

John Molson ICC

Live Case Presentation.

Jan 4, 2023

About Walmart Canada.



Walmart Canada operates a chain of more than 400 stores nationwide, serving 1.5 million customers a day.



1.5 million customers visit our flagship online store, Walmart.ca, daily.



More than 100,000 associates across Canada.



One of Canada's most popular brands, based on Google searches.



Committed to regeneration – focused on equitable opportunity, sustainability, community, ethics and integrity.

Walmart Canada Announces Major \$3.5 Billion Investment For Growth And Customer Experience Transformation

3

PYMNTS.com

Walmart To Open Five Ghost Kitchens In Canada

Ghost Kitchen Brands (GKB) has teamed up with Walmart Canada to ... to expand technology use to help with eCommerce, the release stated.

Mar 14, 2021



NewsWire.CA

Walmart Canada accelerates investments in omnichannel ...

Renovations: More than 130 store renovations over the next few years to make new space for eCommerce, including approximately 19 this year.

Oct 30, 2020



The Spoon

Walmart Canada to Deploy First Automated Kiosks for Grocery ...

Building out a 22,000 sq. ft. - Expanding grocery pickup to 50 more stores this year - Piloting "ring scanner" technology that allows workers to...

Mar 4, 2021



Harvard Business Review

How Walmart Canada Uses Blockchain to Solve Supply ...

One of Walmart Canada's tech leaders suggested automating the process by creating a blockchain network, which would overcome the problem of...

3 weeks ago



AndNowUKnow

Walmart Canada Expands Partnership With Focal Systems

Focal Systems is one company that earned its spot in Walmart Canada's network, and recently expanded the partnership to reach additional...

Nov 24, 2020



FreshPlaza

First of its kind technology at Walmart Canada's distribution ...

Thanks to a \$20m investment, a Walmart distribution centre in Cornwall, Ontario, is now equipped with a "state-of-the-art" warehouse order...

1 month ago



NewsWire.CA

Walmart Canada to acquire Toronto start-up Foodmaestro to ...

This is Walmart Canada's first acquisition since the pandemic. It demonstrates the retailer's commitment to innovation and continuing to...

1 month ago



Retail Customer Experience

Walmart Canada, Ghost Kitchen Brands partner on meal ...

Ghost Kitchen Brands and Walmart Canada are partnering to provide one-stop meal pickup and delivery service. The first Ghost Kitchen is open...

Apr 13, 2021



NewsWire.CA

Walmart Rewards Mastercard launches first-ever payment ...

Walmart Canada Corp. Also from this source. Walmart Canada unveils state-of-the-art warehouse technology in...

Nov 17, 2021



Packaging Gateway

Walmart Canada to end use of single-use plastic shopping bags

Cutting-edge innovation in fish packaging. "I'm so proud of our team for taking this step, the most recent in a series of significant changes..."

1 month ago



Supermarket News

Walmart plans new high-tech perishables distribution center in ...

"Walmart's high-tech grocery distribution center will include game-changing innovations that are radically disrupting the supply chain..."

Oct 20, 2021



NewsWire.CA

Walmart Canada Unveils New, State-of-the-Art, "Urban ...

"With our new Urban Supercentre Concept, we're continuing to position ourselves as a leader in store design and retail innovation," said Lee...

May 28, 2019



NewsWire.CA

Walmart Canada Makes Largest Retail Commitment to ...

7, 2021 /CNW/ - Walmart Canada will purchase the largest known quantity of beef from certified sustainable Canadian farms and ranches ever...

Oct 7, 2021

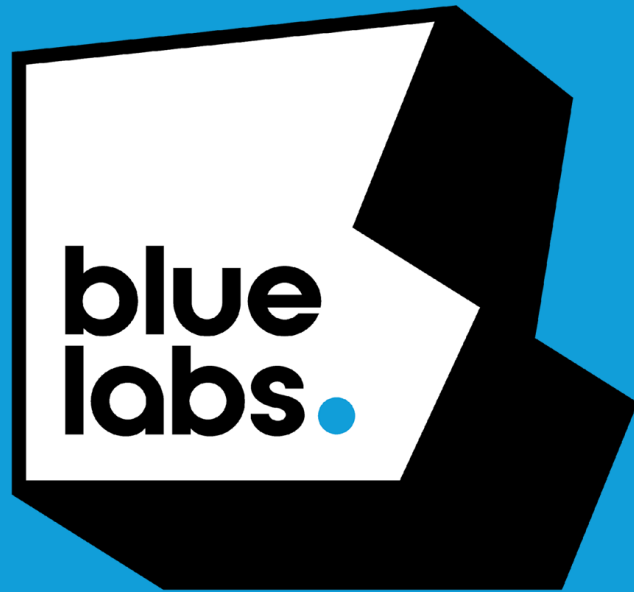


Walmart Canada is investing in its transformation.

Our mission at Blue Labs is to transform the future of retail.

4

THE
FUTURE
OF RETAIL



*Powered by our size and scale, Blue Labs incubates disruptive & radical innovation to **transform the future of how, why, & where people shop.***

*Blue Labs accelerates and realizes the innovations that will create the **retail experience of tomorrow & better the lives of customers.***



Meet Blue Labs - Walmart Canada's most diverse team.

55% Female representation



12 roles brand new to WMC

*Prototype Engineer + Developer
Senior UX/UI Designer
Design Thinking Specialist
Research + Development Specialist
Innovation Leads x3
Innovation Analyst
Innovation Process Managers x3
Innovation DevOps*

**Previous
experience
includes:**



Blue Labs operates on 5 key principles.



A **dedicated team** building new capabilities and bold ambitions



Active collaboration with **Canadian and global innovation ecosystem**



Separate and **dedicated office space** in the heart of the downtown Toronto innovation ecosystem



Unique financial decision-making structured to mobilize quickly and place de-risked bets



Growth Board established to prioritize the customer and accelerate innovation delivery

Blue Labs is the lighthouse *and* the tugboat of Innovation for Walmart Canada.

7

Lighthouse for Innovation

Blue Labs will continue to evolve into the center of excellence and be the guiding light for how we innovate on behalf of the customer at Walmart Canada.



Tugboat with the Core

But we won't be on an island alone. We will sit in the seats next to the core business helping to tug along and develop a more innovative Walmart.

