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**Entrepreneurship in Luxury Fashion:  
How Are International Fashion Brands  
Evolving in Romania?**

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**Abstract**

*This paper analyses the evolution of the Romanian fashion market, a market that has experienced expansion in the last 20 years. Since 2000, various luxury brands have appeared on the Romanian luxury fashion market. Among the brands are Louis Vuitton, Valentino, Gucci, or Dolce & Gabbana. The paper includes a qualitative research, with an interview with open questions, with a Romanian entrepreneur, who introduced a fashion brand, Elisabetta Franchi, on the market, in a franchise system. The interview was based on questions to identify how the brand has evolved in Romania, what are the obstacles and opportunities, the evolution of brand consumption on the market, but also what are the customer preferences. In addition to these aspects, the research aims to identify what are the marketing strategies, what is the impact of digitalisation and social networks, but also of tourism for shopping purposes. It is important to mention that Romania is not only a luxury fashion consumer market, but also a production market. Important international brands, such as Louis Vuitton or Max Mara, have moved their factories to Romania, due to lower costs, but also to the quality of manufacturing. This work is innovative, because it draws attention not only to the historical evolution of the luxury fashion consumer industry in Romania, but also to the future prospects, in a globalist context, resilient and exposed to numerous changes and adaptations.*

**Keywords:** Romanian market, luxury fashion, Elisabetta Franchi.

**1. Introduction**

The term "luxury" comes from the Latin "luxus", a word that we find in all Latin languages, such as French, Romanian, Italian, Spanish, or Portuguese. This term

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defines opulence, extravagance, high lifestyle and abundance (Dobre et al., 2016). From ancient times to today, the term luxury cannot be attributed to practical concepts, luxury being more symbolic (Kapferer & Bastien, 2009). It is said that luxury is like a large peacock with beautiful feathers, attractive, but lacking functionality and utility. Famous and haute-couture brands, such as franchises, Dior, Chanel, or Yves Saint Laurent, involve the emotional side, in its luxury fashion concepts. At the opposite end of the world, in China, but also in other Asian countries, a luxury brand is immediately associated with wealth or prosperous financial status. In mature markets, for example in Germany, comfort is often chosen over luxury and unnecessary waste of money. Luxury consumption is an emotional, subjective subject, because in most cases, the purchase and consumption of luxury goods or services is not about a necessary or high-quality product, but about status, image, and membership in a certain select club. The purchase of luxury means defining social status in a society, and not necessarily a specific need. Luxury goods or services offer a certain image and a certain position to the consumer. The acquisition of luxury inevitably attracts social admiration from the circle of people we surround ourselves with and can also attract influence. It is important to emphasise that there is also the emotional attachment of people to a particular brand or service, because the consumer associates himself with the brand. If the brand is evaluated as luxury on the market, inevitably the person who consumes the product will be categorised as a person with a good position (Puiu et al., 2021). In a big world, with diverse and numerous cultures, the image of a luxury product is perceived increasingly differently. In emerging markets, such as Romania or Brazil, people save to afford luxury goods, with the aim of obtaining a status. On the other hand, in influential societies, such as Sweden, Austria, or Germany, luxury means refinement, that you acquire through merit and that offers a state of relaxation. In these last-mentioned cultures, allowing luxury does not imply a financial constraint (Ochkovskaya, 2014).

On the local market, in Romania, consumers also associate luxury with aesthetics, with the beautiful side. For example, in stores in Romania, Dolce & Gabbana excels in the aesthetics side when it comes to clothes, and the Italian brand, in the accessories side. At the same time, certain brands are in high demand, strictly for a certain category of products that they develop and offer. Thus, Dolce & Gabbana for clothing items, Furla for accessories, Chanel or Dior for perfumes, Christian Louboutin for shoes (Ochkovskaya, 2014). Luxury fashion brands are catalogued in various categories. For example, the house of Hermès is a brand that mixes emotional heritage and craftsmanship. Louis Vuitton combines traditional values with modern and sophisticated accessories. Louis Vuitton also has marketing campaigns that are current in the world we live in and its changes. The brand uses in its campaigns the idea of cultural and qualitative heritage, combined with functionality (Nagasawa, 2008). Both Louis Vuitton and the Marc Jacobs brand, through their marketing strategies and brand values, manage to retain their consumers very well and in the long term (Nagasawa, 2009). There are other companies, such as the famous Hermès brand, which retains its customers through success stories, such as the well-known

