

## Perception and Consumption of Global Luxury Brands in Russia and Romania: Comparative Cross-Cultural Aspects

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**Abstract.** *The present paper compares the luxury consumption in Russia with that in the post-communist countries of the former Soviet bloc. The aim of this research is to find out the common and specific about an attitude to global luxury brands in Russia and Romania. We investigate the motives for buying luxury brands in these two countries, as well as the brands' preferences for Russian and Romanian consumers. Furthermore, the portrait of an average luxury consumer in Russia and Romania is introduced and analyzed in the study. The current investigation consisted of two parts. First, it was qualitative research, as in-depth interviews with luxury brands consumers. It allowed us to formulate the hypotheses. Then to verify the hypotheses, we conducted on-line survey in which 45 female respondents from each country took part. As can be seen from the study, Russian and Romanian luxury brands connoisseurs have much in common. Both of them prefer global brands to local ones. The majority of Russian respondents agree that luxury brands are bought to demonstrate the status and welfare or at least it is a kind of reward for being hard working. As for Romanians, the key reason for luxury consumption is a very high quality and perfectionism in details. Although the consumers from the countries have shown some common characteristics, they are different in their attitude to Louis Vuitton (LV is not № 1 in Romania). What is more, the brands ratings and products choice are completely different in Russia and Romania. All our respondents have very strong cultural background: they visit opera, museums, listen to classical music and read serious books. Furthermore, their touristic destinations have cultural purposes as well. It means that people appreciate not only material brands, but also try to do their best to follow the cultural life style. This research contributes to some extent to the understanding of luxury brands consumption in Russia and Romania. The study can be useful for luxury companies, which plan to do business in these countries or already have been presented there.*

**Keywords:** *luxury brands, conspicuous consumption, connoisseur and star luxury brands, Russia, Romania.*

## Introduction

Luxury has always been the inalienable part of human life. People of different age, gender and social status want to belong to the luxury world. Using luxury product, people show off, they announce they have “made it” (Nielsen, 2015, p.1).

Historically, Russia had strong appreciation of luxury since tsarist time. In the 18<sup>th</sup> and the 19<sup>th</sup> centuries French tailors were frequent visitors to Russia. Some of them even had their own fashion stores in St. Petersburg (Kulikova & Godart, 2014, p.52). The tradition to wear European clothes was established by the Russian tsar Peter the Great at the end of 17<sup>th</sup> – beginning of 18<sup>th</sup> centuries. Peter the Great appreciated the European style in clothes. Then after the communist revolution and during the Soviet era the difficulties to access this magic world of luxury were artificially created as possession and consumption of luxury items was considered anticommunist.

Nevertheless, it is relevant to mention that in 1959 a very significant event in the USSR happened. Young Yves Saint Laurent, being the head designer of the House of Christian Dior, came to Moscow with a fashion show. The USSR was under Nikita Khrushchev at that time. It was an era of so called “Khrushchev’s Thaw”, when Soviet society became a “more liberal” in different spheres including fashion industry. The Christian Dior Fashion House was chosen on different reasons. First of all Dior style was very magnetic and represented elegance and everlasting classics. Moreover, it was considered as ideologically neutral (Anonymous, 2009). It’s little wonder that Dior became one of the most famous or even the most famous French designer in the USSR. Although ordinary Soviet people had no access to luxury brands, a very few people as outstanding and reliable actors and dancers, who were allowed to go abroad for festivals and tours, knew what luxury brands are. For example, a great Russian ballerina Maya Plisetskaya had costumes which were done by Pierre Cardin and Yves Saint Laurent specially for her (*“Russian ballerina Maya Plisetskaya”*).



**Picture 1. Russian ballerina Maya Plisetskaya and French designer Yves Saint Laurent**

Source: <http://allrus.me/russian-ballerina-maya-plisetskaya/>

When the USSR collapsed and Russia became open to the world, many luxury brands started to come to Moscow and Saint-Petersburg. Eventually from the end of the 19<sup>th</sup> century the new non-Soviet Russia again has had strong admiration for luxury brands. Louis Vuitton boutique, which is a symbol of luxury brands' presence in the country, was opened in Moscow in 2003. Furthermore, a Soviet leader, Michael Gorbachev was a face of LV at the ad poster with the Berlin Wall in the background.



**Picture 2. First and last Soviet President Michael Gorbachev in the advertisement for Louis Vuitton**

LV is considered one of the strongest luxury brands in the world and if it is introduced in a country, it proves that the country consumes luxury brands. In Bucharest LV boutique was open at June 2008.

