

FOOD AND BEVERAGE

## Outlook 2022: Luxury wines, spirits embrace digital, sustainability

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*The new online platform intends to deliver a full luxury experience, from discovery to delivery. Image courtesy of Moët Hennessy*

By SARAH RAMIREZ

While sales of luxury wines and spirits have remained strong throughout the pandemic, the sector will undergo further innovation next amid continued supply chain disruptions.

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As experiential spending remains below pre-pandemic levels, consumers have been more likely to indulge in high-end products, including luxury beverage alcohol and gourmet food. Digital channels and sustainability will allow brands to engage with consumers and differentiate themselves in a crowded market.

"Wine and spirits priced in the super-premium-and-above price bands, which include prestige and luxury brands, have been a bright spot of the industry for many years, and in the U.S. has been accelerated as a result of the pandemic," said Brandy Rand, chief operating officer of the Americas at [IWSR Drinks Market Analysis](#), Boston.

"With more people at home, consumers are trading up to treat themselves to small indulgences like Champagne or aejo tequila, often recognizing the savings from less frequent travel and bar and restaurant visits," she said. "Additionally, more people are collecting rare and special spirits and wines more than ever."

Here are some of the key trends for the luxury food and beverage sector heading into 2022:

### Digital connections

This year, affluent consumers have grown more accustomed to online channels to learn about and purchase high-end wines and spirits.

Even as restaurants and bars have reopened to patrons, ecommerce investments remain top of mind for brands in food and beverage sector.

"Our recent IWSR ecommerce alcohol study shows that higher priced spirits and wine over index online, so it's important for brand owners to have a solid ecommerce strategy that aligns with their overall marketing mix," Ms. Rand said. "We also know that high-income consumers in the U.S. who currently do not shop online indicate they plan to do so in the future, which presents an opportunity."



*OurCellar.com is the new ecommerce platform from Moët Hennessy USA. Image credit: OurCellar.com*

LVMH's wine and spirits arm Moët Hennessy USA is capitalizing on the booming ecommerce sector with the launch of OurCellar.com, a luxury online shopping destination for its notable Champagnes and wines.

The new marketplace is Moët Hennessy's first direct-to-consumer platform of its kind, and it will enable the company to expand its reach and sell its products directly to consumers. OurCellar.com offers access to limited-edition releases, exclusive bottles, personalization and gift bundles from select brands such as Moët & Chandon, Dom Pérignon, Veuve Clicquot, Krug and more ([see story](#)).

This spring, Moët Hennessy also entered a 50/50 joint venture with Italian spirits company Campari Group to invest in wine and spirits ecommerce company Tannico.

The joint venture between the two companies aims to build a premium pan-European ecommerce player for the benefit of all wine and spirits brands and their European consumer ([see story](#)).

Similarly, Remy Martin's Louis XIII introduced an immersive online boutique for its U.S. clients earlier this year. Through an integration with online luxury spirit and wine store ReserveBar, site visitors will be able to purchase Louis XIII Cognac in miniature, classic and magnum decanters ([see story](#)).

"The consumer expectation of ordering beverages online and the associated convenience is a consumer mandate that the industry has to acknowledge," said Lindsay Held, cofounder/CEO at ReserveBar, and Derek Correia, president at ReserveBar.

Leading wine and spirits brands are already looking beyond ecommerce with their digital offerings.



*The new LOUIS XIII Mysteries online game launched this fall. Image courtesy of Louis XIII*

In September, Louis XIII became one of the first premium spirits labels to leverage gamification to engage consumer with the launch of an online game focusing on the Cognac house's history.

Louis XIII Mysteries challenged players to rely on their Cognac knowledge or find hidden codes to answer the game's 13 puzzles. Each correct code then revealed more information about the house ([see story](#)).

Others are experimenting with digital assets, a trend that will likely accelerate as well.

In December, Scottish distiller The Dalmore partnered with NFT platform BlockBar to offer a limited-edition liquor NFT, along with a set of The Dalmore Decades No.4 Collection and a distillery experience ([see story](#)).

Tastings and cocktails classes have also gone virtual, allowing brands to reach larger audiences.

"To further engage with our consumers, The Macallan offers frequent live whisky tastings on our Instagram channel," said Jessica Tamilio, marketing director at [The Macallan](#).

"These tasting sessions allow our fans to learn more about the brand and the liquid, while interacting with The Macallan national brand ambassadors," she said. "Our Facebook chatbot is another innovative, virtual resource that consumers can engage with to immerse themselves in the brand's liquid and legacy in a unique, digital learning environment."

Collaborations and celebrity partnerships

2021 was marked by unique collaborations and celebrity endorsements in the luxury beverage alcohol sector, and there is no sign this will slow next year.

