

Tropical Paradise

Located on the Hawaiian island of Oahu, Honolulu comprises a diverse demographic of locals and tourists, a challenging retail environment, a hip hotel scene and unique regional cuisine

BY JESS MOSS

A walk along Honolulu's Waikiki beach can still call to mind the kitschy days of Elvis Presley's "Blue Hawaii," the Beach Boys and "Gidget." Flowered aloha shirts are acceptable formal wear, and flip-flops still outnumber Manolos. For many visitors, a day in paradise ends perfectly at one of the open air bars that stud the famous coastline, with slack-key guitar music wafting in the tropical breeze and a cold, fruity cocktail sweating in the sun.

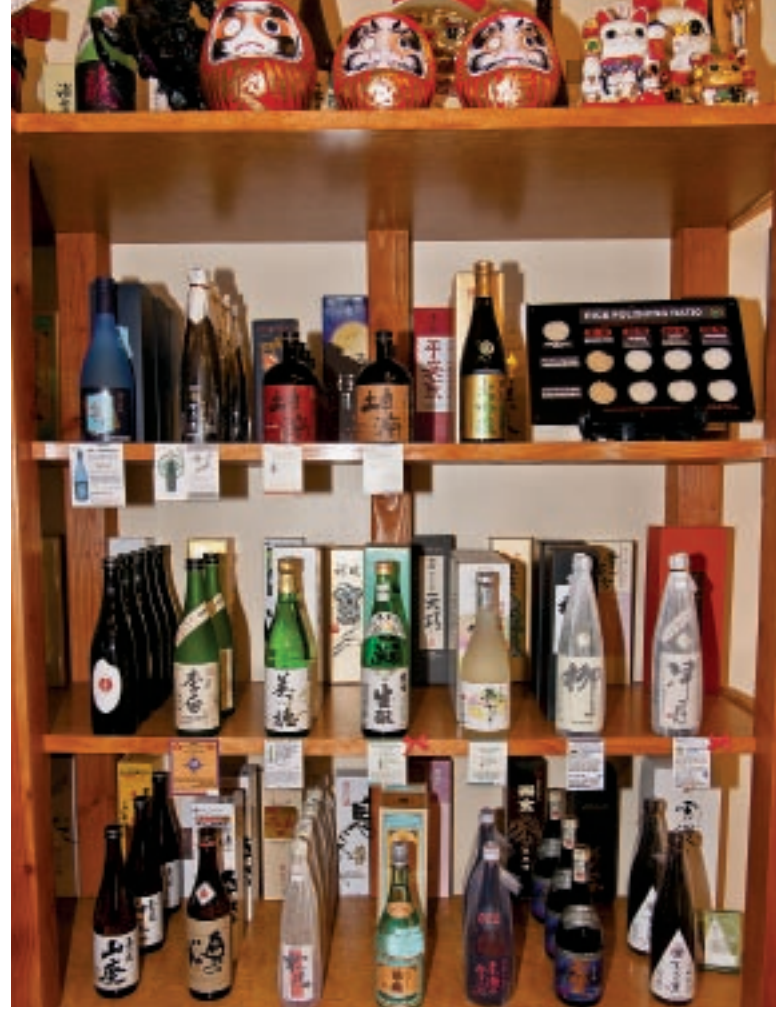
Tropical drinks have long been a staple of the Hawaiian experience. While not officially created in Hawaii, the Mai Tai quickly found a niche in the Aloha State—an association that lives on today. Honolulu's iconic Royal Hawaiian Hotel has served up Mai Tais since the drink's introduction in 1953. Today, the hotel's Mai Tai Bar sells more than 100,000 Mai Tais a year, offering a handful of variations (\$11 to \$25), including the Royal Mai Tai (\$14), which mixes Bacardi rum, Disaronno amaretto liqueur, Cointreau orange liqueur, cherry-vanilla purée, orange and pineapple juices, and a float of Whaler's Original Dark rum.

