

Bright future for luxury brands in Africa

By  Alain Dos Santos

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All eyes are on Africa as we enter a new decade and prepare to navigate the year ahead. With strong economic growth, increased affluence and a growing population that is forecast to [double by 2050](#), the continent holds strong potential for luxury brands.



Alain Dos Santos

We've seen in recent years how markets across Africa are opening up due to a growing urbanised middle class, rising standards of living and continued development of retail real estate.

In fact, Africa has one of the fastest regional growth rates for luxury goods, second only [to the Middle East](#) – and by 2020, consumer spending is projected to exceed \$1 trillion annually, according to McKinsey's Global Institute.

With an optimistic outlook and growing appetite for luxury goods, the continent offers a promising market for luxury retail well into the future.

While a one-size-fits-all approach won't work for Africa, 2020 will present a number of key trends that will continue to shape the sector, including:

Connectivity

One of the biggest demands on retail in Africa is the need for connectivity – and the luxury retail sector is no exception. Increased internet penetration across the continent is paving the way for e-commerce growth and is a necessity to meet the demands of a younger customer where convenience is king.

At Montblanc, we've already established e-commerce platforms serving seven countries in Africa – our mission is to be as close to our customers as possible through every touchpoint.



Credit: Montblanc

Digitally-driven campaigns

Africa has an immediate window to international trends, so there is an increased familiarity with brands, driving demand and aspiration for luxury products and lifestyles. The way luxury brands communicate with customers is – and will continue to be – driven by digital, with storytelling, in particular, being key to reach a younger customer base.

Digital is a powerful way to increase brand equity and to drive purchase, with online luxury sales expected to triple by 2025, according to McKinsey.



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Experience and personalisation

Today's connected and conscious consumer will continue to be presented with innovative ways to capture their attention. Customers are no longer simply purchasing products, but are purchasing experiences and emotions.

Virtual and physical experiences will be at the forefront, such as creatively driven pop-up stores and curated in-store environments that reflect the brand's values and ethos.

Another trend that continues to gain momentum across all categories of luxury is personalisation. Providing an opportunity for customers to own a product that is individualised for them – whether in embossed initials on a wallet, or a specific design on their carry-on luggage created by a graffiti artist – is of enormous appeal.



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Technology

Technology is an integral part of our daily lives and is becoming a core component of luxury. Tech has been integrated into Montblanc's portfolio over the past few years and is a growing category that allows us to stay relevant while remaining true to our craftsmanship, heritage and quality of design.



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Authenticity and relevance

Authenticity and relevance is now a golden rule for brands across the globe, but it is particularly pertinent for Africa – a continent where each country is different in culture and lifestyle. Adapting a concept to a local identity enables brands to garner an authentic and sustained connection with local customers.

ABOUT ALAIN DOS SANTOS

Alain Dos Santos is the Regional Managing Director for Montblanc Africa. Based in the luxury Maison's regional office in Johannesburg, Dos Santos is responsible for expanding Montblanc's presence & operations in key markets across the continent. His role follows 5 years as Montblanc's MD for Brazil, during which he oversaw milestones including the transfer of Montblanc from its historical family external distributor to fully integrated subsidiary within the Richemont Group, & the first Richemont Maison in Brazil to launch its e-commerce offering.

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