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Luxury Consumption of Mumbai's Service Outsourcing Professionals: Understanding New Middle Class Identity and its Implications for the Local Retail Sector

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Declaration of Originality

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Panos Papadongonas
Amsterdam, 24 June 2014

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India presented a challenging location to conduct research. Dealing with the socio-cultural complexities while in Mumbai would have been much more difficult without the contribution of two local contacts and dear friends, Randhir Kumar and Sandhya Krishnan, Phd candidates at the Universities of Amsterdam and Mumbai. I am very grateful to them for assisting me in adjusting to local circumstances as quickly as possible. I am also thankful to Randhir and Sandhya for putting me in touch with key contacts, which significantly improved the effectiveness of the fieldwork. I would also like to thank my supervisor, Dr. Niels Beerepoot, for the constructive feedback that he provided me during the writing of this thesis. Finally, I would like to thank my family and friends for their encouragement during the whole research project.

Abstract

The New Middle Class (NMC) in developing countries is projected to overshadow the middle class in the Western world in the near future. Service outsourcing has been a catalyst of the emergence of the NMC, by creating economic activities and thereby generating disposable incomes. India has become a prime location for service outsourcing activities. Based on the structure of the outsourcing industry, this research goes beyond the extensively-studied call centre executives (low-end BPO) to include high-end BPO, IT and KPO professionals in India's economic centre, Mumbai. Academic theory suggests that work is central in identity formation and that luxury consumption can constitute a manifestation of identity. This study investigates whether the distinct evolution of the BPO, IT and KPO outsourcing branches in India has resulted in varying NMC identification processes among the respective professionals, as examined from the perspective of their luxury consumption. The study relies primarily on semi-structured interviewing and secondarily on participant observation. At the same time, the study offers an up-to-date overview of what the consumption of service outsourcing professionals means for the luxury market in Mumbai. This part of the study is enhanced by Geographic Information Systems spatial analyses.

The overarching conclusion is that the luxury consumption of the service outsourcing professionals is not merely shaped by their New Middle Class status. Rather, luxury consumption and New Middle Class identity interact and reinforce each other in context-specific (BPO, IT, KPO) ways. The findings also point to a possible misconception among the retailers about the structure of the outsourcing industry, which may hinder the utilisation of the full market potential of the BPO, IT *and* KPO subgroups. The added value of the findings, from an academic point of view, lies in the observation that identification processes involving varied and diverse groups, such as the service outsourcing professionals, take place at many levels: personal, within the family, at the office, and within local society as a whole. Additional research, ultimately involving other subgroups of the New Indian Middle Class, is imperative in order to monitor the evolution of the Class's agency within the context of India's positioning itself in an increasingly globalised world.

Keywords: service outsourcing, New Middle Class (NMC) identity, luxury consumption, India, Mumbai

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1. Introduction

1.1 Globalisation, Outsourcing and the New Middle Class

Globalisation has intensified; and numerous developing countries, notably India and China, have benefited from it, demonstrating impressive growth rates (ADB, 2010; Auer *et al*., 2006). The 1991 liberalisation programme of the Indian economy gave impetus to private entrepreneurship and foreign investment, transforming the economy and leading to a shift in spending power and the rise of a New Middle Class (NMC), similarly to other emerging economies (Das, 2009; Fernandes, 2000; Fernandes & Heller, 2006; Murphy, 2011; Nijman, 2006). This NMC is projected to grow explosively in the coming years (Kharas, 2010). Advertisers and investors have great hopes about the role that the NMC can play in boosting global consumption (Trentmann, 2010). Consumption is ultimately related to complex processes of self-identification (Friedman, 1995; Giddens, 1991; Nadeem, 2009; Warde, 1994), so it will be insightful to observe how the NMC identity finds an expression through consumption practices and what the economic implications of this consumption can be.

More than two decades after economic liberalisation, India is now known worldwide as a prime innovator in service outsourcing for foreign companies, that take advantage of its cost-effective and skilled English-speaking labour force (The New York Times, 2011) as well as improvements in communication technology. Being India's financial centre, Mumbai hosts a great number of companies that participate in the service outsourcing industry. The city has attracted large numbers of young graduates, who aspire to participate in this industry, which will allow them to join the Indian NMC and to attain a comfortable lifestyle. Using Mumbai, India's financial centre, as the starting point, I investigate how BPO, IT and KPO professionals' lifestyle aspirations materialise in the form of luxury consumption and how this consumption becomes a means of self-identification. Finally, I examine the implications of this consumption for the local retail sector.

1.2 Relevance of this Research

Existing literature – see for example Agarwal *et al*. (2005), Auer *et al*. (2006) and Krishnan (2012) – reveals that the Indian outsourcing industry has developed in stages. The first branch to emerge was low-end Business Process Outsourcing (BPO), followed by Information Technology (IT) Services and more recently highly-sophisticated Knowledge Process Outsourcing (KPO). Kirk and Wall (2011) claim that work is central to identity formation and they employ the concept of intersectionality to express the fact that "work identity inevitably intersects with other identity formations" (2011, 88). They claim that the set of unique conditions in each sector affect the formation of personal identity in sector-specific ways. The non-simultaneous emergence of BPO, IT and KPO implies varied sets of socioeconomic conditions to which respective service outsourcing professionals may have been exposed. It remains unknown whether the distinct evolution of each of these three outsourcing branches has resulted in different forms of identification among the respective service outsourcing professionals, considering Kirk and Wall's (2011) suggestion that different working environments result in sector-specific identification processes.

In existing academic literature – see for example Amaldoss and Jain (2005) and Hudders (2012) – the act of consumption has also been associated with self-identification processes. The aim of this study is to offer an up-to-date and more elaborate perspective on the consumption practices of the service outsourcing professionals in Mumbai. Within the framework of investigating the consumption patterns of the NMC, there is already rich evidence about the lifestyles of the professionals who participate in the call centre (low-end BPO) branch (Hubacek *et al*., 2007; Murphy, 2011; Nadeem, 2009; Pal & Buzzanell, 2008; Upadhya, 2008; Yong Jin, 2011). Little is known, however, about the lifestyles of the IT and KPO professionals. This is the gap that this study aims to fill: contributing to an improved understanding of luxury consumption as a component of identity and of how the situation may be differentiated among the various service outsourcing branches.

Besides the academic aspect, this research is valuable from an International Development Studies (IDS) perspective as well. IDS focuses on global development issues within the framework of an increasingly interconnected world. Numerous cities and regions in developing countries – Mumbai being a characteristic example – have successfully adjusted to the processes of economic globalisation and demonstrate high growth rates (University of Amsterdam, 2014). In the coming decades, Asia will host the largest share of the world's middle class, while the respective share of Western countries will diminish (Kharas, 2010). This NMC will be the driver of international development, thereby constituting a promising consumer group for global brands and acting as an important stimulus for global economic activity (*ibid.*). The luxury consumption of the NMC can ultimately lead to a booming luxury market, which can positively impact local economies and thus constitute a local trickledown effect of globalisation. The emergence and consolidation of NMC is ultimately a manifestation of a shift in global economic power relations towards Asia.

Luxury consumption can also be examined from the perspective of the retail sector, which directly profits from the NMC and thus has an interest in comprehending its consumption practices (The Financial Express, 2010). Investigating service outsourcing professionals' luxury consumption and the motivation behind it, as well as how the retail sector responds to this consumption, has the potential to lead to a better understanding of the extent to which Mumbai constitutes an attractive location for this NMC, which is dynamic and important for the Indian economy and indirectly for the global economy. This is the greatest contribution of this research from an international development perspective.

1.3 Thesis Outline

I begin by presenting the theoretical framework in the second chapter. What exactly is "middle class" and how is it conceptualised? How has the service outsourcing sector influenced the evolution of a middle class in India? What exactly is "luxury consumption" and how does it relate to the outsourcing professionals' ambitions and aspirations? How does the retail side view this phenomenon? These are questions that set the normative base of the research. In the third chapter I offer a brief description of Mumbai's service outsourcing and retail landscape, which constitutes the first step towards becoming acquainted with the research location. The fourth chapter is dedicated to the technical aspects of the research: for example, the research methods and units and the operationalisation of the variables. In the same chapter, I briefly present the collected data and I elaborate upon the data analysis approach. In the fifth and sixth chapters, I present the results of the data analyses, which are based on semi-structured qualitative interviews with outsourcing professionals and representatives from the local luxury market, participant observation and mapping using Geographic Information Systems. In the seventh chapter, I summarise the findings, I attempt to offer an answer to the research questions and I describe the implications for future research.

2. Theoretical Framework

2.1 Introduction

Before focusing on the research aspects, the notions of "NMC", "service outsourcing" and "luxury consumption" need to be explained, as they constitute the theoretical pillars of the research and help to position the findings and to identify the contribution of this research. Middle class has been defined in various ways and the emergence of the NMC in developing countries adds to the complexity of conceptualising this social group. In the Indian context, service outsourcing has been a catalyst for the formation of a NMC, generating disposable incomes, which economically empower the respective professionals. One way to examine the agency of this group is by looking at their luxury consumption. Such consumption is not only a symbolic manifestation of identity, but it also presents retail sales potential. Following this logical sequence, I present the theoretical perspectives on the NMC as an agent of socioeconomic change. Then I investigate the current form of the luxury goods market in the selected research location, Mumbai.

2.2 Theoretical Perspectives on the Middle Class

Bourdieu (1987) views the social world as a multidimensional space, in which the various forms of capital – economic, cultural, social and symbolic – are associated with different social groups. According to Singh (1985), setting the boundaries of the middle class, one of Bourdieu's social groups, presents normative challenges, which have produced numerous and often conflicting outcomes. Throughout the existing academic literature, there are two generic perspectives on defining the middle class: economic and sociological perspectives.

The economic perspective on the middle class entails defining it quantitatively as falling within certain categories of income, thereby ignoring non-monetary dimensions of class. Banerjee and Duflo (2008) consider households spending between \$2 and \$10 per day as belonging to the middle class. The Asian Development Bank (2010) uses a yardstick of per capita daily consumption between \$2 and \$20. Kharas (2010) defines the global middle class as those households with daily expenditures between \$10 and \$100 per person in purchasing power parity terms. These are absolute approaches, whereby middle class is defined in global terms, rather than in country-specific relative terms. Ravallion (2010) offers a developing country-adjusted definition of middle class as being non-poor in developing country standards (though still poor from a developed country perspective). In Ravallion's terms, a person is part of the middle class if he or she belongs to a household with per capita consumption between the median poverty line of developing countries ($2 per day in 2005 purchasing power parity terms) and the USA poverty line of $13 per day. Birdsall *et al*. (2000) view households as members of the middle class if household income sits between 75 and 125 percent of the median household per capita income in a given country. According to the Asian Development Bank (2010), two factors drive the creation and sustenance of a middle class: firstly, its stable, secure, well paid jobs with generous benefits, and, secondly, its members' higher education. It has to be noted that the two most populous economies, China and India, have developed their own definitions and norms in this regard. For example, estimated using local norms, the size of the Chinese middle class was 500 million in 2005 (Ravallion, 2009) and the Indian middle class was comprised of 120 million members in 2007 (Shukla, 2008).

When middle class is examined from a sociological perspective, attention is shifted to the class's agency as a consumerist social group, which is willing to engage in quality product expenditures. This consumerist dimension of the middle class is often associated with globalisation and "the wide diffusion of a consumerist ethos in developing societies" (Nadeem, 2009, 104) towards the creation of new identities. Terms such as "invidious distinction" and "conspicuous consumption" (Veblen, [1899] 1994 in Krishnan, 2012) have become synonymous with the aspirations of the NMC to distinguish itself from mainstream society. In this study, middle class is examined in terms of its luxury consumption practices in order to attest whether such consumption constitutes an expression of a distinct identity.

2.3 Introducing the Indian Context: Service Outsourcing and the Global Value Chains

A value-added chain is "the process by which technology is combined with material and labour inputs, and then processed inputs are assembled, marketed, and distributed" (Gereffi *et al*., 2005, 79). Service offshoring, also coined "service outsourcing", is a fundamental component of any value chain. It entails transferring tasks to another supplier in the value chain (Dossani & Kenney, 2007; Gereffi *et al*., 2005) and it is by itself not a new phenomenon. In India, the Computer Policy that was introduced in 1984 constituted the first attempt to stimulate the software industry by encouraging software exports (Krishnan, 2012). In 1991, the Indian government established the Software Technology Parks of India (STPI) where companies could set up their offices and share a satellite link (*ibid*.). Companies were exempt from paying duty on imported software and hardware for their export-oriented service operations within the STPIs. Moreover, their export earnings were also exempt from tax (Rastogi & Pradhan, 2011). The emergence of the IT industry and the subsequent software service offshoring to India set the base for the arrival of the Information Technology Enabled Services (ITES) industry.

While service outsourcing began as the transfer of secondary and low-level operations to another low-cost country, today high-level operations are also outsourced (Agarwal *et al*., 2005). The former is generally termed Business Process Outsourcing (BPO) and the latter is known as Knowledge Process Outsourcing (KPO), but Information Technology (IT) operations also occupy the high-end of the spectrum. Outsourcing in the services industry has developed significantly over the last few years. This trend is now visible in the more sophisticated KPO services as well, due to improvements in training and education levels in India (Auer *et al*., 2006). Business Process Outsourcing can be broadly decomposed into three areas of functional operations: 1) Business Administration, 2) Supply Chain Management and 3) Sales, Marketing and Customer Care (PwC, 2005). Growing at an annual average rate of over 50 percent since 1999, this industry has experienced an employment rise from 50.000 in 1999–2000 to 553.000 by mid 2007 (Kuruvila and Ranganathan, 2010). The BPO branch was valued at $9.5 billion in 2006–07 and contributed $8.4 billion of the Indian outsourcing industry's total exports of $31 billion. In 2010, the BPO industry in India accounted for 34 percent of the worldwide BPO market, making the country the world's largest destination for BPO services delivery (Krishnan, 2012).

Knowledge Process Outsourcing (KPO) accelerated significantly after 2003. KPO refers to outsourcing activities that require significant domain expertise (e.g. market and business research) (Evalueserve, 2007). There are at least 282 niche companies in India providing third-party KPO services (Agarwal *et al*., 2005). There are debates in academic literature about the plausibility of the term KPO, as it is often described as a marketing term to express a high-end extension of the BPO branch (Kuruvila and Ranganathan, 2010; Panda, 2012). Nonetheless, KPO firms certainly function at a higher level and they can be differentiated from BPO firms in terms of domain expertise, size and the client involvement in the execution process, which is greater in KPO (Evalueserve, 2007). Important activities within the KPO branch include: 1) Banking, Securities and Industry Research Services, 2) Contract Research Organisations and Bio-Pharmaceutical Services, 3) Data Management, Mining, Searching and Analytics and 4) Legal, Paralegal and Intellectual Property Support Services (*ibid*.).

2.4 Service Outsourcing and the Formation of the New Indian Middle Class

An extensively researched outcome of globalisation is the expansion of the global middle class (ADB, 2010; Das, 2009; Kharas, 2010; Wilson & Dragusanu, 2008). This expansion entails a shift in spending power towards middle income economies, within which the middle income group has profited the most (Krishnan, 2012). India is viewed as one of the hotspots of this trend (Wilson & Dragusanu, 2008). Existing studies attribute the rise of a NMC in India to the flourishing outsourcing sector, which has been facilitated by intensified globalisation (Fernandes, 2000; Fernandes & Heller, 2006; Murphy, 2011; Nijman, 2006).

The service outsourcing industry offers alternatives to young graduates, irrespective of their social background, so that they do not have to rely on emigration or preferential treatment practices to secure their future through government jobs (Krishnan, 2012). Allegedly, 40 percent of the people joining the outsourcing industry "are first generation graduates, who come from socially disadvantaged backgrounds" (Rastogi and Pradhan, 2011, 25). However, views on the accessibility of service outsourcing jobs, a gateway to middle class status, vary. Krishna and Nederveen Pieterse (2008) claim that personal background does matter. They support this view by using examples from various Indian localities, where it appears that people with less access to relevant information and education (usually in rural areas) never gain access to more prestigious jobs. Regardless of accessibility issues, the general increase in job opportunities and incomes and the increased exposure to the rest of the world by means of careers in the outsourcing sector have undoubtedly influenced social processes in India, leading to the creation of a NMC (Krishnan, 2012). Fernandes and Heller (2006, 497) argue that the NMC "is a tangible and significant phenomenon, but one whose boundaries are constantly being defined and tested". According to Das (2002), India's NMC is ambitious, globally-informed and dynamic. Unlike the old middle class, which was based on British education practices, the NMC identifies itself on the basis of monetary resources, consumption and efficiency (Krishnan, 2012). Nonetheless, there has been very little systematic research on the nature of the New Indian Middle Class. One approach to gaining insight into its nature is in terms of income and how it translates to the possession of consumer durables (Sridharan, 2009). This is further analysed in the following section.

2.5 Luxury Consumption and a New Middle Class Identity

2.5.1 Understanding the Dimensions of Luxury Consumption

Devising an operational definition of luxury consumption is cumbersome and is a function of contextual and human factors (Campbell, 1987). Human involvement adds a subjective dimension to luxury (Vigneron and Johnson, 2004). Defining luxury consumption, or at least attempting to offer an operational definition, starts with comprehending what the term "luxury" represents. Sun (2011) mentions three approaches to luxury: an economic, a much related marketing approach and a psychological approach. These approaches are interconnected and find their expression in luxury products. According to Nueno (1998, 62), "a luxury brand is not merely a premium priced product, an ephemeral status symbol, or a smart investment". Characteristics of luxury products include, among others, premium quality, a heritage of craftsmanship, a recognisable style or design, a limited production, a global reputation and an element of uniqueness (*ibid.*). Similarly, Dubois, Czellar and Laurent (2001) have identified six core dimensions of luxury in their qualitative study, namely excellent quality, high price, scarcity and uniqueness, aesthetics and polysensuality, ancestral heritage and personal history, and superfluousness. This six-dimensional model has been widely employed in academic research on luxury consumption. One note here regarding high price as a core component of luxury: the uncertain economic situation worldwide, especially in the hardest-hit Western countries which constituted the core luxury market until recently, may be altering what is conceived as "luxury", pointing to the elimination, or at least the diminishing importance, of the price factor (Forbes, 2011). It remains to be seen whether such a trend manifests itself in Mumbai's luxury market, as examined from the perspective of service outsourcing professionals.

2.5.2 Consumption and Self-identification

The New Indian Middle Class has large disposable incomes at a relatively young age and engages in consumption, which is also encouraged by the improved availability and accessibility of new items (Upadhya, 2008). According to Brosius (2010), there has been a shift from a dutiful nation citizen to a consumer citizen, which is slowly creating a distinctive NMC identity in India. Brosius describes the NMC as aspiring to discover previously unknown luxuries, empowered by its position on the high end of Corneo and Jeanne's (1997) income-based consumers' continuum.

Identity formation processes take place at both the individual and the collective level (Yoon, 2011). The social group to which an individual belongs shapes the person's self-image and, via interacting with his or her kin, self-esteem is reinforced and "others" are defined. Therefore, self-identification is a relational process which may be described as "an ongoing becoming that arises as an emergent product of comparison" (Koefoed & Simonsen, 2012, 625). As previously stated, luxury consumption patterns constitute a form of identification. The rationale behind this research is similar to Han *et al*.'s (2010, 15) study on differentiating consumers according to their wealth and need for status, thereby demonstrating how "each group's preference for conspicuously or inconspicuously branded luxury goods corresponds predictably with their desire to associate or dissociate with members of their own and other groups".

In India, consumption growth has been especially pronounced in durable and luxury goods (e.g. clothing and consumer electronics) and is directly related to the liberalisation of the Indian economy (Nijman, 2006). Nijman (2006) notes that the increased middle class and upper middle class consumption is largely credit-based. It is precisely consumption, not income, that has become the single most important characteristic of the New Indian Middle Class status. The fast-growing financing, marketing and advertising industries exacerbate this trend (*ibid*.). Consumers purchase conspicuous goods to satisfy not only material needs but also social and psychological needs in order to attain prestige (Amaldoss and Jain, 2005; Hudders, 2012). Similarly, Holt (1995) and Vigneron and Johnson (2004) claim that the motivation behind consuming luxury goods lies primarily in their symbolic value. Therefore, luxury consumption is not necessarily based on rational thinking, but rather it takes place in order to pursue exclusivity from the masses and to conform to the kin (Amaldoss and Jain, 2005), which in the case of India could translate to fellow members of the NMC. Evidence suggests that Veblen effects – the fact that decreasing the price of a product minimises people's interest for buying it – may be empirically significant in the luxury goods market (Bagwell and Bernheim, 1996). Veblen effects arise from a consumer desire to signal uniqueness, wealth and status, in which case luxury consumption acquires a conspicuous character. Once the uniqueness aspect of owning a certain product diminishes, a snob effect (ignoring the product) may take place (Corneo and Jeanne, 1997).

