



Efficient Consumer Response Australasia

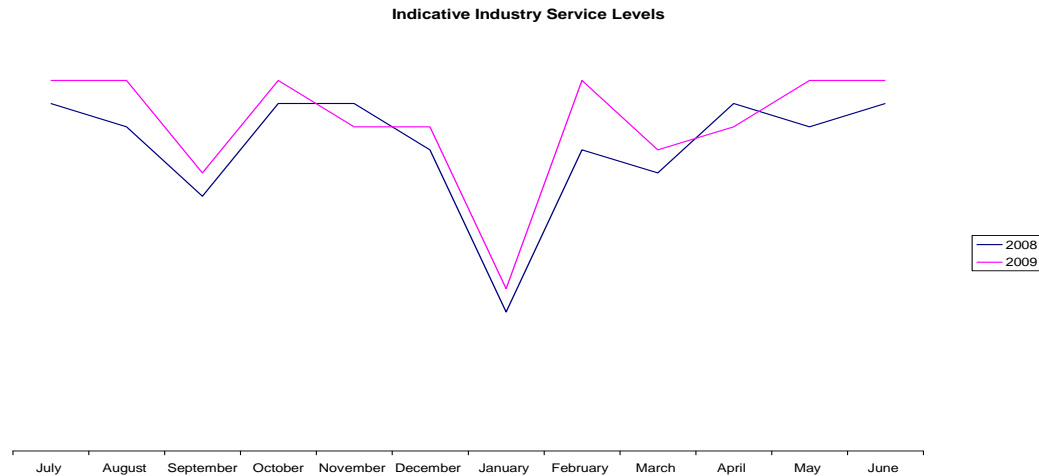
THE INDUSTRY OUTLOOK

REVIEW OF RETAILER SERVICE TO STORES IN
JANUARY 2010



one voice - adding value

The general trend reported by retailers / wholesalers for 2009 was a **4 to 5%** reduction in service level across the industry.



There are significant sales growth and customer service improvement opportunities in January.

The month of January is under pressure from a number of independent and significant factors.

- Increase in public holidays leading into and throughout January
- A change in season/weather
- High proportion of annual leave taken
- More production facility shutdowns
- Less reliable transport offerings
- Financial year end for many companies

JANUARY 2009 OUTCOMES

SUPPLIERS

- Lost sales
- Increased distribution costs
- Production overtime / downtime
- Inventory management issues



RETAILERS

- Missed sales
- Service level drop
- Missed / late deliveries increases
- Transport performance issues
- Supply issues

SHOPPER

- Products not available
- Disappointment
- Frustration with retailer

JANUARY REVIEW

Key Focus Areas

Plan, plan, plan and plan again

Focus on one number

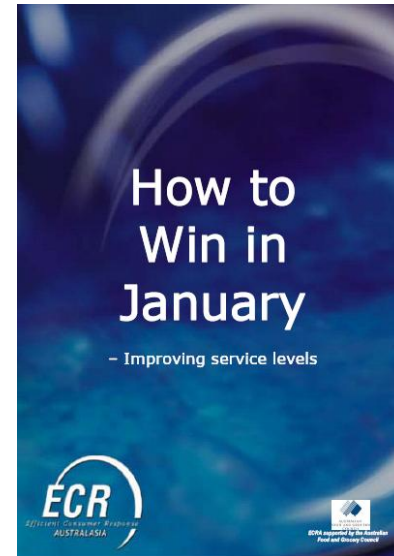
Daily responsiveness

Understand your trading partner

Operational flexibility

Communication plan

Contingency planning



To download

www.ecraustralasia.org.au

WINNING IN JANUARY TOOLKIT

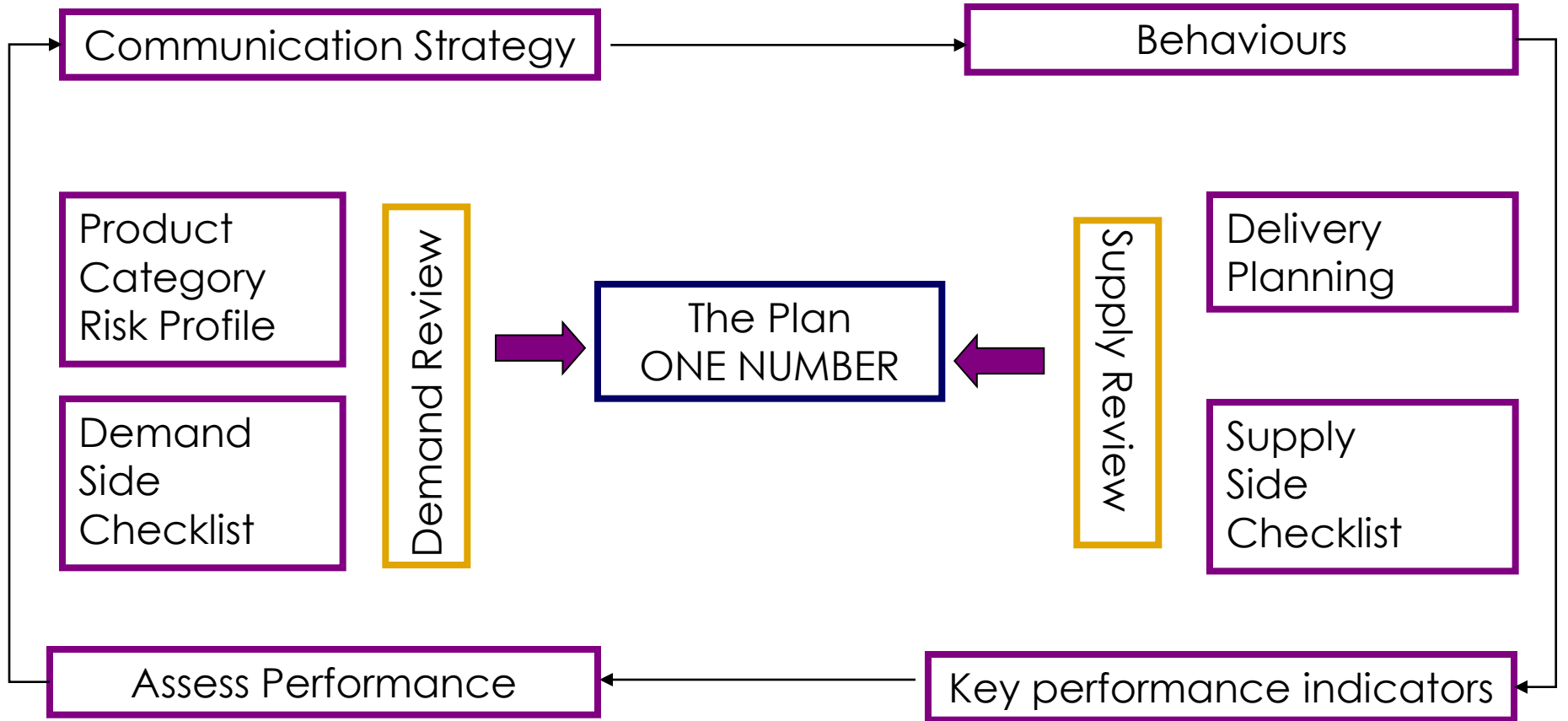
This toolkit is developed with input from the following companies



This document provides guidance for improving product availability and delivering improved shopper satisfaction in the summer period generally and January in particular .

It is an adjunct, not an alternative, to the detailed internal and trading partner planning and deployment for January 2010.

PLANNING FOR JANUARY



Checkpoint:

Although January has a range of specific attributes and this Toolkit has been designed to deliver an improved product availability for this month the detail provided is equally applicable to the remainder of the year. The January plan should be a subset of an overall summer seasonal plan.

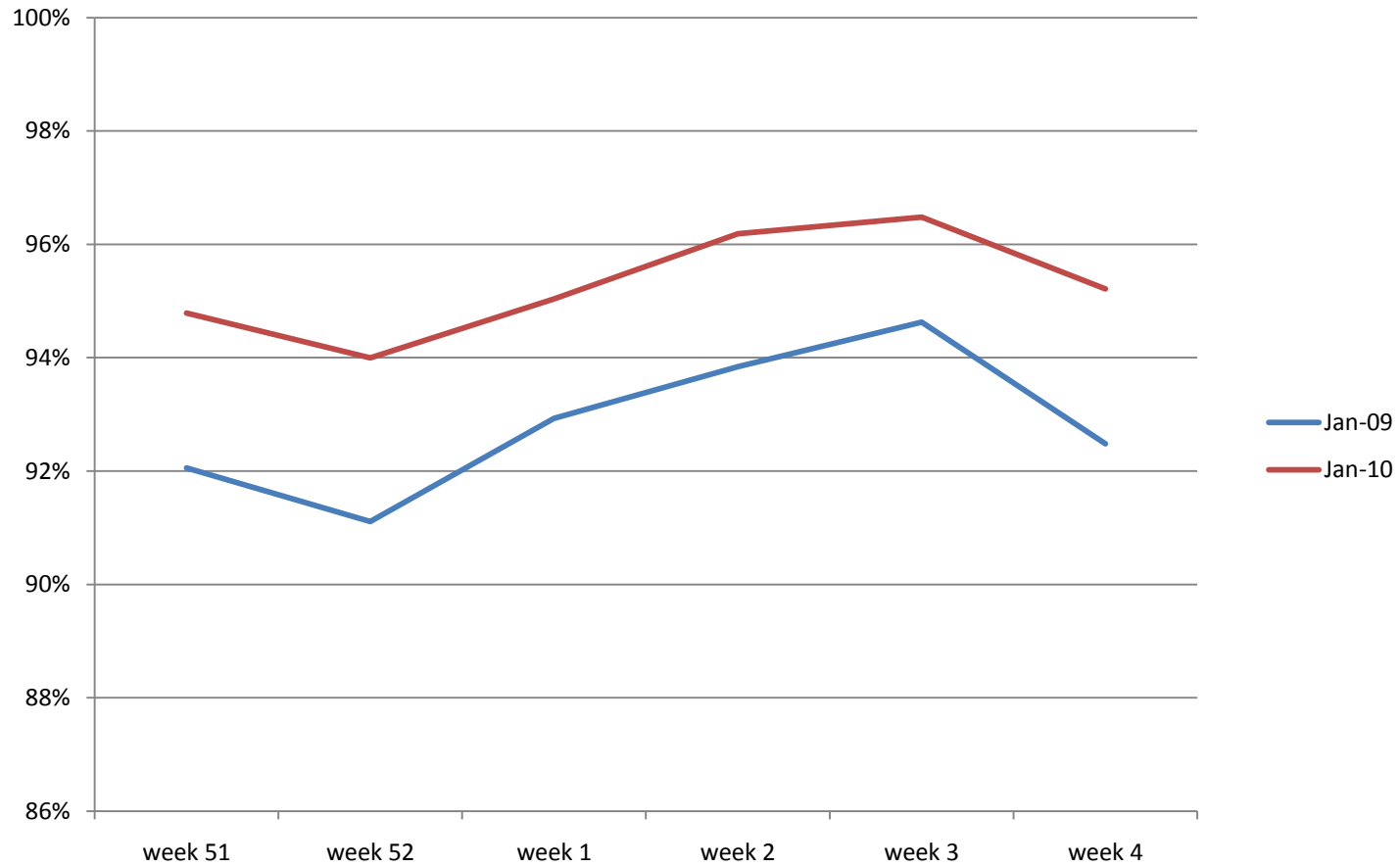
Industry steps to improve performance in January 2010:

- Recognise the issue – held Winning in January events
- Developed tools to address – Blue Book, WIJ Toolkit
- Committed to improve processes and accountability
- Committed to track results and share learnings = TODAY

RETAILER TRACKING PROCESS

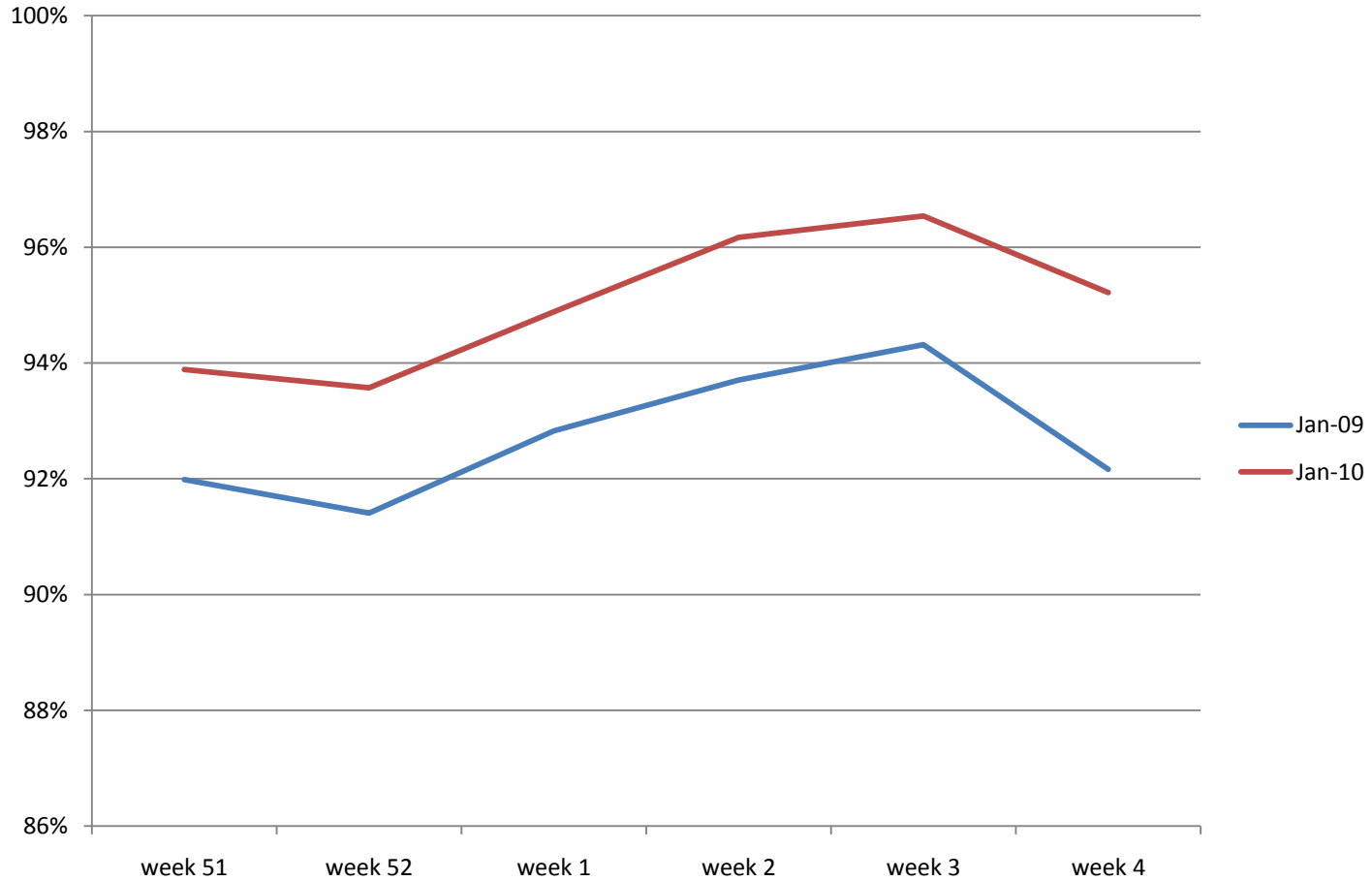
- Retailers have tracked out-bound service levels to stores through Christmas/New year and all of January – 2009 and 2010.
- ECRA have consolidated at high level and at detail level for select categories of interest.

