

International Business Management
Estrella Galicia Beer
Carlos III University





1.

Company Analysis



HR

Hijos
DE RIVERA



- Founded in 1906
- Estrella Galicia is a brand of the corporation "Hijos de Rivera"
- started out with mineral water
- started exporting beer in 1980
- present in more than 60 countries
- now more than 25 companies



Product Portfolio (Hijos de Rivera)

- Ciders
- Wines
- Liquors
- Alcohol free beverages
- Flagship Product:
 - Estrella Galicia Especial
 - Estrella Galicia 0,0
 - Estrella Galicia 1906





Financial Data

Hijos de Rivera, SA	2021	2020	2019	2018
Net Income €	100.277.990	63.427.516	74.571.430	60.167.640
Total assets €	567.933.416	492.787.156	470.151.349	423.115.910
Operating revenue / turnover €	573.555.931	451.741.690	532.363.440	476.605.340
Number of employees	824	789	743	670

All data retrieved from SABI

International situation



- Estrella Galicia Internacional S.L in 2020
 - handling international distribution
- Cash Flow positive in 2021
- 12 employees
- has become one of the biggest beer producers in Spain
- international reputation growing
- exporting into more than 30 countries



Company Analysis

Industrial Sector

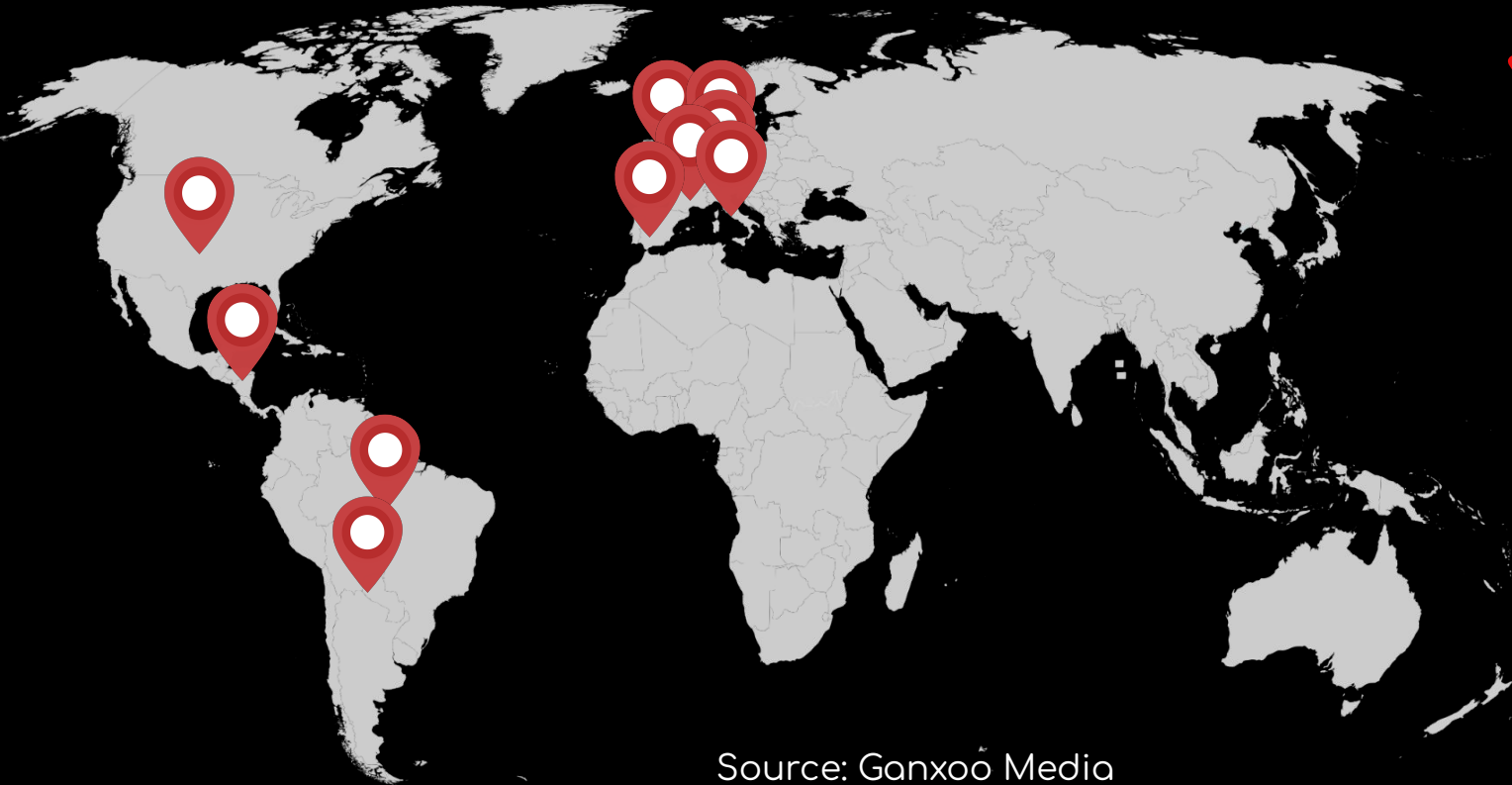
Market Selection

Entry Mode

Marketing Mix

Are we ready to export?

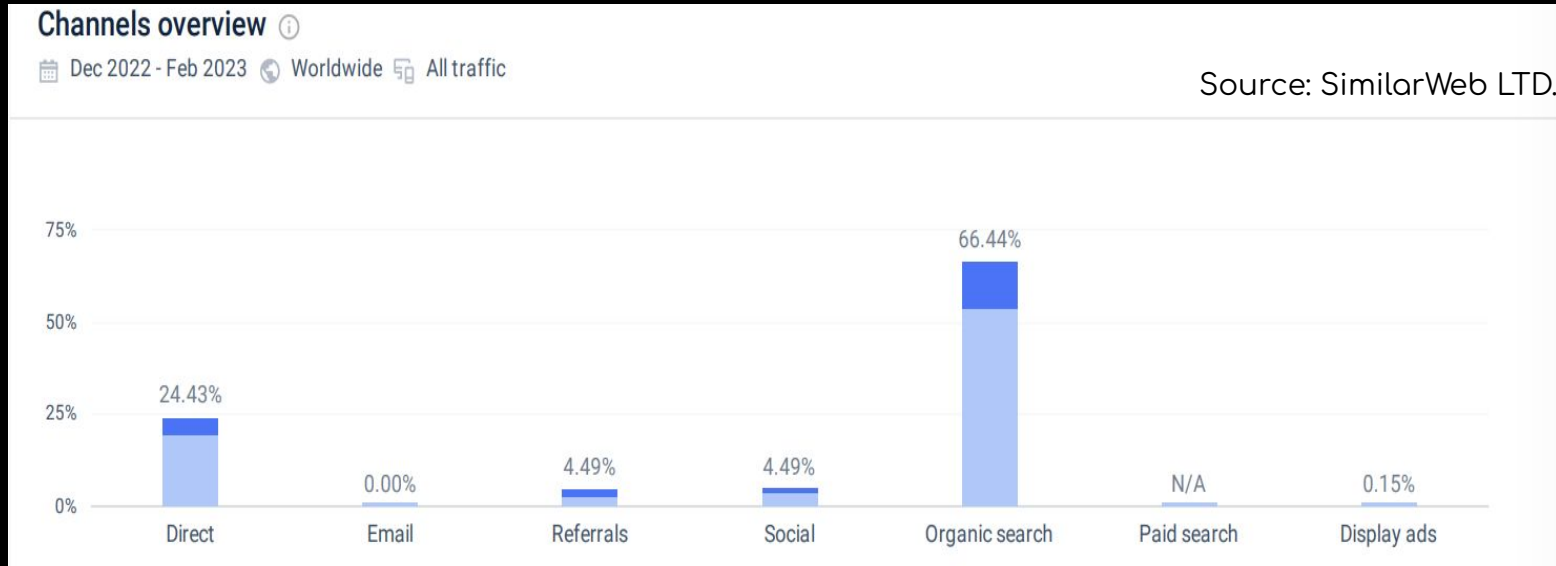
YES



Source: Ganxoo Media



Digital Analysis



- bounce rate: 58%
- time spent: 1:11 minutes
- monthly visits: 62k
- unique visitors: 37k



Social Media Analysis

Instagram:



141k

Facebook:



246k

Twitter:



97,4k

Age:

between 25-44 years



2.

