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Evolving luxury as a concept-Before and after

Luxury is something which is ever changing in nature and keeping core values intact, true meaning of luxury varies as per cultural, social, psychological and personal aspirations of the people as well as economic development and sophistication of the societies, countries and regions. Luxury as a concept has been completely evolved since its inception way back. As the social structure of the society changes, perception, aspirations, attitude, and behaviour of the consumers also change accordingly. Now in current era concept like democratisation of luxury or mass luxury is becoming hugely popular among young generation. Being India considered young nation, it's interesting to see this concept catching up among Indian youth.

Meaning of luxury:

Luxury as a concept is defined within the scope of socio-psychology as a result of its connection to a culture, state of being and lifestyle, whether it is personal or collective.

When linked to brands, it is characterised by a recognisable style, strong

Identity, high awareness, and enhanced emotional and symbolic associations. It evokes uniqueness and exclusivity, and is interpreted in products through high quality, controlled distribution and premium pricing. (Uch é Okonkwo, 2009).

Sekora defines luxury as "anything unneeded" (1977, p. 23), which is set in the context of what society considers necessary and is thus a relative and dynamic term (Berry, 1994).

Marketing academics are using 'luxury' in different ways: for example, Vigneron and Johnson (1999) use 'luxury' to describe the very top category of prestige brands, whereas Dubois and Czellar (2002) view 'prestige' to stem from a unique accomplishment in the brand and 'luxury' to merely concern self-indulgence.

Introduction:

Luxury consumption has a very long history which goes back to the great civilizations of Ancient Mesopotamia, Ancient Greece, Roman Empire or Ancient Egypt (Kapferer and Bastien, 2009b; Okonkwo, 2007). Nevertheless, compared to the other domains (eg. finance,medicine, tourism) the luxury field was little researched (Ciornea *et al*., 2012) and still offers great opportunities for scientists (Dubois and Laurent, 1994; Vickers and Renand, 2003).

The unprecedented growth of the luxury sector from a value of US $ 20 billion in 1985 to $ 180 billion (2009) worth has been brought about by globalisation, wealth-creation opportunities, new market segments, digital communications, international travel and culture convergence, and has led to a series of business challenges that luxury practitioners have never known. (Uch é Okonkwo, 2009)

As far as Indian luxury is concerned still we have to explore various aspects related to luxury consumption. It has got lots of potential because few areas are still untouched, left to researchers to explore.

Luxury brands are connected with several characteristics, such as **exclusivity, uniqueness, scarcity, premium price, excellent quality and aesthetics** (Allérès 1995; Kapferer 1998; Nueno & Quelch 1998; Vigneron & Johnson 2004; Mortelmans 2005; Chevalier & Mazzalovo 2008).

Characteristics of Luxury

a) Exclusivity

The concept of luxury is inherently connected with exclusivity, which implies a premium price and rarity (Nia & Zaichkowsky 2000; Vigneron & Johnson 2004; Mortelmans 2005; Chevalier & Mazzalovo 2008). Formerly, rarity referred to the use of valuable materials that were naturally scarce and not yet widely available (Catry 2003) .

A consumer of luxury brands has to believe that these brands are *exclusive*, meaning that others cannot afford them, while the consumer belongs to the select group that *can* afford these brands . In line with this idea, consumers who never bought a luxury brand rate that brand as more luxurious, compared to consumers who already bought the item (Kemp 1998). Exclusivity can be attained through limited production, exclusive channel strategy and high pricing.

b) Rarity

It is very important that marketers offer consumers the impression of scarcity, because – according to the rarity principle – luxury brands that are widely owned lose their luxury character (Dubois & Paternault 1995). That luxury manufacturers offer an impression of rarity by *limiting production* in order to create temporary shortages or by offering limited editions to consumers .

In addition, many luxury brand companies create this impression of rarity by *distributing their brands selectively* (Phau & Prendergast 2000; Amaldoss & Jain 2005). This implies that luxury marketers use exclusive distribution channels and avoid the selling of these products in cheap stores (Catry 2003; Mortelmans 2005).

c) Premium Price

The rarity can also be induced by setting a *very high price*, because luxury products that are not highly priced will lose their luxury character (Dubois & Duquesne 1993; Nia & Zaichkowsky 2000).

d) Excellent quality and aesthetic design

As many consumers use the price of a brand as a heuristic for its quality (Miller 1975; Corneo & Jeanne 1997), expensive luxury brands are often perceived as high-quality brands .This *excellent quality* can be obtained in two ways: by using high-quality raw materials and by detailed workmanship (Mortelmans 2005; Chevalier & Mazzalovo 2008) .

Luxury brands are thus perceived as fine pieces of craftsmanship, with an excellent quality, performance and durability (Caniato *et al* . 2009) .

