

In 2014, Loblaws launched their grocery app branded as Click and Collect. The app has since been rebranded to PC Express. It allows users to perform a variety of functions such as online grocery shopping, arranging pickup, requesting delivery, and accessing store flyers.

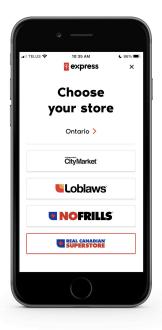








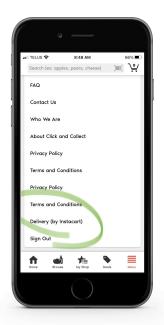
PC Express is available for many of Loblaw's largest grocery chains with service available across much of Canada.

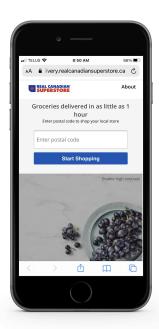


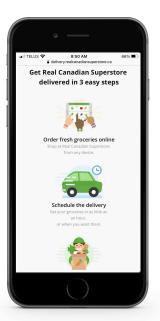




Recently, Loblaws has partnered with US-based delivery service <u>Instacart</u> to offer users grocery delivery at hundreds of locations across Canada without investing in their own delivery infrastructure.

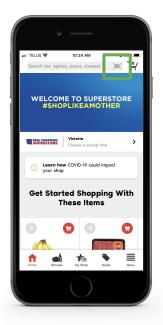


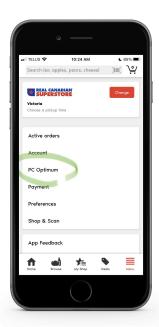






Two other noteworthy features of PC Express are the ability to access Loblaw's loyalty program, PC Optimum, as well as in-store product scanning and checkout that will allow users to skip checkout lineups in store altogether (currently in beta).

