



EMBRACING THE FUTURE

The Post-Pandemic Beverage Era Begins

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POST-PANDEMIC

- **World and industry have changed**
- **We're at a potential major tipping point**
- **We're at the start of a new era**

SHOCKS OF THE PAST THREE YEARS

- **COVID-19**
- **War in the Ukraine**
- **Inflation**
- **Recession**
- **Threat of a bank crisis**

UNSETTLING TIMES

- **Unforeseen period of upheaval**
- **Unprecedented era**
- **How do we control our destiny?**

CHANGES ON THE JOURNEY WE'RE BEGINNING

- **Consumer base**
- **Technological tools**
- **Values**
- **Economic health**

KEY DRIVERS OF CHANGE: DEMOGRAPHICS

- **Biggest single factor**
- **A group to be approached on their own terms**
- **Millennials and Gen Z**

KEY DRIVERS OF CHANGE: TECHNOLOGY

- **Second-greatest driver**
- **Reach consumers, deliver product, facilitate everything**
- **AI will be our constant companion**
- **Technology will take everything to a higher level**

KEY DRIVERS OF CHANGE: CONSCIOUSNESS OF SENSITIVITY

- **Social justice, equity, diversity treated carefully and sincerely**
- **If it's important to consumers, it's important to us**
- **Recent events indicate importance**

KEY DRIVERS OF CHANGE: THE ECONOMY

- **Doesn't require much elaboration**
- **Good economic health means more room to run**

MILLENNIALS AND GEN Z

- **We're going to spending a lot of time with them**
- **Earning their trust is critical**
- **They will be a robust majority of the population**
- **Their values will predominate**



MILLENNIALS AND GEN Z: VALUES

- ❑ **Health and wellness matters**
- ❑ **Balanced wellness**
- ❑ **Resilience**
- ❑ **Premium yet affordable functional products**

MILLENNIALS AND GEN Z: VALUES

- ❑ **Environmental concerns**
- ❑ **Climate change especially matters to them**
- ❑ **Social and societal concerns**
- ❑ **Ethical credentials influence purchases**
- ❑ **Conscientious consumption**



A MORE FUNCTIONAL FUTURE

- ❑ **Personalized beverages**
- ❑ **Consumers will share data for beverages that function for them**
- ❑ **Health, fitness, mindfulness, sleep**
- ❑ **Beverages “just for you”**
- ❑ **Indulgent beverages that are also functional**



CATEGORY BLURRING

- ❑ **Lines separating alcohol from non-alcohol fading**
- ❑ **Hybrid or hard**
- ❑ **Examples are everywhere...including pasta sauce with vodka**

CATEGORY BLURRING

- ❑ **Consumers want alternatives**
- ❑ **Consumers want what they want**
- ❑ **Consumers stepping across lines that apply less and less**
- ❑ **Marketers must lead with innovation**

THE VIRTUAL WORLD OF ACTUAL BEVERAGE MARKETING

- **Artificial Intelligence will impact marketing**
- **ChatGPT is already making projections about AI marketing impact**

AI BEVERAGE MARKETING IMPACT

- ❑ **Understanding consumer preferences and behaviors**
- ❑ **Sophisticated analytic tools and deeper insights**
- ❑ **Predictive marketing and areas of opportunity**
- ❑ **Augmented reality and a more immersive experience**
- ❑ **Increased automation to handle routine tasks**
- ❑ **Improved customer service**



AI BEVERAGE MARKETING IMPACT

- ❑ **Capabilities will grow more expansive**
- ❑ **The human touch must remain at the heart of our efforts**
- ❑ **It's what we do with algorithms and analytics that matters**
- ❑ **We must have authentic dialogue**
- ❑ **We must maintain constant awareness to understand consumers**



THE EMERGING DIGITAL BEVERAGE ORGANIZATION

- ❑ **Digital organizations are coming along faster**
- ❑ **Responding to supply chain issues with lightning speed**
- ❑ **Integration of products, services, channels, processes**
- ❑ **Connecting and coordinating everything and everybody**
- ❑ **A true “unit” rather than a collection of divisions**
- ❑ **Companies better positioned to act and react**



CHANGES IN BEVERAGE DISTRIBUTION

- **More change in next decade than past half-century**
- **Bottlers and wholesalers reach across alcohol, non-alcohol borders**
- **Incremental profitable cases added to trucks**
- **New technologies will play an increasingly important role**



CHANGES IN BEVERAGE DISTRIBUTION

- ❑ **New technologies will help distributors' communications**
- ❑ **Technology will enable in-store retailer-distributor connectivity, in-field flexibility and advanced portability**
- ❑ **Real-time visibility of in-store conditions will be available**
- ❑ **Instant AI will make distributor teams more effective**
- ❑ **Sustainability initiatives and use of autonomous vehicles**
- ❑ **Personalization will positively impact distribution**



CHANGES IN BEVERAGE RETAILING

- ❑ **New technologies will compel retailers to adapt and change**
- ❑ **Focus on technological solutions that connect them to their customers**
- ❑ **Computer vision and AI will provide “tech enabled” checkout, merchandising and replenishment**
- ❑ **Almost fully automated stores are on the horizon**
- ❑ **AI analysis will provide retailers with deep insights**



CHANGES IN BEVERAGE RETAILING

- ❑ **Tailored promotions and customized recommendations**
- ❑ **Strong e-commerce capabilities**
- ❑ **More robotic vehicles**
- ❑ **Smaller retail stores**



DRIVERS FOR SUCCESS

- ❑ **Intimate consumer knowledge**
- ❑ **Technologies enabling progress**
- ❑ **Environmental stewardship and social citizenship**
- ❑ **Highly motivated people and organizations**
- ❑ **Swift and precise execution**

SUMMARY: WHAT WE DO NEXT

- ❑ **Embrace what is coming**
- ❑ **Emerge from the post pandemic era in a position to grow**
- ❑ **Engaged consumer base that will demand our best**
- ❑ **Look at product categorization in a whole new way**
- ❑ **Inhabit a world that is both virtual and actual**



SUMMARY: WHAT WE DO NEXT

- **Digitize our organizations**
- **Meet our distribution and retailing challenges**
- **Use the tools we have never had before**
- **Prepare for a fascinating, vibrant time ahead of us**



THANK YOU

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