INSIGHTS CONFERENCE

LCBO

PAMELA LAWSON

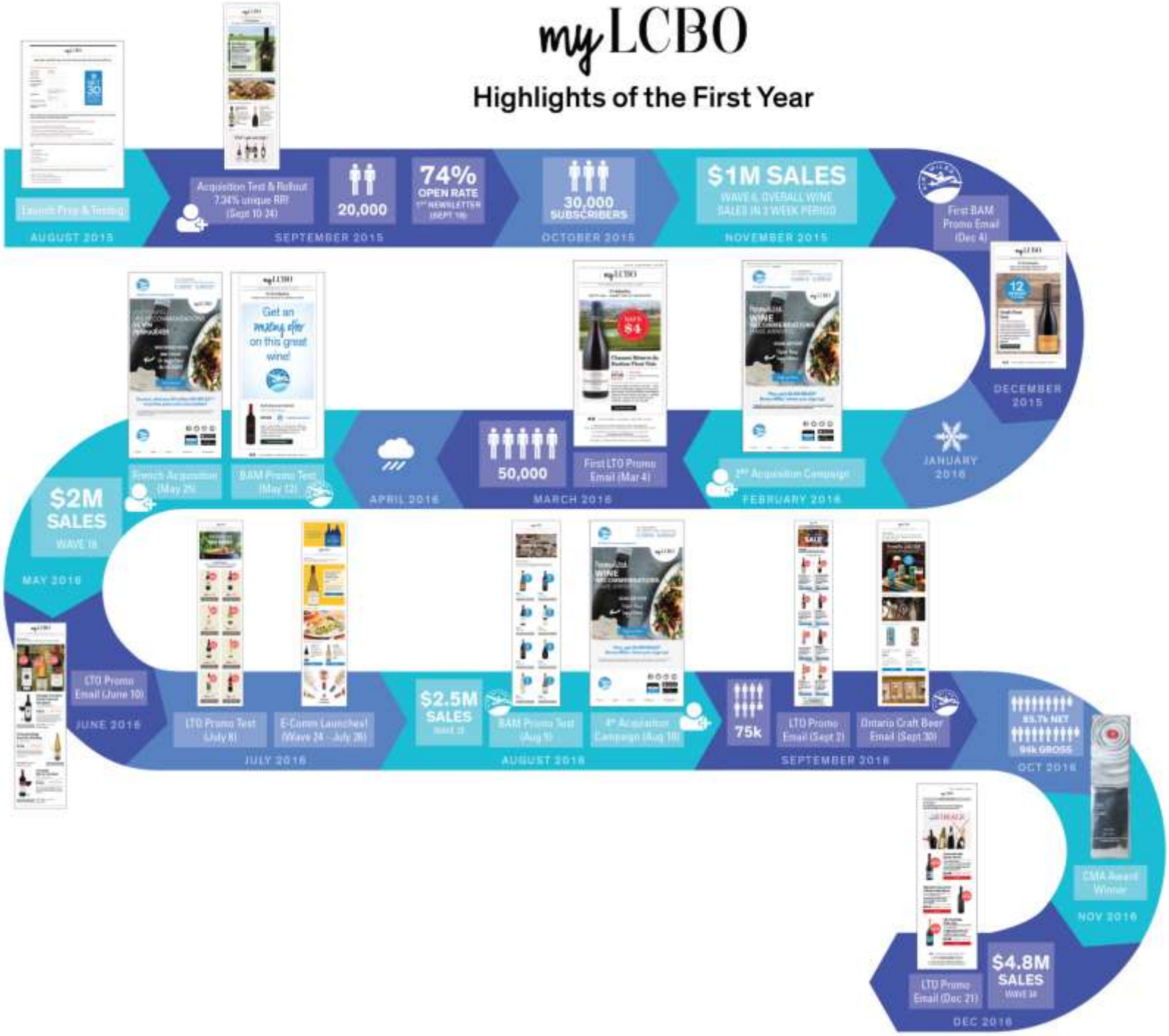
MARCH 7, 2017

CRM PROGRAM OVERVIEW

AT-A-GLANCE

myLCBO

Highlights of the First Year



myLCBO Technology: 360° Customer View

All customer interactions in one platform!

myLCBO – A YEAR IN NUMBERS

MEMBERS

TOTAL GROSS myLCBO SUBCRIBERS
94,022

TOTAL NET myLCBO SUBCRIBERS
86,458
(GOAL: 75,000)

