

KANE'S BEVERAGE NEWS DAILY

The National Beverage Daily™

Volume 4, No. 133

Tuesday, July 22, 2008

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Sobieski Vodka Reaches 200,000-Case Mark in Less than a Year

Sobieski Vodka said it has broken all prior records for a new spirit brand introduction, reaching the 200,000-case sales milestone in the U.S. in less than 12 months.

Sobieski Vodka retails for \$10.99 for a 750 ml bottle and \$19.99 for a 1.75 liter bottle. It was launched in the U.S. in 2007 with its "Truth in Vodka" integrated marketing campaign that urges consumers to focus on what's in the bottle, rather than on gimmicky marketing techniques and overpriced packaging.

This back-to-basics, anti-hype campaign, which initially targeted the beverage trade media as well as key influencers and tastemakers, will now target consumers more broadly, said **Chester Brandes**, CEO of Imperial Brands, Inc., Sobieski's exclusive importer of Vodka..

"In this period of economic uncertainty, the timing is right for a brand like Sobieski, which offers real heritage and unparalleled quality at an affordable price" said Brandes. Adding: "There isn't any question Sobieski is poised to reach its stated goal of 1 million cases in sales in five years."

To mark the milestone, Imperial Brands is initiating a \$4 million national advertising program this summer to take the "Truth in Vodka" campaign straight to consumers through coordinated print, online and outdoor media. High-profile lifestyle publications such as *Rolling Stone*, *Entertainment Weekly*, *W*, and *Details Magazine* will carry Sobieski Vodka ads, which poke fun at the increasingly ridiculous marketing claims of competing vodkas.

Drew Bledsoe Enters Wine Business, Launches Doubleback

Former NFL quarterback **Drew Bledsoe** said he launched **Doubleback**, a new, estate-focused winery that will produce an ultra-premium red wine from fruit sourced from the Walla Walla Valley.

Bledsoe named **Chris Figgins** of **Leonetti Cellar** and **Figgins Enological** as Doubleback's consulting winemaker.

Doubleback crushed fruit in 2007 and will release its first wine, an ultra-premium Cabernet Sauvignon made with fruit from various well-known vineyards in the Walla Walla Valley, in 2010. Bledsoe also announced his estate vineyard site, **McQueen Vineyard**, which was planted in the spring of 2008 in the southern reaches of the Walla Walla Valley.

Bledsoe said he expects to build a winery at the vineyard site in the next several years.

Continuum Acquires Vineyard, Winery Above Napa Valley

Continuum, the partnership of **Marcia and Tim Mondavi** and their families, in collaboration with **Margrit Biever Mondavi**, said it acquired a vineyard and winery site on Pritchard Hill above Napa Valley. Terms weren't disclosed.

"After searching three years for the perfect soil, climate and aspect, we now have a great site suited to our commitment of establishing a wine estate recognized among the finest in the world." Tim Mondavi

said. "It is important to us that my father had seen and blessed this site."

There are 26 acres currently planted on the 85-acre property. Existing buildings will be used for offices and a new winery is planned. Neighbors include Bryant Family, Chappellet, Colgin, David Arthur, Long Vineyards, Ovid, Versant and other fine properties.

"The rocky red soil and west sloping aspect assure wines of great depth, interest and personality. I'm confident in our ability to establish this site as a great estate for our Continuum," Mondavi said. "It is also interesting to know that one can physically locate our new property by drawing a straight line from the tower of Robert Mondavi Winery, through the crown of Opus One, to a place just above the ridge line on the eastern hills above Oakville. Continuum has found a home on Pritchard Hill."

"July 16th, the date of our close of escrow, marks a new chapter for our family. It was on this date in 1966 we broke ground for the Robert Mondavi Winery" Mondavi said.

Sweetwater Brewery Expands into Charleston, Plans More New Markets

SweetWater Brewing Co. said its products are now being sold at select bars and restaurants on draft and in bottles throughout Charleston, SC. It's being distributed by **Lee Distributors**. SweetWater's brews are unpasteurized and only served in select Southeastern cities including Charleston and Greenville, SC as well as Knoxville, Chattanooga and Nashville, TN, Asheville, NC, Birmingham, AL, Gainesville and the entire panhandle of Florida," said **Steve Farace**, marketing director. "Additionally, we plan to start providing our flavorful brews to Tuscaloosa, AL and Raleigh-Durham, NC by the end of the year."

Mergers and Acquisitions Lead to Long-Term Management Turmoil

Here's a puzzle: Why wasn't **Miller Brewing Co.** able to even come close to **Anheuser-Busch** after Miller was acquired by **Philip Morris Co.** Philip Morris, after all, was considered one of America's best marketing firms.

And why, for that matter, did **SABMiller** find it necessary to create a joint venture with No. 3 **MolsonCoors** to compete against A-B. SABMiller, after all, was said to be a worldwide brewing powerhouse.

