

The Utah Department of
Alcoholic Beverage Control

2018 Year in Retail

SUMMARY OF SALES

July 1, 2017 - June 30, 2018

DABC



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A WORD FROM DEPUTY DIRECTOR CADE MEIER

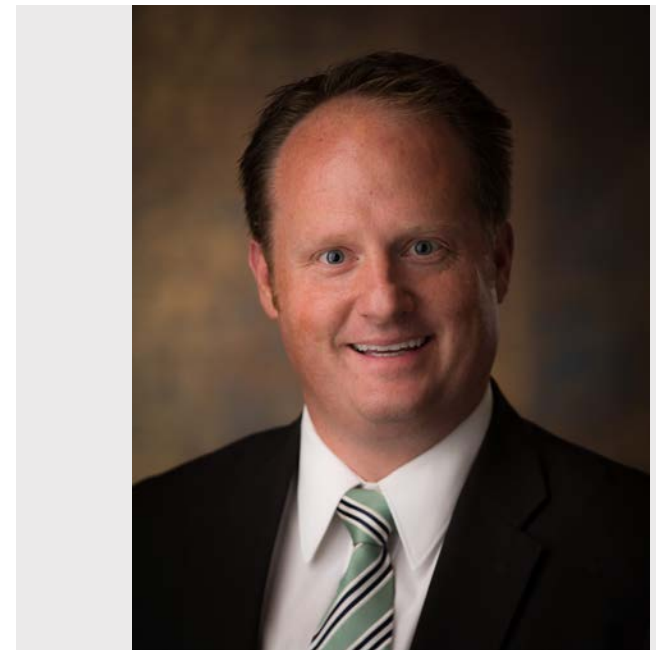
During the 2018 fiscal year, the department increased 6% in revenue from the year prior. This continued increase in revenue resulted in a compound annual growth rate of 5.4% from FY 2014 to FY 2018. Our newly opened store in West Valley City has been a wonderful addition to the department and has helped with the increased demand put on the system. Currently, there are five other stores in the planning and building stage. Those stores are the new Syracuse store (scheduled to open in early 2019), the Herriman store (projected to open in the summer of 2019), the Saratoga Springs store (projected to open in early 2020) and then the Layton/Bountiful market area store (also projected to open in early 2020). Additionally, the department received approval to replace and expand the Foothill store.

With new stores and sustained growth, the department continues to pursue ways to improve operations and looks forward to additional contributions from our wonderful employees.

