

# For affluent Indians, festival season is an excuse to spend more on luxury

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Festival season is a buyer's market for fashion-forward Indian consumers, with much of the spending on textiles, garments, and jewellery. International brands are taking notice of the growing appetite of India's affluent classes for luxury and responding with collections to satisfy their tastes.

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**LOCATIONS:**  
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AND ACCESSORIES  
LUXURY  
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STYLE



## EXPERTS

Kanak Kapadia

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## HIGHLIGHTS

- 01** As India's affluent population gets richer, they haven't been shy in turning up their spending habits to match their new lifestyles
- 02** International fashion brands like Galeries Lafayette are turning to the Indian market for their next big move because of the country's promising signs of growth
- 03** The Diwali festival in India brings in big business for local and international fashion brands as fashion-forward consumers use the season as an excuse to spend

## DATA

- 68% of Indian consumers said they were more likely to spend more on clothes for Diwali 2023 than the previous year
- High-income households account for almost 10% of the country's population, and they're growing and getting richer
- Ethnic wear is the largest category of the Indian apparel market, occupying 30% of the industry

## SCOPE

One peek at Instagram, India's second most popular social platform (36.31%), during the Diwali festival or wedding season (between November to February), will have your feed flooded with shopping guides and #ad posts from India's top influencers – whether it's traditional Indian clothes from local designers, or glamorous accessories from luxury brands, they've got their following covered. [1] And Indian Gen Z and Y consumers are happy to spend during this time of year, says Kanak Kapadia, a Mumbai-based freelance brand consultant and strategist to Canvas8. [2] Indeed, a survey conducted by The Trade Desk found that 68% of Indian consumers said they were more likely to spend more on clothes for Diwali 2023 than the previous year, and there was a 35% increase in the number of locals who were ready to make more purchases in general. [3]

Thanks to young consumers and an expanding upper and middle class, global consultancy firm Bain & Company called India an economic 'rising star,' with a luxury market expected to grow to over 3.5 its size by 2030. [4] This love for luxury is well portrayed during the Diwali festival season, with many celebrators opting to wear new clothes to symbolise new beginnings, providing ample opportunity for local designers to push their festival capsule collections – and some international brands are following suit. Pushpa Bector, a senior executive director at DLF Retail, a chain of luxury malls in India, told The Economic Times that during Diwali, designer brands like Hermès and Chanel are consistently booked with customer appointments. Other brands like Louis Vuitton, Dior, Cartier, Bulgari, and Gucci had increased sales during

the 2023 season compared to the previous year, she said. [5] Luxury items thrive in India, so it's no revelation that locals are spending on brands they are familiar with.

However, Kapadia says it won't be an easy road for new entrants, explaining that brands new to the Indian market and don't have a vast international presence likely can't match up to the necessary marketing push required to compete with homegrown Indian brands or established international brands. [2] Companies looking to buy in could offer products to satisfy local tastes and use appropriate advertising on local celebrities and influencers whom Indians know and trust to gain an edge.

## LUXURY IN INDIA

India has a long history of working with textiles and luxury. For decades, the country has been producing intricate garments and hand-embroidered pieces for international designers. In 2023, Christian Dior's creative director Maria Churi Grazia made history with the first Dior fashion show set in India, hosted in Mumbai, and created in collaboration with a local embroidery school, the Chanakya School Of Craft. [6]

This pivotal moment symbolises the growing influence of Indian consumers, particularly in the luxury space. A survey from The Trade Desk said 84% of consumers are interested in purchasing luxury products during the Diwali season. [3] Not to say India isn't a booming luxury market year-round. Sanjay Khanna, the CEO of Amex India, told Business Line that Gen Y and Zers, in particular, are driving luxury spending in India. [7] This is supported by global stats that say Gen Y and Z purchases will account for 75% to 85% of total luxury transactions by 2030. [8] Young Indians are earning more, and so the natural lifestyle creep means their spending is increased in the luxury sector.

