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## ASIAN SPIRITS

WILL THEY MIRROR THE GROWTH OF OTHER  
ASIAN PRODUCTS HERE IN THE U.S.?



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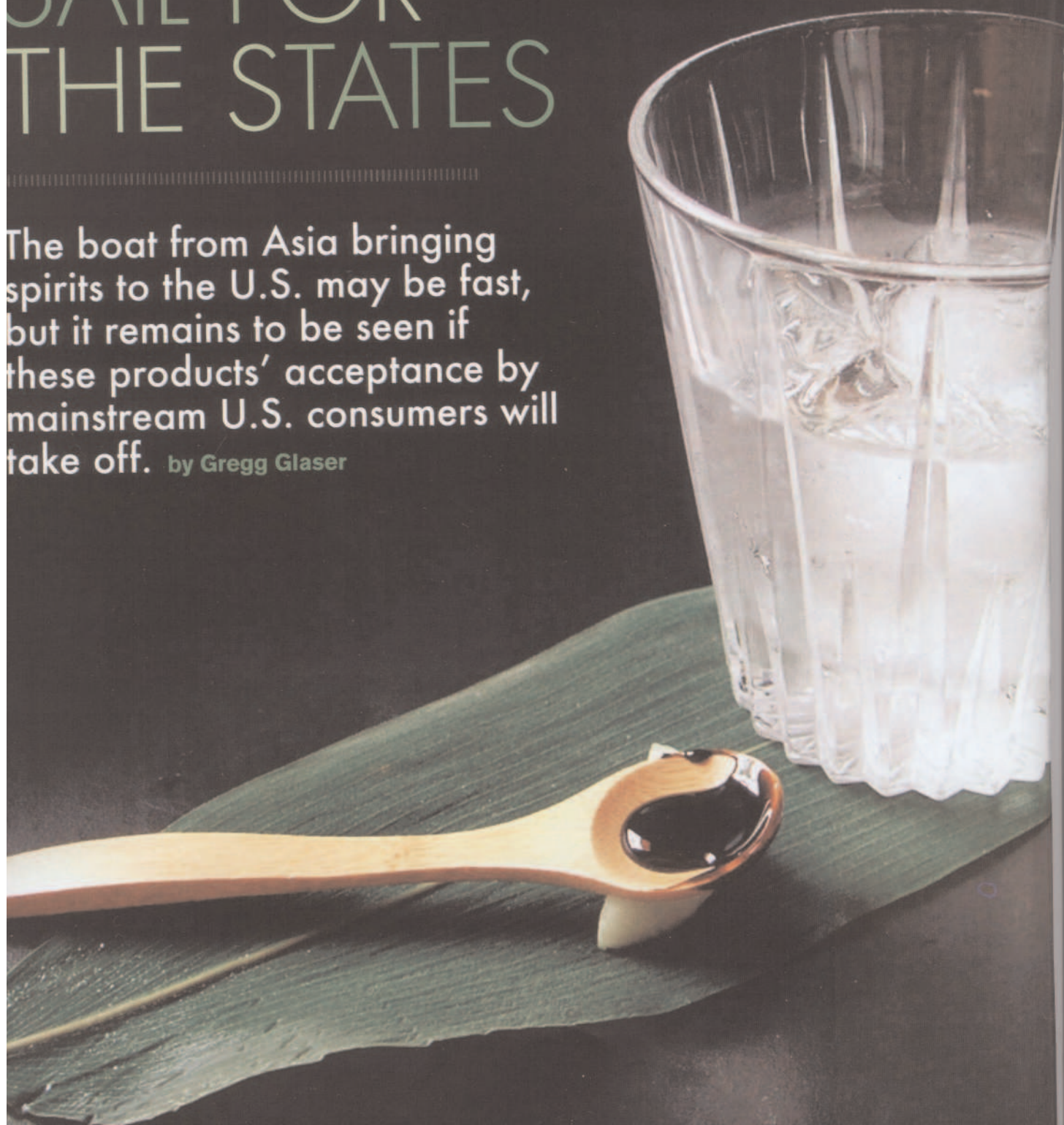


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# ASIAN SPIRITS SAIL FOR THE STATES

The boat from Asia bringing spirits to the U.S. may be fast, but it remains to be seen if these products' acceptance by mainstream U.S. consumers will take off. *by Gregg Glaser*



It's certainly not news that, since the turn of the century, China has been flooding the United States with products bearing rock-bottom prices ranging from computers, food, household goods, toys, clothing...and the list goes on. But, what about *spirits* produced in China and other Asian countries?

