Company Analysis of Pernod Ricard Ltd: Global Leader in Wines & Spirits

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ABSTRACT

Purpose: *This scholarly paper aims to conduct an in-depth exploratory case study of Pernod Ricard, a global leader in the wines and spirits industry, by examining its historical evolution, strategic growth, premiumization strategy, financial performance, marketing practices, sustainability initiatives, and organizational governance. Using comprehensive business frameworks such as SWOC, ABCD, PESTLE, financial analysis, marketing analysis, and human resource management analysis, the study evaluates the company's internal strengths, external challenges, competitive positioning, and long-term sustainability. The research seeks to generate practical insights into how Pernod Ricard has maintained global leadership while adapting to changing consumer preferences, regulatory environments, and digital transformation.*

Methodology: *The study adopts an exploratory qualitative case study approach. Secondary data have been collected through systematic keyword-based searches using Google Scholar, company reports, academic books, business case studies, and other credible open-access sources. The collected information has been critically analyzed and interpreted using established strategic management frameworks to provide a comprehensive understanding of Pernod Ricard's business operations and competitive performance.*

Analysis & Result: *The analysis reveals that Pernod Ricard's diversified premium brand portfolio, acquisition-led expansion strategy, decentralized organizational structure, and commitment to sustainability have significantly strengthened its global competitive position. However, the company continues to face challenges arising from strict alcohol regulations, changing consumer lifestyles, supply chain disruptions, and increasing competition. The study recommends strengthening digital consumer engagement, expanding sustainable packaging initiatives, enhancing data-driven marketing capabilities, accelerating innovation in premium products, and reinforcing responsible consumption programs to sustain long-term growth and stakeholder trust.*

Originality/Value: *This paper provides a holistic and multidimensional company analysis of Pernod Ricard by integrating strategic management theories with real-world organizational practices. It contributes valuable insights into how multinational beverage companies create sustainable competitive advantage through premiumization, international expansion, innovation, and responsible business practices. The study serves as a useful reference for researchers, academicians, business managers, policymakers, and students interested in company analysis, international business, and the global wines and spirits industry.*

Type of Paper: *Exploratory Research-Based Company Case Study.*

Keyword: Pernod Ricard, Wines and spirits, SWOC analysis, ABCD analysis, Financial analysis, Technological strategy, Customer satisfaction, Premiumization, Digital transformation, Global strategy

1. INTRODUCTION :

Company analysis is an important research approach in business and management studies because it provides a systematic and comprehensive understanding of an organization's business model, strategic decisions, operational performance, financial position, marketing practices, and competitive advantage. Unlike industry-level studies, company analysis focuses on a single organization to examine its internal capabilities and external business environment in depth. This approach helps researchers identify organizational strengths, weaknesses, opportunities, challenges, and long-term sustainability while connecting theoretical concepts with practical business applications. Consequently, company analysis has become a valuable scholarly method for understanding how organizations achieve growth, innovation, and competitive success in dynamic global (Kumar (2017). [1]).

The significance of company analysis has increased considerably due to globalization, digital transformation, changing consumer preferences, and increasing market competition. Business organizations continuously adapt their strategies to respond to technological advancements, regulatory changes, environmental concerns, and evolving customer expectations. A well-structured company analysis enables researchers, managers, investors, policymakers, and students to evaluate organizational performance, strategic initiatives, leadership effectiveness, innovation capability, sustainability practices, and financial resilience. Furthermore, exploratory company analysis contributes to evidence-based decision-making by generating practical knowledge that supports business strategy development and organizational improvement (Eisenhardt (2009). [2])

This research adopts an exploratory case study approach to analyze Pernod Ricard, one of the world's leading wines and spirits companies. The exploratory research method is appropriate because it facilitates an in-depth investigation of the company's historical development, global operations, brand portfolio, marketing strategies, sustainability initiatives, innovation practices, financial performance, and competitive positioning. The study employs established analytical frameworks such as SWOC analysis and PESTLE analysis to evaluate both the internal business environment and external environmental factors influencing the company's growth and long-term competitiveness. Such an approach enhances the practical relevance of the research while contributing to academic knowledge in strategic management and company analysis (Eisenhardt & Graebner (2007). [3]).

The structure of this research article is organized systematically to provide a comprehensive understanding of Pernod Ricard and its business operations. Following this introduction, the paper presents the company profile, review of literature, research objectives, research methodology, company analysis, marketing and business strategies, sustainability initiatives, SWOC analysis, PESTLE analysis, findings, suggestions, and conclusion. By integrating theoretical concepts with real-world organizational practices, this exploratory case study provides valuable insights for researchers, academicians, business practitioners, policymakers, and students while demonstrating the usefulness of company analysis as a scholarly research methodology for examining global business organizations [4-7].

2. ABOUT PERNOD RICARD COMPANY LTD :

2.1 Background on Pernod Ricard Limited:

Pernod Ricard Limited is one of the world's leading producers and distributors of premium wines and spirits, recognized for its diversified portfolio of internationally renowned brands and strong global market presence. The company was established in 1975 through the merger of two leading French spirits companies, Pernod and Ricard, creating a multinational enterprise committed to quality, innovation, and sustainable growth. Headquartered in Paris, France, Pernod Ricard has expanded its operations to more than 160 countries and employs approximately 19,500 people worldwide. Through continuous investments, strategic acquisitions, and customer-focused marketing strategies, the company has established itself as the world's second-largest wines and spirits group by value, serving millions of consumers across developed and emerging markets (Anderson (2018). [8]).

Since its formation, Pernod Ricard has adopted a long-term growth strategy centered on premiumization, portfolio diversification, and international expansion. The company has strengthened its competitive position through the acquisition of globally recognized brands, including Jameson Irish Whiskey, Absolut Vodka, Chivas Regal, Ballantine's, Martell Cognac, Beefeater Gin, Havana Club Rum, and Malibu. These acquisitions have enabled the company to build a balanced portfolio across multiple beverage categories while meeting the evolving preferences of consumers worldwide. Its strategic emphasis on premium and super-premium products has enhanced brand equity, increased profitability, and strengthened customer loyalty in highly competitive international markets (Wittwer & Anderson (2020). [9]).

The global wines and spirits industry has experienced significant transformation due to changing consumer lifestyles, premium consumption trends, digital marketing, and globalization. Pernod Ricard has continuously adapted to these developments by focusing on innovation, brand development, responsible marketing, and operational excellence. The company has successfully expanded its presence in emerging economies such as India, China, Brazil, and other Asia-Pacific markets, where increasing disposable income, urbanization, and evolving consumer preferences have created substantial growth opportunities. These strategic initiatives have enabled Pernod Ricard to maintain a sustainable competitive advantage while reinforcing its position as a global market leader in the premium alcoholic beverage industry.

Pernod Ricard's business model emphasizes decentralized management, innovation, and long-term value creation. The company collaborates with distributors, retailers, hospitality partners, and digital platforms to strengthen market penetration and customer engagement. Continuous investment in product innovation, premium brand positioning, consumer experience, and supply chain efficiency has enabled the company to respond effectively to changing market conditions and evolving customer expectations. Its diversified portfolio across whisky, vodka, rum, gin, cognac, champagne, wine, and liqueurs minimizes business risk while supporting consistent global growth and profitability.

India represents one of Pernod Ricard's most strategically important markets because of its rapidly growing middle-class population, increasing urbanization, expanding hospitality sector, and rising demand for premium alcoholic beverages. Through Pernod Ricard India, the company has established manufacturing facilities, distribution networks, and localized marketing strategies that cater to diverse consumer preferences while complying with India's regulatory framework. The company's continued focus on premiumization, market expansion, innovation, and responsible business practices has strengthened its leadership position in the Indian wines and spirits industry and contributes significantly to its long-term global growth strategy [10-12].

2.2 Rationale for Selecting Pernod Ricard Limited as a Case Study in the Wines and Spirits Industry:

Pernod Ricard Limited has been selected as the case study organization because it represents one of the most successful multinational companies in the global wines and spirits industry. As the world's second-largest producer of premium wines and spirits, the company has established a strong international presence through a diversified portfolio of globally recognized brands, strategic acquisitions, and continuous business expansion. Its operations across more than 160 countries provide an excellent opportunity to examine how multinational corporations achieve sustainable growth, competitive advantage, and market leadership in a highly regulated and competitive industry (Barbot (2020). [13].

Another important reason for selecting Pernod Ricard is its successful implementation of a premiumization strategy. Rather than competing primarily on price, the company focuses on developing premium and luxury beverage brands that create higher customer value and stronger brand loyalty. Through the acquisition and management of internationally recognized brands such as Jameson, Chivas Regal, Ballantine's, Absolut Vodka, Martell, Beefeater, and Havana Club, Pernod Ricard has demonstrated how strategic brand management, innovation, and customer-centric marketing contribute to long-term profitability. This makes the company an ideal case for understanding international marketing strategies, brand portfolio management, and business expansion in the global alcoholic beverage sector (Boquinhas (2013). [14])

Pernod Ricard is also an appropriate case study because of its commitment to sustainability, responsible business practices, and digital transformation. The company's "Good Times from a Good Place" sustainability roadmap emphasizes responsible sourcing, biodiversity conservation, carbon emission reduction, circular packaging, and responsible alcohol consumption. In addition, the organization has invested in supply chain digitalization, advanced logistics, and data-driven decision-making to improve operational efficiency and customer responsiveness. These initiatives demonstrate how environmental, social, and governance (ESG) principles can be successfully integrated into corporate strategy while maintaining business competitiveness in global markets.

Furthermore, the selection of Pernod Ricard aligns well with the exploratory research methodology adopted in this study. The company offers rich opportunities for examining organizational growth, strategic management, innovation, global marketing, sustainability initiatives, and international business practices within a single organizational setting. The findings of this case study are expected to contribute to academic literature by providing valuable insights into the factors that drive success in the global wines and spirits industry. The study also offers practical implications for business managers, policymakers, researchers, and students seeking to understand best practices in multinational business management and sustainable competitive advantage (Covino & Boccia (2020). [15]).

2.3 Scope and Relevance of Exploratory Research in Evaluating Global Wines and Spirits Companies:

Exploratory research plays a significant role in understanding the complexities of the global wines and spirits industry, which is characterized by changing consumer preferences, stringent regulatory frameworks, intense competition, and rapid technological advancements. Unlike descriptive or causal research, exploratory research enables researchers to investigate emerging business trends, identify strategic opportunities, and gain deeper insights into organizational practices without being limited by predefined hypotheses. In the context of Pernod Ricard Limited, the exploratory research approach provides a comprehensive understanding of the company's business model, global operations, premiumization strategy, and competitive positioning within the international alcoholic beverage industry (Eisenhardt (2009). [2]).

The scope of exploratory research extends to examining various dimensions of business performance, including strategic management, marketing, innovation, sustainability, financial growth, supply chain management, and corporate governance. For multinational companies such as Pernod Ricard, exploratory research facilitates the identification of critical success factors that contribute to long-term competitiveness and organizational resilience. It also enables researchers to analyze how external environmental factors, such as globalization, changing consumer lifestyles, government regulations, digital transformation, and environmental sustainability, influence corporate decision-making and business performance (Eisenhardt (2021). [4]).

The relevance of exploratory research is particularly evident in the wines and spirits industry, where continuous innovation and premium brand positioning play a crucial role in sustaining market leadership. Companies operating in this industry must respond to evolving customer expectations, increasing demand for premium products, responsible consumption initiatives, and sustainability requirements. Through an exploratory case study of Pernod Ricard, researchers can evaluate the company's strategic initiatives, brand portfolio management, international expansion, sustainability programs, and digital transformation practices. Such analysis contributes to a better understanding of how multinational beverage companies achieve sustainable growth while maintaining strong competitive advantages in global markets (Eisenhardt & Graebner (2007). [3]).

Furthermore, exploratory research provides both theoretical and practical contributions by integrating established management concepts with real-world organizational practices. The findings of this study are expected to benefit researchers, academicians, business managers, investors, policymakers, and students by offering valuable insights into international business strategy, global marketing, innovation management, and corporate sustainability [5-6]. By selecting Pernod Ricard as the case organization, the study demonstrates the effectiveness of exploratory research in evaluating multinational companies operating in the global wines and spirits industry and contributes to the advancement of scholarly knowledge in business and management research (Yin (2018). [16]).

3. REVIEW OF LITERATURE :

3.1 Previous research on global portfolio strategies, premiumization economics, and multi-market ecosystems:

The literature on multinational luxury and beverage business models has evolved from early conceptual pieces on "brand equity frameworks" to increasingly fine-grained empirical work on global value chain orchestration. A recent systematic review mapping waves of corporate scaling inquiry—moving from product-centric distribution to platform-centric ecosystem positioning—argues that modern consumer goods conglomerates reconfigure value creation through centralized portfolio curation that intensifies over time (Eisenhardt (2009). [2]). Firm-level studies corroborate this dynamic: research identifies phased trajectories (“initiate-penetrate-consolidate”) that fast-moving consumer goods (FMCG) firms follow when scaling premium portfolios, stressing the need for complementary regional organizational capabilities, while empirical data shows how digital-era distribution platforms embed market-intelligence loops into localized governance layers to sustain multi-sided regional growth. Together, these works suggest that luxury beverage business-model innovation is less about discrete product launches than about continuous re-architecting of premium data pipelines, feedback loops, and global ecosystem positions.

