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| *February 10, 2006* |

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**1. Marketing Wines to Women**

By Marti Barletta - *AdAge.com*

QwikFIND ID: AAR38E

February 07, 2006

**And Understanding How Male and Female Consumers Differ**

Girls just want to have fun. And that means when women are choosing a wine, it’s not about ratings and scores (even when they are sipping some during the Super Bowl -- and you can be sure they were!). It’s about context. Who will she be sharing it with? What will

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| http://adage.com/images/random/wine020706.jpg |
| Despite the fact that nearly 64% of all wine consumers are women, most vintners don't effectively target their marketing at females.  |

she be serving it with? The bottle she pops open during the big game won't be the same one she selects when she is dining with a client.

**64% of consumers**

Wine consumption in the U.S. has been steadily on the rise for the last decade. It’s a natural offshoot of other trends, like an increased interest in gourmet cooking and dining. And who is behind the majority of these sales? Women! They account for nearly 64% of all wine consumers, according to "Wine for Women: A Guide to Buying, Pairing and Sharing Wine."

According to Leslie Sbrocco, author of "Wine for Women," women tend to be less focused than men on wine ratings, vintage charts and the acquisition process and more interested in personal recommendations and who will be sharing the wine with her. She’s on the lookout for the perfect bottle to commemorate a milestone or compliment a special meal.

**Creating an emotional moment**

He is more likely looking for a label (and a price tag) to impress his guests. Bart O’Brien of O’Brien Family Vinyards says, “Women buy wine to be shared, to create an emotional moment. Men often buy wine to be hoarded. They take it back to their cave and save it until another collector comes over. ... It's about scores and history -– it's a little game of one-upmanship."

I’ve said it before, but it bears repeating. Women notice more details and appreciate more subtle nuances than men. Sometimes it’s a learned response but in this instance nature trumps nurture. Females have more taste buds than males which makes them inherently “better tasters,” according to Matt Kramer of *Wine Spectator.*

That attention to detail really plays out when she’s looking out for someone else. Women focus on “We not me,” and whether she’s planning a family dinner or a special event, you can be sure she is going to go the extra mile to serve the perfect wine so that her guests are happy and fulfilled. Perhaps she’ll seek out a Greek label to accompany a spanakopita appetizer or serve a California chardonnay that reminds her of a Napa outing. Marketers who recognize these tendencies and incorporate them into advertising and point-of-purchase materials are going to see results.

**Female-oriented brands**

Until recently wine was generally marketed as gender-neutral or more male-oriented than female-oriented. Over the past couple of years some female-oriented brands like Mad Housewife, Working Girl, Seduction and White Lie have entered the market. Women-specific products are generally not necessary and often backfire with both genders. They alienate men who don’t want to be associated with anything “girly” and make women suspicious that the product will be more expensive (think dry cleaning and alterations) or dumbed down and of a lower quality (like flimsy tools with pink handles). White Lie was created to deliver what some women are looking for in a wine -- less alcohol and fewer calories than traditional wine. The others don’t offer a tangible benefit and I suspect that true wine lovers will be offended by them.

While vintners may not need to create new products, they may want to think about their messages. I haven’t seen many that are going to stop women, who are buying the majority of their product, in their tracks.

What kind of advertisement has female stopping power? Here’s a hint: It’s not just about the grapes.

The messages that are going to resonate with women are those that focus on people and place the product in context. Women are not going to respond to messages that boast you have the finest grapes or the most accomplished wine master. Ads that position “product as hero” won’t get your message across. Forget about ratings and focus on experience. Remember that women are your best customers and that while men may be in search of a bottle with a high rating, women shop with the final experience in mind.

**ADS BAD, BETTER AND BEST**

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| http://adage.com/images/random/wine1_020306.jpg |
| This ad for Spanish wines focuses on the product instead of the prospect.  |

**Bad** -- This ad for wines from Spain is not going to divert a woman. Why? There are no people! It focuses on the product and not the prospect. Instead of listing foreign vineyards in the copy, why not build a connection to the product via the people of the country? There is no harm in acknowledging that Spanish wines are unfamiliar, but have people be the educators, instead of having the wine rant about its origins.

