

Silk Plaster Group company: Optimization of trading in Germany, Austria and Switzerland

Internationalization plan

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<p>Abstract</p> <p>The objective of writing thesis was to give recommendations to Silk Plaster Group, producer of eco-friendly liquid wallpaper, on getting established on the market of the DACH region. The aim was to create an internationalization strategy and to combine both communicational and marketing instruments in it.</p> <p>The research into business culture of the DACH region was conducted, as well as research into customer preferences and needs. Qualitative and quantitative research methods were applied to gather data on customers' willingness to cooperate with Silk Plaster and problems faced by customers using liquid wallpaper. Customer communication and attraction strategies alongside with brand promotion and use of media were other important aspects of the research. The research is supported by theoretical information and data gathered from interviews with potential and existing customers of Silk Plaster and the top management of the company.</p> <p>The research shows that Silk Plaster company has difficulties with internationalization and transition from a Russian company to a European one. Not only customer communication has to be adjusted according to local culture but also the product range, as customers' needs vary from region to region. Prior to that, right positioning of the product plays a significant role in getting established on the market.</p> <p>The recommendations would be positioning of Silk Plaster as a producer of an eco-friendly, made-in-Europe product as well as the use several methods to attract customers and focusing on maintaining trustful relationships with existing customers. It is also highly recommended to use various media channels to promote Silk Plaster on the DACH region, not only those of social media but also local industrial media. Taking part in B2B exhibitions would also be highly beneficial for the brand.</p>			
<p>Keywords: International Marketing, B2B Marketing, Brand Promotion, Customer Relationships Management</p>			
Social Media Marketing, DACH Region, Business Culture of DACH region			

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1 INTRODUCTION

Developing a sustainable communication strategy to achieve reliable partnership and attract new customers is a crucial point of a business development. What is even more important is to understand that meeting the needs of customers from different countries means adjusting communication strategy, product/service palette of the company, which involves understanding cultural differences, preferences of local market and constantly being ready for a change. The challenge lies in determining and understanding customers' needs (that differ from culture to culture, from county to country), preserving the original culture of the company, not losing its identity and achieving success on the market. (Dahringer L. & Leihns H. & Muehlbacher H. 2006, 1). Aspects to be considered by an enterprise trying to achieve success on the market of DACH region (originally foreign market) will be uncovered and researched in this thesis.

The topic was discovered during work placement at Silk Plaster Group European office in Riga, Latvia, on a position of regional manager. The focus of work is DACH region. The goal is to create a perfect combination of marketing instruments, communicational strategy and analysing results. These are to be supported with theoretical background and research and put into practice at work so that the results can be seen and analysis of work can be done to adjust the strategy and make improvements.

Working in international marketing and customer communication requires understanding of the market and the customers' culture (Onkvisit S. & Shaw J. 2004, 5). Work experience in conducting marketing projects for German companies, life-experience with German culture would help understand the market and the customers better. Prior to that this knowledge would help seeing how company's and product's image need to be adjusted and what marketing and sales instruments would be more effective in the market of DACH region.

The client organization Silk Plaster Group is initially Russian. Although the company has experience on global market and is represented in many countries, it still has a Russian business culture and many partners/customers are coming from CIS countries. Western European, namely DACH region market is very different from the East European one and it is indeed a huge challenge and a problem for a Russian company to be successful on a German market, understand its customers. Prior to that the initial product of the company needs to be presented in such a way that the customers of a

foreign market understand. It may also happen that a differentiation in a product range is needed to meet the customers' needs better.

This problem is creating an internationalization plan which involves marketing, management and customer communication aspects. This involves covering aspects of marketing and communication that together build recommendations on how to get established on the market of DACH region. It is to be emphasized that the focus is on B2B marketing, which means finding not simply customers in DACH region but companies which may become dealers of Silk Plaster products.

The study involves a research on; first of all, evaluating current partnerships and customers' communication with already existing dealers of Silk Plaster product (how well does the communication strategy with these dealers' work, how existing cooperation can achieve more sustainability). This is done through collecting feedback and wishes from existing dealers of Silk Plaster product in Western Europe, which involves qualitative research. Another important research method is quantitative research method. A research on willingness to work with Silk Plaster product is to be conducted. It is to determine the groups of potential customers, the existing range of services/products they offer and willingness to cooperate with Silk Plaster Group.

The data for research is collected from several sources:

- Database of existing customers/dealers
- A new database that is to be created and has information on potential customers (wholesalers/dealers). New database can be created through finding potential dealers through the internet and B2B exhibitions.

The methods of finding new dealers are cold calls and e-mails and as further options-meetings and live presentations.

The following study is a combination of research methods that involves quantitative research, SWOT analysis, research on how may the product be presented on to the customers of DACH region, what marketing and communication instruments may be used to achieve success and acknowledgment on the market. A theoretical background on every aspect of the communication strategy, culture of DACH region and marketing strategy is to be presented in this thesis.

2 MARKETING AND CUSTOMER RELATIONSHIPS

Marketing defines the result of business activity and thus is seen from the customer's point of view (Brink & Berndt 2008, 2). The idea of marketing originally lied in selling as many products to as many customers as possible (Brink & Berndt 2008, 121). But as marketing is all about interaction with customers and delivering message to customers, the marketer needs to have knowledge of customers and their needs and preferences. Prior to that, it is essential to keep a regular contact with customers and monitor the market regularly to meet customers' needs better (Brink & Berndt 2008, 32). Different objectives of marketing and customer relationships are to be described in this chapter.

2.1 Marketing mix

Marketing mix, or 4Ps unites 4 elements: product, place, price and promotion. The term itself describes a combination of actions an enterprise uses to place product on the market and get customers for the product. It is also important to mention that in the modern world there far more elements to a marketing mix, like political situation, packaging and image of the product, social aspects and so on. (Dogra 2008, 80).



IMAGE 1. The marketing mix (<http://henryfuentes.com/why-consider-internet-marketing-mix-12-11835>)

So, what are these four main elements of the marketing mix?

Price reflects the value of the product or service. It depends on costs of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors. There are different types of pricing strategy and price itself can be an instrument of marketing. For instance, higher prices are usually associated with higher quality of the product. Each segment of customers has different purchasing power and different values. For example, Ryanair is using the umbrella pricing strategy and is indeed the market leader in the segment of low-cost airlines. Customers know that the service and comfort may not be very great but they are willing to compromise on comfort for the best price on the market. But trying to set price lower than the competitors is not always the best strategy. Customers in DACH region simply do not have the trust for products with low prices. Especially in case with eco-friendly building materials. (Dogra 2008, 80-81).

Product itself is the center of the marketing mix; no other elements of the marketing mix would be useless without a product. As this is the key element, an idea and value behind this idea are very important. (Dogra 2008, 80).

Place means a location where the product is presented for sale. Place or location for the product is the instrument of reaching customers. Place is the point of sales so a wisely chosen location that is suitable for the customers not only helps to reach a bigger audience but simply makes the sale of the product possible. (Kotler & Armstrong 2010, 76).

Promotion is a combination of activities to make a product known among customers and potentially attract them to the product. These activities may include all types of advertising, contest, sales or B2B marketing activities. (Kotler & Armstrong 2010, 76).

All the elements of the marketing mix are interrelated. When all the elements work, and are used correctly it results in a commercial success of the product or company. When one of the elements is being neglected it may even lead to a decline in business. The correct use of all the marketing mix requires understanding of the market, customers and thus requires deep research. (Stimpson 2015, 253).

2.2 SWOT analysis on Silk Plaster Group

SWOT Analysis or SWOT matrix, which means analysis of strength, weaknesses, opportunities and threats, is an instrument for analyzing the current position of an enterprise or product and with the help of this analysis, determine the strategy for future development. SWOT matrix was created by four Harvard professors: E.P. Learned, R.C. Christensen, K.R. Andrews and W.D. Guth and was described in Business Policy: Text and Cases (1965). First of all, SWOT is a decision-making tool, which helps to analyze external and internal factors and influence business. (Seth 2015,5-6).

Strength	Weaknesses
<ul style="list-style-type: none"> - The advantages of Silk Plaster liquid wallpaper are eco-friendliness, ease of application, wide range of textures, colors and designs, multi-applicability of the product as it may be practically applied to any surface. - Silk Plaster offers wider range of liquid wallpapers and additional products with prices lower than competitors. - Silk Plaster production plant is in Latvia, it is EU zone, thus labor costs and production costs are lower than in Germany. - The product itself is highly-innovative and unusual. Wide range of collections. 	<ul style="list-style-type: none"> - The color range may be improved for the DACH region, more pastel, minimal and stylish colors need to be developed to meet the needs of the customers. - Silk Plaster is initially a Russian company and companies associated with Russia do not usually gain trust on the market of Western Europe. - The shipping costs for delivering the product from Latvia to Germany may seem like a drawback. - Customers need to be taught how to use the product as this is a very unusual wall-covering material.
Opportunities	Threats
<ul style="list-style-type: none"> - Attracting customers from the largest market in EU and the wealthiest region of the Europe. - Establishing new partnerships 	<ul style="list-style-type: none"> - Image of Russian company - Getting associated with low-quality as the prices are lower than the

<ul style="list-style-type: none"> - Earning prominence as an eco-friendly brand - Entering a new level of business development 	<p>competitors' ones.</p> <ul style="list-style-type: none"> - Having problems with acknowledgment of product certification in Austria and Switzerland even though a product is certified in Germany. - Failing to promote the product to the customers of DACH region.
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TABLE 1. SWOT Analysis on Silk Plaster Group

Knowing the weaknesses of the company make it easier to strengthen its positions. As determining the problem is the key to solving it and continuous improvement is the key to success.

