

**KARELIA UNIVERSITY OF APPLIED SCIENCES**

MD. ASHRAFUL HAQUE NABIL (0800760)

**CONSUMER BEHAVIOR IN THE TABLET COMPUTER MARKET IN  
MOSCOW**

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Tikkarinne 9

80200 Joensuu

Tel: +358 13 2600 6404

Fax: +358 13 2600 6401

**Author:**

MD ASHRAFUL HAQUE NABIL

**Title:**

Consumer buying behavior in the tablet computer market in Moscow  
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**Abstract:**

This study researches the consumer behavior in the tablet computer market in Moscow. In the theoretical part, consumer behavior is highlighted: first of all the basic model of consumer behavior, then the concepts of consumer behavior, the buying process and lastly the main factors which affect consumer behavior have been discussed respectively. Afterwards, the cultural factors are brought into the discussion and linked to consumer behavior: how do cultural differences affect buying behavior, are there notable Russian cultural peculiarities, and how do they shape the consumer behavior of Russian people?

The data collection was carried out in Moscow, by using a survey. 75 customers in five tablet computer retail stores were interviewed. The outcome of the survey shows that tablet computer is a very popular IT product among all young and middle aged people. Day by day the tablet market is growing rapidly in the Russian market, especially in Moscow. In the Russian market, young students and professionals especially like tablet computers for social networking. The stylish look and portability is also another factor behind the popularity of tablet computers, which can make computing tasks a lot easier in many cases. Apple Ipad is the most popular tablet computer brand in the Russian market. Other brands such as Samsung Galaxy Tab, Asus Pad etc. are gradually becoming popular for offering good configuration at a cheaper price. Consumers prefer to buy mid-range tablet products more often according the best price/performance ratio. Men are the most frequent buyer in the tablet market of Moscow, as they like to buy it as a gift for several national occasions in Russia.

Tablet computers have a lot of things to offer almost everyone. However, the biggest target group which is the young generation and professionals has a huge potential in the market. Russia is already one of the biggest IT markets in the world and being the capital, Moscow has numerous possibilities in this sophisticated product lineup. Since the tablet computer is becoming more and more popular, a specialized shop only for selling tablet computers and relevant services would be very successful in Moscow.

**Language:** English

**Pages:** 61

**Key words:** consumer buying behavior, buying decision, IT market, Tablet, computer, Moscow, Russia.

# CONTENTS

## ABSTRACT

<b>1</b>	<b>INTRODUCTION .....</b>	<b>5</b>
1.1	Russia- an emerging tablet market .....	5
1.2	Objectives of the study .....	6
1.3	OY STN Electronics Ltd. ....	7
1.4	Outline of the study .....	8
<b>2</b>	<b>CONSUMERS IN THE MARKET PLACE .....</b>	<b>9</b>
2.1	Consumer behavior.....	9
2.2	Decision making process .....	12
2.3	Factors affecting consumer behavior and buying decision .....	17
2.4	Maslow’s hierarchy chart of needs.....	19
2.5	The culture and consumer behavior .....	21
2.6	Russian Consumer behavior.....	24
2.6.1	Peculiarities in Russian consumer behavior.....	24
2.6.2	Russian consumption style.....	26
2.6.3	Russian consumers’ attitude towards IT products .....	29
<b>3</b>	<b>RUSSIAN MARKETS.....</b>	<b>30</b>
3.1	Russia as an emerging market .....	30
3.2	Russian market in general .....	31
3.3	Russian IT market overview.....	32
3.4	Tablet market in Moscow .....	33
<b>4</b>	<b>RESEARCH METHODOLOGY .....</b>	<b>35</b>
4.1	Research Methods .....	35
4.2	Validity and reliability.....	37
4.3	Description of the sample.....	38
<b>5</b>	<b>RESULTS .....</b>	<b>40</b>
5.1	Tablet computers or Notebook? .....	40
5.2	Preferences based on gender and profession .....	41
5.3	What makes consumers buying tablet? .....	43
5.4	Brand preference .....	44
5.5	Internet vs Retail store.....	45
5.6	Expenditure on Tablet computers.....	46
5.7	Special occasions for selling tablets .....	47
<b>6</b>	<b>CONCLUSIONS .....</b>	<b>48</b>

## REFERENCES

## APPENDICES

Appendix 1	Research questions in English and in Russian
Appendix 2	Tablet computer brands in Moscow
Appendix 3	List of Company Personnel's from Oldi computers Participated in the Interview
Appendix 4	Retail stores in Moscow where the interviews were carried out

## LIST OF FIGURES

Figure 1	S – O – R model of buyer behavior	11
Figure 2	The decision-making process	12
Figure 3	Decision making process of buying a DSLR camera	13
Figure 4	Factors influencing consumer buying behavior	18
Figure 5	Hierarchy of needs	20
Figure 6	Three levels of uniqueness in human mental programming	21
Figure 7	Peculiarities in Russian consumer behavior	24
Figure 8	The main consumption styles in Russia	28
Figure 9	Economic performance of Russia and the EU	30
Figure 10	Russian IT sector; Historical data and forecasts	32
Figure 11	Top five tablet vendors, Shipments and market share	33
Figure 12	Tablet market share in Moscow	34
Figure 13	Age & gender distribution of the respondents	38
Figure 14	Distribution of professions among the respondents	39
Figure 15	Choosing between tablet or Notebook computer	40
Figure 16	Consumers' preference according to gender & professions	41
Figure 17	Buying preference by gender	42
Figure 18	Share of men and women in the tablet computer market	42
Figure 19	Factors which make consumers buy tablet computers	43
Figure 20	Market shares of brands	44
Figure 21	Share of tablet computer buying from internet or retail stores	45
Figure 22	Spending budget on buying a tablet computer	46
Figure 23	Tablet selling times of the year	47

# **1 INTRODUCTION**

## **1.1 Russia- an emerging tablet market**

These days Russia is one of the fastest growing economies in the world with huge market opportunities. The increasing size of the middle class and upper middle class society made Russia quite successful in getting investments from the various world famous giant companies. Moreover, the availability of natural resources and a competitive exporting business is adding surplus to the Russian economy. It is no wonder that this development is being spread from Moscow, the capital of Russia.

With the inhabitants of almost 12 million inhabitants, Moscow is the largest city in Russia. It has the largest community of billionaires in the world (Forbs magazine 2012). People with plenty of money to spend made this city a gold mine for business. While the price of commodities and services are increasing, the constantly reasonable pricing of IT products have gain an enormous possibility in the market of Moscow.

A Finnish logistics and consultancy company, OY STN Electronics Ltd., is interested in entering in the IT retail market in Moscow. STN is planning to open a retail shop for tablet computers in Moscow as the market of tablet PCs is growing very fast in Russia as a whole, and Moscow is the biggest tablet market in Russia. STN is already providing various logistics and consultancy support in the Russian market, so the market area is familiar in general terms. However, providing logistics service and IT product retailing is not the quite same cup of tea; the latest information regarding retailing business and possible consumers are very important while considering investment in remarkable tablet market of Moscow.

## **1.2 Objectives of the study**

The purpose of this research is to find out the features of the consumer behavior in the tablet computer retailing market in Moscow. Such features include the consumer's preferences for choosing tablet, specific brand awareness, the different consumer groups and the factors influencing buying decisions.

Additionally, points such as consumer buying behavior, buying trends, and other related features will be highlighted. These topics were chosen in co-operation with OY STN Electronics Ltd. The company is looking for simplified information about the consumer buying behavior in tablet computer market in Moscow. OY STN is looking to see how they can market their product to consumers and what the most important characteristics for selling tablet computers in Moscow are.

As mentioned above, the company has some experience in the Russian market, but that is not enough for initiating a completely new business lineup. Hence, it is important to learn from the most successful market leading companies in this field as well as carrying on research among the local consumers.

### **1.3 OY STN Electronics Ltd.**

OY STN Electronics Ltd is a Finnish logistics company. It was founded in 1995. The main business lineup of STN Electronics is to provide logistic service in the Russian market. It uses Finland as the gateway to Russia for trading IT products. STN Electronics Ltd was awarded AAA Company rating certificate in 2011.

At his moment STN Electronics is buying IT products from famous vendors from Asia and then selling them to some distributing companies in Russia. The IT products are transported via STN Electronics. So far STN has earned contracts with SAMSUG, ASUS Tech, Gigabyte, View Sonic, HP, BENQ and Lenovo. The main trading products are computer displays, motherboard, VGA cards, tablet, notebook computers and other peripheral accessories. After having particular products shipped/received, STN transports them to Russian Distributors Company, who then distributes these products to several channels, including their own retailing chain shops in Moscow.

STN Electronics Ltd is planning to get into the tablet computer retailing business in Moscow. According to STN's Moscow business project, there will be an opening for a suitably located Moscow retail store primarily focusing on selling tablet computers. The shop will specialize in tablet computers selling and it will sell only tablet computers from world leading manufacturers.

## 1.4 Outline of the study

This research was carried out in the tablet computer market in Moscow during February 2013. The study outcome report has been divided into following parts:

*Introduction to the research area:* In this part of the research report a brief introduction to the research is discussed. This part contains the general information on what this study is about as well as the research process.

*Literature of the study:* The summary of this part involves defining consumer behavior and how it effects on the buying process. Precisely, Russian consumer behavior is discussed here in the target market area.

*Market area discussion:* This part describes the Russian market in general; especially the tablet market in the Moscow region is highlighted here. The enormous opportunity in the Russian market and the boost in the IT market are the core points of this part.

*Result of the research:* In this part, the empirical data received from the research have been presented and described in an illustrative way.

*Conclusion and Suggestion:* This portion of this report concludes the study with a brief summary of the research analysis and provides further study suggestions to make it more developed and sophisticated.



## 2 CONSUMERS IN THE MARKET PLACE

### 2.1 Consumer behavior

In marketing consumer are the targeted people or group who will consume the product and/or service. It is very important to understand the behavior of consumers on any particular products or service. Trying to sell or market any product without understanding consumer behavior is like looking for something in the dark. Every company wants to know what makes a consumer choose their product over a competitor's, or why a consumer would buy a product. In order to find out the answer, companies put a lot of effort on analyzing the consumer behavior of any certain product or service.

There are various definitions of consumer behavior:

*“The consumer buying behavior of final consumers – individuals and households who buy goods and services for personal consumption”* (Kotler 2001, p. 189)

*“Consumer behavior reflects the totality of consumers' decision with respect to the acquisition, consumption and disposition of goods, service, activities, experiences, people, and ideas by (human) decision-making units”* (Wayne & MacInnis 2009, p. 3)

Consumer behavior is a branch which deals with the various stages a consumer goes through before purchasing products or services for his end use.

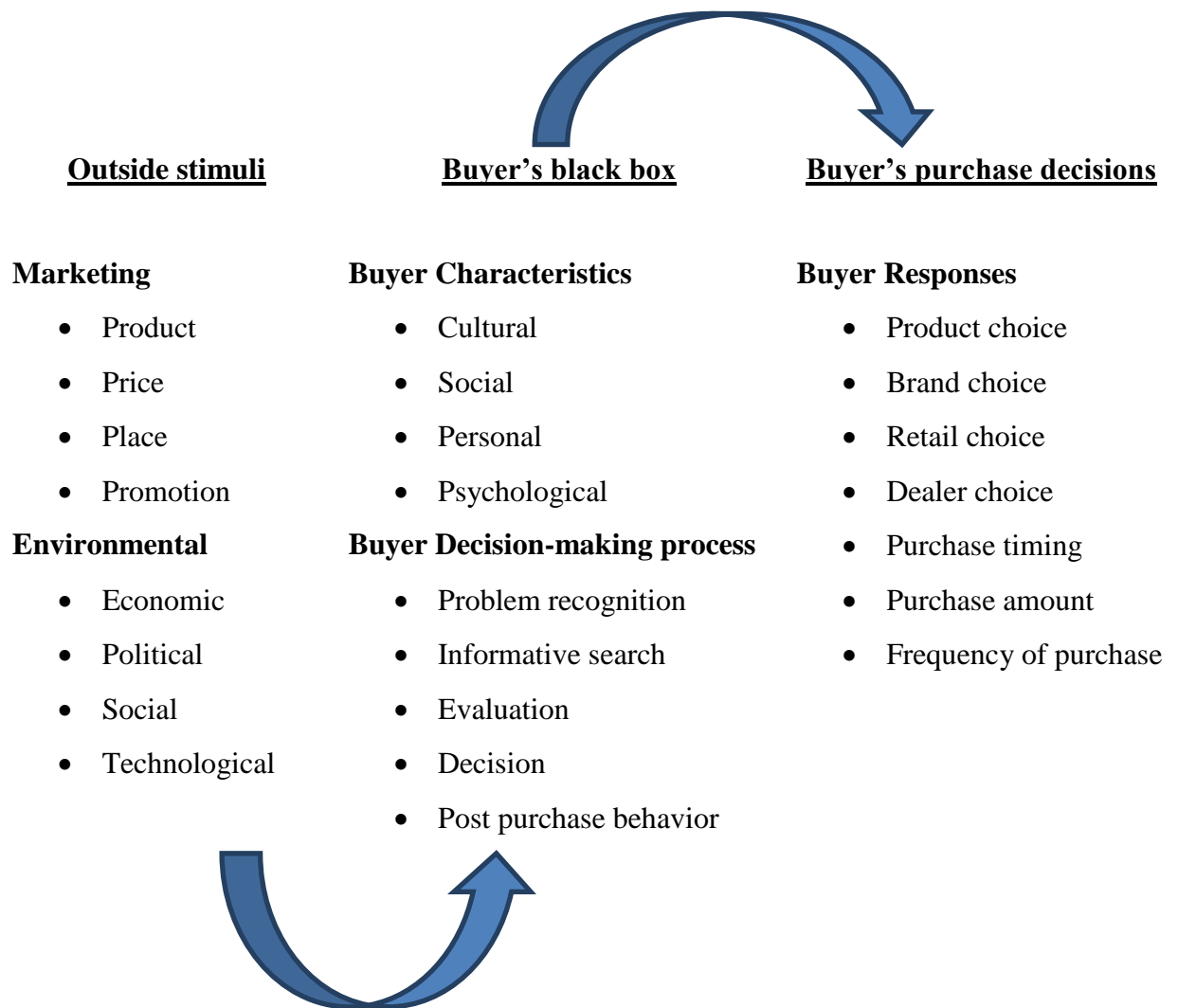
Consumer behavior can be summarized as:

- *Decision of buying:* The thinking process of buying any certain product or service.
- *Need of product or service:* Behaving in case of any need of product for fulfilling demand.
- *Buying behavior:* Buying behavior of end user consumers who buys for personal or group consumption.

