

Customer Insights
April 12, 2012

Corporate Speakers

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| • Emma Fox | Wal-Mart Canada | SVP - Marketing |
| • Alan Blundell | Wal-Mart Canada | VP - Merchandising |
| • Jennifer Stahlke | Wal-Mart Canada | Director - Customer Strategy & In-Store Experience |

Participants

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| • Mark Will Smith | Morgan Stanley | Analyst |
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PRESENTATION

Carol Schumacher: Welcome back to the Wal-Mart international Investor Conference on Wal-Mart Canada. For those of you on the webcast as you know we are running a series of breakout sessions. The first two are going to be webcast live and the third one will be on a taped delay basis.

So our first breakout session is customer insights and retail strategy. And before we kick it off I would remind you about the forward-looking information that may be potentially covered and that we did provide our forward-looking commentary earlier in the meeting at the start of our kickoff this morning.

If you do need additional information regarding our Company and specifically Wal-Mart Canada, please refer to Wal-Martstores.com/investors. And now it gives me great pleasure to turn the program over to Emma Fox. And this is customer insights and retail strategy. Emma?

Emma Fox: Great. Thanks very much, Carol, and good morning, everybody. And I and I think as Dave and Bob mentioned before, I have spent most of my retail career with Asda. So I have spent the last 12 years in Asda.

And I came over to Wal-Mart Canada in the summer last year. And during my time at Asda I worked in quite a number of different functions across logistics, merchandising and marketing. And lastly I headed up the private label team in the UK.

I'm really excited about the syndicate today because it's about a topic I'm hugely passionate about, and that's the customer. And effectively there are four things that we're going to talk to you about over the course of the next 30 minutes.

The first area we're going to touch on is what we call our two new norms. And that's effectively the changing face of Canadians and the changing shopping patterns that we're witnessing.

The second area I'm going to touch on are the headwinds that are affecting customers at the moment, so what are customer concerns? And to illustrate that I want to share with you our income tracker that we launched beginning of this year. And I also want to talk to you a little bit about our price gap.

I'll then be joined by Alan Blundell who's our Vice President for Merchandising Operations. And he'll talk to you about our store of the community program. And then finally Jennifer Stahlke, who's our Director of Customer Strategy and In-Store Experience, will talk to you about what's a really critical target market for that for us. And that's the Wal-Mart mom.

So you'll be very familiar with Wal-Mart strategy now. You've seen it a number of times at the plenary sessions. And right in center is the point around the customer.

We sell the products customers want at unbeatable prices, and right at the heart of everything we do and underpinned by price leadership which is our backbone. And during the time that I've been in this market I've spent a lot of time traveling across most of the provinces, listening to our customers in the length and breadth of Canada.

And they've consistently told us that they want great prices. We heard yesterday from Dion about how value conscious the customer is. So they tell us they want great prices.

They also need us the one-stop shopping and they also want a broad assortment. So you can see that Wal-Mart is perfectly placed to serve those needs.

So let me move on to the first part of the presentation. And that's the two new normals. So the changing face of Canada again we heard a lot from Dion last night about the population growth mainly coming through new Canadians as we call them or through immigration. So 72% of population growth is through immigration. And that's effectively about 300,000 new Canadians coming into this country every single year.

Those Canadians have a huge purchasing power. It's about \$50 billion and growing and that's really sizable. And it's really important for us to win our share of that market.

And in terms of where the immigrants are coming from most notably it's China. It's South Asia and it's Europe. And there are some really interesting facts and some really interesting differences between these new Canadians and what I would call our more traditional Canadians.

The first interesting fact for me is the new Canadians are on average younger. They're about ten years younger than the traditional Canadian.

The second fact is their household size is slightly larger so they have a household size of about four. Traditional Canadians have a household size of just under three. And we often find that with our new Canadians they are often three generations living together under the same roof.

And the other great fact that I love is the fact that we find our new Canadians are more educated on the whole. So if we just look at the Chinese immigrants just under 50% of those have graduated from university and that compares to just under 20% with our more traditional Canadians.

And the other great fact is already they have a really positive impression of Wal-Mart. And that's a great opportunity for us to drive long-term loyalty and to drive a larger basket because of the larger household size.