Sincerely,

Cade Meier

Deputy Director, DABC

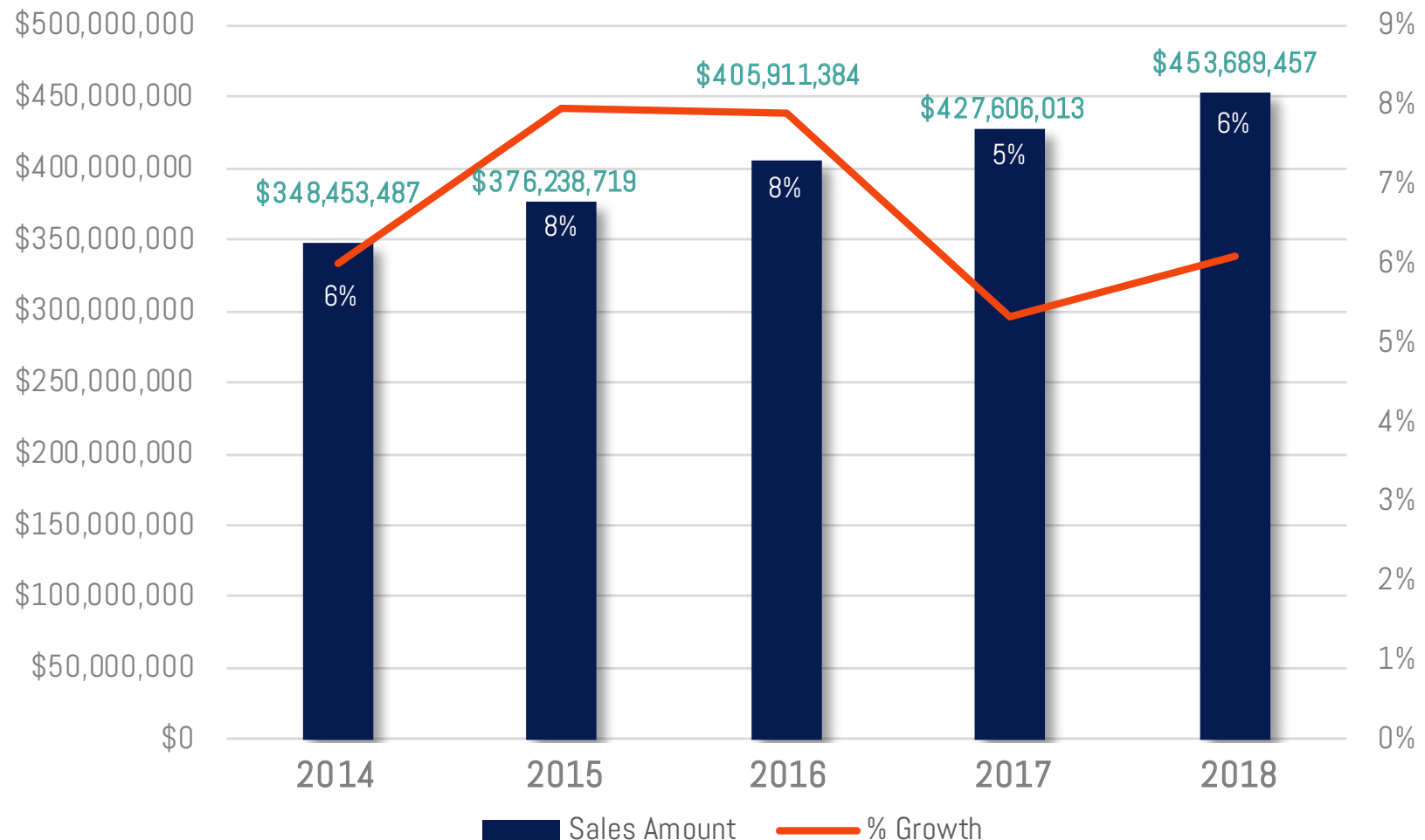


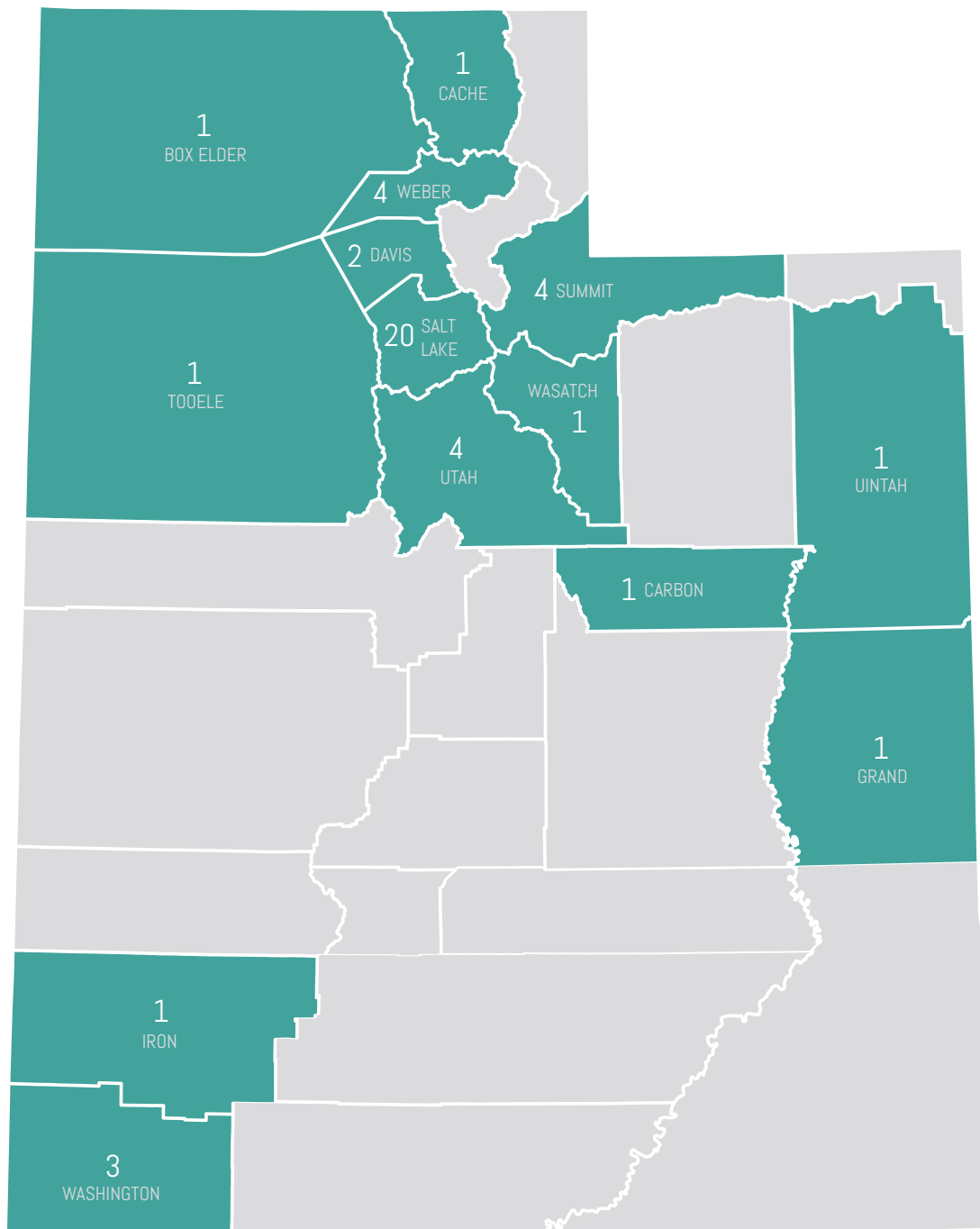
DEPUTY DIRECTOR, CADE MEIER

FIVE YEAR SALES SUMMARY

DABC sales revenue continues to rise. FY 2018 sales revenue was approximately \$453.7 million, a 6% increase over FY 2017 sales. In the period FY 2014 to FY 2018, sales rose from \$348.5 million to \$453.7 million, a compound annual growth rate of 5.4%.

