# Virginia is for (Spirits) Lovers: Partnering to Improve Consumer Experiences

"Virginia boasts an extremely proactive [distilled spirits] industry association that arguably works harder than most."

- Tara Nurin, Forbes.com December 2019

**Forbes** 





# **Scott Harris**

Catoctin Creek Founder & General Manager



# **Gareth Moore**

Virginia Distilling Company Chief Executive Officer

# **Engaging State Government**

- From the onset of the Virginia Distillers Association's (VDA) establishment, we've made a concerted effort not only to improve the regulatory environment for Virginia distilleries, but to also create promotional resources and opportunities for our members.
- Promotional opportunities not only provide marketing value to our member distilleries, but they are also a vehicle for exposing and engaging state government in the advancement of our industry directly and indirectly.
- This rising tide of engagement not only brings forth additional resources towards programming, but also has indirectly created a more distillery-friendly legislative environment



# **Association Identity** vs. Consumer Identity

When the VDA was formalized in June **2016**, we created logo assets which we utilized for initiatives geared towards the regulatory matters or when speaking with industry constituents (example below).



In **2017**, we partnered with the Kelli O'Keefe (Professor of Brand Strategy at the VCU Brandcenter) and his students as part of a semester-long pro bono case study to establish what would become the Virginia distilled spirits industry's consumer identity - managed by the VDA. These assets would be the cornerstone for all future consumer facing programming established by the VDA; and are generally used for all identity needs today (see next slide for brand standards)



# **Consumer Brand Assets developed by** the VCU Brandcenter

#### LOGO INSPIRED BY A DROP OF SPIRIT





4 COLOR LOGO & TAGLINE

1 COLOR LOGO & TAGLINE

1 COLOR

WORD MARK LOGO



4 COLOR WORD MARK LOGO





**4 COLOR TAGLINE** 



SPIRITS

**REVERSED TAGLINE** 

lirginia

**REVERSED LOGO** 

& TAGLINE

REVERSED

WORD MARK LOGO

SPIRI

SPIRITS

#### TYPOGRAPHY

Viktor Script Regular

#### **MR. EAVES**

COLOR PALETTE INSPIRED BY THE COLORS OF THE VIRGINIA LANDSCAPE





CMYK: 9, 22, 51, 0

HEX: #e7c48a



RGB: 108, 129, 124

CMYK: 60, 38, 48, 9

HEX: #6c817c



CMYK: 76, 69, 35, 33 HEX: #3f425d

MAKER PROFILES

CMYK: 30, 78, 67, 36

HEX: #803c3a





**GLASS ICON** 



6

Logo Spinoffs for Various Consumer Campaigns









IT'S FIVE O'CLOCK FOR 30 DAYS.



# Virginia Spirits Trail & Passport:

- Obtained grant for \$50,000 with Virginia Tourism Corporation
- Currently features 28 VDA Members (distilleries)
- The focus of the program is to
  - drive tourism to member distilleries
  - increasing direct sales
  - create a grass roots approach to brand ambassadors via the passport component
- When a consumer visits 10 distilleries, they receive a free "Virginia Spirits Trail" t-shirt, as part of the "Trail Challenge"
- Currently lives in print format only; launching digital application this summer as part of a complete overhaul / redesign for VirginiaSpirits.org







# **Virginia Spirits Roadshow:**

- Expose spirits enthusiasts to Virginia's distilled ٠ spirits industry
- The focus of the program is to: •
  - brand exposure for our member distilleries • by way of consumer tastings
  - provide new market access for bottle sales
  - create brand ambassadors for the our industry and our member distilleries
  - generate revenue
- Adapting name to The Virginia Spirits Roadshow, presented by the Virginia Spirits Trail
- Currently have more than 2,300 consumer email • contacts in our database
- Working with Consociate Media (pro bono) this ٠ Spring to develop additional promotional assets and a communications plan for the Roadshow initiative





### **Virginia Spirits Month:**

- September Virginia Spirits Month is a consumer brand awareness campaign established by the VDA in 2016. The tagline is *"It's 5 o'clock for 30 days,"* which is a great vehicle for promoting the campaign daily.
- September programming has directly contributed to sales growth since the campaign was established, increasing all September Virginia Spirits sales by 134 percent from 2016 to 2019.
- Over the past four years of the campaign, the VDA has executed a variety of programming in partnership with the Virginia Tourism Corporation, Virginia ABC and the Virginia Governor's Office.

