

Dropped and Locked Program

Background:

The Dropped and Locked program offers customers strong consistent value through promising a great price that has been dropped by at least 10% and will be locked for at least 12 weeks. The aim is to set 12 week seasonal Dropped and Locked programs that have clear start and finish dates aligning to our seasons.

Dropped and Locked rules

When a product is launched on Dropped and Locked it must meet the following rules to ensure it does not mislead or deceive customers, which is a breach of the Australian Consumer Law.

Establishment:

- The regular “N” price immediately prior to Dropped and Locked commencing must be a higher price than the Dropped and Locked price (by at least 10%).
- The immediate before “N” price must have been established price for at least 4 weeks prior to launch or 4 out of the last 6 weeks clear of simple promotions prior to launch, including 2 of the last 2 weeks.
- No lower “N” price in the last four weeks prior to the Dropped and Locked promotion commencing
- Value Team has approved inclusion of product on the Dropped and Locked program.

Duration:

- Product to remain on Dropped and Locked program for the duration of the 12 week program cycle.

Information required on tickets:

- Dropped and Locked Flag
- WAS Price and WAS Month & Year - calculated based on the established price and date immediately prior to the Dropped and Locked promotion commencing.
- DATE, MONTH & YEAR the Dropped and Locked finishes e.g 28 Feb 2023

Promotions:

- No simple promotions (specials) allowed at any time. No promotion pulses.
- Threshold promotions are allowed (e.g. multi-saves and Mix n Save) after the first two weeks

Pricing increases and decreases during the Dropped and Locked period:

- At no time can a price be increased whilst a product is on the Dropped and Locked program. Any retail price increases including in response to supplier cost price increases, the impact of container deposit schemes or any other reason must not be implemented until the product exits the Dropped and Locked program.
- The retail price can be further decreased whilst a product is on a Dropped and Locked program when the product is:
 - put on clearance with a genuine intention to delist from range. In this situation the product should come off the Dropped and Locked program and go straight onto a Clearance ticket; or
 - reduced in response to competitor activity. However, if competitors later increase their retail price we cannot respond with an increased price until after the product comes off the Dropped and Locked program
- When a retail price is decreased due to a response to competitor activity or product being cleared from range:
 - Evidence must be held and retained substantiating the reason for the retail price drop
 - Product must go on to a regular shelf edge ticket at the Dropped and Locked price for at least one week
 - Product then put back onto Dropped and Locked to reflect the lowered price

- WAS Price and WAS Month must be re-calculated based on the immediate before established price and date immediately prior to amended Dropped and Locked promotion commencing.
- DATE, MONTH & YEAR the Dropped and Locked finishes e.g 28 Feb 2023 should remain the same.
- Any supplier funding must be renegotiated and agreed with the supplier.

Pricing at end of Dropped and Locked:

At the end of the Dropped and Locked program:

1. The Dropped and Locked program can be extended as long as the Dropped and Locked programs are back to back with no days inbetween; or
2. The product can be removed from the Dropped and Locked program and transition onto:
 - White shelf ticket at same price or a different price that is higher or lower than the Dropped and Locked price; or
 - Everyday value ticket at same price or a different price that is higher or lower than the Dropped and Locked price.

Once a product comes off Dropped and Locked it cannot be put back onto Dropped and Locked for at least 3 months, and no extended Dropped and Locked programs should run for more than 3 years in total.

Locked Program

Background:

The Locked program offers customers consistent value through promising a great price that is locked for at least 12 weeks.

Locked rules

When a product is launched on Locked it must meet the following rules to ensure it does not mislead or deceive customers, which is a breach of the Australian Consumer Law.

Establishment:

- No establishment rules as the price has not been lowered and there is no express or implied save.
- Value Team has approved inclusion of product on the Locked program

Duration:

- Product to remain on Locked program for the duration of the 12 week cycle.

Information required on tickets:

- Locked Flag
- DATE, MONTH & YEAR the Locked finishes e.g 28 Feb 2023
- No SAVE or WAS prices

Promotions:

- No simple promotions (specials) allowed at any time
- Threshold promotions are allowed (e.g. multi-saves and Mix n Save) after first two weeks

Pricing increases and decreases during the Locked period:

- At no time can a price be increased whilst a product is on the Locked program. Any retail price increases including in response to supplier cost price increases, the impact of container deposit schemes or any other reason must not be implemented until the product exits the Locked program.
- The retail price can be further decreased whilst a product is on a Locked program only when the product is:
 - put on clearance with a genuine intention to delist from range. In this situation the product should come off the Locked program and go straight onto a Clearance ticket; or
 - reduced in response to competitor activity. However, if competitors later increase their retail price we cannot respond with an increased price until after the product comes off the Locked program
- When a retail price is decreased due to a response to competitor activity or product being cleared from range
 - Evidence must be held and retained substantiating the reason for the retail price drop
 - DATE, MONTH & YEAR the Locked finishes e.g 28 Feb 2023 should remain the same
 - Any supplier funding must be renegotiated and agreed with the supplier

Pricing at end of Locked:

- At the end of the Locked program the product can be removed from the Locked program and transition onto:
 - White shelf ticket at same price or a different price that is higher or lower than the Locked price
 - Everyday value ticket at same price or a different price that is higher or lower than the Locked price
 - Dropped and Locked if it meets the Dropped and Locked rules

Once a product comes off Locked it can go back onto Locked at any time

Down Down Program

Background:

The Down Down program is being phased out. No further products are to commence on Down Down. Current Down Down products can transition after 12 weeks of being on Down Down to:

- Dropped and Locked: only if price is decreased further;
- Locked;
- Everyday value; or
- Hilo Special program

Down Down rules

When a product is launched on Down Down it must meet the following rules to ensure it is not considered misleading and deceptive advertising.

