

INTRO TO: FOOD & BEVERAGE LICENSING

WEBINAR SERIES

October 18, 2017



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WEBINAR
SERIES



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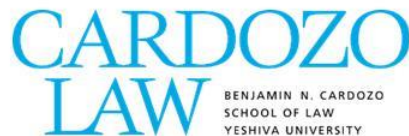
About the Speaker

Ricky Yoselevitz

Experience

- Seltzer Licensing Group (7 years)
VP, Brand Strategy & Business Development
- Trademark & Copyright attorney
- Closed over 300 licensing transactions

Education



Industry Activities

- Contributor to: *Total Licensing, Retail Merchandiser*
- Former LIMA Officer
- Speaker:



Professional Background



Today's Agenda



Today's Agenda

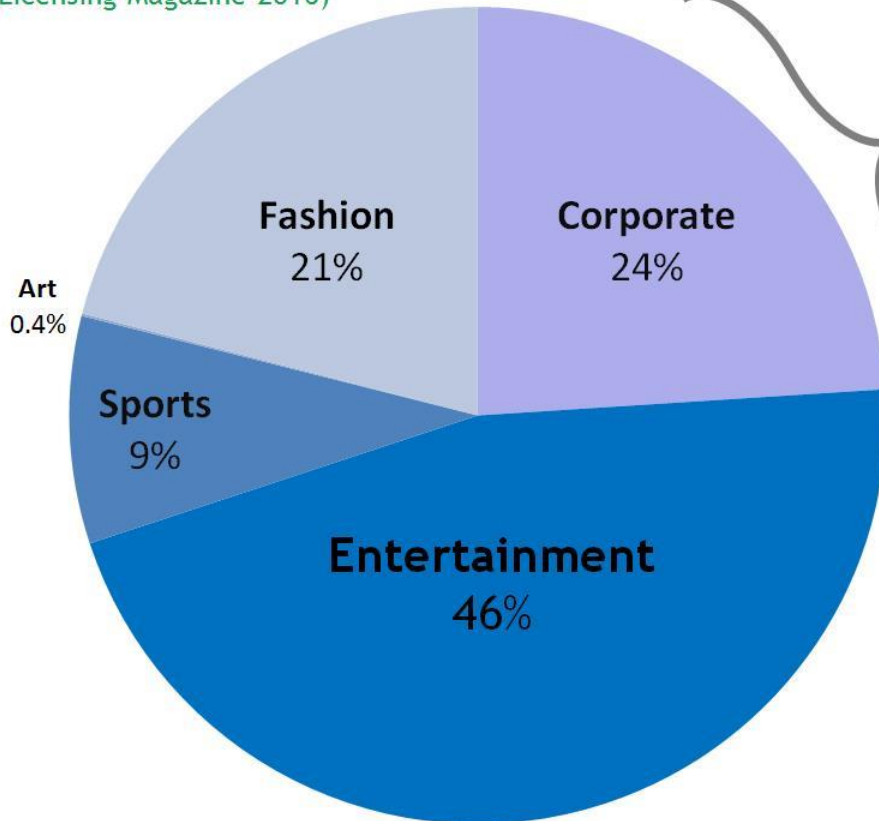


The Category

Category Size & Segments



Top Global Licensors by Category
(Licensing Magazine 2016)



Food & Beverage
licensing falls under
corporate brand licensing

Overall - Food & Beverage
is the 3RD largest category
of licensed products after
only apparel & accessories

Source: Based on data from License Magazine May 2016

The Category

Category Size & Segments



Key Facts

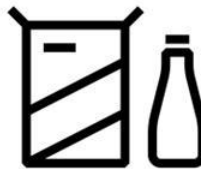
Total Market (North America)

