
Luxury Has Become a US\$ 5 Billion Industry in Brazil

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Brazilian companies prevail in the country's luxury products market. A survey conducted by consultancy firms MDF Consultoria e Conhecimento and GFK Indicator shows that, among companies that cater to this segment in the country, 59% are based in Brazil.

Other 23% are European and 3% are from the United States. The number of companies that operate in the country's luxury market is 295.

Of all companies in the market, 100 participated in the survey. It survey shows that 75% of the Brazilian companies offering products and services to the segment are based in the southeastern Brazilian state of São Paulo.

Then come the states of Rio de Janeiro (SE Brazil) with 9% of all companies, Pernambuco (NE) with 4% and Rio Grande do Sul (S) with 4%. Companies managed by the owner or a partner total 48%, and those administered by the director general amount to 25%.

According to the survey by MDF and GFK, Brazil has a large luxury market. Last year, sales of luxury products totaled US\$ 5 billion in the country. Investment in the segment was not low either: 15% of total revenues, or US\$ 770 million.

Among the national luxury brands, the best known is H. Stern, a chain of high standard jewelry stores. International brands present in the country include Louis Vuitton.

The main consumers of luxury products in Brazil are women. They answer to 58% of purchases. Men are responsible for the remaining 42%. Average consumer age for this type of product is 36 years of age.

They are people with a higher education and married. Those holding degrees comprise 91% of luxury consumers in the country. Married people total 48%, indicates the survey. The majority of them - 62% - live in the city of São Paulo.

The survey indicates that each customer spends an average of 1,000 reais (approximately US\$ 600) per purchase. The majority - 61% - buys products for themselves.

In second come gifts for the wife or husband, in third for mothers and fathers and in fourth, for boyfriend or girlfriend.

Then come purchases of product for friends, and then for children.

The reason why people opt for luxury items is product quality and the segment that leads sales, according to the survey, is fashion, followed by food and beverages.

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