

A

PROJECT REPORT

ON

"Consumer Buying Behavior towards Luxury Brand Louis Vuitton"

Submitted To

**RASHTRASANT TUKDOJI MAHARAJ NAGPUR UNIVERSITY,
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Submitted By

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CERTIFICATE

I hereby declare that the project report "Consumer buying behavior towards Luxurious brand LOUIS VUITON " with reference to India , towards partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination. This has not been submitted for any other examination and does not form any other course undergone by the candidate.

It is further certified that she has ingeniously completed her project as prescribed by Rashtrasant Tukdoji Maharaj University, Nagpur.

Name of Project Guide

Dr. Geeta Naidu

Place:

Date:

DECLARATION

I hereby declare that the project with title "Consumer buying behavior towards Luxury brand LOUIS VUITTON" with reference to India has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtasant Tukdoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me .

Syeda Sameen Fatima

Place:

Date:

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N.Y. Khandait, Principal, G.S. College of Commerce and Economics, Nagpur.

I am extremely thankful to project guide Prof. Geeta Naidu for her guideline throughout the project. I tender my sincere regards to Co-ordinator , Dr. Ashwini Purohit for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

Syeda Sameen Fatima

Place:

Date:

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Introduction to Marketing Management

Marketing management is the organizational discipline which focuses on the practical application of marketing orientation, techniques and methods inside enterprises and organizations and on the management of a firm's marketing resources and activities.

Marketing Management performs all managerial functions in the field of marketing. Marketing Management identifies market opportunities and comes out with appropriate strategies for exploring those opportunities profitably.

It has to implement marketing programme and evaluate continuously the effectiveness of marketing-mix. It has to remove the deficiencies observed in the actual execution of marketing plans, policies, and procedures. It looks after the marketing system of the enterprise.

Marketing management smoothen the process of exchange of ownership of goods and services from seller to the buyer. Marketing management, like all other areas of management comprises of the function of planning, organising, directing coordinating and controlling.

This concept advocates that a manufacturer should begin his task with the consumer focus. He has to primarily study the consumer and understand the needs, desires, requirements and conveniences of the latter. A manufacturer should design a new product or improve an existing one strictly keeping in mind the needs, desires etc. of the consumer. The product should exactly satisfy the consumer.

Therefore, a manufacturer should design and manufacture a product which will be accepted by the consumer rather than the one which can be manufactured by him easily. A consumer is basically fastidious and fickle minded. This makes that task of understanding the consumer and designing an appropriate product much more difficult, however this is the only way a manufacturer can succeed in a competitive market. Selling should be preceded by customer study, marketing research and product development. The entire focus should be on the consumer and his needs.

“There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the consumer so well that that the product or service fits him and sells itself. Ideally marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available” – Peter Drucker.

ABSTRACT

In the following pages you would see a descriptive research on Louis Vuitton, the competition it faces, its products, strengths, weaknesses and the challenges the brand faces in India. Louis Vuitton or shortened to LV sell its products through standalone boutiques, lease departments in high-end department stores, and through the E-commerce section of its website. Operating in 59 countries, Louis Vuitton is the largest global luxury brand in the world. Louis Vuitton has been very successful in selling its famous handbags, shoes, suitcases and other luxury goods and generated revenues of about \$4 billion in 2004. The purpose behind conducting this research was to understand consumer behavior towards luxury brand Louis Vuitton.

Along with it, the research aimed at better and more precise understanding of potential customers, their demographics and psychographics. The information gained through this research will be used to understand how Louis Vuitton can expand its market in India by overcoming the challenges it faces here to discover the challenges and to understand the consumers' preferences for the topic. We used the data collection methods, secondary as well as primary. Questionnaire for customers was chosen as primary data collection instrument for this research.

The marketing concept which is also called the modern marketing concept as practised by most of the LV in the present situation is actually a combination of all the other concepts. The modern marketing concept consists of an integrated effort on the part of the marketer to identify the consumer needs and satisfy them through appropriately designed products and for this task use all the marketing techniques related to product, selling, market study, consumer behavior etc.

Over the years, Louis Vuitton introduced some of the most famous bags in the world, such as the Speedy Bag and the Neverfull Tote. In 1997, the brand started to design women's clothing and three years later expanded to men's clothing as well. Today it's a billion-dollar company, selling not just bags but also clothes, shoes, watches, jewelry and perfume. And their success keeps building and building. But how?

WHAT IS BRAND?

A brand is the way a company, organization, or individual is perceived by those who experience it. More than simply a name, term, design, or symbol, a brand is the recognizable feeling a product or business evokes. Any potential luxury brand should be evaluated by the constitutive characteristics of luxury, which are described in detail in one of the following chapters. These explanations are summarized by the following principles:

- **Price:** The brand offers products which belong to the most expensive products of their category.
- **Quality:** The brand offers everlasting top-of-the-line products, which won't be disposed of even after long utilization or defect, but rather repaired and which often even gain in value over time.
- **Aesthetics:** The brand behaves like a chic and vain dandy, who would never leave the house in less than perfect style. Whenever and wherever the brand is seen, it embodies a world of beauty and elegance.
- **Rarity:** In contrast to mass-market brands, the brand needs to limit its production and tries not to disclose its (high) sales numbers. The brand plays hard to get and is not available at all times or places.
- **Extraordinariness:** The brand has a mind and style of its own and its products offer a "kick" and surprise with the "expected unexpected."
- **Symbolism:** The brand stands for "the best from the best for the best"; its charisma fills the room, and regardless of whether it is of a conspicuous or understated nature, deep inside, it is swollen with pride.

Brands, then, live in the mind. They live in the minds of everyone who experiences them: employees, investors, the media, and, perhaps most importantly, customers. Simply put, brands are perceptions.

BACKGROUND OF LOUIS VUITTON



The Oxford Dictionary has defined 'Luxury' as 'A state of great comfort or elegance, especially when involving great expense'. (Dictionaries, 2015). Interestingly, the origins of this word dates back from Middle English denoting 'lechery' and Old French 'luxurie' and Latin 'luxuria' and 'luxus' meaning "excess".

It has been an established fact that luxury brands like LV are showing a growing presence in emerging markets. Twenty-five years ago, in a pre liberalization era, India hardly seemed to be a potential market for luxury goods. Apart from the royal families used to luxurious living, the vast majority of population that resided in rural areas, were so diverse yet traditional, spoke so many languages and were reined in by a socialist government policy.

MNCs, a healthily growing affluent and educated middle-class and an increasing list of HNWI Indians has changed that. A BCG report showed BRIC countries, namely Brazil, Russia, India and China accounting for 30% of the market share of sales of these brands in 2014.

Louis Vuitton is most prominent designers of leather goods in the history of France. In 1854 in Paris, he opened the first suitcase store with his own name. A century later LV bags and leather goods become one of the best brands in the areas. Today, the Louis Vuitton brand has not only limited to the design and sale of high-end leather goods and luggage, it also have become accessories, shoes, bags, jewelry, watches, media, wine and other areas giant trend indicators.

LV bags, Louis Vuitton bags and Louis Vuitton leather goods are the main products of the company, and the price of these products also are very expensive, ordinary people generally can not afford them. We often see news reports that a star holding LV bag. At the same time, we often can see people carrying LV handbag on the street, however, most of these bags are fake or replica LV. Because Not everyone can afford real designer brands.

Louis Vuitton Malletier was a suitcase maker who established his French luxury brand in 1854. He focused on the high-end market and was well-known for his great designs. The designer was therefore given the honourable tasks of creating special luggage for French emperor Napoleon III's wife. Then it was in 1896 that Louis Vuitton introduced the famous LV monogram to his bags, the design which has become so famous today.

From day one, quality has always been at the core of every single Louis Vuitton product. And this strategy pays off. Louis Vuitton doesn't do marketing; they just create products that are exceptional in their design and craftsmanship. Every bag made by Louis Vuitton is individually handmade with the utmost care. And even though the company now operates on a very large scale, they still know how to maintain that small company feeling.

Exclusivity is another secret to the success of the brand. Louis Vuitton has always tried to counter mass production with short term limited edition series. This means that not everyone will own the same bags, and means that those who do get their hands on a limited edition bag, get fantastic exclusivity. When products come out in small numbers, a buzz is created instantly and people crave the latest style of bag. Because of this scarcity, waiting lists become longer and longer and the products even more desirable.