Year	Amount	% Growth
2014	\$348,453,487	6%
2015	\$376,238,719	8%
2016	\$405,911,384	8%
2017	\$427,606,013	5%
2018	\$453,689,457	6%





STATE LIQUOR STORES BY COUNTY

45

STORES STATEWIDE

45 STORES STATEWIDE

378,278 SQUARE FEET

8,600 SQ. FT. AVERAGE STORE SIZE

\$10,081,988 AVERAGE STORE SALES

STORE PERSONNEL (JUNE 30, 2018)

292 FULL-TIME EMPLOYEES

349 PART-TIME EMPLOYEES

641 TOTAL

DABC RETAIL STORES 2018

As of June 30, 2018, the DABC operated 45 retail facilities

43

STANDARD
STORES

2

CLUB/LICENSEE
STORES

11,284,619 WALK-IN RETAIL TRANSACTIONS

75,916 LICENSEE TRANSACTIONS

11,360,535 TOTAL TRANSACTIONS

\$37.56 AVERAGE \$ PER WALK-IN TRANSACTION

\$931.60 AVERAGE \$ PER LICENSEE TRANSACTION

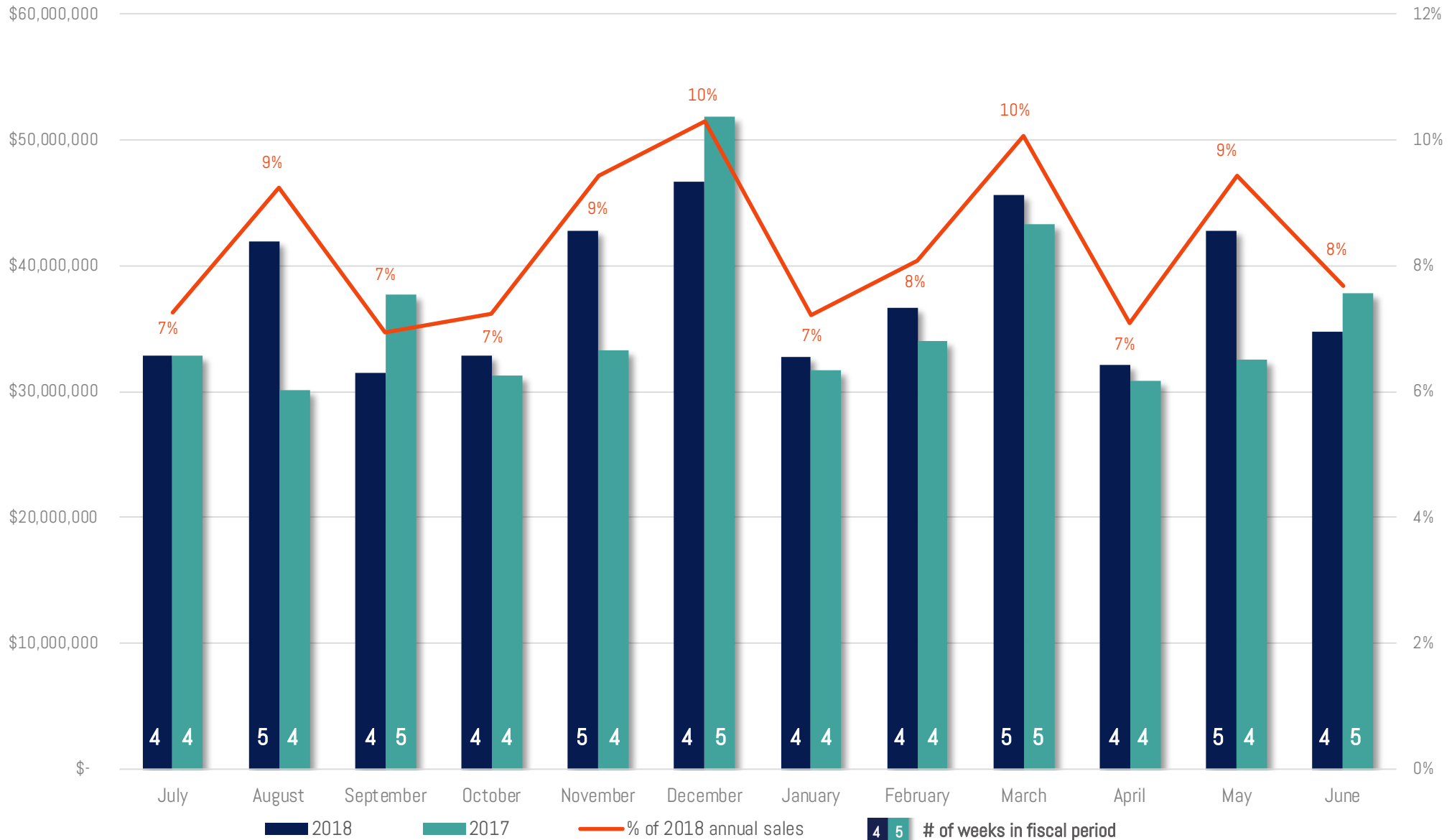
\$43.54 OVERALL AVERAGE \$ PER TRANSACTION

