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**1. It May be the Last Call for Ladies Night**

By Joy Sewing – *Houston Chronicle*

June 3, 2004

Kool & the Gang had the right idea back in 1979.

*Ladies Night*, they proclaimed with their hit song, was a woman's night to dance, celebrate and get the royal treatment.

*If you hear any noise, it ain't the boys, it's Ladies Night*. ...

That song had women across the country doing the Hustle to their neighborhood disco for a night on the town. Though the catchy tune has long fallen from the DJ hot list, the spirit of *Ladies Night* lives on in nightclubs across America.

These special events have enticed women with free admission, cheap drinks and the possibility of meeting Mr. Right.

OK, maybe not Mr. Right. Maybe, just a dance.

But, if you live in New Jersey, say goodnight to ladies night.

The head of the state's Division on Civil Rights ruled this week that it isn't fair for women to get free admission and cheaper drinks, while men pay a cover charge and full price for beverages. The decision is based on a lawsuit claiming gender-based discrimination against men, and it refuted arguments by a nightclub that ladies nights are a legitimate promotion.

The state's governor has criticized the decision, calling it "bureaucratic nonsense."

This isn't a new debate. Pennsylvania and Iowa also have put an end to ladies nights. Yet courts in Illinois and Washington state have given a thumbs-up to the events.

Ladies nights are still viable options for women across the Lone Star state. The Texas Alcoholic Beverage Commission prohibits an establishment from serving more than one drink at a time (no 2-fers) or more than one free drink per person. But nothing prohibits an establishment from charging men and women different prices for admission or for drinks.

But could this be a trend? No more ladies nights?

"Ladies first," says Dan DesChamps, co-CEO of Hush nightclub in Katy. "This is a female-driven business. If you make it comfortable for them, the men will follow. Guys chase the ladies, not vice versa."

Hush is cover-free for women on Fridays before 11 p.m. Drink specials are offered for both men and women.

At Chances in Montrose, a predominantly lesbian club, every night is ladies night.

"We call it a people's bar because everyone is welcomed, but ladies are here every night," says bartender Raci Farris.

Farris thought the New Jersey ruling might have some validity. She recalled nearly 20 years ago when some of the gay bars in the Montrose area charged women admission but let the men in free.

"They didn't want (women) to come, so they made us pay. But that's changed now. The men's clubs are vying for our attention. Maybe they need the money."

Still, the concept of ladies nights gets mixed reviews.

"If the idea is to lure in men by using women as baits, then I'm not for it," says Dr. Dina Alsowayel, associate director of the Women's Studies program at the University of Houston. "But if the idea is to encourage women to socialize and enjoy themselves, then I'm for it."

Stacy Sloan, who occasionally makes ladies night with friends, said the issue is senseless. "They are making more out of this than there is. Ultimately, I think it ends up being a bunch of women there. Most of us go because it's cheaper, not to meet the person of our dreams. We're just socializing."

"The more ladies, the more men," says Alan Van Dix, general manager of Scott Gertner's Sky Bar, which offers free admission to women on Wednesday and Thursday nights as well as drink specials for everyone.

"A lot of the ladies and men still like the idea of chivalry. To reverse it would not work. It would be interesting to see, but I don't think we would like to start that trend."

A gentlemen's night?

*Oh yes it's Gentlemen's Night, and the feeling's right*. ...

I'm sorry, that just doesn't sound right.



**2. City's Famous Bar Scene Parties On**

By William Mikesell - *The Daily Iowan*

June 15, 2004

IOWA CITY, IA -- With more than 40 bars within a mile of the Pentacrest, UI students say the difficulty isn't where to find a drink, it's which scene to choose. Students who are at least 19 years old have the selection of a variety of establishments which serve up an opportunity to dance, mingle, listen to music, or just be left alone

"I like that there are several varieties of bars in a close range and a commons area," said UI senior Mike LeClere.

Coming to Iowa City and experiencing new freedoms, coupled with easy access to alcohol, can be a situation that requires restraint for some newcomers.

"We've all been freshmen, and we've all been stupid," said Lauren Boldebuck.

The UI junior said she now limits her consumption by only bringing small amounts of cash.

Many bars offer cheap specials to lure students from the mix of choices. During weekend nights, many pubs limit the party to legal-age drinkers, while others charge minors cover fees. Despite the legal drinking age, minors said they don't find it difficult to find a drink once inside the pubs.

"It's not really tough since they changed it [to 19]," said UI sophomore Patti Hannula. "It's just a pain in the ass."