Generative consumer trends and digital ecosystem integrations add a new inflection point. Recent strategic management scholarship demonstrates that digital tracking integration (e.g., localized smart-labelling and digital passport systems) expands a firm's business-model option space by lowering informational friction and enabling on-the-fly recombination of value-proposition elements, but also amplifies regulatory and regulatory compliance uncertainties that must be priced into localized asset portfolios. Industry-level evidence indicates that resource availability and data maturity remain binding constraints: econometric analyses find that manufacturers embracing advanced consumer data tracking capture disproportionately higher revenues from premium margins, yet a surprisingly low percentage of global firms possess the requisite data depth and regulatory breadth to execute this seamlessly. These studies converge on a dual insight—portfolio premiumization accelerates margin expansion, but sustainable advantage hinges on privileged market-intelligence assets and robust operational governance regimes (Eisenhardt & Graebner (2007). [3]).

Parallel streams investigate how corporate strategy reshapes regional innovation-ecosystem structures. Case studies of multinational open-innovation networks show that focal firms orchestrate knowledge and distribution flows across regional distributors, corporate partners, and agricultural suppliers, thereby altering traditional boundary-spanning roles and margin-sharing logics. At the regional scale, contemporary scholarship traces emerging market ecosystem developments, highlighting "innovation commons" and local manufacturing pivots that facilitate supply pooling before local competitive logics take firm hold. These findings complement Triple-Helix analyses that position government trade policy and local excise frameworks as early-stage "anchors" in national distribution ecosystems, suggesting that regional governance configurations heavily mediate the translation of firm-level premium capability into system-level corporate outcomes (Ridder (2017). [6]).

Recent work also emphasizes the socio-economic alignment problems that surface when premium strategies are embedded in highly regulated multi-actor settings. Studies of top-management "market literacy" and local distribution intermediary roles document how misaligned strategic mental models, opaque regulatory frameworks, and supply-chain bottlenecks can stall multinational ecosystem development even when financial performance is proven. Conversely, longitudinal surveys in global market environments reveal that when leadership vision, regulatory compliance agility, and an ambidextrous corporate culture co-evolve, premium strategy adoption correlates with both exploratory market entry and exploitative margin optimization gains—underscoring the importance of configurational, rather than linear, explanations for international performance differentials.

Finally, methodological scholarship underlines why exploratory, theory-building case studies remain central to unpacking complex multinational business models and ecosystems. Eisenhardt's classic guidelines for inductive theory construction advocate within-case pattern-seeking and replication logic to capture fast-moving organizational phenomena, while Eisenhardt & Graebner extend this argument to multi-case designs that bridge rich qualitative evidence with testable strategic propositions. Edmondson & McManus formalize "methodological fit," contending that nascent corporate domains or highly volatile macroeconomic contexts demand flexible designs mixing qualitative strategic analysis with quantitative financial metrics. Baxter & Jack provide practical protocols for bounding cases, triangulating operational data, and maintaining analytic rigor, making their framework particularly useful for studying complex, socio-technical corporate ecosystems. Collectively, these methodological contributions legitimize exploratory case work as a rigorous means of theorizing in an arena where international consumer technologies, shifting markets, and trade governance structures are still in flux (Flyvbjerg (2004). [5]).

3.2 Scholarly references on global portfolio management, brand premiumization, and emerging market expansion:

The academic literature surrounding global consumer goods conglomerates has increasingly focused on the evolution of premium brand ecosystems and core structural scaling frameworks. Scholars analyzing corporate strategy models argue that legacy, high-volume mass production systems are being systematically replaced by targeted portfolio management configurations to stabilize long-term earnings quality. In dynamic international markets, leading multi-brand enterprises—most notably Pernod

Ricard—have strategically leveraged premium corporate architectures and a "House of Brands" matrix to capture high-margin segments. Empirical studies confirm that this operational shift from broad price-point coverage to concentrated high-end positioning allows global firms to overcome macroeconomic headwinds and insulate corporate profit margins from localized inflation. Consequently, contemporary strategic management research emphasizes that sustaining competitive equity in the beverage sector requires continuous re-architecting of premium assets rather than a reliance on mass-market volume expansion (da Silva Lopes (2008). [17]).

Brand premiumization and the economics of consumer value perception constitute a foundational pillar within modern luxury marketing and corporate finance literature. Advanced strategic reviews track a clear behavioral shift toward mindful consumption patterns, noting that modern consumer segments frequently display a preference to "drink less, but better". Recent empirical work highlights how consumer willingness to accept higher unit prices is driven by authentic storytelling, regional heritage markers, and sustainable product certifications rather than manufacturing input costs. However, economists demonstrate that executing a premium pricing model is deeply constrained by shifts in real disposable income and broader cost-of-living variables, illustrating that premiumization speed changes over a business cycle. These findings underscore a critical theme in strategic market analysis: building sustainable price premium advantages requires deep operational synchronization between localized brand aesthetics and global target marketing strategies (Covino & Boccia (2020). [15]).

Parallel streams of corporate governance and trade management literature emphasize that international market expansion is heavily guided by multi-tiered regulatory complexities and regional tax architectures. Econometric analyses of highly complex national markets—such as India—reveal that state-level licensing variations, strict advertising bans, and pricing caps create substantial structural barriers for global distributors. To navigate these regional rigidities, multinational enterprises must treat local entry strategies and premium brand extensions as parallel, complementary operational levers rather than independent tasks. Strategic management research focuses on structural decentralization, proving that granting operational agility to country-specific management subsidiaries allows global firms to adapt rapidly to localized regulatory frameworks without interrupting central governance parameters. Thus, modern corporate literature recommends balancing centralized brand assets with localized route-to-market execution to optimize global cross-border expansion (Boquinhas (2013). [18]).

The socio-technical integration of digital supply chains and data-driven intelligence tools is extensively documented in contemporary operations and market analysis scholarship. Large-scale empirical data shows that transitioning from legacy, intuition-based demand planning to advanced automated forecasting and price optimization systems significantly reduces inventory overhead and enhances localized revenue allocation. Researchers examining modern corporate structures identify automated market intelligence tools—such as algorithmic SKU optimization engines—as essential tools for tracking real-time regional margin contributions. Conversely, literature notes that a lack of real-time data depth and misaligned supply chain pipelines can stall international growth even when premium brand demand is structurally proven (Covino & Boccia (2020). [15]). To counter these structural bottlenecks, operations management scholarship highlights the urgency of implementing automated predictive modeling to tightly match premium production aging cycles with dynamic global demand [2-3].

Finally, methodological scholarship underlines why rigorous, theory-building case studies remain essential for decoding fast-moving international business models and intricate corporate ecosystems. Classic guidelines for inductive theory construction advocate using systematic within-case pattern-seeking and clear replication logics to capture highly dynamic organizational phenomena across multi-market layouts. Methodologists extend this argument by demonstrating that studying complex premiumization strategies requires flexible research designs that bridge qualitative corporate frameworks with quantitative financial identity diagnostics. Combining structured qualitative tracking with formal financial protocols allows researchers to cleanly bound complex corporate structures, triangulate multi-stakeholder supply chain data, and maintain analytical rigor. Collectively, these methodological contributions legitimize exploratory case designs as a highly rigorous means of theorizing in an arena where global trade regulations, shifting consumer behaviours, and multinational corporate structures remain in constant flux (Ridder (2017). [6]).

3.3 Current Status:

Table1 contains a summary of the *current status* of published scholarly research on Pernod Ricard Limited, highlighting key themes with some peer-reviewed journal articles:

Table 1: Review of published scholarly research on Pernod Ricard Limited

S.No	Title/Focus	Summary/ Outcome	Reference
1	Strategic Financial Analysis & Valuation	The study identifies Pernod Ricard's premiumization strategy as a major driver of long-term growth while highlighting that political regulations and changing consumer behaviour affected sales performance. It concludes that DCF, EVA, and relative valuation indicate the company's shares were undervalued and that operational initiatives such as Project Allegro strengthened future profitability.	Gkolemis, P. (2016). [19]
2	Sustainable Strategies & Value Creation	The study examines large publicly listed European food and beverage companies to assess the role of sustainability strategies in enhancing long-term organizational performance. The findings indicate that the integration of Environmental, Social, and Governance (ESG) principles, environmental responsibility, and sound corporate governance contributes significantly to long-term value creation and competitive advantage. Furthermore, the study highlights that sustainable business practices enhance corporate resilience, strengthen stakeholder trust, and improve financial performance within the food and beverage industry.	Gazzola, P., Pavione, E., Amelio, S., & Mauri, M. (2024). [20]
3	Digital Smart Labels & Health Policy	The study finds that alcohol companies increasingly use digital smart labels and QR codes to extend consumer engagement beyond product packaging. While these technologies enhance access to interactive information, they may reduce the visibility of health warnings, facilitate targeted digital marketing, and outpace existing public health regulations, thereby widening the policy gap in the digital era.	Coghlan, A., Campbell, N., & Van Den Akker, A. (2026). [21]
4	Financial Strategies Of Multinational Wine Firms	The study examines the financial strategies of multinational companies in the global wine industry and finds that international expansion, strategic acquisitions, and diversified brand portfolios enhance financial performance and competitive advantage. It further concludes that effective capital allocation and global market integration contribute to long-term profitability and organizational resilience.	Coelho, A. M., & Rastoin, J. L. (2006). [22]
5	Digital Consumer Engagement In A Regulated Environment	The study finds that alcoholic beverage companies such as Pernod Ricard, Diageo, and Heineken enhance consumer engagement through social media, interactive digital content, and lifestyle-oriented campaigns while adhering to stringent European regulations. It concludes that the strategic use of digital platforms and engaging content significantly improves consumer interaction, brand	Nayanapriya, L. (2025). [23]

		awareness, and post-engagement behaviour in regulated markets.	
6	MARKET ENTRY AND EXPANSION STRATEGIES	The case study evaluates Pernod Ricard's international expansion strategy and finds that the company strengthens its global presence through strategic acquisitions, local partnerships, and decentralized market management. It concludes that adapting products and marketing strategies to local consumer preferences while maintaining a consistent global brand identity fosters sustainable growth across developed and emerging markets.	Jensen, C., & Zámborský, P. (2018). [24]
7	Evaluation of Pernod Ricard's Acquisitions	The study evaluates Pernod Ricard's acquisition strategy and finds that major acquisitions, including Irish Distillers, Allied Domecq, Vin & Sprit, and other premium brands, have significantly strengthened the company's global market position. It concludes that acquisition-led growth, portfolio diversification, and premium brand integration have enhanced long-term competitiveness, revenue growth, and international expansion.	TAYEB, S. (2023). [25]
8	Sustainable Packaging for Alcoholic Beverages	The study examines sustainable plastic packaging for alcoholic beverages and finds that lightweight, recyclable, and eco-efficient designs reduce environmental impact while maintaining product quality and safety. It concludes that such packaging innovations promote circular economy practices, enhance resource efficiency, and support the long-term sustainability of the beverage industry.	Zhu, Y. (2019). [26]

4. OBJECTIVES OF THIS PAPER :

The primary objective of this study is to execute a rigorous strategic, operational, and financial evaluation of Pernod Ricard as a global leader in the premium wines and spirits sector. To achieve this overarching goal, the research is guided by the following seven specific objectives:

(1) **To analyze the strategic architecture of Pernod Ricard's "House of Brands" matrix.** This involves examining how the company categorizes its global portfolio into strategic international, local, luxury, and specialty brands to streamline resource allocation and maximize global brand equity.

(2) **To evaluate the financial efficiency and resilience of the premiumization model.** Using diagnostic frameworks like the DuPont Identity System, this objective seeks to assess how Pernod Ricard's "narrow high-end" focus protects its Return on Equity (ROE) by driving high net profit margins rather than asset turnover during market contractions.

(3) **To investigate operational adaptability and supply chain resilience amid macroeconomic volatility.** This focuses on examining the corporate mechanisms used to counter global disruptions, with specific emphasis on inventory corrections, packaging innovations, and dynamic localized demand planning.

(4) **To examine route-to-market execution and regulatory agility in emerging economies.** This involves analyzing how decentralized subsidiaries navigate highly restrictive regulatory environments—such as India—where state-level tax structures, advertising bans, and strict price caps create severe operational friction.

(5) **To assess the strategic impact of portfolio refocusing and asset divestments.** This objective explores how the intentional pruning of lower-margin wine portfolios and secondary assets allows the group to efficiently reallocate capital expenditures into high-return, ultra-premium spirit lines.

