

Marketing plan for stuart cellars

[Business](#), [Marketing](#)



Written Assignment 2 Gloria Cevallos Formerly known as Stuart Cellars, now Bel Vino is one of the friendliest and finest family owned wineries in Southern California. Since their inception their goal has been to produce wine they are proud of sharing and selling at the right price. They strive to succeed in their industry by adopting wine making traditions of the Old World, meaning Europe and regions of the Mediterranean, while producing it at the local Californian wineries. Producing 150 tons of grapes and 16, 000 cases of wine per year, Stuart Cellars' 49 acre estate vineyard is a winery like no other.

For Stuart Cellars, the business of making wine, not only involves the process of making a superior wine that would satisfy the needs and taste of their customers, but also advertising it, and selling at the right price. Throughout the winemaking process, Stuart Cellars maintains a vigilant adherence to quality, which begins with the method used to ripen their grapes, planting them from north to south, a French tradition that allows grapes to ripen evenly on both sides of the vines. The result is a superior quality of grapes with vibrant colors and richer flavors that ensures the production of the best bottle of wine.

Although our textbook describes the marketing mix, also known as the 4P's, being product, price, place, and promotion; I would add another " P" for people, as a guiding principle to analyze the activities-variables-tools dealt with in the marketing management plan utilized by Stuart Cellars. For Stuart Cellars defining their target market, the upper end wine consumer, which is 10 -15 % within the wine community, is key. In addition, aligning this image of a wine connoisseur, one, that is able to afford the premium wine, at a premium price had played a vital role in their effective pricing decisions.

A primary goal for Stuart Cellars is to create and maintain the right mix by making the right decisions with their target market in mind. Product refers to the tangibles or physical products as well as services. Price refers to the pricing strategies, retail and wholesale price, discounts, etc. Place also known as distribution, refers to what the marketers do to get their products to their customers, which involves factors such as warehousing, distribution channels, transportation, logistic, etc. Promotion in the marketing mix represents, all aspects of the communication process, also known as Public Relations.

Promotion includes and is not limited to advertising, promotions, and publicity. In line with promotion, it fits to add that the image a customer has of a brand begins with delivering a quality product, followed with what the marketing team develops through understanding and application of the elements that drive the marketing mix that fits a particular industry. Stuart Cellars is very much involved with their product being competitive enough not only in terms of taste and quality, but promotion, distribution, and more importantly in terms of price.

Stuart Cellars dedicates plenty of time to researching pricing strategies and trends that can be factored in as part of the decision making process. Price is a defining element for this company and is determined by their effective pricing techniques and customer management considering the demand, cost, profit and compensation approaches proportionally. Although in the wine market, price is not a matter of taste, quality was typically determined by the age of the wine and the winery where it was made. However, more

often than not, perception of taste, superiority and worthiness in terms of quality is determined by its cost.

Wine consumers have a level of knowledge about the products they like and are at the same time influenced by what they read in wine publications and what they hear from their friends and family. Chief reasons why Stuart Cellars takes cost very much into consideration when developing their marketing strategies, along with making sure that products are available in the right place, at the right time, through the right channels, and more importantly priced right. After all, the fair value of wine is ultimately determined by how much disposable income there is and therefore how much the consumer is willing to pay.

Wine prices vary tremendously as the market fluctuates and we consider the fact that expensive wine not always equals great taste in the mind of the consumer. We all perceive the value of something very differently. Wine is one of those items that price doesn't dictate quality. A person can be perfectly satisfied with a \$5 bottle of wine even when is able to financially afford a more expensive one. Whereas someone else can never be satisfied if the price is not high as they have the perception that if something costs more it is worth more. There is a segment of the population that is always looking for what is discounted, without any regard for quality, taste or brand. Lastly, we know that there are no simple answers to determine the final price tag of a bottle of wine; however with some degree of certainty, we can say that demand determines and promotes the price of an item. However, high scores and good reviews from respected magazines or word of mouth, a label with a reputation of quality, rare and limited supplies combined, gives

Stuart Cellars the right recipe for a successful pricing strategy. Along with their pricing strategy, marketing and distribution are also factors they consider very closely as it adds to the final cost as well.

In dealing with the distribution variable, a marketing manager makes products available in the quantities desired to as many target market customers as possible, keeping total inventory, transportation , and storage costs as low as possible. Stuart Cellars being located in California follows a three tier system of winery, wholesalers and retailers. This means that they can only sell their products to wholesale distributors, who then sell to retailers, and only retailers may sell to consumers. Therefore Stuart Cellars considers their discounts and mark up and mark downs.

According to our textbook, the marketing mix variables are often viewed as controllable because they can be modified. However, there are limits to how much marketing managers can alter them. Economic conditions, competitive structure, or government regulations may prevent a manager from adjusting prices frequently or significantly. Stuart Cellars is very particular in all aspects that pertain to the management of their company, specially pricing. They pay close attention to activities in the market and monitor its competition to determine their strategies.

They keep an eye on what is being produced, released, its quality, its price, as well as the scarcity of abundance of a particular wine, to determined the ultimate value, one that have driven their success for so many years.

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