

## **Beyond Metros: Strategies for Penetrating the Tier-2 Luxury Market in India**

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**Abstract:** this study uses specific tactics to examine how luxury brands may effectively enter tier-2 cities in India. These cities are becoming important development locations for the luxury sector as digital technology, urbanization, and increasing disposable income change customer behavior. The study intends to find efficient marketing plans catered to this changing customer base. The article evaluates important trends and issues of luxury companies entering tier-2 markets using secondary data, including industry reports, market surveys, and case studies. Its market entry and engagement conceptual framework is based on insights from real-world brand experiences and top consultancy companies. Results show that individualized consumer experiences, localized branding, and digital-first policies are absolutely vital. Important marketing methods include social media interaction, partnerships with local influencers, pop-up stores, and special local events. Maintaining a balance between the worldwide reputation of luxury brands and the cultural sensitivities of tier-2 consumers will define success. This study offers unique value by changing the emphasis from conventional urban markets to the untapped potential of India's tier-2 cities. It offers practical ideas for luxury firms looking to grow into these areas and those with more specific demands and tastes.

**Keywords:** digital engagement, localized branding and customization, experiential marketing, trust building, customer relationship

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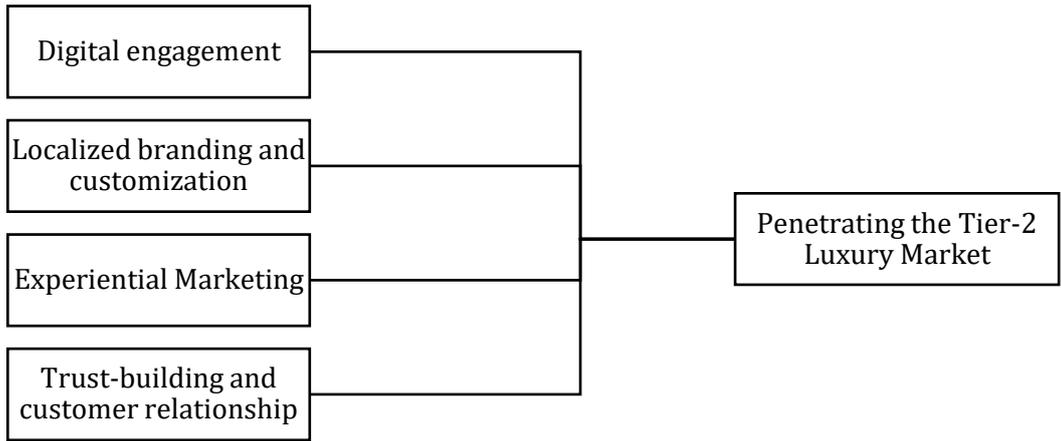
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### **INTRODUCTION**

Historically, India's luxury market has focused on metropolitan areas including Mumbai, Delhi, and Bangalore. A fresh wave of growth is moving toward tier-2 cities such as Jaipur, Lucknow, Indore, Chandigarh, and Surat. Rising disposable incomes and aspirational spending patterns beyond the metros drive the luxury market of the nation to triple by 2030, says Bain & Company's 2023 India Luxury Report. Rapid urbanization, changing cultural values, and digital technology's quick spread have all contributed to a rich environment for luxury businesses to grow their presence. This study looks at how luxury brands may effectively enter tier-2 cities by changing their marketing tactics to fit local consumer behavior, using digital channels, and tackling infrastructure issues.

Using a conceptual framework, this paper investigates the tactics luxury companies should follow while aiming for tier-2 cities in India. The model stresses knowing the particular traits of tier-2 consumers, who are younger, digitally connected, and aspirational. It underlines the requirement of digital interaction via social media and regional influencers and the need for localization and cultural tailoring in advertising. The system also emphasizes developing trust and relationships using tailored consumer experiences and experiential marketing, including pop-up stores and special events. These combined tactics create a complete model for luxury businesses to enter and expand in tier-2 cities, promoting long-term consumer loyalty.



**Figure 1.** Variable Framework

**Source:** Developed by authors based on the literature review

The four primary goals of this study are as follows: first, to examine the consumer behaviors and characteristics of tier-2 city consumers in India, with an emphasis on their digital engagement and motivations for buying luxury products; second, to evaluate the obstacles luxury brands encounter in penetrating these markets, including brand awareness and infrastructure constraints; third, to suggest efficient marketing strategies for luxury brands, including digital-first approaches and regional customization; and fourth, to investigate future trends and opportunities in tier-2 cities, including technological developments and changing consumer preferences, all to create a conceptual framework for success in these markets.

**METHOD**

Using secondary data analysis, this study investigates the efficacy of marketing tactics used by luxury brands aiming at Tier-2 cities in India using a qualitative-descriptive approach. The study combines current knowledge with industry insights to find strategic trends and best practices supporting brand development and customer acceptance in growing urban areas.