According to (Kotler 2001) there is a basic model of consumer behavior called the S-O-R model (stimulus-organism-response) model. This model helps to describe how to get into the consumers' minds and get to know the 'black box' of the buyer. 'Black box' refers to the facts playing in the mind of the consumer while deciding on any product or service. Regarding the stimuli, there are two types affecting consumer buying decisions:

1. Marketing stimuli: consists of the 4P (product, price, place and promotion).
2. Environmental stimuli: consist of major facts and situations within the surrounding of consumer (economic, technological, political and cultural factors).

The just mentioned stimuli (and a few others) affect the 'black box' of a consumer regardless the product (most of the products). The features of a particular buyer affect these stimuli while making a buying decision. According to Geoffrey, Lancaster's (2011, 63) point of view companies must design their marketing techniques according to consumer behavior. The decision executing practice decides which type of buying behavior is to be chosen. Moreover, there are several facts which have an effect on consumer buying behavior; the main point is to understand the 'black box' of the consumer. By understanding the facts regarding what is on consumers' minds, the sellers or vendors market their product with the right technique through a proper strategic approach.



**Figure 1. S – O – R model (stimulus – organism – response) of buyer behavior**

(Source: Kotler 2001).

In the Russian context, there is also a so called ‘fifth P’ (Hannonen 2005) not included to the four Ps of marketing mix. Solaranta (2002) referred that in earlier studies the importance of people in the marketing context was very prominent. A couple of studies carried out in the 1990’s shows that the personal relationship is extremely important in Russian business. This fifth category, the ‘fifth p’, helps to know the target market and its consumers better. A personal network is a competitive business tool in Russia. Without a personal relationship, it is extremely tough to run business there.

## 2.2 Decision making process

Basically, every consumer goes through five stages while making a purchase or thinking about it. The following model illustrates the decision making process of a consumer regardless of any purchase or certain product or service.

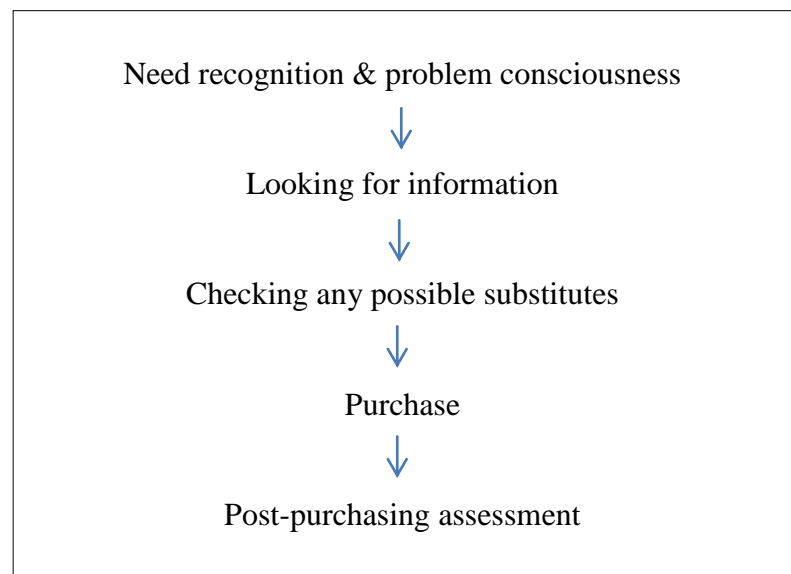


Figure 2. The decision-making process (Kotler 2001).

However, the above mentioned decision making process is not always followed by every consumer in every situation; it can be different as well. Any routine buy or something which is bought frequently by a consumer can be straight from need directly to the purchase. For example, while buying bread if the desired one is not found and if there is hurry, the consumer may right away pick any bread available in the shop (assuming that the consumer is very hungry). Nonetheless, this model is quite handy for understanding any purchase that involves consideration.

Buying a professional DSLR (Digital Single-Lens Reflex) Camera is something which is quite close to a tablet computer in terms of the buying process. Both of them are expensive tools for professionals and nonprofessionals. Therefore, the example of buying a DSLR camera has been taken into account for explaining the decision making process of any certain product. For both camera and tablet it is usual to go through the following stages of the decision making process while buying such products:

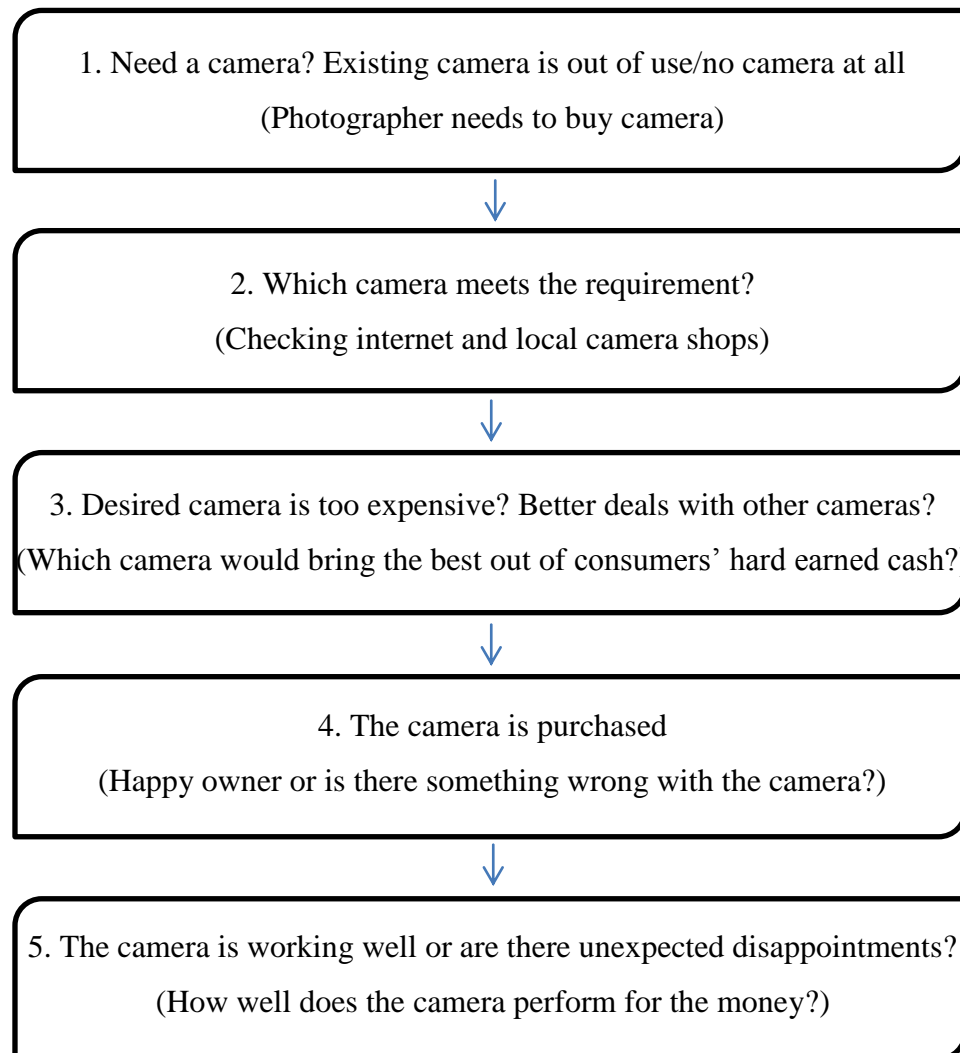


Figure 3: The decision making process of buying a DSLR camera.

According to Kotler (2001) the first stage of decision making begins when a consumer identifies a need, becomes aware of problems and/or reacts to the marketing activities accordingly. For photographers, a camera is a tool for taking pictures. Depending on how serious the photographer is about photography, he or she buys a camera accordingly. If the photographer earns his livelihood from taking photos, getting the expensive camera with optimum specification is very usual and makes more sense. On the other hand, for an amateur who take photos just for fun or travelling then they can be more than satisfied by buying an entry level or a mid-range DSLR camera.

Professional photographers uses different camera for different purposes. A sports camera is quite different than a studio camera used for taking portrait shots and fashion photography. In case of shooting sports or an event, professional photographer needs a secondary camera body (backup camera body). That extra camera body is handy for taking picture in different focal length while the main body is being used for taking the key event or action. Apart from that, a secondary camera body also works as a backup camera in case the main camera stops functioning or has some issues. All of this gives professionals a very good reason to buy a backup camera body.

On the other side of the coin, amateur photographers or photographically enthusiastic people might be interested to buy their first DSLR camera as the price of a modern DSLR costs as low as 250 Euros (price from: [www.verkkokauppa.com](http://www.verkkokauppa.com)). A DSLR opens the door to unlimited creativity for an amateur getting their very first DSLR. Buying a DSLR is considered the first step into professional photography.

Regardless the level when photographers find out they need a camera, they start thinking about buying one. Continuous marketing activities by different camera makers attract them. The attraction to the camera advertising becomes more serious when the photographer feels the need for a camera and wants to get similar product to what is advertised.

After deciding about getting a camera, the next step of decision making continues with checking for information on the desired product. According to the John and Gary (1993, p. 31) the information search in consumer decision making is:

*“Depending on the intensity of the need, consumers either make active information search, or enter a state of heightened attention in which they are open to the reception of information passively.”*

A camera buyer starts looking for the information on the camera after deciding about getting one. These days, the internet is the ultimate source of checking camera specifications, prices, reviews and plenty of descriptions. A local camera shop can also be a good option for inspecting the camera in person rather than just virtually checking over the internet. Taking news or suggestions from friends and family members can be a good source of information as well; this is a great help for the camera buyer deciding on which camera to buy.

Professional photographers will generally look at which camera can be matched with their existing camera body or matching the current camera setup. A photographer shooting actions will search for information on which camera can shoot faster with a high frame rate and capable of managing a high buffer (ability to shoot multiple pictures in one click). On the other hand, an amateur will look for cameras which will take photos just fine, something like a general purpose camera in reasonably price range.

When buying a camera, the consumer looks for desired information which meets personal requirements depending upon the type of their shooting. Information searches give buyers the profound ideas about the product they are going to buy. Checking for information from several sources also makes the buyer more budget- conscious and helps them get the best of their money.

When the camera buyers fix their mind on some specific camera model, then the very first thing they do is check other alternatives. They go for the camera which looks better in their eye or seems better overall. Wayne and Macinnis (2009) think that while a consumer chooses among different competitive products, the product with the best appearance that grabs the attention of the consumer. Usually, it is a very common tendency seen among the consumers to go for the better looking product when comparing them side by side.

While choosing a camera everyone compares them with other models or brands within the same price range. In this part of decision making process, the buyer checks if there is any alternative option available at a cheaper price. There are several websites available on the internet comparing cameras (e.g. [www.dpreview.com](http://www.dpreview.com)). Specifications of camera and popularity of any well-known camera brand plays a vital role at this stage of the decision making process. In the world of photography it is a very old debate whether to go with Canon or Nikon. However, professional photographers shooting with Canon will normally stick with Canon and Nikon pro shooters will go for another Nikon body. These days while searching within own camera brand line up, there are quite many options for a back up body to choose from. Studio photographers or any pro photographers getting a new camera body will check and compare all the available alternatives meeting their requirements. An example of this is when getting a camera with a built in flash trigger proves the better option than buying a separate flash trigger for a camera makes a good deal within the same price range.

Beginner or amateur photographers will more likely to compare basic entry level DSLR(s) within their budget. They will check which camera has more pixel count thinking that more megapixels means better photos, even though pixel count does not necessarily affect image quality in normal print size. For many amateurs and beginner photographers buying a camera with kit lens (the lens that comes with camera in the package) is cheaper option than buying a lens and camera body separately. Consumers in both segments check and compare cameras with other alternatives and pick the best one.



After the camera is purchased, after opening the box every consumer takes their newbie for a test drive to check the usability of the camera. Testing a new camera may provide mixed results. If someone is not happy with the initial impression of the camera then in most cases the purchased camera can be returned within 7-14 days from the purchase (with some conditions depending on locations). The return of the camera can emerge most likely from finding other offers with cheaper alternatives after buying this camera.

Finally, in the stage of post purchase assessment the consumer experiences the product either positively or negatively. Kotler (2001) stated that in this stage the consumer focuses on whether they feel satisfied or disappointed. If the photographer or the consumer is satisfied with the camera, next time he or she will choose a similar product lineup and he or she may even recommend this to others. On the contrary, if the camera fails to make the consumer happy, the consumer perhaps will prefer some other brand or alternatives next time. These perceptions are called cognitive dissonance. John and Gary (1993) wrote an evaluation stage of the decision making process:

*“Evaluation has two components. Consumers establish their beliefs about the features of the alternative products that they consider (perceptions) and they determine, based on those perceptions, their attitudes towards the products (preferences). In practice, consumers update perceptions continually during the search process.”*

After buying a camera or a certain product, buyers may feel that an alternative product would have been a better choice. In these cases, consumers most likely will not make another purchase right away; however it is likely to choose another brand camera or product during the next purchase.

### **2.3 Factors affecting consumer behavior and buying decision**

According to Kotler (2001) there are four types of factors which affect consumer buying behavior. These are cultural factors, social factors, personal factors and psychological factors. Among the four, cultural factors play the biggest role in shaping consumers' buying behavior. Cultural factors have few sub sectors, which are culture, subculture and social class (socio-cultural effect). The social factors affect consumer behavior

pretty much from the social life of a consumer. Social factors the reference group, family, role and status. Additionally, personal factors are strongly influenced by personal characteristics such as consumer behavior through motivation, perception, learning beliefs and attitudes. Finally, the fourth factors, i.e. psychological factors, refer to influencing consumers through motivation, perception, learning beliefs and attitudes.

