



ALBERTA
LIQUOR STORE
ASSOCIATION

CELEBRATING
20 YEARS TOGETHER

ALSA Member Services Report and Strategic Planning for 2018

December 2017

Introduction

This is a combined report of Member Services for Alberta North and South regions for the year 2017. This report also includes a strategic plan, goals and expected travel expenses for 2018.

Overview

Alberta's private liquor retail industry has grown to a total of 1467 Class D LS licences. Out of which, ALSA has 547 total members as of November 15, 2017. As illustrated by this chart of the right, ALSA has a representation of 37% of all liquor retailers in Alberta.

Out 538 members (in 2016), 9 stores chose not to renew, 21 stores were either closed or sold to new owners (who chose not to join ALSA). There were 39 new members joined this year.

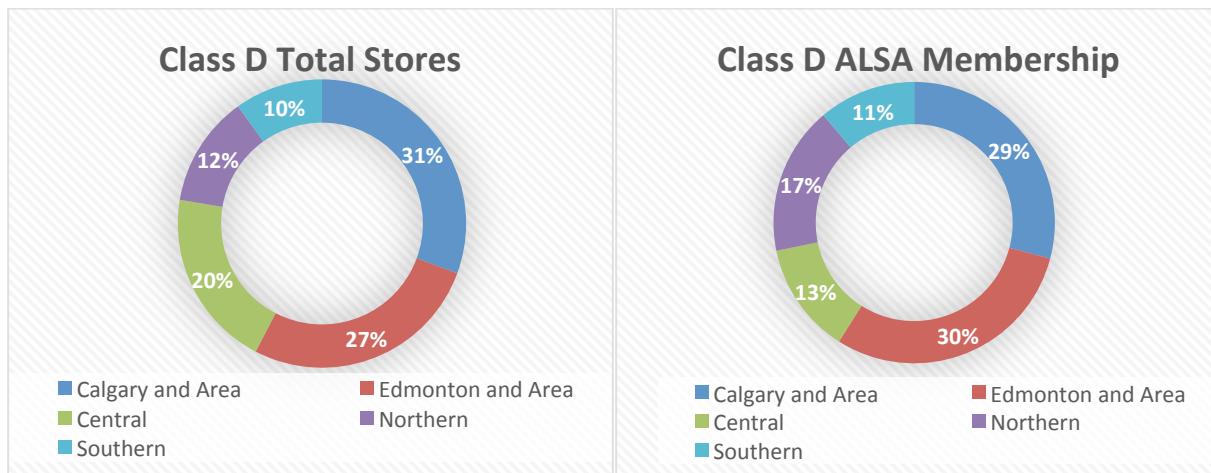


Distribution by Region

The following table illustrates where all Class D LS stores are by region and ALSA members as of November 15, 2017.

Region	Class D	2016 Members	2017 Members
Calgary and Area	449	151	159
Edmonton and Area	396	162	163
Central	294	66	70
Northern	183	93	93
Southern	145	64	61
Out of Province*		2	1
Total	1467	538	547

* Out of Province NWT



These charts reveal Class D LS licenses distribution based on region and ALSA members in respective region

Current Statistics for renewal

Invoices Prepared:	189 (representing 538 member-stores plus 10 new members and 7 former members Total Stores 555)
Renewed to date:	508 (94.4% return)
Non-renewed:	30
New Members	39
Total Membership	547



Partnership Update

Marketing Contracts Prepared:	9
Contracts confirmed:	7

Ivonne Martinez and Howard met with the President of ATB and an additional staff member. There was an agreement to pursue further programs that would be mutually beneficial, and Howard will liaise with ATB staff to provide details regarding members and locations to start. A follow-up could occur between this writing and the December Board meeting and if so, additional information will be provided directly.

Member Services Highlights

North

Contact with stores in Edmonton, St Albert, Spruce Grove, Stony Plain, Sherwood Park, Beaumont, Leduc, Tofield, Viking, Vermilion, Barrhead, County of Parkland,

Contacts have been to member and non-members stores. Membership, Cannabis, ALIC, Awards Interest in Cannabis is still high.

