

Q&A

African consumers want the same thing as consumers everywhere else: Lux Afrique CEO

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Alexander Amosu is the founder/CEO of Lux Afrique. Image courtesy of Lux Afrique

By SARAH JONES

Consultancy Lux Afrique has branched into ecommerce, catering to the growing demand and audience for luxury goods in Africa with a continent-wide approach to online retail.

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Soft launched this fall, the Lux Afrique Boutique connects affluent Africans with products from brands including Dom Prignon, Louis XIII, Versace Home, Stephen Webster and Backes & Strauss, complete with a white-glove concierge-style service. Said to be the first such platform that delivers luxury goods to the high-net-worth consumer anywhere in Africa, Lux Afrique Boutique aspires to become the dominant player in ecommerce in the market by leveraging its localized knowledge.

"High-net-worth Africans look for exactly the same thing in a luxury brand as any other market: quality, exclusivity, workmanship, beauty and so on," said Alexander Amosu, founder/CEO of [Lux Afrique](#).

"What they can't find is convenient access," he said. "The issue is how do these luxury brands reach HNW Africans in Africa rather than wait for them to come to Europe. We are helping this market find that convenient access."

In this Q&A, Mr. Amosu discusses Lux Afrique's retail move, the affluent African consumer and the outlook for luxury in Africa. Here is the dialogue:

Could you share the story of how Lux Afrique was founded?

Lux Afrique was founded in 2017 as a need to change the narrative and celebrate luxury in Africa, starting by providing ultra-high-net-worth (UHNW) individuals with a top-class concierge service. We realized that there was an opportunity in the deep gap between accessing luxury brands by the African market and a poor knowledge of those potential customers compared to other continents such as Asia or Europe.

Additionally, Africa has seen an increase in the wealth of its population, which naturally leads to an interest in the finer things in life. This had also caught the attention of international luxury goods companies, which are starting to

see the continent becoming a potential nesting place for growth.

We wanted to allow the African market who could afford it to have access to these luxury brands. This led to the idea of creating a concierge company that could connect UHNW Africans and luxury brands.

Lux Afrique combines concierge and marketing services

Why did you decide to launch a continent-wide luxury ecommerce destination?

There are more than 400 million Internet users in Africa, which is the second largest Internet user population on the planet, just after China. Based on the rise of mobile access to the Internet, African consumers now have a more efficient way to access goods and services digitally.

A report by Statista places the value of ecommerce in Africa at \$16.5 billion in 2017. While consulting firm McKinsey states that this value could well go up to \$75 billion by 2025.

We also looked at online retailers with a good track record in Africa. They covered the middle to lower end of the market, but there was no one really at the high-end level.

We found that the opportunity was in facilitating access to luxury goods, which still remains a challenge for the most part for the consumers we are targeting. As ecommerce continues to become more and more successful in the continent, the time seemed appropriate to launch the Lux Afrique boutique online.

What need did you see in the market for this type of platform in Africa?

The appetite of consumers for luxury products is constantly growing. If you look at Asia and Europe, they have a well-developed culture of digital luxury shopping platforms for the discerning clientele. The question is why not Africa?

Consumers in Africa want the same thing as consumers everywhere else: they want good products at a good price with great convenience. The African luxury market is no different, and just like Africa this market is expected to grow over the next decade.

How have the ecommerce site and the associated services been designed with the African luxury consumer in mind?

The African HNW consumer wants to be able to shop with great convenience, like anyone anywhere who has the means. The need to always have to travel to Europe or other parts of Africa to buy luxury goods can get tedious.

Lux Afrique is essentially taking advantage of the fact that convenient access to luxury goods in most of Africa is still comparatively small, even when you look at the retail offering of luxury brands in market. This positions a premium concierge service as a perfect way for consumers to be able to get what they need delivered to their doorsteps, quickly.

What is the opportunity for luxury brands that partner with the Lux Afrique boutique?

The opportunity for luxury brands is to engage a market they've been trying to reach with limited success. It is an opportunity to enhance and maintain their visibility in this market and have access to these consumers without having to invest in a brick-and-mortar space just yet.

What types of category partners are you seeking for the platform?

We're looking for all types of category partners, not just on the consumer goods side. We are beginning with providing access to all consumer goods such as clothing, jewelry, furniture, alcohol and so on.

We also want to support luxury African brands in increasing their access to the continental market. Discerning and luxurious creations from across the continent would be featured on the online platform, side by side with traditional global luxury brands.

We also have a number of lifestyle projects to develop under the Lux Afrique umbrella that would require financial partnership.

How are you promoting Lux Afrique's boutique?

We have only just soft launched. Our plans are to market in each territory going forward, initially focusing on markets such as Ghana, Kenya, Nigeria and Angola, which have a good HNW market.

What types of marketing are you leveraging to support the launch?

Currently the focus is on organic growth for the brand. We began by raising media awareness as a strategic way of reaching most African countries.

Next step will be influencer marketing using actual clients and some celebrity endorsement, which ties neatly into the word-of-mouth marketing which carries a lot of currency in Africa, and for the market segment.

Since launching, what type of response have you seen?

On the retail end the response has been very positive with orders coming in mainly from Nigeria, South Africa and Kenya. On the product offering side, we currently have partnerships with 12 to 15 brands and are in negotiations with more.

Brands across multiple product segments including Backes & Strauss, Boadicea, Yoko of London, Versace Home are already featured, along with the in-house brand Amosu.

As a firm that specializes in marketing luxury to an African audience, what types of messages resonate with these consumers?

Our clients already know and have luxury brands to their own tastes. Our service provides the client convenient access to the products that they are already familiar with. The key message is that Lux Afrique supports the client's desire to acquire the best.

In your opinion, what are luxury marketers getting wrong as they seek to target affluent Africans?

Perhaps it is less a case of getting anything wrong because the brands already have great awareness. We think it is more a case of not taking advantage of opportunities. For instance, many luxury brands are not in physically in Africa as a retail outlet.

African customers know about the brands, love the brands, want the brands, but just can't get them as easily as they would like. Fortunately, online commerce services a global market, wherever it is. This is an efficient way to give the opportunity to any person, regardless of where they live, the possibility to access the product.

From your perspective, how has the African luxury market evolved in the last five years? What is the outlook for luxury in Africa?

Shops in luxury retailers in London like Harrods or Selfridges find that African customers from outside Europe are consistently part of the top five highest spenders.

The annual Africa Wealth Report indicated that the African luxury sector generated approximately \$6 billion in revenue in 2017. This figure included cars, clothing and accessories, watches, hotels and lodges, private jets and yachts.

The report concluded that the luxury sector in Africa is expected to grow by 30 percent in the next five years. Evidently the potential is huge.

Africa is where China, Asia and Europe were many years ago, and it is now Africa's time. From where we stand, the outlook for luxury brands in Africa looks very bright indeed.

Following the launch of the boutique, what is next for Lux Afrique?

We want to grow the Lux Afrique brand and see it as the gateway to supporting luxury brands wanting to connect with the African market. We would also look at becoming a trusted partner in extending the brand partnerships from simply a retail offering.

The aim, of course, is to become the biggest online luxury boutique on the continent.