

KEGGERS

**Keggers**

New Brunswick, NJ 08901

908-906-0030

thekeggers.com

Founders:

Phanindra Cherukuri

Peter Generoso

Frank Nazario

Folaranmi Ogunfemi

Pablo Romero

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1. Executive Summary

Mission Statement

At Keggers, we strive to enable an efficient and reliable service between consumers and local liquor storeowners. How do we accomplish this? Through our online web application, consumers are able to find kegs through liquor stores relative to their position. So what does this exactly mean? On any occasion you can use our service to be able to see what kegs local stores have and reserve an order with the click of a button. All that is left to do is pick up the keg and pay upon arrival. We are saving both consumers and liquor storeowners' time and since we don't manage keg inventories ourselves, you can rely on us to just focus on the reservations.

Our primary goal is to become the largest keg reservation provider to the public with the ease of our service. Once we are able to hold a defining name with our consumers we plan on marketing to our secondary consumers, college students.

Market Aim

Our primary consumers will consist of local liquor storeowners. We are entering the online beer, wine, and liquor sales industry that generated about \$743 million in 2015, with beer sales only consisting of 39% of the revenue. Studies have also shown that from 2010 to 2020, consumers who are of age to drink will increase by 9.4%. With kegs averaging \$87, we are only charging local stores a small monthly subscription fee of \$350 and a yearly fee of \$5000.

We are also aiming to market our web application to college students due to the promising statistics that come with this demographic. Briefly, 21.6 million college students were enrolled in 2012 and out of this, 80% were drinkers. With younger adults being inclined to use technology that offer automated services, this will facilitate and bring more sales from college students while bringing in more revenue for our primary customers, liquor store owners. In the

current market, there are not any competitors that provide this service based on the user's relative location. Therefore, we will like to hone in on this niche and believe we will be able to with our service.

2. Market Analysis

Primary Customers' Industry Status

Keggers is targeting the Beer, Wine and Liquor Stores industry in the United States. In 2015, this industry had \$48.1 billion in sales (Petrillo 2015b). Beer sales composed about 22.8% of 2015 revenues (Petrillo 2015b). Within this beer segment, Keggers will specialize in keg sales. According to Petrillo (2015a), keg sales from the Beer Wholesaling industry to liquor stores accounted for only 5.2% of Beer Wholesaling revenue. This indicates that keg numbers are limited among liquor stores. This vacuum, the limited number of kegs and information about kegs, is what Keggers will take advantage of. Although we are targeting liquor stores, Keggers will also have secondary customers. Keggers will provide the general population, our secondary customer, with a means to find and reserve kegs quickly and intuitively from our primary customers.

Liquor stores will experience an influx of consumers in the coming years. At its peak, the Great Recession of 2008 caused the American consumer confidence index to decline. The years that followed saw a slow recovery, however, the consumer confidence index is expected to rise in 2015 (Petrillo 2015b). A high consumer confidence index correlates to more consumer spending. Additionally, the healthy eating index is projected to stay the same for the coming years (Petrillo 2015b). This means that health concerns regarding beer will be insignificant during purchase decisions. Liquor stores, like car dealerships, will also see an increase in

customers due to the passage of time alone. From 2010 to 2020, the population of those who are of drinking age is projected to grow at an annual rate of 9.4% (Petrillo 2015b).

Secondary Customers

College students, who are of legal drinking age, will be our secondary customer. First hand accounts obtained by Keggers indicate that college students are consistent consumers of alcohol. As of fall 2012, there are about 21.6 million students enrolled in colleges (12 Keys Rehab 2013). Out of this population, 80% of students drink alcohol or 17 million students (12 Keys Rehab 2013). Additionally, half of the college drinking population binge drink (12 Keys Rehab 2013). If this trend is extrapolated to 21-25 year old students, then Keggers can assume that demand for beer will be equivalent. This segment is also very technical. Young adults often utilize technology to automate services that older generations may not implement, such as depositing checks through a cellular device. Keggers will be competing with other businesses, for secondary customers, in the Online Beer, Wine and Liquor Stores industry. This industry had \$743.2 million in sales this year (Turk 2015). Our secondary customers comprise a “small proportion of the total drinking population, but this market generates a large portion of industry revenues” (Turk 2015). In 2015 alone, our secondary customers accounted for 27.1% of online revenues (Turk 2015). This market is expected to grow rapidly and will comprise of low-income earners who are looking for discounts on liquor through online sales. Keggers web application will satisfy this demand, which in turn will drive business to our primary customers.