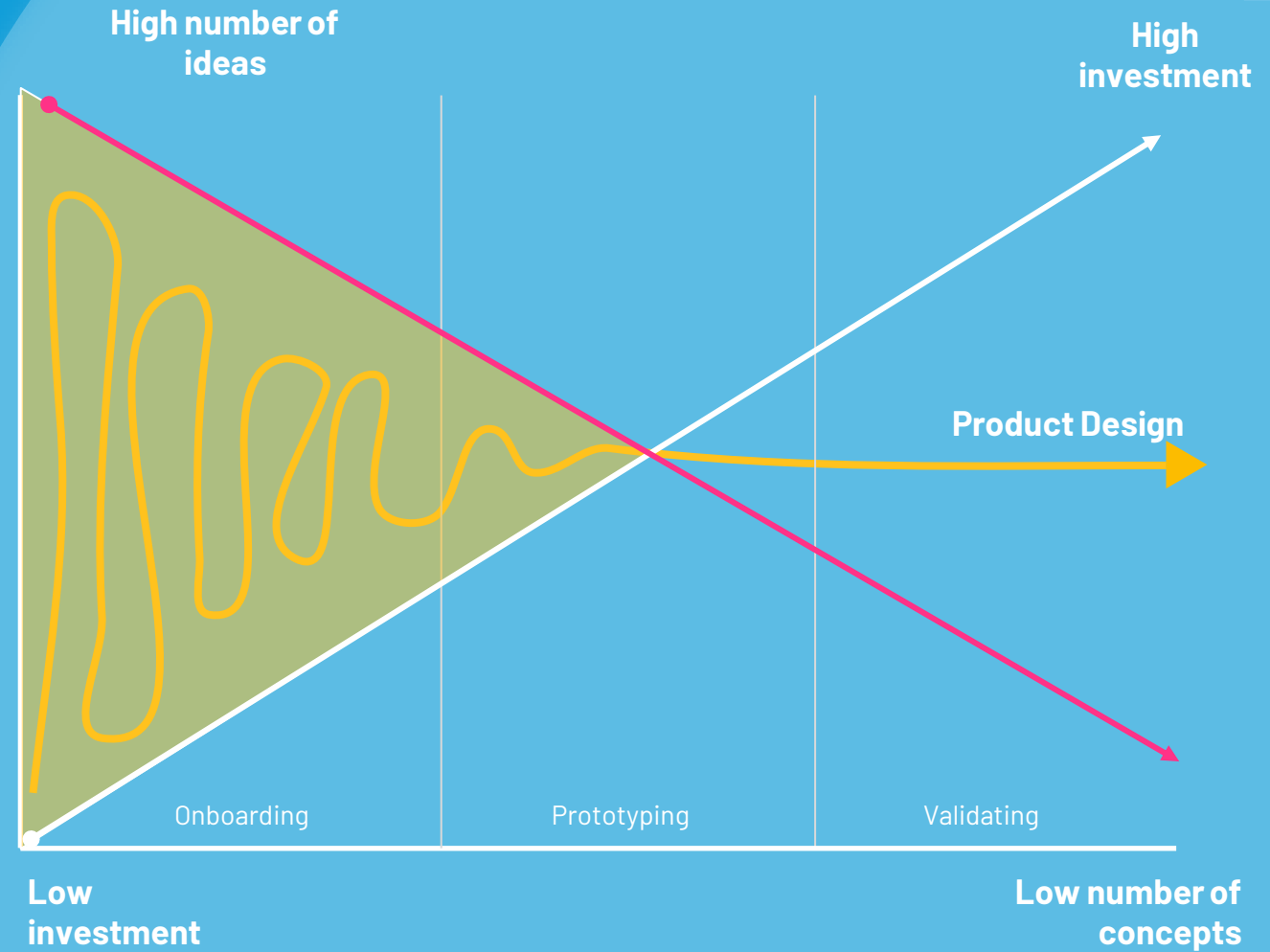


We aim to quickly fail or scale a high volume of ideas and increase investment in each concept based on increased validation.



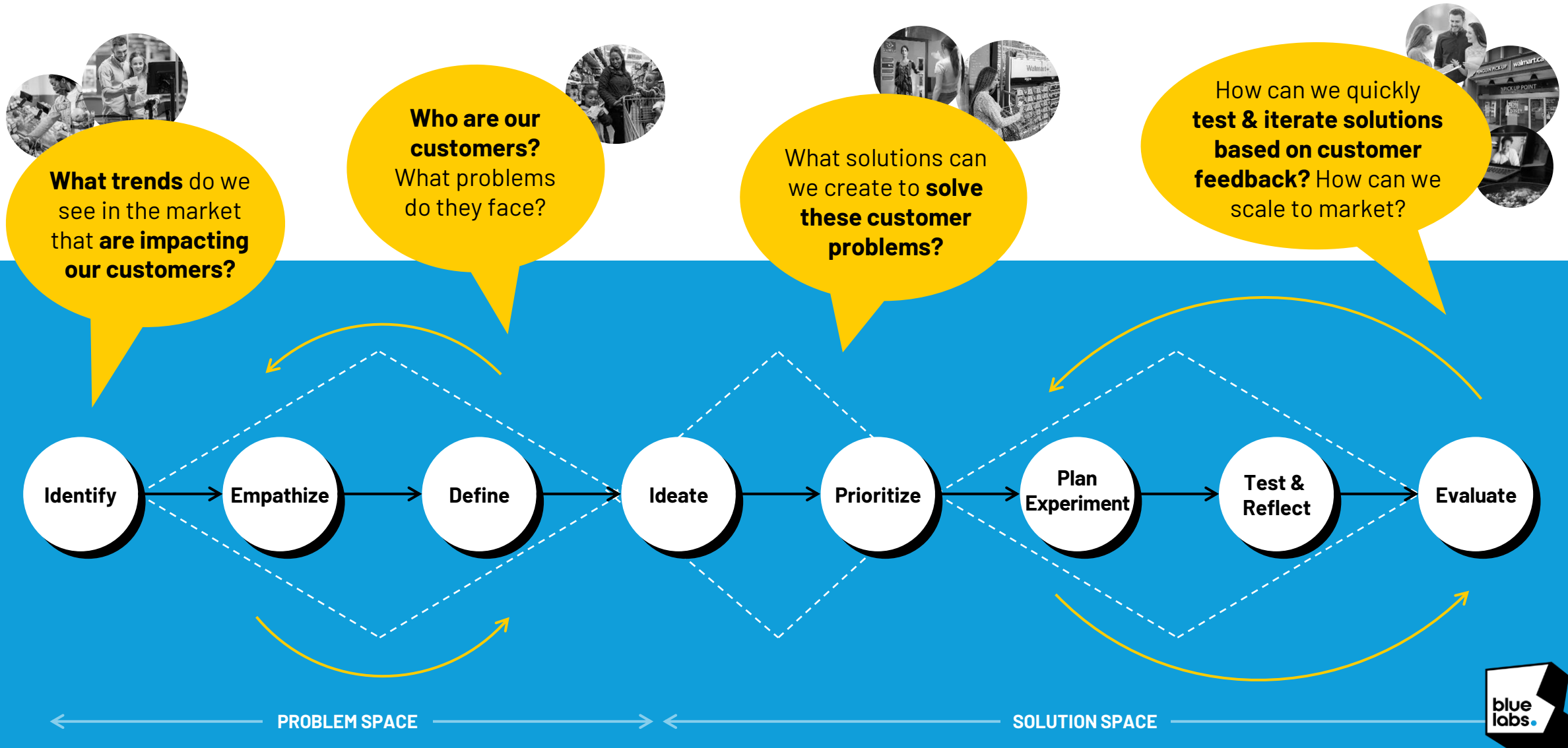
"Successful innovation looks like failing 9 out of every 10 ideas at each stage-gate"

