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Summary

Why are we updating our guidelines?

Coles and the standard of shelf ready packaging have come a long way since we first introduced Shelf Ready Packaging (SFPS) into our stores in 2009.

Since 2009 we have seen an increase in sales density of 27%, while number of customers has increased from 9 million per year to 16 million per year.

With this significant increase in customers and sales density, we need to improve our store efficiencies and shelf ready packaging is a key contributor to making shelf replenishment easier for our team members.

How are we changing our guidelines?

• Our most significant change has been to change the carton depth from 1.5 cases per shelf to 2 cases per shelf. This will significantly improve instore efficiencies while also providing a better display on shelf (page 16).

• We have a strong preference for tray and hood formats to help replenishment in store (page 10).

• We have now set a max weight per SRP case at 10kg to help our team members (page 7).

• We have introduced a preference of no tape showing on the front of the SRP on shelf (page 14).

• We have disclosed our shelf dimensions (page 17).

• There is now a set front profile dependent on your product height. The old 20% of product height rule is now redundant (page 18).

When do we expect these changes to be made?

Some of you may be working towards these standards already with your Category Manager. For those who are not, it is expected to have any range review landing after May 2016 to be compliant to the two case deep directive.

If you have any concerns about these new guidelines or the timings involved, please ensure you discuss this with your Category Manager.
Introduction

It is essential that Shelf Ready Packaging (SRP) cartons are ‘fit for purpose’, to prevent product damage through the supply chain and that the optimum cube space is filled on pallets to achieve distribution efficiencies. In addition, Shelf Ready Packaging must deliver the fundamentals contained within this document to ensure we achieve maximum replenishment efficiency in stores and make it easier for our customers to identify products to purchase. The quicker a product is replenished to shelf, the better availability and sales.

These guidelines have been designed to be used to compliment the ECRA’s Retail Ready Packaging Toolkit and Carton Identification Guidelines (www.ecraustralasia.org.au) to ensure you have all the information you need to develop best practice SRP.

Shelf Ready Packaging allows efficient replenishment at store level, contributing to improved product availability, thereby greater sales. It is in all our interests to ensure that SRP is developed on all new and existing products.

Shelf Ready Packaging conversion is managed by your Coles Category Manager. Use processes and examples in this document, together with ECRA’s toolkits to set yourself up for success and achieve fit for purpose shelf ready products.

Coles is completely committed to the implementation and success of SRP in all Coles stores.
Design principles – 5 easy steps

The best SRP works equally well within the supply chain, from supplier to Coles distribution centres and stores. Below are 5 key points to remember when developing Shelf Ready Packaging.

**Coles 5 easy steps to achieve great SRP**

1. **Easy to identify**
   - Recognised quickly
   - Carton will not fall apart/crush through end to end supply chain
   - Appropriate GS1 specifications are met for TUN barcodes
   - For Coles Brand, the relevant artwork style guide applied
   - Barcodes visible and printed on minimum 2 sides

2. **Easy to open**
   - Tray and hood formats are preferred as these are easiest to open in store.
   - No carton cutter required (tray and shrink exception)
   - No tape covering perforation
   - No strapping around the box
   - Finger holes on front and side panels for easy opening
   - Perforation tears cleanly without damage to front panel
   - Opening instructions easy to follow
   - Opening point quick to locate
Coles 5 easy steps to achieve great SRP

3. Easy to replenish

- SRP units transferrable to shelf in one step.
- SRP is stable when transferring products to shelf.
- Number of facings suitable for rate of sale.
- Trade unit does not exceed 10kg.
- Carton count should be 2 SRP deep on shelf. Shelf depths can be found on page 15.

4. Easy to shop

- Product description on retail packaging must be clearly visible.
- Product unit of measure must be clearly visible to customers on shelf.
- Customer can remove and return the product easily.
- Colour branding maximizes visual impact to capture attention.
- Shelf Ready Packaging appearance must be neat and presentable (no raw cardboard edges).

5. Easy to dispose & recycle

- Allow easy separation of cardboard and plastic for easy disposal and/or recycling.
- No excessive and/or unnecessary packaging on product.
- Correct recycling logos printed on all trade units packaging.
- Must meet the Australian Packaging Covenant guidelines.
Design principles – 5 Checks

The best SRP works equally well within the supply chain, from supplier to Coles distribution centres and stores. Below are 5 key points to remember when developing Shelf Ready Packaging for supply chain considerations.

Coles 5 Supply Chain considerations

1. Carton design and sustainability

- Product must be suitable for SRP solution.
- The proposed carton must be suitable for the weight of the product within.
- Does the product add support to the SRP? If not, additional carton strength should be considered.
- If using a tray-and-wrap option, does the shrink wrap properly enclose the product, keeping it fully intact?
- If the temperature of the product is crucial, ensure vent holes are used to improve cool air circulation.

