

Developing Confectionary Store's  
Digital Marketing  
Case company: "Du Nord"

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## Abstract

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Developing Confectionary Store's Digital Marketing		
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<p>Marketing is changing rapidly and constantly, going along with technological development. Marketers should therefore follow those changes and keep learning how new technologies work. Digital marketing has become an essential tool of the promotion. Pre-time audience of news paper adds are failing, while people spend many hours on the web.</p> <p>Case company, Du Nord, provides both service and goods. The aim of the thesis is to suggest to the confectionary store some improvements in their digital marketing strategy for reaching more customers and building long-term relationships with already existing segment of clients.</p> <p>Information that is gathered in theoretical part related to the digital marketing with an emphasis on social media marketing. The empirical part of the research is based on interviews of the clients of the store. The data has been analyzed and the development plan is shown with reliance on both theoretical and empirical parts of the thesis.</p> <p>The findings illustrate actions for the development of digital marketing, researching carefully different social media platforms where customers of the store spend time.</p>		
Keywords		
Confectionary Store, Digital Marketing, Inbound Marketing, Marketing plan, Social Media Marketing		

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# 1 INTRODUCTION

## 1.1 Research Background

Today's sweet business is saturated with numerous confectionary stores all over the city of Saint-Petersburg. That is why it is necessary for the case company called Du Nord that is located in Saint Petersburg to have an effective marketing plan in order to exceed its competitors, attract new customers and improve interactional channels.

New generation of consumers has created the Internet a medium of choice and today, this new generation has entered a working life and has got work places. Those people speak digital language fluently, so the company need the same skill for the effective interaction.(Damian 2016, 8.)

Nowadays, the generation of Millennial had the biggest buying power that makes them the most attractive as consumers for companies. They have grown up in the environment of socialization and making purchases online and it is estimated that this generation of active Internet users and users of e - commerce will increase next years. (Taken Smith 2011, 3)

The aim of this thesis is to develop a digital marketing plan for confectionary store from Saint Petersburg that have been warmly met its customers since 1834. Also, the goal of a case company is to reach millennials generation in the future by developing their digital marketing practices. Moreover, this research aims to make an action plan that focused on attraction customers via social media and improving current relations with existing clients.

## 1.2 Thesis Objectives, Research Questions and Limitations

The aim of the Thesis is to study and understand deeply necessity of marketing planning for businesses looking closer at a sweet business' marketing and take a confectionary store as a subject to study how to develop digital marketing practices. Also, the thesis suggests improvements to the case company's digital marketing plan by focusing on social media marketing.

Because of the current high competition in the confectionary business in Saint-Petersburg, having a digital marketing plan will help to improve communication and at-

tract customers, especially millennials via digital channels, and, it will also help to save unnecessary investments for the future development.

Research question is very important for each research. The research question is the main question to which the researcher will provide an answer after the research is concluded. (Saunders et al. 2012, 126.)

In this thesis the main research question is:

- How should the case company improve their digital marketing with an emphasis on social media marketing in order to reach more millennials in the future?

It might be quite difficult to give a structured answer to the main question of the whole study, so that is why there are some sub-questions that give a proper direction of thoughts. Those questions are the research questions, but at a micro-level which simplify the research of the main question. (Erasmus School of Economics 2017.)

The sub-questions of this study are:

- What is social media marketing?
- How social media may help confectionary store?
- How case company utilizes digital marketing at the moment?

There are always limitations to research. They should be directly pointed out, because limitations define the weaknesses of research that are not generalizable in other circumstances (Hair, Celsi, Money, Samouel & Page 2011, 428). First limitation of the research is that this study is about service marketing and marketing of edible goods as the store comprise both tangible and intangible products, related to food. Secondly, as the case company is a Russian confectionary store that is located on the outskirts of Saint Petersburg, thus almost all customers are Russians, so digital marketing plan will be focused on dealing with this Russian customer segment. Moreover, Russian language social networks are comprised in the research.

### 1.3 Theoretical Frameworks

The research starts with the theory about marketing. Also, as the company aims at profitable police and satisfaction of its customers, marketing mix and its determinants is presented in the research. This confectionary store comprises both tangible and intangible products, so that is why there is information about service marketing. Then it comes

deeper and explains what is marketing plan and its determinants. The next theoretical part is about digital marketing, because company willing to improve its online platforms in a scope of marketing. Inbound marketing method is provided here as one of the most effective tool for the concrete company. Moreover, SMM (Social Media Marketing), E-commerce and Earned Media are clearly stated in this thesis as a necessary theory part for the store in order to improve their digital marketing.

#### 1.4 Research Methodology and Data Collection

There are two possible types: deductive and inductive approach. The first one is used when it is clear that the writer is aimed at testing the hypotheses or the theory. Deductive approach always starts with a general theories and ends with a concrete information and its goal is to confirm the theory. The second one is inductive approach and it is used mainly when research is aimed at creating its own theory that is based on empirical data. Moreover, the outcome is exploratory and more open-ended then the deductive approach's result. (Myers 2013, 23.)

This research mainly uses deductive approach, because it helps to answer properly the main question. The general knowledge is the base of deductive approach and then it diminishes till the small details. Theory that is used for the research needs to be true in order to make the outcome of the research true. (Schechter 2013, 6.)

A proper research method always depends on the objective of the study, resources that are available during the research and possible restraints (Kumar 2014). Before starting the research, the writer should firstly find out a proper method of data collection. Basically, there are two fundamental ways of data collection: quantitative and qualitative research methods and the difference between them is shown below in the Table 1.

Table 1. Research Methods (University of Southern California 2017).

Basis of Comparison	Qualitative	Quantitative
Meaning and Goals	Seek to develop an understanding of human's reasons and motivation	Seek to confirm hypotheses and research the cause, relationships and an effect
Nature	Holistic	Particularistic
Approach	Subjective, Rational	Critical and logical, Objective

Research Type	Exploratory	Conclusive
Sampling	Purposive	Random
Data	Verbal, Textual such as video or audio tapes	Measurable or Non-textual such as graphs, figures, tables or charts
Orientation	Process-orientated	Result orientated
Method	Non-structures approach <ul style="list-style-type: none"> <li>• Interviews</li> <li>• observation</li> <li>• Focus groups</li> </ul>	Structured approach <ul style="list-style-type: none"> <li>• Survey</li> <li>• Questionnaire</li> </ul>

The main research question and research goals were the fundamental reason for choosing the data collection method. For the chosen topic qualitative approach has been applied in order to reach more accurate and deep result and answer accurately the main question of the thesis taking strengths and weaknesses, risks and opportunities into consideration. Choosing the concrete way of gathering information, interviews have been chosen as the most appropriate way for answering the main question.

The next step in conducting the research is data collection method choice. There are two primary ways of data collection: Primary and Secondary. The first type means that the researcher find out information itself for the own thesis, while second type of data collection means that author find out necessary information via sources that have been done by other researchers. Data collected using the primary type may be taken out from interviews with people using face-to-face communication or phone calls, e-mails and questionnaires may be used. Also, surveys, websites and observations of the writer may be related to the primary type of data collection. Secondary data is collected from books, articles, journals or science fictional reports. (Saunders, Lewis & Thornhill 2012, 304-305.)



Figure 1. shows the information about research methodology for this thesis.



Figure 1. Research methodology

In this thesis both data collection types have been applied. For the primary data source face-to-face interviews are used, while scientific books, articles and reliable e-sources are used in the research as a secondary data collection type.

## 1.5 Thesis Structure

The structure of the research is combined both empirical and theoretical part of the study. Each part of this thesis are shown below in Figure 2 and has it's own chapters that structurally lead to answer the main question properly and logically. The structure of the study is presented in Figure 2.



Figure 2. Thesis structure

The first chapter is an introduction one and it gives reader overall information about what is going to be in this research. Here writer tells about background information that has been used for the study, the main objectives, research questions and sub-questions that help to answer the research question are also stated in this part. Moreover, the choice of data collection and research methodology is provided in the first chapter.

Chapter 2 is a part of marketing and marketing planning. Definition of marketing is clearly explained in this part. As the company comprises both tangible products and the service, the information about service marketing is presented. Later on, here is a detailed information about marketing plan and its determinants. Also, in order to understand the customer-marketing concept that is called marketing mix is presented in the chapter.

Chapter 3 is about digital marketing and it starts with Inbound Marketing Method. Then, it goes to social media marketing and content marketing. As company would like to focus mostly on Instagram and SMM (Social Media Marketing), definitions are provided there. The final part of this chapter is about social media platforms that are actively used by the case company. Chapter 4 is about Russian sweet industry and it includes case company information that comprises introduction to their business, it's today's digital marketing strategy, social media marketing of the case company. Moreover, competitors' analysis is presented in Chapter 4. Chapter 5 is an empirical part of the thesis and it includes information about data that has been collected during the research. Also, analysis of the data is presented in this part. Chapter 6 is a development plan for the case company and here is a SWOT analysis of company's social media marketing activity. Furthermore, actions and actions' control are illustrated in this part of the research.

Chapter 7 is a conclusion of the work that has been done and there is an answer to the research question that has been stated in the beginning. Furthermore, all the sub-questions are answered in this part. Some suggestions are given in the end of the thesis. Chapter 8 is a summary of the research.

## 2 MARKETING AND MARKETING PLANNING

According to the dictionary, marketing is: “the provision of goods or services to meet customers’ needs”. In other words, the main task of marketing is to find out wants of customers and apply this knowledge to the company’s products in order to meet those requirements, and, it is equally important to bring the profit to the company in the process. Successful marketing consist of the right product that is available at the right time in the right place and also, customer should be aware of this product. (Westwood 2006.) It is necessary for the company to be flexible in order to find the balance in the market place and moreover, they should be ready to change their products for entering new markets.

J. Holloway said: “Marketing is about anticipating demand, recognizing it, stimulating it and finally satisfying it; in short, understanding consumers’ wants and needs, as to what can be sold, to whom, when, where and in what quantities.” (Holloway 2004, 7.)

“The central idea of marketing is to match the organization’s capabilities with the needs of customers in order to achieve the objectives of both parties.” (Frow, Payne & McDonald 2011.)