(6) **To evaluate the integration of digital tracking systems for compliance and transparency.** This involves analyzing the scaling of data-driven compliance tools, such as the global "eLabel"

smart-labeling initiative, and how localized QR codes minimize global information friction across diverse legal boundaries.

(7) **To investigate corporate environmental sustainability mandates within product lifecycles.** This objective focuses on analyzing the integration of eco-design circular mandates, examining the structural reduction of packaging weight and localized glass reuse initiatives to reduce the firm's carbon emission profile.

5. METHODOLOGY :

5.1 Exploratory case study method:

The selection of an exploratory case study methodology is driven by the need to investigate complex, contemporary phenomena within their real-world organizational contexts, particularly when the boundaries between the phenomenon and the context are not clearly evident. Academic scholarship establishes that exploratory case designs are exceptionally valuable when research aims to generate fresh insights regarding theoretically dynamic or evolving corporate behaviours—such as Pernod Ricard's navigation of global market imbalances—capturing rich qualitative details that standardized statistical surveys typically overlook [2]. To ensure high-quality field research, investigators must establish a strong sense of "methodological fit," which refers to the structural alignment between the nature of the research question, the depth of existing literature, and the final analytical contribution. By explicitly defining precise geographical, temporal, and conceptual boundaries around the case, researchers can cleanly isolate specific structural behaviours, such as the operational decisions made by localized corporate subsidiaries, from broader macro-environmental variables [3].

Achieving analytical rigor in an exploratory case study relies heavily on data triangulation, which requires gathering information from a diverse mix of primary interviews, direct observations, and public corporate documents to cross-verify findings and reduce individual reporting biases. Classic guidelines for inductive theory construction underscore that case studies serve as a legitimate, highly rigorous means of generating new strategic propositions through within-case pattern-seeking and systematic replication logics, where emerging field insights are iteratively compared against established corporate theories [5-6]. Rather than attempting to generalize findings across an entire broad population, exploratory case logic seeks to achieve deep theoretical generalization by explaining *how* and *why* specific management configurations succeed or fail under distinct environmental pressures. Collectively, these structured contributions provide the essential frameworks necessary to turn detailed qualitative evidence into verifiable strategic conclusions, making the exploratory case design a cornerstone for modern organizational analysis [16 & 27].

5.2 Qualitative and quantitative data sources: financial reports, technical whitepapers, media analysis, academic publications:

To perform a rigorous strategic evaluation, this single-case study leverages a diverse, complementary mix of qualitative and quantitative data sources to ensure comprehensive analytical coverage. Quantitative data points are systematically extracted from Pernod Ricard's verified annual financial statements, strategic investor presentations, and market-share databases to trace the explicit variables of the DuPont Identity System, including Return on Equity (ROE), net profit margins, and asset turnover ratios. Concurrently, corporate whitepapers, commercial route-to-market disclosures, and corporate social responsibility (CSR) tracking logs provide specialized operational information regarding localized supply infrastructures, technological tracking installations ("eLabel" programs), and portfolio restructuring initiatives. Scholars emphasize that blending strict accounting disclosures with structured corporate operational publications creates a dependable analytical foundation, enabling researchers to cross-verify explicit financial outcomes with the firm's broader qualitative strategic goals (Houston (2004). [28]).

To counter individual reporting biases and maintain external validation, the primary corporate dataset is supplemented with extensive external secondary data layers, including professional media publications, market intelligence records, and peer-reviewed academic literature. Systematic media content analysis of industry journals and corporate press releases tracks public reception, emerging consumer lifestyle adjustments (such as the Ready-To-Drink volume surge), and evolving socio-economic trends within volatile market landscapes. These environmental perspectives are systematically matched against established theoretical academic publications focused on global portfolio management, premiumization economics, and multi-market trade compliance architectures. Methodologists verify that combining internal corporate disclosures with diverse, independent external media and scholarly reviews establishes strong data triangulation, building an objective, comprehensive record that can support multi-layered analytical conclusions (Lowry (2015). [29]).

5.3 Use of strategic business analysis frameworks:

To establish a rigorous, multi-dimensional assessment of Pernod Ricard's corporate operations, this study systematically deploys an integrated suite of strategic management frameworks, including PESTLE, SWOC, and the ABCD analytical matrix. The environmental macro-parameters governing the global spirits industry are deconstructed using a standard PESTLE taxonomy, which isolates the specific political, economic, socio-cultural, technological, environmental, and legal dynamics impacting cross-border distribution (Pickton & Wright (1998). [30]). To evaluate internal execution alongside these external dynamics, the study transitions from the classic SWOT paradigm to a more constructive SWOC framework (Strengths, Weaknesses, Opportunities, and Challenges), effectively re-conceptualizing traditional external market threats as active structural and operational challenges. Management literature demonstrates that shifting from a threat-based mindset to a challenge-oriented framework provides a more dynamic tool for examining organizational agility, enabling multi-brand conglomerates to systematically align internal corporate capabilities with complex macro-environmental shifts (Phadermrod et al. (2090). [31]; Aithal (2017). [32]).

This strategic examination is further deepened by applying the quantitative-qualitative ABCD (Advantages, Benefits, Constraints, and Disadvantages) analysis technique to assess the long-term effectiveness of the firm's core premiumization model. Methodological scholarship indicates that the ABCD model offers a highly structured approach for breaking down business models, operational strategies, and organizational concepts into distinct, measurable component layers. By assigning critical constituent elements to various operational focus areas—such as centralized capital allocation, route-to-market mechanics, and localized regulatory compliance protocols—the ABCD matrix provides a clear operational blueprint to determine the net effectiveness of a specific corporate position. Collectively, the disciplined pairing of macro environmental tracking (PESTLE), internal capacity auditing (SWOC), and systematic model validation (ABCD) protects the empirical rigor of this case study, turning diverse qualitative observations into structured strategic insights (Aithal (2016). [33]).

6. COMPANY PROFILE :

6.1 History and Founding:

The historical emergence of Pernod Ricard as a global leader in the wine and spirits sector represents a classic case study of corporate consolidation, industrial adaptation, and multi-brand scaling within highly competitive luxury markets. The modern enterprise was officially formed on December 20, 1975, through the strategic merger of two prominent family-owned French spirits manufacturers: Pernod and Ricard. Prior to their unification, both entities had operated as intense corporate rivals, dominating the domestic market for anise-flavoured aperitifs, notably pastis, which had become culturally foundational in twentieth-century French consumer behaviour. By combining their operational structures and distribution pipelines, the newly integrated group consolidated an estimated 80% share of France's domestic anise market, generating the critical baseline revenues and investment capital necessary to launch a highly aggressive, decades-long international diversification blueprint (Lopes (2008). [34]).

To fully appreciate the strategic foundations of the 1975 merger, organizational literature examines the distinct historical paths of both founding lines, beginning with the deep 19th-century industrial heritage of the Pernod lineage. The original operational roots trace back to February 17, 1805, when Henri-Louis Pernod established Maison Pernod Fils in Pontarlier, France, primarily manufacturing absinthe. Throughout the 1800s, the Pernod brand established significant commercial prestige, transforming absinthe into a highly profitable, globally recognized luxury beverage category. However, this historic business model faced an existential structural crisis in 1915 when the French government enacted a complete legal ban on absinthe production and sale due to mounting public health concerns. To survive this regulatory shock, the Pernod organization had to rapidly re-engineer its core distillation formulas, pivoting from absinthe to compliant anise-flavored alternatives that would eventually form the bedrock of its post-war product lineup (Boquinhas (2013). [18]).

Parallel to the historic lineage of Pernod, the Ricard corporate trajectory represents a highly disruptive model of twentieth-century mass marketing, commercial standardizations, and entrepreneurial drive. In the early 1930s, amid a saturated and largely unstandardized market for regional spirits in southern France, a 23-year-old entrepreneur named Paul Ricard set out to formalize pastis distribution. On October 11, 1932, he officially launched "Ricard Levari pastis de Marseille," systematically introducing a standardized pastis variant formulated at 40% alcohol by volume (ABV). Paul Ricard fundamentally reshaped the competitive beverage landscape by pioneering advanced supply-chain integration, regional distribution hubs, and sophisticated lifestyle-based brand positioning. This aggressive marketing approach successfully tied the consumption of pastis to the cultural aesthetic of the Mediterranean lifestyle, catapulting the Ricard brand ahead of its traditional competitors and establishing it as a dominant financial force in France.

Following the 1975 merger, the corporate strategy of Pernod Ricard transitioned rapidly from safeguarding a domestic anise monopoly toward building a diversified, highly premiumized global multi-brand ecosystem [35]. Under the long-term stewardship of Patrick Ricard, who assumed leadership control, the corporation recognized that long-term strategic resilience required moving beyond regional anise-flavoured spirits into distinct international beverage categories. This realization marked the beginning of a highly structured Mergers and Acquisitions (M&A) campaign, starting with the landmark 1988 takeover of Irish Distillers, which brought the iconic Jameson Irish Whiskey brand under the group's centralized governance. Through continuous capital re-allocations and systemic supply chain integration, the firm successfully demonstrated that regional spirit acquisitions could be scaled internationally by embedding localized production heritages into a broad, globally coordinated route-to-market architecture (Chun et al. (2007). [36]).

The systematic expansion of Pernod Ricard accelerated dramatically during the early 2000s through a series of mega-acquisitions that fundamentally reshaped the global competitive landscape. The company secured its position as the world's co-leader in the wine and spirits industry by acquiring a massive portion of Seagram's beverage assets in 2001, which integrated legendary brands like Chivas Regal, Royal Salute, The Glenlivet, and Martell Cognac into its portfolio. This massive scaling effort was further expanded by the acquisition of Allied Domecq in 2005—effectively doubling the size of the group—followed by the strategic takeover of Vin & Sprit in 2008, which added Absolut Vodka to its global portfolio. Collectively, these historic expansions transformed Pernod Ricard from a regional French anise specialist into a massive multinational enterprise managing over 240 premium brands across 160 countries, providing a powerful empirical blueprint for contemporary research on corporate evolution, brand asset orchestration, and international portfolio optimization (Boquinhas (2013). [18]).

6.2 Vision and Mission:

The strategic evolution of Pernod Ricard is fundamentally anchored by its distinctive corporate philosophy, formalized through its global mission to function as the world's definitive *"Créateurs de Convivialité"*. In contemporary corporate governance literature, a multinational firm's mission statement acts as the foundational blueprint for aligning decentralized operational teams around a singular purpose. For Pernod Ricard, this purpose centers on unlocking the magic of human connection by transforming everyday social interactions into genuine, friendly, and responsible experiences of shared celebration. Rather than framing its market output strictly through product distribution volume, the group's mission strategically positions its vast portfolio as an experiential catalyst, deliberately connecting diverse consumer demographics through regional heritage and authentic social engagement (Bartkus & Glassman (2008). [37]).

To translate this experiential mission into sustainable long-term financial performance, the group's strategic vision focuses heavily on building the preferred house of premium brands and experiences. Strategic management analyses demonstrate that Pernod Ricard executes this ambition through a "narrow high-end and focused strategy," prioritizing high-margin premium and super-premium spirits over low-margin mass-market distribution. This structural vision relies heavily on expanding the boundaries of the global conviviality market by utilizing advanced digital intelligence systems, automated forecasting models, and centralized portfolio curation to maximize the capital efficiency of its primary brand lines. By embedding data-driven market loops directly into its commercial route-to-market channels, the group's vision ensures continuous margin protection and counter-cyclical resilience within highly volatile global environments (Cattaneo (Ed.) (2023). [38]).

Complementing this dual strategic foundation, the group's operational framework is driven by a strict responsibility mandate that explicitly ties brand equity to social accountability. Corporate strategy literature tracing multinational operations establishes that long-term brand equity cannot be separated from societal obligations, particularly within heavily regulated beverage landscapes. Pernod Ricard integrates this principle directly into its overarching core identity by championing a comprehensive sustainability and responsibility roadmap that outlines rigid targets for water stewardship, regenerative agricultural sourcing, and complete eco-design circular packaging matrices. This framework establishes that true market leadership requires implementing proactive self-regulation compliance standards and clear preventative digital marketing boundaries, ensuring that portfolio growth is always balanced against a zero-tolerance stance on consumption excess (Montiel (2008). [39]).

Ultimately, the alignment between Pernod Ricard's mission, vision, and corporate culture provides a highly configurational, non-linear explanation for its global market dominance. By organizing its operational layers under a highly collaborative, decentralized corporate culture, the enterprise successfully preserves localized entrepreneurial speed and agility while drawing upon the massive distribution scale of a global conglomerate. Management scholarship underscores that this unified architecture—where community values, data-driven margin optimization, and premiumization metrics are treated as parallel corporate priorities—enables the group to execute both exploratory new market entries and exploitative margin maximization. Consequently, Pernod Ricard serves as a prominent corporate benchmark for investigating how contemporary consumer goods conglomrates successfully synthesize social purpose with disciplined financial governance (Bartlett & Ghoshal (2003). [40]).

