



Brand Research Topline Report

2017



Objective & Methodology

Objective: The primary objective of this research effort was to uncover the positive, aspirational aspects of Virginia ABC that could be leveraged in a branded approach to its marketing communications efforts – both externally and internally.

- Divisions included
 - Retail sales (In-store and online/digital consumer experiences)
 - Education and Prevention
 - Communications (Public relations)
- Research methodology
 - Internal
 - Focus group and in-depth discussions
 - External
 - 15 in-depth discussions (stakeholders and customers)
 - Online survey of 1500+ retail customers

Internal Focus Group

Brand Attributes of the ABC “Family”

- The Virginia ABC Family:

Popular and trustworthy.

- Enforcement (Dad):

Takes pride in his role,
needs to be a leader.

- Communications (Mom):

Informative, persuasive,
stabilizing, strong.

- Retail (male sibling):

Progressive, successful, all put together, respected.

- Education & Prevention (female sibling):

Knowledgeable, credible, responsible, influential.



Mission & Vision

- Mission

- Retail: “We make **fun happen.**”
- Education & Prevention: “We’re here to be a resource. We want to be the **helper in the community.**”
- Communications: “Defending, but not defensive.”



- Vision

- Retail: To be “the store that...**you want to go to.**”
- Education & Prevention: “The whole agency **breeds the responsibility message.**”
- Communications: “**Portray the bigger picture** in a positive way.”

Challenges

- “No universal alignment among Virginia ABC management.”
- “Persuading others that this [branding effort] is the right way to go.”
- “Store management can be resistant to change.”
- “We’re a controlled substance.”



Internal Discussions: Audiences/ Stakeholders for Communications and E&P

Target Audiences

Communications	Education & Prevention
Media	Schools (students & faculty/staff)
Employees	Community coalitions
Virginia citizens	Licensees
Licensees	Parents
Other law enforcement agencies	State agencies & legislators
Legislators	Others (e.g., of-age adults, aging adults, nonprofit organizations, etc.)
Retail customers	

Education & Prevention

- Common wants/needs for all audiences: **Need resources**
- Common barrier for all audiences: **Lack of awareness** of E&P
- Primary goal of messaging: **Inform stakeholders** of E&P's programs and bring them into the fold
- Challenges
 - Gain support from **school administrators**, not just teachers/practitioners
 - Lack of **internal awareness** of what E&P does
 - The need for Virginia ABC to decide the **role of E&P** within its overall structure
 - Virginia ABC mission statement doesn't mention E&P
 - E&P lacks Director-level representation

External Stakeholder Discussions: Communications

Strengths: Rational Connections



- Media: *Accessible to reporters, even on negative stories*
“They understand the business. I get the data I need.”
- Distilleries: *Business facilitators*
 - “We have a relationship with them – they know what we need to get things done and they help to make it happen.”
 - “They’re responsive. They will adjust and be flexible.”

Emotional Attributes – Communications

- Words that describe Virginia ABC at its very best:
 - *Responsive*
 - *They foster/build relationships*
 - *Honest, Forthright, Straightforward*
 - *Consistent, Predictable*
 - *Thoughtful, Concerned*
 - “They listen to us and our issues.”
 - *Very cordial*
 - *Great communicators*
 - *Knowledgeable*
- Most important: “responsive” and “consistent” – *trustworthy*



Desired Changes

- A few desired changes were expressed:
 - Media: “The law enforcement division is more defensive...**less transparent**...more closed. But that’s true of most law enforcement [organizations].”
 - Distilleries: “I wish we had the **same [freedoms] as beer and wine sellers**...breweries and wineries. We have to buy our product from an ABC store to offer it at tastings.”
 - “The stores are like **franchisees**. Some are better than others. It would be nice to have **a single contact** and an **updated inventory system**.”
 - “I would like more opportunities for store managers to come to my facility to be educated. There is **no continuing education process** or knowledge-based process for store employees.”
 - “The **e-commerce platform** needs improvement.”



