

MEDIA & MARKETING

ADVERTISING | By David Kesmodel

Crown Imports to Hoist Beer to the Masses

Non-Hispanic Market Is Focus of Campaign For Mexico's Modelo

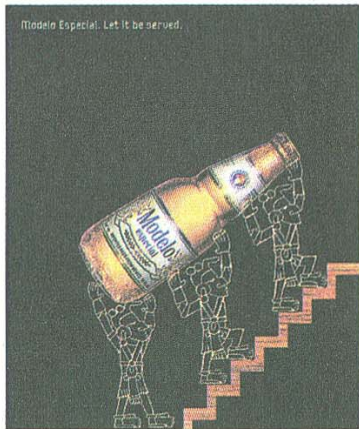
Can a beer cherished by Mexican-Americans become a hit in the general U.S. market?

Next year, **Crown Imports**, the importer of **Modelo Especial**, plans to advertise the Mexican lager to a general audience for the first time. The company will run ads in male-oriented magazines such as *Esquire*, *Golf*, *Wired* and *Rolling Stone*, aiming to reach consumers who like to sample an array of beers.

The ads, designed to position the brew as high class, feature drawings of Mayan foot soldiers hoisting a bottle of **Modelo Especial** over their heads, along with the tagline, "Let it be served."

Crown faces a tall order. Although sales of **Modelo Especial** have increased in recent years, making it the third-best-selling import in the U.S., the brew isn't well known outside the Hispanic community. And in the Hispanic community itself, it is primarily consumed by those of Mexican origin. In surveys by Crown, only about 3% of consumers of imported beer named **Modelo Especial** when asked to list brands they knew.

Crown is starting the ad campaign in a crowded market. **Modelo Especial**, brewed by **Grupo Modelo**, will fight for the attention of beer drink-



New ads for **Modelo Especial** will target a wider U.S. audience for the first time.

ers with "craft" brews, as well as a slew of brands, both old and new, made by titans such as **Anheuser-Busch**.

But executives at Crown, a joint venture of **Grupo Modelo** and New York wine and spirits maker **Constellation Brands**, have been encouraged by recent sales growth in the general market, fueled in part by slick new packaging. They also believe that, once they get more drinkers to sample the beer, they will come back for more. "We consider this beer to be the industry's best-kept secret," said Bill Hackett, president of Chicago's Crown. "We think it's appropriate that we really pull it out from under the radar."

Modelo Especial's market share in

the import segment jumped to 5% last year in terms of volume from 2.5% in 2002, according to *Beer Marketer's Insights*, an industry publication. That made it the No. 3 import behind **Corona Extra**, which had a 29% share, and **Heineken**, with 17.5%. **Corona Extra**, which surpassed **Heineken** as the top U.S. import in 1997, also is brewed by **Grupo Modelo** and imported by Crown.

Imported beer, which has driven much of the growth of the U.S. beer industry this decade, accounts for about 14% of U.S. beer sales.

Modelo Especial, which is **Grupo Modelo's** No. 2-selling brand in Mexico, after **Corona Extra**, has gained sales in the U.S. as the Hispanic population has increased. Crown has watched its sales leap in states such as Washington and South Carolina, where workers of Mexican origin have flocked to jobs in industries such as agriculture and construction. "It would completely shock our distributors," said Mr. Hackett. "They'd say, 'I need a truckload of **Modelo Especial**, and I don't know who's buying it all.'"

Sales of **Modelo Especial**, by volume, are projected to rise 14.5% this year to about 22.5 million cases, according to Crown.

Next year, Crown will spend about \$16 million on print ads, billboards, online ads, in-store displays and sponsorships for **Modelo Especial**, up from about \$8 million this year. The general-market campaign, created by independent ad agency **Cramer-Krasselt**, is aimed at beer drinkers between the

ages of 28 and 35 who like to discover new brands, said Paul Verdu, a vice president of marketing with Crown.

The ads highlight **Modelo Especial's** unique bottle, which features gold foil around the neck. The Mayan foot soldiers, outlined in the same gold-foil color, hold the bottle on a pedestal, ready for it to be consumed by royalty. "We are trying to create a Mexican beer to be revered" and "to stand out in a crowded high-end beer world," said Mr. Verdu. "We're almost saying this is a blank slate, we're launching a brand...We're on a long-term march."

Creating a campaign that would distinguish **Modelo Especial** from its sister brand, **Corona**, was "a real challenge" because it is "another gold Mexican beer in a clear bottle," said Marshall Ross, chief creative officer with **Cramer-Krasselt**.

The companies consulted with several experts on Mayan culture to make sure the symbols depicted were authentic and wouldn't offend anyone.

Crown will continue to advertise the brand in Spanish-language media, where the marketing strategy focuses on more of a mainstream audience, with ads and in-store displays often linked to sporting events and featuring models in tight-fitting clothes.

Mr. Hackett, Crown's president, said the company also is considering selling **Modelo Especial** in draft form in U.S. bars and restaurants, which would be the first time any **Grupo Modelo** product was sold in draft in the U.S. Such a move would help drive more general-market consumers to try the brand, he said.