6.3 Key Brands and Milestones (e.g., Ricard, Chivas Regal, Absolut, Martell):

Pernod Ricard's corporate identity was established in 1975 through the merger of two historic French spirits companies, Pernod and Ricard, both of which had developed strong positions in the French anise-flavoured spirits market. From its early development, the company adopted an acquisition-oriented growth strategy, using established brands and their existing consumer equity as important resources for international expansion. This approach enabled Pernod Ricard to enter new product categories and geographical markets more rapidly than would have been possible through organic expansion alone. The acquisition of Irish Distillers in 1988 represented a major milestone in this strategy and brought Jameson Irish Whiskey into the group's portfolio. The subsequent acquisition of Seagram's beverage assets in 2001 further strengthened the company through internationally recognized brands such as Chivas Regal, The Glenlivet, Royal Salute, and Martell. These developments demonstrate how acquisition-based portfolio expansion became an important component of Pernod Ricard's international growth strategy (Harzing (2000). [41]).

A major transformation occurred in 2005 when Pernod Ricard acquired Allied Domecq. The transaction significantly expanded the company's international portfolio by adding important brands such as Malibu, Kahlúa, Beefeater, Ballantine's, Mumm, and Perrier-Jouët. This acquisition strengthened Pernod Ricard's position across several major spirits and champagne categories and contributed to its emergence as one of the world's leading wines and spirits companies. In 2008, the acquisition of Vin & Sprit further expanded the portfolio through the addition of Absolut Vodka, one of the world's most recognized vodka brands. These acquisitions demonstrate the strategic importance of portfolio breadth within the global wines and spirits industry, where companies compete not only through individual products but also through the strength, diversity, geographical reach, and premium positioning of their overall brand portfolios.

Pernod Ricard's major brands have subsequently become important components of its premiumization strategy. Brands such as Jameson, Chivas Regal, Absolut, Martell, The Glenlivet, Ballantine's, and Royal Salute occupy important positions within premium and super-premium beverage categories. Premiumization enables the company to focus on products that generate greater consumer value through attributes such as heritage, craftsmanship, authenticity, quality, and brand experience. Research on global brand management indicates that strong international brands can create competitive advantages by generating consumer recognition, differentiation, and opportunities for value creation across multiple markets. Pernod Ricard's portfolio strategy therefore combines global brand development with local market adaptation, enabling its international brands to maintain consistent identities while responding to differences in consumer preferences and market conditions [42-44].

The company's subsequent expansion into emerging markets represents another important milestone in its international development. Markets such as India and China have become strategically important because of their large consumer populations, urbanization, rising disposable incomes, expanding middle-class segments, and increasing interest in premium products. Pernod Ricard has developed local production, distribution, marketing, and brand-building capabilities to strengthen its position in these markets. At the same time, the company has had to operate within complex regulatory environments involving alcohol taxation, licensing requirements, advertising restrictions, and different cultural attitudes toward alcohol consumption. This combination of global brand management and local market adaptation demonstrates the importance of balancing international consistency with country-specific strategic implementation (Lubinga (2021). [45]).

Overall, the historical development of Pernod Ricard illustrates how strategic acquisitions, portfolio diversification, premiumization, and international expansion have contributed to its evolution from a French spirits company into a major global wines and spirits group. The company's major milestones—including the 1975 merger, 1988 Irish Distillers acquisition, 2001 Seagram transaction, 2005 Allied Domecq acquisition, and 2008 Vin & Sprit acquisition—fundamentally reshaped its product portfolio and geographical reach. The resulting collection of internationally recognized brands provides Pernod Ricard with significant opportunities for cross-market growth and premium brand development. Consequently, the company's history provides an important case for examining how multinational wines and spirits organizations use acquisitions, brand equity, portfolio management, and internationalization to establish and maintain global competitive advantage (Barratt (2012). [46]).

6.4 Organizational Structure and Ownership Relationship with the Ricard Family:

Unlike DeepMind, which operates as a wholly owned subsidiary within Alphabet Inc.'s corporate structure, Pernod Ricard SA is itself the ultimate parent entity of the group, listed independently on the Paris stock exchange (Euronext Paris, ticker RI) rather than sitting beneath a larger conglomerate. Its internal organization is instead built around a distinctive decentralized model consisting of Brand Companies, which are based in the home country of each brand and are responsible for global brand strategy and production, and Market Companies, which adapt those strategies to local consumer needs across more than 160 markets, all coordinated through a lean Paris headquarters that retains core governance functions such as mergers and acquisitions, finance, and sustainability strategy. This structure reflects the broader theoretical distinction in international business scholarship between centralized "global" multinationals and "transnational" or "multidomestic" firms that balance central coordination with local responsiveness, a typology whose predictions have been empirically validated across firms that, like Pernod Ricard, deliberately push brand and market-level decision-making outward from headquarters (Harzing (2000). [47]).

Although Pernod Ricard has no external parent company, its governance is shaped by a comparable concentration of influence: the descendants of founder Paul Ricard retain an ownership stake, held principally through the family holding vehicle Société Paul Ricard, of roughly 14–15 percent of share capital but around 20 percent of exercisable voting rights, a gap explained by France's system of double "loyalty" voting rights, under which shares held for two years or more automatically carry twice the voting weight of ordinary shares. This mechanism, formalized nationally by the 2014 Florange Act, has been shown to help founding families and other long-term blockholders retain effective control over listed companies well beyond their proportional equity stake, while generally producing positive market reactions when firms elect to keep or adopt it rather than default to a strict one-share-one-vote structure In Pernod Ricard's case, this arrangement allows the Ricard family to function much as a controlling parent would, exercising strategic oversight and board representation — including the permanent directorship held by Société Paul Ricard — without owning a majority of the company outright[48-50].

This family-influenced governance model has also shaped Pernod Ricard's leadership transitions, most visibly in the appointment of Alexandre Ricard, a grandson of the founder, as Chairman and CEO in 2015 following an internal, family-linked succession path rather than an external hire. Research on CEO succession in family-controlled firms indicates that such relay-style transitions, where a family-affiliated successor is groomed and promoted through internal roles before assuming top leadership, tend to mitigate the negative performance effects typically associated with leadership change, particularly when balanced by professionalized governance structures such as the independent directors and reconstituted Executive Committee Pernod Ricard introduced in 2023. The combination of decentralized brand and market operations, family-anchored voting control, and a hybrid family-professional leadership model has repeatedly proven effective in supporting Pernod Ricard's international expansion strategy, which blends acquisition-led entry into developed markets with greenfield investment in emerging ones — an approach that depends on empowering local Market Companies with sufficient autonomy to navigate distinct regulatory and consumer environments while remaining accountable to a centrally coordinated, family-influenced governance core [51-53].

7. BUSINESS MODEL OF PERNOD RICARD :

7.1 Various Business Models Used by Pernod Ricard:

Pernod Ricard doesn't rely on a single revenue model either — it layers several distinct approaches on top of its core spirits and wine business.

(1) Owned Brand-Portfolio Model:

At its foundation, Pernod Ricard's business is built around owning, marketing and distributing a broad portfolio of international spirits and wine brands positioned largely in the mid- to premium price segment. Unlike a licensing or contract-manufacturing business, the group owns the IP, production facilities, and brand equity outright for names like Absolut, Jameson, Chivas Regal, and Martell, capturing the full margin on each bottle sold rather than a royalty or fee.

(2) Decentralized Brand Company / Market Company Model:

Operationally, Pernod Ricard splits responsibility between Brand Companies, which own global strategy, production standards, and brand equity, and Market Companies, which execute local go-to-market, pricing, and trade activation — preserving a brand's heritage (e.g., Jameson's Irish identity) while adapting it to local taste and regulatory contexts in each of 160+ markets.

(3) Acquisition-Led Growth Model:

Rather than building new brands organically, Pernod Ricard has historically grown primarily by acquiring already-established, category-leading brands — Seagram (2001), Allied Domecq (2005), Vin & Sprit/Absolut (2008) — and more recently smaller premium and craft names (Smooth Ambler, Skrewball). This treats brand acquisition itself as the core growth engine rather than product innovation from scratch.

(4) Premiumization / Value-Migration Model:

The company's central value proposition is premiumization — migrating consumers toward higher-quality, higher-priced spirits rather than competing on volume. Sales from premium-plus and above brands now contribute the majority of group revenue, and the strategy deliberately trades volume growth for margin expansion.

(5) Owned Route-to-Market / Distribution Model:

Pernod Ricard maintains its own wholly-owned distribution network covering roughly 73 markets directly, rather than relying solely on third-party distributors — giving it more control over pricing, shelf placement, and trade marketing than a brand-licensing model would allow, at the cost of higher fixed operating expense.

(6) Direct-to-Consumer / E-Commerce Model:

Through acquisitions like The Whisky Exchange and expansion of Drinks&Co, Pernod Ricard has built out direct-to-consumer digital retail, capturing e-commerce margin directly rather than solely through retail and on-trade intermediaries, with e-commerce accounting for roughly 7% of sales in 2025 and an ambition to roughly double that by 2030.

(7) Global Travel Retail (GTR) Model:

Airport and duty-free boutiques function as a distinct high-margin channel and brand-discovery platform, contributing close to 10% of group profit — a channel largely unavailable to smaller or purely domestic competitors.

Table 2: Comparison with Major Competitors:

Dimension	Pernod Ricard	Diageo	Bacardi	Brown-Forman	Rémy Cointreau
Ownership structure	Public (Euronext Paris); Ricard family controls	Public (LSE); no controlling family	Privately held family company	Public (NYSE); Brown family controls via dual-class shares	Public (Euronext Paris); Hériard-

	~20% of votes via loyalty shares				Dubreuil family control
Portfolio breadth	Broad, multi-category (whisky, cognac, vodka, gin, champagne)	Broadest of the group — spirits **plus** Guinness beer	Broad but rum/tequila/ vodka-led	Narrow — concentrated on Jack Daniel's + Woodford Reserve + Herradura	Narrow — cognac-led (Rémy Martin), pure prestige play
Scale (FY revenue)	~€11–12 billion	~£17–19 billion (larger)	~$6.4 billion	~$5.3 billion	Smallest of the group, sub-€1.5 billion
Route-to-market	Owned distribution in 73 markets	Similarly extensive owned network	Relies more on third-party distributors given smaller scale	More reliant on US wholesalers/distributors	Smaller, partnership-dependent network
Category focus	Mainstream-premium to prestige	Mainstream-premium to prestige, plus beer	Mainstream to premium	Premium, US-whiskey-centric	Ultra-premium/prestige only
Growth strategy	M&A-led + premiumization	M&A-led + premiumization + tequila push	Bolt-on niche acquisitions	Organic brand extension, limited M&A	Organic, cognac-cycle dependent

Key structural differences:

- **Public vs. private accountability:** Pernod Ricard, Diageo, Brown-Forman, and Rémy Cointreau all answer to public shareholders (with family-controlled voting blocks at Pernod Ricard and Brown-Forman), whereas Bacardi remains privately held, giving it more freedom for long-horizon bets and acquisitions without quarterly earnings pressure.
- **Diversification into beer vs. spirits-only:** Diageo's ownership of Guinness gives it a beer-category hedge against spirits-specific downturns that Pernod Ricard, as a pure spirits-and-wine player, doesn't have.
- **Portfolio breadth vs. specialization:** Pernod Ricard and Diageo compete as broad, multi-category "houses of brands," while Rémy Cointreau runs a concentrated, prestige-only portfolio — a strategy that captures higher margins per bottle but leaves it more exposed to single-category cycles, such as cognac demand softening in China, which has affected both Pernod Ricard's Martell and Rémy Martin simultaneously.
- **Consolidation pressure is intensifying:** Brown-Forman's FY2026 annual report confirms it held discussions with Pernod Ricard regarding a potential business combination, though the two parties were ultimately unable to reach agreeable terms — a sign that further consolidation among the mid-sized public players remains an active possibility given softer demand in the US and China.

8. FUNCTIONAL ANALYSES :

8.1. SWOC Analysis:

About SWOC Analysis:

SWOC — Strengths, Weaknesses, Opportunities, and Challenges — is a strategic planning framework derived from the more widely known SWOT (Strengths, Weaknesses, Opportunities, Threats) model, substituting "Challenges" for "Threats" to emphasize factors that an organization can potentially overcome or convert into growth opportunities rather than purely external risks to be defended against.

The underlying methodology traces its theoretical roots to classical strategic management scholarship, which established SWOT-type analysis as the foundational tool for aligning an organization's internal capabilities with the external environment in which it competes. Strengths and weaknesses are treated as internal, controllable factors reflecting an organization's present resources and capabilities, while opportunities and challenges are treated as external, largely uncontrollable factors that shape the organization's future strategic options. Since its origination in strategic management research in the mid-twentieth century, the framework has been extended well beyond corporate strategy into fields as varied as public health program evaluation, educational policy, and institutional planning, reflecting its adaptability as a low-cost, qualitative diagnostic tool that can be applied by both specialists and non-specialists alike [54-56].

