

THE ROLE OF SOCIAL MEDIA IN PROMOTION OF THE FAST-MOVING CONSUMER GOOD BRAND IN THE RUSSIAN MARKET

Case: Company X

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Abstract

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| Title of publication THE ROLE OF SOCIAL MEDIA IN PROMOTION OF THE FAST-MOVING CONSUMER GOOD BRAND IN THE RUSSIAN MARKET Case: Company X | | |
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| Abstract <p>With the development of modern technologies, the role of social media has rapidly increased during the past few decades. Social media use significantly changed the way businesses and products are promoted. The aim of this thesis is to study the social media as a marketing tool and how businesses might benefit from the use of social media. The final goal is to create a development plan for the case company in order to get more customers in Russia.</p> <p>In this research, the author used a deductive research approach and utilize both qualitative and quantitative analysis methods. The secondary data is collected from books, journals and online-based publications. Primary data is collected from a survey and an interview.</p> <p>The theory about social media is used for better understanding the concept of social media marketing and how it could be utilized in business promotion. Since the main goal of the research is to establish a development plan for the case company, the SWOT analysis is used as a tool to analyze the current situation in the case company.</p> <p>Research outcomes indicate that social media promotion is a perception tool for reaching new customers and build brand awareness. The specifics of the Russian market should be taken into consideration while choosing marketing channels and implementing a new strategy.</p> | | |
| Keywords a development plan, FMCG Brand, social media, social media marketing, social networks | | |

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1 INTRODUCTION

Modern technologies are continuously developing year by year. The use of social networks has rapidly increased over the past 10-20 years. According to the statistics, the number of social networks users worldwide has increased from 0.97 billion users in 2010 to 2.46 billion users in the year 2017. (Statista 2018). The most common reasons to use social media in 2017 were staying in touch with relatives and friends, staying up to date to the news and events, opportunity to fill up spare time and find entertaining content (Statista 2017).

According to the State Statistics Service of Russian Federation, 71.5% of the population in Russia aged 15-72 are active Internet users. Concerning the reason for using the Internet by Russians, the most common reason is utilizing social networks, followed by searching for different media content (films, books, music) and searching information about products or services. (State Statistics Service of Russian Federation 2018).

The use of social media and social networks has affected not only individuals' communication but has also significantly changed the way businesses and products are promoted. The focus from traditional forms of marketing, such as print advertisements, television or radio promotional campaigns has shifted to the digital ones. (Neyaskin 2010, 9).

This thesis presents a case study by focusing on a case company, Company X. Company X is a part of a Finnish meat and semi-finished food producer operating in the Russian market. The purpose of this study is to help Company X to improve its social media marketing practices to reach more customers in the Russian market.

1.1 Thesis Objectives, Research Questions, and Limitations

The main aim of the thesis is to help the case company to define weaknesses of existing promotional strategy in Russia and provide solutions to these problems, e.g. to further develop a promotional plan for Company X.

This thesis is going to provide a basic understanding of the social media concept and influence of this kind of media to modern business. The case company is Company X – Finnish food brand that produces meat and semi-finished food and operates in Nordic countries, Russia and the Baltic region.

The outcome of the research is to analyze the existing digital marketing activities of Company X in Russia, find new marketing channels, define which strategy is good in the promotion of fast-moving consumer goods (FMCG) brand in Russia considering specifics

of the Russian market and provide recommendations to improve these activities. The aim of the study is to improve social media marketing practices by analyzing the existing strategy and providing recommendations based on empirical findings.

To meet the aim, the thesis focuses on a particular research question. Defining a research question is a key at the beginning of the research. A well-constructed research question allows for the correct definition of which information is needed to solve the research question, maximizes the recovery of evidence in the database, focuses on the research scope and avoids unnecessary searching. The research question is the main question to which the researcher will provide an answer after the research is concluded. (Santos, Pimenta & Nobre 2007, 509).

In this thesis, the main research question is the following:

- How should the case company improve their social media marketing in order to reach more customers in Russia?

To make research more structured, sub-questions are needed. Sub-questions are normally set up to identify the most important points of the research problem. (Saunders, Lewis & Thornhill 2009, 33). Concerning this research, several sub-questions are applied:

- Which tools could be used for the successful social media campaign in Russia?
- How can social media be used in marketing activities with fast moving consumer goods?
- What strategy should be chosen for the food brand's social media based promotional campaign?

These sub-questions help the research to keep its focus and answer the main research question.

Every research has limitations that need to be noted. The limitations of the study are those characteristics of design or methodology that impact or influence the interpretation of research findings. They are the constraints on generalizability, applications to practice, or utility of findings that are the result of the ways were initially chose to design the study or the method used to establish the internal and external validity or the result of the research. (Price & Murnan 2013, 67).

There are different limitations that are applicable to every research. This thesis is limited by three main factors: the geographic position of Russia, the Russian market and the specifics of the selected sector of the food industry with meat and semi-finished products.

Furthermore, this study is limited by digital marketing practices, since it is not applicable to other marketing activities of the case company.

1.2 Theoretical Framework

The theoretical framework is a significant part of a research. Chapter 2 describes the concept social media as a marketing tool, distinct the difference between traditional media and social media, provides information about social media marketing, types of social networks and considers the use of the most popular social networks utilized in Russia. Chapter 3 considers social media as a tool for business promotion and refer to social media marketing (SMM) practices, tools and strategies.

1.3 Research Methods and Data Collection

Choosing a research method and research approach is a key stage in any research process. Figure 1 below illustrates the process and methods in this thesis.

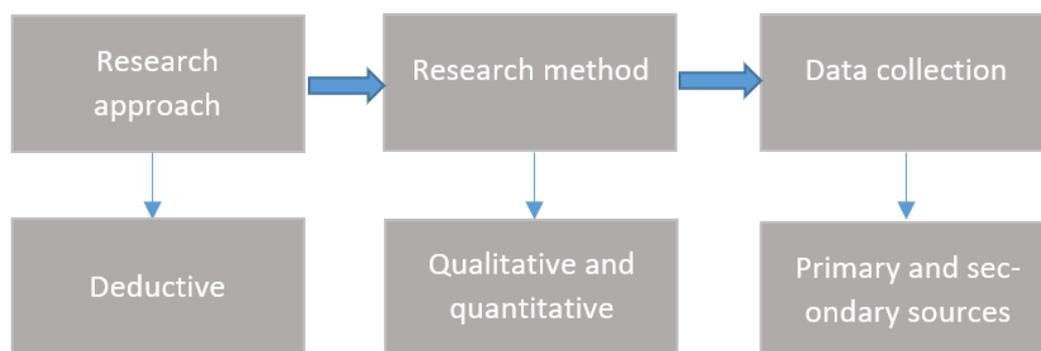


Figure 1 The research methodology and data collection methods

There are two commonly applied research approaches: the inductive and the deductive approach. An approach based on inductive data moves from the specific to the general, so that instances are observed and then combined into a larger whole or general statement. A deductive approach is based on an earlier theory or model. Therefore, it moves from the general to the specific. (Elo & Kyngäs 2008). This thesis applies the deductive approach.

Concerning data collection methods, there are two approaches: quantitative and qualitative. The choice of the research method (qualitative or quantitative) depends on three factors: the nature of the phenomenon; the knowledge one already has of the phenomenon; practical circumstances. The most structured approach that is feasible should be chosen in the particular case. Nevertheless, methods could be used in combination: they

complement, but do not exclude each other. (Van Aken, Berends & Van Der BiJ 2012, 186). This study applies a mixed-methods approach and combines quantitative and qualitative methods.

The data for this thesis is collected from both primary and secondary sources. Data collected by the researcher is called primary data, while secondary data is data that has previously been gathered and could be accessed by other researchers (Eriksson & Kovalainen 2008, 78). In this thesis, the primary data is collected from an interview and a survey. Secondary data for the theoretical part of the thesis is collected from online-based sources and printed sources, such as books and journals.

1.4 Thesis Structure

This thesis includes 7 chapters. The thesis structure is presented in Figure 2:

1. Introduction;
2. Social Media as A Marketing Tool;
3. Use of Social Media in Business
4. Empirical Research and Analysis;
5. Development Plan;
6. Conclusion;
7. Summary.