\$9 Billion
in Retail Sales



5 Key Segments / Categories (North America)

#1



Retail Food
to
Food

#2



Restaurant
to
Food

#3



Culinary
Brand
to
Food

#4



Retail Food/
Culinary/ Rest.
to
Non-Food

#5



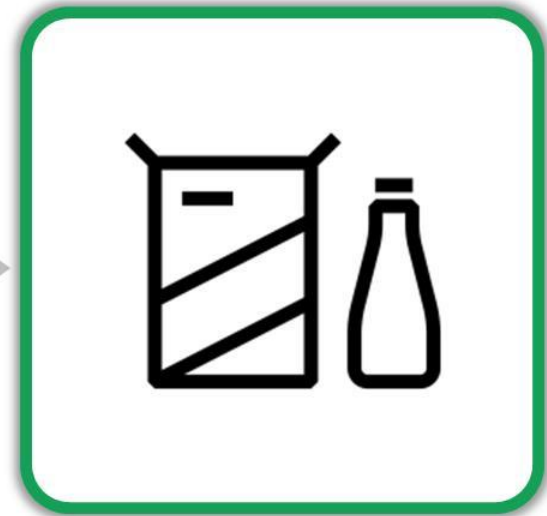
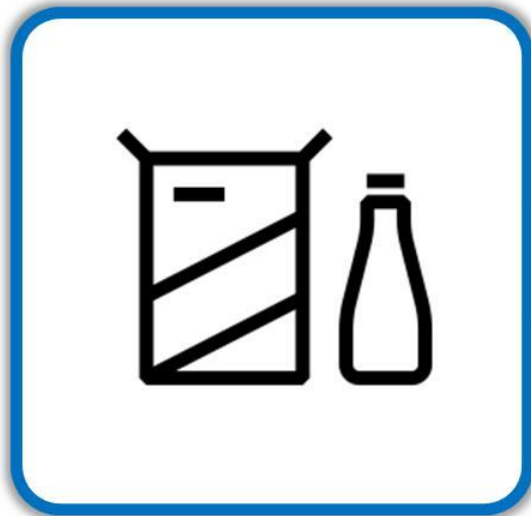
Media/Ent
to
Food

The Category

#1 Segment: Retail Food to Food



1



The Category

#1 Segment: Retail Food to Food

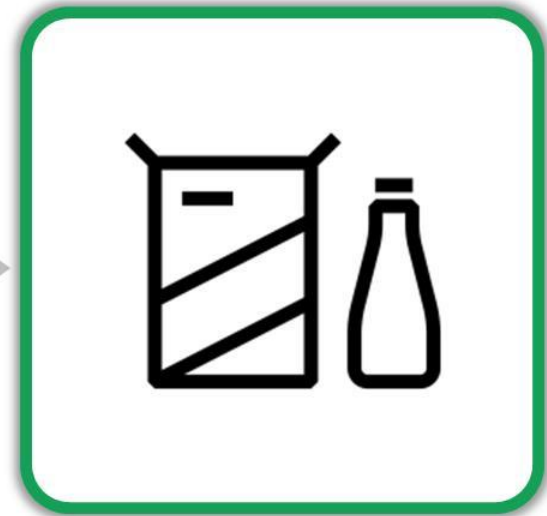
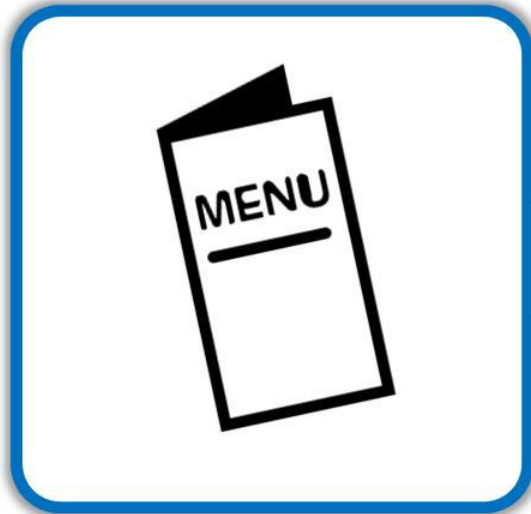


