



htstrong

for the

Holidays



Merchandising

Chuck Thompson



The holidays are fast approaching
and today we will talk about
setting ourselves up to **WIN!**



The current supply chain remains **extremely challenging** and we think this year's largest consumption holidays will be even **bigger.**



The uncertainty of the restaurant industry during this holiday season will present us with **huge opportunities.**



We **will be prepared!**
Planning and **execution**
are always **the keys!**



The teams have been **very proactive** in regards to:

- Forward buying to secure key inventory on the items that index the highest
- The weekly merchandising plan
- The holiday playbooks
- With the **right execution** incremental display opportunities will present **great sales opportunities!**



Harris Teeter represents a long standing trusted tradition of **quality and stability** to our customers as they celebrate with family and friends in these challenging times.



This is our time to show
we do holidays the best!

HTStrong will **WIN** this season!



Now, our merchandisers will take you through each of their respective plans and highlight **key sales** and **profit drivers.**



Meat & Seafood

David Hess



HOLIDAY BIRDS

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- Start the schematic change on 10-21 and complete by 10-27
- Turkey Sale breaks w/e 11-17
- Ensure that we remain in stock all season
 - All Sizes Butterball Turkeys
 - All Sizes HT Turkeys
 - All Variety Poultry
 - Shadybrook Farms Turkey Breast
- Special Orders
 - Verify with Meat Merchandising before committing to the order
 - Keep a notebook
 - Print special order forms from the web.



SMOKED MEAT

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- **We have the variety!**
 - Spiral, Quartered, Sliced, Smoked, Baked, and Steaked
- Expanded schematic available on 11-9
- Up Sell from HT to HT Traders or Branded
- Do not store in shopping carts



BEEF

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- We are the destination for Prime & Wagyu Beef
- Massive displays with tied Tenderloins, Ribs, & Steakhouse Roasts
- Majority of sales come during Christmas/New Year's, but Thanksgiving is getting bigger each year!
- **UP SELL!**



Seafood- Sell Shrimp & Get Ca\$h

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Who?

- Meat/Seafood Mgrs, Perishable Co's

What?

- Another Ca\$h Contest

Where?

- Anywhere you can keep them cold

When?

- 11-4-20 through 1-26-21

Why?

- Incremental \$2.5M in Sales!



Seafood-COLOSSAL Sales

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- This is what separates us from our competition
- Display **Colossal** items Thursday through Sunday
- Ensure they are signed with 3X5 Specialty Sign
- Refer to Sales Plans starting w/e 11-26



Seafood-How to Drive It

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Expand and Sell

Follow Calendar Dates

Maximize Varieties

Crab

Cooked Shrimp

Raw Shrimp

Live Shellfish



Plan Ahead to Stay Ahead

Order/Thaw/Sell



Bridgford Shippers

- Key to support pepperoni demand with Hormel supply gaps
- DSD program, 100% Guaranteed
- Full credit on remaining product when we complete program



