ISSN (Print) : 2231-6043
Nitte Management Review, Vol 12(1&2), DOI : 10.18311/nmr/2018/v12i1&2/23723, 8–19, January-December 2018 ISSN (Online) : 2395-1907

Exploring 'Luxury Brand Management' as a Separate Area of Study

Sangeeta Devanathan

CMS Business School, Jain University, Bengaluru – 560009, Karnataka, India; d.sangeeta13@gmail.com

Abstract

The ever-increasing income levels across the globe have given an impetus to the luxury segment, giving rise to a variety of career opportunities. The theories that govern marketing and consumer behaviour in luxury management need to be different from other forms of marketing due to the distinct characteristics that define luxury. Much of extant marketing literature base their analyses and models on non-luxury brands, as a result of which, it has so far little relevance for luxury brands. This approach permeates through management education, rendering management graduates ill prepared for a career in the luxury industry. This paper explores the uniqueness in the concept of luxury and traces the origins of its specificities, from which one may discern the 'anti-laws' of marketing that apply to luxury management. This concept paper identifies four distinct ways in which luxury management differs from other forms of brand management, namely in terms of a) Positioning and brand image: While regular brands strive to occupy 'unoccupied' market positions, luxury brands are expected to make competition irrelevant; b) Customer relationship management: The all-pervading 'customer is king' thought process cannot be directly applicable to luxury, wherein luxury brands need to indulge the customers and yet be aloof; c) The role of advertising: Luxury advertising aims to create aspirations rather than increase sales and the target audience goes far beyond its target market and d) Price and demand: Contrary to traditional economic theories, a higher price is expected to increase the demand for luxury brands.

Keywords: Luxury, Luxury Brand Management, Uniqueness of Luxury Management

1. Introduction

From Armani to Versace and Ralph Lauren, luxury brands accounted for over $200 billion in 2017 alone[1]. With the surging demand from emerging middle classes in countries like India and China, the industry is poised for more growth. An MBA in Luxury Brand Management can lead to a variety of jobs in this sector, including roles like marketing managers, business development consultants, and brand managers. Some schools offer specialized MBA programs in Luxury, as well as related fields like Fashion or Retail. Some MBA programs in the space include internships with luxury firms. What is interesting to note is that while countries like India and China are considered the next growth destination for the luxury segment, luxury management as an area of study is still at its nascent stages in India.

Despite a rich tradition in craftsmanship and fashion, India is yet to produce any home-grown luxury brand[2]. Marketing of luxury is not a matter of upping the level of the brand but rather that of understanding the specificities of luxury and crafting marketing strategies that are distinct from those followed by non-luxury brands[3]. This paper is an attempt to explore the sources of the specificities in luxury management and understand its impact on the marketing laws, thus laying the foundation for attributing importance to luxury marketing as a separate area of study within the marketing domain.

The term ‘luxury markets’ extends itself to describing a whole range of products and services- from super-cars to pedicures, from holiday packages at a private island to an ayurvedic cream in a jar.

What drives the consumption of Luxury Brands? Is it the physical/functional attributes like the product quality, craftsmanship, design, technology? Or is it the self-asserting emotional stimulation of letting others know that one has a penchant for finer things in life not common to many and therefore one belongs to the upper strata of society? Or is it that luxury brands are just the stepladder to move to the right circle or an appropriate thing to have or wear in that circle? Complicated and convoluted as the challenges may be in this market, the fact is, the attractiveness of this market justifies the efforts and demands the utmost attention of marketers in this space.

Since Veblen’s (1899) seminal work on “Theory of the Leisure Class”, marketers have identified a distinct segment of consumers who indulge in ‘conspicuous consumption’ and belong to the ‘leisure class’[4].

As per the Forbes Billionaires list, there are 1,694 billionaires in the world as of 2016. Wealth is expected to continue its upward trajectory at an annual rate of 6.6% expected to reach $345 trillion by 2020.

The slow-down that was plaguing the world economy in the last decade has hampered the rate of growth of the luxury market in the developed Western market[5,6] and customer demand seems to be buckling under pressures of the recessionary trend. This has shifted focus of Global Luxury brands to the Emerging markets where craving for luxury has grown substantially in economies such as China, India, Brazil and Russia[5,6]. The growth in Household income in emerging markets is driving strong demand for luxury goods[5,6].

The healthy growth in the luxury segment combined with the uniqueness and specificities of managing luxury brands, lays the foundation of considering luxury branding as a separate area of study.

This paper attempts at laying down the basis for creating and incorporating luxury brand management as a separate area of study by exploring a. the uniqueness of luxury arising out its definition and b. the specificities of luxury brand management, which distinguishes it from marketing of non-luxury brands.

2. Understanding the Concept of Luxury

The concept of Luxury can be used to define anything or nothing. While a Skoda Octavia may be a Luxury from a student’s perspective, to a billionaire heir, even a Mercedes S-Class might not cut the bill for being ‘Luxury’.

Adding to this confusion is the trend for a number of marketers launching products and brands with the promise of ‘affordable luxury’ or ‘masstige’ products[7–9]. On the other hand, we have a lot of luxury brands which refrain from calling themselves ‘luxury’[10].