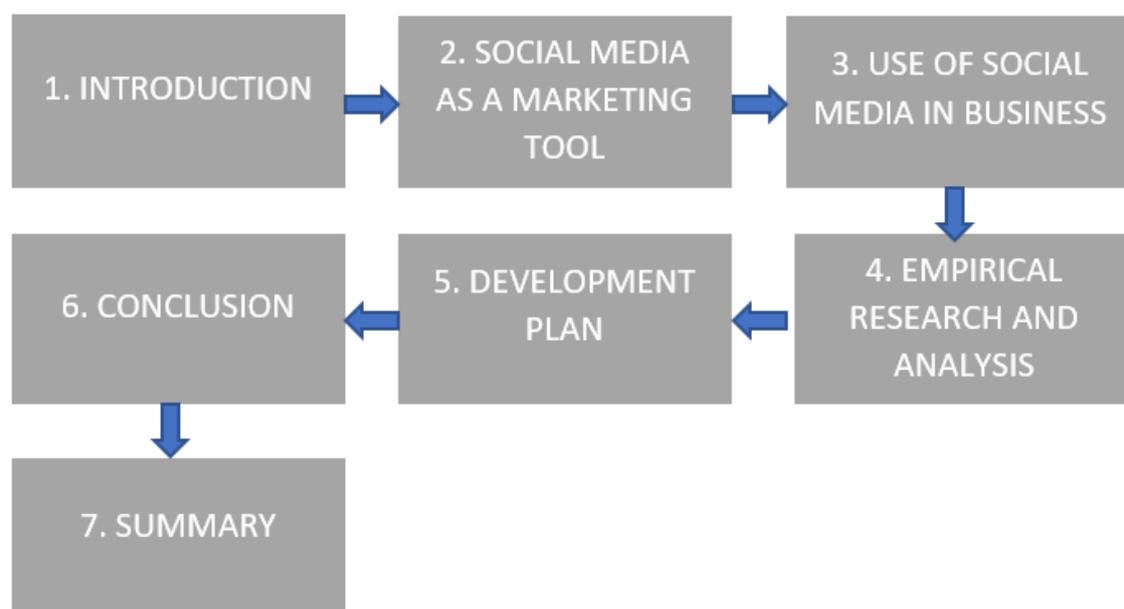


Figure 2 Thesis structure

Chapter 1, or introduction chapter, begins the thesis. Chapter 2 is the theoretical chapter that explains the main concept of social media and provides detailed information about social networks, their types and the focus on the most popular social networks in Russia. Chapter 3 is dedicated to the use of social media in business, describes social media marketing strategies, tools. The fourth chapter, Chapter 4, presents the empirical findings and explains the data analysis process. The next is Chapter 5, which provides recommendations and establishes a development plan for the case company. Chapter 6 is the conclusion, where answers to the research question and sub-questions are presented. Finally, Chapter 7 finalizes the research with the summary.

2 SOCIAL MEDIA AS A MARKETING TOOL

Chapter 2 explains the concept of social media, describes types of social media and how they differ from traditional media. Furthermore, the concept of social networks is defined, the classification of social networks and the use of social networks in Russia are presented.

2.1 Definition of Social Media

The term "social media" appeared relatively recently with the global progress and development of modern technologies. There are plenty of definitions of social media, it is rather challenging to give the exact explanation. According to Strauss & Frost (2009, 329), social media are "online tools and platforms that allow internet users to collaborate on content, share insights and experiences, and connect for business or pleasure".

Social media also could be defined as internet resources that consist of user communities of users interacting with each other by the exchange of information messages in the form of text, audio, photo, and video content. independently forming all the content of the resource and united by a common interest in the resource or type of content, which forms the basis of their interaction. (Neyaskin 2010, 12).

Social media includes social networks, blogs, microblogs, photo, and video host services, forums blogs. The most popular websites, that usually are classified as social media (Facebook, Twitter, Instagram, Wikipedia, YouTube etc.) have a unique, recognizable interface and work on a set of different technologies that make the certain website a unique communicational tool. (Neyaskin 2010, 7).

2.2 How Social Media Differs from Traditional Media

There are several significant differences between traditional media and social media. Traditional media includes television, newspapers, radio, and magazines. These forms of media were used for decades. Nevertheless, over the past few years, most businesses and companies have shifted to new, digital forms of media due to several reasons. (Grant 2014).

First of all, the time lag between production and the publication of material (production of the TV program, a newspaper circulation seal) in traditional media can be estimated in the days, in the weeks and in the months while the publication in social media can be performed within several seconds. In combination with the development of mobile

technologies of a social network create a "hyperlocal" correspondent network from ordinary users who report about the events coming in direct proximity from them. (Neyaskin 2010, 14).

Second, traditional media usually are more censored, while social media is available to every Internet user. Furthermore, access to the means of production of content in industrial media requires special skills and knowledge, while in most social media any user can edit or publish their own material. Therefore, traditional media bear responsibility for the published materials. Most of the users of social media often perform the publication, not on its own behalf, do not check information, do not receive payment for the work and, therefore, do not bear and do not intend to bear responsibility for quality and reliability of the materials. (Neyaskin 2010, 14). Finally, the material published in traditional media is not editable, unlike material in social media that could be changed several times.

2.3 Social Media Marketing (SMM)

Social media marketing (SMM) is the use of social media websites and social networks to market a company's products and services. Social media marketing provides companies with a way to reach new customers, engage with existing customers and promote its desired culture, mission or vision (Investopedia 2018).

Social media marketing solves various problems facing a modern company: increasing sales, increasing brand awareness of a company or product on the Internet, searching for new markets for products, attracting new customers and partners, increasing traffic to the company's website.

SMM main advantage is a relatively low cost of investment, compared with the possible effects. Comparing the use of social media with traditional advertising, several advantages of promoting the company through these channels are revealed: at least two times cheaper than traditional advertising, with each contact representing real value; a broader and more accurate coverage of targeted audience. Moreover, social networks by their popularity surpass all traditional resources.

The audience of social networks grows dramatically every day. The ability to receive quick feedback from customers and respond quickly to it, increase customer loyalty due to the humanization of the company's brand. Advertising in social networks is not so obvious, it is not viewed by users as being imposed, rather the message is perceived as a recommendation of friends, as the opinion of interesting people of community leaders.

2.4 Social Networks

The term “social network” originally comes from traditional sociology sciences. According to Glanz, Rimer & Viswanath (2008, 189), the term “social network” refers to the web of social relationships that surround individuals.

However, this term is used in digital marketing and refers to internet platform or the website which allows the users registered on it to place information by themselves. All users are eligible to communicate and establish social connections. Content on social networks, as any type of social media, is created by direct users (UGC — user-generated content).

The social network unites people of different nationalities, religions, professions, social groups, age, sex, etc. All users of a social network have an opportunity to communicate with each other directly, without the use of additional tools, for example, e-mail or messenger. In addition, the most social network has tools for the creation of communities on interests where communication happens already in narrower circles. (Seopult 2018).

Social networks could be divided into 10 conditional groups according to their type. However, the accurate classification, in this case, is impossible as some social networks possess a broad set of functions and can be referred directly to several categories. The approximate classification is presented in Table 1 (Foreman 2017).

Table 1 Classification of social networks (Foreman 2017)

| Type of social network | Purpose | Examples |
|---|---------------------------------------|-------------------------------|
| Communicational social networks | Connecting with people | Facebook, Vkontakte, LinkedIn |
| Media sharing networks | Share photos, videos, and other media | Instagram, Shapchat, YouTube |
| Discussion forums | Share news and ideas | reddit, Quora, Digg |
| Bookmarking and content curation networks | Discover, save, and share new content | Pinterest, Flipboard |
| Consumer review networks | Find and review businesses | Zomato, TripAdvisor |
| Blogging and publishing networks | Publish content online | WordPress, Tumblr, Medium |
| Interest-based networks | Share interests and hobbies | Goodreads, Houzz, Last.fm |
| Social shopping networks | Shop online | Polyvore, Etsy, Fancy |
| Sharing economy networks | Trade goods and services | Airbnb, Uber, Taskrabbit |
| Anonymous social networks | Communicate anonymously | Whisper, Ask.fm, After School |

According to Foreman, different social networks have their own purposes and could help the business to reach the audience effectively:

- The communicational social networks main aim is to help people and organizations connect online to share information and ideas;

- Media sharing social networks are invaluable for brand awareness, lead generation, audience engagement by sharing photos, videos and other kinds of media. Most posts on these networks start with an image or video, to which users may decide to add content like captions, mentions of other users, or filters;
- Discussion forums are one of the oldest types of social networks. Discussion forums generally allow users to remain anonymous to share opinions and ask questions, that makes forums a good tool for deep customer research;
- In bookmarking and content curation networks users can save, share, and discuss new and trending content and media. Bookmarking social networks are good for driving brand awareness, customer engagement, and website traffic;
- Consumer review networks are used to find, review, and share information about brands, products, and services, as well as restaurants, travel destinations, and more;
- Blogging and publishing networks are used to publish, discover, and comment on content online. Interest-based networks help users connect with others around a shared interest or hobby;
- Interest-based networks take a more targeted approach than the big social networks do by focusing solely on a single subject;
- Social shopping networks are used to spot trends, follow brands, share great finds, and make purchases. Brands can build awareness, increase engagement, and sell products via these channels;
- Interest-based networks help users connect with others using a shared interest or hobby. These kinds of networks can be a great place to engage with the audience and build brand awareness;
- Sharing economy networks connect people online for advertising, finding, sharing, buying, selling, and trading products and services;
- Anonymous social networks are used to discuss opinions and ask questions anonymously (Foreman 2018).

All kinds of these networks could be used for business promotion. The choice of the social network as a marketing channel depends on company size, the niche of business and target audience of business or brand. Moreover, the same company can use different social networks to reach a different audience in each network. (Interview with personnel 2018).

