

COMMERCE

Rolls-Royce, Bentley reach top-tier consumers via Russian expansion

June 21, 2012



By TRICIA CARR

Rolls-Royce Motor Cars and Bentley Motors are increasing their presence in Russia due to high performance in the emerging market. Other luxury automakers may want to follow in their footsteps by marketing their affluent status, experts say.

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This week alone, Bentley announced its new exclusive sales company called Bentley Russia and Rolls-Royce authorized its second dealer in Moscow, citing sales opportunities in Russia as the reason behind these respective moves. Russia might not be the largest BRIC market, but its concentration of millionaires who enjoy showing off their luxury purchases means it should not be overlooked by high-status automakers.

“Bentley achieved outstanding results in the Russian market in recent times and sees significant growth potential in this market,” said Guenter Behringer, head of Bentley Russia, Moscow. “In 2011, Bentley delivered 164 cars to customers representing a 45 percent increase in deliveries.

“Based on good first quarter results for 2012, we are planning to further strengthen our sales performance during the year,” he said. “Bentley Russia will strengthen the company's leading position in the high luxury car segment and build on the popularity of the brand among Russian customers.

“Russia as well as Brazil, India and China represent important growth markets for the company.”

Rolls-Royce was unable to comment before press deadline.

BRICs and more car

Despite the fact that Russia lags in comparison to its fellow BRIC markets, it is a market that should not be ignored by luxury automakers.

“In 2011, despite the growing economic gloom, worldwide car sales increased over 5 percent from the previous year,” said Bob Prosser, CEO of [Auto World Marketing Corp.](#), San Diego.

“While automotive sales in 2011 slowed in the developed world, emerging markets continue to grow quickly, such as in Russia where sales jumped 27 percent over the previous year,” he said.

“In comparison to other BRIC markets in 2011, Russia was eighth largest in worldwide auto sales, India was sixth, Brazil was fourth and China first, but Russia had the largest estimated growth by far — well into double digits,” he said. “That is hard to ignore.”

Bentley Motors is establishing a new exclusive sales company in Russia based on sales results in the market. The automaker has dealers in Moscow and St. Petersburg.

In fact, Bentley is the best-selling luxury car brand in Russia with a sales increase of 45 percent in the country in 2011, per the automaker.

Bentley Russia will work to keep the automaker in its position in the Russian market, attract new consumers and enhance the experience for existing Bentley owners, according to the company.

“The number of affluent, discerning buyers in Russia is obviously increasing, and the 45 percent jump in Russian Bentley sales last year cannot be ignored,” Mr. Prosser said. “If I lived in Moscow and was in the market for this class of automobile, the all-wheel-drive Bentley Continental GT would be one of my top choices for winter driving.”



Bentley Continental Flying Spur

Rolls-Royce is also expanding in Russia with a new dealer location in Moscow.

The Avilon dealership in Moscow is the second authorized dealership in Russia's capital. The showroom will open in July with Rolls-Royce CEO Torsten Müller-Ötvös in attendance.

Rolls-Royce sales in Moscow doubled last year in comparison to 2010, the brand said.

The automaker's reasoning behind the new authorized dealer is that Moscow hosts the highest number of billionaire residents than any other global market.



**ROLLS-ROYCE MOTOR CARS
GHOST SIX SENSES CONCEPT**

(04/2012)

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Rolls-Royce Ghost

Meanwhile, Rolls-Royce is also opening a new sales and service facility in Nyon, Switzerland, which is near Geneva, as a part of its plan to continue developing Rolls-

Royce in Europe. This location was chosen due to its international atmosphere, per Rolls-Royce.

“Russia is certainly a growing marketing and is still a relatively unexplored, unexploited market for luxury brands,” said Milton Pedraza, CEO of the [Luxury Institute](#), New York.

“There will be high growth in the luxury segment in the next 10 to 20 years, and may be more vibrant than European markets such as Spain or France,” he said. “While it may slow down a bit, there are still many growth opportunities for luxury brands.”

If you got it, flaunt it

As a relatively new luxury market, Russian consumers are not shy about flaunting their wealth, which is why ultra-luxury car manufacturers such as Rolls-Royce and Bentley will probably do well there, per Luxury Institute’s Mr. Pedraza.

Russia has a large number of billionaires and millionaires relative to its size.

“In the culture, it is acceptable to show off personal luxuries and, in that sense, it is a wonderful match for luxury automakers,” Mr. Pedraza said. “These consumers like to show their wealth more than other cultures, so these very discernible automobiles are perfect for the market.

“Some of the other Western markets have become less showy and more understated, but Russians are the most flamboyant,” he said.

Russian consumers are already in-the-know when it comes to the top luxury automakers.

In fact, automakers accounted for 73.6 percent for the most-searched luxury brands in emerging market Russia, according a study by the Digital Luxury Group. Also, Russia is slated to become Europe’s largest car market by 2014, per the study ([see story](#)).

To reach these consumers, luxury automakers should present events and one-on-one interactions with the brand.

Marketing efforts that build relationships will be beneficial for luxury automakers breaking into the emerging market.

“There is a role for advertising in Russia, but these consumers are already knowledgeable and well-educated,” Mr. Pedraza said.

“They do not need to be told that these brands are the best,” he said. “What they do want is one-on-one outreach from these brands.”

As in any luxury market, brands should keep the essential elements of status in their marketing efforts.

“Bentley and Rolls-Royce can better serve their existing customer base and also make it easier for prospective Bentley owners to buy and service their new acquisition, and to be pampered while doing so,” Auto World Marketing Corp.’s Mr. Prosser said.

“As in any affluent market, these brands should make sure that they are always perceived

as a status – a symbol of power, luxury, wealth and style.”

Final Take

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