September Virginia Spirits Month					
	ABC Retail Sales		stillery re Sales	TOTAL:	
2019	\$ 1,165,810	\$	720,856	\$	1,886,666
2018	\$848,367	\$	641,119	\$	1,489,486
2017	\$ 733,727	\$	515,928	\$	1,249,655
2016	\$ 503,179	\$	303,219	\$	806,398
2019 over 2018	37%	12%		27%	/ 0
2019 over 2016	132%	138%	1	134	%
2018 over 2017	16%	24%		19%	)
2017 over 2016	46%	70%		55%	, 0





# Virginia Spirits Month: Partnerships

### Virginia ABC:

- Distribution of Virginia Spirits branded POS to all 370 retail stores.
- Distribution of campaign swag / totes to the top 20 Virginia ABC stores by Virginia Spirits sales volume.
- Dedication of 1/4 of all their PODs displays (in 132 stores) to promoting the September campaign.
- Annual co-authored and distribution of press release.
- Support for special product discounts.
- Support for advertorial in Spirited Virginia Magazine.



# Virginia Spirits Month: Partnerships

### Virginia Tourism Corporation:

- Donation of 2,000 "VA is for Lovers" trucker hats for distribution to select retail stores as a free gift with purchase.
- Production of campaign videos featuring Governor McAuliffe and other state officials.
- Financial sponsorship of Virginia Spirits / Virginia is for Spirits Lovers branded totes to select retail stores as a free gift with purchase.
- Annual co-authored and distribution of press release.
- Development of sub-brand logo "Virginia is for Spirits Lovers."



# Virginia Spirits Month: Partnerships

### Virginia Governor's Office:

- Support with annual Proclamation of September Virginia Spirits Month.
- Support with hosting kickoff event for campaign at the Virginia Governor's Mansion.

### Virginia Distilleries Association:

- Development of all digital assets (e.g. social media, and website landing page).
- Coordination of all support with state government agencies.
- Coordination of all member distilleries participation in product discounts, consumer tastings at ABC stores, and more.
- Event planning (e.g. campaign kickoff event for media and state dignitaries, consumer events such as the Virginia Spirits Roadshow).
- Production of Meet Virginia Makers video series, Cocktail video series and Virginia Tastemaker blog.



# Virginia Distilled Spirits Board (DSB)

- Legislation in progress to establish and fund a Governor Appointed Distilled Spirits Board ("DSB")
- DSB will develop, manage and execute industry-wide marketing, education and research initiatives
- First state operated Distilled Spirits Board that we know of
- Housed under the Virginia Department of Agriculture, and will include 11 Board Members comprised of:
  - o 6 distillery representatives
  - 3 supplier representatives
  - Chief Executive Officer of Virginia ABC (ex-officio)
  - Commissioner of Agriculture (ex-officio)





### **Virginia ABC Black Friday Discount**

 Virginia ABC has started an annual campaign to promote the Black Friday discount of 20% off most products in-store, and at distillery stores. To help members promote their participation in the sale, the VDA creates customized promo assets each, and launched a landing page on VirginiaSpirits.org to promote the sales several weeks in advance.







