forecast the next normal for the firm. No surprise the "new normal" will be mostly digital until restaurants and bars re-open to the public. As a result, implementing digital efforts and effective decision-making processes to implement new strategies will play a significant role in shaping the new normal and will help Suntory to remain in a strong position.

We strongly believe that some suggestions will benefit the brand: product quality assurance, diversified distribution channels, and emphasis on e-commerce for the next year or so.

The right organization for the next normal

Actively focusing on digital marketing and e-commerce is imperative at the moment, not only because people are now moving to the digital world due to the influence of quarantine but also because Suntory's current digital and e-commerce strategy is weak.

Partnering with e-commerce vendors Drizly and Minibar for digital marketing efforts is essential and Suntory does not sell directly to consumers online. CTA buttons should link to Suntory products on the vendor's website to enhance online sales.

Moreover, agility and flexibility in the decision-making process and fast response to the changing situation will benefit the brand in many aspects, but mainly in sales and brand awareness.

Updated economic scenarios

As mentioned above, the demand for spirits and liquors has increased during the pandemic. Nevertheless, this high demand is predicted to decrease when this pandemic period is over, as everyone will go back to their routine and normal lives.

In this scenario, despite the decrease of the liquor stores or online vendor sales, bars and restaurants will eventually re-open, which means that after the current focus shifts to retail and online sales, Suntory will eventually have to shift their focus back to restaurants and bars. It is also important to note that many restaurants and bars will not survive the economic crisis, meaning they will not reopen their doors and Suntory will likely lose several vendors. Generating the need for the firm will need to build relationships with new vendors or continue to bridge the gap with online and retail sales.

V. Marketing Implementation

A. Structural Issues → Zifan Chen & Mariana Pinedo

The overall approach is to increase the investment that includes capital and human resources on digital marketing. Suntory has made significant organizational changes that have been effective since the beginning of 2020, aiming to distribute more organizational resources to its overseas whisky business. Beam Suntory, who takes responsibility for Suntory's whisky

Business in the United States, should make use of organizational resources and pay more attention to the digital world.

As the firm's digital marketing efforts are currently minimal, it may be necessary to add additional positions to the digital marketing team. As an alternative, the firm could hire a digital marketing agency to implement additional digital tactics. Suppose Suntory decides to expand its digital team rather than hire a digital marketing agency. In that case, several digital marketing tools will be required for this strategy as well, which will be an additional investment.

Since Suntory only paid minimal attention to the digital marketing channels, it should start an immediate recruiting process for people with a high level of experience in this field to truly focus on how to promote Suntory whisky and reach all potential customers effectively.

On the other hand, the management level should thoroughly teach and communicate with frontline employees about strategic thinking to ensure that employees understand what they should do for Suntory's new strategies. Therefore, it helps to increase the efficiency of strategy implementation.

Suntory should also improve the internal communication between different functional divisions since new strategies implementation requires efficient coordination between all functional teams. For example, the new distribution strategy requires marketing teams to conduct market research to provide findings that support selling teams to make decisions on new distribution channels.

B. Tactical Marketing Activities (be *very* specific—this lays out the details of the marketing strategy and how it will be executed) → Group

| Specific Tactical Activities | Person/Department Responsible | Required Budget | Completion Date |
|------------------------------|----------------------------------|--------------------|--------------------|
|------------------------------|----------------------------------|--------------------|--------------------|

| | | | |
|---|---|---------|--------------------|
| Product Activities 1.Re-positioning of Logo 2.Implement in store POS 3.Highlight sustainable packaging 4. Gift set development with collector glasses | Design | | Oct 2020 |
| Pricing Activities 1.Gift set price positioning | Sales | | Oct 2020 |
| Distribution/Supply Chain Activities 1. Building good coexist relationships with important distribution partners to create win-win situations. 2. Extending the online distribution channels by cooperating with more trustful online retailers 3. Balancing the availability and the exclusivity to keep customer's perception 4.Gift set distribution to retailers (online and in store) | 1. Selling division 2. Distribution management 3. Marketing teams | | Oct 2020 |
| IMC (Promotion) Activities | 1. Marketing | \$3.75M | Ongoing activities |