The understanding and definition of ‘luxury’ also changes with the context of economic and demographic environment in which luxury is being measured[11]. Intuitively, what is considered luxurious indulgence in the United States, with a per capita GDP of $55,800 is usually not the same as say, Uganda with a per capita of $2,000[a]. Also, in economic environments with more equitable distribution of income, the perceptions and definitions of luxury would be significantly different from those where there is polarization of wealth[12]. Such economic distinctions pose challenges for marketers. The increased sensitivity to polarization of wealth in the hands of a few and the turmoil that the world economy has been through in the last decade has added ethical connotations to ‘liking luxury’ or ‘pursuing luxury’[13].

Apart from the economic environment, the concept of luxury is also impacted by the cultural and historical contexts[14]. Luxury has been a natural accompaniment of the ruling classes[2]. Considering that a large part of the world was under Western colonization until a half a century back, the idea of Westerners being an embodiment of 'aristocracy' and 'luxury' being a route to preserve the aristocrat's social ideal continues in most parts of the world[15,61]. Thus, 'luxury' is largely conceptualized in the Western context and ex-colonies have exhibited preference for Western luxury brands[16]. At the same time, cultures like India, who have shaken off colonial rule over half a century back, are waking up to 'luxury' as defined in their own culture[17].

A term is generally vague if its major characteristics are continuous. Categorical (or discrete) characteristics such as "he drives a Porsche" can either be assigned to an object or not and continuous (or dimensional) characteristics such as "product quality" can be assigned to an object to a certain degree[19]. Given that Luxury is dependent on the individual, on the marketer's message, on the economic environment, the historical backdrop and the cultural environment, a clear definition for this concept continues to elude academicians and practitioners alike, as researchers continue to combat the challenges of the continuous (or dimensional) characteristics of luxury.

The challenges in defining luxury may be summarized as (see Figure 1): i. challenges due to individual differences in perceptions, ii. economic and demographic structures prevalent in various parts of the world, iii. the influence of cultural and historical background is varied and greatly impacts the concept of luxury.

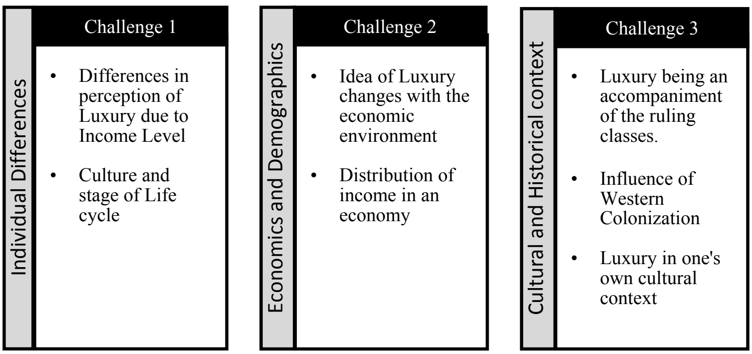

Figure 1. Challenges in defining luxury.

The lack of an obvious definition of Luxury causes many obstacles for marketers and researchers. Dubois et al.,[19] selected luxury consumers as respondents for their study based on the following criterion: *"all respondents had acquired [...] at least one product they considered luxurious."* Such rationale for sample selection is seen in a number of academic researches, where the definition of luxury is dependent on individual perceptions rather a definition. This exposes researchers to the danger of incorrect sample selection and consequently incorrect conclusions.

A closer understanding of luxury with an operative definition would offer a useful base for marketers and researchers in the field of luxury brand management. To arrive at a comprehensive definition, the discussion of the marketing literature on luxuries has to be reinforced with additional streams of research from a. Semantics and etymology b. Micro-economic theories, c. Philosophy and Sociology.

The aim of the management perspective is to understand the customer perspective and thus needs to draw inputs from all disciplines of research (Figure 2).

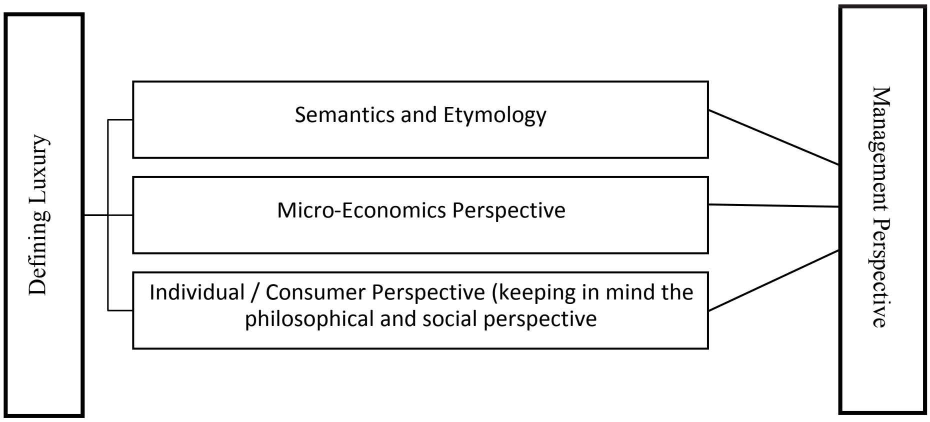

Figure 2. Defining luxury on the basis of area of research.

a. Semantics and Etymology

The word Luxury comes from the Latin word 'Luxus' meaning '***excess***'.