Louis Vuitton keeps on inventing itself and is successful because it adapts to the need of its customers. Louis Vuitton knows how to innovate and stay true to their classic traditions at the same time. Through numerous collaborations, the brand has worked with artists and designers such as Jeff Koons, Takashi Murakami and Pharrell Williams who have all created their own limited edition lines. These series help the brand connect to new and younger audiences.

The simple but elegant LV monogram is recognisable all over the world. But it's the combination of quality, exclusivity and innovation that make the perfect recipe for timeless success.

COMPANY PROFILE



LVMH Moët Hennessy Louis Vuitton SE is a France-based luxury group active in six sectors: Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, Watches and Jewelry,

Selective Retailing and Other Activities. Wines and Spirits owns brands, such as Moët & Chandon, Krug, Veuve Clicquot, Hennessy and Chteau d'Yquem, among others. Fashion and Leather Goods owns brands, such as Luis Vuitton, Christian Dior and Givenchy, among others. Perfumes and Cosmetics owns brands, such as Parfums Christian Dior, Parfums Givenchy Guerlain, Benefit Cosmetics, Fresh and Make Up For Ever, among others. Watches and Jewelry owns brands, including TAG Heuer, Hublo, Zenith, Bulgari, Chaumet and Fred, among others. Selective Retailing owns the brands DFS, Miami Cruiseline, Sephora and Le Bon Marche Rive Gauche, among others. Other Activities includes lifestyle, culture and the arts brands, such as Les Echos, Royal Van Lent, and Cheval Blanc. The Company is active worldwide.

In 1854, Louis got married and decided to open his own company. He started advertising his company and the success was immediate. He suddenly got popular and was known for his great innovations in his work. In 1858, he introduced slat trunk, the design that is still used today. After a few years, he moved his workshop to a new place, the village of Asnieres. This became a family home for him.

After Louis's death in 1892, the company was taken over by his son, Georges. Louis Vuitton has become the world's biggest and popular store. The company's brand became registered trademark very soon. Till then, it has conquered the world through its unique designs. A tumbler lock was patented by the company in 1890 which is still used today.

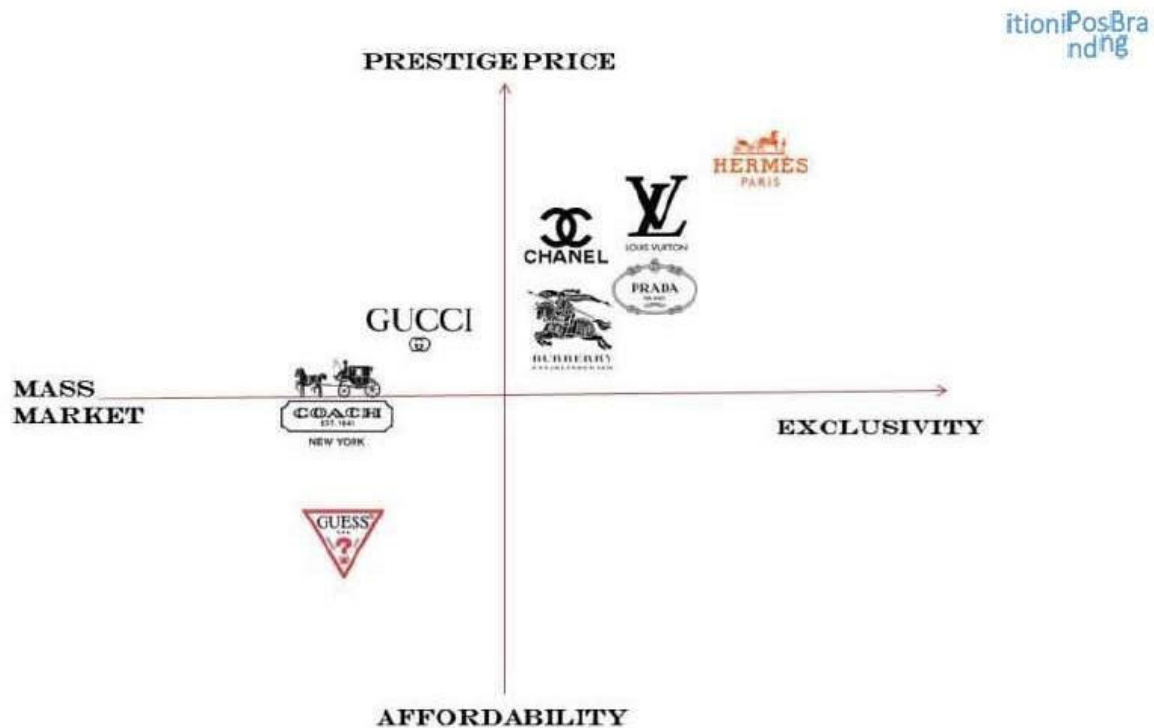
HISTORY

Talking about France, not only people will think of Eifel but also Louis Vuitton, a renowned French product brand. Louis Vuitton or many people call it LV is a fashionable product company which was named after Mr. Louis Vuitton as a founder in 1854. The origin of Louis Vuitton can go back to the early 19th century when the French railway company wanted to change the rotten and damaged cow leather of seat covers in the first class to synthetic fabric clothing which is softer and more durable. Also it is easier to clean this clothing than any leather. The producer designed a 4-petal yellow oak flower and placed the crossed LV characters, which was his initial,

on dark brown clothing instead of W L which stands for Wagon Lit. After the production of embroidering the crossed LV characters was completely finished and ready to go for the ending process to cover the train seats, the railway company found out the mistake. Then the railway company rejected all of the production and suspended all the synthetic fabric clothing. At last, all of the rejected synthetic fabric clothing was modified and it was used for other purposes by the factory. Not to lose all made materials, the synthetic fabric clothing was used to cover luggage and the structure of wooded boxes attached by metal knots for durability which were popular during that era. Before that they used cow leather to cover the luggage and wooded boxes. After that the producer used his full name Louis Vuitton as a trademark even since and that is the origin where the luxurious world class product brand Louis Vuitton or LV emerged. Later, the wooded boxes by Louis Vuitton became well-known among sea travellers because of its different quality from the cow leather. Louis Vuitton's luggage was lighter but can contain more belongings and it is more convenient for transportation. Besides, the LV boxes did not absorb liquid, no matter it is rains or sea water. Further, upon being placed amidst other luggage or boxes, the LV ones looked more outstanding than any other luggage because of its special design, easy for bell boys or owners to recognize and point out at the luggage of Louis Vuitton. There is a story that once Eugénie de Montijo, the last Empress consort of the French as the wife of Napoleon III, Emperor of the French, was present on the ocean ship to preside over the ceremony to open Suez Canal, an artificial sea-level waterway in Egypt, connecting the Mediterranean Sea and the Red Sea in 1869. She used over 10 different sizes of LV luggage to contain her clothes and belongings which look the most fashionable in that era. From Paris to Alexandria and Cairo....From Venice to Istanbul.....From Calais to the United Kingdom and across Atlantic to New York.

This made the luggage by Louis Vuitton become chic and luxurious accessories that scion of royal houses and high-class people in Europe became aware and looked for LV boxes for use. Later the fashion of LV has spread to people in entertainment industry from Europe across Hollywood. This popularity has extended to entertainment business people in Asia that are willing to buy the LV products as a souvenir when they join the Cannes Film Festival where the boutique shops of Louis Vuitton are open in Nice, Cannes and Monaco. These LV shops are well-known among superstars, celebrities and wealthy people who spend a summer holiday there. In many occasions, the trademark LV luggage are seen in the big movie production of Hollywood movies such as Roman Holiday, Titanic, The Italian Job that used the overnight bag by Louis Vuitton to deliver gold which represent and guarantee the durability and indicate the taste and influence of this brand towards movie makers and fans with the unique catching eye identity than any other product.

