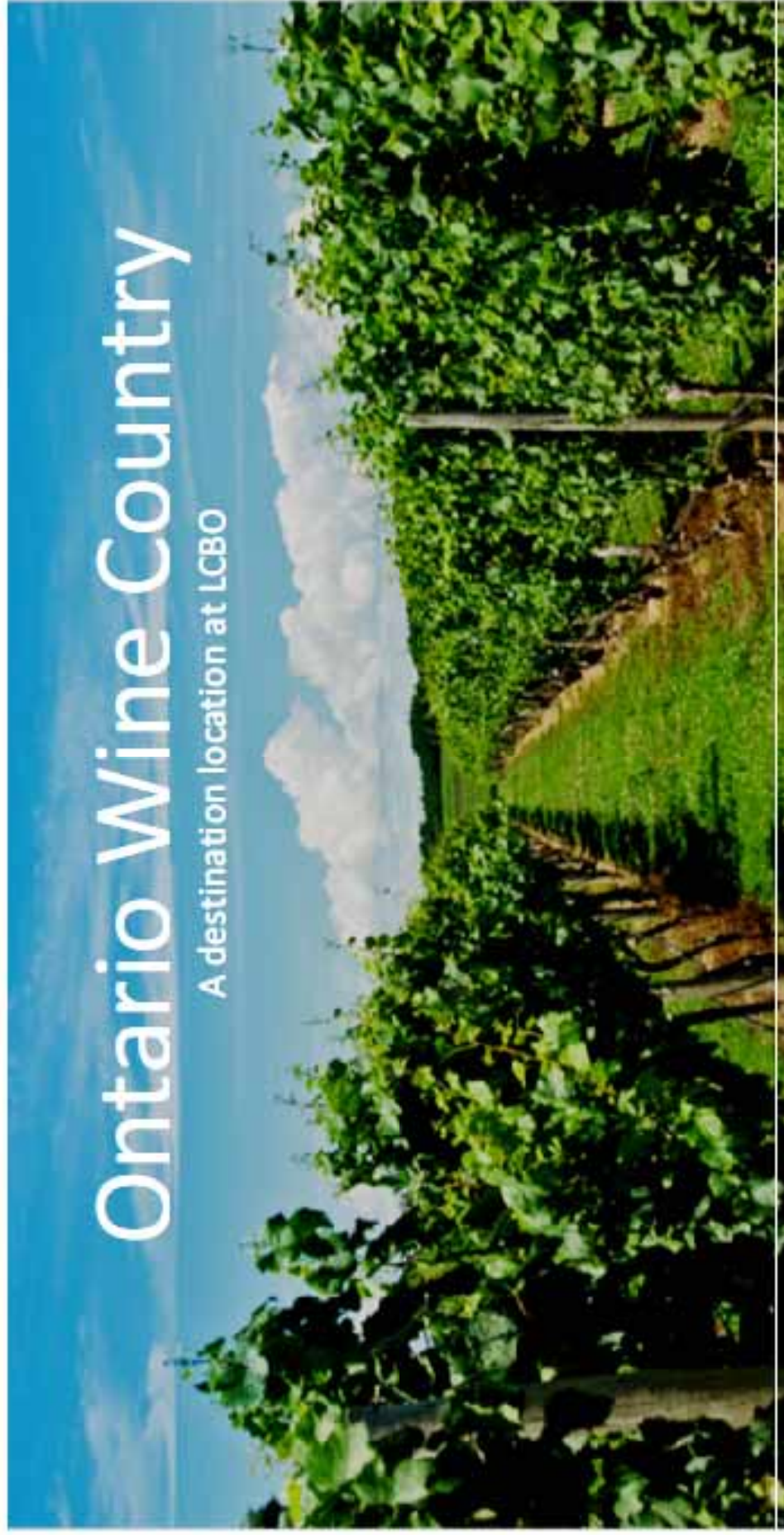


# Ontario Wine Country

A destination location at LCBO



# Objective

- Entice customers to fall in love with Ontario wines by creating Showcase Boutiques within select LCBO stores that offer an exciting and diverse selection of Ontario VQA wines



