



# Trademark Licensing Program

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## Introduction

Over 50 years ago, Don Francisco “El Güero” Hill had the vision to create a line of soft drinks made from natural fruit extracts that would reflect the flavors and tastes of the Mexican people. His popular soft drinks would later be known as Jarritos. The name has its origin in the Mexican tradition of drinking from clay pottery jugs, called “jarritos”, which keeps beverages fresher and cooler.

Jarritos, the #1 Mexican soft drink in the U.S., is sold by Novamex through over 400 distributors from coast-to-coast. With a 17-year track record of success, Novamex is the leading marketer of authentic Mexican foods and beverages in the U.S. The company has achieved a compound annual growth rate of 27% over ten years, and its brands are either #1 or #2 in their respective categories. Novamex seeks Jarritos brand licensees in the U.S. for select product categories.

## Jarritos® Brand Overview

Jarritos is the **#1 Mexican soft drink** in the U.S. Jarritos brand soft drinks have a unique taste, specific flavors, and other elements that provide strong cultural identification. In addition, total brand awareness consistently ranks in the **high 90 percentile** – second only to Coke® (measured against a Mexican American target audience).

### Brand Highlights

- First national Mexican soft drink (established in 1948)
- #1 Mexican Soft Drink Brand in U.S.
- 24% average annual growth over past four years
- 99% total awareness (among Mexican Americans in core markets)

### Strategic Platform

- Basic Promise: only Jarritos gives the most Mexican taste and zest to all of your life moments.
- Consumer Perception: only Jarritos gives me full satisfaction with all the flavors I like most.

Jarritos is an authentic Mexican brand with a personality that is surprising, humorous, satisfying, and very Mexican. Jarritos brand power is fueled by high awareness and a strong brand image with **distinctive equity attributes**.

### Brand Image



Source: Jarritos tracking study

## Jarritos® Product Overview

Jarritos soft drinks are made from **natural fruit extracts** that reflect the flavors and tastes of the Mexican people. Jarritos is available in single and multi-serve sizes in nine delicious fruit flavors:

- Tamarind
- Mandarin
- Fruit Punch
- Jamaica
- Lime
- Grapefruit
- Guava
- Pineapple
- Strawberry

### Value Proposition

**Made to fit the Mexican palate just right:**

- Popular Mexican fruit flavors
- Exact amount of carbonation
- Pure sugar cane, not artificial sweeteners
- Distinctive packaging: glass, shape and texture

## Chronology

- 1950** Jarritos coffee flavor launched using a unique bottle design in Mexico City.
- 1951** “El Güero” Hill develops a process that allows tamarind juice extract to be suitable for a soft drink, resulting in the first tamarind flavored soft drink in Mexico.
- 1951** Mandarin, Lemon and Fruit Punch flavors are introduced.
- 1954** Becomes the best-selling Mexican soft drink in less than five years after conception.
- 1955** Distribution in central Mexico is second only to Coca-Cola.
- 1960** Distribution reaches 80 percent of the states of Mexico. As the brand expands throughout the Mexican republic, it begins acquiring new tastes and flavors.
- 1988** The Hill family from Mexico City and the Fernandez family from Ciudad Juarez form a strategic alliance to begin exportation to the US.
- 1989** Mandarin and Tamarind introduced in glass bottles and begin selling in a few markets in the U.S.
- 1991** New flavors introduced from Mexico – Lemon, Jamaica, Grapefruit, Pineapple, Fruit Punch and Guava.
- 1993** Two liter family size introduced in Mandarin, Tamarind, Fruit Punch and Lemon flavors.
- 1997** Distribution reaches all major Hispanic markets across the U.S. becoming the leading Mexican soft drink brand in the U.S.
- 2000** New Strawberry flavor introduced; Grapefruit available in 2 liter.
- 2001** Plastic 20 oz size introduced for convenience stores and other points of sale.
- 2002** Strawberry and Pineapple introduced in 2 liter; all 2 liter bottles changed to new authentic bottle shape.

## Jarritos® Marketing

Novamex recognizes the importance of maintaining a healthy brand and is committed to building the Jarritos brand franchise through an integrated marketing program. Jarritos is the clear leader in brand awareness and market share in the Mexican soft drinks segment. In fact, the Jarritos brand has over **50% market share** of the Mexican soft drinks business in the U.S.

Novamex supports the Jarritos brand through a national advertising program. Jarritos advertising and promotion includes network and spot television, local radio, promotions, and sponsorships. In fact, Jarritos marketing reaches **97% of Hispanic households** in the U.S.

