

The Department of Alcoholic Beverage Services

2022 YEAR IN RETAIL

SUMMARY OF OPERATIONS
JULY 1, 2021 - JUNE 30, 2022



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A WORD FROM CADE MEIER, DEPUTY DIRECTOR

During the 2022 fiscal year, the department increased 7.74% in revenue from the year prior. This continued increase in revenue resulted in compound annual growth rate of 5.28% from FY 2018 to FY 2022.

The global pandemic effects have slowed and we are seeing a return to normal buying patterns from consumers. Supply lines have seen continued improvement and toward the end of the fiscal year, some vendors have returned to regular distribution. The department has seen it's in-stock percentage increase from 92.3% to over 96.7% in just a few short months.

The department has seen a slight improvement in it's ability to recruit staff but still continues to see staffing shortages in certain areas. We are continuing the plans for new stores to be constructed in Park City and St. George, as well as replacement stores in the Foothill area, Sugarhouse, and downtown area. Funding for an additional location in the West Ogden area and replacement stores in Moab and Roy have been requested. The new stores will help decrease the demand on current stores and assist the department to improve customer satisfaction. We again look forward in the coming year to finding new contributions from our wonderful employees and continued suggestions from our customers in our mission to provide excellent customer service.

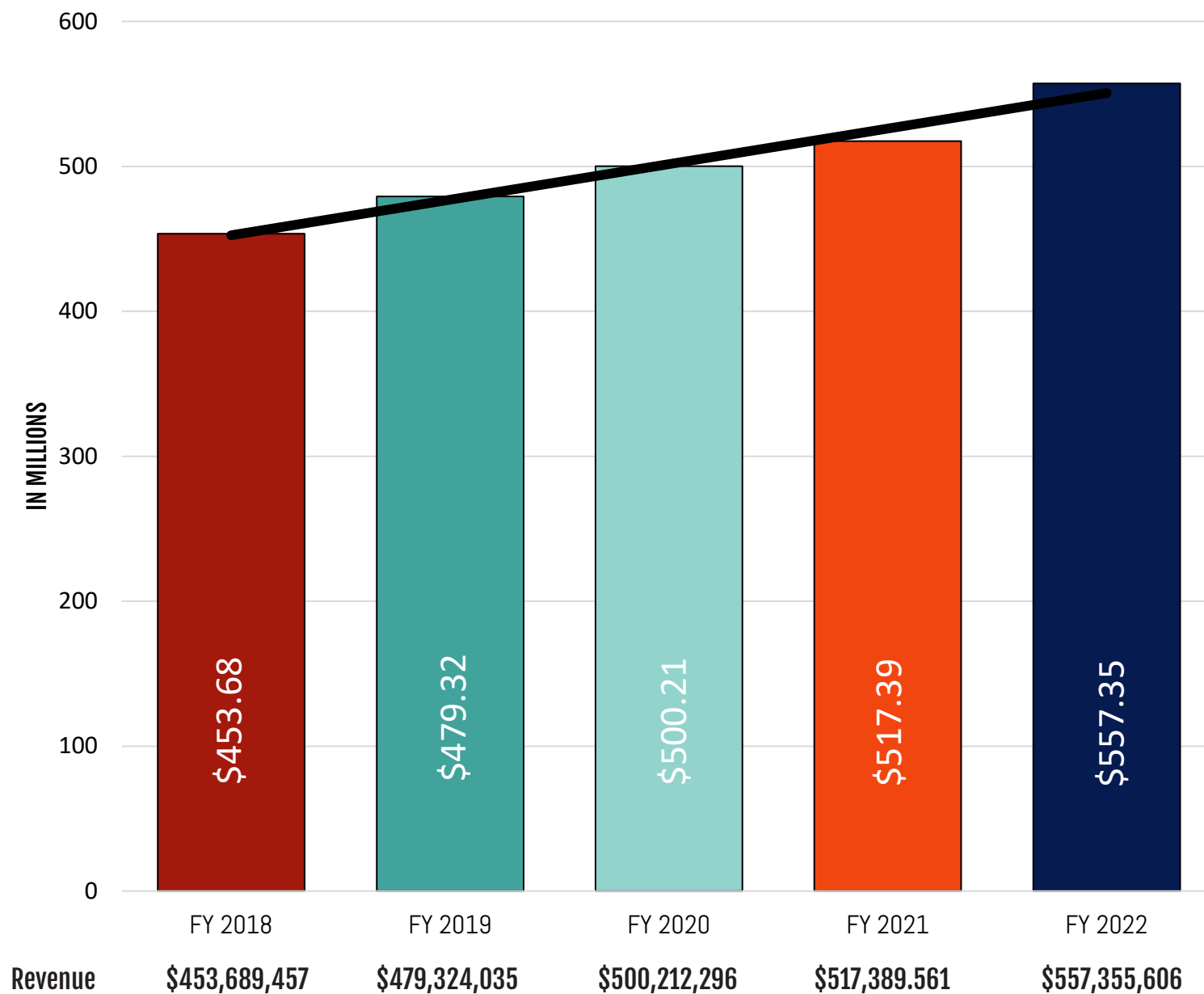
Sincerely,

Cade Meier
Deputy Director, DABS



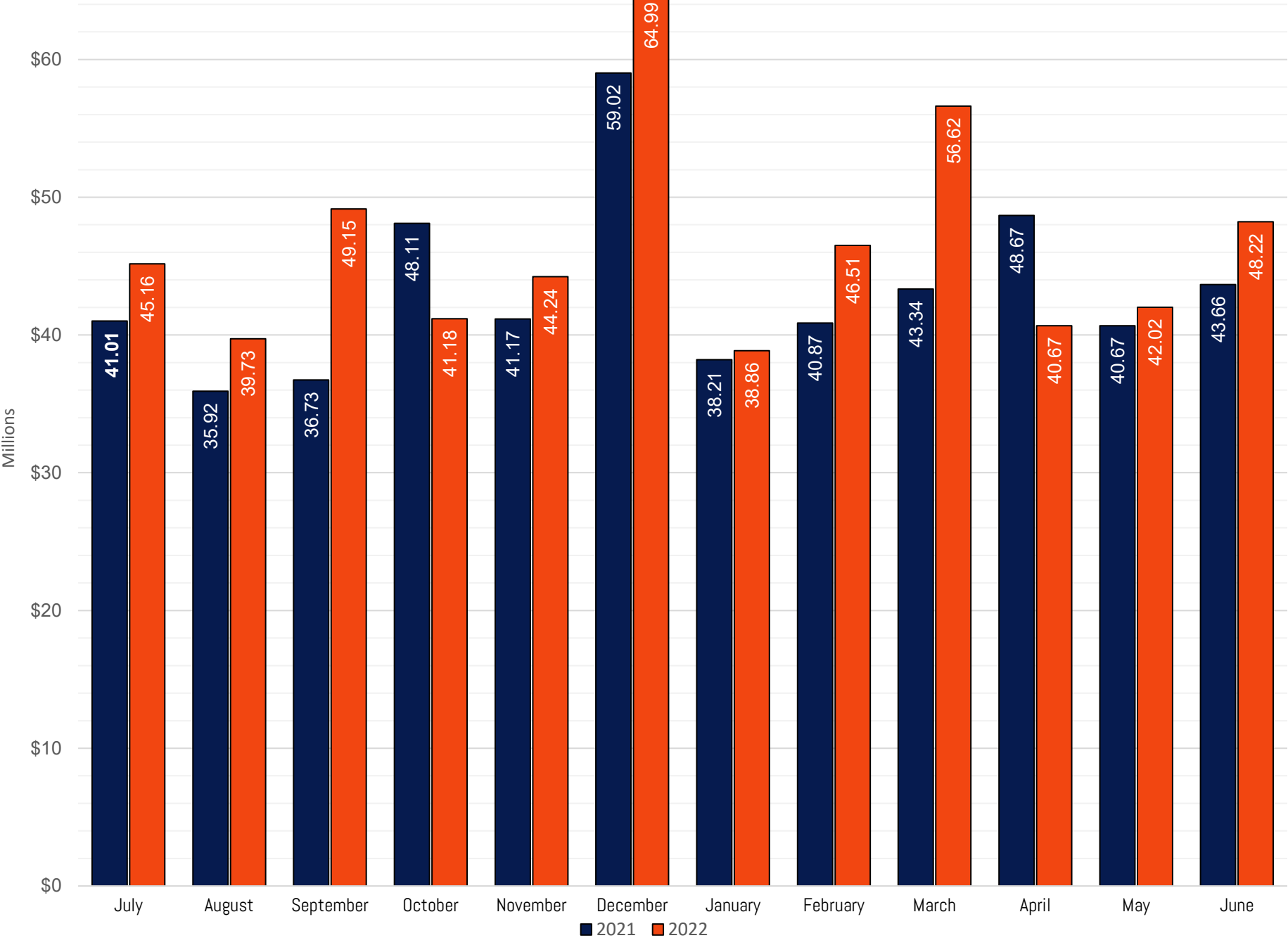
FIVE YEAR SALES SUMMARY

DABS sales revenue finished FY 2022 at \$557.35 million, a 7.74% increase over FY 2021 sales. In the five year period from FY 2018 to FY 2022, the DABS experienced a compound annual growth rate (CAGR) of 5.28%.