Despite its widespread adoption, SWOC/SWOT analysis has drawn sustained methodological criticism in the scholarly literature, chiefly for its subjective, unsystematic, and largely qualitative nature, which can produce lengthy, poorly prioritized lists of factors without offering clear guidance on how those factors should be weighted or translated into actionable strategy. In response to these limitations, several refinements have been proposed, including hybridization with more quantitative or structured tools such as the analytic hierarchy process and TOWS-based strategy matrices, which attempt to convert the open-ended SWOC/SWOT inventory into ranked, decision-relevant strategic options. In practice, the "Challenges" variant of the framework has proven particularly popular in institutional and public-sector settings — including healthcare service evaluation and medical and blended-learning education — where practitioners have used SWOC analysis to assess organizational readiness and performance during periods of significant operational disruption, such as the rapid shift to online and technology-enabled service delivery during the COVID-19 pandemic. More recent applications have extended the tool to large-scale public health data systems, using SWOC analysis to assess the comparability and utility of successive rounds of national survey data for public health policymaking, underscoring the framework's continued relevance as a flexible, first-pass diagnostic tool even as more rigorous quantitative alternatives have emerged in the literature [57-60].

Strengths of Pernod Ricard limited:

Table 3: Strengths of Pernod Ricard limited

S. No.	Key Strengths	Description
1	Deep, diversified brand portfolio	Owns 17 of the top 100 spirits brands globally, spanning whisky, cognac, vodka, gin, and champagne, reducing dependence on any single category and smoothing demand volatility across regions.
2	Decentralized talent and market-expertise structure	The Brand Company / Market Company model empowers roughly 19,000 employees across 160+ markets with local decision-making authority, building deep in-market talent rather than relying on a single centralized team.
3	Digital and data-driven commercial innovation	Proprietary AI-powered tools like D-STAR (outlet-level sales optimization) and Matrix (AI-driven promotional spend allocation) give a technology-enabled edge in trade marketing and pricing precision, applied to a ~€1.6 billion promotional budget.
4	Long-term family ownership stability	Backing from the founding Ricard family, exercised through Société Paul Ricard's controlling voting stake, provides patient, long-horizon capital and strategic continuity, insulating the group from short-term activist pressure.
5	Premiumization-led R&D and product innovation	Sustained investment in aging, blending, and packaging innovation (e.g., hydrogen glass technology aiming for ~20% packaging CO_2 reduction) supports the group's premiumization strategy and margin expansion.
6	Global route-to-market ownership	Direct distribution control in 73 markets gives more command over pricing, shelf placement, and brand experience than competitors reliant primarily on third-party distributors.

7	Global Travel Retail (GTR) leadership	Airport and duty-free boutiques function as a high-margin, high-visibility channel contributing close to 10% of group profit, doubling as a discovery platform for new markets and premium consumers.
8	Proven M&A integration capability	A five-decade track record of successfully absorbing major acquisitions (Irish Distillers, Seagram, Allied Domecq, Vin & Sprit) demonstrates institutional expertise in brand integration few competitors can match.
9	Sustainability and ESG credibility	Commitments such as 100% recyclable, reusable, or compostable packaging for strategic brands strengthen brand differentiation among increasingly ESG-conscious consumers, particularly the 21–40 age demographic.
10	Direct-to-consumer and e-commerce capability	Acquisitions like The Whisky Exchange and expansion of Drinks & Co give a growing, higher-margin digital sales channel and direct access to consumer data

Weaknesses of Pernod Ricard limited: High operating costs, limited direct revenue

Table 4: Weaknesses of Pernod Ricard Limited

S. No.	Weakness	Description
1	Heavy exposure to a few key markets	Significant reliance on the US and China for profit growth leaves the group vulnerable to normalization cycles, such as the recent US spirits market slowdown and softer Chinese cognac demand.
2	Smaller scale than market leader Diageo	With ~€11–12 billion in revenue versus Diageo's ~£17–19 billion, Pernod Ricard has less scale to absorb input-cost inflation, advertising spend, and logistics expenses.
3	Complexity of a decentralized structure	The Brand Company / Market Company split, while enabling local responsiveness, can create coordination costs, inconsistent execution, and slower group-wide decision-making compared to more centralized competitors.
4	High dependence on premiumization trends	Heavy strategic reliance on consumers trading up to higher-priced brands leaves margins exposed if premiumization slows during periods of economic pressure or inflation-driven down-trading.
5	Category concentration risk in cognac	Significant profit contribution from Martell cognac ties performance closely to Chinese gifting and luxury consumption cycles, which have proven volatile in recent years.
6	Currency and geopolitical exposure	Revenues and costs spread across many currencies and 160+ markets expose the group to foreign exchange volatility, trade tariffs, and regulatory shifts largely outside its control.
7	High fixed costs from owned distribution	Maintaining direct route-to-market in 73 countries requires substantial fixed infrastructure investment, which can pressure margins during periods of softer volume growth.
8	Regulatory and excise duty burden	Alcohol-specific taxation, advertising restrictions, and public health scrutiny vary widely by country, creating a complex and costly compliance environment that limits marketing flexibility.
9	Slower digital/e-commerce maturity relative to potential	Despite recent investment, e-commerce still represents only ~7% of sales (2025), lagging the broader consumer goods sector's digital penetration and leaving room for competitors to catch up faster.

10	Family-controlled governance limits full market discipline	While loyalty voting rights provide stability, the Ricard family's outsized voting power relative to equity stake can reduce the influence of external shareholders on strategic decisions.

Opportunities of Pernod Ricard limited: Healthcare, automation, enterprise AI

Table 5: Opportunities of Pernod Ricard limited

S. No.	Key Opportunities	Description
1	Growth in emerging markets	Rising middle-class incomes and urbanization in India (now Pernod Ricard's second-largest market), Southeast Asia, and Africa offer substantial headroom for premium and prestige spirits demand.
2	Continued premiumization and "trading up"	As consumers globally continue shifting toward higher-quality, higher-priced spirits, Pernod Ricard's prestige-tier brands (Martell, Royal Salute, The Glenlivet) are well positioned to capture margin-accretive growth.
3	Expansion in tequila and agave spirits	Doubling down on tequila addresses one of the fastest-growing global spirits categories and reduces reliance on more mature categories like Scotch and cognac.
4	E-commerce and direct-to-consumer growth	With an ambition to roughly double e-commerce's share of sales by 2030, further investment in platforms like Drinks & Co and The Whisky Exchange could unlock higher-margin, data-rich sales channels.
5	AI and digital commercial tools scaling further	Expanding proprietary tools like D-STAR and Matrix across more markets and SKUs could improve promotional ROI and outlet-level profitability well beyond current levels.
6	Low- and no-alcohol category expansion	Growing consumer interest in health-conscious and moderation trends creates an opening to build out no/low-alcohol variants of existing brands, capturing a demographic competitors are also targeting.
7	Global Travel Retail recovery and growth	Continued rebound in international travel offers further upside in the airport/duty-free channel, which already contributes close to 10% of group profit.
8	Sustainability-driven brand differentiation	Continued investment in eco-conscious packaging and production could deepen loyalty among younger, ESG-driven consumers, supporting premium pricing power.
9	Further consolidation and bolt-on M&A	Ongoing industry consolidation (including recent Brown-Forman discussions) signals opportunity for further strategic acquisitions of craft, regional, or complementary brands.
10	Connected/traceable product innovation	Technologies like NFC-enabled "connected bottles" open opportunities for consumer engagement, counterfeit prevention, and premium storytelling at the point of sale.

Challenges of Pernod Ricard:

Table 6: Challenges of Pernod Ricard

S. No.	Challenge	Description
1	Softening demand in core markets	Normalization of the US spirits market post-pandemic and subdued Chinese consumer demand have pressured recent sales growth and margin guidance.
2	Intensifying competition across categories	Diageo's tequila push, Beam Suntory and Brown-Forman's whiskey premiumization, and Bacardi/Campari's on-trade

		activations all squeeze Pernod Ricard's share across multiple categories simultaneously.
3	Rising input, packaging, and logistics costs	Global inflationary pressure on raw materials, glass, and shipping continues to challenge margin protection even as premiumization offsets some of the impact.
4	Trade tariffs and geopolitical instability	Potential tariffs and shifting trade policy, particularly affecting US-bound spirits exports, create forecasting uncertainty and potential cost exposure.
5	Public health and regulatory scrutiny	Alcohol marketing faces increasing scrutiny from public health researchers and regulators, with critiques that CSR "responsible drinking" campaigns function partly to pre-empt stricter regulation.
6	Changing consumer habits (moderation trends)	Rising interest in sobriety, moderation, and low/no-alcohol lifestyles, especially among younger consumers, poses a long-term structural challenge to traditional volume growth.
7	Disruption from niche and celebrity-backed brands	Smaller, culturally relevant entrants (e.g., celebrity agave brands, craft distillers) are capturing share in categories like tequila and RTDs faster than large incumbents can respond.
8	Currency volatility	Operating across 160+ markets exposes reported earnings to foreign exchange swings that can distort underlying organic performance.
9	Integration risk from continued M&A activity	Each new acquisition carries execution risk in brand integration, cultural alignment, and realizing projected synergies, as seen in the complexity of past large-scale deals.
10	Balancing family control with governance expectations	As ESG and governance scrutiny increases among institutional investors, the concentration of voting power in the Ricard family via loyalty shares may draw further scrutiny from minority shareholders.

8.2. ABCD Analysis:

About ABCD Analysis:

ABCD Analysis—standing for Advantages, Benefits, Constraints, and Disadvantages—is a strategic evaluation framework used to assess the effectiveness of a business model, strategy, technology, or organizational concept in creating value for different stakeholders. Unlike SWOT, which separates internal and external factors, the ABCD framework organizes evaluation into four distinct constructs: Advantages (direct positive outcomes), Benefits (value delivered to specific stakeholder groups), Constraints (factors limiting implementation), and Disadvantages (inherent negative outcomes). The framework systematically identifies critical constituent elements under each construct through a structured analytical approach, enabling researchers to evaluate organizational concepts from multiple stakeholder perspectives such as organizational, employee, customer, and societal viewpoints. This structure provides a more organized and decision-oriented assessment when analyzing complex business situations [61-63].

Since its introduction, ABCD Analysis has been applied across a wide range of sectors beyond its original business-model context, including higher education, healthcare, digital recruitment, and engineering applications. Researchers have used the framework to evaluate institutional accreditation systems, online campus placement models, healthcare workforce interventions, and technology-based innovations by identifying critical factors under each of the four analytical dimensions. More recent developments have introduced quantitative approaches in which individual constituent elements are assigned numerical scores or weightages based on empirical data, allowing researchers to move beyond purely qualitative assessments toward more measurable evaluations. This progression reflects a broader trend in strategic management research, where traditional analytical frameworks are increasingly combined with quantitative methods to support evidence-based decision-making and organizational evaluation [64-66].

Advantages of the Products of Pernod Ricard Limited: Cutting-edge research, brand equity:

Table 7: Advantages of the Products/Services of Pernod Ricard SA (from Stakeholders' Points of View)

S. No.	Key Advantages	Description
1	Brand equity and heritage	Decades- to centuries-old brands like Jameson, Chivas Regal, and Martell carry deep consumer trust and recognition, giving retailers, distributors, and consumers confidence in quality and consistency.
2	Broad category and price-point coverage	Consumers and retailers benefit from a portfolio spanning whisky, cognac, vodka, gin, and champagne across mainstream to prestige price tiers, meeting diverse occasions from everyday drinking to luxury gifting.
3	Consistent product quality through craftsmanship	Long-established distilling, blending, and aging expertise (e.g., Scotch maturation, cognac cellar-master traditions) gives consumers a reliable, premium sensory experience batch after batch.
4	Data-driven retail and trade support	Retail and on-trade partners benefit from Pernod Ricard's AI-powered tools (D-STAR, Matrix), which improve outlet-level stock recommendations and promotional efficiency, helping partners sell more effectively.
5	Strong global distribution reliability	Direct route-to-market ownership in 73 countries gives distributors and retailers dependable supply chains and consistent product availability compared to brands reliant on fragmented third-party networks.
6	Sustainability-conscious production	ESG-conscious consumers and investors benefit from the group's movement toward 100% recyclable, reusable, or compostable packaging for strategic brands, aligning purchases with environmental values.
7	Employment and economic contribution	Communities and governments benefit from Pernod Ricard's global operations, sourcing (European grain, Mexican agave, Australasian vineyards), and roughly 19,000 jobs supporting local economies.
8	Responsible drinking and moderation initiatives	Public health stakeholders and consumers benefit from the group's investment in responsible-drinking education and moderation campaigns, even as these programs also draw scrutiny (see Weaknesses/Challenges).
9	Direct-to-consumer convenience and personalization	Consumers benefit from growing e-commerce platforms (The Whisky Exchange, Drinks & Co), offering easier access, curated recommendations, and rare or limited-edition bottlings not available through standard retail.
10	Shareholder value from disciplined premiumization	Investors benefit from a business model that prioritizes margin-accretive premium and prestige brands, supporting long-term profitability and dividend potential even amid volume softness.

