



Moving beyond Mojito

Light and dark rums at either end of the rum spectrum, and the sub-categories in between, are enjoying renewed success, driven particularly by on-premise cocktail trade and discerning consumers after the 'new', writes [Samuel Spurr](#).

Once considered as rough and unrefined, and with quality offerings often missing from many backbars, rum has, over the past few years, undergone an intense makeover. The Mojito has given light rums centre stage, however an increased interest in rum is providing dark rums and regional sub-segments a share of the spotlight. Dark rum continues to grow at a rapid rate of almost 14 per cent from 2008 to 2009 in volume and 16 per cent in value. Light rum remains relatively steady growing at less than two per cent year on year in volume and around five per cent in value (Nielsen data to December 2009). Combine this with data showing that the ultra-premium spirits segment is growing at 12.5 per cent in value (Nielsen Scantrack MAT December 2009) and it becomes clear that there is more to rum than the mighty Mojito.

"Rum continues to be a category 'on fire' in the on-premise with bars and bartenders embracing this once maligned spirit like never before," begins Ben Davidson, who oversees Havana Club as Pernod Ricard's SIGNE national spirits ambassador. "With most big brands present in our market bartenders are seeking out more obscure and unusual

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offerings from the Caribbean and the four corners of the world.”

Josh Begbie, head bartender at Melbourne’s DerRaum comments that premium dark rums enjoyed a period of popularity a year or two ago, but in his opinion, this interest has slightly receded. “With such a high influence on classic cocktails nowadays, customers are going back to the ‘originals’ that use white rums more and more.” DerRaum uses light, gold and dark rums in their cocktail list, drawing on Havana Club Blanco, Angostura 1919 and Inner Circle Green Dot. “White rums are coming back into vogue but I’ve recently noticed demand for spiced rums. We have Myers’s Goslings and Sailor Jerry Rum taking the category to another level.”

James France, director of Vanguard Luxury Brands which supplies Nicaraguan rum Flor de Caña, argues that seasonal popularity of certain cocktails has played a role in rum’s revival. “The ongoing popularity of the Mojito in summer keeps white rum in the limelight while use of dark rums has increased thanks to classic cocktails like the Old Fashioned.” Gareth Watkins, public relations manager for Bacardi, carries on this line of thought, “representing 93 per cent of the Australian light rum market, Bacardi will always be considered a summer favourite.”

Premiumisation and the rum ‘occasion’

Premiumisation continues to be the dominant trend, with ageing, blending and brand authenticity being key product differentiators. Top shelf rums are also challenging whisky and cognac as spirits of choice for special occasions. Aude Parichot, marketing manager for Diageo Australia’s Reserve Brands portfolio highlights that Zacapa Rum’s extremely rich heritage and meticulous production methods engage luxury consumers. “We’re starting to see the rum occasion increasing. Luxury rums such as Zacapa challenge spirits such as cognac as the drink of choice for a special occasion or after dinner.”

Nathan Fisher, brand manager for Brown Forman, informs that premium rum is benefiting from greater media exposure and trade attention. “There is growing appreciation of premium and super-premium rums. Brands such as Appleton Estate are leading this shifting of opinions, educating consumers that there are sophisticated premium rums that can rival the world’s best whiskies and cognacs.”

Chester Browne, Mount Gay Rum’s international brand ambassador, made similar comments to Nathan Fisher’s, when promoting 1703, the premium blend from the Barbados-based distillery. “Premium spirit lovers are looking for rich and flavourful offerings. The fine quality and characteristics of a single malt whisky can be found in aged and properly blended rums, which complement after dinner occasions such as enjoying a cigar”

Tony Stuble, director of SouthTrade International which supplies Pusser’s, and newcomers Holey Dollar Rum and Pyrat Rum, proposes that there is a very clear evolution of rum drinkers. “I don’t think it is that rum is attracting more new drinkers than it has in the past, but rather, current rum drinkers are looking for better quality brands than they have accepted until now.”

Commenting on the RTD market, Liz Watkinson, associate director at Nielsen Liquor Services, duly notes that with the Henry Taxation Report imminent, it is worth considering how the category has fared since changes in April 2008.

“As with all spirit liquor types, rum RTD volumes shrunk whilst corresponding spirit sales gained momentum. This trend was exacerbated in rum as the RTD portfolio concentrated on large pack formats whose price points became unsustainable. Diageo, with a huge stake in the sector, launched the smooth tasting Bundaberg Red to compete more directly with bourbon and has continued that innovation with the launch of Bundaberg Reserve.”

