

Brand X's Back to School activity had many highlights

- Brand X had +62% incremental displays this year vs YAG
- Achieved display activity in new accounts e.g. Military and Natural
- Reached the Hispanic market with Spanish displays and books
- Had presence at 8000 Book Fairs this fall



Competitor Y's Merchandising Deep Dive Summary

- Over the last 4 months, all categories saw significant merchandising by Competitor Y
- Competitor Y aggressively merchandised at retailers across US xAOC in addition to increased shopper marketing activity
- Competitor Y beat us to the punch by starting their Back to School drive in July

During the Back to School "Season":

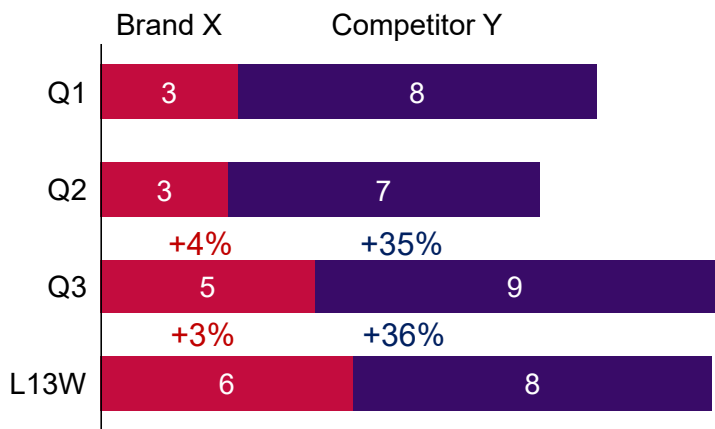
- Competitor Y had 35% more CWW of merch this year vs last year
- More than half of all Competitor Y units sold were sold on merch
- More Competitor Y units were sold on quality vs TPR
- Competitor Y promo prices went down on average -10% vs YAG
- Competitor Y had double the print coupons and quadruple the digital coupons vs YAG
- Consumers were able to buy Competitor Y's products for as low as 11¢ by combining retail merch offers, digital discounts, and coupons

Recommendation:

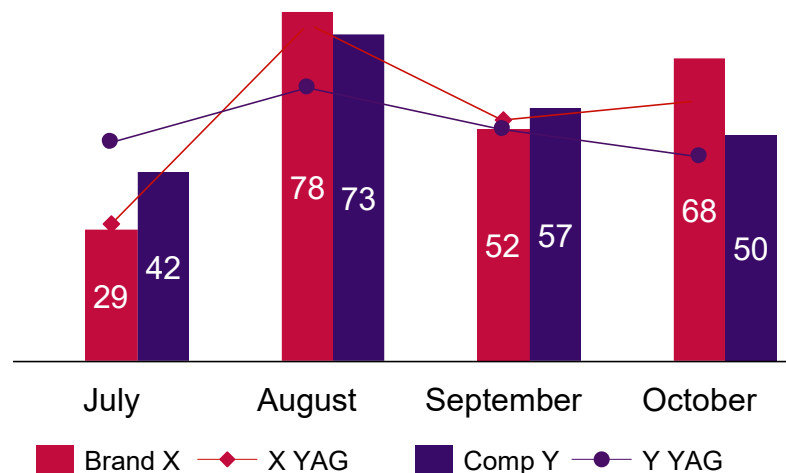
- Pricing strategy in retail, go after lower performing SKUS, stronger focus on digital and e-commerce.
- Start BTS earlier (July) next year

Competitor Y's BTS Center Store trade activity was nearly double that of Brand X in Q3; up 35% vs YAG with a focus on quality promotions