2.5 Social Networks Use in Russia

In this subchapter, the use of the social network in Russia is covered. The most popular social networks are presented in Figure 3 (Statista 2018). According to the statistics, Russians are active users of social networking services. The three most popular social networks in Russia are media-sharing website YouTube, communicational social networks (VKontakte, Odnoklassniki), followed by messenger applications Skype and WhatsApp. Facebook and Instagram are less popular among Russian users. Nevertheless, these social networks remain the high impact (Statista 2018).

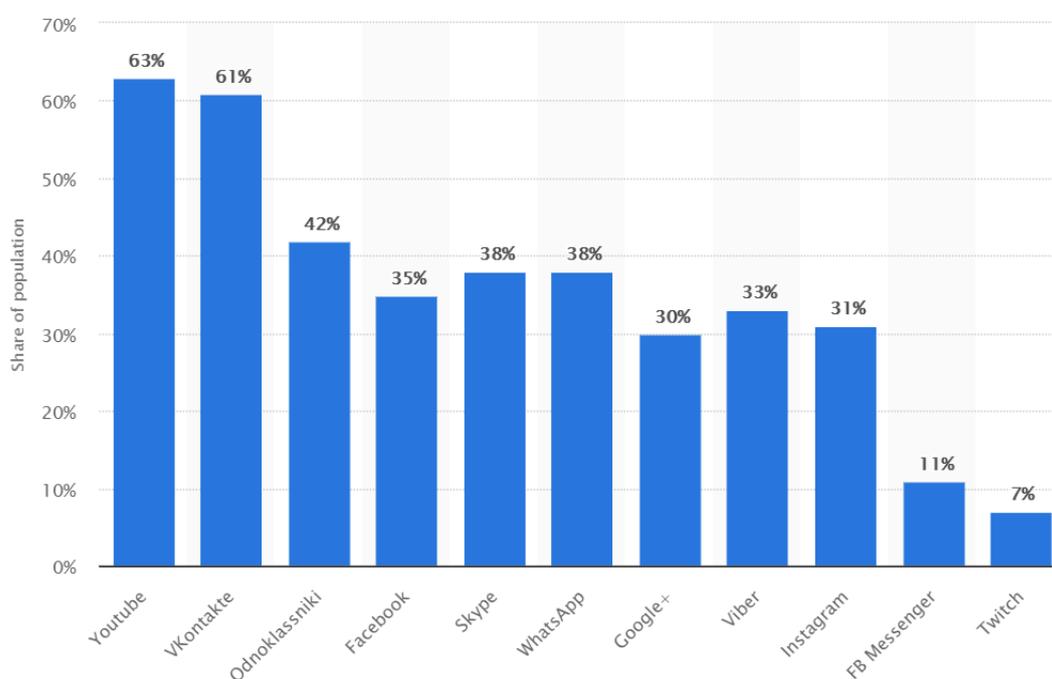


Figure 3 Social networks use in Russia (Statista 2018)

According to the latest research of Regnum, in Russia, 45% of citizens of the Russian Federation over 18 years old are currently using at least one of the social networks almost every day, 62% - at least once a week. The maximum level of involvement in communication in social networks is observed among young people. Older people are less active in social networking (Regnum 2018).

2.6 Social Networks in Russia

This subchapter provides basic information about the most popular social networks in Russia.

2.6.1 Facebook

Facebook is a social networking service owned and operating by Facebook Inc. It was launched on 4th February 2004 by American entrepreneur Mark Zuckerberg and his fellow students from Harvard college - Eduardo Saverin, Dustin Moskovitz, and Chris Hughes. Initially, Facebook was a private network for Harvard students. On 1st March 2004 Facebook expanded to Stanford, Columbia, and Yale, but remained as a student social network. Facebook developed very fast and by the end of 2005, it reached 6 million users. On 26th September 2006 Facebook expanded registration and let any user create an account. (Facebook 2018). Currently, Facebook reached more than one billion users worldwide. At the moment, Facebook accepts registration of anyone aged 13 or older. Facebook has a variety of useful features for business:

- Marketplace to manage advertising campaigns;
- Groups that allow users with common interests find each other and communicate;
- Events with the ability to invite guests, add a location, publish posts and control list of attending members of an event;
- Pages that are specifically created for businesses, brands, famous people. Pages could gain an unlimited number of followers.

Facebook continue developing year by year, which makes it a perfect social network for business development and promotion.

2.6.2 VKontakte

VKontakte is a second popular social network in Russia (Statista 2018). According to SimilarWeb, VKontakte is the most visited website and the most popular social network in the Russian Federation. VKontakte was launched on 10th October 2006 by Pavel Durov on domain vkontakte.ru. This website was made as an analog of Facebook for Russian students. For the first two months, this social network was private, every user received an invitation to join it using real name and surname. At that moment, all general functions, including private messages, the ability to add personal photos and change profile settings were already available.

In 2008, the policy of the website has undergone significant changes. From the beginning, the social network was free of paid advertising, registration fees or any subscription payments. Hence, while the number of users was continuously growing, the revenue of the company was tremendously small. Therefore, in 2008 new features were launched:

- The possibility to add paid advertising and other promotional materials, including targeted advertising for different kinds of posts and media files (Figure 4);

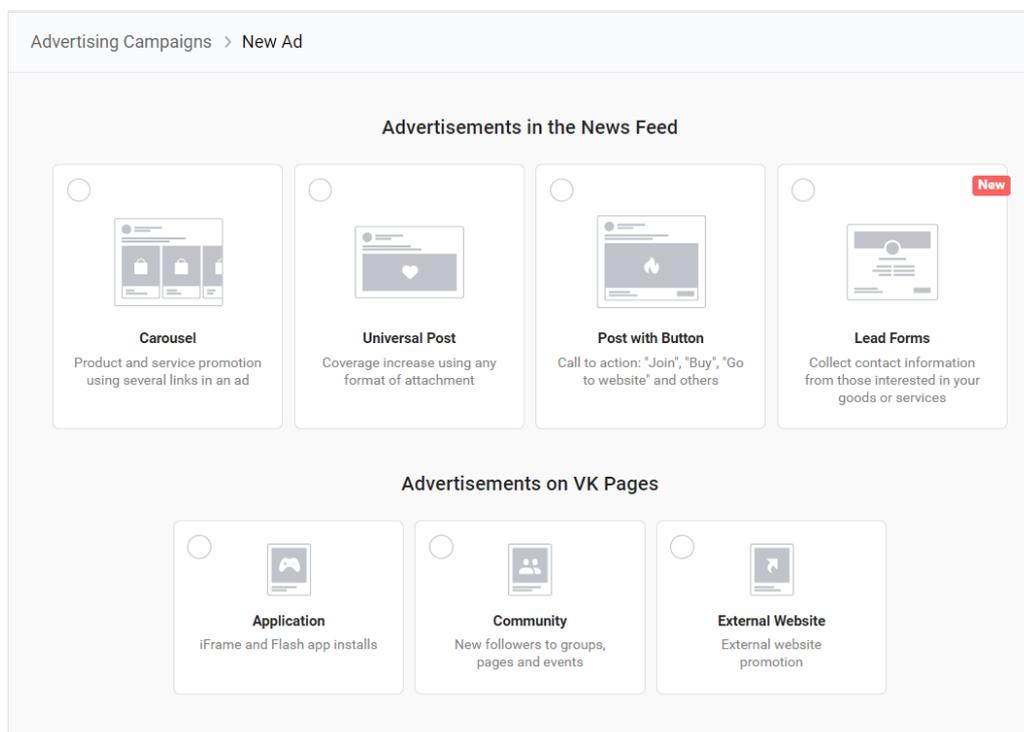


Figure 4 Advertisement options in VKontakte

- The possibility for an independent developer to launch on the website games, sticker packs and online applications with payment of a fee;
- An opportunity for every user to use a special currency called *Voices*. The user can exchange real currency for *Voices* using a bank card or by sending a message from the mobile phone. *Voices* are used in games or to send gifts to other users.

At the end of 2010, a number of VKontakte users exceeded 100 million. By the year 2018, the company endured replacement of the leadership, amendments to the Russian legislation and several claims concerning compliance with the law about author's rights. However, according to the latest statistics in 2018, there are more than 97,000,000 users monthly; 77% of the users are those who use mobile applications to access the website; number 5 among the most visited websites worldwide according to SimilarWeb. (VKontakte 2018).

The mission of VKontakte, according to the official website, is to connect people, services, and companies by creating simple and convenient communicational channels. Since VKontakte is the most popular social network and the third most visited website in Russia, it is a perfect platform for promoting business or brand. (Blagoveshnskiy 2017).

2.6.3 Odnoklassniki

Odnoklassniki is communicational social network established in March 2006 by web-developer Albert Popkov and designer Dmitrii Utkin. Initially, the website was launched as a tool to unify classmates and course mates, but over time its audience has expanded significantly. According to the latest statistics, the number of users of Odnoklassniki is around 12.6 million people of different age and social groups every month (SimilarWeb 2018). Odnoklassniki, unlike many other social networks, have their own unique interface, significantly different from the foreign prototype (Vostrov 2013).

From the begging of 2010, Odnoklassniki belongs to Mail.Ru Group - one of the largest holdings in Russia, which develops a unified integrated platform of communication and entertainment Internet services (Mail.Ru Group 2018).

