

BOOK AND FILM REVIEWS

Peter Yeung and Liz Thach: *Luxury Wine Marketing: The Art and Science of Luxury Wine Branding*

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Marketing is “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association 2022, p. 1). Luxury Marketing, an extension of the practice, is recognized when an organization associates products, services, or brand identity with high quality values and images. In the wine industry, specifically, while there is awareness of the need for different marketing approaches between commercial and luxury wines, there is little published guidance for industry professionals and wineries in this niche business practice. Peter Yeung and Liz Thach’s *Luxury Wine Marketing: The Art and Science of Luxury Wine Branding* looks to fill this gap in scholarship with a roadmap of luxury wine marketing for the continual improvement of the global wine industry.

“The goal of this book,” state Yeung and Thach, “is to help the industry move forward and innovate more quickly by laying out current best practices” (p. 2). Through their exhaustive research to establish a baseline of knowledge in this subfield of the wine industry, including extensive literature reviews, expert interviews, and online consumer surveys, the authors have created a first of its kind database of 8,500 global luxury wines from over 1,200 brands.

Across 14 chapters, the authors offer practical approaches, real-life case studies, multiple winery vignettes, and a strategic framework for marketers and executives in the wine business looking to develop and manage a luxury wine brand. After defining luxury wine to be “of the highest quality, coming from a special place on earth, has an element of scarcity, an elevated price, and provides a sense of privilege and pleasure to the owner,” the authors describe in Chapter 1, *Luxury Wine Defined*, six Attributes of Luxury Wine (highest level of quality, coming from a special place, sense of scarcity, elevated price point, provides a sense of privilege, and provokes pleasure). Here, by defining what it is, the reader also learns what luxury wine is not—not a fad or trend.

In order to establish a connection to the origin of the word “luxury,” Chapter 2, *The History of Luxury Wine and Key Players Today*, transports the reader all the way back to 3000 BC and ancient Sumeria, located in Mesopotamia (present day Iraq),

where “wine reputedly became a drink of royalty ... [as] historians believe that the common people drank ale in Mesopotamia and the royal court drank wine” (p. 13). After a quick jaunt through history, highlighting winemaking in Egypt, Phoenicia (Israel), Greece, Italy, France, and China, the authors provide a list of 95 current global top luxury wine players (who meet all six of their attributes), followed by 68 emerging wine brands that are on the cusp (who meet the majority but not all six attributes).

Chapter 3, *Luxury Wine Market Size and Profitability*, uncovers the basics of the luxury wine business model, including global market size, profitability and region. Here, the authors explain their methodology to study the luxury wine market. “In order to develop a market size for the luxury wine market, defined for market sizing purposes as wines at \$100 a bottle and greater, a bottom up analysis was conducted” (p. 35). Using data primarily sourced from *Wine Spectator*, the authors retrieved more than 8,500 data points compiled into their Luxury Wine Database. These data were supplemented with independent web research and data collected from direct contact with wine industry representatives. With the aid of charts and bar graphs throughout the chapter to visualize their cache of data, the authors help the reader grasp the components of the luxury wine market—size, potential for profitability, and challenges of this business model.

Chapter 4, *Luxury Wine Consumers*, describes consumers across four key luxury dimensions (financial, functional, social, individual) and four major types of luxury wine buyers (true luxury, aspirational, wine collector, wine geek). Chapter 5, *How Luxury Wine Strategy Works*, claims that “having a well thought through and organized marketing strategy is critical to clearly craft and disseminate the key differentiating measures of the brand” (p. 67). Using a pyramid structure, the authors display that clear vision is the apex of the triangle, supported by strategy, which consists of what the authors call “5P + S” (product, pricing, story, packaging, placement, promotion), plus tactics and initiatives as the foundation of the pyramid.

Each of the subsequent six chapters concentrates on one aspect of the “5P + S” framework of luxury wine marketing. Chapter 6, *Crafting the Luxury Wine Product*, informs the reader that a high quality product is required in order to define and differentiate a specific luxury wine from the rest. According to the authors, this can be achieved through eight critical elements of luxury wine: sacred location for high quality, master vigneron and team, balance of nature and technology, quality craftsmanship to highlight the vintage, aging with grace, the art of the blend, authentic luxury service, and entry level for dreamers.

Chapter 7, *Setting Luxury Wine Pricing*, questions how high the price of luxury wine must be to drive demand over time and offers a structure to consider when determining pricing that includes wine quality, brand strength, competition, and external influences.

In Chapter 8, *Telling the Luxury Wine Story*, the reader is informed that a well-told story is one of the most important elements to build a distinctive brand, which “becomes ever more critical with the increasing level of competition in the luxury wine space” (p. 70). Most importantly, say the authors, defining a luxury brand “must contain the four critical components of a great story. These are setting, characters, plot, and moral” (p. 120). Importantly, effective storytelling can build relationships, connect with consumers, and communicate the values of the brand.

Chapter 9, *Luxury Wine Packaging*, delivers a brief snapshot of how effective packaging can separate luxury wine from more commercial wines and explores wine closures, wine labels, and environmentally friendly containers. Chapter 10, *Managing Scarcity and Placement*, considers the brand's business model when determining where to place and market the wine, whether through direct consumer sales or more traditional trade channels.

Finally, to wrap-up the "5P + S" of luxury wine marketing focus of the book, Chapter 11, *Promoting Luxury Wine*, provides a targeted brand messaging toolkit to connect luxury wine to appropriate consumers via advertising, public relations, relationship management, events, and word of mouth.

The final three chapters of the book focus directly on management. In Chapter 12, *Luxury Wine Management*, the authors posit four critical roles that must be filled by people with the right skill sets: winemaker, production team, sales and marketing team, and general manager. Chapter 13, *Managing the Secondary Market and Counterfeits*, discusses "the dark underbelly of the wine industry" (p. 221) with an interesting narrative surrounding counterfeit wines and provides the reader with a high-level overview of the secondary market, discussing auction houses and buyers.

The authors conclude in Chapter 14, *Keeping the Luxury Brand Fresh*, by stressing the importance of having a long-term vision, including new methods to stay relevant in a changing world through collaborations, celebrity endorsements, adapting to new generations, and embracing the digital world through social media. These approaches, along with more traditional methods, will help keep the brand fresh and prepared to manage various economic cycles.

Over the course of nearly 300 pages of insight founded on rigorous research, the authors assert themselves as clear subject matter experts in the evolving field of luxury wine marketing. It's appropriate that their book's subtitle is "The Art and Science of Luxury Wine Branding" because the careful balance between the creative and business sides of the wine industry is the focus of the book. While the book reads very much as a professional/academic text and may not serve the everyday oenophile, students in wine business classes will appreciate this tutorial. Perhaps more importantly, the book meets the authors' objective to cement its purpose and place as the first comprehensive perspective on marketing in the luxury wine industry.

Reference

American Marketing Association (2022). *Definitions of marketing*. Available at <https://www.ama.org/the-definition-of-marketing-what-is-marketing/> (accessed October 14, 2022).