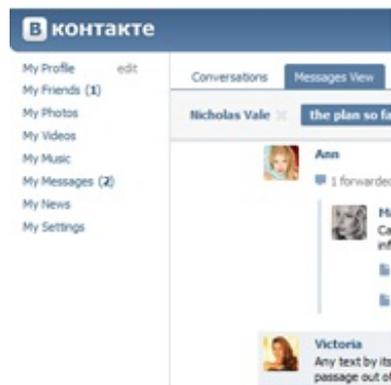


INTERNET

How to market to Russia's rich

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By KAYLA HUTZLER

With Russian consumers spending 9.8 hours per month on social networking sites, digital is the best way for luxury brands to enter the new market. Unfortunately, Facebook is not the only reigning platform in the country.



Consumers in Russia logged the second-highest amount of hours spent on the Internet in 2010, with consumers spending approximately one day per month online, according to comScore. Indeed, this makes the digital realm one of the most cost-effective ways for luxury brands to reach the newly-sought Russian consumers.

"I suggest starting with Facebook, as the brand would generally be familiar with its features and still be able to reach out to a critical mass of relatively sophisticated users," said Leighton Prabhu, head of Russia and the Commonwealth Independent States at [Interstice Consulting](#), Moscow.

"From there, depending on the specific target demographic, it would make sense to run special promotions with some of the other local platforms," he said.

More face time

Facebook is not blocked Russia as it is in China, therefore luxury brands can easily get a foot in the door with the common platform.

Translating their content and posting it on the Russian Facebook interface is perhaps the

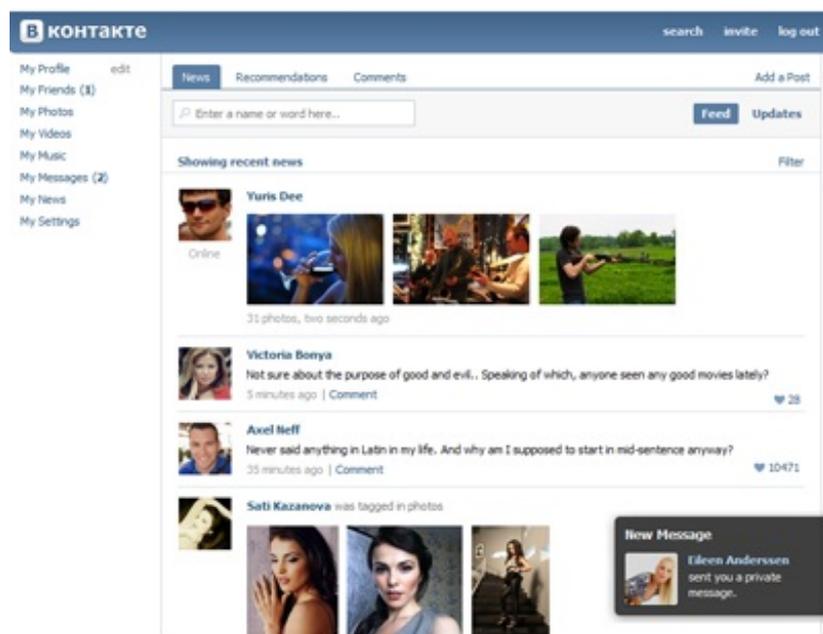
fastest way for marketers to create a digital presence in the emerging market, according to Mr. Prabhu.

However, Facebook, which was launched in Russia in April 2010, was only the fifth most-visited site social networking site amongst Russian consumers last year.

Therefore, it is important for luxury marketers to understand the other existing social platforms in the country to reach the largest number of potential consumers.

In addition to Facebook, there are two major social networking sites luxury marketers need to be aware of: Vkontakte and Odnoklassniki.

Vkontakte, that was launched in 2007, is basically the Russian version of Facebook.



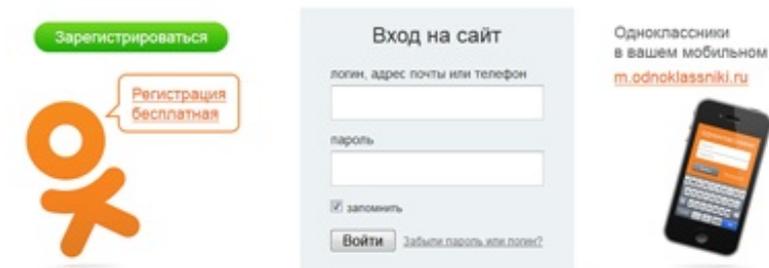
The social platform resembles Facebook in layout, scheme and functions, though it also allows for sharing of music and movies.

Vkontakte reaches 54.2 percent of the Russian population, compared to Facebook's 24.7 percent reach, according to a TNS August 2011 study.

The Mail.Ru group is the largest free email platform in Russia, and owns social networking site Odnoklassniki.ru, which is the second most popular networking site in the country.

Odnoklassniki, which translates from Russian to "schoolmates," is a photo-sharing based site that allows for comments, ratings and reviews between friends.

Odnoklassniki has a relatively higher concentration of users in the 25-35 age bracket, and reaches 38.1 percent of the Russian online population, according to Mr. Prabhu.



Prepping the market

In addition to being familiar to luxury marketers, Facebook also has advantages in terms of the type of audience that it reaches.

Most of the Russian consumers who use Facebook do so because they have traveled abroad, attended a Western school or have Westernized friends, all of which are theoretically a result of a more affluent lifestyle, according to Mr. Prabhu.

“Facebook in Russia is a laggard in terms of overall users, but the demographic it captures is attractive to luxury brands because it tends to be international types with foreign connections and friendships,” Mr. Prabhu said.

“You could say that Facebook in Russia is positioned as a higher-end social media platform compared to its status in other markets like the United States,” he said.

Indeed, Russia is a market that luxury brands should be interested in expanding their brand awareness.

While China is the big name at the moment, luxury brands should focus their efforts in all emerging markets such as China, Brazil, Russia and India, according to a study by Boston Consulting Group (see story).

However, while Russia may not be the saving grace for the luxury market immediately, it is going to be very influential within the next 10 years, according to experts at the Luxury Briefing Wealth Summit (see story).

Therefore, it is important now for luxury marketers to start building brand awareness and inform consumers of the brand’s story and heritage through digital platforms while the market is ripening.

“Brands need not only reach their current customers, but also their aspiring customers, and luxury categories exist in a broad spectrum of pricing brackets, from perfumes to handbags to airplanes,” Mr. Prabhu said.

“I think a presence on social media is important for any luxury brand,” he said. “Russians are some of the most avid users of social media in the world.”

Final Take

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