

2019 YEAR IN RETAIL

SUMMARY OF SALES

July 1, 2018 - June 30, 2019



The Department of
Alcoholic Beverage Control



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A WORD FROM DEPUTY DIRECTOR CADE MEIER

During the 2019 fiscal year, the department increased 5.3% in revenue from the year prior. This continued increase in revenue resulted in a compound annual growth rate of 4.19% from FY 2015 to FY 2019. Our newly opened store in Syracuse has been a wonderful addition to the department and has helped with the increased demand put on our operations system.

Currently, the other stores in the planning and building stage are the new Saratoga Springs store (scheduled to open in the fall of 2020), the Farmington store (projected to open in the fall of 2020), the remodel of our store on Foothill Boulevard, the relocation of the West Valley Store (on Redwood Road), a new Taylorsville store and the relocation of the 4th south store in downtown SLC.

With new stores and sustained growth, the department continues to pursue ways to improve customers experience by adding stores and implementing such programs as our new Rare High Demand Product Drawing and our new App for locating products. We are hearing your comments and making changes by providing more convenient locations and improving product selections. We look forward to additional contributions from our wonderful employees and continued suggestion from our customers.

Sincerely,

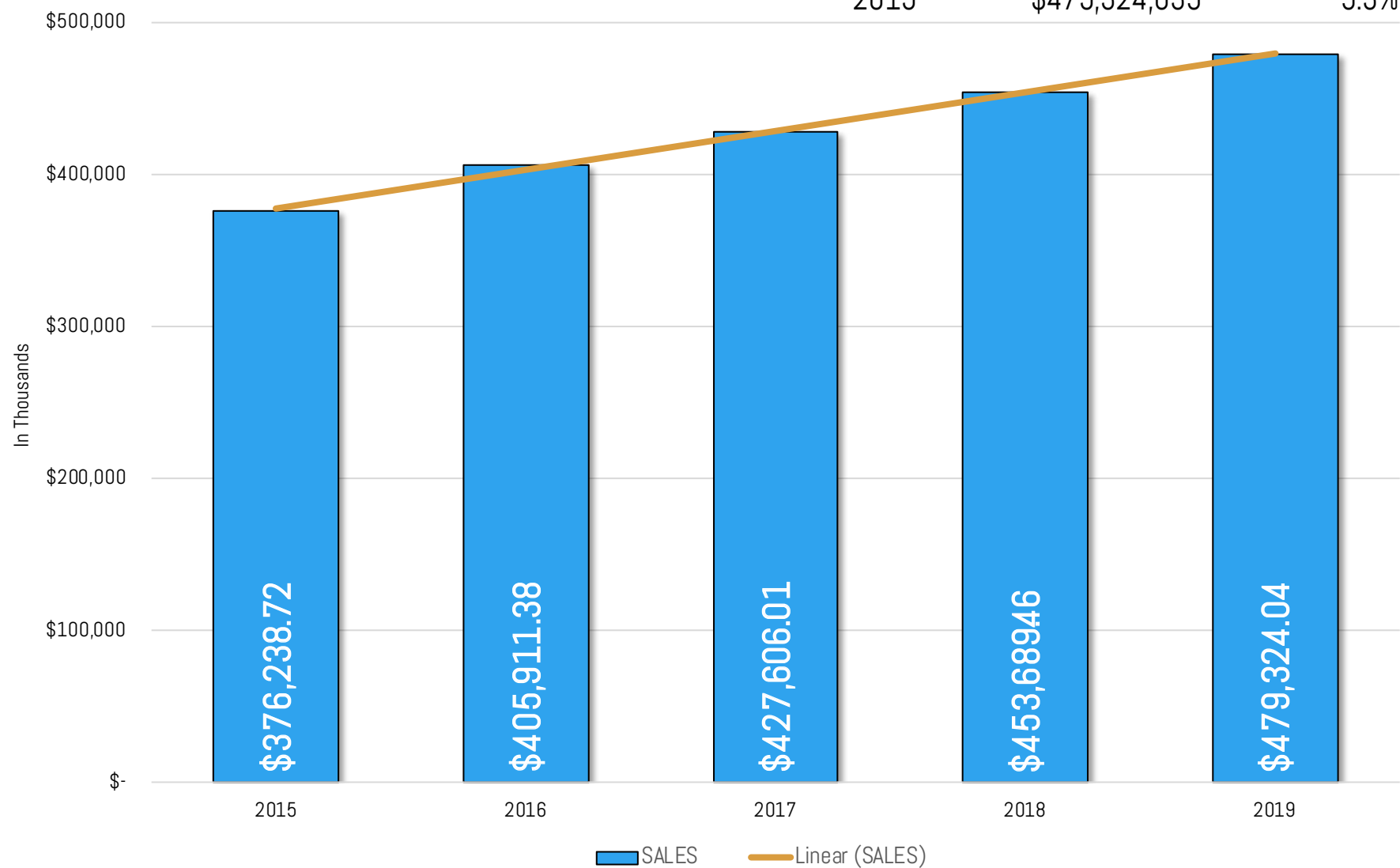
Cade Meier
Deputy Director, DABC



FIVE YEAR SALES SUMMARY

DABC sales revenue finished FY 2019 at approximately \$479.32 million - a 5.3% increase over FY 2018 sales. In the five year period FY 2015 - FY 2019, the DABC experienced a Compound Annual Growth Rate (CAGR) of 4.19%.

