

**THE**  
**MUNICIPAL**  
**LIQUOR STORE**

Volume 69, Number 1, 2010

OFFICIAL PUBLICATION OF THE  
MINNESOTA MUNICIPAL BEVERAGE ASSOCIATION  
[www.municipalbev.com](http://www.municipalbev.com)



**Are Your Employees  
Task or Sales Oriented?**

PRST STD  
U.S. POSTAGE  
**PAID**  
Permit No. 1770  
Minneapolis, MN

CHANGE SERVICE REQUESTED

**Municipal Liquor Store**  
Box 32966  
Minneapolis, MN 55432

# BACARDI® TORCHED CHERRY™

introducing BARBADOS CHERRY infused with TORCHED PLANT ALOE



**TORCHED CHERRY™**  
AND *Coca-Cola*  
text TORCH to 65579  
for more recipes

## BACARDI® TORCHED CHERRY™

Introducing the newest extension to the best-selling rum portfolio, **BACARDI® TORCHED CHERRY™** Flavored Rum. This revolutionary flavor represents the new era of mixology by combining succulent Barbados cherries with the exotic taste of torched plant aloe. Following the astonishing success of **BACARDI® DRAGON BERRY™**, one of the top 5 flavors of 2009<sup>1</sup>, **BACARDI® TORCHED CHERRY™** is expected to be one of the biggest hits of 2010.

**LAUNCHING IN APRIL 2010**

<sup>1</sup>Bartender Study from MSS

ENJOY OUR PRODUCTS RESPONSIBLY.

[www.bacardi.com](http://www.bacardi.com)

©2010 BACARDI AND THE BAT DEVICE ARE REGISTERED TRADEMARKS AND THE TORCHED CHERRY DEVICE IS A TRADEMARK OF BACARDI & COMPANY LIMITED. BACARDI U.S.A., INC., CORAL GABLES, FL. RUM SPECIALTY - 35% ALC. BY VOL.

©2010 THE COCA-COLA COMPANY. "COCA-COLA" IS A REGISTERED TRADEMARK OF THE COCA-COLA COMPANY. MUST BE 21+ TO PARTICIPATE. STANDARD TEXT MESSAGING RATES APPLY.

# MUNICIPAL LIQUOR STORE

Volume 69, Number 1, 2010

*Official publication of the Minnesota Municipal Beverage Association. Published six times annually: September/October, November/December, January/February, March/April, May/June, July/August. For advertising and editorial inquiry contact Paul Kaspszak, Editor, Box 32966, Fridley, MN 55432. Phone 763-572-0222 or 866-938-3925. Advertising rates available upon request. Change of address: List both old and new address.*

## On The Cover

It is very important store employees actively promote and sell merchandise to customers. The ability of store associates to perform the 'selling' activity will often make the difference between success and failure.

Unfortunately, some managers have lost sight of the real business goal of making money. In many cases, they have lost sight because they are consumed by the realities of managing the store. This is to say that the overwhelming number of tasks to be completed seem to leave no time or energy for selling to the customer.

However, managers must make every effort to ensure the selling activity is going on in their store. This requires a consistent, unrelenting focus on sales and other key productivity indicators.

For more on this subject, see page 7

## DIRECTORS

**TOM AGNES**  
(President)  
Brooklyn Center Liquor  
5625A Xerxes Ave. North  
Brooklyn Center, MN 55430  
763-381-2349



**STEVE GRAUSAM**  
Edina Liquor  
6755 York Ave. South  
Edina, MN 55435  
952-903-5732



**BRIAN HACHEY**  
(Sec./Treas.)  
Stacy Wine & Spirits  
30962 Fenway Avenue  
Suite 700  
Stacy, MN 55079.  
651-462-2727



**GARY BUYSSE**  
Rogers Liquor  
22350 South Diamond Lake Road  
Rogers, MN 55374  
763-428-0163



**NANCY DRUMSTA**  
Delano Wines & Spirits  
P.O. Box 108  
Delano, MN 55328  
763-972-0578



**BRIDGITTE KONRAD**  
(Ex-Officio)  
City of North Branch  
P.O. Box 910  
North Branch, MN 55056  
651-674-8113



**LARA SMETANA**  
(Vice President)  
Voyageur Bottle Shop  
205 - 6th Street  
Pine City, MN 55063  
320-629-2020



**MICHELLE OLSON**  
Sebeka Liquor  
P.O. Box 305  
Sebeka, MN 56477  
218-837-9745



**JOYCE SWANSON**  
Central Park Liquors  
8101 Hwy. 65 N.E.  
Spring Lake Park, MN 55432  
763-780-8247



**BOB LESLIE**  
Pelican Rapids Liquor  
P.O. Box 571  
Pelican Rapids, MN 56572  
218-863-6670



**VIRGENE SHELLNBARGER**  
Liquor Hutch  
245 Washington Ave. East  
Hutchinson, MN 55350  
320-587-2762



**TONI BUCHITE**  
Fifty Lakes Bar & Bottle Shop  
P.O. Box 828  
Fifty Lakes, MN 56448  
218-763-2035



# MMBA President's Message



Tom Agnes  
President

Several years ago at a MMBA conference while examining things that effected our operations, we did a "liabilities and assets" list. Surprisingly employees came up #1 on both sides - essentially saying they do our organizations the greatest benefit and the greatest harm. How could this be?

One thing I have found over the years of working with employees is that you must have a balance between the freedom and control given to staff. If we ran an organization with no control and total freedom for all employees you can imagine how that would turn out.

However on the flip side, if we have too tight of controls and we set a policy for every imaginable situation, we lose the ability for our staff to be creative and think outside strict policy guidelines.

When it comes to what setting a policy ask yourself this question, "Is that something I deal with from the staff in general, or is this something that just one has an issue with?" Deal with individual problems individually, and deal with group problems with policy. Also make sure when you set policies and procedures you act as leader in taking their hand and leading them through what they may consider a maze. Don't push them through.

In addition, allow employees enough room to fail at something. If they do fail, don't take it away from them, use it as a teachable moment and give it back to them until they find the reasons to do it the right way.

Remember the manager with the "Mirror and Window." When things are going well, the good manager looks out the window at his staff and the bad manager looks in the mirror at himself. When things are going badly the good manager looks in the mirror at himself and the bad manager looks out the window at his employees.

## Why aren't your employees working?

1. *Do they know why they should do it?*
2. *Do they know how to do it?*
3. *Do they know what they are supposed to do?*
4. *Are they confident your way will work for them?*
5. *Have you asked any questions about how they think it should be done?*
6. *Do they understand the importance and timeliness?*
7. *Is there a reward for doing it?*
8. *Is there a penalty for poor performance?*
9. *Does this person have the skills to do this work?*
10. *Are you asking them to do this task because you cannot do the task?*
11. *Are there enough time and the necessary tools to complete the task?*
12. *Do you check on the progress of the task, or wait until the staff member tells you they are done?*

A while back we offered a book called "Whale Done" in our MMBA magazine that spoke about positive affirmations with staff. This book examined how they would train killer whales to do these incredible tricks and put on the huge shows that drew in hundreds of spectators.