# Ontario Wine Destination Boutique

- Offer an enhanced assortment
  - Incremental sku count = approx. 110 wines
- Integrate LCBO and VINTAGES Ontario wines
  - Total incremental = 120 linear feet, for a total of 400 linear feet
- Showcase Ontario at its best with enhanced fixtures
- Educate, entice and engage customers with unique programs
- Deliver the ultimate Ontario Wine Country Experience





# Ontario Wine Destination Boutiques

## How Many?

- Target five stores with Destination Boutiques (retrofit and new)
- To be measured and evaluated for potential expansion

## Where?

- Located in markets that show the greatest potential for sales and growth, i.e. Niagara, Ottawa and GTA locations

## When?

- Rollout to Retrofit stores to commence in 2013
- Completion of first wave within 18 month timeframe



## Summary: Destination Boutiques within our Stores

- Five stores in key markets
- Enhanced Assortment
- 110+ Incremental Skus
- Full integration of LCBO and VINTAGES Ontario wines
- +120 linear footage
- 400 linear feet dedicated to Ontario VQA

### Four Additional Fixtures in-section:

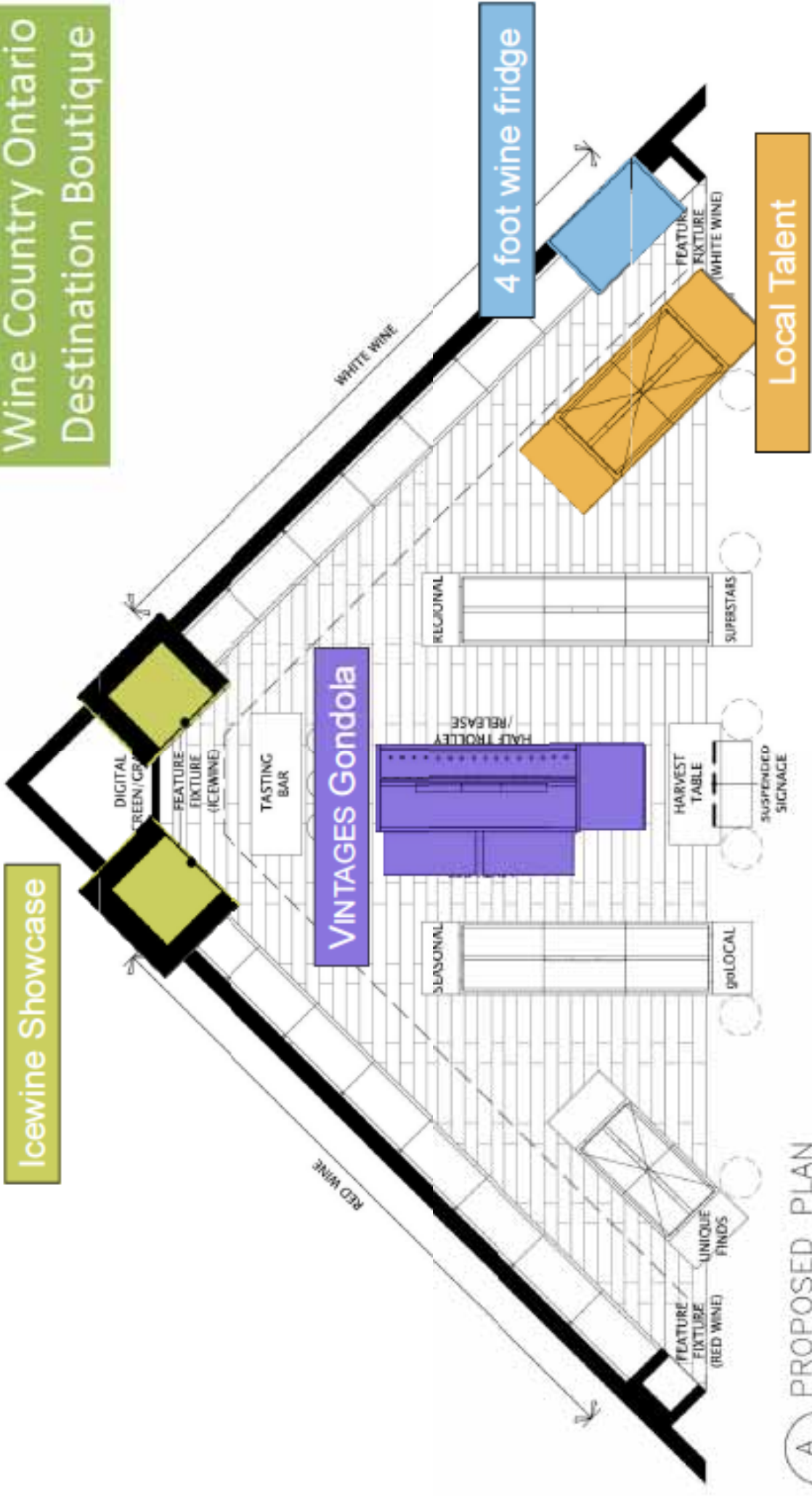
- 4' Wine Fridge
- VINTAGES Gondola
- Icewine "Shrine"
- Local Talent Fixture

