

**RETAILER  
OF THE YEAR** 2010

PHOTOGRAPHY BY DAVID STENCE

# TWIN



**Key personnel at Twin Liquors includes, from left, Bill Heppel, business development manager; Paul Gingrich, retail sales manager; Brenda Audino (in light blue), chain wine manager; Sandra Spalding, retail sales manager; Gabe Diab, the Jabours' uncle and a Twin Liquors' partner; executive vice president Margaret Jabour; and president David Jabour.**

# LIQUORS



**RUN BY THE THIRD GENERATION OF JABOUR FAMILY MEMBERS, THIS AUSTIN, TX-BASED BEVERAGE ALCOHOL CHAIN COMBINES MORE THAN SEVEN DECADES OF RETAILING TRADITION WITH A CUTTING-EDGE APPROACH TO THE BUSINESS.**

**By Gerry Khermouch**

**L**ong known in the Austin, TX, area as an expansive chain of well-appointed beverage alcohol stores, Twin Liquors made an emphatic statement to potential competitors with the November 2008 opening of its Hancock Center Marketplace flagship location, in greater Austin's Hyde Park district. The 15,000-square-foot, cutting-edge megastore, built in the shell of a former Old Navy outlet, has most everything a customer could want, blending a roomy, comfortable layout – accented by large granite tasting bars in center store and by the entrance as well as classroom-style enclaves in back - with an impressive selection of wine, beer and spirits. Continuing to highlight its chain-wide signature trademark “Twin Deals” promotion, which offers two bottles at a deep discount, along with a wide array of tasting and educational events, the new store drew enthusiastic reviews from customers on ratings sites like Yelp! One online poster noted the store is a “massive celebration of wine, liquor, beer and more...”

Call it the latest evolution in a family-based enterprise that, starting with its roots in the aftermath of Prohibition, has shown an uncanny knack over the decades of anticipating beverage alcohol retailing trends while retaining a homey, family feel. On the trends front, Twin Liquors was early to key in on wine and food pairings, and among the first to work to make its stores more appealing to women with a focus on education and nicely finished stores. Oh, and it's also developed a remarkable degree of regional goodwill with an extensive charitable giving program that encompasses the arts, medicine and education.

Now run by the third generation of Jabour family members since the company's founding immediately after the repeal of Prohibition in 1933, Twin Liquors operates 59 stores, with its newest location, which opened in November, being a twin to the Twin Liquors Marketplace at Hancock. They all operate within a 65-mile radius of Austin under the store names Twin Liquors, Reuben's Wine & Spirits, Dan's, Hill Country Wine & Spirits and KP Liquor. The retailing mini-empire reaches into such towns as Round Rock, Pflugerville, Cedar Park, Georgetown, Dripping Springs, Marble Falls, San Marcos, Kingsland, Burnet,

Lockhart and Taylor. At the helm, juggling a variety of roles, are David Jabour and his sister Margaret Jabour.

## Twin Liquors Roots

The Jabour presence in Texas goes back more than a century, when the family of Lebanese immigrants set up a mercantile store in the late 1800s at the intersection of Congress Avenue and Pecan Street (later renamed Sixth Street), in the heart of the city. During the boom in liquor retailing that commenced upon Prohibition's repeal, the family opened Jabour's Package Store, vying with two dozen operators that sprang up within a two-mile area. By the mid-1940s, the next generation of Jabours had expanded to three liquor stores and a beer tavern. The current third-generation managers, David and Margaret, took over in 1981 when the second generation retired. The next year they'd adopted the Twin Liquors moniker with the opening of a 700-square-foot store at the corner of 7th and Red River in downtown Austin. This was in honor of their father, the twin, Theodore Jabour. The third generation consisted of David and Margaret Jabour alongside their dad, Theodore Jabour (deceased November 2009), Ralph Jabour (deceased January 1990) and Gabe Diab, an uncle on their mother's side.

