

SIX ESSENTIAL CHANGES



Your Municipal Liquor Store Needs to Make today
to Survive the Next Decade.

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Not every day in the municipal liquor business is Christmas Eve. It's hard work with very little margin for profit. Since the start, you've known how hard it is because you've grown this business yourself. Today, it's harder than ever: the margins are small, the hours are long, and the emergence of large chain retailers has put the fear of god into all of us.

Now pandemics are threatening the very fabric of the municipal liquor store business. While there have been some notable successes in our area, it's not the norm. In 2014, **34 Minnesota cities lost a total of \$480,000** on their liquor outlets. Not all municipal liquor stores are created equal, it seems.

That said, there's some hope. Sales have still seen an overall

increase over the course of the past decade. Advancements in technology have the potential to give us greater insight into how our business is run. That's important because consumers are now more knowledgeable about products than they've ever been in the past.

The internet, mobile technology, and a culture obsessed with on-demand items have changed the way the game is played. Demands for delivery and carryout will only increase. For your business to succeed and thrive, it needs to become more mobile, and adapt to changes in the way the customer thinks and the way you do business. Doing so ensures that not only will your store survive, it will make you money.

There's just one problem:

**NO ONE EVER TAUGHT
YOU HOW TO DO THIS.**

Municipal liquor stores have some very savvy business operators. They have to be, right? It's a tough business. That said, there are tools available to you right now that you just aren't using. Look, it's not your fault. You've seen fads come and go. That prudent nature has gotten you this far, but it's time to make some changes.

The ideas that have made Municipal Liquor stores great are the same things holding them back today.

We're entering a new era of commerce. The internet has changed things. Technology used to be expensive with a short shelf life before it became obsolete. Now the municipal store operator can deploy a cloud-based system that grows with an operation. The operator who has struggled to get a complete view of their success and opportunities have relied on spreadsheets and good ol' grey matter. Let's face it, if the operator got hit by a bus, a lot of those operations would be sunk. A good rule of thumb: if you left the liquor store for 4 weeks would it be the same or better? Chances are your antiquated systems are holding you back.

What got you here isn't going to help get you where you need to go. Here are six changes you need to make today to ensure that your business has the greatest chance to survive and flourish.

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UPDATE YOUR SYSTEM TO SOMETHING FROM THIS DECADE.

We've all seen the movies where the rogue AI hacks a computer network and kills off all the humans one-by-one. There's a reason that type of movie is perpetually popular: technology can be a huge pain in the butt. That said, when you use it right, technology can make your life a whole lot easier.

It's usually easier to just keep going with what you know, right? If it ain't broke, don't fix it. The problem is, your software probably is broken. How can you tell? It's slow, buggy, and crashes fairly frequently for starters. Not only is this a problem for your customers (who wants to wait around for a receipt to print out?) It's a HUGE problem for your employees. Having unreliable software is a great way to make an otherwise fun job totally suck.

We'll get more into the nitty gritty of some of these next points further along, but who doesn't love a quick list to

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see what you're missing out on when you use system software that's legally old enough to buy cigarettes. You wouldn't use the same delivery truck for 20 years without taking it in for a tune up. Why are you doing that with your operations hub?

WHY YOU NEED TO UPDATE YOUR POS OPERATIONS HUB TODAY.

- **Better integration with other software** -- These days things like scheduling, customer analytics, and payment processing are all linked together. If you're using eight different programs to do these things, you're wasting a ton of time. Related, if you're just NOT doing those things -- well, you're losing out on a ton of money.
- **It can level the playing field with large chains** -- If you use old software, you're playing the game with one hand tied behind your back. The big chains that are coming into town are using the best software already. They've integrated these features, and now they're coming for your business. It's time to level the playing field.
- **Your employees will thank you.** -- Yes, there's always the inevitable backlash on learning a new system. The good news is that most software written today has UX (user experience) as a huge component of its development. That means your employees will be using easier software, and software that makes their lives easier (through scheduling, time keeping, and other integrated features). No more waiting for a computer to reboot or unfreeze itself.
- **Your customers will thank you** -- Operation hubs these days can

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integrate loyalty programs, saving your customers money. They can store email addresses so that your customers know when new products and sales come in. They encourage increased customer interaction and loyalty. That's a lot better than waiting around for a receipt.

