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MUNICIPAL LIQUOR STORE

Volume 67, Number 1, 2008

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On The Cover

Ice is what is called a “Basket Driver.” Basket Driver refers to “complementary” purchases...what sells with the ice transaction. Customers tend to purchase many other items when they purchase ice.

For more about ice purchasing trends and Arctic Glacier Ice, see page 15.

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MMBA President's Message



Gary Buysse
President

- Retail is a game of inches. Cost effective purchasing and due diligence with timely price increases is a full time job.
- Your part time staff wants to know more about the liquor business.
- Your store is judged by the cleanliness of the women's rest room.
- New animal on the label doesn't fit the definition of a new product.
- Distribution is the goal. Unfortunately, depletion isn't necessarily part of the equation. Some don't care if it sells.
- You don't have to give it away to increase your sales.
- New animal labels might be what your customers want.
- You have years of experience and knowledge at your disposal IF you make the call. (Dan Bahr)
- You can call Lynn Johnson for any reason regardless of your annual sales volume. (Substitute Harold Rutstein or Jack Goldenberg for Lynn Johnson)
- You may not get the answer you are looking for if contact any of them.
- Legislative Day is more important than filling the beer cooler.
- Your City Council wants to know what it is exactly that you do.
- You're the only person who can tell them.
- Support those who support you. (See MMBA Commercial Members list)
- Pre-arranged store surveys are an overworked sales tool. Impromptu surveys would benefit all of us.
- If you can't delegate, you can't manage. It's that simple.
- Doing "What I've Learned" is sometimes easier than writing an article.
- The person you trust the most may be the person you should trust the least.
- Always lock the safe.
- I'm not doing a "What I've Learned" for a while.
- I know that makes many people happy.
- Contact a Director if you need help.
- Attend the Spring Conference, May 17-20, at Arrowwood Resort in Alexandria. It's worth the price of admission.

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Lakeville Galaxie Liquors Earns Design & Construction Recognition

In a ceremony on January 23, the new Lakeville Galaxie Liquor Store was named the 2007 Project of the Year by the Minnesota Construction Association (MCA).

This prestigious award recognizes a construction project that made a substantial contribution to the community and was completed with a resourceful blending of construction techniques.

In presenting the award, the MCA noted the nuances, such as natural stone and wood elements, that were incorporated in order to blend aesthetically with the surroundings. In addition, the rain gardens and porous pavers used in the landscaping and parking areas were acknowledged as unique and beautifying ways to environmentally control storm water runoff. Also noted were the many interior energy-saving features including the use of photo cell and solar tube lighting, a lighting control system, and LED light utilization.

The project received the award in the construction costing less than \$10 million category. This grouping included pro-



jects such as the Saint Anne's senior housing project in Minneapolis, Park Midway Bank in Saint Paul, and Village Commerce Building in Prior Lake. Last year's winner was the Sports and Health Center of the University of Minnesota-Duluth.

The Lakeville Galaxie Liquor Store has already been given another important recognition for the environmental components of the store. Last month, the project design received a community conservation grant of

\$40,000 from the Dakota County Soil and Water Conservation District for the store design and techniques used to manage storm water run off and improve water quality at the adjacent Valley Lake.

The Lakeville Liquors Galaxie store is an 11,600 square-foot facility on County Road 46 at the intersection with Galaxie Avenue. It was specifically designed to enhance and protect the adjacent Valley Lake and surrounding park and neighborhood areas.



Now Available Throughout Minnesota

Freedom to Breathe vs Freedom to Drink (Outside)

By: *Tracie Chamberlin, LMCIT Loss Control Manager*
Jeanette Behr, LMC Research Attorney

As of October 1, 2007, smoking is prohibited in virtually all indoor public places and indoor places of employment throughout Minnesota. The Freedom to Breathe (FTB) expansion of the Minnesota Clean Indoor Air Act applies to, among many other places, bars, restaurants and private clubs. This change has created some questions for cities with municipal on-sale liquor stores (where patrons consume alcohol on the premises) concerned about customers leaving the facility to smoke and taking alcohol beverages with them when they go outside.

