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How to Make Finnish Products and Services More Popular Among Russian Customers,

The Analysis of the Existing Digital Advertising Campaigns

Of Finnish Companies in Russia

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ABSTRACT

The purpose of this thesis work is to research the existing digital advertising campaigns of the Finnish companies for the Russian customers in Russia and to give recommendation on how to make Finnish products and services more popular among Russian customers with using of the digital marketing instruments. The objective of the thesis is to perform the analysis of the existing advertising campaigns of Finnish products and services in the Russian Internet, i.e. in the Runet, for 5 case companies, to find typical problems and mistakes in advertising campaigns, to give recommendations on how to avoid the existing problems and the ideas for further development of digital marketing for successful business in Russia.

The methods of research and data collection are the author's observation and the interviews with the Russian customers.

The result of this thesis work can be useful to the Finnish and any foreign company that is going to operate in Russia. Following the findings of this thesis, the companies will be able to attract more clients and to provide more useful and appropriate information about itself and in the end to make its products and services more popular among Russian customers.

Key words: digital advertising campaign, Internet marketing, Runet, digital marketing, Russia.

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1 INTRODUCTION

1.1 Background

Obviously, it is hard to tell that the history of relationships between Russia and Finland is ideal. There is a place for both alliances and bloody wars in our history. However, nowadays our countries, which are located so close geographically and have mutual border about 1300 km, have many interests in common and interact successfully in many sectors. These are such vital areas as the trade and the investments, the transport and the logistics, the customs and the border crossing, the environment, the energy, the forest industry, the legal cooperation, the cultural exchange and innovations. There are about 70 different state agreements between Russia and Finland nowadays. Leaders of both countries have regular meetings every year as well as the politicians and official of different levels. Finland has the Finnish Embassy in Moscow and the Consulate General in St. Petersburg, in which submission are also Petrozavodsk and Murmansk branches. The number of visitors from Russia is so huge that there was opened the Finnish visa application centre in St. Petersburg some years ago. It is the largest of its kind in the world. (Helsingin Sanomat 2011). The number of Finnish visas which are issued to Russians breaks a new record each year. Thus, only in St. Petersburg there was issued about 700 000 visas in 2010, about 951 600 visas in 2011, and more than a million visas in 2012. In general, over the past five years, the number of visas issued has doubled: there were issued only 644 800 visas in 2007. (Деловой Петербург 2013; Коттеджи в Финляндии 2012)

In turn, tourism from Russia has become a billion-euro business. (Helsingin Sanomat 2011). At the same time, about 70% of the Russian has never been abroad, so the growth potential in the tourism sector is huge. Moreover, there is a prediction that in near future no visa will be needed between EU and Russia. Lifting the visa requirement for travel between the European Union and Russia would bring millions of new visitors from Russia to Finland. (Helsingin 2011). FIGURE 1 provides the information about the number of the foreign tourists in Finnish hotels during 2011 and 2012. It is clear that Russians are at the top of the list. The information is provided by www.ek.fi (2012).

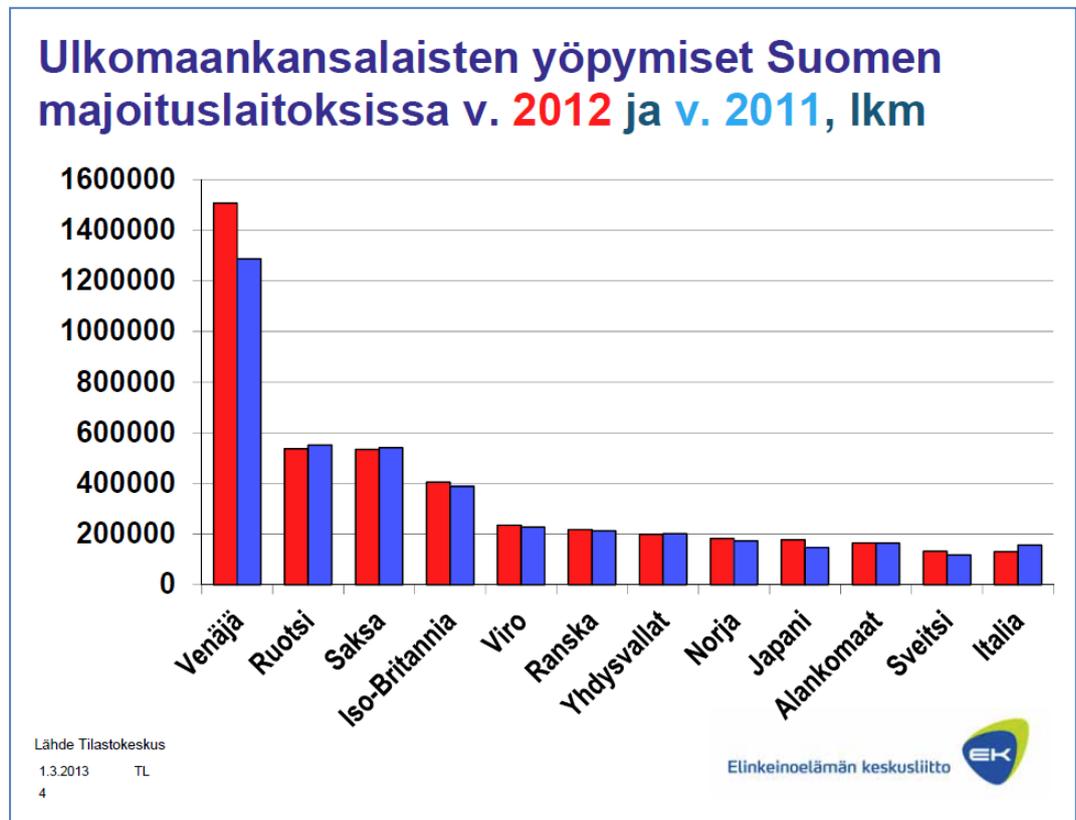


FIGURE 1. The number of foreign tourists in Finnish hotels etc (Elinkeinoelämän keskusliitto 2012).

