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How I Started A \$20K/Month Old Fashioned **Cocktail Mixer**

SAVE

Christopher Thomas Published: November 20th. 2019 **ABOUT BUSINESS TOOLS BOOKS UPDATES** Christopher Thomas

Founder, Eli Mason 0

\$45K

FOUNDERS

0

EMPLOYEES

Hello! Who are you and what business did you start?

My name is Christopher Thomas. I founded a company called MADE SOUTH, and while I didn't start Eli Mason, I was smart enough to buy it when I had the chance.

Eli Mason began back in 2014 when the founder created the Old Fashioned Cocktail Mixer, a blend of real cane sugar and premium bitters that made creating an Old Fashioned cocktail at home super easy. I discovered the brand at my local bottle shop in 2015 and instantly fell in love with it. I am a native Nashvillian, so I'm a sucker for anything made here. But I also love Old Fashioneds and being relatively new to cocktail culture, I was struggling with making a consistent and delicious Old Fashioned at home. So I bought a bottle of Eli Mason, tried it, and was hooked. It was actually the first whiskey cocktail that my wife also enjoyed!

I reached out to the founder and asked him to participate in some events we were doing, and over the next year or so we developed a little bit of a friendship. When he decided in 2017 that he wanted to go back to a 9 to 5 job, he asked if I knew anyone who might be interested in buying the business. I met with him for a few hours to learn more about the business, and the more he talked the more I wanted to buy it! It was just a great fit for everything else were already doing on the MADE SOUTH event side. We struck a deal and that was that.

Our flagship product is our classic Old Fashioned Cocktail Mixer. Our customers are people who enjoy drinking a delicious Old Fashioned at home, but they don't have the time or the desire to learn how to make it from scratch using different sugars and different bitters. Our mixer uses real cane sugar and premium bitters, so we've dialed that recipe in for you already. We made the decision earlier this year to focus the brand on e-commerce growth, so we've recently invested in a relationship that creates, measures and manages our Facebook and Instagram ad campaigns.

When we bought the business in 2017 it was doing a few hundred dollars per month in e-commerce sales. Today we consistently do in the low five figures, and it's growing consistently every quarter.



What's your backstory and what got you interested in acquiring this business?

I didn't start it, but I do love cocktails, and I recognized a problem in this: If you don't have the time or desire to learn how to make a good Old Fashioned from scratch, then it can be really confusing and intimidating. Eli Mason was sitting on the shelves at my local bottle shops at a \$9.99 price point. It was made with premium ingredients and it was sitting next to similar

products that were smaller, yet priced higher. I thought the product and packaging were great, but the brand was missing an opportunity to price itself like the premium product that it was. Distribution was also weak, so I felt we could bring some solid distributor relationships to the business. I met with the owner over a few hours to learn more about the business. It was still relatively small (doing less than \$70k/annually) and it was losing money. The owner really wanted out, and I saw a lot of potentials, so I made him an offer and he accepted. The whole transaction took about a week to complete.

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Today I love making cocktails from scratch at home, but when someone asks me how to make a great Old Fashioned from scratch, I tell them I like to use Demerara syrup and Jerry Thomas bitters and their eyes start to glaze over. Some folks want an easy and delicious cocktail that they don't have to think about. That's why people love our product. We take the guesswork out of making a consistent and delicious Old Fashioned at home every single time.

Take us through the process of designing, prototyping, and manufacturing your first product.

Our product is made by a copacker here in the Nashville area. Selecting a copacker was really important because you're dealing with a consumable product that people are going to ingest. You must make sure that your product is made up of the highest standards. Fortunately, the brand already had a great co-packing relationship in place before we purchased the business. We did have to put new shipping processes in place, as well as design all-new packaging for the product to be shipped in order to make sure it would arrive safely to the customer and present the product well when unboxing. We also signed on with a new distributor in our home market of Nashville. They really caught the vision for the brand and where we wanted to take it. Finally, we moved fulfillment to a 3PL who could handle the kinds of volume we wanted to achieve.

Our recipe uses a blend of real cane sugar and premium bitters to give it an incredible flavor with nothing artificial. Consumers today are paying more and more attention to ingredients, so having all-natural ingredients is really important to us. We are in the process of exploring new recipes, and when we do that we're collaborating with our copacker to come up with something great. It's a lot of fun tweaking the recipes and finally landing on something that tastes delicious.

Describe the process of launching the business.

Once we bought the business we had to go through the process of untangling a bunch of messes. The existing website was dark and uninviting. We had to go through the process of building a cleaner, brighter site that was more user-friendly.