Some of the most common questions are:

- Should cities with a municipal on-sale liquor store allow customers to go outside with alcohol beverages?
- Should cities make a formal decision permitting/prohibiting this practice?
- What liability potentially exists when customers take their drinks outside?

Unfortunately, these can be very difficult questions to answer because neither the FTB language nor state liquor licensing law provides guidance on these issues. The League of Minnesota Cities Insurance Trust (LMCIT), however, has identified some key points to consider when navigating this scenario.

First, the city needs to understand that this is a decision to be made by the city council. Regardless of what the council decides, passing a resolution documenting the decision will help protect the city. Careful consideration of the issues and a record of the council's decision show that the council weighed the social, political, economic or safety considerations involved. Such deliberation may protect the city from lawsuits should an unpredictable accident occur involving the municipal on-sale liquor store.

Second, the city should contact their insurance agent *before* deciding to allow this practice. In general, if a city's municipal on-sale liquor store is covered by LMCIT, the premises inside and immediately outside the physical location is considered covered. A city obtaining coverage from another provider should contact that provider as there may be costs and paperwork associated with updating or expanding the covered premises.

Potential issues associated with crowd management should not be ignored. Customers (smokers and nonsmokers alike) might be inclined to spend longer periods of time outside when the weather is warm. If smokers are going outside with their drinks, there is really nothing to prevent nonsmokers from going outside with their drinks as well. In addition, the potential for alcohol to be given to a minor may increase when the area is not carefully monitored. It will be important for the city to define where customers may take drinks when they go outside and who will be responsible for monitoring their activities while they are outside.

Other steps cities can take include:

- Designating a "smoking area" with a fence or some other divider and prohibiting customers from taking drinks out of that area.
- Posting signs clearly defining the "smoking area" and prohibiting customers from taking drinks out of that area.

Cities wanting to provide an outdoor area for smoking and drinking should refer back to the FTB expansion of the Minnesota Clean Indoor Air Act. The language explicitly defines an "indoor area." So a city should consult with the city attorney before developing an "outdoor area" for smokers.

Bottom line, there is no requirement that a city with a municipal on-sale liquor store allow customers to take drinks outside. This is a decision to be made by the city council with the

guidance of the city attorney. It is important to note that customers should not be permitted to take drinks outside unless and until the council decides to allow this practice. If the council determines that alcohol is not to be taken outside, municipal on-sale liquor store employees should be trained on how to enforce that policy.

There is a wealth of information about FTB provisions on the Minnesota Department of Health website at www.health.state.mn.us. More information is also available by calling the League's Research Department at 651.281.1200 or by contacting your city's loss control field representative.

Tracie Chamberlin is the LMCIT Loss Control Manager. She can be reached at tchamberlin@lmc.org or by phone at 800.925.1122 or 651.281.1210.

The League's Research Attorneys can be reached by calling 800.925.1122 or 651.281.1200.