Luxury as per the Oxford Dictionary –

*NOUN (plural luxuries) [MASS NOUN]1A state of **great comfort** or **elegance**, especially when involving **great expense**.*

*1.1[COUNT NOUN] An **inessential**, desirable item which is expensive or **difficult to obtain**.*

*1.2[IN SINGULAR] A pleasure **obtained only rarely**.*

The Important takeaways from the above etymological and semantic definition of Luxury would be:

- 'Excess' or 'not essential'.
- Great comfort; elegance; pleasure
- Difficult to obtain; Only rare
- Great expense

b. Micro-Economics

The concept of Luxury in Micro-Economics borrows from the semantics of the term – viz. "not essential". Economic theory usually assumes 'rational' behavior, the consumption of luxury on the other hand seems 'irrational'.

Keynes[20] has distinguished between 'basic need' and 'relative need', where he states: "*Now it is true that the needs of human beings may seem to be insatiable. But they fall into two classes — those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings may be, and those which are relative in the sense that we feel them only if their satisfaction lifts us above, makes us feel superior to, our fellows. Needs of the second class, those which satisfy the desire for superiority, may indeed be insatiable; for the higher the general level, the higher still they are. But this is not true of the absolute needs. Although some needs remain unrealizable and develop continuously, there is a series of basic needs that are equal for all people. These needs should be primarily satisfied by the economic system.*"

Micro economics discusses luxury from the perspectives of income elasticity of demand[21], that of consumer utility[22] and the concept of signaling[10].

Income elasticity in Micro-Economics describes the response or change in demand to a change in Income, thus distinguishing between three main types of goods: i. Inferior Goods: When Demand for a good is inversely proportional to Income, it is termed as Inferior Goods. ii. Sticky Goods: When an increase in Income has no significant impact of the Demand for the good. iii. Luxury Goods: When an increase in income gives rise to a disproportional increase in Demand for a good. Defining luxury from the perspective of the Income Elasticity of Demand thus does not look at defining luxury on the basis of the product attributes, but by people's change in demand to 'exogenous' stimuli.

However, the challenge with defining luxury from the perspective of Income Elasticity of Demand, is that by definition, the number of goods that qualify as luxury is varied and keeps changing with context. For instance, as income rises, demand for a commodity like rice from government distribution ration shops falls (thus clearly marking it as an 'inferior' good), and at the same time there is an increase in demand for better quality rice (thus theoretically, marking it as a 'luxury' good). However, 'better' quality rice does not qualify as luxury in the context in which the term is used in product and brand management. The income elasticity of demand can thus, at best act as filter to describe what is 'not luxury' rather than conclusively define what is.

Consumer Utility in economics refers to want satisfying power of a commodity. Petrova and Pruzhansky[22] point out the inverse relationship between consumer utility and the ease of availability in case of luxury goods. Increased availability of the product reduces the utility from the product for the luxury segment, resulting in lower demand. This is described as the 'snob effect'[b].

When Patrick Thomas, CEO of the Luxury Brand Hermes said: "*....we are not fashionable, and we avoid being fashionable*" he was referring to his desire to not be considered 'fashionable' from a 'common' person's stand point, thus referring to the 'exclusivity' of the Hermes brand – which in turn delivers higher utility to Hermes' core customers.

While the primary interest of a monopolist producer is profit maximization, a social planner[c] on the other hand looks at maximizing consumer utility. It can be argued that the obvious conflict of interests between the monopolist and the social planner is negated in case of luxury goods.

The Monopolist, with the objective of profit maximization, raises the price to a point which is most profitable to him. The increased price causes a decrease in demand, due to which the good becomes 'exclusive' and 'scarce' thus increasing its 'snob effect', which in turn leads to increased Consumer Utility. Increased Consumer Utility is the Social Planner's primary objective, which is met in tandem with the Monopolist's objective of Profit Maximization (Figure 3).

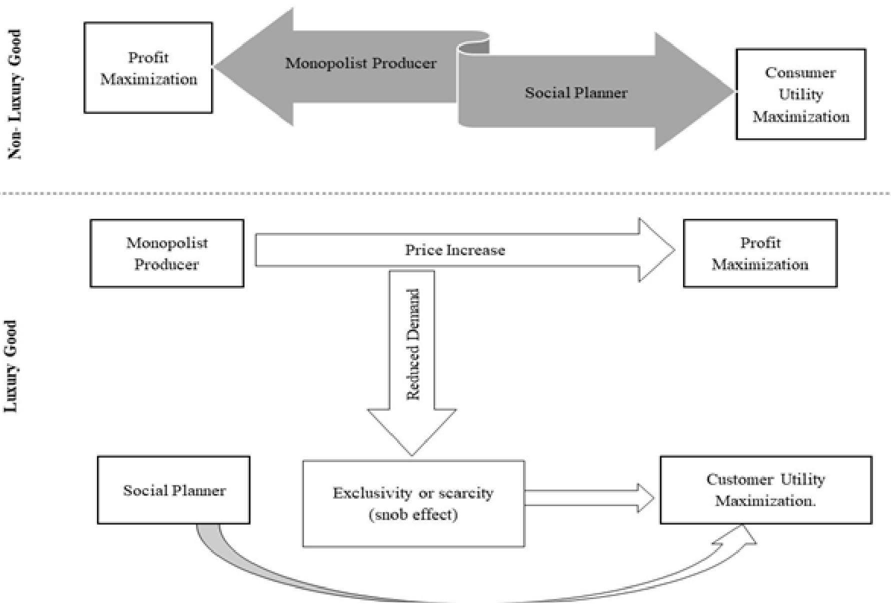

Figure 3. Luxury's snob effect, aligning the monopolist producer and social planner

