

for·ti·fy  
conference 2018

# Building Loyalty In Your Private Retail and Licensee Channels

Paul Rickett, **VARketing!**

There simply aren't enough Shelf Spaces/Wine Lists/Taps to accommodate all the mainly interchangeable products available from thousands of vendors

So how do you differentiate yourself?

Differentiation comes from....

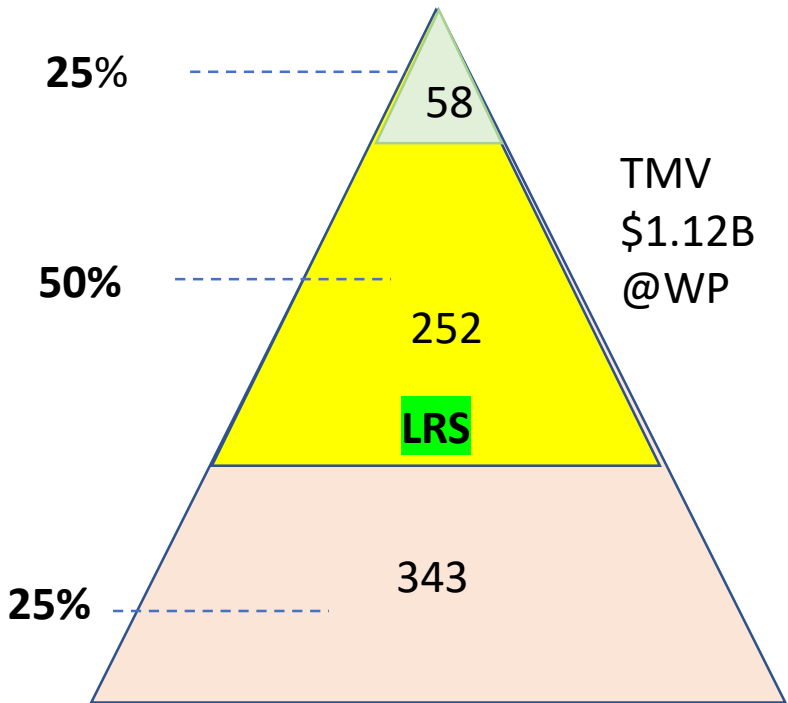
- Brand Strength
- Effective Channel Management
- .....and from Product

# Sitrep

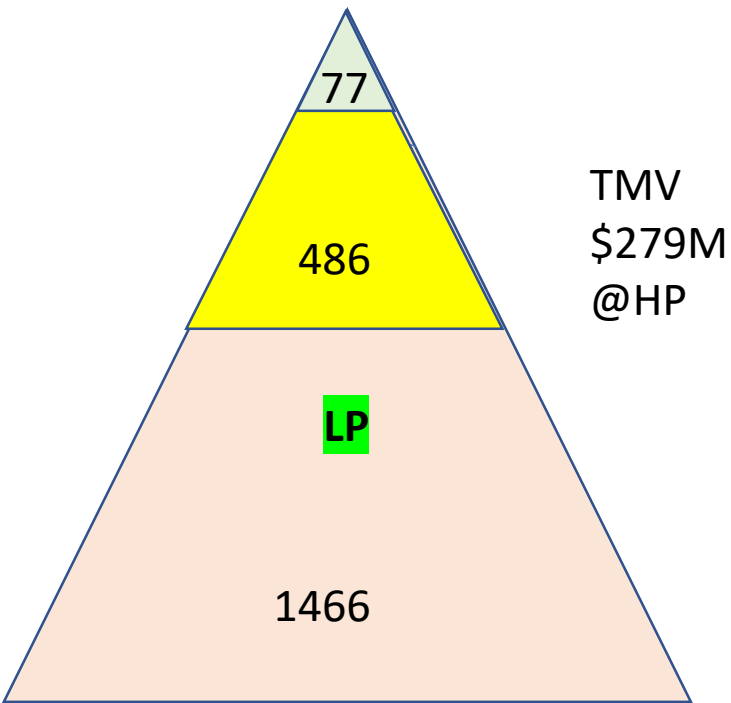
Who are you selling to and how you are doing