New stores in Castor, Red Deer, and Edmonton started during this period. Several stores have changed hands in this past quarter and several are current members. All stores will be invoiced for 2018 who are current members under different ownership. Contact with new owners has affirmed their interest in continuing membership into the new year therefore we expect only a minimal loss of net membership

South

- Communities Visited: Claresholm, Nanton, Vulcan, Sundre, Penhold, Innisfail, Lethbridge, Medicine Hat, Brooks, Three Hills, Olds, Penfold, High River, Cochrane, Chestermere.
- Contacted new store owners, who bought previous ALSA member stores for minimal loss of membership next year.
- Interest in cannabis is all time high and received numerous calls from member stores.
- Visited stores to promote ALIC and ALSA's participation in cannabis legalization.
- Will attend Christmas celebration party at Minhas and host our members stores.
- Planning to attend The Alberta Urban Municipalities Association (AUMA) annual convention in Calgary with Ivonne.

Topics discussed with store owners:

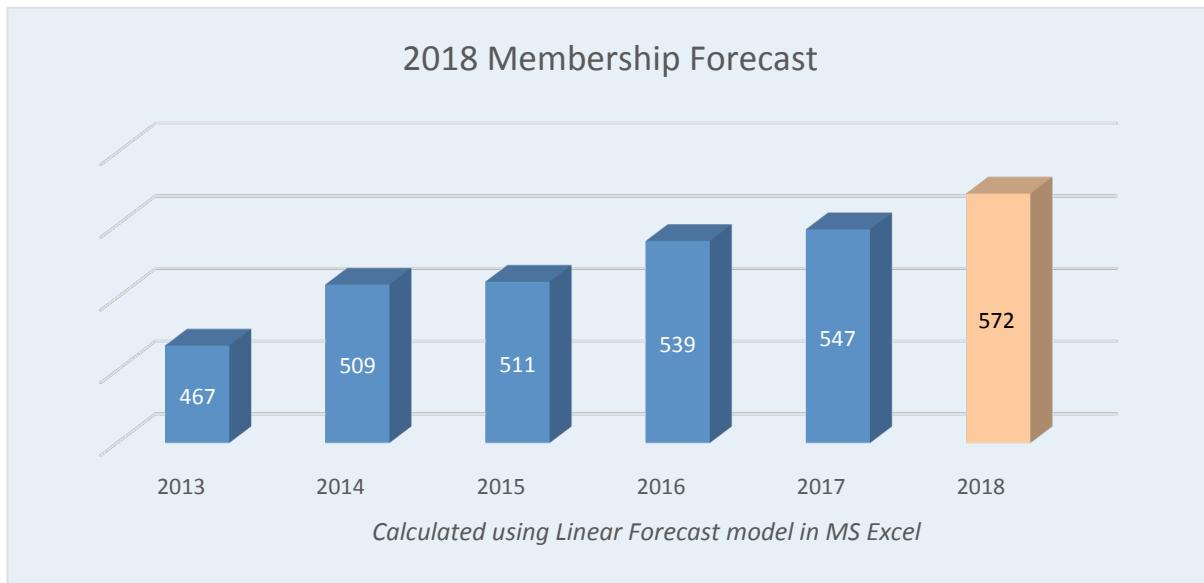
- **Marijuana Legalization:** Future market trends and effects of legalization on the existing liquor industry. Majority of the store owners are unfamiliar with the product and various effects it could cause. Southern Alberta's interests in this aligns with ALSA and store owners want to see this product in the Liquor Stores. However, the operators feel that there should be a strong educational program associated with this.
- **Farmer's Market:** Government of Alberta's recent decision of allowing Farmers Market to sell Alberta made liquor products was also discussed with store owners. Retailers divided opinions on this matter.
- **Minimum case order:** ALSA's discussions with AGLC on this issue was discussed with store owners and all the stores welcomed the efforts from ALSA on this matter. More than 50% member-stores agree that the limit should be 35 cases to reduce the connect logistics' delivery charges.
- **Capping of Liquor Store Licenses:** This issue is raise by many stores when visiting communities in South Alberta. Retailers feel vulnerable that anyone can get a license and open shop in a bay next to them. Hence, they feel that ALSA should propose the Class D license capping based on per capita with the AGLC.

