

SWINKELS FAMILY BREWERS

2022



Swinkels
family
brewers



STRATEGIC MARKETING
REPORT

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TABLE OF CONTENTS

Corporate Brand System	3
UN SDGs	7
BCG Matrix	9
PESTEL Analysis.....	11
SWOT	15
McKinsey Matrix	21
Five Forces Analysis	28
Focus Group	36
Segmentation & Targeting	38
Positioning & Competitive Edge	42
Price Survey Positioning	43
Design Thinking	46
Product Branding	48
Making a Strong Business Case	49
References	50

Corporate Brand System

[Appendix 1.0]

Brand Vision & Purpose

- Core question:

What does the company want to achieve, and how different is that objective from other industrial players like Heineken, Carlsberg, Diageo, Anheuser-Busch and SAB Miller?

Having as a corporate vision the quote “*A sustainable family brewer with firm roots in the local soil*”, Swinkels Family Brewers is a family-run, independent Dutch brewery that has existed for over 300 years and that plans to continue developing beyond generation to generation. A company whose goal is to ensure that the world can savor its beer, searching to offer consumers, worldwide, a suitable beer for every occasion; aiming to continually work on smart and sustainable ways to create lasting value... “*We want the world to enjoy our beer*”, “*We have a suitable beer for every moment*”.

Swinkels Family Brewers competes side by side with other brewing giants, such as Heineken, Carlsberg, Diageo, Anheuser-Busch and SAB Miller. Comparing and contrasting brand vision and purpose with those of major competitors, uhkefbcoi3j

Core Brand Values

- Core question:

Which values are tied up with the corporate brand, and resonate positively for stakeholders? Do these values humanize the corporation and build trust ?

Many values such as family, independence, craftsmanship, authenticity, tradition, entrepreneurship, unity, and sustainability resonate everywhere both on its web site and in its informative and advertising material.

Among its core values stand out the independent family union and sustainability, which not only humanize the company and create a link with the society of tomorrow, but also speaks in a very positive way about the relationship with both its commercial allies and clients... “*Seeing the world as our family*”.

Swinkels Family Brewers claims to seek reflection together with its customers and not instead. As a company, they are curious to know what their stakeholders want, with the intention of truly representing something for each of them, and to commit to a long-term relationship. Looking to offer a range of products and experiences in constant growth, hoping to go further and acting with ingenuity, from generation to generation.

Brand Personality Codes - Semiotic Invariants

- Core question:

Which key words are characteristic of the company's brand, namely in its slogans, and constitute the DNA?

Consumers typically assign symbolic meaning to brands and will often choose those with personalities that best reflect their own internal traits. Brand personality is a symbolic or self-expressive function. Consumers are more likely to form psychological bonds with brands that are represented by emotional meanings and messages. As a result, telling stories through ads is a common communication strategy used by businesses to build their own brands.

Building a brand personality has a strong impact on consumer preferences and has been strongly associated with developing brand trust and loyalty, owing to the emotional connections that strong brands develop with their customers.

According to Aaker's 5 Brand Personality Dimension Model we can describe the profile and traits of a brand in a five-dimensional framework. Being constructed as the following:

[Appendix 1.0.1]

Sincerity: down-to-earth, honest, wholesome, trustful, and cheerful brands. Brands following and communicating ethical practices, their commitment to the community or concerns with consumers. Sincere brands act as being part of a broader societal group, supporting the social and natural environment, employees and establishing good customer relationships.

Excitement: imaginative, up-to-date, inspiring, edgy, and spirited brands. "Thinking outside the box" references, use of colorful logos, portraying themselves in exciting and unexpected places / situations and using uncommon fonts are elements that are present in brands corresponding to this category.

Competence: reliable, responsible, intelligent, and efficient brands. Good product or service performance, trustworthy ambassadors, highlighting good quality of production practices and suppliers, and the use of strong / thick fonts (regularly blue and white colored) are elements that are present in brands corresponding to this category.

Sophistication: upper class, romantic, charming, pretentious, and glamorous brands. A brand personality common to sophisticated companies, in the luxury market and with high prices. Adoption of thin / delicate fonts, simple designs, light colors and association with charm and upscale environments are elements that are present in brands corresponding to this category.

Ruggedness: outdoorsy, tough, masculine, and western brands. Use of strong / thick fonts (dark colored), male orientation and portraying their product in outdoor and extreme scenarios are elements that are present in brands corresponding to this category. Brands corresponding to this category convey braveness and resistances.

Based on this model and having full knowledge of the characteristics of each of its categories, it is concluded that Swinkels Family Brewers is a sincere brand (1st category) as it is a traditional family business that repeatedly let's know its commitment to society and its consumers.

Historically, Bavaria is a brand to which the Swinkels Family Brewers originally wanted to give an image of a sophisticated premium specialty product for connoisseurs and beer lovers. However, Bavaria has struggled to cope with the reality of 8.6 marketing strategy in France. This is because it has emerged especially among young people and urban tribes (techno kids, skaters, street culture). Being a beer with a competitive price, a high alcohol content and sparkling caramel flavor / maple syrup, distributed mainly since its inception in convenience stores, gas stations and large supermarkets. In general, establishments that do not seem to judge consumers and are open late in the day and for part of the night.

Strategic Benefits & Attributes

What are the strategic benefits of being a stakeholder of Swinkels Family Brewers, as per UN Sustainable Development Goal 17?

Being stakeholder of the Swinkels Family Brewers (Stakeholders include banking institutions, shareholders, suppliers, partnership companies and resellers, management insiders and all employees, consumers, governments, and society at large), brings with it getting involved in a strong collaborative relationship with a beer distilling company that has decided to get down to work in favor of environmental care and responsible consumption. Later in the report, we will talk about the involvement of Swinkels Family Brewers with respect to the UN Sustainable Development Goal #17, which consists of partnerships for global goals. More importantly, it is not only about collaborating with a partner committed to caring for society and the environment, but also together coordinate in proposing and implementing sustainable and durable development strategies.

Physical Signature of Corporate Brand

[Appendix 1.0.2, Appendix 1.0.3, Appendix 1.0.4]

- Core question:

Which feelings and sensations are evoked by the corporate brand's color code, font style, and logo?

Beginning with the brand's color code, which are roughly summarized in those that make up the logo, i.e., a taupe-gray / driftwood color (#716965) and a vanilla-yeast color (#f0d692). Then, as for the main typography used, it closely resembles the Sole Serif font in its Extra Bold and Subhead style, designed by graphic designer Luciano Perondi. A font with inclined axis, calligraphic endings, Renaissance proportions, and graphic design but slightly mannered. Evoking characteristics related to the typography of books.

Finally, we will break down the logo in the different elements that integrate it. A shield divided into 2 sections (right and left) representing inheritance-family achievements, the first containing a hop downwards and the second containing in the upper part of the section the capital letter S of the surname Swinkels. Above the shield lies a crown representing a royal designation. Accompanying the shield to its right, is divided into 2 lines the text “Royal Swinkels [...]” (1st line) “[...] family brewers” (2nd line). “Royal” indicating the crowning glory of the 300 years of the Bavaria brewery, “Swinkels” the family name, “family” meaning continuity-heritage, and “brewers” reminding who they are.

Now, if we allow ourselves to generate an interpretation from an emotional and sensitive approach, we can conclude a series of impressions and messages transmitted by the physical signature of the brand to stakeholders. Swinkels Family Brewers conveys a Fancy essence of history and tradition through its Physical Signature of Corporate Brand. Consider that each of the brands of Swinkels Family Brewers will have its own personality and will convey each one original and different essential.

UN SDGs

The Sustainable Development Goals, established in 2015 by the United Nations General Assembly, are the model for a better and more sustainable future. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice (Appendix 2.0).

The Swinkels Family Brewers tiene como objetivo llegar a ser 75% circulares para 2025. The company is concerned with sustainable development and the adoption of a circular entrepreneurship scheme in which neither raw materials nor energy is depleted and conserved. Consequently, the method called Swinkels Circularity Index (SCI) was developed, a tool to measure and improve its level of sustainability. This method is focused on 3 pillars, circular purchases, circular production, and high-quality reuse (Appendix 2.0.1).

As for circular purchases, they want that the raw materials they buy to be produced in the most sustainable and circular way as possible. They look for the packaging they buy to be recyclable. It is important for them that the agricultural materials they acquire have a certificate of sustainability. At the same time, they look for ways to make packaging lighter in order to use fewer materials in their manufacture.

Then, the circular production pillar focuses on the most efficient possible consumption of energy and water in the production process. They pay attention to the correct maintenance of furniture in real estate in order to keep them in good condition and last longer.

Concerning the high-quality reuse, all materials left over during the production process will be considered for reuse, either in beer production or for some other activity. In Ethiopia, a water purification plant was implemented to purify the remaining water and return it to the soil.

Heineken, Carlsberg, Diageo, Anheuser-Busch and SAB Miller, the main competitors in the brewing industry, have expressed their intention to contribute to environmental protection and an increasingly sustainable society for the future. All of them have set to work.

Anheuser-Busch InBev implemented new 2025 sustainability goals. Smart agriculture, water stewardship, circular packaging, and climate action. With them they are connecting farmers to technologies and skills to reduce their environmental footprint and improve their livelihoods, improving water quality and availability to communities in high-stress basins, improving recycling and circularity with their partnerships and communities, and catalyzing the transition to a low-carbon future by championing renewable electricity.

Diageo has implemented their sustainability action plan called Spirit of Progress Society 2030 aiming to achieve a more inclusive and sustainable world. Promote positive drinking, champion inclusion and diversity, pioneer grain to glass sustainability, become sustainable by design. Through this pillars of the action plan, they are educating people on alcohol related harm, promoting increased diversity within the company (aiming to achieve 50% representation of women in leadership positions), contributing to the preservation of natural

resources, changing their energy sources (aiming to make them 100% renewable), contributing to the preservation of water by reducing the amount of water used in the production of their drinks and getting down to work starting to replace their current packaging with recyclable packaging.

Carlsberg launched the Together Towards ZERO and Beyond to address the environmental, social and governance (ESG) topics. Zero Carbon Footprint, Zero Farming Footprint, Zero Packaging Waste, Zero Water Waste, Zero Irresponsible Drinking, Zero Accidents Culture. Through this pillars of their program, they are reducing their carbon dioxide emissions (aiming at 0% emissions from their breweries by 2030), contributing to the complete replacement of their packaging with 100% recyclable packaging, working with partners and communities to replenish 100% of their water consumption, encouraging responsible consumption providing consumers with information that enables responsible behavior and growing their low and alcohol free offerings, and accelerating their efforts towards zero accidents by 2030 and target reductions every year.

Heineken announced its new commitments on environment, social sustainability, and responsible consumption in its 2030 Brew a Better World program. Composed of 3 large pillars, On the path to net zero impact, On the path to an inclusive, fair and equitable company and world, and on the path to moderation and no harmful use of alcohol. With these 3 pillars Heineken has set to work on reducing its carbon emissions (with the goal of becoming carbon neutral), pledges to eliminate sending waste to landfills and to continue to develop innovative packaging accelerating returnable packaging, maximizes reuse and recycling of its water in water-stressed areas, establishes an external gender commitment to increase women represented in senior management, ensures that every employee will earn not just a minimum legal wage but rather a fair wage (ensuring fair living and working standards), supports smallholder farmers by sourcing agricultural ingredients in Africa, invests in innovations across its low and non-alcoholic portfolio and advances responsible consumption campaigns.

SAB Millers adopted a new strategy focused on 5 themes, called SABMiller Prosper. Entrepreneurship, Energy and climate, Responsible drinking, Water, and land use. Accelerating growth and social development particularly among women and disadvantaged groups, promoting robust standards and guidelines, launching new communications campaigns and supporting programs to reduce the harmful use of alcohol, building an understanding of water risks and creating community partnerships to manage them, promoting sustainable packaging and prioritizing low energy fridges, creating secure, sustainable supply chains and helping farmers to increase profitability, productivity and social development.

BCG Matrix

The Boston Consulting Group Matrix (BCG Matrix or Growth-share matrix) is a portfolio management framework that helps companies decide how to prioritize their different businesses and designed to help with long-term strategic planning (Appendix 3.0). Products are classified as dogs, question marks, stars, and cash cows, according to their resource need, and as the organization prioritizes their investments or divestments. This tool allows us to assess the degree of self-sufficiency for financing future ventures of Swinkels Family Brewers in France. Specifically, in the dispossession of Dogs; cash cow harvesting and use of cash to invest in question marks; financing of Stars; and careful analysis of risks and returns on investment. We will also use this tool to identify the threat posed by competitors such as Heineken, Carlsberg, Diageo, Anheuser-Busch, and SAB Miller, if their Cash-Cows number is higher than that of Swinkels Family Brewers.

In order to classify, at the same time, in the vertical and horizontal axis of the BCG Matrix, the percentage of market growth and the percentage of relative market share of each of the brands, of each parent company, for each product category, The quantile method was used by dividing the range of both percentages into halves and classifying them into the corresponding category (Star, Cas Cow, Question Mark, Dog). Quantiles are cut-off points that divide the range of a distribution into a certain number of subsets so that in each of them there are the same values of the variable. Created groups are called halves, thirds, quarters, etc., although sometimes the terms for the quantile are used for created groups, rather than cut-off points. Some quantiles have special names, the only quantile 2 is called median, the 3 quantiles are called tertiles, the 4 quantiles are called quartiles and the 100 quantiles are called percentiles, to name a few [Appendix 3.0.1]. The category sales growth rate was used as medium for each product category (Pils, Lager, Ale, Special, Lambic, Beer for Keeping, Abbey & Trappist Beer, Witbier, Cocktail Beer, Beer 0%), calculating the range by subtracting the lowest value from the highest, then dividing it by 2 and finally adding it to either the relative market share value or to the market growth value. If the result of each of them was above the sales growth rate, it was considered as a high value (Star/Cash Cow). Otherwise, it was considered as a low value (Question Mark/Dog).

Swinkels Family Brewers brands considered at the BCG Matrix are La Trappe (Abbey & Trappist Beer category), Bavaria 8°6 (Special category) and Bavaria Premium (Pils category). See the different diagnoses for each brand in the appendices [Appendix 3.0.2 - Appendix 3.0.11]. Based on the results obtained only in the BCG Matrix, we could conclude that the option for which Swinkels Family Brewers should opt would be to disinvest in the dog Bavaria Premium and reinvest in the brand La Trappe and Bavaria 8°6 in order to increase the growth of sales and with them the market share as well. [Appendix 3.0.12, Appendix 3.0.13].

However, opponents of the BCG Matrix believe that the parameters on the Growth/Share Matrix represent an over-simplification. Relative market share can be an indicator of competitive advantage, but equally important is market share change. Market growth is also a crude indicator of market attractiveness, and it ignores the Swinkels Family Brewers supply

chain. But again, these limitations should not stop you using the tool. Therefore, we will use this tool in a complementary way with the Attractiveness/Advantage Matrix of McKinsey.

PESTEL Analysis

PESTEL analysis offers a framework for identifying external, often government-influenced issues affecting industries, and consequently the prices of goods. It is an acronym of these six groups of issues: political, economic, social, technological, environmental, and legal. PESTEL is used to gain a macro picture of an industry environment, as well as throwing up the range of opportunities and threats needed for SWOT analysis.

Politics

Russia on 24 February 2022 launched a military war against Ukraine, an action that was condemned by almost the entire national community. The EU implemented individual, economic, and diplomatic measures against Russia. Something that gained weight because of recognizing as independent entities the provinces of Donetsk and Luhansk, and unjustified military aggression against Ukraine. However, the progressive implementation of restrictive measures began in 2014 after the illegal annexation of Crimea.

On the relationship between France and Germany, the parliaments of both countries also cultivate close cooperation. Since 2019, the German-French Parliamentary Assembly has met twice a year, with 50 members of the German Bundestag and the French National Assembly. The institution's tasks include the implementation of the Aachen Treaty, closer alignment of parliamentary work between Germany and France and the removal of obstacles to the creation of a German-French economic area.

On the relationship between France and Australia. In 2021, Australia broke a 56-billion-euro contract to purchase submarines for American models, which was considered a "stab in the back" by the French government, which received the news as a betrayal. However, on 26 May 2022 the current president of France Emanuel Macron and the current prime minister Anthony Albanese agreed to rebuild a bilateral relationship founded on trust and respect to overcome together the global challenges, which highlighted climate urgency and strategic issues.

Ethiopia faced significant economic, ethnic, and political challenges long before a dispute between Abiy Ahmed (current Prime Minister of Ethiopia) and the region's former ruling party, the Tigray People's Liberation Front (TPLF), led to unrest. But now, with the escalation of hostilities in other parts of Ethiopia, fears are growing that the fighting in Tigray may trigger a wider crisis with the potential to disintegrate Africa's second most populous country. Representatives of the Government of Ethiopia and rebel forces from the Tigray region met in South Africa on Monday to resume peace negotiations, which will be mediated by the African Union. The negotiations took place after the United Nations warned that the situation in the African country is out of control.

Economics

Barley is the fifth most cultivated cereal in the world. Malted barley gives the beer its color, sweet malt flavor, dextrins to give body to the beer, proteins to form a good foam and, perhaps

most importantly, the natural sugars necessary for fermentation. With its production of approximately 20,900,000 metric tons in 2020 and 21,000,000 in 2021/2022, the Russian Federation is the world's leading barley producer. Germany and Spain ranked second and third respectively. In 2021, Australia became the world's leading exporter of barley, having exported approximately 8,720 kilograms of barley. France and Ukraine ranked second and third, having exported 6,547 and 5,345 kilograms, respectively [Appendix 4.0].

Hops are the dried and flowering parts of the hop plant, an essential ingredient in brewing. It contains alpha acids that will give the beer its characteristic bitterness, as well as its flavors and aroma. The world production of hops in 2020 was 171,84K mt, presenting a variation of -0.89% with respect to 2019, having been produced in that year 173,39K mt. However, the variation with respect to 2018 (168.99K mt) reflects a rather positive outlook, with a growth of 1.66%. A general upward trend in world production that has been followed for several years, apart from 2012. While increasing droughts wreak significant havoc on agricultural production in several countries, the entire world forestalled the way in which the COVID 19 virus hit global health and economy during the year 2019, being the last straw in a recession waiting to be squeezed through world markets. An event that logically explains the negative variation in production 2019/2020. Ethiopia (47.32K mt) and the USA (47.09K mt) compete for the position of the world's leading producer, accounting for 27.54% and 27.4% of world production, respectively. Next in the ranking are Germany (46.90K mt) and, notably lower in production, China (7.83K mt), concentrating 27.29% and 4.56% of the world hop production, respectively.

Rising costs to farmers result (in addition to climate change) from rising prices of fertilizers, consumables, and energy. The rise in the price of agriculture can often not be compensated by higher prices since the sales prices of most of the crops of 2022 and until 2024 are previously fixed by contract. In Germany, hop growers face additional costs of 40 million euros, as production costs have increased by 25%. However, part of these additional costs may be offset by the fact that the State has managed to include hops in the crisis aid provided by the Confederation.

Based on their respective production in metric tons in 2020. However, the German Hop Growers' Association (DHWV) stated that despite the "poor" harvest, beer supplies around the world seem secure, as an inventory of the 2021 harvest is still available.

As far as the conflict between Russia and Ukraine is concerned, some of the results were rising prices (increased demand, growing protectionism and energy crises), inflation rate and reduced exports. On the other hand, within the EU, Germany is France's most important trading partner in Europe and vice versa. Having developed close cooperation, today considered a model of reconciliation between two peoples.

In 2021, the overall inflation rate was 3.4%. In the European Union, it was 2.6%. By 2022, significantly higher values are expected worldwide. Inflation has increased considerably, especially in the years 2021 to 2022. The main reason was the price of energy, which not only directly affects consumers through electricity and heating costs, but also makes the production of goods more expensive. In 2022, the war in Ukraine was an additional factor, causing a sudden increase in heating costs because of gas supply cuts. Inflation rates in

September 2022 for France, Germany, USA, Russia, China, Australia, and Ethiopia are 5.6%, 10%, 8.2%, 13.7%, 2.8%, 6.1% and 30.7%, respectively.

Social

The Russian workforce, the main producer of barley, is in decline in recent years. The geopolitical conflict with Ukraine does not help at all, as it has contributed to several people wanting to advance the country, some even migrating through the Bering Strait to the USA.

Technology

A new technique to have a higher alcohol content is called Malting. Malting is essentially roasting the barley. By doing this the starches convert into sugars which make the wort a more attractive liquid to the yeast. To make beer more bitter people started to add gruit, an herb mixture.

Environment

Swinkels Family Brewers places great importance on sustainable development and environmental and resource care by adopting a circular entrepreneurship philosophy. Russia is the third country with the highest accumulation of carbon dioxide emissions, having accumulated more than 100 billion tons from 1850 to 2021 and almost 180 billion tons in total considering land use and deforestation. Impressive figures that are exceeded however, by USA and China, with accumulations exceeding 500 billion tons and almost 300 billion tons in total, respectively. In 2021, Germany generated 665,884 megatons (8.06 tons per capita), the United States 4,752,079 megatons (14.24 tons per capita), Russia 1,942,535 megatons (13.52 tons per capita), France 302,327 megatons (4.58 tons per capita), Australia 367,907 megatons (0.29 tons per capita), China 12,466,316 megatons (8.73 tons per capita) and Ethiopia 19,209 megatons (0.17 tons per capita). Australia is the only country to have reduced its emissions compared to 2020 (-3.51%), and Ethiopia has the lowest carbon dioxide emissions by far [Appendix 4.0.1 - Appendix 4.0.7]. However, both countries had shown a steady increase in their emissions until 2020, unlike the other countries previously listed. Except for China, which has continued to increase its carbon dioxide emissions. [Appendix 4.0.8 - Appendix 4.0.14].

Germany has begun to shut down nuclear power plants, has re-ignited coal-fired power plants and maintains Russian gas as a reserve after the progressive cut-off of natural gas supplies from Russia, all in order to cope with the coming cold winter. This may partially explain the 5.78% increase in German emissions between 2020 and 2021.

Barley crops adapt easily to any environment, so it has few demands to adapt to weather conditions. They can withstand frost and moisture deficit, which is why even with cold weather, Russia has managed to stay at the top of the list of barley producing countries.

As far as the Hop Market is concerned, the new varieties of this plant tolerate heat better, drought and have greater resistance to pests. This has captured the interest of hop growers

who would love to produce many more of these new sustainable varieties. On the other hand, the brewing industry shows a certain slowness in converting beer recipes to new varieties, so that only a few of these new hops are consumed.

Legal

As a result of the geopolitical conflict between Russia and Ukraine, the EU took repressive measures against Russia implemented sanctions, restrictive and diplomatic measures. The EU-Russia summit was cancelled, banning the import of goods, and providing tourist services with the territories of Donetsk, Luhansk, Crimea, and Sevastopol. In addition, the EU asked the European Investment Bank to suspend the signing of new financing operations in the Russian Federation, the implementation of regional and bilateral cooperation programs with Russia was reassessed and coordinated with the European Bank for Reconstruction and Development (EBRD) also suspended the financing of new operations.

Regarding beer taxes, the EU requires all member countries to levy an excise duty on beer of at least €1.87 per 100 liters (26.4 gallons) and degree of alcohol content. That equates to a minimum tax of €0.03 (US\$0.04) for a 330 ml bottle of beer (11.2 oz) with an alcohol content of 5%, to give an example.

On the other hand, the Evin Law in France restricts advertising of alcoholic beverages. This in order to prohibit intrusive media with a significant impact on young people and allow less intrusive ones; also limiting advertising content. Messages should refer only to the characteristics of the products and should not evoke positive images of the association of alcohol with success, sport, performance, etc. There have been some concrete effects on public health since the implementation of this law. However, its effectiveness is reduced by the renewed use of previously prohibited media such as the Internet, through strong lobbying by the alcohol industry; and because of other permitted marketing tools aimed at young people: attractive packs, price promotions, sweet products, among others.

SWOT

SWOT analysis is a powerful planning tool that aids in decision making. SWOT is an abbreviation for Strengths, Weaknesses, Opportunities and Threats. This analysis makes it possible to make an accurate diagnosis of the situation of your company and the surrounding environment, thus contributing to reduce risks and take advantage of opportunities. If the Business Plan is a map that guides you where you want to take your business, SWOT analysis would be the compass you need to check from time to time to see if you are going in the right direction.

A strategy begins with objectives, which naturally derive from the business mission. For practical purposes, however, objectives cannot be isolated, based on an iterative perception of the external environment and the internal capabilities of the enterprise. Strengths and weaknesses corresponding to internal factors, while threats and opportunities correspond to external factors. The framework is based on the development of four types of strategies, including leveraging strengths to exploit external opportunities and minimize threats, and overcoming weaknesses to leverage external opportunities and minimize threats.

Although several may think that everything is derived from the objectives of the company, the fact is that in terms of practicality, the objectives are based on what is feasible, considering the environment in which they must operate their own resources and capabilities. Both PESTEL analysis and the BCG Matrix help frame the corporate SWOT.

The SWOT analysis offers several advantages to the Swinkels Family Brewers. It can provide useful information for the development of smart business strategies, allows identifying core competencies, making market projections and planning the future. However, this analysis has certain limitations that must be taken into consideration in order to achieve its strategic objectives. Occasionally, recognizing the difference between opportunities and threats can be complex, as the same opportunity can act as a threat if the company cannot exploit it in a timely manner. It oversimplifies the process of identifying strengths, weaknesses, opportunities and threats. Moreover, the factors identified are not classified according to their importance and urgency, so the SWOT provides only limited information. The complex interdependence between internal and external environmental factors makes analysis difficult.

It is necessary to bear in mind that in SWOT analysis, the identification of strengths, weaknesses, opportunities, and threats generates a large amount of information that can be useful only in a limited way. To keep it going, it is important to consider the dynamic nature of a rapidly changing environment.

Strengths

In 2003 Swinkels Family Brewers - Bavaria and the large cereal agricultural cooperative Agrifirm (with more than 600 producers) joined forces to create a new expert malting company called Holland Malt. In March 2004 Holland Malt began construction of a new malting plant with state-of-the-art facilities in the port of Eemshaven, Netherlands, on a pier

with malt and grain loading facilities for shipping. This facilitates the logistic supply of raw materials by reducing freight costs and taking control of the entire production chain. The plant was commissioned and in full production in April 2005. The plant has one of the largest, modern, and environmentally friendly barley storage and malting facilities in the world, with the potential to produce more than 130,000 tons of malt per year by processing 165,000t of malt barley and other grains from the surrounding 30,000ha of arable land. The storage capacity is 20,000t malt and 60,000t barley. This makes possible the annual forecast of malt production sufficient to generate one billion liters of beer.

The malting plant was designed to make a reduced use of water (-30% compared to other malting plants) and a new system developed by Buhler and several universities in the country for flat bottom soaking was integrated. This system also enables the production of a more uniform malt quality. In addition, Holland Malt has installed a LogiSphere system from Sensite Solutions, with which by continuously monitoring the processes carried out at the plant, it will maintain quality standards and identify opportunities for cost savings in the production process.

Bavaria 8.6 has had a particular success in France above the rest of European countries, managing to position itself in second position of the category of special beers in terms of Market Share (being dismissed by far the first place) and has above average sales growth (11.41% versus 9.20%). This, even though it generates a loss margin on the sale, places Bavaria 8.6 as a question mark in the BCG Matrix. Trappe is another of Swinkels Family Brewers' most profitable products. It shows good sales growth (31.43%), fourth in its category after Chimay (35.91%), Westmalle Tripel (33.88%) and Trappistes Rochefort 8 (33.32). Surpassing the giants Heineken (Affligem - 11.28%), Carlsberg (Grimbergen - 18.90%) and AB InBev - SABMiller (Leffe - 7.70% / Tripel Karmeliet - 0.70%).

Weaknesses

In terms of margin, the company has the lowest gross profit margin (10.8%) in its industry, and its sales cost is four times higher on average than other breweries such as AB InBev, Carlsberg, and Heineken [Appendix 5.0.1].

In terms of costs, compared to AB InBev, Carlsberg, and Heineken. Swinkels Family Brewers has the largest increase in payroll costs in the last 5 years (+25.2%), while Heineken barely had an increase of just one-third of its payroll costs (+8.7) and both AB InBev (-17.6) and Carlsberg (-5.2) reduced these costs.

Dumping and selling at a loss are practices of unfair competition. Their practice could allow an undertaking to foreclose one or more competitors by applying zero or loss margins and then increase them once the desired market share is acquired. This practice is generally exercised by exporters seeking to penetrate a market aggressively. The exporter (Netherlands - France) uses to its advantage the strong margins obtained in the domestic market to finance over time the absence of export margins. In legal terms, the anti-dumping law of France regulated by Articles L.420-5 and L.442-5 of the Commercial Code is infused, as Bavaria 8.6 Gold in the presentation of 50 cl is sold at breakeven point, while Bavaria 8.6 Original 50 cl (the classic version, also of the special beer category), is sold at a loss generating a loss

margin of -4.9%. Bavaria 8.6 Original in the presentation of 65 cl and 25 cl (package of 6 units) are also sold at a loss. Which makes it generally one of the least profitable brands of Swinkels Family Brewers, in general margin terms. On the other hand, although this product is considered as a question mark, it currently does not have the brand image necessary to withstand a considerable price increase. Therefore, strategic adjustments and the financing of the brand are necessary to improve their numbers, as well as the assessment of the impact that would be generated by continuing to inflict the anti-dumping law. In most cases, an anti-dumping measure consists in imposing an additional import duty on the product concerned from the exporting country concerned to approximate the price of the product to normal value, eliminate injury to the domestic industry of the importing country.

Bavaria Premium Pils is one of the most profitable products in the range, as it generates the most important profit margin of the product portfolio of Swinkels Family Brewers in France. Which makes it an important element in terms of value, but not necessarily volume. Bavaria Premium Pils has one of the lowest relative market shares (0.40%) and is in the least dynamic category in terms of sales (6.47%, compared to an average of 12.86% for all categories). Falling into the Dog category of the BCG Matrix.

La Trappe, although it is one of the most profitable products of Swinkels Family Brewers and is considered as a question mark in the beer category Abbey & Trappist, in terms of market share the scenario currently paints differently. Due to the strong competition, it is relegated in the last position of the category, with 2.14% of the market share against 51.27% of Leffe (first position in the category) [Appendix 3.0.8].

Opportunities

Swinkels Family Brewers' Trappe Trappe is produced by hand at Koningshoeven Abbey and supported by Bavaria. This type of beer is traditionally made by monks. It is a tool to ensure the subsistence of the Trappist monks and the good works they support, who take the time to establish a recipe and continue to perfect it in the long term, making tasty and artisanal beers.

The craft beer movement became popular in the USA and has since spread to many regions of the world, including France. In 2017, 39 percent of the French population declared that they regularly consumed craft beer. Taking advantage of the differences in the consumption of craft beer in the different regions France can be of paramount importance for Swinkels Family Brewers to better optimize the distribution process of La Trappe and maximize its sales. For example, residents of the Grand-Est and Hauts-de-France regions have a higher frequency of craft beer consumption than the rest of the country. On the other hand, Corsica and Normandy have the lowest frequency of consumption of the same product in the country [Appendix 5.0.2].

Threats

Among the main threats to Swinkels Family Brewers is the geopolitical conflict between the Russian Federation and Ukraine, an event that strongly alters the international order, trade agreements and subsequent global value chains established since World War II. Amid sanctions, broken trade agreements, rising inflation, energy crisis, food crisis and rising demand, commodity prices, for example, are skyrocketing, affecting corporate profitability.

This was not seen since 1973, when the oil crisis hit the world (World Bank). Barley, an essential ingredient in brewing, has so far seen a 12% price increase.

In market terms, competitive pressure is a risk for the Swinkels Family Brewers. In 2021, Anheuser-Busch InBev had the largest beer market share in the industry, controlling nearly one third of beer volume sales. Something that places the company as a global leader in beer manufacturing. This is not surprising as it features prominent brands such as Budweiser, Bud Light, Corona, Stella Artois, and Beck's. Second and third placers, Heineken and Carlsberg accounted for 12 and 6 percent of the beer market share, respectively.

On the other hand, the changing regulatory framework and the introduction of new stricter regulations pose a major threat. This makes legal compliance more complex and challenging for the business organization. One example is the case of strict EU legislation and the Evin Act in France. The latter restricts alcohol advertising, with the aim of limiting advertising content and prohibiting media intrusion with a significant impact on young people. It requires advertising messages to refer only to the characteristics of the product, without evoking a particularly positive image of the association of alcohol with success, sport, or performance. Lack of ability to comply with modified alcohol regulations increases the risk of costly lawsuits.

The disparities that existed from its beginnings among the public that it wanted to reach when it had just entered France, the first marketing strategies adopted and the real consumer that reached with them, can play against the company, and curb the good sales growth that Bavaria 8.6 has presented in the country. Being that in its beginnings the company wanted to position the product as a beer for gourmets, but due to its high alcohol content, canned packaging, presentations with up to 26 containers, reduced price, and distribution points (also present in convenience stores and gas stations), adopted a consumer more oriented to street culture. This consumer has contributed valuable growth in sales of Bavaria 8.6, something that Swinkels Family Brewers should take care of without affecting the brand image and being perceived as not responsible for health.

Reflections

Bavaria has kept its margins low to penetrate the market, a strategy that, judging by its development in sales, has worked. In order to reduce its high cost of sales, Bavaria is interested in further improving its sales by prioritizing certain distribution channels and improving its communication strategy. It should also consider monitoring the processes of malting plants to optimize costs to the maximum. Investing in R&D is another alternative, seeking to increase production power and thereby reduce costs. Although the latter is a longer-term strategy. An additional strategy to increase production, if relevant according to utility [Appendix 5.0.4] and production function [Appendix 5.0.3], is the recruitment of additional staff. Something Swinkels Family Brewers has already begun to do. Payroll costs have also increased considerably compared to those of its competitors. The company must carefully analyze the productivity and utility provided by each additional contract that has made (or at least an approximation) to ensure that these contracts do not only come to increase the costs of the company and that they have a positive impact on sales and production costs.

An eventual increase in the sales price of Bavaria 8.6 could be an option to consider. Beyond the increase in profit margin that could be, it is a question of staying within a scenario of fair competition according to the French commercial code respecting the anti-dumping law. Further dumping and selling at a loss could cost you dearly in terms of image and measures extended to imports from the country concerned. On the other hand, an increase in prices can cost Bavaria dearly in terms of sales. To address this, it is necessary to evaluate internally at the top of the company the opportunity cost of complying with the anti-dumping law or not, to know in depth the price elasticity of each of its products [Appendix 5.0.5, Appendix 5.0.6] and make the most of its distribution and communication channels, transmitting clearly and appropriately the value proposition of its adopted products to its real consumer.