# Jeffrey Painter Ferncliff LLC

# **Virginia ABC: Then & Now**



1941 Virginia ABC Store

2020 Virginia ABC Store

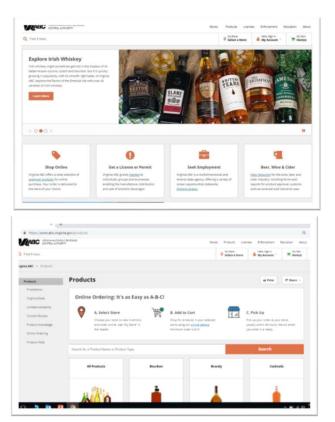




# **Diverse Stakeholders**



# **2020 State Session Overview**



- Full availability of products is the primary objective of Virginia ABC's ecommerce program
- Two supporting objectives are "frictionless shopping" and "engaging content"
- Currently offer "buy online, pick up in store" for entire product line



# **Modernization**

- Virginia ABC introduced cyber sales in 2019
- On the horizon: home delivery







# **Retail Operations**

- Average store stocks over 1,200 items
- Top 200 items represent over 50% of retail and 70% of restaurant sales
- Sales to restaurants are about 18% of annual sales
- Average store gross sales of \$2.6M





# **Product Selection**



### 2007

- Standard products 2,361
- Special Order Catalog 271
- Other Special Order 261

### **2018**

- Standard products 3,069
- Special Order Catalog 816
- Other Special Order 981

### Website – 2,653 products



# **Retail Merchandising**

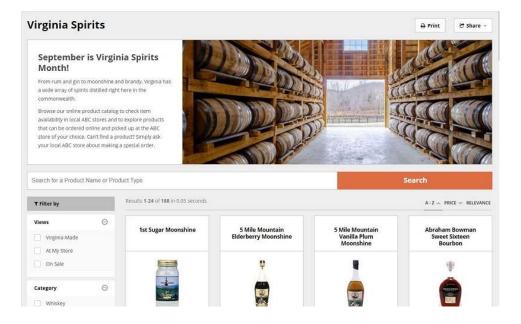
- Average store carries 1,300 products
- Includes approximately 1,200 standard products
- Also includes special order and VAPs





# **Product Expansion**

- "Endless Aisle" concepts and the website provide a platform to promote and sell Virginia products—especially from smaller suppliers that are not yet in position to supply 100+ retail stores
- Virginia products sold as a percentage of all online orders continues to grow



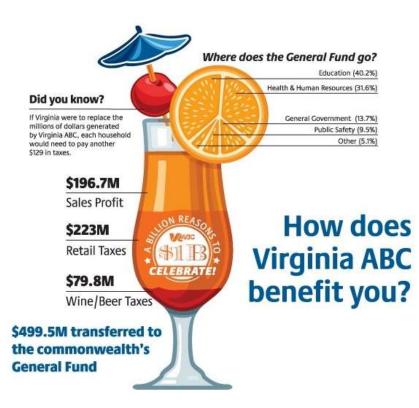


# **New Warehouse Coming 2021**





# **Retail Operations**



- 384 retail stores
- 36 distillery stores
- \$1 Billion in Revenue
- Average ABC Store
  - 3,200 Sq. Ft.
  - \$2.6M in sales
  - 18% of sales to restaurants





# **Madeleine Spjut**

**Distilled Spirits Council** Director of Government Relations

# **Promoting Alcohol Responsibility in** Virginia





- Underage drinking prevention audio PSA with Virginia Senator Bryce Reeves
- 41,516 people reached via Spotify
- 136 clicks to Ask, Listen, Learn's underage drinking prevention resources



# **Ending Impaired Driving**





We're spending some time with @ArlingtonVaPD tonight at their #coffeewithcops event! It's a great opportunity to get to know the officers.



- Partnered with local Virginia law enforcement and safety groups to fight impaired driving.
- Promoted sober ride homes via WRAP and Lyft rideshare codes.



# **Community Engagement**

- Debuted the underage drinking prevention show, SMASHED, to the Washington-Lee High School.
- Partnered with the Students Against Destructive Decisions (SADD).
- Reached high school students & local partners such as the Washington Regional Alcohol Project (WRAP) and the Virginia Alcohol Beverage Commission (VABC).





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