IT'S HARD TO LEARN SOMETHING NEW RIGHT?

Wrong. These programs exist on devices as simple as an Ipad. They're intuitive, they're easy to use, and frankly they're cheap. If any of these ideas ring true for you, it's important to update today. Every day you don't means you're missing crucial opportunities, and missing opportunities means missing out on money. Don't miss out on money. Make money.

COLLECT AND UNDERSTAND THE BEHAVIOR ANALYTICS OF YOUR CUSTOMERS

In the old days, behavior analytics was just called “getting to know someone better.” It happened through conversation, observing buying habits, and well, writing those things down in some giant book inside your dusty old general store.

The problem is that these days, the volume of customers has gotten too big to have those types of conversations. Plus, who has the memory to remember what people drink? I don't even remember what I drink most days.

The good news is that the folks in Silicon Valley have invented a way to track those habits. It's called behavior analytics. You know how you'll Google buying a tent one day, and from then on whenever you open a browser, you'll get ads for camping gear and national parks? That's because of a tiny digital footprint you've left on the internet. That helps companies understand what you're

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buying, why you're buying it, and how to market it to you.

That seems invasive, right? Sure. But there are a lot of ways to collect that info in a way that actually shows value and care to your customers. In this case, we're concerned with how your customers behave at your store. Many system operation hubs have the ability to track a customer's buying habits through their email address (usually given when they join your customer loyalty program).

WHY YOUR CUSTOMERS ACTUALLY WANT YOU TO TRACK THEIR DATA

- You'll have better deals on the product they already buy.
- You'll buy better inventory that resonates with your customer base.
- No more wading through aisles of dusty products that have been sitting on the shelves forever.
- You'll understand your customers better and be able to recommend new products they might enjoy.

See, the problem is right now, the products you stock are often dictated by what a sales rep says. **The sales rep's customer is you, not your customer. The sales rep's ultimate loyalty is to the company they represent. They might know the product, but you know the customer. This is why you need more info about your customers.**

Learning about your customers allows you to serve them better. They'll receive coupons in their email inbox for stuff they like, they'll come in happy, and honestly, they'll buy more than if you were just shoving some sales guy's new products down their throat.

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It's time to get back to a customer-oriented service approach. It was never meant to be about appeasing the sales guys.

Repeat after me: It's all about the customer.

**LEARN IT.
LIVE IT.
LOVE IT.**

SET UP A CUSTOMER LOYALTY PROGRAM. STAT.

Customer loyalty programs are everything. That sounds like an exaggeration, right? If anything it's underselling it. You know the basics of how most loyalty programs work, so we'll skip the heavy lifting on that, but here's how it relates back to the topics we've previously covered. Here's how a loyalty program is a benefit to everyone:

- Rewards being a regular customer
- Gives even casual customers more reasons to shop at your store
- Gives you better counting numbers for your inventory
- Helps you understand your clientele AND your inventory in a new way

A customer loyalty program works for you in two major ways. First, it gives your customers the feeling of being valued. That one is obvious. The other way

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might not be as obvious: a customer loyalty program grows your email list. Growing your email list is literally the best thing you can do for your business. Why? Glad you asked. Let's do this thing.

WHY GROWING YOUR EMAIL LIST IS THE BEST THING YOU CAN DO FOR BUSINESS

Getting customers' email addresses allows you direct access into their everyday lives. How many times a day do you check your email? We're willing to bet it's an awful lot. The same goes for your customers. If you have your email address, you're able to communicate one-on-one, in a way that most advertisers dream of.

That being said, once you're there, you have to say something of value -- or you risk alienating them and becoming relegated to the spam folder. That's exactly why a customer loyalty program is so great. You can specialize emails to your customer, giving them coupons or let them know when new items they might like are in stock.

Integrating your email list with customer analytics allows for customer interaction BEFORE they come into your store. That's so valuable. It also allows you to inform them about new developments like curbside pickup or contactless delivery. So how do you build an email list? Here's the short version.