BRAND POSITIONING



LITERATURE REVIEW

In January 2008, the Personal Good Luxury Brand leader by far, Louis Vuitton of the LVMH Group, headquartered in Paris was the first to drift away from the traditional concept in India, of these brands housed in luxury hotels. Having established their first two stores in this manner, it was a bold decision to launch its third one in a new luxury mall in New Delhi. This case study on Louis Vuitton examined reasons for the brand's entry into the Indian market. The company had started working on a formal Indian entry from 1999 on the belief that this was a market offering great potential and 'waiting to be tapped.' Its long term vision was to have a Louis Vuitton store in every Indian city with a population of 10 million plus by 2010. Though this mission was not achieved, and sales were poor, in retrospect, Louis Vuitton believed it might have entered the market three or four years too early. A number of issues plagued its case; right from the Government's ban on import of leather goods till 2001 to the non availability of updated market research on families with annual income of more than INR 100 million. Vispi Patel, Group Director, LVMH, compares the company's experience in China and India. The first Vuitton store opened in China in 1992, he says, but the acceleration happened only in the last 8 to 10 years, when China moved from being a poor to a middle-class economy with greater purchasing

power. He is of the opinion that India's growth will follow likewise and its growth and acceleration will follow a similar pattern.

RELEVANCE OF THE STUDY

- It has been an established fact that luxury brands are showing a growing presence in emerging markets. Twenty-five years ago, in a pre liberalization era, India hardly seemed to be a potential market for luxury goods.
- Apart from the royal families used to luxurious living, the vast majority of population that resided in rural areas, were so diverse yet traditional, spoke so many languages and were reined in by a socialist government policy.
- India's recovering economy coupled with the growing number of millionaires and indulgent spending was a prime reason.
- As the Indian consumer gets more aware of the presence of luxury brands, these goods continue to register a strong growth in India and focus on the Indian consumer.
- Though Delhi and Mumbai find the biggest buyers of these brands, rapid urbanization has also revealed that the market is slowly penetrating into second and third-tier cities too.
- While Delhi tops the list of leading Indian cities followed by Mumbai, Bangalore, Chennai, Kolkata, Hyderabad and Pune follow next in terms of Tier II cities.

NEED OF THE STUDY

Following are the key trends that will redefine the future of Indian luxury industry:

- **The roaring digitalization:** In India, digitally influenced spending is presently around \$50 billion, Growth in internet penetration, convenient payment platforms, efficient logistics, user friendly shopping experience and better value proposition offered to consumers are some of the key factors triggering the growth of online shopping in India
- **E-influencers making a mark:** Social media influencers are now-a-days proving to be very effective. Today's consumers trust word of mouth over companies' advertisement. More than

70% consumers in India are more likely to make their purchase based on social media reference.

- **Pre-owned luxury goods gaining traction:** Second hand luxury goods market is rapidly growing in India as making luxury affordable makes it attractive proposition for value-conscious Indian buyers.
- **Going green:** Lately, brands like Gucci, Burberry and Stella Mc Cartney have pledged to be fur free. Indian consumers, particularly millennial are increasingly becoming environment conscious. recent study by MasterCard revealed that about 70% of buyers in India give importance to 'green' and 'ethical' while making their purchase. Therefore, luxury brands need to innovate to entice Gen Y who yearn for sustainable produce.

OBJECTIVE OF THE STUDY

- Highlight the relatively new market that has opened up in luxury branding of personal good in India in the past decade as well as highlight the problems and roadblocks peculiar to the Indian scenario
- Emphasize on the Personal Goods market of louis vuitton, which includes fashion apparel, accessories and jewellery . Particularly important, too since this segment's turnover rates second highest in the total Luxury spending, worldwide.
- Examine the current trends in this sector of marketing will give one some insights into current happenings in this fairly recent trending market in India which is seeing fast growth.
- This is a challenging industry driven by sales largely dependent on the socio-economic scenario and strategic imperatives are crucial to these brands success. The focus on who is the customer, how old is he, his changing lifestyle, spending prowess and attitude would also help in analyzing current trends for relevant branding.

HYPOTHESIS

Hypothesis is the process of taking and using the sample statistics to make an inference for a population parameter , a theory or guess can be called as hypothesis.

H_0

Price has an insignificant impact on consumer buying behaviour when it comes to luxury brand.

H_1

Price has significant impact on consumer buying behaviour when it comes to luxury brand.

RESEARCH DESIGN

Sampling design

- Convenient sampling method will be used .
- Sample size will be approximately of 15 people

Research design

- Descriptive design will be used for design purpose.

Data collection

- Primary and secondary data will be used for design purpose.
- Questionnaire will be used for primary data
- Books and magazine will be used for secondary data.

Data Representation

- Charts, graphs, table and statistical method will be used for the representation of data.

RESEARCH METHODOLOGY

The Research process based on primary data analysis and secondary data analysis will be clearly defined to meet the objective of the study.

PRIMARY DATA

- The data collected by researcher herself for finding the solution of particular situation, is known as primary data. this type of data is characterized by its originality as it is freshly collected.. various organizations conduct survey ,observations interviews, etc. and as a result generated primary data.

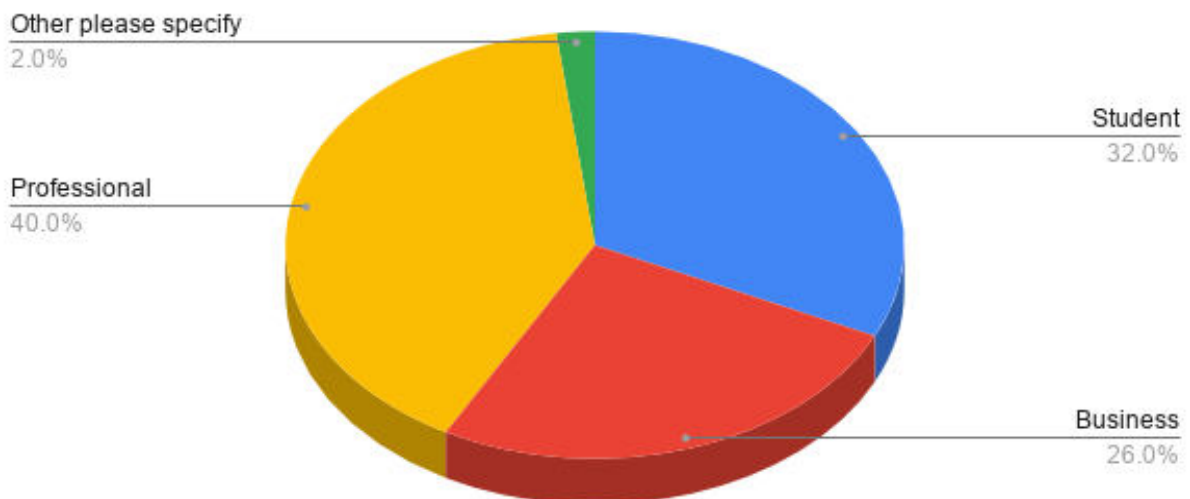
SECONDARY DATA

- Printed documents like books, magazines, newspaper etc. will be used to collect data.
- Survey method, internet.

DATA ANALYSIS AND INTERPRETATION

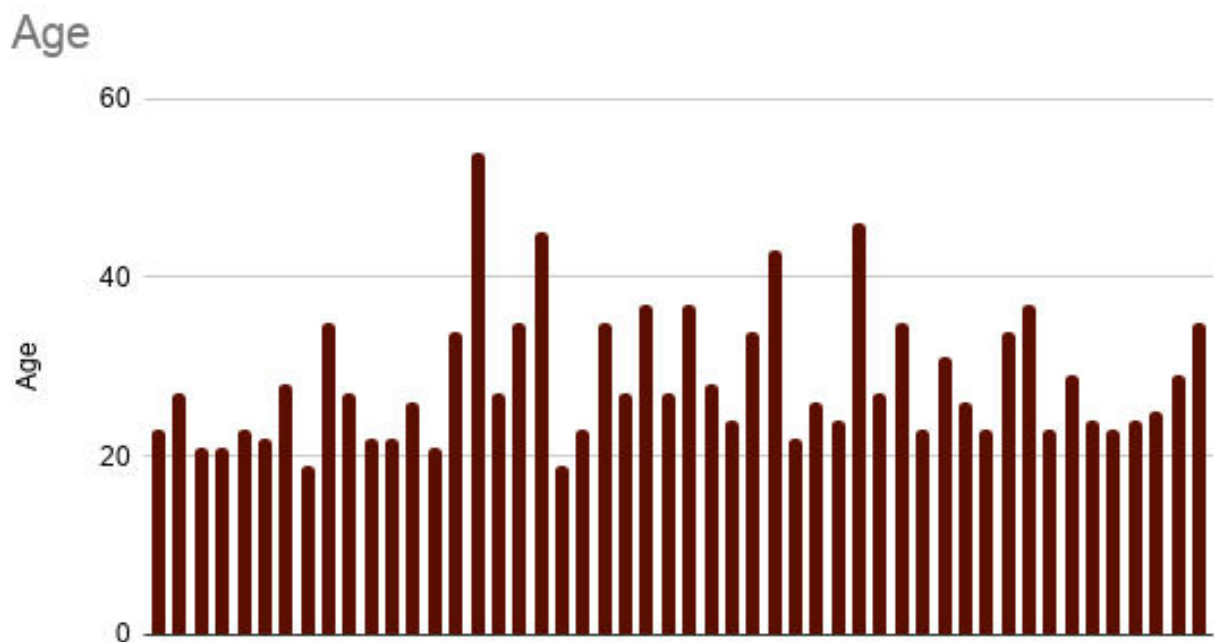
This survey was conducted with sample size of 50 customers.

