

SUCCESSFULLY ENTERING THE SWEDISH RETAIL MARKET
AN UNDERSTANDING OF PRICE MARGINS AND SUPPLY CHAIN MECHANICS
Stockholm, August 2010



Table of contents

1 Preface	4
2 Methodology	5
3 Value chain mechanics	6
3.1 Consumer research	6
3.2 Taxes and duties	8
3.2.1 VAT	8
3.2.2 Packaging Tax	10
3.2.3 Excise duties	12
3.2.4 Alcohol legislation in Sweden	14
3.3 Labels and packaging	15
3.3.1 Labels (Consumer packages)	15
3.3.2 Packaging	18
3.4 Logistics	21
3.5 Electronic Data exchange requirements	23
3.5.1 EDI	23
3.5.2 GDSN	26
3.6 Accreditations and certifications	27
3.6.1 Organic	28
3.6.2 Global Food Safety Initiative (GFSI)	30
3.6.3 Environmental issues	31
4 Retailers	32
4.1 ICA	37
4.1.1 ICA pricing policy	39
4.1.2 ICA promotional requirements and demands	40
4.1.3 ICA logistic structure	42
4.1.4 ICA from introduction to launch	43
4.2 Coop	45
4.2.1 Coop pricing policy	46
4.2.2 Coop promotional requirements and demands	47
4.2.3 Coop logistic structure	48
4.2.4 Coop from introduction to launch	49
4.3 Axfood	52
4.3.1 Axfood pricing policy	52
4.3.2 Axfood promotional requirements and demands	54
4.3.3 Axfood logistic structure	55
4.3.4 Axfood from introduction to launch	55
4.4 Bergendahls	57
4.4.1 Bergendahls pricing policy	58
4.4.2 Bergendahls promotional requirements and demands	58
4.4.3 Bergendahls logistic structure	59
4.4.4 Bergendahls introduction to launch	59
4.5 Lidl	61
4.5.1 Lidl pricing policy	61
4.5.2 Lidl promotional requirements and demands	61

4.5.3 Lidl logistic structure	61
4.5.4 Lidl from introduction to launch	61
4.6 Netto	62
4.6.1 Netto pricing policy	62
4.6.2 Netto promotional requirements and demands	62
4.6.3 Netto logistic structure	62
4.6.4 Netto from introduction to launch	62
5 Additional sources of information and references	63
5.1 Research	63
5.2 Taxes and duties	63
5.3 Packaging	63
5.4 Logistics	64
5.5 Electronic Data exchange	64
5.6 Retailers	64
5.7 Food law/rules/marketing/Return	66
5.8 Statistics	66
5.9 Organic	67
Appendix A - Listing Windows 2011	68
Appendix B - Retailer promotional costs 2011	69
Appendix C - Nielsen Market Trends and Shopper Trends	70
Appendix D - Major retailers RDC's	71
Appendix E - Other information	72
Appendix F - Used abbreviations	73

1 Preface

Sweden is the largest retail market in the Nordic region and has its own characteristics in terms of individual retailers and supply mechanics. Sweden is very harmonized when it comes to demands and requirements and the retailers have agreed to a given set-up to enter the market. Despite this there still exist differences between each retailer.

Sweden is an easy market to enter as long as the rules and requirements are followed. However the rules are strict and complex by the same time so there is a need to prepare things into detail before setting things into practice.

The market is dominated by retail groups and the largest retail group has nearly 50% of the market.

This report enables the exporter to be acquainted with all the specific Swedish market conditions in terms of being able to trade with the retailers.

It is a must to be aware of all the aspects contained in this report to be accepted by and be successful with the retailers. If the exporter demonstrates knowledge and proves to have investigated things properly already, it automatically gives a closer relationship to the buyers which are absolutely a necessity. One retail buyer has expressed this very clearly in that she said I do not want any social meetings, I want to talk business on same level from the very first moment I meet a new supplier.

This report clearly explains all these aspects, from bottom to top and enables the exporter to successfully make this first door opener into the retailers' assortments.

Green Seed Nordic

“It is better to be prepared for an opportunity and not have one than to have an opportunity and not be prepared”.

Whitney M Young Jr.

2 Methodology

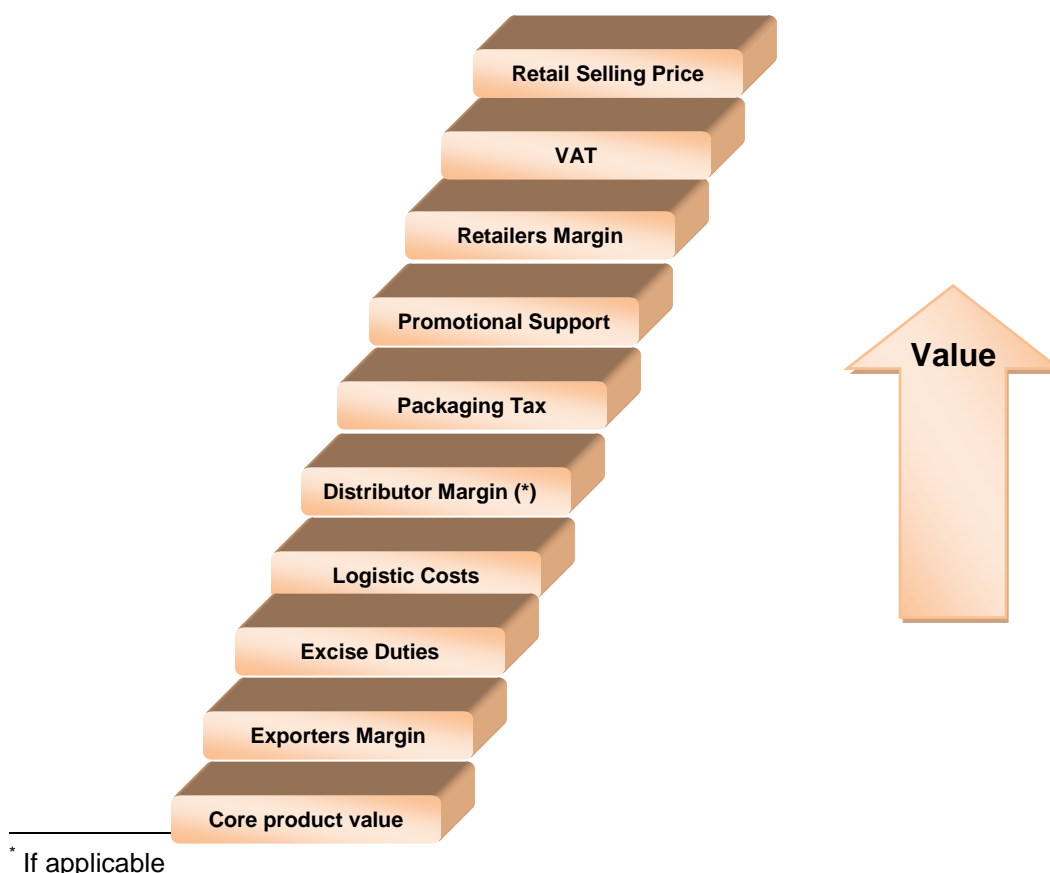
The value chain is followed from the exporter towards the end-user. All requirements of each layer are described, enabling the exporter to examine the requirements to successfully enter the Swedish market.

The input for this report originates from the expertise and experience Green Seed Nordic have in assisting food and drink manufacturers in establishing hundreds of listings in the Swedish retail trade..

Input is provided by the retailers themselves, through manuals, documents or other publications they provide to (potential) suppliers as well as knowledge from meetings with retailers at all levels from buyers, warehouse people, logistics and many more contacts.

External resources are utilized in the case of specific information concerning tax regulations, packaging requirements and legal aspects. In the case of very complex detail, a referral is made towards the source of information, enabling the reader to gain further knowledge.

The value build-up;



3 Value chain mechanics

In this chapter, all *value chain layers* are explained and *cost indications* are indicated. Costs are obviously always a function of the size and the depth of the task. Several of the mechanics are specific to the Swedish market, others will be familiar to the exporter, as they will apply within the European Union in general or are initiated by international retail trade organizations.

3.1 Consumer research

It is always recommended in one way or another to investigate if there is a need for a product or concept ahead of entering the Swedish Market, as many products fail due to the simple fact that there was not a consumer demand. To invest in qualitative and quantitative consumer research is a helpful way of exploring and ensuring that there is a definite consumer demand.

This is to ensure that investments needed to enter the market are wisely spend and that differences from the home market are identified and i.e. products or packaging are adjusted ahead of entering the market.

Even the retailers themselves do invest heavily in these areas. A good advice is always to ask locally as many people around what they think about the proposition. It is often expensive to liaise with professional research companies and to a certain degree the exporter who wants to investigate things themselves can often via local contacts and in-country visits get a picture of the existence of a demand, which often can be used towards the retailers.

Obviously the professional research is often more convincing than self-made research, but it is recommended to be able to present a combination of both

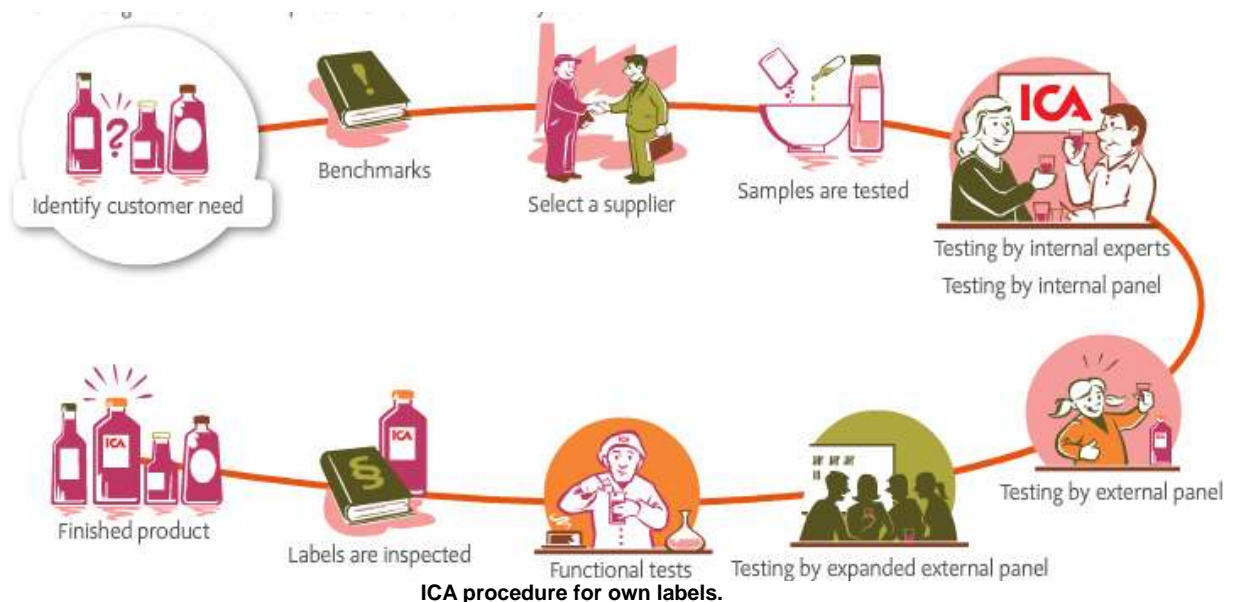
It builds trust and shows commitment to have done the homework properly in whatever way.

