



How beverage brands can use data to improve retailer and distributor narratives and increase distribution





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The three-tier system used for distributing alcoholic beverages in the U.S. means that emerging beverage brands can find themselves selling on two fronts: into the retailers that carry their products and to a centralized or regional distributor.

Developing win-win-win scenarios is crucial for beverage manufacturers looking to increase distribution. But that requires using data to demonstrate that your products, supported by the right pricing and promotion strategies, will drive incremental revenue for retail partners, distributors and your brand.



Telling a persuasive sell-in story with data

Increasing distribution is central to many beverage manufacturers' growth strategies, but the unique nature of the alcoholic beverage market makes that process more challenging. You need to convince retailers they should carry your products. You also have to ensure your products are available to them through a distributor's assortment.

But distributors deal with a broader range of product types, brands and inventory than any single retailer ever would. So getting distributors to pay attention to your brand and support your products with different pricing and promotional approaches is a significant hurdle.

Navigating the distributor-retailer dynamic is only one challenge facing emerging beverage manufacturers. You're operating in a crowded market with established competitors and new entrants. Increasing distribution requires you to make a compelling case to retailers and distributors about why your product deserves shelf space over your competitors. If you're relying only on internal data or data from distributors to craft your selling narrative, you're at a disadvantage.

By using the right retail sales and consumer data, you can strengthen your position with distributors and retail partners and convince them both to devote more attention to your beverage brand. Using the right data also informs effective pricing and promotional strategies that ultimately increase your distribution.

Making the case: Justifying increased distribution through data

With accurate retail sales data specific to your category and region, combined with insights into consumer behavior and preferences, you can:



Understand product performance relative to the competition, including competitive products carried by the distributor, in relevant retail channels and geographies



Develop a narrative designed to show how your products drive incremental revenue for retailers and distributors



Demonstrate why your alcoholic beverage product deserves increased promotional support



Understand how consumers feel about and behave toward your brand, and provide more context in discussions with distributors

Three steps to increasing distribution

Here is how to capture your distributor's attention and increase your product's availability to more retailers:

Step one:

The first step in convincing retailers and distributors to increase a product's distribution is to accurately assess how those products are performing in key geographies and retail channels.

Evaluate current product performance

Understanding how widely your products are distributed in existing regional markets or channels, measured by %ACV, gives you the necessary baseline for comparisons to competing brands and products. Analyzing sales volume and velocity over time, as well as how promotions impact those metrics, helps adjust your brand's position in the market.

Description	\$	\$ % chg YA	Units	Units % chg YA	%ACV where Dist - Beer/FMB/cider	%ACV where Dist YA - Beer/FMB/cider	Any promo \$	Any promo \$ YA
BA_segment(c) long product description								
B and r sltzer assorted can aluminum 12pk 120oz	707,821	38.7	50,712	40.7	55.4	45.2	245,834	224,303
B and r sltzer assorted can aluminum 6pk 120oz	61,528	144.2	6,977	159.8	7.7	2.3		
B and r sltzer grapefruit can aluminum 6pk 120oz	12,510	-58.2	1,500	-58.1	1.6	5.8		
B and r sltzer prickly pear can aluminum 6pk 120oz	7,838	193.3	892	192.6	0.9	0.3		
B and r sltzer ventura lemon can aluminum 6pk 120oz	5,419	215.6	608	212.4	0.6	0.2	0	0

The increase in YOY sales volume compared to the current %ACV makes a compelling case for increased distribution



How to evaluate product performance: Data in action

A beverage brand looks at a brand/category/segment report for the specific geographic region in which they are currently operating. Comparing individual products' current %ACV to last year's distribution level relative to dollar sales growth over the same period shows how increased distribution could benefit retailers and distributors.

Step two:

Once a beverage brand understands its current position and product performance, it can look at competing brands' performance and draw meaningful contrasts and comparisons.

Analyze and compare competitors' performance

Analyzing competitors' sales volume, velocity, distribution and rate of acceleration relative to your own product's performance helps identify where your products can generate more revenue for retailers and distributors. Looking closer, you can determine which of your products had the highest promotional lift within a given period. That intelligence can also support your case for implementing different pricing and promotional strategies.

