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The Usage of Russian Social Media Marketing Tools for Tourism Companies in South Karelia Region

Bachelor's Thesis 2012

ABSTRACT

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The Usage of Russian Social Media Marketing Tools for Tourism Companies in South Karelia Region, 34 pages

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Bachelor's Thesis 2012

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The purpose of the research was to develop detailed information concerning marketing possibilities in Russian social media channels for the region of South Karelia.

The key issue of the theoretical part was a detailed description of selected Russian social media channels and their application for marketing in tourism industry. The information was gathered from literature regarding marketing in leisure and tourism industry, and some of the articles were translated from Russian language. The main concern of the empirical part of the study was to explore specialities of Russian customers traveling to the region of South Karelia and present attractions and services this area is offering for them. The data for the empirical part was collected with such qualitative research methods as observation and desk study.

Based on the findings could be identified which Russian social media channels are the most beneficial for local service providers. The results of the research can be utilized by companies in the region of South Karelia.

Keywords: social media marketing, Russian social media channels, Internet marketing

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1 INTRODUCTION

1.1 Introduction to the subject of the thesis

The purpose of the thesis was to study the usage of Russian social media (SM) marketing tools for tourism companies in South Karelia region. The Internet has become common in tourism marketing today. Internet marketing is being integrated into the tourism industry in order to perform multiple tasks. The Internet advertising impacts various areas of the marketing mix; direct email marketing, customer service, relationship building, providing information, distribution, sales and research are among the list of tasks being performed via the Internet. Without any doubt a relatively new area of the Internet which is drawing attention nowadays is consumer-generated media or social media. (Goeldner & Brent 2009) And, as tourism is one of the sectors that has a very close relationship with the new information and communication technologies, SM becomes increasingly crucial to hospitality and tourism business. The huge popularity of social media has already changed the way travelers and tourists search, find, read and trust, as well as collaboratively produce information about tourism suppliers and travel destinations in the form of feedbacks and reviews.

In my mind, the best way to do marketing in our fast developing world is by implementing innovations, new technologies, and particularly SM tools, especially when it comes to advertising to customers abroad, for example, on the Russian market. It is the existing high level of awareness and usage of SM among Russian people that proved that this thesis work was useful and worth doing, and information produced is applicable. The thesis includes detailed information about marketing in Russian SM that can be utilized by companies in South Karelia region. Furthermore, suggestions and recommendations of how to use this data in a profitable way were presented. The phrase “tourism companies” in the name of the thesis work does not mean only hotels but all tourism related organizations, such as ski resorts, spas, destination management companies, shopping centers etc.

There are three main reasons that justify the choice of the topic. First of all, I am personally interested in the field of marketing after attending lectures in

our university. Moreover, my interest in marketing was developed during my professional placement which I did in the Institute for Cultural Diplomacy in Berlin, Germany. My placement tasks were mainly connected with advertising and promotion activities for the Institute via the Internet.

Secondly, as I am willing to stay and find work in the region of South Karelia after graduation, I hope that the thesis work will seem interesting for tourist companies in this area. In other words I hope that the thesis will help and support my future career.

Finally, my cultural background and fluent knowledge of Russian language are two other reasons for choosing the current topic. These two factors made the thesis writing process easier. For example, I utilized Russian literature concerning this topic and included translations to the report.

1.2 Objectives of the thesis

The key objective of the thesis work was to produce detailed information about marketing possibilities in Russian SM. Main “guidelines” about ways of working with Russian SM tools were developed as well.

The research was divided into three main parts. The first part talks about specialties of already existing Russian customers as well as potential ones. The second part deals with analyses of companies and services they are offering, as well as attractions of South Karelia region. As a result, the information about the most profitable SM marketing channels is produced based on two researches mentioned above. Such social media tool as Vkontakte (VK) was excluded from the thesis work because there is already enough existing information about this issue. The thesis is focused on such SM tools of Runet¹ as Odnoklassniki.ru (Classmates), Moi Mir (My World), and Yandex, as well as international SM tools that are widely used in Russia, for example Twitter.

The analyses were partly based on personal experience about marketing activities. The general marketing knowledge and gained experience helped to proceed with the thesis work. However, during the writing process I

¹ Runet – Internet in Russia

realized that the thesis cannot discuss only general issues of SM marketing but it should be narrowed and concentrated on specific SM channels.

1.3 Research problem and research questions

The main research problem of the thesis work is: Which tools of Russian social media are the most useful and beneficial when it comes to marketing for Russian customers traveling to region of South Karelia?

In order to solve this research problem following four research questions were formed:

1. What are the specialties of Russian customer segment traveling to the region of South Karelia?
2. What kind of attractions can this area offer to Russian tourists?
3. Which services are local enterprises providing?

After finding answers to three questions mentioned above the answer for the final question could be figured out:

4. What kind of Russian SM channels are the most beneficial ones?

1.4 Research method

Qualitative research method was applied in the thesis work. The term “qualitative research” is used in order to describe research techniques, which use, and give rise to, qualitative rather than quantitative data. In general the aim of qualitative approach is to collect a great deal of “rich” information about a relatively small number of people and gather an in-depth understanding of explored issues, phenomena or behavior. (Veal 1997, 129) According to Flick (2006, 15 - 16) the goal of qualitative method is less to test theories formulated in advance, but to discover and develop the new theories. Qualitative research views researcher’s communication as an explicit part of produced knowledge.