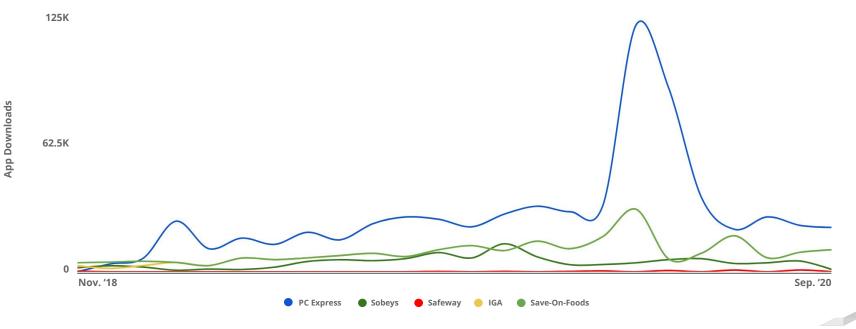




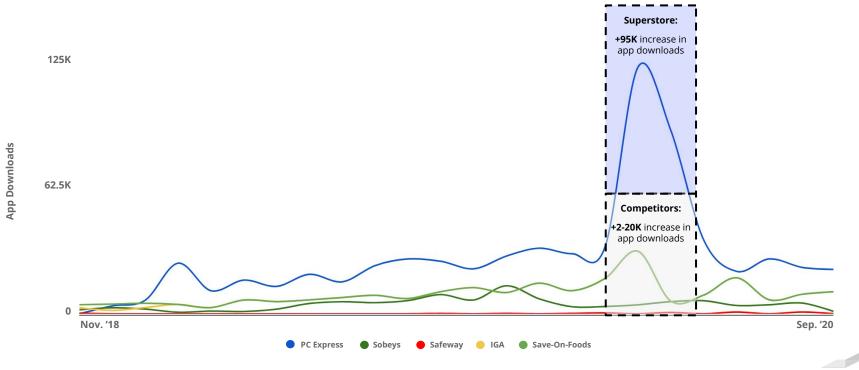




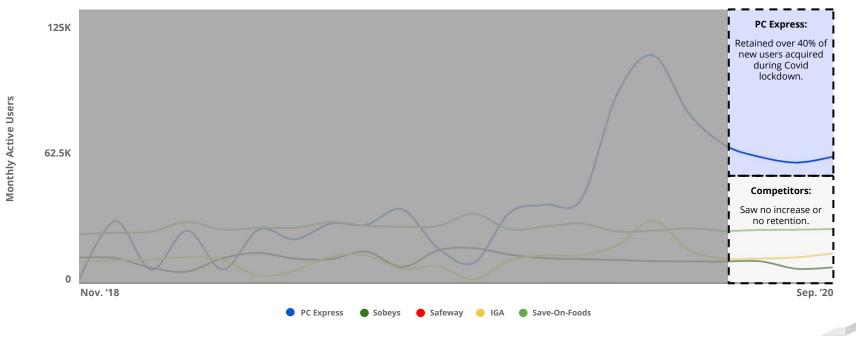
Since 2018, the PC Express app has maintained a strong digital lead over core grocery competitors' apps, averaging roughly 25K downloads per month, while competitors averaged between 2K - 12K.



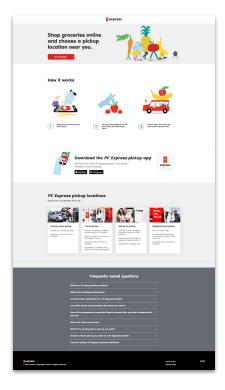
PC Express saw a massive (3.5x) increase in app downloads during the Spring 2020 Covid lockdown, while other competitors saw more modest increases (0.5 - 2x, +2K-20K).



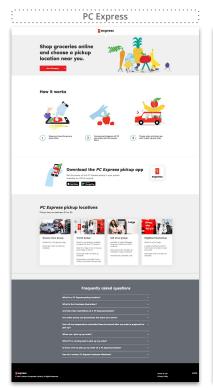
The most notable app-related trend is to do with <u>retention</u>. Not only did Superstore see a much larger increase in app usage during the 2020 Covid lockdown compared to competitors, their <u>PC Express app</u> has been the only grocery app to see <u>a sustained increase in usage</u> after the fact. This likely indicates that Superstore has not only done a great job of convincing people to try their app, but also that users found real value in the app and therefore continued to use it after trying it.



The hub of the PC Express digital presence is <u>pcexpress.ca</u>. This site is a concise landing page that explains the features and benefits of the app, answers FAQs, and drives users to the iOS App Store and Android Google Play Store to download the app. In short, it's a typical conversion and mobile optimized app landing page.



Direct competitors in the Canadian grocery industry tend to adhere to similar landing page best practices for their apps. Save-On-Foods is the only direct competitor without a dedicated and optimized landing page for its app.