And I talk about it being an opportunity. Actually it's really a necessity because all the future market growth in terms of spending is coming from the new population growth. It's coming from our new Canadians. So it's really important that we absolutely get our fair share of this and we really understand that customer market really well.

I think the other demographic factor which I'll touch on just briefly because Alan is going to talk to you about that is the demographic shift in terms of age. So in the next year or so we're actually going to see

more over 65s in the Canadian market than we will see under 15s. And again that gives us a great opportunity in terms of how we serve our senior customers.

The second new norm as we call it is the changing shopping behavior. So we have really seen that with the headwinds customers have been facing recently coming out of recession and with lower customer confidence it's really cool to be frugal.

And so we've seen this trend in frugality. Shoppers and you heard Dion talk about it yesterday our Canadian customers are really value conscious. And they actually see themselves as being cool and accomplished if they shop around for the best prices.

And I think that's probably why Canada is such a flyer-led market. So on average every single week on a Wednesday or Thursday about 30 competitors' flyers drop through the door with the local paper every single week. And we know that our customers look forward to receiving them.

We've heard from our Wal-Mart moms, and this is a great fact that a lot of our Wal-Mart moms take all those flyers to bed with them with a highlighter pen and then compare the prices. So they know they're getting the best deal for their family.

And that's why we re-launched at Max last year because what we wanted to do as part of our proposition of being a price leader is ensure that wherever the customer shops, whichever flyer had the cheapest prices in because of promotions they could absolutely be guaranteed that price in our Wal-Mart stores. So effectively the customer will bring the flyer into our store with the competitive price on and we will guarantee that price. We will add to match that price for the customer. So they don't need to shop anywhere else. They get unbeatable prices all the time at Wal-Mart.

We've also seen customers bulk buying. We've seen customers cutting back. We've seen them penny pinching. And we've seen them trading much more into private label. That's been our biggest growth area in Wal-Mart is private label. And customers tell us that they know the quality is good. They know the quality is as good if not better than mainstream brands. And that's just a great opportunity for us and actually Lee Tappenden in his session is going to touch on that in more detail.

And as I think about the Wal-Mart mom and I think about all these headwinds she's juggling I often liken her to that household CFO because she really has to make ends meet. She has a budget and she has to make ends meet.

So what I'd like to illustrate now is what we call our income tracker. And we took this from Asda who launched this probably a couple of years ago now. We launched it in this marketplace in January.

And effectively what the income tracker does is it demonstrates how the economic environment affects the financial health of Canadian households. So it tracks the spending power which enables us to make the right choices to help our customer.

So what the tracker does it compares the household income with key financial obligations, so outgoings if you will. So for example the key financial obligations would look at household costs so rental, mortgage. It would look at taxes that were paid. It would look at food costs. And it would look at the price of utilities and gas.

And in Canada the price of gas has just soared. It has gone up 8% year-on-year. And that's another reason why Canadians are looking towards to give them everything, deliver everything under one roof and give them a great one-stop because they only need to take one journey in their car.

So what's left after you've taken away the key financial obligations from the household income is what we call the spending power. And as you can see on this graph for the eighth consecutive month that spending power has declined for our Wal-Mart customers.

And in the month of February which was the last month that was released our households were \$11 less off a month than they have been the year before. So it's getting better, but it's still a decline. So we're obviously really aware of that and we're very conscious of that.

So given those headwinds it's really important to drive class perception. And by driving class perception we really focus hard on driving our actual price gap so that we achieve our goal of saving Canadians' money so they can live better.

So what this slide looks at here is our actual and our perceived gap. And you can see both of them are increasing.

Our actual gap hovers at around 11%. And as David mentioned this morning the way we measure that gap is we check 150,000 price checks across the length and breadth of the country. And that's about 70% of the volume that we sell we're checking on a weekly basis.

And to make this even tougher for ourselves we focus on the next best balance. So we don't just take all of (inaudible) across Canada. So for example if we're looking at grocery we'll take no frills in Ontario, but in Quebec we take the best prices of [Maxi] so that we make it as tough as possible as we can to really guarantee that we're giving our customers unbeatable prices. And that ensures that we win on every basket for all categories across all provinces.

