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**To:** Sam's Club Home Office and U.S. Field Associates

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**From:** Brian Cornell, President and CEO

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**Date:** Sunday, January 24, 2010

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**RE:** "Tastes and Tips": A New Initiative Designed to Build Member Loyalty, Attract New Shoppers and Drive Growth for Sam's Club

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Dear Associates,

As you know, our strategy for success at Sam's Club is built on using Member insights to make the best choices for our Members. We spend a lot of time talking to and listening to today's consumer and our own Club Members. We have found that in-club demos, or product sampling, is one of the things they love most about the Club experience.

Our demos can be a competitive advantage and we want to take this Member experience to the next level. Today we are announcing the appointment of Shopper Events, a third-party marketing company, to run our demo program. Our goal is to enhance the demo experience, giving our Members a chance to discover new items, and find fresh ways to serve their customers and families.

The most difficult part of this transition is the impact to approximately 10,000 demo Associates, most of whom are part-time. We do not make these decisions lightly, and know that this is a difficult development for the members of our Sam's Club family who will be leaving the company. I also know that this will be a hard time for others in the Club who have worked with these Associates and, in many cases, formed close relationships.

We understand Shopper Events will rapidly staff up to accommodate this new business and that it expects to hire roughly the same number of people. All of the current Club demo Associates will have the opportunity to apply for these new positions.

Shopper Events has an established record within the Walmart family, where they manage the "Bright Ideas" in-store demos for Walmart U.S. We are now working with them to develop a demo program unique to Sam's Club, called "Tastes and Tips," that will enhance our existing demo program. The new "Tastes and Tips"



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demo program will include integrated demo stations, signage, uniforms and product selling. It will give us the opportunity to highlight our value and selection to our Members in food and beverage products, personal wellness and electronics.

An additional change we're announcing today is the elimination of the New Business Membership Representative position, impacting about two Associates per Club. We have found that we can more effectively drive membership through targeted Member acquisition events and by increasing our Partner Membership Programs. Current representatives will be able to apply for other open positions within their Clubs.

Taking care of all of our Associates impacted by both of these changes is one of our most important considerations. We are doing all we can to make the transition as smooth as possible for them, consistent with Sam's Club values. In addition to providing severance pay and benefits for eligible Associates, we are working to find opportunities at other Clubs and in Walmart stores, in addition to Shopper Events.

As always, I appreciate all of you who work so hard to deliver the full value of Sam's Club every day -- by seeking to understand what our Members want and doing an outstanding job of serving their needs. Through your efforts we will continue to grow a loyal membership base, deliver products that are unique and relevant to their lives, and position our business to be even stronger now and in the future.

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