

Psychological and cultural insights into consumption of luxury Western brands in India

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Abstract India has always had wealthy elites such as the maharajas, upper class and royalty that consume luxury products throughout its consumption history. The relatively recent economic rise of the middle class with an increase in disposable income is leading to consumption of luxury en mass. This qualitative study examines why consumers buy luxury, what they believe luxury is and how their perception of luxury impacts buying behaviour in the context of India. The present study explores luxury constructs drawn from the literature and provides some explanation for luxury consumption behaviour in India. The findings reveal that psychological and cultural factors in Indian society play a major part in shaping luxury consumption. While the findings suggest little support for homogenous luxury preference, Indian consumers share cultural characteristics of lavish consumption of luxury and display of wealth in social functions. Luxury reflects conspicuous consumption and status, and signals wealth for individuals, and conveys social identity and status in Indian society.

Keywords Luxury perception, Indian luxury consumption, Culture-Psychology

INTRODUCTION

Historically, luxury has always been a privilege of the ruling and aristocratic class; world of old money and royalty (Wong and Ahuvia 1998). The consumption-based orientation to happiness seeking has commonly been labelled as a Western characteristic (Ger and Belk 1996). While high levels of luxury consumption have

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existed for a few people in many different cultures throughout history, it has spread to entire populations only within the past century (Belk 1988; Carrier 1992; Mason 1981; Page 1992). In recent years, the Indian middle class joined the luxury consumption like their counterparts in the west and it can be argued that the same process of luxury consumption would also occur in India. In this sense, luxury consumption behaviour can be examined by comparing Western independent and Far Eastern interdependent cultural dimensions (Hofstede 1980; Markus and Kitayama 1991). Consequently, the predilection for luxury goods or Western luxury brands is envisioned as conspicuous consumption and materialism in Far Eastern cultures (e.g., Brannen 1992, 1996; Ger and Belk 1996). Although luxury has traditionally been defined in terms of rarity, exclusivity and uniqueness, it is being quintessentially challenged by “*overexposure and accessibility to brands and products that were once considered a privilege*” (Nia and Zaichkowsky 2000). In other words, the consumer has become more aware, sometimes an expert, in terms of luxury products, which considerably affects consumer segmentation. Together with rapid dissemination of information in the Internet era, global production of luxury goods and globalisation of consumer culture (Nia and Zaichkowsky 2000; Steenkamp, Batra and Alden 2003; Zhou, Teng and Poon 2008) are increasingly blurring a fixed single cultural identity of luxury consumption. The potential convergence of different cultures, and accumulated differences between Western and non-Western cultures leave a gap in understanding perception and evolution of luxury goods consumption in non-Western culture. Furthermore, no research has examined perceptions of luxury consumption in India despite the diversity of its culture and significance of the Indian consumer market.

Although many global luxury companies recognise the high potential of future growth in Asia, marketers need to have insights about the new consumer they target. According to LVMH and Boston Consulting Group, the role of new developing markets, such as Russia, China and India, in luxury consumption has been growing dramatically since 2001. India has been considered as a “*promising territory for the future and a long-term player*”. For example, a survey conducted by AT Kearney estimates that the Indian luxury market is worth \$377 million and is likely to grow at an annual rate of 28% in the next three years (Atwal and Khan 2008). In India, luxury brands have to find a way to blend in with the milieu of local traditions (Chadha and Husband 2007). While it is true that Indians are moving towards Western clothing, they continue to wear ethnic outfits proudly. Furthermore, there is a huge biosocial diversity, by a range of not only religions and castes, but also regions, languages, skin tones, physical builds, and most importantly, value systems. For example, the Louis Vuitton store in Delhi has been successful from day one whereas business in the Bombay store has been much slower. In brief, there are many contradictory faces of India, and understanding each of them is the luxury marketers’ biggest challenge in order to successfully tap into the Indian market. However, little empirical attention within the marketing-related literature has been devoted to the Indian consumer perception of luxury. This is surprising when there is a general consensus to identify India as the second future power after China.

Thus, this study examines why Indian consumers buy luxury goods, what they believe luxury to be and how their perception of luxury impacts behaviour. These questions attempt to explore whether cultural meanings of luxury consumption are associated with Indian traditions or global consumer culture, and offer some empirical explanation of what constitutes luxury in a non-Western culture or in the context of India. Specifically, key research questions focus on examining: (1) consumer

behaviour and psychology of luxury consumption, and (2) cultural influences of global consumer culture in terms of the relationship between national culture and consumption of global luxury brands. The relevant constructs are conceptualised either as manifest of basic human psychological motivations or cultural influences for luxury goods consumption in a non-Western context of India. Qualitative data are obtained from three major Indian cities (Delhi, Mumbai and Calcutta) and analysed using qualitative data analysis techniques and Nvivo7 software.

This study contributes to theory with evidence about perceptions of luxury consumption behaviour in India. As a starting point, this study examines the relevance of Western meanings of luxury consumption beyond a single comparative perspective of cultural analysis by integrating consumer psychology and culture for understanding luxury-goods consumption. In particular, Western perceptions of luxury are not only different from Far Eastern culture based on Confucian collectivism but also both Western and Far Eastern cultures may be different from Indian culture. The present study proposes a framework to advance some knowledge of inherently manifest cultural values that influence luxury goods consumption in India.