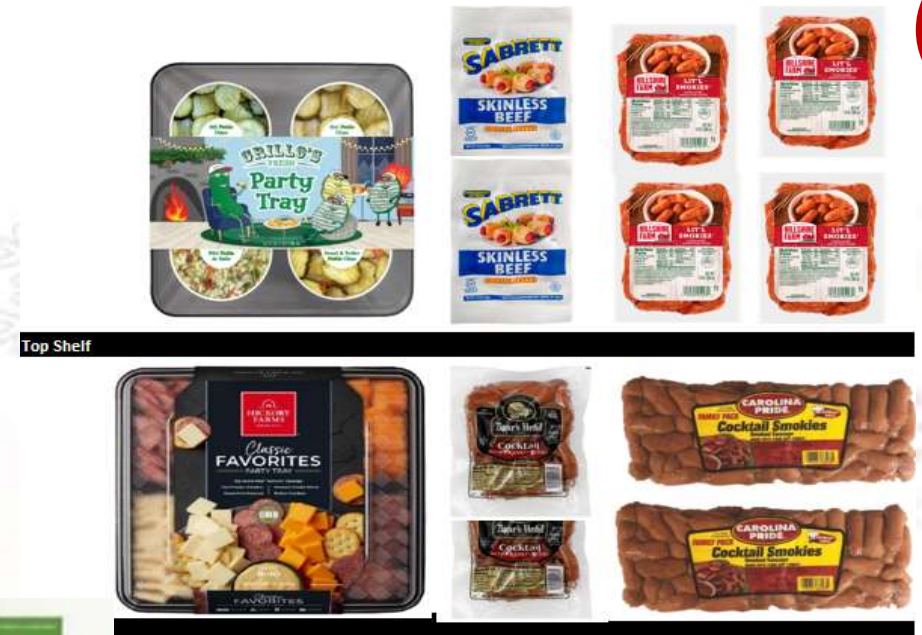
In/ Out Holiday Items

- Cocktail Smokies/ Party Trays
 - Merchandise Under Fresh Meat Service Case

Holiday Shippers

- Niman Charcuterie & Hickory Farms Summer Sausage
 - Delivery details on web

Under Service Case POG Example



Produce & Floral

Mark Hilton



Produce - Important Dates

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- 11/11 Complete dept. Cycle count.
- 11/18 Total department price scan.
- 11/19 Implement Holiday PR levels. Back to normal on 11/24.
- 11/18-11/25 Fill wet rack to Late Week PAR levels.
- 11/26-12/02 Fill wet rack to Early Week PAR levels as business will be slower after the holiday.
- Review Order Guide with LY movement.
- Order Full book variety.



Produce - Bananas

Thanksgiving week only: All stores order your own banana needs based on their holiday delivery schedule.

Scan data from last year will be provided to assist with this year's orders.

Order the right amount of Green Bananas on your last delivery prior to Thanksgiving to carry over until your next weekend shipment.



Produce - Displays

Thanksgiving we will promote Sweet Potatoes at very hot retail.

Expect case movement to increase **9** times over average weekly order.

Cross merchandise Simple Truth Shelled Nuts, Mini Marshmallows, Brown Sugar.

Tie in case stacks of higher profit items like sweet onions.



Produce - Displays

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- Increase space allocation on Celery and Cranberries on November 1, maintain 2 rows through Christmas.
- When ordering Celery, expect case movement to increase 6 times over a regular week.
- Schedule labor hours to stay 1 day ahead on trimmed, washed and banded Celery.
- Stuffing mix with chopped Celery and seasoning will be available 11/15. Display above Celery.



Produce - Displays

- Tie in unit drivers to support our incentive goal.
- Keep all displays Fresh and Appealing.
- Build Creative Holiday Displays to create impulse sales.
- Utilize original shipping cartons to highlight the product.



Produce - Displays

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Build extra displays on key holiday items like

- 24 oz. Petite Potatoes
- 1 lb. Brussel Sprouts
- Cranberries
- Green Beans in Tote bags



Holiday items like:

- 2 lb. Brussels Sprouts,
 - 2 lb. Cranberries,
 - Purple Brussel Sprouts
 - Tofurky Roasts
- will be available this season.
All had very good sell through last year.



Produce - Displays

Tie in Simple Truth Shelled Nut bins next to in-shell bagged nuts. Maintain displays until Jan. 01, 2021.

Italian Chestnuts will ship middle November. Very important to display on refrigeration to prevent dehydration. Merchandise above Asparagus.



Produce - Contest

Honey Crisp Apples and Lighthouse Cider Contest runs from 10/28-11/24

- Sales Goal of **\$1.5M**
- Top 3 Produce Managers in each region have a chance to win extra cash.
 - 1st Place \$350**
 - 2nd Place \$250**
 - 3rd Place \$100**
- \$50 for each Produce associate in 1st place winning store.



