

Words You Need To Know

- Presentation Fees:** Fees paid for the privilege of making a sales presentation. Also known as “Hello Money”.
- Slotting Fees:** Upfront payments of cash, promotional dollars, or merchandise to obtain shelf-space for a product.
- Display Fees:** Fees paid for special merchandising and display of products
- Trade Promotion:** Money spent to promote a product in the stores, e.g., buy-one-get-one-free, coupons, reduced price, special promotions etc.
- Robinson-Patman Act:** This law was enacted in 1936 with the specific purpose of creating and maintaining a market atmosphere to enable small businesses to compete effectively with large companies in the purchase of commodities
- Off-Invoice:** Usually means costs charged against the manufacturers invoice for whatever reason the retailer decides.

Words You Need To Know

- Pay-to-stay Fees:** Fees paid to continue stocking and displaying a product
- Everyday Low Price:** Commonly associated with WalMart but in this context it means the lowest price possible per unit. Usually, a retailer who uses this practice doesn't charge slotting or most other fees.
- Failure Fees:** Fees paid when a product does not meet expected goals
- Forward buying:** The practice of a retailer purchasing more than they need because of good pricing.
- Period-end Loading:** The practice of cutting prices to retailers to meet corporate financial objectives (the most extreme form of forward buying)
- ECR:** Efficient Consumer Response is an industry effort to streamline operations and distribution throughout the grocery industry and to ensure that the industry is providing the products and services that meet consumer needs.