LVMH-owned Champagne house Dom Prignon has established a multiyear partnership with Oscar-winning actor and singer Lady Gaga that celebrates freedom of expression and creativity ([see story](#)). In its first year, the collaboration has already spanned a new marketing campaign and pop-up experience.

*Dom Prignon has tapped Lady Gaga for an ongoing partnership*

Fellow LVMH-owned Champagne brand Mot & Chandon has turned to the sports world throughout the year, tapping Swiss tennis legend Roger Federer as well as professional basketball players Carmelo Anthony and Sue Bird for different marketing campaigns ([see story](#)).

Aside from endorsements, celebrity-owned brands will continue garnering attention next year. In February 2021, Mot Hennessy acquired a 50 percent stake in Champagne brand Armand de Brignac, owned by rapper and entrepreneur Shawn Jay-Z Carter ([see story](#)).

"We will also see the continuation of the celebrity-owned spirits trend, but the brands that will grow and thrive will be the brands whose celebrity owners are truly authentic and put in the work to build the brand," Mr. Held and Mr. Correia said.

"For example, Dos Hombres and Brother's Bond Bourbon have been particularly successful through ReserveBar because Bryan Cranston and Aaron Paul, with respect to Dos Hombres, and Ian Sommerholder and Paul Wesley, in connection with Brother's Bond Bourbon, understand that if they can connect with their audience of fans and consumers who wish to discover new spirits, then they can drive them seamlessly to purchase via ReserveBar's ecommerce channel."

Cross-sector partnerships are also growing in popularity, such as Dom Prignon's limited edition Champagne adorned with a Bulgari Serpenti necklace ([see story](#)) and Scotch whisky maker Glenfiddich's collaboration with menswear retailer Mr Porter ([see story](#)).

One of the most notable examples is the partnership between Scottish whisky maker The Macallan and British automaker Bentley Motors.

Through the new partnership, announced in July, the automaker and whisky maker will share expertise and insight from their respective industries while pursuing the excellence affluent consumers expect from luxury brands ([see story](#)).

*The Macallan and Bentley Motors have established a partnership centered on sustainability*

"The Macallan and Bentley Motors joined forces to further their vision of a more sustainable future," Ms. Tamilio said.

"Through our global brand partnership with Bentley Motors, we will create exceptional products, content and experiences that deliver timeless luxury balanced with a commitment to a more progressive world," she said. "Our initial concepts are focused on delivering an extraordinary and completely unique single malt Scotch whisky that reflects our sustainable journey."

Sustainable spirits

Sustainability is becoming a driving force in the wine and spirits sector, as exemplified by the Macallan and Bentley partnership.

"Consumers continue to take interest in brands that not only offer high quality spirits, but are involved in

sustainability efforts," Ms. Tamilio said.

"The Macallan has been meticulously dedicated to excellence since its inception," she said. "With sustainability at the center of our intentions and approach, we have created whisky rituals drawing from nature to inspire our consumers to see both our single malts and the natural world around us through a new lens."

In addition to The Macallan, French spirits group Rmy Cointreau unveiled Telmont as its new Champagne brand with a laser focus on sustainable production and organic offerings.



*Telmont has set a goal for 100 percent of its winegrower partners to be certified in organic agriculture by 2031. Image credit: Telmont*

Founded as Champagne de Telmont in 1912, the house was acquired in October 2020 and rebranded. Previously only available in France, Telmont will be marketed globally as a sustainable brand focused on land and biodiversity preservation, eco-design, green energy, logistics and traceability ([see story](#)).

Other brands including Mot & Chandon, Ruinart and Veuve Clicquot have also centered sustainability in their marketing efforts and ramped up investments in environmental projects.

#### Supply chain stressors

Although luxury wine and spirits have adapted well during the COVID-19 pandemic, other obstacles remain.

The pandemic has exposed and exacerbated longtime problems in supply chains and logistics. As consumer spending climbs and bottlenecks build, however, challenges continue to persist for businesses and consumers alike.

This year's major supply chain disruptions began as a chain reaction after much of the global manufacturing and shipping industries ground to a halt in the early days of the pandemic.

Other factors including the Suez Canal blockage, extreme weather events, tariffs and warehouse and labor shortages have further stressed the supply chain, leading to port delays and price increases ([see story](#)).

"While some of the logistical issues of the global shipping industry are getting better such as supply of ingredients and bottling and packaging components, some of these issues are likely to linger due to COVID disruptions that will still take a while to resolve," said ReserveBar's Mr. Held and Mr. Correia.

"The supply side is improving, and hopefully, we'll see this get back to normal in early to mid-2022," they said.

"However, some demand-side spikes have caused supply chain disruptions that will take longer, and these tend to be especially disruptive to higher-end luxury spirits because they often require aging or scarcer production resources, such as sherry casks for finishing whiskies.

"So the disruption in the supply chain is, unfortunately, going to take longer to resolve in the luxury end of the spirits market."