

SPIRIT HIGHLIGHT: RUM

AN OHIO TAVERN NEWS SPECIAL FEATURE

Distillers Eye Premium Market As Competition Picks Up

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— *Malcolm Gosling*
Gosling’s rum

By SCOTT WOODS
Ohio Tavern News Writer

Once stereotyped as the drink of choice among swashbucklers and Caribbean medicine men, the diverse spirit made of fermented sugar cane known as rum now resonates with drinkers from all walks of life. Within the past several years, however, an effort by many distillers to appeal to more sophisticated palettes has emerged as competition among brands has intensified.

Despite the recession, new brands have broken ground, said Malcolm Gosling, owner of Gosling’s rum. The newcomers are pushing those already on the scene to craft new business angles, he said.

“The market is more competitive (right now),” Gosling said. “There have been a few more entries since the economic downturn. (Everyone’s) fighting for market (share).”

Gosling’s and competitor Cruzan rum have veered toward the premium designation, eyeing a growing interest in the spirit from consumers who are more interested in rum’s unique taste than its ability to mix well with other drinks.

In terms of numbers, premium rum is the fastest growing segment of the ever-growing market, said Nihil Wanna, brand manager with Cruzan.

“When you look at the rum landscape, you realize there are more than just a few (brands) out there,” he said, noting that the premium market still has room for further growth.

Wanna said that the bulk of Cruzan’s sales volume comes from its 11 flavored varieties, although “just by a nose.” He added that the brand casts a wide net: premium dark, light and spiced rum have also contributed heavily to his company’s bottom line as the focus on clean, smooth-tasting rums becomes more prevalent among consumers.

“We believe we have the cleanest-tasting rum,” Wanna said. The drink’s lack of impurities and its easy sippability appeal to new, more discerning customers, he said.

Gosling, a seventh-generation distiller, agrees that premium is where the action is at right now. He added that increased competition from other premium spirits such as vodka has eaten into rum’s margins.

Gosling said his company is mindful of price issues among an economically battered consumer base and has made significant efforts to keep prices low; the result, he said, has been even lower profit margins. But Gosling said his brand’s production and distribution are expanding rap-

idly, making up for the shrinking margins.

Overall, rum in any form is as popular as ever.

Rum is “still a fast-growing industry,” Wanna said, noting that the total rum market has grown 2 percent within the year.

In Ohio, brands Bacardi Superior Light rum and Captain Morgan Spiced rum each placed within the top five in the state in terms of gallons consumed in 2010, together falling short only of several vodka brands.

Gosling said his brand is moving heavily among the “golf and yachting” crowd, but that to increase market share even further, convincing a younger demographic to become interested in the more sophisticated premium variety is necessary.

Gosling’s sees potential in the 21-29 age range, and has sponsored a Bermuda musical artist with a U.S. following with the hopes of winning them over from the more common, non-premium brands seen regularly in watering holes.

The inroads already made by premium rum manufacturers among rum drinkers are taking hold, Gosling said, but there is potential for so much more.

“We have a long way to go to reach a more mature consumer,” he said.

SPIRIT HIGHLIGHT: FEATURED RUM BRANDS

Sailor Jerry



Norman "Sailor Jerry" Collins is the most famous tattoo artist of all time. He was the first to go to Japan to learn the sacred art of tattooing back in the 1920s. He set up shop in Honolulu in the 1930s tattooing sailors with distinctive designs that are still inspiring tattoo artists today.

Distilled in the U.S. Virgin Islands, Sailor Jerry Spiced Rum is based on the "customized" spiced navy rum that Sailor Jerry's clients — sailors — used to create when they had some time on their hands. Back in the day, this is the way they drank it. It is higher in proof — 92 proof — and spiced with caramel and other natural flavors with a hint of cherry.

The rum celebrated the 100th anniversary of Norman "Sailor Jerry" Collins' birth earlier this year with several special promotions, including limited edition bottles and a documentary, "Hori Smoku Sailor Jerry."

Sailor Jerry is the real deal and like a true sailor rum, it's strong but goes down smooth. We think you'll like it.

Admiral Nelson

Inspired by the romantic folklore of the old time naval hero Horatio Nelson, Admiral Nelson's Premium Spiced Rum is carefully blended with savory spices.

