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January 15, 2014

To: All Trade Councils

Re: **Details and submission requirements for 2014 LCBO WINES and SPIRITS & BEERS Holiday Gift Submissions**

DEADLINE:

As specified on the LCBO's New Item Submission System (NISS), holiday gift submissions are due **January 31, 2014**. Note: There is no separate pre-submission and sample due.

PRODUCT SPECIFICATIONS:

In addition to traditional gift items that include accessories, the business units are strongly considering the following:

- Single and specialty bottles that could be given as gifts, featured on home bars, and appeal beyond the holiday season;
- New and/or unique products from popular holiday categories like Cognac, Liqueurs and Sparkling Wine;
- Mixed packs and specialty winter-style beers;
- 50mL spirits miniatures and 50mL premium trial packs that are seasonally relevant (eg. ideal as stocking stuffers).

Note: A Product Needs Letter detailing preferences by buyer (Wines and Spirits & Beers) is available on NISS.

ENVIRONMENTAL CONSIDERATIONS:

It is the stated goal of the LCBO to reduce the amount of packaging material in the products we sell. The LCBO encourages appropriate environmental protection practices be supported by suppliers. Product submissions that use less material and achieve other environmental objectives will be given strong consideration as part of the selection process. We also encourage the use of recycling symbols and messages on packaging where appropriate.

SUBMISSION REQUIREMENTS:

Each 2014 Holiday Gift Submission **must** include:

1. **Sample(s) of the submission (photographs will NOT be accepted).**
 - One final mock-up sample/gift pack, with all packaging and beverage alcohol components.
 - If a mock-up without the final beverage alcohol component is submitted, a final liquid sample must be received by February 21, 2014.



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2. A complete application. This includes:

- An online application through NISS.
- A product and gift-pack selling description.
- An FOB or Excellars quote on supplier letterhead, with the liquid and packaging components broken down (in the same currency).

The above MUST be submitted with each NEW and/or REPEATED submission.

- New items are products that were not part of the 2013 Gift Program or products that were part of the 2013 Gift Program but with planned changes to the 2014 submission (i.e. different pack size, gift contents, packaging, etc.). These submissions will be assigned a new LCBO number if purchased for 2014.
- Repeated items are any products that were carried as part of the 2013 Gift Program where there has been no change to the 2014 submission.

PACKAGING:

- Deposit Return: We are unable to purchase gift packs containing units of different container sizes, if the deposit amount varies. For example, a gift pack may not contain products < 630mL (unless < 100mL) and > 630mL.
- Similar products with the same alcohol percentages may be packaged together.
- ▼ • Case Carton Weight Restriction: All gift items are subject to the case carton maximum weight restriction of 18.9kg.
- Packaging components exceeding 40% of the final quote will not be considered.

PRICING & FREIGHT RATE DETAILS

- If the beverage alcohol component in the gift pack is currently sold at the LCBO, the quote for the alcohol component in the gift pack must match that of the regular item.
- Exchange rates used to calculate the retail price will be LCBO fiscal Period 11, 2014.
- If the beverage alcohol product is from an existing supplier, the supplier freight rate will be applied to the mark-up of the gift pack.
- If the product is from a new supplier, a standard freight rate will be applied.



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Please note: All Holiday Gift items purchased are subject to a marketing/merchandising administrative fee of 3% with a minimum of \$1,500 to a maximum of \$3,500. The percentage is based on the case cost multiplied by the number of cases received. The fee includes the production of any in-store communication materials used to highlight the gifts.

All Holiday Gift item purchases are also subject to the terms and conditions outlined in the notice to purchase, including, but not limited to, label and case carton compliance, sell through targets and shipping deadlines.

Questions may be directed to the appropriate LCBO Product or Category Manager.

We look forward to working with you to provide our customers with a dynamic and exciting 2014 Holiday Gift portfolio.

Sincerely,

Chris Robertson,
Director, SPIRITS & BEER

Carolyn O'Grady-Gold,
Director, WINES

cc: Nancy Cardinal
Shari Mogk-Edwards
Category and Product Managers