Published market research reports, case studies, journal articles, industry whitepapers, and data analytics from recognized institutions and organizations such as Bain & Company, McKinsey, Nielsen, Statista, Deloitte, and respected media outlets, including the Economic Times and Financial Express, comprise the data sources for this study. Especially in non-metro areas, these sources provide thorough and trustworthy data on consumer trends, market dynamics, and brand success in India's luxury sector.

There was no direct sampling of people or a defined population since no primary data was gathered. Instead, as recorded in the chosen secondary sources, the unit of study comprises brands—e.g., Tanishq, Louis Vuitton, Tata CLiQ Luxury—consumer behaviour patterns, and

regional market features. Purposive sampling of data sources led by relevance, credibility, publication recency, mostly 2020–2024, and Tier-2 Indian city specificity, including Jaipur, Chandigarh, Lucknow, Indore, and Ahmedabad.

The data-collecting approach consisted of compiling and examining papers reporting on the marketing activities, consumer reactions, sales performance, and strategic decisions of luxury companies operating in Tier-2 markets. The researcher conceptually grouped and arranged this data around the important independent variables: digital engagement, localized branding, experiential marketing, and trust-building.

A structured content analysis matrix was the tool employed. It enabled the extraction of pertinent data and matching results with the conceptual framework. This matrix recorded regional performance indicators, engagement statistics, consumer behaviour insights, and campaign plans.

Data analysis was a three-stage process: (1) organizing and categorizing data by strategic themes, (2) descriptive and comparative study of brand strategies and market responses, and (3) thematic synthesis to uncover common patterns and draw conclusions. Where possible, descriptive statistics were used to examine numerical data—e.g., sales growth percentages and engagement metrics—to bolster qualitative readings.

This work's exploratory character and dependence on current data make its approach especially appropriate. While honouring the limitations of time and access usually linked with field-based primary research, it offers a reasonably priced and thorough way of grasping marketing plan acceptance in Tier-2 cities. The study guarantees methodological consistency and generates valid, actionable insights pertinent to luxury brand marketers and academics using methodical analysis of several sources.

**RESULTS AND DISCUSSION**

This study investigated how luxury brands penetrate India's Tier-2 marketplaces utilizing several marketing tactics, using secondary data analysis of papers, articles, and brand case studies. With consumer acceptance and brand performance in Tier-2 cities as the dependent variable, the main independent factors evaluated were digital engagement, localised branding, experiential marketing, and trust-building.

**Research Results**

Below are the results of research from journals related to the author's study:

**Table 1.** Research Findings on how luxury brands penetrate India's Tier-2 markets through various marketing strategies.

No.	Researcher and Year	Title	Findings
1	Tata CLiQ Luxury, 2023	Rise of Tier-2 and Tier-3 Consumers in Luxury E-Commerce	Digital engagement through e-commerce, social media, and influencers is a key driver of luxury brand acceptance in Tier-2 markets.
2	Nielsen, 2023	Retail Consumption Trends in India's Next Cities	Localized branding and advertising enhance trust and relatability among Tier-2 consumers.

3	Economic Times, 2023	Tanishq's Expansion Strategy for Bharat Markets	Cultural and regional adaptation is essential for brand relevance in emerging luxury markets.
4	Bain & Company, 2022	India Luxury Outlook: Beyond the Metros	Experiential marketing fosters aspirational value and deeper engagement in new urban segments.
5	Louis Vuitton India (2022).	Brand Expansion through Experiential Travel Exhibits	Exclusive and immersive experiences are key to building prestige and consumer interest.
6	Deloitte (2022).	Winning in Emerging Indian Markets	Trust-building strategies like personalized service and loyalty are vital to long-term brand acceptance.

Implementing digital-first strategies suggests that luxury businesses may properly engage Tier-2 customers by matching with their digital behaviours and aspirational lives based on the first study's results (Tata CLiQ Luxury, 2023). Using social media, influencer marketing, and mobile commerce to generate familiarity and desire for luxury products, these techniques penetrate consumer behaviour in buying. By eliminating the reliance on physical retail infrastructure and making luxury more approachable and convenient via tailored online experiences, they simplify access to premium offers and enable increased market penetration in Tier-2 cities.

## Discussion

Drawing on secondary data, this study looks at how luxury companies deliberately enter Tier-2 cities in India and assesses the effect of digital involvement, localised branding, experiential marketing, and trust-building on consumer acceptability. The study shows a notable change in consumer behaviour in these developing urban areas where more internet connections, disposable money, and aspirational attitudes have produced rich ground for luxury brand expansion.

