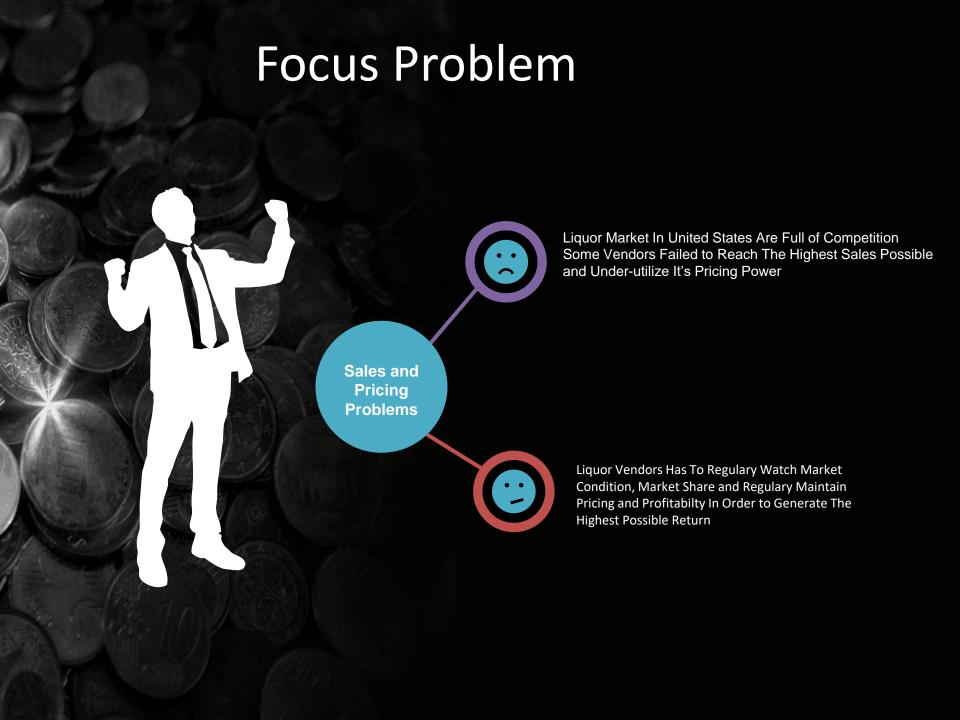


Iowa Liquor Sales Market Research and Price Optimization

By: Jonathan Aditia



Iowa Liquor Regulations

Iowa Alcoholic Beverages Division

The **lowa Alcoholic Beverages Division** is the alcoholic beverage control authority for the U.S. state of **lowa**. Since March 8, 1934, it has regulated the traffic in, and maintained a monopoly on the wholesaling of, alcoholic beverages in the state, thus making lowa an alcoholic beverage control state.

Revenue



Source: Iowa Alcoholic Beverage Division 2012-2020 Reports

2012 : \$ 242,248,000 2015 : \$ 277,706,000

2013 : \$ 255,846,000 2016 : \$ 288,908,000

2014: \$ 263,495,000 2017: \$ 305,619,000

2018: \$ 320,049,812

2019: \$339,537,641

2020 : \$ 367,284,902

2012-2020 Total Revenue :

Gallons Sold



Source: Iowa Alcoholic Beverage Division 2012-2020 Reports

2012: 4,859,877 2015: 5,157,153

2013: 4,951,393 2016: 5,283,531

2014: 5,028,782 2017: 5,508,217

2018: 5,666,844

2019: 5,867,860

2020: 6,057,144

2012-2020 Total Gallons Sold : 48,380,801





Post Pandemic Alcoholic Beverages Outlook

Despite Unstable Economic Condition and Covid-19 Pandemic, Alcoholic Beverages Sales In The United States Does Not Seems To Lower.

In Fact, Some Sources Reported A Rise In Alcoholic Beverages Sales.

