

PUTTING BLING IN THE BOTTLE

The global appetite for luxury goods seemingly knows no bounds, especially in wine. Does this open new opportunities to create high-end wines for this market? Felicity Carter goes looking for ideas on how to turn an ordinary wine into a star.



Tommaso and Roberto Cavalli

Nothing, it seems, can derail the luxury juggernaut. The luxury business, busy churning out handbags, scarves, watches and so on, is estimated to be worth around \$157bn. A Bloomberg News report says that LVMH's wine and spirits division saw sales rise by 8% in 2007, while the Liv-ex 100 Index of fine wine has risen by 50%.

This is good news for anyone planning to enter the luxury market. After all, there's only so much first growth Bordeaux or Krug to go around, opening the way for anyone who can turn their wine into the next 'must have'. Of course, the wine industry is littered with the bottles of those who have set out to try and create an 'icon' brand and failed - think Penfold's Yattarna, the white wine that was going to complement Grange. It would be a foolish wine maker who tried to pass off a second-rate wine, because eventually the opinion makers will pass judgement, and if they reject it, it's going to be that

much harder to make sales. But assuming you've got a good wine, plus distribution, is there anything you can do to cast a glamour over your product?

Why yes, there is.

It's all in the marketing

"Much of the luxury market is a scam job," says Dana Thomas, *Newsweek* correspondent and author of *Deluxe: How Luxury Lost its Lustre*. In that book, she details how sharp businessmen took famous luxury names, like Givenchy and Christian Dior, and turned them into mass market brands, albeit expensive ones. In particular, she points her finger at Bernard Arnault and LVMH for wrecking traditions of craftsmanship, in favour of "cutting corners for the sake of profit and intentionally using inferior materials, simply to reduce margins".

But wine, surely, is different. "I spend a lot of time in Champagne on weekends and just around the lunch table the talk is always about how things have

changed since the big corporations came in and streamlined everything," she says. "To make Champagne that tastes consistent at those volumes, it's all mechanised."

There is, surely, one big difference between wine lovers and consumers of other luxury goods: many modern wine collectors still have what Thomas calls 'reference points' to work with. Thomas disagrees. "There's a whole new generation of consumers," she explains. "They don't have the same education, or their grandmother's Louis Vuitton suitcase in the attic" that they can use as their reference points for quality.

Similarly, Thomas argues there are many people who don't know the first thing about wine. "Now they just open a book and walk into a store and say 'I want a 93' and they're not talking about the vintage," she says. "They don't have a reference point, they have a reference guide. They just know they want a 93."

So you will still, sadly, need Parker points, at least for the US market. But Thomas says there are other attention-grabbing things you can add to the mix.

First of all, she says, wine can't be flat and one-dimensional, but needs to be seen to be experienced. For that reason, she doesn't think you can build a luxury wine brand from print advertising, but suggests sponsoring events and parties instead. "That way you're selling to the hip and trendy crowd, They don't buy for quality or finesse."

As for celebrity endorsement, Thomas says this is trickier. "It depends on the celebrity and the culture. Celebrity in Japan will sell anything. But you have to be careful."

Celebrity endorsements of wine have often fallen flat. *Weinwelt*, a sister publication of *Meininger's*, recently did a celebrity wines cover story, evaluating

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wines associated with the likes of Bob Dylan and Madonna. The issue failed to excite wine enthusiasts. The trick, says Thomas, is to get endorsement from someone already associated with the good life. "An athlete won't work. You need someone who is known as a gourmand, who indulges, somebody who comes across as having great taste."

Thomas points to the early television advertising that Gallo did using Orson Welles. "It was junk wine, but everybody remembers those ads. Orson Welles was a personality that everybody knew was a bon vivant, who loved great food and wine, so you thought, 'if he's endorsing it, it must be good.'"

Her suggestions for potential celebrity endorsers? "Monica Bellucci. Pavarotti would have been an amazing endorsement - all that Italian high culture. Maybe the opera singer Roberto Alagna."

Or what about the idea of hooking up with an established luxury brand and either using wine as a brand extension or doing a cross-promotion? "Definitely," she says. "LVMH will even do bottle coverings. They did a Pucci bottle that the Japanese bought like crazy."

