

Luxury Branding in Emerging Markets: The Internationalization of Indian Fashion Designers into Global Luxury Markets

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ABSTRACT

This paper looks into how Indian fashion designers move from a home market rich in heritage into global luxury markets long dominated by European houses. Sabyasachi Mukherjee, Rahul Mishra and Manish Malhotra were studied using a multiple-case design and leveraging luxury brand theory and internationalisation theory, it proposes a four-stage pathway model. The Indian designers mentioned in the cases internationalize via legitimacy-led rather than volume-led routes. They first export craft-based cultural capital, borrow global credibility through platforms/collabs and seek capital and retail scale later. The conclusions of the paper include managerial implications, four propositions and future research directions

Keywords: luxury branding, emerging markets, internationalization, Indian fashion, case study

1. Introduction

For the last two centuries, luxury has been defined by a handful of European houses whose brand value is built on heritage, craftsmanship and controlled scarceness (Kapferer & Bastien, 2012). There is a shift in global demand. In 2023, the personal luxury goods market amounted to approximately €360 billion and it is increasingly being driven by consumers from Asia and other emerging regions (D'Arpizio et al., 2023). Emerging markets today are no longer just consumers of Western luxury. Some are able to manufacture luxury varieties of their own. The case of India is revealing. India's textile base has a deep-rooted tradition, huge artisan base, wedding culture that entails high spending on occasion wear, and a global diaspora. However, Indian designers have always been strong in India and weak abroad. In the past decade or so, a handful of designers have made it to the global stage. The path that they follow is different from the route of classic new multinationals. It poses a practical question for future luxury managers; how can a brand which trades on emerging-market cultural capital enter a market controlled by others for legitimacy? This paper discusses three research questions. How do Indian designers build luxury credibility outside India? What Internationalization Routes Have They Taken? What tensions

arise between global growth and luxury exclusivity? According to the paper, it offers a model with four stages (as presented in Section 5) and four propositions that can be validated in further work.

2. Literature Review

2.1 What makes a brand luxury

Luxury is not just expensive. Vigneron and Johnson (2004) reason out the notion of brand luxury through conspicuousness and uniqueness. Kapferer and Valette-Florence (2016) suggest that rarity alone does not account for desirability and that the routes to luxury include dream value and perceived exclusivity. Berthon et al. (2009) associates luxury with luxury aesthetics and their ephemerality; the brand must retain a sense of the extraordinary. According to Okonkwo (2007), it is essential that the brands themselves have complete control over their work.

There always is a tension of growth. Keller (2009) argues that luxury brands need to grow without giving up too much exclusivity, while Nueno and Quelch (1998) warn of mass marketing. Thomas (2007) contended that expansion into wider markets has dented the aura of some famous houses. According to Keller's (1993) model, brand knowledge (i.e. awareness and strong, unique associations) protects premium pricing – this can explain how brand equity works.

2.2 Luxury consumption in emerging markets

Different cultures value luxury differently. According to Dubois and Duquesne (1993), it is culture, not just income, which shapes one's luxury purchases. According to Wiedmann et al. (2009), various consumer segments may differ on four value dimensions: financial, functional, individual and social. According to Shukla (2012), the effects of value perceptions on luxury purchase intention differ across developed and emerging markets. In their study in India Eng and Bogaert (2010) found Western luxury brands have strong status meanings. Thus, a local designer must compete with imported prestige on the home front first.

2.3 Internationalization of firms from emerging economies

The Uppsala model believes that there is an incremental expansion of firms as foreign markets are learned and relations are built. Moreover, psychic distance determines order of entry (Johanson & Vahlne, 1977). The revised model emphasizes that the liability of outsidership refers to the situation when a firm is not part of the relevant business network. Consequently, the firm will not be able to gain trust from that network (Johanson & Vahlne, 2009). Ghemawat (2001) demonstrated that cultural, administrative, geographic, and economic distances matter. According to Khanna and Palepu (1997), firms in emerging markets are developing their own

capabilities and overcoming weak institutions. Similarly, Guillén and García-Canal (2009) show that emerging-economy multinationals are leveraging speed, partnerships and local knowledge instead and not the traditional model of the West.

