

MCX NON-ALCOHOLIC CATEGORIES: New Items Keep the Assortment Fresh



MCX Non-alcoholic Buyer Joe Cella

numerous Marine Corps Exchange (MCX) non-alcoholic categories, including Energy Drinks, Coffee and Enhanced Water, continued to show growth in fiscal 2013 (through November), ahead of sales of other categories, such as Isonotonic, Water, Soda, Juice and Iced Tea, which were down for fiscal 2013 (through November), compared with the prior fiscal year.

Energy Drinks (\$13.7 million in sales) held strong with no change at the top through November, while Enhanced Water (\$1.6 million in sales) was up 2 percent and Coffee (\$1.0 million in sales) was up 3 percent.

Although year-to-date fiscal 2013 sales through November were down, MCX Non-alcoholic Buyer Joe Cella is optimistic that these areas can rebound in the latter stages of fiscal 2013 and into fiscal 2014. "Our total MCX topline sales have been challenged in 2013, having been impacted by the reduction in troop end-strength and the government shutdown in October," he explained. "Nevertheless, the area generated around \$36.8 million during the 10-month February through November period."

In non-alcoholic beverage categories, "a continual rollout of new items and flavors is key to keeping the assortments fresh and our customers engaged," explained Cella, who has served as the Marine Corps Exchange's (MCX) non-alcoholic beverages buyer since November 2012. "We have several new items that have recently hit our stores, including Strawberry flavored Monster Muscle, a new 4-pack offering of the

MCX Top-Selling Enhanced Water By Fiscal 2013 Units Sold

ENHANCED WATER	YTD UNIT SALES
1) Glaceau vitaminwater XXX Acai (20 oz.)	47,596
2) Vita Coco Coconut Water (17 oz.)	46,240
3) Vita Coco Pineapple (17 oz.)	35,971
4) Neuro Sleep	35,356
5) Glaceau vitaminwater Power-C (20 oz.)	33,663
6) Neuro Sonic (14.5 oz.)	32,817
7) Neuro Bliss (14.5 oz.)	32,387
8) Glaceau vitaminwater Energy (20 oz.)	31,680
9) Glaceau vitaminwater Focus (20 oz.)	28,783
10) Glaceau vitaminwater Revive (20 oz.)	28,352

*Through November 2013.
Source: MCX

Enhanced Water continued to show growth in sales through November fiscal 2013. Pictured here is a Marine Mart water assortment at MCB Camp Pendleton, Calif.



very popular Monster Ultra Blue, and new RockStar Pink."

The MCX is also testing a new brand, Real Beanz Iced Coffee, which the buyer noted "has had a 60 percent to 70 percent sell-through in a matter of weeks, and should prove popular once the weather warms up."

Cella said that another new product line, ALO brand juice drinks, "has become popular quickly, and since launching on Oct. 1, we have sold nearly 17,000 units."

In marketing these products, he noted that specifically in Marine Marts, "We

MCX Top-Selling Tea By Fiscal 2013 Units Sold

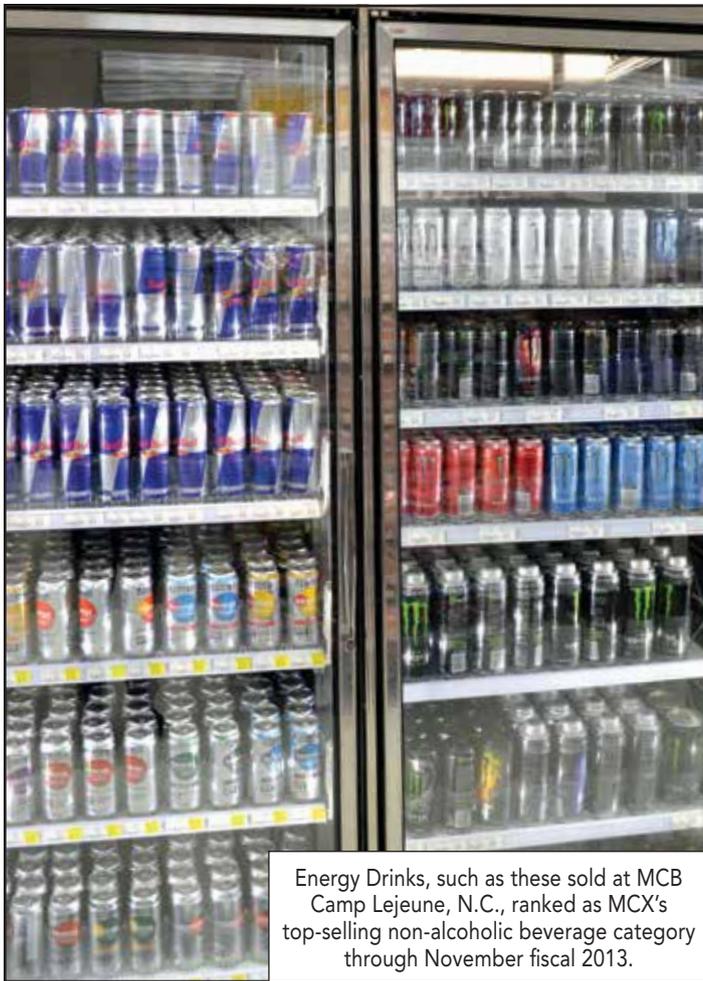
COFFEE/TEA	YTD UNIT SALES
1) Arizona Sweet Tea (23.5 oz.)	191,398
2) Arizona Arnold Palmer Tea (23.5 oz.)	184,113
3) Arizona Green Tea (23.5 oz.)	175,038
4) Arizona Lemon Tea (23.5 oz.)	49,196
5) Arizona Rx Energy (23.5 oz.)	41,064
6) Peace Tea Razzleberry (23 oz.)	37,995
7) Arizona Arnold Palmer Southern Tea	35,312
8) Gold Peak Sweet Tea (18.5 oz.)	34,057
9) Lipton Sweet Tea No Lemon (18.5 oz.)	33,218
10) Arizona Mango Half & Half (23.5 oz.)	29,671