BUILDING YOUR EMAIL LIST IN FOUR SHORT STEPS.

1. Offer a customer loyalty program that requires an email address.
2. Add customers to your automated email list (there are many

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email automation software companies out there, Mailchimp has become popular. Just do your research.)

3. Write emails that can go out to your list. Observe which emails are being opened more often. Write better emails.
4. Become an email god.

Customer loyalty programs have long been the purview of large chain retailers, but thanks to advancements in technology even small businesses can set them up. An email list is a great way to build passive leads and encourage a more active customer base. The sooner this starts, the sooner the email addresses roll in, the sooner you get that direct access that will make you money. Just remember, don't abuse their trust. No one likes getting spammed a million times a day. You want to bring value with every email you send.

USE SCHEDULING AND TIMEKEEPING AS A GAME-CHANGER.

Chances are your scheduling is either on pen and paper or on some type of excel-type computer program. You're not scheduling a huge number of employees, so why would you need to upgrade your system to something better? Well, to keep the employees that you have, for starters.

Everyone wants to think they're a good manager. The problem is that quite often we're a little less, uh, "good" than we think. You might give employee reviews, but when's the last time you gave yourself an audit? Chances are, if you asked your employees, they'd want a scheduling system that wasn't from 1998.

Integrating scheduling and timekeeping with your platform is a gamechanger. It is better for employees because it allows them to not only check their schedules from home (over a confidential login system), but to

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request time off, see who else is working, and generally get a better feel for how their time will be spent while at work. That might seem minor to you, but to an hourly employee, it can make all the difference, especially if they're part time. Easier for them means that you look better as a manager. It's that simple.

Using time tracking and other analytic apps will also help inform your decisions on scheduling. You can see which hours or days are busiest and schedule accordingly. Sure, it can feel overwhelming to get this data at first, but honestly most of this will follow a pattern. Once you get it done, you'll be able to tweak here and there. What you'll be left with is invaluable -- a schedule based on your employee's wants and your needs. That's a match made in heaven.

BE A GOOD MANAGER. YOU CAN HIRE GOOD EMPLOYEES, YOU CAN'T HIRE A GOOD MANAGER.

You never got into this business to be an employee. Operators and managers are good at managing people, they're good at managing inventory, but unfortunately they're often not very good at managing their own time. When you spend time doing the work that one of your employees can or should do, it hurts your productivity, your employee's worth, and your business's growth.

Figure out what you enjoy the most about your job and figure out a way to do that more. That's honestly the biggest key to a successful store -- now, that sounds simpler than it is. Things pop up, and often, successful operators are jack-of-all-trades. Here's the thing, just because you know how to do everything doesn't mean you should be everything.

So how do you delegate successfully? We hate to be a

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broken record on this, but it really can be as simple as a better operations hub. When you can track times of increased store traffic, when your employees are working, and which product needs restocking, you eliminate the uncertainty of the day.

That means you'll know when you can work on more long-term projects, allowing you to interact more with your customers, and get back to running your business the way you want to run it. Being a good manager doesn't mean working harder (you're already doing that), it just means working smarter. Find the tools that help you get the job done and use them. It's just that simple.

STOP PAYING FOR OTHER PEOPLE'S CREDIT CARD BENEFITS.

We're willing to bet if you open your wallet that you have a credit card with some type of cashback or mileage feature. Almost everyone does these days. Here's the thing: where does all that "free" cash come from? Are the credit card companies so great that this is just a gift from the bottom of their hearts? Not hardly. In fact, your business is paying for other people's credit card benefits. They're doing it through credit card transaction fees.

So while those folks are at home enjoying their points, you're left with hundreds and thousands of transaction fees accumulating every single day you're open. That's tens of thousands of dollars for most businesses every single year. For larger businesses, you might be losing a hundred thousand dollars or more in transaction fees. That's insane!

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You might say, that's just the cost of doing business -- but why? If your delivery driver charged you a surcharge every time he opened the door, you wouldn't say it was the cost of business, you'd act and find a new delivery driver. Unfortunately, for years there wasn't a way to get around this option if you wanted to allow for credit cards at your store. That was the law.