2. Board Grade & Strength

- It is critical to ensure an appropriately strong and robust board grade is selected and used.
- Does the board grade prevent cartons from bowing/warping under their own weight (consider the cartons on the lowest layer of a full pallet).
- What percentage of the outer board is weaker, recycled material? Check the inner lining of the carton also.
- Board with a greater percentage of longer, virgin fibre will generally be stronger than board with a high percentage of shorter fibre, recycled content.
Coles 5 Supply Chain considerations

3. Perforations

✓ Consider the location of each perforation to avoid cutting through barcodes and other critical product/vendor information.

✓ Consider the depth and style of the guillotine cut: small variations in depth and style can significantly impact carton strength.

✓ It is essential transport tests are conducted to determine the optimal extent of perforations; where perforations are breaking open in transit, consider reducing the number or length or depth of perforations without compromising ‘Easy to Open’.

4. Barcoding & Identification

✓ Product must be easily identifiable in a DC environment, with all relevant product and vendor information visible.

✓ Appropriate GS1 specifications are met for TUN barcodes.

✓ Barcodes must be easily scanned and presented on a minimum of two adjacent sides

✓ Barcodes must not be obscured by tape and/or perforations

5. Handling & Transportation

✓ The carton must withstand the impacts of an automated supply chain. These impacts may include conveyors, sortation trays, chutes, robotic picking and forklift transportation.

✓ Carton should be able to withstand the proposed conditions throughout the supply chain: ambient, chilled or frozen.

✓ Perforated SRP pallets should never be double-stacked as they generally cannot withstand this pressure. SRP pallets should be marked ‘Top Load Only’.

✓ Will the carton be safe and easy for team members to pick from a pallet? Can it be safely stacked with other products on a store pallet comprised of mixed items?

✓ Failed SRP equals interrupted supply chain, potential impacts to product availability, increased costs and rework for both sides of the business.
Design types

Below is an example of an approved shelf ready structure. Tray and hood formats are the easiest to use for our team members in store.

**Tray & Hood**

A tray & hood is the preferred type of SRP to be used.

Where possible, TUN/IT 14 barcode printed on all 4 sides.
Design types

Below is an example of an approved shelf ready structure. Tray and shrink wrap is often used for products that are self-supporting. Clear shrink wrap helps our team members easily locate product back of store.

Tray & Wrap

A tray and wrap SRP should have labels applied to minimum of two adjacent sides

A tray & hood is the preferred type of SRP to be used.

Where possible, TUN/IT 14 barcode printed on all 4 sides.
Design types

Below is an example of an approved shelf ready structure. Tray and hood formats are the easiest to use for our team members in store.

U-Shape Tray & Hood

A tray & hood is the preferred type of SRP to be used.

Where possible, TUN/IT 14 barcode printed on all 4 sides.

U-shaped SRP should be used for ‘unstable’ products such as:

- Bagged product
- Stacked product

When stacking a product, the top of the side ledge must cover 10mm of the top product.
Design types

Below is an example of an approved shelf ready structure. Perforated cartons are the hardest format for our team members to open. Special attention should be given to ensuring the perforations are robust enough to withstand the supply chain, while being easy enough to open instore.

**Perforated Carton**

A tray & hood is the preferred type of SRP to be used.

Where possible, TUN/IT 14 barcode printed on all 4 sides.

Perforated cartons should be manufactured on flat bed die cut machines. For further information on this, please speak to your corrugated supplier.
Packaging

Is it shelf ready?

Shelf fit
Pallet fit
Check the shelf size for the product and develop the outer cartons to maximize shelf depth.

Consider the pallet/shelf footprint to maximize space utilization to reduce logistics/handling costs.

It is important to consider the area of the store where your product will be merchandised, how your product is shopped and how many facings you will have.

Construction
All cartons should:

- Have no perforations unless unavoidable.
- Be fully recyclable.
- Material & design used prevents damage.
- Outer carton and lid are strong enough to withstand shelf stacking and supply chain transportation.

Packaging & assembly

- All primary packaging must be packed within the carton in the correct orientation.
- Avoid excessive fibres coming from the cardboard.
- Ensure no damage occurs to primary packaging during the filling process.
- Shrink wrap around the pallet creates weakness in the corners of the SRP carton and must not be tight to avoid this.

Carton seal
If tape must be used, the preferred format is to seal left to right with no tape showing on the front of the carton.

Freezer cartons
Labels and/or tape must be stable at -25c
Opening instructions

Simple and clear illustrations can help provide efficient and correct opening of shelf friendly packaging. These should be located on the top of the carton. Some examples of opening instructions used on Coles private label products are shown below.

