ECR AUSTRALASIA
EFFICIENT CONSUMER RESPONSE

Efficient Consumer Response Australasia

Display Pallet Toolkit

Off Location/Aisle End

Part One - 2014

AFGC

Efficient Consumer Response Australasia

Efficient Consumer Response (ECR) is a business concept aimed at better satisfying consumer needs, through businesses and trading partners working together.

In 2013 the ECR Australasia Board recognised the need to develop common industry standards and guidelines to assist retailers, suppliers, wholesalers, pallet provider and packaging companies implement Display Pallets (DP).

Similar to shelf friendly packaging (SFP) the move to display pallets is not a standalone best practice and it can impact numerous elements of the supply chain. If not implemented with due consideration to these impacts it has the potential to increase costs and reduce efficiencies.

ECRA has been pivotal in delivering aligned positioning between major retail organisations, which in itself will not mitigate costs and complexity but should assist suppliers in avoiding costly duplication of effort.

The Display Pallet Toolkit provides the basis for industry standards and should be supplemented by trading partner discussions and product/category considerations.

As the industry matures in its adoption and use of display pallets, ECRA will continue to provide advice and guidance to the industry through additional toolkits, case studies and best practice guides.

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Endorsements

ECRA Board endorses a national approach to the development of display pallet standards. Board member organisations are listed below.

This Toolkit is the first in a series aimed at delivering alignment on key issues, providing a consistent approach within the Australian industry. Display pallets are an essential element of leading retailers' strategies. ECRA considers the competitive advantage lies in the implementation and in-store execution developed using industry standards.

ECRA has been pivotal in delivering aligned positioning between major retail organisations, which in itself will not mitigate costs and complexity but should assist suppliers in avoiding costly duplication of effort.

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IMPORTANT NOTE:

In-fixture display pallets are out of scope for this publication.

In-fixture display pallets (i.e. replacing standard shelving units) are only viable for high velocity, low cost products and are likely to be relevant for a small number of stock keeping units (SKU). Products that fit these criteria will require trading partner's negotiations and alignment.

Executive Summary

This toolkit provides guidance to businesses considering the use of display pallets for off-location and aisle end applications.

IMPORTANT NOTE:

The following provides a summary of the current industry direction:

- Only the **Full Pallet** or the **Third Pallet** are recommended at this stage. *(pending further review of alternate options)*
- **Cost/Benefit analysis** for operational (assembly, storage, shipment, etc.) and merchandising (pallet size, structure, marketing) should be undertaken and agreed between trading partners with clarity around cost recovery and equity.
- Display pallets should meet the **Five Easy's** design criteria.
- **Implementation Considerations** should be reviewed and met wherever possible or plans made to avoid issues.
- Execution levels and success in meeting financial, marketing and availability objectives should form the basis of an **implementation review** by trading partners and used in consideration of future initiatives.

Smaller pallets, third size (775mmx590mm), are being considered in grocery retail operations to quickly replenish fast moving lines in-store, removing the need to stack shelves. They are especially useful for items on promotion and in convenience stores where display space is at a premium. In addition full pallets are being used in-store for bulk displays.

ECRA hopes that by bringing in a standard across all retailers, the complexity of activity in-store - replenishment, display and merchandising - can be reduced. Leading to increase in-store efficiency, reducing costs for all retailers.

The benefits would also extend to suppliers who deliver into multiple retailers, avoiding the potential of different specifications for display pallets and manufacturers having to build inventory for each format. With standardisation, not only would there be less complexity, but all of this inventory would be available for all customers. This ultimately would lead to improved service and better availability, especially for very fast moving products.

The current Australian pallet (1165mmx1165mm) drives supply chain efficiency with one uniform pallet format for all industry participants. This has resulted in low supply chain complexity and costs. By adopting a similar approach to a display pallet footprint the industry should avoid duplication and significant inefficiencies. The decision to utilise a display pallet will require careful consideration of the benefits, risks and costs for retailers, suppliers and pallet providers:

Potential benefits for implementation include:

- Reduced replenishment frequency and faster stocking,
- Improved in-store execution leading to enhanced availability,
- Superior stock weight,
- Opportunity to drive marketing messaging.

However the opportunities need to be considered against the potential risks:

- For retailers, higher costs and more complex supply chains along with new processes and ways of operating stores,
- For manufacturers, higher costs, more complex supply chains and new processes for warehousing and distribution,
- For pallet manufacturers, significant investment in new assets.

Therefore the decision to use display pallets requires discussion between trading partners to determine the best outcomes for the retailer and the supplier in meeting the requirements of the shopper.

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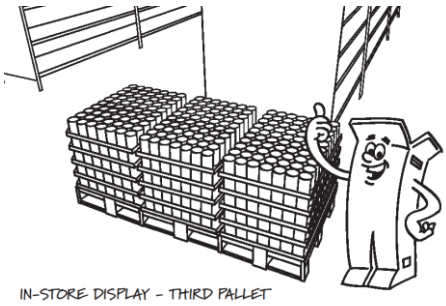
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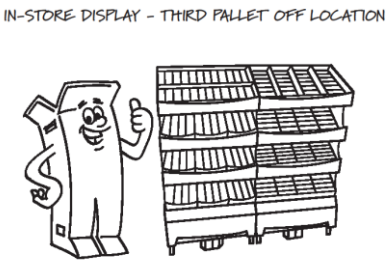
SECTION 1: INTRODUCTION

Since 2005 the Australian market has hotly debated the merits of the introduction of retail ready packaging (RRP). RRP being the general term used for mechanisms to merchandise product on shelf, on display, on retail store floor or at aisle end.