Although in terms of margin Bavaria Premium paints positively, it has one of the lowest market shares of its category and a growth in sales almost zero (the lowest of the Pils beer category). Therefore, Bavaria should consider divesting in this product to allocate resources in the development of new products and strengthening of La Trappe, aspiring to take advantage of the trend of craft beer and gain market share, as La Trappe's sales growth is good. They could even reassess the costs to the company of stopping production. So, they make the decision to just disinvest in the product or discontinue it completely. Project management practices can be improved to take advantage of the opportunities offered by emerging market segments. It will enable the organization to successfully manage new product development projects. Bavaria can reduce work stress and boost worker morale to launch new and creative products by exploiting the creative thinking capabilities of its workforce. Diversity in the workplace can help an organization take globalization as an opportunity rather than a threat due to high intercultural intelligence.

Bavaria's well-developed and efficiently integrated infrastructure in its malteries, mainly the Holland Malt built in 2005, allows it to take advantage of innovative emerging technologies. In recent years new varieties of hops have emerged that tolerate heat, drought and have greater resistance to pests. Adapting current recipes to new varieties could bring benefits in terms of raw material costs and impact on the environment by using less water and fertilizers in the crop. The organization can also invest in improving waste management practices and integrating sustainability into business operations, helping the organization effectively manage environmental pressure. Bavaria can use this as an advertising and commercial tool.

As far as the supply of barley is concerned. It is considered important to re-evaluate the profitability of continuing to obtain this raw material only from Russia due to the current context and, taking as justification the pause in imports of Russian barley until 31 August (measure adopted by the Russian Federation to ensure the internal supply of food), the prompt consideration of diversification of its sources of supply by looking at countries within the EU such as Germany. On the other hand, I would not recommend completely stopping the supply of barley from the Soviet country, because the power and experience they have in producing this raw material is not underestimated. Breaking trade relations with Russian producers could be harmful in the future, when the war is eventually over, this could culminate in the loss of valuable alliances currently held in Russia and a competitive disadvantage compared to its competitors who seize a more stable Russia. Regarding the procurement of hops. Indeed, it is convenient to support malting and the supply of raw materials coming from Ethiopia, although Germany could be thought of as a possible support in the procurement if

there is a scenario in which costs are reduced in the face of a diversification of sources of procurement. Combining in this hypothetical scenario, Ethiopian hops with German hops.

McKinsey Matrix

The nine-box McKinsey matrix is a strategy tool that offers a systematic approach for the decentralized corporation to prioritize and determine where best to invest its cash among its business units. This tool helps to compare them and assign them to groups worth investing in, or to groups that should be harvested or disinvested. The matrix consists of a vertical and horizontal axis, one corresponding to the attractiveness of the industry, and the other to the competitive strength of a business unit or a product [Appendix 6.0, Appendix 6.0.1].

Along the axis of competitive strength, the matrix measures how strong, in terms of competition, a particular commercial unit is against its rivals. It seeks to determine whether a business unit has a sustainable or temporary competitive advantage, or not. Subsequently, it will be sought to know how long the advantage will be maintained. Some factors that determine the competitive strength of a business unit are Market Share and its variation compared to rivals, profitability of the company, strength of the production chain and business unit to meet the critical success factors of the industry, as well as the flexibility of production and product differentiation.

Along the axis of attractiveness of the industry, it is indicated how difficult or easy it will be for a company to compete in the market and therefore make profits. The more profitable an industry is, the more attractive it becomes. It should be noted how an industry will change in the long term rather than in the short term, since the investments necessary for the product usually require a lasting commitment and generate results in the long term. Factors that determine the attractiveness of the industry are the long-term growth rate, size of the industry, macro-environmental factors (PESTEL), changes in demand, price trend, availability of labor and profitability of the industry.

For the realization of the McKinsey Matrix of Swinkels Family, and more specifically for Bavaria, we will begin by listing 63 KPIs economic, accounting, financial, marketing and sales, after 5 years of analysis (Y5). They will then be awarded a score based primarily on my personal judgment supported by the facts, when available. For several of the KPIs it was considered the variation of the same in the last period of 5 years (Y1 - Y5), which allows us to give an idea of its evolution until today, and in turn, give us an idea of possible market trends. At the end of this first analysis, total scores will be available for each market, reflecting degrees of market attractiveness.

The analyzed 63 KPIs are listed by groups:

*** AGS: Ascending Grading Scale | RS: Reverse Scoring

- ❖ Demographics
 - 1. Y5 Total Population (AGS)
 - 2. Y1-Y5 Total Population Variance Rate (AGS)
 - 3. Y5 Male Population (AGS)
 - 4. Y1-Y5 Male Population Variance Rate (AGS)
 - 5. Y5 Female Population (AGS)

- 6. Y1-Y5 Female Population Variance Rate (AGS)
- 7. Y5 Internet Penetration Rate (AGS)
- 8. Y1-Y5 Internet Penetration Variance Rate (AGS)
- 9. Y5 Smartphone Penetration Rate (AGS)
- 10. Y1-Y5 Smartphone Penetration Variance Rate (AGS)

- ❖ Unemployment
 - 1. Y5 Unemployment Rate (AGS)
 - 2. Y1-Y5 Unemployment Variance Rate (AGS)

- ❖ Poverty
 - 1. Y5 Poverty Rate (RS)

- ❖ GDP per Capita
 - 1. Y5 GDP per Capita in US dollars (AGS)
 - 2. Y1-Y5 GDP per Capita Variance Rate (AGS)

- ❖ Inflation
 - 1. Y5 Inflation rate of Consumer Prices (AGS)
 - 2. Y1-Y5 Inflation of Consumer Prices Variance Rate (AGS)

- ❖ Consumption Expenditure
 - 1. Y5 Consumption Expenditure in billions of US dollars (AGS)
 - 2. Y1-Y5 Consumption Expenditure Variance Rate (AGS)

- ❖ Alcohol Use Disorder
 - 1. Y5 Rate of Alcohol Use Disorder (RS)

- ❖ Road Traffic Fatalities
 - 1. Y5 Rate of Road Traffic Fatalities (RS)
 - 2. Y1-Y5 Road Traffic Fatalities Variance Rate (RS)

- ❖ Health Expenditure
 - 1. Y5 Health Expenditure per Capita in US dollars (RS)
 - 2. Y1-Y5 Health Expenditure per Capita Variance Rate (RS)

- ❖ Beer Industry Employment
 - 1. Y5 Direct Employment (AGS)
 - 2. Y1-Y5 Direct Employment Variance Rate (AGS)

- ❖ Beer Production
 - 1. Y5 Total Beer Production in 1000 hl (AGS)
 - 2. Y1-Y5 Total Beer Production Variance Rate (AGS)
 - 3. Y5 N° of Active Breweries (AGS)
 - 4. Y1-Y5 Active Breweries Variance Rate (AGS)
 - 5. Y5 Production per Active Brewery in 1000 hl (AGS)
 - 6. Y1-Y5 Production per Active Brewery Variance Rate (AGS)

7. Y5 N° of Active Brewing Companies (AGS)
8. Y1-Y5 Active Brewing Companies Variance Rate (AGS)
9. Y5 N° of Microbreweries (AGS)
10. Y1-Y5 Microbreweries Variance Rate (AGS)

❖ Beer Exports

1. Y5 Total Beer Exports in 1000 hl (AGS)
2. Y1-Y5 Total Beer Exports Variance Rate (AGS)
3. Y5 Beer Exports Intra-EU in 1000 hl (AGS)
4. Y1-Y5 Beer Exports Intra-EU Variance Rate (AGS)
5. Y5 Beer Exports Extra-EU in 1000 hl (AGS)
6. Y1-Y5 Beer Exports Extra-EU Variance Rate (AGS)
7. Y5 Beer Exports % of Production (AGS)
8. Y1-Y5 Beer Exports % of Production Variance Rate (AGS)

❖ Beer Imports

1. Y5 Total Beer Imports in 1000 hl (AGS)
2. Y1-Y5 Total Beer Imports Variance Rate (AGS)
3. Y5 Beer Imports Intra-EU in 1000 hl (AGS)
4. Y1-Y5 Beer Imports Intra-EU Variance Rate (AGS)
5. Y5 Beer Imports Extra-EU in 1000 hl (AGS)
6. Y1-Y5 Beer Imports Extra-EU Variance Rate (AGS)

❖ Beer Sales Taxes

1. Y5 Alcohol-Based Beverage VAT Rate (RS)
2. Y5 Alcohol Hyper-Tax in euros per hl (RS)
3. Y1-Y5 Alcohol Hyper-Tax Variance Rate (RS)
4. Y5 Beer Excise Duty Revenues in millions of euros (RS)
5. Y1-Y5 Beer Excise Duty Revenues Variance Rate (RS)

❖ Beer Consumption

1. Y5 Total Beer Consumption in 1000 hl (AGS)
2. Y1-Y5 Total Beer Consumption Variance Rate (AGS)
3. Y5 Beer Consumption per Capita in litres (AGS)
4. Y1-Y5 Beer Consumption per Capita Variance Rate (AGS)

❖ Beer Sales Channels

1. Y5 Share of On Trade (CHR) Beer Sales (AGS)
2. Y1-Y5 On Trade (CHR) Beer Sales Variance Rate (AGS)
3. Y5 Share of Off Trade (HMSM) Beer Sales (AGS)
4. Y1-Y5 Off Trade (HMSM) Beer Sales Variance Rate (AGS)

Starting with the socio-demographic, economic and financial KPI groups. For the analysis of the indicators corresponding to the Demographics group, varied scores were used. Total population indicators are not given great importance, as beer consumption is not directly related to the population of European countries. In the case of gender population indicators, the situation changes. Y5 Male Population and Y1-Y5 Male Population Variance Rate were

given greater importance than Y5 Female Population and Y1-Y5 Female Population Variance. The female population represents important numbers in terms of alcohol consumption, however the figures for the male population are higher, even though the total female population is greater than the male population [Appendix 6.0.2]. Regarding internet penetration and smartphones, they were given a moderate importance in the analysis. No strict relationships were identified with beer consumption between countries [Appendix 6.0.3], however, they are given a minimum of importance due to general consumption trends (progressive digitization), and to the area of opportunity that Swinkels Family Brewers has if it exploits its cyber channels such as social networks or the existence of a possible App [Appendix 6.0.4, Appendix 6.0.5].

For the analysis of the indicators of the groups Unemployment, Poverty, GDP per Capita, Inflation and Consumption Expenditure. Those relating to the Unemployment Rate were given moderate importance, as the results of studies on the relationship between alcohol consumption and unemployment show mixed results. There are no significant differences between employed and unemployed persons in terms of almost daily consumption (11.1% against 10.3%). The rate of non-employment is higher for chronic risk drinkers. An association almost independent of gender, age, or race/ethnicity [Appendix 6.0.6, Appendix 6.0.7]. As for the Poverty Rate, using a reverse score (RS), it was agreed an average importance, because the results in this category are varied. A study by Magdalena Cerdá, Ana V. Diez-Roux and Catarina Kiefe shows that a 20% change in the proportion of residents living in poverty in a neighborhood is associated with the consumption of 1 extra drink. But 2 of 3 additional studies found a positive relationship between disadvantaged neighborhoods and alcohol abuse. Regarding the GDP per capita indicators, they were given great importance, since there is certainly a relationship between these indicators and alcohol consumption (WHO) [Appendix 6.0.8, Appendix 6.0.9]. As for the indicators of the Inflation group, they were given a moderate importance, as studies examining the effects of price increases (such as tax increases) on alcohol consumption and a wide range of related behavioral and health problems have shown that increases in the prices of alcoholic beverages lead to a reduction in alcohol consumption in the long term. However, beer is the most consumed alcoholic drink in the world and is one of the 7 most consumed drinks in the world, surpassing others such as wine, whisky, and vodka. Therefore, the reducing effect of their consumption that increases in prices due to inflation has a certain limit. On the indicators of the Consumption Expenditure group, it was decided to give them a high weight on the score scale. Given the current context in which things are costing more and more, it is natural to think that more than one person will reflect twice before buying a consumer good that is not indispensable to him, which for some will be reflected in a reduction in alcohol consumption, or at least in the preference of certain more economic brands in daily consumption. In contrast, in the scenario where sufficient resources are available to support increases in consumption costs (a situation generally typical of the upper class) beer consumption will not be altered, a situation that undoubtedly interests brands of the brewing industry.

For the analysis of the KPI Y5 Rate of Alcohol Use Disorder (RS), in which a Reverse Scoring system was used, it was given an important weight, since it reflects the high rate of alcohol consumption that a sector of the population of a given country may have. Naturally, beer consumption too. As for the indicators of the Road Traffic Fatalities group, they were given a moderate weight. A high rate of this indicator leads to a relatively higher number of

excessive alcohol users. In a study conducted between 2011-2017 on the incidence of traffic accidents related to alcohol consumption and psychoactive drug use, it was estimated that in total, 40.7% of deaths from automobile accidents were related to alcohol consumption (20.3% of the previous percentage were drivers). As regards the indicators of the Health Expenditures group, they were given moderate importance. In the top beer consuming countries, we find at the same time countries with a low index of health expenditures per capita (Czech Republic and Spain) and countries with a very high index of health expenditures (Ireland and Germany) [Appendix 6.0.10, Appendix 6.0.11].

However, regarding the groups of indicators directly related to the brewing industry. For the analysis of the KPIs for the Beer Exports group, they were given moderate importance. Since the countries that contribute the most to demand (Beer Imports) and consumption of beer (Beer Consumption) seem to be more relevant to Bavaria, being able to contribute in greater proportions to the development of sales than those that produce it (Beer Production) and export (Beer Exports). On the one hand, a country with expertise in beer production is much more likely to consume its own local production due to factors of nationalism, protectionism and, after the influence of recent trends, environmental care (rejecting pollution generated in long shipments). On the other hand, just because a country is a big exporter of beer (they are usually also producers) does not necessarily mean that it will be an extremely attractive consumer, it simply means that it has a comparative advantage (macroeconomics) with respect to other countries. Although it should be noted that some countries within the EU that are the top exporters of beer are listed in the top importers also (Netherlands, Germany, and Spain), a Reverse Scoring was therefore used for indicators related to intra-EU exports [Appendix 6.0.12, Appendix 6.0.13]. Therefore, the importance of taking into consideration other KPIs of the other categories.

The fact that a market has a higher employment rate in the brewing industry naturally positively impacts its attractiveness. Consequently, the KPIs Direct Employment and the Direct Employment Variance Rate of the last 5 years were awarded a high score.

A special case is that of Germany, which is in fact a country with a high consumption of beer, which at the same time is a major producer of hops and barley, not to mention being one of the main exporters and importers of beer. A fact that could increase its attractiveness, as it is completely involved in the beer market.

In terms of taxes, it is noted that there is inevitably a certain direct relationship between European countries in order of annual consumption per capita and beer taxes in those countries [Appendix 6.0.14, Appendix 6.0.15]. Therefore, both the KPIs of the Beer Sales Taxes group and those of the Beer Consumption group are given great importance in the analysis of market attractiveness.

As regards distribution channels. Co-sponsoring both sales channels' shares corresponding to the European beer market, the on-trade (on-trade / out of home) channel is given greater importance than the off-trade (off-premises / at home). Although the percentage difference between the two is not much, there is a predominant trend in the part of the on-trade channel, except for the years 2019 and 2020 (strongly affected by COVID19). Statista Market Outlook

estimates that from 2022 on-premises revenue share will again constitute the majority and by 2025 will again account for about 57 percent of revenues [Appendix 6.0.16].

That said, each KPIs group was awarded their respective scores for the analysis of the attractiveness of European markets [Appendix 6.0.17].

After the evaluation of each Key Performance Indicator and supporting the simulator The Serious Game (Copyright © 2022-2032. Jean Jacques André, Work & Play International . All Rights Reserved), I have considered for the development of an attractive rating scale for each of the markets considered the multiplication between the importance given and the score corresponding to each indicator for the calculation of a total rating some of the lower levels, Medium or high in appeal. These levels are calculated using the same quantile calculation method used in the BCG Matrix section, but this time dividing the range into 3 levels instead of 2. The markets considered for this analysis are listed below:

1. Austria
2. Belgium
3. Bulgaria
4. Croatia
5. Cyprus
6. Czech Republic
7. Denmark
8. Estonia
9. Finland
10. France
11. Germany
12. Greece
13. Hungary
14. Ireland
15. Italy
16. Latvia
17. Lithuania
18. Luxembourg
19. Malta
20. Netherlands
21. Poland
22. Portugal
23. Romania
24. Slovak Republic
25. Slovenia
26. Spain
27. Sweden
28. United Kingdom
29. Norway
30. Switzerland
31. Turkey

- EU27 (arithmetic mean)
- FULL PANEL (arithmetic mean)

The rank of the category Low corresponds to the total ratings between 195 and 220, that of the category Medium corresponds to the values of 221 to 247, and finally, that of the category High to all values above 248. Each country was awarded a score that fits into one of the 3 categories mentioned above, taking into consideration one of the 63 KPIs mentioned earlier in this section (McKinsey Matrix) of the report. The results identified Germany (271), UK (262) and Netherlands (247) as the most attractive countries for Swinkels Family Brewers to develop new ventures. However, France is not far behind. Assessing its level of attractiveness for Bavaria based on the results of the analysis, it is concluded that this country has a level that ranks in the Middle level, having obtained 244 points occupying the 4th position after Netherlands. The full list of countries with their respective levels of attractiveness can be found in the document Appendices [Appendix 6.0.18].

For the construction of the McKinsey Matrix, the scores obtained on the attractiveness of each market (Y-axis) were considered, and for the horizontal axis of the matrix, scores obtained (by means of the calculation of terciles) in 3 main KPIs were crossed (considered of great relevance for the analysis): Beer Consumption (L) per Capita, Consumption Expenditure in billions of US dollars, and GDP per Capita in US Dollars. Appendices 6.0.19 and 6.0.20 show the table for determining the strength level for each country and the McKinsey Matrix already constructed. The values lower than the first tercile obtained score 1 (Low), those lower than the second tercile score 2 (Medium), and those higher than the second tercile score 3 (High). Finally, the total scores are calculated for each market and the tertiary method is applied again, but this time considering the total figures, to give it a Low, Medium, or High level in the Matrix (X-axis).

Based on the results obtained in the classification of each European market in the McKinsey Matrix, it is possible to issue general recommendations related to each quadrant of the matrix. At the top of the matrix is Germany, followed closely by Netherlands, Luxembourg, Switzerland and Austria, countries where it would be worth investing to grow, increase production and build up ability to counter competition. For details on the recommendations for each quadrant, see Appendices 6.0.1 and 6.0.19. As for the French market, and based solely on the results of the McKinsey Matrix, it is convenient for each of the brands of Swinkels Family Brewers to concentrate for the moment rationalizing operations looking for a low-risk expansion. You should concentrate on specializing around limited strengths and advantages (currently for Bavaria 8.6, its high alcohol content, and its competitive price for example). If a lack of sustainable growth is detected, or if expansion through specialization in the criteria of greatest strength for them is risky for each brand, should consider a withdrawal of the respective mark in order not to fall into an impasse, or even an even more unfavorable position.

In the second analysis in the next section of the report will be available total scores for each of the main market operators allowing us to classify them according to their business strength. Giving us clues about correct decision-making and risks, as well as strategic resource management.

Five Forces Analysis

Porter's 5 forces are a framework that help understand the strength of an organization's current competitive position, and the strength of a position an organization could aspire to in an industry.

For this section of the report, we carried out the exercise of starting to formulate a strategy giving some weight to each indicator of competitive strength and measuring the relative levels of entrepreneurial strength (according to fit in the levels Low, Medium, and High) for the main market players (considering their sustainable competitive advantages in the industry), in this case Diageo, Carlsberg SABMILLER - ABInBev, Heineken and Swinkels Family Brewers. The conclusion of this exercise will be merged with the previous conclusion on the attractiveness of the market using the McKinsey Matrix. Only then can a corporate decision be made. In fact, should Swinkels Family Brewers divest, keep the status quo, or invest in France? [Appendix 7.0.2] Answering this question later will allow us to determine the access to resources, resource allocation and management.

As in the previous section, we will begin by listing 60 KPIs related to the domains of sales, productivity, profitability, marketing, debt, value creation and economic value added, after 5 years of analysis (Y5). They will then be awarded a score based primarily on my personal judgment supported by the facts, when available. For several of the KPIs it was considered the variation of the same in the last period of 5 years (Y1 - Y5), which allows us to give an idea of its evolution until today, and in turn, give us an idea of possible market trends. In the end, total scores will be available for each market, reflecting degrees of competitive strength and entrepreneurial strength. Enabling decision-making and risk, as well as strategic resource management.

The analyzed x KPIs are listed by groups:

*** RS: Reverse Scoring

❖ Bargaining Power

1. Y5 Days Sales Outstanding (DSO) (RS)
2. Y1-Y5 DSO Variance Rate (RS)
3. Y5 Days Payable Outstanding (DPO)
4. Y1-Y5 DPO Variance Rate
5. Y1-Y5 DSO to DPO Variance Rate (RS)
6. Y1-Y5 Cash Conversion Cycle Variance Rate (RS)

❖ Cost of Goods Sold Management

1. Y5 Cost of Revenue (% of Total Expenses) (RS)
2. Y1-Y5 Cost of Revenue Variance Rate (RS)
3. Y5 CoMC (% of Total Expenses) (RS)
4. Y1-Y5 CoMC (% of Total Expenses) Variance Rate (RS)
5. Y5 Days Inventory Outstanding (DIO) (RS)

6. Y1-Y5 DIO Variance Rate (RS)

❖ Productivity Management

1. Y1-Y5 Average Productive Asset Investment Ratio
2. Y1-Y5 Productive Asset Investment Variance
3. Y5 Revenue to Capital Expenditure (CapEx) Ratio
4. Y1-Y5 Revenue to CapEx Variance Rate
5. Y5 Rate of Total Assets Efficiency (AE)
6. Y1-Y5 Total Assets Efficiency (AE) Variance

❖ Marketing Performance

1. Y5 MkgSGA (% of Total Expenses)
2. Y1-Y5 MkgSGA (% of Total Expenses) Variance Rate
3. Y1-Y5 ROMSGA Variance Rate
4. Y5 Ad Spend (% of Total Expenses)
5. Y1-Y5 Ad Spend (% of Total Expenses) Variance
6. Y1-Y5 ROAS Variance Rate

❖ Sales Team Effectiveness

1. Y1-Y5 Headcount Variance Rate
2. Y5 Payroll Cost (% of Total Expenses)
3. Y1-Y5 Payroll Cost (% of Total Expenses) Variance Rate
4. Y1-Y5 Revenue Variance Rate
5. Y5 Revenue per Employee (RPE) in \$K
6. Y1-Y5 RPE Variance Rate

❖ Working Capital Management

1. Y5 Working Capital (WCap) Ratio
2. Y1-Y5 Average WCap Ratio
3. Y1-Y5 WCap Variance Rate
4. Y5 Revenue to Working Capital (WCap) Ratio
5. Y1-Y5 Average Revenue to WCap Ratio
6. Y1-Y5 Revenue to WCap Variance Rate

❖ Profitability Analysis

1. Y5 Gross Profit Margin Rate
2. Y1-Y5 Gross Margin Rate Variance
3. Y5 Operating Profit Margin Rate
4. Y1-Y5 Operating Margin Rate Variance
5. Y5 Net Profit Margin Rate
6. Y1-Y5 Net Margin Rate Variance

❖ Corporate Debt Management

1. Y5 Leverage Rate
2. Y1-Y5 Leverage Rate Variance
3. Y5 Debt to Equity Ratio
4. Y1-Y5 Debt to Equity Variance Rate
5. Y5 Net Debt to Gross Profit (NDGP) Ratio (RS)
6. Y1-Y5 Net Debt to Gross Profit (NDGP) Variance Rate (RS)

❖ Shareholder Value Creation

1. Y5 Rate of Return on Equity (ROE)
2. Y1-Y5 Average Rate of ROE
3. Y1-Y5 ROE Variance Rate
4. Y1-Y5 Share Price Variance Rate
5. Y1-Y5 Dividend per Share Variance Rate
6. Y1-Y5 Rate of Cumulative Shareholder Return

❖ Economic Value Added

1. Y1-Y5 Average Rate of Return on Total Assets (ROTA)
2. Y1-Y5 ROTA Variance Rate
3. Y1-Y5 Weighted Average Cost of Capital (WACC) (RS)
4. Y1-Y5 WACC Variance (RS)
5. Y1-Y5 Cumulative Economic Value Added (\$M)
6. Y1-Y5 EVA Variance

Starting with the group of KPI's Bargaining Power, they were given high importance as they are considered essential to better understand the company's cash conversion cycle (CCC). CCC expresses the length of time (in days) it takes to convert investments in inventory and other resources into cash flows from sales. Assesses the efficiency of a company's operations and management. A decreasing or constant CCC is a good sign, and to better understand the reasons behind, it is important to look at the DSO and DPO. A lower DSO indicates that the company can make sales quickly and quickly pay by customers, then dispose more quickly of the cash generated from sales. As opposed to the DSO, the DPO indicates the average time (in days) a company takes to pay its bills. Having a high DPO means a company needs more time to pay its bills and creditors. In general, it is advantageous, because it means that the company has extra money on hand that could be invested in short-term projects. On the other hand, having a low DPO could mean two opposite things, whether the company has better credit conditions than its competitors or the company cannot pay its bills on time. Therefore, beyond bad sales results and high costs, poor efficiency of operations and business management (a high CCC) turns out to be an explanation for the lack of cash in a certain period.

Continuing with the Cost of Goods Sold Management indicator group, they were given a high/medium/low score in terms of importance. The Cost of Goods Sold (COGS) reflects the

total amount that the company paid as a cost directly related to the sale of products. Understanding and managing COGS helps leaders run their businesses more efficiently and profitably. Companies must optimize their COGS to ensure greater profits. If a company's COGS is reduced through better deals with suppliers or through greater efficiency in the production process, it can positively affect the company's profitability. Only that in this group of KPIs we are interested to also consider indicators that include costs outside the production process also, such is the case of the Cost of Revenue. That's why we look at indicators that allow us to visualize results from the manufacturing and delivery costs of a product or service to consumers to the average number of days that inventory is held before it becomes sales. A company with a low cost of income indicates that it is in stable financial health (higher profitability) and may have strong sales.

As for the KPIs Productivity Management group, they were all given high importance. For the analysis of the indicators related to the Productive Asset Investment, they were given an important weight because it is of great interest to know the will of the company to maintain its level of investment in capital assets (buildings / equipment) and how it has evolved over the last 5 years. This takes us a step closer to understanding the nature of some of the company's expenses and intentions. For the analysis of the income indicators of CapEx, they are given great importance because we are interested in knowing how the expenses that the company makes for the acquisition of assets or the improvement of those already held are reflected in the income. It is important for any undertaking to assess how effectively the undertaking uses these assets to produce revenue or the performance of its activities (acquisition or purchase of a fixed tangible asset, such as a building, major equipment or computer network, or an intangible asset, such as a patent or license). Having said that, the indicators related to the Assets Efficiency were also given a great importance in the analysis.

As for the KPIs Marketing Performance group. Sales, general and administrative expenses (SGA) are the costs incurred by a company to promote, sell, and deliver its products and services, as well as to manage day-to-day operations (such as rental, advertising and marketing, and salaries of administrative and management staff). That is, the daily operating expenses of running a business. Understanding and controlling EMS helps companies manage overhead, reduce costs, and maintain profitability. GHS does not include research and development (R&D) expenses, direct production costs, service costs or the purchase of goods for sale, which are calculated separately as COGS (mentioned above). For the analysis of the indicators within the Marketing Performance group, on the one hand, great importance was given to the KPI Marketing SGA (% of Total Expenses) and the return of SGA expenses. We are interested in understanding better the part of the company's expenses that are dedicated to marketing and how the expenses incurred in this domain generate profits. This covers all the activities that a company can carry out to promote and sell products or services to consumers, as well as expenses directly related to the line of products, services, brand, or image of a company. On the other hand, by zooming in on advertising, great importance is given to the variation over the last 5 years in advertising expenses, and to the return on advertising investment. Since, as well as marketing expenses in general, it is also interesting to know specifically the amount invested in advertising only and its evolution during the last 5 years. Of course, we also want to know how effective the results of this investment have been.

Moving on to the analysis of the group of indicators related to the Sales Team Effectiveness. It is certainly interesting to know the percentage of the total expenses corresponding to nominal expenses, as well as the variation of the employee headcount, thinking of comparing the latter with the variation in income and productivity index to know if the hires that are made are relevant and/or effective. Although it is more interesting to concentrate on how payroll expenses have evolved over the last 5 years (depending on the total expenses of the company), along with the revenue generated per employee and its variation also over the last 5 years. This allows us to number the contribution they have generated to income, payroll expenses during the last five years.

As regards the Working Capital (WCap) Management indicator group. Account is taken of the difference between the assets (cash, accounts receivable/customers, inventories of raw materials and finished products) and current liabilities of the company (such as accounts payable and debts). WCap helps measure short-term financial health and efficiency in a company's operations. If a company's current liabilities exceed current assets (WCap ratio <1), it may be having difficulty growing or paying creditors. Something that if left unattended could bankrupt the company. Otherwise, the KPI would tell us that the company can finance and invest in current operations and future growth. However, another reason why this indicator is important is that a WCap ratio greater than 1 is not always a good thing. In some cases, it could even reflect an excess of inventory or lack of investment. That said, the WCap ratio was given greater weight and its variation in the last five years, as well as the ratio of contribution of working capital to income with its respective evolution in the same period (5 years). It was decided to exclude the Y1-Y5 Average WCap Ratio and Y1-Y5 Average Revenue to WCap Ratio altogether, as it is feared that they may provide an extremely general overview.

For the Profitability Analysis group of indicators, we assess the importance given to KPIs related to the percentage of total, net and operational profit margin of the company and their respective variations of total income. In other words, how much money the business can keep, and therefore its relative profitability. Therefore, the indicators of this group that serve to assess the real/final (net) profitability and that results from the company's operations are considered of great importance. Excluding indicators related to the Gross Profit Margin, we are interested in the net result and not the gross result.

Focusing now on Corporate Debt Management. For a correct analysis of the financial health of a company, it is important to pay attention also to the ability of a company to cover its debts (financial obligations). The optimal thing is that a company could correctly combine capital and debt for the financing of operations, therefore counting on the capacity these debts as they mature. Financing debt is a strategy to invest in growth, however, too much debt can put the company and its investors in danger. To properly use debt as a financing tool, the company must be able to generate a higher rate of return than the interest rate on loans. One way to measure the weight that the company gives to debt versus equity is the Debt-to-Equity Ratio, an indicator that was given an average importance. Although it is certainly interesting to know the proportion of financing that comes from creditors versus shareholders, it is for the moment of greater importance to know the ability of the company to maintain its debt healthy to promote future projects. Swinkels Family Brewers' ability to manage its debt

payments also tells us how it is perceived by lenders. For all this, it was decided to give great importance to all indicators in this group.

The process by which a company uses the share capital provided by the shareholders to implement financial and strategic decisions that will contribute to the growth of the shareholders' wealth above what they have contributed to the company is known as Shareholder Value Creation. The importance of knowing the profitability of the company in general was mentioned above, but an important aspect to know is also how efficient the company is today and has been over the last few years in the process of revenue creation and growth from its equity financing. In addition to the knowledge of dividends on all company shares, it is important to know the increase, if any, of the company's value over a period. This reflects the company's business performance over a period (5 years, Y1-Y5). This information is of great importance to investors, since the return on equity capital provided by them, that is, the amount that a company will pay in dividends is directly translated into income for shareholders. A particular scenario in which the Return on Equity (ROE) is high or increasing, and the profitability remains immobile, can result in an increase in obligations, and therefore in debt financing by a company (recalling the above-mentioned Corporate Debt Management). That said, the indices Y5 Rate of Return on Equity (ROE), Y1-Y5 ROE Variance Rate and Y1-Y5 Rate of Cumulative Shareholder Return are given great importance; an average importance to the indicators Y1-Y5 Price Variance Rate and Y1-Y5 Dividend per Share Variance Share (since some information could have been previously obtained with the 3 previous indicators) and left out the KPI Y1-Y5 Average Rate of ROE. Generally, this Swinkels Family Brewers analysis prioritizes indicators over the variance of a given metric over a given period, above indicators over the average value of the same metric. It is considered that the average value could lead to an overgeneralization or biased analysis of a metric or situation, while with the variation we can analyze the evolution of the situation.

For the analysis of the last group of KPIs it is necessary to understand the notion of Economic Value Added (EVA). EVA is a measure of an enterprise's financial performance based on its wealth or residual equity obtained by deducting its cost of capital (invested capital * WACC) from its net operating profit after tax. EVA can also be referred to as economic benefit, as it attempts to capture the true economic benefit of a company. In short, Economic Value Added is used to measure the value that a company generates from the funds invested in it, and therefore the true economic benefit of a company. However, it is important to make an awareness analysis of the situations in which it is relevant to use EVA, because it depends to a large extent on the capital invested and is better used for companies rich in assets, were companies with intangible assets, like technology companies, may not be good candidates. Another important notion that is involved in the Company's Economic Value Added is the Weighted Average Cost of Capital (WACC). WACC is a common way of determining the required rate of return (RRR) to support the cost of capital of the enterprise. As it translates into the return that both bondholders and shareholders demand from the company in exchange for providing capital. For example, if the stock of a company is volatile, or if the investment made by investors is perceived as risky, the WACC will tend to be higher, since the company will have to compensate investors with higher returns. The higher a company's WACC, the more it is considered risky and needs to compensate investors with higher returns. Having to overcome higher borrowing costs to investors, the company is less likely

to be creating value. On the other hand, the lower the WACC, is an indicator of a healthy business that can attract investors at a lower cost. As for the Return on Total Assets (ROTA), it was decided not to take it into consideration as some aspects of the company could lead to a biased result and interpretation. ROTA is used to demonstrate how effectively a company uses its assets to generate profits. However, ROTA depends on the book value of the total assets and not on their market value, which shows us a return that seems higher than it really should be. Another limitation is how the indicator behaves in relation to debt-based asset financing. In these cases, ROTA might appear favorable, while the company might be having trouble getting its interest expenses paid. That said, all KPIs in the latter group of indicators were given great importance, except for the Y1-Y5 Average Rate of Return on Total Assets (ROTA) and the Y1-Y5 ROTA Variance Rate, which were not given any importance in the analysis.

