

SA has been noted as one of the most aspirational countries on earth. **Daniel Thöle** finds out who pays R60 000 for a golf bag

THERE will always be people who don't understand why anyone would pay R5 000 for a wallet. South Africans can do that now, you know. We can walk into the Louis Vuitton (LV) store in Sandton City and buy a wallet that costs more than most people make in a month. On the surface it doesn't make sense. That sort of socially irresponsible, wildly decadent expenditure takes a disconnection from reality, doesn't it? There must be more to rocking a Cartier watch than an obvious, shallow show of wealth, right?

The research report commissioned by British luxury goods organisation Walpole tries to explain the "logic" behind the desire to own R30 000 watches, R60 000 golf bags and multimillion-rand diamond rings. The research, undertaken by brand consultancy Added Value, is illuminating.

Because the psychology that drives people is key to understanding why they spend as much as they do on watches, bags, scarves, cufflinks and pens, the report focused on consumer's attitudes and ideas about luxury, about bling, about conspicuous consumption.

Consumers in emerging markets like China and Russia said that luxury goods made them walk taller, feel sexier, command more respect, and, on a deep, esoteric level, live their dreams. That makes sense. But how does a watch iced

outside SA.

"It seems like Sandton is becoming the shopping capital of Africa, and a major portion of our growth is coming from customers from the rest of Africa buying our watches in SA, instead of Paris, London or New York." Wealthy Africans aren't the only ones spending money. One of the most over-used expressions explaining what's happening in the local economy is "the emerging black middle class", and as in just about every other consumer business, Richemont is benefiting from their newfound spending power.

"Bigger, male watches are selling well — in all our brands. I think Cartier has the strongest brand identity. Definitely, historically it has a strong connection with customers, which is supported by local marketing" says the Richemont spokesperson.

By alluding to the value inherent in Cartier's history, the Richemont rep has hit on one of the key elements of luxury branding — brands must possess some sort of mystique. Added Value's Paul McGowan says a luxury brand is nothing without a story, a myth. "This, in turn, provides the inspiration for the creation of a truly exquisite product," he says.

This type of heritage gives brands a lot of their power. Consumers need to feel that the luxury item they are purchasing



Louis Vuitton bag with miniatures (exclusive to LV Champs-Élysées store in Paris). Enquiries (011) 784 9854. Cartier Santos 100 watch in yellow gold and diamonds, R274 800, (011) 666 2800

BLING IT ON

with diamonds do that for a Moscow socialite?

What about the local market? SA in 2005 is one of the most aspirational markets on earth, with plenty of new and old money chasing the bling. LV says it has experienced growth "above expectations" at its Sandton City store.

We asked them why. LV says its South African customers are especially picky about quality — the company says that its high standards have appealed to the needs of the market. This luxury brand says its presence in SA has been built on interest from younger, fashion-conscious buyers. Its traditional strength has been in luggage and icons for clients with a classical eye and the monogram range is still its strongest asset.

Rival luxury brand manager Richemont is more specific. A Richemont brand manager said the group's Cartier and IWC watch brands have become standout luxury timepieces in the local market. Yet, a healthy portion of the growth comes from shoppers from

has an exceptional history, either because its been around forever, or because its associated with exceptional people or places.

Lux sluts told Added Value that quality and rarity are essential elements of whatever they buy. Quality justifies the expense involved in buying a luxury item, as if the craftsmanship that went into a watch means that it is not a purely ego-driven purchase. That may seem unlikely, but the survey's findings are supported by Richemont's recent experiences in the local market: "We also experience big interest in limited editions and more expensive models."

For luxury fashion items like haute couture and leather goods, consumers judge an item's value by its "nowness". Who's talking about it, who's wearing it, and its "must have" status are all essential elements in marketing. LV has a VIP waiting list for its fashion ranges, "celebrities and socialites" eager to get their hands on its new denim line and Vienna bags.

"A famous brand with a beautiful product and a proud history, left to its own devices, quickly becomes an artefact, a footnote in the history of fashion," McGowan says. That's what happened to Hermes, the venerable French leather specialist that had become a shadow of its former self until the brand's owners employed Jean-Paul Gaultier to help it regain its edge.

If we understand what people see in brands, the next question is: who are these people? Who buys this stuff with a straight face? Well, they're often old money. They may be new money. They're pretentious and, in rare cases, they're not. Added Value splits swank devotees into four camps:

Those who feel a need to "show". These are status driven, extroverted materialists who see luxury as an indicator of their success. A new watch proves they are better than everyone else. Then there are "luxury lovers" who can't be shown up — living, breathing proof that life is all about self-esteem. They use luxury goods to give

themselves confidence and fit in. They buy brands with established reputations that don't attract unnecessary attention.

Added Value identifies another group: those who "show they know". That means that they know enough about the brand to justify its expense, but have no real affinity with the brand or any real love of luxury.

Then there's the group that all of us should have the class to aspire to belong to — "people who know". They are described as loving luxury for the sake of it. They love beautiful things. They don't care what other people think. They own the brands they like, because they like them.

At the end of all the analysis, of the break down of who buys what and why, Added Value came up with a simple, one line explanation for why we love the swank. "Luxury makes us feel more desirable."