

Student's name

Instructor's name

Course

Date

Hockley Valley Brewing Co. Inc

The problem that Hockley Valley faced refers to the increasing sales of new lager beer produced by the company and distributed during the local festival in Orangeville. First of all, it referred to the surprise of Miles and Smellie, because they did not even consider light beers to be on the top of the consumers' preferences in the area. They tried to realize the weight of the problem as long as they had to replace one of the brands changing it with a new light beer Hockley Classic as an addition to the previously brewed lager Hockley 100. Dark and light ales seemed to be outdated for the local population. On the other hand, Miles and Smellie had to keep in touch with Liquor Control Board of Ontario (LCBO) with a fee of 11% for their production and promotion in the area. Costs were lower for Hockley Valley and its new lager, but promotion strategy and inability to think in a broader sense of marketing strategies was a challenge for the company's shareholders. They understood the privilege of the main brewers like Miles Street Brewery and Steam Whistle as the major players in the market. Because of this fact, they feared to enter the urban market of consumers focusing instead on the smaller rural market of already checked relied on consumers. Additionally, the actions of the company were too slow in terms of launching new facilities for further expansion of the beer market becoming a new competitor.

Obviously, Hockley Classic had a great potential to be placed among the premium lager beers as a new competitor in the market. The significance of the problem cannot be underestimated. If they do not solve the problem, they risk remaining below the greater market value. Looking at the case analysis, the lowest price and good placing of the products

in LCBO stores were winning the race. However, the weak points of the company were still in production and promotion. Miles and Smellie relied mostly on what they achieved during the local festival when dark ale was disregarded and light beer was the ultimate aggregate choice of the consumers. They risked lagging behind the main players turning back to the classic dark and light ales having been at stake initially. In turn, it would make Hockley Valley another local microbrewery that lost its chance in production and promotion of a new award-winning lager beer. They did not even pay attention to the fact that Steam Whistle focused solely on a premium pilsner beer fulfilling one of the largest niches in the Canadian beer market. Therefore, they had to act quickly in terms of finding more financial resources to invest in new facilities for brewing more lager beer and aiming at not only rural population, but also on the urban areas including Toronto, Ottawa, London, and even cities in other states of Canada. Notably, promotion strategy was actually primitive making marketing tricks of no value at all for the target audience of beer fans.