Qualitative research method is considered to be more suitable for leisure and tourism field as its techniques correspond more with the nature of the phenomenon being studied - that is, leisure is a qualitative experience. Qualitative research is also characterized as more personal and leisure itself involves a great deal of face-to-face communication between people, and

qualitative method is well suited to investigating this. What is more, qualitative technique is better able to comprehend personal change in course of time. (Veal 1997, 130) Leisure is not a fixed measurement but an experience which is seen in subjective terms, such as a state of mind and feelings. Leisure behavior is a formative process the form and meaning of which changes within the course of time as new situations and circumstances are confronted. Therefore, the appropriateness of qualitative research methods is the biggest reason for continuing emergence of them in leisure studies. (Finn et al. 2000, 69)

Generally speaking, qualitative technique involves a more flexible method to overall research design and conduct. The approach utilized in qualitative research is called recursive and it requires a fluid relationship between the different stages of the conducted study. According to recursive scheme hypothesis formation develops along with the research process, data collection and analysis take place simultaneously, and writing is also an ongoing activity rather than a separate procedure which happens at the end of the project. (Veal 1997, 131)

It can be clearly seen from the theory mentioned above that qualitative research method was suitable for the thesis because no numerical data was generated or any hypothesis confuted. On the contrary detailed descriptions of two issues were recorded: characteristics of Russian tourists in South Karelia region, and services and attractions this area is offering for them. Furthermore, new data that can be used amongst companies operating in the tourism field in South Karelia region was produced. It was also difficult to indicate distinct bounds between the stages of the research. Writing was an evolutionary process happening concurrently with collection and analyses of information. This proves that the research method applied in the thesis project was recursive.

Theoretical framework consists of the primary aspects of SM tools in general and in tourism field, and their application in business life. Russian literature about means of marketing in social media was utilized in the thesis work. Based on theoretical framework, the most important relevant points were selected and included into the thesis. The Internet was used in order to find

information to help answer research questions about customer specialties and attractions of South Karelia region.

2 RUSSIAN SOCIAL MEDIA CHANNELS

2.1 Definitions of social media marketing

Marketing has long been recognized to be important for the long-term survival and success of organizations. There are many definitions that try to illustrate what marketing is all about. One of the best describes marketing as “the way in which an organization matches its human, financial and physical resources with the wants and needs of its customers”. (Meldrum & McDonald 2007, 3)

However, nowadays traditional advertising tactics are not as effective as they were before. Today it is easier to access information online. Generations are becoming increasingly digital-aware and the Internet has changed its purpose from being an informational source into being “social”. With a growing popularity of social websites, such as Facebook and MySpace, a new subject called social media marketing evolved. This new tool enabled businesses to promote their products, services and websites via online social media channels and reach much larger markets than they did through means of traditional marketing. The concept of SM is on the top of the agenda for many business executives around the world today. (Weinberg 2009, 3 - 6)

The term social media marketing was first introduced by Rohit Bhargava in 2006. Bhargava described the concept of SM marketing which essentially acts as optimizing a site in such a way that written content garners links, which essentially acts as a trust mechanism and endorsement. Social media optimization also helps to build brand awareness and raise visibility for the marketed product or service. (Weinberg 2009, 4)

Another explanation of the term social media marketing can be found on the website Search Engine Land and it is defined as “the process of gaining website traffic or attention through social media websites”. Activities of SM marketing are focused on creating content that attracts attention and encourages readers to share in social networks. (Search Engine Land 2012)

Another definition of Internet marketing is presented in the book by Meldrum & McDonald (2007), and it is summarized as “The effective promotion of

goods and services through the medium of an interactive, computerized information channel and the enhancement of existing customer information for the purpose of refining an integrated marketing strategy”.

As it can be seen from the three definitions mentioned above, content is a crucial issue of SM advertising. SM marketing facilitates creation of new content. In case content is forged properly it can be disclosed to hundreds of new website visitors and spread within SM networks in a relatively short time. Therefore, it can be said that it is a form of marketing driven by word-of-mouth meaning it results in earned media rather than paid media. (Weinberg 2009, 6)

Andreas M. Kaplan and Michael Haenlein (2010) explained SM as a group of Internet-based applications that allow the exchange and creation of User Generated Content (UGC)². Within this general description, there are different types of SM that can be distinguished further. By applying a set of theories in the field of media research and social processes Kaplan and Haenlein invented a classification scheme for different SM types that was published in their Business Horizons article in 2010. In Kaplan's and Haenlein's system there are six types of SM:

- Collaborative projects e.g. Wikipedia, allow the joint and simultaneous creation of content.
- Blogs and microblogs e.g. Twitter, are websites that display date-stamped entries in reverse chronological order. Blogs represent the earliest form of SM.
- Content communities e.g. Flickr, YouTube, Slideshare, the main objective of which is to share media content (text, photos, videos, PowerPoint presentations etc.) between users.
- Social networking sites e.g. Facebook, MySpace, enable users to keep in touch by creating personal information profiles, inviting other users to have access to those profiles, and sending messages between each other.