So as you can see the customer is absolutely at the heart of our business. Without the customer we are nothing. And I'm always reminded at this time of a wonderful quote from Sam Walton, who said we have only one boss and that's the customer. And they can fire anyone from the chairman all the way down simply by choosing not to shop with us.

And I think by understanding the customer better, by really understanding their needs and their wants that enables us to drive loyalty. Shelly mentioned nine out of ten Canadians shop with us. And that's great loyalty figures, but we won't be complacent about that. We keep on driving our price leadership and we keep our foot on the gas. It sends our actual price perception.

So how do we put all these insights into practice? How do we make it come alive in terms of our retail strategy?

That's what Alan Blundell is going to talk to you about now in terms of our story the community initiative. Alan Blundell, just a few words on Alan as he's walking up to the stage, and Alan is a 20-year veteran of Wal-Mart. He actually started as a store associate at for the Wilco stores 20 years ago. And he's also on the first cohort of our EMBA program that you heard Bob Hecking talk about earlier. So it's with great pleasure I welcome Alan on to the stage. Thank you.

Alan Blundell: Thank you, Emma, for that introduction and appreciate the opportunity to be with you all today to spend some time on store the community. By deeply understanding the customers that live in the communities that we operate in we have the ability to be able to cater to both their needs and their wants.

As Emma alluded to in her opening comments, we feel strongly that our focus on store in the community provides us with a real and I'd add measurable competitive edge. Store in the community, as Shelly alluded to this morning, is more than just looking at our customer through the lens of ethnicity. It is much about understanding demographics, geography and life stage to really allow us to win one store at a time.

This allows us to focus on delivering local change in three key areas, space, assortments and communication. Local space in a number of instances reflects the communities that we're a part of as soon as you pull into the parking lot of our stores.

As an example in our Waterloo store, which is about two and half hours west of here, we've got a high percentage of Amish customers that shop with us. And recognizing that they choose a different mode of transportation than the conventional automobile we've actually installed horse and carriage stalls directly in our parking lots.

In our first urban 90 which you heard about from Jim Thompson this morning and you have an opportunity to visit this afternoon, we've had to plan around a reduced footprint. This has meant a unique store design whereby we have the store played above ground with ground level parking directly below it.

Now as many of our customers are traveling locally either by foot or using local transportation it was important for us to ensure that they had ground level access directly off the main arterial route, something quite unique for our urban 90. Now as Jim talked about we've got 38,000 customers within a mile radius of the store so many of our customers are making smaller, more frequent trips.

So what we've done we've actually introduced a small wheeled basket into this store, just something easier to make it more accessible for them to get around the box. Now as moved beyond the front of the store we place a great deal of emphasis on using indices-based analysis. This allows us to tailor space both at the macro and micro level where we see high indexes on specific interest and shopping behaviors.

In our Northern Ontario stores as an example which are surrounded by miles of lakes, rivers, forest and brush we have got increased space to sporting goods and subsequently incremental footage to both hunting and fishing, a great example of us understanding the consumers' needs and wants and certainly reflecting what the customer is looking for in these markets.

We also leverage analysis to identify and execute local assortments. There's a number of great examples that you're going to hear about today in your store tours, things like kosher meats and thorn hill, an expanded range of ethnic produce in our urban 90 just to name a couple.

Here's an interesting thing that we learned in our urban 90. What we found is in this densely populated area of apartment buildings that has a high turnover of renters, reflective of the number of new immigrants to Canada some of the first things that they are changing in their homes are their bathroom fixtures, things like toilet seats and shower heads, a great opportunity for us to be able to service the need of the local customer while driving sales above the national average.

I'd also like to take a minute today to highlight Scarborough Northeast, which is on the slide behind me. Now unfortunately you're not going to have the opportunity to visit this store this afternoon, but we

would certainly encourage you to do so if you have some time. Scarborough Northeast has a unique customer mix, a high percentage of Asian and South Asian customers.