Considering what was said above about each group of KPIs for the analysis of business strength for each of the main players of the brewing market, they were awarded their respective scores to each group of KPIs [Appendix 7.0, 7.0.1] as was done in the previous section (McKinsey Matrix)

Moving on to the assessment of strength levels, based on the most recent results for each market operator according to each KPI considered. The results do not necessarily reflect that one company is better than the other, it only means that based on performance indicators some show more business strength than others. At the low level of business strength (values between 251 and 277) is Swinkels Family Brewers and, surprisingly, Heineken as well. Next, in the Middle level (278 and 303) is SABMiller - ABInBev. Later, in the High level (304 and above) Carlsberg and Diageo qualified, something that makes sense being that in their portfolios there are brands such as Guinness, Don Julio, Johnnie Walker (by Diageo), Carlsberg and 1664 (by Carlsberg).

Finding Heineken at the lowest level of entrepreneurial strength (sharing category with Swinkels Family Brewers) can be hard to believe, due to its large presence, popularity, and product portfolio. Keep in mind that the results reflect the current situation of the company represented by the results of the KPIs (impacted by internal and external situations, directly or indirectly) selected as of major importance in the Bargaining Power categories, Cost of Goods Sold Management, Productivity Management, Marketing Performance, Sales Team Effectiveness, Working Capital Management, Profitability Analysis, Corporate Debt Management, Shareholder Value Creation, and Economic Value Added.

Heineken has a large market coverage around the world, which also makes it very dependent on currency exchange rates of different markets worldwide. Something that has somewhat affected the profitability of the company recently due to the volatile nature of the currency exchange rate market. Heineken has indeed covered the vast geographic market worldwide, but the company's market share in some markets like China and North America is not as performing as we would expect from a company like Heineken (impacting the company's growth rate).

On the other hand, the intense competition represented by the other main market players, but more importantly in recent years, the merger of Anheuser Busch & Co. Sab Miller, is

something that significantly impacts the global business of both Heineken and Swinkels Family Brewers. Additionally, both have the sale of their products mainly concentrated in developed countries where the beer business is established. This has led them to use pricing as their main differentiating feature. For this reason, although some of their beer brands may have adequate profit margins, the standard brands of both and which account for most of their general sales revenue (Bavaria 8.6 and Heineken), do not.

Focus Group

A focus group is a primary qualitative research method used to collect data through bringing together a small group of people (7-10 people). They are chosen due to predefined demographic traits, to answer questions based on shared experience, so we can better understand how they think and behave related to a topic of interest.

For this exercise, we are particularly interested in evaluating the differentiating factors of 3 brands of non-alcoholic beer (Leffe, Heineken and Panache) to conduct market research that would be useful to identify target markets, while complying with UNSDG #3. The non-alcoholic beer is part of the offer of Swinkels Family Brewers (Bavaria 0.0%) and is a great tool to help the brand image in favor of health and well-being, being that the main distinguishing features of Bavaria 8.6 is its percentage of alcohol and its affordable price. Therefore, it was decided that it would be useful to conduct this qualitative study to know the opinion and wishes of the type of consumer chosen, in a scenario where the percentage of alcohol is not present. Knowing this information could on the one hand give us clues in the development of a more attractive non-alcoholic beer for this sector or help us determine differentiating factors in terms of flavor and consistency that Bavaria could give to a current or new variety of beer.

It was decided that a blind tasting would be held with the aim of avoiding the biases that brands and logos may cause in the answers that participants could give us. The data collected is rich in descriptions and opinions rather than figures and quantitative data. These data will be analyzed later to unravel complex processes and arrive at quantitative data for the price survey.

Focus groups were mainly composed of students from ESSEC BS (Cergy campus) between the ages of 17 and 22. A demographic characterized by a particular taste for parties and the presence of alcohol in them.

That said, we generate 16 questions, which are listed below:

1. What do you think about the smell of Beer 1? (Panaché)
2. What do you think about the taste of Beer 1? (Panaché)
3. What do you think about the smell of Beer 2? (Heineken)
4. What do you think about the taste of Beer 2? (Heineken)
5. What do you think about the smell of Beer 3? (Leffe)
6. What do you think about the taste of Beer 3? (Leffe)
7. Describe Your Perfect Beer
8. What types of Beer do you consume?
9. What is the worst beer? Why? (When, how, with who, where, since when, in what conditions, reason for drinking)
10. What kind of packaging, do you prefer for beers?
11. What kind of environment do you like drinking Beer?
12. Best Beer to Price Ratio
13. What do you think of 8.6?

14. What priority would health be when you consume beer?
15. Do you consume non-alcoholic beer? Why? Why not?
16. Did you think they were nonalcoholic beer? Did you like them? How did it feel?

Many of those interviewed think that there is no point in buying a drink with the characteristics of a regular beer, except for alcohol. Some detect in it the notable lack of flavor of alcohol, others consider non-alcoholic beer as an unnecessary form of calorie consumption, because if you sought to consume a non-alcoholic drink would consume some other type of drink (we gave the example of sodas), and others expressed dislike for the taste of this type of beer and the consistency in the mouth.

Regarding the opinion that the participants had about Panaché in the blind tasting, which was chosen for its flavor like that of a soda, result of the mixture between beer and lemonade (containing a percentage of 1.2% alcohol or even less).

We also asked the interviewees the characteristics that the perfect beer would have for them. Several agreed that it should taste fruity (with a light sweetness) and bitter at the same time, without large amounts of foam. Most seek alcohol content, but in balanced proportions (6.5%-7%). The participants in the study also expressed various unconformities they have had with some beers, and the main one was either, an extremely light flavor, or an extremely strong flavor (terms that also applied for alcohol concentration).

A flavor like that of a soda, in a regular beer would cause a negative effect on the index of preference of the consumer, because if they sought to find in their drink the attributes of a soda, they would consume a soda. When they buy a beer, it's because they look for the original attributes of a beer that please them (from its alcoholic content to its "beer" flavor).

For more details on the results and answers to the questions discussed in the focus groups, look for the Appendix 8.0.1 in the appendices document.

Segmentation & Targeting

Marketers use segmentation bases, or variables, that are characteristics of individuals, groups, or organizations, to divide a total market into segments. Choosing the basis of segmentation is crucial because an inadequate segmentation strategy can lead to lost sales and profit opportunities. The key is to identify bases that produce substantial, measurable, and accessible segments that exhibit different patterns of response to marketing mixes.

Hedonistic reasons may be driving some people to drink alcohol and energy drinks. What in this case refers to people who seek in the consumption of these drinks mainly greater fun and pleasure. A conglomerate comprising 39% of French consumers and comprising the subgroups Magic (6%), Crafty (14%), Cosy Tech (10%), New (9%). On the other hand, there is the conglomerate of conservative consumers (61% remaining), a type of consumer more interested in the characteristics and attributes of the product. A more logical and generally traditional type of consumer. This second cluster comprises the subgroups Authentic (16%), Standing (15%), Steady (19%), and Secure (11%)¹ [Appendix 9.0].

- **Left side matrix subgroups (metamorphosis):**
 1. Crafty: Self-made, comfort, possessions, materialistic.
 2. Cosy tech: Hedonism, modernity, sexuality, diversity of opinions, technology.
 3. New: Transformation, curiosity, dynamism, transformation, drive for success.
- **Subgroups down in the matrix (reality):**
 1. Authentic: responsible consumption, fair trade, union, cosmopolitanism, active problem solving, individual morality, self-centeredness, to have a say / an influence.
- **Subgroups up in the matrix (mirage):**
 2. Magic: spirit of competition, search for comfort, defense, surviving.
- **Subgroups right side of matrix (permanence):**
 1. Standing: health-awareness, bio, involvement, intellectual honesty, respect, consensus.
 2. Steady: anchored in tradition, yearning for security, community durability, sense of duty, habit, skepticism about technology.

¹ Bernard Cathelat from La Sorbonne.

3. Secure: need for social integration, belief in predestination, particularism.

A hedonistic or conservative consumer may also reflect idealist or pragmatic thinking. An idealistic consumer is a person sensitive to the beautiful stories told by brands and resonate positively when buying (slogan, muse, storytelling, mascot, etc.). Storytelling, values, and commitment are a priority for an idealist, finding meaning in his stories that bring sociological benefits to the consumer. Idealists are often materialists, prioritizing the brand, the label has something else which is why they are very likely to show the fact that they are consumers of this brand.

A pragmatic consumer is a realistic, down-to-earth person for whom tangible benefits are a priority. They are skeptical about marketing communication. The important thing for them in a beer, for example, is the label, the degree of alcohol, and where comes the raw material and the micronutrient and macronutrient content. A good marketing message for pragmatists is transparency in relation to the objective characteristics of the products. Pragmatics have passed the stage of being materialistic they can privilege ultra-premium products without necessarily ostentatiously display their membership in this brand community.

As part of the realization of this report, and a posteriori of the analysis of marketing and management strategies of Swinkels Family Brewers previously carried out, the implementation of modifications for Bavaria 8.6 will be proposed at the end of the report, Bavaria Premium and La Trappe, but also the launch of a new product/innovation that is considered to help sales and business development. For this purpose, it is proposed to launch a new version of Bavaria 0.0% as a substitute for the current version and as a tool for image improvement, innovation, and contribution with compliance with the UNSDGs. It does not have to affect the performance of Bavaria 8.6, if a line is clearly drawn between both product lines. An advertising image Bad Guy vs. Good Guy, Villain vs. Hero, or Black vs. White, Green & Blue could be adopted in the advertising image.

From this section of the report and along the next ones, we will determine for this new product/innovation proposal the segmentation & targeting, the price survey positioning, the positioning & competitive edge, design thinking, product branding, a social media presence strategy, the distribution channels and the B2B2C pricing. For this we rely on the results, data and insights collected during the report up to this point, and those provided by the simulator The Serious Game (Copyright © 2022-2032. Jean Jacques André, Work & Play International. All Rights Reserved).

Start by defining the target and market segmentation in this section of the report. Considering the results obtained in the focus group, the will to improve the brand image, and comply with the UNSDGs, while contributing to the development of sales. The primary segments considered suitable for the new version of non-alcoholic beer proposed for Bavaria are “Authentic” (16%), “Standing” (15%), and “Magic” (6%), while the “Crafty” (14%) and “Secure” (11%) subgroups is considered as a target secondary market segment [Appendix 9.0.1]. Thought as a beer without alcohol too good to be shared (in terms of content and taste) preferred by those concerned about their health (whether they seek a lower alcohol or calorie intake), and their impact on the environment. An almost miraculous solution that was

destined to reach the lives of the consumer to meet their needs in those fields. Whether in the quest to contribute with a responsible consumption, in the quest to take care of their health, or to take down the barriers that do not allow the target client to still connect with others, be included by their friends and go out to have a beer with them.

The total number of French households is 29,478,360, taking only as target segments the percentages of the subgroups mentioned above, it is determined that 5,895,672 of these households are classified as hedonists, and 12,380,911 as conservative. Giving us a total of 18,276,583 targeted households [Appendix 9.0.2].

Estimating possible market penetration rate scenarios based on the market penetration of the rest of the competitors and adopting a realistic stance, it is estimated a penetration of 0.1% in a low scenario (1664 Blanc), 0.2% in a medium scenario (Affligem, Heineken, Desperados, Leffe), and 0.3% in a high scenario [Appendix 9.0.3]. What in terms of the number of households penetrated for each category translates into 5,896, 11,791 or 17,687 hedonistic households (low, medium and high forecasted scenarios), and 12,381, 24,762 or 37,143 conservative households (low, medium and high forecasted scenarios) [Appendix 9.0.4].

“The elasticity (or responsiveness) of demand in a market is great or small according as the amount demanded increases much or little for a given fall in price and diminishes much or little for a given rise in price”².

Elasticity of demand, or elasticity of demand, is the measure of the change in the quantity demanded of a product in response to a change in any of the market variables, such as price, income, etc. Measures the change in demand when other economic factors change. Demand elasticity (PED) is the relationship between the change (%) in the quantity demanded of a product and the change in price (%). The PED is used by economists to understand the evolution of supply and demand as the price of a product changes as well. Changes in the price of a commodity affect the demand for a product (whether the price increases or decreases). PED measures the responsiveness of the quantity demanded when the price varies. Demand elasticity types are perfectly elastic, perfectly inelastic, relatively elastic, relatively inelastic, and unitary elastic. PED is affected and therefore determined by factors such as the availability of substitutes, the proportion of income spent on the good, whether the good is a commodity or a luxury, and the amount of time since the price changed.

The steeper the gradient of the demand curve, the lower the co-efficient of price elasticity of demand (PED) [Appendix 9.0.5, Appendix 9.0.6, Appendix 9.0.7]. When PED is inelastic, a rise in price results in an increase in revenue, and when PED is elastic, a rise in price causes a fall in revenue. A company may increase price in the hope of increasing revenue (and profits), but this will only be achieved if PED is inelastic - if PED is elastic, raising price would achieve the opposite, and undesired, effect.

However, if price elasticity of demand is negative, as it is the case of this business case scenario, an increase in price leads to a fall in quantity demanded. So, once the price is set,

² Alfred Marshall, British Economist.

even if rising the prices leads to an increase in revenue, we should avoid price increases in order to keep the demand in an optimal level. Since we would be targeting the costumers that are partially conservatives, we expect a negative PED. Considering the choice of target markets and market penetration rate estimates, we observed that if we decided to increase the price by 6.02%, the quantity demanded would decrease by 4.74%. To calculate the price elasticity of demand it is necessary to divide the percentage of change in the quantity demanded by the percentage change in the price ($-4.74 / 6.02$), which leaves us with a PED of -0.79 [Appendix 9.0.8].

Now, the notion of economic utility comes to light. It is a relative measure of the degree of value, satisfaction or utility associated with the consumption or use of a product or service [Appendix 9.0.9, Appendix 9.0.10]. The calculation of economic utility is of great help in measuring the amount of fulfillment that the consumer needs to satisfy a particular desire or need. By increasing the utility or perceived value of the product or service, companies seek to improve customer satisfaction, increase sales and revenue.

The notion of Law of Diminishing Marginal Utility (DMU) is also present. This law is based on the satiety characteristics of human wants. “The more we have of a thing the less we want additional increment of it or the more we want not to have additional increment of it”³ (apart from addictions). The marginal utility of a commodity diminishes as the consumer gets larger quantities of it. An example widely used to explain this is drinking glasses of water when we are thirsty. The marginal usefulness of successive glasses of water decreases, ultimately, we come to the point of satiety. Beyond this point the marginal utility becomes negative, since we would be forcing ourselves to take a supplementary glass of water. Considering the above, and the results reflected in Appendix 9.0.11 combining the consumption of beverages and food, the consumer segment hedonist would reach an optimal level of utility acquiring 4.70 containers of 33 cl + 3.70 snacks a week (weekly hedonist total utility). As those involved in this study favor beer consumption over snacks (weekly hedonist marginal utility), they are willing to pay beer at a price that is 1.41 times higher than that of snacks (MUB/MUF). As far as the conservative consumer segment is concerned, it would reach an optimal level of utility by purchasing 2.62 33 cl packages + 1.74 snacks a week (weekly hedonist total utility), and consumers belonging to this segment would be willing to pay each beer at a price that is 0.99 times higher than that of each snack [Appendix 9.0.11].

³ David A. Chapman.

Positioning & competitive edge

Positioning strategy is the foundation to tactics for product distribution, communication, and pricing, considering the perceived differences between our product and competing ones. To emphasize the positioning of our new product, there are five levels that would be convenient to use. Those are the level of positioning in the range, de product category,

As for the product categories level, we shall consider as an example the case of the failed non-alcoholic beer "Tumult" launched by Coca Cola France in 2011, in which they attempted to recategorize the product between indirect competitors and not between direct competitors. When recategorizing a product, success depends on how the Category Manager will be present in the field by heading directly to stores to ensure that the product is positioned on the correct shelf. In the case of Tumult for example, it was sometimes present alongside sodas (desired target), but at other times, when packed in cans, along with energy drinks (an illegitimate category for the product that had no characteristic of an energy drink). Therefore, Bavaria also ensures that, for the launch of the new product, both the packaging and the clarity of the identity in the product correspond to those of the category in which it seeks to position it, it is necessary to keep your Category Managers active in the field to validate the effectiveness of decisions made in this area.

As for the level of positioning in the range, based on the different competing brands prices per liter we can define three brackets of prices for bottom of the range, middle of the range, and top of the range. Having knowledge of positioning levels in the range, will help Bavaria in launching the proposed new product (or any other) to prevent the risk of cannibalization, because if 2 different varieties of products of the same brand are at the same level (Bavaria 8.6 Classic and Bavaria 8.6 Gold for example) it is necessary to be sure to prevent competition between both. This by defining different targets and positioning levels in the range. Appendices 11.0.1 and 11.0.2 show the shelves of the non-alcoholic beer section in the Auchan Hypermarché beer hall. We will leave aside the section of non-alcoholic beers with flavorings on this occasion (Tourtel, etc.). Prices observed range from 2.71 € / liter (Heineken) to 3.48 € / liter (Desperados 0%). The new 0% Bavarian beer proposed in this report, considering the psychological price zone (per liter) will be sought to be positioned in the bottom of the range (2.69€). Being direct competition of Heineken 0% (2.71€), but with the improvements of flavor (based on the insights collected in the focus group), caloric content and sustainability.

Price Survey Positioning

Continuing the previous step and having interpreted the qualitative data obtained, we will then move to the quantitative part of the research seeking to statistically represent consumer perceptions to identify the psychological price zone, and assess the dependence of the potential buyers / non-buyers and their lifestyles.

In this analysis we will start by choosing the sample frame (sociodemographic or psychographic), based mainly on the qualitative data obtained in the focus groups. We then determined the sample size based on a confidence interval, standard deviation, and a level of accuracy. Then we apply the principle of quota sampling. Quota sampling means that there was a non-probability sampling, relying on the non-random selection. Meaning that not all members of the population have an equal chance of participating in the study. Strata, namely income levels and gender (sociodemographic), or lifestyles (psychographic), and gender shall be indicated to determine their proportions in the local population. If the profiles of the survey participants did not match perfectly with the sample, adjustment factors were applied. Looking to recalculate the weight of male and female responses (by income level or lifestyle), and the corresponding number of potential buyers. Finally, a chi-square test was performed to evaluate the dependence of variables, i.e., buyers or non-buyers with respect to income levels or lifestyles. The critical value of the chi-square distribution helps us determine whether a null hypothesis of variable independence can be rejected, and whether the strong probability of dependence can be recognized.

The study is carried out naturally in France, more precisely in the Ile-de-France region. In this region, the total cash population is 12,117,131, and the regional segmentation in this Non-Alcoholic Beer Price Sensitivity Survey in terms of population distribution is composed as follows:

- Paris - 17.8%
- Hauts-de-Seine - 13.3%
- Seine-Saint-Denis - 13.4%
- Val-de-Marne - 11.4%
- Seine-et-Marne - 11.6%
- Yvelines - 11.8%
- Essonne - 10.6%
- Val-d'Oise - 10.1%

Consumer markets, and that of beer is no exception, have target audiences of hundreds of thousands, or even millions of people. For this reason, it would be too costly and time-consuming to seek to interview all or near the entire target audience. Therefore, to conduct a study like this optimizing the time and resource used and aiming at the same time to obtain a reliable picture of what the result is for the entire population, it is necessary to use carefully chosen subsets. Once again, with the help of the simulator The Serious Game (Copyright © 2022-2032. Jean Jacques André, Work & Play International . All Rights Reserved).

This price survey selects a random sample to show the accuracy of the results. This sampling depends on the wanted confidence interval (considering that the higher it is, the more costly the study would be), the standard deviation and precision level.

First, based on the findings of qualitative market research conducted in the previous step, we begin by determining the use of a psycho-graphical sample frame for our quantitative study. Since both alcohol consumption and non-alcoholic beer consumption is linked to psychological traits and characteristics such as desires, values, goals, lifestyle choices, and interests. Whether the pursuit of fun and pleasure (hedonism), health consciousness, tradition, and environmental care (conservative, and conscious consumers).

Then, for the determination of the targeted sample size it is important to pay attention to the percentage of confidence interval that will be counted, the standard deviation (1.04) and the level of precision (0.10). The greater the confidence interval, the more precision and relevance the results will have, but it must be known that this entails a greater cost. A bigger confidence interval will allow you to be more confident that the true value in the population is being represented in the interval. Although for most analyses, it is acceptable to use a 95% confidence interval to extend your results to the general population, we took anyways the decision of using a 99.5% confidence interval. Indeed, resulting in a more costly survey (7,182.36 €) Bavaria has previously had problems with some of its products in terms of calculations and identity determination, as is the case of the early 8.6, which was intended to be a beer for connoisseurs, but ended up being adopted by the street culture. However, it became one of the main sources of sales for Bavaria. To avoid being adrift at first only after the launch, and starting with the determination of the psychological price, Bavaria should have a particular interest in making this survey as accurate as possible.

Having determined the desired confidence interval in the study, it is now time to define the cluster samples by gender for each indicator. Calculating their respective percentages in order to apply them to the targeted sample size we have considering a confidence interval of 99.5% (n=852). We achieved this by dividing the number of male and female population of each indicator, respectively, by the total population (12,117,131). Once the percentages that the male and female population of each sub-cluster represents of the total population were calculated, these were applied to the sample cash, i.e., 852 (Effective Sample Size, ESS). The results obtained in the determination of the sample composition are shown in the table called "Sample" in Appendix 10.0.

Using the simulator, The Serious Game (Copyright © 2022-2032. Jean Jacques André, Work & Play International. All Rights Reserved), we determined the sample response rate (the people answered the survey divided by the ESS). The results obtained in determining the composition of the sample are shown in the table called "Respondents" in Appendix 10.0. The number of respondents has been useful to us to calculate the penetration rate, which translates into the number of buyers we estimate we will have out of the total respondents.

However, the probability of an under or over representation of some microsegments, leading to biased results. Among respondents, we observe that originally there is an over representation of women, which is compensated in the table "respondents (adjusted)". From those adjusted results, a new table of potential buyers is displayed.

This has led us to adjust the results obtained for respondents and potential buyers mathematically reducing the weight of the male population for respondents (overrepresented), and the female population for potential buyers. For this we have adjustment factors for each genre (1.7215 and 0.5809).

Continuing, we can assume that there is the possibility of a relationship between lifestyles and purchasing decisions based on the results of the qualitative study in which we form small groups of interviewees. However, there is also the possibility that we have wrongly assumed the existence of this relation (null hypothesis). At this point, the p-value is very important, because this value reveals the probability of the existence of a null hypothesis the closer it is to 1. At a confidence interval of 99.5 %, the p-value is 0.0174, which means that the results are statistically significant enough to reject the existence of a null hypothesis in the study, and therefore believe that these variables (lifestyles and purchasing decisions) really depend on each other. This allows us to draw conclusions about the price at which male and female buyers would be attracted or tempted to buy our product based on the psychographic element.

Having confirmed that the purchasing decisions of potential buyers of non-alcoholic beer are dependent on their lifestyles, it is necessary a more accurate observation record of the psychographic qualities in sales of alcohol 0%. Based on the observations, we realize that the "Standing" group is the cluster with the highest concentration of potential buyers (17 out of 39 buyers), followed by the "Secure" (7), "Authentic" (6), "Magic" (5), and "Crafty" (4) clusters. The graph "Hypothesis (HO) is not taken into account because we exclude the existence of null-hypothesis [Appendix 10.0.1].

In addition, respondents belonging to these sub-clusters were asked whether they thought about whether non-alcoholic beer is healthy, whether they think that a 0% beer is synonymous with safety, and whether they consider that a non-alcoholic beer is a substitute for sodas. The 3 sub-clusters most likely to answer questions with "I strongly agree" were "Standing", "Secure" and "Magic [Appendix 10.0.2].

Finally, we have been able to trace the psychological price zone of our beer 0% in terms of price per liter. According to the chart plotted the ideal price area where you will reach a percentage buyer than non-buyers higher, is from 1,89 € to 2,99 € / liter. The highest point obtained is 61.502% of buyers, with a price of 2.69 € [Appendix 10.0.3].

Design Thinking

Design thinking asks you to focus first on people, understand their problems and preferences from their perspective. And from that empathetic understanding, you create solutions that they will determine as right for them. It is about the story that were going to tell the costumers on social media.

We will follow the design thinking process schema protocol shown in Appendix 12.0 in the appendices document. We begin with phase I by defining the problem, for which we select a focus user and clearly define their problem. Recalling the information mentioned in the Segmentation & Targeting section of the report, we know that the focus user (both primary and secondary) is the/consumers with characteristics of the sub-clusters (Bernard Cathelat) "Standing", "Authentic", "Secure", "Magic", and "Crafty". We also know that your problems are related to the need for the arrival of a super product that will help you with your concern for your health, the environment and social integration with your friends when you do not want to consume alcohol.

Continuing with phase II by creating empathy through observations and interviews with the potential customer, we remember the insights obtained in the focus groups made, where participants shared their reasons why they would consider drinking non-alcoholic beer, their reasons for not drinking non-alcoholic beer, as well as their taste and consistency preferences. This information was of great help in defining the previous step, and together both phases lay the foundations for the next.

Now, stage III is ideation, which is the creation of ideas to solve the user problem. Originally, it had been thought to concentrate only on consumers of the sub-clusters "Standing", "Authentic and "New", for being an ecological beer, healthy and with an innovative character, however, we remember that the sub-cluster "New" is in an area where customers are difficult to preserve in the medium and even more in the long term. In addition, it was discovered that we were not including the need for inclusion in social and night outings due to the will to abstain from alcohol consumption. To this we decided to add even more emotional burden to the consumer's perception by the appearance of a product that has come into their lives in an almost miraculous way to solve their problems. A product so good that the consumer would have some resistance to share it. This led us to replace the sub-cluster "New" with the groups "Secure", "Magic" and "Crafty" in the idea that had originally been thought. Which led us to the following description (previously mentioned in the Segmentation & Targeting section):

A beer without alcohol too good to be shared (in terms of content and taste) preferred by those concerned about their health (whether they seek a lower alcohol or calorie intake), and their impact on the environment. An almost miraculous solution that was destined to reach the lives of the consumer to meet their needs in those fields. Whether in the quest to contribute with a responsible consumption, in the quest to take care of their health, or to take down the barriers that do not allow the target client to still connect with others, be included by their friends and go out to have a beer with them.

Next, phase IV is prototyping, which consists of creating a functional prototype of the idea selected in the previous phase. The prototype devised for the new Bavarian non-alcoholic beer [Appendix 9.0.1] materializes in a green bottle created 100% with recycled glass, something that seeks to be transmitted in the green color of the bottle (taking the example of soju beers), with a label in white, green, and blue details, made of recycled materials. In this bottle of great value and background, is contained an organic beer (distilled in the style of beers like Ambar Triple Zero), containing a zero percentage of alcohol, sugars, and calories, and who has come into the life of the consumer to help him with his healthy and responsible consumption, while he can comfortably integrate with his friends in social gatherings.

Finally, phase V consists of testing the prototype, seeking to obtain feedback from the user in order to make improvements. It will be sought from this point adapt a lean start-up cycle that allows us to obtain feedback constantly based on which we can adapt the product to consumer trends and eventual needs of our target.

Product Branding

Brand management (branding) are actions aligned to the positioning, purpose, and values of a brand. Their goal is to awaken sensations and create conscious and unconscious connections, which will be crucial for the customer to choose their brand at the time of purchase decision. It is important to perfect the brand image by designing brand messages with buyers in mind, looking from their perspective, and creating a consistent product/brand image. To expand the reach and results, social media, more than a useful tool, is a necessity.

With branding, we seek to create a strong and positive perception of a company, a product or service in the mind of the consumer through the combination of elements such as logo, design, mission statement, and a coherent theme in all communications in the various channels.

"Bavaria 0% goes beyond promoting the consumption of non-alcoholic beer, because consuming it means saying yourself and others ... 'I belong to this society, I care for it, for the world in which we live, I take care of my health and I share unforgettable moments with those close to me'. New version Bavaria 0%.

Bavaria 0% is the good boy of the salon, antagonizing the bad boy of the salon, Bavaria 8.6. Even when they have almost opposite personalities (transmitted from colors to communication in teasers and social networks), both coexist in perfect balance, because they are united by the will to unite people and create great moments shared between friends.

Bavaria 0% is painted white, with green and blue details on the label, with a lettering on the label that conveys a creative personality. With these colors is sought to convey purity in its composition and personality, reliability, and its commitment to the environment.

Making A Strong Business Case

Considering the insights obtained throughout this report, it is possible to issue recommendations for Swinkels Family Brewers with respect to Bavaria 8.6%, La Trappe and Bavaria Premium brands.

As for Bavaria 8.6%. Swinkels Family Brewers is interested in focusing on this field, as this product forms a large part of the sales revenue for the Dutch beer producer. Its competitive price has correctly played its role as a tool for increasing sales. However, it is necessary to increase the profit margin of this product. This can be achieved with a slight increase of €0.20 in the final sale price, reducing the content size of your packages from 55 cl to 40 cl, and negotiating better prices with suppliers.

As for Bavaria Premium, Swinkels Family Brewers should consider withdrawing it from the product offering or at least divesting its resources, instead of promoting Bavaria Premium consumption, promoting its eco-responsible and revamped version of Bavaria 0%, competing with Heineken's non-alcoholic beer (Heineken 0%). Bavaria Premium has not met the expectations neither of growth in sales nor of market penetration, nor has it reached the goal of positioning itself as a premium product in the mind of the consumer, an area nevertheless achievable with its brand of trappiest beer "La Trappe".

That said, Swinkels Family Brewers should certainly take advantage of some of its free capital for investment and of the resources previously invested in Bavaria Premium to boost La Trappe's sales. Taking advantage of the growing trend of craft beer consumption and fair consumption. With this, he would seek to promote the inner value of his trappist beer in social media, and even add a legend about it in the label. As part of the income of these beers created by monks, they are intended for charitable actions and support of society.

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to SWINKELS FAMILY BREWERS

2022



Swinkels
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brewers



STRATEGIC MARKETING
APPENDIXES

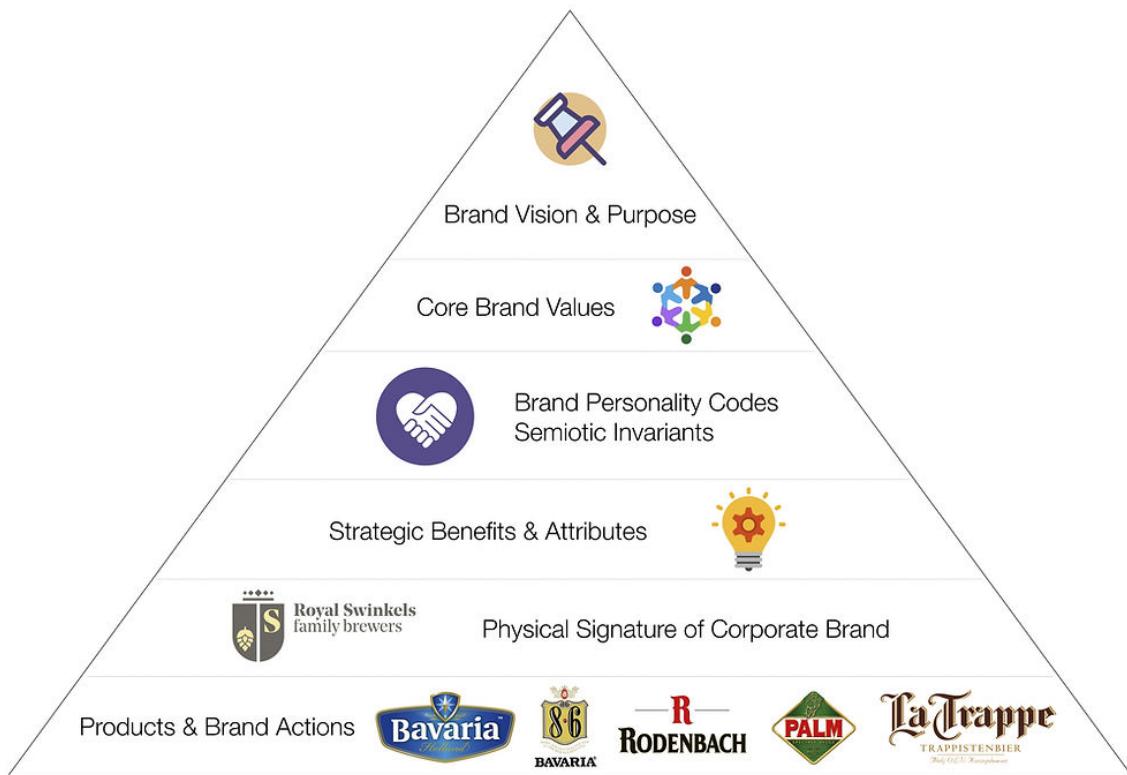
JOSUÉ GERARDO ZOZOAGA RAMOS

TABLE OF CONTENTS

Corporate Brand System	3
UN SDGs	5
BCG Matrix	6
PESTEL Analysis.....	12
SWOT	20
McKinsey Matrix	23
Five Forces Analysis	37
Focus Group	40
Segmentation & targeting	46
Price survey positioning	52
Positioning & competitive edge	58
Design Thinking	60
Product Branding	61

CORPORATE BRAND SYSTEM

Appendix 1.0:



Appendix 1.0.1:



Appendix 1.0.2:



Appendix 1.0.3:



Appendix 1.0.4:

Sole Serif

designed by Luciano Perondi for CAST Foundry

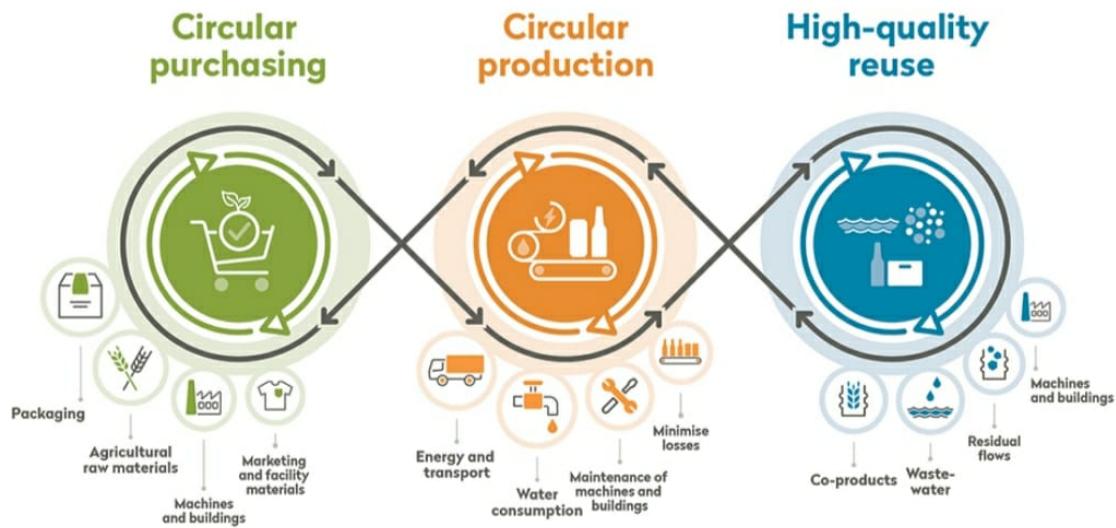
UN SDGs

Appendix 2.0:



