

# Trade Marketing

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# BUILDING AN EFFECTIVE TRADE PROGRAM

**Learn**

**Shopper  
Occasions**

**Channel Drivers**

**Path to Purchase**

**Shopper Safaris**

**Explore  
Week**

**Ideation Session**

**Prototype**

**Promo Screener**

**Virtual  
Prototypes**

**Physical  
Prototypes**

**In-Store  
Test**

**Test & Learn  
Shopper Metrics**

**Launch &  
Measure**

**Program  
Dashboard**

**Commercial  
Visibility**

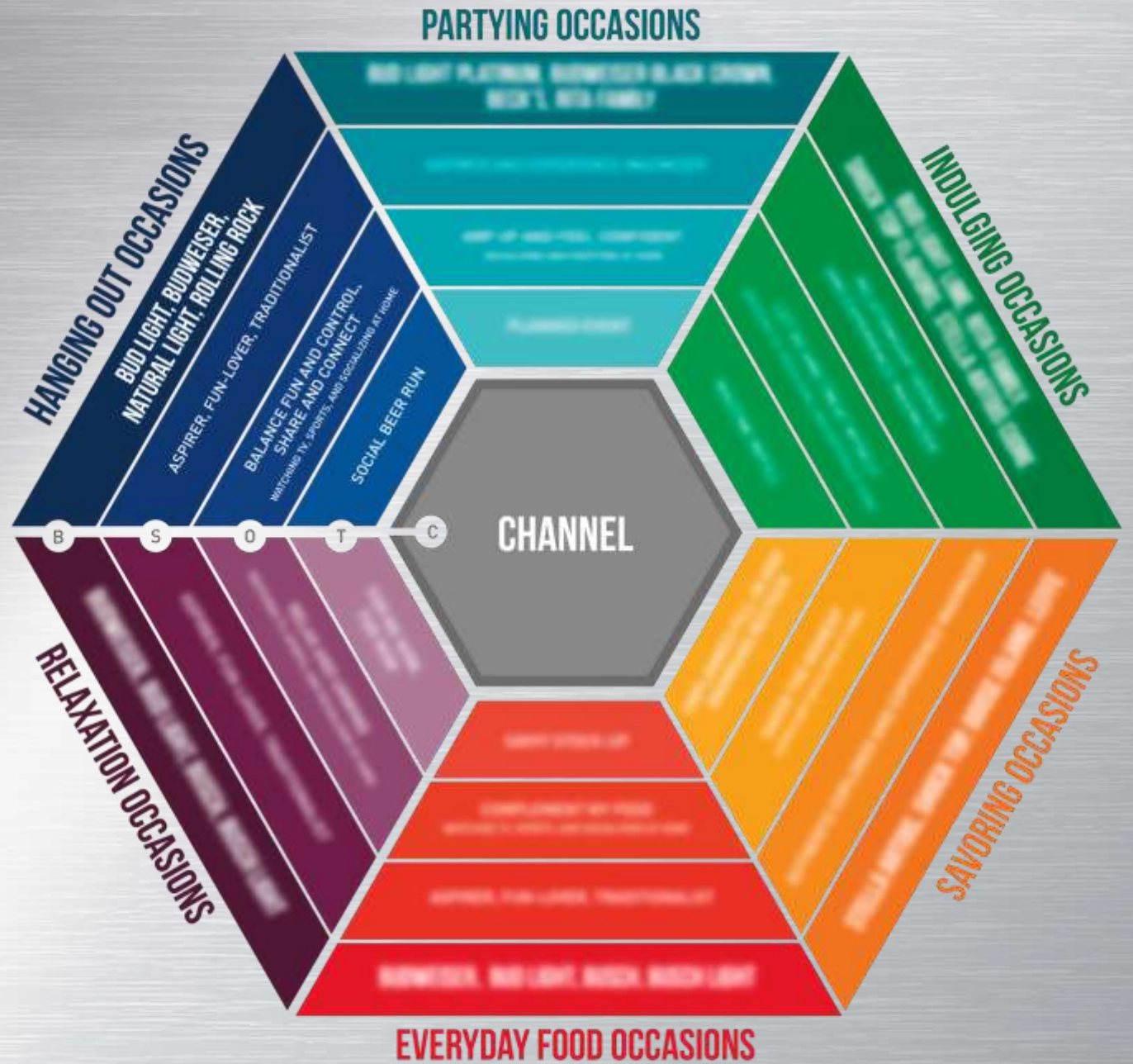
**Drill Down Tools**

# START WITH DEEP UNDERSTANDING OF **SHOPPER OCCASIONS**

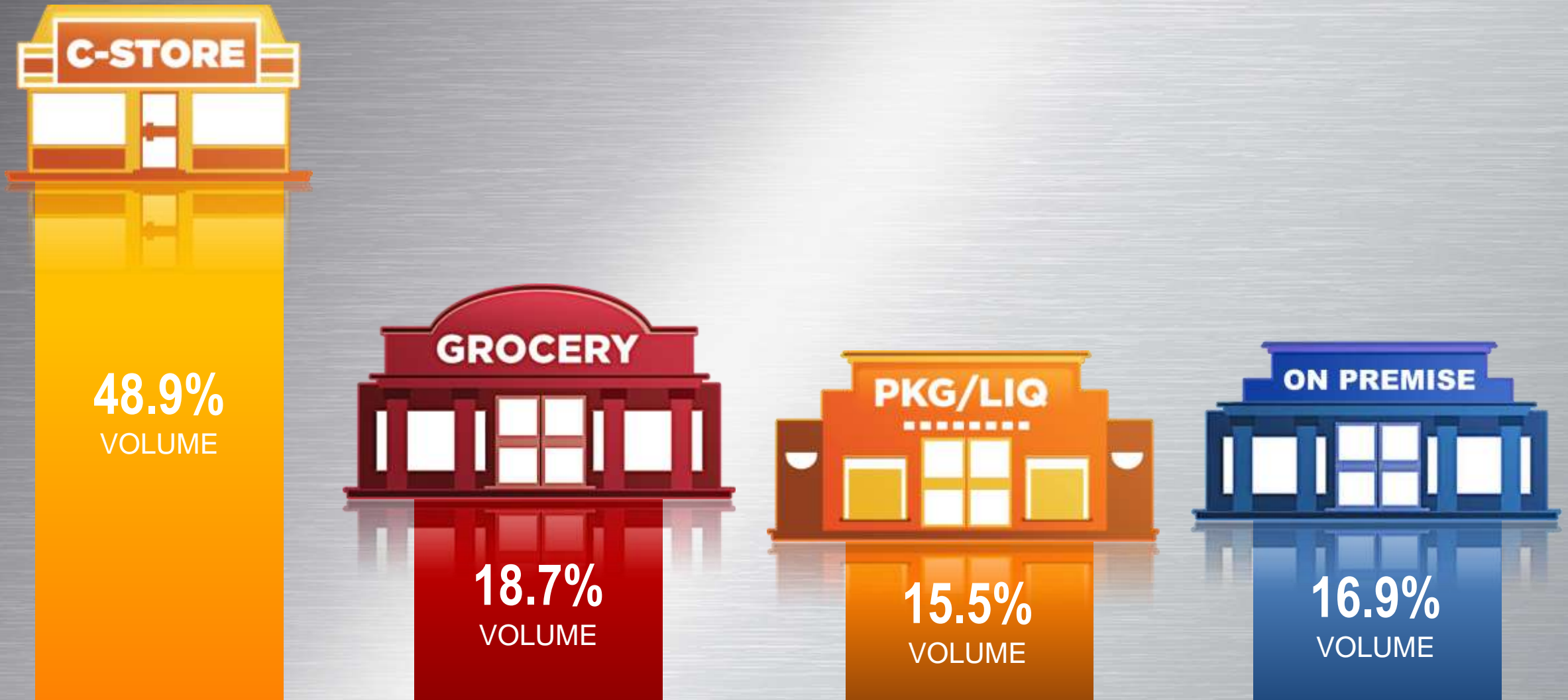
Learn



# WE HAVE THIS FOR SIX WELL-DEFINED OCCASIONS



# DEEP UNDERSTANDING OF CHANNEL DRIVERS



C-Store includes Drug Store

Source: AB Internal Sales Data

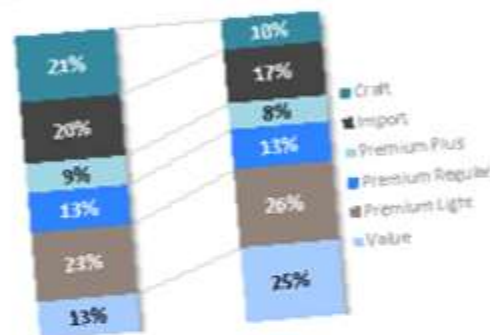
# CONVENIENCE CHANNEL DRIVERS

## C-Store Beer Shopper Profile

### Demographic & Economic Profile



### Share of Segments Purchased\*



	Total Retail	Total C-Store
Avg HH Size	2.7	2.7
< \$35K	29%	46%
\$35K - \$49.9K	31%	30%
\$50K - \$64.9K	23%	14%
\$65K - \$99.9K	18%	10%
\$100K+		18%
Blue Collar	12%	18%
White Collar	46%	37%
Grey Collar	21%	22%
Student	5%	8%
Caucasian	78%	69%
African Amer.	12%	11%
Asian	5%	3%
Other Hispanic	6%	7%
Non-Hispanic	18%	20%
Non-Hispanic	82%	80%

### Daypart for Visit



### Weekday vs. Weekend



\*Color indicates index versus Total Retail



