

JOSE CUERVO
AUTHENTIC CUERVO
MARGARITA

Authentic Jose Cuervo Margaritas



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FUNDADA EN 1795

The Product

- **Convenient**
 - Ready to serve margaritas make it easy to enjoy top-quality margaritas
- **Refreshing**
 - Up or on the rocks, any flavor margarita has a classic refreshing taste.
- **Authentic**
 - The margaritas are made exclusively with Jose Cuervo Gold Tequilla
- **Product Variety**
 - Available in 6 different flavors:
 - Strawberry, Pomegranate, Classic Lime, Mango, Watermelon, and Grapefruit
Tangerine

“Authentic Cuervo Margaritas, made exclusively with Jose Cuervo Gold® Tequila, are the world’s number one ready-to-serve margaritas. Now it’s easy to enjoy the great taste of a top-quality margarita anywhere, anytime. “

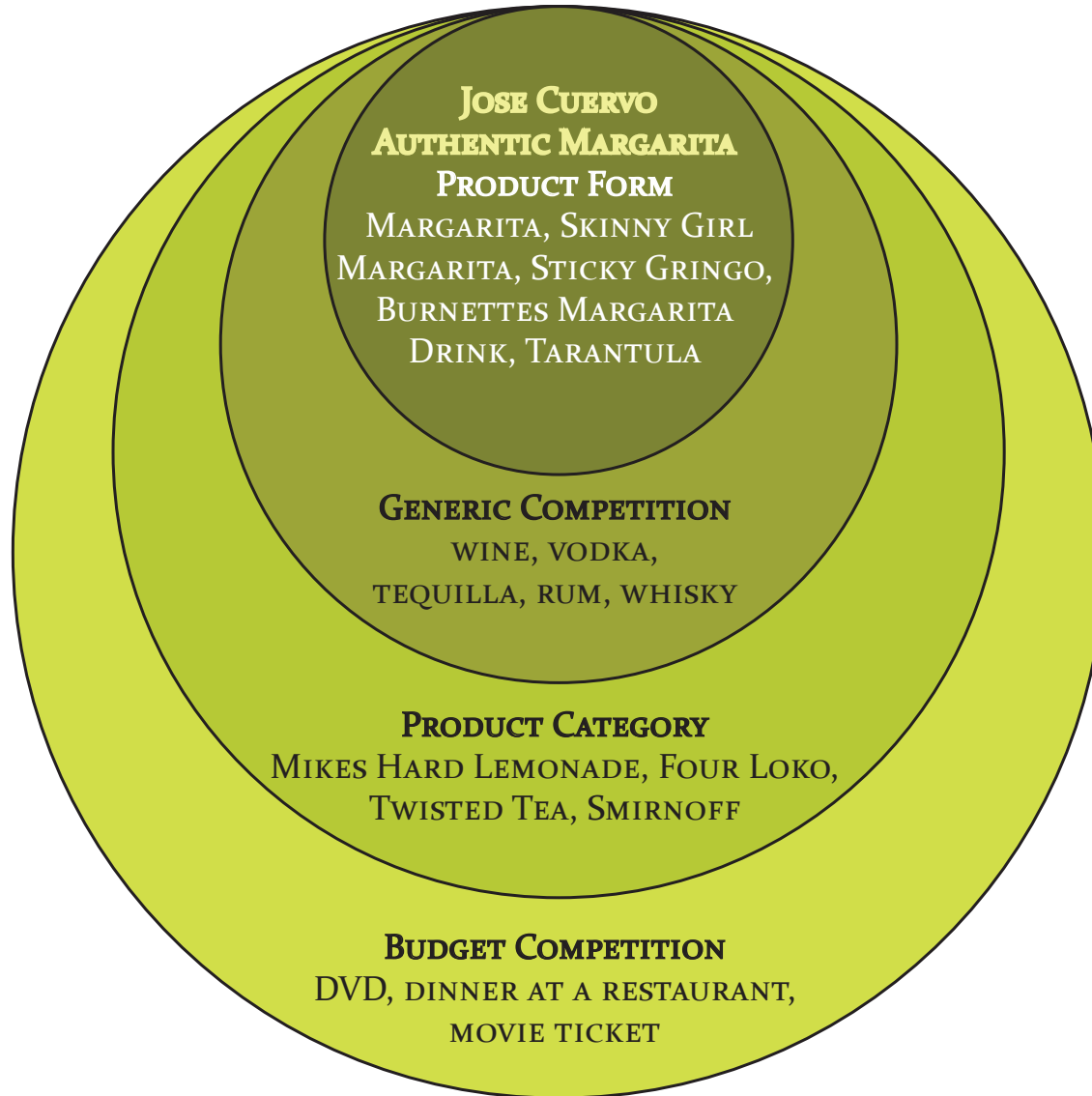
Company Analysis

- Jose Cuervo was the first producer of tequila in the world, since 1795.
 - 19% volume share of the global market
 - Largest selling tequila brand in the world
 - #1 ready-to-serve margaritas

Customer Analysis

- Women age 21-34
- We are targeting consumers who are looking for hassle-free, authentic beverage
- Total size of market: 20,370,000
- Jose Cuervo market size: 4,997,000