Marketing planning is a crucial part of marketing strategy of any company and it is recognized as a structured process that connects together the company’s mission, organizational and business strategy to marketing decisions, so it becomes easy to research and analyze the situation on the market, market itself and customers. Moreover, it makes possible to develop marketing direction, objectives, programs and strategies for the target customer and implement controlling marketing programs (Wood 2004, 11).

Marketing has become complicated with the development of the Internet and some other media channels. Marketing may control four main elements of company’s operation that also may be called as “Marketing Mix”. Those are helpful for any corporation to come up with a profitable policy that may satisfy its customers: Product, Price, Promotion and Place. “Product” and “Price” are responsible for satisfying customer’s requirements, while “Product” and “Place” are concerned with reaching company’s potential customer in the first place.

According to Westwood (2006, 6-7), Marketing planning is mainly used for describing all those methods of applying marketing resources in order to achieve marketing objectives. It is very complicated process, because the objectives of marketing vary from company to company and may change after a while. Marketing planning has some purpose to be

used such as identification marketing position, forecasting market size, segment markets, and also for planning viable market share within each market segment.

According to Westwood (2006, 6-7) determinants of marketing planning process are the following:

- Forecasting
- Making assumption
- Setting marketing objectives
- Carrying out marketing research within the company as well as outside of it
- Generating marketing strategies
- Defining marketing strategies
- Setting budget
- Reviewing the results and revising the objectives

In addition, marketing planning is called as iterative process and the plan may be updated with time.

Creation of marketing plan is a task that should be responsibly done by professional, because it has its own features that are very important for the success. There are determinants of marketing plan that should be taken into consideration during the process of creating an effective marketing plan.

First and very necessary step is carrying out external marketing research. Marketing planning process begins with researching the marketing environment not by chance. It is necessary, because each company exists, operates and is surrounded by different markets. Firstly, research should be carried out into the markets themselves and then, all the gathered information should be analyzed in the context of marketing.

The second step of marketing plan is carrying out internal marketing research. Historical information from the inside of the company may be even more important than general information about the market. It allows to look closer at the previous actions and possible mistakes. Sales, orders, margin and profit data are determinants of internal research.

The third step of marketing plan is SWOT analysis. It is an abbreviation of Strengths, Weaknesses, Opportunities and Threats. Those may be divided into external factors (opportunities and threats) over which the company has almost no control and internal factors (strengths and weaknesses). This analysis helps the company to look closer at possibilities for next movements, identify strengths that may help to overcome possible weaknesses and find out external threats for the firm. It is a necessary step, because

SWOT analysis answer the question that helps each entrepreneur to decide whether the product and the company itself will be able to surpass the plan. In theory, this analysis is mostly used for generating creative strategies and the following questions help company with it:

- How can we use our Strengths?
- How can we reduce the negative effect of our Weaknesses?
- How can we exploit our Opportunities?
- How can we Defend against possible Threats? (Hay & Castilla)

Setting marketing objectives is a next step of a marketing plan and one of the most essential. During brainstorming about this determinant, marketer should think about the aim of the whole planning process. The next thing is generation marketing strategies and methods that will help to achieve the goal. The next determinant is defining programs that include both promotion plan and advertisement. Setting the budget is the next part of planning that defines all the resources and possible financial risks. Marketing plan includes company's objectives and advices some strategies for the achievement of them.

## 2.1 Marketing Mix

Satisfaction of customers' needs is a corner stone of any business. McCarthy introduced a concepts consisted of 4Ps (product, place, price, promotion) components that should be adapted for the company for reaching satisfaction of customers' needs. (Drummond & Ensor 2005, 76.). Neil H. Borden firstly introduced "Marketing Mix" term in 1953. It is necessary to find out an effective tool of promotion that would be also cost-efficient. That is why marketing mix is an essential part of considering the most effective method.

Due to the increasing number of products, which are service-based, the marketing mix concept was extended to 7Ps (People, Process, Physical evidence). It was made mostly because of the intangibility of the product (service) and the fact that some of company's products may be perceived separately from the service, how they are provided. (Drummond & Ensor 2005, 87.)

Proper and successful marketing mix will provide an essential advantage among competitors and bring benefits for both customers and company, without forgetting the fact

that all those determinants of this concept should go along with each other and be support one another.

### 2.1.1 Product

“Product is anything that is offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need, it includes physical objects, services, persons, places, organizations and ideas” (Kotler 2006, 546).

This determinant of marketing mix can be both a tangible product and an intangible service that particular company offers. The product mix refers to all of the offered products, so, that is why choosing the proper product mix for meeting customers’ needs is a crucial part (Dibb 2001, p.117).

According to Kotler 2006, the product consists of core product, actual product and augmented product.

### Construing the Service and Service Marketing

“A service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything” (Kotler 2012, 378).

Services are products as much as tangible once are, but they differ in four important senses from material products; services are intangible, inseparable, variable, and perishable (Kotler & Armstrong 2010, 268-269).

Figure 3 shows how those four factors generate the service.

# Services Marketing

## Nature and Characteristics of a Service

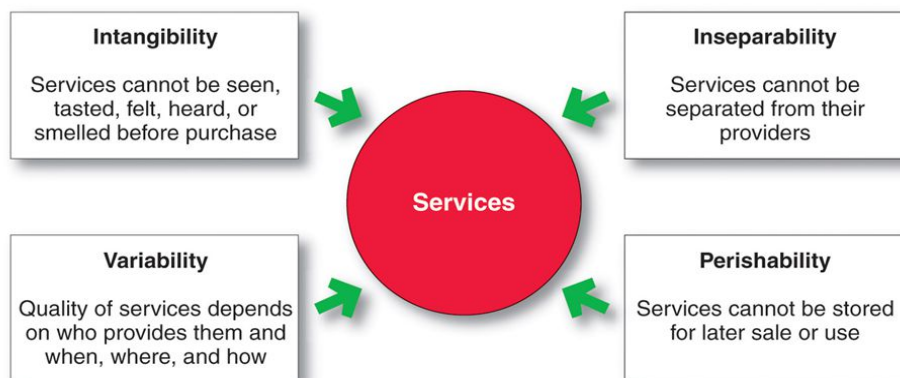


Figure 3. Four characteristics of services (Kotler & Armstrong 2010, 269).

During service production there are four main factors that should be taken into consideration and the main reason for this is because services differ from the normal products because of their intangibility. Also, it is not possible to taste service before purchase and it can not be returned to the store. The only way to get any compensation is to make a complaint that usually is more complicated process than just returning back the product. (Holloway 2004, 17.)

Second factor that should be taken into consideration is heterogeneity. There are so many variables, so that is why services can not reach the same quality, unlike many mass produced products. (Holloway 2004, 17-18.)

The third factor is inseparability that means that the conducting person and the service are inseparable. It is a fact that people are not keen on returning to the place where they got a poor service, even if the personal may has changed. Unfortunately, the first impression can very well be the last. That is why it is very important to train staff properly in order to succeed or exceed competitors. (Holloway 2004, 18.)

The fourth factor to be considered is perishability. Services cannot be stored and sold later, unlike produced products. It is a reason why so many companies provide discounts if they do not meet a certain sale quota during the working day. Examples of such services are so common. For instance, this is not possible to postpone for tomorrow the

seat in the cinema for today's movie. The same situation comes with bed in a hotel. (Hollway 2004, 18.)

Speaking about marketing confectionary restaurant services, restaurant services include all those factors that were mentioned above, but have its own feature, which is serving tangible products. It is widely known that the popularity of the confectionary store or bakery depends on quality of food served there and, of course, if customer was not satisfied with the service, visitor may not choose this particular place next time. Food, including pastry, may be sampled beforehand, so, that is why it may be considered as a tangible good.

### 2.1.2 Place

Location of the good or service is an important part of marketing mix in order to properly perform them for consumers. Notwithstanding that it is irrelevant for some businesses. The right location may help company to attract the right customer. It is known that the biggest expenses are the premises costs, so that is why the wrong place of the product or service may lead enormous costs and make company unprofitable. (Cowell 1993, 196–199.)

In other words, place is about being at the right location at the right time and without forgetting about the right product or service. (Richardson 2010, 85.) Also, placing includes proper deliver and perform the service or product to the end consumer. The location of a confectionary store may advertise itself. Philips Kotler says that place may be recognized as an activity that helps company to keep its service or product available for the customer.

It is important to define store's availability for the client. This determinant comprises many aspects of customers' experience. For instance, it would be nice if the restaurant, as the case company Du Nord, locates within walking distance from the metro or public transport stop. Moreover, there are customers that go by car, so parking place is an advantage. Identifying the target customer may help to find a right location for the service. For fast food restaurant it may be place such as train station or as a food corner in a shopping centre, while people do their everyday routine and get hungry besides. Furthermore, many people prefer transparency. In the restaurant or confectionary store the huge windows with a nice view is an advantage, because, for instance, people may take a look at what is happening insight and prices also should be visible. Taking everything about the place into consideration, place should satisfy consumer's feelings and be both easy to get and easy to find.



### 2.1.3 People

There are no doubts that customers are important part of any business, but not only clients play a huge role in a business success. Staff is also an essential determinant. (Lve-lock & Wirtz 2010, 302.)

People that work in the company are presenters of the service or product, so depends on chosen people they may be as an advantage or disadvantage for the business. Trainings are very important for employees as well as their friendly facial expression. Team-buildings may help company to build a cohesive team that would work together in order to reach company's goals. (Cooper 1997, 57-58.)

### 2.1.4 Price

The price largely determines willingness of the buyer whether purchase or not. Prices of the case company differ depending on a product and considered to be an average price in the city. For some offers, high prices are not relevant, because consumer may think that it is only because the company is a strong brand and the history of the store is long and bright. Nowadays, pricing strategy is a key moment for the each industry, because of numerous of competitors. (Peter & Donnelly 2007.)

This determinant is considered as the most flexible one compared with others, because it is uncomplicated to change pricing policy in case of fail. Firstly, it is necessary to understand the target customer in order to set the most suitable price. Secondly, entrepreneurs should make a balance between quality of the service and suggested product with prices for them. Costs of the service should be included in the price for the success (electricity, staff costs, rent, insurance and marketing). Determinants of the price such as average check, turnover, investments that are returned back and, of course, customers flow should be considered by the company. (Kotler & Armstrong 2006, 628.)

