

# Yukon Liquor Corporation Listing, Pricing & Promotion by Manufacturers & Suppliers

## **Key Principle:**

Listing, pricing, and promotion should encourage social responsibility in the sale and consumption of alcoholic beverages.

## **LISTING**

All liquor products must be sold by manufacturers and suppliers to the Yukon Liquor Corporation. Any individual or licensee who wishes to obtain a product not carried by Yukon Liquor Corporation may request the product through the Corporation as a special order.

To add a product, the manufacturer/supplier makes an *Application for Listing* to the Yukon Liquor Corporation. Each *Application for Listing* will be evaluated on the following criteria:

- quality of product
- uniqueness of product
- packaging and labelling of product
- sales projections and potential profit to Yukon Liquor Corporation (including an assessment of sales performance in other jurisdictions)
- proposed retail price
- marketing plan and promotional support
- number of brands available in the product category
- sales trends in the product category
- product testing
- other applicable information

**Initial Pricing Information** from the manufacturer/supplier must include:

- price quote FOB Vancouver, duty & excise paid; and,
- special terms of sale (e.g., introductory price offer, price discounts, or minimum order quantities).

**De-listing** – A product will be de-listed if it does not meet acceptable sales levels, quality of product or packaging, competitive pricing, or continuity of supply. When Yukon Liquor Corporation de-lists a product, the retail price will be reduced by 10% to 40%, and the supplier will absorb 50% of the discount. At the supplier's expense, warehouse stock will be shipped to another jurisdiction or returned to the supplier.

## **PRICING**

Yukon Liquor Corporation sets retail prices through a formula, including product cost duty and excise paid, freight costs, taxes, handling costs, container fees, and mark-ups.

- **Price Changes** – Suppliers may give introductory price discounts on new listings for a period of up to six months. Yukon Liquor Corporation will review supplier requests for price changes quarterly. Proposed price increases must be provided 1 month in advance for beer, and 3 months in advance for other products. 2 months' notice is required for proposed price discounts. The Corporation will bill the value of the discount on existing stock back to the supplier.

**Product Requirements** – All products must meet the requirements of the Canada *Food & Drugs Act* and *Regulations*.

- Defective products will be returned or destroyed at the expense of the manufacturer/supplier.
- Manufacturers/suppliers must warrant their products against defects.
- Manufacturers/suppliers are responsible for all damages caused by products containing hazardous, toxic, or contaminating components.

**Product Labelling Requirements** – Identification, trademarks, and indications on product labels must be clear and correct, and they must not mislead customers. All product labels must bear the nationally assigned Global Trade Identification Number (GTIN) and must meet requirements of federal legislation. Any major change of container, label, or presentation of a product must be submitted to Yukon Liquor Corporation for approval.

**Case Labelling** – Case labels must provide product name and description, storage instructions, size and number of bottles, and the Global Trade Identification Number (GTIN).

## **PROMOTION**

In general, the supplier, agent, and sales representatives are solely responsible for the promotion of their products. However, Yukon Liquor Corporation will work in partnership on product promotions to provide appropriate store placement and merchandising, consistent with Yukon Liquor Corporation standards.

Value-added promotions (on-packs, in-packs, near-packs) must be approved by Yukon Liquor Corporation. Promotional materials in all formats must comply with the CRTC standards for broadcast advertising (attached).

**Sales Representatives** – All sales representatives and agents operating in the Yukon must be registered with Yukon Liquor Corporation. It is the responsibility of suppliers and agencies to notify the Corporation of changes to the names or addresses of its representatives.

### **How can a manufacturer/supplier advertise and promote its products?**

- advertise the name of product and its attributes (see attached for standards)
- sponsor events
- provide liquor samples to licensees in limited amounts
- host consumer tastings
- run a contest with a non-liquor prize
- donate liquor products to a charitable organization as a prize in a licensed gaming activity, with the written permission of the Yukon Liquor Corporation
- offer non-liquor gifts
- host a theme night in partnership with a licensee
- provide scholarships/bursaries to post-secondary students

### **Can manufacturers/suppliers provide gifts to licensees as a promotion or incentive?**

Licensees can accept promotional items of nominal value (such as coasters, posters, place mats, swizzle sticks, scoreboards, chalkboards, clocks). Licensees can use more expensive promotional items, but these must be owned by the manufacturer or supplier.

Licensees can accept product samples from manufacturers and suppliers in limited amounts, for consumption only by licensees and staff (not patrons). These samples should not be more than 1 standard-sized bottle per year, or 1 dozen beer, of a particular product.

Licensees cannot accept any financial or other benefit (rebate, price discount, form of payment, etc.) from a manufacturer or supplier.

## **TASTINGS**

Consumer tastings are allowed in licensed premises. These tastings may be advertised.

Sample sizes should not be more than:

Beer, cider, coolers	2 oz.
Wine	2 oz.
Spirits	½ oz.

Tastings held in Yukon Liquor Corporation liquor stores must be coordinated through Yukon Liquor Corporation.

Consumer tastings may be held in non-licensed premises with the written permission of the Yukon Liquor Corporation, with conditions appropriate to the circumstances.

## **CODE FOR BROADCAST ADVERTISING OF ALCOHOLIC BEVERAGES**

### **Canadian Radio-Television and Telecommunications Commission**

Commercial messages for alcoholic beverages shall not:

- a) attempt to influence non-drinkers of any age to drink or to purchase alcoholic beverages;
- b) be directed at persons under the legal drinking age, associate any such product with youth or youth symbols, or portray persons under the legal drinking age or persons who could reasonably be mistaken for such persons in a context where any such product is being shown or promoted;
- c) portray the product in the context of, or in relation to, an activity attractive primarily to people under the legal drinking age;
- d) contain an endorsement of the product, personally or by implication, either directly or indirectly, by any person, character or group who is or is likely to be a role model for minors because of a past or present position of public trust, special achievement in any field of endeavour, association with charities and/or advocacy activities benefiting children, reputation or exposure in the mass media;
- e) attempt to establish the product as a status symbol, a necessity for the enjoyment of life or an escape from life's problems, or attempt to establish that consumption of the product should take precedence over other activities;
- f) imply directly or indirectly that social acceptance, social status, personal success, or business or athletic achievement may be acquired, enhanced or reinforced through consumption of the product;
- g) imply directly or indirectly that the presence or consumption of alcohol is, in any way, essential to the enjoyment of an activity or an event;
- h) portray any such product, or its consumption, in an immoderate way;
- i) exaggerate the importance or effect of any aspect of the product or its packaging;
- j) show or use language that suggests, in any way, product misuse or product dependency, compulsive behaviour, urgency of need or urgency of use;
- k) use imperative language to urge people to purchase or consume the product;
- l) introduce the product in such a way or at such a time that it may be associated with the operation of any vehicle or conveyance requiring skill;
- m) introduce the product in such a way or at such a time as may associate the product with any activity requiring a significant degree of skill, care or mental alertness or involving an obvious element of danger;
- n) contain inducements to prefer an alcoholic beverage because of its higher alcohol content;
- o) refer to the feeling and effect caused by alcohol consumption or show or convey the impression, by behaviour or comportment, that the people depicted in the message are under the influence of alcohol;
- p) portray persons with any such product in situations in which the consumption of alcohol is prohibited; or,
- q) contain scenes in which any such product is consumed, or that give the impression, visually or in sound, that it is being or has been consumed.