

POLICIES & PROCEDURES



Explore More Cooler In Store Merchandising

Policies and Procedures for Displaying Non-Promotional Beer

Effective July 2019

TBS Space Management

Effective date: July, 2019

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 between the Beer Store and the Province of Ontario dated September 22, 2015.

Background

There are 149 Explore More Coolers in as many Conventional and ICE stores across the province as of April, 2019. These coolers are characterized as having a front loading horizontal refrigerated bay that can be either 4' or 5' in width with three shelves, typically located in the center of the lobby of the store between POS stations and the entrance to the store.

The predominant purpose of these coolers is to allow new brewers or new brands and seasonal products listed in a store merchandising exposure and introduction to customers. A complimentary purpose is to highlight the store's assortment of products that have been listed for greater than 1 year in such store, but may have not been on display to customers given the store format. Products will be brought from behind the wall out into the lobby so that customers will be exposed to the breadth of brand assortment each store carries.

Mandatory Merchandising Requirements

The following strategic directives apply to merchandising beer in all Explore More Coolers:

1. Pack Sizes: only ≤ 12 packs can be merchandised in this cooler
2. Space allocation is based on rotating in the newest brands/skus that meet the "New" criteria. Secondary priority will be given to "Seasonal" products during the applicable time of year. (see definition on page 3)
3. Once space has been allocated to "New" and "Seasonal" products, additional space remaining will be allocated to other brands in the store based on a lottery tool.
4. Ordinarily, a brand can only be in the Explore More Cooler once per calendar year in a particular store and will be represented by one sku per brand. An exception may be where all "New" and "Seasonal" products have been cycled through the cooler as well as every other brand in the store. In such case, a brand that has previously been in the Explore More Cooler may be re-introduced to fill the available space in the cooler. This brand entering the cooler for a second time in a calendar year will be chosen using the lottery system and may be represented by an alternative sku.

Given the product qualification and selection process for the Explore More Cooler, the following merchandising policies are not applicable to this merchandising vehicle:

- * No Small Brewer indexing,
- * No geographic sales by Zone analysis
- * No Growth Factors
- * No Small Brewer cap

Products will be organized into beer categories only where it is practicable to do so.

Other Highlights:

- Explore More Cooler Resets are implemented 6X / Year; Jan, Mar, May, Jul, Sep, Nov
- Product remains in cooler for 2 month durations before it is reset

Policies and Procedures

Explore More Cooler Merchandising

Effective July, 2019

TBS reserves the right to modify merchandising Policies and Procedures for Explore More Coolers and any operational requirements impacting displays.

Policy *All listed Brewer products <=12 pack in a store may be eligible to be merchandised in the Explore More cooler. The priority in order will be New, then Seasonal and then products > 1 year in a store.*

Procedure *What is "New"?*

Product sku must be listed in the applicable store for less than 12 months

- Starts from date the store receives actual product
- Can be in the marketplace for > 12 months in other TBS stores

Product that is fundamentally 'New' to the store in terms of being:

- i. A new Brewer
- ii. A new brand
- iii. A new brewing or beer style or flavour
- iv. A new package size or container

What's not New?

Price Changes: A price change, whether an increase or decrease, including 'On Sale'

Promotions: Special marketing promotions like; gift packs, in-case offers

Graphic design: Changes in colour, design, or naming of the same listed sku

Procedure *What is "Seasonal"?*

Brands available for less than 6 months during the year are "Seasonal". Such brands will be eligible to be merchandised in the Explore More Cooler, with secondary priority to New products when they become seasonally available year after year.

Procedure *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

No Duplication: If in a single can or packaged sku is on display within a store's Single Can Cooler or ICE theatre, it cannot be merchandised in the store's Explore More Cooler at the same time.

Policy *For practicality, customer convenience and visual appeal, efforts will be made to keep the fixture fully faced and occupied with New and Seasonal products receiving priority access. Any extra space will be filled by other brands in the store chosen using a lottery tool.*

Procedure *Lottery System*

The lottery system will be store specific as some brands may not be listed in all stores with the Explore More cooler. All > 1 year products in a store that are ≤ 12 pack are eligible to be in the lottery pool. The lottery is a completely random computerized draw to select products when there are more products in a particular store than will fit in the remaining available space of the Explore More cooler.

Policy *All merchandising must adhere to safety and customer shopping convenience.*

Procedure Space Management Analysts will plan the position of products in the display.

Generally, 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.

If top shelf products are not accessible to a particular customer, store staff will offer any assistance when requested or required.

Staff will endeavour to keep the fixture fully stocked at the beginning of each day but due to the low capacity of the fixture there may be moments where a product 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 digital price tag that is up-to-date and accurate.