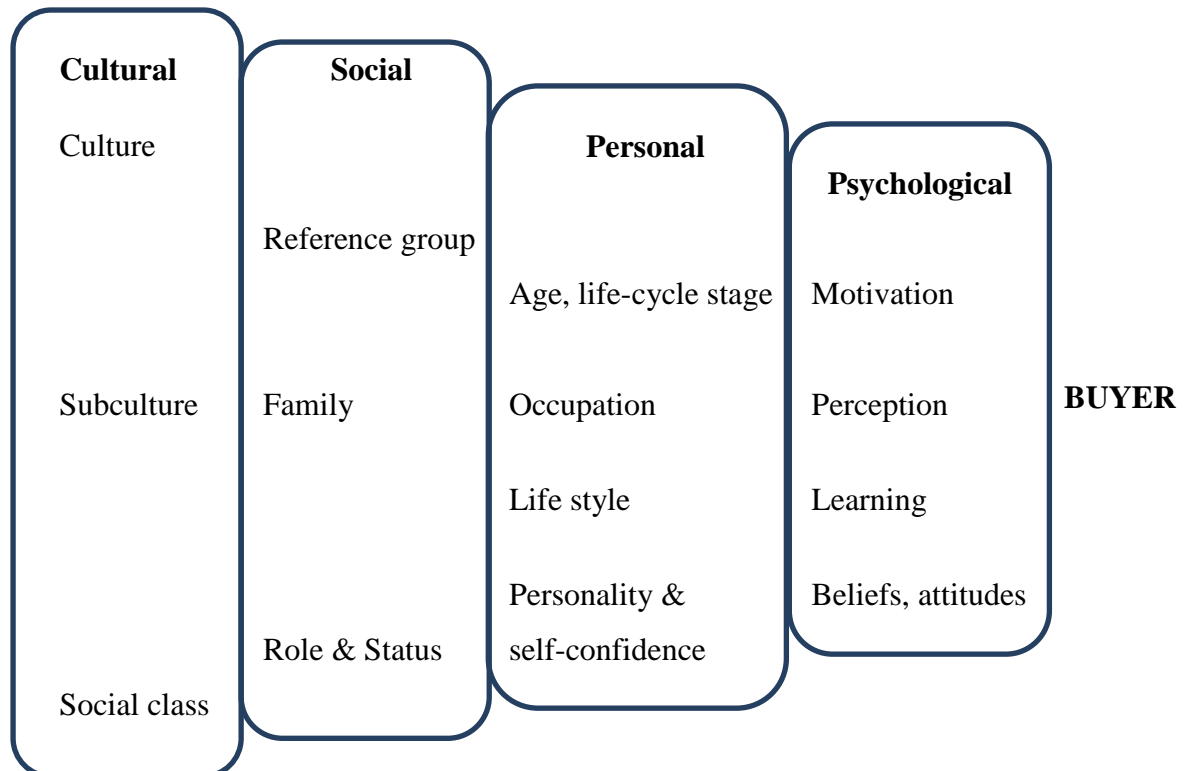


Figure 4. Factors influencing consumer buying behavior (Source: Kotler 2001).

The above mentioned chart illustrates the consumer behavior influencing facts which are applicable for all parts of the world regardless of location. On a macro level, Social factors are the most important while on the micro level personal and psychological factors are considered to be the second most important factors influencing Russian consumer behavior.

Consumers get affected by cultural factors from their early childhood. Their family members, family structure and surrounding situation shape their consumer mind while they grow up. The subculture in a culture refers to a part where people are different

from the whole part of the culture (special race, different religion, group etc.). Subcultural consumer behavior impacts the consumer behavior of certain group of people or members of a family. Social class indicates the hierarchy level of the people controlling each other in the society by social level. Social classes with more power and more financial ability dominate the class with less power and comparatively people with less financial ability. In Russia, the social gap between rich and poor is enormous. The top 10% people earn almost 15 times more than the bottom 10% (Russian Government Statistics office 2012).

Personal factors affecting consumer behavior are mostly age, life-cycle stage of the people, their occupation, lifestyle, personality, and self-confidence dependent. In this part, consumer behavior gets nourished based on the how much the person earns, what his or her job is, what kind of lifestyle they prefer and their personality etc. A unique personal style of living affects how the consumer will behave in the market. Finally, at the psychological point consumers gets inspired by learning form someone they follow or they like. Lifestyle from a fashion icon or someone famous influences the consumer in this segment of buyer affecting aspects. They get influenced by getting motivation, perception, beliefs and by adopting attitudes from somewhere they want to follow.

#### **2.4 Maslow's hierarchy chart of needs**

American psychologist Abraham Harold Maslow (1908-1970) first fully published his hierarchy of needs in 1954. This is a physiological hierarchical theory showing human needs in fulfilling priority. Maslow's hierarchy chart of needs is generally used in a marketing context to illustrate fulfilling the needs of consumers as per their priority. This means the need of a consumer or a person has a hierarchical position where the most important need is satisfied first and then other needs come into the proceeding list by necessity. In other words, human needs are arranged from the most important to the least.

This concept is focused on satisfying one basic need after another. The most important need will be satisfied first, and then the following will take place respectively. Individuals move from one hierarchical level to another depending on situations.

Moreover, the last step requires that all of the lower steps are fully satisfied before a person is able to move towards the last step and feel the self-actualization need. The ranking of needs by their importance is discussed below.

The foremost important need to be satisfied is that of hunger and thirst. Then a human thinks about safety and security, such as accommodation. The social needs come afterwards. Here, a human feels the sense of belongingness, love etc. In the second last stage of needs, everyone wants to get self-esteem, recognition and status in society etc. Finally, the human being focuses on his or her personal-development, realization etc.

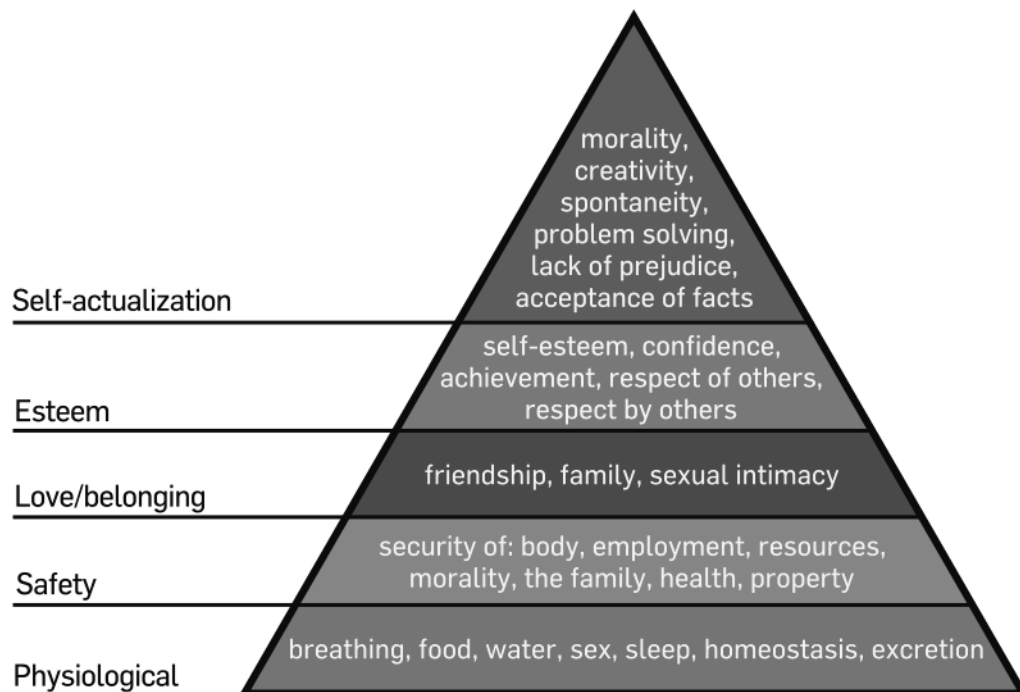


Figure 5. Hierarchy of needs

(Source: Maslow 1970).

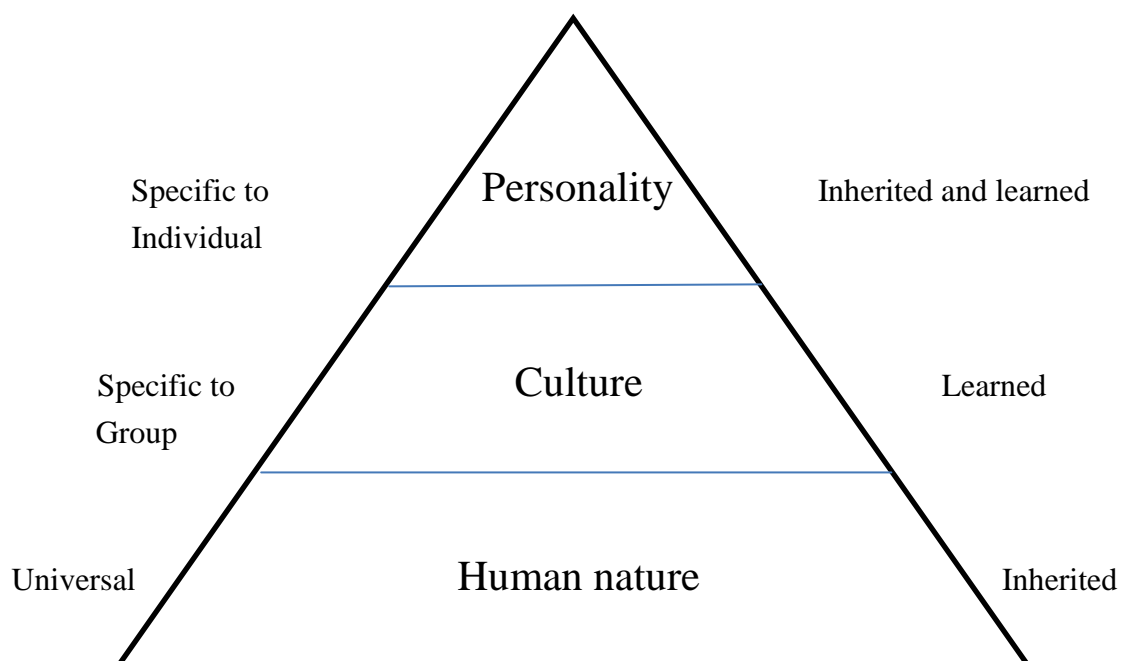
Maslow's hierarchy of needs is considered in this research because it helps to understand consumer behavior better in terms of prioritizing the needs. Consumer behavior combines elements from psychology, marketing and economics. Without understanding the basis of human functioning, it is difficult to draw a comprehensive outline of consumer buying behavior. As mentioned before, a performing level of needs must be partially or fully satisfied before being able to move towards the next level.

For example, a consumer will generally buy a tablet computer or a fancy cloth after having enough money for food, accommodation and other basic needs.

## 2.5 The culture and consumer behavior

Culture is the comprehensive picture of typical and mental functions of a society. It teaches people how to behave as social entity. Culture is meant to be the complete way of life for a certain society together with the material, intellectual and rational dimensions. Culture has great effect on consumer behavior. In the marketing context, consumers in different cultures behave differently according to the different cultural values.

Geert Hofstede (1991) described culture as a combined indoctrination of the people's mentality. Furthermore, he added that culture is not inherited from the previous generation; it is rather learned by the people around in a certain culture which distinguishes one from another.



**Figure 6. Three levels of uniqueness in human mental programming**

(Source: Hofstede, 1991).

People in different country and in different culture act in an unalike way to value their social believes and systems. Unsurprisingly, this has a strong effect on the consumer behavior of people in different cultures. For instance, advertising alcohol in Western cultures is something very commonly seen in the media, but a similar thing is illegal in Arabic countries, where alcohol consumption is strongly prohibited. However, alcohol is available in both Arabic and in Western markets; it is just the matter of drinking it in public or at home. That is why it is very important for multinational companies to understand the facts of cultural diversities in different cultures. Russia is a collectivistic country while Finland is a rather individualistic country. The difference in attitudes of people in collectivist and individualistic countries is huge (Trompenaars 1997). In collectivist culture people tend to behave in the market as a group, i.e. thinking about family, friends and social status more than giving importance on personal choices. Oppositely, the consumers in individualistic countries emphasize more their personal preferences and care less about what other people may think of that product purchase.

The difference between different culture and their consumer behavior is rather wide. Trompenaars (1997) pointed this out while making a comparison between having a burger in McDonald's in Russia and in USA. In Russia, eating a meal at McDonald's is considered to be somehow a high status move, while in the USA dining at McDonald's means eating something cheap and junk fast food when people do not have enough time for a decent lunch or dinner. The above mentioned differences in cultural behavior are very important for international companies and they cannot be overlooked when considering entering into different market.

Anther most important difference between collectivistic and individualistic cultures is that in collectivistic cultures personal interaction is more important. On the contrary, in the individualistic cultures people prefer personal values and success over any collective thinking (family or group). In collective cultures people focus on personal relationship building. The information search part in the decision making process is highly influenced by the by the cultural difference. In collectivistic culture consumer prefer to get information of any product from friends, family or any known person who may have experienced the similar product. However, in the individualistic culture consumers prefer searching for information independently from the internet, by rather e.g. visiting the shop.

A different market requires different marketing approaches considering whether it is an individualistic culture or a collectivistic culture. Funtov (2010) pointed out that in a collective culture mouth-to-mouth marketing works better than marketing through media in general. People in collective cultures trust their friends; family and known persons are good sources of information and the marketer try to build up personal relationship with buyers. A personal relationship with buyers will help to get more sales as buyers may recommend their friends and family or their network in mouth-to-mouth marketing way. Contrariwise, marketing approaches in individualistic cultures are solely for boosting sales by trying to motivate each individual customer independently.

Palis (2011) continues that cultural differences in the marketing context are something which is given high importance while initiating businesses in new cultures. Without taking into account the cultural varieties the marketing attitudes can lead to a terrible failure of business. Kolokolov (2011) explained that advertising a *Nike* shoe in the USA (an individualistic culture) will possibly be more successful by targeting at individuals. The same marketing approaches may ruin the business of *Nike* in Russia (as a collectivistic country) if sellers do not receive any special training to explain to customers about the usability of that newly designed shoe and interact nicely with their customers visiting their shop.

