

# Report corona case study

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First of all, they chose the US as the target market. U to the US had the largest beer market in the world and the consumption per capita is very high.

The US is a diversified country that beer is popular among male adults with the age range of 25-45, so the product from Mexico can be well adapted into their culture. Also, Mexico is not far away from the US, the transportation is relatively convenient and low cost; the company could take advantage of Mexican low labor cost to produce beer instead of investing a brewery abroad.

They use the concentration strategy to focus on the American market as the US has the largest potential consumers and profits. Moreover, the Corona's first entry into the US is depended on distributor named Barton Beers Ltd. Which was the largest beer importer in the 25 western states and was experienced in the marketing and sales of imported premium beers.

In addition, the importer would be responsible for all activities involving the sale of the beer, including transportation, insurance, custom clearance, pricing strategy and the advertising.

Model gave autonomous right to its distributors because the import company had local and specialized knowledge of the market, they knew everything about marketing better. Model always took an active role in the decision-making to make sure they can maintain the final say on everything related to its brand image, so they can avoid the communication problems and control strategies; they just make their own decision by using the distributor's experience. Thirdly, after the early successes the Meddle

decided to align itself with another distributor, Cambering Inc, which was led by a former Model executive.

Each distributor was responsible for its own 25 states to stay a healthy competitor. In order to oversee the operations in the US, Meddle set up performer Inc.

A subsidiary to coordinate, support and supervise the marketing activities. It contributed to a more efficient management and a minimum investment. Thanks to this strategy that the Model can survive from the devaluation of the Mexican peso in 1995. Fourthly, the product outstanding itself among the mass market because AT I TTS clear Ana unlike Doodle Ana also made ten Drawn Lastingness Trot the competition.

Unlike other impostors, when Corona face the risk of the tax on beer doubled, they changed the pricing strategy to absorb the tax rather than pass it on to consumers.

This can build a good reputation of brand to attract consumers and also have a lower price advantage to compete with other import beers. Last but not least, although the beer of Corona was not the best-tasting beer in Mexico, they use the advertising to draw attention on the idea of "fun in the sun" and "Miles away from ordinary", these ads focus on attractive women and party scenes instead of just males.

Other brands promote sales by advertising their super good quality, on the contrary, Corona tried to transmit the concept of escape and free, which way you can enjoy your peaceful life. By this way Corona was able to get the new

market of non-drinking population to drink beer, also position the brand as a high-quality and high-price product. The challenges Model are facing and recommendations Although Corona was Mexico's best-selling beer, the top-selling imported beer in the US, Model is facing with increasing competition domestically and internationally.

On one side, Their Mexican competitor FEMMES enhanced its strength and power to take more market share.

FEMMES owned a distribution channel of convenient stores named OX and also an exclusive distributor of Coca-Cola in Mexico and Central America. These competitive advantages may shake Model's dominance in Mexico. In addition, with the most trade agreements and the introduction of NAFTA, Mexico opened the door for international beer companies.

On the other side, one undeniable reason of the Model's success in the US is that its competitor Heineken looked down upon its potentiality and did not see it as a threat. This narrow-sighted did contribute to the big success which Model made.

However, the aggressive development of Model put itself in a vulnerable target position. Further, the consolidations always happen in beer market, it can be a serious threat to Model in international market; the merger will create a stronger company thus it may own a monopoly position.

Faced with these challenges, based on the existed brand reputation, brand image and customer loyalty, Model should take advantage of all kinds of communication to enhance the relationship with customers and seek for

more potential target market to go further. For instance, use advertising to promote its unique concept to every marketing segment and revivalist the product. Besides, the company should put innovation in technology and marketing as a key to the future expansion.