

RESEARCH

## Chanel, BMW excel in global branding, local customization: study

May 25, 2012



By RACHEL LAMB

BMW, Audi, Louis Vuitton and Chanel are some of the most-searched for luxury marketers in Russia, leading research experts to believe that, given the same results from China, brand visibility is key in BRIC markets, according to findings from a study by the Digital Luxury Group.

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Since cars are more expensive and likely require more research before a purchase, it is not a surprise that automakers come in first in the search results. However, the same seven of 10 brands are the same in both Russia and China, solidifying the fact that, no matter the market, some luxury brands just come out on top.

“It is clear that we live in an international world, especially when it comes to luxury,” said Tamar Koifman, head of marketing at the [Digital Luxury Group](#), Geneva, Switzerland. “Seven out of the top 10 most-searched luxury brands are the same between Russia and China.

“Global players like Audi and Louis Vuitton have honed their craft of maintaining one global image, but with a strong local relevance,” she said.

In collaboration with Russian search engine Yandex and Luxury Society, [The World](#)

**Luxury Index Russia** included 400 of the top brands in fashion, beauty, jewelry, cars, watches and hospitality.

Birds of a feather

The top 10 list includes BMW, Audi, Volvo, Mercedes-Benz, Lexus, Range Rover, Chanel, Infiniti, Porsche and Louis Vuitton.



*BMW X6*

Automakers accounted for 73.6 percent for the most-searched luxury brands in emerging market Russia. Russia is slated to become Europe's largest car market by 2014, according to the study.

"This strong interest for cars and, more specifically, luxury cars, is reinforced in the findings," Ms. Koifman said. "It is important to remember, however, that products with a higher cost and higher impact on one's day-to-day life, like a car, will be more researched pre-purchase than those items that require less consideration."

After automakers, beauty brands were the most-searched category. Guerlain ranked third in the beauty category after Chanel and Lancôme. Guerlain's ranking in China at 10 and United States at 17 gives it a strong global presence.



*Guerlain ad*

Travel is also a well-searched topic in Russia. Topical destinations in Thailand, the United Arab Emirates and the Maldives led Russian searches.

In addition, Starwood Hotels & Resorts' Le Méridien in Phuket off the coast of Thailand held the most search results for Russian consumers.



## *Le Méridien in Phuket*

Jewelry, another big-ticket purchase, played a huge role in search. Swarovski was the top-searched brand at 12th place.

Russian consumers may not be going for subtle beauty, instead favoring gold-and-diamond watches over any other material.

### Market sharing

The fact that some luxury brands have a strong global presence that is location-specific enough to garner search results is beneficial.

However, they should know how these particular consumers look for them.

For example, Russian consumers use the Latin character name of a brand when searching. However, the Chinese consumer likely knows a brand other than its official name and uses that name to find them online.

Therefore, if brands choose to use paid search or tagging in search engines, they should find out what names the public calls them and use those in their marketing.

Another surprising finding was that U.S. brands have not made as strong an impact in Russia and China. In fact, 37 of the 50 most-searched brands are European.

Therefore, U.S. brands should look to step up their game if they wish to gain market share in emerging markets.

“It seems that American luxury brands have struggled to make as strong of an impact in Russia, and China for that matter, as their European counterparts,” Ms. Koifman said.

“This ranking and the insights that accompany it are just the tip of the iceberg of the kind of understanding that can be gleaned from studying consumer behavior in this way,” she said.

### Final Take

*Rachel Lamb, associate reporter on Luxury Daily, New York*

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