



MARSHALL

## Tall Grass Liquor

# 2021 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.

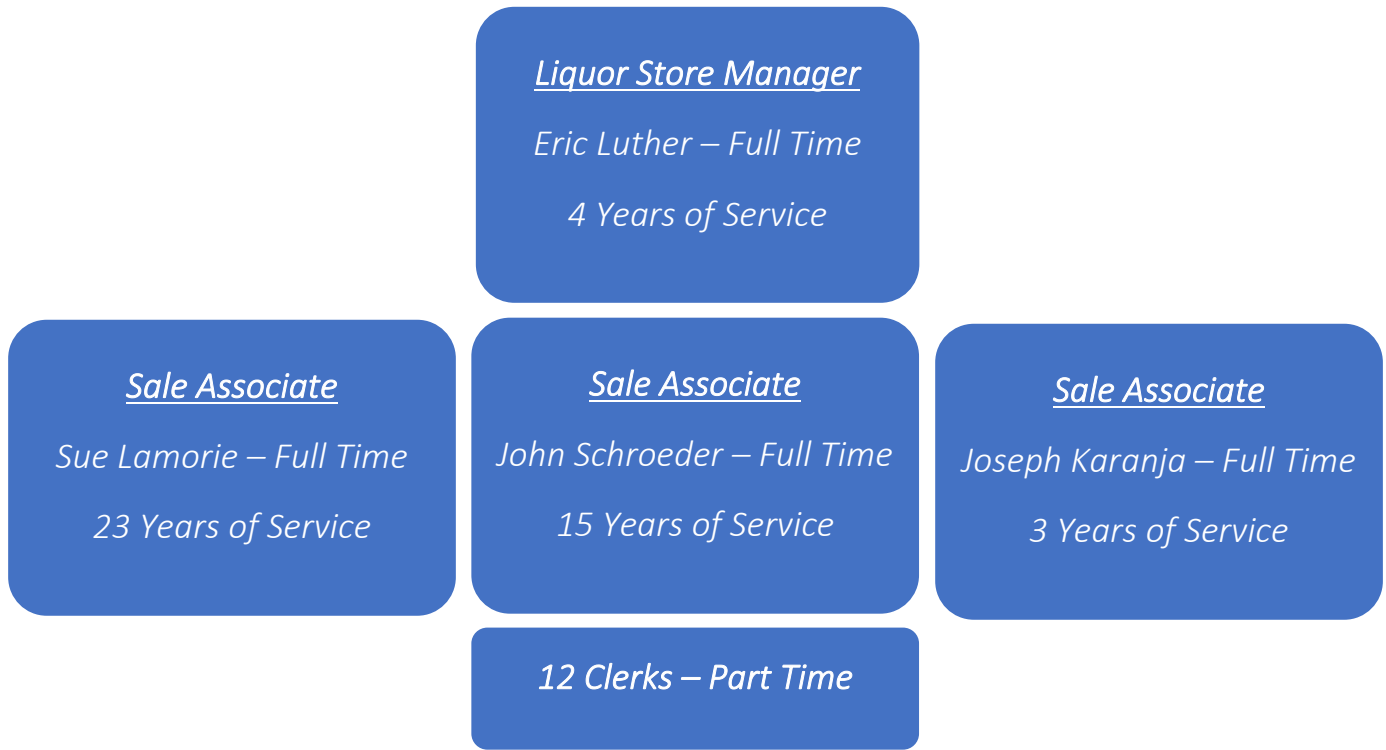
## Table of Contents

I. Liquor Operations .....	3
Organizational Structure .....	3
Mission Statement .....	3
Store Priorities .....	3
II. Sales & Profits .....	4
Sales & Gross Profit by Category .....	5
Monthly Sales 2017-2021 .....	6
III. Trends .....	6
IV. Events.....	6
V. Community Service Support .....	6
VI. Accomplishments.....	7
VII. Semi Annual Review (January 2022 – June 2022).....	7
VIII. Proposed 2023 Budget.....	8

## 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 of 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 provides 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

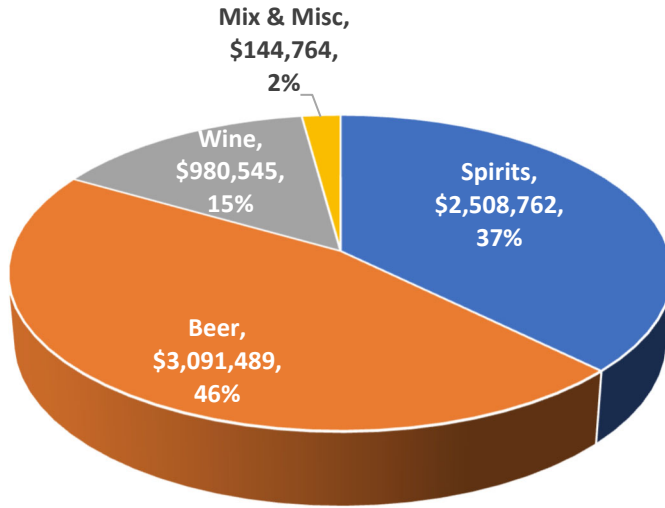
In 2021, the overall sales of the Liquor Operation were \$6,725,679 with a net profit of \$944,305. This was a decrease of total sales by \$134,573 and a net profit decrease of \$99,799 when compared to 2020.