In addition, there is a new Program of actions between Finland and Russia, which was adopted in Finland in 2009. It is a strategy of relations between neighbors. One of the points of this program is the desire of Finland to be a key expert on Russia in EU. Finland wishes to secure for itself the role of a key expert on Russia, as well as to secure for itself a leading position in the EU with issues related to cooperation with Russia.

So, it is true to say that the relations between Russia and Finland has never before been so successful, close and intense as it is now. However, the words came at the meeting of the presidents of Russia and Finland in February 2013 that the trade volume between two countries fell by 12%. It is a significant decline of about 2 billion euros caused by the economic crisis of 2008 and the eurozone currency

fluctuations. However, according to Putin, the trade can be restored in 2-3 years. (YLE, Novosti po-russki 2013)

FIGURE 2 provides the information about the trade between Russia in Finland in a period from 1992 to 2012. The export and the import are reflected and there is a significant growth of the volumes of trade from the beginning of the 90th. The information is provided by www.ek.fi (2012).

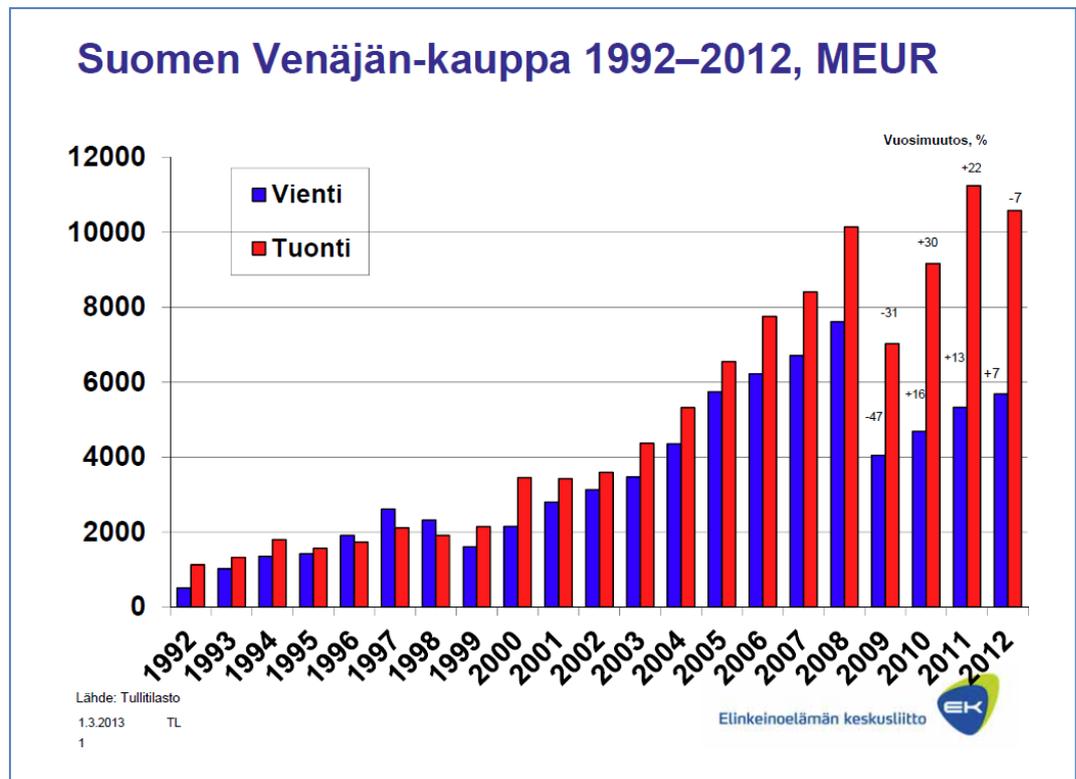


FIGURE 2. The trade between Russia and Finland, 1992-2012 (Elinkeinoelämän keskusliitto 2012).

This situation shows that Finland and Russia should build their business relationships with foreign partners more effectively, culturally relevant, and in consideration of the nuances of business in different countries. Both countries must carefully analyze and plan the development of international business. The questions of marketing, which are considered in this thesis, are one of such issues.

1.2 Objectives and research questions

The main objective of the thesis is to perform the analysis of the existing advertising campaigns of Finnish products and services in the Russian Internet, i.e. in the Runet, for 5 case companies. The analysis is to be done from Russian point of view in order to find typical problems and mistakes in the digital advertising campaigns that are oriented to Russia. Afterwards there are to be given recommendations on how to avoid the existing problems as well as the ideas for further development of digital marketing for successful business in Russia or with Russians.

The case companies are selected from different business sectors and all these companies are presented on the Russian market, some of them have their offices in St.Petersburg. These companies are:

1. K-Rauta (the household goods, B2C)
2. Prisma (the grocery goods, the large-scale goods, B2C)
3. Luhta (clothes, B2B)
4. Kemppe (the welding machines, B2B)
5. Lahti Development Company Ladec (tourism, B2C, B2B),

The main objective of the thesis could be divided into the following research questions:

1. What is the current situation of the chosen Finnish companies in the Russian market?
2. What kind of digital marketing are the chosen Finnish companies using at this very moment?
3. What is the role of the digital marketing in their marketing entity?
4. What is the message these companies try to offer to Russian potential customers?
5. Do the Finnish companies use the Russian language correctly in their campaigns?
6. Is Russian context taken into account?

7. What changes should be done to become more effective in Russian market?

The main focuses of the analysis are

- The instruments that are used to represent the company in Runet (a web site, social network communities etc.);
- The quality of the performance of the material for the Internet advertising campaign (correct language, quality of the design etc.);
- Matching of the presented advertising materials to the Russian context in general and to the particular business or individual client;;
- The value of the implemented digital marketing in Runet for marketing of the company on the Russian market in general.