THEORETICAL BACKGROUND

There is no consensus in the literature on what constitutes luxury across cultures. While meanings of luxury consumption of non-Western consumers may not be similar to Western consumers or difficult to transfer across cultures (Linton 1936; Brannen 1992), it can be argued that consumer behaviour and psychology of luxury consumption is relatively similar in different cultures. For example, East Asian consumers' predilection for luxury may correspond with Western-style materialist values (Brannen 1992). Prior research has mainly examined individual constructs of luxury or conceptual models of luxury developed in the Western context. To date, only a few studies have explored how luxury consumption differs between emerging countries and western cultures. While there have been studies on Eastern Asian consumer perception of luxury, no study has yet examined the Indian consumer perception of luxury. Wong and Ahuvia (1998) contend that luxury goods consumption patterns need to be examined in light of the specific cultural context in which it takes place. In addition, luxury consumption might be influenced by national culture as well as global consumer culture through emergence of global brands. Given the absence of an established luxury consumption model developed in the Asian context and the potential similarity of the process of luxury consumption between the west and India following increase in disposable income leading to higher purchasing power, this study draws on Vigneron and Johnson's (2004) model of luxury perceptions as a basis for understanding and analysing luxury consumption in India.

Consumer behaviour and luxury consumption

Consumer behaviour can affect luxury consumption such as an individual's identity, consumption habit and symbols associated with luxury possession (e.g., Schouten 1991; Slama, Wolfe and Clark 1999; Phillips 2003). The behavioural motivation of luxury perceptions can be examined in terms of non-personal perceptions and personal perceptions (Vigneron and Johnson 1999, 2004). Non-personal perceptions of luxury are based on opinions, influences and suggestions of interactions with

others (Groth and McDaniel 1993) whereas personal perceptions of luxury are based on feelings and emotions (Dubois and Laurent 1996). In consumer psychology, non-personal perceptions of luxury include: (1) perceived conspicuousness (Veblen 1899; Bearden and Etzel 1982), which suggests that possession of luxury signifies social position, representation and status (Vigneron and Johnson 2004). For instance, conspicuous consumption is susceptible to behaviour of reference groups such as by associating luxury brands with famous personalities in marketing luxury goods. (2) Perceived uniqueness (Lynn 1991; Snyder and Fromkin 1977) conveys a sense of exclusivity that is often linked to expensive pricing of luxury goods (Verhallen 1982; Lynn 1991; Pantzalis 1995; Groth and McDaniel 1993; Verhallen and Robben 1994). Uniqueness enhances one's self image and social image by adhering to one's personal taste, or breaking the rules, or avoiding similar consumption (Tian, Bearden and Hunter 2002). Perceived quality (Garfein 1989; Quelch 1987; Aaker 1991) gives an indication of greater quality from luxury brands and reassurance compared to non-luxury brands (Rao and Monroe 1989).

In contrast, personal perceptions of luxury are captured by two concepts: (1) perceived extended self refers to an extension of one's self to integrate symbolic meanings and/or to classify and distinguish from others (Belk 1988; Holt 1995). (2) Perceived hedonism relates to personal rewards and fulfilment of subjective emotional benefits from luxury consumption (Sheth, Newman and Gross 1991; Westbrook and Oliver 1991) such as sensory gratification (Rossiter and Percy 1997) and sensory pleasure (Hirschman and Holbrook 1982). Vickers and Renand (2003) examine these two concepts by comparing and extending personal perceptions of luxury to functional, experimental and symbolic interactions. Functional interactions deal with whether the features of the product could solve a current problem or prevent a potential one due to superior quality and strength or durability. This addresses the utility of luxury goods including product quality, service excellence and aesthetic design rather than non-personal perceptions and external motivations. Experimental interactions consider if the product features could stimulate sensory pleasure and hedonic consumption, such as traditional and exclusive design, special richness and tone of decoration. Symbolic interactions focus on whether the product features relate to status, self-enhancement, and group membership such as a prestigious name or recognisable designer style. However, these behavioural and psychological perceptions of luxury have not been examined with regards to global consumer culture and non-Western culture in the context of India.

Socio-economic factors and luxury consumption

The number of consumers able to enter the market for luxury goods is growing rapidly worldwide as previously communist countries turn to capitalism, and as formerly third-world economies become more affluent (Dubois and Duquesne 1993; Wong and Ahuvia 1998). There is a direct relationship between economic growth and increased expenditures for luxuries. This concurs with the standard economic price theory that the rich consume more luxuries because they have more wealth. The emerging Indian economy and its large population are alluring traits of the potential of Indian luxury markets. India has been identified as the next major luxury market after China with many foreign brands starting to establishing their presence (Lowther 2005). While India's potential for luxury consumption may have been postponed due to wealth short falls (Ikeda 2006), the presence of financial support from the typically extended family structure in India may provide some explanation for the

strong demand and affordability of luxury goods. In addition, prices of luxury goods are considerably lower in East Asia because American and European luxury goods retailers often make a sizeable proportion of their sales to East Asian consumers (Hooper 1997; Powell 1990).

The spread of luxury brands to developing countries or mass consumption is often associated with mass and prestige (masstige) brands emerged in the West rather than very expensive and exclusive brands. As India is undergoing major infrastructural development, it would be a logical starting point to examine luxury consumption with reference to masstige brands for the mass market or display of luxury consumption. As Chadha and Husband (2007) point out, Indian consumers are at the show-off stage of luxury consumption that reflects big-name foreign brands or masstige brands. They conceptualise possession of luxury brands as symbols of modernity and as progression of economic and social development in five stages: (i) subjugation, (ii) start of money, (iii) show-off, (iv) fit in, and (v) way of life. Japan is considered to be at the last stage way of life but for developing countries when wealth has only been acquired by certain segments of society, luxury consumption demonstrates economic status in the most conspicuous manner. While there are similarities between India and China in terms of size of populations and their fast growing economies, Indian consumers' perceptions of luxury are different from China and cultural values play a big part in India's luxury consumption (Lowther 2005; Chadha and Husband 2007). Unlike Japan and China in terms of how Western brands entered these countries through economic growth and political liberation, India remains very unique with enduring lifestyles and tastes (Lowther 2005).

