



PROMENADE
for Alcohol

LIQUOR STORE OWNER'S GUIDE TO SURVIVING 2023



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Introduction

As a local liquor store owner, we know you deal with many challenges daily. Some of them may be difficult to predict, and you have to tackle them as they come. For some challenges, however, you can prepare yourself in advance. Being ready for the challenges expected in 2023 will save you time and money. Knowing what to do to overcome these obstacles will help you make 2023 a year of success and expansion for your business! In this guide, you'll find out how to deal with these predicted issues:

That's why in this guide, you'll find out how to deal with these pressing issues:

- Supply Shortage
- Staffing Issues
- Inflation

Additionally, we'll let you in on our little secrets for setting up critical elements for any small business in 2023:

- A budget-friendly marketing strategy
- An e-commerce website

We know that, as a business owner, you're super busy. That's why we created this helpful ebook with (easy and doable) tips for overcoming the challenges of 2023. Let's make your business thrive together!

What Awaits Liquor Stores in 2023 (And Beyond)

This guide is all about problems, but we don't want to seem negative – so let us start with some good news. The beverage industry in the US can expect to see growth in 2023 and beyond.

As research shows, the beverage industry will grow with an increase in overall consumer spending. Growth factors include younger generations reaching the legal drinking age and rising demand for premium beverages and pre-made mixed drinks.

This is great news, but we have a few others you may not like as much: heavy external competition will grow as more large retailers enter the industry, and small players may find it hard to compete. Additionally, the demand for craft beer will likely decrease.

However, for liquor store owners, there's not too much to worry about, especially if you are well-prepared for the potential challenges the year may bring. Without further ado, let's get into the nitty gritty of 2023.



Beating Supply Shortage

After two years of pandemic-related supply and inventory shortages, we all hoped things would return back to normal in 2023 – unfortunately that won't be the case. How come, you might ask – since the pandemic is over? Well, here are some reasons:

- **The pandemic aftermath** – Remember those difficult quarantine days you spent ordering everything online? Well, millions of people across the country were doing the same thing, all while manufacturers were cutting supplies and retailers were stocking up inventory. These chains have become more flexible since, however, the road to full recovery is too bulky to be as quick as many hoped for.
- **Infrastructural challenges** – Since the start of 2022, ships are stalled at ports for an average of seven days – which is a 20% increase since 2020¹. Even with a \$550 billion federal investment into infrastructure², such huge structural changes will need multiple years to take effect, meaning that shippers will use outdated tracks for years to come.
- **Poor driver retention** – The American Trucking Association³ showcased that the driver shortage is an all-time high in the industry, with a minus of 80,000 drivers. And, by 2030, there is a chance the shortage could surpass 160,000 drivers. Even with increased wages and working conditions for drivers, the chances are we will still see a shortage of workers needed for the supply chain to return to normal

We, unfortunately, can't end this global crisis, we can help your small business withstand and pivot in these trying times. Here are our three most effective short- and long-term strategies to help you manage any future challenges with the most optimal results.

¹ <https://www.nytimes.com/2022/02/01/business/supply-chain-disruption.html>

² <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/28/fact-sheet-historic-bipartisan-infrastructure-deal/>

³ <https://www.trucking.org/news-insights/ata-chief-economist-pegs-driver-shortage-historic-high>

#1 Diversify Shipment & Supply Options

Nipping the problems of shipping and supply in the bud won't be easy since these are huge structural issues that will affect all business owners in 2023. To get around them, however, try diversifying your shipment and supply options.

To put it plainly: with just one supplier, the chances of experiencing a shortage of something rise. If you want to shorten your delays considerably, obtain backup importers, turn to local suppliers, or even switch the Asian lanes for Mexican ones.

By introducing new suppliers that receive cargo at different ports (especially those with shorter delays than the one you are using now), you'll be able to acquire and manage your supplies better and keep the production on schedule.

#2 Influence Consumer Demand With Strategic Merchandising

The biggest issue with supply shortages is the mismatch your business is experiencing between the consumer demand and the supply capacity of your business. To overcome this discrepancy, you can try to lower the demand for unavailable or unpredictable products.

Start with an analysis of your products: log products that are in high demand, as well as those that are unavailable or have low stock. Once the lists are completed, devise a plan to use more of the most available high-demand products.

