



Working Draft

# Mecklenburg County ABC Board Strategic Plan-Retail Online Ordering/Curbside Pick-up



February 16, 2021

Senior Team Presentation

# Table of Contents

General Updates	2
Background/Situation Analysis	3
The Mecklenburg County ABC Board's Response	4
Operations Plan	4
Law Enforcement Security Plan	5
Messaging/Communications Plan	6
Appendix	8

## **General Updates**

- Rapid disruption in the spirits industry driven by consumer demand for ease of access and convenience
- Deep southern states approving changes in online ordering/home deliver existing laws: Alabama, Arkansas, Mississippi
- 2012/2019 independent studies and recommendations on modernization with consumer input. Specifically referencing on-line ordering, curbside pickup and modernization
- With the passage of legislation allowing home delivery of beer and wine/Sunday service (see: 18B-1001.4), NC ABC Commission launched a trial home delivery task force inclusive of several home delivery services including Amazon. (2018/2019)

## **Legal/Legislative**

- Section removed per NC GS 132-1.1(a)

## **Coalition Building**

- Initiated regular communication with: Wake, Greensboro, New Hanover, Durham, Rowan
- Greensboro and Durham appear most open and ready to push forward with online ordering/curb side pickup, and to share in remaining development costs with Meck.
- Mike Yates, regional leader for Republic, (one of the state's largest spirits broker), indicates that on-line ordering is their lobbyist #1 priority (NOTE: Republic's lobbyist also represents Amazon in NC)
- Yates is also chair of the NC Spirits Assoc...online ordering is also a top priority
- Durham Board GM will convene the state's 10 largest boards for regular info. sharing

## **Amazon**

- Of the opinion that legislative amendment to allow online will not take place until 2022Have seen triple digit increases in alcohol at home delivery
- Raleigh and Charlotte lead in beer/wine at home delivery
- Expressed interest in competing for the at home delivery business of spirits.
- In conversation with Representative Moffat, NC House Chair of the ABC Committee
- SC alcohol delivery is in the preparation stages

## **Mecklenburg County Board Staff Actions**

- Preparation of draft position paper, plan to operationalize online ordering curbside pickup.
- Focus on deepening broad community awareness of Meck Co. ABC Board community investment
- Readiness to implement three year strategic plan
- Focus on strengthening operational consistency and effectiveness.

## **Background/Situation Analysis:**

In 1937, the North Carolina Alcoholic Beverage Control (ABC) System was established. A decade later, in 1947, local voters decided to allow the sale of alcohol in Mecklenburg County. A local independent Board was established that retains authority to set policy and adopt rules in conformity with ABC laws and North Carolina ABC Commission rules overseeing the operation of the control of the sale of distilled spirits.

There are currently 171 ABC Boards throughout the State. Each operating independently of one another with no common operational standards or consistency across the state. According to the Program Evaluation Division Report No. 2019-03, "North Carolina's ABC system has seen few changes since its initial authorization in 1937 when legislation created a state monopoly for the sale of liquor."

This has led to mixed reviews from independent evaluators, retail and permitted customers, legislators, and, community members when surveyed in comparison to other states where the ABC system is more loosely controlled and stores privatized. Most of the negative feedback has been related to the overall system's lack of modernization in keeping up with consumer demands and efficiencies leading to greater revenue, profitability and distributions back into the community.

The North Carolina's Alcoholic Beverage Control (ABC) system has been independently studied, and evaluation findings recommended to the North Carolina General Assembly in 2008 and 2019 by the Program Evaluation Division (PED) include recommendations for modernization, and, whether other systems, such as privatization, are appropriate for the State. Some of those findings were statutory for state legislator consideration and others were operational considerations for the NC ABC Commission and local Boards that would lead to greater operational profitability & revenues, convenient access for consumers, and excellence in customer service. The report strongly recommended that in lieu of overhauling the system, further modernizing the current system was the most reasonable and least costly option.

A 2012 ABC Store Customer Service Satisfaction Survey, conducted by UNC Chapel Hill Frank Hawkins Kenan Institute of Private Enterprise, found that 71% of retail customers favored ordering online, or by email and then picking up orders at ABC stores as a way to improve customer service at a local ABC store level.

Profitability is an important performance measure because higher profits allow boards to distribute more money to their communities as stated in the NC General State Statutes and by local voters. A legal schedule of percentages of gross and net profits return back into our community through distributions to ABC Law Enforcement, Alcohol Education, City, County and Public Library.

Mecklenburg County ABC Board, being the largest in the state, has been a leader in modernization to better meet customer demands, operational efficiency, revenues and profitability. It also is one of the leaders among the state Boards in maximizing returns back into the community. At the core of that drive, has been the Board's mission.