Sales & Gross Profit by Category

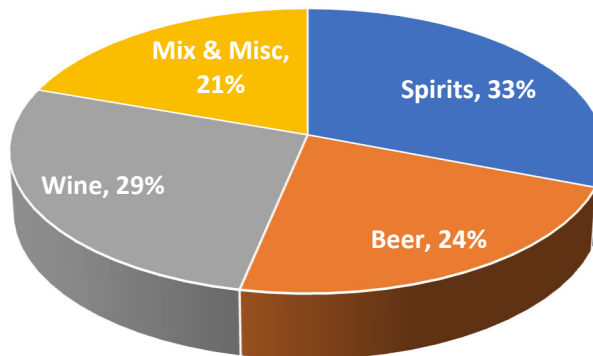
The adjacent chart shows the distribution of the 2021 annual sales based upon the four categories of: Beer, Spirits, Wine & Mix & Miscellaneous. Beer Sales account for 46% of total sales, with Spirits accounting for 37%.

2021 Sales by Category

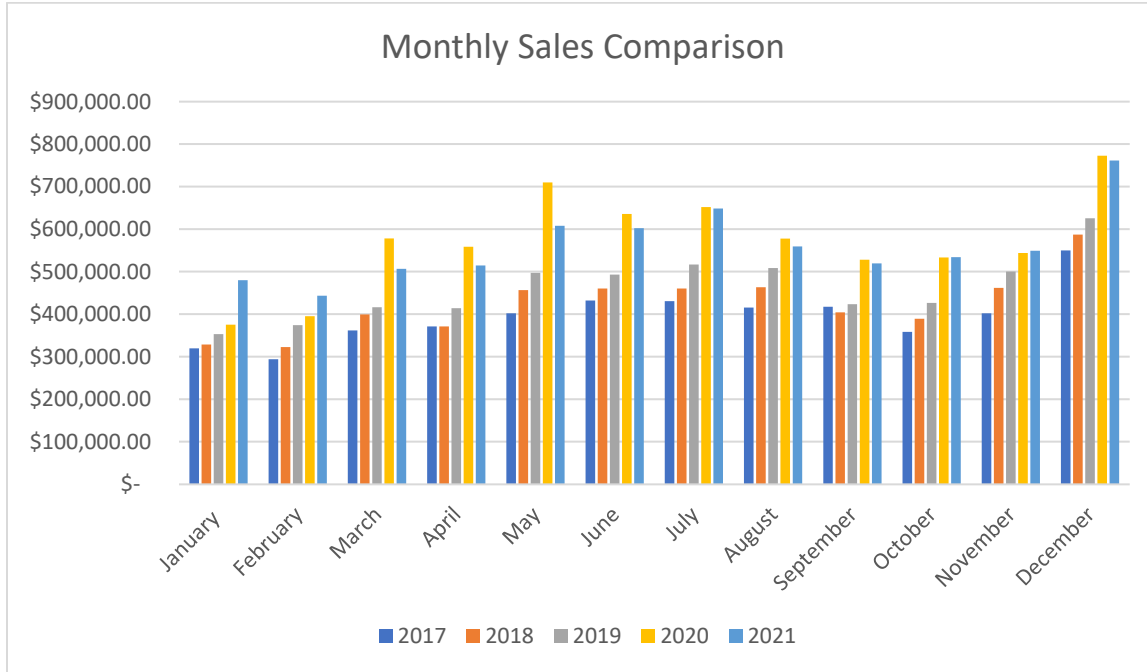


2021 Gross Profit by Category

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 2017-2021



### III. Trends

- RTD’s (Ready to Drink) Cocktails have grown in popularity and have surpassed Hard Seltzers as a growing trend. Brands like Jameson, Absolut, Malibu, Ciroc and Two Chicks have all entered with several choices of RTD’s.

### IV. Events

In-store sampling has resumed in 2021 with weekly in-store tastings. Larger tasting events like the Fall wine walkabout and the Holiday wine/spirits walkabout were held at the store to promote trial/purchase during the end of 2021.