How did they do that? Simple they put them in a tank with a pole, they swim around, when a whale went above the pole the trainers rewarded them, when

they went below the pole they did nothing.

When gruff business manager and family man Wes Kingsley visited SeaWorld, he marveled at the ability of the trainers to get these huge killer whales, among the most feared predators in the ocean, to perform amazing acrobatic leaps and dives.

Later, talking to the chief trainer, he learned their techniques of building trust, accentuating the positive, and redirecting negative behavior -- all of which make these extraordinary performances possible.

Kingsley took a hard look at his own often accusatory management style and recognized how some of his shortcomings as a manager, spouse, and father actually diminish trust and damage relationships. He began to see the difference between "GOTcha" (catching people doing things wrong) and "Whale Done!" (catching people doing things right).

In *Whale Done!*, Ken Blanchard shows how to make accentuating the positive and redirecting the negative the best tools to increase productivity, instead of creating situations that demoralize people. These techniques are remarkably easy to master and can be applied equally well at home, allowing readers to become better parents and more committed spouses in their happier and more successful personal lives.

Remember to try to find that balance between freedom and control. Plus, know that your employees are volunteers and they choose to work there as you do. Don't ever treat them like they are forced to work there.

I hope these ideas help you with developing and building a stronger staff that can rally around the needs of the organization.

Now serving up

# TWO MORE CLASSICS

ONE POUR AWAY



THESE NEW FLAVORS WILL CREATE MORE PROFIT FOR YOUR PREPARED COCKTAILS SECTION AND DELIGHT YOUR CUSTOMERS! GET THE SKINNY ON OUR PIÑA COLADA INFUSED WITH COCONUT WATER, WHICH IS RECEIVING RAVE REVIEWS DUE TO LESS CARBS, FAT AND SUGAR THAN T.G.I. FRIDAY'S® BLENDER PIÑA COLADA. YOUR CONSUMERS WILL FIND THE FRESH, LIGHT TASTE OF OUR HAND SHAKEN STRAWBERRY DAIQUIRI AS ENCHANTING AS IT IS EASY TO PREPARE. BOTH MADE WITH THE WORLD'S MOST SUCCESSFUL RUM: BACARDI® SUPERIOR.

**INSTANT COCKTAIL. INSTANT PROFITABILITY.**

ENJOY RESPONSIBLY.

Bacardi.com

©2010 BACARDI AND THE BAT DEVICE ARE REGISTERED TRADEMARKS OF BACARDI & COMPANY LIMITED, BACARDI U.S.A., INC., CORAL GABLES, FL. DISTILLED SPIRITS SPECIALTIES – EACH 15% ALC. BY VOL. ALL OTHER TRADEMARKS ARE THE PROPERTY OF THEIR RESPECTIVE OWNERS. AVERAGE ANALYSIS: BACARDI® PIÑA COLADA INFUSED WITH COCONUT WATER (8 OZ): 343 CAL, 36G CARBS, 36G SUGAR, 0G FAT. AVERAGE ANALYSIS: T.G.I. FRIDAY'S® BLENDER PIÑA COLADA (8 OZ): 717 CAL, 105G CARBS, 105G SUGAR, 14G FAT.





# BECOMING AMERICA'S BEST BEER COMPANY

MillerCoors™ has a powerful portfolio of beers that will increase your business and grow your bottom line.



# MillerCoors™

Growing business the right way by promoting the responsible enjoyment of beer.

# ***Are Your Employees Task or Sales Orientated?***

By DMS Retail

Most people would agree that it is much more pleasant and rewarding to occupy one's time with activities that we find enjoyable or have a natural talent for than it is to engage in activities that we dislike or have no talent for at all. When faced with a choice of which activity to engage in it stands to reason that an individual will choose the former.

Many people choose careers that they find appealing and, even though they may still be faced with some undesirable tasks, for the most part they enjoy their work and probably strive to be successful. Unfortunately, for some the situation is not so clear cut. They find themselves in careers, or jobs, that they do not find appealing and may not be driven to succeed. A large percentage of retail store employees fit into this group.

With the exception of self-serve retailers - those who have designed their business model around the self-serve concept which does not require sales associates to drive the business - store employees are required to actively promote and sell merchandise to their customers. The ability of store associates to perform the 'selling' activity will often make the difference between success and failure.

As stated above, if it is reasonable to expect people to do well in activities they enjoy, or at least, do not find difficult and unappealing, then it would be reasonable for sales associates who enjoy selling to be more successful, and to make a bigger contribution than those who do not.

For the individual who does not enjoy selling-either because s/he does not have the skills or simply does not want to do it - a position in a retail store may still attract them due to ease of entry. Store Managers should be very wary of this individual.

There are so many tasks to be performed in a retail store that individuals, like the one just described, can easily make themselves quite useful. However, the task oriented associate will not help you succeed unless, of course, you have hired them strictly for the purpose of performing tasks that will allow selling associates more time, freedom and energy to pursue the real goal - sales and revenue generation. The luxury of having sales associates and service/maintenance associates is something few retailers can afford. With wage costs being such a large portion of their expense base, most retailers require associates to generate revenue.

Some retail Store Managers have lost sight of the real business goal. In many cases, they have lost sight because they are consumed by the realities of managing the store. This is to say that the overwhelming number of tasks to be completed seem to leave no time or energy for selling to the customer. Of course, a Manager who allows him/herself to become task driven cannot be allowed to continue in the position and probably does not really want to, truth be told. Again, with the exception of the self-serve retail outlet, Store Managers must make every effort to ensure that the selling activity is going on in their store. This requires a consistent, unrelenting focus on sales and other key productivity indicators.

There are things that can be done, or practiced, by Store Managers in order to keep that focus.

The first, and most important, is to be a sales oriented individual yourself. You must role model excellent selling behaviors at all times. Talk about sales at every opportunity. Approach every conversation with sales top of mind. If you do not see yourself this way, you need to do whatever is necessary to become this way very quickly.

The second is to hire only real 'sales people' - people who enjoy selling and who know how to do it. This may mean that you have to work with them to make sure they perform their share of non-selling duties but this is definitely preferable to hiring task oriented individuals and then attempting to work with them to get them to sell which, by the way, is the sad state many, many Store Managers find themselves in. Hiring task oriented individuals is the least effective way to help the store reach its goals and will, almost certainly, prevent the Store Manager from becoming successful. Hiring sales oriented individuals, on the other hand, will naturally enable the consistent, unrelenting focus on sales to be maintained.