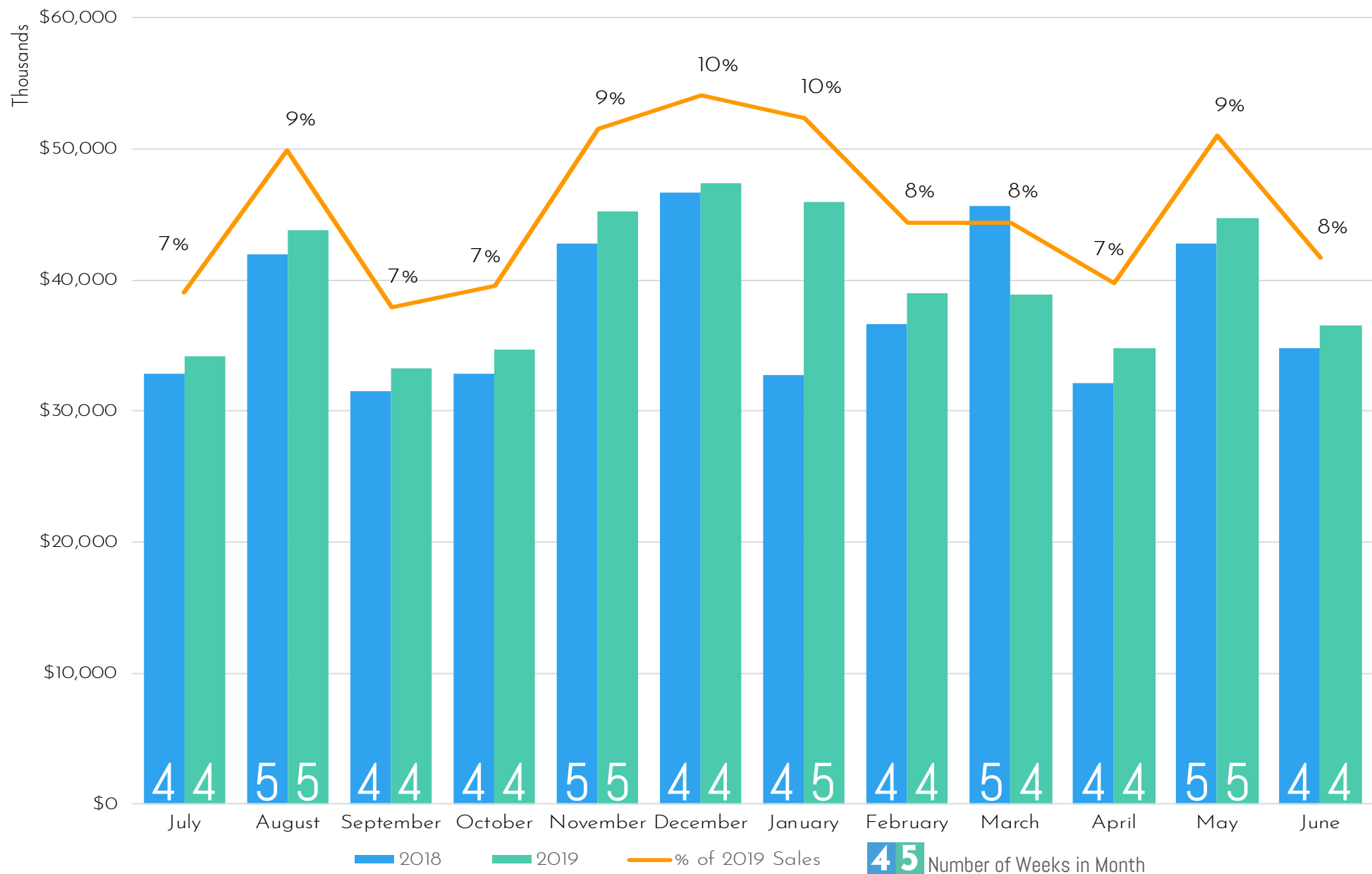
YEAR	SALES	% GROWTH
2015	\$376,238,719	74%
2016	\$405,911,384	7.3%
2017	\$427,606,013	5.1%
2018	\$453,689,457	5.7%
2019	\$479,324,035	5.3%



SALES BY FISCAL MONTH

(2018-2019)

The graph below shows the percentage of dollar sales realized by the DABC during each fiscal month. The period from November to January made up 29% of the department's annual sales.