**Better** -- Now we’re getting a little warmer. The outline of the bottle embedded in the silhouette of the strolling couple communicates a relationship between the product and the prospect.

Unfortunately, the design of the image makes it unlikely that women will make the connection. Women think more contextually and holistically than men.

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| http://adage.com/images/random/wine2_020306.jpg |
| The image of a strolling couple speaks about relationships.  |

They are synthesizers (they put things together) while men are analysts (they take things apart). Perception tests have shown that women have a more difficult time “disembedding” objects from the background. She will likely see a white label and swirling lines but whether she hangs in there and studies the ad long enough to spot the couple walking arm and arm, gracefully entwined with the bottle’s silhouette, is anybody’s guess.

There is nothing particularly wrong with this ad, but I don’t really want to have to work so hard. Is it a wonderful piece of artwork? Certainly. Is it an effective piece of consumer communication? I think not.

**Best** -- The Premier Cru of this edition’s bunch is Cavit. Historically, wine advertising has been about romance, but advertisers are catching on and expanding their repertoire beyond romantic evenings to girlfriend get-togethers like the one featured here.

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| http://adage.com/images/random/wine3_020306.jpg |
| Women are drawn to images that speak about the social aspects of using the product.  |

Well done. Bonus points for the casting -- there’s a little diversity and these are real women, attractive, but not supermodels. One even looks like she might be over 40 -– imagine!

The slogan -- "A Wine as Intriguing as the Moment" -- works because instead of focusing on the vineyard or on what a great guy the winemaker is, it’s about the people enjoying the wine. There is an effort to affiliate the wine with the experience instead of a rating, an expert or a prestige claim. The visual balance between the wine and the people is spot on. This wine ad has the most stopping power. It is going to make a woman take notice because it fits in with her concept of what the socializing and sharing are all about -- great people and great wine. I’ll drink to that!

<http://adage.com/news.cms?newsId=47757>

**2. Burning Issue: Raise Cigarette Taxes?**

*Des Moines Register*

February 6, 2006

**The issue:** Iowa has one of the lowest state sales taxes on cigarettes: 36 cents a pack. Democratic Gov. Tom Vilsack has proposed raising the tax by 80 cents a pack, to $1.16. He proposes to use the additional revenue to help small business owners and schools pay for health insurance for employees. Speaker of the House Christopher Rants, a Sioux City Republican, opposes an increase and says he won't allow a vote on it in the House.

**Quoteworthy:**

"The budget we submit to the General Assembly proposes . . . an increase in the fees on cigarettes and tobacco products. While I appreciate that some may not agree with the increase, the public supports it. The research is clear. When the cost of cigarettes goes up, fewer young people start smoking. Your vote will save lives."

*-Gov. Tom Vilsack, from his 2006 Condition of the State speech*

"The cigarette tax is a declining source of revenue, and it is irresponsible to build a budget increase on unpredictable revenue sources. This applies to alcohol taxes, catalog-sales taxes and gambling revenue as well. It does not make any sense to fund a budget increase by taxing an act or product that you are trying to discourage."

*-Christopher Rants, Speaker of the House*

**LETTERS**

**Legislators want cash cow**

I've never smoked a cigarette in my life. However, I still believe it would be absolute hypocrisy for legislators to raise tobacco taxes even higher as a method of creating more money for them to spend as they please.

If tobacco products are so bad, they should be banned. That will never happen because the state would lose millions without tobacco users. A far better idea would be to do away with the latest sex-offender laws. Rather than move these vermin to some remote area that may or may not exist, let them stay where they are and we'll tax the daylights out of them. Do the same with all convicted felons. Make convicts pay the taxpayers back for all of the police hours, legal fees, food, lodging, medical, dental, optical costs, transportation, etc. Create a schedule of offenses and applicable taxes for each. Multiple offenders would really be a cash cow.

In the end, it's far better to punish those who are or have been breaking the law than those who choose to use a legal product.

*-Craig L. Swartz, writer of letter to the editor, Waukee*

**Most Iowans favor increase**

Iowa taxpayers currently spend over $227 million on someone else's habit because our measly 36-cent cigarette tax accounts for only $87 million in revenue. Why should all taxpayers pay for someone else's addiction?

