RUM: THE CHAMELEON SPIRIT

By Jeffery Lindenmuth

The Mojito, a classic Cuban cocktail made with white rum, ice, fresh mint, and muddled limes, sweetened and occasionally topped with soda, continues to create barroom buzz. From the urban bars of Miami and New York, the refreshing tropical cocktail has spread to small towns and Irish pubs, helping to rocket rum sales 50 percent over the past five years. But the Mojito merely kicked-off the national rum party, and with one foot in the door, producers are now unleashing the full breadth of rum. More than a white mixer, rum comes in aged, flavored, high-proof and prepared cocktail offerings.

Flavored rum includes everything from the booming spiced brand Captain Morgan, to new tropical fruit offerings and even exotic hybrids like Bacardi’s Cidón, flavored with Tequila, lime and Agave. According to Jay Maltby, Chairman and CEO of Todhunter, which imports Cruzan rum, comparing the year 1997 vs. 2001, rum sales as a whole grew 31.6 percent. But in 1997 flavored rums accounted for 23.6 percent of total rum sales and in 2001 they grew dramatically to 36.5 percent.

Cruzan is a key player and frontrunner in the flavored arena, having launched their coconut, pineapple, and banana, followed shortly after by orange and citrus about six years ago. In April 2002 they added vanilla and mango in selected markets.

Maltby cites several reasons for the popularity of flavors, especially on-premise. “These spirits are so mixable. And they allow bartenders to be creative without stocking a lot of additional exotic ingredients. They have all-natural, fresh flavor and it’s key that they are light in color, which makes beautiful cocktails,” says Maltby. “And with fruit juice, nothing mixes better than rum.”

In taking the brand to the next level, Maltby says there will be an enormous increase in advertising and promotional spending – from $4 million to $10 million this year. He’s optimistic that the universal appeal of the product will continue to carry Cruzan flavors forward, noting that “male, female, early adopters and also consumers in their 50s and 60s” all seem attracted to the brand.
Malibu, perhaps the most ubiquitous flavored rum, is also Barbados' largest rum distillery and is credited by many for reinvigorating rum sales in the U.S. after the category hit a modern low of 11 million cases in 1994. Allied Domecq acquired the brand from Diageo in May 2002, and the coconut flavored rum is holding its own in spite of fierce flavor competition.

In discussing Bacardi’s new flavored rums, Paul Francis, senior marketing brand manager for Bacardi, says, “We’re really playing in the vodka world.” Part of this strategy is cool-sounding calls for the on-premise, like Limón, introduced in 1996, and “O” which debuted in 2001.

Bacardi also has three new flavors, packaged in bold Op-art-style bottles, introduced in April of this year: Razz, Vanilla, and Cóco (which is coconut, not chocolate). “With flavored products we tend to be a little different, not so uniform, so we have lots of fun elements. Our package speaks to the vodka consumer and we play that middle ground between rum and vodka,” says Francis, who notes the new flavors are in a position to sell 200-300 thousand cases each in their inaugural year.

Steve Schachter is VP of marketing for Extreme Beverage Company, which offers three rums produced in the West Indies. In addition to their basic rum, they have two versions which are naturally, and potently, flavored with coconut and banana. “When you think about why the word extreme is being used so much, it’s because this generation wants more out of life in so many ways, whether it’s more excitement in terms of sports or more in terms of social life and also in terms of flavor. I think that’s where the word extreme resonates with a younger generation.” Schachter says that Extreme rums have found a following in urban centers where the company actively targets nightclubs and DJs through niche magazine advertising. “We also think, in addition to extreme quality and flavor, we offer extreme value at around $14 retail,” adds Schachter.

Martí, from Chatham Imports, is a flavored rum that capitalizes directly on the mojito trend with infusions of carefully selected Caribbean lime and fresh mint. “It’s flavored with the quintessential Cuban flavors,” says Joe Magliocco, president of Chatham Imports. “It’s a delicious full-proof rum that you can sip neat or on the rocks, take as a shot, or use in cocktails, even with Champagne.”

The rather unique flavored rum, premium priced at about $16, has spawned several cocktails from elite on-premise operators like Restaurant Daniel in Manhattan and Latin celebrity chef Douglas Rodriguez, who created the tongue-twisting, palate-pleasing Martí Mojito Martini, made with triple-sec and lime. Like many flavored rums, Martí offers a great variation on the popular, but often overworked, classic rum and Coke.

Both Bacardi and Cruzan have contenders in another small but growing sub-category: aged or sipping rums. Bacardi offers Bacardi 8 (eight years of aging) and Cruzan has their Estate Diamond and Single Barrel Estate.

Maltby says the base of this category is very small, “Super-premium might be a 200 thousand case category in total.” But that small playing field seems to have lured some of the most exciting and entrepreneurial marketers to the segment.