Note: number of transactions does not include Type 5 sales



SALES BY FISCAL MONTH 2017–2018

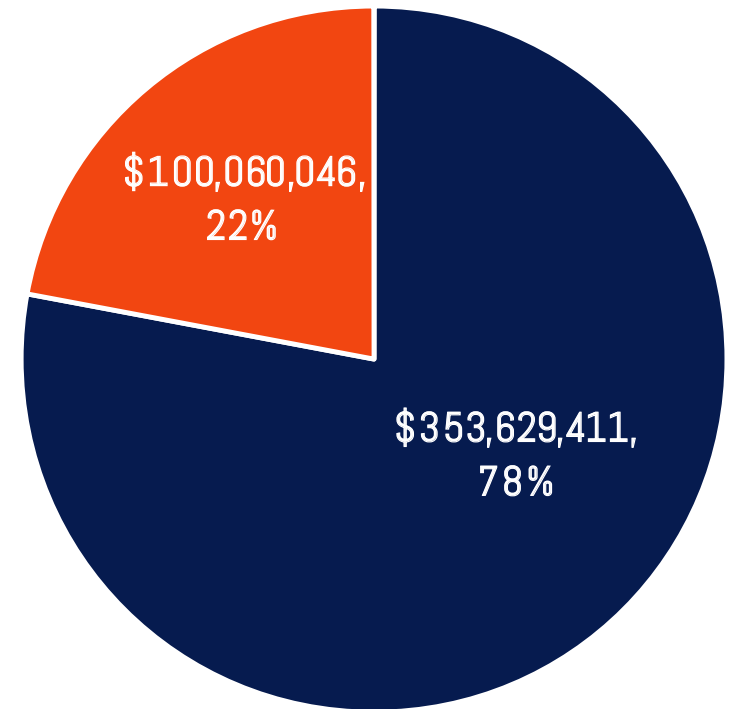
The graph below shows the percentage of dollar sales realized by the DABC during each fiscal month. The two top selling months, December and March, accounted for approximately 20% of the department's annual sales.



TOP TEN STORES BY SALES VOLUME

Store	FY 2017	FY 2018	% Change
SLC Club Store*	\$25,133,155	\$28,029,818	12%
Cottonwood Heights	\$19,652,043	\$20,507,436	4%
Sandy	\$18,932,874	\$18,928,224	0%
Park City - Snow Creek	\$15,398,690	\$16,222,545	5%
Sugarhouse - SLC	\$15,386,076	\$15,558,744	1%
Park City Club Store*	\$14,908,638	\$15,539,601	4%
Holladay	\$15,232,840	\$15,432,620	1%
Park City - Kimball Junction	\$13,550,348	\$14,514,111	7%
Draper	\$12,486,674	\$13,439,565	8%
Downtown - SLC	\$13,165,720	\$12,844,735	-2%

ON-PREMISE AND OFF-PREMISE SALES 2018



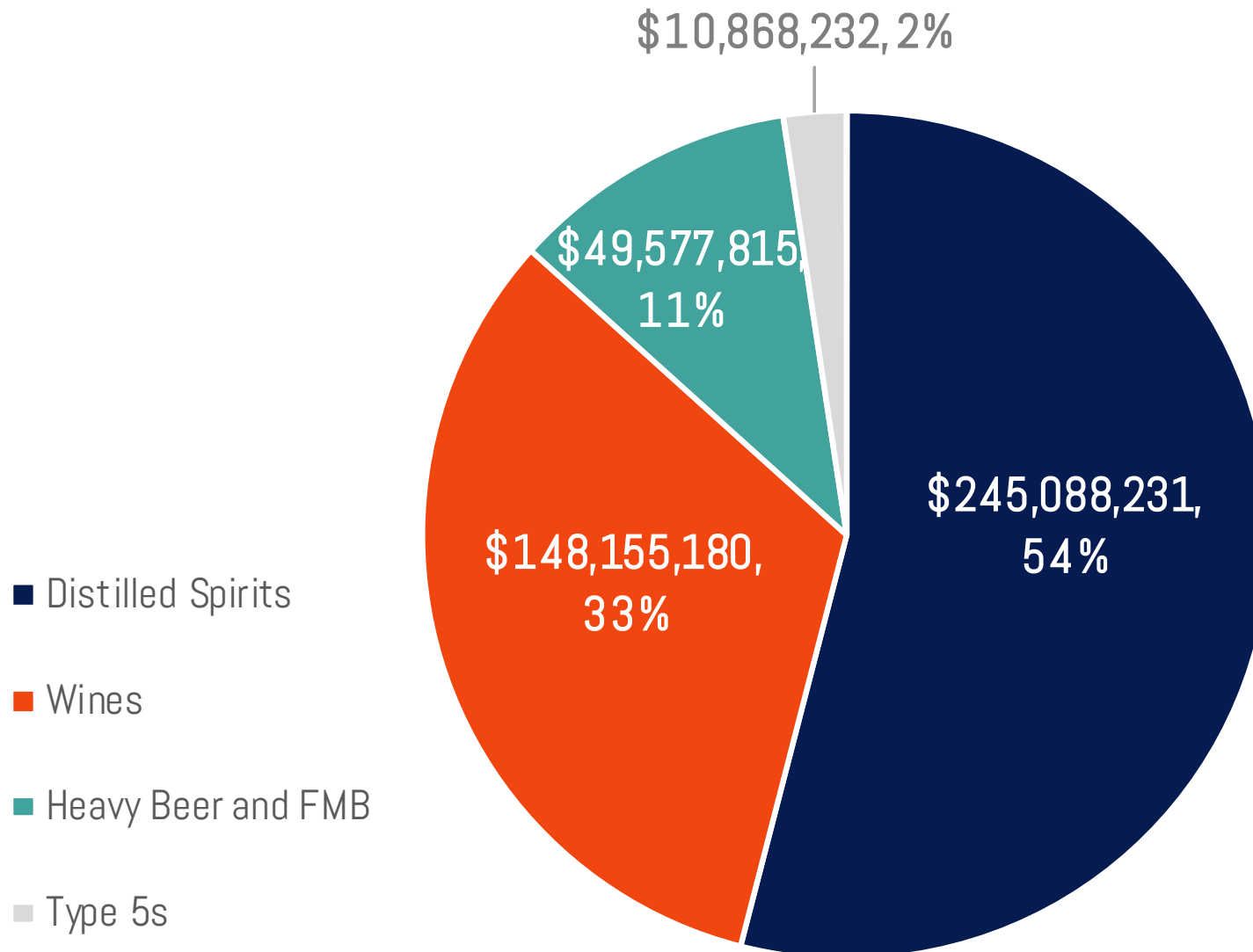
■ Walk-In Retail (Off-premise) ■ Licensee (On-premise)