# CONVENIENCE CHANNEL DRIVERS

## C-Store Strategy – Drivers and Insights



### DRIVE CONVERSION

- Low BEER buyer conversion (18.1%), in this channel
- Consumers spend 66% of their BEER dollars outside of C-Stores
- 65% - 75% of C-Store customers are "pump only"



### WIN IMMEDIATE OCCASIONS

- 76% of C-Store trips are immediate consumption
- Represents 42% of the consumption trip missions & singles represent 55% of units purchased
- Almost half of all BEER purchases will be consumed within an hour with 92% sold cold



Shopper  
insights



### CORE SHOPPER RETENTION

- Most Valuable Shopper: Generate 70% of C-Store BEER Category Sales
- 60% BEER Shoppers buy BEER 3+ times a week
- Occasions are a key driver and this category represents an opportunity to engage with the shopper



### DRIVE TOTAL STORE PERFORMANCE

- Linked cross category affinities with BEER use occasion
- High market basket sales and lift
- Strong consumer perceived value

ABInBev

ABInBev



# CHANNEL STRATEGY BASED ON DRIVERS

## 2014 Strategy



Drive Conversion  
Win Immediate Consumption  
Increase Total Store Performance

## Channel Drivers

Trip Missions  
Single Serve  
Cold Space/PTCs

## Initiatives

Merchandising Scale Up  
Light Trade Programs  
Rock the POC Turbo



Expand the store footprint  
Increase the number of stores  
New store & existing store

High Space  
High Traffic  
High Visibility

Category Leadership  