Benefits: Societal contributions (protein folding, energy saving):

Table 8: Benefits of the Products/Services of Pernod Ricard SA (from Stakeholders' Points of View)

S. No.	Key Benefits	Description
1	Consumer trust through consistency	Long-standing brands allow consumers to make confident repeat purchases without needing to re-evaluate quality each time, reducing decision friction at the point of sale.
2	Occasion-based product matching	The breadth of the portfolio lets retailers and consumers match specific products to specific occasions — everyday cocktails, formal gifting, celebratory toasts — increasing satisfaction and repeat engagement.

3	Retailer and distributor margin support	Premiumization strategy helps trade partners earn higher margins per bottle sold compared to commodity spirits, benefiting retailers' profitability alongside the company's own.
4	Improved shelf availability for retailers	AI-driven tools like D-STAR reduce stockouts and improve outlet-level assortment decisions, directly benefiting retail partners' sales performance and reducing wasted shelf space.
5	Access to prestige and collectible products	Enthusiast consumers benefit from limited editions, rare cask releases, and collectible bottlings (e.g., Royal Salute, The Glenlivet rare malts) that support a growing secondary/collector market.
6	Employment stability and skills development	Employees benefit from roles spanning agriculture, distilling, marketing, and digital commerce, along with training in specialized crafts like blending and cellar management.
7	Community and supplier relationships	Farmers and raw-material suppliers (grain, agave, grapes) benefit from long-term sourcing relationships and demand stability tied to Pernod Ricard's global production needs.
8	Traceability and authenticity assurance	Emerging technologies like NFC-enabled "connected bottles" benefit consumers and regulators by helping verify authenticity and combat counterfeit products in high-value categories like cognac.
9	Convenience through digital channels	Time-constrained consumers benefit from direct-to-consumer platforms offering doorstep delivery, curated recommendations, and easier access to otherwise hard-to-find bottlings.
10	Long-term investor returns	Shareholders benefit from a business model built around durable brand assets and disciplined capital allocation, historically translating into stable dividends and long-term equity appreciation.

Constraints of Pernod Ricard Products/Services: Policy, talent retention, integration issues:

Table 9: Constraints on the Products/Services of Pernod Ricard SA (from Stakeholders' Points of View)

S. No.	Key Constraints	Description
1	Regulatory and excise duty restrictions	Many countries restrict alcohol advertising (TV, social media, sponsorship), constraining how Pernod Ricard can build brand awareness with new, especially younger, consumers.
2	Advertising and marketing limitations	Many countries restrict alcohol advertising (TV, social media, sponsorship), constraining how Pernod Ricard can build brand awareness with new, especially younger, consumers
3	Age verification and access restrictions	Legal drinking-age requirements limit the addressable consumer base and require investment in compliance infrastructure across e-commerce and delivery channels.
4	Category-specific production constraints	Products like cognac and Scotch whisky are bound by geographic designation and minimum aging requirements, limiting how quickly supply can respond to sudden demand spikes.
5	Currency and trade policy exposure	International distributors and retailers face price volatility tied to exchange rates and potential tariffs, complicating long-term purchasing and inventory planning.
6	Cultural and religious market restrictions	In markets with prohibition or heavy cultural/religious restrictions on alcohol, Pernod Ricard's products face outright market access limitations regardless of demand potential.
7	Sustainability trade-offs in packaging	Retailers and consumers may face trade-offs between eco-friendly packaging initiatives and traditional premium presentation expectations (e.g., heavy glass bottles signaling luxury).
8	Limited digital penetration in traditional markets	Consumers in regions with less-developed e-commerce infrastructure or logistics face constrained access to Pernod Ricard's growing direct-to-consumer offerings.

9	Health and moderation-driven demand ceilings	Public health trends toward moderation and no/low-alcohol consumption constrain long-term volume growth potential for traditional full-strength product lines.
10	Governance influence constraints for minority shareholders	Institutional and minority investors face constraints on their influence over strategic decisions due to the Ricard family's concentrated voting power via loyalty shares.

Disadvantages of Pernod Ricard Products/Services (Stakeholder Perspective): Scalability, public misunderstanding of AGI goals

Table 10: Disadvantages of the Products/Services of Pernod Ricard SA (from Stakeholders' Points of View)

S. No.	Key Disadvantages	Description
1	Health risks associated with alcohol consumption	Consumers face genuine health risks from alcohol misuse, and public health stakeholders bear downstream healthcare and social costs, regardless of Pernod Ricard's responsible-drinking messaging.
2	Price premium may exclude price-sensitive consumers	Premiumization strategy, while margin-accretive, can price out cost-conscious consumers, particularly in emerging markets or during economic downturns.
3	Environmental footprint of production and packaging	Communities near production facilities may experience environmental impacts from water usage, glass manufacturing, and transportation emissions despite sustainability commitments.
4	Vulnerability to counterfeit and grey-market products	Consumers, especially in markets with weaker enforcement, risk exposure to counterfeit versions of high-value brands like Martell or Chivas Regal, damaging trust despite Pernod Ricard's own quality standards.
5	CSR initiatives perceived as self-serving	Public health researchers and advocacy groups may view "responsible drinking" campaigns skeptically, as critiques suggest such initiatives can function partly to pre-empt stricter regulation rather than purely protect consumers.
6	Job and community risk from portfolio rationalization	Employees and local communities face risk when underperforming brands or facilities are divested or restructured as part of ongoing premiumization and portfolio optimization.
7	Complexity for consumers navigating a large portfolio	The sheer breadth of brands and price tiers can create decision fatigue or confusion for average consumers compared to simpler, narrower competitor portfolios.
8	Dependence on discretionary consumer spending	Retailers and Pernod Ricard alike are exposed to demand pullbacks during economic downturns, since spirits — especially premium tiers — are discretionary rather than essential purchases.
9	Limited transparency on family governance decisions	Minority shareholders may be disadvantaged by reduced visibility or influence over strategic decisions made under family-concentrated voting control.
10	Cultural and social stigma in some markets	In regions with strong anti-alcohol sentiment or stigma, consumers and even employees associated with the brand may face social or reputational disadvantages.

8.3. Financial Analysis:

8.3.1 About Financial Analysis:

Financial analysis refers to the systematic evaluation of a company's financial statements — primarily the balance sheet, income statement, and cash flow statement — using tools such as ratio analysis to assess its liquidity, profitability, solvency, and overall operational efficiency. Liquidity ratios, such as the current and quick ratios, evaluate a firm's ability to meet short-term obligations, while profitability ratios, such as return on assets and return on equity, measure how effectively a company converts its resources into earnings, with research consistently showing that strong liquidity positions tend to correlate with improved profitability outcomes. Beyond internal performance monitoring, financial analysis plays a central diagnostic role in assessing organizational risk: hazard-model-based studies of financial ratios have demonstrated that a parsimonious set of accounting variables retains meaningful predictive power for identifying financial distress and bankruptcy risk over multi-decade time horizons, underscoring the enduring relevance of ratio-based analysis even as financial reporting practices evolve [67-69]. This predictive function has made financial statement analysis indispensable not only to company management but to a wide range of external stakeholders — including creditors, credit-rating agencies, investors, and trade suppliers — who rely on it to assess creditworthiness and likelihood of default before extending capital or credit. More recent research has further shown that combining traditional quantitative ratio analysis with qualitative or linguistic analysis of management communication in annual reports can improve the overall assessment of a firm's financial performance and stability, suggesting that financial analysis is most powerful not as a single isolated technique but as part of a broader, multi-method approach to evaluating organizational health. Taken together, this body of research establishes financial analysis as a foundational discipline for informed decision-making across a company's full range of stakeholders — from internal management planning to external investment, lending, and regulatory oversight [70-73].

8.3.2 Funding patterns:

Funding & Financial Support Overview of Pernod Ricard Ltd:

(1) Independent Public Listing (1975):

Unlike a subsidiary acquired by a larger parent, Pernod Ricard was formed through the merger of Pernod and Ricard and has operated as an independently listed public company on Euronext Paris ever since, meaning it has no parent company providing intercompany capital — it must raise funds directly from public markets.

(2) Bond Market Financing via EMTN Programme:

As a subsidiary-free public company, Pernod Ricard relies primarily on external debt markets rather than internal group funding. In FY2024, it issued four bond tranches totaling €2.85 billion (€600m, €750m, €700m, €800m) and redeemed a maturing €500 million bond; in FY2025, it issued a further €800 million tranche at a 3.25% coupon. pernod-ricard.com

(3) Acquisition-Led Debt Financing (2001–2008):

Pernod Ricard's major growth phases were funded through large-scale borrowing rather than equity issuance: the 2001 Seagram acquisition (with Diageo), the €10.7 billion Allied Domecq acquisition in 2005, and the 2008 Vin & Sprit/Absolut purchase were all substantially debt-financed, each materially increasing group leverage before being paid down over subsequent years.

(4) Rising Operational and Digital Investment (2021–2025):

Net financing costs in FY2025 totaled roughly €417 million across bonds (€313m), commercial paper (€26m), factoring/securitisation (€59m), and lease liabilities (€19m), reflecting the scale of capital deployed to sustain operations, strategic inventory (aging spirits stock), and digital commercial tools like D-STAR and Matrix. pernod-ricard.com

(5) Direct Investments & Capital Return Programs:

Beyond financing operations, Pernod Ricard reinvests through targeted acquisitions (The Whisky Exchange, craft and digital-retail platforms) and returns capital to shareholders via dividends (€3.12/share in FY21, rising to €4.70/share by FY24–FY25) and share buybacks (resumed in FY22, including a €750 million program for FY23), both funded from free cash flow rather than new equity. pernod-ricard.com

Table 11: Summary of Funding Dynamics

Year	Funding Source & Use
1975	Merger of Pernod & Ricard — foundational public listing, no parent-company backing
2001–2008	Debt-financed acquisitions (Seagram, Allied Domecq, Vin & Sprit) — ~€10.7B+ combined, funded via bank loans/bonds
FY21	Net debt €7,452M; Recurring FCF €1,745M; Dividend €3.12/share

FY22–23	Share buyback resumed (€750M for FY23); Net Debt/EBITDA rising toward ~3.1x
FY24	€2.85B in new bonds issued (4 tranches) + €500M redemption; Dividend raised to €4.70/share
FY25	€800M bond issued at 3.25%; Net debt €10,727M; Leverage 3.3x; FCF €1,133M (+18%); Dividend held at €4.70/share

Over the past five years, Pernod Ricard has funded its operations primarily through internally generated free cash flow, supplemented by regular bond issuances under its EMTN programme whenever refinancing or strategic investment needs arose. Its debt has grown from roughly €7.5 billion in FY21 to nearly €10.7 billion in FY25, supported throughout by stable Baa1/BBB+ investment-grade credit ratings that kept borrowing costs low. At the same time, the company has consistently returned capital to shareholders through rising dividends and resumed share buybacks, reflecting a financial policy that prioritizes reinvestment and shareholder returns over new equity issuance.

8.3.3 Revenue vs. cost structure:

Pernod Ricard's cost structure is built around four main components sitting between Net Sales and final profit: Cost of Goods Sold (COGS, which determines Gross Margin), Advertising & Promotion (A&P) expenditure, Structure Costs (overheads such as administration, logistics, and personnel), and Non-Recurring/Financial items (restructuring, impairments, interest expense, and tax). Over the five-year period, Net Sales grew from €8,824 million in FY21 to a peak of €12,137 million in FY23, before easing to €11,598 million in FY24 and €10,959 million in FY25 as post-pandemic demand normalized and China/US spirits consumption softened. Despite this top-line volatility, the company has maintained a highly disciplined and consistent cost structure, with COGS efficiency programs and Revenue Growth Management (price/mix optimization) largely offsetting inflationary pressure on raw materials — gross margin was protected or expanded in most years (e.g., +3bps in FY23, +108bps organically in FY24) even as input costs rose.

Advertising & Promotion (A&P) spend — the company's single largest discretionary cost line — has remained remarkably stable at approximately 16% of Net Sales throughout all five years (roughly €1.4–1.9 billion annually), reflecting a deliberate policy of maintaining consistent brand investment intensity regardless of short-term sales fluctuations, with allocation dynamically optimized across brands and markets using the Key Digital Programs (D-STAR, Matrix). Structure Costs (overheads, logistics, and administrative expense) have been managed with strict discipline as a percentage of sales, though they grew organically in absolute terms during expansion years (+8% organically in FY23 to support the "Conviviality Platform" digital transformation) and were deliberately reduced in contraction years (down organically by 2–4% in FY25) as part of the company's €900 million efficiency program delivered from FY23 to FY25, with a further €1 billion program targeted for FY26–FY29.

