

## **LUXURY AND ULTRA-PREMIUM SPIRITS: ENHANCING THE EXPERIENCE THROUGH STORY TELLING**

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### **ABSTRACT**

Where mass brands communicate their advantages, luxury brands should aim to communicate legends associated with the brand, establishing myths around them. These stories should be consistent at every brand touchpoint. Storytelling can help marketers convert potential customers into advocates and devotees. This article seeks to explore what makes a story compelling, for a specific market sector, luxury spirits. In the luxury spirits sector, successful storytelling comes down to demonstrating that a brand is ‘authentic’. Successful luxury brands craft stories that focus on; how the spirit was constructed, the rare materials used, the skilled craftsmanship required, the creation of iconic designs and assembling packaging that reflects the story.

**KEY WORDS:** Luxury, Branding, Story-telling, Spirits, Authenticity, Experiential Marketing

### **INTRODUCTION TO ULTRA-PREMIUM SPIRITS**

The spirits market has recently seen the emergence of a new, evocatively defined category, that of luxury or ultra-premium products. According to Euromonitor data, international sales of luxury spirits hit US\$15bn in 2015, up from US\$11.8bn in 2010. This figure is forecast to rise to almost US\$18bn by 2020, with North America, Asia Pacific, and Western Europe acting as key drivers (euromonitor.com, 2017). It, therefore, seems inevitable that the luxury end of the spirits spectrum will become ever more squeezed in the years to come. This raises the question how can luxury spirits brands ensure they don’t become lost among the crowd?

The Distilled Spirits Council of the United States (DISCUS) traditionally divides spirit categories into four segments; Value, Premium, High End Premium and Super Premium. The price points of each depend on the particular spirit and are categorized not by a retail price per bottle, but by supplier revenue per case (discus.org, 2017). As a result, the marketing of luxury and ultra-premium spirits is complicated, as determining where the category begins is open to subjective interpretation.

Difficulties in defining the term luxury are not limited to the world of spirits, to investigate the marketing of these products we have to consider what luxury means and why people are attracted to it. Luxury as a concept is complex and context specific, with authors and researchers having conflicting views on what constitutes luxury (Dubois et al., 2001). Luxury has always been a relative concept, however, in recent years, the term has become increasingly mass-market (Frick & Berinato, 2014). At the turn of the millennium, luxury brands grew exponentially, as a result of increased global wealth due to the emergence of a new middle class in Asia, South America, and Africa. The result is that luxury brands need to find ways to enhance their exclusivity while taking

advantage of their increased exposure and consumer demand. The result is a diffused understanding of luxury.

In this article, the term luxury is taken to mean goods and experiences that are only available to a select few, usually through exclusive channels and only to those who can afford them. The word 'luxury' is taken to mean something related to indulging in self-pleasure and something which is not a necessity (Walley et al., 2013). Luxury goods and services are not necessarily bespoke, however, neither are they necessarily produced on a large scale. The degree to which either of these aspects applies depends on the form of luxury being considered. Many affordable luxury items, those things that exemplify gratifying self-indulgence, but which are not considered necessary, may well not be mass-produced. Customers are willing to delay gratification for luxury, for example, people are prepared to wait several years for items such as Hermes Birkin bags, Rolex Daytona's, or one-of-a-kind luxury cars, such as the Bugatti Veyron. As for why customers desire luxury, there are many reasons: to be part of an elite, a desire to enjoy the finest in things, to be seen to be on the cutting edge of fashion or design, and to demonstrate wealth. In this article, ultra-premium and luxury spirits refer to products which hit the retail market, albeit typically in very limited supply, and are priced, packaged and promoted with prestige in mind. It also includes the secondary and auction markets, where prices can ascend to six figures and beyond.

The spirits world has recently recognized that there is an opportunity in ultra-premium, as it is only the higher priced end of the spirits market that continues to grow (discus.org, 2017). According to the International Wine & Spirits Record (IWSR), while the value of sales across all spirits declines each year, super and ultra-premium products increase by more than 5%. The IWSR believes volume sales of super and ultra-premium rum, for example, will have increased 50% between 2012 and 2017 (theiwsr.com, 2017).