It baffles me that more Iowans aren't concerned about Speaker of the House Christopher Rants and his shady legislative motives. (I don't imagine that he has much of a purpose to support a tax increase when Phillip Morris and other Big Tobacco industries are dishing out oodles of dough, though.)

According to a 2005 Iowa Poll, 70 percent of Iowans support increasing the state tobacco tax, with revenue going toward our now-plummeting health. And yet that cannot convince Rants that maybe, just maybe, his constituents support this?

Last time I checked, Rants was not elected to be the only voice for this state. Yet for the second year he will not allow floor debate on the tax. Allow the issue to reach the floor, thus permitting the democratic process to do what it was intended to do!

*-Cassie Peterson, writer of letter to the editor, Leon*

**The other smoldering debate**

Three Democrats have introduced bills to ban smoking from nearly all workplaces, including restaurants and bars.

The measure would be modeled after laws passed in Delaware, Massachusetts, New York, Rhode Island and Washington that make nearly all businesses smoke-free. People still would be allowed to smoke in tobacco shops, smoking areas of motels and hotels and private clubs. All private residences would be exempt, unless they're used for child care or as private nursing homes.

Reps. Janet Petersen and Pam Jochum and Sen. Matt McCoy contend all employees, including waiters and bartenders, should not be subjected to the health risks of secondhand smoke.

Critics argue that businesses are private establishments that should be able to operate as they see fit and accommodate customers who smoke.

Approval is considered unlikely.


## 3. Hotel Tells Smokers to Butt Out

By Sam Edsill and Meghan V. Malloy – *The Daily Iowan*

February 7, 2006

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| Following a nationwide trend of smoke-free hotels, two local business owners are telling clients to take it outside.HotelVetro, 201 S. Linn St., is the latest to open (Feb. 3) under the smoke-free banner; it will be joined in August by the Marriott Hotel and Conference Center in Coralville.Bobby Jett, who co-owns hotelVetro with local developer Marc Moen, said that while some smokers may object to the Vetro's policy, it will eventually work in the facility's favor."I remember there was backlash when a smoking ban was being placed on restaurants," Jett said on Monday. "You have [backlash] with anything involving a smoking ban, but I think people will be happy there's a place without smoking.”The Iowa City City Council passed an ordinance banning smoking in restaurants in 2001 but repealed it in 2003, after the Iowa Supreme Court struck down a similar provision in Ames because it conflicted with existing state laws.Still, smoke-free hotels continue to grow in popularity across the country. In December 2005, Westin Hotels and Resorts announced it will become the first major hotel chain to make the move. The company has 77 locations in North America and the Caribbean.Justin Hannah, the Coralville Marriott's director of marketing and sales, said the decision not to allow smoking was made to appeal to a wider swath of customers."We did not want to alienate patrons who do smoke, but the majority of our customers are asking for - even demanding - smoke-free rooms," he said.In Cedar Falls, the Blackhawk Hotel has been smoke-free since 2002. The boutique hotel's owner, Dan Tindell, said he made the decision because most of his patrons, even those who do smoke, prefer nonsmoking rooms. Now that Westin is promoting a smokeless environment, he said, its only a matter of time before other chains follow suit."It took the big boys four years to catch up to where we are," Tindell said.Not all lodging in Iowa City is jumping on the bandwagon, however. The Sheraton Hotel, 210 S. Dubuque St., still has one floor designated for smoking clients.Manager Nicki Connor said that even with hotelVetro and Marriott opening their doors, the Sheraton is not anticipating any negative effects. |

**4. Fed Ex Delivers New Policy to Fight Contraband Cigarettes**

**February 8, 2006**

NEW YORK -- FedEx Express and FedEx Ground (FedEx) agreed to undertake changes to their business practices that will strengthen their policies prohibiting the delivery of cigarettes to consumers throughout the United States, New York Attorney General Eliot Spitzer announced, according to ConsumerAffairs.com. The agreement covers Federal Express Corp., FedEx Ground Shipment Systems Inc. and their affiliated companies.

