

PROMOTION SUBMISSION REQUEST FOR WEEKS 27-53 (H2 2022)

We invite you to submit your promotional program for the second half of the calendar year 2022, from the week commencing 29th June 2022 up until the week ending 3rd January 2023. **Your submissions are due back to TIR** <u>no later than Friday 25th March</u>, although earlier is appreciated.

FY22 TRADING OUTLOOK AND PROMOTIONAL STRATEGY

The Tasmanian network of IGA retailers continues to sustain above industry sales growth as customers continue to embrace our stores' value to their local communities.

Shopping locally has grown over the last two years, and we are maintaining record levels of market share. We have seen unprecedented store investment and an increase in excited new IGA owners entering Tasmania's thriving retail environment. Sales growth has remained up over 25% from early 2020 as we head into the third year of the COVID-19 pandemic.

We will focus our promotional strategy on what has been successfully working for us already. We expect suppliers to provide the levels of investment and promotional offers to match our current rate of growth. We acknowledge that it has been challenging for suppliers to meet supply obligations in recent times, but we are optimistic that the supply chain issues will abate shortly.

We will be continuing to seek additional aggressive deals to combat the increasing amount of "1/2 Price" promotions offered in the marketplace and working diligently with all suppliers to increase case volumes to ensure your investment with TIR/IGA remains in growth.

We also continue to achieve fantastic results from our focus on digital advertising both online in our social media streams and with digital IGA catalogues that we send weekly to our increasing subscriber network.

Those suppliers working with us to provide over and above funding to source panel and full-page digital advertising in our catalogues are seeing fantastic returns. More details on these options are within this advice.

As previously mentioned, the COVID-19 pandemic has changed many customers habits to shop locally and with Independent Supermarkets. Our C-Store Banner retailers continue to see significant growth as their customers also seek to shop more locally. The C-Store group is a 'feeder' banner as some stores can upgrade into IGA stores once they meet the IGA criteria.

Our promotional program for these smaller retailers is expanding as their customers seek better value due to increased consumer demand. If you have not submitted a program before for this banner group, we encourage you to provide a program this year. More details can be found elsewhere in this advice

IGA PROGRAMS

The IGA promotional programs currently consist of weekly promotions and the ongoing LPE program.

WEEKLY PROMOTIONS



Our promotional strategy will ramp up our ½-price market pricing for essential drawcard specials and provide competitive offers for the remainder of our advertised and in-store offers. As our volumes have improved, we request that your weekly promotion frequency submissions are consistent with or greater than the last half.

TIR supports the promotional program by delivering quality marketing in our digital, multimedia and catalogue advertising. IGA weekly advertising currently consists of the following media channels. However, this is continually evolving to best suit the advertising to our customers.

TELEVISION

We advertise product and price <u>every week</u> on television. Television spots are reserved for aggressively priced and wanted specials. Placement occurs in prime-time advertising slots across the three networks - Channels 7, 9 & 10. Additionally, these adverts are also available on YouTube and catch-up television across the 7, 9 & 10 networks and SBS and Foxtel.

PRESS

A selection of ambient and perishable lines are advertised across multiple days in the three regional newspapers. On occasions, supplier-provided advertising opportunities exist for additional press spots we receive as part of our contractual arrangements.

DIGITAL



We have recently ramped up our digital advertising each week. We are featuring Google ads and using Fairfax marketing options. Additionally, social media advertising has been increased for weekly product and price along with themed or supplier provided advertising engaged for special promotions, new line launches and seasonal products.

CATALOGUES

We publish digital catalogues to our fast-growing customer base via a weekly subscription service, available at https://www.igatas.com.au/catalogues/. We encourage all suppliers also to sign up to receive our catalogue weekly.

Most stores also receive a colour printed hard copy catalogue for use in-store or distributed locally via letterbox. Additional 'extended' versions run in the lead up to special events such as Footy Finals and Christmas. The 'extended' catalogue dates are listed in the 'Start Dates' tab of the MS Excel submission form. The extra pages are available for suppliers over and above for promotional panel advertising using your current marketing artwork to promote your brand or advertise new lines or promote special customer offers.



The expansion of our digital advertising extends also to the catalogue emailed to customers each week on Wednesday and a fresh produce update on Friday. Our email subscriber base is now larger than the number of catalogues printed each week. Digital-only catalogue full pages are available every week for additional supplier marketing. This is a cost-effective solution that delivers results for your promotion.

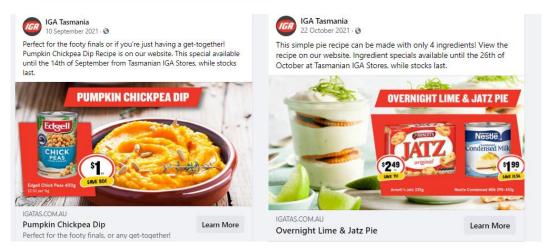




We also run recipes as a full page each week in the digital catalogue. The recipes are also cross marketed in an email each Friday to catalogue subscribers, uploaded to the IGA Tasmania website and often featured on social media.







Contact marketing@igatas.com.au for details on how you can obtain this advertising space.