DABC RETAIL STORES*

44 | 2

STANDARD
STORES

CLUB/LICENSEE
STORES

400,643 SQUARE FEET

8,700 SQ. FT. AVERAGE STORE SIZE

\$10,269,101.00 AVERAGE STORE SALES

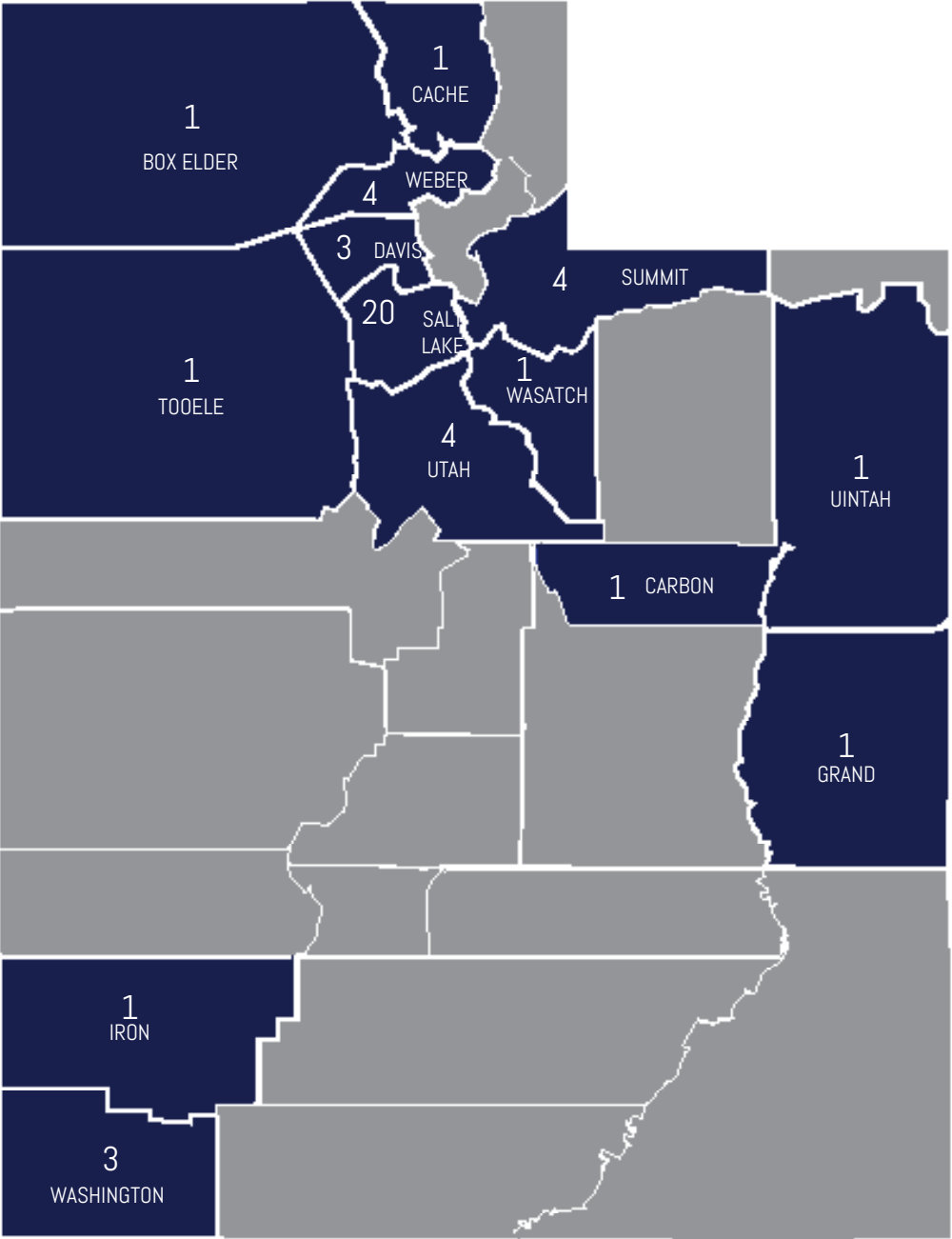
STORE PERSONNEL (AS OF JUNE 30, 2019)