Next, make sure your expectations are crystal clear. If you tell an associate to clean, dust or otherwise maintain a particular space or thing, make it clear that task is to be stopped immediately upon the arrival of a customer. If you don't make it clear, the individual may think that your instruction to perform the task trumps the need to attend to the customer.

It is natural for some people to view everything in terms of the hierarchy they are in. To this type of person the Store Manager is the most important individual and any instruction or direction received from the Manager will be seen to be more important than anything they, themselves, might come up with - serving the customer, for instance. After all, the Store Manager is the person who hired and trained the associate; s/he is the one that reviews performance; s/he is the one making it possible for the associate to earn a living. This is why you need to make it clear that any task or direction coming from you is always secondary to serving a customer. Say it as often as you must just to get that expectation across. The

*(continued on next page)*

level of success the store achieves depends on it.

When you visit retail stores you will find that most Managers have not been successful at making the expectation clear. Worse still, the Managers may not even have that expectation themselves. That is another story.

Let's assume that a store is staffed by individuals who believe they are sales people who want to sell but who are, in fact, task oriented. It is easy to determine if this is the case simply by observing the activities taking place.

If a customer enters a retail store and associates immediately leave the task they were performing to provide their undivided attention - and this does not mean that they crowd the customers, refusing to let them wander around comfortably, only that they are clearly available to assist should they be needed - then they are sales focused. They will find ways to start building rapport with the customer and will likely progress to other 'selling steps'.

If, on the other hand, they say hello and continue with their task while the customer wanders around their store, they are not sales focused. These employees are expected to sell and they

say they understand that but, as evidenced by their behavior, clearly they prefer to do tasks. They will even seek out more and more tasks rather than have to sell to customers. This is why so many retail stores are not able to provide quality shopping experiences for their customers - the task oriented individuals who may, indeed, be pleasant are not looking after customers...they are avoiding them.

It's very difficult to be a productive sales person if you avoid customers or have as little to do with them as possible. These individuals always have something else to do that absolutely must be done because serving customers leads, or should lead, to selling to customers. If a person does not want to sell then they will try avoidance. In the event they cannot avoid the customer they will likely assist cheerfully and do their 'job'. But not sell.

A good sales person understands that appearing available to the customer is an absolute minimum. It is not good enough to say "let me know if you need anything" and then continue with a task. That would require the customer to 'bother' or 'interrupt' the associate and many people are not comfortable with that. Customers who may not be sure that they are ready to buy may feel that

they should not occupy the associates time. I can't begin to cover all of the possible reasons why a customer would not approach a 'task consumed' individual and it is not necessary to do so. Just suffice it to say that they may not. And, of course, some customers would interrupt the 'task consumed' individual just because.

The point is successful sales people do not allow room for misunderstandings. They are perceived to be available and focused on the customer. Period.

Tasks have to be managed very carefully in retail stores. The work has to be done. The store must be cleaned and well merchandised. Paperwork has to be kept up to date. Stock must be received in a timely manner. The list goes on. All of these tasks are certainly important to the business and contribute a great deal to the success of the store. The Store Manager is responsible for managing in such a way as to allow associates to sell and to perform required tasks. There is no task that can be a top priority during open hours of operation. Building relationships with customers, selling to them, and treating them with the respect they deserve are top priorities during open hours of operation. Nothing else makes sense.

**Sign up  
for the  
FREE weekly  
MMBA Email  
newsletter**

@

**[www.municipalbev.com](http://www.municipalbev.com)**

# One call.

**If it has anything to do with beverages, ice or refrigeration, call the Shamrock Group. With our expert attention to detail, starting with us will set you up for business success.**

- Over 100 beverages
- Shamrock Beer Systems
- Walk-in Freezers/Coolers
- Shamrock Water Filtration
- Bulk CO<sub>2</sub>, other gasses
- Service, repair, installation
- Ice machine rentals
- 'Purefect' Ace Ice