The evolution of luxury and the appeal of western-style fashion in Romania is similar with the ones in Russia. Especially during the 19<sup>th</sup> century Paris was the point of reference in fashion and the high-society bought luxury items especially from France. The set up of communist regime after the Second World War led to the ban of luxury in the Romanian society, too. After the fall of communism, luxury market grew again. Similar evolutions happened in all communist / ex-communist countries. Some of them, for instance China, entered the top of the largest luxury markets (Nielsen, 2015,

p.3). Despite the growing luxury market, the consumers are inexperienced in terms of luxury *connaissance* and the markets are not mature (Saidi et al., 2010).

In Romania, the purchase of luxury goods might also be related with the pleasure of shopping and the positive correlations between materialism and consumption (Frunzaru & Popa, 2014). In order to obtain luxury products, the Romanian consumers would make compromises, are willing to save or work extra-time (Ciornea, Bacila & Pop, 2012).

Considering the contemporary social and economic, as well as political evolutions, it seems very interesting to compare luxury consumption in Russia with the post-communist countries of the former Soviet bloc. As the luxury brands are purchased for varied reasons (Hennigs, Wiedmann & Klarmann, 2012) and consumer behavior has dissimilar specificity in different countries we decided to concentrate the research efforts on Russia and Romania which both have Soviet heritage and experienced the dictatorship. The aim of this research is to find out the common and specific about an attitude to global luxury brands in Russia and Romania. We investigate the motives for buying luxury brands in these two countries as well as the brands' preferences for Russian and Romanian consumers. Furthermore, the portrait of an average luxury consumer in Russia and Romania is introduced and analyzed in the study.

Although Russia is considered as one of the prospective countries for global luxury brands consumption as well as China or Japan, there is a lack of international academic publications about the specifics of luxury brands consumption in the country. There is a practice oriented material about luxury consumption in Russia in the book "Luxury brands in Emerging Markets" done by Kulikova, Yadernaya, Sanders and Tsimakhovich (2014). Although the publication briefly covers the specifics of the country luxury consumption, provides details about segments of luxury consumers, it does not demonstrate the brands' preferences.

The Romanian researchers (Pop, Ciornea and others) study luxury in terms of its value, luxury consumers' segmentation and drivers of customers' satisfaction with luxury fashion products. Nevertheless, there is some lack of research on key motives for luxury consumption in Romania as well as brand preferences. Moreover, the comparative analysis of luxury consumption in these countries has not been done before. Anyway, our preliminary observation research has shown that Romanian people have high aesthetic taste so they could appreciate luxury brands as Russians as well.

In our opinion, the luxury brands “starvation” stems from communism epoch, when luxury consumption was not encouraged and almost prohibited.

The paper is structured in the following way. First, we briefly summarize the relevant literature about luxury brands and motives for their consumption as well as different segments of luxury brands customers. Second, we present the primary research about luxury brands consumption in these two countries. Finally, we provide the research limitations and give some recommendations about luxury brands development in Russia and Romania.

## **Literature review**

### ***Luxury brand and its types***

Luxury consumption does not depend on economic level; it is determined as a cultural phenomenon. In developing countries (such as China, India) people buy brands that hardly suit to their pocket. They have to save money for very long time and finally purchase something that is very expensive and beautiful. Same behavior was observed amongst some Romanian students (Ciornea, Bacila & Pop, 2012). People buy luxury to differentiate themselves and raise their social status. Otherwise, in such developed countries with socially-oriented culture as Germany, Austria or Sweden brands do not mean much to people. It is considered improper to demonstrate luxury. Wealthy people do not buy very expensive cars or watches. These material artefacts have low value there. People can stand out for their prestigious education or scientific degree. So, admiration for luxury stems from culture. In the United States, 5 segments of luxury consumers have been identified (Nielsen, 2015, p.7): new luxury segment interested in status, quality and image; established luxury interested in quality, “keeping up with the Jones” interested in status and image, and younger and older aspirationals who appreciate luxury but do not buy it.

Kapferer Jean-Noel (2013), speaking about luxury, refers to such metaphor example as a peacock. It is extremely expensive, very beautiful but has very low level of functionality. So speaking in a metaphor term, luxury is a peacock. In most cases, luxury is strongly connected with a brand. As Kapferer writes: “Only diamonds are luxury objects appreciated without brand. For everything else, there is no luxury without brands...” (Kapferer, 2009). Although there are a lot of definitions of what brand is (given by Aaker, Keller, Kapferer and others), “there is still no corresponding delineation of what constitutes a luxury brand” (Berthon et al., 2009). Klaus

Heine describes luxury brand as “as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations” (Heine, 2012). In this definition, Heine does not mention the history of a luxury brand and personalities of the brand creators. In our opinion, these two elements are very important for luxury brands perception. For example, such brands as Chanel, Dior, Saint Laurent are associated with the very strong personalities of their creators. The personalities give more values to luxury.

