

Western fashion brands miss mark with Indian trendsetters

India has strong potential for fashion brands, but they must create an experience that is culturally relevant to consumers, say **Glyn Atwal** and **Shaziya Khan**

THE PROSPECT OF an economic slowdown in North America and Europe is forcing luxury fashion brands to focus their resources on big emerging markets. India is no exception.

The luxury fashion industry has identified India as a high growth market. According to the McKinsey Global Institute, India is projected to become the world's fifth-largest consumer market by 2025. Bain & Company reports that the global luxury industry will enter a recession in 2009 but emerging markets including Brazil, Russia, China and India will continue to enjoy strong growth.

There is no guarantee that all international players will benefit from these market opportunities. In China, many western luxury companies are still waiting to generate a profit after more than a decade of enticing the urban middle class.

Luxury fashion brands have to compete against other product and service categories, especially when consumer credit is hard to attain and the Indian stock market has plummeted. People are setting priorities as to which items they consider essential and which are luxuries.

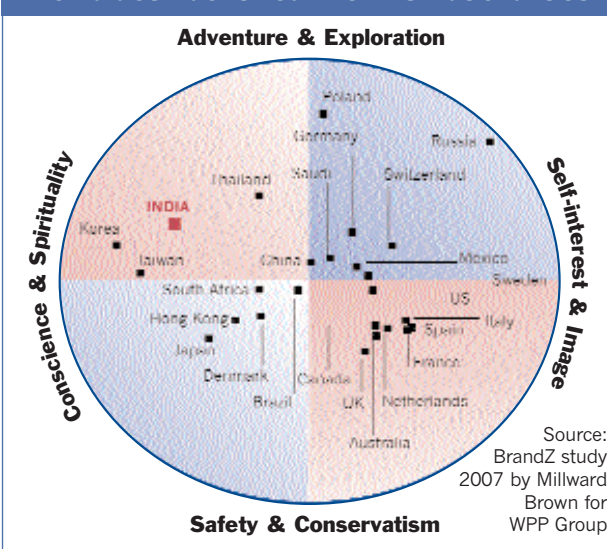
Consumers are focusing on high-end fashion brands that are coherent with their aspirations – that they see as most relevant. The challenge is not just generating brand awareness but developing an entity that will connect with Indian luxury consumers. But how? To answer this, we conducted a Mumbai-based research study involving focus groups with affluent consumers, followed by interviews with fashion store managers.

Consumer patterns

Luxury fashion has emerged as a popular conversational topic at university campuses and dinner parties. A McKinsey study reported that 82% of Indian female respondents, compared with 26% in China, look forward to shopping for clothes. Weddings are crucial for luxury fashion consumption; 40% of Indian mass-market consumers said their most important shopping occasions were for special events such as weddings and religious festivals. The wedding industry is estimated to be worth \$30 billion and the

FIGURE 1

'Life values' identified with 25 nationalities



top segment of the wedding industry is reported to be growing at 25% per year.

However, demand for high-end fashion brands stems from the consumer pursuit of self-esteem. Our research revealed that female shoppers are becoming increasingly fashion-conscious. Fashion in India has become a vehicle for social identification and distinction.

Competitive landscape

India is not only open to western designer brands but also home to domestic talent and a long-running royal patronage of luxury. Only one foreign fashion label – Gucci – was mentioned as a top-ten luxury brand in India, according to a *Time* survey. The Indian edition of *Vogue* has become a showcase for Indian designers.

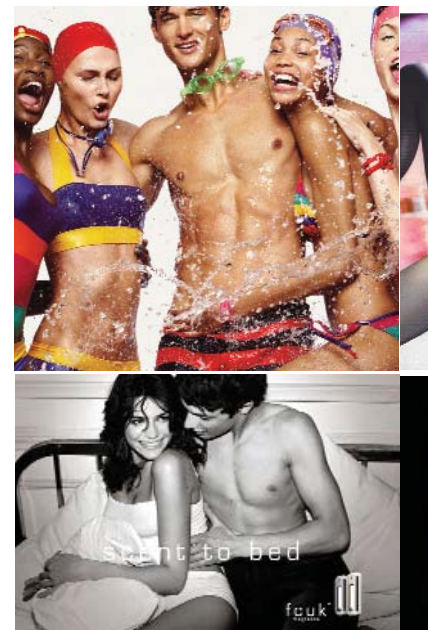
But not all high-end fashion brands are alike and we need to differentiate between different levels of luxury. Fashion brands at the high end, such as Prada and Gucci, are accessible exclusively to the super-rich elite. But it's the impact of mainstream fashion brands that is defining a culture of mass fashion consumption. Labels such as Benetton, FCUK and Tommy Hilfiger are seen as premium in an Indian context, but are increasingly affordable as consumers trade up.

The consumption of luxury is essen-

tially about the consumption of values. Modern Indian society has evolved through three phases: first, the pre-independence period characterised by the Gandhian philosophy of simple living; second, post-independence, typified by socialist ideology; third, economic liberalisation during the 1990s and development of contemporary consumption culture.