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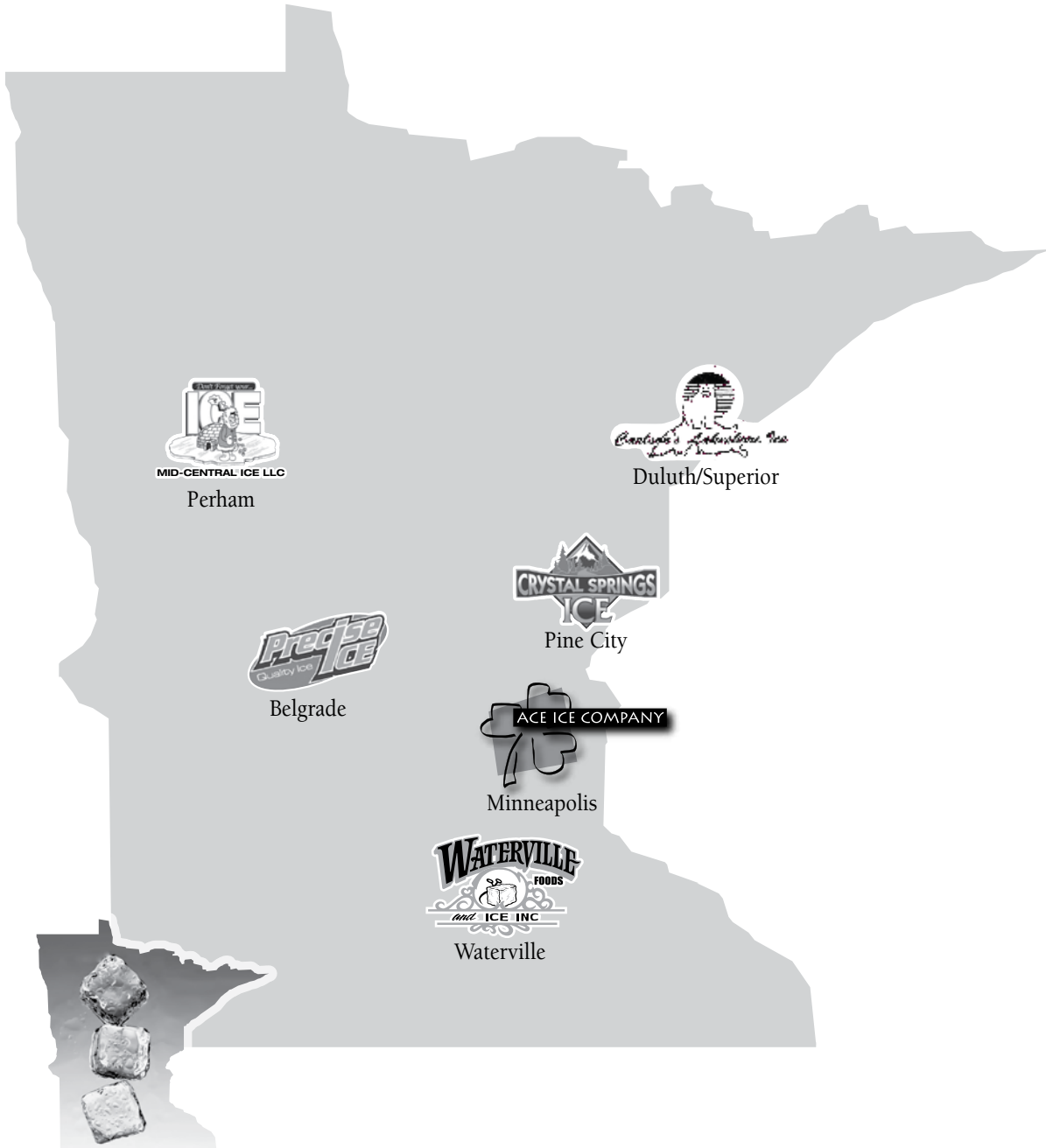
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Lexington Liquor Rocks!

by Elizabeth Aulwes
PressPubs.com

Not to sound like an alcoholic, but, man, does the Lexington municipal liquor store rock.

Having lived in or near northeast Minneapolis for a few years now, I'm used to Surdyk's Liquor and Cheese Shop, which opened in 1934 and is the "Midwest's largest liquor store," according to its Web site.

If you've never been there, I'll tell you, I highly recommend it, even if it does mean you have to drive a half-hour south to pick up a six-pack.

Surdyk's is pretty amazing. It has a great selection of wines from around the world, with handy little descriptions of each hanging from the shelves, and the cheese and snacks you'll find in the adjacent shop are to die for. They have more variations and brands of olives than I knew existed.

So when I stopped into Lexington Liquors to pick up some brandy for a baked brie recipe and a bottle of wine to bring to my sister's holiday party, I was pleasantly surprised to discover the great selection and service.

I'll admit that I decided to come in

because I saw an ad they took out in this very paper which advertised the 1.5 liter bottles — the big ones — of Barefoot Cellars wines for seven bucks. I always assumed it was a standard neighborhood liquor store offering cases of beer and the basic types of vodka, tequila or whatever else the average person fancies.

I was wrong.