There are two intervals still empty. To begin with, most studies devoted to internationalization have a focus on manufacturing and services and not creator-led luxury brands where the identity of the founder is the asset. Second, luxury studies focus on European heritage houses. The West assumes the ownership of craft and cultural assets. There is a lack of writing on how designers from India transform cultural capital into value as luxury textures Weaving expertise. According to Crane (2000), fashion functions as social systems that engender negotiation between taste and status. It presents an important reminder that legitimacy is granted by others, and cannot just be claimed.

3. Methodology

This research utilizes a multiple-case design that is exploratory and therefore suited to "how" questions about contemporary phenomena, context being relevant (Yin, 2018). Multiple cases also support theory building through comparison cautiously (Eisenhardt, 1989). Three cases were purposively selected to showcase different routes: Sabyasachi Mukherjee (heritage-led bridal couture with retail/investor partnerships), Rahul Mishra (craft-led, institution-validated entry to Paris couture) and Manish Malhotra (entertainment-led, diaspora-driven reach). Company statements, published interviews and press coverage of milestones the data are secondary – interpreted through the theories in Section 2. Two cautions apply. Before formal submission, check milestones against primary sources, since they rely on public reporting. The author used his/her qualitative judgement rather than measured scores to determine the placements of designers. The results are statements, not statistical ones.

4. Case Studies

4.1 Case 1: Sabyasachi Mukherjee — heritage as the export product

Established in 2002 in Kolkata, Sabyasachi defined itself through Indian bridal couture, a revival in regional textiles and a signature, richly layered aesthetic. This brand's essence rests in its cultural specificity. Demand for Sabyasachi sarees in international markets has been driven by the Indian diaspora and global visibility of celebrities wearing it. For instance, Indian film actor, whose appearance in a Sabyasachi saree at Met Gala 2024 drew widespread international coverage.

Later moves represent the tension of growth. The designer's 2021 collaboration with H&M exposed their aesthetic to a mass audience which raised awareness of the designer but also risked

diluting exclusivity (Nueno & Quelch, 1998). In that same year, Aditya Birla Fashion and Retail took a majority stake in the company as a route to capital and store expansion. This case exemplifies the Uppsala logic's application, whereby the brand entered markets that were closest in terms of psychic distance, corresponding to the diaspora communities, before entering new consumers. (Johanson & Vahlne, 1977) It also illustrates Kapferer and Bastien's (2012) point luxury brands cannot run like mass brands cannot run. The Sabyasachi team has ensured a tight curation for the couture line despite the collaborations.

4.2 Case 2: Rahul Mishra — legitimacy through institutions

The Rahul Mishra label was launched in the mid-2000s with a strong ethos of hand embroidery and artisan employment. Through an institutional route, he broke abroad when he won the International Woolmark Prize in 2014 which gave him a European platform and attention of buyers. In 2020, he became the first Indian designer to get an invite for the official Paris Haute Couture Week calendar.

This pathway is consistent with the liability-of-outsiders argument. Mishra didn't enter through consumers, but through the network that bestows legitimacy (Johanson & Vahlne, 2009). According to Crane (2000), the fashion system gatekeepers deem it as acceptance. According to Vigneron and Johnson(2004), the craft narrative of this value proposition is not decoration, but is at the heart of it and maps onto the dimensions of quality and uniqueness. According to Berthon et al. (2009), luxury is dependent upon aesthetic distinctiveness. Mishra's their embroidery-led work, therefore, provides an aesthetic that European houses will find it difficult to reproduce. On the commercial scale Sabyasachi is bigger than this one and shows a trade-off between legitimacy and volume.

Case 3: Manish Malhotra – entertainment as the brand engine

Manish Malhotra made a name for himself as a designer for Hindi cinema costumes in the 1990s and started his own label in 2005. Movie fame gave him a celebrity clientele and constant visibility at home and among Indian audiences abroad. In 2023, Reliance Brands took a minority stake in the business, signalling interest in scaling the brand through a large retail group.