- Market share: $20,370,000 / 4,997,000 = 24.5\%$

Levels of Competition



SWOT

<ul style="list-style-type: none"> -“ALL YOU HAVE TO DO IS POUR” -REPUTABLE COMPANY -REFRESHING -TARGETS A RANGE OF AGES 	<p>REGARDS TO DIFFERENT FLAVORS</p> <ul style="list-style-type: none"> -IS SEEN TO BE ONLY A “FEMALES” DRINK (FEMININE DRINK) - MORE OF A “YOUNGER” DRINK
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> -PRE-MIXED DRINKS ARE NEW TO THE MARKET -PRE-MIXED DRINK MARKET IS GROWING -TEQUILLA AND MARGARITAS ARE 	<ul style="list-style-type: none"> -SKINNY GIRL MARGARITA & MIXED DRINKS ARE POPULAR AND MORE APPEALING/KNOWN FOR THEIR LOW CALORIES

Objectives

- **Target Market Objective**

- To reach a market share of 30%...5.5% increase

- **Promotional Objective**

- Have taste testing in liquor store around college cities
- Advertise more towards the older segment of the target market
- Promote the variety of flavors that Jose Cuervo has to offer

- **Market Research Objective**

- Find qualities from focus group
- Host a new focus group

Product Strategy

- New mini bottles
 - Even more convenient
- Differentiation
 - #1 tequila company
- Product line extension
 - Different flavors
- Priced moderately
 - \$15.99