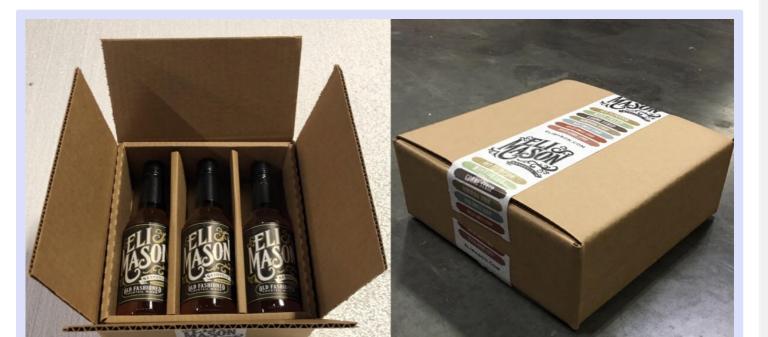


The shipping processes were horrible, so we began the process of finding a fulfillment partner who could handle the volumes we wanted to grow to. The former owner was printing off USPS labels onto standard printer paper, taking them to the warehouse, cutting them down to size with a box cutter, and taping them to the front of a free USPS box. Glass bottles were being individually wrapped in bubble wrap and placed into a weak box with styrofoam peanuts. The unboxing experience was horrible and the packing methods were terribly inefficient. We designed custom packaging that would present well to the customer but also make packing orders faster and easier.

66 Find someone you trust to give you candid feedback on your ideas.

The packaging that was being used to ship products to customers was really bad. Free USPS boxes and styrofoam peanuts just don't lend themselves to great unboxing experiences.

So we worked with a packaging provider to create custom shippers that fit our bottles like a glove. Eli Mason is a premium mixer brand, so everything needs to look and feel premium. We took several months to accomplish all that before relaunching in May of 2017.



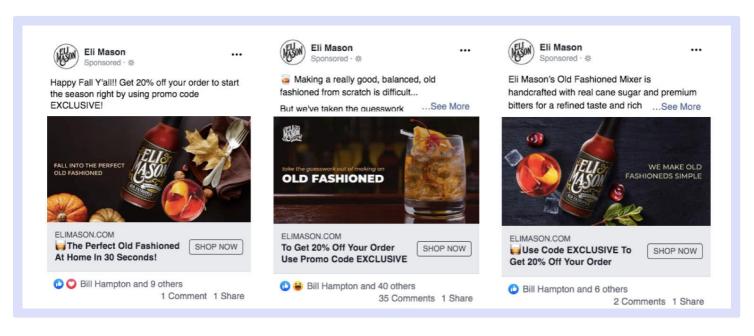
Another issue was the local distribution. The current distributor in Nashville was buying the product too cheap, which meant it was on shelves at discounted prices. And the distributor didn't truly care about the brand.

So we made the decision to move to a different distributor in October 2017. One of the best moves we've made. Their local sales have increased dramatically over 40% of what the old relationship was selling. And we've been able to launch new products with them like our larger format 750ml bottles for bars and restaurants.

Since launch, what has worked to attract and retain customers?

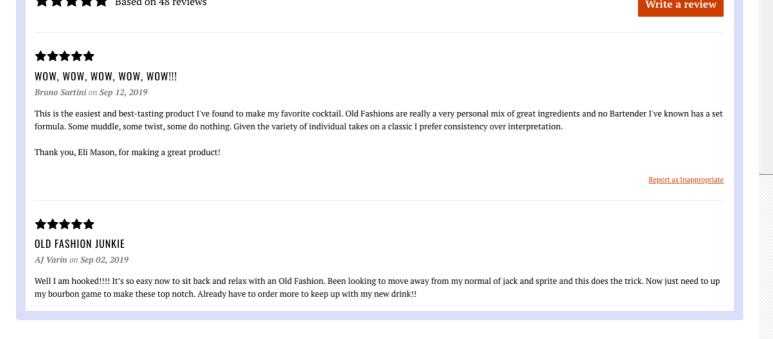
Our biggest sales driver has been targeted Facebook and Instagram ads. But we're not experts in that, so another big turning point for us was agreeing to invest a significant amount of money into hiring a firm to work on this.

They came highly recommended with a great track record for helping grow e-commerce-focused businesses, but it was definitely scary committing to spending the amount of money they wanted to do the job. Beautiful photos of our bottles or drinks combined with simple messaging and an incentive for new customers to try the product (20% off the first purchase) has been a winning combination for us.



The relationship has been fantastic and we've gone from low 4 figures in e-commerce sales each month to consistently being in the low 5 figures each month, and it continues to grow as we acquire new customers.