Due to more sophisticated BPO, IT and KPO operations – as opposed to low-end call centre-focused BPO operations – being relatively recent and under-researched, their contribution to the formation of a distinct NMC identity remains unknown. In this study, the analysis involves a comparison of the consumption of BPO, IT and KPO professionals. High-level BPO jobs pay relatively more than other sectors employing workers with similar skills. IT and KPO jobs demand even more sophisticated skills, such as research capabilities and analytical thinking. This often translates into even higher incomes. It is precisely income, and consequently the enhanced consumption possibilities that it implies, which constitutes the principal difference between BPO, IT and KPO. Consumption is ultimately a manifestation of expressing middle class members' desires to differentiate themselves from the rest of the Indian society (Krishna, 2006; Krishnan, 2012; Nadeem, 2009). In the existing literature, most of the socioeconomic implications of the service outsourcing sector, such as the intensification of extravagant consumption practices, are generally associated with mainly call centre-related BPO jobs (Krishnan, 2012). Nonetheless, Upadhya (2008) considers that differences in consumption patterns and preferences are discursively employed by more skilled professionals to distinguish themselves from the young conventional call-centre crowd, whose frivolous lifestyles and dissolute consumption habits they disdain. Similarly, encouraged by their higher incomes, the highly skilled and better-paid BPO, IT and KPO professionals may consciously or unconsciously attempt to differentiate themselves from the lower-paid call centre BPO professionals, which may translate into differing consumption patterns.

Corneo and Jeanne (1997, 68) suggest that "an individual's status depends on public perceptions about his relative income, and the individual chooses his consumption pattern by trading off the gain in status obtained by impressing the public with the loss in the consumption of commodities that are intrinsically more useful". This points to a move away from utilitarian motives towards identification processes through (conspicuous) consumption, which in turn points to a positive attitude towards cultural change (Dubois and Duquesne, 1993). With regard to cultural factors, Dubois *et al*. (2005) and Warhurst and Nickson (2009 in Murphy, 2011) suggest that luxury items are present in all societies, but the role they play may be culturally-determined. As Clammer (2003, 403 in Murphy, 2011) notes, "consumption behaviour […] both creates the primary cultural context in which the new middle classes in Asia operate and provides the linkage between globalization and local urban cultures". Similarly, Murphy (2011) talks about the extent to which the NMC has adopted transnational values and lifestyles, which find an expression through luxury consumption.

2.5.3 Recognising Luxury Products

India and China constitute significant contributors to the rising Asian NMC. In this context, Sun's (2011) work on luxury consumption in China presents a useful starting point in setting the boundaries of luxury consumption within the Asian context. Sun pays special attention to the luxury value perceptions of consumers and how these perceptions lead to product selection. In this regard, Vigneron and Johnson's (2004) model of luxury-seeking consumer behaviour (Figure 2.1) is central. The model comprises three non-personal-oriented dimensions and two personal-oriented dimensions, which demonstrate a degree of interaction. Altogether, they form Vigneron and Johnson's (2004) Brand Luxury Index (BLI), which quantifies consumers' decision-making processes while assessing luxury brands.

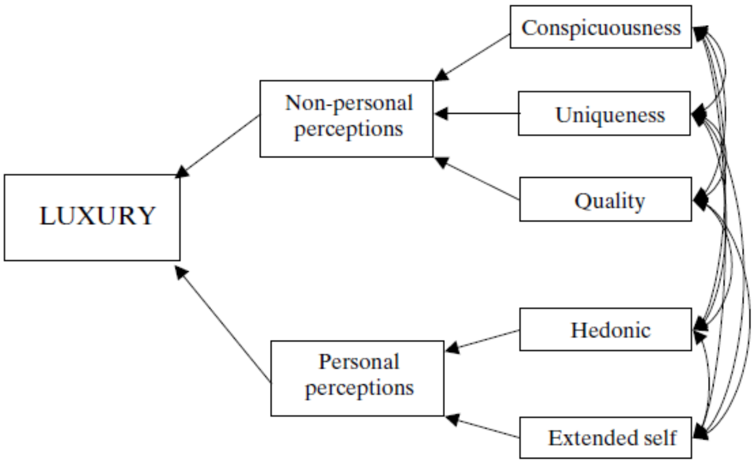

Figure 2.1: Vigneron and Johnson's (2004) proposed framework of Brand Luxury Index

The first three dimensions are non-personal-oriented. The first dimension of Vigneron and Johnson's model is "perceived conspicuousness". This dimension of luxury brands is important to individuals "in search of social representation and position" (Vigneron and Johnson, 2004, 489), who are influenced by their respective peer groups. The implications of perceived conspicuousness demonstrate strong similarities with Veblen's [1899] (1994) (in Krishnan, 2012) conspicuous consumption as a means of attaining prestige and status. The second dimension is "perceived uniqueness", which "is sought to enhance one's self-image and social image by adhering to one's personal taste, or breaking the rules, or avoiding similar consumption" (Vigneron and Johnson, 2004, 490). The scarcity aspect of uniqueness in turn enhances the consumer's preference towards a specific brand (Lynn, 1991; Sproles & Burns, 1994). The third dimension is "perceived quality" and it is an integral part of luxury brands, as consumers expect a justification for the higher price. Higher quality is ultimately about superior characteristics in comparison with non-luxury brands. Such characteristics add to the exclusivity of the products.

The remaining dimensions are personal-oriented and relate even more closely to identification processes. The fourth dimension is "perceived hedonism". Luxury products are hedonic in the sense that consumers gain emotional benefits that can be best described as sensory gratification and pleasure (Hirschman & Holbrook, 1982; Rossiter & Percy, 1997). Finally, the fifth dimension is "perceived extended self", a process during which luxury products acquire a highly symbolic value (Choo, 2012). This dimension includes two simultaneous processes. First, consumers may use luxury brands to classify or distinguish themselves in relation to "others", which Choo (2012) terms "self-expression", thereby integrating the symbolic value and the emotions that luxury brands evoke into their own identity (Holt, 1995). Second, taking into account peer pressure, symbolic value may also act as a "social value" resulting in socially desirable choices (Choo, 2012) as an effort to conform with one's kin.

2.6 Economic Significance of Luxury Consumption and the Retail Sector Perspective

Besides its sociological relevance, luxury consumption also possesses an economic dimension, as it entails economic transactions when goods and services are consumed, thereby boosting the local retail sector. In this regard, the luxury consumption of Mumbai's service outsourcing professionals, in particular, constitutes a trickledown effect of globalisation on the local economy, since it was globalisation in the first place that allowed outsourcing to emerge and generate disposable incomes. Fiske and Silverstein (2002, 3) even talk about a "new luxury revolution" taking place globally. In times of economic turmoil in the West, the NMC of India and its luxury consumption can offer one more stimulus to boost global economic activities.

KPMG (2014) predicts that the New Indian Middle Class will be a key driver of consumption in the coming years. The majority of service outsourcing professionals belongs to what KPMG describes as "emerging affluent" consumers, earning between 300.000 and 1.500.000 Indian rupees (between €3.600 and €18.000 as of May 2014) per annum. Approximately 17 percent of Mumbai's households belong to this category (*ibid*.), part of which belong to the outsourcing industry. Undoubtedly, emerging affluent consumers demonstrate high market potential, brand consciousness and a need to be treated differently from the masses. Business models usually emphasise the use of technology to attract such customers (KPMG, 2014), so it remains to be seen whether the local retail sector embraces these practices as well. Service outsourcing professionals would also fit the "time starved" consumer category, due to their long working hours and their limited free time. In this case the retail sector often responds by focusing on the convenience factor.

Even though the organised retail sector only constitutes 7 percent of the retail pie in India (Jones Lang LaSalle, 2014), demand is growing exponentially (PwC, 2014). Therefore, in order to complete all pieces of the luxury market puzzle in Mumbai, it becomes necessary to obtain the context-specific view of the local retail sector. Topics of discussion with the retailers included the current form of luxury consumption, possible shifts in the last ten years, and future economic opportunities, always considering the relevance of service outsourcing clientele. Prior to this study, relevant statistics were unavailable, so the interviews with the retailers illuminated the nature of the luxury market in Mumbai and the importance of these outsourcing professionals. Mumbai's numerous malls constitute ideal locations for obtaining such information. However, this study was also extended to other forms of luxury consumption, for example in the form of vacations, in order to offer a more nuanced understanding of the nature of this consumption.

3. Mumbai's Service Outsourcing and Retail Landscape

3.1 Introduction

Being the economic hub of India, Mumbai is bursting with economic activities. In this chapter the two interlinked concepts of the research are described: service outsourcing as a driver of the formation of the NMC and the luxury consumption centres in the city, represented by the major malls. Tourism is also a form of (immaterial) luxury consumption. My visit to a major annual tourist exhibition in Mumbai yielded insightful results, which are used as an addition to the retailer perspective on luxury consumption in the sixth chapter. In this chapter, I begin by describing the service outsourcing landscape, after which I will elaborate upon the major luxury consumption locations in the city.

3.2 Service Outsourcing Companies

Despite signs of saturation, as foreign companies increasingly look for outsourcing locations outside Mumbai (ZDnet, 2009), the city remains a landmark in the outsourcing industry. Given the variety of outsourced services, the city is characterised by a diversity of service outsourcing providers. The National Association of Software and Services Companies (NASSCOM) is a non-profit trade association of the companies in the outsourcing industry. NASSCOM's objective is to contribute to the growth of outsourcing activities in a sustainable way (NASSCOM, 2014b). Having more than 1.400 members, representing close to 95 percent of the outsourcing industry, it is a valuable point of reference for "mapping" the outsourcing landscape of Mumbai. I employed the members directory to access the database of outsourcing providers operating in Mumbai. I then placed these providers on a map (Figure 3.1) in order to trace patterns.

As it can be observed on the map, outsourcing companies tend to be located in specific areas. There is an extensive area in which the vast majority of the outsourcing companies in northern Mumbai are located. The area extends between Malad-Kandivali in the north down to Andheri West and between Andheri East and Ghatkopar East. A smaller, but growing, hub can be distinguished in Navi Mumbai to the east. Finally, two more cores can be observed in the south, in Lower Parel and Nariman Point. In the latter two areas mainly IT and KPO companies are found.

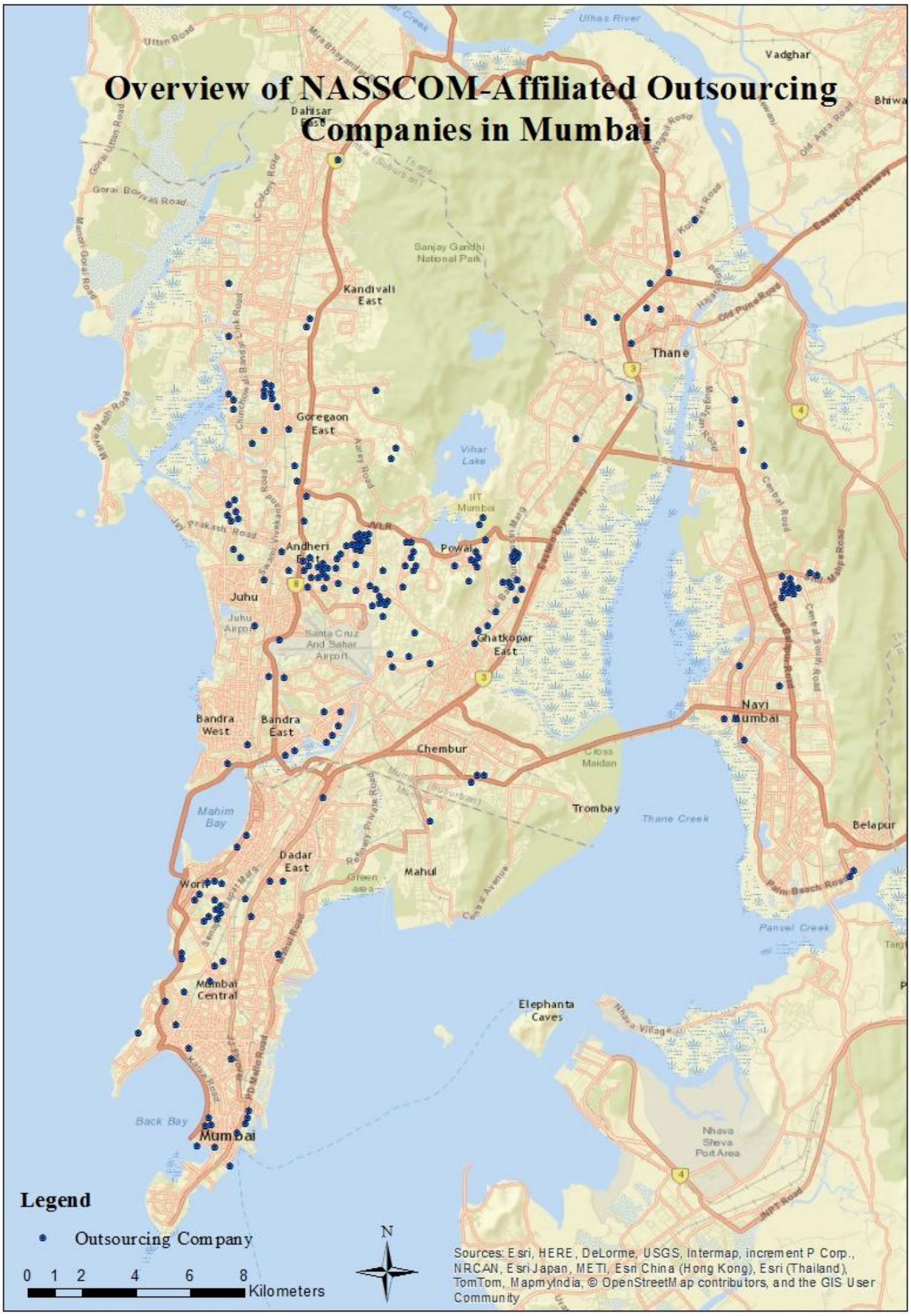

Figure 3.1: Overview of the outsourcing companies in the greater Mumbai area that are registered with NASSCOM (own work). Source of company addresses: NASSCOM (2014a)

3.3 Retail landscape

The relatively favourable salaries in the outsourcing sector have led to an explosion in luxury consumption. Such practices have translated into the mushrooming of retail stores aiming to cover the needs of the NMC and, together with the National Capital Region, Mumbai has been at the forefront of this trend (The Times of India, 2013). In Figure 3.2 I present the major malls in Mumbai which I visited to interview retail sector representatives.

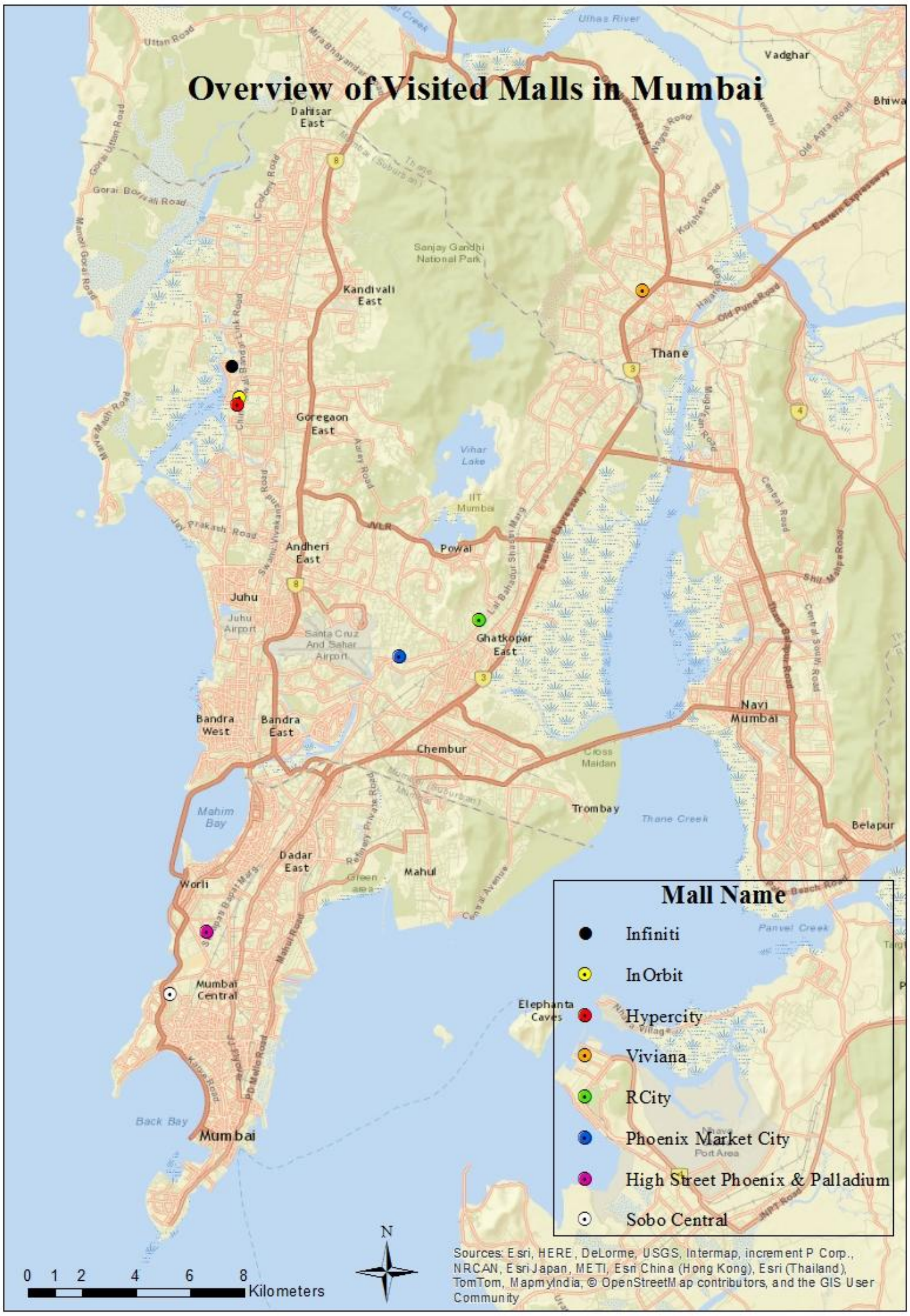

Figure 3.2: Overview of visited malls in the greater Mumbai area (own work).

A comparison of Figures 3.1 and 3.2 reveals a significant degree of congruence between the locations of the outsourcing companies and the locations of the malls. The vast majority of the malls appear to be located in the vicinity of already established outsourcing companies. In a subsequent analysis I examine how the retailers themselves evaluate the proximity of their malls to these pools of potential customers. Finally, in the following photos, some of the visited malls are illustrated. An especially striking element was the vast contrast between the luxurious indoor areas of the malls (Figures 3.3–3.6) and the impoverishment that often characterised their immediate environment (Figure 3.7), resembling Krishna and Nederveen Pieterse's (2008) interaction between the "dollar economy" (inside the malls) and the "rupee economy" (outside of the malls).

Figure 3.3: Infiniti Mall (own photo)

Figure 3.4: Palladium Mall (own photo)

Figure 3.5: Phoenix Market City Mall (own photo)

Figure 3.6: RCity Mall (own photo)

Figure 3.7: Sakinaka, a less affluent area adjacent to luxurious Phoenix Market City Mall (own photo)

The photos illustrate the significant presence of malls across Mumbai, which have been increasing exponentially in the last ten to twelve years. Available retail space kept increasing significantly until 2009, when the current global economic crisis began. As a result of the slowdown between 2011 and 2013, Mumbai experienced the second highest vacancy levels of rental space in India, close to 23 percent, as demand could not meet supply (Jones Lang LaSalle, 2014). Despite high vacancy rates, Mumbai maintains one of the highest prime retail rents in Asia, close to $1.500/m^2/year, making it the most expensive location in India (Jones Lang LaSalle, 2013; Jones Lang LaSalle, 2014). Finally, Jones Lang LaSalle (2014) has devised a complex retail attractiveness index, based on market potential and retail maturity (Table 3.1). According to this index, the market in Mumbai is relatively very mature, only slightly behind New Delhi, and demonstrates the greatest market potential (Figure 3.8).

FACTOR	INDICATOR/DESCRIPTION
MARKET POTENTIAL INDEX	
Demographic	**Population** The population of a city is the defining parameter for demand potential.
	Migration The migrant population not only adds to the consumer base, but also is likely to be more accepting of malls versus high street.
	Age and Education The young and educated population drive consumption as well as having a higher preference for malls.
Income & Expenditure	**Income & Expenditure** The income and expenditure of high-income households is more relevant than the overall population. The Expenditure of Target Income Group (TIG households earning above or equal to INR 5 lakh per annum) is considered in the Market Potential Index calculation.
Social & Cultural	**Consumerism** The presence of household electronics and vehicles are good proxies for measuring consumerism.
	Exposure to Media High media consumption exposes consumers to advertising and is hence likely to foster consumerism.
RETAIL MATURITY INDEX	
Completed Stock	The presence of high-quality completed stock shows the extent of the maturity of the market.
Upcoming Supply	Upcoming supply is a leading indicator of the extent of maturity expected in the market in coming years.
Vacant Stock	The lower the vacancy rate the better it is, as upcoming malls can serve pent-up demand while land-lords retain bargaining power.

