

Technology key for yacht makers in Indian market

Italian boat makers say India needs to upgrade infrastructure by building marinas; taxes need to be lowered

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The emergence of new markets in Asia and South America is going to keep Italian makers of luxury boats busy over the coming years in more ways than one. Traditionally known for their designs, not only will these makers of luxury yachts need to innovate on design and layout, they will also have to step up technologically as they cater to young wealthy boys with a penchant for new toys that are faster and hipper.

Indian design is inspired by nature, says Giovanna Vitelli, corporate communications, legal and statutory affairs manager of **Azimut-Benetti Group**. Therefore, the designs of these yachts will have to be sophisticated yet warm.

"In the US, the kitchen is always close to the external area because they use it as a bar. In Europe, people like to have a



Value for money: Giovanna Vitelli of Azimut-Benetti Group says Indian buyers want to know which are the best accessories available and why something is more expensive.

closed kitchen," says Vitelli, a member of the board in the company that's a leading manufacturer of motor yachts. "In Brazil, we made special boats with big surfaces outside because Brazilians like the outdoors. Boats for the Arab world would be rich with lots of mosaic. Indian customers have a taste that can make a boat really special, rich, but not in the sense of an

Arab."

The difference in buyers from India is that they are money conscious and careful, says Giuseppe Zecchin, area manager, Asia Pacific, of the **Ferretti Group**, makers of probably the most expensive luxury yachts in the world.

"Indian buyers want to know which are the best accessories available and why something is

more expensive," says Zecchin. "He is sophisticated, thinks about the service, has a nautical background and has studied in Europe or US. He doesn't buy just because he saw it in a magazine."

Both Zecchin and Vitelli were in Mumbai for the Mint Luxury Conference on 25 and 26 March at the Taj Mahal Tower and Palace Hotel.

The difference between the old and the new market, Zecchin adds, is also the technological upgrades people seek.

This necessity to cater to newer demands has encouraged Italian companies to invest strongly in research and development. Azimut-Benetti has a workshop with 30 engineers working increasingly on robotics and to ensure old problems with electric systems, for instance, are solved.

"Italian shipyards for many years have been really good in design, but people said if you want to buy a reliable boat, you should go to the Dutch or the Germans," says Vitelli. "It was clearly our weakness compared to other big shipyards of northern countries. But we have caught up. Today, Dutch and German shipyards are suffering a bit in terms of sales. We have been good in combining the 'made in Italy' factor with technology and innovation while keeping the prices under control."

"It was a necessity for Italian shipyards to step up. Those who succeeded are more interesting now because they are combining craft with technology," she adds.

India might be a growing market but it still has some way to catch up with new enthusiasts from China, Brazil and Russia, apart from the traditional buyers from Europe and the US. For in-

stance, Vitelli says Azimut-Benetti sells about three-five units in India a year while the figure is 60-70 in Brazil. It's the reason why one of the company's nine shipyards is in Brazil, besides Turkey, the only production centres outside of Italy. While Zecchin could not give figures for Ferretti in India, he said the turnover from this country was 20% of the sales from Asia Pacific, which in turn is 15% of the global market. The cost of a luxury yacht varies depending on individual calibrations, with prices starting from "a couple of million euros", says Vitelli.

Both Vitelli and Zecchin agree India needs to upgrade on infrastructure by building marinas, which they will help push for with local administrations through their respective domestic partners—Ocean Blue for Azimut-Benetti and Marine Solutions for Ferretti. They also agreed taxes would need to get lower for buyers to get better prices.

"While many might say it's unpopular to speak about luxury, there are so many studies that prove how much employment and value for country can be created by luxury in general," says Vitelli. "It's something that's got to come in this country as well. Luxury is just a product, defined by the final user, not by the chain of people before."