

## TABS GROUP PROVIDES A PROVOCATIVE NEW TAKE ON TRADE PROMOTION

"If you are not making money from your trade promotion dollars—a lot of money—then you are missing out on a business-transforming opportunity," says Dr. Kurt Jetta, CEO and founder of TABS Group, Inc. ([www.tabs-group.com](http://www.tabs-group.com)), a market research and consulting company based in Shelton, Conn.

In short, Dr. Jetta proposes that virtually all of the industry attitudes with respect to trade promotion are wrong. He contends that it starts with industry baseline models that produce inaccurate conclusions, continues with the self-defeating "cost-of-doing-business" strategy of most manufacturers and ends with misconceptions about the cannibalization risk of

trade promotions.

"I'll be honest with you," stated Dr. Jetta in a sit-down with Chain Drugstore Daily, "We are having a difficult time gaining traction with these new ideas among large CPG manufacturers. The insistence of the mid-level managers at these companies to hold on to their outdated beliefs—even in the absence of facts to support them—is enough to make my head explode.

"What's even more difficult to accept," Jetta continued, "is the resistance we are getting from retailers. Since the profit potential from well executed and more aggressive trade promotions is so huge, it would mean a massive increase in promotion investment by manufacturers, assuming there

is a true spirit of collaboration. Fortunately, we are getting great acceptance of our ideas and our service—TABS PromoMaster™—with our smaller, more entrepreneurial clients."

David Butcher, Senior Consultant and Partner, explained that the TABS Accurate Baseline™ is the most accurate and extendable baseline estimate in the industry. "Without an accurate baseline," Butcher said, "it is useless to conduct analysis of promotional effectiveness. This is a common pain point we see from prospective clients; they want the phantom spikes in the baseline removed. Our model does that. Additionally, it is the only one that can create a baseline for any retailer with scanner data, including Wal-Mart, Clubs and Specialty Outlets."

TABS PromoMaster is a best-in-class promotional evaluation and planning tool. The models used are based on the work done in conjunction with Dr. Kurt Jetta's doctoral thesis, *A*

*Theory of Retailer Price Promotion Using Economic Foundations: It's All Incremental*. In this work he was able to quantify the cannibalization effects of trade promotions on future weeks, other brands and within brand as well as other retailers. Further, the work developed a formula to identify brands which can generate windfall and even riskless profits with trade promotion.

"One other key deterrent to more investment in trade," explains Butcher, "is the belief that more trade takes away from consumer spending (e.g. advertising). If done correctly, however, profits generated from trade spending can be reinvested in consumer vehicles, which will result in a higher baseline of sales. This higher baseline, then, makes your trade dollars even more effective. It is a self-supporting cycle."

For more information on TABS Group, please contact Dr. Kurt Jetta at [kurtjetta@tabsgroup.com](mailto:kurtjetta@tabsgroup.com) or call 203-925-9157.

## DR PEPPER SNAPPLE GROUP COMMITS \$1.2 MILLION TO DISASTER RELIEF AND ENVIRONMENTAL CONSERVATION

Dr Pepper Snapple Group, Inc. (NYSE: DPS) announced donations of \$1.2 million over the next four years to support its mission to foster physically active, engaged and sustainable communities. DPS will partner with the American Red Cross (ARC) and the Student Conservation Association (SCA), the nation's leading youth conservation service organization, under its corporate philanthropy program, ACTION Nation.

"The missions of the American Red Cross and the Student Conservation Association align perfectly with two of our philanthropic focus areas," said Tina Barry, Executive Vice President, corporate affairs of DPS. "There's no better vehicle for DPS to support disaster relief initiatives than the Red Cross, and the SCA's efforts to conserve our natural resources fit very well with our commitment to environmental sustainability."

Barry added that with these commitments, DPS now has strategic partnerships across three giving platforms established through its ACTION Nation corporate philanthropy program. Late last year, to address its health and wellness focus area, the company announced Let's Play, a community partnership designed to get kids active nationwide. The first Let's Play initiative will be a \$15 million, three-year commitment to KaBOOM!, the national nonprofit that's working to ensure there is a great place to play within walking distance of every

child. Together, DPS and KaBOOM! will build or fix up 2,000 playgrounds by the end of 2013, benefiting an estimated five million children across North America.