EMAILS

TOTAL EMAILS SENT
1,769,284

TOTAL PROMOTIONAL EMAILS
9

ACQUISITION EMAIL DEPLOYMENTS
13

NUMBER OF NEWSLETTERS
28

SALES

TOTAL OVERALL WINE SALES
$43,953,085

HIGHEST BI-WEEKLY SALES FIGURE
WAVE 25
$2,654,723

MEDIAN PRICE PER BOTTLE
$13.95

As of October 2016, P7

myLCBO – A YEAR IN NUMBERS

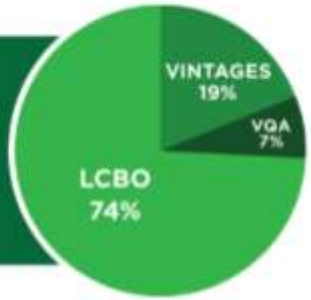
WINE

UNITS OF WINE BY myLCBO MEMBERS
2,874,238

NUMBER OF WINES FEATURED
304

#1-SELLING FEATURED WINE
Jackson Triggs Pinot Grigio

BASKET MIX



"SIP & SAVOUR" BOXES SOLD
115

#1 WINE 101 CONTENT

ENGAGEMENT BY CONTENT – P8(F15/16) - P7(F16/17)

ENGAGEMENT BY CONTENT

AVG OPEN RATE	NEWSLETTER CLICK RATE		WEBPAGES
47%	HERO	26%	
	RECIPE	29%	
	ALTS	12%	
	WINE 101	33%	

7

myLCBO Personalized Email Segments

Engagement

myLCBO
WINE & RECIPE RECOMMENDATIONS
Hi Christopher,
Our experts have selected this wine just for you.
Ménage à Trois Midnight Dark Red Blend
STYLE - Full-bodied & Smooth
This blend's juicy black-fruit flavours, underlying spice and oak notes excite the senses. Bold and lush, serve it with your holiday prime rib or cheese course.
$17.95
Check Store Inventory
Ménage à Trois
MIDNIGHT
Try it with this delicious recipe match

Sales

Other wines we think you'll enjoy

Rosehall Run Defiant Pinot Noir VQA

STYLE - Medium-bodied & Fruity

Slightly chill this silky, savoury Pinot Noir to bring out vibrant cherry and cranberry flavours. Serve it with chicken, sausage or salmon.

$18.95

Shop Now

Seriously Cool Chardonnay VQA

STYLE - Light & Crisp

Dress up the table with this Chardonnay from an acclaimed Ontario winemaker. Its stone fruit lushness matches chicken, fish or creamy pasta.

$15.95

Shop Now

TOP WINE 101 CONTENT ENGAGEMENT

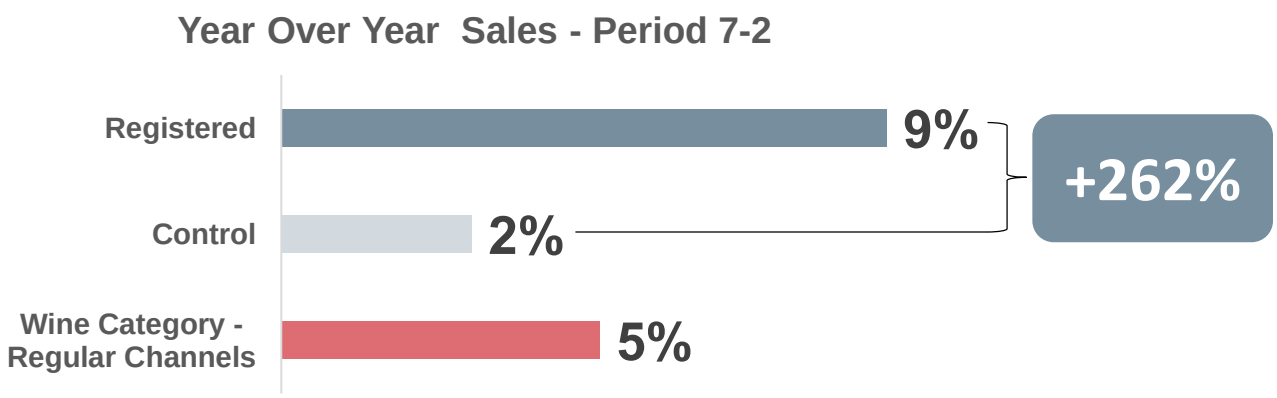
- Wine 101 Content Engagement (clicks/opens) ranges from 1.4%-13%
  - Over the last 34 waves, average Content Engagement rate varies by format:
    - 6.3% Audio
    - 6.1% Video
    - 4% Text
  - Video and seasonal-themed content has the highest engagement

11

myLCBO: OVERALL SALES OUTPERFORMED

Period 8(15/16) - Period 7(16/17)

- myLCBO sales growth significantly outperformed the control group nearly 5x by 262%
- myLCBO sales growth also exceeded the sales growth of the overall wine category