Recently the retail trade have sought to introduce display pallets into the mix. Display pallets being the term used to describe stock delivered to store on a pallet that is then placed on the shop floor without shelf/display re-stocking requirements.

Display pallets can be used at end of aisle or as an off location display.





Having common industry-agreed standards and design principles which are then used by the whole industry is essential to broad scale implementation. In a market Australia's size, it makes no sense to have a proliferation of alternate formats as a result of minor differences between competing retail organisations. ECRA has worked with leading retailers, suppliers and pallet providers to deliver a toolkit that goes some ways to addressing this issue.

The logistics cost of implementing display pallets typically sits with the supplier, whilst the immediate in-store benefit of increased speed and reduced labour costs of replenishment sits with the retailer. As an industry we need to consider the broader benefits and understand how we can maximise their advantages. These include:

- improved operational efficiencies at store level,
- faster stocking,
- promotional product mix, and
- improved sales through availability and compliance.

When implementing display pallets the supplier community should expect the retail trade to commit to using the ECRA Toolkit; educating their commercial teams; working to maintain standards alignment; and most importantly delivering excellent in-store execution.

Display Pallet Drivers

Display pallets support improved operational efficiencies at store level, including:

- **Faster stocking and reduced store costs,**
- **Store size and space constraints,**
- **Improved stock weights and promotional compliance, and**
- **Consistency of implementation in-store,**

leading to better on-shelf availability, increased sales and an enhanced shopping experience.

This guide has been developed to reflect the current thinking of major Australian retailers Coles and Woolworths. Currently Metcash have no plans to invest in display pallets.

SECTION 2: GUIDING PRINCIPLES and SUCCESS CRITERIA

Display pallets can be considered successful provided they add value through reducing cost in store without adding significant cost or complexity elsewhere in the supply chain. The following guiding principles have been adopted:

Guiding Principles

- **Promote one touch movement from supplier to retailer,**
- **Minimise handling costs throughout the supply chain,**
- **Protect the SKU from damage,**
- **Compatible with secondary packaging and SFP,**
- **Use conventional materials handling equipment & loading capabilities,**
- **Deliver outstanding display properties consistent with the retail business,**
- **Improve and speed up in-store replenishment practices,**
- **Enhance marketing opportunities,**
- **Review and agree SKU's with trading partners, not all products are suitable.**

If display pallets are to be successful they should deliver **reduced cost in store;** a seamless **shopping experience;** provide **good design** outcomes; and be designed for **low cost** and **efficient operations**.

Reduced Cost in Store

- Cost reduction in the store can be optimised by SKU's that are high in sales velocity and require high levels of manual handling.
- Cost and efficiency impacts along the end-to-end supply chain will influence where in the supply chain the pallet is assembled.
- Evaluation of any potential sales uplift against the investment is an essential element of the cost equation.
- Key in-store factors that contribute to display pallet sell through and therefore success include: timely execution, placement; product assortment; price; and promotional or event timing.

Shopping Experience

- Shoppers will need to shop from display pallets as they do from shelf.
- Display pallets provide an opportunity to drive in-store brand marketing, store theatre and high impact.
- Designed for high customer impact to drive sales growth.

Good Design

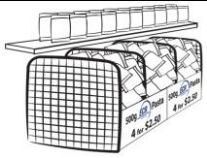
- Display pallets need to be designed for low cost / efficient operations.
- Optimising sizing to ensure the pallet carries a good stock weight and minimal packaging materials to save money in cartons and outer.
- Display pallets need to be strong and robust to withstand fast paced, vigorous distribution centre environments and transport operations / distance.
- Manual handing equipment should be considered against compatibility, cost, and safety.

Low Cost / Efficient Operations

- Understand cost drivers for each specific SKU being considered, manufacturing site through distribution centre's and transport between locations.
- Optimal implementation location is important to achieve lowest cost.
- A well designed layout to aid with stability and a configuration that maximises the stock weight of the pallet.
- Identification of pallet configuration to reduce cost impost on supply chain.
- Storage, racking and pallet rental costs can be significant, reducing the time spent in distribution centres will assist in the reduction of these costs. Specialty racking may be required if display pallets are to be stored/racked in existing distribution centers.
- Goods that require frequent touch points: racking, handling and replenishment will increase cost structures.
- Utilising cross-dock or flow through operations for high velocity SKU's will reduce costs.

SECTION 3: DISPLAY PALLET OPTIONS

Display pallets are part of the retail ready packaging offering. The following is a summary of RRP options promoted within the Australian context.