Consider all the ways you can promote the products that are most accessible. Highlight them on your website and in your store. Increase their promotion on social media or through emails. Social media platforms can become your best friend in this endeavor. By creating contests and giveaways and creating buzz around available products, you'll ensure enough visibility for these products.

Create specials for holidays that use the liquor you'd like customers to buy most. Planning ahead and being intentional with your promotions and advertising will help you more confidently overcome any supply shortages in 2023.

#3 Stop-Gap Solution: Focus on Customer Care

Introducing stop-gap solutions like heightened customer care is crucial to managing a difficult situation as it unfolds. After all, owning a business is all about retaining customers, and transparent and responsive communication will get you a long way.

Although it's a compelling option when handling delays, the worst thing you can do in a crisis is over-promise to clients, keep them in the dark, or be overly optimistic when setting expectations about the return of products. Rather than promise a hopeful date for the return of a sought-after item, you'll be much better off setting realistic predictions instead. Again, social media will be a great aid in keeping customers in the loop about product availability dates and quantities.

PRO TIP If you have an e-commerce website of your own, consider implementing a “notify me” button for sold-out products. This way, you'll keep customers informed and help them get their hands on the desired products without jeopardizing customer loyalty.

Shipping disruptions are a definite problem that we'll be dealing with in 2023. While you can't influence what happens with the source of the issue, you can manage how you resolve the situation. With a proactive, communicative, and hands-on approach, there's no doubt you'll manage anything the supply chain turmoil throws your way.

Overcoming Staffing Issues

You may have heard about The Great Resignation, the term many use to describe the labor shortage brought about by the pandemic. And even if you didn't, we're sure you are all too familiar with the problem. Let's take a closer look at the roots of the staffing challenges and how you can best address this issue.

Data from August 2022 shows that with over 10 million job openings across industries, there are still around 6 million unemployed workers⁴. According to the U.S. Chamber of Commerce, here are the most important reasons people are not returning to the workforce:

- **An increase in savings** – The enhanced unemployment benefits, which lasted until September 2021, stimulus checks, and the Lockdown imposed frugality added about \$4 trillion to the collective American savings accounts⁵.
- **Early retirement** – In October 2021, over 50% of adults that are 55 and older have gone into early retirement due to the COVID-19 recession and gradual labor market⁶.
- **Poor access to childcare** – Due to the pandemic, many childcare providers had to close or scale down, forcing around 370,600 people into unemployment⁷. The massive shutdowns created an endless loop – to return to work, people require childcare, and at the same time, childcare providers were, and still are, facing challenges in their own industry.
- **Increase in entrepreneurship** – Many who left the workforce used their savings to start new businesses. Since 2020, almost 10 million business applications have been put in place, and over 4 million new businesses opened⁸.

In this climate, you, as a business owner, are surely wondering what you can do to attract and retain more quality talent. First, take a look at the key findings from the U.S. Chamber of Commerce survey⁹ conducted among unemployed Americans.

⁴ <https://www.uschamber.com/workforce/understanding-americas-labor-shortage>

⁵ <https://www.cnbc.com/2021/08/03/most-of-americas-extra-pandemic-savings-are-going-to-the-wealthy-.html>