External Stakeholder Discussions: Education & Prevention

Strengths: Rational Connections

- Production of high-quality print materials
- Quality of message and form
- Accessible and responsive staff
- They care about the issues and education
- Continuity from year to year



Emotional Attributes – E&P

- Words that describe E&P at its very best:

- *Creative*
- *Collaborative*
- *Responsive*
- *Helpful*

“They make connections to make things happen.”

- *Participatory*
- *Accessible*
- *Community-focused* – making an impact at the community level

- Most important: “**collaborative**” – a strong relationship with grantees and agencies



Desired Changes



- A few desired changes were expressed:
 - “They are becoming **more evidence-based**, environmentally-based in their selection of effective programs, and I encourage them to go more in that direction.”
 - “I wish they were **more aggressive with the issues** and the range of family and personal issues [related to drinking].”
 - “Unlike other agencies, their **grants do not cover administrative costs**, so sometimes that prevents us from doing the program.”
 - “**Larger budget** for prevention and education.”
 - “The **new materials** aren’t as effective – **too wordy** and graphics aren’t as catchy.”
 - “They need **more for social media** – posts and literature.”

External Customer Discussions: In-store & Digital Retail

In-store Vision

- In-store Demonstrations
 - “A 2-3 hour **orientation on the types of beverages** and how to make them.”
- Instructional tastings with a wider variety of brands/products than the current tastings....and more convenient to attend.
 - “Have **a wider variety** of scotches at tastings, not just the popular ones. Maybe pay \$25 for educational tastings...**a more educational experience** than their current tastings.”
 - “Offer tastings on the weekends.”
- Broader selection
- Browsing and order kiosk
- More like a wine store
 - “**Very hip, cool**, not a hard-sell vibe.”



Digital Vision

- Ability to order online with home delivery
- Push notifications
 - “Notify me when my local store has a product I want or might be interested in.”
- More visible and consistent lotteries



Retail vs. E&P Presence

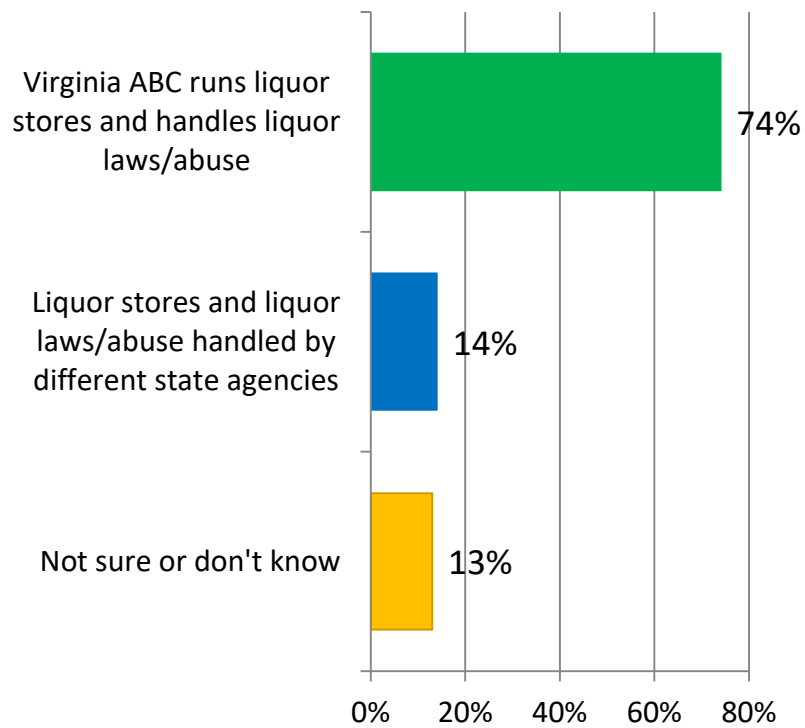
- A complex relationship.....
 - “They seem like different organizations, with the retail sales being the strongest. It **seems like a conflict of interest** to have them together.”
 - “It’s two departments. ABC is warm and fuzzy, party-like, but with a **priority to protect people**. The two can **live together**.”
 - “They have to have their responsible side to go along with their fun side. It’s **not a conflict of interest**. It is up to them to make sure they are **selling to people who can buy legally**.”



