

LCBO TRADE DAY 2021

Breakout Session

Merchandising Update: Destination Collection Program

Agenda



Program Strategies



Program Objectives



Performance



Assortment Strategy



Updates



Tips for Success

Program Strategies

LCBO Wines & Essentials

Volume & customer
favourites

Vintages Release

Selection & iconic
allocated brands

Destination Collection

Unique, niche
products & additional
selection of key
product sets

Destination Collection Objectives



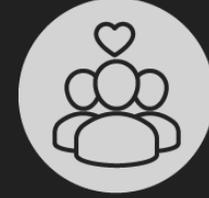
Partner with the trade to curate a selection of products that our customers want and that fill gaps in the overall portfolio



Generate incremental sales



Entice customers to try new and interesting products/brands.



Create an exciting and friendly experience online and in store.

Program Performance

In-Store



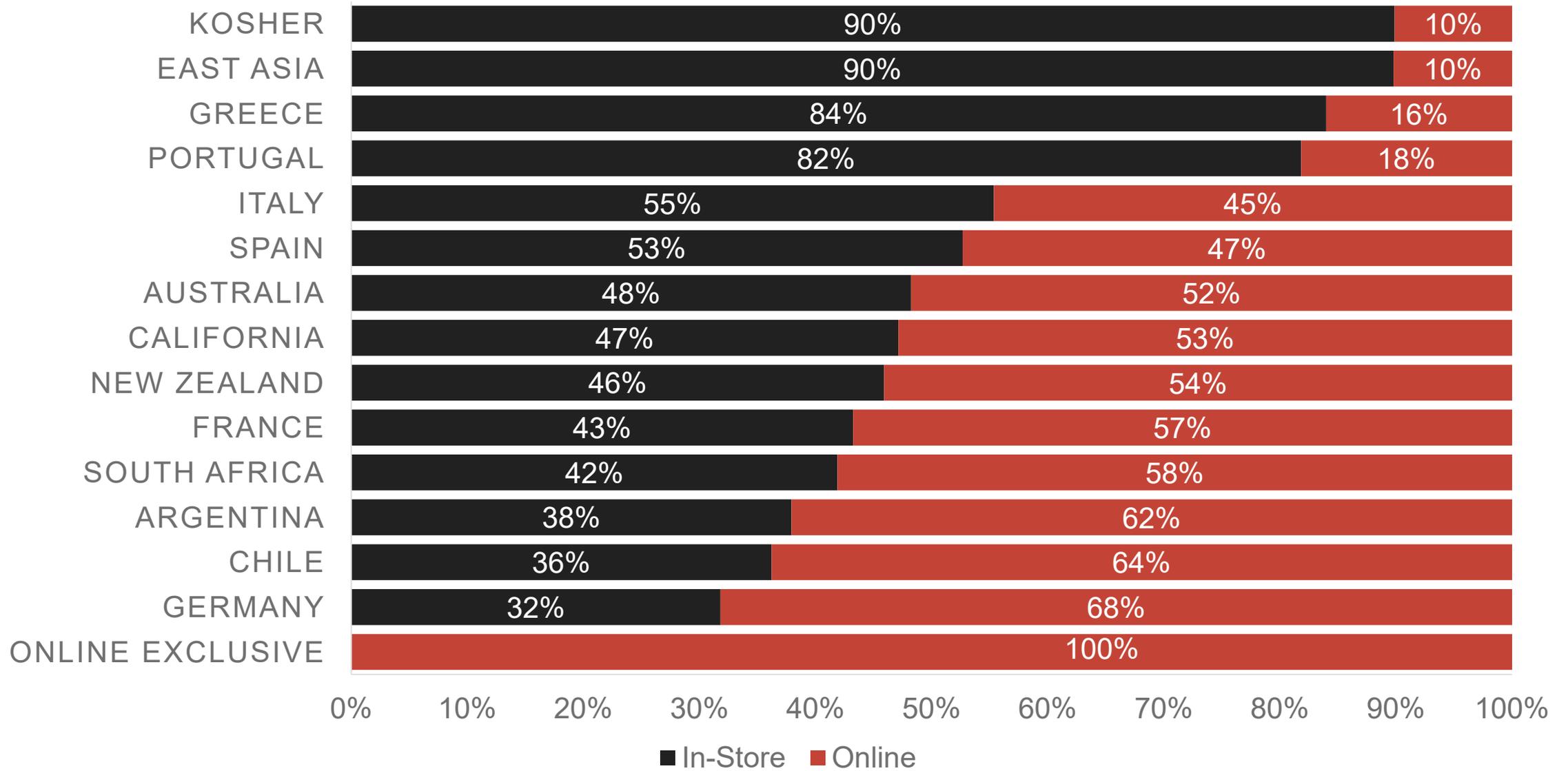
\$6.9M
+15.8%
70% share

Online



\$3.0M
+30.2%
30% share

Total Program: \$9.9M / +19.8%



Growth Drivers & Trends



East Asia



Portugal



France



Online Exclusives



Ecofriendly /
Unconventional

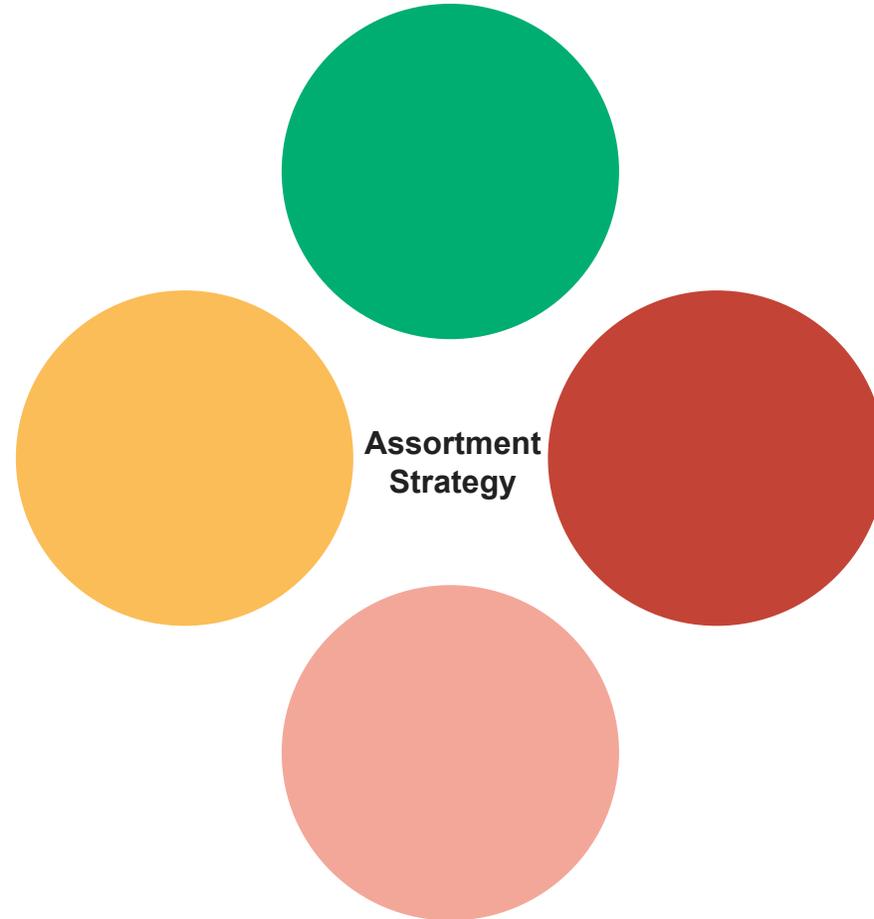
Assortment Strategy

1 Products that cater to the unique needs of specific communities

3 Additional selection in high volume categories

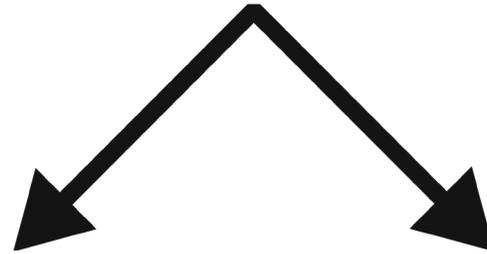
2 Under-represented sets in LCBO & Vintages