Table 3.1: The retail attractiveness index dimensions. Source: Jones Lang LaSalle, 2014

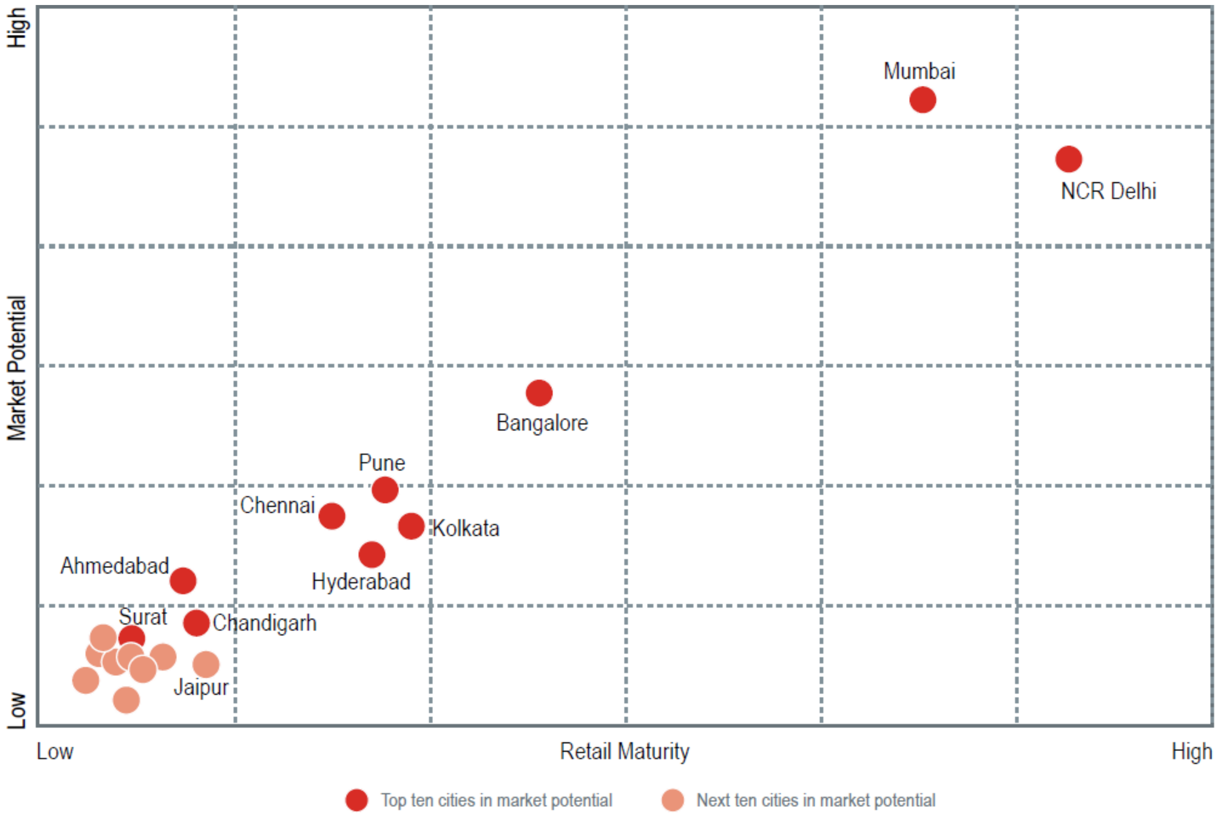

Figure 3.8: Position of the Indian cities on the retail attractiveness index. Source: Jones Lang LaSalle, 2014

4. Research Technicalities

4.1 Methodological Aspects

4.1.1 Introduction

Existing academic theory implies a complex relationship between consumption, self-identification processes of the NMC and the agency of the retail sector. India-specific factors should also be taken into account, as the lack of previous personal exposure to the research location may complicate the research process. Experience from previous studies has shown that India presents a challenging location for conducting social scientific research (DFID, 2011). Therefore, a careful consideration of the methodological aspects of the research is crucial.

4.1.2 Research Questions, Research Units and the Unit of Analysis

Considering the complexity of luxury consumption as an expression of the New Indian Middle Class's identity, while simultaneously approaching the local economic trickledown effects of globalisation from the perspective of the luxury market, the question that this research aims to answer is: ***How are the luxury consumption practices of the service outsourcing sector professionals in Mumbai an expression of a New Middle Class identity and how has the local retail sector responded to and benefited from this consumption?*** The following sub-questions focus on each component of the research question, aiming to offer a complete and all-encompassing answer:

i. How do the luxury consumption practices of the BPO, IT and KPO professionals take place and how do they compare?
ii. How do the luxury consumption practices of BPO, IT and KPO professionals and the factors behind these relate to (New Middle Class) self-identification processes?
iii. How does the local retail sector in Mumbai view the luxury consumption of the service outsourcing professionals in terms of its characteristics and business opportunities?

The research units in this research are the service outsourcing professionals in Mumbai as well as representatives of the local luxury market. The unit of analysis is luxury consumption.

4.1.3 Research Type and Research Design

This research demonstrates characteristics of the exploratory kind (Bryman, 2008). Exploratory research investigates a problem that has been previously not or only marginally defined. Exploratory research constitutes the basic step before acquiring sufficient knowledge to be able to make conceptual distinctions or to posit an explanatory relationship (Shields & Nandhimi, 2013). Consequently, its findings are not generalisable to the population at large. Social exploratory research "seeks to find out how people get along in the setting under question, what meanings they give to their actions, and what issues concern them. The goal is to learn 'what is going on here?' and to investigate social phenomena without explicit expectations." (Schutt, 2011, 14).

Concerning research design, this research exhibits elements of a case study, which is "an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context when the boundaries between phenomenon and context are not clearly evident" (Yin, 2009, 18). A case study is employed when research questions require an extensive and in-depth description of a social phenomenon (*ibid.*), in this case the luxury consumption of the outsourcing professionals in the context of Mumbai. Being a case study, the purpose of this research is not to answer questions that pertain to the whole outsourcing industry in India. The short duration of the research resulted in a representative, but limited sample. The type of the research itself, a case study, does not promote the generalisability of the findings.

4.1.4 Research Methods

Research methods relate to the techniques for collecting the data (Bryman, 2008). This study is based on a mixed methods approach, which combines the advantages of quantitative and qualitative research. Yin (2009) refers to this as triangulation, which is of utmost importance when conducting a case study research, because it provides multiple sources of evidence. The qualitative side of this research is based on a number of semi-structured interviews with BPO, IT and KPO professionals[1] concerning their consumption practices and the rationale behind these practices. Interviewing is especially useful in the context of this research, because it provides recent information that is context-rich and that offers a more nuanced understanding of people's consumption motives and the rationale behind them. The topics that are covered during the interviews correspond to the contents of the operationalisation table (Section 4.1.6). Deciding upon the total number of interviews is associated with

[1] Consult section 4.1.7 on sampling about the selection procedure of the respondents

reaching saturation (Small, 2009), but time constraints and respondent accessibility factors were also considered during the research.

Participant observation was employed as a secondary qualitative research method. The objective was to obtain additional contextual information and relate it to the interview findings. Participant observation in this research involved a careful observation of the respondents to form a clearer picture about their persona, in order to position them on the social continuum as accurately as possible. The findings of participant observation are used in the fifth and sixth chapters to strengthen the interview findings, where applicable.

The quantitative aspect is represented by Geographic Information Systems (GIS) analyses. Brennan-Horley *et al*. (2010) suggest that mapping technologies can broaden the scope of data available via interviews and produce innovative ways of communicating research results. Steinberg and Steinberg (2006) refer to the production of sociospatial grounded theory through mapping. Sociospatial grounded theory is an inductive approach, which serves to generate new information and unravel themes and patterns and it is especially relevant in this study, because it allows one to frame the research within the wider social sciences domain by placing consumption practices on a map. Steinberg and Steinberg suggest that the last and perhaps most crucial step in mapping is the generation of spatial and social theory. Spatial theory in this case is generated by placing the visited retail locations on a map and searching for patterns between their location and the significance of the outsourcing industry for the luxury market, as expressed by mall representatives.

4.1.5 Conceptual Scheme and the Variables

The purpose of the conceptual scheme is to visualise the perceived relationships between the variables, which stem from existing academic literature. Figure 4.1 illustrates the perceived relationships between the concepts and variables in this research.

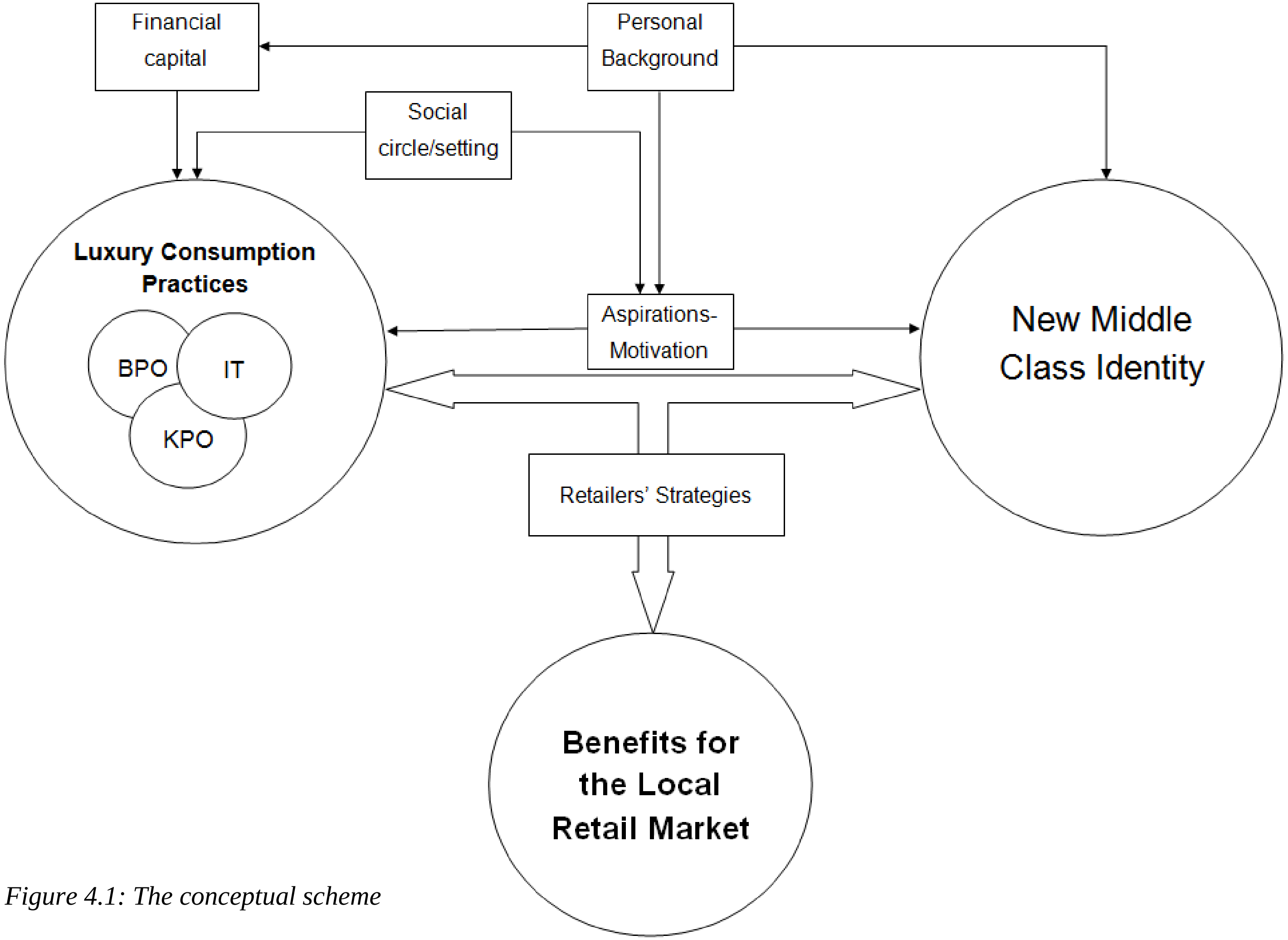

Figure 4.1: The conceptual scheme

4.1.6 The Operationalisation Table

Concepts	Dimensions	Variables	Indicators / Measures
Luxury Consumption Practices of the Outsourcing Professionals in Mumbai	**Luxury Consumption Characteristics**	Types of Products	* Personal products such as apparel, glasses, and wristwatches * Non-personal products such as gadgets/electronics * Immaterial products such as vacations
		Social Setting of Consumption	* Privately consumed, e.g. at home * Publicly consumed, e.g. at social occasions
		Accessibility	* Accessible from time to time, e.g. branded clothes, perfumes * Exceptional, more expensive products
		Perceived Quality Versus Price	* Importance of price and quality as selection criteria
		Aesthetics, Polysensuality and Perceived Conspicuousness	* Conspicuous luxury products as expressed by their price and looks (decoration, brand name/logo visibility) * Understated luxury products (simpler looks, brand name not visible) * Style as a selection criterion
	Retail Locations of Luxury Items	Location	* Accessibility with regards to work or home
		Type	* Malls versus individual stores * Shopping experience factor
	Retailers' Perspective on Luxury Consumption	The Outsourcing Industry Clientele	* Perceived importance of clientele from the outsourcing industry in absolute and relative terms
		Evolution of the Luxury Consumption in the Past 10 years	* Most popular products today * Product shifts: Indicative categories of products that have gained or lost popularity
		Adaptation to New Consumer Trends	* Retailers' strategies to adapt to shifts: differentiation of business model * Strategies for creating loyal customers
		The Politics Factor	* Upcoming elections (May 2014) and the FDI issue
		Perceived (Future) Opportunities for Luxury Consumption	* Opportunities for the retailer (individual shop or chain) * Opportunities for the local retail sector and Mumbai's economy as a whole
New Middle Class Identity	**Outsourcing Professionals' Personal Profile**	Personal Characteristics: Ancestral Heritage and Personal History	* Personal background: upbringing (already middle class?), family, values * Human capital * Branch: BPO, IT, KPO * Financial capital (examined through the ability to engage in luxury consumption)
	Pursuing Exclusivity from the Masses	Perceived Uniqueness and Hedonism	* Visual aspect of luxury products and the exclusiveness factor * The uniqueness factor as motivation for purchases; possible Veblen effect
		Perceived Extended Self	* Feelings that luxury items evoke and justification of these * Do the professionals actively pursue differentiating themselves from the masses and in which ways?
	Pursuing Conformity with the Kin	Peer Pressure	* Personal initiative versus friends' encouragement to purchase certain items

Table 4.1: The operationalisation table

The operationalisation table is based on the previously outlined literature perspectives on luxury consumption as an expression of identity. Vigneron and Johnson's (2004) model and Dubois, Czellar and Leurent's (2001) dimensions of luxury have been incorporated throughout the operationalisation process to create a comprehensive set of criteria that was employed to investigate luxury consumption and its implications for NMC identification processes. The two fundamental elements of the research, namely luxury consumption and NMC identity, function as the concepts of the operationalisation table. The retailer perspective functions as another core component of luxury consumption, involving the receiving side.

NMC identity is further decomposed into three dimensions. The first dimension entails comprehending the personal background of the interviewees and how this may influence their aspirations and attitudes towards consumption. The remaining dimensions relate to the previously mentioned simultaneous processes during identification, namely conformity with the kin and differentiation from "others", in this case the rest of Indian society and possibly BPO call centre professionals.

4.1.7 Sampling

Purposive sampling was used in this research, which involves the selection of units with direct reference to the research questions (Bryman, 2008). Within this context, snowball sampling presented the most opportunities for successfully reaching the target population. Having already established contacts in India, I collaborated with them in order to gain access to their own connections and slowly proceeded by requesting to be introduced to additional contacts. This type of sampling introduces a degree of bias, but given the circumstances and the time constraints, it led to satisfactory material quality-wise. It should be noted, however, that snowball sampling cannot produce a statistically representative sample (Bryman, 2008).

4.1.8 Reliability and Validity as Quality Criteria

Reliability examines whether the results of a study are repeatable and whether the measures that are devised for concepts, in this case NMC identity, are consistent. Validity is about the integrity of the conclusions. Within the framework of qualitative research, reliability and validity undergo adaptations. According to Bryman (2008), there are three possible paths: realism, anti-realism and Hammersley's (1992) subtle realism, which is a middle approach combining elements from both realism and anti-realism.

I choose to examine the quality of my research from the perspective of Hammersley's subtle realism, as I believe that it approaches the abstract nature of identity satisfactorily. For

Hammersley, validity means that an empirical account should be plausible and credible. Hammersley explains this further, stating that there is an external social reality, but the researcher probably does not act as a mere reflection of a social world. Rather, the researcher is always engaged in representations or constructions of that world. Consequently, "the plausibility and credibility of a researcher's 'truth claims' then become the main considerations in evaluating qualitative research" (Bryman, 2008, 382). Hammersley recognises that we can never be absolutely certain about the credibility of any account, especially with such complex concepts as identity.

Hammersley also suggests relevance as an important quality criterion of qualitative research. Hammersley's relevance demonstrates similarities with Guba and Lincoln's (1994) authenticity criteria, which fall under anti-realism (Bryman, 2008). According to authenticity, social scientific research has to be fair, representing different viewpoints among members of the social setting. Moreover, achieving ontological authenticity is desirable, thereby helping members themselves arrive at a better understanding of their social world. Educative authenticity should also be part of the process, helping members to better appreciate the perspectives of other members of their social setting. Finally, catalytic authenticity is a more ambitious criterion and aims to encourage members to engage in action to change their circumstances. I am fully aware that my own background and possible preconceptions concerning my target group and the research location, unavoidably exert some influence on how I may interpret and phrase the findings. I realise that I can only counteract this by maximising the transparency of my research and thereby enable the reader to re-examine the same data from his or her own perspective.

Regarding authenticity, it ultimately comes down to the contribution of my research from an academic and an international development point of view. Following the aforementioned authenticity criteria, I do believe that in my research I was fully open in including as diverse a group of respondents as possible. A challenge to achieving this related to actually gaining access to them, which led to certain complications, such as the over-representation of men in my sample. This thesis will be published online, thereby rendering ontological, educative and catalytic authenticity possible.

4.1.9 Ethical Considerations

A critical question involves whether the researcher enters the field with a "tabula rasa", free from prejudice and other factors that are a result of the researcher's background and experiences. Segall (2001, 583–585) is sceptical about the degree to which a blank slate is feasible. As he points out "Our research is created, informed, and continuously mediated by the academy. [...] As researchers, we are inherently embedded in the texts we read before, throughout, and after our field-research has ended. Granted, there is usually a power differential between the ethnographer and the voices she/he gathers 'from the field' [referring to the research location] and 'in the field' [referring to the academic world]." Even though this research deals with a topic that is relevant in academic and economic terms, it also constitutes a form of intervention, as discussing certain subjects may bring other, potentially sensitive, issues to surface (Kazimierczuk & Richter, 2013, unpublished work). Moreover, researchers undoubtedly influence information economy, in other words, which voices are heard and whose knowledge counts (*ibid*.). Ethical considerations aim to safeguard that no harm is done through the research. Within the context of the present research, confidentiality and trust formed the ethical pillars. My approach in this research involved neutralising my attitude as much as possible and applying anthropological approaches to build rapport with the respondents, keeping a low profile (emphasising my student role) and ensuring confidentiality. The latter involved letting the respondents decide upon the location of the interview; however, the objective remained to gain as much insightful information as possible.

4.1.10 Epistemological and Ontological Considerations

Ontology and epistemology are components of Bevan's Foundations of Knowledge Framework (in Summer and Tribe, 2008). Ontology deals with the nature of reality, whereas epistemology questions what we can actually "know" through research. Various perspectives have been developed over the course of time to answer what exactly constitutes knowledge and science. Considering the previously described research aspects, I believe that the present study fits the realm of critical realism. Critical realism seeks to bridge positivism and relativism by relying on mixed research methods, combining elements of qualitative and quantitative research. Critical realism suggests that reality exists independent of the researcher, therefore what the researcher thinks is a small part of reality. This aspect is applicable within the context of this research. The results are not generalisable to the whole group of service outsourcing professionals, though they constitute a starting point for comprehending the complex sociocultural processes involved in consumption as a form of self-identification. According to critical realism, it is impossible to establish the truth about what is "real", because background factors of the involved entities may exert influence (*ibid*.). This finds its application in the factors that are at play in the interaction between

NMC identity and luxury consumption, which are described in the following chapters. Figure 4.2 posits critical realism in the objectivism-subjectivism continuum and demonstrates how this continuum is ultimately related to the methodological aspects of this research.