Odnoklassniki has a variety of paid services for users, including various games, gifts for friends, video chat, the ability to download media content provided by copyright holders. In addition, users could customize the page by choosing available themes (Vostrov 2013). Furthermore, Odnoklassniki has an option to create target advertisements, that allows promoting websites, Odnoklassniki groups or posts.

For target advertisements, Odnoklassniki uses the service MyTarget, which allows creating advertisements for all social networks belongs to Mail.Ru Group. It suggests several settings to choose for each advertisement, including the type of media format, the amount of text and the number of media used in each publication.

2.6.4 YouTube

YouTube was launched in 2005 as a media sharing social network. Nowadays, YouTube is the biggest video-hosting in the world with 1,9 billion monthly users. the daily statistics of YouTube are billions of views and over a billion hours of playback. The YouTube platform is available in 91 countries, the interface is translated into 80 languages. YouTube is available for both desktop and mobile versions of software, more than 70% of the viewing time is accounted for by mobile device users. (YouTube 2018).

YouTube allows users to discover, watch and share videos, left comments and communicate with other users. All users can freely create their own accounts to post videos and interact with others. For business, it opens an opportunity to share promotional videos and ad the paid advertisements before videos. (Barnhart 2017).

2.6.5 Instagram

Instagram is a relatively new media sharing social network launched in October 2010. Instagram allows users to publish and share photos and videos, use filters for editing media content, add hashtags for navigation and a text for each publication. There are more than 1 billion active users every month, and more than 500 million users active daily. Instagram has a variety of tools, such as 15 seconds videos and instant photos in stories that disappear after 24 hours and IGTV to share videos up to one-hour length. (Instagram 2018).

Instagram is a great platform for business promotion. This network allows users to create the company's profiles with real-time statistics of performance metrics for publications for the different periods of time, buttons for easy communication and for simplified communication between the company and the customer. According to Instagram statistics, there are more than 25 million business accounts on Instagram around the world, while more than 200 million users visit at least one business account every day. (Instagram 2017).

In 2012, Instagram was purchased by Facebook Inc. Since that, the targeted advertising settings are applied via the Facebook marketplace. Instagram provides an excellent opportunity for business promotion. Instagram allows to keep in touch with customers, communicate both using direct messages and public comments, share high-quality content in a newsfeed, post company's daily operations in stories and post long videos via IGTV. Instagram might help to increase brand awareness, increase loyalty for a brand or company and create a feeling of involvement in daily operations for a customer. (Instagram 2018).

3 USE OF SOCIAL MEDIA IN BUSINESS

This chapter explains which tools could be utilized in the promotion of business and focuses on SMM practices for an FMCG brand.

3.1 SMM Practices for Business

As it was stated in previous chapters, with the development of mobile technologies, the Internet and e-commerce influenced a lot on the way how businesses function and promote. The use of social media is accelerating, and in present and in future it is expecting it to remain the strong impact on businesses. The explosive growth of the smartphone and personal computers market affect business promotion strategies, as social media connectivity is becoming easier (Saravanakumar & SuganthaLakshmi 2012). Social media can help to improve an online profile of the company, to strengthen brand recognition and image, to cover and contact clients and prospective clients, to promote products and business (Safko 2010).

Social media is being widely used by almost all and even the companies, despite their size have started using social media to advertise and promote themselves. Big brands make use of social media to convey their strong existence and friendly customer relationship. (Saravanakumar & SuganthaLakshmi 2012).

3.2 SMM Tools

Modern social networks provide a variety of different social media marketing tools that could be utilized in the promotion. The most common tools utilized for a promotion of an official community or group are target advertising, attracting traffic from other public groups, retargeting via the official website, hashtags use and advertising with influence agents (bloggers).

Target advertising

Target advertising is publications including text, display or multimedia ads that are shown only to those web users who meet a specific set of requirements set by the advertiser. The main advantage of targeted advertising is the ability to deliver an advertising message only to those who really might be interested and attract new customers. (Poletskiy 2013).

The main advantages of target advertising, according to Poletskiy, are:

- The ability to advertise a product without a website. It is convenient for small businesses when the description of goods or services is presented in the official community.
- Flexible settings, that could be selected for different target groups according to a wide range of parameters (geography, age, gender, education, interests).
- The ability to work with each group of users separately, to create different ads for different audiences.

Attracting traffic from other public groups

Attracting traffic from other public groups, also known as sowings, is the purchase of advertising in one or several communities of similar subjects, for the fascination of the recognition of the brand, or to draw attention to product or service. These kinds of publications are marked as advertising and appear in a newsfeed of the followers of the selected groups for 24 or 48 hours. These publications may increase indicators of statistics of the community, attendance and audience growth. (Drozhzhin 2018).

Retargeting via the official website

Retargeting via website requires the integration of the pixel of the social network to the code of the official website of the company. The pixel of the social network is an analytical tool to measure the effectiveness of advertising and study the actions of people on the site. When the user enters the website and performs a certain action on it (registration, purchase etc.), the pixel reports this. This way, it is possible to reach this person in the future when showing advertising on a social network. (Facebook 2018).

Hashtags

Hashtags in social media are special keywords that allow users to search publications according to hashtags, e.g. hashtags provide navigation in social networks. Frequently, the company uses the company name or slogan as a hashtag. The most important parameter for choosing a corporate hashtag is uniqueness. Before choosing a hashtag, it is important to check if it is not used in any social network by others. (Dementiy 2018).

Agents of influence (bloggers)

This type of advertising posts includes a publication in personal page of a user with a big audience. For business, this tool is useful since it is possible to attract potential customers. The blogger adds a publication in the account as an advertising post. Hence, the majority of followers are able to see the publication. (Cossa 2017).

3.3 SMM Strategies for FMCG Brands

Modern social media marketing developed from the method of receiving traffic into the tool utilized to interact with the target audience. Furthermore, social media in business are utilized to form the brand image and increase brand recognition. For successful implementation of the SMM campaign, the strategic planning is needed. This planning includes defining the mission of the company, the goals of the campaign, the target audience, choosing social media channels and developing a content plan according to the established goals. (Alfa-Content 2017).

Content planning is a significant part of the implementation of the SMM campaign. In 2018, trends for content marketing revolve around personalization, or the ability to make consumers feel as though the brand interact directly to them (Investopedia, 2018). Content marketing strategies for food brands work best when brands highlight their values and know the audience's preferences. (Papandrea 2018).

For success in a promotional campaign, the strategy should be consistent and ongoing with regular posts and control. To increase views, coverage of the campaign in social media it is possible to involve users in the creation of unique content. Encouraging customers to share experience about the brand, utilize brand's hashtags or generate content related to the brand is a good tool to increase the activity and interest. For a food brand, the content should attract attention, be appetizing and show the values of the producing company. (Papandrea 2018).

Use of new technologies is a good method of attracting the attention of the audience. The diversity of content types – audio, video, photos, and gif-animations make the experience of using social networks more user-friendly. The good idea for a food brand is to show the production process, tell more about ingredients to increase the trust of a customer to a brand (Interview with personnel 2018).

4 EMPIRICAL RESEARCH AND ANALYSIS

This chapter is going to familiarize the reader about empirical research done and analyses the results received from the research. The research methodology used and data collection methods, as well as the results of the analyses, are presented. In addition, the case company information is provided.

Research is based on the general statistics of existing social media marketing activities of Company X, the survey of the existing customers and the interview with the personnel - creative director of an advertising agency responsible for the digital marketing of Company X.

4.1 Design and Formulation of the Empirical Research

For this thesis, the researcher analyzed the statistics and existing activities of Company X in Facebook and VKontakte, interviewed the personnel and conducted a survey among the existing followers of official web pages.

The first part of the empirical research includes analysis of SMM activities in the case company. The main aim of this part is to familiarize the reader with the current situation and provide more information about Company X.

The second part is a survey sent via the private messages of Facebook and VKontakte communities to the existing customers of Company X. The link to the survey was sent to those customers, who previously was active in the community and used to communicate via the private messages with the brand. The total number of the respondents is 36 users, while the link was sent to 252 users. The survey questions were translated to Russian language and included 12 questions with multiple choice. Nevertheless, in five questions participants were able to add their own answers.

The third part of the empirical research is the interview with the creative director of an advertising agency responsible for digital marketing activities in Company X. The interview was done via e-mail and included questions about the current situation, marketing tools utilized and future social media marketing potential. The interview is used as a source of the information.

4.2 Data Collection

This chapter provides information about data collection methods for this research. Figure 5 familiarize the reader with the stages of data collection.