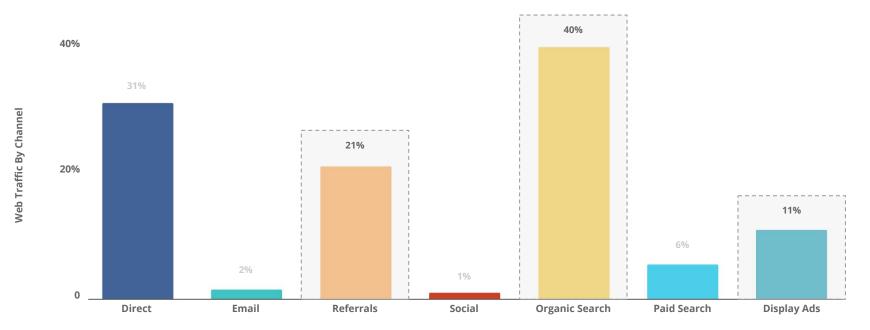






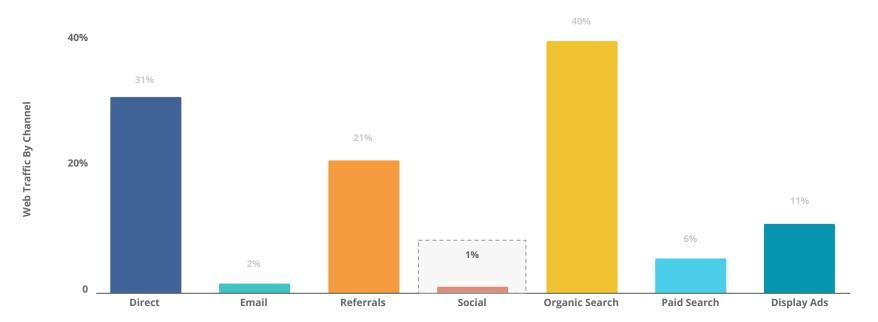




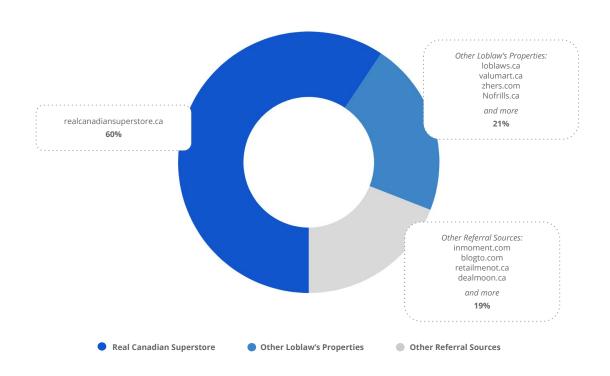




Social is a notable exception to Loblaw's digital marketing strategy for PC Express. There are less than 5 posts about PC Express in the year 2020 across all major Loblaw's social accounts, including Superstore, PC Optimum, Loblaws, PC Express (Facebook), and President's Choice. Loblaw's may have deemed social an ineffective channel to directly promote their app, and made the choice to use social for pure top-of-funnel brand-building, relying on middle and bottom-of-funnel tactics to actually convert the audience to app users.

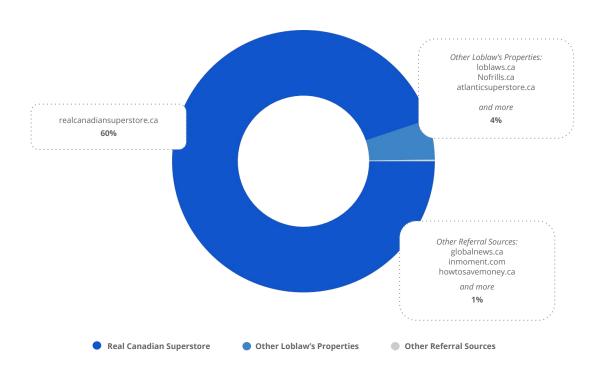


In the last 24 months, 60% of <u>pcexpress.ca</u>'s referral traffic was driven from Superstore's website.



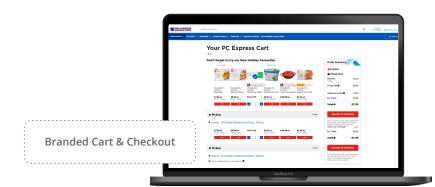


Looking at mobile web traffic only, Superstore's website makes up 95% of pcexpress.ca's total referral traffic, which translates into 16% of the site's total mobile web traffic.

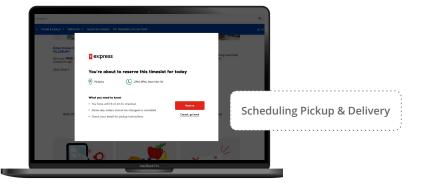




PC Express is strategically integrated into the Superstore website at a variety of key points in the user journey, driving traffic to pcexpress.ca or directly to its app & play store listings.

