

Luxury brands cater to a niche audience, which was the maharaja audience in the ancient times

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COVID-19 has globally led the businesses and industries throughout the globe in massive chaos, there has been the grave economic impact of coronavirus across the sectors from tourism to airline; from entertainment to education. Marketers across industries are trying to redesign their business models and the luxury industry is no exception. To understand the challenges and ways forward, PHD Chamber of Commerce and Industries, conducted an interactive session on 'Leading through Covid - 19 Outbreak, Reshaping the Luxury Lifestyle Industry' with Dr. Lalit Khaitan, Chairman, and Managing Director, Radico Khaitan, Mr. Rajesh Jain, Managing Director and CEO, Lacoste India, Ms. Rajashree Rao, Head- Partnerships and Ecosystem (APAC) for R2 Data Labs, Ms. Megha Malagatti, Business Development Director, ISC Region, Loreal on 29th April 2020.

The session witnessed a participation of more than 100 industry players and senior' members of PHD Chamber.

Dr. Lalit Khaitan, Chairman, and Management Director, Radico Khaitan, appreciated the efforts PHD Chamber of Commerce and Industry to organize such an interactive session on such an indispensable topic in these pivotal times and said that global luxury market is 1.4 trillion dollars which is 50% of India's GDP and which is being led by the USA. India is growing in the luxury market at a pace of 20-25% per annum. In 2019, the Indian luxury was 40 Billion Dollars which is expected to go up to 180 Billion Dollars by 2022. But, after COVID-19 the situation will change.

Deliberating the participant and other delegates on the outline of the reshaping of the luxury brands, Dr. Lalit Khaitan, discussed the revenge buy which happened in China after the lockdown was open. He also expressed that airlines, travel, entertainment have been hard hit by the pandemic. But industries like

fashion, textiles, and others will go online via e-commerce portals so cater to its audience.

Luxury brands cater to a niche audience, which was the maharaja audience in ancient times, said Dr. Lalit Khaitan.

Due to lockdown, the consumer demand in this market has witnessed a slowdown and we are hopeful that once the lockdown is over, the demand will resume and increase eventually. In these times, we have to continue with positive hopes and we shall sail through this tide too, said Dr. Lalit Khaitan.

Mr. Rajesh Jain, Managing Director, and CEO, Lacoste India thanked PHD Chamber for organizing such an informative webinar in these crucial times. He highlighted that the current scenario is a global pandemic and due to which it is tough to predict the future and we can't do any long-term planning as well.

In my opinion, the habits of people due to this pandemic won't change. Its would-be short-term changes, but in the long run, the people will come back to the same lifestyle. With e-commerce entered India is a big way, the preference of people to buy has changed but somewhere people still go for physical shopping.

Mr. Rajesh Jain said that the retail industry will have a U-shape recovery, people will slowly start getting back to normal. After the lockdown lifts, the industry's priority is people who are staff and customers. We have to ensure that we follow all the guidelines given by the government for social distancing, sanitization, and others. The other thing to be looked at is the daily business which is essential for running the business. during this period, there is no inflow and minimum inflow in the initial period when the lockdown lifts. The major cost component for the retail industry that is inventory, personal cost, and rental cost. We have to ensure that we can recover in all these components and at the same time, cater to the needs of people.

Liquidity will be the biggest crunch in these times which can be resolved with the cooperation of government and RBI, support in enhancing the working capital limits, supporters of the retail, and others. I do feel that it's a matter of time and things will come back. We need to survive during these times said, Mr. Rajesh Jain.

Ms. Rajashree Rao, Head- Partnerships and Ecosystem (APAC) for R2 Data Labs thanked PHD Chamber for the session. She deliberated on the usage and importance of technology in the retail industry. with the current scenario, there will be a reduction in the annual disposal of income to the people which means the retail and luxury industry should look at how to they cater to in such times.

There is a huge demand for ready to wear garments and comfort clothing. Due to social distance, there will be a decline in the stepping of people in the malls and shopping complexes but there will be a spike in the high street fashion shopping which will become more prominent in the future. The mall culture will be going to reduce. Now is the time, that we need to cater to the need of the customers, and e-commerce is going to strive and how to evolve ourselves post this lockdown is important, said Ms. Rajashree Rao.

Ms. Megha Malagatti, Business Development Director, ISC Region, Loreal was thankful to PHD Chamber for organizing such a thought-provoking webinar. She highlighted that luxury has been existing in the world

for such a long time. There is always an audience that wants to feel special, exclusive and part of a cult with is aspirational and different from others and this norm will continue in the future.

She gave a brief about the history of luxury brands and their commercialization globally. Looking at the present times, Ms. Megha Malagatti said that the brands which are resilient, strong, belong to a section group of audience, needs of their working people, and have financial support.

Ms. Megha Malagatti discussed the difference between fashion and luxury. We imbibe in ourselves the nation of sustainability, social responsibility, high quality, and which is passed from generations because of the quality and the price attached to it. But fashion is evolving, its changing depending on consumer needs. With the coming of e-commerce portals, there will be developed but we will again come back to the shop shopping. But this is the time that we need to reconnect with people today to make them believe and give them hope that there is a better tomorrow.

Mr. Pradeep Multani, Vice President, PHD Chamber gave a warm welcome to all the esteemed delegates, and participants said while COVID-19 has given a tough time to the economy it has even given a hard time to the luxury brands. He also highlighted the importance of Ayurveda in the world and today as it's essential to do back to nature.

Mr. Saket Dalmia, Chairman Retail Committee, PHD Chamber, gave a warm welcome to all the delegates and participants. He discussed the issues and challenges faced by luxury brands due to the COVID-19 pandemic. He raised queries regarding the speed of recovery, impact on customer, industry recovery, and many others.

Mr. Pradeep Aggarwal, CO-Chairman Retail Committee, PHD Chamber gave a warm welcome to all the speakers and participants. He shared the industry perspective of the luxury brands in India.

Mr. **Saurabh Sanyal, Secretary General, PHD Chamber of Industry and Commerce** gave a formal vote of thanks to all the speakers and participants. He said we have a luxury industry is relies on the supply and value chain, workforce and due to lockdown has faced downfall. The fashion event has been canceled and postponed. Many liquor and other brands are manufacturing sanitizers and other equipment. There are social events taking place where luxury brands are doing social work and supporting the society in every possible way which is appreciating the person who can afford the luxury goods and brands will continue to use it irrespective of business. We are hopeful that the liquor brands will soon revive themselves. While e-commerce is doing very well and have improved their services, but a luxury good will continue to grow despite any problem and things will bounce back.

The webinar was supported by **Radio Khaitan and Coca Cola**. The webinar was moderated by Dr. Yogesh Srivastav, Principal Director, PHD Chamber, and was attended by many senior PHD members and industry stalwarts.

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