### Six Additional Programs:

- Limited Availability Wines (60 stores)
- Local Talent PLUS
- Upcoming Wineries
- Regional Stories
- Seasonal Selections
- Unique Finds

# Wine Country Ontario Destination Boutique

Icewine Showcase



A PROPOSED PLAN

Local Talent



## Broader Assortment

- Additional 75-110 Ontario VQA Skus including:
  - Premium offerings in key categories (Chardonnay, Pinot Noir, Riesling, Icewine)
  - Develop selection of Ontario specialties (Baco Noir, Cab Franc)
  - Enhanced Sparkling wine section
  - Greater Rosé section
  - Broader Fruit wines selection
  - Year-round Gifting



# Benefits

- Enrich customer engagement with Ontario Wines by creating a destination showcase
- Elevate the quality image of VQA wines
- Enhance the assortment of premium and ultra-premium wines
- Ability to sell wines that would not otherwise have been purchased
- Increased access to market for quality Ontario Wines
- Increase net \$ sales and litres





## Overview of Six Additional Programs:

1. Limited Availability Wines

- (60 stores)

2. Local Talent PLUS

3. Upcoming Wineries

4. Regional Stories

5. Seasonal Selections

6. Unique Finds

# 1. Limited Availability Wines

- An assortment of 12 “Limited Availability” wines, purchased and showcased on a seasonal basis
  - 36 wines/year
- Rotate assortment 3x per year
  - Period 4 – Period 7 (includes Canada Day and Period 7)
  - Period 8 – Period 10 (includes Holiday)
  - Period 12 – Period 3 (includes Easter)
- Merchandised in-section, within LCBO VQA Ontario wines section
- Conversion of current Wines to Watch space (60 stores)



# Benefits

- Increased opportunity for Ontario VQA Wines
  - Increased volume of wines purchased (depth)
  - Increased number of wines purchased (breadth)
- Ability to sell Ontario VQA wines through the LCBO that would not otherwise have been purchased
- Additional opportunities for premium wine sales via VINTAGES Channels