1.3 Scopes and limitations

The analysis is to be done considering the point of view of the Russian customer in order to find typical problems in the digital advertising campaigns that are oriented to the Russian market.

The quantitative measures of the efficiency of the online advertising, i.e. the number of clients who came because of the advertising, the number of views and clicks, the number of references, etc. are not estimated in this thesis. In the most cases, such information is confidential and the companies might use special software to estimate these parameters by themselves nowadays.

This thesis does not consider pricing of the digital marketing campaign and questions of the cost optimization.

The scopes of the thesis do not allow to find out the official information from the companies about their actual marketing concepts in Russia since they all consider it as a confidential information. So, only publicly available information is used for the analysis.

1.4 Knowledge base of the research

Knowledge base of the research is formed by the literature and articles from different fields, such as marketing planning process, digital marketing process, tools of digital marketing, customer oriented marketing, marketing social strategies, methods of marketing analysis and so on.

1.5 Research approach and data collection

The qualitative methods of data collection and research are used in this thesis work. Questionnaires are used to get the opinion of the target auditory about existing digital advertising campaigns.

1.6 Structure of the research report

The thesis consists of introduction, theoretical background, research context and methods, empirical research, conclusions and recommendations. The background part gives the information on current relationships between Russia and Finland; it substantiates and underscores the urgency of action taken to develop Russian-customers-oriented digital marketing. Theory part explains the importance of digital marketing instruments in the whole marketing system of the company and gives an overview of the existing digital marketing tools. In the research context and methods part the main research methods and approaches are introduced, the questionnaire process and questionnaire itself are told. The empirical research part introduces each of the case companies and its current situation with more details. This part contains also the results of the analysis for every case company. The final conclusions and recommendations for the case companies are done in the conclusions part of the thesis. The comparison of the available theoretical information with the results of practical analysis will give some guideline to follow in order to create successful digital marketing campaign and to avoid common mistakes in future. Finally, the summary part clarifies the main issues of the thesis in a condensed form.

The FIGURE 3 provides the scheme that clarifies the structure of the thesis.

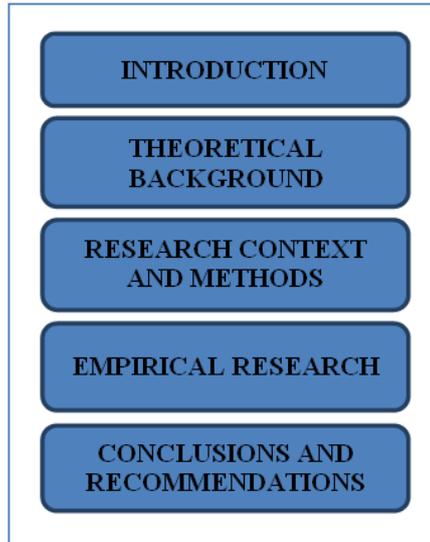


FIGURE 3. The structure of the thesis.

2 INTERNATIONAL MARKETING AND ADVERTISING

2.1 Basic principles of international marketing

According to Kotler and Armstrong (2004, 538-544), the most part of successful companies regardless of their sizes face international marketing challenges these days. So, it becomes a question of crucial importance for workers to learn other languages, to deal with strange currencies, to face political and legal uncertainties, to adapt the products and services to different customers' needs. In fact, companies that use marketing on the Internet may find themselves going global whether they intend or not.

International marketers must study and understand all features and peculiarities of each country they are intend to work with. The local customers' readiness for different products and services and its attractiveness as a market to foreign firms depends on its economic, political-legal and cultural environment.

Concerning economic environment, the country's industrial structure and its income distribution reflect the countries attractiveness as a market.

Concerning political-legal environment, attitudes toward international buying, government bureaucracy, political stability, and monetary regulations should be considered.

When designing global marketing strategies, the companies must understand how the particular culture and its own folkways, norms and taboos affect consumers' reactions in each of its world markets and vice versa how the companies' strategies affect local cultures. Business norms and behaviors vary from country to country as well. The companies that understand cultural nuances are able to use them to advantage when positioning products internationally.

2.2 Planning and strategies

There are different definitions for the term ‘marketing’, but the essence is still that

“Marketing is a process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives”.

This definition is provided by the American Marketing Association and it says that it is essential to recognize the interdependence of such different activities as sales and promotion and how they can be combined in order to develop a successful marketing strategy. (Belch and Belch 2001, 8.)

The above definition also describes so called marketing mix: product, price, place (distribution), and promotion. Obviously, all of mentioned elements should be taken into consideration while creating a marketing program. However, the primary object of this thesis is one element of the marketing mix: the promotional variable. The promotion campaign is still to be coordinated with other marketing activities, since it is clear that improperly priced poor quality product with no adequate distribution channels cannot be successful in the market even with the largest sums spent on promotion and advertising. As well as it is important to combine all the elements in company’s marketing mix, it is also important to integrate various marketing communication efforts, such as media advertising, direct marketing, sales promotion, and public relations in order to achieve more effective marketing communications. (Belch and Belch 2001, 10.)

It leads to the appearance of the process of the integrated marketing communications (IMC), which “involves coordinating the various promotional elements and other marketing activities that communicate with a firm’s customers”. According to Belch et al (2001, 12), one of the first definitions of integrated marketing communications was provided by the American Association of Advertising Agencies (the “4As”) and it is:

“a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – for example, general advertising, direct response, sales promotion, and public relation – and combines these disciplines to provide clarity, consistency, and maximum communications impact.”

IMC planning process is started with the review of the marketing plan and objectives. The promotional plan is based on the marketing plan. Marketing plan describes the overall marketing strategy and programs developed for the company, a particular product line, or a brand in a written form. According to Belch et al (2001, 16), marketing plan generally includes the following basic elements:

- A detailed situation analysis: internal and external audit and analysis;
- Specific marketing objectives for marketing activities and a way to measure the results;
- A marketing strategy and program with target markets, plans for each element of the marketing mix;
- A plan of the implementation of the marketing strategy;
- Mechanisms to monitor and evaluate performance and provide feedback.

