

Positioning luxury brands in emerging markets

 By [Cobus van Zyl](#)

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We recently launched of a new premium whisky in the Tanzanian market. Most whiskies are marketed along the same few lines. One example would be, process; "Buy our whisky, it is triple distilled". Many use heritage; "Buy our whisky, it comes from a loch in Scotland where we've been making whisky for 500 years". Another way to go is endorsement; "Drink our whisky, Sean Connery does".



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That might work well in Europe, but do Tanzanians care where it's from, how it's made or who drinks it? The feeling was that neither of the above mentioned strategies would be very successful in the local market. Well maybe the latter to an extent, but that would really depend greatly on who the endorser is.

Testing the theory

To test the theory we decided to do a small dipstick study and asked ten Tanzanians a few questions about another luxury brand, the French champagne, Moët. The questions were simple; do you know how Moët is made? Do you know which country it is imported from and, if yes, is that why you drink it (because of where it comes from)? Lastly, do you know of any famous people who drink Moët?

The answers were fairly predictable. Every single respondent had heard of Moët. None of the respondents knew anything about the process, the difference between real champagne and sparkling wine etc. Eight out of ten knew it is from France, but all of them said that had nothing to do with the reason they would drink it. Interestingly enough, 50% of the respondents said they know famous people drink it, but when asked for examples of such personalities all examples were of local celebrities. So why then is it such a highly sought after brand in the local market? According to one of the respondents in the study they would drink it because it makes them "look rich and classy".

As a country with a socialist past, until very recently, anything of value was imported to Tanzania. The same remains true for luxury brands.

Who cares how it's made or where it's from? The point is, it's not from here. Note the important distinction between origin and "imported". This is a vital key driver. *"I don't drink your champagne because it comes specifically from the Champagne region in France. I drink it because it is imported and therefore I perceive it to be of superior quality"*.



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Imported goods, by their very nature, also cost more. Most of the respondents in the study had a very good idea of the price tag. So the "show-off" benefits an expensive, imported brand provides is a very important secondary driver. *"I want to be seen drinking a very expensive champagne, for the status associated with it"*.

Moët is not the only champagne on the market. In fact there are many to choose from, but it is probably the best-known imported champagne brand, which creates additional appeal. What is the point of drinking expensive, imported champagne if no one around you has ever heard of the brand you're drinking?

Whether by design or by accident, Moët has positioned itself well in the local market, in line with these key drivers. The effect is a brand associated with status, something that is increasingly important to the rapidly growing middle class.

A positioning success

The brand has resonated well with local opinion leaders and is always present at all the must-be-seen events. Despite the fact that little attention was given to heritage, origin, process, endorsement etc., it is a positioning success.

What can we learn from this? I think it is important for marketers, trying to tap the African luxury brand market (worth €2 billion in 2014*), to be cognisant of the fact that traditional methods of creating brand value might not bear equal fruit in all territories.

The measurement of value differs, sometimes beyond comprehension between markets. It would be wise, when planning a new campaign or product launch, to take a more outside-in approach when designing a message for a specific target audience. Ask rather why they drink it, eat it, and wear it, than tell them why you believe they should. Try and understand, as Moët has done, what the brand means to them rather than assume it will mean what you want it to mean.

Chances are it won't.

**Bain & Company*

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