Wiedmann, Hennigs and Siebels (2012) developed four dimensions of luxury through consumer perceptions. They pointed out the social, individual, functional and financial dimensions for luxury brands. In this paper we indicated three meanings for luxury brands such as functional, emotional and symbolic which combination can cause the purchase. The emotional and symbolic meanings are much more prevalent for luxury brands in comparison with functionality. The emotional meaning demonstrates the emotions that the consumer has, possessing the luxury brand. The symbolic meaning deals with the other people’s opinion and serves to translate the information about a personality into the outer world. It’s vital for a majority of luxury brands consumers what their environment think about them. It is commonly thought that possessing luxury brands helps to form the impression of success and prosperity for their owners.



**Picture 3. Rolls Royce decorated with LV monogram**

*Source: the photo was done by the author*

The Rolls Royce decorated with LV monogram (picture 3) goes far beyond its functionality. It goes without saying that this car is bought not as a mean of conveyance. This vehicle signals not only about the highest level of admiration for LV, but also about wealth and prestige.

Luxury brands are very different. The brands can vary in such criteria as prices, level of awareness, geographic presence and the other criteria. In this article we consider the luxury brands classification based on level of

awareness and recognition. There are possible two kinds of brands: star and connoisseur brands (Nueono & Quelch, 1998). Accordingly, in many cases loud products constitute star brands and quiet products are underlain in connoisseurs brands. The more people hear about star brand the better. The examples of star brands are LV, Gucci, Rolex. Connoisseurs are constituted with Bottega Veneta, Azzedine Alaia, Lange und Soehne. Even though if star brands are available only for a few people, many people preferably should know them. One of the possible motives for luxury star brands consumption is to demonstrate wealth to other people, who cannot afford these luxury products (Heine, 2012). Usually this fact has place in developing economies with very heterogenic level of income. For example, in China brands should scream about status and be easily identified by other people.

The connoisseurs brand Azzedin Alaia has no explicit logo strategy. The logo can be found only inside. So it makes his bags unrecognizable to the majority of ordinary people and identifiable only to those “in the know” (Young, Nunes & Dreze, 2010).

**Brand: Louis Vuitton**



**A loud product of the star brand**  
Source: <http://www.louisvuitton.com>

**Brand: Azzedin Alaia**



**A quit product of the connoisseur brand**  
Source: <http://www.net-a-porter.com/product/385167/Alaia>

**Picture 4. Examples of the star and connoisseur brands**

It is important to notice that star brands can have quiet products as well. Even LV has products with no explicit logo. These products are intended for mature consumers, mainly for Europeans for whom very knowable brands with big logos outside of the product indicate bad taste.

We mentioned before that there is no luxury without brand. Moreover, it is viable for luxury brands to be international (Kapferer, 2013). Although luxury brands can be primarily local (for example artisanal products), a majority of luxury consumers prefer the brands that are internationally famous and recognized in other countries. In the countries which



experienced communism like Russia, Romania, or Poland, a very limited number of own luxury brands are presented as it has the strong connection with history where individuality and self-expression were not encouraged and depressed. Moreover, these brands in many cases have no broad international recognition. Slava Zaitsev, Valentin Yudashkin, Igor Chapurin, Alena Ahmadullina, Uliana Sergienko are a few representatives of luxury fashion brands which demonstrate their works at fashion weeks and have awareness at international level. As for Romania we managed to find out even fewer personalities as designers Irina Schrotter and Doina Levintza and a shoes maker - Mihai Albu. These three Romanian figures from the fashion world are famous mainly inside their country.

### ***Luxury consumers***

Brands allow their consumers to express themselves (Young, Nunes & Dreze, 2010). Kapferer stressed that it is not obligatory to be extremely wealthy for buying luxury brands (Kapferer, 2013). He gave the example of the two groups of consumers who are not necessarily rich: the ordinary of extraordinary, and the extraordinary of ordinary people.