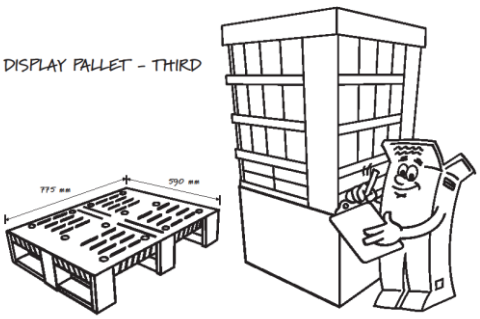
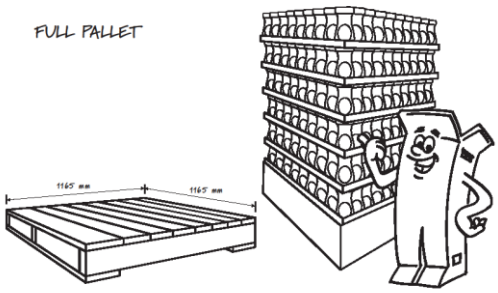
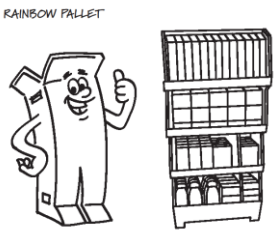
Option	Description	Examples	Qualifiers	Suitable For
Replenishment Ready (Easy Open)		Load device Hang sells	• Arrives 'ready' • Replenishment speed increased • Secondary packaging not placed onto shelf but may aid in faster replenishment • Minimum of shelf waste	Medium, loose, bulky goods.
Shelf Ready		Tray & shrink Machine erect wrap around Regular slotted carton Tray & hood	• Case to shelf in one movement. • Efficient and effective replenishment. • Secondary packaging used on shelf. • Removal and disposal of secondary packaging from shelf.	Small to medium size pack sizes.
Display Ready		Fully formed display, prepared off site.	• Product in display format – off location and aisle ends. • Low cost replenishment. • Secondary/tertiary packaging may be part of the display. • Removal, disposal or return of display module. • Consider costs (production, transport & reverse logistics) vs. in-store benefits. • Must be high velocity to demand the space/cube. • Excellent execution to drive sales. • Clear identification back of store.	Promotional stock, bulk display, aisle end, and off location.
Infrastructure/ Hardware		Fridges, Bins, Hoppers, Crates	• Product displayed in permanent fixture. • Simple effective replenishment. • Limited requirement for secondary/tertiary packaging. • Permanent infrastructure/ hardware. • Removal, hygiene and return policy	Fruit, vegetables, milk.
Not Ready		Trade unit Shipper Shelves	• Individual unit decanting, product packed directly onto shelf. • Utilises space cube well. • No change to replenishment practices. • Secondary packaging disposed post replenishment. • Decanted single packs to shelf. • No off shelf waste post shop.	Large, bulky goods. Small displays

Currently there are two options available within the Australian market. The full pallet (1165mmx1165mm) used predominately for aisle ends and bulk displays and the third display pallet (775mmx590mm) suitable for aisle ends and alternate off locations displays in-store.

Australian Specific Content

The Australian industry will continue to examine other potential options including a quarter pallet (583mmx553mm) and half pallet (583mm x 1165mm) but at the time of developing this toolkit only the third and full are available for use.

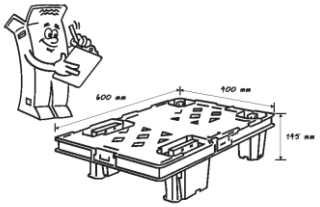
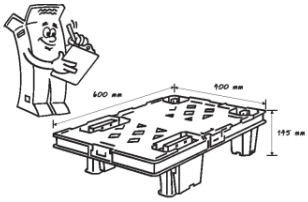
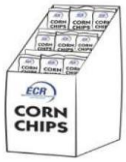
This section seeks to provide some guidance on the current options available in the Australian market, however the decision on pallet configuration will be made between trading partners.

Characteristics	1/3	Full
Dimensions	775mm x 590mm x 160mm 	1165mm x 1165mm x 150mm 
Suitability	Rainbow pallet Single SKU pallet Promotional volume 	Bulk items High velocity Promotional volume Rainbow pallets
Use	Suitable for applications in-store, aisle end, and off location.	Suitable for bulk display, aisle ends or large off location displays (at front of store generally).
Production/ Manufacturing	Various levels of compatibility across the supplier base. Each will need to be determined individually.	Fully compatible.
Pallet Utilisation	Dependent on the product, display type and branding.	Good utilisation of space if the pallet is cubed out.
Efficient Transport Utilisation	Six pallets is equivalent to 2 standard timber pallets. Three pallets across a standard truck tray when loaded landscape. Four pallets across a standard truck tray when loaded portrait.	Existing transportation models and current practices utilised.

Pallet Stability	Pallet is stable, height may be a restrictor, and double stacking will require testing based on SKU.	Pallet stable, can be double stacked dependent on product.
Loading and Unloading	Impact on load planning for secondary transport depends on multiples.	Existing loading and unloading practices are compliant.
Manual Handling Equipment	A significant percentage of existing MHE is suitable however in-store practices will require checking.	Existing manual handling equipment adequate.
Forklift Handling	Could lead to greater handling during forklift operations.	Standard forklift operations apply.
Distribution Centre Operations	Cross docking is the most effective movement followed by bulk/block stacking.	Standard delivery and put away practices.
Racking and Storage	Ideally racking would be avoided however pallet cradle can be incorporated into standard racking, additional cost consideration.	Standard practices apply.
Pallet Stability	Pallet stable, but double stacking may be an issue.	Pallet stable, standard practices.
Robustness	Plastic pallet has a higher impact resistance than timber, but cannot be repaired, so focus must be maintained to avoid damage.	Existing repair and maintenance procedures. Automated DC's require a high level of pallet compliance.
Cooling Efficiency	-10°C -+50°C. Increase damage rates may occur for product stored in freezers i.e. polypropylene material of the pallet.	Standard practices apply.
Hygiene	Hygiene and washing procedures will need to be considered for plastic pallets.	Existing repair and replacement methods in place.
In-Store Display	Brand awareness - designed to allow a skirt for additional branding, price, cross selling or other messaging.	Brand awareness – wood pallet is likely to require skirting in-store.
Re-stocking	Empty pallet removed and full pallet replaced. Replenishment for rainbow pallet may be required.	Empty pallet removed and full pallet replaced. Replenishment for rainbow pallet may be required.
OHS	Replenishment fast, safe and efficient.	Replenishment fast, safe and efficient.
Labelling Requirements	Standard SSCC pallet label applies	Standard SSCC pallet label applies
Pallet Availability	Available from CHEP and Loscam.	Available from CHEP and Loscam
Retail Receipt	Coles, Woolworths	Coles, Metcash, Woolworth