# LRS/LP/FP Demographics

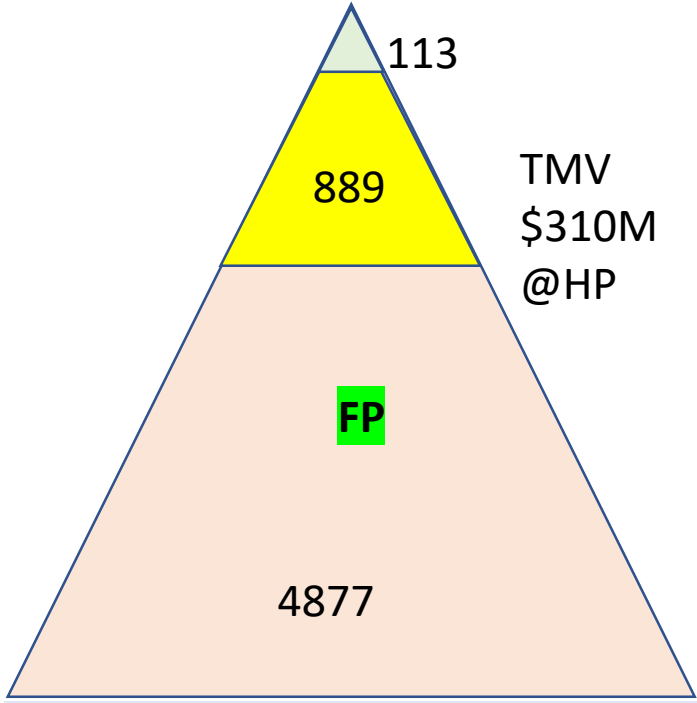
%of Total Purchases LDB & Direct



**Median Purchase \$ - \$1.4M p.a.**  
**Average Purchase \$ by Segment**  
 Large → \$4.8M p.a.  
 Medium → \$2.2M  
 Small → \$800K



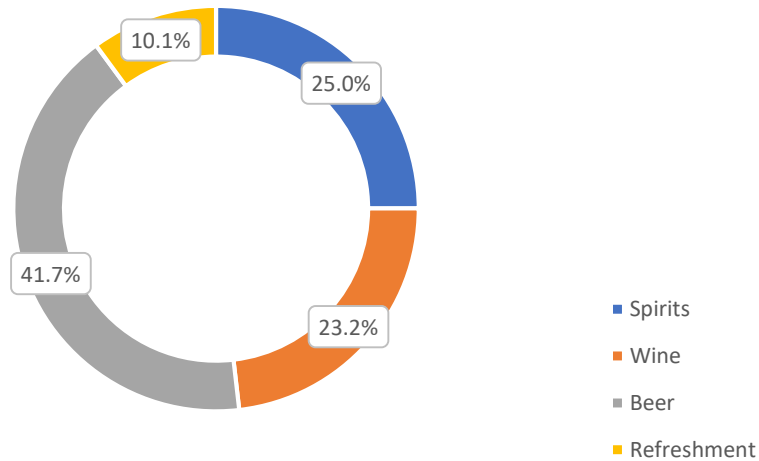
**Median Purchase \$ - \$64K p.a.**  
**Average Purchase \$ by Segment**  
 Large → \$3.6M p.a.  
 Medium → \$287K  
 Small → \$48K



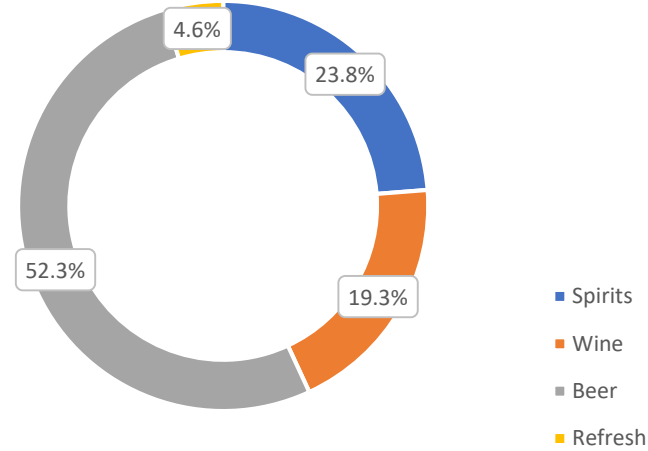
**Median Purchase \$ - \$11K p.a.**  
**Average Purchase \$ by Segment**  
 Large → \$686K p.a.  
 Medium → \$175K  
 Small → \$16K

