

# Continuing To Sparkle



MacFawn

**C**umulative soft drink and beer sales in Army & Air Force Exchange Service (AAFES) stores continue to sparkle even in a down economy.

Bridget MacFawn, divisional merchandise manager (DMM) in the exchange service's Sales Directorate (SD), reported that both soft drinks and beer remain strong store areas, with soft drinks continuing to be a steady sales producer and beer sales improving through the first quarter of fiscal 2010.

## SALES ACTIVITY

MacFawn and her beverage team — including buyers Vicki Venables (non-alcoholic beverages), Mark Martin (spirits), and Kye Corn and Raymond Banaban (senior buyer, and buyer for beer and wine, respectively) — reported that cumulative sales of beer and non-alcoholic beverages were \$494 million in fiscal 2009, a 2.1-percent increase from the previous year.

Non-alcoholic beverage sales improved during fiscal 2009, with the \$275 million that these items — including soda — registered up 7.8-percent over fiscal 2008.

However, beer sales dropped during the fiscal year. MacFawn reported that fiscal 2009 sales were \$219 million, which was down \$10 million, or 4.4 percent.

Year-to-date sales, however, of both non-alcoholic beverage sales and beer sales are doing well. MacFawn said through March, activity in the non-alcoholic beverage category is up 2 percent over the same period during the prior year and beer sales are up 1.6 percent.

## KEYS TO SUCCESS

Advertising and showcasing these products in highly visible areas are the keys to success being used by the exchange service.

“For beverages, the weekly tabloid promotions are featured on endcaps or off-shelf displays during the promotional period,” MacFawn said. “The regular non-promotional merchandise should be displayed according to the planograms, which are updated annually.

“The merchandising goal for beer is to promote these either on end caps, off-shelf displays or pallets,” she continued.

Streamlining the assortment has also been an important element to the success of these store areas. “Streamlining SKUs lead to higher turns, lower inventory, and provides adequate space for best sellers and high-velocity items,” MacFawn explained.

Although floor space is at a premium in AAFES Shoppettes such as this one in Fort Polk, La., optimally merchandising a store's display areas can drive increased foot traffic and sales. Fort Polk, La.

## CREATIVE MERCHANDISING

Although AAFES Shoppettes are not yet using auto-replenishment in their beverage categories, MacFawn said this has not hurt the exchange service's stores in terms of availability or assortment.

“The AAFES beverage assortments are comparable or greater than the convenience stores outside the gate,” she noted.

However, AAFES stores are creative when offering beverage products to shoppers. Walk-in beer coolers are found in numerous Shoppettes, and MacFawn said they have been successful.

“We are merchandising walk-in beer coolers to make them more ‘shoppable’ for our customers,” she said. “This provides an opportunity to sell additional larger packs from the back of the coolers and 12-packs and six-packs in the cooler doors. There is an industry saying pointing out that ‘cold beer is sold beer.’”

Although floor space is at a premium as is shelf space, creatively using available display space can lead to increased foot traffic and sales.

“More floor space for bulk cases is used during the peak selling season and holidays,” MacFawn said. “We feature themed displays, and floor stacks add excitement and incremental sales to the category.”

## PROMOTIONS

Beverages are a hot category for promotions, and various holidays tend to be ideal opportunities for them.

“We focus our promotions around key holidays and sporting events such as the Super Bowl, Memorial Day, Fourth of July, Labor Day, and Christmas,” she explained. “Vendors provide point-of-purchase (POP) displays, sponsor sweepstakes, and display contests to build excitement at store level.”

## BEVERAGE RULES

Although beverages continue to be a high-velocity area in the Shoppettes, MacFawn says that stores still must adhere to a couple of rules in order to get the maximum performance from their selection.

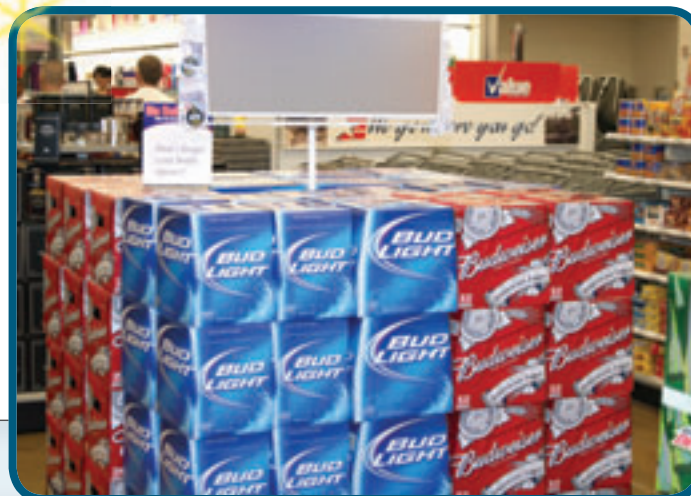
“Stay in stock on the key brands and follow the planograms to maximize sales,” she advised.

—E and C NEWS

AAFES PHOTOS



AAFES Beverage, Alcohol and Tobacco Divisional Merchandise Manager Bridget MacFawn outlines key 2010 strategies to main store managers and general managers during their MSM/GM Conference held in Dallas, Texas, this past March.



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