



Seamless shopping experience

GRI 203: 103-1, 103-2, 103-3, 203-2



We are convinced that in order to continue growing in the digital age, it is necessary to offer an omnichannel seamless shopping experience, a continuous innovation through new shopping solutions and turn our units into a more robust store base with new functionalities to meet the new habits and preferences of our customers and members.

This year we made
good progress in providing our customers
with such seamless **omnichannel**
experience in order to **save**
them time and money.



Our foundation was on a solid commercial proposal and broad assortment of goods, which supported us in generating more traffic, in stores, digital platforms and applications. Likewise, we are evolving our way of working, centering on our customers, providing our associates with new tools to become more efficient, and accelerating innovation to cover new market trends in the digital age.





Omnichannel experience

With this approach of creating a more agile and simple omnichannel experience, we equipped physical stores and digital platforms to address the new market consumption patterns and increase shopping frequency in all our platforms and business formats.

We have included Bodega Aurrera to our omnichannel strategy; by the end of 2018 we had enabled 490 stores with free wireless internet access, and 302 with specialized kiosks for online sales of General Merchandise, under the brand *Bodega en 1 clic* (Bodega in one click). We widened our interaction scope with customers via WhatsApp, Facebook and Twitter. We conducted the first cooking reality show in social media in Mexico, named: *Cocinando con tu morralla* (Cooking with your spare change), where our customers participated by creating recipes with 5, 10, 15 and 20-peso items from our stores.

Based on quick response codes (QR codes, in promotional flyers), we redirected our customers to the entrecampeonas.com site, which is focused on sharing recipes, day-to-day tips and handcrafts. Partnering with a private-transportation service application, during the *Buen Fin*, we recognized the loyalty of our customers by granting them 2,000 free trips, departing from our stores in Mexico City.

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under the brand
**Bodega en
1 Click**

At Walmart, we continue to be focused on being leaders regarding assortment, increasingly broadening the product assortment we offer to our customers at brick-and-mortar and online stores. We strengthened our emblematic campaign *Martes de Frescura* (Fresh Tuesdays), with a larger amount of items and features, thus offering fresher produce. We expanded our grocery home-delivery service to 113 stores and we enhanced our online platform, making navigation and promotion visibility more agile in addition to optimizing payment processes. Early in 2018, we opened our first 100% omnichannel store in Tlalnepantla, State of Mexico, which was among the five global finalist stores to be awarded an international recognition as Global Store of the Year, by the British Self-service consulting firm IGD for the most innovative concepts.

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We strengthened
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campaign

***Martes de
Frescura***



We made Superama's value proposition more robust, offering high-quality items at competitive prices, with a rapid and friendly service at brick-and-mortar and online stores. We improved perishable prices, extended our grocery catalogue and successfully completed the image renewal of all our stores, with positive results in traffic generation. In line with our omnichannel strategy, we opened the first Superama with self-check-out functionalities and intelligent lockers, in addition to the relaunch of our mobile application to streamline the purchasing process.

We launched



our new

Sam's Club Plus membership

Our goal at Sam's Club is to continue providing the best omnichannel experience to our members, through differentiated goods, attractive memberships and the option to pick up items purchased online in all our clubs or have them home-delivered. We launched our new Sam's Club Plus membership offering a 2% special benefit on purchases made, as well as exclusive goods on sale for our members, in addition to all the benefits of our Benefits membership. We evolved the design of all our clubs, so that we can adapt to our member needs, in addition we kept on expanding our Member's Mark products. We had excellent results during *El Buen Fin*, due to successful bets and adequate volume of exclusive items that fit the taste and needs of our members.





It is worth highlighting the launch of the Hot Days event, the first in its kind in Mexico, during which we offered appealing prices and an extended catalogue of products both online and in all our physical stores and clubs throughout the country. This event helped our customers and members to shop the products of their choice through their preferred channel.

Supported by the good results obtained in Mexico, this year we started the implementation of the Centers of Excellence Program in Central America, aimed at improving operational execution in our stores by enhancing standards and routines to drive more loyalty from our customers. By the end of 2018, more than 56% of our stores operated under this strategy, with very good results. Simultaneously, we continued to strengthen our price gap measurement methodology, broadening our direct competitor sample in the current and traditional channels alike, thus reinforcing our price leadership in the region. Also our co-branded credit card, partnering with solid financial institution in the region, had an excellent performance. Thanks to it, we contributed to generate additional savings to our customers via available benefits granted by loyalty programs.

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Ecosystems

We accelerated innovation to create new ecosystems with shopping solutions to supplement our value proposition, to meet the market trends in this digital age, thus generating more loyalty among our customers.

One of the key elements to strengthen our omnichannel value proposition was the launch of *Cashi Más que Efectivo*; which is a platform that allows our customers to shop and pay via their cell phones in more than 500 stores of Walmart, Superama and Sam's Club in Mexico, without the need to have a bank card or cash. *Cashi Más que Efectivo* helps reduce the use of cash in day to day activities and provides the opportunity to pay for utilities and digital applications. We will continue to work to add more stores and more functionalities, generating more loyalty from our customers.

Cashi Más que Efectivo

One of the key elements

to strengthen our
omnichannel value



As part of the efforts to improve our home delivery service, this year we announced a strategic agreement to acquire Cornershop platform. Such acquisition is subject to approval from the Antitrust Authority. In the meanwhile, we executed a commercial agreement by means of which our customers will benefit from the same prices we offer in our stores in Mexico City, Guadalajara and Monterrey when they use that platform.

Lastly,

our catalogue continued to expand with
more products available

to our customers in our Marketplace walmart.com.mx,

enabling us to **add an increasing number** of commercial partners.



Growth vehicles

As part of our omnichannel approach, and supported by our new way of working, we continued to invest in the opening of new stores, and revamping of our unit base so that our customers could enjoy a seamless shopping experience.

We continued to expand our presence in the region; we opened 134 new stores, 100 in Mexico and 34 in Central America. In the particular case of Bodega Aurrera Express, this year we opened store number 1,000 in Mexico, reflecting the success of said format value proposition and continuous loyalty from our customers. At the same time, we started to work with new digital tools to strengthen and make project assessment processes more agile regarding potential new openings. This represented important savings of work hours in report generation, and the analysis of market and financial scenarios in the decision-making process.

We remodeled stores in Mexico and in Central America, always seeking to offer a more agile and simple shopping experience. We enabled specialized areas to pick up merchandise purchased online, both inside and outside stores. In addition, we integrated eCommerce and customer service counters, where we offer comprehensive solutions in a personal way, for any shopping option, either in store or through electronic devices. We kept on equipping our store base with free wireless internet, in order to make our extended catalogue available online so that our customers can find and buy the product they want through the channel they want.



We enabled

specialized areas

to pick up merchandise

purchased online

We also explored

new ways of generating traffic in our stores and clubs,

so in 2018 we started a **pilot program**

with 6 gas stations distributed

throughout the country, operated by third parties,

aimed at helping our customers **save time**

and money while shopping with us.