In many occasions, just qualitative research can be sufficient before seeking commitment from potential retail partners. In some occasions, as a second phase, the more expensive quantitative research (taste panel) is recommended, following a first sense check with retailers.

Depending on the proposition, *qualitative research* by means focus groups is a *minimal requirement*. In these groups, amongst others, the competitive field, usages and attitudes, price levels and USP will be explored. Costs of focus groups of 6-8 respondents start from a level of 10.000 € and upwards. The cost is a function of how many focus groups is chosen and according to one of the leading research companies the cost is also a function of how difficult it is to identify the right consumer panel.

Qualitative and quantitative consumer research in order to prepare for an introduction is often looked at as a high and risk full upfront investment with no guarantee on return. As a minimum there must be an understanding of the local trade and competitive environment as the retailers are skilled and aware of their markets. Research is *not mandatory* but highly recommended; it will prevent expensive mismatches and increase the probability of success.

All the Swedish retailers that have private labels in their assortment can decide to undertake consumer panel research themselves to ensure customer acceptance. It is also often seen in Sweden when retailers are looking at Own Label, that at an early stage the retailers undertake smaller panel tests within their own organisation to make sure that the products are judged positively before taking the products forward.



In addition to the above, it is recommended to invest in *scanning data* to understand *the category dynamics*. This way, an analysis can be made to establish potential (total market and per retailer), market leaders and followers, strong and weak competitors, distribution levels, etc. In order to break into a certain category, *data analysis* is crucial in preparing a business offer to a retailer. When listed, a periodic purchase of scanning data is recommended to follow performance and category developments. Top line Nielsen scanning data starts at a rate of Euro 3.000 and increases when more in-depth data is required. The more detailed information to the individual retailer is bought in, the more precise the presentation can be and the discussion will automatically be more actionable.

3.2 Taxes and duties

3.2.1 VAT

In Sweden Value Added Tax applies to all products and services sold in supermarket retail. VAT is a general tax on consumption and is levied on more or less all products and services. There are 3 different VAT rates in Sweden and one of them is relevant to Food retail:



The VAT rate on food and drink in Sweden is 12%

12% Vat Rate

VAT is normally 12 percent on food. Food is all fresh or processed substances and products which are intended to be eaten by humans.

The following count as food:

- substance intentionally added to foods during manufacture, preparation or treatment
- soft drinks and light beer below 2,8%
- drinking water sold in bottles or similar
- chewing gum
- dairy (even when sold to a dairy)
- cereals (even when sold to a mill).

Exceptions

On the following foods, **VAT is 25%**:

- drinking water from water tap
- spirits, wine and beer with higher alcohol content than beer(+2.8%)

The following are not considered food and therefore VAT is 25 percent:

- feed
- live animals, except for oysters and shellfish that are sold as live food
- tobacco and tobacco products
- residues and contaminants.

All layers in the value chain that add value have to specify VAT (in Swedish Moms) *separately* on the invoice and will have to keep a *VAT administration*. Except the end user (retailer's customers) all layers pay and receive VAT. The

balance of this will have to paid to (or will be received from) the Swedish tax authorities.

For exporters to Sweden the following applies;

In the case of exporting food from an EU country to Sweden, adding value will start at the *first chain operator* in Sweden. Invoices to this first chain operator do not include (Swedish) VAT.

- When supplying directly to a *retailers depot*, the retailer is the first chain operator and will charge VAT to the customer (end user) and look after VAT administration.
- When supplying to a 3rd. party like a distributor, this is considered the first layer that adds value and will charge VAT to the next chain (retailer) and the retailer will charge VAT to the customer (end user). Both, the 3rd. party and the retailer will look after their own VAT administration.
- When setting up an *in market branch*, it is mandatory to register at the Swedish tax authorities and apply for a local VAT number. The branch will be the first operator in the value chain and is required to look after VAT administration
- It is special for Swedish retailers that they insist on that the exporter of branded products has a local bank account and that it is connected to a Swedish "Bank giro"(In Swedish BG number) into which the retailers will pay

In most cases, especially when starting up export to Sweden, the first 2 bullet points will apply. It is highly recommended to consult a tax specialist on VAT issues after having a launch agreement.

In discussing or negotiating prices with retailers or other chain operators, reference to prices are always VAT excluded.

Example calculation taking out the lower tariff VAT (12 %) on a Retailer Selling Price;

RSP	Sek	20,00	
VAT	Sek	2.40	–
RSP-VAT	SEK	17,60	1,85 Euro(1€ = 9,5 Sek.)

Example calculation adding lower tariff VAT (1 %) on a Manufacturers Selling Price

MSP	Sek	20,00	
VAT	Sek	2.40	
MSP+VAT	Euro	22,40	2,36 Euro(1€ = 9,5 Sek.)

3.2.2 Packaging Tax

Return bottle system

Since January 1, 2006 a regulation was implemented that all importers and breweries must follow. It's called SFS 2005:220 "Ordinance on the return system for plastic bottles and metal cans". The regulation says that all professionally tapped or imported products of beverage in plastic bottles or metal cans, must be part of an approved collection system. This is valid for all plastic bottles that are mainly made of polymer materials and cans made of metal. The regulation does not apply to packages of beverages for the most part (50% or more) consisting of dairy products and vegetables, fruits - or berry juice.



Bottles and cans also must be marked so that it clearly shows into which return system they belong, together with an information on the bottle of which amount is payable when the packaging is returned ("panted").

The recycling deposit system in Sweden is operated by AB Svenska Returpack. The company is owned by the packaging industry, trade organisations and the Swedish Brewers Association. See www.returpack.se

Packaging (environmental) Tax

The Swedish Trade and industry have established companies organising the collection of used packaging to ensure that it is recycled.

The collection activities are financed by packaging fees paid to REPA



The Green Dot ("Den Gröna Punkten") is a trademark that shows that the packaging fee has been paid in the country where the product is marketed. REPA owns the right for Sweden to this symbol and only companies subscribed to REPA are allowed to use the symbol.

Current packaging fees

According to the law, all constructions used to contain, protect or deliver a product are to be regarded as packaging. This means that both consumer- and transport packaging is included i.e. plastic stretch film and metal straps.

Valid for 3. Quarter 2010. (Issued 1. July 2010).	SEK Per kilo Excl. VAT
Metal cans larger than Diameter 15,3cm	0.66
Metal aluminium others	2.52
Metal steel others	2.52
Steel drums	0.06
Metal steel bond/strips	0.42
Carton Paper(juice/milk)	0.75
Carton Paper others	0.52
Well paper	0.12/0.29/1.22
Well paper service pack	0.52
Plastic, company packaging	0.10
Plastic others	1.37
Plastic , service/growers	1.24

Fees are decided on a quarterly basis, so it is important to update this regularly into the company system regularly. Packaging fees for glass are not administered by REPA but by Svensk Glas Återvinning (Swedish Glass Recycling) – www.glasatervinning.se.

REPA membership Fees

For joining REPA: SEK 500 for all companies with an annual turnover of less than SEK 5 million. For companies with an annual turnover of more: SEK 2000.

All member companies pay a maintenance fee SEK 500/year.

If annual Packaging fee is below 7.500 SEK, the company can agree depending on the level of waste to a fixed payment of either annually 1000, 3.000 or 7.500 SEK. For more information see: www.repa.se

The packaging fees are charged to one part of the chain only. All the Swedish grocery chains and wholesales are members of REPA (so is Coop Trading). When a supplier enters into a delivery contact with a customer, it is then agreed which of the two pays the fees. If for example it is agreed with ICA that they are responsible for the packaging fees, ICA adds the fees per unit in their price calculation. ICA submits declarations to REPA quarterly. It is very important that the exporter is strictly correct checking its own packaging weights before forwarding the information to the retailers.

It is recommended that the negotiations with the retailer result in that the retailer is responsible for REPA. By the same time it is important for the company that it incorporates the estimated REPA costs to be aware of the importance. Obviously it is desirable to use as little packaging at all levels as possible.

3.2.3 Excise duties

Despite the goal of a free European market for all 27 EU countries Excise duties apply to various areas. In Sweden there are no Excise duties on food, however there are strict regulations when it comes to Alcohol and also Tobacco. In fact Sweden has the highest Excise duty on Alcohol in EU. *Excise rates* apply at the moment that products have *customs clearance* in the destination market and have a large impact on the actual RSP level. Excise duties are managed by the *Swedish customs organization*. www.tullverket.se

For tobacco, the following rules from 2008-01-01 apply;

Cigarettes

General rule: 0.31SEK. (Øre) per unit + 39.2% of the retail price.

Minimum excise duty: 1.24 per cigarette.

Calculated as

- 31 Øre (cents) x number of + 39.2% x retail price or
- minimum excise duty x number of cigarettes

Example 1: 20-pack of cigarettes with the retail price 50 SEK. As a general rule tax is 0, 31 Øre (cents) per piece + 39.2% of SEK 50 = SEK 25.80, which is above the minimum point of (1.24 kr. x 20 pieces = 24.80 SEK). Thus, the tax is levied by 25.80 SEK.

Example 2: 20-pack of cigarettes with the retail price 40 SEK. As a general rule tax is 31 Øre (cents) per piece + 39.2% of SEK 40 = SEK 21.88, below the minimum allowed (SEK 24.80 for 20 pieces). Thus, the tax is levied by 24.80 SEK.

Cigars / cigarillos

1.12 SEK. per piece

Calculated = tax rate x number of pieces

Smoking tobacco

1560 SEK. / Kg

Count: rate x number of kilograms = tax

Snuff

336 SEK. Per kg

Calculated as: rate x number of kilograms = tax

Chewing tobacco

402 SEK / kg

Calculated as: rate x number of kilograms = tax

For alcohol, the following rules from 2008-01-01 apply;

Beer	
Volumen percentage	Taxation/Liter and Volumen- %
Over 0,5 max. 2,8	0,00 kr.
Over 2,8	1,66 kr.
Calculated as:	Tax rate volumen- % x Liter = Taks
Example:	1,66 kr. x 5,5 vol. % x 4 L = 36,52 kr.

Wine and fermented drinks other than beer and wine	
Volumen percentage	Taxation/Liter and Volumen- %
Over 1,2 max. 2,25	0,00 kr.
Over 2,25 Max. 4,5	7,58 kr.
Over 4,5 max. 7	11,20 kr.
Over 7 max. 8,5	15,41 kr.
Over 8,5 max 15	21,58 kr.
Over 15 max. 18 *	45,17 kr.
Calculated as:	Tax rate x Liter = Tax
	* This tax class and tax rate is only for wine.
Mid-Alcohol level products ("Mellanklass")	
Volumen percentage	Taxation/Liter
Over 1,2 max.15	27,20 kr.
Over 15 max. 22	45,17 kr.
Calculated as:	Tax rate x Liter = Tax
Ethyl alkohol	
Volumen percentage	Tax rate
Over 1,2	501,41 kr./Liter pure alkohol
Calculated as:	25 liter vodka w. alcohol level of 40% calculated into 10 liter pure alcohol multiplied med tax rate per Liter = Tax
Example	25 l x 40 vol.- % = 10 l pure alcohol
	10 l x 501,41 kr.= 5 014,10 kr.