Since the U.S. market has successfully been penetrated by a mass quantity of goods from Asia for several years, it's not an outrageous idea to assume that spirits might not be too far behind. After all, saké, once as foreign a term to Americans as edamame, continues to carve out its niche in the U.S. market. Broad but steady efforts by spirit producers in China, Japan and other Asian countries to make inroads in the American market, coupled with Americans' increasing curiosity of and attraction to Asian cuisine and aesthetics, could potentially prove to be a lucrative combination for the success of the Asian spirits category here in the United States. We spoke to importers, distributors, retailers and restaurateurs to get their perspectives.

There aren't a great many Asian spirits available in the United States. Shochu from Japan and soju from Korea (in essence, the same drink) account for the bulk of labels to be found.

Japanese Yamazaki whisky from Suntory has a strong presence. There are several vodkas from China and one from Japan, liqueurs from Japan and some mixed-style beverages using saké as a base. Saké isn't distilled, so it doesn't fit the definition of a spirit.

Speaking about the topic of Japanese shochu, a clear spirit often compared to half-strength vodka, Stephen Mapes of Japan Food Corporation says, "It's not quite the boom we thought it would be. At least not yet."

## SHOCHU AND SOJU

Japan Food Corporation (JFC) lists 20 different Japanese shochu (on average, about 24% ABV) on its website that the company imports into the U.S. These are distilled from a number of different raw ingredients, as are all shochu and soju. Most common are sweet potatoes, barley, rice and buckwheat. New York Mutual Trading Co. lists 24 shochu; Takara Sake USA has eight; and Suntory carries four.

Mapes of JFC said that Japanese saké makers started making more shochu several years ago when shochu sales overtook saké in that country. This occurred in 2002, as young drinkers moved to the higher-alcohol shochu (saké is typically 15-17%), especially as the base of fruity



Kicho  
Hozon Ima  
Shochu with  
a drop of  
Balsamic

# ZEN

GREEN TEA LIQUEUR

## ZENSAKETINI

1 part ZEN GREEN TEA LIQUEUR  
2 parts DRY SAKE

Shake and serve in martini glass.

## ZENGRIA

1 part ZEN GREEN TEA LIQUEUR  
3 parts SAUVIGNON BLANC  
A squeeze of LEMON

Shake with ice and serve on the rocks.

## ZENTINI

1 part ZEN GREEN TEA LIQUEUR  
1 part SKYY VODKA  
A splash of FRESH ORANGE JUICE

Shake and serve in martini glass.



Zen Green Tea Liqueur, 20% alc/vol. Imported by Suntory International Corp., New York, NY. Distributed by Skyy Spirits, LLC, San Francisco, CA.

Various shochus available in the U.S.



mixed drinks. It was thought that shochu would become the "next big thing" from Japan in the U.S. and around the world.

"It's tough to get it in places," Mapes said. "Distributors will take at most one to two brands, and we have no real marketing dollars to promote it." Two places JFC does promote shochu are at its annual trade shows in New York City and Los Angeles.

Ami Nakanishi of New York Mutual Trading Co. (NYMT) said it's difficult to get U.S. consumers to understand the difference between shochu and saké, but that Mutual has had some success and doubled its sales of shochu in 2006 from the previous year. She said there's also the problem that of NYMT's 200 restaurant accounts in New York City, for example, only 40 hold a liquor license, thus making shochu sales challenging.

NYMT holds a trade-only Japanese Food & Restaurant Show in New York City each year, at which shochu seminars are held in between saké seminars. Yukari Pratt gave this year's shochu seminars. Pratt, trained in Japan as a shochu advisor with the Saké Service Institute, said she has "very high hopes for the future of shochu in America."

Masatoshi Ohata of Takara Saké USA agreed with the others that the shochu market in the U.S. is small and that most of the customers are Japanese or the few Americans who have traveled to Japan. "Interest in Asian culture, especially Japanese, will help the sales of shochu increase," Ohata said. Takara's marketing plans for shochu are to keep "good relationships with Japanese restaurants and groceries," Ohata added.

Korean soju is represented in the U.S. primarily by the worldwide mega brand Jinro. Sean Cha of Jinro America said that Jinro Soju has been sold in the U.S. since 1986. The company now imports several labels besides the flagship.

"We concentrate on promoting Jinro Soju to two main markets," Cha said, "Korean and Asian stores and restaurants and at trade shows, such as the Night Club & Bar Show in Las Vegas and the Food Expo & Beverage Shows in Los Angeles, where we introduced soju four years ago."

On its website, Jinro claims, "Globally, Jinro has been the world's best selling spirit for six consecutive years, outselling other leading brands like Stolichnaya, Bacardi and Johnnie Walker." Jinro America also played a key role in successfully lobbying the alcoholic beverage control boards in California and New York to allow restaurants with only a beer and wine license to sell soju, but only soju, not Japanese shochu, according to Cha.