The promotional plan is also a part of the marketing strategy. It uses detailed information from the marketing plan that is relevant to the promotional strategy.

Belch and Belch (2004, 26) provide the following scheme (FIGURE 4) to illustrate the process of developing of the integrated marketing communication plan.

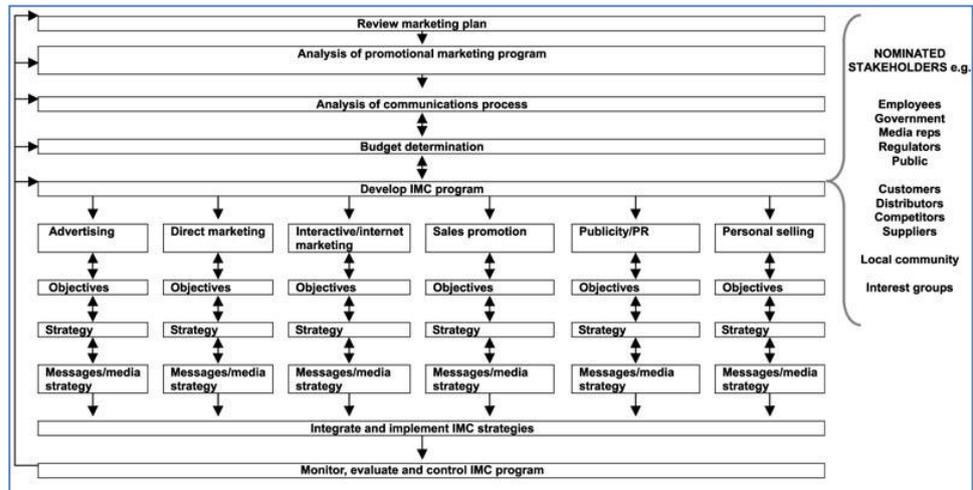


FIGURE 4. An integrated marketing communications planning model (Belch and Belch 2004, 26).

While planning the IMC it is important to make decisions regarding the role of each of the elements of the promotional mix. By promotional mix the basic tools used to accomplish an organization’s communication objectives are often referred. Belch and Belch (2001, 27) provide the following elements of the promotional mix:

- Advertising,
- Direct marketing,
- Interactive/internet marketing,
- Sales promotion,
- Publicity/public relations,
- Personal selling.

According to the FIGURE 4, each of the elements of the promotional mix has its own set of objectives, its own budget, its own strategy etc. Very important aspects are development of message and media strategy. Message development concerns the basic message the company wants to deliver to the target audience. Media strategy determines communication channels to be used to deliver the message to the target audience. (Belch, G., Belch, A. 2001, 8-31.)

2.3 Global vs. local strategies and advertising programs

There are discussions on what marketing and advertising programs should be chosen for international markets, i.e. global or local strategies are better to follow. The concept of the global strategy is that a company uses a common marketing plan for all countries and sells its product in practically the same way all over the world. Global advertising approach is used to implement this strategy.

There are certain advantages of global marketing strategy and advertising campaign, including the following:

- economies of scale in production and distribution;
- simplifications in planning and control of marketing and advertising programs (it results in lower costs for marketing and advertising);
- ability to use the same good ideas on a worldwide basis;
- ability to introduce products into different markets quickly;
- ability to maintain consistent international brand and company's image.

The standardization of products can be effective all over the world when quality, reliability and low prices are emphasized. In case of standardized products, the costs for the design and production are lower as well as the prices for consumers.

However, at the same time, there are not so many products that are in demand all over the world without any changes. According to Belch & Belch (2001, 673-691), globalization is appropriate for the following groups of brands and products:

- Brands that can be adapted for a visual appeal (the commercial is clear for customers even without any spoken language).
- Products that can be promoted with image advertising (jewelry, liquor, cosmetics, cigarettes etc.).
- High-tech products (computers, tablets, phones, TV and audio equipment etc.).
- B2B products and services.
- Products, whose national quality reputation can be a basis for a global advertising campaign (Swiss watches, French wine etc).

- Products for a market segment with universally similar tastes, needs and values (for example, products for elite or for teenagers).

There exists also middle variant which implies the standardized products and basic marketing strategy but localized advertising messages. In other words, the advertising campaign is adapted to the particular market with its local language, culture etc., while goals, needs, and way of using for product remain the same. There is so called pattern advertising strategy. The idea is that ads follow a basic approach, but texts and some visual elements are adapted to the needs of local market. There is also another way of work and it is to provide the variety of ads with similar theme and to let local managers to choose ones that will play the best in their markets. (Belch, G., Belch, A. 2001, 673-691)

2.4 Organizing for international advertising

Belch et al (2001, 673-691) say emphasize that there are to be made some decisions concerning organizational style, agency selection, advertising research, creative and media strategy and execution etc. for successful operating in the international market. The authors provide three basic options for organizing international advertising and decision making:

- Centralization at the home headquarter,
- Decentralization to local foreign markets,
- Combination of the two.

Centralization means that all the essential decisions are made at the company's home office and it is usual to have only one or a few international advertising agencies for all advertising. Such approach can be effective if market and media conditions are the same at all local markets, standardized ads are used, and a company desires to build the consistent brand worldwide. It allows companies to keep control of the marketing efforts and costs, to protect its the foreign investments and brand image.

Decentralization means that managers in each local market have the authority to make decisions regarding advertising and promotion. It requires company's faith

in the decision-making ability of local managers. It can be the effective approach to small or unique markets.

However, there is a strategy that combines both mentioned approaches. It allows companies to adapt their advertising efforts to the local markets and at the same time to keep control over the whole advertising policy, guidelines and operations in the head office.