Now these customers are looking for specific brands and products at a great price if we're to be considered a shopping destination for them. In late January of this year and in advance of Chinese New Year we opened up our very first meat, seafood and bakery licensees to cater to the unique tastes of this customer.

In addition, we've added over 500 dry grocery SKUs, and the number of specific unique ethnic produce items, things like Chinese eggplant, long squash and Shanghai bok choy just to name a few. We're very pleased with the results to date. Customer count is up over 11% and the stores range an 8.9% increase. We will continue to monitor the results of this store as we think about opening in similar markets.

Through customer focus groups and close connections between our merchants and our operators who interact with our customers every day we did a number of unique insights that influence our decision making at the product level as well as at the brand level. It is our ability to be able to react to these opportunities that really underscores the importance of our roots, meeting customer demand one store at a time.

This provides us with the opportunities to add in choice in very specific geographic parts of the country where assortments or brands quite frankly may not be relevant elsewhere. As an example in our Quebec store the addition of Lefleur meats and Bandy coffee is of particular importance to our French customers. And it's also about being able to capitalize on what is selling locally too and cluster and demand around these specific items.

In our high end index in Asian stores as an example we do huge volume on dark hair dye. By understanding this insight we were able to tailor range and presence on shelf and we can promote this item locally in stores where this item really matters.

Here is a great example from our western stores, the inflatable boat. We have a small pocket of stores that do over 16% of the volume on this one SKU. One store alone does close to 6% of our national POF sales on this item, a great value at \$18.00.

Customers buy these in the summer months and they use them to float down a natural lazy river in their area. A great example of insights coming to us from our customer up through our store managers into our office where our replenishment teams and our merchants work closely together to insure that we have got sufficient quantities in order to meet demand in season.

As we think about the importance of life stage in building meaningful assortments we again look to demographics. The population of those 65 and older has grown by over 12% since 2001m while the population of those 15 and under has actually declined by three.

Furthermore with close to a 1,000 Canadians a day turning 65, the population of seniors is going to exceed 25% by the year 2030. Now this has important implications for us when we think about how we assort our stores.

Today in stores with high indices on aging we make sure to include things like home health care and a full range of incontinence. And it also gives us pause to think about the inclusion of clinics.

When we think about the inclusion of clinics we use three primary data points. First, we look at home scan panel data to really get an understanding of customer opinion on usage. Secondly, we look at the number of doctors in the area. And lastly we look at the prevalence of existing clinics to really get an understanding if whether or not this is something we want to open in our stores.

We triangulate these data points and we partner closely with our pharmacy team to get clear visibility on the viability of a clinic in a given market. Now what we found is where we have opened these clinics we have had the added benefit of increased sales in OTC and subsequently increased customer loyalty as well.

Customer focused assortments, customer focused assortments provide us with the foundation for us to capitalize and build on different events. And we recognize that it's important for us to be able to communicate differently with our customer in this regard.

Our recent approach to Chinese New Year is probably our best example of this. As always as you have heard time and time again today the work starts with the customer first. In this case it's our price sensitive Asian customer.

Now with our primary goals of driving sales and traffic coupled with loyalty we wanted to make sure that we pulled together a clear customer offer. Now with a clearly defined assortment we took a 360 degree approach in making sure we were able to deliver this message. We executed a strong local Asian TV radio print campaign in key markets. And we also used Wal-Mart.ca to deliver that message.

In terms of our in-store experience we had demos on fresh. We had incremental signing and we really carved out a store within a store. Let's take a look at one of the TV spots that initially aired.

(VIDEO PLAYING)

Alan Blundell: Just a point of clarification that when this ad originally aired we did not include subtitles. We just added those in today for your benefit.

Our customer is changing. We will continue to drive and support a culture focused on putting our customer first, a culture focused on listening and learning in the communities that we have been part of for 18 years, enabling us to build the right stores with the right assortment of merchandise.

Our focus on delivering local change in the three key areas of space, assortment and communication will provide us with a competitive edge and build loyalty with our customers so that they can save money and live better. At this time I'd like to introduce you to Jennifer Stahlke. Jennifer has been with us for three years as a key member of our marketing team and currently holds the title of director of customer strategy and in-store experience. Please join me in welcoming Jennifer to the stage to share some insights about one of our most important customers -- mom. Thank you.