## 2.6 Russian Consumer behavior

### 2.6.1 Peculiarities in Russian consumer behavior

Russia is a country of possibility. It is a country with a lot of interesting facts and peculiarities. Funvtov (2010) stated that Russia is one of the few countries which has many peculiarities in business. Since the Soviet period till now, the consumer market in Russia has seen many changes but there are still many things which have remained unchanged (Repina 2011). A chart demonstrating the peculiarities in Russian consumer behavior has been given below:

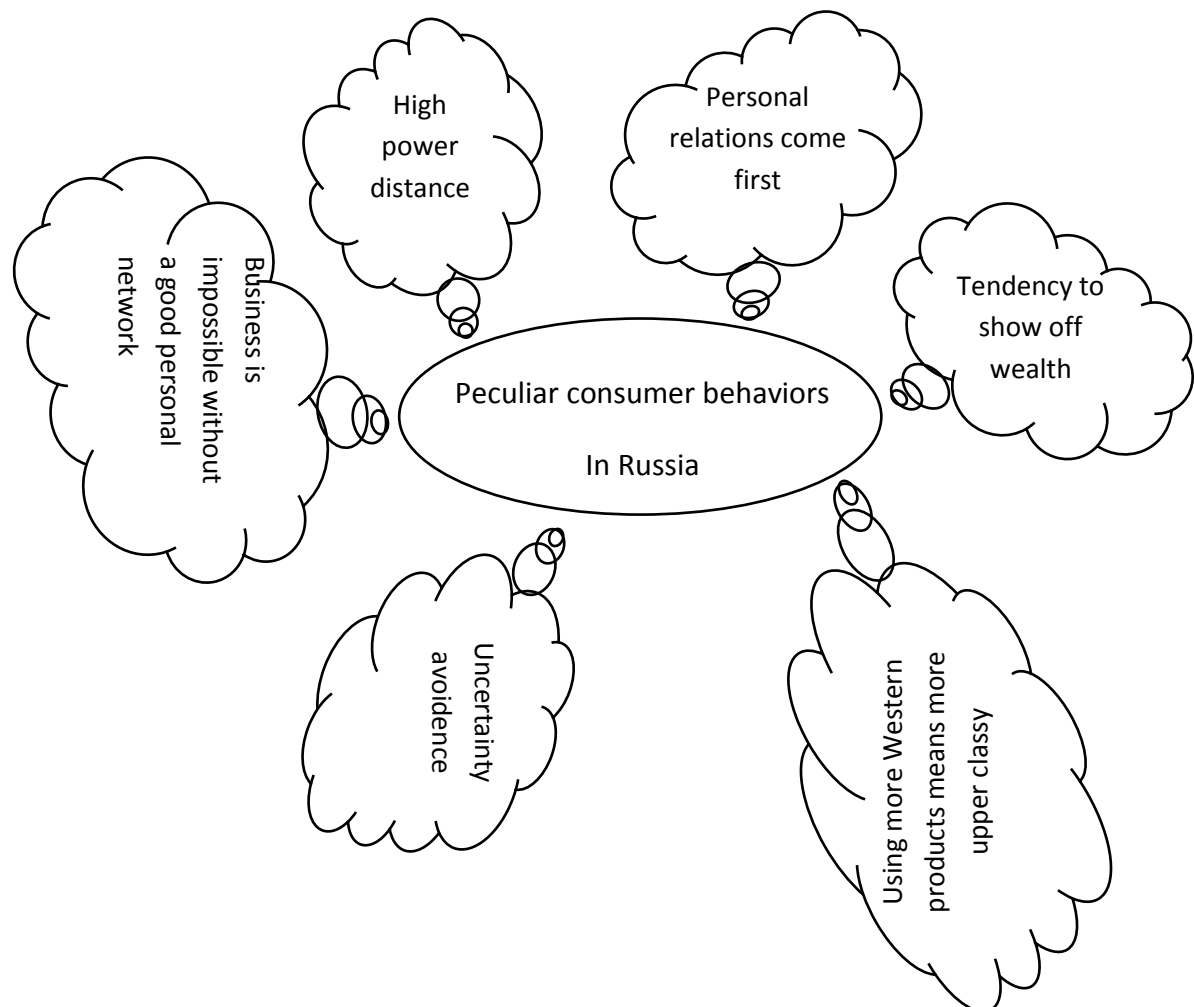


Figure 7. Peculiarities in Russian consumer behavior (Source: Repina 2011).



In Russia, the utmost important thing in business is personal relationships with clients. Everything in business is built on the basis of personal relationship and trust. A personal relation with clients is believed to be handy for many situations in business life. Gavra (2011) pointed out that a personal relationship in Russia is the first key to entering into business. From information searches up to getting more clients and selling products, everything works in a relationship chain with known persons. Solovojova (2011) wrote that the personal relation in Russia creates personal networks from which all people try to take benefit in every possible way, and this is very typical Russians way of behaving. Funtov (2010) agreed on this point and stated that in order to get a new job or promotion, there is no easy alternative of having an inter-personal relationship with the boss of the company. Things such as a 'Personal network relation chain' work. Gouretskaya (2011) stated that according to an old proverb, there is a saying that in Russia things can be altered based on the strength of personal relations! It is literally impossible to maintain a business without a good network concerning the business. In cases of any unwanted situations, a personal relationship may appear as a problem solving factor. For instance, if a seller delivers a defective product and if it happens with a client who is personally known to the seller, then it is much easy to agree on some solution outside of the business rather than preparing a lot of documentation.

Another common fact in Russian culture is the tendency to show off (Solovojova, Gouretskaya, Funtov 2011). People in the society prefer showing off the most beautiful and expensive items. Solovojova (2011) stated that a Russian would prefer to maintain an expensive Mercedes car and would not mind living a low quality life with cheap food and accommodation. The idea is people would see the car, not their home!

Moreover, using Western products more often makes many Russians feel as if they are using comparatively better (if not the best!) products compared to Russian ones. This somehow makes Russian people think that they are a bit better class than the others who are using normal cheaper Russian brands. Western and/expensive products in Russia resemble being the best in Russian culture (Repina 2011).

In this collectivistic country, the tendency to avoid uncertainty is very common among Russians. Trompenaars (1997) stated that Russia is a country of high uncertainty avoidance and high power distance. It means that in Russia it is common to have 'rules

and regulations', but they want to make things so they cannot go wrong. They are not open to change or unusual results. Everyone wants to be sure about how the day will pass even before starting the day. Furthermore, Hofstede (1991) pointed out that Russian people are more interested in the process than the result. As well as that tendency towards uncertainty avoidance, Russians are more dynamic in showing their emotions, anxiety and aggressiveness, all of which affect their day to day business and personal lives. Hofstede (1991) continues that Russians are at some point very helpless considering the high power distance. The subordinate is bound to do whatever his or her boss orders. The unequal power distribution makes the superior boss like an autocrat in the organization.

### 2.6.2 Russian consumption style

These days there are various styles of consumption habits, and consumer market segmentation has risen. Russian consumer behavior is gradually changing as the purchasing power of Russians is increasing. A study conducted by GFK Russian in 2003 revealed seven consumption styles in Russian consumer markets. The research was carried out based on the consumption style of Russians rather than typical demographic gender-age and income features.

The seven major consumption styles in Russia have been discussed below:

1. **Innovator (15%):** This group's consumers' consumption potential is significantly higher than average. Half of the people of this consumer group are below 30 years old, which shows some innovative consumer behavior. Moreover, half of this group is business people and officials of different organizations living in a metro area. As per research it is very typical for innovator group consumers to spend time on active leisure and quite often eating rich dishes in restaurants.
2. **Spontaneous (17%):** This is mainly a male dominated consumer group compared to the innovator group. The spontaneous group has an average potential level; however the consumer behavior tendency is close to the

innovator group. Research showed that people in this group are always in a hurry; time is an important factor and purchases are often made spontaneously. Consumers in this group are mainly working class people who have received only secondary level of education.

3. **Ambitious (15%):** Consumers in this group are a bit less spontaneous from the consumers in the innovators group. However, the ambitious group's consumer behavior is pretty moderate. They mostly rely on advertisements while looking for buying any product or services. About half of the people in this group live in regional capitals and in major industrial cities far from the big cities.
4. **Self-realized (10%):** Self-realized consumer behavior is nearly identical to the group of traditionalist consumers who mostly rely on traditional retail stores which have existed since the Soviet era. However, their consumption potential is much higher than general *traditionalists* consumers (mentioned below). The majority of this group is middle aged women. Consumers in this group value self-reliability in choosing any product over advertisement. They are also health conscious.
5. **Settled (21%):** This group has the largest number of consumers. Their behavior is rather traditional in the markets. New and different products do not attract them much; they prefer well-regarded brands which have already existed a long time. Women dominate in this group with an average level of age and education.
6. **Traditionalist (11%):** As the name shows, the consumers of this group are very traditional and have a comparatively low consumption potential. More than 50% consumers in this group are older aged people who are

retired. They like to shop regularly from the traditional retail stores which have existed since Soviet times.

7. **Thrifty (11%)**: Consumers in this group have the relatively lowest consumption potentials. They have a similarity to the consumer behavior of the traditional consumption style. About half of the people of this group are over 50 years old and have no or minimal education. The main factor for buying any product or service is the price; they go to several stores and check for the best discount with a cheaper price tag. The majority of *thrifty* consumers live in village suburbs in Russia.

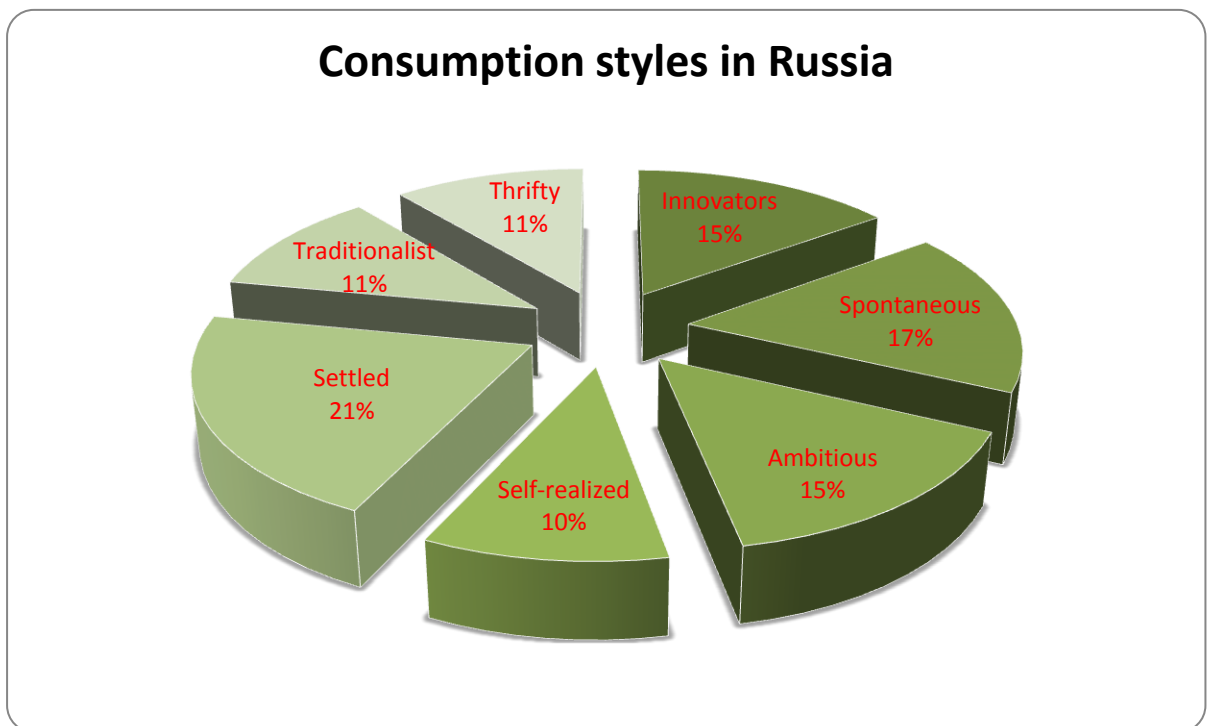


Figure 8. The main consumption styles in Russia

(Source: GFK 2003, Russian Government Statistics office 2004, Hannonen 2005).

### **2.6.3 Russian consumers' attitude towards IT products**

Russians are IT-loving people. Day by day the number of IT product users is increasing. IT products consist of basic mobile phones up to the most expensive Apple computer products on the market. As most of the Russian Federation is covered by mobile phone networks, consumers do have a chance to enjoy wireless internet through mobile network. However, not everyone has access to latest smartphones with internet browsing capabilities. However, the number of people buying smartphones and tablet computers is increasing rapidly. According to RUS official statistics (2012), the number of internet users is increased by 25% in the last 3 years in the Russian Federation. Moreover, over 50% of the total population in Russia has access to high speed internet service. As per the statistics, the total number of Russians using the internet represents 3% of the total population in the world using internet. The more Russians are getting educated, the more people are using the internet, and eventually using the internet makes people use various IT products. These days on various occasions Russians buy IT products as a gift. This is a very good sign of making IT products as the part of their lives. Surrounding the life with a bunch of IT products is just a matter of time. The main feature of IT product consumption is that day by day new products are coming out, and solvent consumers cannot help but get new products. Modern day IT products have a comparatively lower life span, which is also another reason for making frequent purchasing decisions and product upgrading (Juri 2013).

As mentioned before, Russians like to show off their wealth and expensive belongings. A very expensive mobile phone or an expensive tablet computer is something which is a must buy for rich Russians. Smartphones are always the first priority with the social networking facility. As in the every part of the world, social networking fever in Russia is spreading very fast. According to SemioCast, a web business consultant company, the total number Twitter users has increased 60% in the last couple of quarters of 2012. Now there are over 25 million people in Russia connected with various social networking services which is growing very fast every year. Without any doubt, it is not difficult to forecast that with the increasing number of social network users, the sale of IT products will be growing at the same pace.

### 3 RUSSIAN MARKETS

#### 3.1 Russia as an emerging market

The Economy of Russia is keep growing. It is one of the markets in the world which is maintaining a steady growth even in the worst financial times in the Eurozone. According to International Monetary Fund (IMF), the total GDP in Russia was 2022 billion Euros last year (2012). From 2011, it was 3.4% growth in 2012 (IMF extract 2013). Total investment (percentage of GDP) in 2012 was 24%, while in 2011 it was 23.5%. In the fiscal year 2013 the approximate investment within the GDP is 24.5%. The unemployment rate in 2011 was 6.6% which decreased to 6%. The unemployment rate is expected to go below 5.5% in 2013 and 2014 onwards. The oil exports have risen to 220,030 million Euros in 2012 from 215,206 million Euros in 2011. The gross government revenue in 2011 was 518 billion Euros, which had risen to 573 billion Euros, and in 2013 it is projected to achieve 612 billion Euros.