Other international brands like [Jimmy Choo](#) responded to this rise in demand with a Diwali capsule collection 'inspired by the rich heritage and traditions of Diwali,' modelled by local Gen Z film actress Ananya Panday. The glamorous collection featured handbags and shoes in classic Jimmy Choo silhouettes but in metallic shades with crystal and glitter finishes. Kapadia says this positioning is perfect for an accessory brand like Jimmy Choo, which Indian consumers are familiar with and importantly, are already purchasing from. [2]



Most Indians still prefer purchasing from local brands, even when spending during the Diwali season

@altair\_decor | Instagram (2023)

## THE FOUNDATIONS OF FESTIVALS

The foundations of the Diwali festival (light, abundance, and new beginnings) lend themselves to the kind of surge in consumption that the economy is used to seeing during the lead-up to the season, as celebrators purchase new clothes and jewellery to wear to the gatherings they attend. The Confederation of All India Traders reported that in 2023, Diwali spending hit a record high of INR 3.75 trillion (about \$45.16 billion). [9] A breakdown shows that two of the three biggest areas of spending were textiles and garments (12%) and jewellery (9%), which were only outclassed by food and grocery (13%). [10]

This growth goes hand in hand with brands creating festive collections and local influencers creating festival shopping guides to steer consumers to supporting local and international brands. [#VocalForLocal](#) was an appeal made by Indian Prime Minister Narendra Modi to encourage locals to support homegrown brands for their Diwali needs. The result was that Diwali spending in 2023 was almost exclusively focussed on Indian-origin products. [9]

This spend isn't reserved only for Diwali – it's also for weddings and other festivals like Lohri and Ganesh Chaturthi. Nisha Kundnani, ex-fashion editor and founder of Bridelan, a bridal styling service, says Indians flock from all across the world to spend big bucks on weddings – with the average spend of her clients being around INR 1 million (about \$12,047). [11] Festivals are a chance for locals to don their traditional clothing silhouettes, but international designers aren't offering this yet. Kapadia says accessory and beauty brands could easily integrate into the festival season marketing, as they can be paired with traditional Indian clothes, whereas Western wear is somewhat suppressed during the festival season. [2]



Connecting with Indian stars and influencers is something even smaller brands can do to gain the favour of locals

Christian Louboutin (2024)



## INDIA AS THE NEXT 'RISING STAR'

'Is India the next China?' This question plagues business publications each time a new economic statistic about India is released, referring to the country's rapid growth, but with India seemingly entering its Golden era, it's a valid one to ask. India is the fastest-growing economy in the G20 grouping of large nations, and the world is taking notice. [12] High-income households are getting richer, and though they account for only about 10% of the population, it's enough to drive up the growth of the luxury sector. [13]

Historically, it has been difficult for Indians to get access to brands within the country, with many opting to travel abroad to Europe, the United Arab Emirates, or Singapore for their luxury spending, says Kapadia. [2] 2023 saw the opening of two luxury malls, [NMACC](#), and [Jio World Plaza](#), which have been instrumental in putting India on a world stage for its local creativity, and appreciation of international brands and the arts, legitimising it in the eyes of brands looking to move into this geographical market.

Jio World Plaza, opened by Reliance, is the first of its kind in India's cosmopolitan city, Mumbai, a 750,000 square foot luxury shopping complex with top-end international brands like Tiffany & Co, Dior, and Cartier as well as eateries like Armani Caffè. [14] The next big player to enter the market, the French Galeries Lafayette, has completely committed to their entry into the booming Indian luxury market with two stores – one in New Delhi and one in Mumbai, as well as an online platform – in partnership with Aditya Birla Fashion and Retail Limited – the first Indian fashion group to have reached \$1 billion revenue. [15][16]



Luxury brands are noticing India's rapid economic growth and purchasing power

Lodovico Colli di Felizzano (2023)

