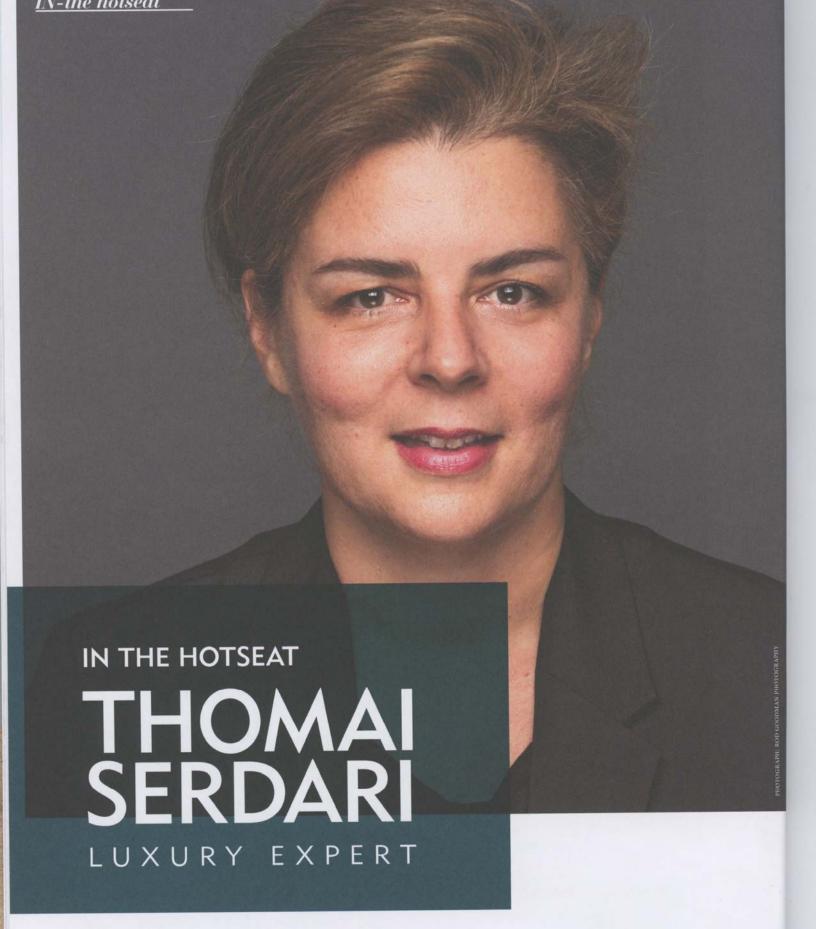
# COCKTAIL LOVERS INGREDIENTS FOR MORE THAN JUST GREAT DRINKS

TISHT HE

ISSUE



Thomai Serdari, Ph.D is a strategist in luxury marketing and branding, and Director of Research & Adjunct Associate Professor at New York University, Leonard N. Stern School of Business

# Luxury means different things to different people, what's your definition of the word and why?

Luxury can be defined in many ways because we all relate to it differently. We're all driven to it, we all agree that it exists even though we can't define it. But it has certain traits that, for me, are essential. They are scarcity, beauty and culture. By culture I mean that we need to be able to understand that something is scarce and beautiful to appreciate it as luxury. Then there's the object or the experience itself – for me, it has to be a multi-sensory experience that truly impacts us on three levels: physical, emotional and intellectual.

# What do you think the general perception of luxury is and why?

The perception is that luxury is something very glitzy, very sparkly and design driven. Most people think about it in relation to fashion but that's not correct. In fact, I don't believe that fashion is luxury – it's disposable because it's trend driven, and based on large scale, outsourced production. But still most people want to see good design in terms of the products and how the brand is expressed. And of course they want exclusivity, this is what allows them to feel better than other people, to operate in this collective environment and yet feel unique and elevated.

### How, if at all, has the market for luxury goods and services evolved in the time that you've been specialising in the subject?

It's been a very interesting industry to observe since I started in 2008. Not only because the firms that are producing true luxury goods have survived and even thrived through the crisis, but because immediately after the economy recovered, the market changed completely. Rather than the wealth coming from western countries, the markets shifted entirely to eastern markets: Asia, in particular China, has been driving luxury for the last eight years. What's changed is the demographic – people who participate in the luxury market today are coming from all over the world.

More people who are making good money here in the US are also more interested in experiences – not necessarily in physical goods. This is a typical millennial philosophy; that you only live once and therefore you should enjoy the best life possible. This can be interpreted in several ways but mostly it means more interest in adventure and travel, which as an industry has grown in recent years and created opportunities for companies to re-examine the notion of luxury and create new offerings. This has created a more service orientated economy.

### What do you put this down to?

Technology has made everything seem much more accessible – we can research things, see what other people consume and do – it's not only about technology serving the market as an immediate selling point, but educating us about what a luxury lifestyle is by watching friends and celebrities. This drives aspiration and makes people want to consume certain experiences and products.

