

welcome

inside

Inside Advantage is a publication of Advantage Sales & Marketing, LLC

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Looking Ahead to What 2015 Will Bring

We all know that it can be challenging

to keep in step with the ever-changing CPG environment. Our world moves at a rapid pace and issues like retailer consolidation and inflationary pressures caused by rising commodity prices continue to be top of mind. Meanwhile, the industry is abuzz with predictions for more change in 2015 (an increasingly varied demographic landscape creating opportunities and challenges for both retailers and manufacturers, online and mobile solutions reshaping the in-store experience, etc.). During these times of complex change, one thing remains constant: ASM's commitment to provide efficient and effective services and deliver the industry's most flexible solutions for our clients.

Nowhere is this more obvious than within these pages of *Inside Advantage*. Our cover story features our dedicated, bilingual Hispanic retail selling team, which connects clients with Hispanic shoppers by providing in-store selling, merchandising, and shopper marketing program execution at Hispanic retail accounts (see "Hispanic Retail Selling Team," page 8). Another featured solution is ASM's recently expanded club channel team. As club retailers continue to grow, our team provides comprehensive chan-

nel connectivity at the largest club retailers as well as strategic insights on product development and sales execution at these critical accounts (see "New Club Channel Expertise," page 3). This issue also introduces the New Item launch module of ASM's Speed to Insight™ business intelligence platform, which provides a detailed view of the opportunities that exist across the retail landscape, providing clear alignment on the role, timeline, and potential of new product launches (see "Leveraging Analytical Tools," page 4).

ASM is committed to providing these strategic solutions and many more to continually serve our clients as business needs change and evolve. The passion of our associates and the flexibility inherent in our agency model prepare us to continue providing the industry's best services this year and for many years to come. I look forward to what 2015 will bring.

Winning Together,

Janya Domier

Tanya Domier Chief Executive Officer Advantage Sales and Marketing







New Club Channel Expertise Expands ASM Presence in Costco, Sam's Club, and BJ's

The club and warehouse channel is one of the fastest growing in the industry, and club retailers deliver a unique value proposition and shopping experience to their extremely loyal members. Three major players (Costco, Sam's Club, and BJ's) continue to dominate the channel with year over year same store and total revenue growth, creating significant opportunities for manufacturers to align with these retailers and benefit from their growth. However, navigating the complexities of the club channel's limited "treasure hunt" item assortment, special pack requirements, and complex web of regional rotations can be a challenging barrier to entry.

To pave a path into this channel for its client partners, ASM deploys a team of highly experienced, club channel-dedicated experts across Costco, Sam's, and BJ's. In 2014, ASM expanded this team to provide even larger scope and scale by acquiring three leading club brokers: Resource Marketing and IBC, both experts at Costco and BJ's, and Club Marketing Services, the industry's largest and most re-

spected Sam's Club broker partner. These teams bring channel connectivity and established relationships at the largest club retailers, and provide strategic insights on product and packaging development, pricing, corporate and regional sales execution, and centralized customer service/administrative support.

ASM's club relationships help clients understand and navigate the nuances between regional, corporate, and private label buyers, allowing them to approach club channel entry effectively. The team also provides

ASM has quickly become the largest agency serving the club channel, with over 200 associates representing over \$2B in client revenue.

expertise along the entire Costco growth cycle, providing end-to-end strategy and product development support and engagement in all promotion programs. For example, ASM's channel expertise helped a client who had never sold to Costco develop a product and program for presentation. By advising the client on pack specifications and facilitating the relationship with the buyer, ASM successfully launched the item and the client was quickly able to introduce five additional items to Costco, shipping over 500,000 units in just one quarter. The client has become a valued Costco partner and continues to see double digit growth at this club retailer.

