

LCBO

Wholesale LTO Program FAQ

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Program overview

Q. What is a Limited Time Offer?

A Limited Time Offer (LTO) is an optional supplier-led promotional discount on select products for a specified period of time intended to help drive sales.

Q. What is the benefit of offering LTOs to wholesale channels?

It can help suppliers drive product sales, while also creating new opportunities for licensed businesses to grow sales across the province.

Q. Do I have to be listed in a wholesale catalogue in order to run an LTO? I have a new product, can I introduce an LTO?

To be eligible to participate in the Wholesale LTO program, the product must already be listed in the relevant wholesale customer product catalogue. For example, if you have a product listed in the grocery catalogue, but not in the convenience catalogue, you cannot have a convenience LTO.

Q. Am I able to run an LTO in both LCBO retail and in other wholesale channels (e.g. grocery)?

Yes, as long as your product is in both catalogues. To find out more about wholesale LTOs visit [this page](#). To find out more about LCBO retail LTOs, visit [this page](#).

Q. What is a promotional period?

LCBO has an annual calendar with [13 promotional periods](#) that are around four weeks long.

Q. Can my product discount be different across catalogues?

Yes. For example, if you have an LTO in the grocery catalogue and the hospitality catalogue at the same time, you may choose a 10% discount in grocery and a 15% discount in hospitality. Since they are different discounts, this will be treated as two separate applications with separate admin fees.

Q. Can I run an LTO in the wine boutique catalogue? How much?

Yes. Wine boutiques are a type of grocery catalogue; therefore the admin fee is \$500 per approved LTO.

Q. How long does my LTO need to be?

LTOs can run for 1, 2, 3 or 4 weeks within a promotional period.

Q. How much can I discount my product?

The discount is on a dollar per unit basis that must be between 5-20% of the wholesale price. For example, if you have a product with a wholesale price of \$15, you could offer \$1.50 discount (equivalent of 10% discount) or you could offer a \$3 discount (equivalent of 20% discount). Therefore, \$3 is the maximum LTO you can offer.

Q. Can I run an LTO on kegs?

No, only products listed in LCBO product catalogues are eligible for LTOs.

Q. Do I need to change my wholesale quote for an LTO?

No. You do not need to change your quote for an LTO. LCBO will invoice you for the LTO.

Q. Is there a limit on the number of LTOs I can apply for?

There is no limit on the number of LTOs a supplier can apply for per period, and there is no limit on the number of approved LTOs per period. An individual SKU cannot participate in consecutive LTOs, but a brand can.

Q. What happens if I run an LTO and run out of inventory before the end of the promotion period?

The supplier/agent is strongly encouraged to work with relevant wholesale customers with respect to demand planning, forecasting, and category management to ensure that inventory forecasts submitted to LCBO are accurate. Products with insufficient inventory to fulfill orders will be removed from the eligible product catalogue.

Q. Can I add order restrictions?

No, wholesale customers (e.g. grocery stores) may choose to order what they like. We encourage you to proactively work with these retailers on forecasting and inventory planning.

Q. Are Direct Delivery Program products eligible for LTOs?

Products sold under LCBO's Direct Delivery Program are not eligible for the Wholesale LTO Program, unless they are also listed on wholesale.lcbo.com.

Q. Are products that are dropshipped from supplying sources eligible for LTOs?

Yes, these products are part of wholesale customers' product catalogue and listed on wholesale.lcbo.com.

Q. What are the considerations with Minimum Retail Pricing at grocery and convenience?

During the promotion, participating wholesale customers must pass the discount on to consumers, subject to any applicable minimum retail pricing requirements. If the full amount cannot be passed on, the retailer is not eligible to participate in the LTO.

For example, there is a LTO of \$2 on a 750ml bottle of wine. If a retailer's regular retail price is \$11.95, they are unable to pass on the full \$2 LTO to the consumer (since the minimum retail price for that product is \$10.95) and therefore cannot participate.

Q. Can I extend my LTO?

You may be able to extend within the same promotional period assuming that the application deadline has not passed. The same SKU cannot participate in consecutive promotional periods.

Q. Can I lower my wholesale quote instead of offering an LTO?

Suppliers do not need to participate in LTOs. A supplier can submit a quote change at any time, according to LCBO's schedule for quote submissions which can be found on doingbusinesswithlcbo.com.

Q. Will there be a limit on the overall number of Wholesale LTOs in a year? Is there a limit to the amount that I can have in a year?

A brand may participate in consecutive LTOs, but a product SKU may not. There is no limit to the number of LTOs a supplier can apply for per period and there is no limit to the number of approved LTOs per period.