I began wandering through the aisles of wine stacked as tall as I am (which isn't actually saying much, but it's impressive for someone who's only 5' 4.5") and was immediately impressed to find such a range. I'm no connoisseur, but the dozen-plus bottles of Spanish reds I browsed through looked tasty.

As I was roaming, one older male employee came over to ask if I needed a hand with anything. Politely, I declined his help, mostly because my motor skills hadn't recovered quite enough to speak coherently, when he surprised me even further.

I had picked out a bottle of on-sale sauvignon blanc that I'd never tried. He started describing it to me, telling me it was a great choice because the grapes used to make the wine that year were kept at a perfect temperature and it was aged in specially-made, rare oak

barrels. And, he informed me, it's almost always priced much higher than I was paying for it.

Maybe I'm just gullible, buying into his sales pitch, but he seemed more sincere than a salesman.

I appreciated all of the things he told me; they were useful, interesting tidbits of information that I later passed on to my friends and family, pretending I was the knowledgeable one.

But what I really appreciated was the service. It's not always easy to find employees with a work ethic good enough to learn their trade so thoroughly. You certainly can't find that at the liquor stores attached to every new Cub Foods, like the one in Arden Hills. And, sadly, it's even hard to come by at Surdyk's, because that store is always so busy that you can't find an employee with time enough to help.

I guess, in the end, the lesson I learned is to support the little guys in business, because they'll probably care more about ensuring your happiness and, thus, future business.

Unfortunately for me, that means driving a half-hour north to pick up some wine for those Saturday nights when I'm having my girlfriends over for dinner.

Remember

*People Hate
Someone Who
Tries To Sell Them
Something, But
Will Love You If
You Help Them
Buy*

Remember

*Most People Are
Looking For Something
That Separates Your
Product Or Service
From All the Others.
Find That Creative
Approach, And DARE To
Be Different*

Remember

*Our World Is Changing
By The Second. If You
Don't Change With It,
You'll Be Listed In The
Book, "Who's Through,"
In Your Business
Category.*

Contributions For Local Utilities & Services Will Never End

Forrest Johnson
Lake County News Chronicle

Folks in Silver Bay will likely be seeing a new and improved liquor store and lounge in the coming months. The city council last week moved ahead on a plan to get bids for the estimated \$700,000 project, a location which annually earns the city a good share of revenue. The hope is that the project will be open for business on Labor Day weekend.

Last spring the council approved a \$760,000 upgrade of the city's water treatment plant and water system through town, including a repair of one of the city water towers. The water plant lasted 50 years, just about what engineering folks figure such things will last when they build them. Nearly everything in town is 50 years old, just as old as the town itself.

If there's one thing I've learned over the years, it's that infrastructure won't last forever, no matter how much concrete is used in the project.

There will be needed investments at the Mary MacDonald Center as well. City officials have looked over a laundry list of safety and infrastructure needs at the former elementary school—needs that include a new roof, windows, sprinkler system and heating system, to name a few.

The point is that Silver Bay is no longer a new town, even though only a few generations have made up the population since the “Newest town in Minnesota” was built back in the early to mid-1950s.

I'm not really sure what other major upgrades are out there in the future for residents. Streets and sidewalks. Sewer lines. City officials and residents will be discovering that the list of fix-ups will never end.

The search for funding to make the upgrades and improvements will often rely on property taxes and available city revenue funds such as those generated by the liquor store and lounge. In Two Harbors, where I live, folks say they can get cheaper liquor in Superior or Duluth, and I say fine. I figure when I buy my booze at the “muni” I'm helping pay for things we need in the community. The return for paying a little more is a healthy revenue fund that lends out money for a host of city needs.

I'm not encouraging people to go out and “drink for civic pride,” but the reality is that a city-owned liquor store and lounge is one of the few ways, other than through property taxes and utilities, that a city can raise revenues that help keep the system running. Some grants and legislative bonding could be found to help defray costs, but the bottom line is that living in a community means financing public services, just like we might finance an upgrade of our home. When you need a new roof, you figure out a way to pay for a new roof.

Those are the costs of sharing a community and sharing the services that are needed.

