

FOOD AND BEVERAGE

LVMH's latest venture offers ecommerce outlet for spirits, experiences

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In addition to bottles, Clos19 customers can purchase unique experiences traveling the world and sampling spirits

By DANNY PARISI

French luxury goods conglomerate LVMH is combining products and experiences in a new ecommerce platform focused on selling its spirits as well as physical brand activations.

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The Clos19 platform was founded by Stephanie Watine Arnault, the niece of LVMH chairman and chief executive Bernard Arnault. Ms. Watine will serve as chief executive of the platform which will sell spirits from a variety of LVMH brands such as Hennessy cognacs, Dom Perignon and Krug Champagnes, among others.

"The idea for Clos19 came from my own passion for hosting and sharing, which then evolved in an entrepreneurial idea," Ms. Watine, founder of **Clos19**, Paris. "Entertaining at home is still hugely popular and has become more accessible, food trends focus on sharing plates and living spaces are being created with a social element in mind.

"Looking forward, we are excited to see how we can translate the knowledge and history of our brands in the digital sphere and use technology to bring people together I want to use technology in a positive way for this purpose," she said.

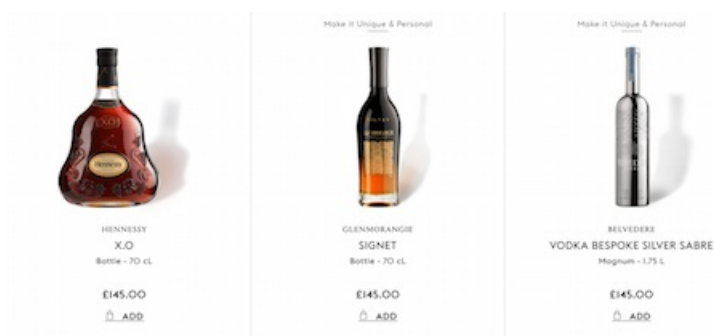
"We will see people shopping more and more online, Clos19 to also be a connector of people both digitally and in the real world."

Spirits and experiences

While ecommerce has been a part of the retail industry for years, only recently has the luxury industry begun to embrace online selling at the same level as other retail sectors.

As more customers move to digital and expect the full retail experience online, luxury brands have had to change their strategies to meet this demand.

LVMH has responding to that growing desire for ecommerce through its launch of Clos19 to sell luxury spirits through a digital channel.



A sample of Clos19's collection of bottles

In addition to the bottles themselves, Clos19 is also positioning itself as a purveyor of experiences. Along with spirits from a variety of high-end brands, Clos19 will coordinate tastings, parties and private dinners through the same online platform.

Some of the brands represented among Clos19's product lineup include Mot & Chandon, Chteau d'Yquem, Belvedere, Ardbeg, Glenmorangie and Veuve Clicquot.

While some of the experiences sold through Clos19 will be relatively simple such as a wine tasting at a Louis Vuitton apartment, others, billed as "exceptional experiences," will be lavish affairs.

These include once-in-a-lifetime excursions such as spiriting guests off to Antarctica, the Scottish highlands or the streets of Paris for multi-day affairs all supplemented with drinks from Clos19's associated brands.

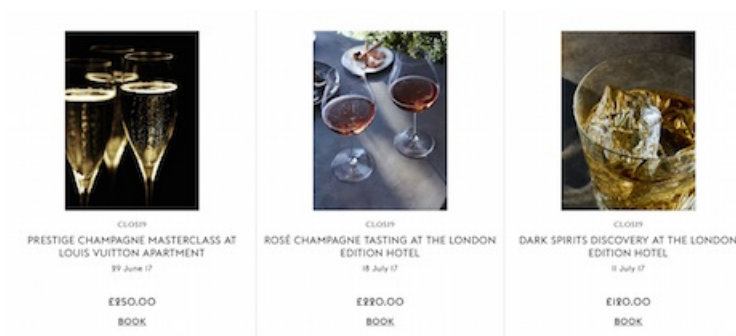
"To me, it is a way for the brands to have greater control over their brand experience given many do not yet focus on the direct-to-consumer experience, and are distributed so broadly by third party retailers, and other wine and spirits companies are already and have been selling experiences on their own sites for years, such as Inglenook, Napa Winery, and many of the scotch brands including Bruichladdich and The Macallan," said Katey Kalvelage, a senior consultant at **FitForCommerce**, Newark, NJ.

"For a company such as LVMH, which has multiple brands, it just makes sense," she said. "More people, not just millennials, feel spending money on experiences to be more rewarding than bags or luxury retail goods, and for the 'Instagram generation' sharing a great experience through social media is often just as important to them as having it in the first place."

Luxury ecommerce

Clos19's digital nature as well as its status offering international trips and experiences will likely make it a popular platform in a variety of nations.

Cross-border ecommerce opens up brands to shoppers in countries that are growing more rapidly than established, saturated markets such as the United States and Europe, but retailers should do their due diligence before making a move. To make headway with global consumers, localization efforts should deliver both market-specific content and commerce features ([see story](#)).



Some of Clos19's lower-end experiences

Ecommerce luxury sales have been growing steadily over the past few years, and LVMH is smart to embrace it now as its popularity is growing.

In 2014, the global ecommerce market for luxury goods totaled \$21.43 billion, according to Technavio. Those market figures will explode over the next two years, with projections pegging the luxury ecommerce market at \$41.76 billion

in 2019 ([see story](#)).

Clos19's innovative approach to combining products and experiences into one platform will likely appeal to a large cross-section of luxury consumers from those with more modest tastes to the most extravagant of luxury travelers.

"In today's retail reality, it is all about consumers' experiences, regardless of the specific channel they are buying products in," said Tushar Patel, chief marketing officer at [Kibo](#), Dallas, TX. "LVMH understands that presenting the whole package' via the Clos19 ecommerce experience is critical for differentiating itself from other luxury goods conglomerates.

"We know that consumers have countless options when shopping, and are often driven by price," he said.

"According to our recent Consumer Trends report, price was a top factor for consumers when considering a purchase 76 percent indicated they regularly price check competitors, and 68 percent say the most important factor for going somewhere else is finding a lower price.

"[At Kibo, we] believe the consumer experience is the one true differentiator, and is the one factor that will make the shopper stick' to the site."

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