There are several trends occurring in our primary customers industry that may benefit Keggers. Deregulation is most likely going to increase in the United States when it comes to selling alcohol (Petrillo 2015b). Non-traditional sellers, such as chain grocery stores, will be able to sell alcohol. This is a threat to our primary customers because they lack the economies of

scales that major retailers can leverage. Keggers will provide an attractive solution to this issue by putting, otherwise unknown family owned liquor stores, on a professionally built advertising platform. Keggers will allow local populations to interact with their local liquor stores online. This is important because states are very unlikely to allow cross border ownership of stores, so liquor store operators will likely concentrate on developing locally and maintaining a strong customer base through ads and marketing (Petrillo 2015b).

Online Market

Keggers has entered into an attractive industry. The Online Beer, Wine and Liquor Store industry is in its growth phase (Turk 2015). Similar to brick and mortar liquor stores, the online industry has a low concentration and low revenue volatility (Turk 2015). Additionally, online stores face heavy regulation, high barriers to entry and high levels of capital intensity (Turk 2015). In other words, online stores have expenses ranging from maintaining warehouses and paying for a license. Keggers is only a member of the Online Beer, Wine and Liquor Stores industry because it lets users browse for kegs online. That is the only similarity. Keggers maintains no physical inventory, nor does it sell kegs directly to consumers. This eliminates heavy burdens and lets Keggers take advantage of the online markets annual growth of 14.2% (Turk 2015).

3. Company Description

Here at Keggers, our philosophy is to make sure all keg reservations are done in an efficient and timely manner. What do we mean by this? We promise to make sure the front end of our web application is made to be user-friendly as well as setting up the back end to take care

of the reservations without error. If there are any errors with reservations we have a dedicated support service that will lead customers and liquor storeowners from beginning to end.

Company Information

Business Name: Keggers

Business Owners/Management: Folaranmi Ogunfemi, Pablo Romero, Phanindra

Cherukuri, Peter Generoso, Frank Nazario

Location: New Jersey, New Brunswick 08901

Ownership: Corporation

Company Phone: 908-906-0030

Industry: Online beer, wine, and liquor sales

Annual Growth: 14.2%

Niche: Kegs

1st Year Revenue Projection: <7,500

5th Year Revenue Projection: <100,000

Primary Market: Liquor storeowners

Secondary Market: Consumers (college students)

Company Core Strengths

One of the benefits that Keggers brings to the online liquor industry is that we are entrants that do not face the same consequences as our competitors. How? We do not manage any inventory of kegs/ sell them to the public, liquor license registration is not required, no worry of warehouse maintenance expenses. We are just streamlining the keg purchase processes between local liquor stores and consumers. Consumers do not have to worry about making a trip

to the store before it closes hoping their desired keg is in stock. Just use the Keggers web application and the consumer has already claimed their keg(s).

As a company we also understand that deregulation is only going to increase in the upcoming years. This means that well known franchises will be able to streamline their inventory to the web. By purchasing a monthly or yearly subscription, local liquor stores are still able to become relevant and market their products via our web application.

4. Business Environment Analysis

Strengths of the environment

- **Ability to control stock on hand:** Having the ability to control the inventory stock is imperative for players in the Online Beer, Wine & Liquor Industry, giving them the benefit of having deliveries arrive promptly. In the case of Keggers, there is no particular inventory stock of beer, wine, or liquor. However, the “inventory” comes with the respective inventories of the customers (liquor stores/distributors), and therefore, with the feature to reserve kegs comes the ability to control the stock of the “inventory.”
- **Website accessibility to secondary customers:** The quality, accessibility, and ease of use of consumer websites in this industry are crucial to allow for swift and efficient browsing of online inventory, and to speed up the number of transactions, which directly translates to profit. This strength comes into play for Keggers where the UI of the website and application is simple enough for the user to make their reservations with only a few clicks or taps of the screen.
- **Proximity to key markets:** Being located close to key markets will help industry players reduce transportation costs (Turk 2015). This is a vital aspect of Keggers because

the efficiency of the web app relies on its ability to take a buyer's search query, and return the closest distributors to them that have their choice of keg. Proximity is directly related to the chance of a consumer making a keg reservation.