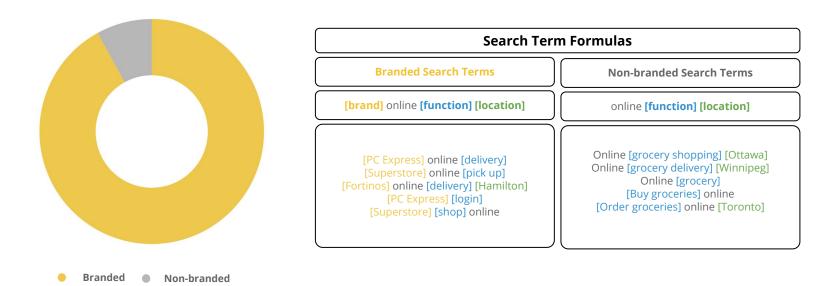






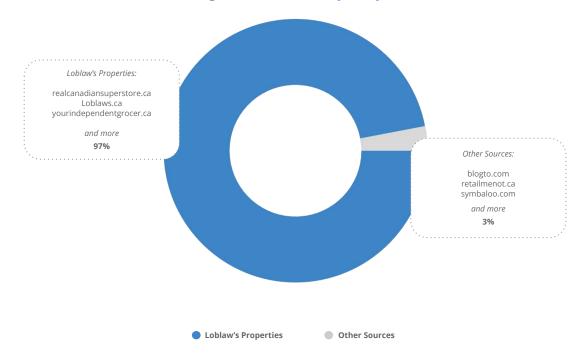


Organic Search drives 40% of site traffic to <u>pcexpress.ca</u>. Of the top 200 keywords that make up that traffic, only 16 keywords are unbranded. In other words, the vast majority of people arriving at pcexpress.ca via organic search are already aware of the PC Express App and its capabilities.





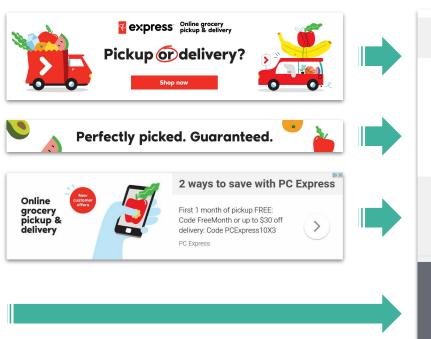
pcexpress.ca has 92K backlinks and 533 referring domains making up its backlink profile. Of the 500 most impactful backlinks*, only 15 (3%) are from non-Loblaws web properties. Loblaws has relied extremely heavily on its broad digital ecosystem of portfolio brands to support efforts to rank and drive Organic Traffic to pcexpress.ca.



6% of <u>pcexpress.ca</u>'s traffic is driven by paid search, with another 11% driven by mobile display advertising. In total, 17% of all traffic driven by paid channels. Until May 2019, <u>All ads</u> drove directly to the pcexpress.ca landing page.

PC Express™ - Shop Groceries Online www.pcexpress.ca/ Place Your Order & Pick Up The Same Day When You Try PC Express™ Online Grocery Pickup. Our Personal Shoppers Pick Each Order Just The Way You Like It. Shop Now! Types: Fruits & Vegetables, Meat & Seafood, Dairy & PC Express™ | Our Service Is Getting Faster www.pcexpress.ca/ We Hear You & We're Making Changes To Our Online Grocery Service To Help Serve You Better, PC Express™ Is Adding More Time Slots, More Pickers, And More Stock Every Day, Shop Now, Brands: No Name®, President's PC Express™ - Hand Clicked, Hand Picked. www.pcexpress.ca/ Place Your Order & Pick Up The Same Day When You Try PC Express™ Online Grocery Pickup, Choose From A Wide Range Of Grocery, Meat & Seafood, And Fresh Fruits & Vegetables Online. Brands: No Name®, President's PC Express™ Grocery Pickup - Let Us Do The Shopping www.pcexpress.ca/ Express™ Online Grocery Pickup. Shop Now! Choose From_ A Wide Range Of Grocery, Meat & Seafood, And Fresh Fruits & Vegetables Online. Brands: No Name®,

President's Choice®, PC® Organics.







More recently, Loblaws' strategy to promote PC Express with paid channels has changed in four major ways.

