



Calgary STAR

PEGGY PERRY LEADS THE SUCCESS STORY AT FAST-RISING WILLOW PARK WINES & SPIRITS

BY H. LEE MURPHY • PHOTOGRAPHY BY COLIN WAY

When most Americans think about the drinks retail industry in Canada, they picture a marketplace that's government-controlled. That's certainly the case in heavily populated provinces like Quebec and Ontario, where government stores account for at least 90% of sales. But out west in Alberta and its key city of Calgary—a rodeo capital known for its cows and oil—the market is wide open. It's here that Peggy Perry and Willow Park Wines & Spirits have grown and flourished, establishing, by all accounts, the biggest privately held beverage alcohol retail business in all of Canada. No rival can match the scale of the company's sprawling flagship location in the southern suburbs, which spans 50,000 square feet.

The towns in western Canada are generally spread out and difficult to reach. But that hasn't been an obstacle to Willow Park's success. "In the prairie towns around here, people like to drink," Perry says. Retail privatization got off the ground in Alberta in the mid- and late 1980s, she notes, even as the rest of the nation has been slow to follow suit. "They're still skittish about letting private stores sell alcohol in places like Ontario," Perry observes. "But not here. This is the Texas of Canada. Entrepreneurs have led the charge in Alberta."

Perry has long been at the forefront of the Canadian beverage alcohol retail scene. She's been with Willow Park since its privatized beginnings in 1994, and has run operations as president for the past two years. In the few months after the Covid-19 pandemic hit in North America in March, retail sales were up 50% and more over the year before.

For the ongoing success of the business and her acumen as CEO, Perry has been named a 2020 MARKET WATCH LEADER.



Willow Park Wines & Spirits CEO Peggy Perry (pictured) has dedicated herself to helping the company succeed, broadening its consumer base by offering a wide assortment of products.



Canada's Willow Park Wine & Spirits encompasses three retail units that staff about 120 employees. The flagship location in Calgary (exterior top; interior above) is a sprawling 50,000-square-foot space with multiple levels.

Running The Show

Willow Park encompasses three retail stores. In addition to the massive flagship unit, there's a small 2,000-square-foot shop in downtown Calgary and an 8,000-square-foot location in the town of Regina in the neighboring province of Saskatchewan. There are also three distribution warehouses: one in Edmonton that sprawls over 100,000 square feet, another in Edmonton that's 15,000 square feet, and a Regina outpost that's 10,000 square feet. From its distribution locations, Willow Park supplies both on- and off-premise accounts all over Alberta and Saskatchewan. The entire business grossed more than C\$100 million (\$75.1 million) last year, with the flagship store making up 40% of that total. In all,

the company stocks roughly 25,500 SKUs, with 16,250 wines, 5,000 beers, and 4,250 spirits. It's likely that no other retailer in Canada matches that selection, save for a few large government outlets in the East.

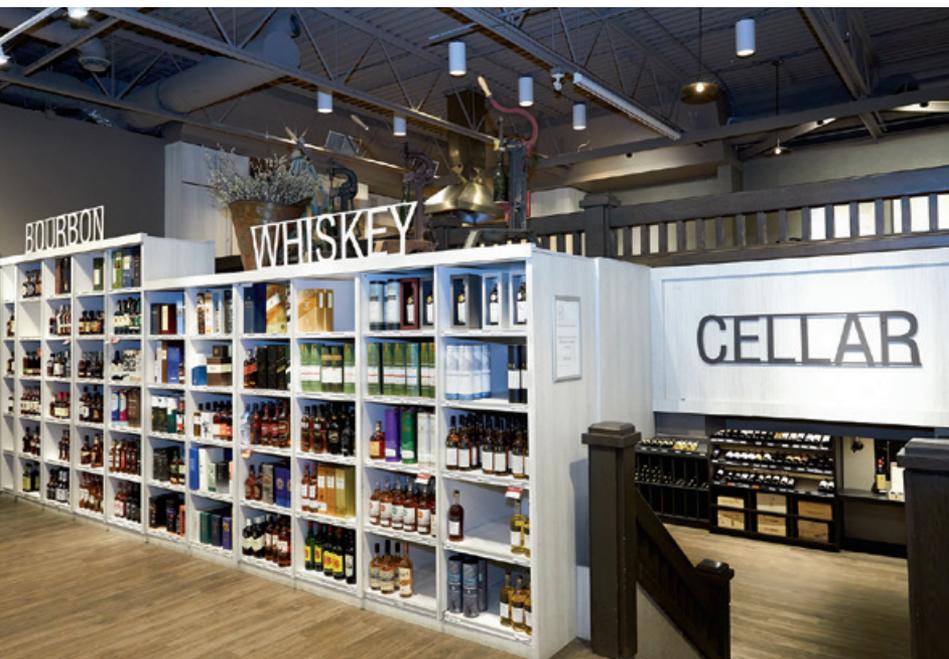
But Willow Park's scale isn't nearly as noteworthy as its events. The store shook up the Canadian retail industry when it began offering free tastings in 1994. Below the main deck in the big store, the company has a 20,000-square-foot basement with two kitchens, including a demonstration cooking space that can hold 160 people, and boasts a formidable events schedule. Willow Park usually offers 10-12 product tastings a week and seven classes, as well as three festivals a month that draw around 300 guests each. Due to Covid-19, however, the store has had to stop in-person events. When the pandemic began in full force in mid-March, Willow Park quickly transitioned to virtual events, offering three free video tastings each week on Facebook and Instagram, covering such topics as mixology and deep dives into certain styles and regions of wine. The videos have been extremely successful, garnering over 20,000 views as of press time. During the Covid-19 lockdown, the store has also partnered with wineries, distilleries, and breweries to host virtual events in addition to its own productions. In July, Willow Park also began offering its first Wine & Spirits education online sommelier certification program.