| | | | |
|---|-----------------------|--|-----------------------|
| 1.Implement CRM system to leverage email marketing | | | (throughout pandemic) |
| 2.Enhance in store tasting training in key locations to educate consumers on the quality of products | 2. Sales | | |
| 3.Implement social media advertisements to boost e-commerce (Call to action direct to current partners Drizly and Minibar for home delivery) | 3.Marketing (Digital) | | |
| 4. Launch the following types of digital advertisements/ tactics in partnership with e-commerce vendors Drizly and Minibar to boost online sales: Paid search and SEO Paid social (Facebook, Instagram, Youtube, Twitter) Organic Social (Facebook, Instagram, Youtube, Twitter) Email Display | 4.Marketing (Digital) | | |
| 5. Traditional advertising tactics including: | 5.Marketing | | |

| | | | |
|---|--|--|-----------------------|
| <p>Print magazine (niche food & beverage magazines)</p> <p>Broadcast TV (niche food & beverage channels)</p> <p>6. Influencer and blogger partnerships, particularly in bar-centric and “foodie” categories</p> <p>7. branded/ sponsored content on whisky platform</p> <p>8. Partner with Drizly → sweepstake or lucky draw activities</p> <p>9. Beacon bluetooth device that will be set up near the location of liquor stores that sell Suntory whisky. The device would send automatic messages via bluetooth to our targets’ phones to inform or call to action.</p> | <p>5. Marketing (Digital)</p> <p>Marketing</p> <p>Marketing</p> <p>Marketing</p> | | <p>After pandemic</p> |
|---|--|--|-----------------------|

VI. Evaluation and Control

A. Formal Controls → Mariana Pinedo, Pannin Poopat, Xiaolin Shen & Zifan Chen

With the additional digital marketing efforts, it may be necessary to hire more professionals to grow the digital marketing team. As Suntory prides itself on its highly capable and talented team, it will be an investment for the firm to recruit strong candidates. This will increase HR expenses in addition to the increased employment budget for the new talent.

Financial resources and/or capital expenditure will be necessary to implement the new marketing plan focused on digital. The needed amount for a full year with the new efforts lies around approximately \$15 million, \$3.75 million for Q4.

Input controls underpin important parameters that facilitate the start and execution of a project. In this case, input control underpins those elements that must be available before the launch and implementation of the project since they are the mainstays of project execution. The input controls for this marketing plan include human resources, financial resources, research and development, and capital expenditures. Financial resources will be required to fund the marketing plan since the plan involves budgets for various activities. The marketing plan will also require additional human resources to facilitate the execution processes (Beamish & Ashford, 2012). Therefore, new workers will be hired specifically for this marketing plan. Research and development are necessary to ensure that all the activities are based on actual data. Capital expenditures underpin funds spent in launching various foundational aspects of the marketing plan for the long term. Such expenditures are enormous but are only spent at once in the project lifetime.

Process controls underpin the adjustments made based on the observation of monitoring results. In this marketing plan, process control will entail the following elements, namely internal communication, management training, enhanced employee authority, revised employee compensation and evaluation systems, and management devotion to workers and the plan.

Management training will be necessary to enhance the ability of managers to handle the functions of the marketing plan (Beamish & Ashford, 2012). The need for management training

will be influenced by the emerging challenges in administering the plan. Management dedication to the plan and to employees is necessary because it must be implemented as envisaged in the original framework. Workers must receive the required attention and compensation to motivate them. Enhanced employee authority will increase the morale of workers hence contributing to project success. Internal communication activities will be intended to ensure that the workers are acquainted with any changes or requirements of the marketing plan.

Given the current situation, it is likely that additional management training should be implemented across the firm for leadership education through crisis. It may be challenging to maintain a motivated team through unprecedented times and it is essential to provide managers with the resources to do so. Additionally, as many executives continue to work from home in the US, productivity can become an issue across the organization. Managers who are unfamiliar with monitoring their team virtually may need to implement new evaluation systems so long as they continue to work from home. It is important to give constructive feedback and criticism when possible during times where managers interact less frequently with their team.