### Integrated Marketing Program

- TV & Radio: consistent support in key markets
- Promotions: three national promotions per year
- Special Events: including “5 de Mayo” and “16 de Septiembre”
- Sports Sponsorships: major participation in soccer

Jarritos local marketing events, community support and ‘in-culture’ marketing maintain a constant presence and connection to Mexican Americans in the communities where they live. Jarritos is a simple pleasure and a small, but important part of the assimilation process for Mexicans into the American society.

Novamex also provides a **strong trade promotion** program – which includes retail POS, PR, and remotes tied to local marketing events. National distribution through a wide range of retailers and restaurants keeps the brand accessible to the 26 million Mexican Americans in the U.S. This additional channel exposure further enhances the Jarritos brand.

The combination of national support and community involvement is the primary reason why Jarritos enjoys very **high awareness and preference** over all other Mexican soft drink brands and is second only to Coke® in preference among Mexican Americans.

## Jarritos® Consumers

Estimated at 40 million, the **Hispanic population** is growing even faster than some had predicted, and is now the **largest minority group** in the US. By 2020, Hispanics are expected to exceed 70 million or 20 percent of the U.S. population.

Companies are increasingly reaching out to Hispanics. At stake is **substantial buying power**, expected to reach **\$926 billion in 2007**, up dramatically from about \$580 billion in 2002. Hispanics spend more on groceries, furniture, children's clothing and footwear than non-Hispanics because they have larger families (on average). They're also relatively youthful: while 26 percent of the U.S. population was under 18 in 2000, 35 percent of Hispanics were under 18.

As the largest group of the 'Hispanic market', **Mexicans account for 26 million** or roughly two-thirds of the Hispanic population in the U.S. The difference between Mexican, Puerto Rican, and other Latin American countries includes 500 years of separate history. And the attitudes that Mexicans have towards a given product category can differ greatly from the general market.

### U.S. Hispanics are not a homogenous group

- 67% claim to be of Mexican origin
- 15% from Central and South America
- 9% from Puerto Rico
- 9% others

As a whole, the Hispanic population of the United States holds an array of attitudes, values and beliefs that are distinct from those of non-Hispanics. However, there is no single, homogeneous Latino opinion. Hispanics more often see themselves more as having separate and distinct cultures based on country of origin rather than sharing a single culture as Hispanics or Latinos.

To be successful in the Hispanic market, marketers need to communicate the uniqueness of their products in a manner that is **culturally relevant** to each group. Authentic brands are highly regarded and sought out by first generation as well as more assimilated second and third generation Hispanic consumers.

**Sources:** U.S. Dept of Labor; Census Bureau; Selig Center for Economic Growth; 2002 National Survey of Latinos, Pew Hispanic Center/Kaiser Family Foundation

# Jarritos® Brand Licensing Program

## Licensing Program

The Jarritos Brand Licensing Program offers **immediate opportunities** to capitalize on the fast growing Hispanic market by appealing to a large, loyal consumer group. It can allow licensees to break through the clutter with a powerful, brand that's known and trusted among Mexican Americans.

Novamex is seeking strong licensees for **select product categories**, including: apparel, beach and outdoor products, decorative home accessories, and confections and desserts.

## Licensors

Novamex distributes Jarritos in the U.S. through 450 distributors from coast-to-coast. With a **16-year track record of success**, Novamex is the leading marketer of authentic Mexican beverages and foods in the U.S. The company has achieved a double-digit annual growth rate over the past ten years, and its brands are leaders their respective categories.

In addition to its flagship brand Jarritos, Novamex also distributes other leading Mexican beverages and foods: Cholula™, Chata™, D'Gari™, Ibarra™, Mineragua™, Rogelio Bueno™, Senorial™, Sidral Mundet™ and Tuny™).

## Licensing Contact

Goldmarks® is the exclusive representative for the Jarritos Brand Licensing Program in the U.S. Founded in 1997, Goldmarks is a Chicago-based firm specializing in the planning, development and valuation of licensed products. The company has assisted a diverse range of licensors (e.g. Jack Daniels, Motts, Nabisco) to develop brand extension licensees (e.g. Heinz, Pillsbury, Procter & Gamble) in beverages, food, and other CPG products.

To learn more about Jarritos brand licensing opportunities, visit [www.JarritosLicensing.com](http://www.JarritosLicensing.com) or contact Kirk Martensen at 847 993-3175 or [kirkm@goldmarks.net](mailto:kirkm@goldmarks.net)

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