Produce - Holiday Close Down Expectations

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- Write good schedules and orders to get an exceptional close each evening. Leave a To Do List!
- Have Team Huddles every day so all associates are aware of the expectations.
- The expectation is to have all sales floor displays and convenience wall sections Filled, Rotated, and Fronted each evening.
- Every morning your Produce Dept. should look like these photo's. Will Yours?



Floral - Thanksgiving

Holiday Arrangements

High Sales/High Profit/High Labor

- Pre-planning is a must
 - We will provide LY's quantities soldYour goal: Sell 25% more TY than LY
 - Pre-green containers up to 1 week prior (table center pieces)
- **Cooler Merchandising**
 - ½ Everyday themes and colors
 - ½ Holiday arrangements
- **Satellite Table**
 - Set up as of noon 11/20
 - Arrangements/Upgraded Plants
 - Plan to include at least one Christmas arrangement



Floral - Thanksgiving

Other Areas of Focus

Countertop Merchandising

Display Thanksgiving containers, both empty and upgraded in corners of countertop

Consumer Bunch Display

Seasonal colors displayed towards front, everyday colors in back

Plant Upgrades

100% of plants should be upgraded as this is a gift giving holiday

Balloons

All seasonal balloons to be inflated by 11/19 and displayed with plant displays and other seasonal displays

Poinsettias

Build a small satellite display in department

Sales and Markdowns

25% of sales fall on Thanksgiving Day

Condense product and move all fall product towards arrangement table as holiday displays sells down

Take markdowns as needed by noon 11/26



Fresh Foods

Leo Beggen



Fresh Foods Holiday Dinner Plan

Holiday Dinners

Expectations are for a **20% increase this year**

- All Store Dinner brochures will be sent to all stores late October
- There are no changes to the dinner offer
- Super Flagship Dinner Brochures will be sent to all stores late October
- We have added dinner for two and dinner for four options
- Side dishes force-outs will ship to all stores early November
- Proteins force-outs will ship to all stores early November
- Dinner boxes will be forced out early November
- If anything is needed prior to these dates contact Fresh Foods Merchandising



Fresh Foods Holiday Entertaining

Entertaining at home should increase this year
Ensure you have plenty of party tray brochures available and have all the necessary supplies and products

Fresh entertaining smaller party trays merchandised on Salad bar should create impulse sales.

Ensure these items are available daily and increase production at weekends and holidays
Sales goal

\$2M

FRESH ENTERTAINING
Tasty party trays that are ready to grab and go or order ahead for your next get-together!

PARTY TRAYS (SERVES 4-5) **NEW!**

| | |
|------------------------------|-------|
| Specialty Cheese Board | 12.99 |
| Fruit & Cheese Platter | 12.99 |
| Caprese Salad | 9.99 |
| Wing Sampler | 14.99 |
| Chicken Tender Sampler | 14.99 |
| Slider Tray Sampler | 14.99 |
| Deviled Eggs Platter | 9.99 |
| Mini European Pastry Sampler | 12.99 |
| Mini Decadence Sampler | 12.99 |
| Brownie Sampler | 7.99 |

Order Ahead
through harris-teeter.com or the Harris Teeter App

Harris Teeter
Your Favorite Food & Experience



Fresh Foods Specialty Cheese

Specialty cheese is already up 20% versus last year
Expectation for the holidays is even greater

Make sure you have plenty of product and added variety
20% off all specialty cheese is w/ending 11/10/20

All stores should have full variety and full cases from then through end of year

Pay special attention to key holiday and seasonal items posted in holiday folder on Fresh Foods Web Page



Cheese board is #1 Fresh Entertaining Item should be merchandised in both cheese case and entertaining section



Starbucks's Holiday Selling

Starbucks holiday launch

11/6/20

Ensure your stores are ready

Remember to schedule for gift card activation

Last year **53,000 gift cards** were activated at Starbucks's



Fresh Foods Holiday Merchandising

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All Fresh Foods Force-outs will ship to stores end of October

- Pretzel crisps
- Pies
- King's Hawaiian Rolls
- Take & Bake rolls
- Snowflake rolls
- Gingerbread houses
- Claxton cakes
- Cookie trays
- Stollen