SALES BY FISCAL MONTH

2021-2022



TOP TEN STORES BY SALES

STORE	FY 2021	FY 2022	% CHANGE
SLC Club Store - 33	\$ 18,959,148	\$ 31,969,445	68.6%
Fort Union Blvd. SLC - 15	\$ 22,038,671	\$ 23,021,156	4.5%
Sandy - 16	\$ 21,058,577	\$ 22,381,435	6.3%
Park City Snowcreek - 38	\$ 22,404,907	\$ 21,414,736	-4.4%
Park City Club Store - 34	\$ 13,801,128	\$ 20,925,193	51.6%
Holladay SLC - 29	\$ 16,561,259	\$ 17,562,241	6.0%
Park City Ute Blvd. - 37	\$ 16,181,116	\$ 15,517,324	-4.1%
Draper - 31	\$ 14,865,371	\$ 15,130,612	1.8%
St. George - 39	\$ 12,344,260	\$ 14,534,134	17.7%
Sugarhouse - 2	\$ 13,029,895	\$ 14,199,203	9.0%

ON-PREMISE VS. OFF-PREMISE SALES

(In thousands)

On-Premise:

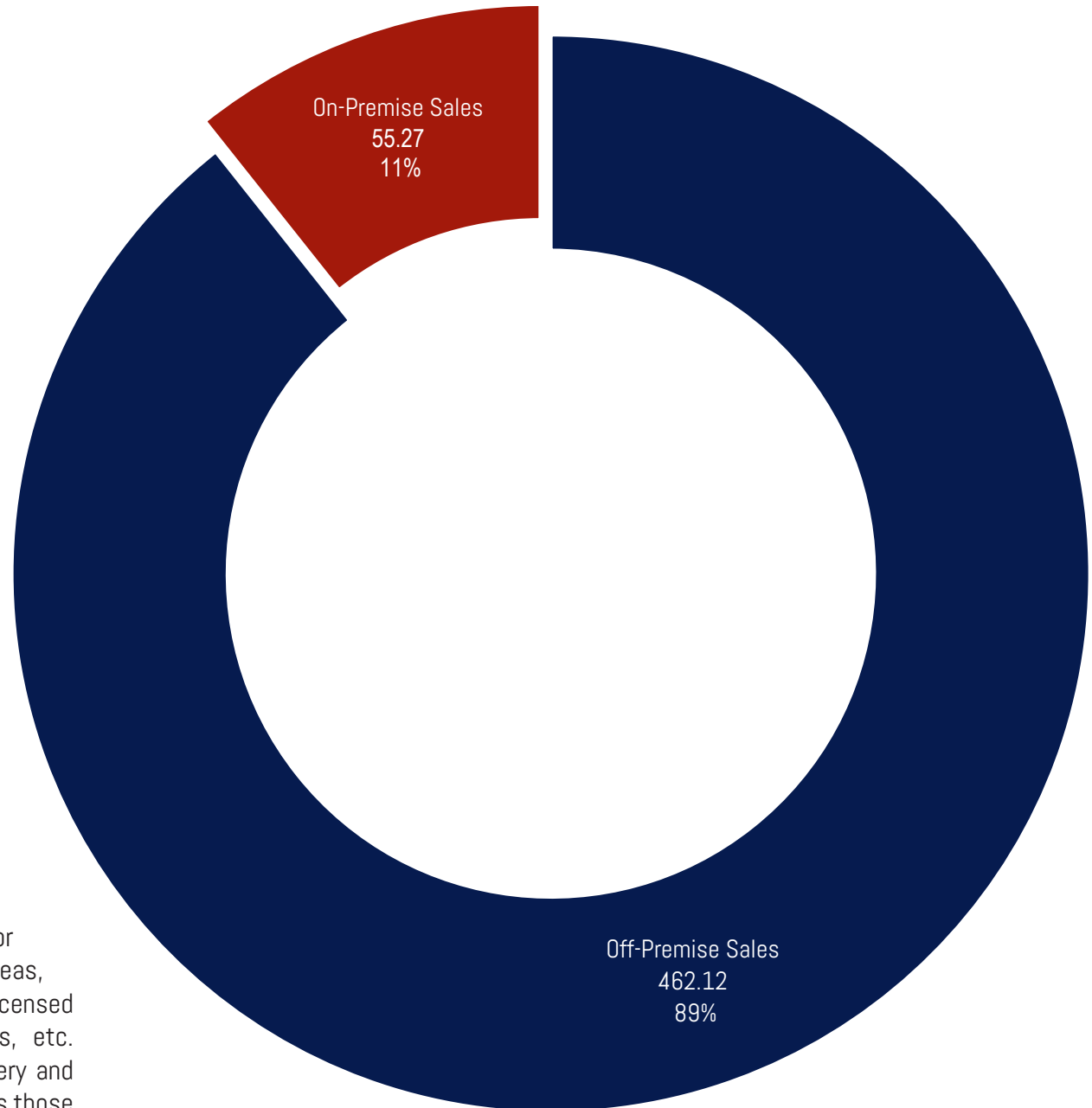
The sale of alcoholic beverages to be consumed on premises, such as in restaurants, banquet facilities, receptions centers, qualified resorts, airport lounges, bars, and beer recreational retailers.