### 2.1.5 Promotion

One of the most important determinant of marketing mix and it is also considered to be flexible, because it is easy to change for the goal achievement. As for the case company, the product goes along with the service and it should be considered during promotion process. The main objectives of promotion for any business are making difference from the competitors, creating awareness on the market increase customers' flow, making the image of the company, working with the increasing of clients' loyalty. (Cowell 1993, 162-

179.) Nowadays, there are many types of promotion such as word-of-mouth, personal selling, public relation, sponsorship and digital marketing is one of them.

It is reported that promotion comes as a question of how to make the most efficient marketing mix of communication tools for getting a products' brand and message from the creator and deliver it to consumer. One of the main tasks of promotion is to create a proper customers' experience controlling their emotions. There is a huge role of marketing communications in the process of delivering the right information to the customer about company's product or service including the place of particular service or purchase and creation of the beneficial image. (Hakansson & Waluszewski 2005.)

### 2.1.6 Process

This determinant of marketing mix is about delivery the service to the client. It is about the working process of the whole service including information of the product or service, creation particular service or product, ways of promotion, availability and immediate necessity of it, delivery to the final customer. (Cowell 1993, 73-74.)

Middleton (2009) stated that delivery process comprises both process and the outcome. In this case outcome may be well-being of customers. (Middleton 2009, 147-148.)

### 2.1.7 Physical Evidence

This determinant of marketing mix comprises all factors of customer experience including sight, smell, touch, taste and hearing. Looking closer at those crucial influential factors, such an examples comes to the mind: of course, taste of the food is an important factor speaking about food industry; music on the background creates a customer experience and the way of personal speech may affect client decision; design of a place and beautiful surroundings make customer emotions. Moreover, logos, packaging, banners and trademarks should be carefully chosen. (Middleton 2009, 155; Holloway 2004, 55.)

### 3 DIGITAL MARKETING

The story of the Internet begins in 1957, when the USSR launched the Sputnik satellite. The United States of America regarded it as a fall behind the Soviet Union's technological progress in the face of other world. It served as a giant push in the way of development and invests in science and future technology. Later, in 1962 a scientist who studies computer science called Joseph Carl Robertt Licklider discussed the concept of computer network. Amazingly, his idea comprises almost everything of the Internet nowadays. One of the attempts of linking computers together took place in 1965 by researchers from Massachusetts Institute of Technology's Lincoln Lab. It was the first time when two computers communicated with each other transmitting base information over a network. (Damian Ryan & Calvin Jones, 2009.)

Nowadays the Internet has investigated new way of building relationships with customers and make a worthy content for them (Kotler 2009, 839). According to the Business Dictionary 2014, digital marketing is not only about promotion particular product or brand via electronic media such as mobile apps, electronic billboards, social media and, of course, via Internet, but also about interaction with its existing and potential consumers. (Business Dictionary 2014.)

#### 3.1 Inbound Marketing

Inbound marketing is a type of marketing that requires a communication with present or potential consumers with help of high-quality content. So, in other words, the connection should be via those platforms, that customers consider as a useful one for themselves. According to the research made by Bigshot Inbound in 2016, nowadays 86% of people skip TV advertisement and, at the same time, there are 44% of direct mails that have never been opened. Moreover, statistic shows that 84% of people preferable stop using particular website because of annoying adds. (Patruth-Baltes 2016.)

This marketing type is about making useful and beneficial content in order to attract customer's attention via non-typical marketing approach. Blogs, social media and videos are included in inbound marketing. (Hubspot 2017.)

Traditional marketing lost its popularity because of radical changes that came in our lives with the Internet. Approaching consumers by trade shows, funnel programs, cold calls or trade marketing do not work anymore, because of numerous marketing interactions that customer face everyday. In our today's high competitive advantage after a crises time, many companies are looking for optimization of their budget by implementing new mar-

keting approach called inbound marketing. The differences between traditional marketing and digital inbound marketing are shown in table 2. (Expert journal of marketing 2015.)

Table 2. Differences between traditional marketing approach and digital inbound marketing (Expert journal of marketing 2015).

	Inbound Marketing	Traditional Marketing
Base	Organic	Interruption
Focus	Is founded by potential customer	Is finding potential customer
Aim	Creation of long-term relationships	Increasing of sales
Target	Interested prospects	Large audience
Tactics	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Webinars</li> <li>• Feeds</li> <li>• Blogs</li> <li>• Ebooks</li> <li>• Youtube</li> <li>• SEO(Search engine optimization)</li> </ul>	<ul style="list-style-type: none"> <li>• TV advertisement</li> <li>• Cold calls</li> <li>• Trade shows</li> <li>• E-mails</li> <li>• Printed advertisement</li> </ul>

Looking closely at the table, it becomes clear that inbound marketing is more beneficial for case company that aimed at attracting new clients and build long-term relationship with existing audience. They have already taken tactics of this type of marketing into consideration and actively use them.

### 3.2 Content Marketing

Everyday numerous amount of online content is shared within the Internet. People from all over the world send articles or news to their subscribers or friends. Many of those

leave feedbacks of the used service such as restaurant or hotel they have visited. All online so-called communication has a huge effect on the service, brand and customer itself. Content marketing is aimed at changing the way of communication between company and customer. (Vinerean 2017.)

Nowadays content marketing has become one of the most useful tools as a part of marketing strategy for companies. Daily, many firms share, publish or download a lot of different information related to their product or service within different digital platforms.

Content marketing as a term has been used as a part of digital marketing for many years and it aims at distribution of valuable content for attraction a target customer and achieving the profitability of a company. (Content Marketing Institute 2017.)

Content marketing is closely linked to Social Media Marketing, because it consists of those determinants that should be shared via different social platforms. (Hilligan and Shah 2010.)

### 3.3 Social Media Marketing (SMM)

“Social Media is the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any forms of social interaction” (Understanding Social Media 2<sup>nd</sup> edition, p 152).

This is a tool that makes it possible to connect people with each other. It is an effective promotion tool, because thousand of people may discuss the product or service worldwide. This term consist of numerous amount of world-of-mouth forms of sharing information such as chats, blogs, websites, forums, social networking webpages and so on (Mangold & Faulds, 2014).

Social Media Marketing is about usage of different social networks and social media websites in order to promote company's product or service. It allows company to attract new consumers, communicate efficiently with existing ones and to get customer immersed in the business itself. There have been crucial changes in business conduction and people cooperation within past 40 years. Promotion has become more depended on the usage of private computers, the Internet, e-commerce and social media. Nowadays a lot of people all over the world are online in social media every day. According to the statistic, the number has reached the point at 955 million on Facebook. An essential task of any marketers is to influence on the purchase decision of the Internet user and implement in practice a WOM (Word of mouth) via social networks. It is necessary for any company to stated clearly marketing goals, evaluate a possible opportunities that a par-

ticular social media may bring to the firm and to find out the most effective social network. Nowadays, social media simplifies the work of marketers, because many of them have already special tools for the analysis (customers or competitors, for example). (Kumar & Michandani 2012, 2.)

There is a Figure 4 that shows active accounts on the top social network in each country, compared to population.

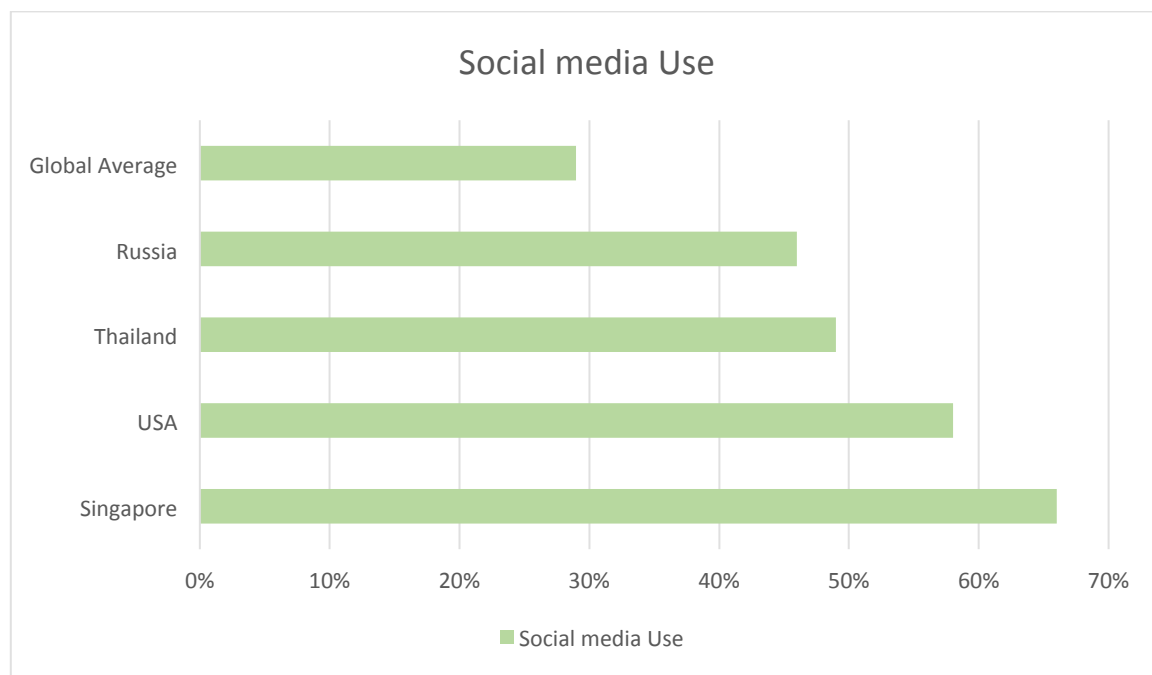


Figure 4. Social Media Use, January 2015 (Facebook Q1 2015; Tencent Q4 2014; VKontakte Q3 2014 & Q4 2014).

It is also true that Social Media consists of so-called communities, so each company may create a special community around its service or product. There are two possible ways of the use of social media for business. The first one is about monitoring the customer and feedbacks and be as an outsider of the action while the second one is about communication with consumer, answering their queries and be as an insider of the action. Also, each company may practice both ways making their strategy more effective.

The social media channels that are provided below in this chapter are chosen in accordance with the research that has been done during thesis writing process. Answers that were received from the interviews of respondents showed the most useful social media networks among Russian audience that has experienced services of the case company.