Concerning the question of the advertising agency selection, there are some variants. First of all, the major agency with both domestic and overseas offices can be chosen; then the agency from the network of foreign agencies can be chosen; and, finally, a local agency for each local market can be chosen. Belch and Belch (2001, 693) provide several criteria for selecting an agency to handle international advertising including: the agency's ability to cover relevant markets and to coordinate international campaign, the quality and the variety of the services which are provided by the particular agency, the company's level of involvement and organizational structure etc.

Whatever strategy the company would choose, it is always useful to conduct advertising research to better understand customers in foreign markets. It is useful to know about demographic characteristics of the particular market, cultural differences (norms, values and lifestyle), consumers' product usage patterns, brand attitudes, media preferences, media usage and the size of the audience etc. It is necessary to test local customers' reactions to different types of advertising appeals and executions and to research the effectiveness of advertising campaign.

2.5 Marketing in B2B sector

To develop the marketing strategy in B2B sector as well as in B2C sector, the first step is to identify the customers and why they need to hear company's message.

However, there are some essential differences between B2B marketing (marketing for organizations) and B2C marketing (marketing for individuals) which are to be taken into account in order to develop the right types of activities for particular market.

B2B marketing is also known as organizational or industrial marketing and can be characterized with the following statements.

- Relationships are more important in B2B than in B2C, so B2B companies focus on communication and relationship building.
- In B2B the buying decision is usually made by a group and is a complicated multi-step process, so the whole buying process in B2B sector is longer and more involved than in B2C.
- Brand identity is also created on personal relationships.
- Buying decisions are rational and are based on business values. B2B clients focus on how the product or service saves their time, money and resources.
- Service and support are essential.
- B2B target market is rather small and focused.
- In B2B sector educational and awareness building activities are widespread. B2B clients usually are well informed about the products they are interested with.

In B2B sector marketing campaigns are more complicated and require more detailed segmentation of the market. Their web-sites have to contain information on features, benefits, and pricing to achieve different specialists which are involved in the whole decision making and buying process. The whole advertising campaign may include direct mail, newsletters, telemarketing, and follow up by sales representatives to discuss the offers in more detail and move through the sales cycle. (Murphy D. 2007; Gillin, P., Schwartzman, E. 2011, 6-7; Трофимов С. 2008.)

2.6 Marketing in B2C sector.

Murphy (2007) provides the following statements to describe B2C marketing:

- The main objective of B2C marketing is to make people buy.
- B2C campaigns seek to maximize the value of the transaction.

- B2C marketing campaigns are shorter, they aim to get customer's interest and to make him buy the product immediately, so the whole sales cycle is shorter than in B2B sector.
- In B2C target market is large.
- Brand identity is created through repetition and imagery.
- Buying decision is more emotional than logical.
- The most effective marketing message focuses on the benefits of the product or service for the customers.

So, B2B marketing campaigns may offer online and offline discounts, special deals, vouchers, loyalty programs and so on. B2C web-sites are designed to sell product and to provide the possibility to purchase as easy as it may be.

3 PESTEL ANALYSIS OF RUSSIA

In order to achieve the better understanding of the context in which Finnish companies are to operate in the Russian market, it is necessary to provide some analysis of the current situation in Russia. PESTEL analysis gets the general overview of macro conditions, i.e. the “big picture”. Due to this picture it would be easier to understand what is happening now and what might be the trends for future.

3.1 Political environment

There can be highlighted the following trends and local peculiarities in Russian political environment these days:

- instability of the political situation in general,
- the growth of the opposition sentiments among people,
- the latest political scandals with great international publicity (Magnitsky Act, Pussy Riot etc.),
- very high level of the bureaucracy and corruption among governmental sector, customs and other public institutions.

Still, business is strongly affected by the government and government’s control over the business sector grows constantly in Russia. However, the political situation has stabilized significantly and become more predictable during the past few years.

3.2 Economic environment

According to the information from Finnish-Russian Chamber of Commerce’s (SVKK’s) Magazine FINVESTI, there is growth in the trade sector.

However, the situation in the real sector allows to characterize the Russian economy as in a period of stagnation (Rogov, K. 2013).

In June 2013, the ruble was slightly devaluated with a view to increasing ruble budget revenues amid slow-down in economic growth (Zhavoronkov, S. 2013).

There are positive growth rates in the manufacturing sector (food production, chemical industry and certain types of construction materials). Negative rates are typical for light industry and machine building sector.

Upward negative tendencies in imports of consumer goods against downward tendencies in investment and intermediate goods developed early in 2013. In other words, consumer demand is mostly covered with growth in imports rather than growth in domestic industrial production.

In spite of economic slowdown and corporate financial health deterioration there are growth trends for both unemployment and average real wages. Indeed, such a situation can't help the economy recover from stagnation and opts for current consumption in prejudice of investments. (Rogov, K. 2013.)

3.3 Sociocultural environment

According to the data from the Russian Federal State Statistics Service (Rosstat), Russian population in 2013 is about 143.3 millions of people. Last decades' population censuses' results show that there is a decline in total population of Russia. According to the forecasts, the population will drop to 130 million people by 2030. There has been a slight increase in the population recent years. It was caused by the fact that the child-bearing age has come for a generation of people born in the 1980s. These are the years when the Soviet Union had had the last baby boom. The number of migrants from the former Soviet republics grows steadily. (Федеральная служба государственной статистики, 2013.)

The basic values of modern Russians vary depending on the age group. Thus, according to the latest researches (Magoon W., Rudnev, M. 2008, 65-72), compared to Europeans, young Russians are more committed to the values of self-affirmation, and questions of hedonism and cares about people and nature are not so important for young Russians. On the contrary, older Russians value more care about people and nature preservation. Young people are more open to changes

than older people. Studies also show that the average Russian, in comparison to people in other countries, has a greater caution and the need for protection by a strong state, he expressed less need for originality, creativity, freedom and independence, and is characterized by less risk appetite and the pursuit of fun and enjoyment. At the same time, there is a desire for wealth and power, as well as for personal success and social recognition. There is growing confidence to online media among young people, the older generation prefers TV. Religion is more important for older people as well. (Магун В., Руднев М. 2010, 65–72; Магун, В., Руднев М. 2008, 33-58.)