New Zealand Specific Content

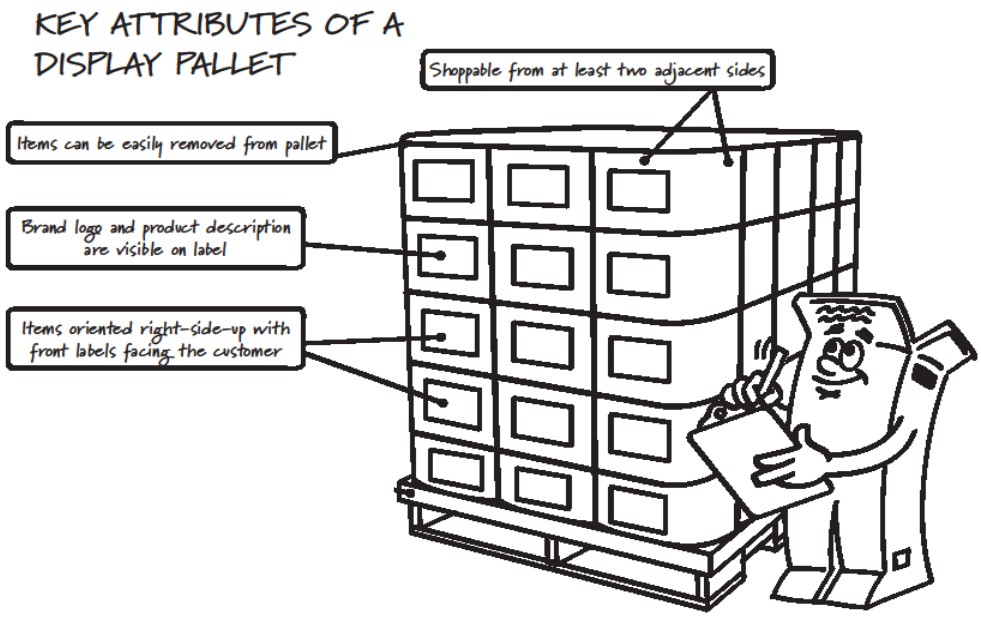
This section seeks to provide some guidance on the current options available in the New Zealand market, however the decision on pallet configuration will be made between trading partners.

Characteristics	¼	½	Full
Dimensions	600 x 400 x 145 	800 x 600 x 150 	1200 x 1000 x 140 
Suitability	Rainbow Pallets Single SKU Pallet Promotional Volume 	Rainbow Pallets Single SKU Pallet Multi SKU Pallet Promotional Volume 	Rainbow Pallets High Velocity Bulk Items Promotional Volume
Use	Prepacked display stands, promotional drive, impulse or off location	Suitable for applications in store, Aisle replenishments, aisle end and off location	Suitable for bulk displays, aisle ends of large off location displays
Production/ Manufacturing	Various levels of compatibility across supplier base. Each will need to be determined individually	Various levels of compatibility across supplier base. Each will need to be determined individually	Fully Compatible
Pallet Utilisation	Dependent on the product, display type and branding	Good utilisation of space, maximise display space and cube out of pallet	Good utilisation of space, maximise display space and cube out of pallet
Efficient Transport Utilisation	5 x Quarter Pallets per standard pallet space, shipped as two pairs 800 x 600 to maximise transport utilisation, so two across and three pairs deep.	Shipped as pairs 2 x display pallets wide or 1.2m, then three deep on stand 2.4m truck to maximise space	Existing transport model and current practise utilised here
Pallet Stability	Stable pallet designed to be stacked one pallet high, or as top load on bulk standard pallets, but will require testing based on SKU.	Pallet is stable, height will vary depending on the type of product, double stacking is possible on bulk solid products, but will require SKU testing	Pallet stable, can be double stacked dependent on SKU
Loading/Unloading	Able to be loaded or unloaded by standard material handling units, Trolley Jacks/Forklifts,	Able to be loaded or unloaded by standard material handling units, Trolley Jacks/Forklifts,	Existing loading and unloading practices are compliant