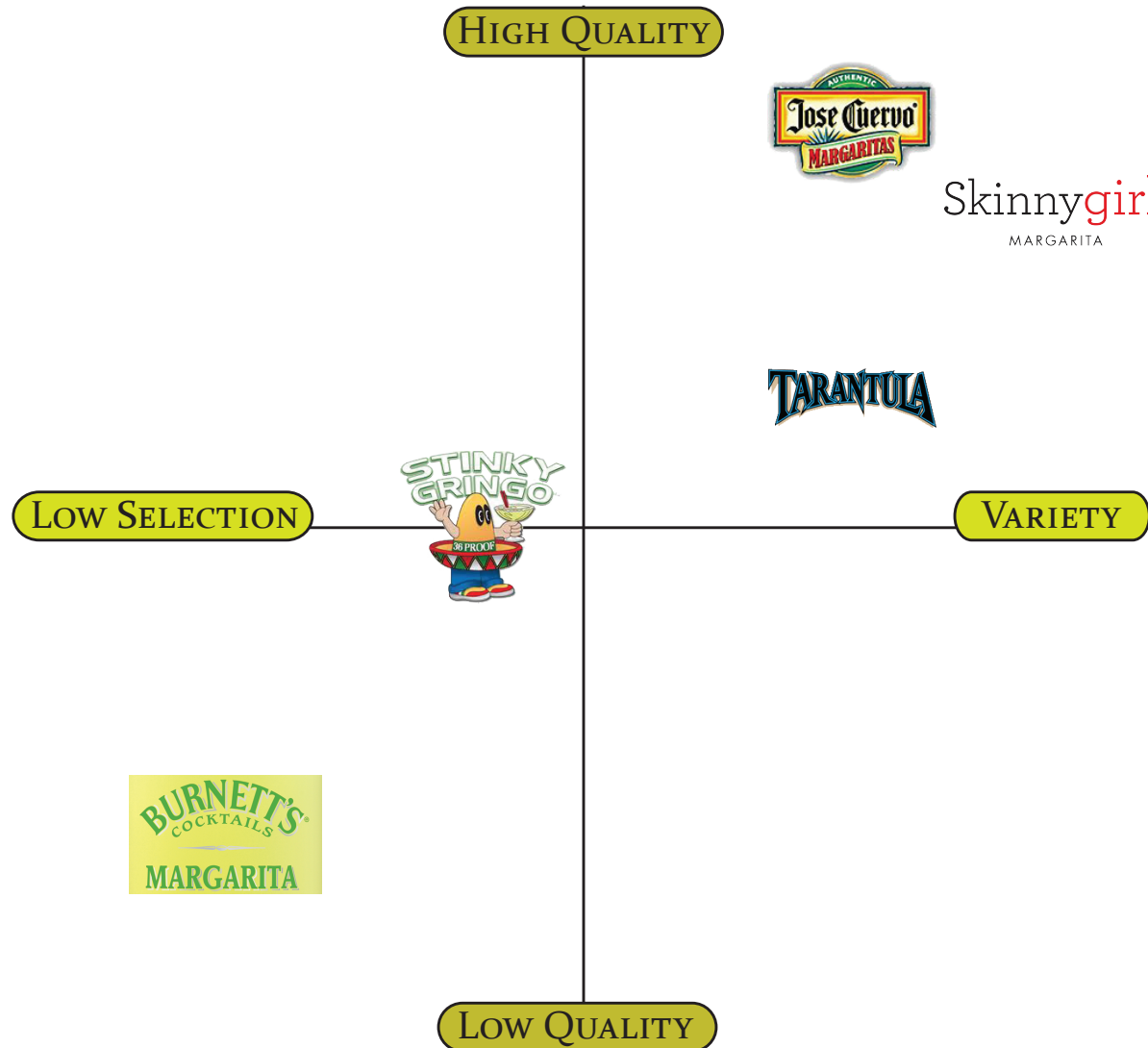
Branding Strategy

- Perceived as low variety of flavors: Add more flavors &/or advertise current flavors
 - Strawberry, Pomegranate, Classic Lime, Mango, Watermelon and the newest flavor, Grapefruit Tangerine.
- Add new line of other alcoholic pre-mixed drinks like *Skinny Girl* and *Burnett's*
 - Sangria, Cosmos, Pina Coladas, rum & Coke
- Adding Rum & Coke can appeal to a new target segment of young men
- Add a line of margaritas with a variety of tequila
 - Light, medium, and heavy users

Estimate of Category Sales in Dollars and Units

- Sales revenue= $20,000,000 * (33/3)*16$
=\$3,520,000,000
 - 20,000,000 = # of users
 - $(33/3) 11$ = # of bottles consumed
 - 16 = average selling price
- Sales in Units= $20,000,000 * 11$
=220,000,000 units
- * numbers based off of MRI

Perceptual Map



Pricing Strategy

- Odd-Evening Pricing Strategy
 - Currently priced at \$15.99
 - Odd-even pricing is successful with price sensitive products
 - Effective!
- Price Benefits:
 - Convenience overcome price, yet price overcomes quality
 - Price heavily influences college students decisions on alcohol
 - Focus group agreed the price was fair

Advertising

- Direct Marketing
 - Text messages for discount purchases
- Personal Selling
 - Sales rep from Jose Cuervo go to bars in highly populated cities
- Promotions
 - Buy 2 different flavors and get the next different flavor half off
 - Attach a mini flavored bottle to a large original
- Web Strategy
 - Maintain Jose Cuervo's web strategy of being an informative resource

Contingency Plan

- Evaluate certain flavor if not generating enough sales
 - Termination or reevaluation
 - Spend money on more profitable flavors
- Analyze and assess the product
 - before situation and present time
- Hold annual risk assessments
- Monitors and Controls
 - Market research
 - Audits
 - Have a Jose Cuervo rep go to liquor stores in targeted areas