

ABOUT

The Distiller's League of Alabama is a not for profit group consisting of 50+ members representing manufacturers, importers, and brokers of the distilled spirits industry in Alabama. The League was re-established in 2012 to provide outside consulting, support and new ideas to the marketplace.

REVENUE

The League represents roughly 2.4 million cases of distilled spirits which generate over \$420M of revenue in the State annually. Total tax revenue on spirits collected by the State in 2014 was \$289M, approx. **4/5 of all alcoholic beverage revenues collected by the state.**

WORKING TOGETHER

The DLA's main focus is to work with the Alabama ABC in order to collectively increased revenue back to the State. An example of this includes our semi-annual Trade Show focusing on education, innovation, and customer interaction with licensees from all parts of the State. The Trade Show's total revenue has exceeded \$11 million or 73,000 cases. In addition, the DLA has worked very closely with the State's Product Management division to develop programs to enhance the customer's experience. These programs consists of comprehensive display and shelf programs. Each is developed with its own objective of enhancing the consumer's shopping experience. It adds assortment on the ABC shelves and is inclusive of national brand rollouts and innovation.

Together we have also created a criteria for the addition of new products and the removal of slower selling non-revenue producing items. Working with National Restaurants chains in the area, the league recommended a program for special liquor orders helping these customers meet their corporate mandates by increasing product availability and reducing constraints.

REFORM

With progress and increased focus on the market comes questions and ideas. Some of the issues that we as industry encounter working in the field every day stem from the laws created post-Prohibition which are in need of modernization and updating to best practices. Current marketing and advertising limitations restrict the ability to interact with the consumer and the potential to increase revenue. Currently, ABC stores which represent 77% of all retail revenue, are restricted from advertising outside of the store and are limited in online advertising. Private sector and other neighboring control states IE "MS" do not deal with similar restrictions.

Clarification and re-defining of the infusion law is needed as several restaurants are unsure about margarita machines, shot machines, barrel aged cocktails, hand-made bitters, and infusion jars. Modernization is desperately needed to bring the State up to national cocktail trends. Restrictions on in store promotions also need to be considered. For example: Instant Redeemable Coupons and in store sampling which drives liquid to lips and gives the consumer the opportunity to try new products prior to purchase. Through these limitations there is the risk of revenue loss to Border States with more updated or progressive laws.

Product education and employee motivation are opportunities to further drive additional tax dollars into the State's pockets. 100% of all bottles sold in Alabama come from an ABC store at some point. These employees are restricted from proper educational training and selling skills. These employees are the gate way to the consumer and have limited knowledge of the product that they are tasked with selling.

Three Tier System

Thru the three tier system in place in Alabama, members of the DLA have had increased ability to promote CAUSE marketing programs such as Wounded Warrior, Operation Home front, Tuscaloosa Tornado Relief and the Governor's Disaster Relief Fund. These are just a few examples of all three tiers of the industry working together. This also allows for increased focus on responsible consumption. Alcohol education programs such as the ABC's Responsible Vendor Program, TIPS training, Under Age, Under Arrest, and Over the Limit, Under Arrest campaigns all receive support. These responsible policy are communicated via point of sale marketing, educational speakers, or awareness thru the suppliers, brokers, and state stores.

Over all our end goal is to have all parties working together with the same vision to build a better future responsibly.