3.2.4 Alcohol legislation in Sweden

The Swedish government monopoly "Systembolaget" (Among Swedes called "Systemet" ("The System") in alcohol retailing is a Swedish innovation that dates back to the mid-1800s. The impact has meant that the Swedes have among Europe's smallest consumption of alcohol. The monopoly means that normal retail supermarkets can only sell alcoholic products with an alcohol level below 2,8% volume percentage – in practice this means that retail supermarkets are only selling beer called "lätt öl" (Light alcohol beer).



To be able to sell into normal retail therefore one has to adjust the alcohol level to fit into the rules which is the case for the beers being sold found on the supermarket shelves today from well known international brands.

Still there is a good possibility to sell to “Systembolaget” that is known to have one of the world’s most comprehensive assortments. The way of buying being done by “Systemet” is that they regularly issue a wish list for i.e. Lager Beer and then companies are invited to present and forward their products into a kind of tendering where variety and quality often is ranked higher in the decision process than in normal food retail. For further information pls. see: www.systembolaget.se

3.3 Labels and packaging

3.3.1 Labels (Consumer packages)

Labelling legislation

Some general rules on labelling:

All pre-packed foodstuffs must be labelled in a way that gives the consumer sufficient and correct information about the art of the foodstuff, the composition and properties. It must be in local language.

The contents of the labelling should be description, ingredients list (in descending order of weight), net metric weight or volume, name of company, address or origin, Best before.

The labelling must be on the packaging or on a label stickered on the packaging.

The food being imported must not contain prohibited additives.

EU regulations apply to labelling products in Sweden, both for *own label and branded propositions*.

For *own label propositions*, the retailer will be responsible for the *development, design and contents* of labels and will request detailed information from manufacturers.

Retailers cooperate with various design agencies for *own label designs*. Cutter guides, technical drawings and measurements will have to be exchanged with these agencies first before final approval by the retailers.



Suppliers are responsible for *stocking* labels and packaging and reordering is normally stated in the agreement so that enough supply is ready and not too much is printed which opens the door for the retailer to end the contract. It is recommended to pay attention to sign into an agreement what the ongoing rules are.

The following information is required to be stated in Swedish.

- Ingredient declaration including quantities
- Nett total weight
- Use by date (in Swedish “Bäst före datum:”)
- Guidelines on storage and usage
- Information on manufacturer, co-packer or retailer
- Origin
- Alcohol percentage (if applicable)
- Batch code
- Gas flushed (if applicable)
- Statement of ingredients that can cause allergies or intolerants
- If the package contains goods that are hazardous to health or the environment, separate labeling is also required.



Furthermore the labeling on the consumer package must include GS1 bar code. GS1 labels (EAN 13) on consumer packaging is mandatory and subject to specific regulations concerning size, color, contrast etc. EAN codes are currently referred to as *GTIN's* (Global Trade Identification Number). For further input on this pls. refer to chapter 3.5.

The bar code label must be legible all the way from manufacturer to store checkout. It must be possible to read other labeling throughout the lifetime of the package, i.e. at least as long as that stipulated by the best-before date. If the package is on a tray, the labeling must be clearly visible above the edge of the tray. The edge of the tray must be sufficiently high that the consumer packages are securely held, but not so high that it conceals information about the product in the package

Note that above lists of information are general statements. There are many *exceptions and additional rules* that apply to different products or product groups. For specific information on product level, please check www.slv.se Livsmedelverket which is the National Food Administration.

Packaging used for food products must comply with special requirements. The supplier must be able to document that the packaging complies with the requirements for food packaging in accordance with the Normpack code. The code is based on Swedish legislation (Packforsk and EG directives, the Warenwet (Netherlands), BgVV (Germany), and the FDA (United States). (See www.innventia.com formerly known as Packforsk).

Below find a checklist for areas to be checked in connection with Labeling:

General product information, including:

Product description, net contents, shelf life, other compulsory labeling information and general legibility.

Ingredients:

- List of ingredients
- Additives
- QUID labeling
- Allergenic ingredients
- Specific ingredients – which can give rise to special labeling requirements

Specific foodstuffs:

- Compliance with special labeling requirements, including for organic and frozen products

Nutritional content:

- Correct specification of nutrition information
- Including correct specification of vitamins and minerals

Claims:

- Correctness of nutrition and health claims under EU regulations

Risk of misleading the consumer

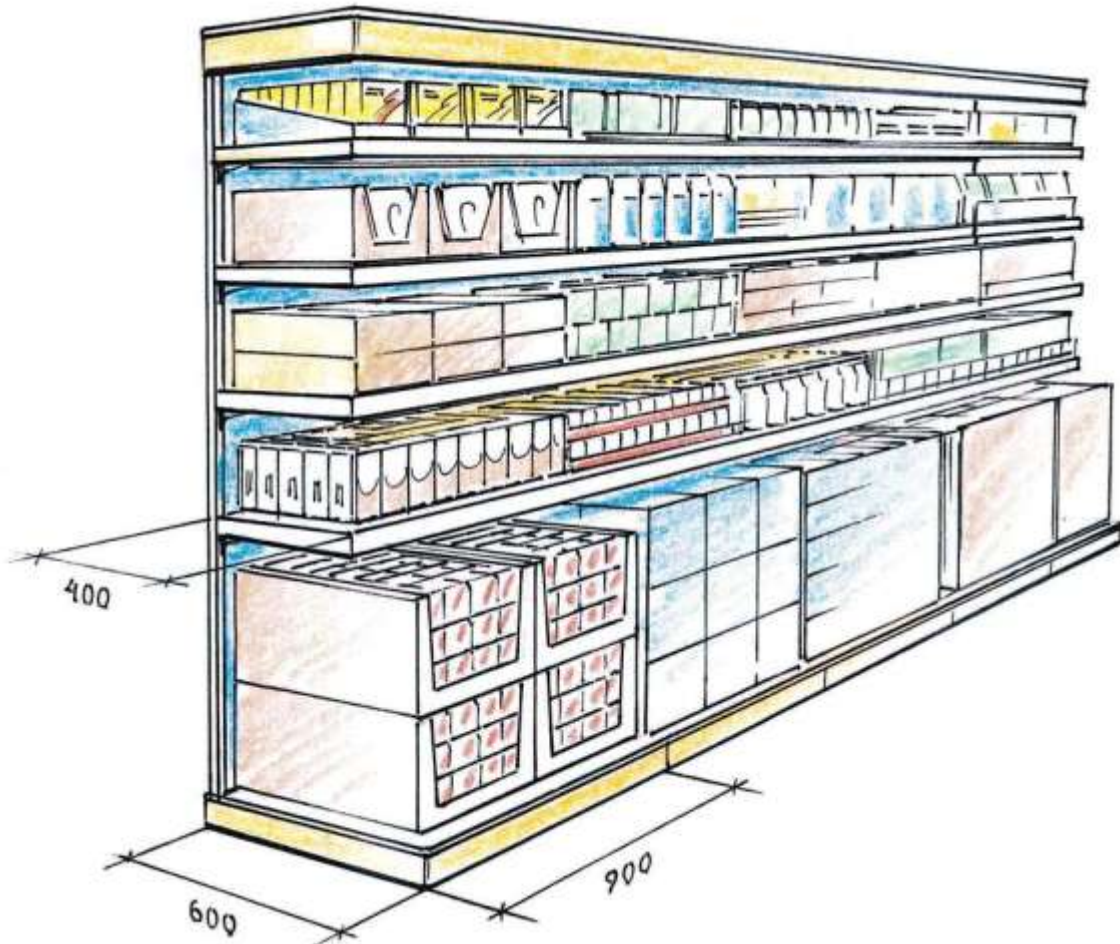
- Assessment, whether illustrations and text might be perceived as misleading.

3.3.2 Packaging

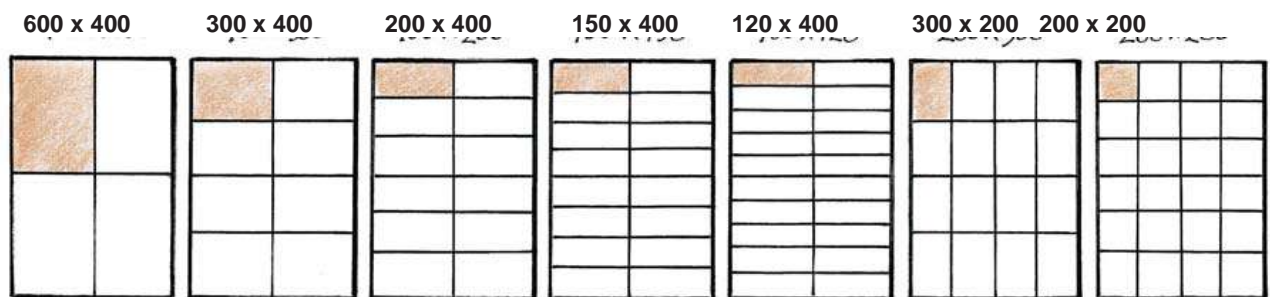
Shelf space in Sweden is limited. Retailers look more and more after packaging that is as efficient as possible to utilize shelf space in the best possible way. As example, packaging facing the front in *portrait* format is preferred over *landscape* format.

The consumer package must promote sales of the product through an attractive design and décor, as well as protecting and preserving the product. Examples of other factors to take into consideration when designing a consumer package include product information, size of the package and whether it is easy to open and reseal. The consumer package's outer dimensions are important. Along with the outer package, these must be adapted to the Modular system. Consideration must be given to the material thickness of the outer package. If the outer packages do not fill the loading pallets bottom surface, the degree of filling is reduced and the logistical efficiency is impaired.

A reduced degree of filling affects the risk of damage to goods when pallets are placed on top of one another. The store's fixtures and fittings are another important factor to take into consideration. Store shelves are adapted to the basic module, which measures 600 x 400 mm.



In order effectively to utilize the production equipment, transport and warehouse resources, in-store systems, etc., it is important to adapt all units to the Modular system 600 x 400 mm. This applies to consumer packages, outer packages and multiunit packages. This measurement standard is suitable both for 800 x 1200 mm loading pallets = Euro pallets that are commonly used in Sweden.



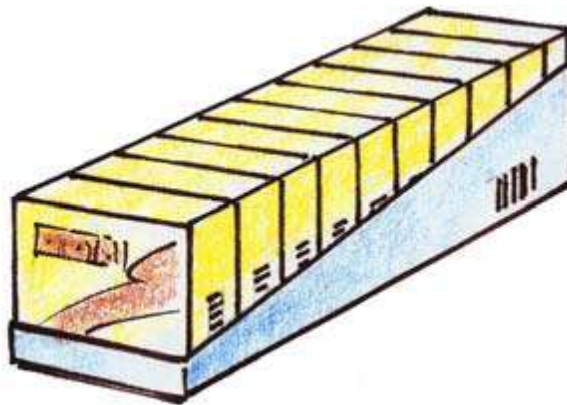
Examples of ideal modules used in the grocery industry.