**The ordinary of extraordinary people**

**The extraordinary of ordinary people**

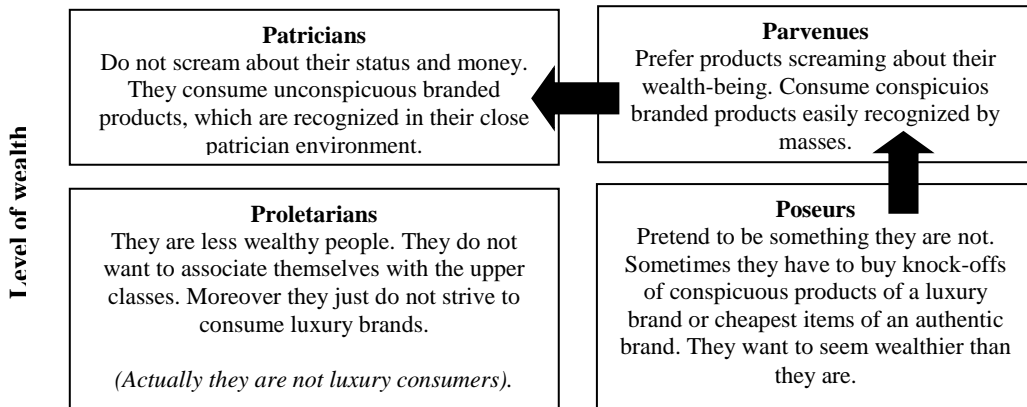
### ***Picture 5. Segments of luxury brands consumers***

*Source: the photo was done by the author*

The first group is about creative elite that includes famous artists, musicians, politicians and others. Usual people who would like to feel themselves very special and become closer to the first group represent the second segment.

Young, Nunes and Dreze (2010) offered the classification based on two criteria: level of prosperity and demonstration effect (picture 5).





### Necessity for status' demonstration

#### **Picture 5. Segments of luxury brands consumers**

Source: Young, Nunes and Dreze (2010)

Patricians are very wealthy and far from conspicuous consumption before masses. They want to be one of patricians and some quiet luxury branded products allow them to associate themselves with the other patricians. In our opinion, patricians can have aristocratic roots, as well as they can be self-made people with the high intellectual level and the good aesthetic taste. This group of people mainly prefers quiet brands. Some of the luxury brands they can consume: Lange und Soehne (watches), Krug (champagne), Alaia (clothing), or Wellendorff (jewelry). These brands are not very famous for broad masses.

Parvenus want to show everybody that they are wealthy and can afford to buy a lot of luxury brands. These brands should be easily recognized and their products must not be quiet. The pink Bentley (picture 6) is appreciated among the people from this segment.



**Picture 6. Paris Hilton with her pink Bentley**

Source: <http://www.modificationcars.com/pink-cars-modifications-valentine.html/paris-hilton-pink-cars-modifications>

Poseurs like to show off but because of small income they often cannot afford to consume an authentic product of luxury brands. So if their cultural background is not yet very high, the people from this segment can buy even a knock-off. Anyway, poseurs have more chances to become successful luxury brands consumers in the future and move to parvenus segment. Poseurs strive hard to achieve success. As for parvenus it can be very difficult for them to move to patrician segment because as luxury creators and experts like to tell: "Luxury is not only about money, it is also about culture". In some specific cases this movement seems to be possible, when parvenus work hard, broaden their horizons and gradually increase their cultural level.

As we mentioned before, the brand Louis Vuitton has both loud and quiet products, so both patricians and parvenus can satisfy their needs in different products of LV.