"I commend FedEx for joining in this important effort," Spitzer said in the report. "This is another example of private industry joining with law enforcement to address important social problems. When private companies like FedEx take the initiative to protect their services from being used by those engaged in criminal conduct, we all win."

FedEx's current policy already prohibits tobacco sellers from using its services to ship tobacco products to consumers in the United States.

Under the agreement, FedEx will undertake specific disciplinary action against companies that violate its tobacco shipping policy, including terminating services for shippers who repeatedly violate the policy. FedEx will also work with the attorney general's office to root out shippers that traffic in illegal cigarette sales, according to the report.

The FedEx agreement is part of a continuing effort to end the sale and shipment of contraband cigarettes over the Internet and through the mails. Internet and mail-order cigarette retailers operate in violation of numerous federal, state and local laws, including tax laws, age verification laws, delivery restrictions, reporting requirements, and federal wire fraud and mail fraud statutes.

A coalition of federal, state and local law enforcement agencies has been working on several initiatives to stop these illegal sales, including federal and state criminal indictments of cigarette sellers, seizures of contraband cigarettes and efforts to strengthen cigarette trafficking prohibitions, ConsumerAffairs.com reported.

In 2005, both DHL and UPS agreed to cease delivery of cigarettes to consumers throughout the United States. In addition, in March 2005, the major credit card companies all agreed to take steps to ensure that their credit card systems are not used to process payments that further illegal cigarette sales.

Finally, last month, Philip Morris USA (PM USA) reached an agreement with a coalition of 37 states’ attorneys general to reduce the supply of PM USA cigarettes to those engaged in such illegal sales.

The FedEx agreement means that the three major package delivery companies -- FedEx, UPS and DHL -- have all agreed to prohibit deliveries of cigarettes to individual consumers nationwide. However, the cigarette traffickers continue to use the United States Postal Service as courier for their illegal sales.

"Congress needs to act to close the Postal Service loophole as soon as possible," Spitzer said in the report.

"The Postal Service effectively has become the delivery arm of a massive criminal enterprise shipping contraband cigarettes nationwide. I have nothing but praise for the efforts to the U.S. Postal Inspection Service, which is working with us to stop these traffickers, but they have a nearly impossible task. Congress needs to address this problem now."

**5. Hutter Opposes Vaporized Alcohol (Iowa)**

By Charlotte Eby – *Quad City Times*

February 8, 2006

DES MOINES, IA — A Bettendorf lawmaker is trying to stop bars in the state from giving bar-goers a buzz through vaporized alcohol that is inhaled through a machine.

Rep. Joe Hutter, a Republican, introduced legislation banning alcohol vaporizers this year, hoping to stop the idea before it spreads to Iowa.

Hutter said he read a report saying the practice was addictive and could be dangerous for those who tried it. A number of states already have outlawed or are considering outlawing the machines, he said.

“I have no evidence that it’s in Iowa yet,” he said. “I know some businesses have been approached to purchase the machines and use the machines, but because they are a high cost, so far nobody has done it.”

The bill cleared the House State Government Committee on a 21-0 vote Tuesday.

A former police officer, Hutter has seen kids who have died from drinking too much alcohol and wanted to prevent the same types of tragedies from occurring with the alcohol vaporizers, which allow the alcohol to be absorbed quickly into the bloodstream.

“It’s potentially as dangerous as crack cocaine,” he said.

Rep. Robert Hogg, D-Cedar Rapids, had worked on legislation last year that would have banned the alcohol vaporizers.

Hogg said he backed off the idea because he feared it only would popularize the devices and boost demand for them. “It’s dangerous because people can inhale the alcohol in a vapor form much quicker than they can drink it,” he said.

**6. WDM Police Crack Down on Alcohol Sales to Minors**

By Kristin Danley-Greiner – *Des Moines Register*

February 7, 2006

### City officials and activists urge retailers to better train employees.

The West Des Moines Police Department and residents are worried about the lax approach some businesses are taking with alcohol sales.

Police officials said 31 percent of the roughly 132 businesses in West Des Moines that have permits to sell alcohol were cited for selling alcohol to minors in 2005.

Police Chief Jack O'Donnell said that as a law officer and as a parent, he views this as "very troubling and alarming."