Additional product will be available for order after force-outs

Ensure you order ample supplies for key items



Fresh Foods Holiday Merchandising

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Build your displays early
Seasonal signs have been sent to all stores

Cross-merchandise where appropriate
Please ensure you follow the calendar for pie production

Secondary incremental displays of rolls and pies can be merchandised during the holiday week

Fresh Foods 2020 Holiday Merchandising
playbook will be sent to all stores
end of October

All additional information is available on
the Fresh Foods Web Page



Non-Perishables

Chuck Munn



Center Store



GROCERY – Key Takeaways

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- It is imperative that we execute the plan 100% and avoid going above and beyond without approval from the Ops. Managers and Merchandising
- The supply chain continues to be very heavily impacted by increased sales and supply opportunities due to COVID-19
 - ✓ Stores executing a program and ordering a larger number of cases that we are not prepared for could create out of stocks in all remaining stores serviced by that warehouse
 - **proper communication is critical**
 - ❖ We have worked diligently together to create an aisle stack program for select stores on certain days
 - ❖ We have collaborated on the timing, execution, and force outs of backroom wall items and have planned “cross merchandising” items
- The holiday playbooks were updated with input from the Operations Managers and District Managers to continue enhancing our programs
 - ✓ These have been distributed to stores as of Friday, October 9th



CAPTURING INCREMENTAL SALES

- Shippers provide opportunity for an incremental sale – please do not work product to the shelf until shippers are significantly sold through
- Keep shelf extenders full – these drive impulse sales, baskets and provide great margin opportunity
- Bird Seed Metro Racks and Firewood Pallets outside are incremental selling opportunities
- DSD Hutches and Pallets create points of disruption on the perimeter
- Arnold and Martin's Stuffing will be on display via hutches this year instead of the modules and we will have 12/24 count Wonder rolls on sale for the holiday weeks also supported by displays



HOLIDAY MODULES – HAPPY SELLING!

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- Based on learnings and successful results last year, we have expanded the module programs and assortment for 2020
- All initial mods will be shipping to stores between 10/11/2020 and 10/28/2020 – They will be received in the following order: Baking, Stuffing, Nestle, Non-Foods
 - ✓ Nestle and Non-Foods are new this year and images are on the next page
 - ✓ Additional waves of mods are available in limited quantities – please reach out to Stephanie Messer if you would like another. The highest volume stores will receive two as planned.
- We have increased the tag counts for all items on these modules so stores will not need to make hand-made tags
- Execute the planogram 100% and do not use the mods for clean up or additional items – please refill as items sell down
 - ✓ We are charging suppliers for these placements to offset our costs – treat the planograms as if they are “endcaps” and follow the plan
 - ✓ Planograms will be posted on the Holiday Webpage for reference
- McCormick Holiday Spice Pallets will be utilized again this year – the first waves will be on the floor on 10/21
 - ✓ Most stores will receive either a pallet, quarter pallet, or combination based on sales last year; there will be some extras available as needed
 - ✓ All items on the pallet will be 25% off and we have sent out holiday signs for the displays



PRE-BUILT MODULES – New for 2020



NESTLE MOD



NON-FOODS MOD



**BAKING MODULE
ARE IN STORES
NOW!**



EXECUTING THE HOLIDAY PLANS – DAIRY/FROZEN

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- **Follow the Display plans 100%**
 - ✓ Drive sales with seasonal favorites: creamers, cookies, ice cream, novelties, etc
 - ❖ We are carrying 4 seasonal 48oz ice creams, produced by our Hunter Farms facility, from September through early January. Flavors include Pumpkin, S'mores, Peppermint Bark and Egg Nog. Through 10/13, we have sold over 30,000 units!
 - ❖ Harris Teeter and Southern Comfort Egg Nog arrives 10/17. All stores will receive an initial force-out for display beginning 10/21. Our egg nog line up this year will include the usual favorites (Plant Based, Organic, and Fresh)
 - ❖ In addition, we have partnered with the Nellie's brand to offer the first ever Nog made with Free Range Eggs!
- Execute shippers for incremental sales (parmesan cheese, Velveeta cheese, Kraft jar cheese, LaColombe peppermint coffee, Athenos shells)
- Due to supply opportunities:
 - ✓ Edwards Pecan Pie shippers will not be available
 - ✓ Mrs. Smith Sweet Potato pies will not be available – we will carry Sara Lee



Merchandising Resources!

