

AUTHORS

Hari Om Agarwal,
Research Scholar
Vikas Sharma,
Research Scholar

India is The Fastest Growing Wealth Creator in The World

ABSTRACT

A Ferrari Spin across Italy? A party in your private yacht? Or, the show stealer in that Swarovskistudded tie? The super-rich Indian is spoilt for choice, India has now emerged as the fastest growing wealth creator in the world and as per the Forbes Annual List of world's wealthiest people, India has the most billionaires of any Asian country. Some of its attractive offerings include stay at Necker Island and Ferrari rides in Italy in four spanking models, "The profile of Indians has changed dramatically only because of globalisation and liberalization.

1. INTRODUCTION

According to a survey done by AT Kearney for, Indians spend \$ 2.9 billion on luxury products and services (private jets, luxury homes, cars, yachts and art), another \$953 million on luxury services, and buy luxury goods worth \$377 million. The luxury Trends Report 2006 published by KS A Technopack says that the number of millionaires in India is expected to grow at 12.8 per cent a year for the next three years. India's luxury market stands at Rs. 65,000 crore and is growing at 14 per cent a year. The report also reveals that 1.6 million households earn over Rs. 45 lakh or more per year, and spend about Rs. 4 lakh per year of luxury.

The nouveau riche, the call center executive and the guy born with a silver spoon, just about everyone has become aspirational, says media consultant Shalini Pahwa. Perhaps that's why even fake Louis Vuitton bags are in demand. Going abroad for studying is no longer the monopoly of industrialists' offspring. Neither is buying an LCD or a plasma screen. The good news is that the number of high-income households

is only poised to grow in the coming years.

2. THE CURRENT SITUATION

According to the National Council of Applied Economic Research, by the end of this decade, there will be 140,000 crorepati households.. What is interesting is in the super-rich category (annual income Rs. 10 million+), many small towns like Nagpur, Surat, Jalandhar, Amritsar, Vadodara and Vijayawada are making their presence felt. According to the Boston Consulting Group, India has now emerged as the fastest growing wealth creator in the world and as per the Forbes Annual list of world's wealthiest people, India has the most billionaires of any Asian country. Research shows that India currently has one million consumers for luxury goods and services. The number is expected to treble by the year 2010.

If that is too much abstract number crunching, here are some touch-and-feel symbols of this luxury lap. Gucci is the latest high-end brand to register its presence by opening a store in Mumbai. jimmy Choo and La Perla (remember the sculpture bra) are following suit. Last year alone, about

100 private jets were sold. Mercs and BMWs are passé. The Bentleys and Lamborghinis are increasingly visible on Indian roads. Sahara has just launched what it claims is India's first customised luxury holidays-Paradiso. "The company has exclusive tie-ups with over 165 luxury properties around the world and is offering personalised holidays in villas/chalets and castles. Some of its attractive offerings include stay at Necker Island and Ferrari rides in Italy in four spanking models," says Romi Datta, CEO of Sahara International Business.

Thanks to globalisation and liberalisation, the profile of Indians has changed dramatically. They are young and exposed to world culture and big money. As Tanya Dubash, (eldest daughter of industrialist Adi Godrej), executive director and president (marketing) Godrej Group, maintains, "Indians today are well-travelled. Media also makes them aware about new ideas. They are all for experimenting. Also, the mindset is free from the earlier conservative mode of saving. The buzzword now is 'splurge'."

3. CONCLUSION

From perfume to pastas, Indians are getting upmarket and brand-conscious. The

consumption of wine has been on an upswing, with wine bars dotting even rural belts. So, if you want to dig into some Rusti Chella handmade pastas or a bar of Christis Halloumi cheese or some Amedei Chuao chocolates, some Cipriani coffee or a spoonful of a specialty honey (wild thyme flavour), you no longer need to fly abroad. Just walk into your nearest Nature's Basket store, Mumbai, or hop across to The Gourmet Shoppe at The Oberoi, Mumbai and Delhi.

Another interesting facet of Indians' flirtation with luxury is their fascination for the exotic while opting for the high-end. So, when they are queuing for Lladro's priceless porcelain, they are also game for its Re-Cyclos Magical collection, and exclusive series of décor objects, lighting and jewellery created out of recycled, stuff. Premium designer label Satya Paul has just launched its latest offering for men's wardrobe – Swarovski –studded ties, available only on special order.

Pandering to the cash-rich experimental connoisseur's mindset, the global companies, observes Amar Agarwal, MD, SPA Group, "Are not only trying to re-invent their products, but are also customising them.

REFERENCES

1. Indian Council for Reserch in International Economic Relations, India Brand Equity Foundation (CII) Economic and Political Weekly (Various Issues)
2. World Bank - World Development Reports.
3. National Development Council (June 27, 2006)
4. IDFC- Indian Financial System and the Challenge for in Financing, January31,2007.
5. Market Research, BPO Market Research, Avilable online at www.xicom.be.