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Perception of Urban Consumers towards Standardized versus Localized Marketing in Global Luxury Fashion Brands

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ABSTRACT

The increasing globalization of luxury fashion brands has intensified the strategic debate between marketing standardization and adaptation, particularly in culturally diverse and emerging markets like India. While standardized strategies reinforce brand heritage, exclusivity and global identity, localized adaptations help enhance cultural resonance and market relevance. In emerging economies like India where luxury consumption demonstrates global aspiration and deeply rooted culture, it is important to know how the consumer will perceive to this debate. This research examines perceptions among urban consumer about standardized and localized marketing of the global luxury fashion brands in the Indian market. A mixed-method research approach was utilized. The main quantitative data was obtained with the help of a structured questionnaire using GoogleForms and provided 102 valid responses from consumers who are aware of the international luxury brands. Qualitative data was also obtained through in-depth interviews with luxury retail professionals who had prior experience with different brands like Gucci, Burberry and Dior. To test relationships between demographic variables, consumer awareness and marketing preference, chi-square tests of independence with Yates continuity correction were carried out. The results indicate that consumer awareness and age have a strong impact on preference towards global-local marketing strategy but gender does not statistically show a significant relationship. The qualitative data confirms the idea of selective glocalization, where luxury brands maintain global consistency, but at certain events, they make controlled cultural adjustments. For future study, this research can be further expanded to larger and more varied samples in both metropolitan and non-metropolitan areas to increase the generalizability of the study in the Indian luxury market. Also, the cross-country comparative studies that include behavioural variables like brand loyalty and readiness to pay premium might give more insights into long-term strategic implications of standardization and adaptation. The research paper adds to the global literature of luxury marketing by providing consumer-focused evidence in India, which is a relatively under-researched market and offers strategic implications in luxury brand positioning across emerging markets. Overall, the study concludes that global luxury fashion brands largely rely on standardized marketing strategies, while selectively incorporating localized elements to enhance consumer engagement.

Keywords: Luxury Fashion Brands, Standardization–localization strategy, Urban consumer perception, India

INTRODUCTION

QUOTE: "The globalization of markets is at hand."
— Theodore Levitt (1983)

The rapid globalization of luxury fashion brands has changed the competitive environment of the international markets. Luxury brands that were previously limited to the European fashion capitals are now spread over to culturally diverse areas including emerging markets like India. With these brands going global, they are caught in an inherent strategic dilemma of having to present a unified global image as well as to meet the demands of the local culture. This conflict between universal standardization and adaptation is one of the most long-standing controversies in international marketing.

Urban consumers are a significant group in the emerging economies. They are defined by more exposure to global media, more buying power, aspirational consumption patterns and more exposure to global brands. Meanwhile, the urban consumption behaviour in India is still subject to the cultural festivities, social signaling and relationship-based shopping experience (Shukla, 2012). In this regard, it is important to know how urban consumers think about standardized versus localized marketing strategies used by global luxury brands trying to be positioned in the long run and have a brand equity.