Get into the movies

Jay May sounds exactly the way you'd expect a Hollywood executive to sound: laid back. He's the man behind Feature This!, a movie product placement agency. While doing business with him will cost you a minimum of \$65,000, he says, depending on where you want to be seen, you may not need his help.

"At least 85% to 90% of product placement is still done by barter," he says. "You can just give wine to the crew, especially if it's expensive. Ten cases of Dom Perignon to the crew will get it into the movie."

May says placing alcohol into movies can do wonders for sales. "We know exactly who is watching what, so we can tune into the exact demographic for wine," he says. Even better, May says that studios are always looking for new product. "If the director says 'let's have 'em drinking wine', they can't just go to the store and buy wine and assume the company will give them permission."

But the wine must be identifiable. "If you have a distinctive bottle, then you don't even have to show the label, because people can describe it when they buy it." So how much will you sell? "When Tom Cruise went to the bar in *Vanilla Sky* and wanted a Petroni (beer), a radio station rang me because they wanted to discuss the phenomenon. There wasn't one bottle of Petroni left on the whole eastern seaboard of America."

The reason, May says, is that when consumers buy a brand they've seen in a movie, it reassures them that they've made the right choice. But so effective is product placement, that if you want to get your wine into a film guaranteed to give you the Petroni effect, you'll have to pay. "James Bond is the most expensive one to get involved with," says May. "That will cost you between \$50,000 to a million." For that money, you will get what May calls 'product integration', a strategically planned exposure in the movie that everybody, from the scriptwriter to the director, plans for.

May says that at least one Champagne house actively courts studios. "Yeah, they flew out a bunch of Hollywood executives three months ago and showed them a good time in France," he said. "They want to stay top of mind."

Go east

Another way to add some shine to your wine is to get it directly in the hands of the filthy rich - so make an appearance at Moscow's Extravaganza.

"The people who go are high net worth individuals," says co-founder Inna Irunyi. "It's by invitation only. You can't just buy a ticket and walk in."

Potential exhibitors are also vetted, but should you pass muster, it will cost you a mere £6,000 for a stand. "It's a unique platform which allows you not only to showcase your brand, but also to meet your potential partners and distributors," says Irunyi. "There is a strong business-to-business angle to the event."

Luxury in action

Of course, the real question is whether anybody has actually success-

fully created a luxury wine from scratch. As it happens, they have.

Last year, Tommaso Cavalli, son of Italian designer Roberto Cavalli, launched a red Bordeaux blend, made from grapes grown in Chianti. Released in two separate bottles, the striking Cavalli Collection and Cavalli Selection bottles were designed by Roberto Cavalli, featuring leopard skin prints and brass trimmings. The wine is made by Carlo Ferrini, and Tommaso Cavalli insists it is a serious project, not just an exercise in designer branding.

"This is an issue which is very clear to us," he says, adding that originally he was going to name the wine Via Vinta, after the Cavalli vineyard. In the end, the Cavallis decided to use their own name, because "we came to the conclusion that a wine expert will finally be even pleasantly surprised to discover that the wine with the name of a designer can also be quite a good wine, when it is produced with passion and with the best selected grapes".

The Cavalli name certainly has celebrity pull, with the London launch featuring the likes of Bianca Jagger and Sarah Ferguson. The launch, it has to be said, was more extensively featured in the fashion press than the wine media, but this hasn't hurt it at all, as the 10,200 bottles have been sold to Italy, Germany, Switzerland and the UK, where it features on the wine lists of celebrity hangout restaurants Cipriani and Zafferano. It's also selling well in Russia, where the boxed limited edition has been snapped up. Tommaso Cavalli says there are already plans to scale up production to 45,000 bottles.

But, when all is said and done, will Cavalli wines be traded at Sothebys and Christies in years to come? Assuming the wine itself is good, Thomas can't see why not. "It's amazing how many things become legitimate because they've been around for a long time," she says.

But given that there are so many wealthy consumers out there with so little knowledge of wine, maybe whether individual vintages have a long life or not is of less importance than the longevity of the brand. ■