

# Collaborative Marketing Driven by Advanced Analytics Summit

Ensuring Your Successful TPM-TPO  
Retail Execution Journey



Lee Tussing, SVP Strategy & Revenue  
Management, Constellation Brands

Linda Peel, Dir CG for Oracle

“Successfully driving Collaborative Trade and Marketing  
Driven by Advanced Analytics for Trade Promotion  
Effectiveness”



# Categories are commoditized & competition is **Everywhere**

**\$4.13 trillion**  
is currently  
“up for grabs” for CG  
companies  
globally

*“Consumers are busy people. They have hundreds of thousands of brands vying for their attention. Their choice of brand is trivial to their decision to purchase from a category.”*

*--Bryan Sharp, How Brands Grow*



# Consumer Engagement Has Transformed

For success, CG companies need to adjust to the new reality – Collaboration is Key



Shoppers research online before making an in-store purchase



Consumers prefer brands available through multiple channels



Shoppers use their mobile phones while shopping

*“Creating demand across multiple interconnected and complex channels is challenging and will become even more so as more nodes crop up along the path to purchase. Increasing shopper complexity makes this already-challenging job even more difficult—yet simultaneously critical.”*

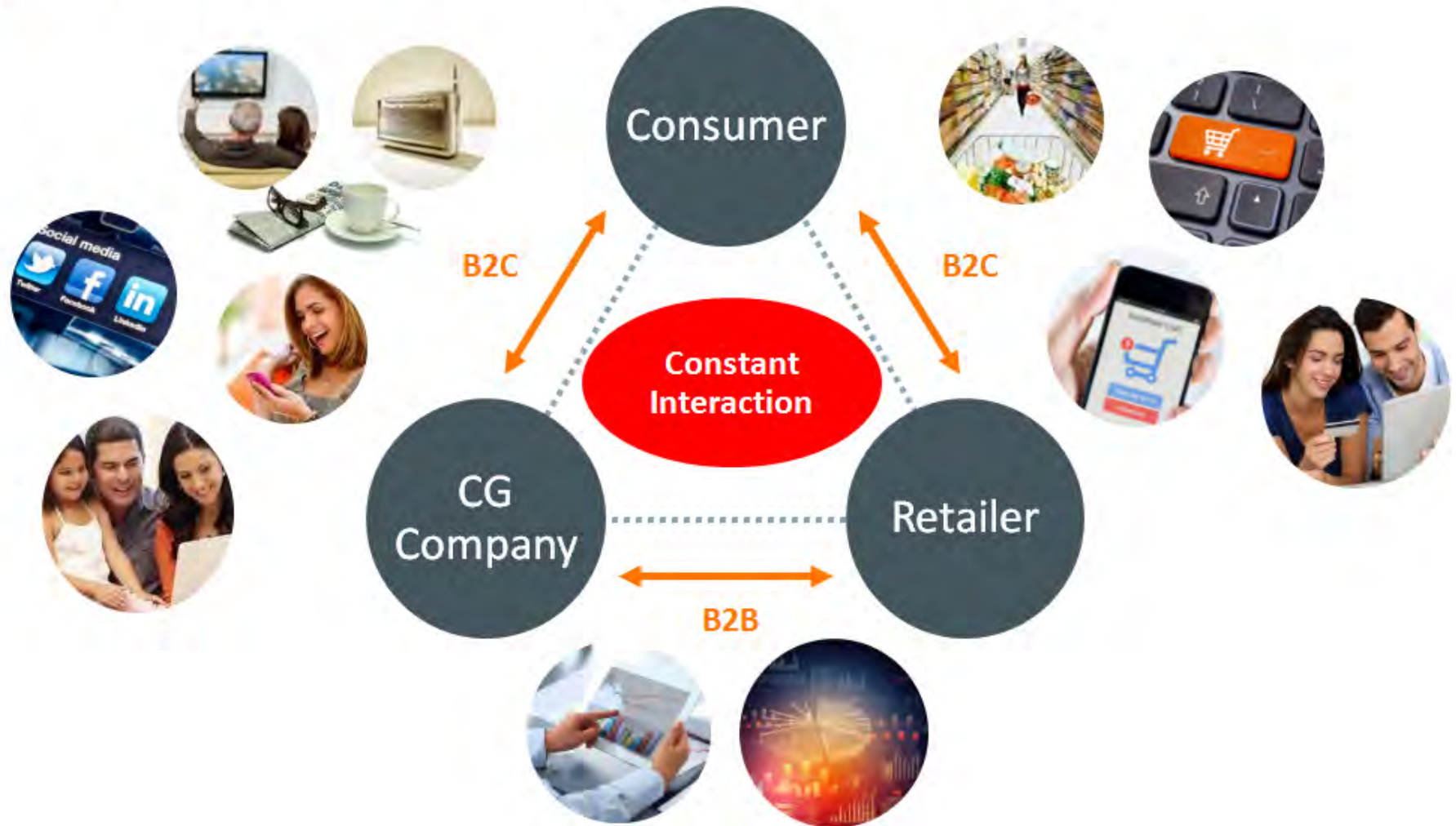
“Channel Migration: The Road to Growth” (IRI)