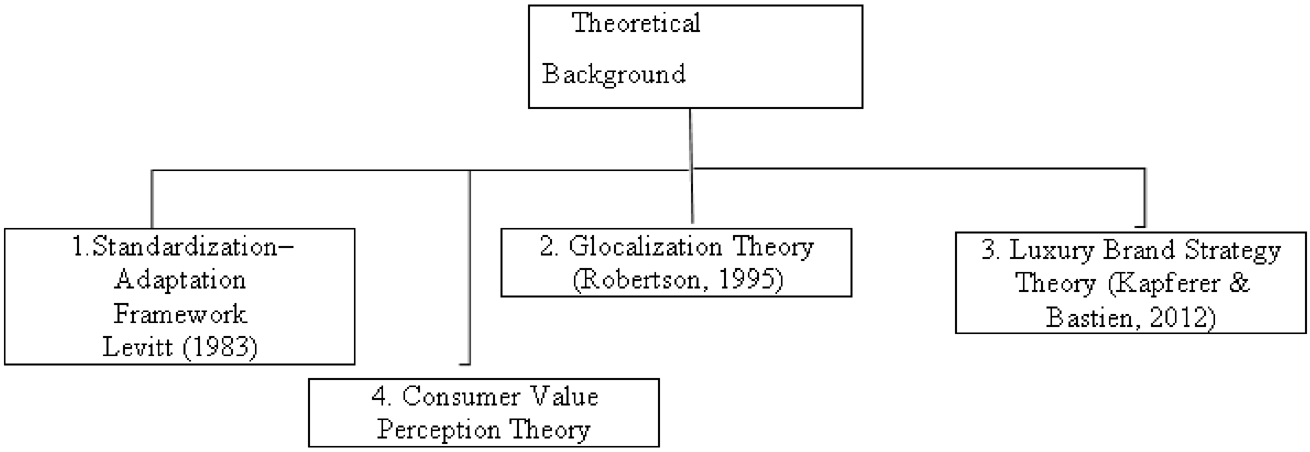
Luxury fashion brands have a niche in the marketing environment. Luxury brands, unlike mass-market brands, find their value in exclusivity, tradition, symbolic significance and brand communication. Being able to have a consistent brand image helps uphold prestige and authenticity. However, excessive standardization can lead to cultural loss whereas over-localization can lead to the loss of brand identity. This delicate balance involves a greater understanding of the consumer perception, especially in multi-cultural city markets.

Although earlier studies have explored the standardization-adaptation controversy in terms of strategic and managerial approach, empirical research, which provides consumers perceptions is rather scarce. Furthermore, majority of the available research has focused on Western economies and China, leaving the Indian luxury fashion market comparatively underexplored. Since urban affluence in India is rapidly increasing and global brands are becoming more prevalent, understanding the way urban customers perceive standardized and localized marketing practices is an important research area. (Athwal, 2019).

Thus, the proposed research aims to understand how urban customers perceive standardized versus adaptation when it comes to marketing of luxury fashion brands in India. Specifically, this study aims to help in facilitating both academic and practical marketing decision-making in the luxury sector by putting specific emphasis on consumer evaluation and not just managerial strategy.

The framework on which the study is based is the Standardization-Adaptation framework in the international marketing. Levitt (1983) believes in universal processes of efficiency and consistency in the world, but Douglas and Wind (1987) believe that there must be adjustment to cultural diversities. This debate is narrowed through Glocalization Theory (Robertson, 1995) which suggests that global brands are not globally uniform but selectively modified to suit local surroundings. An even more important point of the Luxury Brand Strategy Theory (Kapferer & Bastien, 2012) is that luxury brands place value on exclusivity, heritage and symbolic meaning and controlled adaptation is necessary to prevent the source of brand dilution.

Also, there is the Consumer Value Perception Theory (Shukla, 2012) that conveys that the symbolic and social value play a major role in determining the intention to purchase luxury in the emerging markets. Collectively, these frameworks support the discussion of consumer attitudes to standardization and adaptation in the Indian luxury fashion setting. Together, these theories bring the conceptual framework involved in analysing consumer perceptions of the standardization of marketing and adaptation in global luxury fashion brands within the Indian context.



Need of the study

Although, a lot of theoretical work has been done on marketing standardization and adaptation, there has been little empirical research on the urban consumer perceptions in India about this strategic in the luxury fashion industry.

Thus, the current research attempts to answer the following research questions:

1. How do consumers in the urban consumer segment perceive standardized marketing approach as compared to localized marketing approach used by the global luxury fashion brands?
2. Do demographic characteristics like age and gender and consumer awareness help in determining the consumer preferences towards global consistency or local adaptation?
3. How far do consumers value a balance between international brand recognition and local cultural adaptation?

Aim of the Study

To study the perception of the urban consumer about standard and localized marketing strategies that are being used by global luxury fashion retailers in Indian market.

