



tasmanian
independent
retailers



PROMOTION SUBMISSION REQUEST FOR WEEKS 27-52 (H2 2021)

We invite you to submit your promotional program for the second half of 2021, from week commencing 30/06/2021 up until week ending 28/12/2021. **Your submissions are due back to TIR no later than Friday 26th March**, although earlier is appreciated.

FY21 TRADING OUTLOOK AND PROMOTIONAL STRATEGY

We are pleased to report that in the “COVID normal” trading environment, our IGA members continue to trade strongly. The last six months of trading (July- December 2020) has seen sales growth near +20%. Our forecast for the full year considering the previous year’s COVID panic buying sales spike (from the corresponding March to June 2020 period) is between +14% and +16%.

With this sales growth comes a change in market share within the state with our Independent retailers picking up share from the major chains initially from the COVID onset but more encouraging is that these customers keep coming back. This growth is despite the fact that our way of life has nearly returned to normal and our competitors are more aggressive than ever.

Our independent retailers have taken this opportunity to redevelop further and grow their businesses, heavily investing in new staff, equipment, and improving their ranging offers. This investment is paying off with the majority of our retailers, significantly enhancing grocery retail sales within the independent sector in Tasmania. TIR has supported both retailers and our suppliers with improved promotional opportunities and ongoing competitive pricing programs.

During the COVID period, there was a seismic shift in how advertising was adopted online by retailers and customer alike. We are especially pleased with the additional digital advertising options TIR provided. Increased social media spots and additional digital catalogue pages were added and proved very successful in driving product exposure and increasing sales across the board. We encourage you to review these opportunities mentioned later in the document.

As mentioned earlier, our competitors are now becoming more aggressive in their promotional pricing offers in a fight to regain some lost market share. This competition does threaten our ongoing growth; however, with our suppliers’ help, we too will look to improve our promotional and competitive offers. Our promotional strategy for this upcoming trading period will be to seek additional aggressive deals to combat the increasing amount of “1/2 Price” promotions offered in the market place and work with our suppliers to increase volumes.

In summary, we seek your support to ensure we have availability to your best case deals for weekly promotions and more frequent ½ price deals. We also request more of your product ranges to be submitted to our Low Price Every Day (LPE) program to ensure we can remain competitive day to day.

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 recently, 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 every week 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

All IGA stores have access to an eight-page or four-page catalogue. We publish a digital catalogue to our fast-growing customer base via a weekly subscription service (available at <https://www.igatas.com.au/catalogues/>). We encourage all suppliers to also 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. We run “Extended” catalogues (e.g. additional pages) for one week of every month. 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. An additional four pages expand the catalogues on these weeks, becoming twelve and eight pages respectively. 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. Digital-only catalogue full pages are also available every week for additional supplier marketing.

Contact amber.milbourne@igatas.com.au for details on how you can obtain advertising space in these catalogues.

LPE



Low Price Every Day (LPE) continues to evolve, 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.

C-STORE PROGRAMS



The C-Store program is in place for many convenience-sized retailers that provide a supermarket offer to their local community (outside of our IGA group). TIR has always offered a promotional program to these retailers but has made some changes to suit their offer better.

The best program to submit for this group is those lines that are high selling convenience types or small size grocery products that these stores are likely to stock. However, this does not mean you can hold off on submitting some key 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 encourage 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.

From: 01-Jan-20 To: 24-Jun-20				 Weekly Promotions	
Supplier Name: _____					
Supplier Number: _____					
Representative: _____					
Contact Number: _____		Mobile: _____			
E-Mail: _____					
Suggested Prom Date W/C	SIW Product or Group No.	Promotion Case Deal	Product Description	Suggested Retail	Comments

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.
2. **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 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 will not be accepted. If you require a SIW "Masterfile" of your product range, please request one by emailing marketing@igatas.com.au
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 26th 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 your promotions frequency. 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 discuss any issues you have with the confirmation reports with Amber Milbourne amber.milbourne@igatas.com.au.