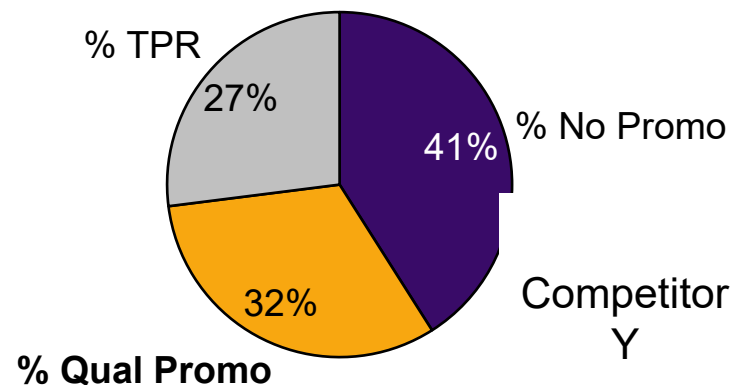
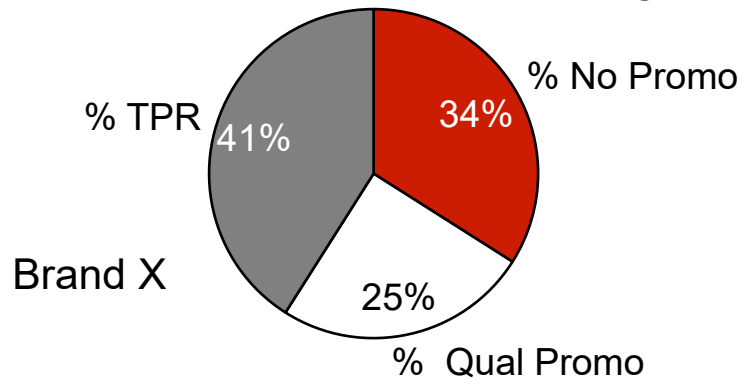
CWW Any Promo



% Units Sold Any Promo



Promo Units Distribution L13W



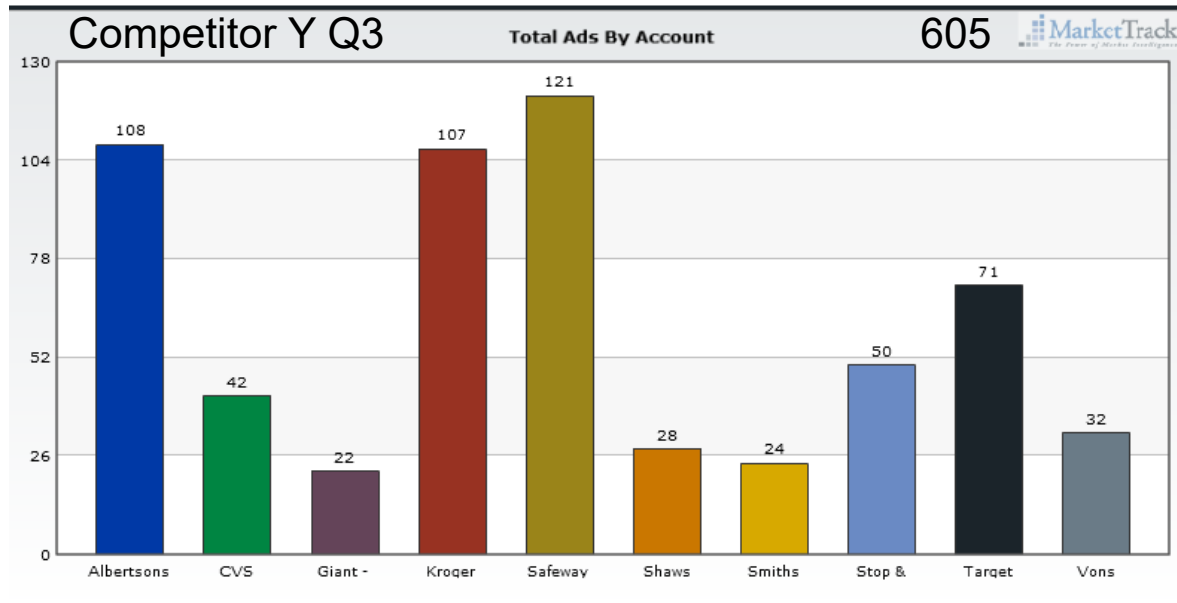
Brand X and Competitor Y's promo prices are relatively similar at shelf, but Brand Y's promo prices dropped more vs YAG and had longer duration of discounts

- Brand X Promo prices went up .4% on average vs YAG
- Competitor Y promo prices went down -10% on average vs YAG