Total distance travelled: 7500 km

Strategic Plan for 2018

Membership Goal

Following chart displays how the membership has grown over the past 4 years, and expected results for the next year. Using a linear forecast model, we calculated an expected growth to 572 member-stores based on previous years' membership growth.



New Strategies

- Updated brochure for new store visits, which includes ALSA's previous achievements, current issues, and group buy benefits overview.
- Collaborative visits in Central to cover Red Deer and territory east and west 2 to 3 days.
- Prepare a formal Health and Safety Package for members to include with renewals and provided to new members in 2018.
- Developing new marketing strategies including Facebook Ads and other social media.
- Collaborative visits in Edmonton to reach Ace Liquor and other Punjabi ownership over 2 to 3 days.
- New Membership Pre-printed Certificates with unique data added in house similar to AHLA plan.
- Potential Risk Management workshops in cooperation with HUB in 2018.

Target Areas

- Red Deer and area: 5 members
- Joint visit in Edmonton: 10 members
- Calgary, and Canmore: 5 members
- Edmonton and Drayton Valley: 5 members

Quarterly Budget Forecast

Alberta North

1 st Quarter January to March	<ol style="list-style-type: none">1. Assist with renewal, taking payments, printing materials and certificates2. Visiting stores Greater Edmonton3. Renewing Partnership Agreements4. Anticipated expenses<ol style="list-style-type: none">a. Travel: 1000 kmb. Expenses: \$1000
2 nd Quarter April to June	<ol style="list-style-type: none">1. Visits along Hwy 13 to Drayton Valley returning Hwy 162. Visits in and around Edmonton3. Assist with Golf Tournament4. Anticipated expenses<ol style="list-style-type: none">a. Travel: 2000kmb. Car rental/Hotels/Meals: \$1500
3 rd Quarter July to September	<ol style="list-style-type: none">1. Visits in and around Edmonton2. Trip to Cold Lake and return Hwy 163. Trip to Athabasca4. Start promotions for ALIC5. Anticipated Expenses<ol style="list-style-type: none">a. Travel: 2500 kmb. Car Rental/Hotel/Meals: \$1500
1 st Quarter October to December	<ol style="list-style-type: none">1. Store visits in and around Edmonton2. Participate in ALIC3. Start preparing for renewals4. Planning for 20195. Anticipated Expenses<ol style="list-style-type: none">a. Travel 1500 kmb. Hotel/Meals: \$1500

Expected Travel: 7000km; Expected Expenses: \$5500

Alberta South

1 st Quarter January to March	<ol style="list-style-type: none">1. Visiting stores in Calgary and area2. Assist with renewal, and delivering certificates3. Anticipated expenses:<ol style="list-style-type: none">a. Travel: 1500 kmb. Hotel/Meals: \$500
2 nd Quarter April to June	<ol style="list-style-type: none">1. Visits in Lethbridge, Medicine Hat, and Brooks.2. Visits in and around Calgary3. Promote and attend Golf Tournament4. Plan joint trip for Red Deer and area5. Anticipated expenses:<ol style="list-style-type: none">a. Travel: 2000 kmb. Car rental/Hotels/Meals: \$1200
3 rd Quarter July to September	<ol style="list-style-type: none">1. Visits in Canmore, Banff, and Jasper2. Store visits in central east towns3. Promote Liquor Industry Conference4. Anticipated Expenses:<ol style="list-style-type: none">a. Travel: 3000 kmb. Car Rental/Hotel/Meals: \$1500
1 st Quarter October to December	<ol style="list-style-type: none">1. Assist in organizing ALIC2. Visit stores in and around Calgary3. Start preparing for renewals4. Planning for 20195. Anticipated Expenses:<ol style="list-style-type: none">a. Travel: 1500 kmb. Hotel/Meals: \$1300

Expected Travel: 8000km; Expected Expenses: \$4500

Howard Riddel
Membership Services Coordinator, North

Lovedeep Kaler
Membership Services Coordinator, South