Seeking Broader Demographics

Perry's strategy for continuing success is to broaden Willow Park's audience. Tastings in the store's signature Bordeaux category, displaying the biggest assortment in Canada, often draw visitors from as far away as Vancouver, 60 miles to the west. But those visitors are apt to be middle-aged folk with a singular focus. Willow Park has, in recent years, promoted other kinds of events online, typically through Facebook, Instagram, and LinkedIn. "We're cultivating newer and younger consumers," Perry says. "Wholesalers come here to help with tastings and are shocked at how young and knowledgeable our customers are."

It helps that the staff—Willow Park has 120 employees in all—is youthful. Though Perry is 59, director of fine wine and purchasing Peter Smolarz is 35, director of marketing Kelsey Palmer is 34, beer manager Keaton Matieshin is 29, and e-commerce and cellar club manager Alyssa Steel is 24. "Our young team is one of the reasons we're able to grow our customer base with a younger demographic than is usually found in this business," Perry says.

Young staff members may be important in Perry's eyes, but it's her own personality and palate that others find so impor-



Overall, Willow Park Wine & Spirits stocks approximately 25,500 SKUs, with 16,250 wines (Bordeaux section right) and 4,250 spirits (Bourbon and other whisk(e)y offerings left). Before the pandemic unfolded, Willow Park offered 10-12 product tastings a week.

tant. Amy Johnson, the Canadian-born general manager of the Confidante Hyatt hotel in Miami Beach, managed the Hyatt Regency Calgary up until last year, and says she was impressed by Perry's wine knowledge and generosity. "She was willing to share the expertise she had instilled in her staff," Johnson says. "When I had training sessions at the hotel, Willow Park sent its own people over to help. All along, Peggy was never a wine snob. She taught our team to talk about wine in a way that wasn't scary. The goal was to communicate a love for wine."

Perry graduated from the University of Prince Edward Island and then went to work in the 1980s for a variety of châteaux, including tours with such august names as Palmer and Angludet. She returned to Canada in '85—just as the first privatization licenses were being released by the government—and worked for small retailers around Calgary. She intended to be a customer for Bordeaux wines at Willow Park when its opening under private ownership was announced early in '94, but when Willow Park founder Wayne Henuset encountered her early on tasting and speaking about wines, he was quick to grab her as one of his very first hires.

Devotion To Giving

From the start, Willow Park has been one of the most charitable retailers in the region. When the Alberta government announced in 1994 that charity wine auctions would be allowed for the first time, Willow Park immediately organized an event to raise money for the Heart and Stroke Association of Canada. More than 1,000 people attended. The giving has continued on an upward path since then, with \$5 million raised just for Heart and Stroke in the past 26 years, while the local Children's Hospital has been granted \$1 million.