With the addition of Resource Marketing, IBC, and Club Marketing Services into the organization, ASM has quickly become the largest agency serving the club channel, with over 200 associates representing over \$2B in client revenue. By integrating the existing ASM club team with the experts from Resource Marketing, IBC, and Club Marketing Services, ASM has created (continued on page 7)



In 2013, more than 190,000 new items hit CPG retail shelves, accounting for an estimated 15% of total moving UPCs in the form of more than 9,500 new brand launches. 1 With so many items vying for the attention of both shoppers and retail shelf space, it is no surprise that nearly 80% of new items fail each year.2 There are a number of additional challenges with new item launches: once a manufacturer has defined a consumer need and created innovation to meet it, they must identify the best media, trade promotion, and pricing strategies, align messaging around the core consumer of interest, and secure retailer acceptance. One misstep on any of these and new product success can be quickly jeopardized.

Even though there are significant hurdles to getting a new product to market, more new products are being launched today than ever before. According to a study published by Deloitte University Press, the number of new product SKUs launched at CPG retail has grown four-fold since

2010.³ As this number continues to explode and the marketplace becomes even more competitive, retailers and manufacturers must collaborate to increase understanding of category opportunities and providing transparency between trading partners.

ASM's Causal Opportunity Explorer (COE) creates a cohesive view of the opportunities that exist across the retail landscape, providing clear alignment on the role, timeline, and potential of new product launches. A leading application in ASM's powerful Speed to Insight™ suite of business intelligence tools, COE mines data elements that allow business and category managers to identify the key performance criteria for launch success. The tool unlocks the view into

the distribution, pricing, and assortment factors that can drive – or impede – new launch success.

Managing the complexities of retail execution for new items is an important component of launch success, and the New Item module of COE puts the critical retail execution elements of new product launch at users' fingertips. Within the module, a Launch Overview dashboard quickly enables ASM managers to look across the retail landscape of the item launch to see how individual retailers are executing the launch, as well as provide early warning on potential challenges. This dashboard summarizes all SKUs within the launch by customer, highlighting how well ASM is delivering against critical speed-to-shelf, sales, share, and

pricing goals.

Drilling deeper into the new item launch, powerful reporting identifies how individual customers are growing in sales and distribution from week to week, aiding in the creation of powerful retailer success stories and identifying





where additional focus is needed. The ability to compare variances in price, distribution, sales, and share gains by SKU across customers, or across the entire launch portfolio for a single customer, allows users to target where to aggressively drive distribution, adjust price and planned trade events to ensure optimal performance, and protect hard-won gains.

There are many reasons for the high rate of CPG innovation failure that are bevond our immediate control: lack of true innovation or perceived consumer value, failed media, etc. But what is clearly in our grasp is the ability to create compelling sales presentations, learn from and leverage retail successes, and relentlessly track and monitor execution excellence.

To learn more about the New Product Launch capabilities and how you can put Causal Opportunity Explorer to work for your business, contact Lori Stillman, SVP Business Intelligence, at lori.stillman@asmnet.com.

- 1 IRI 2013 New Product Pacesetters Report
- 2 PDMA "4th Annual Product Portfolio Management Benchmark Study" 2013
- 3 Deloitte Press "The three rules in consumer products: Redefining how to win", December 16, 2013

Services Welcome New Sunflower Experiential Part

In 2014, ASM's IN Marketing Services division acquired a number of marketing companies to enhance the agency's existing portfolio of strategic services, leading IN to be named the #1 Promotions and Experiential Agency of 2014 by Advertising Age. The most recent of these acquisitions are The Sunflower Group, a promotion and sampling agency based in Lenexa, KS and 206inc, a premium experiential agency in Seattle, WA. Each company brings tremendous expertise to the ASM and IN family and a wide range of services including premium event execution, integrated digital solutions, and demo and sampling programs across an expanded retailer base.

The Sunflower Group is an experiential marketing company that offers a comprehensive sampling platform and vertical integration capabilities including research, targeting, fulfillment, in-retail audits, and marketplace intelligence. The company was founded by Dennis Garberg in 1978 and is now run by his three sons Justin, Jason, and Trevor Garberg. Sunflower partners with leading retailers such as Target, Publix, Giant, Martin's, and Stop & Shop to create unique in-store experiences for consumers, and executes over 300,000 events a year.

206inc is an agency focused on premium experiential branding and execution that creates awareness, inspires trial, and develops long lasting and positive impressions on consumers. From building pop up Urban Outfitters stores in college towns to designing and executing a

national Toyota Prius PR and experiential event, 206inc provides total brand solutions that accelerate the consumer's journey to purchase.