Sources: Dedicated Media, Anson Alex, Google/Ipsos MediaCT/Purchased



# Transforming from Interaction

## Today's Consumer-Centric Consumer Goods World





# Delivering Insight - Enabled Collaboration

## Aligned State

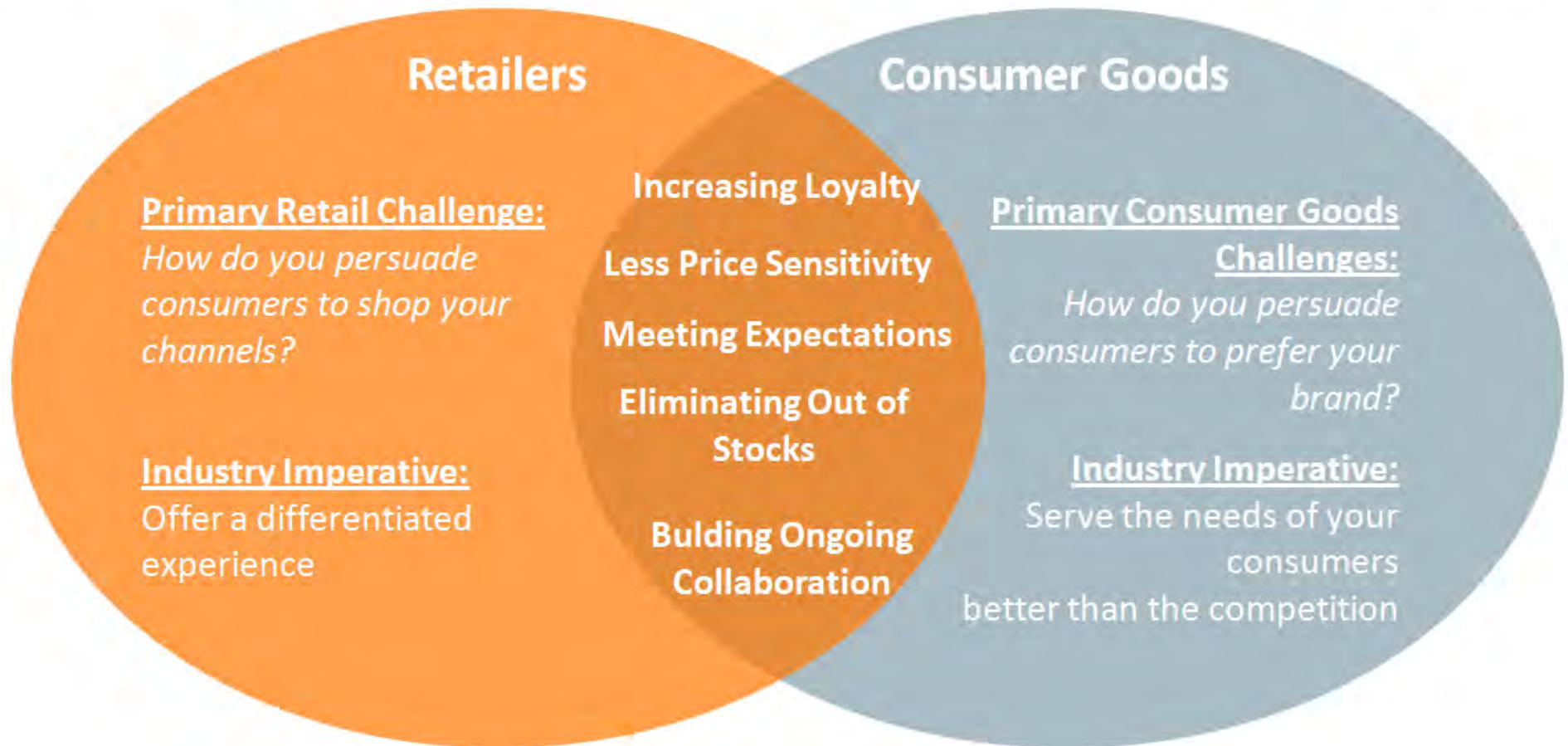
- Align Functions to understand its role in serving the consumer.
- Insights and actions directed by a common set of metrics.
- Discovery and collaboration becomes possible across multiple business dimensions.
- Technology becomes a strategic enabler.

