

Decoding the Indian Luxury Consumer: A Market Entry Strategy for Alexander McQueen

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Abstract

The luxury industry encompasses high-end goods and services characterized by exceptional quality, prestige, and exclusivity, targeting affluent consumers. Defined by Cambridge Dictionaries (2014) as "great comfort," luxury revolves around perceived value exceeding tangible benefits (Mullock,). Key segments include apparel, jewellery, watches, automobiles, hospitality, and fine arts. Driven by the allure of status symbols, the luxury market thrives on limited availability and distinct brand identities. Despite economic fluctuations, it remains a robust sector, with the global market projected to grow at a CAGR of 5.4% from 2022 to 2030, reaching US\$369.8 billion (Dublin, 2014). Key markets include the US (US\$53.1 billion in 2022), China (US\$42.4 billion by 2030), Japan, Canada, and the Asia-Pacific region.

This study delved into the factors influencing the purchasing behavior of Indian luxury consumers, including cultural values, social status, brand perception, and shopping habits, examining the existing luxury market in India, analysing competitive advantages, and market trends. Based on these insights, the research proposes a comprehensive market entry strategy for Alexander McQueen, encompassing product adaptation, pricing strategies, marketing and communication strategies, and cultural sensitivity. The study will contribute to a better understanding of the Indian luxury market in this dynamic and lucrative scenario.

Keywords: Indian luxury market, market entry strategy, consumer behaviour, luxury brands, market analysis.

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Introduction:

The term "luxury" is defined as "great comfort, especially as provided by expensive and beautiful things" (Cambridge Dictionaries, 2014). Accordingly, luxury industry can be defined as an industry where consumer perceived value about products and services plays greater role and the actual benefits offered by those products and services (Mullock,).

High-end goods and services recognized for their extraordinary quality, skill, and prestige are included in the luxury business. It covers industries like apparel, jewelry, watches, cars, hospitality, fine dining, fine art, and more. Targeting wealthy customers, luxury brands frequently provide exclusive and first-rate experiences. These goods and services are distinguished by high

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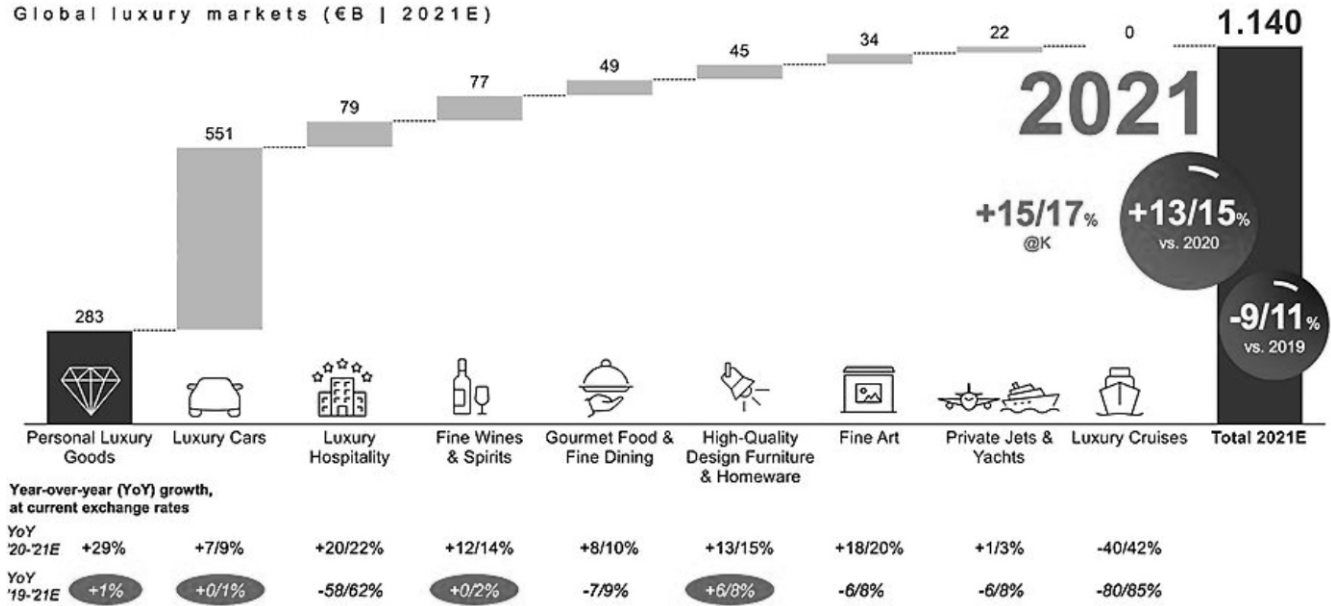
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prices, limited availability, and distinct brand identities. The luxury market lives on the allure of status symbols and keeps developing to meet the demands of affluent people looking for extraordinary and distinctive products. It continues to be a robust and significant sector in the global economy despite economic ups and downs.

