

Luxury Markets in Developing Countries
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Graduate student Elise Desbonnet presented on luxury markets in developing countries. Southeast Asia has the fastest growing luxury market in the world, with an 11% growth between 2012 and 2013. Factors include the increase in Chinese tourism and the education of young people. Luxury denotes social status, an important goal in that geographic area. Indonesia has a very young population; over half are under 30 years of age. There has been a marked increase in high net-worth individuals who are tech-savvy, and a shift in consuming habits, from local brands to trendy, expensive products. An increase in premium shopping centers is expected. Chinese tourists are visiting and spending. Since 2011, Michael Kors, Chanel, Cartier, Rolex, and Hermes have entered the local market. Only 7% of consumers use online shopping, with most preferring luxury retail shops. Vietnam is another fast-growing luxury market, with high net-worth individuals slated to increase by 85% in the next ten years. The lifting of governmental regulations in 1987 allows people and goods to travel more easily throughout the country, and there has been rapid economic and social change. The median age is 25. Consumers who sought logos before now pursue more sophisticated products. In Russia, the luxury market was strong until the recent economic downturn. Consumers are looking for things that hold value, like luxury cars, real estate, jewelry, and limited collection vintage fashions from designers. Japan has the second largest market after the United States, and is coming back after a recent recession. China is the fifth largest luxury market in the world, and growth is predicted. Chinese consumers are looking for quality and exclusivity rather than logos. All over Southeast Asia, there is fast growth, rapid spending, promoted by a young, trendy population. They are still somewhat logocentric but are becoming more sophisticated. China and Japan, with solidified infrastructure, have more educated and brand-aware consumers.