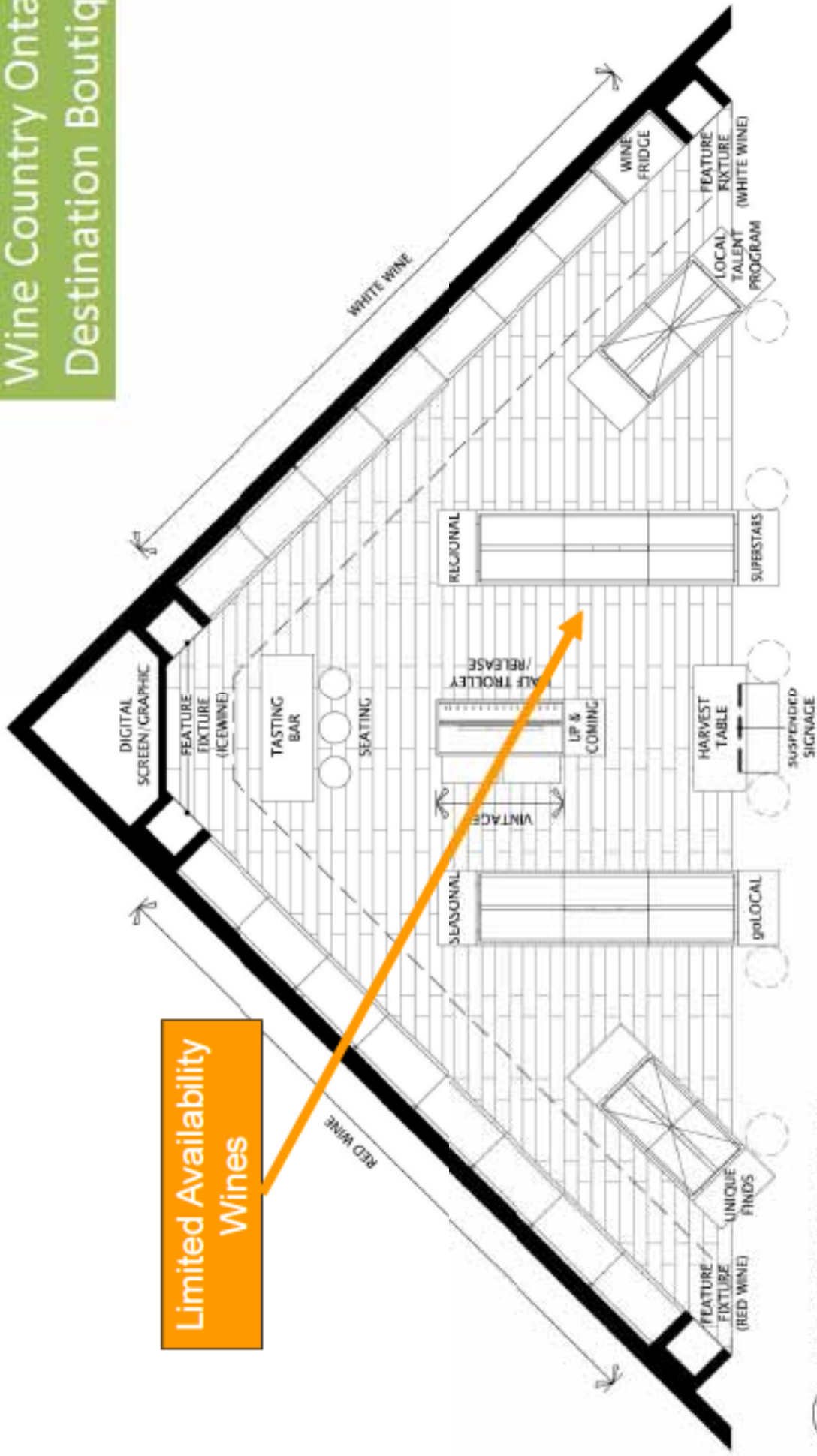
# Limited Availability Wines

Area for clearance of residual  
inventory





# Wine Country Ontario Destination Boutique



Limited Availability  
Wines

## 2. Local Talent Plus

- A New Fixture in Boutique stores to merchandise 8 “Local Talent” themed wines
  - Four additional wines purchased for Boutique Locations
  - Additional 48 skus/year
- Themes are designed to educate customers on VQA regions, appellations, varietals and styles
- Rotate assortment on a monthly basis
  - Coincide with current “Local Talent” release features
  - Alternate VINTAGES Release catalogues