**KEY OUTCOME:**  
Driving Collaboration to  
Achieve Mutual Value





# Eliminating Blurred Lines Between Retailers & CG Companies



Insight-Enabled Collaboration is THE Differentiator  
Constellation Brands is CHANGING HOW they Collaborate



# Constellation Brands





# About Constellation Brands, Inc.

Constellation Brands is a **leading international producer and marketer of beer, wine and spirits** with operations in the U.S., Canada, Mexico, New Zealand and Italy. In 2015, Constellation was one of the top performing stocks in the S&P 500 Consumer Staples Index.

Constellation is the **number three beer company** in the U.S. with high-end, iconic imported brands including Corona Extra, Corona Light, Modelo Especial, Negra Modelo and Pacifico. Constellation is also the **world's leader in premium wine**, selling great brands that people love including Robert Mondavi, Clos du Bois, Kim Crawford, Meiom, Mark West, Franciscan Estate, Ruffino and Jackson-Triggs. The company's premium spirits brands include SVEDKA Vodka, Casa Noble Tequila and Black Velvet Canadian Whisky.

Based in Victor, N.Y., the company believes that industry leadership involves a **commitment to brand-building, our trade partners, the environment, our investors and to consumers** around the world who choose our products when celebrating big moments or enjoying quiet ones. Founded in 1945, Constellation has grown to become a significant player in the beverage alcohol industry with more than 100 brands in its portfolio, sales in approximately 100 countries, about 40 facilities and more than 8,300 talented employees. We express our **company vision: to elevate life with every glass raised.**





# Lee Tussing, SVP Strategy & Revenue Mgmt

- 25 years in the beverage industry
- Primarily a sales background
- Revenue Management for the last 5 years



**Constellation Brands**

BEER DIVISION



*Anheuser-Busch*



**PEPSICO**



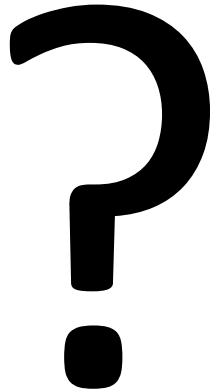



# Our Revenue Management Journey Started with so many Issues


De-Centralized


Reactive

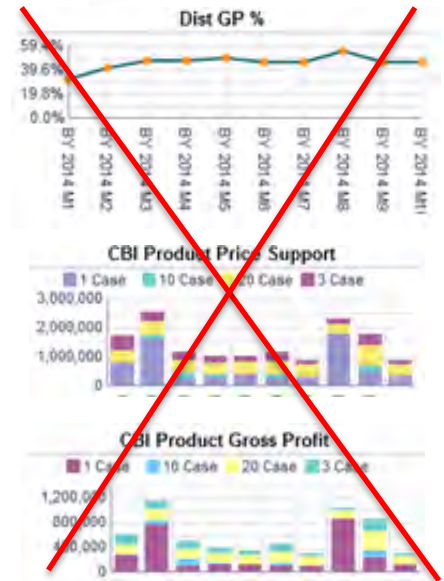
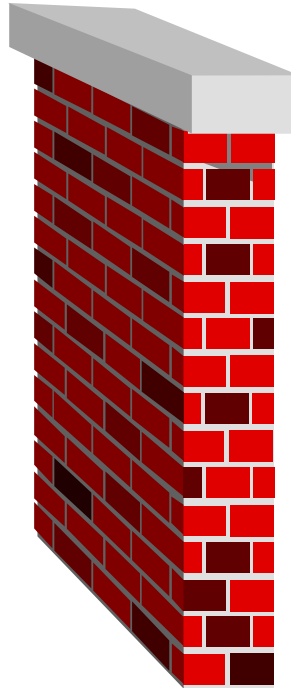
Stay "Under the  
Radar"