Additionally, it can be challenging to maintain the company culture while employees work individually at home. It may be necessary to virtually implement team building activities or other recreational activities to maintain Suntory's reputable and robust company culture and work environment. Additionally, as the pandemic situation is continuously and rapidly changing, it is also crucial for the firm to have strong internal communications regarding any updates.

→ Xiaolin Shen

The types of output controls envisaged to be used in the marketing plan include brand awareness, productivity, reject sales, unit sales, net profits, and cash flow (Lancaster & Massingham, 2004). These elements will be used to compare the marketing objectives during and after the implementation process and measure performance. Any positive development in these elements will indicate success and any negative development will indicate failure. Brand awareness is an important measure of the success or failure of a marketing plan because marketing plans are aimed at increasing brand awareness. Therefore, evaluating brand awareness

before and after executing the marketing plan will provide direct feedback on the plan's effectiveness. Reject sales indicates the volumes of products rejected due to the lack of customer orientation in production, distribution and marketing. Higher volumes of reject sales will indicate the failure of the marketing mix. Unit sales will be an important indicator of the success or failure of the marketing plan because the comparison of unit sales figures will either indicate growth in unit sales or not. If the unit sales grow, the marketing plan will be considered successful. Cash flow will also provide meaningful feedback regarding the effect of the marketing plan. High cash flow will indicate the plan's effectiveness, while reduced or lower cash flow will be interpreted as a failure of the plan. Net profits are also crucial in determining the effectiveness or ineffectiveness of the marketing plan.

→ Pannin Poopat

For the overall performance standards, one of the main standards for Suntory is to increase its market share in the U.S. market to 5% in the year 2023. In addition, another significant standard for this marketing plan is to enlarge Suntory's profitability from the American market's contribution, which aims to rise from approximately 14% to 20% in 2025. Furthermore, since one of the goals is to increase brand popularity, the size of Suntory whisky's consumers is projected to expand with the CRM program. In 3 years, Suntory should have at least 70% of current customers retention rate, along with the growth of new customers acquired at 15% minimum, each year.

→ Xiaolin Shen

The comprehensive performance standards that will be used in measuring this marketing plan include profitability, customer retention, sales volume, customer satisfaction, share of customer, and market share (Fisher et al., 2006). These metrics will be measured before and after the plan is implemented and used as a comparison factor to indicate whether the plan has been successful.

An increase in sales volumes will indicate the success of the project, data in sales volume before and after implementation will be compared to indicate the differences. Customer retention and satisfaction rates will also be measured before and after launching the marketing plan. Any positive growth in these two metrics will indicate the success of the marketing plan. Customer satisfaction is an important metric that revolves around consumer feedback regarding the firm's products and services.

Comparing the previous and current data will be vital in measuring its performance. Market share is a long term metric that will indicate the success or failure of the plan. An effective marketing plan should have a positive effect on market share, and any change in the market share after the implementation of this plan will be considered as an effect of the plan.

→ Zifan Chen

In their mission statement, Suntory emphasizes the need to possess the ability to make their customer feel the harmony between Japanese nature and Japanese people through Suntory whisky. In order to ensure this feeling, the company's raw materials should only come from Japan as they stated and guarantee the high quality of their products. Besides the material, age is another crucial standard of the brand. Thus, they must have effective control of the production process to ensure the aging time of its whisky.

On the other hand, customer service is also part of the product experience and Suntory's promise to provide a premium experience to its customers. Therefore, Suntory should set standards such as fast response and friendly attitude of its customer service to improve the customer's experience.

→ Zifan Chen

The most important price standard is that the price should exceed the cost and generate a reasonable margin. Since Suntory's target market is the high-end whisky market, it does not need to worry about the affordability of target customers. On the other hand, the price standard should

match the brand image as a primary whisky brand because people usually relate price with quality. Also, it should be considered that this is a product imported from Japan, which increases the price due to the extra factors like tariffs. This also increases the price standard if Suntory wants a certain profit margin. To conclude, Suntory should set a high price standard to cover the costs and enlarge the profit margin.

→ Xiaolin Shen

One of the last factors that will play an important role in evaluating the marketing plan is the distribution performance standards. The standards to be applied in this process include supply chain integration, outsourcing, relationship maintenance and value (Beamish & Ashford, 2012). The integration of the supply chain will indicate the plan's success because marketing and distribution are conjoined. Measuring value will be done by considering elements like possession, utility, time, and place.