Count of Occupation



Interpretation:

Most of the users are mature (25+), female, working population with stable financial background. There is also an increasing number of young users, who are fashionable trend-followers and these users are usually less price-concerned and its products are frequently used by the rich and famous, celebrities, models all over the world.



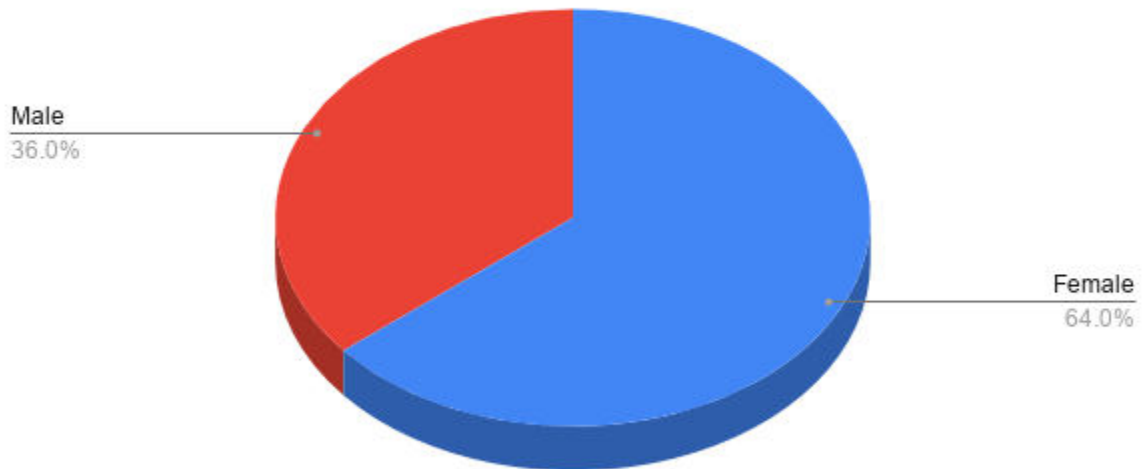
Interpretation:

42% of the total population is of the age group 18-21.

40% of the total population is of the age group of 22-25

Most of our respondents were young which means that most of them belong to traditionally rich families and have not started earning yet.

Gender

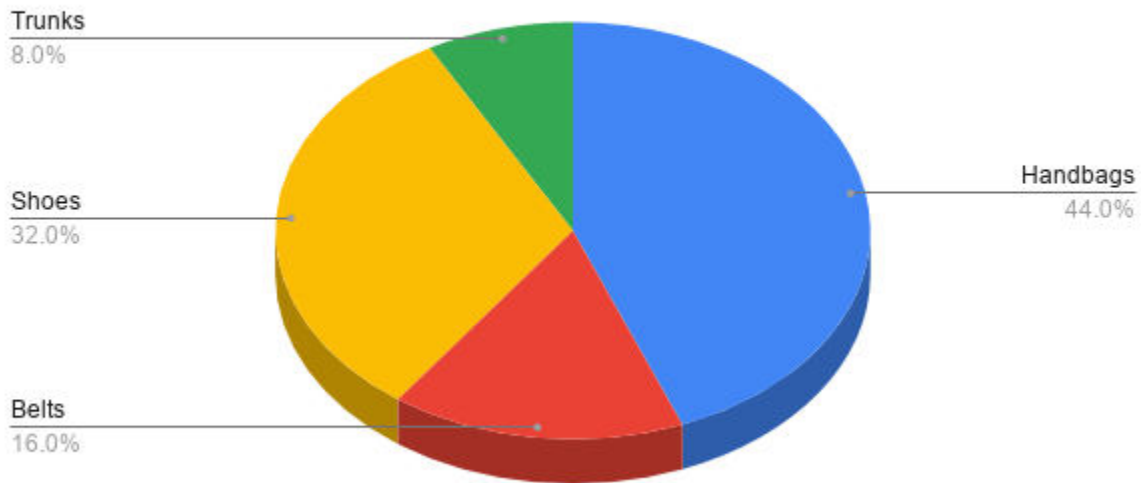


INTERPRETATION:

64% of our respondents were female. Majority of respondents were women as they shop more frequently as compared to men. LV offers comparatively more women products as that of men.

INTERPETATION:

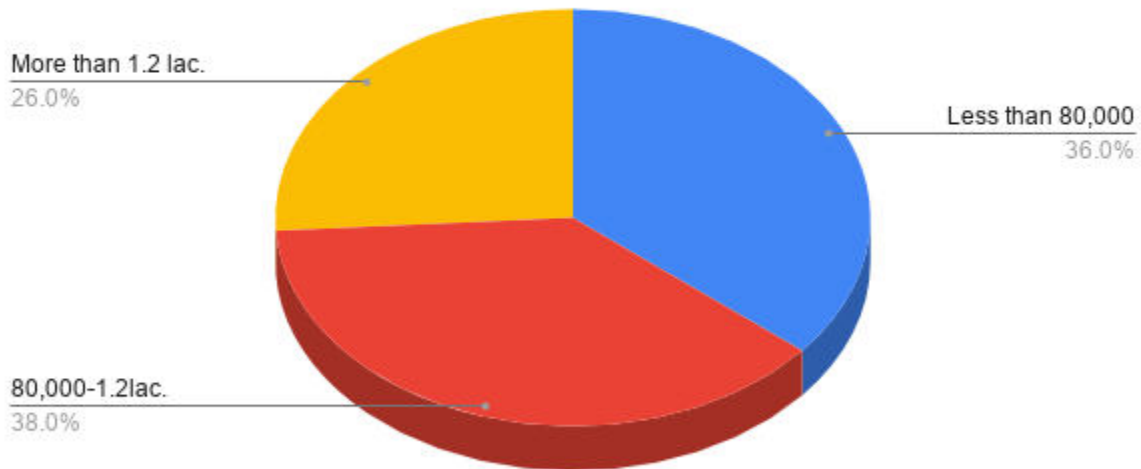
Which product of Louis Vuitton you prefer mostly to buy?



INTERPRETATION:

From our survey among 50 correspondents, most of the purchase recognition stages are from the needs of a luxury handbag to carry. These people believe that carrying a branded product will enhance their status and wealth as well as fashionable. As women are frequent buyer they tend to take handbags and shoes more. Belts are used by men , and thier shopping frequency is less thus, belts only accounts for 16% coverage. trunks have become old fashioned now, thus chart shows only 8% of indulgence in trunks.

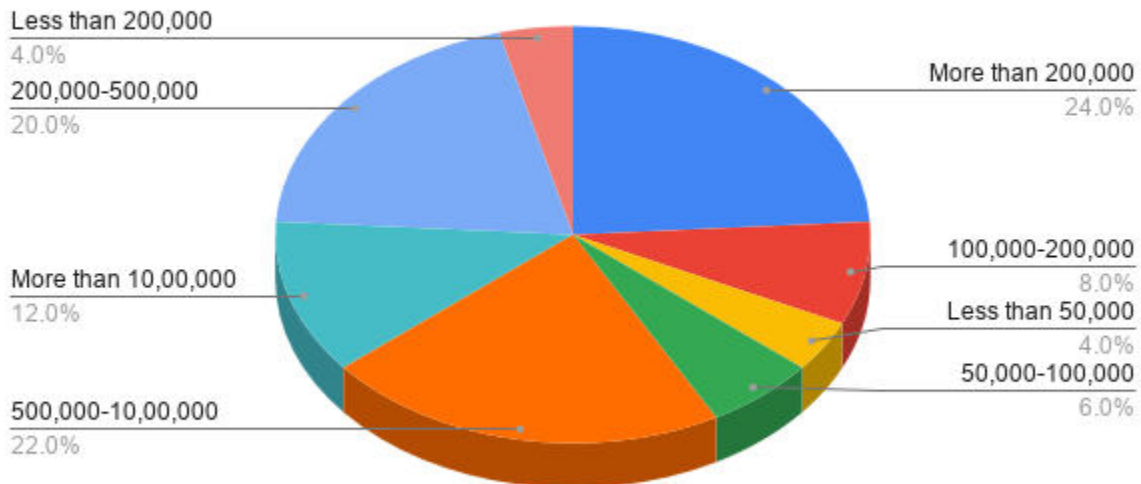
How much you are willing to pay for Louis Vuitton?