The table to the left shows the top 10 grossing DABC stores. The Salt Lake City club store which primarily serves on-premise/licencee accounts, continues to be the top grossing store. Three of the four Park City area stores are included in the top 10.

The chart above shows that individual customers accounted for 78% of DABC sales while licensees accounted for 22% of sales.

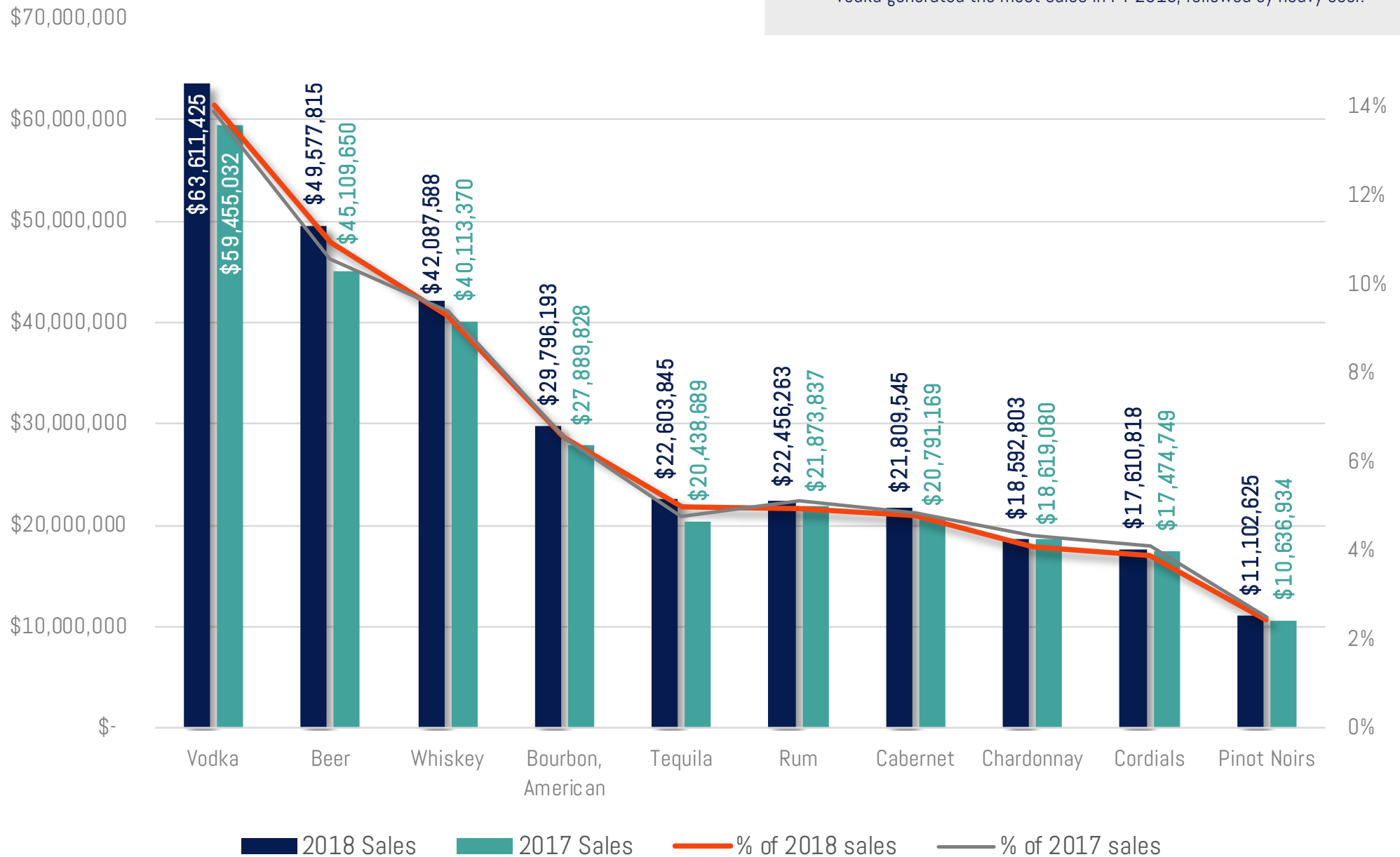
SALES BY TYPE 2018

The chart below shows the percentage of sales revenue fulfilled by alcoholic beverage type. Distilled spirits accounted for 54% of DABC sales; wines for 33%; and heavy beers and flavored malt beverages accounted for 11%. The remaining 2% of revenue were made at Type 5 package agencies that are attached to licensed manufacturing facilities.



SALES BY TOP TEN CATEGORIES 2017-2018

The graph below shows the top 10 marketing categories by dollar sales. Vodka generated the most sales in FY 2018, followed by heavy beer.



TOP SELLING ITEMS 2018

The table below shows the top selling items during FY 2018. Barton Vodka led all items with sales of approximately \$3.1 million. Titos Handmade Vodka saw a significant increase in sales, jumping 9 spots to make the top 10. Different sizes of three products - Jack Daniels Black Label, Jameson Irish Whiskey and Crown Royal - were in the top 10.

ITEM DESCRIPTION	AMOUNT	BOTTLES	POSITION CHANGE FROM 2017
BARTON VODKA 1750ml	\$3,102,983	270,996	0
PATRON SILVER TEQUILA 750ml	\$2,433,977	47,775	+1
JACK DANIELS BLACK LABEL 1000ml	\$2,431,023	84,803	-1
SMIRNOFF VODKA 1750ml	\$2,291,416	95,022	0
JACK DANIELS BLACK LABEL 1750ml	\$2,194,921	44,822	0
JAMESON IRISH WHISKEY 750ml	\$2,134,962	75,624	0
TITOS HANDMADE VODKA 1750ml	\$2,134,958	52,986	+9
CROWN ROYAL 1750ml	\$2,076,163	38,585	+1