### 3.4 Marketing

This social media network was released 6<sup>th</sup> of October in 2010 by Kevin Systrom and Mike Kreiger. It is very easy in usage and according to its own information this app is created as a fun way of shearing photos with possibility to transform them (Instagram 2018).

Social media has done a great contribution to the change of ways how customer searches necessary information, evaluate particular product or service and give his own opinion about the good. (FleishamHillard 2012.)

Photos attract consumers' attention more than long description of the product with no doubts. There is social media that specializes on an image-based content called Instagram. It comprises more than 200 million active users with 20 billion shared photos. Also, average number of likes daily reached the point at 1.6 billion. (Salomon 2013). Also, there is a great possibility to make own photos look more attractive with help of filters that are free. For example, if the lights are dark and visibility is poor, there are special tools that make the photo brighter. Furthermore, hashtags make easy search, because they collect photos together with the same tags ad it is easy for customers to find out necessary one (Moreau 2017).

Instagram is a great network for any company, because it allows creation of own business accounts without necessity of payment. This function allows to the businessman to analyse the users (Potential customers, their age, city and activity). (Constine 2017.)

### 3.5 TripAdvisor

TripAdvisor is the biggest website and an app for travellers from all over the world. It helps tourists to plan their trip and book their holidays via this webpage. Also, there people may find the most appropriative, cheap, suitable hotel according to their preferences, book an excursion, plan the next meal destination and see the most beautiful places with help of feedbacks of those who have already experienced it and share their feelings on the page with some comments or even photos, giving a final grade to the place. This website comprises 340 million users per mount from different parts of the world and more than 225 million feedbacks and reviews by users. (TripAdvisor 2015.)

It is totally free for the company to promote itself via this social media platform by creating an account and upload some typical information about the product or service. Cafes may post photos with the food and cozy atmosphere of the place. In order to market themselves usefully, photos should reflect the concept of the company and be updated

systematically, because customers are interested in fresh photos and upcoming possible events. The rating of the place depends on the feedbacks of clients, but not only the grade that they may get, but also on an amount of feedbacks, so it would be better kindly ask to share the feelings after the visit and company should answer back to the customer that shows that place is interested in each opinion of any client. (TridAdvisor 2015.)

### 3.6 Vkontakte

Russia is one of the most active social networking countries in the world and the Russian digital landscape is dominated by Vkontakte, Yandex and Mail.ru (do not take social media apps into consideration). (Baran & Stock 2015.)

VK (VKontakte) is an analogy of Facebook that is why it usually calls as “Russian Facebook”, because it has almost the same functions and totally same purpose of usage. It was created by Pavel Durov, a man from Saint-Petersburg, in 2006, but then it was sold to Mail.ru. This website includes both personal and private company owned pages with the possibility of analysing visitors by the age, frequent of visits, gender and the location. There is also a possibility to create own public page comprising information about the services or products of the company, providing photos, information about upcoming events, location and phone numbers. Also, it is possible to post feedbacks by customers, ask some questions from the company, share own photos and opinions on the page. On the behalf of companies, it is possible to promote itself via other public pages, provide some competitions within visitors (for instance, free cup of tea for the best comment to the photo) and ask some suggestions related to the future changes that shows that this place is interested in the opinions of its clients and very customer-friendly.



## 4 RUSSIAN SWEET INDUSTRY

This chapter provides information about Russian confectionary store's business, deep information about case company and its's competitors with detailed analysis of digital marketing activity.

In today's high competitive environment and seedily changing conditions on a sweet market, marketing is considered as the most effective tool in goals' achivement process and in meeting needs of customers forming the loyalty at the same time. Current dilemmas of Russian companies involved in a food and sweet industry are the swift adaptation to the rapid changes on the market and choosing the most useful strategy of the development oьf marketing processes. Production of Russian confectionary industry is a very essential part of the nutrition of people living within the country. Furthermore, this field of business is one of the most crucial for the Russian economy. (Guchtl & Tetushkin 2015, 41.)

Nowadays, confectionary business in Russia comprises about 1,500 enterprises that are located within Russian territory. This type of business and food industry is considered to be one of the most attractive for investmenst both foreign and domestic.

According to the analysis made by Guchetl and Tetushkin, baked prducts that were made from flour are demanded everyday by customers and about 95% of consumers buy them on a daily basis as an additional snack for tea time. The most demanded for every day consumption are gingerbreads and cookies. Moreover, according to the research for University of Vernadskiy, 25% of women 30-39 years old are the main buyers of these products, while 50-65 years old men account 35% of buyers power. (Guchtl & Tetushkin 2015, 42.)

### 4.1 Du Nord: the most recognizable confectionary stores in St. Petersburg.

The French bakery-restaurant "Du Nord 1834" is an original combination of a stylish restaurant of high French cuisine and bakery-confectionery, in the spirit of small cafes of Parisian suburbs. This atmospheric place was founded in 2012 and literally in two and a half years has become a favorite place for both true gourmets of French cuisine, and visitors of the city, who looked here only for a few minutes, waiting for their train. At the restaurant-confectionery operates its own mini-bakery, equipment for which is supplied by a French company with a 300-year history.

One of the "chips" of the restaurant is themed breakfasts in a style of "London", "Paris", "Moscow", etc. The breakfast menu will satisfy the captious taste of any gourmet. Du Nord 1834 offers a wide range of services such as ordering dishes from the a la carte menu, creation of original festive and wedding cakes to order. Also, delivery of confectionery products and baking, own production and sale of homemade pâtés, marmalade and crockery is possible. Moreover, According to "Time Out" magazine Du Nord has become "The best pastry shop for the last 10 years". (Du Nord 2012-2018.) Today, there are two stores in Saint Petersburg.

## 4.2 Competitor Analysis

As it has been already said, sweet industry in Russia is a big business field with a high level of competition. TripAdvisor, the website and an app that helps tourists to organize and arrange their trip, give a choice of 128 different sweet stores' names all over around Saint-Petersburg. It means that there even more, because companies have several places within the city. (TripAdvisor 2018.) That is why, each sweet store should make an effort to attract the buyer. There are several big players that may be considered as threats for the future development of Du Nord. According to the TripAdvisor rating, the most popular is "The Kupetz Eliseev Food Hall" that is located on the Nevskiy prospect, in the heart of the city. The story of this place begins in 1903, very significant date, only 200 years after the foundation of Saint-Petersburg. In the cafeteria and store at the same time clients may find hand-made pastry goods, fresh bread and desserts. The second big competitor for the case company is cozy place that is located on the Griboedov Canal Embankment called "Pyshechka" (may be translated as a bun or even donut). This is a part of huge restaurant industry called "Ginza Project". Currently, is one of the leading international corporation that was founded in 2003. Currently it owns more than 150 projects in Moscow, Saint-Petersburg, Baku, New-York and London. Their restaurants are visited by 1,5 million of people every month. There are more than 100 restaurants under their control with different cuisine. Interesting fact is that 30th birthday of The Prince William celebrated in the restaurant of Ginza Project in London called "MariVanna". (Ginza Project 2018.) The next competitor that may be a threat for Du Nord is "Bushe". "We are working on a building a culture of visiting place, when the aim of the visitor is not only food, but also an atmosphere and feelings" (Oleg Lega, creator).

The following table 3 shows the activity of the competitors on the social media platforms.

Table 3. Analysis of Digital Activity of Strong Competitors.

Digital Active Network	Kupetz Eliseev	Pyshechka	Bushe
Website	<ul style="list-style-type: none"> <li>-Colorful and bright</li> <li>-Russian and English version</li> <li>-One-click contact</li> <li>-Booking form</li> <li>-Events, menu, discounts, photos are shown</li> </ul>	<ul style="list-style-type: none"> <li>-Not brightful</li> <li>-Russia version</li> <li>-One-click contact</li> <li>-Events, discounts, menu and photos are shown</li> </ul>	<ul style="list-style-type: none"> <li>Modern style</li> <li>- Brightful page, easy to contact</li> <li>-Fresh photos</li> <li>-Shared content</li> <li>-Feedbacks</li> </ul>
Instagram	<ul style="list-style-type: none"> <li>-Active page</li> <li>-Interesting facts are posted with photo content</li> <li>-Shares of customers</li> <li>-Own hashtags and stories</li> <li>-2604 followers</li> </ul>	<ul style="list-style-type: none"> <li>-No own page (Only for the whole industry "Ginza Project")</li> <li>-Shared content</li> <li>-Hard to find information and feedbacks about concrete place</li> <li>-96,800 followers</li> </ul>	<ul style="list-style-type: none"> <li>-Delivery provided vie Instagram</li> <li>-Fresh photos and stories</li> <li>-30,900 followers</li> <li>-Special orders</li> </ul>
VK(Vkontakte)	<ul style="list-style-type: none"> <li>-Not very active</li> <li>-Communication charts</li> <li>-Contacts</li> <li>-Real photos</li> <li>-3030 followers</li> </ul>	<ul style="list-style-type: none"> <li>-Same as with Instagan.</li> <li>No own page.</li> <li>- Funny videos of the life of the Industry from the inside</li> <li>-Question form for customers</li> <li>-Contacts</li> </ul>	<ul style="list-style-type: none"> <li>-Active page with fresh photos</li> <li>-Communication field</li> <li>-Contacts</li> <li>-Vifeos</li> <li>-19494 followers</li> </ul>
TripAdvisor	<ul style="list-style-type: none"> <li>-2nd from 128 in the rating of "Desserts"</li> <li>-Average grade 4,5</li> <li>-All feedbacks are answered</li> <li>- Shared photos of customers</li> </ul>	<ul style="list-style-type: none"> <li>-4th from 128 in the rating of "Desserts"</li> <li>- Average grade 5</li> <li>-293 feedbcks with shared photos</li> <li>-All feedbacks are answered back</li> <li>"Comfort place and atmosphere as in my childhood" (from the feedback of the client)</li> </ul>	<ul style="list-style-type: none"> <li>-9th from 128 in the rating of "Desserts"</li> <li>-Average grade</li> <li>-Some bad feedbacks about employees</li> <li>-Many places all over the city</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>-"Cozy place, but crowded</li> <li>-High prices</li> </ul>	<ul style="list-style-type: none"> <li>-Not a lot of own media</li> <li>-Small range of products</li> </ul>	<ul style="list-style-type: none"> <li>-Crowded</li> <li>-Russian languaged media</li> </ul>

Analysing this table, it becomes clear that all competitors actively utilize social media platforms for communication and attrction customers.