Things to consider (According to ECR1 Sweden in their guidelines for FMCG):

- Adapt the outer package to the dimensions of the loading pallet. This is done most easily by reducing the dimension of the outer package by 5–10 mm per outer package. In practice this means that an outer package according to the 600 x 400 mm basic module should have outer dimensions of 590 x 390 mm.
- Adapt the consumer package to the inner dimensions of the outer package to achieve the highest possible degree of filling. The calculation must be performed with consideration for the thickness of the outer package.
- Always perform test packing before establishing final dimensions.

A large number of ideal modules are based on the 600 x 400 mm basic module. When consumer packages and outer packages are produced, it is important to utilize these ideal modules. The consumer package's outer dimensions must fit inside the outer package's internal dimensions. It is therefore also important to consider the thickness of the packaging material.

The package must be able to cope with normal loads during transport, storage and handling. The packaging material must be correctly adapted, neither too thick nor too thin



Does the packaging fit into the retailers' shelves?

Limited shelf space also has an impact on *outer cases*. Most products just have one facing, end therefore limited in-store stockholding. This requires a very strict *replenishment system* and small outer cases. On outer cases, please also check *chapter 3.4* on logistics.

3.4 Logistics

Logistics are of key importance in developing exports to Sweden and options and best practice examples should be evaluated *prior to approaching* potential retail customers. Logistic costs have a large impact on the actual offer and determine if a proposition is feasible or not. It is recommended to be open minded about different ways into the retailer depots as well as to be open when discussing these issues with the retailers. It is often seen that suppliers might say yes we can deliver anytime and any quantity in their eagerness to get the business. However Sweden is one of Western Europe's largest countries and thus distribution is an important component.

In general, for frozen, chilled and ambient, retailers do want to keep as little stock as possible and by the same require a *high service level*, up to delivery to depots 2-4 times a week for fast rotating chilled products with a short shelf life. In other cases, 1 delivery is accepted. It is also to be considered what lead time to be given to a retailer. The retailer wants as short a lead time (the time from the retailer places an order till the product is in their warehouse) as possible. In general for longer shelf life products a typical lead time could be order received to supplier Wednesday, delivery into retailer depot Tuesday the following week. Such routines can be agreed as long as the supplier is willing to compromise if there are out of stock situations.

Normal delivery terms are CIF, FCA, DDP, but in many cases the retailers are open to discuss the possibility of that they collect the products Ex. Works. So in any case it is recommended to have calculated Ex. Works as well as delivered prices. And due to the pallet heights demand (max 1,25m) doublestacking of pallets is a must (see later under pallet requirements).

To integrate logistic cost in a cost calculation, *optimal pallet loads* needs to be determined, in Chep pallets or in Euro pallets. Hauliers with access to retailer's depots will quote shipments costs per pallet from the manufacturers' site to the retailers' depot, based on expected volumes.

It is normally not a problem to find several hauliers who can supply into the Swedish retailers so it is recommended to get minimum 2 quotations.

In general the retailer prefers quality of delivery rather than low service levels by the transporting companies. It is an advantage if the transporter speaks Swedish or at least English.

Further information on logistic requirement are specified in the retailers section of this report (*see chapter 4*)

Terms of payment

The common terms of payment are “30 days”, “40 days”, “45 days” or “current month + 30 days”. More and more retailers demand “45 days”.

The trading currency is local currency SEK or EUR. This can be negotiated. However it is always a good idea to present the prices in SEK (Svenska Kroner) mentioning that the prices will be invoiced in Euro.

Pallet requirements

Only approved EUR-pallets (80 x 120 cm)

Chep pallets are among most retailers also accepted.

Maximum height with goods (inclusive pallet):

Sweden 125 cm

Disposable pallets made of wood are unacceptable.

½ disposable pallets made of cardboard. (Mainly used for promotional activities)

Size of ½ pallets, gross dimensions: 600 mm x 800 mm (1/2 of a Euro-pallet)

The pallet must be made of a type of cardboard material that can be recycled together with the stores' other cardboard/corrugated cardboard.

The height from the floor to the underside of the pallet must be 10 cm, as with the current Euro pallet. This is to allow forklifts reach trucks to get under the pallet, even with a maximum load.

The pallet must withstand a load of 250 kg, and withstand being subjected to lateral stresses.

It must withstand heavier goods being stored for a while without “sagging”.

The underside of the pallet runner must be resistant to being scraped onto Lorries, and it must withstand moisture.

A disposable pallet made from cardboard is expected to be an activity pallet where pallet truck use from the end can be avoided.

The surface of the pallet must not be so smooth that the goods slide off. The pallet must be designed in such a way that it can be wrapped in stretch film right down to the runner.

3.5 Electronic Data exchange requirements

More and more, retailers are using the internet and automated systems to exchange information.

Please note that even though these systems are set-up to be uniform for all (international) retailers, *slight differences* do exist per retailer or even per market causing systems not to be entirely *compatible*. It is recommended to allow sufficient *specialist time* to meet these requirements once a listing is agreed.

The retailers have departments that can help guide new supplier into their systems. If this is not the case the retailers will direct the suppliers into companies that will be able to assist on an hourly payment.

It is still possible to do business with all retailers without using Electronic Data exchange systems. It is often a longer process to get 2 systems set-up against another, so if the decision is to start using such systems it is recommended to involve all experts from the supplier from the beginning to ensure a safe start-up.

3.5.1 EDI

EDI = Electronic Data Interchange.

Electronic data exchange of standardized and structured messages between different computer systems. Two independent systems can communicate in a standardized manner. This means that EDI documents are handled electronically between the retailers and supplier systems with the purpose of optimizing information flow as well as logistic flow.

EDI standardizes the electronic data communication between parties.

GS1 Sweden (www.gs1.se) with its clients, has developed a common approach, a business process, to send electronic business information between companies. It's faster and easier to set up a system for electronic trading of all to follow the same approach and that is what the Swedish retailers have agreed to.

In Sweden the following activities are exchanged and communicated by EDI;

- Ordering
- Delivery
- Stock management
- Invoicing
- Payment

In 2010, ICA introduces requirements for GLN in the basic conditions to deal with suppliers. It does require the supplier to establish and register a GLN-structure at the industry-wide service Validoo Party. An audit will be conducted and all suppliers will be contacted. The aim is to ensure accurate and timely GLN-information.

GLN is a global standard to identify with figures such a thing as the location or legal entity. The standard is used worldwide. By using it as a reference, ICA and its suppliers can use a common business language that simplifies communication. It provides a more secure management of information and enables electronic communications (EDI), which in turn is more efficient and remove unnecessary administrative costs.

Product-related information is communicated by GTIN's (Global Trade Identification Number).

Registration of GLN

a. Providers who are active in Sweden or any of the following countries: Belgium, Brazil, Colombia, Costa Rica, El Salvador, Estonia, Finland, France, Honduras, China, Latvia, Liechtenstein, Luxembourg, Nicaragua, Norway, Peru, Romania, Russia, Switzerland, Slovakia, Spain, Germany and Austria must register their GLN of its local GS1-office in their publication "Gepir premium service" (the equivalent of Validoo in Sweden).

b. Providers who are not active in any of the above countries are to register their GLN in ICA's own registration service (will be launched in autumn 2010) - ICA Part Registration

Validoo Q-lab

Under the GS1 system in Sweden the retailers are using a Quality-Laboratory that is weighing, measuring. In other words Validoo Q-lab is checking the quality of submitted product information from the suppliers. It is there to ensure that a physical article is consistent with item information, previously known as certificates or VCD. Validoo Q-lab complements Validoo article to ensure that the quality of item information is correct.

So far there have been several mistakes in the information given by suppliers which is costing a lot of money to the retailers. Imagine that just 10 mm difference in a pack width has huge impact when it is put into planograms and placed on the supermarkets shelves. ICA has taken the lead in this and has now implemented the following rules, that no listing will take place till all information is 100% right, so it is recommended in any way to double check all standard information that a company has on a given product as it will have consequences if these are not right in the form of no listing.

After the item information has been validated with Validoo article, still about a third of all newly launched items in Swedish stores has errors in the item

information, such as the packet size and depth. These errors can cause high costs for both providers and beneficiaries. With Validoo Q-lab now checking the item information with the physical item, will mean that the errors will decrease dramatically.

Quality of item information

The supplier sends the item information, via the service Validoo article, and the physical article to Validoo Q-lab. Q-lab ensures that an item's features is as stated in the article submitted information. The result is sent in a report so that the provider can change the item information or article.

For further information: www.gs1.se

ECR Sweden

ECR (Efficient Consumer Response) is established with the aim "to work together to meet consumer needs better, faster and at lower cost."

The concept was born at the beginning of the 1990s as a response to market conditions. Low growth, intense competition, pressure from consumers, the development of new sales channels, effective new entrants and the traditional opposition between retail and producer. All this led to high costs. The industry players focused more on doing business overall rather than to satisfy consumer needs.

ECR is an approach and working to coordinate various aspects of the movement and flow of information with consumers in focus throughout the flow.

ECR is about companies working together to integrate their activities and eliminate barriers that affect their ability to satisfy consumers and drive out unnecessary costs.

ECR Sweden is composed of Representatives of the DLF (Grocery Suppliers' Association) and SDH (Swedish Retail). ECR's Task Is to Create the Conditions so that the trade and suppliers can work together to meet consumer needs Better, Faster and at lower cost.

ECR is working to coordinate the activities in the supply chain from production to end consumer. ECR Europe was formed in 1994 and Two Years later formed the ECR Sweden by DLF and SDH.

The time window Increases Efficiency

Every year, ECR Sweden Presents an “Assortment change *Window*”, a recommended time table for assortment changes. The time *Window* describe the activities that occur when an article on the shelf will be launched or phased out. With a common time-table for the launch, both the suppliers and trade can work to increase consumer utility and efficiency.

It is to be noted that all new listings in Sweden have to follow the set time windows for listing new products. There are between 3 and 4 windows each year, i.e. in frozen foods: February, May, September and November 2011.

For more information see www.ecr.se

3.5.2 GDSN

GDSN is a global network of services for the validation of item information. Validoo article is linked to the GDSN which means that the correct item information can be sent to and received from companies in other countries.

GDSN is a global network that validates Article Information. GS1 has been jointly developed with its customers GDSN (Global Data Synchronization Network) to facilitate international trade. GDSN is a network consisting of several database operators around the world that validates the item information in a similar manner as Swedish Validoo article. GDSN consists also of a global registry that keeps track of where the information about each item is stored.

Validoo article is based on international standards for item information. In Validoo article standardized information is sent to follow international rules and standards. It allows a supplier to send item information to their recipients in other countries. A recipient of Sweden can (should also be able to) also receive information from the article suppliers in other countries.

With Validoo article, companies can send the correct item information to other countries

Validoo article is a service that validates and distributes the article information, previously known as certificates (VCD). With Validoo article it is ensured that the

information is provided under Article GS1's standards and contains no technical or logical errors.

Both, EDI and GDSN are managed and certified by GS1.