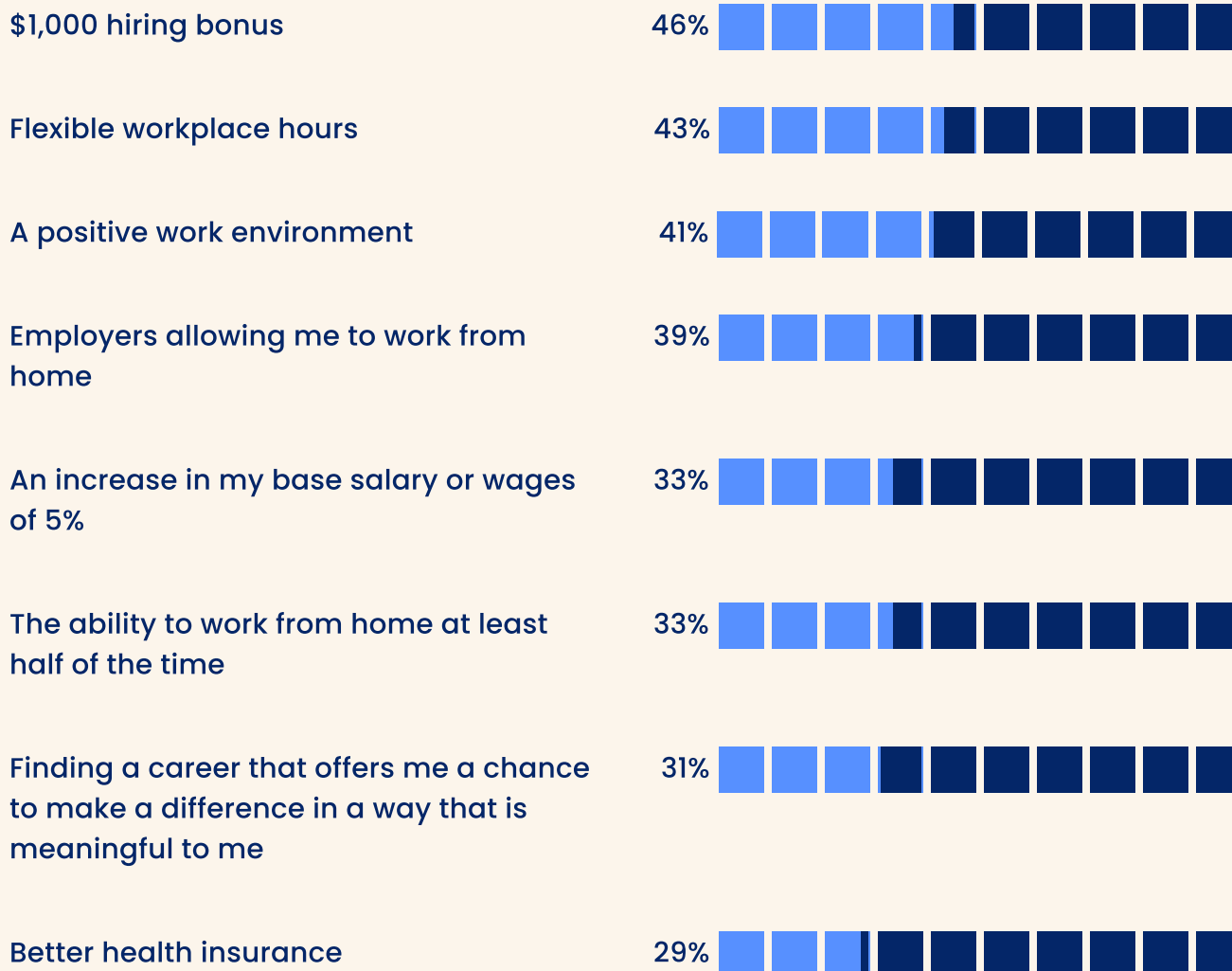
⁶ <https://www.pewresearch.org/fact-tank/2021/11/04/amid-the-pandemic-a-rising-share-of-older-u-s-adults-are-now-retired/>

⁷ <https://nwlc.org/wp-content/uploads/2020/08/ChildCareWorkersFS.pdf>

⁸ <https://www.salesforce.com/blog/small-business-pandemic-entrepreneurs/>

⁹ <https://www.uschamber.com/workforce/new-updated-poll-the-covid-19-unemployed>

Q: Which of the following would increase your urgency to return to full-time employment?



Source: U.S. Chamber of Commerce

Although many reasons why people aren't getting employed are of financial nature, there is still more to it than just finances. As a small business owner, you may not have the option to always increase wages or offer large bonuses, so it's important to make a plan for hiring and retaining staff that helps your workers feel valued and respected. Here are a few steps that will help make that happen.

#1 Close the Communication Gap

Dedicated staff that will stay with you for the long run wants to see the perks and possible opportunities of being employed at your business. For employees to feel like they can grow and learn on a daily, you need to ensure their voice is heard by the management.

Close the communication gap by putting in place regular meetings in which employees are the ones doing the talking. Take their insight seriously, and you will not just make them feel appreciated and valued but will gain valuable knowledge on how to ensure your business operates more efficiently. Use these meetings to provide clear pathways to promotions and give your employees a clear and exciting idea of their future.