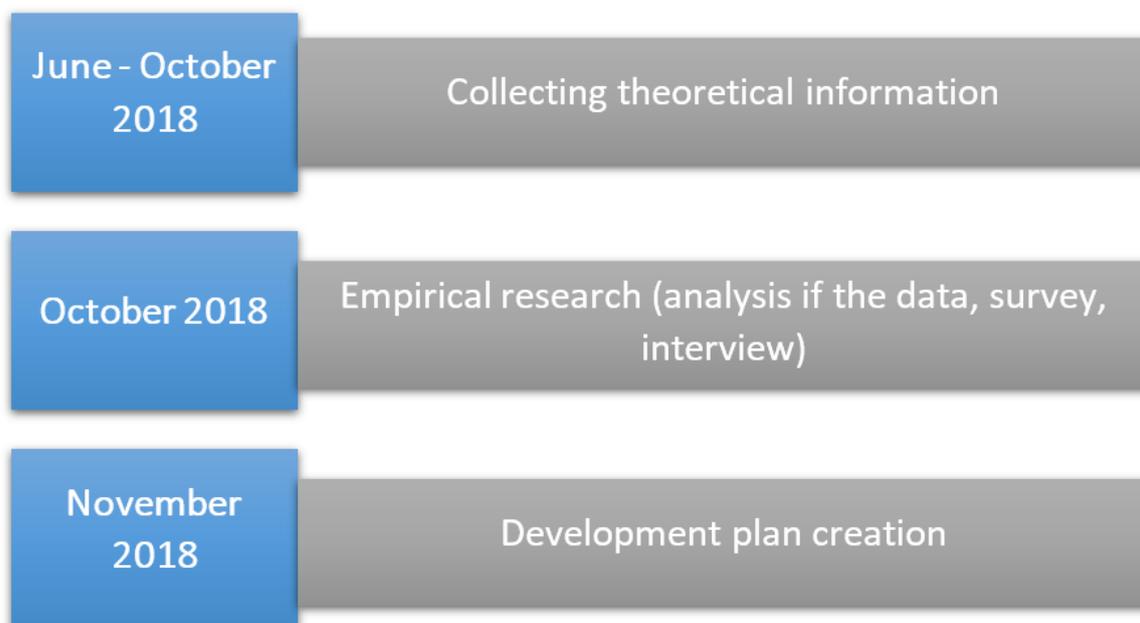


Figure 5 The process of collecting data

The thesis process started in June 2018. The first step was collecting theoretical data about social media, social networks, their use in business. After the collecting theoretical data, the analysis of the company data was prepared, the survey link sent to the customers and the interview was conducted. In November 2018, the development plan for Company X was created based on the empirical information gained.

4.3 Data Analysis

In this chapter, the empirical data gained from the research is analyzed. Firstly, the analyses of digital marketing in the case company is presented, followed by information about social networks use and social media marketing tools utilized by Company X. Further, the data results of the survey and analyses of the data gained are presented.

4.3.1 Digital Marketing in The Case Company

Company X is a producer of food products: sausages, meat delicacies, snacks, convenience semi-finished food, including ready-made meat products and pizza. Company X is the only foreign company in the industry that has production in Russia under the supervision of Finnish specialists and Finnish technologies. The production complex of the company is certified for compliance with international quality and food safety standards.

Digital marketing consists of a broad range of technological and electronic utilities for marketing purposes via the internet. (Azra & Kazalac 2011, 612). Social media marketing

(SMM) is an act of targeting and reaching customers for an increase in profit, improvement of brand image or other goals of business maintained through social media channels (Wilson 2010,13).

Company X outsources all digital marketing activities of the company. At the moment, the advertising agency is responsible for the development of marketing strategy and leading social networks. Nevertheless, the existing promotional campaign is paused due to unsuccessfulness. The aim of the research is to analyze the existing strategy and provide recommendations to improve digital marketing activities.

4.3.2 Social Networks Use by Company X

Social networks help to reach the target audience and increase brand recognition. Company X utilizes two social networks: Facebook and VKontakte. The brand has official pages in both networks, with more than 18,000 followers on the Facebook page and more than 13,000 followers on VKontakte page.

There are several ways to define the target audience. To define the target audience, the analysis of existing statistics is needed. According to the statistical data, Company X's target audience is men and women of age 27 and older. The gender and age diversity are presented in Figure 6.

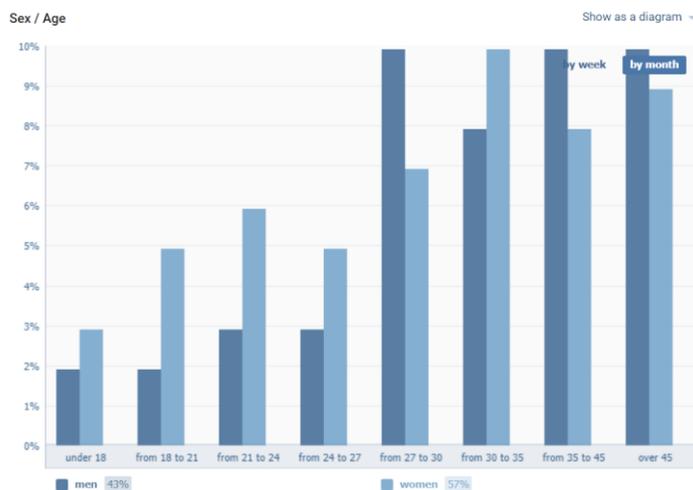


Figure 6 Gender and age diversity of Company X followers

The majority of users prefer to use mobile applications to access Company X official groups, which is caused by the modern way of life and behavioral habits. The statistics on

the device use is presented in Figure 7.

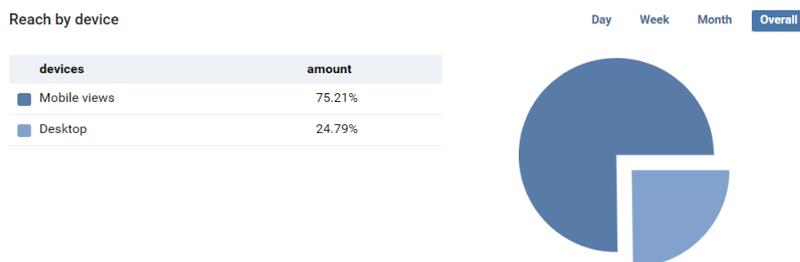


Figure 7 Device used by Company X followers

Furthermore, most users are from Russia, from Saint Petersburg and Moscow – two the most developed economically and socially cities. The geography of the followers is presented in Figure 8. The option other on this figure refers to other regions of Russia. This indicator is relatively low.

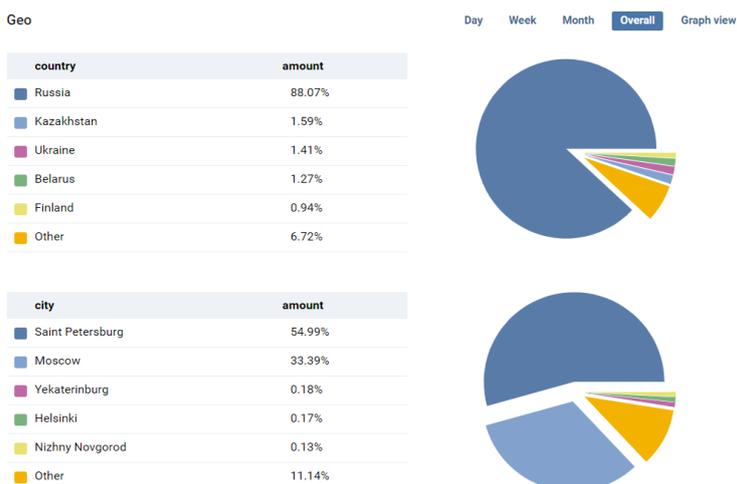


Figure 8 Geographical distribution

Company X plans posts every day, without specific time for publications. Publications are made with the same style layouts according to the pattern. Each post includes text and the picture, the text lengths do not exceed 100 words. The visual content is taken from stock services, such as Shutterstock and Freepik. All posts are done according to seven pre-arranged rubrics:

- Monday: entertainment publication with Finnish proverbs, basic Finnish language words. The aim of this post is to provide more information about Finnish culture;
- Tuesday: posts provide basic information about Company X products with a short description of a product;

- Wednesday: publications about places of interests in different parts of Finland for a family visit, information about Finnish cities, museums, resorts etc. with useful tips about prices and routes;
- Thursday: gamification "Myth or Fact", interaction with followers. Users should assume the statement about Finland and guess, is the statement true or false;
- Friday: entertainment post with a short description of European films, basic recommendations for an examination;
- Saturday: publications about Company X products with a short description of a product;
- Sunday: publications about different events in Finland for a family visit – concerts, exhibitions, festivals, sporting events etc.

4.3.3 Social Media Marketing Tools Use by Company X

Social media advertising, or social media targeting, are advertisements served to users on social media platforms. Social networks utilize user information to serve highly relevant advertisements based on interactions within a specific platform. In many instances, when the target market aligns with the user demographics of a social platform, social advertising can provide huge increases in conversions and sales with a lower cost of acquisition. (Jolly 2018). Several publications of Company X in both pages in VKontakte and Facebook are targeted. At least 5 posts each month are selected for the targeting advertising.

The targeting advertising campaigns for Company X are set with several parameters: advertising posts for male and female, aged 25-45 years old, from Moscow and Saint-Petersburg. These parameters expected to reach the audience around 1.5 million users. Nevertheless, the results of these campaigns are weak due to the wide range of audience and absence of detailed information about the audience: interests, marital status, activities in other communities with similar orientation. The negative reactions for this type of advertising posts are high: from 15 to 100 reports and approximately 100-200 hides of each advertisement. The total views of each publication are relatively low too: around 5,000-20,000 views per each advertisement.