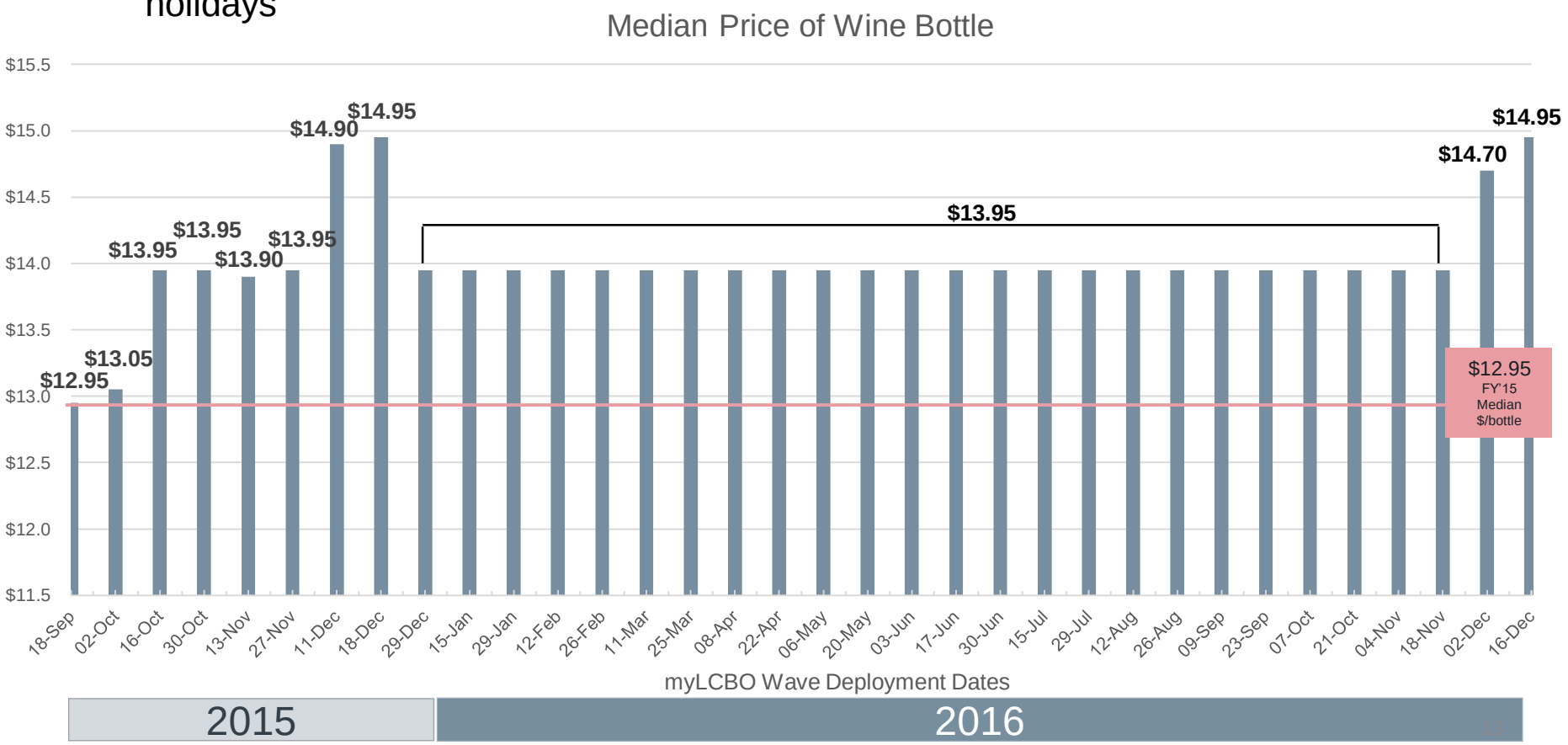


Period 8 (15/16) – Period 7 (16/17)

12

PRICING TREND
Periods 7(15/16) – 7(16/17)

- myLCBO members' median price per bottle has remained ~8% higher than FY15 ($13.95 versus $12.95)
- Median price increases in December, reflecting higher value purchases during the holidays



* All targeted customers; median price per 750ml bottles

CRAFT BEER AND HALLOWEEN TESTS

OCB#1 Sep'16

- Targeted test of OCB
- +43% vs control
- Lifting featured as well as all Craft Beer sales
- New category performs well when targeted

Halloween #1 Oct'16

- Occasion-themed product/content
- +144% vs control
- Themed content performs well
- Lower unit sales vs newsletter due to specialized products and limited time window