Alma GM, \$ 10,900



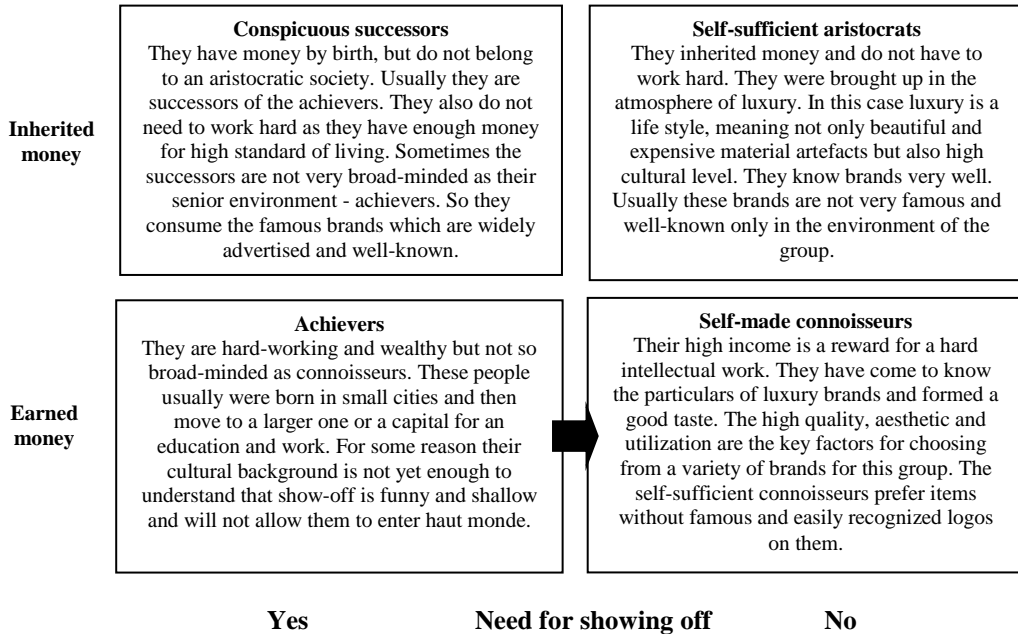
Majestueux Tote MM, \$ 7,450

**Picture 7. Quiet and loud products of LV**

Source: <http://www.louisvuitton.com>

Majestueux Tote MM bag has strong visible LV identity as it combines the famous monogram with the parts of different leather. It costs an arm and a leg as well as the bag for patricians, but it can be easily recognized in masses although the Alma GM is known among only connoisseurs (picture 7). The choice between loud and quiet products depends on the cultural level and values of customers. Some "mature" European consumers are persuaded that people demonstrate a *mauvais* ton if the brands they wear on can be easily identified. In this paper we do not take into account proletarians as this group of people do not strive to buy any luxury brands. Since we do not analyze the way of getting money for buying luxury brands, we can use rather simple classification as "show-offers" and "connoisseurs". However, the way of getting rich is important. As in some cases when young people do not come into fortune, the luxury brands consumption can be the one of the incentives for getting prestigious education and well-paid jobs. People who inherit money usually do not have to work hard. In this study,

we would like to offer the classification of luxury consumers based on the need for showing off and the way of getting rich (Picture 8).



**Picture 8. Classification of luxury brands consumers**

*Source: Done by the author*

In this classification the self-made connoisseurs are free from logo mania. Their choice is based on high quality, aesthetics and utilization. These people do not inherit money, so they have to work hard to achieve prosperity and status. Self-made connoisseurs are usually very broad-minded, travel a lot with cultural purposes and have prestigious education.

Achievers are also in a self-made category. Most likely they were born in the smaller cities and then moved to the bigger ones for education and more well-paid job. Their income is high but the cultural background is yet not enough to understand that show-off is shallow and funny. They are not broad-minded in comparison with the self-made connoisseurs and prefer rather simple life style. Their life is primarily a combination of hard work and entertainment such as going to movie and café. These people are familiar with rather limited quantity of very famous luxury brands and consider that their environment should recognize brands. Probably achievers will be able to move to a group of self-made connoisseurs if they work hard on their self-development and manage to increase their cultural level.

Self-sufficient aristocrats do not have to work hard because they have money and status by birth. Commonly they have a brilliant education and

perfect taste. They visit opera, concert of classical music booking the best places in the best theaters and concert halls in the world. While going out they wear luxury clothing and jewelry, which demonstrate their irreproachable taste and high social status. In most cases the self-sufficient aristocrats work and their work have strong social value. They can be professors, architects, actors, writers, even doctors or have family business. They do not understand how it can be possible to do nothing. These aristocrats are of benefit to society in their deeds.

The last segment is conspicuous successors. They are usually children of achievers. They do not need to work hard for achieving high standard of living. Their close environment, which is achievers, determines their range of interests. They consume famous conspicuous items of luxury brands to make people know that they are luxury consumers. Moreover, their knowledge about brands can be rather narrow and based on advertisement. Besides, they cannot know about brands valuable among connoisseurs and aristocrats, as their cultural background is not very deep. These people rarely or never visit opera and concerts of classical music.

Kulikova and Godart (2012) did research on the contemporary Russian luxury consumer. They mentioned that Russian people are less focused on their future and prefer to spend money today. Revolutions, collectivization, the USSR collapse, savings devaluation made people live for today and not for unknown and unpredictable future. This is good for luxury brands consumption as people do not hesitate and purchase luxury brands even though it is expensive for them. The above mentioned researchers single out 7 group of luxury brands customers in Russia: 1) ultra high wealthy individuals, so called "oligarchs", 2) highly successful entrepreneurs and top managers, 3) entrepreneurs and middle management, 4) political elite, 5) bohemian class, 6) family members of rich people, 7) occasional customers (Kulikova & Godart, 2012). These segments with the exception of oligarchs can be met in any country. The oligarchs are extremely wealthy and influential businessmen from the former Soviet republics, mostly from Russia and Ukraine, who made their fortune during privatization in Russia after the Soviet Union collapse in the 1990s.

