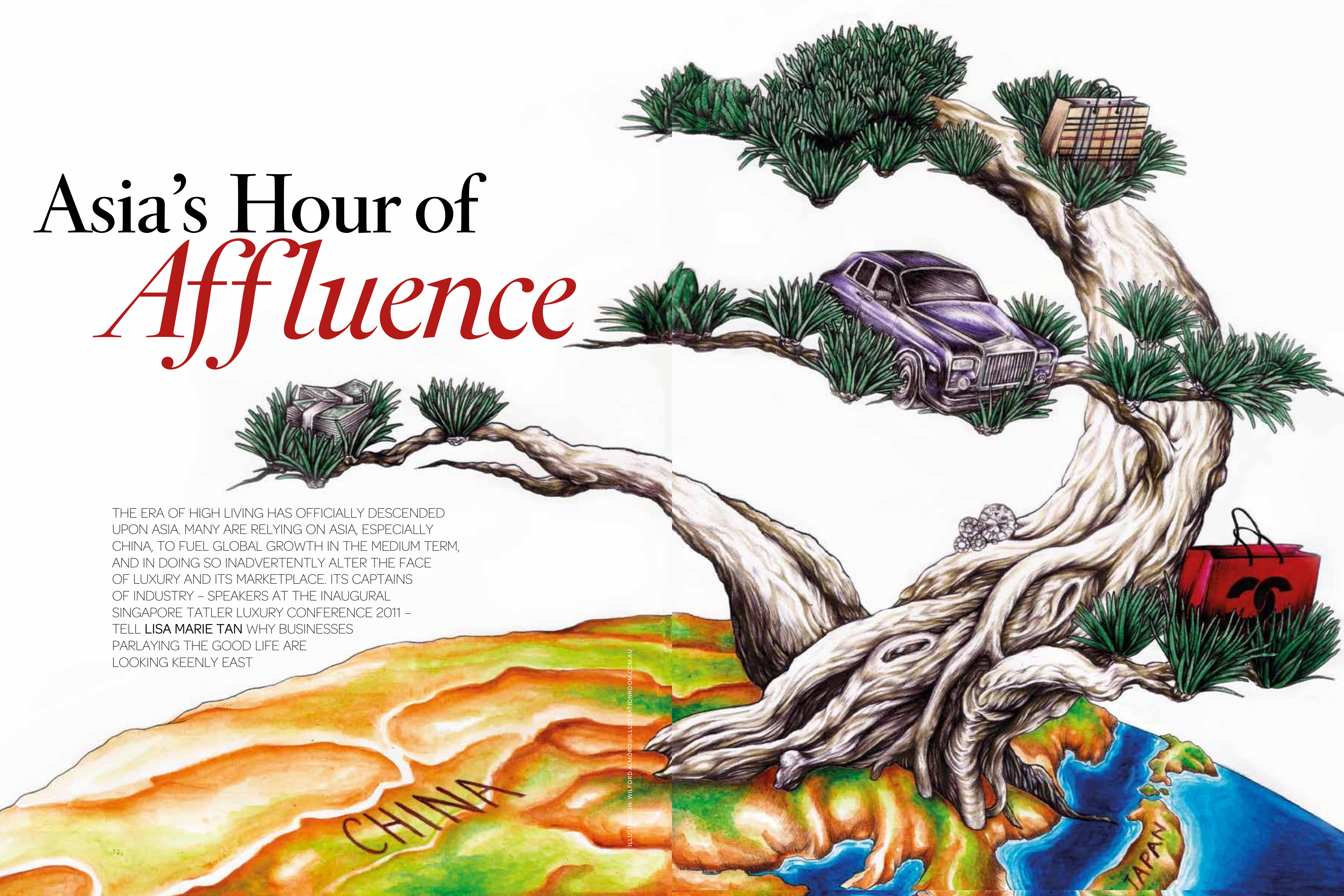
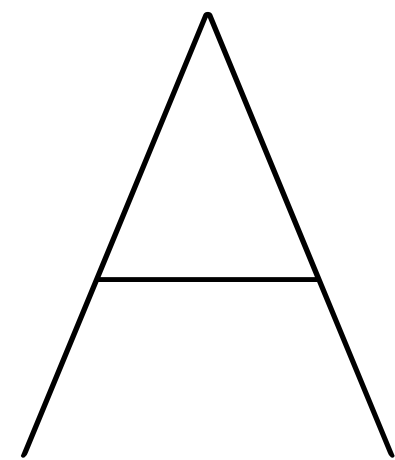


