



MARSHALL

# Tall Grass Liquor

## 2022 Annual Report



This report is the City of Marshall's Municipal Liquor Operations Report outlining the liquor activities of Tall Grass Liquor over the past year. The information herein also provides a history of sales data and past events. This report includes analysis over the past five (5) calendar years.

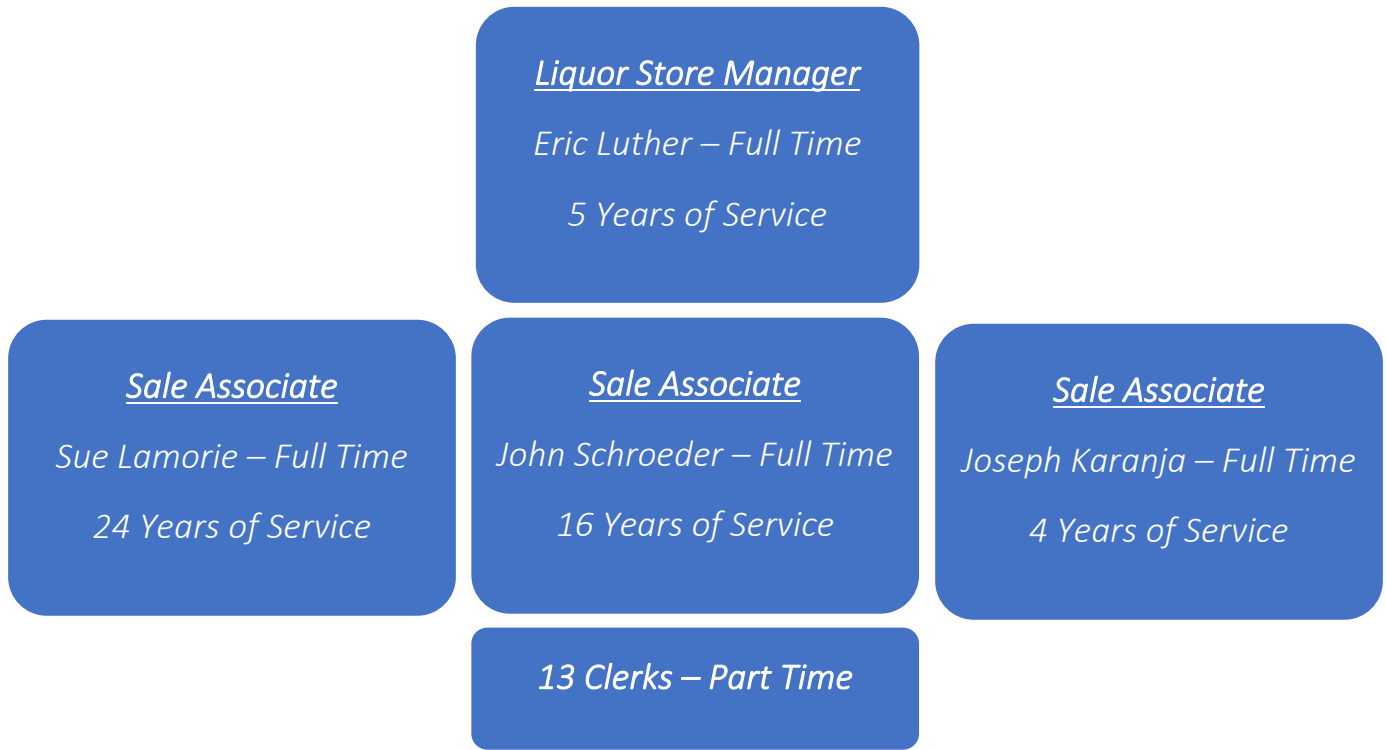
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## I. Liquor Operations

The Marshall Municipal Liquor store has been in operation since 1934. The current liquor store is located at 1410 Boyer Drive and has been operating at this location since November 2016. To this day, the profits from the liquor operations provide a much-needed revenue source for the Marshall community. Profits from the municipal liquor store help to reduce the property tax levy and provide funds for special projects.