INTERPRETATION:

As LV is a luxury brand it does not come as surprise that consumers are willing to pay more than 1.2 lakh of their income. However, more or less when it comes to spend on luxury, price does not play the major role in making the decisions of consumers. Especially, when dealing with a luxurious brand like LV.

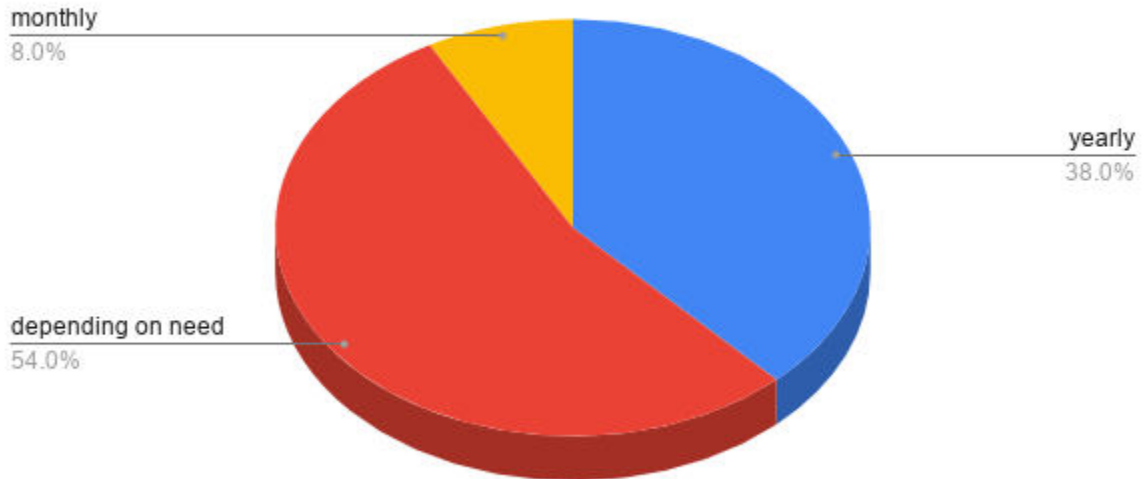
Count of Income



INTERPRETATION:

Louis Vuitton's target market consists of individuals who have a higher income and thus they have found that the higher the income of an individual, the higher the propensity to purchase luxury goods. Louis Vuitton's target market is also one that can identify with the communicate messages of Louis Vuitton because the company has created images that are in accordance social identity theory. People are posited to take action and to consume products at least in order to follow the ideas consistent with their ideal-self image. Therefore, for this segmentation, our targeted clients are both sex, aged between 25-50 years old, who have earned an income between RS 50,000 ~ RS 10,00,000 yearly and most of them would be graduate professionals with sense of self-worth and high social status.

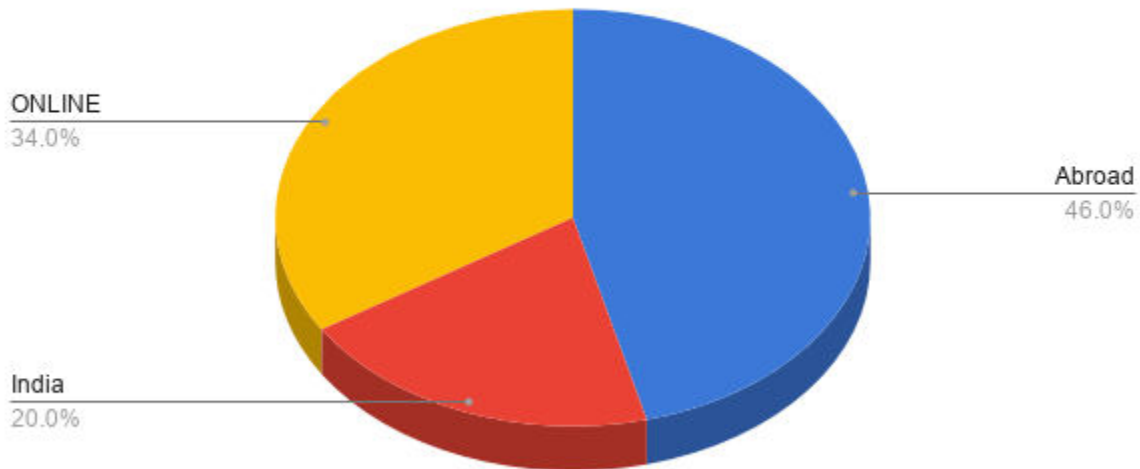
Count of How often do you shop?



INTERPRETATION:

54% of the respondents go for purchase depending on the need. Some go monthly, but the ratio for same is very less. Women are fond of shopping thus, monthly shopping shows no wonder to researchers. And 38% are shoppers who shop yearly because professionals and businessmen have time bounds so they shop whenever they get time.

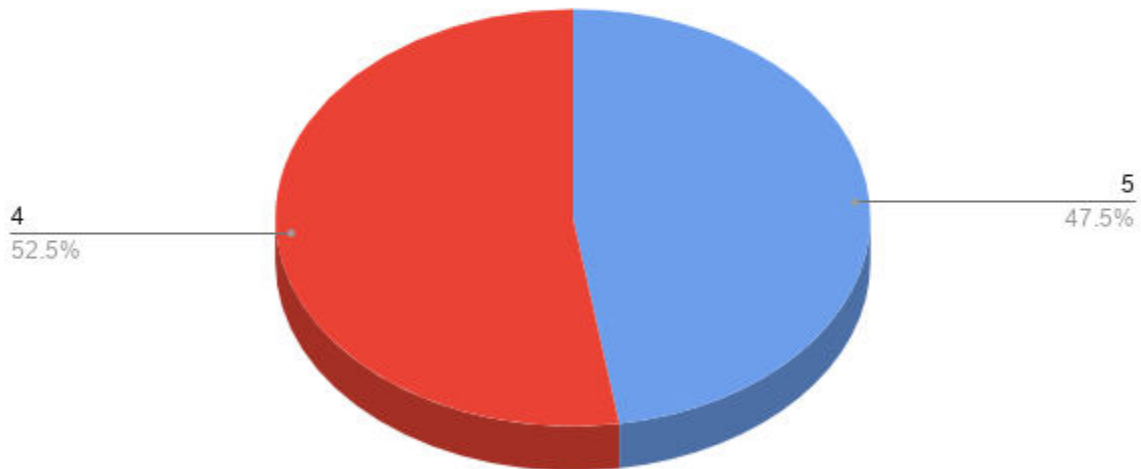
Count of From where do I prefer Louis Vuitton products?



INTERPRETATION:

Once the consumer has recognized a problem, they start to search for information on products and services that can solve that problem. First time buyer will engage a little bit of time to recall their awareness about brands. And each brand will carry a series of models which are suitable for different occasions. They are tote bags, evening clutches, top handles and even accessories. From the needs recognition trigger in the earlier steps, there will be a wide range of choice. External search may include the opinions and attitudes of friends, families, reviews from the internet, etc. This information can be easily attainable from those discussion forums, blogs, chat groups and some official websites of each brand. Pricing and product catalogues are mostly displayed on the website with all new arrival designs, exclusive designs and also some sale-off for online purchases as well.