4 Low volume, niche/unique products and brands



Total Destination Collection Selection

Rotating Selection



In-Store and Online

*17 Boutiques &
14 Destinations*



Online Only

Assortment Strategy



1

In-Store and Online Assortment

Products with a high level of appeal

Higher total sales potential

Rotating selection with re-purchases of select top sellers

2

Online Exclusive Assortment

Products with no destination location

Small volume purchases (≤ 5 cases)

Rotating selection with re-purchases of select top sellers

Program Updates

Program Updates

1

Buying & Promotion

Product procurement

Expectations of agents

Promotional Opportunities

2

Boutique Stores

Online vs. Physical boutiques

Performance monitoring in existing boutiques

New opportunities



Streamline the end-to-end listing process

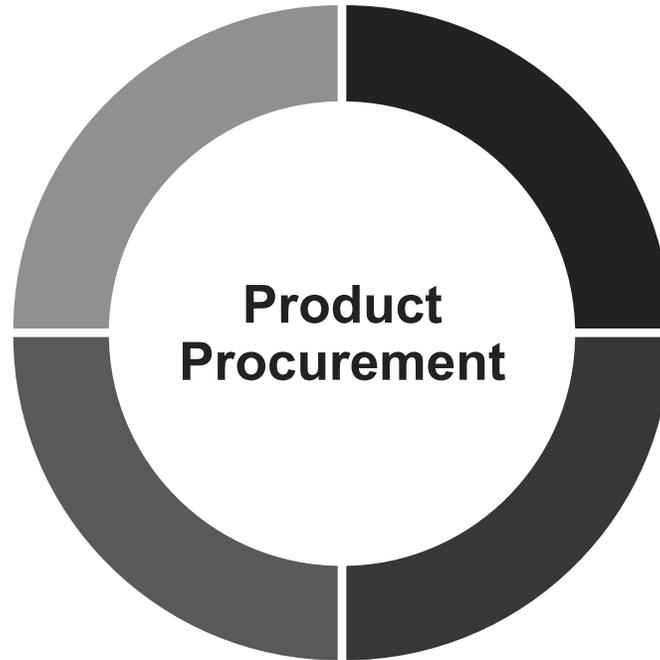
Transition from Elite into LCBO's Merchandising systems



Define KPIs & establish guardrails

Integration with Merchandise Financial Planning Process

Purchases align with sales forecast & space allocation in boutique stores/EFC



Exit Strategy

Introduce a sell through target (100% in 12 weeks)