Engagement

Newsletter By Wave

Newsletter Performance – P7-P8

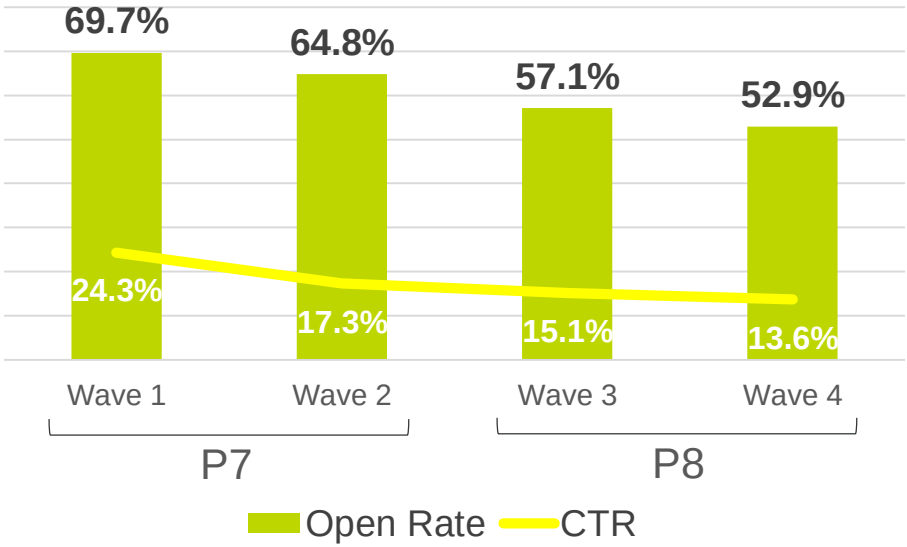
117,469 emails sent

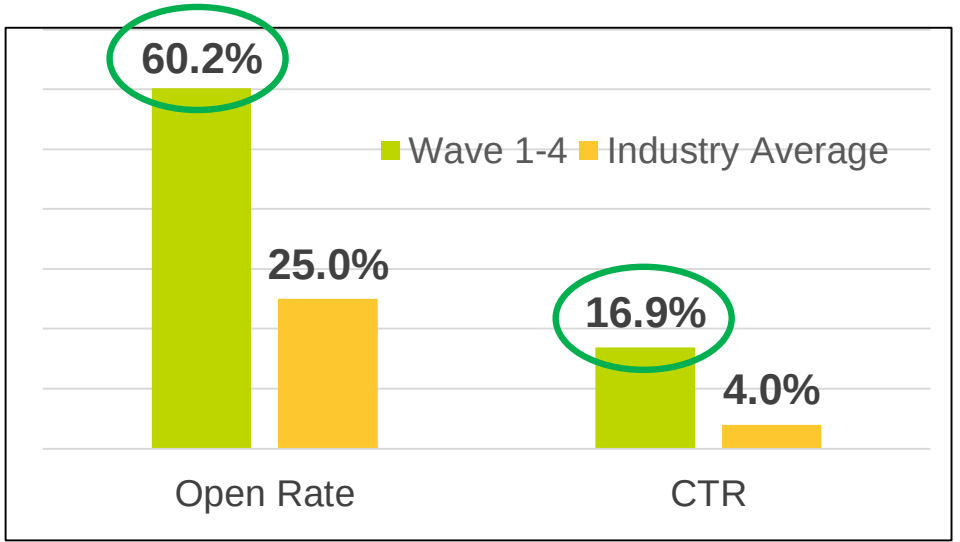
Open Rates:

- 53-70% Open Rates
- Up to 74% in key segments
- 2-3X industry avg of 25%

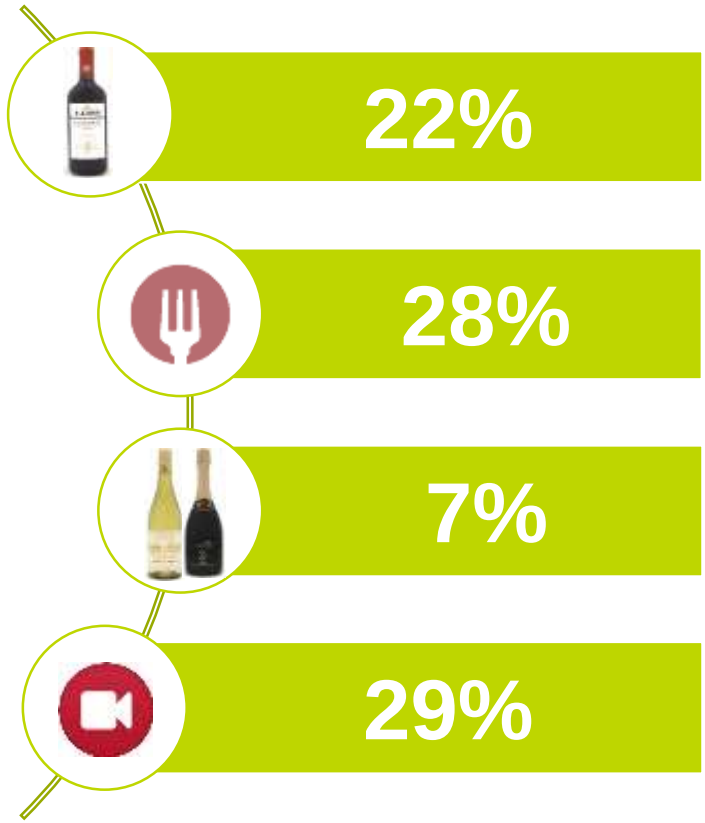
Click Through Rates

- 13-24% Click Through Rates
- 3-6X industry avg. of 4%





Engagement By Content – P7 & P8



Web Analytics – Periods 7 & 8

28%
Clicked on Recipe

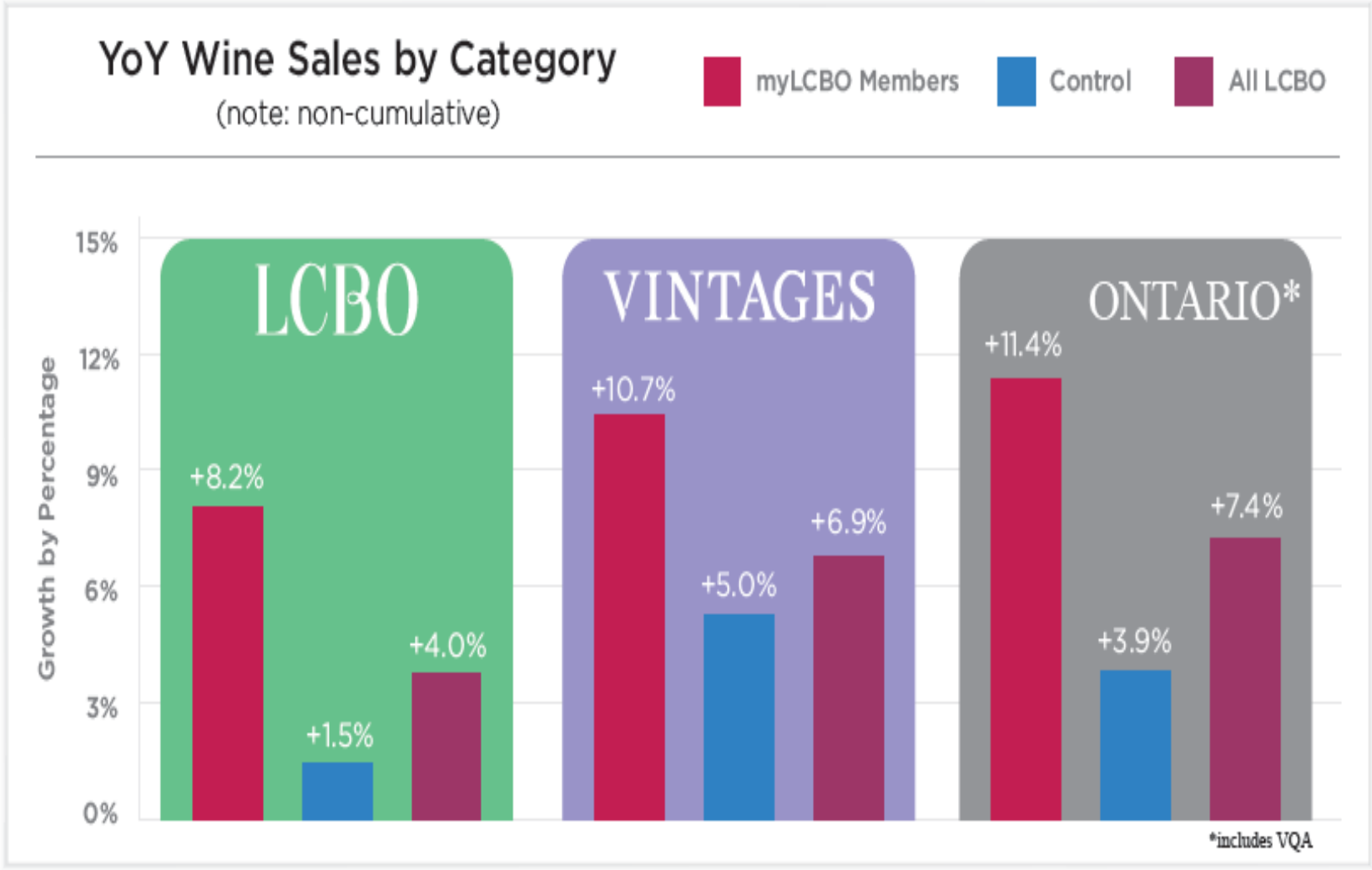
2:03”
Avg. Time On Page

23%
Continued on site

TOP 3 PAGES

1. Promotions
2. Hero Wine
3. Wine 101

myLCBO YOY Sales Results



myLCBO members spent more in all wine categories, especially Ontario

*Note: non-cumulative. *includes VINTAGES*

ECOMERCE AT LCBO

E-COMMERCE AND myLCBO INSIGHTS

- LCBO e-commerce was integrated into myLCBO newsletter in Wave 24 (July 26).
  - An animated GIF at the top highlighted the new online shopping.
  - On an ongoing basis, the main integration point is a “Shop Now” button.

