

# INVESTMENT GUIDE

## Liquor Store

3 SMART INVESTMENTS / TO GROW YOUR LIQUOR STORE



A publication of



# INTRODUCTION

The U.S. liquor industry has climbed back to pre-recession levels in recent years, creating opportunities for liquor store owners to increase store sales. But, if you are a liquor-store owner, you're likely to see increased competition in this growing industry.

Taking advantage of this growth means making the right investments. Owners willing to spend in the right places can make healthy returns. The amount of cash needed can vary depending on the time of year, cost and type of inventory, and quantity of stock.

For example, spirits have seen strong growth in recent years, especially in premium offerings. And local craft brews are beginning to dominate over global beer brands.

In this guide, we've outlined a few investments a liquor store owner can make to stay competitive and grab a piece of a once-again growing industry.



# INVESTMENT ONE PROMOTIONS





Due to the fun nature of the product and the nearly worldwide acceptance of alcohol there are many ways to promote a liquor store. The capacity of your business to be creative and consistent with your promotional campaigns will determine your profitability and longevity. Running promotional campaigns will entice new customers to visit your store and help to build brand loyalty amongst your current customer base.

## Social Media

A good rule of thumb is 80 percent of the time post content that your audience will find interesting or entertaining in some way; then 20 percent of the time you can share content that is promotional and about your business or your products. [sellr](#)

Regularly posting sales, humorous memes, company photos and drink recipes will bring your social pages to life and encourage engagement and patronage. Posting videos will attract the most engagement and are given priority by most social platforms.



## PRACTICE THE 80/20 RULE

80% FUN AND ENGAGING CONTENT  
20% PRODUCT AND BRANDNG CONTENT

Promotions such as contests, sweepstakes and giveaways can all be carried out through social media. Scheduling in-store social events and using your guest list to draw winners at your store can get your followers in the door.

## Branded Merchandise

73 percent of those who used a promotional product they received in the last year stated they use it at least once a week, and a whopping 45 percent say they used it at least once a day!

[Norscot](#)

With results like this, the question is not should you be using promotional products to promote your brand, but which promotional products should you use to promote your brand!

In the liquor store industry, promotional possibilities are nearly endless. For the beer drinker, you can give away **koozies** with your logo, address, phone number and hours of operation printed on them. For the wine drinker, you can offer company branded **wine glasses** and **corkscrews**. For those who prefer a stiffer beverage, **whiskey glasses** and liquor **pour spouts**. T-shirts turn your patrons into walking advertisements, showcase your brand and can last for years.

Promotional items can be sold or freebies for contests and loyal customers, or both!







## Mixology Classes

Mixology classes are extremely popular but can carry a heavy price tag. [Goldstar Bartending](#) notes, "It is fairly common to see these programs run in the \$200 to \$400 range, but sometimes they can be quite expensive. One popular example is the New York Bartending School, which costs nearly \$600 for a comprehensive 40 hour class."

Customers want to channel their inner Tom Cruise and teaching them to create different cocktails is a great example of experiential marketing for the liquor industry. Not only will they learn something, they'll have fun and possibly meet new friends.

Mixology sessions can be longer, scheduled classes or a shorter, quick gathering. This allows your customers to try different items, expand their tastes, stay in your store longer and encourages them to return.

## Sampling and Pairings

Offering samples of wine and food pairings will make your store stand out and help you move high-end product. For this promotion to work you'll need a chef and bartender who are knowledgeable about the pairings so they can educate the customers on why these pairings work so well. This ensures you are offering credible advice to even the most savvy wine drinker.

Exclusivity sells in the liquor industry and having unique or rare items can make your store a hotspot for liquor enthusiasts.

Offering your customers a small sample of spirits or a cocktail as they walk in the door is a great way to promote the uses of new, rare or slower moving merchandise.



Investing in marketing and promotional activity is a must to compete and a well-planned promotion will give you the best chance for success.



# INVESTMENT TWO UPGRADE PRODUCT DISPLAYS





The look, feel and functionality of your liquor store has an impact on the customer experience, spend rates and your ability to move inventory. Keeping up with general maintenance can be a monumental task on its own, but to truly thrive you will need to incorporate some creative design ideas.