Culture and luxury consumption

Culture can be defined as collective programming of the mind that distinguishes the members of one group or category of people from another (Hofstede 1980). Culture can exert a powerful influence on people's valuation of wealth and luxury (Rose and DeJesus 2007; Rahtz, Sirgy and Meadow 1989). Cultural norms and beliefs are powerful forces shaping people's perceptions, disposition and behaviour (Markus and Kitayama 1991). Western cultural values are well established in existing consumer theory as regards luxury consumption (Wong and Ahuvia 1998). The potential differences that exist between Western concepts of luxury and Indian values of luxury consumption have not yet been empirically examined. While prior research has examined and compared Western and East Asian cultures, Indian cultural values may not exhibit all aspects of a collectivist East Asian tradition. Hofstede's (1980, 1991, 2001) extensive research on culture has found that the East Asian culture of interdependent values differs from Western independent values. Lindridge and Dibb (2003) suggest that Indians may share similar interdependent cultural values of Confucian collectivism. Hofstede (1980) has identified five cultural dimensions of interdependent versus dependent cultural values: power distance, individualism and collectivism, masculinity and femininity, uncertainty avoidance, and short and long-term orientation. These five cultural dimensions can serve as the basis for comparing Western and non-Western or Indian cultures. Specifically, power distance is prevalent in a hierarchical society and hence luxury consumption may distinguish an individual's status in the society (Heisley and Cours 2007). A collective culture is representative of Asian values such as behavioural norms of displaying wealth through luxury possessions. Masculine traits of achievement, assertion and performance may be conveyed in terms of success and luxury consumption. Societies with high

uncertainty avoidance tend to follow acceptable norms and reference groups, which may explain the popularity of some foreign masstige luxury brands. Contrary to the short-term orientation of Western culture, long-term orientation emphasises ordering relationships such as perceived status and class of luxury possession in the society.

Global demand for luxury goods can be argued as being part of global consumer culture. In this sense, global luxury brands may convey universal recognition and transfer across cultures. Wiedmann et al. (2007, p.3) note that "*there is no understanding of luxury conceivable which is nationally or regionally bound*" on the world marketplace. Instead, questions such as which luxury products are more or less accepted in which countries would be more relevant, however it does not impact on the basic dimensions of luxury perceptions. They argue that although consumers in different parts of the world buy or wish to buy luxury products for apparently varied reasons, they possess similar values and regardless of their country of origin, their basic motivational drivers are the same: the financial, functional, personal and social dimensions of luxury value perceptions. The emergence of global consumer culture has made companies alter their brand portfolios in favour of global brands (Quelch 1999; 2003; Zhou, Teng and Poon 2008) or globally shared consumption symbols in their marketing communications (Alden, Steenkamp and Batra 1999). Steenkamp, Batra and Alden (2003) note that consumers are likely to perceive brand globalness to be positively associated with perceived quality, perceived prestige and purchase intentions of a brand over local competitors, even when quality and value are not objectively superior. But this is limited to a brand specific context (Batra et al. 2000) and it is unclear whether consumer preference for a global brand is also part of local (national) cultural influences or a combination of social and psychological factors in global consumer culture. For example, it is not clear whether perceptions of luxury consumption in India are linked to convergence of national culture and global consumer culture or the globalness of a brand. It is important to recognise the influence of Bollywood celebrity on Indian culture (The FT 2010) such as through endorsement of luxury brands. The glamour and fame of Bollywood could influence India's perceptions of luxury and gradually contribute to the national culture. Thus, Hofstede's (1980) theory of cultural dimensions can exert powerful influences on people's valuation of wealth and luxury (Rose and DeJesus 2007; Rahtz, Sirgy and Meadow 1989).

METHODOLOGY

Research context

In 2006, India recorded an annual growth of 25% in the luxury goods market (Business Wire 2007) and the number of high net worth individuals increased by 20.5% (Merrill Lynch and Cap Gemini 2007). The number of middle class people in India is expected to grow from 5% to 41% of the population to become the world's fifth largest consumer market by 2025 (Atwal and Khan 2008). The accelerating pace of economic growth has improved the quality of socio-economic and political conditions of in the country through better distribution of wealth and spending on luxury products. But the relatively low number of the current middle class population suggests that the existing growth of luxury markets is dominated by popular foreign Western brands and hence, luxury is broadly categorised to include masstige brands. While there is a growing trend that Indian consumers accept Western fashion and

styles, one cannot generalise Western perceptions of luxury in the Indian context without consideration of cultural factors (Wong and Ahuvia 1988). For example, Indian consumers show continued preference for ethnic outfits as well as predilection for foreign luxury brands (Lowther 2005).