A classification of consumer 'life values', developed by Millward Brown, shows that Indian society encompasses a distinctive Indian cultural identity (Figure 1). Those who feel that 'having fun' and 'excitement' are more important than 'tradition' and 'certainty' would bias towards 'adventure' and 'exploration', rather than 'safety' and 'conservatism'. Although it is widely accepted that Indian society is governed by conservative social norms, Indian consumers are outward-looking and driven by a sense of creativity, difference and idealism.

Those who chose 'creativity', 'tolerance' and 'helping others' over 'achievement' and 'influence' would veer toward 'conscience' and 'spirituality', rather than 'self interest' and 'image'. Here, Indian consumers have a predisposition for virtue and perfection, supporting the view that the philosophy of Gandhi is still evident in contemporary Indian society.





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Benetton (far left, top) and FCUK are seen as premium brands in India, whereas Prada and Gucci are the preserve of a super-rich elite

satisfaction. Young and aspiring professionals, referred to as the “because I’m worth it” generation (1), are striving for personal gratification.

A universal feature of luxury fashion consumption is the desire of consumers to transform from actual self to idealised self: to feel like a goddess at a wedding, be respected as the perfect host or be admired as a trendsetter. Edwards and Day (2) describe the role of the brand as to guide consumers practically and symbolically: “It is the self they imagine in moments of reflection, the self they aspire to, the self they believe, often against all evidence, that they could become.”

Experiential constructs

Pine and Gilmore (3) suggest we think about experiences across two bipolar constructs – customer participation and connection. Atwal and Williams (4) adapted this model based on customer involvement and intensity to identify four ‘experiential zones’: Entertainment, Education, Escapist and Aesthetic. These are not intended to be mutually exclusive; the richness of an experience is, however, a function of the degree to which all four zones are incorporated (Figure 2).

Those experiences we think of as Entertainment, such as fashion shows at designer boutiques in Mumbai or Delhi, involve a low degree of customer involvement and intensiveness. The challenge for luxury fashion marketers is to incorporate entertainment into areas outside the immediate experience. A striking example is from China, where Fendi staged a spectacular show on the Great Wall of China in 2007.

Activities in the Educational zone include those where participants are more actively involved, but the level of intensiveness is still low. In this zone, participants acquire new skills and knowledge, or increase those they already have. Our research found that Indian women want to know more about luxury fashion: what is ‘in’ and what is ‘out’? Is the brand French or Italian? Education or ‘Edutainment’ here is an important source of authority and confidence.

Escapist activities involve a high de-

gree of involvement and intensiveness, and are a central feature of luxury fashion consumption. Celebrity endorsements, in particular those of Bollywood stars, can play an important role in helping to create new identities and realities.

When the element of activity is reduced to a more passive involvement in nature, the event becomes Aesthetic. For example, the flagship store of Indian designer JJ Valaya in New Delhi uses dramatic lighting and artistic displays to create a unique browsing and in-store shopping experience.

Underpinning experiential marketing is the notion that experiences are central to luxury fashion consumption. Pine and Gilmore (5) explained their view of experiential marketing thus: “When a person buys a service, he purchases a set of intangible activities on his behalf. But when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages to engage him in a personal way.”

While there are evidently successes, many international luxury fashion brands are still failing to connect with the Indian consumer. Luxury fashion brands need to stay in front of luxury consumers, through new and different ways to express luxury consumers’ desires. The winners will be those brands that maximise the luxury fashion experience. Time could soon be running out.

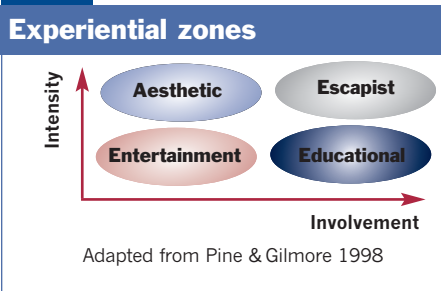
1. G Atwal & S Khan, *Luxury marketing in India: ‘Because I’m worth it’*, *Admap* 491, Feb 2008
2. H Edwards, H and D Day, *Creating Passion Brands*. Kogan Page, 2007
3. BJ Pine and JH Gilmore, *Welcome to the Experience Economy*. *Harvard Business Review*, July/August, 1998
4. G Atwal and A Williams: *Luxury Brand Marketing – The experience is everything* *Journal of Brand Management* (accepted for publication)
5. BJ Pine and JH Gilmore, *The Experience Economy*. Harvard Business School Press, 1999

We translated these values and beliefs in the context of luxury fashion consumption and found motivations that influence consumption are both intrinsic and extrinsic. The sense of experimentation, fantasy and adventure is reflected in traditional and contemporary Indian fashion designs that cover a range of colours, forms and textures unmatched in the West. Respondents described the thrill of the shopping experience – browsing, choosing and ultimately buying a garment to wear for a special occasion.

Proud owners

Our findings supported the commonly-held belief that the acquisition of high-end fashion brands is status-driven. However, we found it was the pride of ownership that gives consumers real personal

FIGURE 2



 **More on fashion branding in India at WARC Online**

