“Yo ho ho and a bottle of rum” used to be the chant that was the sole purview of pirates everywhere. But, if recent rising sales figures are any indication, then plenty of bartenders and consumers are channeling their inner swashbucklers and reaching for those bottles of rum. Of course not all are simply interested in the seafaring history of the spirit once rationed to sailors; many are turning to rum as a good times spirit that embodies the renewed Tiki movement. John Eason, VP marketing, national accounts for DonQ rums comments: “Rum conjures up thoughts of beaches and exotic locales. From a group of friends enjoying a Mojito, Zombie or Ti Punch to a group of guys playing Dominos, enjoying a fine cigar and a Gran Añejo neat, no other category inspires a good time like rum.”

The recent appreciation for Tiki-style cocktails signals a healthy revival for the spirit once known as demon rum which was smuggled into the country by men who gained their job titles from it: rum runners. With easy access to nearby rum-producing Caribbean islands smuggling was a profitable business, particularly during Prohibition, since so many in the U.S. loved the popular spirit—and its forbidden allure.
Outrunning the law isn’t necessary any more, but rum producers still find themselves in a race; they’re gunning for the rank of number 1 selling spirit in the U.S. right behind vodka. According to DISCUS, despite a difficult 2009 across many categories, overall rum volume from 2008 grew by 1.2% to 24.5 million 9-Liter cases. Total 2009 revenues generated at the supplier tier also grew slightly (approximately 1%) over the prior year to $2.2 billion.

It Starts With a Cocktail

At Astor Wines & Spirits in NYC, the shelves reflect this growing interest in the category and they’ve stayed ahead of the curve, anticipating the trend by increasing their rum offerings by 25-30 new brands.

“The interest is definitely there. People are starting to understand that white rum doesn’t mean un-aged,” explains Stephanie Moreno, sales manager and spirits buyer. “They are excited to try different kinds besides spiced; they are liking rhum agricole [rums made in the Caribbean’s French-speaking islands], and those from other countries.” Today, retail shelves are packed with quality rums from Barbados (Cockspur) to the Dominican Republic (Brugal and Ron Barceló) to St. Kitts (Brinley Gold) to Nicaragua (bartender-loved Flor de Caña) to Guatemala (Botran, a family that’s been making quality rums for over 60 years and flaunting a new release), to even the U.S. (Tuthilltown Spirits’ Hudson River Rum).

Charles Steadman, mixologist at Echo, The Breakers Palm Beach says, “South Florida weather has always called for the vacation inspiring rum punchy cocktails; the convenient ‘go to’ Rum & Coke, and the South Beach must-have Mojito.”

Summer and winter drinks like these may be a newfound hit at trendy Tiki lairs like Painkiller in NYC and Smuggler’s Cove in San Francisco, but in Southeast Florida there’s a constant demand for light, refreshing rum-based cocktails. This demand for rum is now spreading beyond sunny climates, and giving suppliers incentive to offer new innovations. For example, Malibu recently unveiled pre-made Malibu cocktails in flavors of Caribbean Cosmo, Rum Punch and Tropical Mojito, each easy to pour from a soft plastic pouch with leak-proof nozzle.

Bacardi’s latest offering is Torched Cherry, the first to use cherries from Barbados infused with Torch Plant aloe. “Bacardi Limón was one of the first flavored rums back in 1995. Bacardi has continued to be a leader in the spirits category by offering breakthrough innovative flavors such as Bacardi Torched Cherry and Bacardi Dragon Berry that infuse popular fruits with exotic emerging flavors,” explains Gordon Chisholm, brand director, Bacardi flavored rums. “In order to maintain our leadership position, we must evolve with the consumer trends. We were able to successfully add a complexity that enhances the cherry essence of the spirit, creating a superior cocktail with its ability to cut through any mixer.”

Meanwhile, Guatemala-made Zacapa has expanded its distribution thanks to a partnership between Diageo and Rums of Guatemala. “This certainly speaks to the growing demand for rum over the past few years. Some of the country’s top mixologists choose Zacapa as their preferred rum and it appears on cocktail menus all over the U.S., which certainly extends Zacapa’s consumer reach,” notes Maria-Teresa Garcia-Rosell, Diageo’s brand manager of ultra-premium rums. “People are much more apt to try something new if it’s mixed with familiar ingredients they know they like, so it’s likely that the current cocktail craze has helped to drive Zacapa.”

