



MEMBER PROFILE

BEVMO! MORE THAN BEVERAGES

BY LEN LEWIS

WHEN DIMITRI HALOULOS' GRANDMOTHER STEPPED OFF THE PLANE HERE FROM HER LITTLE VILLAGE IN GREECE, SHE CARRIED A JUG OF WINE AS HIS FAMILY IN GREECE MADE A LIVING IN AGRICULTURE.

"This is how I grew up. It's not just about the stores and the products. It's about being part of people's lives," said Haloulos, CEO of the 163-store BevMo! chain, which also stocks non-alcoholic beverages, specialty foods, snacks, cigars, glassware and related bar and wine accessories.

Actually, Haloulos' life and career has revolved around both the food and beverage industries. He started by working in his father's small Greek restaurant in Northeast Ohio when he was 10 years old.

Later, he attended West Point and after graduating in 1996, served in the military until 2001 in Korea, Washington and Oklahoma.

After completing his service, Haloulos cut his teeth in the grocery business in brand management for P&G, working with BJs Wholesale and Delhaize on a P&G customer team.

"That's when I fell in love with retail and developed marketing skills and close connections with retail partners," he recalls. "When the Safeway opportunity came up, I was excited to apply my skills in an environment I loved.

"It was a phenomenal experience and I learned a lot watching many strong leaders at Safeway and Albertsons," he said.

"The learning curve continued at Albertsons/Safeway where Haloulos was vice president and got the private label business ready for a decentralized, multi-unit environment."

The best thing about the grocery environment, he said, is learning to understand how marketing, merchandising, price, and service all interact to drive customer loyalty – all invaluable lessons when he joined BevMo! In 2015.

"I love BevMo's purpose, finding the perfect drink for every glass, and the role the brand plays in helping our shoppers celebrate both special and everyday occasions. That's why this remains a very personal business for me," he said.

At present, the company has 163 stores, primarily in California, but also Washington and Arizona with most averaging between 9,500 and 10,000 square feet.

"We're opening some exciting new stores," he said. "There are over 20 stores in the remodel program today with many outperforming expectations," he said.

New stores, as well as remodels, are placing the emphasis on assortments that appeal to individual communities' tastes.

"Local doesn't just mean local products," he said. "It could be that customers at a particular store prefer sweet wines, want luxury tequila or a bigger selection of vermouths," Haloulos said. "We are also modernizing the décor and making stores more shoppable by improving fixturing for a better experience. We're being rewarded with greater trip frequency and more dollars in their basket in our remodeled stores."

However, localization means different things.

"In the grocery environment, local varies by category," he said. "Alcohol is an extremely local and we have to meet consumer demand across a wide spectrum of whiskey, wine and local beers. We pride ourselves on finding the perfect drink for every glass. This means having the right items in the right location."

Private label is an important part of BevMo's merchandising program.

"The brands we own or exclusively sell are important – particularly wine," Haloulos said. "But we aren't going to push private label at all costs. We take a consumer-centric approach making sure we're meeting consumer needs and innovating in areas that drive incremental growth," he said, adding, "All our brands need to win. It's an 'and' not an 'or'".

The focus on consumers inevitably turns the conversation to millennials. What are they drinking?



“You name it, they’re drinking it,” said Haloulos. “Millennials are fundamentally upending traditional norms. They are willing to spend more than consumers in that age range of 30 years ago and are driving trade-up in the category. They are experiential and experimental.”

Haloulos says millennials don’t want their grandmother’s brand. They are less brand loyal and willing to try lesser known brands that have a story. This, he says, creates a unique opportunity for BevMo!.

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When asked about new product launches in alcoholic beverages, Haloulos replied, “That will continue, especially given Millennial shoppers’ desire to explore and new flavors.”

Trends are playing into BevMo’s strengths, as well.

“We’re seeing a continued move to luxury products in whiskey, tequila and gin thanks to craft spirits from local distillers,” he said. “We expect continued growth in wine, especially in the \$10 to \$20 range. We’re still excited about craft beers, but with more breweries and new items we might be reaching the saturation point in growth.”

New challenges are always a concern but as Haloulos put it, “I sleep extremely well at night. California is the No. 1 alcoholic beverage market in the U.S. and growing. In fact, it is the second fastest growing category among consumables next to produce and we expect strong growth this year.”

In retail today, change is constant. Identifying consumer trends and quickly positioning yourself to serve them is critical to success. One area BevMo! is focused on is better utilizing its club card data.

“In June we combined IT and marketing under one leader who has extensive experience in database marketing,” he said. “So I’m excited about making a true omni-channel transformation to e-commerce with shoppers.”

But this functional merger will also make life easier for the stores, according to Haloulos.

“The reality is that we have to service customers more efficiently,” he said.

The more we can automate or provide tools that help employees serve customers, the more effective we can be.”

For example, Haloulos said, BevMo! recently automated its sign prices in store so employees have more selling time with customers. The company is working on automating some of its educational materials so customer questions can be answered more quickly.

“We’re still working towards tapping into the benefits of our scale that will enable us to accelerate our business,” he said.

Meanwhile, BevMo! launched its first consumer app in July.

“The results are promising,” he said.

“With personalized communication we know our shoppers and can send them specific information about their beverages of choice or new items we think they may like through targeted marketing.”

Additionally, the chain is closely monitoring its e-commerce channel for online orders, which are either delivered or picked up in store. With a partner called Saucey, it’s delivering beverages in 40 minutes or less and it’s preparing to test two additional delivery options.

“Our goal is to be the most convenient retailer in California,” Haloulos said. ■