The Category

#2 Segment: Restaurant to Food



2



The Category

#2 Segment: Restaurant to Food



The Category

#2 Segment: Restaurant to Food

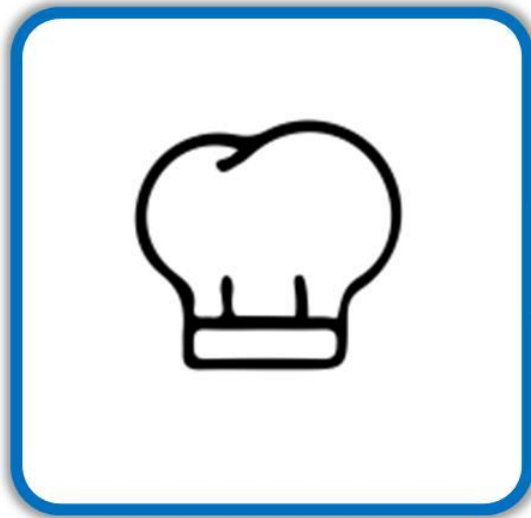


The Category

#3 Segment: Culinary Brand to Food

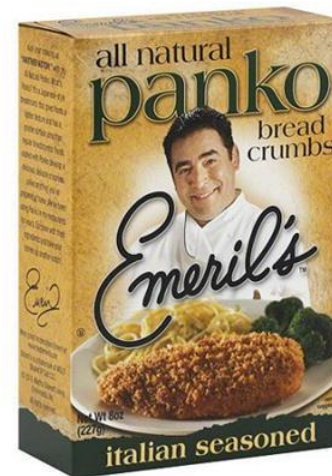
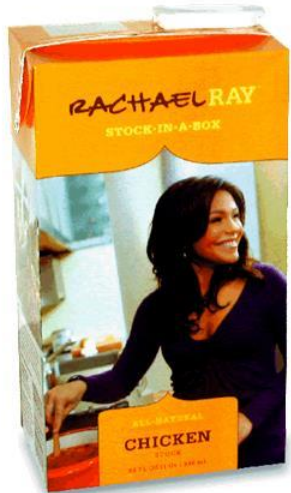


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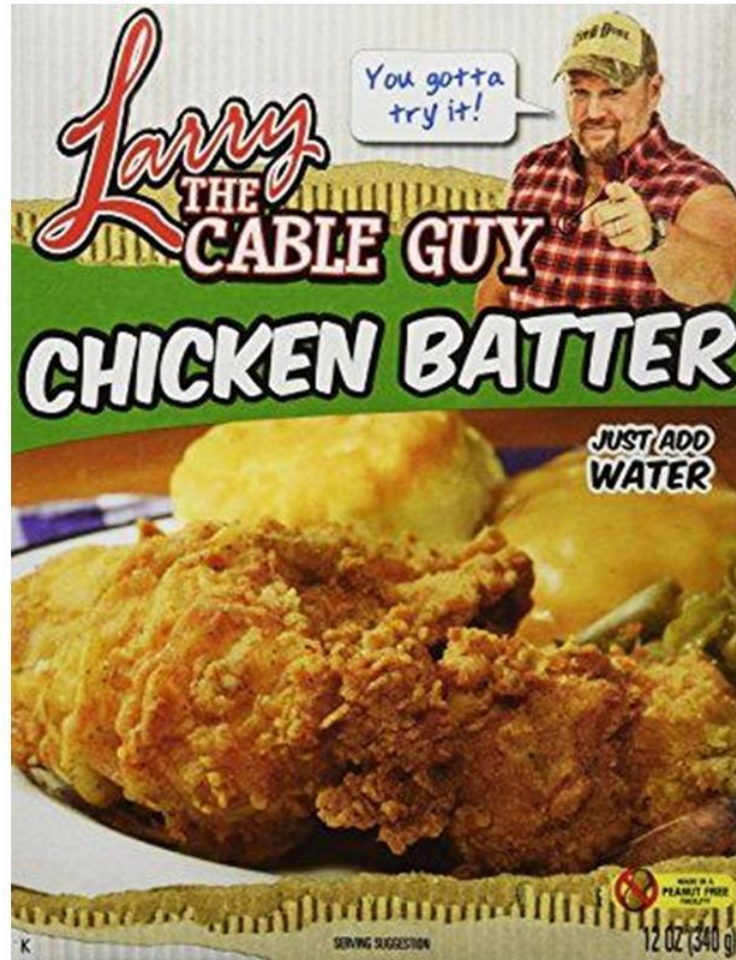
The Category