	secondary transport depends on multiples	secondary transport depends on multiples	
Manual Handling	Existing Material handling units can be used, in store capability would require checking	Existing Material handling units can be used, in store capability would require checking	Existing manual handling is adequate
Forklift Handling	Could lead to greater handling during forklift operations	Could lead to greater handling during forklift operations	Standard Forklift operations apply
Distribution Centre Operations	Cross docking is the most effective movement, follow by bulk stack or slaved stacking in racking	Cross docking is the most effective movement, followed by bulk stack, or racking	Standard practices apply
Racking and Storage	Bulk storage or racking on a slave 1200 x 1000 pallet (Not able to be racked individually)	Bulk storage or racking in modified racks to allow for pallet dimensions (Rackable up to 500kg). Not able to be racked individually.	Standard practices apply (Rackable up to 1100kg)
Pallet Stability	Pallets stable in individual pallets, pairs or slaved on standard pallet	Pallet is stable on all standard Material handling units, double stacking depending on the product may cause some areas of concern	Pallet Stable, standard practices
Robustness	Plastic Pallet has a higher impact resistance than timber, but this pallet cannot be repaired, so focus must be maintained to avoid damage	Plastic Pallet has a higher impact resistance than timber,, This pallet is a repairable pallet with removable runners designed to withstand large impacts	Standard Pallet repair and maintenance program exists to ensure automated DC's receive a high level of pallet compliance
Cooling Efficiency	(-20° to 40°) Temperature range, Pallet designed as retail display pallets	(-20° to 40°) Temperature range, Pallet designed as retail display pallets	Standard practices apply
Hygiene	Pallets designed to be washed and prepared for reuse after return from market	Pallets designed to washed and prepared for reuse after on return from market	Standard Pallet repair and maintenance program exists to ensure automated DC's receive a high level of pallet compliance
In Store Display	Designed to increase sales, build brand awareness and reduce merchandising costs at Retail, stands are prepacked and deliver consistent displays to retailers	Designed to increase sales, build brand awareness and reduce merchandising costs at Retail, stands are prepacked and deliver consistent displays to retailers	Brand awareness - wood pallet likely to require skirting in store
Restocking	Empty pallet removed and full pallet replaced	Empty pallet removed and full pallet replaced	Empty pallet removed and full pallet replaced
OHS	Replenishment fast, safe and efficient	Replenishment fast, safe and efficient	Replenishment fast, safe and efficient
Labelling Requirements	Standard Supplier and Retailer dispatch labels would be placed on the disposable wrap or cardboard outer layer	Standard Supplier and Retailer dispatch labels would be placed on the disposable wrap or cardboard outer layer	Standard Supplier and Retailer dispatch labels would be placed on the disposable wrap or cardboard outer layer

DISPLAY PALLET TOOLKIT

Pallet Availability	Available from CHEP. Can be supplied by Loscam but not currently available.	Available from CHEP. Can be supplied by Loscam but not currently available.	Available from CHEP or Loscam
Retail Receipt	Foodstuffs, Progressive	Foodstuffs, Progressive	Foodstuffs, Progressive



The Five Easy's, which underpin RRP, apply to display pallets providing a framework for trading partners to have open dialogue, avoid prescribed solutions or technical specifications, and assist in developing solutions for products and categories on a case-by-case basis.

➡ Easy to Identify

Assists the selection of the right product and helps reduce errors and misses during the handling in warehouses and stores. Whether a store staff looking to replenish from the back of store or a warehouse picker, attributes that assist the identification of the product promote accuracy of the task the individual is executing and maximise availability.

➡ Easy to Open

In order to secure the identified benefits of easier and quicker replenishment, display pallets should be easy facilitate the in-store supply chain execution.

➡ Easy to Shelf

Display pallets should facilitate faster replenishment and positioning of product in one-move. This aspect is often closely linked with 'Easy Open' as the two functional requirements are part of the overall replenishment process.

➡ Easy to Shop

Display pallets can improve product availability and reduce out of stocks, resulting in increased sales. However, display pallets may give little or reduced benefit if the product is not simple to identify and locate within store, and select or replace from the shelf, fixture or merchandising unit.

➡ Easy to Dispose

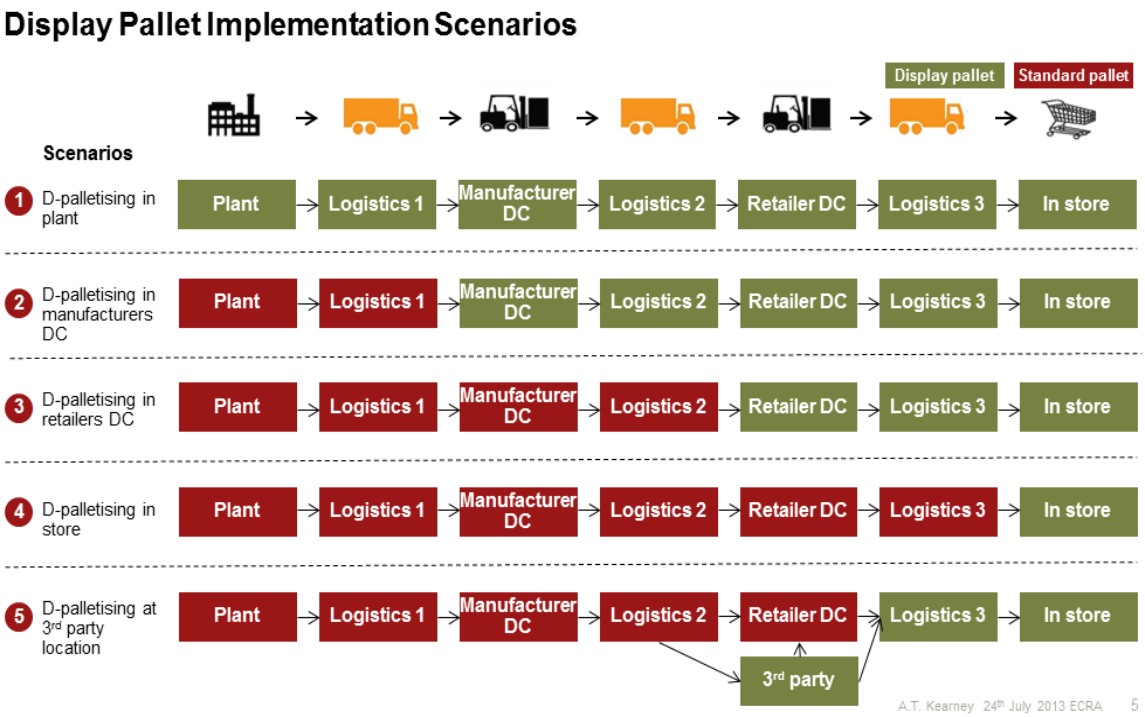
Display pallets will have limited success if the benefits delivered through improved replenishment are hindered by more cumbersome and time consuming removal and disposal. Ease of disposal is vital to keep aisles free and open to support the shopping experience for the consumer.