### Organizational Structure



### Mission Statement

The business is designed and intended to control the sale of alcohol by following all statutes established by the State of Minnesota, by providing the best quality shopping experience for our customers, at a profit that is reinvested back into the community, and by providing an environment that is positive for customers, associates, and managers.

### Store Priorities

- Working clean and safe
- Store Tours by all staff to identify areas for improvement throughout shift
- Friendly and helpful to all customers/co-workers
- Keeping all areas of the store organized/stocked/faced

## II. Sales & Profits

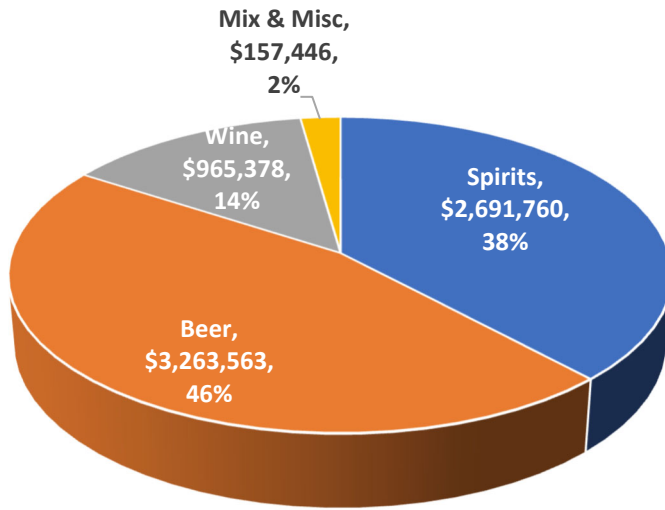
In 2022, the overall sales of the Liquor Operation were \$7,078,147 with a net profit of \$944,305. This was an increase of total sales by \$352,468 and a net profit decrease of \$54,891 when compared to 2021.



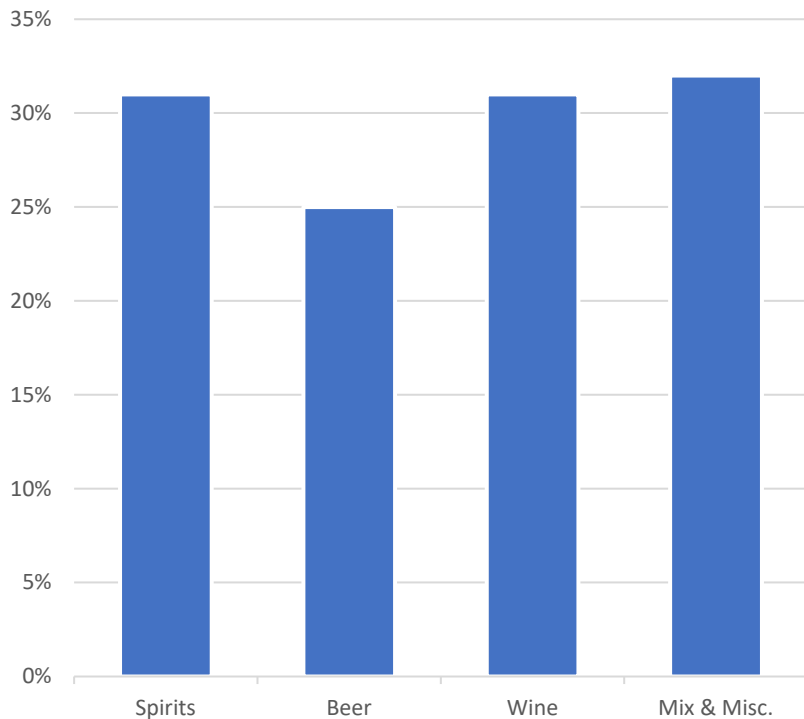
Sales & Gross Profit by Category

The adjacent chart shows the distribution of the 2022 annual sales based upon the four categories of: Beer, Spirits, Wine & Mix & Miscellaneous. Beer Sales account for 46% of total sales, with Spirits accounting for 38%.