-Alex Osterwalder -
Founder, Strategyzer



The Blue Labs innovation process uses design thinking and iterative, agile testing to innovate for the customer.

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Blue Labs is supporting WMC ambition in a new way, compared to traditional in-house innovation.



To deliver on our key objectives, we need radical & disruptive innovation.

Blue Labs aims to support Walmart Canada in key areas to:



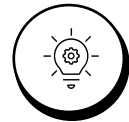
Improve customer NPS



Generate alternative revenue streams

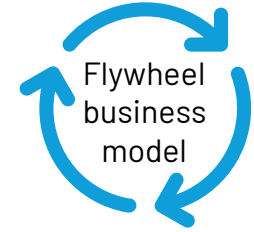


Reduce Cost Transformation



Lead disruptive and radical innovation

Walmart Infrastructure.

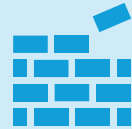


12

The “power of Walmart” can be utilized to support in the viability and implementation of innovation solutions.



One of Canada’s largest supply chains, uniquely positioned to provide the scale, quality, cost and efficiency to additional ventures.



Physical stores across the globe with the ability to act as mini distribution centres.



Walmart Connect retail media -- a closed loop omnichannel media business.



In-house development and expertise, including tech development teams.

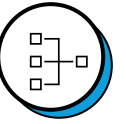


Global footprint and insight into international markets. The opportunity to both pilot solutions in Canada and roll out internationally.

Walmart infrastructure can be leveraged in an external context, as with Walmart Fulfilment Services.



Net-new
revenue
streams

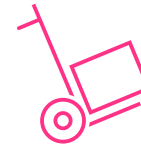


Existing
infrastructure

Walmart Fulfilment Services arrives in Canada, bringing even faster service for customers shopping with Marketplace sellers



Launched in 2017, Marketplace is now home to **50 million items** from over **7,000 sellers**.



Walmart Fulfilment Services (WFS) offers **end-to-end fulfilment services and customer support**, including returns, to Walmart's third-party Marketplace sellers.



WFS allows Marketplace sellers to use Walmart's 2-day shipping, which will be available to more than 95% of Canadians.

This provides **faster service** for customers shopping on Marketplace.

The 'Identify' stage of our process relies on strategic foresight to identify future trends and understand their relevance and impact.

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Identify

Strategic Foresight Process

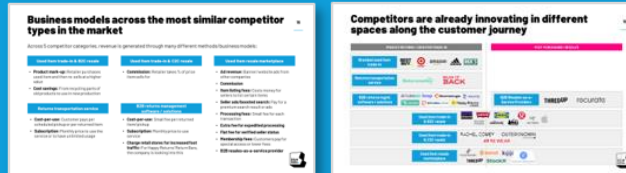
Signal Scanning



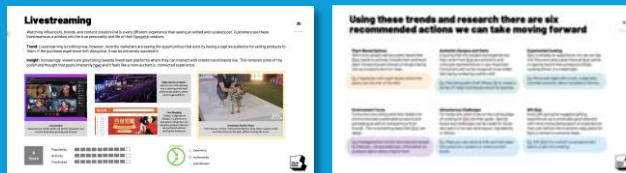
Secondary Research



Competitive Analysis



Trend Identification and Recommendations



Using TrendHunter's Megatrend wheel framework we are able to organize all emerging market trends into six categories



Patterns of Opportunity

- Each pattern drives several megatrends
- All opportunities can be mapped back to these six categories

Megatrends

- Long-term trends that are being seen across industries
- Within each megatrend are smaller, more specific trends and insights

Megatrends Legend

Acceleration: perfecting one thing, aspirational, reimagined solutions
Reduction: specialization, crowdsourcing, efficiency
Convergence: adding value, co-branding, digital and physical

Cyclical: repetitive cycles, nostalgia, seasonal
Redirection: refocusing, gamifying, surprising
Divergence: personalization, status, fashionizing



Through strategic foresight research, we have identified three transformational areas of interest.

1

Creator Economy

The class of businesses built by and for the over 50 million independent content creators, curators and community builders.

2

Preference for Experiences

With an abundance of stuff in their lives, consumers are prioritizing spending disposable funds on experiences instead of more things.

3

Evolution of Shopping

The methods and platforms people use to engage with products and services are changing. We must anticipate and design for these changing behaviours.