Product reviews have been super important too. Our old site didn't incorporate these, but with our new site they are prominent, and our five-star rating is fantastic for potential customers to see. We've instituted an email flow that kindly asks for a review 30 days after their purchase, and the results from this have been fantastic.



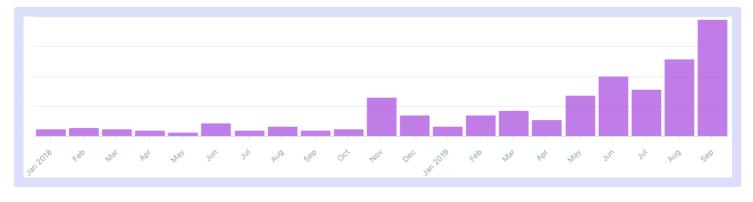
How are you doing today and what does the future look like?

We have had the first two profitable months ever back to back, and August is shaping up to be our best month yet, which is great momentum heading into the 4th quarter and holiday shopping season.

Our gross margins are stronger than industry standard as they hover between 50-60%, our conversion rate of 5.14% has increased 178% over 2018 and is almost twice the average conversion rate for our food & beverage space, 2019 sales are currently 375% year over year, average order total is up almost 5%.

We want to focus on creating a consistent brand voice on social media, as well as a consistent delivery of an "Old Fashioned Friday" email to our customers offering them some great bit of content each week related to the Old Fashioned cocktail.

Sales by month January 2018 to current



Conversion rate by month January 2018 to current



Through starting the business, have you learned anything particularly helpful or advantageous?

Invest in experts. We really thought we could grow this business significantly without the help of an e-commerce marketing expert. We were wrong. I wish we had invested this money at the very beginning of our relaunch back in 2017! There are a ton of "experts" out there though, so you have to be really careful about who you hire.

I sat down face to face with this group and they were able to show me dozens of successful case studies over their 10 years in the business that showed exactly how they helped e-commerce businesses grow. They clearly laid out for me the path they were going to take, walked me through the timeline so I knew we were going to spend more on the front end and I was prepared for that. Over the first few months they were testing a lot of things, and results weren't there overnight, but they had explained it to me and I knew what to expect.

What platform/tools do you use for your business?

When we bought the business the website was being hosted on Squarespace. I knew we had to move the site to **Shopify** because Shopify is built for e-commerce sales.

We also switched from MailChimp to **Klaviyo** and have seen that the email management tool works well for us. I am always so surprised at how much revenue we generate simply by sending an email to our customers, reminding them that we're here for them.

What have been the most influential books, podcasts, or other resources?

I love listening to the **How I Built This podcast**.

Books I would recommend are **Tribes by Seth Godin**, and **Measure What Matters by John Doerr**.

Advice for other entrepreneurs who want to get started or are just starting out?

Find someone you trust to give you candid feedback on your ideas. I started alone, and since I own the business and write the check and move quickly, I can make the mistake of thinking that all my ideas are good. That's just not the case.

Where can we go to learn more?

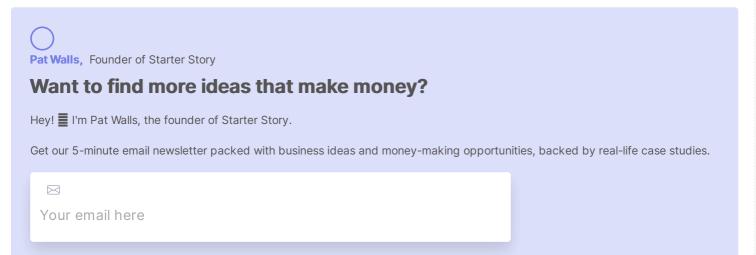
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If you have any questions or comments, drop a comment below!



Eli Mason has provided an update on their business!

Over 2 years ago, we followed up with Eli Mason to see **how they've been doing** since we published this article.





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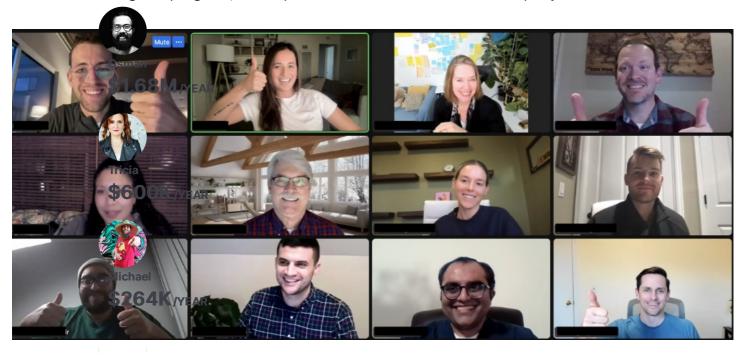
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