According to Swedish GS1 by 2015 the system will be able to be used by consumers and this will mean a revolution as each product will have its own GLN number and consumers can see from where the raw materials are coming, when their steak was cut out, when their beer was brewed. It is said that this represents the same development of information that took place when Internet went global.

3.6 Accreditations and certifications

Retailers in Sweden have the same demands as other European retailers with regard to audits and accreditations.

All suppliers should have a risk management system in place for product withdraw or other unforeseen scenarios.



Useful assurance to Swedish retailers.

Internal traceability for suppliers and producers

In general the Swedish retailers expect its suppliers to be able to trace which production facility produced the product and the batch to which the product belongs. It should also be possible to trace the origin of the raw materials that are included in the product. The level or precision of a traceability system is determined by a few different factors, including batch size, batch control systems, and batch labeling on packaging and pallets.

The supplier determines the batch size, but retailers recommend that the final product of a batch is never larger than one day's production. As far as other components in an effective traceability system are concerned, such as the possibility to connect process data to batches and systems for finding lots within the supplier's own warehouse, the level of precision used is also up to the supplier. However, the risks should always be taken into consideration.

In addition private labels must also follow the rules in the third-party certified GFSI-approved standard. For a private label producer, product batches should not exceed one day's production.

Retailers in Sweden tend to give suppliers as much freedom as possible to choose how to proceed with building internal systems for traceability, labeling, and communication of the products that are supplied. This will apply to areas such as the labeling of outer packaging, where suppliers can choose between EAN 128, EAN 13, and ITF 14 for barcode labeling.

3.6.1 Organic

KRAV is a key player in the organic market in Sweden since 1985. KRAV develop organic standards and promote the KRAV-label.

The KRAV-label is well-known among Swedish consumers. The aided awareness is 98 percent!

The KRAV-label stands for:

- Sound, naturel environment
- Solid care for animals
- Good health
- Social responsibility



The KRAV standards are based on the EU standards for organic production, but go further. If the exporter's production already has some kind of organic certification, comparing of the status of certification with the KRAV standards to see if they match should take place

If they don't match a Certification body (CB) can do KRAV-certification outside Sweden to get more information.

To obtain the KRAV-label a company needs to be responsible for the KRAV-product (license-holder). There are two options:

A: The exporter as license-holder

the base for Certification decision is the annual inspection by CB compared with an additional KRAV-audit. If positive, a certificate with actual KRAV-certified products will be issued after which the exporter is free to market the products with the KRAV-label.

Following steps need to be taken:

- Contact the local Certification Body and ask if they have an agreement with a CB accredited for KRAV-certification so they can perform sub-contracted inspection?
- If not, your Certification Body can contact an accredited CB for more information. (You will find the link to the right).

There is also the possibility that the certification body itself can be accredited for KRAV-certification and do KRAV-certification outside Sweden.

B: The Swedish importer as license-holder

The Swedish importer as KRAV-licensee registers the product(s) in question and receives the certificate and can market them in Sweden with the KRAV-label. During the annual audit an examination of the product will be performed in which all documentation that show the compatibility with the KRAV standards will be tested.

In 2010 a European organic logo was launched by the European Union, as an alternative for all different national trademarks for organic food products. The logo guarantees that min. 95% of products content is of organic origin.



Keyhole

The National Food Administration "Livsmedelsverket" symbol to help consumers to find the healthier alternatives in the retail stores and restaurants. Keyhole marked "Nyckelhålsmärkta" food products are slimmer and contains less sugar, fat and salt, but contain more fiber than other similar products. It is recommended to investigate if a new product does live up to the demands of getting a keyhole marking as consumers are in favour of these products.



For further information see www.slv.se

3.6.2 Global Food Safety Initiative (GFSI)

ICA Sweden participates in the international GFSI accreditation and other retailers are expected to follow this standard in due course.

GFSI exists of multiple standards of which BRC and HACCP are well known.

Certification and auditing takes place in the country of production and will be carried out by private organizations that have audit accreditation by the BRC organization. Different levels of BRC accreditation apply.



ICA is controlling it's suppliers and stores ongoing

All food suppliers to the ICA will be certified as a third-party standard, but on own labels ICA has particularly high demands. They must be certified by any of GFSI's (Global Food Safety Initiative) approved standards for the production of food. We also agree on ISO 22000. They must also live up to ICA's high standards of animal care, environmental and social responsibility.

For other suppliers, ICA accept also a new standard for small-scale food production, Food Processing IP.

3.6.3 Environmental issues

The environmental influence related to suppliers is so far mostly influenced with regards to logistic. The retailers have launched a number of local suppliers that are local in the sense that they are not able to supply nationally. Coop Sweden has changed all their internal Sweden traffic onto train transport:



Axfood is hesitating to buy water out of Italy as there already is pure water in Sweden. ICA is looking at getting Ex. works prices from their suppliers to see if there are any benefits to the environment in terms of having full loads, so far the first priority is to get lowest transport rate, but over the next few years this is likely to change as retailers will be forced to look at less waste, less packaging, less transport and so on. Sweden as a country cannot just implement country specific rules without EU approval, however the retailers will be starting to look at more soft values and the more these get a economical value the more they will be implemented. There is no doubt that seen on a European scale Swedish retailers will take the lead in this area as there is a high awareness and interest in these issues.



Coop is changing it's stores into Organic Green ("Krav") stores.

4 Retailers

The Swedish daily food retail market increased by 5.9% from 2008 to 2009 to a total of 201 billion SEK. (21 billion €). Food consumption represents 13% of all consumer spending where as out-of-home consumption is 5.0% (cafés and restaurants).

A total of 6.500 stores for a population of 9.2 million inhabitants. (Source: DLF; DELFI 2010). Private Label penetration has passed 20% for the 3 largest retail groups and is expected to reach 30% in a few years.

Sweden is the largest retail market in the Nordic region and the Swedish market is dominated by 4 buying groups of which the largest has nearly 50% of the market. The hard discounters have not been able to get an attractive share of the market and have less than 5% market share

Swedish retailers;

Market share 2009 *(Source ICAnyheter 2010)*

• ICA	49.0 %
• Coop	22.6 %
• Axfood (incl. Vi group)	17.9 %
• Bergendahls	5.6 %
• Discounters	
○ Lidl	3.1 %
○ Netto	1.8 %

KPI's (Key performance indicators) are not different in Sweden in retail in comparison to other markets. Below is a ranking after importance.

Most important KPI's are;

- Pricing
- Overall rotation with weighted distribution
- Overall distribution
- Margin percentage
- Nominal net margin contribution (per cm² shelf space)
- Wastage
- Service level of deliveries to depots

Price negotiations

Open book pricing is used more often in PL propositions where retailer's buyers utilize internal knowledge on ingredient price levels and price fluctuations as well as logistic costs to break down prices of added value products.

In case of unexplainable differences, the manufacturer is prompted to explain.



Price changes have to be advised 14 weeks ahead and Coop only accepts 2 annual price windows: July and January. Any price increase must be accompanied by a set of arguments that incorporates all possible arguments.

As a rule of thumb retailers expects 35% margin. This is obviously different from category to category and from segment to segment.

Margin Model					rate: 2-03-09		
	Retail sales price SE	Vat 12%	RSP excl Vat	Buying price in euro	Buying price ICA in Sek	Margin	% Margin on Retail sales price
Product A	SEK 32,90	SEK 3,53	SEK 29,38	€1,500	SEK 17,22	SEK 12,16	41,4%
Product B	SEK 32,90	SEK 3,53	SEK 29,38	€1,700	SEK 19,52	SEK 9,86	33,6%
Product C	SEK 24,90	SEK 2,67	SEK 22,23	€1,147	SEK 13,17	SEK 9,07	40,8%
Product D	SEK 24,90	SEK 2,67	SEK 22,23	€1,190	SEK 13,66	SEK 8,57	38,6%
Product E	SEK 17,90	SEK 1,92	SEK 15,98	€0,810	SEK 9,30	SEK 6,68	41,8%

This is an example of a real calculation presented to Swedish retailers.

It is important that there is a set "price list" from which the retailers are offered different "discounts" before the net price is achieved.

What has been significant over the last 6 months is that retailers have experienced a growing demand for "premium products" at the top end of the market. Continuous pressure on price exists obviously on leading brands and commodities.

Annual Meeting

Each retailer invites its suppliers for a year end meeting in which the previous year is reviewed and in which commercials are discussed for the next year.



This is the most important meeting of the year. Ahead of the annual meeting all retailers invite their suppliers to an annual presentation where the aim is to present next year's plans. For 2011 this takes place in September month 2010. Following this overall presentation the suppliers are expected to build their 2011 proposals and incorporate every aspect of the business including new products, marketing ideas.

Common way of working for new items presentation

The supplier must provide information before you can book a personal meeting.

The information should be sent to the respective Category Manager/Buyer. This must be sent by the latest 14 weeks before launch.

The product announcement should include:

- Presentation of the company/products
- What can the products add to the category
- Reference to other markets
- Planned marketing activities (general)
- Involvement of external merchandising/sales force

In connection with the product announcement at least two samples should be provided. Ahead of this all Validoo approvals should take place if possible. After the product announcement and samples have been delivered, the retailers can be contacted in order to book a personal meeting.



At the meeting:

- Follow up on the product announcement (Presentation)
- Market situation (total market/trends) – Consumer Research
- Proposed marketing activities with company/chain
- Price and trading terms negotiations
- Discussion ⇒ Next step for decision making

It is always as stated in chapter 3.1 important to have examined the Swedish market and found gaps in the market that gives the buyer reason to list. More importantly it is to be able to present what plans will be started to launch the products and especially how repeat purchases can be ensured. The buyer is very dependent on that the supplier does support their products and proves to be perseverant in doing so.

Listing windows

All Swedish retailers work towards the same listing windows which can be found in Appendix A. Only on these dates can a new product be launched. If the deadline cannot be kept then the listing proposal should not be presented.



Retailer's promotional activities

The main promotional activities implemented by all Swedish chains are the individual chain's Brochures distributed to households within their stores' area of customers.

In Sweden they are sent out 52 weeks a year.

Coop Sweden issue a monthly magazine for the members of the cooperative Societies called "Mersmak".

ICA Sweden sends out a Monthly magazine called "ICA Buffé".