**Mission Statement:** The Mecklenburg County Alcoholic Beverage Control Board manages the sale of distilled spirits by promoting excellence in customer service, fiscal responsibility, operation effectiveness, compliance with laws that govern the sale and use of alcoholic beverages, and creating community partnerships to improve public health and safety.

With the onset of the COVID-19 global pandemic, consumer shopping and social behaviors have had to drastically change due to public health and safety concerns. Retailers, too, have had to adapt quickly when shopping behaviors shift drastically in response to a public event, such as a public infection outbreak.

### **The Mecklenburg County ABC Board's Response:**

#### **WHAT?**

The Mecklenburg County ABC Board, in response to COVID\_19 concerns, consumer demands and continued operational modernization, is crafting a Strategic Plan for On-line Ordering/Curbside Pick-up flexible and contactless shopping options and public messaging to be positioned to launch when legislation is adopted and approval given by the NC ABC Commission.

#### **WHY?**

Execution of convenience shopping options is essential given consumer expectations in a COVID-19 environment. Continued relevance, meeting consumer needs before they demand it leading to sustained/increased revenues is paramount for continued modernization efforts that counter legislative privatization options, and, continued strong distribution returns back into the community.

#### **HOW?**

### **Operations Plan:**

To increase efficiency and improve services provided to Mecklenburg County Alcoholic Beverages Control (ABC) Board by delivering exceptional shopping experiences that focus on the needs of the customer through enhanced technological advancements.

#### Equipment:

A successful implementation of online services will require extra equipment. An additional computer located in the Mixed Beverage (MXB) area is necessary. This computer must have an audio indicator to alert store personnel that an order has been received. Additionally, the stores must be equipped with racks or shelves to house completed orders until the customer arrives.

To easily locate an order, printers with the ability to dispense labels are needed for staff to ensure accuracy as well as completion of the order. Designated parking spaces creates a defined area for ease of parking and geo-fencing will assist ABC employees with locating the customer.

#### Technology Platform:

Dalcom Consulting Inc. in development of a technological platform for online ordering that they plan to offer to all Boards across North Carolina. Tying in to our current point-of-sales software, Dalcom has worked closely with Mecklenburg County ABC Board to ensure our customer needs are met and the system is user-friendly as well as

convenient. The digital platform will empower operations and drive customer service and provide more customer control over their orders.

Payment:

For online ordering as well as curbside pick-up payment must be in the form of credit cards, debit cards or gift cards. For the safety of the customer as well as ABC staff, no cash transaction will take place with the curbside pickup option.

Locations:

Ten stores: Store #6 – Park Road, Store #12 – Morrocroft Village, Store # 14\* – Central Avenue, Store #18 – Rocky River, Store #22 – Huntersville Gateway, Store # 23\* – South Tryon Street, Store #24\* – Highland Creek, Store #26\* – Callabridge Landing, Store #27 – SouthEnd and Store #29\* – Crossing (Matthews) have been identified to offer online and curbside services. Initially five of these stores (identified by asterisks) will pilot this program. After 90 days the program will be evaluated to determine if the additional five stores are warranted. These stores represent coverage for the North, South, East, West and Central segments of Mecklenburg County.

Pick up times:

For the safety of our customers as well as employees, online and curbside services will be offered between the hours of 12:00 pm - 7:00 pm. Any orders that were not pick-up will be cancelled at the close of business each day.

Procedures:

Customers will be allowed to purchase up to 40 liters of product from Mecklenburg County ABC stores. To eliminate the need for a transportation permit, multiple orders will not be accepted and only one order per vehicle will be permissible.

Once the order has been filled, customers will receive a text to inform them their order is ready. In the event a product is out-of-stock, substitutions will not be made and the customer will be notified of any outages.

A manual inspection as well as the use of technological devices will be used to verify the purchaser's form of identification before the product is delivered to the customer. During this time the purchaser will also be observed for signs of insobriety.

Estimated costs:

Estimated costs for the online ordering and curbside service will include developing costs to include Geolocation check-in, customer information interface for IOS as well Android users. Additionally, there will be costs for interface for processing orders, curbside ID verification, order warehousing, and scanner integration. In addition to these direct costs for the technology, internal costs need to be evaluated as well, i.e., training, staffing, and supply costs.

## **Law Enforcement Security Plan:**

The propensity for potential danger is going to be increased anytime we have employees conducting business outside of our secure environment (inside the store). I do think the risk is minimal if we adhere to the suggestions that are recommended by Alicia Collins, Director of Operations. Most significant is ceasing curbside pickup at 7:00 p.m. The time changes again on March 14<sup>th</sup> which will give us another hour of sunlight in the evenings.

