

Levi Strauss sets sights on black middle class

By [Jean Huisman](#)

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Sub-Saharan Africa is a market hungry for expressions of status, with image and brands playing a big role, says Nuholt Huisamen, South African country manager for Levi Strauss & Co.



In an interview, meant to coincide with a visit by the company's CEO and president, Charles Bergh, at a time when the company is commemorating the 20th anniversary since the opening of Levi Strauss's first and only factory in SA, in Epping, Cape Town, in 1994, Huisamen said Africans were more brand conscious than Americans.

"Levi's is one of those expressions of status. [The black middle class] will be a key part of our growth. Their shopping behaviours are different and branded companies will have to communicate differently through their marketing campaigns," he said.

Levi Strauss's Epping plant makes 35% of the company's products sold in the country as well as 40% of what is sold in other African countries. However, the fabrics are all imported.

Apart from SA, Levi Strauss began investing in sub-Saharan African countries in 2008, and today has operations in Nigeria, Angola, Mozambique, Botswana, Ghana, Tanzania and Kenya.

"The GDP (gross domestic product) is growing in many African countries and we see a very aspirational market coming through in the black middle class," said Bergh. Levi Strauss has seen 5% growth in SA over the past year despite what he called a "tough" economic climate.

Levi Strauss Asia Pacific regional president Roy Bagattini said: "Most African countries offer very good growth prospects and excellent market demographics."

However, the proliferation of counterfeit clothing is recognized as a problem for Levi Strauss. It removes more counterfeit product from circulation annually than the 2-million original products it sells.

Huisamen also cited corruption, an unstable labour market and high import duties on apparel among the challenges to global firms interested in investing in SA.

Bergh, who is due to visit the Epping plant this week, said 30% of sales in SA go through the company's own outlets, while licensed distributors such as Edgars account for 70% of sales.

Source: Business Day

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