

Aviano AB, Italy, Commissary Beverage Department

Soft Drinks Accelerate to HIGH-VELOCITY



Foster



Keeping a steady hand on the throttle and staying in-stock, as sales of soft drinks accelerate is job No. 1 at the Aviano AB, Italy, Commissary beverage department.

Store Director Ron Foster observed that soft drink dollar volume has accelerated at the 37,978-sq.-ft. commissary, in particular during 2011. In fiscal 2010, total non-alcoholic beverage sales at the store were \$1.78 million with total unit sales of 987,445. For the current fiscal year, through May 31, volume totaled \$1.24 million on unit sales of 692,111 — an increase of 4.4 percent in average monthly sales versus fiscal 2010.

These sales accelerated further during the first five months of calendar 2011, when patrons purchased \$809,420 worth of soft drinks, with unit sales

of 455,055 — an increase of 9 percent in average monthly sales.

PROMOTIONS

DeCA Marketing Business Unit (MBU) Category Manager Barbara Merriweather has advised store managers to “Promote as often as possible in high-visibility areas to grab the patron’s attention.” — words of wisdom that Foster has taken to heart.

“We continually have soft drink promotions on our major core brands in order to provide our patrons with an opportunity to purchase the beverage of their choice,” he explained, “I wouldn’t say any one promotion is more successful than another, as each promotion caters to a different customer.” These promotions typically run for about a two-week period, and reflect what is currently popular in the store, according to Foster. “Energy drinks continue to sell well, and many of our suppliers are offering promotions to get patrons to try their product, and pass on savings at the same time.”

Foster noted that along with seasonality, and customer preference, “The price, and location of the display will influence unit sales during promotions.”

While high-velocity sales and execution of mass displays are the foundation of the department’s success, the category offers plenty of assortment variety to cater to the diverse tastes of the stores’ patrons. “Many things influence what beverages people choose to purchase.

Aviano AB, Italy, Beverage Assortment AT-A-GLANCE

Square Footage: 37,978 square feet (commissary resale area)

Beverage Sales: \$809,420; unit sales of 455,055 (Jan 1, 2011-May 31, 2011)

\$1.24 million; 692,111 units (fiscal 2011)

\$1.78 million; 987,445 units (fiscal 2010)

Beverage Locations: near self-checkouts; express checkout lanes; Grab & Go section; chill juice display. Single-serve and multi-pack items on store shelves; mass displays throughout the store where space is available

Number of beverage SKUs: 582

HOURS OF OPERATION: Seven days/74 hours, plus Grab & Go area open 50 hours per week

KEY EMPLOYEES:

Store Director: Ron Foster
Grocery Manager: Audrey Gates
Assistant Grocery Manager: Herbert Kirkland
Store Administrator: Roberto Miller

Source: DeCA



These decisions can also be attributed to weather, price, relocations such as TDY or deployments, where patrons reside in relation to the store, dietary and family member preferences.” Foster explained, pointing to the store’s broad beverage stock assortment of 582 items as a gauge of patrons’ diverse tastes.”

BEVERAGE LOCATIONS

Although Foster said his commissary — which is open seven days a week for a total of 74 hours — does not have a single dedicated beverage department, soft drinks are positioned at various strategic locations throughout the store for effective merchandising and high accessibility.

These include: near the self-checkouts; at express checkout lanes; in the chill juice display; and in a dedicated Grab & Go section that is attached to the commissary and which is open 50 hours each week. Elsewhere, single-serve and multi-pack items are displayed on store shelves.

HOLDING POWER

For such an important high-velocity category, Foster said his store utilizes whatever space it can set aside for beverage display and back-up storage.

“When shelf holding power is not sufficient due to promotional activity or seasonality, off-shelf merchandisers such as stand-alone refrigerated cases and



freestanding racks are utilized to support the demand,” he explained.

“During seasonal promotions, we merchandise product in mass displays throughout the store where space is available,” Foster said. “We do this for our customers’ convenience and to maximize our sales area.”

Foster said his store staff pays close attention to restocking product throughout the day, in order to eliminate empty shelf slots and to keep displays optimized.

Additional demand-based merchandising include stand-alone single-serve beverage coolers in the self-checkout/express lane areas for those patrons in a hurry, or product merchandised in-line for those patrons doing their regular shopping for themselves and their families,” he said. “Beverages are merchandised in different locations to support the shopping patterns of our patrons.”

BEST SELLERS

Along with energy drinks, Foster reported that Aviano AB’s best-selling beverage categories are non-carbonated waters, flavored teas, isotonic/sports drinks, chilled coffees, citrus juices, and pouch/box drinks, with 100-percent juice smoothies rapidly becoming one of the commissary’s fastest sellers.

Among the top-selling brands are several different waters, including San Benedetto, Glaceau, Celtic, Culligan, Propel, Aquafina and Apollinaris (a naturally sparkling mineral water from Germany); Starbucks Chilled Coffee; and SoBe Smoothies.

REPLENISHMENT

To keep the beverage assortment in stock at all times, Foster said his commissary staff orders the store’s chilled product twice weekly from the Kaiserslautern, Germany, Cold Storage Facility, “and upon arrival, product is stocked by manufacturer vendor stockers and/or store personnel.”

Shelf-stable items are ordered five days per week from the Gernersheim, Germany, Distribution Center (DC) and are also stocked by manufacturer vendor stockers and/or store personnel.

“When new items arrive, they are allocated space within the category to which they belong and are then monitored to determine demand,” Foster explained. “In some cases, an item may have to be re-allocated space if the demand shows that more or less space is required.”

STORE STAFF

Foster is assisted in the commissary by Grocery Manager Audrey Gates; Assistant Grocery Manager Herbert Kirkland; and Store Administrator Roberto Miller.

“What is most important to remember is that the store could not operate without this dedicated group of Aviano AB Commissary store employees, as well as vendor stockers and manufacturer representatives,” he noted.

—E and C NEWS

