Supplier Pricing Forum

Summary

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What are the objectives of FSSI Shelf Price Maintenance programme?

A **ROBUST** AND **NIMBLE** PROCESS THAT REVIEWS AND EXECUTES SHELF PRICING **REGULARLY**

GLOBAL BEST PRACTISE

BALANCES THE NEEDS OF THE **BANNER**, THE **CUSTOMER** AND **PROFITABILITY** WHILE MAXIMISING **CATEGORY PERFORMANCE**

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What are the ways we generally change shelf prices?

1

Cost Price Changes

- Received from suppliers
- Negotiated & Processed over 12 weeks
- Shelf price margin is maintained

2

FSSI Shelf Price Maintenance

- Covers all barcoded products
- The KVI status of products determines how often the shelf price is reviewed
- KVIs are weekly, KCIs are 4 weekly, and Background Lines are 8 weekly

What do we consider through shelf price maintenance?

Our tool aims to balance the following guidelines when determining the optimal Shelf Price.
These guidelines are unique for each banner:

Price Perception Protection
Ensuring price increases are capped for our customers at no more than 10%

Competitiveness to the market
Using a range to achieve price index targets per KVI/KCI Status

Business Goals
Achieving GP % targets

Inter Banner Comparison
To ensure our banner strategic goals are being met
i.e PNS below NW

Category Pricing Architecture
Ensuring larger packs provide better value for customers

Banner Rounding
Specific rules per banner are applied i.e 0.49c 0.79c

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How can we work together?

Understand the FSSI guidelines

Stay close to your KVI & KCI Products, these differ by banner with different price index requirements

Are your **EDLP** lines aligned with our program?

If you want to **understand the driver of change** within the FSSI price maintenance guidelines

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Let your Category Manager know & we will work with our Price & Promotion Analysts and respond

Is price **impacting performance**?

- Loyal Customer loss
- Promotional Effectiveness
- Volume loss impacting share of trade

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Collate data & share with your Category Manager & we will review

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