Little Umbrella, Big Trend

By now the Tiki trend has flooded the bar scene, with the beloved thatched huts, blended Daiquiris and coconut shells of the 1950s making a comeback, yet with an emphasis on quality ingredients that has today’s perfectionist-driven mixologists gladly succumbing to the nostalgic renaissance. New York’s Julie Reiner of the Flatiron Lounge and Clover Club fame will soon celebrate her Hawaiian roots with a new Tiki bar slated to open in SoHo. In the meantime, Painkiller on the Lower East Side is keeping New Yorkers sated with sophisticated Tiki cocktails. “Layering flavors of spirits is a technique that originated within Tiki,” says owner Giuseppe Gonzalez. “Although it is rare to see whiskies, gins, and/or vodkas blended within a drink, it is quite common to blend rums because of their distinct regional characteristics.”
Don Beach’s 1934 Zombie Punch has a blend of three different rums (aged Puerto Rican, Jamaican and 151 demerara) that bring something unique, and vital, to the overall harmony of the drink. Another great example is our Mai Tai, where we blend aged Jamaican and high-proof agricole rums. Every day we gain a deeper understanding of how rums work together. It’s become vital to making these drinks.”

Jo Ann Craner, senior brand manager for Appleton Estate Jamaica Rums, says the Tiki rebirth has boomed particularly well for Appleton’s 12-year-old and new-to-the-on-premise Reserve expressions. “There are layers and layers of flavors—orange peel, vanilla and butterscotch; it’s almost like bar chewing,” she points out. “Appleton Estate is very much about the on-premise and luxury mixology, and seeing bartenders like Martin Cate of Smuggler’s Cove and Willy Shine of Contemporary Cocktails embrace Tiki, and Appleton specifically, for its smoothness and complexity has only reinforced our luxury position.”

Patrón Spirits Company’s ultra-premium Pyrat is also poised to do well in the upscale tier. “Trade and consumer education is always a key initiative for us, not just to promote awareness of Pyrat rums, but also to communicate its high-quality and versatility,” explains brand director Jennifer Long. “Our consumers are people who enjoy and appreciate high-quality luxury spirits: people who understand that it’s worth an extra dollar or two to enjoy a good cocktail when they’re dining out.”

Bacardi’s Chisholm adds: “Rum is no longer solely associated with sun, sea and sand, but is moving upstream for consumption at white tablecloth accounts, lounges and tableside at the most popular nightclubs.”

The Tiki trend dovetails nicely with Malibu’s strategy. The brand, which is currently up 3% in depletions since last year, has made cocktails a priority according to Sheila Senhouse, brand manager rums, Pernod Ricard USA. “Malibu is the ideal brand for Tiki cocktails, and is currently popular in many tropical drinks like the Piña Colada and Daiquiri. The Tiki trend allows Malibu to continue to build in this space where Malibu currently exists; we’ll continue to focus our marketing efforts on Malibu in Tiki, frozen, light cocktails amongst many other fun drinks.”

Deep, rich Zaya rum from Trinidad also benefits from the Tiki spotlight, and Lucillia Crowe of Infinium Spirits says the aged rum and Tahitian vanilla complement the fresh juices used in Tiki cocktails. “The Tiki cocktail explosion has not only positively impacted our business, but it showcases rum’s versatility as an essential ingredient in a cocktail,” she points out.

The Tiki love is not just limited to bars flaunting palm fronds on the back bar either. The excitement about rum, whether for sipping or mixing, is reaching far beyond the bar and into people’s homes. Says Don Q’s Eason: “We see a trend continuing towards home entertainment, taking advantage of rum’s mixability. Our new DonQ Mojito flavored rum was created with just this purpose in mind, for an easier way for consumers to make Mojitos at home. Rum’s versatility from basic cocktails to being served neat or on the rocks always provides excellent entertainment experiences.”