All Retailers / All Products



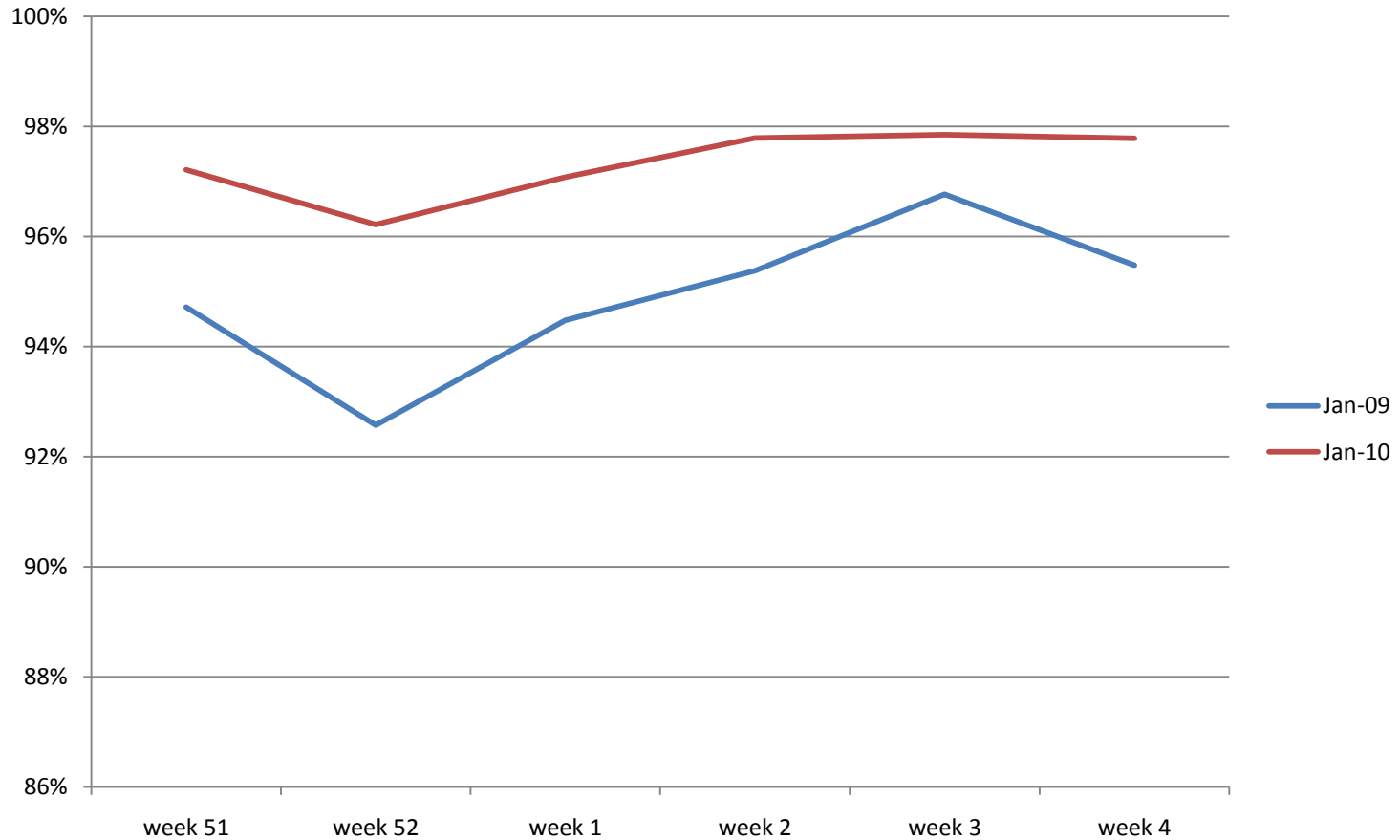
AMBIENT GROCERY

All Retailers / All Grocery



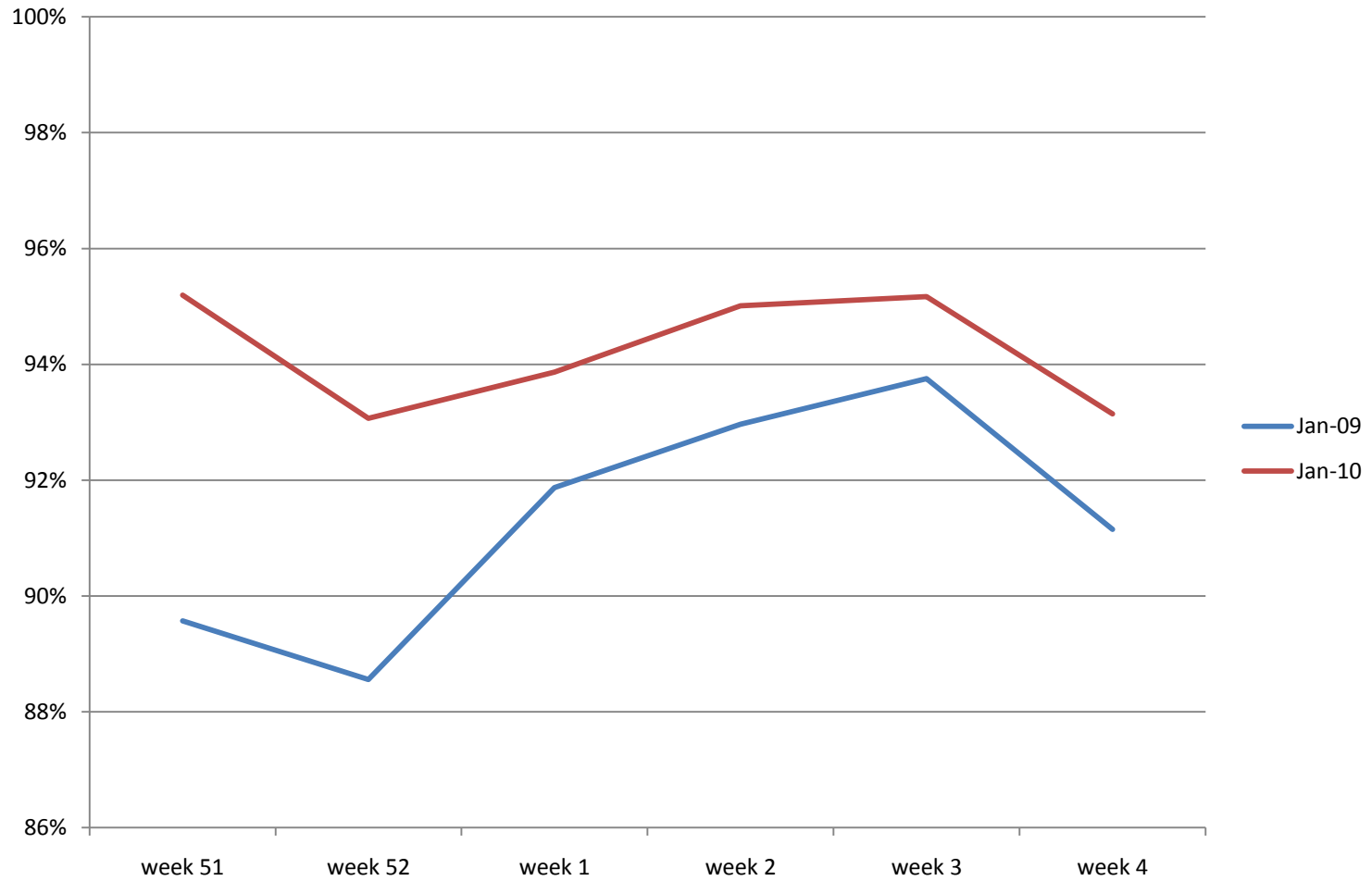
GENERAL MERCHANDISE & TOBACCO

All Retailers / All GM + Tobacco



PERISHABLES

All Retailers / All Perishables



SELECT CATEGORIES TRACKED

Ambient Foods & Beverages

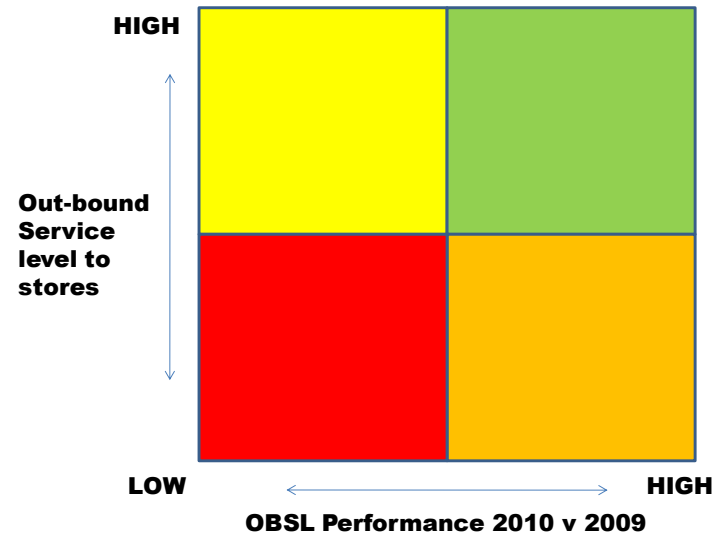
- Water
- Carbonated Beverages
- Long Life Juice/Cordial
- Breakfast Cereal
- Chips/Snacking Nuts
- Snack Bars
- Confectionery
- Biscuits

Ambient Grocery (non-food)

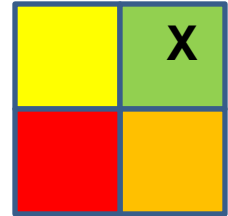
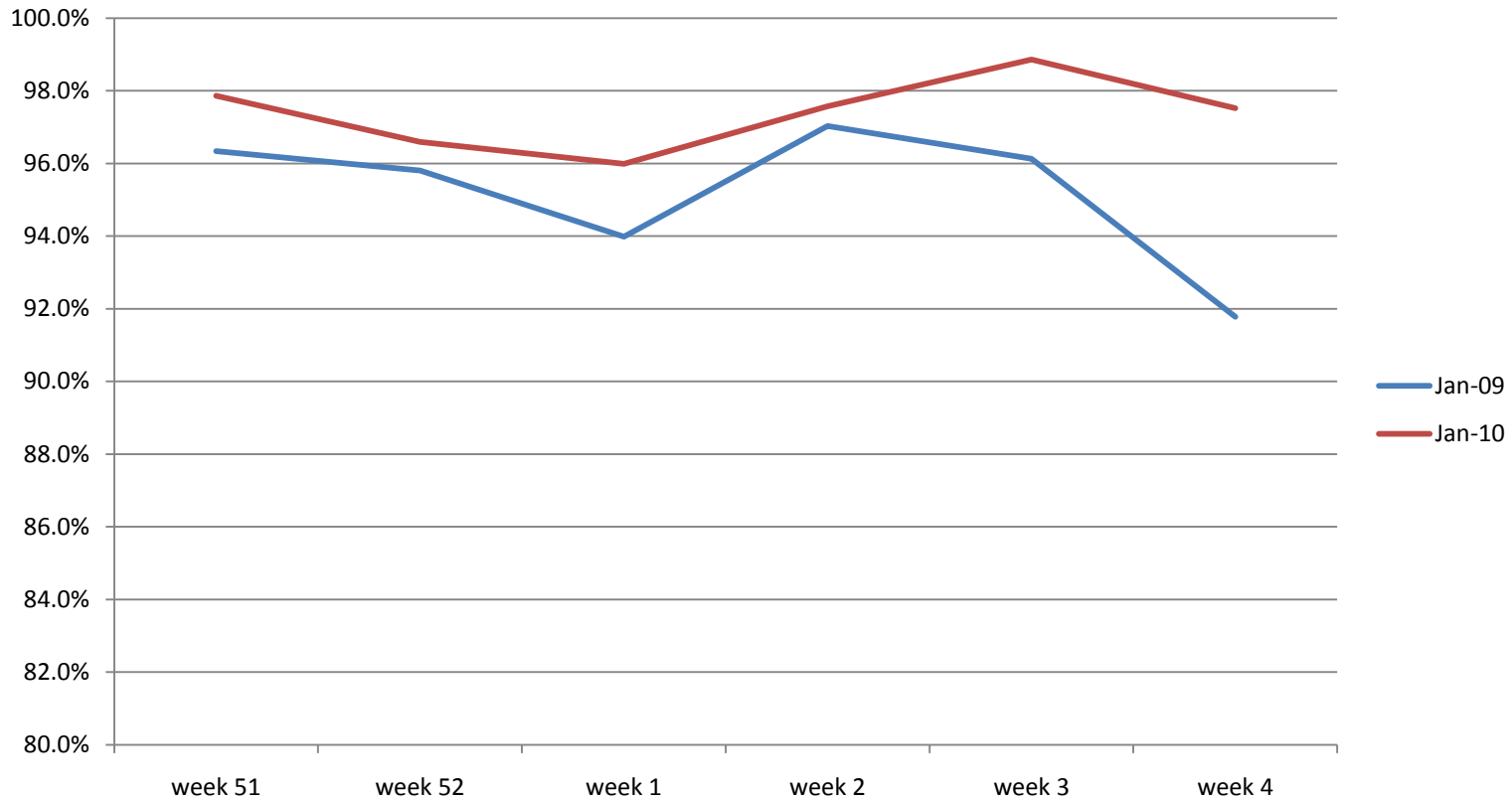
- Facial Tissues
- Toilet Rolls/Paper Towels