## Beer Cave

The research in support of installing a beer cave is quite impressive. Stores that sell beers in beer caves see foot traffic increases of approximately 35 percent as well as increases in large-pack beer sales. [Convenience Store Decisions](#)

A well-stocked beer cave is a shopper's paradise that can help you drive new and repeat customers who are looking for something special in terms of selection, temperature and buying experience.

When designing your beer cave, think about selection. If you plan to display exclusive brands and brews, you may be able to purchase a small, pre-assembled beer cave. If you plan to stock a wide variety, it may be in your best interest to invest in a large walk-in freezer or to create enough space to showcase your inventory.



BEER CAVES CAN INCREASE  
STORE VISITS BY 35%



## Product Displays

Your beverage store displays have to attract customer attention away from the competition, appeal to the store's local market, and work within the available space. [GoSpotCheck](#)

Stand-alone shelving and display units don't only provide aesthetic appeal; they give you an opportunity to showcase complementary products and increase sales per transaction.

Use a stand out display case to highlight your best-selling liquor, mixers and even glassware. Your customers will take notice that it is distinguished from the rest, and will be more inclined to purchase secondary products that are featured with it.

Stand-alone display units are available in a variety of sizes and materials, so you can find one that matches your store's style. You can opt for a cabinet-style case, an open shelving unit, a tiered table, or even a refrigerated display case. Consider placing one at the end of every aisle to enhance your customers' shopping experiences and boost sales at your liquor store.





## Accent Lighting

Not only is lighting critical in setting the mood of your store and showcasing your products, it may very well be one of your biggest expenses, says [Linda Cahan](#), a retail design consultant in West Linn, Ore. "People disregard the importance of lighting. It becomes a huge part of what defines their store and what defines their image."

Flat, consistent lighting can be lackluster and deter customers from shopping at your store for extended periods of time. Incorporate accent lighting to help customers intuitively know where premium products are and define spaces between various product categories, such as wine and liquors.



# INVESTMENT THREE INVENTORY





Inventory is perhaps the most important asset your liquor store has and proper management is essential to the profitability of your business. Many manufacturers will purge their surplus inventory during the slower winter months and it's important that business owners take advantage of this opportunity.

The most successful liquor store owners keep their fingers on the pulse local and national industry trends. They plan for annual events - big beer orders before football season and liqueurs for the winter holidays while also being able to move quickly when presented with an unexpected purchase opportunity.



**ARE YOU WILLING AND READY TO INVEST  
WHEN OPPORTUNITY KNOCKS?**





## Seasonal Purchases

Though the discounts offered on seasonal goods in the offseason vary from supplier to supplier, you can enjoy as much as [60-70 percent](#) discounts on your merchandise purchase.

Game day and holidays demand special attention, but every page of the calendar has its unique needs. No matter how much white wine and light beer is in stock at summer's end, liquor store owners still need to push out those hard cider and spirit orders as soon as the days start getting shorter.

This high degree of seasonality can create a disconnect between revenue and required spending that sends liquor store owners looking for funding to bridge the financial gap.





## Special Buying Opportunities

No matter how purchasing tasks are decentralized in your business or even how small your purchases are, you should be taking advantage of every opportunity to cut costs. A well-executed bulk purchase of goods or supplies can save you a lot of money. [AllTopStartups](#)

Most liquor-store owners know that distributors hold all of the power when it comes to purchasing inventory; therefore you must be ready to take advantage of special inventory buying opportunities when they're available.

Let's face it; smaller liquor store merchants are competing with big box giants who have the luxury of spreading increasing liquor prices over a larger inventory. To compete, the smaller merchants have to buy smarter by:

- investing in large purchases when your distributors are offering lower prices,
- purchasing local products and specialty liquors that are hard to find in big box stores, and
- being willing to make special orders for loyal customers.

Liquor store owners should be pleased to know that their industry has returned to pre-recession revenue levels. And congratulations is in order for those who managed to stay afloat in the down economy. But now is the time to invest in ways to capitalize on this once-again growing industry. Making these smart investments are just a few ways to grow sales.

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