This distinction between 'other' goods and 'luxury' goods from the perspective of 'snob effect' justifies the existence unregulated monopolies. Indeed, some of the Luxury Brands are so distinct from each other, that each of them can be imagined to be operating in 'local' monopolies. This is exhibited in the art collections, where each artist's work is so distinct from each other that they can be viewed as operating in their own 'monopolies', and it is the exclusivity and scarcity of owning these works of art that offers their 'goods' the attributes of luxury. The concept of luxury is thus necessarily linked to product attributes like quality and rarity/uniqueness.

Another economic theory which can be referred to for understanding luxury is 'signaling'[10]. The genesis of signaling is the idea of 'asymmetric information' (as a deviation from 'perfect information'). Asymmetric information causes upsetting of the normal market for the exchange of goods and services. Spence[23] proposed that 2 parties could overcome this problem by having one party send a signal that would reveal some piece of relevant information to the other party. That party would then interpret the signal and adjust her purchasing behavior accordingly — usually by offering a higher price than if she had not received the signal. The term was first used in relation with the job markets, where a potential employee acquires qualifications which 'signal' that he is better suited for the job, leading to the employer paying higher salaries.

Han et al.[10] applied the theory of signaling in the context of luxury and pointed out that prominent consumption of luxury brands were seen as signals for the show of 'status' [d].

c. *Philosophy and Sociology*

Discussion on what is Luxury in a philosophical context can be traced back to Plato and his work *Politeia*. Plato argues that the basic human needs of food, clothing and shelter cannot be met by one human being alone, thus requiring humans to live in *polis* (city-states) where humans help each other get the basic needs. However, Plato in his own time recognized that it is difficult to strictly maintain the 'basic' need concept, as humans are culture-creating species, to whom clothes are not merely for protection, but to look good and fashionable; food is not merely to survive, but taste and cooking also matters. Such dichotomies in Plato's opinion, lead to a 'dis-balance' of the polis, causing societies to weaken.

This argument of Luxury and the pursuit for the 'non-essential' being dysfunctional to society, has been Philosophy's dominant thought process. The virtues of 'austere' living have been extolled by many philosophers and religious leaders alike. This is especially prominent in the Eastern Confucian cultures[24], where humility is considered as a positive attribute.

The concept of 'Luxury' is therefore as a force that weakens society, is economically harmful, productive, and is described as the pursuit of anything that is 'non-essential'.

What Plato's *polis* did not describe as essential was the human need for 'safety'[25], which in turn required a 'state machinery' and therefore a defined social hierarchy[26,27]. The need for a 'state' gave birth to the concept of the 'ruling class'[26]. Citizens felt safer under a more powerful ruler of the state. The concept of 'more powerful' led to need for the ruling classes to signal the power by distinguishing themselves from the non-ruling classes and the ruling classes of neighbouring states[28]. The consumption of luxury thus became a symbol of power. This connection between 'luxury' and 'power' continues till this date[61].

Baudrillard[29] distinguishes between four possible meanings or statuses (logics) for the utility of goods: i) A functional logic of use value: One can buy an object for the pure use-value of it and it is this utility of the object that drives the decision to buy. E.g. rice is bought for its nutritional content, a toothbrush is bought to help in dental hygiene. ii) An economic logic of exchange value: This is largely from a 'producer' perspective. A toothbrush is produced because it has a certain 'exchange value' for the producer. iii) A logic of symbolic exchange: A gift ceases to have only the classical economic logics of functional use and exchange value, it has a 'symbolic' social value. It represents the value of a relationship. Similarly, a child's favorite toy ceases to have 'economic' logics, and turns into a symbol of 'security' or 'love' thus negating the toy's economic functional utility of exchange value. iv) A logic of sign value. The essence of the sign-value of a consumer object lies in the fact that the object is detached from its denoted, literal logic – either economic or symbolic. Music for a connoisseur of the art is a good which has sign value.

Luxury products may be viewed as goods which have a 'sign value'[28] – which provide a 'rationale' for the purchase of luxury products (which as per classical economic theory, is 'irrational').

While we may conclude that luxury products are goods which have a certain 'sign-value', the corollary, that all goods with 'sign-value' may be classified as luxury, cannot be established. Let us take the example of a music connoisseur, who listens to music at home on his personal music system. For this person, music as a product, has a 'sign-value', which may be described as 'offering happiness'. However, music itself cannot be defined as a luxury good. On the other hand, say, this music connoisseur buys balcony tickets to an opera house. The balcony tickets are scarce; the fellow-audience that one rubs shoulders with in this setting is select; the 'bow-ties' and gowns reflect an exclusive culture; and the music continues to provide 'happiness'. This connoisseur of music has attached other 'sign-values' to the product viz. consuming music in this form has created a 'distinction' between him and 'others'.

