GREATVINES

WHITE PAPER

Optimizing Survey Strategy to Drive Increased Sales

Don't Just Take Surveys, Take Action!

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Executive Summary

More than most other industries, beverage producers inhabit a particularly complex sales environment and retail landscape making the pursuit of "perfect account" execution a difficult task. The dynamics of a three-tier distribution system and the interactions between producers, distributors and retailers holds the potential for lots of lost efficiency. This lost efficiency often translates into lost profits for the producer. To combat the high potential for loss, producers and their respective sales functions undertake a number of actions designed to gain better visibility and control over the execution and measurement of sales and marketing activities. Central to these actions are periodic surveys performed to ensure compliance with sales and marketing strategies and evaluate execution at retail.

As any producer can attest, the survey process is a labor-intensive and time-consuming one. The expectation is that the reward for engaging the survey process should be equal or greater than the effort it takes to execute the survey. Yet, very rarely is this the case for most producers. The problem doesn't lie in the effort these producers are putting forth as much as it does in the flawed survey methodologies being employed.

Passive, information-gathering survey questions and designs may yield academic results that have no effect on a producer's bottom line. While these types of questions have their place – for instance in analyzing a producer's pricing versus their competition – the information gathered is often wasted and the opportunity to use the data to directly improve sales is lost. This is characteristic of surveys requested by finance or corporate marketing and are too far removed from local sales initiatives.

Properly designed surveys yield tangible, actionable insights into how to drive increased sales and profitability in every account. This paper will help readers identify ineffective, inefficient survey practices and processes within their existing survey efforts. t will also offer insights into how to replace poorly performing, unfocused survey activity with strategic, tangible actions that facilitate better execution of sales and marketing imperatives and ultimately produce more and better sales.

"Simply put, the quality of the survey questions leveraged dictates how much value the exercise drives."

Identifying Weakness of Common Survey Strategy

Through involvement in scores of surveys performed by beverage producers over the course of nearly 20 years, GreatVines' subject matter experts have witnessed a wide array of "conventional survey wisdom". Some of the most common weaknesses built into conventional survey practices include:

- Questions focused on information gathering rather than metrics that support improved sales execution;
- No methods for timely linking of survey data back to retail account depletions;
- Results are filtered through corporate review and analysis and only shared with sales in stagnant reports many weeks after the survey is

completed, dashing any opportunity to mitigate poor execution of sales/marketing strategy;
- No means for immediate collaboration to address gaps identified in a given account;
- No processes to assign "action steps" based on survey data to improve accounts where problems are identified; and
- No system to manage and assign accountability to improving the situation in each account.

"...transform informational questions into actionable questions that lead the survey taker toward successful execution of strategic imperatives."

Steps for Deploying Effective "Sales Driving" Surveys

Step 1) Focus on Asking the Right Questions

Often, this step really only requires modest corrections to the questions producers may already be asking in their surveys. Small tweaks can transform informational questions into actionable questions that lead the survey taker toward successful execution of strategic imperatives. Some examples:

- Change, "What brands are on display?" to "Is there a display of 5 or more cases of 'Brand X' situated prominently at the front of the store?"
- Change, "Is 'Brand Y' in a secondary location in the store?" to "Is 'Brand Y' in the cold box?"
- Change, "Where is 'Brand Z' on the shelf?" to "Is 'Brand Z' located to the right of 'Brand Q' on the shelf?"
- Change, "What is the price of 'Brand A'?" to "Is 'Brand A' priced between $14.99 and $15.99?"

Notice that the revised questions all prompt answers that can be immediately leveraged to ensure compliance with marketing and sales strategic imperatives. The original questions yield vague answers without any of the detail necessary to determine whether compliance is being fully met and opportunities are being maximized.

Also, take extra care to keep the questions concise and to the point. Avoid polling data that isn't absolutely essential to executing what's important in each account. Questions focusing on things like tracking the distribution of every single size of every competitor in every account are superfluous and take time away from more important issues.

Think about the structure, organization and prioritization of survey questions. To make the exercise more efficient, it may be useful to organize questions by areas in the account such as:

- Shelf
- Cold Box
- Back Bar
- Menu

Provide specific target answers for each question to convey and reinforce the desired outcomes. Assign a point value to each question on a continuum from least to most important. This weighting will help prioritize initiatives and enable replicable scoring capability for the survey.

Step 2) Focus on Surveying the Right Accounts

As noted at the outset, the survey process is labor-intensive and time consuming. In order to maximize the effect of the effort put forth, it's critical to ensure focus only on the most relevant accounts. To that end:

- Develop surveys by account segment. Use questions that define exactly what the "perfect account" looks like and stick to that closely.
- Define exactly which accounts represent the key accounts in the market and survey only those accounts.
- Avoid "pet accounts". If it is not a critically important account in the market, don't waste time and resources visiting and surveying there. Leave personal feelings at the door.

Step 3) Manage the Process for Maximum Benefit of Sales

The quest for "perfect accounts" is the main event of any sales organization. So companies need a tool to help deliver the process required to win at retail. Leverage easy to use, powerful mobile technologies available today to ensure survey activity is as effective as it can be. Eliminate inefficient and error-prone practices of paper-based survey data capture and analysis by replacing paper with a technology tool; particularly one offering a mobile application for easy collection of survey data while onsite at accounts. Images are also extremely important in executing surveys. First, it is very beneficial to add an image to the survey question showing exactly what is expected. For example, a question like "Is the proper shelf set in place?" can have an image of the desired set, or a question asking if a specific piece of POS is being used can show the POS item. In addition, survey takers should be able to take pictures of displays and other in-store executions related to questions so that there is evidence of what was observed and so management can visualize what people are seeing in the accounts. Further, the tool should be accessible offline so work doesn't have to cease when internet connectivity is not available.