Objectives of the Study

1.To evaluate the perceived significance of global brand consistency in luxury fashion marketing.
2.To examine consumer preference on global-local marketing strategies (glocalization).
3.To understand the association between the perception of marketing strategy and consumer preference towards luxury fashion brands.
4.To determine whether demographic variables play a significant role in consumer perceptions of standardized and localized marketing strategies.

REVIEW OF LITERATURE

Abdelal, R. and Tedlow, R.S. (2003), in their Harvard NOM Research Paper titled "Theodore Levitt's 'The Globalization of Markets': An Evaluation after Two Decades", critically examined Levitt's original standardization thesis. The research observed the extent to which global markets were becoming homogeneous as Levitt (1983) had presumed. The authors had argued that although globalisation enhanced market integration, national differences and institutional structures still influenced consumer behaviour and business strategy. They have concluded that globalization does not kill local variation, thus provoking radical assumptions about standardization. The study gives significant theoretical background of the globalization issue, but fails to narrow down to the luxury fashion and consumer perception in the emerging markets like India.

Douglas, S.P. and Wind, Y. (1987), in their article "The Myth of Globalization" published in the Journal of International Business Studies, challenged the assumption that the world markets were turning homogenous. According to the authors, there is still a serious disparity in culture, economic status and consumer behaviour among nations and thus complete standardization is not possible. They highlighted that companies with operations in different places have to take into consideration the differences in the local market when formulating global strategies. Despite the fact that the study has good theoretical foundation on the adaptation perspective, specific areas like the luxury aspect and consumer perception in an emerging market like India have not been covered.

Vrontis, D., Thrassou, A. and Lamprianou, I. (2009), in their research on "International marketing adaptation versus standardisation of multinational companies",discussed the strategic dilemma of multinational companies that operate in various markets. The study identified that pure standardization and full adaptation does not always work. Instead, organizations use a moderate strategy based on environmental forces, the market environment and intensity of the competition. The paper highlighted the fact that strategic flexibility is critical in global marketing. Nonetheless, the study was carried on a managerial scale and was not necessarily specific to the luxury industry and the consumer level perception.

Liu, S., Perry, P. and Moore, C. (2016), in their study "The Standardisation-Localisation Dilemma for Luxury Fashion Retailers' Internationalisation into China", explored the concept of luxury fashion retailers balancing global consistency and local adaptation in the Chinese market. The study published in the Journal of Business Research established that luxury brands do not change the core brand identity and the products offered but change the communication strategy and experiential retail features in order to meet the local consumer’s demands.

Robertson, R. (1995), in his chapter titled "Glocalization: Time-Space and Homogeneity-Heterogeneity", published in the edited volume Global Modernities by Sage Publications, introduced the term glocalization in an attempt to explain the coexistence of global and local processes in globalization dynamics. The chapter argued that globalization does not always lead to the homogeneity of cultures, on the contrary, global processes try to interrelate with local cultures that result in hybrid forms of social and economic activities. Robertson clarified that local adaptation is in many cases integrated into global structures but not placed opposite to them. The chapter however does not focus on luxury fashion branding or consumer perception in such emerging markets like India.

Kapferer, J.N. and Bastien, V. (2012), in their book "The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands", explored the strategic principle that distinguish luxury brands among mass-market brands. The research stated that luxury branding relies on exclusiveness, tradition, artisanship, symbolism and restricted channels. The authors further pointed out that luxury positioning can be diluted by excessive use of adaptation or mass marketing practices. Although the book makes great valid research input on the management of luxury brands and international consistency, it lacks empirical research on how consumers view the standardized marketing model versus localized marketing model especially in the Indian luxury fashion market.

Shukla, P. (2012), in his research paper titled "The Influence of Value Perceptions on Luxury Purchase Intentions in Developed and Emerging Markets", published in the International Marketing Review, examined the impact of various dimensions of values on luxury purchase intentions. According to the study, the symbolic and social value play significant roles in determining the luxury purchase intentions in the emerging markets. The study also revealed that cultural context is a factor that significantly influences consumer attitude towards luxury brands.

