Memorandum

Subject Follow-up interview with [redacted]	Date June 20, 1996 60-2096-0002

To Nina Hale (Frito File) From Neeli Ben-David

b 7D

[redacted]

[redacted]

distribution: RWF, DNK, HALE, PTACEK, ALEXANDER - EAG, SWEENEY, JONES, CASE, CHRON, ARCHIVE [redacted] 7D

Typically, a broker promotes a particular brand when the brand is trying to market itself outside of its core region. In this case, the broker and distributor worked together to acquire shelf space for [redacted] The buyer gets a commission for any shelf space it acquires and the distributor gets a portion of the sales. Often, the broker depends on its relationships with buyers to acquire more shelf space for its clients. [redacted]

Mr. Olson explained that one of the factors of [redacted] Since the smaller stores feel the need to keep up with their larger competitors, they often try to carry the same products.

[redacted] When Eagle left the market [redacted] assumed it would be acquiring at least some of Eagle's space; however, rather than increasing, [redacted] shelf space actually went down. In addition, [redacted] products are "buried in the middle" of the shelves, out of the customers' line of vision. [redacted] speculates that this decrease and rearrangement resulted from a "corporate decision" [redacted]

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[redacted]

[redacted] emphasized that he only wants the amount of shelf space necessary to sell the amount of product [redacted] Frito, on the other hand, buys up more shelf space than it needs. In fact, Frito often has expired product on its shelves (that is, products with expired shelf dates) because its product did not turn over quickly enough. While Frito may be losing money as a result of buying extra shelf space, Olson speculates that in the long run, Frito reaps the benefits of pushing competitors out of the market.

[redacted]

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[redacted]

[redacted]

So/So # 11528