

# The Guide to Liquor Inventory Management



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# The Liquor Store Guide to Inventory Management

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Inventory. It's one thing that, no matter your business type, *all* retailers have to deal with.

However, as you know, liquor store owners and managers are in an entirely different universe when it comes to managing their inventory. With liquor stores experiencing high-volume sales, it's even more important to have it together.

But what if we told you that inventory management didn't have to be such a headache? That it didn't have to be a colossal waste of time and energy? That you'd be able to use that time and energy to grow your business — rather than track down your products and pricing? If you do things right, you can make your inventory work *for you* instead of *you* working for it.

In this guide, we'll help you streamline and simplify your liquor store's inventory, making management a breeze.

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# Liquor Stores vs. Other Retailers

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Why is managing liquor inventory different than managing other types of retail inventory? While liquor stores fall under the retail category, managing this type of business is much different in comparison.

Liquor inventory comes with unique problems – and, of course, those problems need unique solutions.

## Underage Sales

As you know, one of the major threats that liquor store owners face is unknowingly selling to underage customers. Not only are you putting people under 21 at risk if you sell to them accidentally, but you're also putting your business in jeopardy. Luckily, a powerful inventory management solution will recognize an age-restricted product when it's scanned. (With Bottle POS, all wine, liquor, and beer that's scanned in a transaction will require age verification with a driver's license before completing the sale.)



## Time Management

You have enough going on as a small business owner. That said, you don't want to be wasting time managing liquor inventory tasks that could be automated. All retailers can benefit from automation as part of their point of sale solution, but for package stores, AI makes keeping track of cases and bottles much more manageable. It's important to know what's selling quickly and how often to restock it – as well as what's not moving and may need to be bumped from inventory.



## Complex Reporting

Yes, all small businesses rely on reporting – but here’s how liquor store reporting is different, and why it ties into inventory. For liquor stores, it’s much more important to monitor what’s selling and what’s not doing so hot. Why? Because the price tag on wine and liquor bottles is much higher than products that most retailers have in stock. That said, tying your inventory to powerful reporting can help you decide if a specific bottle of wine is too expensive to keep on the shelves or if you’re making a solid profit.



## Liquor Laws

We dive into these on page 12. Liquor stores have their own set of state-mandated rules to follow when it comes to inventory and running this type of business. There’s a lot of risk in owning a liquor store, unlike other retail businesses.



If you’re planning to open a liquor store of your own, it’s good to be familiar with the challenges that come with managing this type of business. Don’t be discouraged, though – being a small business owner is worth it in the long run. And if you do your research, you’ll be running your store with a solid inventory management system and all the tools you’d ever need.

*Bottle POS customers not only have a solid point of sale solution to tackle common problems, but they’ve also got a team of industry experts to back them up. [Learn more about our top-rated customer success and 24/7 tech support.](#)*

# Must-Have Inventory Features

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What inventory features are essential for your liquor store?

We've created a checklist based on our experience in the industry. You can use this feature checklist to take stock of what your current point of sale system has to offer, or to determine whether a POS solution you're considering will meet your liquor store's needs.

- Advanced Filterable Product Search**  
Easily search for and view items by filtering the category, brand, vendor, size, flavor, and so much more. This is helpful for both inventory management and customer service.
- Tax Considerations**  
Every state has different tax levels on liquor, beer, and wine. Make sure you can easily set special tax considerations in your system, such as bottle deposits and volumetric tax.
- Case Break Management**  
Liquor stores have to track cases, packs, bottles, cans, and more. Check that your POS software makes breaking and tracking these specifics simple! Additionally, when an individual bottle is sold, your system should recognize how many are left in its case for reordering purposes.
- Mix and Match Pricing**  
Make sure your inventory software allows you to manage mix and match pricing on individual items! This way, you can create bundled deals and your customers can build their own six-pack to try new craft beers, or choose three different bottles of wine for a discount off the total.
- Stock-Level Lookup**  
Managing more than one business location? This feature allows you to look up stock levels across all liquor store locations from your front register.

## ❑ **Markdown Management**

Manage group markdowns, quantity pricing, multi-buy items, promotional pricing, and bulk discounting. This is a must-have in liquor store inventory management. You should be able to pre-set each of these discounts so that they happen automatically without cashier intervention.

## ❑ **Automatic Inventory Reordering**

This is one of the most underrated features. Set a minimum inventory level for each of your products. Once a product hits that inventory minimum, a purchase order is auto-generated to replenish your wine and liquor inventory. Never worry about running out of fast-moving products or ordering too much of something that isn't selling.

