

Advertorial

Luxury Marketing and Sustainability in the South Asian Context

A luxury item, when compared to a non-luxury item, indicates superior quality, uniqueness, and a degree of sophistication. In recent years, consumer activists have criticized luxury brands for not being transparent with sustainable business practices by accusing them of exploiting both animal and human rights while operating within the industry. Some examples include the usage of animal testing for cosmetics, the usage of exotic animal hair for clothing, forced labor, and unfair working practices in the Apparel Sector. Sustainability in consumption is defined as "meeting basic needs without jeopardizing future generations' needs". The luxury sector has seen an increase in interest in sustainability among brand managers, scholars, policy-makers, journalists, and academics.

In South Asian culture, luxury is used to refer to a trademark, expensive product, or higher-end foreign brands. When considering luxury retail brands, prior to the pandemic almost 30% of the luxury marketing was located outside the home countries of the consumers in South Asia.

The local population did not consume many luxury goods. This led to many companies catering to tourists rather than to locals. COVID-19 is causing marketers to focus on how to cater to local consumers who can spend more money because they are unable to travel. A luxury marketer must consider how to motivate local clientele to spend locally rather than plan their purchases for travel.

In terms of the second shift, it is about how luxury brands are engaging with their wealthy customers through digital channels. It was identified that Western counterparts are slow in moving at the same pace as their eastern counterparts with regard to digital savvy.

Singapore became a regional hub in the third shift even though Japan used to be the first luxury market in the last decade. Most luxury companies have their headquarters in Hong Kong, but after that, China became one of their most important markets to compete in. It has become evident, however, that Southeast Asia has become increasingly important, especially with the growth of markets such as Indonesia, Thailand, Vietnam, and most recently the Philippines. There are a growing number of luxury brands opening stores there and tapping



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into that niche market which historically has been the domain of affluent consumers who travel and also a change in behavior in those markets that are experiencing more local consumption and growth. One such example is the relocation of L'Oreal's headquarters from Hong Kong to Singapore.

Overview of the Luxury Marketing and Sustainability-Related Practices in the South Asian Context

Scholars in South Asia have focused more attention on corporate social responsibility (CSR) and sustainable activities mainly due to the reasons of climate change, declining natural diversity, and scarcity of natural resources. Several published literature reviews have addressed topics as diverse as the association between corporate social and sustainable engagement and financial performance to structure and foster this emerging research field on luxury brand marketing and sustainability.

It has been reported that several literature reviews were published on topics such as the relationship between CSR and financial performance, while more focus on consumer engagement and the impact of CSR by highlighting the responsibilities of the employees in different levels of the organization.

Recently, scholars have begun to investigate CSR and sustainability in the luxury sector after focusing mostly on commodity products in South Asia. Further, this change was incorporated due to a growing public interest in issues such as climate change, animal testing, forced

labor, and unfair labor practices leading luxury producers to make their business processes more sustainable.

Further, existing research revealed that a result of fast-moving economies such as China do have growing luxury brand marketing and it also implies that the luxury industry is facing a shortage of resources, showing the need for the conservation of these resources. Finally, luxury products and brands are often considered industry models in many industries. In mass markets, companies copy luxury product-related innovations, thereby influencing societal trends.

Engaging with South Asian Luxury Consumers While Maintaining Sustainability

Before the COVID-19 pandemic period, it was reported that 30% of luxury products were happening beyond the home country of the consumer. For example, many luxury brands were targeting foreign consumers rather than local consumers.

Following the COVID-19 pandemic, marketers have had to adapt their marketing strategies to attract local consumers with extra money to spend due to their inability to travel, resulting in discounts on luxury brands even though they are not often used in luxury marketing. This also provided an opportunity for South Asia and Singapore to turn into a hub for the Asian region.

Most luxury companies had their headquarters in Hong Kong until China became a giant and crucial market for them. Gradually, with time, this changed into South-



east Asia becoming much more important with rapidly developing countries such as Indonesia, Thailand, Vietnam, and recently, the Philippines marketing luxury products to consumers who were among the top group of travelers in previous times. Markets with a greater degree of local consumption and growth are experiencing a change in behavior such as the growth of the hub of Singapore. For example, L'Oreal, for instance, shifted its headquarters to Singapore from Hong Kong.

While Non-Asian context-based research has focused on sustainable supply chain practices, it has not fully explored how luxury firms manage and design sustainable supply chains within the South Asian context. Additionally, sustainability offered firms a chance to differentiate their products from their competitors.

As part of the luxury market battle, there are not only economic and financial issues (customers, market share, sales, and profits) but also sustainable initiatives that meet the needs and expectations of new customers. According to Ko, Costello and Taylor (2019), luxury products may be attributed to developed markets, but their demand has significantly increased in emerging markets such as China, India, and the Middle East.