According to a report from Forbes (Adomanis 2012), the Russian economy is growing at a reasonable pace. The next year fiscal year may not be as robust as the last, but it is still growing to a certain extent. Since the midway of 2012, the foreign debt is almost nonexistent and the budget is in balance. Compared to the other EU countries, Russia has a rather decent economic performance while the EU and the Eurozone both are in a consistently awful situation. According to the Eurostat and Forbes, Russia was on the pace to outgrow every EU country in 2012.

- Russia: **2012 second quarter growth 4%, 2012 projection 3.4%**
- Lithuania: 2012 second quarter growth 2.7%, 2012 projection 2.4%
- Latvia: 2012 second quarter growth 4.3%, 2012 projection 2.2%
- Slovakia: 2012 second quarter growth 2.9%, 2012 projection 1.8%
- Estonia: 2012 second quarter growth 2.5%, 2012 projection 1.6%
- Romania: 2012 second quarter growth 1.7%, 2012 projection 1.4%
- Bulgaria: 2012 second quarter growth 0.5%, 2012 projection 0.5%.
- Czech Republic: 2012 second quarter growth -1.2%, 0%
- Hungary: 2012 second quarter growth -1%, 2012 projection -0.3%

Figure 9. Economic performance of Russia and EU

(Source: Forbes, Eurostat 2012).

### **3.2 Russian market in general**

Russia and its market of 143 million people are getting more and more demands for a wider range of products and services. More people are getting jobs and more money is being circulated in the economy which is eventually boosting the economy. The market inside Russia, especially in Moscow and St. Petersburg, is growing every year. Apart from these two cities, some other parts of Russia are maintaining even better growth in business. However, the average income level is much higher in St. Petersburg and in Moscow than in the other parts of Russia in general; these two locations boast higher retail sales volume as well. Higher retail trading and business activities naturally make these two cities the largest economic clusters of the country.

Moscow is the economic center and the largest logistic base of the country. On the other hand as a cultural capital of Russia, St. Petersburg works as a gateway between east and west. Even though both of the cities are metropolises, the difference between these two cities is huge. St. Petersburg is significantly cheaper than the capital Moscow. The fact is that Russia is growing, even though it is having a slightly hard time in oil price drops as well as seeing fewer investments. It is still maintaining healthy growth and expected to grow even faster in the next couple of years.

### 3.3 Russian IT market overview

Russia was the world's fourth largest PC market in 2012. The consumer electronics market in Russia was valued 15.2 billion EUR in 2012 and it is expected to grow 32.13 billion EUR by the fiscal year 2016. More ICT products were sold in Russia than in Germany during the last year.

	2011	2012	2013 (estimated)	2014 (forecast)	2015 (forecast)	2016 (forecast)
<b>IT market(EUR Billion)</b>	14.92	15.2	20.95	24.29	27.92	32.13
<b>IT market Percentage of GDP</b>	1.0%	1.2%	1.2%	1.2%	1.2%	1.2%
<b>PC &amp; Notebook Sales(EUR Billion)</b>	6.54	7.42	8.49	9.61	10.78	12.08
<b>Software Sales (EUR Billion)</b>	2.83	3.55	4.27	5.05	5.92	6.94
<b>Servers (EUR Billion)</b>	0.7	0.8	0.9	1.04	1.17	1.31
<b>Services (EUR Billion)</b>	4	5.14	6.40	7.62	9	10.6

Figure 10. Russian IT sector; Historical data and forecasts

(Source: BMI 2012, Russian Information Technology report).

The above mentioned chart shows that the IT market is holding a very strong position with a continuous growth in Russian market. IT service producers reported increasing demand from the Russian organizations in 2012. Russia has a large domestic market in IT products. Business RT, the leading news media from Russia, reveals that the Russian computer market is heating up as major global players focus on its rapid growth. The extensive usage of IT products in public and private sectors is pulling the IT market up. Wider range ICT product usage in banking, oil and utilities industry coupled with personal usage are the growth factors in the Russian IT market.



### 3.4 Tablet market in Moscow

The tablet market of the whole world is growing rapidly. Figure 11 (given below) clarifies the huge market of tablets in the current economy:

Vendor	1Q13 Unit Shipment	1Q13 Market Share	1Q12 Unit Shipments	1Q12 Market Share	Year-Over-Year Growth
<b>1. Apple</b>	19.5	39.6%	11.8	58.1%	65.3%
<b>2. Samsung</b>	8.8	17.9%	2.3	11.3%	282.6%
<b>3. ASUS</b>	2.7	5.5%	0.6	3.1%	350.0%
<b>4. Amazon</b>	1.8	3.7%	0.7	3.6%	157.1%
<b>5. Microsoft</b>	0.9	1.8%	0.0	N/A	N/A
<b>Others</b>	15.5	31.5%	4.9	24.1%	216.3%
<b>Total</b>	<b>49.5</b>	<b>100.0%</b>	<b>20.3</b>	<b>100%</b>	<b>142.4%</b>

Figure 11. Top five tablet vendors (unit shipment in Billion)

(Source: PC World, IDC worldwide tablet tracker, May 1, 2013).

Figure 11 shows the fast growth of tablets market worldwide. Unsurprisingly, Russia is not an exception in this regard. The tablet market is seeing its peak sales these days in the Russian market, and Moscow is the biggest tablets market in Russia. According to the Russian Financial Control Monitor (2012) the Russian tablet market has grown 360% in terms of sales volume. In 2012, the total sales of tablet computers in Russia were 742.10 million EUR, from which approximately 30% of tablet computers were sold in Moscow (Oldi, 2013). The average tablet price in 2012 was 11% less than the price in 2011. As of now (first quarter of 2013), the price is even lower than the prices in 2012. Statistically, in 2013 the price can be dropped as low as 15% than the price in 2011.

The tablet computer market in Moscow is growing faster than in any other parts of the country. According to the computer shops directory, there are over 700 computer retail shops in the Moscow region selling tablets computers. Unsurprisingly, in tablet computers the market leader is Apple (Ipad). After Apple, Samsung comes with its latest Galaxy Tab(s) tablet computers.

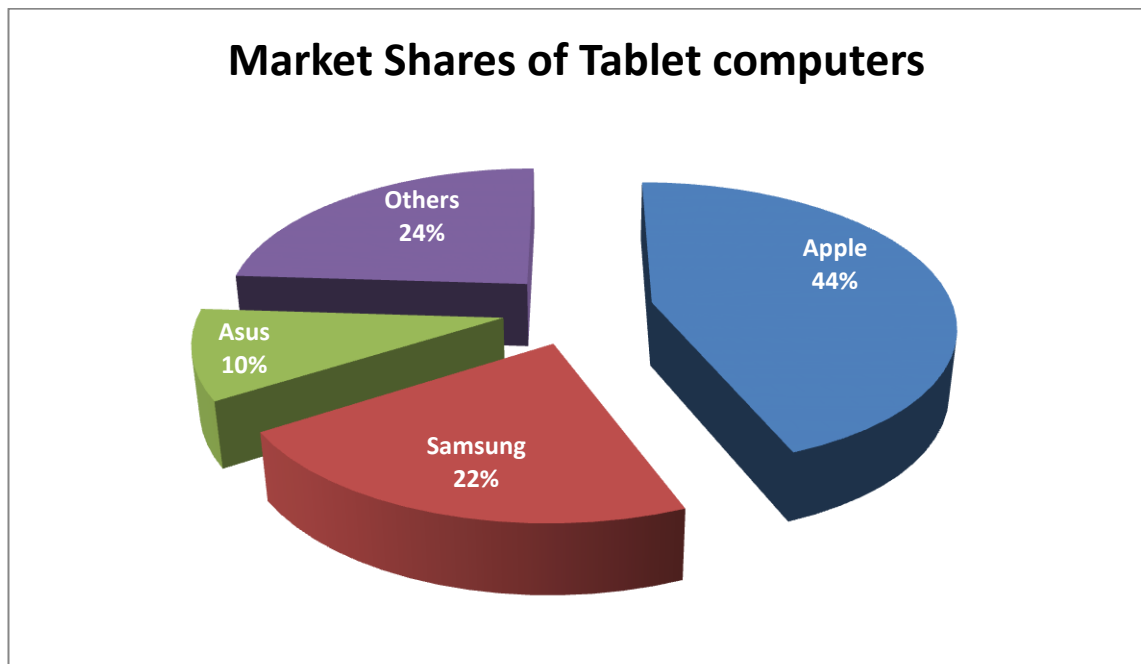


Figure 12. Tablet market share in Moscow

(Source: Russian Financial control monitor 2012, BMI report 2012, RBC).

Figure 12 shows market share of the tablet computers in Moscow. In the figure 11, the market growth of tablet computer gives clear hint that in next few years the present market share of the famous brands will be changed. The fast growth of Samsung products worldwide will certainly affect Russian market where the market is still being ruled by Apple products.

## **4 RESEARCH METHODOLOGY**

### **4.1 Research Methods**

The empirical part of this study was carried out via surveying consumers with the help of research questionnaires. Questionnaire was used to gather the general information for this research. The quantitative method was used because this method shows the approximate picture of a situation of a certain research area. Answering the questions regarding why, how many, what, where, how often etc. gives the chance to simplify the process and present statistical data, which is the core point of quantitative research. On the other hand, this process is often time consuming and highly vulnerable to errors. Apart from that, there is no second chance to make extra observation if the questionnaire is misunderstood by a respondent. Poor response rates, incorrect questionnaire formulation and not providing the appropriate alternative selection in the questionnaire may show misleading results.

The respondents of this study were mainly the buyers visiting computer retail shops in the Moscow region. Regardless of any varieties of buyer type, all buyers who were interested in participating in the survey were interviewed. The goal of survey was to get the opinion about a specialized tablet computer shop in Moscow. Apart from interviewing the consumers, a few more interviews were also made with some Moscow tablet company personnel.

The goal of the data analysis was to find out the overall picture of the consumers' ideas, thinking styles and preferences while buying a tablet computer in Moscow region. The main challenge of this research was to design an appropriate questionnaire (questionnaire given in Appendix 1). While designing the questionnaire, many things had to be taken into consideration, including Russian culture, stereotypes, business systems, market area etc. In order to adapt the survey with a Russian business environment, the questionnaire was designed with the co-operation of Russian language and the business experts in the IT retail field. Those experts were Denis Smrnov, director of retail, Oldi Computers and Tamal Parvez, Executive of STN Electronics Finland. The questionnaire was tested twice, once in a retail store of Oldi Computers in

Moscow, and once in Oldi group's office. Both tests were carried out by market experts, retail store people and office staffs of the company.

The purpose of this questionnaire was to define how a consumer acts and thinks while buying a tablet computer at a retail store or online within the Moscow region. As a result, the survey was illustrative and evocative. The primary data used in this study was collected during February 2013 in Moscow. Questionnaires were kept at computer retail stores, and interested customers were requested to fill them out. The main challenging part was to get customers to fill out the questionnaires. The author and the retail store employees were able to survey 103 customers in 5 different retail stores in the Moscow region (see the list of retail stores in Appendix 4). With the co-operation of the retail store's employees, the whole survey process was carried out. As stated before that there were no specific criteria for choosing consumers for interview, every interested customer was requested to take part. The successful hit rate to get interested consumers to fill in the questionnaire was approximately 40%. Roughly, 100 people were requested to fill out the questionnaire and among them 80 people showed their interest and filled out the questionnaire. Unfinished and incorrectly filled questioners were rejected. Out of 80 filled questioners 75 pieces were correctly filled in and kept for analysis.

## 4.2 Validity and reliability

Reliability is accomplished by carefully handling all the data and related procedures. Validity shows the correspondence of the result with the reality. Validity can be divided into two sections-external validity and internal validity. The internal validity is the research measure at the core point of the survey. External validity is connected with generalization, in terms of how the findings of the study can be generalized. This quantitative research makes it possible to generalize information through statistical result analysis (Gummesson 2000 and Yin 1994).

There is always a risk of getting wrong or misleading answers. However, the author believes that the information gathered through questioners is truthful, sincere and accurate. The following facts make the study precisely valid and reliable:

- The interview was conducted with the supervision of the author and the retail experts.
- Only those who were interested to participate were interviewed no pressure or annoyance was applied any of the respondents.
- Questionnaires were explained to the responding people in the ICT context so that they could answer it properly.

There were also secondary sources used in this research process. Various scientific journals, relevant articles and books accepted in international business field were used to gather information for this study. The author made several interviews with the tablet computer retail company personnel of Oldi Group in order to get a comprehensive overview in the tablet computer business in the Moscow region. The list of personnel who participated in the interview is available in Appendix 3.

### 4.3 Description of the sample

The total numbers of collected questionnaires were 80 and out them 75 questionnaires were correct and analyzed. The goal was to find consumer behavior of the visiting consumers in the retail stores. In the questionnaires, consumers were asked to point out their preferences and related facts while buying a tablet computer.