This cost discipline translated into Profit from Recurring Operations (PRO) — the company's core operating profit measure — climbing from €2,423 million in FY21 to a record €3,348 million in FY23, before declining to €3,116 million in FY24 and €2,951 million in FY25 alongside the Net Sales pullback and adverse foreign exchange effects (particularly from the Turkish Lira, Argentinian Peso, and Indian Rupee). Operating margin (PRO as a percentage of Net Sales) followed a similar arc: expanding from roughly 27.5% in FY21 to a record 28.3–28.4% in FY22–FY24 (aided by strong organic margin expansion even in years of reported decline), before settling at approximately 26.9% in FY25 as unfavorable currency translation outweighed underlying operational efficiency gains. Below the operating line, rising financial expenses — driven by a higher average cost of debt (from 2.3% in FY22 to 3.2% in FY24–FY25) as global interest rates increased — have progressively eroded the conversion of PRO into net profit, alongside episodic non-recurring items such as restructuring charges and brand impairments (notably a Wine business impairment in FY24, partially reversed the following year).

Group share of Net Profit ultimately moved from €1,305 million in FY21 to a peak of €2,262 million in FY23, before non-recurring charges and higher financing costs compressed it in FY24, followed by a partial recovery to €1,626 million in FY25 as those one-off costs eased. Overall, this five-year pattern shows a cost structure engineered for resilience rather than pure growth-chasing: Pernod Ricard has consistently protected its ~16% A&P investment ratio and gross margin even during revenue contractions, using structure-cost flexibility and efficiency programs as the primary lever to defend operating margin when top-line growth slows.

Table 12: Revenue vs. Cost Structure Summary — Pernod Ricard

Category	FY2021	FY2023
Revenue (Net Sales)	€8.82 B	€12.14 B
A&P (Marketing) Expenses	~€1.41 B (~16% of Net Sales)	~€1.94 B (~16% of Net Sales)
Operating Profit (PRO)	€2.42 B	€3.35 B
External Debt Financing (Net Financial Debt)	€7.45 B	€10.27 B

Interpretation:
(1) Revenue driven by market-facing brand sales: Unlike a specialized R&D subsidiary billing a parent company, Pernod Ricard's income is tied almost entirely to consumer-facing sales of its owned spirits and wine brands across 160+ markets, making it directly exposed to global consumer demand rather than internal contract funding.
(2) Expense growth managed independently of revenue swings: A&P (marketing) spend has been deliberately held stable at ~16% of Net Sales regardless of whether Net Sales grow or contract, reflecting a disciplined cost policy rather than expenses simply tracking revenue — Structure Costs are actively flexed up or down (+8% organically in growth years, -2% to -4% in contraction years) to defend margins.
(3) Consistent double-digit operating profitability: Despite operating in a capital-intensive, discretionary-spending category, Pernod Ricard has sustained an operating margin in the high-20% range (26.9%–28.4%) throughout FY21–FY25 — a considerably stronger and more stable margin profile than a typical R&D-heavy operation, reflecting the pricing power of its premium brand portfolio.

Insights & Outlook:
- **Sustained operating margins** are contingent on managing the trade-off between continued brand investment (A&P, innovation, premiumization) and cost discipline on structure and overhead expenses.
- **Cost pressures**—particularly raw materials (glass, grain, agave), logistics, and currency-driven input inflation—are expected to persist, posing an ongoing challenge to maintaining margins amid a softer global spirits demand environment.
- **Revenue stability hinges** on consumer discretionary spending and category health (premiumization trends, moderation trends, and geopolitical/tariff risk) rather than on any single internal funding relationship, since Pernod Ricard has full external commercial autonomy as an independently listed company.

Thus, Pernod Ricard's funding model is centered on **external market revenue**, driven primarily by branded product sales rather than internal service contracts. Operating costs — primarily A&P and structure costs — have been managed with notable discipline relative to revenue, expanding in growth years and contracting in downturns rather than climbing in lockstep. Despite recent Net Sales softness (FY24–FY25), the company has maintained solidly positive and comparatively high operating margins, supported by strong brand pricing power and ongoing efficiency programs. Continued financial sustainability will depend on managing input-cost inflation and currency volatility while sustaining consumer demand for its premium and prestige brand portfolio.

8.4. Technological Strategy Analysis of Pernod Ricard Ltd:

(i) About Technological Strategy Analysis:
Technological Strategy Analysis examines how a company identifies, develops, and deploys technology to build competitive advantage, streamline operations, and support long-term growth. For a traditional consumer goods company like Pernod Ricard, this means evaluating investment across production technology, supply chain systems, sustainable manufacturing, and digital commercial tools — since the company's core value creation still rests on physical craftsmanship (distilling, blending, aging) rather than software as a product. This analysis looks at where Pernod Ricard invests technologically, how it modernizes a fundamentally agricultural and manufacturing-based business, and how it balances innovation spend against commercial return.

(ii) Core Innovation Domains:
Pernod Ricard's technological strategy spans several innovation domains, most rooted in production, packaging, and supply chain rather than software:

- **Sustainable production technology** — including hydrogen-fired glass furnace technology aimed at cutting packaging-related carbon emissions, part of the "Circular Making" pillar of its 2030 Sustainability and Responsibility roadmap, alongside water-recycling and renewable-energy initiatives at distilleries.
- **Craft and process technology** — continued investment in distilling, blending, and cask-aging techniques that preserve product consistency and quality across large-scale production, including cellar-master expertise passed down and supported by modern quality-control instrumentation.
- **Packaging and materials innovation** — development of lighter, recyclable, reusable, or compostable packaging formats to meet 2030 sustainability targets across the portfolio's strategic brands.
- **Supply chain and logistics systems** — enterprise resource planning and cloud infrastructure (Oracle for analytics/BI, Microsoft Azure for hosting since 2014) supporting inventory, distribution, and demand planning across 73 directly-served markets.
- **Direct-to-consumer digital retail** — a dedicated business unit (formed in 2022) unifying The Whisky Exchange, Drinks&Co, and Bodeboca to scale e-commerce as a growing sales channel.
- **Connected product features** — NFC-enabled bottles and glasses (launched with Havana Club, Malibu, and Mumm) allowing consumers to place orders or verify authenticity via smartphone, extending digital features into select premium products.

(iii) Use of Data and Commercial Decision-Support Tools:
Beyond its manufacturing and packaging technology, Pernod Ricard also uses internal data and analytics tools — such as D-STAR (outlet-level sales recommendations) and Matrix (promotional spend allocation) — to support sales and marketing decisions across its ~19,000 employees and 160+ markets. These tools function as internal decision-support systems rather than customer-facing products, and their rollout has required significant market-by-market customization given the company's decentralized Brand Company/Market Company structure. Governance of data use and general business conduct falls under Pernod Ricard's Ethics & Compliance function, anchored by a Code of Business Conduct (available in 16 languages) and an independently operated "Speak Up" whistleblower line covering employees, partners, and suppliers — the same framework that governs the company's broader responsible-business commitments, rather than a separate technology-specific ethics unit.

(iv) R&D Orientation vs. Productization:
Pernod Ricard's R&D effort is oriented predominantly toward physical product and process innovation rather than software development. Its core R&D cycle follows a traditional CPG pattern: sustained investment in distilling, blending, and aging expertise, sustainable packaging technology (such as hydrogen glass furnaces), and selective connected-product pilots that move from single-brand launches (e.g., Havana Club's connected glass) toward broader portfolio rollout once proven commercially and technically viable. Digital and analytics tools, by contrast, are treated as internal operational infrastructure rather than R&D-driven products — they exist to make the existing commercial engine run more efficiently, not to create new revenue lines themselves. This reflects Pernod Ricard's overall technology philosophy: R&D investment serves to protect and enhance a mature, brand-driven core business, with "productization" meaning incremental improvements to established product categories and packaging rather than the creation of fundamentally new technology-based products or services.

8.5. Marketing Analysis:

(i) About Marketing Analysis:
Marketing analysis refers to the systematic evaluation of a company's target markets, competitive positioning, brand strength, and marketing-mix decisions in order to understand how effectively it creates and communicates value to consumers. At its theoretical core, marketing strategy is concerned with the deployment of a firm's resources to achieve superior value creation relative to competitors within a chosen market, encompassing decisions about target markets, value propositions, and the allocation of marketing-mix resources across product, price, promotion, and distribution. A central construct within this analysis is brand equity — the differential effect that brand knowledge has on

consumer response to a company's marketing efforts — which explains why identical products marketed under different brand names can achieve markedly different levels of consumer preference, loyalty, and price premium. In recent decades, marketing analysis has expanded well beyond traditional brand and positioning frameworks to incorporate data-driven marketing analytics, which apply structured and unstructured data to optimize marketing-mix spending, enable personalization, and support real-time decision-making — a shift that has fundamentally changed how firms evaluate and adjust marketing effectiveness. Within specific industries such as wine and spirits, marketing analysis also increasingly incorporates category-specific dynamics, such as the global trend toward premiumization, in which firms and even entire producing countries have progressively shifted marketing focus toward higher-quality, higher-value products since globalization accelerated in the 1990s. Taken together, this body of research frames marketing analysis as a discipline that blends foundational strategic concepts — segmentation, targeting, positioning, and brand equity — with increasingly sophisticated, data-driven tools for measuring and optimizing marketing performance [74-77].

(ii) Analysis of Marketing Strategy of Pernod Ricard SA:

Pernod Ricard's marketing strategy is built around three interlocking pillars: a decentralized, brand-led portfolio approach; a premiumization-first value proposition; and, increasingly, a data-driven commercial execution layer.

Segmentation, Targeting, and Positioning: Rather than pursuing a single mass-market position, Pernod Ricard segments its portfolio by occasion, price tier, and category — spanning everyday mixability, premium heritage, and ultra-prestige gifting/collecting (Royal Salute, Martell's rarer expressions, Perrier-Jouët). Each brand is positioned distinctly within its category rather than competing against sibling brands, allowing the group to capture consumer spend across virtually every spirits-drinking occasion and income bracket simultaneously — a structural advantage smaller, single-category competitors like Rémy Cointreau cannot replicate.

Brand Equity as the Core Strategic Asset: Consistent with framework, Pernod Ricard's marketing investment is directed overwhelmingly toward building and protecting brand knowledge and favorable associations rather than competing on price. This is reflected in its stable Advertising & Promotion spend of roughly 16% of Net Sales maintained across market cycles, treating brand equity as a long-term asset to be defended even during periods of softer revenue growth (such as FY24–FY25) rather than a discretionary cost to be cut (Özsomer (2012). [78]).

Premiumization as the Central Value Proposition: In line with the broader industry-wide shift toward higher-value spirits, Pernod Ricard's marketing strategy explicitly prioritizes "trading up" — encouraging consumers toward higher-priced, higher-margin tiers of existing brands (e.g., standard Chivas 12 to Chivas 18 or Royal Salute) rather than solely pursuing volume growth, reinforced by limited editions, rare cask releases, and luxury packaging that reinforce prestige positioning.

Data-Driven Marketing Execution: Reflecting the broader shift toward marketing, Pernod Ricard applies proprietary AI and data tools — including Matrix for promotional spend allocation and D-STAR for outlet-level sales targeting — to optimize where and how its marketing budget is deployed across 160+ markets, alongside AI-driven marketing-mix modeling that provides real-time insight into consumer behavior and campaign effectiveness. This allows a traditionally brand-and-heritage-driven marketing approach to be executed with a level of local precision and measurement that would not be possible through broad-based, one-size-fits-all campaigns.

Taken together, Pernod Ricard's marketing strategy exemplifies a company using classical brand equity and segmentation principles as its foundation, while layering modern marketing analytics on top to execute that strategy with increasing precision across a highly fragmented, multi-market portfolio [79-81].

8.6. Human Resource Management:

(i) About Human Resources Management Analysis:

Human Resource Management (HRM) analysis examines how an organization structures its people-related practices — recruitment, training, compensation, performance management, and retention — to support broader business strategy and sustain competitive advantage. Strategic HRM theory holds that HR practices should not be treated as isolated administrative functions but as a coherent system aligned with the firm's overall strategy, drawing on multiple theoretical lenses including the resource-based view of the firm, which frames human capital itself as a potential source of sustained competitive advantage when it is valuable, rare, and difficult for competitors to imitate. This theoretical link between HR practices and firm performance has been empirically substantiated: firms that adopt coherent systems of high-performance work practices — including selective staffing, extensive training, and incentive-based compensation — show statistically significant improvements in employee turnover, productivity, and both short- and long-term corporate financial performance. Beyond internal performance outcomes, HRM analysis increasingly incorporates the concept of "employer branding," which applies consumer brand-management techniques to the employment relationship, treating current and prospective employees similarly to customers whose commitment and loyalty must be actively earned and sustained through a distinct value proposition (Becker & Huselid (2006). [82]). In organizations with concentrated family or founder ownership, HRM analysis also extends to leadership succession planning, since research on family-controlled firms shows that internally groomed, relay-style leadership transitions tend to preserve organizational performance more effectively than abrupt external hires, particularly when paired with professionalized governance structures. Together, this body of research frames HRM analysis as a discipline connecting individual talent practices to firm-level strategic and financial outcomes, rather than treating HR as a purely administrative or compliance function (Jiang (2012). [83]).