The retargeting is not used, as well as pixels of VKontakte and Facebook are not integrated into Company X official website. The traffic from other groups in social networks is not attracted too. Moreover, the analysis of competitors made by Company X did not include the analysis of the audience of competitors in social networks. Hence, the target audience is not gathered appropriately.

Company X uses several hashtags in social networks. The hashtag with the company name is used for each publication, the other hashtags contain words Finland, Finnish language and each post with a product contains the hashtag with the name of a product. These hashtags main aim is to attract new users who are interested in Finnish culture and are willing to try food from the Finnish brand. Furthermore, these hashtags are used for easier navigation in the group.

4.3.4 Data Analysis of the Survey

The survey was conducted with existing customers of Company X. The survey link was sent via private messages to 252 followers, while the total number of answers was 36. The survey questions were translated to Russian language and included 12 questions with multiple choice.

The first question of the survey is related to the age of the survey participants, where the user could select one of five options. The results are presented in Figure 9. The majority of users are aged 25-30 and 31-45, taking 25% and 36% of a number of all participants accordingly.

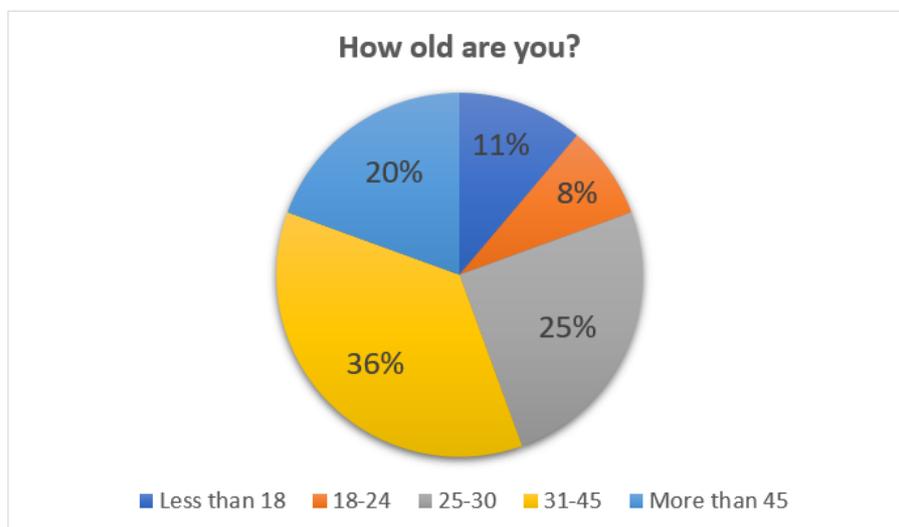


Figure 9 Age Distribution

The second question was about the gender of the participants. Participants were able to choose between three options: male, female and prefer not to say. The results are shown in Figure 10. The 69% of participants were female, 31% - male.

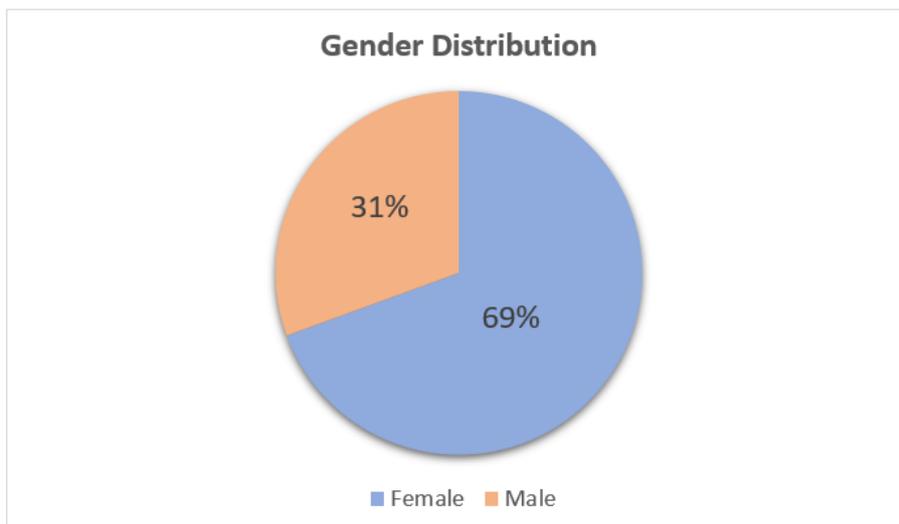


Figure 10 Gender distribution

The third question was about social media consumption per day. The most common answer from respondents is one to two hours per day spent on social networks (41.7%), following by three to four hours per day (33.3%). The results presented in Figure 11 shows that the majority of Company X followers spent a lot of time in social networks on a regular basis.

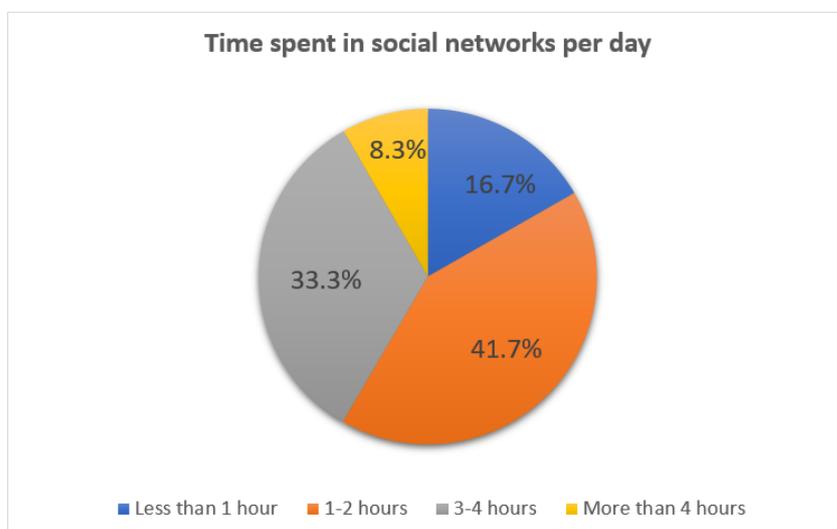


Figure 11 Daily use of social media

The question four was a multiple-choice question with an ability to add the personal option that was not included to the list. The fourth question's main aim was to find out, which social networks utilize followers of Company X official groups. The most popular social network is VKontakte, utilized by 36% of the respondents, followed by Facebook, utilized by

21% of the respondents. Furthermore, the replies showed that Instagram and Odnoklassniki social networks are well-known and utilized by Company X followers.

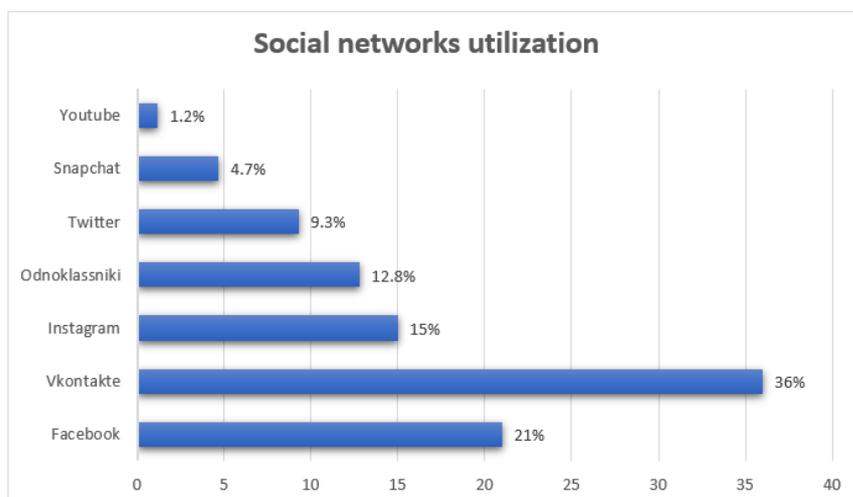


Figure 12 Social networks use according to the type

The next question's main aim was to identify, which time is the time of the peak of activity for Company X followers. The respondents might choose several options. The results presented in Figure 13 shows that the most common answer is hours between 12 pm and 3 pm, following by the time gap between 9 pm and 12 am.

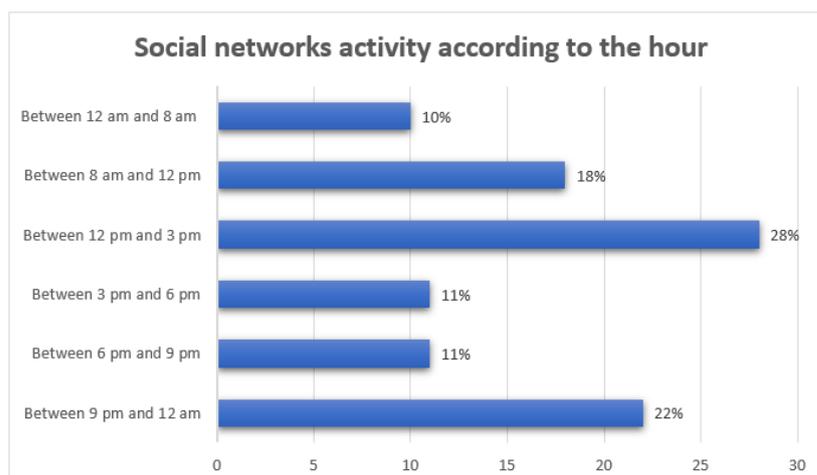


Figure 13 Social networks activity

The question 6 was about willingness to participate in giveaways and contests in future and previous participation. The results are shown in Figure 14: the majority of respondents answered positively (66.7%), showing their interest in these entertainment options.