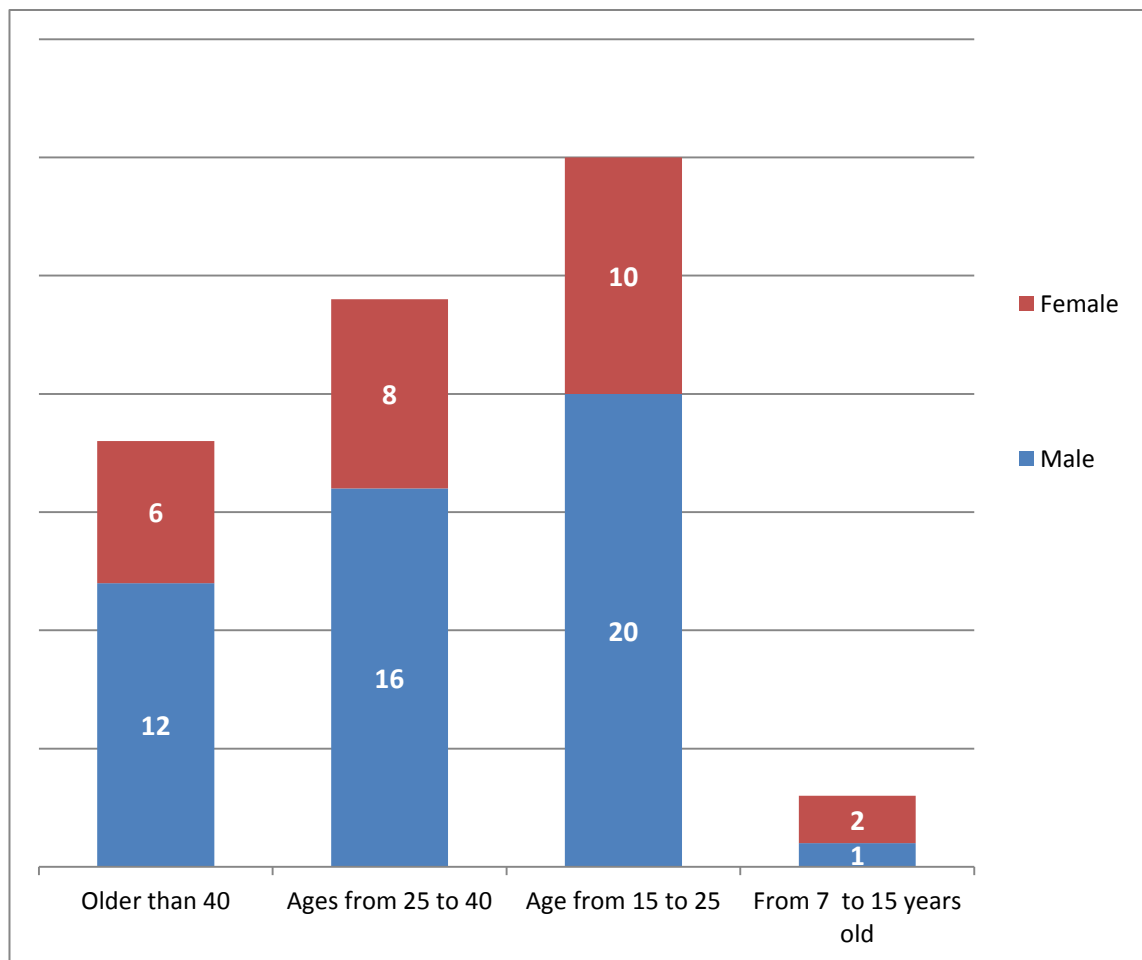


Figure 13. Age and gender distribution of the respondents.

In the figure 13, the age and gender distribution shows the age groups of the male and female respondents. It gives an approximate picture about the tablet computer buyers. As it is seen, the most active buying group is consumers aged from 15 to 25; this group includes such buyers as those who prefer changing and upgrading to newer versions of ICT products quite often. The number of male buyers are significantly higher than female buyers among all age groups.

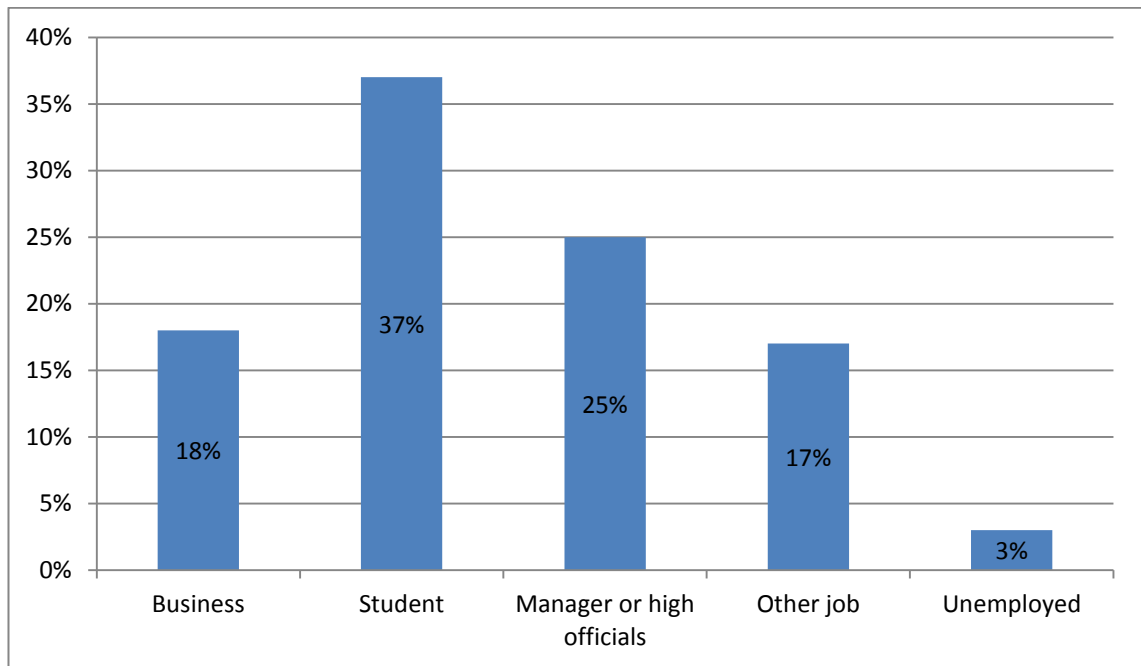


Figure 14. Distribution of professions among the respondents.

Figure 14 shows the professions of the respondents participated in this survey. Figure 12 illustrates that the most vibrant buying groups in the tablet computer market are the student and young consumer groups. There is no wonder that the stylish look and portability are attracting more and more young people in their study and later on their working lives. Business people and highly official managers are the second largest buying group among the respondents. The figure 14 illustrates that business minded people make the tablet computer a very useful tool for their daily business or casual use. There are also many consumers who have a secretarial job or some other jobs. The least active group among the respondents is the unemployed group.

## 5 RESULTS

### 5.1 Tablet computers or Notebook?

When thinking about buying a tablet computer, the other alternative that generally appears in mind is a notebook. Functionality wise they are not so different, so consumers often compare a tablet with a notebook computer while making purchasing decisions. Both of them have advantages and disadvantages. People choose one over the other when considering the needs which are most suitable for them.

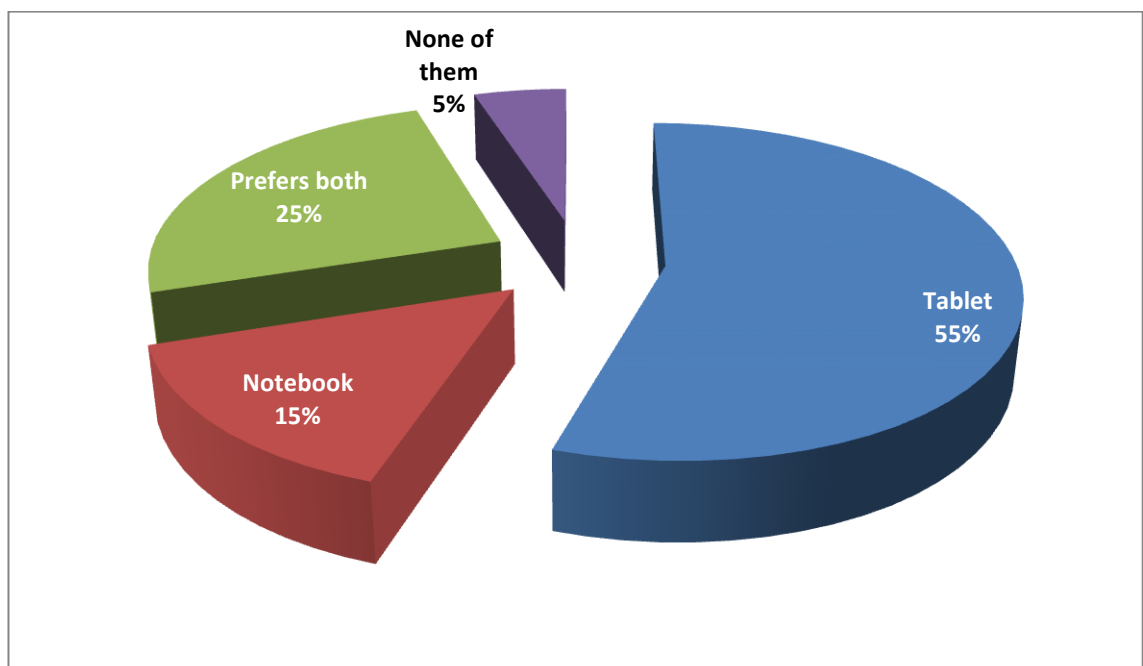


Figure 15. Choosing between tablet or Notebook computer.

Figure 15 shows that, among the respondents tablet computer clearly wins the most consumers' first preference. The ultra-portability and sophisticated features of tablet computer will soon be taking over the market share of the more powerful but heavier notebook computers. Tablets win for portability and stylish look; on the other hand notebooks are more ideal concerning extensive battery backup and more powerful, graphics intense work, such as basic video games and photo editing. Some people even prefer to keep them both, using each of them when necessary. There are also a few customers that do not like tablets or laptops, but prefer laptop computers and/or a smartphone with a larger display such as Samsung galaxy note 2.



## 5.2 Preferences based on gender and profession

In regards to who buys what and to what extent, buying behavior is quite variable. It depends on price, brand, product specification, buyers' requirements etc. However, most students and young professionals went for a tablet, while middle aged people working in an office or at home still would like to stick to notebook computers. There are a group of consumers (usually women) who basically prefer to use a slightly larger screen size phone which works as both a tablet and smart phone.

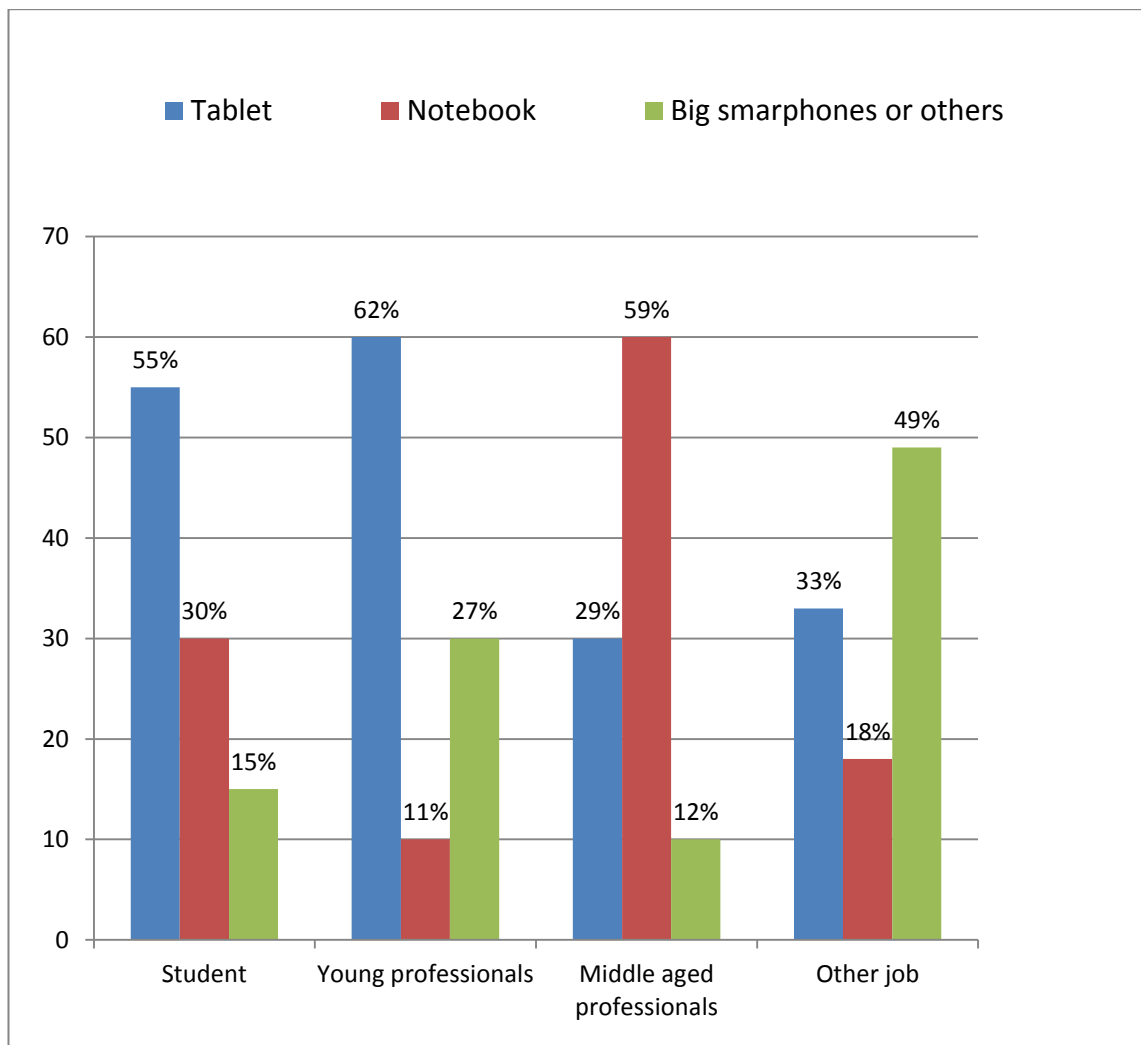


Figure 16. Consumers' preference according to gender and professions

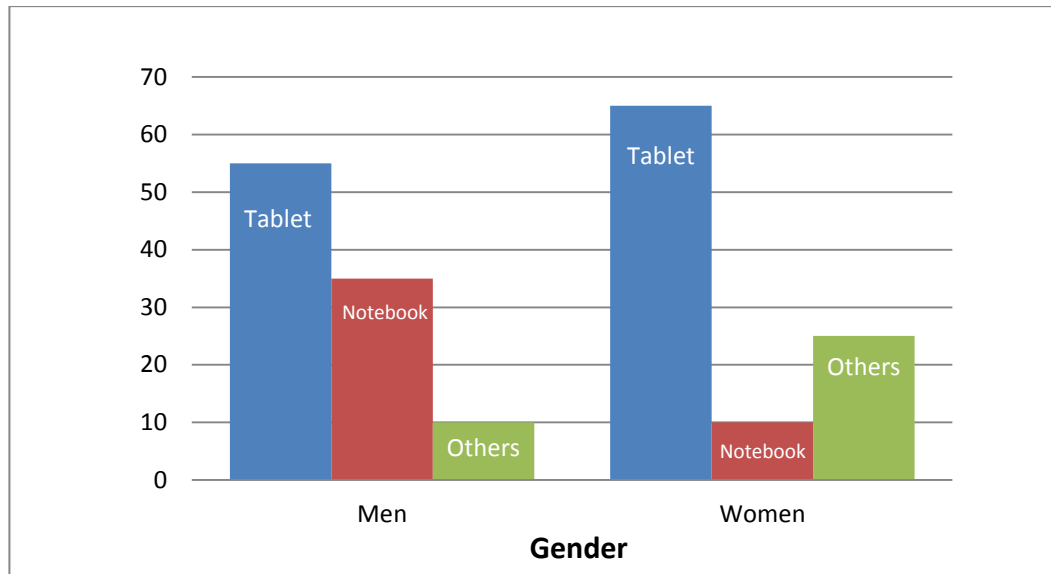


Figure 17. Buying preference by gender.

