

Eandj gallo winery

Business



submitted Marketing of a low-end wine fortified wine. E & J Gallo Winery, one of the largest wine producers in the world, has been successful in positioning its brand as a first class and finest brands of wine in the market. Its wines have been recognized and accepted in many places in the world. The winery sells many brands that caters to both the high income and low income brackets of society.

One of products, the Thunderbird, A low end fortified wine (LEF) is the favourite brand of the low income group because it is affordable. Company sells 3 million cases of this brand a year. To continue selling this brand, company puts its marketing position at stake as a manufacturer of premium wine, while discontinuance would cause substantial losses to the company. Losses will affect profitability that is the main concern of stockholders.

The problem facing the company calls for a change of marketing strategy in selling this brand.

The Proposal

Since the problem is customers' perception that Thunderbird as a low-end fortified (LEF) wine, is of poor quality, a marketing strategy that calls for image building is called for. The perception on the product that has been created is that as a low-end fortified wine is not always the best. Perception is influenced by what customers think or feel on the product but is not always correct.

A perfect example of image building is changing the brand's packaging so that it would look expensive. Changing the packaging would be an add-on cost to the company, but image repair-building will have its benefits in the long run. A complete advertising package should be arranged on this.

Advertising using endorsements of sports and movie personalities would help
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create a classy image of the product. Customers would feel that even it is low end fortified wine, its taste is yielding to personalities. Thunderbird, according to company's experience is easy to sell and distribute. Customers look for it when the company once tried to stop selling it. They should maintain that while it is an LEF wine, they should assure the public that their LEF wines possess the best quality that company is proud off. It is a matter of mind-setting that low priced drink is not always inferior.