Off-Premise:

The sale of alcoholic beverages to be consumed off premises, such as the State Liquor and Wine retail stores, or package agencies.

NOTE:

The graph represents off-premise sales based on sales made to walk-in retail customers of a state liquor and wine store, or a licensed package agency, whereas, on premise sales are sales made by the agency to licensed on-premise establishments like bars, restaurants, etc. It is important to note that sales of alcohol in grocery and convenience stores is not represented in this graph, as those products are not distributed by DABS, but by licensed beer wholesalers directly to grocery and convenience stores.



SALES BY TYPE

(In thousands)

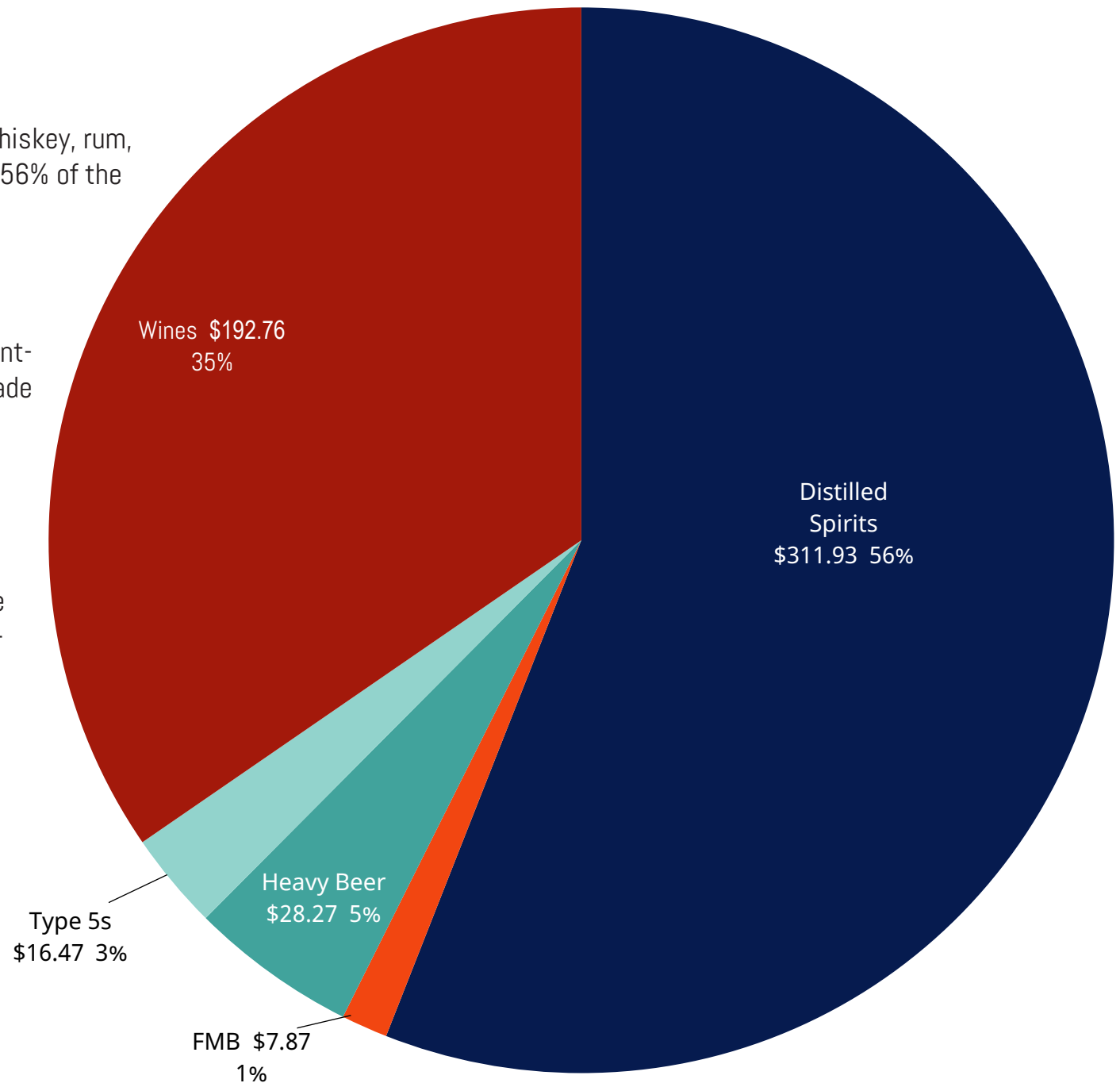
Distilled spirits such as vodka, whiskey, rum, tequila and such spirits made up 56% of the DABS' total sales.