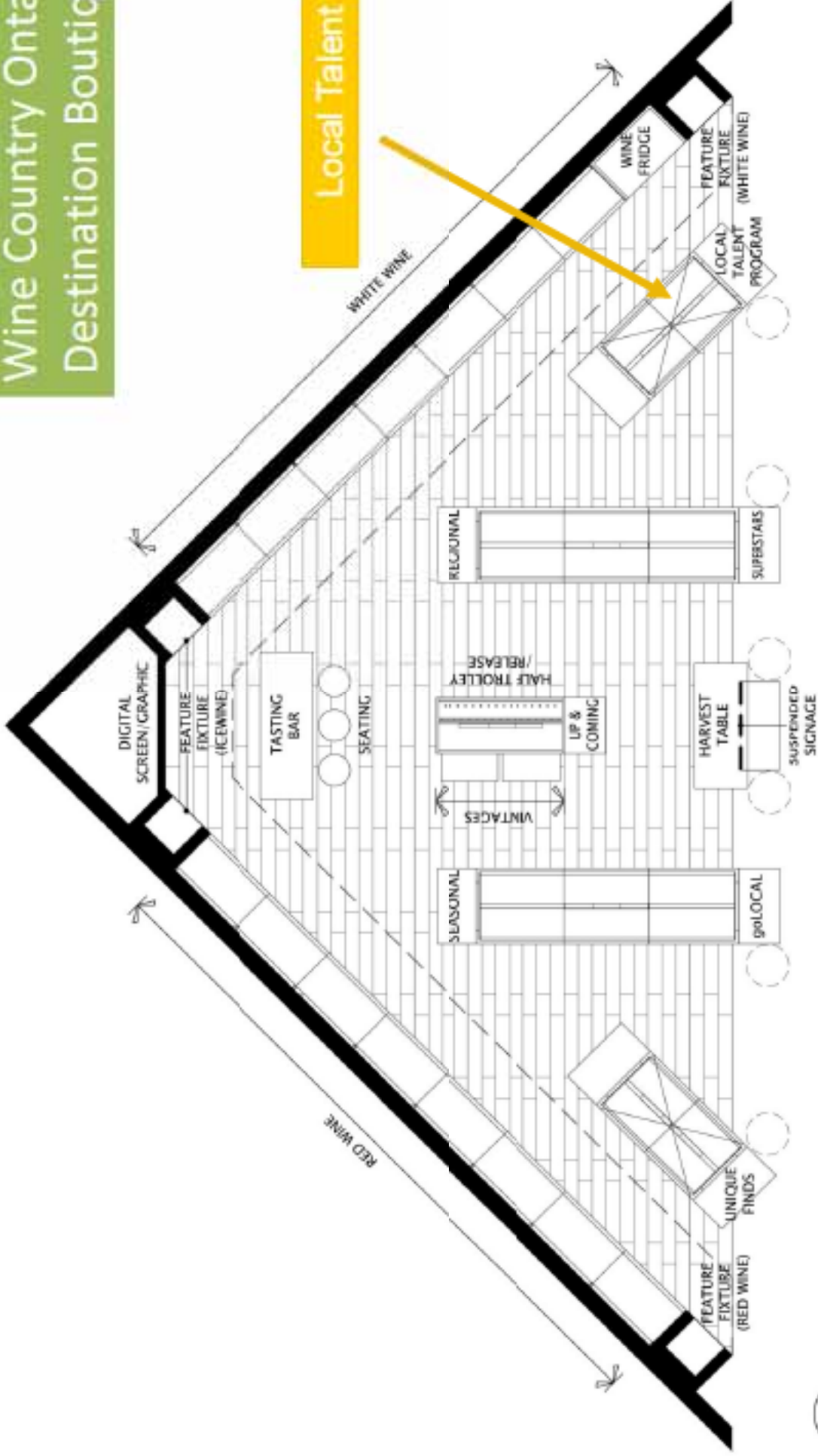
# Benefits

- Educate customers about Ontario's regions, appellations, varietals and styles
- Increased access to market for Ontario VQA Wines
- Grow the number of wineries we are doing business with
- Ability to sell wines that would not otherwise have been purchased
- Increase net \$ sales and litres



# Wine Country Ontario Destination Boutique

Local Talent



A PROPOSED PLAN



# Additional In-Store Programs

1. Four Unique In-store programs
2. Boutique Stores only
3. Merchandised on an end aisle display
4. Approximately 60 additional skus/year