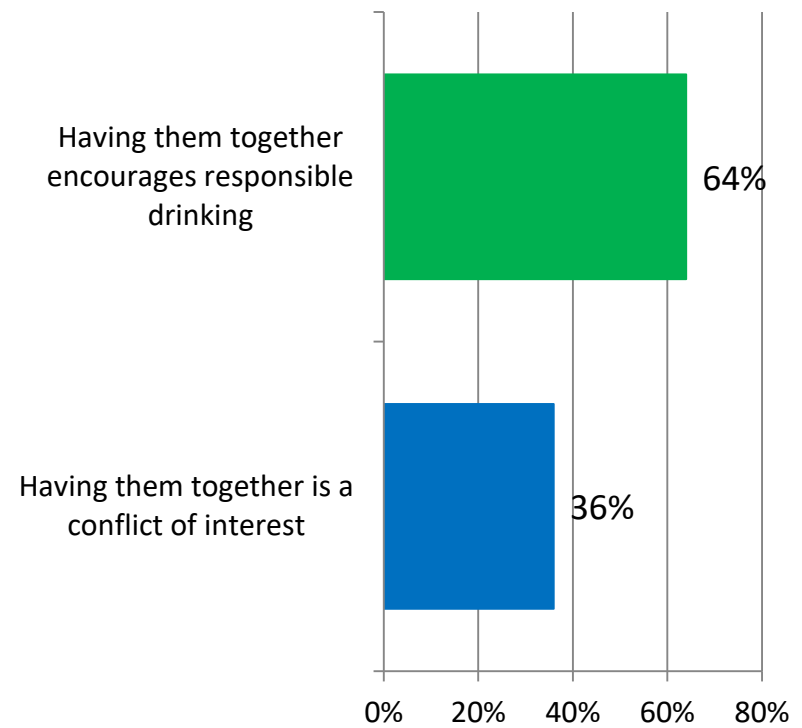
Quantitative
External Perceptions
Retail: In-store & Digital

Virginia ABC Roles

- Three-fourths of these consumers are aware that Virginia ABC runs the retail stores and handles liquor laws/abuse.

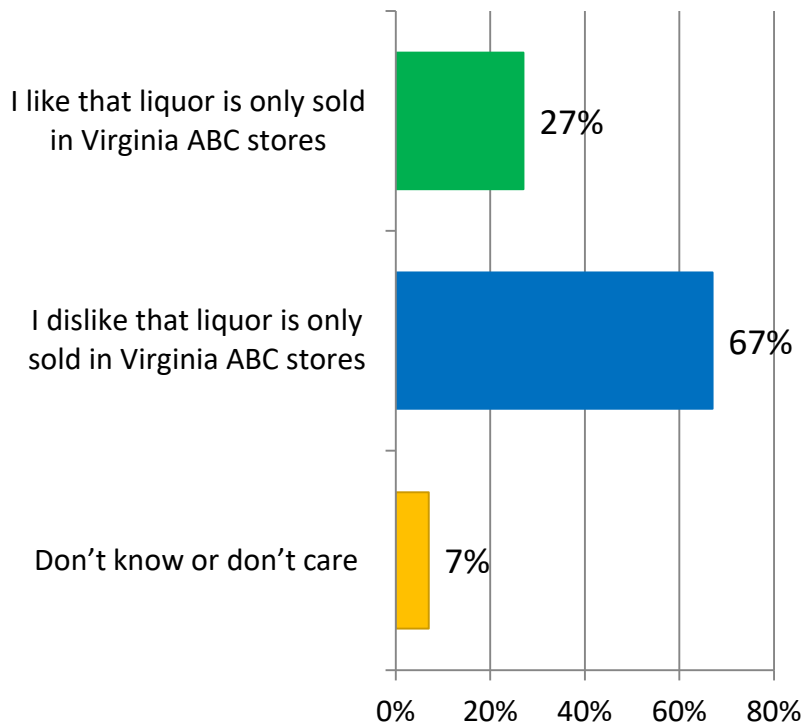


- Of those who know Virginia ABC handles both functions, the majority think this encourages responsible drinking (64%).