## ❑ **Vendor Management**

You need a system that makes it easy to manage all of your vendors. And if you sell any of your liquor to bars or other local businesses, you want to keep track of that, too.

## ❑ **Mobile Connectivity**

There's nothing more convenient than being able to add items to your inventory on the fly from a mobile device – whether it's a tablet or smartphone.

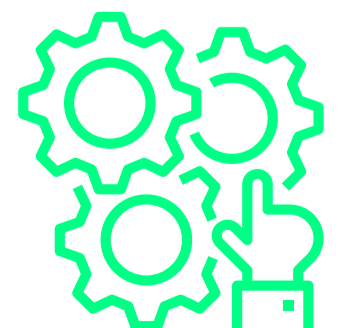
## ❑ **24/7 Inventory Access**

Make sure you'll have round-the-clock access to your inventory data so you don't have to be tethered to your store or primary POS station.

## ❑ **Customer-Based Pricing**

This is a less common feature, but some inventory solutions allow you to create special prices or pricing tiers for select customer types. Examples of this are a wine club discount or a VIP discount.

Overall, you'll want to focus on automation as much as possible. The more inventory tasks you can cross off your list automatically, the more time you have to manage and grow your business.



# Making the Most of Your Liquor Inventory

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Whether you're a new owner of a point of sale solution or you've had a POS system for a while now, there's always industry tips and tricks worth learning.

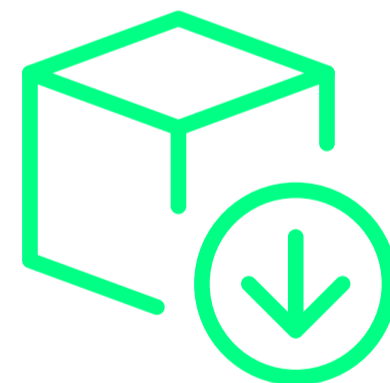
No matter what POS solution you're using, we put together some pro tips to help you get the most out of your liquor store inventory.

## Tip 1: Inventory Imports Can Be Way Simpler.

You've just invested in a new point of sale system for your liquor store, and you've got some learning to do! It will take practice to fully grasp what your new solution can do – and you want as much time as you can possibly get for training.

That said, why spend valuable time importing your inventory one product at a time? Hand-keying items is not only a hassle, but it's completely unnecessary.

Find a POS provider who can help cleanse and import your data if you're switching from another point of sale system. If you're operating a brand new store, or you simply want to start fresh rather than migrate your data, see if the provider you're considering has a database.



Bottle POS utilizes a centralized database that's shared among users, containing tens of thousands of liquor products. As new products are added across the Bottle POS customer base, the database grows.

Our database includes information such as UPC code, item name, brand, product description, category, size, and photos. Since we are constantly updating this database and ensuring new products on the market are accessible, it's easier than ever to make the switch to Bottle POS and take advantage of powerful liquor features!

## Tip 2: Stay on Top of Seasonal Items.

Seasons change... and so does alcohol. Are you a fan of making inventory changes based on the time of year?

Maybe you like stocking hot toddy kits to keep customers warm all winter, or Christmas ale and peppermint schnapps for the holidays. Summer is the time for fruity craft beer and funky sours, while fall is all about pumpkin beer and chocolate stouts.

We always recommend that small businesses keep up with trends and the time of year. But for liquor stores especially, your customers already assume that you'll be rotating out their favorite spirits.

That's great in theory – but what about inventory?

The truth is, keeping track of seasonal items shouldn't be a pain. There are many point of sale solutions out there with simplified inventory management. If your POS software isn't one of them, it may be time to make a switch.

If your POS software does make it easy to move inventory around, you'll want to work on how you keep products organized. Make sure you separate seasonal items from products that you offer year-round. Create categories and/or make products you no longer have in stock inactive so your inventory is up to date and relevant.

This just makes your job easier in the long run!





### Tip 3: Make Inventory Updates Part of Your Routine.

You read that right. Even if you're set up with all of the inventory automations, your work isn't done. You can only make the most of your inventory if it's up to date. If it's not up to date, all of the automations you spent time setting up aren't reaching their full potential.

For example: You find that a specific brand of vodka isn't selling, so you stop restocking it. Shortly after, you sell the last bottle of said vodka on your shelf. Weeks later, you realize this brand of vodka is still taking up space in your inventory.

We're sure you're thinking, "So? What's the big deal?"

And you're right. If that was your exact scenario, it wouldn't be a big deal yet. But if you're a high-volume liquor store and this is a frequent occurrence, then before you know it, your inventory will be overwhelmed by products that you don't even sell anymore.

