



The LUXURY Guru

By **Karan Grover**

Dr Ashok Som, Associate Dean of Global MBA Program, ESSEC Business School, Paris-Singapore has been instrumental in spreading awareness about the need of luxury education in India. He is the founder of the India Research Centre at ESSEC and the founder Academic Director of the Global Management Program on Luxury and Retail Management, developed in partnership with the country's leading business school, the Indian Institute of Management Ahmedabad. Dr Som speaks on the growth of luxury education in India and the skill sets a brand should value.

What are the challenges holding back the Indian luxury industry?

The Indian luxury industry has three main impediments that stop it from developing homegrown luxury brands. Indian businessmen focus on profits every quarter, forgetting the long term commitment needed for brand building. They lack focus on quality — a brand is a reflection of the five senses, attention to detail and the quality of the product. Lastly, there is no respect for craftsmen. Thus, it becomes imperative to educate the Indian luxury industry on these three parameters. This must encompass skilled and educated manpower at all levels of the value chain, starting from the business owner.

What is the scope for education in the field of luxury in India? Are there any statistics to support its increasing popularity here?

Luxury education is an emerging concept in India and increasingly people are developing an understanding about it and are trying to build a career in the field. The industry is traditionally divided into five main sectors: watches and jewellery, fashion and leather goods, perfumes and cosmetics, wines and spirits and selective retail. Over time, this has been extended to include hospitality, automobiles, yachts and more. The industry caters to the aspirational value of upwardly mobile consumers. This creates a need for niche courses in luxury education, enabling professionals to cater to these consumers, just as wealth management and private banking has been created in the banking industry.

There has been a proliferation of luxury and fashion education in France, Italy, the UK and the US. Although there is no data on the number of Indian students opting for luxury education, as of today, at least 15 per cent of the students in a cohort are from India, as compared to about 40 per cent from China.

Is a degree in luxury very different from a regular management one?

Luxury education is not really different from a regular management degree, since it concerns management principles that apply to luxury specifically. For example, in a regular management degree curriculum, students go through principles of strategy, marketing, operations, economics and more, but invariably there aren't discussions or case studies on luxury brands such as Louis Vuitton, Chanel, Hermès, Cartier and others. These companies are managed differently from organisations in other industries. Thus, with time, the luxury industry, because of its growth and profitability, has also attracted professionals from FMCG companies.

One needs to be passionate about the brand, its heritage, its story, its DNA and understand the logic behind why people are willing to pay an amount for it when there is no utility for such a product

What values do students with an educational background in luxury bring to the table when they work with a luxury brand?

Students educated in the business of luxury are more sensitive towards brands. They're more knowledgeable about the process of transferring the experiences that a brand portrays to customers, a brand's aesthetics and timelessness. Students also learn to enjoy the good things of life, which otherwise only a few have access to. The learnings can be applied to both high-end manufacturing industries (such as six-sigma quality processes) as well as the service industry, like hospitality.

What essential skills are required to be a successful luxury brand manager?

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Are international schools like ESSEC Business School, SDA Bocconi School of Management and International University of Monaco the only options for Indians who want to pursue luxury education?

As of now these schools are the only options for a well-rounded education in luxury, but there is a growing interest in luxury within private and public universities in India also. As a result, professors not only discuss companies like Unilever, Dell and Microsoft but also tune students to case-studies of fast fashion brands such as Zara and H&M as well as luxury brands like TAG Heuer, Omega, Chaumet and Plaza Athénée among others.

Indian business schools are contemplating launching specialised luxury courses. Will they be able to offer a comprehensive curriculum?

No, absolutely not. They need advice from both academicians and professionals in this field to offer a well-rounded, detailed and structured luxury course that is customised to the Indian and South Asian context. Look at China. With rapid growth in its luxury sector, there have been instances where Chinese Universities have launched such programs but failed miserably due to lack of knowledge and collaboration with professionals in the field.

this put together with a complex business environment makes it difficult for international schools to transfer knowledge.

What is the way ahead then?

I don't see many Indian management and fashion schools launching luxury courses in the near future. It is not easy to conceptualise or adapt a course. Rather, it takes time, just like building a luxury brand. Schools need to understand that and invest in developing real capability to add value to the students. It is easier to teach them the growth stories of brands like Titan and Madura Garments, which were involved in creating brands like Zoya and the Collective, but more often than not there are failures in the Indian context. Similarly, it is difficult to speak about Burberry, Thomas Pink, Cartier, Patek Philippe or Chateau Margaux in a class with Indian students who have never had the opportunity to even see or hear of those brands.

While the number of skilled luxury managers grows slowly in the country, what should the Indian luxury industry do to train its own personnel?

Today's manufacturing industry and many management principles, owe their roots to Japanese practices. They took time to perfect their systems and



Case studies of luxury brands are finding their way into management degree curriculums in India



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Would international schools have the expertise to plug this gap as well as deal with the idiosyncrasies of India's luxury market?