SECTION 4: DISPLAY PALLET PROCESS

There are a number of options to consider when determining the most appropriate place within the supply chain to configure the pallet. This section seeks to provide some guidance. However the decision on where in the supply chain to build display pallets will ultimately be based on cost vs. benefit.

Whilst the ultimate goal is to flow display pallets from the manufacturing plant through to the retail store current manufacturing and supply chain capability requires alternate options to be examined.

The five scenarios depicted below are examples of options for discussion. The selection of a preferred option will depend on manufacturing flexibility, supply chain impacts, distribution centre capability, in-store merchandising capability, cost effects, product selection, volumes and velocity.



Current Options

Constructing display pallets within the manufacturing environment (No.1) or at the manufacturers distribution centre (No.2) will depend greatly on existing production capability, levels of automation, space availability and impacts to warehousing and transport.

Similarly space constraints within retail distribution centre (No. 3) are likely to preclude this option. Building display pallets within the retail store (No.4) is possible in 'trial' circumstances and is likely to rely on field force availability / capability and the preparedness of retailers to have additional staff on site. This option is not considered a long term proposition.

The final option, use of a third party (No.5), is a consideration, but introduces further steps and cost into the process and does not lend itself to 'one touch' principles. However using a third party provider does have benefits in terms of the potential to drive high levels of pallet compliance and therefore improve in-store replenishment compliance.

As the use of display pallets in the market matures and solutions are found to current obstacles, display pallet implementation scenarios may alter and different solutions may become more appropriate.

SECTION 5: COST ANALYSIS

Display pallets profitability is directly affected by the incremental costs to produce and assemble the pallet and the volume of product shipped. Increasing product volume increases the display pallets overall profitability.

Depending on the supply chain setup and SKU's involved, the aim is to provide the industry with an example of a framework on how to think through the cost implications when evaluating the use of off location display pallets.

The following process has been employed.



1. Define 'the product'

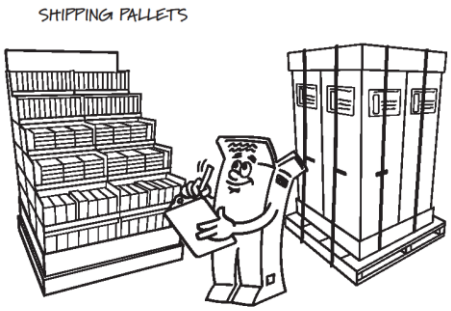
To analyse different options, the 'base product' needs to be defined to be able to compare costs for display pallet and implementation scenarios. Each member is encouraged to compare their own products and use the sensitivity analysis to assess implications for their specific SKUs. The viability of display pallets will depend heavily upon the value of the product being sold as will the determination of where in the supply chain assembly takes place.

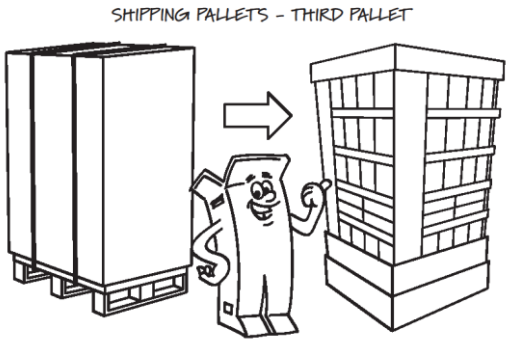
Product Selection:

- High Velocity
- High Impact
- Product value
- Multi component
- Supplier and Retailer discussions and growth
- Specials and Promotions.

2. Define the Display Pallet

The objective is to evaluate which pallet format is relevant. This should be decided in discussion with trade partners and depend on the location in-store, the product, product volumes, the associated promotional activity etc. Two pallet sizes currently exist in the Australian market that have relevance for off location, bulk display and aisle end.





3. Define scenarios

The production of display pallets can occur at a number of points along the end-to-end supply chain. This decision will be specific to individual businesses and their individual cost structures. To evaluate the cost of deploying display pallets organisations need to identify various scenarios (such as the five listed above) against their own business competence, capability and confines. Each SKU needs to be considered against each scenario and a full cost analysis completed.

4. Perform cost modeling

To assist the decision making process, cost modelling needs to be developed with the aim to mirror the 'real world costs' for the specific SKU. Evaluation of any potential sales uplift against the investment is an essential element of the cost equation, but probably the most difficult. Modelling should take into consideration key cost drivers in the supply chain that changes as input into the model is adjusted.

5. Assess sensitivities

To assist in assessing the sensitivities of display pallets cost drivers such as pallet utilisation, packaging, vehicle optimisation, labour productivity/efficiency and assembly locations can be considered. The degree to which display pallets contribute to incremental sales require analysis by joint trading partners. Each member is encouraged to compare the assumptions used against their own product and supply chain cost data to reach conclusion specific to the product and the situation.