² User Generated Content (UGC) – the various forms of media content that are publicly available and created by end-users. (Kaplan, Hainlein, 2010)

- Virtual worlds are platforms that replicate a three-dimensional environment in which users can appear in the form of personalized avatars and interact with each other as they would do in real life. Virtual worlds can be divided in two forms: virtual game worlds (e.g. World of Warcraft) and virtual social worlds (e.g. Second Life). (Kaplan & Hainlein, 2010, 59-65)

This chapter discusses such SM categories as social networking sites and microblogging as well as search engine marketing.

2.2 Usage of social media in Russia

According to various indicators, Russians are using social and digital media in ways deeper and more impactful than other nations around the world. A new generation of Russian people has joined the global online marketplace. With reference to a Comscore global study conducted in August 2010, Russia had the most engaged social networking audience in the world. For instance, in 2010, Russian Internet users spent on average twice the amount of time within social networks as their global counterparts. What is more, smartphone technology and advanced mobile usage are beginning to influence the way businesses communicate. It was discovered that nearly 80 percent of Russian population owns a mobile device positioning Russians under 24 as the third-largest users of “advanced mobile data” worldwide, behind only China and the USA. This new wave of social adoption brings huge opportunities for companies willing to do business in Russia. (Lawrence 2011) Mike Read (2011), SVP and managing director of Comscore Europe said “The substantial growth in the Russian social media sector provides a sizeable advertising opportunity and reflects the importance of online connectivity for the Russian population.”

Peter Leighton (2011), a partner of Interstice Consulting LLP, suggested two main reasons for Russians being “the most avid social media junkies in the world”. Firstly, it can be explained by the relatively low penetration in the country meaning that current user base is thought to be “the technological elite” interested in all of IT products including social media. Secondly, easy access to illegal music and movies via Russian SM can explain this fact.

However, no matter what the reason is behind it, it is crucial for online sellers to create an understanding of the major Russian social networks and their dynamics. (Leighton 2011)

Another study concerning Russian contextual advertising markets was carried out by the Russian Internet advertising platform Begun (Begun.ru). According to this research, contextual advertising along with Internet advertising showed impressive growth during 2011. The Internet advertising in Russia shifted from fourth to second place among the advertising segments. The new tendency is expanding the arsenal of technical content. Such companies as Google, Yandex and Begun.ru have suggested new advertising formats in the video, mobile websites, mobile applications and geo-location services. Moreover, social networking sites began to play an important role in targeted advertising. Nowadays advertisers are learning to take into account the specifics of user behavior in social networks. (SeoRussia 2012)

2.2.1 Social networking sites

“Social networks” or “social networking sites” are definitions used for profile-based websites that connect users with similar interests and relatively comparable backgrounds. Social networks such as Facebook, MySpace, Vkontakte etc., are powerful for message broadcasting and brand awareness. (Weinberg 2009, 149)

Social networks have a great popularity among Russian people. According to Comscore research, in August 2010 34.5 million Russian people (74.5 percent of the online population) visited at least one social networking site. It was also established by the Comscore study that homegrown social platforms are more in favor among Russian people than international ones. Vkontakte.ru rated as the top social networking site with 27.8 million visitors, followed by Odnoklassniki with 16.7 million visitors. Despite Facebook's strong leadership position worldwide, it ranked just fifth in Russia with 4.5 million people using it regularly. However, the audience of Facebook has grown by 376 percent after its launch in Russia in January 201 (Block 2010)

According to another study, published by VCIOM in 2011 (Russian Public Opinion Research Center) the most popular social networking website on the Runet was Odnoklassniki preferred by 73 percent of the Russian Internet users. It was also discovered by the research that the amount of Internet users using social networks has risen during the past year and has reached 82 percent. Table 1 illustrating results of the research is presented below.

Table 1 Rating popular social media. (SeoRussia 2012)

Do you use social networks? (close-ended question, one answer, % of Internet users)		
	2010	2011
Yes, I use social networks	52	82
I do not use social networks	46	18
It is difficult to say	2	1
If yes, which is your favorite social network? (close-ended question, multiple choice, percent of Internet users)		
	2010	2011
Vkontakte – VK	64	62
Facebook	5	18
Odnoklassniki	72	73
Moi Mir	22	31
Я.py – Yandex soc. network	8	6
Livejournal	5	3
LiveInternet	4	2
Moi Krug	7	5
Mamba.ru	4	2
Twitter	2	9

Two of the most popular social networking sites mentioned in the chart above – Odnoklassniki and Moi Mir are described in detail.

Odnoklassniki is a social network service used for reunion of classmates and old friends. It was created and launched by Russian web-developer Albert Popkov on fourth of March 2006. The website currently claims to be one of the most popular in Runet with more than 100 million registered users and 31 million daily visitors (statistics for July 2011). According to the data presented by TNS Web Index most users are between 14 and 55 years (56 percent of visitors). Since the launch of Odnoklassniki.ru significant developments and improvements, for instance video chat and possibility to upload music, were introduced to the social network. The website is also cooperating with RuTube and YouTube broadcast channels, and Mail.Ru Group. (Odnoklassniki.ru 2006)

In the past this social network received a big amount of critics. Starting from October 2008 limitations for free registration were introduced. In the limited version it is impossible to send messages, upload and comment photos, or view profile pages of other users. In order to get access to all those functions the user was required to send a paid text message. However, in August 2010 paid registration was abolished by managers of Odnoklassniki. The official reason for it was “development of new more effective ways for spammers' control”. However, nowadays spammers and frauds are still considered to be disadvantages of the social network. Furthermore, the layout of the website was described as complicated by some users. (Odnoklassniki.ru 2006)