The Malhotra case reveals an alternative origin of brand equity. According to Keller (1993), recognition and connections are derived from cinema rather than craft or fashion-system awards. This generates potent domestic and diaspora reach, one that is not backed by a lot of international institutional signals, hence we find the brand lower on international legitimacy in Figure 1. Tynan et al. (2010) argue that the luxury value is co-created with consumers. Here the co-creators are the film stars and wedding clients, while the audience is also predominantly

Indian, at home or overseas. Although the route is efficient within the diaspora network, it may be more difficult to extend to consumers without an Indian cultural reference (Ghemawat, 2001).

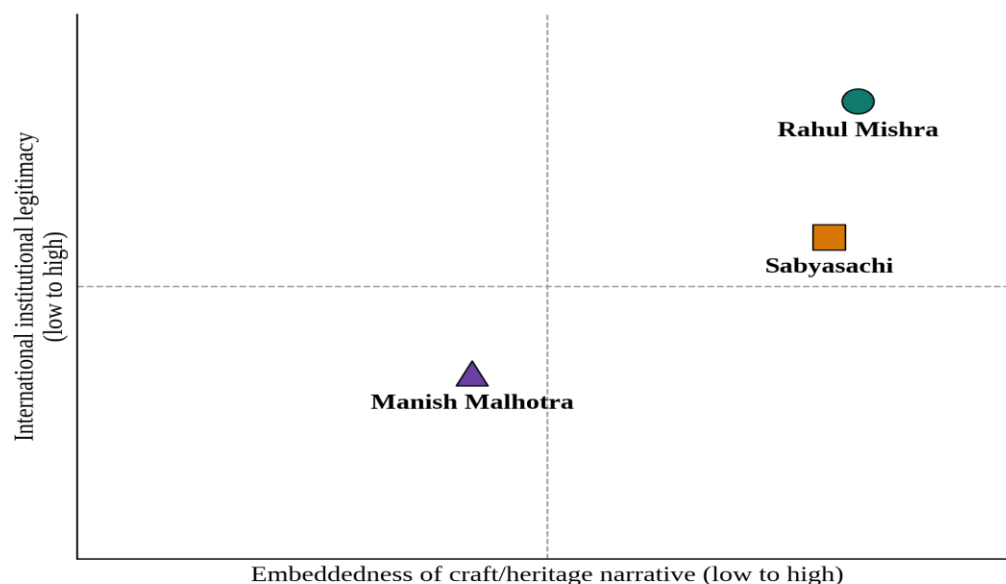
4.4 Cross-case comparison

Table 1: Comparison of the Three Cases

Dimension	Sabyasachi	Rahul Mishra	Manish Malhotra
Core asset	Heritage bridal couture	Hand-embroidery craft	Cinema-linked celebrity styling
Main entry route	Diaspora demand, celebrity visibility	Awards and couture-week platform	Film ecosystem, diaspora clientele
Capital partnerships	Majority investor; mass collaboration	Institutional support and prizes	Minority investor (reported)
Main risk	Dilution of exclusivity	Limited commercial scale	Narrow cultural reach abroad

Table 1 shows that the three designers share a cultural-capital base but differ in the route by which it is converted into international standing. Figure 1 positions them by craft embeddedness and international legitimacy.