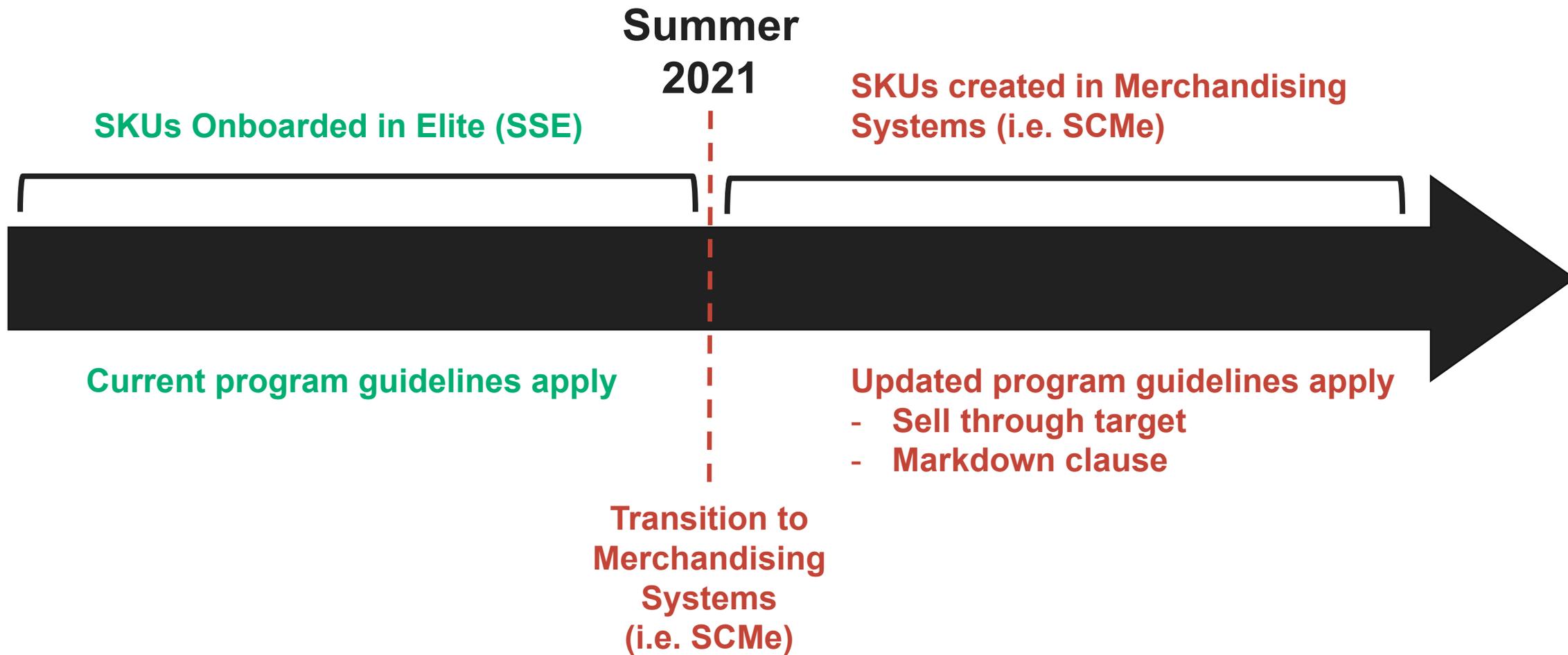
Vendor funded markdowns



Release Planning

Releases support marketing themes, seasons and/or special occasions/holidays





Expectations of Agents



Monitor sales &
inventory



Liaise with boutique
store staff



Actively promote
products

Promotional Opportunities



**Coming
Soon!**

Boutiques Stores

Assessing New Opportunities



**Online
Boutiques**



**Physical
Boutique
Stores**

Assessing New Opportunities: Online Boutiques



1

Eligibility Requirements:

- Country/region isn't currently represented
- Destination Collection eCommerce R13 Net Sales: \$80K
- Minimum SKU Count: 15

2

Components:

- Country/region tile on program landing page
- Destination discovery content page (EPP)

Assessing New Opportunities: Physical Boutique Stores



1

Eligibility Requirements:

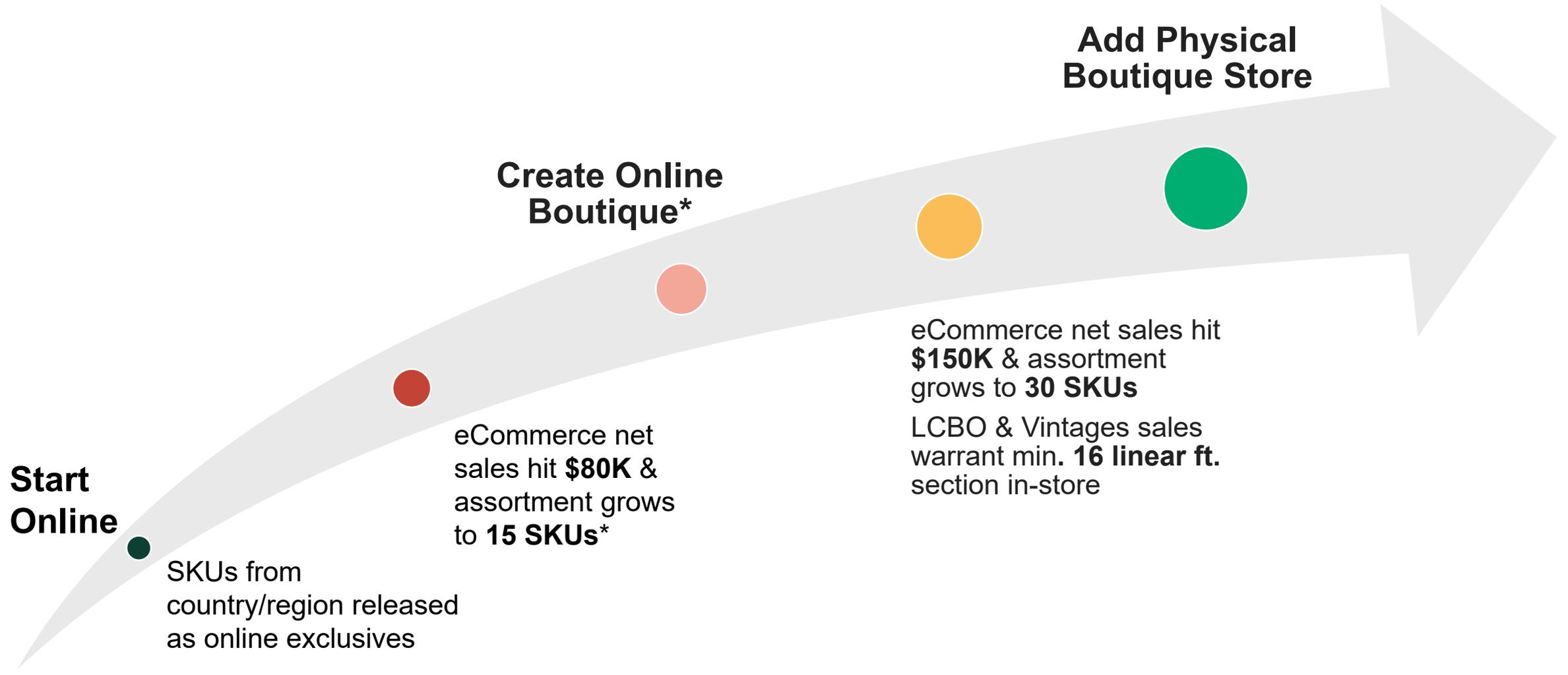
- Country/region isn't currently represented
- Destination Collection eCommerce R13 Net Sales: \$150K
- Minimum SKU Count: 30
- LCBO & Vintage in-store sales warrant a min. 16 linear ft. section

2

Components:

- Country/region tile on program landing page
- Destination discovery content page (EPP)
- Min. 16 linear ft. section with rotating assortment of min. 25-30 SKUs
- In-store signage package

Destination Collection - Growth Trajectory



Performance Monitoring: Existing Boutique Stores



- Methodology developed to assess performance of the existing boutique stores
- Minimum footprint defined

Existing Store Adjustments

Store #	Destination	City	Recommendation
19	Portugal	TORONTO	↑
657	Kosher	TORONTO	↑
115	Germany	WATERLOO	↓
164	Australia	TORONTO	↓
360	Kosher	TORONTO	↓
619	Chile	MISSISSAUGA	↓
630	Argentina	AURORA	↓
776	South Africa	PICKERING	↓

Existing Store Adjustments

Store #	Destination	City	Recommendation
1	California	TORONTO	Maintain
4	Greece	TORONTO	Maintain
38	France	OTTAWA	Maintain
149	Spain	TORONTO	Maintain
452	New Zealand	TORONTO	Maintain
523	Kosher	THORNHILL	Maintain
590	East Asia	MARKHAM	Maintain
632	Italy	WOODBIDGE	Maintain
703	East Asia	TORONTO	Maintain

New Opportunities: Destination Central Europe



- Austria
- Hungary
- Slovenia
- Croatia

Tips for Success



Complete your application



Pay attention to the product call specifications



Pick a channel



For re-orders, focus on items with a proven track record



Be ready to support your products

Thank you