I would recommend having Sgt. Medina assess each store location that is selected for the pilot program to make an assessment on any environmental concerns that may impact safety. We will need to identify a particular location in the parking lot for customers to pull into to make transactions. These locations need to be clearly marked so that customers do not pull into any available open parking spot. I would also recommend the selected locations be able to be clearly viewed by a camera and would further suggest at locations with tag readers.

As has been noted, we need to keep sales to one transaction per vehicle and use scanners and visual observation to ensure the customer is a legal age to purchase and the individual is not impaired. We will need to provide clear guidance to our employees on what actions to take if a customer becomes belligerent or aggressive towards our employees or the employee feels uncomfortable with a particular transaction. We could communicate this message to the pilot locations by having the Operations Team and Law Enforcement Division provide a short training class on potential things to look for and actions to take in the event there is a transaction that is not going to plan.

In sum, security becomes a bigger issue once we are outside, but this process is already being successfully implemented at numerous other retail locations throughout Mecklenburg County. We already have the technology at these locations to monitor and record each transaction. I will shift some of my Reserve Officer hours to these locations and move up their shift until we get a better feel for what we are looking at and until the employees get comfortable with the process. I will also have our full time officers focus on these locations more as well during the pilot period and then assess from there going forward.

## **Messaging/Communications Plan:**

Goal: Develop internal and external messaging strategy to increase awareness of Mecklenburg County ABC Board's new online ordering/curbside pick-up service and benefits to community.

### Target Audiences:

- Mecklenburg County and ABC System local and state stakeholders and influencers
- Other ABC Boards
- Mecklenburg County ABC Customers
- Employees & Board members
- Mecklenburg County ABC newsletter subscribers
- Media

### Objectives:

- To secure at least (4) state and local earned media stories on the new service six months following the launch
- To get at least 50 percent of those surveyed to respond that they are aware of the new online ordering/curbside pick-up option.
- All employees will indicate completion of the online course in the LMS system within six months following the online ordering/curbside pick-up course launch.

### Strategies:

- Secure marketing and PR firms to create influencer and community-wide messaging saturation campaign
- Schedule media Interviews with CEO
- Create marketing collaterals for distribution that include socially responsible-community invested messaging.
- Educate all employees on process and store availability

### Tactics:

Potential tactics include but not limited to:

- Pre/post launch surveys
- Paid placement advertisements
- Paycor system
- Earned media stories
- Ingenico POS equipment, cash register receipt messaging
- In-store bags
- Annual Report
- In-store Posters
- Retail Radio & TV
- Point of sale displays
- Mecklenburg County ABC customer subscription newsletter
- Billboard, social media, website
- Branded messaging giveaways
- Board Buzz employee newsletter
- CallMultiplier text and voice messaging to part-timers
- Learning Management System required training course
- Stakeholder engagement/input
- Pre-launch messaging
- Post-launch messaging
- Customer engagement/satisfaction measurement
- Customer resolution



