



### **Alberta Liquor Store Association's Response AGLC proposed changes to the change in LTOs price schedule**

The Alberta Liquor Association would like to thank AGLC for the opportunity to respond to the proposed price change schedule. We very much appreciate the fact that AGLC is reaching out once again to stakeholders for a wider consultation.

#### **Current System works well**

Liquor stores currently do price changes once every two weeks. The system is consistent and well managed by both retailers and agencies.

The two week schedule also provides vendors the opportunity to discuss pricing with staff and plan for advertising and coordinate price changes at the retail level.

#### **What challenges would the change in schedule bring?**

The Liquor industry is currently under stress due to the downturn in the economy, increased minimum wage in the province and higher taxes.

The change in schedule would cause retailers to double their work in order to execute a new weekly process. Everything from data integrity, pricing department, category management and change in store pricing would need to be doubled. For owners with multiple stores, these costs could be substantial. For independents, it may not be possible to direct limited labor and resources to a weekly schedule and therefore miss out on LTO opportunities.

Regardless of whether the change is optional or mandatory, the same challenges would remain for retailers. If optional, retailers will still have to go through the process of checking LTOs every week as it is not known if agencies will chose to place inventory on a weekly schedule or not.. This causes uncertainty and it is difficult for business to plan ahead.

### **Should agents be allowed to change prices weekly?**

The question for our members is not so much should agents be allowed to change prices – the question is why change and why now. The current system has worked well and agents have not raised this issue to our members or to our Association in the past, nor have they flagged this as an issue at any of the Industry Meetings hosted by AGLC or brought up during discussions between Industry Associations. Normally industry meetings are a good forum to discuss such issues and embark in a process that strives to have an open and transparent dialog and find mutually agreeable solutions. Without this process there is a risk of pitting industry and against industry on issues.

The majority of agents that have reached out to our members have said the current system works well. The one agency that is vocal about making this change admits that ***“we will continue to use the two week schedule as normal but want to have the flexibility to for those one offs and special occasions”*** (email from agency can be provided if required)

### **ALSA's Position**

The proposed changes to the price schedule would negatively impact Class D retailers across the board. The changes would create duplication in work load and put an extra strain on costs and resources for retail owners, at a time when they are already being impacted financially by the economic downturn, increased minimum wage and higher taxes.

Class D retailers have not expressed concerns with the current system and do not support changes to the system that has worked well for so many years. ALSA members feel this is an unnecessary change that would add costs to their operations.

ALSA hopes that AGLC will take into consideration the wide spread impact to all Class D retailers in the province when weighing in all of the options. AGLC has excellent working relationships with all liquor stakeholders and we are confident that a solution can be found that addresses the “one offs” requests from agents instead of making changes to the entire system that would affect all of industry.

We thank you once again for the opportunity to share ALSA's feedback and that of our members on this important issue.