Jennifer Stahlke: Good morning. You've heard time and time again this morning, excuse me, how we put the customer at the heart of everything that we do. And certainly Alan has demonstrated that through what you have heard his store of the community team is doing just recently.

Our customer is ever evolving. So I want to spend my time with you talking about a customer that is of critical importance to our business and how we're getting to know her better, and that's mom.

She has a lot on her mind and certainly budget is at the heart of that. She has got a lot of things that she's juggling, and as Emma said she's the CFO of the family. She's just trying to figure out how she's going to get everything done and how she's going to deliver on all the things she wants to for her family all within budget.

And so that certainly puts Wal-Mart in a position to be successful going forward, but the battle to win mom's dollar is going to become increasingly competitive. And so we need to get to know her even better and that's what I'm going to talk to you about.

For us to be most relevant and for mom to want to spend her dollar with us first we need to understand her at the most intimate level. We want to know what she's thinking, feeling and doing each and every week of the year.

This will not only ensure that our communication plans resonate with mom, but that throughout the organization our merchandise offers are stronger and we can leverage those insights throughout the entire organization to make us stronger. It's about driving loyalty and keeping her coming back again and again.

I am personally excited to share with you how we've engaged a select group of blogger moms from across Canada. In an intimate online setting these women let us into their lives. They shared with us personal details about themselves, about their families, how they're tackling the season ahead and about their myriad of shopping adventures.

We can truly know that they are thinking, feeling, and doing each and every week of the year. We give them activities to tease out those insights and to help us get to know them deeply, everything from hand drawing out a project plan for the season to grabbing a video camera and going into the store and showing us something that really resonated with them at their favorite retailer. Again as you can imagine this is invaluable feedback that we can use throughout the organization to make us better.

Meet Belinda. Belinda is 32. She's married. She has two kids. She's a stay-at-home mom and she lives in Vancouver. And this is Belinda's personal project plan for Christmas.

Belinda views herself as the ultimate project manager. Those are her own words. She sets her budget. She sets what she needs to accomplish and then she maps it all out to ensure that she delivers it on time and on budget to deliver the magic of Christmas for her family.

This is what moms are really doing. This is so much more powerful than traditional focus groups or even ethnographies. This gets us inside moms' head where the richest insights will come from.

We are so excited to get to know our customer better, and in this case particularly mom. It is no longer going to be enough for us to just know our customer on the surface. What is really going to put us in front of the competition is knowing her like a best friend.

Now I want to show you a short video featuring three of our blogger moms from our New Years' research. And through this it should become clear how connected we can become, how deep those insights will be and how this will put us ahead of the competition going forward.

(VIDEO PLAYING)

Jennifer Stahlke: Another really innovative way that we're getting to know mom better is using a tool called listen ins, but we should just call this girl talk really because that's what it is. It's four moms who already know each other talking together online.

We give one of the moms a discussion guide and there's no moderator. So the conversation is so much deeper. They're chatting together just like regular girlfriends would. It's so much more transparent, and honest and real.

And this is right in the Wal-Mart DNA because it is so cost effective for us to have a national view as you can see from where these four women are from. We're harnessing the power of technology, but doing it in a Wal-Mart way.

But it's not just about getting to know the customer better. It's about figuring out what those insights are, how we're going to leverage them in Wal-Mart and use them to evolve and in some cases transform our business.

A great example of this is our recent January rollback event. Right after Christmas customers have credit card bills rolling in. Their pantry is empty and they're just looking for a retailer to help them to solve that problem.

And so we came out in January with our 1,000s of rollback event. We delivered on that promise of rollback on over 9,000 items across the store. In the month of January alone we saved Canadians over \$30 million.

By leveraging that simple customer insight we had one of our strongest Januarys ever. So in summary by fully understanding the customer mindset inside the season we have all the information that we need to determine game changing opportunities and the timelines to put those game changing opportunities into place for the following season.

We can take it all the way from insights to the physical and virtual shelf to optimize our business and ultimately save the customer money so that they can live better. Now I'm going to turn it back to Emma for closing remarks.