Industrial Sector



Most consumed beers by region

Valued at €5.7 billion in 2020

Expected growth at CAGR 4.4%

Dominated by...

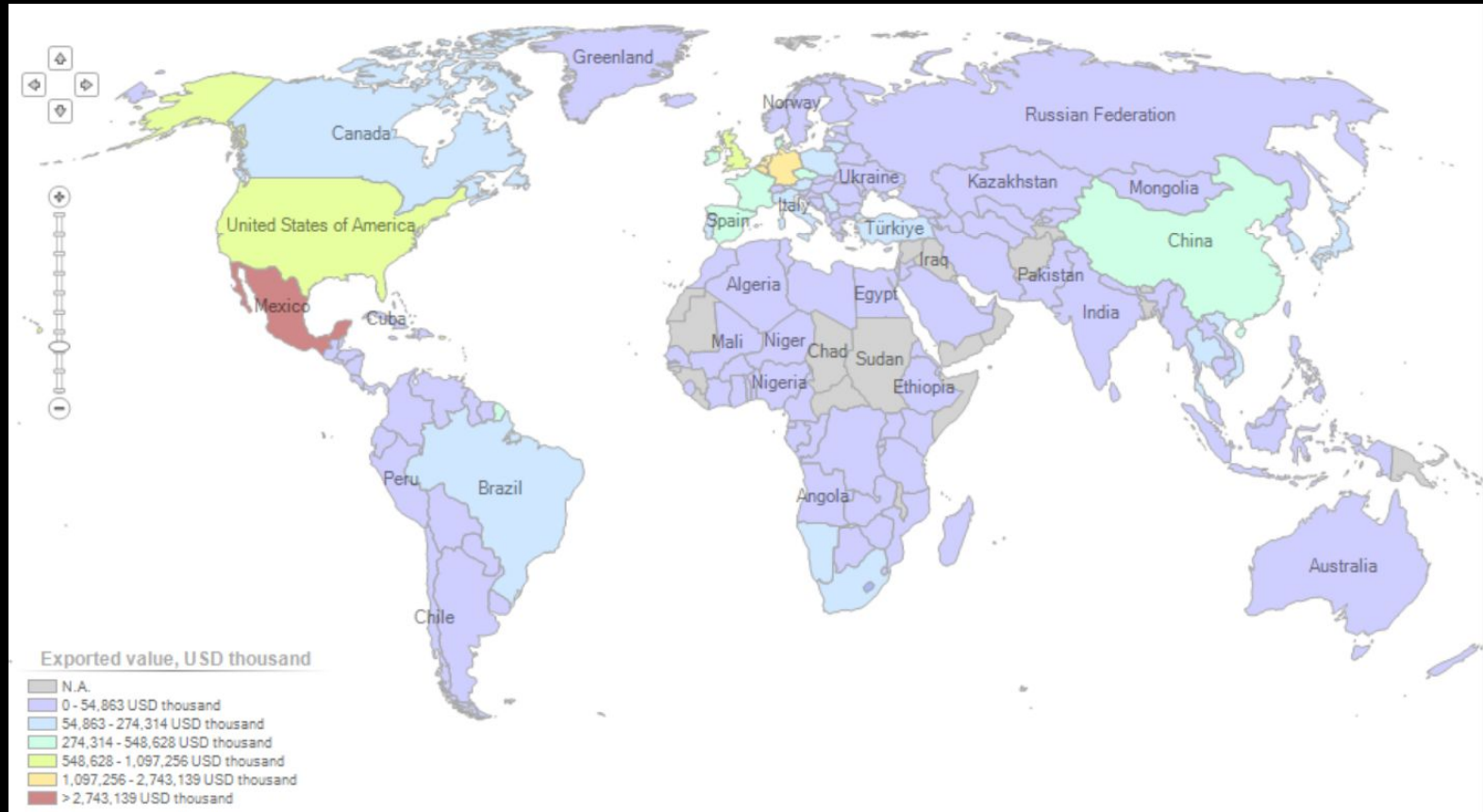
- ★ Mahou
- ★ San Miguel
- ★ CruzCampo
- ★ Amstel
- ★ Estrella Galicia