As Austin began to experience its long-running boom in the 1990s, with its technology companies drawing new residents from California and other areas with sophisticated tastes in alcoholic beverages even as the University of Texas grew by leaps and bounds, Twin Liquors commenced on its twin – if you'll pardon the



**Entrance to the Twin Liquors' 15,000-square-foot Hancock Center Marketplace flagship location, in greater Austin's Hyde Park district (above), and a view of the education room in the back of the store where popular Wine 101 classes are held for consumers, as well as rigorous training sessions for staff.**





**The Hancock location features spacious aisles and room for lots of large case displays of national spirits brands.**

phrase – expansion track of new stores and acquisitions. The acquisitions included Dan’s Wine & Spirits in 2000, Reuben’s Wine & Spirits in 2001 and KP Liquors in 2003. All three family-run businesses, Twin Liquors maintains, sought it out as the preferred acquirer. With the opening of the Marketplace concept store at Hancock Center, Twin Liquors now boasts an extensive network of stores under numerous brands, sizes and retailing approaches. “Ten years of major growth and now another plateau,” said Margaret with satisfaction.

Asked whether a statewide expansion in Texas or perhaps to neighboring Arizona is contemplated, David replied drily: “It’s not in our one-year plan.” Added Margaret: “Texas is different. Not everyone can operate in this state.” She noted, though, that Twin Liquors’ focus around Austin puts it in a great position to expand elsewhere in the state, thanks to the awareness that is built among the legions who are drawn to Austin to attend classes at the University of Texas or to attend to business at the state capitol.

## Serving as President of the ABL

**I**n March, David Jabour stepped up to a two-year term as president of the American Beverage Licensees, which styles itself the voice of “America’s beer, wine and spirits retailers.” Jabour previously had served as a member of the ABL board for seven years and served on its executive committee for five. His priorities?

“First and foremost is broader membership,” he replied. “We’ve got more than 20,000 on- and off-premise retailers but we still need to broaden it.” That means convincing state associations that are not ABL members to join, or incubating an association where necessary. While the ABL boasts affiliates in major states like Texas, New York, Illinois and Massachusetts, there are some conspicuous voids, none more so than California. The Golden State’s domination by chains has tended to make it more difficult for family businesses like the ABL’s membership to get involved at that level (though some may still have a voice through the Wine & Spirits Guild of America, an affiliate of ABL).

At the national level, the federal excise tax clearly will be a major issue, Jabour said, and the ABL will work with the Distilled Spirits Council (DISCUS) and the Wine & Spirits Wholesalers Association (WSWA) to protect retailers’ interests. Nor is there any waffling by the ABL on another contentious issue, that of direct shipping. “The ABL embraces the three-tier system: it works and is functional,” he said.

Another initiative is not surprising coming from a president who has parlayed his regional roots into such a strong business: a shift of the ABL’s annual convention from Las Vegas to Louisville, Ky., in June 2010, so the industry can bask in the history and traditions of Bourbon whisky. In a play on the familiar “Whisky Trail” that lures Bourbon aficionados, the convention theme is “On the Trail to Success.”

# Star Power

**G**iven their identity as self-avowed people persons, it's no surprise that David and Margaret Jabour love to regale callers with accounts of their weekend with that most outside people person, actor Danny DeVito.

By their account, DeVito, who's been pushing a well-received limoncello of his devising, approached them about doing an event at Twin Liquors. They were happy to comply, with a Friday night dinner to which DeVito brought his wife, the actress and children's book author Rhea Perlman, who was celebrating her birthday that week, and a Saturday morning event at Marketplace that had a line stretching through the shopping center as consumers awaited their turn at a one-on-one encounter with the familiar Everyman presence from movies and TV. "We probably sold over 1,000 bottles," she recalled.

The moral of the story is vintage Twin Liquors. "This business is fundamentally about people, and he has a passion for people," said David Jabour. "He actually asked to come here," added Margaret. "Now we've got a lifelong friend."

**A section of the store lined with cigars, and topped by shelves of cognac and high-end whiskey.**



## Tightly Knit Family Business

**T**hough David and Margaret Jabour can recall being involved in the family business since they were 6 or 7, they both can boast significant business experience outside the world of Twin Liquors. David spent 15 years in commercial banking, though "the family business was never out of arm's reach," he said. The firm financial grounding offered a springboard to take the business to new heights, he believes.

Margaret took somewhat less of a digression. "I was always going to do retailing," she recalled. As early as her teens, she was involved in a stereo business selling car stereos and recorded music. Her junior year in high school she opened an electronics store, along with her Uncle Gabe. Another sibling, Ralph, was a biochemist who, even in the early 1980s, wanted to elevate the still-provincial wine tastes of Austin and was beating the drum for wine and food pairings. Suffering from health issues since childhood, Ralph Jabour died of heart disease as a young man, though his brother and sister say the continuing impact of his ideas on the business has been incalculable. "There's a glow," they both added. As for their Uncle Gabe, "Uncle has always been our out-of-the-box thinker who has inspired us to expand and compete," they said.

