

Winning the STORE

A REVAMPED **JOINT BUSINESS PLANNING** PROCESS AND **INSIGHTS-DRIVEN APPROACH TO CATEGORY MANAGEMENT** ARE HELPING **ANHEUSER-BUSCH INBEV DRIVE GROWTH** WITH MAJOR NATIONAL ACCOUNTS. > **By Mike Troy**

The stakes to earn shopper trips and grow transactions at retail have never been higher, which is why Ari Kertesz is a man on a mission. In the role of Vice President Large Format Retail Sales at Anheuser-Busch InBev (AB InBev), Kertesz wants retailers to understand that the beer category is their best friend when properly managed.

“Whenever you win with the beer category you have a very high chance of winning with the total store because beer is a destination and one of the main reasons why people choose where to shop,” Kertesz said.

With a household penetration rate of nearly 60%, AB InBev data show that 56 percent of shoppers cite beer as a reason for their trip. An analysis of transactions shows that baskets with beer in them are 61 percent larger than those without. While it is easy to make the case for the importance of the beer category, managing the complexity of the business is anything but. A proliferation of local and hyper local brands, shifting demand drivers, an array of packaging configurations and countless seasonal, sports and entertainment driven promotional opportunities make beer one of the most complex categories. To capitalize on those complexities and help retailers “win with beer,” Kertesz has brought new joint business planning (JBP) and category management processes to AB InBev.

“We were doing very well, but there is always room for improvement because we can play an even bigger role in helping develop the beer category. You cannot take brand loyalty for granted,” Kertesz said. He joined AB InBev in September 2016 to lead the sales relationship with the top retail chains in the U.S. market and since then, “I’ve been taking a lot of time to understand our retailer

partners’ strategy, where they want to invest and what is important to them. We can do more together such as joint programs and customized solutions.”

Doing more begins with having the right joint business plan for each retailer based on the role the beer category plays in their overall strategy. This customization approach began with the top 10 accounts last year, was recently expanded to 20 and soon will be in place with AB InBev’s 30 top clients.

“Some retailers win because they have the best range and best options and offer almost every beer imaginable. Others win with low prices, broad selection, convenience and high traffic. Others may have small stores with a simple as simple assortment, but have very good prices on a few SKUs that may drive 70 percent of volume,” Kertesz said. “We are trying to be more proactive in challenging our clients so we make sure they win leveraging their positioning and their strategy and the different possibilities that the beer category allows for them.”

A fundamental change in category management is helping retailers optimize assortments and drive growth. The approach is rooted in building a base, or core assortment, of national brands supplemented by regional, local and hyper local brands for which demand can vary widely from store to store. To manage this variability of demand, among other nuances of the category, AB InBev has category teams that work on a daily basis with large retailers, according to Kertesz. The brewer also has a team dedicated to e-commerce that focuses on emerging digital and home delivery opportunities.

“E-commerce is a very frequent topic in top to top discussions. Retailers have seen what has happened with other categories so they want to be proactive with beer,” Kertesz said.

Although he’s been with the company less than a year, Kertesz is no stranger to the beer business or the science of process improvement as a means to drive sales growth. He began his career in 1995 as a consultant for Booz Allen Hamilton and in 1999 he joined McKinsey and Company. Kertesz spent 17 years with the global management consulting firm, becoming a senior partner in 2012 and working with AB InBev the past five years. He co-founded McKinsey’s Consumer Practice in Latin America. He became a full-time employee of AB InBev one month before the company completed its acquisition of SABMiller in October 2016, giving it pro-forma revenue of roughly \$55 billion. **RL**



◀ Ari Kertesz