New SKUs  
Cross Merchandising 2.0 (Plus SKUs)



Scale up store footprint and  
SKU depth  
High traffic locations  
High visibility

High Space  
High Traffic Locations  
High Visibility

Scale the POC  
High traffic locations  
High visibility



Scale up footprint  
Increase store footprint, SKU  
Trade Programs, and Effective SKUs

High Footprint  
High Traffic  
High Visibility

New Segments / Quantities  
High Traffic / High Visibility  
SKU

# CROSS FUNCTIONAL TEAM SCREENS HUNDREDS OF IDEAS

Explore  
Week

**80-100**

Ideas per priority

**SETS UP OUR RETAIL PILOTS**

**PRIORITIZES PROTOTYPES**

# IDEAS PROTOTYPED AND IMPROVED AT OUR **RETAIL LAB** BEFORE IN-MARKET TEST

Prototype



# INDUSTRY-LEADING PREDICTIVE ANALYTICS

In-Store  
Test



Harvard Business Review  [www.hbr.org](http://www.hbr.org)

*Managers now have the tools to conduct small-scale tests and gain real insight. But too many "experiments" don't prove much of anything.*

## How to Design Smart Business Experiments

by Thomas H. Davenport

**Goldman Sachs**  
INVESTED  
**\$100<sub>MM</sub>**

A collage of logos for various retail and food stores. At the top is the Walmart logo. Below it are Publix, Walgreens (with the tagline "There's a way"), DARDEN, Albertsons, and Meijer (with the tagline "Higher Standards"). Further down are KANGAROO, Red Lobster, Olive Garden, Jewel-Osco, BP LO, Wawa, shaw's star, and DOLLAR GENERAL.