In Russia the older generations who lived during Soviet time know primarily only very famous luxury brands and prefer to buy them. The younger generation who were not influenced by the USSR has broad knowledge of luxury brands and do not mind to combine them with fast-fashion brands as Zara, H&M, following mix-and-match approach.

## Methodology

The current investigation consists of two parts. First, we developed a qualitative research as in-depth interviews with luxury brands consumers. 4 in-depth interviews (2 from every country) were carried out. The people involved in luxury industry as a brand manager and a fashion blogger from Russia and a researcher and an image consultant from Romania were interviewed. The interviews with Russian experts were organized off-line and lasted during 1 hour. Romanian qualitative part of research was done via skype and also lasted during an hour with every respondent. It allowed us to formulate the following hypotheses (assumptions):

H1: Romanian consumers prefer global luxury brands, as well as Russian consumers (in clothing category).

H2: Both Romanian and Russian consumers buy brands primarily to demonstrate their well-being.

H3: Luxury brands should be well known and with high level of awareness to be bought by both Russian and Romanian consumers.

H4: Louis Vuitton is № 1 (the most preferred luxury brand) in Russia and Romania.

H5: Consumers are ready to save money in order to buy luxury brands.

H6: Luxury brands consumers have higher education and strong cultural background.

H7: Real luxury is out of material artefacts.

Then to prove these hypotheses we conducted an on-line survey with 45 female respondents from each country. All our respondents consume luxury from time to time, represent intelligent group of society and have income that is higher of an average country level.

The set of different questions, presented below, was asked.

**№ 1. Please, value your reasons for buying luxury brands (5 - is the highest gauge, meaning the most important motive):**

Luxury brands have very high quality, perfectionism in details and longevity.

I like the atmosphere in the luxury brands boutique.

I appreciate the history, the legend inherent in luxury brands. Moreover, famous people around luxury brands affect my decision.

I appreciate luxury brands because my environment (as colleagues, friends) sets so much store by these brands.

Luxury brands are about reward of my success and achievement of welfare. I want that people know I can afford the luxury brands.

**№ 2. Which one of the following statements do you agree with:**

The luxury brand must have some visible symbols (as logo, design, print and etc.) recognized by different people (the more people recognize the better).

The less luxury brand is recognizable in the masses it is better.

**№ 3. Choose the one item from LV (figure 1) you are ready to buy:**



Figure 1 – LV items (www.lv.com)



**№ 4. Would you please identify your brand №1 in the following categories:**

- Clothing
- Accessories (like bags, belts, etc.)
- Perfume
- Watches
- Shoes

**№ 5. How often do you buy luxury brands?**

- 1 item per 24 months
- 1 item per 12 months
- 1 item per 6 months
- 1 item per 3 months
- I buy luxury brands as often as I want

**№ 6. Are you ready hypothetically to save money to buy something from luxury brands?**

- Yes
- No

**№ 7. Please, indicate:**

- Your favourite composer
- Your favourite movie
- Your favourite book
- Your favourite touristic destination

**№ 8. Some social and demographic information about you:**

- Your age
- Your gender
- Your city where you are living now
- Your professional activity

**№ 9. In your opinion the real luxury is... (your answer can be philosophical)**

When the survey was conducted, the results allowed us to validate, as well as to invalidate the hypotheses formulated before.

## Findings

The results of the research allowed us to check the hypotheses (assumptions) and to illustrate and compare luxury consumption in Romania and Russia. All our respondents from both countries are from the segment of self-made connoisseurs. They have good education, high cultural level and work hard to keep high level of living. Their age range starts from 30 y.o. The eldest respondent is 47 y.o.

As can be seen from the study, Russian and Romanian luxury brands connoisseurs have much in common. The majority of both of them prefer global brands to local ones. So the H1 and H3 were proved. Therefore the Kapferer's opinion that luxury brand must be international is true for Russia and Romania.