Despite the vast amount of research work done on globalization, standardization and adaptation of marketing strategies and luxury branding, the majority of empirical studies has been done either in Western economies or in China. Moreover, a lot of the literature that exists focuses on managerial strategy and does not examine consumer-level analysis. Hence, the need to explore consumer perceptions to marketing adaptation and standardization in the Indian luxury fashion setting, which the current research seeks to fulfil.

HYPOTHESIS

According to the theoretical framework and the current information available regarding standardization and adaptation of the marketing concepts, the following hypotheses are developed to test the relationship between the demographic variables, consumer awareness and marketing strategies perception in the case of the global luxury fashion brands.

Dependent Variable (DV)- Consumer Preference toward Marketing Strategy

Independent Variable- Gender, Age Group, Consumer Awareness of Marketing Standardization/Adaptation

H1: There is a significant association between gender and consumer preference with global and local marketing strategies in global luxury fashion brands.

H2: There is a significant association between age and consumer preference with global and local marketing strategies in global luxury fashion brands

H3: There is a significant association between awareness and consumer preference with global and local marketing strategies in global luxury fashion brands.

METHODOLOGY

The present research examines consumer perceptions toward standardized versus localized marketing strategies in global luxury fashion brands in India. The study uses a mixed research design that combines quantitative and qualitative methods of research. The structured Google Forms questionnaire was used to gather quantitative data on 102 urban consumers that have knowledge of global luxury fashion brands. The survey was represented by demographic variables, standardization and adaptation strategies awareness, and perception-based items with a five-point Likert scale. The answers were classified as two (Agree/Not Agree) and the correlation between demographics, awareness and consumer preference was tested by Chi-square Test of Independence in Excel. The semi-structured interviews with two luxury retail experts of the Louis Vuitton who had worked in Gucci and Burberry were undertaken to supplement the findings. The interviews illuminated on brand standardization, selective localization, festival marketing and consumer behaviour based on relation in India.

Data Collection Process and analysis.

The validated questionnaire was administered online through Google Forms to consumers in the urban population Respondents were informed that their participation was voluntary and that their responses would be used only for academic research purposes. A total of 102 responses were collected and considered valid for further analysis.

A Chi-square test of independence with Yates continuity correction was conducted to examine the association between three variables and consumer preference.

H1: There is a significant association between gender and consumer preference with balanced global and local marketing strategies in global luxury fashion brands.	Test Used	Chi-square ($\chi 2$) Value	Degrees of Freedom (df)	P-value	Conclusion
H1: There is a significant association between gender and consumer preference with balanced global and local marketing strategies in global luxury fashion brands.	Chi-square Test for Independence	1.082	1	0.298	Fail to reject the null hypothesis. There is no statistically significant association between gender and consumer preference.

Source: Self-generated (EXCEL)

Based on the Chi-square test for independence with Yates continuity correction, with a calculated x2 value of 1.082 and 1 degree of freedom, the resulting p-value of approximately 0.298 is greater than the conventional significance level of 0.05. Thus, gender and consumer preference for balancing global consistency with local relevance does not statistically have a significant relationship in luxury fashion marketing. This indicates there is no significant difference in the way male and female consumers prefer standardized marketing strategies, as compared to localized marketing strategies, which global luxury fashion brands use.

H2: There is a significant association between age and consumer preference with balanced global and local marketing strategies in global luxury fashion brands.	Test Used	Chi-square (χ2) Value	Degrees of Freedom (df)	P-value	Conclusion
H2: There is a significant association between age and consumer preference with balanced global and local marketing strategies in global luxury fashion brands.	Chi-square Test for Independence	3.874	1	0.049	Reject the null hypothesis. There is a statistically significant association between age group and consumer preference.

Source: Self-generated (EXCEL)

Based on the Chi-square test for independence with Yates continuity correction, with a calculated x2 value of 3.874 and 1 degree of freedom, the resulting p-value of approximately 0.049 is less than the conventional significance level of 0.05. This indicates that we reject the null hypothesis. Thus, there is a statistically significant relationship between age group and preference of consumers to standardized or localized marketing approaches used by global luxury fashion brands. To put it simply, the preference of the consumer towards the global consistency versus local cultural relevance varies as per age group.