# ... TO APPLY TEST & LEARN METHODOLOGY



*Test store sales data is indexed vs. Control store sales data to isolate the lift/impact of the trade marketing program*

# WEEKLY ROUTINE WITH REGIONS TO IDENTIFY GAPS DOWN TO THE POC LEVEL

**Launch & Measure**

**Region Drill Down**

**Bud Light Super Bowl Frito Display**

with a 98.1% execution rate

Program finished with positive incremental lifts

increase in both cases and brands on display

**State Drill Down**

**Bud Light Super Bowl Frito Display - Region 2**

Program ended with a 98.7 execution rate

ABI and Bud Light finished with positive incremental lifts

ABI had an increase in both cases and brands on display

**Wholesaler Drill Down**

R2 Mid-Atlantic	6,770	98.7%	4.5%
R3 Southeast	6,779	99.0%	0.9%
R4 Great Lakes	5,836	98.5%	8.0%

**Bud Light Super Bowl Frito Display - Region 2 Wholesaler's**

- Program ended with a 98.7 execution rate
- ABI and Bud Light finished with positive incremental lifts
- ABI had an increase in both cases and brands on display

**Account Drill Down**

RF based on A-B Pct Mobility Execution  
Program timing: 12/31/12 thru 2/3/13; Updated thru WE 2/3/13

Whs	Account	Account	Account
	A-B	A-B	A-B
North Carolina	2,078	98.3%	3.5%
South Carolina	1,303	100.0%	3.2%
Tennessee	677	97.7%	6.0%
<b>Total</b>	<b>4,058</b>	<b>99.0%</b>	<b>4.2%</b>

RF based on A-B Pct Mobility Execution  
Program timing: 12/31/12 thru 2/3/13; Updated thru WE 2/3/13

Whs	Account	Account	Account
	A-B	A-B	A-B
R & J JEFFREYS DIST CO LLC (RALEIGH, NC - 63269)	525	99.0%	3.5%
AJAX TURNER CO INC (LA VERGNE, TN - 04163)	263	99.0%	3.2%
SOUTHERN EAGLE DIST CO LLC (CHARLESTON, SC - 33912)	258	98.8%	6.0%
<b>Total</b>	<b>1,046</b>	<b>98.9%</b>	<b>4.2%</b>

**Bud Light Super Bowl Frito Display - Account Level**

- The Top 30 Stores executed the Super Bowl Frito Display Program
- Wholesaler executed the Super Bowl Program in 514 accounts

Address (Whs Assigned Cust #)	Account Targeted	Account Execution	Channel
100 BROAD STREET (010812)	1	1	OSTore
100 FACTORY SHOP RD. (010830)	1	1	OSTore
100 REILLY RD (00383)	1	1	OSTore
1001 N. HARRISON AVE (01353)	1	1	OSTore
1001 S E CARY PARKWAY (010631)	1	1	OSTore
1003 LANCASTON POND DRIVE (010471)	1	1	OSTore
1003 MON ROE STREET (012616)	1	1	Supermarket/Grocery
10030 GLENWOOD AVENUE (01479)	1	1	Club/Mass Merch
1006 E CASWELL STREET (00301)	1	1	OSTore
1006 NICHOLS ST. (01259)	1	1	Drug
1007 SPRING LANE (013487)	1	1	OSTore
1008 HWY 10 WEST (01078)	1	1	OSTore
101 HAMPTON WOODS LANE (011066)	1	1	OSTore
101 NORTH EASTERN BLVD (02007)	1	1	OSTore
101 PLAZA ROAD (03048)	1	1	Drug
101 SOUTH RALEIGH STREET (013800)	1	1	OSTore
101 WEST GANNON AVENUE (011210)	1	1	Drug
10100 LEEVILLE ROAD (011121)	1	1	OSTore
10108 BLUE HWY 10 WEST (010435)	1	1	Supermarket/Grocery
1015 HOPKINS RD (020118)	1	1	OSTore
1016 N ARBIDALE STREET (020610)	1	1	Drug
10210 RPH REILLY RD. (00317)	1	1	Supermarket/Grocery
1020 ALBEMARLE RD (030534)	1	1	Supermarket/Grocery
103 COUNTRY CLUB DRIVE (020496)	1	1	Drug
103 S W MAYNARD ROAD (013878)	1	1	OSTore
1030 NORTH ROGERS LANE (011036)	1	1	Supermarket/Grocery
1032 N HARRISON BLVD (013898)	1	1	OSTore
104 S CHERAW RD (030286)	1	1	OSTore
1048 EAST CASWELL STREET (020473)	1	1	Supermarket/Grocery
105 E CONNECTICUT AVE. (013514)	1	1	OSTore
<b>TOTAL ACCOUNTS</b>	<b>520</b>	<b>513</b>	