Wines made up 35% of sales.

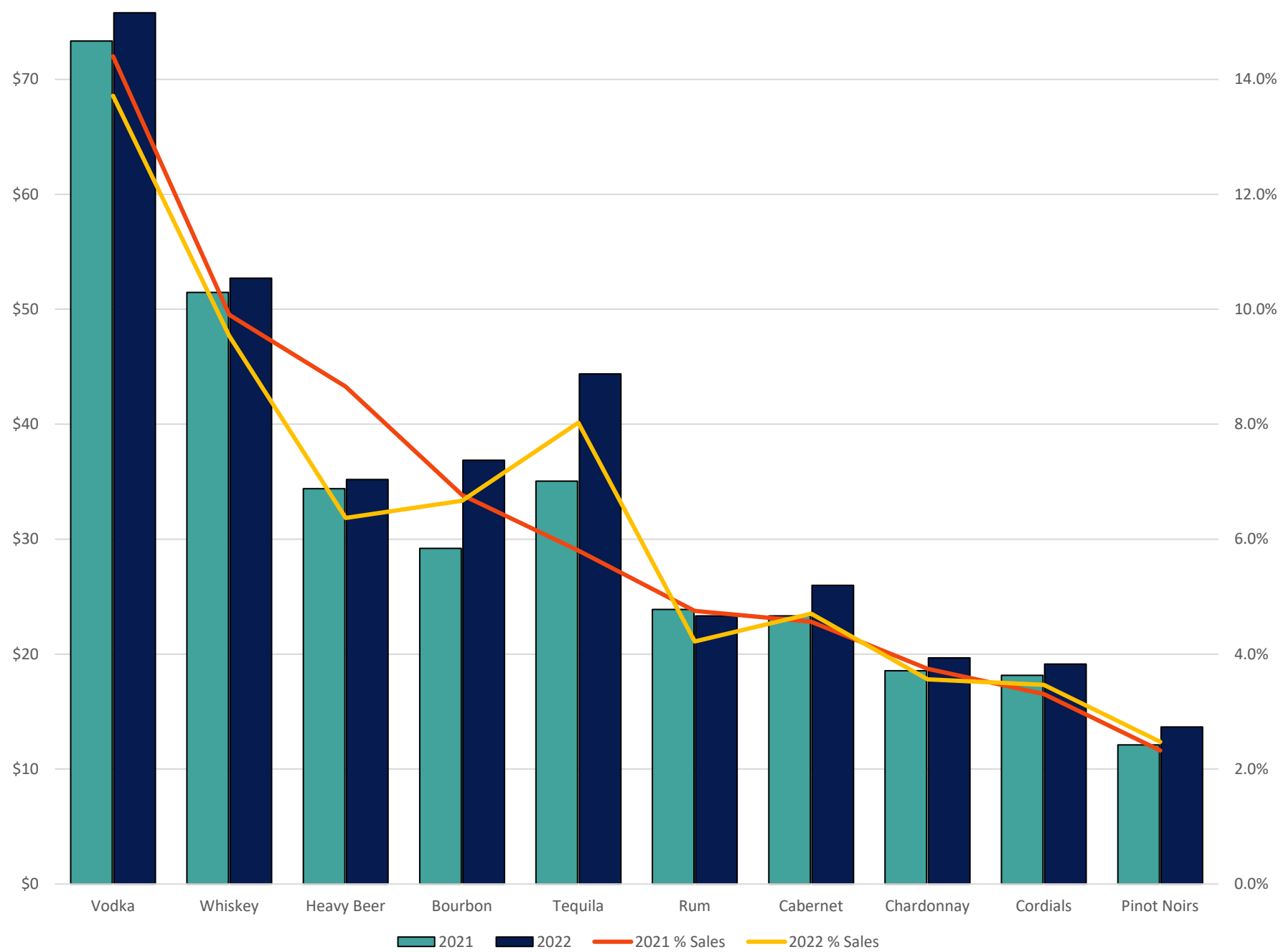
Heavy beer, with an alcohol percentage above 5.0 ABV or 4.0 ABW, made up 5% of sales.