Change 1. Paid Search is the only digital ads channel used to drive traffic to pcexpress.ca

PC Express™ - Shop Groceries Online www.pcexpress.ca/

Place Your Order & Pick Up The Same Day When You Try PC Express" Online Grocery Pickup. Our Personal Shoppers Pick Each Order Just The Way You Like It. Shop Now! Types: Fruits & Vegetables, Meat & Seafood, Dairy &

PC Express™ | Our Service Is Getting Faster www.pcexpress.ca/

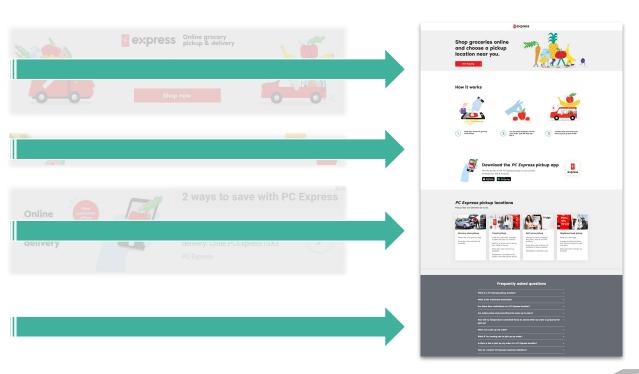
We Hear You & We're Making Changes To Our Online Grocery Service To Help Serve You Better. PC Express™ Is Adding More Time Slots, More Pickers, And More Stock Every Day. Shop Now. Brands: No Name®, President's

PC Express™ - Hand Clicked. Hand Picked. www.pcexpress.ca/

Place Your Order & Pick Up The Same Day When You Try PC Express[®] Online Grocery Pickup. Choose From A Wide Range Of Grocery, Meat & Seafood, And Fresh Fruits & Vegetables Online. Brands: No Name®, President's

PC Express™ Grocery Pickup - Let Us Do The Shopping www.pcexpress.ca/

Express™ Online Grocery Pickup. Shop Now! Choose From A Wide Range Of Grocery, Meat & Seafood, And Fresh Fruits & Vegetables Online. Brands: No Name®, President's Choice®, PC® Organics.

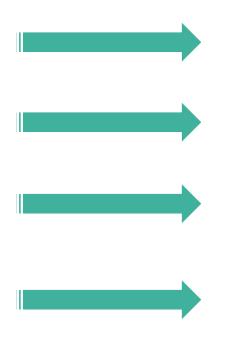




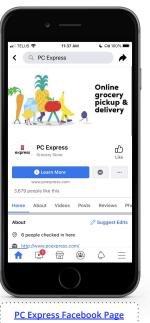
More recently, Loblaws' strategy to promote PC Express with paid channels has changed in three major ways.

Change 2. Display and Social Ads now drive traffic to realcanadian superstore.ca or the PC Express Facebook page, not pcexpress.ca.





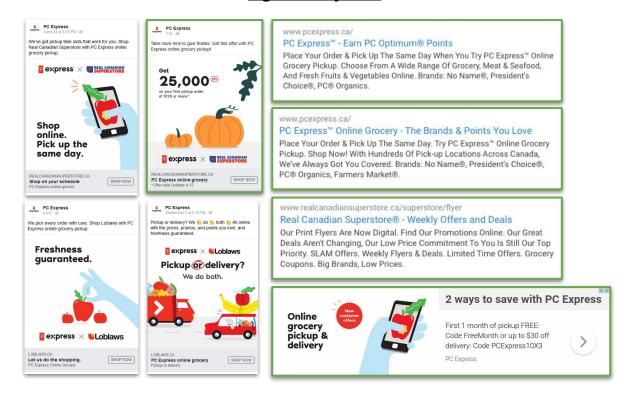






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Change 3. Ads feature more offers and rewards that are <u>tightly integrated with other aspects of Loblaws'</u> <u>digital ecosystem</u>.