The larger chains have periodical TV spots – usually industry financed. (Special Offers)

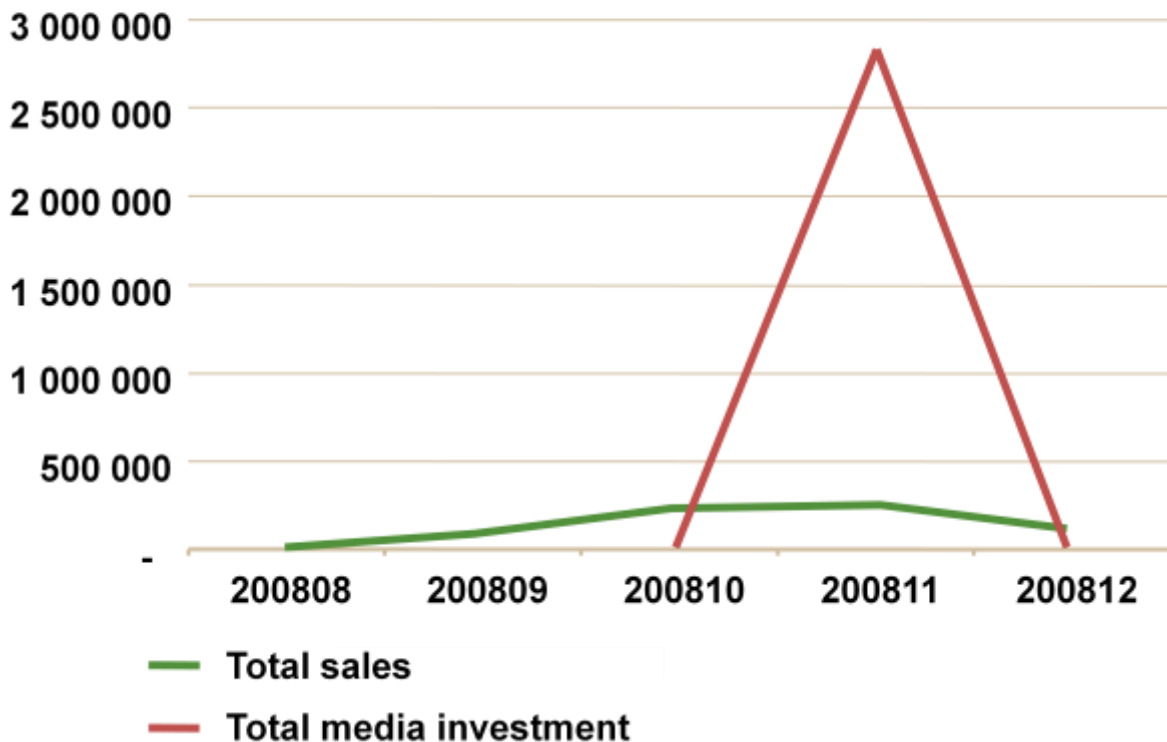
Coop and Ica have had Customer loyalty Cards for many years whereas Axfood chain Hemköp launched their card just 2 years ago.

Experiences from Swedish retail launches

Each year more than 5.000 new retail food products are launched into Swedish retailers. After 3 years only 3% of these products are still on the market, which means that only 150 products survive.

New Launch 2008:

Mediainvest. och Försäljning



Real life example: Sales did not increase despite mediaspending.

Main reasons for this is according to an Internal ICA survey that:

1. There was not a real consumer demand
2. Lack of distribution

Mostly it ends with that the suppliers have lost a lot of money and the retailers likewise. Therefore preparation is important.

4.1 ICA







ICA centrally coordinates central functions and concepts for purchasing, communication, business development, etc.

On the Group's purchases, estimated 10-15% is negotiated on a European basis together with AMS (Associated Marketing Service) and AES (Ahold European sourcing).

At the same time that it uses its scale to coordinate and take advantage of synergies, ICA adapts its local offering to customers' wishes.

These local adjustments can be made by the individual formats, the individual store concepts or through concepts designed for various geographic markets.

ICA Sverige			
Store concepts	Description	Assortment	Pricing
	Small convenience Food stores	Narrow product range. Fresh food	Higher prices
	Supermarkets	Wide range of fresh foods, deli counter	Normal to higher prices
	Large supermarkets	Everyday food items Eco labelled products	Moderate prices
	Hypermarkets Extended open hours	Wide variety of foods Also non-food	Moderate to lower prices

ICA	Number of stores	Market shares	
Total	1369	49.0%	
ICA Nära	732	7.8%	
ICA Supermarket	454	16.9%	
ICA Kvantum	117	12.4%	
ICA Maxi	66	11.9%	
ICA to Go	1	0.0%	

Buying & Marketing procedure

The Central buying organisation looks after the assortment whereas the above 5 individual formats negotiates their joint supplier marketing on an ongoing basis.

New for autumn 2010

ICA will launch a new marketing tool called CRM (Customer Relation Management) that follows its launch of “personal offers” that is linked to the ICA Loyalty Card. The new tools will change the way of doing joint supplier promotions as news offerings and promotions can be linked to ICA’s existing consumer base demands. Next to Tesco and Sainsbury, ICA considers this to be the most advanced retailer CRM in the world. First new launch by the system will take place during September month 2010.



4.1.1 ICA pricing policy

As a full service retailer, pricing within most of ICA's chains are average to high for its smaller store types and lower than average for its Maxi hypermarkets. ICA is by far the market leader overall and has during the last 2 years implemented major price decreases across its assortments. Overall ICA is more known to have a comprehensive assortment rather than low prices. ICA is monitoring the competition and will not accept any strong differences within key A brands in destination products.

ICA's mid range of products is sold under the **ICA** brand:



ICA, low priced products are sold under the **Euroshopper** brand:



ICA's health line of products is sold under **Gott liv** ("Good Life")



ICA's organic line of products is sold under its **I love eco** brand



ICA's premium line of products is sold under the **ICA selection** brand



Margin requirements with ICA are overall 35%. However there are differences per category and for chilled products the Margin requirements are normally higher than for i.e. coffee that is a destination product. Also for own label products it differs per category and range from over 50% on some chilled and frozen products to 25 to 35 % for high rotating ambient products.

4.1.2 ICA's promotional requirements and demands

ICA has promotional tools that are offered to branded suppliers. These tools are negotiated individually with each of the store formats above and have to a certain degree a discounted price and a 1 week running period, and next to negotiating prices, also support mechanics are part of commercial proposition and must be integrated in a commercial offer. As a branded supplier, it is expected that the supplier undertakes promotional activities in the chains where products are listed. Ahead of listing a new product centrally the supplier must in writing demonstrate the will to invest.

The uplift in sales during the 1 week promotions are between 200 to 600%.

As a rule of thumb the annual costs to these chain activities are around 15% of the net invoiced prices.



For autumn 2010 ICA has launched new tools described above that they expect suppliers to take part in. These activities will over time replace the 1 week fixed price promotional activities. Initially the new tools will be used when launching new products.

For the last 5 years ICA has had a soap opera running as a main theme for its TV advertising that has worked very well. Costs for participating in these weekly ads is high around 65.000 € + discounts.

In Appendix B please find overall costs for participating in 2010 chain promotions.

4.1.3 ICA logistic structure

Logistics (and replenishment) within ICA is very well organized. ICA is working with 2 main depots and utilizes 4 regional depots all depending on which categories. ICA has the ambition to cut further in the number of depots which will over time make it easier for foreign suppliers. The 2 main depots are based in Southern Sweden (Helsingborg) and in the Middle of Sweden (Västerås). Suppliers can be asked to supply directly to the regional depots but normally ICA accepts deliveries into the 2 main depots only..

ICA has opened last year Northern Europe's most modern automated warehouse in Helsingborg including start-up of an automated replenishment system that feeds orders to the stores and will be able to feed products taking into consideration variables like weather, time of year, season etc. Suppliers will also be able to receive forecasts from this replenishment system, which is not the case today but hopefully soon to come.



In connection with receiving an order the supplier will also know what time of the day the products must be delivered.

Any delivery that does not arrive at stores may result in customers being dissatisfied and choosing other goods, or no goods at all. This causes reduced sales for ICA and its suppliers. In order for ICA to satisfy customer demands and expectations, a minimum of 98% complete deliveries to stores is necessary. Discrepancies are formalized through a master agreement between ICA and the supplier

4.1.4 ICA, from introduction to launch

After doing the homework and research as recommended in the previous chapters, ICA can be approached. First contact is the category manager of the specific product group.



He/she will ask the supplier to list in the products and normally the supplier will be asked to answer a range of questions among which the most demanding are like these:

- What makes you as a supplier believe that there is a real demand
- What investments will be made to attract consumers
- Who is your exact goal group
- What market share and sales volume/turnover do you expect after 3/6/12 months

Both, buyers and category managers are very time conscious and will only allow an one hour timeslot if they are convinced that this is worth the investment. Providing well developed information, preferably by e-mail, will help them responding positively towards agreeing to a meeting. This pre-information should include company background as well as answering in detail the questions above.



When in a meeting and pitching for business, most time should be spent on the actual proposition and the potential it offers to ICA (No social meetings). It is often

seen that suppliers tend to tell about their companies for 80% of the time, this is normally not a successful strategy. Rather the discussion must be around convincing the buyer about the consumer need and how to create consumer behavior. It requires a dedicated Power Point presentation preferably on a laptop and focus must be on potential, profit and future development.

If successful, a second meeting might take place in which the final negotiations and adjustments will take place on pricing and conditions.



Ahead of having agreed a listing, a set of activities will have to be gone through all the specifics as mentioned in previous chapters (logistics, packaging, labeling, promotional activities, etc.) This period takes at least 3 months and generates a lot of specific information exchanges.







During the *launch*, the agreed activities will take place following meetings with each of the 4 main ICA formats. If products are not performing or moving discussions must be taken to tackle the situation rather than to sit and wait. Buyers tend not to be proactive but leave it up to suppliers to successfully launch their products. If this is not the case the buyer can without warning delist the products. They buyer will be following sales and distribution and awaits a positive development in both.

4.2 Coop



COOP centrally coordinates central functions and concepts for purchasing, communication, business development, marketing etc.

On the Group's purchases, estimated 15-20% is negotiated on a Nordic basis together with COOP Trading, a pan Nordic buying association buying all pan Nordic private label products for among other the Swedish market. COOP Trading takes over more and more of the private label buying but still the Swedish COOP handles a lot of Swedish private label and even International private label or house brand suppliers.

COOP Sverige			
Store concepts	Description	Assortment	Pricing
	Hyper markets	Widest range of FMCG.	Low prices
	Supermarkets	Wide range of products	Keen prices
	Supermarkets	Wide range of organic products	Moderate to higher prices
	Neighbourhood stores	Limited product range	High prices

COOP	Number of stores	Market shares	
Total	692	22.6%	
COOP Forum	55	5.5%	
COOP Extra	70	4.0%	
COOP Konsum	367	9.6%	
COOP Nära	200	3,5%	

Buying & Marketing procedure

The Central buying organisation looks after the assortment and negotiates the joint supplier marketing for all above chains on an ongoing basis. Once a year the level for next year is decided.

4.2.1 COOP pricing policy

As a full service retailer and due to its wide organization pricing within most of ICA's chains are above average for its smaller store types and lower than average for its Maxi and Xtra hypermarkets.

COOP has during the last year implemented major price decreases across its assortments. Overall COOP is more known to have a wide assortment rather than low prices. COOP is using its private labels via Coop trading to have a discount assortment.

COOPS's mid range of products is sold under the **COOP** brand:



COOP's low priced products are sold under the **COOP Xtra** brand:



COOP's organic line of products is sold under its **Änglamark** brand



Margin requirements within COOP are overall 35-40%. However there are differences per category and for chilled products the Margin requirements are normally higher than for i.e. coffee that is a destination product. Also for own label products it differs per category and range from over 50% on some chilled and frozen products to 25 to 35 % for high rotating ambient products.