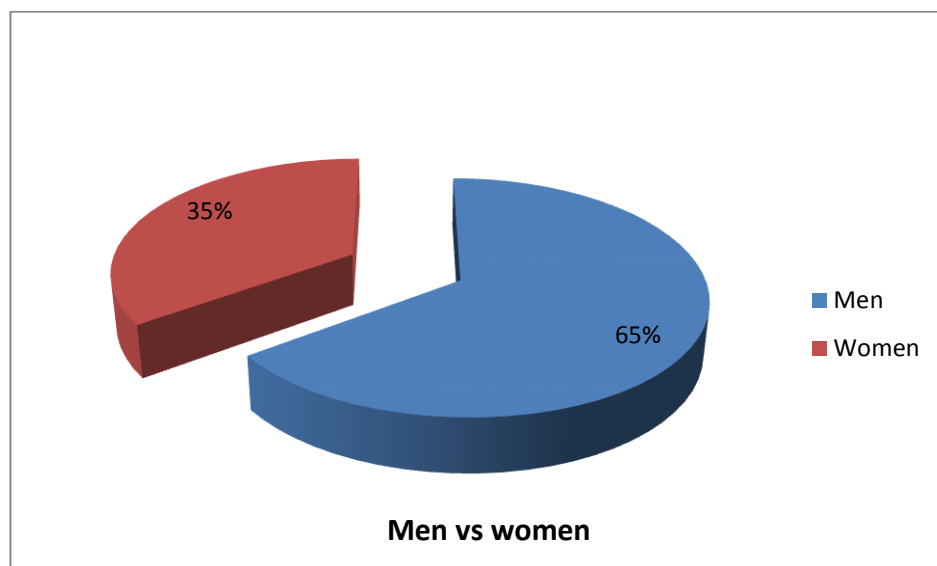


Figure 18. Share of men and women among respondents

Figure 17 illustrates buying preferences of men and women. In Figure 18, it shows that women like portable and stylish computer products more than men. Men prefer computers with more working capacity and specifications (Notebook). In the Russian market so far, men buy more IT products than women. They buy it as a gift for women or for their own use.

### 5.3 What makes consumers buying tablet?

Reasons for buying tablet computer completely depend on the personal choice and preferences.

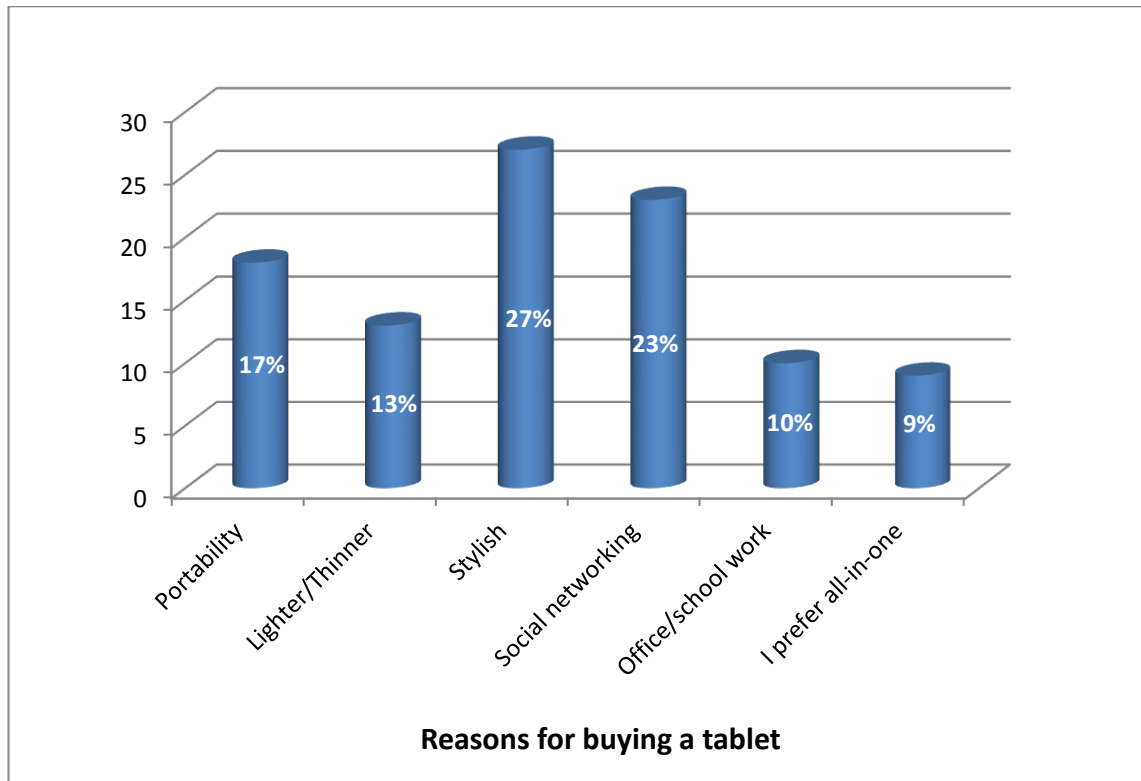


Figure 19. Factors which make consumers buying tablet computer.

Figure 19 illustrates the reasons for buying tablet computers among the respondents. Social networking has become a part of daily life and people spend hours with it every day. A tablet computer is a very attractive choice to stay connected with people virtually. Style is the main factor among the respondents; they prefer a tablet because of its stylish look. As Russia is a culture where people like to show off and tablet is one of the things to show to others. Portability is also a very good reason for obtaining a tablet computer which can fit in a small place in a bag. Another selling point for tablets is their light weight. Buying a tablet solely for watching movies and/or office work/school work is also possible. However, there are many people among the respondents who prefer tablets because of the features mentioned above.

## 5.4 Brand preference

Brand preference is a completely personal choice. Some consumers may be affected by other people, but at the end of the day the choice of which brand to go with is completely his/hers. Many people say that comparing an Apple Ipad with a Samsung Galaxy Tab is like comparing an apple with an orange. However, generally they both are the same and they can serve equally well. If someone is fascinated by Apple, then he/should end up buying an Ipad and look nowhere (Apple is Apple, no compromise!).

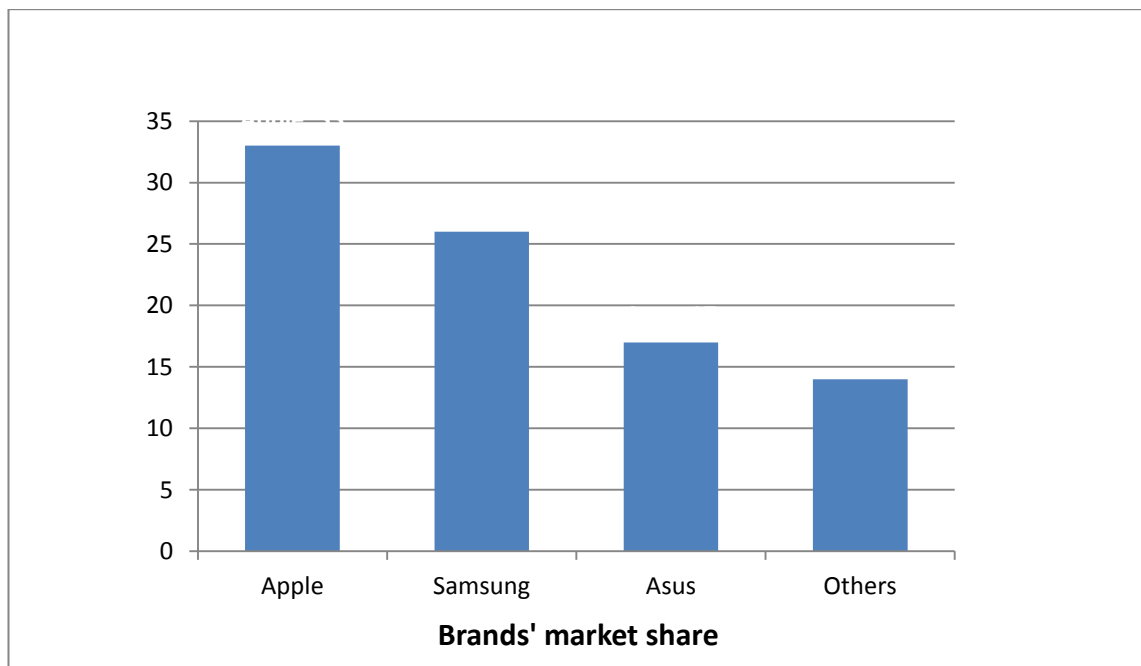


Figure 20. Market shares of brands.

It is no wonder to see Apple is the market leader in the above mentioned figure (Figure 21). The brand itself is a very good reason for many to buy an Apple product. However, Samsung is not so far away. According to many rating websites for tablet computers, cost/performance effecting Samsung will soon take the market from Apple. Asus tablets have also recently been getting attention in the tablet market. Reportedly, they have vivid color display and powerful graphics processing unit (GPU). The other brands like HP, Lenovo, and Microsoft are not bad either; they are very good alternatives to already famous IOS and Android. However Microsoft's latest released operating system Windows 8 has some issues, a few customers noted.

## 5.5 Internet vs Retail store

As the number of people using the internet is increasing, the internet markets are growing and changing the game of retail. The big advantage of online market is being able to compare price within the variety of products range. On the other hand in retail store customers have chance to physically feel the product and try it for a while as opposed to just watching it virtually over the internet.

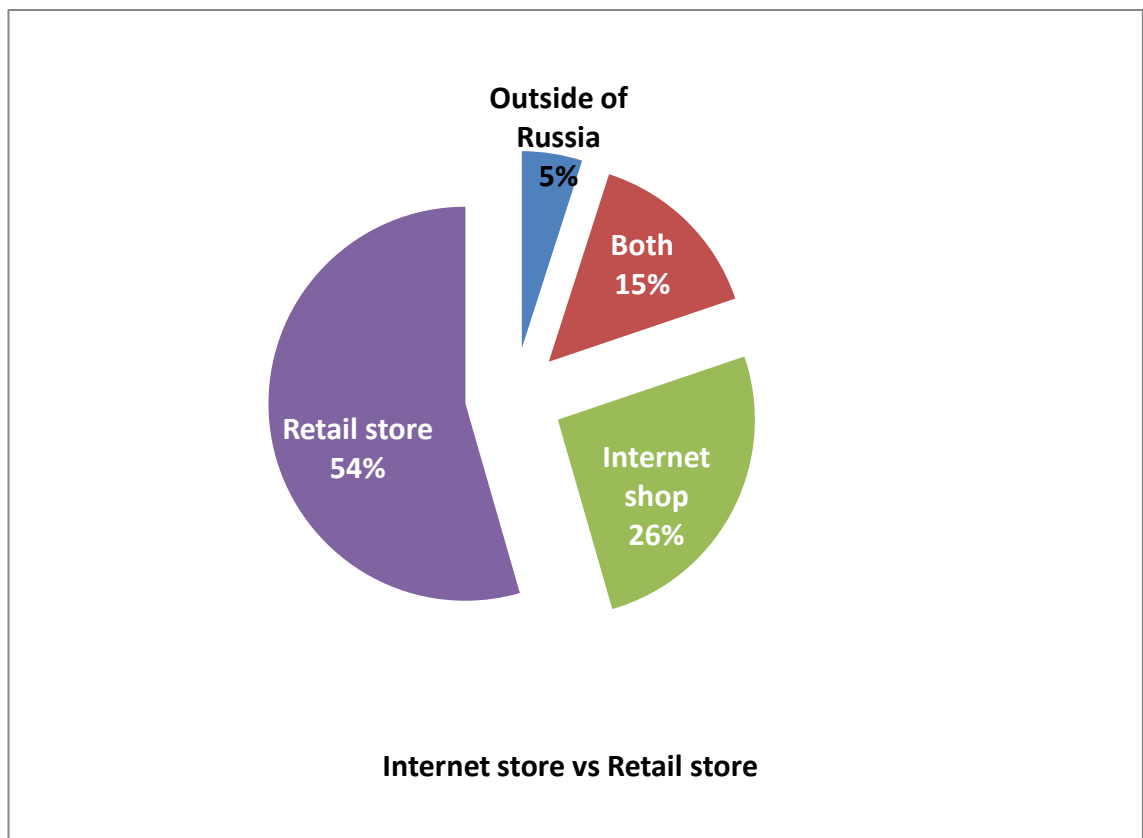


Figure 21. Share of tablet computer buying from internet or retail stores.

In Russia, people still prefer to go the store and check the product in reality before making the buying decision. Many of them like to check the product first in the internet then visit store and try the product to check out how it feels. It does make more sense indeed. There are few people who prefer to shop outside of Russia (i.e. Finland/EU/USA) because some products are cheaper in Finland than in Russia.

## 5.6 Expenditure on Tablet computers

When it comes to the price point of the tablet computers, Russians are very open to spend money on quality products. They look for quality products in a rational price range depending on their budget.