Figure 14 Participation in giveaways and contests

The following two questions concerned about the use of different media formats in the content of the community of a brand. The answer to the question about the quality and diversity of the content is presented in Figure 15. The majority of participants answered positively and showed their interest in different media formats use, including gif-animations, videos, and photos.

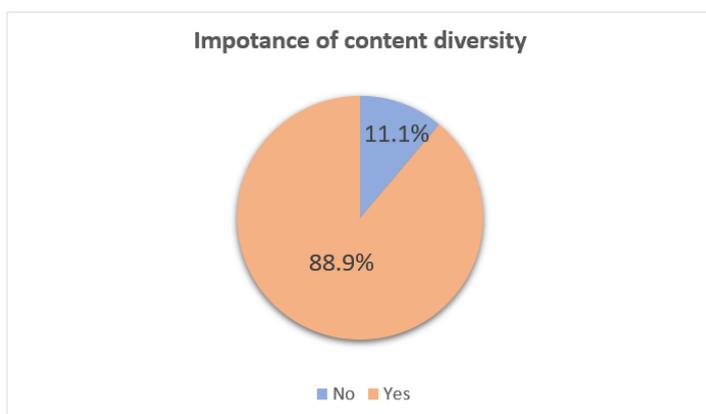


Figure 15 Importance of content diversity and quality

The last question of the survey was about interest in recipe and cooking videos in social networks. The results are presented in Figure 16: the majority of users (66.7%) are interested in this kind of media in social networks.

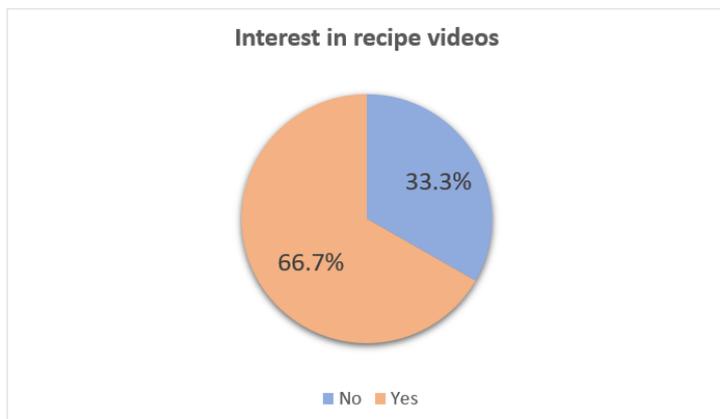


Figure 16 Interest in recipe and food-cooking videos

Survey results showed that Company X's audience actively uses different social networks several hours per day. The most popular social networks among the customers are Facebook, VKontakte, Instagram and Odnoklassniki. The majority of users respond positively to the questions concerning participation in giveaways and contests, showed their interest in the recipe and food-cooking videos. Results from this survey are used in Chapter 5 for creating a development plan for Company X.

5 DEVELOPMENT PLAN

This chapter's main aim is to create a development plan for Company X. The development plan is done after the researcher provides the theoretical part and the analysis of the empirical data is made. This chapter includes a SWOT analysis and the action plan developed for Company X. The SWOT analysis is needed to formulate the final action plan and deeper understand the social media marketing situation in the case company.

5.1 SWOT Analysis

The SWOT analysis method is actively used to evaluate the main advantages and disadvantages, the projection of threats and the opportunities for further development of the object of investigation. This tool is widely used in various fields and suitable for social media marketing. The SWOT analysis main aim is identifying the factors of the internal and external environment of an organization and dividing them into four categories: strengths, weaknesses, opportunities, and threats. Analyzing the strengths and weaknesses, it is important to pay attention to the fact that they are determined by the internal impact of the marketing campaign on social media. Consequently, they could be controlled. In an analysis of the opportunities and threats, the factor that they are influenced by the external factor should be considered (ConceptDraw 2018). The SWOT analysis of Company X marketing activities is presented in Figure 13. The SWOT analysis was based on the empirical findings and the data collected from the interview.



Figure 13 SWOT analysis

The internal factors include all aspects of the organization covering: personnel, facilities, location, products, and services. The external factors are the political, economic, social, technological and competitive environment. The strengths and weaknesses are identified by internal factors, while opportunities and threats are identified by external factors (Dyson 2004, 632).

Strengths are advantages and pros that make a company unique, separates it from competitors. Weaknesses include areas where the business needs to improve to remain competitive because these factors stop an organization from performing at its optimum level. Opportunities refer to external factors that provide a company it a competitive advantage and could be used for potential growth, while threats refer to factors that have the potential to harm an organization (Investopedia 2018).

5.1.1 Strengths

As it is shown in Figure 13, the first strength of Company X is that Company X is the first producer of semi-finish food on the Russian market that translates the values of Finnish

culture. Company X is a unique player in the Russian market. Even though the production is located in Leningrad Oblast, it is totally controlled by Finnish representatives in Russia. Company X plant, which experts consider the most technologically advanced meat processing plant in North-Western Russia, includes two structural divisions: the meat-processing plant itself and the logistics center. The high level of automation ensures the production of the highest indicators of product quality and safety stability.

Another strength of Company X is that different social networks were chosen to cover different segments of the target audience. The Facebook audience is more business-oriented, while the audience of VKontakte is young people and students.

5.1.2 Weaknesses

One of the main weaknesses of Company X promotional strategy is the low level of activity in social media. The company utilize only 2 social networks and use only one type of media format. There are several ways to enrich the activity in social media, such as giveaways, contests, including user-generated content, polls, posts with different media etc. (Lua 2017). Lack of planning is another significant point because the absence of clearly stated goals, objectives and designed strategy leads to unavailability to evaluate results and make improvements.

5.1.3 Opportunities

There are several opportunities for Company X. Since the main purpose of the use of social networks by Company X is attracting new customers, widening social networks choice would be a good option. In the survey, existing followers of Company X mentioned that they use Instagram, Twitter and Odnoklassniki social networks on a regular basis. Use of these networks might bring new customers and create a new channel to communicate with existing ones.

The following three options complement each other. Positive feedback from customers in social networks should be also a good tool for the promotion of a brand and reaching new consumers. The word of mouth, while users share their experience, might lead to the formation of a unique reputation of a product, service or brand. Word of mouth still plays an important role in marketing nowadays (Agresta & Bough 2011, 10). In social networks, the communication between existing and potential customers and the brand itself is easy and fast. Hence, the feedback from the customers could be spread effortlessly and increase brand recognition (Agresta et al. 2011, 33).

Stimulating users to create unique content related to the brand is another opportunity to increase sales and attract new customers at the same time. Furthermore, brand recognition is also increasing with the use of social networks.

5.1.4 Threats

The last component of SWOT analysis is threats. One of the main threats related to social networks use is the risk of negative feedback and declining brand image. As it was stated in subchapter 5.1.3, the word of mouth plays an important role in the social media marketing. Unfortunately, it concerns the negative reviews too. It is extremely important to respond to negative reviews quickly, otherwise, the brand reputation could be spoiled. Proper processing of the negative can increase the level of trust in your brand, show the value of each client and the willingness to solve problems (Golantseva 2017).

Another threat is possible changes in global SMM trends. Currently, there are no long-term predictions about the future popularity of social media marketing trends. SMM trends are constantly changing. Even though at present social networks are relevant for Company X target audience, in future there is an opportunity of losing benefits from social media promotion.

5.2 Action Plan for Company X

The main aim of this thesis was to create a development plan for Company X, e.g. to provide recommendations in order to reach more customers from Russia. Action plan for Company X is based on a theoretical framework and made after the empirical data is analyzed. Moreover, the SWOT analysis made for the case company is used as one of the tools to finalize the implementation plan.

There are several significant issues that should be improved. Suggestions for Company X are presented in Table 2.

Table 2 Suggestions for Company X

| | |
|---------------------------------|--|
| Expansion on other social media | Different channels for new audience |
| Activity in social networks | Posts according to the schedule, on the top hours |
| User content | Stimulate users to generate unique content with Company X products |
| The diversity of content used | Use of different media formats |

| | |
|---------------------------------------|--|
| Target advertising | Various settings for a narrow audience |
| Publications from agents of influence | Use of bloggers publications as a marketing tool |

5.2.1 Expansion to Other Social Media

The survey results showed, that existing customers of Company X utilize different social networks – Facebook, VKontakte, Instagram, Twitter, Odnoklassniki and Snapchat. Furthermore, the statistical data presented in Figure 3 displayed that these networks are relatively popular in Russia. Therefore, Company X may utilize different social networks in order to reach more customers. Each social network has its own specifics and via different channels, different segments of the target audience might be covered.