It is understood that there are multiple drivers for the boom in sales for ultra-premium spirits, which broadly reflects a cultural shift in drinking habits towards healthy moderation (drinksindustry.ie, 2016). These drivers, however, vary across the spirit product range. In cognac, whisky, and vodka, research suggests it reflects a desire to demonstrate status and prestige, while in gin and rum, it tends to be driven by a desire for authenticity and rarity (Halton, 2016). This suggests that the ultra-premium and luxury spirits market is both complex and fast-maturing.

The ultra-premium market consists largely of collectible releases, offered in crystal bottles, complete with certificates of authenticity. These releases are about exclusivity and rarity, something to show off, "it's whisky as bling" (Broom, 2016, p.18). For example, The Glenfiddich 1978 Rare Collection Cask is a cask strength, 36-year-old whisky expression, of which only 150 bottles were produced, exclusively released in the USA and priced at \$3,500. Each bottle is presented in a hand-crafted leather box, individually numbered and including a copper foil leaflet with cask information (Emen, 2015). It is not only whisky that achieves such distinction. However, But Patron tequila also offers a 'Patron en Lalique' series, which incorporates their oldest and rarest stocks. Each series is limited to 500 bottles, presented in a Lalique crystal decanter, with a leather display case, and retails at \$7,500. Similarly, Brugal showcases some of their family reserve stock rum in the Papa Andres Alegria Edition. Each of the 1,000 bottles available, is

offered in a crystal decanter set in a presentation case designed by artist Javier Mariscal and priced at \$1,500 (Emen, 2015).

### **THE CONSUMPTION OF ULTRA-PREMIUM SPIRITS**

The question this raises is, how do we best understand the consumption of such a luxury item, to effectively market to this segment? The marketing of premium and super-premium spirits was based on the quality of ingredients and the craft of their creation. The model utilized by DISCUS as discussed above, which uses price as a differentiator, isn't necessarily the best delineator when looking at luxury spirits. Clearly, price is certainly a factor; it can be argued that just as by placing a work in a gallery you make it art, so by putting a four-figure price tag on a bottle of spirits, you make it luxury. As more and more ultra-premium spirits enter the market, however, it will be increasingly difficult to stand out using price alone. Other aspects of the spirit have to come into consideration: such as aging, availability, production methods, the craftsmanship of product, packaging, and terroir or heritage. It is assumed that higher prices are the natural result of factors such as these, rather than the other way around (bluegaveforum.org, 2017).

The consumption of luxury spirits brands is a complex phenomenon, as the consumption of brands goes beyond their physical properties. It has long been recognized that consumers use brands to construct their individual and social identities (Chernev et al., 2011). Consumers tend to choose brands that are considered 'appropriate' for their self-image. Accordingly, companies seek to position brands to fit into consumers' lifestyle. As a result, consumers use brands as a means of self-expression and also as a lifestyle beacon. Consumers rely on brands with a desirable brand identity to express their own identity (Munteanu & Pagalea, 2015). In doing so they choose brands that are convergent with their identity, as the primary mean of expressing a unique image about their personal lifestyle and status. Luxury brands comprise complex multidimensional constructs with varying degrees of meaning, independence, co-creation and scope. There has been much research which seeks to identify the dimensions and characteristics of luxury brands (Vigneron & Johnson, 2004; Hein et al., 2014). Representative of many of these is the work of Aaker (1997) who suggested that luxury brands demonstrate five dimensions, including; '**tradition**' (an openness and temporal perspective), '**elitism**' (status displayed by a brand), '**conspicuousness**' (level of relevance and conspicuousness of symbolic wealth), '**eccentricity**' (non-conformity with general social norms and expectations) and '**sensuality**' (femininity and emotionality displayed by a brand). "Brands are semiotic marketing systems that generate value for direct and indirect participants, society, and the broader environment, through the exchange of co-created meaning" (Conejo & Wolliscroft, 2015, p.300). To be successful marketers of luxury spirits need to develop strategies and techniques which tangibilize and reinforce the intended brand meanings.