The results show that in Tier-2 markets, digital-first policies are the main engine of success. Over 60% of online luxury sales come from Tier-2 and Tier-3 cities, implying a remarkable decentralization of luxury consumption, as underlined in the Tata CLiQ Luxury (2023) research. Particularly millennials and Gen Z, these customers are digitally knowledgeable and use internet channels to investigate brands, price shop, and interact with brand stories. Influencer marketing and social media have become potent means to influence opinions and generate conversions (Jain & Bansal, 2022). Digital engagement normalizes luxury consumption among aspiring yet price-conscious consumers by bridging the physical barrier from conventional luxury centres.

Improving brand resonance and relevance depended more on localized branding. Tanishq's regional campaigns show that the cultural fit of the brand message with local customs enhances emotional appeal and consumer confidence. This result is consistent with Bhattacharya and Srivastava (2023), who contend that people in non-metro cities like companies that mirror their cultural identity. This implies that localization is a strategic need in a multicultural economy like India's, rather than just a marketing tool.

Experiential marketing—including pop-up stores and travelling exhibitions—has created brand enthusiasm and exclusivity in underprivileged areas. Louis Vuitton's shows in

places such as Jaipur and Chandigarh generated notable online interest and provided direct interaction chances. Consistent with the consumer-brand engagement hypothesis (Hollebeek et al., 2022), these experiences address the customer need for individualised and immersive brand interactions, suggesting that emotional and experiential value are significant in partnerships with premium brands.

Long-term loyalty in these markets depended on trust-building and individualized offerings. Many Tier-2 customers are first-time luxury purchasers. Thus, they need confidence via transparent pricing, after-sales service, and loyalty programs. According to Deloitte (2022), trust is fundamental in developing countries where luxury is not yet a cultural standard. Consumer decision-making becomes psychologically more complicated as it adds to it something conventional metro-focused models tend to ignore.

By adding region-specific elements, including digital accessibility and cultural fit, the results extend and modify the Luxury Value Perception Model (Vigneron & Johnson, 2004). Although the conventional paradigm stresses perceived quality, prestige, and conspicuousness, our research indicates that in Tier-2 settings, trust, cultural relevance, and digital familiarity are just as, if not more, powerful. This indicates a contextual honing of current theory and points to the necessity for more localized ideas within worldwide luxury frameworks.

Unlike the expansion of metro trends, this study's originality is its concentrated investigation of Tier-2 cities as separate luxury marketplaces. It offers a complex knowledge of digital inclusion, cultural identity, and trust that shapes luxury consumption outside large urban centres. Unlike earlier research that stereotypes Indian luxury markets uniform, this study separates buyer behaviour geographically and strategically. Furthermore, it shows that in non-metro cities, luxury brand acceptance is a distinct convergence of want and accessibility rather than a diluted version of metro behaviour.

Theoretically, this study adds to luxury brand literature by changing current Western-centric frameworks to reflect better the socio-economic and cultural scene of developing Indian cities. Practically, it provides strategic direction to luxury marketers hoping to grow into Tier-2 cities. The leading suggestions are focusing on consumer education to create brand awareness, implementing pop-up or hybrid retail formats, creating culturally appropriate product lines, and engaging in regional influencer collaborations.

The results also have consequences for retail infrastructure and policy. By enhancing premium retail spaces in Tier-2 cities and supporting digital commerce rules that lower logistical costs, local governments and retail developers can help luxury penetration. From the standpoint of consumer development, companies might work with local artisans or events to foster genuine relationships, hence promoting cultural and economic value.

## **CONCLUSIONS**

This study has shown that Tier-2 cities in India are a lively and fast-expanding frontier for luxury brands. Key results from secondary data analysis show that digital-first strategies, localized branding, experiential marketing, and trust-building are essential in these markets. Driven by ambitious, digitally connected consumers, platforms like Tata CLiQ Luxury have revealed that more than 60% of recent luxury sales are now coming from Tier-2 and Tier-3 cities. Localized ads by brands like Tanishq and experiential projects by Louis Vuitton show that emotional resonance and cultural connection are vital for market penetration. Moreover, open involvement and tailored service foster confidence among new luxury customers, usually first-

time purchasers. These results correspond to the study's goals to know Tier-2 customer behavior in the luxury sector and spot successful marketing tactics.

The study finds that a calculated mix of internet access, cultural adaptability, and tailored experiences will enable effective entrance into Tier-2 markets. By including region-specific insights, this study sharpens current models of luxury consumption, theoretically and practically advancing the field of luxury marketing in developing countries.

Scholars are urged to conduct empirical studies using primary data to validate and quantify the consumer attitudes and perceptions investigated here for future research. Comparative research between Tier-2 and Tier-3 cities could also provide a more profound understanding of the scalability of these initiatives and support a more detailed assessment of area-specific marketing changes.

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