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Star Power: When Does Celebrity Endorsement Work?

by The IWSR Drinks Market Analysis, www.theiwsr.com

Celebrity-brand partnerships play a significant role in 21st century marketing. The proliferation of famous faces in the drinks world continues to grow, and celebrities are now present in most mainstream categories. In fact, celebrity drinks brands have become so popular that a new app called GrapeStars has been designed specifically to provide a direct-to-consumer sales channel for celebrity-endorsed beverages.

"When a brand strikes the right partnership with a celebrity, the rewards can be bountiful," said Brandy Rand, IWSR's COO for the Americas. "Celebrities as paid spokespeople for brands is an inherent part of the business, from coffee brands to makeup companies to cars. As long as the celebrity is well-regarded by the public (and stays that way), there's limited risk to brands that develop good celebrity-centered marketing campaigns."

There are, however, a few categories that have been uniquely galvanized by star power, particularly in the U.S.

In July 2020, actor Cameron Diaz became one of the latest celebrities to move into the drinks business with the U.S. release of organic wine brand Avaline. The range, which Diaz created in collaboration with businesswoman Katherine Power, comprises a French rosé and a Spanish white, both described as "clean" wines with no added sugar. The release taps into both the wellness trend and the glamorous image cultivated by pink rosé wines.

"Looking across the spectrum of drinks, it's clear that categories with a strong lifestyle connection are ripe for celebrity involvement," said Rand.

Diaz joins a legion of celebrity rosé brand partners, including Kylie Minogue, Sarah Jessica Parker, Mary J Blige, John Legend, Jon Bon Jovi and Francis Ford Coppola. Angelina Jolie and Brad Pitt were two of the first celebrities to move into rosé wine with the purchase of the Miraval estate in Provence in 2011. Last year, a magnum of Muse de Miraval even broke the world record for the most expensive bottle of rosé ever sold.

Such partnerships have introduced rosé to swathes of new fans for whom the pull of celebrity is strong — particularly younger drinkers who covet the Instagrammable aesthetic of pink drinks. Elsewhere in wine, Jay Z is a shareholder in Armand de Brignac Champagne, which has helped to drive renewed interest in the category from hip-hop fans and night-club-goers — similar to the path taken by Cognac in the early 2000s.

But the power of celebrity stretches beyond the U.S. and other western markets into the east. While some markets prohibit celebrity endorsement, producers in South Korea and China frequently use famous personalities to promote their local spirits.

"Korean soju producers often use female pop stars and actresses in their advertising," said Tommy Keeling, IWSR's Asia-Pacific research director. "In China, baijiu producers also use famous personalities in their advertising, though they tend to be older and more sophisticated than those for soju, in keeping with the older consumer demographic."

Tequila is another spirit that has seen a huge increase in celebrity affiliations. However, despite the category's new luxury

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DISCUS Statement on U.S.-U.K. Announcement to De-escalate Trade Tensions

"The U.S. and U.K. governments' commitment to de-escalate trade tensions represents a fresh start to trade relations under the Biden administration and is a hopeful sign that a resolution to the tariffs on U.S. and U.K. spirits may be in reach. While we welcome the U.S. decision to suspend the retaliatory tariffs on U.K. distilled spirits for four months, we are greatly disappointed that the U.K.'s debilitating tariff on American whiskey remains in place. American whiskey exports to the U.K., our fourth largest market, have declined by 53% from \$150 to \$71 million, since the imposition of tariffs (2018-2020).

"We urge the U.S. and U.K. to build on this positive momentum by negotiating an agreement to simultaneously eliminate retaliatory tariffs on all distilled spirits, which will benefit hospitality businesses on both sides of the Atlantic that are struggling to recover and rebuild from the global pandemic."

The timeline and impact of U.S.-E.U.-U.K. -retaliatory tariffs on distilled spirits is available [here](#).

USBG National Charity Foundation Participates in World Wellbeing Project

The USBG National Charity Foundation will participate in a study through the World Wellbeing Project (WWBP) designed to illuminate the health and wellbeing of front-of-house hospitality industry professionals. The study will focus on issues of burnout, empathy, language patterns, drinking and stress related to the Covid-19 pandemic for front-of-house professionals in the U.S.

"Historically, the experiences of bartenders and servers have been under-studied," according to the USBG. "Lacking the deep reservoirs of resources available to other professions that underwrite support for decision and policymakers, the hospitality industry often is forced to rely on general data collected by the government or anecdotal hearsay. The WWBP thus presents an opportunity to gather social and health data specific to bartenders and

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