Marques Brownlee

Tech Reviewer & Pro
Ultimate Frisbee Player

16M on YouTube
4M on Instagram
1.6M on TikTok

MrBeast

Stunt Video Creator

117M on YouTube
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Emma Chamberlain

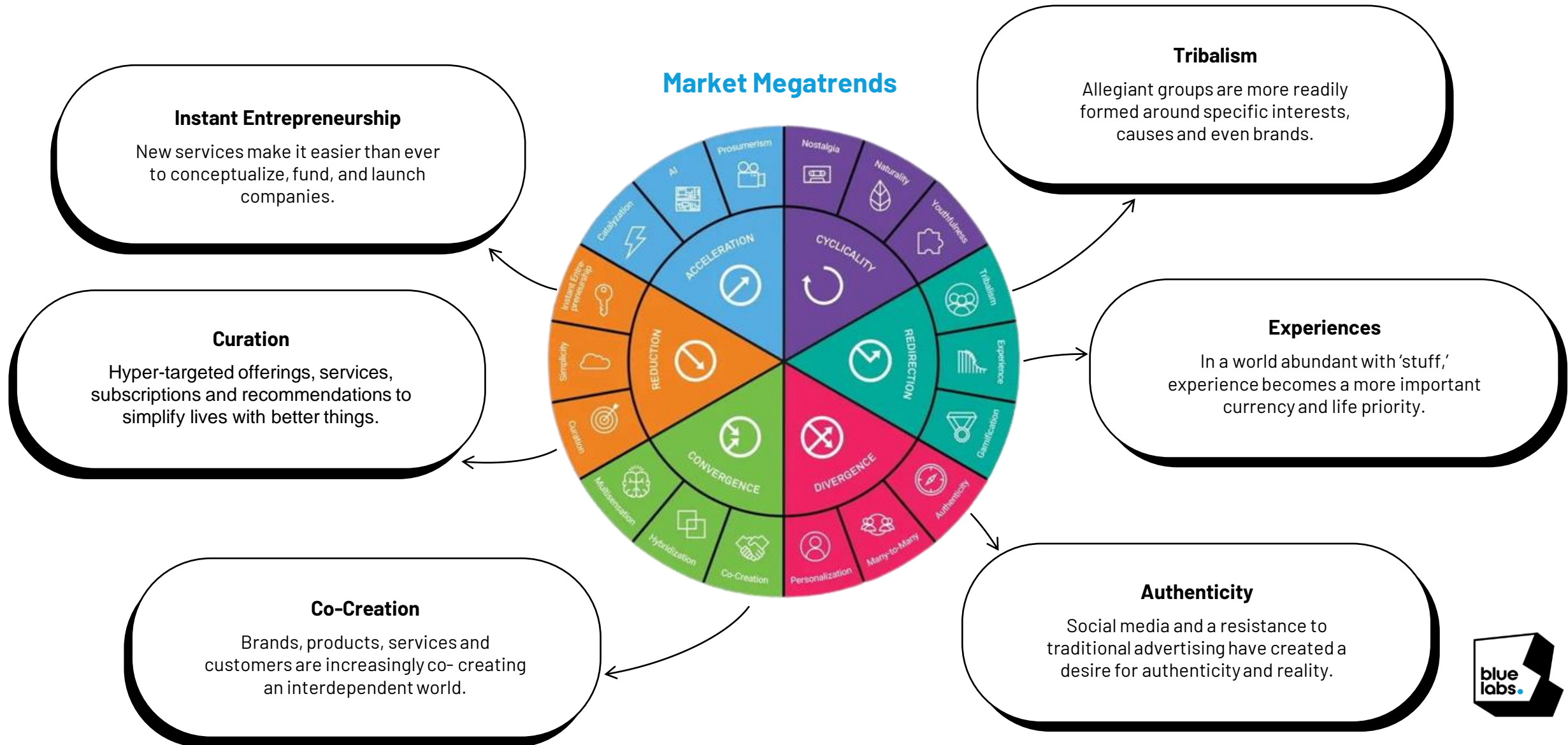
Lifestyle Vlogger

11.9M on YouTube
16.1M on Instagram
769.9K on Pinterest



There are a few megatrends that are most relevant to these areas of interest.

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Trend #1: the creator economy.

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Here are seven key trends emerging in the creator economy space.

Strategic Foresight
Trend 1 – Creator Economy

Market Megatrends



Livestreaming

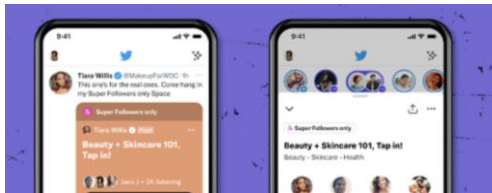
Score: 9



Petco put on a virtual, livestreamed fashion show where viewers could purchase items on the spot, without leaving the event

New Spaces to Monetize

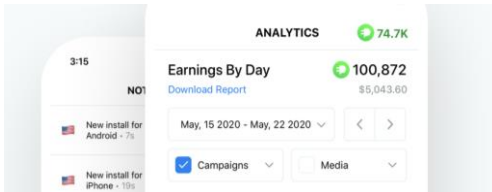
Score: 8.5



Twitter launched Super Follower Only Spaces to allow creators more opportunities for monetization

Power to the Creator

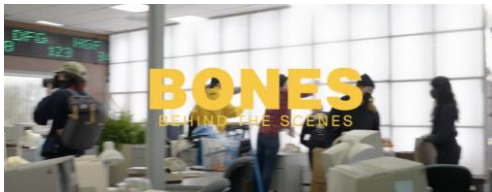
Score: 8.5



The Plug helps creators monetize their audience and choose the work they want to do

Companion Content

Score: 8



Everything from movies to documentaries to music videos release 'making of' videos for additional content

Rise of the Micro Influencer

Score: 7.5



studio, driving to exploring my ne- things to shoot, to make the mo- to audio books (management an even if i get lost path, i still feel li done. Learn mor with Audible - ys free. #YouGottaHeart

Audible collaborated with photographer Jessie Driftwood on a campaign to reach his audience in a way that was true to him

Business Products for Creators

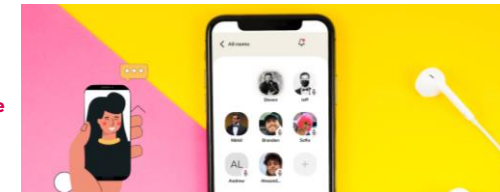
Score: 7.5



Karat is a financial management system specifically for content creators

Audio-Only Experiences

Score: 7.5



Rodeo is an app which tries to mimic live conversations with friends as much as possible

Megatrends Legend

Acceleration: perfecting one thing, aspirational, reimagined solutions
Reduction: specialization, crowdsourcing, efficiency
Convergence: adding value, co-branding, digital and physical

Cyclical: repetitive cycles, nostalgia, seasonal
Redirection: refocusing, gamifying, surprising
Divergence: personalization, status, fashionizing



We can classify creators across 4 dimensions.