237 FULL TIME

317 PART TIME

554 TOTAL

STATE LIQUOR STORES BY COUNTY



*As of June 30, 2019, the DABC operated 46 retail facilities

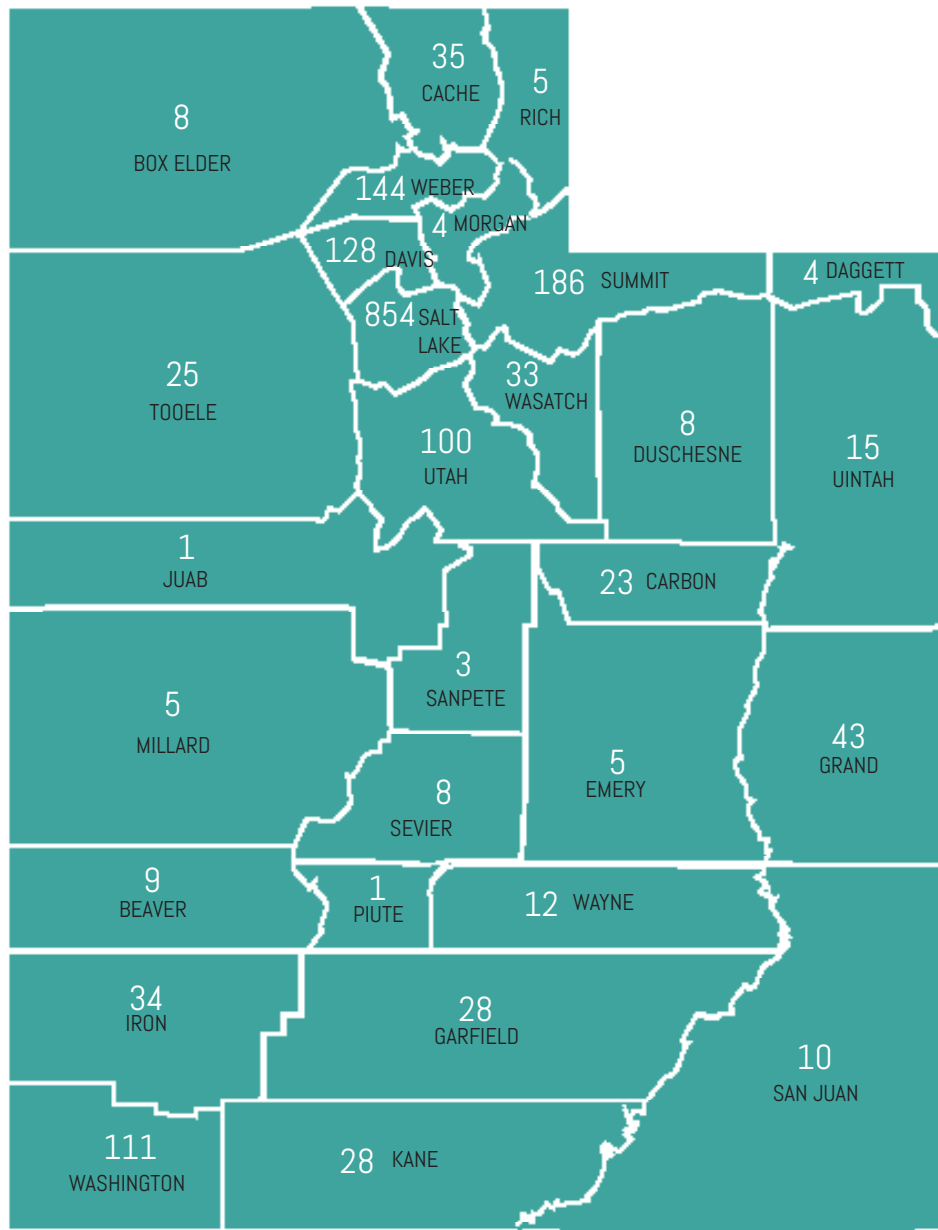
TOP TEN STORES BY SALES

STORE	FY 2018	FY 2019	% CHANGE
SLC Club Store*	\$27,983,709	\$30,278,024	7.6%
Cottonwood Heights	\$20,492,415	\$21,454,180	4.5%
Sandy	\$18,913,469	\$19,552,592	3.3%
Park City - Snowcreek	\$16,201,849	\$16,980,444	4.6%
Park City - Club Store*	\$15,512,236	\$16,283,554	4.7%
Sugarhouse SLC	\$15,543,742	\$15,939,572	2.5%
Holladay SLC	\$15,422,111	\$15,493,375	0.5%
Park City - Kimball Junction	\$14,504,689	\$15,132,723	4.2%
Draper	\$13,425,734	\$14,617,545	8.2%
Riverton	\$12,605,820	\$13,822,016	8.8%

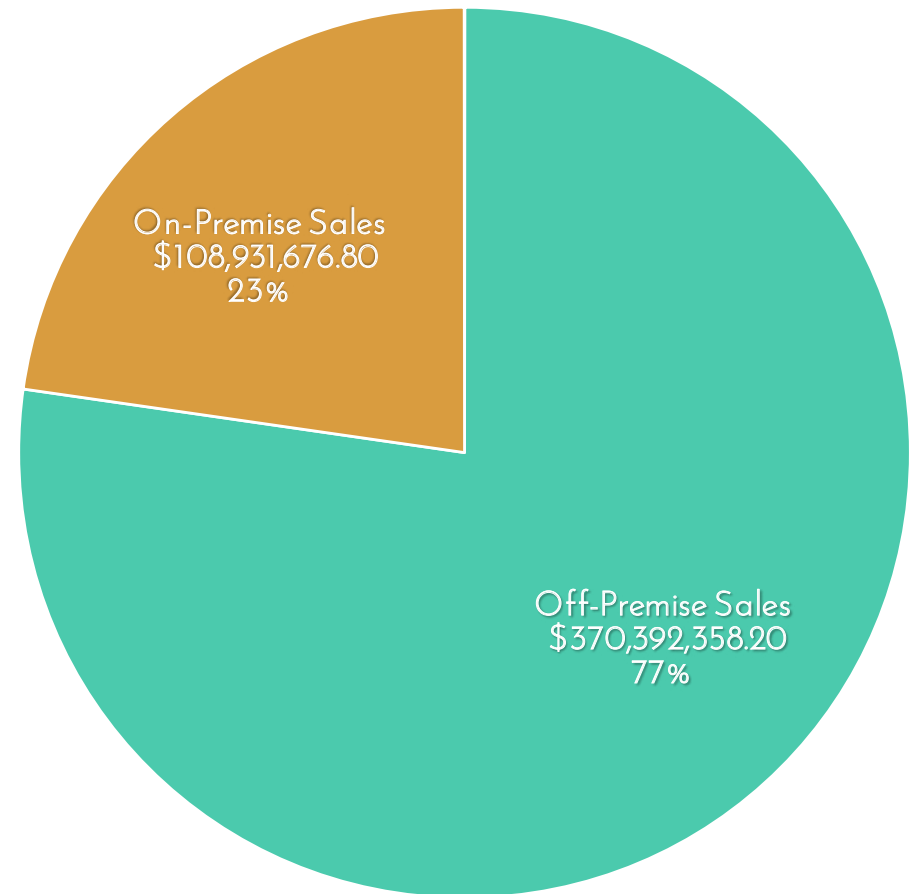
* Club stores primarily serve on-premise/licensee accounts

