Good Afternoon. My name is Lori Shambro, I’m the VP of Michelob ULTRA. I’ve been with ABI for nine years but worked on the business for several years prior in an agency capacity. This is actually my third stint on Michelob ULTRA – I helped launch the brand, elevate the brand, and now grow the brand into the future.

What I admire most about Michelob ULTRA is that it has one of the most consistent and unique brand positionings in the alcohol category.. and it has evolved over time.

The brand was developed as a light, upscale beer for Baby Boomers. It quickly became a national phenomenon… the carb and calorie messaging and physical activity imagery resonated with all age groups.

A few years later, social was introduced, which took the creative to a completely different level. Shortly after, sophistication was added to the mix.

That’s where we are today…a perfect combination of active lifestyle and sophisticated image. And with this solid positioning, we’re in a really good place. Right at the center of the Premium Plus category.

And that’s not a bad place to be. The premium plus category lives between premium brands like Budweiser and Bud Light – and high end brands like Stella Artois.

The category is incredibly popular…growing 77% in the last five years. And has been driven by Michelob ULTRA and ABI’s successful innovations.

This ranking of premium plus brands illustrates that Michelob ULTRA is the largest brand by far. It is 10 more share points than the nearest competitor. And holds a 31 share of the premium plus category. The brand was launched with a vision. And for ten years running, the premium plus positioning has contributed to the brand growing in both volume and share.

Michelob ULTRA has grown sales consistently over time and has escalated the last three years, growing over 6% annually, adding 650,000 barrels in sales. In fact, Michelob ULTRA has grown so much, it has just moved into the Top 10 largest brands in IRI.

Michelob ULTRA is now the number 10 top beer brand in the country!

In addition, we are seeing incredible growth in digital. We’ve had a maniacal focus on digital and social efforts this year and it shows. We’ve more than tripled our number of facebook fans in five months… From 300,000 to over 900,000 today.

And by placing content interesting to our core and potential customers, we’ve also grown the number of engaged users on facebook… From 25% to 60%, engaging 500,000 new consumers
monthly.

So let’s talk about our strategy…how we’re going to approach our business moving forward. We’ve spent a great deal of time analyzing our success to understand what’s driving it.

Two important insights surfaced.

The first insight is that our core consumer loves us and they’re drinking more of us. In fact, they’re growing the volume they consume over 7%. They’re loyal to Michelob ULTRA. It’s their brand. What an amazing success.

And we’ve done such an excellent job talking to our core consumer that we haven’t focused enough on talking to others.

Thus, our second insight. We have a great opportunity to bring new users into the franchise. So we need to continue to do what’s working, plus talk to more – and different – consumers, so we can realize continued growth for Michelob ULTRA.

So how will we strategically approach our marketing moving forward based on these insights?

We will absolutely continue to STRENGTHEN THE CORE with Michelob ULTRA’s active lifestyle properties:

Running, the cornerstone of our experiential activation.

Cycling, which is a critical component of our plan.

And Golf, which has been part of the Michelob family for more than 20 years.

But that’s not all.

We’re going to go after more by targeting the right consumers and evolving our message.

We will add skiing, an affluent, active lifestyle sport, sponsor the Association of Tennis Professionals Tour, and introduce a new creative campaign.

But before I show you where we’re going, let’s go down the road we’ve already traveled.

How will we strengthen the core?

Running and cycling are sports in which Michelob ULTRA has a huge presence, and we will maintain that stronghold. We embody the aspirational nature of these sports. Almost 30 million US consumers run regularly, 18 million actually run in races, ranging from fun runs to marathons.

And those who participate represent our core target: 28+, co-ed and affluent.
We’ll continue the Race to the ULTRA Series...Beer sponsorship of 40 of the biggest and best races in the country.

So what’s new for 2014?

We renewed our contract with the Rock N Roll Marathon Series through 2016. The Rock N Roll has become one of the most popular racing series in the world. Offering runners and spectators an active and super social experience.

And Michelob ULTRA is at the center of it, helping them celebrate the day. And we’re not stopping there. We’ve also added two new major sponsorships starting next year.

First, we will be the official beer of the TriRock Series. Rock N Roll’s version of triathlons! This is a growing sport, with over 2 million participants last year.

Second, Michelob ULTRA will replace Allstate as the TITLE sponsor of the 13.1 Race Series. The title sponsorship insures we get 100% of the credit both inside and outside the racing community.

These are huge wins and new news for Michelob ULTRA.

Every race we sponsor will be supported with an integrated marketing effort to guarantee maximum impact. From sampling every 21+ racer and spectator at the event, to socially engaging them before, during and after the race, we’ll ensure these core consumers solidify their loyalty to Michelob ULTRA. The races we sponsor represent over one million race participants, five million spectators and deliver 75 million consumer impressions through PR, media and digital.

Let’s move on to the last platform to strengthen the core, golf. Michelob ULTRA is the perfect “day beer.” The light and refreshing taste is the perfect complement to golf.

And golf offers an immense opportunity. There are 112 million golf fans, and 26 million golf participants in the US. Golf is an aspirational, upscale sport that aligns perfectly with the ULTRA drinker.

In 2014, The Michelob family will celebrate the 20th year as Official Beer of the PGA TOUR. And to celebrate this achievement, we’re proud to announce the extension of our PGA TOUR deal through 2017.

You’ll continue to see Michelob ULTRA in the broadcast, during marquis golf tournaments; And we will deliver an immersive, upscale consumer experience at every TOUR stop.

Now that we’ve reviewed how we’ll strengthen the core business through running, cycling and golf, let’s talk about how we’ll bring more consumers into the franchise. We’re going to open up the aperture on our sports properties, securing new upscale, active lifestyle assets.
Let’s start with skiing. Skiing is an affluent, energetic sports property that perfectly aligns with the ULTRA consumer.

We’ll leverage the mountain assets – like the lodge and active lifestyle events – to help us connect with 28+, affluent beer drinkers. You’ll see skiing in our advertising, retail programming and through inventive new digital content.

The second property we secured is around tennis…another upscale, premium plus sports property. We’re excited to announce, Michelob ULTRA will be the official sponsor of the ATP Tour.

The North American leg consists of 10 tournaments, including the marquis event in Indian Wells, CA that drew more than 400,000 spectators. And the events in Miami and Cincinnati are watched by more than 100 million viewers combined.

We’ll have sampling opportunities at all of these venues, where legal. We'll also have very visible logo placement on the nets themselves. This is an untapped market that will reinforce our active lifestyle positioning.

The last thing we’ll talk about as it relates to bringing new drinkers into the franchise, is the most important and most timely effort we have.

We’ve been referencing the evolution of the brand, an energetic combination of contemporary active lifestyle and socializing, all in a sophisticated way. Well, we’ve been able to creatively express it in a manner that has captivated our testing audiences.

We’re introducing a new campaign that achieved the highest persuasion and sales equity of any Michelob ULTRA ad. This campaign will really make a difference, because these spots deliver a positioning within beer advertising that NO other beer brand can deliver.

I’ll close with three spots from our new campaign, “Long Live the ULTRA Life”: Connections, Time and Unknown. (3 commercials play.)

Thank you!

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