19










1

Type of Creator	
Educator	Recommender (influencer)
Coach	Builder (creator)
Blogger	Product Reviewer
Vlogger	Writer
Podcaster	Artist

2

Content Category		
Home & Design Experts	DIYers & Artists	Fashionistas
Beauty Gurus	Health & Wellness Gurus	Sports Aficionados
Tech Wizards	Professionals	Lifestyle Vloggers
Family People	BookTokers	Foodies

3

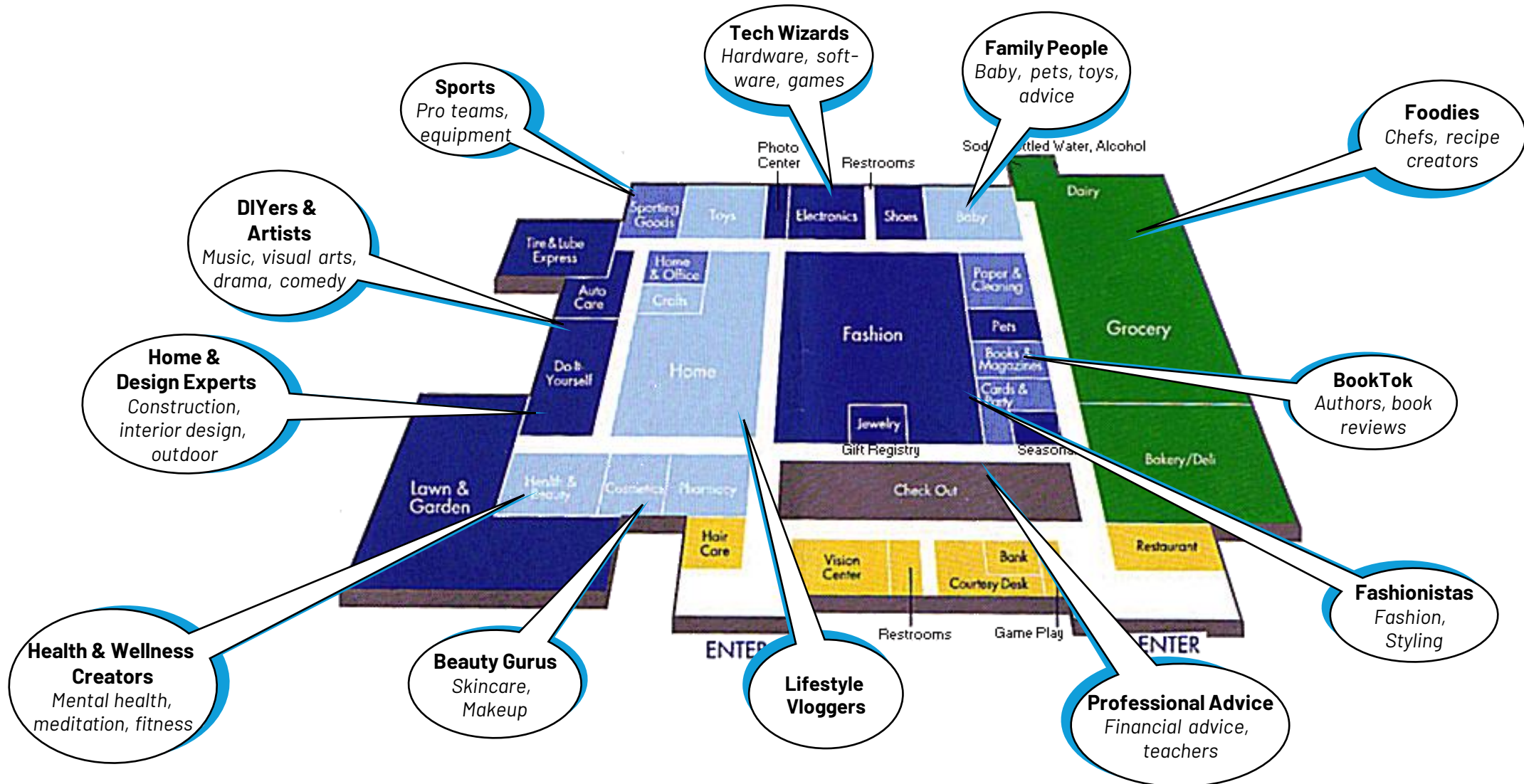
Platform		
		
		
		

4

Size
Nano (1K - 10K)
Micro (10K - 50K)
Mid (50K - 500K)
Macro (500K - 1M)
Mega (1M+)

There is a variety of content categories and creators play in all parts of our store.

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Creators come in different shapes and sizes, with different challenges and engagement levels.

Size of Following	Examples	Notable Features	Engagement	Pain Points
Nano (1K – 10K)	<ul style="list-style-type: none"> Marianne Gagnon (artist) Ana Salustiano (tattoos) Karine Gibouleau (artist) 	<ul style="list-style-type: none"> Have the highest engagement rate of any influencer type Content is hyper-authentic and personalized for the audience 	4%	<ul style="list-style-type: none"> Hard to get noticed and become “big” Hard to gain experience and build a loyal network
Micro (10K – 50K)	<ul style="list-style-type: none"> Crybaby Cakes (bakery) Hericot Vert (jeweler) Laura Murray (photographer) 	<ul style="list-style-type: none"> 82% of consumers are more likely to buy a product recommended by a micro-influencer 	2%	<ul style="list-style-type: none"> Limited income potential on social media – need to diversify their reach and income streams
Mid (50K – 500K)	<ul style="list-style-type: none"> Drewanimal (artist) Amber Fossey (artist) Simba (cat) 	<ul style="list-style-type: none"> Content is polished but not out-of-touch, lending authenticity and familiarity to each post 	1.6%	<ul style="list-style-type: none"> Risk that their platform may become obsolete – need to diversify their reach Difficult to find managers you can trust
Macro (500K – 1M)	<ul style="list-style-type: none"> Sundae Kids (artist) Lirika Matoshi (fashion) Matt Broussard (chef) 	<ul style="list-style-type: none"> Brands still get a large reach with this type of influencer but may not get the engagement rate they want 	1.3%	<ul style="list-style-type: none"> Difficult to produce your own products without knowledge of design, sourcing, manufacturing, engineering, business, inventory mgmt., shipping, etc.
Mega (1M+)	<ul style="list-style-type: none"> Lydia Tomlinson (fashion) Kylie Jenner (lifestyle) Matilda Djerf (fashion) 	<ul style="list-style-type: none"> Offer incredible reach, but the rate of engagement decreases as the influencer’s total follower count rises 	0.8%	<ul style="list-style-type: none"> Difficult to get products into well recognized stores

Walmart US launched a beta version of a new creator platform in October 2022, aiming to fully launch in the beginning of 2023.