Kelly bag. The concept of “luxury consumers” has become a term of particular importance for company management, because this category of customers requires special attention, because they require that the services be luxurious, when purchasing goods, offering a luxury experience. There is also the idea of “visual luxury consumers” among the management of luxury companies. This last-mentioned category aims for luxury goods to offer not only quality, but also the visual image, that the product it uses is a luxury one, of quality (Armitage, 2024). At the time of writing, the world is facing radical changes in various sectors, including that of luxury fashion. Currently, we live in the era of advanced technology, social networks, technological innovation, an aspect that influences consumer behaviour. Today, marketing campaigns and the exposure of luxury brands are no longer done only on the street or in physical format. Marketing campaigns and online sales have become aggressive, taking over the internet. There is no social media page, or internet window, that does not have promotions and direct links to various online fashion sites and stores (Dobre et al., 2021). There are studies that show that a few years ago, in 2018, of the total sales of luxury fashion, online sales represented only 8%, but in 2025, they are 19%. It is expected that in the coming years, the percentage of online sales will reach huge proportions. In terms of value spent, if in 2018, 20 billion euros were spent online on luxury fashion, in 2025 approximately 74 billion euros will be spent. Western Europe maintains the same line as many years ago, but Eastern Europe shows a vertiginous increase in online purchases of luxury fashion, but also in the large amounts of money spent.

There is an improvement and development of living standards in the world, which also attracts the possibility of investments and purchases of luxury fashion goods. For this reason, large luxury fashion companies speculate, betting on winning more consumers for their products, because they want to increase their social position through the brands they wear, thus building a new identity through exclusive goods (Werner et al., 2025). Although luxury fashion products remain an investment in social position, these goods also represent an investment, because the prices of the products are not cheap and not accessible to everyone. Thus, the competition between luxury brands is increasingly fierce, in the fight to win new customers (Peishan & Yufei, 2021). Given that European markets are stagnating in terms of luxury consumption, major brands are turning their attention to emerging markets, where new rich people are emerging, such as China, India, or Brazil (Chen et al., 2023).

## **2. Problem Statement**

The Romanian market has experienced a formidable evolution from the 2000s to the present. If 25 years ago, the market was a marginal one, now Romania is an important hub for sales and production. Romania's potential is great, with more and more rich people with real financial power appearing on the market. This change demonstrates the evolution of the business infrastructure of luxury fashion, the evolution of consumption, but also the adaptation to international luxury standards. Romania first encountered luxury fashion brands through large shopping malls, such

as Bucharest Mall, Plaza Romania and later, Baneasa Shopping City. The first affordable luxury brands to penetrate the local market were Emporio Armani, Armani Exchange, Hugo Boss or Max Mara. This evolution announced the development of the middle class in Romania. Subsequently, the luxurious commercial complex Baneasa Shopping City attracted numerous other brands, such as Michael Kors, Furla, Prada, Fendi, or Givenchy. Later, the Louis Vuitton store was launched on the ground floor of the luxurious hotel in the Romanian capital, JW Marriott, in the glory year, 2008, then opening a store in 2019, and in Baneasa Shopping City. Gucci is another luxury brand, which made its glorious debut on the local Romanian market, on the most famous and fashionable boulevard in Romania, on Calea Victoriei, on the ground floor of the luxury hotel at the time, Athénée Palace Hilton, in 2010. Later, on the same famous street and full of luxury fashion stores, Burberry, Dolce & Gabbana and Michael Kors appeared, in a franchise system. In the luxurious One Athénée complex, other brands, such as Valentino, Jimmy Choo, Celine, and Loewe, later appeared.

### ***2.1 Recent Transformations and Post-Pandemic Market Acceleration***

The years following 2019, marked by the coronavirus pandemic, have called into question Romania's economic recovery and the recovery of consumerism. It is important to mention that, following studies conducted in Romania, local luxury fashion consumption increased after the pandemic by 13.8% compared to the period before the health and economic crisis. Investors and business people speculated on this evolution and this rapid and vertiginous growth, introducing brands to the market, such as Jimmy Choo, Celine, Loewe, Zegna, Valentino, and Santoni, in a place full of history and tradition, Știrbei Palace. Later, the Hermès brand was launched in the stores in One Athénée. The Louis Vuitton brand experienced a fulminant expansion in Romania, after the health crisis, moving its store in place of the Gucci store, to the partner of the current Intercontinental Hotel, in the heart of Bucharest. The Gucci brand has left the Romanian fashion market. Romania is a fast-developing market, with the purchasing power and education of consumers. There is a trend towards mono-brand stores, where only one brand is sold, because these stores offer exclusive services. The services include personalised tailoring, VIP services, access to new collections, personal shoppers, etc.