Operating as a tightly knit family confers a unique style. Responsibilities are loosely defined, a good counter to any impetus to creeping bureaucracy. Generally speaking, as president, David manages operations while Margaret, as executive vice president, handles community, supplier and customer relations. The family is able to benefit from relationships with key distributors like Glazer's and Republic that go back to their grandfather's time, Margaret said. In the case of suppliers like Gallo, the families have been doing business together for 70 years, David noted. "It's important for executives to understand the family dynamic," he said. As for the next generation, Margaret has sons age 18 and 16 while David has a pair of twins age 8 and a 6-year-old whom they hope will someday choose to be involved in the family business.

## Respecting Tradition

**T**hat sense of abiding by family and tradition has also dictated a key aspect of Twin Liquors' branding strategy: maintaining the identity of acquired chains, often for considerably long periods. Twin Liquors executives assert that one of the reasons the other owners approached them about a deal was the belief that they would be the best successor to maintain their business's continuity and look out for their employees. Following an acquisition, "we evaluate the merit of that brand," said David. "The last thing we want to do is remove the goodwill. In due time it becomes integrated with the Twin Liquors brand, but



**Tucked in a corner, this tasting bar, with chairs and tables, situated beside wood-paneled wine shelving and displays, is just one element in an overall warm and classy design throughout the store.**

we don't do so unnecessarily. That would be frivolous. It wouldn't be respectful."

Though the stores retain their individual identities, tied both to their neighborhood and to their brand, they're all marketed together, with all promotions and point-of-sale materials delineated as coming from Twin Liquors. It's like they have different first names but the same last name, David figures.

Also critical to the Twin Liquors DNA is the blending of small-footprint neighborhood stores, running to 750 wine SKUs at the low end, with larger destination stores focused on education and customer interactions, all configured within a finite geographic area. The larger stores sport 7,000 SKUs – a large but manageable variety.

The company also plays off the "twin" in its name whenever it can in its promotional activities, notably with its "Twin Deals" program featuring two of the same featured national brand at a hot price, and its store associates' "Twin Picks."

## Presenting Wines

In the stores, Old World wines generally are shelved in wood on the wall, while most domestic and New World wines are merchandised on the floor, organized by varietal. California wines do exceptionally well in Texas and receive great prominence at all Twin Liquors stores. French wines don't fare so well, though David noted that consumers are getting further acclimated to wines from regions like the Southern Rhone, which go well with the types of cuisine that are popular in the state. And the quality of Texas wines continues to improve, he said.

Brenda Audino, chain-wide wine manager, said that,

as elsewhere, Malbecs are doing really well. In general there's an emphasis on value lines under \$15, featuring varietals and producers that consumers are familiar with – "comfort wines," Audino calls them. At in-store tastings, where much of the risk of the unknown is eliminated, they'll venture higher in price, she said.

At a time of austerity in many households, California and Washington State wines do well. Argentina is "hot as a firecracker," David said. With prices usually running below \$15, sometimes even below \$10, Spanish wines also do well; these days, consumers are willing to experiment with a wide variety of entries, not just riojas, and the quality is definitely there, the Jabours said. Portuguese still wines are showing some vibrancy. And New Zealand sauvignon blanc is a winner.

The burgeoning Texas wine industry poses an interesting dilemma. On the one hand, Twin Liquors is eager to promote local producers. But it won't do so at the cost of compromising the overall quality of its selections. "Texas is a very young and vibrant industry," Audino puts it, diplomatically. "They have to figure out what are the best practices for this particular hostile environment. They're in every one of our sets. It takes a while to figure out what works but some are making great strides." She cites Becker Vineyards, Alamosa Wine Cellars and Fall Creek among those who're bringing out "fabulous" wines. Indeed, David Jabour rates Becker's viognier among the best in the world. For his part, Becker winemaker Russell Smith, who spent more than 11 years as a Twin Liquors manager before returning to the wine-making side two years ago, said he has no complaints about the attention his and other Texas vintners have received at the chain. "We've appreciated their help over

the years, and their encouragement and enthusiasm for new wines. We consider them an important part of our success,” he said. During Texas Wine Month, in October, Twin Liquors integrated Texas wines “at any time possible,” Margaret Jabour said.