There is always the brass ring of building up the tax base to help share in the costs. There will be new housing. There will be additional jobs and hopefully new residents as the mining industry changes to include value-added products such as iron nuggets. Some day the lands at the business park will be sold and turned into jobs for residents and tax revenue for the city.

No matter the amount of growth, the rising costs of services will still be borne by the taxpayers.

Your taxes won't go down as the need for services and infrastructure improvements go up.

There aren't any known examples in the country where an increase in the tax base has led to a reduction in taxes. Somehow people believe that such a miracle will happen, and someone else will start paying the bills for infrastructure improvements and services. Even in places where there has been phenomenal growth and a leap in property values, something that mathematically should equal a lesser need for local taxes to pay for the improvements, that never happens.

With growth comes more costs to support that growth, so taxpayers still need to keep contributing at a greater rate. That's the way things go.

For folks in Silver Bay, there is a present need to continue upgrading aging infrastructure, provide recreational opportunities and create new infrastructure for housing or at the business park. Those contributions will never end. Those are the things that help make a community.

Assignment

Work at learning what makes your patrons feel valued, respected, and accepted. Then, deliver that to them, and watch your new-customer count soar.

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Just Do It – Part Two

Getting Employees to do the things you want them to do

By 2008 MMBA Conference Presenter
Tom Shay

Last month, we began a discussion on the occasion of a manager or owner telling a staff member to “Just do it.” And while being an owner or manager may entitle you to give instructions, followed by a “just do it”, we have all found from experience that this simple instruction rarely provides you with a job well done.

I mentioned that from my years in business that there was a piece of paper that was taped to the wall next to my desk, and it outlined each of the 16 sections of a book by Ferdinand F. Fournies entitled, “Why employees don't do what they're supposed to do, and what to do about it.”

I also mentioned that as I had read the book, all I needed was that small reminder as I would give assignments to my team members. I made a point to always take a quick look at the list to make sure I was not giving instructions which had a very good chance of failing. My suggestion was that you would take last month's column and this one, highlight the points of value to you, and tape the two columns on the wall next to your desk. Here are reasons nine through sixteen as to why employees don't do what they are supposed to do, and what to do about it.

Reason #9: They are rewarded for not doing it. We covered a similar situation last month. You pay your staff members on an hourly basis. There are staff members that are your star performers, and most of us have had staff members that have lagged far behind in the quality of their work. Not only do you know who these individuals are, but so does every staff member. If a staff member does a poor job, or does not complete the task at all, as owners and managers we rarely discipline that individual. Something as simple as a notation, signed by the staff member and manager, noting the

problem can help to solve this problem. By stating that these notations will be placed in the staff member's employment file, and discussed at their semi-annual job review, you may correct the situation.

Depending on the severity of the situation, you may want to have a policy where an employee is placed on probation or terminated when too many notations are received in a certain time frame.

Reason #10: They are punished for doing what they are supposed to do.

“You should have known”, is a phrase which may have a place in a manager's vocabulary. However, it should be used with great discretion. Imagine the manager or owner who has been in this industry for their entire working life, and the employee who had previously sold other products, or worked in a service industry. Understandably, there should be a world of difference in the knowledge and interpretation of the experiences in day to day work.

Asking a question of how a staff member saw a situation and what they were thinking can enlighten the owner or manager to how the staff member saw a situation. A staff member who has been told to build a display, and is then chastised for failing to wait on a customer, is going to be even more confused when the next situation occurs.

Reason #11: They anticipate a negative consequence for doing it.

This reason ties into the last one. Give a staff member a situation where they are afraid to act because of their fear of being chastised, and you are on the road to developing a staff member who is learning to just “stay out of the way and look busy”. Fear of a manager or owner does not create a positive work place where staff members can excel.

Reason #12: There is a lack of negative consequence for poor performance. This reason is similar to reason #9; if there is a reward for not doing it, or a lack of negative

consequence for poor performance, we are cultivating employees who can best be described as “slackers”. Combining the reason from last month, as well as reasons #9 and #12, the healthy work environment will have rewards for those who do the job, and penalties for those who do the job wrong, poorly, or do not do the task at all.