Source: El Español, 2021

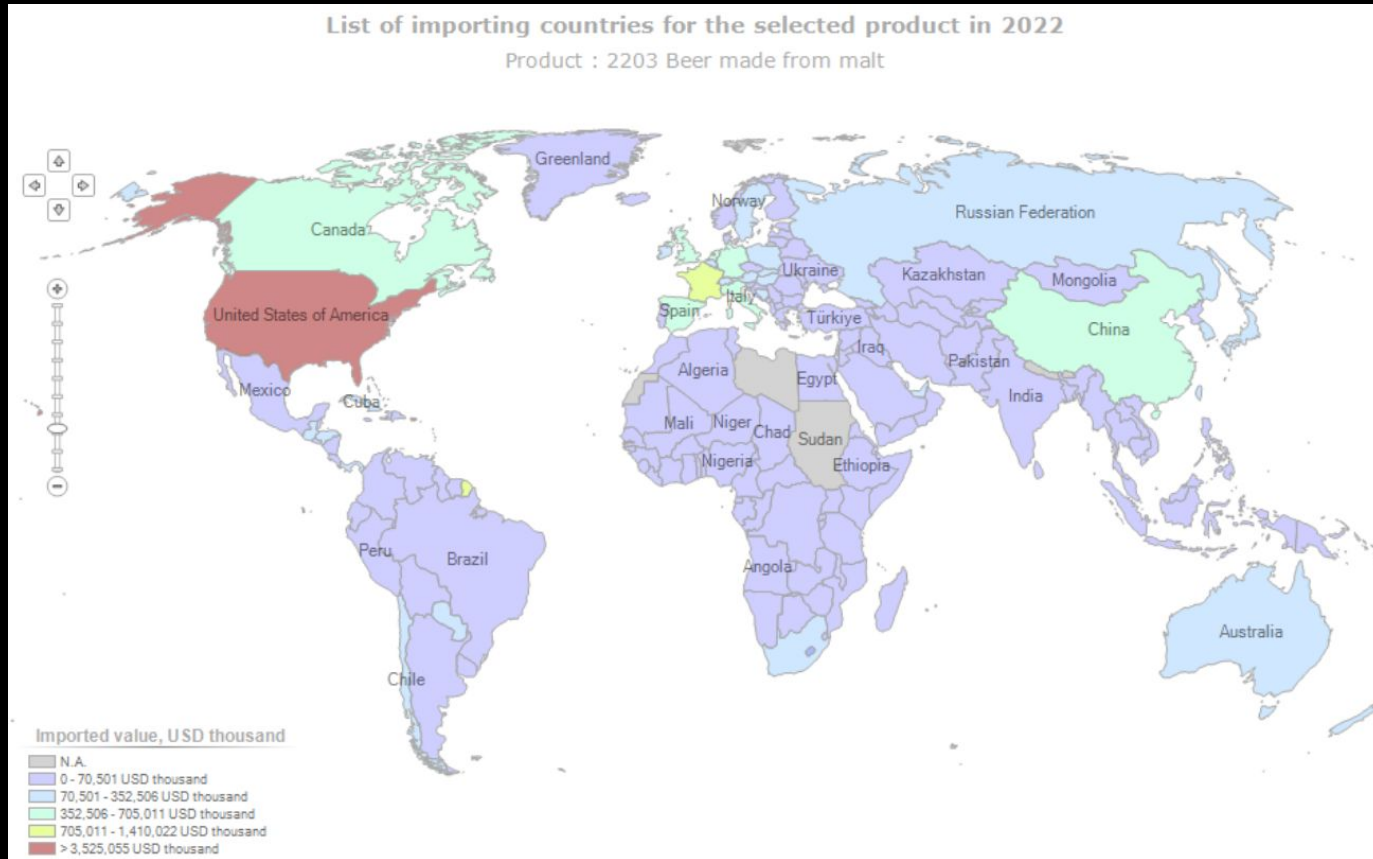


Exporting countries for beer



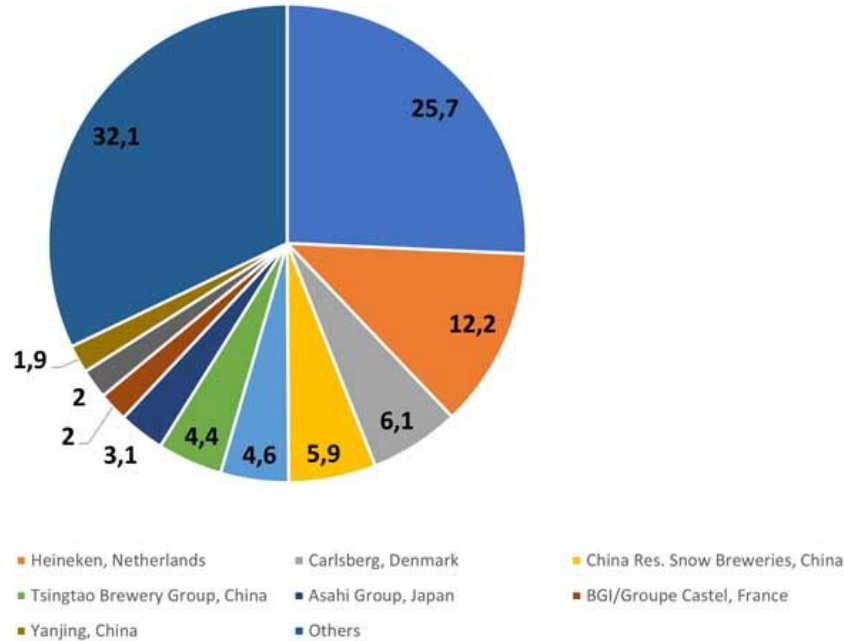


Importing countries for beer





Market shares of the 10 biggest beer companies



Valued at 600 billion USD in 2020

Expected to grow at CAGR of 6.5%

10 companies own $\frac{2}{3}$ of global market

Top 3 beer companies globally:

- AB InBev
- Heineken
- Carlsberg

Source: Meninger's International, 2020



Strengths:

- ❑ Award-winning quality
- ❑ Wide range of products
- ❑ Strong market position in Spain

Weaknesses:

- ❑ Limited international presence
- ❑ Limited brand recognition globally
- ❑ Production capacity limits

SWOT

Opportunities:

- ❑ Projected market growth
- ❑ Increasing popularity of foreign beers

Threats:

- ❑ Competitive & saturated market
- ❑ Regulatory challenges



3.

Market Selection



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United Kingdom



United States



Germany



M A T R I X

Criteria	US	UK	Germany
Per-capita Beer Consumption L	2	1	3
Average price of a 0,5 L beer, Euro - 2022	2	3	1
Retail beer sales - 2022	3	1	2
CAGR *% (2021-2026)	1	3	2
Population (Million) - 2023	3	1	2
Type of consumption (can - tap - glass)	1	1	3
Legal drinking age	1	2	3
Total	13	12	16





Trademark

already registered in EU

000100875 - Estrella Galicia Especial Hijos de Rivera, S.A.
Cerveceros desde 1906 [+ info](#)



Trade mark information

Trade mark number **000100875**
Type **Figurative**
Filing date **01/04/1996**
Registration date **04/05/1998**
Nice Classification **32**
Trade mark status **Registered**
Basis **EUTM**
Reference **3423**

Owner information

Owner ID number **1275**
Owner name **HIJOS DE RIVERA, S.A.**

Representative information

Representative ID num... **17731**
Representative name **GARRIGUES IP, S.L.P.**

Last publication

26/08/2020 **C.1.3**



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4.

Entry Mode

Exporting through Retailers or Distributors

- Choice depends on business objectives, target market, distribution requirements, and available resources
- Exporting through retailers provides more control over marketing, pricing, and distribution, but can be time-consuming and resource-intensive
- Exporting through distributors can be more efficient and cost-effective, but means giving up some control over marketing and pricing



Final selection

- **Direct export through a distributor** specializing in higher quality supermarkets such as Edeka and Rewe recommended
- Going through **a distributor** allows knowing distribution costs immediately and minimizes logistics costs
- **EXW** as part of the agreement recommended for transportation of goods.