22



Walmart Creator

One stop portal for creators to help monetize content around shoppable products



Paid promotion and affiliate marketing:

Monetized content for promoting Walmart products and ability to link product collections to affiliate program for commissions



Community engagement:

Creators can connect with each other and learn insider tips & tricks, and stay in-the-know on new brand launches, campaigns, & private Walmart events



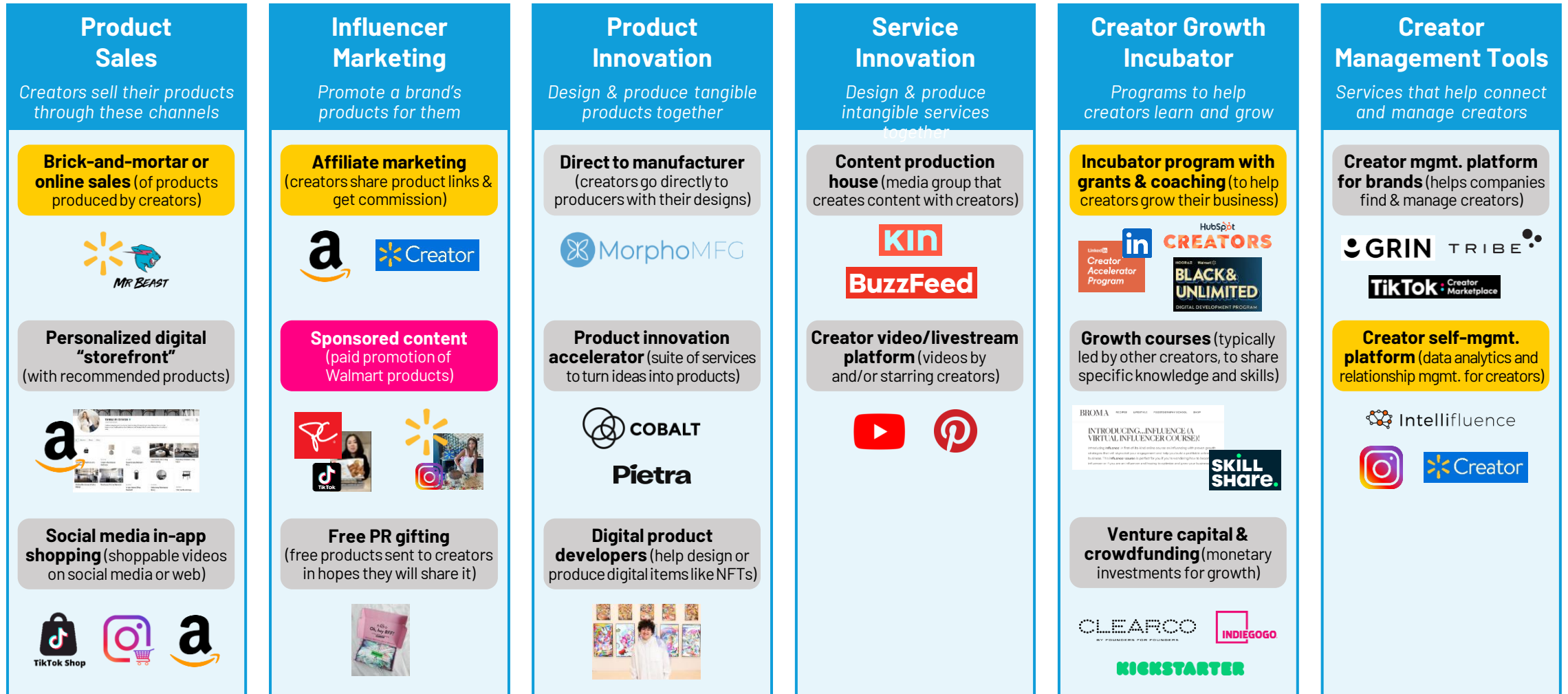
Creator management dashboard:

Each creator has a personal dashboard for performance & audience analytics and earnings tracking



If we think about *the creator as the customer*, there are six main categories of creator solutions in the market today.

23



Traditional

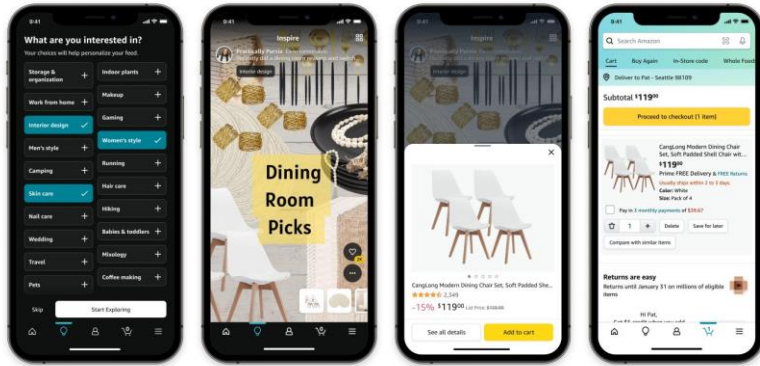
Less Traditional

Legend Solution categories Solution sub-categories Walmart US participates in this space Walmart US & Walmart Canada participate in this space

More brands are partnering with creators or developing services and programs for them to expand their reach and influence.

24

New interactive shopping platforms

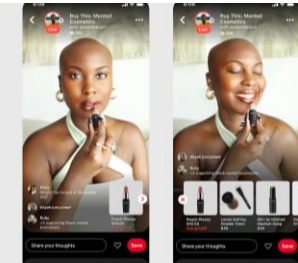


Amazon Inspire
Amazon recently launched a new TikTok-like shopping experience in its app. Customers can choose their interests to personalize their feed of short form videos which have products to purchase directly linked.

Social media nurturing and leveraging creators



LinkedIn Creator Accelerator Program
A \$25 million investment created this 6-week program for creators to bring their vision to life and grow their LinkedIn community.



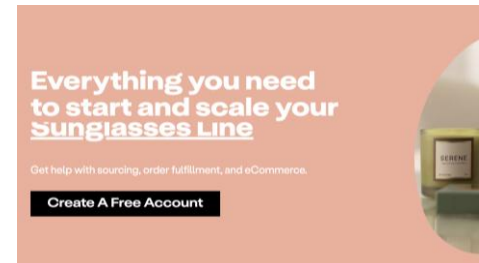
Pinterest TV
Influencers and creators across a diverse array of categories stream live TV-like episode where viewers can shop products being featured.