Ask your best employees what, apart from money, would make their working conditions better. Additionally, take a chance to learn from employees leaving the business. Perform a departing interview with former employees and ask for their honest review of the working conditions, as well as for an in-depth explanation of work-related reasons for their leaving.

#2 Offer Schedule Control and Flexibility

We know it's impossible to provide child-care assistance at the liquor store, but your employees will appreciate the option to work with you in creating their working schedule. A little flexibility goes a long way: collectively agreed-upon shifts are proven to attract top talent, improve employee retention and engagement, as well as increase overall performance.

Share schedule control by using a shared scheduling platform (even a free Google calendar might work). Scheduling platforms provide employees with the opportunity to update and switch their shifts and schedules in real-time, surpassing the usual problems of miscommunication and resentment in the collective.

#3 Foster and Reward Employee Development

When it comes to everyday operational decisions, it's essential your employees feel competent and confident in their abilities. After all, since they engage with customers daily, they need enough freedom to do their job efficiently, fulfill customer demands, and create a positive customer experience overall.

Make sure your employees know they're trusted to handle a variety of decisions their position throws their way. Of course, that requires that all employees are both aware of and comply with the same business standards. Once the rules of the game are set, allow employees to make necessary decisions and help the business run smoothly. They'll feel more engaged and invested in their work.

Great employees are those that are motivated, and most people love working in a place where they can recognize and envision their ability to grow. Encourage ambitious employees by giving them the option to take on additional responsibilities, and shifts and even take a swing at completely new roles (under mentorship, of course). By expanding their expertise and experience, you'll show care for their goals and professional development. And once they feel invested, they'll share your mission.

PROTIP Is your business a minority-/LGBTQI+/women-/veteran-owned? Did you know that by putting your values out there, you can recruit more long-term talent? Research shows that most ethnic, gender, sexual, and other minorities feel left out and unwanted at their workplace, especially when working for large companies¹⁰.

By making your mission and company values public, you may attract more potential workers who want to spend time and energy working for a business just like yours. The statistics show that people prefer working with employees who share their values¹¹ and shared values and a positive work environment tend to increase performance overall.

¹⁰ <https://globescan.com/2022/02/25/insight-of-the-week-most-minority-employees-have-felt-left-out-in-the-workplace/>

¹¹ <https://www.spiceworks.com/hr/diversity-inclusion/news/51-job-seekers-inclined-to-work-for-minority-owned-company/>

Adapting to Inflation

Inflation is, unfortunately, another problem that is here to stay for a while. However, in 2023, we can expect it to drop from 2022's rate of 8% to 3.5%¹² – which is great news!

Other great news is that the beer, wine, and liquor industry proves to be slightly more resilient to negative economic shifts. On the one hand, alcoholic beverages are considered affordable luxuries, while on the other – people tend to actually drink more when times are hard.

Even if you're confident in your business, it doesn't hurt to consider a few practices that can help offset economic issues and support the growth and expansion of your business. Here are the most successful practices, per the Small Business Recovery Report, to not only adjust but thrive amidst inflation.

#1 Switch Up Prices / Upsell Customers

In March 2022, we saw an average 21% increase in prices across industries, mainly because of increased costs from vendors (54%) and raw materials (45%). One way to deal with the increased costs is by increasing the prices of your products.

The other solution would be to focus more on upselling customers. Some liquor store owners report keeping their prices the same (or slightly up) while enhancing marketing efforts and customer engagement toward upselling to premium products.

#2 Invest in Branding and Marketing

About 57% of larger and medium small businesses and 29% of the smallest ones cite branding as the primary way they put their business on the map. Most of them use social media to differentiate themselves from the stiff competition. Predicted trends for 2023 say that the beverage industry will largely increase their presence on social media and online advertising. When searching for a 'liquor store near me', consumers turn to online sources such as Google and social media platforms such as Facebook and Instagram. You can build awareness of your brand and engage with customers

¹² <https://www.kiplinger.com/economic-forecasts/inflation#:~:text=Inflation%20will%20end%202022%20at,the%20economy%20slows%20next%20year.>

on social media. Don't forget the importance of online reviews. Spend time on your liquor store's profile on Google; it will help more local people find you and leave reviews.