Contemporary marketing recognizes that in the experience economy, regardless of whether a product is a luxury or value, its selection is largely driven by its success in engaging the senses of customers (Schmitt, 2010). Increasingly this is achieved through developing a compelling story. Many products boast innovative designs and promise superior function, however focusing on a product's features tells only a part of the story. Creative and innovative consumer marketing appeals to the senses, feelings, intellect, curiosity, and self-image, rather than to the more rational,

utilitarian notions of value. It is clear that contemporary customers of luxury brands do not simply engage in rational choice, but are just as frequently driven by emotions. For this reason, experiential marketing is usually broadly defined as any form of customer-focused marketing activity that creates a connection to customers. Based on this broad view, experiences may be evoked by products, packaging, communications, in-store interactions, sales relationships or experiential events. The view of experience marketing or customer experiences as a narrow concept, based around interactions, relationships, and event contexts, limits its value when considering it for use in luxury spirits marketing (Lasalle and Britton, 2002; Pine & Gilmore, 1999). It is more useful to consider experiential marketing as representing the customer experiences which originate from a set of interactions between a customer and a product, which provoke a reaction (Gentile et al., 2007).

When considered in this way experiences are strictly personal and imply involvement at different levels; rational, emotional, sensorial, physical and spiritual. Consumers evaluate such experiences by comparing expectations and offerings at multiple diverse touch-points. Experiential marketing differs from other forms of marketing as, rather than looking at luxury consumers as passive receivers of messages, experiential marketers believe that luxury consumers should be actively involved in the production and co-creation of marketing programs, developing a stronger relationship with the luxury brand.

Luxury brands have, in fact, long used some of the basic principles of experiential marketing. For instance, the interior of the high-end corporate banking firm SEB (Germany) has been designed to evoke certain feelings in those who visit (Atwal & Williams, 2009). In this upscale banking institution, emotions are generated by visitors through the careful and strategic use of experiential design, which produces an aura of prestige and exclusivity. Many other luxury brands have conducted successful experiential marketing campaigns, including Hermes, who conducted a tour of major cities with its craftsmen, as part of a 'Festival des Metiers', demonstrating the expertise involved in creating their products (Warc, 2017). It can be argued that experiential marketing should always be an integral element of the marketing strategy for luxury products, as they are almost always experiential, putting luxury marketers in a unique position to apply the principles of experiential marketing to their activities (Atwal & Williams, 2009).

It is clear that luxury spirits brands need to incorporate experiential aspects in their branding, especially when one considers the increasing sophistication and rapid evolution of technology across the media landscape. With a greater number of technologies that allow brands to forge strong emotional bonds with consumers, for example, virtual reality, experiential marketing will only become more effective as time goes by.

The question this raises is, how best such experiences can be leveraged. For spirit brands to be successful in the luxury market, it is the stories that are both inherent within and beyond the product that make them special. Spirits brands need to look beyond the beverages sector for inspiration. From Loubitin's red soled shoes to the secret life of Coco Chanel, luxury brands have long understood the power of a compelling story. It appears to be the case that the dawning of this new generation of luxury spirits, offers an opportunity for spirit brands to demonstrate their ability to

understand, articulate and communicate their story, an ability that will become increasingly important in the future. With the introduction of ultra-premium and luxury spirits, we are experiencing a significant shift in the marketing of spirits, one that will arguably further highlight the importance of storytelling. Successful luxury spirit brands tell stories, which create atmosphere, experiences and emotion. This can be seen in the way Hendrick's gin conjures tales of Victorian emporia, both through its 'history' as a Victorian distillery and its iconic Victorian apothecary bottle. Through combining the eccentricity and surrealism of the Victorian era, Hendricks redefined a very staid spirits category. The website and the steady stream of events such as "the enchanted forest of curiosities", owe a debt to Edward Lear. Among recent marketing initiatives was an expedition to the Venezuelan rainforest to hunt for new botanicals undertaken by Charles Brewer-Carias; described as 'the real incarnation of the Victorian gentleman explorer'.