# DISCIPLINED PROCESS DRIVING RESULTS FOR TRADE PROGRAMS



+1.3%  
LIFT



+0.5%  
LIFT



+1.8%  
LIFT



+1.5%  
LIFT



+0.7%  
LIFT

+1.0%  
LIFT



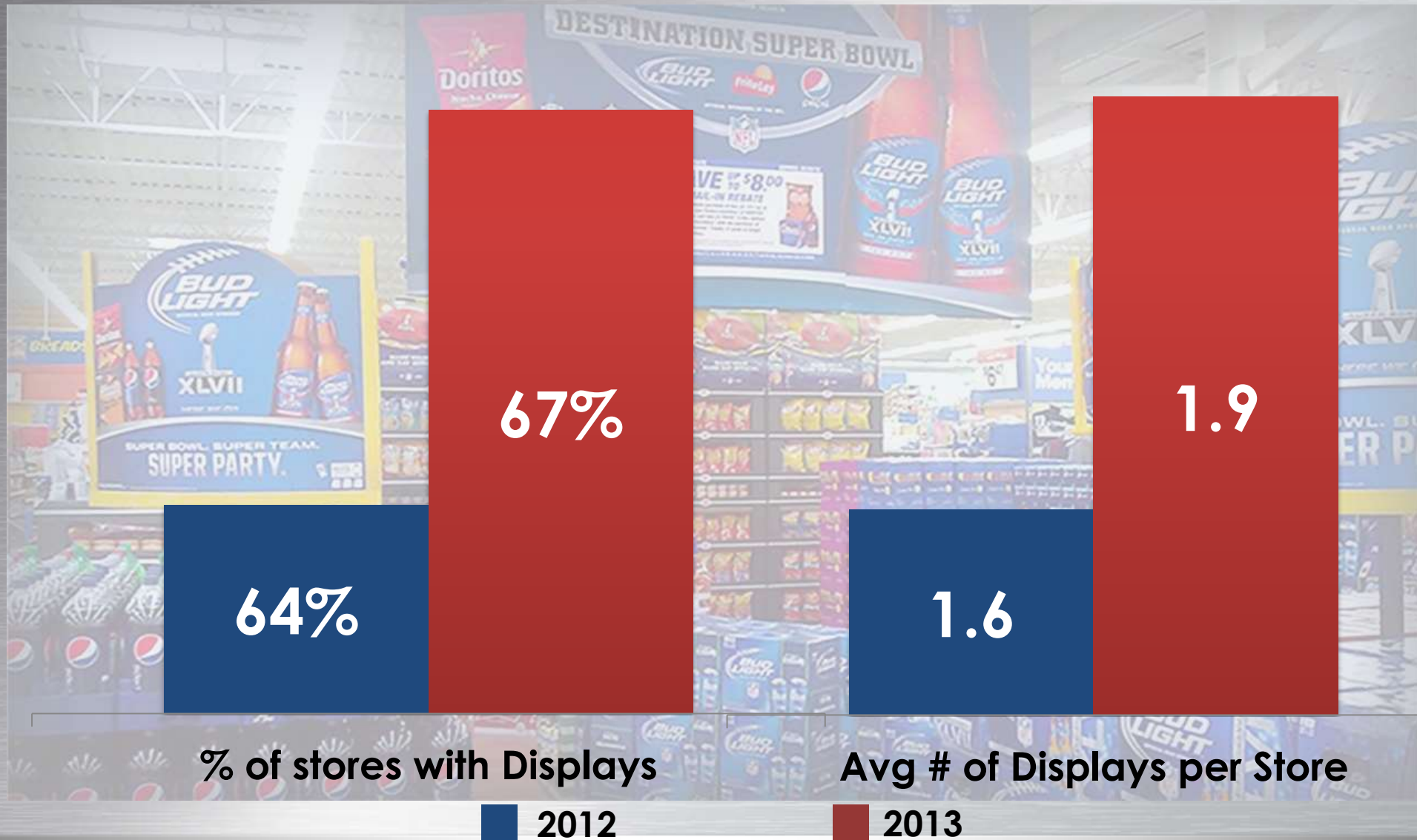


# ACCOUNTS EXECUTING PEPSICO PARTNERSHIP TRENDING **+1.0%** VS. CONTROL





# DRIVING NUMBER OF DISPLAYS PER STORE



# SCALING UP PROVEN TRADE PROGRAMS



# SCALING UP PROVEN TRADE PROGRAMS



# MAJOR OPPORTUNITY EXISTS IN THE ON-PREMISE



# COMPREHENSIVE GLOBAL STUDY

## NORTH AMERICA

Diverse, cosmopolitan cities in North America