Rate customer service of Louis Vuitton

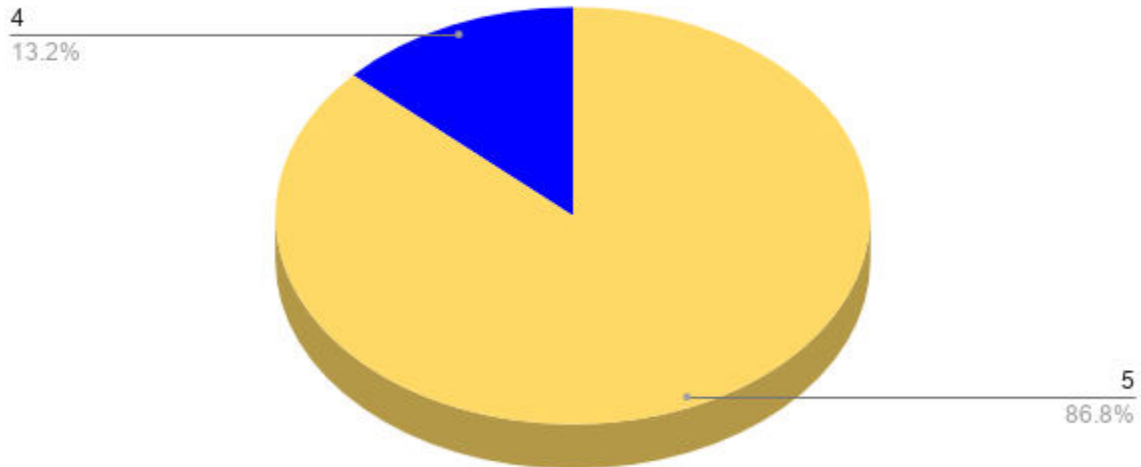


Interpretation:

For branding and luxury handbag boutiques like Louis Vuitton, they are located in prestige shopping malls, whereby the customers are being well-taken care of and being served as a queen when shopping. Therefore, we will never experience that an LV boutique outlet is located in any wet-markets or any neighbour-hood shopping market. All the shoppers believe in the luxuries where the shop is located.

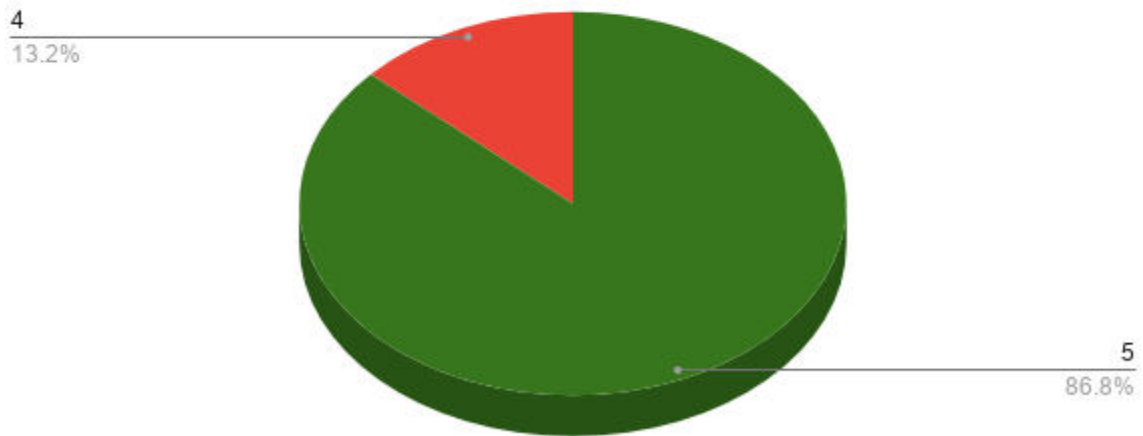
For some detail customers, there might be a call to the LV shop in advance to check the stock availability regarding the model, the design that she wants, and also the price amount. For some shopaholic consumers, they may just need to visit the shop themselves and pick the one that they feel like it. And this process is taking shorter time which all stages happens in the shop itself for those experienced LV bag users.

Rate luxury experience given by LOUIS VUITTON



Louis Vuitton has maintained its leading position in the world fashion industry for decades as a luxury brand. It can be seen clearly that Louis Vuitton bag is a tangible product. Being different from services which cannot be seen and touched, Louis Vuitton bag can be touched, felt physically with the fingertips by the users. For instance, even if the customer see the products' images online and make an order, it is still not a tangible product until the consumers can hold the product in their hands, feel the leather, the zip, smell the fragrance. Louis Vuitton bag is not only functional in containing things as a bag itself but also help people feel confident and valued since Louis Vuitton is a luxury and fashionable brand

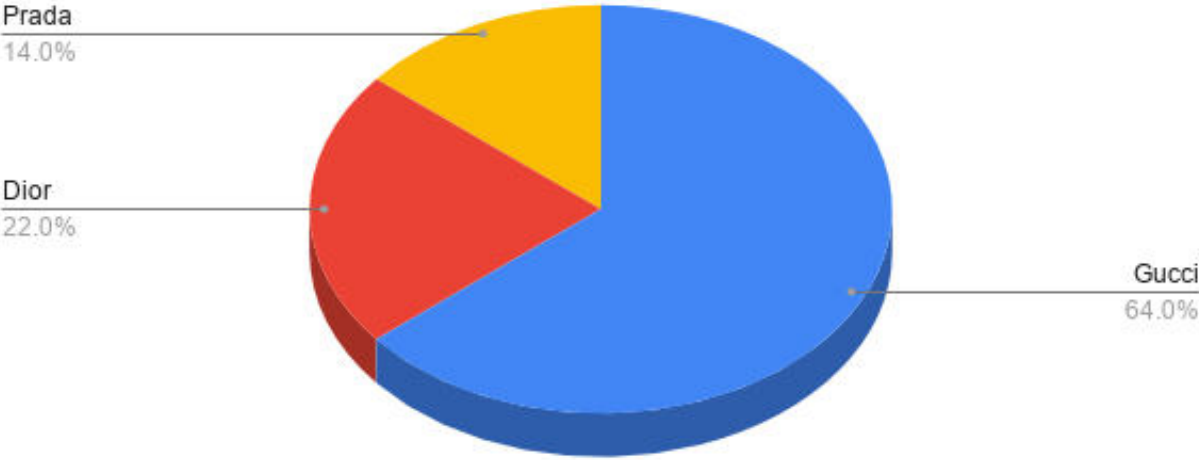
Louis Vuitton has best quality products among its competitors ,
Rate its quality?



Interpretation:

the evaluation and selection depends on loyalty, brand satisfaction or the attractiveness of new design of that brand. At this stage, there will be high involvement of switching brands. From our survey, The simple but elegant LV monogram is recognisable all over the world. But it's the combination of quality, exclusivity and innovation that make the perfect recipe for timeless success. the consumers are highly satisfied with the extensive quality that lv provides

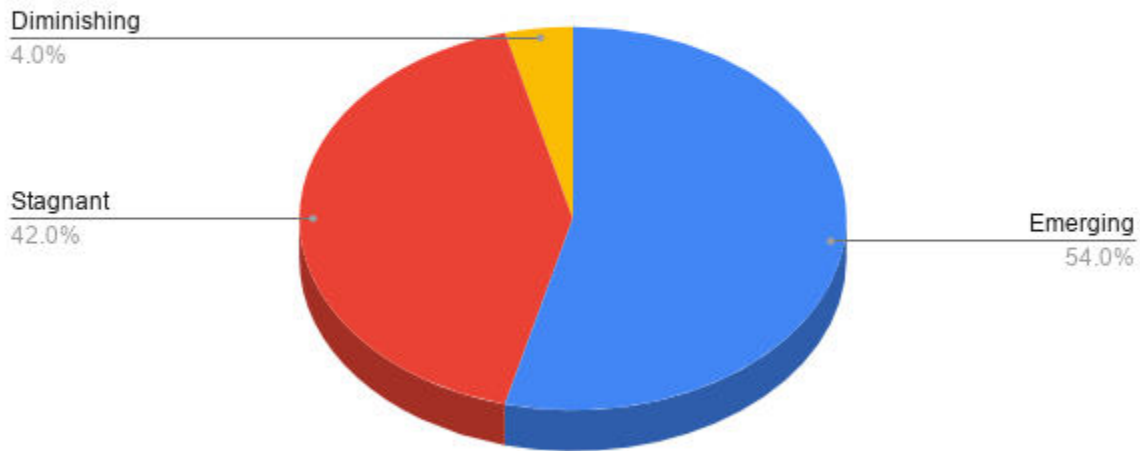
Count of Who according to you is the biggest competitor of Louis Vuitton ?



