

LCBO January 2022 Vintages Update

What do the changes to the Vintages release program and cadence mean for VCA retail stores?

With reduced in-store releases, retail stores can optimize their retail space for high-selling Vintages Essentials which their customers value and sales support. With an increased assortment of proven customer favourites, we anticipate improved Vintages sales.

What does this mean for the Product Consultant role?

Product Consultants are highly valued by the LCBO and our customers. They will continue to offer expertise and support at stores with Vintages release programs.

What does this mean for customers?

Our customers are accustomed to a bi-weekly Vintages release cadence via LCBO retail stores and online throughout the year. Starting January 2022, customers can expect a change in release cadence and some releases will be available exclusively online (supported by home delivery and same-day pick up options). These changes will be communicated to customers through a variety of marketing efforts including vmail, social media and within the Vintages release catalogue.

How will ecommerce release products be promoted?

Changes to the current Vintages model will be supported by a brand strategy and awareness communications which will be rolled out in 2022 to encourage our customers to shop in-store and online for Vintages. These communications will include in-store and online messaging, a feature within the retail release catalogue and targeted communications to our Vintages customers via our Vintages publication and email list.

How will Retail staff support customers who are not accustomed to shopping online?

Many of our customers demand a seamless in-store and digital experience. We need to help educate and encourage our customers to shop in-store and online for Vintages releases. Our LCBO Customer Care team can help customers navigate the online environment.

How will the online exclusive release assortment differ from retail release assortment?

- For **retail releases** the focus will be on representing key subsets and varietals in every release, while smaller contributing segments may see a more targeted cadence for releases into the stores or online. The strategy will continue to focus on releasing an exciting curated and endorsed selection that provides customers with an array of new and returning premium wines to discover. These wines represent lower to medium volume items benchmarked to our Essentials program and will be approachably priced for their respective set/subsets.
- For **online exclusive releases**, the focus will be on subsets, price points and styles that are less represented in the retail release or through our Classics program. Here you'll find non-mainstream products at all price point and higher price points of mainstream products. What you won't see in the online exclusive program are mainstream categories under \$20 (for example Cali Cabernet, Bordeaux Reds or Malbec in these popular price points). The role of the online offerings will be to round out the overall assortment, with price bands on average ranging from \$20 to \$50 a bottle.

Are other Vintages programs changing?

At the current time, we are not proposing changes to how we purchase and commercialize other Vintages programs including Classics, Futures and Special Offers. Our direct programs will continue to meet the needs of our highest value segments and support our commitment to growing the ecommerce channel and providing convenient ways to shop for our customers.