

# LEISURE BEVERAGE INSIDER

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## Weekly Newsletter

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SPAR

### NOW TRACK YOUR PROMOTIONS' EFFECTIVENESS

Spar Inc. of Elmsford, New York, a leading designer of systems for evaluation and improvement of promotion profitability, has expanded its services to supply beer, soft-drink and snack makers and distributors. The system vastly accelerates the analysis of retail information and thereby increases that which beverage and food marketers are desperate for in today's rough economy: accountability.

Robert G. Brown informed this *INSIDER* that the special system, SPARTRACK Retail Monitoring System, offered by his company, enables a distributor to "find out what kind of display and merchandising activity he is getting in major chains prior to the start of the weekend, in time to change or improve the situation at the retail level."

Data are supplied that include information on retail ads and displays showing price, location and size of display. The reports may be summarized in many ways -- by account, market, route, type of outlet, etc.

SPAR's Director of Bottlers & Distributors Systems, Dick Stinchfield, described for us ways in which the SPARTRACK system meets the specific needs of, say, a soft-drink bottler. "A guy with a franchise may want six bottling companies covered in one report. Or three Pepsi bottlers competing with one Coke bottler -- or vice versa -- may want a report breaking out how they're doing, collectively, against a competitor."

Over 50 bottlers of one of the soft-drink majors have been on the SPARTRACK system for the last year and a half. More recently, bottlers of another major have begun working with SPAR and, very, very recently, so have brewers/beer wholesalers.

The cost of the system to bottlers and distributors ranges from \$6,000 to \$18,000 per year, plus up-front costs which usually are paid by the parent company. "For soft drinks, the up-front costs are not very high. For beer, more tailoring is required, and so the up-front costs could run a little higher. But we won't know until we actually start getting into the system with them, which we are about to do."

Stinchfield said that the SPARTRACK system is economically feasible even for small bottlers. "Ordinarily, the monthly cost is picked up by the bottler. That's about \$750. Considering the amounts of money bottlers spend on promotions, that's a negligible cost. And no bottler has said that the cost is out of line." Nor has any bottler who is into the system wanted to go off it. "Anyway, that I know of," said Stinchfield.

The main thing that might keep someone who has the system from using it regularly is lack of commitment. A bottler may start out doing it weekly and then taper off, perhaps using it only when there's a big promotion going. But, using the system only sporadically, you lose part of its potential effectiveness. "SPAR receives the same monthly fee -- about \$300 -- however much the system is used, although the bottler pays only for the computer time he uses."

Stinchfield likened SPARTRACK to a syndicated service. "If one bottler gets a new idea about what the system can do for him, we make that technique available to everyone else with the system."

The user does not have to be on computer to use SPARTRACK, however. If SPAR needs data to get a bottler started on the system, they can be developed from invoices. "The bottler who does have a computer uses it only to input a file and make sure it's accurate, and that can be done with just a terminal hooked up to an outside computer. Otherwise he uses a time-sharing or our computer for the big figure crunch."

SPAR offers training seminars for bottlers' staffers who will use the system to survey retailers and who will monitor the data. "Some like their own managers to do the surveys. Others hire part-time people." Surveys generally are done once a week, usually on Wednesday or Thursday so that the reports can be available by the weekend.

SPARTRACK also is available to manufacturers for national summaries of performance (ads, displays, price, etc.), and the relationship of this activity to share, and incremental sales and profits, in over 100 key markets two weeks after the retail activity takes place. Data integrated into the system can be either from syndicated sources working with SPAR or information collected by the individual distributor's or bottler's field sales people.