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Luxury brands should invest in Latin America

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By [Gabriela Castro-Fontoura](#)

For the luxury industry, Latin America means business now, more than ever before.

Latin American countries are enjoying a period of economic growth, albeit with some slowdown forecast for this year.

There is a much larger middle class in Latin America that can aspire to luxury products. There is also more credit to fulfil those aspirations.

Latin beat

Latin Americans are travelling more, and then coming back home and demanding the experience and the products that they have seen in Tokyo, Milan or Paris.

There is a section of society consequently more pushed to differentiating themselves from the growing middle classes, and the luxury industry provides just that.

There are also intangible factors linked to this economic growth that favor the luxury industry across the continent.

Because economic growth has been sustained across Latin America in the last few years, consumers are much more willing to spend.

Attitudes towards luxury are also changing and younger consumers are abandoning the more reserved approaches of their parents and indulging more.

Latin Americans are highly brand-conscious. They understand the differentiation that luxury provides.

Luxury brands in Latin America must invest heavily in marketing and even more in public relations.

The continent is highly image-focused and aesthetically-minded. It is also dynamic, young and vibrant, so a multichannel approach is absolutely essential.

Having said that, what will differentiate and make luxury brands succeed across the continent is the personal touch.

Latin Americans are social buyers. Social status and anything that can reflect that are enormously important. Do not underestimate the importance of customer care, since consumers are very demanding.

If you still have your doubts, I personally recommend a visit. You will be blown away.

High fliers

Try Buenos Aires, Santiago de Chile, Bogot, Mexico or Punta del Este. And if you are really up for a total shock, try

San Paulo

Sao Paulo.

If you would rather start with a virtual visit, I would recommend you look at the store listing for some key luxury centers in the region.

Here is a small taster: Patio Bullrich, the most premium shopping center in Buenos Aires, Argentina, can boast brands such as Cacharel, Carolina Herrera, Christian Lacroix, Ermenegildo Zegna, Hugo Boss and Kenzo. This is just fashion retail.

The same applies to every single other sector, from food and drink to yachts, from financial services to tourism.

And do not for a moment think that all Latin American luxury is imported. The continent is nourishing its own luxury industry.

Embraer, for example, is a Brazilian manufacturer of luxury private jets exported all over the world. And have you heard of Osklen?

Tourists from all over the world and increasingly from Russia and China arrive in Latin America every day in search of an oasis of peace and sheer luxury. And that is exactly what they get.

Estancia Vik, a luxury country ranch in Uruguay, for example, has only 12 suites and 40,000 acres for your enjoyment and a private, full-sized polo field.

LATIN AMERICA is not an easy continent to do business in.

If you already have a powerful brand and are willing to invest heavily and adopt a long-term strategy, you will be more likely to succeed. The time is definitely right.

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