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- **Our weekly displays can be found in our period-long display books**
 - ✓ Endcaps
 - ✓ Wings
 - ✓ Gondolas
- **There are many holiday resources available to stores on our department Holiday webpages**
 - ✓ Holiday Wall Forceout List
 - ✓ Sparkling Juice Order Guide
 - ✓ Copies of playbook
 - ✓ Planograms for Modules
 - ✓ Module/Pallet Forceout Plans
 - ✓ Shipper Forceout Plans – these will be updated weekly as forceouts go out



HBC & GM



Keys to Winning the Holidays in HBC & GM

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- Transition from Halloween to Christmas on 11/1
- Build the Seasonal Gondolas to Plan: Side A Candy, Side B Décor and Side C Holiday Gifts – Use pre-made tags and signs
- Execute Holiday Shippers and Cross Merchandise them in good positions
- Display Roasting Pans and Kitchen Tools near the Meat Bunkers
- 72 Hours Prior to Thanksgiving & Christmas, pull all Theme Holiday displays up to front by gondolas- consolidate, create impactful displays, and make it easy for customers to shop and buy now!



Transition Halloween to Christmas Seasonal

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- Halloween: Use Markdown Tables
- Show Variety of Clearance Items
- Hang Pre-Made 75% Off Signage
- Work Tables Daily
- Set Christmas on 11/1
- Follow POGS
- Hang Pre-Made Tags
- Hang Pre-Made Signage



Display Christmas Shippers 11/1

- Candy and GM Shippers will arrive in Waves
- More Toys, Stocking Stuffers and HBC Gifts This Year



New



New



New



Bluetooth



New



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New



New



More Great Impulse Gifts This Year

- Use Clips Strips :
- Wine Bags
- Santa Hats
- Gift Card Holders
- Batteries
- Baking Implements



New



New



Gift Cards and Fuel Points Events

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- Full and Quarter Modules
- New Gaming and \$10 Shippers
 - Cross Merch w Greeting Cards
- New Gift Card Website / HBC GM

Info to help you write great orders and have appropriate backstock:

- Top Sellers by Store for Nov & Dec Last Year (50% of Annual Sales)
- Top Sellers 10 Days Prior to Christmas by Store (25% of Sales)
- Event Dates for Fuel Points
- Order Codes



Adult Beverage



Adult Beverage – Win Big!

Win Big with Sparkling - \$6M Prize

- Display plan accounts for 75% of Sparkling Sales
- Seasonal Gondola sets with Sparkling on 11/4

Win Big with Seasonal Beers

- Execute Warm Beer Gondola Endcaps

Win Big with Gift Packs

- Execute Seasonal Gondola

Win Big with \$15+ Wine

- Private Label Altv's, Meiomi, Decoy
- Wine Down for Weekend Luxury Brands
 - Banshee
 - Roth
 - Ferarri Carano



