

An Interview with Ken Austin, Founder and Chairman, Tequila Avión

EDITORS' NOTE Ken Austin is one of Marquis Jet's Executive Vice Chairmen. Early in his career, he worked in senior management positions at E.&J. Gallo Winery and The Seagram Beverage Company. Austin is the Founder and Chairman of Tequila Avión, which he founded in 2009 with Kenny Dichter, Founder, Chairman, and CEO of Marquis Jet and Chairman of MGX Lab.



COMPANY BRIEF Tequila Avión Ken Austin (www.tequilaavion.com) is pro-

duced from only the finest Blue Weber Agave found in the very highest regions of Jalisco, Mexico. The smooth taste of Tequila Avión begins with the product formulation that comes to life through slow roasting the agave in brick ovens followed by a small batch distillation and culminates in a proprietary filtration process coined ultra-slow filtration. During this process, the flavors become firmly set to Tequila Avión's specification. Tequila Avión is available in Silver, Reposado, and Añejo expressions.

You recently launched Tequila Avión. What did you see in the market that made you feel there was an opportunity, and what is your vision for the brand?

It has been a dream of mine for many years to create an ultra-premium tequila.

There is only one major ultra-premium tequila dominating the space and the category is growing, so there is plenty of room for everyone to play.

The number-two player in the space is a very distant number two, 1/12th of the size, so I saw a great market opportunity to be number two in the space.

I told Kenny that I wanted to create the best tequila in the world and call it Avión. I had a vision for the package and for the incredible taste profile I was looking for, and Kenny said, let's do it.

It's a dream come true for me and so far, so good.

Will you take us through the process of creating the ultimate product?

There were many different tequilas in the market. I was looking for a high quality highland agave and looking to find a master distiller and a team of people that we felt we could trust and could work with hand in hand. We worked on the formulations with our master distiller and our team in Mexico, and went through many iterations of the process, including the cooking of the agave, which we slow roast in brick ovens.

Every time I went through a tasting with our master distillers, I wasn't satisfied because of the bite and burn that even the biggest brands of tequilas have. I wanted an incredible sipping tequila, attainable for people who would buy a \$40 to \$60 bottle of tequila, but it had to be the best tasting

from an agave standpoint and it also had to be the smoothest.

We came up with a process that we call ultra-slow filtration, but it's a proprietary process where we filter the product about 10 times slower than normal. We're not adding anything, we're not taking anything out – it's still totally natural. But the way we're filtering the product makes it incredibly smooth, there is very little bite in it, and people who taste it say we have come up with an incredible product. We're very good at marketing and branding, but getting a great product in the bottle was the key.

How did you go about making sure you had the right channels for distribution, and how broad will the distribution be?

We started by rolling out only in New York and California and just rolled out in New Jersey. Based on the jet business we're in, we know a lot of the players on both coasts; it's where brands are made and trends are started in North America.

Now based on the velocity that we already see with the brand, we will be expanding sooner than we planned, but we will be very thoughtful as to our expansion. We don't want to shoot ourselves in the foot, and grow out of too many markets.

How much growth do you foresee, and are you aiming to be the alternative to that big player?

It's not an alternative. I feel the tide will lift all the boats in this business. Ultra-premium tequila is on an upswing. Tequila is no longer just a summertime product – people drink it 12 months a year. Tequila is the new vodka. A lot of people are drinking tequila in cocktails – they're making Avión Cosmopolitans now in martini glasses and mixing Avión with juices, tonic, soda, etc.



Therein lies the opportunity. It's not a matter of stealing market share from a player. No one should fear what we're doing; we're bringing more panache, exposure, and credibility to the category. We want to do well, but the category is going to do well because of other players coming in, spending money, and focusing on the ultra-premium tequila category.

Our goal is to be a dominant player. I'm not going to say today that we're going to be the number one player in ultra-premium tequila. But to be number two in this space? There is no question in my mind that we will be.

How do you plan to build the awareness and get the message out?

My Seagram background has been very helpful, and we've brought in an incredible management team.

We're marketing in a way that small companies don't normally market. We have billboards, we're advertising in certain magazines and in the *Wall Street Journal*. Our product is featured on *Entourage* on HBO and was written into the entire story line.

Based on the relationships that we've developed over the past 10-plus years, many people are rooting for us and love Avión.

We're going to market and brand the way we know how to, but it's in the bottle. And when people taste this product, they will say, this is great.

The other key is work ethic and our team living the brand and being out there with the customer and consumer.

Now that the product is out there, can you take some time to appreciate what you've created?

I'm in awe that we got it done, because everyone in the industry said there was no way we would get it done. Getting a distributor is almost impossible because of the consolidation, but they have the power and the clout to get you out there. We were fortunate to hook up with the right people – it's surreal. And we should not be celebrating because there is a long way to go. Never in a start-up can you just sit back.

Left to right: Tequila Avión Reposado (aged six months), Silver, and Añejo (aged two years)