Bundaberg marketing manager, Andrew Hewson said that, “Bundaberg Reserve retains all the hallmarks of the brand, whilst delivering a unique profile. It is old oak aged in reserved handcrafted vats, delivering outstanding character, with rich and dark notes at its core.”

New offerings

Holey Dollar Rum launched in 2009 became the talk of the rum world when it won numerous awards at 2009’s International Wine and Spirit Competition. Holey Dollar won ‘Gold, Best in Class’ for the brand’s Silver, Gold and Platinum labels and to top things off, the Gold label won ‘Trophy for Best Rum’, and the Holey Dollar Rum Distilling Company was awarded the ‘Worldwide Distiller of the Year’ trophy – the first time an Australian company has won it. “Holey Dollar is almost marketing itself with continuing media about its Australian heritage story and the fact that an Australian company has won the biggest accolades possible at the IWSC,” remarks Tony Stublely.

Hailing from the Caribbean island of St Croix, Cruzan is also a newcomer to the Australian market. “We launched Cruzan rum in Australia in September 2009, and have started in the on-premise, picking up some brilliant accounts that now use Cruzan as their pouring rum,” says Andrew Skehan, brand and business manager for Beam Global Spirits and Wine. “Cruzan has flourished, far-exceeding our initial volume plans. We will continue to build the brand and look at moving into off-premise by the end of 2010.”

Released in Australia just last month, the Mount Gay 1703 Old Cask Selection extends the existing range, championed as ‘the rum that invented rum’. 1703 is aged for 10 to 30 years and blended by master blender Allen Smith, producing a smooth rich taste and fits the premium rum category. According to Chester Browne the “1703 Old Cask Selection will seduce and delight even the most refined of palates”.

Evidence of the demand for rare, super-premium rum is Havana Club Maximo Extra Anejo, one of the world’s rarest rums, recently released in limited quantities in Europe. According to Ben Davidson, it has become one of the most sought after spirits amongst connoisseurs, so much so, Sydney venue Tokonoma imported its own bottle from London.

Room for greater market share

A number of collective challenges still stand in the way of a complete rum revival which can be overcome with continued on-premise education, training and promotion. Chester Browne states that rum’s uniqueness and flexibility is its greatest selling point, while consumer events such as the UK RumFest are making rum attractive. “Our challenge is educating those who may have had a bad experience with inferior liquor. It is all about changing misconceptions.”

Meanwhile, Andrew Skehan proposes that informing the market that rum does not just come from Queensland is paramount. “Once we do this we can introduce this segment (Queensland rum consumers) to the world of premium rum.” The Queensland rum market, namely Bundaberg consumers, is definitely one to target as Bundaberg currently holds 95 per cent value share of the dark rum category (Nielsen Scantrack data MAT December 2009).

A battle for hearts and minds looms for the rum segment keen to take a slice of vodka’s huge volume growth and market share. This opportunity isn’t lost on Gareth Watkins who recognises that Bacardi’s use as a mixer puts it in direct competition with vodka. “Vodka is currently experiencing 17 per cent volume growth and thus represents a great opportunity to target vodka drinkers who are keen to engage in a more interesting drink.”



What’s next

“I have no doubt that we will see more rum available in Australia over the next year and that most of that will be premium dark rum, so from our perspective, competition will increase,” says Tony Stublely. He expects that more definite battle-lines will be drawn, segmenting the market into Caribbean, Australian, navy, spicy and other sub-categories. “With our range of premium dark rums supported by solid history, world respected awards, and our tasting and training programs, the opportunities outweigh the challenges tenfold.”

DerRaum’s Josh Begbie, neatly sums up the category, saying: “Australians live in the perfect climate to enjoy rum - it will continue to prosper. Most people are becoming educated and steering away from tasteless white spirits and rum is naturally, along with gin, the next step forward in trying something different.”

Rum represents the excitement and allure of the exotic, while the authenticity and story of brands from the Caribbean, Australia and other parts of the world will drive further interest. When discussing Mount Gay Eclipse, Chester Browne clinches where rum’s appeal lies, invoking Caribbean sunsets, glorious beaches and crystal waters – a destination easily sold to Australians: “When I smell the aromas I can close my eyes and be home in Barbados.”