Jim Clayton, co-coordinator of Stepping Up, a community coalition that provides alternatives to alcohol, said 80 percent of minors get a drink from a friend who is of legal age.  
  
The abundance of downtown bars and the underage admittance policy thrust the UI into the spotlight as the top binge-drinking school in the country, according to Harvard University's College of Public Health annual College Alcohol Study, Clayton said. The study found 69 percent of UI undergrads frequently binge-drink at least once per two-week period; binge-drinking is defined as having at least five drinks per night for a male and four for a female.

"We have such a tremendous access to alcohol in this community its hard to say whether it's a chicken or egg thing," Clayton said.

Missing class, overdose, assaults, and unprotected sex at least partially reflect the drinking culture, he said.

"High-risk drinking is tied directly to those other behaviors and consequences," Clayton said.

Even with the rowdiness, many students head downtown as an alternative to house parties because the bouncers and bartenders provide security.

"I feel a lot of people look out for you," said Boldebuck.

While students may choose different reasons for going out, the popularity of bars is easily evident late on a weekend night. But going out can get monotonous for even the serious barfly, students say.

"If you go downtown every day it's going to be boring," said UI senior Joy Huse.



**3. 19-Ordinance Saga Continues to Continue**

By Arna Wilkinson *- The Daily Iowan*

June 15, 2004

IOWA CITY, IA -- Iowa City Police Chief R.J. Winkelhake has some advice for incoming UI students who are younger than 19:

"You are not supposed to be in the bars after 10 p.m.," he said, noting that the City Council passed a 19-ordinance in August 2003.

Not everyone has listened: Iowa City police issued 134 citations in 2003, each carrying a $250 fine for breaking the ordinance. Affected establishments have posted mandatory orange signs to inform their underage patrons.

The controversial ordinance was seen as a compromise among community members, bar owners, and UI students. The original measure would have raised the minimum bar-entrance age from 18 to 21.

The community and City Council are still divided on the ordinance's effectiveness in stopping underage and binge drinking; the council will re-visit the ordinance this summer.  
  
"I don't think it is effective," said City Councilor Connie Champion, who supports raising the bar-entrance age to 21. The ordinance, she said, does not fit the council's focus of regulating the misuse of alcohol.

"We are not after underage drinking but rather binge drinking," she said. "It is about the abuse of alcohol, not the consumption."

Plus, bar owners argued, forcing patrons younger than 19 out would only increase the number of house parties without regulations.

"The 19-and-under ordinance has driven a lot of people away from downtown," said Mike Porter, the owner of the Summit, 10 S. Clinton St., and One-Eyed Jakes, 18-20 S. Clinton St. "It has not curtailed drinking; it has probably made the problem worse."

Leah Cohen, the owner of Bo-James, 118 E. Washington St., supports the ordinance but said the university needs more alcohol-free activities for students.

"I hope that the UI will start doing more nonalcoholic events," she said. "So far, I have been disappointed."

The Stepping Up Project, an organization that sponsors nonalcoholic recreation programs for students, has offered night games at the UI Field House and Up All Night at Iowa in the dorms and the IMU.

"Progress has been made," said project co-coordinator Jim Clayton. "We want to continue what works."

For UI senior Jeremy Kelly, the 19-ordinance does not seem to have stopped minors from frequenting the bars.

"There are always people stumbling around drunk on the Ped Mall from the bars who look really young," he said.



**4. Diageo TV Show Marks a First For Liquor Brand**

By Christina Cheddar Berk - *Dow Jones Newswires*

June 16, 2004

NEW YORK -- Diageo PLC, the maker of Baileys cream liqueur, will break ground next week by airing the first in a series of one-hour television music specials called "Baileys in Tune."

The program, which will air quarterly on Viacom Inc.'s VH1 cable network, marks the first time a spirits brand has produced a TV show, according to London-based Diageo.

The distilled-spirits industry lifted a decades-old, self-imposed ban on TV commercials in 1996. Since then, spirits companies have been getting more air time on television, but some taboos remain. Spirits companies have yet to convince major network broadcasters to accept national advertising for spirits, although the networks accept ads for beer and wine.

The spirits companies, led by Diageo, have cobbled together a network of cable-TV stations and local broadcast affiliates that accept the ads.

With this in mind, Diageo's decision to brand an original program is being seen by some industry watchers as a brash move for a spirits company.

"Diageo is definitely a company that is willing to take some bold steps to create excitement in categories," said Ken Harris, a partner at Cannondale Associates, a consumer products and retail consultant in Chicago.