Emma Fox: Great, thanks, great job, Alan and Jennifer. Thanks very much. And just a few key takeaways I think it's absolutely evident that the customer is at the heart and the center of our business. And you can see how we have demonstrated just how much of a juggle it is for the customer at the moment to really make those ends meet.

They're so value conscious. There are some headwinds and some concerns that the customer is dealing with. So that means it's really imperative for us to continue to keep our foot on the gas in terms of reducing prices so that we will continue to be the lowest price operator. That's the backbone of our business.

So what does all of this mean? Well you can see how much our insights are revolving. You can see how much we're focused on the Wal-Mart mom. You can see how much we're focused on our new Canadians and understanding them better, getting underneath the skin of them, really understanding their needs and their wants through nuanced technology.

And the more we can understand the customer the more we can serve their needs. And I guess as I kind of think about Wal-Mart and Canada, and we've been here 18 years now that's almost two decades of listening and understanding. And we've done eternal listening over that time.

And that gives us real sustainable, and as Alan said, measurable competitive advantage. It's a winning strategy that's been built around the evolving customer and it's underpinned through being the lowest price operator. And that perfectly positions Wal-Mart for continued future growth.

Thanks very much. And with that I open the floor to questions.

QUESTION AND ANSWER SESSION

Carol Schumacher: Okay. We're going to work the Q&A just like we did the other one. John, you had your hand up first so just wait for the mike please and we'll start with questions.

Unidentified Audience Member: Okay. So three quick things, on the perception spread is that how much cheaper the customer thinks you are versus your competition?

Emma Fox: Yes. So the quick answer to that is yes it is. I guess for me it's kind of a measure of how efficient our communication is. So we have our actual price gap that we measure. And then the perception is absolutely there as we talk to customers what's their perception of Wal-Mart's price position.

Unidentified Audience Member: Secondly, how does the price perception gap correlate with comps or traffic? Or is there a good correlation or has there not been or --?

Emma Fox: I think for me the price perception is about how well are we driving our price leadership message and communication. And the more we see the gap between the two the more we know we're doing our job for customers in terms of driving actual price and price perception.

Unidentified Audience Member: All right. Then third how do you tell what's the optimal place to be either with actual price and/or perception? Are you too low, too you're clearly not too -- is the gap is not too low. How do you tell if it's where it should be?

Emma Fox: And I think that's a great question. And I think it's different in different markets because if I look at Ulster it's a slightly lower price gap and you probably know those figures. And I think it's different on different categories. So we obviously measure a basket of over 100 categories.

And we have different price actual gaps per category. So we're constantly putting our foot on the gas and making sure we kind of measure that really well. And it's just part of our backbone and our DNA to drive that price leadership.

Unidentified Audience Member: And then just a quick one, on the store in the community when you guys enter a new town or a new trade area how steep is the learning curve in terms of understanding I guess what the demands are of the customers and if there's any sort of customer outreach, whether it's from health and wellness outside of just changing the merchandise assortment if there's any sort of kind of interactive element?

Alan Blundell: Yes, great question. Think obviously we've heard today that we been entrenched in the Canadian retail landscape for over 18 years. So we certainly get the great insights from those businesses where we're operating in those markets to be able to think about how we open new stores.

And one of the things that we leverage heavily through our spectra analysis is really getting a clear understanding around the demographics in terms of things like aging population within a market. And we certainly make sure that when we build store layouts for our boxes that those are being pulled in to really make sure that they're going to be delivering the assortment that we need for what our customers will be looking for.

Carol Schumacher: Next question we'll go to Wayne.

Unidentified Audience Member: Yes. And I had two questions, one kind of related to the pricing gap. The pricing gap of 11% is an overall basket price, but when you think about that gap versus the hard discounters, what would that represent? And then what percentage of your business is done on that match now given that program went into effect?

Emma Fox: So I think overall as you see that the price gap is in 11 and it can't be as we kind of stand it's 11 percentage points. And it differs for each category. We don't go into the detail of that, but it absolutely differs for each category.

And each GMM would have their own targets in terms of their next best ballot that they knew they were going to achieve. Your second question was --?