E-COMMERCE AND myLCBO INSIGHTS

- To date, there is only ~2% overlap between myLCBO and LCBO.com programs (1,440 myLCBO members subscribed to LCBO.com)

Background

Universe: 8,589

- 8,033 purchased
- 556 purchased
  didn't have LCBO transactions during the time frame analyzed

Time Frame

- Jul 26,2016 thru Jan 29, 2017
  Canceled orders were removed
- Jan 22,2016 thru Jan 29, 2017
  Customer Type: Regular Sale Source: in-store sale

Analysis

- Before E-commerce Launch
  Jan 22,2016 thru Jul 25, 2017
- After E-commerce Launch
  Jul 27,2016 thru Jan 29, 2017

5 groups were identified based on their in-store purchase behavior

	Group size	Orders value	Revenue
E-commerce only – No LCBO txns during time frame analyzed	6%	6%	
Stop in-store purchases – After launch of e-commerce this group stopped purchasing from any LCBO store	2%	3%	0.2%
New in-store customer – After launch of e-commerce this group started purchasing from any LCBO store	5%	6%	1%
Decrease in-store purchases – After launch of e-commerce this group decreased their in-store spending	34%	38%	39%
Increase in-store purchases – After launch of e-commerce this group increased their in-store spending	52%	48%	60%

Increase in-store purchases

E-commerce		Purchase Behavior	
Registered Purchasers	3,782	AOV per completed order	$208.69
Guest Purchasers	763	Avg. Units per completed order	12.3@
Total Orders	4,551	Dollar Value of Orders Placed	$1,172,018

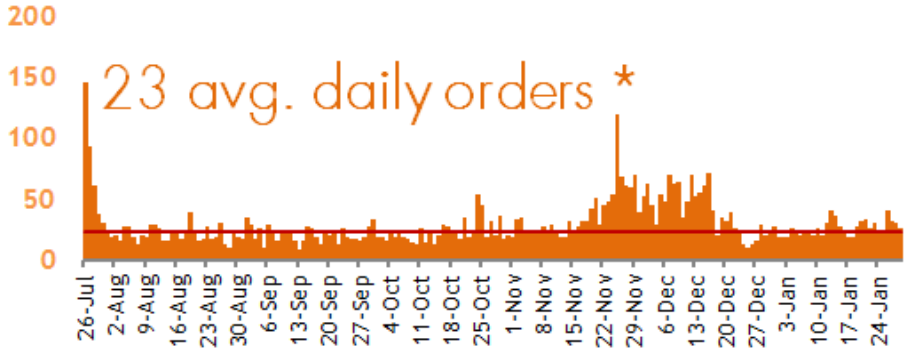
Source: OMNI channel dashboard

@ Six Packs = 6 Units

Increase in-store purchases

Fulfillment Service		
Home Delivery	33%	$316.31
Store Pickup	67%	$154.86
Returning/Cancel	0%	

Orders



Source: Adobe Marketing Cloud * Orders from July 28 to Nov 15

Increase in-store purchases

Top Selling SKUs E-commerce

SKU #	Description	Dollar Value	Units Ordered
144329	The Glenlivet Xxv 25 Years Old Single Malt Scotch Whisky	$24,147	69
710426	Cakebread Cellars Cabernet Sauvignon	$20,001	174
563338	Veuve Clicquot Brut Champagne	$19,344	274
656561	J. Lohr Seven Oaks Cabernet Sauvignon	$19,026	829
35386	Kim Crawford Sauvignon Blanc	$15,793	886