4.2.2 COOP's promotional requirements and demands

COOP has fixed tools that are offered to branded suppliers. These tools are presented to all suppliers ahead of next year's planning and negotiated with the category manager. The content is 1 week promotion in a Coop Leaflet with a price discount. It is often seen as being very expensive to do these promotions but on the other hand the follow-up is very good with sales lifts of 300-600%.

The uplift in sales during the 1 week promotions are between 200 to 600%.

As a rule of thumb the annual costs to these chain activities are around 15-20% of the net invoiced prices depending on the frequency.



Example of a theme base promotion "Grill Theme New York Style".

In Appendix B please find overall costs for participating in 2010 chain promotions.

4.2.3 COOP logistic structure

Logistics (and replenishment) within COOP is very well organized. COOP's has 2 main depots and utilizes regional depots all depending on which categories. COOP wants to close down some of the regional depots. One of The 2 main depots is based in Southern Sweden (Malmö), which makes it ideal to start supplying to.

Suppliers can be asked to supply directly to the regional depots.

COOP has a well organized system of coordinating orders and gives suppliers ahead of schedule promotional volume in good time.



In connection with receiving an order the supplier will also know what time of the day the products must be delivered.

COOP insists that its suppliers have 100% supply however accepts deviations as long as these are reported in time. If a supplier fails to deliver to campaigns or has repeatedly failed to deliver as demanded COOP takes the right to send the supplier an invoice for lost profit. Ahead of starting up a master agreement is made between COOP and its suppliers.

4.2.4 COOP, from introduction to launch

After doing the homework and research as recommended in the previous chapters, COOP can be approached. First contact is the category manager of the specific product group.



He she will ask the supplier to forward precise information of the aim of the meeting together with an email presentation that shortly describes the company and the products to be presented.

Ahead of meeting COOP like to receive pricing and conditions but that is not always the case. Anyway ahead of any meeting the questions mentioned under ICA should be thought through as the buyers are normally well prepared and have all possible documentation including newest Nielsen figures.

Both, buyers and category managers are very time conscious and will only allow and accept a meeting of one hour timeslot if they are convinced that this might be worth the investment.

Providing well developed information, preferably by e-mail, will help them responding positively towards agreeing to a meeting. This pre-information should

include company background as well as good well thought ideas that demonstrate knowledge of the Swedish market.



At a meeting time should be focused on what it offers to COOP in terms of profit and consumer acceptance (No social meetings).

It is a good idea to use the 1 hour so that all company and product and market information is done in 30 minutes and the rest of the time should be questions to COOP.

If successful, a second meeting might take place in which the final negotiations and adjustments as well as marketing investments will take place.



Ahead of having agreed a meeting plan with 3 months preparation before.






During the *launch*, the agreed activities will take place and often COOP asks it's suppliers to participate in Rapid start, which means that the supplier finances one free case per store listed to get 100% distribution from day 1.

4.3 Axfood



Axfood centrally coordinates central functions and concepts for purchasing, communication, business development, marketing etc.

On the Group's purchases, estimated 10% is negotiated on a Nordic basis together with United Nordic, a pan Nordic buying association buying pan Nordic private label products. On an International level Axfood is member of the EMD buying group.

Axfood Sverige			
Store concepts	Description	Assortment	Pricing
	Soft discount concept	Wide range of FMCG.	Low prices
	Supermarkets	Wide range of products and organic products	Average to higher prices
	Supermarkets	Wide range of products	Low prices
	Supermarkets private ownership Axfood is wholesaler to Vi	Wide branded product range	High prices
	Neighbourhood stores	Limited product range	High prices

Axfood	Number of stores	Market shares	
Total	944	22.6%	
Hemköp	169	4.7%	
Willys/PrisXtra	146	4.0%	
Vi	60	2.2%	
Tempo/Others	629	1.8%	

Buying & Marketing procedure

The Central buying organisation looks after the assortment and negotiates the joint supplier marketing for all above chains on an ongoing basis. During autumn the level for next year is decided at an annual meeting.

4.3.1 Axfood pricing policy

As a wholesaler and by the same time having a full service supermarket operation, pricing within most of the chains are above average for its supermarkets and smaller store types: Willys however is low in pricing and claims to be offering Sweden's cheapest shopping basket.

Axfood has during the last year implemented major price decreases across its assortments. Overall Willys is the most successful brand within Axfood and has the highest penetration of private labels. Axfood is right now preparing launch of overall private labels covering all chains (including the Vi chain as opposed to today where individual store formats Hemköp and Willys have their own private labels).

AXFOODS's mid range of products is sold under the **GARANT** brand:



AXFOODS's low priced products are sold under the **Eldorado** brand:



AXFOOD's organic line of products is sold under its **GARANT** brand



Margin requirements within AXFOODP are overall 30-40%. However there are differences per category and for chilled products the Margin requirements are normally higher than for i.e. coffee that is a destination product. Also for own label products it differs per category and range from over 50% on some chilled and frozen products to 25 to 35 % for high rotating ambient products.

4.3.2 AXFOOD's promotional requirements and demands

AXFOOD has fixed tools that are offered to branded suppliers. These tools are presented to all suppliers ahead of next year's planning and negotiated with the category manager. The content is a 1 week promotion in a one of the formats weekly Leaflets with a price discount. Good sales lifts are achieved between 400-600%.

As a rule of thumb the annual costs to these chain activities are around 15% of the net invoiced prices depending on the frequency.



Example of a weekly promotion with the Willys chain.

In Appendix B please find overall costs for participating in 2010 chain promotions.

4.3.3 AXFOOD logistic structure

Logistics (and replenishment) within AXFOOD is very well organized. AXFOOD has 2 main depots and utilizes regional depots all depending on which categories. AXFOOD wants to close down some of the regional depots. One of The 2 main depots is based in Southern Sweden (Göteborg). Suppliers can be asked to supply directly to the regional depots. AXFOOD has an organized system of coordinating orders and gives suppliers ahead of schedule promotional volume in good time.

In connection with receiving an order the supplier will also know what time of the day the products must be delivered.

Axfood works towards 100% supply guarantee however accepts deviations as long as these are reported in time. Ahead of starting up a new business a master agreement is made between AXFOOD and the supplier.

4.3.4 AXFOOD, from introduction to launch

After doing the homework and research as recommended in the previous chapters, AXFOOD can be approached. First contact is the category manager of the specific product group.



The Vi chain consumer magazine.

He she will ask the supplier to forward precise information of the aim of the meeting together with an email presentation that shortly describes the company and the products to be presented.

Ahead of meeting AXFOOD shall receive pricing and conditions as well as a total lay-out on detailed investments per chain related to awaited sales volume, investments above the line and outline of the sales development.

Both, buyers and category managers are very time conscious and will only allow a meeting of one hour timeslot if they are convinced that this might be worth the investment.

Providing well developed information, preferably by e-mail, will help them responding positively towards agreeing to a meeting. This pre-information should include company background as well as good well thought ideas that demonstrate knowledge of the Swedish market.



At a meeting time should be focused on what it offers to Axfood in terms of profit and consumer acceptance (No social meetings).

It is a good idea to use the 1 hour so that all company and product and market information is done in 30 minutes and the rest of the time should be questions to the category manager. If successful, a second meeting might take place in which the final negotiations and adjustments as well as marketing investments will take place.



Ahead of having agreed a meeting do plan with 3 months preparation before the meeting.



During the *launch*, the agreed activities will take place and often Axfood asks its suppliers to participate in Rapid start, which is one free case per store listed, financed by the supplier.

4.4 Bergendahls



Bergendahls centrally coordinates central functions and concepts for purchasing, communication, business development, marketing etc.

Bergendahls is an independent retailer and has so far decided not to have any private label offerings.

Bergendahls			
Store concepts	Description	Assortment	Pricing
	Hyper markets	Wide range of FMCG.	Low prices
	Supermarkets	Wide range of products	Average to lower prices

Bergendahls	Number of stores	Market shares	
Total	176	5.6%	
Cíty Gross	28	3.2%	
Others	148	2.4%	

Buying & Marketing procedure

The Central buying organisation looks after the assortment and negotiates the joint supplier marketing for all above chains on an ongoing basis. During 4. quarter of 2010 the level for 2011 is decided.

4.4.1 Bergendahls pricing policy

As a wholesaler and by the same time having a full service supermarket operation, pricing within most of the chains are average for its supermarkets, for its hypermarket chains prices are low.

Overall City Gross hypermarket chain is the fastest growing and most successful brand within Bergendahls.

Margin requirements within Bergendahls are overall 30-35%. However there are differences per category and for chilled products the margin requirements are normally higher than for i.e. coffee that is a destination product.

4.4.2 Bergendahls promotional requirements and demands

Bergendahl has fixed marketing instruments that are offered to branded suppliers. These tools are presented to all suppliers ahead of next year's planning and negotiated with the category manager. The content is 1 week promotion in a one of the formats weekly Leaflets with a price discount. Good sales lifts are achieved between 300-600%.

As a rule of thumb the annual costs to these chain activities are around 15% of the net invoiced prices depending on the frequency.



In Appendix B please find overall costs for participating in Bergendahls 2010 chain promotions.

4.4.3 Bergendahls logistic structure

Logistics (and replenishment) within Bergendahls is very well organized. Bergendahls has 1 main depots next to it's headquarter in southern Sweden.

In connection with receiving an order the supplier will also know what time of the day the products must be delivered.

Bergendahls works towards 100% supply however accepts deviations as long as these are reported in time.

4.4.4 Bergendahls from introduction to launch

After doing the homework and research as recommended in the previous chapters, Bergendahls can be approached. First contact is the category manager of the specific product group.



He/she will ask the supplier to forward precise information of the aim of the meeting together with an email presentation that shortly describes the company and the products to be presented.

Both, buyers and category managers are very time conscious and will only allow a meeting of one hour timeslot if they are convinced that this might be worth the investment.

Providing well developed information, preferably by e-mail, will help them responding positively towards agreeing to a meeting. This pre-information should include company background as well as good well thought ideas that demonstrate knowledge of the Swedish market.



At a meeting time should be focused on what it offers to Bergendahls in terms of profit and sales potential (No social meetings).

It is a good idea to use the 1 hour so that all company and product and market information is done in 30 minutes and the rest of the time should be questions to the category manager.

If successful, a second meeting might take place in which the final negotiations and adjustments as well as marketing investments will take place.

Ahead of having agreed a meeting plan with 2 months preparation.

During the *launch*, the agreed activities will take place and first campaigns are planned ahead and will kick start sales..

4.5 Lidl



Lidl holds 3.1% of the Swedish market share in 2010 with 147 stores and positions itself as the largest discounter network in Europe. The product range is small and narrow but they try to follow a “value for money” strategy. In Sweden Lidl is aiming at elder couples with money and their TV marketing is focusing on these consumers. It is remarkable that Lidl in Sweden has had to launch a wider range of Swedish origin products to become successful. Lidl has within some product groups an overshare, this is the case within fruit juices where they have 8% share of the Swedish market.

4.5.1 Lidl pricing policy

Lidl pricing policy is utilizing its international economies of scale and its low cost operation to offer low prices to its customers. Margins differ strongly per product group and vary from 20 to 35 percent. Quotations to Lidl are always net and based on specifications as stated in tender documents

4.5.2 Lidl promotional requirements and demands

Lidl advertises once a week in national newspapers using non food offers as triggers to generate traffic. No involvement required for suppliers.

