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Ohio Spirits Insider

MONTHLY UPDATE FROM THE OHIO DIVISION OF LIQUOR CONTROL

Social Responsibility a Priority for 2014



Start the new year off on the right track! Contract Liquor Agencies must always keep alcohol out of the

hands of underage individuals! Always check for valid forms of identification before selling. The Division's website offers educational and training information and other resources for Agents and their employees. Underage sales may subject you to the termination provisions of your Agency Contract, citations against your retail liquor permits and criminal charges.



Also, help keep the roads safe by continuing to promote the Division's "Know Your Limit" program. Please contact Agency Operations for more cards.

More social responsibility programs coming in 2014.

SIP Improves Agency Performance

By Superintendent Bruce Stevenson

As the spirits landscape continues to evolve, new trends emerge. Consider last year; flavored vodka drove the majority of growth and we saw flavors ranging from desserts to pickles. This year, 43% of Ohio's growth was driven by the North American Whiskey category, primarily in the sub segment of flavored whiskey. Retailers everywhere go to great lengths to meet the demands of these ever changing trends and Ohio is no different.



Ohio's new SIP program began as a three letter acronym created by our own Superintendent, Bruce Stevenson. The project, aptly named Spirits Innovation Program, was created to focus on more than just resets of store shelves. It would revolutionize the way Ohio looks at assortment, merchandising, and category performance. We set lofty goals to reset nearly twice as many stores in seven months than we did in all of 2012. The plan was to partner with brokers and retailers to capitalize on once-in-a-lifetime opportunities and develop key strategies around effective promotions. We also decided to take a strong look at category and SKU performance to evaluate what determines success. As 2013 closes, we are proud to announce that the SIP team has made strong strides on all of our key initiatives.

As of December, we have set nearly 90 agencies since May, which is a 250% increase over all of 2012. Our mission was clear; increase our sales in a socially responsible way by encouraging consumers to "trade up" and purchase higher priced items, not increased amounts. This is evident in the way the SIP agencies are being reset. Vodka is often merchandised in reverse price flow, so the consumer first sees the more expensive vodka items. We also moved higher priced items to eye level to encourage consumers to purchase them and made sure to group similar categories based upon the occasion on which they are often consumed. We are happy to report that the results have paid off; SIP reset agencies are growing an average of 2% more than non SIP reset agencies.

The SIP team wants to thank everyone who helped make 2013 an incredibly successful year. Thank you to the auditors who were patient with the new process while we gathered valuable information, the brokers who tirelessly moved bottles and cases to create the vision, and the agencies who continue to partner with the state to ensure success. We look forward to an even more successful 2014, and with your help and assistance, we know we can achieve our goals!



**John R. Kasich, Governor
State of Ohio**

**Andre T. Porter, Director
Ohio Department of Commerce**

**Bruce Stevenson, Superintendent
Division of Liquor Control**



Spirit Smarts

New Products, Hot Items, Rebates, Recipes & More!

Always promote safe sales & responsible consumption!

NEW! Knob Creek Smoked Maple

Brand Code: 5480B

Knob Creek's original Kentucky Straight Bourbon blended with natural flavors. The color is copper to medium amber, with an aroma of Smoked hickory and maple wood, with hints of earthy grains. The palate is full-bodied with inviting maple notes that lift to smoke and are complemented with rich vanilla and caramel. The finish is smokey, smooth, and slightly sweet.



Calumet Farm Bourbon

Brand Code: 1575B

Bottled from hand selected barrels, Calumet has a customary mash bill of corn, rye and malted barley that offers a sweet, flawless finish. Glowing with butterscotch and soft oak, Calumet's harmonious perfection of wood and caramel is admirably balanced with complex flavors of light brown sugar and soft white pepper.



Introducing Captain Morgan White Rum

Brand Code: 1773B

The next big offering from the most legendary Rum brand!

Fireball Cinnamon Whisky

Brand Code: 3024L

NEW Liter size!



Tullamore D.E.W. 12 Year

Brand Code: 9320B

Tullamore D.E.W. 12 Year Old Special Reserve is a carefully crafted blend of 12 to 15 year old Irish whiskeys. Triple distilled from crystal clear water and the best malted and unmalted barley, it is then finally laid to rest in Old Bourbon casks and Old Oloroso Sherry butts until, slowly, perfection is achieved. Best enjoyed poured over ice or neat with a dash of water to unlock the distinctive malt and sherry finish.



Featured Product

NEW! ZING Red Velvet Vodka

Brand Code: 9746B

ZING Red Velvet is exactly what it sounds like - a delicious liquid version of this classic confection. The crystal clear vodka has a lightweight body and a cherry and vanilla nose with light cocoa notes. It immediately bathes the palate with the flavor of red velvet cake plus a welcome 70-proof zing on the finish. ZING Red Velvet embodies the ultimate indulgent drinking experience, combining super premium vodka with the rich taste of red velvet.

UNIQUE PACKAGING! The unique Zing bottle designs boasts sophisticated LED technology that illuminates the bottle with just one touch. The LED light in the bottle reinforces ZING Vodka's underlying message of excitement and opulence, turning ordinary moments into extraordinary ones.





Agency Info



SIP Scores Ace for President's Cup

The Division of Liquor Control had the unique opportunity this year to partner with Giant Eagle, Kroger, and our broker partners to capitalize on a historic Columbus Event. Muirfield Village hosted "The President's Cup," a once-in-a-lifetime event, which was estimated to bring five times more people to the Dublin, Ohio area than the Memorial Tournament.