- **Having links with suppliers:** Being able to source products from a large number of suppliers gives secondary customers a greater range of products to choose from and increases website traffic (Turk 2015). Keggers excels in its database of suppliers, as any stores that offers keg pick-ups will fall under the category of a potential supplier for secondary customers.

Weaknesses of the environment

- **High barriers to entry:**
 - In order to operate any sort of liquor distribution, a liquor license is required. The price of these licenses is mainly determined by supply and demand, which can cause prices to skyrocket upwards of hundreds of thousands dollars for players attempting to enter this industry. In addition to adequate licensing, there are also shipping restrictions. The amount of alcohol in shipments, and the number of times per year a customer can receive shipments of alcohol have very strict regulations. The proofing of certain types of alcohol is regulated by these restrictions as well. The restrictions vary in each US state (i.e. one case of wine per month in Nebraska, 60 containers of one liter per year in New Hampshire) (Turk 2015). States such as New Jersey and Massachusetts do not allow any shipping of alcohol. Operators must abide by each state law to avoid a penalty (Turk 2015).

- **Increased start-up costs:**

- Some states may require their retailers to operate from at least one brick-and-mortar storefront before they can open shop online, which increases start-up costs for players attempting to enter the Online Beer, Wine, and Liquor Sales industry. In addition, the company must also have a warehouse where they can store and distribute their product. Costs of these warehouse facilities can reach exorbitant levels depending on the size and features. Also, due to the fact that many states do not allow alcohol to be shipped across state lines, operators may choose to only serve in one state, thus limiting sales. The only alternative to this is to set up warehouses in each of the states they wish to serve and operate. This can result in increased overall capital costs, with each purchase or rent of a warehouse facility in the respective states.

Opportunities

- Concentration in this market is **low**.
 - The Online Beer, Wine & Liquor Sales market is very fragmented, with most industry retailers comprising less than 5.0% total market revenue (Turk 2015). Regulations for selling alcohol and direct-to-consumer shipping laws, which will vary on the basis of each state, have made it quite difficult for online alcohol retailers to increase their share hold in the market. The majority of states in the US ban online retailers from shipping alcohol directly to local residences of consumers, unless the retailer has in-state operations. In turn, the cost of doing business on a national scale has significantly increased, as retailers may have to open up operations in multiple locations (Turk 2015).

- However, these regulations also discourage large supermarkets and retailers like Costco and Stop & Shop from selling alcohol online, which in turn, **allows more opportunities for smaller online retailers to cater to a market niche** (Turk 2015). In the recent few years, market concentration has steadily increased as demand for online alcohol purchases has grown, which is leading to higher sales for the Online Beer, Wine, and Liquor Sales market's biggest industry operators.

5. Threats/Risk Analysis

Keggers lacks a storefront and doesn't have an inventory, we are not subject to the same risks that some of our competitors might have. These immunities include:

- No need for management of inventory distribution
- No need for Quality Control/Quality Assurance of product
- No need for general inventory management. We only need to keep maintenance on our database of inventory information from other stores/distributors.

Keggers still does face risks however, in the form of:

- Marketing/Promotion failure
- Acts of Nature
- Unreliable partner inventory
- Communication Issues With Partners

The Online Beer, Wine, and Liquor Sales industry is saturated with various industry operators requesting location and inventory based information from liquor stores. Store/distributors owners have become more critical and suspicious, causing the emergence of risks such as:

- Insufficient number of participating liquor store owners

- Partnering with stores that maintain poor or unreliable inventory management
 - Joint credibility with partners
- **The mitigation process of these risks includes:**
 - Low annual participation cost for liquor stores along with a 3-month free trial to demonstrate our service value. Stores can also assess profits made through Keggers based on the free trial.
 - Maintaining credibility with our customers hinges on our ability to maintain accurate inventory information. We will do so by keeping automated scripts running to pull the most up-to-date keg inventory information from our participating stores/distributors.
 - We will keep track of each unsuccessful reservations and provide details to the store owners to make them aware of their loss in business. This is in hopes that they will address the issue.

Another risk arises when Keggers provide users of the website/application with a large amount of the information that they seek, prior to any given transaction.