IMPORTANT NOTE:

ECRA commissioned A.T. Kearney to examine options for display pallet formats and identify lowest cost implementation models. The report identifies:

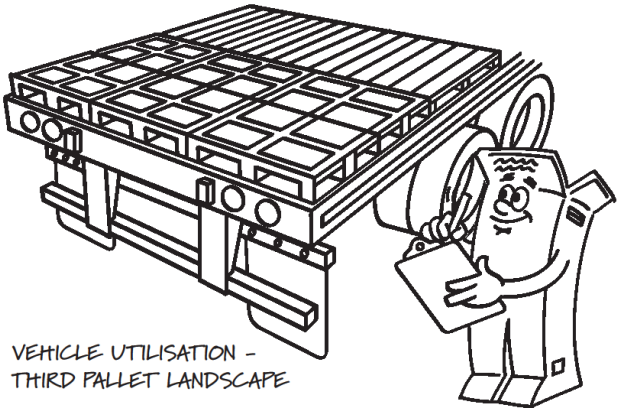
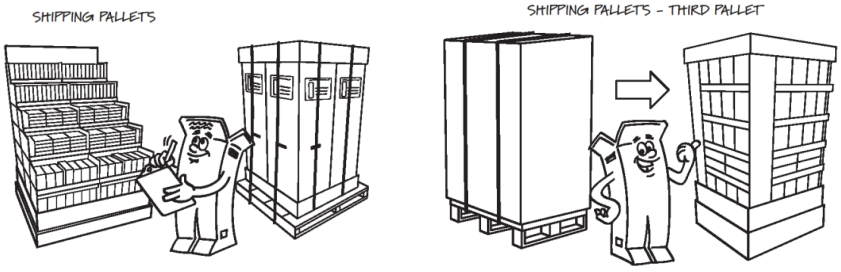
Format: either third or half
SKU's: designed for low cost delivery, high velocity, high cost to merchandise.
Delivery Method: in-store or through a well-designed third party.

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SECTION 6: IMPLEMENTATION CONSIDERATIONS

Impacts on the end to end value chain need to be considered jointly by trade partners.

	Considerations
Office Systems and Processes	There are **three major systems and processes** that will require adaptation: - **Planning –** the display pallet represents a larger unit of volume, planning needs to be aligned around this unit. - Collaborative planning to minimise excess inventory during and after the sales period. - **Tracking –** this process needs to allow for effective understanding of stock levels, this includes physical bar-coding and physical tracking - **Master data –** this needs to support the linking of the display pallet to the range of SKUs within it, this will be more complicated for rainbow pallets.
Store Procedures	**Store procedures** will need to be adapted to cope with display pallets: - Store operators to review mock ups (typically in head office) to ensure meets OHS and store operations as part of the sign off process. - Retail replenishment operators need to be engaged to ensure daily delivery schedules are developed i.e. flow through. - Goods arriving in store are a difficult manual process, minimal footprint in store is available, goods are processed onto the shop floor as soon as possible. - Pallet orientation on shop floor - Restocking of shelves is during the day is currently done on an ad-hoc basis; therefore anything that improves stock holding and speed of fill increases the opportunity to maximise availability. Display pallets would support this. - Stores operating automatic replenishment systems may need to update inventory holdings, manually or automatically by sku / product number. - Consider the use of field teams in the localised build of display pallets, assist in driving improved cost effectiveness. - Process to return used pallets.
Sales Monitoring	The **levels of sales from display pallet will need to be carefully tracked:** - Currently there is no evidence that display pallets either enhance or reduce the levels of sales. In store tracking of sales will be critical in showing whether consumers are choosing to use the display or the shelf. Movement away from pallet purchasing will need to be addressed quickly. - Can only be completed with extra bar-code by item, which adds complexity and / or confusion to business, but must meet industry requirements.

Logistics Procedures	Logistics procedures including warehouse and vehicle impacts need to be closely monitored across retail and supply businesses: - Alternate handling and storage practices will need to be developed. Cross dock or pick to zero processes may need to be considered at retail DC's. - Currently trucks are configured to take full size pallets, display pallets will fit on the footprint of the truck in units of three when loaded landscape or four when loaded portrait.  - Logistics planning needs to be designed to work with these units. Extra planning complexity is created by incorporating different pallet configurations on one vehicle e.g. retail distribution centre to store. - Requires detailed investigation regarding side load at most supplier DC's and transport operations, vs rear load at most retailer DC's to stores due to dock systems and set ups / variables. - Will also require planning to ensure mezzanine deck / long haul transport is considered for cost calculations vs standard transport operations – i.e. 44 pallet transport vs 68 pallet cost calculations - DC operators to review mock ups (typically in head office) to ensure meets OHS and DC operational issues as part of the sign off process. This should include pallet stability tests, pallet heights and stackability. - Pallet utilisation is a significant consideration and trials should determine, pallet weight, stock weight, height, double stacking and overall utilisation. - Vehicle trials at each stage of transportation to determine capability and requirements for rear vs side load/unload. All MHE should be tested as part of this process. - Product storage and flow will need to be considered by each key participant along the supply chain. 

Third Party	Third party implementations may become a possible solution if: - Labour is more efficient in the third party centre, - A logistics leg can be removed by co-locating the third party center with and existing distribution centre. - Volume of display pallets are required - Degree of display pallet complexity i.e. single or multiple sku's - Use of a third party may facilitate the application of different footprints based on retail requirements / promotional offer

SECTION 7: RETAIL SPECIFIC INFORMATION

Coles – https://www.supplierportal.coles.com.au/

Progressive - http://www.countdown.co.nz/about-us/suppliers-documentation

Woolworths - http://www.wowlink.com.au/wps/portal/

APPENDICES

1. GS1 Bar Coding and Pallet Labelling Advice

Trade partners will need to discuss and determine the display pallet receipt process into the retailer's distribution centers to determine what labelling requirements the retailer may have.