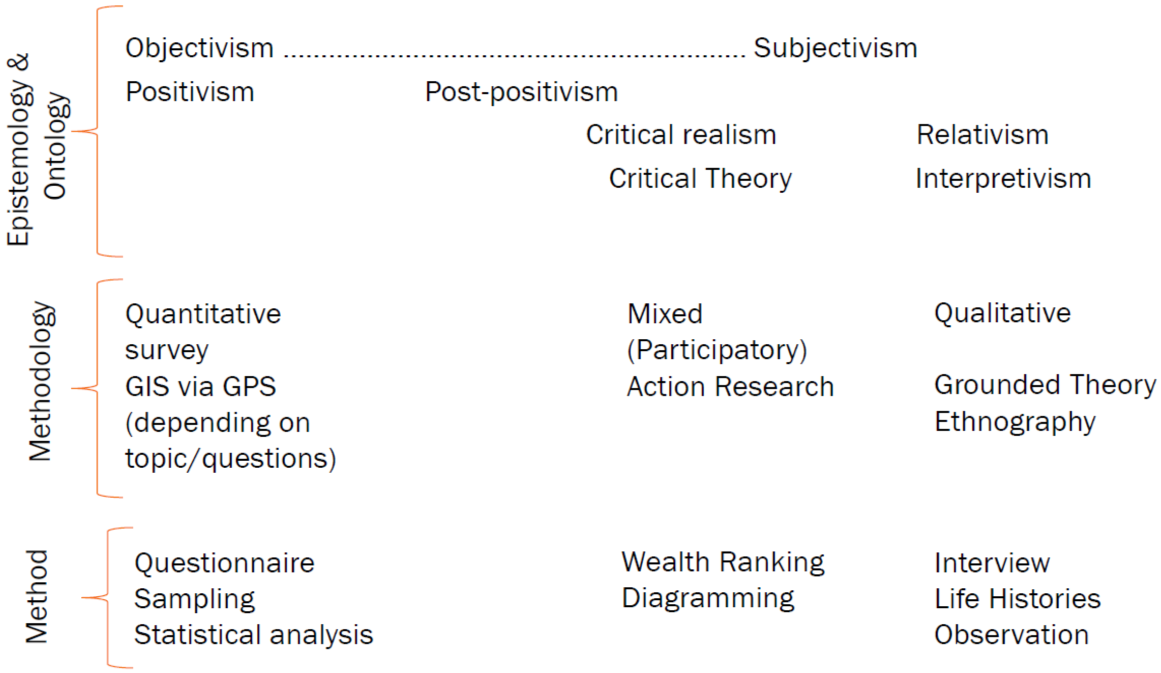

Figure 4.2: Linking ontology and epistemology with research methods. Adapted from Hordijk (2013).

4.2 The Fieldwork

4.2.1 Reflecting on the Fieldwork

The perceived challenge before commencing the research was finding outsourcing professionals who would be willing to be interviewed. I was therefore prepared for a continuous struggle while attempting to approach people. However, the greatest surprise of this research project was that establishing contact with interviewees proved less complicated than anticipated. The contribution of my local contacts should certainly not be overlooked, as they introduced me to key contacts. From that point, snowball sampling proved to be a rather effective approach. But even in cases where more obstacles would arise – for example bypassing gatekeepers to approach representatives of the retail sector higher in the hierarchy – people were generally willing to participate. Another noteworthy element is respondents' punctuality concerning the interview appointments, which is striking in two ways. First, Mumbai is characterised by chaotic traffic, which often hinders planning. Secondly, I expected to have to adjust to "Indian Standard Time", as some interviewees put it, according to which appointments are only set at an approximate time (-/+ one hour). A possible explanation for these (positive) surprises could be that the target group of this research consists of well-educated people who are already exposed to foreign influences and mentality. Therefore, the fact that I was a foreigner may have actually been an important asset, as people were more willing to adjust to my way of operating. Service outsourcing professionals were ready to talk with me about their world and to demonstrate that this segment of the New Indian Middle Class is culturally distinct from the rest of India. The location itself, Mumbai, was an exciting place to do research. The greater metropolitan region of Mumbai houses almost 22 million people in a relatively small area. Therefore, poverty and luxury coexist, not only physically (finding slums next to exclusive areas) but perhaps also in people's self-awareness.

4.2.2 Fieldwork Data Overview

The fieldwork took place between 21 January and 5 April 2014 in the greater area of Mumbai, India. The fieldwork resulted in 23 interviews with professionals (35 minutes per interview on average) and 12 interviews with representatives of the local luxury market (20 minutes per interview on average). A substantial amount of time was spent on establishing contact with the interviewees and making appointments, as it was challenging to adapt to their working hours, especially in the case of service outsourcing professionals. In the cases of the retailers, the interviews mostly took place at their work locations. All interviews were conducted in a relaxed atmosphere and had the form of a discussion rather than a strict interview.

4.2.3 Fieldwork Data Analysis Approach

The collected interviews resulted in a large amount of information, which, following extensive qualitative data analysis, will provide answers to the research question. There are numerous definitions for data analysis. Jorgensen (1989, 107) describes analysis as a process of "breaking up, separating or disassembling of research materials into pieces, parts, elements or units". The researcher can then assemble or reconstruct the data in a way that is meaningful for answering the research questions (*ibid*.). The spiral of analysis (Figure 4.3) is a comprehensive way of illustrating the different stages of qualitative analysis.

From the spiral of analysis two core phases of data analysis can be distinguished: data branching and data reassembling. In both phases coding is a fundamental procedure. A code is a phrase of text which summarises the meaning of a selected text fragment (Boeije, 2010). During data branching the data is openly coded with the help of special software. Open coding is the process of "breaking down, examining, comparing, conceptualising and categorising data" (Strauss and Corbin, 2007, 61 in Boeije, 2010). The result of open coding

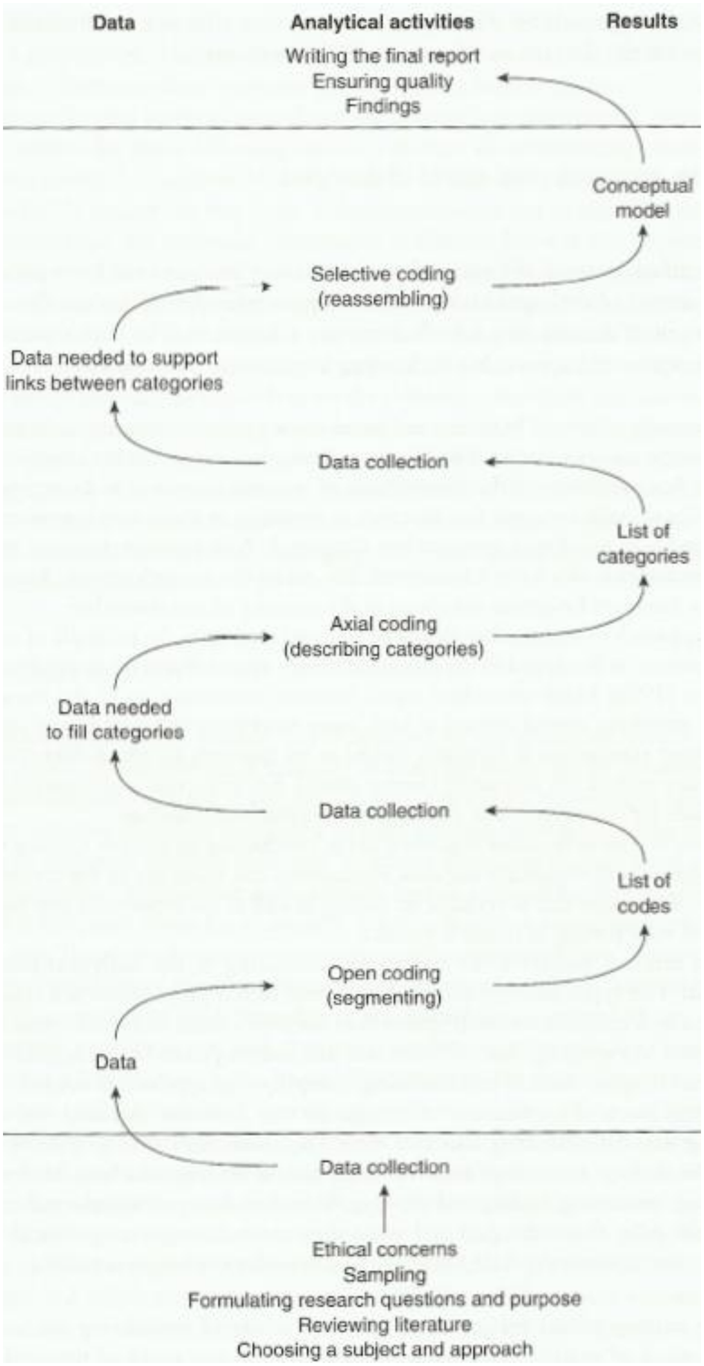

Figure 4.3: The spiral of qualitative analysis. Source: Boeije, 2010

is a list of primary codes, also termed "coding scheme" (Boeije, 2010). The stage between branching and reassembling data involves axial coding, whereby "data are put back together in new ways after open coding, by making connections between categories" (Strauss and Corbin, 2007, 96 in Boeije, 2010). At this stage, "the reasoning moves predominantly from codes to data, whereas in open coding the reasoning moves into the opposite direction" (Boeije, 2010, 108). The purpose of axial coding is to attest which research elements are dominant and which are secondary (Boeije, 2010). In the reassembling phase, data is meaningfully put together by means of selective coding, which "refers to looking for connections between the categories in order to make sense of what is happening in the field" (Boeije, 2010, 114). At this stage a core category may be identified through the collected data. The application of these coding stages led to the production of a "code tree" (see appendix), which constitutes a visual illustration of the structure of the concepts and variables of this research.

Analyses were conducted based on the code tree. The employed method of analysis is what Hsieh and Shannon (2005) term "direct content analysis", whereby existing academic theory on the subject was considered at each stage, including coding itself, to direct data analysis. Data analysis involved three stages. In the first stage, I used the query function of a well-known qualitative analysis software package in order to set specific criteria, which would help me answer the research questions. An example of such a query can be "give me all quotations where BPO (low and high-end) professionals talk about the luxury products that they purchase". Another example is "give me all quotations where the retail managers explain how the luxury market has evolved in the past ten years". This stage is purely descriptive, but the analysis goes beyond this. After obtaining the relevant quotations, I employed a spreadsheet program, where I grouped quotations from various analyses, making data matrices as suggested by Schutt (2011). The spreadsheet view allowed for a helicopter view of relevant quotations and rendered conducting more sophisticated association analyses possible. The third stage of the analysis involved studying the quotations, while considering the various concepts, variables, dimensions and measures in the operationalisation table. The quali-quanti approach, enriching qualitative data with relevant statistics (for example the degree of occurrence of certain themes in the interviews), was also used in order to add more depth to the findings and render them more manageable. In the fifth and sixth chapters, I present the results of these analyses. The organisation of the chapters largely coincides with the structure of the operationalisation table.

5. Luxury Consumption and New Middle Class Identity

5.1 Introduction: Profiling the Interviewed Service Outsourcing Professionals

The interviewed group of professionals consists primarily of men of various ages. Not in all cases was it possible to obtain an exact age. However, if median values are considered (e.g. late 30s would translate to 37–39 years, thus 38 can be the median value), then the average group age would come down to approximately 33 years. Concerning the service outsourcing branch, the sample is generally balanced, comprised of eight BPO professionals (primarily high-end), nine IT professionals, eight KPO professionals and one representative from NASSCOM[2]. The latter serves as a general representative from the outsourcing industry, who possesses a helicopter view of the sector. His views were used as an addition to the respondents' testimonies where applicable. The sample also varies in terms of professional ranking, ranging from call centre executives to global operations directors. Table 5.1 offers an overview of the respondents' demographic background[34].

Proponents of the outsourcing industry claim that it is an alternative and fair gateway to middle class status (Rastogi and Pradhan, 2011). In order to verify this, I asked the respondents to evaluate their current lifestyle and the degree to which they are able to live comfortably and engage in their desired luxury consumption. In most cases they were able to point out directly whether they are able to engage in luxury consumption. In some cases the answer was revealed by examining their wider attitude towards spending and the rationale behind it. In other cases, I also relied on my participant observation notes on the respondents' life story, general attire and reaction to key questions, such as the degree to which they are happy with their lifestyle.

The vast majority of them expressed their satisfaction with their current lifestyle. Some considered it the natural order of things to be able to afford luxury items at this point in their life, whereas others expressed their gratitude for the outsourcing sector as a gateway to a more comfortable lifestyle. However, there was a small proportion of respondents, mainly employed in low-end BPO companies, who stated that their salary did not allow them to

[2] Certain interviews were conducted with two respondents simultaneously. The respondents are denoted separately with "a" and "b".

[3] "High-end BPO" entails more complex tasks, such as administration, than "low-end BPO", which is primarily call centre-focused. The service outsourcing branch categorisation of the respondents is based on the activities that their role entails (in accordance with the outlined service outsourcing activities in section 2.3).

[4] Throughout the text, quotations are used to add depth to the story. For each quotation, the interviewees' code and the date of the interview are used for identification purposes.

engage in luxury consumption (e.g. branded clothing) to the extent they would have desired. These cases were very young professionals who recently entered the sector and thus did not possess a level of seniority. One case, however, was noteworthy, as it was a man in his 30s who was a team manager at a high-end BPO. This case raises the issue of high subjectivity when assessing the degree to which a person is content with his or her lifestyle. Table 5.2 gives an overview of the estimated social position of the respondents. Some cases were clearer than others and the subjectivity factor undoubtedly influences the accuracy of the results. The sole purpose of the table is to set the general context of the sample's social class distribution in the whole spectrum that the generic term "middle class" occupies.

Int. code	Date	Location	Gender	Position	Age	Outsrc. Branch
P1	26/1/2014	Coffeehouse chain, Mumbai Colaba	man	Workforce Strategist	31	BPO (high-end)
P2	27/1/2014	Hotel, Sakinaka	man	Mortgage Advisor	27	BPO (low-end)
P3	1/2/2014	Coffeehouse chain, Hypercity	man	Team Manager	31	BPO (high-end)
P4	1/2/2014	Coffeehouse chain, Chembur Station	man	Senior Manager Back office	38	BPO (high-end)
P5	2/2/2014	Company offices, Sai Amrut	man	Company Director	37	KPO
P6	3/2/2014	Oberoi Mall, Goregaon East	man	Customer Support Executive	21	BPO (low-end)
P7	4/2/2014	Company Offices, Vikhroli	man	Marketing Head	38	BPO (high-end)
P8	4/2/2014	Company Offices, Vikhroli	woman	Marketing Analyst	24	BPO (high-end)
P9	6/2/2014	NASSCOM Offices	man	Representative	late 40s	NASSCOM
P10	12/2/2014	Company Offices, Andheri East	man	Managing Director	late 40s	IT
P11a	13/2/2014	Restaurant near Oberoi Garden Estate	man	Technical Lead	early 30s	IT
P11b	13/2/2014	Restaurant near Oberoi Garden Estate	man	Programmer	28	IT
P12a	13/2/2014	Restaurant near Oberoi Garden Estate	man	Programmer	late 20s	IT
P12b	13/2/2014	Restaurant near Oberoi Garden Estate	man	Programmer	late 20s	IT
P13	15/2/2014	Coffeehouse chain, Chembur	man	Media Manager	25-30	BPO (high-end)
P14a	19/2/2014	Company offices, Powai	man	HR Head	late 30s	KPO
P14b	19/2/2014	Company offices, Powai	man	HR Manager	late 20s	KPO
P15	21/2/2014	Company offices, Powai	man	Global HR Head	early 40s	KPO
P16	21/2/2014	Company offices, Powai	woman	Wellness Trainer	late 30s	KPO
P17	22/2/2014	Coffeehouse Chain, Bandra Kurla Complex	man	Director of the Research dept.	late 30s	KPO
P18	25/2/2014	Skype	man	Operations Manager	late 30s	IT
P19	3/3/2014	Over the phone	man	Software Testing	late 20s	IT
P20	5/3/2014	Company offices, Ville Parle	man	Chairman	mid 50s	KPO
P21	5/3/2014	His residence, Nahur	man	Project Manager	27	IT
P22	8/3/2014	Over the phone	man	System Administrator	late 20s	IT
P23	19/3/2014	Coffeehouse chain, Vikhroli	man	Finance Analyst	28	KPO

Table 5.1: Interviewees overview - Service outsourcing professionals

Resp.	Description of Lifestyle Quality and Ability to Spend (Supplemented by Personal Notes)	Current class status
P1	"I can afford it to myself"	Middle Class
P2	"my income is not that much, so I prefer the non-branded"	Lower middle class
P3	"I am not getting enough. […] I do like brands. But I can't buy them often, I really have to think hard before spending"	Lower middle class
P4	I: Does it allow you to buy a lot of things? P: Yes, absolutely	Middle to upper middle class
P5	"To be honest, I'm more than happy right now"	Upper middle class
P6	"I am not into brands and I can't afford branded clothes"	Lower middle class
P7	I: Does your position in this company allow you to have a really comfortable lifestyle in general? P: Yes […] beach vacations. Usually abroad, but also India. Mostly, East Asia […] twice a year.	Upper middle class
P8	I: ...your lifestyle…are you happy with it? P: So far yes, so far yes	Middle class
P9	Unspecified	Unspecified
P10	Unspecified	Unspecified
P11a	"It is always good to earn more, but yeah. We are happy...we are pretty liberal about spending" (shared view)	Middle class
P11b	"It is always good to earn more, but yeah. We are happy...we are pretty liberal about spending" (shared view)	Middle class
P12a	Married. Geared towards saving for his child, but can afford luxury consumption easily otherwise.	Middle class
P12b	"I can spend on things what I feel like, so things that I buy, it's a comfortable life. I am pretty much happy"	Middle class
P13	"am I living a lifestyle that I expected when I was doing my Masters? Probably not. I'm relatively more lucky" "I do come in here and spend. But not as much as I would have otherwise, if my economic situation was better."	Middle class
P14a	HR director, distinguished appearance	Upper middle class
P14b	HR manager, well-paid and he is openly a spender	Middle class
P15	Global HR head, distinguished appearance	Upper middle class
P16	"luxury consumption is not my priority at this point" (but she can afford it easily based on her daily life description)	Upper middle class
P17	Director at a well-paying company; expensive possessions.	Upper middle class
P18	Manager at an IT company; rather lavish lifestyle.	Upper middle class
P19	Generally satisfied with his lifestyle; he can easily afford luxury items.	Middle class
P20	Director of a KPO and board member of a large shopping chain; buys gifts worth thousands of dollars.	**Upper class**
P21	Generally sounded satisfied with his income, though he is not a big spender; typical middle class residence.	Middle class
P22	Content with his lifestyle, though he is careful with spending.	Middle class
P23	High position at KPO; he can afford to gift people with expensive items.	Middle to upper middle class

Table 5.2: Overview of the social class distribution among the interviewed professionals

5.2 An Overview of Luxury Consumption Practices Among Outsourcing Professionals

5.2.1 Product Preferences

During the interviews, the respondents were asked to specify the kinds of luxury products that they purchase. For the purposes of this research, "luxury consumption" was defined as products and services that are not of primary importance for one's survival, but which offer some kind of improvement in the lives of the respondents and come at a higher price, also considering the luxury dimensions of Vigneron and Johnson's (2004) model. After providing these guidelines, the respondents came up with a variety of answers, covering a wide range of items. In the following picture I present an overview of luxury consumption, which is based on the respondents' references to products. The size of each word indicates the frequency at which it was mentioned by the respondents.

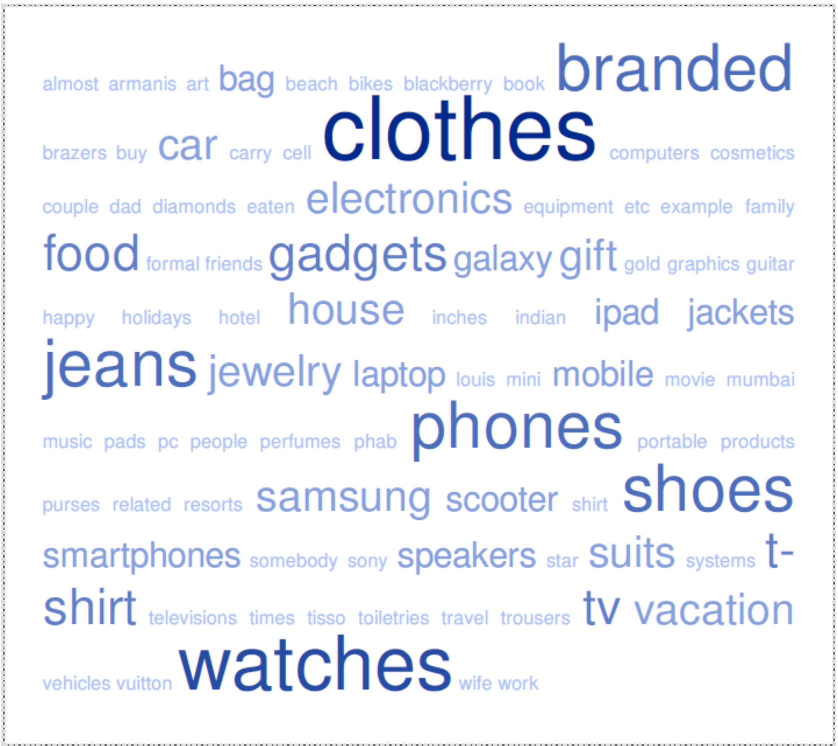

Figure 5.1: Overview of references to luxury consumption

Branded clothing and shoes were by far the most popular category among the respondents. Clothing-wise, trousers, jeans, shirts and t-shirts and to a lesser extent suits and jackets were mostly mentioned. After examining the demographic data of the sample as well as participant observation notes, it appears that the type of clothing that is purchased is a function of the age and general attire of the interviewee. Younger respondents and professionals in the IT sector demonstrated a tendency towards purchasing more casual, yet branded, jeans and t-shirts. Older respondents and professionals of the KPO branch – who were often higher up in the hierarchy – were more keen on official clothing, such as suits.