2.3 Customer Relationships Management

Customer Relationship Management combines all aspects of relationships between a company and its customers, including sales and service and understanding of customers' needs. (Buttle F. & Maklan S. 2015. 3).

The main reason why companies want to build sustainable relationships with customers is economic. The general goal of companies must be to maintain solid relationships with existing customers, while attracting new customers, who will bring potential profit or are important for other strategic purposes. However, not all customers are equally important to the company. Some customers may not be worth recruiting or maintaining relationships with, for instance those who have a high cost-to-serve, have debts, do not pay in time or do not value long-term sustainable partnerships. It is indeed important to attract new customers but improving customer retention is not to be underestimated as it costs at least 20 times less to retain an existing customer than to attract a new one. To crown, it is important to emphasize that the main idea of CRM is that customer relationships are not a one-time action, it is a process, a lifetime flow, which means that customer needs to be constantly supported and customer relationships need to be monitored to reveal the potential problems and develop a more trustful relationship with customer. (Buttle & Maklan 2015, 28).

2.4 Cold Calling

Cold calling is the primary phase in sales. It can be defined as the first telephone contact with a potential customer. This is the first presentation of the product or service and this presentation is personalized as you are approaching a concrete person. The main aim of cold calling is not direct sales but setting first contact with a person and as a perspective arrange a meeting. (Kozachenko A. 2016, 1).

This type of communication may seem rather blindfold, as you are calling the person for the first time, not knowing each other personally and prior to that not arranging any telephone negotiations beforehand. As the communicational process is usually not arranged in advance, a challenge of taking contact, making a good first impression, not getting the person bored or irritated but getting the person interested in the negotiations. The tone of the voice is also very important but faking enthusiasm and politeness is not the right strategy. The advice is to put oneself in high energy state and controlling voice and emotions. (Close.io 2016 [blog]).

There are several fundamentals of successful cold calling:

- Using a structured script for cold calling.
- Showing respect and interest towards a person you are communicating with but not getting too personally.
- Focus on the person you are communicating with, on the potential customer and how they can benefit from cooperation with your company. Trying to get the attention of listener,
- Making the person feel like your offer is specifically designed for their company
- Conducting primarily research on the company/person you are about to contact.
- Knowing communicational aspects of the region, country, etc you are about to contact. (Close.io 2016 [blog]).

But what is meant under “communication aspects of the region”? Such things as greetings. For instance, in Switzerland and Bayern region of Germany a greeting phrase would be “Gruss God”, whether in the rest of Germany and Austria people usually just use “Guten Tag”. Aspects like this are very important as this reflects understanding and knowing your customer, which is even more valuable for a company working internationally, and respecting the culture of your customer. (Arutyunov, September 2016).

2.5 Cold E-mailing

Cold emailing may be a very useful and effective way of attracting new customers. Cold emails are sent to people who may be potentially interested in product you are offering, cooperation etc. The recipient is not only foreign to you but also foreign to the company you are representing. It may also happen that the recipient is not familiar with the product you are offering. So, the goal of cold email is making your offer as memorable and clear as possible, thus attractive to the potential customer. It is also important to keep in mind that cold email is a form of a presentation and every presentation has a main message, so it is important to deliver a clear and attractive presentational message of your company, product, service etc. (Yesware [blog]). The question is: how do we succeed in it?

First, it is needed to define the target audience-potential customers. As the focus of Silk Plaster company is B2B marketing, which means doing business with companies, retailers and wholesalers rather than with individual customers, a search for companies, which might be willing to cooperate with Silk Plaster Group was done. The list of companies was made, a database including contact information. A certain journal in the database was kept, where information on the progress of communication with a certain client was constantly updated.

A key to good cold email is personalization and right targeting. Therefore, names for the contact information database were collected. Names of either top managers of the companies or product managers with whom the product might be discussed and to whom the information would be relevant. People are more likely to read an email which is personally addressed to them. (Tucker 2016 [article]).

The email should be short but informative, including all the main and relevant information about the product with several pictures attached if necessary. As any essay or report, cold email was structured into introduction, body and conclusion. So, that the reader has a clear overview of all the benefits of products listed. Being always friendly yet formal, having a so called "skeleton" for the cold email structure and adjusting the text if needed was a key strategy. ((Tucker 2016 [article])). For instance, it is a highlight that Silk Plaster decorative plaster is eco-friendly and an emphasize on this information was put when the email was addressed to the shop retailing eco-friendly materials for house renovation. When the potential customer was, for example, a painter or decorator, the focus of email was that the material is easy to apply and may be used for

creating images and paintings not simply covering walls. You may find an example of painting created using Silk Plaster decorative plaster on the picture below.



IMAGE 2. Crafting with Silk Plaster (https://www.plasters.ru/info/design-ideas/kartiny_podelki/)

3 DACH REGION

Germany, Austria and Switzerland (D-A-CH region) are countries of a big interest for Silk Plaster Company, as liquid wallpapers are relatively new to the market of DACH region which means Silk Plaster has an innovative product to offer. DACH region is also interesting for Silk Plaster Company because of the high purchasing power of the society. It is important to be acquainted with the business culture of the region and use it's canons while communicating with potential and existing customers from this region, conducting business negotiations and meetings. (Arutyunov September 2016).

3.1 Geographical and socio-economical information



IMAGE 3. DACH Region on the map (https://www.google.lv/search?q=DACH+REGION&rlz=1C1PRFC_enLV675LV675&espv=2&biw=1366&bih=638&source=lnms&tbn=isch&sa=X&ved=0ahUKEwi8rKiJxYjRAhVJ3iwKHQ_mDcYQ_AUIBigB#imgsrc=kPum4BB8QsZIoM%3A)

DACH region is a name for a geographical and economical region of countries with German language as official. D stands for Deutschland, A- for Austria and CH for Switzerland (Confoederatio Helvetica). This region is especially fruitful and interesting in terms of having business and customers in the region. The DACH region is also a huge market with a total population of 97 941 712 with 81,083,600 Germany population,

8,602,112 population of Austria and 8,256,000 population of Switzerland. (Atlas Raumuebersichten DACH +).

Citizens of DACH region have very high purchasing power compared to other European regions. But it is to be highlighted that the regions with the highest purchasing power are Switzerland and Southern Germany (Regio Data Research 2012).

It is interesting that some East German regions have very below-average purchasing power levels. These are some 20% lower than the D-A-CH (Germany, Austria, Switzerland) average. The purchasing power across Germany may vary up to 100 %. The gap in purchasing power of inhabitants of 3 countries may even vary up to 200%. It is also not always so that people living in capital cities have higher purchasing power (Regio Data Research 2012).

3.2 Business culture of DACH region

A key to being successful on the international market lies in understanding the culture of customers from country to country. Culture of the society influences buying power and preferences. Understanding the culture is also important in terms of creating the pricing policy suitable for the region. Business etiquette and communication etiquette differs from culture to culture and understanding these cultural aspects is crucial for sustainable business. Culture plays a significant role in everyday communication and thus affects business communication and culture. Culture differences may build communication and cooperation barriers and being able to overcome these barriers is essential for international business. (Michell C. 2009, 2).

3.2.1 Germany

German business, work and even daily life communication and relationships are often described as full of formality (Leao P. 2011, 18). German business people are also usually inflexible and conservative. Arriving on time, being respectful and polite and having everything planned is important. Of course, there are different companies and diverse cultures within these companies but Germans usually respect a certain hierarchy in decision making. (Diehl O. P. 2002, 46).

Professionalism is very important in Germany. Not simply good work is meant under this word but also documents proving your competence: certificates, recommendation letters, etc. Customer reviews for the product are also very important for an enterprise. (Diehl O. P. 2002, 44).

Germans are very results-oriented and quality-oriented, prior to that the level of risk avoidance is very high. So, the work process may be a bit slow. However, it is very unlikely to miss the deadline for German. Germans are also very direct in business conversations; they prefer to discuss exactly what interests them and try minimizing the general phrases. (Diehl O. P. 2002, 45).

Germans are not afraid to give fair criticism and defend their point of view. The practice of business communication with Germans have also shown that this criticism conversation may even get too emotional as Germans want to make sure that everything goes perfectly in the business partnership. (Diehl O. P. 2002, 44).

Germans pay a lot of attention to be fair with their business partner so that both parties receive enough benefits. German business culture is based on trust and loyalty. Long-term business partnerships are a great value and usually are not put under risk. (Diehl O. P. 2002, 45).