Research design

The lack of theorised understanding about perceptions of luxury consumption in India against the backdrop of established consumer psychology and cultural perspectives calls for a flexible and open approach to the research enquiry. As such, this study is based on interpretive philosophy, in that existing theories guide the research and the phenomenon of interest in the data to provide the basis for theory testing and development. Specifically, this study used focus groups and personal interview techniques to develop in-depth knowledge and understand consumer perceptions of luxury. Data were collected from three major cities in India: Delhi, Mumbai and Calcutta (Kolkata). These major Indian cities located geographically apart from each other were chosen to reflect India's diversity. Delhi and Mumbai are the two main cities where one can easily purchase luxury products. Although Calcutta has been considered as one of the poorest cities in Asia, the city's fame for its craftsmanship attracts many Indians to buy traditional Indian jewellery and clothing. The three cities of this study would provide contrasting differences of luxury consumption ranging from western luxury brands to high quality traditional crafts. The choice of different cities would help the study to capture any differences and/or missing dimensions of the analysis of luxury for the three cities. Data collection was based on two criteria; that respondents earn an average annual income of between US\$5,000 and US\$25,000; and that they are degree holders or at managerial level in their occupation. Although the average income may be low compared to developed countries, the cost of living and prices of goods in India are relatively low. The data were analysed using qualitative techniques complemented by a software programme, Nvivo7.

Data collection

The choice of the three cities was also influenced by the availability of a household directory from a local market research agency. A list of 200 households from each city was developed and 100 respondents were randomly selected for interview. These cities provided a broad coverage of the city-based population in India. City-based populations are likely to be exposed to global brands and trends of luxury consumption for the purpose of this study. All interviews were conducted in English to help reduce misrepresentation of meanings due to translation (Milliman and Glinow 1998). The data collection exercise was guided by the constructs (measures) reviewed in the previous section (see Table 1, overleaf). Table 2 (overleaf) summarises descriptive information about respondents from three different cities. While it is recognised that there are differences in subcultures between the three cities, this study did not focus on subcultures.

The data collection process comprised of two phases: (1) a focus group and (2) interviews. A focus group of eight Indian nationals was conducted in March 2008 to obtain information about participants' attitude and perception towards luxury brands in terms of the extent to which research questions are informed by existing theories. The participants were from a mixture of demographic profiles and were selected using informal contacts in Mumbai. They were seated in a circle to

TABLE 1 Sources of constructs and scale items

Constructs	Scale items / questions
Individual & psychological factors (Vigneron and Johnson 1999, 2004)	Luxury has been described as:
Conspicuousness	Conspicuous/noticeable, popular/elitist, affordable/extremely expensive, for wealthy/for well-off
Uniqueness	Fairly exclusive/very exclusive, precious/valuable, rare/uncommon, unique/unusual
Quality	Crafted/manufactured, upmarket/luxurious, best quality/good quality, sophisticated/original, superior/better
Hedonism	Exquisite/tasteful, attractive/glamorous, stunning/memorable
Extended self	Leading/influential, very powerful/fairly powerful, rewarding/pleasing, successful/well regarded
National culture (Hofstede 1980)	Luxury defines the extent of the following characteristics:
Power distance	Degree of acceptable social inequalities: wealth, status, talent
Individualism/collectivism	Degree of distance in social relationships
Masculinity/femininity	Degree of tendency to value achievement, assertion and performance
Uncertainty avoidance	The level of discomfort with the unknown future
Short/long-term orientation	Ordering relationships by status, gifts, favours, respect for traditions
Global consumer culture (Zhou et al. 2008)	Description of luxury fits:
Conformity to consumption trend	It makes one feel good in his/her social group It makes one have the sense of global belonging It makes one have good impression on others It makes one feel closer to contemporary lifestyle
Quality perception	It has a very high quality image It has a very high level of reliability It is associated with the latest technology It is associated with long-lasting quality
Social prestige	It signifies one's trendy image It represents the latest lifestyles It symbolizes one's social status It is associated with the symbol of prestige

TABLE 2 Descriptive information on respondents

	Delhi	Mumbai	Calcutta
Age group			
25 < 35	6	17	7
35 < 45	10	14	11
45 < 55	4	3	9
55 >	7		5
Highest level of education			
High School	8	5	9
College	11	10	7
University	8	19	16
Gender			
Male	12	16	12
Female	15	18	20
Occupation			
Professional	12	15	9
Civil servant	4	6	10
White collar	11	13	13
Annual income US\$			
5000 < 10500	16	21	18
10600 < 20500	5	4	6
20600 < 24900	6	6	7
25,000 >		3	1
Marital status			
Single	8	14	5
Married	19	20	27
Number of children			
0	8	16	15
1	5	8	9
2	12	7	5
3 or more	2	3	3

encourage interaction and eye contact with two flipcharts showing popular luxury brands (e.g., Versace, Gucci, Vacheron Constantin). This evoked participants' feelings and perceptions about Western brands and global trends in luxury consumption. The focus group lasted for about one-hour and 15 minutes. It was digitally recorded with prior consent from participants and notes were taken to help capture nuances and participants' reactions in body language, e.g., self-confidence portrayed through seating posture and eye contact.

The second phase consisted of a total of 35 personal interviews and 58 telephone interviews conducted between May 2008 and November 2008. The interviews allowed the researchers to probe and examine evidence of behavioural and psychological factors or processes that influence perceptions of luxury and lead to consumption. The scale items of the constructs served as an interview guide (Table 1) for achieving consistency by covering the questions related to the constructs. This study commissioned local market research agencies to collect data from three different cities. A face-to-face interview was first attempted with potential respondents. If

respondents were unavailable or unable to meet for face-to-face interview, the option of a telephone interview was suggested. This flexibility was deemed necessary to meet budget constraints and the time required to conduct face-to-face interviews with respondents located in three different cities. While the suitability of these two interview techniques depends on the nature and sensitivity of the topic under investigation, it can be seen that the coverage of relatively straightforward questions as opposed to complex questions would not affect the use of two different interview techniques to generate reliable answers. Moreover, the use of different interview techniques can help counter the disadvantages inherent in a specific research technique (Malhotra 2007). On average each interview lasted about 35 minutes and was recorded with prior consent from respondents.