### ***2.2 Romania, a Hub for Production and Consumption for Global Brands***

The superpower of the Romanian market lies in its capacity to produce high-quality, luxury fashion products for global brands. Prada, Louis Vuitton, and Max Mara have moved their factories to the Romanian market, in counties such as Sibiu, Alba, or Timiș. This trend is due to the cheap and skilled labour force in Romania, but also due to the high-quality products. There are factories, such as the one in Focsani, called Artifex, Pandora Prod, or Formens in Botosani. These mentioned factories collaborate with international luxury brands, such as Moncler, Burberry, Hugo Boss, Zegna, or Loro Piana. These factories subsequently export the goods to

Asian markets, Western Europe, or the United States of America. It is important to emphasise that in Romania there are more and more small, local, family, handcraft, leather goods stores, Romania is transforming into a real fashion hub. The famous and beautiful Italian brand, of high quality, Elisabetta Franchi, has entered the Romanian market and strengthened its presence, by being present in a mono-brand store, on the ground floor of the luxurious JW Marriott hotel in Bucharest, in a sector called Grand Avenue. In this part of the hotel, you can find numerous international luxury brands, such as Valentino, Dolce & Gabbana, Diesel, Rolex etc. The location is exclusive and prestigious, designed to offer customers unique and exclusive experiences. As mentioned above, Calea Victoriei is the most fashionable street in Romania, marked by the presence of countless luxury fashion brands. On this street, you can also find the competitor of the Elisabetta Franchi brand, Max Mara. This brand is an Italian one, which also offers exclusive and high-quality collections.

Louis Vuitton is the most beloved luxury fashion brand in Romania. The brand has increased its presence on the local market, opening a store in the heart of the capital. The store attracts both Romanian customers and tourists and business people visiting Romania. Louis Vuitton has grown amazingly financially between 2008 and 2023, from a turnover of 2.55 million euros in 2008, to 19.96 million euros in 2023. This economic leap represents a 679% increase in just 15 years (ListaFirme.ro, 2024). These numbers demonstrate the interest and loyalty of consumers on the Romanian market towards the French brand. Although in 2020, both the Romanian and global economies underwent substantial transformations, Louis Vuitton's sales in Romania reached 10.67 million euros, up from the economic boom year of 2019. In 2019, the Louis Vuitton brand reached a turnover of 8.83 million euros. At the same time, the figures put the spotlight on Romanians, who have improved their financial status and increased their incomes considerably. It is true that, in the last 35 years, in Romania, the middle class has grown a lot, and this middle social stratum has the greatest purchasing power. Therefore, the French brand Louis Vuitton has not only beautifully and sustainably consolidated its presence on the Romanian market, but also highlights the country's economic development and the financial power of its consumers.

### **3. Methodology**

The methodology of this paper involves conducting a qualitative research to understand the evolution and adaptation of an international luxury brand on the Romanian market. The qualitative research involves a structured interview with open questions, with one of the most important fashion entrepreneurs in Romania, who brought the Elisabetta Franchi brand, but also many others, to the local market. The questions are four in number, open, and focus on identifying what is the consumer perception of the Elisabetta Franchi brand, what are the challenges, opportunities, future prospects, marketing strategies, but also fashion trends. But the focal point is to identify how the Italian brand Elisabetta Franchi has adapted to the European market. The interview took place in physical format, at the Elisabetta Franchi store within the JW Marriott, in Bucharest, on May 8. The discussion took place with the

entrepreneur who penetrated the Romanian market in a franchise system, with the Elisabetta Franchi brand, Mr. Tetrushvili Shlomi, and the founder of Elis Group Impex. Elis Group Impex owns numerous other international fashion brands in its portfolio, such as Valentino, Versace, Fendi, Dolce & Gabbana, or Christian Louboutin. The interview was verbally and subsequently transcribed on the agenda, to be inserted in this paper, with the consent of the person who gave the interview. Thus, the interview offers an overall perspective on the luxury fashion market in Romania, regarding adaptations, challenges, strategies, and opportunities. Although the interview does not have a large number of questions or participants, the conclusions will provide valuable answers, both for the business environment and for the educational environment.