Moreno confirms the home bartending trend and notes: “With us being in a recession we’re seeing more people wanting to make cocktails at home rather than spending that money at a bar. Sure they will go out and try cocktails at some of our fantastic watering holes, but then they want to go home and recreate them. Customers are coming in with clear Tiki cocktail recipes they are trying and are grabbing more than just one bottle of rum; sometimes three to four at a time.”

Three to four rums at a time sounds like a big ticket purchase, but considering brands like Sidney Frank Importing Co.’s Tommy Bahama, which recently downgraded its SRP from $28.99 to $19.99 for both its White Sand and Golden Sun expressions in an effort to become an affordable luxury, the rum category is rife with values.

**Tropical Luxury**

Officially, according to documents held by the Seralles family, makers of DonQ rums, DonQ Gold was the rum first used in the 1954 creation of one of the most famous of all rum-based cocktails, the Piña Colada. Today, to satisfy market demand, DonQ’s line of rums extends far beyond the Gold. DonQ offers a wide range of styles from the mixable Cristal and flavors (Coco, Limón and Mojito) to the smooth, sippable Añejo and Gran Añejo. And customers are sure to take notice as the brand just received new package updates. According to Eason: “The overall category should grow by a few points. Unlike our key competitors we are solely focused on rum. What’s interesting is what’s happening in the sub categories. Our flagship, DonQ, is making significant market share gains around the country in the light and dark rum categories. Sipping Añejo rums are growing double digits as consumers enjoy these brands neat or on the rocks.”

The opportunity for rum to become known as a sipping spirit that’s as appealing as a good Scotch (at a much more reasonable price point) is great. Todd Appel, bartender/mixologist at Crimson Lounge in Chicago’s Hotel Sax com-
Guest at the Breakers in Palm Beach enjoy Daiquiris.

Rum Renaissance

Guest at the Breakers in Palm Beach enjoy Daiquiris. cocktail list but instead focus on the 250 fine rums lining the shelves. He comments: “One of my favorite things to do is talk with my Jamaican customers. They don’t want to drink cocktails, they want to drink it straight and talk about the stories—about ‘like my grandfather served it.’ It’s very fun to serve them.”

Spicing it Up

The rum-curious are not excluding the traditional spiced category either. Captain Morgan is certainly one of the best known names at the bar yet there are others, like Trader Vic’s vanilla and spice hybrid, and consumers are willing to try them all. Moreno stocks eight spiced rums at Astor. “I think the majority of the people are still going to have it with Coke or straight, but they are happy to try something aside from Captain Morgan. They are interested in the category.”

Sailor Jerry, with its iconic hula girl on the label, is another popular spiced rum, thanks in part to brand ambassador Lisa Hare placing it in the limelight. Newcomer Blackheart Premium Spiced Rum, with a striking female adorning its bottle as well, is also garnering raves particularly in the off-premise. “Blackheart is bold and bawdy, cunning and cutthroat, sexy and seductive and left a trail of broken hearts wherever she traveled—that is how she came to be known as Blackheart,” explains Heaven Hill’s brand manager Brittany Blevins. “This is her rum. It captures her spirit in asubcategory that is poised for future growth. The premium, spiced rum subsegment has become quite competitive in a very short period of time. The brand exceeded our initial expectations for its launch by more than 50%.”

Proximo Spirits tapped into the spiced rum trend when it debuted The Kraken Black Spiced Rum, an equally dramatic bottle referencing rum’s nautical past with a giant squid planted on the label, last year, and most recently, Cruzan decided to add a decidedly upscale twist to the category with the introduction of Cruzan 9.

“Sometimes, nothing extra is necessary. As Venegas reveals: “Rum is so easy to drink by itself.”

Steadman and his clientele at Echo will be patiently waiting for this new brand to hit the shelves. “Spiced rum is great. It adds a simple way of giving complexity to the palate,” he notes. And Appel concurs: “If you use rum with a little more flavor you’ve got another dimension.” Sometimes, nothing extra is necessary. As Venegas reveals: “Rum is so easy to drink by itself.”