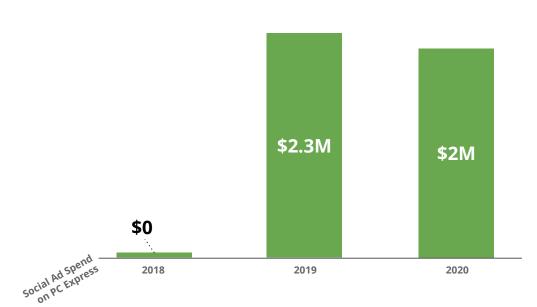




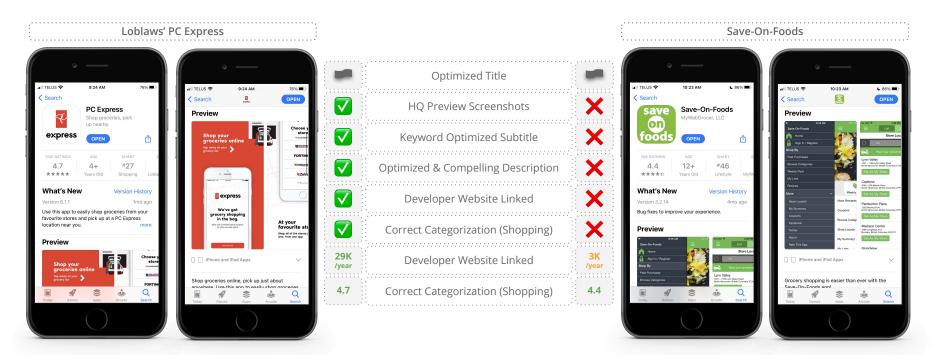
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Change 4. Spend on Facebook Ads* promoting PC Express has been scaled up massively in the past 2 years.





The App Store (and Google Play Store) presence of PC Express conforms to many more best practices than that of key competitors such as Save-On-Foods.





Key Takeaways

From the Loblaws PC Express Case Study

Benchmarking — **Canada's #1 Grocery App:** Since 2018, the PC Express app has maintained a strong digital lead over core grocery competitors' apps, averaging roughly 25K downloads per month, while competitors averaged between 2K - 12K. Not only did the PC Express app see a much larger increase in usage during the Spring 2020 Covid lockdown compared to competitors, it's been the only grocery app to see a sustained increase in usage after the fact. This likely indicates that Superstore/Loblaws has not only done a great job of convincing people to try their app, but also that users found real value in the app and therefore continued to use it after trying it.

Focus Allocation — Building an Owned Audience via World Class User Experience: The PC Express app centralizes all the core use cases of a grocery shopper in one place, including eCommerce, Loyalty Program, Flyer, Pickup & Delivery. Tight integration of all functions, plus a focus on UI & UX best practices are likely strong factors that support PC Express' ranking as the #1 grocery app in Canada in 2020. As usage of PC Express increases, Loblaws is continuing to turn its marketing and sales flywheel by building an owned audience that is not exposed to platform risk of earned or paid audiences (such as social, search, and paid), as well as a very rich source of customer intelligence data.

Focus Allocation — A Flywheel-Powered Acquisition Funnel: As usage of <u>all</u> elements of Loblaws' digital ecosystem increases, user acquisition for all other parts of the system are strengthened because all the parts link to each other and increase each others' usage.

- Creating a world class user experience to drive usage & retention
- **Integrating the app across critical points of the customer journey** (especially the eCommerce experience, flyer, loyalty program, and delivery/pickup experience) to drive referrals and downloads.
- Hyper Focused Funnel with simple KPIs: Drive traffic to the pcexpress.ca or RCSS Online Shopping landing page > app store > download.
- Optimizing for branded search to capture existing demand. People are already searching for [brand] app / online shopping.
- Maintaining an Optimized App Store Listing to increase bottom-of-funnel conversion.
- Cross-Channel Messaging that highlights product features and addresses blockers
- Cross-Promoting the app by leveraging benefits from other parts of the digital ecosystem such as PC Optimum points and
 exclusive deals from PC Insiders and PC Financial.

