



STATE OF COLORADO

Hollar - DOR, Noelle

Fwd: LED - Liquor Advisory Group Regulation of Retail Operations Public Comment

1 message

LED -, DOR_ <dor_led@state.co.us>

Mon, Jul 10, 2023 at 10:49 AM

To: Noelle Hollar - DOR, "Lucas Knudsen - DOR (He | They)"

Colorado Liquor Enforcement Division



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From: **Loop Liquors** <loopliquors@gmail.com>

Date: Mon, Jul 10, 2023 at 10:47 AM

Subject: Re: LED - Liquor Advisory Group Regulation of Retail Operations Public Comment

To: <dor_led@state.co.us>

Dave Locke
Loop Liquors

In a followup to the comment posted by Sam Nizamof Grove Liquor in reference to Super Markets using coupons to get around the "no sale under cost" Letter I'd like to point out another way that the larger retailers are not being fair to the small retailer. As you can imagine, these larger stores are usually buying liquor at the 50, 100 or larger case prices and are subsequently heavily discounted. This immediately puts all the small stores at a competitive disadvantage as they can now price their merchandise at around 20% less than what a small store can even buy the same item for. Additionally, some of those stores are taking it a step further by using the liquor items as a lost leader, like turkeys at Thanksgiving, and selling their alcohol at ridiculous prices, sometimes a penny over cost to simply bring in customers so they will buy their other grocery items. For example, some grocery stores are selling their beer at \$6.00 under what my store is selling it for (30% markup). This is even taking into consideration that the distributors tell me that they are buying it at the same price I do. If this is true then obviously the grocery stores don't care about making a profit and are driving the customers away from smaller liquor stores. Liquor stores have really no other chain of items or revenue streams, like grocery items for large retail stores, that allow them to make a profit elsewhere that is anywhere near what they need to simply survive.

I would like to recommend that all stores have to sell their liquor at a minimum of 10% over the single (1) case cost that the small retailers have to pay instead of the cost that they pay. They would still allow them to have a price advantage as generally a small store needs to make north of 25% markup to simply stay in business.

As an aside, and this is strickly rumor, I have heard that the grocery stores don't really need to make a profit on any of their liquor because of advertising kickbacks the the distributors are paying directly to the corporate offices in other states. These kickbacks are then supposedly being paid back to the local stores. If this is even remotely true, then the small retailers don't have a chance of competing evenly at all.

Thank you, Dave Locke

On Thu, Jul 6, 2023 at 1:55 PM Liquor Enforcement Division <dor_led@state.co.us> wrote:



COLORADO
Department of Revenue
Specialized Business Group—
Liquor & Tobacco

Liquor Advisory Group Regulation of Retail Operations Public Comment

The Division has received an additional comment from a member of the public concerning items for the subgroup's consideration. Please see below for links to the information shared.

- [Sam Nizam Public Comment Re: Manufacturers Coupons](#)
- [Sam Nizam Email Attachment: Heineken Promotions](#)

Thank you for your continued engagement and participation. We look forward to seeing you at our next Liquor Advisory Group meeting on Thursday, July 13, 2023, at 9:00 a.m.

Respectfully,

Colorado Liquor Enforcement Division

Liquor Enforcement Division

The mission of the Liquor and Tobacco Enforcement Division is to promote public safety, support economic growth, and the responsible sale and consumption of liquor and tobacco products, through the fair administration of liquor and tobacco/nicotine laws.

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