Increase in-store purchases

Top Selling SKUs In-Store

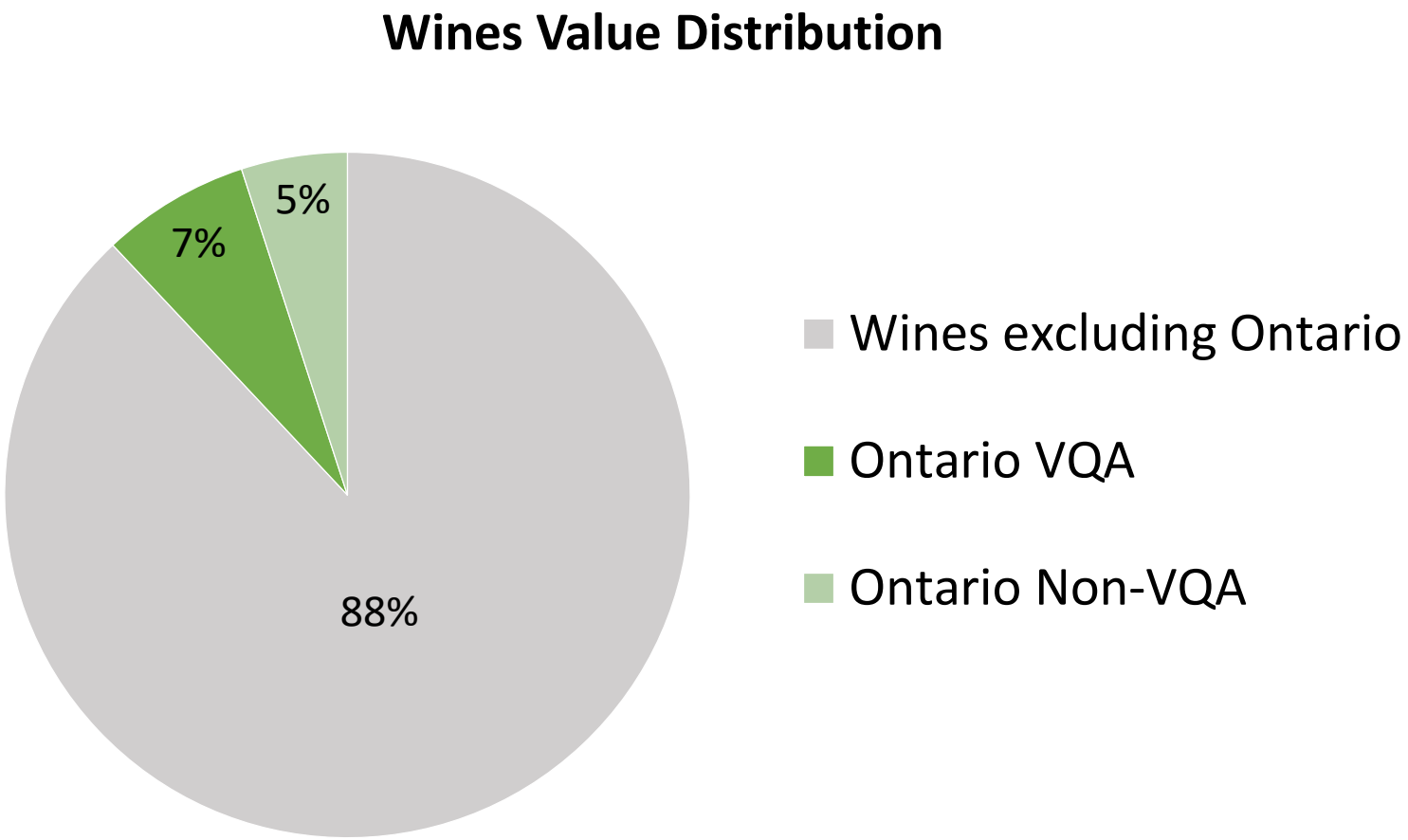
SKU #	Description	Before	After	Diff.
35386	Marlborough Sauvignon Blanc (Kim Crawford)	$22,424	$34,678	55%
656561	Cabernet Sauvignon Seven Oaks (J.Lohr)	$14,596	$25,383	74%
8805	Forty Creek Barrel Select Whisky	$14,630	$22,642	55%
106450	Pinot Grigio Valdadige (S Margherita)	$18,740	$22,532	20%
222877	14 Cabernet Sauvignon Caymus Napa Valley (Wagner)		$22,037	NA

Increase in-store purchases

In-store Purchase Behavior			
	Before	After	% Change
Total Revenue	$4,647,477	$7,023,881	51%
Avg. In-store Spending per visit	$76.23	$70.93	(7%)
Avg. No. Visits	16	19	19%
Avg. Units per visit	5.1	5.6	10%

In-store and E-commerce Purchase Behavior			
Total Revenue	$4,647,477	$8,195,899	76%