Interpretation:

The design teams involved in the production of Louis Vuitton products are the top designers in the world. Due to their strong link with quality and their brand value, Louis Vuitton is considered as one of the top Gucci competitors. The survey also proved out to be the biggest competitor of Gucci. However, Prada and Dior also make their place in high competition but proportionately less than Gucci.

Count of How do you see Louis Vuitton market in coming times with reference to India?



Interpretation:

The Luxury Market, for instance indicates top growth figures in luxury branding. There is not much city-centric research done with particular focus on Tier 2 and Tier 3 cities. Studies in India, in terms of the luxury markets unfolding in similar growing economies would also help marketers in analyzing what makes the consumers attitudes, motivations and cognitive behavioral connection to these purchases. However, LV tends to be in emerging stage.

LIMITATION OF THE STUDY

The issues that have been roadblocks to the entry and marketing of luxury brands in India are still impediments that they have to contend with today.

INFRASTRUCTURE

Louis Vuitton traditionally has stores in boulevards that typify its upmarket and exclusive aura. Unfortunately the Indian scenario did not provide this on the entry on many similar brands. Limited space and high-end roads, which were few and far between, proves to be a major problem. The few that are available also come with extremely high rentals, particularly in Metro cities, which add to high operating costs and at times forcing the move towards cheaper high street locations. Exclusive high end malls that have been built to cater to this segment of affluent or 'aspirational' prospects. The start of the 3,20,000sq.ft. DLF Emporio in Vasant Kunj, Delhi (and reportedly, India's most expensive mall at around INR1000/- plus, per sq.) in 2008 was followed soon after by Palladium Mall, Parel, Mumbai. At present, there are only three luxury malls in India, DLF Emporio, Palladium and UB City. (ASSOCHAM, KPMG) While Delhi houses the biggest luxury mall, it has been noted that there is an absence of high street shopping similar to Fifth Avenue in NYC and Oxford Street in London. The nearest answer to this is only Mumbai's Linking Road in Bandra.

GOVERNMENT POLICY AND PERMISSIONS

From the 189 countries analysed in the 'The World Bank's Doing Business 2014' India ranked the 179th most difficult country to operate in, necessitating professional help in Indian investments and startups. IIMA's Sinha and associates Working Paper on Legal Structure and Framework of Luxury Goods Market in India examines the FDI Policies on luxury players being permitted a 100% expansion in single brand retailing and 51%, in multi-brand; the latter, proving to be problematic with its need to tie up with an Indian partner. Apart from this Government policy necessitates incorporation within 3 years, FDI investment of US\$100 million and a requirement of putting in 30% of this amount into 'back-end infrastructure'. This is definitely a tall task for smaller players and a debatable issue for the larger ones as well. Other related problems would include the required bureaucracy, procedural delays and red tapism that goes with setting up a business in India.

HIGH IMPORT DUTIES: A DETERRANT

The import duties on Luxury Brands in India are high. The number of Indian travellers has grown considerably, given the rising disposable income. LV has large number of potential buyers would preferably buy a luxury item on overseas travel in lieu of home, given the pricing. A Skift article by Dan Peltier, based on a YouGov and Time Inc. survey, that interviewed 6000 affluent individuals from 14 countries put Indians accounting for the highest percentage of travellers (53%) who said they take trips specifically for luxury shopping. This was nearly 20% points higher than China and 27% points higher than Asia Pacific. (Peltier, 2015). 83% of Indians surveyed (compared to the Global Average of 41%) said that they frequently buy luxury items while travelling which they wouldn't buy back home.

Indian custom duties are among the highest. At a Mint Luxury conference overseas participants spoke about the four different taxes on luxury goods which make it very complex for luxury goods, which

however good for the economy is definitely a barrier for trade. Many brands have been forced to subsidize their Indian prices, which in turn affect their profitability. Armando Branchini, vice-chairman of Altgamma was quoted as saying “next to Brazil, India has the highest tariff barrier. There is a 38% custom duty levied on leather goods in India while on China it is 17% and Japan 11% and no custom duty in Singapore and Hong Kong”.

COUNTERFEITS AND COMBATING THEM

The LV segment in particular is plagued with the issue of counterfeits and copies. This market constitutes a considerable 5% of the Indian luxury market and is estimated to be sized at INR 25 billion. The market of these products has been growing at a rate double that of the original products. Foreign players consider this a challenging problem where legal loopholes need to be plugged and intellectual property rights have to be dealt with appropriately. With the growing number of aspirational first time buyers, the fakes continue to abound capitalizing on the ignorance and lack of knowledge of the first time buyer.

MARKETING PERSONNEL: A LACUNA

It has been common knowledge that the luxury market in India is relatively new. With it comes the pitfall of an absence of appropriate trained staff and personnel that could handle customers in the Indian scenario. This implies an intensive in-house training and grooming programme that the brand has to undertake at the cost of time and expense. An Economic Times article quoted Tag Heuer’s Sales Manager Arun Ramakrishnan who trained new recruits in the brand the meaning of luxury and reasons why people would buy such an expensive watch which were their prime queries. (Tiwari, 2012) The article estimated a staff shortage of 30 to 40% at the time. With newly acquired wealth it is not uncommon knowledge that the sales staff apart from being familiar with what the Indian market looks for when buying luxury, should also be proficient in more languages than just English given our many spoken languages and dialects. This is particularly true, given the new trend of ‘democratization of luxury’ or the masses now aspiring to own a luxury brand, which earlier was a prerogative of the wealthy.

THE NEW ERA OF DIGITAL MARKETING: EXCLUSIVITY V/S DEMOCRATISATION

Internet retailing and digital marketing would be the normal expansion of marketing strategies too, given that the Indian smartphone market is booming and is predicted to be the second largest market in a few years. It’s a given that marketers today cannot avoid the Internet. An article in Bloomberg cited the case

of a CEO from New York who said her favourite brand lost out on an expensive purchase decision from her since the brand was only available at its exclusive stores. The inconvenience of such shopping made her favour an alternate choice available online. (Roberts, 2014) Surprisingly the average Indian buyer has proved to be different. He looks at the expensive purchase as an investment and prefers to feel and see the product before purchase. Yet, he is still a bargain-hunter. The dilemma stretches on to whether the brand should also go online, and sometimes even drop their exclusive tag to join a multi brand retail outlet for added demand and visibility. (Piyush Kumar Sinha, 2015) Online giant Jabong has already partnered luxury brands like Jimmy Choo besides other premium brands like GAS, GANT and Tommy Hilfiger. This is definitely an economical decision for these brands, where brick and mortar can be eliminated for brick and click and doesn't warrant the setting up of additional stores at high rentals as well as high distribution costs in India. Unfortunately this becomes a double-edged sword since the risk of online fakes parallel to originals sold could shake the credibility of this exclusive market. Brand Chanel, which prides itself on exclusivity, is finally making the online move in 2015; where in 2013 the global director of the fashion brand, Bruno Pavlovsky had said they had no intentions of doing that, given "fashion is about clothing, and clothing you need to see, to feel, to understand". (Zorzini, 2015) Luxury Branded founder Ryan Clark has been quoted as saying that a big reason why the slow shift to online purchase is because of the growing trust in online luxury buying. Reluctant brands, however, will follow the footsteps of Hermes, the luxury bag seller that offers a limited number of their products on their online store, keeping the expensive Birkin and Kelly bags for exclusive sale in their branded stores.

INDIAN BUYERS: NEW AFFLUENCE

LVMH, Hermes, Burberry and Swatch continue to be the dominant players in this segment. This category of brands appealing to all ages have increased their offering to this market in the last few years with the belief that the Indian buyer is looking for 'affordable luxury'. Based on this philosophy LV hope to plan market expansion in India by emphasizing on store-based sales and making luxury a very affordable buy to the growing aspirational middle class. A Business Today report refers to the fact that brands here cannot be based on a 'one size fits all' strategy and today a lot of millennials are now becoming new buyers, comfortable with the idea of spending money. (Narayanan, 2015) The author refers to middle classes that were once happy with a Titan or Timex are upgrading to luxury brands where a BCG report refers to this trend as "The Shock of the New Chic".

VALUE BASED AND EXPERIENCE MARKETING

The shift from conspicuous consumption to a much thought of value driven purchase is even more evident in today's aspirational buyers of high end brands. Experience-based luxury is the new driver of growth for many of these brands for the new discerning Indian customer.