Figure 5 shows ration on TripAdvisor social media platform according to grades that were given by visitors.

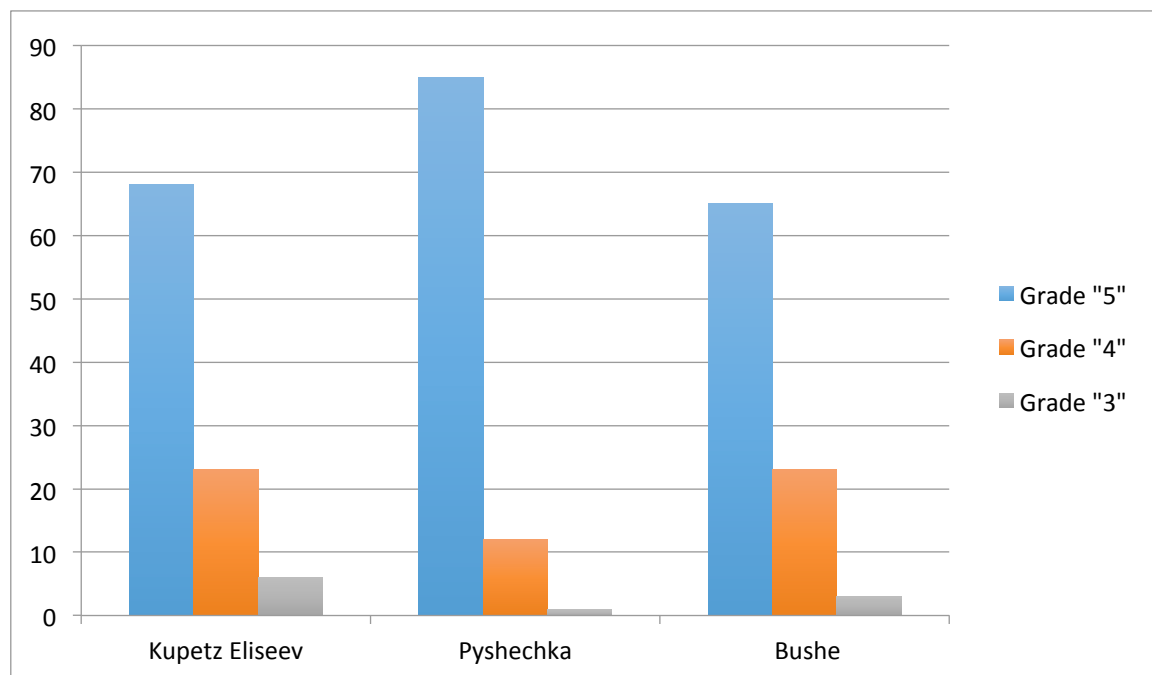


Figure 5. TripAdvisor rating of Competitors of Du Nord (TripAdvisor 2018).

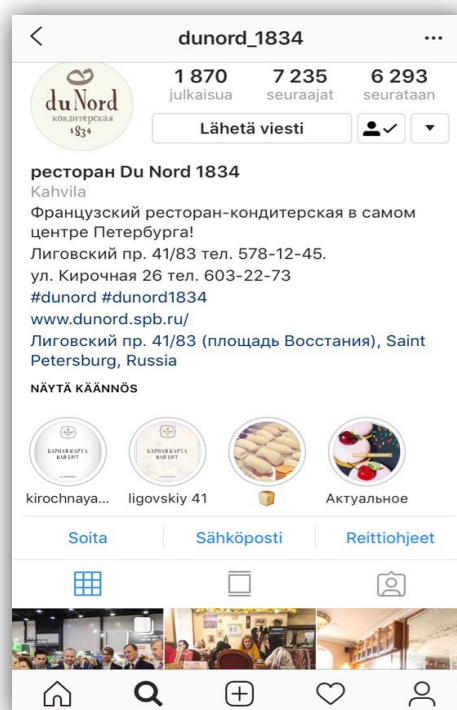
According to Figure 5, it becomes clear that the biggest part of grade "5" or mark "perfect" was given to the Pyshechka, while Kupetz Eliseev and Bushe bakery have almost the same amount of perfect grade.

### 4.3 Current Digital Marketing Situation in Case Company

The case company provides both goods and service since 2012 and actively uses social media for promotion. The first social network that company chose for promotion was VK (Vkontakte), usually calls "Russian facebook", because it was created as an analog for Russian language speakers for better understanding an interface of webpages. There is a private page where cutomers may see current menu and some picture of the location. Nowadays, it is not the main one for attracting customers, because younger audience ( according to the interviews, is the biggest customer segment in the confectionary store) is not as actively uses this website as it was in 2012.

Furthermore, company has its own Instagram page that is updated every day several times, because statistics shows that it is vigorously used by Instagram users and plays a huge role in customers' attraction. There customers may find information about upcoming events that usually happen in cafe or information about discounts. Also, every

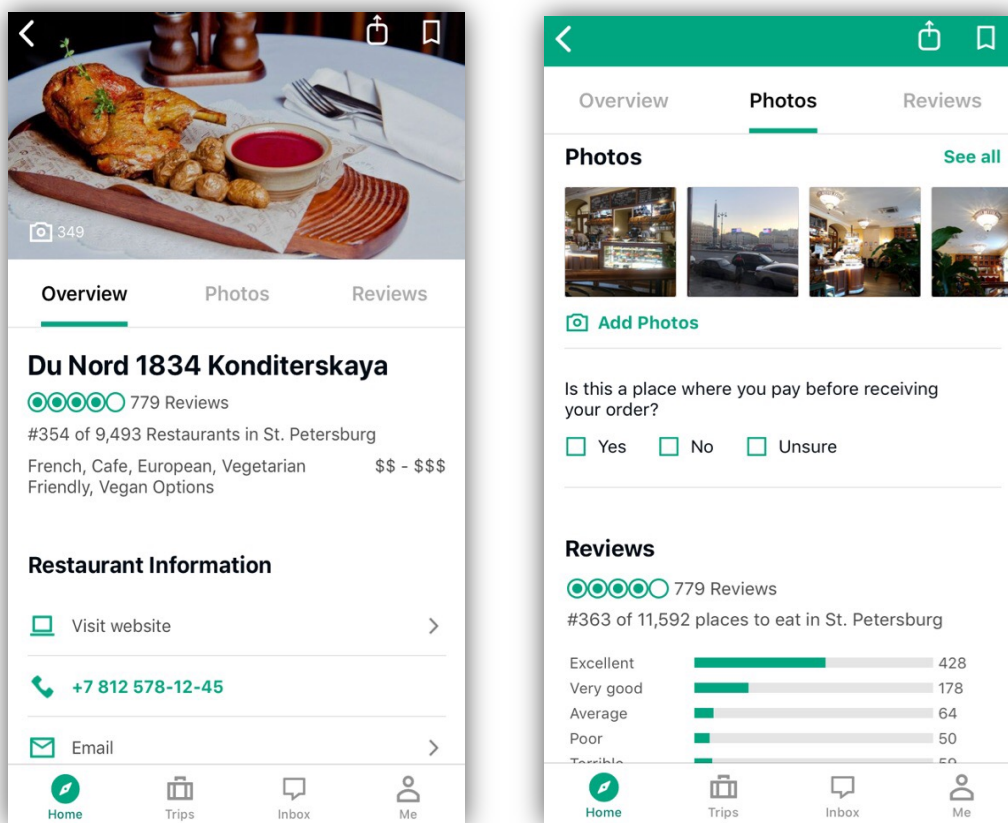
day visitors may see the "meal of the day" from the chef of the place. In addition, photos are published there at least twice a day, so the account may be considered as highly active. (dunord\_1834 2018.) Addresses of locations, phone numbers and website link may be founded also from the Instagram page. As it has been already mentioned, this confectionary store has its own webpage that may be easily founded from the Internet. When you click to the page there is a warmly welcomed picture of the door which should be clicked in order to pass in. Then, there is an english language version of web available in case of International guests, as well as Russian version of website. Moreover, very easy table order form that should be filled in case of planned visit to the confectionary store if someone do not want to be in the situation when it is necessary to wait for the free table. There is the own page of Du Nord 1834 below.



Picture 1. Case Company's Instagram page

On TripAdvisor the company has 779 reviews and an average grade 4, according to all given feedbacks. Also, it is seen that more than a half (57%) of feedbacks are stated this place as "perfect" while the worst mark was given only by 7% of visitors. What is important is that the confectionary store answered almost to all of feedbacks and customers shared their photos after the visit.

There are pictures of the interface of the TripAdvisor with the own page of the case company on that social media platform.



Picture 2. Case Company's own page on TripAdvisor online platform

Taking everything that has been mentioned above into consideration, it is clear that this sweet store is familiar with social media and will continue to increase its social media turnover.

As it was stated by Meyerson, one of the most effective promotion tool for each company is social media, but only if it acively used. Marketing only may be efficient and company may attract more clients only if it properly works, that means structured information that updates on a daily basis with everyday posted content and pictures. (Meyerson 2010, 127.)

## 5 EMPIRICAL RESEARCH AND ANALYSIS OF DATA COLLECTED

This chapter provides to the reader the empirical research that has been done during the study and shows the results of data analysis that has been collected. First of all, research method has been applied and interviews have been done. Second of all, the results are provided and analyzed.

In this part reader get familiar with conducted interviews among customers in October, 2018 and also, see the analysis of the answers have gotten during the research. It has been mentioned above in the previous chapters about research methods: qualitative and quantitative and the most appropriate one for this thesis. In order to get more accurate results and get proper information for answering the main question, interviews were provided, thus, qualitative method has been applied.

Interviews were done among customers of the confectionary store on both locations. The lists with questions were given to the employees and then questions from the list were asked from the clients. The goal of this method was to get broad information about current digital marketing activity of the case company and to understand possible ways for improvements digital marketing situation.

As it has been said earlier, the target audience of the confectionary store is Millennials, the information was gathered among them.

Interview list includes 7 questions with open answers that customers may answer freely. This list is found in appendix.