“Many consumers that drank rum as young adults, normally in simple drinks like rum and coke, have an affinity toward the taste of rum but are looking for a higher/better quality,” says Michael Avitable, VP director of marketing at Marie Brizard, importers of Gosling’s Black Seal rum. He believes this helps explain why “the super-premium rum category has seen tremendous growth over the past 5-7 years. The consumer is ‘trading-up’ to a better rum that can be enjoyed in a snifter glass, like a fine cognac or brandy.” Avitable also cites the Hispanic population’s maturing tastes in rum, and the fact that they are the fastest growing segment in the U.S. population.

Notable is Sidney Frank’s Coyopa, a ten year-old rum from R.L. Seale & Company with an unprecedented $50 retail price, a high-tech back-lit animated label and musical bottle. Since its introduction in September of last year, there has been much rumor and speculation about where all the Coyopa has gone.

According to Bill Thompson, vice president, Sidney Frank Importing Company, there was indeed a failure of the complicated electronics — in the vicinity of 10-12 percent. But with initial sales of 4500 cases, Thompson considers this “a hiccup.” Sidney Frank voluntarily, and temporarily, withdrew the brand. “We’re going to fix it and be back in the marketplace soon.”

Robert Cullins, managing director for Santa Theresa USA, which imports Santa Theresa 1796, a sipping rum from Venezuela says, “A couple years ago the U.S. wasn’t ready for this product, but

Flavored rum sales accounted for almost 40% of total rum sales in 2001.
we now think the consumer and trade are ready." Cullins says only in the last few years have small and major producers alike really started to concentrate on the premium, aged rums. "It's a lot like what happened with single-malt, then Bourbon, followed soon after by Tequila," says Cullins. But he believes even sipping rums maintain their mixability — part of their essential rumness. "They combine the aggressive flavor of a traditional dark spirit and the more approachable character of a white spirit."

Tim Haughinberry, president and creator of Montecristo Rum agrees that mixing will always be important, even for premium rum. "There just aren't enough sippers out there," says Haughinberry. "I can go after the sippers, sure, but at our price point, essentially never over $30, people can also mix it."

Haughinberry's double-edged strategy for Montecristo, appealing to the sippers that smoke the cigars of his namesake and keeping the rum affordable, have him on track to sell 15,000 cases across 37 states in his first year of distribution.

More than 100 years have gone by since Andrés Brugal Montaner founded the Brugal Rum company in the Dominican Republic, and it was this producer that popularized the age rum segment in 1976 with the launch of its Añejo. Aging their rums in charred, white oak barrels, Brugal also launched Brugal Limón, in 1998 a true novelty in the Dominican market, much appreciated especially by young adult consumers. According to Will Clemente, VP brand development, Renaissance International Importers, aged rums are hot right now because "people recognize the time honored benefits of quality and value these rums offer." Brugal prides itself on offering some of the best value in the category as well.

Matusalem from Skyy Spirits Ltd., also capitalizes on its romantic Cuban history (the brand is now produced in the Dominican Republic.) According to Matt Gilmore, brand manager, Matusalem is currently focusing on Miami as an epicenter for their three labels — Platino, a silver rum; Clásico, a ten-year-old average Solera blend; and Gran Reserva, a fifteen-year-old average Solera blend. "We've revised our programming to build a more comprehensive marketing program in Florida and then we'll take it to the other markets," says Gilmore. "Last year we did around 6500 cases and this year we expect to do 17,000 cases."

Matusalem's stylish campaign will also include sponsoring parties in the Hamptons and print support featuring women wearing classic Cuban fedoras.

Another portent of the category as an up-and-comer, and serious rival to vodka, is Platino's recent award for "Best White Spirit" at the San Francisco World Spirits Competition 2003. Mount Gay, considered to be the oldest operating rum producer, will unveil a very special rum this summer in celebration of it's 300th anniversary. Mount Gay Tricentennial Selection is a blend of the distillery's finest stocks, some dating back to 1969. The release will be limited to only 2,100 specially packaged units and will retail for appropriately $300.

In celebration of the anniversary the flagship Mount Gay Eclipse will also don special packaging. And Mount Gay will aggressively continue their nautical affiliations with the sponsorship of 115 sailing regattas over the calendar year.

Appleton Estate, distributed by Brown-Forman, offers a considerable line-up of quality mixing and sipping rums made from sugarcane grown on the J.Wray & Nephew estate in Jamaica. Appleton brand manager, Charles Shive says, "My everyday preference still remains the Appleton Estate V/X Jamaica Rum, for its versatility and great taste." To that end, Brown-Forman is promoting signature cocktails, including a Bloody Mary variation, actually an Appleton Caesar called the Elusive Redhead.

The Appleton Estate Extra Jamaica Rum can be a premium cocktail call or a delightful sipper, but the 21-year-old is almost exclusively a snifter pour. "I think it is up to each individual's preference on what constitutes a 'sipping' rum," says Shive. "That's the beauty of rum - it's as versatile as you want it to be, without being unapproachable or snobby." From its beginning as simple molasses, rum may have more incarnations, in terms of origin, flavor, and versatility than other spirit.

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Ever in search of fine drink, Jeffrey Lindenmuth regularly contributes reviews and tales of good tipples to Food Arts, Taste, and Wine & Spirits. He has also appeared in men's magazines including Men's Health, Maxim, Stuff, Gear and Esquire.