

RESEARCH

## World billionaire population reaches record high: report

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*Wealth-X and UBS report*

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By NANCY BUCKLEY

There was an increase in the combined wealth of the world's billionaires this year, a population that is largely represented by European countries, according to a new report by Wealth-X and UBS.

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**Luxury Daily**

The "Wealth-X and UBS Billionaire Census 2014" examines the locations of the world's billionaires, as well as the age, gender and source of wealth. With an increased knowledge of the world's wealthiest individuals, luxury brands will have a better understanding of top consumers.

"I think that having such granular info and data allows luxury brands to think about their strategy in terms of market shares and wallet shares and they can think in concrete terms in terms of billionaires and growth start," said David Friedman, president of wealth intelligence firm [Wealth-X](#), New York.

"At a macro level it shows that there are more wealth and more billionaires than ever before and in terms of who has the money to spend on luxury it is obviously these individuals," he said.

The **Wealth-X and UBS Billionaire Census 2014** looks at the global billionaire population, or those with a net-worth of \$1 billion or above, from July 2013 to June 2014 and examines this top-tier wealth segment by geographical location, gender, sources of wealth and personal traits. It studies the 2,325 global billionaires living in North America, Latin America, Europe, Africa, the Middle East, Asia and Oceania.

### Trending billionaires

Billionaires represent nearly 4 percent of the world's wealth with a combined wealth of \$7.3 trillion, a sum that is higher than the combined market capitalization of all the companies that compile the Dow Jones Industrial Average.

Between July 2013 and June 2014, the billionaire population saw a population growth of 7 percent with an additional 155 new billionaires. Thirty-three of these new members were from China, another 19 stemmed from other Asian countries.

Thirty-four percent of the world's billionaire live in 20 cities, presenting evidence that most billionaires are located in metropolitan areas. In fact, in the Middle East and Africa, almost 90 percent of the billionaires live in cities.

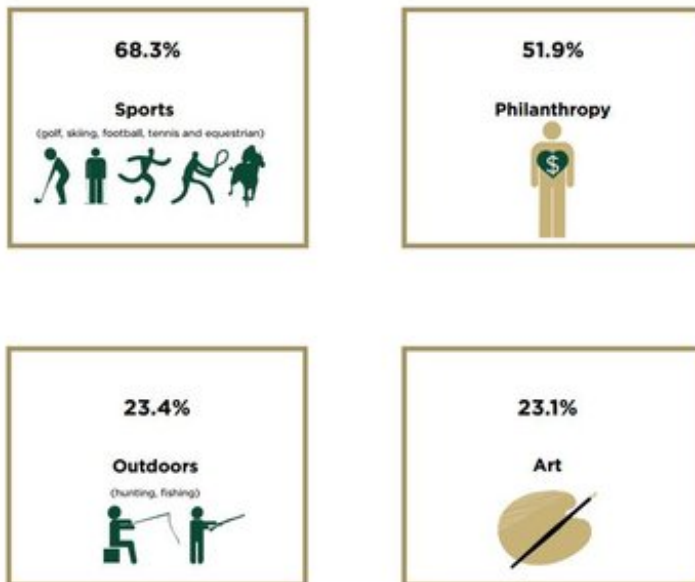


### *Billionaire locations*

A recent trend in the billionaire population is the increase in women who are billionaires on their own accord. Although there is still a majority of women billionaires who have inherited their wealth, there is an increasing amount of women who have partially inherited and partially created their own wealth and women who have solely made their own wealth.

Another trend has been the emerging wealth from Asian countries. Although Asia remains behind Europe and North America in terms of billionaire populations, the billionaire population and wealth in this country grew this year. Also, China remains the second largest country in terms of billionaire population, only behind the United States.

The highest populations of billionaires are found in entrepreneurial and private companies. However, with an aging billionaire population, there has been a transfer of wealth to the next generation.



### *Common interests of billionaires*

Common interests of the world's billionaires include sports, philanthropy, outdoor activities and arts. The top attractions and events that see the billionaire population include fashion weeks, film festivals, polo and golf events and yacht shows.

### Specialized marketing

Creating a marketing strategy for the extremely wealthy differs from a standard marketing plan. Brands must understand their consumers and market toward their desires.

Sixty-eight percent of luxury industry insiders believed digital marketing was not an effective method to reach ultra-high-net-worth individuals, according to a report by Wealth-X.

While social media accounts and content rich Web sites can bolster brand awareness, they do not lead directly to sales or client acquisition for the wealthiest clients. To reach these important clients, providing unique experiences to the right people is still the best approach ([see story](#)).

Marketing plans can be determined from knowing who individuals with wealth are and more details about their lives.

"I believe there is a place for branding, but the number one way is based on their existing relationships and through word of mouth marketing because these individuals are bombarded and most of them haven't gotten where they are by taking the first thing from marketing standpoint," Mr. Friedman said.

"Word of mouth is magnified 100 times with these individuals," he said.

### Final Take

*Nancy Buckley, editorial assistant on Luxury Daily, New York*

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