# Asia's Hour of *Affluence*

THE ERA OF HIGH LIVING HAS OFFICIALLY DESCENDED UPON ASIA. MANY ARE RELYING ON ASIA, ESPECIALLY CHINA, TO FUEL GLOBAL GROWTH IN THE MEDIUM TERM, AND IN DOING SO INADVERTENTLY ALTER THE FACE OF LUXURY AND ITS MARKETPLACE. ITS CAPTAINS OF INDUSTRY – SPEAKERS AT THE INAUGURAL SINGAPORE TATLER LUXURY CONFERENCE 2011 – TELL **LISA MARIE TAN** WHY BUSINESSES PARLAYING THE GOOD LIFE ARE LOOKING KEENLY EAST





MIDST A GROWING DEBT CRISIS IN EUROPE and the US, and political unrest unabated in Africa and the Middle East, Asia seems to be marching to a different tune from the rest of the world. Yes, the globalised chain of effects will reach us, but for now, this new seat of luxury seems to be galloping ahead in full steam. Just this most recent quarter, the largest IPO launched in Asia was that of the Prada Group's \$2 billion listing in Hong Kong, with American leather goods company Coach Inc set to follow suit. Niche luxury motorcycle maker Ducati is said to be accelerating to the same footsteps.

The fact that Asian countries are chosen as secondary listing bases indicates the draw and power of these financial centres to raise the investment necessary for brand expansion; it also serves a dual purpose – as a marketing move designed to show commitment to the region. And showing the money is what Asia has been doing for a while now. The heads of various businesses and entities in Singapore will be able to affirm that specific large-scale plans have been put into place to market their products and services to this group. Six of these individuals – Manoj Murjani, chairman and chief executive officer of TWG Tea; Aw Kah Peng, chief executive of the Singapore Tourism Board; Ravi Thakran, managing director

*“The opening of once closed domestic economies and markets such as Russia, China, India and other emerging countries, have accounted for the evolution in luxury”*

MANOJ MURJANI



*“In a region that holds a growing sense of confidence and optimism about the future, there is a distinct link to aspiration and achievement”*

AW KAH PENG



*China's increasingly aggressive presence led to the growth of L Capital Asia, but it now faces the problem of shortage of space and manpower to meet demand*

RAVI THAKRAN

of L Capital Asia; Ho Kwon Ping, executive chairman of Banyan Tree Holdings; David Lim, chief executive officer of Bank Julius Baer Singapore; and Paul Harris, the Asia-Pacific regional director of Rolls-Royce – will be part of a dynamic exchange centred around marketing to the Asian luxury consumer at *Singapore Tatler's* very first Luxury Conference on October 5.

In a stagnating European and American market for luxury, Asia's voracious appetite for luxury travel, goods and experiences has seen it clock up €9 billion in consumer dollars last year, in China alone. That figure is set to reach €74 billion in the next decade. It is a shifting of luxury epicentre that luxury bosses have not failed to notice. Manoj Murjani of TWG Tea, the purveyors of fine teas, who will be speaking on “The Asian Dream” at the conference, notes, “The face of luxury has evolved as it follows the desires and choices of the affluent. Over the past decade, the opening of once closed domestic economies and markets such as Russia, China, India and other emerging countries, has accounted for the move. The high growing class of ‘nouveau rich’ has influenced luxury brands to enter those new markets as well as reignited travel to the already

established luxury markets of Paris, London and Hong Kong.”