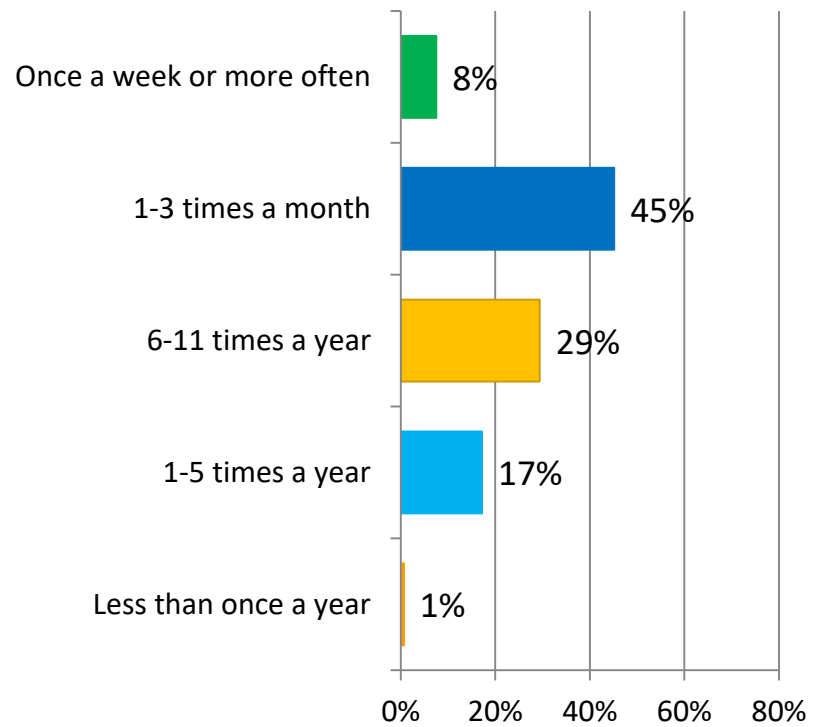


Virginia ABC Retail Stores

- But two-thirds of respondents (67%) dislike having spirits only sold in Virginia ABC stores – especially males (70%) and those under age 50 (80%).



- A majority of consumers surveyed visit a Virginia ABC store at least once a month (53%)



Like Best About Virginia ABC Stores

- Staff/Customer service
 - “The staff is very helpful and knowledgeable and goes above and beyond to make me a happy customer.”
- Clean, well organized, well lit
- Convenient/Multiple locations
- Good selection (but could be more)
- Events (Mini Mondays, tastings, etc.)
- Lottery system for rare bottles
- Fair pricing
- Sales/ Promotions
- Ability to order items/ Easy to get special orders
- Website searches before store visits



Like Least/ Wish Was Different

- Larger overall selection
- More mixers, ice, beer, etc.
- More gifts, ideas, information
- Better customer service
 - “The experience is **hit or miss**. Sometimes the customer service is great. Other times I feel like I'm not allowed to browse, as if I should know what I want – get it, then get out.”
 - “I wish staff were **more knowledgeable about products** and able to make informed recommendations.”
- Nicer stores
 - “The stores are **very sterile feeling** and do not make me want to stay and shop.”
- Availability of craft spirits/ new products
- Easier to get special orders
- Later hours
- More sales/coupons