Flavored malt beverages (FMB) made up 1% of all sales.

Type 5 package agencies that are attached to licensed manufacturing facilities made the remaining 3% of sales.



SALES BY TOP TEN CATEGORIES 2021-2022



TOP SELLING ITEMS 2022

NAME	BOTTLES	SALES	CHANGE FROM 2020
TITO'S HANDMADE VODKA 1750ml	128,089	\$ 5,372,889	0
TITO'S HANDMADE VODKA 1000ml	157,900	\$ 4,157,134	+ 2
TITO'S HANDMADE VODKA 750ml	154,427	\$ 3,234,408	+ 4
BARTON VODKA 1750ml	284,704	\$ 3,128,897	- 2
PATRON SILVER TEQUILA 750ml	56,409	\$ 2,998,220	- 2
CROWN ROYAL 1750ml	50,941	\$ 2,813,048	- 1
JACK DANIEL'S BLACK LABEL 1750ml	55,040	\$ 2,777,320	- 1
CASAMIGOS BLANCO TEQUILA 750ml	50,313	\$ 2,552,058	+ 30
CROWN ROYAL REGAL APPLE 750ml	86,949	\$ 2,529,321	+ 2
SMIRNOFF VODKA 1750ml	98,742	\$ 2,437,522	- 2

TOP SELLING BEERS 2022

NAME	BOTTLES	SALES	CHANGE FROM 2021
SQUATTERS HOP RISING DBLE IPA CAN 355ml	645,884	\$1,316,987	+ 1
NATTY DADDY 355ml	1,036,780	\$1,006,743	- 1
RED ROCK ELEPHINO IPA 500ml	172,217	\$ 691,488	+ 1
SQUATTERS HOP RISING TROPICAL IPA 355ml	323,484	\$ 659,464	- 1
UINTA DETOUR DOUBLE IPA CAN 355ml	205,098	\$ 485,980	0
LAGUNITAS LIL SUMPIN SUMPIN CAN 355ml	183,337	\$ 387,362	+ 7
MELVIN IPA 355ml	172,307	\$ 382,005	+ 2
BUD LIGHT PLATINUM 355ml	228,008	\$ 380,720	0
MELVIN DOUBLE 2X4 DOUBLE IPA 355ml	124,624	\$ 363,850	+ 2
ICEHOUSE BEER 355ml	361,443	\$ 349,792	- 3