#3 Acquire Additional Funding

The inflation got many small businesses to rethink the ways they manage their cash flow. In order to avoid the potential situation of simply making ends meet, about 46% of local owners will be covering inflation costs with additional capital, acquired by applying for credit¹³. Here's a step by step guide to preparing a strong business case that will position your business as worthy of investment.

¹³ <https://newsroom.kabbage.com/news/new-kabbage-survey-shows-80-of-u-s-small-businesses-are-confident-they-could-withstand-a-u-s-economic-recession/>



1. Figure Out Your Funding Source

First things first – you have to choose the right source of your funding. No financial solution is a one-size-fits-all, but most businesses go for one of these three most common funding sources:

- **Investors** – Most investors work either as individuals, also known as “angel investors,” or as venture capital firms. Whichever type of investment you decide on, make sure to do thorough background research on the firm to ensure you’re turning to a reputable investor.
- **Crowdfunding** – Need capital but don’t want to give away a share of your business nor provide a financial return? Crowdfunding is the way to go – all you’ll have to provide is a one-time gift or store-credits (oh, and closely read the financial and legal obligations of obtaining crowdfunding).
- **Loans** – A bank or credit union loan will get you capital, and you won’t be giving away any control of your business. Pro tip: don’t settle on a loan before getting a few offers and comparing them to choose the best one

2. Make the Business Case

Every funding source you land on requires different types of documents and statements to make your case. However, most of the time you’ll need a solid business case.

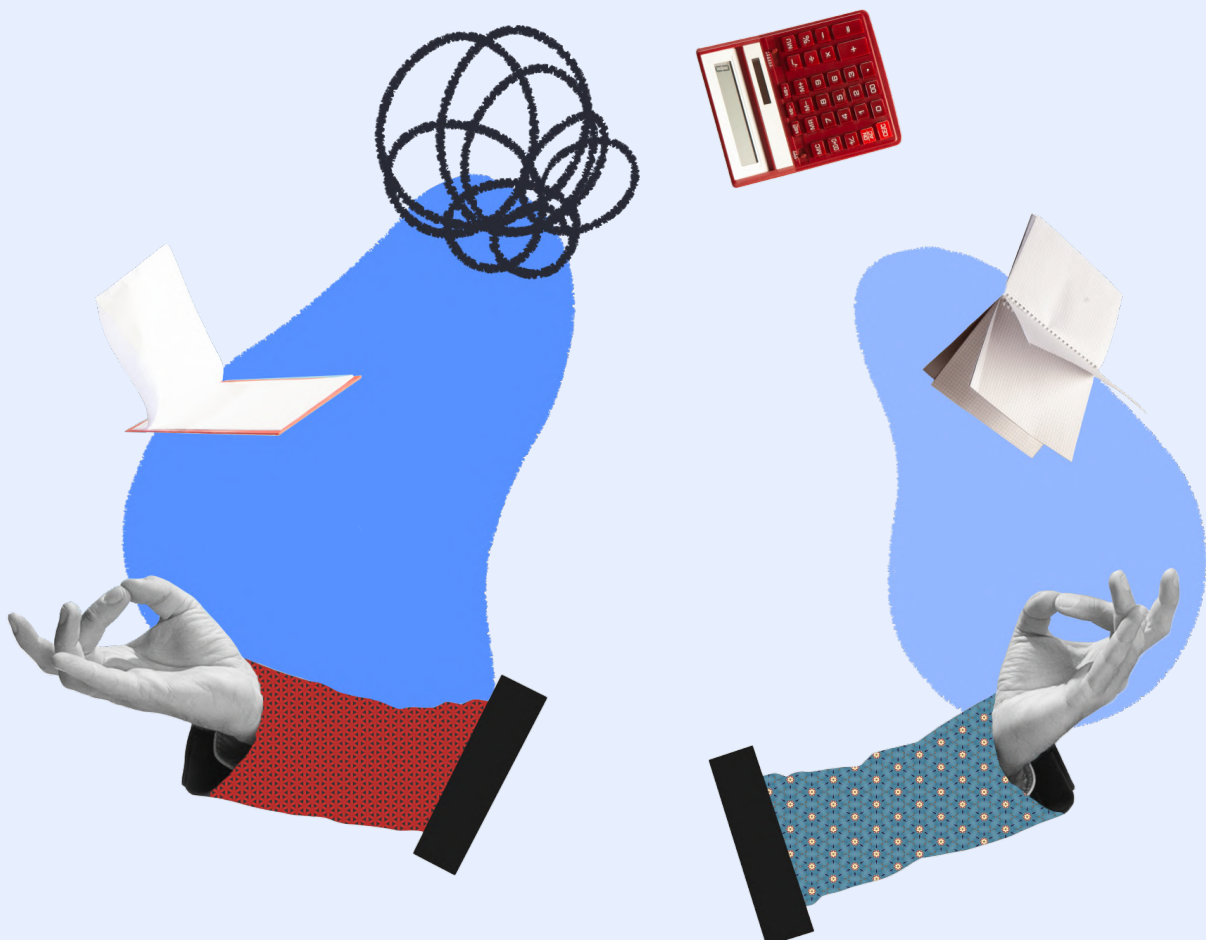
In this statement, discuss the reasons for requesting funding, and include the total amount you need. Showcase why this amount is required to provide assurance that the money won’t be mishandled. For a more detailed look at how to write a business plan visit this [U.S. Small Business Administration guide](#).