With this argument, one may further polish the concept of Luxury as goods which offer a sign-value that allows for 'distinction' to be created in society.

This distinction communicates a certain set of codes of interaction between those who consume luxury and those who cannot. For this communication to be effective, both, the sender (the consumer of luxury) and the receiver (social groups who cannot consume luxury) need to have the same understanding of the sign-values attached to luxury[28].

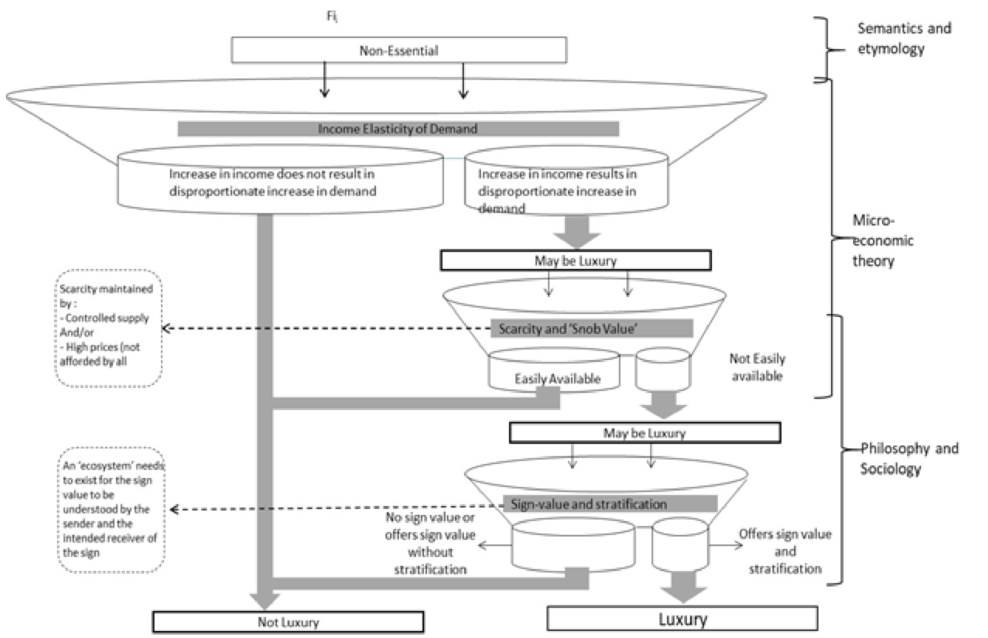

Figure 4. Model for defining luxury products

In our music connoisseur example, if knowledge of balcony opera tickets being 'luxury' does not exist, then the distinction is not possible.

Therefore, for Luxury to be a form of stratification, it requires an 'eco-system' that offers understanding of 'sign-value' being communicated. In other words, sign value of luxury cannot exist in isolation.

The dominant themes that emerged out this discussion have been used to develop a conceptual model of what can be excluded as marked as 'not-luxury' and the characteristics that should be present (included) to be defined as luxury. The model has been envisaged as a combination of funnels and filters through which we can arrive at a definition of luxury products. The starting point of luxury is that it is 'non-essential'. The model describes what further filters may be applied to arrive at an understanding of luxury (figure 4).

The above model may be looked at as a framework for defining luxury products for future empirical studies and is limited by the approach taken. However, this framework may be applied to various contexts within which luxury exists and may be globally applicable. The significance of this model to management education lies in the fact that it underlines the uniqueness of this concept. Since a larger part of products and brands get excluded from luxury, managing and growing business in the non-luxury segment has dominated the academic discussions.

3. Specificities of Luxury Management

A common thread that evolves from the discussion on the concept of luxury indicates that luxury is a. non-essential or superfluous, b. luxury has a 'signaling' value, and c. is inherently scarce (either due to minimalistic supply or due to high cost).

It is these concepts of 'scarcity' and 'signaling' of luxury that create specific requirements for its management, which are distinct from that of non-luxury products.

3.1 Scarcity and Exclusivity as Luxury

Consumers buy products not only for functional purposes but also for what they symbolize. Contemporary research in marketing recognizes the symbolic role of possessions in consumers' lives[30, 31]. The value of products is not only determined by the utility that consumers derive from the products' attributes and their functional consequences, but has an important social component as well. Specifically, scarce products are generally deemed valuable, independent of the utility that their intrinsic attributes deliver[32,58-60]. Uniqueness has been established as an important determinant of Consumers' luxury value perceptions[33] which is based on the assumption, demonstrated in research, that the perceived exclusivity and rareness of the product enhances a consumer's desire or preference for it[34,35]. Verhallen[34] has exhibited that the consumer choice for a product is most positively impacted by scarcity when it is perceived that the unavailability is due to both, limited supply and popularity of the product. Scarcity due to popularity is associated more with the bandwagon effect, while the unavailability due to popularity and limited supply is associated with the consumer's need for exclusivity[33]. It is this sense of exclusivity of owning something that is unique and desirable that adds to the value perceptions of luxury products. While the 'uniqueness' quotient of a product may be created by controlling the supply side and making the product unavailable, the 'desirability' would need to be managed by creating demand for the product where and it is perceived as 'unattainable'.