It is easier said than done. Very few international schools have expertise in this field. Secondly, there are a limited number of experts who can passionately teach master level students. Most of the knowledge is tacit and has been developed with time. Though content can be delivered, the experience cannot. And lastly, the Indian story is too complex. My experience suggests that it takes a lot of time to tune students into the business of luxury. The names of brands are difficult, what they stand for is unknown, how they are run is not evident and other details of their business strategies are often a paradox. All

procedures and delivered products that were better than their competitors, which resulted in fast-paced growth with high profits. The world adapted those principles and trained their managers, coupled with a transfer of technology. Managers trained in these systems are the backbone of the Indian automobile industry today.

Similarly, we are at the nascent stage of luxury education in India. With time, luxury professionals will grow. This will have a positive ripple effect on the overall service industry. Brands must start training their personnel so that they are ready when the time is ripe to differentiate. This is something we still need to learn from France and Italy: building brands that are timeless, modern, fast growing and highly profitable. •

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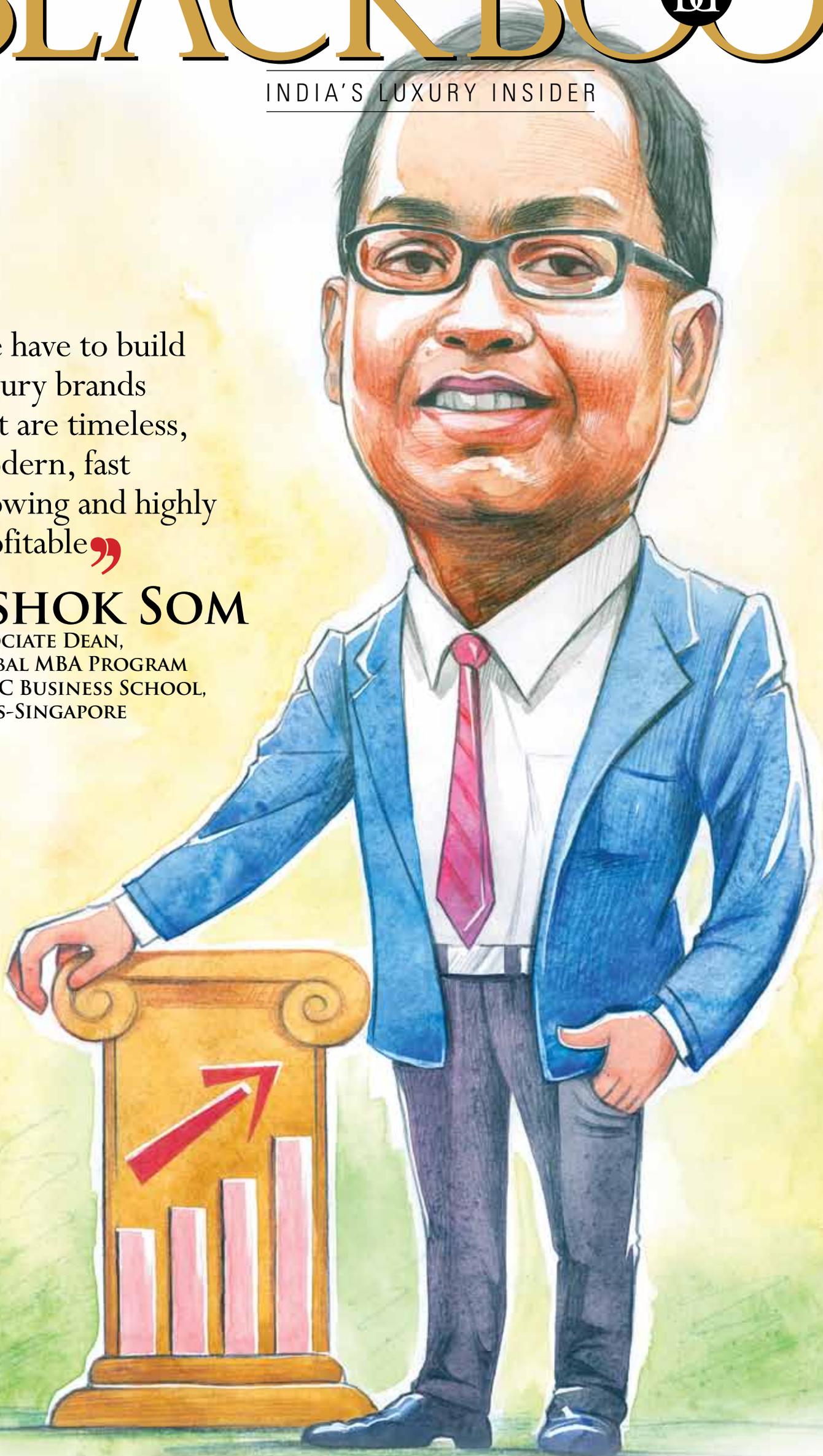


INDIA'S LUXURY INSIDER

“We have to build luxury brands that are timeless, modern, fast growing and highly profitable”

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ASSOCIATE DEAN,
GLOBAL MBA PROGRAM
ESSEC BUSINESS SCHOOL,
PARIS-SINGAPORE



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