

RESEARCH

## High-end spirits category flourishing due to “sensploration” culture

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*Image courtesy of Four Seasons*

By JEN KING

As interest in craft cocktails continues to grow, spirits brands will need to implement "sensploration" tactics to remain competitive in a crowded space.

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According to The Future Laboratory, sensploration includes every aspect of the cocktail experience, playing off all five senses, not just the taste of premium spirit. Diageo Reserve World Class, the trade division of the spirits distributor behind brands such as Johnnie Walker, has partnered with The Future Laboratory to predict where the cocktail industry is headed and how to capitalize on these changes globally.

"The vast growth and interest in the cocktail market is partly down to globalization - whilst cocktails were historically enjoyed more in Europe and America, they are now enjoying global growth," said Alexandre Rodrigues, global head of public relations for World Class and Diageo Reserve Brands. "The market is flourishing as different cultures reinterpret the concept of the cocktail, exploring their own ideas and flavors, demonstrated at the Diageo World Class Bartender of the Year finals in South Africa.

"Consumers are also becoming more discerning, creating an increase in demand for premium alcohol and the many ways to enjoy it, hence the rise of the cocktail industry," he said.

### Shaken, not stirred

Experiential marketing is present in every luxury sector as today's consumers are more inclined to select a brand based on experience, rather than the status of having a given product. The same is becoming true in the spirits category, with bartenders increasingly taking a multi-sensorial approach to mixology to create memorable cocktail experiences in high-end institutions world wide.

Diageo and The Future Laboratory's "The World Class Cocktail Future" report also found that 70 percent of United States-based millennials look for experiences that "stimulate their senses," with more than half explaining that they feel increasingly disconnected from the physical world.

Accordingly, the global alcoholic drinks market is also projected to grow at a compound annual growth rate of 1.49 percent in terms of volume and 3.16 percent in revenue over the next three years. This growth has been insignificantly impacted for an increased demand for premium spirits.



*Diageo's Johnnie Walker Platinum Label Scotch Whiskey*

To stand apart within a crowded category, spirits brands must push taste boundaries and explore drinkers' senses. Sensploration strategies that "defy comfort levels, push taste boundaries and explore every sense" can be beneficial for spirits brands aiming to explore new directions of mixology.

Globalization has also affected the premium spirits cocktail industry, as interest in mixology has begun to flourish in emerging markets such as Africa, Asia and Central and South America. Previously, cocktail culture tended to be reserved for European and North American markets.

Diageo's World Class Program, a mixology trade initiative that educates and sources talent in addition to hosting cocktail competitions, for instance, has increased from 18 participating countries in 2009 to 54 in 2015.

The report also tells that those interested in craft cocktails are more inclined to explore sensory elements including taste and smell and even texture. These touchpoints allow the consumer to experience the drink in the fullest sense.

In a statement, Wes Pickering, managing director of drinks creative agency Inkorporate, explained that premium cocktail culture is about "the people you're with, the way you're being hosted, the way you're made to feel, the music and the surroundings. It's not just about what's in your glass."



*Ritz-Carlton, Berlin cocktail using Diageo spirits*

Additionally, the report found that when a cocktail experience incorporates all the senses it is much more likely to create an emotional connection with the drinker. In luxury hospitality and the industry in general, these tactics are a vital element to consumer retention and loyalty.

There also lies opportunity in embracing new technologies such as virtual reality and augmented reality to stimulate the senses of cocktail drinkers even further. This comes as the consumer virtual reality market is expected to grow from \$90 million in 2014 to \$5.2 billion by 2018.

The report also suggests that experiential luxury will account for 56 percent of luxury sales, which also extends to consumers spending more on augmented, boundaryless cocktail experiences.

To bring sensploration to fruition, Diageo Reserve hosts an annual mixology competition to explore trends and techniques that are shaping the cocktail experience and industry. The 2016 World Class Bartender of the Year Global Final event will be held in Miami in September.

Not your mother's cocktail

Due to a reputation in white glove service and curated experiences, luxury hospitality brands have introduced a number of cocktail programs that are based on the notion of sensploration.

For instance, The Ritz-Carlton, Berlin, is giving guests a sensory experience with the newly opened Fragrances bar, which serves Diageo-based beverages inspired by iconic scents from Armani and Yves Saint Laurent.

Fragrances claims to be the first of its kind worldwide, inviting consumers to not only taste, but touch and smell their cocktail through a corresponding work of art. As hotels continue to differentiate themselves with experiences, having unique dining options is one way to make a lasting impression ([see story](#)).

Overall, for its marketing communications Diageo centers its strategies on a "living luxury" concept that brings innovation, brand relevancy and accessibility into the daily lives of affluent consumers.

For Diageo Reserve, the distributor's portfolio of high-end spirits, its marketing communications are based off of the heritage, craftsmanship and innovations of its brands and positioned through narrative storytelling to share brand ideology ([see story](#)).

"Sensploration in cocktail making is certainly an extension of experiential marketing," Mr. Rodrigues said. "As people become more particular in every aspect of their day-to-day lives, cocktail drinkers increasingly look for new sensory experiences to elevate their cocktail enjoyment.

"Similarly, mixologists and cocktail bars are becoming more adept at manipulating certain sensorial factors - from taste, to touch, to sound - in order to engage consumers in a completely new way and generate a certain reaction or result," he said. "The importance of the senses in the way consumers experience everything from cocktails and food, to travel and entertainment, will undoubtedly become increasingly relevant in the luxury market.

#### Final Take

*Jen King, lead reporter on Luxury Daily, New York*

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