Global luxury markets: shift from experiences to goods compensates half of the gap vs 2019

Global luxury markets (€B | 2021E)



The global market for luxury goods, estimated at US\$242.8 billion in 2022, was predicted to increase at a compound annual growth rate (CAGR) of 5.4% from 2022 to 2030, reaching a revised size of US\$369.8 billion (Dublin, 2014). In the United States, the market for luxury goods was anticipated to reach US\$53.1 billion in 2022. The second-largest economy in the world, China, is anticipated to grow at a 7.3% CAGR from 2022 to 2030 to reach a projected market size of US\$42.4 billion (Dublin, 2014).

Japan and Canada are two more notable geographic markets, with growth rates of 4.2% and 5.6%, respectively, predicted for each for the years 2022–2030. Germany is anticipated to expand within Europe at a rate of about 4% CAGR. By 2030, it is anticipated that the market in Asia-Pacific would reach US\$60.9 billion, with nations like Australia, India, and South Korea leading the way (Dublin, 2014).

Luxury Apparel Market Size

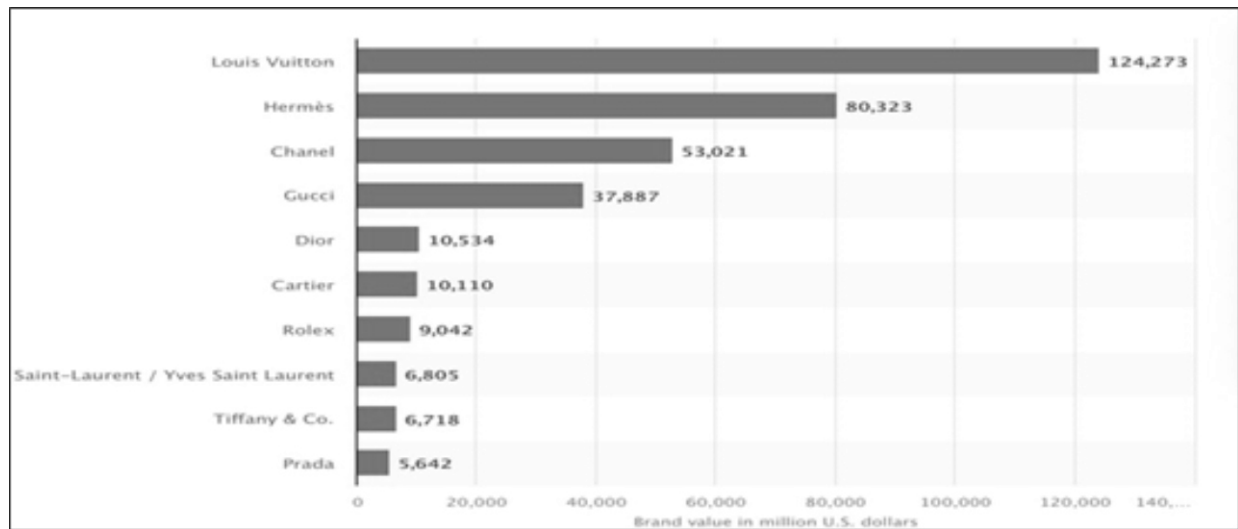


Brand Value Of Top 10 Luxury Brands Worldwide In 2022

About The Brand:

Designer Lee Alexander McQueen founded Alexander McQueen in 1992. Early House designs sparked debates, and the designer was soon dubbed the "hooligan of fashion" for the disturbing character of the runways. However, this "bad press" helped the

company succeed, and today it is regarded as one of the most creative fashion houses that helped revolutionize the fashion business. In order to satisfy its avant-garde and opulent style, Alexander McQueen provides a wide variety of clothing and accessories items. A basic overview of the Alexander McQueen product line, while individual product offerings may change from season to season includes *Ready-to-wear*, *Haute Couture*, *Outerwear*, *Knitwear*, *Handbags*, *Footwear*, *Scarves*, *Belts*, and *Jewellery*.



Alexander McQueen brand based in the United Kingdom, namely in London, a city famous for having a significant impact on the world of fashion. The brand has strong ties to British workmanship and culture. London, a hub of artistic creativity, was crucial in influencing McQueen's creative development. As a result of the brand's corporate offices and design studio being firmly established in this vibrant city, it can still be said to be a part of the UK fashion scene. The identity of Alexander McQueen includes his British ancestry. The brand continuously pushes the limits of sartorial innovation by expertly fusing Avant-garde designs with traditional British tailoring methods. It incorporates these inspirations into its collections by drawing inspiration from all areas of British life, such as history, art, literature, and even subcultures. With boutiques all over the world, the brand continues to be a shining example of British fashion quality. The Alexander McQueen brand proudly represents the United Kingdom's contribution to the global fashion landscape and is a testimony to the ongoing heritage of its founder and his indelible influence on the fashion industry.