3.2.2 Austria

Austrian business culture is similar to German one. However, it is important to understand the differences between both countries and get acquainted with the Austrian business culture. (Schroevers,S. & Schreuders-Van der Bergh, R. 2015, 36).

Corporate social responsibility plays a significant role for businesses in Austria. Sustainability and eco-friendliness are the main goals. Air pollution and deforestation as well as plastic pollution are the main environmental issues are Austria alongside with air pollution. Businesses in Austria try to contribute to the solving of ecological problems by turning to ecological or no-waste production and minimizing pollution. (Gieler P. 2007)

Another important aspect for businesses and customers in Austria is fair labor force relationships. Austrians are mindful-consumers and try to buy products with, for instance, Fair Trade label on them. As mindful consumers, Austrians want to be sure

that a product they buy is not harmful for the nature, recyclable, was produced per EU norms and workers were treated fairly, this means the salary and number of working hours are fair and the working conditions are healthy. (Gieler P. 2007)

Another crucial aspect for Austrian consumers is buying products from a company that delivers a message and philosophy they share. Like product that highlights their social positions. An example for this may be companies that deliver pro-feministic messages or family-values philosophy. (Gieler P. 2007)

Austrians as well as Germans are famous around the world for being the most **punctual** nation. Being organized is very important for Austrians. So not only arriving on time for business meetings but being scheduled and strictly organized and structured is very important for business culture in Austria. (Mole J. 2005).

Gift-giving in business is not usual in Austria. Formal gift-giving may even be associated with bribery. However, giving gift to a close business partner for a holiday is normal. It is also usual to give Christmas cards or small souvenirs. (Gieler P. 2007).

Very expensive or personalized gifts are a taboo. A gift should be a sign of respect and attention but shouldn't have a deeper meaning or demand for something in return. (Gieler P. 2007).

It is very unusual for an outsider to be invited into an Austrian's home but, if you are, you should go with gifts for your host, his or her spouse and their children. Good wine, not local wine, chocolate or flowers are perfect gifts. (Gieler P. 2007).

If giving flowers, give in odd numbers only – an even number means bad luck in Austria. Pretty and attractive wrapping is very important. (Gieler P. 2007).

Austrians, especially from business environment are formal, classic and traditional in terms of **business dress-code**. The rules of business dress-code are the same as in the rest of Europe: suit, tie and white shirt for a men, suit or business dress for women. However, dress-code may vary per the industry. For example, in creative industries during business meeting a suit may be combined with sneakers as the dress-code is not strict in this industry. (Kulchawik L. 2015).

Austria has taken a strong stance in the fight against **corruption and bribery**. Per the Corruption Perception Index (www.transparency.org/country#AUT) Austria is ranked number 25 out of 176.

3.2.3 Switzerland

Switzerland is a small country; which culture was influenced by its geographical neighbors and the political closeness and neutrality. Switzerland has four official languages – German, French, Italian and Romansch. German is the most spoken language and all the media in Switzerland is mainly in German. But it is important to highlight that there are people from, for instance, Italian part of the country who don't speak German and this may be a challenge during business negotiations. (Micheloud F. 2001, 8,9).

An interesting fact in terms of business is that Switzerland is considered one of the most suitable test markets in Europe. Good test markets for testing a product or a service is usually small but prior to that Switzerland also has a pretty diverse culture and population, which is perfect for implementing the new product and seeing the feedback of the population on it. (Schottelius 2016).

Switzerland is very technology-oriented and ecology-oriented alongside with supporting many popular trends nowadays. There are a lot of booming start-ups in Switzerland. However, Swiss are a very ethnocentric and conservative nation. They take risks unwillingly and prefer to base their lives upon classical values. Swiss value freedom and individualism. They believe in the idea of being independent yet together doing good in their own part of the country and this personal responsibility of each Swiss contributes to the socio-political life of Switzerland and unites the society. (Hunter K & Maycock K. 2004, 47,48).

Swiss value honesty. Family and hard work are also important values in Swiss society. Swiss businessmen care a lot for the reputation as one mistake may ruin the long-term business relationships. (Micheloud F. 2001, 14,15).

The aspects mentioned below are to be considered while planning on doing business and conducting negotiations with Swiss.

All around Switzerland and especially in German cantons **punctuality** is a must. Prior to that, there is no such thing as spontaneous business meetings, everything has to be pre-arranged. Arriving 5-10 minutes before the meeting is a norm. (Micheloud F. 2001,48,49).

Sure, punctuality is important but it is important to mention that Italian and French part of Switzerland are not as strict as German Swiss and are more easy-going. (Micheloud F. 2001, 26).

The general rules would be classic **business dress-code**, which means no jeans and short skirts. However, it may be different in, for instance, arts industry. It is important to be dressed classily and well and to be tidy. (Micheloud F. 2001, 76,77).

It is recommended to avoid flaunting wealth or extraordinary style. Swiss prefer modesty in clothes, even though they value good quality. Restrained tones and colors alongside with minimalistic accessories are a key rule of Swiss style. (Micheloud F. 2001, 76,77).

Swiss value **privacy** and restraint a lot. Personal topics like age, marital status, nationality, politics and religion should be avoided. Swiss also don't expect you to ask personal questions and may even get scared and hesitated of them. However, long-time business partners or business people of younger generation may be more willing to share upon their private life. Swiss also don't tend to be pushy during the conversation. (Maycock K. 2004. 139, 140).

It is recommended to avoid the subject of Swiss military and independence, as the topic may get very emotional for the Swiss. As for the humor, it is better to avoid it during the first business meetings as you may not know how the humor will be understood by the Swiss. French and Italian Swiss are more talkative and open-minded than the German Swiss, so the conversation with them is usually livelier. (Zerif. Switzerland: Conversation).

It is unacceptable to interrupt the Swiss during the **conversation**; they are generally very attentive and conservative. Swiss will for sure remember if you cause them discomfort. (Zerif. Switzerland: Conversation).

It is very difficult and unnecessary to change the mind or point of view of the Swiss, it is important to accept and understand it, even if it contradicts with yours. Politeness and diplomacy are crucial. (Zerif. Switzerland: Conversation).

Topics for discussions:

YES	NO
Travelling Switzerland	Swiss neutrality
Nature of Switzerland	Switzerland in war
Swiss cuisine	Military
Sport activities, winter sports	Voting rights for women in modern Switzerland
Swiss culture and traditions	Gender equality
The founding of the Swiss Federation.	Any personal questions

(Expatica, 2011).

TABLE 2. Topics for discussion in Switzerland (Expatica, 2011)

Swiss prefer formality, this means **addressing people** by their surnames or titles. Handshake is an element of greeting and eye contact must accompany handshake. Of course, a friendly smile is important. (Expatica, 2011).

Herr for men and Frau for women are words of address for German-speaking Swiss; Monsieur and Madame- for French-speaking and Signore and Signora- for Italian-speaking Swiss. The words Frau, Madame and Signora are used to show respect for women and are not to be related with age or marital status. However, there are also words that may be used to address young girls, like Signorina, Mademoiselle and Fraulein. (Expatica, 2011).

It is better to avoid yawning in public, avoid pointing fingers or pen into the person you are **communicating** with. Pointing pen at the audience during the presentation is also very impolite and unprofessional. It is recommended to sit straight and not slouch during business meetings.

Swiss may often arrange a business meeting at a restaurant. **Dinner** and lunch meetings are very common. However, it may also happen that you are invited to have dinner at home. Trying to look around the house is rather impolite. It is also polite to eat everything that is on your plate. It is not polite to leave the party neither too early nor too late. While eating, elbows should be off the table but hands should be on the table all the time. Food should always be cut in pieces. (Expatica, 2011).

The culture of **gift-giving** in Switzerland is the same as in Germany and Austria. Expensive gifts are a taboo and are considered as a bribe. Small gifts may be exchanged after successful negotiations. When meeting the family of a Swiss business partner, it is better to bring wine, flowers for the wife and chocolates for the kids. Small gifts representing the culture of your country are also suitable. Sending hand-written cards for holidays or as a grateful gesture is also very polite. (Sabath A. M. 2004, 233).

Swiss are generally very objective and conservative. They try to rely on **facts** rather than on the emotional part of an enterprise. It is better not to put them under pressure and try to control the process too much as it is considered very impolite and is generally not needed as Swiss are structured and they value trustful business relationships. (Expatica, 2011).

Some recommendations:

Swiss value the **business cards** a lot. It is important to exchange them with business partners and colleagues. The most important about the business card is the title and position in a company, not professional qualification or a university that you have graduated from. (IHK Business Knigge 2016, 15-16).

It is also important to put the date of when the company you are representing was formed on the business card and generally to give the information on as Swiss value experience and prefer cooperating with businesses that have experience on the market. (IHK Business Knigge 2016, 15-16).

German Swiss prefer to get straight to the point, whereas Italian and French Swiss enjoy first drinking coffee with a negotiations partner and discussing general topics for a little. (IHK Business Knigge 2016, 15-16).