The consumer audience has become increasingly fragmented, making it more difficult for companies to reach their target audience, Mr. Harris said. Programs such as the one Diageo is creating help make the product part of the content consumers are watching on TV and may ensure that consumers will be exposed to the company's message, he said.

Rival spirits companies are likely to watch this closely, said Jack Trout, president of Trout & Associates, a marketing strategy firm in Greenwich, Conn.

"If they don't get too many arrows in their back, the others will pile on," Mr. Trout said. However, he doesn't expect the move to stir up much controversy because by using cable, Diageo has targeted its audience closely.

The majority of the target audience for the VH1 program will be above the legal drinking age, in fitting with the industry's code of conduct, said Frank Coleman, a spokesman for the Distilled Spirits Council of the United States, an industry trade group also known as Discus.

Diageo is comfortable that it can be involved in producing the program in a responsible manner, said Mark Waller, Diageo's executive vice president of consumer strategy and marketing.

The company plans to air a public-service announcement regarding the need to drink responsibly during the VH1 program. Also, some of the Baileys ads aired during the program will carry social-responsibility messages. Diageo promotes responsible drinking in at least one of every five TV ads it airs.

"Baileys in Tune" attempts to provide a glimpse into the sources of inspiration for recording artists. The first episode on June 15 pairs Rock and Roll Hall of Fame inductee Paul Simon and Grammy award winner John Mayer.



**5. Bacardi Mulls Share Offer Despite Profits Fall**

By Adam Jones in London

June 15 2004

Bacardi's net earnings fell 21 per cent in the last fiscal year, amid waning sales of Bacardi Breezer, its "ready-to-drink" cocktail, and an inventory cutback in the US and Mexico.

However, Ruben Rodriguez, the privately-held distiller's chairman, said the profit decline would not influence its thinking about whether or not to seek an initial public offering.

"I'm not concerned about how analysts look at this," he said, contending that Bacardi's cash generation was more relevant. Cash flow from operations rose 18 per cent to $504m, partly swelled by asset sales.

Sandy Soames, an analyst with Cazenove in London, said: "The cash generation remains very strong." Sales rose 7 per cent to a record $3.3bn, aided by dollar weakness.

The board of the Bermuda-based company, best-known for making Bacardi rum, the world's best-selling premium spirit, recently secured the power to issue shares without needing the specific approval of the families who own the business.

The move was the second of three steps needed for a stock market listing or a share-funded alliance with a rival. Mr Rodriguez said the company would not necessarily pursue either option.

He said the 21 per cent decline in net profits to $331m reflected several one-off negatives, such as inventory reductions in the US and Mexico, a new cost information system, restructuring charges and the unwinding of an interest rate swap.

The tax rate increased, as did promotional spending. However, Bacardi enjoyed a one-off profit gain from the sale of two minor brands. Ready-to-drink cocktails, or alcopops, have been particularly lucrative in the past for Bacardi but the category has been under pressure for many months.

At constant currency, Bacardi's RTD sales were down 13 per cent, while Breezer fell 17 per cent. However, it was not all gloom for RTDs. Bacardi Silver, an RTD that Bacardi sells in the US with Anheuser-Busch, saw sales rise 7 per cent.

Bacardi rum constant-currency sales fell 3 per cent following the company's decision to cut back on inventory in the booming US market and in Mexico, where trading has been tough.

Overall, group sales by volume, including RTDs, fell 5 per cent to the equivalent of 76.5m nine-litre cases. Pre-tax profits were down 13 per cent at $412m. Mr Soames said the sales figures reflected increased competition in rum and Scotch whisky, as well as the contraction of the RTD category.



**6. Rum Giant Bacardi Close To $2 Billion Vodka Deal**

By a Staff Reporter – *Wall Street Journal*

June 17, 2004

Bacardi Ltd. is close to a deal to buy the Grey Goose high-end vodka business for more than $2 billion, says a person familiar with the situation, significantly broadening Bacardi's presence in the U.S. spirits business.

The potential deal comes at a time of consolidation in the spirits industry, as companies look to boost their scale. Bacardi, a rum powerhouse which is based in Bermuda, has been looking for acquisitions to add to its portfolio of liquors.

Financial and legal details were yet to be finalized, and the deal could still fall apart. Nonetheless, the talks were in advanced stages, and an announcement could come within days. Grey Goose is made by Sidney Frank Importing Co., of New Rochelle, N.Y., a closely held concern which imports top-selling German liqueur Jagermeister. The company is controlled by Sidney Frank, its chairman and chief executive, who is in his 80s.

With roughly 8% market share of the U.S. spirits market, Bacardi is currently dwarfed by spirits leader Diageo PLC, which has nearly a quarter of the market.

