

5.15: Closing Company Case

Travelers Point Distillery

In early 2000, several friends got together to tell stories and drink bourbon. It was obvious that friends and stories come together with good bourbon. The best stories included the rich family history of Master Distiller Mel Lytton.

Dating back to the 1880s and into Prohibition, Mel's great-grandfather distilled bourbon in rural Virginia. Having grown up in a bourbon family, Mel not only could detect all the subtle flavors of a great bourbon, but he had the family recipe that had been passed down through the generations. And Mel knew how to distill it.

Mel had more stories than most. Having mastered the art of just about everything he set out to do, Mel was a stone mason, a blacksmith, and a carpenter skilled at woodworking. As Mel talked about the bourbon he was tasting and told stories of his family distilling in the mountains and backwoods of Virginia, an idea was born. The friends decided they would love to get into the business of distilling bourbon.

Bourbon is a truly American drink. It is generally aged in oak barrels and made with grain, primarily corn. Bourbon can range in price from thousands of dollars to \$40–50 per bottle. In the early 1960s, Congress declared bourbon “America's Native Spirit.”

Although traditionally bourbon is mostly consumed by men, it is catching on with women. In fact, bourbon is quickly gaining popularity among those 21 and over. “The Kentucky Bourbon Trail and the Kentucky Bourbon Trail Craft Tour have drawn more than 2.5 million visitors from all 50 states and 25 countries in the last five years and have become leading educational and tourism attractions” (Kentucky Distillers' Association, 2024).

With the growth and popularity of bourbon drinking and collecting, it was clear that there was room in the industry for one more bourbon brand.

Mel's family recipe and his history of distilling made the group of friends confident in their ability to provide a craft or small-batch bourbon that would be equal to if not better than many currently available. They formed the company and found the perfect location to open the distillery—an old granary in the heart of America's farming country in Kirklin, Indiana. The community is uniquely located in the middle of the state, with a major highway passing through the middle of the town. Kirklin truly is the crossroads of America.

With the original group of investors and a few additions, the business was formed. Mel began distilling the bourbon. It was put in barrels and up in the rack room to age. The label, the brand, and the distribution were in the works.

The group determined that some of the best things in life included bourbon and travel. In fact, many of the stories they told over a great glass of bourbon included their many collective travels around the world. The name for their new bourbon was decided—Travelers Point. It wouldn't be long before Travelers Point began marketing its bourbon.

As the company considered its branding and value proposition, the founders knew they wanted to have a unique story of production along with a price point that ranked with some of the premium bourbon brands currently on the market. Travelers Point bourbon would sell for around \$45–60 per bottle. This would put it in the ranks of some of the sought-after brands, with a following among die-hard bourbon drinkers (Lytton, 2024).

The difference in Travelers Point is obvious to discerning bourbon drinkers. The bourbon profile is unique, with deep caramel notes and a rich combination of oak and vanilla. Many bourbon drinkers enjoy the hunt for the perfect bourbon. Travelers Point has something special. Finding the market segment that is ready for a new bourbon with a long history will be critical to its marketing success.

For more information about [Travelers Point Distillery](#), check out their website.

Case Questions

1. Based on the price point and branding for Travelers Point bourbon, what is the recommended method the company should use to segment its market?
 2. Which target market strategy would you recommend for Travelers Point, and why?
 3. What approach to brand positioning do you recommend for Travelers Point? Support your answer.
 4. Develop a perceptual map of the bourbon brands currently selling for \$40–60 per bottle.
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