

Once upon a time, the beverage market was a simple place, but these days, even water comes in a multitude of flavors.

Kelley Spillane, Executive Vice President Sales for Castle Brands Inc., recalls the days when convenience stores offered a choice of half-a-dozen soft drinks, or less. But today, "A trip to the 7-11 today is bursting with flavor," he says. "Once young people reach legal drinking age, there's a natural progression for them to try flavored spirits; it's not radically different for them." So it's no surprise that the flavored alcohol niche is booming, with flavored vodkas leading the way.

"Stolichnaya really started the flavored vodka category in the mid '70s, and then Absolut shortly after that with Citron," says Spillane. "Of course, since then every single major brand has brought out flavor extensions. It has become a niche in itself."

"There were so many vodka brands joining the category, and I think the larger brands were looking for a way to differentiate themselves," says Rebecca Henry, Brand Manager for Sazerac. "In trying to differentiate in a category that was supposed to be colorless and odorless, the only way to do this was flavor. Plus, younger consumers are interested in sweet things; offering different flavors would give them something new to try."

The proof is in the pudding, and a proliferation of flavored vodkas has emerged in recent years. Smirnoff already has a line of "Twisted" vodka flavors that includes Black Cherry, Vanilla Twist, Arctic Berry, Watermelon, Green Apple and Wild Grape. This year, they're adding Twisted Lime. Absolut has just added Absolut Pears to its existing choices like Apeach, Mandrin, Kurant, Ruby Red (a grapefruit flavor), Raspberri and Vanilia. Grey Goose has

its L'Orange, Le Citron, La Poire and La Vanille. Luxco's prestige line, Pearl Vodka, is available in Lococo, Plum and Blueberry, as well as Persephone Pomegranate, while their Tvarscki vodkas include Lemon, Peppermint, Cherry, Blue Raspberry and Orange.

"Castle Brands purchased a brand that has an orange flavor and a citrus flavor," says Spillane. "My opinion is if you're not going to be first, be different. So the label, Boru Vodka, launched a third flavor, "Crazzberry", about two years ago. "It's a combination of cranberry and raspberry. That brand outsells our others flavors two to one."

Sazerac has a new product called Denaka. "We're really excited. This is a product that's imported from Denmark. It is currently on the market in what will soon become the old packaging," says Elizabeth Cawood, Vodka Brand Manager for Sazerac. "The new package is drop-dead gorgeous, and

"For creative cocktail creators, there's never been so much freedom to experiment."

12 | ABL INSIDER | JULY/AUGUST 07



Flavored vodkas - and other drinks – are more popular than ever.

it's going to have a big impact on the shelf." Besides the core brand, there are six flavors: orange, raspberry, cherry, grape, vanilla and citron. "Some of the flavors are being reformulated," she says. "The cherry and the grape are brand-new. They should be in the market in August."

Clearly, flavored vodka's hot - but that doesn't mean other flavored spirits are not. "We've seen the most flavor proliferation in the vodka category, but other products are starting to come along, like rum," says Henry. (For example, Bacardi's recently-launched Bacardi Big Apple rum has already proved very successful.) There are also flavored lines of tequila and bourbon.

Sazerac is usually cautious about brand extension, but that may be changing. In 1996, the company added a new vanilla flavor to it existing Dr. McGillicuddy's Schnapps line, which already included Mentholmint and Peach. They waited until 2006 to add cherry. "The cherry is quickly becoming a very powerful brand," says Henry. "I can promise you it's not going to be another ten years until we introduce another new flavor."

The proliferation of new products creates unprecedented variety in cocktails. "What we're seeing is that young women and men from legal drinking age up to 30 are interested in trying new drink experiences," says Cawood. "They're probably using the same mixers that they've always used, but maybe in their Cosmo they're now using flavored vodka instead of a regular vodka, or maybe a lemon-lime vodka in their Bloody Mary. It just adds a little more flavor."

And the flavored alcohol is only likely to grow stronger. There's a growing vogue in antioxidants that tea hotter than ever, as well as exotic "superfruits" like goji berries, acai and pomegranate. German company Wild pinpoints growth in "healthy" and "natural" drinks in the non-alcoholic drinks sector in Europe, and names pomegranate as well as mangosteen, cranberry and bilberry as top-choice juices. The antioxidants trend is spilling over into alcohol as well.

For instance, a range of tea-based products has recently entered the market. The list includes Voyant Chai Cream Liqueur, based on the popular Indian spiced tea; Zen Green Tea Liquor, made in Japan from real green tea; Qi Black Tea Liqueur, flavored with lapsang souchong tea; Qi White Tea Liqueur (orange and white tea), and Charbay Green Tea Vodka. Bartenders are also mixing actual tea into cock-

The taste for "superfruits" is also bringing new products to shelves. Pearl Persephone Pomegranate vodka was early to catch this trend; Stolichnaya has just launched its Stoli Blueberi (blueberry-flavoured vodka), while PAMA Pomegranate Liqueur and the Uphoria line of pomegranate, Asian pear and guava liqueurs have become popular choices among liqueurs.

Besides the health trend, the popularity of coffee-drinking is also having its effect on consumer tastes. "It's interesting that some of these newer flavors like chai are following in the footsteps of our coffee craze," says Henry. "If you look at some of the coffee flavors that are the most popular, like chocolate, gingerbread and cinnamon, it would make sense to look at another category that's doing quite well and consider that you might have an opportunity there." In fact, Also, Sazerac brought Fireball, its cinnamon-flavored Canadian whiskey, to the U.S. in 2000, to a strong reception.

For creative cocktail creators, there's never been so much freedom to experiment. Customers are curious and adventurous, and the potential combinations of flavors have never been more exciting. And all indications suggest this may be just the beginning of the flavor explosion.