#### **4. Findings**

The following are the answers to the interview with the entrepreneur who introduced the Elisabetta Franchi brand in Romania, Mr. Tetrushvili Shlomi.

*1. How do you perceive the evolution of the Elisabetta Franchi brand since entering the Romanian market until now?*

The Italian brand Elisabetta Franchi entered Romania as products marketed in several stores in Romania. However, the first Elisabetta Franchi mono-brand store was opened on the ground floor of the luxury hotel in Bucharest, JW Marriott, on Grand Avenue, a sector within the hotel, intended for the marketing of luxury brands. The store is owned by the Elis Group Impex portfolio of companies. Elisabetta Franchi products are made in a proportion of 80% in Italy, close to the Milan region, being of superior Italian quality. It is well known that the fashion industry in Italy is one of luxury, quality, and loved by its consumers. Thus, the brand gained great notoriety in Romania, but also due to the beautiful appearance of the items signed by the Italian designer Elisabetta Franchi. The mono-brand store within the JW Marriott hotel had a turnover of 500 thousand euros in 2018, and despite the fact that the country went through a period of economic and health crisis, in 2024, the store reached a turnover of 1 million euros. The store's profit reaches a marginal profit of 20% per year, approximately 200 thousand euros. Since the opening of the physical store, the number of customers has increased exponentially, from hotel customers to well-known people and celebrities in Romania. Although the prices of the Elisabetta Franchi brand have increased substantially, the quality has been maintained, and the notoriety of the brand image on the market has also increased, which has strengthened the brand's image and position. Living proof of the success of the Elisabetta Franchi brand in Romania is the fact that at the beginning of 2026, entrepreneur Tetrushvili Shlomi will open the second Elisabetta Franchi store in Cluj-Napoca. This Romanian city is increasingly attracting the attention of investors. A remarkable moment for the evolution of the brand and the store in Bucharest was the coronavirus pandemic, as many people gave up traveling, stayed in the country and bought from local stores. Thus, due to the fact that Romanians no longer travelled and spent money abroad, money remained on the local market.

*2. What do you consider to be the main challenges and opportunities in managing the Elisabetta Franchi brand in the context of the Romanian market?*

Entrepreneur Tetrushvili Shlomi testified that a huge challenge for the luxury fashion market is that Romanian consumers cannot be loyal to a single brand, always looking for novelty and aesthetics, for the most beautiful things possible. In order to keep up with trends and to try to satisfy the luxury fashion consumer, the Italian brand Elisabetta Franchi launches two main collections per year (spring-summer and autumn-winter), as well as two other pre-collections, with basic items and accessories. Importantly, the brand always reserves its place at the exclusive fashion show, “Milan Fashion Week”, and every year the Elisabetta Franchi collections are launched in Milan. Other challenges for the brand are the dynamism of the market, the ever-changing trends, causing the market and consumers to always be in great search of novelty and exclusivity. Thus, the brand is subject to facing changes to be resilient as a luxury brand, being prepared for new challenges in the future. Also, considering that prices and living standards are always increasing, Elisabetta Franchi also keeps up with this price evolution, this aspect meaning an obstacle to overcome.

The entrepreneur confidently emphasises that the brand has great chances and opportunities for expansion and development on international markets. The brand's image and portfolio can be expanded, by developing product categories. If luxury brands such as Louis Vuitton, Dior, Chanel, or Dolce & Gabbana have bags with a percentage of 70% of sales, Elisabetta Franchi has accessories with a proportion of only 10%. Thus, shoes, jewellery, or bags, represent an important development segment for the Italian brand, so that the brand can expand even more and gain ground among luxury fashion consumers.