Gadgets and electronics was the second most cited product category. Surprisingly, it was not IT interviewees who made the most extensive reference to such products, but KPO respondents, followed by IT and BPO respondents. However, BPO and KPO respondents mostly focused on mobile phones, tablets and TV's, whereas IT respondents appeared more tech-savvy, spending significant amounts of money on more sophisticated items such as laptops with certain characteristics and computer or sound system enhancements. Among the most popular products in this category, namely mobile phones and tablets, no differentiations manifested themselves between younger and older respondents or between professionals at various levels in the company hierarchy.

Apparel and accessories were the third most popular category among the interviewees. This category includes watches, jewellery, bags and perfumes. KPO respondents appeared to be the most conscious about the consumption of such products. This may relate to the fact that the majority of the KPO respondents in this research also occupied managerial positions. These respondents appeared highly conscious about the added value of such, less obvious, products in terms of status enhancement. On the other hand, IT respondents were much less inclined to mention such products, which is not surprising, given the technical and often more casual character of the IT respondents in the sample.

Recreation in the form of movies or exclusive restaurants was also mentioned by a small group of respondents. Together with holidays (exotic destinations or domestic spa resorts), it forms another form of (immaterial) consumption. With regard to holidays, a few high-rank BPO and especially KPO respondents made reference to spending substantial amounts of their income on vacation, stressing their aversion to many material goods. It turns out that such respondents were also of a generally more academic background and had experienced a more upper middle class-type upbringing. The impact of upbringing on luxury consumption, especially with regard to identification processes, is further examined later. Finally, IT respondents also made extensive reference to vacations, though their descriptions could be deemed less extravagant.

Finally, a small group of respondents made reference to engaging in luxury consumption not for serving personal needs, but rather for gifting people. From the subsequent analysis of the involved interviews, this appeared more related to character traits than to their professional background.

Within the context of the quali-quanti variant of mixed methods approach, I analysed the frequency of the respondents' answers in relation to their respective service outsourcing branch.

	Tot. times mentioned	BPO	KPO	IT	Tot.	BPO	KPO	IT
Clothing and shoes	**43**	35	**40**	25	100	**88**	86	86
Gadgets / electronics	**33**	**42**	22	36	100	50	**71**	57
Accessories / personal care	**18**	28	**61**	11	100	50	**57**	14
Major items	**8**	**50**	0	**50**	100	**43**	0	29
Recreation, entertainment	**6**	**50**	**50**	0	100	25	43	**57**
Holidays	**6**	33	**67**	0	100	13	**43**	0
Gifts	**5**	0	**100**	0	100	0	**29**	0

Table 5.3: Luxury items popularity among BPO, IT and KPO respondents (N = 25)

In the green section, an overview of the popularity of the various product categories among the different service outsourcing branches is offered. For example, KPO professionals were slightly more keen on clothing, as 40% of all 43 clothing-related references were made by them. In the blue section I illustrate the product category popularity within each service outsourcing branch. For instance, clothing and shoes are almost equally popular among the three subgroups, as the proportions of the respondents who made reference to this product category are almost identical: 88% of all BPO, 86% of all IT and 86% of all KPO interviewees referred to clothing and shoes. These analyses constitute a quantitative expression of the previously described qualitatively determined consumption patterns among the service outsourcing professionals.

5.2.2 Retail Locations

Another fundamental aspect relating to luxury consumption involves the location where it takes place. Given the multitude of malls in Mumbai, I was interested in hearing the respondents' opinions and in examining whether certain patterns could be traced. Based on the interview analyses, purchasing luxury items at malls is by far the most preferred way of shopping among the interviewees. A few interviewees, regardless of their respective service outsourcing branch, stressed the importance of the convenience factor, as malls combine a variety of products and services in a single location, an *"all-in-one kind of thing"*[5] as if it were. As one interviewee pointed out:

Box 5.1

> *"Everything you get under one roof; people do not have time. I personally don't have time if I am working from 10 in the morning to 8 in the evening. I have an hour before I go home and relax. I would want to go to one place, buy everything and come back home and settle…so malls"*[6].

The convenience factor is of utmost importance for these individuals, given their long working hours and the importance they attribute to their free time. Even if they do not engage in purchases, strolling through a mall itself was deemed a pleasant experience. As a retailer pointed out (Box 5.2), it is typical for the NMC to spend time at malls during the weekend.

Box 5.2

> *"people are so used to malls, that if they don't go to a mall on the weekend, they feel they have missed out on something"*[7]

[5] P14, 19/2/2014
[6] P8, 24/2/2014
[7] R5, 14/2/2014

Individual store chains, such as "Marks and Spencer" or "Shoppers Stop", were the second most popular location of luxury consumption. In that case, the location of the individual stores played a vital role, especially when interviewees were targeting specific items and were not simply window shopping. Individual stores were especially prominent when it came to clothing. The main push factor of visiting them was that people had already made a decision on the type of product to be purchased and they were seeking the most convenient location to do so.

Given the increased exposure of the service outsourcing professionals to modern communications, it was rather surprising that online stores were not mentioned often by them, even by IT professionals. The respondents generally expressed a reluctance to purchase expensive items online, as the physical factor was absent. Most respondents did recognise, however, that online stores provide a useful medium of rendering oneself acquainted with the latest trends and offers to *"at least get the benefit [of knowing where offers take place]"*[8]. It appears thus that the interviewed outsourcing professionals continue to value personal contact, which may be in tune with Indian cultural practices and which also forms part of the strategies of mall managers, as it will appear later.

Similarly to the previous section and within the context of the quali-quanti variant of mixed methods approach, I analysed the frequency of the respondents' answers in relation to their respective service outsourcing branch. The analysis resulted in the following table, which summarises and reinforces the qualitative findings.

	Tot. times mentioned	BPO	KPO	IT	Tot.	BPO	KPO	IT
Malls	**21**	**50**	33	17	100	**100**	86	71
Individual stores	**11**	**46**	27	27	100	**63**	43	43
Online	**6**	33	17	**50**	100	25	14	**43**

Table 5.4: Luxury items popularity among BPO, IT and KPO respondents (N = 25)

5.3 Factors Behind Luxury Consumption

5.3.1 Quality Versus Price and the Role of Visuals

Luxury items are traditionally associated with superior quality, which comes at a higher price (Vigneron and Johnson, 2004). The interviewees were asked to indicate to what extent price is an important selection criterion and how far they are willing to go, considering their financial situation, to obtain superior goods. In numerous occasions, irrespective of their

[8] P4, 1/2/2014

background, the interviewees recognised that a principal characteristic of luxury products is their superior quality, which in turn justifies the higher price. The presence of a recognisable brand name on the product was not always a decisive push factor (*"I would not necessarily buy it just for the brand"*[9]), but branded products were generally seen as synonymous with higher quality, as the selected quotations in Box 5.3 illustrate.

Box 5.3

"a branded thing is better than a fake one"[10] *"we feel we get value for money"*[11]

"that's the reason why I go for branded products, cause they stick with us for some good time, providing qualitative service"[12]

Whether the respondents were willing to pay extra for branded products varied among them. The differences between the BPO, IT or KPO respondents were not attributed to the outsourcing branch per se. Rather, the willingness to pay for extra quality appeared to be a function of the respondents' rank (and thus salary) within their respective BPO, IT or KPO company, as well as related to their background. In a characteristic case (Box 5.4), a highly ranked male interviewee described the struggle that goes on in him every time he is called to decide whether he will spend a substantial amount of money for an advanced model of, in this case a television, or whether he would settle for a less extravagant model. Having been brought up in a less affluent environment, he was experiencing feelings of guilt. However, he stated that eventually he thinks of his high function and the fact that he can afford it and he eventually chooses the most expensive option. This scenario was repeated a few more times, as people saw this as a means of rewarding themselves. This is further elaborated upon later, by examining the factor of self-confidence boosting via luxury consumption.

Box 5.4: Case study P4, 1/2/2014

Mr R is a well-paid manager at a high-end BPO organisation in Mumbai. He lives in Chembur, a middle class area, has a family and is able to lead a very comfortable lifestyle. He is one of the few cases in the sample who achieved significant upward mobility in terms of social class. In this fragment, he describes the battle that goes on within him every time he is confronted with the numerous options he can now afford, as part of his middle to upper middle class status:

"When my dad came here in Mumbai, he literally had nothing. Basically he was sleeping in a garage and started to work, so no house or anything and he came from that background.

[9] P1, 26/1/2014
[10] P1, 26/1/2014
[11] P18, 25/2/2014
[12] P5, 2/2/2014

Now, owning a house and I don't own a house in Mumbai, but I own a house in Bangalore, this is also good, and a big house it's not a small one…big or small is a relative term. So for us when we started in Mumbai all through our life we were living in a one room kitchen, maybe 300 square feet [28 square metres].

I had a hard background, so it's difficult for me to go and kind of spend, but I still do it. Now, I still do it. For example, you can see the watch [that he is wearing], it's a Tissot, right? I didn't have a watch for so many years. Then the watch I had was what my dad gave me, he was having it and after he retired he gave it to me. So when I joined a BPO and I had a handful of money, I purchased smaller, simpler watches. The purpose of a watch is to give time. So now, I've seen brands, OK, Tissot is a brand, you know, I would like to have that. So I've kind of put that money, taken that. Wouldn't have normally. Other than that, simple things like every day items, like a bag to carry a laptop. There are plenty of choices available here, non-branded which are good, but I would go for a branded one, in a nice model and I'd say 'OK this is better'.

Now I feel, since I had a hard background, you can get virtually anything for, you know, one third of the price. There are options. They might not be that good, but you can still get it. Being from a hard background for a larger part of my earlier life that was our norm. Now if I see back, when I go to purchase, say, a pair of jeans. I mean, this is simple stuff, a jeans. So Levi's costs an X amount of Euros, so a Levi's will cost, say, 2000 rupees [~€23], earlier a jeans…if you had a non branded jeans, there were plenty of places in Bombay where you can get non-branded jeans, which look equally nice. You can get it for 10 Euros, maybe 5 Euros you can still get a jeans, maybe it will not last that long, but you can still get it. I don't think of the price, I don't go to that store and buy that, which I was buying. Now I go to the mall or a showroom to buy it, I feel, 'oh my God, I can afford it' – it's not that I can't afford it, but I still feel it's too much. Should I be paying that much? Then it gets off and then I say 'forget it, I can afford it', and I go ahead. So there is always a conflict. Probably if it was not a hard background, this conflict would not have existed and I would be at peace."

From the respondents' testimonies, it appears that quality and price demonstrate a dynamic relationship that is a function of financial as well as personal factors. Among the interviewees, luxury products often went hand in hand with a style statement. Thus the next step in the analysis involves examining how the respondents react to the hedonic factor and to what extent visual gratification is an important selection criterion for them. From the text fragment analyses certain factors emerged. The majority of the respondents had a positive attitude towards an attractive product appearance, by employing descriptions such as "I like it" and "it looks good". No respondent could define what exactly "looking good" or "nice" is, but it appeared that "looking good" was not always equal to being stylish. Some perspectives on the hedonic aspect of luxury consumption are presented in Box 5.5.

Box 5.5

"Looking good, feels good, so let's buy it!"[13]	*"it just has to look good for me!"*[14]
"the definition of 'nice' is [that] it has to be appealing to me"[15]	
"I'll buy something which is, which gives me a lot of pleasure, satisfaction, has a style statement, but not like [style] is my priority"[16]	

The degree to which looking good translated into being stylish and flashy or trendy varied and it appeared to be a function of personal background, character traits and professional function. People who grew up in less affluent environments were generally less prone to equate "nice" with "trendy" or "stylish". Rather, they demonstrated a tendency towards stressing the "feel-good" factor of branded products (*"feels good, so let's buy it!"*[17]). The most pronounced cases of such associations were actually respondents who could be described as socialites and who were also somewhat younger. Summarising, the visual, hedonic aspect of luxury consumption among the interviewees appears to be more related to age, character traits and specific function than to belonging to the BPO, IT or KPO branch per se.

5.3.2 The Social Setting of Consumption

Consumption patterns are ultimately about making conscious choices in order to differentiate oneself from "others" and conform with the kin (Amaldoss and Jain, 2005). This can happen consciously as well as in ways that are deeply rooted into personal identity. As Corneo and Jeanne (1997) suggested, an individual partly chooses his desired form of consumption based on consciously impressing his social circle so as to achieve recognisability. To test the degree to which this is applicable among the interviewed BPO, IT and KPO professionals, I asked them about the social setting in which they demonstrate their luxury items. Among all interviewees, three specific kinds of social settings were most prominent: the work environment itself, formal social occasions often involving participants from the work environment, and less formal social occasions involving closer contacts such as good friends. From the examination of the relevant quotations, it appeared that BPO respondents made much less reference to the *indirect* influence of their working environment as a push factor to engage in luxury consumption. IT and KPO professionals, on the other hand, made more

[13] P12a, 13/2/2014
[14] P21, 5/3/2014
[15] P14b, 19/2/2014
[16] P17, 22/2/2014
[17] P12, 13/2/2014

prominent reference to their workplace – in many cases involving corporate crowds (KPO) or technologically aware crowds (IT) – as a factor which prompted them to engage in luxury consumption. A noteworthy aspect here relates to issues of hierarchy, as certain KPO and IT respondents clearly expressed the necessity of conforming to the expectations of their, often managerial, role by purchasing the highest-priced goods, in order to differentiate themselves from their subordinates. A few characteristic quotations are given in Box 5.6.

Box 5.6

"as I grew into a manager position I realised you have to dress, because you make that impression"[18]
"Suppose you are a project manager and a team member is using iPhone 5 and you are using a mobile phone of 10000 rupees [~€120], so…it makes a difference."[19]

Related, but not limited, to the working environment, social events were also often mentioned as a push factor, which prompted the participants to make the best possible impression. Such events included corporate gatherings or less formal weekend meetings with friends. A female respondent, who is responsible for wellness training and public relations in a major KPO organisation, stressed the importance of making an excellent first impression. She quoted Indian cultural factors, which dictate that one must dress appropriately for specific occasions as a sign of respect and prestige: *"We think it is a sign of respect to dress for the right occasion, just not about you feeling good"*[20]. Among the interviewees, it was mainly KPO and IT respondents who made more reference to social events, whereas no such tendency was detected among the BPO interviewees. In all three subgroups, however, the common element was the wide recognition that humans are intrinsically social beings and tend to rapidly judge each other based on appearance. Regarding the importance of optimising personal looks, personal background also appeared to influence the respondents' attitude – Box 5.7 presents a characteristic case. People who grew up in a less affluent environment stated that this environment determined how they thought about their appearance in front of others and that they were initially somewhat lax in the ways they presented themselves. However, through increased interaction with friends and co-workers they gradually attuned to the expectations of their circle. Therefore, it is no surprise that daily

[18] P18, 25/2/2014
[19] P21, 5/3/2014
[20] P16, 21/2/2014

interactions form an important push factor to engage in carefully considered luxury consumption among the interviewees.

Box 5.7

"Because of my background – I was from a very low middle class family – I didn't know how I need to present myself. So I lacked initially, but slowly, when I made my entry into a job in Microsoft, there I first came across a very corporate world, a very high corporate world, how they dress, the style of...everything, I got very much influenced by that."[21]

5.3.3 Peer Pressure and Self-expression

In order to test the consistency of the provided answers, I subsequently examined the extent to which comparison is related to a simultaneous process of self-confidence boosting by means of superior possessions. I did not ask the interviewees directly; rather, I attempted to detect such processes by examining their answers to the question of what feelings they get from such consumption. Numerous interviewees, regardless of their background in terms of outsourcing branch or upbringing, expressed the view that the ability to afford luxury products causes them feelings of self-confidence and achievement. In some cases, again irrespective of personal background, this sense of achievement obtained a relational character, as respondents would make reference to the importance of not being left out when interacting with others (Box 5.8). The last remark is yet another confirmation that luxury consumption in the presence of others involves processes of comparison.

Box 5.8

"I work so much, I can afford it to myself"[22] *"I am able to buy this because I have done something"*[23] *" it boosts my confidence"*[24] *"it makes you feel more secure. You don't need to watch your back and be seen poorer than you are"*[25] *"not to be left out"*[26]

In order to examine the effect of peer pressure I asked the interviewees follow-up questions about the degree to which they engage in discussions about luxury consumption with their peers (friends, co-workers) and whether they feel these discussions exert *direct* influence on their consumer behaviour. Among the sample, IT respondents appeared to be

[21] P18, 25/2/2014
[22] P1, 26/1/2014
[23] P4, 1/2/2014
[24] P14b, 19/2/2014
[25] P13, 15/2/2014
[26] P22, 8/3/2014

influenced the most by their peers. This may relate to the average age of this subgroup, as most of them were younger than the average sample age. IT respondents were closely followed by the BPO respondents as to the degree to which they are subject to peer pressure. BPO respondents were slightly less inclined to immediately admit that they were influenced. However, the majority of them did recognise that they at least take their peers' opinion into account. The quotations in Box 5.9 are characteristic of this widely accepted viewpoint among the interviewees.

Box 5.9

"It is kind of human nature" [talking about imitating his peers' purchases][27]
"it's like if you are in the same flock, you do what everybody does"[28]

The picture was differentiated in the case of KPO respondents. A greater proportion of them demonstrated a negative attitude toward being influenced by their peers, but many of them also recognised that simply discussing product purchases with their peers does take place. In general, the KPO respondents were people with either higher managerial positions or a more academic background, which appears to have rendered them more sceptical about succumbing to peer pressure while considering the purchase of luxury goods.

The previous analyses were based on the usage of active words and expressions, most notably "I like", which denoted a conscious attitude. However, useful observations can be extracted from reading between the lines as well. In this part I attempt to go deeper than the usage of nebulous terms such as "I like", "looks good" and "I feel good" to discover the extent to which luxury consumption may operate as an extension of oneself. Various respondents of different functions and ages from all three examined service outsourcing branches described the choice of luxury products as a form of expressing one's character. This was especially evident in the case of clothing. The respondents described a connection between the product and themselves, which then translates to a whole new attitude for them. By wearing clothes that match certain situations, such as working or celebrating, the respondents were better able to perform a role that matched the situation at hand. This form of expression through clothing demonstrates an interaction with the visual aspect in section 5.3.1. Consciously, the service outsourcing professionals make rational choices based on visuals and emotion. Subconsciously, however, luxury consumption acquires a more far-

[27] P2, 27/1/2014
[28] P10, 12/2/2014

reaching character, pertaining to the respondents' whole being. Clothing and other apparel do not only physically cover the body, but they act as the visible expression of the persona that the consumer wants to create at a given moment, according to numerous respondents (Box 5.10). This process of self-expression demonstrates a continuous interaction with the social environment and is at times strongly influenced by the social expectations that the respondents experience. Even though numerous respondents, especially KPO professionals, mentioned that they maintain control over their choices, subconsciously all respondents seem to be aware of the fact that in order to maintain their status they have to adhere to their respective environment's expectations, which then dictate how they should present themselves.

Box 5.10

"if you are not comfortable in it [clothes], I mean if you are uncomfortable in it, you just cannot concentrate on anything else…you need to feel comfortable in your clothes."[29]
"a connection, between the product and me"[30]
"[suitable clothes] give you confidence and they are related to how the body feels" [31]
"Your identity is going to come from the gadgetry, from the way you are"[32]
"so it's party dress so I just go for some funky looks, casual, good attire. It should be a feeling like you are in a party, not like you are sitting somewhere"[33] *"they express you…"*[34]

5.4 The Dimensions of New Middle Class Identity

5.4.1 New Lifestyles, New Needs

As the NMC emerges in booming Asian economies, more people are introduced to previously inaccessible products and services. Among the interviewed service outsourcing professionals, two main themes recurred in the discussions about the reasons behind their luxury consumption: the enhanced sense of comfort that such products offer and the emergence of new needs. Comfort was a popular concept, which the respondents associated with their current living situation as a result of their career in the outsourcing industry. In their testimonies, comfort was associated with a simplification of daily activities thanks to the availability of more choices, which offer a feeling of empowerment. In the testimonies, this

[29] P8, 4/2/2014
[30] P14a, 19/2/2014
[31] P16, 21/2/2014
[32] P17, 22/2/2014
[33] P23, 19/3/2014
[34] P18, 25/2/2014

feeling of empowerment was translated into a pronounced desire to obtain more goods and services of the best possible quality. The most common expression that was used was "I need"; but reference was also made to the feel-good factor of luxury consumption, which has led to new forms of identification. In this regard, the discussion with two KPO respondents was especially insightful. One respondent had received an extensive education in psychology and made reference to Freud's psychodynamic theory, according to which the first five corporate years being crucial for the formation of identity. The same respondent expressed the opinion that "*too much money came too early*"[35], pointing to the possible immaturity of the New Indian Middle Class to handle the cataclysmic socioeconomic changes that ensued the growth of the outsourcing industry, pointing to the possibility of cultural alienation from the rest of Indian society. Despite the complexities of attuning to the new conditions, "*new needs are shaping identity*"[36], as one interviewee pointed out. One last recurring element during the interviews, was the ephemeral character of the fulfilment of needs, as consumers seek continuous fulfilment and gratification (Box 5.11).