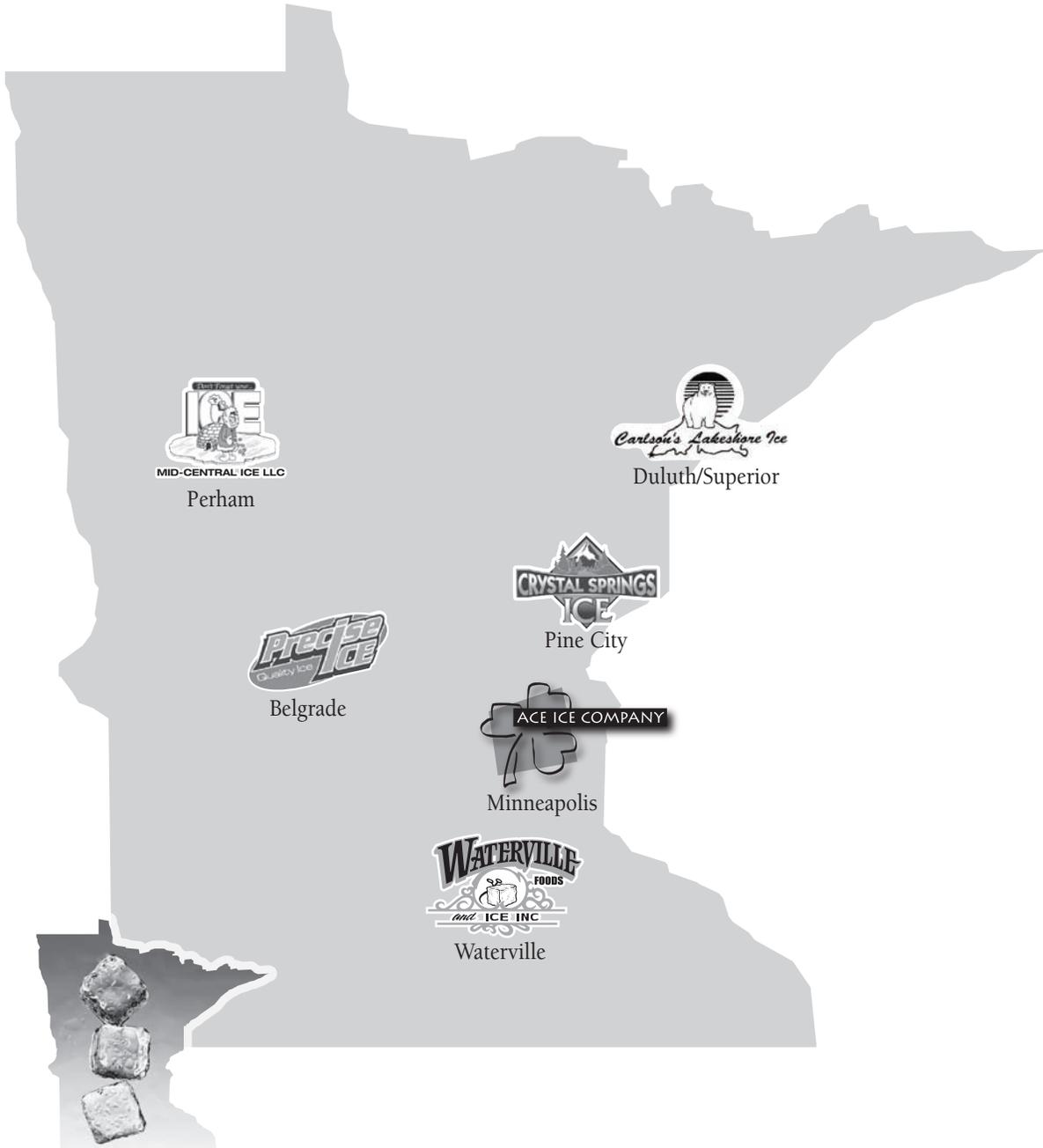


**The Beverage & Ice Experts**  
Unrivaled product quality, value & service since 1945  
612.824.0745 • 800.862.9273

# Regardless where you are, we've got you covered.

Rely on the MIIMA members for 'bottled water' quality ice,  
first-rate service and fast, dependable delivery.

## Minnesota Independent Ice Manufacturers Association



### MIIMA Members:

#### **Ace Ice Company**

2900 Fifth Avenue South  
Minneapolis, MN 55408  
612.824.9600  
800.862.9273  
Contact: Matt King

#### **Carlson's Lakeshore Ice Company**

602 Ogden Avenue  
Superior, WI 54880  
888.943.2665  
Contact: Chuck Wessberg

#### **Crystal Springs Ice Company**

25503 Russell Road  
Pine City, MN 55063  
866.629.6267  
Contact: Tom Valvoda

#### **Mid Central Ice**

39072 County Hwy. 49  
Perham, MN 56573  
218.346.4423  
877.346.4423  
Contact: Dave Chase

#### **Precise Ice Company**

608 Parkway Drive  
Belgrade, MN 56312  
320.254.8018  
320.293.0010 (cell)  
Contact: Mike Buckentine

#### **Waterville Ice Company**

14853 E. Benton, Suite 1  
Waterville, MN 56096  
507.362.8177  
888.362.8177  
Contact: Bernie Akemann

**MIIMA**  
minnesota independent ice manufacturers  
a s s o c i a t i o n

*Minnesota ice for  
Minnesota businesses.*

# Kelliher Liquor Looking Forward to May

By the Bemidji Pioneer

With ice fishing coming to a close and regular fishing opener coming next month, the Kelliher Liquor Store, among other area businesses looking at enduring the “down season.”

According to the liquor store’s head bartender Tom Heck, the month of May is something he and the rest of the staff anxiously await.

“Business will be pretty slow until sucker fishing opener on the first of May and then walleye opener the week after,” he said. “With the economy the way it is, business overall is a little slower than it has been in the past.”

To keep business going through these slower months, the liquor store is offering Texas Hold ‘Em tournaments every Thursday evening starting at 7 p.m.

“We started with a regular poker league but the Texas Hold ‘Em worked

better,” Heck said. “We average about 10 people coming in every Thursday.”

Despite the quiet months, the residents of Kelliher can still have a good experience at the Kelliher liquor store.

“I like to make sure the atmosphere is comfortable and enjoyable for everyone,” Heck said. “I really just enjoy interacting with people. It is a different job every day.”

When summer does finally arrive, the liquor store is looking forward to their fourth annual Summer Hummer car show event and barbeque with the hopes of a live band in June, Kelliher Days July 9-10 and DJs throughout the season.

“It is also important for people to know that a percentage of the funds the liquor store brings in goes back into property taxes,” said Heck.

According the the city of Kelliher’s

website, the liquor store is seeking early era photos of logging around the Kelliher area. The pictures will be framed and displayed on the walls of the liquor store. They are also looking to borrow old saws, saw blades, etc. to display on the walls. The pictures will be scanned and returned to their owners. Contact the liquor store at 647-9757, Kelliher City Hall at 647-8470 or visit <http://kelliher.govoffice.com> for more information.

“We are looking for people to donate memorabilia to decorate the inside a little better,” Heck said. “We would include their name under the item or photo they donate.”

## Uniform / Clothing Allowances

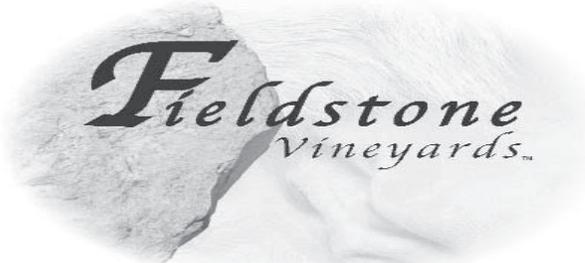
By the Minnesota State Auditor

Some local government employees may be eligible for the reimbursement of expenses under a uniform or clothing allowance authorized by an employment contract or a personnel policy.

Federal law has long distinguished between non-deductible personal clothing and deductible work clothing. For employees who wear uniforms, the cost of the uniform is deductible only if the uniform is (1) specifically required as a condition of employment, and (2) not of a type adaptable to general usage as ordinary clothing. If non-deductible clothing is reimbursed, the expenditure is income, and must be included on the employee’s W-2 (Wage and Tax Statement).

Local units of government should have a system in place to ensure those items that are taxable according to federal regulations are clearly identified so proper taxes can be withheld and reported.

The IRS has posted information regarding uniform/clothing allowances online. For example, the IRS document “Taxable Fringe Benefit Guide” covers these issues on pages 62-63, and can be found by going to: [http://www.irs.gov/pub/irstege/fringe\\_benefit\\_fslg.pdf](http://www.irs.gov/pub/irstege/fringe_benefit_fslg.pdf).



Get 100% Minnesota grown wine for your shelves  
with help to merchandise it!

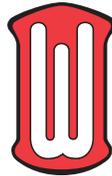
Fieldstone Vineyards is ready to deliver to you quality wine  
that is 100% Minnesota grown and made.

Join the dozens of other municipal liquor stores that are  
successfully selling Fieldstone Vineyards wines by calling  
507-249-WINE (9463) or emailing  
[info@fieldstonevineyards.com](mailto:info@fieldstonevineyards.com) today!