3.2 Luxury and Social Stratification

To create a sense of exclusivity, a luxury brand should craft strategies to protect the target segment by making consumption more difficult for the non-target segment. Such a positioning strategy is described as 'market shielding', where a brand continuously markets to both targeted and non-targeted segments on the demand side while de-marketing to the non-target segment on the supply side[36]. Market shielding is expected to create stratification in society and add value to the luxury consumer for whom the luxury brand is a badge and a measure of stratification. The consumption of a brand can create stratification where there are certain set of codes of interaction between those who consume luxury and those who cannot[37]. For market shielding to be effective, these codes of interaction need to be understood by the target and the non-target segments[28].

Kaperfer and Bastien[3] have pointed out that in luxury, if somebody looking at somebody else's watch fails to recognize the brand, then part of the value of the brand is eroded. It has been established that luxury has two value facets – luxury for oneself and luxury for others. To sustain the latter facet, it is essential that there should be many more people that are familiar with the brand than those who could possibly afford to buy for themselves.

For successful market shielding and luxury to be a form of stratification, it requires an 'eco-system' where the target and non-target segments of luxury hold the brand in high esteem.

4. Conclusions

The above discussions highlight the importance of market shielding by creating exclusivity for the target market and exclusion of the non-target. Equally important is stoking the aspirations of the excluded non-target market to create the social eco-system for the target market to feel privileged for their exclusivity and the non-targeted segments to feel a 'reluctant exclusion'. Such characteristics of luxury management require marketers to question the applicability of the laws of marketing and necessitates the development of new ones.

The managerial implications that emerge from the specificities discussed in this paper may be summarized as:

a. *Positioning and Competition*

In consumer marketing, at the heart of every brand strategy one finds the concept of positioning, of the 'Unique Selling Proposition', and 'Unique and Convincing Competitive Advantage'[38–40]. Every classic brand has to specify its positioning *vis- à -vis*a set of competitors it has chosen. Positioning is the difference with these other brands that creates the preference[41]. In luxury, a source of creating scarcity is through uniqueness[33] and not the comparison to competition[3]. Positioning strategies are often created by finding 'unoccupied positions' in the market[38]. However, a luxury brand's identity is born out of itself, and not from surveys showing where there might be niche business opportunities[3]. The word competitor needs to be rendered irrelevant, as the creators of luxury conjure brand identities which become quasi 'monopolies'[19].

b. *Customer (client) relationship management*

In traditional marketing, customer is king, where businesses are built by listening to customers and then transforming these wishes to tangible product offerings[41]. On the other hand, the luxury marketer risks losing the aura and mystery around the luxury brand by giving in to all customer needs[3,42–44]. While exclusive services and pampering are an essential part of luxury marketing[45], a luxury marketer needs to preserve a certain distance from their clients which is not supercilious or aloof, nor subservient or casual[3].

c. *Role of Advertising*

For non-luxury consumer brands, the primary role of advertising is to increase sales[46,47]. This concept is almost alien to advertising for luxury brands, where the purpose of advertising is to create a dream and stoke aspirations[48-50]. Contrary to traditional advertising's objective, an increase in sales would only erode the dream.

Another measure for advertising effectiveness for traditional brands is the reach of message to the target segments without wastage, where every person reached beyond the target is considered a waste of investment money[51]. For luxury to retain its sign value, it is essential for marketers to create brand and worth awareness far beyond the target segment and thus requiring alterations to the fundamental measures of advertising effectiveness.

d. Pricing and Demand

In the standard market model, when the price falls, demand rises. This is why to increase sales, most brands do capitalise on economies of scale, experience curves to lower their prices and earn a dominant market share. Having established that luxury derives a large part of its value through exclusivity, lower prices, and therefore higher sales, would lead to erosion of value and ultimately lower demand. Pricing luxury brands requires specific procedures to enhance and preserve the image of the finest quality, prestige, rarity, and hedonic value[51–54], for which luxury marketers need to address all integral parts of the pricing process framework: strategic direction, analysis, decision, and implementation[55]. Pricing for luxury brands is not pegged to competition (as true luxury makes competition irrelevant), and in some ways, pricing creates the value for a luxury brand by making it scarce and unattainable for the non-targets.

These managerial implication of luxury brand management imply that the traditional marketing models and thought processes needs to be shaken up and give way to craft strategies that can cater to it's the unique characteristics of luxury. Since a majority of the products and brands in the market do not cut the bill of being called luxury, academic researches as well as practitioners' experiences are more in the realm of non-luxury than luxury. However, the profitability and the vibrant growth witnessed in this sector justifies the argument of treating luxury management as a separate area of study and incorporate that in management education. This is especially relevant in a country like India, which is considered as the next big destination for luxury. The importance of understanding the specificities of luxury management and creating strategies to suit it may be generalized across markets, however, it is more relevant and significant in the context of India. The myriad cultural settings and ethos in India, which are fairly distinct from the Western civilization strengthens the argument for the study of luxury as a specialized area.