## WHISKY

Asian whisky in the U.S. is represented by Suntory's Yamazaki Single Malt 12 Year Old and 18 Year Old labels. Satoru Shimizu of Suntory's New York office said that Yamazaki first entered the U.S. in 1993, aimed only at the Japanese consumer. In 2004, Suntory launched the 18 Year Old and began marketing to all consumers. Yamazaki whisky is now sold in 35 states and more will be added next year. "We doubled sales in 2006 from 2005," Shimizu said, "and we expect 50-percent higher sales in 2007." Sun-



tory promotes Yamazaki with educational programs and tastings for consumers and the trade. Lincoln Henderson is the brand ambassador.

## VODKA AND OTHER WHITE SPIRITS

Baojing Bái Jiu and Baojing Vodka are Chinese white spirits imported by Chatham Imports. Joe Nardoci of Chatham said these products are traditional spirits from the People's Republic of China, each filtered through 168 carats of diamonds. The number 168 symbolically represents "being on the road to infinite prosperity" in China. Baojing Vodka is distilled from corn and the hugely aromatic and flavorful Bái Jiu uses Gaoliang grain (red sorghum) as its base. This white spirit is matured for 12 months in terracotta pots.

"We spent six years developing this product in China," Nardoci said, "and now we're focused on getting distribution." The products were introduced in the U.S. in New York City in September 2007. California, Florida and Chicago will open as markets in 2008, with promotions tying in with the Chinese New Year, a trip sweepstakes and some on-premise events. "We view these as specialty niche items," Nardoci added, "and will market them to accounts with an interest in niche and high-end products."

"I don't think people know about China making vodka," said Dennis Wang of Shun Lee West, a gourmet Chinese restaurant in New York City. "I've recommended Baojing Bái Jiu to a few of my customers who are regular spirit drinkers and they have switched. However, I think the sales of Asian spirits are going to remain with Asian restaurants for a while." Shun Lee West features The Hidden Dragon cocktail made with one part Bái Jiu, one part Chambord and two parts sour mix, which Wang said is a popular drink.

A vodka called "Asian" in the U.S. is Han Vodka, imported by Progressive Brands. Han is distilled from polished rice and barley. Progressive also imports Tori Kai Distilled Saké, which at 24% some might call vodka and others shochu.

Kissui Vodka comes from Japan and

has been imported by Takara Saké USA since October 2006. "Since it's real vodka," said Takara's Ohata, "the target consumer is mainstream. These days there are a lot of Pan-Asian restaurants and Asian-infused bars and clubs. We're starting with them and then will spread to American restaurants and bars, with some promotions in selected areas like San Francisco and Los Angeles."

## LIQUEURS

Ty Ku is a "saké liqueur" made with 20 botanicals that include ginseng and damiana. Trent Ulincy and Kirk Spahn met four years ago as Columbia University business school students. They saw the world moving East with Asian influences and thought there was a gap in the beverage business. They developed a product that uses Japanese saké as a base, a production facility in Shanghai and a Taiwanese bottler.

Ty Ku was launched in the U.S. in February 2007 in Las Vegas, "a distinctive place that is open to new things," according to Ulincy. For 2008, 10 new cities are planned for introductions of Ty Ku, and the partners will have saké and shochu product extensions. "We'll build slowly on an Asian platform," Ulincy said, "and strategically with high-end, on-premise accounts."

The unique glowing Ty Ku bottle (a light comes on from underneath when the bottle is picked up) makes the product a popular gift item, which should increase retail sales.

Bar manager Trish Barillas at Marquee in New York City said she only carries Ty Ku as an Asian spirit. "Customers are intrigued



Tyku's Godzilla cocktail

by the bottle when it lights up to pour and most are drinking it chilled as a shot. Since there are so many liqueurs to choose from these days, it's refreshing to have such a vibrant color and unique taste as Ty Ku."

Japanese liqueurs include Zen Green Tea Liqueur, Plum Dew Plum Liqueur and Midori (a melon liqueur) from Suntory. SOHO Lychee Liqueur from Pernod Ricard USA plays on the flavors of Chinese lychee. Susan Kilgore of Pernod Ricard said that the focus with SOHO is on sampling, with over 150 events planned for California and Florida. "The events are Asian-themed and play on the unique Asian heritage," Kilgore said.

## THE FUTURE FOR ASIAN SPIRITS IN THE U.S.

At Union Square Wines in New York City, Jesse Salazar said that every other year there's a big thrust for Asian spirits, "but my guess is when boutique mixologists start using them, that will really propel the category."

Fred Tibbitts, based in Thailand as an international wine consultant for drinks programs with hotel and restaurant chains, believes that these days, marketers "think globally; act globally." He continued, "The most interesting aspect of the themes in spirits is the globalization of the spirits business and the growth of premium and ultra-premium brands. The advertising is similar everywhere, taking into account regional differences." That said, it seems likely that Asian spirits will have an impact here in the U.S. ■