Advertising in Odnoklassniki has both advantages and disadvantages. On the one hand, the main audience of Odnoklassniki is claimed to be more mature than of its main competitor Vkontakte. Hence, from the marketing point of view users of Odnoklassniki tend to be more financially stable and capable of paying for advertised products and services. On the other hand, Odnoklassniki is the least flexible website among Russian social networks when it comes to advertising possibilities. They only offer banner advertising

with available targeting options, such as gender, age and location. Therefore, the best options for marketing in Odnoklassniki are via groups and applications. But even in this case it is important to remember that such form of aggressive advertising as mass mailing will be quickly suppressed by network's administrators. Businesses doing marketing through groups and applications should take into account all the established requirements towards it. Furthermore, advertising in Odnoklassniki demands a quite big budget. However, according to Russian marketing specialists, it is worth doing because of high trust indicator among network's users. As administrators of the network try to protect it from general mercantile usage, the amount of advertising is relatively small, thus the information is more trustworthy. (Online Consulting 2012)

Another Russian social networking site, Moi Mir, started its work on seventeenth of May 2007. There are more than 40 million registered profiles and around 300.000 online users daily. Moi Mir is the part of Mail.ru platform and its main purpose is similar to other social networks – being in touch with friends, relatives, classmates, acquaintances and work colleagues. The website allows its users to send private messages, presents, upload photos, videos and songs, listen to music, and have personal blogs. Moi Mir draws in users through its integration with the platform's email application, which is the most popular in Russia. There is a possibility of consolidation of Odnoklassniki and Moi Mir social projects. (Mail.Ru Group 2010)

The advertising platform of Moi Mir was created in spring 2011, and thus it is considered to be relatively new. Ads of Moi Mir are powered by Mail.ru and only available on cost per mile (CPM) or cost per thousand (CPT) bases. Moi Mir advertisements offer not only banners but also sponsored videos and video pre-rolls. (Russian Search Tips 2012)

2.2.2 Microblogging

According to SM glossary, microblogging is the act of broadcasting to other subscribers of this Web service. Kaplan and Haenlein (2011) viewed the term micro-blog as a service that allows users to communicate with each other by exchanging small elements of content such as short messages,

individual images or video links. Twitter is an example of free microblogging service. Twitter was created in March 2006 by Jack Dorsey and launched in July 2006. The service rapidly gained worldwide popularity with over 300 million users in 2011. Posts of Twitter are known as tweets. Twitter is sometimes called as "the SMS of the Internet". (ArticleSnatch 2011)

Once people discovered the ability of Twitter to serve a great purpose in the business world, the service became filled with businesspeople and marketers. These groups have used the ability to tap into the targeted audience for relationship-building, networking opportunities, achieving business objectives, and personal gain. Twitter is a relevant tool for connecting users with the companies they are already interested in. Successful business entities are engaged in facilitating and building relationships by actively monitoring the conversation, showing concern for well-being of their customers, providing quick customer service, and assisting customers with problems. Twitter is also a helpful tool for generating sales, receiving almost instantaneous customers' feedback, building personal brand, maintaining level of brand awareness, and connecting with business partners. (Weinberg 2009, 126)

A relatively new addition to Twitter's advertising arsenal is a service called promoted accounts. The new function is aimed both at big firms, which can provide their commercials through sales services, and small and medium sized companies (SMEs) that have a possibility to place their ads in newsfeeds even if users do not follow them. (McCarty 2010)

Unfortunately there has been done very little research into the effectiveness of Twitter as a marketing tool in tourism industry. Nevertheless it was established that in leisure and tourism industry destination management companies (DMCs) are the ones leveraging Twitter to the biggest extent. DMCs are using Twitter in order to promote their destinations, market their communities and create a dialog between potential visitors. The study carried out by Development Counselors International, the destination marketing firm which specializes on tourism and economic development advertising, established that more than three hundred Convention and Visitors Bureaus worldwide have Twitter accounts. The success rate of

Twitter marketing is not measured merely by the large number of followers and updates, but also by the high level of connection with potential visitors, community partners and other important stakeholders. (eWeek 2009)

Twitter has a great popularity among Russian people. According to the research published by the Russian Internet Company Yandex currently there are 183,000 Russians using Twitter (March 2010). And this number multiplied twenty six times in one year. 60 percent of users use the microblogging service on a daily basis and leave 150,000 tweets per day. It was also established by the research that 67 percent of all the tweets contain hyperlinks meaning that 125,000 links appear everyday in “Russian-speaking” Twitter. (CNews, 2010) With reference to more up-to-date statistics collected by Yandex in the late December 2011 Twitter has more than 1.85 million Russian accounts. Twitter is extremely in favor among Russian influential people, such as celebrities, writers and even Russian ex-president Dmitry Medvedev, who has more than 800,000 people in his friend list. (SeoRussia.com 2011)

A significant step for Twitter in its international growth and especially development in Russian marketplace was a collaboration contract with “Russian's search giant” - Yandex. According to the new partnership agreement, new Tweets in Russian, Ukrainian, Belarusian or Kazakh, as well as top feeds in any other language will now become available in Yandex's Blog search results in real time. In addition to this, users who search for something in Twitter will find identical results via twitter.yandex.ru (Yandex Company 2012).