Recent legislation has changed all that. Now, you can put the charge of the credit card fees back on the consumer. This allows liquor store operators to offer discounts for cash or, with signage located at the front of the store, let the patron know that they'll be paying the fee if they choose to use a card. Doing this will save you thousands upon thousands of dollars of revenue every year. In a business where the margins can already be small, this is a crucial way to make sure your business grows.

WON'T MY CUSTOMERS LEAVE IF I CHARGE THEM THESE FEES?

In a word: no. In several words: Your customers are looking for three things; the best price, convenience, and transparency. You can still give them all three and still eliminate these fees. A surcharge is an almost negligible amount of money per transaction, but means everything to you as an operator.

Putting up clear signage allows customers to understand what's happening, and in our experience, this hasn't turned them off of a particular business if the prices are the same and the convenience is the same. Several industries have already moved to eliminate their transaction fees in the state of Minnesota, including restaurants, and have not seen a significant drop off in customers after implementing the new policies.

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People just don't like a surprise. Having clear signage may seem like bad business, but it actually does the opposite. You eliminate having a bad interaction at the counter from a surprise fee on a receipt. And the amount you'll save per customer will allow you to mitigate the few customers you might lose who hypothetically want to go to a store where this policy isn't in place.

As always, businesses don't want to be the first to take this step. That's fine, but just know that this is coming one way or the other. As we've said, several other industries have already moved to eliminate their fee responsibilities, and those numbers will only grow as more business-friendly legislation is adopted across the country.

That means that the people who start this now will save the most, make the most, and be able to grow the most in the coming years. We understand not wanting to be the first person on the block to try this, but being the last person on the block represents even starker outcomes. You don't want to be priced out of existence because you were scared to make the change.

So how do you do it today? Can you do it with your tired old card reader and operations hub from 2002? Probably not. Luckily, there's a solution about to emminently present itself. That's right, we're talking about an all-in-one operations hub that helps eliminate transaction fees.

WHAT IF YOU HAD A SYSTEM THAT DID IT ALL?

**RATE ZERO IS THE OPERATIONS HUB THAT WILL
SAVE YOU MONEY TODAY.**

Rate Zero is an all-in-one operations hub that lets you run your entire business the way it was meant to be run. Liquor store operators can now take advantage of all of these features in a simple, easy-to-use interface that can be run on a device as simple as a tablet. It's a great way to improve your margins, track your inventory, and start consumer rewards programs to increase customer loyalty. What exactly does it do? Here's the big reveal you've been waiting for.

IN PERSON ONBOARDING, TRAINING, AND INTEGRATION

Rate Zero will send one of our trained specialists to help you install the software, train you and your employees, and set up integration so that you can use all the features with ease.

ELIMINATE CREDIT CARD TRANSACTION FEES

Rate Zero uses an tablet and credit card reader to eliminate credit card transaction fees. What you decide to do with those fees is entirely up to you.

COLLECT CUSTOMER DATA

Learn more about your customers. Understand their buying patterns, integrate it with your inventory, and give them more of what they want.

OFFER YOUR CUSTOMERS A LOYALTY PROGRAM

Easily set up an email-based loyalty program, giving your customers special deals and coupons. Communicate with your returning customers directly -- right to their inbox.

SCHEDULING AND TIME TRACKING

Upgrade from your spreadsheets. Fully integrate your scheduling and time tracking software to get a better picture of how your employee's work and what you can do to make their lives (and yours) easier.

FREEDOM FROM SALES REPS

Take back your business's freedom from sales reps and credit card companies. Don't rely on what a sales rep tells you, use your analytics to see what works -- and what doesn't.

WE MAKE CHANGE EASY

We provide easy-to-use digital tools to help liquor stores increase their profit.

- 1 Update your system to Rate Zero.
- 2 Collect the behavior analytics of your customers.
- 3 Eliminate fees. Utilize dynamic marketing and sales features. Make more money.

Curious and want to know more? We offer a free consultation to get you started. It's that simple. Let's unlock your business so you can work smarter, not harder.

CONTACT RATE ZERO TODAY