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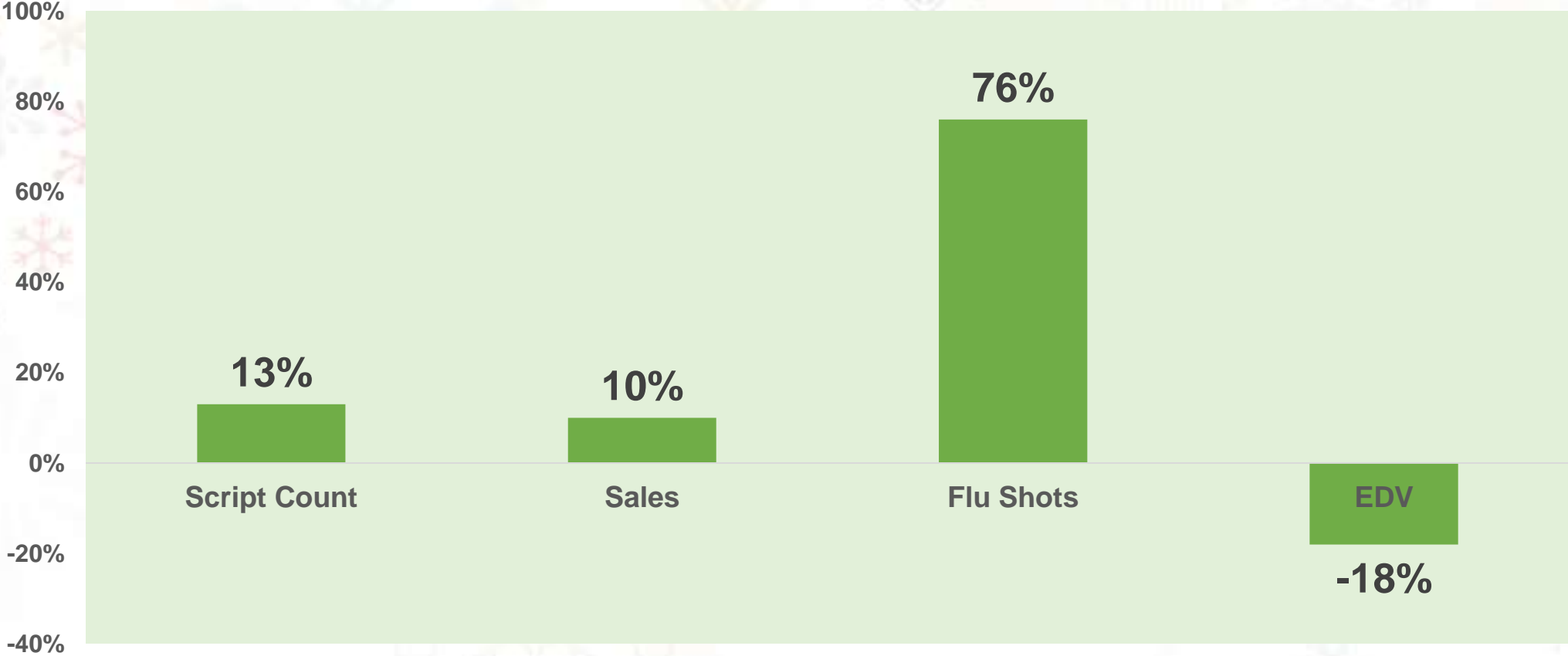