# Average Product Mix by License Type

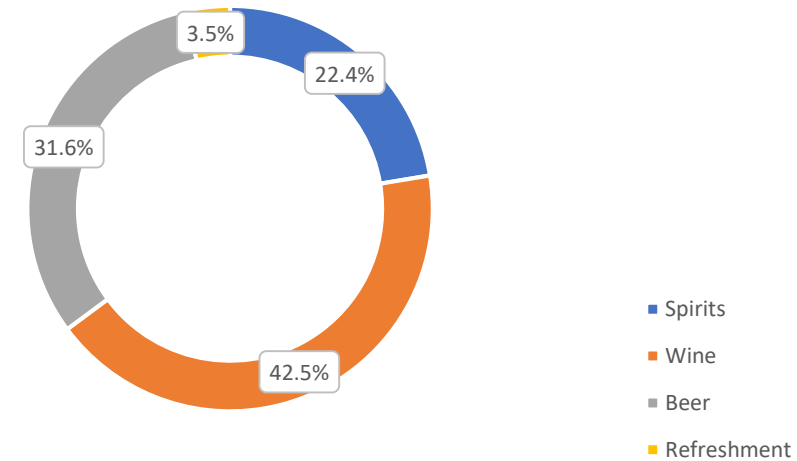
LRS Average Product Mix



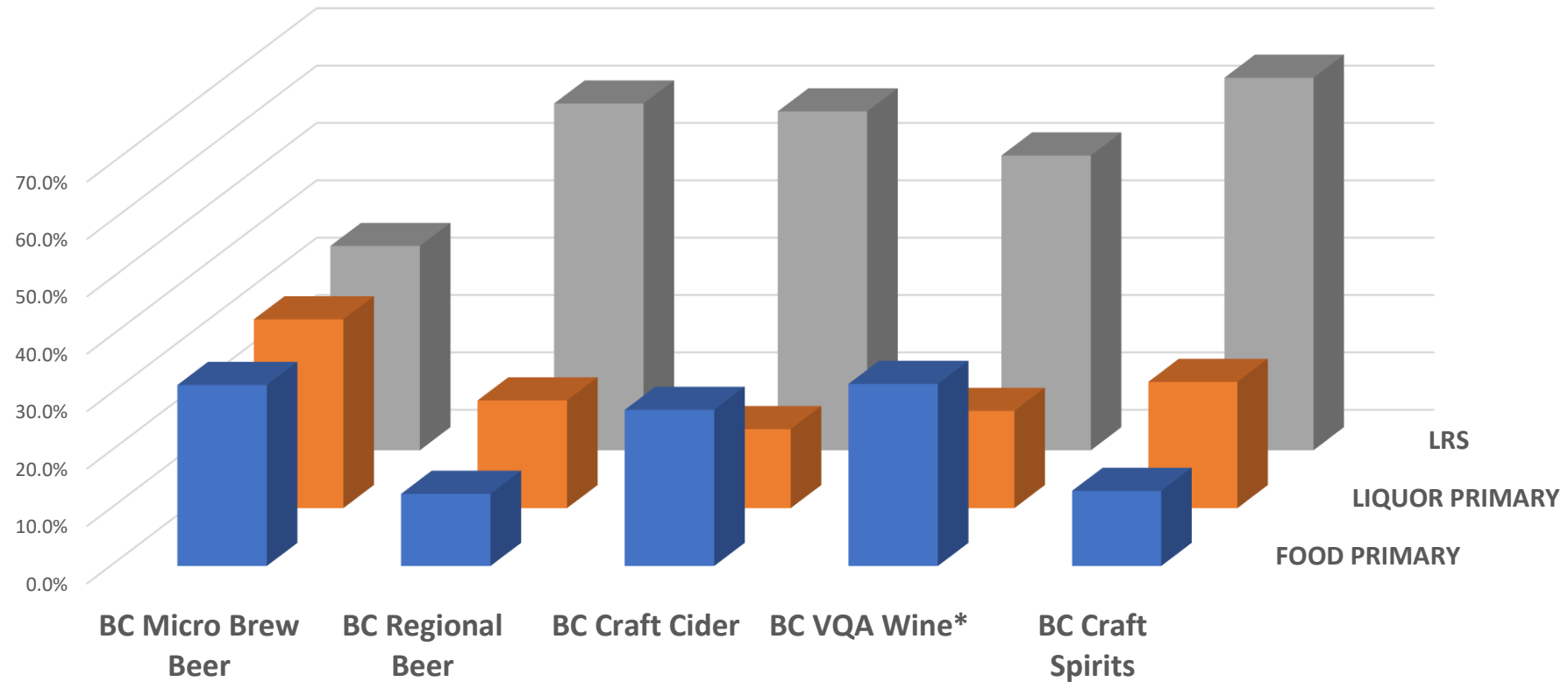
LP Average Product Mix



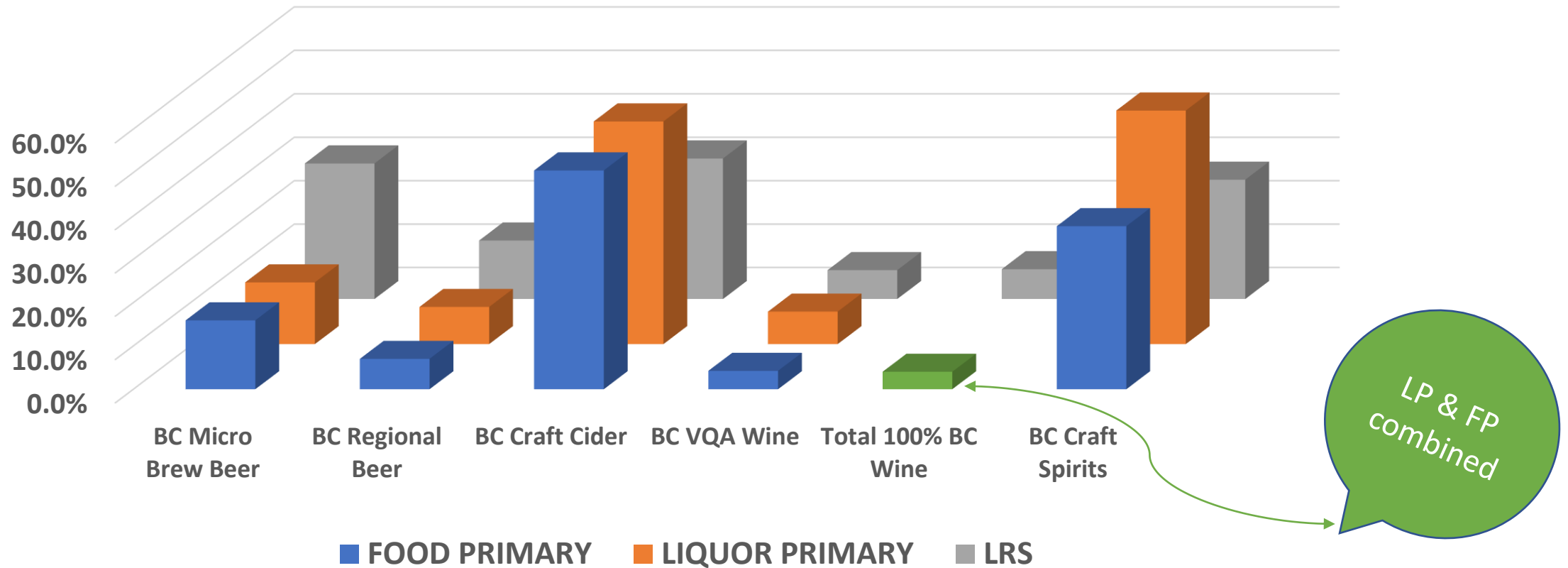
FP Average Product Mix



# Total Litres - FP/LP/LRS % Share



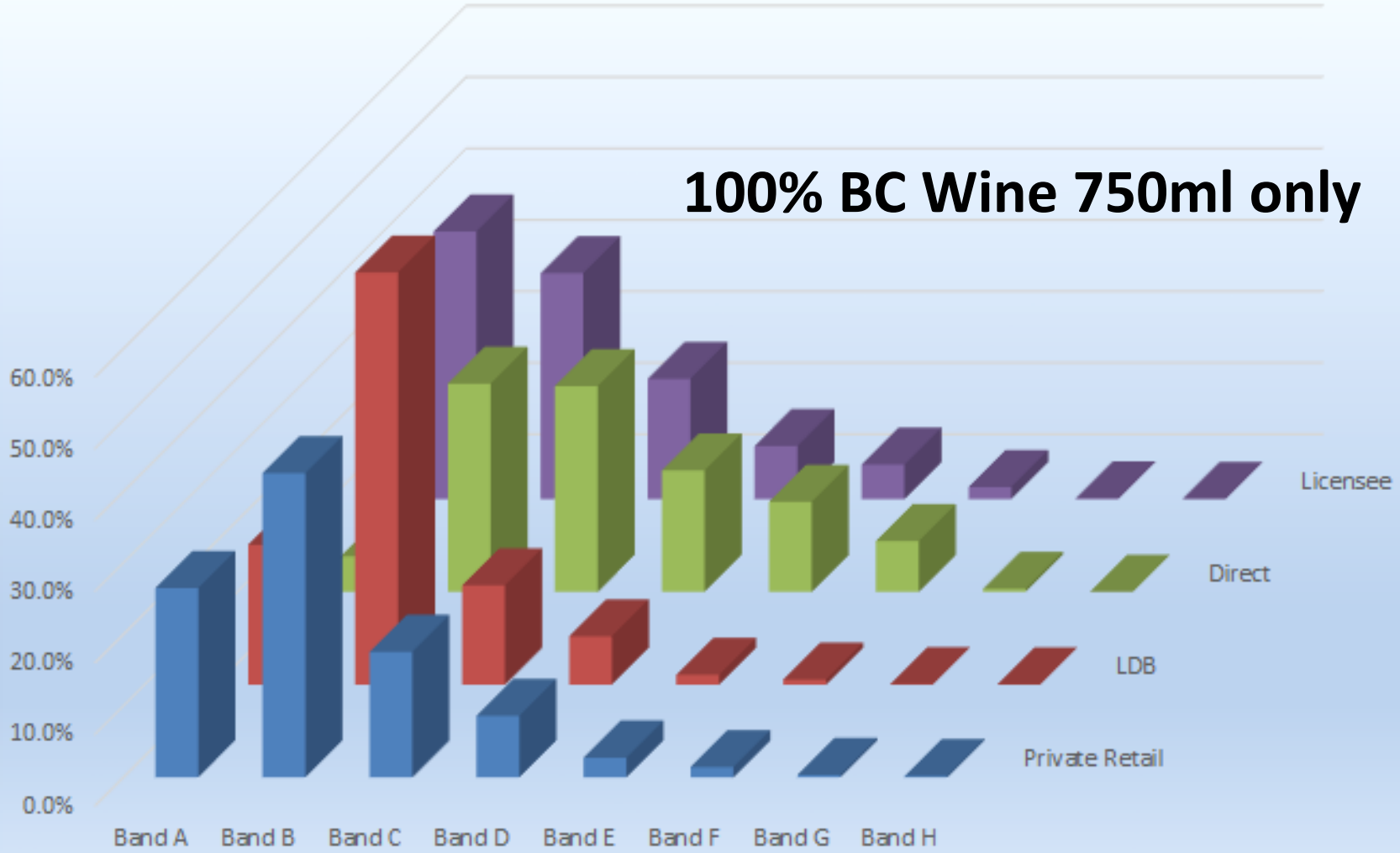
# % Change in Litres for BC Craft Manufacturers FY18 over FY17 by Private Channel





**% of Sales By Band By Channel**  
**R12Sep17**

**100% BC Wine 750ml only**



# Weak Signals from LRS Benchmark Study 2018

## Question

- Which product category has highest correlation with higher GPM%?
- Which product category has highest impact on Sales & Basket Size?
- Which product category or categories have biggest influence on EBITDA%?
- Which product category do the 4 high performing EBITDA% LRS sell most of?

## Answer

- **Wine**
- **Spirits**
- **None**
- **1 wine/2 Spirits/1 Beer & Refresh**

