

REDEFINING LUXURY MARKET IN INDIA: CONTRASTS, CONTRADICTIONS AND EXTREMES

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ABSTRACT

India's luxury market, which grew 15 per cent in the last three years and which reached \$ 7.58 billion in 2012, witnessed growth of 20% over the past year and is estimated to have reached \$ 15 billion in 2015, is witnessing emergence of 'closet consumers'. Closet consumers' as those who look at the cost and value even when shopping for luxury products. The growth in the luxury market is on account of robust growth in the luxury categories like apparel and accessories, perfumes, fine dining and automotive. Indian Government has approved 51% FDI in Multi-Brand Retail and 100% in Single Brand Retail. India is undergoing an important revolution in the area of luxury brands. The impact of the luxury brands is extending from tier-I to tier-II cities. India would have more than double the number of HNIs to 403,000 by 2015 from 153,000 in 2010. The research sources includes Bulletins of RBI, journals, reports from FICCI, ASSOCHAM, AT Kearney's Global Retail Development Index (GRDI) 2012, CII-AT Kearney's Indian Luxury Review 2011, Ministry of Finance, Government of India, Capgemini and RBC Wealth Management's world wealth report 2012, 2013, CII-IMRB Report, 2013. The paper analyses how to target the closet consumer without alienating the mature luxury consumer? It also takes a close look at the rapid luxury retail sector growth in line with the augmenting list of HNIs in Indian Economy. The paper explains how the Luxury Market is yet to achieve its high. This conceptual paper brings forth the relevance of the Indian government policies on luxury market. The results of this study would help to create deep understanding about Indian luxury market. This study also reveals the Relationship among closet consumers, HNIs and Indian luxury market.

KEYWORDS: India, Luxury Brands, Closet Consumer HNIs, Policy