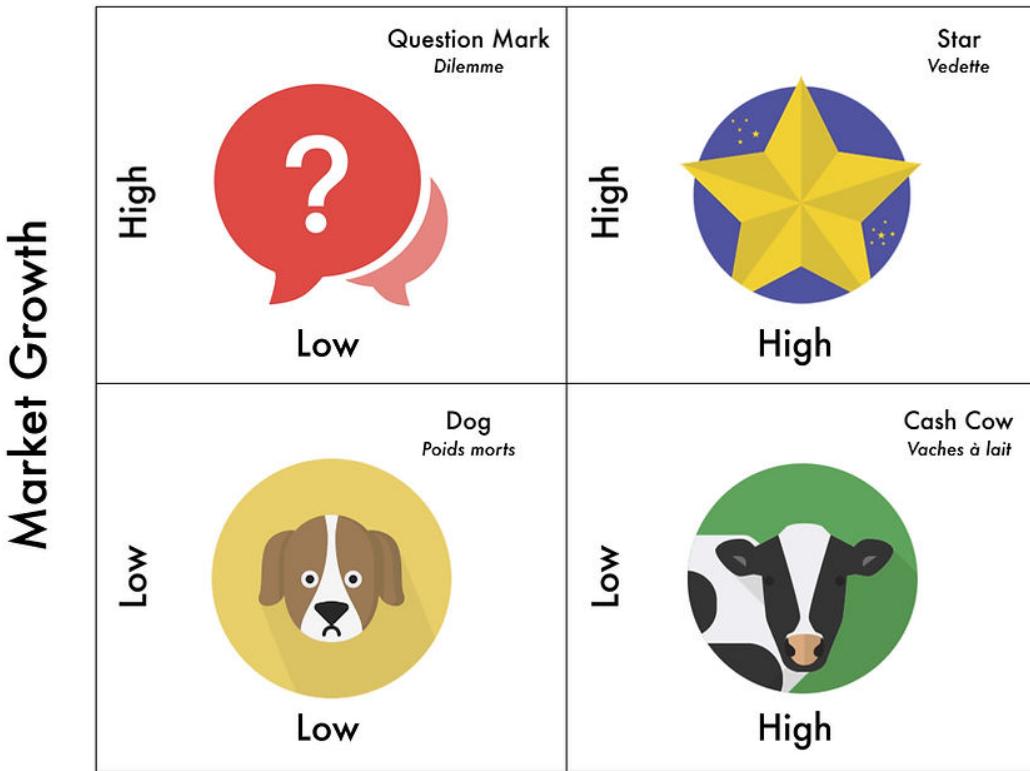
Appendix 2.0.1:

Swinkels Circularity Index



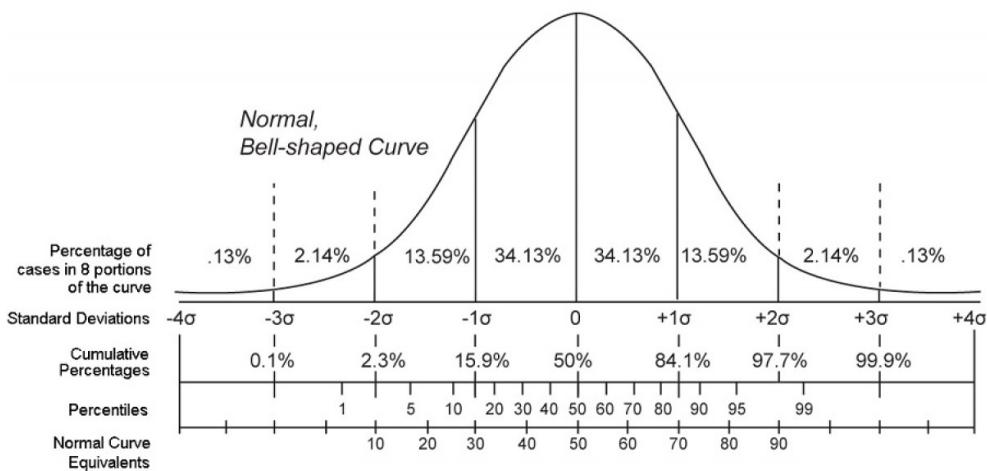
BCG Matrix

Appendix 3.0:



Relative Market Share

Appendix 3.0.1:



Appendix 3.0.2:

BCG® Matrix				
Product Category		Pils		
Category Sales Growth Rate				6.47%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis
AB InBev - SABMiller	Budweiser	0.74%	7.77%	Question Mark ▾
Brasserie Ottweiler	Ottweiler	0.12%	1.19%	Dog ▾
Budejovicky Budvar	Budweiser Budvar	1.32%	9.80%	Question Mark ▾
Carlsberg	1664	11.78%	2.66%	Cash Cow ▾
	Ackel's Pur Malt	0.33%	6.65%	Question Mark ▾
	Carlsberg	1.32%	6.72%	Question Mark ▾
	Kronenbourg	27.88%	9.80%	Star ▾
Heineken	33 Export	22.66%	3.50%	Cash Cow ▾
	Heineken	21.26%	8.26%	Star ▾
	Pelforth	10.89%	11.90%	Question Mark ▾
Swinkels Family	Bavaria Premium	0.42%	0.35%	Dog ▾
San Miguel Corp.	San Miguel	0.84%	7.70%	Question Mark ▾
Unicer	Super Bock	0.43%	7.84%	Question Mark ▾

Appendix 3.0.3:

BCG® Matrix				
Product Category		Lager		
Category Sales Growth Rate				6.55%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis
Brasserie des Sources	Abbaye de Lille	10.63%	7.00%	Question Mark ▾
Brasseries Sinclair	Atlas Extra Strong	2.98%	8.40%	Question Mark ▾
Grupo Modelo	Corona Extra	44.13%	8.68%	Star ▾
Heineken	Pelforth	42.26%	2.10%	Cash Cow ▾

Appendix 3.0.4:

Product Category					Ale
Category Sales Growth Rate					5.53%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis	
Duvel-Moortgat	Duvel	83.30%	7.00%	Star	▼
Heineken	Pelforth	16.70%	4.06%	Dog	▼

Appendix 3.0.5:

Product Category					Special
Category Sales Growth Rate					9.20%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis	
AB InBev - SABMiller	Amsterdam	4.94%	4.20%	Dog	▼
	Kwak	2.64%	14.00%	Question Mark	▼
Brasserie de Gayant	La Bière du Démon	4.22%	12.46%	Question Mark	▼
Brasserie Grain d'Orge	Belzebuth	2.12%	7.70%	Dog	▼
	Grain d'Orge Blonde	3.57%	7.00%	Dog	▼
Brasserie Pietra	Pietra	2.77%	7.97%	Dog	▼
Brasserie St-Sylvestre	3 Monts	2.21%	9.99%	Question Mark	▼
Carlsberg	1664 Millésime	1.83%	17.50%	Question Mark	▼
	Adelscott	2.52%	7.00%	Dog	▼
Heineken	Desperados	62.02%	4.90%	Cash Cow	▼
	George Killian's	0.91%	6.30%	Dog	▼
Swinkels Family	Bavaria 8°6	10.26%	11.41%	Question Mark	▼

Appendix 3.0.6:

Product Category					Lambic
Category Sales Growth Rate					15.05%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis	
AB InBev - SABMiller	La Bécasse	23.18%	18.20%	Question Mark	▼
Heineken	Mort Subite	76.82%	11.90%	Cash Cow	▼

Appendix 3.0.7:

Product Category					Beer for Keeping
Category Sales Growth Rate					13.53%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis	
Brasserie Castelain	CH'TI	13.65%	14.70%	Question Mark	▼
Brasserie Duyck	Jenlain	65.09%	7.00%	Cash Cow	▼
Brasserie Goudale	La Goudale	21.27%	18.90%	Question Mark	▼

Appendix 3.0.8:

Product Category					Abbey & Trappist Beer
Category Sales Growth Rate					20.58%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis	
Heineken	Affligem	11.28%	14.70%	Dog	▼
Abbaye de Scourmont	Chimay	4.76%	35.91%	Question Mark	▼
Carlsberg	Grimbergen	18.90%	7.00%	Dog	▼
Swinkels Family	La Trappe	2.14%	31.43%	Question Mark	▼
AB InBev - SABMiller	Leffe	51.27%	7.70%	Cash Cow	▼
	Tripel Karmeliet	5.24%	0.70%	Dog	▼
Abbaye de Rochefort	Trappistes Rochefort 8	2.73%	33.32%	Question Mark	▼
Abbaye du Sacré Cœur	Westmalle Tripel	3.67%	33.88%	Question Mark	▼

Appendix 3.0.9:

Product Category					Witbier
Category Sales Growth Rate					18.43%
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis	
Carlsberg	1664	13.35%	34.30%	Question Mark	▼
	Grimbergen	7.05%	9.80%	Dog	▼
AB InBev - SABMiller	Hoegaarden	79.59%	11.20%	Cash Cow	▼

Appendix 3.0.10:

Product Category			Cocktail Beer	
Category Sales Growth Rate				
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis
AB InBev - SABMiller	Boomerang	67.72%	8.40%	Cash Cow
Heineken	Panach' Le Classique	12.38%	7.98%	Dog
Carlsberg	Panaché Force 4	13.40%	18.48%	Question Mark
Brasserie Saint-Omer	Panaché Munsterbräu	6.50%	7.70%	Dog

Appendix 3.0.11:

Product Category			Beer 0%	
Category Sales Growth Rate				
Parent Company	Brand	Relative MS	Sales Growth	Diagnosis
AB InBev - SABMiller	Leffe	6.23%	24.90%	Question Mark
Carlsberg	1664	6.75%	23.20%	Question Mark
	Kronenbourg	22.36%	20.00%	Cash Cow
	Tourtel Twist	28.15%	23.00%	Star
Heineken	Affligem	6.81%	22.50%	Dog
	Buckler	18.25%	22.40%	Cash Cow
	Desperados	5.59%	24.70%	Question Mark
	Heineken	5.85%	19.90%	Dog

Appendix 3.0.12:

Strategic Resource Management				
BCG® Matrix				 Royal Swinkels family brewers
Cash Cow	3	2	5	0
Dog	2	2	7	1
Question Mark	4	6	2	2
Star	0	2	1	0

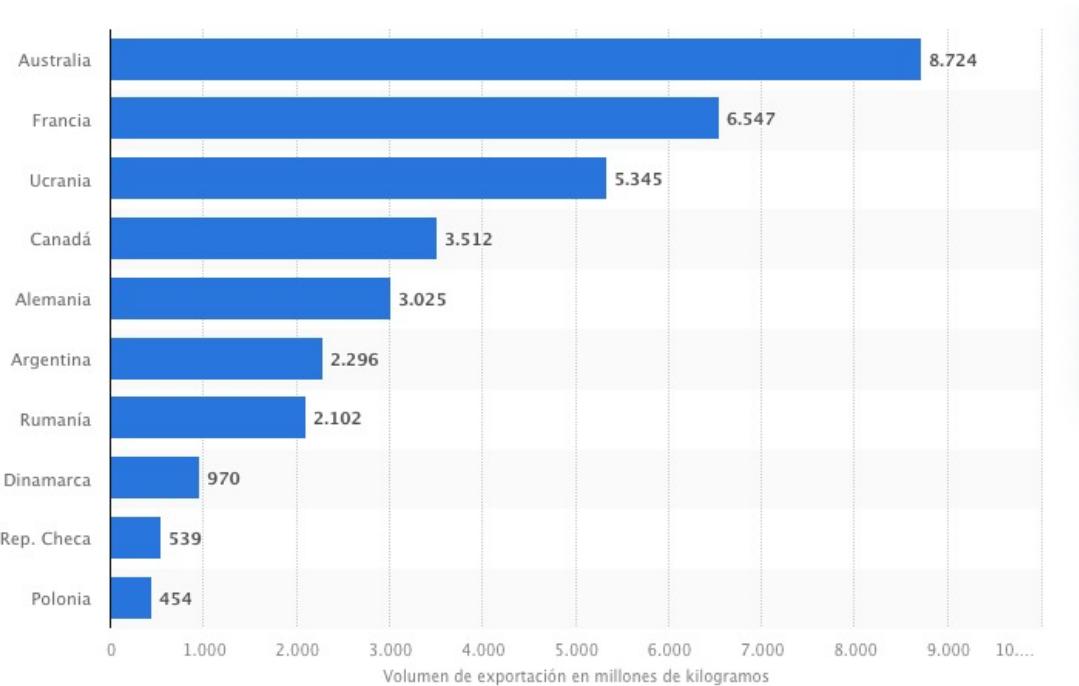
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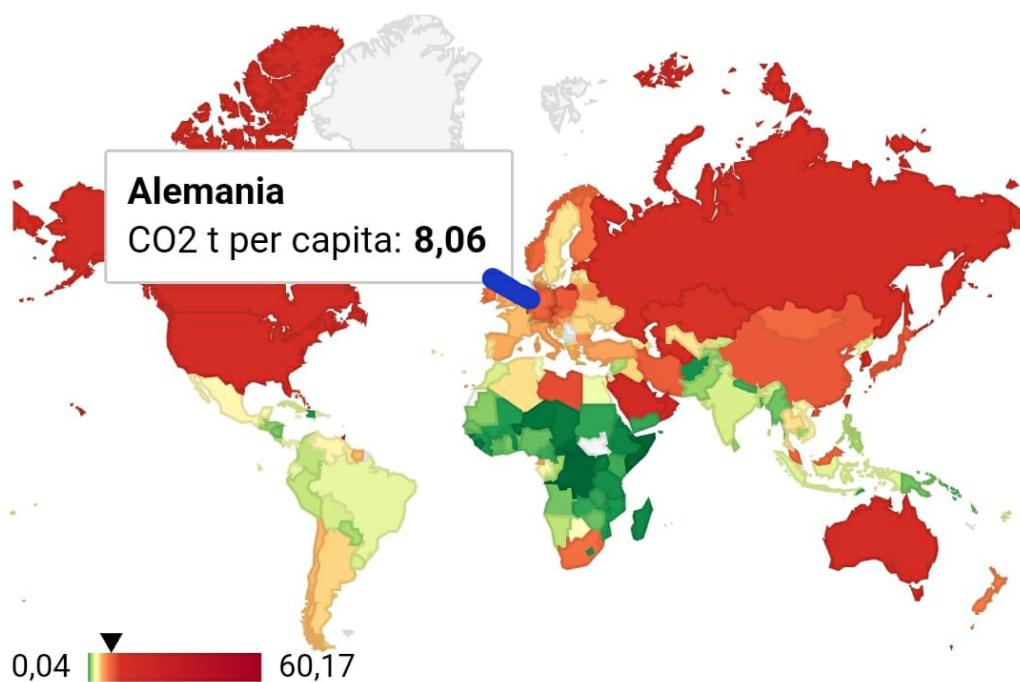
Relative Market Share

PESTEL Analysis

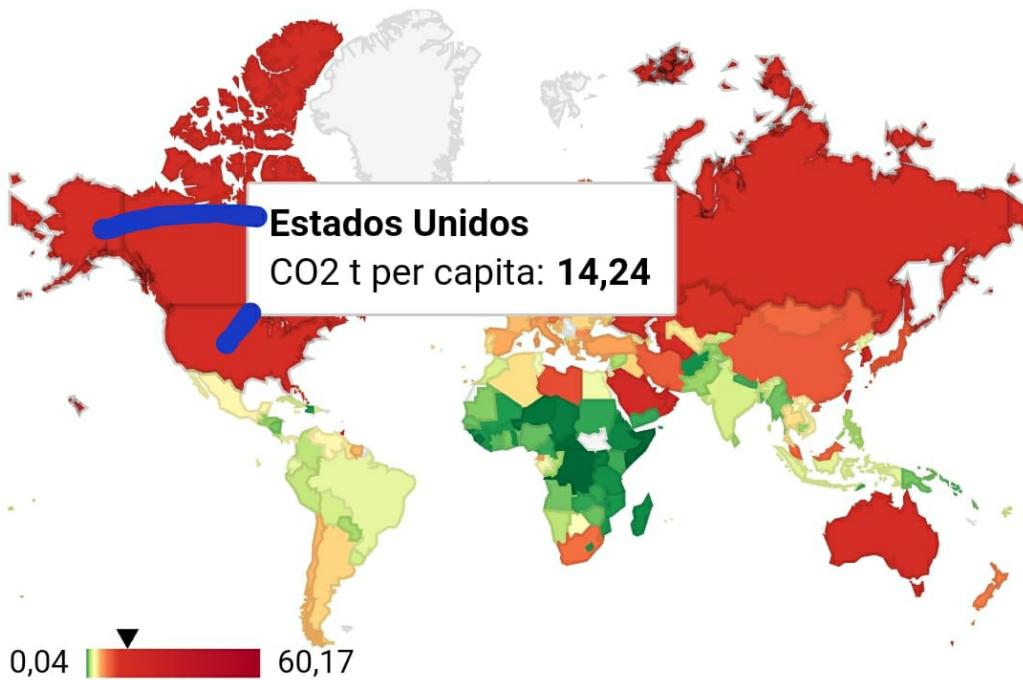
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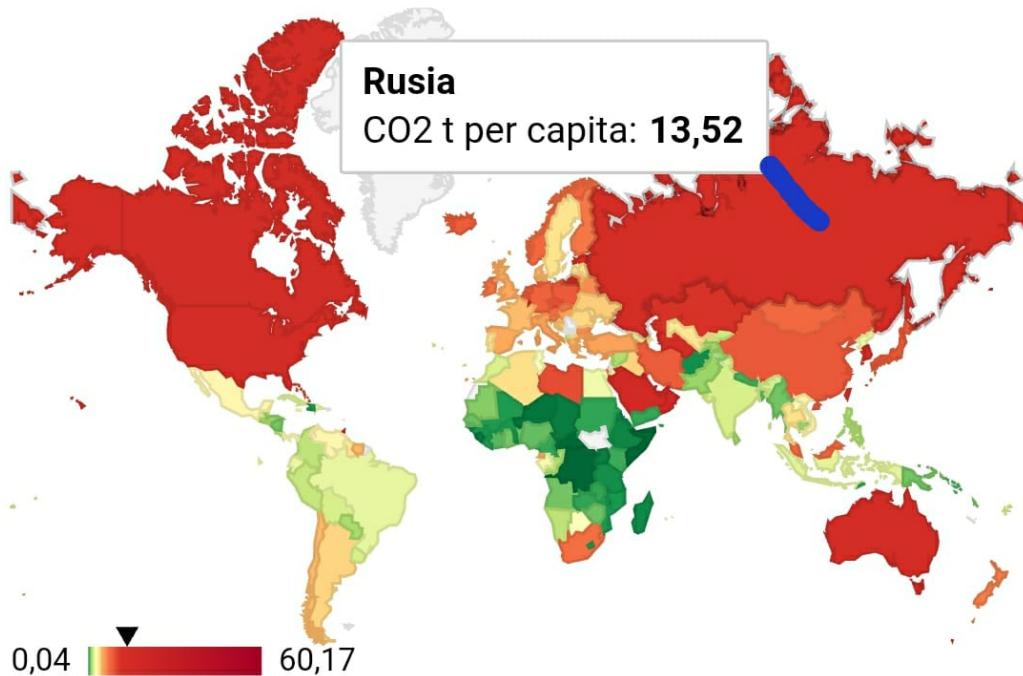
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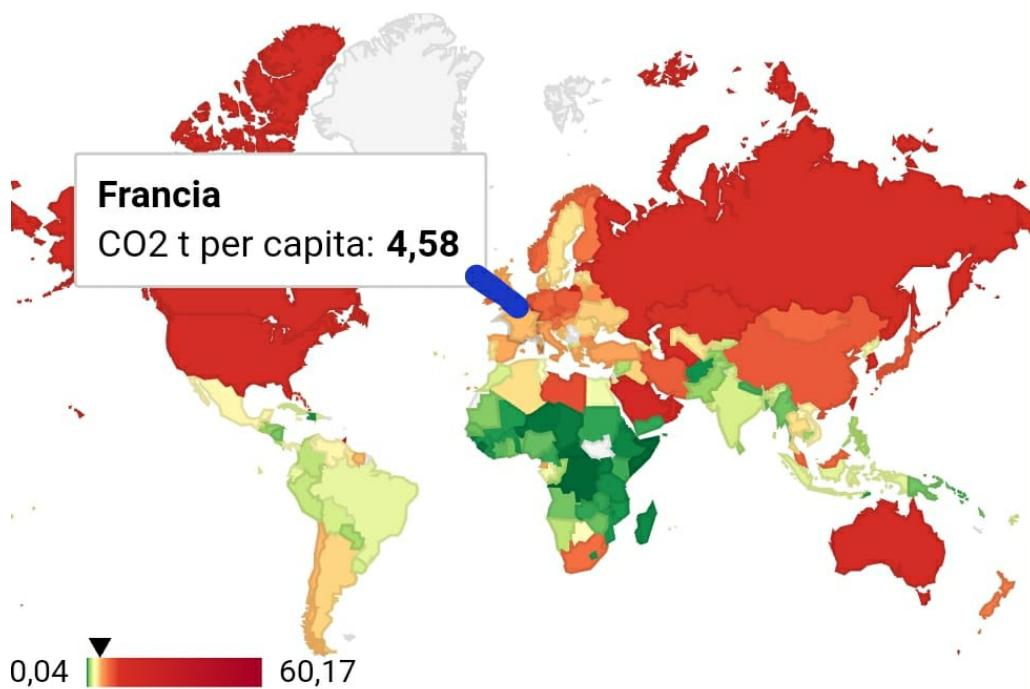
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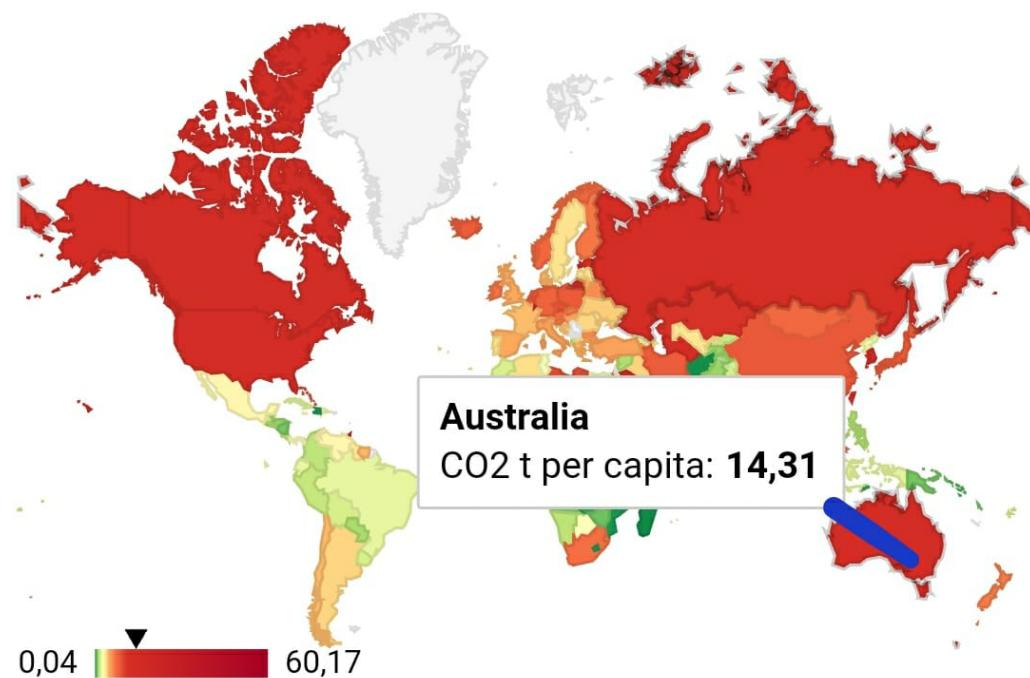
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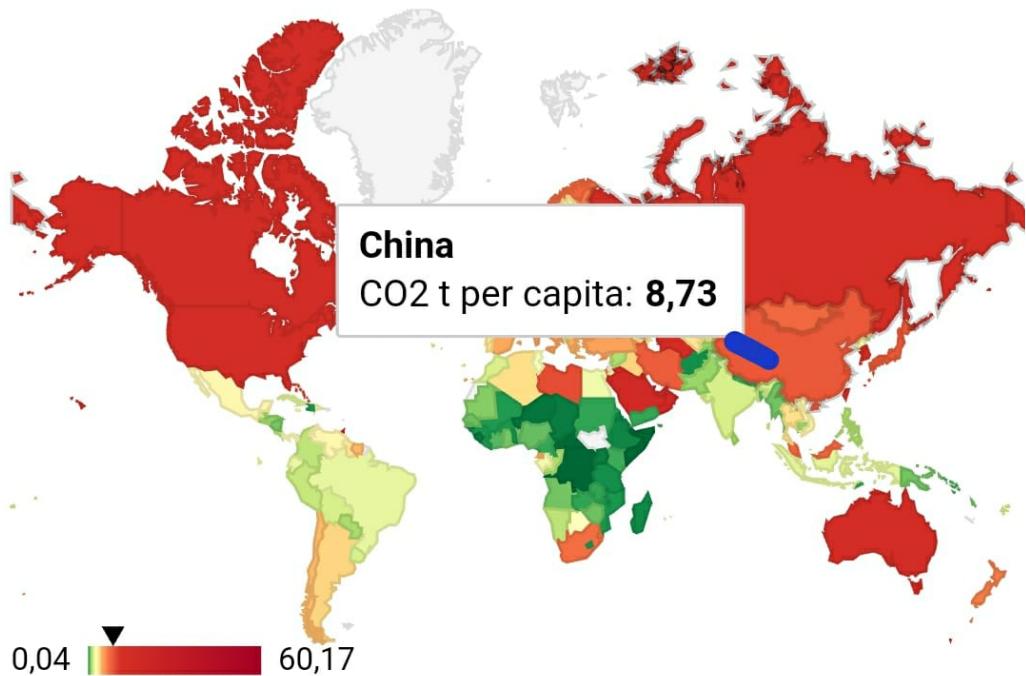
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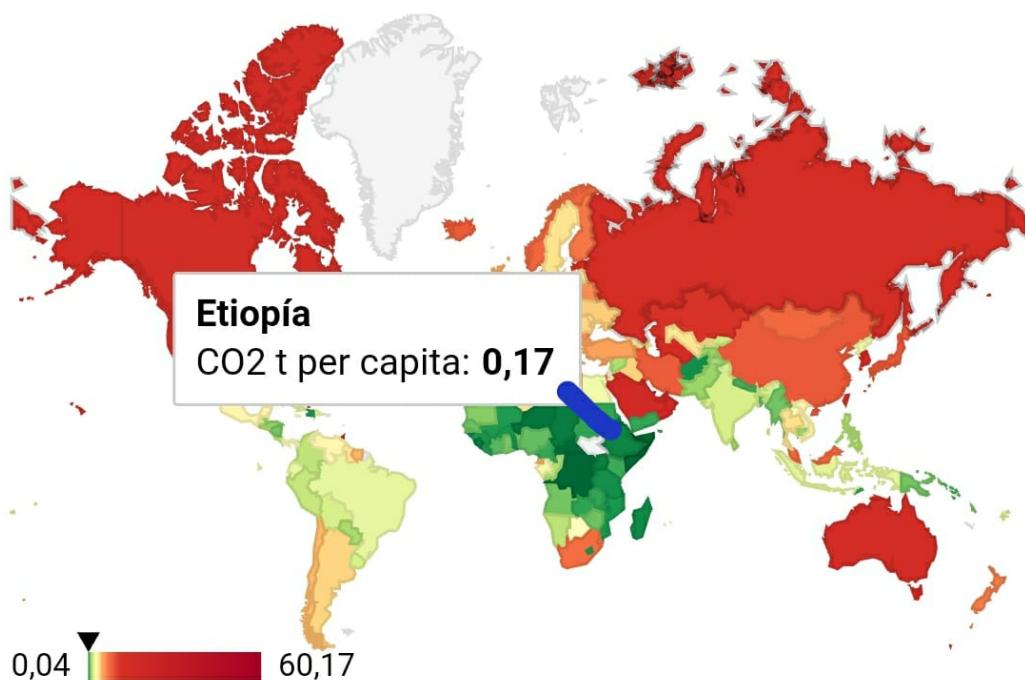
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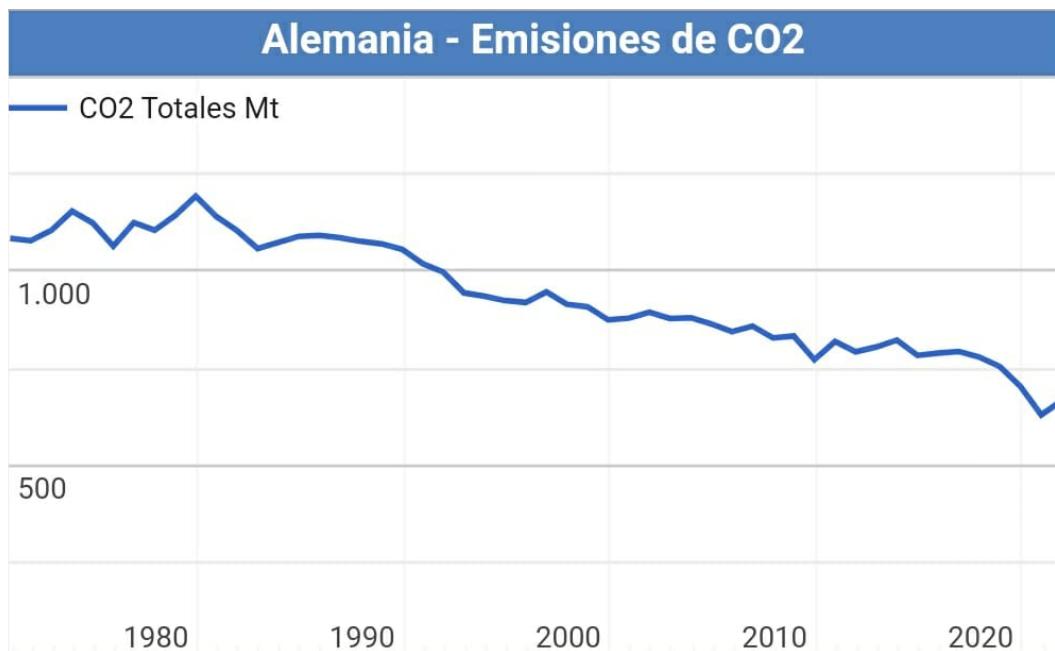
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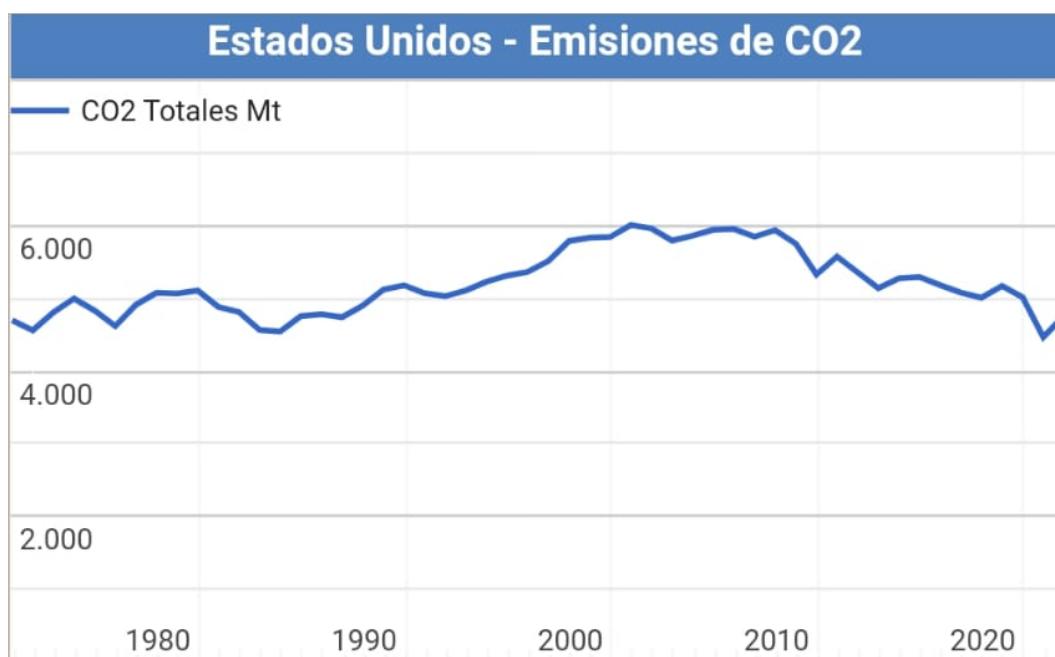
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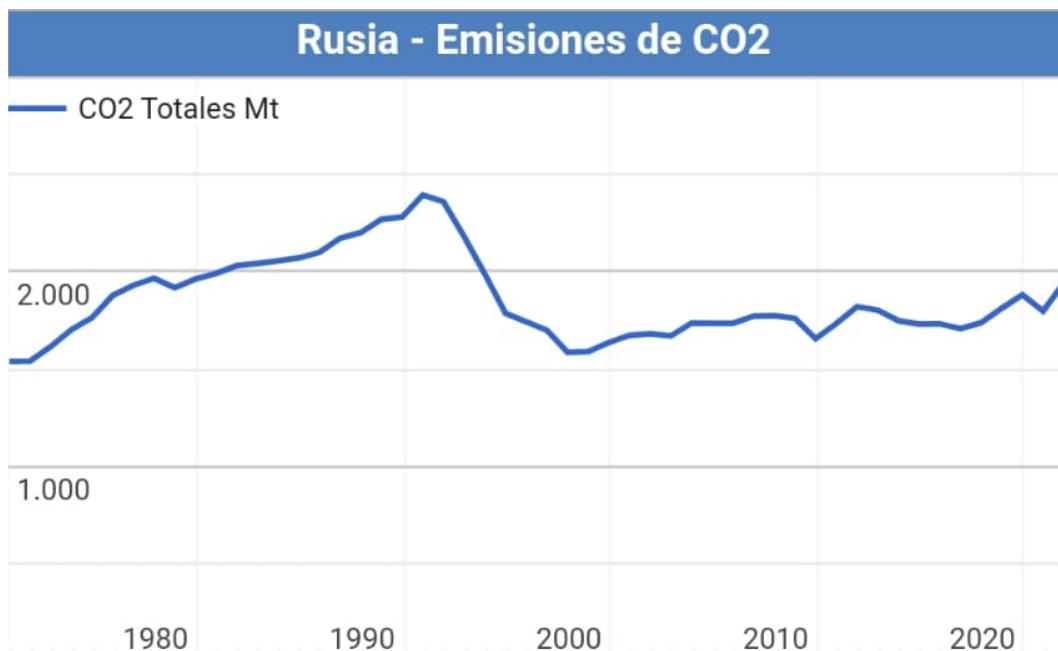
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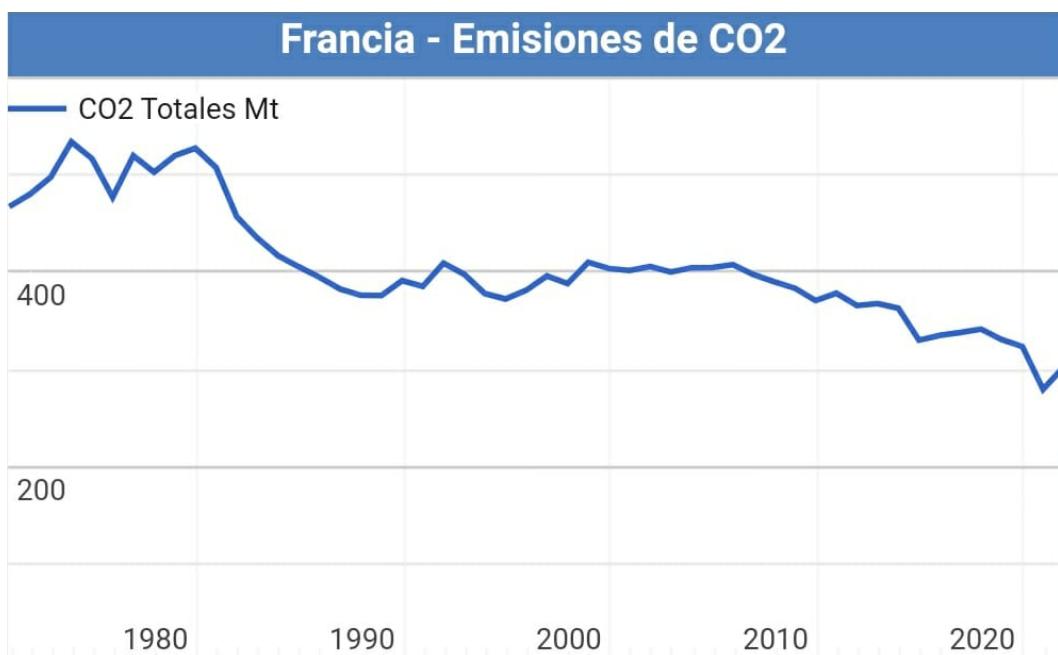
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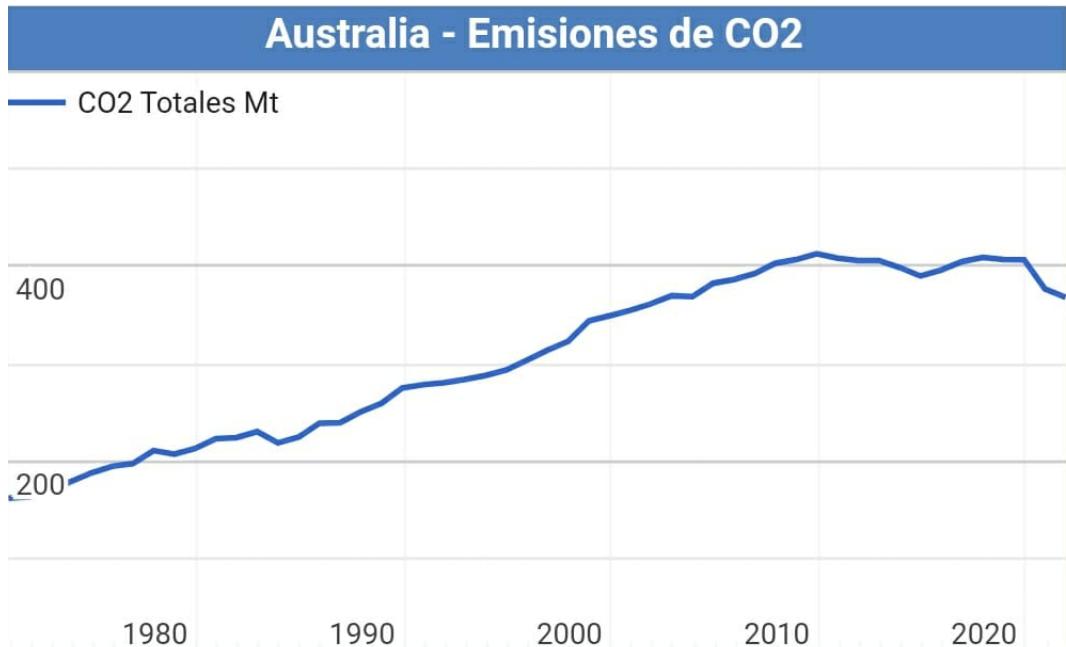
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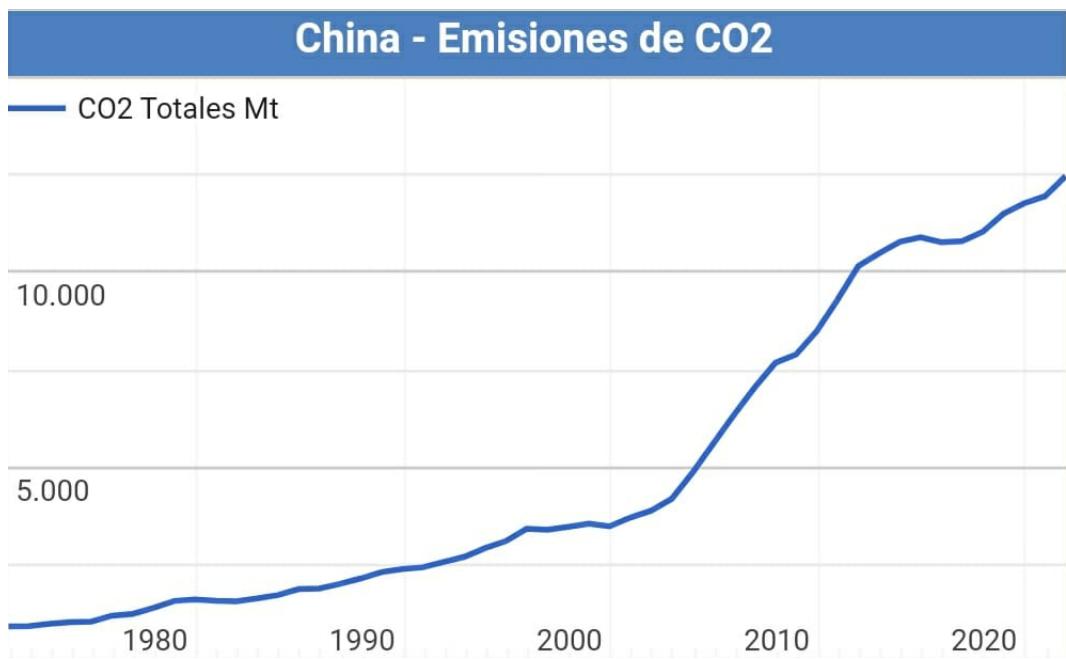
Appendix 4.0.11:



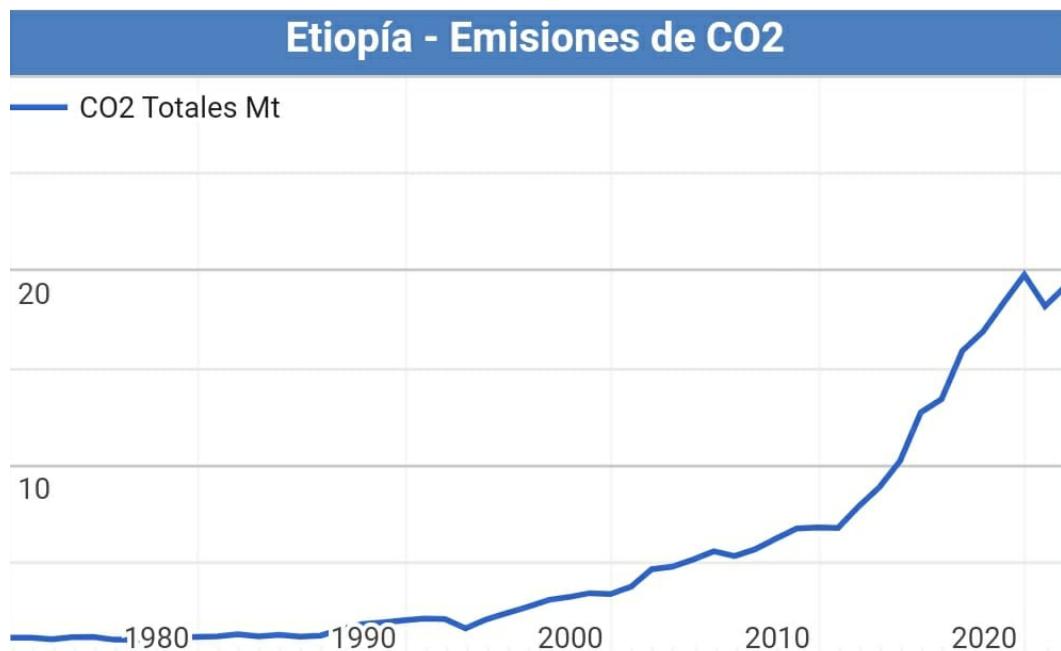
Appendix 4.0.12:



Appendix 4.0.13:

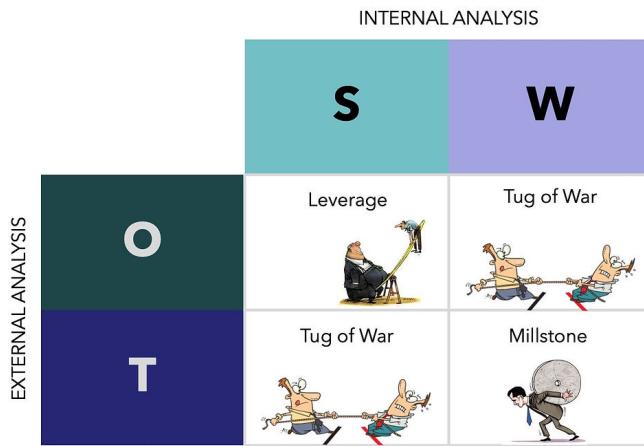


Appendix 4.0.14:



SWOT

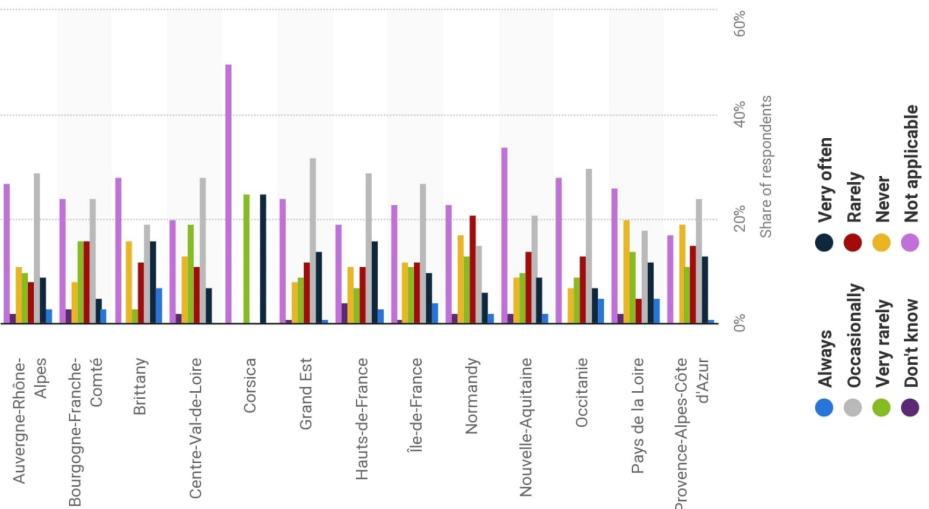
Appendix 5.0:



Appendix 5.0.1:

5 yr. Variance Metrics	SAB MILLER ABInBev	Carlsberg	Heineken	Royal Swinkels family brewers
Revenues	-13,6	-3,3	8,6	40,6
CoMC	-35,8	-6,0	6,6	48,3
Headcount	-9,1	-12,8	10,0	26,7
Payroll Cost	-17,6	-5,2	8,7	25,2
MkgSGAdmin Exp	6,2	-5,1	-1,3	19,2
R&D	15,7	12,7	44,5	19,2
Op. Income	-9,8	9,1	4,6	-10,8
Op. Income Margin (%)	5,2	12,7	-3,9	-99,3
Total Assets	41,6	-3,5	12,0	32,3

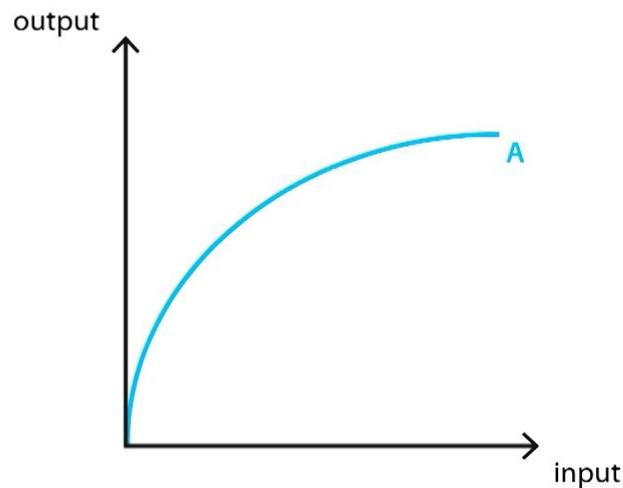
Appendix 5.0.2:



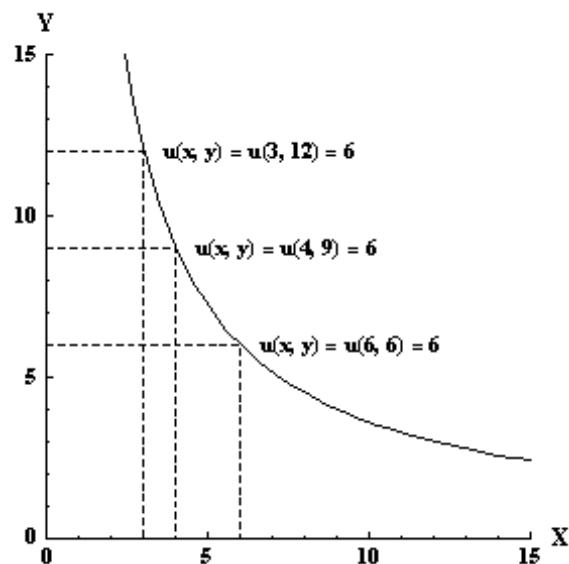
Appendix 5.0.3:

PRODUCTION FUNCTION

$$Y = y(K, L)$$



Appendix 5.0.4:

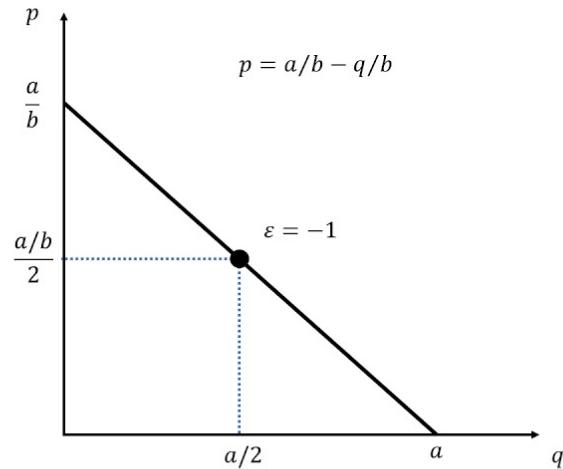


Appendix 5.0.5:

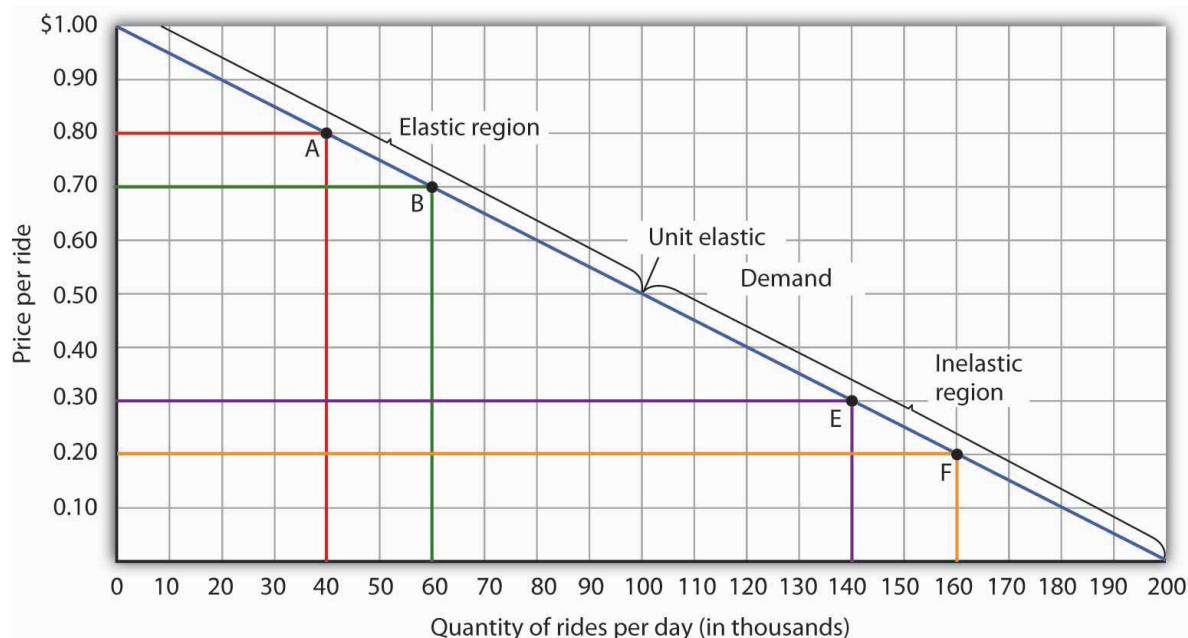
Price elasticity of demand: linear demand function

Middle of the demand curve:

$$\begin{aligned}\varepsilon &= -b \frac{\frac{a/b}{2}}{a/2} \\ \varepsilon &= -b \frac{\frac{a}{2b}}{\frac{a}{2}} = -1\end{aligned}$$

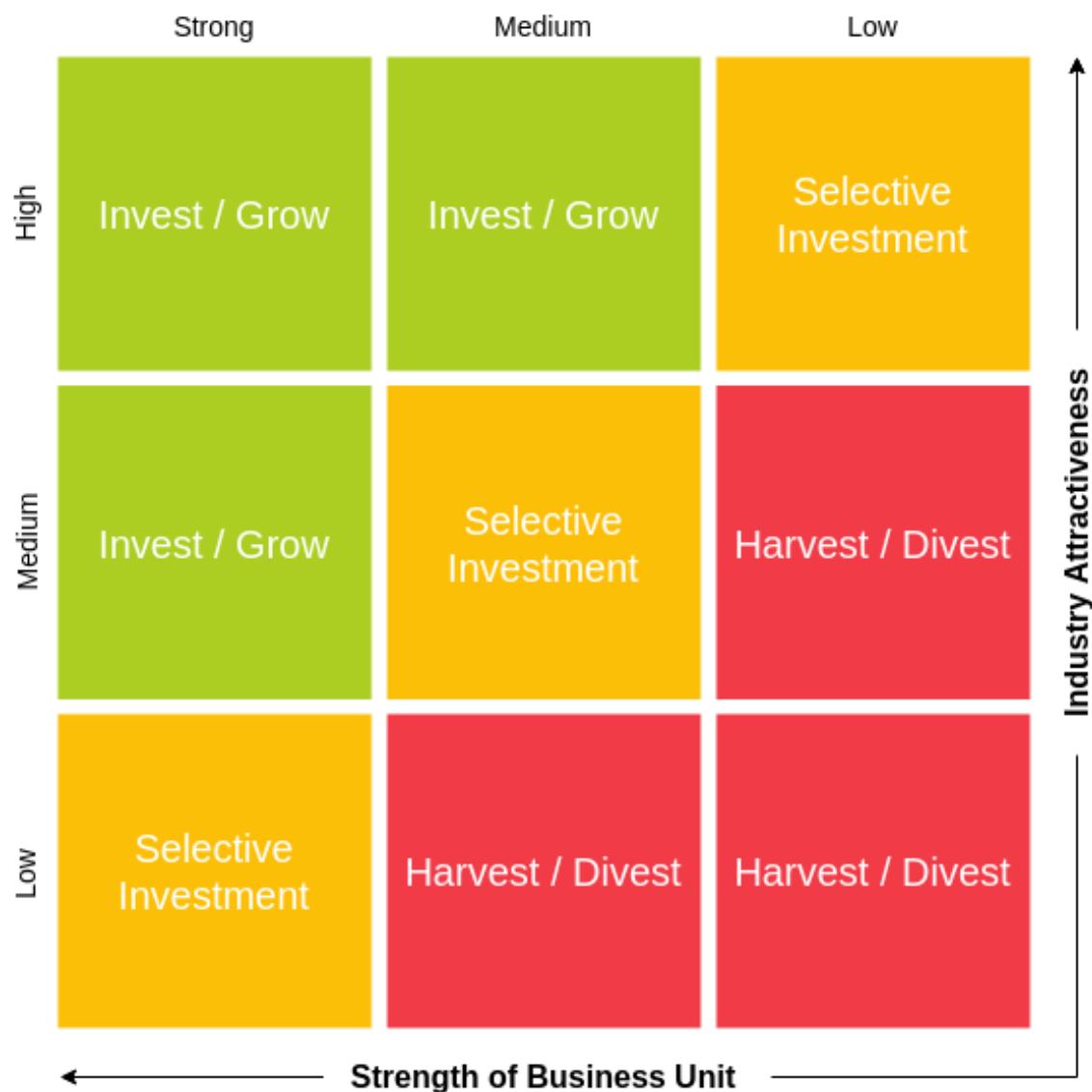


Appendix 5.0.6:



McKinsey Matrix

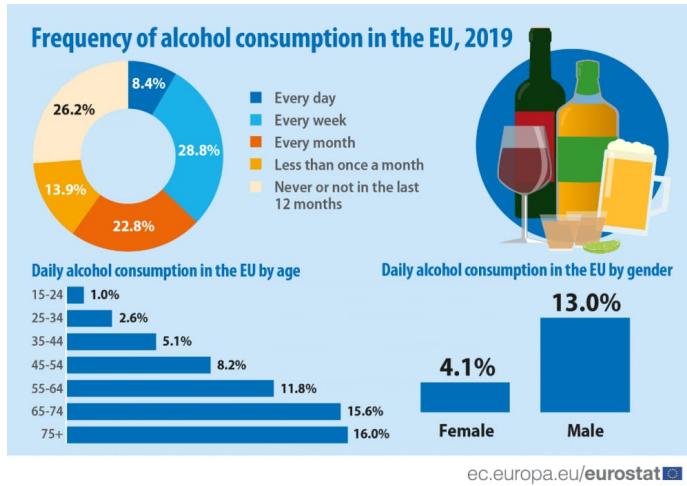
Appendix 6.0:



Appendix 6.0.1:

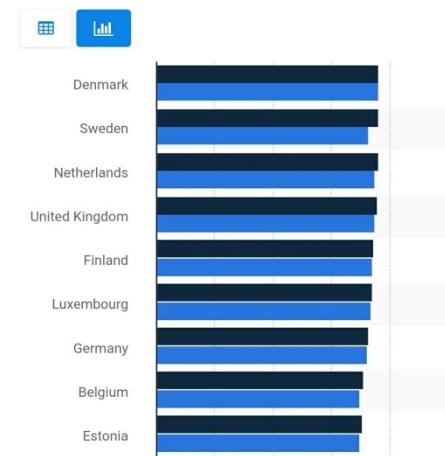
		Industry Attractiveness		
		LOW	MEDIUM	HIGH
Business/Competitive Strength	HIGH	PROTECT POSITION & REFOCUS Manage for current earnings, concentrate on attractive segments, defend strengths.	BUILD SELECTIVELY Invest in attractive markets, build up ability to counter competition, increase production.	PROTECT POSITION Invest to grow at the maximum rate, concentrate on maintaining strengths.
	MEDIUM	MANAGE FOR EARNINGS Protect position in profitable segments, upgrade product line, minimize investments.	MANAGE FOR EARNINGS Protect existing program, concentrate investments in profitable and low-risk segments.	INVEST TO BUILD Challenge for leadership, build selectively on strengths, and reinforce vulnerable areas.
	LOW	DIVEST Cut fixed costs, avoid investments, until the time to sell, and maximise cash value.	EXPAND OR HARVEST Expand without risk, or rationalize operations and minimize investments.	BUILD SELECTIVELY Specialize around limited strengths, overcome weaknesses, withdraw if indicators of sustainable growth are lacking.

Appendix 6.0.2:

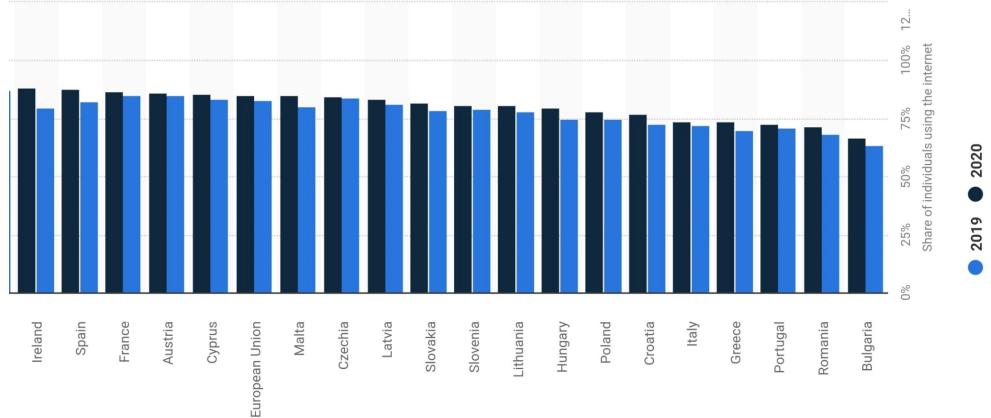


Appendix 6.0.3:

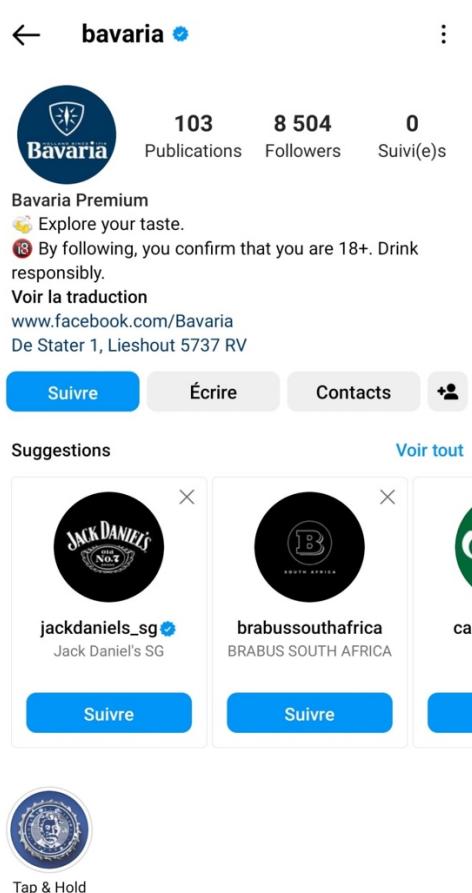
Internet penetration rate in the European Union from 2019 to 2020, by country



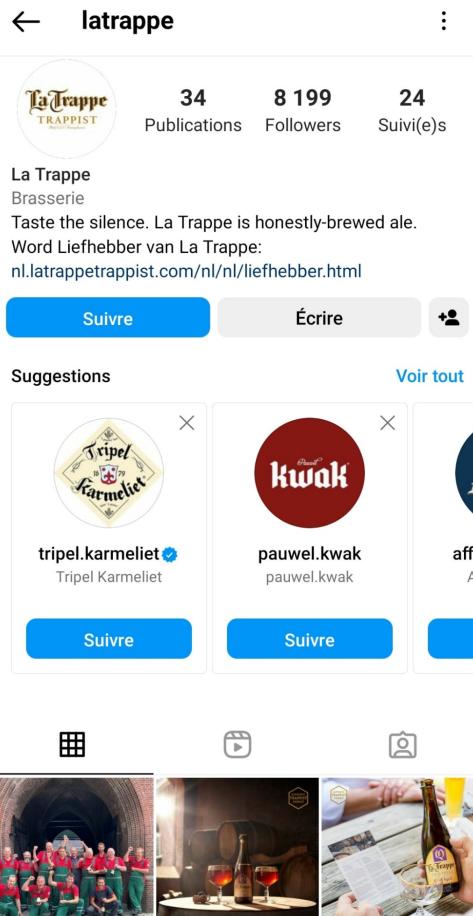
Appendix 6.0.3:



Appendix 6.0.4:



Appendix 6.0.5:



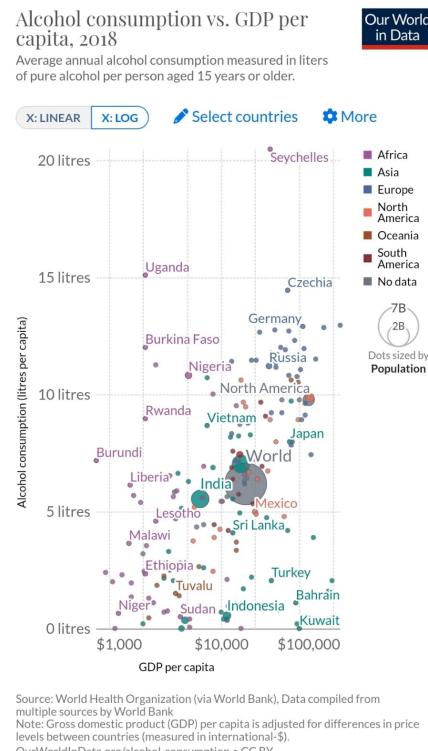
Appendix 6.0.6:

Taux de chômage ou d'inactivité de moins de quatre ans		En %
Non buveurs		20,2
Consommateurs sans risque		9,2
Consommateurs à risque ponctuel		9,6
Buveurs à risque chronique		16,5
Consommateurs quasi quotidiens (au moins quatre jours par semaine)		11,1
Ensemble		11,8

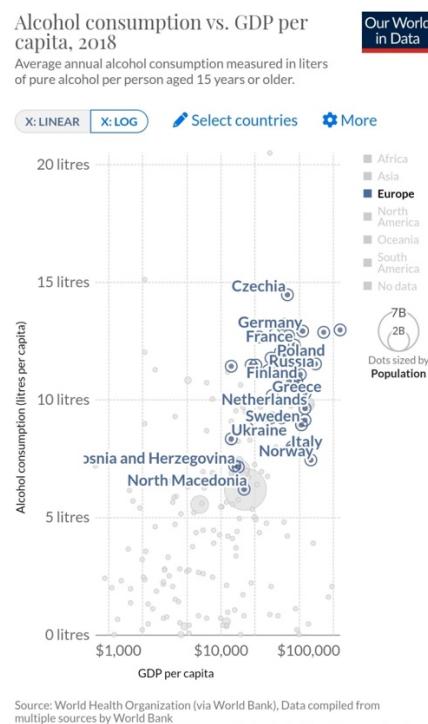
Appendix 6.0.7:

	Situation d'emploi en 2010		Durée de la carrière passée au chômage			Ensemble
	En emploi	Au chômage	Pas de chômage	12 % et plus	Moins de 12 %	
% de buveurs à risque chronique	4,9	7,2	4,7	7,4	5,6	5,2
% de consommateurs quasi quotidiens (au moins 4 jours par semaine)	11,1	10,3	11,2	9,5	11,5	11,0

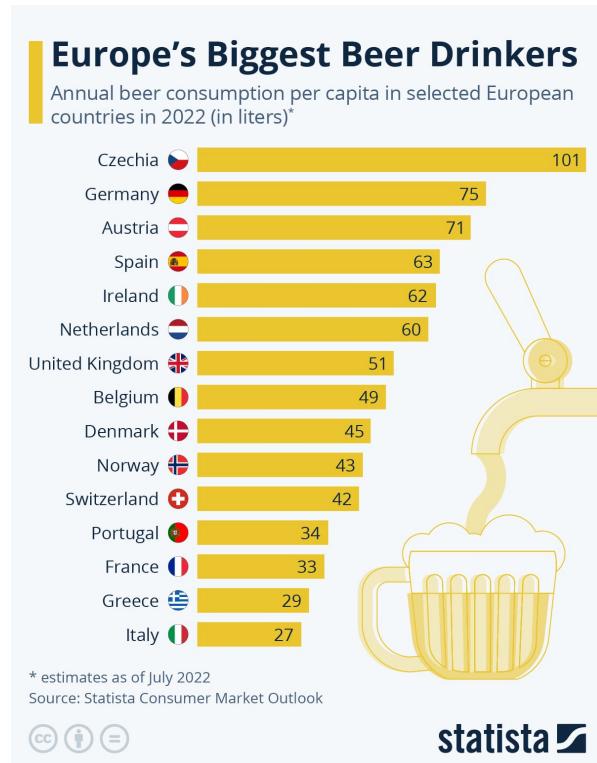
Appendix 6.0.8:



Appendix 6.0.9:



Appendix 6.0.10:



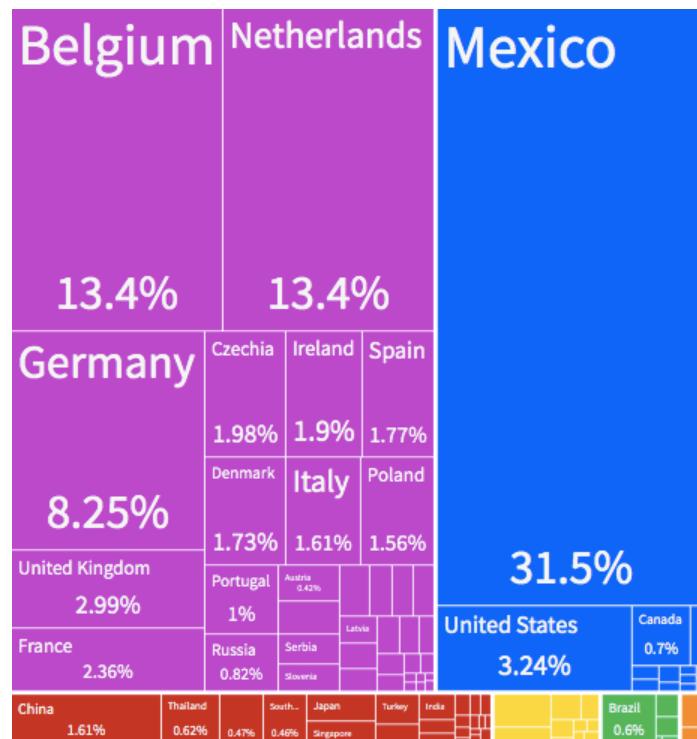
Appendix 6.0.11:

Market Indicators	
Health Expenditure - Y5 Health Expenditure per Capita in US dollars	
Austria	4 939
Belgium	4 776
Bulgaria	625
Croatia	903
Cyprus	1 751
Czech Republic	1 476
Denmark	5 800
Estonia	1 350
Finland	4 233
France	4 402
Germany	5 056
Greece	1 506
Hungary	986
Ireland	5 010
Italy	2 810
Latvia	933
Lithuania	1 083
Luxembourg	5 713

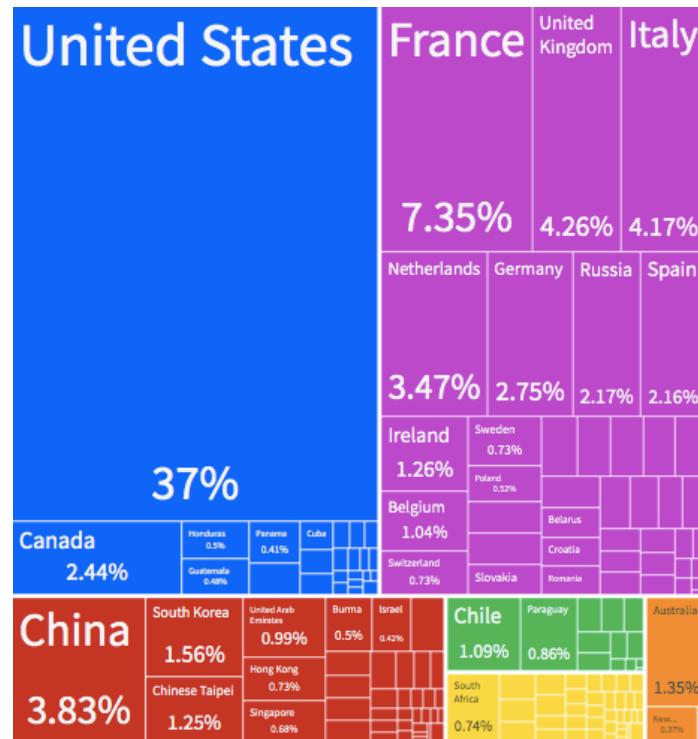
Malta	Netherlands	Poland
2 552	4 935	910
Portugal	Romania	Slovak Republic
1998	555	1189
Slovenia	Spain	Sweden
1925	2 527	5 838
United Kingdom	Norway	Switzerland
3 966	7 816	9 606
Turkey	EU27*	FULL PANEL*
443	2 807	3 149

*Arithmetic Mean

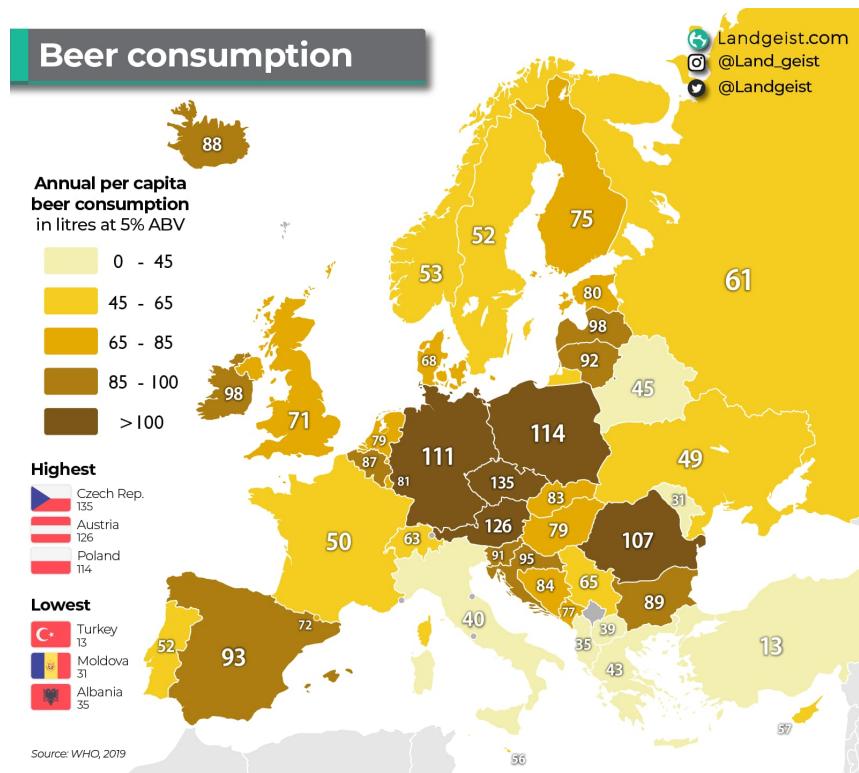
Appendix 6.0.12:



Appendix 6.0.13:

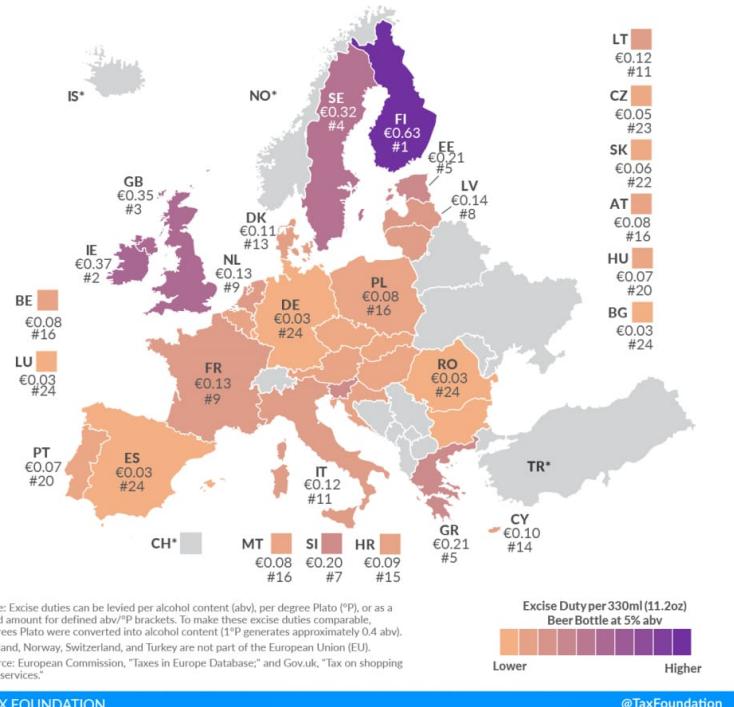


Appendix 6.0.14:



Appendix 6.0.15:

Beer Taxes in Europe
Excise Duty per 330ml (11.2oz) Beer Bottle at 5% abv in European Union (EU) Member States and the United Kingdom, as of July 2021

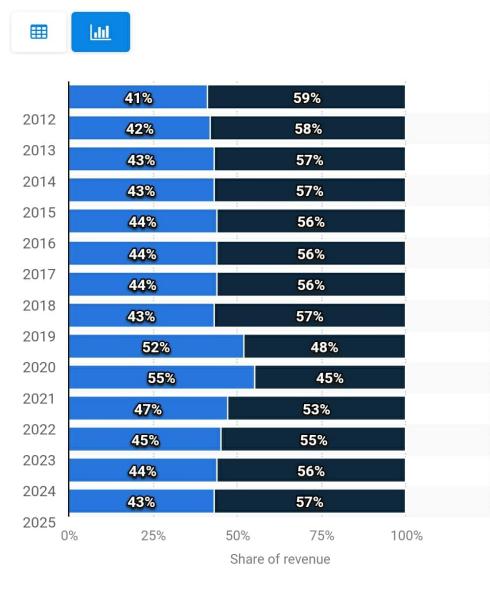


TAX FOUNDATION

@TaxFoundation

Appendix 6.0.16:

Sales channel share of the European beer market between 2012 to 2025



Appendix 6.0.17:

McKinsey® Matrix		
Strategic Intelligence System		
Demographics	Y5 Total Population (AGS)	0 ▾
	Y1-Y5 Total Population Variance Rate (AGS)	0 ▾
	Y5 Male Population (AGS)	2 ▾
	Y1-Y5 Male Population Variance Rate (AGS)	2 ▾
	Y5 Female Population (AGS)	1 ▾
	Y1-Y5 Female Population Variance Rate (AGS)	1 ▾
	Y5 Internet Penetration Rate (AGS)	1 ▾
	Y1-Y5 Internet Penetration Variance Rate (AGS)	1 ▾
	Y5 Smartphone Penetration Rate (AGS)	1 ▾
	Y1-Y5 Smartphone Penetration Variance Rate (AGS)	1 ▾
Unemployment	Y5 Unemployment Rate (RS)	1 ▾
	Y1-Y5 Unemployment Variance Rate (RS)	1 ▾
Poverty	Y5 Poverty Rate (RS)	1 ▾
GDP per Capita	Y5 GDP per Capita in US dollars (AGS)	2 ▾
	Y1-Y5 GDP per Capita Variance Rate (AGS)	2 ▾
Inflation	Y5 Inflation Rate of Consumer Prices (AGS)	1 ▾
	Y1-Y5 Inflation of Consumer Prices Variance Rate (AGS)	1 ▾
Consumption Expenditure	Y5 Consumption Expenditure in billions of US dollars (AGS)	2 ▾
	Y1-Y5 Consumption Expenditure Variance Rate (AGS)	2 ▾
Alcohol Use Disorder	Y5 Rate of Alcohol Use Disorder (RS)	0 ▾
Road Traffic Fatalities	Y5 Rate of Road Traffic Fatalities (RS)	1 ▾
	Y1-Y5 Road Traffic Fatalities Variance Rate (RS)	1 ▾
Health Expenditure	Y5 Health Expenditure per Capita in US dollars (RS)	1 ▾
	Y1-Y5 Health Expenditure per Capita Variance Rate (RS)	1 ▾

Beer Industry Employment	Y5 Direct Employment (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Direct Employment Variance Rate (AGS)	[2] <input type="button" value="▼"/>
Beer Production	Y5 Total Beer Production in 1000 hl (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Total Beer Production Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 N° of Active Breweries (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Active Breweries Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 Production per Active Brewery in 1000 hl (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Production per Active Brewery Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 N° of Active Brewing Companies (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Active Brewing Companies Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 N° of Microbreweries (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Microbreweries Variance Rate (AGS)	[1] <input type="button" value="▼"/>
Beer Exports	Y5 Total Beer Exports in 1000 hl (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Total Beer Exports Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 Beer Exports Intra-EU in 1000 hl (RS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Beer Exports Intra-EU Variance Rate (RS)	[1] <input type="button" value="▼"/>
	Y5 Beer Exports Extra-EU in 1000 hl (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Beer Exports Extra-EU Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 Beer Exports % of Production (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Beer Exports % of Production Variance Rate (AGS)	[1] <input type="button" value="▼"/>
	Y5 Total Beer Imports in 1000 hl (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Total Beer Imports Variance Rate (AGS)	[2] <input type="button" value="▼"/>
Beer Imports	Y5 Beer Imports Intra-EU in 1000 hl (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Beer Imports Intra-EU Variance Rate (AGS)	[2] <input type="button" value="▼"/>
	Y5 Beer Imports Extra-EU in 1000 hl (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Beer Imports Extra-EU Variance Rate (AGS)	[2] <input type="button" value="▼"/>
	Y5 Beer Imports % of Production (AGS)	[2] <input type="button" value="▼"/>
Beer Sales Taxes	Y5 Alcohol-Based Beverage VAT Rate (AGS)	[2] <input type="button" value="▼"/>
	Y5 Alcohol Hyper-Tax in euros per hl (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Alcohol Hyper-Tax Variance Rate (AGS)	[2] <input type="button" value="▼"/>
	Y5 Beer Excise Duty Revenues in millions of euros (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Beer Excise Duty Revenues Variance Rate (AGS)	[2] <input type="button" value="▼"/>
Beer Consumption	Y5 Total Beer Consumption in 1000 hl (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Total Beer Consumption Variance Rate (AGS)	[2] <input type="button" value="▼"/>
	Y5 Beer Consumption per Capita in litres (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 Beer Consumption per Capita Variance Rate (AGS)	[2] <input type="button" value="▼"/>
Beer Sales Channels	Y5 Share of On Trade (CHR) Beer Sales (AGS)	[2] <input type="button" value="▼"/>
	Y1-Y5 On Trade (CHR) Beer Sales Variance Rate (AGS)	[2] <input type="button" value="▼"/>
	Y5 Share of Off Trade (HMSM) Beer Sales (AGS)	[1] <input type="button" value="▼"/>
	Y1-Y5 Off Trade (HMSM) Beer Sales Variance Rate (AGS)	[1] <input type="button" value="▼"/>

AGS: Ascending Grading Scale

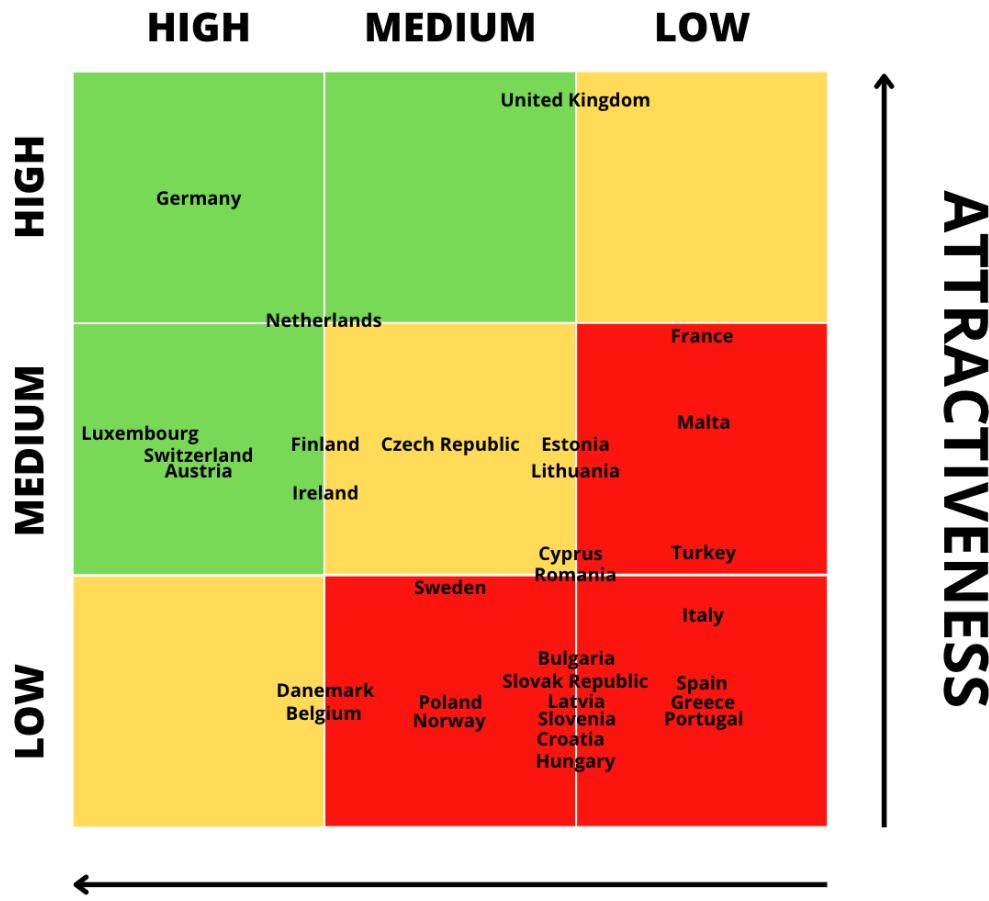
RS: Reverse Scoring

Appendix 6.0.18:

Market Attractiveness Grading Scale

LOW	MEDIUM	HIGH
195 220	221 247	248 and above
Austria 228	Belgium 217	Bulgaria 213
Croatia 195	Cyprus 221	Czech Republic 233
Denmark 218	Estonia 241	Finland 226
France 244	Germany 271	Greece 209
Hungary 197	Ireland 224	Italy 217
Latvia 210	Lithuania 229	Luxembourg 230
Malta 232	Netherlands 247	Poland 213
Portugal 206	Romania 220	Slovak Republic 211
Slovenia 204	Spain 212	Sweden 219
United Kingdom 262	Norway 212	Switzerland 232
Turkey 222	EU27 NA	FULL PANEL NA

Appendix 6.0.19:

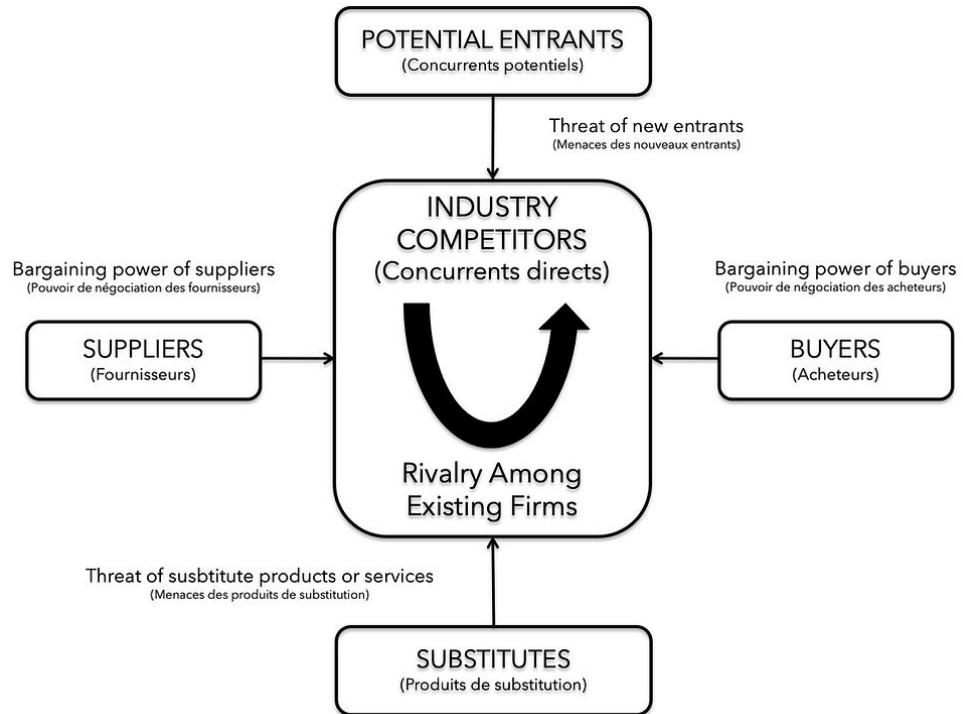


Appendix 6.0.19:

KPIs							Total	Total scores	Level
Beer Consumption (L) per Capita (values)	Beer Consumption (L) per Capita (scores)	Consumption Expenditure in billions of USD (values)	Consumption Expenditure in billions of USD (scores)	GDP per Capita in US Dollars (values)	GDP per Capita in US Dollars (scores)				
Austria	47429	2	105	3	47429	2	7	3	High
Belgium	44199	2	68	2	44199	2	6	2	Medium-High
Bulgaria	4362	1	74	2	8366	1	4	1	Low-Medium
Croatia	14249	1	79	2	14249	1	4	1	Low-Medium
Cyprus	26609	1	58	2	26609	1	4	1	Low-Medium
Czech Republic	20636	1	138	3	20636	1	5	2	Medium
Denmark	57610	2	62	2	57610	2	6	2	Medium-High
Estonia	20438	1	82	2	20438	1	4	1	Low-Medium
Finland	4042	2	75	2	4042	2	6	2	Medium-High
France	38781	1	83	1	38781	1	3	1	Medium
Germany	44653	2	101	3	44653	2	7	3	High
Greece	18582	1	35	1	18582	1	3	1	Low
Hungary	14624	1	67	2	14624	1	4	1	Low-Medium
Ireland	69774	2	79	2	69774	2	6	2	Medium-High
Italy	32407	1	32	1	32407	1	3	1	Medium
Lithuania	13265	1	79	2	13265	1	4	1	Low-Medium
Luxembourg	16685	1	88	2	16685	1	4	1	Low-Medium
Malta	110193	3	76	2	110193	3	8	3	High
Netherlands	48675	2	70	2	48675	2	6	2	Medium-High
Poland	1435	1	97	3	1435	1	5	2	Medium
Portugal	21490	1	51	1	21490	1	3	1	Low
Romania	19807	1	82	2	19807	1	4	1	Low-Medium
Slovak Republic	17538	1	72	2	17538	1	4	1	Low-Medium
Slovenia	23514	1	78	2	23514	1	4	1	Low-Medium
Spain	28170	1	49	1	28170	1	3	1	Low
Sweden	53792	2	55	2	53792	1	5	2	Medium
United Kingdom	40868	1	73	2	40868	1	4	1	Low-Medium
Norway	75497	1	50	1	75497	2	5	2	Medium
Switzerland	83352	3	54	2	83352	3	8	3	High
Turkey	10590	1	11	1	10590	1	3	1	Low
Lowest value	836		11		8366		3		
Highest value	110193		138		110193		8		
Range	101827		127		101827		5		
Tercile 1	42308.33		53.33		42308.33		4.67		
Tercile 2	76250.67		95.67		76250.67		6.33		

Five Forces Analysis

Appendix 7.0:



Appendix 7.0.1:

KPI Weighting System

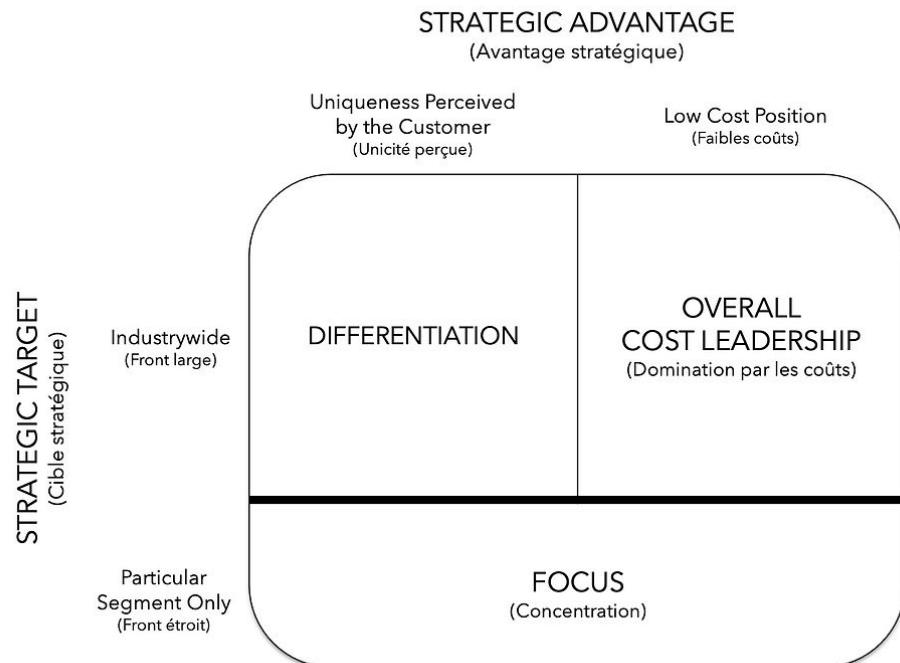
Bargaining Power	Y5 Days Sales Outstanding (DSO)*	<input type="text" value="2"/> ▾
	Y1-Y5 DSO Variance Rate*	<input type="text" value="2"/> ▾
	Y5 Days Payable Outstanding (DPO)	<input type="text" value="2"/> ▾
	Y1-Y5 DPO Variance Rate	<input type="text" value="2"/> ▾
	Y1-Y5 DSO to DPO Variance Rate*	<input type="text" value="0"/> ▾
	Y1-Y5 Cash Conversion Cycle Variance Rate*	<input type="text" value="2"/> ▾
Cost of Goods Sold Management	Y5 Cost of Revenue (% of Total Expenses)*	<input type="text" value="2"/> ▾
	Y1-Y5 Cost of Revenue Variance Rate*	<input type="text" value="2"/> ▾
	Y5 CoMC (% of Total Expenses)*	<input type="text" value="2"/> ▾
	Y1-Y5 CoMC (% of Total Expenses) Variance Rate*	<input type="text" value="2"/> ▾
	Y5 Days Inventory Outstanding (DIO)*	<input type="text" value="2"/> ▾
	Y1-Y5 DIO Variance Rate*	<input type="text" value="2"/> ▾

Productivity Management	Y1-Y5 Average Productive Asset Investment Ratio	2 ▾
	Y1-Y5 Productive Asset Investment Variance	2 ▾
	Y5 Revenue to Capital Expenditure (CapEx) Ratio	2 ▾
	Y1-Y5 Revenue to CapEx Variance Rate	2 ▾
	Y5 Rate of Total Assets Efficiency (AE)	2 ▾
	Y1-Y5 Total Assets Efficiency (AE) Variance	2 ▾
Marketing Performance	Y5 MkgSGA (% of Total Expenses)	2 ▾
	Y1-Y5 MkgSGA (% of Total Expenses) Variance Rate	1 ▾
	Y1-Y5 ROMSGA Variance Rate	2 ▾
	Y5 Ad Spend (% of Total Expenses)	1 ▾
	Y1-Y5 Ad Spend (% of Total Expenses) Variance	2 ▾
	Y1-Y5 ROAS Variance Rate	2 ▾
Sales Team Effectiveness	Y1-Y5 Headcount Variance Rate	1 ▾
	Y5 Payroll Cost (% of Total Expenses)	1 ▾
	Y1-Y5 Payroll Cost (% of Total Expenses) Variance Rate	2 ▾
	Y1-Y5 Revenue Variance Rate	1 ▾
	Y5 Revenue per Employee (RPE) in \$K	2 ▾
	Y1-Y5 RPE Variance Rate	2 ▾
Working Capital Management	Y5 Working Capital (WCap) Ratio	2 ▾
	Y1-Y5 Average WCap Ratio	0 ▾
	Y1-Y5 WCap Variance Rate	2 ▾
	Y5 Revenue to Working Capital (WCap) Ratio	2 ▾
	Y1-Y5 Average Revenue to WCap Ratio	0 ▾
	Y1-Y5 Revenue to WCap Variance Rate	2 ▾
Profitability Analysis	Y5 Gross Profit Margin Rate	0 ▾
	Y1-Y5 Gross Margin Rate Variance	0 ▾
	Y5 Operating Profit Margin Rate	2 ▾
	Y1-Y5 Operating Margin Rate Variance	2 ▾
	Y5 Net Profit Margin Rate	2 ▾
	Y1-Y5 Net Margin Rate Variance	2 ▾
Corporate Debt Management	Y5 Leverage Rate	2 ▾
	Y1-Y5 Leverage Rate Variance	2 ▾
	Y5 Debt to Equity Ratio	2 ▾
	Y1-Y5 Debt to Equity Variance Rate	2 ▾
	Y5 Net Debt to Gross Profit (NDGP) Ratio*	2 ▾
	Y1-Y5 Net Debt to Gross Profit (NDGP) Variance Rate*	2 ▾

Shareholder Value Creation	Y5 Rate of Return on Equity (ROE)	<input type="text" value="2"/> ▾
	Y1-Y5 Average Rate of ROE	<input type="text" value="0"/> ▾
	Y1-Y5 ROE Variance Rate	<input type="text" value="2"/> ▾
	Y1-Y5 Share Price Variance Rate	<input type="text" value="1"/> ▾
	Y1-Y5 Dividend per Share Variance Rate	<input type="text" value="1"/> ▾
	Y1-Y5 Rate of Cumulative Shareholder Return	<input type="text" value="2"/> ▾
Economic Value Added	Y1-Y5 Average Rate of Return on Total Assets (ROTA)	<input type="text" value="0"/> ▾
	Y1-Y5 ROTA Variance Rate	<input type="text" value="0"/> ▾
	Y1-Y5 Weighted Average Cost of Capital (WACC)*	<input type="text" value="2"/> ▾
	Y1-Y5 WACC Variance*	<input type="text" value="2"/> ▾
	Y1-Y5 Cumulative Economic Value Added (\$M)	<input type="text" value="2"/> ▾
	Y1-Y5 EVA Variance	<input type="text" value="2"/> ▾

*Reverse Scoring

Appendix 7.0.2:



Focus Group

Appendix 8.0:

FACTORS	DESCRIPTIONS	
	UK	FR
Attitudinal	Feeling or opinion about something	Sentiment ou opinion sur quelque chose
Commercial	Advertisement, sales promotion, sales pitch	Publicité, promotion des ventes, argumentaire de vente
Cultural	Related to ideas, customs, arts, intellectual achievements	Lié aux idées, aux coutumes, aux arts, aux réalisations intellectuelles
Economical	Being careful not to waste money or resources	Faire attention à ne pas gaspiller d'argent ou de ressources
Empirical	Based on observation or experience rather than theory	Basé sur l'observation ou l'expérience plutôt que sur la théorie
Perceptual	Apprehending by means of the senses and intuition	Appréhender par les sens et l'intuition
Psychographical	Associated to personality traits and life style	Associé aux traits de personnalité et au style de vie
Psychological	About the mental or emotional state of a person	À propos de l'état mental ou émotionnel d'une personne
Rational	Based on clear thought and reason	Basé sur une pensée claire et la raison
Sensorial	Relating to sensation or the senses	Relatif à la sensation ou aux sens
Sociological	Concerning the collective behavior of organized groups	Comportement collectif des groupes organisés
Temporal	Linked to time	Lié au temps

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Consumer Behavior Influencing Factors

Appendix 8.0.1:

What do you think about the smell of Beer 1? (Panache)

35 réponses

Smell like limonade, sweet and fruity smell

odeur de limonade, douce

not Beer, sweet

like pepsi, acidic

very light, not much flavour to it immediately

fruity, nice smell

Citrus, Lemonade

Average, like every beer

doux, fruité, sens la Despe, bière peu forte et très sucré

What do you think about the taste of Beer 1? (Panache)

33 réponses

sucré, très bon, limonade avec arrière gout de bière (gout de la bière pas dominant), je le boirai pas comme substitut de bière ou de panaché mais j'en achèterai, pas pour les soirées

Fruit niice, sparkling, sweet

vitamin c, juicy, sugary

tastes like soda, little sweet

sweet, doesn't taste like beer, refreshing

Sweeter, citrus

Sweet

c'est pas de la Despe, pas le goût de bière, pour l'été, rafraîchissant, ça fait très limonade, panaché

Ca n'a pas le gout de la bière, on sent pas le goût du malt. On sent que y a pas d'alcool, très dilué, sans eau et

What do you think about the smell of Beer 2? (Heineken)

35 réponses

Bad, bitter strong

appetising, honey, sugary

smells like beer

Real Beer

sweet, un mix de sucré/salé, équilibré

Good smell, pretty soft, smell like cider

gout s'apparente à de la Heineken mais un peu moins fort, goût reste mieux en bouche = point positif (pas d'effet bouche pâteuse désagréable de la bière "usuelle")

Honey

good. normal. sweet

What do you think about the taste of Beer 2? (Heineken)

35 réponses

Not very sparkling and it looks like there is some water. It's blank. Not very bitter. Pretty easy to drink.

odeur douce, pas forte, pas d'odeur minérale, odeur amère, ressemble à de la Heineken

Honey,

can tell that there is no alcohol, loves it

very different from the taste, tastes like sparkling water, smell helps to think he's drinking beer

boring, cheap, tastes like water

Bitter, Light, Not strong taste

Bland, simple,

gout lambda, bière pas cher, dilué, goût d'eau, Heineken dilué

What do you think about the smell of Beer 3? (Leffe)

34 réponses

Way lighter smell. Doesn't have a strong smell.

smells stronger, "plus fermenté", doesn't like the smell, ça lui donne pas envie de boire

odeur de houblons, plus fermenté et sens la bière, diametralement différente des 2 autres, lourd et épais

appetising (a bit)

smells like beens, don't like it

Smell like beer

Stronger beer,

sens pas la bière d'abbaye

Smell doesn't very strong but still a beer smell.

What do you think about the taste of Beer 3? (Leffe)

35 réponses

Smell isn't very nice. It's smell like pee and the smell is strong, like the smell of every beer. The smell is bitter.

goût fort et prononcé, amère, plus mousseuse (depends des préférences mais elle apprécie),

Good, balanced, neutral

bit beer-is but no alcohol , good but not a real beer

don't like the taste, doesn't taste like beer, stinks in mouth

stronger, tastes the best out of the three

Asian food, Licoriche

Very strong, very dirt, earthy,

plus forte, vraie goûts de bière, moins sucré que la première mais plus que la deuxième, gaffe plus cher

Describe Your Perfect Beer

35 réponses

Light, Fruity with a kick.. Medium between light and dark.. A little bubbly with a bit of foam

une bière pression, bien fraîche, entre 3 et 5 degré max, mousse bien proportionnée, forte pas trop (affilé en est sa bière préf et la leffe rouge, blanche hermine aussi en ipa)

Not too much bitterness. She likes blond beer, with a sweet and fruity taste. Has to be cold. She hates bitterness. The sparkling effect is important. Not too much aftertaste. Her favorite beer is Mort-Subite.

très fraîche, assez pétillante, blonde ou brune avec un arrière goût pas trop prononcé, un peu d'amertume, odeur similaire à la Leffe, un peu de mousse

Darker beer, bitter, stronger, not IPA, it's too sour, acidic. Traditional. A bit of foam, very very cold,

blonde, light, feel the taste of actual beer, 4%

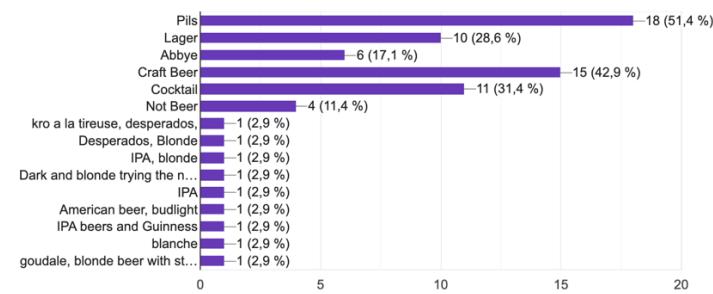
light beer but strong, blonde 7%, like the tipsy bit, drinking for the alcohol, little bit of foam 2cm,

sweet but not too much (i don't want to drink soda, i want it to really taste like beer), fresh

What types of Beer do you consume?