3.4 Technological environment

In accordance with a number of government documents there have been developed priorities for the development of science and technology, as well as a list of critical technologies at the federal level. The eight leading scientific and technology directions were approved as the priorities which deserve special support and are of critical importance for Russia. These are the following:

- Security and counteraction against terrorism;
- Nanosystems;
- Information and telecommunication systems;
- Life sciences;
- Promising weapons, military and special equipment;
- Environmental management;
- Transport and Space Systems;
- Energy efficiency, energy conservation, nuclear energy.

However, there is the intention of Russia to eliminate the backlog of the most technologically advanced countries.

There are three levels of technological superiority of Russia these days:

- an entire industry in which Russia has a considerable achievement (space, nuclear technology);

- technological direction in which Russia has a world-class development, such as new metallic and non-metallic materials, welding, non-destructive testing, hardening technology, chemical technology, composite ceramics, and others;
- certain technologies with world level, but related to the industry, according to which Russia lags behind world standards (such as biotechnology or technology of silicon carbide substrates for microelectronic engineering).

However, there is the backlog from the world level in almost all technologies. At the same time, there are significant technical or priority achievements in specific areas in the half of the technological trends. (Государственная программа Российской Федерации "Развитие науки и технологий" на 2013- 2020 годы 2013; Интернет-журнал «Технологический бизнес» 1999; Приоритетные направления развития науки, технологий и техники в российской федерации 2011.)

3.5 Ecological environment

After the USSR collapse people and companies in Russia were not really concerned about ecological environment since the most important question for most of them was just how to survive in new and constantly changing conditions. A lot of ecological problems came to Russia from the Soviet Union since it was not a big question as well to take care of the ecology in SU. Over last 20 years, there was enacted complex environmental legislation. Nowadays Russia is still continuing to develop the ecological awareness and environmental legislation. Russian environmental legislation is enacted at both federal and regional levels. Concerning International Regulation, Russia is a party to most of the major international conventions and treaties in the sphere of environmental protection. (King&Spalding 2010.)

3.6 Legal environment

Russian legislation is modifying continuously, so it is the question of paramount importance for foreign companies to monitor these changes. Russian government

tries to bring the law closer to the international norms, general principles of the international law and international treaties are part of the Russian legal system. However, there are still some problems with the legislation and its implementation in the local level.

Russia joined to the WTO in the middle of 2012. It gave positive hopes to foreign investors. In future, it will tend to lowering of imported-good tariffs, creating more simplified procedures for exporting goods produced in Russia and to changes to the quotas for foreign participation in the insurance sector. WTO membership should guarantee more transparency and predictability on trade issues and protect foreign companies against protectionist measures.

Russian government aims to create the attractive climate for foreign investments as well. The main law on foreign investments (Federal Law No. 160-FZ “On Foreign Investment in the Russian Federation”, dated 9 July 1999) states that foreign investors and investments will be treated no less favorably than domestic investors and investments, subject to certain wide-ranging exceptions. The exceptions may be to protect the constitutional system, state security, morality etc. According to the Russian legislation, there may be introduced some special regulations for the promotion of foreign investment. However, there are some “strategic industries” with some restrictions on foreign investment; for instance, such are insurance and banking sector. (CMS Law. Tax 2012.)

3.7 Summary on PESTEL of Russia

To summarize the above characteristics, it is obvious that there are some local peculiarities that are to be considered by foreign companies operating in the Russian market. Concerning the political situation, the business is strongly affected by the government. There is some current political instability these days. However, in general, the political situation has stabilized significantly and become more predictable during the past few years. Concerning the economic environment, there are some problems in the real sector, in the light industry and machine building sector; at the same time, there is a recent growth in the trade sector and manufacturing sector. Sociocultural environment demonstrates the

local peculiarities of the Russian consumers and growing confidence to online media among young people. Concerning the technological environment, it can be said that the development of modern technologies is one of the main priorities these days in Russia. The ecological situation demonstrates the consequences of the USSR's attitude towards the problems of the ecology, in other words, Russians do not feel very concerned about the ecology these days. The Russian legislation is modifying continuously, so it is important for the foreign companies to monitor these changes constantly. Russia joined to WTO in 2012 and Russian government aims to create the attractive climate for foreign investments. So, there are a lot of moments that are to be taken into consideration when a foreign company comes to the Russian market.

4 DIGITAL MARKETING

4.1 Digital marketing and its place in the marketing system of the company

Digital marketing is no longer about merely adding online channels to the media mix; it is about integrating digital into all facets of marketing.

McKinsey&Company

Digital marketing can be defined as a practice of promoting products, services or brands via modern technologies, online channels, mobile devices in order to reach customers in a timely, relevant, personal and cost-effective manner. The Internet marketing is the major part of the digital marketing which is based on the using of modern Internet technologies and is also known as online marketing or online advertising. Nowadays, digital marketing is considered as a part of traditional marketing but digital marketing is more innovative and always uses multi channels in order to promote the products or services. The best results can be achieved by the skilful combination of traditional and digital marketing methods and techniques. (Amor, D. 2002, 35, 175-176.)

Today, customer's demands directly affect product design, marketing strategies, and pricing, so businesses have to become much more customer-oriented. There was no way in traditional marketing to get immediate feedback from customers, but nowadays Internet is the best instrument for the company to get this information and to react in a real time. The Internet provides the new way of communicating and interacting with customers and one-to-one marketing (in opposition to the previous one-to-many marketing) becomes the standard way of dealing with customers. Possibilities of digital marketing provide a better understanding of the customers' needs and desires and building interactive engagement with the particular brand. Online advertising moves business into new dimensions. The Internet offers a wide range of modern technologies to increase marketing activities on a global and 24/7 basis. The web, mail, newsgroups, chats, mobile applications, social media, streaming audio and video have established themselves to allow communication between companies and customers in the real time mode. These and other applications are highly

available, robust, and enough simple to use. (Mobile Strom Company Digital Marketing Blog 2007; Lara O'Reilly 2013.)