Review Of Literature:

Kim, H. & Kang, H. (2012), state that to comprehend a fashion designer's styles, it is essential to understand their social and cultural context. The primary factors that form a designer's style are their national heritage and identity. Examining the relationship between British society's social and cultural origins and Alexander McQueen's designs was the goal of this study. The collections of British-representative fashion designer Alexander McQueen effectively convey the multiculturalism in contemporary British art, the popularization of the arts among the general population, and the harmony between traditional and modern art. With the help of this research, the direction of upcoming fashion trends could be predicted by looking at the existing cultural contexts.

Calinao and Lin (2016) examined the success of the Alexander McQueen: Savage Beauty exhibition at the Victoria & Albert Museum, noting its 493,043 visitors. The late designer's fame and the V&A's heritage

significance likely contributed to the exhibition's appeal. While the V&A's heritage value may not be the primary draw, London's popularity as a cultural tourism destination, with numerous world-class museums, attracts visitors. This exposure to London's culture, including fashion, indirectly enhances the appeal of special exhibitions like *Savage Beauty*, ultimately boosting cultural tourism.

Xiao (2023) highlights that modern consumers prioritize product functionality over brand reputation when making purchasing decisions. He emphasizes the importance of designing commercial spaces that effectively communicate a product concept and brand culture through visual immersion. This aligns with the growing trend of luxury brands using flagship stores as a key business strategy. Alexander McQueen is cited as a successful example, where the brand's fantastical and unique aesthetics are reflected not only in fashion design but also in the design of their commercial spaces. This article explores the link between product qualities and brand promotion in the context of Alexander McQueen.

Mora and Berry (2023) explore how luxury fashion houses like Chanel and Alexander McQueen utilize the "spirit" of their founding designers in their brand narratives.¹ Drawing on Bourdieu's concept of the replaceable creative vision, they analyse how these brands integrate new designers into their mythologies, exemplified by the successions of Karl Lagerfeld and Virginie Viard at Chanel, and Sarah Burton at Alexander McQueen.¹ The study introduces the "phantasmagoria succession" framework to explain how the "spirit" of the founding designer is passed on through ritualized fashion spectacles, including mystified storytelling, the sanctification of iconic pieces, and theatrical runway shows.

Jeon & Yum (2019) investigated the use of butterfly motifs in modern fashion through the lens of Alexander McQueen. They combined literature review and empirical analysis, examining the symbolism of butterflies and McQueen's design trends. 73 butterfly-themed garments from McQueen's RTW collections (2008-2019) were analysed for style and era (S/S or F/W). Categories emerged including fantasy, handcraft, and mix-and-match, along with aesthetic qualities like

sensuous beauty, rhythmic beauty, and jeopardizing beauty. This study aimed to understand how a designer's sensibility shapes the use of natural elements in fashion design.

Lee et al. (2016) analysed Alexander McQueen's jackets from 1996 to 2010, focusing on silhouette, length, collar, sleeves, and other tailoring elements.¹ The study examined 501 jackets from McQueen's signature collections, finding that while traditional tailoring techniques were evident, McQueen also incorporated dramatic and exaggerated design elements.¹ These included hourglass silhouettes, wing collars, peaked lapels, kimono sleeves, and exaggerated shoulder shapes, demonstrating McQueen's innovative approach to traditional tailoring.

Halle (2017) conducted a case study of fashion culture in New York City and London, focusing on Michael Kors and Alexander McQueen. Employing a multiple case study design, the research utilized secondary data, including biographical information and GIS data, alongside qualitative analysis of cultural events. The study examined how these fashion houses, with distinct aesthetics, emerged as cultural icons within their respective cities. McQueen's politically charged approach contrasted with Kors's dominance on social media platforms like Instagram, highlighting the diverse ways fashion brands leverage data to achieve prominence.

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Research Methodology

Rationale:

With a growing population of wealthy consumers who have a high desire for luxury brands, India is an expanding luxury market. India has a growing middle class and a number of wealthy people, which makes it a desirable location for luxury fashion. Alexander McQueen's avant-garde personality and the rich cultural legacy and appreciation of art and craftsmanship in India are complementary. Indian customers who appreciate complexity and craftsmanship in clothing may find a connection with the brand's designs.