UTAH *PROUD* PRODUCTS 2022

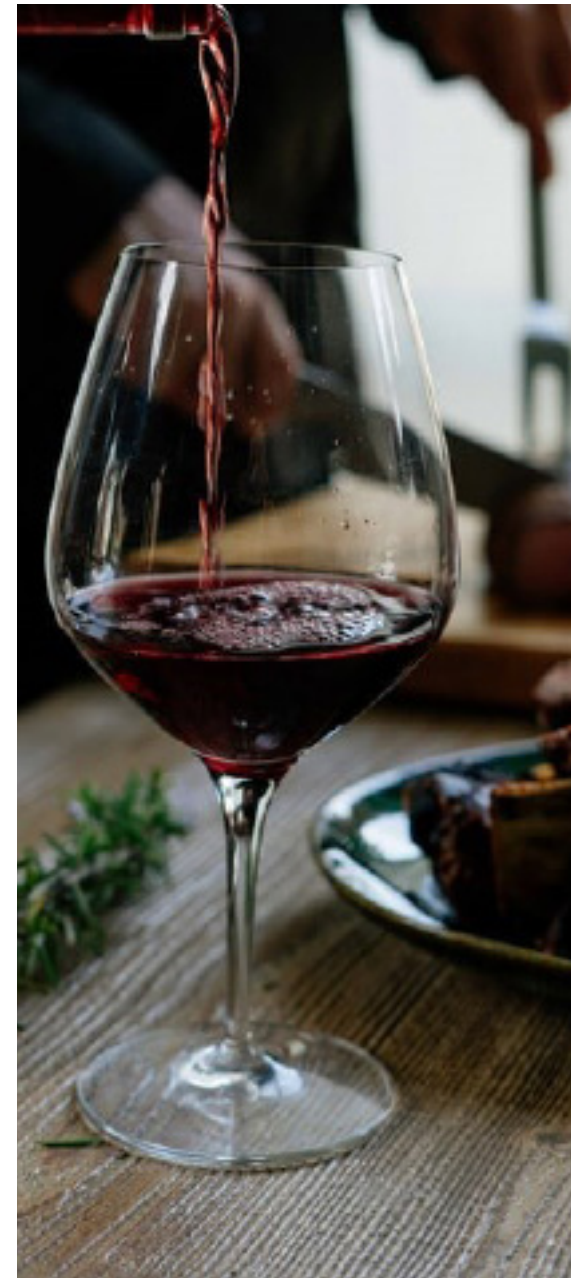
NAME	BOTTLES	SALES	CHANGE FROM 2021
DENTED BRICK CRAFT VODKS 1000ml	109,329	\$1,709,377	0
SQUATTERS HOP RISING DBL IPA 355ml	645,884	\$1,316,987	0
FIVE WIVES VODKA 750ml	41,953	\$ 759,100	0
RED ROCK ELEPHINO IPA 500ml	172,217	\$ 691,488	+ 2
SQUATTERS HOP RISING TROPICAL IPA 355ml	329,484	\$ 659,464	0
FIVE WIVES VOKDA 1750ml	18,278	\$ 656,937	- 2
BEEHIVE JACK RABBIT GIN 760ml	120.958	\$ 572,214	0
DESOLTION DISTILLING MOSCOW MULE 355ml	160,548	\$ 560,313	+ 2
UINTA DETOUR DOUBLE IIPA 355ml	205,098	\$ 485,980	0
DENTED BRICK CRAFT GIN 1000ml	31,004	\$ 484,008	- 2

TOP SELLING WINES 2022

NAME	BOTTLES	SALES	CHANGE FROM 2021
VEUVE CLICQUOT BRUT YELLOW LABEL 750ml	34,130	\$ 2,044,353	+ 3
LAMARCA PROSECCO 750ml	94,366	\$ 1,636,209	- 1
MEIOMI PINOT NOIR 750ml	66,812	\$ 1,460,231	- 1
STELLA ROSA BLACK 750ml	91,049	\$ 1,290,671	+ 4
ZONIN PROSECCO 750ml	81,872	\$ 1,041,033	+ 4
BLACK BOX CHARDONNAY CALIFORNIA 3000ml	46,948	\$ 1,029,407	0
BOTA BOX PINOT GRIGIO 3000ml	49,493	\$ 1,026,758	- 2
BLACK BOX CABERNET 3000ml	44,810	\$ 968,717	- 5
SONOMA CUTRER CHARDONNAY RR 750ml	45,627	\$ 920,010	+ 3
COOKS BRUT SPARKLING WINE 750ml	108,430	\$ 843,897	+ 6

WINE SALES BY REGION

NAME	SALES	% OF SALES
U.S.	\$ 134,106,732	71.01%
ITALY	\$ 19,827,605	10.50%
OTHER*	\$ 10,075,713	5.33%
FRANCE	\$ 6,795,245	3.60%
NEW ZEALAND	\$ 4,672,767	2.47%
ARGENTINA	\$ 3,734,904	1.98%
SPAIN	\$ 3,218,281	1.70%
AUSTRALIA	\$ 1,932,135	1.02%
CHILE	\$ 1,327,857	0.70%
PORTUGAL	\$ 1,187,017	0.63%
JAPAN	\$ 903,031	0.48%
GERMANY	\$ 506,405	0.27%
SOUTH AFRICA	\$ 264,080	0.14%
AUSTRIA	\$ 230,400	0.12%
GREECE	\$ 84,246	0.04%



*Other is composed of fortified wines, like vermouth, and other miscellaneous varieties of wine, that can be found in various regions.