Pharmacy



Pharmacy Review

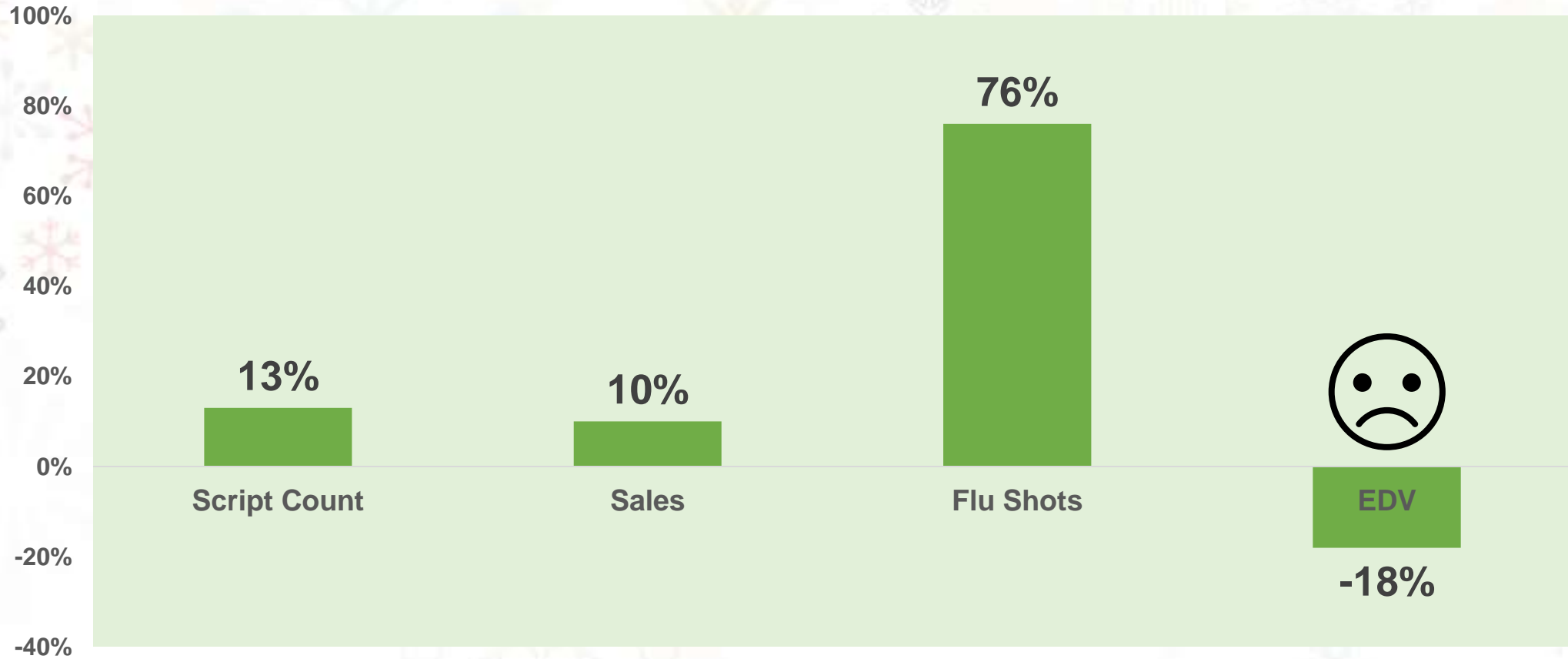
YTD Pharmacy Review



Pharmacy Review

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YTD Pharmacy Review



Turkey Shots Sales Driver!

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Goals

30 Pneumonia Vaccines in November

Focus

Drive Everyday Vaccines
Technician engagement

What's the return?

Average pneumonia retail
= \$162 per vaccine
\$1,025,460 (\$4,860 per store!)



Operations

Duane Inskip



Thanksgiving Day Staffing / Scheduling (Competitive Closures)

Front End:

- More frequent cash pickups
- Ensure all equipment is operational
- Fully staffed and trained
- Gift card racks full: plan in place to keep full

Transportation:

- Holiday delivery schedule posted by 10/29
- Any concerns with the schedules contact your DM who will contact Operations Managers



Operations

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Asset Protection:

24 Hour/Seasonal Stores: Verify closing procedures(locks and alarm check)

Refrigeration Checks: Protect our assets. Operations Managers will send out Information

Hours of operation: **Close at 2:00pm** on Thanksgiving Day and **reopen at 8:00am** on Friday morning

Emergency Contact List: Is it up to date?

Daylight Savings(11/1): Parking lot lights, alarm panel, and CCTV time check



Associate Relations:

- Holiday Celebrations: Covid protocols in place(individually wrapped items)
- Uniform and Nametag Compliance
- Flu Shots: Final weeks of contest,
- Open Enrollment: 10/28-11/18
- Enroll within the first 10 days to be entered into a drawing to win 1 of 20, \$50 HT Gift Cards

CAO:CAO: Out of Stock Scans:

- Q3 LY: 56 Controllable Outs: All scans completed
- Q4 LY: 61 Controllable Outs: 50 stores (the best stores) exempt
- AP 8- 122 Controllable Outs
- AP 9- 95 Controllable Outs
- Store 254- 14 Controllable Outs
- Store 440- 22 Controllable Outs
- Stores 398 and 423- 25 Controllable Outs