Providing a luxury experience is the new trending in today's scenario. Personalised, bespoke and custom services, the in-store luxurious experience with perhaps coffee and chocolates which has been highly recommended for these brands, might only be possible for those stores located in high end malls. Given the problems mentioned earlier, where rentals in India's big cities are exorbitant, traffic and parking problems adding to woes, this becomes a challenging scenario for many brands opening shop in India who need to compensate for these problems through a great experiential marketing strategy.

CONCLUSION

Companies are interested in consumer behavior because they can develop marketing strategies to influence consumers to purchase their products based on consumer analysis. The success of a company's marketing strategy will depend on how buyers react to it. To find out what satisfied customers, marketers must examine the main influences on what, where, when and how customers buy goods and services. By understanding these factors better, marketers are better able to predict how consumers will respond to marketing strategies. Ultimately, this information helps companies compete more effectively in the marketplace and leads to more satisfied customers.

Although Louis Vuitton is a successful brand, they don't provide a high customs satisfaction. Improving customer in-store service satisfaction should be a means but not the end. The loyalty enhancement for a branding strategy is the important attribute to purchases. If they only focus on product attributes, they can only achieve a great awareness of branding, but no impact at all on improving sales performance as customer is unlikely to repeat purchase.

It would thus be essential to study this relatively new market to pinpoint growth sectors through factors that are driving change as well as analyse issues that are hampering it. Problems of poor infrastructure, lack of retail space, high tariff duties, lack of logistical support systems, restrictive FDI rules will continue to abound till addressed at the macro level. Existing and new entrants in the market will master the art of circumventing these issues with alternative strategies.

Hence, H_0 Price has an insignificant impact on consumer buying behaviour when it comes to luxury brand is justified . Whereas H_1 Price has significant impact on consumer buying behaviour when it comes to luxury brand is not justified.

SUGGESTIONS

Given the drawbacks that this market faces presently it has been noted that many brands attempt to overcome the restrictive scenario through many alternative routes. From testing the waters in online media which was new to luxury brands, to looking for new target audience through trunk shows in smaller cities as well as being more inclusive of the young middleclass millennium buyer which has been visible in the changing demographics of their consumer base.

- *E-COMMERCE & ONLINE STRATEGIES:*

Since infrastructure has been a main impediment for the setting up LV in India it is essential for these brands to cash in on the online media till such time that high end streets and exclusive areas are available for the up market shopper and policy makers and developers ensure this. The average Indian prospect for luxury goods is very tech savvy and use of social media is essential to cover lacunae of prime infrastructure that's as yet unavailable for these brands. The Gen Y target can easily be reached through this route rather than Gen X, traditional buyers who still prefer the brick and mortar option.

- *NEW MARKETS:*

70% of India lives in Rural India but the demographics are changing. Reaching out to the new elite in Tier 2 and Tier 3 cities in India will be a growing trend with the new wealth of agriculturists selling their farmlands and coming into big money. 44% of India's millionaires now live in emerging towns and cities according to a Kotak Wealth Management Report. (Bhattacharya, 2015). With a paucity of affordable and exclusive retail space, these brands are also attempting "trunk shows" in smaller towns like luxury handbag brand Judith Lieber did in Indore. Sales of this event equaled 10% of the previous years turnover.

- *'GLOCALISING':*

Localising is another answer, which LV have already started following. While Hermes launched an Indian sari collection, Lladro makes Indian cultural figurines. The luxury model that 'glocalises' by comprehending the finer nuances of the markets taste, introduces Indianisation into the brand portfolio, recognises cultural

differences and relationships which will help grow the brand in this newly unfolding market. Ethnic Chic could well become the new buzz word here.

- *MAKE IN INDIA:*

Brands that have started their 'Make in India' plans believe that it serves more advantages than one. Apart from the localizing with Indian design and inputs, the manufacturing of these products here with the brand label, reduces the impact of exceedingly high Indian import duties which are a major setback for these brands competitiveness. Mercedes does local assembly in Pune while scouting for manufacturing tie ups Marketing Director Gaurav Bhatia, Moet Hennessy India has been quoted as saying " Moet Hennessy have invested in and created a brand like Chandon made in India, for India". (Narayanan, 2015) The Indian Chandon was priced at an affordable INR 1200.

- *BRIDGE TO LUXURY RANGE:*

Affordable luxury LV, is what a large section of the Indian market is looking for. The first time buyer who starts at the 'bridge to luxury' brand is price sensitive and thrives on good deals. While LV. GenY respondents in a research paper on Conceptualizing luxury buying: the Indian perspective, quoted them as saying that they even saved their salary for six months to buy their very first pair of Timberland shoes. Brands that do offer the new young Indian buyer this possibility will score well in this growing market.

- *TARGETING YOUTH:*

The new luxury market, specially LV would do well on focusing their marketing strategies on Young India. As per a 2011 census, India had about 500 million Indians under the age of 25 who are driving purchases in the personal goods sector, including mobile phones, fashion and accessories. (INDIAN RETAIL-The next growth story, 2014). The young Indian today is aspirational, independent and has more access to money than ever before. The key marketing strategy to build up turnover today, would thus be to target this growing affluent customer base of middle class Millennials in India.

RECOMMENDATIONS

We recommend that LV can try to reach up to larger market covering areas of tier 2 and tier 3 cities as well. Even after the demonetization the sales did not plummeted as expected. Being on the luxury radar LV can reach to more sales by increasing the outlets in India .

If Make in India LV joins to the same it can attract more customers as duty free without taxation can make situation win-win for LV.

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ANNEXURE

Questionnaire used for the survey.

Q1. Name

Q2. Occupation

- Business
- Student
- Professional
- Others Specify _____

Q3. Age

- 0-20
- 20-40
- 40-60

Q4. Gender

- Male
- Female

Q5. Which product of Louis Vuitton you prefer mostly to buy?

- Handbags
- Belts
- Shoes
- Trunks

Q6. How much you are willing to pay for Louis Vuitton?

- Less than 80,000
- 80,000-1.2 lakh
- More than 1.2 lakh

Q7. Income

- Less than 200,000
- 200,000-500,000
- 500,000-10,00,000
- More than 10,00,000

Q8. How often do you shop?

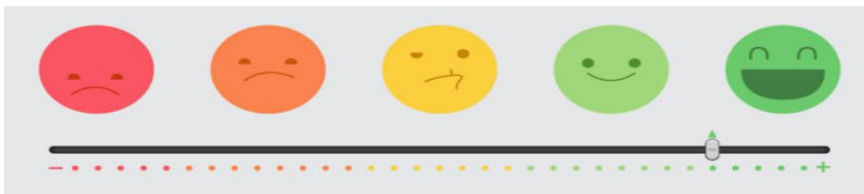
- Weekly
- Monthly
- Yearly

- Depending on the need

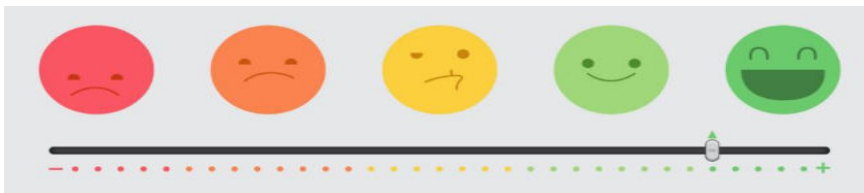
Q9. From where do I prefer louis vuitton products?

- India
- Abroad
- Online

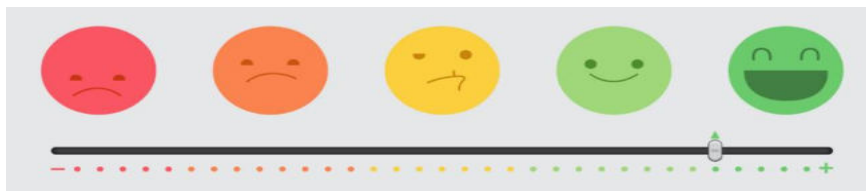
Q10. Louis Vuitton has best quality products among its competitors , Rate its quality?



Q11. Rate customer service of Louis Vuitton.



Q12. Rate luxury experience given by LOUIS VUITTON.



Q13. Who according to you is the biggest competitor of Louis Vuitton ?

- Prada
Dior
- Gucci

Q14. How do you see Louis Vuitton market in coming times with reference to India?

- Emerging
- Stagnant
- Declining