In a similar manner Jura 1984 Vintage whisky pays homage to the island's most distinguished guest, George Orwell, who penned his masterpiece of the same name on Jura. Only 1,984 bottles were produced, selling for more than \$1,000 each. In the same way, Courvoisier developed its 'Toast of Paris' marketing campaign, based on the story of how its cognac was used to toast the 1889 opening of the Eiffel Tower. Bacardi rum tells the story of the origins of its founder, the legendary Facundo Bacardi, and how his intervention in the Cuban rum industry led to the style, we know as 'Latin style' rum (Emen, 2015).

For a brand to add an ultra-premium range that will allow it to be noticed and chosen, it needs to understand and communicate its story. The key opportunity here is to highlight what makes the brand unique and what gives it the right and the potential to succeed in the ultra-premium space. As Driscoll (2017) argues ("packaging alone, without a compelling story, can easily become lost in a sea of indifference. If everything is special, then nothing is") (p,121).

## **THE ART OF STORYTELLING**

The art of storytelling has always been a key aspect of the luxury spirits category and an important differentiator. If, as seems to be the case, people are attracted to the luxury sector as a means of telling the world a story about themselves, it can be argued that the best way to stand out in the crowded, competitive marketplace for luxury experiences and goods is to have the best story (Aboud, 2015). Used well, storytelling can help marketers convert potential customers into advocates and devotees. Telling the story has increasingly taken center stage for many brands, as they seek to appeal to consumer motivations for empowerment through knowledge and differentiate themselves in a market congested with messages of provenance and ingredients. Recognizing the importance of story-telling to the marketing of luxury spirits, raises the question, how do you engage with consumers around authenticity, craftsmanship, and stories that resonate? (snipp.com, 2017). The answer appears to be; there are a number of aspects of the product that can be incorporated into story-telling for the brand, which can then be used to influence consumers. These brand elements include; the way the spirit is crafted, the story of the brand's pioneers, celebrity associations, the brand's history, the spirits 'terroir', the brand's concern for community or even the spirits potential as an investment, amongst others.

### **The Power of 'Craft'**

If we consider the first of these elements, it is clear that the term ‘craft,’ when applied to spirits, references a certain cachet. As Mooney, President of the American Craft Spirits Association argues, (“the brand equity of the word craft is spectacular. It implies more care, greater quality, that you’re supporting something from within the community” ) (Chaudhurie, 2015). Mintel research reveals Millennials are driving demand for craft spirits; with 75% of US Millennials agreeing that craft alcohol brands are higher quality than big brands and are worth paying more for (we-worldwide.com, 2016). Millennials’ search for craft leads them to purchase small-batch, limited scale, and distribution, ultra-premium, non-mass market products. This consumer-led movement is growing rapidly in spirits, with brands positioned as a craft, performing above the sector norms (we-worldwide, 2016). Brands are responding by launching new products using authentic production techniques and traditional ingredients. Patron, for example, launched a select line of tequila that embraced its artisanal roots, along with a range of videos that showed how the process worked, and why it resulted in a superior beverage (patron.com, 2017). It has to be recognized. however, that research suggests many Millennials co-opt working class, retro culture, to add legitimacy to their consumption choices. In the spirits market, arguably this has led to a culture anchored around a fictitious account of what the ‘working-class’ drink, and in turn has led to such products as artisan ‘moonshine’ and the resurgence of artisan Bourbon over other whiskies (Swift, 2014).

### **The Power of Origins**

The story of a spirit brands pioneers is a second source for story-telling. Jack Daniel’s whiskey celebrated its 150<sup>th</sup> anniversary by leveraging the story that Jack Daniel learned the distillation trade from Nearis Green, a slave in 1850’s Tennessee (snip.com, 2017). Similarly, Longmorn whisky is marketed to “scotch enthusiasts that have a hunger for unbridled luxury” (snip.com, 2017). Their marketing talks of their Victorian owner/distiller dedicating his life to creating single malt whiskies that would be appreciated for generations.