**Low minimum orders, free delivery and available inventory!**

Fieldstone Vineyards • P.O. Box 133  
Redwood Falls, MN 56283 • [www.fieldstonevineyards.com](http://www.fieldstonevineyards.com)





---

# WIRTZ BEVERAGE MINNESOTA

---

*Formerly Griggs, Cooper & Company*

*Now Available...*

**Online Ordering at  
[www.ordering.wirtzbev.com](http://www.ordering.wirtzbev.com)**

**or**

**Visit Our Website at  
[www.wirtzbeveragegroup.com](http://www.wirtzbeveragegroup.com)**

**We are Proud of Our 102 Full-Service Sales and Management Team Members  
that Sell and Service the Largest Inventory of Wines and Spirits  
to Retailers of Minnesota.**

**127 Years of Continuous Service.**

Eagle Wine Team

Prior Wine Team

Northstar Team

**489 N. Prior Ave. • St. Paul, MN 55104 • 651-646-7821 • 800-672-0970**

# Nielsen Describes the "New Normal"

February 8, 2010

While there are recent signs that the U.S. economy has righted itself and is on a path to recovery, the road ahead faces significant headwinds that will make a true reversal protracted. And as economic pressures continue to impact consumers' buying habits into a "New Normal," retailers' alcohol beverage categories will be similarly shaped to take advantage of some opportunities and address shoppers' newfound frugality, according to the quarterly The Nielsen Co.'s Economic Advisor Beverage Alcohol Webinar.

A recent presentation by Danny Brager and Nick Lake, both vice president and group client directors for The Nielsen Co., focused on current economic indicators and the impact of those figures on consumer behavior, and how it shapes beer, wine and spirits purchases.

"Consumer confidence is back from the steepest falls," said Brager. "It's up and down every other day, but it's not to where it would be in a good economy" in the 90 percent range. The economy also tops the list of consumer concerns, with job security and work/life balance filling out the top three.

Additionally, while job losses aren't as bad as previous months, the U.S. has to create 200,000-250,000 jobs each month to truly recover, he noted.

According to the Nielsen experts, the recession's bottom was reached in March and April 2009, but improvements have been very weak.

"The Great Recession may have ended, but a human recessions continues," Brager said. "The U.S. mindset is still very much recession-based." He added the nation has the lowest confidence indices compared to the other 50 countries polled, and 90 percent of Americans believe we are in a recession.

As such, consumers have taken actions to compensate, he said, explaining consumers "totally stayed on sidelines" for the last part of '08, and only tepidly spent in '09, with consumers currently "on the playing field, but not on the starting team."

For example, consumers are taking fewer shopping trips compared to last year. Consumer panelists for the Nielsen Co. report making 1.5 percent fewer trips than the prior year, and shopping baskets are smaller -- the year-over-year percent change for spend per trip is in the negative territory, due to falling retail prices, more promotions and less discretionary spending.

For the retail food channel, this means consumers are cutting back on out-of-home dining. A recent Nielsen study found 57 percent of consumers polled said they were visiting casual dining less often, and 55 percent said they were eating dinner at home more often.

In the off-premise segment, shopper behavior differs by channel, but overall, one-stop shops and discounters -- such as grocery, club, super center and dollar channels -- are all gaining retail shopping trips, as others are losing them, including c-stores, which saw trips fall between 5 percent and 9.9 percent, according to Nielsen figures.

"Consumers are looking for deals," said Lake. "Beginning in late 2008, this trend has been on a steady climb up. Regardless of household income, consumers are looking to save money, and retailers and suppliers are offering more promotional activity than ever." This is evident in pricing data, as the fourth quarter of 2009 was the fifth consecutive period of negative prices, he said.

"Consumers are desperately seeking value, but it's a label that describes what they want, not just a low price,

but quality," Brager said, adding consumers are also making a prioritization to their needs vs. their wants.

"While [consumers] move and migrate towards need and practicality, beer wine and spirits fall within that description," explained Lake.

Meanwhile, off-premise retailers are looking to enhance the in-store shopping experience by analyzing assortments to create the right product mix by category and across the store. This is causing SKU reductions and improved merchandising with clean floor policies and fewer displays, which is resulting in enhanced margins from better inventory management less overhead and reduced costs, Lake said.

"This is happening across all classes of trade, from the convenience store channel to mass club stores," he said.

## **Beer, Wine and Spirits**

Within the alcohol beverage category, the number of wine and spirits items handled in stores has been flat for the last few years, but there have been shifts in the vodka segment, and wine has seen a shift toward the \$9-\$15 bottle segment. And the average retailer added 11 beer items last year, most of which have been on the higher end -- crafts and domestic super premiums -- while rationalizing the flavored malt beverage segment.

For the beer category, growth is coming from the craft segment's import and super premium areas, along with the below-premium segment, which is seeing consumers flock to it from premium light beers, according to Lake.

Within imported beer, which makes up 16 percent of beer's volume, a bright spot was Belgian beer, which was up almost 13 percent, on a relatively small

base, he said. Meanwhile, imported beer's largest segment, Mexican beer, was down 3 percent for the year.

And looking at pack size, consumers are gravitating toward big and small packages, with growth being seen in 30-packs -- to satisfy consumer's desire for more value per serving -- and four-packs -- as consumers experiment with craft offerings.

There was a positive jump for flavored malt beverages in convenience stores, with a 4.6-percent increase in the latest 12 weeks, which was driven by product innovation, Lake said. However, the segment saw declines in all other off-premise retail channels.

Spirits saw "tremendous growth" with

flavored vodka, rum and Irish whiskey as bright spots.

Across all channels of retail tracked by Nielsen wine was up 2.9 percent in dollar sales for 2009.

The strongest wine price point for off-premise retailers in 2009 was \$3-\$6 on a 750-mililiter bottle equivalized basis. Another strong segment is \$9-\$15, while the \$20 and up section was seeing a steeper decline, but has stabilized in the fourth quarter 2009. For pack sizes, consumers' emphasis on value is providing growth for 5- and 3-liter box wines.

#### **Future Predictions**

The Nielsen analysts forecast GDP

settling in the 3 percent range for 2010, while a "jobless recovery" will see unemployment stay elevated in the double digits in 2011 and not return to the 4 percent to 6 percent range until the middle of the decade, Brager said, noting this will dampen consumption. For 2010, Americans will feel slightly better and the equity markets will perform better. However, Brager was unconvinced there will be drastic improvement.

"Consumer spending adjustments will continue whether by choice or necessity, at least until into next year," he said.

"It will be a slow road to recovery, consumers have recalibrated. Restraint is the new normal, value is the new priority. Consumers are satisfied with their experience at lower price points."

## **Total Register Systems**

4215 Louisiana Avenue New Hope, MN 55428

(763) 537-1906 • [www.trs-pos.com](http://www.trs-pos.com)

Point-of Sale & Inventory Solutions  
for the On-Sale / Off-Sale  
Municipal Beverage Industry

### **Systems Include**

- ID Verification
- Credit Card Interfacing
- Sign Painting
- Gift Cards
- Wireless Scanning
- Touch Screen
- Report Wizard
- Video Camera Interfacing

**Total Register Systems has 20 years of Experience in Retail Partnerships**

## **Keep to the Right**

People walk how they drive - they keep to the right. Not only does signage need to reflect this, it really needs to work at all angles.

Shelves and racks work better at an angle too - you don't see road signs at 90 degrees of the road.