Data analysis

The data were analysed during the process of data collection and responses entered for data processing using Nvivo7 software. Data were transcribed using the interview guide as a template to reduce and categorise data. The actual interviews were first documented, followed by removal of irrelevant information and categorisation based on research questions. Nvivo7 simplified this process of searching for patterns in the data and categorising raw data in relation to respondents and the source of theoretical constructs. Tabulated themes from the analysis can be generated to reduce potential errors or omissions of mistyping or selectivity in manual data reduction. Interviewees' responses were complemented with observed reactions from face-to-face interaction and/or tone of voice (e.g., high emphasis) in telephone interview. This allowed the study to differentiate and separate the importance of luxury meanings stressed by respondents. The analysis noted frequency of occurrence and repetition for keywords used in the research such as 'prestige', 'social status' and 'image'. Emergent themes and/or patterns from the data were analysed for new patterns and against theories for theoretical refutation and consistency. This process of verification performed by Nvivo7 and analysis of interview transcripts is also known as pattern-matching (Denzin and Lincoln 1994; Miles and Huberman 1994), which allowed the researchers to identify significant themes from each interview and across interviews for convergence of different themes. The above analyses were the basis for identifying perceptions of luxury and behavioural outcomes from psychological and cultural perspectives.

FINDINGS

Consumer behaviour and luxury consumption

The data analysis generated themes that can be examined in relation to the main theoretical constructs. Table 3 shows themes based on non-personal and personal behavioural factors that affect perceptions of luxury consumption. Theme I highlights that Indian consumers in the three cities in the study are influenced by social representation and position attached to luxury possessions. The analysis suggests that luxury consumption conveys certain identity through matching symbolic meanings of luxury with consumption. This identity is concerned with personal values of wealth, status and socio-economic success derived from luxury consumption. In this regard, consumer perceptions of luxury are susceptible to reference groups. Theme II notes the influence of reference groups on perception of luxury from multiple

TABLE 3 Behavioural and psychological influences on luxury consumption: Themes I through IV

Interview quotes: Themes I through IV
<p>Theme I: Symbolic meanings of luxury consumption</p> <p>"A lot of people in India define themselves by luxury when it comes to the upper class. The middle class, even the lower class wants luxury. What I've got is what I am would be a good way to put it."</p> <p>"Luxury is about status symbol, image or success."</p> <p>"People define themselves by what they wear, what they purchase, especially in Delhi."</p> <p>"Luxury gives me feeling of success and achievement in life."</p> <p>"We differentiate ourselves from others when we buy luxury and it is a way to show you are rich and successful."</p>
<p>Theme II: Luxury consumption behaviour of reference groups</p> <p>"Luxury is being seen in latest fashion and lifestyle, like Bollywood celebrities."</p> <p>"Luxury would be having all my clothes designed by Aki Narula, Chopard diamond earrings like those worn by Aishwarya Rai in the Cannes Film festival."</p> <p>"Luxury is glamour of fashion styles and trends set by Bollywood celebrities."</p> <p>"I think it's national obsession for Indians to follow the trends set by Bollywood stars."</p> <p>"Luxury makes me feel like the rich and famous celebrities."</p>
<p>Theme III: Unique mixed of Indian traditions parallel with foreign luxury image</p> <p>"I bought an Armani shirt because the stripes are different and something you would not get from other brands. I haven't seen anyone wearing it."</p> <p>"Armani can't make a sari because I don't think he really understands the culture behind it. But I would wear a Gucci handbag, a Swiss watch and a salwar kameez to work."</p> <p>"I think Indian people have very individual fashion styles. We are bold in trying and mixing Indian traditional clothes with Western and modern styles."</p> <p>"Luxury is having knowledge about Indian costumes and personal taste of Western clothes that show our identity and where you stand in the society."</p> <p>"We are quite conservative and prefer certain Western luxury brands, e.g., many Indians are traditional and would not buy and wear Western made saris."</p>
<p>Theme IV: Hedonic pursuit of luxury consumption</p> <p>"Luxury expresses a sense of desire, feel good factor and uncompromised service."</p> <p>"Luxury means comfort and premium feel of style and image."</p> <p>"Luxury makes my life more comfortable, something that is not basic."</p> <p>"People buy luxury to express themselves and feel good."</p> <p>"I think of luxury as a way for Indian people to project style and class."</p>

sources including Bollywood celebrities, international brands, cultural customs and traditions. Both local and foreign sources influence perception of luxury consistently by reinforcing perceived social recognition and image of luxury possession. Theme III suggests that while foreign luxury goods or brands may enhance social status by material display of wealth, Indian consumers retain traditional styles and mix them with Western styles. This unique combination of personal style is influenced by Indian culture with perceived exclusivity and the social status of Western luxury goods. In this sense, the extended-self of luxury consumption through style, class and brand image are also attributes of comfort and the feel good factor in luxury

consumption. As noted in theme IV, consumption of luxury fulfils the desired identity and non-functional aspects of emotion in terms of hedonic consumption.

