

Diageo Iowa Market Analysis: Exploratory Data Review and Strategic Implications

Executive Summary:

Diageo's portfolio in the Iowa market showcases a robust performance from 2019 to 2023, navigating through economic variances with agility. With a compound annual growth rate (CAGR) of 7%, the data reveals seasonality effects, with fall and October being pivotal sales periods. Consumer behavior showcases a midweek peak in liquor consumption, challenging traditional weekend-focused marketing strategies. A balanced portfolio across premium and standard price points facilitates resilience, with Diageo commanding a 20% market share within Iowa.

Data Analysis Process:

Utilizing 12 million records of transaction data, this report encompasses comprehensive exploratory data analysis (EDA) techniques, focusing on sales trends, seasonality, and consumption patterns. The methodical approach adhered to CRISP-DM protocols, emphasizing data understanding, preparation, and modeling to distill actionable insights.

Findings:

The analysis unveiled that the top 10 cities account for 46% of total liquor sales, with Des Moines leading. Diageo's store penetration exceeds 99%, underscoring an extensive distribution network. Product performance analysis highlighted Tito's Handmade Vodka and Captain Morgan Spiced Rum as notable contributors to sales volume, indicating consumer preference for quality and unique flavor profiles. A surge in the Tequila category

suggests an industry trend towards premium spirits, aligning with global consumer shifts towards high-quality craft spirits.

Strategic Implications:

The current market position suggests opportunities for strategic pricing, inventory optimization, and tailored marketing campaigns. Diageo's premium brand image, coupled with a diverse product offering, positions the company to leverage the growing tequila market. The geographical analysis indicates potential growth through increased store penetration, especially in untapped markets.

Recommendations:

1. **Seasonal Marketing Optimization:** Capitalize on the identified seasonal trends by aligning marketing strategies and inventory with peak sales periods.
2. **Midweek Sales Focus:** Develop targeted promotions to exploit the unexpected midweek sales peak, potentially collaborating with retailers for special offers.
3. **Portfolio Diversification:** Continue diversifying the product portfolio, with an emphasis on the rising premium Tequila segment, reflecting consumer demand for high-quality spirits.
4. **Geographical Expansion:** Pursue strategic expansion in untapped retail markets to enhance Diageo's geographical footprint, particularly in cities exhibiting growth potential.

5. **Product Innovation:** Foster innovation in product development, specifically in categories demonstrating upward trends, to maintain market leadership.

Conclusion:

Diageo's strategic market analysis in Iowa provides a robust foundation for informed decision-making, with a clear direction for sustaining growth and enhancing market presence. Leveraging these insights, Diageo can continue to build on its legacy, ensuring its products remain synonymous with excellence and consumer satisfaction.