2022 Sales by Category

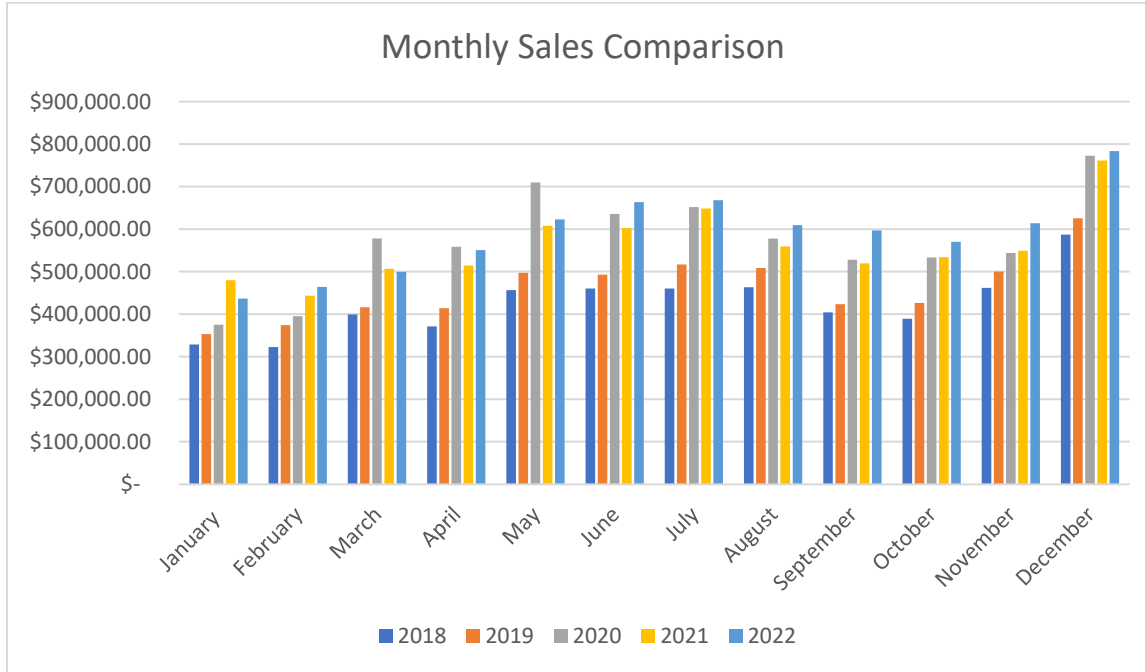


2022 Gross Profit by Category



The adjacent chart shows gross profit percentage by category. Even though Beer has the highest sale dollars, wine and spirits have the higher gross profit percentage.

## Monthly Sales 2018-2022



### III. Trends

RTD’s (Ready to Drink) Cocktails continue to have a strong ‘pull’ with our customers. RTD’s continued strength has impacted the wine purchaser this past year. Our wine category has been ‘soft’ with a decreased share of total sales for the year. Craft beer, especially Minnesota made, continues to be popular among the beer customers.

### IV. Events

In-store sampling continues to help drive trial/sales over all categories. Tall Grass hosts the in-store Fall Wine walkabout and the Tis the Season Holiday sampling event to promote trial/purchasing during the Fall. Tall Grass Liquor co-sponsors with Visit Marshall the Made in Minnesota Craft Beer and Wine Festival held at the Red Barron Arena/Expo. 32 vendors and 400 attendees sample breweries and wineries from across the state.

### V. Community Service Support

- Sponsored a panel at the Marshall-Lyon County Library Story Board Walk
- Marshall Pet Rescue donation
- SMSU Foundation donation through supplier donated items used at several fundraising events
- MHS post-prom & PTA 5K run donation

