

MARKETING

India sees double-digit growth in millionaire class

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Mumbai is the city in India with the most millionaires. Image credit: Four Seasons Mumbai

By SARAH RAMIREZ

India's millionaire class continues to grow, according to new findings from the Hurun Research Institute.

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Per the [Hurun India Wealth Report 2022](#), the number of millionaire households in India increased by 11 percent year-over-year to 4,580,000. This demographic is expected to increase by 30 percent over the next five years, numbering 6 million households by 2026.

"India is home to one of the fastest-growing affluent households in the world and hence, the next decade presents a meaningful opportunity for luxury brands and service providers to enter and further strengthen presence in India," said Anas Rahman Junaid, chief researcher at [Hurun India](#), in a statement.

Hurun defined millionaires as households with a net worth of at least 7 crore, the equivalent of more than 70 million rupees, or about \$937,601 at current exchange.

The Hurun India Luxury Consumer Survey is based on interviews with 350 Indian millionaires, including 42 "super-rich" individuals with wealth of 1 billion rupees, or \$13.39 million at current exchange. The focus group's average age was 35 with an average net worth of \$6.7 million.

Insights in India

Mumbai remains India's millionaire capital, with more than 20,000 millionaire households. Delhi and Kolkata follow, with 17,400 and 10,500 millionaires, respectively.

Based on investible assets and primary income sources, millionaire households typically fall into one of five categories: business owners, real estate owners, "golden collar" salary workers, stock market winner and "the new middle class."



Luxury brands can find opportunities among Indian affluents. Image credit: Forevermark

Indian millionaires have seen changes in their consumer preferences, consumption habits and investment decisions against the backdrop of the COVID-19 pandemic.

Thirty percent of millionaires have become risk-averse regarding investments, up from 18 percent the previous year, while 35 percent are focusing on investments in public equity.

Happiness levels are also down among millionaires, with two-thirds reporting they are happy with both their personal and professional lives, down from 72 percent.

About three in 10 millionaires believe paying taxes is an important social responsibility, and 19 percent believe philanthropy and being a good employer contributes to social responsibility.

When it comes to the next generation 70 percent of respondents prefer sending their children abroad for their educations. At 29 percent, the U.S. is the preferred destination, followed by the U.K. at 19 percent.

Respondents were also surveyed about their luxury brand preferences.

Watch collecting is a popular hobby among this cohort, as 63 percent of high-net-worth individuals own at least four timepieces. Swiss watchmaker Rolex is the preferred luxury watch brand, followed by Cartier and Audemars Piguet.



Cartier is one of the preferred watchmakers in India. Image credit: Cartier

For other luxury goods, French fashion and leather goods house Louis Vuitton is the top choice, beating out Italy's Gucci and Britain's Burberry.

A quarter of respondents change their primary vehicle within three years. German automaker Mercedes-Benz is the preferred car brand, followed by Rolls-Royce and Land Rover, while Lamborghini is the top choice for sports cars.

For hospitality, Taj Hotels and Resorts is the preferred brand, leading Oberoi and Leela. The most preferred private jet brand is Gulfstream, topping Boeing and Airbus.

Luxury opportunities

While the wealthy class in India grows dramatically, the market remains underserved by many luxury brands.

The Indian luxury market is primarily driven by young aspirational consumers. Higher discretionary income, digitization and brand love inspire these consumers to indulge in luxury.

Millennials dig deep into brand narratives and purpose over materialism. They may not emphasize only on the

ownership and exhibition of material items, but also the sophistication and experiences. They want to engage with brands that reflect their personal values ([see story](#)).

India's luxury market offers a myriad of opportunities. However, it is unlikely to replace the U.S. and China anytime soon as the largest global luxury goods market.

The reality is that the size of India's luxury goods market is still relatively modest, standing at \$6 billion. However, Euromonitor International forecasts that the market will be worth \$8.5 billion in 2022 ([see story](#)).

"It is interesting to note that some of the most favored brands of the survey respondents do not have a physical presence in India," Dr. Junaid said.

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