Bacardi has been particularly interested in the fast-growing superpremium tequila and vodka markets, and recently introduced a superpremium vodka, Turi, from Estonia.

Grey Goose would give Bacardi a powerful player in the growing vodka market. The vodka currently sells roughly 1.8 million cases in the U.S. market, accounting for about half of superpremium vodka sales. It retails for nearly $30 in some parts of the country, well above the price of Absolut, a leading imported vodka.

Mr. Frank introduced Grey Goose into the U.S. spirits market in 1997, and built it into a top-seller in six years thanks to his trademark expertise at building buzz among consumers. Grey Goose's success, however, has brought a host of new competitors who may damp the brand's long-term growth. Recent months have brought the rollout of Wyborowa Single Estate vodka, shipped in a bottle custom-designed by architect Frank Gehry. Diageo has rolled out a grape-based vodka called Ciroc that costs about the same as Grey Goose.

If completed, a purchase of Grey Goose concludes a long search by Bacardi for an acquisition. In 2000, the company paired with Brown Forman Corp., makers of Jack Daniel's whiskey, in an unsuccessful bid for Seagram Co.'s liquor business. Diageo and France's Pernod Ricard SA ended up the successful bidders.

Some in the liquor industry have speculated that the family-control led Bacardi could go public, a move which could help the company raise funds for acquisitions. Earlier this year Bacardi shareholders approved an amendment to the company's bylaws that gave the company's board the authority to issue a second class of shares, making a public offering easier.

Aside from its namesake rum, Bacardi also owns Bombay Sapphire gin and Dewar's, the top selling U.S. scotch brand. While it introduced the superpremium vodka Turi in the last few years, such products often grow slowly and take patience. In addition, many feel the superpremium vodka market has become saturated with new-products introductions.



**7. Apple is the New Lemon**

*Toronto Star*

June 13, 2004

TORONTO -- Although lemon continues to reign supreme, green apple is putting the squeeze on the tart yellow citrus fruit

Move over lemon, make way for green apple.

In the fast-changing world of consumer product flavourings, green apple shows signs of putting the squeeze on lemon.

Check out the highway billboards. Two of North America's most popular vodka makers — Smirnoff and Seagram's — are advertising new vodka coolers in, you guessed it, green apple flavour.

Walk into a Loblaws store this weekend and you'll see the stacks of the latest President's Choice soda water flavour — green apple.

There's even a green apple-scented laundry detergent and green apple room air freshener on the market.

Sure, lemon still reigns supreme as the flavour of choice among traditional food and beverage companies, according to a recent survey by Prepared Foods, an influential U.S based industry publication.

(Some lemon-flavoured products are even being relaunched this season as "pink" lemonade, cleverly extending the fashion industry's infatuation with the colour pink to food industry packaging.)

But green apple is clearly taking a bite out of lemon's market.

"Lemon has decreased in popularity," says Massimo Marcone, a food scientist and adjunct professor at the University of Guelph. "Lemon still has a big market share and it crosses all ethnic groups, maybe because historically it was shipped all over the world.

"But new flavours of all kinds are making inroads as food and beverage companies scramble to keep up with changing demographics and advances in chemistry."

Green apple is but one example. At any one time, up to 30 per cent of consumers are shopping for new tastes, Marcone says, quoting from industry research. As baby boomers are aging, their taste buds are fading. They're starting to prefer tarter tastes and require more intense flavours to maintain their interest in food.

Consumers of all ages are demanding healthier foods but aren't willing to compromise on taste, Marcone adds. That means food companies have to find an alternative to fat, historically the most effective method of delivering flavour.

"It's a big industry. Apart from hunger, flavour is *the* reason we eat," Marcone said in an interview.

So, why green apple? Why now? And why are two competing companies in the same industry advertising the same flavour at the same time?

A closer look at how the food flavouring industry operates provides some answers.

It all starts at the annual Institute of Food Technology conference, which this year kicks off July 12 in Las Vegas.

The convention brings together an elite group of flavouring chemists with the major marketing managers from the leading consumer product companies across North America.

Consumers see the results six to eight months later when a raft of new flavoured products begin to hit grocery store shelves.

Watch for pomegranate and anything Hispanic, advises Prepared Foods, citing the results of its survey.

While traditional flavours, such as lemon, lime and orange, continue to lead their markets, berries, apple and pear are gaining shelf space, the survey found.

Vanilla, chocolate and cheese also remain popular, driven partly by demand for flavours that mask the bitter taste of a soy product, one of the fastest growing food product categories.