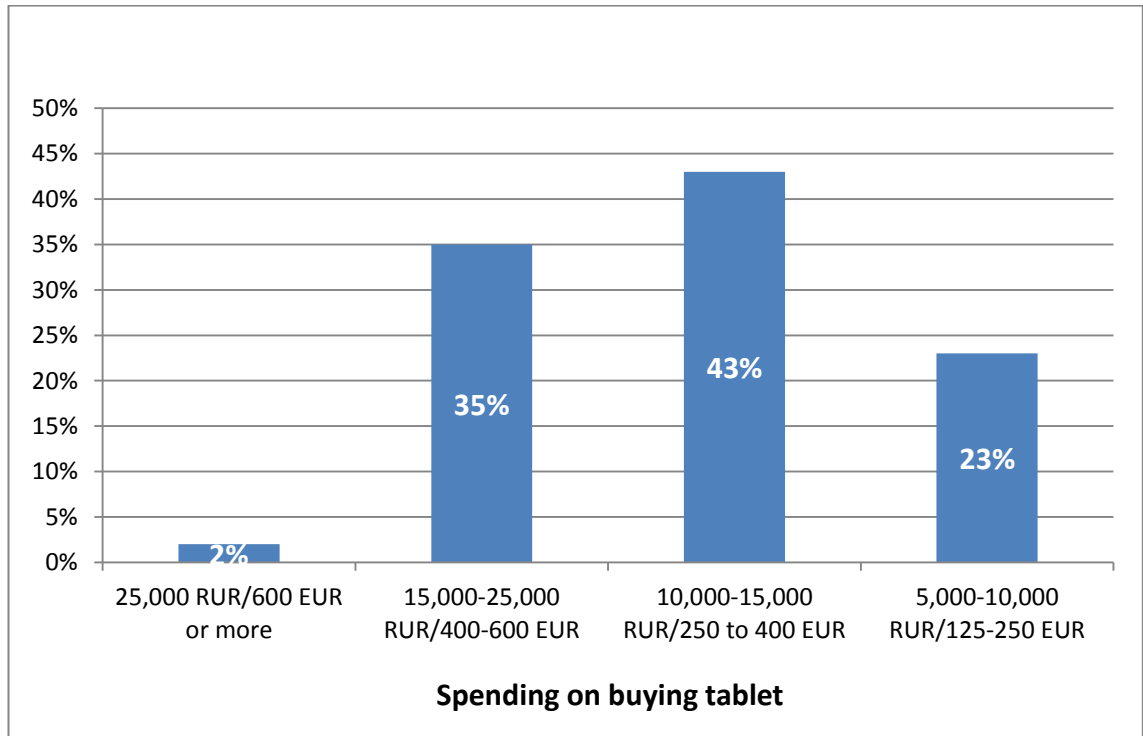


Figure 22. Spending budget on buying a tablet computer.

Figure 23 shows the tablet buying budget of the respondents. The most frequent buying range is from 10,000 to 15,000 RUR (250 to 400 EUR), which is a very usual price for this type of product. However, the price of Apple Ipad is generally a bit higher than its sibling products. Apple products and other higher end tablet models fit from the range of 15,000 to 25,000 RUR (400 to 600 EUR) in the Retail stores in the Moscow region. There are a few tablet products which are expensive (25,000 RUR/600 EUR or more). Consumers as yet do not find so much that expensive tablets would justify their needs; they rather prefer to stick to the reasonably priced tablet products.

## 5.7 Special occasions for selling tablets

According to the Oldi Computers, there are specific times in the year when the ICT products such as tablet computers get a boost in sales and times when the product sales are really slow.

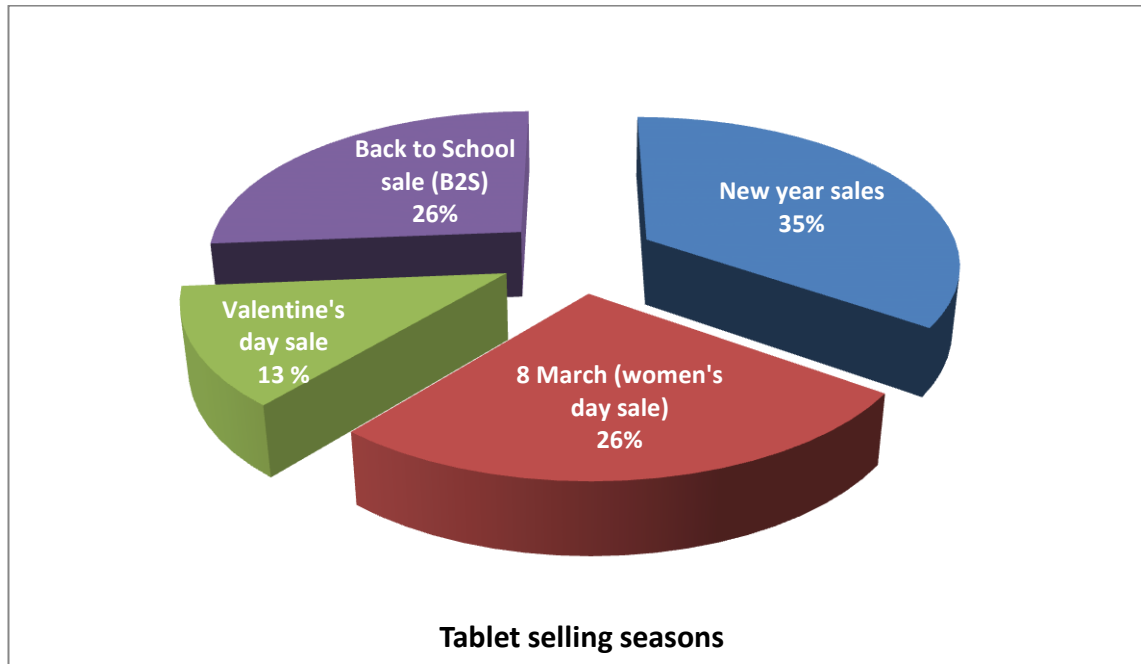


Figure 23. Tablet selling times in the year.

Figure 24 shows that the New Year's Eve is the bestselling period of ICT products in the Russian market. It is a gift buying season. Retailers provide several offers and discounts at this time to get even more sales. Another gift buying season in Russia is 8 March, the International Women's Day. Traditionally, this day in Russia is celebrated with big preparations, which eventually means men buying a lot of gifts for women. Valentine's Day season (1<sup>st</sup> week of February until February 14<sup>th</sup>) is also a very good time to for selling tablet products. The summer is a dull season for tablet computers in Moscow (Oldi 2013). Usually at this time retailers give plenty of discounts to finish the stock of last year's models and prepare for new product launches for the spring season. August-September is the last selling period in the year and is known as back to school sales (B2S). This selling is aimed at school/University students and their parents when the studies will begin (usually in August/September).

## 6 CONCLUSIONS

Russia is one of the fastest growing markets in the world economy. Being the central business hub of the country Moscow plays vital role in Russian business. Understanding the consumer behavior in market in any certain region is very important in order to sell any product properly. Companies making business in tablet computer market in Moscow act according to the consumer behavior of the market which is will also apply for any new company interested in the similar market.

The results of this study show that tablet computers are very popular technological products among most of the respondents. This finding is very straight forward among young and middle aged consumers. People buy tablets based on their budget, preferences, requirements, brand choosing criteria, age and profession. It indicates the common features of consumer buying behavior in Russian tablet market within Moscow region.

Without any doubt, tablet computers are becoming a part and parcel of people's daily lives as social networking is becoming more and more attached to consumers' life styles. Being a portable, slim and slick designed precious feeling item, a tablet computer feels great in the hands and gradually is taking the place of laptops and notebook computers. Moreover, tablets are making the computing task easier with a slight touch or swipe of the screen. From social networking and entertainment use to office/school work tablet computer is easily finding its place in many Russians' bags.

It has to be drawn that offering a good range of ICT products such as tablets can be extremely successful in a huge market like Moscow. The demand for such products is already very high. The market of Moscow is huge, and Tablet computer market in Moscow is growing fast, especially the young generations are considered the most active buyer of tablet computer. As tablet computers are becoming more popular, a specialized shop for just tablet computers would be very successful.

In order to continue further with the same matters and develop the know-how and understanding of the tablet market in Moscow, there should be more research carried out in similar field with more detail work. It is important to monitor the fast changing



international market and keep the Moscow's tablet market on the same level. To open up a shop in Moscow, STN Electronics should create a special image of special Tablet computer shop in the market. The special tablet store should be able to convey the message to consumers about the shops' specialty on tablet selling plus providing relevant special services which will practically make them special from other retailers. The most important factor here is to predict future consumer behavior and their rapidly changing needs. By following the frequently changing tablet market and act accordingly, any potential shop may shine in the market.

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## APPENDIX 1

### Questionnaire in English

#### Tablet Computer market survey questionnaire

Dear Customer,

We it is our immense pleasure to inform you that, soon we going to open a new retail store in Moscow specialized on Tablet computer. At this moment, we are carrying on a small survey on our potential consumers' buying behavior. It will be great help if you give us few minutes from your valuable times and answer the following questions. Your feedback will help us building a better retailing service on the tablet computer market.

Thankfully yours

Ashraful Haque

Survey team

STN Electronics Ltd/Oldi Computers

www.aldi.ru

GSM: +358452697581

Email: ash@stngroup.fi

Please answer the following questions by marking it with a tick (✓) mark. **NO PERSONAL INFORMATION IS COLLECTED.**

#### **You are a (M) or (F)**

#### **1. Approximately how many times did you shop for a tablet last one year?**

- (A) More than 4 times
- (B) 3 times or more
- (C) 1-3 times
- (D) No tablet shopping at all

#### **2. Please point your buying preference Notebook or Tablet**

- (A) I prefer Notebook
- (B) I prefer Tablet
- (C) I prefer both
- (D) I prefer none

**3. Do you like tablet?**

- (A) YES
- (B) NO

**4. If yes, what is the most attracting point for you to buy a tablet (Select all if you agree all)**

- (A) Portability
- (B) Light
- (C) Stylish
- (D) Social Networking
- (E) Office/School work/Entertainment

**5. Which brand do you prefer most?**

- (A) Apple
- (B) Samsung
- (C) Acer
- (D) Asus
- (E) Other

**6. Do you prefer Internet shopping or retailing store (in Russia)?**

- (A) Internet shop
- (B) Retail Store
- (C) Both
- (D) Outside of Russia

**7. How much is your budget range for buying a tablet computer?**

- (A) More than 25,000 RUR
- (B) 15,000 to 25,000 RUR
- (C) 10,000 to 15,000 RUR
- (D) 5,000 to 10,000 RUR

**8. Your age group**

- (A) 40 +
- (B) 25-40
- (C) 15-25
- (D) 3-15

**9. Your Profession**

- (A) Student
- (B) Business
- (C) Manager or high officials
- (D) Unemployed
- (E) Other Job, Please specify:

**Thank you very much for your effort! Have a great summer!**

## Questionnaire in Russian

### Рынок планшетных компьютеров, анкетирование

Уважаемые клиенты,

С удовольствием сообщаем Вам, что в ближайшее время мы собираемся открыть новый розничный магазин в Москве, специализирующийся на планшетных компьютерах. На данный момент мы проводим небольшой опрос о настроении наших потенциальных потребителей. Было бы очень полезно для нас, если бы вы потратили несколько минут вашего драгоценного времени и ответили на следующие вопросы. Ваш отзыв поможет нам в построении лучшего обслуживания розничной торговли на рынке планшетных компьютеров.

С благодарностью, ваш

Ашрафуль Хак

Исследовательская группа

STN Electronics Ltd / Олди компьютеры

[www.oldi.ru](http://www.oldi.ru)

Моб.: +358452697581

Пожалуйста, ответьте на следующие вопросы, отметив галочкой (✓) ваш выбор.

**Никакая личная информация не собирается.**

### **Вы (м) или (ж)**

#### **1. Примерно сколько раз вы ходили по магазинам с целью купить планшет в прошлом году?**

- (A) более 4 раза
- (B) 3 и более раз
- (C) 1-3 раза
- (D) Не ходил

#### **2. Вы предпочитаете планшетный компьютер или ноутбук?**

- (A) Я предпочитаю ноутбук
- (B) Я предпочитаю планшетный компьютер
- (C) Оба варианта
- (D) Ни один из них



**3. Нравится ли вам планшет?**

(A) Да

(B) Нет

**4. Если да, то, что является наиболее притягивающим для вас в покупке планшета (можно выбрать несколько пунктов)**

(A) Портативный

(B) Легче / тоньше

(C) Стильный

(D) Социальные сети

(E) Офис / учеба

**5. Какой бренд вы предпочитаете?**

(A) Apple

(B) Samsung

(C) Acer

(D) Asus

(E) Другой Пожалуйста, уточните здесь:

**6. Вы предпочитаете интернет-магазины или магазин розничной торговли (в России)**

(A) Интернет-магазин

(B) Розничный магазин

(C) Оба

(D) Я предпочитаю покупки за пределами России

**7. Сколько Ваш максимальный бюджет для покупки планшетного компьютера?**

- (A) Более 25,000 рублей
- (B) От 15,000 до 25,000 рублей
- (C) От 10,000 до 15,000 рублей
- (D) От 5,000 до 10,000 рублей

**8. Ваша возрастная группа**

- (A) 40+
- (B) От 25 до 40
- (C) От 15 до 25
- (D) От 3 до 15

**9. Ваша профессия**

- (A) Студент
- (B) Бизнес
- (C) Работа в качестве менеджера или другого официального поста
- (D) безработный
- (E) Другая работа, просьба указать:

**Большое спасибо за ваши усилия! Хорошего вам лета!**

**APPENDIX 2****Tablet Computer Brands in Russia (Moscow)**

Total 16 brands are found to be common in the Moscow region:

- Apple
- Samsung
- Asus
- Lenovo
- HP
- Acer
- Behold
- Digma
- Iconbit
- ODEON
- OLT
- Perfeo
- Pocketbook
- Progology
- Ritmix
- Rover Computers
- iBang

## **APPENDIX 3**

### **List of personals participated during the company interview in Oldi Computers**

Interview was taken in March, 2013.

- Smirnov, Denis. Director of Retail. Oldi Computers
- Ramiz, Mamedov. Director of Regional Sales. Oldi Computers
- Maxim, Nimchinov. Head of Purchase. Oldi Computers
- Juri, Nemkin. Executive. Oldi Computers
- Sergey, Petrov. Head of Peripherals. Oldi Computers
- Tatiana, Skokova. Head of Mobile PC purchase. Oldi Computers.

**APPENDIX 4****Retail stores where the interview was carried out**

There were total 5 stores in Moscow where the survey was done:

- Trifonovskaya Street 45
- Donskaya Street 32
- Malysheva Street 20
- Nagorny Proezd 3
- Semenovskaya Nab., 3/1