Steve McCracken, one of five principle leaders at 206inc, stated "We're thrilled to join the ASM/IN Marketing family. 206inc has enjoyed strong relationships with premium brands such as Amazon, Levi's, Chase, Microsoft, and others. We believe that by partnering with Advantage Sales and Marketing, we can further accelerate growth for our clients and associates."

ASM and IN are excited to welcome both the Sunflower Group and 206inc teams to the company and look forward to further enhancing the organization's experiential marketing capabilities and entire service portfolio.

interview

Ron Woolsey: EVP, Retail Operations

Optimizing the Retail Process

Ron joined ASM in October 2013, bringing 25 years of experience in various Sales and Sales Operations roles for key Fortune 500 CPG companies. He recently sat down with *Inside Advantage* to discuss how ASM is developing bet-

ter, smarter ways to execute for clients at retail, and give a glimpse into the future of retail technology.

Tell us about your background before joining ASM.

I've spent my entire career in the CPG industry, with 25 years of experience focused on DSD sales, go-to market strategy, and retail execution at Pepperidge Farm and PepsiCo. Before joining ASM, I served as Vice President of Sales Operations U.S. for five years for Pepperidge Farm where we built a centralized sales operations team focused on sales strategy, retail technology, and in-store execution. Prior to that, I was the VP Sales for the West Region at Pepperidge Farm for eight years.

Can you tell us what strategies ASM is implementing to provide cost-effective retail solutions for clients in store?

There are a couple of things ASM is doing to enhance our retail services and pass along efficiencies to our clients. The first is a continual investment in talent throughout the organization, particularly in our retail teams. In retail, strict hiring guidelines and effective, on-going training enhances engagement, reduces turnover, and leads to better performance for our clients and our company. In addition to our ACE Program for recent college graduates, ASM has implemented Project LEAD,

a retail leadership development program designed to help associates at all levels expand their careers and become the future leaders of our company.

ASM is also optimizing our routing structure to improve coverage consistency in outlying regions. We have combined the coverage of our syndicated teams in the outermost 20% of territories by deploying reps that cover all channels in a given geography. This has already reduced drive time for these rural territories, increased the ratio of full time associates managing these stores, and increased time in store as well as store coverage, all of which enhance execution quality and consistency. Of course, for the majority of ASM-managed territories with a higher store density, our syndicated team maintains strict channel separation, deploying reps with expertise in each particular channel.

ASM has a Hispanic retail team focused on store-level selling in Hispanic markets. What are some of the differences between these Hispanic retailers and traditional grocery formats?

Unlike traditional grocers, who service a variety of demographics depending on location, Hispanic retailers are singularly hiring guidelines and effective, on-going training enhances engagement, reduces turnover, and leads to better performance for our clients and our company.

focused on serving the Hispanic demographic. The model of these retailers is all about developing relationships within their community and being part of the fabric of the culture.

How is ASM addressing these differences with our Hispanic retail selling team?

When building out ASM's Hispanic selling team to include Arizona, Texas, and Southern California, in addition to the original Metro NY team, we knew that we had to fit into the local communities that are so important to these Hispanic retailers. Therefore, in addition to hiring bilingual sales reps, ASM's Hispanic team members also live in their territories and are part of their community, with the capacity to build meaningful relationships with all store personnel. These personal connections allow our sales reps to execute instore in a sustainable and effective manner, and provide brand integration with the programs developed by Eventus, our multicultural shopper marketing agency.

ASM made a big retail technology switch a few years ago by moving from handhelds to tablets. What changes are next for ASM's retail technology?

I think the most significant changes that will ensure our clients maintain an advantage at retail are the software enhancements and new business intelligence tools being added to ASM's technology platform. These enhancements are allowing us to optimize our processes and ensure our retail teams spend more time in store and less time performing administrative tasks.