Small interviews were conducted to 37 respondents, who were customers of the store. 21 of them were female, while 16 were male. The difference in the distribution between genders is explained later with help of the interview questions. All interviews were held in October, 2018. According to the answers, conclusion may be made based on both points of view male and female customers, because the difference in the amount of clients according to the gender is not crucial.

## 5.1 Data collection

This chapter familiarize the reader with the data collection phase of the research. The following figure 6 shows stages of the data collection process for the Thesis.

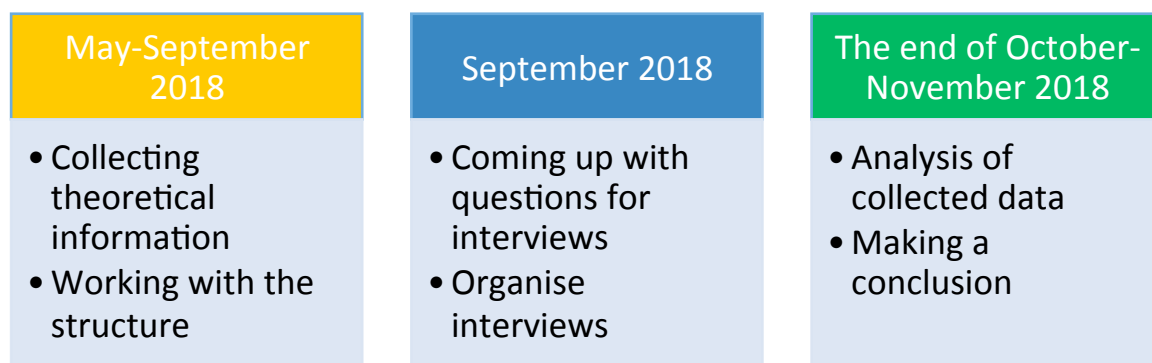


Figure 6. Data collection process.

The process of Thesis writing started in the end of may 2018 and the first step for the beginning on the topic research was collection of already existit sources of information, especially articles and previous researches about social media and social media marketing. After the research of the works related to the topic of the thesis, there was the second step when interviews for the clients were disigned and handed into hands of employees of the company. Interviews were conducted inside of the confectionary store by the staff. The second step took 28 days comprising both creating the most useful questions that help to answer to the research question and conducting those interviews. All in all, 37 respondents took part in the interviewing process and it considered to be enough for the analysis.

## 5.2 Data analysis.

In this part of the thesis all gathered information from emperical research is analyzed. All questions of the interviews and some answers of the respondents are reflected in this part of the research. The biggest part of interviewed people were from age 19 to 24. The first question asked an information about the age while the second one was about the



gender and it became clear that women actively took part in the interviews and employees also added that the biggest customer segment are women. The confectionary store does not have any gender preferences, so both men and women are warmly welcomed to try the service and, also, all opinions despite the gender of responders were taken into consideration. The following figure 7 illustrated the difference of genders of people who took part in the interviews.

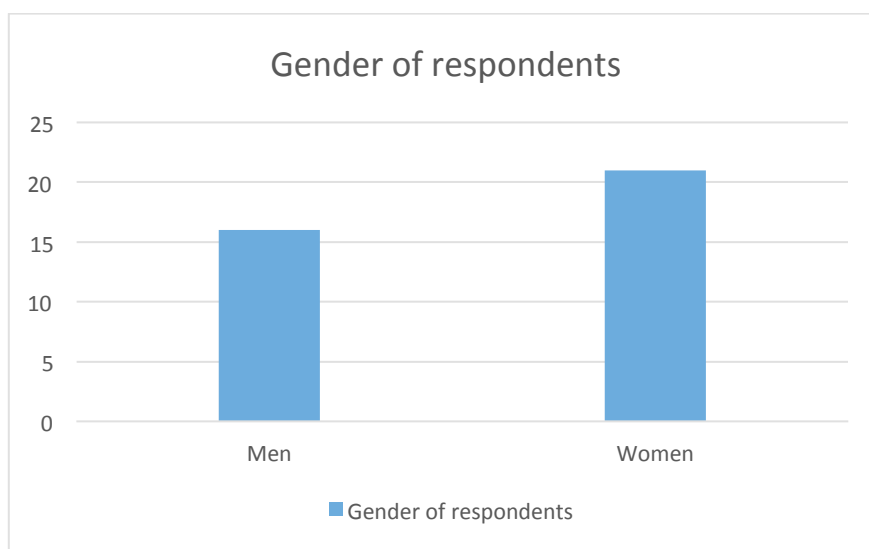


Figure 7. Gender of respondents.

Then, there was a question about the place where the interviewed person came from and then interviewed group divided almost by half. According to the results, 17 persons came to the city as tourists from other Russian cities, while 20 were from Saint-Petersburg. After those demographic questions about age, gender and place where is respondent from, the interview moved smoothly to the questions related directly to social media and the forth question was asked about the most popular social media within confectionary store customers. The question provided the choice of the most popular social media channel in their opinions: VK(Vkontakte), Instagram, TripAdvisor and Facebook and then responders were asked to put the numbers where "1" is the most used by them and "4" the least one and people were asked to put a comment why exactly this choice was made. According to the results, the most popular was Instagram and the comment of the respondent "It is easy to look at pictures during the busy day without making an effort to read the huge text", while the least visited by the respondents social media platform was Facebook. More than a half of interviewed visitors of the confectionary store put "1" near the Instagram logo, while almost all (32) of interviewed put "4" to Facebook. Moreover, in the end of the question there was a field for putting their own preference, where online they like to spend time and get the information.

Then it was time for open questions and the fifth question was about average time people spend using social media for any purpose. Results show that less than 10 people use social media more than 7 hours per day, while 17 people say that the average between 3 and 6 hours and 12 respondents pointed that they do not use social media more than 2 hours per day.

The next open question was about the webpage of the store. Customers were shown the webpage (even if they have already used it, in order to refresh feelings and see the reflection after the first glance on the page). This question consists of 3 parts (starting page, easy of use, is there enough information and necessary content for making a decision of a possible visit). The first part was marked by letter "a" and asked to describe the feelings of the first glance, would he or she stay on the page for searching further information about the place. All 37 of respondents were pleased with the starting page. They liked the concept of a "secret door" that should be clicked by computer mouse in order to pass in. It looks unusually and keeps the mystery of the place that attracts and makes people interested in the future content of the website. Moreover, some interviewed visitors pointed out that colors of the page are smooth and relaxing that may promise them a relaxing atmosphere. However, some of the interviewed visitors would like brighter colors for the page, because they think that it would attract more attention and make the place more recognizable. The next part of the question was marked by letter "b" and asked visitors about the ease of usage of the website page, how simple the site is, is it possible to find quickly necessary information. More than a half of respondents (34 people) said that they did not have any problems with finding information about the location and phone number, for instance. In addition, they liked that it is easy to book a table in order to avoid wasting time while waiting for the table. Furthermore, there is an English version (not all of the content is translated), so international visitors may also be potential clients for the place and they also may easily find all necessary information, look through the menu of the place and high quality photos with a relaxing atmosphere inside.

From the interview "I, personally, do not like to wait for anything, so it would be really annoying for me to wait for a cup of tea and a piece of cake during the working day, so I like that it is easy to find out booking form on the webpage without necessity to call directly to the store". "C" letter was the ending part of the question and it was asked about the information that drives them to visit the place after checking the webpage. All of the respondents answered that they would like to come and see by themselves the atmosphere that they have seen on the photos and check the menu, because photos looked tasty. Also, all contacts of the store are published on the page and customers

may easily contact the company in case of questions. We personally checked the availability of the phone calls and mails, by trying to contact employees. It did not take long to wait for answer. All messages were friendly written and ended with good wishes. However, not all of respondents would like to come to the confectionary store after website visit. 28 of them liked the overall interface of the page, while others did not like. In the end of the question customers were asked to put a grade from 1 to 5 for the webpage of the company.

The overall grade of the webpage by respondents was 4 out of 5. Then respondents were asked to put the place where they have heard about the confectionary store in the first time. The biggest part of interviewed people said that they just passed nearby and decided to look in for some time, other said that they showed Instagram discounts and some friends' shared about small competition where the prize was a pocket of biscuits. Furthermore, 7 people, who came from other Russian city pointed out that they found this place via TripAdvisor, where it was ranked as very good with positive feedbacks. In the end of the interview list there was a space for free comments, but only 3 people put some marks there. "Nice place, but I would change the color of curtains"; "Cozy atmosphere, but I have never seen it on social media platform"; "Instagram TV is a modern innovation of Instagram that each company should master".

## 6 DEVELOPMENT PLAN

This part of the thesis is based on theoretical research that goes along with gathered information from the empirical part of the study. Recommendations are given to the social media marketing improvements directly.

### 6.1 SWOT Analysis of the Company's Social Media Marketing

The SWOT analysis shows the information about company's strengths, weaknesses, opportunities and threats. This analysis is widely used among marketers all over the world in order to structure information gathered from external and internal parts of the company. Both of the parts play a huge role for the business and should be taken into consideration. Internal environment is all that happens inside the company and may be also controlled, while external environment refers to political, economic environments that are not controlled by the company. (Jain, Trehan & Trehan 2010, 3.) The following figure 8 shows the difference between those both environments (Internal and External)

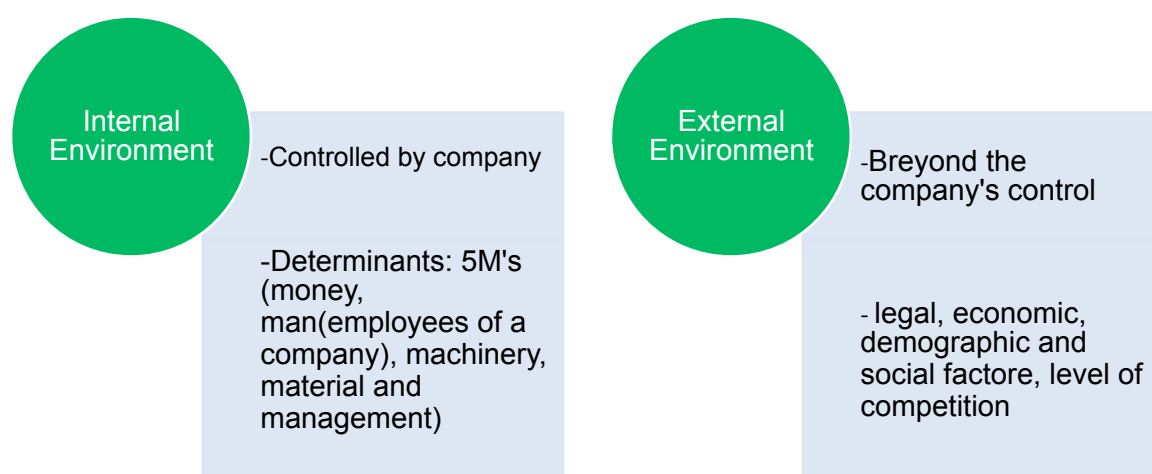


Figure 8. Difference between Internal and External business environment. (Trehan 2010, 8.)