That goes for packaging too! It's usually designed to work face on; people rarely look at it that way at first. Packaging needs to work for every conceivable angle!

In addition, useful to try and create a pinball effect in a store. People should always be able to see somewhere else they want to visit. That means going in store, looking at the natural sight lines and interrupting them.

There are other practical things to think about too. When people walk down an aisle and pick up what they want **THEY WALK BACK THE WAY THEY CAME.** The most popular gear should be where the most people will have to walk the most distance.

BERINGER.  
SINCE 1876



MOUNT  
VEEDER  
WINERY

FRANCISCAN  
- ESTATE -



MONTES®  
PREMIUM WINES



CLOS DU BOIS®

BODEGA  
NORTON



*Louis Latour*  
En Bourgogne depuis 1797

*Estancia*

BERINGER.  
FOUNDERS' ESTATE



WINE ESTATES



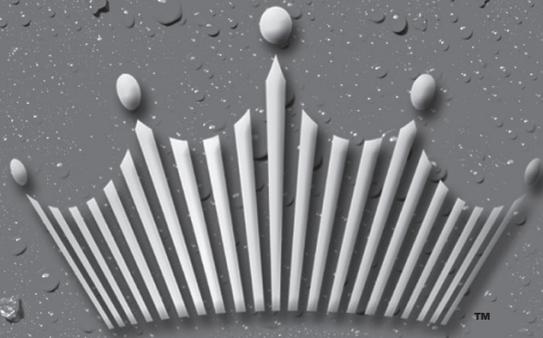
GREG NORMAN

*Rubicon Estate*

1904-2007

Quality Wine & Spirits Company  
A Century of Service

Statewide: 1-800-552-8711 Twin Cities: 952-854-8600



BUDWEISER®

# Leveling the Playing Field

By Tom Shay

Imagine the game in which the batter takes a swing at a pitch and drives a hit over the shortstop's head and between the center and left fielders. He rounds first, heads for second, and dives into second base as the shortstop receives the throw from the outfielder. The umpire, with a good look at the play, quickly raises his hand, extends three fingers and shouts, "third down".

Wait a minute! Are we not playing baseball here? What is the umpire saying? We can all agree that this is not the game that we all knew, for apparently there are a new set of rules. Sometimes, it appears there are no rules anymore in the retail world. Considering the intense competition, along with margins having eroded in the past 15 years, you might question your motives for being a part of the industry.

"The competition is just too great", is a statement frequently spoken by business owners. "I can't compete because they buy better than I do", is another similar statement. And many of the comments of this nature are true. The mass merchants can do many things that the independent cannot do.

However, there is plenty of room for a retailer not only to survive, but to thrive in the extremely competitive market today and into the next generation. There is an opportunity for the independent retailer that the mass merchants cannot take advantage of. This opportunity is not a secret; it is just a detail that the majority of independent retailers do not utilize. "Nobody else does it. Why should we?" That is the secret. Doing things that nobody else does. What if every person that walked into your store was met by someone that greeted them by name and shook their hand?

There is one mass merchant known for having a retired or handicapped person sitting at the front door waiting to greet a customer. But what are your chances of finding a knowledgeable person on their sales floor? Does every person in your business that comes into contact with the customer know the basics of the product you are selling? If not, then what advantage do you have over the mass merchant?

In small business as a whole, we as retailers have listened too much to the advertising of the mass merchants. They continue to promote price, and they have to because it is the main advantage that they have. **Yet, according to a study of 20,000 shoppers conducted by Dr. Richard Feinberg of Purdue University, price is not one of the main concerns of shoppers.** It can become the main concern when both the mass merchant and the independent retailer fail to pay attention to the top five important issues.

*Those five issues are:*

1. *Have in stock what the customer wants*
2. *Value the customer's time*
3. *Sell value*
4. *Have excellent visual merchandising*
5. *Have professional help*

The first customer requirement is that you have what they are looking for. When we examine a business, we rank inventory according to how fast it will sell. The "A" items sell the most frequently, and the "E" items sell much slower. Too many businesses give as much time and effort to the "E" items as they do the "A" items. This is where you have an inventory imbalance.

The second concern of your customers is that you value their time. This may be your need to have enough sales people available at peak hours, or that you are stocking related items. As far as the customer is concerned, if he has to go to the mass merchant to get an accessory, he might as well look at all their merchandise.

The third concern of your customer can be shown in a simple equation. Everything that everybody buys and sells utilizes this equation. **It is: QUALITY plus SERVICE plus INFORMATION plus PRICE equals VALUE.** If your item sells for more you have to be able to explain the value in the item.

Having excellent visual merchandising is the fourth concern. Our customers are telling us there is no appeal of a business that has a dirty floor, dirty windows and lights that are burnt out. The fifth and final concern is having professional help. Surely, this is one area where the mass merchant should be no competition for you. The customer, no matter how experienced, has questions. It becomes the responsibility of your salesperson to engage the customer in a conversation so that he or she feels comfortable enough to respond.

Notice that price did not make it into the top five of Dr. Feinberg's list. But in the absence of these five needs being properly addressed, the customers default to price. I think you should take the time and make the effort to invest in the opportunities that you have that the mass merchant does not have. You need to; it is third down. Remember?

[www.municipalbev.com](http://www.municipalbev.com)

# MMBA Commercial Members Are Available to You! Contact Them!

## Platinum Member

### Arctic Glacier Ice

Contact: Bob Nikolai  
Address: 1654 Marthaler Lane  
W. St. Paul, MN 55118  
Phone: (651) 455-0410  
Fax: (651) 455-7799  
E-mail: rnikolai@arcticglacierinc.com  
Web: www.arcticglacierinc.com

### Beam Global Spirits & Wine

Contact: Leslie Defries  
Address: 3601 W. 7th Street Suite 20  
Edina, MN 55435  
Phone: (952) 830-1131  
Fax: (952) 830-0123  
Cell: (612) 850-7342  
E-mail: leslie.defries@beamglobal.com  
Web: www.beamglobal.com

### MillerCoors Brewing Company

Contact: Jon Chance  
Address: 5805 Zenith Avenue South  
Edina, MN 55410  
Phone: (952) 920-6862  
Fax: (952) 285-6862  
E-mail: jon.chance@millercroors.com  
Web: www.millercroors.com

### Minnesota Independent Ice

### Manufacturers Association

Contact: Steve Kelly  
Address: 2900 5th Ave. So.  
Minneapolis, Mn 55408  
Phone: (612) 824-9600  
Fax: (612) 824-1974  
E-mail: steven@shamrockgroup.net  
Web: www.aceice.com

### Ste. Michelle Wine Estates

Contact: Randy Dobratz  
Address: 16540 Hyland Court  
Lakeville, MN 55044  
Phone: (952) 891-1560  
Fax: (952) 891-1560  
E-mail: randy.dobratz@smwe.com  
Voicemail: 1-800-423-8396 Ext. 3813  
Web: www.smwe.com