Suppliers should seek conformation on the following:

- Will an ASN be used?

  YES - An SSCC only pallet label will be required.

  NO – Two types of pallet label formats that should be considered:
  - If it is a single SKU pallet then the current standard pallet grocery industry label for homogenous pallets could be appropriate.
  - If it is a rainbow pallet then treat the pallet as a specific packaging configuration and allocate a GTIN.

Example of a standard homogenous pallet label

TO: GS1 Wines & Liquor Brewery

FROM: Worlds Best

SSCC
393123450000000013

CONTENT
09312345000005

COUNT
20 Cases

USE BY
02.03.2008

BATCH/LOT
246913



- **AI (02)** Content (Repeat the GTIN of the product on the pallet/logistic unit, can only be used on logistic units containing the same trade items
- **AI (37)** Count (Quantity)
- **AI (17)** Expiration Date (Use By)
- **AI (10)** Batch Number]C1 02093123450000053720

- **AI (00)** Serial Shipping Container Code

Example of a rainbow pallet allocated its own unique GTIN.

TO: GS1 Wines & Liquor

FROM: Worlds Best Brewery

SSCC

393123450000000013

GTIN

09312345000012

COUNT

20 Cases

USE BY

02.03.2008

BATCH/LOT

246813

(01)09312345000012(17)080302(10)246813

- **AI (01)** GTIN (A unique GTIN for the pallet. For standard pallets only.)
- **AI (17)** Expiration Date (Use By)
- **AI (10)** Batch/Lot (Batch number)

- **AI (00)** Serial Shipping Container Code (SSCC)

An example of an SSCC only label, used in conjunction with an ASN

TO: GS1 Wines & Liquor FROM: Worlds Best Brewery
SSCC 393123450000000013

Note: Full use of EDI is required when using the above label format to advise the trading partner of the information linked to the SSCC.

2. In-Store Audit Check Sheet

DISPLAY PALLETS - IN-STORE AUDIT

PURPOSE OF DOCUMENT:
This one-page check list is to be used in-store to check and evaluate display pallet activity.

Location:	There are four key factors that contribute to the display pallet sell through ability:
Type of Store:	- Placement
Date:	- Product Assortment
Product Category	- Price
	- Promotion timing.

	DISPLAY PALLETS	N/A	COMPLIANT	NON-COMPLIANT	COMMENTS
Use	Is the display pallet being used as planned?				
Receipt	Does the display pallet arrive at store un-damaged?				
	Does the display pallet arrive on the shop floor un-damaged?				
Storage	Is it easy to identify the display pallet in the storage area?				
	Is there a storage area where the display pallet can be kept without being damaged?				
Replenishment	Is the display pallet easy to transport?				
	Are the display pallet replenishments done in the correct rotation?				
	Is the display pallet placed correctly?				
	Are there any ergonomic / OHS concerns?				
Store	Does the packaging still communicate to the shopper effectively?				
	is there easy removal of used packaging?				
Removal	Is the removal of empty display pallets easy?				
	Is it easy to separate materials and prepare for recycling?				
	Are there cleaning challenges?				
Shoppers	Are there any comments from shoppers?				
Measurement	Are there KPI's in place?				

3. Display Pallet Check List

DISPLAY PALLET - CHECKLIST

PURPOSE OF DOCUMENT:
* *The ECRA DP Toolkit provides a framework for developing display pallet solutions that are industry compliant.*
* *The check list can be used by retailers and suppliers in the deployment of solutions.*

DATE	[DATE]
PRODUCT BEING ASSESSED AND PROPOSED PALLET CONFIGURATION:	[Consumer-Unit Description and Proposed Pallet Configuration i.e. 1/3, 1/2, Full]
PROPOSED INTRODUCTION DATE:	[TIME]

	DISPLAY PALLET	NON-COMPLIANT	COMPLIANT	NON-COMPLIANT	COMMENTS
EASY TO **IDENTIFY**					
	Barcoding on the outside of the pallet to allow for quick and easy processing through the supply chain.				
	GS1 master data rules to include rainbow pallet requirements.				
	Easy identification for replenishment staff in crowded back rooms				
	Assist shoppers in easy identification of the product.				
	Identification clear and concise				
	Consumer units easily visible.				
EASY TO **OPEN/ASSEMBLE**					
	Outers protecting the display pallets and product easily removed.				
	Inner packaging to protect delicate product and consumer unit				
	Clear unambiguous instructions on any in-store assembly				
	Easy to set up and move through to the shop floor.				
	Manual handling equipment requirements available in store.				
EASY TO PLACE/**SHELVE**					
	Quick and easy replenishment				
	Display stand alone, remains stable during display period.				
	movement to display location is ready and safe				
	Replace or replenish?				
	Twisting / bending following removal of outer packaging				
	Maintain integrity of consumer unit				
EASY TO **SHOP**					
	Product keeps its position and orientation during display				
	Shopper can remove and replace product easily (check in-store)				
	Display makes a positive contribution by improving product identification, branding, in-store theatre.				
EASY TO **DISPOSE**					
	Returnable - display pallets nest or stack				
	Cardboard - easy to dispose, recycling materials easy to separate.				
COMPLETE **DOCUMENTATION**					
	Panogram updated				
	Transit trial successful				
	Sample sent to retailers and approved.				

RETAIL / SUPPLY SIGN-OFF TO PROCEED	
Comments	


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