There are forecasts predicted 'digital marketing' to become just 'marketing' in the nearest future, i.e. in 2013 already. One of a global research and advisory firms named Forrester predicts that the “digital” prefix is set to lose and in 2013 there will no difference in referring to marketing or digital marketing, since

“all marketers’ output will become “inherently digital” over the coming months”

According to the Forrester’s report,

...digital budgets will become 20 per cent of the total, accounting for about \$50bn (£31bn) worldwide.

... the momentum of digital disruption will continue to grow across all verticals in 2013 – such as healthcare providers being challenged by personal tracking devices, broadcasters threatened by the likes of YouTube and banking platforms competing with new services such as Square.

However, going online it is necessary to choose the primary goal in order to measure the success of the online venture.

4.1.1 Digital marketing strategies

Many companies are represented in the Internet these days not because of a particular strategy but because they imitate the others. It is useful to know that the Internet itself does not let businesses grow. It is still necessary to have a clear digital marketing strategy which comes from the general marketing strategy of the company. The lack of digital strategy can bring bad results even to offline business itself. So it is a question of paramount importance for the company to have an objective and strategy when deciding on online activity. (Kumar D. 2012, 475-477.) At the same time, it is very important to manage and control the digital advertising campaign in a proper way. It is not enough just to have some web site in the Internet. (Chui, M., Miller, A.& Roberts, R.P. 2009, 3)

4.1.2 Types of advertising campaigns

According to Virin, (Вирин Ф. 2010, 56- 59) there can be selected three major types of advertising:

- The corporate image advertising (or branding) which is oriented to the promotion of the whole company, of the particular brand or trademark or of the particular idea.
- The commodity advertising which is the advertising of the product line or of the product in general.
- The customer advertising which is oriented to the individual customer and aims to make him buy here and now from the particular company.

These types of advertising correspond to the rational decision making model which can be described with the following stages:

- Define the situation/decision to be made;
- Identify the important criteria for the process and the result;
- Consider all possible solutions;
- Calculate the consequences of these solutions versus the likelihood of satisfying the criteria;
- Choose the best option.

In other words, by means of advertising the customer becomes aware of some problem and makes the decision to think about it and to solve it. Then the customer looks for solution and chooses one which is the most acceptable for him. As soon as the solution is ready the customer looks someone who will produce this solution.

Different types of advertising pursue different goals and are to be used separately and in due course. Each level of the decision making process meets the particular type of advertising.

The advertising has two important measures which are advertising coverage and advertising frequency. The definitions from www.businessdictionary.com are the following:

Advertising coverage is the estimated number of customers or prospects of a brand or product reached by an advertisement or commercial

Advertising frequency is the number of times an advertisement is printed or a commercial is broadcast within a particular period).

Both measures are to be the highest for corporate advertising and the least for customer advertising. A customer on a stage of the definition of the problem needs more information about the problem in general. A customer who made the decision already needs to see the particular advertising material only once in order to use it or neglect it completely.

In most cases it can be more effective to use for corporate advertising other sources, but not the Internet, since they still provide more high level of the advertising coverage. However, there is a whole class of goods and services whose target audience can be reached through the Internet entirely or almost entirely and the companies who provide such products and services can find effective to use Internet for their corporate image advertising. None the less, the commodity advertising and the customer advertising have the best effect in the Internet.

Internet advertising can be very diverse and interactive. Online advertising provides a high degree of involvement and memorization. The advertising frequency is high and at the same time the Internet advertising does not distract all the attention of the viewer (as television advertising does). Another significant characteristic of Internet advertising is individualization, i.e. it is possible to appeal to one's narrow target audience.

At the same time, there are some specific rules to follow in order to achieve appropriate results. These rules will be highlighted further.

4.2 Types of Internet advertising and the instruments of Internet advertising

This subchapter is based on the material provided by Virin ((Вирин Ф., 2010, 60-76). All the materials are translated by the author of the thesis.

There exists two main different kind of advertising in the Internet: media advertising and context advertising. Media advertising is designed to reach an audience of the target group; its main goal is to be shown to the maximum amount of "right" people. Media advertising is paid for impressions (PPI), i.e. the advertiser pays for every time an ad is displayed. It can be also paid for the showing time. So, the unit cost of advertising is the coverage, similar to the television or radio advertising. Media advertising on the Internet is very similar to advertising in other media.

In case of context advertising, the unit of advertising is the user's request and his interest in a particular topic. Advertisement is intended for contact with users who are interested in the advertised subject evidently.

So, the task of the contextual advertising is to select the proper audience by the users' interest.

Contextual advertising is paid by the number of transitions to the advertised site or the number of clicks (PPC). Contextual advertising is only Internet's know-how; it does not exist anywhere else.

There is a mix of these forms of advertising nowadays. They penetrate to each other gradually, so it is not possible to distinguish it sometimes.

Media advertising is represented mainly by web banners; however, text links might also be used as media advertising, i.e. based on the coverage of the entire audience. Online advertising provides a great user involvement through the emotional content of the graphical modules. Banners advertising media is practically the only web-source of emotional advertising information. Media advertising can be used for all types of advertising campaigns, but is most often used for branding and commodity advertising. Media for customer advertising can be used equally effectively, but it requires careful planning.

Media advertising does not necessarily have to be associated with the particular site; all the information that the user needs at the moment can be placed on the banner.

Media advertising can be part of an integrated marketing communications (or cross media), where advertising is placed in several media, influencing the person immediately in many points of presence (TV, press, street banners, Internet etc.), capturing the maximum of his attention.

Media advertising in the Internet is represented mainly by several types of banners such as rich-media banners, pop-under banners, transformer banners. More detailed banner description is provided in Chapter 2.3.3.