*3. How is the marketing and communication strategy adapted to meet the specific needs of the Romanian consumer?*

Like any luxury brand, Elisabetta Franchi has its marketing strategies, but these are not limited to creating advertising posters, commercials, and TV or online campaigns. The Italian brand offers special treatment to its customers, thus managing to gain their loyalty. For example, even within the Bucharest hotel, JW Marriott, the brand offers services such as personalised tailoring, special discounts for the category of loyal and old customers, but also faster access to exclusive products and the latest collections. However, the brand has a very good communication strategy with its customers, always promoting the values and the Elisabetta Franchi label. The brand's founder himself is personally and actively involved in promoting the company, so that consumers gain trust as a brand and products. The mono-brand store in Bucharest also attracts Romanian customers from the diaspora, because they trust that the products will be delivered without problems. Elisabetta Franchi in Romania is developing digital promotion, because in this way the message and information about the products can truly reach potential customers who do not live in Bucharest, or who live in rural areas.

#### *4. How do you see the future of the luxury fashion industry in Romania and the Elisabetta Franchi brand?*

The future of the luxury fashion segment in Romania has a prosperous and bright future, due to the fact that more and more people with financial possibilities appear on the market, but also due to the fact that the middle class of the population is in full development. In this context, more and more people can afford luxury products and manage to afford to purchase from various brands. According to Mr. Tetrushvili Shlomi, Romania offers space and market for international luxury brands. In this framework, in 2026, the company Elis Group Impex will open another Elisabetta Franchi physical store in Cluj-Napoca, will increase its presence on digital platforms and social networks, will create marketing campaigns in cities, but especially in Bucharest, in order to promote the brand, the brand's tradition, the quality of the products and for better awareness among luxury fashion consumers in Romania, regarding the existence of the brand. Developing and further promoting the niche accessories sector (jewellery, scarves, shoes, belts, bags), so that the Italian brand becomes known and loved by consumers, not only for the beauty and quality of the clothing items it offers, but also for its accessories portfolio.

### **5. Conclusions**

In conclusion, this paper proves that the luxury fashion market in Romania has become a more developed, and expanding market. This study highlights the fact that Romania has managed to become a market for international luxury brands, by attracting the first consumers who can afford to purchase such products. The Romanian market is currently a sophisticated one, with consumers who love aesthetics and novelties. Romania has also become an important production hub for world-famous brands, such as Hugo Boss. This expansion is due to the development of the market, the vertiginous growth, due to the purchasing power of consumers, but also to the growth of the Romanian middle class, the class that can afford to invest in luxury fashion items. At the beginning of the 2000s, the presence of large luxury fashion brands was quite timid in Romania, marked by the presence of a few brands, such as Emporio Armani or Hugo Boss, in the main shopping centres in Bucharest. Currently, however, Romania is a focal and strategic point for luxury fashion sales for Eastern Europe.

Emblematic in Romania is the French brand Louis Vuitton, a brand that is expanding, which in 2008 reached a turnover of 2.55 million euros, but in 2023, the turnover reached approximately 20 million euros. This evolution shows the tendency of Romanian customers to purchase luxury goods, for a VIP experience, but also to invest in their status. For Romanian consumers, a luxury fashion brand demonstrates a certain high position in society.

Through the interview with the entrepreneur who penetrated the Romanian market with Elisabetta Franchi franchises, it demonstrates a high interest of the Romanian consumer towards quality brands with aesthetic qualities. The Elisabetta Franchi brand has consolidated its presence on the market, thanks to the exclusive services offered, but also due to its well-promoted image.

Elisabetta Franchi recorded a turnover of 500 thousand euros in 2018, and in 2024, a turnover of approximately one million euros, with a marginal profit of 20%, approximately 200 thousand euros annually. This growth is due to the fact that the Elisabetta Franchi brand managed to adapt to the conditions imposed by the coronavirus pandemic, so that many customers no longer travelled abroad and turned to brands with a physical presence in Romania.

In the future, the Italian brand is going to consolidate its presence, by opening a new store in Cluj-Napoca. Another important factor is the diversification of the product portfolio, by developing the accessories segment, but also strengthening the presence in the online environment, in order to attract as many customers as possible. The Italian brand will consolidate even more, thanks to its exclusive services offered, such as VIP services.

Although this research has its limitations, the conclusion is a valuable and prominent one and concretely demonstrates the evolution of Elisabetta Franchi in Romania, and not only of this brand, but of the luxury fashion industry. Based on the research, it can be highlighted that Romania is an important space for luxury fashion, both as a sales market and as a production market, which will attract investment from many international luxury brands in the future. By continuing to develop infrastructure, invest in education, and consolidate the economy, Romania will succeed in attracting more and more trust from foreign investors in the future. At the same time, Bucharest has the potential to become an important shopping destination for Eastern Europe.

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