The infrastructure for upscale retail, including boutiques and malls, has grown significantly in Indian cities like Bangalore, Delhi, and Mumbai. These settings provide an appropriate atmosphere for high-end labels such as Alexander McQueen.

India is showing a growing interest in international fashion trends and a growing consciousness of fashion. This generates a need for fashion that is avant-garde and inventive—a specialty of Alexander McQueen. The arrival of the well-known luxury brand Alexander McQueen to India would enhance the nation's standing as a destination for high fashion.

But it's important to consider things like market research, knowing regional preferences, dealing with issues with import taxes and laws, and adjusting to India's varied social and cultural backdrop. In order to connect with the Indian audience and preserve its

exclusivity and distinct personality, the brand would also need to modify its marketing and communication approaches.

The Research Gap:

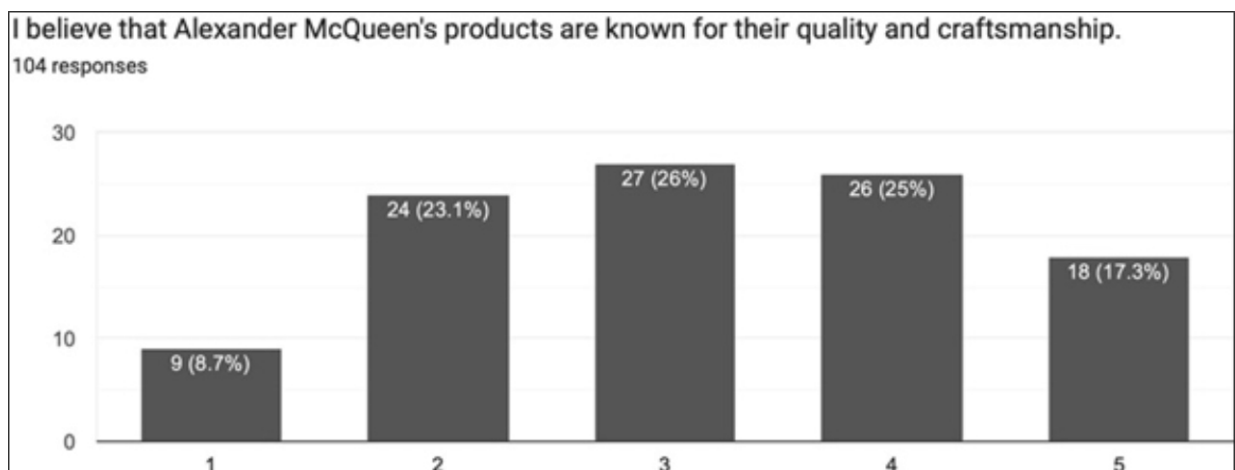
Despite the growing Indian luxury market, characterized by a burgeoning wealthy class and a rising interest in international fashion, a significant gap exists in understanding the specific opportunities and challenges for luxury brands like Alexander McQueen to successfully enter and penetrate the Indian market.

Instrument Used:

To gain insights into the complexities of introducing an international brand into the Indian market, this research employed a questionnaire-based approach to understand Indian consumer behaviour. Questionnaires, comprising a series of questions designed to elicit information about respondents' beliefs, experiences, and opinions, are valuable tools for data collection. A correlational analysis has also been performed on the dataset collected to understand and establish the associations between variables.

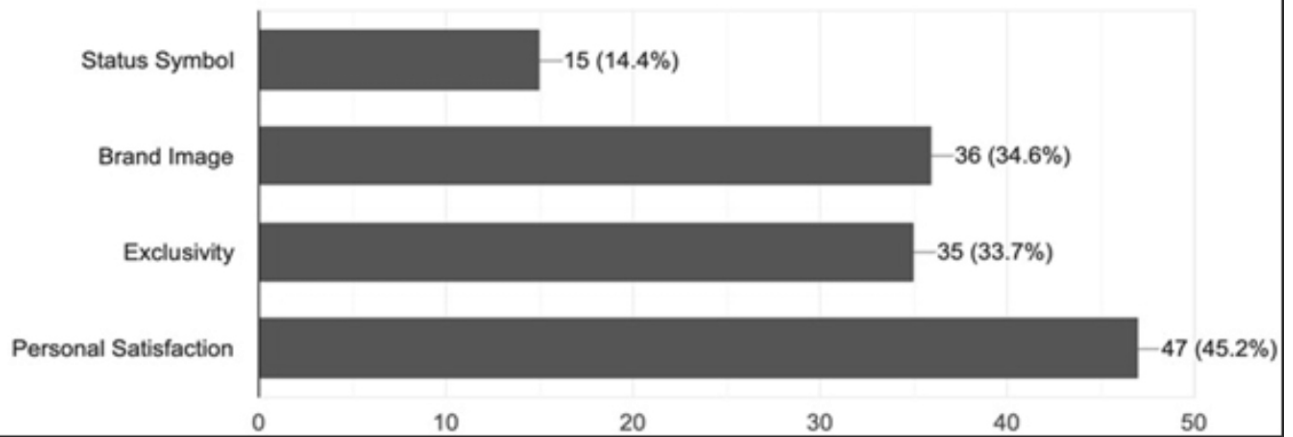
Data Analysis:

The interpretations of these below mentioned tables offer valuable insights into respondent perspectives, beliefs, and experiences. This data helped us to understand trends, patterns, and relationships within the target population. By carefully examining the responses, the researcher has been able to identify key findings and uncover underlying motivations.



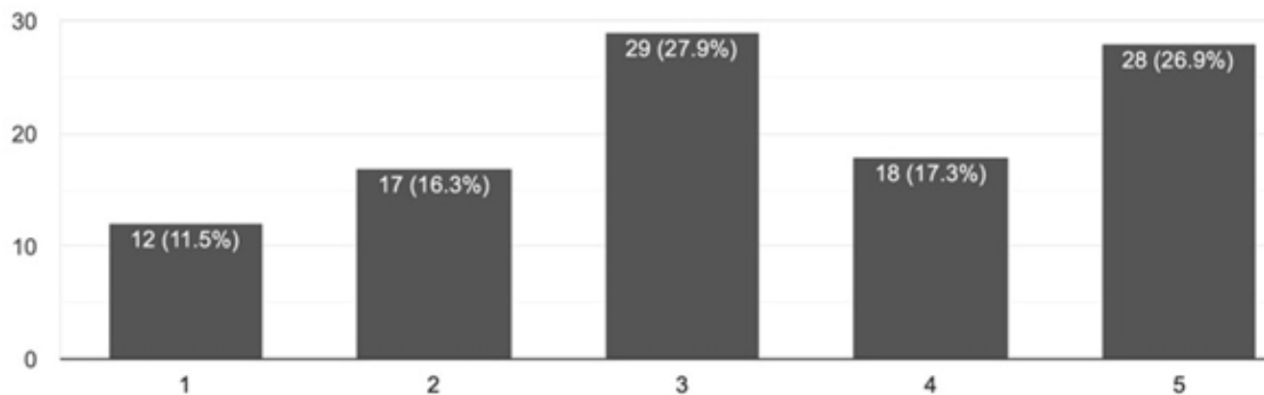
Which of the following factors motivate you to purchase a luxury product?

104 responses



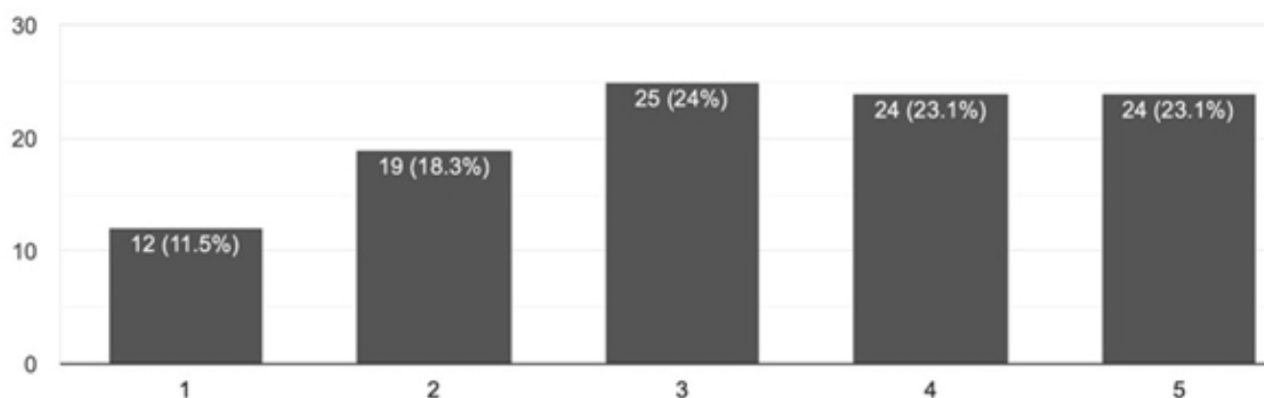
I am aware of the brand Alexander McQueen.