Having said that, today a small segment of luxury brands consumers in Moscow and St. Petersburg, mainly from younger generation which is around 25-40 y.o., do not mind about "fresh names" and are ready to buy Russian luxury brands (Kulikova, 2012). Russian luxury brands as A LA RUSSE Anastasia Romantsova, Alena Akhmadullina, Chapurin, Alexander Terekhov have their own segments of consumers who are ready to explore Russian fashion style. These names are less known in comparison with Dior, Chanel but they have their own connoisseurs, mainly from Moscow and Saint Petersburg. These young Russian designers identify their target audience as intelligent and modern people with good taste.

**Table 1. Comparisons of Russian and global luxury brands (dresses category)**

Brand name and brief history	Item	Material	Price	Brand name and brief history	Item	Material	Price
Alena Akhmadullina ( <a href="http://www.alenaakhmadullina.ru">http://www.alenaakhmadullina.ru</a> )				Alexander Terekhov ( <a href="http://www.alexanderterekhov.com">http://www.alexanderterekhov.com</a> )			
The brand was established in 2001 in Russia.  The core idea of the brand is a combination of intelligence and femininity.		Silk	63 200 rubles  1131 euro <sup>1</sup>	The brand was created in 2004 in Russia.  The core idea of the brand is timeless femininity and elegance.		Silk	70 000 rubles  1252 euro

<sup>1</sup> The euro rate is on 28.04.15 taken from <http://www.cbr.ru/>.



<i>Stella McCartney</i>				<i>Marc Jacobs</i>			
A British designer Stella McCartney launched her own fashion house in 2001.  The core idea of the brand - natural confidence and sexy femininity without leather or fur in her designs		Silk	93 300 rubles <sup>2</sup>  1669 euro	An American designer Mark Jacobs established his brand in 1986 in USA.  The core idea of the brand - non-conformism and sense of eccentricity		Silk	48 400 rubles  866 euro

Source: Done by the author

The two Russian luxury brands and two global are compared in the table. We chose the brands which have no solid and long history (the oldest here is Mark Jacobs). Their founders are alive and their brands are named after them. The approach to name brands after their founders is very common in luxury industry. Dior, Chanel, Dolce & Gabbana, Salvatore Ferragamo and a lot of other brands have the names of their founders. These brands were selected because they are fashionable, well presented in Russia in boutiques and online. Moreover, the brands have items, to some extent, similar, so one can compare with each other. The concepts of the brands were not compared as every luxury brand has its own unique positioning. We picked out such item as a silk dress from the above-mentioned brands and compared the prices. The prices for the Russian brands are close to the prices for the international brands and even higher in comparison with the brand Marc Jacobs.

Our preliminary research showed that there are not so many internationally famous luxury designers in Romania. During the interview with the respondents the following Romanian designers were mentioned as Irina Schrotter and Doina Levintza. From our point of view the strong preferences to global brands among Romanian luxury consumers can be explained by the deficit of luxury local designers who could compete with the internationally famous designers from Italy, France and England.

<sup>2</sup> Prices are taken from <http://aizel.ru/stella-mccartney/shelkovoe-plate-13889/>

According to local publications, Irina Schrotter is considered a symbol of the contemporary Romanian fashion. The concept of her brand is feminine elegance<sup>3</sup>. As the Fashion House was established in 1990, the brand has some history behind it. Unfortunately, we did not manage to find the information about the prices for her dresses. The same situation is about Doina Levintza. These designers are well known in Romania but almost have no awareness outside the country. Moreover, there is no online information in English about their collections and prices.

During Soviet era, Romania has differentiated itself in shoes industry. There are some famous local shoes brands as Mihai Albu, Sepala, Musette. These brands still can't be compared with Labouten or Manolo Blahnik. The global luxury brands are priced much higher, so Romanian shoes have an advantage in price as it is reflected in the table 2. However, low price does not correlate with the exceptional image of luxury brands. Romanian shoes makers are oriented primarily to the local customers. Having said that Romanian Musette managed to push the national boundaries and increase the brand awareness and its presence in the world<sup>4</sup>. However, it is still not compared with Labouten and Blahnik in a category of global awareness and presence, including online. Uncomparably much more people from all over the world have knowledge about Labouten and Blahnik than about Musette and Mihai Albu.