Mecklenburg County ABC Board  
Distributions by FY

Fiscal Year	LE	Percent LE of Sales less Exc and 3.5	Ed	Distr	PLCMC	County	City
1947	0		0	0	0	0	0
1948	62,188		0	0	0	0	0
1949	80,170		0	1,350,000	67,500	641,250	641,250
1950	72,609		0	1,500,000	75,000	712,500	712,500
1951	71,527		0	1,410,000	70,500	669,750	669,750
1952	67,872		0	1,160,000	58,000	551,000	551,000
1953	66,269		0	1,080,600	54,030	513,285	513,285
1954	63,175		0	1,360,000	68,000	646,000	646,000
1955	74,057		0	1,584,750	79,238	752,756	752,756
1956	87,530		0	1,160,000	58,000	551,000	551,000
1957	117,629		0	1,510,000	75,500	717,250	717,250
1958	116,992		38,997	1,378,000	68,900	654,550	654,550
1959	116,376		38,793	1,713,000	85,650	813,675	813,675
1960	134,511		44,837	1,378,000	68,900	654,550	654,550
1961	148,243		39,531	1,750,000	87,500	831,250	831,250
1962	149,943		39,984	1,500,000	75,000	712,500	712,500
1963	152,554		40,681	1,800,000	90,000	855,000	855,000
1964	164,838		54,946	2,015,000	100,750	957,125	957,125
1965	128,795		45,171	2,015,000	100,750	957,125	957,125
1966	135,271		94,883	2,499,000	124,950	1,187,025	1,187,025
1967	134,879		134,453	2,400,000	120,000	1,140,000	1,140,000
1968	150,611		384,317	2,500,000	125,000	1,187,500	1,187,500
1969	184,847		388,851	2,500,000	125,000	1,187,500	1,187,500
1970	197,918		385,441	2,250,000	112,500	1,068,750	1,068,750
1971	212,894		387,615	2,250,000	112,500	1,068,750	1,068,750
1972	215,366		254,613	2,250,000	112,500	1,068,750	1,068,750
1973	217,595		279,446	2,200,000	110,000	1,045,000	1,045,000
1974	228,968		323,322	2,100,000	105,000	997,500	997,500
1975	241,597		353,459	2,000,000	100,000	950,000	950,000
1976	240,048		399,889	2,000,000	100,000	950,000	950,000
1977	226,791		378,123	2,000,000	100,000	950,000	950,000
1978	215,777		410,957	2,000,000	100,000	950,000	950,000
1979	248,843		494,504	2,200,000	110,000	1,045,000	1,045,000
1980	295,329		656,474	4,278,947	213,947	2,032,500	2,032,500
1981	314,479		634,225	3,921,053	196,053	1,862,500	1,862,500
1982	337,026		597,382	3,500,000	175,000	1,662,500	1,662,500
1983	368,117		624,398	4,026,316	201,316	1,912,500	1,912,500
1984	380,430		656,798	4,000,000	200,000	1,900,000	1,900,000
1985	352,370		733,879	3,500,000	175,000	1,662,500	1,662,500
1986	438,158		932,082	4,000,000	200,000	1,900,000	1,900,000
1987	517,562		1,047,490	4,000,000	200,000	1,900,000	1,900,000
1988	490,690		1,163,223	4,000,000	200,000	1,900,000	1,900,000
1989	474,467		1,260,403	3,500,000	175,000	1,662,500	1,662,500
1990	543,563		1,108,911	3,500,000	175,000	1,662,500	1,662,500
1991	583,077		1,356,696	4,000,000	200,000	1,900,000	1,900,000
1992	496,662		1,326,441	3,000,000	150,000	1,425,000	1,425,000
1993	560,557		1,359,030	2,505,000	125,250	1,189,875	1,189,875
1994	602,545		1,404,930	2,000,000	100,000	950,000	950,000
1995	629,771		1,491,085	2,000,000	100,000	950,000	950,000
1996	690,803		1,464,960	2,500,000	125,000	1,187,500	1,187,500
1997	774,610		1,662,413	3,000,000	150,000	1,425,000	1,425,000
1998	889,243		1,216,400	3,500,000	175,000	1,662,500	1,662,500
1999	934,465	18.4%	1,725,033	3,500,000	175,000	1,662,500	1,662,500
2000	1,090,666	6.7%	1,901,338	4,000,000	200,000	1,900,000	1,900,000
2001	1,177,676	25.0%	2,010,999	6,000,000	300,000	2,850,000	2,850,000
2002	1,293,098	30.3%	2,124,274	3,950,000	197,500	1,876,250	1,876,250
2003	1,244,550	26.6%	2,106,995	3,618,600	180,930	1,718,835	1,718,835
2004	1,336,258	21.1%	2,111,371	3,950,000	197,500	1,876,250	1,876,250
2005	1,375,954	18.2%	2,387,636	4,210,526	210,526	2,000,000	2,000,000
2006	1,591,004	17.9%	2,641,992	4,473,685	223,684	2,125,000	2,125,000
2007	1,611,120	13.1%	2,844,287	4,473,685	223,684	2,125,000	2,125,000
2008	1,668,147	16.3%	2,900,894	4,697,369	234,868	2,231,250	2,231,250
2009	1,493,994	16.5%	3,196,962	7,447,369	372,368	3,537,500	3,537,500
2010	1,633,244	20.1%	3,444,369	5,540,002	277,000	2,631,501	2,631,501
2011	1,712,121		3,550,341	5,817,002	290,850	2,763,076	2,763,076
2012	1,599,353		3,688,888	6,107,853	305,393	2,901,230	2,901,230
2013	1,782,374		3,945,914	6,413,244	320,662	3,046,291	3,046,291
2014	1,885,542		4,206,283	7,375,231	368,761	3,503,235	3,503,235
2015	1,929,069		4,281,940	8,481,661	424,075	4,028,743	4,028,743
2016	2,106,526		4,486,578	9,753,742	487,686	4,633,028	4,633,028
2017	2,141,950		4,788,624	11,241,431	562,072	5,339,680	5,339,680
2018	2,257,053		4,650,109	12,753,202	637,674	6,057,914	6,057,914
2019	2,588,961		4,903,700	13,291,176	664,558	6,313,309	6,313,309
2020	3,518,320		5,031,850	14,855,736	742,786	7,056,475	7,056,475
	52,427,577		98,639,610	273,496,080	13,674,812	129,910,784	129,910,784

Memo removed per NCGS 132-1.1(a)





