

HEARING

Assortment management and planning

Assortment management

- Of all products in a shop, the maximum share of centrally allocated products is ca. 70 % the year 2017 onwards. Central allocation will be reduced thereby approx. 5 % points compared to the previous. This is due to lightening of the plus-profile central allocation by 5-10 % points.

Terms for service product transfer to the general selection and sale-to-order-selection product to the general selection

- Requirement for 400 individual purchases will be removed.
 - Moving to the general selection is possible if, the sales of a product exceeds 1000 sales units during a rolling 12-month period and is composed of minimum 20 shops.
 - or**
 - The turnover of the product during a rolling 12-month period exceeds 10 000 euros (without tax) and is composed of minimum 20 shops.

Seasonal products

- When listing a seasonal product, an agreement is also made concerning its delisting (e.g. gloeggs). Request for transferring a product from selection to another must be indicated before the season is over.
- A seasonal product may transfer to a main product in the general selection if:
 - the sales of a seasonal product exceeds 1000 sales units during a rolling 12-month period and is composed of minimum 20 shops
 - or**
 - the turnover of the product during a rolling 12-month period exceeds 10 000 euros (without tax) and is composed of minimum 20 shops.
- Seasonal product may also transfer to sale-to-order selection after season, if the supplier wishes so.

Product searches and offering procedure

- A product can be offered to the general and sale-to-order selection at the same time. A product can also be offered to be transferred from one selection to another.
- By delivering a product image to Alko with the offer the seller approves that for the purchased product Alko can use, edit or possible assign the image for example to the media.



Selecting and listing the products

- The purchase of the product takes place about 2 – 3 months after the ending of the search period.
- The listing of the product generally takes place after 2 to 3 months from the purchase of the product. On the whole, the process from the ending of the search period to the listing of the product takes approximately 5 – 7 months. However for example for the seasonal products this timeline may be longer.

Sale-to-order selection

Self-service listing to sale-to-order selection

- In addition to the product image, an image of the product's back label and all the other relevant label information is to be sent together with the offer, so that the validity of the product can be verified.

Take into consideration when making the offers

- A product can be offered to the general and sale-to-order selection at the same time.
- When the product is transferred from a selection to another the stock of Alko shops can be transferred to the new product number.
- The following choice will be removed from the sale-to-order selection's offer form: "Sale-to-order product sold by the case". This is due to the fact that Alko shops (including eShop) generally order the products by the case.

Listing of products to the sale-to-order selection

Products may be listed weekly to the sale-to-order selection.

Trading conditions

Changes to the listed products

- Updated price list periods:

Price list period	Change to be notified
6.6.2017 – 2.10.2017	1.4.2017
3.10.2017 – 5.2.2018	1.8.2017
6.2.2018 – 4.6.2018	1.12.2017

Easement to the product changes procedure

The condition for the approval is that the change:

- Is in accordance with the Consumer Protection Act, the Alcohol Act, and the guidelines issued by Valvira.
- Complies with the original search and offer according to the search criteria for two years starting from the listing date. Price changes, product changes affecting product's appearance and vintage changes (wines) are still possible according to the normal product change instructions.

- After two years also the changes to product's attributes that are mentioned in the product's search criteria and respectively in the offer are possible.
 - In this case the product's central allocation will be reset and it becomes a non-allocated product starting from the date of the change.
 - When the central allocation is reset a product will again be taken into assortment allocation monitoring from the next price list period after the change. Therefore a product may be allocated approx. 8-12 months after the product change.
- Essential characters that cannot be changed during a product's life cycle are the product's segment (excluding wine taste style and price) and maturing definitions (for example age statement in whiskies, "VSOP" in cognacs and "Crianza" in wines).
- Product changes that are not notified before the changed product reaches distribution, a fee of 300 euros (+VAT) will be issued.

Retail prices

Alko's central warehouse and shop delivery costs

- If the seller uses Alko's central warehouse and shop delivery services for new limited availability products of the general selection (including the special assortment at Arkadia shop), the cost of volume class "under 2,000 sales units" (if the total purchase quantity is under 2000 sales units), or the cost of volume class "2,000 – 29,999 sales units".

Instructions for sending samples and certificates

- The time for bringing the samples to Alko's central warehouse is between 7.00 in the morning and 17.00 in the evening on working days.

Terms of purchase and delivery

Industrial rights / Rights to use a product image

- In the part 'product searches and offering procedure' mentioned rights to use a product image is also added to the industrial rights.