Swiss value and respect modesty, ability to control emotions, honesty and respectfulness. It is better to use simple and understandable language and not try to impress Swiss with your oratorical skills. (IHK Business Knigge 2016, 15-16).

As Swiss are very conservative, not many women hold high positions in business. Swiss may even consider it very unserious if a woman is being sent to negotiate with a Swiss business partner. (IHK Business Knigge 2016, 15-16).

It is important to always stay polite yet not obsessive and ego-centric. Trying to find a compromise may be hard but is manageable. (IHK Business Knigge 2016, 15-16).

Swiss are very structured and prefer a clear plan of a business meeting in advance. It is better to send the presentation summary beforehand, so that Swiss know what to expect from it. All the information that is to be discussed on the business meeting is also to be primarily sent. (IHK Business Knigge 2016, 15-16).

Swiss are very self-confident and know their own worth. They are not aggressive during the negotiations; however, with patience they know how to get the most profit out of the situation. (IHK Business Knigge 2016, 15-16).

Swiss prefer to be active during negotiation by proposing improvements or remarks. They are trying to find a compromise, yet preferring to be the center of negotiations. (IHK Business Knigge 2016, 15-16).

Swiss business has a highly vertical hierarchy. The final decisions are always taken by the top management. And it is important to understand that due to the hierarchy culture decision making process may take longer. (IHK Business Knigge 2016, 15-16).

Extremely important is not to praise yourself or your product too much. Let your actions speak for yourself and your company. It is inappropriate to boast ones academic or personal achievements. (IHK Business Knigge 2016, 15-16).

Swiss are generally honest straight-forward and reliable. It takes long to build trustful business relationships but when trust is gained it is valued and appreciated a lot. (IHK Business Knigge 2016, 15-16).

3.2.4 Turkish business culture in DACH region

Turks play a significant role in the society of DACH region, especially in Germany and a significant role in business of this region. Only in Germany the population of Turks is around 2, 5 million of people. (Zensus Datenbank, 2011). Silk Plaster also has potential customers in Germany and Austria, who are originally Turkish. (Arutyunov, September 2016). It is important to emphasize that Turkish people especially the representatives of older generation are preserving the Turkish culture very carefully. Business run by Turks are also being managed with Turkish business culture. So, it is important to be acquainted with this business culture to cooperate successfully with the potential customers of DACH region who represent the Turkish nationality. (Schroevers, 2013, 102).

Turkish business people treat **business meetings** with a top level of seriousness. It is highly suggested to schedule meetings 1 week up to 2 weeks in advance to avoid Turkish holidays. Beforehand, one should provide the details, such as full names of participants, their exact positions and titles. Meeting may start later than scheduled, however make sure you arrive on agreed time, as Turkish business people expect foreign guests to be punctual, yet being late themselves. That is why staying patient is important. (Schroevers, 2013, 104).

Clear majority of Turkish society practice Islam, that's why arranging any appointments and meetings in between each of the five daily prayer times is something worth of considering. Make sure to avoid any business meetings in the period of the holy month of Ramadan and so much familiar for Europe general vacation months of July and August. Business days are from Monday till Friday, like in many European countries. (Schroevers, 2013, 104).

The following sections deal with various issues concerning business meetings and examine the ways that Turkish culture deals with these issues.

The first meetings with unfamiliar people are usually quite formal, as good first impression counts, which imply a serious attitude to a meeting. In the light of that, your verbal communication shouldn't be way too casual and friendly, despite a very amicable relationship that might have developed during the previous remote communication. (Schroevers 2013, 103).

Primary meetings rarely lead to signed million dollar contracts. The main purpose of such meetings is solely carrying out a transition from a remote - telephone or e-mail driven communication to a tangible real-life meeting experience with an individual. In this case the advice would be not to keep only business issues as part of meeting agenda. (Schroevers, 2013, 103).

When you greet a person in the beginning, give him first a firm handshake while looking person into eyes. When a foreign man meets Turkish woman, a man should wait for the woman to offer her hand first. (Sabath, 2004, 236).

Small talk is always a confident pathway to a start of a more formal business discussion in Turkey. Current weather conditions, city traffic or stories from your home country are generally a welcoming start. Your subsequent presentation ought to be concise and kept straight to the point of the meeting at the same time not lacking a decent structure. Any visuals in a presentation are always of an advantage, that's why use clear and unambiguous graphics and tables to supplement your speech. Keep in mind that the knowledge of English may vary significantly from company to company. If you suspect that your counterpart might not have a sufficient level of English needed for your discussion, do your best in translating your presentation materials in Turkish or prepare a handout with a recap of main discussion points translated in Turkish. (Sabath, 2004, 236).

Several aspects are recommended to be considered when planning and conducting a business meeting with Turks:

Organization and preparation	Addressing people
Learning about all the representatives of the company and the hierarchy in it.	Addressing a person by title (Doctor, Professor) when applicable, rather than by name
Arranging an interpreter in advance if needed.	Greeting people in Turkish is seen as a very polite and respectful gesture.
Avoiding making appointments during Turkish	

holidays.	
Learning the right pronunciations of the names of people present on the meeting.	
Learning all the titles and positions of people present on the meeting.	
Arranging a meeting at least two weeks before the meeting itself.	
Always getting a confirmation before the meeting.	
Arriving 5-10 minutes before the meeting.	

TABLE 3. Aspects to be considered when planning and conducting a business meeting with Turks. (Sabath, 2004, 236-244).

The process of **negotiations** may be rather long and making attempts to hurry the Turkish party up can ruin the business relationships. This lays on the culture and understating of time. Prior to that, vertical hierarchy plays a significant role in decision making. Turkish business in generally is absolutely based on trust, they are very emotional about it and if they feel lies or information withholding, Turks will absolutely reject to cooperate. (Expat Focus, 2016).

Family values and family business is very strong among Turks of DACH region. It is important to show that you appreciate and share the family values, only then you can become close business partners. Decisions are only made by the head of the family in the company and it is very likely that you would have to meet several times with the representatives of the company and only after this- with the general management. It is always important to show respect. Trying to find the compromise may be difficult as Turks are emotional and talkative. But standing on your initial values is also appreciated, it is not seen as something positive if a person changes one's mind a couple of times. (Expat Focus, 2016).

If you speak Turkish, use the **formal** 'siz' and not 'sen' form of the verb to refer to the second person, even if you know your contact quite well. It is expected to greet the most senior person first as a sign of respect, before greeting everyone else in the room individually. The most common greeting is 'Merhaba'. Using the first name is impolite. (Expat Focus, 2016).

Exchanging **business cards** is also important, academic title is to be written on the business card. Smiling while greeting the people on the meeting and exchanging the business cards is a must. Business card needs to be read as it is presented, not simply put into the pocket. It is also advised to use both hands while giving the business card. (Schroevens 2013, 104).

Running a business meeting

Turkish people consider the first business meeting a socialization act, aimed at getting to know each other. It is very rude to get straight to discussing business and sometimes business is even not discussed during the first business meeting at all. Discussing family would be suitable. Turks appreciate good listeners and patient people. They love discussing sports, personal interests, hobbies, culture. Maintaining eye-contact and showing interest is very important. It is important to know that a Turkish party has to lead the negotiations and out in the center of them. Turks prefer simple and clear information and offers. Presentations should be short but informative. Complicated phrases should be avoided. Numbers and facts would demonstrate the company better. (Passport to trade 2.0 2014).

It is important to maintain contact even **after the meeting** and negotiation process. If a consensus was reached or contract signed a follow-up letter with words of partnership appreciation is a must. Letters are also to be sent on holidays. (Passport to trade 2.0, 2014).

Turkish people give more value to the personal relationships rather than to the documentations. They keep promises and words. It is important to show that trust is also a key value for you and everything will be done to maintain a trustful business relationship. (Passport to trade 2.0, 2014).

Flexibility is also very important as agreements may need changes, so it is better to always be ready for negotiations. (Passport to trade 2.0, 2014).

Turkish people appreciate their national cuisine and love to invite guests to the **restaurant** to try the meals. It is important to show that you appreciate and enjoy the food and better not to discuss business during such meals. Personal relaxing communication is suitable for going to the restaurant. Turkish hosts always pay for the meal; it is very impolite to offer them to pay even for the food that was ordered by you. It is important to thank for an invitation and let the host know that you will be happy to invite him for a dinner as well. In this case, it is better to inform your guest in advance that you would like to pay for the meal and which restaurant you have chosen. Conversation is very important during attending a restaurant. It is better to let the Turkish party lead the conversation. It is better not to offer alcohol to a Turk. Non-Muslim Turks consume alcohol but it is better to let the partner order it first. The national Turkish alcoholic drink is Raki. Turkish coffee and tea mean a lot for the Turks. It is important to drink a cup of Turkish tea together with a Turkish partner and to never refuse a cup of tea or coffee as it is a tradition. Arriving in time for the dinner is a must. And as you sit at the table, it is important to wait for the oldest person to start eating first. It is polite to finish all the food on a plate and show your appreciation and enjoyment. (Passport to trade 2.0, 2014).