A Source Stated That, Post-Traumatic Events Can Cause A Significant Rise In Alcoholic Beverages Sales

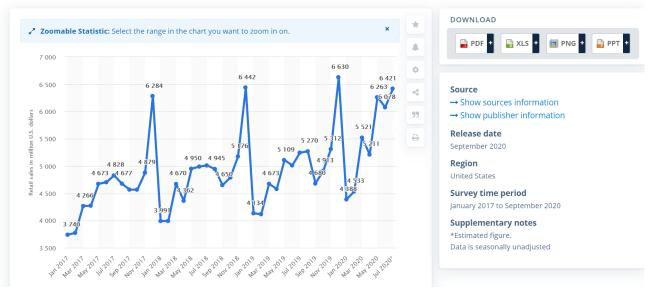
https://www.npr.org/2020/09/11/908773533/hangover-from-alcohol-boom-could-last-long-after-pandemic-ends



Post Pandemic Alcoholic Beverages Outlook

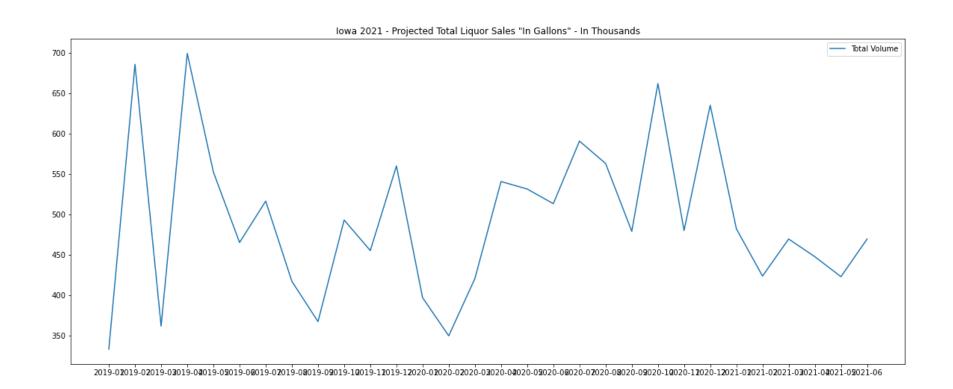
It Is Safe To Say That The Data Used In This Project Are Still Relevant, and Alcoholic Beverages Market Does Not Worsen During and Post Covid-19 Pandemic

Monthly retail sales of beer, wine, and liquor stores in the United States from 2017 to 2020 (in million U.S. dollars)*



2021 Sales Volume Fore

1st Semester 2021 Volume Sales (Gallons) Forecast January 2019 – June 2021 Liquor Sales





Jan 2012 - Jan 2021



Unusually High Volume Sales

Unusually High Volume Sales Is Sales Larger Than 6.3 Gallons In Single Transaction

Unusually High Volume Transaction Accounted 4.6 Percent of Total Transaction

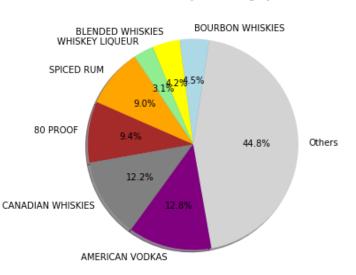
Unusually High Volume Sales Accounted 37.6 Percent of Total Volume Sold

Jan 2012 - Jan 2021

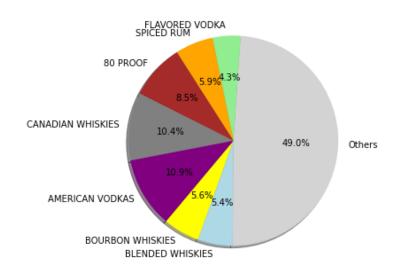


Volume Sold by Sub-Category





Volume Sold By Sub-Category - Unusually High Volume Sales NOT Included



Jan 2012 - Jan 2021 Total Gallons Sold:

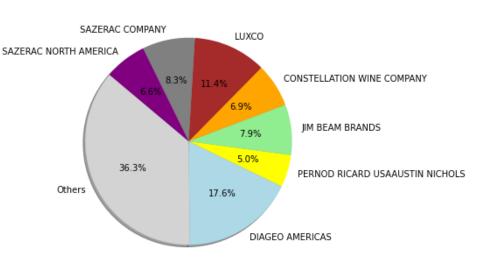
48,380,801++

Jan 2012 – Jan 2021

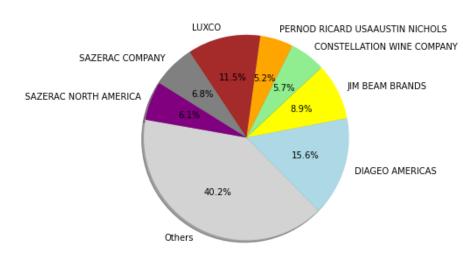


Volume Sold by Vendor





Volume Sold By Vendor - Unusually High Volume Sales NOT Included



Jan 2012 - Jan 2021 Total Gallons Sold:

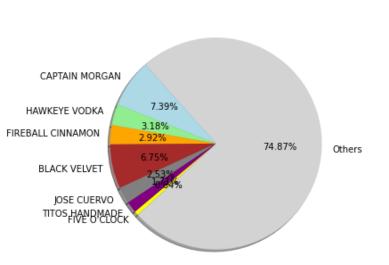
48,380,801++

Jan 2012 - Jan 2021

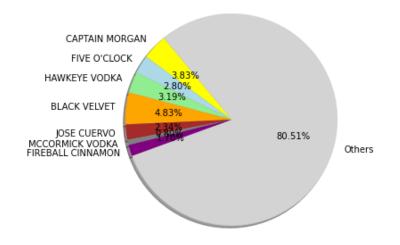


Volume Sold by Item





Volume Sold By Item - Unusually High Volume Sales NOT Included

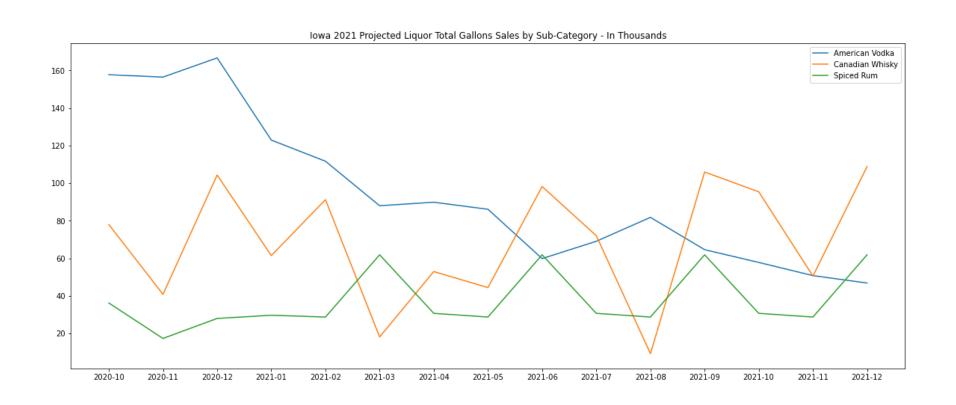


Jan 2012 - Jan 2021 Total Gallons Sold:

48,380,801++

2021 Sales Volume Fore

2021 Volume Sales Forecast by Sub-Category

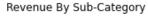


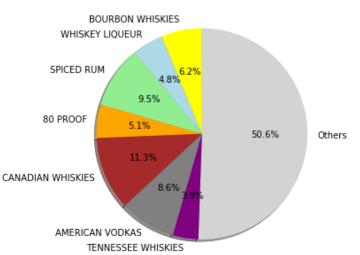


Jan 2012 – Jan 2021

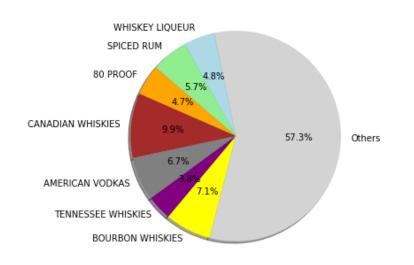


Revenue by Sub-Category





Revenue By Sub-Category - Unusually High Volume Sales NOT Included



Jan 2012 - Jan 2021 Total Revenue:

Jan 2012 – Jan 2021



Revenue by Vendors



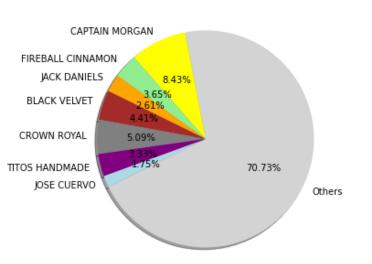
Jan 2012 - Jan 2021 Total Revenue:

Jan 2012 - Jan 2021

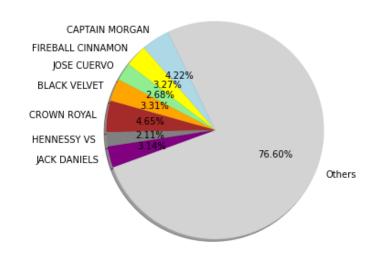


Revenue by Item





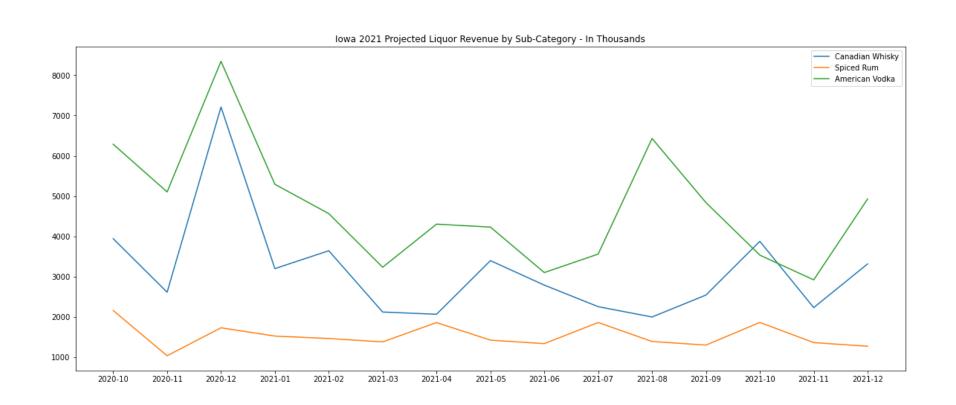
Revenue By Item - Unusually High Volume Sales NOT Included



Jan 2012 – Jan 2021 Total Revenue:

2021 Sales Volume Fore

2021 Revenue Forecast by Sub-Category







50000

CANADIAN WHISKIES

SPICED RUM

Top 5 Highest Total Retail Gross Profit by Sub-Category



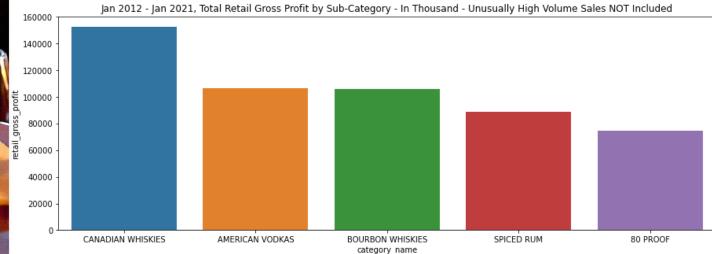
Jan 2012 - Jan 2021, Total Retail Gross Profit by Sub-Category - In Thousand

AMERICAN VODKAS

category name

BOURBON WHISKIES

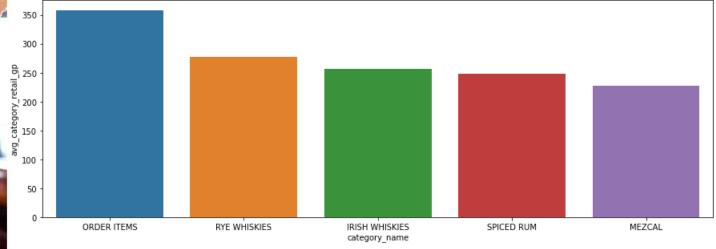
80 PROOF



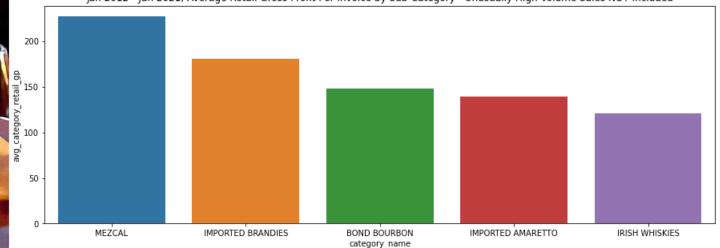


Top 5 Highest Average Gross Profit Per Invoice by Sub-Category



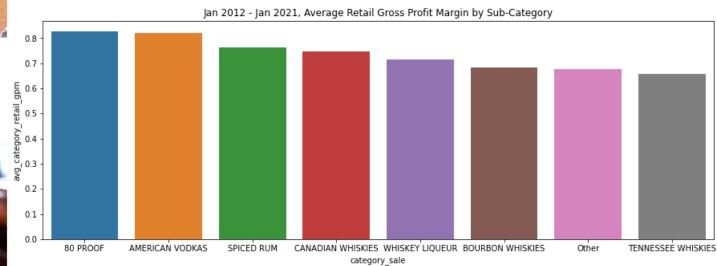


Jan 2012 - Jan 2021, Average Retail Gross Profit Per Invoice by Sub-Category - Unusually High Volume Sales NOT Included