In spite of all the developments Twitter has undergone and all the advantages it brings for marketing, advertising in Twitter has its drawbacks too. The biggest disadvantage of Twitter is being reckoned number one service for spammers. So, it is important to remember to do hard work of filtering spammers out of company's lists from time to time in order to realize a true gauge of your target market. Otherwise, the number of total followers will be inflated causing harm to the Internet marketing campaigns. Secondly, there is a possibility to become easily distracted when joining conversations regarding non business related matters or browsing interesting links that the

users you follow are posting. It is vital to find a balance between using social aspect of the service and meeting your Internet marketing objectives. In conclusion, it can be easily seen that advantages of using Twitter for marketing your business far outweigh disadvantages. Moreover, all the drawbacks can be avoided if you are careful. (Sheley 2010)

2.2.3 Web search engines

Search engine marketing (SEM) or simply search marketing is a form of Internet marketing that involves promotion of websites by increasing their visibility in search engine results pages (SERPs) through free search engine optimization (SEO)³ or paid advertising (paid placements, contextual advertising etc). The term search engine marketing was first introduced by Danny Sullivan in 2001 to cover the spectrum of activities included in performing SEO (Search Engine Land 2010). Search engines are the main portals for people when they look for information in the Internet. Several sources report that more than 80 percent of Web visitors use a search engine as a starting point. Search engines provide two types of links in response to users' queries: sponsored and nonsponsored. Nonsponsored links are generated based on the proprietary indexing and ranking algorithms of the particular search engine. Sponsored links are links returned based on the outcomes of proprietary online auctions where content providers and advertisers bid on query terms. Sponsored links are the key business model for Web search engines that generate profit for the search engine companies and sponsor the free search for millions of users worldwide. The business of sponsored links began from mid nineties when the first pay per click programme by Open Text was introduced. Currently there are two sponsored search systems that dominate the market: Google AdWords and Yahoo! Search Marketing Services. These two business models provide the majority of sponsored links not only to Google and Yahoo!, but also to numerous other search engines via third-party agreements. (Jansen 2007)

³ Search engine optimization (SEO) — the process of improving the visibility of website in search engine's search result.

Russians have their own preferences when it comes to web search engines. Even though Google is reckoned to be number one search tool worldwide, in Runet it is playing second fiddle to Yandex, which is currently the main search engine in Russia. Yandex is a Russian IT company which operates the largest search engine in Russia and also develops a number of Internet-based products and services. The search engine Yandex.ru was launched on September 23, 1997. In 2000 Yandex was incorporated as a standalone company. According to the Russian statistics organization Liveinternet, Yandex's share of the search market increased up to 64.1 percent in December 2010. Comscore statistics also registered a significant growth in the audience share of Yandex between November 2009 and November 2010, reaching over 54 million users. In August 2010 Yandex was ranked number one search engine by Comscore with 34.9 million visitors in a month. Chart 1 presents the shares of search engines in Russia (September 2009). The data for the chart was collected by Liveinternet and published on the official website of Yandex Company. (Yandex Company 2010)

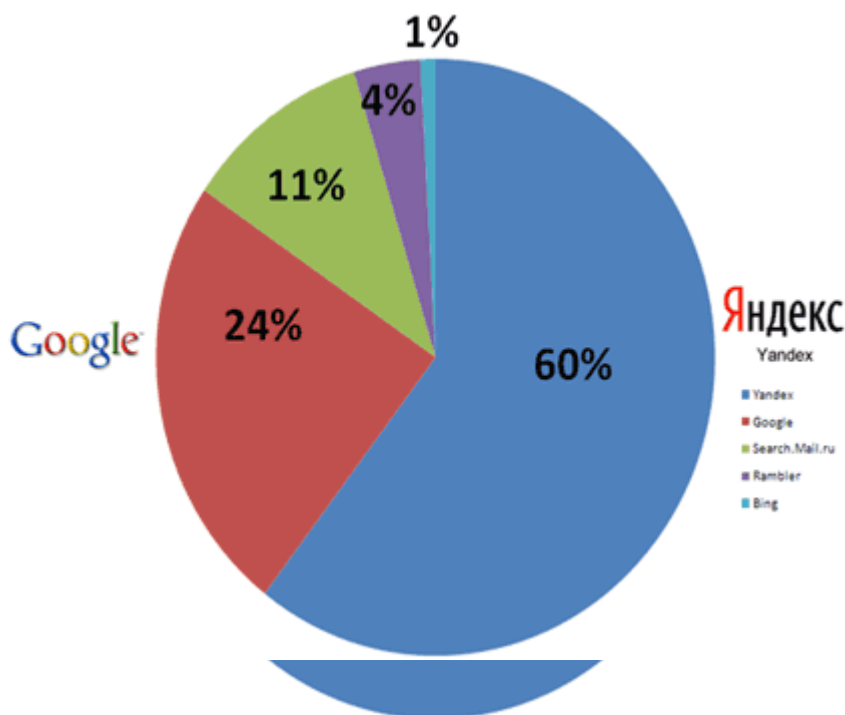


Chart 1 Popularity of search engines in Russia. (Yandex Company 2010)

