

I was invited to attend an economic trade forum in Guadalajara, Mexico to speak about tequila . I was unable to go because of scheduling and sent this paper to be read to the group

Introduction of the Author, Tomas Estes

The author of this paper has had years of experience with drinking tequila. Since 1976 he has been serving it straight and mixed to the public, notably the English and Europeans. He regrets not being able to be present at the Forum. The information sent is based on first-hand experience as an "end user" and consumer of tequila and it is hoped that this will be of some help to those interested in tequila opportunities in the U.K.

The Tequila Market in the U.K.

This market is largely undeveloped. This means that there is a lot of room for more sales activity. In general the tequila market can be seen as following the U.S. and Mexican markets. A consideration of tequila sales should take into account three general ways of buying and consuming the spirit:

- 1.) As shots and/or slammers
- 2.) As mixed drinks, notably the margarita
- 3.) For sipping and savouring, like a fine cognac

The first seems to be the most common experience being reported by U.K. drinkers. Often they have "shot" or "slammed" tequila when getting drunk or while already drunk. For many the memories are not positive. To deny this aspect of the tequila experience would not necessarily be productive. A better approach will be to accentuate the other ways to enjoy tequila.

The second way to drink tequila has been the most important in helping it reach its current popularity. This would certainly seem to be the case in the U.S. where, since the 1950s, the margarita has been gaining in consumption. Today many consider this cocktail the #1 in world popularity. It is believed that Mexican restaurants and bars have done a lot to expose the public to this drink. For many, their initial tequila experience is with a margarita; as such it works as a tequila introduction. The versatility of tequila to be mixed with many things (fruit juices, sodas, as cocktails) gives it an advantage. As such tequila and tequila mixed drinks can be enjoyed in a number of situations, i.e. before, during, and after a meal, at parties and at celebrations.

The third way to enjoy tequila is the most recent: the sipping and savouring category. This is the smallest in volume and shows a large potential for growth. At Tomas Estes' bars, experience has shown that the demand exists for high-end, rare, expensive, status tequila sales. There are recently reported sales of three and four hundred pound UK bar bills, based on premium shots and margaritas made with expensive tequilas. There has been a surprising quantity of tequila sold at 100 pounds UK a shot (3.5cl), over 400 over the past four years. What accounts for this

phenomenon? This would seem to reflect a public with adventurous attitudes and enough disposable income on one hand and well trained, passionate salespersons (bar staff and servers) on the other.

How to Accelerate Growth in Tequila Sales

This is a matter of advancing awareness and appreciation of tequila in the public eye. This has largely been accomplished in the U.S. at the "end user" side by bartenders, serving staff in restaurants, bars, night clubs and resorts, and by off-license salespersons to a lesser degree. The same approach has started in the U.K. and has already shown encouraging results in tequila sales, especially in the margarita and fine sipping types.

To further stimulate sales, two directions can be taken. To educate those closest to the "end users" and especially to motivate them. Tomas Estes has seen the best results from "salespersons" who are passionate about tequila. This seems to be far more effective than a large knowledge or understanding of the spirit itself. It seems preferable that tequila to be in one's heart rather than in his/her head.

Points to Consider When Educating/Motivating "Salespersons" on Tequila

- The versatility of the spirit, whether consumed straight, mixed in a wide variety of ways, or sipped and how it serves many different occasions.
- That it is a high quality product made to high standards of production.
- That it is a product which takes years to make considering the growth period of the agave plant.
- That it is a natural product, from the earth.
- That it represents Mexico and all its romance.
- That it ideally suits today's lifestyle, considering the above points and that tequila is associated with fun and merriment.

Challenges to Growth

- Tequila has a negative image to many in the U.K. due to experience with low quality or even fake tequilas. Solution: the enforcement of tequila name control.
- The U.K. and Europe are not the cocktail cultures (yet) that the U.S. is and has been. It is understood that 85% or so of the tequila sold is mixed in drinks, usually the margarita. This can be seen as a major consideration. How to get the British and Europeans to try tequila in a palatable beverage and then to possibly move on to experiencing tequila as a sipping drink? Solution: provide them the opportunity by educating and encouraging drinking establishments.

Distribution of Tequila in the U.K.

This is generally done by importers who buy directly from Mexico and sell on to distributors who in turn sell on to restaurants, bars, off-licenses and super markets. The classical/traditional structure for small volumes has been:

1. Importer
2. Distributor (cash and carry and/or wholesaler)
3. Retailer
4. "End user" consumer

As sales of tequila are low relative to other spirits, the above generally holds. When volumes increase, the middle man tends to be eliminated. This is what happened in the U.K. in the past ten years as concerns wine. When volumes became large enough, the supermarkets stopped buying from the middle man and bought directly. The larger companies importing and distributing tequila in the U.K. are Diagio, Allied Domecq, Coe Vintners, Wine and Spirits International, Venus, and Amathus.

Summary

The tequila market in the U.K. and Europe is in its infancy. With the large population, affluence, and awareness of world trends, there would appear to be an attractive potential for growth.

The key to stimulating the consuming public seems to be through education, heightening the awareness of tequila's positive attributes and stimulating a love or passion for tequila by associating it with celebration, fun and good times. These first can be done in structured, educational programs while the second needs to be "cultured" by others who already have love, passion or enthusiasm for tequila.

Both approaches are helpful and work together, the one from the head and the other from the heart. Tomas Estes is planning to be in tequila country on a tequila mission from April 28th through May 1st, should anyone wish to meet with him. Contact information for Tomas Estes: email: tomastequila@aol.com, telephone # 1 541 482 4948.