It was reported in 2013 that the brand Hermès received negative publicity following Greenpeace's publication of the Fashion Duel results, a campaign aimed at raising awareness of fashion's detrimental effects on the environment, biodiversity, and humanity, and urging the luxury fashion industry to cease using hazardous chemicals. However, the company was able to survive and still be successful with sales in Asia (especially China) with nearly 50% of the sales being made for colorful silk shawls and luxurious handbags.

Known for its leather handbags and silk scarves that can be purchased for between £4,000 and £20,000 on the Hermès website, the Parisian firm stated that sales in its Asian business, including China and Korea, increased 47% in the last three months of 2020, compensating for the loss of sales during the Coronavirus outbreak earlier in the year.

Similarly, there are many instances of luxury marketing becoming successful in South Asia by balancing both profits and sustainability practices. Additionally, the

brand Hermès renovated stores in Paris, Istanbul, and Brisbane, and opened new stores in Tokyo, Zurich, Detroit, and Miami.

Further, it was reported that the brand Hermès fulfilled the two main sustainability practices of adopting high-quality materials and consumer-oriented marketing. This further illustrated, the ability of the brand Hermès in becoming consumer-oriented by viewing its marketing strategy from the perspective of the consumer.

Gucci, for example, reduces chromium and other hazardous chemicals in its leather tanning processes (this brand has a policy approved by Canopy Style). As part of its "Gucci Off the Grid" circular line, Gucci uses some more eco-friendly materials. Also, China is popular for the green fashion brand "Icicle", which caters toward more sustainability by using natural fabrics made of natural yarns such as cashmere, linen, wool, and silk specifically using a brand slogan carrying "Made in Earth". Similarly, the Indian luxury handloom clothing brand "No Nasties" followed this practice by using materials that are environmentally friendly by maintaining the brand as a vegan clothing brand with organic cotton.

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Towards Open Distance Learning for Future: Practices and Challenges in Sri Lanka

The greatest challenge in the 21st century for Higher Education is the recognition of relevance, which is the need to adapt to the immediate needs of society by producing an employable or employability graduate. ODL has the potential to provide Higher Education for those who are employed and servicing the market, it is a form of education that combines the world of work with learning. The ODL as a mode of learning facilitates learners who are denied tertiary, adult or lifelong education due to various barriers and obstacles. While for these groups of students' technology is an effective strategy to overcome such barriers, the use of sophisticated technology which imposes additional barriers to pursuing education, should be considered with care.

Open to the emergence of online providers and campus Institutions offering online programs, open and distance learning is no longer the preserve of Open Universities. The field is much wider than it was three decades ago, and technology is increasingly contributing to the death of 'distance'.

Today's challenge for higher education is the recognition of relevance. Universities need to prepare individuals who can contribute to the social and economic development of the country. This can fruitfully be achieved if the graduates are provided with the relevant skills and the knowledge. It is in this context that Higher Education needs to be defined as a public service which contributes to cultural, economic and social development within the context of religious and cultural diversity. It is accepted that Higher Education, in any given society, whether developed or developing, must play a role in the production and transmission of knowledge.

The Sri Lankan system of University education began in 1921 with the establishment of the University College. There are 17 national Universities including the Open University of Sri Lanka, Sri Lanka's burst into Open and Distance Learning commenced more than 40 years ago. 'University for All', representing varied social classes, age groups, ethnic

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groups, religions, and languages.

University education became more and more severely competitive, and the government resorted to standardization mechanisms to facilitate the admission of students from rural and underprivileged areas. While the number of students admitted to conventional University free education was less than 6% of the relevant student cohort. The demand for Higher Education provision continues to grow annually and supply cannot meet demand. One of the main issues confronting the Higher Education sector in Sri Lanka is the limited access to Higher Education.

The secret of success of ODL is fivefold. First, it combines educational technology to minimize the distance between learners and teachers. Second, it inculcates in students the science and art of self-learning. Third, it helps the working population to complete accredited undergraduate and postgraduate degree programs while working. It is invaluable exposure to the 'world of work' making them a cost saver to them and their employers. Fourth, as self-learners ODL students are trained to seek and acquire new knowledge. Fifth, the emphasis on quality enhancement of study programs makes ODL students more competitive in the market.

Innovation processes should be carried out today in all Educational Institutions. New types of Educational Institutions, management systems, new technologies and techniques have emerged. Technology and other innovations enable educational design and delivery to be adapted to the needs and environment of students enrolled in Open and Distance learning and traditional educational programs. Thus, technology can also help programs shift to a 'learner-centered' approach to education.