L Capital Asia's Ravi Thakran could not agree more with why “Asia is A”, given that well-established top-tier luxury brands such as Louis Vuitton and Dom Perignon have reaped in double-digit growth from the region in recent years. Thakran, who will be sharing his perspective on the emergence of Asian luxury brands at the conference, comments on luxury's new challenges: “Managing Growth is now a Bigger Problem than Achieving Growth”. China's increasingly aggressive presence led the growth of L Capital's Asian faction, but now faces the real but “good problem” of shortage of space and manpower to meet demand. “Asia is now compelling,” adds Thakran.

Still, the very definition of what constitutes luxury is morphing as well. Aw Kah Peng, chief executive of the Singapore Tourism Board, says, “Luxury is, by definition, beyond basic necessities. But this definition is changing especially in Asia as it is not only about indulgence, but also about fulfilling aspirations. In a region that holds a growing sense of

**PURVEYORS  
OF LUXURY  
CLOCKWISE  
FROM LEFT**  
Manoj Murjani;  
Aw Kah Peng;  
Ravi Thakran



*“Luxury as a show-off – what I call bling-bling luxury – has become distasteful”*

HO KWON PING

*David Lim, CEO of Julius Baer Singapore, reports that “Asia’s wealth will triple by 2015”*

confidence and optimism about the future, there is a distinct link to aspiration and achievement. This has led to consumers being more prepared to ‘invest’ in luxury rather than just indulge.” This need to find that match between spend and desire for the luxury traveller to Singapore is one Aw will be discussing during the segment titled “A City that Inspires: Meeting the Needs of the Asian Traveller” at the conference.

Nevertheless, while the new masses of growing rich are lapping up the “smaller” luxuries, a new sub-market has begun to emerge and has gained the attention of sharp observers. Some, like luxury hotel group Banyan Tree Holdings’ executive chairman, Ho Kwon Ping, have opined, “In the aftermath of the recent financial crisis and facing the spectre of another, the conspicuous consumption which was the hallmark of the boom years globally has given way somewhat to a more muted appreciation of what truly is luxury. Luxury as a show-off – what I call bling-bling luxury – has become distasteful, and people are perhaps more appreciative of the values behind luxury products.” Expanding on the idea of the changing face of luxury, Ho will share his expertise on “Decency and Indecency: Luxury in Perspective” on October 5.

Paul Harris, the Asia-Pacific regional director of luxury car marque, Rolls-Royce, who will be leading the discussion on “Dynamic Growth: Rolls-Royce Motor Cars in the Asia Pacific” seems to agree with Ho, “There is a growing appreciation for individualisation in Asia – we are seeing a healthy rise in bespoke business.”

Offering another viewpoint on luxury is CEO of Julius Baer Singapore, David Lim. The 20-year banking veteran who has played a pivotal role in the private bank’s successful growth in Asia will

**HAUTE  
INFLUENCE  
CLOCKWISE  
FROM LEFT**  
Ho Kwon Ping;  
Paul Harris;  
David Lim



share at the conference his theory on “Lifestyle Index: A New Perspective on Luxury”.

As these captains of the luxury industry have distilled, selling a record number of haute bags, perfumes, yachts and experiences is what has drawn the world’s luxury brands to pay much attention to Asia, but the key to sustainable growth lies in answering the emotional satisfaction that these new luxury buyers seek. Murjani recalls one of his deepest etched tastes of luxury, a moment luxury purveyors will be seeking to re-create for time immemorial: “I recall purchasing my A. Lange & Sohne Zeitwerk watch, a masterpiece that was ‘impossible’ to

find. By chance, I stumbled upon the finest watch gallery in Milan that had just received the very piece I wanted. Although it was reserved for someone else, I continued chatting with the owner. I was on my way out when she called me back and said I could have it. I was so excited and nervous at the same time as I was not prepared to find my luxury.

“Often at the time of a luxury transaction, you feel a real ‘pinch’ in spending so much. However, it is a dream to reach that point when you can and have the means to complete that transaction. When you do, it leaves a sense of great enjoyment, achievement and a beautiful memory.” ■



*“There is a growing appreciation for individualisation in Asia – we are seeing a healthy rise in bespoke business”*

PAUL HARRIS