Establishment:

- Establish price for 4 weeks prior to launch or 4 out of the last 6 weeks clear of simple promotions prior to launch, including 2 of the last 2 weeks.
- No lower regular "N" price in the last 4 weeks prior to the Down Down promotion commencing
- Value Team have approved inclusion of product on the Down Down program

Duration:

- Product to remain on Down Down program for a min. 12 weeks and max. 3 years

Information required on tickets:

- Use Down Down Flag
- WAS Price and WAS Month - calculated based on the price and date immediately prior to the Down Down promotion commencing.
- Save\$ (first 4 weeks only)
- Big Red Hand

Pulse Promotions:

Anytime after first 4 weeks of program, can pulse promote:

- Use Special Flag
- 1 week promotion duration only
- Promote no more than 1 week out of every 4 weeks.
- No more than 25 weeks of promotions per year
- Was \$ based on DD price
- Save \$ based on DD price

At end of pulse promotion revert to:

- Down Down Flag
- Original DD price
- Original DD Was\$
- Original DD Date
- No Save \$

Pricing at end of Down Down:

At the end of the Down Down program the product can be removed from Down Down based on the following rules being met:

- Notify Merchandise Compliance Team and the Value Team of proposed activity so can determine if there are any unintended consequences
- Signoff from the Value Forum and the BU GM

- Notify the POS team 1 week prior to removing from Down Down so they can update What's In Store POS guide on Connect
- Increase the price back to the previous regular 'N' price (DD WAS price) on standard shelf edge ticket or place onto Everyday program and hold for at least 4 weeks.
- Cannot put back onto Down Down for at least 6 months

Pricing increases during the Down Down period:

Occasionally there is a need to increase prices whilst an item is within the Down Down program due to supplier cost increases or competitive activity. If this occurs the following rules must be met:

- Notify Merchandise Compliance Team and the Value team of proposed activity so can determine if there are any unintended consequences
- Obtain signoff from the Value Forum and the BU GM
- Take off Down Down and place onto standard shelf edge ticket at previous regular 'N' price for at least one week
- Increase the price to the new regular 'N' price (to reflect supplier cost price increase)
- Hold new regular price for at least 4 weeks on a standard shelf edge ticket with no simple promotions (standard establishment rules apply),
- Put back onto Down Down at a price point that reflects the supplier cost price increase.
- Don't promote for first 4 weeks after being placed back onto Down Down (Down Down Pulse promotion rules apply)
- Notify the POS team 1 week prior so they can update What's In Store POS guide on Connect

Pricing decreases during or after the Down Down period:

Occasionally there is a need to decrease prices whilst an item is within the Down Down price period or at the end of the Down down period the following rules must be met:

- Decrease the price and hold for at least 4 weeks or remainder of the min. 12 week Down Down period, whichever is longer.
- Can retain the Down Down or Big Red Hand POS as the product is transitioning to a deeper Down Down price

Everyday Price Program

Background:

The Every Day campaign guarantees customers will find their favorite products at the same low price every day.

Every Day rules

When a product is launched on Every Day it must meet the following rules to ensure it is not considered misleading and deceptive advertising.

- Hold the Every Day price for at least 6 months or at least 3 months for fresh products. (usually longer)
- Establish for at least two weeks prior, or may be used on launch of new product where price will be held
- No SAVE to be included on POS or shelf tickets
- No WAS Price or WAS Month to be included on POS or shelf tickets
- No further simple promotions permitted whilst the product is on Every day price
- Occasionally a multi-buy promotion may be approved by the Value Team
- No Big Red Hand to be included on Every Day POS, Shelf Edge Label or catalogue

Pricing at end of Every Day:

At the end of the 6 months or longer the product can be removed from Every Day based on the following rules being met:

- Notify the Merchandise Compliance Team to ensure there are no unintended consequences with removing the item from the Every Day program
- Signoff from the Value Forum and the BU GM.
- Retail price at the end of the promotion remains equal to the Every day promotion price for at least 2 weeks after the promotion ends (honor period)
- Standard price increase rules apply after the honour period
- Notify the POS team 1 week prior so they can update What's In Store POS guide on Connect

Note: If required to meet competitive activity a product can move from EDV directly onto Down Down after 6 months on EDV.

Pricing increases during the 6 month Every Day period:

Occasionally there is a need to increase prices whilst an item is within the 6 month Every Day price period due to market. If this occurs the following rules must be met:

- Notify Merchandise Compliance Team and the Value team of proposed activity so can determine if there are any unintended consequences
- Signoff from the Value Forum and the BU GM
- Remove the product from Every Day
- Honour the Every Day price on standard shelf ticket for at least 2 weeks. Do not advertise in catalogue
- Increase the price and hold for 2 weeks on a standard shelf edge ticket with no promotions , Do not advertise in catalogue.
- Put the product back on Every Day. Product can now be featured in catalogue.
- Notify the POS team 1 week prior so they can update What's In Store POS guide on Connect

Pricing decreases during or after the Everyday period:

Occasionally there is a need to decrease prices whilst an item is within the Everyday price period, the following rules must be met:

- Decrease the price and hold for at least 4 weeks or remainder of the min. 6 month Everyday period, whichever ever is longer.
- Can retain the Everyday or POS as the product is transitioning to a deeper Everyday price