Individual stores are given a great degree of autonomy in keying their wine selections to their local customer base. “We have more than 10,000 wines that the stores can choose from,” Audino said. “So they can customize their wine selections to fit their demographics and interests. And if customers ask for something specific, we’ll bring it in for them.”

## The Spirits Side

**O**n the spirits side, vodkas of every stripe are selling well – including an array of sweet-tea vodkas that play to a regional tradition. Bourbon has been hot, playing both to a back-to-basics sentiment and chauvinistic identity as our domestic spirit. Texas is a major tequila market, with current momentum behind value-priced 100% blue agave tequilas.

Twin Liquors is emphatically not playing the private-label game. Its executives maintain that they can be counted on to remain crucial allies of the national brands. “We are totally focused on national labels, versus the temptation for private label,” said Margaret. “We don’t want to see any of these labels diminished in any way.” Added Audino: “I don’t know how people can do it without the support of the supplier network. Nobody

can be out there as an island.”

Though the Jabours feel they offer a solid selection of domestic and imported beers – after all, with its hot weather and many Hispanic consumers, Texas is very much a beer state – “we like to focus on liquor and wine,” said Margaret. “We want to impact them with comfort in making that mixed drink,” particularly at a time that the recession is pushing people to do more entertaining at home. That said, the chain does well with craft beers, both regional ones and national ones like Dogfish Head, and retro brands like Lone Star, are showing vigor, especially since the economy softened. Texas icon Shiner Bock is a perennial favorite.

“My take on Twin Liquors is they have a great selection,” said Austin-area resident James Hyde, an ad sales executive at *BusinessWeek* magazine, who developed a serious interest in wine when he earlier lived in San Francisco. “Some of their bottles are well-priced and they make their money on others.” He views Twin Liquors as the connoisseur’s ally. As a fan for special occasions of pricy vineyard-designated Chardonnays from Kistler Vineyards, Hyde marvels that at the Hancock Center store, “they have a couple I’d never seen at a liquor store.” He terms that store “extraordinary.”

## Accent on Education

**T**he central concept of the Marketplace store is on education – both of consumers and Twin Liquors’ staff – and the superstore is host to daily tastings at its



**The fine wine room, adorned with beautiful wood-paneled shelving and displays, seats up to 12 and serves as an upscale environment for special tastings.**



**While promoting national brands in large displays takes up much of the floor space, Twin Liquors also targets the thriving Texas winemaking scene as well as Austin's own Tito's Handmade Vodka, as seen here.**

20-foot tasting bar, hostings of winemakers – including celebrity draws like Danny DeVito (sidebar) and the free Wine 101 classes. A fine wine room seats 12 and the education room can host white-tablecloth dinners for 40. All these activities are boosted by new state law that allows up to 20 items to be offered for free tastings.

The popular Wine 101 classes are held on the first and third Wednesday of every month. Taught by Audino or one of three other employees trained to manage it, they run about an hour and a half, taking students through the “big six” grapes and their primary growing regions, and teaching attendees to be comfortable with what their likes and dislikes are. Consumers get to taste wines, receive a take-home packet and are allotted time to wander the store, with the instructor on hand to field their questions. Besides helping to build a consumer base and generating some immediate sales, the sessions comprise a form of market research that helps Audino to refine her own purchasing choices for the stores.

If Marketplace is high-concept, that by no means diminishes Twin Liquors’ other locations, Margaret Jabour said. In all of them, passion, personality and expertise are sought in store associates, whose ability to forge enduring relationships with their customers are regarded as a key to the company’s success over the decades. Though wine authorities like Robert Parker are viewed as providing useful information on wines worth a look, the burden in easing customers through their choices is placed on the associates, whose personal preferences are posted as Twin Picks. Loyalty cards for regular purchasers are eschewed as too impersonal.

Though the general rise in consumer awareness of

wine, along with Texas’ own thriving winemaking scene, would seem already to have done the hard work of demystifying the segment, the Jabours are not taking that progress for granted. “Just as there’s a new freshman class at the University of Texas every year, there’s a new group of 21-year-olds as well” who need to be brought along in appreciating the joys of wine, Margaret Jabour noted. The store associates are on the front lines of that education process.