A new study by a Virginia Commonwealth University professor and Accenture consultant offers an interesting answer to those questions, and may also explain why **InBev** appears to have wrecked **Stella Artois**'s cache in Britain and was unable to turn its Brazilian flagship brand, **Brahma**, into a global brand after Interbrew and AmBev merged to create InBev.

The study, "The Big Exit: Executive Churn in the Wake of M&As," demonstrates that mergers and acquisitions do not result in instability among management at target companies solely in the short-term, as is often assumed, but result in abnormally high turnover that lasts much longer.

Indeed, target companies lose 21% of their executives each year for at least 10 years following an acquisition – more than double the turnover experienced in non-merged firms.

"These findings are especially important in light of the correlation between the loss of top executives and a company's poor performance," said **Jeffrey Krug**, associate professor of strategic management in the **Virginia Commonwealth University** School of Business and lead author of the study. "Companies involved in these deals need to understand the long-term effect on their executive ranks and they need to find ways to keep key executives on board."

Why the turmoil? Krug offers three reasons.

First, the tendency of acquiring companies to rotate their own executives in and out of the targeted company for short-term assignments. They don't have enough time to learn the company well.

Second, more than half of all acquisitions tend to fail to live up to expectations, leading to reorganizations or even divestitures of companies.

Third, executives don't have enough time to gain an understanding of what the limits of their authority are.

Krug studied the turnover patterns at more than 1,000 firms and examined the employment of more than 23,000 executives. Krug said recent mergers and acquisitions have created even greater instability within executive teams as globalization and technology trends continue to increase the intensity of competition and generate industry turbulence.

And that raises another question: Will the turmoil created by the MillerCoors deal and InBev's takeover of A-B offer firms like Heineken and Boston Beer a chance to gain significant share?

The study is published in the July/August issue of the *Journal of Business Strategy*. Walt Shill, a managing director at Accenture, is co-author of the study.

Olympic Ads Calling for Harmony, Avoid Boasts of Patriotism

Some ads preach unity and togetherness. Some celebrate the spirit of athleticism.

For many advertisers this year, their Olympic spots in the U.S. are more about humanity and athletes and less about national pride. They're also making less mention of host country China.

Many, including Nike Corp. and McDonald's Corp., say this campaign will be their biggest yet.

But this time around, there's a slumping U.S. economy to contend with -- so advertisers are being more cautious, experts say. There's also the fear that mentioning China too much could lead to negative associations with the brands, should problems develop at the Olympics.

From Visa Inc.'s 'Go World' campaign to unifying themes from **Coca-Cola Co** and McDonald's, major sponsors are calling for harmony and avoiding boasts of patriotism for any one country.

A major spot by Coca-Cola, called "Yao and LeBron-Unity" features animated versions of the two basketball stars, Chinese native Yao Ming and American LeBron James, facing off in a basketball duel. They pull in people and things associated with their home countries, such as cowboys for James and pandas for Yao as they face off. But when they both snag a Coke, they high-five and all is good.

"In this kind of divided time it just feels right for the brand and right for Coca-Cola," said Katie Bayne, chief marketing officer for the company's North American division.

The big question for U.S. advertisers is how do they acknowledge China in their domestic advertisements, or do they bother at all, said John Sweeney, an advertising professor at the University of North Carolina at Chapel Hill's School of Journalism and Mass Communication.

They'll want to associate themselves with the games, but may be wary of the Beijing connection, he said.

There are human rights issues, worries about political protests and potential efforts by the Chinese government to stifle spectators and media covering the events. There's also the earthquake earlier this year in Sichuan province that left nearly 70,000 people dead and 5 million homeless.

Coca-Cola's ads continue the company's campaign called "The Coke Side of Life" and their theme is to connect the world through a Coke, Bayne said. Another ad features animated birds from around the world collecting straws and assembling their own Olympic stadium, a model of the one in China, which is nicknamed the bird's nest. They come together, in all their different colors, and watch the opening ceremonies from inside their nest.

Advertisers could also be taking a more global approach to advertising in the U.S. to appeal to the foreign tourists flocking here now because of the weak dollar, said Michael Roberto, a management professor at Byrant University Smithfield, R.I. Anything too patriotic could turn these tourists -- and their euros -- off, he said. -- AP

Spirits News Notes

Imperia Vodka (Russian Standard) was the official vodka of Mercedes-Benz Fashion Week Swim taking place from July 18 - July 21, 2008 at the Raleigh Hotel.

Three Olives Vodka released the world's first Root Beer flavored vodka, perfect for National Root Beer Float Day on Aug. 6. Root Beer was introduced as an alcoholic beverage more than a century ago, and Three Olives said it was "thrilled to be the first to put the booze back into this all-American classic."

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