- They may simply use our site to view nearby liquor stores that have their preferred product, and leave without reserving it on the website/application.
- **The mitigation process of this risk includes:**
 - Recouping losses from customers who decide not to complete their reservations on our site, with the revenue received from participating stores that have an annual plan, and therefore pay the annual fee.
 - Since the annual fee is a temporary solution, we will focus on developing a large and secure network of participating stores/distributors as quickly as possible.

- Offering the 3-month free trial is the key to securing our network quickly.

6. Competitive Analysis

Internal Competition

The level of competition is moderate to medium within the Online Beer, Wine and Liquor Sales industry. Online liquor retailers usually attempt to compete by price, product portfolio, exemplary customer service, and website security. Retailers that can secure profitable supply-side contracts with other wineries, breweries or distilleries may be able to bypass cost savings to secondary customers in the form of lower prices. As a result, competitive product pricing is the key to driving secondary customer demand, particularly among low-income earners (e.g. secondary customers aged 21, college students).

In addition, industry operators that have a diverse product portfolio will appeal to secondary customers that want specialized alcohol, such as craft beer or wines from particular regions. In particular, large product selection may allow industry operators to garner a market niche among secondary customers that want alcohol that is not sold in brick-and-mortar stores. Additionally, strong customer service and website security ensure that customers will receive alcohol deliveries on time and that online payments are protected from fraud (Turk 2015).

Competition among industry operators is reciprocal to the time that secondary customers have to browse their inventory, and industry operators that can show exemplary customer service will be able to stand out among their competitors. Website accessibility and a easy-to-use user interface (UI) will also differentiate industry operators from their competitors internally. For less

technology-savvy secondary customers, such as the elderly, senior, and disabled populations, websites that are streamlined and user friendly will server to jump start consumer demand. To compete with other online retailers, many operators may utilize search engine optimization (SEO). SEO enables operators to use particular words and phrases to maximize their online visibility (Turk 2015).

Main Internal Competitors:

→ TotalWine.com

- ◆ Company's 2014 revenue estimated to be more than \$1.5 billion
- ◆ 113 stores in 16 different states:
 - Arizona, California, Connecticut, Delaware, Florida, Georgia, Maryland, Minnesota, Nevada, New Jersey, New Mexico, North Carolina, South Carolina, Texas, Virginia and Washington
- ◆ Offers online Keg orders/reservations for in-store pick up at any of their locations

→ BevMo!.com

- ◆ Company's revenue was estimated to be more than \$500 million as of September 2009
- ◆ 148 stores in 3 different states:
 - Arizona, California, and Washington
- ◆ Offers online orders/reservations for in-store pick up at any of their locations in the 3 states
- ◆ Also offers shipping of kegs within the 3 states

External Competition

The Online Beer, Wine, and Liquor Sales industry faces very high competition from popular alcohol wholesalers (i.e. Costco), local bars and liquor stores. and also supermarkets (i.e. Walmart, ShopRite, Wegmans) in states that are permitted to sell alcohol. Additionally, industry operators may have to compete with wineries, breweries and distilleries that can sell alcohol directly on their website. In states that strictly limit the sales of alcohol to liquor stores only, the external competition is quite low. In addition to this, if secondary customers are short on time, and cannot purchase alcohol along with their other household products (in states that permit only liquor stores to sell alcohol), they will more likely purchase alcohol from online retailers. \

In states that permit wholesalers and supermarkets to sell alcohol, secondary customers will purchase alcohol in bulk with other household products, which causes external competition for the Online Beer, Wine and Liquor Sales industry to intensify (Turk 2015).

7. Marketing Plan

The goal of Keggers is to connect buyers of kegs with the most convenient distributors around them, and therefore we plan to market the message that **we are making the process that is already in place, easier**. In order to find a keg of choice, secondary customers already go through the process of looking up, and then manually contacting (in person or by telephone) beer & liquor distributors in their vicinity to secure one.

We are not looking to add another contact to that list of distributors, but our goal is to streamline that process for secondary customers, and thereby make it more efficient for them, and less strenuous for distributors to deal with reservations. This solidifies the fact that we are indeed in the industry of Online Beer, Wine, and Liquor Sales, but we are not selling any of those products. We are providing a service to help secondary customers with finding a specific product in that category (kegs) while traveling a minimal distance to retrieve it, and therefore, save a valuable resource: **time**.