Not only does this result in confusion for you and your staff, but if your POS system's inventory has a SKU limit, then you're taking up valuable space for items that aren't on your shelf. (We highly recommend investing in a solution that has unlimited SKUs. This will allow for growth and expansion of inventory! [Ask us about our unlimited inventory.](#))

The moral of the story: If you're not selling something, immediately remove it from your inventory. Managing a small business is enough work on its own. The less roadblocks, the better.

From experience, we also recommend doing a physical inventory count twice a year — or even once when you're running your year-end inventory report. This will help you and your team track products that were lost to theft or returned by customers, ensuring that what you have reported is accurate against what's in stock. (If you're a customer of ours, our technical support team can train you on the best way to complete this task using Bottle POS!)

## Tip 4: Pour Out What's Not Meant to Be.

Which products are making you money and which ones are wasting space?

Again, no matter which POS software you're using, make sure your inventory management is paired with a powerful reporting solution – otherwise, you can't be sure that you're making the best ordering decisions for your business.

In-depth business reporting allows you to dive into sales data and figure out what's worth selling and what isn't. (With Bottle POS, you can even track what time of day the most sales are happening, which employees are influencing customer purchases, and more!)

Based on data we analyzed from our customers' liquor stores in June 2020, we discovered the following trends in the industry over the months of February, March, and April:

- Travel-sized liquor bottle sales had decreased
- Cases of beer and 750 MLs of liquor sales increased
- Overall alcohol sales had experienced an increase



Travel-sized liquor bottles are typically used for travel (of course) and events, both of which were not happening due to the Coronavirus pandemic. Plus, at that time, people were trying to social distance and isolate, meaning they were making less frequent trips to their local stores.

The result? Customers were buying larger bottles of liquor – and swapping six packs of beer for cases – to last them longer. In general, with most people having to stay at home and quarantine, alcohol consumption had increased.

If you have a powerful reporting tool paired with your inventory, you can look at specific time periods and make conclusions based on your sales data as we did on the last page.

If you've already identified a top-selling product that's worth keeping in stock, make sure you have an automated solution like we mentioned in the last section of this guide. A feature like this allows you to set a minimum and automatically order more of a product when its stock reaches this number.

For example, when your top-selling bourbon is down to 10 bottles on the shelf, your software will place a purchase order for a few more cases, as you want to have 60 bottles in stock at all times.

At the end of the day, identifying what's profitable and worth keeping around versus what's not standing out will help you make the most of your liquor inventory.



## Liquor Laws and Guidelines

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If managing liquor store inventory wasn't enough work, there are also laws and regulations to keep top of mind when stocking your shop. Liquor laws vary by state, so it's important to study up if you're new to the industry.

Luckily, most significant alcohol restrictions are on restaurants, groceries, markets, and convenience stores. The states that don't allow these businesses to sell alcohol hand off the ability to sell to licensed liquor stores, AKA you!

However, some state laws affect what you're allowed to have in stock. For example, in Nevada, the maximum ABV (alcohol by volume) that can be sold is 80 percent – even if you're a licensed liquor business. Meanwhile, in North Carolina, there's a 15 percent ABV cap on beer.

Throughout the U.S., each state also taxes wine, liquor, and beer at different rates, which adds another level of complexity to inventory and vendor management. New Hampshire, for example, taxes beer at 30 cents per gallon at the wholesale level.

Make sure you're using a POS solution that makes it easy to track vendor pricing and tax, as well as what you charge and how much tax the customer pays!

If you're going to be opening a liquor store, be sure to do your research. Liquor laws do affect your inventory, how your business runs, who you employ, and so much more. Make sure you fully understand the liquor regulations of your state before you're officially open for business.



# The Guide to Liquor Store Inventory Management

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Running a liquor store is hard work — and managing liquor inventory is more complicated than most people think.

We hope the contents of this guide help you automate your tasks, organize your inventory, save valuable time, and of course, grow your business.

Did you read this guide to do research before opening a liquor store of your own? Or maybe you're already running a liquor store and you're hoping to stay up to date. Either way, if you're in need of an extra hand, we've got your back.

Bottle POS is a cloud-based point of sale system built for liquor stores — by liquor store owners. Streamline your business with features like automated inventory management, product ranking, and invoicing.

To learn more, [schedule a free demo](#) of our retail point of sale software! You can also reach out to us at 1-877-381-4087 or [sales@bottlepos.com](mailto:sales@bottlepos.com) if you have any questions.