→ Pannin Poopat

To make the audience more aware and familiar with the brand by constantly being present in target consumers' lives with the right frequency. Moreover, the target audience must be able to recognize and recall the key communication message that associates Suntory with high quality and its distinctive heritage from other whisky brands.

Most importantly, the main standard for IMC is to engage customers with the brand, retain the existing relationship, acquire new customers, and especially, build relationships between customers and Suntory for long-term loyalty and increase customers' lifetime value (CLV).

B. Informal Controls → Xiaolin Shen

The marketing strategy's execution depends on elements touching on employee self-control like commitment, confidence, and satisfaction. Employee dedication to the company and marketing plan will determine the success of this strategy because if workers are highly committed, they will contribute to the success of the plan (Fisher et al., 2006). On the contrary, less committed workers will be counterproductive to the success of this strategy. Employee commitment should be enhanced through motivation, internal marketing, and proper remuneration. Another critical element in employee satisfaction which underpins the happiness and contentment of workers with the organization. Satisfied workers will drive the success of this strategy since they identify with their goals. The company should invest in rewards and compensation systems to satisfy workers. Employee confidence in their skills increases the ability to execute the marketing strategy. A lack of confidence should be addressed through training, mentorship, motivation, and engagement.

Marketing strategy execution also depends on the employee social control that includes behavioral or social norms, organizational values, and workgroup relationships. These elements influence the workers' behavior, attitudes, and values, hence contributing to their determination and collaboration in influencing the strategy (Ashkanasy et al., 2011). Shared organizational values help workers work together for the attainment of the goals of the marketing plan. The lack of these values can be addressed by changing organizational culture to introduce mutual cooperation among organizational cultures that influence the social norms, behaviors, and workgroup relationships of workers. The focus should be on creating a productive organizational culture that brings all workers together.

Elements of cultural control can be a factor in marketing strategy implementation because they influence how workers perceive each other in the context of the organization. Organizational culture underpins the rituals and values held by workers and it contributes to processes like communication, relationships, and teamwork (Ashkanasy et al., 2011). Creating a flexible and collaborative organizational culture increases the effectiveness of workers in implementing the marketing plan.

C. Marketing Audits → Mariana Pinedo

As a significant portion of the marketing plan is to focus on digital marketing and enhance online availability, online sales will be an important measurement to track closely to monitor the success of the campaign. An additional benefit of enhancing digital marketing is that digital efforts can be measured much more closely than traditional marketing tactics. Measurements such as open email rates, conversion rates, customer acquisition cost, impressions, and click-through rates will be utilized to track the success of digital marketing activities. For our traditional marketing efforts, including TV and magazine ads, impressions will be the main measurement of success. A number of key point indicators (KPIs) should be monitored closely throughout the entirety of the campaign in order to understand the results. Main KPIs include online sales to track digital success, total sales and conversion rates.

For Digital marketing efforts, it is crucial to audit performance as frequently as possible. This can be on a weekly or even daily basis. As digital efforts can be updated immediately, if certain tactics are not performing well, changes can be swiftly made. This is why it is important to frequently monitor digital efforts to optimize performance and enhance ad spend value. These audits should be conducted by the digital marketing team.

On the other hand, traditional marketing efforts are typically coordinated on a monthly or quarterly basis. For example, broadcast TV advertisements are often booked quarterly and magazine advertisements monthly. Although traditional advertisements cannot be updated often, it is still important to monitor performance. Additionally, it is essential to monitor consumers' perceptions by observing any online discussions. This is to be conducted by marketing team members responsible for the respective efforts they are responsible for.

Modern digital marketing tools allow for frequent changes and updates. This means that if Suntory does not fulfill their goals with their original digital strategy, immediate changes can be implemented. Changes such as the target audience can be changed instantly within certain digital platforms. Creative can be updated rather quickly as well. Split tests can also be utilized to see what specific details within digital advertisements performs best. Split or A/B tests is when specific details are adjusted with two variations to determine which performs best. Aspects such as the ad copy, target audience, headline, creative, timing etc. can be tested. When the split test determines which variation performs best, that variation can be implemented for the remainder of the campaign.