A pitch to primary customers (with the use of a visual presentation) will list out these simple steps in using our web application:

- 1) For owners of stores/distributors, user accounts made will be labeled “Business,” and the application will be free to use for up to 3 months with the purpose of letting the owners assess the profits made through being located on Keggers. Afterwards, business user accounts will have to choose between a monthly subscription of \$350 per month, or an annual subscription of \$5000.
- 2) Keggers will ask business owners to create a profile with:
 - a) Name of store/distributor
 - b) Location
 - c) E-mail
 - d) Store phone number
 - e) Owner’s contact phone number

- f) Space will be provided to update keg inventory, or an option to allow Keggers to directly access their inventory database and pull keg inventory information.
- 3) Automated e-mail/text messages will notify owners/staff of stores when reservations are made, which include timestamp of reservation and keg specifications.
- 4) Keggers will track number of keg reservations made to each store/distributor and their respective sales or non-sales.

A pitch to secondary customers (with the use of a visual presentation) will list out these simple steps in using our web application:

- 1) The application is free to use.
- 2) Keggers will ask you to create a simple profile with options for:
 - a) Name
 - b) E-mail
 - c) Phone number
- 3) Keggers will ask you for your location (city/town & state).
- 4) Keggers will ask you for a preferred keg size.
- 5) Keggers will ask you for your preferred beer manufacturer/brand.
- 6) Keggers will return a list of the stores/distributors closest to you in (increasing) radius that have your selected keg in stock, with a simple “Reserve” button, and an option to “Call” the store/distributor for each option.

- 7) Once the “Reserve” button has been clicked, an automated e-mail is sent to the store/distributor for the keg to be reserved up to 4 hours for in-store pickup. The user will be sent an e-mail/text with confirmation order number so that they can confirm their reservation when they go to pick up their keg. Age will be verified with a driver’s license/state identification in-store before purchase.

8. Operations Plan

As previously stated, the Keggers service is intended to allow users to view keg availability from local stores and reserve an order with the click of a button. Users will be able to pick up their orders at a later point in one short trip as opposed to the current model where consumers shop around at numerous physical locations or call several places and race to purchase their kegs before their product is purchased by another.

Milestones

The Keggers Operations milestones are split into two distinct phases. During the company’s first phase, the company seeks to develop its assets, reservation system and to become the largest keg reservation provider by leveraging the ease of use that the company’s assets and webapp provide. The second phase of the Keggers Operations Milestones will seek to leverage the credibility gained during phase one to focus marketing and efforts on a single college level target audience. This phase has less room for failure. It is important that the company has the ability to gain compliance from these key partners in order to plant the seeds for future success.

Phase 1

→ The primary goal is to become the largest keg reservation provider to the public with the ease of the Keggers service.

◆ Business Development Kickoff (**BDK**) date

- This will be the date that Keggers will use as a time reference for milestones.

◆ \$25,000 initial capital accounted for

○ **4 weeks from BDK**

- Contributed by the business ownership staff as well as any independent investors. The Keggers operating team is full of seasoned advertising and sales experts each with their own network of potential collaborators and investors.

◆ Webapp Go-Live

○ **6 weeks from BDK**

- Should be a simple programming assignment. The Kegger's development team and marketing team will collaborate digitally to ensure that the site is smooth, bug free, and represents the Keggers target audience

◆ 5 Contributing liquor stores within 30 miles of each other

- Our field representatives that make contact with liquor stores will do so in localized phases. We will assign the bulk of our representatives to the same area within a short period of time before moving on to another to ensure that the subscribers that we do achieve are in close proximity to one another and more importantly, are in competition with one another.

Keggers believes that the competition between liquor store may greatly influence the decision for one store to become a partner based on another store's participation.

◆ 5 Initial Subscribers

- **2 months from BDK**
- An additional incentive system will be put into place to reward initial business partners and entice them to be loyal and cooperative. These rewards will be determined based on the speed at which subscribers come to Keggers. The easier this milestone is to achieve, the less significant this incentive will be.

Phase 2

→ Once we are able to hold a defining name with our consumers we plan on marketing to our secondary consumers, college students.

◆ Store Profit Report delivery should be reliable and standardized by this point

- **9 weeks from BDK**
- The Keggers Research team will be responsible for disseminating individual store reports detailing sales made through Keggers and demonstrating the value that their Keggers subscription has brought them.