Beginning in June 2015, all of ASM's iPads will be loaded with an interactive routing tool that allows reps to dynamically manage their weekly store coverage in order to ensure a balanced and complete coverage cycle. This tool will allow reps and supervisors to better collaborate as supervisors will have real-time visibility to actions and coverage statuses across their entire team. In addition to having increased visibility through the routing tool, supervisors and ROMs are now testing ASM's enhanced dashboards that streamline team information. Instead of spend-

ing hours pulling a mountain of individual reports, retail leaders can now use interactive dashboard screens which highlight the key areas of their team's performance. The interface allows them to take corrective action quickly and spend more time in the store with team members and clients.

What other features of this technology software will enhance ASM's in-store capabilities?

Our ARTS team is enhancing the Pitch-Book selling tool feature with a specialty order function, allowing reps to more effectively sell permanent displays with the decision-maker in store and place the order at the same time. This functionality is already in place for some DRTs today, and we anticipate expanding this to additional teams down the road. Our ARTS group is also researching innovative applications that manage planogram integrity by having reps simply snap a picture of the shelf to identify distribution voids that need correction. These are just a few of the possibilities to further enhance our platform, and we look forward to bringing these capabilities to our clients.



Club Channel Expertise







(continued from page 3)

three individual vertical teams focused on serving client interests in Costco, BJ's, and Sam's Club. In addition to individual customer expertise and deep connectivity, ASM provides an integrated, strategic overview of the club channel, allowing clients to optimize total channel opportunities while minimizing the impact of internal channel conflicts driven by each retailer's demands for unique value.

Whether clients want to efficiently tackle trade, demo, special event administration, and customer service, or partner with a club retailer to build a unique product, packaging, and pricing strategy, ASM is well positioned to provide the right solution. ASM's existing client services management team is aligned with the newly expanded club channel services leadership team and can direct clients to the right contacts to address any club channel needs.



It's no secret that the power of the Hispanic shopper is immense and growing: today there are over 50M Hispanics living in the U.S. with a spending power of \$1.2 trillion. A lot of that money is being spent at the grocery store, as Hispanic food shoppers account for roughly 25% of all food shoppers with children and are significantly more likely to spend over \$150 weekly on groceries than the average shopper. The growth of the Hispanic population has led to the growth of Hispanic grocers, which continue to carve out an increasing portion of the U.S. retail landscape.

In order to gain traction with Hispanics and capture their spend, manufacturers must connect with them at Hispanic retail locations. However, merchandising and program execution in the traditional Hispanic store formats can be difficult, due to the independent nature of the stores and the cultural and language barrier between most manufacturers and the stores.

To address this gap, ASM developed a specialized retail team that connects clients with the Hispanic shopper by providing in-store selling, merchandising, and shopper marketing program execution at key Hispanic retail accounts. All team members are full time Hispanic retail selling experts who are fluent in Spanish and understand how to develop the key relationships needed to make an impact at store level. The team was initially

launched in the Metro NY market in 2007, and has experienced

significant growth in terms of both client representation and sales results, having generated over \$28M in sales since the program's inception. Today, this team continues to consistently deliver over 20% average growth for clients.







This success has led to the expansion of the program. Today, in addition to the Metro NY team, ASM's Hispanic retail force has grown to include nine Retail Sales Specialists who cover 750 Hispanic accounts across Arizona, Texas, and Southern California. Combined with the existing NY Metro Team, ASM now has retail selling coverage in over 1,250 of the most prominent Hispanic stores in the country. The team is led by Juan Parra, Retail Operations Manager, who has over 15 years of Hispanic-specific consumer packaged goods experience and brings extensive headquarter selling and international expertise with major Hispanic chains.

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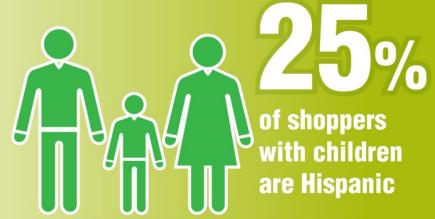
of the U.S. population is Hispanic

50,000,000 Hispanics in a population of approximately 316,000,000



With a collective buying power of





They are significantly more likely to spend \$150 or more a week on groceries.

development

ASM's Future Leaders Shine Bright at ACE Conference

ASM's ACE Leadership Development Associates (LDAs) represent some of the brightest potential in the industry, bringing fresh ideas and new perspectives to ASM as well as clients and customers. The year-long ACE program, which accepts roughly the top 5% of thousands of applications, is a strategic investment that provides clients with the trained and experienced talent critical for long-term success. Since the program's inception in 2009, ACE has developed into an industry-leading training program and has graduated hundreds of ACE alumni who now drive growth for ASM and clients. In addition to on-the-job training and guidance, the ACE program includes learning conferences, executive leadership interaction and mentorship, and intense MBA-style case study competitions.