Metro AG, REWE Group, and Edeka are the largest wholesale stores.



Collaboration with regional traders, distributors, and wholesalers for major retailers recommended.





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5.

Marketing Mix



Product



Pilsner-style beer with a crisp, clean taste and a light, golden color. It is a popular choice for casual drinking and social occasions.



With a rich malt flavor and a slightly bitter finish, it has won several international awards - a stimulus to buy it for people who are unfamiliar with the brand.



Alcohol-free beer is low in calories and carbohydrates, a good option for those who are watching their blood sugar levels. Has a mild, refreshing taste.



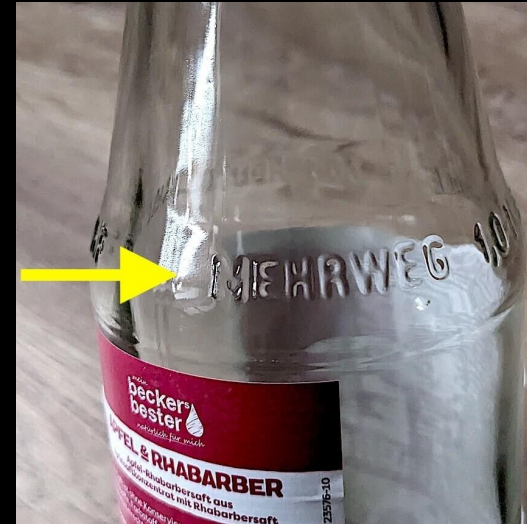
A limited edition beer with a unique blend of malts and hops. Has received positive reviews from beer enthusiasts and critics, and would target real experts in beer taste.

Product

- Bottle size: 0,33l
- Adjustment: include a **deposit (Pfand)** system





Bottles with these logos have a deposit.



Deposit: "Mehrweg", "Pfand-Glas", "Mehrwegflasche"





<u>Concept</u>	 (€)	 (€)
Ex-works price (box of 24)	14,43	14,43
+ insurance & transportation	2,16	2,9
+ custom taxes	-	-
SUBTOTAL	15,94	17,3
+ importer's margin (15%)	-	2,6
+ wholesaler's margin (10%)	1,6	2
+ retailer's margin (30%)	5,26	6,57
+ VAT (21%/ 19%)	4,8	5,4
= PRICE TO RETAILER PER BOX	27,6	34
= PRICE TO RETAILER PER bottle (0.33l)	1,15	1,42

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Price

	Corona Extra	San Miguel	Beck's (German)	Budweiser	Heineken
Average price per liter	€3,52	€2,92	€2,52	€ 2,77	€ 3,03

Average price of imported beers in German supermarkets
(price per liter when sold in 0,33l bottles)



Place



- *Supermarkets and convenience stores*



- *Bars and restaurants*



- *Festivals and events*



Promotion



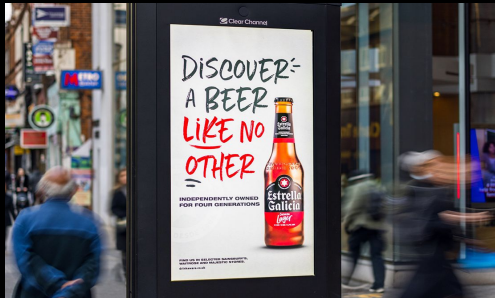
- Sponsorship of sports events



- Social media advertising



- Sampling campaigns



- Classic advertising



- Cooperation with local bars



Citations

El Español

https://www.lespanol.com/reportajes/20210621/cervezas-espanoles-comunidad-mahou-san-miguel-cruzcampo/590691616_0.html

Meninger's International:

<https://www.meiningers-international.com/wine/news-analysis/concentration-beer-market>

REWE DE:

<https://shop.rewe.de/c/bier/?packaging=Glasflasche>

EUIPO:

<https://euipo.europa.eu/eSearch/#basic/1+1+1+1/estrella%20galicia>

RUN BY
GENERATIONS

NOT
CORPORATIONS

INDEPENDENTLY OWNED FOR **FOUR GENERATIONS**



DISCOVER A BEER

LIKE NO OTHER

drinkaware.co.uk