## MOSCOW

Key market for ABI and an emerging global market

## ANTWERP & LONDON

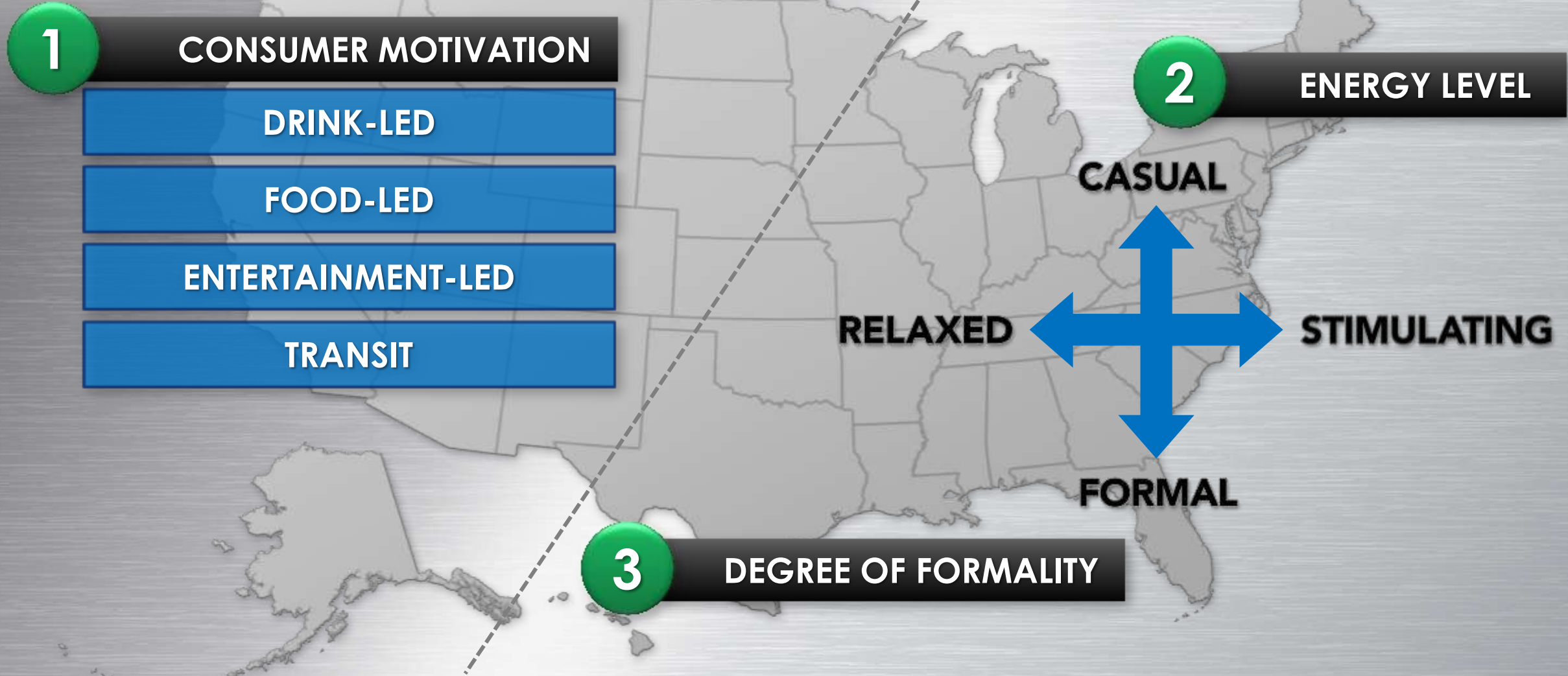
Traditional markets with new retail environments

## SAO PAULO

Key market for ABI and an emerging global market

ENGAGED  
EXTERNAL  
SPECIALIST  
SUPPORT

# NEW ON-PREMISE SEGMENTATION



# 2014 STRATEGY

← DRINK-LED →

← FOOD-LED →



Note: For Wine Bars, Outdoors Bars and Cafés, each has 0% of TA servings  
Source: AB InBev Field reps questionnaire; Consumer Survey; Booz & Company analysis