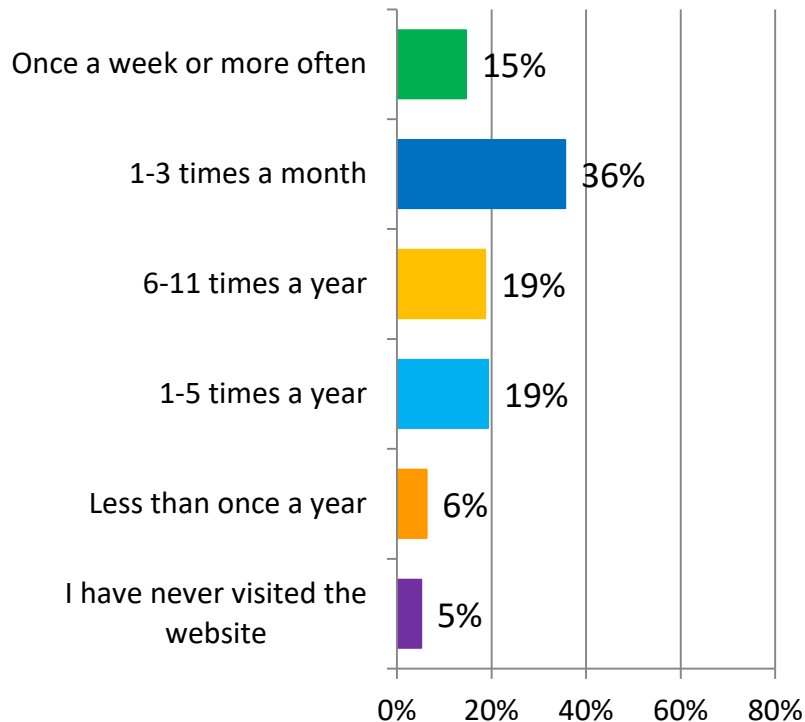
Ultimate Virginia ABC Store Experience

- “Big Box” type of store
 - “Similar to Total Wine & More where you can attend classes on products, read descriptions and history of the products, buy small amounts of a product, purchase gifts and bar supplies.”
- Workshops, classes, permanent tasting bars
- Modernize stores/ Add information and amenities
- Home delivery
- Loyalty program
- More coupons/ More sales



Virginia ABC Website

- Half of consumers surveyed visit the Virginia ABC website at least once a month, especially those under age 40 (67%) and males (56%).



- The most common activity on the Virginia ABC website is finding **store inventory for specific products** (70% of those who visit at least 6 times a year).
- The other two most common activities are looking for store **promotions** or monthly sale items (49%) and simply **browsing** the product catalog (48%).
- Females** have a high propensity to look for **cocktail recipes** (23% vs. 5% for males).

Ultimate Virginia ABC Website Experience

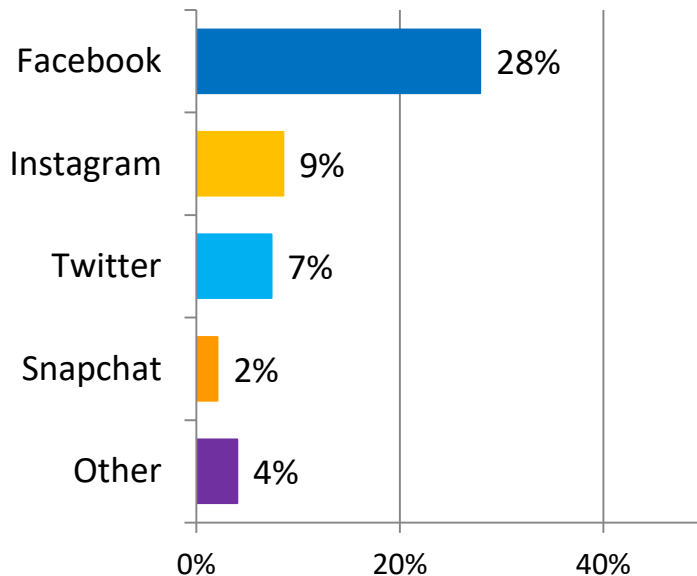
- Amazon-like experience
 - “**Amazon of spirits**. Single click purchase on your phone, delivered to your house the next day.”
 - “Make the online shopping experience **more like Amazon** and let me order the **full selection of the warehouse**.”
- Start & complete search by product rather than by store
- Push notifications for sales or products
- Product reviews
- Online coupons
- Frequent user rewards
- Order online for same-day store pickup or home delivery*



