

Richemont represents

On Thursday last week South African stocks closed at an all time high that was stewarded by the Swiss luxury goods group, the Richemont brand. The JSE:J200 index closed up 0.7%, the highest in its 17 years of existence. So what does this mean for the partly South African owned luxury group?

A combination of upgrading the brokerage and positive market support from the United States and China contributed to this surge and the Richemont shares topped to R59.20 rivalling even LVMH. Thus far a strong growth level coming from China – which is said to slow down in the next year. So could the next growth phase be a new growth from within South Africa?

Richemont was devised in 1988 as a spin-off from the famed Rembrandt Group Limited by Dr Anton Rupert (Rembrandt dating back to the 1940s) and now has its interests spread along Net-A-Porter, Peter Miller, Chloe, Dunhill and a range more. A house of luxury brands that represent uniqueness yet an inclusive part of a bigger management so carefully constructed around luxury.

For instance within Richemont lives the heritage of producers of fine jewellery and watches like Cartier and Van Cleef & Arpels and eight different watch brands all represented by The Federation of the Swiss Watch Industry. A heritage like this is largely unmatched by the majority of French luxury brand holders, even the LVMH group. And a piece of national pride that fuels part of the South African economy of course.

So what gives the Richemont group such power, such finesse? The brands they represent, for instance IWC, appeal to a choosy market. Before the ‘grand crise’ potentially consumers with money were buying just any watch or any piece of jewellery but since the recession and economic downturn people have tightened up their spending and seek out truly special brands, brands that equate to a story, a narrative if you will. Richemont, with each brand they take on, appeal to exactly that – in their own way.

What will be interesting now is to see how a slow down in the east will refocus the brand on a potential local market where educating the market about the heritage of not only a brand like IWC, but also of the group will drive sales, support and a new story. A kind of African story where luxury is not the proverbial ‘bling’ but very much the heritage delivery by design.

“The luxury goods companies have had a very good run, but if China does start to feel the pinch, then they may find it hard to repeat that performance over the next 12 months,” he said.

By: [Daniel Scheffler](#)



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