*Through November 2013.
Source: MCX

MCX Top-Selling Soda By Fiscal 2013 Units Sold

SODA	YTD UNIT SALES
1) MTN Dew (20 oz.)	350,436
2) Coca-Cola Classic (20 oz.)	197,673
3) Dr Pepper (20 oz.)	190,838
4) MTN Dew Big Slam (1 liter)	141,485
5) Pepsi (20 oz.)	115,050
6) Diet Coke (20 oz.)	101,801
7) Coca-Cola Classic (2 liter)	89,869
8) Diet MTN Dew (20 oz.)	86,438
9) MTN Dew Code Red (20 oz.)	72,756
10) Sprite (20 oz.)	71,882

*Through November 2013.
Source: MCX



Energy Drinks, such as these sold at MCB Camp Lejeune, N.C., ranked as MCX's top-selling non-alcoholic beverage category through November fiscal 2013.

have store types and the assortments reflect the demographic of that store profile; for example, family versus troop, etc. But, we are always focused on bringing new products in quickly if it's important to our customers."

To ensure that there is interest, Cella pointed out that new items are tested in a variety of stores. "This gives a better overall read on future performance than trying out an item only at locations that are strong in its category."

MCX planograms are another important part of the marketing strategy, and are set to reflect desired days of supply, according to Cella. "So, in essence, all replenishing is based on sales history by location," he explained. "We work closely with the category captains to collaboratively create the planograms, which reflect the desired days of supply. The stores, in turn, reorder from each local direct store delivery (DSD) supplier to fill their fixtures."

Dunham & Smith (D&S) is the MCX's non-alcoholic beverage category captain.

"We partner in the creation of planograms and interact continually, and with every phase of the process," Cella said. "We start by strategizing on what internal and external data needs to be looked at and analyzed, what they see as overall industry trends, and the direction I want to take with particular categories and vendors."

"D&S will then, one command at a time, come back with a proposed planogram with detailed analysis for us to review, and how they reached their conclusions, for example, on space allocation by category and item. This is the ongoing process to ensure our non-alcoholic planograms remain current and up to date."

On the other side of the aisle, with the intense scrutiny being given to the sale and display of alcoholic beverages, Cella said that "only in select instances" have non-alcoholic beverages been called on to fill any extra store space as a result of these de-glamorization efforts.

"The affected sites were looked at in totality and space reassigned to optimize sales," he said. "Since the vast majority of our non-alcoholic beverage sales are for immediate consumption — and merchandised in coolers — adding additional warm product was not the best use of the space."

In the area of promotions, "We try to 'mix-up' the events at the commands, versus repeating the same events at the same commands over and over, to give as many different experiences to as many different sites as possible," Cella emphasized.

The buyer noted that tasting events/promotions "are particularly impactful, especially when launching new items and flavors."

Whether participating in promotions or just trying to sell the assortment as is, Cella said that the MCX has what he characterizes as a "clean store" brand standard regarding displays and merchandising "which we must adhere to, but that does not have to equate with a 'boring' store."

"In the coming months, Food Buyer Ashley Davis and I will be partnering on cross-merchandising displays to drive home certain points/themes. For example, we will be creating 'Munch Madness' end caps with snacks and beverages in March, and will also be partnering on healthier alternative item displays."

—MCH

MCX Top-Selling Energy Drinks By Fiscal 2013 Units Sold

ENERGY DRINKS	YTD UNIT SALES
1) Monster Green (16 oz.)	562,479
2) Monster Zero Ultra (16 oz.)	561,106
3) Red Bull Energy (16 oz.)	330,478
4) Monster Mega Green (24 oz.)	310,673
5) Red Bull (12 oz.)	284,711
6) Monster Ultra Blue (16 oz.)	247,252
7) Red Bull Original (20 oz.)	177,865
8) Red Bull Energy (8.4 oz.)	166,527
9) Monster Lo-Carb (16 oz.)	134,138
10) Monster Absolutely Zero (16 oz.)	131,005

*Through November 2013.
Source: MCX

MCX Top-Selling Water By Fiscal 2013 Units Sold

WATER	YTD UNIT SALES
1) MCX Razor Water (1 gal.)	619,318
2) MCX Razor Water (0.5 gal.)	526,493
3) Glaceau smartwater (1 liter)	305,318
4) Maola Spring Water (1 gal.)	206,547
5) MCX Razor Water (1 liter)	186,040
6) Dasani Water (1 liter)	133,903
7) Sparkletts Water (1 gal.)	124,918
8) MCX Razor Water (1.5 liter)	115,737
9) Aquafina Water (20 oz.)	100,795
10) Aquafina Water (1 liter)	94,851

*Through November 2013.
Source: MCX