#3 Segment: Culinary Brand to Food



The Category

#3 Segment: Bit of a Stretch?

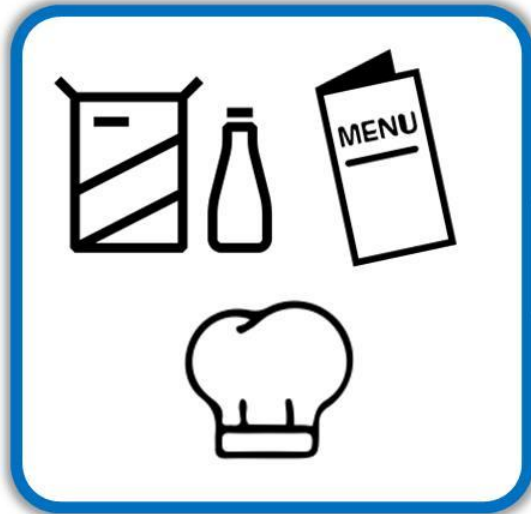


The Category

#4 Segment: Non-Food Licensing



4



The Category

#4 Segment: Non-Food Licensing

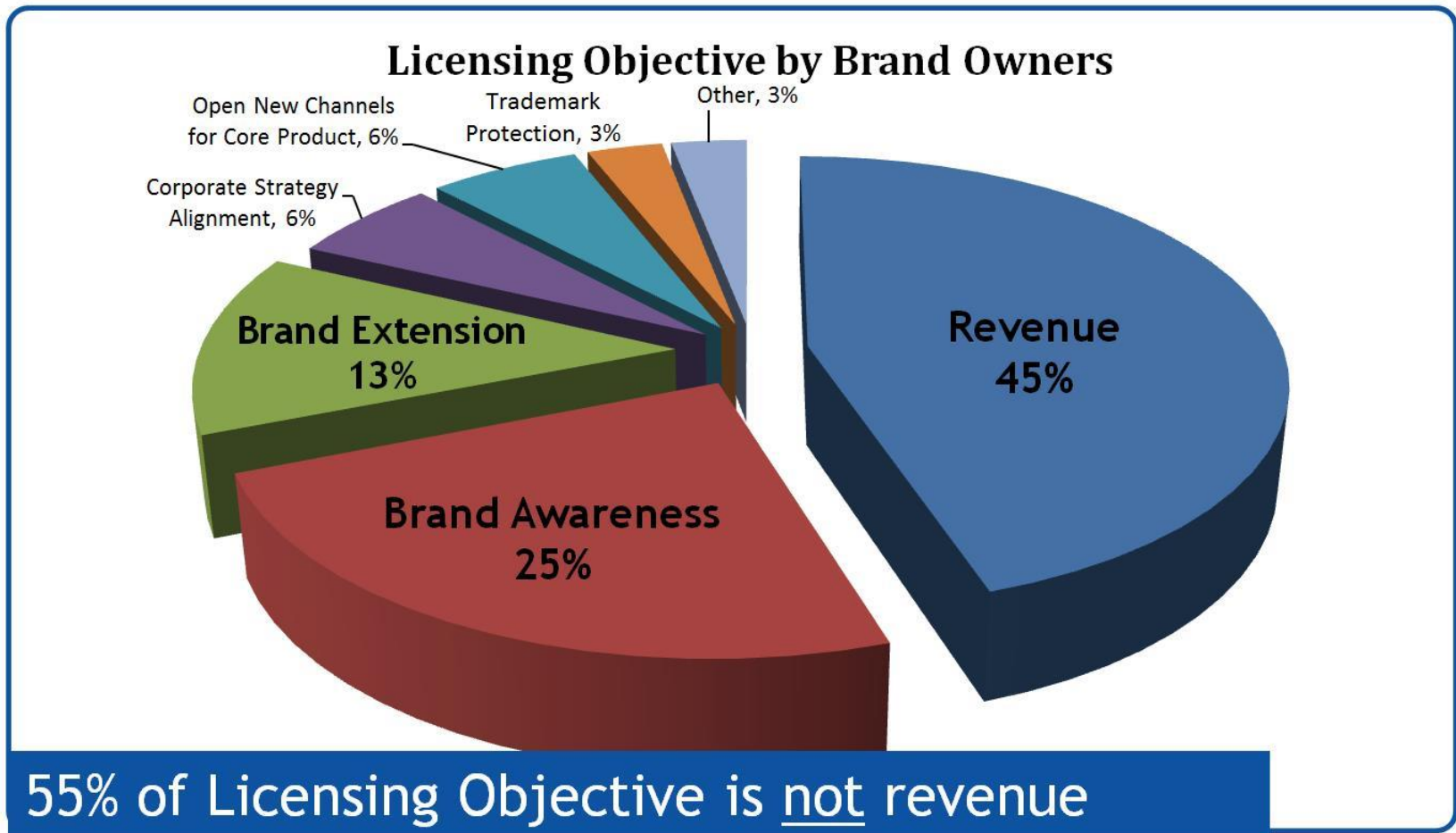


Today's Agenda



The Strategy

Why License-Out?



Source: EPM Communications ©



BENEFITS

- ❖ Drive Sales of Core Offer
- ❖ Product Extension / Fill a Gap
- ❖ New Channels of Dist. & In-Store Placement
- ❖ Increased Brand Awareness / Enhanced Brand Experience
- ❖ Royalty Revenue