The food companies at the conference will be looking for help dealing with a number of challenges in the marketplace, Marcone predicts. One of the biggest is consumer demand for products that are healthy but still taste good, he says.

"The medicine chest is moving from the bathroom to the kitchen. People want to heal themselves with food," he said.

That leads to demand for more "natural" flavours, which tend to be more expensive and less stable than "artificial" ones.

It also leads to demand for foods with less fat. But fat has historically been the best method of delivering taste because it's a strong "binder," Marcone explains.

Fat binds flavours to food, ensuring they're not released until the last possible moment, when the fat melts in the warm of your mouth, he says. Why do Krispy Kreme doughnuts deliver more intense flavour than Tim Horton's? Because they have a higher fat content, he says.

In comparison, when flavours break down too quickly because they have a shorter shelf life or are less stable, the consumer ends up disappointed, Marcone says.

Most flavours, Marcone says, are a combination of four or five separate flavours, all of which must be properly balanced to produce the overall flavour. And one flavouring agent in one product can taste quite different from the same flavouring in another product.

In addition, it's not all a matter of getting the science right. Food flavouring chemists also have to have a nose for flavours. No wonder they can command salaries of up to $200,000 a year.

For the consumer product companies, the flavouring conference is just the starting point, says Stephane Cote, Ontario sales director for Seagram's, a division of Pernod Ricard.

Once a company chooses a flavour, it works with consumer focus groups to adjust the flavour profile to suit its target market, he said. Maybe it needs to be a bit sweeter or a bit more tart, he says.

"Palates change over time. Different tastes appeal to different age groups. There are regional differences," Cote says, adding that apple-cinnamon does better in Quebec than the rest of Canada, for example.

Still, it's not unusual for several companies to release similar products with similar flavours around the same time, Cote says.

Which brings us back to green apple. It's tart. Apples are associated with health. And it's green, an image that evokes environmental friendliness.

Alan Middleton, a marketing expert with York University's Schulich School of Business, suggests the flavour has migrated here from Asia. "Green apple candies have been big sellers in Japan for a long time," he says.

Which is not that far-fetched when you consider the Granny Smith apple originated in Australia in 1868 when an abandoned seedling, thought to come from a French crab apple, unexpectedly grew in Maria Ann Smith's orchard.

It took nearly a century for the firm, crisp, white-fleshed fruit to hit North American store shelves.

But it was an instant hit.



**8. Counterfeit Bills Passed at Several Waterloo Businesses**

By Emily Christensen –*Waterloo / Cedar Falls Courier Staff Writer*

June 18, 2004

WATERLOO, IA --- A $3 pen could have saved the Times about $197.

The local lounge, located at 226 W. Fifth St., was recently the victim of two counterfeit $100 bills. Two regular patrons each purchased a pitcher of beer on June 9 and both paid with a $100 bill. The employee took the bills without much thought and provided each man with their change.

Bar owner Les Akers said this is the first time he has fallen victim to a counterfeit scheme. He hopes the pens, which help detect counterfeit bills, mean it won't happen again.

"We are to the point where we are checking all bills now," Akers said. "I guess I just assumed it always happened to someone else."

Local office supply stores said they have seen a run on the pens since police began warning about the fakes.

"As of Monday we sold our last one," said Jason Versluis, manager of Staples. Another shipment was due in Wednesday afternoon.

Waterloo Police Capt. Bruce Arends said more than a dozen counterfeit bills, the majority of them $100 bills, have been reported within the last week. Most are well-made, likely with a laser printer or scanner, and it would be difficult for an untrained eye to see the differences, he continued.

At least one person, Rufus Jenkins III, 27, of 717 Adams St., was arrested Wednesday on one count of forgery of monies or securities. Jenkins was one of the two men that purchased a pitcher of beer at the Times.

Arends said it isn't uncommon to see a sudden burst of counterfeit bills circulating through the community.

"In January we had a rash of them, but they were $20s and $50s," he said. Most all businesses, which range from convenience stores, to motels and bars, have seen $100s, but Arends said there doesn't appear to be a connection. "Not all of the serial numbers are the same."

Akers thinks downtown businesses should ban together, like they did during the '70s when he owned another bar, to run the counterfeiters out of town.

"We used to have a thing going where if someone was passing bad checks the bar owners would call the other clubs and make sure everyone was aware of what was going on," he said. "When they (the counterfeiters) know we are doing that and we have a watch on them, they will move on."

Until then police are recommending businesses invest in the marking pen and test each bill, large or small, for its authenticity.