■ BEER

# 2014 STRATEGY

← DRINK-LED

FOOD-LED →



Aggressively  
Grow Draught  
Distribution

1

BEER

Note: For Wine Bars, Outdoors Bars and Cafés, each has 0% of TA servings  
Source: AB InBev Field reps questionnaire; Consumer Survey; Booz & Company analysis



# 2014 STRATEGY

← DRINK-LED →

← FOOD-LED →



**Aggressively Grow Draught Distribution**

**Increase Relevance with Food**

1

2

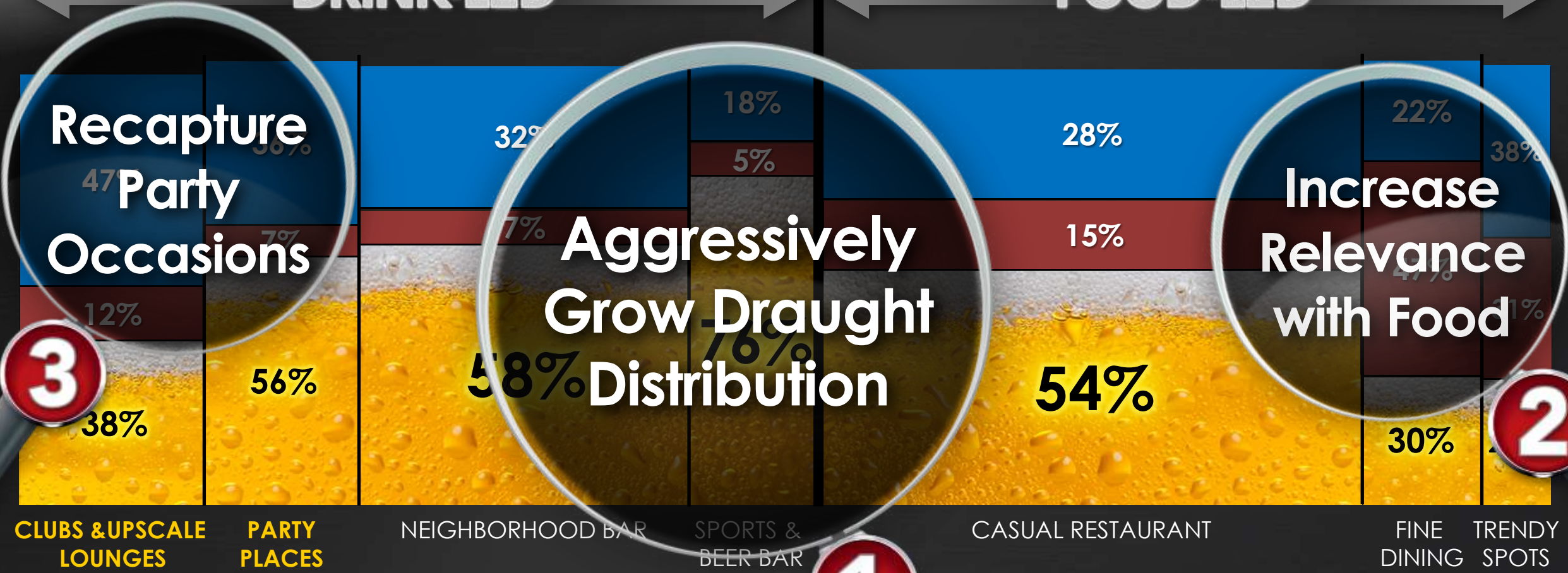
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BEER WINE

# 2014 STRATEGY

DRINK-LED

FOOD-LED



**3**  
Recapture Party Occasions

**1**  
Aggressively Grow Draught Distribution

**2**  
Increase Relevance with Food

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BEER WINE HARD LIQUOR

# 2014 STRATEGY

**DRINK-LED**

46% of Servings

**FOOD-LED**

42% of Servings

**Recapture  
Party  
Occasions**

**Aggressively  
Grow Draught  
Distribution**

**Increase  
Relevance  
with Food**



**3**

**1**

**2**

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**3**

**2**

**1**

CLUBS & UPSCALE LOUNGES

PARTY PLACES

NEIGHBORHOOD BAR

SPORTS & BEER BAR

CASUAL RESTAURANT

FINE DINING TRENDY SPOTS

*Note: For Wine Bars, Outdoors Bars and Cafés, each has 0% of TA servings  
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BEER WINE HARD LIQUOR