SWOT analysis comprises both Internal and External environment and its determinants are: strengths, weaknesses, opportunities and threats. Internal aspects are considered to be strengths and weaknesses while External are opportunities and threats.

Figure 9 shows SWOT analysis of case company's social media marketing.

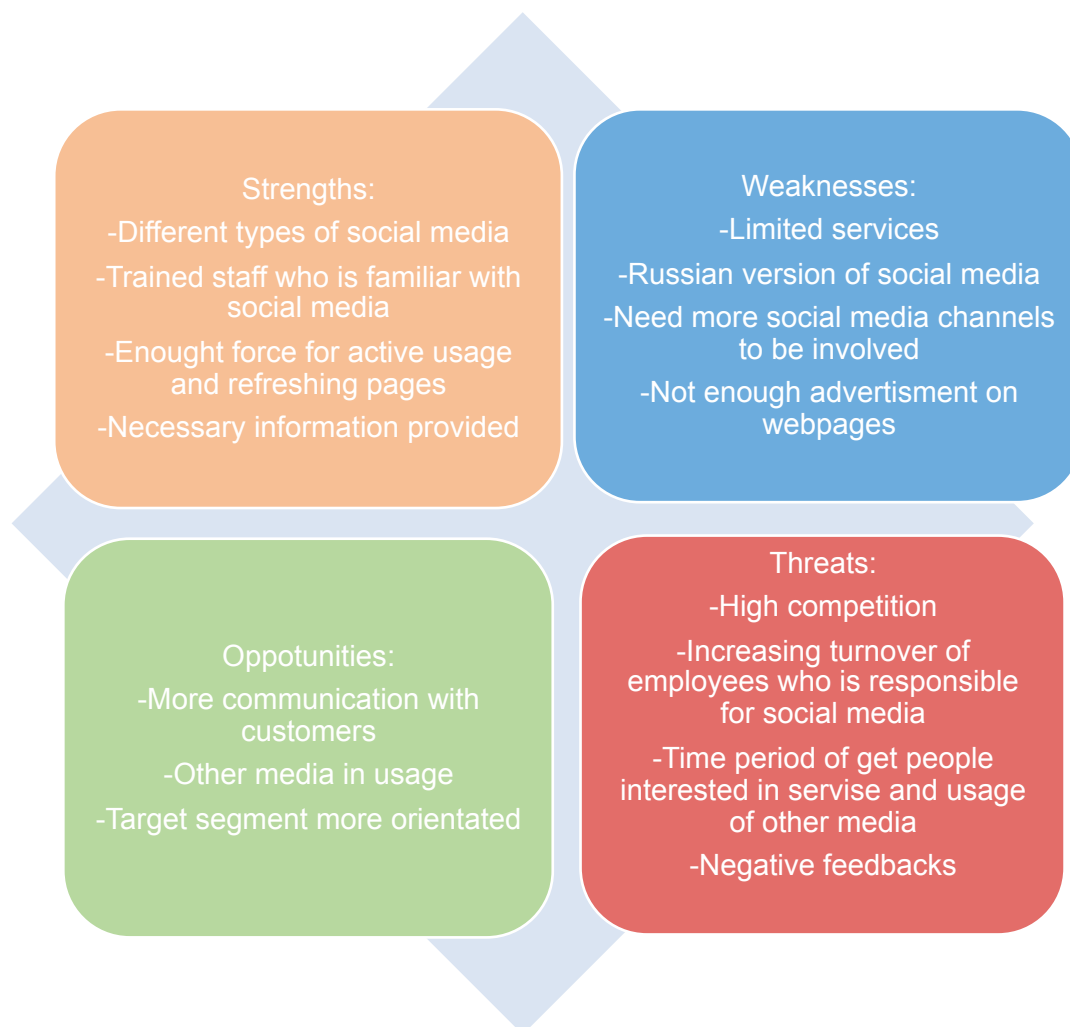


Figure 9. SWOT analysis of the case company's social media marketing.

It is not a secret that the biggest strength of the social media usage is that it is quick and efficient and also, it is totally free to follow the place or person you are interested in. Moreover, even marketers do not have to spend money for the promotion via social media channels. (Albarran 2013, 10.) The case is that the confectionary store that provide some desserts and cup of coffee wants to attract more customers and to prolong the relationship with already existing segment of clients, so they have chosen social media as one of the most effective tool for reaching this goal.

Strengths of company's social media marketing are the different types of social media that they use for promotion. By this action, they may comprise more customers, because different people use different social media platforms. For example, not all of visitors use Facebook, that is why it is good to have also an account on Instagram. More media channels mean more people involved in the communication process and more chances to get person interested in a service with help of online platforms. Also, responsible, loyal and well-trained staff who master social media and who take care of social media promotion mean good potential for the further growth. Moreover, there are enough employees involved in the process of social media promotion. Many feedbacks have been already answered and messages have been already responded. All necessary information with address, opening hours and phone numbers is provided on each webpage.

Speaking about weaknesses of the case company in social media marketing, there is a limited service available. It means that tabel may be ordered only via website or phone call. It is not possible to do via Instagram or Vk. The other weakness is related to the website of the case company. It has only Russian version that may be unfriendly for international guests. Moreover, more channels may be use for promotion such as blogs and Instagram TV.

Opportunities make company more sure in the bright future and in attraction more customers. That is why communication is very important, so all feedbacks and questions showd be answered within 24 hours. The confectionary store has already chosen the target audience of millenium generation, so it should make, for example, their website more target customer oriented. Currently, it has old-fashioned style. With improving social media marketing it become possible to attract concrete audience to the place. Unfortunately, Du Nord store as many other companies involved in sweet business in Russia has its own threats that may hinder further development.

The main threat is high competition. The analysis of competitors is shown below. Responsible employees who already know a lot about company's socail media may decide to change place in some cases. In addition, advertismnt, context and news on social media shold be apdated daily in order to keep followers, potential clients and existing customers interested in the servise and goods. The last, but not the least threat that may influence the future of the case company in negative feedback, because opinion of other cliens who have already experienced the servis play a huge role in the formation of the rating of the place. SWOT analysis is necessary to update after awhile

in order to see changes and improvements. As it has been mentioned, competition is a huge threat for each company that is why the big players also should be analysed in order to see advantages of own place.

## 6.2 Actions

The aim of the Thesis is an implementation of action plan for the confectionary store focusing on the social media marketing for attracting more millennials in the future and to improve current relations with existing customer segment. Theoretical information has been gathered and research was completed. Also, empirical part has been done, so now is the time for future suggestions for the case company and answer the questions that have been created in the beginning of writing process. The base for the future suggestions is the research that has been done. Moreover, SWOT analysis is used and shown in the research for implementation plan. For taking actions there should be a clear and systematic plan with details that may influence it. In addition, it should be clear that everyone in the company is responsible for the future development. One good way to organize the actions is to create a special checklist of actions that have been done and who was responsible for them. Figure 10 shows an example of possible implementation in the company.

Name of the Channel	Name of employee	Action
<ul style="list-style-type: none"> <li>• Instagram</li> <li>• VK</li> <li>• TripAdvisor</li> <li>• Youtube</li> <li>• Blog</li> </ul>	<ul style="list-style-type: none"> <li>• Name Surname</li> </ul>	<ul style="list-style-type: none"> <li>• Action that has been done</li> </ul>

Figure 10. Example of control of responsibilities.

One of the most important steps is division of tasks. It is necessary to make one employee responsible for exact social media (one employee=one social media platform), or for one action on several social media platforms (one employee=posts photos, another employee=answers feedbacks). For a clearly understanding, one employee may control feedbacks on Instagram and answer them, while other may be responsible for refreshing photos and making small video shots.

### 6.3 Control

The conclusion part of the development plan is control. This part of the research explains how to keep moving forward and how to control all the actions.

Speaking about Instagram, it already has its own analytic tool for users who own a public page (not as private user). It should be corporate account for checking the statistic. Fortunately, it is totally free for users and easy to monitor and compare what has been happened. All likes, reposts and even clicks to the page re shown there. According to the research and statistic, the most active social media network for the case company is Instagram, but it still place for growth in order to exceed competitors.

Vkontakte has also its own statistic. The gender, location and average age of visitors of the page are visible for the page owner. This statistic is totally free for all users. It is not necessary to create a special page, but there are two functions available only for corporate accounts: the first one is to create a public page (the company has already had it) and the second one is to create an official page (it mostly used by users who share just photo content without long text or any additional information, there are less functions for companies who provide services, but a lot of possibilities for those who sell just products). As it has been said earlier, Du Nord comprises both products and services, so it much better for the company to keep using the public page and think about paid advertisement in the nearest future as one possibility for client attraction. According to the rules of VK, each owner of public page may pay for extra functions such as advertisement for target audience, what means that more target customers may notice it during networking. In addition, paid advertisement should be monitored daily by employees in order to change payable function from target customer to target location, for example in case of fail.



## 6.4 Recommendations for the future.

This chapter shows suggestions for the future development of case company's digital strategy with focus on social media marketing. The bases for the recommendations are empirical research, interviews, brainstorming process and findings from the theoretical part.

According to the research and interviews of the clients, the most popular social media platform are Instagram, Vk and TripAdvisor, so, that is why Du Nord store should make an accent on those and also include new one such as blogs and usage of IGTV (Instagram Tv) as it was suggested by interviewed people in order to reach more millennials.

