

Business management

Predicted Case study (B) Myt PLC

For use in May 2025

Instructions to candidates

- Case study booklet required for higher level paper 1 and standard level paper 1 business management examinations.

The extended case study provided here is for illustrative purposes only, designed in line with the syllabus, context, and background of the Myt PLC case study to give you a sense of what the final examinations in May 2025 could look like.

Myt PLC

Myt PLC (Myt) is a publicly held multinational company that manufactures non-alcoholic drinks. Myt's head office is in the United States (USA). Myt owns manufacturing factories on six continents.

Myt has grown in size through internal and external growth. Initially, Myt manufactured just one drink: a root beer that was non-alcoholic, sweet, and carbonated. By 2020, Myt had developed its own large portfolio of over 30 different drinks, which it sells in bottles and cans. Myt uses social media influencers as part of its promotional strategy.

Obesity and diabetes are two health issues that have been linked to drinks, many of which provide the entire recommended daily sugar intake for an adult in a single can. However, sugar substitutes used in diet drinks have also been linked to various health problems. Many of Myt's drinks are high in caffeine and sugar.

In 2023, Myt's board of directors began a process of diversification, taking over:

- Lotssa Coffee (LC), a chain of coffee shops with over 4000 outlets across 35 countries
- Honest Water (HW), a manufacturer of bottled drinking water.

Myt announced plans to:

- Modernize and make its factories green.
- Explore entering the healthy snacks market.
- Utilize computer-generated avatars when creating advertisements.
- Reduce caffeine and sugar levels in its products.
- Improve its corporate social responsibility (CSR).

Myt PLC, a publicly held multinational company, has spent the past two years implementing its **three-year transformation plan**, aimed at **modernizing its operations, reducing sugar and caffeine levels in its beverages, and improving sustainability initiatives**. However, the company is now facing several **unforeseen business challenges** that are forcing it to reconsider its strategy.

Declining Market Share in Core Beverages

Despite Myt's investment in **health-conscious product reformulation**, the company has experienced a **12% drop in market share for its flagship sodas**. Research suggests that while some consumers welcome the new formulations, many **long-time customers have switched to rival brands** that continue to offer the original high-sugar, high-caffeine options.

Myt has also faced **increased competition from independent health-focused beverage startups** that have successfully marketed themselves as **more authentic and organic** than large multinational brands. Although Myt has launched its own line of **functional beverages**, these products have struggled to compete against well-established market leaders.

Operational Challenges at Lotssa Coffee

Myt's **acquisition of Lotssa Coffee (LC)** was expected to provide **a stable revenue stream** while expanding the company's presence in the retail sector. However, **rising costs and operational inefficiencies** have reduced profitability.

- **Supply chain disruptions** have resulted in frequent **shortages of key ingredients**, including ethically sourced coffee beans, leading to **inconsistent product availability** across multiple locations.
- **Rising rental costs** in prime locations have made it difficult to maintain profitable store operations.
- **Franchisee dissatisfaction** is increasing due to **high licensing fees and limited marketing support** from Myt's headquarters.

Myt's leadership team is debating whether to **sell off underperforming Lotssa Coffee locations** or attempt to **streamline operations** through tighter supply chain management and revised franchise agreements.

Environmental Criticism and Backlash

Myt's sustainability initiatives, particularly its investment in **biodegradable packaging for Honest Water (HW)** and the **modernization of its manufacturing plants**, were expected to **enhance the company's corporate social responsibility (CSR) reputation**. However, Myt has come under scrutiny from **environmental advocacy groups**, who claim that:

- The company **has not done enough to reduce its overall carbon footprint**, as it still **relies heavily on fossil fuel-based logistics networks**.
- Myt's biodegradable packaging is **only available in select markets**, while many regions continue to receive products packaged in single-use plastic.

These criticisms have sparked a **consumer boycott movement**, particularly among environmentally conscious customers, leading to **lower-than-expected sales growth** for Myt's bottled water division.