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One of the key benefits of leveraging a tech tool for surveys is their ability to provide immediate visibility into survey "scores" quantifying results as well as send actionable survey recaps directly to the respective sales reps, immediately after the visit. These recaps highlight deficiencies against the strategic imperatives identified in the survey. Today's tools simultaneously deliver analytics, reports and dashboards to management, sharing rollups of results and details by account. This way, all stakeholders, both among sales and corporate management are afforded the survey information they need to directly impact sales in key accounts and make course corrections in their respective areas accordingly.

To effectively ensure these identified gaps in execution are rectified, a survey must establish "next step" activities for addressing responses that don't meet with expectations. This enables producers to tie "misses" or "off target" answers directly to action items intended to rectify deficiencies and move closer to the desired “perfect account” result. Managing the “misses” for follow-up, ensures nothing slips through the cracks. A comprehensive solution not only enables the mobile capture of the survey, but guides the user through execution of remedial activities to yield the desired effect of increasing scores

With all the above process management structure in place, brand stewards can effectively identify areas of challenge, mitigate those challenges and then revisit the problem accounts to confirm remediation has been successful. A strong survey process includes a schedule for re-surveying as needed to compare results versus the prior visit. With these capabilities in place, management can effectively incentivize their teams by offering rewards to high scoring survey subjects. They can also reward their sales reps for achieving follow-up objectives that succeed in closing gaps identified in the initial survey.

“Focusing on executing the key sales drivers like displays, coldbox placements and menus can drive significant sales.”

What Results Should Be Expected?

Execution at retail is the most important thing to a beverage company. Those who execute the best will win. Focusing on executing the key sales drivers like displays, coldbox placements and menus can drive significant sales. According to the book, “Point-of-Purchase Promotions” by Boundless Marketing, “66% of all decisions to buy something are made while people are in the store shopping. What’s more, 53% of these decisions are classified as impulse buying.”

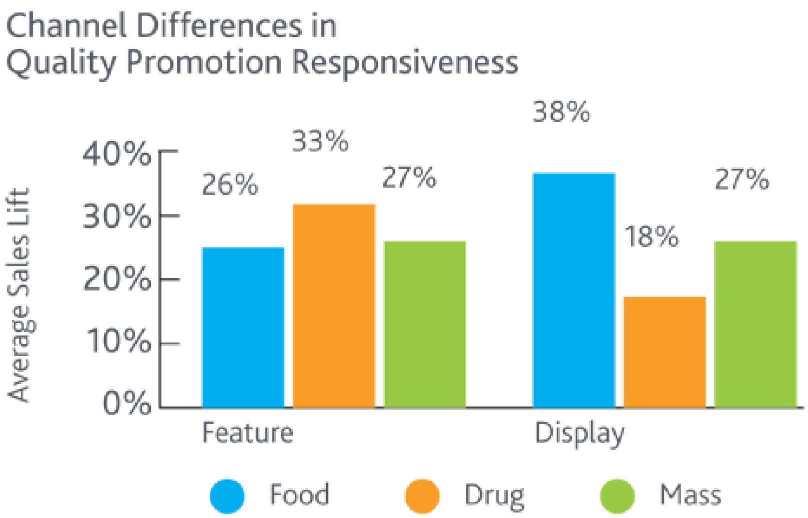
The best practices illustrated above, when properly applied to surveys executed to capitalize on selling opportunities during peak seasons like the holidays, will yield significant improvements in overall sales volumes. If businesses cease passively surveying their customers to analyze performance without taking immediate action to sell in against the opportunity they will succeed at closing the gaps on missed opportunities in key accounts. This must be any sales team’s highest priority. If properly executed, the survey methodology described herein can deliver at least a 25% increase in execution against strategic sales drivers, delivering immediate volume and profits. This is not a figure derived by the authors of this paper.
In a recent report, leading analysts from Nielsen suggest that in store display promotions can drive [beer] sales increases by as much as 15% comfortably. Further analysis reveals that display-sensitive categories tend to be “must have” products that includes the beverage product category, which traditionally demonstrates above average sensitivity to promoted price changes.

The following charts from Nielsen reveal some of the corroborating data.

Average Product Lift In Food Channel

Average Regular Price Per Unit		
	Greater than $5	Less than $5
Display	23%	43%
20% TPR	32%	44%
Feature	24%	27%

Source: The Nielsen Company, Nielsen PnP model norms database and Nielsen Strategic Planner



Source: The Nielsen Company

Also from Nielsen, "Items near the POS frequently move at one-and-a-half to three times as fast as the same product on a shelf elsewhere in the store, and some items in high-traffic supermarkets have been reported to sell as much as 64 times faster." For the beverage industry this means promotions such as displays, coldbox placements, menus and others.

Take the steps recommended in this paper and see for yourself how some nominal recalibration of your existing survey practices can yield significant increases in your overall sales volumes.

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About GreatVines

GreatVines is a privately held company with a strong team of implementation consultants, advanced software developers and subject matter experts. GreatVines, LLC is based in Portland, Oregon, with team members in Los Angeles, Northern California (Napa) and New York. Since no software is required to install, GreatVines is able to work with producers and distributors worldwide!

GreatVines aims to provide superior software solutions for producers and distributors of wine, spirits and beer. The team's focus is constant innovation, leveraging the best technology available. As a Force.com ISV partner (Independent Software Vendor) of Salesforce.com (NYSE:CRM), GreatVines is able to leverage the technological strengths of the Force.com platform while applying its industry expertise to develop specific application features and functionality unique to the Beverage industry.

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