Information on business meetings

A must	Aspects to consider
Conservative dressing.	First meeting is for person communication rather than business discussions.
Punctuality.	Turkish people appreciate trust and respect a lot.
No pressure on Turkish business partners.	It is recommended to discuss family and personal topics during business dinners.
It is important to be patient and modest.	Turkish people do not expect business gifts, however if you wish to present one it will be accepted.
Business offer must be structured and understandable.	Speaking slowly but not trying to impress Turkish people with complicated phrases and comparisons is recommended.
Showing respect for the elderly is important, it is recommended to greet the oldest person first.	
Eye contact and friendliness are very important.	

TABLE 4. Information on business meetings

3.3 Comparison of German, Austrian, Swiss and Turkish business cultures

	German	Austrian	Swiss	Turkish
Business values	Reliability, professionalism, loyalty and stability.	Reliability, professionalism, innovation, mindful consumerism.	Reliability, professionalism, experience on the market.	Respect and trust.
Gift-giving	Accepted only when invited for dinner at business partner's home.	Accepted only when invited for dinner at business partner's home.	Accepted only when invited for dinner at business partner's home.	Unpretentious gifts accepted.
Dress-code	Strict classic business dress-code, except for the creative industries.	Strict classic business dress-code, except for the creative industries.	Strict classic business dress-code, except for the creative industries.	Strict classic business dress-code, except for the creative industries.
Corruption	Very low level of corruption, so gifts may be considered as bribes.	Low level of corruption. Gifts are considered bribes.	Low level of corruption. Gifts are considered bribes.	Low level of corruption, gifts are not considered bribes.
Punctuality	Time is one of the biggest values, Germans are known for their punctuality.	Austrians are as punctual as Germans and when being late for the meeting a call informing on being late is a must.	German Swiss are highly punctual, however Italian and French one may not be so punctual.	Arriving 5-10 minutes before the meeting is a must.
Communication and negotiations	Germans rely on facts, they are not afraid to give fair criticism and defend their point of view. Germans like to get straight to the point, not having long small talks.	Austrians value structure clarity.	Personal topics are to be avoided.	Turks love discussing family and hobbies. Negotiations process may be very long due to attention paid to hierarchy.
Dinner etiquette	When dining at a restaurant each pays for himself. dinners but a small talk is also important.	Dinner etiquette in Austria is like the German one.	Business lunches are very common as well as being invited to have a dinner at home.	When invited to the restaurant, Turkish party is paying.

TABLE 5. Comparison of German, Austrian, Swiss and Turkish business cultures

4 RESEARCH ON MARKETING AND COMMUNICATION INSTRUMENTS SUITABLE FOR SUCCESSFUL PROMOTION OF SILK PLASTER IN THE DACH REGION

The Silk Plaster Company was founded in 1997 producing the product based on own patented technologies. The company has almost 20 years of experience in producing highly-innovative, eco-friendly DIY wall-covering material. (Silk Plaster, 2016).

Silk Plaster is registered as a trademark owned by the company. Production equipment of European and Russian manufacture is modified by company's own engineering staff to suit the unique manufacturing standards of the company. There is a constant development of company strategies to achieve a high-quality product. (Silk Plaster, 2016).

Official offices operate in Berlin, Riga, Moscow, Kiev and Dubai. The Silk Plaster team consists of highly qualified personnel including engineers, designers and managers. (Silk Plaster 2016).

Silk Plaster is regular participant on the international fairs, where we were proud to present the healthy alternative to the common wall covering solution as wallpaper and paints. The company constantly takes part in the largest building and interior exhibitions. (Silk Plaster, 2016).

Only in the spring of 2014 Silk Plaster Group and its dealers are involved in 9 exhibitions around the world: NORDBAT in France, NATIONAL HOME SHOW in Canada, InterBuildExpo in Ukraine, DIY&HANDMADE in South Korea, Supernamai in Lithuania, "All for construction and repair" in Ufa, MosBuild in Moscow, and DOMICATEC in Greece. (Silk Plaster, 2016).

Silk Plaster is the first commercial wall-covering brand which has CE Mark, is certificated in Europe and is constantly getting awards for its quality and environment –friendly values. The Silk Plaster - wall covering material meets the requirements of AgBB-Scheme (Cologne, Germany) of building materials, EC Declaration of Conformity (UK, Bristol), Fire test (France) and M1 emission certificate of buildings materials (Helsinki, Finland). (Silk Plaster, 2016).

Silk Plaster company has gained the international eco award for building and decorative materials e3Awards 2014 and after the rigorous assessment by experts received a certificate and an eco-quality label e3 «Ecology, Energy, Efficiency». (Silk Plaster, 2016).

Silk Plaster was awarded an eco-friendliness certificate on the BIG5 exhibition.

- Certificates of the production:



IMAGE 4. E3 Award certificate for Silk Plaster

4.1 Silk Plaster product range and collections

The company Silk Plaster Group is producing liquid wallpaper. Prior to the wide range of collections of wall-covering material, company is also offering related products, like two types of plastic trowels for application of material on the wall, glitter additives to be added to the product and primer for priming walls before applying the product. (Silk Plaster, 2016).

The collections are developed by Russian designers and although there is a wide range of colours and textures the collections that are popular in Russia may not be popular in Western Europe. (Arutyunov, 2016).

It is proven through experience of living in Germany and communicating with people from DACH region that people of this culture prefer minimalism, pastel colors, simple textures and materials, whereas customers on the eastern European market usually prefer bright or mellow colors and more complicated textures. So, this is indeed a challenge to choose the product collections and colors that would be interesting and appealing to the customers of DACH region. (Arutyunov, 2016).

Experience of previous sales on DACH region has shown that the most popular collection of all available at Silk Plaster stores is white **Optima**, that is not only the simplest collection with a very basic structure of the material but also the cheapest one. (Arutyunov, 2016).

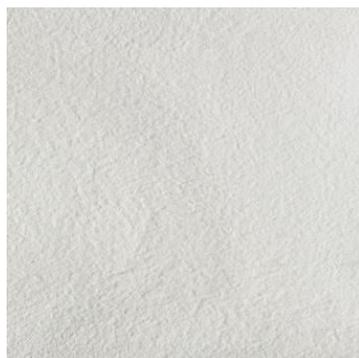


IMAGE 5. Optima 051 Collection color sample

As work with customers from DACH region has begun the idea of getting customers acquainted with other collections that may be suitable for their taste emerged. After negotiations with colleagues, a more expensive but very stylish and interesting yet minimalistic- the **Art Design** collection was chosen for extra promotion among

customers of DACH region. This collection has a wide range of colors and the texture is more soft and fibrous. The monochrome colors of this collection as shades of grey, white and beige have rapidly gained popularity among existing and new customers. (Fauser, 2016).



IMAGE 6 Art Design collection in light grey, sample

Individual customers are often interested in additional products for the application of the product like plastic trowels. These customers may also be interested in Silk Plaster water resistant primer for surfaces, as such customer as painters and shop usually have a similar primer themselves but individuals willing to do the house renovation by themselves prefer all the needed materials at once so that everything is clear.

Collection with brighter colors may be offered to families with children to decorate the nursery and collections with sparkles and glitter may be offer to those who prefer glamorous designs. **Collections with glitter particles**, which mean the product looks sparkly on the wall, are especially popular among people of older generation coming with Eastern-European roots. (Arutyunov, 2016).

4.2 Target market and selection of target customers

As the region of DACH – Germany, Austria and Switzerland is determined as the target market of Silk Plaster Group Company, it is now to determine the groups of target customers. To do this not only have we got to know who may be interested in the product of Silk Plaster but also, it is important to understand where the company is now, where is the company heading to and where do we want to see the company in the future. As the material- liquid wallpaper or decorative plaster is innovative yet not new on the market, there are some individuals from DACH who are coming across Silk Plaster website and making an order. This is indeed a positive tendency but not the aim

for a prospective. Silk Plaster is focused on business to business market; mainly as working with individuals make the process of processing orders very illogical in terms of logistics, production and future prospective. Finding reliable partners ready for a wholesale-retail relationship is a goal for Silk Plaster. The ideal situation is when Silk Plaster is selling a big amount of product to the company in Germany, for instance, and this company retails the product on the local market. (Arutyunov, 2016).

But what could these potential customer companies be? As the product produced and offered by Silk Plaster Group is liquid wallpaper or decorative plaster, the target companies would have to be working with wall-covering materials or materials for room renovation.

Thus, a research for 3 main types of potential customers and partners was conducted: paint companies with showrooms, where painting masters may show catalogues of wall covering materials to their customers; shops and networks of shops retailing wall covering materials or materials for hoe renovation; and the last group is immigrants from post-Soviet countries, who are searching for business opportunities. The clear majority of already existing customers and partners of Silk Plaster Group in Europe is people with Slavic roots, some of them are painters or repairers and the others are entrepreneurs. (Arutyunov, 2016).

To find the target customers yellow pages and databases of painters in Germany, Austria and Switzerland were used. Facebook groups and online newspapers for Russian-speaking population of DACH region were also used in research.