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**3**



**2**

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BEER WINE HARD LIQUOR



# PROVEN TRADE PROGRAMS



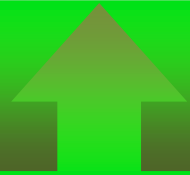
+2.7% LIFT



+1.0% LIFT



+0.7% LIFT

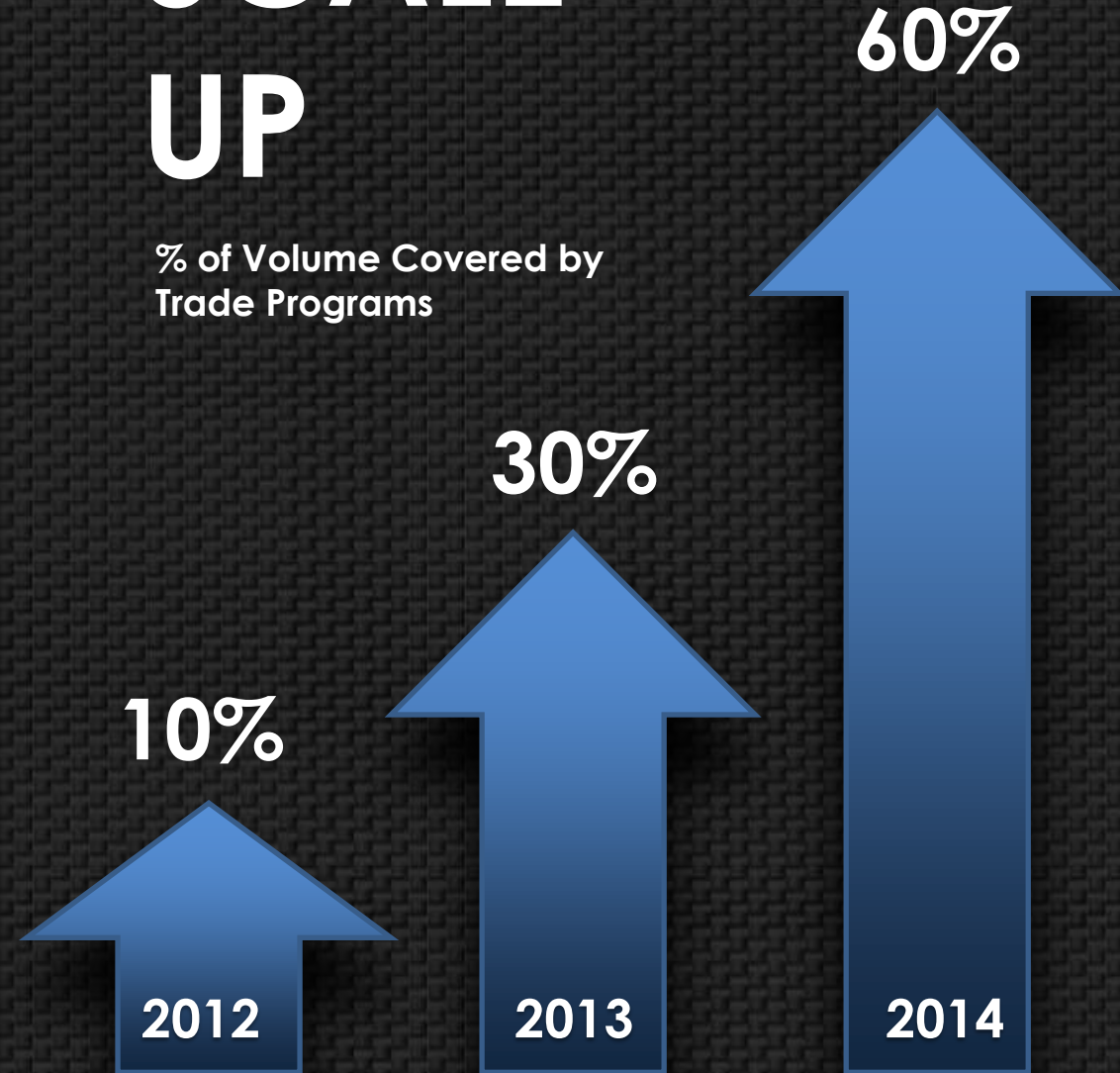


+12% LIFT



# SCALE UP

% of Volume Covered by Trade Programs





**SALES MACHINE**

**U.S.A.**