During a recent ACE conference at ASM headquarters in Irvine, CA, LDAs were challenged to develop implementable, revenue-generating sales and marketing proposals for clients. Two groups, Team ACE in the Hole and Team pACEsetters, impressed the executive judging panel and stood out from the crowd with their winning ideas:



ACE in the Hole Always a Reason to Celebrate

Team ACE in the Hole developed an interactive in-store marketing campaign at Walmart aimed at connecting Hispanic shoppers with Mazola oil. The campaign slogan, "There's Always a Reason to Celebrate," promoted the idea that everyday cooking occasions should be a celebration. This message was intended to resonate specifically with Hispanics, for whom family

dinners and celebrations are a key cultural component. Team ACE in the Hole developed complementary program elements that leveraged the power of the total ASM service portfolio to create a campaign that included a themed endcap with an interactive touch screen linked to social media, a live sample demo conducted by ASM's Shopper Events group, themed recipe cards, and shippers placed nearby to encourage





purchases and engage shoppers in a 360 degree approach.

"We wanted to create a program that appealed to the large Hispanic market without alienating other demographics," said Danny Bowers, LDA and ACE in the Hole team leader. "With our 'Celebrate' campaign, we found a way to use our connectivity at Walmart and bring ASM's services together to create a unique experience for the consumer on behalf of our clients."





pACEsetters Health Sync Kiosk

Team pACEsetters developed a concept for the Health Sync Kiosk, a free-standing, interactive kiosk in Walgreens pharmacies to help consumers identify items in store that align with food restrictions, allergies, or intolerances. The pACEsetters saw the kiosk as an opportunity to help Walgreens assist their customers in making healthy choices while promoting ASM clients' products.

The Walgreens pharmacy offers prescriptions and remedies for nearly any condition. What's missing, however, is a way for individuals picking up prescriptions to identify complementary items that Walgreens offers to address their need state. "How cool would it be to have customers interact with a kiosk that not only identifies foods that align with their dietary restrictions, but also tells them where to find the items instore and pick up a coupon as well?"

said Zeb Grice, LDA and member of Team pACEsetters.

Whether customers are gluten-free, lactose intolerant, diabetic, etc., the innovative Health Sync Kiosk would allow any retailer to support customers in their efforts to improve their health and promote and align ASM clients with their target consumers.

For more information about these projects or the ACE program, contact Meghan Orville at meghan.orville@asmnet.com or

Hispanic Retail Selling Team

(continued from page 9)

In addition to retail selling and merchandising activities, ASM's Hispanic team partners with Eventus, ASM's experiential multicultural marketing division, to execute brand-building shopper marketing initiatives at retail. By executing and maintaining compelling events at the store level, the team ensures that these programs effectively reach the target consumers and make an impact.

Whether there is a need to drive additional growth for products already ingrained in the Hispanic culture, or provide initial traction of mainstream products to Hispanic consumers, ASM's Hispanic Retail Selling Team provides an unbeatable solution for reaching Hispanic consumers effectively at retail.

For more information about ASM's Hispanic Retail Selling Team or to inquire about representation, please contact Kerry Severson at kerry.severson@asmnet.com.



marketing

Shorpie.



Shop @ Staples.com

With the rise of mobile, social, and e-commerce platforms, shoppers are more informed than ever before - and the way they seek information has forever changed. To be successful in today's multi-channel marketplace, brands need to be visible where shoppers are "hanging out," which is often in an online environment. Always up for a challenge, IN Marketing Services partnered with Newell Rubbermaid and Staples to create a unique Sharpie experience at Staples.com that provided shoppers with information on the vast selection of Sharpie products, new applications and craft ideas, and hot deals. So whether shoppers were seeking solutions for large industrial projects or simple DIY crafts, IN's Sharpie Shop at Staples.com directed them to hundreds of Sharpie styles and tips to artfully complete any task.