** Amazon Prime customers (estimated at 65 million to 80 million members) happily pay \$99 annually for “free” shipping and other “free” services. An annual fee for home delivery of Virginia ABC products could be an attractive option.*

Use of Social Media

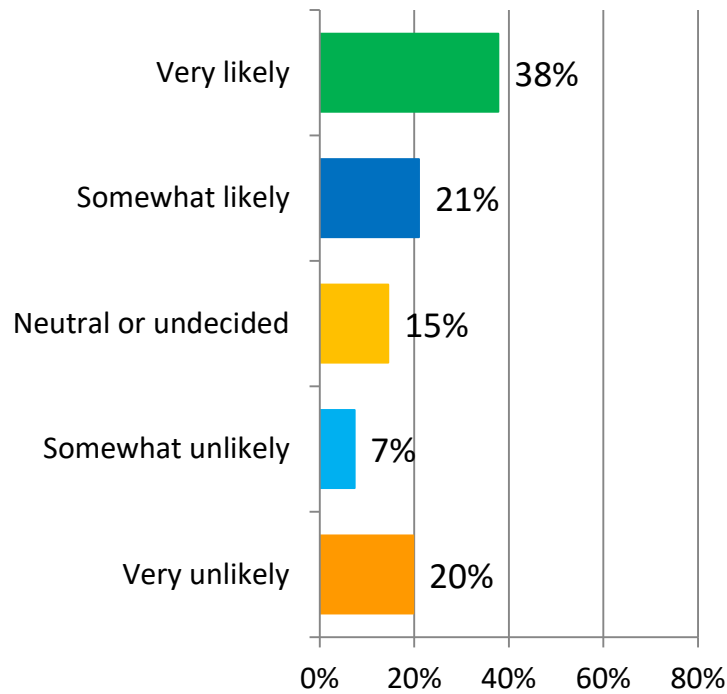
- Keeping in mind that half of these consumers are age 50+, 36% report using social media for spirits – 51% among those under age 50.
- Facebook is the most commonly used (28% among these consumers).



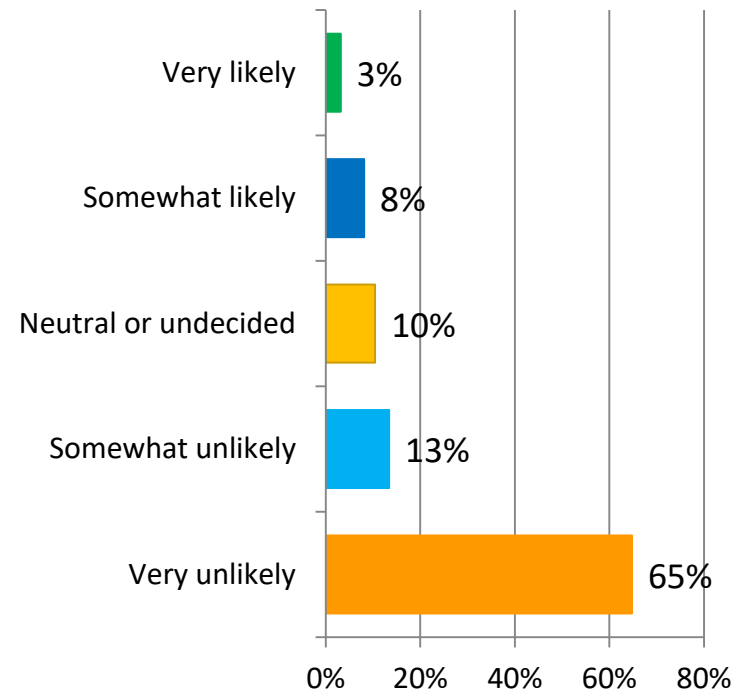
- How these consumers use social media:
 - To find ads and coupons
 - For *Spirited Virginia*/ @Virginia.ABC (Twitter)
 - Follow distilleries, bars, pubs, etc.
 - Advice on new or hard-to-find spirits