4.3 Research and findings on customer relationships of Silk Plaster

The main aim of thesis practical and research work was give recommendations on optimizing customer relationship, with the focus on finding new customers and advice on properly maintaining and developing relationships with existing customers. But before starting to work on development of customer relationships, a pre-research is to be conducted. A research with two target groups: existing customers and potential customers in DACH region was conducted. The new database of potential customers was created as described in the chapter on target market selection and a cooperation offer was made to the potential partner companies/dealers/customers. A cooperation offer was made on behalf of Silk Plaster Company. Companies were contacted via

phone or email and the research on willingness to cooperate and determining existing problems in attracting new customers was conducted. Approximately 15 companies of potential cooperation interest were contacted daily and every response was documented in the created database. Reasons for rejection and generally any comments and relevant pieces of information were documented and analyzed. Thus, not only awareness of existence of such product as liquid wallpapers was monitored but also opinions, prejudice on the product, wishes, recommendations, problems faced during painting works, preferences in design, color, etc. This research and data collection was conducted not simply to find new customers but to gather information on preferences, problems, opinions towards such product.

The research was being conducted from 28th of September till 30th of November. The main purpose of the research was determining what the current positions and current perspective of Silk Plaster is: what do customers think of the product, what are preferences in collections, what is important, what are experiences and demands of the customers and willingness to cooperate. After gathering this information further steps may be taken: what can Silk Plaster do to get customers' attention, interest and potentially respect; what are the target customers of Silk Plaster and what is the better way to reach them; building individual offers to every potential customer and developing the communicational strategy for various customers.

The results on willingness of the potential customers to cooperate are described in the chart below and the techniques of cooperation offer and first contact are described in further chapter.

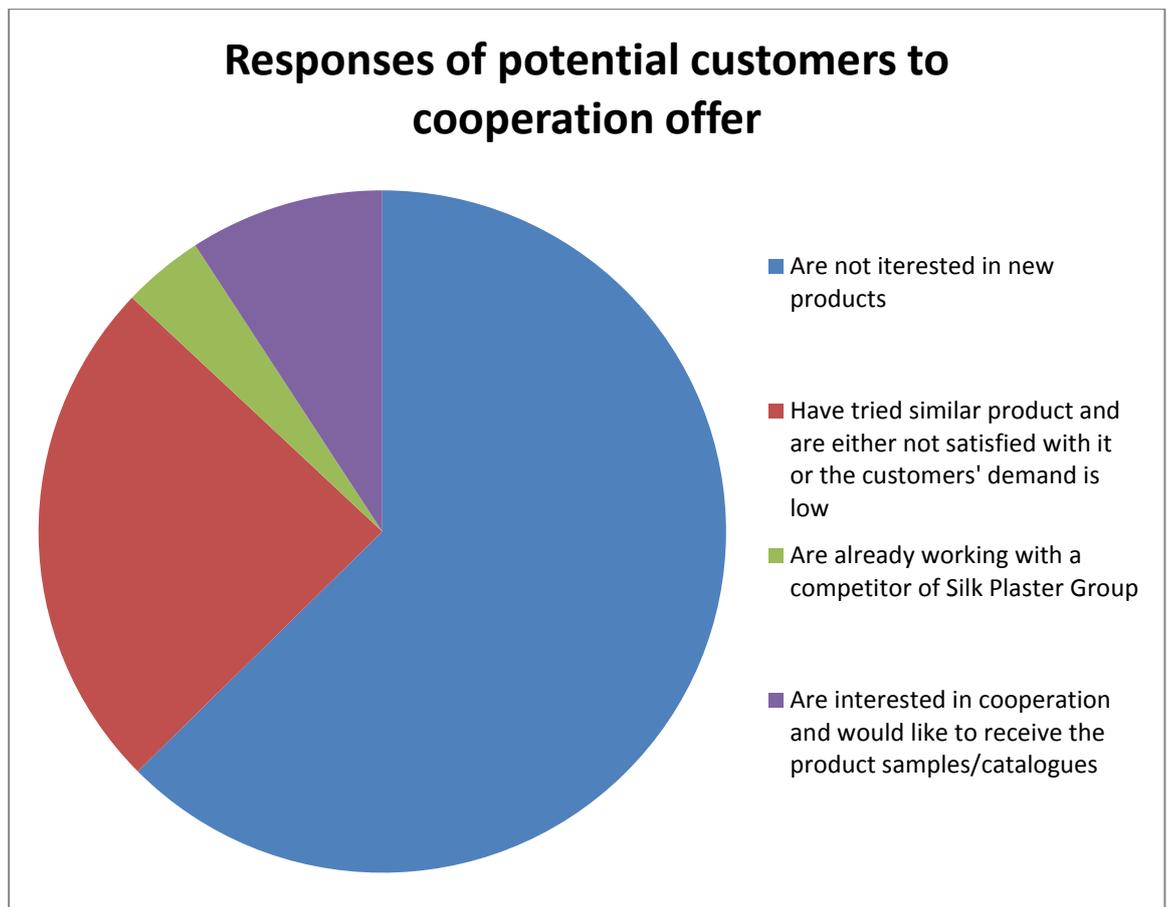


TABLE 6. Responses of potential customers to cooperation offer by Silk Plaster

The main struggle faced is a simple unwillingness of the potential customer to widen the product palette and start working with the new product. It is important to keep in contact with these potential customers as they are not ready to take risks now or maybe do not need a new product in their shop but there is always a potential for the future.

Those potential customers who had bad experience with a similar product may be reassured by providing them with persuasive information on the qualities of Silk Plaster product. But practice shows that these people are hardly reassured as if the product is unpopular at a shop, it is difficult to force one to promote it better to get it sold.

A lot of potential customers who have already been working with the competitor became interested in Silk Plaster thanks to the best on the market price-value relation. Only a few have refused to communicate on topic of cooperation as they had long-time sustainable partnerships with the competitors of Silk Plaster and were ready to sacrifice better price for stability.

It is normal to have a higher percentage of rejections than agreement to cooperate. However, it seemed to be relatively a lot of potential customers who were interested in cooperation. Although no one is ready to make an order without first trying the product, so promotional materials including catalogues and product samples were to be sent to the potential customers.

4.4 Business to business exhibitions

Participation in exhibitions is an amazing opportunity for an enterprise to share on innovations, attract new customers and partners and gain popularity on the market. Over 130 exhibitions and trade fairs take place annually in Germany. A significant advantage of the exhibitions is that the audience attending and taking part in the exhibition is generally interested in the product and wishes to get acquainted with it. All visitors are focused on discovering offers of the market. (Kotler & Pfoertsch 2006,114).

Exhibitions are planned and organized in advance. Potential participant should contact the organizers and choose the stand to present the product or service in the most efficient way. Participants' fee varies depending on the size of the stand. Promotional materials are usually presented by the participant himself but it is also possible to order extra promotion from the organizers of the event. There are generally two types of business exhibitions: business to customer exhibitions and business to business exhibitions. (BAU Muenchen, 2017).

What type of exhibitions is more effective and relevant for promoting products of Silk Plaster? Business to customer exhibitions surely bring new customers to the enterprise but this mainly results in a onetime single purchase as people do the renovation of the house once in a couple of years and they won't need much of a material to do the walls renovation. So, this model of onetime single purchase and thus business customer exhibitions won't bring permanent cooperation. This way, these types of exhibitions are irrelevant for Silk Plaster Company.

Businesses to business exhibitions or B2B exhibitions, on the contrary, make continuous partnerships and cooperation possible. Visitors of this type of exhibitions are representatives of the companies who may have interest in potential cooperation with one's business. (Circle Studio Blog, 2015). A good example of such exhibitions would be BAU Muenchen. (Arytyunov, 2016).

This is a B2B exhibition for companies which are engaged in building materials. Representatives of building materials stores and networks of stores, painters, craftsmen and repairers are present on this event. (BAU Muenchen, 2017). And the clear majority of these people are the target audience of Silk Plaster.

As many the visitors are professionals of building and renovation industry, the information about the products needs to be presented in a different way than to the average potential customer. When an average potential customer is more likely to be attracted by show and design, a potential client company is more likely to be attracted by technical specifications of the product, its eco-friendliness and ergonomics. These aspects are to be the key focus of the business to business presentation on the exhibition. (Arytyunov, 2016).

Another interesting possibility of presenting Silk Plaster product is taking part in the exhibition through the partner company. Thus, the partner company, for example, in Germany, is representing the Silk Plaster product, while presenting own company and attracting customers for the company. But as Silk Plaster Group is a producer of liquid wallpaper and a wholesaler, the sales of partner companies retailing Silk Plaster product are reflected in the increase of the revenue of Silk Plaster Group. So, it is important to support partner companies and encourage them to take part in the exhibitions as this is beneficial for both Silk Plaster Group and the partner company. Few partner companies of Silk Plaster in Germany are interested in taking part in exhibitions but may not always know how to proceed. A list of upcoming exhibitions that may be of an interest for the partners was made. It is important to show that Silk Plaster Groups values the cooperation and is ready to support the company with promotional materials. Partner company usually has the product itself in stock and knows how to present the product to the customer and how to apply it to the surface.