Evidence from themes I to IV indicates that both non-personal and personal factors of luxury consumption are inter-related. Specifically, perceived conspicuousness of luxury consumption is related to social class or socio-economic status through wealth and success. In turn, reference groups influence predilection for luxuries as part of extended-self but with perceived uniqueness from combining traditional Indian styles with the possession of Western luxury products. In addition, perceived quality may be inherent in luxury goods, though few references about perceived quality were noted as the reason for buying luxury goods. Since respondents' low level of income could have affected affordability of foreign luxury goods, the analysis suggests consumer perceptions of luxury and their association of luxury with socio-economic status. In this sense, personal values and attitudes about luxury possession are linked to the display of wealth as well as symbolic meanings such as an individual's social position and identity.

Culture and luxury consumption

Table 4 lists the themes generated from cultural influences on luxury perception. Themes V through VII are concerned with dimensions of national culture whereas themes VIII and IX are about global consumer culture. The analysis shows that Indian consumers share some East Asian characteristics of national culture based on Hofstede's (1980) five cultural dimensions. Theme V indicates that the high power distance of Indian culture is supported by the perceived social status of luxury goods consumption. Luxury allows Indian societies to distinguish or differentiate their social standing either through possession of luxury goods or luxury gifts. As noted in Theme VI, there is evidence of collectivism about perceptions of luxury as social representation such as material display of wealth, showing off success and symbols of status from luxury consumption. There is uncertainty avoidance as regards preference for norms or structured cultural practices of luxury consumption. Theme VII illustrates the importance of conspicuous consumption of luxuries at social functions, which is part of cultural norms to indulge in extravagant spending on luxury goods and gifts. As noted earlier, luxury conveys one's extended-self particularly with reference to success and high social status.

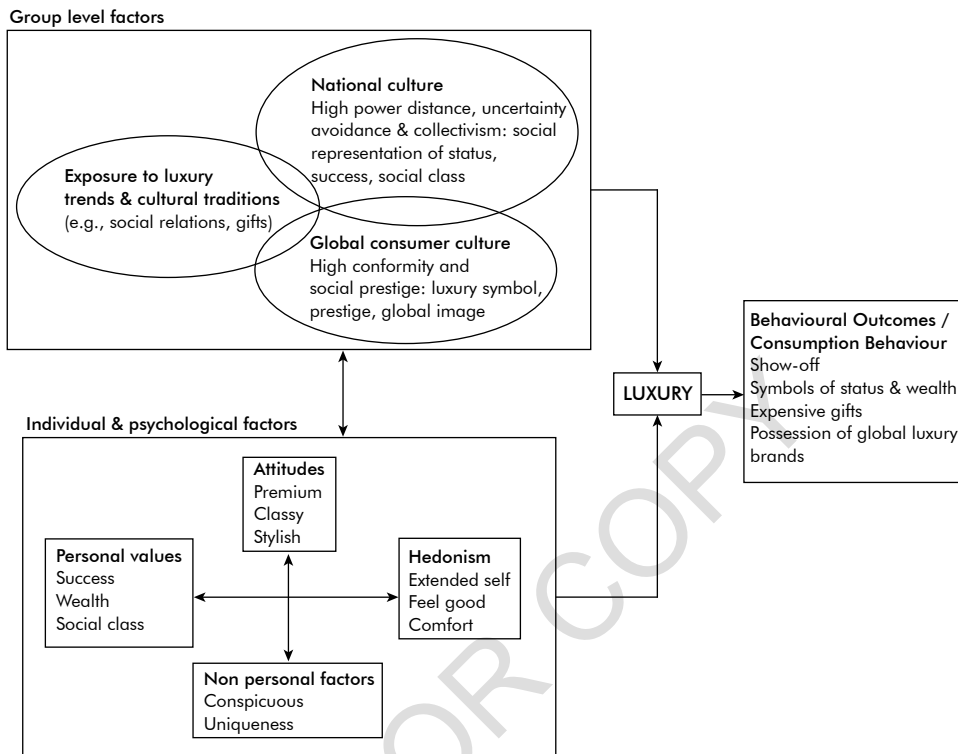
The analysis of global consumer culture suggests the prevalence of popular Western luxury brands in India. Although respondents recognition of international or Western luxury brands is influenced by mass media, an emergent theme (VIII) of the data suggests that Indian consumers discern and differentiate luxury according to fit with tradition and global image of luxury brands. There is evidence that luxury seeking behaviour is influenced by the extent to which a foreign luxury brand generates symbolic representation of luxury in Indian societies. As noted in theme VIII, the appeal for Western styles combined with local costumes (e.g., saris, sherwaris and salwar kameezs) is linked to Indian reference groups such as Bollywood celebrities rather than foreign fashion designers. Indian consumers also show preference for a global image or popular masstige luxury brands. Theme IX indicates that respondents' personal experience and knowledge of what represents global and luxury lifestyles influences their perceptions of luxury. In the context of global consumer culture, luxury provides Indian consumers reference to prestige and classy image in collective terms.