"Most businesses are trying to do a pretty good job, but sometimes employees are not even checking the IDs of underage people when they come in," O'Donnell said. "Our goal is to have 100 percent compliance, and we will do everything we can to work with the community and make sure we're all doing our part to combat this."

City Attorney Richard Scieszinski, who prosecutes violators, said West Des Moines officials have been placing a greater priority on the issue of underage drinking and the sale of alcohol to minors.

"That could be why we're seeing more violators," he said.

A record number of employees who violated the law have been taking training courses offered by the West Des Moines Police Department to remedy the problem. Officer Tanya Zaglauer, who has led the training courses for the past six years, said the two January training sessions drew a combined 50 people.

"I was just flabbergasted," she said. "This year was the very first year I'd ever had more than 20 people show up or call for a training session in one month."

At the beginning of each year, the police department sends a letter to all businesses that serve or sell alcohol, notifying them that they will be subjected to an unscheduled compliance check.

Officers make unscheduled visits using a civilian who attempts to purchase alcohol as a minor. O'Donnell said businesses that sell to the minor receive a letter informing them of upcoming training sessions or the option of having a training session held at their discretion.

During the training sessions, Zaglauer highlights the law as it pertains to alcohol and beverage permit holders, helps determine what IDs are valid for purchasing alcohol, and has participants practice how to refuse a sale.

"What we've been seeing is that people just don't know how to read a driver's license, or else they aren't taking the time to do it," Zaglauer said. "A lot of people aren't realizing that right now there are two separate driver's licenses out there - the older one and the new one - and some still don't know how to read the old version."

West Des Moines residents behind a grassroots community effort to squelch underage drinking support their police department's efforts to curb the sales of alcohol to minors.

"We've launched a campaign to tackle underage drinking called Because it Matters," said Shahna Janssen, a West Des Moines resident involved in the effort. "We recently sent a letter to retailers asking them to get on board with this. We definitely appreciate the police department working hard on this issue and offering the training to retailers."

Zaglauer agreed the training sessions are crucial to reducing the number of businesses illegally selling alcohol to minors.

"We do not want to go out there and write violations, but want to see people doing what they need to be doing within the law, which means not serving or selling to underage people," she said.

**7. Molson Coors 4Q Net Down 60% In "Challenging" Mkt**

*Dow Jones Newswires*

February 9, 2006.

DENVER -- Molson Coors Brewing Co. (TAP) reported a 60% decline in earnings in the fourth quarter, reflecting "challenging operating environments in all of our major markets."

However, the company said in a press release that it also enjoyed "significant improvements in key trends in our businesses" as the year went on.

In the quarter, net income fell to $22.4 million or 26 cents a share from $55.7 million or $1.45 a year earlier. Excluding items, the company's earnings from continuing operations were 63 cents a share in the latest quarter.

The Thomson First Call mean estimate was for earnings of 88 cents a share.

Net sales of $1.38 billion were up from $1.13 billion.

The company sold 10.32 million barrels of beer and other beverages in the fourth quarter, up from 8.28 million a year earlier.

For the full year, net income fell to $134.9 million or $1.69 a share from $196.7 million or $5.19 a year earlier.

Average shares outstanding more than doubled this year from last.

**8. Beer Institute Loosens Rules on Sexy Ads**

Source: *Join Together*

February 8, 2006

The beer industry's trade group has watered down its voluntary guidelines on using sex to sell beer, the Boston Herald reported Feb. 4.

The Beer Institute's voluntary advertising guidelines previously advised members against portraying "sexual passion, promiscuity or any other amorous activity as a result of consuming beer." The guidelines have now been amended to barring "sexually explicit" behavior, including graphic nudity.

The group also added a caveat to its previous ban on lewd and indecent language and images, now allowing advertisers some wiggle room based on "the context presented and the medium in which the material appears."

A ban on ads depicting excessive, irresponsible, and illegal drinking has been replaced by a passage allowing ads to show people consuming alcohol, but not rapidly, excessively, involuntarily, or as part of a game or dare.

The code also recommends that brewers only advertise in media whose audience is at least 70 percent adults.