(ii) Analysis of Human Resources Management Strategy of Pernod Ricard Ltd:
Pernod Ricard's HRM strategy is structured around three core pillars: decentralized talent empowerment, employer branding rooted in its "Conviviality" culture, and family-influenced leadership continuity.

Decentralized Talent Structure: Consistent with the resource-based view of HR as a source of competitive advantage, Pernod Ricard's Brand Company / Market Company operating model deliberately distributes decision-making authority to local teams across 160+ markets rather than centralizing talent management in Paris. This gives roughly 19,000 employees genuine autonomy to adapt strategy to local market conditions, building deep in-market expertise that a centralized HR function could not replicate — though it also requires the company to maintain a strong central culture to prevent excessive fragmentation across markets (Collins & Smith (2006). [84]).

High-Performance Practices and Digital Upskilling: Pernod Ricard has invested substantially in staff-cost-driven capability building, particularly around its digital and AI transformation — administrative and personnel investment supporting tools like D-STAR and Matrix required significant internal training and, per its own case documentation, roughly 80% market-specific customization, reflecting deliberate investment in employee capability development consistent with the high-performance-work-practice model linked to improved productivity and financial performance (Huselid, 1995).

Employer Branding through Corporate Culture: Pernod Ricard's self-described identity as "Créateurs de Convivialité" functions as a deliberate employer brand, extending its consumer-facing brand values of connection and hospitality into its internal talent value proposition. This mirrors the employer branding framework, in which strong external brand equity can be leveraged to attract and retain talent, while an engaged, values-aligned workforce reciprocally strengthens the company's external reputation and consumer brand equity (Lepak (2006). [85]).

Family-Influenced Leadership Continuity: Pernod Ricard's most consequential HR decision in recent years was the internal, family-linked succession of Alexandre Ricard — grandson of founder Paul Ricard — to Chairman and CEO in 2015, following his progression through internal operational roles rather than an external hire. This relay-style succession, later reinforced by a reconstituted, more professionalized Executive Committee in 2023, aligns with research showing that internally groomed leadership transitions in family-controlled firms tend to mitigate the performance disruption typically associated with CEO change.

Taken together, Pernod Ricard's HRM strategy reflects a hybrid model — combining globally consistent cultural and brand values with highly decentralized, locally empowered talent execution, underpinned by a leadership pipeline shaped by both professional merit and family continuity [86-88].

9. EMERGING ISSUES & STRATEGIES :

Emerging Issues and Corresponding Strategies for Pernod Ricard as a Global Leader in Wines & Spirits:

(1) Issue: Stringent Government Regulations and Taxation

The global wines and spirits industry operates under strict regulations related to alcohol advertising, licensing, import duties, labeling, and taxation. In India, Pernod Ricard has also faced regulatory and tax disputes that affect operations and business continuity.

Strategy:

Pernod Ricard should strengthen regulatory compliance, maintain transparent governance, collaborate proactively with government authorities, and establish dedicated legal and compliance teams to manage regulatory risks while ensuring ethical business practices.

(2) Issue: Changing Consumer Preferences and Premiumization

Consumers are increasingly demanding premium products, low- and no-alcohol beverages, healthier lifestyle options, and sustainable products. At the same time, economic pressures can shift consumers toward lower-priced alternatives, challenging premium brands.

Strategy:

The company should continue investing in premium product innovation, expand low- and no-alcohol offerings, strengthen digital marketing, and use consumer analytics to respond quickly to changing market trends.

(3) Issue: Sustainability and Environmental Challenges

Climate change, water scarcity, carbon emissions, packaging waste, and sustainable sourcing have become major concerns for the wines and spirits industry. Pernod Ricard has committed to its **"Good Times from a Good Place"** roadmap, focusing on regenerative agriculture, circular packaging, carbon reduction, and responsible production.

Strategy:

Pernod Ricard should accelerate regenerative agriculture programs, increase recyclable and reusable packaging, improve water efficiency, reduce greenhouse gas emissions, and collaborate with suppliers to build a more sustainable value chain.

(4) Issue: Global Supply Chain Disruptions and Market Uncertainty

Geopolitical conflicts, inflation, shipping disruptions, and fluctuations in raw material costs continue to affect global supply chains and profitability. The company has responded by improving operational efficiency and strengthening supply chain resilience.

Strategy:

Pernod Ricard should expand digital supply chain technologies, diversify sourcing locations, strengthen inventory planning, invest in predictive analytics, and enhance risk management systems to ensure uninterrupted global operations.

(5) Issue: Intense Global Competition

Pernod Ricard competes with leading multinational beverage companies such as Diageo, Bacardi, Brown-Forman, and Beam Suntory in highly competitive global markets.

Strategy:

The company should continue strengthening its premium brand portfolio, invest in innovation, enhance customer engagement through digital platforms, expand into high-growth emerging markets, and reinforce its competitive advantage through responsible marketing and sustainability initiatives.

10. COMPARISON OF THE PERFORMANCE WITH COMPETITORS :

A detailed **Performance Comparison Report** of **Pernod Ricard Limited** against its major competitors over the last five years, based on financial performance, market position, innovation, sustainability, and global business strategies, is presented below.

Pernod Ricard is the world's second-largest premium wines and spirits company, operating in more than 160 countries with a diversified portfolio of internationally recognized brands. During the last five years, the company has competed primarily with **Diageo PLC, Bacardi Limited, Beam Suntory, Brown-Forman Corporation, and Rémy Cointreau**. The comparison evaluates Pernod Ricard's relative performance with respect to (i) financial performance, (ii) brand portfolio and market presence, (iii) innovation and sustainability, (iv) operational efficiency, and (v) competitive positioning in the global wines and spirits industry.

(1) Financial Performance and Revenue Growth:

During the past five years, Pernod Ricard has demonstrated resilient financial performance despite the challenges posed by the COVID-19 pandemic, inflation, geopolitical uncertainties, and fluctuating consumer demand. While **Diageo PLC** continues to lead the global spirits industry in revenue, Pernod Ricard has maintained its position as the second-largest premium spirits company through strategic acquisitions, premiumization, and expansion in emerging markets. The company has shown strong performance in India, Brazil, and other high-growth markets, supported by brands such as Jameson, Chivas Regal, and Royal Stag.

(2) Brand Portfolio and Global Market Presence:

Pernod Ricard possesses one of the industry's most diversified premium brand portfolios, including **Jameson, Chivas Regal, Ballantine's, Absolut Vodka, Martell, Beefeater, Malibu, and Havana Club**. Compared with Bacardi, Beam Suntory, and Brown-Forman, the company enjoys broader international diversification and a stronger presence across multiple premium spirits categories. Although Diageo has a larger portfolio and broader market share, Pernod Ricard remains highly competitive because of its strong premium positioning and extensive distribution network.

(3) Innovation and Sustainability Performance:

Pernod Ricard has integrated sustainability and innovation into its long-term business strategy through its **"Good Times from a Good Place"** roadmap. The company has invested in circular packaging, responsible sourcing, regenerative agriculture, carbon emission reduction, and digital supply chain technologies. Compared with several competitors, Pernod Ricard has positioned sustainability as a key element of brand value and long-term competitiveness while continuing to invest in product innovation and premium consumer experiences.

(4) Market Competitiveness and Business Strategy:

The company has strengthened its competitive advantage through premiumization, strategic acquisitions, localized marketing strategies, and expansion into fast-growing economies such as India and China. While Diageo benefits from a larger global market share, Pernod Ricard differentiates itself through a balanced portfolio of premium spirits, strong consumer engagement, and decentralized management. Bacardi focuses primarily on rum and premium cocktails, Brown-Forman on American whiskey, and Beam Suntory on bourbon and Japanese whisky, whereas Pernod Ricard competes successfully across a wider range of premium beverage categories.

(5) Overall Competitive Position:

Overall, Pernod Ricard has maintained a strong competitive position as one of the global leaders in the wines and spirits industry. Its strengths include a diversified premium brand portfolio, a broad international presence, a commitment to sustainability, and continued investment in innovation. Although Diageo remains the market leader by revenue, Pernod Ricard continues to strengthen its long-term competitiveness through premiumization, operational efficiency, and expansion in emerging markets. These strategic initiatives are expected to support sustainable growth and reinforce the company's leadership position in the global alcoholic beverage industry.

11. SUGGESTIONS BASED ON THE STUDY :

Based on the findings of the study, the following suggestions are recommended to enhance Pernod Ricard Limited's long-term competitiveness, sustainability, and global market leadership in the wines and spirits industry:

(1) Strengthen Premium Brand Innovation:

Pernod Ricard should continue investing in premium and super-premium product innovation, limited-edition offerings, and new beverage categories to meet changing consumer preferences and strengthen brand loyalty.

(2) Expand Presence in Emerging Markets:
The company should increase investments in high-growth markets such as India, Southeast Asia, Africa, and Latin America through localized marketing strategies, strategic partnerships, and wider distribution networks.

(3) Accelerate Digital Transformation:
Pernod Ricard should further integrate Artificial Intelligence (AI), Big Data Analytics, and digital supply chain technologies to improve demand forecasting, inventory management, customer engagement, and operational efficiency.

(4) Enhance Sustainability and Environmental Initiatives:
The company should strengthen its "Good Times from a Good Place" sustainability roadmap by increasing the use of recyclable packaging, reducing carbon emissions, conserving water resources, and expanding regenerative agriculture programs.

(5) Promote Responsible Drinking Programs:
Pernod Ricard should continue expanding responsible alcohol consumption campaigns, consumer awareness programs, and partnerships with governments and non-governmental organizations to encourage responsible drinking practices.

(6) Strengthen Supply Chain Resilience:
The company should diversify sourcing locations, improve supplier collaboration, and invest in digital logistics systems to minimize disruptions caused by geopolitical conflicts, inflation, and global transportation challenges.

(7) Enhance Customer-Centric Marketing:
Pernod Ricard should utilize consumer insights, personalized digital marketing, and social media engagement to strengthen customer relationships and improve brand experiences across different markets.

(8) Invest in Research and Product Development:
Continuous investment in research and development should focus on premium beverages, innovative packaging, low- and no-alcohol products, and sustainable production technologies to remain competitive.

(9) Strengthen Corporate Social Responsibility (CSR):
The company should further invest in employee well-being, community development, responsible sourcing, biodiversity conservation, and ethical business practices to enhance stakeholder trust and corporate reputation.

(10) Enhance Strategic Partnerships and Innovation Ecosystems:
Pernod Ricard should collaborate more closely with startups, research institutions, technology providers, hospitality partners, and sustainability organizations to accelerate innovation, improve operational excellence, and create long-term competitive advantages.

12. CONCLUSIONS :

(1) Summary of Key Findings:
This study examined Pernod Ricard Limited as one of the world's leading companies in the wines and spirits industry using an exploratory research approach. The analysis revealed that the company's sustained success is driven by its strong premium brand portfolio, strategic acquisitions, international market expansion, customer-centric marketing strategies, and commitment to sustainability. The findings further indicate that Pernod Ricard has successfully maintained its competitive position through continuous innovation, operational excellence, responsible business practices, and effective adaptation to changing consumer preferences and global market dynamics.

(2) Value of Pernod Ricard as a Case Study in the Global Wines and Spirits Industry:
Pernod Ricard represents an excellent case study for understanding strategic management, international business, brand portfolio management, premiumization, and sustainable corporate growth in the global alcoholic beverage industry. The company's successful integration of innovation, digital transformation, environmental sustainability, and responsible consumption initiatives demonstrates how multinational

organizations can achieve long-term competitive advantage while creating value for customers, shareholders, employees, and society. The exploratory case study approach provides meaningful academic and managerial insights into the strategic practices that support global business leadership.

(3) Final Reflections on Sustainable Growth and Global Leadership:
In conclusion, Pernod Ricard continues to strengthen its position as one of the world's leading wines and spirits companies by balancing business growth with sustainability, innovation, and corporate responsibility. Despite challenges such as regulatory changes, increasing competition, changing consumer preferences, and global supply chain disruptions, the company has demonstrated resilience through effective strategic planning and continuous investment in premium products and sustainable business practices. Future growth will depend on the company's ability to accelerate digital transformation, strengthen environmental stewardship, expand in emerging markets, and maintain responsible leadership, ensuring long-term value creation and sustainable competitive advantage in the global wines and spirits industry.

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