Apart from being a popular search engine, Yandex also provides a broad range of online services: email, pay per click (PPC)⁴ advertising network called Yandex Direct, maps, news, weather, and dictionaries. In 2010 Yandex generated revenue of 410 million US dollars. Yandex's revenue comes primarily from online advertisement. The advertising system of Yandex is very similar to Google's AdWords and Bing's AdCenter. (Atkins-Krüger 2011)

One of the main reasons of Yandex being on the top of search engines in Russia is its focus on the Russian language. Algorithms of Western search engines are usually built from English language structures which are then adapted. This was never a case for Yandex which originated from a Russian-language project. Russian is a Slavic language that has not only different alphabet but also particular shape and structure which makes it very different from English. In the early days, Google did not take these language differences into consideration whilst Yandex did – resulting into reaching preeminent position. What is more, Yandex is continuously working on development of new technologies, addition of new services and negotiation of new partnerships. For instance, in May 2010 Yandex was the first search engine to do business with both Facebook and VKontakte. In July 2010 after a purchase of GIS Technologies Yandex became a mapping company and by November 2010 more than 1.5 million people started to use Yandex's mobile maps service. (Gabdulhakova 2011)

Before using advertising in Yandex for entering Russian market, several facts and tips should be taken into account. First of all, Russian language plays a crucial role in marketing in this post-Soviet country, thus, it is wise to make a Russian language version of your website to attract more local customers. Furthermore, Russian is a pretty complicated language, so having a Russian-speaking expert in your SEO team or outsourcing this service is a good solution. (Gabdulhakova 2011)

Secondly, in order to succeed in marketing with Yandex Direct network it is important to remember that Yandex has its own algorithm for indexing and

⁴ Pay per click (PPC) (also called cost per click) - a performance-based advertising model where the advertiser pays a set fee for every click on an advertisement.

ranking websites. This algorithm is based on over thousand ranking factors, the most important ones being age, unique content and quality backlinks. In order to indicate a website's trustworthiness Yandex uses Quotation Index metric, which is similar to Google PageRank. The Quotation Index is determined by the number and quality of the website's backlinks that are influenced by relevance of the context, geographical location of the linking site and the Quotation Index of incoming links. Geo-targeting is another very important factor for Yandex. All the inquiries typed in Yandex's searchbox are divided into geo-dependent and geo-independent ones. The search engine automatically assigns every indexed website with a geographical location according to the location-by-IP data, domain name, contact information (zip code, telephone number) and the content in general. At the moment Yandex supports 19 regions and 1250 cities and towns. Finally, optimizing the Russian version of any website in Yandex demands building an efficient keyword list. Keyword insertion is a popular feature available in most PPC platforms including Yandex Direct. Specifying regions for advertisements is likely to increase the overall effectiveness of marketing campaign. (Gabdulkhakova 2011)

Even though SEO in Russia can be seen as challenged and complicated, it is worth a try. With reference to the data released by Yandex in-depth report on contextual advertising in Russia, for the first half of the year 2010 the market share of Yandex Direct was estimated at the level of 75-80 percent. And in summer 2010 advertisements placed on websites via Yandex Direct were viewed by over 21 million users per day. Therefore, it can be clearly seen that Yandex is developing and it creates brilliant opportunities for running region-targeted campaigns for international companies in Russia (Yandex Company 2010).

2.3 Conclusions

Social Media is a crucial issue for businesses nowadays. SM allows companies to engage in timely and direct contact with end-consumers at relatively low cost and higher levels of efficiency than cannot be achieved with traditional forms of marketing. This makes Social Media relevant not

only for large international companies but also for SMEs. For the travel and hospitality industry it is critical due to the fact that it has many similarities with a word-of-mouth advertising, which is well-known to be the best kind of existing advertising. (Kaplan & Haenlein 2010, 67)

Nowadays many marketing specialists are also discussing a phenomenon called “Russian social media boom” driven by Russian youngsters. This is a part of social revolution that is taking place in the global online market. It was proven by various researches that the social networking audience in Russia possesses the highest social engagement rate among its counterparts around the world. Many well-known Russian companies are accepting the proven benefits of the SM channels and are applying them in businesses. International enterprises entering or already present in Russian market should keep in mind that it is the right time to invest in the SM optimization services and digital marketing. (Blog For Business 2011)

Russia has its own peculiarities and characteristics when it comes to social media. The overall trend among Russian people is their preference of homely platforms, such as VKontakte, Odnoklassniki, Yandex etc., to international ones. Therefore, it is advisable for companies to do research about specialties of Russian national platforms before starting advertising campaigns in this market area.

3 RUSSIAN TOURISTS IN SOUTH KARELIA REGION

3.1 Importance of Russian tourists for South Karelia region

According to the article published by Yle, the number of Russian tourists amounts to more than fifty percent of all travelers arriving in Finland between November and April 2011. During this half-year period Finland attracted 1.5 million Russian tourists. (Yle 2011) Nowadays Russians are an important part of the Finnish tourist trade. The proportion of Russian tourists contributing to Finland's international tourism industry was 31 percent. One of the reasons of Finland being so popular among Russian people is its vicinity to Russia, which means easy access for Russian tourists coming from near-border regions. The travelling distance from Imatra and Lappeenranta to Saint Petersburg, the second biggest city in Russia, is 210 kilometers. Apart from a possibility to cross the border by car, the options of coming to Finland by high-speed rail link and ferry are frequently used by Russian tourists. The factor of easy accessibility is crucial for tourism especially in the South Karelia area, which is considered to be a Finno-Russian cross-border region. Nowadays the South Karelia region consists of twelve municipalities and two towns - Lappeenranta and Imatra. Tourism is the biggest employment sector in South Karelia, therefore it is reckoned to be of vital importance for this area. Not only tourism sphere increases employment and investments but also encourages the development of a variety of cultural activities by local inhabitants and establishment of new service providers. The meaning of Russian tourists is growing particularly for this region. For instance, whereas in 2004 Russians spent twelve million euros in Imatra and seventy million in Lappeenranta, in 2010 those numbers grew significantly resulting with 62.5 million euros and 196.7 million euros in these two cities respectively. (Jakosuo 2011, 40-43)