## INSIGHTS AND OPPORTUNITIES

### COLLABORATE WITH LOCAL CELEBRITIES

In a 2024 Statista survey on online advertising, 41% of Indians said they purchased products because celebrities or influencers advertised them. [17] Kundnani says, "Bollywood is our softest power," adding that international brands should engage with Bollywood actors. [11] Some have already done so. Gucci announced Hindi actress Alia Bhatt as their first Indian global brand ambassador, just as Louis Vuitton brought on Deepika Padukone as their first Indian brand ambassador in 2022. [18] [19] Kapadia says that though Bollywood has proven to be a popular choice for international brands looking to enter the Indian market, it also needs to fit with their main target consumer, "I think [Ralph Lauren](#) did great by taking Gauravi Kumari." [2] Kumari is the Gen Z Princess of Jaipur, also known as the 'Pink City.' In December 2023, Ralph Lauren hosted a gala dinner at the City Palace in Jaipur with Kumari as the host. [20] Being a heritage brand, Ralph Lauren is a perfect fit for a princess. However, younger companies can look towards other influential Indian figures like fashion editors and influencers, Kapadia says. "If you're coming into India during the festival time, your marketing has to be at its peak. You have to be with the right people." [2]

## CATER TO LOCAL TASTES

The festival season calls for festive clothing, and for many, this means ethnic wear – which occupies 30% of the Indian apparel market. [21] Traditional garments like saris, lenghas (a two-piece top and long skirt set), and suits (a variation of a top and trouser combo) are often worn during festivals as they are festive but still modest. For international clothing brands, this might mean localising their product offerings. Though it doesn't necessarily mean ethnic wear options, a range that caters to the rich aesthetics that locals prefer to don during the festivals could be appreciated. Louis Vuitton released an India-exclusive footwear collection in 2022, between the Diwali and wedding seasons, a collection of pieces in rich metallic hues, including a shocking 'Rani Pink' shade, which is a popular colour used in ethnic wear. [22] Pinks and golds seem to be a popular palette – Jimmy Choo started 2023 with its India-exclusive 'Shaan' collection. [23] The brand's creative director, Sandra Choi, told Grazia India, "Our expertise in luxury and shoe design specifically combined with an enduring fashion aesthetic resonates not only in India but globally." The traditional aesthetic of Jimmy Choo, paired with glamour and quality, has resonated with the Indian clientele, and keeps it a popular brand in the country. Kapadia says international brands could partner with trusted local ethnic wear brands for an 'Indo-western' collaboration. [2] Though not for Diwali, [Christian Louboutin](#) collaborated with local luxury designer Sabyasachi on a line of shoes in 2015, and the pair have since collaborated for three more collections. It again reinforces that Indians are ready to spend on luxury items that serve their aesthetic, and what better way to understand that than collaborating with a local brand? "For a French shoe brand to take (a) deep interest in India, it's so fascinating. I think that international designers are going to look at India in a major way," says Kundnani. [11]

## LEAN ON EXPERIENTIAL MARKETING FOR GEN Z

Most Indian Gen Z Instagram users said they were receptive to advertising in general, and more than half even said they still pay attention to traditional ads in newspapers and train stations. Kapadia says a new phenomenon in local advertising is experiential marketing. [24] Recently, Self Portrait, Kenzo, All Saints, and Dsquared<sup>2</sup> have all set up pop-up stores at the NMACC in Mumbai, she added. Kapadia says the festival season is the perfect time to do this, whether curating a public event for loyal clientele, or for local influencers to launch new collections. [2] Amex CEO Khanna said consumers are opting for products that add extra value, like bespoke services or experiences, "even if they come at a higher cost." The affluent consumers in India are "badge-oriented," and so exclusive experiences allow them to be part of a community of like-minded individuals. [7] Fragrance brand [Jo Malone](#) collaborated with local Mumbai-based event decor brand Altair Decor for a festive Diwali event, scented by the brand, in the luxurious setting of Soho House in the heart of the city. Guests wore their festive garments and took part in making their own fragrances while photographers captured moments from the event. Kapadia says it was aspirational marketing at its best. Not only did the setting give consumers inspiration for their festive celebrations, but it also planted a seed of Jo Malone being the scent of choice. The same model can be replicated by fashion or even beauty brands, Kapadia concludes. [2]

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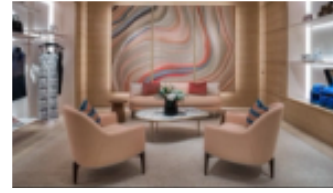
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