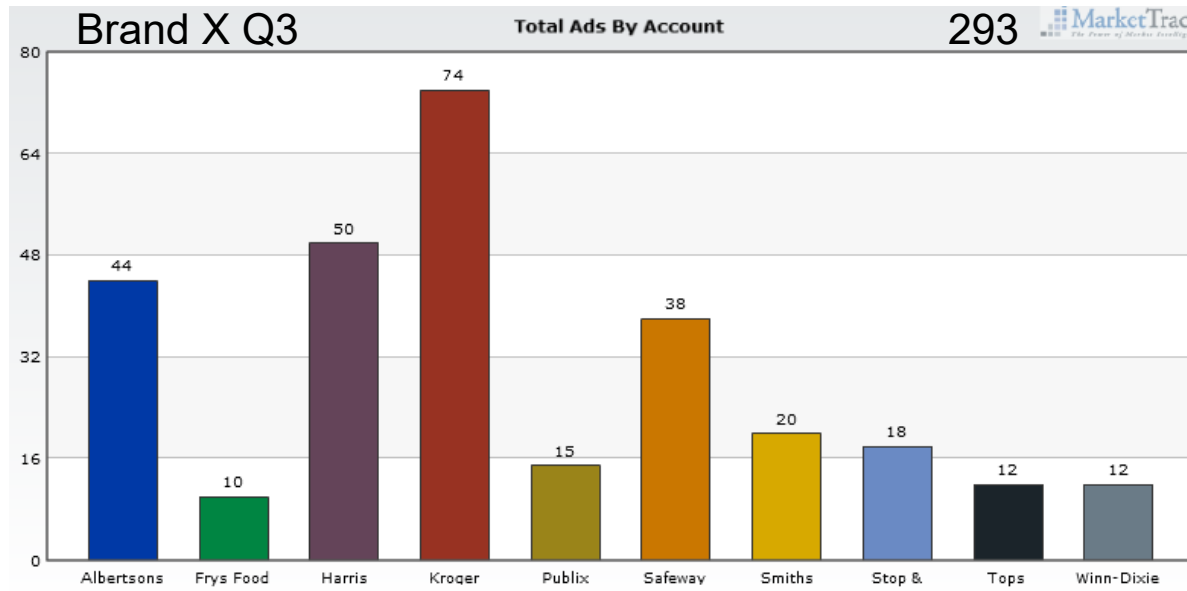


In Q3, Competitor Y's had double the print ads vs. Brand X with a heavy emphasis on Safeway/Albertsons and expansion at drug

Brand Y



Brand X



In the digital space, Competitor Y's BTS Trade Activity was up almost 400% vs YAG

35 Digital events; up from 7 YAG

- \$1.7MM estimated digital spend, up from 383k
- Retailers/Sites with most digital trade:
 - Food Lion
 - MySavings.com
 - Jewel Osco
 - Winn Dixie

Highest Value Digital Coupons

- \$3 Off – Amazon
- \$1.77 – Publix (most prints of any retailer)
- Remainder of activity ~50¢ off

Brand X COS Trade Strategy Ahead

- Competitor Y's Return to School Activity is rumored to be just as aggressive as BTS
- Brand X has a higher trade rate next year, with action to go after low-performing competitive SKUs

General

- Base Pricing to remain the same
- Items are highly responsive to merchandising programs and require additional merchandising to drive trial and grow HHP
- RTS and BTS are must win time periods

Brand X Category 2

Merchandising to shift as follows:

- Base: from 2/\$5 for 16 weeks to 2/\$5 for 20 weeks
- Premium: from 2/\$6 for 16 weeks to 2/\$6 for 20 weeks

Brand X Category 1

Merchandising to shift as follows:

- Base: from 4/\$5 for 20 weeks to 10/\$10 for 20 weeks
- Premium: from 2/\$4 for 10 weeks to 2/\$4 for 20 weeks
- Ultra: from \$2.99 for 17 weeks to 2/\$5 for 20 weeks

Brand X Category 3

Merchandising to shift as follows:

- Base: from \$2.99 for 16 weeks to 2/\$5 for 20 weeks