Unidentified Audience Member: How much of your business since you went to the match and does that represent where they're coming back into you?

Emma Fox: I think what's really interesting as we re-launched ad match to ensure that no customer really had to shop elsewhere was we effectively doubled the use of ad match. And we also see a higher degree of loyalty. And actually if you are in late Tagginton session he talks on this a little bit more.

So when customers use ad match they have a higher basket than our average basket as well. So it's a vehicle that's really working for us in terms of driving unbeatable prices.

Carol Schumacher: Next one we'll go to Mark on the end here. And if you have -- if anyone else has questions raise your hand so I can see please.

Unidentified Audience Member: Thanks, Mark Will Smith from Morgan Stanley. On the health care clinics how does that work against the backdrop of socialized medicine in Canada? Is the government getting involved in paying for some of those clinic visits and does that help drive prescription writing at the store?

Alan Blundell: Yes, a great question. In terms of clinics today we've got 27 or 28 up and running. We've got plans to open 20 this year so certainly when you think about that aging population and the growth of seniors exceeding 25% by the year 2030 it certainly is something that's important to our strategy and in terms of our health and wellness business.

In terms of health care in Canada the government has a promise that all Canadians receive health care and have the ability to see doctors whenever they so choose based on what their needs are. And clinics certainly help pull the strain off existing hospitals and emergency ward clinics being able to offer some

of those more basic things and certainly something that when we think about partnering provincially we're able to do that and work in conjunction with them.

Carol Schumacher: You'll see the clinics when we hit the stores this afternoon. Next question will come from Joe in the back.

Unidentified Audience Member: Hi, quick question on when you are looking at the mom or talking to the moms how are you recording the data and mining the data. Like I guess you can watch their sort of like focus groups, but then how do you turn that into changes in the store and have that memory of it?

Emma Fox: And that's a great question. And Jen is really our expert on Wal-Mart moms so I'm going to hand over to Jen.

Jennifer Stahlke: It's an evolving process certainly. When we look at a season we look at a variety of data points, everything from primary research, secondary research, qualitative, quantitative, syndicated. I've pulled that all together into a seasonal recap that we can then use throughout the organization to as I mentioned in my presentation drive merchandise offers, drive communication, drive how we go to from an operational perspective how we go to the store with that season. So it's absolutely something that's evolving, but we have a strong team in place that does that internally.

Carol Schumacher: Okay. We'll take one more question, Craig.

Unidentified Audience Member: Yes. If you could speak to some of the new insights that you are uncovering, the fact people are value conscious or looking for deals, the fact that there's a variety of demographics here or not net new, but if you could speak to some of the white space you discovered in the market and new insights into what kind of invasions you're using to address those white spaces.

Emma Fox: Yes. It's a great question and I think the richness of the data that we're finding in the insight it's just constantly kind of new areas to explore. So for example just picking up on what Jen had said, as we were thinking about the Wal-Mart mom and we were talking to the Wal-Mart mom it became really evident that as she is trying to juggle her budget and knowing that the big credit card was going to fall on her doormat in January actually we needed to do something a little bit different.

Often we would talk about health in January. What was really important to mom was that we gave her great value, which is why we launched the rollback campaign in January.

So there are the sorts of kind of nuances that we've been able to really pair up with what the customer needs are in a much kind of more focused way. And I don't know if you've got any other examples in store of the community, Alan?

Alan Blundell: Yes. The only thing I would add and the great comments just in terms of the store in community piece, obviously with our scale and being able to leverage those insights directly from our stores we have the ability then to cluster demand around specific opportunities.

One that I would call out would be our cottage stores, so a great example for us in store like Wasaga or in Port Elgin where they've got very similar demographics and they've got peak seasonal demand occurring at the same time, we can make sure that we've got sufficient quantities in things like propane for camping, incremental sleeping bags, firewood, truly make sure that we can build robust events and really drive sales to the next level.

Carol Schumacher: And with that we're out of time. We need to wrap up in here. If you are attending the merchandising growth strategy session you can stay in here. That's going to be the next one in this room. And the leverage and productivity session will begin in about ten minutes in the Princess room. Thank you.