The Mai Tai doesn't sit alone among Hawaiian tropical drinks. The Blue Hawaii cocktail, created in 1957 by Honolulu bartender Harry Yee in what's now the Hilton Hawaiian Village, is another popular concoction. Each year, the Hilton Hawaiian Village serves approximately 30,000 Blue Hawaiis (\$11), made with Gordon's vodka, blue Curaçao, sweet and sour mix, and pineapple juice, garnished with a pineapple slice and an orchid.

Even among the city's top mixologists, these bar calls are inescapable. "When people come out here on vacation, while they might drink Scotch back home, they want to get away from what they're used to," says Dave Newman, bar manger at Nobu restaurant in Waikiki. "And part of that is to order these drinks. So if we're going to make a Mai Tai, we're going to make it a good Mai Tai."



PHOTOS (CLOCKWISE FROM TOP LEFT): THE ROYAL HAWAIIAN; ALBAN COOPER; MICHAEL OGASAWARA; COURTESY OF ISLAND DISTILLERS; SHERIDAN WAIKIKI; DK RESTAURANTS; MARK D'ANTONIO/MAUI PRINT SHOP



While Honolulu gains most of its revenues from tourism, the Hawaiian city has a rich residential community. (CLOCKWISE FROM TOP LEFT) Whether it's a Mai Tai at the Royal Hawaiian Hotel, a junmai ginjo from The Sake Shop, a red blend from The Wine Stop, a shot of the locally produced Hawaiian vodka, a Cucumber-Lavender Mojito at RumFire, seafood at Sansei or a craft beer from Maui Brewing Co., there's something for everyone.





Jay Kam (left) of Vintage Wine Cellar caters to Honolulu's expanding demand for fine wines, while RumFire (right) pays homage to Hawaii's roots as a sugarcane-producing state.

Newman says that there are a handful of bartenders in Honolulu who are really passionate about creating cocktails. "People are beginning to move away from bottled sour mixes and starting to squeeze fresh fruits for each drink," he says. "They are starting to make their own syrups and even their own grenadines."

While Newman notes that Honolulu is still a few years behind the mainland United States when it comes to mixology trends, he says practices like using fresh and local ingredients are starting to take hold. Newman is known for his creative cocktails, which utilize regional produce and Hawaiian flavors. At press time, popular cocktails at Nobu Waikiki's bar included the Japanese Cucumber & White Peach Sangria (\$14), made with Les Deux Tours Sauvignon Blanc, Mathilde Peach and Pear liqueurs, fresh white peach purée, muddled Japanese cucumber and Calpico milk drink, topped with soda, and the Shishito-Pepper Lemon Drop (\$14), which mixes Ketel One Citroen vodka, muddled lemon and fresh shishito pepper. Newman's Smoking Gun Margarita (\$14) puts a Hawaiian spin on the drink by adding smoked salted macadamia nuts instead of a salt rim. The cocktail recently claimed the title of "Hawaii's Best Margarita" at a Corzo Tequila-sponsored contest and features Corzo Reposado, Cointreau, house-made macadamia nut syrup, lime juice, blood orange and a type of passion fruit called lilikoi.

Nearby, at the Sheraton Waikiki Hotel, RumFire embraces the roots of Hawaiian farming and culture. "Rum and sugarcane have been such an essential part of Hawaii's agriculture and commerce that we wanted to come up with a concept bar/lounge that brought tribute to its importance," explains Jed Inductivo, general manager at RumFire. The first half of the name is a nod to the key spirit in "the quintessential Hawaiian cocktail—the Mai Tai," Inductivo adds. "We also wanted to add the element of heat and fire, which holds a great significance to the Hawaiian culture."



Like Newman, Inductivo says traditional Hawaiian drinks are a hit among tourists. "I would say the majority of tourists who come to Hawaii want to have a Mai Tai just because they are here, even though they would probably never order one anywhere else," he says.

Despite its high demand, the Mai Tai isn't the most popular drink on RumFire's menu. Best-sellers include the Cucumber Lavender Mojito (\$11.50), a mix of Cruzan Aged Light rum and lavender-infused syrup with muddled fresh mint and limes, topped with club soda; the Baja Sun (\$9.50), comprising cilantro-jalapeño-infused Sauza Gold Tequila with mango and lime juices; and the Tradewinds cocktail (\$9.50), which combines Tommy Bahama White Sand rum, Dekuyper Watermelon liqueur and Soho Lychee liqueur. Inductivo strives to include fresh ingredients in RumFire's drink recipes. "We use as many local products as possible," he says. "Our mint, lavender, cucumber and juices are often locally sourced."

