

PERSONAL BUSINESS

Open Bar

Liquid Luxury

New superpremium vodkas, some from unlikely sources, are using spin—and sometimes taste—to enter an already crowded market.

By Elin McCoy

◀ “The most noble and rare grapes in the world aren’t just for making fine wines anymore,” says Jean-Charles Boisset, president of Sausalito, California-based importer Boisset America. His family also owns the eponymous Burgundian *négociant* firm, and his recently launched Idôl vodka started out as hand-harvested pinot noir and chardonnay grapes from vineyards in the region’s fabled Côte d’Or. “It’s a vodka for wine lovers,” Boisset, 36, says.

Idôl is one of dozens of new, \$25-and-up brands that are aiming to capture a share of the wildly overcrowded vodka market, sometimes by using unusual ingredients. In the past few months, I’ve tried entries made from maple sap, Florida wild-flower honey and Hudson Valley apples. Even—and this is not a mistake—soy.

Never mind that the spirit, which originated in Russia or Poland, is traditionally distilled from grain or potatoes. “Potato is for French fries,” Boisset says. “For me, to pay \$30 for a fancy vodka is OK—but not for potato.”

Grape-based vodkas like Idôl are the new minitrend. France’s Ciroc Snap Frost pioneered the idea three years ago, with grapes typically used to make cognac.

Ciroc followed the Napa Valley’s splendid Hangar One, which is made from viognier grapes and wheat. California wine country’s latest is Roth, which is made from French Colombar, chardonnay and other varieties.

These nontraditional vodkas are stirring up a serious flap in the European



An eye-catching bottle is one trick producers use to make their vodkas stand out.

Union. Countries such as Finland and Poland want only spirits made from grain or potatoes to be able to carry the word *vodka* on their labels.

Theoretically, just about any ingredient that contains fermentable starch or sugar could be a base for vodka. And the process to make all vodkas is basically

the same: using a pot or continuous still to turn the fermented mash into a neutral white spirit, filtering it to remove any impurities and adding water to dilute alcoholic strength.

Ironically, according to U.S. regulations, vodka is supposed to be a neutral spirit “without distinctive character,

November 2006

Bloomberg Markets

Spirits of the Month

Twelve new superpremium vodkas to try in November

- Hendrix Electric (\$30; U.S.; corn and rye)**
A lemony nose and a rich and powerful taste
www.houseofhendrix.com
- Idól (\$30; France; grapes)**
A fruity, grapy nose and a very velvety texture
www.idolvodka.com
- Imperia (\$35; Russia; wheat)**
A medicinal nose. Rich, full and polished
www.imperiavodka.com
- Jean-Marc XO (\$55; France; wheat)**
Fragrant, like freshly cut grass. Soft and unusual
www.jeanmarcxovodka.com
- Ocean Organic (\$40; U.S.; corn and rye)**
Sweet and round. Available only in Hawaii
www.oceanvodka.com
- Peureux Perfect 1864 (\$40; France; wheat)**
Made by a Franco-American venture with wheat from Champagne. Elegant and very smooth
www.perfect1864.com
- Reyka (\$26; Iceland; grain)**
Whistle clean and bracing, like plunging into a glacial pool
www.reykavodka.com
- Roberto Cavalli (\$60; Italy; grain)**
Stylish bottle and taste. Very bright and silky. Worth the price
www.doradopizzoniandsons.com
- Roth California (\$40; U.S.; grapes)**
A pungent nose and refined spirity flavors
www.rothvodka.com
- Square One Organic (\$35; U.S.; rye)**
Very light, crisp and clean
www.squareonevodka.com
- Stolichnaya Elit (\$60; Russia; wheat)**
A modernist Russian bottle. Smooth, seamless and complex. Worth the extra money
www.stoli.com
- Xellent (\$35; Switzerland; rye)**
Herbal nose and flavors. Floral notes. Very clean
www.xellent.com

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aroma, taste or color," but variations in the raw material, filtration method, water and distillation process do create nuances of aroma, texture and taste.

Even if there's not much flavor left after distillation, rye is thought to give complexity; wheat, lightness and smoothness; potato, richness; and corn, sweetness. The overall ideal is velvety smoothness, with no alcoholic bite to the bouquet or finish.

Differences among top brands are subtle, so major marketing spin is essential. And in the bull luxury vodka market—which grew 12.9 percent in 2005, according to the Distilled Spirits Council of the U.S. (Discus)—there's major money to be made. "The reason for the deluge of brands is profit," says Paul Pacult, publisher of *Spirit Journal*. "It costs about 95 cents—\$1.25 to produce the liquid in the bottle. Every time I think there can't be another angle, along it comes. People buy into the image."

What distinguishes top vodkas besides their diverse interpretations of the basic recipe—a patented freeze filtration, for example, or distilling nine times—are their stories, names, bottle designs and, of course, buzz. Vodka has become a bit like hip branded clothing: The label you drink says something about who you are.

Geography sometimes plays a role. The spirit used to be synonymous with Russia, but a growing number of today's bottlings come from such unlikely spots as Hawaii and Iceland. Reyka Vodka, maker of the first vodka distilled and bottled in Iceland, sources its water from a spring in a 4,000-year-old lava field. Hawaii Sea Spirits LLC produces Ocean Organic—with a made-in-Maui label—from desalinated ocean water drawn from 3,000 feet (910 meters) below the surface of the Pacific. "It's the purest water on the planet," Hawaii Sea Spirits President Shay Smith, 29, says.

Ecofriendly organic vodka is another trend, aimed at environmentally concerned consumers who want what they drink to reflect their values. Colorado's Vodka 14 promises its five organic grains and pure Rocky Mountain spring water "capture the rarefied majesty of the highest peaks in the

Rockies, the Fourteeners." California's Square One Organic Spirits LLC contributes a percentage of profits from its vodka to green causes.

The Russians, on the other hand, are pitching authenticity. The most recent luxury brand to arrive in the West is Russian Standard Co.'s Imperia. Billionaire owner Roustam Tariko, 44, started a buzz by dropping \$3 million for a launch party on Liberty Island at which a thousand guests watched fireworks over Manhattan as they knocked back Imperia with blinis and caviar.

"I call all this the Grey Goose effect," says David Ozgo, 45, chief economist at Discus, referring to the huge success of the leading superpremium brand. Grey Goose, a wheat-based vodka made in France, was dreamed up a decade ago by the late Sidney Frank, who sold it to Bacardi Ltd. for more than \$2 billion in 2004. "I get calls every week from Sidney Frank wannabes," Ozgo says. "People say, For a few million dollars, I can have my own vodka."

That's because the spirit is relatively easy to produce. It doesn't require barrels or have to be aged. But it does need spin, and the easiest kind is stardust. That's the rationale behind the rash of new celebrity vodkas. Roberto Cavalli, known for his slinky women's clothing, is responsible for his vodka's snake-entwined bottle and helped develop the taste of the liquid inside.

I'm more attracted to Hendrix Electric, a vodka launched in August that features legendary rocker Jimi Hendrix's image on the "purple haze" bottle. "Over a billion people in the world know Hendrix's name," says Craig Dieffenbach, the former real estate developer who heads Seattle-based Electric Hendrix LLC, the company behind the liquor. He's counting on that name recognition to propel Hendrix Electric to the top of the charts. "The average consumer can't tell the taste difference among vodkas," Dieffenbach, 45, confided via phone. "It's all about the spirit of the brand. We're bottling Jimi's spirit." Can you hear the guitar riff? ▶

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