Wholesale customers

Q. Does the retailer have to participate for the entire LTO promotional period?

No. For example, if an LTO has a promotional period of two weeks, the retailer may choose to participate in the program for a couple of days, one week or the full two week period. They submit sales reports to the LCBO and will only be rebated for units sold within the two week LTO promotional period.

Q. How can I be certain that grocery, convenience and duty free are passing on my discount?

Participating retailers are required to submit sales reports to the LCBO to receive a rebate for the discount at the end of the period. These sales reports will include pre- and post-LTO pricing and dates of sale for purposes of rebate.

Q. How should I escalate if I notice that a wholesale customer is not passing on a discount during my LTO offer?

Please remember, it is optional for wholesale customers to participate in the LTO program. Since participating retailers are required to submit sales reports to the LCBO, we will be

able to confirm which retailers are participating. Any complaints related to the conduct of suppliers/agents or wholesale customers with respect to this program can be submitted to wholesalecatalogue@lcbo.com.

Q. Will LCBO print shelf talkers to support LTOs at wholesale customers?

No, LCBO only manages this for LCBO Retail LTOs. Retailers are required to make consumers aware of the LTO.

Q. Do hospitality need to pass on the LTO savings to consumers?

Hospitality licensees can pass on the discount to consumers but are not required to due to the unique nature of their business (on-premise consumption)

Q. How will it work when LTOs start on Sunday and end on Saturday, yet grocery flyer schedules are typically Thursday to Wednesday?

Retailers are only eligible for rebates on sales reported during the approved LTO period. Within that promotional window, retailers can choose how long they participate in the offer and are responsible for making consumers aware of the promotion. Grocery flyer schedules are a consideration when determining the duration of the LTO offer.

Application process

Q. How do I apply for a wholesale LTO?

You need to fill out the Wholesale LTO application form available on doingbusinesswithlcbo.com. There are two separate applications based on if your LTO is in the grocery, convenience or duty free channel versus hospitality. Important: you will be prompted to enter your LCBO Gateway credentials.

[LCBO Gateway](#) is a secure, centralized portal that provides registered vendors with access to purchase orders (as applicable), invoices and payments.

You will need to register for LCBO Gateway to complete an application – see below.

Q. How do I register for LCBO Gateway?

Complete the [LCBO Gateway Access Request Form](#) on [doingbusinesswithlcbo.com](#). If you have questions about accessing LCBO Gateway contact LCBOgateway@lcbo.com.

Q. How long will it take to get access to LCBO Gateway?

It may take between 2 – 5 business days to be granted access. .

Q. How long will it take for my LTO to be approved?

LCBO will notify suppliers of approved LTOs 2-3 weeks after applications close. The notification dates are available on [doingbusinesswithlcbo.com](#).

Fees and invoicing

Q. How much does an LTO cost? Is it different per sales channel?

For grocery, convenience, and duty free sales channels, suppliers are charged \$500 admin fee and invoiced per period based on sales data. This includes access in up to three catalogues.

For hospitality licensees, suppliers are charged \$250 admin fee and invoiced weekly for discount applied on sales. This fee is waived if the same LTO is also in the grocery, convenience or duty free catalogue.

Aside from the fee, you will also be charged for the discount applied to your product.

Q. Why is there an admin fee?

Admin fees help to recover the costs associated with implementing an LTO, including administration activities such as invoicing and rebates.

Q. How much will I be charged if I want to run a discount in grocery, convenience and duty free? What if I just want one of these sales channels?

The admin fee is \$500 if you want to run the same LTO (e.g. 10% discount) in one or more of the following sales channels: grocery, convenience or duty free.

Q. How much will I be charged if I want to run an LTO in the hospitality?

The admin fee is \$250 if you want to run an LTO (e.g. 10% discount) in the hospitality sales channel. This fee is waived if the same LTO is also in the grocery, convenience or duty free sales channels.

Q. Why is it cheaper to run an LTO in the hospitality sales channel?

Since a discount is applied to the product at the point of purchase, LCBO is not required to rebate the wholesale customer. This requires less administrative work from LCBO.

Q. How much will I be charged if I want to run an LTO in the hospitality, as well as another sales channel – for example grocery?

Assuming it is the same LTO applied across both sales channels, you will be charged the \$500 admin fee, and the hospitality catalogue fee of \$250 will be waived.

You will also be charged for the discount applied to the product.

Q. How will I be charged/invoiced for the LTO?

Suppliers/agents will be invoiced on a period basis, based on the full reduction in the wholesale price for the number of units sold at the LTO price. For LTOs in the grocery, convenience and duty free sales catalogues, this will be based on sales data provided by the relevant wholesale customer during the LTO period.