Perishables

- Yoghurt/Cream/Dairy Snacks
- Cheese
- Chilled Juice
- Ice Cream



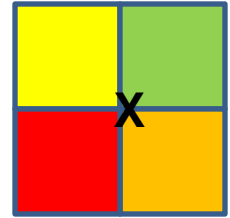
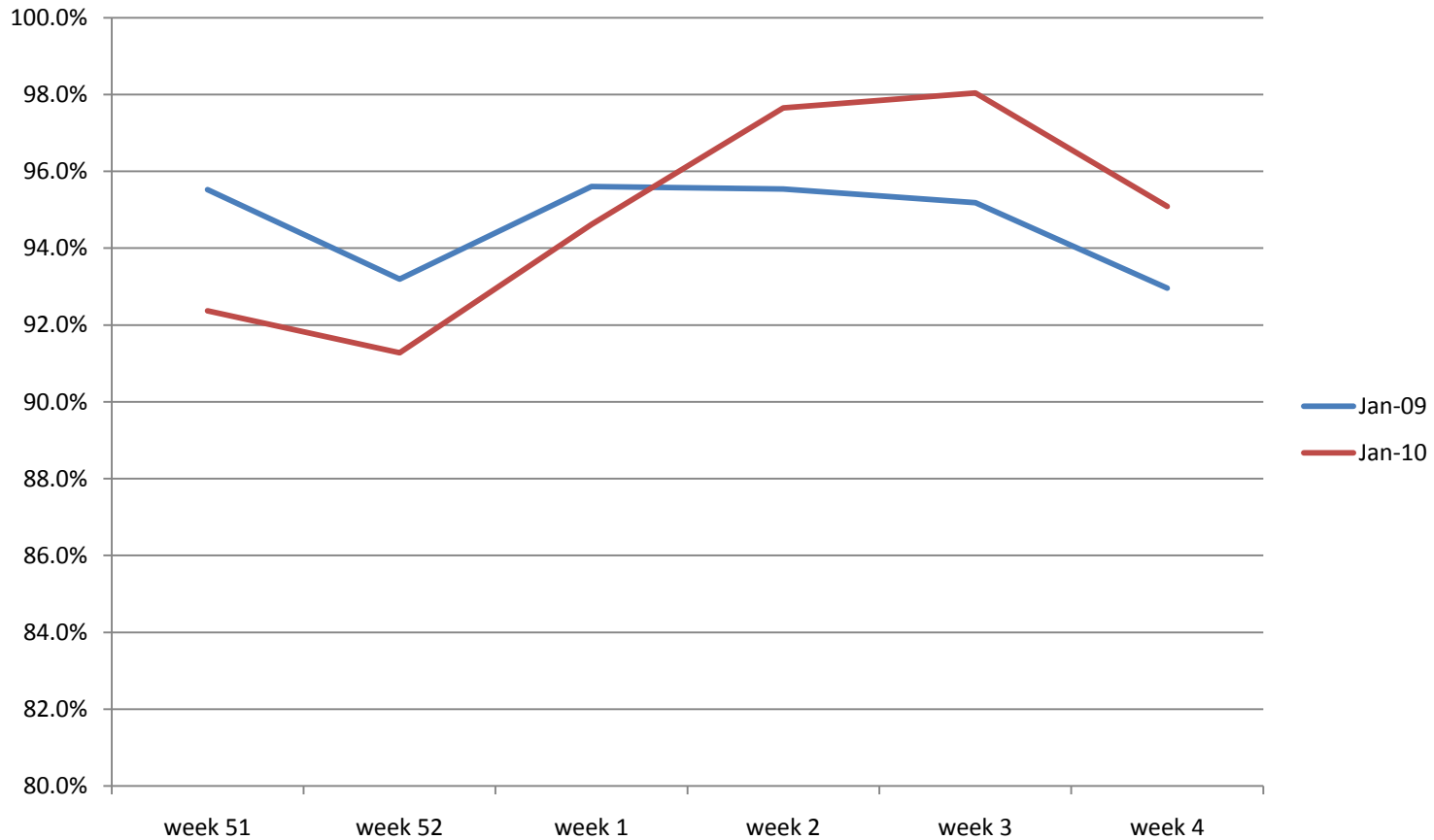
Water



- **Volume bit softer – no heat wave.**
- **OBSL up from 95.0% to 97.4%**

CARBONATED SOFT DRINKS

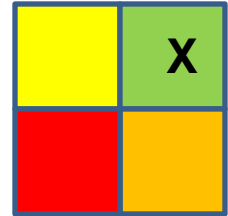
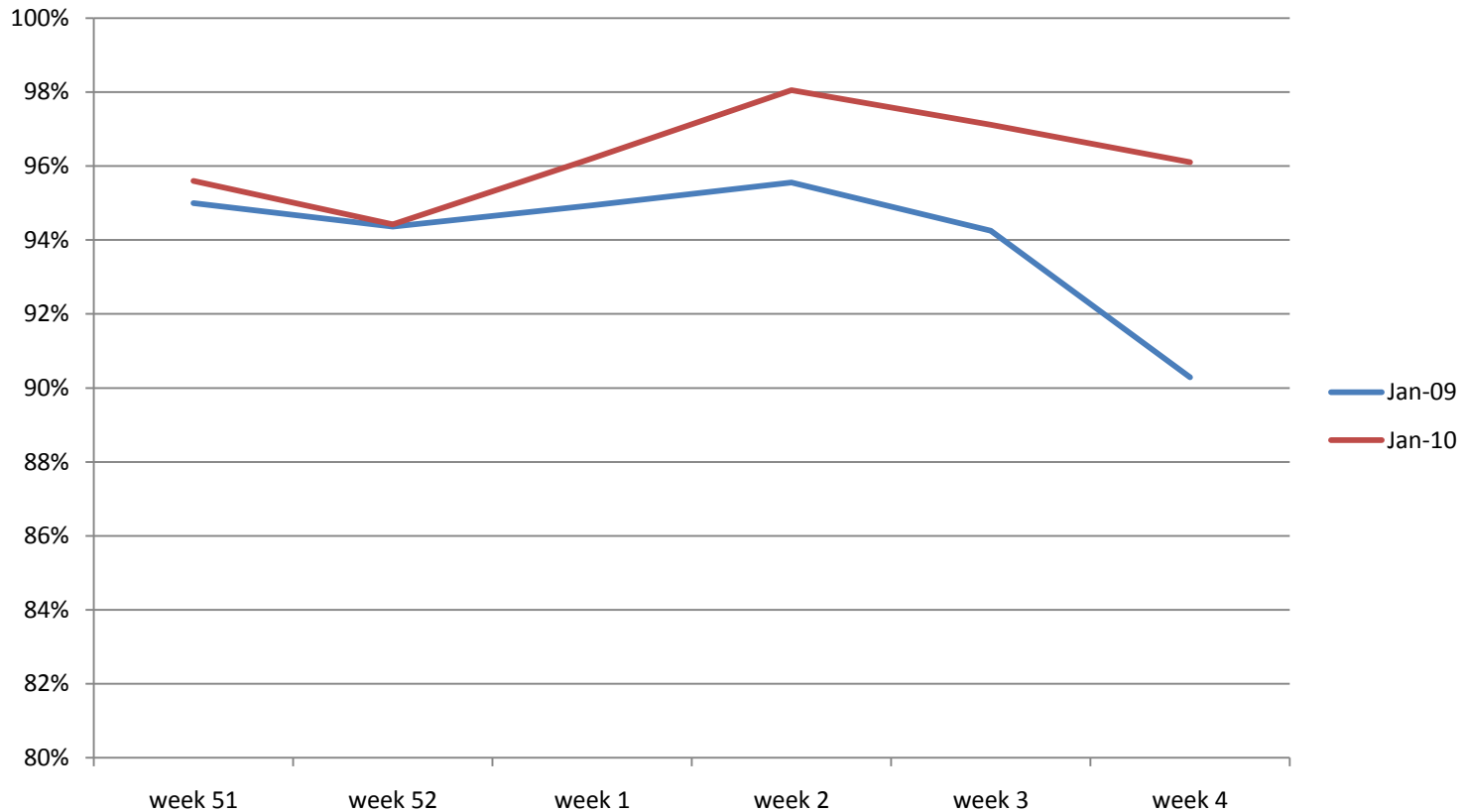
Carbonated Beverages



- **Strong recovery after Christmas/New Year**
- **OBSL up slightly to 94.7%**

LONG LIFE JUICE/CORDIAL

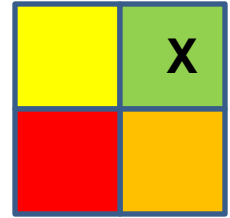
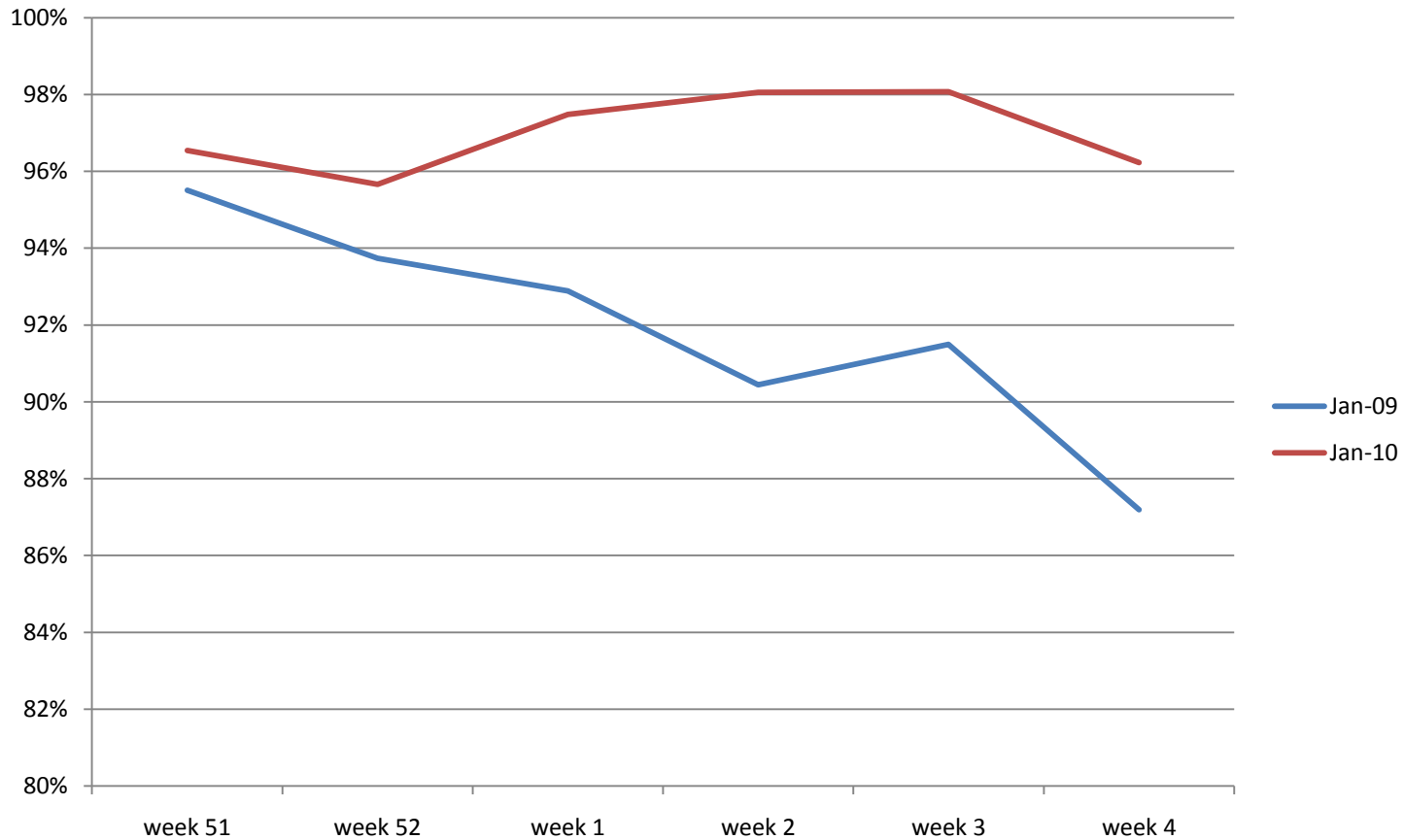
Long Life Juice / Cordials



