

# SABMiller Grows in Colombia

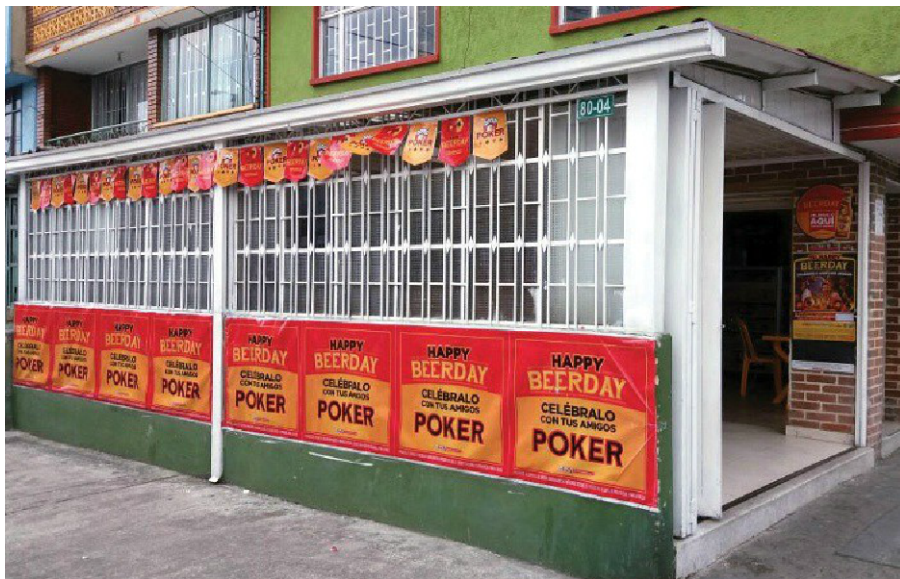
Brewer gains understanding of changing 'tiendas sociales,' then acts on learnings

By Chris Gelbach

MIAMI — **SABMiller** has had a strong hold of the beer category in Colombia, but until recently it didn't have the insights necessary to further expand its success in the region. "We really didn't have a good understanding of the path to purchase into our channels," says Alexandra Liebler, head of trade and shopper marketing, SABMiller Latin America. (SABMiller was acquired by rival Anheuser-Busch InBev in October.)

To gain this understanding, SABMiller partnered with retail consulting firm **King-Casey**, Westport, Connecticut, to learn more about the path to purchase and discover how to better emotionally connect with consumers. Critical to this effort was research into the sub-channel of *tiendas sociales*, which is Spanish for "social stores."

The largest sub-channel in the Bogota, Colombia, market, *tiendas sociales* are independently owned bodegas or bars that can be found on neighborhood street corners throughout the city, largely serving a lower-income demographic. And, as SABMiller noted, consumption in these establishments was changing.



"People were starting to consume in this channel, where it was predominantly a take-home channel in the past," says Doug Rodman, vice president of strategy, SABMiller Latin America. "Consumers were starting to go for more of a social climate, and we had to create the right atmosphere to get them to pick up our products."

To learn more about these target consumers, King-Casey in April conducted in-depth ethnographic research with Bogota-based market research firm **Inspired Active Knowledge**. Researchers met customers at their homes and then spent evenings with them at the *tiendas sociales*. The learnings informed a program aimed at increasing visit frequency, getting more customers to drink Miller

## PROGRAMS

products instead of other non-alcoholic or alcoholic options, and encouraging customers to trade up to SABMiller's more profitable premium beer brands.

"One of the aha moments from the insights is what we call the first order," says Tom Cook, principal, King-Casey. "If they order a Club Colombia or Miller Lite to start with, that's what they drink the rest of the night. So it's important that we influence that first order."

Another learning, according to Cook, was that consumers falsely thought that the premium brands cost two or three times what the non-premiums cost. "I think that making that perception meet reality is part of the challenge going forward," says Rodman, "and showing and communicating that it is a bit more of an affordable luxury to have a premium brand – but it's not so expensive that they can't get into it."

Using the ethnographic research, a communications strategy was created to capitalize on the insights and to develop merchandising and creative communication solutions to achieve the program's objectives.

King-Casey's COZI (customer operating zone improvement) methodology also broke down the tiendas sociales into eight distinct zones: street, entry, display, social, pay, entertainment, bathroom and exit.

While the tiendas sociales had previously contained only basic information about the beer brands – sometimes only a logo – this research enabled SABMiller to place its communications more strategically and target consumers more effectively. "Before, there was no real sell involved and no emotional connectivity or story building," Cook says.

The in-store materials rolled out in August and included three different investment packages for the communications, with the more extensive packages reserved for the stores with the most current and potential SABMiller business.

The materials included SABMiller messaging to go on the prime business sign, brand graphics for the tables, and chairs and branded umbrellas to accompany them. Communication surrounding the central flat screen in the bar area advertised the beer of the day and specials. Branded ice buckets encouraged group purchases. Additionally, a line of branded clothing including items such as hats and shirts gave shopkeepers the opportunity to serve as SABMiller brand ambassadors.

SABMiller also planned to roll out social media elements of the campaign. "They're making the decision about where they want to meet on Facebook and WhatsApp. We want to get them beforehand," says Liebler. SM

**BRANDS:** SABMiller's Club Colombia, Poker, Miller Lite, etc.

**KEY INSIGHTS:** In Colombia, consumers are now frequently "consuming" at tiendas sociales, rather than only taking home their purchases. The stores are providing a more social climate.

**ACTIVATION:** Focusing on the "first order," SABMiller developed merchandising and creative communication solutions at three different investment levels. In-store materials were supplemented by brand ambassadors, with social activity to come.