# Channel Management 101

Courtship, Marriage, Longevity .... Failed First Dates, Breakups and Divorce  
Emotional vs Rational

# The **VARketing!** Channel Checklist

- It's a guide – many of you will be resource constrained
- The list is only partial – lots more you can/should do

• Intrachannel conflict	• Ranking and rating resellers
• Intrachannel cooperation	• Rewards
• Interchannel conflict	• Recognition
• Interchannel cooperation	• Legal incentives
• Planning a sales call	• Quality vs Quantity
• <small>What you should be asking and doing</small>	• Allocations
• Reseller marketing	• Scarcity is a wonderful thing
• <small>collateral</small>	• Tastings
• Staff training tools/aids	• Does and don'ts
• Manufacturer	• Follow up
• Regional	• TR training
• Industry	• Recognising and filtering the prospect at your TR
• Building trust	• Information sharing
• <small>Relationship enhancers</small>	• Outsourcing
• <small>Relationship deal breakers</small>	• Goal setting
• What to do as you grow	• Using agents/fidtributors
	• Inventory sell-through

# 16,000 chances to make a first impression



# Channels are Conduits not Consumers

Each Channel needs timely, specific, relevant, focused communication

Think how your communications can/will “trickle down” to staff and consumer

Anticipate and manage the relationship damage points/breakers

Communicate the business  
value of your brand

Your resellers are partners  
not just shelf/list/tap space

Build a  
program

More to it than  
just the product



Ask for and give feedback

Reward and recognize at all  
levels

Today's #1 Takeaway

Effective Channel Strategy

includes

Direct, Proactive

Manufacturer Interaction



# Thank you

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**VARketing!**

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