Like RumFire and the Sheraton, other bartenders are surfing the Honolulu hotel wave as well. The elegant Halekulani Hotel tapped master drinks maker Dale DeGroff to create the signature cocktail menu at its Lewers Lounge. Beer-based cocktails have also been a hit at hotels on Oahu.

Along with interest in the region's ingredients, local pride in goods made on the islands helps boost sales of homegrown beverage alcohol brands. "Most people in Hawaii really



Like many venues in Honolulu, Nobu restaurant (left) in Waikiki focuses on hand-crafted cocktails using fresh ingredients, while Chuck Furuya (right), master sommelier at DK Restaurants, offers a variety of wine selections that pair well with the Asian-influenced Hawaii regional cuisine.

appreciate Hawaiian-made products—perhaps that’s a result of being so geographically isolated,” says Dave Flinstone of Island Distillers, which produces Hawaiian vodka and Hawaiian Coconut vodka (\$26.99 a 750-ml. bottle) on Oahu.

Aloha Wine

However, Honolulu isn’t all Mai Tais and tourists. “We actually have a pretty good wine culture here in Hawaii,” says Jay Kam, owner of Vintage Wine Cellar in Honolulu. “We’re not as big as San Francisco, New York City or Chicago, but we have a lot of locals who drink, and wineries get really good exposure here because we’re a gateway to the Pacific markets.”

Nearly 30 years ago, top chefs established Hawaii regional cuisine, opening the door to myriad wine pairing opportunities. The cuisine mixes ethnic flavors from Hawaii with other influences from around the world. “With the advent of Hawaii regional cuisine and the frequent use of dynamic Asian ingredients—from hoisin to chili pepper to soy sauce—it really makes sense to pair lighter, lower alcohol, often slightly sweet white wines,” says Chuck Furuya, master sommelier at DK Restaurants. The company operates five fine dining concepts, including Sansei Seafood Restaurant & Sushi Bar, Hiroshi Eurasian Tapas and Vino Italian Tapas and Wine bar, with multiple locations around Honolulu and Maui. “Sweet whites mimic the act of biting into a cold pineapple or lychee by countering the saltiness and spiciness, as well as cooling and soothing the palate between bites.”

To complement the various menus, DK Restaurants introduced the CF Wines line of signature labels (\$7.50 to \$12.50 a glass; \$37 to \$39 a 750-ml. bottle). “These highly innovative wines are tailor-made for our style of cooking and are at a surprisingly reasonable price,” Furuya says. There are five of these wines available at the Hawaii restaurants; each is crafted by a different winemaker with a focus on elegance and food friendliness.

Food and wine pairings took center stage this past fall when the first annual Hawaii Food and Wine Festival kicks off in Honolulu in September 2011. Chaired by Alan Wong and

Roy Yamaguchi, two of Hawaii regional cuisine’s star chefs, the event featured four master sommeliers (including Furuya of DK Restaurants), nine wineries, five mixologists and one sake brand representative.

As Kam of Vintage Wine Cellar notes, visibility is one of the key advantages of the Hawaii wine market, says Kam. “If you get a few placements in the good restaurants here, you’re going to get really good visibility among all of the tourists who come here—from Canada, the continental United States and Asia.” Winemakers like to sell their wines in Hawaii, and they don’t complain about traveling to the islands to promote their brands either.

Kam says this opportunity for exposure allows for more allocations and makes it viable to run a high-end wine store like Vintage Wine Cellar in Honolulu. Kam’s business focuses on premium products, with about 1,500 wine SKUs (\$5.49 to \$2,500 a 750-ml. bottle), 200 to 300 spirits (\$15 to \$240), and 30 to 50 craft beers and microbrews (\$2.50 to \$12 a 22-ounce bottle; \$7.50 to \$11 a six-pack). Current hot sellers in the wine department include Snowline Pinot Gris (\$9.99 a 750-ml. bottle), Orin Swift The Prisoner (\$38.99) and Silver Oak Alexander Valley Cabernet Sauvignon (\$60).