- ***Faster and stronger recover post new year***
- ***OBSL up from 93.9% to 96.2%***

BREAKFAST CEREAL

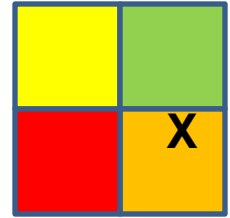
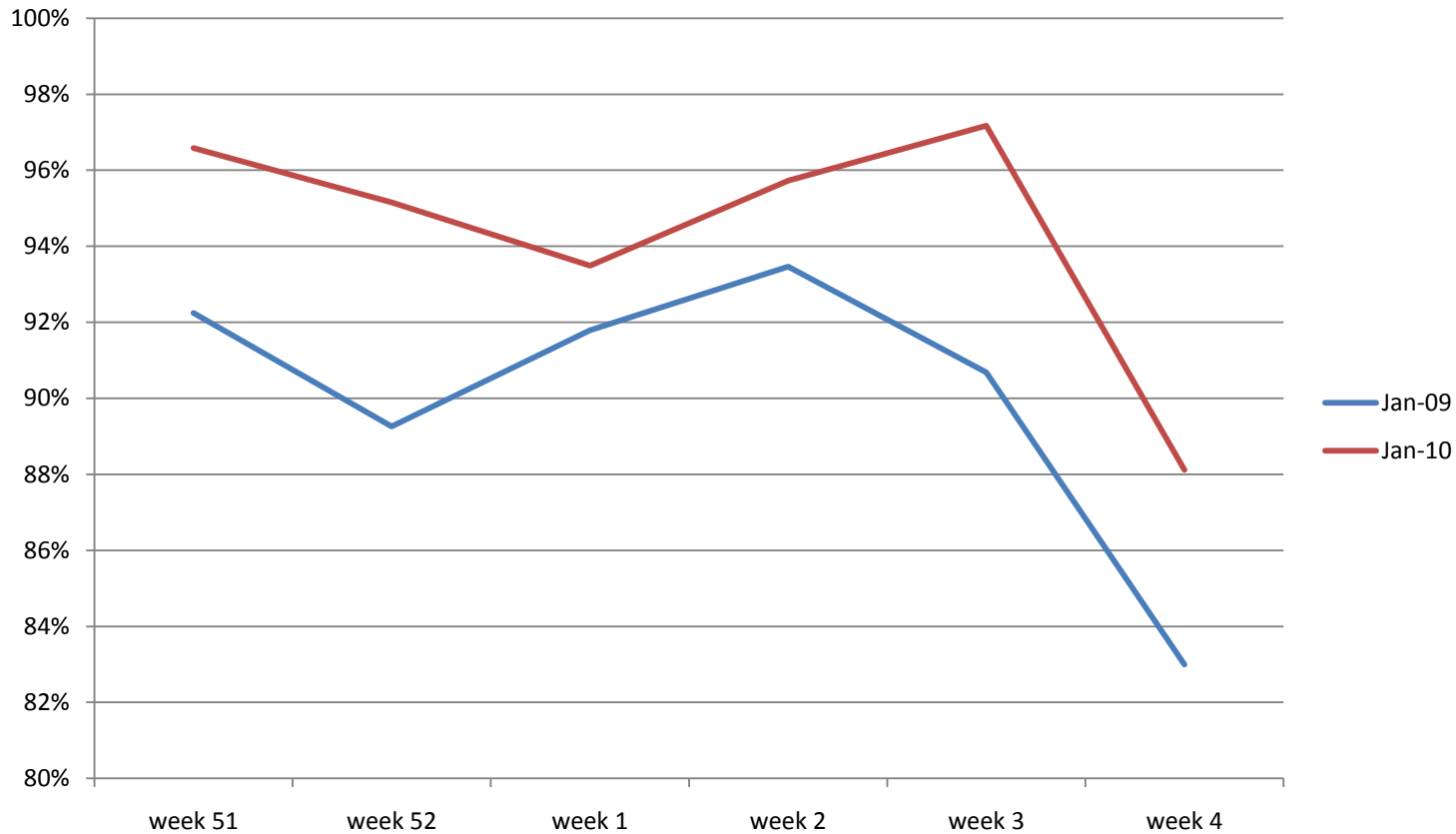
Breakfast Cereal



- **Significant OBSL volume increases driven by availability**
- **OBSL up from 91.5% to 97.1%**

POTATO CHIPS + SNACK NUTS

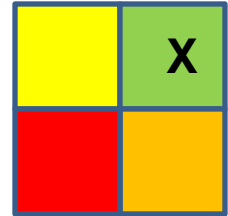
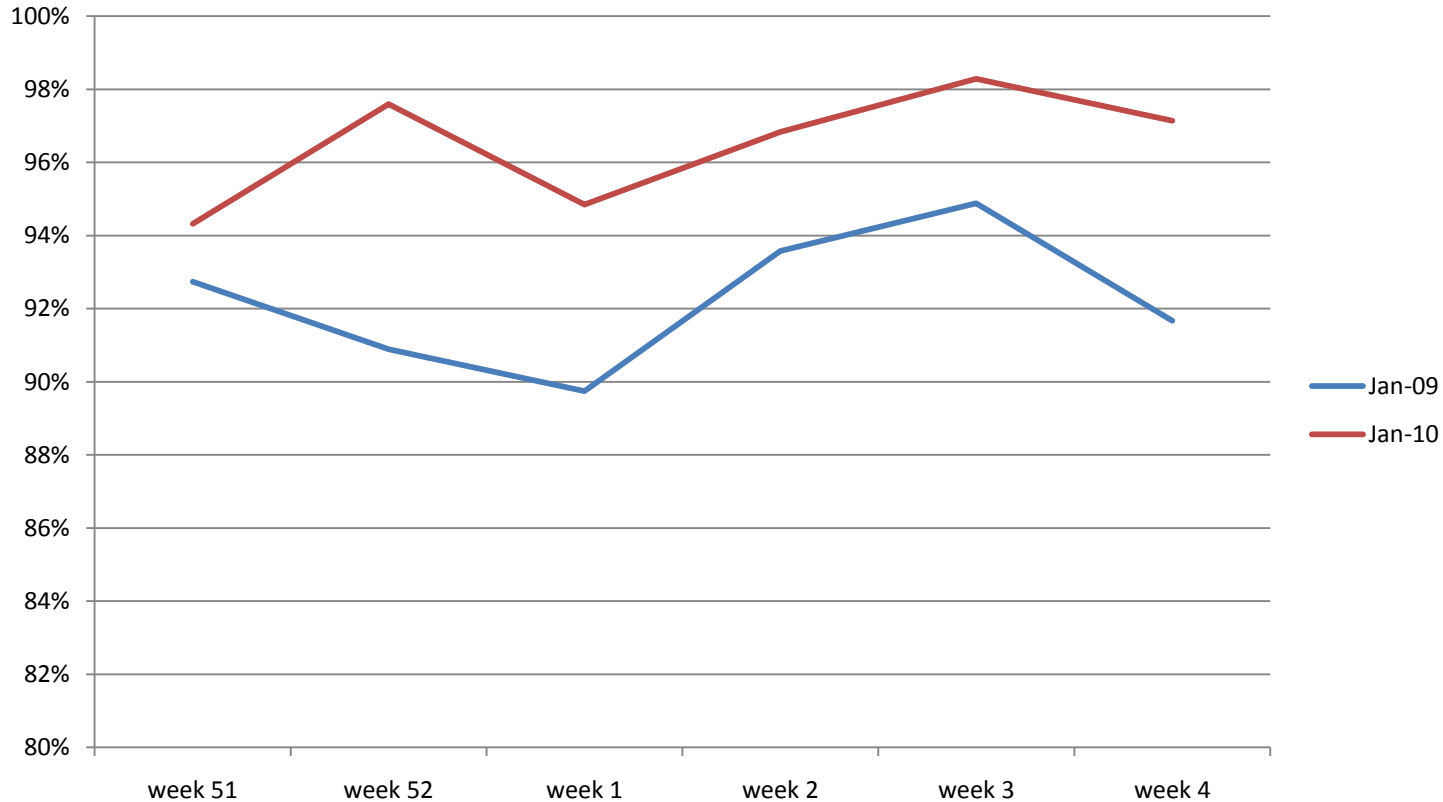
Potato Chips & Snack Nuts



- **End of January drop remains following strong improvement**
- **OBSL up from 90.0% to 94.3%**

SNACK BARS (MUESLI/FRUIT ETC)