Leveraging authenticity and community through TikTok

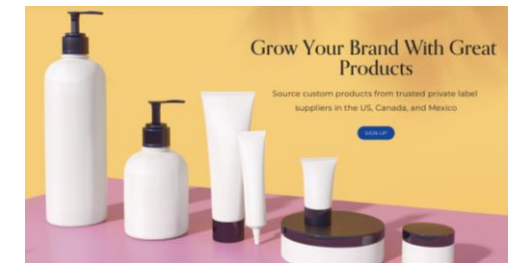


Loblaws' TikTok Play
In order to promote their line of yuzu products, President's Choice partnered with big TikTok food creators like Tiffycooks, IanKewks, and The_eugfood create engaging content to inspire and delight customers.

Product supply, sourcing, and fulfillment services



Pietra Studio
They do the heavy lifting for creators looking to start a business (e-comm, fulfillment, sourcing manufacturers, etc).



Cobalt
A marketplace of suppliers who create custom products for creators who want to start selling. Everything from skincare to leather goods to food.

Trend #2: the preference for experiences.

1

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Prioritizing Experiences.

72% of millennials prefer to spend money on experiences than on material things. With an abundance of stuff in their lives consumers are prioritizing spending their disposable funds on experiences instead of more things. They want to build stronger bonds with family and friends and make the most of the quality time they have together.

Trend: Food tours, hiking, and adventurous activities have always been popular on vacation but now these activities are becoming more central to peoples' way of life, especially younger generations, as they prioritize spending money on experiences not things.

Insight: Consumers in capitalist society are constantly being told they need things and have been purchasing things for their entire lives. Now, with a focus on sustainability and living more mindfully purchasing has shifted towards experiences and adventures.



Travel Experiences

With Airbnb Experiences you can pair your planned travel with exciting local excursions and adventures



Continuing Learning

MasterClass offers a subscription model to learn from the best (and most famous) in different fields



Tailored Tours

Secret Food Tours shows you places where tourists don't normally go with their customized food and drink experiences



Nature Appreciation

USGS offers an America The Beautiful Annual Pass to all National Parks in the USA as a gift

8.5
Score

Popularity



Activity



Freshness



Redirection

Experience

Curation

Authenticity

Trend #3: the evolution of shopping.

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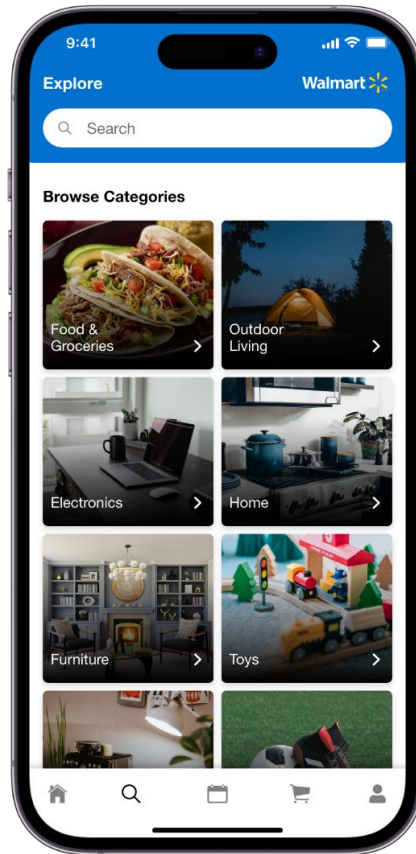
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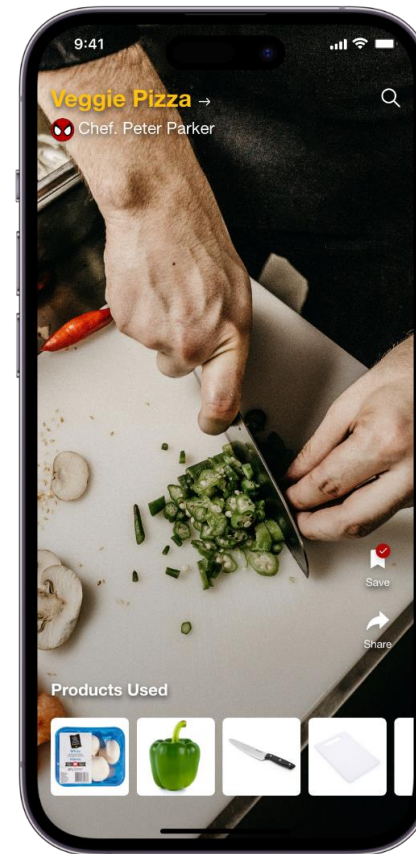
What could the future of shopping look like for Walmart?

Strategic Foresight
Trend 3 – Evolution of
Shopping



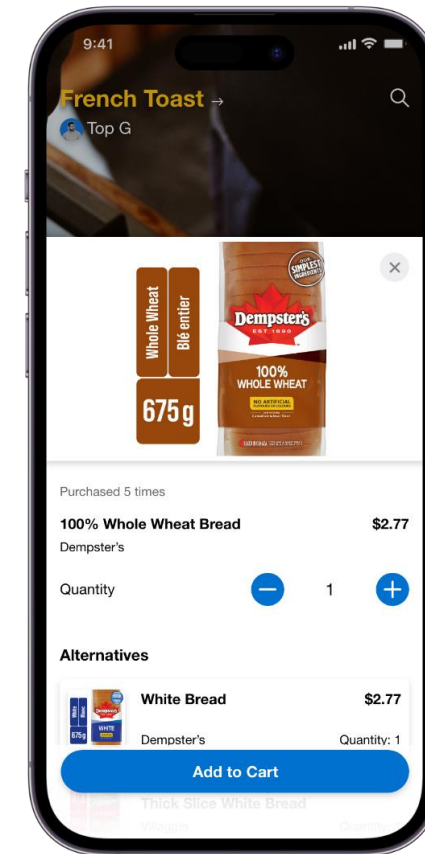
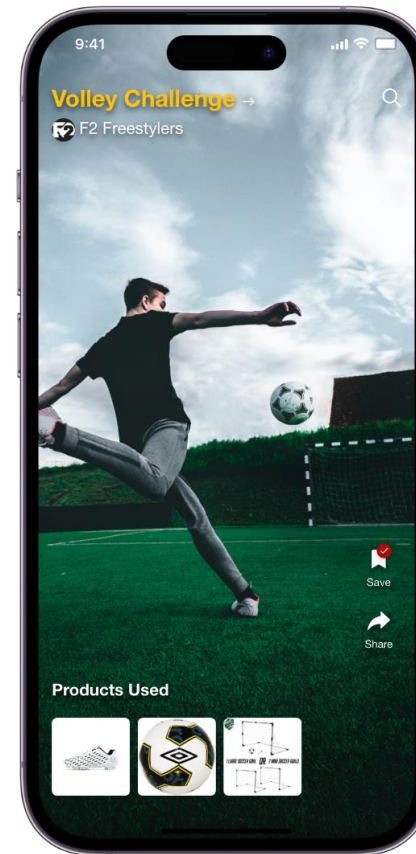
Browse Departments