Box 5.11

"the purchase fulfills a need but only for a short period"[37] *"[a new smartphone] boosts my confidence for a certain period […] I am not going to say for whatever time I have it, but at least for a certain period [...] Not a year! More like 2-3 months maybe!"*[38]

At the same time, many respondents recognised that, in the last few years, cultural shifts are taking place in Indian society, themselves not excluded. At this point, I asked them about the extent to which they have been exposed to external cultural influences, thanks to their employment in the internationally-oriented service outsourcing industry. From the examination of their answers, it appears that their exposure to foreign cultures and lifestyles has indeed resulted in a cultural shift. On the descriptive side of it, the respondents referred to this shift in terms of changes in attire habits or in terms of attitude shifts towards a more individualistic model. The respondents, irrespective of their outsourcing branch, presented the NMC as globally-informed, having a tendency to disregard traditional practices and having a lesser degree of mutual trust and with a pronounced tendency towards material possessions. This tendency was further reinforced by a feeling of empowerment, as numerous

[35] P15, 21/2/2014
[36] P17, 22/2/2014
[37] P21, 5/3/2014
[38] P14b, 19/2/2014

interviewees stressed the fact that they can now afford luxury goods, despite the initial reservations of some of them concerning the necessity of such items. The interview quotations in Box 5.12 are representative of this finding.

Box 5.12

"learn from other cultures, and understand that this country is not just terrain of earth"[39] *"the BPO industry, it has given me an exposure to various kinds of brands definitely. It has given me a huge exposure to, you know, I know that there is a choice"*[40] *"People don't tolerate each other and I feel money is part of that. I feel that when we don't have money we had great bonding, understand, but when you have money you don't want to adjust, but have it your own way. People no longer believe in the rituals we used to have, people no longer believe in subtle things, they only believe in material things."*[41]

No Veblen effects manifested themselves when examining the role of uniqueness as a criterion while engaging in luxury consumption. Even though the visual aspect plays a major role in most respondents' consumption patterns, there was wide recognition that at the moment there is undoubtedly a limit as to how unique a product can be and remain affordable at the same time. Given that the existing theoretical perspectives on the New Indian Middle Class stress the extent of credit-based consumption (Nijman, 2006), it was rather surprising that only a small proportion of the interviewees referred to it as their primary way of financing their luxury consumption. The expressed views among the interviewees varied, as one of them (KPO manager) stated that "*actually the new people who come in seem to be far wiser about spending money than we give them credit for*"[42], but another interviewee (again a KPO manager) expressed the widespread view that the younger outsourcing professionals live for today, at least until they marry. In the following section I will attempt to uncover the factors that influence the respondents' rationale behind spending.

5.4.2 Life Phases, Socialisation and the Legacy of the Past

During the interviews, a new component of NMC identity emerged. This new component related to the life phase of the service outsourcing professionals. Age – young versus older – was mentioned as a factor that differentiates consumption patterns. However, it was not age per se, but rather the degree to which the respondents were responsible for other people's

[39] P5, 2/2/2014
[40] P16, 21/2/2014
[41] P18, 25/2/2014
[42] P7, 4/2/2014

welfare, which made a difference in how the respondents spent their income. Young and single respondents appear to be much more active socially, paying serious attention to their appearance and their status. Young respondents themselves, as well as older respondents who were talking about their younger colleagues, recognised that being single often allows them to dedicate more time to themselves and focus on consumption that covers their social and emotional needs. Younger respondents were clearly more brand-conscious and the majority of them expressed their feelings as a kind of relief to be able to lead a care-free life. Older respondents, who in the vast majority of cases were married with children, recognised that the days of generous spending were over for them. They strongly expressed the feelings of obligation that they felt towards their children. Following cultural practices, these respondents had carefully considered their spending patterns, aiming to save as much money as possible for their children, in order to allow them to obtain a high-quality education. In a couple of cases, younger unmarried respondents shared similar feelings, because they had assumed the role of caregiver for their parents and/or younger siblings, again following cultural practices, which encourage strong family bonds.

The aspect of care-giving brings to the surface another element: the ties with the past, as expressed through the perpetuation of cultural practices, and how such practices interact with the external cultural influences that NMC identity may entail. Among the respondents from all three service outsourcing branches, a certain pattern emerged. They all recognised that there are cultural shifts taking place in the NMC, which entail the disappearance of traditional Indian cultural practices and conservative behaviour. However, it was usually the older and family-oriented respondents who looked at this phenomenon with obvious pessimism. Many of these respondents pointed to technological advances and the exogenous Western influences on the Indian education system as factors that will lead to the eventual westernisation of the new Indian generation. Yet, these respondents did not have a clear answer as to whether it is necessary to prevent this process from happening. There was a struggle going on in their minds, as they themselves remained faithful to the cultural practices that they were taught from their parents and ensured that they acted responsibly by doing everything possible for their children. This moral obligation, that they felt, impacted their consumption, making them more aware of the necessity of not going over the top when consuming.

Younger and single respondents were also fully aware of the already massive socioeconomic changes of the last few years, especially individualisation. However, they recognised that this is an irreversible process. They avoided judging this process in terms of its possible social consequences for Indian society. The vast majority of those young and single respondents demonstrated an attitude of being prepared to go with the flow in an attempt to fit in with their peers. Perhaps this can be attributed to their lack of awareness of the implications of being married. One older married IT respondent characteristically pointed out: *"I used to be brand conscious earlier, when I was alone [...] now I have a kid and it's different"*[43]. Interviewing the same, currently young and single, respondents in a few years could yield interesting results as to whether their exposure to the culturally influenced environment of the outsourcing industry will result in a differentiated attitude, characterised by less conservative spending, compared with their older and married peers.

Previously it was demonstrated that peer pressure at work is an important push factor among the interviewees to engage in luxury consumption. To what extent, however, does their time off work shape their identity and what is the role of their close friends in the lifestyle they choose to lead? I mapped their social circle to search for congruencies and patterns. Then I made an overview of the presence or absence of friends from their office environment in combination with how they think about the aforementioned cultural shifts and the lavish lifestyles these imply. The vast majority of the respondents, irrespective of the outsourcing branch, do not seek to form friendships at the office, although they do engage in significant social interactions with their co-workers within the framework of office politics. No specific pattern could be traced linking the respondents' social circle and how they thought about the cultural shifts in Indian society, also as a result of the outsourcing industry. Age remained the main differentiating factor, with older and married respondents demonstrating a significantly more negative attitude towards consumerism in comparison with their younger unmarried peers.

5.4.3 New Middle Class Status Accessibility

A fundamental issue pertaining to middle class identity relates to the degree to which middle class status is accessible to people from previously low social strata. Academic literature demonstrates conflicting views as to how easily people from rural and less affluent backgrounds can enter the outsourcing industry and attain NMC status. Rastogi and Pradhan (2011) talk about a definite accessibility of the service outsourcing sector to less affluent people, while Krishna and Nederveen Pieterse (2008) claim that rural background and a less prestigious education can be barriers. Considering the relative character of the notion of comfort, I investigated the degree to which (upward) social mobility has taken place among

[43] P12, 13/2/2014

the respondents. Only three out of the twenty-five service outsourcing professionals (excluding the NASSCOM representative) stated that they had a difficult background, characterised by poor coverage of their basic needs. The rest of the sample came from a middle to upper middle class background. When I compared their background with their degree of satisfaction with their current lifestyle, an incongruence became appparent: it was not people coming from a low social class who were most negative about their current lifestyle, but people who already came from middle class families and are now not leading the exact lifestyle that they would desire. This was accompanied by a general feeling of disappointment, but no nostalgic feelings about the past were traced.

Certain points can be raised about the accessibility of NMC status among the interviewees. First, it is cumbersome to accurately assess the progress in people's lifetime, because the term "middle class" did not appear to hold the exact same meaning for all respondents while they were describing their upbringing. Many respondents associated their upbringing with their parents profession, in which case belonging to a middle class family was synonymous with their parents being employed in public sector jobs. Others associated middle class status with the ability to follow non-state primary and secondary education, as state schools were deemed of inferior quality. Considering both manifestations of middle class as the ranking criterion and taking into account the respondents' current positions and comfort level, it can be concluded that in very few cases did people who did not come from middle class backgrounds manage to enter the outsourcing industry and thereby attain NMC status. The results thus point to a limited degree of accessibility of the NMC status, at least for the examined group. Second, upward social mobility among the interviewees tends to manifest itself at a later age, whereas numerous younger interviewees were yet to record progress in terms of social mobility. In Table 5.5, I have ranked the interviewees by age[44]. In the last column, I denote social mobility, as it can be attested from their testimonies. Orange denotes slight downward mobility, gray denotes a stable condition, light green denotes a slight upward mobility and dark green denotes a strong upward social mobility. As it can be observed, slight and strong upward social mobility are found mainly on the top half of the table, correlating with age.

In the last part of the analysis, I asked people directly about their opinion concerning how easy it is to enter the outsourcing sector and to attain a high position, which translates to increased income and more spending power. The vast majority of the respondents pointed to

[44] For some interviewees (marked with *),who did not provide their exact age, median age values were used, e.g. late 20s (27-29) translates to 28

the necessity of university education to enter the sector. Some of the respondents – themselves coming from middle to upper middle class backgrounds – pointed to the fact that good education is usually available to members of the middle class, therefore perpetuating possible inequalities. On the other hand, other respondents focused on character traits, such as a hard-working attitude and the willingness to learn, as the only requirements for entering the outsourcing industry. In all cases, however, sufficient knowledge of the English language was presented as a necessary condition. Comparing the actual accessibility of NMC status based on the previous analyses with the interviewees' perceived accessibility of the sector, it may be concluded that the fact that they already came from relatively advantageous backgrounds may not fully allow them to see the objective difficulties associated with attaining NMC status. No significant attitude differentiation could be traced among the BPO, IT and KPO respondents.

Resp.	Age	Grew up as:	Now classified as:	Mobility
P20	55*	Middle class	Upper class	
P15	42*	Lower middle class	Upper middle class	
P4	38	Lower class to lower middle	Middle class to upper middle class	
P7	38	Upper middle class	Upper middle class	
P14a	38*	Middle class	Upper middle class	
P16	38*	Upper middle class	Upper middle class	
P17	38*	Upper middle class	Upper middle class	
P18	38*	Lower middle class	Upper middle class	
P5	37	Middle Class	Upper middle class	
P11b	32*	Upper middle to upper class	Middle class	
P1	31	Middle Class	Middle Class	
P3	31	Middle Class	Lower middle class	
P11a	28	Middle class	Middle class	
P12a	28	Lower middle class	Middle class	
P12b	28	Middle class	Middle class	
P13	28*	Middle class	Middle class	
P14b	28*	Middle class	Middle class	
P19	28*	Middle class to upper middle class	Middle class	
P22	28*	Middle class	Middle class	
P23	28	Middle class	Middle class to upper middle class	
P2	27	Middle Class	Lower middle class	
P21	27	Middle class	Middle class	
P6	21	Middle Class	Lower middle class	

Table 5.5: Social mobility overview among the interviewed service outsourcing professionals.

5.5 Conclusions

The mixed methods approach proved insightful for mapping luxury consumption. Clothing and shoes were the most popular category overall, followed by gadgets/electronics and apparel/accessories. KPO respondents appeared to be more keen on purchasing apparel/accessories, recognising their added symbolic value to a greater degree, being in accordance with Holt's (1995) claims. No significant differences were traced among the BPO, IT and KPO respondents concerning their shopping patterns regarding clothing/shoes and gadgets/electronics. Certain KPO respondents appeared especially keen on luxury recreation/vacations, but this may relate to the higher professional positions of this subgroup, in relation to the BPO and IT interviewed subgroups, and their possibly more pronounced international exposure. Finally, malls are the most popular shopping location as a whole, although IT respondents demonstrated a clear preference towards online stores. Nonetheless, it was widely recognised that malls offer what online stores cannot: face to face communication and the chance to feel the product. Nueno's (1998), Dubois, Czellar and Laurent's (2001) and especially Vigneron and Johnson's (2004) perceptions on the dimensions of luxury consumption were undoubtedly present in this research, as respondents clearly based their product selection on the same dimensions. The only possible exception relates to the price factor of luxury items. Even though most respondents recognised that higher quality comes at a high(er) price, the majority of them had set certain limits on how much money they were willing to spend, therefore slightly negating the price dimension of luxury consumption, as suggested by Forbes (2011).

The three examined subgroups differ not only in terms of luxury consumption patterns, but also in terms of income. However, contrary to what might have been expected, respondents who were more well-to-do did not necessarily demonstrate more extravagant spending patterns. Income correlated with age, indicating that seniority and the benefits that accompany it are present in the outsourcing industry in Mumbai. Younger respondents appeared highly brand-conscious, whereas older respondents were more reserved in their spending patterns. Two main reasons are responsible for this incongruence. First, older respondents were usually married and thus had to save money for their children, following traditional cultural practices. Second, a great proportion of older respondents, primarily KPO respondents, appeared to not fully approve endless spending and some of them even disdained materialism. Contrary to Nijman's (2006) observation about credit-based consumption, this phenomenon was very limited among the interviewees. Furthermore, Veblen effects, which according to Bagwell and Bernheim (1986) are empirically significant in the luxury goods market, did not actively manifest themselves in the sample.

Yoon's (2011), Koefoed and Simonsen's (2012) and Han *et al*.'s (2010) observations about the relational character of identity formation and the processes of comparison that are part of gaining or maintaining social status, were prominent among the interviewees. Following Corneo and Jeanne (1997), numerous respondents, especially BPO and IT ones, demonstrated a trade-off of utility at the cost of enhanced status, when selecting products. This points to Amaldoss and Jain's (2005) and Hudders's (2012) observation that purchasing conspicuous goods satisfies not only material needs, but also social and psychological needs, adding what Choo (2012) termed "social value". At the same time, the sample should not be treated as an integral group, as processes of differentiation from the materialist crowds were spotted among certain highly-educated KPO respondents. This corresponds with Upadhya's (2008) views, whereby older and more skilled professionals attempt to differentiate themselves from younger avid consumers, most notably call centre crowds. However, it was not age per se, but rather the life phase of individuals' which dictated how extensive their luxury consumption was. The divergent consumer behaviour of married respondents, who were saving for their children, suggests that Dubois *et al*.'s (2005) and Warhurst and Nickson's (2009 in Murphy, 2011) proposition that the role that luxury items play is culturally-determined may hold true in the sample. Nonetheless, the general consumption findings point to a profound desire of all respondents to discover previously unknown luxuries, whether it be in the form of a smartphone, branded clothing or an exotic vacation. Therefore, Brosius's (2010) claims about a shift towards a more consumerist direction among the New Indian Middle Class finds its application in the sample. Taking into account the variety of the sample with regard to people's background and their motivation behind luxury consumption, it can be claimed that luxury consumption is a very important, but not unique, dimension of identifying oneself as a member of the New Indian Middle Class.

6. Luxury Consumption from a Local Retail Sector Perspective

6.1 Introduction: Profiling the Interviewed Retailers

Following a literature review and confirmed by professionals' testimonies later, malls were deemed to be the prime representative of the local luxury market. It was possible to establish contact with representatives of eight malls. I actively sought to meet with people as high up in the hierarchy as possible, with stress on marketing and communications. Besides consumer durable goods, I also paid attention to intangible luxury consumption in the form of vacations and recreation. The rationale behind this decision relates to the global awareness of the service outsourcing professionals, which could translate to a desire to explore the world. This was also a recurring theme during the interviews with professionals. During the time that I was in Mumbai, a major annual tourist exhibition took place and this was an opportunity to access a pool of representatives from the tourism industry. I therefore established contact with some of them, covering a wide spectrum of tourist activities, ranging from mountain tourism to luxury spa resort vacations. The following table gives an overview of the respondents from the retail and tourism sectors.

Int. code	Date	Location	First Name	Job role	Retail sector
R1	5/2/2014	Mall Office	Mr. S	Deputy General Manager	Hypermarket - FMCG
R2	7/2/2014	OTM Travel Exhibition	Mr. M	Director	Travel Industry
R3	7/2/2014	OTM Travel Exhibition	Ms. A	Director of Sales and Marketing	Travel Industry
R4	7/2/2014	OTM Travel Exhibition	Mr. A	Director	Travel Industry
R5	14/2/2014	Mall Office	Mr. J	Assistant General Manager	Consumer Durable Goods
R6	17/2/2014	Mall Office	Mr. U	General Manager	Consumer Durable Goods
R7	17/2/2014	Mall Office	Mr. P	General Manager Marketing	Consumer Durable Goods
R8	19/2/2014	Headquarters	Mr. S	Assistant General Manager	Consumer Durable Goods
R9	24/2/2014	Mall Office	Ms. S	Marketing Manager	Consumer Durable Goods
R10	28/2/2014	Mall Office	Mr. G	Marketing Manager	Consumer Durable Goods
R11	7/3/2014	Association Office	Mr. G	Representative	Malls Association
R12	15/3/2014	Mall Office	Mr. R Mr. S	Managing Director Senior Manager Operations	Consumer Durable Goods

Table 6.1: Interviewees overview - Representatives of the retail and tourism sectors

6.2 Luxury Consumption Characteristics

6.2.1 Trends in Luxury Consumption

In this section I look at consumption patterns from the perspective of retailers. As retailers maintain general statistics about consumption, I was interested in comparing their views on luxury consumption with the statements of the outsourcing professionals. Upon analysing the interview fragments, certain product categories could be distinguished. Clothing was again among the most prominent product categories. The retailers pointed to the popularity of trendy branded clothing, such as trousers and shirts, with evident Western influences. In these testimonies, the factor of fashion and style was equalised with Western norms, which are gradually becoming more prominent. Following clothing, apparel was also mentioned rather often by the retailers, matching professionals' testimonies. Apparel consumption is especially pronounced among women, who constitute a major pool of consumers and are willing to spend relatively non-negligible amounts of money on apparel. Bags and footwear dominated the apparel category among women, whereas wristwatches dominated among the male clientele. Wristwatches no longer symbolise utility, but are now used as a representation of status: the more exclusive the model, the higher the social position of the owner. Consequently, it is often high-net-worth individuals who can afford the most exclusive models. A third product category that is currently popular are electronics and gadgets, following the increased technological awareness of the typical mall clientele as a result of intensive media coverage and foreign influences.

Following up on the question as to whether there have been shifts in consumption in the last few years, the vast majority of the retailers stated that clothing and apparel have remained the dominant product category in the luxury market. A more recent phenomenon is the impressive growth of the smartphone and gadget market, following global trends. Finally, the tourism industry is also booming because of the NMC. Retail and tourism representatives talked about a very promising market segment (Box 6.1), which is globally-informed and rather demanding in their vacation choices. It has to be noted, however, that the representatives focused on primarily high-net-worth service outsourcing professionals, as luxury vacations (costing a minimum of €1000 to €1500) remain out of reach for the lesser-paid majority.

Box 6.1

"After a year I want to buy a new shirt and I will buy a new shirt! This is an age when, you know, it changes. Actually the brands focus on such kinds of target audience."[45]

"[there have been] global fashion changes. Bollywood has also played a role. 50-60% of people now wear Western-like clothes, especially women"[46]

Malls were first established in Mumbai in the early 2000's. At that time, Indian consumers were largely unaware of the product trends abroad, except for the lucky few who could travel outside of the borders and experience Western consumer trends. The first malls engaged in public relations campaigns to increase recognisability and to "educate" the NMC.

[45] R5, 14/2/2014
[46] R6, 17/2/2014

They hired celebrities, such as Bollywood actors, for specially organised events in order to attract visitors. The experiment was deemed a success and the young, ambitious and fashion-hungry NMC started flooding the stores. Following the initial positive response of people, the malls intensified their campaigns to shape new entertainment practices and make weekly mall visits a standard practice. The Indian sari was quickly replaced by Western clothing and brands such as Zara, Gucci and Armani gained extensive recognition. A partial conclusion stemming from the retailers' testimonies is that visiting malls has become a noteworthy component of the daily life of a great part of the NMC. A previously cited retailer's testimony is characteristic: "*people are so used to malls, that if they don't go to a mall on the weekend, they feel they have missed out on something*"[47]. Malls continue to conduct surveys and market research periodically to determine the newest trends and also to map their customers' demands and expectations. It is thus not surprising that luxury brands themselves now consider India an attractive market.

6.2.2 Consumer Maturity and the Influence of Service Outsourcing Professionals

Perhaps the most important aspect of the consumption change that is taking place in Mumbai is that the NMC is becoming increasingly aware of new brands, which is the principal finding of malls' market research. Exposure to foreign cultures since India embraced globalisation has been the single most important factor of change, according to the retailers. The outdoor culture was already part of Indian lifestyle and the proactive mall strategies to attract more clientele have built on that and have added a new dimension to entertainment. According to one retailer, members of this NMC "*talk about 'I have been to this mall', 'I am going to that mall tomorrow', they don't talk about 'I've been to this zoo today, I am going to that park tomorrow'*"[48]. This implies a major cultural shift towards a more consumerist approach to entertainment and personal fulfilment. The greater preference for malls is possibly a direct outcome of people's increased awareness about brands, but it may also be considered a pay-off of malls aggressive communication strategies during the last ten years. Nonetheless, certain retailer interviewees expressed the belief that deeply rooted Indian values, such as family support and a mentality of saving money, are not vanishing completely. The old-young dichotomy that was evident in the testimonies of the professionals earlier, is also present in the testimonies of the retailers (Box 6.2). This dichotomy demands differentiated

[47] R5, 14/2/2014
[48] R5, 14/2/2014

business approaches to utilise the full potential of the outsourcing crowd, which are described in section 6.3.