Highest Average Gross Profit Margin by Sub-Category









High Gross Profit Items

There Are 28 High Gross Profit Items In Both (2012-2019 Data) and (Recent 2020+ Data)

These Are Items With:

- High Average Gross Profit Compared to Average Gross Profit of It's Category
- High Average Gross Profit Margin Compared to Average Gross Profit Margin of It's Category
- Low Average Cost of Goods Sold Compared to Average Cost of Goods Sold of It's Category



Low Price Items

There Are 351 Low Price Items In Both (2012-2019 Data) and (Recent 2020+ Data)

These Are Items With:

 Low Average Sale Price per Gallons Compared to Average Sale Price per Gallons of It's Category



Good Volume Sales Items

There Are 89 Items With Above Average Total Sales In Both (2012-2019 Data) and (Recent 2020+ Data)

These Are Items With:

 High Total Gallons Sold Compared to Average Total Gallons Sold of Other Items





Items With "Untapped" Pricing Power

There Are 5 Items With "Untapped" Pricing Power In Both (2012-2019 Data) and (Recent 2020+ Data)

These Are Items That Fit In All of This Category:

- High Average Gross Profit Items
- Low Price Items
- Good Total Volume Sales

"Untapped" Pricing Power

Items With Pricing Power

Dekuyper Luscious

Juarez Tequila

Kirkland Signature

Members Mark

Montezuma Gold





Top 5 Total Sold In Pack

Pack of 6 Is Most Likely to Be Sold A Whole Pack

Pack	Partial Sales	Pack Sales
(bottle	e)	
6	10.3%	89.7%
48	15.6%	84.4%
12	25.4%	74.6%
24	30.0%	70%
10	66.2%	33.8%



Top 5 Total Sold In Pack

Bottle of 1750(ml) Is Most Likely to Be Sold A Whole Pack

Bottle Size	Partial Sales	Pack Sales
(ml)		
1750	6.4%	93.6%
1000	16.7%	83.3%
200	22.7%	77.3%
750	25.7%	74.3%
375	34.6%	65.4%

Recommendation

Despite In Challenging Situation, Liquor Sales Does Not Seems to be Negatively Affected by COVID-19 Pandemic, Every Liquor Related Businessess Including Factory, Vendors, Stores, etc. Must Be Able to Operate and Generates Sales Normally.

To Be Able To Fully Operates, Factories and Vendors Has to Prevent Workers From Getting Sick, By Strictly Applying COVID-19 Health Protocols, Such As Requiring Employees to Wear Mask, Regular Test, Keeping Distance, and Regulary Wash Their Hands.

Vendors and Factories Related to "Highly Profitable Items for Stores" Should Do A Further Research About It's Product Pricing. Stores Should Make a Good Profits, So Does Companies and Vendors. Setting The Right Price Will Deliver a Win-Win Solution for Both Parties.

Vendors and Factories Related to Both "Low Priced Items Compared to It's Category" and "Good Sales Volume Compared to Other Items" Should Do A Further Research About Their Customers, Wether or Not Customers Are Willing to Pay Slightly Higher For The Product.

Vendors and Factories With Products That Has Not Realized Their Pricing Power Should Do A Further Research About: "How to Realized It's Pricing Power", "When to Realized It's Pricing Power", and "How Much The Price Can be Raised"

To Maximize Sales and Luring Customers to Buy More, Factories and Vendors Has to Co-Operates With Stores About Their "Pack of 6" Products. "Pack of 6" Is The Most Likely to Be Sold as an Entire Pack. The Right Placement of This Product Will Dramatically Increase It's Sales. Make Sure The Product In "Pack of 6" Can be Easily Reach By Customers.

References on Iowa Alcoholic Beverage Division and US Alcoholic Beverages Sales:

Iowa Alcoholic Beverages Division Annual Report 2012-2020

Diageo Board of Director Statement 2020

Iowa Alcoholic Beverages Control – Chapter 123 – Iowa Code, Year 2012-2020

www.dageo.com

www.cbrands.com

www.statista.com

www.npr.org

abd.iowa.gov