Reason #13: There are obstacles

beyond their control. Perhaps before you left for a meeting today, you gave a staff member the assignment of building a display. When you arrive the next day at work, the display is not completed. Someone may have called in sick. The necessary shelving for the display that you thought was in the store room, was not there. Maybe, and fortunately for your business, there were just too many customers to get to it. The valid reasons for the incomplete assignment could go on and on. The important point is for the manager or owner to consider, and validate these situations when deciding how to penalize an individual, as well as providing the necessary insight when making the next assignment.

Reason #14: Their personal limits prevent them from performing.

I remember years ago speaking to a vendor about a problem we were experiencing with his company with regard to the shipment of goods. I explained that there had been several conversations with his dispatcher, driver, and warehouse personnel. His response, while blunt, did have a truth within it. “We didn't hire them to work in those areas because they were rocket scientists.”

Not everyone is management material; not everyone wants to be. Hopefully, all of the sales team in your business is not making the same hourly wage. Hopefully, the main guideline for a raise during the semi-annual review is not longevity. Skill, both natural and acquired, knowledge, and desire should be some of the strong considerations for pay raise and job assignments.

Reason #15: There are personal problems. Probably all of us have hired an employee who would fit into the category of “professional victim”. It seems that nearly every day they come to work, they are experiencing some type of personal problem or emergency. And we usually feel better when we have terminated this employee, or they have moved on to another job.

This reason is to call our attention to the situation where a staff member is having, just as every owner or manager does, a personal problem that is preventing the staff member from giving their full attention to the situation.

It has been the experience of this writer when such a situation has been detected, that a conversation on a personal basis goes a long way. An offer of “I would be glad to listen or help where I can” has helped in creating a friendship and better working relationship between staff member and owner or manager.

Reason #16: No one can do it.

Consider a manager who has a vision of how they want something within the business to look. It may be a display; sometimes it is needing a report from computer. This manager was very good in envisioning what he wanted for the business, but there were those occasions where a staff member needed to ask how to complete the task. A possible problem was seen by the staff member even before starting the task. The manager was unable to clearly answer the request for directions or additional information. And with a sound of frustration in their voice, the manager would say, “I do not know exactly how. That is what I pay you to do. Just do it.”

And thus, we complete the two columns with the same issue we began with. Just do it was a great slogan by Nike, and it may have worked well for Mom, but it does not have a place in your business.

- Today we more often work with employees instead of their working for us
- Extra efforts by employers can produce exceptional results from employees
- Post a copy of these two articles next to your desk

“Not My Department” Costs Stores Dearly

By The Associated Press

According to a recent survey, half of all shoppers encounter ‘multiple problems’ on typical visits to stores, and nothing aggravates customers like shoddy customer service.

In fact, a salesperson with a bad attitude, or one who is not around, drives shoppers away and ultimately hurts a company’s revenue.

Encountering problems while shopping is extremely common -- on average half of shoppers polled encounter multiple problems on any given shopping trip, said Paula Courtney, president of The Verde Group, the Toronto market-research company that presented the study.

Younger shoppers and women over age 40 are the most likely to have problems in stores, the survey found.

Problems at brick-and-mortar stores can lead to a significant decline in a

customer’s perception of a company, according to the survey of 2,200 U.S. and Canadian shoppers by The Verde Group and the University of Pennsylvania’s Wharton School Jay H. Baker Retailing Initiative.

While store-based problems such as parking can present an annoyance, “the problems that matter most and degrade loyalty the most are with salespeople,” said Courtney.

Common issues with salespeople include having a “that’s not my department” attitude or not being around at all, being too aggressive and being insensitive to long checkout lines.

On the other hand, if salespeople seem authentic and knowledgeable about the products they are selling, they can create an experience that consumers will remember and make it more likely they will return to the store, Courtney said.

FUN!

Fun & The Bottom Line

Do you want to reduce absenteeism, promote greater job satisfaction, boost employee performance, increase productivity, and suffer less downtime? Of course! But, how?

By encouraging fun. These are among the bottom-line benefits of a fun work environment.