5.2.2 Post Schedule

Another suggestion is to analyze the top hours of activity of users and publish posts according to the schedule. From the survey of the customers, it is visible, that users usually check newsfeeds in social networks from 12 pm to 3 pm and from 9 pm and 12 am. Scheduled publications will help users know when to wait for publications from Company X publications in the hours of the most active hours for followers have the highest rates of involvement.

5.2.3 User-Generated Content

The following suggestion concerns stimulating users for creating unique user-generated content, photos with products, videos and write positive reviews. Different contests with an ability to win the small prizes are a good tool to encourage users to create unique and appetizing photos and videos. For instance, a contest where the user should follow the page of Company X, take a photo with the product and upload it in a special competitive photo album. Each participant is assigned a unique sequence number. Further, the winner is determined by the method of random numbers. There can be several winners, and contests can be held several times a month. Prizes can be things for personal use with the branding (logo) of the company or sets of products. Such contests will help increase sales and user interest in products of Company X.

5.2.4 Content Diversity

The uniqueness of the content and its quality is also a serious factor that requires improvement. At the moment, there are many stock photos used in the communities of

Company X, which are not unique and differ little from each other. If Company X arrange a photo shoot, create several promotional clips and launches gif-animations, the interest in the community will increase. Since Company X is a food producer, users and customers of the brand want to know more about the quality of ingredients, their origin, as well as recipes for which ready-made semi-finished products are created.

The survey of the customers has shown that existing followers of Company X communities pay attention to the quality of publishing content, as well as to diverse formats. Company X should focus more on values of a brand, translate the Finnish culture and at the same time focus on products.

5.2.5 SMM Tools Use

The change in SMM tools use is another significant issue. The target advertising settings should narrow to the audience according to their interests and be divided into several groups, with a special text and a media for each advertisement. Additionally, advertising with agents of influence, or bloggers and simply active users, fans of the brand can also be a good source of attracting new customers. There are several bloggers, who could promote Company X products via their social networks account. These bloggers are a popular lifestyle and food bloggers in Russia – Anastasiia Ponedelnik and Stanislava Kormanovskaya. They both utilize Instagram as a blogging platform and co-operate with brands. Their audience is interested in trying new food and like attractive food photo. Anastasiia Ponedelnik has 140,000 followers on Instagram (Instagram 2018), Stanislava Kormanovskaya – 44,700 (Instagram 2018). They both can deliver the values of the brand and therefore attract a new customer for Company X.

6 CONCLUSION

This chapter combines information gathered during the research and the findings based on the information took from secondary sources. Furthermore, the answers to research questions are presented, followed by validity and reliability for further research. Finally, the suggestions for further research are provided.

6.1 Answers to Research Questions

The research is focused on social media marketing and reaching more customers in Russia. The case company, Company X, was aiming to improve the existing SMM practices in order to reach more customers in the Russian market. Therefore, the main research question was as:

How should the case company improve their social media marketing in order to reach more customers from Russia?

The research question is answered further in this chapter, firstly the answers to sub-questions are presented. Sub-questions support the main research question and used to identify the most important points of the research problem. In this thesis, there were three sub-questions. The answers to sub-questions are presented below.

Which tools could be used for the successful social media campaign in Russia?

As the survey results show, the Russian market has its own specifics. Russians prefer communicational social networks, such as VKontakte, Odnoklassniki, and Facebook. VKontakte and Odnoklassniki are used mostly in Russian speaking countries, therefore, these networks have a specific audience and tools for promotion. For a successful campaign in social media, the combination of different tools should be used: target advertising, attracting traffic from other public groups, retargeting via the official website, hashtags, advertising via agents of influence, well-developed content plan and post schedule should be applied altogether.

How can social media be used in marketing activities with fast moving consumer goods?

Social media could be utilized not only as a tool to increase sales and brand awareness but also as a tool to with audience and customer loyalty. For an FMCG brand, the social media use provides an opportunity to receive feedback and respond to the customer faster, determine how the key message matches the value system of the target audience and correlates with the company's overall strategy.

What strategy should be chosen for the food brand social media based promotional campaign?

The main aspect for choosing the strategy for social media based promotional campaign is to take into consideration the specifics of the industry and the target audience of the selected brand. The content quality and diversity play an important role in the promotion of a food brand. Food photos should be appetizing and attract the attention of the customer. The strategy chosen should highlight the values of a brand, be consistent and ongoing.

After the sub-questions are answered, it is the time to answer the main research question.

How should the case company improve their social media marketing in order to reach more customers from Russia?

The case company have already used the social media and has official pages on Facebook and VKontakte. Survey results show, that existing customers use other social networks, such as Odnoklassniki and Instagram. Expansion to other recommended social networks would bring more customers. Company X does not have the planned strategy, therefore, the implementation of the schedule for the posts based on the survey results of the most active hours for followers, utilization of diverse content – videos, gif-animations, execution of competitions and giveaways will bring significant results too.

6.2 Validity and Reliability

The goal of this study was to find answers to all research questions. Therefore, the goal of the study was reached, all answers to research questions were found. The research was done with use both primary and secondary sources of information. Primary information included the interview, the survey, and statistics from Company X official webpages. The secondary data was collected from books, journals and web publications. The number of participants of the survey of Company X followers was 36. If the number of answers would be bigger, it would increase the validity and reliability of the research. Nevertheless, the research is valid and reliable.

6.3 Suggestions for Further Research

As the study was focused on suggestions on how to attract more customers from Russia, in the future it would be better to broaden the study to other nationalities. Since the social media are dynamic, the future research could cover new SMM channels, discover new tools or platforms. Furthermore, in order to reach more customers from Russia, there is an opportunity to conduct a research for other marketing channels use, such as television, radio, printed advertisements etc.

7 SUMMARY

The final goal of this research was to create a development plan for Company X through analysis of the existing digital marketing activities and find the answer to the research question of how to reach more customers from Russia. The aim of the study was reached by analyzing the existing digital marketing strategy of the case company and the result of the survey conducted among the customers.

To establish a theoretical framework for the research, the author described social media as a marketing tool and the use of social media for businesses. The theory part is used for better understanding the concept of social media and support the recommendations in the development plan for Company X.

The researcher wanted to analyze the preferences of the existing audience of Company X and therefore created a survey about social networks use. The theoretical data, the survey results, as well as the data collected from the interview and statistical data from the official communities of Company X, were used as a base for the development plan designed for the case company.

The outcome of the research indicated that social media is a great tool to attract new customers and maintain the existing ones. The Russian market has its own specifics, that should be taken into consideration while choosing the strategy for further development.

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Oral sources

Interview with personnel. 2018. Creative director of the advertising agency. Company X representative. Interview 17 October 2018.

APPENDICES

APPENDIX 1. Survey questionnaire

1. How old are you?
 - a. Less than 18 years old
 - b. 18-24 years old
 - c. 25-30 years old
 - d. 31-45 years old
 - e. More than 45 years old
2. Your gender:
 - a. Male
 - b. Female
3. How much time do you usually spend on social networks?
 - a. Less than 1 hour per day
 - b. 1-2 hours per day
 - c. 3-4 hours per day
 - d. More than 4 hours per day
4. Which social networks do you use? (If others, please specify)
 - a. Facebook
 - b. VKontakte
 - c. Instagram
 - d. Twitter
 - e. Other, specify
5. At what time do you usually check newsfeeds in social networks? Multiple choice question.
 - a. Between 8 am and 12 pm
 - b. Between 12 pm and 3 pm
 - c. Between 3 pm and 6 pm
 - d. Between 6 pm and 9 pm
 - e. Between 9 pm and 12 am
 - f. Between 12 am and 8 am
6. Do you follow any groups or communities of popular brands?
 - a. No
 - b. Yes

7. Do you follow any official pages of food brands in social networks? (If yes, please specify which ones)
 - a. No
 - b. Yes
 - c. Other, specify
8. Do you pay attention to the quality of visual content? (e.g. is it important for you that the content is diverse, different formats are used - images, videos, gifs)
 - a. No
 - b. Yes
9. Do you participate in any giveaways, contests in social networks? (If yes, please specify in which)
 - a. No
 - b. Yes
 - c. Other, specify
10. Do you like recipes and food cooking videos on social networks?
 - a. No
 - b. Yes
 - c. Other, specify
11. How much time do you usually spend watching recipes and food cooking videos per day?
 - a. Less than 15 min
 - b. 15 min
 - c. 30 min
 - d. More than 30 min
12. Would you participate in the content creation of a food brand, e.g. would you take pictures of a product and share it in a community?
 - a. No
 - b. Yes
 - c. Other, specify

APPENDIX 2. Interview with the creative director of the advertising agency

1. What is the current situation with social media marketing in the case company?
2. Who are the target customers of Company X in Russia?
3. How social media marketing tools are utilized at the moment?
4. Are followers encouraged to create user-generated content? How?
5. What aspects of social media profiles should be improved and how?