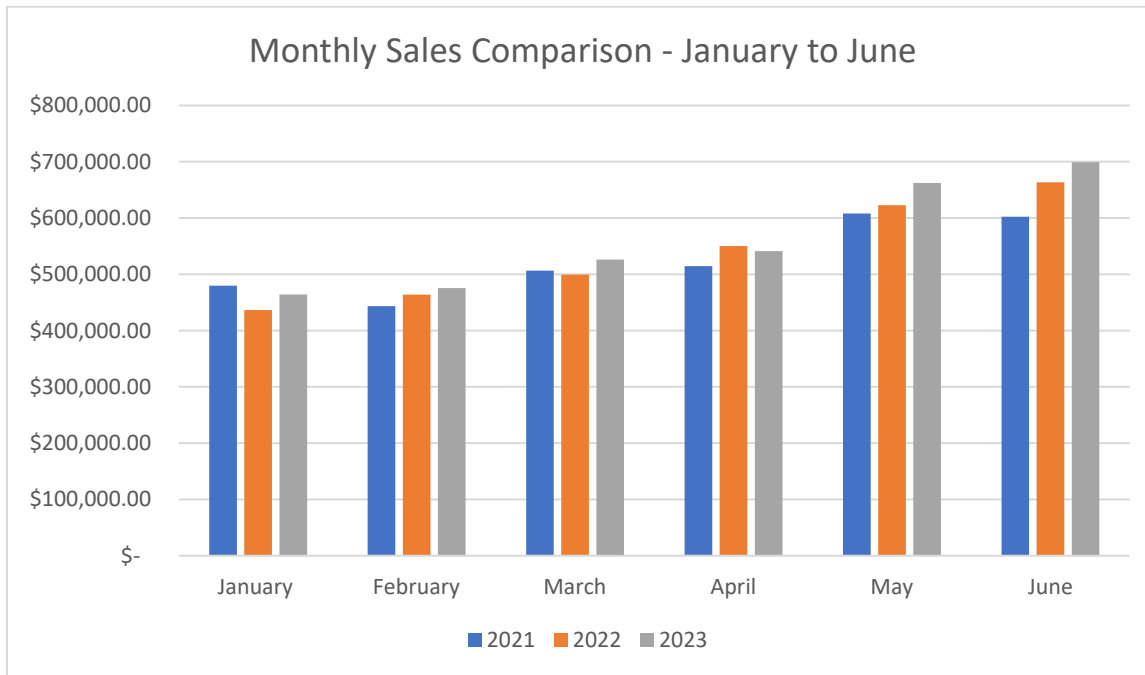
### VI. Accomplishments

- Completed beverage alcohol off-sale training/carding for all staff.

- Attendance at the Minnesota Municipal Beverage Association regional meeting and annual meeting.
- Manager completed WSET level 1 training and certification.

### VII. Semi Annual Review (January – June)

	2021	2022	2023	2022/2023 % Change
Sales	\$3,154,402	\$3,236,617	\$3,368,694	4.1%
Customer Count	96,284	96,645	98,222	1.6%
Average Ticket	\$32.76	\$33.49	\$34.30	2.4%



### VIII. Proposed 2024 Budget

2024 sales estimates are at a 3% increase over 2023. Currently we are trending about 4% ahead in sales for 2023. Customers are continuing to see the value and selection that Tall Grass offers with their shopping experience.

Gross Profit margin is targeted at 28%+ for 2024. Monthly reporting and attention to product costs will ensure we are on track to hit this goal. Tall Grass continues to see the benefit of the investments made earlier with the free-standing 50ml merchandiser, 2 self-serve open-air coolers for displaying single cans,

cold wine and RTD's and the Pick Six Mix & Match area. All these investments are designed for customers to 'add on' purchases or make an 'impulse' purchase benefitting the store with a higher ticket average and increased gross profit dollars.

The on-line ordering platform through City-Hive has been successful. Tall Grass rolled this out in the Fall of 2022 and continues to grow in usage.

A video surveillance upgrade began in Fall 2022 and was completed in early 2023 with a recorder server and additional cameras added to the existing configuration to give better coverage of the building exterior and the sales floor.

Plans are being made to add a locked display cabinet for allocated/high end spirits so that customers can shop these products out on the floor. This cabinet will be in the Scotch section. We are also looking at adding 2 more open-air refrigerated merchandisers to increase the offerings of cold RTD's and single serve cans. Tall Grass is also looking at installing 2-3 large message monitors around the store. Messages would be programmed about monthly specials, in-store tastings, and new products.