10 Characteristics of Fun

- 1) *Humor alleviates stress and tension.*
- 2) *Fun improves communication.*
- 3) *Fun eases conflict.*
- 4) *Laughter can help us survive.*
- 5) *Laughing at yourself is the highest form of humor.*
- 6) *Laughter has a natural healing power.*
- 7) *Humor helps lighten the load.*
- 8) *Fun unites people.*
- 9) *Fun breaks up boredom and fatigue.*
- 10) *Fun creates energy.*



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Getting Geared Up For 2008 Ice Sales!!

Why do we care about Ice??

Ice is what we call a "Basket Driver". Basket Driver refers to "complimentary" purchases.... what sells with the ice transaction. Customers tend to purchase many other items when they purchase ice.

Transactions with Ice Purchase = Increased Customer Dollars!!

The most expensive ice in the store is "out of stock" ice. What can you sell them if they came in needing ice, and you're out? What is the substitute for not having ice?

The ice industry has seen a consistent product shift within the ice category over the last several years. In the market place 5 years ago, 55% of the total pounds of ice sold were in the 5lb bags and 45% were in 20lb bags. Today, this has changed with 45% of the pounds of ice sold in the 5lb bags and 55% were in 20lb bags. As the retailer, look at your profit margins in 5lb and 20lb bags and increase your margin on the 20lb bag to adjust for the product shift since you, the retailer, currently make a smaller margin on the 20lb bag.

Independent research from Probe Research Inc. in Jan 2008 concluded that the following items are what affect the buyer's decision process.

- 1.) Convenience / Availability
- 2.) Quality / Purity
- 3.) Price

In short, since consumers are more interested in convenience and quality than price. Should you increase your retail price?

At Arctic Glacier Premium Ice, the comment "Ice is Ice" is just not true

At Arctic Glacier we go to extremes to ensure an unsurpassed quality of packaged ice. With the ongoing

concerns regarding drinking water, we felt it necessary to reaffirm your confidence in **Arctic Glacier Premium Ice**. Arctic Glacier Premium Ice is a "Food Product" that is consumed everyday.

Here are specific items you need to consider when you compare **Arctic Glacier Premium Ice** to any other ice.

	Arctic Glacier	Other Ice
• Independent Weekly Product Testing (published reports available)	Yes	?
• Company Recall Procedure including Product Date Coding enabling	Yes	?
• Employee Orientation Program and ongoing Product and Packaging training	Yes	?
• Micro Particle Filtration and Ultra Violet Disinfection purification process creating "Bottled Water" quality ice	Yes	?
• Uniform policy for all packaging employees strictly enforced	Yes	?
• Stainless Steel/Food Grade Product Transfer Equipment	Yes	?
• Tamper Resistant Sealed Packaging reducing the risk of contamination	Yes	?
• Modern Fleet of Refrigerated Delivery Vehicles ensuring Product quality	Yes	?

- Accredited PIQCS Member of International Packaged Ice Association **Yes** ?
- Keep raising industry standards for quality and service **Yes** ?
- Excellent professional sales/customer service representatives and Delivery Personnel **Yes** ?
- Meets or exceeds all Government Health Regulations **Yes** ?
- Over 10,000 tons of daily production at 37 manufacturing facilities assuring product availability. **Yes** ?
- Same day delivery **Yes** ?
- Expanding Computerized Invoicing Technology **Yes** ?
- \$50,000,000 Product Liability Insurance **Yes** ?

You owe it to your company and your customers to deal with a reputable Packaged Ice Company. At Arctic Glacier, we understand how important your business and public image is, and how vulnerable we all are to those in various industries who just do not adhere to the same rules.



**www.
municipalbev
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Millennials Seek New Tastes & Pay Premium For Alcohol Beverages

Millennial consumers (21 to 30 year olds) often seek new tastes and are willing to pay a premium for alcoholic beverages, according to a new study by Progressive Grocer parent The Nielsen Co.