### Trincher Family Estates

Contact: Terri Uitermarkt  
Minnesota District Manager  
Address: 1454 Heywood Ave.  
Apple Valley, MN 55124  
Phone: (952) 432-2661  
Fax: (952) 432-2661  
Cell: (612) 281-4271  
E-mail: tuitermarkt@tfwines.com  
Web: www.tfwines.com

### W.J. Deutsch & Sons Wine

### Merchants

Contact: Joe Mayne  
Address: 18998 Baldwin St. NW  
Elk River, MN 55330  
Phone: 763-241-7675  
Fax: 763-241-8842  
E-mail: joe.mayne@wjdeutsch.com  
Web: wjdeutsch.com

## Silver Plus

### American Beverage Marketers

Contact: Warren Westcoat  
Address: 6900 College Blvd. Suite 440  
Overland Park, KS 66211  
Phone: (913) 451-8311  
Fax: (913) 451-8655  
Cell: (816) 665-5521  
E-mail: westcoat@abmcocktails.com  
Web: www.abmcocktails.com

### Anheuser-Busch, Inc.

Contact: David Anglum  
Address: 12107 Wellesley Ave.  
St. Paul, MN 55105  
Phone: (612) 597-1967  
Fax: (612) 699-6989  
E-mail: David.Anglum@anheuser-busch.com  
Web: www.budweiser.com

### Bacardi USA

Contact: Jeff Lange  
Address: 22546 128th Avenue North  
Rogers, MN 55374  
Phone: (763) 428-1048  
Fax: (763) 428-1048  
E-mail: jlange@bacardi.com  
Web: www.bacardi.com

### Brown-Forman

Contact: Jerry Ronke  
Address: 5717 Portland  
White Bear Lake, MN 55110  
Phone: (651) 491-3411  
E-mail: Jerry\_Ronke@B-F.com  
Web: www.www.brown-forman.com

### Cold Spring Brewing

Contact: Mick Detviler  
Address: 962 W. Nebraska Avenue  
St. Paul, MN 55117  
Phone: (651) 489-2376  
Fax: (651) 489-3127  
E-mail: mdetviler@aol.com  
Web: www.gluek.com

### Crown Imports

Contact: Noah Mason  
Address: 14709 Hillshire Lane  
Burnsville, MN 55306  
Phone: (952) 898-5576  
Fax: (952) 898-4083  
Cell: (612) 850-4988  
E-mail: noah.mason@crownimportsllc.com  
Web: www.crownimportsllc.com

### Don Sebastiani and Sons

Contact: Bryant Pascoe  
Address: 316 Willow Pointe Drive  
St. Charles, MO 63304  
Phone: (636) 300-3524  
E-mail: bpascoe@donandsons.com  
Web: www.planeteria.com/sandsons/

### E&J Gallo Winery

Contact: Chris Weese  
Address: 730 North 4th Street #105  
Minneapolis, MN 55401  
Cell: (763) 656-8763  
Web: www.ejgallo.com

### Heck Estates

Contact: Kathy Bilcik Jones  
Address: 10135 Parrish Ave NE  
Ostego, Mn 55330  
Phone: (763) 227-4214  
Fax: (763) 355-9585  
E-mail: kjones@heckestates.com  
Web: heckestates.com

### J.J. Taylor Distributing Company of Minnesota, Inc.

Contact: Mike Bamonti  
Address: 701 Industrial Blvd. NE  
Minneapolis, MN 55413  
Phone: 651-482-1133  
Fax: 651-482-9810  
E-mail: mike\_bamonti@jytaylor.com  
Web: www.jytaylorco.com

### Life Media, Inc.

Contact: Mike Juszczak  
Address: 2928 Dean Parkway, Suite 51  
Minneapolis, MN 55416  
Phone: 612-920-5433  
Fax: 952-881-7797  
E-mail: mike@lifemediainc.com  
Web: www.lifemediainc.com

### Pabst Brewing Company

Contact: Mike Brattensborg  
Address: 7117 Emerald Lane  
Eden Prairie, MN 55346  
Phone: (651) 334-8284  
Fax: (952) 937-2609  
E-mail: mjbratte@pabst.com  
Web: www.pabst.com  
Additional Contacts:  
Bob Ourada, Area Manager,  
Metro, Southern (612) 251-1228  
Jeff Van Schoick, Area Manager -  
Metro, Northern (612) 281-1859

### Retail Data Systems

Contact: Paul Stelmachers  
Address: 6566 Edenvale Blvd.  
Eden Prairie, MN 55346  
Phone: (952) 934-4002  
Fax: (952) 934-4830  
E-mail: pstelmaachers@rdspos.com  
Web: www.rdspos.com

### Retail Information Technology

Contact: Rick Fœuling  
Address: 1001 2nd Street South, Suite 100  
Sartell MN 56377  
Phone: (320) 230-2282  
Cell: (320) 761-6423  
Fax: (320) 230-1796  
E-mail: rick@rite.us  
Web: www.rite.us

### Tervis Tumbler

Contact: Rainer Kuhn  
Address: 201 Triple Diamond Blvd.  
Venice FL 34275  
Phone: (866) 680-6932 Toll Free Direct  
Fax: (888) 876-6887  
Cell: (941) 483-6820  
E-mail: rkuhn@tervis.com  
Web: www.tervis.com

### Total Register Systems

Contact: Brian Anderson  
Address: 4215 Louisiana Avenue  
New Hope, MN 55428  
Phone: (763) 537-1906  
Fax: (763) 537-1504  
E-mail: banderson@trs-pos.com  
Web: www.trs-pos.com

### U.S. Bank Government Banking

Contact: Jennifer Vucinovich  
Address: 101 East Fifth Street  
St. Paul, MN 55101  
Phone: (651) 466-8750  
Fax: (651) 466-8910  
E-mail: jennifer.vucinovich@usbank.com  
Web: www.usbank.com

### Vinocopia

Contact: Marion Dauner  
Address: 6636 Cedar Avenue South #300  
Minneapolis, MN 55423  
Phone: (612) 455-4000  
Fax: (612) 455-4001  
Cell: (612) 532-0406  
E-mail: marion@vinocopia.com  
Web: www.vinocopia.com

### William Grant & Sons

Contact: Chris Morton  
Address:  
Office: (612) 822-2408  
Fax: (612) 822-2415  
Mobile: (612) 242-6813  
E-mail: cmorton@wgrantusa.com  
Web: www.grantusa.com

### Wells Fargo Insurance Services

Contact: Tony Baldwin  
Address: 4300 MarketPointe Drive, Suite 600  
Bloomington MN 55435  
Phone: (952)-830-7353  
Fax: (952) 830-3048  
E-mail: tony\_baldwin@acordia.com  
Web: www.acordia.com