**Table 2. Comparisons of Romanian and global luxury brands (shoes category)**

Mihai Albu (Romania, since 1989)	Manolo Blahnik (British brand, since 1972)	Christian Louboutin (French brand, since 1991)
		
1199 RON <sup>5</sup> (272 euro)	3182.74 RON <sup>6</sup> (722 euro)	3065 RON (695 euro <sup>7</sup> )

Source: Done by the author

<sup>3</sup> Information about Irina Schrotter was taken <http://irinaschrotter.ro/>

<sup>4</sup> <http://www.musettegroup.ro/>

<sup>5</sup> Price was taken from [www.mihaiialbu.ro](http://www.mihaiialbu.ro)

<sup>6</sup> Price was taken from <http://www.neimanmarcus.com> (for Romanian location)

<sup>7</sup> Price was taken from <http://www.net-a-porter.com>

The majority of Russian respondents agree that luxury brands are bought to demonstrate the status and welfare (76%) or at least it is a kind of reward for being hard working (64%). So the H2 is true for Russians. As for Romanians, the key reason for luxury consumption is high quality, perfectionism in details and longevity (81 %). Moreover, Russians appreciate more the atmosphere in luxury boutiques in comparison with Romanians. This fact can be positive for luxury on-line selling in Romania.

Although the consumers from the countries have shown some common characteristics, they are different in their attitude to LV – one of the main star luxury brands in the world. LV proves itself not to be № 1 in Romania. Moreover, the brands ratings are completely different in Russia and Romania (table 3).

**Table 3. Comparisons of Romanian and Russian global luxury brands' preferences**

Product categories	Brands' preferences	
	Russians	Romanians
Clothing	Armani	Dolce Gabbana
Accessories	Louis Vuitton	Furla
Perfume	Dior	Chanel
Watches	Rolex	Swatch <i>(it was the most frequent answer, although this brand is not considered luxury)</i>
Shoes	Manolo Blahnik	Louboutin

So, H4 about LV is true for Russians. Russians, as well as Chinese, are ecstatic about this brand. If we compare what product from LV Russians and Romanians chose, we notice the evident difference (picture 9). Russians chose the aesthetic and almost non-functional small bag with LV monogram, Romanian choice was a big bag, a briefcase which is functional and also well-known because of the monogram. Romanians are more practically oriented, although in Russia non-functional beauty is on the 1 place.



**Russian choice**



**Romanian choice**

**Picture 9. Classification of luxury brands consumers**

Source: [www.louisvuitton.com](http://www.louisvuitton.com)

Almost all our respondents can be called excursionists (Dubois, 1995). "Excursionists" represent a very large group of different consumers who usually buy between 1 and 5 items in 24 months. This people have a memorable and fantastic excursion in the luxury world. Usually the "excursionists" appreciate a multisensory experience as to touch and smell luxury, getting a personalized consulting. Russian respondents (80%) buy 1 luxury item per 6 months. Romanians (80%) buy 1 luxury item per 24 months. According to the survey, absolutely all Russians are ready to save money in favor of buying something from luxury. As for Romanians, only 51% are willing to set aside money for luxury brands. It means that H5 is true again only for Russians.

All our respondents, as we mentioned before, have very strong cultural background: they visit opera, museums, listen to classical music and read serious books. Furthermore, their touristic destinations have cultural purposes as well. So, H6 was completely proved for both countries. It means that people appreciate not only material brands, but also try to do their best to follow the cultural life style.

Both Russian and Romanian respondents were close in their answers about real luxury. Real luxury goes beyond material artefacts. Luxury brings some philosophical meaning. According to opinions of respondents from the countries, it is not about expensive things but about family, health, friends, passion... So, the last H7 was completely proved.

## **Conclusion**

This study is only a first step to understand the specifics of luxury consumption in Russia and Romania. Moreover, it entails some limitations. The research covered only limited number of cities from Russia and Romania, such as Moscow, Saint Petersburg, Bucharest, Brasov. So, it does not reflect the whole countries. Furthermore, the researchers met the difficulties of finding information about the local fashionable Romanian brands, as the brands' sites are not translated into English. Besides, a limited number of respondents were included in the sample (only 45 females from the each country). Moreover, one of the strongest limitations is basic statistics. Besides, the only genuine luxury brands were studied in the paper, the replicated versions were left outside of our research. In future we hope to continue our research with Romanian colleagues and include more consumers in our sample, as well as to cover more cities.

In a nutshell, the research contributes to the general understanding of luxury brands consumption in Russia and Romania. The consumption is

determined by different motives as mainly showing-off and striving for beauty in Russia and rationality (craving for high quality) in Romania. Although both Russian and Romanian consumers prefer international brands, their brands preferences are different as well as attitude to the place where the brands are bought. This can be explained by different tastes and reasons for buying the brands. Besides, various brands can be presented and have different level of awareness and acceptance in this countries. The study could be useful for both global and local companies, which plan to do business in these countries or already have been presented there.

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