

Investor Seminar
November 14th, 2013
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Thank you Ricardo.

Good morning everyone! As Ricardo just showed you, we are building a super highway for our Sales Machine. But without great content, it would be like driving a Ford Pinto on that highway. Which is why our role in Trade Marketing is to put together, Insights driven retail programming to help drive topline growth...so we can drive a Ferrari to help us gain competitive advantage on this great highway we have built

In order to build topline driving trade programs, we have put together a very structured process in place. We start with a deep understanding of our shopper, using a comprehensive "Shopper Occasions" framework.

This framework looks at the major beer buying occasions to understand, what they are buying, who they represent, what is the occasion, why are they Shopping, and of course, where are they shopping?

So, we can have a comprehensive view of that key demand moment that will drive shopper conversion. And we have this for 6 well defined occasions that we use to innovate, establish our merchandising look at retail and also identify where our biggest opportunities lie.

And of course these shoppers shop at different channels, which is why it's really important to have a deep understanding of each channels drivers. Let me walk you through an example of what we have for convenience...our largest channel.

Starting with each channels shopper profile, we build out key drivers that are connected to insights...such as... 76% of c-store trips are for immediate consumption...so providing cold solutions and refreshment cues is key to drive impulse purchases in this channel.

These drivers help us develop strategies and key initiatives to maximize our opportunity, not just in convenience, but across all channels. We then take a cross functional team consisting of Brand & Trade Marketing, Field Sales as well as our Category Leadership group thru an ideation session we call Explore Week to brainstorm and screen out hundreds of ideas that help set up our retail pilots and prioritize the items we need to prototype.

In St Louis, we have also created a Retail Lab, where prototyped items are showcased to get us ready for an in-market test. This lab also gives us an opportunity to get valuable feedback from Key customers, our Wholesaler panel and our Field management to further validate if what we are testing will be effective in driving results

We are then ready to conduct our In Store market tests. And to do them in a statistically sound way, we use industry-leading predictive analytics software that helps us validate if the program works we use a Test & Learn methodology by indexing Test store data vs. Control stores to

isolate the Lift of the trade marketing program being tested...and also see how it can be tailored and targeted for maximum impact

We then launch our Trade programs and setup clear dashboards with a weekly routine, to identify any opportunities that we can drill down, not just to each individual region, but down to the state level, the wholesaler level and even the POC level... to understand where we can make any possible changes to make sure we are successful and are driving results, which is why we are seeing positive lifts for most Trade programs that we have launched this year.

These results are being driven by improving on key execution levers. Let's use our Cross Merch partnership with PepsiCo as an example. Knowing that approximately 25% of all Grocery trips have Beer, Salty Snacks or Carbonated Beverages in the basket, this partnership is providing a one stop solution for most shoppers party needs...and as a result, accounts executing this program are trending 1% above control accounts.

The key sales lever driving this is an increase in both the % of stores with Displays and an increase in average number of Displays per store. So we have a great process to develop Insights driven Trade marketing programs that are delivering positive lifts.

But so far, we have not reached coverage levels to impact our overall volume trend. Next year, the objective is to scale the most impactful of these well tested programs, to our highest volume accounts and ensure we drive volume and share performance. The focus of these programs is not just on merchandising, but also two other key sales levers...Space, and as David pointed out , PTC excellence...to provide retailers a strong framework of driving mutual growth.

Let's take a look at a short video that summarizes these programs...

As you can see, we are very confident in our fully tested off-premise programs ready for next year. But we still have a major opportunity in the on-premise, which accounts for approximately 20% of the beer industry.

We are losing share of beer, as well as share of throat...and given the importance of this channel in building brand equity...we are putting together a major effort to leverage our extensive portfolio in this critical channel.

Unlike the Off-premise, we lacked insights and data for this channel, so we commissioned a global study, to gain understanding of how we should think about POC Segments, from a consumer Point of View. After a very comprehensive study, reaching thousands of consumers across the country, we developed a new on premise segmentation framework!

The new segmentation takes into consideration three consumer dimensions:

Their motivation to go out, The Energy Level they are seeking, And the Degree of Formality. Think about when you decide to go out and choose an account. Fundamentally, your decision is based on whether you want to drink, eat, be entertained, or because you are travelling.

These are the consumer motivations!

The other key driver for consumers is their mood. The location choice is generally based on the energy level, more relaxing or more stimulating and also the formality of the occasion. Based on the research, POCs can be grouped into seven different segments within Drink Led and Food Led.

After analyzing the new segmentation data within each Drink-Led and Food-Led segment, we uncovered Three clear opportunities: Beer leads Total alcohol consumption in Neighborhood Bars, Casual Restaurants, and especially, Sports & Beer bars with 76% of servings.

Bud and Bud Light are still relevant in these segments, but, craft has been gaining distribution and sourcing volume from us...

Therefore, our first opportunity is to aggressively grow our high end draught distribution and fight back craft to protect our beer stronghold segments! But, it was clear from our analysis that the fight goes beyond beer. Our second opportunity is to challenge wine and craft, which dominate trendy spots and fine dining in the food-led segments.

Here, we must increase our relevance with food.

Our third opportunity is to go after Hard Liquor and Import beers, which over index in Clubs, Upscale Lounges, and Party Places. We must recapture these Party Occasions!

And to address these three opportunities, we concentrated our resources into three major Trade Programs. They are... 3D, Brew Appetite, and win party time! These are powerful, new trade programs, with very specific objectives, that will be the focus of our 2014 On-Premise Plan.

So to summarize...in order to drive a Ferrari on the great superhighway we are building as part of our US Sales Machine, we are scaling up proven, shopper tested, Insights driven Trade Programs that we are confident will drive our sales results in 2014.

Thank You.

Back to you David...