Although the data analysis suggested that Indian consumers share some of the

TABLE 4 Cultural influences on luxury consumption: Themes V through IX

Interview quotes: Themes V through IX
<p>Theme V: Social class in the society and luxury as social representation</p> <p>"Luxury is representation of status especially during weddings and social gatherings."</p> <p>"We wear a lot of jewelleries in our traditional costumes and it is also common to distinguish oneself based on what you put on and your luxury gifts."</p> <p>"What luxury gifts you bought for social functions like weddings are important for your social status. Gifts are status symbol. They show your social status."</p> <p>"I think people assert their social class and identity by showing-off their wealth and luxury consumption."</p> <p>"We are influenced by our traditional social structure. Luxury is associated with our social standing in the society."</p>
<p>Theme VI: Collective values of personal and cultural values in luxury consumption</p> <p>"Many Indians are quite conservative and do not easily accept Western clothes for important social functions."</p> <p>"I think people look up to the upper class and Bollywood stars to live luxury lifestyles."</p> <p>"We are proud of our traditional clothes and styles. But I think luxury watches are made in Switzerland, perfume from France and top fashion designed by Italian boutiques."</p> <p>"Luxury is something personal as well as showing where you belong and their background."</p> <p>"People buy luxury to express what they value if you think about the amount of money they spent on one item."</p>
<p>Theme VII: Social functions with rich tradition of luxury consumption</p> <p>"Most households in India are proud of the range of Indian clothes they've got and people talk about what designs they bought along with traditional accessories such as gold bracelets and rings."</p> <p>"Although I find it shocking for Indian not to wear traditional outfits during weddings, I would definitely buy designer clothes such as Dior or Chanel for wedding gifts. I don't know why but it shows where you stand, your status."</p> <p>"The standard formal clothes for Indian social functions particularly for weddings are traditional Indian designs."</p> <p>"I think younger people tend to mix local Indian styles with Western fashion but would not be surprised to find they have closets full of traditional Indian clothes."</p> <p>"It is our culture to wear traditional clothes at social gatherings especially important for the upper class society to differentiate themselves through luxury designs and fashion."</p>
<p>Theme VIII: Global image of luxury consumption that fits local culture</p> <p>"I know people in India like certain global luxury brands but when it comes to buying traditional clothes they would still prefer Indian designers."</p> <p>"I think it's hard for me to decide whether to buy Western luxuries or local designs. But I think people buy local designs for traditional costumes."</p> <p>"People recognise Western luxury brands like Rolex, Armani and Dior. These brands show your status in the society."</p> <p>"I would not pay for Western made traditional Indian clothes, like saris or sherwaris."</p> <p>"I think Indian culture is very traditional compared to other cultures. People accept Western brands especially made popular by local Bollywood celebrities but traditional clothes are still very important for us."</p>
<p>Theme IX: Global consumption trends and social prestige</p> <p>"I think of luxury as the symbol of prestige recognised not only in India but also the world."</p> <p>"Luxury makes me feel in touch with latest trends in fashion and lifestyle."</p> <p>"People are knowledgeable of global luxury brands through fashion magazines, television advertisement and personal experience of living abroad."</p> <p>"Young people know more about Western luxury brands and think they are classy especially promoted by local celebrities."</p> <p>"The upper and middle class can be seen buying Western luxury brands. I think people know that they are symbol of status and global image."</p>

FIGURE 1 Some insights into perceptions of luxury in India based on the interaction between culture and psychological factors.



interdependent goals of Hofstede's (1980) cultural dimensions, Indian perceptions of luxury have been better captured by the interaction between traditional values of national culture and perceived social prestige of global consumer culture. Western luxury styles or brands may be regarded as luxury in India but they need to fit Indian cultural identity, such as knowledge of how traditional costumes mix with foreign or Western brands. In this instance, Indian consumers exhibit collective behaviour through reference groups (e.g., Bollywood celebrities) for representation and endorsement of luxury at social functions and festivities. The mixture and co-existence of traditional styles and modern Western brands give rise to perceptions of luxury that are also individual in terms of personal values and preferences. For example, an individual's personal taste influences choice of Western luxury goods and traditional styles that conform with symbolic meanings of luxury. Thus, Figure 1 provides a schematic overview of perceptions of luxury consumption in India based on the findings.

IMPLICATIONS

Implications for theory

This study contributes to further understanding of established Western concepts of luxury and conspicuous consumption in a different cultural context, India. As

shown in Figure 1, the study incorporates group level influence of national culture into the psychology of luxury consumption. At the individual level, the findings indicate that other than personal and non-personal perceptions of luxury (Vigneron and Johnson 2004), personal values and attitudes interact in influencing luxury consumption. Cultural factors at the group level provide some explanation for consumer motivations for buying and consuming luxury goods. By examining salient Indian consumer perceptions of luxury and recognising explicitly the link between psychological and cultural factors, this study extends the current perspective of luxury to develop and understand perceptions of luxury in India. Although there have been studies comparing Western culture with Far-Eastern and other cultures, there has been no empirical evidence about India until now. There could be similar values of luxury in different parts of the world but Indian consumers continue or retain its unique traditions of local fashion and designs, and mix traditional styles like saris with modern luxury brands. This study suggests that examining luxury perceptions through individual and group levels as expression of consumer behaviour can provide a more complete picture for understanding luxury consumption.

In addition, this study incorporates the concept of global consumer culture into the luxury consumption research stream that suggests the existence of a global culture in terms of consumption perceptions based on global brand values. The constructs depicted at the top left in Figure 1 show the potential influence of different cultural factors on an Indian consumer's perception of luxury. Prior research has examined each of the constructs either individually or independently from psychological factors. This study adds to the limited body of literature on Indian consumers as regards the interactions of national culture, global consumer culture and exposure to luxury trends. In particular, this study is perhaps the first to highlight the potential mediating effects of consumer exposure to media, such as advertising messages which could influence perception of luxury consumption in terms of homogeneity effect on accepted norms in the society. Although further research is needed to examine the interactions depicted in Figure 1, there is circumstantial evidence that consumers share symbolic representation of luxury based on popular Western masstige brands. In terms of culture, social referencing based on norms of status and image of celebrities has been shown to influence Indian consumer perceptions of luxury. While luxury symbolises wealth and economic well being, the themes (Tables 3 and 4) suggest a positive relationship between economic social class and luxury consumption. The descriptive data on income levels of respondents may mask the fact that the study examined consumer perceptions indicating consumer desires or aspirations. Future research should consider this as well as the implied causal pathways of personal knowledge and conformity to global trends as being influenced by personal factors such as a consumer's identity at the individual level (i.e., what I am in terms of what I possess) in luxury consumption.