3. Collect Your Financial Statements

You should provide funding sources with all the relevant financial statements, including:

- **Financial history statement** – Reports of revenue, expenses, and profit over time show that your business is going in a solid. If you don’t have proof of positive growth, collect your financial history and explain how additional funding will help you move on to bigger things.

- **Business credit report** – An accurate business credit showcases you are financially responsible. Get your report form and score improvement indicators from [Dun & Bradstreet](#).
- **Business valuation** – There are many ways to determine how much your business is worth. The most popular methods are doing a self-valuation or contacting and [selecting a qualified business appraiser](#).
- **Business forecast** – Whatever the past of your business may be, it's the future that matters – and a detailed forecast is the best way to predict it. Complete a quantitative of your business's revenue and expenses, and include the methodology of estimation for a strong forecast.





The Two Critical Needs of Any Independent Liquor Store in 2023

No matter what problems or challenges the next year brings, there's something to be said about considering the critical needs of your business, no matter the context. There are two key points you should invest time in, and that's creating a marketing strategy and establishing an e-commerce website.

A **marketing strategy** will help you organize your efforts, plan ahead and avoid unnecessary strolling while making business decisions. It will point you in the right direction and give you the frame to follow.

Having a professional **e-commerce website** is crucial for any contemporary business. Numbers show that alcohol e-commerce is expected to grow over 66% in the next three years. And even when customers aren't shopping online, they tend to search for the store's website before deciding to visit it. Without a professional e-commerce website, you risk losing customers and thousands of dollars each month.

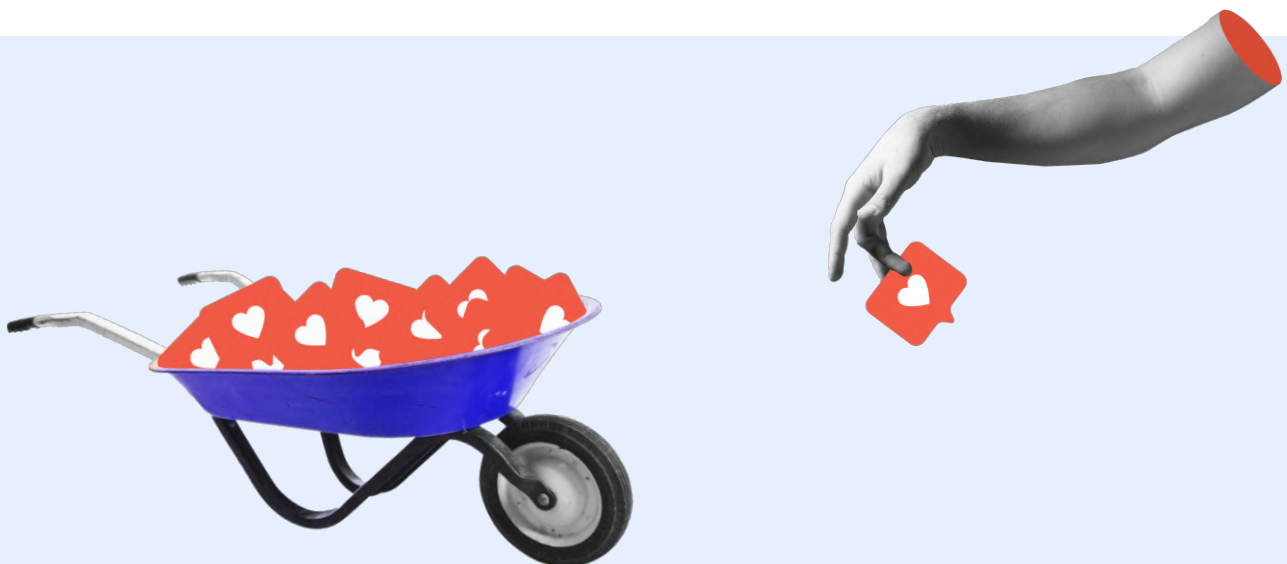
Creating a Budget-Friendly Marketing Strategy