Customers and Marshall Area Community continue to have interest in tasting before purchasing wine/spirits. Hosting the walkabouts with a large selection of products helps customers with their purchasing decisions/ during the Holiday season.

### V. Community Service Support

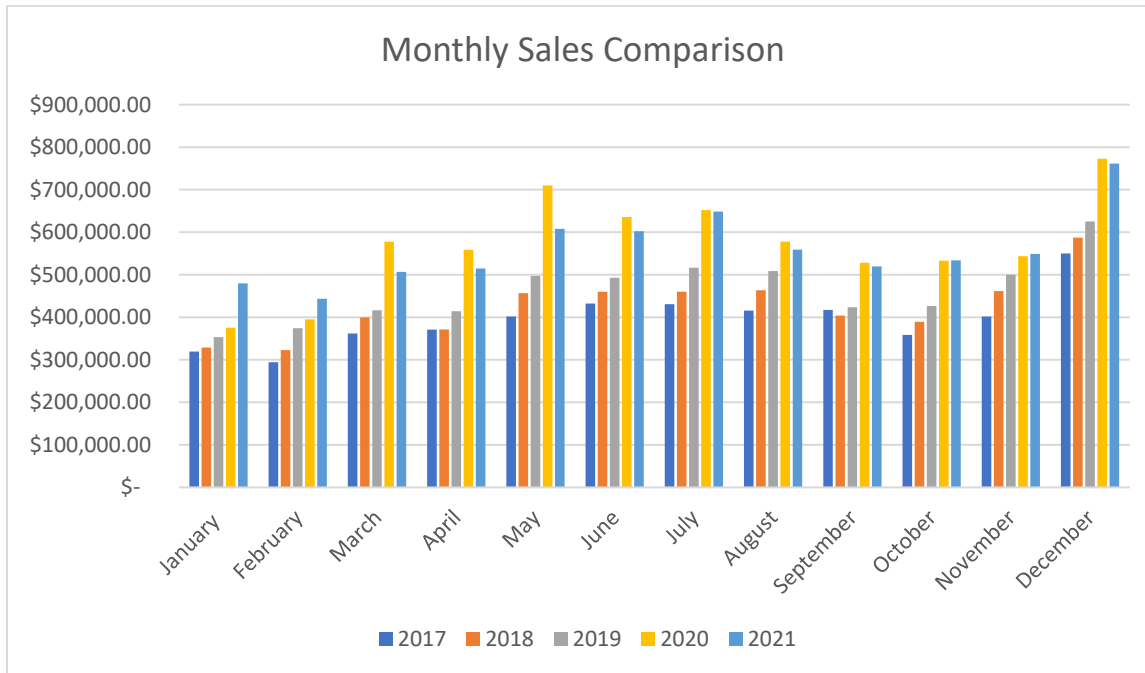
- Tracy Pet Rescue donation of loose change from customers and staff.
- United Way Imagination Library donation of loose change from customers and staff.
- SMSU Foundation donation through supplier donated items used at several of their fundraising events.
- Post-prom donation for students attending event.

## VI. Accomplishments

- Completed beverage alcohol off-sale training/carding for all staff.
- Attendance at the Minnesota Municipal Beverage Association regional meeting and annual meeting.

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

	2020	2021	2022	2021/2022 % Change
Sales	\$3,252,675	\$3,154,402	\$3,236,617	2.6%
Customer Count	98,995	96,284	96,645	0.4%
Average Ticket	\$32.86	\$32.76	\$33.49	2.2%



## VIII. Proposed 2023 Budget

2023 sales estimates are based on a conservative baseline of 2022. Currently we are trending slightly above 2021 sales. Customers are seeing the value and benefit of the Tall Grass Liquor off-sale shopping experience compared to that of on-sale liquor.

A 27%-28% Gross Profit margin will be the target for 2023. Monthly reporting will ensure we are on track to hit this goal. We are continuing to see the benefit of the investments made in 2020 with the free-standing 50ml merchandiser, self-serve cooler for displaying single cans for purchase and the Pick Six Mix & Match area. All of these were designed for customers to 'add on' purchases to their existing selections benefitting the store with a higher ticket average and increased gross profit dollars.

In 2021, the installation of new beer cooler wall wrap with raised lettering to identify the beer cooler categories and rolling out an online eShop ordering/payment for curbside pickup helped improve the customer service experience at Tall Grass Liquor.

So far in 2022 a re-color/re-seal of the cement floor and the purchase of a 2<sup>nd</sup> single serve refrigerated cooler/merchandiser to expand the single can/chilled wine offerings have been completed. A mop sink will be added in the Fall 2022 to help with clean up of broken bottles and beer packages in the warehouse area.

Item that we would like to include in 2023:

- Replace floor in the employee break room along with the floor carpet squares in the front entry area and hallway leading to the office.