◆ 10 subscribers in the Rutgers New Brunswick area

- **10 weeks from BDK**
- From the start, Keggers will focus on operations within the New Brunswick area. Efforts will have to reach further than that area in order to gain the initial 5 subscribers as quickly as possible and boost the

company's credibility but the marketing focus on Rutgers liquor stores will be the main contributor to the achievement of this milestone.

Research & Development

It has already been mentioned that Keggers' competition is not of a direct nature. although there are many niche companies and web apps that seek to simplify the procurement of alcohol, no such competition seeks the same target audience nor the same target partners that Keggers intends to work with. The focus on research is therefore to be spent on product improvement and partner relationship care. This is to say that the main research team will work with new ways to provide descriptive profit reports, rewards and other value demonstrating services to our [partners, all while collaborating with the development team to engineer a progressively more intuitive webapp that will eventually function cross-platform

Disaster management and Crisis management plans

Keggers lacks a storefront and doesn't manage an inventory. The company is therefore not subject to the same kinds of risks that some of our competitors might have. In times of crisis, mobile inventory like delivery drivers, shipping, etc will not be concerns. Acts of nature can still cause issues with staff tasked with in person contact. The company's code of conduct will forbid in person marketing during government recognized states of emergency in all locations. Disasters that affect our partners are a different beast entirely. The company will mandate an in person consultation for updated inventory information in the event that any of our partner buildings suffer any kind of damage due to acts of nature.

9. Management and Organization

Key Team Members

Keggers has 5 equal shareholders, and therefore, roles in the corporation will not be traditional. Rather, they will be representative of responsibilities more than authority.

Keggers will be following a structure of **holacracy**:

- Phanindra Cherukuri
 - General Manager
- Peter Generoso
 - Marketing Head
- Frank Nazario
 - Communications Manager
- Folaranmi Ogunfemi
 - Operations Manager
- Pablo Romero
 - Head of Research

The research, marketing and development teams will each choose three representatives to serve on a board of directors that collaborate to determine situational standards of practice for varying areas that Keggers will be located in. Each college based location will eventually be assigned to the board as a separate case, sharing the same standards of practice but with different assigned field staff to make contact with the local liquor stores.

With this model, the company will expand its employee base from a bottom up approach, initially requiring more workers when a new college area has been made contact with.

This will expand the dominion of the board of directors and prompt hiring decisions from the 5 founders and their teams. Compensation will be determined by the board of directors with approval from the 5 main managers and will be based on the number of subordinates the employee works with. For the development and programming teams, the number of hours of work that management requests of each individual will be the chief determinant of wages.

10. Financial Plan

The Keggers company plans on establishing and growing a loyal base with liquor stores in effectively and efficiently increasing the sales of their keg inventory. Keggers will initially be funded by private investors and personal funds by its original founders, totaling \$25,000. Keggers then considered the budgeting plan and financial plans for the start-up and considering what was needed to set up the business, such as the business incorporation filing which would provide limited liability features of a corporation and operational flexibility of a partnership (Bizfilings 2015). The start-up also established a foundation for its website and mobile application by claiming a domain name (thekeggers.com) that requires renewal fee of about \$2,700 every two years, setting up both databases with Amazon RDS which the company decided to pay an upfront annual fee of \$2,700, and also accounting software for finances, and hiring contractors for the coding and design of the website and mobile application for roughly \$2,500 (Amazon 2015). The office space and utilities for day to day operations were also considered for the budget. In all, the initials costs could be potentially amount to \$10,000 with recurring monthly costs of about to \$4000 for the first year, with increases in the subsequent years for business essentials such as the domain name fee every two years and annual usage changes associated with the company's databases associated with Amazon. These are initial

costs that the company would have to deal with, and considering this is a start-up with a limited budget, most of the work would be done by the five founders of the business. The company anticipates major changes in the future in terms of budget and infrastructure as the Keggers plans to grow.