Users get to choose what they're interested in



Personalized Content for each Department

People don't shop for bananas the same way they do for TVs.
The content they get should be able to reflect that

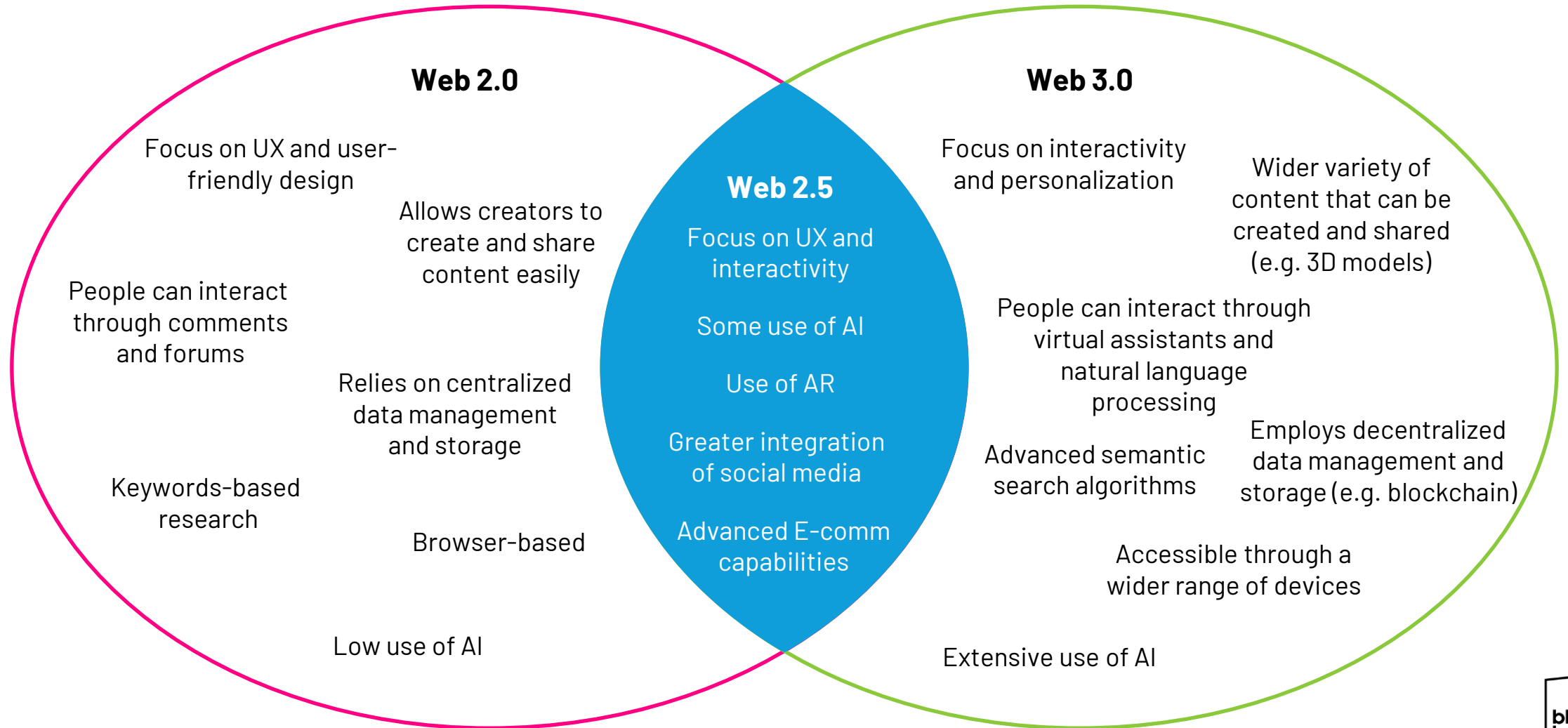


Shop on the Spot

Users would be able to shop the exact item they see on the screen without having to leave the experience

We are evolving from Web 2.0 to Web 3.0.

29



We believe this case touches on some key drivers innovation for Walmart.



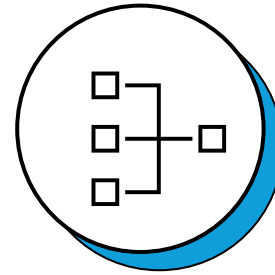
Strategic Foresight

Leveraging the signals that we are receiving from the industry & customer landscape



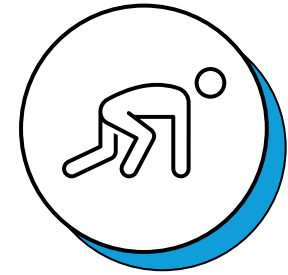
Profitability

Generating net-new revenue streams for Walmart



Operations

Applying the existing Walmart infrastructure in new and differentiated ways



Competitive Advantage

Connecting with the consumer in ways that other big box retailers are not

Our challenge to you...

Given current market trends, how can Blue Labs shape the retail experience of tomorrow?

Consider Walmart's size & scale, current infrastructure and opportunities for net-new revenue streams. Explore the trends highlighted, involving creator commerce and its alternatives.

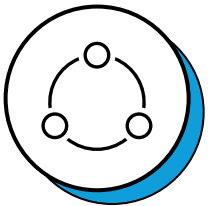
How we will measure success.



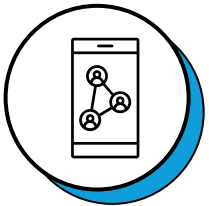
We'd like to challenge you to consider how you will visualize and pitch the solution to us.



We encourage follow-up interaction with our group of Walmart Canada team members to discuss your solutions and idea.



Consider the flywheel business model and how your solution might be mapped against that.



We ideally want to continue engagement with the top solutions post-event, offering an opportunity to sandbox with us.

Q & A