Description	\$	\$ % chg YA	Units	Units % chg YA	%ACV where Dist - Beer/FMB/cider	%ACV where Dist YA - Beer/FMB/cider	Any promo \$	Any promo \$ YA
BA_segment(c) long product description								
B and r sltzer assorted can aluminum 12pk 120oz	707,821	38.7	50,712	40.7	55.4	45.0	245,834	224,303
Stiegl grpfrt radler can aluminum 4pk 16.9oz	700,182	24.8	85,404	26.4	51.1	45.0	111,204	93,898
Bill's hard lmnd bottle glass 6pk 11.2oz	661,998	16.7	75,104	16.3	71.6	45.0	52,709	110,306
Bill's hard black cherry lmnd bottle glass 6pk 11.2oz	601,903	20.3	68,275	19.5	65.8	45.0	49,728	89,433
Soviet imperial spkd sltizr assorted can aluminum 12pk 12oz	590,173	8.3	39,414	6.6	50.6	43.5	176,186	200,738

Comparing increases of promotional spend between competing brands shows which products had the most efficient promotional lift



How to analyze and compare competitors' performance: Data in action

Using the same brand/category/segment report, beverage brands can compare their competitors' key performance metrics – sales volume and growth rate, velocity, %ACV and promotional lift – to their own. This data supports a narrative to distributors and retailers that their products will generate more revenue. By looking at the increase in promotional dollars year-over-year and the impact that spend had on overall sales volume, a manufacturer can also identify which products benefited most from increased promotion and which underperformed.

Step three:

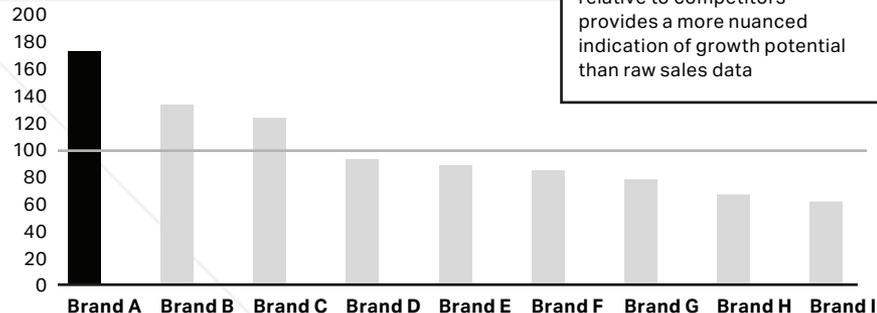
Understand consumer behavior and sentiment

Analyzing sales data at the retail level is foundational to a beverage company's narrative designed to increase distribution. Having insights into consumer behavior can further strengthen a beverage manufacturer's position.

Understanding how and where consumers shop for your product helps identify the best retailers for your distributor to target. Comparing how consumers feel about your products relative to competitors' will help you develop optimal joint marketing strategies with distributors to reach the right consumers through the right retailers.

Among category buyers, marvel emerges as the preferred option despite high price point

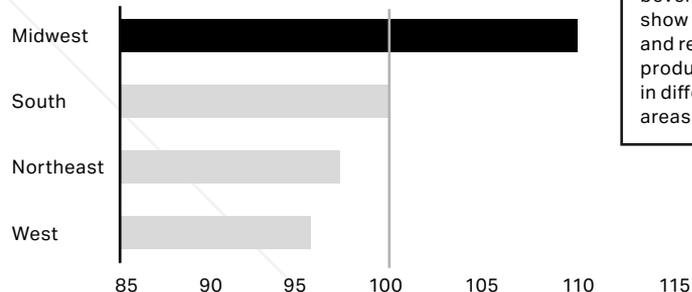
Brand preference index
Non-alcoholic beer buyers



Indexing consumer preference relative to competitors provides a more nuanced indication of growth potential than raw sales data

Marvel appeals most to shoppers in the midwest

Marvel NA preference by region
(Indexed to total category buyers)



Highlighting regional preferences allows beverage brands to show their distributors and retailers how their products might perform in different geographical areas.



How to understand consumer behavior and sentiment: Data in action

Using an innovation/BASES report, beverage brands gain insight into how consumers perceive their products compared to other brands in their category. They're able to identify target consumers by region and gauge their sentiment relative to competitors, enabling them to show distributors their product's potential in specific geographies.

Key outcomes of using sales and consumer data to inform retailer and distributor narratives

Equipped with the right data, your beverage company can demonstrate how increased distribution of your products could drive revenue lift for retailers, distributors and your beverage brand. That data can also help:



Contextualize your products' performance relative to competitors



Create better sell-in stories for retailers and distributors in specific geographies



Develop win-win-win pricing and promotion strategies



Understand how consumers perceive your products and competitors



How NielsenIQ can help



NielsenIQ provides access to the essential data alcoholic beverage brands need to successfully increase their products' distribution and create winning narratives for sell-in stories and line reviews. Accurate, current retail sales data tailored to specific geographic regions, combined with relevant consumer insights, helps brands deliver a compelling case to retailers and distributors. They can show how their products will drive higher incremental revenue than competitors' and why they deserve preferential pricing and promotional support.

Learn more about the NielsenIQ data and tools your beverage brand needs, including:

- Brand/category/segment report
- RMS data
- Innovation/BASES
- TABS



About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming Nielsen. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success. For more information, visit: niq.com.