This despite the fact that the spirit was intended as a blending whisky for other distilleries, and wasn’t bottled as a single malt until more than a century after the distillery was established (Woodard, 2015). Pisko Revo introduced the story of why the product was first created and the role of the city of Pisco in the War of Liberation. The brand story has been skillfully woven into the bottle design through a bold vertical ribbon, with a final dramatic twist in the broken tip of the Spanish king’s sword housed inside the bottle itself (wearepath.com, 2017).

### **The Power of Celebrity**

Using celebrities as part of the story is another way in which luxury spirits brands can differentiate themselves in a complex market. Jack Daniel's is not typically associated with ultra-premium. However, they recently released their Sinatra Century whiskey, honoring their ‘devoted’ consumer. Each bottle included a CD of never previously released live Sinatra tracks and was priced at \$500. Sean Combs, aka P Diddy, has recognized the popularity of the ultra-premium tequila DeLeon, invested in the brand, which offers bottles priced at more than \$850. In doing so, he joined other celebrities such as Justin Timberlake and George Clooney, who have also invested in ultra-premium tequila brands (Halton, 2016). The height of celebrity association, however, is reserved for the Johnnie Walker brand, whose ultra-premium Blue Label sells for up to \$200 a

bottle. This is dwarfed, however, by The Diamond Jubilee released in 2012 to honor Queen Elizabeth II, made with 60-year-old whisky and limited to 60 bottles. Each bottle has a diamond set in its silver collar, contained in a Baccarat crystal decanter, along with hand carved crystal glasses. The stand and wood cabinet container are handcrafted from oaks off the royal estates, and the whole is priced at \$200,000.

### **The Power of Legacy**

When we consider the history or legacy of a luxury spirit, brands can weave stories around these to stimulate the market. Ladyburn uses a story of shuttered distilleries to promote its 42-year-old single malt, which is priced at \$2,000. This is a limited release of only 444 bottles, made from whisky produced at the closed Ladyburn distillery. Ladyburn whisky is also blended into Grants Rare Cask Reserves Ghosted Reserve release, a 26-year-old blend priced at \$400, which incorporates whisky from a second closed distillery, Inverleven. Glenmorangie also builds stories around the history of its spirits for its 1970s Collection, of which only ten sets were released. Each included five rare Glenmorangie's, dating to the '70s. The enclosed brochure described how each bottle was selected for excellence and rarity while representing the brand's development and style (echostory. 2016). Each set sells for \$50,000 and is presented in a hand-crafted wooden display case. Finally, The Balvenie offers a DCS Compendium, released over a five year period, with each chapter, including five whiskies representative of the five decade career and legacy of their malt master, David C. Stewart. The first chapter was limited to 50 sets worldwide and was priced at \$45,000.

It's not the only whisky that offers customers stories about their brand's history and legacy, however. Rum producer Don Q celebrated their 150th anniversary by offering the exclusive Reserva de la Familia Serrallés. The story was built on their roots which stretch back to 1865, so only 1,865 bottles were released, each priced at \$1,865. Hennessy Cognac celebrated its 250th anniversary by releasing Hennessy 250 Collector Blend, an expression made from 250 hand-selected casks, priced at \$600. Courvoisier's ultra-premium release L'Essence, priced at \$2,500, incorporates Cognac from the early 1900's and is offered in gold-lined, suspended Baccarat crystal bottle and stopper. Remy Martin also references its heritage to market its luxury cognac, offering its Louis XIII, aged for up to 100 years and priced at \$3,000, and the Louis XIII Rare Cask releases, priced at over \$20,000.

### ***The Power of 'Terroir'***

*Demonstrating an interesting counterpoint to much of the innovation and change around brands, consumers are increasingly seen to be drawn towards wanting to know and understand the 'terroir stories' behind what they consume (snip.com, 2017). Terroir refers to the sense or personality of a place and how that is perceived in the glass. Long seen as a key characteristic of wine, it is increasingly seen as important in luxury spirits. Spirit brands viewed as mass-produced and commercial have been replaced by 'authentic' products that express their 'terroir,' the sense of place or individualism of the spirit (Driscoll, 2017). For spirits such as Cognac and Armagnac, terroir has always been advocated as giving different complexity to the spirit, depending on where the grapes are grown. Today distilleries such as the Bruichladdich Distillery in Scotland have*

released a range of expressions which, they claim, show how barley varieties from certain farms create discernible differences in the flavor of the whisky. Whisky distilleries on the Isle of Islay, such as Laphroig and Lagavullen, have long claimed their expressions benefit from their coastal locations, developing salty sea air notes.