ON-PREMISE RETAIL LICENSES

By County



ON-PREMISE AND OFF-PREMISE SALES 2019



* On-Premise establishments are privately owned businesses that are licensed by the DABC to sell alcoholic beverages. Including; bars, clubs, hotels, etc.

The figures above are the total number of manufacturing and on-premise retail licenses and the counties in which they are located.
As of June 30, 2019

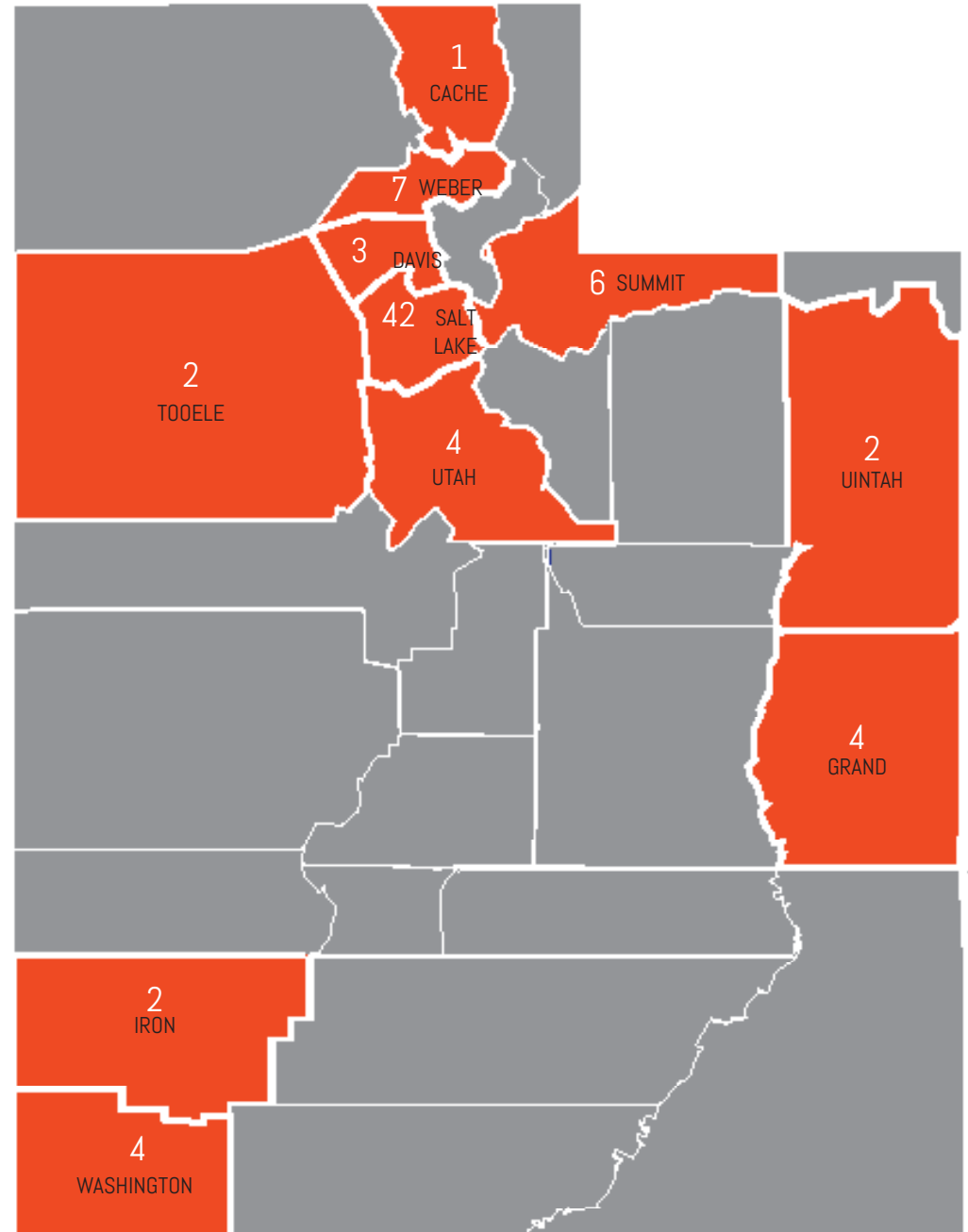
MANUFACTURING LICENSES

By County

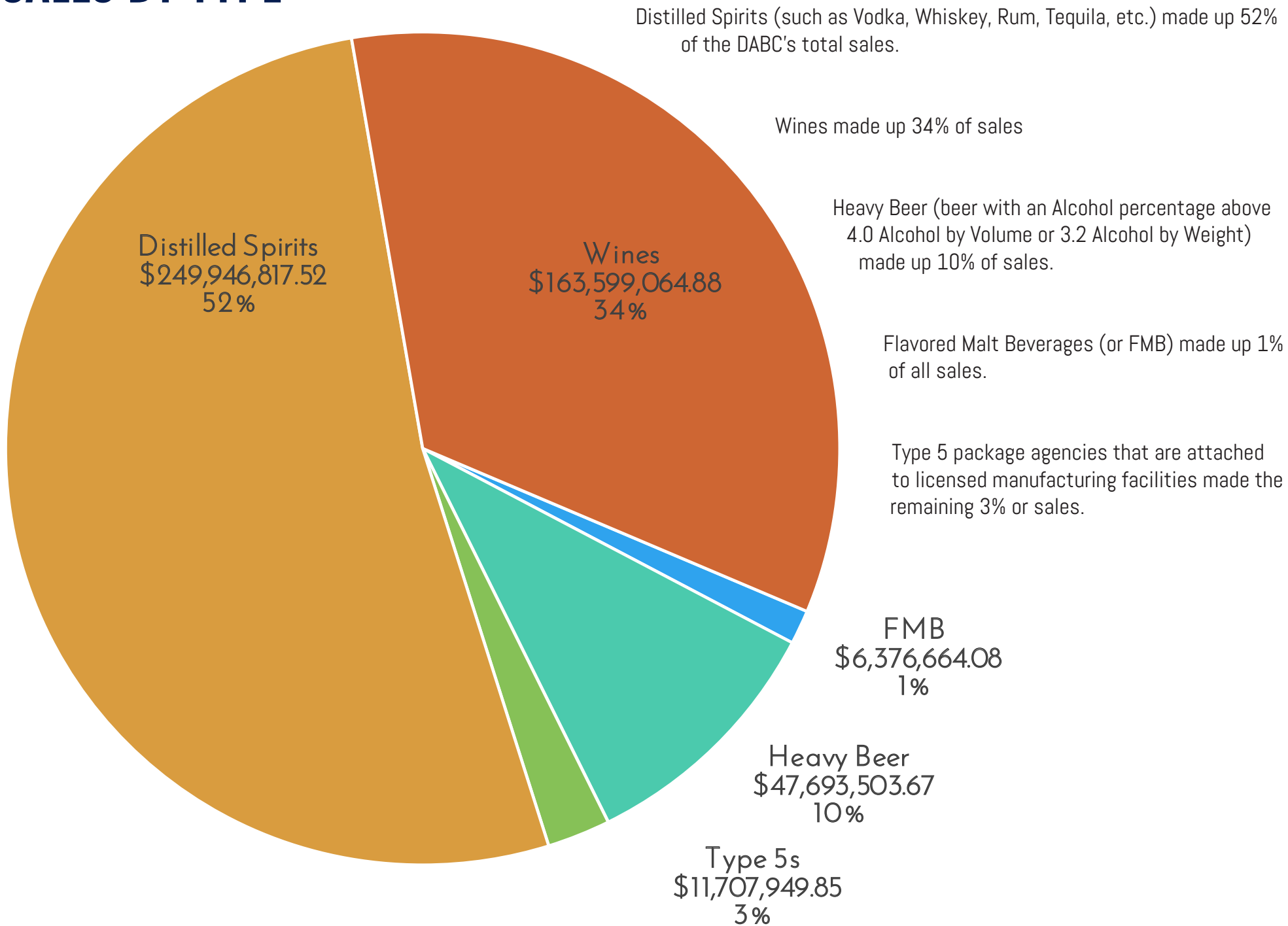
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LOCAL MANUFACTURERS