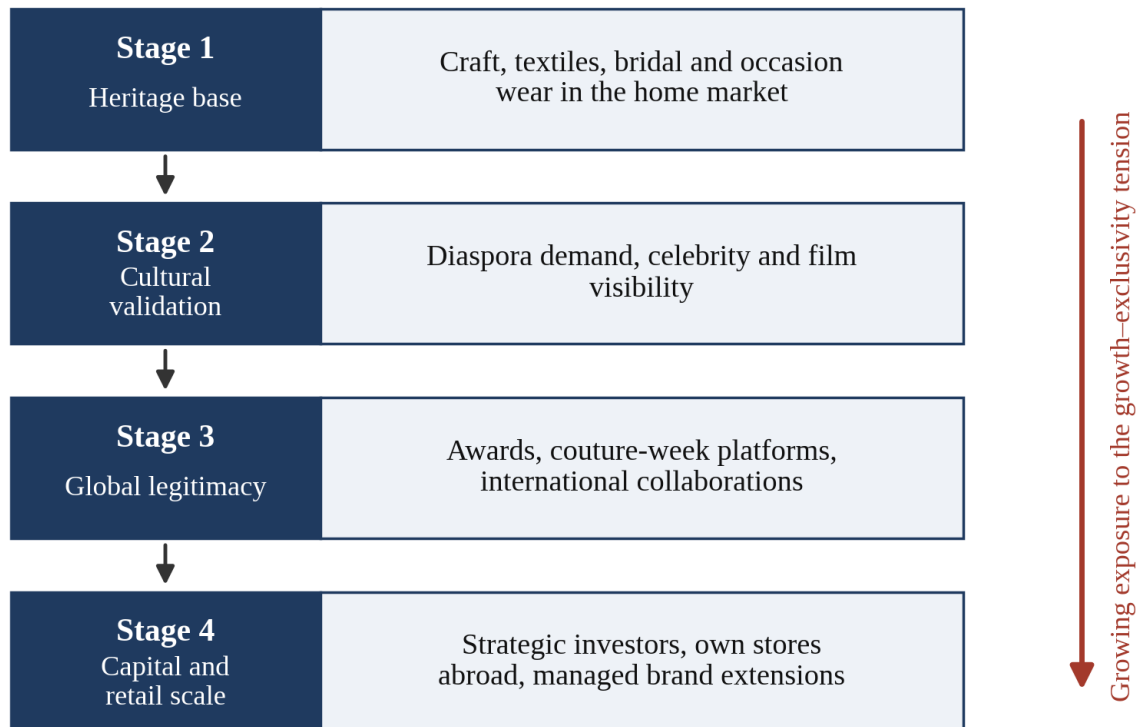
Figure 1: Illustrative Positioning of the Three Cases (Author's Qualitative Assessment)



5. Discussion

A sequence emerges common to the cases examined, as illustrated in Figure 2. They start with a designer heritage base at home (Stage 1). Belonging is infused with greater sensibility through clients of a diaspora and celebrities from different walks of life (Stage 2). Global platforms, awards or collaborations bestow legitimacy (Stage 3). Capital and retail scale develop afterwards (Stage 4). This pathway contrasts with a volume-first approach and aligns with the perspective that emerging-economy firms adopt partnerships and non-traditional paths (Guillén & García-Canal, 2009).

Figure 2: A Four-Stage Pathway Model for Indian Designer Internationalization



Four statements follow. Legitimacy comes before volume. Gaining International Credibility through institutional platforms is prior to scaling, sales international. The movement of people indeed enhances psychic closeness across distance. Diaspora demand reduces the liability of outsidership in the initial stages (Johanson & Vahlne, 2009). According to Keller (2009), mass collaborations and revenues from outside capital generate tensions with respect to growth and

exclusivity so they need controls over range and pricing and distribution. Craftsmanship as a differentiator against Western heritage houses impacts on prestige brands customers' perceptions of luxury goods. Also, it is hard to replicate and it is linked to quality and uniqueness (Vigneron and Johnson, 2004).

The results enable us to reject the idea that brands in emerging economies merely have to catch up. Indian designers do not replicate the European heritage narrative. The factory draws upon another heritage, that of textile weaving and embroidery, so that it can ask international consumers to identify with this luxury. This is in line with cultural variety regarding luxury value (Dubois & Duquesne, 1993; Wiedmann et al., 2009).

6. Managerial Implications

The cases indicate 4 practical lessons for students entering luxury management. Initially, legitimacy must come before volume. Secondly, document and consider craft provenance a valuable strategic asset. Choose collaborations carefully, because while a mass collaboration can raise awareness, it must not weaken the couture core. Select investors who understand slow brand-building. The tension between returns and scarcity is real (Kapferer, 2015).

7. Limitations and Future Research

Due to its reliance on the data of three cases and secondary data, the model is exploratory in nature and not generalizable. Future endeavors may encompass the inclusion of menswear and jewelry designers and conducting interviews with brand managers. It may also extend to testing the hypotheses through consumer surveys in markets such as the UAE, UK and US. Sales and pricing patterns data over time would shed light on whether the growth tension weakens brand equity.

8. Conclusion

Indian designers entering global luxury do not imitate European heritage houses but rather export their own cultural capital and earn legitimacy through demand from the diaspora, institutions and select partnerships. The paper's pathway model and four propositions provide a starting framework for understanding this route. The key challenge for management remains: grow without reducing the rarity luxury depends on.

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