Furthermore, Glenn Tamura, president and CEO of Tamura Enterprises Inc., says winemaker interest in the Aloha State doesn’t just result in more allocations, but also helps educate customers and staff. “We have wine-makers visit and bring samples so the staff can taste the wines,” he says.

The three Tamura’s Fine Wines & Liquors that Tamura runs on Oahu have some of the island’s largest selections of beverage alcohol, with roughly 3,000 wines, 1,000 spirits labels and 600 beers. Wine prices range from \$4 to \$2,000 a 750-ml. bottle, while spirits are priced from \$6 to \$3,000 a 750-ml. bottle and beers range from \$3 a 12-ounce bottle to \$25 a case of 12-ounce bottles. Tamura also operates three supermarkets that sell alcohol.



A certified sommelier, Liane Fu (left) stocks 500 labels at her store The Wine Stop, which also carries 60 spirits brands and 100 craft brews. She notes that Hawaiian palates are trending more toward wine and craft beers, like local favorites from Maui Brewing Co. (right).

Shifting Tastes

As DK Restaurants' Furuya describes, much of Hawaii regional cuisine's Asian flavors and seafood dishes pair nicely with white wine. And unlike the mainland, Hawaii has consistently pleasant weather, which accounts for fewer shifts in drinking trends. "However, lighter, crisper, more refreshing styles of wines seem to fare better during the summer months," Furuya notes.

Nonetheless, reds are far from obsolete in Hawaii, and in some accounts, they're stronger than whites. "You'd think that due to our climate and seafood-heavy cuisine, we'd drink a lot of white wines in Hawaii," Vintage's Kam says. "But everyone likes big red wines. We can barbecue pretty much 365 days a year, and people like their meat, so we sell a lot of big red wines to pair with it."

HONOLULU—KEY FACTS

- Honolulu is the capital of the state of Hawaii. The city is located on Oahu, the most visited Hawaiian island.
- In Honolulu, the 2010 Census reported a population of 390,738, comprising 54-percent Asian, 19.5-percent Caucasian, 8-percent Pacific Islander or Native Hawaiian and 1.5-percent African-American. The remaining 17 percent of the population include residents who identify themselves being of two or more races.
- Of Hawaii's 7 million visitors in 2010, 4.3 million visited Oahu, according to the Hawaiian Travel Authority. These tourists spent \$5.68 billion on Oahu and \$11.17 billion in total while visiting the state.
- As of June 2011, the Honolulu Liquor Commission reported 797 on-premise licenses, 519 off-premise licenses and 30 other beverage alcohol licenses. Alcohol sales are permitted in grocery stores in Hawaii.
- The reported Gross Liquor Sales from all liquor licenses was \$958 million, as of June 2011.

Liane Fu, president and general manager of The Wine Stop, which opened in Honolulu in 2003, agrees that the city's wine market is robust. Fu, a certified sommelier, stocks about 500 bottles in The Wine Shop (\$7.99 to \$320 a 750-ml bottle), ranging from everyday wines to special-occasion bottles. The shop carries approximately 60 spirits (\$19.99 to \$300 a 750-ml bottle) and 100 craft beers (\$3 to \$15.99 a 22-ounce bottle).

Reds and whites are equally popular at The Wine Stop—in fact, white sales have been growing recently. But Fu also notes that red blends are emerging as a hot item. "In the past, people used to come in asking for Cabernet or Pinot, but more and more people are asking for blends," she says. "I think people are becoming more educated. We have five sommeliers that work in the store, and one of our focuses is pairing food and wine, so we ask customers what they'll be eating with the wine. Often a blend is going to go best with their food choice."