According to “Millennials and Beverage Alcohol,” consumers in the 21 to 30 year old age group have dramatically changed their alcoholic beverage preferences over the past decade. While beer accounted for 59 percent of this group’s alcoholic beverage spending; 10 years ago, this number has shrunk to 47 percent today, as their wine and spirits purchases have grown in relatively equal proportions.

“The Millennials are primed to be an extremely influential group,” said Richard Hurst, s.v.p. of beverage alcohol at ACNielsen, a service of The Nielsen Co. “At the beginning of their careers, they are discovering the world and have control over their money and time in ways their predecessors never did. They are a sizeable group with many purchasing years ahead of them, and understanding what they’re buying, why they’re buying, where they’re buying and how they’re buying represents an enormous opportunity for today’s manufacturers and retailers.”

Despite the decline over the past 10 years, Millennials still show a preference for beer. On a dollar basis, the category represents the majority (47 percent) of their alcoholic beverage spending, compared to spirits (27 percent) and wine (26 percent). On a volume basis, beer accounts for 83 percent, compared to 11 percent for wine and 6 percent for spirits. Among Millennials who drink different types of alcoholic beverages, beer is most often cited at their “favorite,” according to the study.

Millennials also have different drinking preferences than older generations, and are much more likely to experiment with a variety of beer types and flavors. While domestic premium beers

are still their dominant choice, they are much more inclined than older consumers to purchase imported beers (28 percent of Millennial beer spending versus 15 percent for other age groups) or craft beers (15 percent of Millennial beer spending versus 6 percent for other age groups).

Among imported beers, Millennials tend to look more favorably to Mexican beer than older generations do. Mexican beers account for nearly one half (46 percent) of Millennials’ import purchases compared to 35 percent for older consumers, who show greater interest in imports from Holland, Germany, and Canada.

“One might expect that as consumers grow older and their income levels rise, they would naturally trade up,” said Hurst. “In fact, economy beer purchases are much more common among older generations. Craft and import beers have a receptive audience in Millennials who clearly are open to new tastes in beer, and are willing to pay more to try something different.”

Millennials also show a preference for premium over value when it comes to spirits, according to the study. Premium and ultra-premium spirits rank highest among the group, while value-priced spirits dominate among consumers over age 50.

When it comes to wine, Millennials tend to prefer red (51 percent of volume) more so than older consumers (approximately 44 percent). Among red wines, Cabernet and Pinot Noir have the most distinct skew towards Millennials while Chardonnay remains the most popular white wine across all ages. Pinot Grigio, Sauvignon Blanc, and Rieslings account for a higher share of Millennials’ wine purchases compared to the over 30 population.

As with the beer category, Millennials are more open to trying imported varieties and also contribute more to sake sales than Gen Xers and Baby Boomers. While most consumers in this group consider themselves novices or only slightly knowledgeable about wine, approximately one-third (34 percent) are interested in learning more, which suggests an “education” opportunity for retailers.

The study was based on data collected via a triangulation of Nielsen’s Homescan consumer panel information and online survey and fieldwork from a sample of nearly 900 consumers 21 years old and older who drink beer, wine, and spirits at least once every two months.

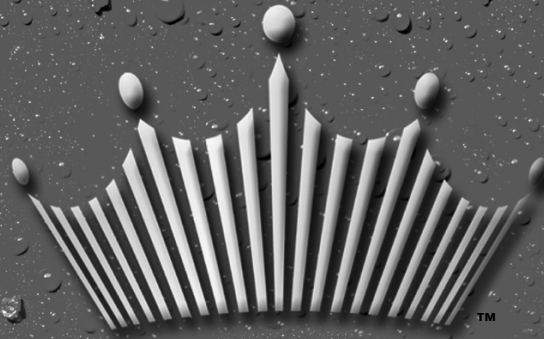
The full study is available at www.nielsen.com.

Brandi’s Bar Tricks

After playing a game of pool with your buddy, challenge a person nearby to attempt this trick.

Take a cue ball. Place a pool stick over both sides of the table. Place the cue behind the pool stick. Make a bet that you can get the cue ball under the pool stick without touching the stick or forcing the ball under.

The trick: Take the cue ball and roll it under the table!!!



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