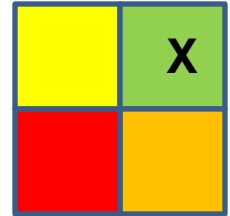
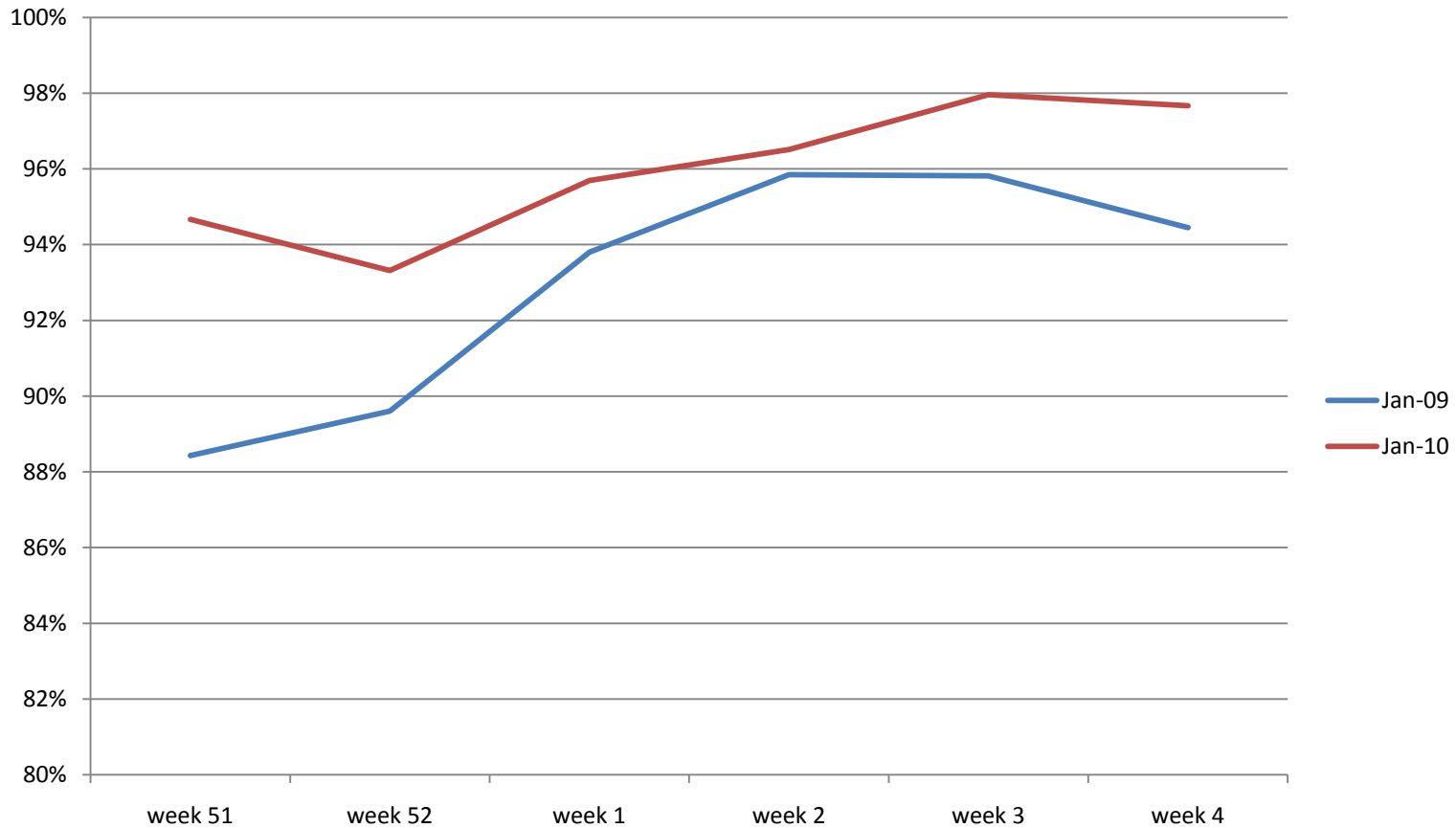
Snack Bars (Muesli/Fruit etc)



- **Volume increase supported by large improvement in OBSL**
- **OBSL up from 92.5% to 96.8%**

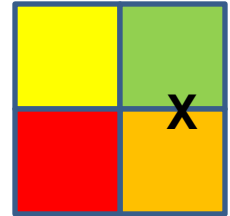
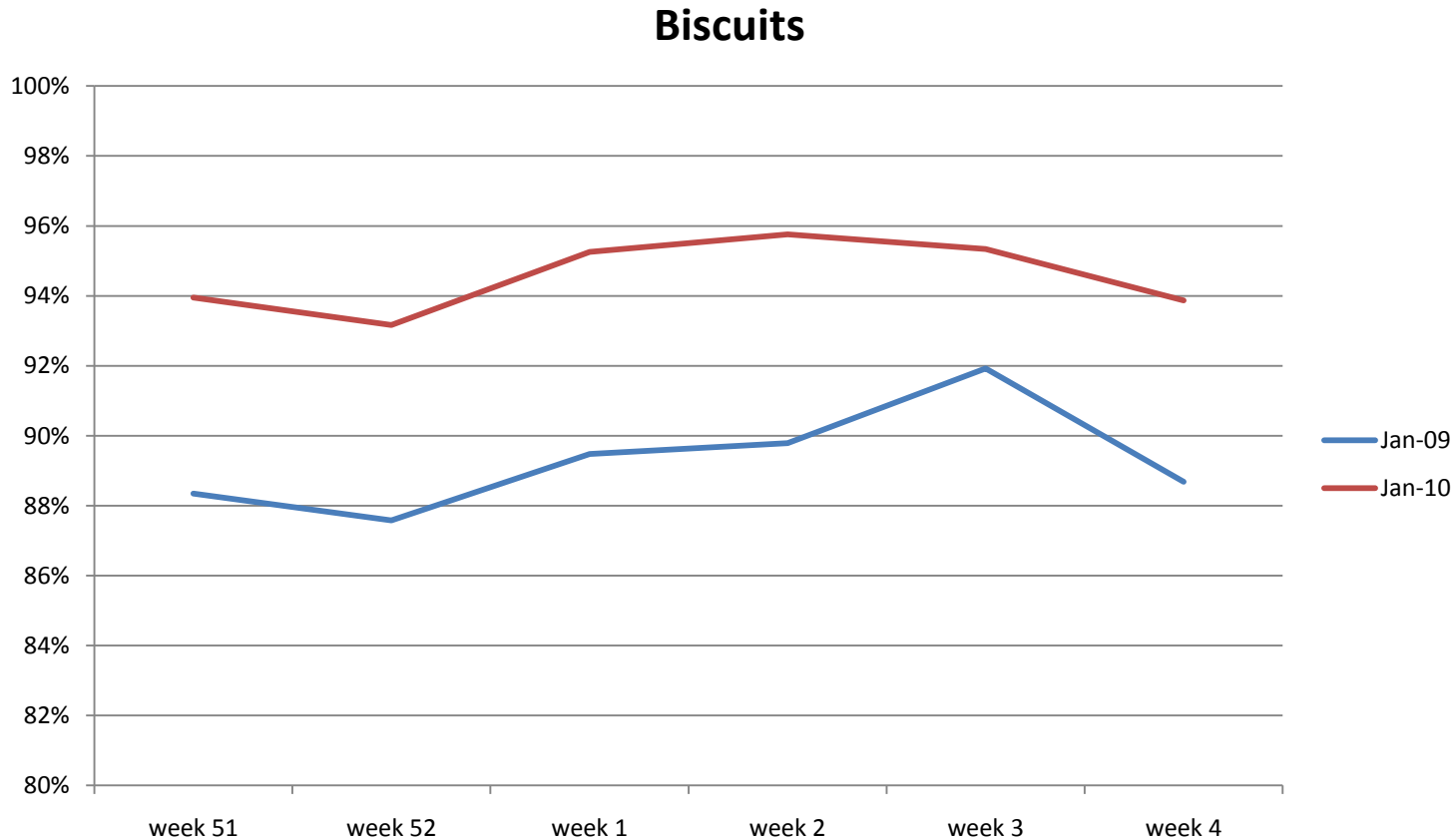
CONFECTIONERY

Confectionery



- **Ongoing OBSL improvement in new year**
- **OBSL up from 93.0% to 96.0%**

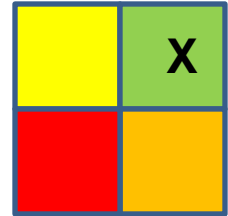
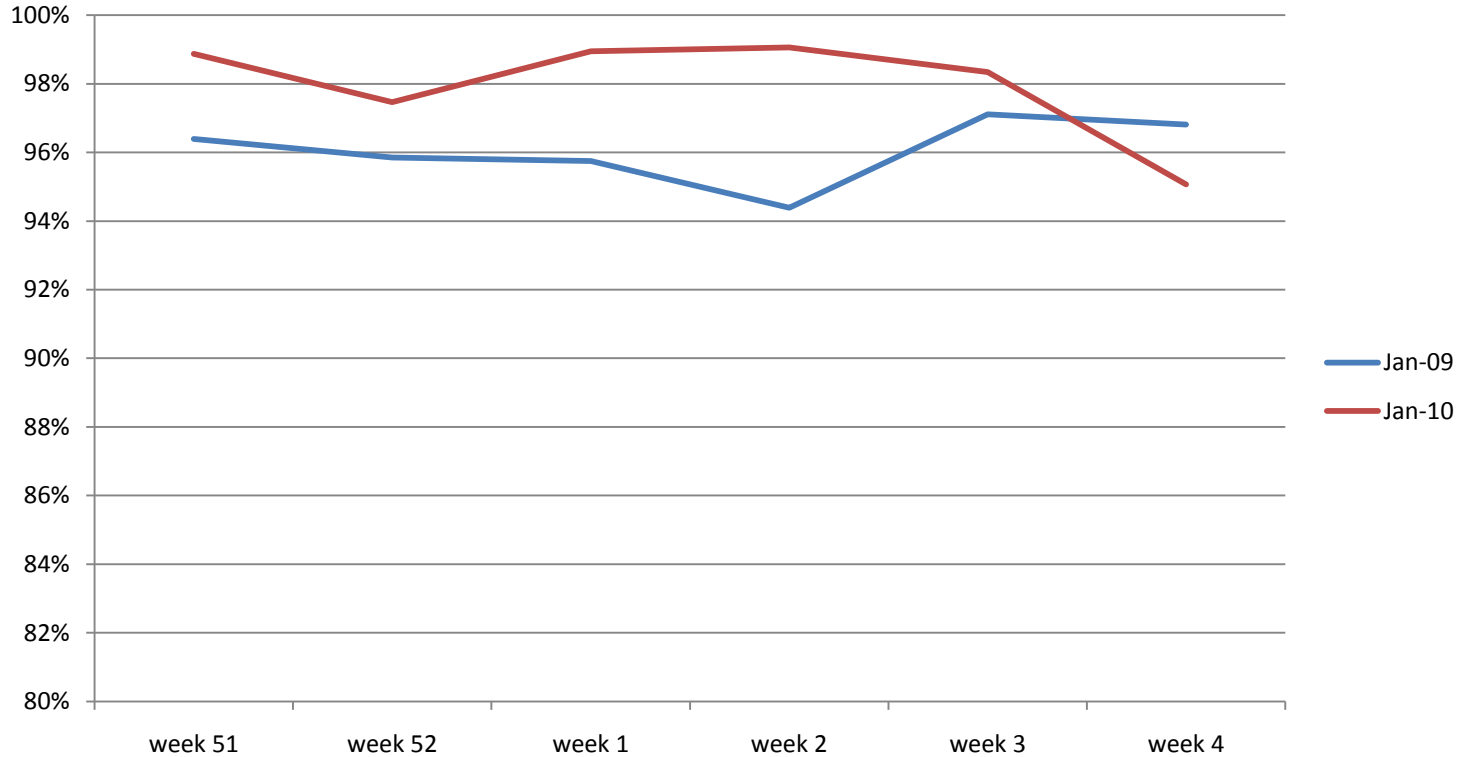
BISCUITS



- **Bridging the gap...significant improvement in OBSL versus 2009**
- **OBSL up from 89.4% to 94.6%**