CROWN ROYAL 750ml	\$1,980,178	71,099	-2
JAMESON IRISH WHISKEY 1000ml	\$1,951,939	55,634	+4

TOP SELLING BEERS 2018

The table below shows the top selling beers in FY 2018. Locally made heavy beers performed well, occupying four of the top 10 spots. Squatters Hop Rising Double IPA (glass bottle) topped the list and its can variant occupying the fifth spot. Red Rock Elephino and Wasatch Devastator Double Bock also made the list of top selling heavy beers.

ITEM DESCRIPTION	AMOUNT	BOTTLES	POSITION CHANGE FROM 2017
SQUATTERS HOP RISING DOUBLE IPA 355ml	\$1,783,178	896,072	0
ICEHOUSE BEER 355ml	\$1,299,172	1,286,331	0
STELLA ARTOIS 330ml	\$1,227,051	500,838	0
PACIFICO LAGER MEXICO 355ml	\$1,214,529	610,317	0
SQUATTERS HOP RISING DBLE IPA CAN 355ml	\$944,907	474,828	+2
RED ROCK ELEPHINO IPA 500ml	\$919,974	230,570	0
NATTY DADDY 355 ml	\$863,656	909,112	New Listing
BUSCH ICE LAGER 355ml	\$807,442	815,598	-3
WASATCH DEVASTATOR DOUBLE BOCK CAN 355ml	\$639,932	321,574	+4
SIERRA NEVADA PALE ALE CANS 355ml	\$618,918	327,471	-1

TOP SELLING WINES 2018

Veuve Cliquot Brut Yellow Label was the top selling wine in FY 2018. Boxed wines continued dominate the list with six items represented in the top 10.

ITEM DESCRIPTION	AMOUNT	BOTTLES	POSITION CHANGE FROM 2017
VEUVE CLICQUOT BRUT YELLOW LABEL 750ml	\$1,012,956	18,816	+7
BLACK BOX CABERNET 3000ml	\$992,714	44,125	-1
MEIOMI PINOT NOIR 750ml	\$969,019	44,515	+3
LAMARCA PROSECCO 750ml	\$940,251	61,721	+5
BOTA BOX PINOT GRIGIO 3000ml	\$935,191	44,415	-3
BLACK BOX CHARDONNAY CALIFORNIA 3000ml	\$926,756	40,789	-2
KENDALL JACKSON CHARDONNAY VINTNE 750ml	\$894,380	54,294	-4
FRANZIA SUNSET BLUSH HOUSE WINE 5000ml	\$854,998	53,170	-3
FRANZIA CHILLABLE RED HOUSE WINE 5000ml	\$784,721	49,052	-2
FRANZIA CHARDONNAY-AUSTRALIAN 5000ml	\$718,090	35,944	0