The SIP team, in conjunction with five Kroger and five Giant Eagle stores that would see the majority of the traffic, set out to offer the massive influx of golf fans, both national and international, great spirits offerings. Power brands were chosen based on their seasonal indexes, price

tiers, and their ability to produce golf themed display enhancers.

Each store was surveyed by the SIP team to help determine the agencies and create the product allocation lists.



Over 570 cases were delivered to the agencies involved, with an average of four displays in each. Sales at those agencies grew 15.3% over last year. Big gains from super premium brands were seen by Crown Royal Maple 89.1%, Grey Goose 36.8%, and Patron 23.9%.

This success has led to much excitement and the SIP team is eager to work with our retail partners to achieve even more in the future.

Daily Sales Reporting

Best Practices for Reporting Daily Sales

1. Check daily to see if your polling of sales data the night before has been successful.
2. If your polling has failed, contact Agency Operations customer service at 888-279-0029 with you previous day's sales as soon as possible and always before noon.
3. The Division can do an additional poll if necessary, but it must be done no later than 9:30 AM.
4. A polling failure will not only prevent the transmission of sales data, but also any delivery and order files.
5. Do not let a polling issue continue for more than two days without contacting Agency Operations. We can offer assistance in determining what is causing this error.

REDUCED PRICES ON SELECT ITEMS: More than 130 items are being delisted this month at 20-40% off state pricing. Check your January price bulletin for more information.

New Spirits Listings JANUARY 2014

Code	New Item
0374M	Avion Silver
0435B	Bacardi Gift (Shaker Pack)
0956B	Blue Chair Bay White Rum
1488B	Bunnahabhain 12
1492B	Bunnahabhain 25
1513B	Burnett's Citrus
1773B	Captain Morgan White Rum
1838D	Castillo Spiced Rum
2384B	Crown Royal XO
2683B	Diplomatico Blanco
2684B	Diplomatico Reserva Exclusiva
2925B	Evan Williams BIB (white label)
3517B	George Dickel Hand Selected Barrel 9 Year
3518B	George Dickel Hand Selected Barrel 14 Year
3662B	Glenmorangie 25
5223B	Johnnie Walker Odyssey
6446B	Mellow Corn
6565B	Michael Godard Gin
6566B	Michael Godard Vodka
6589B	Mill Street Moonshine Corn
9015B	Smirnoff Sorbet Light Pineapple Coconut
9250B	Tobermory 10
9251B	Tobermory 15
9318B	Tullamore Dew Phoenix
9320B	Tullamore Dew 12 Irish
9690B	Y town Vodka

Liquor Sales Update:

Dollars

Gallons

YEAR TO DATE	WHOLESALE	RETAIL	TOTAL
1/1/13 thru 12/15/13	\$250,338,256	\$586,254,199	\$836,592,455
1/1/12 thru 12/15/12	\$246,358,087	\$546,984,381	\$793,342,468
2013 vs 2012	+\$3,980,169	+\$39,269,817	+\$43,249,987
Percent Change	+1.62%	+7.18%	+5.45%

WHOLESALE	RETAIL	TOTAL
3,142,771	8,339,445	11,482,216
3,175,147	8,003,928	11,179,075
-32,375	+335,517	+303,142
-1.02%	+4.19%	+2.71%

Drink Recipes

“Hot Toddy”

In Honor of National Hot Toddy Day (January 11th)

A **Hot Toddy** is typically a mixed drink made of liquor and water with sugar and spices and served hot. Hot toddy recipes vary and are traditionally drunk before going to bed, or in wet or cold weather. Traditional Scottish preparation of a hot toddy involves the mixture of whisky, boiling water and sugar or honey. Additional ingredients such as cloves, a lemon slice or cinnamon (in stick or ground form) may be added.

- 1 1/2 fluid ounces **Jim Beam Whiskey**;
- 1 teaspoon honey;
- 2 ounces boiling water;
- 3 whole cloves.

Directions: Pour the honey, boiling water, and whiskey into a mug. Spice it with the cloves and cinnamon, and put in the slice of lemon. Let the mixture stand for 5 minutes so the flavors can mingle, then sprinkle with a pinch of nutmeg before serving.

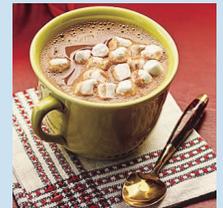


Drink Responsibly.
Drive Responsibly.

“The Perfect Hot Chocolate”

Add to taste any of the following:

- Black Velvet Toasted Caramel Whisky
- Black Velvet Cinnamon Rush Whisky
- Cleveland Christmas Bourbon
- Kahlua Midnight
- Fireball Cinnamon Whisky
- Three Olives Whipped Cream Vodka
- Three Olives S’mores Vodka
- Stoli Salted Karamel Vodka



“Blank Slate”

- 1.5 oz. **SMIRNOFF SORBET® Light Pineapple Coconut**;
- 2 oz. coconut water.

Glassware: Martini glass.

Garnish: Edible flower.

Preparation: Combine all ingredients in a mixing glass, add ice (or not), shake and strain into a chilled martini glass and garnish.



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**Department
of Commerce**

Division of Liquor Control

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