Another option is to offer covering 50 % of cost of participation in the exhibition. But this decision is to be made based on the value of cooperation. It is important to support growing partner companies with high potential. (Arytyunov, 2016).

To crown, not only are the exhibitions important for getting new contacts and establishing partnerships but also for gaining acknowledgment and popularity of the product and thus new customers.

4.5 Promotional materials

Promotional materials are representing the brand and the offer of the company, thus they should create a positive and appealing image. A person holding such materials in hands is getting acquainted with the product. A good promotional material not only coerces the client to purchase but also reflects company's image, creativity, policy and quality. It should arouse emotions and help to lay the first stone in the fundament of subsequent relations. (Blaise & Carlton 2004, 9).

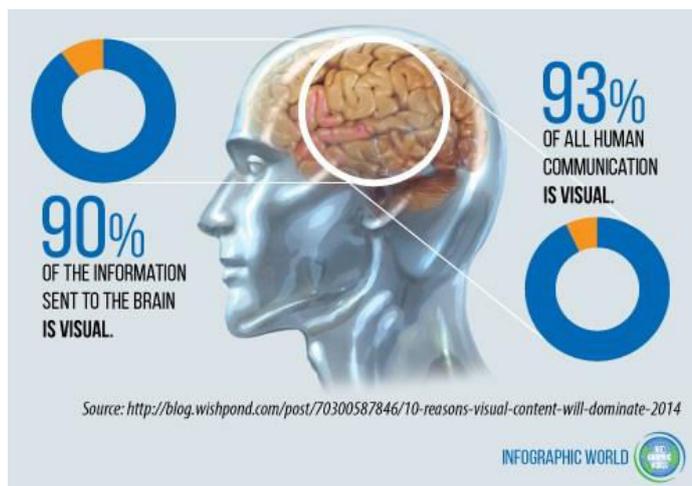


IMAGE 7. Visual communication (<http://www.business2community.com/digital-marketing/visual-marketing-pictures-worth-60000-words-01126256>)

What is very well-described on the picture above and what is especially important in advertising, promoting and generally presenting any information is visualization. There is also a saying that it is better to see a thing with your own eyes than to read or hear dozens of explanations about the thing. Promotional material is indeed a visualization of a commercial offer; it is combination of textual information and visual information. (Pieters & Wedel 2008, 1).

In case with Silk Plaster Group a promotional material is also a small product sample as the product offered is a decorative plaster, wall covering material and as it is used in the interior people would prefer to touch the texture and see the ready-made product with their own eyes. Customers won't have a clear picture of the product by simply seeing the photo of the wall or ceiling decorated with liquid wallpapers. (Arytyunov, 2016).

The promotional materials of Silk Plaster Company were used in two main cases: to attract new potential customers and to support existing partners and customers on the

exhibitions or to be used in their showrooms. In case with attracting new customers a collection of catalogues was offered for free to those who were interested in cooperation. Not only have the company covered the costs for the catalogues but also the shipping costs. This was a complementary gesture to show respects and interest towards sustainable cooperation.

The chart below shows the behavior of the potential customers who had interest in cooperation and whom the promotional materials were sent. It is important to highlight that simply placing catalogues in the showroom is not enough. For this action to be resulted in orders and potentially in long term cooperation, a potential partner company who has received the catalogues should be supported further. Maintaining contacts regularly, when possible attending the shop and meeting the manager to have negotiations and personal presentation. (Arytyunov, 2016).

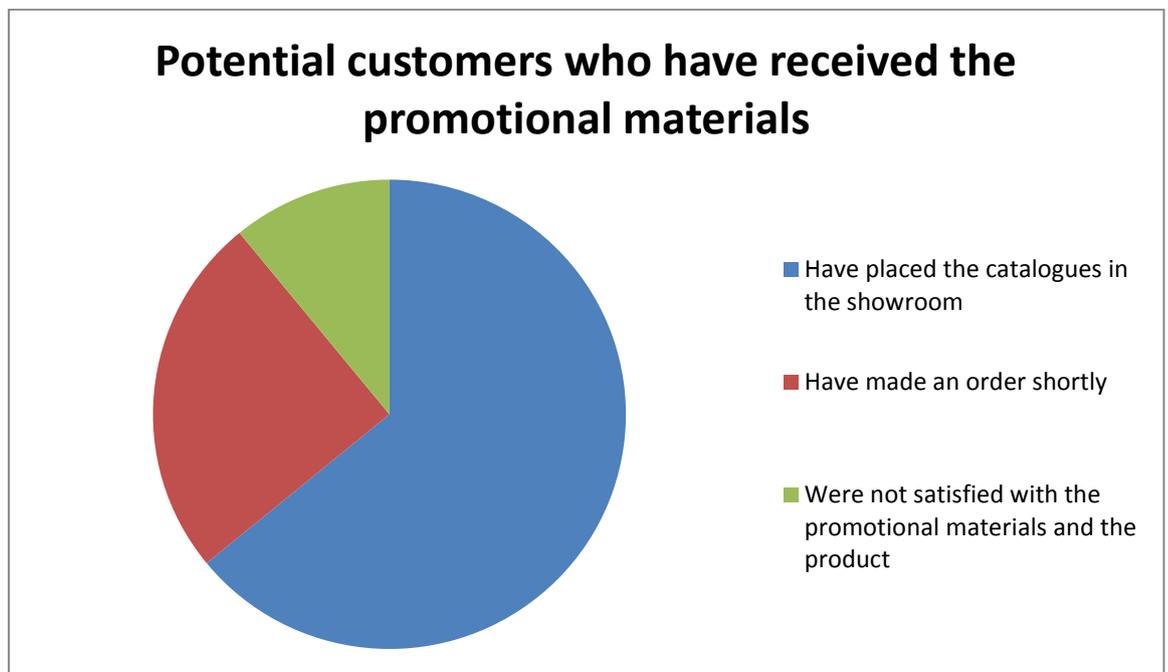


TABLE 7. Potential customers who have received the promotional materials by Silk Plaster

As it was already mentioned Silk Plaster Group was also offering promotional materials to long lasting customers, who are already familiar with the products. In this case, promotional materials were offered as marketing support during exhibitions or for demonstration in the showroom. As this is cooperation with long term partners, promotional materials were not an instrument for getting acquainted with the product and thus not sent completely for free. The best strategy is to offer the customer to cover the shipping costs for the transportation of promotional materials. Customer doesn't

have to pay for the promotional materials and only pay for shipping. This way mutual interest in cooperation is reflected and a compromise is being found so that Silk Plaster Company and the partner company both can make profit and attract new customers with the help of promotional materials.

4.6 Masterclasses

A very effective instrument in getting familiar with the product and promoting the product are masterclasses. Masterclass is „a class taught by someone who has an expert knowledge or skill in a particular area, especially in art”. (Slovar.cc 2012). In case with Silk Plaster, master class is usually conducted in building materials store or in a showroom. During the master class a product is being demonstrated, namely the application of liquid wallpaper. The process of application is very easy; however, it is good to know all the aspects and tricks. Prior to that, the application of liquid wallpapers is also an entertainment. The ready-made product looks like a chewing gum and is applied on the wall with a plastic trowel, this often fascinates the audience as they observe the application process on the master class. What is even more interesting is that the material can always be repaired; it just needs to be sprinkled with water as it becomes elastic again and then evened. The material may be evened not only with a plastic trowel but also with such thing as a credit card. All these interesting aspects are perfect for advertising and visualization of these aspects make the product even more attractive to the customers.

It is important to organize master classes in DACH region not only to attract customers but also to simply get people acquainted with the new product. Master classes are always to be organized in partnerships. (Arytyunov, 2016). The process is the following:

Silk Plaster Company should negotiate with a partner company retailing Silk Plaster liquid wallpaper in DACH region. It is essential to support the partner company with promotional materials. (Arytyunov, 2016).

Must do's	Problems
Masterclass and its advertising is to be organized together with the local partner company as it has the knowledge of the local consumer.	Partner company doesn't have or doesn't usually have is the person to conduct the master class and basically present the product to the visitors and make them interested.
A manager from Silk Plaster Company should lead the master class, a sales person with strong negotiation skills, psychological skills and of course great knowledge of the product and repair skills.	It happens that customers face problems with product application, end effect, etc. that are caused by the lack of information and awareness in advance.
The full process of preparation and application of the product must be shown (Including giving advice on cleaning or removing the product).	Customers do not always read the operation manual properly.
The painter should let visitors try everything themselves with their own hands.	

TABLE 8. Must do's during masterclasses and problems faced by Silk Plaster

Prior to the educational part, master class is a great promotional show that certainly attracts people and catches attention. (Arytyunov, 2016).

4.7 Social media marketing

Nowadays social media offers a multi-channel opportunity to promote a product. Only Facebook itself has over 250 million users. This enables a connection that was not possible in the past. For a company, not being present on social media and not promoting products or services using social media is a great waste of an opportunity. (Zarrella 2009).