Hawaii's ethnically diverse population contributes to Honolulu's various trends. There's a large Asian population, which inspired Malcolm Leong and his wife, Nadine, to open a sake-only retail shop in Honolulu—the first concept of its kind in Hawaii. With 150 premium sakes (\$5.50 a 200-ml bottle to \$160 a 720-ml bottle), The Sake Shop attracts a mixed crowd of sake connoisseurs and novices. "The people who are new to sake are usually people who have recently tried premium sake at a restaurant for the first time and really liked it," Leong says. "They come into the shop wanting to learn more about sake and pick up a few bottles of something similar to what they had at the restaurant." He adds that many customers are "foodies" who are looking to pair sake with a dish they're preparing.

The Wine Stop's Fu notes that Honolulu is following the trends of the mainland. "I think we're catching up in Honolulu," she says. "Hawaii used to be a Bud Light state. Now Hawaiian people are getting into wine." A departure from mainstream brands is evident in retailers' beer offerings as well, with an increased focus on microbrews and craft beers. "If you can find it in a super-market, you won't find it at The Wine Shop," Fu says.

PHOTOS (LEFT) BY MICHAEL OGASAWARA; (RIGHT) BY MARK D'ANTONIO/MAUI PRINT SHOP

Craft beers are taking off at Tamura's stores as well, and customers at Vintage Wine Cellar are choosing more high-end brews. "People don't seem to mind paying \$5 to \$10 for a beer now," Kam says. "Maybe they used to be wine drinkers who are switching to beer. We have some good beer importers here in Hawaii, so we get some great brands."

Local brewers like Maui Brewing Co. and Kona Brewing Co. offer home-grown options and are popular as well. "The Hawaiian beers are really good and can stand up to beers from around the country," The Wine Stop's Fu says.

In the on-premise, Furuya of DK Restaurants is seeing similar trends. "In addition to wine, sake has grown in popularity, and mixology has become incredibly creative and innovative," he says. "Furthermore, we have seen a real surge of artisanal, handcrafted beers from around the world, beyond the scope of American microbrews."

Facing Challenges

Kam notes that it's not always sunny in paradise; recent global events have impacted Honolulu's market. "Hawaii's economy isn't as bad overall as the rest of the nation—housing hasn't dropped as far," he explains. "But we're also somewhat tied to the Japanese economy, so the tsunami that hit Japan in March dragged down Hawaii as well."

Tourism is starting to bounce back, but many customers are still trading down. "Average people are definitely feeling it," Kam says. "They're buying six bottles of wine instead of cases." For example, customers at Vintage are still buying a lot of California wines, but more bottle sales are often under \$100, mostly in the \$20 range. "The good thing is there's so much good wine out there and you can find it at all different prices," Kam adds.

Some categories, on the other hand, are trending up. "People are willing to pay more for quality as opposed to quantity," The Sake Shop's Leong notes. "Many of our customers want high-quality sake and are willing to pay the cost for it."

Local pride is strong in Hawaii—Tamura attributes much of his Fine Wines & Liquors chain's success to his company's status as a fourth-generation Hawaiian business. Meanwhile, Kam agrees that people do try to support local businesses when possible, but it isn't necessarily the driving force behind sales. "It depends on the customers, because often the average shopper might think he's getting a better deal at Costco and won't be as particular about what he's drinking," he says.



Malcolm and Nadine Leong, the owners of Hawaii's first sake-only store The Sake Shop, target Honolulu's large Asian population with their vast selection. The couple sells 150 brands of the Japanese beverage to a customer base consisting of both connoisseurs and novices.

Hawaii's liquor regulations create a competitive market. Between direct shipments from wineries and the fact that like California, almost anyone can sell any sort of alcohol. These loose laws bring retailers like Costco, Safeway and ABC Stores (a souvenir/market concept), as well as gas stations and even Neiman Marcus, into the off-premise arena.

"I don't really know if anyone in Hawaii can have a big nine-unit package store chain where all you sell is spirits, wine and beer," Kam notes. "That's just not going to happen in Hawaii." Instead there are a lot of mom-and-pop shops in addition to the broader retail markets. "It's not the best time to be in the beverage alcohol business," Kam says. "But on the other hand, people drink even in bad times—they just don't buy expensive brands." And tourists will always want to drink Mai Tais in Hawaii. **mw**

Jess Moss is a New York City-based freelance writer.