5. References

1. Arienti, P. (2017). Global Powers of Luxury Goods 2017, The New Luxury Consumer [online] Available at: https://www2. deloitte. com/content/dam/Deloitte/global. Documents/consumer-industrialproducts/gx-cip-global-powers-luxury-2017.pdf [Accessed 19 Sep. 2017].
2. Jain S. India's historical luxury fables. Sinha D, editor. The luxury market in India: Maharajas to masses. UK: Palgrave Macmillan UK; 2012.
3. Kapferer, J. N., & Bastien, V. (2009). The specificity of luxury management: Turning marketing upside down. Journal of Brand Management, 16(5-6), 311-322.
4. Veblen T. The Theory of the Leisure Class. 1899. AM Kelley, bookseller; 1965.
5. Credit Suisse Research Institute. Global Wealth Report 2015 [Internet]. [cited 2016 Jun 8]. Available from: Available at: http://www.protothema.gr/files/1/2015/10/14/ekthsi_0.pdf
6. Capgemini and RBC Wealth Management. World Wealth Reports 2015. World Wealth Reports [Internet]. [cited 2016 Jun 8]. Available from: Available at: https://www.worldwealthreport.com/download.
7. Truong Y, Mccoll R, Kitchen PJ. New luxury brand positioning and the emergence of masstige brands. Journal of Brand Management. 2009; 16(5–6):375–82. doi: http://dx.doi.org/10.1057/bm.2009.1
8. Benady D. Masstigeproduct: Eat, drink and be merry. Marketing Week, 22-23 [Internet]. [cited 2008]. Available from: http://search.proquest.com/docview/228206621?accountid=139266
9. Royo-Vela M, Voss E. Downward price-based brand line extensions effects on luxury brands. Business and Economics Research Journal. 2015; 6(3):145.
10. Han YJ, Nunes JC, Drèze X. Signaling status with luxury goods: The role of brand prominence. Journal of Marketing. 2010; 74(4):15–30.
11. Wiedmann KP, Hennigs N, Siebels A. Measuring consumers' luxury value perception: A cross-cultural framework. Academy of Marketing Science Review. 2007; 7(7):333–61.
12. Krueger D, Perri F. Does income inequality lead to consumption inequality? Evidence and theory. The Review of Economic Studies. 2006; 73(1):163–93.

13. Davies IA, Lee Z, Ahonkhai I. Do consumers care about ethical-luxury?. Journal of Business Ethics. 2012; 106(1):37–51.
14. Schaninger CM. Social class versus income revisited: An empirical investigation. [Internet]. [cited 1981]. Available from: Retrieved from http://search.proquest.com/docview/208824955?accountid=139266
15. Renner W, Ramalingam P, Pirta RS. Moral universals, ancient culture and indian youth: Part II - facing the challenge of westernization. Journal of the Indian Academy of Applied Psychology. 2014; 40(1):9–19.
16. Kinra N. The effect of country-of-origin on foreign brand names in the Indian market. Marketing Intelligence and Planning. 2006; 24(1):15–30.
17. Lowther B. Saris and Louis Vuitton: luxury brands eyeing India for future growth. Womens Wear Daily. 2005 May:1–7.
18. Dubois, B., Laurent, G., & Czellar, S. (2001). Consumer rapport to luxury: Analyzing complex and ambivalent attitudes (No. 736). HEC Paris.
19. Heine, K. (2012). The concept of luxury brands. Luxury brand management, 1, 2193-1208.
20. Keynes, J. M. (1963). A self-adjusting economic system. Nebraska Journal of Economics and Business, 2(2), 11-15.
21. Kemp S. Perceiving luxury and necessity. Journal of Economic Psychology. 1998; 19(5):591–606.
22. Petrova S, Pruzhansky V. The economics of luxury goods: Utility based on exclusivity; 2011.
23. Spence M. Job Market Signaling. Quarterly Journal of Economics (The Quarterly Journal of Economics. 1973; 87(3)355–374.
24. Wong NY, Ahuvia AC. Personal taste and family face: Luxury consumption in Confucian and Western societies. Psychology and Marketing. 1998; 15(5):423–41.
25. Maslow AH. A theory of human motivation. Psychological review. 1943; 50(4):370.
26. Mann M. Ruling class strategies and citizenship. Sociology. 1987; 21(3):339–54.
27. Mitchell T. The limits of the state: Beyond statist approaches and their critics. The American Political Science Review. 1991; 85(1):77.
28. Mortelmans D. Sign values in processes of distinction: The concept of luxury. Semiotica. 2005; 2005(157):497–520.
29. Baudrillard J, Levin C. For a critique of the political economy of the sign. Telos Press Publishing; 1981.
30. Belk, R. W. (1988). Possessions and the extended self. Journal of consumer research, 15(2), 139-168.
31. Levy, S. J. (1959). Symbols for sale. Harvard business review.
32. Van Herpen, E., Pieters, R., & Zeelenberg, M. (2009). When demand accelerates demand: Trailing the bandwagon. Journal of Consumer Psychology, 19(3), 302-312.
33. Wiedmann KP, Hennigs N, Siebels A. Value-based segmentation of luxury consumption behavior. Psychology and Marketing. 2009; 26(7):625–51.
34. Verhallen, T. M. (1982). Scarcity and consumer choice behavior. Journal of Economic Psychology, 2(4), 299-322.
35. Lynn, M. (1991). Scarcity effects on value: A quantitative review of the commodity theory literature. Psychology & Marketing, 8(1), 43-57.
36. Park, C. W., Jaworski, B. J., & Maclnnis, D. J. (1986). Strategic brand concept-image management. The Journal of Marketing, 135-145.
37. Miller, K. W., & Mills, M. K. (2012). Probing brand luxury: A multiple lens approach. 00Journal of Brand Management, 20(1), 41-51.
38. Trout J, Ries A. Positioning: The battle for your mind.McGraw-Hill; 1986.
39. Brooksbank R. The anatomy of marketing positioning strategy. Marketing Intelligence and Planning. 1994; 12(4):10–14.
40. Graham H. Marketing strategy and competitive positioning. Pearson Education India; 2008.
41. Kapferer , J . N. (2008) The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term , 4th edn., London: Kogan Page Limited.
42. Kotler P. Marketing management: The millennium edition. Marketing Management. 2000; 23(6): 188–93.
43. Fuchs C, Prandelli E, Schreier M, Dahl DW. All that is users might not be gold: How labeling products as user designed backfires in the context of luxury fashion brands. Journal of Marketing. 2013; 77(5):75–91.
44. Liu F, Li J, Mizerski D, Soh H. Self-congruity, brand attitude, and brand loyalty: a study on luxury brands. European Journal of Marketing. 2012; 46(7/8):922–37.
45. Dubois, B., & Laurent, G. (1994). Attitudes towards the concept of luxury: an exploratory analysis. ACR Asia-Pacific Advances.
46. Lavidge RJ, Steiner GA. A model for predictive measurements of advertising effectiveness. The Journal of Marketing. 1961; 59–62.
47. Lucas. DB, Britt SH. Measuring advertising effectiveness; PsycINFO Database Record (c) 2016 APA, 1963.
48. Hennigs N, Wiedmann KP, Klarmann C. Luxury brands in the digital age–exclusivity versus ubiquity. Marketing Review St. Gallen. 2012; 29(1):30–5.
49. Fionda AM, Moore CM. The anatomy of the luxury fashion brand. Journal of Brand Management. 2009; 16(5–6):347–63.