According to my observations during work in a company popular among Russian tourists, the age of Russians traveling to South Karelia is between 23 and 60. Russian tourists tend to visit Finland with families or a group of friends. It is not so common for Russian people to travel alone. The tourism industry in the South Karelia area is seasonal: summer and winter being the high seasons while autumn and spring being the low ones. During weekends

and Russian public holidays such as New Year, Worker's Day, Victory Day etc. the number of tourists is higher than during weekdays. A big number of Russian tourists coming from Saint Petersburg and neighboring areas prefer to take one day trips to Finland whereas people coming from Moscow and more distant regions of Russia tend to stay overnight. The expectations of Russian visitors concerning services provided in this area have risen during the last couple of years. Nowadays Russian people require performed services to be of a higher quality and preferably provided in their mother tongue as most of the people from middle-aged segment do not speak English or Finnish languages.

3.2 Attractions of South Karelia region for Russian tourists

The most popular attractions of the South Karelia region amongst Russian tourists can be divided into four categories:

- Spa activities;
- Skiing and snowboarding;
- Shopping, and
- Peaceful atmosphere, nature.

Each of these types will be described more detailed.

There are four companies in towns of Imatra and Lappeenanta that offer spa treatment services. Three of those spa centers are located in hotels, therefore they provide accommodation in addition to spa services. Spa services are more popular amongst Russian families and middle-aged people rather than among young tourists. According to my observations, Russian customers have a highly positive opinion of spa treatment services provided by companies in South Karelia. One day trips to spa centers of Imatra and Lappeenranta are arranged by Russian tour operators working in Saint Petersburg and adjacent towns.

Even though Lapland is thought to be top one destination for skiing and snowboarding vacations in Finland, the skiing resort located close to the town of Imatra draws attention of a big number of Russian travelers. The ski center is popular with younger Russian tourists as well as families. Generally

skiing and snowboarding are not main reasons for Russian people visiting South Karelia. It is thought to be more of an additional activity for those tourists renting an accommodation nearby.

Shopping possibilities are probably the most favorite attraction among Russians of all age groups in Imatra and Lappeenranta. One day shopping tours are the most common types of trips provided by Russian tour operators specializing in working in the South Karelia area. Despite huge popularity such one day trips have one major drawback for tourism industry in South Karelia. Tourists traveling to Finland on those kind of trips do not stay overnight, therefore it decreases possible revenue of tourist trade. In my opinion, tourism related enterprises should think of ways that will encourage Russian “shoppers” to spend more days in the South Karelia region.

Quietness and calmness of Finland as well as clean environment are appealing for Russian tourists especially for those coming from big cities. Russian people appreciate Finnish nature and activities that can be performed in it both during winter and summer seasons. It is popular among visitors of this region to rent a cottage and enjoy spending time outside with friends and family.

3.3 Description of the research

In order to solve the research problem of the thesis work and find out which tools of Russian SM are the most beneficial for companies in the region of South Karelia, the current level of presence of companies in South Karelia in Russian SM channels was explored. The most well-know service providers of this area in such Russian SM channels as Odnoklassniki, Moi Mir, Russian Twitter and Yandex were studied. Moreover, the websites of those companies and their suitability for Russian customer segment were analyzed.

As it was already mentioned above, qualitative research method was employed into the thesis work. Qualitative approach is described by various theoretical concepts and their methods. There are four techniques commonly used in leisure and tourism research: in-depth interviews, group

interviews, participant observations and ethnography. The style of research utilized in the thesis work is ethnographic, meaning that it consists of a variety of techniques. The project includes elements of participant observation. According to this approach, the researcher becomes a participant in the social process or phenomenon being examined. The technique of observation is included into the type of unobtrusive research techniques. Unobtrusive approaches involve collecting data about behavior of people without their knowledge. The advantage of this style is that participants cannot modify their behavior because of the researcher's presence. (Veal 1997) The observation process took place during my work, particularly with Russian customers, in one of the companies in the region of South Karelia. To a bigger extent the research includes components of a desk study meaning that already existing information was collected and reviewed in order to gather data about marketing in Russian SM tools in my work. The analyses of literature are thought to be very basis of studied disciplines (Veal 1997, 141).

4 RESEARCH RESULTS

In general the presence of South Karelia's service providers in Russian SM channels described in the thesis is on a quite low level. The analyses of the existence of each service provider type gave the following results.