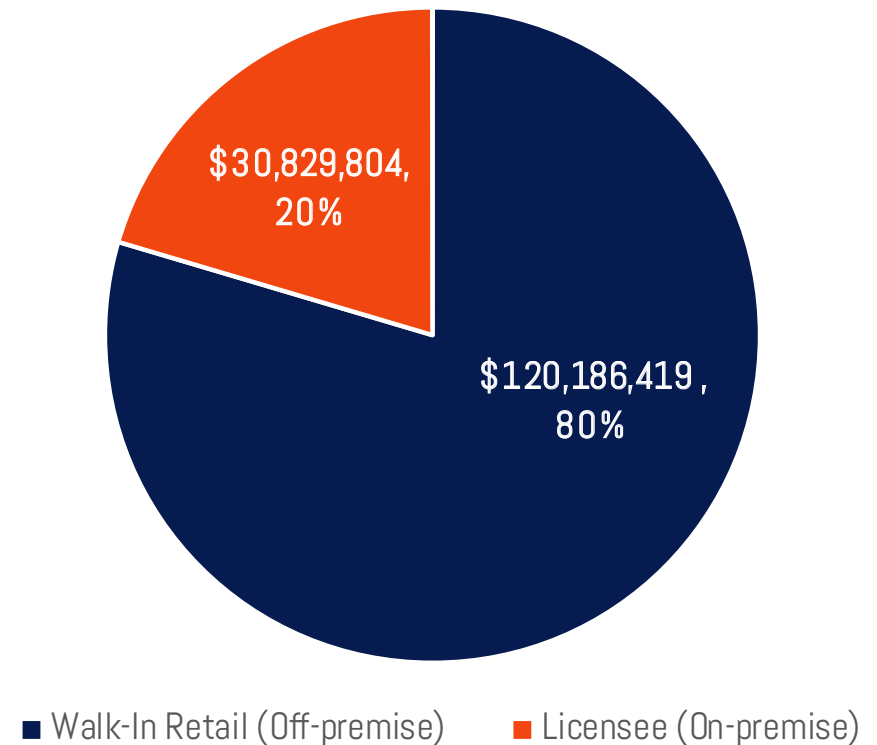
WINE SALES BY REGION 2018

REGION	AMOUNT	% OF SALES
U.S.	\$117,838,587	77.2%
Italy	\$11,422,162	7.5%
France	\$5,010,688	3.3%
Argentina	\$3,901,723	2.6%
New Zealand	\$3,625,351	2.4%
Spain	\$2,837,650	1.9%
Australia	\$2,412,670	1.6%
Other	\$1,920,722	1.3%
Chile	\$1,430,855	0.9%
Portugal	\$840,635	0.6%
Japan	\$541,262	0.4%
Germany	\$357,707	0.2%
South Africa	\$272,032	0.2%
Austria	\$167,438	0.1%
Greece	\$47,207	0.03%

Domestic Wines dominated, accounting for 77% of wine sales. Italian wines accounted for 7% of sales while French wines accounted for 3%.

WINE ON-PREMISE AND OFF-PREMISE SALES 2018

Individuals spent approximately \$120.2 million on wines, accounting for 80% of DABC wine sales. Licensees accounted for 20% of wine sales, purchasing approximately \$30.1 million of wine.



Note: Sales by region does not include Type 5 sales

A WORD FROM REGIONAL MANAGER VAL DUNAWAY

Our department had another amazing year. The store employees did a phenomenal job keeping the stores full and providing great customer service throughout the year! The department experienced many wins this past year. We had records sales, began construction on a new store in Syracuse and received approval to build additional stores in 2019. We continued to expand deliveries while we adding additional deliveries throughout the week, including some Saturday deliveries as needed. The inventory levels remain low while still providing great product in-stock for our customers.

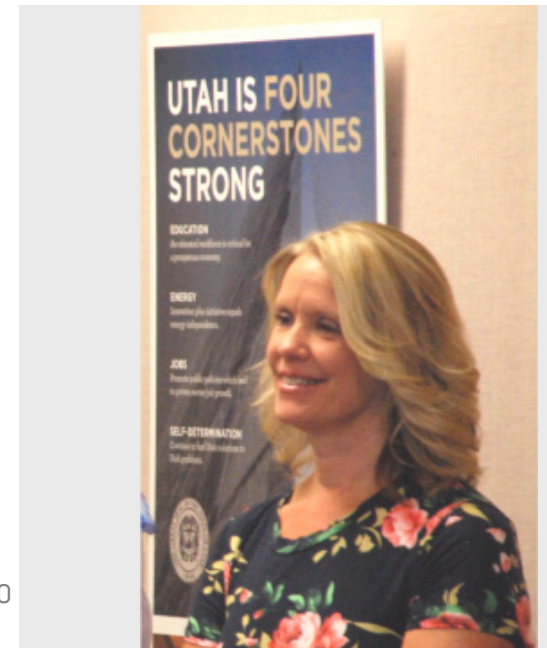
Some highlights of 2018 include:

- Pay raises for employees
- Starting pay increased for store employees
- Store Manager meeting with guest speakers
- Record holiday sales
- AX POS implementation to 8 more stores for a total of 10
- Construction under progress in Syracuse
- Continued improvement in product availability
- Began implementation of Product Lifecycle Management (PLM)
- Pallet picks of key items
- Ongoing product knowledge training for store employees
- Approved several ASI's for store employees
- Addition of a third Regional Manager
- Continued running a second shift in the warehouse
- Provided product knowledge materials to the stores

All employees, including the administrative staff, pulled together as a large team to ensure the stores and department were successful. Your hard work and efforts are appreciated! Thanks to the DABC team for all you do to make the department successful!

