

# Africa, the final frontier... in luxury

Hennessy is celebrating its 250th anniversary this year with a rapidly growing market in Africa, built on its understanding that the only possible way to be successful in Africa was to adopt and adapt to the tradition of the continent.



When Hennessy entered the South African market it not only faced the commercial dilemma of having an almost non-existent market but also a market where consumers were not even willing to waver on the label of spirits they enjoyed, let alone the type of spirits.

When it first explored the African market in the early 1990s, scotch and traditional brandy were the most popular spirits and cognac as a liquor category was non-existent. It was during this time that it also noticed a number of international luxury brands that were merely moving into Africa with the intention to get a piece of the growing market share.

"Today many of them are long gone because the market failed them. Rather, they failed the market by coming in as and remaining as business 'outsiders'. The brands were never geared for the African market.

"We understood the only possible way to be successful in Africa was to adopt and adapt to the traditions of the continent, much as Richard Hennessy did when he moved to Cognac and the brand did, as it moved into America, Europe and Asia throughout its 250 year history," explains Pascal Asin, MD Africa and Middle East at Moët Hennessy.

Today, it is the number 1 selling cognac in Africa and a leader in the premium spirit category with consistent double-digit growth over the last 10 years.

"It is more than just a business model, it is about transmitting the legacy of an iconic brand in such a way that the local market adopts and welcomes it as its own."

The typical African consumer is the young aspirational man who wants to enjoy cognac with his friends and colleagues to celebrate their journey to success. It is customary for them to meet in their favourite nightclub or pub where they will drink from a balloon glass, a tradition that is often viewed as archaic in other parts of the world. In Africa, however, the balloon glass is what differentiates the Hennessy drinker from the rest of the crowd; it adds to the experience of the relentless African spirit of conquest.

## More than economics

The success that a luxury brand such as Hennessy has seen in Africa may make sense on paper, especially if one



considers that Africa is home to approximately 165,000 Dollar millionaires and countries such as South Africa, Nigeria, Kenya and Ghana have seen significantly positive economic growth in the last five to ten years.

However, a favourable economic climate only accounts for a small part of its success in Africa. "While African consumers may have more disposable income, they are still very specific about on what and how they spend it. Africa is still very much a growing market. To be a successful international luxury brand one needs to adopt a business model that is specifically adapted to the consumer's needs, wants and concerns."

While first-mover advantage in Africa might seem like a marketer's dream, the loyal African consumer can be a big business obstacle for premium brands that may have the competitive edge elsewhere in the world.

Hennessy's focus is always on building relationship and collaborating with the local market to understand its consumer intrinsically. This then means that Hennessy works almost solely with suppliers, retailers, distributors and agencies that specialise in the African market, which few other luxury brands have fully understood as the correct approach. In addition, the African spirit of partnership has resulted in the major growth for the brand and made it one of the favoured spirits in the premium liquor sector on the continent.

## **Ad campaign aimed at younger market**

Its ethos of integrating into the African market has made it particularly successful in South Africa and Nigeria and more recently in Ghana, Kenya and Tanzania.

Remarkably, the demand for luxury goods is not necessarily by the affluent older generation, as often seen in Europe or America. "While many African consumers are the well-established high net worth individuals, the majority of Hennessy drinkers are young up-and-coming entrepreneurs," explains Asin. This does not come as a surprise, considering that 65% of the African population is under 35 and that approximately 10 million Africans enter the workforce for the first time every year.

It is this youthful face of the luxury African consumer that led to the brand's 'Never Stop. Never Settle' marketing campaign. The powerful commercial speaks to the heart of the African consumer who is on a journey of success: the man whose ambition and inner drive will steer him to realise his full potential, and go beyond.

In Africa specifically, the brand has collaborated with the homegrown talents of rappers D'Banj, 2face Idibia, Wizkid, Naeto C and M.I, all of whom are starting to gain global acknowledgement and which has made the brand even more appealing to the local market.

## **250-year celebration**

The 'Hennessy H250 Tour' is a Hervé Mikaeloff curated touring exhibition, created to highlight the artists who are consistently pushing the boundaries of culture forward. Complete with live exhibitions and shows spanning the globe, the tour will touch five continents in legendary locations throughout 2015.

Circa Gallery in Johannesburg, selected to represent the African leg of the tour will feature the work of South African artist Dineo Bopape alongside the internationally renowned artists like Anton Corbijn and Charles Sandison. The exhibition will be showcased from 19-28 August 2015.

This celebration of the relentless African spirit is undoubtedly one of the factors to its success in Africa.

"Succeeding in Africa doesn't happen overnight, the African consumer intrinsically knows it and we understand it. It's the

African consumers and our local partners who are continuously pushing the limits that are driving us forward to continue our legacy for another 250 years," concludes Asin.

For more information, go to [www.hennessy.com/en-africa](http://www.hennessy.com/en-africa).

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