### DPS Supporting Red Cross Disaster Relief in Texas and Beyond

Through its \$1 million four-year commitment to the ARC, DPS will join the organization's Annual Disaster Giving Program (ADGP), composed of a select group of leading corporations that provide the highest level of support to Red Cross relief efforts nationwide. The ADGP helps ensure an immediate response to meet the needs of those affected by disasters of all sizes, at no cost and regardless of income. DPS's commitment will also support the ARC Dallas Area Chapter's role in the North Texas Mass Care Task Force, a disaster preparedness group that is a collaboration of the American Red Cross Dallas Area Chapter, The Salvation Army DFW Metroplex Command, the North Texas Food Bank and the Volunteer Center of North Texas.

"Thanks to the support of organizations like Dr Pepper Snapple Group, the Red Cross has a reliable funding base for disaster relief services," said Gail McGovern, President and CEO of the American Red Cross. "This enables the Red Cross to respond immediately to the needs of individuals and families impacted by disaster anywhere in the United States, providing food, shelter, emotional

support and other essential assistance to disaster victims," MCGovern added.

### DPS and SCA to Partner on Conservation Service Events, College and Graduate Internships

The \$200,000 engagement with the SCA makes DPS the nonprofit's exclusive beverage sponsor in 2011. Throughout the year, DPS and SCA will collaborate to help create sustainable communities through a series of conservation service events (e.g., restoration of parks, trails and other natural resources) involving DPS employees and community members. In addition, DPS's commitment will enable the SCA to provide opportunities for college and graduate students to complete internships in conservation and environmental services that restore and preserve public lands nationwide.

"Dr Pepper Snapple Group shares SCA's values of environmental stewardship and citizen service, and this partnership will transform our environment and communities for years to come," said Dale Penny, president of SCA. "We look forward to engaging new friends and neighbors in conservation service and are deeply appreciative of DPS's generous support."

For more information on DPS's philanthropic efforts and sustainability goals, read "Sustainability in ACTION," the company's 2010 corporate social responsibility report, available at <http://dpsg.com/sustainability>.

### About Dr Pepper Snapple Group

Dr Pepper Snapple Group, Inc. (NYSE: DPS) is the leading producer of flavored beverages in North America and the Caribbean. Their success is fueled by more than 50 brands that are synonymous with refreshment, fun and flavor. They

have six of the top 10 non-cola soft drinks, and 9 of their 12 leading brands are No. 1 in their flavor categories. In addition to the flagship Dr Pepper and Snapple brands, their portfolio includes Sunkist soda, 7UP, A&W, Canada Dry, Crush, Mott's, Squirt, Hawaiian Punch, Penafiel, Clamato, Schweppes, Venom Energy, Rose's and Mr & Mrs T mixers. To learn more about their iconic brands and Plano, Texas-based company, please visit [www.drpeppersnapple.com](http://www.drpeppersnapple.com).

### About the Student Conservation Association

The SCA is a nationwide conservation force of college and high school-aged members who serve America's parks, forests, refuges, seashores and communities. Since 1957, SCA's active, hands-on practice of conservation service has helped to develop a new generation of conservation leaders, inspire lifelong stewardship and save the planet. SCA is a nonprofit organization with offices in Boise, Idaho, Charlestown, NH, Oakland, Calif., Pittsburgh, Pa., Seattle, Wa. and Washington, D.C. For further information, visit [www.thesca.org](http://www.thesca.org).

### About the American Red Cross

The American Red Cross shelters, feeds and provides emotional support to victims of disasters; supplies nearly half of the nation's blood; teaches lifesaving skills; provides international humanitarian aid; and supports military members and their families. The Red Cross is a charitable organization—not a government agency—and depends on volunteers and the generosity of the American public to perform its mission. For more information, please visit [www.redcross.org](http://www.redcross.org) or join our blog at <http://blog.redcross.org>.

## JILL MCCORMACK TO BRING EXPERTISE TO NACDS TEAM

The National Association of Chain Drug Stores (NACDS) announced that Jill K. McCormack joined the Association's state government affairs team as a Director of

State Government Affairs. McCormack will play an integral role within the already highly talented and respected state government affairs team, directing NACDS' pro-

patient, pro-pharmacy policy advocacy in Florida, Georgia, Kentucky, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee and West Virginia. Specifically, she will collaborate with state associations and with NACDS member companies' staff and advocate directly with state lawmakers and state agencies.

A native of Pennsylvania, McCormack

previously worked as a government affairs associate for Malady & Wooten, LLP in Harrisburg where she represented the Pennsylvania Association of Chain Drug Stores. She also served as a member of the senior staff for the Democratic Leader in the Pennsylvania Senate.

McCormack currently resides in New Cumberland, Pennsylvania.