

# Supplier Pricing Forum

## Summary

# 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**

# What are the ways we generally change shelf prices?

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## Cost Price Changes

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

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## FSSI Shelf Price Maintenance

- Covers all barcoded products
- Full store currently reviewed 4 weekly for NW & PS and 8 weeks for Four Square

# 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

# 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