Holiday Display Planning:

- DM's schedule Pre-Walks with stores to agree upon location for holiday displays
- Maps(fixture plan of each store)
- Halloween Transition: Markdown tables up with product priced/signed. No carts

Holiday Store Visits:

- 4 smaller teams this year
- Details coming out soon



Fuel Points

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- Huge opportunity with Gift Cards and Fuel Points
- Over 42% of gift card sales happen on November & December
- 4X Fuel Points, with digital coupon download, runs Nov 4 – Dec 8
- Heavy promotion of this offer on TV, Radio, digital, e-mail and social
- Continued gift card promotion throughout the month of December
- Engage with every customer, tell them their points balance and how much they can save!



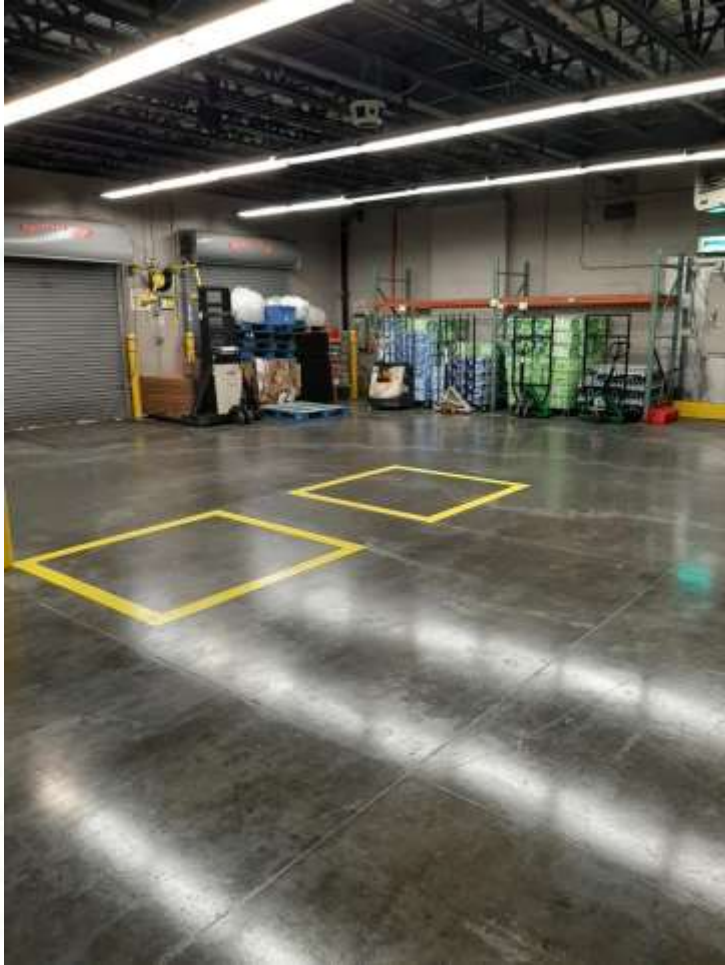
expresslane

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- Expresslane sales continue to be extremely strong and will continue through the holidays
- Sales will exceed \$400 million this year for expresslane!
- We currently are at a 78% identical sales increase for the year!
- Be sure we get all our Expresslane associates fully trained to meet the holiday demand.
- Proper Covid Protocols in place
- Ensure all equipment is operational
- Carve out additional space in coolers/freezers for increased orders











Service Excellence

- AP 9: **96.27**
- Continue to deliver upon our core principles
- Opportunities with sales/freshness
- Only one chance to make a first impression
- We will **WIN** Thanksgiving!!

Deliver WORLD CLASS SERVICE EVERYDAY!



Enjoy time with your Families

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Thank You
#HTStrong #HTProud



“ONCE IN A LIFETIME NEVER AGAIN”



Closing

Rod Antolock





htstrong

for the

Holidays