

While the European Commission is looking into the merger, it was not expected to be looked at by U.S. officials, but reports are that Seagram urged the **Federal Trade Commission** to review the deal. Antitrust lawyers say the FTC will scrutinize the companies' marketing and pricing plans to determine the nature of competition. The combined companies would control 47% of Scotch, 39% of vodka and 36% of gin sales in the U.S.

Grand Met had the leading vodka (Smirnoff) sold in the U.S. in 1996 — 5.9 million cs. Guinness had the leading Scotch (Dewar's) selling 1.5 million cs. The leading gin was Seagram's gin at 3.5 million cs. and the leading Canadian was Seagram's Crown Royal at 2.0 million cs.

The FTC will also consider the key marketing question of brand loyalty in its investigation of the merger. If regulators decide alcoholic beverage consumers are steadfastly loyal to their gin, vodka or Scotch — that a merger would create a monopoly in certain categories — the FTC might block the deal.

One thing is certain: It will be difficult for the FTC to determine brand loyalty. Consumers experiment with all kinds of brands today — especially young adults.

NEW BRANDS, PACKAGING, ADVERTISING & PROMO: Launching what may be the world's most expensive tequila, **Todhunter Importers, Ltd.** will begin shipping to distributors in October **Porfidio's** latest creation, **Barrique de Ponciano Porfidio Añejo**, in time for the 1997 holiday selling season. It will retail for \$500 for the one-liter bottle, only 500 of which will be allocated to the U.S. this year. Barrique de Ponciano Porfidio derives its name from the way it is made: by law añejos are aged at least one year, but "Barrique" añejos are aged several years, until peak maturity, in new, small, 100-liter French Limousin oak barrels, called barriques, the same as are used for aging fine wine.

Porfidio Barrique comes in a tall, thin, clear glass, one-liter bottle, with a clear, free-standing, hollow cactus inside. It is made from the same glass used for laboratory beakers. Blue lettering and stylized sun painted on the glass constitute the label, while a cork stopper and paper strip provide the closing for this 80-proof spirit. The bottle will be wrapped in paper and offered in a box.

Domecq Importers has introduced **Sauza Galardon Gran Reposado**, the first Gran Reposado tequila available in the U.S. It will initially be available in three key tequila markets — California, Texas and Colorado. The suggested retail price is \$28.00. To introduce a popular Mexican tradition to experimental tequila drinkers, **Domecq** has also launched **Sauza Sangrita**, a premium, non alcoholic tomato-based "chaser", that has long been enjoyed as a savory complement to tequila in Mexico, said Lori Tiesze, marketing director, Sauza Tequila.

Jim Beam Brands says **Chinaco Tequila** is now offering all three of its varieties, Blanco, Reposado and Añejo, in unique artisan glass bottles created by Mexican craftsman. Previously, only Chinaco Reposado Tequila rested at least six months but less than one year, was available in the work-of-art bottles. Now, 750ml sizes of Blanco, bottled fresh within 24 hours after

(OVER PLEASE)