The ambition is that they convey “the passion they have behind wine – the stuff they’re drinking at home,” Audino said. In hiring, Audino said, “we’re looking for that passion, that spark behind the eyes, a willingness to learn. I can give them the knowledge” – say, through the 9-week wine authority course she teaches for the chain’s employees – “but I can’t give them passion.” So far, close to 100 employees have gone through the rigorous course, which takes them through areas like viticulture, grapes, regions, sparkling and fortified wines, food pairings and sales techniques. Each class concludes with blind tastings. “We try to taste wines that really should be in all of our stores and maybe are overlooked,” she said. The four-hour courses are held once a week; employees are paid for their time there. Those who pass the concluding exam receive a personal copy of the Hugh Johnson/Jancis Robinson *World Atlas of Wine* and a certificate that, while it doesn’t confer any immediate jump in status or compensation, is an important factor in considering employees for promotion.

To motivate associates, they are challenged in contests measured on sales of target products, in which they receive points for different brands they sell. Winners receive trips

# Theodore Jabour, 88

**T**ragedically, moments before David and Margaret Jabour were to be photographed for this story, they received an emergency phone call from the hospital where their father Theodore was being cared for. Up until that day, David frequently interrupted his business routine to attend to his father's needs, an "88-year-old young man with heart issues and on dialysis," David stated. In our original story, David noted, "He's always been a wonderful inspiration for us, and always enjoys being involved, knowing what new projects and strategies we have." Added Margaret: "There's a glow in his eyes when we talk of new locations."

Theodore Jabour passed away on Monday, November 23, 2009. One obituary noted that "he and his identical twin brother, Arthur, loved working in their family business.... Theodore's business philosophy provided the foundation for Twin Liquors' existence. He fundamentally instilled in his children the importance of trust, relationships, customer service, and how serving and helping one's community is an

essential component of fulfilling the needs of customers. This philosophy ultimately fueled Twin Liquors' great growth."

And a different obituary described the twin brothers roaming "the streets, parks and creeks of a much smaller Austin as boys. They fired anti-aircraft guns side by side in the Pacific theater in World War II, stood together in front of an Eastern Orthodox priest as they married in the early 1950s..." and spent almost four decades together running Jabour's Package Store until they retired in 1981. Fortunately, Theodore soon came out of retirement to help his children found Twin Liquors.

A testimony to Theodore on the Twin Liquors website sums up: "Theodore remained active in Twin Liquors until his death providing passion, wisdom and direction to the company. Even days before his death, the sparkle in his eyes and vigor in his voice when discussing company business confirmed his unwavering and steadfast commitment to his community,



industry and family. In an era when businesses rise and fall with relatively brief periods of success, it is reassuring to find that Twin Liquors has stood the test of time because of the beliefs of its founder. That's the real testimony to honoring a heritage, a family and a father."

to wine-producing regions – Spain and France, in one such trip last year, and Napa in another. For 2010, the trips are to Italy, Sonoma/Napa and Oregon.

## Charitable Activities

**N**o discussion of Twin Liquors would be complete without a mention of the Jabour family's charitable activities, supporting cause ranging from the Long Center, which manages three arts institutions, to the American Cancer Society's Cattle Baron's Ball, to hundreds of lower-key, more local events staffed by the local store team. Though for decades the Jabours were happy to make their donations quietly, their managers are grateful to see the chain getting greater local recognition for its contributions.

"I'd hear 'thank you' a lot from customers, but never noted Twin publicly getting the recognition it deserves," said Sandra Spalding, community events manager. She

notes that her own background in art history and performance, along with past experience in the restaurant business (not to mention a stint running a Twin Liquors store during her decade-long association with the company) has equipped her well for her current role, which encompasses events, marketing and public relations.

The driving force is charitable events, usually annual events, in which Twin Liquors can play roles ranging from simply taking an order to helping with the logistical planning. Some are outright donations to worthy causes, while others offer cross-promotional opportunities that directly help build the business. "We're all over the wine and food festivals," Spalding said. If children are involved in the charity, the company gives but asks to remain anonymous. The company gives to more than 400 organizations per year, and that broad scope "has made my job so easy: it allows me to say yes to almost everything in some form," Spalding said. □