H3: There is a significant association between awareness and consumer preference with balanced global and local marketing strategies in global luxury fashion brands.	Test Used	Chi-square ($\chi 2$) Value	Degrees of Freedom (df)	P-value	Conclusion
H3: There is a significant association between awareness and consumer preference with balanced global and local marketing strategies in global luxury fashion brands.	Chi-square Test for Independence	5.998	1	0.014	Reject the null hypothesis. There is a statistically significant association between awareness and consumer preference.

Source: Self-generated (EXCEL)

Based on the Chi-square test for independence with Yates continuity correction, with a calculated x2 value of 5.998 and 1 degree of freedom, the resulting p-value of approximately 0.014 is less than the conventional significance level of 0.05. This indicates that we reject the null hypothesis. Thus, there is a statistically significant relationship between consumer awareness and preference towards standardized or localized marketing approaches used by global luxury fashion brands. In simpler terms, consumers who are aware of global marketing strategies are more likely to prefer a balanced global-local marketing approach in luxury fashion brands.

Qualitative Findings

According to interview responses, global luxury brands like Louis Vuitton use standardized brand messaging, heritage positioning and global luxury identity across markets globally. However, local adaptations are selectively applied when it comes to culturally important events.

Respondent 1 emphasized that every Diwali, Louis Vuitton outlets were adorned with ornaments and the customers were served with specially prepared Indian-Western fusion desserts. Additionally,an Indian-oriented men wear line that was launched in summer season was well received by the customer. Even with such adaptations, exclusivity and brand heritage were highlighted as key factors for purchase.

Respondent 2 pointed out that local and strategic changes are limited to maximize the customer engagement and maintain the global brand status. She explained that collections based on festivals and collections inspired by cultures had a positive impact on customer experience but should be exclusive and controlled.

CONCLUSION

The current research study investigated how urban consumers in India perceive the standardized and the localized marketing strategies used by international luxury fashion brands. The study combined quantitative survey as well as qualitative information from interviews with luxury retail professionals. The results have shown that consumer awareness and age play a major role in preference to adopt a balanced global-local marketing strategy. Consumers who are aware of the concepts of marketing standardization and adaptation strategies demonstrate stronger inclination toward integrated branding strategies. Similarly, generational differences were observed, with younger consumers showing greater responsiveness toward balanced marketing approaches. Surprisingly, according to the test results, gender was not established as an important factor in determining consumer preference. The qualitative data also supported the idea of selective glocalization, where luxury brands maintain standardized global positioning but introduce a few culturally-relevant modifications for certain events like festivals. Overall, the study highlights that luxury marketing in India is most effective when global brand identity is preserved while allowing strategic, controlled local adaptation.

DISCUSSIONS & MANAGERIAL IMPLICATIONS

The results show that consumer awareness and age play a significant role in preference regarding balancing global consistency and local relevance in marketing luxury fashion, but the gender does not. Informed consumers are more likely to prefer integrated global-local strategies and the younger consumers are more open to culturally sensitive branding. Such findings endorse the glocalization approach, which implies that selective adaptation promotes relevance without losing global identity. The paper also gives significance to the use of psychographic segmentation and relationship-based marketing, but confirms the fact that exclusivity and brand heritage are the main focus of luxury positioning.

FUTURE RECOMMENDATIONS

1. 1.The current research can be furthered diversified to a larger sample set in various metropolitan and non-metropolitan cities to increase the generalization of conclusions in the Indian luxury fashion market.

2. A comparative cross-country research could be carried out to analyse the differences in the consumer perception towards marketing standardization and adaptation in emerging and developed luxury markets.
3. Future studies can use behavioural variables like brand loyalty, readiness to pay premium and actual purchase behaviour to determine the long-term effect of marketing approaches.

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