104 responses



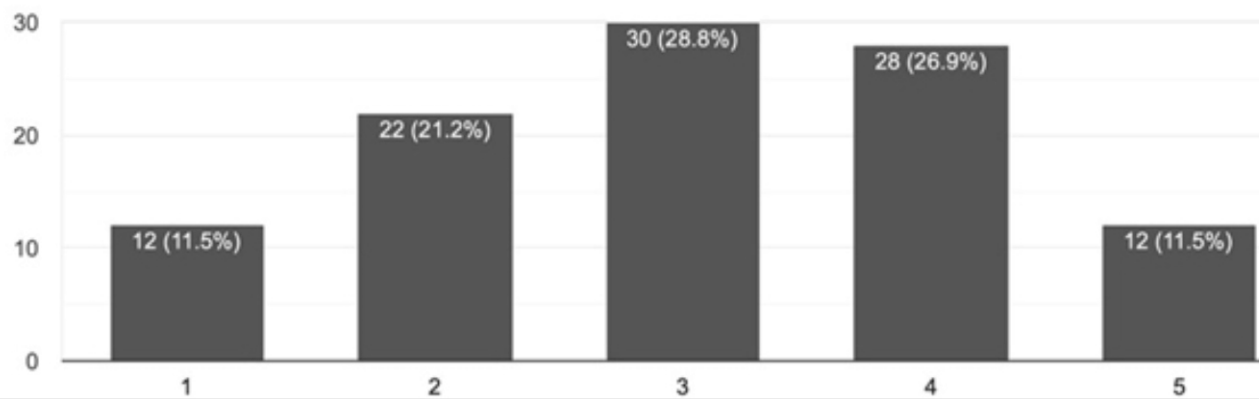
I perceive Alexander McQueen as a reputable luxury brand.

104 responses



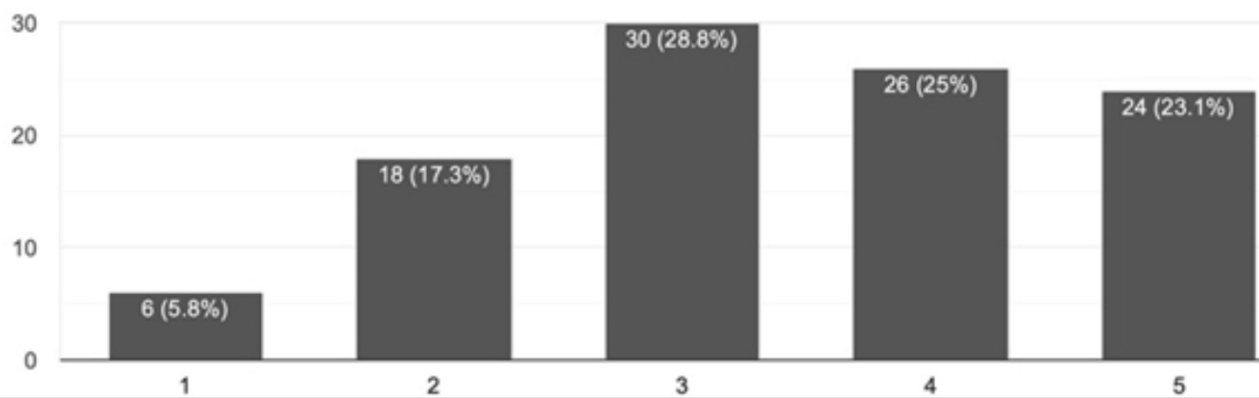
The price range of Alexander McQueen's products would be justified given their luxury status.

104 responses



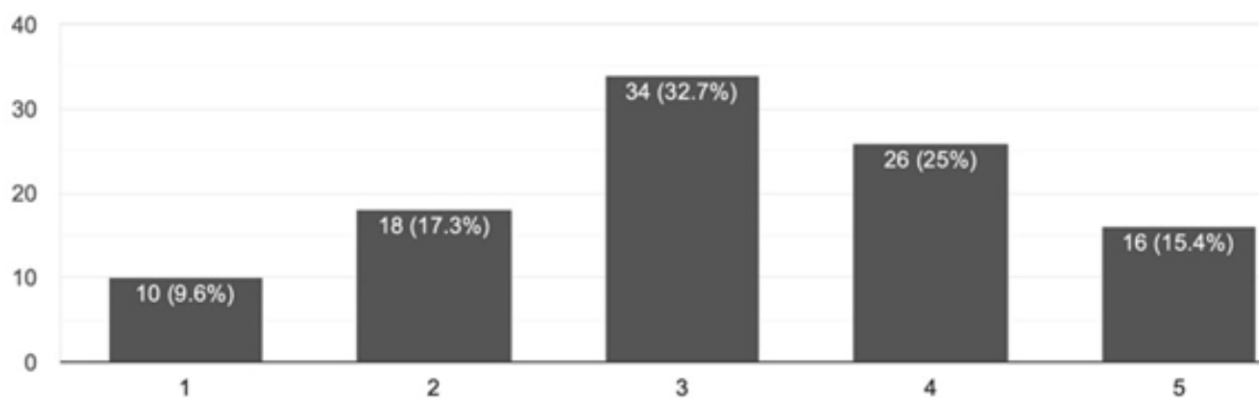
Collaborating with Indian celebrities or influencers to promote the brand would enhance Alexander McQueen's visibility and appeal.