The Online Beer, Wine, and Liquor Sales Industry has a revenue of nearly \$743 million dollars as of 2015, with 39% of those sales consisting of beer and totaling about \$289 million (Turk 2015). A liquor store averages about \$400,000 in revenue each year, with 23% percent of those sales belonging to beer (Petrillo 2015). Considering that keg sales only account for about 5% of the Beer Wholesaling industry, Keggers plans to gradually increase that number of keg sales by charging subscription fees to essentially advertise liquor store keg inventories (Petrillo 2015). After the initial three month free trial for select local liquor stores, Keggers plans to charge a flat rate subscription fee in intervals of six months and one year, which would provide a simple earning and expense model for both the liquor business and Keggers. Keggers decided to offer a free three-month trial to select liquor stores to allow initial exposure to the college demographic and for the liquor stores to examine the benefits of essentially being advertised on a modern platform. After the initial trial, Keggers would be charging a \$500 fee per month for a six-month interval or a \$5,000 fee for an annual interval. Considering the average setup for Web Content Marketing costs between \$6,000 to \$12,000, Keggers wanted to replicate those numbers, at least the first stages of the business, to allow liquor stores to receive direct marketing to the college demographic and examine how Keggers can positively affect their business (Adspeed 2015). With the intention of targeting the Rutgers – New Brunswick students first, Keggers are focused on the 10-12 liquor stores in the Rutgers area that could potentially result in \$50,000 - \$70,000 in revenue. Understanding that the marketing and popularity of the company will be

gradual for the first few years, Keggers will be experience spikes in revenue in each quarter as it is dependent on subscription fees. Assuming Keggers expects each of its initial business to opt in on a six-month subscription fee at the end of their three-month trial, the last quarter would be an opportunity for the company to see an increase in revenue. If revenue and popularity continue to grow in the New-Brunswick area and other potential colleges, which is expected, the company expects a dramatic increase in revenue, as expressed in the 5-year financial projection, as it expands its business to other potential keg markets such as other college campuses. Small businesses always start slowly with limited funds, but with the cooperation of college students and local liquor stores, Keggers could dramatically change the liquor sales industry.

11. Appendix

- Contract agreements with each of the following businesses for the free three-month trial:
 - Peter's Liquors Inc
 - Kings of Kegs
 - Kilmer Liquors
 - American Liquor Corporation
 - Buy Rite
 - Rutgers Wine and Liquor Inc
 - Liquor City South
 - Witty's Liquors
 - Fine Wines and Liquors
 - Bridge Liquor
- Trademark for "Keggers" name and logo

- Rental agreement for office space on Livingston Avenue in New Brunswick, NJ

Keggers - Financial Plan			
Funding	Amount		
Private Investors	\$ 10,000.00		
Personal Funds	\$ 15,000.00		
Total	\$ 25,000.00		
Start-Up Budget			
Item	Category	One Time Cost	Recurring Cost (per month)
Business Incorporation Filing	Legal	\$ 550.00	
Amazon RDS (Annual Fee)	WebHosting	\$ 2,700.00	
Internet Domain Name (2 Years) - thekeggers.com	Marketing	\$ 2,700.00	\$ 15.00
QuickBooks Accounting Software	Software		\$ 24.00
Website/App Programming Contractor	IT	\$ 2,500.00	
Office Space (Rent and Utilities)	Office	\$ 1,500.00	\$ 2,000.00
Total		\$ 9,950.00	\$ 2,039.00
First Year Financial Projection	Revenue	Expenses	Cash Balance
StartUp	\$ 30,000.00	\$ 12,000.00	\$ 30,000.00
1st Quarter (Initial Free Trial)	\$ -	\$ 4,000.00	\$ 18,000.00
2nd Quarter	\$ 3,500.00	\$ 4,250.00	\$ 19,250.00
3rd Quarter	\$ 3,500.00	\$ 4,400.00	\$ 20,350.00
4th Quarter	\$ 27,000.00	\$ 4,450.00	\$ 24,500.00
5 Year Financial Projection	Revenue	Expenses	Cash Balance
1st Year	\$ 27,000.00	\$ 4,450.00	\$ 24,500.00
2nd Year	\$ 35,000.00	\$ 5,000.00	\$ 32,000.00
3rd Year	\$ 45,000.00	\$ 7,500.00	\$ 50,000.00
4th Year	\$ 100,000.00	\$ 10,000.00	\$ 105,000.00
5th Year	\$ 130,000.00	\$ 11,500.00	\$ 135,000.00

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KEGGERS

**Keggers**

New Brunswick, NJ 08901

908-906-0030

thekeggers.com

Founders:

Phanindra Cherukuri

Peter Generoso

Frank Nazario

Folaranmi Ogunfemi

Pablo Romero