The degree of presence of South Karelia spa centers in Russian social networks Odnoklassniki and Moi Mir is extremely low. There is no data concerning those companies or even towns of Lappeenranta and Imatra in Moi Mir. One group about spa center of Imatra exists on Odnoklassniki, however it is not at all developed. Furthermore, I was not able to find any accounts or references to South Karelia spa centers in Twitter. The most detailed data about those companies was generated via Russian search engine Yandex. Spa centers of Imatra and Lappeenranta were included in the top ten results in Yandex search when their names were typed both in Russian and English languages. Official pages of those companies, which are also available in Russian language, are presented on the first page of search results. But more important is the fact that information about those

companies is allocated on webpages of the Internet travel communities: both international, for example TripAdvisor and Booking.com, and homegrown, for example Otzyv.ru. These websites are highly important for Russian tourists as they provide user-generated content consisting from reviews and opinions of those who have already experienced offered services. There is also an option of booking a room in hotels where spa centers are situated.

The website of South Karelia ski resort is available only in Finnish language. However, there is one brochure with information about the resort, opening days, working hours and prices available in Russian language. The ski resort of South Karelia is not at all present in Russian SM channels described in the thesis. Some data regarding the resort could be found only through Yandex search engine. The description of the resort is mentioned on the websites dedicated to skiing and snowboarding and traveling to Finland in general. There are also pictures of the resort available via Yandex Pictures.

There is almost no existing information concerning shopping activities in Odnoklassniki and Moi Mir despite the fact that shopping possibilities are the number one attraction for Russian tourists traveling to the area of South Karelia. Only one group organizing shopping tours and transfer to Imatra exists in Moi Mir. On the other hand, it cannot be said that groups about shopping activities are not developed in other Russian SM channels at all. For instance, in Vkontakte there is a big number of groups arranging shopping tours to different towns of Finland including Imatra and Lappeenranta, and providing detailed information about shopping possibilities in Finland, opinions and views of people traveling to Finland for shopping reason, and possibility for discussion between them. In Twitter there is no data about shopping activities in Imatra or Lappeenranta. Yandex search results generated the most detailed and useful information regarding shopping in South Karelia. Those results include descriptions of shops located in towns of Imatra and Lappeenranta, their addresses, locations on the map, driving instructions and offers to book shopping trips offered by Russian tour operators. All of the information is available in Russian language. However, the data mentioned above is included into the category

of UGC or it is provided by tour operators. No existing information created by any of the shops located in the South Karelia area themselves was observed.

There is a sufficient amount of groups in Odnoklassniki and Moi Mir related to Finnish nature and holiday possibilities connected with it. However, those groups refer to Finland in general but not the region of South Karelia specifically. The results of Yandex search produced a broad variety of information concerning the nature of South Karelia and activities connected with it. Mostly this data can be found on blogs of Russian tourists interested in fishing, hunting etc.

5 CONCLUSIONS AND RECOMMENDATIONS

The importance of Russian tourists has increased in Finland. In recent years, Russian people have formed the largest foreign customer group. The influence of Russians is especially crucial in the region of South Karelia, which is a Finno-Russian cross-border point. The key advantage of this area in comparison with other regions of Finland is its vicinity to Russia. Russia does not have connections to any other country as good and as quick as to this area in Finland. Therefore, Finland is an attractive destination for Russian customers with a huge potential for development. One of the ways that will support growth of the number of Russian travelers is to increase the level of presence of this region's service providers in Russian SM channels. One of the goals of developing tourism strategy of South Karelia should be the improvement of marketing for Russian clients. Though some enterprises of this area are present in Russian SM, their interaction with customers via SM channels should be enhanced. Another crucial point is that advertising should be done in Russian language in order for customers to receive information accurately.

Service providers in the region of South Karelia should apprehend the importance of social media for Russian customers traveling to this region as it is the easiest way for them to receive marketing information about offered products and services. Such Russian social networks as Odnoklassniki and Moi Mir appear to be more suitable for the particular customer segment

traveling to the region of South Karelia because of the age reasons. As it was already mentioned above, middle-aged people prefer to travel to South Karelia and exactly this age group is an active user of Odnoklassniki and Moi Mir. Moreover, this customer group is thought to be more financially stable and solvent compared to the “young people” age category. Nonetheless the importance of Vkontakte as an advertising tool should not be underestimated as it is the number one social networking website in Russia. It is not enough to simply place the information about products and services in Russian social networks. This data should be updated constantly. Service providers should also be involved in continuous conversation with Russian customers, replying to their questions and commenting on their posts. Such actions may seem difficult to perform as they require sufficient amount of time and good knowledge of Russian language but the result is worth it as Russian customers personal approach and interest towards their needs and concerns.

Being the top rated search engine among Russian people Yandex has a crucial value for advertising on Russian market as well. Yandex search results are able to provide access to a large number of Russian customers even if they do not have an account in one of the social networking websites. What is more, such services as Yandex Pictures and Yandex Maps are of great use for marketing tourism and leisure services, as visual images are significant for potential Russian customers. In order to be included in the top Yandex search results, webpages of service providers in South Karelia should be translated into Russian language. These translations should be done because of Yandex’s focus on the Russian language. Russian versions of websites should be accurate in language terms to look presentable and understandable. Thus the sufficient level of knowledge of Russian language is essential for translations.

As it can be seen from the results of the research, there is no information concerning companies in South Karelia available in Twitter. This can be explained by the unpopularity of this social media channel amongst the particular segment of Russian customers traveling to this region.

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