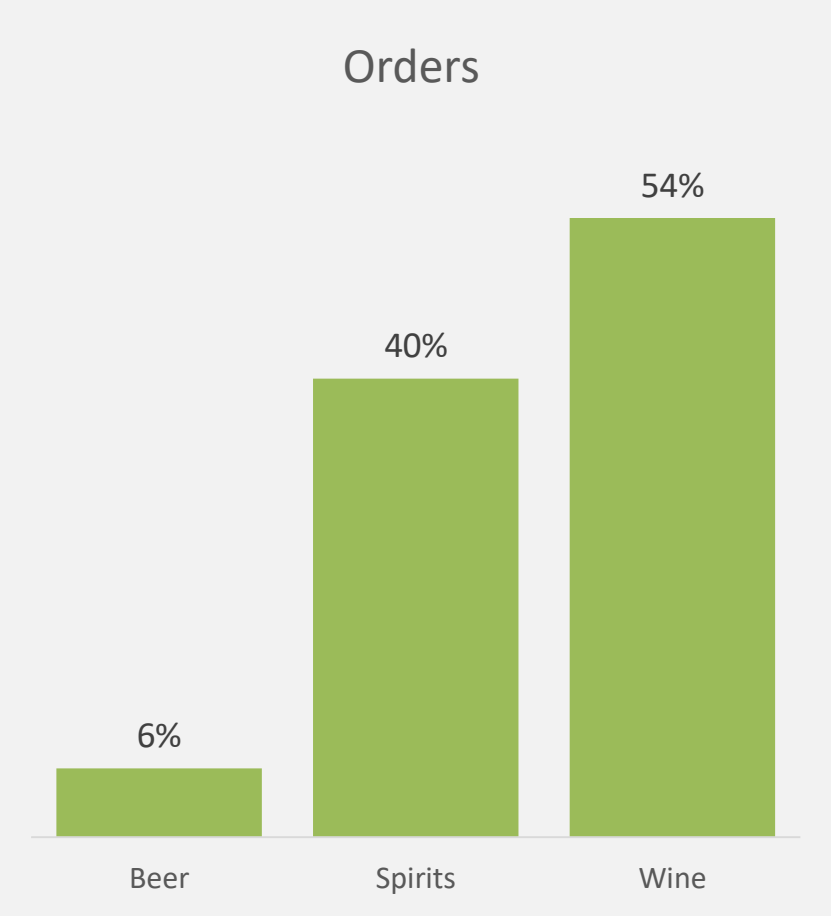
Ecommerce Wine Orders



Ecommerce Orders Top 10 Best Sellers

Excluding Private Orders

Date: From July 26 to February 27, 2017



Top Sub-Categories	Dollars	%
Red Wine	$1,186,980	34%
Whisky/Whiskey	$868,684	25%
White Wine	$507,159	14%
Champagne	$195,216	6%
Ale	$130,934	4%
Vodka	$152,982	4%
Sparkling Wine	$130,658	4%
Liqueur/Liquor	$116,533	3%
Rum	$127,058	4%
Lager	$103,251	3%
Revenue Top 10 Categories	$3,519,454	100%

Ecommerce Orders Top 10 Ontario Best Sellers

Excluding Private Orders

Date: From July 26 to February 27, 2017

Product	Selling Price	Dollars	Units Ordered
303800 (V) Trius VQA Red (Andres Wines Ltd)	LTO $20.95	$733	35
	LTO $22.95	$2,089	91
	$23.95	$24	1
24133 (V) Riesling Thirty Bench (Andrew Peller)	$19.95	$2,334	117
302083 (V) Bachelder Niagara Chardonnay (Bachelder)	$25.25	$2,323	92
587956 Trius Cabernet Sauvignon VQA	$14.95	$2,210	148
328526 Jackson-Triggs Chardonnay	$18.45	$2,197	119
1578 (V) Twisted (Flat Rock Cellars)	$17.15	$2,108	123
1545 (V) Pinot Noir Ontario (Flat Rock Cellars)	$20.20	$2,020	100
217521 Henry Of Pelham Cuv. Catharine Brut VQA	$29.95	$1,947	65
228569 Cave Spring Gamay VQA	$15.95	$1,770	111
407940 Naked Grape Shiraz Bag In Box	$40.95	$1,708	42

Ecommerce Orders Top 10 Ontario Best Sellers

Red Wine Excluding Private Orders

Date: From July 26 to February 27, 2017

Product	VQA or ICB	Selling Price	Dollars	Units Ordered
303800 (V) Trius VQA Red (Andres Wines Ltd)	VQA	LTO $20.95	$733	35
		LTO $22.95	$2,089	91
		$23.95	$24	1
587956 Trius Cabernet Sauvignon VQA	VQA	$14.95	$2,210	148
1545 (V) Pinot Noir Ontario (Flat Rock Cellars)	VQA	$20.20	$2,020	100
228569 Cave Spring Gamay VQA	VQA	$15.95	$1,770	111
407940 Naked Grape Shiraz Bag In Box	ICB	$40.95	$1,708	42
432732 Bodacious Smooth Red Bag In Box	ICB	$39.95	$1,704	43
270926 Henry Of Pelham Baco Noir VQA	VQA	$14.95	$1,630	109
526228 Jackson-Triggs Reserve Meritage VQA	VQA	$13.95	$1,525	109
274753 Pinot Noir Estate (Hidden Bench Vineyards)	VQA	$29.95	$1,496	50
331025 Jackson-Triggs Cabernet Sauvignon	ICB	$18.45	$1,494	81

Ecommerce Orders Top 10 Ontario Best Sellers

White Wine Excluding Private Orders

Date: From July 26 to February 27, 2017

Product	VQA or ICB	Selling Price	Dollars	Units Ordered
24133 (V) Riesling Thirty Bench (Andrew Peller)	VQA	$19.95	$2,334	117
302083 (V) Bachelder Niagara Chardonnay (Bachelder)	VQA	$25.25	$2,323	92
328526 Jackson-Triggs Chardonnay	ICB	$18.45	$2,197	119
1578 (V) Twisted (Flat Rock Cellars)	VQA	$17.15	$2,108	123
22327 Jackson-Triggs Pinot Grigio	ICB	$18.45	$1,674	91
270959 Jackson-Triggs Pinot Grigio Bag In Box	ICB	$43.95	$1,652	38
430017 Xoxo Pinot Grigio Chardonnay Bag In Box	ICB	$40.95	$1,447	35
66266 Inniskillin Unoaked Chardonnay VQA	VQA	$13.95	$1,004	72
	VQA	$14.25	$428	30
89037 (V) Chardonnay Sketches Of Niagara (Tawse)	VQA	$19.95	$190	9
LTO	VQA	$20.20	$242	12
	VQA	$21.95	$922	42
399410 Jackson-Triggs Sauvignon Blanc	ICB	$10.45	$1,350	129

Thank you!