Box 6.2

"these people are mostly young people, they don't have the responsibilities, they are not married. So, they…I would say that whatever income they get, they spend [...] Everybody wants to have the latest mobiles and latest clothes. So these are the people who come and shop."[49]

In the process of cultural transformation, the outsourcing industry has certainly been an influential factor. The interviewed retailers pointed to two aspects of the industry which they deem responsible for the observed changes in the market in the last few years. The first aspect relates to the nature of outsourcing activities, which bring professionals in daily contact with people from abroad. In numerous cases, professionals even get the chance to travel abroad and experience foreign markets. Upon return, word of mouth follows and the popularity of brands rapidly increases. This is a phenomenon that allegedly manifests itself often. Many interviewees stated that customers are already aware of products and brands that are not yet available in India. The second aspect relates to the significantly higher salaries in the outsourcing industry. Numerous retailers strongly believe that the higher salaries have resulted in higher aspirations among the outsourcing professionals, rendering them a very promising segment of the NMC. Higher aspirations ultimately result in boosted self-esteem and self-identification through brands, a process which was extensively described earlier on the basis of professionals' testimonies and is once again confirmed by the retailer side (Box 6.3).

Box 6.3

"See, what has happened because of the outsourcing industry is that…a lot of people from the rural areas have come to the urban areas and the standard of living has increased substantially, [...] the expenditure part has increased especially and that has helped the organized retail market to grow. People have become conscious about brands [...] the outsourcing industry, they speak with people from the US or Europe. That is also one of the channels [of becoming brand-conscious]."[50]

[49] R10, 28/2/2014
[50] R11, 7/3/2014

6.3 Addressing Demand and Creating Loyal Customers

6.3.1 Adapting to the New Indian Middle Class's Needs

Following the increased awareness of the Indian NMC clientele, the retailers seek to keep pace with these trends by employing a variety of strategies: continuous research, landscaping or zoning, and ensuring product availability and exclusiveness. Continuous research involves two approaches: obtaining the latest information about the newest trends internationally and conducting market research on the local customer preferences. Then the mall marketing teams attempt to find common threads and create a good match with the customer's expectations. At times, malls are prepared to experiment with products that have gained popularity abroad to test those propositions domestically. In a characteristic example, a mall manager stated that they periodically experiment with niche products, whether it be specialised delicacies like marshmallows or an exclusive housewares brand. Such strategies are often successful, leading to the definite introduction of new products. However, most retail representatives recognised that this is a calculated risk and they are especially careful when considering which brands to introduce. Through continuous research they obtain a better understanding of people's aspirations and how these evolve over time.

The second strategy that retailers often employ focuses on optimising zoning or landscaping. Zoning was described as the careful mixing of various stores so that they create an optimised visit to the mall by rendering product searching efficient. A mall manager mentioned, for example, how his mall has attempted to group footwear stores so that the customers who are interested in that specific product category can find what they want more easily. Landscaping relates to the combination of different mall functions, principally shopping and entertainment. When applicable, malls attempt to create a more relaxing environment by adding green and open spaces, so that customers can relax before continuing their shopping experience. Profitable premises, such as restaurants and amusement parks, are of course present in such areas.

The third aspect, product availability and exclusiveness, is highly relevant with regard to the NMC's aspirations. On the one hand, malls try to respond to their customers' demands about introducing new brands, with which the customers have become acquainted thanks to their international exposure. On the other hand, certain malls try to safeguard exclusiveness, by being the only ones to provide carefully selected brands or products. Such malls cater primarily to the upper end of the NMC spectrum. Other malls try to create a more diverse profile in order to attract a wider social spectrum of consumers. A factor determining which of these two approaches the mall choses to adopt relates to the actual location of the mall, a factor which is explained in section 6.3.3.

6.3.2 Customer Retention

The general impression among the interviewed retailers is that the NMC has been taught a mall culture by the media, but also by the malls themselves by means of aggressive marketing. This mall culture is gradually becoming deeply rooted in consumers' consciousness. Once the malls attract the desired clientele, the greatest challenge for them is to maintain their client base. The mall representatives described various strategies that they employ to achieve customer loyalty. The two most often cited strategies relate to providing an exceptional customer experience and to devising ways to reward customers. Providing an excellent customer experience has multiple dimensions. It starts with appropriately trained personnel, which will provide exceptional customer service to the visitors. A crucial dimension of an enhanced customer experience that aims to create loyal visitors relates to the amenities of the malls. A mall manager characteristically stressed that the toilets are perhaps the most important indicator of mall quality, therefore a mall should strive to keep them in excellent condition.

The second aspect of creating loyal visitors relates to providing various rewards. Malls worked in close collaboration with stores to maintain a highly diversified database of various product categories. By doing so, the mall marketing team obtained a clear picture of customers' spending patterns, being able to target the most significant spenders. The following stage involved conducting aggressive, yet personalised, marketing campaigns. An example is to send birthday wishes to customers and to suggest offers which are tailored to their interests and consumer behaviour. A similar reward pattern followed by a major mall involved launching a mobile application, in which customers could register themselves, enter their invoice numbers and collect points. They could then redeem these points to purchase more products with discount or to enjoy other benefits. Another mall employed visitor statistics to measure the impact of female consumers, who appear to be an especially promising group in the apparel segment. The mall went on to organise "women's weeks", which was deemed an innovative and perhaps risky strategy, as similar actions usually involve only one day. This strategy was characterised, however, by great success. Finally, a small proportion of the visited malls engaged in the well-established lottery-type events. Recognising that its clientele lives at a fast pace and has a high aspiration level, the mall management organised draws daily, even hourly, in order to incentivise visitors to come back regularly.

6.3.3 Targeting Outsourcing Professionals: the Importance of Catchment Areas

The NMC clearly is a central actor in luxury consumption in Mumbai. So, where do outsourcing professionals come into the equation? I began answering this question by asking the mall representatives about the importance of outsourcing professionals as a proportion of total clientele. In most cases, mall managers were able to provide specific percentages. In other cases, the importance of service outsourcing clientele could be deduced from the overall testimony of the mall managers. The following table gives an overview of the results.

Mall Name	Outsrc. Prof as % of All Visitors	Importance Assessment
InOrbit	unspecified	high
Hypercity	40	medium
Phoenix Market City	30	medium
Viviana Mall	unspecified	low
High Street Phoenix & Palladium	unspecified	low
RCity	20-25	low
Infiniti	20	low
Sobo Central	15-20	low

Table 6.2: Importance assessment of the service outsourcing professionals per visited mall

In the table, "high" importance translates to service outsourcing professionals being the majority of visitors, "medium" translates to 25-50 percent and "low" translates to less than 25 percent, or a clearly expressed low importance in qualitative terms. In all malls the respondents recognised the contribution of the outsourcing clientele. Such contribution varied from relatively low to very high. In the following map I put findings into perspective by depicting them using different icons according to the perceived importance of outsourcing clientele. Malls are either marked as green (high importance), yellow (medium importance) or red (low importance) icons.

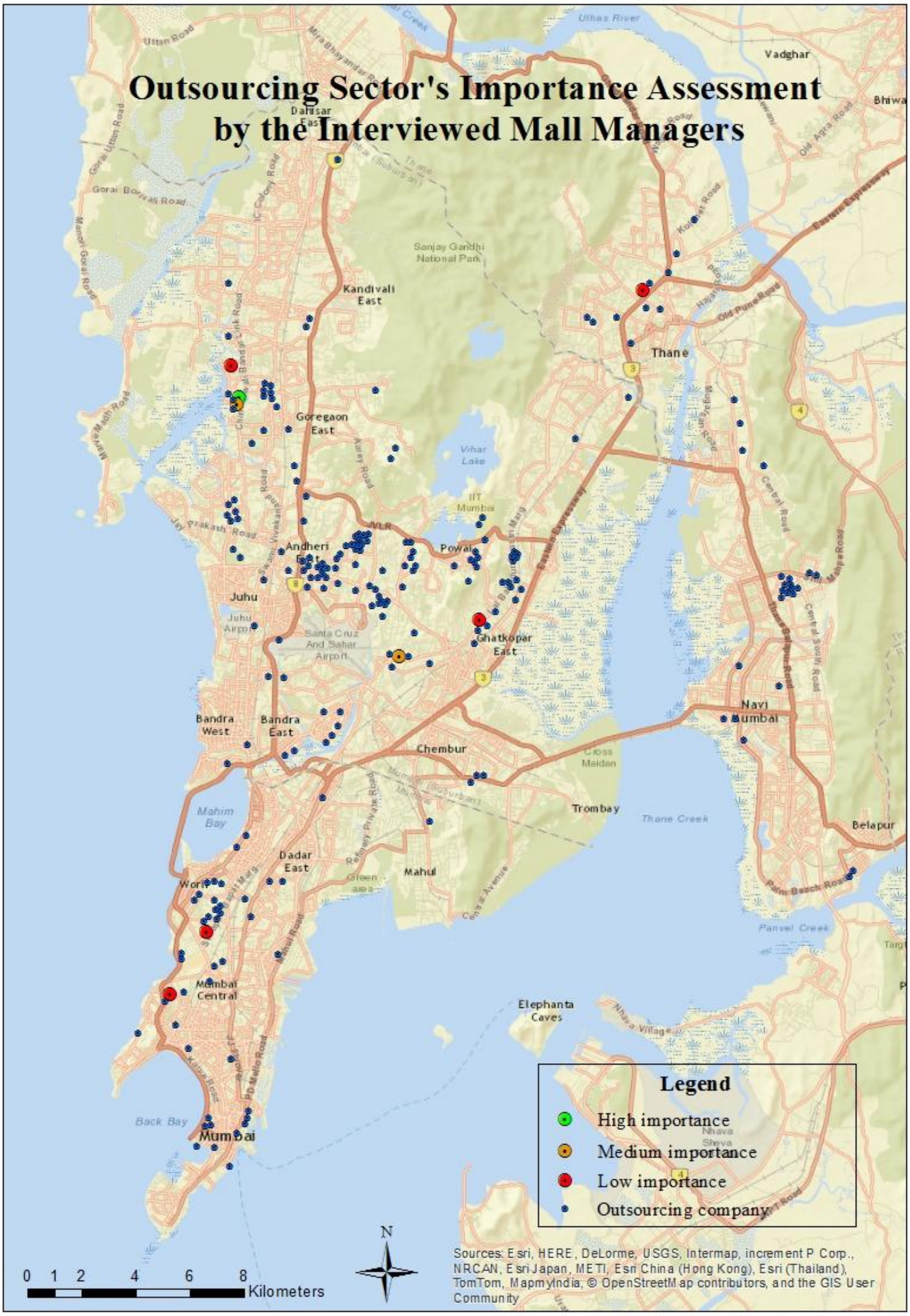

Figure 6.1: Perceived importance of outsourcing clientele for the visited malls.

The findings are surprising, because malls which are located seemingly close to outsourcing companies attribute little importance to service outsourcing professionals as clientele. In search for patterns, I calculated the catchment area of each mall. The areas were calculated using Geographic Information Systems and are based on the accessibility of the malls from outsourcing companies via the existing road network. Figure 6.2[51] illustrates the catchment areas and shows the malls once again ranked by perceived importance of the outsourcing industry. Finally, the following table lists the malls and gives an overview of the number of outsourcing companies that fall within their respective catchment area.

Mall	Malls Falling Within Catchment Area	Outsrc. Prof as % of All Visitors	Importance Assessment
RCity	51	20-25	low
Phoenix Market City	44	30%	medium
InOrbit	35	unspecified	high
Infiniti	35	20	low
Hypercity	35	40	medium
High Street Phoenix & Palladium	29	unspecified	low
Viviana	16	unspecified	low

Table 6.3: Associating the number of outsourcing companies per catchment area with the perceived importance of service outsourcing professionals as clientele

When comparing the table data and the mall managers' testimonies, certain inconsistencies become visible. On the map it appeared that all visited malls were in the vicinity of outsourcing companies, though company density varied per catchment area. It is noteworthy, however, that there were managers who insisted that their malls do not serve the typical outsourcing crowd, but rather corporate crowds. This was especially relevant in South Mumbai, where outsourcing companies focus primarily on KPO operations. In the mind of certain mall managers, however, the outsourcing industry was clearly synonymous with BPO operations. This finding points to a possible normative incongruence, as the term "BPO", representing the oldest service outsourcing variant, has become synonymous with the outsourcing industry, whereas the more specialised and better-paid KPO operations may remain generally nebulous for the unfamiliar public. The general conclusion is that location is of high importance and it determines the whole strategy and profile of a mall. Based on this,

[51] The outsourcing companies in Navi Mumbai to the east have not been counted in the illustrated catchment areas, as they are served by a different mall located in the same area. Because this mall is not mentioned on the map, however, these companies appear in the catchment area of the nearest visited mall.

malls in the sample can be classified into those targeting residential areas and those (partly) relying on the nearby outsourcing companies.

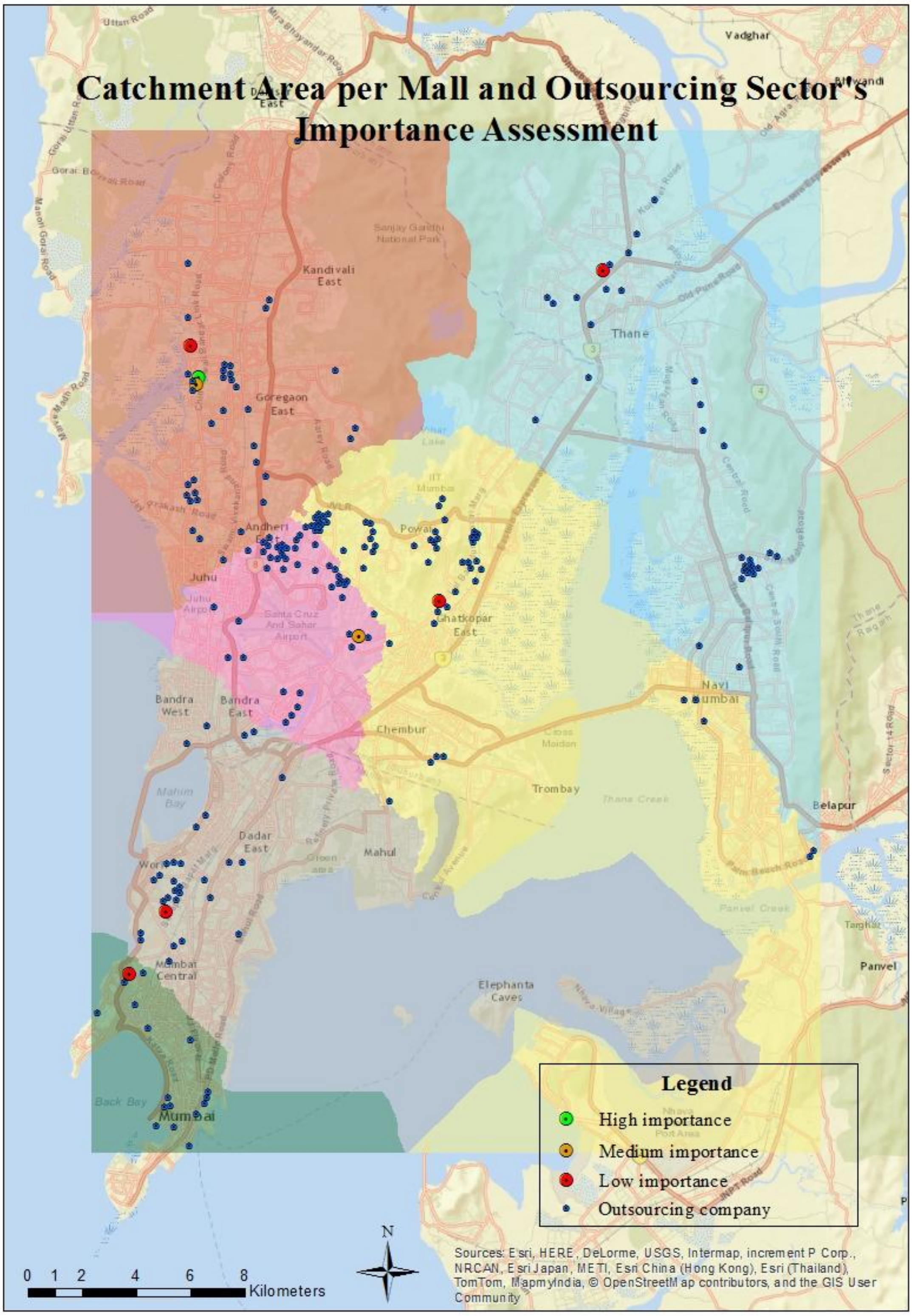

Figure 6.2: Associating actual catchment areas with perceived importance of service outsourcing clientele

6.4 Future Opportunities, FDI and the Role of Politics

6.4.1 The Future of the Local Luxury Market

The general impression of the luxury market in Mumbai among the retailers is that it is still in a rather nascent stage. Independent and often family-owned stores, commonly known as mom-and-pop stores, are an integral part of Indian shopping life and they will remain so. After all, "*[India] is known as the country of shopkeepers, traditionally*"[52] However, as the New Indian Middle Class grows, so will the potential of the luxury market, following disposable income increases. Nonetheless, numerous retailers recognised that the market maturity gap between India and the West will persist for the coming years. According to one retailer, it will take at least 10 to 15 years for the Indian luxury market to demonstrate characteristics of markets in the West. A managing director of another mall was more optimistic, talking about a booming market in the next five years. With regard to tourism, another form of luxury consumption, representatives also had great hopes. They based these hopes on the international character of the NMC and its desire to travel not only domestically, but also abroad, in particular. The previously mentioned cultural shifts that are taking place were considered a key factor by certain retailers. The NMC comprises an increasing proportion of global citizens, whose aspiration level is higher in comparison with their parents. Spending is then the ultimate expression of such an evolution in people's aspirations.

When the retailers were asked about the extent to which they think that the outsourcing industry can contribute to the growth of the luxury market, views varied. However, two central factors were recognised in relation to the outsourcing industry's future contribution. The first factor was the higher income that employment in the outsourcing industry implies, especially with regard to managerial roles. For some retailers, future growth was not a matter of targeting the whole outsourcing industry, but involving the most relevant, well-paid, subgroups within it. The second aspect, which reinforces the income factor, is considered to be the global exposure of the outsourcing professionals. This view is in accordance with what professionals expressed earlier and adds to the wide recognition that the outsourcing industry is an internationally-oriented sector and an environment of dynamic socio-cultural processes. As a conclusion, concerning the role of the outsourcing industry in the future growth of Mumbai's luxury market, it can be claimed that it is seen as a potentially important, but certainly not the sole, driver of growth.

[52] R11, 7/3/2014

Box 6.4

"there's a big shift, because the outsourcing industry…what happens is that they are regularly in touch with the foreigners. They get really impressed when they come and meet, they go out and everything…they all wear branded stuff, so that makes a huge impact on them. And they also travel abroad, so when they [...] want to look good! That's why the shift has happened. Outsourcing is bringing a big big benefit to the luxury retail!"[53]

6.4.2 The Politics Factor

The fieldwork took place shortly before the general elections in India in May 2014. The elections were considered a turning point by various retailers. Even though most retailers were very optimistic about the potential of the luxury market, they made reference to the crucial role that Foreign Direct Investment (FDI) will play in the future. A similar view is shared by consultancy bureaus (see for example Jones Lang LaSalle, 2013; Jones Lang LaSalle, 2014). According to some retailers, who were considering to expand their malls' brand set, foreign companies were ready to come and invest in India, but they quietly awaited the results of the general elections. Undoubtedly, the expressed views about the influence of politics on market development are certainly not based on published statements and could thus be considered speculative. However, it will be interesting to observe how market activities will evolve after a new government has been formed and after its FDI-related positions are implemented. It could then become possible to specify the impact of politics a posteriori.

6.5 Conclusions

The views on current luxury consumption trends of the interviewed representatives of the retail and tourism sectors presented clear similarities with the professionals' testimonies, highlighting comparable product categories. Certain shifts have taken place in the last ten years, as the NMC is being increasingly "educated" by the malls. Such shifts are now visible in the ways that the NMC dresses as well as in the current smartphone and gadgets hype. The latter appears to be a pan-Indian phenomenon among the younger segment of the NMC (The Times of India, 2014). The NMC is clearly brand-conscious, although the young-old dichotomy persists, with young people demonstrating more extravagant spending patterns than their older and married counterparts. The outsourcing industry has definitely played a

[53] R8, 19/2/2014

role in boosting consumption by exposing consumers to foreign cultural elements and thus rendering them more brand conscious. The industry has also empowered people to spend more by offering relatively high salaries, especially with regard to the upper-end of skilled professionals possessing managerial positions.

Retailers employ a variety of strategies to maintain and increase visitors from the NMC and the outsourcing segment definitely forms a dynamic and promising group. The location of a mall is a key factor, which shapes the respective business model. An element that complicates the perceived importance of the outsourcing industry in the eyes of retailers relates to terminology, as the interviewed retailers largely associated the outsourcing industry with BPO and IT, neglecting the most skilled KPO segment, which they refer to as "corporate crowds". Clarifying the structure of the outsourcing industry and the diversity within the industry may be of additional benefit for these malls, rendering them able to devise more sophisticated marketing campaigns. As for the future of luxury consumption, the outsourcing industry will certainly form an important, but not the only, component of growth. It remains to be seen whether the result of the elections will also affect the growth process in terms of favorable FDI policies.