Copier

35 réponses



What is the worst beer? Why? (when, how, with who, where, since when, in what conditions, reason for drinking)

35 réponses

Sour and too strong. Drinking alone, Too much foam, too bubbly or no bubbles at all.

la kronenbourg parce qu'elle a un goût d'eau, elle est trop légère (trop coupée)

The worst beer was hard to find for her. Something with a lot of bitterness and aftertaste.

Bière rousse: amertume des bonnes bières avec un goût qui correspond pas à l'oldeur, plus forte qu'une bière blonde et moins fort qu'une brune avec un goût très fort, depuis 1an ou 2, moins conviviale parce qu'on en trouve pas toujours dans les bars mais surtout en supermarché (bière = pour te rappeler l'idée du bar), tu la bois pour la boire

Krononburg, no only likes it, no alcohol, just water, it's the cheapest one. 1664 is replacement, parties, after big day, best is in after a big day, beer and red wine is more winter

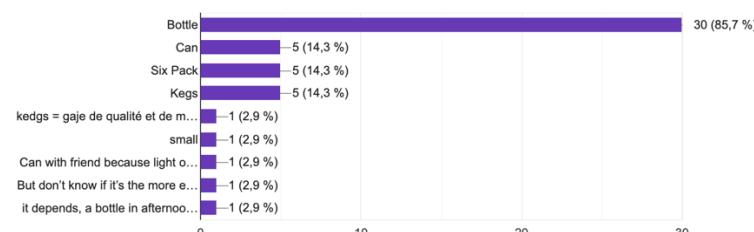
panache

the 0% beers, drinking for nothing like to get drunk or tipsy, dark beer with 0 taste, health reasons, or to please somebody else

What kind of packaging, do you prefer for beers?

Copier

35 réponses



What kind of environment do you like drinking Beer?

35 réponses

in the summer, apero, barbecue social event,

In a bar, with your friends in a mellow vibe. During Barbecue, Summer nights, with people you vibe during leaper

début de soirée, apéro entre potes ou au bar

She likes to drink beer at Foy's, she doesn't drink beer alone. Or only with friends for pre-drinks because she's not going to have vodka in the beginning of the night.

bar avec des amis, soirée chill a la maison avec des amis, pas seule ni en famille

With friends, everywhere

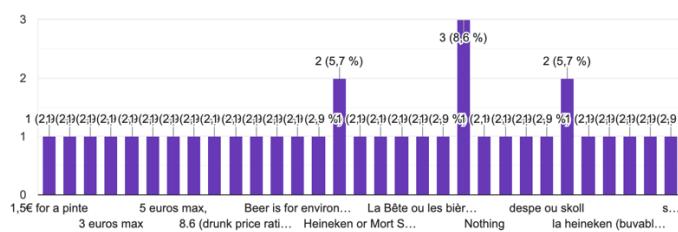
with friends, at home, rooftop, sunset, on the beach, not with a meal

hanging out with friends, from chilling to party with friend

Best Beer to Price Ratio

35 réponses

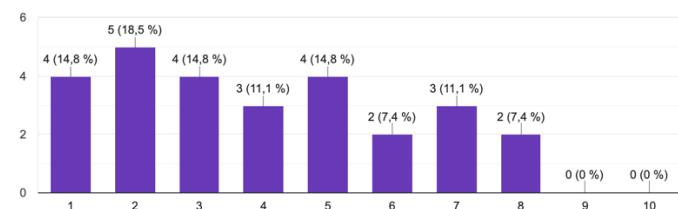
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What do you think of 8.6?

27 réponses

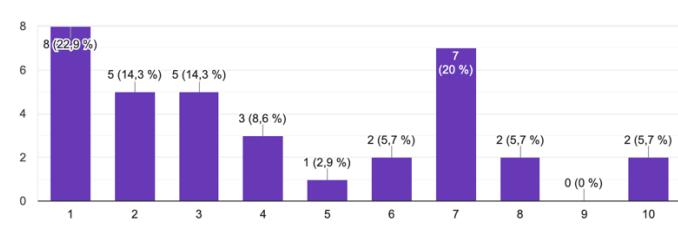
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What priority would health be when you consume beer?

35 réponses

[Copier](#)



Do you consume non- alcoholic beer? Why? Why not?

35 réponses

non, ça n'a pas le goût de bière

No, because if she wants to have a soft drink, she will take something

non, car quitte a boire sans alcool : soda ou Leffe car le gout se rapproche

No, because, it's only calories without the good effect of beers

no, taste is bad, only at the beach

no, no point to spend money, it does taste the same but it does nothing

never, for her it's not beer, "bière et alchool ça va pas ensemble"

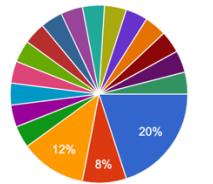
Doesn't. make any sense, rather just have a soda, get people into distress.

No, because not enjoy beer, drinking it is because in a party and it's the only thing, not the first choice

Did you think they were non alcoholic beer? Did you like them? How did it feel?

 Copier

25 réponses

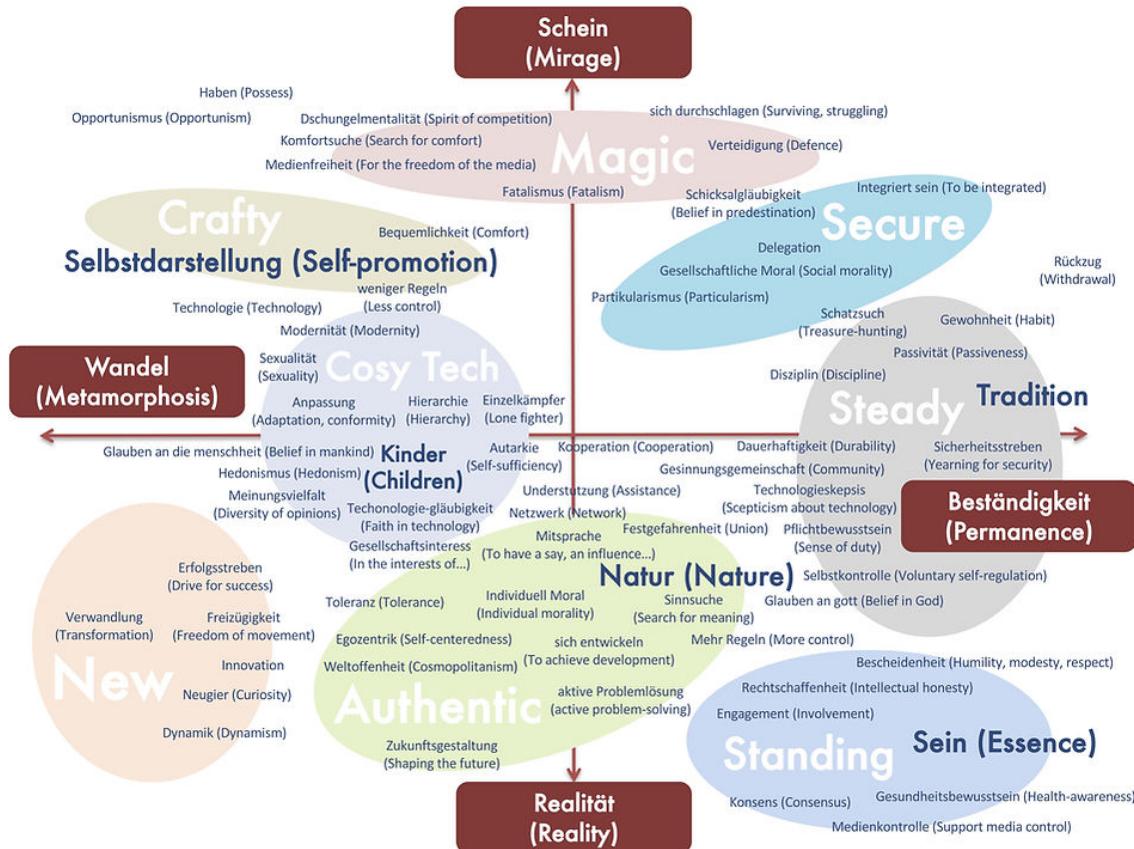


- Yes
- No
- Maybe
- knew that they were none alcoholic bu...
- No alcohol aftertaste
- she liked the leffe best. Heineken and...
- the leffe and panache (liked the panac...
- only the panache, loved it

▲ 1/3 ▼

Segmentation & targeting

Appendix 9.0:



Appendix 9.0.1:

PRIMARY TARGET MARKET SEGMENTS			
MAGIC	6.0%	AUTHENTIC	16.0%
CRAFTY	0.0%	STANDING	15.0%
COSY TECH	0.0%	STEADY	0.0%
NEW	0.0%	SECURE	0.0%

SECONDARY TARGET MARKET SEGMENTS			
MAGIC	0.0%	AUTHENTIC	0.0%
CRAFTY	14.0%	STANDING	0.0%
COSY TECH	0.0%	STEADY	0.0%
NEW	0.0%	SECURE	11.0%

Appendix 9.0.2:

Market Segmentation & Targeting

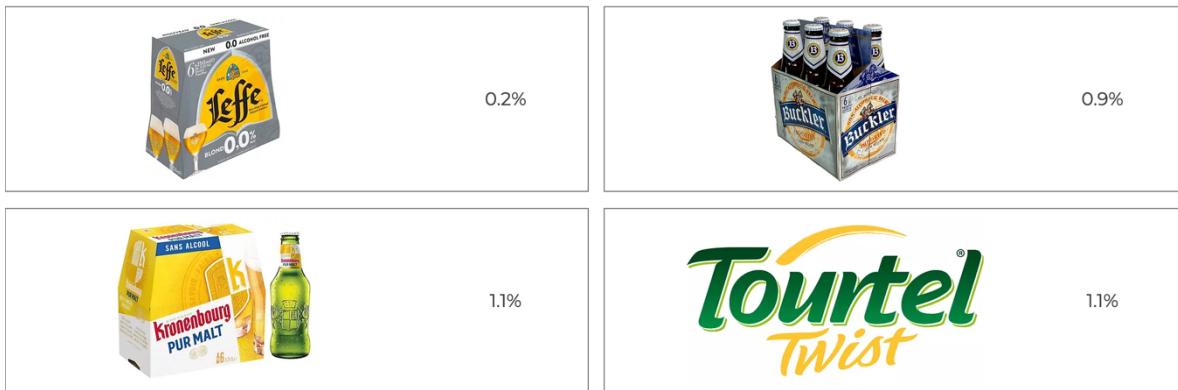
CONSUMER BASE SIZING

Total French Households	29,478,360
Hedonists	5,895,672
Conservatives	12,380,911

Appendix 9.0.3:

MARKET PENETRATION RATE

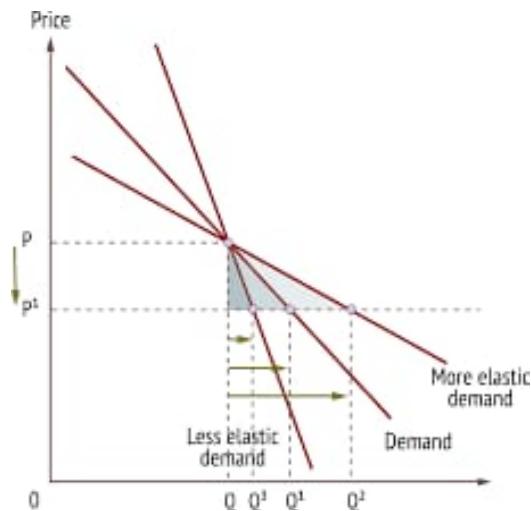




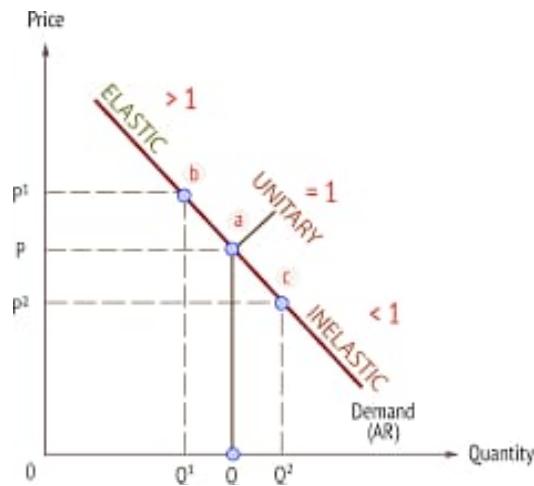
Appendix 9.0.4:

BUSINESS CASE SCENARIOS		
LOW	Hedonists	5,896
	Conservatives	12,381
MEDIUM	Hedonists	11,791
	Conservatives	24,762
HIGH	Hedonists	17,687
	Conservatives	37,143

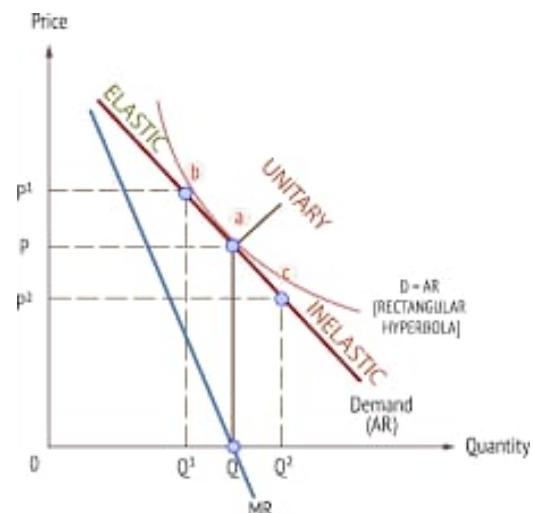
Appendix 9.0.5:



Appendix 9.0.6:



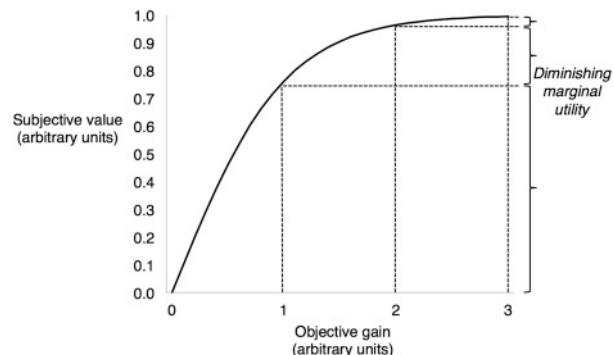
Appendix 9.0.7:



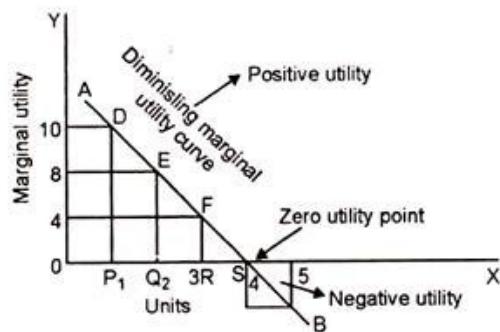
Appendix 9.0.8:

CONSUMER PRICE SENSITIVITY
Change in Price 6.02%
Change in Quantity Demanded -4.74%
PED -0.79

Appendix 9.0.9:



Appendix 9.0.10:



Appendix 9.0.11:

ECONOMIC UTILITY														
HEDONIST CONSUMER SEGMENTS														
TU	Food						MUB/MUF	Food						
Beverage	1	2	3	4	5	6	Beverage	1	2	3	4	5	6	
1	3.6	4.1	4.9	5.8	4.6	3.9	1	1.15	3.70	3.10	0.03	-1.83	-3.25	
2	4.1	4.6	5.4	6.3	5.1	4.4	2	0.33	1.00	0.80	-0.07	-0.53	-0.85	
3	5.0	5.5	6.3	7.2	6.0	5.4	3	0.78	1.90	1.10	-0.97	-1.43	-1.30	
4	6.5	7.0	7.8	8.7	7.5	6.9	4	0.98	3.00	2.40	-0.20	-1.60	-2.55	
5	6.1	6.6	7.4	8.3	7.1	6.5	5	-0.57	-0.80	0.20	-1.27	-1.73	-0.05	
6	4.3	4.8	5.6	6.5	5.3	4.7	6	-1.28	-3.60	-2.60	-2.20	-2.20	-2.85	
WKL HEDONIST TU							Beverage	4.70	WKL HEDONIST MU					
							Food	3.70	MUB/MUF	1.41				

Appendix 9.0.11:

CONSERVATIVE CONSUMER SEGMENTS													
TU	Food						MUB/MUF	Food					
Beverage	1	2	3	4	5	6	Beverage	1	2	3	4	5	6
1	4.7	5.6	4.9	4.2	3.4	2.5	1	1.00	0.85	-3.60	-3.60	-3.17	-3.07
2	6.4	7.4	6.7	6.0	5.1	4.3	2	0.91	0.74	-2.55	-2.55	-2.79	-2.29
3	6.9	7.9	7.2	6.5	5.6	4.8	3	0.02	-0.14	-2.14	-2.14	-2.05	-1.62
4	4.9	5.8	5.2	4.5	3.6	2.8	4	-0.77	-1.48	-3.64	-3.64	-3.07	-2.73
5	4.3	5.2	4.5	3.8	2.9	2.1	5	-0.30	-0.52	-1.17	-1.17	-0.88	-1.04
6	3.2	4.1	3.4	2.7	1.9	1.1	6	-0.50	-0.78	-1.71	-1.71	-1.38	-1.58

WKLY CONSERVATIVE TU	Beverage	2.62	WKLY CONSERVATIVE MU	MUB/MUF	0.99
	Food	1.74			

Price Survey Positioning

Appendix 10.0:

Non-Alcoholic Beer Price Sensitivity Survey																																																																																																																																																																			
<p>SAMPING FRAME* Psychographical</p> <p>*Île de France Population</p>  <p>Mesurer pour comprendre</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="background-color: #0070C0; color: white; text-align: center;">CLUSTERS</th> </tr> <tr> <th style="text-align: left;">INDICATORS</th> <th style="text-align: center;">Male</th> <th style="text-align: center;">Female</th> </tr> </thead> <tbody> <tr> <td>Magic</td> <td style="text-align: center;">348,973</td> <td style="text-align: center;">378,055</td> </tr> <tr> <td>Crafty</td> <td style="text-align: center;">814,271</td> <td style="text-align: center;">882,127</td> </tr> <tr> <td>Cosy Tech</td> <td style="text-align: center;">581,622</td> <td style="text-align: center;">630,091</td> </tr> <tr> <td>New</td> <td style="text-align: center;">523,460</td> <td style="text-align: center;">567,082</td> </tr> <tr> <td>Authentic</td> <td style="text-align: center;">930,596</td> <td style="text-align: center;">1,008,145</td> </tr> <tr> <td>Standing</td> <td style="text-align: center;">872,434</td> <td style="text-align: center;">945,136</td> </tr> <tr> <td>Steady</td> <td style="text-align: center;">1,105,082</td> <td style="text-align: center;">1,197,173</td> </tr> <tr> <td>Secure</td> <td style="text-align: center;">639,784</td> <td style="text-align: center;">693,100</td> </tr> <tr> <td>Sub-Total</td> <td style="text-align: center;">5,816,222</td> <td style="text-align: center;">6,300,909</td> </tr> <tr> <td>Total</td> <td colspan="2" style="text-align: center;">12,117,131</td> </tr> </tbody> </table> <table border="1" style="width: 100%; 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RESPONDENTS			POTENTIAL BUYERS		
INDICATORS	Male	Female	INDICATORS	Male	Female
Magic	2	9	Magic	1	7
Crafty	9	16	Crafty	0	7
Cosy Tech	0	0	Cosy Tech	0	0
New	0	0	New	0	0
Authentic	11	18	Authentic	1	9
Standing	10	17	Standing	5	17
Steady	0	0	Steady	0	0
Secure	7	13	Secure	1	11
Sub-Total	39	73	Sub-Total	8	51
Total	112		Total	59	
R1	21.3%		R2	52.7%	

1. Response rate or number of respondents expressed as a percentage of sample size.

2. Penetration rate or number of buyers expressed as a percentage of respondents.

RESPONSES (ADJUSTED)			POTENTIAL BUYERS (ADJUSTED)		
INDICATORS	Male	Female	INDICATORS	Male	Female
Magic	4	6	Magic	1	4
Crafty	16	10	Crafty	0	4
Cosy Tech	0	0	Cosy Tech	0	0
New	0	0	New	0	0
Authentic	19	11	Authentic	1	5
Standing	18	10	Standing	8	9
Steady	0	0	Steady	0	0
Secure	13	8	Secure	1	6
Sub-Total	70	45	Sub-Total	11	28
Total	115		Total	39	
R1	21.9%		R2	33.9%	

1. Response rate or number of respondents expressed as a percentage of sample size.

2. Penetration rate or number of buyers expressed as a percentage of respondents.

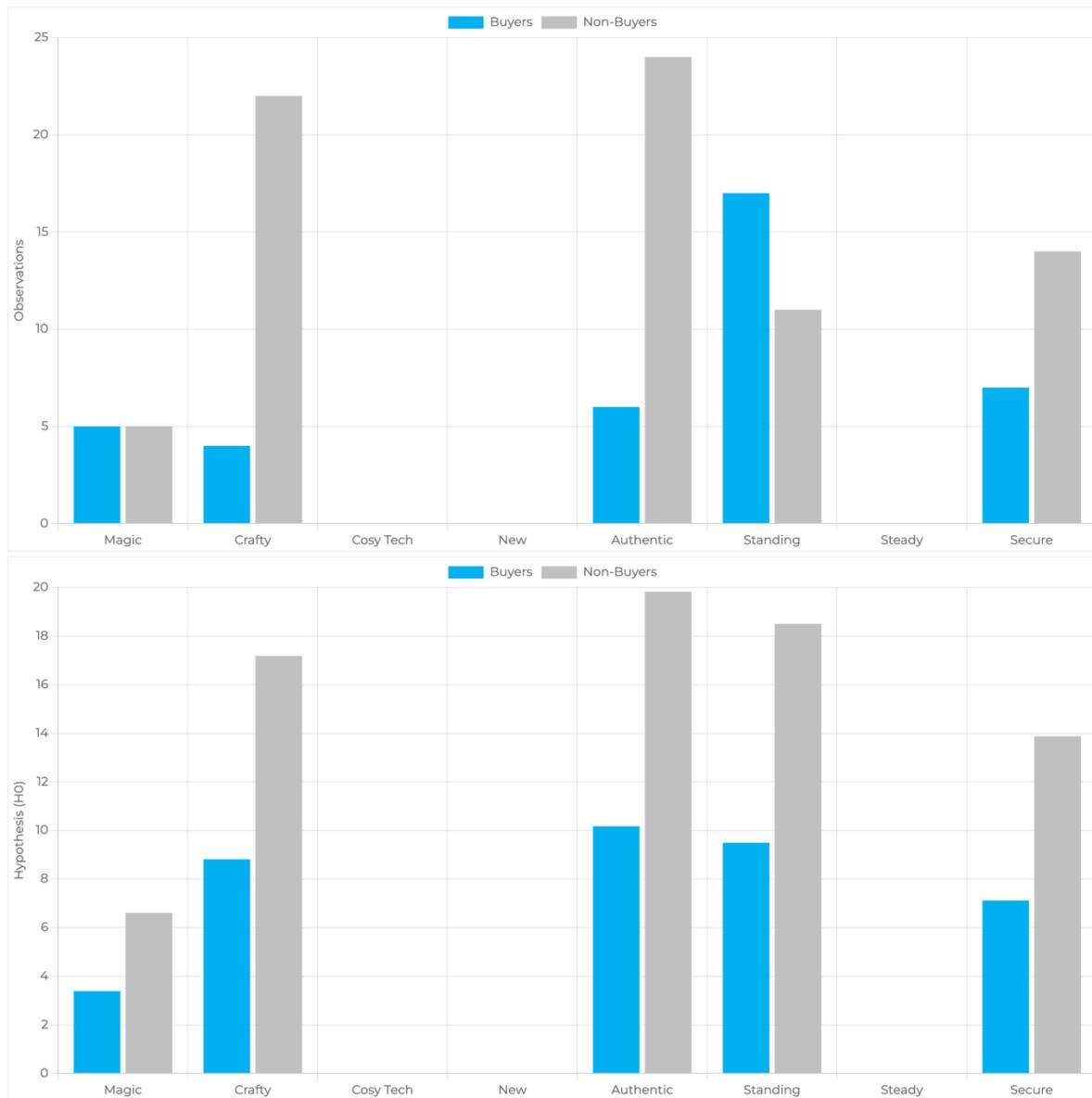
OBSERVATIONS			HYPOTHESIS (H0)			x2
INDICATORS	Buyers	Non-Buyers	INDICATORS	Buyers	Non-Buyers	16.7055
Magic	5	5	Magic	3.39	6.61	0.7631 0.3916
Crafty	4	22	Crafty	8.82	17.18	2.6320 1.3506
Cosy Tech	0	0	Cosy Tech	0.00	0.00	0.0000 0.0000
New	0	0	New	0.00	0.00	0.0000 0.0000
Authentic	6	24	Authentic	10.17	19.83	1.7124 0.8787
Standing	17	11	Standing	9.50	18.50	5.9306 3.0434
Steady	0	0	Steady	0.00	0.00	0.0000 0.0000
Secure	7	14	Secure	7.12	13.88	0.0021 0.0011
Sub-Total	39	76	Sub-Total	39.00	76.00	11.0402 5.6654
Total	115		Total	115.00		

Probability Value or p-value

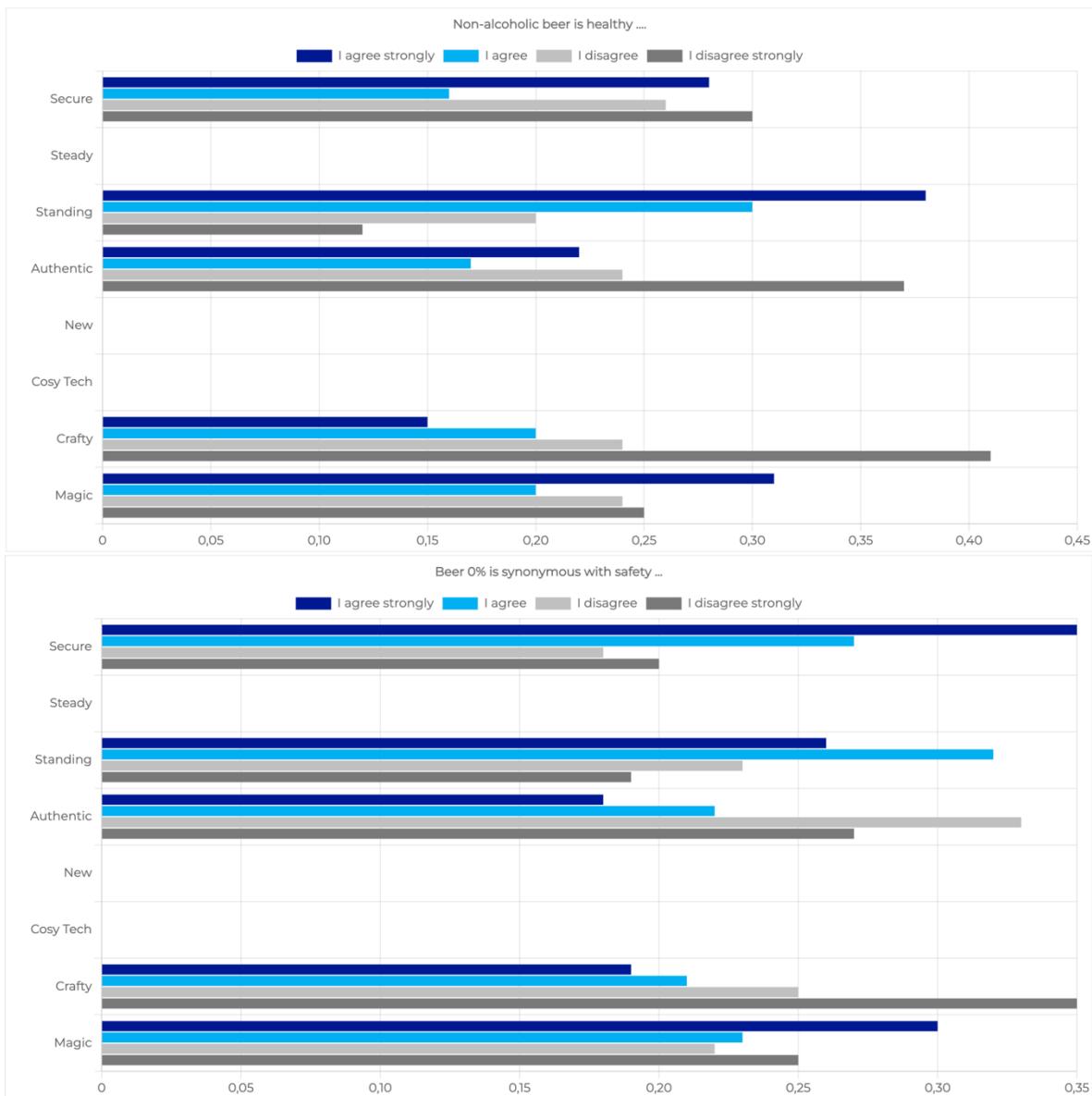
By conventional criteria, this difference is considered to be statistically significant.

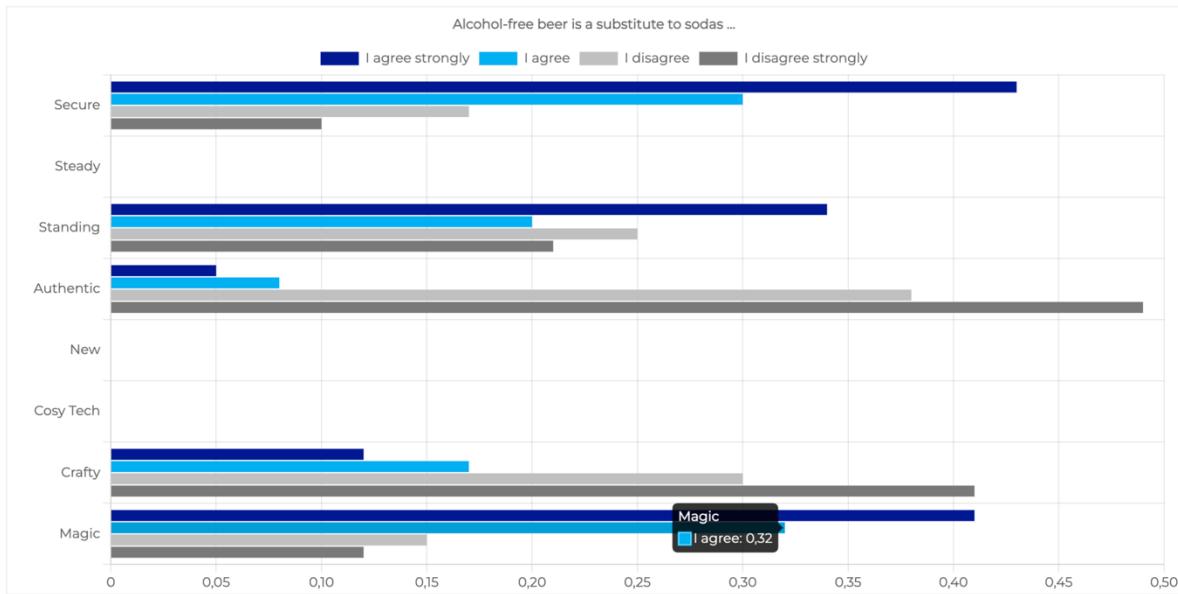
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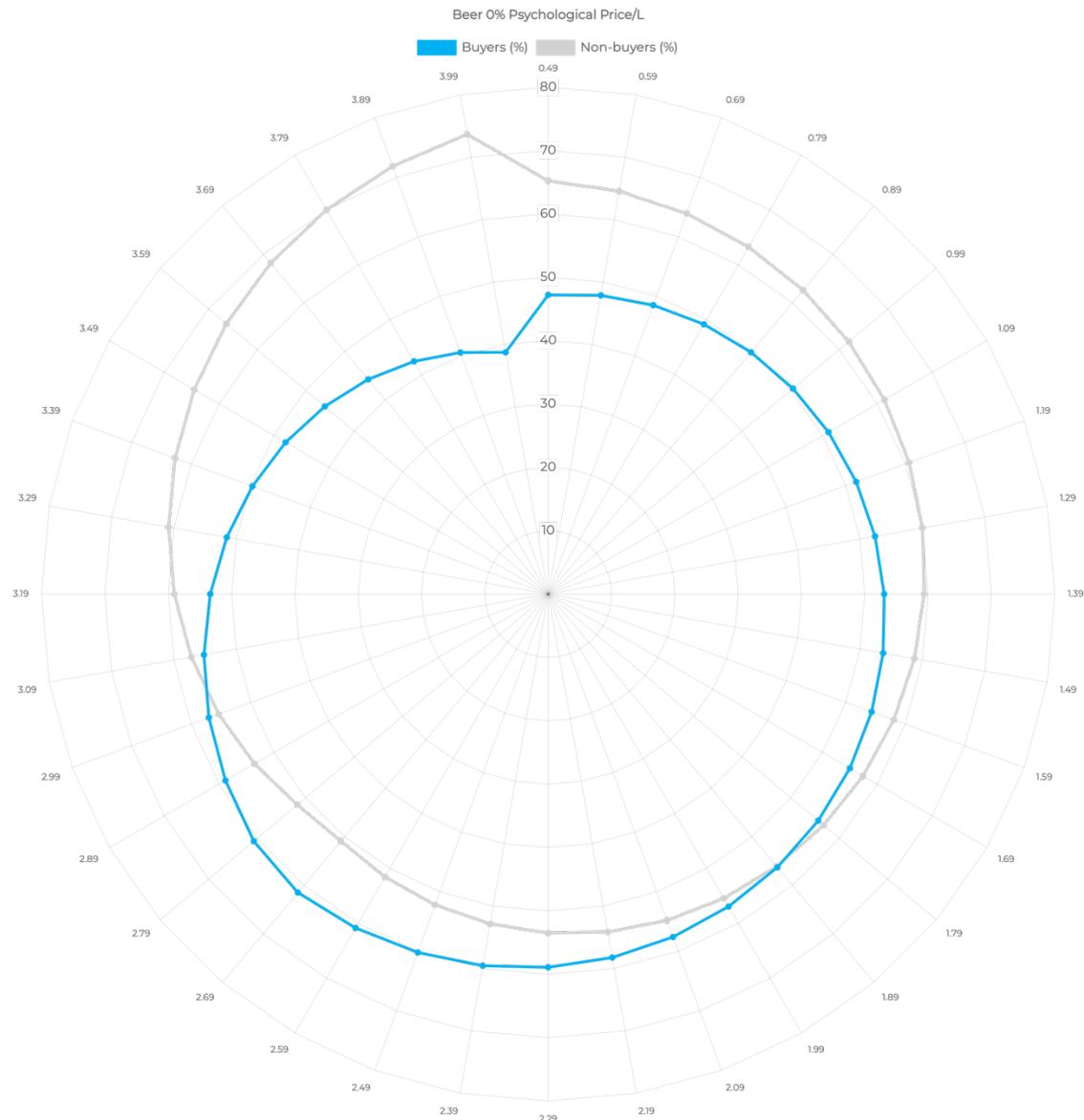
Appendix 10.0.1:



Appendix 10.0.2:



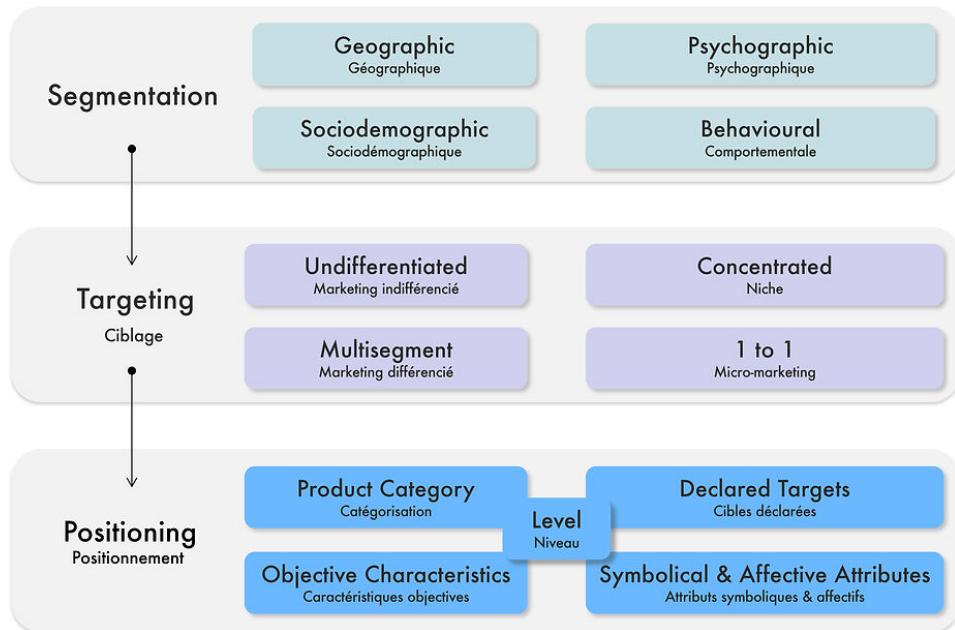




Appendix 10.0.3:



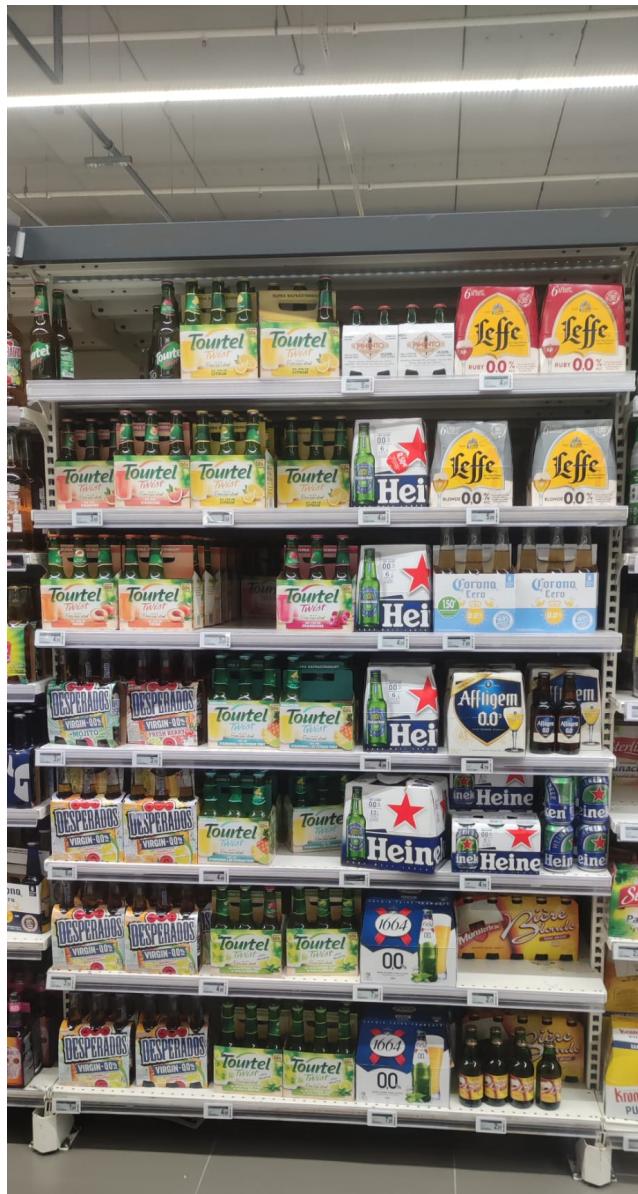
Positioning & competitive edge



Appendix 11.0.1:

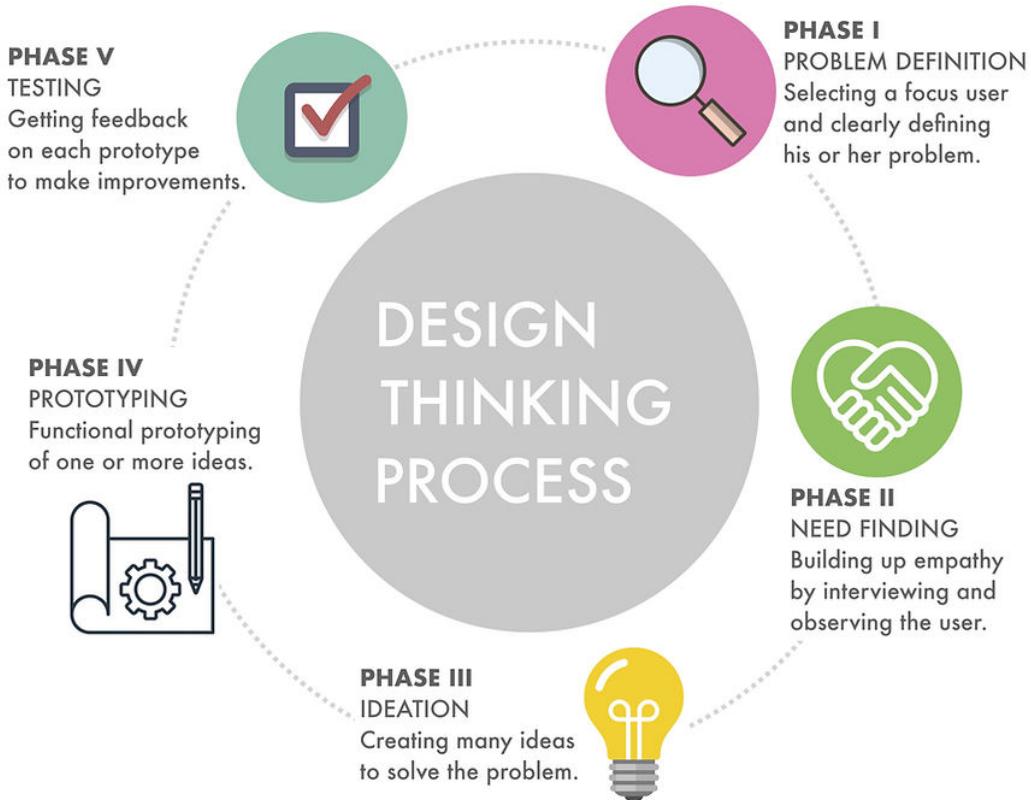


Appendix 11.0.2:



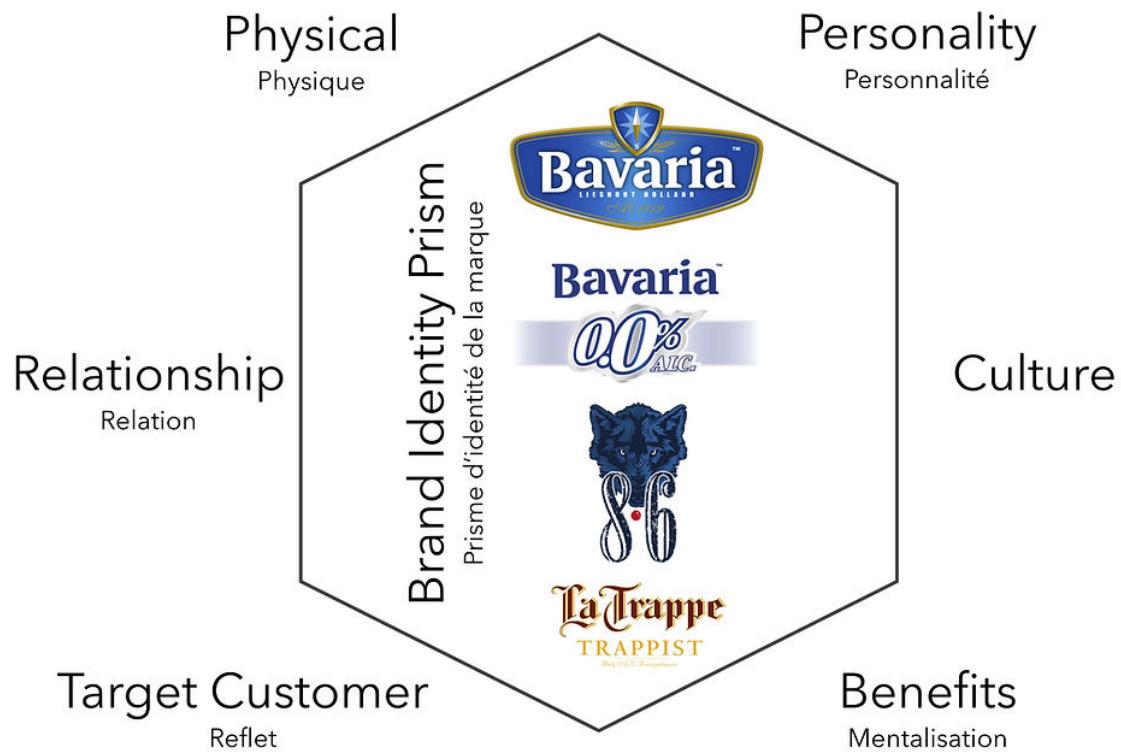
Design Thinking

Appendix 12.0:



Product Branding

Appendix 13.0:



Appendix 13.0.1:



SWINKELS FAMILY BREWERS

2022



Swinkels
family
brewers



LA TRAPPE
CASE STUDY

JOSUÉ GERARDO ZOZOAGA RAMOS

TABLE OF CONTENTS

INTRODUCTION.....	3
MACRO-ENVIRONMENT	3
MCKINSEY MATRIX	7
PORTR'S FIVE FORCES	9
EVOLUTION OF CONSUMER NEEDS	9
RECOMMANDATIONS	10
APPENDIX/ADDENDUM	11

INTRODUCTION

In this document we will answer the question whether it is believed that it is possible that the brand of trappist beer of Swinkels Family Brewers (SFB) in France, La Trappe, could and can continue to support the results obtained around the world, and its position as the second export market for SFB due to favorable external factors.

For the writing of this report, we will rely on the data and insights compiled in the report on Swinkels Family Brewers in which an analysis of the company and its main brands was made from different perspectives, to propose a marketing and brand management strategy that positively helps the development of the company in France. We will refer to the analysis on the macro environment (PESTEL), microenvironment (McKinsey Matrix), competition analysis (considering the work of Porter through his proposal of the 5 forces, along with checks in virtual and real stores) and the evolution of consumer needs (insights obtained from Focus Groups, and price survey). We will mention strengths and weaknesses of the current corporate strategy of La Trappe (mission, values, allocation, and management of resources), marketing strategy (segmentations, objectives, positioning), and improvements of these strategies (corporate and marketing) which would be recommended for implementation. Particularly in the French market.

MACRO-ENVIRONMENT

PESTEL analysis offers a framework for identifying external, often government-influenced issues affecting industries, and consequently the prices of goods. It is an acronym of these six groups of issues: political, economic, social, technological, environmental, and legal. PESTEL is used to gain a macro picture of an industry environment, as well as throwing up the range of opportunities and threats needed for SWOT analysis.

The PESTEL analysis on the brewing industry is attached in the report on Swinkels Family Brewers and supported by the simulator The Serious Game (Copyright © 2022-2032. Jean Jacques André, Work & Play International. All Rights Reserved). The aim is that the reader can have a broad understanding of the macro-environment of the industry, as it is necessary to be able to concentrate better on the issuance of recommendations for the single brand La Trappe. Indeed, in addition to this Pestel analysis and in this same section of the document, the relevant reflections for La Trappe are added.

Politics

Russia on 24 February 2022 launched a military war against Ukraine, an action that was condemned by almost the entire national community. The EU implemented individual, economic, and diplomatic measures against Russia. Something that gained weight because of recognizing as independent entities the provinces of Donetsk and Luhansk, and unjustified military aggression against Ukraine. However, the progressive implementation of restrictive measures began in 2014 after the illegal annexation of Crimea.

On the relationship between France and Germany, the parliaments of both countries also cultivate close cooperation. Since 2019, the German-French Parliamentary Assembly has met twice a year, with 50 members of the German Bundestag and the French National Assembly. The institution's tasks include the implementation of the Aachen Treaty, closer alignment of

parliamentary work between Germany and France and the removal of obstacles to the creation of a German-French economic area.

On the relationship between France and Australia. In 2021, Australia broke a 56-billion-euro contract to purchase submarines for American models, which was considered a "stab in the back" by the French government, which received the news as a betrayal. However, on 26 May 2022 the current president of France Emanuel Macron and the current prime minister Anthony Albanese agreed to rebuild a bilateral relationship founded on trust and respect to overcome together the global challenges, which highlighted climate urgency and strategic issues.

Ethiopia faced significant economic, ethnic, and political challenges long before a dispute between Abiy Ahmed (current Prime Minister of Ethiopia) and the region's former ruling party, the Tigray People's Liberation Front (TPLF), led to unrest. But now, with the escalation of hostilities in other parts of Ethiopia, fears are growing that the fighting in Tigray may trigger a wider crisis with the potential to disintegrate Africa's second most populous country. Representatives of the Government of Ethiopia and rebel forces from the Tigray region met in South Africa on Monday to resume peace negotiations, which will be mediated by the African Union. The negotiations took place after the United Nations warned that the situation in the African country is out of control.

Economics

Barley is the fifth most cultivated cereal in the world. Malted barley gives the beer its color, sweet malt flavor, dextrins to give body to the beer, proteins to form a good foam and, perhaps most importantly, the natural sugars necessary for fermentation. With its production of approximately 20,900,000 metric tons in 2020 and 21,000,000 in 2021/2022, the Russian Federation is the world's leading barley producer. Germany and Spain ranked second and third respectively. In 2021, Australia became the world's leading exporter of barley, having exported approximately 8,720 kilograms of barley. France and Ukraine ranked second and third, having exported 6,547 and 5,345 kilograms, respectively.

Hops are the dried and flowering parts of the hop plant, an essential ingredient in brewing. It contains alpha acids that will give the beer its characteristic bitterness, as well as its flavors and aroma. The world production of hops in 2020 was 171,84K mt, presenting a variation of -0.89% with respect to 2019, having been produced in that year 173,39K mt. However, the variation with respect to 2018 (168.99K mt) reflects a rather positive outlook, with a growth of 1.66%. A general upward trend in world production that has been followed for several years, apart from 2012. While increasing droughts wreak significant havoc on agricultural production in several countries, the entire world forestalled the way in which the COVID 19 virus hit global health and economy during the year 2019, being the last straw in a recession waiting to be squeezed through world markets. An event that logically explains the negative variation in production 2019/2020. Ethiopia (47.32K mt) and the USA (47.09K mt) compete for the position of the world's leading producer, accounting for 27.54% and 27.4% of world production, respectively. Next in the ranking are Germany (46.90K mt) and, notably lower in production, China (7.83K mt), concentrating 27.29% and 4.56% of the world hop production, respectively.

Rising costs to farmers result (in addition to climate change) from rising prices of fertilizers, consumables, and energy. The rise in the price of agriculture can often not be compensated by higher prices since the sales prices of most of the crops of 2022 and until 2024 are previously fixed by contract. In Germany, hop growers face additional costs of 40 million euros, as

production costs have increased by 25%. However, part of these additional costs may be offset by the fact that the State has managed to include hops in the crisis aid provided by the Confederation. Based on their respective production in metric tons in 2020. However, the German Hop Growers' Association (DHWV) stated that despite the "poor" harvest, beer supplies around the world seem secure, as an inventory of the 2021 harvest is still available.

As far as the conflict between Russia and Ukraine is concerned, some of the results were rising prices (increased demand, growing protectionism and energy crises), inflation rate and reduced exports. On the other hand, within the EU, Germany is France's most important trading partner in Europe and vice versa. Having developed close cooperation, today considered a model of reconciliation between two peoples.

In 2021, the overall inflation rate was 3.4%. In the European Union, it was 2.6%. By 2022, significantly higher values are expected worldwide. Inflation has increased considerably, especially in the years 2021 to 2022. The main reason was the price of energy, which not only directly affects consumers through electricity and heating costs, but also makes the production of goods more expensive. In 2022, the war in Ukraine was an additional factor, causing a sudden increase in heating costs because of gas supply cuts. Inflation rates in September 2022 for France, Germany, USA, Russia, China, Australia, and Ethiopia are 5.6%, 10%, 8.2%, 13.7%, 2.8%, 6.1% and 30.7%, respectively.

Social

The Russian workforce, the main producer of barley, is in decline in recent years. The geopolitical conflict with Ukraine does not help at all, as it has contributed to several people wanting to advance the country, some even migrating through the Bering Strait to the USA.

Technology

A new technique to have a higher alcohol content is called Malting. Malting is essentially roasting the barley. By doing this the starches convert into sugars which make the wort a more attractive liquid to the yeast. To make beer more bitter people started to add gruit, an herb mixture. Some companies within the industry have been seeking to integrate a large new element called "Stromboli", which steams the beer coming out of the kettles. Since it cooks much more slowly, wastage due to evaporation is reduced and helps saving a substantial amount of energy and seems to dramatically improve the beer taste. Slow cooking processes favors less destruction of protein due to the slow cooking process, which preserves much more of the raw beer's original taste.

Environment

Swinkels Family Brewers places great importance on sustainable development and environmental and resource care by adopting a circular entrepreneurship philosophy. Russia is the third country with the highest accumulation of carbon dioxide emissions, having accumulated more than 100 billion tons from 1850 to 2021 and almost 180 billion tons in total considering land use and deforestation. Impressive figures that are exceeded however, by USA and China, with accumulations exceeding 500 billion tons and almost 300 billion tons in total, respectively. In 2021, Germany generated 665,884 megatons (8.06 tons per capita), the United States 4,752,079 megatons (14.24 tons per capita), Russia 1,942,535 megatons (13.52 tons per

capita), France 302,327 megatons (4.58 tons per capita), Australia 367,907 megatons (0.29 tons per capita), China 12,466,316 megatons (8.73 tons per capita) and Ethiopia 19,209 megatons (0.17 tons per capita). Australia is the only country to have reduced its emissions compared to 2020 (-3.51%), and Ethiopia has the lowest carbon dioxide emissions by far. However, both countries had shown a steady increase in their emissions until 2020, unlike the other countries previously listed. Except for China, which has continued to increase its carbon dioxide emissions.

Germany has begun to shut down nuclear power plants, has re-ignited coal-fired power plants and maintains Russian gas as a reserve after the progressive cut-off of natural gas supplies from Russia, all to cope with the coming cold winter. This may partially explain the 5.78% increase in German emissions between 2020 and 2021.

Barley crops adapt easily to any environment, so it has few demands to adapt to weather conditions. They can withstand frost and moisture deficit, which is why even with cold weather, Russia has managed to stay at the top of the list of barley producing countries.

As far as the Hop Market is concerned, the new varieties of this plant tolerate heat better, drought and have greater resistance to pests. This has captured the interest of hop growers who would love to produce many more of these new sustainable varieties. On the other hand, the brewing industry shows a certain slowness in converting beer recipes to new varieties, so that only a few of these new hops are consumed.

Legal

As a result of the geopolitical conflict between Russia and Ukraine, the EU took repressive measures against Russia implemented sanctions, restrictive and diplomatic measures. The EU-Russia summit was cancelled, banning the import of goods, and providing tourist services with the territories of Donetsk, Luhansk, Crimea, and Sevastopol. In addition, the EU asked the European Investment Bank to suspend the signing of new financing operations in the Russian Federation, the implementation of regional and bilateral cooperation programs with Russia was reassessed and coordinated with the European Bank for Reconstruction and Development (EBRD) also suspended the financing of new operations.

Regarding beer taxes, the EU requires all member countries to levy an excise duty on beer of at least €1.87 per 100 liters (26.4 gallons) and degree of alcohol content. That equates to a minimum tax of €0.03 (US\$0.04) for a 330 ml bottle of beer (11.2 oz) with an alcohol content of 5%, to give an example.

On the other hand, the Evin Law in France restricts advertising of alcoholic beverages. This in order to prohibit intrusive media with a significant impact on young people and allow less intrusive ones; also limiting advertising content. Messages should refer only to the characteristics of the products and should not evoke positive images of the association of alcohol with success, sport, performance, etc. There have been some concrete effects on public health since the implementation of this law. However, its effectiveness is reduced by the renewed use of previously prohibited media such as the Internet, through strong lobbying by the alcohol industry; and because of other permitted marketing tools aimed at young people: attractive packs, price promotions, sweet products, among others.

Reflections

As a specialty product, and strongly linked to the luxury market, La Trappe should closely follow global trends mainly in the technological and ecological fields. From processes throughout the entire value chain, to merchandising techniques and, of course, promotion techniques implemented by the company. For this, you can closely follow the strategies of companies in the tech industry such as Apple (green merchandising, and in the fashion industry. Especially the Italian fashion brand Gucci, which sets itself apart from the rest having recently announced that it has completely stopped using leather in its products.

Although there is still a long way to go, La Trappe has begun to embrace new technological trends. On the one hand, with its efforts to personalize the shopping experience for customers through the creation of accounts in its digital space [Appendix 1]. On the other hand, in 2006 it decided to start following the right path, when the brewery purchased a new 'Stromboli', in order to contribute to a slower and more controlled brewing process.

La Trappe should not forget its identity as a luxury brand, and what that means in terms of marketing and corporate strategies. An important trend that has taken hold of the luxury market in general, and not only in the fashion sector, is the contribution to environmental care and responsible consumption. Indeed, the trappist brewery has begun to embrace this trend by sourcing raw materials such as barley directly from local farmers. However, on the road to an increasingly green consumption, companies may come up against obstacles. Such is the case of obtaining better prices for hop grown by farmers in Germany, who, in fact, offer better prices than the big wholesalers. La Trappe has taken the initiative in overcoming these obstacles by encouraging several farmers to volunteer by planting a hop garden on the monastery's grounds near the tasting room as a favor, which is now part of the tour given to visitors. Since there are around 300 hop varieties, a positive practice that should be adopted is the search for and cultivation of new and more eco-responsible hop variants discovered in Germany, an area of opportunity to also offer new tastes and images with new products. German farmers and with support from the HVG have discovered that hop varieties from the USA are more resistant than European varieties, which sparked interest in crossing them with many German bitter and flavor varieties. This has resulted in new variants that are more resistant to heat and, therefore, less need for fertilizers. However, most distillers do not take advantage of them as they are not willing to open the doors to new formulas/recipes. Another important trend in environmental care is the organic / bio movement, which is not new to us, and which is a movement of great strength in the French market.

MCKINSEY MATRIX

The nine-box McKinsey matrix is a strategy tool that offers a systematic approach for the decentralized corporation to prioritize and determine where best to invest its cash among its business units. This tool helps to compare them and assign them to groups worth investing in, or to groups that should be harvested or disinvested. The matrix consists of a vertical and horizontal axis, one corresponding to the attractiveness of the industry, and the other to the competitive strength of a business unit or a product.

Along the axis of competitive strength, the matrix measures how strong, in terms of competition, a particular commercial unit is against its rivals. It seeks to determine whether a business unit has a sustainable or temporary competitive advantage, or not. Subsequently, it will be sought to know how long the advantage will be maintained. Some factors that determine

the competitive strength of a business unit are Market Share and its variation compared to rivals, profitability of the company, strength of the production chain and business unit to meet the critical success factors of the industry, as well as the flexibility of production and product differentiation.

Along the axis of attractiveness of the industry, it is indicated how difficult or easy it will be for a company to compete in the market and therefore make profits. The more profitable an industry is, the more attractive it becomes. It should be noted how an industry will change in the long term rather than in the short term, since the investments necessary for the product usually require a lasting commitment and generate results in the long term. Factors that determine the attractiveness of the industry are the long-term growth rate, size of the industry, macro-environmental factors (PESTEL), changes in demand, price trend, availability of labor and profitability of the industry.

For the realization of the McKinsey Matrix of Swinkels Family, we took into consideration a list of 63 KPI's with economic, accounting, financial, marketing and sales character. You can consult them in the original document on the complete analysis of Swinkels Family Brewers.

La Trappe's sales around the world certainly presented a positive variance rate, at least between 2011 and 2014 [Appendix 2]. Also, the export scenario has turned out to be rather favorable, representing 40% of the company's revenues as of 2018. Something that undoubtedly encourages La Trappe to seek to further develop its export power mainly in Belgium, France, and Italy [Appendix 3]. Those with the highest profit potential for the brand (exports). La Trappe already has a not inconsiderable percentage of its Volume-Based Market Shares in Belgium, which explains why this country is (by far) its main export market (in hectoliters) and motivates me to recommend protecting its position in this market and concentrating on attractive segments. Defending commercial and brand strengths. On the other hand, it is important to know how to focus and seek to boost operations in certain specific markets, considering a possible diversification.

As for the French market, La Trappe should choose to concentrate for the moment on rationalizing operations looking for a low-risk expansion. They should concentrate on specializing around limited strengths and advantages (the specialty, luxury, and craft products consumption tendency). If a lack of sustainable growth is detected, or if expansion through specialization in the criteria of greatest strength for them is risky for each brand, should consider a withdrawal of the respective mark in order not to fall into an impasse, or even an even more unfavorable position.

As for the Italian market, they would like to consider the possibility of cutting fixed costs, avoid investments (other than those of the Tre Fontane Abbey), and maximize cash value. While they may retain their position with respect to this market, I would not consider heavy investment in expansion in this case. Even if part of their Volume-Based Market Shares is concentrated in Italy, it is only 0.4%.

In making these assumptions, I relied on the information provided for the La Trappe case study and the McKinsey Matrix that I designed with the 63 KPIs discussed previously. Feel free to consult the matrix in the appendices section [Appendix 4].

PORTER'S FIVE FORCES

Porter's 5 forces are a framework that help understand the strength of an organization's current competitive position, and the strength of a position an organization could aspire to in an industry.

In the original report containing the analysis on Swinkels Family Brewers, more specifically in the "Five Forces" section, 60 KPIs were interpreted for competitive analysis in France, and a level of business strength (scores) was given giving higher weights to some KPIs over others. At the low level of business strength (values between 251 and 277) is Swinkels Family Brewers and, surprisingly, also Heineken. Next, in the Medium level (278 and 303) is SABMiller - ABInBev. Then, in the High level (304 and above) are ranked Carlsberg and Diageo, something that makes sense since in their portfolios there are brands such as Guinness, Don Julio, Johnnie Walker (Diageo), Carlsberg and 1664 (Carlsberg) [Appendix 5]. Swinkels Family shares category with Heineken, which presents a scenario of direct competition especially with this market operator. This scenario was also considered in the proposed new version of Bavaria 0% in the report for Swinkels Family Brewers. In addition, it is a situation that is also observed in the category of special beers, according to The Serious Game (Copyright © 2022-2032. Jean Jacques André, Work & Play International. All Rights Reserved), as Bavaria 8.6 (Swinkels Family Brewers) ranks second in terms of relative market share, after Desperados (Heineken).

The beers of the above-mentioned main players in the beer market which share category with La Trappe (Abbey & Trappist Beer) are Affligem (Heineken), Grimbergen (Carlsberg), Leffe and Tripel Karmeliet (AB InBev - SABMiller), and Kilkenny (Diageo).

La Trappe, in order to gain ground against the other abbey beers, and mainly against Affligem, should pay attention to their bargaining power and sales team effectiveness. But also, in the shareholder value creation and in the economic value added it generates. Looking to differentiate mainly in the eyes of investors. To mention some areas of opportunity.

For this, it is necessary that the business analysts in charge of La Trappe, in the different markets, pay particular attention to indicators (and their respective variants over a period of time preferably between 5 and 10 years) such as the DSO, DPO, CCC, % of Payroll Cost of Total Expenses, RPE (since Sellers receive a commission for each sale), ROE, Rate of Cumulative Shareholder Return, WACC, and EVA (with their respective accumulated value over the period of time studied).

EVOLUTION OF CONSUMER NEEDS

The analysis carried out by Marco Lerro, Giuseppe Marotta and Concetta Nazzaro on different social and messaging platforms (Facebook, Twitter, among others), and published by the Agricultural and Food Economics, over a 4-month period between December 2018 and April 2019 revealed that craft beer consumers are younger, and likely to be well educated about this type of beer.

Craft beer consumers are young people with a high family income. They consume craft beer monthly, mainly outside in pubs, in the evening and accompanied. The tangible qualities of craft beer like taste and flavor are perceived by the consumer more than the intangible qualities. The strategy of the craft beer producers should easily focus on the target group of 40 year old who consume beer on a regular basis. To appeal to younger consumers, brewers can rely on

attractive labels or packaging. To attract those who want to try new products, they can focus on new craft beers characterized by special grains. Pubs are the preferred channel, so they should put more effort into penetrating this promising distribution channel, with commercial initiatives directly in pubs or restaurants, where they can differentiate their product offering. Taste appeared to be the most important factor for consumers: tastings could therefore be organized to test the products.

Finally, the attributes "in-store promotion" and "price" appear among the least important when buying a craft beer. Brewers should focus more on product quality than on pricing techniques.

RECOMMENDATIONS

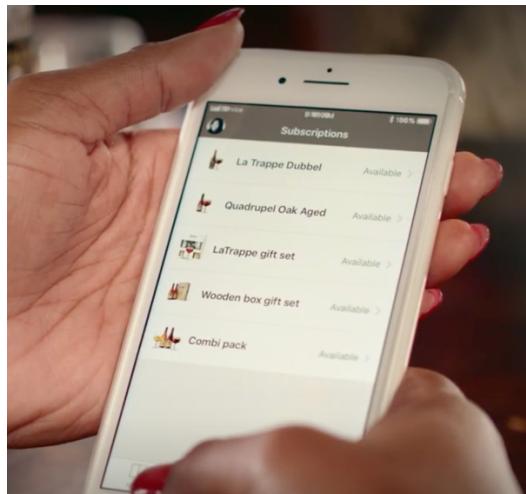
As for the recommendations considered relevant to be implemented by the brand of trappist beer of Swinkels Family Brewers, La Trappe. It should continue to strengthen its corporate strategy by directing the allocation and management of its resources towards the realization of innovations in both the technological and eco/bio sectors. With this we mean both in the value chain, as in their value proposals and strategies of merchandising and advertising. It is necessary to closely follow the models of luxury marketing proposed by companies in the technology and luxury fashion industry, in order to consider new perspectives and be perceived before the consumer as the great brand that is, but also as a refreshing brand, unlike any other. It is necessary to seek to offer value propositions outside the conventional.

Regarding the recommendations for the different European markets. Indeed, it should be pursued at all costs, not only maintain the position it currently holds in Belgium, France and Italy, but also explore other markets which, judging by the KPIs used in the creation of my McKinsey Matrix, are of particular interest in the beer sector for SFB.

Finally, as far as their segmentation strategy is concerned. They should continue to focus on the potential target audience that young people educated in the field are currently seeking to consume a specialty product. Exploiting the distribution and communication channels of millennials, which are in the process of becoming the main consumer sector and with purchasing power (progressively displacing in the future the generation X and baby boomers).

APPENDICES/ADDENDUM

❖ Appendix 1:

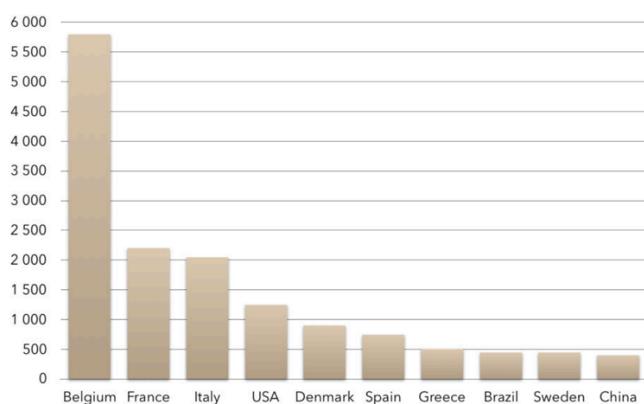


❖ Appendix 2:

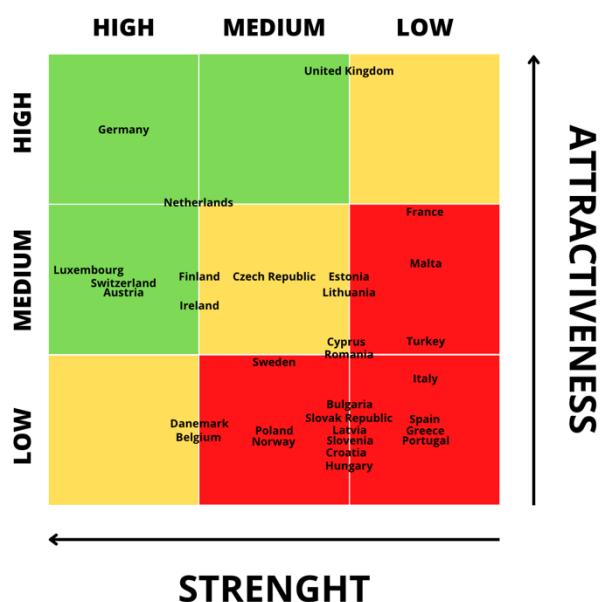
Year	Hectolitres	Variance Rate
2011	48 153	
2012	56 814	18,0 %
2013	66 203	37,5 %
2014	77 000	59,9 %

❖ Appendix 3:

Exhibit 2: La Trappe Brewery Top Export Markets (Hectolitres)



❖ Appendix 4:



❖ Appendix 5:

Business Strength Grading Scale		
LOW	MEDIUM	HIGH
251	278	304
277	303	and above
		
SCORE 298	SCORE 321	SCORE 328
		FULL PANEL
SCORE 251	SCORE 263	SCORE NA