

COLUMNS

Luxury brands need to change their marketing strategy for India

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In this era of globalization, it has now become crucial for any company to adapt to different marketing and sales strategies in tune with the cultural viewpoint of the desired economy.

Before entering any country, it is imperative for a brand to study the professional and personal culture, the preferences of prospective customers and the product-specific demands that they have. Only then can a company formulate marketing strategies that best suit the kind of market with which they are dealing.

Knowing your customers is the most important thing for a company. It is a well-established fact that what works for one market would not necessarily work for another.

Know your market

Taking into consideration the cultural influence of the society can benefit in creating a well-suited marketing strategy for an organization. These cultural aspects vary from societal dictation of being acceptable and unacceptable behavior, to symbols and languages in different countries and their meaning to the local audience.

Luxury brands that entered India are still not marketing themselves correctly, considering the potential of the market. These brands follow an approach of creating a niche that has been their go-to strategy in Western markets.

But does it really work in India?

Instead of being in the hindsight, they should be going all-in with their strategies by creating desire and by taking up good marketing techniques that not only reach luxury prospects but also educate them.

Indian consumers have not been educated about luxury and its various elements compared to the Western countries.

A desire for a product or service comes with knowledge about it, its appreciation and the reason why it is what it is. Till the time the Indian consumers are not made to understand the product and its associated value towards them, they will not be convinced to buy a luxury product.

It is all about answering the question, "Why is this product worth so much money?"

Investing money on marketing in India. Is it worth it?

Per recent reports from Deloitte, Asian economies have been growing at a consistent pace due to the increase in disposable personal income, with steady growth expected through 2028.

The Indian economy will be worth \$5 trillion in the next five years and \$10 trillion in eight years, according to McKinsey. This is helped by the increase in disposable income among young millennials who will account for most sales in the coming future. India is slowly and steadily taking center-stage for fashion with GDP expected to grow by 8 percent by 2022, per McKinsey & Co. It is no debate that the changing face of retail in India and changing consumer preferences along with increasing disposable income will transform India from a sourcing center to an attractive consumer market outside the West.

Greater appreciation for high-end luxury products, global trends awareness, rising aspirations and growing purchasing power across the middle and upper middle classes have also given a boost to sales of such global luxury brands.

With senior management in Indian companies accounting for more millennials than ever, there has been an apparent growth in tech-enabled services in the marketing landscape. These C-level employees, new emerging entrepreneurs, medical practitioners and the like have more income and inclination to learn about other cultures, fashion and luxury.

Since the Indian market has not matured to favor luxury with the same enthusiasm as other developed economies, it is the right time for luxury brands to break the rule of subtle marketing and go all-in to capture these prospects.

Findings that matters

I have been involved in a survey that included people from different walks of corporate life with the same question:

- Name five luxury brands that come to your mind this instant
- Why do you think you remember these names?

The majority of them came up with few common brand names, namely Louis Vuitton, Gucci and Armani. And when asked about the reason why they thought of them, they referred to the instances of witnessing counterfeit products, products owned by their friends and acquaintances, that sparked desire in them to know more about such brands.

There is no denying the fact that counterfeiting is something that is inevitable in a market, but this is where the need for communication arises for the luxury brand. There is an opportunity to create a better and lasting image in the Indian market and explaining why they are what they are.

With the increase in high-net-worth individuals by 53 percent between 2018-2023, India will host as many as 3,400 ultra-high-net-worth individuals worth more than \$50 million, according to the Credit Suisse Research Institute's 2018 Global Wealth Report.

Considering this market potential, a correct communication strategy should be used for these and HNW and UHNW individuals to make the best of their interest and purchasing power.

Creating a value proposition is key

Another survey that I underwent related to Berluti in New Delhi, India's capital. Almost 50 percent of customers who entered the store in New Delhi did not even know what the brand was and what was special about it. This is something that affects the brand because compared to brands such as Louis Vuitton and Gucci who have a good exposure in the Indian market due to counterfeit products, regional movies and music videos Berluti has done barely anything to explain itself to the prospective customer.

If the customer does not know who you are and what you do, there is no reason for her to think about you.

Creating a desire for the product and pairing it with the right marketing strategy that emphasises the reason why the luxury product is worth the money is what drives sales. This is how the automotive and hospitality sectors in India have created desire within, and successfully communicate, to their target audiences.

FASHION BRANDS are not communicating well with prospective Indian consumers who may be interested in their products, but are not aware of it.

To target new entrepreneurs from different industries and consumers who have low technical knowledge about luxury products, the brands need to teach them these concepts and technicalities of luxury products to generate more sales and create a loyal clientele. Brands need to create strategies that lead the Indian customer directly inside the store.

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