4.5.3 Lidl logistic structure

Lidl operates 2 depots in Sweden. One in Southern Sweden and one in Mid-Sweden.

4.5.4 Lidl, from introduction to launch

Lidl is more approachable now than when they launched into Sweden. Potential suppliers from other markets than Sweden need to contact their local Lidl organization (Lidl Ireland) and discuss export potential.



4.6 Netto

Netto holds 1.8% of the Swedish market share in 2010 with 100 stores and positions itself as a hard discounter. The product range is small and limited but Netto has a lot of weekly offerings (over 100 so called spot-products = in/out products). Netto follows a “value for money” strategy.

Initially when Netto started in Sweden they tried to follow their successful strategy from Denmark with a lot of Danish products. They have however been forced to replace these unknown by Swedish consumers articles with a basic Swedish assortment. Unlike Lidl you can negotiate promotional deals and Netto consumer paper advertising: Netto is easy to approach and honors suppliers that see the long term potential.

4.6.1 Netto pricing policy

Netto pricing policy is to be the lowest in the market for matching products: they do follow the pricing of leading soft discounter Willys carefully. Margins differ strongly per product group and vary from 20 to 35 percent.

4.6.2 Netto promotional requirements and demands

Netto advertises once a week in national newspapers using in/out variety products as triggers to generate traffic. No involvement required for suppliers.

4.6.3 Netto logistic structure

Netto operates 1 depot in southern Sweden.

4.6.4 Netto from introduction to launch

Netto is open minded and positive to new suppliers more now than when they launched into Sweden. There is a short way from having a meeting to getting a listing with Netto. It is often seen that Netto wants to test the potential of a new products by first starting with 2-3 in/out promotions and then on basis of this list the products into the everyday assortment.

5 Additional sources of information and references

5.1 Research

Nielsen Sweden

Maria Skolgata 83

11891 Stockholm

Tel. +46 8 453 2500

<http://se.nielsen.com/site/index.shtml>



GfK Panel Services

St Eriksgatan 44 2

112 34 Stockholm

Tel. +46 8791 3100

<http://www.gfk.com/se/>



5.2 Taxes and duties

Swedish Customs Authority

Box 12854

112 98 Stockholm

Tel. +46 771 520 520

<http://tullverket.se/>



Swedish Tax Authority

171 94 Solna

Tel: +46 771 567 567

<http://www.skatteverket.se/>



5.3 Packaging and labelling

Varefakta

Byledet 7

4000 Roskilde

Tel: +45 46 30 45 00

www.varefakta.dk



5.4 Logistics

Frode Laursen
Vittenvej 90
8382 Hinnerup
Tel: +45 87 64 64 64
www.frode-laursen.dk



5.5 Electronic Data Exchange

GS1 Ireland

The Nutley Building
Merrion Road
4 Dublin
Tel: + 353 1 208 0660
Website: <http://www.gs1ie.org>



For Sweden please contact;

GS1 Sweden

Vasagatan 46
111 91 Stockholm
Tel: +46 8 50 10 10 00
Website: <http://www.gs1.se>



5.6 Retailers

AMS Sourcing

WTC Schiphol airport D-5
Schipholboulevard 245
1118 BH Schiphol Airport
Tel. 31 20 406 70 58
www.ams-sourcing.com



AXFOOD Sverige AB

Hemvärnsgatan 9
171 78 Solna
Tel: + 46 8 553 99 000
www.axfood.se



COOP Sverige
Englundavägen 4
171 88 Solna
Tel: + 46 8 743 1000
www.coop.se



EMD European Marketing Distribution
Churerstrasse 166
CH 8808 Pfaffikon
Switzerland
Tel: +41 55 415 3939
www.emd-ag.com



ICA Sverige AB
Svetsarvägen 16
171 93 Solna
Tel: +46 8 561 500 00
www.ica.se



Lidl Sverige
Box 4093
171 04 Solna
Tel: +46 8 5555 7000
www.lidl.se



Netto Sverige
Blackebergsvägen 14
311 94 Falkenberg
Tel: +46 346 696 000
www.netto.se



Systembolaget
Kungsträdgårdsgatan 14
103 84 Stockholm
Tel: + 46 8 503 30000
www.systembolaget.se
(Retail sales listing procedure and trade in alcoholic beverages)



United Nordic

Hemvärnsgatan 9

171 78 Solna

Tel: +46 8 553 99 657

www.unitednordic.com

(Coordinated Nordic buying for Axfood Sweden)



5.7 Food law/rules/marketing/return

National Food Administration

Livsmedelsverket

Box 622

SE - 751 26 Uppsala

Tel: + 46 18 17 55 00

www.slv.se



REPA

Kungsbron 2

101 33 Stockholm

Tel: +46 8 566 144 00

www.repa.se



RETURPACK

Box 432

60105 Norrköping

Tel: +46 11 19 19 60

www.returpack.se



Svensk Glasåtervinning

Strandvägen 2

696 74 Hammar

Tel. +46 583 871 00

www.glasatervinning.se



5.8 Statistics

Statistics Sweden

Box 24 300

104 51 Stockholm

Tel: + 46 8 506 940 00



www.scb.se

5.9 Organic

KRAV

Box 1037

751 40 Uppsala

Tel: + 46 18 15 89 00

www.krav.se

(KRAV is the certification organisation for organic production)



Appendix A - Listing Windows 2011

Assortment Changes Swedish retailers 2011										
	GSG July 2010									
	Category changes 2011	Jan	Feb	Mar	Apr	Maj	Aug	Sep	Okt	Nov
	Week	3	6	10	14	18	31	36	40	45
	Date	17-jan	07-feb	07-mar	04-apr	02-maj	01-aug	05-sep	03-okt	07-nov
1	Dairy		X			X		X		X
2	Cheese		X			X		X		X
3	Cold drinks		X		X			X		
4	Snacks	X			X			X		
5	Dry bread/cakes	X			X			X		
6	Fresh bread		X			X			X	
7	Charcuterie			X		X		X		X
8	Child meals		X			X		X		X
9	Fish			X		X				X
10	Confectionary		X			X		X		
11	Ice cream			X		X			X	
12	Frozen		X		X			X		X
13	Breakfast	X			X			X		
14	Coffee/Tea		X			X		X		
15	Canned		X			X			X	
16	Soups	X					X			
17	Desserts	X			X		X			
18	World Food	X			X		X			
19	Aromas	X			X				X	
20	Psta, Rice	X			X				X	
21	Baking		X			X			X	
22	Sensory		X					X		
23	Baby		X			X		X		
24	Animal	X			X				X	

Appendix B - Retailer promotional costs 2011

Costs of Chain promotion activities - Sweden 2010			
Chain	1 week Promotion*	No. of activities	
	excl. Discount**	An example	Yours
Coop Sverige			
Coop Forum	225.000	3	
Coop Extra	100.000	2	
Coop Konsum	350.000	3	
Coop Nära	75.000	1	
Total Coop			
ICA Sverige			
ICA Maxi	100.000	4	
ICA Kvantum	150.000	3	
ICA Superm.	200.000	2	
ICA Nära	75.000	1	
Total ICA			
Axfood			
Hemköp	100.000	2	
Willy:s	175.000	3	
PrisXtrta	10.000	2	
Tempo	7.500	2	
Bergendahls			
City Gross	55.000	3	
*The activities last for one week.			
**Example of a discount during an activity: Normal RSP SEK 19.95. Discount to the Consumer SEK 5.00. The supplier pays SEK 3.00 towards the rebate.			

Appendix C - Nielsen Market Trends and Shopper Trends

Prices 2010 - Market Trends and Shopper Trends

Below you can find prices of both Market Trends and Shopper Trends. If you buy more than one report - for example all four Nordic reports or one Market Trends and one Shopper Trends - we offer a discount. Please see the discounts below.

Market Trends will be delivered in pdf format. A printed report can be ordered in addition for extra 3.200 DKK.

Shopper Trends will be delivered in a Power Point file and includes a personal presentation. A printed version of the report can be ordered in addition for extra 3.200 DKK.

All prices are in DKK exclusive VAT.

Priser på rapporter

Market Trends Denmark	25.900 DKK
Market Trends Norway	25.450 DKK
Market Trends Finland	36.250 DKK
Market Trends Sweden	28.050 DKK
Shopper Trends Denmark	34.500 DKK
Shopper Trends Norway - Total market	42.800 DKK
- Shopper Trends Norway - The Grocery Trade	33.050 DKK
- Shopper Trends Norway - The Service Trade	17.850 DKK
Shopper Trends Finland	27.200 DKK
Shopper Trends Sweden	25.550 DKK

Discounts

1 report	0%
2 reports	10%
3 reports	15%
4 reports	20%
5 reports or more	25%

For more information, please contact your Nielsen consultant or Susanne Rosborg/Marie Louise Schwartz on +45 77 88 22 00, or you can visit us on www.dk.nielsen.com

Copyright© 2008 The Nielsen Company. All rights reserved.
Nielsen and the Nielsen logo are trademarks of The Nielsen Company



Appendix D – Major retailers RDC's

Major Retailers RDC's in Sweden		
ICA Sverige	2 central warehouses	Helsingborg & Västerås ICA distributes to Kungälv, Borlänge and Umeå
COOP Sverige	3 main terminals	Västerås, Växjö and Umeå
Axfood (Dagab)	3 Main warehouses	Gothenburg, Jordbro and Borlänge
Bergendahls	1 central warehouse	Hässleholm
Lidl	2 central warehouses	Halmstad, Eskilstuna
Netto	1 central warehouse	Falkenberg



Appendix E – Other information

Lead Times

	Working Days
ICA	5
Coop	4
Axfood (Dagab)	5
Bergendahls	3

This can be negotiated and depends on category.

EDI

All the four groups use EDI and it is expected to be a demand in the future.

Minimum drop loads

One 1/1-pallet (Other to be negotiated)

Pallet requirements

Only approved 1/1 EUR-pallets (1200 x 800 mm)

Maximum height with goods (inclusive pallet): 125 cm
Important that product fit within the pallet.

½ -pallet: 800 x 600 mm

Shall always be loaded on an approved 1/1 EUR pallet.

Pallet labelling as per EAN standard.

The labelling shall be positioned alongside the barcode on one of the pallets
Short or long sides.

Currency

The trading currency is local currency (SEK) or EUR.
This can be negotiated.

Appendix F - Used abbreviations

MOMS	Swedish word for VAT, (see also VAT)
BRC	British Retail Consortium, trade organization for the UK retail industry
CHEP	Commonwealth Handling Equipment Pool
EAN	European Article Numbering (see also GTIN)
EANCOM	EAN Communication
EDI	Electronic Data Interchange
EU	European Union
GDSN	Global Data Synchronization Network
GFSI	Global Food Safety Initiative
GLN	Global Location Number
GTIN	Global Trade Identification Number, formerly known as EAN, (see also EAN)
KPI	Key Performance Indicators
MSP	Manufacturers Selling Price
RSP	Retailers Selling Price
SEK	Svensk Krone(Swedish currency)
SKU	Store Keeping Unit
VAT	Value Added Tax