

# Guard Bottom Line: Check IDs

**A**re you protecting a vital revenue stream? Violating state and federal laws regarding alcohol and tobacco sales could cost you more than simple fines.

According to NACS, cigarette sales account for 34.5% of in-store sales, translating into nearly one in every three dollars spent in convenience stores. Beer sales account for another 10.9% of sales, meaning that age-restricted products make up nearly half of all sales.

Yet statistics show that petro-convenience stores are still noncompliant, with one in every 10 packs of cigarettes sold to a minor and teens reporting that alcohol is very easy to obtain.

Fines, revocation of licenses, jail time for employees and lawsuits are all consequences. These are severe enough. But what about the deeper effect on revenues? There's another way in which these infractions hit your bottom line. Recovering the amount of the fine and the amount invested in hiring, screening and training a new employee goes way beyond the normal figures. The amount of sales needed to rectify the situation is much more than the amount of the fine or the cost of hiring. Resources, time, energy and loss of sales are all unfortunate ramifications.

Tobacco and alcohol sales are critical to your bottom line. How can you ensure that all your locations are in compliance with regulations?

Training associates to be vigilant about checking ID and displaying appropriate signage are a start, but is this a sure path to compliance? What happens when state inspectors visit your locations and your employee doesn't ask for an ID or looks at it too quickly, and he or she does not validate its authenticity? You pay the price.

## It's No Mystery

Establishing an alcohol and tobacco sales policy demonstrates to your employees the importance of compliance. In addition to role-playing training on ID checking, enforce consequence for those who do not follow the policies. Also, make managers accountable for their employees' actions. Because sales can be tied to compensation, make compliance a factor as well. This creates a specific model for your employees to follow.

But there is still a question of validation. One of the simplest and most economical ways to validate your enforcement model and protect revenue is to employ mystery-shopping compliance services. These unrevealed evaluations give you critical information about what occurs in the employee-customer interaction. If a location fails to act legally then you know exactly who, where and when the noncompliance occurred, allowing you to zero in immediately on the location and implement a remedy. For the small amount of one mystery shop, your business just saved thousands.

So can age-verification programs keep your employees from selling to minors? Problems usually occur with those under age 30, and most states require checking ID for anyone under 30 for tobacco and alcohol. Data gathered from retailers that use an age-verification program demonstrates that compliance to regulations is stronger, with ID checks for tobacco ranging from 45% to 80% and ID checks for alcohol at a rate of 62% to 81% (Note: These programs specifically used shoppers under 30.)

Choose to set the industry standard:

- ▶ Create a culture of compliance
- ▶ Audit and inspect
- ▶ Observe
- ▶ Reward compliant stores and employees
- ▶ Train, remediate, and certify
- ▶ Evaluate your model's effectiveness.

Compliance and profitability need not be mutually exclusive. Make them partners in your organization's success. ■



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