 **What and  
How to Promote**

 **Where to  
Promote**

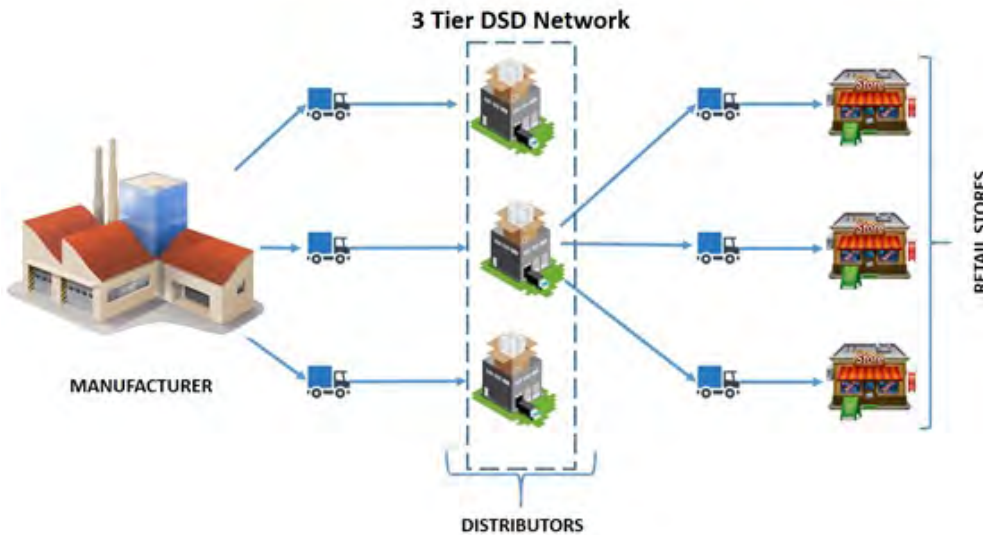
 **When To  
Promote**



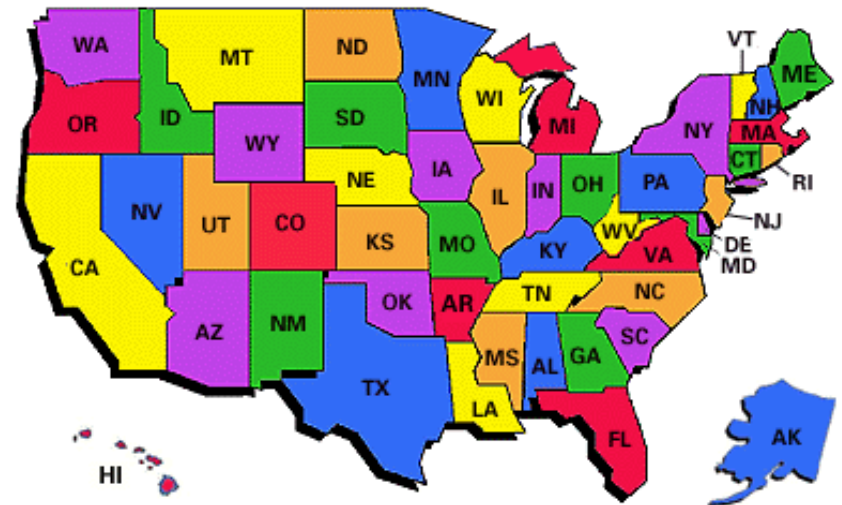


# Beer & Alcohol Industry Challenges

3 Tier Distribution model



50 different state pricing laws



Held at “Arms Length” to Retailer  
Insights Are the Most Important  
Differentiator  
to Reaching Consumers