Technology has made us much more visually trained. Before everything was driven by language, now people see an image and recognise it immediately – there's much more inherent coding and symbolism.

### Does the market for luxury now have a wider reach?

Completely and that's driven by technology. Here in the US being in the know is an indication of someone participating in an elevated lifestyle. Then you have eastern cultures where the price tag indicates that this is what they should go after. A lot of companies exploit that, using pricing as the only strategy to reach people. Technology facilitates that sort of clustering.



LUXURY IN ITS
PUREST FORM IS A
GOOD COMPANY
WITH HERITAGE AND
PURE PRODUCT THAT
DELIVERS QUALITY

# Does luxury mean the same across all sectors? If so, what are the key factors that bind them?

Luxury in its purest form is a good company with heritage and pure product that delivers quality – that's the same in any industry. These true luxury companies are very much customer or service experience driven and want to maintain very high quality product.

# What part does exclusivity play in the perception of luxury?

A huge and very interesting part. It can be real or manipulated and for a lot of companies the main part of their strategic plan is how to appear more luxurious. Again, it has a lot to do with culture... I refer to China again because of its size and wealth – it's a very powerful market. As a type of consumer, they're really drawn to clubs. They want that exclusive experience but in the presence of others. In the western world exclusivity takes

many forms and shapes – some only circulated by word of mouth. This is very important to millennials – they behave in a way like it's 1900. There are companies who provide butler services, things like that – we're seeing a return to personalised attention and outsourcing anything that frees up time to enjoy aspirational activities. Luxury isn't uniform any longer so companies need to examine each of these notions. What works in one community won't necessarily work in another.

# Are there times when the demand/need for luxury is more prevalent than others?

Uncertainty in the economy influences what type of luxury people consume. In times of uncertainty you'll see a reduction in the consumption of frivolous goods but hard luxury, like jewellery and watches, become the most important goods. It's a safety net. In times like this branding goes out the window.

## Moving on to drinks, where do cocktails fit in on the luxometer?

Cocktails are part of this new trend in experiences and as such I think they've allowed more people to feel that they participate in the luxury market. Depending on how well made they are, whether they're original recipes, offered in an innovative way, come from a bar with some kind of exclusivity about it – all the previous things we've discussed already – they all fit into the way that a business can be positioned.

### How do you define luxury in terms of drinks and bars?

Luxury is created through innovation from either the combination of ingredients or the presentation of the drink. The third ingredient comes from adding an element of storytelling to each drink. It can be a true story or something totally imagined but the truth is, even if we know that it's imagined, we go to the bar because a whole new world is going to open up before us - it's like a bridge between the physical world and the world of the imagination. Sometimes it's part of the branding strategy, sometimes it comes from the bartender, the point is that people want different experiences and cocktails are the perfect encapsulation of that. The trend in NYC is for bartenders to create extremely beautiful drinks, like fine art. Customers appreciate the extra effort invested in creating something so visually pleasing but also tasty and wonderful.

### Which spirits are associated with luxury and why?

Spirits that follow the rules we discussed before. There has to be some sort of heritage – think of Scotch, for example, and the longevity of that industry and the fact that it's more based on a craftman's passion and something intimate. People want to discover the story of spirits through the people who make them. You also

need a bit of knowledge to appreciate all the different nuances – the taste, the processes. There's a space for new luxury brands to be created but there has to be a lot of thinking behind the process. I'd like to see some sort of innovation into what goes into making a particular drink, why should I drink at your place as opposed to anywhere else? And if that goes hand in hand with good branding (which implies good design) I'd be a very happy customer.



LUXURY IS CREATED
THROUGH INNOVATION
FROM EITHER THE
COMBINATION OF
INGREDIENTS OR
THE PRESENTATION
OF THE DRINK

# What factors are currently driving the luxury industry and how does that translate to cocktails and bars?

We're seeing a more sensorial approach to things in the retail space. It started a few years ago from a necessity that a lot of companies faced, and are still facing, because retail space is very expensive. Rather than having a permanent home for their brand, the idea of the pop-up store was established. It goes well with this craving that younger consumers have to discover things. You can create experiences in the luxury industry that evoke a sense of exclusivity because it's running for a limited duration.

The other thing that's important is sustainability and transparency. People like a good story but they don't want to be fed tales. It has to appear authentic and have the data to back it up. We're going to see much more of it.

### Where are we heading in terms of luxury?

We're getting educated in a whole different way of life in terms of technology interactions and the new visual language. I think that the winners are going to be the companies that have the ability to challenge us creatively. Feeding consumers pure emotions doesn't work any longer, they're sceptical – they feel manipulated, which is why some of the retail experiments that we're seeing have been challenging people on a different level. Companies are trying to offer something unexpected. We've become very blasé consuming luxury and experiences – it's not easy any longer to truly touch the luxury consumer and create a loyal customer.

Find out more at brandxlux.com