

POLICIES & PROCEDURES



New Arrivals Cooler

In-Store Merchandising

Policies and Procedures for Displaying Non-Promotional Beer

Effective November 2017

Merchandising Statement

All non-promotional display of beer product and related information will be made available to the public according to a disciplined set of rules and procedures. TBS is Brewer/Brand neutral so the methodology and practices followed to merchandise beer are meant to be objective and in accordance with the Master Framework Agreement issued by the Ontario Government on September 22, 2015.

Background

There are 165 New Arrivals coolers in as many stores across the province as at November, 2015. These coolers were first introduced in 2013 as part of the retail renewal program and are included in the design and layout of all new palletized self-serve stores.

These coolers are characterized as having a front loading horizontal refrigerated bay that can be either 4' or 5' in width with three shelves. Located typically at the front of the store between cash tills or at the POS stations in self-serve stores.

The purpose of these coolers is to allow new brewers or new brands that get listed in a store get merchandising exposure and introduction to customers.

Mandatory Merchandising Requirements

The following strategic directives apply to merchandising beer in all New Arrivals coolers:

1. Pack Sizes: only ≤ 12 packs can be merchandised in this cooler
2. Only items considered as 'new' qualify (see definition)

Important:

New Beer Framework rules that are not applicable to this merchandising vehicle:

- * No Small Brewer indexing,
- * No geographic sales by Zone analysis
- * No Growth Factors
- * No Small Brewer cap
- * No organization into Categories or separate Craft Beer

Other Highlights:

- Re-sets....New Arrivals are resets 6X / Year; Jan, Mar, May, Jul, Sep, Nov
- In the event of a Brewer merging with or being acquired by another, the resulting entity will retain the Facings originally allocated to those Brewers for the remainder of the display period. After that period, the two merged Brewers will be treated as one Brewer for the purposes of this Policy.

Policies and Procedures

New Arrivals Cooler Merchandising

Effective November 2017

TBS reserves the right to modify merchandising Policy and Procedures for New Arrivals coolers and any Operational requirements impacting displays within 60 days written notice.

Policy *All listed Brewers with NEW products <=12 pack in a store have an opportunity to be merchandised in the New Arrivals cooler.*

Procedure What is New?

- a) Time in store must be less than 12 months
 - Starts from date the store receives actual product
 - Ends at date of re-set start
 - Can be in the marketplace for > 12 months in other TBS stores
- b) Product that is fundamentally 'NEW' in terms of being:
 - i. A new Brewer
 - ii. A new brand
 - iii. A new brewing or beer style
 - iv. A new innovative package or container

Conditional entry: in addition to being <=12pack and under 12 months in the store:

- Size; the package must fit (height and width) into the space
- Seasonality: brands available for less than 6 months during the year
- Duplication: If in a single can is the Arrival cooler, it can be merchandised in both the New Arrivals and Single Can Cooler (subject to product guidelines in the SCC)

What's not New?

- a) Price Changes: A price change, whether an increase or decrease, including 'On Sale'
- b) Promotions: Special marketing promotions like; gift packs, in-case offers
- c) Graphic design: Changes in colour, design, or naming of the same listed sku
- d) Additional sku: adding a pack size of the same brand

Policy

Space allocation is based on rotating in the oldest and newest of brands/packs that meet the NEW criteria.

Procedure

All qualifying sku's in a store are listed in descending order starting with the oldest items (closest to 12 months maturity) to the newest of the NEW (closest to the date of re-set period data).

Based on this foundation, potential products are selected from the list on NEW qualifiers for the store in descending order. As this fixture can accept singles, 4 packs, 6 packs, 8 packs and 12 packs, the number of brands/packs that make up available Facings will vary by store and by when and what packs are offered by brewers with listings in the applicable store. All others on the list would be in the rotational pool waiting for the next re-set.

Policy

For customer convenience and visual appeal, efforts will be made to keep the fixture fully faced and occupied by NEW products.

Procedure

If in choosing brands there is a tie in the order based on entry date into the store, then the choice for display is alphabetical by brand name and the remaining brand is put on the top of the list for the next rotation.

If the situation is where there is not enough NEW product available in the store then the fixture will be filled with extra Facings of the brands that do qualify.

Policy

All merchandising must adhere to safety and customer shopping convenience.

Procedure

Plan-gram analysts will position NEW products in the display based on the most efficient and accessible way.

Generally speaking smaller pack sizes will occupy upper shelves and larger ones on the bottom tiers. The analysts may also recommend turning a pack to the long side or short side of the package to make it fit into the display.

Attempts will be made to position the handles towards the customers whenever possible, but exceptions may occur.

Top shelf products may not be accessible to handicapped customers and staff are trained to offer any assistance when required.

Staff will ensure the fixture is fully stocked at the beginning of each day but due to the low capacity of the fixture there may be moments where a NEW brand has been depleted until the staff have time to re-stock.

No piling-off of product in front of the coolers is allowed.

All packs on display must have an adjacent price tag that is up-to-date and accurate.

All sku's will be identified with a colour coded Category label, where practicable.

APPENDIX

New Beer Framework Definitions

Large vs Small Brewer: A Small Brewer is one with world-wide annual production < 400K hls (see 'Master Framework Agreement, September 22, 2015'). A Large Brewer is defined as having annual world-wide production > 400K hls. Moosehead and Brick are been deemed to be a Small Brewer when merchandising in TBS stores.

IMPORTANT:

For New Arrivals Coolers, there is no requirement to display/group product into distinct categories. The Master Framework Agreement allows this in situations when 'to do so would not be practicable'. New Arrivals coolers due to the process of product qualification and selection cannot be practically displayed into product categories.

Merchandising Definitions

Facings:

- a) In General - for merchandising calculations the standard unit of measurement is a 'Facing'. For New Arrivals cooler a Facing is defined as the relative space of one 341 ml bottle.
- b) Cooler totals – the total facings in the two types of New Arrivals coolers are summarized below:

Type	# stores	Shelves	Facings/shelf	Total Facings
4' Cooler	14	3	16	48
5' Cooler	151	3	20	60