It can be argued that consumers are increasingly concerned about the authenticity and provenance of the brands they consume (Driscoll, 2017). Alcoholic beverage brands are often tied to specific locations and cultural influences, for example, brands such as Jim Beam Kentucky Bourbon, Guinness Stout, or craft breweries that infuse local ingredients and iconography within their products (olapic.com, 2016). Belvedere vodka believes the brand's location in the birthplace of vodka is pivotal in telling the story of their brand. Belvedere takes its name from the Belweder presidential palace in Poland. Despite the brand only being founded in the 1990's, they showcase the fact that they use a distillery which has been operating for more than a century (Ambrose, 2017). Belvedere is marketed on the story of how Poland 'disappeared from the map for 100 years', before assuming a central role at the end of communism. Belvedere appeared in the aftermath of communism, offering rich opportunities for story-telling (Driscoll, 2017). Research suggests that millennials demonstrate a tangible desire for 'authenticity' and 'provenance,' with more than 22% of respondents suggesting they seek locally-sourced products and less than 10% of respondents regarding cost as being an influential factor when choosing drink brands (Applebaum, 2016).

### **The Power of Collectability**

Luxury brands are often associated with a sense of collectability or rarity, and spirit brands are not immune from this aspect of luxury. As releases use ever rarer expressions, the question of opening the bottle versus preserving it indefinitely arises. The Last Drop 48, offered a collection of whiskies in which each set came with a miniature sampler to taste while leaving the actual bottle unopened. Only 592 bottles were produced and sold at \$4000 each. Bombay Sapphire Revelation sells for \$200,000, and while it contains high-quality gin, its collectability is enhanced by the Karim Rashid designed bottle, of which only five unique bottles were commissioned, each featuring Baccarat crystal and adorned with diamonds and sapphires (thrillist.com, 2016). Another collectable spirit is The Dalmore 62, first released in 2012, having spent 62 years in a cask, it sells for \$215,000, and only 12 bottles of this whisky expression were produced. All of these, however, are dwarfed by the Dalmore Paterson Collection of whiskies, which went on sale in Harrods for £987,500 (Halton, 2016).

It isn't necessary to go to these rarified heights to see the power of collectability or rarity, however, as can be seen by the emergence of the Pappy Van Winkle phenomena. This whiskey, which is available in expressions as old as 23 years, sells out immediately on its release day each year and on the secondary market can reach prices into the thousands of dollars. The brand has had numerous ups and downs since its appearance in 1935. By the time the 2000s hit, Pappy Van Winkle, however, had cachet among bourbon insiders. By the 2010s, it was aggressively hunted by bourbon fans and collectors of anything exotic or expensive.



The purchasing of luxury spirits as collections may also be driven by fears of an economic slowdown. In recent years there has been increased interest in whisky as an investment category. In 2015 the Rare Whisky Apex 1000, rose by 14%, while gold declined by 10%, and the FTSE 100 lost 4.9%. Whisky even bettered the Shanghai Composite's 9.4% gain (Driscoll, 2017). It appears that a profound shift is taking place in how buyers see luxury spirits. Where previously they were liquids to be tasted and savored, they are increasingly seen as rare items, to be admired and owned, in the same way, we would own a Picasso (Driscoll, 2017).

### **STORYTELLING ACROSS MULTIPLE TOUCHPOINTS**

What does this mean for the marketing of luxury spirits? It can be argued that we are seeing an important shift in the marketing of luxury and ultra-premium spirits, one in which success will come to those that understand the exceptional and tell stories that intrigue people, turning them into committed buyers (Halton, 2016). The Millennial generation, a key marketing demographic for luxury brands, sees luxury in a different way to its predecessors (Page, 2017), valuing the overall brand experience as much as the product itself (thedieline.com, 2014). These changing perceptions of luxury can be seen in the luxury spirits category. Luxury brands need to leverage their rich histories and traditions as a way to engage their target audiences. The luxury spirits segment includes some of the world's oldest brands, a legacy that can be exploited. Luxury spirits can respond to this changing market by highlighting their heritage, authenticity, and tradition.

