Rethinking luxury for segmentation and brand strategy
The semiotic square and identity prism model for fine wines

Carl BOGER, D. Christopher TAYLOR, Federica GALLI
University of Houston
cboger@uh.edu - dctaylor@uh.edu - fgalli@uh.edu

Positioning a fine wine is a complex marketing operation which tends to focus on product physical characteristics and aesthetics, historical significance, price, process and varietal traits, while it tends to ignore consumer’s rationale, consumer-brand emotional bond and product impacts on consumers self-concept.

Often, when designing a marketing campaign, luxury firms tend to address only an hypothetical and somehow ideal consumer group, even thought, how summarized by Bernard Arnault, founder CEO of the Louis Vuitton Moet Hennessy Group (LVMH) luxury products represent “The ordinary of extraordinary people and the extraordinary of ordinary people”.

As for other luxury product, fine wine consumers are an heterogeneous group which can be broken down in clearly distinctive and often antithetic subgroups with different values and expectations, but equally drawn to the uniqueness of the firm.

Using the Semiotic Square model, a logical square model based on constructs opposition and similarities and inspired by Aristotle’s square of opposition, we identified 6 distinct groups of fine wine consumers: Enthusiasts, Experts, Connoisseurs, Drinker, Novice, Event Goers. According to the Semiotic Square these groups can be defined by how they compare (opposition or continuum) to each other.

Enthusiasts love to drink fine wines, be seen as a social influencer and focus on the hedonistic pleasure and prestige of drinking these products. On the other hand, Experts are people who understand fine wine in terms of their historical, varietal, physical aesthetics and process nuances. Their desire is to be seen as renowned Experts, which brings them prestige. Connoisseurs, instead, have traits of both Enthusiast and Experts. They are able to discuss fine wine with authority, but they ultimately believe that people should consume the fine wines that they enjoy and they gladly purchase unbranded fine wines while promoting them to others.

Novices can be defined as anti-Enthusiasts, but in continuum with the Expert group: they understand that fine wine should be evaluated using a given set of matrix, but they lack the expertise and confidence necessary for promoting
the wines they enjoy to others. On the other hand, Drinkers stand opposite to Novices and in a continuum with Enthusiasts. They consume fine wine for personal hedonistic pleasure, and, even thought, they often select their own wine, they do not find pleasure on sharing their choices with others. Finally, Event Goers lack both the basic enthusiasm of Drinkers and the basic product knowledge of the Novices; hence their fine wine consumption is based on event participation rather than enjoyment or expertise.

Clearly, a fine wine brand marketing strategy can be successful only if it addresses the needs and values of each consumer groups. However, a luxury brand must resist the urge of coddling the consumers, reacting to their whims and constantly changing their brand position. As shown by some brand’s failed attempt, brand democratization (production of lower quality products that become accessible to a wider consumer base) often only cause reduced demands and a loss of brand image. To survive beyond its creator life, a brand should stay true to its own identity so to remain recognizable among others brand. By staying true to its own identity, a brand can effectively communicate with consumers and create long-term relationship with them.

As theorized by Kapherer’s Brand Identity Prism, brand identity can be defined by 6 constructs: physique (material), personality, culture, relationship, reflection and self-image. These six aspects are divided over two dimensions of the constructed source (created image of the brand) versus the constructed receiver (how the brand expects the actual or mystical consumer to be reflected in the brand), and the externalization (outward expression of the brand identity in terms of its physical qualities, and consumer interaction) versus the internationalization (brand personality, brand DNA and values brand impact on consumer’s self-concept).

The physical aspects of a fine wine including its color, taste, sight, smell, sound (the popping of a cork), touch (feel of the bottle or cork or the mouth feel of a fine wine), labeling and packaging are all critical aspects used for evaluating the product however, marketers should know that consumers value fine wines well beyond its physical qualities.

The brand personality express and anthropomorphic vision of the brand, and it usually coincide with the founder(s), spokesperson(s) or advocate(s). Some may argue that there is a significant difference in brand personality between “old” and “new” luxury brands: the former relate to historical figure and significance (such as the Dom Perignon monk) the latter focus on story telling.

Even thought brand-consumer relation play a key role during the success of every single transaction, the connection between these two parties should surpass the single transaction and become a long last bond based on engagements, common values, experiential contents and rewards. The stronger
the relationship between a fine wine brand and consumers, the stronger the advocacy of consumers towards the brand, which creates loyal brand Enthusiasts. Nowadays, this relationship is not solely controlled by the brand communication strategy, but it also directly influenced by social media and lifestyle changes: social media influencers can actively shape consumer-fine wine brand interactions and consumer expect that the brand readily respond to their fast changing needs and desires.

The culture of a fine wine, initially defined by its creator, represents the product DNA and intrinsic values. Often, fine wine culture is a reflection of the founder(s) own employees and consumers believes and it is indissolubility linked with the locality in which it was created.

In addition, costumer reflected image is defined by the ideal brand consumer characteristics that the actual consumers want to portrait while using the brand. Even thought, consumer reality is often very different than that one portrayed by the brand, people are drawn toward the beauty, leisure and sophistication that characterize the ideal fine wine brand consumer life style.

The final aspect of brand identity is how the brand influences consumer’s self-concept, both internally and externally. A successful brand makes consumers that use their products feel differently about themselves (internal influence) and effect how they think others see them (external influence). The positioning of a consumer’s self-concept is critical to create a strong emotional bond between a consumer and fine wine brand. Understanding the duality of luxury (a desire for pleasure [internal desires] and status [external desires]) allows a fine wine brand to correctly position itself and creates a strong emotional connection with the consumers.

Pairing the consumer’s semiotic square and the brand’s identity prism could help brands to bridge the gap between the actual consumers’ subgroups and the ideal target consumers, to better understand their costumer base and to correctly position their brand.

Identifying consumer subgroup and understand their values and needs will allow fine wine brand to create an inclusive marketing strategy which correctly match brand and consumers values so to exploit all brand marketing potential and create a meaningfully and long lasting relationship with all its different consumers.

Keywords: Luxury, Marketing, Fine Wine, Brand Strategy
JEL-Code: M31