These brands are *refined* and *elegant* brands, which often have a sophisticated design and offer great *comfort* to consumers (Berry 1994). To ensure the excellent quality of their brands, luxury marketers now distinguish themselves by offering *unique craftsmanship*,*innovativeness* and *sophistication* to luxury brand owners (Silverstein &Fiske 2003; Chevalier & Mazzalovo 2008; Caniato *et al* . 2009

In addition, new terms are emerging in the practitioner literature such as ‘old luxury’ being about the good itself and defined by the company and ‘new luxury’ being experiential and defined by the consumer (Florin et al., 2007). As India and other countries witnessed the initiation of liberalized and globalised economies.

The major shift was seen in the factors related to businesses. So it is quite logical to categorize luxury in two time frames.

We will try to study the evolution of this concept under two time dimensions:

a) Before 1990
b) After 1990

a) Before 1990

In the past, luxuries were often *handmade*, which required great precision and patience.

Veblen's seminal work (1899, 1994) proposes that individuals from the wealthy ‘leisure class’ engage in ‘conspicuous consumption’ when purchasing high priced items in order to ostentatiously communicate wealth and achieve social status (Bagwell and Bernheim, 1996).

This view is consistent with Leibenstein (1950), whose examination of this phenomenon identifies the ‘Veblen’ effect whereby demand for a good rises because its price is higher rather than lower, plus two forms of interpersonal effects of conspicuous consumption: the ‘snob’ effect, where the demand for a good falls as the number of buyers increases, since snobs desire to be different and exclusive and therefore disassociate themselves from the masses; and the ‘bandwagon’ effect, where demand for a good increases because consumers follow others in their reference groups who have already bought the good.

After 1990s

Since the 1990s, the market for luxury brands has grown considerably (Nueno & Quelch 1998; Vickers & Renand 2003). Several factors encouraged this tremendous growth, such as the rising demand for luxury from emerging luxury markets (e .g . India and China) and the expansion of the luxury category (Silverstein & Fiske 2003). An increased spending capacity also encouraged the middle classes to spend more money on luxury brands. Consequently, the luxury market is no longer the exclusive domain of the elite (Yeoman & McMahon-Beattie 2006; Wiedmann *et al.* 2009). This process is called the *democratisation* of the luxury market (Dubois & Laurent 1995; Truong 2009) . The traditional definition of luxury as something that is out of the ordinary in terms of daily living needs is no longer tenable (Vickers & Renand 2003) .

There is a more competitive luxury market with large conglomerates, the global economic context has changed, new distribution channels appeared, the luxury products themselves have changed being more diversified, with new characteristics, many brand extensions, lower prices and so on (Okonkwo, 2007; Kapferer and Bastien, 2009b; Silverstein and Fiske, 2003; Danziger, 2005; Vickers and Renand, 2003; Yeoman and McMahon-Beattie, 2006).

Various studies attempt to segment consumers according to their ability to purchase luxuries (e .g . Silverstein & Fiske 2003; Hader 2008).

Researchers across global have done tremendous work on the factors affecting luxury consumption among consumers.

While Dubois and Duquesne (1993) predict luxury penetration by combining the effects of income and attitude towards cultural change, Dubois and Laurent (1995) distinguish three different segments according to their access to luxury brands:

a) Affluent people (i .e . people with unlimited access to luxury brands),
b) Excluded people (i .e . people with no access to luxury brands)
c) Excursionists (i .e . people with intermittent access to luxury brands) .

Target Consumer Segments for luxury brands

Kapferer (1998) distinguishes four consumer segments that differ from one another in the relative importance they attach to each luxury brand characteristic.

a) The first segment attaches great importance to the beauty of the object, the excellence of the product and its uniqueness. For this segment, *Rolls-Royce* is a prototypical luxury brand.

b) The second segment underscores the importance of creativity and sensuality, and perceives *Gucci* as a prototypical luxury brand.

c) The third segment attaches great importance to the beauty and magic of the product and its classic value; they view *Louis Vuitton* as a prototypical luxury brand .

d) The fourth segment lists the uniqueness and the exclusivity of the product as the most important components, and perceives *Chivas* as a prototypical luxury brand .

Conclusions

- Because of the limited academic interest, the domain is still ambiguous and controversial, with no universally accepted definitions of the luxury concept (Godey *et al.*, 2009), luxury products, luxury brands (Vickers and Renand, a2003; De Barnier *et al*., 2006) and luxury consumers (Ciornea *et al*., 2012).
- Nowadays, in-depth study of luxury consumers' behavior is imperative, as the luxury market faces unprecedented changes: the demand of luxury products and services expanded internationally on all continents and is much higher, the socio-demographic characteristics of luxury consumers and their behavior significantly changed.
- As whatever little study is done on the concept of luxury is still in nascent stage and yet to be tested in Indian Market and on Indian consumers. Indian market and consumers both are quite different from rest of the world.

- India is one of the emerging markets of luxury, so now this study becomes much more relevant in Indian context.

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