



The Luxury Consumer in  
India: 4 Insights for  
Premium Brand Marketers

## **Why Luxury Brand Marketers Should Care About India**

India is one of the world's largest and fastest-growing markets for prestige products. The luxury industry in this country has been growing at the breakneck pace of 25% per year, with annual sales expected to reach \$15 billion by 2015.

Driving this growth is a growing population of upper-middle and upper class consumers with an increasing appreciation for global luxury brands. Globalization and the spread of social technologies have the Indian population more plugged in to trends in fashion, electronics, and cars – three of their largest growing sectors for luxury products. Rising income levels have led to greater purchasing power and accessibility to these products that were previously exclusive to the uber-rich.

Prestige brands are eyeing India as their next big international destination, perhaps second only to China ([link to China post](#)). In light of this opportunity, VCN connected with Delhi-based consumers to gain insight into why they purchase luxury goods. Consumers documented their daily lives through blogs, diary entries, photos and videos. We then followed up with them via video chat in order to better understand their mentality about luxury products.

Here are the four most interesting things we learned about why Indian consumers purchase luxury goods.

### **1. Luxury Products Are a Conduit to Compliments and Confidence**

The people our respondents most wanted to impress were their families, their friends and themselves. Owning and wearing luxury products were described as a means of achieving this approval from self and others.

Indian people regularly invite family and friends over, and as such – they see their homes as a showcase for their values and achievements. When complimented on an aspect of the home, this serves to validate

their choices and success.

Beyond the compliments received from others, there were also internal manifestations of luxury. As one respondent explained about her favorite prestige cosmetic product, *“without applying this my skin doesn’t glow and I don’t even feel confident.”*

Another respondent described why she treasured her alone time using luxury beauty products: *“One can be with oneself and introspect. It gives space and time to me. Beauty and grooming is the time for self appreciation. It is a huge confidence builder and image booster!”*

As such, the confidence gained from using luxury products goes beyond someone admiring the “LV” monogram print on your handbag. The feeling of validation can often come indirectly, from your personal knowledge of what’s making you look so good, or what’s made your cooking so delicious.

*“This microwave has made my life very easy and effortless, as my husband is very fond of different food. With the help of this only I am able to make different things at home and can get compliments from my husband!”*

## **2. Luxury Products Strengthen Family Relationships**

The previous quote points to another truth: luxury items are viewed as a means to improving one’s role in the family dynamic. Though all of our female respondents had jobs, they fulfilled very traditional roles in the home – serving their husbands, overseeing their children and managing the cooking and cleaning (even if that mostly meant managing the servants that did these jobs for them).

As such, luxury products were seen as a way to be a better spouse and have a happier home life. Kitchen appliances help reduce stress and keep food on the table, so the wife can please the husband. Jewelry and accessories were seen as a way for the husband to show appreciation and love for his wife. On one of her most prized possessions, one female respondent explained:

*“This is my engagement ring, the first gift from heart given to me by my*

*husband. It is a diamond ring specially purchased from London for me by my husband as I told him that my best friend used to shop from abroad then my husband said you do not worry you will also have the things from abroad. That thing makes me more happy and proud that my husband really cares [about] me. it makes me feel that my husband will always respect my feelings.”*

### **3. Luxury Products Represent Comfort**

Whether discussing cars, appliances or electronic gadgets – our respondents greatly favored products that made life easier by improving physical comfort. Among these necessities, items that mitigate heat were mentioned frequently:

*“[My air conditioner] is a luxury in my life because It gives me cooling in my room. Whenever I am tired with my household work, an air conditioner can help me calm my mood and become fresh as before. It helps me get rid of the heat of Delhi.”*

Besides respite from the extreme heat, luxury products were seen as a source of relief from the stresses of everyday life. In particular, our respondents spoke to items in their home that gave them a place to escape and relax.

*“Bathtub is another luxury. One can sit in the bathtub for hours with bubble bath and a drink. The candle light and fragrance can be a lethal combination for an extravagant stay. I feel refreshed just by the sheer thought of it. It soothes my nerves especially during a tough phase.”*

### **4. Luxury Is Where Practicality Meets Emotion**

One thing that set the Indian consumer apart from our respondents in other Asian countries was the type of items they identified as their most prized possessions. Categories like clothing, accessories and jewelry were mentioned far less frequently than those with a more functional benefit.

Amongst the most commonly cited luxury items were household appliances, laptops, smartphones and cars. These were seen as essential

necessities for accomplishing household chores, working, and staying connected. The excitement for innovative technology was palpable in this respondent's blog entry on his favorite luxury products:

*"My Laptop! [It] helps me in my assignments plus lets me surf the net anytime I want... My new PHONE! Which my brother gifted recently. It's awesome as hell! Whatsapp, Facebook and the games apps! Just WONDERFUL!"*

While practicality is certainly an overarching theme, there is a strong emotional dimension to our respondents' connection with these items. Their laptop helps them feel accomplished, their microwave helps them feel like a good homemaker, and their car stands as an expression of independence and personality.

*"My personal grey color Honda city makes me feels luxury and as I am working in corporate so my car suits my personality and fulfill my requirements also. In office and for shopping both. It perfectly fits in my life."*

### **Key Takeaways for Luxury Marketers**

Brands looking to penetrate the Indian luxury market should present their product as delivering both convenience and social status. While the Indian consumer values practicality above all, they want the products they buy for their functional benefits to resonate emotionally. They want to know that beyond making their life easier, buying your brand will result in more compliments and self-confidence when going about town, more comfort and better family relationships while at home. Keep these themes in mind when crafting brand messaging, using visuals and copy that speak to the Indian consumer's values and mentality about luxury products.

Marketers should also leverage the highly connected and tech-savvy nature of this demographic, using online tools to generate brand awareness and affinity. "I can't live without this" said one of our respondents, pointing at this smartphone.

While India's luxury market is booming, it is still relatively young. This means there is plenty of opportunity for marketers to create demand for brands that are new to India. After all, we found that across all categories, international brands carried more status than local Indian brands. By positioning them as the "big thing" abroad and reaching consumers with the right message through the devices they can't live without – marketers can find success in the Indian luxury market.