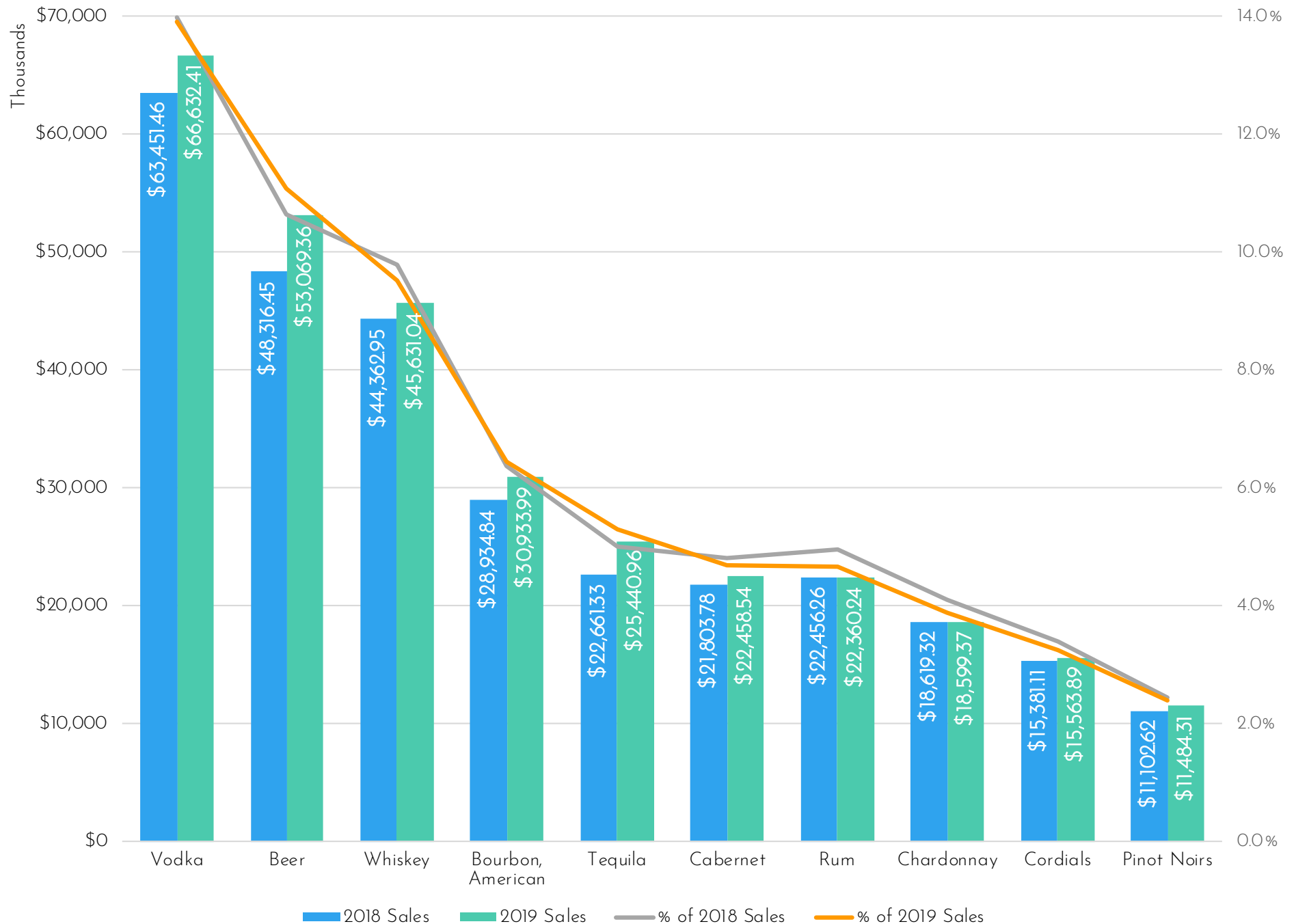
Local manufacturers make their own beer, wine, or distilled spirits. The number of local manufacturers is increasing in the state - especially in the brewing segment.



SALES BY TYPE



SALES BY TOP TEN CATEGORIES 2018-2019



TOP SELLING ITEMS 2019

ITEM NAME	SALES	BOTTLES SOLD	POSITION CHANGE FROM 2018
BARTON VODKA 1750ml	\$3,102,603	279,940	0
TITOS HANDMADE VODKA 1750ml	\$2,634,093	64,453	+ 5
PATRON SILVER TEQUILA 750ml	\$2,579,093	49,651	- 1
JACK DANIELS BLACK LABEL 1000ml	\$2,488,988	86,492	- 1
TITOS HANDMADE VODKA 1000ml	\$2,331,522	91,241	+ 6
JAMESON IRISH WHISKEY 750ml	\$2,299,386	79,173	0
TITOS HANDMADE VODKA 750ml	\$2,261,178	109,168	+ 5
JACK DANIELS BLACK LABEL 1750ml	\$2,235,105	45,288	- 3
SMIRNOFF VODKA 1750ml	\$2,225,756	91,160	- 5
CROWN ROYAL 1750ml	\$2,172,217	40,086	- 2

TOP SELLING BEERS 2019

ITEM NAME	SALES	BOTTLES SOLD	POSITION CHANGE FROM 2018
SQUATTERS HOP RISING DOUBLE IPA 355ml	\$1,470,959	709,559	0
NATTY DADDY 355 ml	\$1,435,213	1,510,751	+ 5
PACIFICO LAGER MEXICO 355ml	\$1,282,897	644,672	+ 1
STELLA ARTOIS 330ml	\$1,179,518	451,968	- 1
ICEHOUSE BEER 355ml	\$976,046	1,027,417	- 3
RED ROCK ELEPHINO IPA 500ml	\$974,968	244,353	0
SQUATTERS HOP RISING DBLE IPA CAN 355ml	\$972,240	488,563	- 2
BUD LIGHT PLATINUM 355 ml	\$734,654	445,245	+ 51
SIERRA NEVADA PALE ALE CANS 355ml	\$638,236	337,691	+ 1
BUSCH ICE LAGER 355ml	\$636,524	642,954	- 2