## Silver Member

### Arctic Ice, Inc.

Contact: Chad Friedrichs  
Address: 1090 South Victory Drive  
Mankato, MN 56001  
Phone: (507) 345-8078 • (507) 327-4389  
Fax: (507) 388-4387  
E-mail: f.chadw@gmail.com

### Pig's Eye Brewing Company, LLC

Contact: Jeff Crawford  
Address: 10107 Bridgewater Parkway  
Woodbury, MN 55129-8587  
Phone: (651) 734-1661  
Fax: (651) 734-0171  
E-mail: jgcrawford@pigseybeer.com  
Web: www.pigseybeer.com

## Bronze Member

### Bellboy Corporation

Contact: Dave Gewolb  
Address: 2200 Florida Avenue South  
Minneapolis, MN 55426  
Phone: (612) 544-8178

### Dahlheimer Beverage

Contact: Nick Dahlheimer  
Address: 3360 Chelsea Raod West  
PO Box 336  
Monticello, MN 55362  
Phone: (763) 295-3347  
Fax: (763) 295-4947  
E-mail: nick@dahlh.com

### Dakota Worldwide

Contact: Len Sage  
Address: 8200 So. Humbolt Ave., Suite 302  
Minneapolis, MN 55431  
Phone: (952) 835-4505  
Fax: (952) 835-4461  
E-mail: l.sage@dakotawww.com  
Web: www.dakotawww.com

### Johnson Brothers Liquor Company

Contact: Michael Johnson  
Address: 1999 Shepard Rd  
St. Paul, MN 55116  
Phone: (651) 649-5800 / (800) 723-2424  
Fax: (651) 649-5894  
E-mail: mjohnson@johnsonbrothers.com  
Web: www.johnsonbrothers.com

### Quality Wine & Spirits

Contact: Tom Morgal  
Address: 7900 Chicago Avenue South  
Bloomington, MN 55420  
Phone: (952) 854-8600  
Fax: (952) 851-0501  
E-mail: tmorgal@qwsco.com  
Web: qwsco.com

### Wirtz Beverage Group

Contact: Kevin Ryan  
Address: 489 N. Prior Avenue  
St. Paul, MN 55104  
Phone: (651) 646-7821  
Fax: (651) 646-1497  
Web: www.wirtzbeveragegroup.com/  
minnesota.asp

## Supporting Member

### C & L Distributing

Contact: Tim Koltjes  
Address: 1020 Industrial Drive So.  
Sauk Rapids, MN 56379  
Phone: (320) 251-7375  
Fax: (320) 259-7981  
E-mail: tkoltjes@budtime.com

### Canon River Winery

Contact: John Maloney  
Address: 421 Mill Street West  
Cannon Falls, MN 55009  
Phone: (507) 263-7400  
Fax: (507) 263-8400  
E-mail: john@canonriverwinery.com  
Web: www.canonriverwinery.com

### Carlos Creek Winery

Contact: Tamara Bredeson  
Address: 6693 County Road 34 NW  
Alexandria, MN 56308  
Phone: (320) 846-5443  
Fax: (320) 846-7191  
E-mail: tami@carloscreekwinery.com  
Web: www.carloscreekwinery.com

### CNH

Contact: Wayne Hilbert  
Address: 21 West Superior Street #500  
Duluth, MN 55802  
Phone: (952) 431-4433  
E-mail: whilbert@cnharch.com  
Web: www.cnharch.com

### Fieldstone Vineyards

Contact: Charlie Quast  
Address: P.O. Box 133  
Redwood Falls, MN 56283  
Phone: 507-249-9463  
E-mail: info@fieldstonevineyards.com  
Web: www.fieldstonevineyards.com

### Grand Pere Wines Inc.

Contact: Brian Daunheimer  
Address: 2222 Elm Street NE  
Minneapolis, MN 55414  
Phone: (612) 929-3163 x 40  
Fax: (612) 605-7132  
E-mail: brian@grandperewines.com  
Web: www.grandperewines.com

### Hagen Beverage Distributing

Contact: Mark Hagen  
Address: 500 Industrial Lane  
Worthington, MN 56187  
Phone: (507) 376-5903  
Fax: (507) 376-5951  
E-mail: hagenm@frontiernet.net

### Madison Bottling Co.

Contact: Dave Bergerson  
Address: RR2 Hwy 40 East  
Madison, Minn. 56256  
Phone: (320) 598-7573  
Fax: (320) 598-3738  
E-mail: dbergerson@madisonbottling.com  
Web: www.madisonbottling.com

### The McComb Group

Contact: Bill Gorton  
Address: 222 South Ninth Street, Suite 380  
Minneapolis, MN 55402  
Phone: (612) 339-7000  
Fax: (612) 338-5572  
E-mail: bill@mccombgroup.com

### Stan Morgan & Associates

Contact: Skip Troyak  
Address: 35 Water Street  
Excelsior, MN 55331  
Phone: (952) 474-5451  
Cell: (952) 474-8253  
E-mail: sales@stanmorganassoc.com  
Web: www.stanmorganassoc.com

### Sunny Hill Distributing

Contact: Mike Baron  
Address: East Highway 169  
P.O. Box 333  
Hibbing, MN 55746  
Phone: (218) 263-6886  
Fax: (218) 263-6111

### Thorpe Distributing Company

Contact: Jack Stevenson  
Address: P.O. Box 120  
Rogers, MN 55374  
Phone: 763-463-2000  
Fax: 763-463-2001  
E-mail: jackstevenson@thorpedistributing.com  
Web: www.thorpedistributing.com

### Tushie Montgomery Architects

Contact: Gary Tushie  
Address: 7645 Lyndale Ave. So., Suite 100  
Minneapolis, MN 55423  
Phone: (612) 861-9636  
Cell: (612) 861-9632  
E-mail: garyt@tmiaarchitects.com  
Web: www.tmiarchitects.com

**EXPERTS TELL US  
THAT OUR ECONOMY  
IS ON THE ROCKS.  
WE SAY MAKE  
IT A DOUBLE.**

*Rich American Vodka*

o p u l e n t v o d k a . c o m



Please Drink Responsibly

OPULENT Vodka Company  
Princeton, MN

Available through Phillips Wine and Spirits

Outstate: 800-462-5303

Metro: 651-637-3333

UV Flavored Vodkas, 30% alc.vol. (60 proof) and UV Vodka, 40% alc.vol. (80 proof). Produced and bottled by Phillips Products Company, Princeton, MN, USA



## CELEBRATE

COLORFUL, FUN AND DELICIOUS - UV Vodka combines luxury quality, progressive design and extraordinary value. UV Flavored Vodkas are distilled four times and naturally flavored with some of the finest ingredients sourced from around the world.



**DOUBLE GOLD MEDAL WINNER**  
San Francisco World Spirits Competition



**HOT BRAND**  
2005 - 2006 - 2007 - 2008