The result is superb golden rum with an incomparable taste of the tropics — a spirit proudly named for the great Admiral Nelson. Admiral Nelson's Premium Spiced Rum is amber with a rich gold cast, medium bodied with vanilla and butterscotch undertones. It has a smooth texture with a light touch of viscosity. The Admiral is pleasantly flavored and spiced and finishes with a soft, creamy, sweet sensation.

Tasters at the World Beverage Competition awarded Admiral Nelson's Premium Spiced Rum with the Best in Show Platinum Award in the 2009 competition. The World Beverage Competition judges products based solely on their quality and level of innovation in a blind taste test by industry professionals from 50 countries.



Appleton Estate

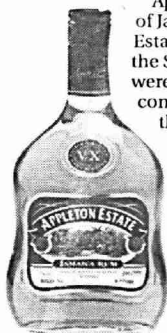
Appleton Estate is the oldest and most famous of all of Jamaica's sugar cane estates. The origins of Appleton Estate date back to 1655 when the English captured Jamaica from the Spaniards. Frances Dickinson, whose grandsons Caleb and Ezekiel were the earliest known owners of the Appleton Estate, took part in that conquest of Jamaica, and it is believed that Appleton Estate was part of the land grant that Dickinson received as reward for his services.

After many generations of ownership by the Dickinson family, the Appleton Estate was sold out of the family in 1845. From then on, it was owned by a procession of prominent Jamaican families, each of whom helped to increase the size and potential of the Appleton Estate by purchasing additional acreage of land planted with sugar cane.

Shortly after Lindo Brothers & Co. purchased another Jamaican rum producer, Wray & Nephew, in 1916, the new company, J. Wray & Nephew Ltd., purchased the Appleton Estate.

Appleton Estate rums are still produced on the estate, which encompasses more than 11,000 acres of sugar cane, as well as a sugar cane refinery and the distillery. Among the rums in the

Appleton portfolio are Appleton Estate V/X 80 proof; Appleton Estate Extra 86 proof; and Appleton Estate 21 Year Old 86 proof.



Gosling's

Almost 200 years ago, James Gosling's ship, brimming with spirits and bound for America from London, was becalmed off Bermuda. Wisely, Gosling put ashore and never left.

Eventually, the family's leisurely oak-aged, dark-hued rum became extremely popular, even when it was sold in recycled champagne bottles with corks sealed by black wax. Before long, people were clamoring for the black sealed bottles and the name stuck. (The playful seal mascot came later.)

Unlike mass marketed spirits, Black Seal remains a special product available at select outlets. We welcome you to this exclusive family.

In addition to Black Seal, Gosling's range of fine rums include Gold and Old Rum.

Gosling's also recently introduced Gosling's Stormy Ginger Beer, the definitive ginger beer soft drink. Available in 12-ounce cans, it was created to produce the Dark 'n Stormy, Gosling's signature cocktail combining Black Seal rum and ginger beer.



Lady Bligh

The 1700s saw a reign of fear in the West Indies as pirates plundered the islands in search of grain, molasses and kegs of rum, as well as gold, silver and jewels. Lady Bligh proved herself to be as dangerous as any male with her fiery spirit and temper to match.

Lady Bligh Authentic Spiced Rum from Paramount Distillers Inc. is packaged in 750 ml, one liter and 1.75 liter bottles featuring this spirited woman on the label.

Lady Bligh captures the essence of the pirate spirit with a blend of premium rum, spices and natural flavors.



The Kraken

The Kraken, a unique Caribbean black spiced rum, is enriched with exotic spice notes of ginger, cinnamon and clove, among many others. Named for a legendary giant sea beast of myth and legend, the rum's rich, black color takes its hue from the mysterious ink with which, as legend has it, the Kraken covered its prey.



While the smooth taste of The Kraken lends itself to be enjoyed as a sipping rum, it works best as a key ingredient in a number of rum-based cocktails, such as a traditional Kraken and Cola.

The 94-proof Kraken's proprietary bottle, which features the giant squid on its label, is a replica of a Victorian spirits bottle and features two handles, allowing for easy portability as well as potability.

Malibu

Nothing beats an original, and Malibu is not only an original, it is the world's best-selling Caribbean rum with natural coconut flavor.

The taste of Malibu is Barbados in a bottle — smooth, fresh coconut flavor with a sweet finish — perfect for bringing the island to anytime.

New Malibu Black combines the smooth coconut flavor of original Malibu with a higher proof and less sweetness for a bolder taste of the Caribbean. Malibu Black is 70 proof compared to the original Malibu's 42 proof.