Drive the Sales of Core





Drive the Sales of Core

CORE



Licensed Product





Drive the Sales of Core



The Strategy Benefits of Licensing-Out



Product Extension / Fill a Gap

CORE



Licensed Product





New In-store Placement

CORE

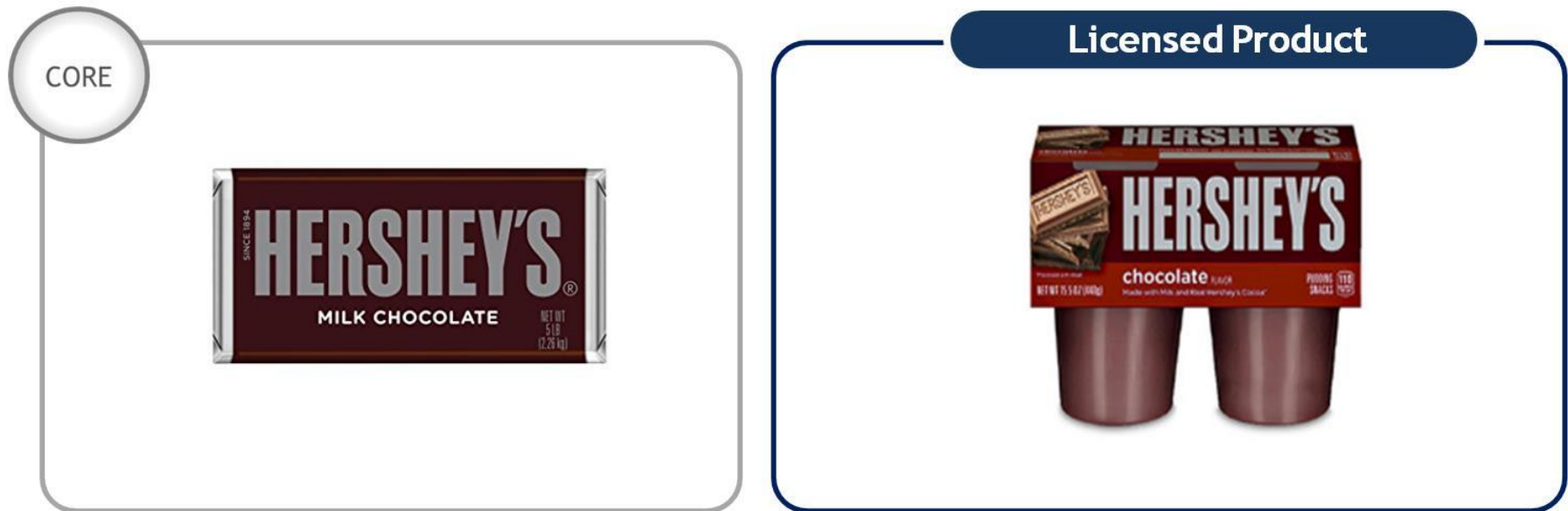


Licensed Product





Brand Awareness / Enhancement





Brand Awareness / Enhancement

CORE



Licensed Product





CHALLENGES

- ❖ Quality / Food Safety
- ❖ Fear of Cannibalization
- ❖ Limited Shelf Space
- ❖ Limited Partners

The Strategy Potential Challenges

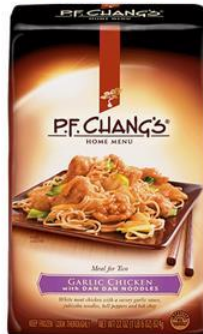
Studies on consumer behavior show that eating out and grocery purchase are two separate occasions.

NOT

Eat at PF Chang's



Buy PF Chang's
Frozen Meal



Vs.

ACTUAL

Eat Out
(Separate Occasion)



Vs.



Vs.



Vs.



Buy Grocery
(Separate Occasion)



Vs.



Vs.

Vs.



Vs.



Vs.



The Strategy Potential Challenges

Through synergistic cross-promotional executions, retail products provide an opportunity to drive consumers, both new and loyal fans, back to the restaurants.



On-Pack Coupons



On-Site Sales



Today's Agenda



The
Category

The
Strategy

The
Execution



Role of Hershey's Licensing Business

Ernie Savo -- Director, Global Licensing



MISSION.

To license our iconic portfolio of brands in categories where our brands **can bring**, and **gain equity** and **successfully achieve financial performance** through leveraging a partner's business systems.



Driving the core adjacent business.

HERSHEY'S Confection

Chocolate Packaged Candy



6 packs



Chocolate Pouch / HTM



Bars



Snack Bites / Mix Canisters



HERSHEY'S Grocery

Baking Cocoa



Syrup



Spreads



Baking Chips



Licensed Partners



Our “Sweet” Spot



Enterprise Competency & Value Proposition

ENTERPRISE COMPETENCY

- Supply
- Procurement
- Manufacturing
- Transportation
- Storage
- Category buyer



Licensing bring our brands to the freezer case...

Unilever's #1 Licensor in North America:

- #3, #4, #6 top selling Breyers Blasts items
- #3 and #4 best selling Klondike bars
- 3 of Good Humor's top 10 items are Hershey brands



... and the refrigerated aisle.



Hershey Puddings:

- 5.8% \$ share of refrigerated puddings
- Category growing +1.3%
- All 5 of our items rank in the top quartile for \$ performance



International Delight:

- #1 and #2 Co-brands in Portfolio
- Hershey is #5 overall item in total portfolio



Seltzer Licensing Group

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THANK YOU

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