Perry has also been diligent in investing back into the business itself. The website got a major overhaul last December, and e-commerce sales—which were launched less than three years ago—now account for nearly a third of all revenue, with Willow Park allowed to ship all over the nation and to parts of the U.S. The store has a built-in advantage: While provinces like Ontario and British Columbia charge percentage-based taxes that make high-end wines expensive, Edmonton has a flat tax of \$3.55 a bottle of wine. That tax is the same on a \$10 bottle of wine as on a \$300 bottle. "People from Ontario and British Columbia who are serious collectors love buying from us," Perry says.

Impressive Assortment

Willow Park has a library of 650 high-end wines in a locked cellar brimming with Bordeaux, with about 15 vintages stocked in each of the five first growths for a total value of at least \$2 million. Many of those bottles don't make it on the website, which advertises such finds as the 2009 Château Léoville Las Cases at C\$565 a 750-ml. (\$148) and the 2011 La Mission Haut-Brion at C\$550 (\$407).

The average bottle of wine sold at Willow Park goes for C\$28 (\$21), about double the average for the rest of Canada. The average basket sale is C\$108 (\$80). Wine represents 37% of all sales, followed by beer at 36% and spirits at 27%. The beer department is skewed in favor of Canadian labels such as Alexander Keith's (C\$30/\$22 a 12-pack of 341-ml. bottles) and Molson (C\$30/\$22 a 15-pack of 355-ml. cans). Meanwhile, the assortment of more than 200 whiskies is top-heavy in Scotch, with 158 SKUs, versus 56 for Canadian whisky. Of the Canadian offerings, compelling finds include Alberta Premium 20-year-old at C\$88 a 750-ml. (\$65) and Canadian Club 42-year-old at C\$277 (\$205).



Willow Park Wine & Spirits focuses its beer department (coolers pictured) on Canadian labels like Alexander Keith's and Molson, which tend to sell well among Alberta residents. In all, the company stocks around 5,000 beer SKUs.

Retail Proliferation

Willow Park was built by the Alberta government in 1987 and was deemed a white elephant soon after, with disappointing sales. As independent merchants subsequently bought up smaller government stores, the retail business quickly fragmented. In 1993 there were fewer than 30 beverage alcohol stores in all of Alberta. Today, that total is at more than 1,400. Henuset, originally a builder and developer with little knowledge of the beverage alcohol industry, didn't intend to enter alcohol merchandising for

the long term. "I bought it because I figured if the business didn't work out, I'd always have the land as an asset to fall back on," he says. But as he and Perry caught the attention of local shoppers, sales took off, and any plans for a possible teardown were cast aside.

For a time, Henuset went on a buying spree, scooping up lesser rivals and eventually collecting 22 mostly small, convenience-type stores around Alberta. At its peak, the company had 22 stores in all, but in 2005 some 18 were sold off to a publicly traded Edmonton company called Alcanna Inc. Since then half of those small shops have gone out of business. But Willow Park has hardly missed a beat. "We sold off C\$34 million (\$25 million) in sales to Alcanna and we got half of those lost sales back at Willow Park within 14 months," Henuset says.

There's still an ongoing search for deals to expand, though Covid-19 has curtailed some of

"We have a really highly educated team of individuals who have been with us for a long time. They're passionate...well-travelled and...able to convey that passion to our customers."



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KEY FACTS: WILLOW PARK WINES & SPIRITS

Name of Leader: President Peggy Perry

Founded: 1994

Number of Stores:
3, plus 3 distribution warehouses

Location: Calgary, Alberta, Canada

Annual Revenue:
Over C\$100 million (\$75.1 million) in 2019, with 40% of that at the flagship store

Sales Breakdown: 37% wine, 36% beer, and 27% spirits

Number of Employees: 120

Website: Willowpark.net

Future Plans:

The company has a long-held goal to diversify its customer base, staging events to appeal to younger audiences. It will continue that campaign, along with a strategy to staff its stores with experts devoted to such key categories as Bordeaux.

that effort. Henuset stepped back from operations a couple of years ago to focus on the supply side with Paradise Spirits, which recently launched its El Tequileño Tequila brand in the U.S. Perry has led Willow Park since then, though she doesn't retain ownership, which is in a family trust that involves, in part, Henuset's three sons. One of them, Michael, works at Willow Park in the IT department. Whether or not a Henuset will once again return to the helm of the business eventually is hard to say. For now, Perry and the elder Henuset make decisions together. Though the pandemic's uncertainty could impact the business, it has a rock-solid foundation. And with Perry at the helm, Willow Park is in capable hands. **mw**