104 responses



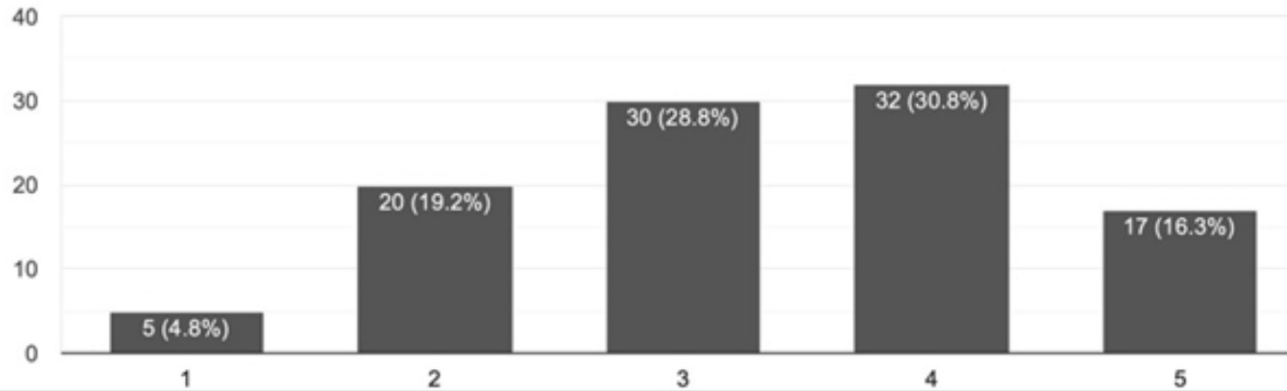
I believe that Alexander McQueen's products would cater well to the fashion preferences of Indian consumers.

104 responses



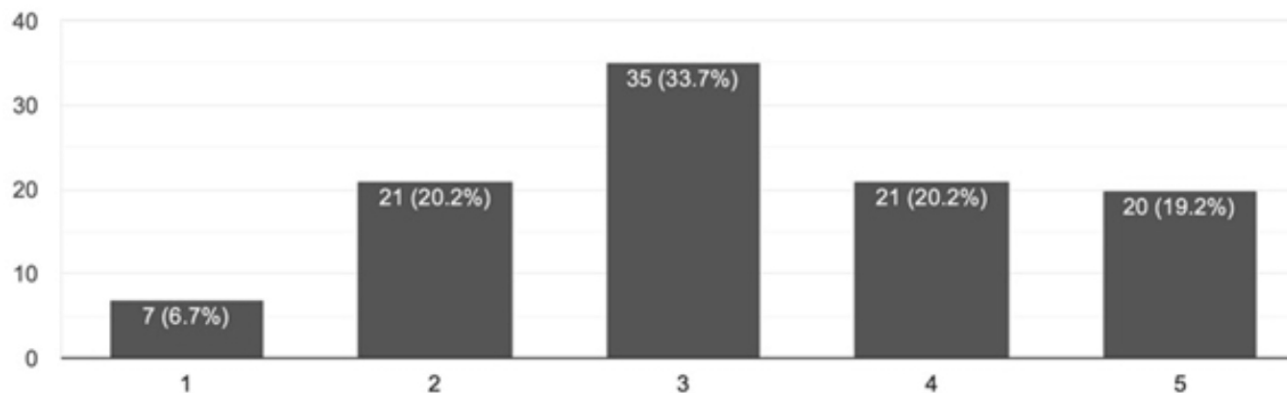
I believe that Alexander McQueen should collaborate with local designers or artisans to create products tailored to Indian tastes.

104 responses



Alexander McQueen's commitment to sustainable and ethical practices would positively influence my perception of the brand.

