



2007/2008  
Planogram Rules

Outlets Merchandising  
Department

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## 1. Introduction

### 1.1 Process

In early year, the Outlets Merchandising Department receives the following information:

- The updated list of priority products,
- The rank of each product in the planograms,
- The shelf space per category according to the market share,
- The movement of products within categories,
- Newly created categories (if applicable),
- Eliminated categories (if applicable).

Based on this information, the generic planograms have been redesigned, taking into consideration the priority products. The planograms for Sélection and Express outlets are revised so that they can be sent to the outlets in April, for implementation at the start of Period 4 (P04).

Regular products are introduced and withdrawn four times per year: in P01, P04, P08, and P11. The information must reach us before the preceding period so that we can draw up the planograms.

### 1.2 Priority products

- List of 500 products
- Reference period of sales (\$) in Selection outlets:
  - January 1 to December 30, 2006
- Best sellers in each Universe
- Products that ensure consistency in the product offering
- Products that are chosen to be featured in circulars (10 mandatory products)
- Products that cannot be removed from the planograms

### 1.3 Exceptional categories

The planogram rules do not apply to the following categories, which are known as exceptional categories.

**Coolers:** Separate area, with product positioning based on the seasonal category plan using generic planograms.

**Beer:** Separate area, with product positioning based on sales at the outlet. The outlet manager may order replacements of these products without restriction.

**4-Litre formats:** Separate area, with product positioning based on performance at the outlet. The outlet manager may order replacements of these products without restriction.

**Half-bottle of wine:** Separate area, with positioning based on rank, using generic planograms. The outlet manager may order replacements of these products without restriction.

**Half-bottle of spirits:** Separate area, with product positioning based on rank, using generic planograms. The outlet manager may order replacements of these products without restriction.

## 1.4 Category changes for 2007/2008

According to the Article 3.2 - *Categories* of the *Purchasing and Merchandising Policy* of the SAQ – the Board of Directors established the minimum number of regular products of a category to 8 and the minimum sales target to 5 million Canadian dollars.

Current category	Change
Argentina White	Combined with Argentina Red to create the Argentina category
Vallée du Rhône White	Combined with Vallée du Rhône Red to create the Vallée du Rhône category
Regions of France White	Combined with Regions of France Red to create the Regions of France category
Gin	Combined with Alcool and Tequila to create the Other Spirits category
Other Countries Red	A new South Africa category has been created, with products from that country transferred into it
Other Countries White	A new South Africa category has been created, with products from that country transferred into it

## 2. Planogram by Banner

### 2.1 Sélection and Classique banners with more than 500 linear feet of space

#### 2.1.1 Facings

The number of facings for each product is based on average sales at the Sélection banner during the period from January 1 to December 2, 2006 (end of P09). Promotional and consumer sales at Sélection outlets are also taken into consideration. Due to the disparity in sales between Montréal and Québec City, products in categories such as Geneva, Whiskey, and Scotch may be assigned a different number of facings.

The following chart applies to priority products:

Average sales by outlet (bottles)	Number of facings
Less than 600	3
600 to 900	4
900 to 1,200	6
More than 1,200	8

New products are entitled to a 3-bottle facing.

Non-priority products are entitled to a 3-bottle facing, with the exception of bottles with non-standard dimensions, which are entitled to a 2-bottle facing. In certain cases, product facings may be reduced to 2 in order to offer variety within the category. In such cases, the products are placed on the bottom shelf.

### 2.1.2 Facing options

There are three facing options for each category:

- 1- All products with the specified facings.
- 2- All products, reducing the facings for best-sellers as follows:
  - a. 8 facings becomes 4
  - b. 6 facings becomes 3
  - c. 4 facings becomes 3
- 3- Not all products are available due to lack of space, in which case the outlet's poorest performers are removed. The person in charge of the planogram at the outlet can then ask us to make changes to non-priority products only. In the case of spirits, a non-performing format in a product family may be removed from the planogram.

Generic planograms are drawn up based on the three facing options at outlets. When products are withdrawn, the generic planogram contains only priority and new products, as described in option 2 – reduced facings. Non-priority products are then added based on available space and their performance at the outlet. However, the positioning of these products must follow the rule specified below in Section 2.1.3 *Segments*.

During the year, the outlet manager may request the replacement of a non-priority product in the planogram by another product in the same category.

If facing option 1 is applied, and if there is still space available, it will be used for the exceptional categories.

### 2.1.3 Segments

Products are placed by segment, from top to bottom, with the best seller at the centre of the category, near the shelf extender. Priority products are positioned by rank on the best shelves in their segment, followed by new products, and then non-priority products, which are placed with the highest price in the category segment in the best spot on the shelf.

There are three segments for the Beaujolais category:

- Beaujolais White
- Beaujolais – Beaujolais Supérieur – Beaujolais-Village
- Vintage Beaujolais

Spirits are divided into three segments (high-end, standard, economy), and are positioned horizontally in the Vodka, Rum, and Dry Gin categories.

#### 2.1.4 Category positioning within the layout (Sélection only)

The objective is for Sélection outlets to be identical to the extent that is possible so that customers can easily find the categories and products at any outlet.

- Categories are positioned by Universe.
- Spirits are placed along the wall opposite the speciality products, and in the islands that face them.
- Space for specialty spirits is provided near the Ports or in the row of spirits (insert).
- 4-litre formats are placed along the wall.

## 2.2 Classique banner with less than 500 linear feet of space

- The 400 products that are available at Express banner outlets become the outlet's basic stock. These products are positioned in the planograms according to the space allocated for the category, which is determined by the category's market share at the outlet.
- The remaining space is left free, and can be used at the outlet manager's discretion. The manager may enter the backup stock of these products by using the timely needs function, or modify the products at will, based on local demand.
- Space for Express banner categories and products that are not all inserted due to lack of space is left free for local demand.
- **Specialty products cannot be placed in the spaces that are left free in the planograms.**
- Regular products are given 3 facings, and larger format products (1.5 L, 1.64 L, 3 L, and 4L) are given 2 facings.
- At least 9 linear feet of space is reserved for the Local Terroirs category.
- The preferred formats for spirits are those that are included on the list of priority products.
- In the case of spirits, if the same product is available in two different formats, the outlet manager may request replacement of one format by another product.
- In the case of spirits, the outlet manager may also request replacement of a product by a different format of the same product.
- To find out which outlets these rules apply to, see the *List of 92 Classique – Smal surface*.

### **2.3 Express banner**

The 400 products are the same at all outlets. They are selected for the outlets according to the following criteria:

- The space available for the category, based on the banner's positioning;
- Priority products by rank within their category;
- Additional non-priority products in categories that contain insufficient priority products to meet consumer demand;
- For spirits, in order to highlight the 750 ml format, priority products in formats other than 750 ml will be replaced by that format if it is not on the list of priority products. However, if both formats are on the list of priority products, both may be kept on the planogram.

Outlet managers are given a designated space, and may select 50 products that meet the specific demands of their customers. These products may come from either the regular product or continuously supplied specialty product catalogue.