**Tray & Hood**

1. CUT TAPE AT BASE
2. SLIDE OFF TOP OF CARTON
3. SHELF READY CARTON

**Perforated**

1. CUT TAPE AT BASE
2. SLIDE OFF TOP OF CARTON
3. SHELF READY CARTON

1. OPEN PERFORATION
2. SLIDE OUT FRONT
3. SLIDE OUT BACK
4. SHELF READY CARTON
Carton dimensions

Shelf Ready Packaging aligns closely with the optimal product count in the carton. Work with your Coles Category Manager and the space planning team to best determine the appropriate carton unit count when developing SRP.

Product & shelf fit

- Number of facings dependent on product rate of sale and size.
- Carton depth should be designed to have the Shelf Ready Packaging 2 deep,
- It is beneficial to have a rear viewing window built into the back of the carton so that product behind is visible to team members and customers.
- For stacked product within the SRP, the top of the side ledge must cover minimum 10mm of the top product.
Shelf Ready Packaging aligns closely with the optimal product count in the carton. Work with your Coles Category Manager and the space planning team to best determine the appropriate carton unit count when developing SRP.

**Shelf depths by trading area**

<table>
<thead>
<tr>
<th>Grocery and General Merchandise</th>
<th>Shelf depth</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>General grocery</td>
<td>505mm</td>
<td></td>
</tr>
<tr>
<td>General grocery exceptions: CBD stores</td>
<td>405mm</td>
<td>CBD stores only</td>
</tr>
<tr>
<td>General health and beauty (including Entertainment Paper Shop)</td>
<td>305mm</td>
<td>Top shelves</td>
</tr>
<tr>
<td></td>
<td>405mm</td>
<td>Middle shelves</td>
</tr>
<tr>
<td></td>
<td>505mm</td>
<td>Bottom shelves</td>
</tr>
<tr>
<td>General merchandise</td>
<td>505mm</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dairy / Meat</th>
<th>Shelf depth</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy / Meat (high)</td>
<td>505mm</td>
<td></td>
</tr>
<tr>
<td>Dairy / Meat (low)</td>
<td>305mm</td>
<td>Top shelves</td>
</tr>
<tr>
<td></td>
<td>405mm</td>
<td>Middle shelves</td>
</tr>
<tr>
<td></td>
<td>505mm</td>
<td>Bottom shelves</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Freezer</th>
<th>Shelf depth</th>
<th>Comment</th>
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<tbody>
<tr>
<td>Full height glass door</td>
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</table>

<table>
<thead>
<tr>
<th>Bakery</th>
<th>Shelf depth</th>
<th>Comment</th>
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<tbody>
<tr>
<td>Bakery shelves</td>
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<td></td>
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<tr>
<td>Bakery bunks</td>
<td>400mm</td>
<td>Top</td>
</tr>
<tr>
<td></td>
<td>750mm</td>
<td>Bottom</td>
</tr>
</tbody>
</table>

Shelf depths shown may vary for individual stores. All measurements shown are maximum depths. Shelf Ready Packaging (SRP) must not overhang the shelf. Maximizing shelf depth capacity must be considered to ensure replenishment efficiency is achieved at the shelf.
Front profiles

Lip & Pillar

The front profile (lip and pillar) must be fit for purpose for the product type and shape:

- Consistent across the shelf or product category
- Supports the product during shelf replenishment
- Does not obscure primary packaging artwork
- Retains the product and is easy to shop
### What Good Looks Like

<table>
<thead>
<tr>
<th>Easy to identify</th>
<th>Hidden from view</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Easy to identify" /></td>
<td><img src="image2" alt="Hidden from view" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Easy to shop</th>
<th>Difficult to remove product</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3" alt="Easy to shop" /></td>
<td><img src="image4" alt="Difficult to remove product" /></td>
</tr>
</tbody>
</table>
Materials

Choosing the appropriate material

**Corrugated**
This can also be referred to as cardboard, but is the most common material for SRPs. Different thicknesses are used to suit the product however triple walled cases should not be used for SRP.

Corrugated SRP is not suitable for the produce category.

*The outside liner for Coles Brand must be white unless otherwise specified.*

**Carton board**
Carton board can also be used for SRPs. It is usually easier to rip perforations in store and is most suited for lightweight products, product with substantial primary packaging strength, and SRPs which transit in outer cases.

Cartonboard SRP is not suitable for the produce category.

*The outside of the board must be white unless otherwise specified.*
Choosing the appropriate material

**Tray & shrink**  
Shrink-wrap should be transparent to give instant product recognition. It should be PE based where possible.

This format often requires separate labels to carry product information (item code, barcodes, etc.).

There must be two labels applied to the product.

**Plastic**

Plastic SRP should be made from rPET or APET.

Products in plastic are normally packed in a standard outer case.

Plastic is the only option for SRPs in produce.
Further Information

The following website links are useful for further information on choosing appropriate types of Shelf Ready Packaging:

- [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au)