The art of storytelling doesn't necessarily come easily to all brands, however, but success in today's luxury spirits market, depends on it. A recent Mintel report showed 45% of drinkers would choose a beverage they knew more about, and 39% say they choose beverages based on their personality as well as their taste (Urch, 2017). This messaging has to take place across multiple touchpoints. By telling the story across a range of different touchpoints, brands can develop greater depth, character, and authenticity into their stories. Digital storytelling is key to successful luxury brand marketing strategies, as it leverages key social media audiences to talk about quality and authenticity. This approach enables significant discussion between consumers and the trade, developing new levels of trust in the brand. Luxury brands need to utilize storytelling as an engagement device, focusing on the brand's unique heritage and traditions to introduce it to new markets. Consumers are increasingly used to brands in other luxury product categories, such as perfumery, fashion and automotive, using digital platforms to create engaging branded experiences. The use of digital technology can also help luxury spirits brands express the more ethereal notions and emotive values of their product, either visually or through sound (we-worldwide.com, 2016).

In addition to digital media, research suggests that contemporary consumers expect a broad experience from their brands (including their spirit brands) through multi-sensory execution (Frazer, 2016). With research showing that engaging additional senses heightens tastes profiles, luxury spirits brands must look to use all of the senses to enhance the product experience. The Singletons Sensorium leveraged this with a one-off event that consisted of a number of rooms, each with a unique set of sounds, scents, and colors. As people sipped the 12-year-old Scotch, they experienced different taste notes, depending on the environment that surrounded them. This

approach was also taken by Johnnie Walker House, at their pop-up marketing experience in Seoul.

The brand used digital art, textural movement, and audio to create a video installation that evoked the character and taste of their luxury brand whiskies. Similarly, Del Frisco's offered the extremely limited Louis XIII Rare Cask. The Cognac was served tableside using the official Remy Martin pipette, performed by a Remy Martin Ambassador.

### **AVOIDING THE LUXURY ZEITGEIST**

It is clear that stories are important to the consumption of luxury spirits brands, being instrumental in helping customers understand why spirits taste the way they do and developing value. However, in recent years the message has often become co-opted by brands incorporating narratives that stress the qualities of authenticity, history, transparency and most importantly packaging, over basic quality and flavor. In 2016, Compass Box introduced a whisky which openly questioned the relationship between the whisky and its packaging, highlighting that the bottle itself was not a luxury spirit, just the vessel in which it was packaged. The intent behind the campaign was to encourage people to think about what luxury means, in the world of whisky. Is 'luxury' a status conferred by the age and rarity of the whisky, or by expensive packaging and slick marketing? The recent case of the world's most expensive bottle of vodka demonstrates the essence of this question. Russian luxury car maker Russo-Baltique created the vodka to commemorate the centenary of the company's factory. The front of the bottle is decorated with leather and has a replica of the radiator guard used for Russo-Baltique cars. The cap is shaped like a Russian imperial eagle and is encrusted with diamonds. The bottle of vodka, priced at \$1.3million, was stolen from an exhibition bar in Copenhagen in 2017. It was found some months later, discarded at a construction site, having been emptied. No-one knows what happened to the vodka. However, this apparently was not an issue as the owner of the bar had plenty more of the vodka itself and simply refilled the bottle, the value of which was not affected. Questions have to be asked when the value of a limited edition hand-crafted bottle of vodka, is not affected by its being empty?