Creating a marketing strategy means making a strategic plan for your business growth while focusing on marketing. As people nowadays spend a large portion of their time online, treating digital marketing as a side thing is no longer an option. Regarding digital marketing channels, the main ones for putting your restaurant on the spot are - social media and emails.

Social Media

Social media is an excellent way to promote your store and increase brand awareness. And it's also cost-effective! Creating genuine content will build relationships with your customers and put your business on the spot - making it both exciting and memorable. Based on your audience, choose the platform that covers all types of content you need. Statista shows that 73% of people aged 45-64 (who are accountable for 41,6% revenue in beverage industry) are on Facebook, while 29% are on Instagram. Facebook and Instagram are great online platforms for your everyday content, direct advertising, and promotion. Be sure to share content in creative and compelling ways and provide written and visual content.

Are you worried about the set-up and management cost of your social media profiles? Don't be. The set-up is free, and there are plenty of options and low-cost solutions to manage your social media presence. From hiring personal consultants and companies to college interns and part-time social media managers to your ranks.



Email Marketing

Another great way to embark on a digital marketing journey is through email marketing. It allows you to engage with your customers on a much more personal level and to deepen your customer relationship. And it's a channel of communication that is practically free, yet brings the highest return on investment of them all!

All you have to do is build your email list and plan the content and the frequency of your emails. Building your email list doesn't require any technical skills. It only takes adding a pop-up form to your website, which gives your customers a quick way to subscribe to your newsletter.

Considering that more than 40% of people report they like to receive personalized offers based on their preferences, purchase history, and current location, this is an opportunity you don't want to miss. You can send exclusive and promotional offers, discounts, holiday wishes, or other relevant information about your offer.

Email marketing is a powerful tool for building customer loyalty and audience growth. However, it is important not to send emails too often. Otherwise, your customers will feel like you're spamming them. Also, you can set expectations with your customer base about the frequency and the type of content they will receive. If your customers know when and what to expect, it's more likely they will open your emails. Sending one email weekly is a good approach.

With email marketing, you can expect several significant benefits:

- You will create advocates
- You will increase organic recommendations
- You will build repeat business

A solid marketing strategy will put your business on the map, and ensure you get a continuous stream of customers – both new and existing ones. Once you get their attention, all you need to do is direct them to your storefront – whether it's the brick-and-mortar store or your e-commerce website. However, that requires you to have a well-created website that provides a smooth and memorable shopping experience. Let's get into it.

Establishing Your E-commerce Website

A professional e-commerce website enables you to:

- **Attract new customers.** An e-commerce website that is SEO optimized will bring more customers and increase your revenue.
- **Increase the credibility of your business and grow brand awareness.** Customers can visit your website for information about your store and the offer. This makes your store seem trustworthy and relevant, and your brand awareness will increase.
- **Highlight the unique values of your brand and offer.** Your website is perfect for telling your story, sharing information about your offer, and highlighting the unique quality.
- **Be in charge of your online orders and delivery.** A website allows you to offer online ordering and delivery while being in charge of it, without using third-party services.
- **Keep your customer information and grow a loyal customer base.** Since the website is yours, you will keep all your customer information. You can create a database to boost your further sales with this information.

How to do it?

The best two options for establishing your e-commerce website are: hiring a website designer or choosing a business platform to bring your store online.