For traditional marketing tactics such as broadcast TV or radio, changes can not be made as swiftly. However, despite the changes not being immediate, similar changes can be made, including creative adjustments or shifting the target audience through channel selections.

If marketing objectives are not being met, the first consideration should be whether the appropriate audience is being targeted for each tactic and if it should be adjusted. With a clear understanding of their target audience, the firm must ensure each individual effort is executed to reach this group of consumers. Digital marketing efforts are highly targeted, leveraging the vast user data available online. For this reason, oftentimes, the audience selected can be too narrow and too niche to perform well. If digital efforts do not perform well, the audience should be adjusted as needed.

Traditional marketing efforts are not as highly targeted, however reaching a specific audience can be done by leveraging specific channels, publications or other niche mediums. If certain advertisements are not performing well, it should be considered whether another channel, publication, etc. should be selected. It is imperative to select the appropriate channels to reach the audience, but the same level of attention should be given to the performance beyond the implementation. If performance does not meet expectations, alternatives should be considered as soon as possible.

In addition, if specific tactics perform poorly, they should be removed from the plan entirely. This is another reason why performance should be monitored closely, especially during times where cash flow is limited. Low performing tactics should be reconsidered as swiftly as possible in order to reallocate the budget as needed for optimal results.

Another consideration if objectives are not being met is timing. The timing of advertisements and other marketing tactics can play a large role in performance. Poor timing can be a reason objectives are not being met. If this is suspected, experimenting with different timings should be considered. For example, split tests can be conducted with email campaigns; half of the emails are deployed in the morning while the remaining are sent in the evening. Similarly, a portion of radio advertisements could be allocated during a different timing, and so on. Once the timing is adjusted, performance should be observed closely in order to track if there are any improvements.

During this crisis, consumer behavior is erratic and constantly changing. For this reason, outdated market research could also be an issue if certain goals are not being reached. The team should continuously research updates on the effect of the current situation on consumer behavior and adjust the plan accordingly to avoid this.

Overall, there are several considerations if the plan is not performing as expected. Regardless of which specific aspect needs to be adjusted, the most important action is to recognize and adjust the issue as rapidly as possible. This is crucial to avoid wasted funds and poor results long term.

D. Implementation Schedule and Timeline (refer to Exhibit 9.7)

| <i>Month</i> | October | November | December |
|--------------|----------------|-----------------|-----------------|
|--------------|----------------|-----------------|-----------------|

| Activities <i>Week</i> | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| <i>Product Activities</i> | | | | | | | | | | | | |
| Re-positioning of logo | x | x | x | | | | | | | | | |
| Design and implement in store POS | x | x | x | x | | | | | | | | |
| Highlight sustainable packaging | x | x | | | | | | | | | | |
| Gift set development with collector glasses | x | x | x | | | | | | | | | |
| <i>Pricing Activities</i> | | | | | | | | | | | | |
| Gift set price positioning | x | x | | | | | | | | | | |
| <i>Distribution Activities</i> | | | | | | | | | | | | |
| Building distributor relations | x | x | x | | | | | | | | | |
| Extending online distribution | x | x | x | | | | | | | | | |
| Gift set distribution to retailers (online and in store) | x | x | x | | | | | | | | | |
| <i>IMC Activities</i> | | | | | | | | | | | | |
| Implement and leverage CRM system for email marketing | x | x | x | x | x | x | x | x | x | x | x | x |
| Enhance in store tasting training in key locations | x | x | x | x | x | | | | | | | |

| | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|---|---|
| Implement social media advertisements on key platforms, call to action to e-commerce | x | x | x | x | x | x | x | x | x | x | x | x |
| Digital marketing including: SEM, paid and organic social, Email, Display | x | x | x | x | x | x | x | x | x | x | x | x |
| Traditional advertising | | | | | | x | x | x | x | x | | |
| Influencer and blogger partnerships | | | | | | x | x | x | x | x | | |
| Sponsored content on whisky fan platforms | | | | | | x | x | x | x | x | | |
| Giveaway in partnership with Drizly | | | | | | | | | x | x | x | x |
| Beacon bluetooth device | x | x | x | x | x | x | x | x | x | x | x | x |

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