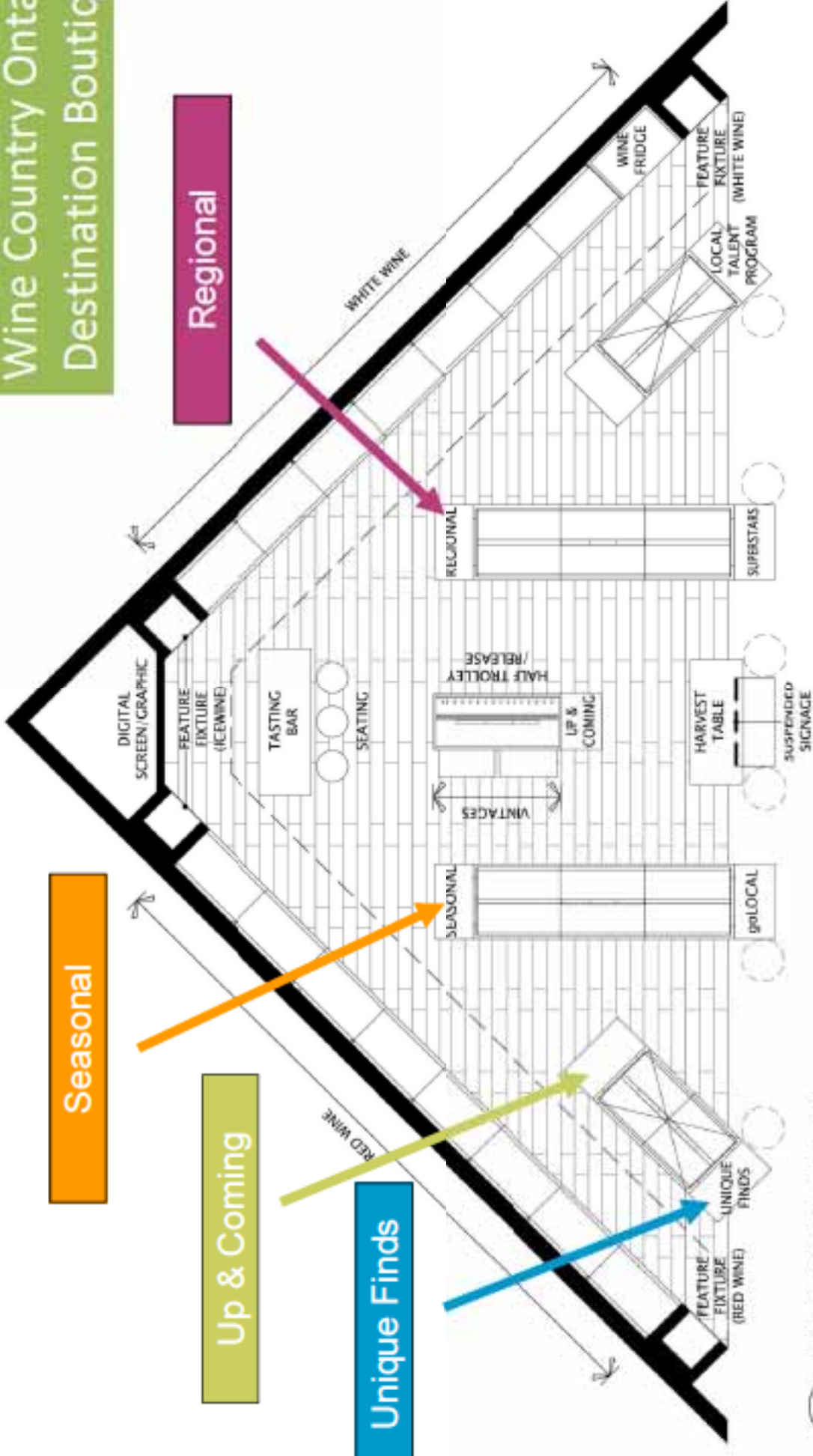
# Additional In-Store Programs

- Up-and-coming Wineries
  - Designed to attract and highlight new/small/emerging wineries with very limited wines to allocate
- Unique Finds
  - Opportunity to “tell a story” about a wine find
- Seasonal Selections
  - Designed to promote seasonal wines, outside of Holiday and Roses
- Regional Stories
  - Opportunity to increase selection and awareness of regions, appellations and sub-appellations