104 responses



Correlational Analysis

Correlational

		Age	Income	Awareness	Perception	Quality	Price	Design	Indian Consumer	designer Collaboration	Sustainability	Celebrity Collaboration
Age	Pearson Correlation	1.000	.199	-.098	.064	-.031	.084	-.015	-.071	.105	.177	.125
	Sig. (2-tailed)		.043	.321	.520	.753	.394	.879	.477	.290	.072	.206
	N	104	104	104	104	104	104	104	104	104	104	104
Income	Pearson Correlation	.199	1.000	.179	.236	.182	.197	.124	.119	.195	.282	.185
	Sig. (2-tailed)	.043		.069	.016	.064	.045	.208	.230	.047	.004	.060
	N	104	104	104	104	104	104	104	104	104	104	104
Awareness	Pearson Correlation	.098	.179	1.000	.676	.787	.592	.538	.550	.512	.478	.495
	Sig. (2-tailed)	.321	.069		.000	.000	.000	.000	.000	.000	.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Perception	Pearson Correlation	.064	.236	.676	1.000	.677	.727	.510	.607	.562	.598	.414
	Sig. (2-tailed)	.520	.016	.000		.000	.000	.000	.000	.000	.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Quality	Pearson Correlation	-.031	.182	.787	.677	1.000	.600	.681	.544	.535	.531	.585
	Sig. (2-tailed)	.753	.064	.000	.000		.000	.000	.000	.000	.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Price	Pearson Correlation	.084	.197	.592	.727	.600	1.000	.575	.648	.491	.633	.422
	Sig. (2-tailed)	.394	.045	.000	.000	.000		.000	.000	.000	.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Design	Pearson Correlation	-.015	.124	.538	.510	.681	.575	1.000	.473	.440	.469	.487
	Sig. (2-tailed)	.879	.208	.000	.000	.000	.000		.000	.000	.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Indian Consumer	Pearson Correlation	-.071	.119	.550	.607	.544	.648	.473	1.000	.450	.612	.404
	Sig. (2-tailed)	.477	.230	.000	.000	.000	.000	.000		.000	.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Designer Collaboration	Pearson Correlation	.105	.195	.512	.562	.535	.491	.440	.450	1.000	.599	.600
	Sig. (2-tailed)	.290	.047	.000	.000	.000	.000	.000	.000		.000	.000
	N	104	104	104	104	104	104	104	104	104	104	104
Sustainability	Pearson Correlation	.177	.282	.478	.598	.531	.633	.469	.612	.599	1.000	.623
	Sig. (2-tailed)	.072	.004	.000	.000	.000	.000	.000	.000	.000		.000
	N	104	104	104	104	104	104	104	104	104	104	104
Celebrity Collaborabon	Pearson Correlation	.125	.185	.495	.414	.585	.422	.487	.404	.600	.623	1.000
	Sig. (2-tailed)	.206	.060	.000	.000	.000	.000	.000	.000	.000	.000	
	N	104	104	104	104	104	104	104	104	104	104	104

Correleaiional Data Analysis:

Correlation tests are crucial for understanding the relationships between variables, revealing if changes in one variable are associated with changes in another. These tests not only identify the presence of a relationship but also quantify its strength, indicating how closely the variables move together. This

information is invaluable for predicting outcomes, as correlations can suggest potential causal links that warrant further investigation. Furthermore, correlation analysis is fundamental for building predictive models in various fields. By identifying correlations between different variables, we can gain a deeper understanding of complex systems and their underlying mechanisms. Ultimately, correlation tests provide valuable insights

for decision-making processes across a wide range of disciplines, from business and healthcare to policy development.

The Outcomes:

Age has an impact on brand awareness:

Age and awareness have a negative correlation of -0.098, which means that as age increases, awareness of the brand tends to decrease. A correlation coefficient of -0.098 between age and brand awareness indicates a weak negative relationship between the two variables. This means that as age increases, there is a slight tendency for brand awareness to decrease. However, the relationship is very weak, suggesting that age has a minimal impact on brand awareness in this context. Other factors likely play a more significant role in determining brand awareness levels across different age groups.

Collaborating with Indian designers will increase the demand amongst Indian consumers:

Indian consumer and designer collaboration have a moderate positive correlation of 0.512, which means that Indian consumers would prefer designs that involve collaboration. A correlation coefficient of 0.512 between Indian consumer preference and designer collaboration indicates a moderate positive relationship between the two variables. This means that as the preference for Indian consumer collaboration increases, there is a tendency for designer collaboration to also increase. A moderate correlation suggests a noticeable association. This finding suggests that Indian consumers generally favour designs that result from collaborations between designers, potentially valuing the unique perspectives and creative synergy that such collaborations can bring.

Sustainability is important for brand awareness:

Sustainability and awareness have a moderate positive correlation of 0.478, which indicates that sustainability does come as a factor in creating awareness about a brand but is not an important one. A correlation coefficient of 0.478 between sustainability and brand awareness indicates a moderate positive relationship

between the two variables. This means that as a brand's focus on sustainability increases, there is a tendency for brand awareness to also increase. However, the moderate strength of the correlation suggests that while sustainability is a contributing factor to brand awareness, it's not the sole or most dominant driver. Other factors, such as marketing efforts, product quality, and consumer preferences, likely play significant roles in shaping brand awareness as well.

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