FACIAL TISSUES

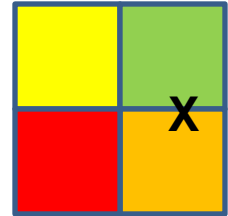
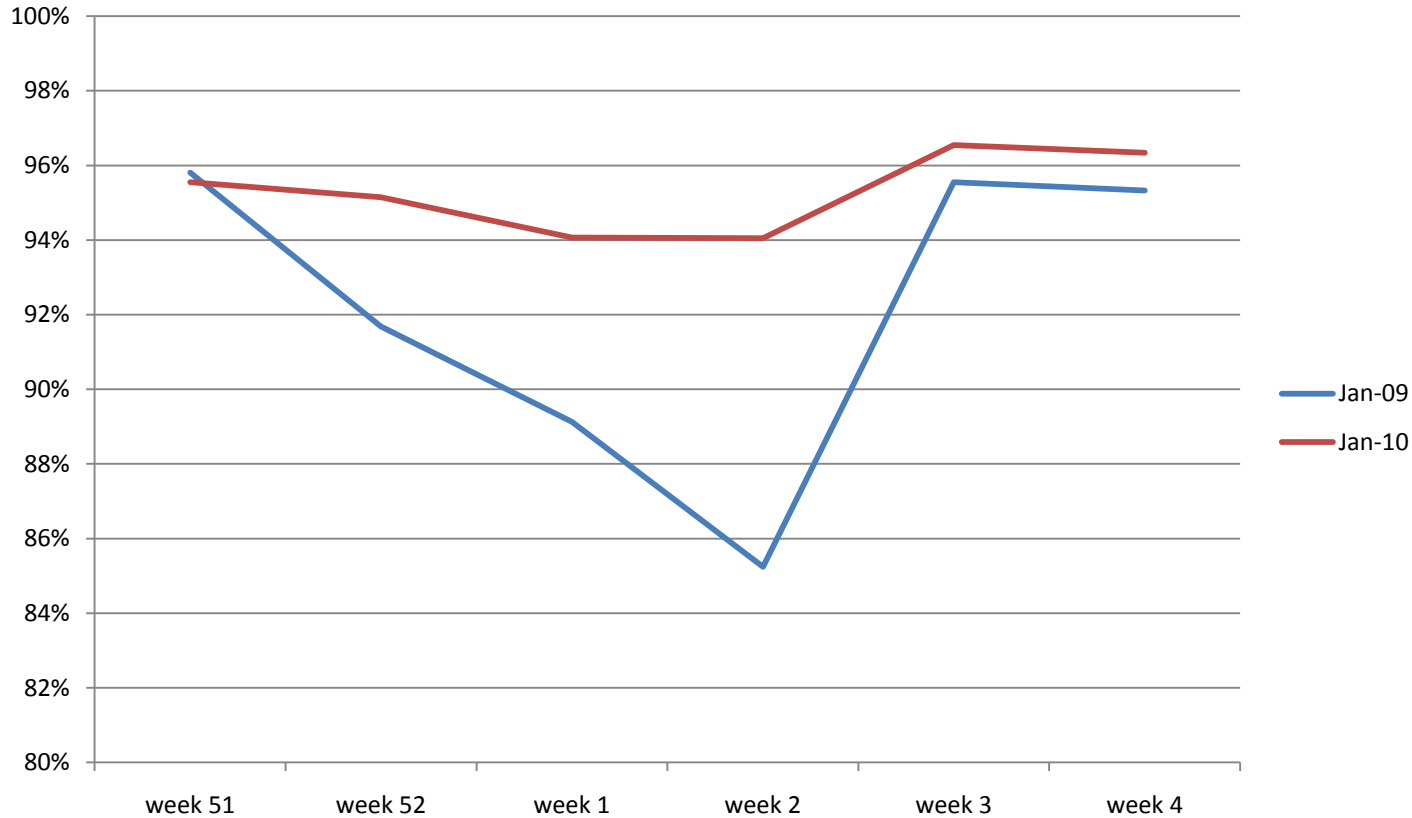
Facial Tissues



- **Improved OBSL versus 2009 in 5 out of 6 weeks**
- **OBSL up from 96.0% to 97.9%**

TOILET ROLLS + PAPER TOWELS

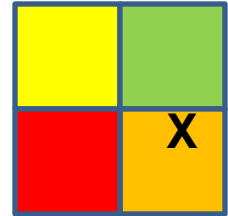
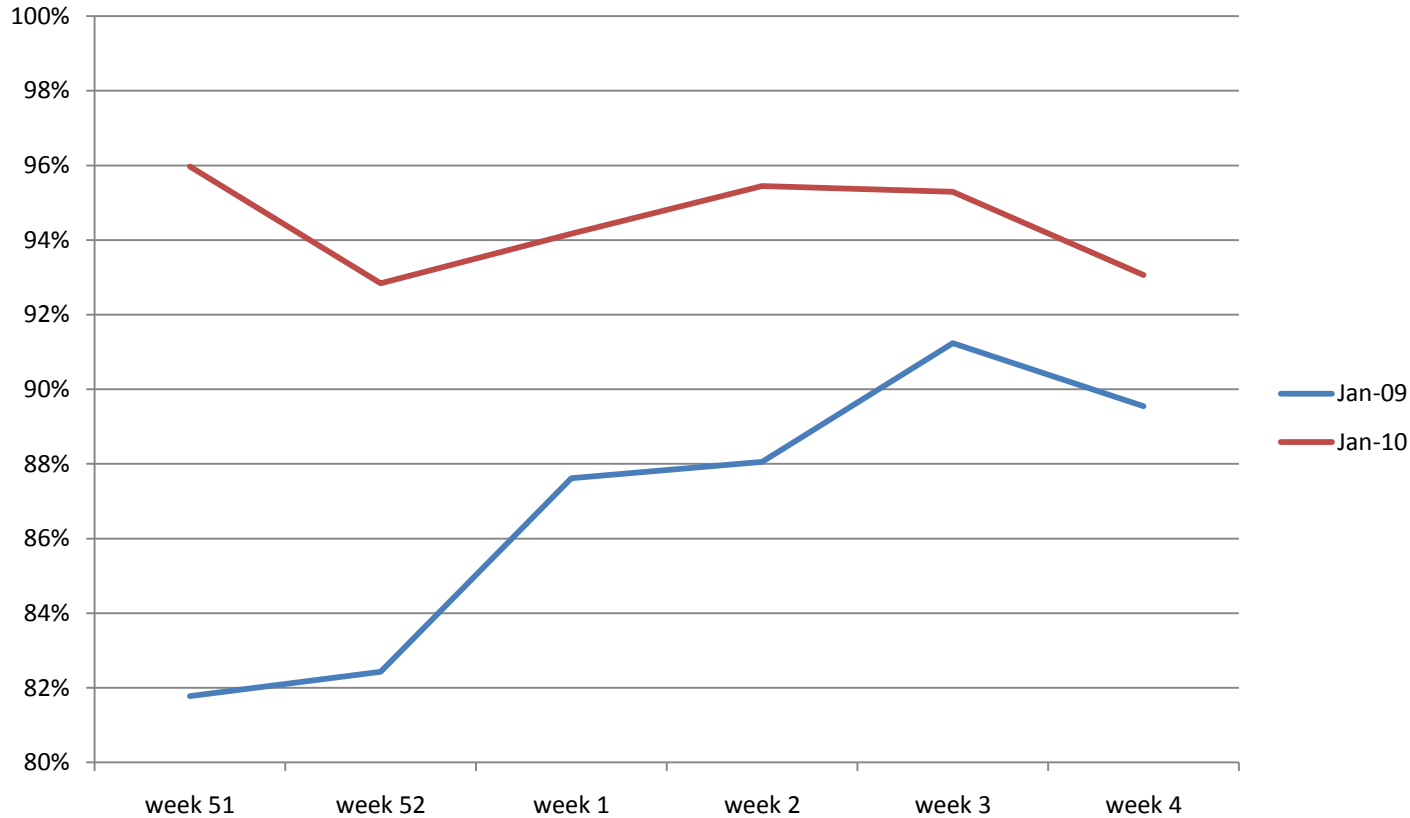
Toilet Rolls & Paper Towels



- **Avoided issues encountered in 2009**
- **OBSL up from 91.7% to 95.3%**

YOGHURT/CREAM/DAIRY SNACKS

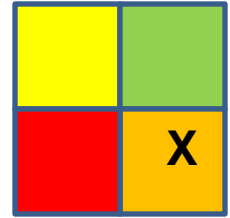
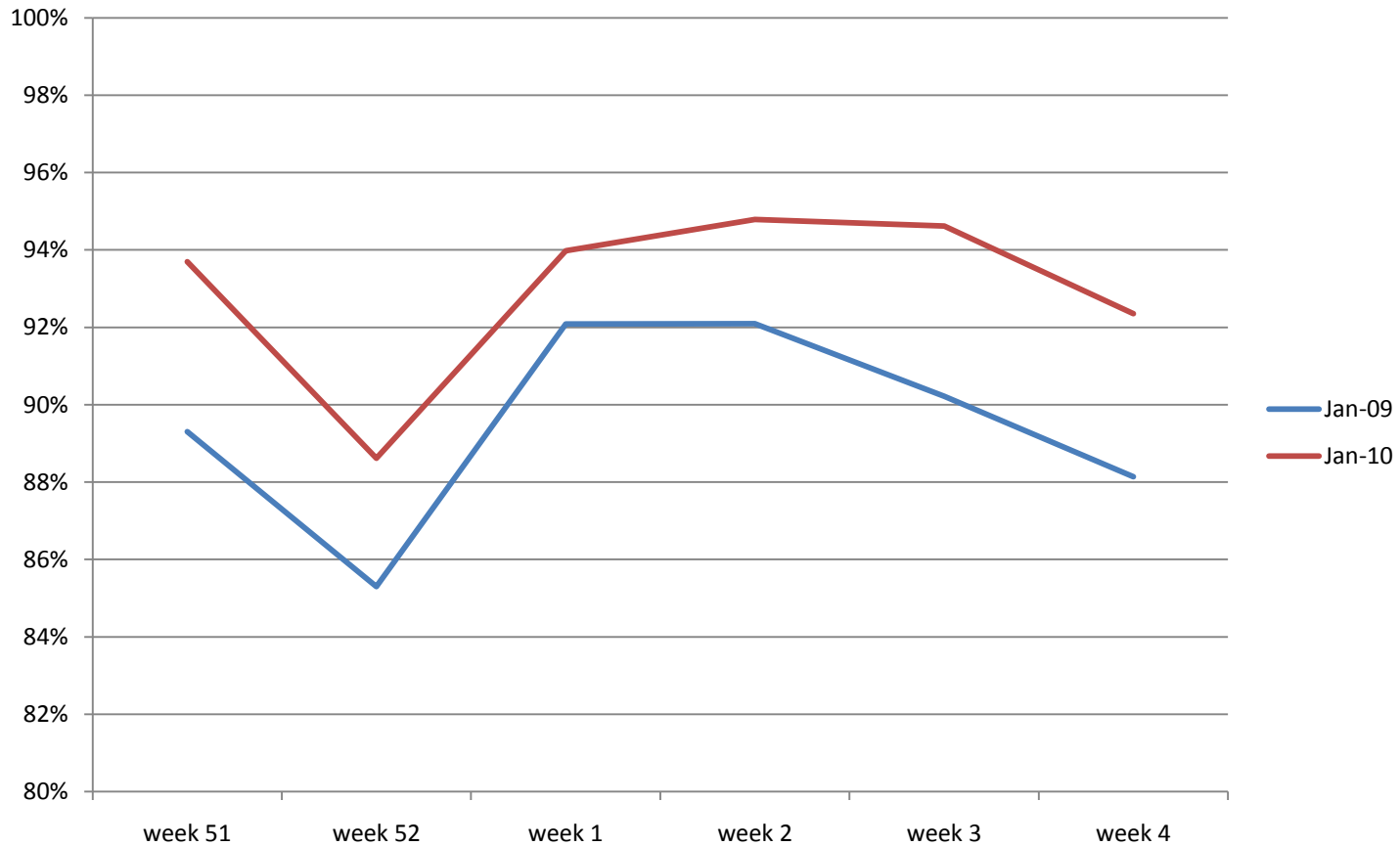
Yoghurt / Cream/ Dairy Snacks