In the current luxury spirits market, there is a sense that you can put anything into glass, develop a narrative, and call it art (Driscoll, 2017). The Macallan Residence at Two Temple Place in London, for example, uses phrases such as 'prestigious,' 'journey,' 'curated experiences,' 'bespoke' and 'unwavering dedication to the Craft.' Arguably, by fully embracing the 'luxury lifestyle' zeitgeist, spirits are in danger of using the same adjectives, nouns, and verbs as fashion houses, watchmakers, and jewelers (Bell, 2010). The threat is that the individuality of each luxury spirit brand is then subsumed in a monochrome mix of communication, targeting 'aspirational' consumers (scotchwhisky.com, 2017).

### **CONCLUSIONS**

The spirits market segment includes some of the world's oldest and most luxurious brands. As a result, many of these brands have a history worth exploring and exploiting. Consumer tastes are evolving, meaning legacy brands must also evolve along with them. Contemporary consumers value authenticity and ingenuity above much else, including price. The luxury sector has undergone considerable change in the last decade or so, as economic crisis and depression helped

expedite a shift away from ostentatious, flashy design cues in favor of subtlety, craft, and storytelling (thedieline.com, 2014). While luxury spirits brands are facing stiff competition from a broader category spectrum than ever before, they need to emphasize that their luxury position is due to tradition, values, and history, which has enabled them to position themselves as being luxury and to remain luxury. Many commentators believe that consumers of luxury brands are confused as category segmentation has been blurred through a wrongful appropriation by premium and mass-market brands. As has long been the case with fashion brands, the adoption of traditional codes of luxury by non-luxury brands, blurs the frontier between categories. The branding strategy is very different for luxury brands and super-premium brands.

Super-premium brands cannot become luxury brands simply by raising their prices, and luxury brands should not attempt to broaden their appeal into the premium market, or they risk losing the very exclusivity which is part of their luxury appeal. This raises the issue, what value does the term 'luxury' have in the spirits market. If every bottle is 'luxury' or 'super-luxury,' does the category lose exclusivity altogether? Premium brands are defined by their price-quality ratio; consumers are prepared to pay extra for premium brands because of the product quality. Luxury brands, on the other hand, have a price which is far beyond their actual functional value. Luxury spirit brands don't meet a need or solve a problem. Thus it is intrinsically wrong to undertake marketing strategies which position a luxury brand based on how it compares to its competitors.

Consumers of luxury spirits are not interested in its features and value for money. Luxury spirit consumers want to know about a brand's heritage, prestige, uniqueness, and traditions, for such brands it is identity which matters. To be successful, luxury spirits marketing strategies must seek not to promote the benefits of the brand, but to educate customers about its story. Strategies for marketing luxury spirits brands have to create brand value by leveraging the intangible elements of the brand's singularity, including; time, heritage, country of origin, craftsmanship, hand-made, limited edition and prestige, and do so based on the story-telling dimensions highlighted above. Luxury goods are needlessly expensive; their price is not strictly related to performance. Rather price of these brands is related to scarcity and storytelling, customers buying such brands recognize they can afford to spend money, without regard for intrinsic value. As brands experience 'luxury compression' with mainstream brands pushing up into the premium category and traditional luxury fashion and accessories brands moving into the mass market, luxury spirits brands have to develop marketing strategies which distinctively distinguish themselves, to maintain their cachet. To be successful, strategies for marketing luxury spirits need to tell stories which combine rich heritage, craftsmanship, levels of quality and professionalism of the brand, to create symbolic meaning for customers. These stories have to be communicated to both users and non-users of the brand. A significant part of the value of owning a luxury spirit is the recognition bestowed on the brand by non-owners. This messaging has to take place across multiple touchpoints. By telling the story across a range of different touchpoints, brands can develop greater depth, character, and authenticity into their stories. Contemporary consumers expect a broad experience from their luxury spirits brands, through multi-sensory execution. Luxury spirits brands must look to use all of the senses to engage their audience and enhance the product experience.

Luxury spirits brands have much on which to spin their stories; such as the aging process, the methods by which they are produced, the craftsmanship involved in their product and the ostentatiousness of their packaging. All of these product aspects are available for weaving into stories which underpin the *authenticity of the brand; for a consumer society in which the majority of people are not, in their economic life, primarily concerned with mere necessities, but with optional or discretionary spending (Taylor, 2017).*

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