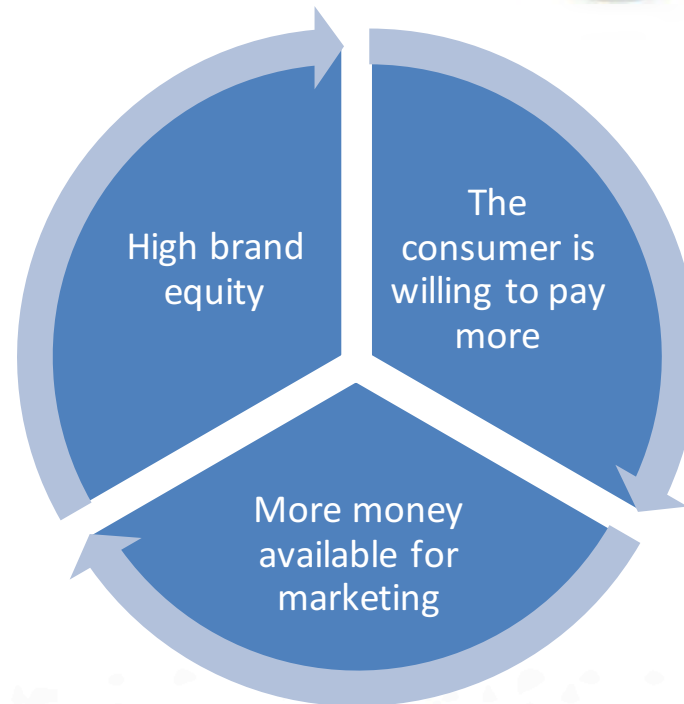
# My #1 Priority is to Increase Brand Equity While Optimizing Revenue