- **Still opportunities but tremendous improvement vs. 2009**
- **OBSL up from 87.1% to 94.5%**

CHEESE

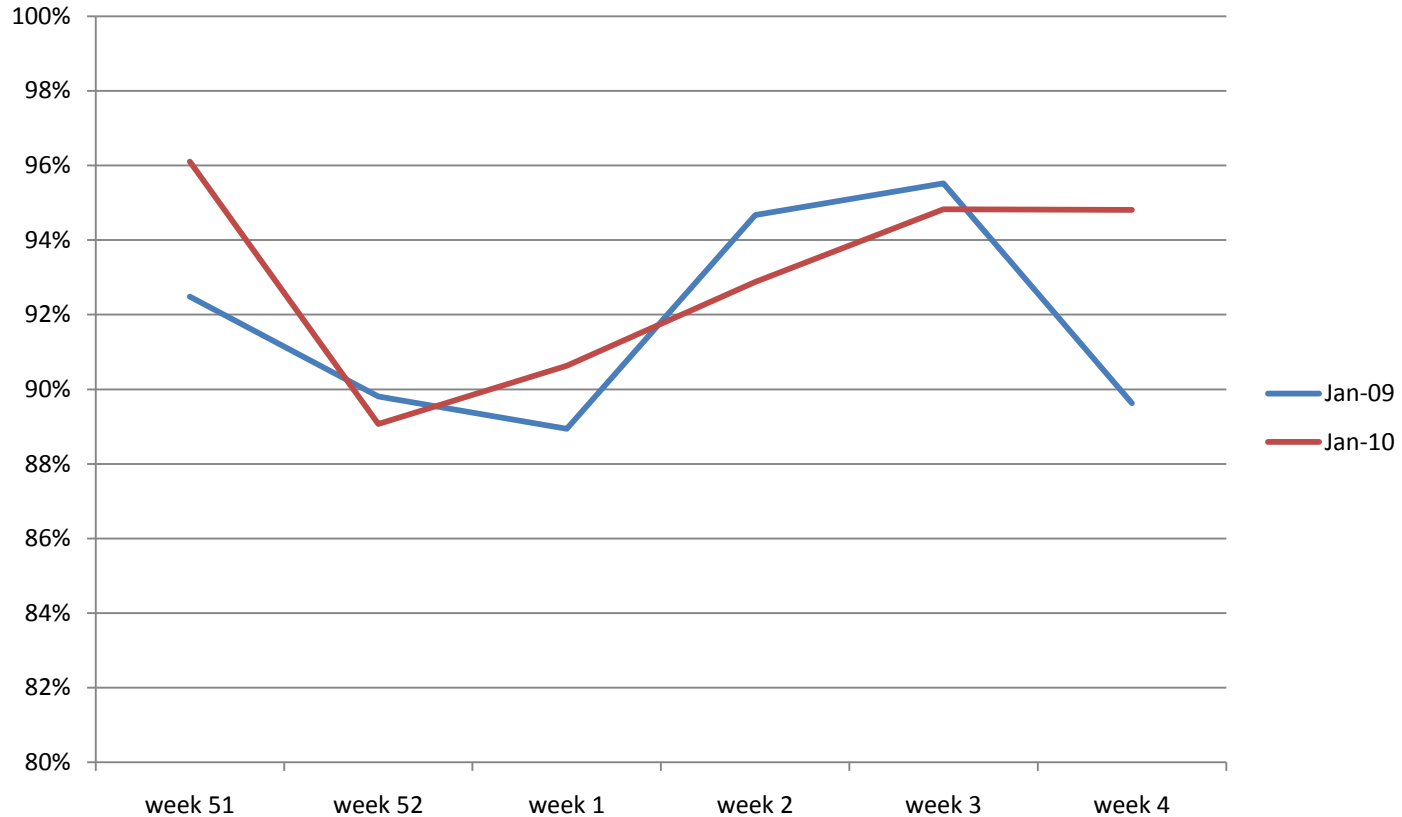
Cheese



- **Suffers in short weeks, but less than previous year**
- **OBSL up from 89.7% to 93.3%**

CHILLED JUICE

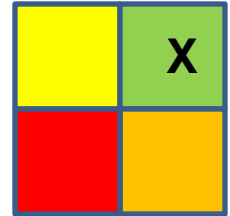
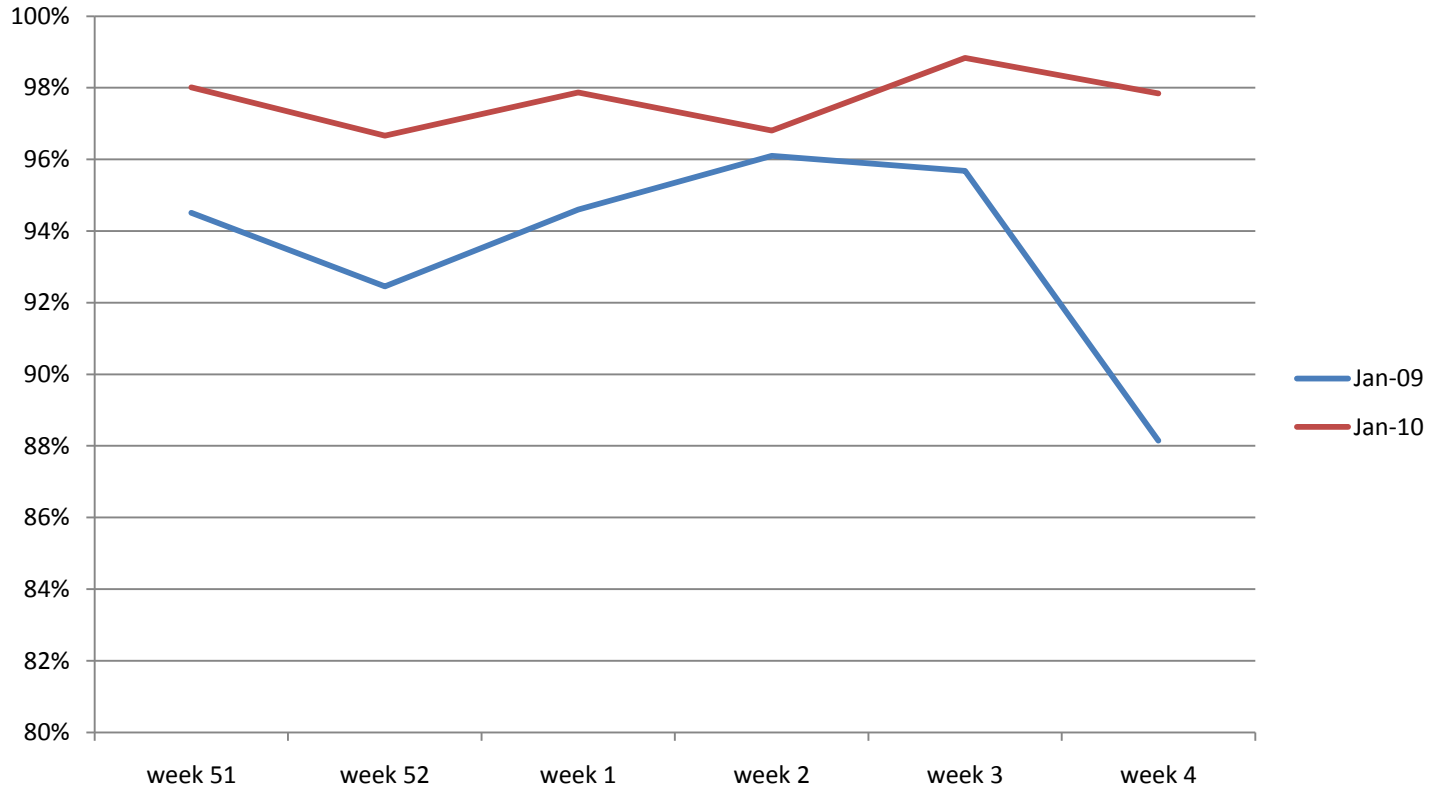
Chilled Juice



- **Significant issues in short week. Opportunity in 2011**
- **OBSL up from 91.8% to 93.1%**

ICE CREAM

Ice Cream



- **Very strong OBSL performance throughout the period**
- **OBSL up from 93.4% to 97.7%**

KEY “TAKEAWAYS” - INDUSTRY

- Volumes demanded similar to 2009
- 2010 OBSL improved across the board
- Significant effort by all parties
- Improved collaboration pays dividends
- How do we get to the next level?

Thanks to retailers who will now each present their business review of January 2010

- Metcash – Adam Arnold
- Woolworths – Paul Harker
- Coles – Matt Swindells