The fact is that nowadays many "stars" become ambassadors of different brands. For example, Selena Gomez is an ambassador of Puma, while Russian singer called Rita Dakota is an ambassador of Tezenis Company (Instagram, 2018). It may be a big progress in building a company name and gaining loyalty of customers by cooperation with some bloggers on the Instagram space, for instance. Cooperation with bloggers means that the company may provide free desserts for them, while famous person with big number of followers may advertise the place via its own social media account. It also necessary to search carefully the person whose audience would fit the company's expectation of the potential customer. Furthermore, it would improve current situation with an increase in the usage of own hashtags by asking kindly its customers to put photos using them in the comment field.

The research shows that more than a half of respondents use TripAdvisor during the trip planning. Some of guests came from other city from Russia, so they found Du Nord confectionary store via this webpage. That is why company should not forget to continue actively use this app or website, refreshing photos and answering to the visitors. It is important that both positive and negative feedbacks are answered.

The following table 4 shows suggestions for the future development for the case company. All recommendations are based on the theoretical research and empirical data that has been collected from interviews.

Table 4. Suggestions for the case company.

Suggestions	Actions
Social Media activity	More fresh photos updated daily with context below.
VK improvements	Answer customer questions more actively
Instagram improvements	<ul style="list-style-type: none"> <li>-Use more own hashtags and ask clients to share photos with them</li> <li>-Use InstagramTv as a way to show current atmosphere and some even small changes inside</li> </ul>
Co-operation with bloggers	Find out the "right" blogger for promotion with same target audience, suggesting them free desserts for the post in their blog about the place. The blogs of Russian confectioner is an example of cooperation such as Yulia Small, grinulya, afonyatv
Challenges for clients	The most funny comment to the photo would get a free cup of tea, as an example
Answer all feedbacks	Negative and positive in a customer-friendly way with some promises for the future in case of some complaints

All important suggestions for the nearest future development of social media interaction are gathered in the table above. Activeness is definitely the thing that should be improved as soon as possible in order to keep existing clients and show to the new once that the opinion of clients is the most essential thing in the business. Photos should be updated everyday and they should work along with videos on InstagramTv for showing current atmosphere and availability of tables. More own hashtags should be in the usage of company and share them to all clients kindly asking to attach them to the photos that have been made in the store. Fourth suggestion is that customers who ask question via Vk public page should not wait answer more than 24 hours.

Next recommendation is co-operation with bloggers who has already large audience and may be an effective marketing tool for new customers. As it has been mentioned, Yulia Small, Russian confectioner, is a perfect cooperation for confectionary store. Her blog is followed by 19 111 followers and her videos have more than million viewers. Other useful possibility is cooperation with travel bloggers such as grinulya who has 442 000 followers. She is a benchmark for many tourists from different places in Russia. She guides people to visit places that she has personally experienced and liked. In addition, as the case company has target audience of millennials, popular young bloggers are role models for young generation that may suggest them where to go, what to wear and what to eat. After cooperation with such bloggers, the audience may rise significantly. The blogger with nickname "afonyatv" is followed by 1,3 million people and has a huge influence on young generation.

Also, it would be nice to create more competitions within customers on each social media platform. For example, the task is to share the most beautiful picture of the place in the opinion of visitor, mark two friends who would like to visit store with you and then wait for tomorrow, employees of the company would choose the winner with help of random app. The last, but not the least suggestion is related to feedbacks of customers. It means that all of them should be answered. As it has been mentioned above, there should be an employee responsible for TripAdvisor feedbacks, for instance, and answer them daily in a friendly way, asking for possible improvements in case of negative one.

## 7 CONCLUSION

This chapter illustrates all gathered information together during the research. Moreover, research questions and sub-questions are shown in this part of the Thesis. The second part of the summary explains reliability and validity of the research, including recommendations for the future study.

### 7.1 Answers for the Research Questions

The aim of the case company is to attract more millennials via social media channels by improving digital marketing situation. The Research question of the study was: **How should the case company improve their digital marketing in order to reach more millennials in the future?** The answer to the question is shown in this chapter later. Sub-questions that helped to answer the main question are presented below.

#### **-What is social media marketing?**

It is known that marketing is a grown science and it invariably changes its main rules in order to be ready to react for the technological changes for customers' need satisfaction. That is why, according to our new era of new technologies, marketing started its adaptation to the new methods of promotion. The media channels that have been used actively before are changed by new digital portals today. Thereby, television, paper advertisement in newspapers and magazines were replaced by new technologies that are easier in usage. Companies do not have to pay money for telling their own story.

#### **-How social media may help confectionary store?**

The first important thing about social media for case company is a possibility of telling about itself to the visitors of their webpage. Also, it would help with customers' attraction if necessary actions will be done correctly taking all advices into consideration and making sure that all team of the store (employees) are on the same page about further changes. Moreover, social media plays a huge role for loyalty building, keeping already existing clients

#### **-How case company utilizes digital marketing at the moment?**

Case company is an active user of the Internet and digital platforms nowadays. Together with experienced professionals they work for clients attraction via the web, using social media tools along with own webpage. The development of their digital marketing develops rapidly and with help of it, the company going to exceed competitors and surprise customers with innovations everyday.

After answering sub-questions of the Thesis, there is time to answer the research questions:

*“ How should the case company improve their digital marketing with an emphasis on social media marketing in order to reach more millennials in the future?”*

Analysing carefully the empirical part of the study, taking all data collected into consideration, author came up with suggestion and recommendation for the improvement of current situation that are shown in Table 4. That is divided on 6 significant recommendations with action plan and comments. Case company was recommended to improve their activity on social media platforms adding new photos more frequently adding reliable text below and putting own hashtags for comfort of customers. Also, Vk website should be improved by answering customers' questions more often. Speaking about Instagram development, InstagramTv should be take into consideration as a tool of customer attraction showing current situation inside of the store, new changes and fresh food from the shop window. Hashtags are also important to be used for search simplicity for instance. Co-operation with bloggers strategy is also added in recommendation list, because this type of social media is gaining popularity from day to day. Suggestions about suitable bloggers are provided in a development plan. Other thing that is shown is the list of suggestions is challenges. Many people prefer competition and free food, so it is a good chance to attract customers. Shearing photos of the case company with its' own hashtags will increase the number of people who have heard about the place and it thereby increase possibility of new visits. The last recommendation that has been given is about feedbacks on all digital platforms. All of them should have an answer despite its content. All feedbacks should be responded in a customer-friendly way.

## 7.2 Validity and Reliability

Getting answer to the questions of the research is the main goal of the Thesis. All theoretical information was gathered from both primary and secondary sources of data. The primary information has been collected from interviews that were carried out among customers by the employees of the case company aiming at finding out target social media for the further growth and understand how it may influence them to decide about the visit to the confectionary store. There are 37 respondents took part in answering the questions from the list of 7 questions with open question and space for own thoughts and feelings. This number of involved people is enough for the conclusion and for regarding this research as reliable. For the secondary sources articles and topic-oriented literature

have been chosen. Taking everything that have been said above, this study is valid and reliable

### 7.3 Suggestions for Further Research

Technologies change quickly thereby changing the world around us. New social media platforms will enter to our everyday life and become an integral part of it. That is why it would be beneficial for the case company to study changes on a web constantly. Another recommendation is to research more existing digital marketing channels for example Facebook and Pinterest. Further studies would be beneficial for the case company, as they would help the case company to continue developing their digital marketing.

## 8 SUMMARY

The aim of this thesis was to provide deeper understanding of digital marketing and improve digital marketing efficiency of the case company called Du Nord 1834. The final goal of the research was to suggest improvements to the confectionary store's digital marketing plan focusing on social media networking and answer the research question that has been stated in the beginning of the thesis on how should case company improve their digital marketing with an emphasis on a social media marketing in order to reach more customers in the future.

The thesis begins with the information about marketing itself including marketing mix and service marketing concepts. Digital marketing and popular social networks in Russia are provided in the research along with Russian sweet business current situation and the story of case company. Current digital marketing activity of the company and deep competitor analysis are illustrated.

The goal of author was to find out where on the web Russians prefer to spend their free time and what things are the most noticeable for them looking on the digital page in front of them, why do they stay followed or continue giving likes for account. Interviews that have been provided within customers of the confectionary store by employees revealed that first impression is always important, so colors should be taken into consideration and interviews also showed that Instagram is one of the most used social network within respondents, so should be research deeper.

The final part of the thesis is consisted of development plan for the case company and suggestions for the further development are also provided in that part. The development plan is based on both theoretical and empirical data that have been collected. The main findings of the research are, that Instagram as a way of promotion the case company services should be taken first into consideration and that new ways of digital marketing should be reviewed such as InstagramTV and cooperation with bloggers. Feedbacks should be reviewed in order to stay customer-friendly place what is important for attracting audience.

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## FIGURES:

Figure 1. Research methodology.

Figure 2. Thesis structure

Figure 3. Four characteristics of the services (Kotler & Armstrong 2010, 269).

Figure 4. Social Media Use, January 2015 (Facebook Q1 2015: Tencent Q4 2014; VKontakte Q3 2014 & Q4 2014.)

Figure 5. TripAdvisor rating of competitors of Du Nord. (TripAdvisor 2018.)

Figure 6. Data collection process

Figure 7. Gender of respondents

Figure 8. Difference between Internal and External business environment . (Jain, Trehan & Trehan 2010, 8.)

Figure 9. SWOT analysis of the case company's social media marketing.

Figure 10. Example of control of responsibilities.

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Table 1. Research Methods (University of Southern California 2017)

Table 2. Differences between traditional marketing approach and digital Inbound marketing (Expert journal of marketing,2015).

Table 3. Analysis of Digital Activity of Strong Competitors.

Table 4. Suggestions for the case company.

## APPENDIX

## Appendix 1. Interview question list for customers of Du Nord

1. How old are you?
  2. Male/Female (Underline the right one)
  3. Where are you from?
  4. What is the most popular social media platform in your opinion?
  5. How many hours per day do you use social media?
  6. Confectionary store website question
    - a) Describe your feelings and share your thoughts after the first glance on the starting page
    - b) Is it easy to find out necessary information? (Prices, menu, address, phone number)
    - c) Is there enough information, shared content and photos for the decision to come?
- Give a grade to the webpage (circle the right one)
- 1 2 3 4 5
7. Where have you heard about this place?
- Express your thoughts freely, give some suggestions, write own remarks for the place.