TOP SELLING WINES 2019

ITEM NAME	SALES	BOTTLES SOLD	POSITION CHANGE FROM 2018
VEUVE CLICQUOT BRUT YELLOW LABEL 750ml	\$1,122,325	19,896	0
LAMARCA PROSECCO 750ml	\$1,063,336	63,370	+ 2
BOTA BOX PINOT GRIGIO 3000ml	\$1,053,731	46,906	+ 2
MEIOMI PINOT NOIR 750ml	\$1,016,045	44,503	- 1
BLACK BOX CHARDONNAY CALIFORNIA 3000ml	\$1,004,621	41,192	0
BLACK BOX CABERNET 3000ml	\$946,214	36,603	- 4
KENDALL JACKSON CHARDONNAY VINTNE 750ml	\$847,522	48,024	0
FRANZIA SUNSET BLUSH HOUSE WIN 5000ml	\$833,946	46,767	0
FRANZIA CHILLABLE RED HOUSE WI 5000ml	\$812,992	43,901	0
FRANZIA CHARDONNAY -AUSTRALIAN 5000ml	\$769,468	34,881	0

WINE SALES BY REGION

REGION	AMOUNT	% OF SALES
U.S.	\$122,278,827.65	74.7%
Italy	\$12,329,385.60	7.5%
France	\$5,457,225.55	3.3%
Argentina	\$3,817,237.72	2.3%
New Zealand	\$3,765,769.80	2.3%
Spain	\$2,866,742.49	1.8%
Australia	\$2,551,680.92	1.6%
Other	\$2,169,360.71	1.3%
Chile	\$1,369,114.36	0.8%
Portugal	\$937,692.71	0.6%
Japan	\$603,636.87	0.4%
Germany	\$533,072.15	0.3%
South Africa	\$281,514.44	0.2%
Austria	\$195,156.39	0.1%
Greece	\$46,156.55	0.0%



A WORD FROM REGIONAL MANAGER VAL DUNAWAY

The DABC continues to show phenomenal results and continues to grow as a department. We had many successes in fiscal year 2019 and continue to raise the bar on customer service, sales, and overall store results. We successfully opened our 46th store in Syracuse and began construction on the 47th store located in Herriman. We are currently working on the design for 2 more stores in Saratoga Springs and Farmington and will continue to look for land to accommodate our increased sales and demand. We implemented a customer service survey and received valuable feedback and suggestions from our customers. Our inventory levels remain low while instock levels remain high at 97% or greater. Some highlights for fiscal year 2019 include:

- Pay raises for employees
- Record holiday sales
- Implemented a DABC App
- Continued to run a second shift in the warehouse
- Added Saturday deliveries prior to holiday weeks
- Installed a new sign package in the stores
- Began building a “brand” with specific logos and fonts to be used by all
- Approved several ASI’s and bonuses for employees
- Began installing training computers in stores
- Implemented Product Lifecycle Management (PLM) in all stores
- Began new ordering system (DBM) in some stores
- Starting pay increased for employees
- Held Store Manager meeting with guest speakers/trainers
 - Continued improvement in product availability
- Provided many product knowledge courses for employees
- Continued to increase the pallet picks of key items for stores
- Completed AX POS installation in all stores
- Opened Syracuse store
- Implemented high demand product drawing
- Remodeled the Miller Avenue store with gondola style shelving



Val Dunaway
Regional Manager, DABC

The entire DABC team worked together to support the stores by providing help as needed as unemployment rates remain low. This helped to ensure all stores were successful and to provide customers with the best experience possible. Thank you so much to the DABC team for all you do to make the department successful! Your hard work and dedication is appreciated!



TRAINING

Due to the nature of the products we sell and the legality of sales, it is crucial that the employees of the DABC understand the various situations that they may be faced with. The DABC has had a strong training program, designed to prevent underage and unlawful sales. This year DABC enhanced the employee training program by developing scenario based training videos and fielding in store training computers. The DABC also continued to provide training programs for store managers and store employees and is constantly working towards a more streamlined delivery of trainings.

In the last year, three advanced wine courses and ten product knowledge courses were provided. These courses are designed to assist in ongoing efforts to improve customer service by understanding the products that we offer, and the different types of alcohol available to customers.

Thirty-two “Eliminating Alcohol Sales to Youth” classes were also conducted, solidifying DABC’s responsibility to public safety.



A MESSAGE FROM THE PURCHASING DIVISION

In FY 2019 the Purchasing Division evaluated over 1400 items that were submitted by suppliers. 440 of these items were added to Utah retail outlets.

Many factors are considered while evaluating products. Brand strength, sales in other markets, category data, labeling, and the taste/value ratio are a few of the factors we use during the evaluation process. We try to think like the customer. If we paid the requested price, would we be happy with our purchase after using the product? We have only so much space in our retail outlets and warehouse so these decisions are difficult as there are many great products that are offered to us that do not make it into the system.

687 items were discontinued due to either poor sales performance, one time offerings/seasonal items, manufacturer or importer decisions to discontinue the product.

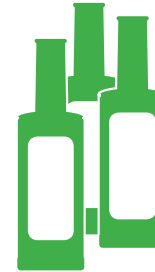
In addition, there were over 12,370 special orders processed for items that are not carried in our retail outlets.



1444
Items
Evaluated



440
New Items



687
Delisted



The Department of
Alcoholic Beverage Control



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