As for social media marketing targeted on DACH region, channels relevant for this region need to be chosen for advertising. For instance, what works for Eastern Europe may not be so effective in Western Europe. In practice, this means that such social

network as Vkontakte, which is popular in CIS countries, would not be effective for social media marketing in Germany, Austria and Switzerland as this social network is unpopular in this region. (Information Resources Management Association USA 2016,858).

Two main social media platforms were chosen for promoting Silk Plaster product in Germany, Austria and Switzerland would be Facebook and Youtube. These two platforms were chosen as Silk Plaster Company already had experience in using Facebook and Youtube for promoting liquid wallpapers in Russia. So, for DACH region market, a Facebook page in German needs to be created, the page not only promoting the product itself but also offering cooperation for business. As Silk Plaster is not only focusing on Germans, Austrians and Swiss but also on people from former Soviet Union countries now living in Europe and willing to run their own business, a page in Russian, specifically designed for purposes of attracting Russian speaking people from Eastern Europe living in DACH region is to be created.

The main rules of being successful in social media marketing are being consistent, relevant and open for communication. This means that it is very important not only to post promotional information on the product by also interesting information related to the product. For instance, articles on home design or eco-friendly lifestyle. This way a Facebook page becomes more of a blog and thus way it is easier to catch an eye of a customer, to make him interested and show that there is a message and philosophy behind the brand of Silk Plaster. (Procopio & Spielvogel & Thompson 2012,22).

Whereas a Facebook page aimed at people from Eastern Europe willing to run business in DACH region, could include information on self-motivation, becoming an independent entrepreneur. This type of information alongside with promotion of the product and business will inspire the audience and add an important emotional connection between Silk Plaster and its customers.

It also to be mentioned that there is a possibility for paid promotion on Facebook. This is done in form of small ad that is shown in the news feed of users or groups.

Regarding Youtube, DIY (do it yourself), inspirational and informational videos are very popular on Youtube. There are a couple of videos about Silk Plaster liquid wallpaper on the internet but one is particularly informative and entertaining. This video is a very entertaining comparison of different wall-covering materials, among which are Silk

Plaster liquid wallpapers. This video demonstrates that only Silk Plaster liquid wallpapers are standing the test of fire, water, time and mechanical damage. The only drawback of the video is that it is in Russian. I have created the subtitles in German and the further option would be to double the video, so the viewers won't hear Russian language. The translated video is to be uploaded to the newly created Youtube channel of Silk Plaster Germany, Austria and Switzerland.

But as we reread the main rules of successful social media marketing, a word "consistency" is being recalled. (Procopio & Spielvogel & Thompson 2012,22). So, what content can Silk Plaster add to the new Youtube channel prior to the video mentioned above? A perfect option would be videos from customers on how they have decorated their walls. These videos may be unprofessionally filmed but this only shows that Silk Plaster material may be applied by ordinary people not professional painters. Another option would be videos from the painters and craftsmen working with the material. These types of videos should be more professional and yet more informational in terms of specifications of the material, potentially different techniques of applications, mixing colors and avoiding problems.

To crown the chapter about social media marketing, another important option for social media promotion on Facebook and Youtube is to be mentioned- partnership or indirect promotion not through the own Facebook page or Youtube channel but through the channels of companies you are cooperating with. This is called product placement. (Rich 2013,103). An opportunity for Silk Plaster is, first, having Youtube videos and posts made by partner companies all over the world, particularly, DACH region. The video is posted on the channel of the partner company or reposted by Silk Plaster Youtube channel for Germany and is done in form of product recommendation. As partner companies know the local market and have the needed command of the local language, this is also a huge benefit for Silk Plaster and its multinational audience. Thus, it is a multichannel marketing that results in revenue increase for both companies retailing and promoting Silk Plaster and Silk Plaster Group itself.

4.8 Promotion through the local media

Using diverse types of media, not only social media, helps reaching larger potential audiences. (Hackley & Hackley 2015,78). For promoting Silk Plaster product, German magazines and newspaper as well as news-websites specialized in renovation and

décor were contacted. These media have audience of mainly companies, painters, craftsmen and simply people seeking inspiration and technical advice. Among such newspapers is Maler Blatt Deutschland, a leading newspaper in the field of renovation. Advertising in such types of media may cost a lot, up to thousands of Euros. Maler Blatt was contacted for promotional options and they have agreed to do the report on Silk Plaster product for free in the December issue of the magazine, as the product itself is innovative and relatively new to the market. Silk Plaster is to provide the magazine with pictures of the product and walls decorated with it, prior to that information on product and company is needed. Choosing the right images and information is very important as it needs to be appealing yet easy to comprehend. Readers are usually professional of the field so it is not so easy to attract them with beautiful words. Eco-friendliness, unique product qualities and designs are the key while choosing the informational text for the newspaper. As for the pictures, it is better to choose what attracts German customers, like pastel colors, simple yet modern and cozy designs, easy textures and individuality.

Being published in such newspapers as Maler Blatt gives a huge chance for Silk Plaster to earn recognition among professionals of the renovation field and attract new business customers who will be willing to cooperate and promote product on the local market.

5 RESULTS AND CONCLUSION

The main objective of the thesis was to give recommendations to Silk Plaster Group Company on getting established on the market of Germany, Austria and Switzerland. This was to be done by conducting research on business culture of DACH region, customer relationships with existing customers and choosing marketing and communicational instruments to attract new customers and partners. The research was effectively done as several research methods were used, both qualitative, such as interviewing potential customers on willingness to cooperate and interviewing customers who have received the promotional materials. The quantitative research elements, such as pie charts describing the percentage ratio of answers received on the commercial offer were also included.

A deep understanding of the market and determining customers' needs is a key to success, so product preferences of customers in DACH region were also described for Silk Plaster to determine what product collection are popular on the market and what may be done to meet the needs of the customers. A SWOT analysis of an enterprise is also included in the thesis as this helps to determine where the company is now, where it can proceed to in the future and to see the potential of the brand.

Marketing and promotion is the next and indeed very crucial step in getting established on the market and are very important elements of the marketing mix. Alongside with communication with customers I have paid significant attention to describing marketing and promotion of Silk Plaster product on the market of DACH region. Choosing the right marketing strategy results in recognition and popularity of the product and thus - in potential sales.

My initial aim was to present the relevant and effective combination of marketing and communication instruments, based on pre-research, to give recommendations on how to be successful on the market of DACH region. This aim was reached as the developed strategy has helped to attract new customers from Austria and Switzerland, maintain trustful relationships with existing customers and understand the market of DACH region better.

The main challenge of Silk Plaster Group Company is internalization. Even those customers who are based in Western Europe or America are mainly Russian-speaking representatives of Post-Soviet countries, who have immigrated. It is important to widen

company's horizons and change the image of Russian company to earn trust among customers from all over the world and from DACH region in particular. Business relation in Germany, Austria and Switzerland and based on trust and good image of the company. So, these aspects are to become the focus of the company.

It is also important to constantly monitor the level of satisfaction with Silk Plaster product among existing customers and maintain communication. Continues improvement and ability to adjust to the trends play a significant role in the future development of the company.

As Silk Plaster is an eco-friendly company and eco-friendliness trend is popular nowadays, it is important to maintain this image and think of the ways to reach more sustainability. An option would be taking part in charity actions.

I would also recommend for the company to stay open for cooperation while preserving the culture and message of the company and sharing its values with the customers.

The research on customer communication and brand promotion was conducted. This was done to see what problems does Silk Plaster brand face with existing customers, what can be done and make communication more sustainable, how can Silk Plaster attract new customers and what is the best way to reach new audience.

The fundamental research on promotional methods and general recommendations on how to better communicate with customers went right. Using social media, adjusting promotional materials to German market and finding new promotional channels helped reach new customers (Arutyunov, 2016).

However, the customer communication, especially communication with new potential customers didn't always do right. The biggest problem faced was monitoring difficulty. New shops willing to cooperate with Silk Plaster and wishing to receive promotional materials to show them to customers often said that the demand for the product is low. They did not know how to promote new product to customers and thus had product samples standing in the showrooms but not willing to order large amounts of products. New customers were found but it takes time and consistency to build long-term customer relationships.

The research was conducted right in time when Silk Plaster was getting established on the market of DACH region. The results concerning business culture and customer communication are valid at any time as general and recommendations are culture related and culture is always applicable. The information provided in thesis is reliable as the theory is based on scientific sources and practice is based on interview with various customers and partners of Silk Plaster and with employees of the company.

The aim of the thesis- giving recommendations on getting established on the market of DACH region was reached. The biggest flaw of the research and results described is lack of monitoring mechanisms to see the progress of relationships with new customers of DACH region.

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APPENDICES



Appendix 1. Gaia Awards Certificate



Appendix 2. International Fair Plovdiv Awards



Appendix 3. InterStroy Awards Certificate



Appendix 4. MosBuild Awards



Appendix 5. A+ Certificate

Appendix 6. AgBB Certificate Certificate



Appendix 7. VOC Free

Appendix 8. M1 Certificate



Appendix 9. EN Class Certificate

Appendix 10. B1 Certificate