Option #1: Hire a website designer

The cost of hiring a website designer can be expensive. The prices range from a few thousand dollars to 10K or more – depending on the number of web pages, the complexity of the website, and the fee your chosen designer charges. Before approaching a website designer, prepare the approximate number of web pages so that they can give you an exact offer. Building the website this way can last up to three months or more, depending on the designer's schedule.

Option #2: Select a business platform to bring your business online

Solutions that offer building customized websites are a quick-and-easy way to go. These complete e-commerce platforms will also provide you with a package of tools for running and managing your back-office operations. Unlike a simple website, an e-commerce platform enables you to process orders and delivery, track customer information, and update and manage inventory. Be sure to look for an e-commerce platform that is simple to use while offering all the tools you need.

When deciding between these two options, think about what fits your business best and how to stay loyal to your brand and your brand's story. The design you choose should represent your business. You should use your logo and your brand colors. Be sure to upload high-quality, presentable, and professional-looking photos. If you're unsure how to achieve this, we advise hiring a photographer. After all, a picture is worth a thousand words. Your e-commerce website should be simple to use – for you and your customers. When your website is up and running, the following steps are setting up your online store and driving traffic to your website.

Setting Up Your Online Store

Setting up your online store is all about providing customers with a great shopping experience. Since people do everything on their mobile phones these days, you should first make sure your website is mobile-optimized. Just imagine how frustrating it would be if your website is not working correctly when people visit it from their phones. Your store would lose credibility instantly, and many would decide not to order.

To create a great ordering experience, consider including features such as:

- A quick ordering and reordering system
- Simple payment processing
- Easy navigation
- Delivery scheduling
- Delivery tracking
- Product search

Another great feature to include on your website is automatic upselling and cross-selling of your products. With this feature, your customers will be encouraged to add more related items to their shopping cart during checkout, increasing your average order value (AOV).

Driving Traffic to Your Website

Two simple ways to drive traffic to your website are SEO optimization, and social media & email marketing.

#1 SEO Optimization

Search Engine Optimization (SEO) will make your website a magnet for attracting visitors. It is a process aimed at increasing the ranks of your website appearing on search results. For example, when someone searches for “liquor store near me,” if your website is optimized, your store will appear at the top of the results. Seeing your store at the top results will make your business seem trustworthy and increase the chances of customers choosing your brand over competitors. SEO optimization is a step you shouldn't skip when setting up your online store.

The Three Essential Aspects of Website SEO:

- **On-page optimization.** To achieve on-page optimization, you should add keywords to your website and include all relevant information, accurate descriptions, and valid images. To discover which keywords are suitable for your business, you can try using free online tools such as Semrush Keyword Magic Tools, AnswerThePublic, and similar.
- **Content optimization.** Your content should answer consumers' needs and wants. When adding content to your website, avoid writing general phrases, and focus on producing short, relevant, authentic descriptions. Always add keywords.
- **Technical optimization.** Make your website user-friendly. Ensure that the security of your website is high while the load time is low. Mobile optimization is a must.

SEO optimization can be challenging if you are new to it. But, with the right information, you can do it smoothly. If you don't have time or will to deal with it by yourself, you can hire a company that provides the service of website optimization.

#2 Social Media & Email Marketing

Social media and email marketing are great ways to promote your brand and drive traffic to your website. At the same time, you can connect with your customers, build relationships, and send them to your website to order products. When creating social media content, you should post actively and post genuine content. Write captions from the heart, share your story, and be sincere and authentic. Some of your content should directly lead them to your website. You can add links to your website – on your posts and stories.

Another great way to drive traffic and connect with customers is email marketing. You can send monthly or weekly offers and purchase reminders. Consider sending your customers happy birthday emails with special offers as well. It will make them love you even more. Be sure to include the link to your website in all your emails.

Are you old school? Old schoolers are cool. We've got you covered.

Even if you're not prone to new technologies, that shouldn't stop you from having a professional e-commerce website. Today's modern platforms make the process quick and seamless. Companies do the work for you, and you have access to their customer support for issues.

Promenade for Alcohol is a complete e-commerce solution built from the ground up for liquor stores. We provide a custom-branded website that offers your customers online ordering and delivery, social media and email marketing services, and back-office management. We focus solely on helping local businesses thrive against big retailers. With Promenade, you'll have a new revenue source with online ordering. Let's partner to grow your business.

[Book a demo](#) to see how we can help your liquor store business grow.