7. Conclusions and Recommendations

7.1 Motivation for this Research

The growth of service outsourcing has impacted the global economic landscape, intensifying the shift of economic activities towards Asian developing countries. India is at the forefront of this trend, something which has socioeconomic implications and is facilitating the emergence of the New Middle Class in the country. This class constitutes a varied group of people and it has grown sufficiently to become an influential actor for India's economic future. One way to investigate the class's economic agency is by examining its luxury consumption practices, which academic theory suggests that they are an expression of identity. Taking into account existing theory and the possible economic implications of service outsourcing in India's economic centre, Mumbai, the question that this research aimed to answer is: *How are the luxury consumption practices of the service outsourcing sector professionals in Mumbai an expression of a New Middle Class identity and how has the local retail sector responded to and benefited from this consumption?*

7.2 Luxury Consumption as an Expression of New Middle Class Identity

The interviewed professionals constitute a sample that is characteristic of the complex structure of the service outsourcing industry, combining varied educational and professional backgrounds. The respondents demonstrated a very active consumer behaviour, characterised by wide brand-awareness, resembling, but not yet matching, Western standards. The first significant academic contribution of this study relates to a detailed and up-to-date mapping of the consumption patterns of the service outsourcing professionals in Mumbai, an important component of the Indian NMC. Modest differences between the examined subgroups (BPO, IT, KPO) were traced regarding the form of their luxury consumption, as certain subgroups favoured specific product categories more than others. However, all three subgroups expressed an almost identical preference for branded products, especially clothing and electronics. Luxury consumption was then associated with higher quality and a significant boost of personal status, pointing to the products' symbolic value, as suggested by Amaldoss and Jain (2005), Choo (2012), Holt (1995), and Hudders (2012). In this research, luxury consumption was often presented as an extension of oneself, pertaining to the very being of numerous respondents and shaping the persona that they sought to create on social occasions. This is an element that is especially relevant to Vigneron and Johnson's (2004) personal-oriented dimensions in their luxury-seeking consumer behaviour model. Furthermore, through their consumption patterns, the interviewed professionals not only expressed their aspirations to differentiate themselves, but they also considered at the same time the necessity to fit in with their peers. Therefore, consumption is a manifestation of the bifurcated nature of identity, taking place at an individual as well as a collective level (Yoon, 2011), while at the same time involving processes of comparison and conformity with one's kin (Koefoed and Simonsen, 2012).

This study demonstrates that the NMC, as examined through the luxury consumption of the service outsourcing professionals of Mumbai, is certainly associated with a distinct and continuously evolving identity. This NMC, globally-informed identity is in stark contrast with Indian traditional cultural practices, which place more emphasis on family bonds and saving for the future. This finding slightly contradicts Dubois *et al*.'s (2005) suggestion that the role of luxury consumption is culturally-determined and it points more to Brosius's (2010) claims about moving towards a more consumerist Indian society. Numerous service outsourcing professionals are aware of this cultural shift. Similar data from other cities – consider for example the previously mentioned smartphone and gadgets hype among younger Indians (The Times of India, 2014) – point to the possibility of a pan-Indian shift towards a more consumerist society. This shift becomes especially evident when examining luxury consumption's non personal-oriented dimensions in Vigneron and Johnson's (2004) model, especially conspicuousness and quality. Even though KPO respondents demonstrated a less materialistic attitude than their BPO and IT counterparts, all respondents expressed an utter enthusiasm for being able to afford the high quality and sometimes extravagant products or services that they desired. While in some cases respondents had achieved upward social mobility thanks to their employment in the service outsourcing industry, NMC status generally demonstrated limited accessibility among the respondents, most of them already coming from middle class environments. This finding adds to the ongoing academic debate about the accessibility of the NMC status and whether service outsourcing jobs are open to all (Rastogi and Pradhan, 2011 versus Krishna and Nederveen Pieterse, 2008).

So what really renders the respondents members of the NMC? It is not simply the extent to which they can afford luxury items that differentiates them and places them within the NMC. Rather, it is their whole attitude which expresses an ambition to experience feelings of satisfaction and achievement or self-actualisation. This is especially the case for the younger respondents, who demonstrated a much more pronounced desire to translate their professional success into a tangible and visibly improved lifestyle. The novelty of this study is that it uncovered the full set of the regulating factors of this NMC identity among the service outsourcing professionals in Mumbai. These factors relate to personal upbringing, character traits, education, interaction with peers, intercultural exposure through work and media, and the respondents' specific career progression. All these elements find their expression in varying degrees in the form of luxury consumption in which the interviewed service outsourcing professionals engage. The overarching conclusion is that luxury consumption is not merely shaped by NMC identity among the interviewed service outsourcing professionals in Mumbai. Rather, luxury consumption and NMC identity interact and reinforce each other in context-specific (BPO, IT, KPO) ways, supporting the view that identification processes slightly differ among the service outsourcing branches. These context-specific ways relate to the hierarchy dynamics in each sector and thereby the exposure of professionals to different sets of peer groups, with regard to education, life views and expectations, and intercultural exposure. In short, the specific socioeconomic dynamics in the respective service outsourcing sector in which professionals are employed were found to influence the interaction between the professionals' luxury consumption practices and how they perceive belonging to the NMC. Kirk and Wall's (2011) views on the influence of specific work environments on identify formation are thus applicable within the context of the NMC, as examined from the perspective of service outsourcing professionals in Mumbai.

7.3 Implications for the Local Luxury Market

The interviewed retailers' and tourist sector representatives' views on luxury consumption demonstrate certain similarities with the service outsourcing professionals' testimonies in terms of the nature and motivation behind this consumption. The interviewed retailers and tourism sector representatives appeared highly aware of the symbolic character of luxury consumption towards fulfilling certain emotional needs and being in accordance with existing theoretical perspectives on the motivation behind consumer behaviour (such as Amaldoss and Jain, 2005; Hudders, 2012; Dubois, Czellar and Laurent, 2001; Vigneron and Johnson, 2004). The retailer side realises the importance of NMC clientele, with service outsourcing being recognised as an influential subgroup of this clientele. Consequently, the malls of Mumbai demonstrate a proactive behaviour to keep pace with the latest international trends and thereby satisfy the NMC's "hunger" for previously inaccessible products and services.

The main findings of the research from a retailer perspective pertain to the future of the luxury market in Mumbai. As Nijman (2006) claimed, the economic liberalisation of India has led to an explosion of demand regarding consumer durable goods. Such a trend is projected to continue, according to the interviewed retailers. The outsourcing industry certainly has a role to play in this, as incomes will continue to grow, allowing more people to join the NMC. As a result, the share of organised retail in Mumbai is set to increase from the current seven percent, even though mom-and-pop stores will continue to dominate volume-wise. Such an increase of organised retail will be, nonetheless, slow. This is not necessarily negative, as it offers a wider time frame to map the potential clientele's needs and devise strategies that will be more viable in the long run. Malls appear conscious of the importance of better comprehending the NMC's needs, as they continuously and carefully monitor their clientele and respond accordingly.

A key factor with regard to the outsourcing industry as a potential pool of NMC clientele relates to location. The findings suggest that the location of a mall is crucial for shaping its overall business model and determining the degree to which this is defined by the service outsourcing clientele. However, a possible misconception also became evident during this research. Among the interviewed retailers, the outsourcing industry was synonymous with the well-established BPO operations. However, IT and especially KPO operations were not viewed as service outsourcing. As a result, representatives of malls that were seemingly located close to IT and KPO organisations stated that their overall business model was not influenced by the service outsourcing clientele, adopting a business model that treats customers solely in terms of income. As Kirk and Wall's (2011) claims about the influence of distinct sector environments in identity formation were replicated in this research, it would be advisable that malls look at the structure of the service outsourcing industry more closely in order to uncover sector-specific (BPO, IT, KPO) needs and respond accordingly. In this regard, future research involving a greater sample has the potential to uncover currently unexplored business opportunities among the service outsourcing clientele. The influence of favourable FDI policies should also not be overlooked, as it is expected to influence the service outsourcing landscape as well as the emergence of new players in the luxury market by means of new investments.

7.4 New Middle Class Identity Dynamics, Globalisation and the Need for Additional Research

The findings demonstrate that identification processes involving varied and diverse groups, such as the service outsourcing professionals, take place at many levels: personal, within the family, at the office, and within society as a whole. As the service outsourcing professionals, a critical component of the NMC, continue to engage in the fast developing and internationally-oriented service outsourcing industry, it will be challenging to keep pace with the implications that this engagement will have on how they position themselves in a globalising world and how this finds its expression through consumption. This in turn relates to the ongoing debate in academia about whether the world can afford an explosively growing NMC, which implies reaching the Earth's biophysical capacity to satisfy the continuous demand for products and services. This study can thus constitute a link among the market, economic and sustainability domains, stimulating further interdisciplinary research.

Another aspect relates to the young-and-single versus older-and-married dichotomy, that was especially pronounced in the sample. Will traditional, savings-promoting practices persist or will the NMC abandon past cultural practices in favour of adopting a more individualistic and consumerist attitude? Interviewing the current generation of young service outsourcing professionals in a few years can contribute to answering whether a cultural shift is indeed taking place. Continuous research, ultimately involving other subgroups of the NMC, is imperative in order to maintain a clear picture of cultural changes taking place in this social group as a whole, with special attention to the NMC's potential of acting as an agent of political and societal change through its increased size and economic significance. In this regard, consumption may already be seen as an existing manifestation of the potential of the NMC to bring socioeconomic changes. A better understanding of the Indian NMC as a whole will offer a better understanding of how India wants to position itself in a future, increasingly globalised, world of shifting socioeconomic dynamics. Having traced NMC identity from the perspective of service outsourcing, this study has been a useful starting point in this regard.

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9. Appendix

9.1 Interview Guide

9.1.1 Interviews with Service Outsourcing Professionals

1. Professionals' Personal profile

i. Background: urban/rural and how he/she came to Mumbai (if applicable)

ii. Upbringing and aspirations: upbringing experiences, family background and social position and how he/she decided to pursue a career in the current sector

iii. Education path followed

iv. Current job/role (BPO/KPO)

v. Ability to dedicate money to luxury consumption (indirectly trying to assess the worker's financial situation)

2. Luxury consumption

i. Defining the products: what does he/she usually buy?

> > Closeness of preferred products: personal versus impersonal (more utilities-like), e.g. apparel, sunglasses, clothing, watches versus household equipment or decorative items

ii. Dimensions

- Selection criteria: (Excellent) quality and (very high) price (but not universally applicable); also maybe country of origin

- Scarcity and uniqueness:

> > Emotional aspect of luxury consumption / pursuing exclusivity: what kinds of feelings do luxury products evoke? How does the worker feel after he/she has purchased them? How does he/she justify the desire to buy these products?
>
> > Veblen effect: would the worker still buy certain (expensive) products if many more people bought them? Does he/she have any relevant experiences from, for example, work?
>
> > Accessibility of products; ease of acquiring: does he/she rather save money for something exceptional (e.g. an expensive watch or even a car/motorbike) or does he/she rather spend money on cheaper (yet elegant) products? Why?
>
> > Peer pressure / product selection criteria: To what extent does the worker's circle of friends, colleagues and family seem to influence his product choices (probably indirectly assessed)?

- Aesthetics and polysensuality

> Conspicuousness of products as expressed by their looks: does the worker express the need to show off through buying luxury products? Is it important to show that a product is of a certain brand and why?

- Superfluousness

> Social setting of consumption (privately versus publicly consumed): does he/she buy these products to use at home or in public? Why? How does see the social setting aspect? Does it really matter to him/her when choosing products?

- Ancestral heritage and personal history

> indirectly assessed: the role of his personal background

3. Retail location

- Malls vs regular shops:

> Which places in Mumbai are most prominent for him/her and why?

- Close to work or home?

> Does it relate to where he works (perhaps going shopping with colleagues after work) or live?

4. Mumbai attractive city?

- Can Mumbai cover his/her needs for a comfortable and exclusive lifestyle?

9.1.2 Interviews with the Retailer Side

(preferably with a local director, who will have an umbrella view of the company's activities)

1. Store/tourism agency information

i. His/her role

ii. Store/agency history

2. Evolution of luxury consumption in the last 10 years

i. Your perception of the clientele: to what extent do you believe that professionals in the outsourcing industry constitute a dynamic and promising consumer group for the luxury market?

ii. Which categories of luxury/branded products have become prominent in the course of time? In other words, what do people choose to buy in the mall?

iii. Have there been shifts in demand towards other product/services categories? If so, where do you attribute these shifts? How does that relate to the booming outsourcing industry in the past few years in your opinion?

3. Addressing demand

i. How has the mall/sector differentiated/adjusted its business model to address shifts in product/service demand?

ii. How does the mall/sector pursue creating loyal visitors?

iii. How much importance do you attribute to visitors from the outsourcing industry?

4. Opportunities that the luxury market presents

i. What are your projections about the luxury market in Mumbai for the coming years? Which factors (economic, also in relation to the evolution of the outsourcing industry; political) may play a role?

ii. How do you think the evolution of the outsourcing industry in Mumbai may affect your clientele and the opportunities it presents for revenue growth for your mall?

iii. In relation to your mall's economic performance, how do you believe that a booming luxury market can affect the economy of Mumbai as a whole?

9.2 Code Trees

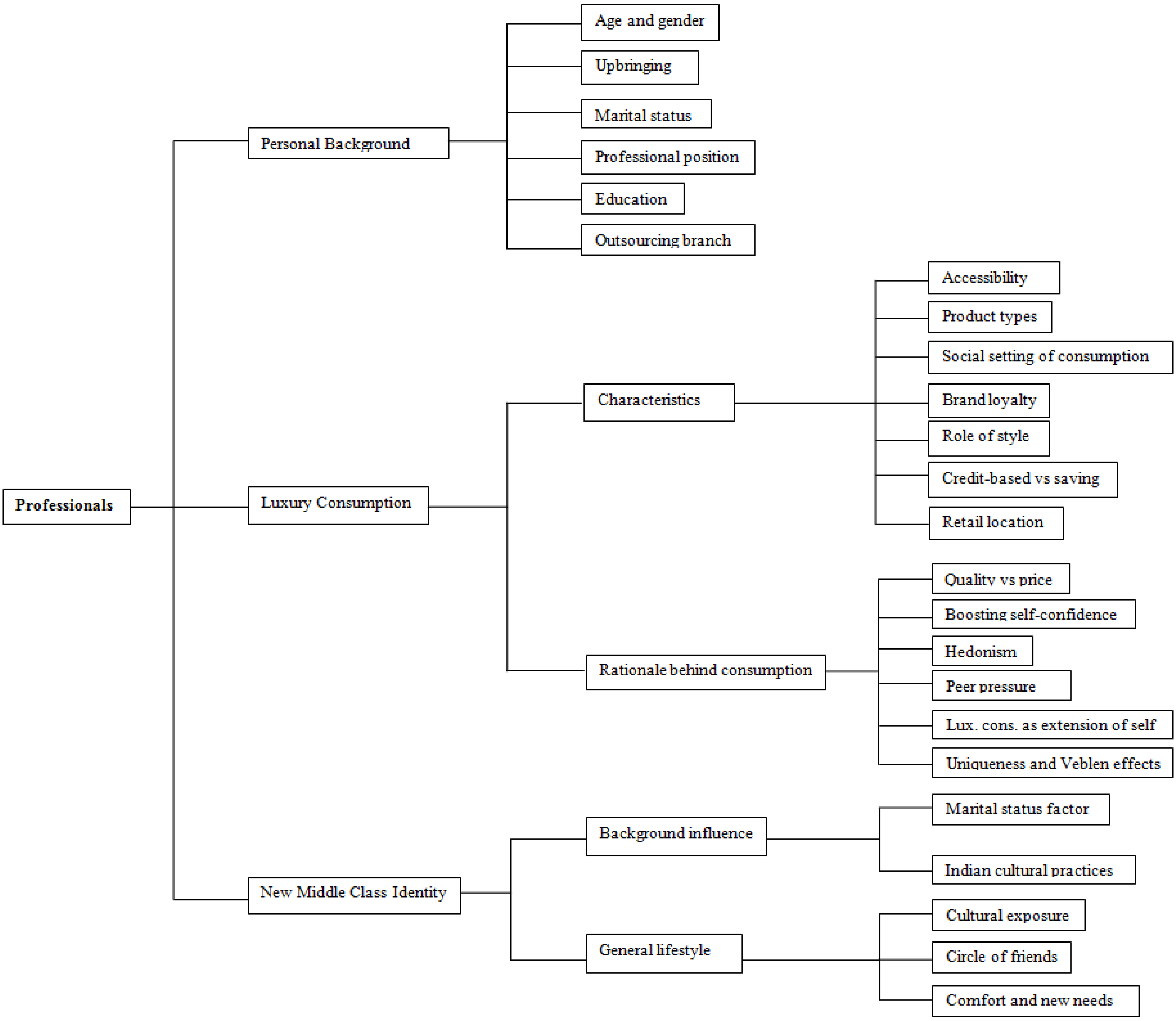

Figure 9.1: The code tree of the interviews with professionals

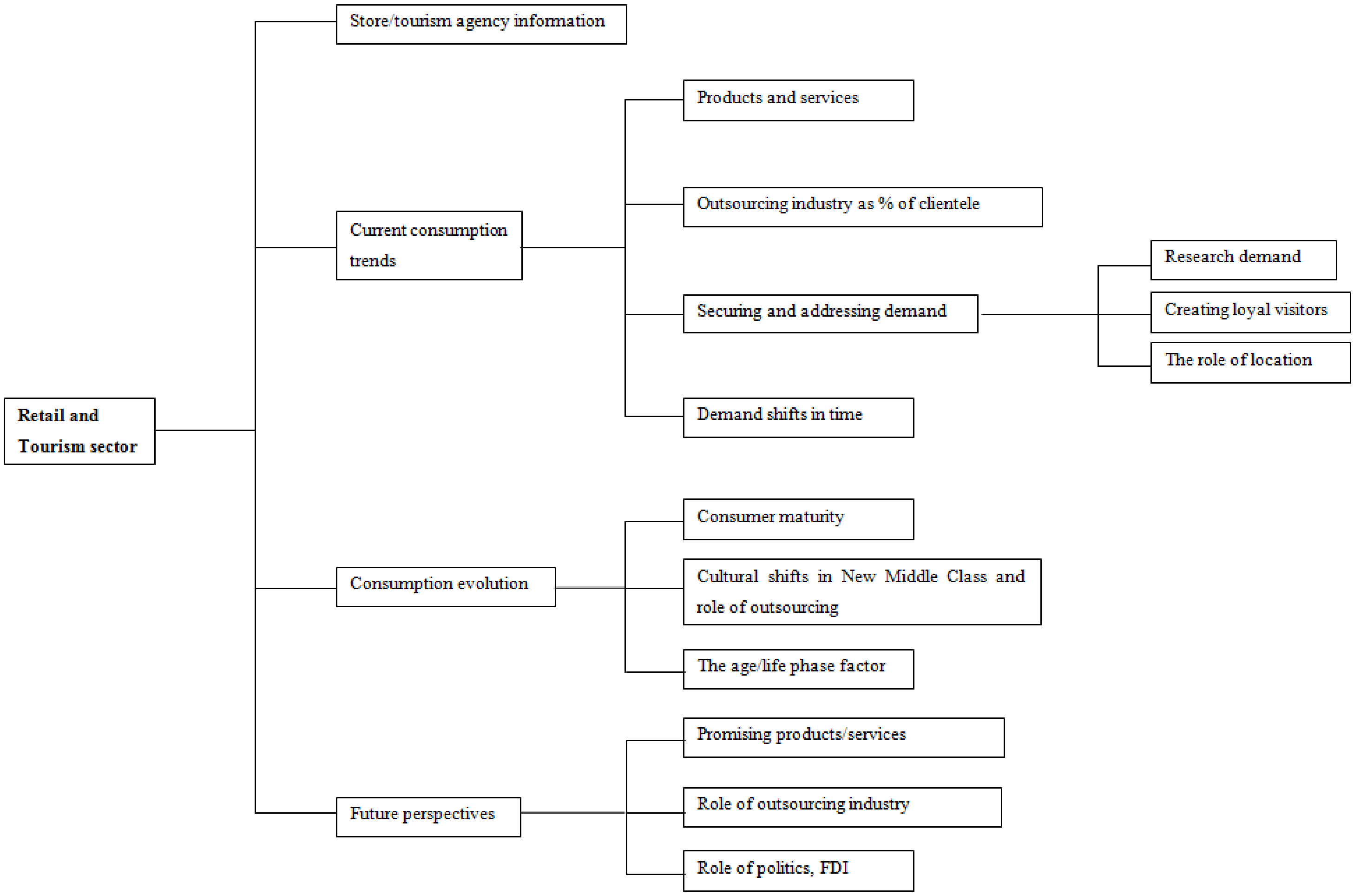

Figure 9.2: The code tree of the interviews with the representatives from the retail and tourism sectors.