

NEWSLETTER MESSAGE

June 17, 2009

Not since Smirnoff Ice has Alberta seen such an unexpected market demand for a product – until Bud Light Lime. I know many of you are having a difficult time getting much if any of this beer to meet your customer requests.

This week Labatt and Connect agreed to set up a system in an attempt to provide more products to more licensees by scheduling only 2 order days per week – Tuesday and Thursday at 10:00 a.m. – for Bud Light Lime. On Tuesday at 10:00 a.m., 160 pallets were bought by 11 licensees in a matter of seconds. Better, but not a perfect solution. So one of ALSA's largest members approached the AGLC, Connect and Labatt and an agreement was reached to implement an order limit until such time as supply has caught up with demand.

Starting Wednesday and until further notice every licensee will be limited to 1 pallet per day of either bottles or cans of Bud Light Lime, on a first come first served basis. This required Connect to make changes to their electronic ordering technology, which they accomplished overnight.

The result of Wednesday's ordering was that 170 licensees were able to purchase some product vs 11 the previous day.

There are two very important realities to understand about this very unusual phenomenon:

1. Labatt had no indication that Bud Light Lime would 'take off' like it has in Canada. Sales in the States for the past year or so had been 'normal' so production for the launch in Canada was not planned for this level of demand. Also, the beer is bottled in England and is shipped without the correct bar coding (not required in other markets), so Connect must code each case as it arrives.
2. We're finally moving into the most welcome busy season. Normally the highest summer volume in a day at Connect is 80,000 to 85,000 cases – usually for only a few days in a row, then back down to @ 30,000 cases per day. With the phenomenon of Bud Light Lime, the volumes are consistently high. Add to that the Corona LTO launch next week, the Calgary Stampede, Capital EX, the Indy and various other festivals and summer events, this could cause unprecedented volumes. Be assured that your frustration is being heard and everything possible is being done that can be done.

So here's a suggestion to lighten up the situation - go to the dollar store and buy some plastic limes to hand out to your customers with their beer purchase and tell them that the boats and trains are moving as fast as they can to bring in more Bud Light Lime!