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Winking Lizard Tavern Uses Benchmarking Data to Outperform

In the ongoing conversation about optimizing the on-premise, a fundamental question is how retailers set their taps, and the ensuing performance.

Winking Lizard Tavern (WLT), the Ohio-based beer and wings chain, has long been a top regional on-prem account for many brewers, and operator John Lane has always been very vocal about what works for his concept, and what doesn't.

At WLT's recent annual meeting with partners, BeerBoard laid out how the chain is realizing better rate of sale and other metrics vs. the national average by mining data with them. Having comparative data helps. "Having our technology-driven reporting compare the operator's data and performance by brand to aggregated agnostic regional and national insights without John manually compiling / reviewing reporting or having to only rely on supplier provided insights is incredibly valuable," BeerBoard SVP business development John Boyle told BBD.

BENCHMARKING WLT TOP DRAFT TO NATIONAL RATE OF SALE STATS. To that end, John Boyle presented at the operator's meeting last fall, benchmarking WLT's performance, rate of sale and assortment against national and state-wide averages in its data set.

Perhaps the most eye-popping stats to BBD readers will be WLT's relative rate of sale vs. the national averages for some big-name brands, like:

Miller Lite at 8.7 kegs / 30 days (blowing away the very strong 4.7 kegs / 30-day national avg);

Labatt Blue at 3.9 kegs / 30 days (substantially higher than the solid 1.4 kegs / 30-day national avg);

Yuengling Traditional Lager at 2.9 kegs / 30 days (again substantially higher than the solid 1.7 kegs / 30-day national avg);

Bell's Two Hearted IPA at 1.3 kegs / 30 days (again substantially higher than the solid 0.6 kegs / 30-day national avg);

Rhinegeist Truth at 1.7 kegs / 30 days (again higher than the solid 1.0 kegs / 30-day national avg);

And Guinness at 1.7 kegs / 30 days (again substantially higher than the solid 0.6 kegs / 30-day national avg).

Also notably, Winking Lizard draft dollar revenue (monthly per location) averages \$43,000, which BeerBoard says is 31% more than the U.S. average (and 62% more than Ohio average). As for category performance, in BeerBoard's data (YTD through September), the national on-premise (on average) channel saw domestic down 2.1% (at 44% share), craft down 0.9% (at 38% share), and import up almost 5% (at 17% share).

Contrast that with WLT, which is seeing its domestic cohort up 0.6% (but at only 26% share), craft up 0.5% (at 63% share), and imports actually down very slightly (at 10% share).

BROADER THAN AVERAGE ASSORTMENT. As you may have noticed from its share breakdowns, WLT consciously skews to craft, because that's what its customer wants. But in fact, they have a "consciously broader brand assortment in every tier," said BeerBoard's John Boyle, with WLT's 8 brands in tier 1 (those contributing the most sales volume), compared to 4 tier-1 brands at the average U.S. casual dining/pub operator (and an average of 3 for Ohio); 18 brands in Tier 2, vs. 11 for both the national and Ohio operators; and 23 tier-3 brands, compared to 16 for the U.S. and Ohio.

But even though Winking Lizard Tavern has more brands, their overall rate of sale – at an average of 1.81 kegs per month – also outperforms the national average (which is 1.41 kegs/month). Imports bring the average down for the chain a bit (seems to be a regional thing: WLT goes through 1.40 import kegs vs. the national average of 1.64/month, but Ohio's average is just 0.86). But WLT vastly outperforms domestic and craft rate of sale, going through 5.47 kegs/month and 1.48 kegs/month, respectively, vs. the national ROS of 3.30 for domestic kegs and 0.85 for craft kegs monthly.

"I think the most important thing this program does is allow me a measuring stick on how I am doing against my competitors and myself with draft selection," John Lane told BBD.

"What selection of drafts I have might not necessarily work for the restaurant next to me. The most important thing to get out of this is that every draft handle has a job to do and this proves whether that handle is doing its job or not." For example, one of his cider handles (a big regional brand) "was not meeting the standard for that draft so I made the switch to Angry Orchard, the market leader," said John.

"This is a huge tool for me and any on premise operator to help with selection to ensure volume and profitability. It is now open so my supplier partners can look and say, 'yup, it doesn't work here so what else do we have in our portfolio to make that handle do its job?'"