Val Dunaway

Regional Manager, DABC



REGIONAL MANAGER, VAL DUNAWAY



74

LICENSED MANUFACTURERS
IN THE STATE

The Utah DABC supports the local
economy by licensing 74 alcohol
manufacturers in the state.



A MESSAGE FROM THE PURCHASING DEPARTMENT

The mission of the Utah DABC Purchasing Department is to provide the broadest selection possible in the spirits, wine, heavy beer and flavored malt beverage categories for Utah customers. The department manages over 6,000 listed items that are available in our outlets, and processes special orders for anything that cannot be found in our outlets that a Utah customer requests.

In fiscal year 2018, the Purchasing Department reviewed over 1,300 items that were submitted for listing. Of these items, 484 were added to the product rotation throughout the fiscal year. A total of 510 items were de-listed in FY18 due to slow sales performance or because the manufacturer discontinued the product.

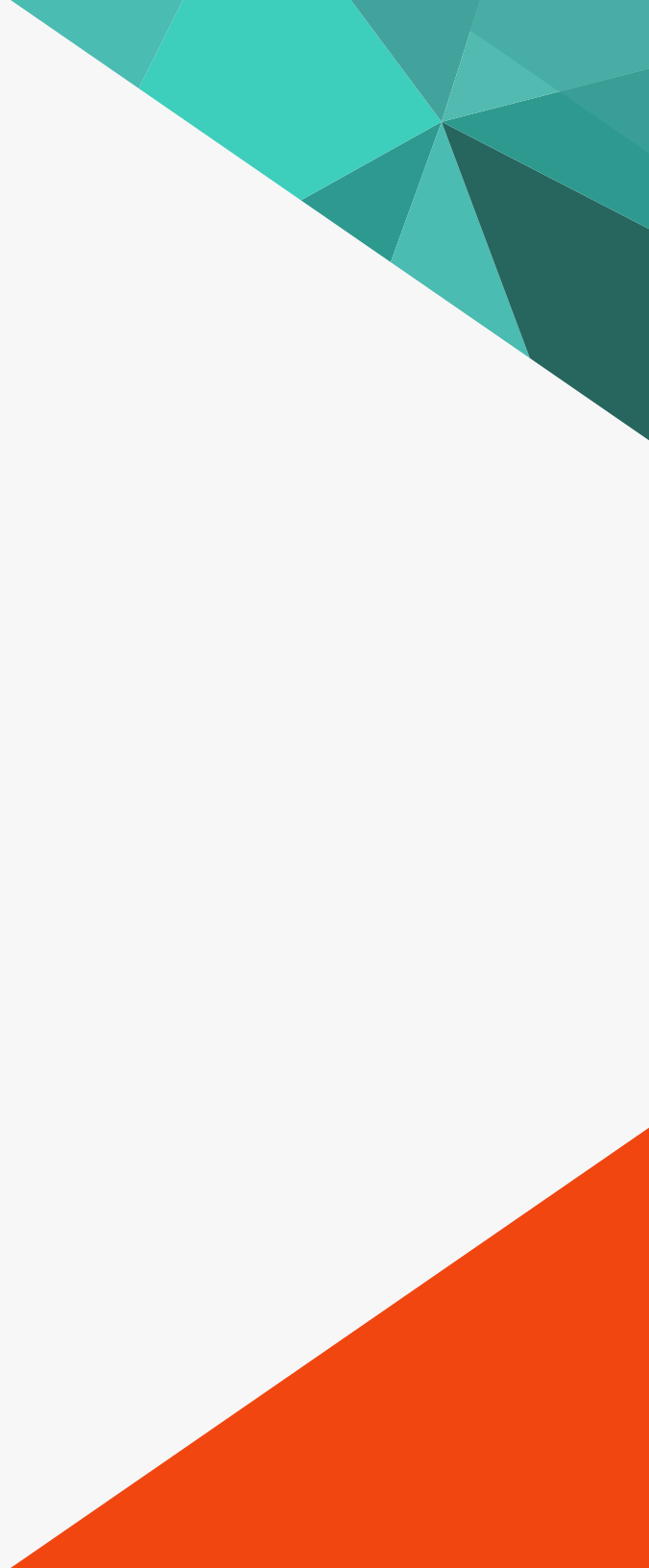
Outlet product selections are based on individual store sales data. Additions are made to categories and price bands that do well in a particular location, while categories and price bands that do not perform well are reduced. In addition, we try our best to secure a share of items that are low in supply but high in demand and distribute these items as fairly as possible between licensees and walk-in retail customers.

TRAINING

DABC continued to provide training programs for store managers and store employees.

In the last year, two advanced win courses and ten product knowledge courses to help assist in ongoing efforts to improve customer service were provided. Twenty-two “Eliminating Alcohol Sales to Youth” classes were also offered, solidifying DABC’s responsibility to public safety.





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SUMMARY OF SALES

July 1, 2017 - June 30, 2018

DABC