# Benefits

- Opportunity to showcase small lots of wine and “tell a story”
- Purchase and highlight small quantities from small wineries
- Gain or increase allocations of sought-after wines from premium producers
- Grow the number of wineries we are doing business with
- Educate customers about regions, appellations, sub-appellations
- Additional opportunities for premium and ultra-premium wine sales

# Wine Country Ontario Destination Boutique



Seasonal

Regional

Up & Coming

Unique Finds











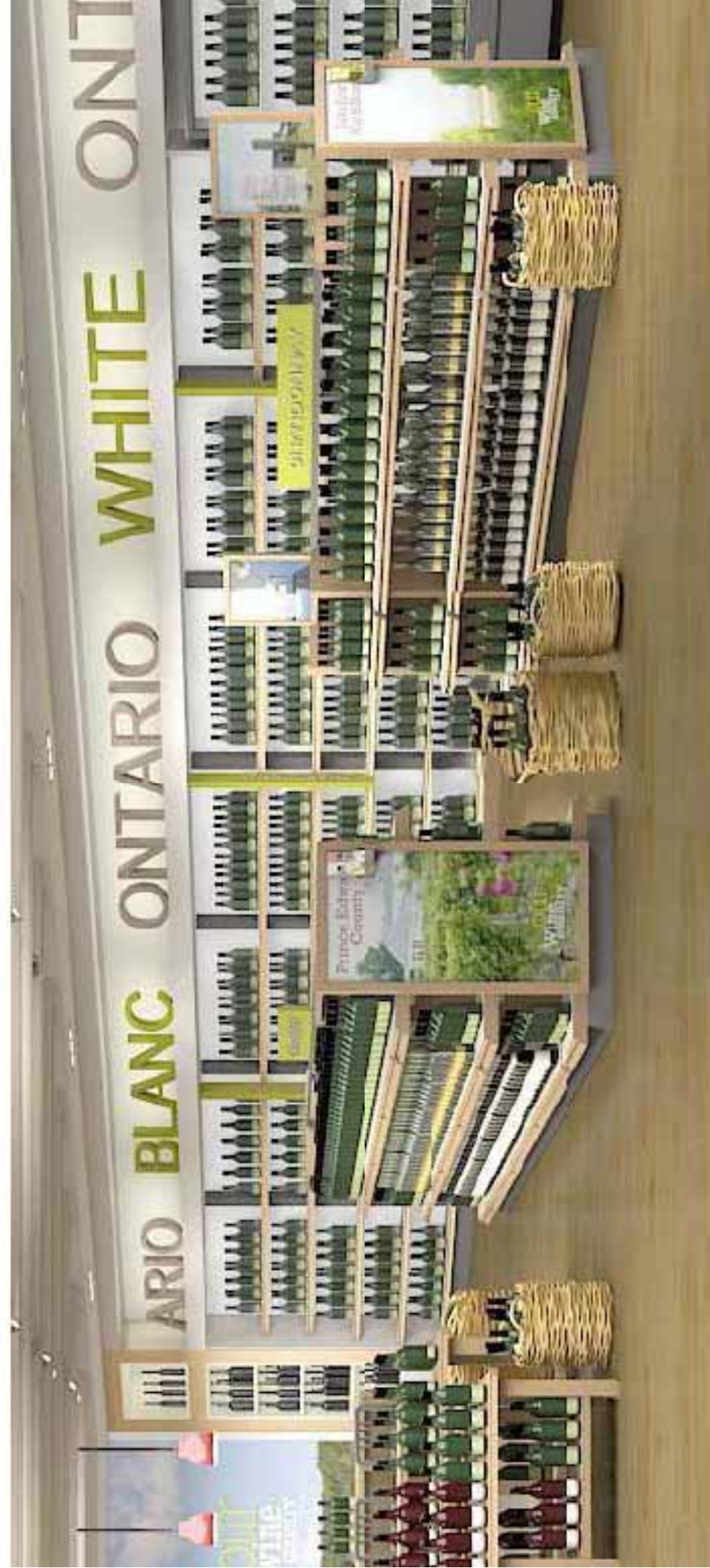
















# Frequently Asked Questions

Boutique Enhanced Assortment (BEA) Call:

1. **Will the Boutique Enhanced Assortment wines be continuously available in these locations?**
  - Yes. Products selected for the BEA program are intended to augment the regular assortment year-round
  - They will need to be Durham case complaint and available to ship throughout the year



# Frequently Asked Questions

Boutique Enhanced Assortment (BEA) Call:

## 2. **How many Boutiques will there be?**

- We are intending to launch 5 Boutique locations within the next 18 months
- Some will be retrofits to existing stores
- Some will be new store builds

# Frequently Asked Questions

Boutique Enhanced Assortment (BEA) Call:

3. **Why have you asked for a minimal allocation of 200 12 bottle cases ?**
  - This is an estimate of the minimal requirements to be able to service 5 stores year-round
    - = 40 cases/store/year
    - = 3 cases/period/store
  - Estimates are smaller for slower moving products such as Icewine, Late Harvest, Fortified and Fruit wines

# Frequently Asked Questions

Boutique Enhanced Assortment (BEA) Call:

- 4. Is there an annual target for BEA skus?**
- Yes, there will be an annual target established for the BEA skus once we have sales history to review
  - We will aim to refresh 10-15% of the portfolio
  - Sales targets will be published once they have been established

# Frequently Asked Questions

Boutique Enhanced Assortment (BEA) Call:

- 5. Can I roll the vintage?**
- Yes. As these are year-round products you can smoothly transition from one vintage to the next
  - QA will do an annual audit of the wines



# Frequently Asked Questions

Boutique Enhanced Assortment (BEA) Call:

6. **Does participation in this program preclude me from being included in any other programs?**
  - Participation in the BEA portfolio does NOT preclude you from being part of the Vintages Release program, Classics Catalogue or Events
  - You cannot *simultaneously* be in the Direct Delivery Program, an Essential, an LCBO listing or included in a Virtual offer

# Upcoming Call Information

7. **When are my submissions due for the BEA call?**
  - The deadline for submissions is **February 22, 2013**
  - Call backs will be notified by March 4
  - Tasting will take place March 21
  - Submissions should be submitted to Product Needs ID 87 - VINTAGES 2012/13, Product Needs Item #1373 BOUTIQUE ENHANCED ASSORTMENT – ONTARIO WINES

# Frequently Asked Questions

## Limited Availability Wines (LAW) Call:

1. **I have a wine that is over \$19.95, can I submit this for a LAW call?**
  - LAW is merchandised in the LCBO space, where prices do not typically exceed \$20.00
  - On occasion, we will consider a limited number of products over \$20.00 for this program

# Frequently Asked Questions

Limited Availability Wines (LAW) Call:

2. **Why have you asked for a minimal allocation of 300 12 bottle cases?**
  - This is an estimate of the minimal requirements to be able to service 60 stores for 1 turn
    - = 5 cases/store/turn
    - = just over 1 case/period/store



# Frequently Asked Questions

Limited Availability Wines (LAW) Call:

3. **How many cases will you order for this program?**
  - The initial order quantity will be approximately 150 cases
  - We will do an initial force to participating stores
  - Additional orders will be placed based on customer demand

# Frequently Asked Questions

Limited Availability Wines (LAW) Call:

4. **Can I roll the vintage during a turn in this program?**
  - No. You are required to hold the entire allocation for the duration of your approved turn

# Frequently Asked Questions

Limited Availability Wines (LAW) Call:

5. **Does participation in this program preclude me from participation in any other programs?**
  - You cannot *simultaneously* be in any other program
  - Participation in the LAW program does NOT preclude you from being in any other program at another time



# Upcoming Call Information

6. **When are my submissions due for the LAW call?**
  - The product call for LAW for Summer and Holiday turns 2013 closed on February 8, 2013
  - The product call for LAW for Spring and Summer turns 2014 will be published in the next Vintages Product Needs Winter Spring 2014 needs letter
  - The deadline will be approximately July/August 2013

# Frequently Asked Questions

## Other Questions?

# Ontario Wine Country

A destination location at LCBO