This study contributes to marketing luxury goods by providing empirical evidence on luxury perceptions and linking them to behavioural and consumption outcomes. On the right of Figure 1, there is some explanation for overt consumption behaviour of Indian consumers and their relationship with both culture and psychological factors. This presents a new perspective for examining luxury through interactions of individual and group level factors that are unavailable in the extant literature. For example, the perceived conspicuousness of luxury is reflected in extended-self of Indian consumers from the interaction of perceived uniqueness and feel good factor. The findings also underscore the importance of conspicuous consumption as reflected in symbols of status and wealth, expensive gifts given at weddings and

possession of global brands. This is in line with Vickers and Renand's (2003) notion of symbolic interactions. Conspicuous consumption may qualify as exclusivity in luxury consumption, though the presence of global image or pursuit of masstige brands provides more support for conspicuousness than exclusivity. By linking the relationship between psychological and cultural factors to behavioural outcomes, this study provides a deeper understanding of how Indian consumer perceptions affect luxury consumption behavioural outcomes. In particular, culture can be transmitted in social relationships and from personal experience (e.g., exposure to media) and their interactions with personal and non-personal psychological factors affect consumer behaviour. But this study only suggests the presence of overt consumption behaviour in India. Further research could replicate this study and use the proposed Figure 1 as the basis for investigating consumer perceptions of luxury and integrating additional socio-economic variables in other contexts.

Implications for practice

This study has several main practical implications. Firstly, perceptions of luxury transmitted through media and socialisation are influenced by shared cultural factors as well as variation of psychological motivations. While there are shared cultural norms of collectivism in India, behaviour at individual levels can be better understood with the knowledge of interactions between culture and psychological factors that affect luxury consumption. For example, luxury consumption can be symbolic of social status and social class in Indian societies. As such, luxury goods manufacturers that are aware of both cultural and psychological factors would be more likely to satisfy Indian consumers by matching their collective cultural traits and psychological motivations with luxury product attributes and communication messages. For example, effective marketing communications could respond to Indian customs at the collective level, and how possession of luxury could enhance social representation at the individual level.

Secondly, an awareness of cultural construction through association with values of national culture, reference groups and global consumer trends can improve luxury goods organisations' know-how of Indian consumer perceptions of luxury. For example, Bollywood celebrities play a part in setting trends (norms) of constructed culture and they are important reference groups. Foreign luxury brands can incorporate cultural values into their advertisement to Indian consumers using local celebrities, and emphasise key psychological aspects of consumption, e.g., luxury as symbols of elevated status, wealth and success (e.g., Mandel, Petrova and Cialdini 2006). Furthermore, this study shows that differentiating and integrating foreign brands with local images or perceptions of luxury to be consistent with Indian values can help foreign luxury brands satisfy Indian consumers. In particular, traditional luxury goods associated with Indian culture would be communicated with a high degree of Indian values whereas functional goods of global recognition would retain their foreign identity or luxury brand. In brief, there is a need to match a product's image of luxury with the Indian identity comprised of both national cultural values, external influences of global consumer culture and individual as well as non-personal factors.

Finally, this study has practical implications for luxury goods marketers. While perceived quality has not been identified as a major influence on luxury consumption, it would be regarded as inherent in luxury goods (Steenkamp et al. 2003). Marketers must understand that the notion of luxury in India fulfils hedonic consumption that

reflects exclusive association with the upper class and socio-economic status. Luxury appeals to Indian consumers with pre-conceived satisfaction of hedonic consumption, e.g., feel good and high levels of comfort from luxury services. As such, marketers need to implement differentiation of luxury products that taps into Indian cultural identity and related behavioural motivations to convey elements of classy style and social prestige through the creative execution of marketing communications. This goes beyond exploiting the marketing mix to communicating product attributes, product identity and values that influence consumer perceptions of luxury. Marketers must be sensitive to traditional values and differentiate them from standard or global trends in luxury goods marketing. For example, a Western luxury brand of saris generates a potential mismatch with the cultural traditions of the Indian perception of luxury.

LIMITATIONS

The qualitative nature of this research is susceptible to interpretive bias and subjectivity. Responses given in the interview may be thought out in response to expected views of perception of luxury in India rather than through objective measurement of certain luxury constructs. The study complemented the research with telephone interviews to reduce interviewer bias as well as reordered questions of a sequential nature to avoid leading answers. The focus of self-descriptions in qualitative research is appropriate for examining the interdependence between a cultural context and psychological motivations (e.g., Bochner 1994). But this study only collected data from three cities, which may not provide a sufficient depth of variance for examining and capturing the diverse cultural values in India. Future research could be more comprehensive in the coverage of population, and develop measures that are sensitive to both self or personal level motivations and group level scales for interdependent cultural contexts. For example, further research might examine what aspects of social relationship influence individual motivations, and what psychological differences impact on personal, social and collective identities. Finally, further research could test the interactions depicted in Figure 1 in a quantitative analysis to measure the effects of individual and group level factors on luxury consumption behaviour.

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