THE RISE OF LUXURY MARKET IN INDIA: FROM MYTH TO REALITY

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ABSTRACT

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. According to the Global Retail Development Index 2012, India ranks fifth among the top 30 emerging markets for retail. India would have more than double the number of HNIs to 403,000 by 2015 from 153,000 in 2010. CII-IMRB report, 2013 'The Changing Face of luxury in India' gives an overview of the luxury market today – that has witnessed robust growth of 15% over the last 3 years and is estimated to have reached $7.58 billion in 2012. Among the prominent international brands present in the India market through franchisee or joint venture route include Gucci, Versace, Armani, Zegna, Marks & Spencer and Zara. This conceptual paper contends that the past myth of luxury retailing has turned into a sheer reality in the contemporary India. The growth of India as a high end luxury products market and its potential is evident and there is a positive outlook towards worldwide brands. The paper determines myth and reality of the luxury retail market. The paper analyses marketing mix in context of luxury market in India. The factors responsible for growth and the latent threat factors in the growing luxury market are also studied. It also takes a close look at the rapid luxury retail sector growth in line with the augmenting list of HNIs in Indian Economy.

KEYWORDS: HNI (High Net-Worth Individual), India, Luxury Brands, Retail Sector, Socio, Cultural Values