A WORD FROM REGIONAL MANAGER, VAL BARNES

Fiscal year 2022 was an amazing year for the retail stores! We experienced historic growth as a department and several retail stores experienced double digit sales increases. As the pandemic continued to stabilize and as restaurants continued to increase capacity, stores remained diligent and provided customers with outstanding customer service remembering to "always start from a place of yes". Stores continued to experience staffing shortages and worked hard to recruit, hire, and retain talented employees. Employees stepped up to deliver on our mission to provide a great customer service experience to all Utahns whether or not they choose to drink alcohol.

Some highlights for fiscal 2022 include:

- Name change to Department of Alcoholic Beverage Services (DABS)
- Changed signs, forms & documents to reflect the name change (DABS)
- Opened one new store - West Valley
- Secured pay raise in the amount of \$2 for all store and warehouse employees
- Increased the minimum starting pay by \$2 for retail store employees
- Implemented to stores an enhanced employee performance evaluation
- Implemented an employee training checklist for all employees
- Continued to secure bids for additional store locations - East Sandy, Salt Lake City, Foothill, and Sugarhouse
- Added refrigerated coolers to some stores for beer and single serve wine
- Implemented an electronic timekeeping system (TCP)
- Held in person annual store manager meeting and invited customer service expert to provide training
- Approved several incentives, ASI's and recognition opportunities for employees
- Continued to work with temp agencies to offset staffing shortages and holiday staffing needs
- Utilized administrative staff to assist in stores during the holidays
- Continued working with PLM team to refresh product assortment in stores
- Conducted virtual workgroup meetings monthly to refine and solicit processes
- Added many online training modules for stores
- Distributed On Tap newsletter electronically to all employees
- Hosted Governor Cox in Southern Utah

I would like to express my sincere gratitude and thanks to the entire DABS team from store and warehouse employees to the administrative staff. As a team, we worked together to achieve many accomplishments and provide amazing customer service to all we serve. We continue to work toward enhancing processes and building on our department mission. I am so proud of the DABS team and I look forward to many more successes in fiscal 2023!!

Respectfully,
Val Barnes



TRAINING

This year the Training Department focused on employee onboarding and retention. New Employee Orientation and Eliminating Sales to Youth (EASY) were transitioned from the virtual classroom to on-demand online training. This transition ensured that over 90% of new employees completed their required training within the first 30 days of employment. Additionally, The Training Department, in conjunction with, the Retail Store Work Group redeveloped multiple training checklists into a career progression training record and on-the-job training schedule. Finally, the product Knowledge catalog was expanded, bringing on five additional titles. We also were able to double our training staff to continue offering a robust training program for the entire department.



A MESSAGE FROM THE PURCHASING DIVISION

During fiscal year 2022, the supply chain made improvements when compared to fiscal year 2021. Many suppliers have been able to increase production on their most popular items to accommodate the increased demand and we have been able to remove many items from customer purchasing restrictions, (one per customer).

There has been increases in retail pricing due to increases in costs for the shipping and trucking industries. The rising price of diesel fuel along with the rising costs of trucks and trailers have contributed to the increase in prices to the retail customer. There will be additional increases on retail pricing during fiscal year 2023.

The purchasing department received many new item submissions in the pre-mixed cocktails, tequila, and flavored whiskey categories. The offerings and sales in these categories should continue to increase as the consumers continue to support these categories at higher rates.

There are some new projects that are in store for the Purchasing department that will be implemented for fiscal year 2023. We will be installing a new computer operating system that we use for purchasing functions, inventory management functionality, and financial functions. In addition, the department is in the development phase to implement a Wine Club program for our customers. We are also developing an E-Commerce system that will make it possible for customers to order online and pick up their purchase at some of our retail outlets in a pilot program. The success of this program at the few stores selected will enable us to offer this option at more stores in the future.

We expect to see many improvements in the upcoming fiscal year to many of our operating processes and procedures to improve the service we provide for Utah DABS customers.



THE DEPARTMENT OF ALCOHOLIC BEVERAGE SERVICES