Home Delivery

- If Virginia ABC offered free home delivery, 38% would be “very likely” to use that service and 21% would be “somewhat likely,” resulting in a projected launch penetration of **48%**.

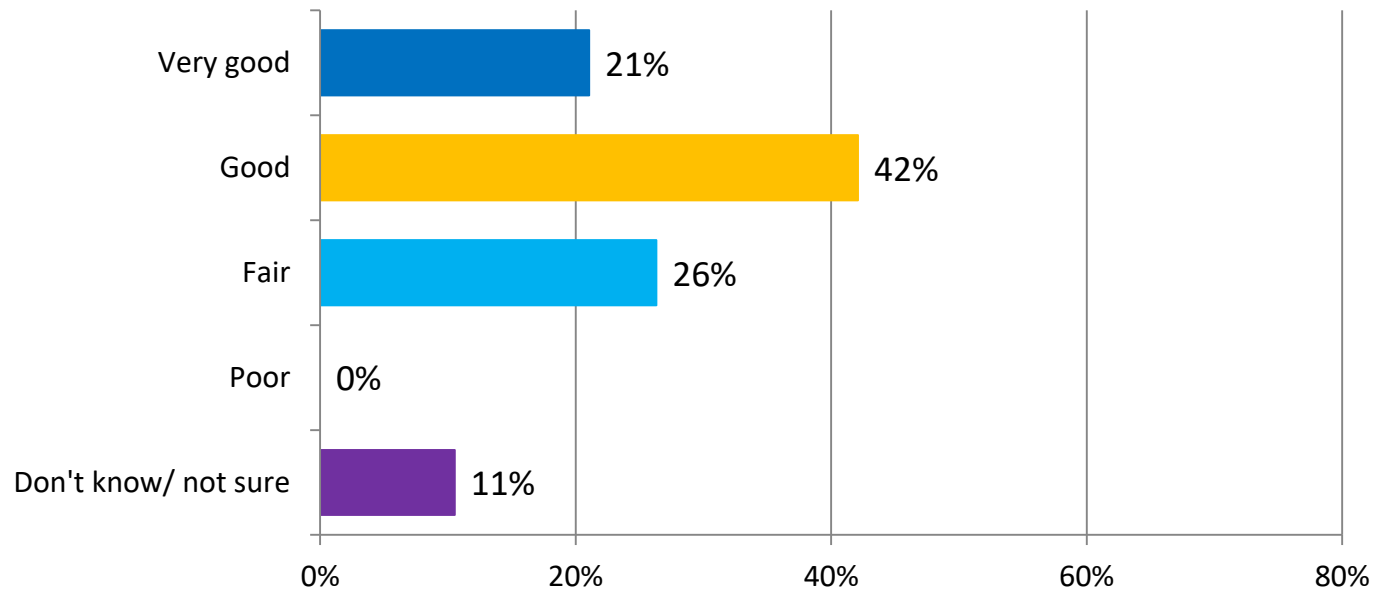


- If Virginia ABC charged \$15 for home delivery, “very likely” use of that service drops to 3% and “somewhat likely” drops to 8%, for a projected launch penetration of **7%**.



Satisfaction with Virginia ABC Ed Programs

- While the sample size is very small (only 19 respondents), 63% of those who have had their children participate in a Virginia education program rate their experiences as “good” (42%) or “very good” (21%).





► **Brand Planning** LLC