

## What is Product Ranging?

Product Ranging is the process we use to determine which products should appear on our supermarket shelves. As we have a limited amount of space available, most ranging decisions aim to answer the question, ***“Why should this product replace an existing product we have for sale?”***

Ranging decisions are made both at our head office and in our stores. Our core range for each banner group is recommended by the Category Services team and confirmed by the Banner Group; they are responsible to review the product ranges and ensure that we are stocking products that our customers want. Local stores can also make ranging decisions which may reflect their local producers, the niche that they wish to occupy, and customer requests.

## How to decide where to present products for ranging

Suppliers often ask where they should present their products for ranging: to Foodstuffs, or to their local store(s). Both options are available, but there are certain benefits to consider when you make this decision. This table outlines the benefits of each approach:

Instore only:	Ranged by FSSI:
Get to understand the grocery industry	Stores adhere to ranging decisions
Build local relationships	More distribution (SI wide via DC if applicable)
Launch Local / new to market product	More promotional opportunities
Test product / price versus the category	Consistent retail pricing across all stores
Build market and gather insights	We make shelf space available (planograms)

In addition to looking at the benefits of local versus central ranging, you need to consider what you can offer in terms of support for your product when you launch it onto the market. Products that don't have good marketing support across the entire South Island are less likely to be accepted for central ranging by Foodstuffs. You need to show that you understand where your product fits in the category, and what you will do to help to sell it. This may include, advertising and marketing, new line promotions, field support, and merchandising or sampling.

## What to bring to a product presentation

Before approaching Foodstuffs or a store to range your products, ensure that you have sent us all your product data via ProductFlow or Data eXpress. If your product data is in our National PIM system, then it will be much quicker for us to get your product ready to order and sell.

When you have an appointment with our category team to present your products, you need to bring a completed New Product form and a sample of the products.

As noted above, the crucial question that our instore buyers and central category managers aim to answer is: ***“Why should this product replace an existing product we have for sale?”***

You need to show us not only what your product is, but also aim to answer the following questions:

1. What is different about this product?
  - a. Show that you have thought about the category and how this product fits, or if it fills a specific niche within the category
2. Why does it belong on our shelves?
  - a. When presenting to the Foodstuffs category team, they will expect to see some information or sales data that supports your ranging request
  - b. Local store buyers will want you to show that you know what else is in the category and how your product will enhance the range they already stock
3. What will you offer to support the sales of this product on launch and in future?
  - a. Support can take many forms, including field distribution and sampling, advertising/marketing and social media, promotions (instore for local ranging, or South Island wide via Club Card, TPR, etc. for central ranging).
  - b. Bring a marketing plan that demonstrates how you will sell the product via our stores.

You need to be realistic about how this product will fit in the store. Build a relationship with the person you present to, keep in contact and find out how the product is performing. Use this information to adjust your marketing to support your product. Remember that without good marketing support from you as the brand owner, the chances of your product being reordered are low.

## Central Ranging

At Foodstuffs, when we range a product centrally for you we will maintain the price for all stores, and your product will be available for central promotions via our Banner Group Promotions teams.

You still deliver product direct to store, and all invoices are sent to Foodstuffs for processing via Charge Through. Centrally ranged products are maintained in our systems by us to ensure correct scanning information is held by each store. This is updated based on the product information and pricing changes you submit via National PIM and our Supplier Price Adjustment process. We don't accept freight-applied charges for any product accepted for central ranging.

## Central Distribution

We reserve the right to select the products and vendors accepted into our Distribution Centres (DC). This selection process is driven by our intent to supply product to consumers in the most cost-effective manner. We do this considering your trading terms, as well as the marketing contribution behind the products to be listed.

You need to brief the Central Buyer in relation to:

- Carton size/barcode changes; particularly where a range is undergoing Hard and Soft changes
- Product where allocation is required
- Critical NPD, where the launch means everything
- Imported Articles where FSSI is the importer
- New suppliers to FSSI, or where products for a supplier, not known to the Buying Team, are moving from Direct to DC. This is to ensure you are aware of DC expectations (i.e. ASN's, Lead Time expectation and general warehouse logistics information)