The innovation driven economy requires students to (i) generate, judge and validate knowledge, (ii) satisfy the need of human capital on the labour market and (iii) push value creation by new endeavours



and/or ventures. The Universities must indeed strongly promote that students are equipped with knowledge, skills and attitudes that all individuals need as a foundation for lifelong learning. Universities must be inventive when it comes to satisfying labour market demands and the needs of the innovation driven economy. To adapt to a world altered by technology, changing demographics and globalization, in which the Higher - Education landscape includes new providers and new paradigms, innovation and flexibility from Institutions are needed.

Inclusion and Social Mobility:

Adopting ODL as a policy option is ostensibly to increase access to Higher Education especially by non-traditional learners. These may be those who may not have adequately met the admission standards set by residential Universities, or they may be mature entrants or others who wish to enhance their qualifications. Most may be studying while working but some may be unemployed or women at home. Herein, higher education aims to provide more equitable access in terms of costs, entry qualifications and flexible learning opportunities and to improve their

social and professional mobility.

Continuous and Professional Education:

Higher Education connects with the labour market by delivering students with the required high-level skills and competences, while simultaneously driving the dialogue on curriculum development with external stakeholders. The lifelong learning mission of the University under discussion, the organization provides for continuing education and professional training and develops joint programs in collaboration with dedicated professional education and training institutions.

Innovation and ODL Delivery:

Higher Education connects with entrepreneurship and innovated by delivering those students that are not only educated in subject matter but also have essential skills and competences to adopt or drive successful developments.

Simultaneously, opportunities for new economic activity and entrepreneurship provide for new research domains and teaching horizons. Learners should be carefully counseled about study load especially at the beginning of distance learning courses. An assessment of their time and resources must be undertaken and based on hours available to be devoted to study, advice can be given on an appropriate study load.

Institutional Support

Open technologies to make learning and Higher Education more accessible. It is an 'open' virtual platform, a social and technological infrastructure which delivers professional entrepreneurship services and takes full advantage of Web technologies. It caters for relational symbiosis and scale advantage by providing virtual office space to tenants, communication facilities, collaborative support tools, virtual business and financial coaching

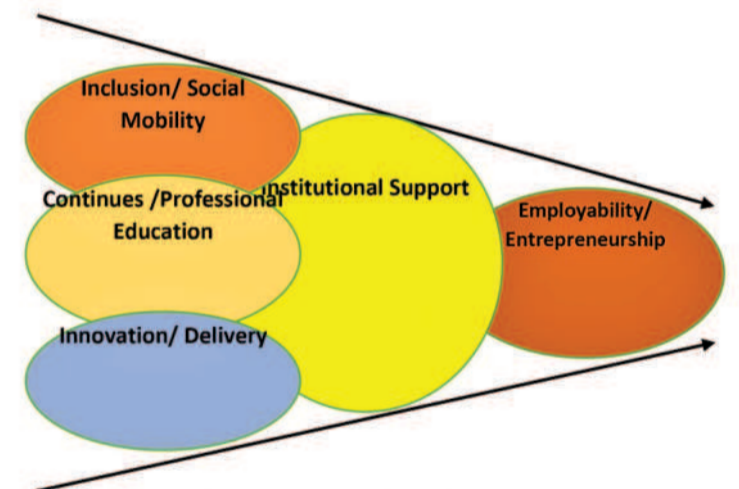


Figure 1: Strategic Model for ODL Innovation Practices

support, IT infrastructure and web development services, access to e-content, access to incubator tenants, access to external stakeholders, and other types of social and entrepreneurial support.

Entrepreneurship and Employability

The innovation driven economy strongly depends on entrepreneurs. Entrepreneurship is one of the important drivers of economic growth, productivity, innovation and employment. In agricultural or factor driven economies the notion of entrepreneurship is one of necessity. In manufacturing economies or efficiency driven economies the notion of entrepreneurship is one of the opportunities.

In service economies or innovation driven economies, the notion of entrepreneurship is one of the possibilities. Although modern societies need innovation to sustain their economy, the individual and financial necessity of becoming entrepreneurial seems diminished. Next to domain-specific knowledge and expertise, it is increasingly workers to acquire skills and competences such as analytical skills, self-management, and entrepreneurial skills, which are transversal and transferable in the changing environment.

Figure 1: Strategic Model for ODL Innovation Practices

The course curriculum is structured to achieve the expected knowledge, skills, attitude and mindset with strong support from the teaching/learning strategies. This environment would also facilitate creative learning and teaching approaches, such as 'flipped classrooms' and related approaches which enables the delivery of lecture content, assessment and feedback online, and shift toward more interactive learning in the face-to-face environment.

Higher education system of Sri Lanka therefore needs to be reformed to make a noteworthy contribution especially towards the development of the country. New policy initiatives and a reform strategy are being planned and adopted with a view to reforming the system based on both local and global considerations. These initiatives include research projects and resources on various types of open educational practices including open access to education, open learning, OER integration and open scholarship.

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