50. Kapferer, J. N. (2012). The new strategic brand management: Advanced insights and strategic thinking. Kogan page publishers.
51. Dion D, Borraz S. Managing heritage brands: A study of the sacralization of heritage stores in the luxury industry. Journal of Retailing and Consumer Services. 2015; 22:77–84.
52. Taylor CR, Franke GR, Bang HK. Use and effectiveness of billboards: perspectives from selective-perception theory and retail-gravity models. Journal of advertising. 2006; 35(4):21–34.
53. Yeoman I, McMahon-Beattie U. Luxury markets and premium pricing. Journal of Revenue and Pricing Management. 2006; 4(4):319–28.
54. Hornig T, Fischer M, Schollmeyer T. The role of culture for pricing luxury fashion brands. Marketing ZFP. 2013; 35(2):118–30.
55. Fassnacht M, Kluge PN, Mohr H. Pricing luxury brands: Specificities, conceptualization and performance impact. Marketing ZFP. 2013; 35(2):104–17.
56. Colchester M. Hermès seduces the elite by selling luxury slowly. The Wall Street Journal [Internet]. [cited 2009 May 8]. Available from: http://www.wsj.com/articles/SB124172264754197157.
57. Forbes. The World's Billionaires [Internet]. [cited 2016 Jun 8]. Available from: http://www.forbes.com/billionaires/list/
58. Kapferer JN. Abundant rarity: The key to luxury growth. Business Horizons. 2012; 55(5):453–62.
59. Leibenstein H. Bandwagon, Snob, and Veblen Effects in the Theory of Consumers' Demand. The Quarterly Journal of Economics.1950; 64(2):183–207.
60. Rajadhyaksha N. The curious economics of luxury brands. LiveMint. [Internet]. [cited 2011 Mar 25]. Available from: http://www.livemint.com/Home-Page/W8eexIwEwMoy6zTb1n5vGO/The-curious-economics-of-luxury-brands.html.
61. Rucker DD, Galinsky AD. Conspicuous consumption versus utilitarian ideals: How different levels of power shape consumer behavior. Journal of Experimental Social Psychology. 2009; 45(3):549–55.

6. Notes

a. As the Central Intelligence Agency (USA). website https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html. Extacted on 17-Jun-16.
b. A situation where the demand for a product by a high income segment varies inversely with its demand by the lower income segment.
c. In welfare economics, a social planner is a decision-maker who attempts to achieve the best result for all parties involved.
d. While the concept of Signaling has had its genesis in Micro-Economics, in spirit, it is a social phenomenon. This concept would be discussed in more detail while exploring the Philosophical and Social aspects of Luxury.