Low Price Every Day (LPE) continues to grow strongly, covering a range of low price promotional strategies for our Tasmanian IGA retailers. Our retailers maintain high standards of compliance, and supplier submissions to this program are steadily growing. We encourage all suppliers to provide an LPE program. If you are already submitting more than one promotion each month, then these

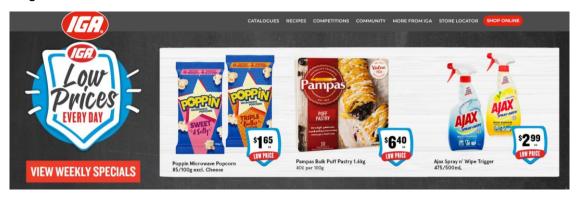
should be considered for LPE.

Typically, Low Price Every Day promotions run in-store for three-month periods (13 weeks), i.e. *July - September* and *October - December*. However, we see many submissions run for both periods (26 weeks).

All promotions submitted for LPE are semi-permanent or permanent price drops. In many cases, suppliers have provided these same promotions in previous submissions, so it becomes the 'normal retail price'. These ongoing LPE promotions still attract LPE shelf-talkers but do not have an end date on the shelf talker. We also change the yellow shelf ticket price to reflect this ongoing sell price. Retail pricing for these promotions is used to maintain competitive prices with our competitors.

Claims for these promotions are made at the end of each month. The monthly claim process also allows the flexibility to increase prices should a price rise occur within the promotional selling period, either from a supplier cost increase or if a competitor moves their pricing, and we follow. If required, price changes can occur upon the next monthly period start date.

Competitively priced LPE lines are advertised on our website banner, as well as in the digital catalogue.









The C-Store program is now becoming very important for supporting our convenience-sized retailers that provide a supermarket offer to their local community (outside of our

IGA group). We see significant growth in our C-Store Banner retailers as their customers also seek to shop more locally. The C-Store group is a 'feeder' banner as some stores can upgrade into IGA stores once they meet IGA criteria.

Our promotional program for these smaller retailers is to expand as their customers seek better value due to their increased consumer demand.

The best program to submit for this group is those lines that are high selling grocery products that these stores are likely to stock. However, this does not mean you can hold off on submitting other lines or even new lines as these stores are trying to ensure they have the product range their customers want.

This program provides an excellent opportunity for suppliers to submit promotions to these retailers to increase sales further.

The C-Store program runs on a fortnightly cycle and designed to avoid clashes with any IGA promotions that may also run within the same selling period.

We request all suppliers to provide several submissions throughout the half.

THE SUBMISSION FORM (MS EXCEL FORMAT)

Separate tabs/sheets in the file are provided for IGA, C-Store and LPE promotions. Please ensure that the correct tab is used for each type of promotion. Correctly filling in this form will significantly improve processing time.



- 1. **You must complete**: Supplier Name, SIW Supplier Number, Representative Name, Contact Number and E-Mail address fields at the top of each submission form.
- Suggested Prom Date W/C This is the date that you are proposing for the promotion. However, TIR may schedule a different date to avoid some clashing within categories. A TIR confirmation report will be sent at the end of our scheduling process to advise you of any changes.
- 3. **SIW Product or Group Number** Please ensure that the numbers used are SIW group and product numbers. Metcash or Woolworth's product numbers <u>will not be accepted</u>. If you require a SIW "Masterfile" of your product range, please request one by emailing <u>marketing@igatas.com.au</u>
- 4. **Promotion Case Deal** The promotion deal submitted should be for the SIW warehouse issued "quantity of items" of stock to the retailer, i.e. if the product is supplied as inners of 6, then the deal should be provided for one inner; if the product supplied in cartons of 24, this then the deal value is for a carton of 24.
- 5. **Product Description** Please provide an accurate product description and size.
- 6. Suggested Retail TIR will review and consider the retail suggested by the supplier.
- 7. **Comments** We have provided a column for sundry comments; however, please note this will only be viewed in the initial process, including SIW product number and group checking.

THE SCHEDULING PROCESS

Submissions are due back no later than Friday 25th March. Suppliers must be considerate of this due date, as the scheduling process is extensive, and the accuracy and balancing of the programs are better without unnecessary time constraints.

Upon receipt of your submission, we will undergo an initial checking process, which includes checking the validity of product and group numbers and any inconsistencies with the frequency of your promotions. If there are any issues, we will contact you to resolve them as soon as possible.

All of the programs will then be further reviewed and scheduled with other programs to balance the promotions. This process may mean that your requested promotional dates may be moved to avoid category clashes on similar dates.

A TIR generated promotion confirmation report will be sent as soon as the entire scheduling process has been completed. It is vital to review this report as quickly as possible to reflect any date or submission changes in your records.

Please contact <u>marketing@igatas.com.au</u> to discuss any issues you have with the confirmation reports.

IMPORTANT THINGS TO REMEMBER ABOUT YOUR SUBMISSIONS

Ensure you are carefully filling out the promotion submission form with correct product numbers, accurate descriptions and case deals

Your weekly promotion frequency submissions should be consistent with or greater than the last half

If you are adjusting your promotional strategy, contact Gary Sutherland to discuss

We request all suppliers submit a C-Store promotional program

Due Friday 25th March