The objective of the Sharpie Shop was to allow Staples to communicate directly with shoppers and drive awareness that Staples is the ultimate destination for Sharpie products. The engaging and interactive site encouraged shoppers to explore options beyond the core marker assortment, and the entire campaign focused on creating authentic, original content and impactful, styled images to share organization tips, crafts, and creative gifts using Sharpie products.

The Sharpie Shop launched in conjunction with the 2014 back to school season and was supported by a robust Shopper Marketing plan which included a Staples.com Back to School Center takeover, Pandora Radio marketing campaign in five major metropolitan markets, and a blogger outreach program targeted at moms, teachers, and small businesses. Offline, the campaign leveraged exclusive circular wraps with aggressive offers as well as a Sharpie off-shelf display featuring single Sharpie products. Online, consumers took part in a digital Twitter party to connect and discuss Sharpie and Staples, lasting one hour and generating over 3.5 million im-

pressions and 3,000 Tweets.

Within six weeks the Sharpie Shop campaign delivered over 75 million impressions during key back to school drive times, and Staples saw double-digit growth of Sharpie in-store sales over prior year. With the early success and engagement generated from the Sharpie Shop at Staples.com, IN Marketing Services, Newell Rubbermaid, and Staples are already looking towards delivering an even more successful program for 2015.



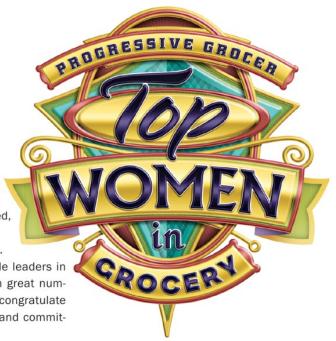


associates

Progressive Grocer Recognizes Six ASM Associates as Top Women in Grocery

Now in its eighth year, Progressive Grocer's Top Women in Grocery Awards honors the top female leaders of the industry who have inspired, engaged, and succeeded in the industry. In 2014, six ASM leaders earned spots on this prestigious list over hundreds of other applicants.

"Progressive Grocer's award honors the best and brightest female leaders in the industry today and I am proud to see ASM represented in such great numbers," said Tanya Domier, Chief Executive Officer. "I would like to congratulate each of our winners and thank them for their insightful leadership and commitment to our organization."



Senior Leaders



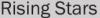
Jill Griffin President,
IN Marketing Services
In 2014 Griffin led various M&A activities for
IN Marketing Services,
resulting in a greatly
expanded service portfolio which prompted

Advertising Age to name IN the #1 Promotions and Experiential Agency in the U.S.



Meg Levene, SVP Northeast Levene restructured four ASM offices to drive significant cost efficiencies while increasing associate head count. She also created a Center

of Excellence for clients to maximize the use of Ahold Shopper Loyalty Card data.





Shelly Everett Jacoby, Director of Sales
Jacoby excelled in driving total EBITDA for ASM, while spearheading all of the marketing initiatives for her New Eng-

land customers, resulting in greatly increased sales.



Kim Hsieh, VP Strategy and Integration, IN Marketing Services Hsieh helped transform IN's instore engagement by establishing a planning and insights

group within the experiential division of IN Marketing Services.



Valerie Bernstein, SVP Business Development IN Marketing Services Bernstein was chosen to establish a new business team for IN's consumer and shop-

per division, and spearheaded more than \$11M in new revenue in 2014.



Jennifer Kwon, Client Team Leader Kwon helped secure the business of two South Korean manufacturers to bolster ASM's presence in the ethnic and specialty foods catego-

ries. She was also the winner of the first annual Sonny King Award, awarded to a single ASM associate who most notably demonstrates measurable contributions to ASM.



We design unforgettable experiences that bring some of the most famous brands in the world to the community level, creating awareness, trial, purchase, and love.

206