\$12 for 12

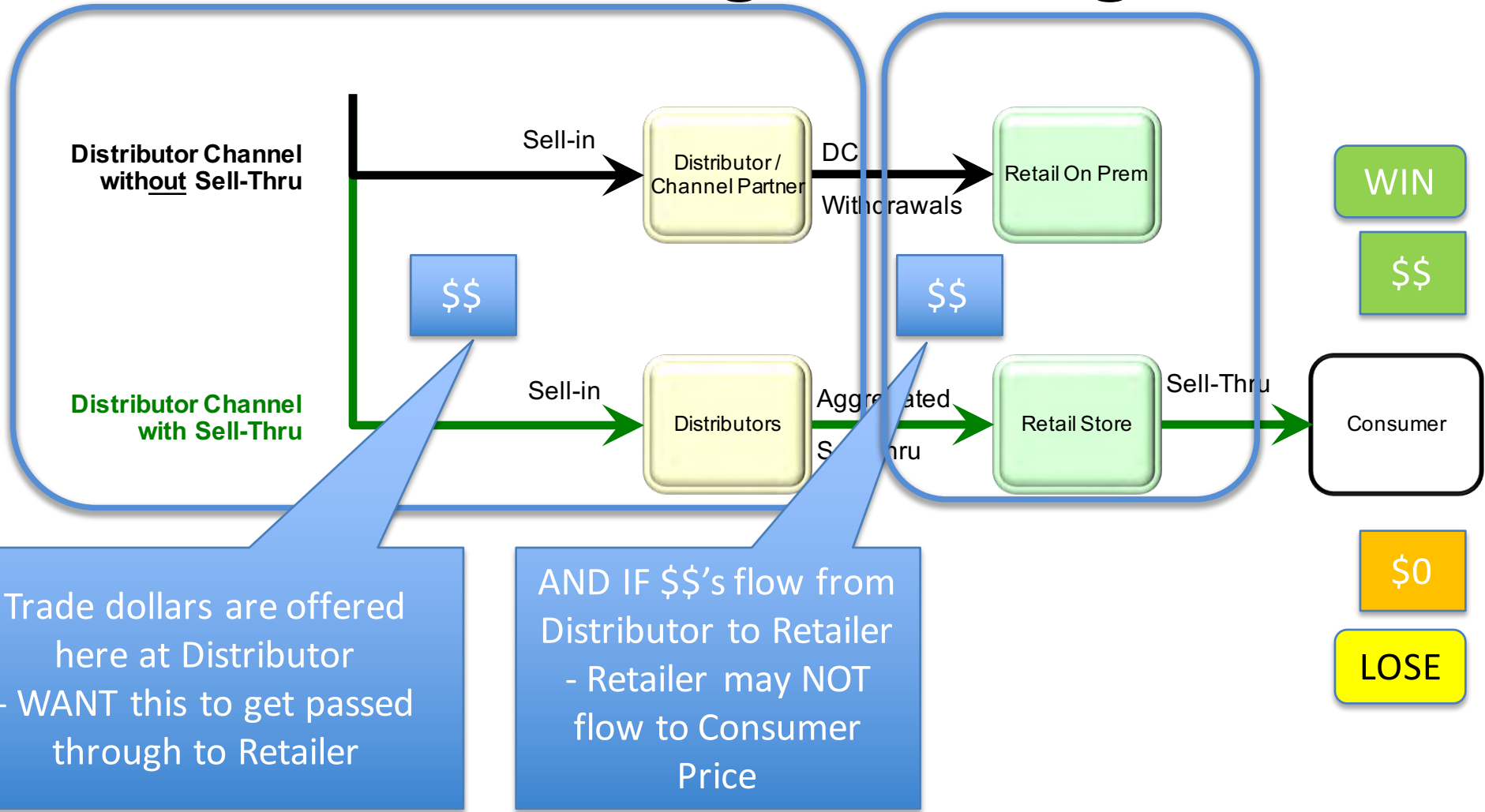


\$12 for 24





# Our Pricing Challenge





# Growing Our Capability

Our solution is enabling us to optimize our trade spend dollars, while supporting our objective to ensure profit grows at least in line with revenue.





***Leveraging technology to deliver Insights  
growing our bottom line while improving financial controls***

# Driving to Shared ROI

Performance Driven  
Align your plans and operations for results

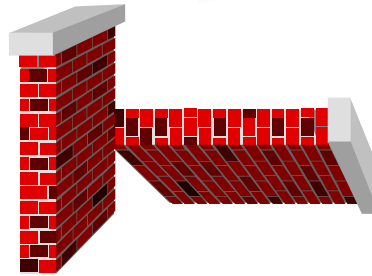


Integrated Business Planning driving to Consumer Value

- |   |   |   |
|---|---|---|
| <p><b>Align</b> </p> | <p><b>Goal Driven</b> </p>   | <p><b>Scenario Driven</b> </p>   |
| <ul style="list-style-type: none"> <li>• What we save, they save = <b>Shared \$\$'s</b></li> </ul>      | <ul style="list-style-type: none"> <li>• <b>Align</b> financial and operational plans</li> <li>• Continuously <b>Evaluate Analytics AND Collaboration</b></li> <li>• Able to <b>Measure and Refine</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Define Optimal Results</b> <ul style="list-style-type: none"> <li>• Timing</li> <li>• Rates</li> <li>• Eliminate "Discount Leakage"</li> </ul> </li> <li>• <b>Delivering Consumer Excellence</b></li> </ul> |



# Our Progress and Continued Road Map



## Phase 1 - Done

### Centralized Pricing –

- 1 Source of the Truth
- Developed Pricing Strategies
- All Pricing Changes approved “in system”
- Revenue Council = Supreme Court

Eliminate  
Spreadsheets



## Phase 2 - In Progress

- Promotional Spend Analytics – Base & Lift
- EZ to see Opportunity Areas
  - Price Efficiency
  - Promotion Merch Efficiency
  - Highly Effective Events / eliminate those not driving mutual value
- Focused Collaboration – CBrands / Distributor / Retailer to Deliver Consumer Value
- Systematized Pre / Post to drive decisions and “trust the insights” as well as see the “value of Collaboration

## Optimizing Trade Spend

- Marketing Mix Analysis
- Spending Trade where we know it delivers value
- Insights to predict and drive the impact of our pricing actions on sales to consumers
  - critical success factor in optimizing our trade spending
  - Requires Insights to “drive collaboration at new levels”

Building to World Class





# Questions?

