

OUT OF HOME

Cultural integration needed to see success in emerging nations

October 17, 2014



Map of Faimont properties in China

By NANCY BUCKLEY

NEW YORK – Emerging countries are a subject of interest for many luxury marketers, but reaching the right consumer in these nations requires a focus on cultural integration, according to the “High-net-worth-individuals in BRIC-dom: Facts and myths about their consumption of luxury” session at Luxury Interactive 2014 Oct. 15.

Sign up now

Luxury Daily

Brazil, Russia, India and China have a large market of high-net-worth-individuals who are typically interested in purchasing luxury goods, but reaching these markets requires time and attention. The session focused on the cultural approaches brands need to take to integrate themselves into the BRICs and reach consumers appropriately.

“The biggest misconception is that high-net-worth-individuals who come from abroad, who come from global markets, actually can fit in these very predefined buckets,” said Thomai Serdari, director of research & adjunct associate professor at [New York University](#).

“Luxury is consumed in very different terms in Brazil than it is consumed in China,” she said. “When you have a global marketing strategy, yes it is global, but how local is it, how

do you localize it for your specific audience?"

Localizing

Luxury brands are constantly looking toward Brazil, Russia, India and especially China, but their marketing techniques often fail to adhere to local customs and trends.

Ms. Serdari showcased a few images of jade jewelry on a slide during her session. She asked the audience to identify the item that Chinese consumers liked the best. The images included a hair clip, a broche, a simple bangle bracelet, a cuff bracelet and others.

The simple bangle bracelet was the product most well received by the Chinese, not the top guess of the marketers in the room. Ms. Serdari did this to drive the idea that there is a disconnect between brands and consumers in emerging markets.

"We have our Western view of the world, number one," Ms. Serdari said. "Number two we have our very well defined top down strategy, because that is how luxury firms work.

"[Marketers need] to start thinking 'who is my ultra-high-net-worth-individual, what does he or she want to consume and where and how am I going to deliver?'"

Each community of ultra-high-net-worth-individuals is different and has a very particular character.



Thomai Serdari at Luxury Interactive

Brands often look at quantitative data about consumers, but not their customs and ways. From plain data marketers can see that the highest concentration of ultra-high-net-worth-individuals are in the United States and discern what they spend their money on, but the more important information is often lost.

The information about what might spark a surge of interest in a certain item or brand, the knowledge of who the goods are for, or how ultra-high-net-worth-individuals want to be treated. This information can only come from people who are immersed in the culture.

"What is missing is cultural insight that needs to be internal," Ms. Serdari said.

“To either partner with people who are bicultural—which is very different than bilingual, by the way—or to hire talent because even though it is expensive, [brands] will have much more return on their investment in the long term if [they] really have people who interpret who the local celebrity is, what TV show is watched, is there a Gossip Girl in Brazil, for example,” she said.

“[Brands should ask], are we going to showcase our merchandise with that particular platform? Why or why not?”

There is no typical consumer that brands can look at for guidance. By gaining cultural insights, brands can connect with ultra-high-net-worth-individuals more emotionally and create a loyal affiliation.

Individualized attention

Luxury brands are delving into more bespoke options and marketing, according to Wealth-X’s president at Luxury Retail Summit: Holiday Focus 2014.

Mr. Friedman spoke about the necessity among brands to understand their consumer, who they are, what they do and who their friends and family are in order to gain a full understanding of these individuals in order to effectively market. Luxury brands can learn from Wealth-X’s research on the ultra-high-net-worth individuals to create specific marketing strategy for the ultra-affluent ([see story](#)).

The individual relationship, regardless of culture, can give a brand an edge among the other luxury brands these ultra-high-net-worth-individuals have to choose from.

“Connections needs to be human and cultural,” Ms. Serdari said.

Final Take

Nancy Buckley, editorial assistant on Luxury Daily, New York

Embedded Video: [//www.youtube.com/embed/ewBpvqDX4pc](https://www.youtube.com/embed/ewBpvqDX4pc)

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.