Text links also can be used as a media advertising instrument, i.e. they are paid for coverage, but not for clicks. Such links can be disguised as the main content of a site (links to the advertised site from news headlines etc.). In other case, advertising text links may look like the announcement of third-party products or services.

Contextual advertising is an example of the most narrowly targeted advertising; it is usually placed with the results of the search in the search engine and is relevant to the search request. It also can be displayed on the content page that contains the relevant material. The contextual advertising allows setting rather narrow limits for target auditory. Contextual advertising performs for direct sales ideally. It is oriented to the customers which are ready to purchase already and are looking for the best offer. There exists also such form of contextual advertising as context-dependent advertising. Context-dependent advertising is placed on pages with content which is similar to the advertised product.

Since 2008, the technologies of the behavioral advertising (or behavioral targeting) are implemented widely. The main point is that advertisements which are displayed have nothing to do with the content of the page, but depend on the previous behavior of the user, on his previous search requests.

Nowadays in Russia there are three leaders of the contextual advertising market, they are Yandex, Begun and Google.

The cost of the contextual advertising is higher than the cost of the media advertising.

The following sub-chapters provide more detailed information about different instruments that are used for online advertising in the Internet nowadays.

4.2.1 Web-sites

The company's web site is a set of web pages and data files which contain company's related information and are accessible by users through Internet browser. Each website has its own unique web address, i.e. is served from a single web domain. The opening page of a website is usually called homepage.

There can be suggested several different types of web-sites, depending on their main goals:

- **Brochure wear** – sites that transferred information, e.g., catalogues, from offline to online.
- **Transactional** – the main function of such sort of sites is revenue generation (e.g., Amazon).
- **Entertainment** – these sites provide the media and interactive content for consumers' entertainment (e.g., YouTube).
- **Community/Portal Websites** – these sites meet the needs of special interest or hobby groups. There can be geographic portals (product or service with the geographic associations), special interest portals (sport, hobby or free-time, can be product related as well), information portals (commonly used in B2B to attract specialists of the particular industry, to find new partners and users of the particular products).
- **Relationship** – such sites are oriented to create customer relationships through relevant content, personalization and customization with the building of the brand.

According to Gay et al (2007, 274), there can be selected three primary objectives to web presence:

- **Brand development** – the online campaign complements and enhances the offline branding campaign of the company;

- **Revenue generation** – the online campaign increases company’s revenue by advertising, direct marketing and sales;
- **Customer service/support** – the online campaign is used to enhance the customers’ service and support at significantly reduced costs.

The web site which is developed correctly can combine all these objectives in one.

For the internationally working companies, the adaptation of web-sites to the local market is a question of crucial importance (Wurtz E., 2006, 288). There are special quality requirements for such web sites:

- The local web site is to be translated into local language carefully;
- The web site is to be up and running, “under construction”-sites are inadmissible;
- The web site’s design and structure are to be adapted to the local language features;
- The web site structure is to be customer-led and clear to use (high usability).

The company’s web-site is the first experience of the organization for many potential clients from the Internet. The variety of different interactive functionality and modern technologies can be used to stimulate customers’ activity and trust to the brand, to form steady interest towards the company. However, in order to get the proper results, the company needs to have clear organizational objectives for its web presence.

The materials for this subchapter are provided by the works of Kumar (2012, 462-464) and Gay et al (2007, 274-275).

4.2.2 Search engines

Undoubtedly, search engines represent the most popular method which is used for information retrieval by Internet users nowadays. So, for the company’s web site it is a question of crucial importance to be in the top of 10-20 results at the largest web search engines. The web site is to be optimized in a proper way in order to

achieve such results, i.e. any web site requires so called search engine optimization (SEO). According to R.Gay et al (2007, 219),

“search engine optimization is the technical process of engineering (or re-engineering) web pages and gaining quality links from other web sites in an effort to acquire top positioning (or ranking) on the web’s major search engines”.

Besides, search engines provide a variety of their own advertising services, such as, e.g., Google AdWords or Yandex Direct in RuNet. The advertiser is able to regulate the key words, the number of exposure, to adapt target group etc. The effectiveness of the search advertising is measured usually by different click-through rates and revenue/click. (Gay, R., Charlesworth, A.&Esen R. 2007, 219).

4.2.3 Web banners

According to Virin F. ((Вирин Ф. 2010, 62-68), typically, web banners are rectangular graphic advertising modules which contain static or animated advertising image. There are standard banner sizes, but they are enforced rarely in RuNet.

About one third of Internet advertising budgets all over the world is spent on web banners advertising annually. In Russia it is about one half of all budgets. The basic technology of animated banners is flash, non-animated banners are made with GIF or JPEG-images.

Virin ((Вирин Ф. 2010, 66) provides the following criteria for the banner’s effectiveness:

- Size (The larger the size of the banner is, the more noticeable the banner is);
- Squareness (the human eye is more willing to accept simple forms things);
- Verticality (vertical rectangle is more visible to the eye than the horizontal);
- Empty space around (In this case, the banner stands out better against the general background, and hence is more effective);

- Distance from other banners (nothing has to distract user's attention);
- Proper position ("the golden ratio").

There exist also interactive banners such as rich-media banners. There are a lot of different forms of rich-media banners, but the most popular in RuNet are the following:

- Floating over the page images;
- Changing its size because of mouse hover;
- Changing its content depending on user's behavior;
- Activating audio- or video streams by the mouse hover or click.

There are also pop-up banners, which are launched into a new, separate and smaller browser window when a page is loading, and banners which transform their sizes and forms during the landing of the page.

4.2.4 Social media

One of the definitions for social media belongs to Andreas and Haenlien (2010, 61) and declares that

“social media is a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”.

There are several characteristics that distinguish social media from the traditional media. Such are barriers to entry and immediacy (everyone can fast and easily create a content in social media), shelf life (the content from social media may stay in the Internet forever). (Harshavardhan Gangadharbartla 2012, 403-404.)

Social media can be used by almost every business function, but there are sectors where it brings the most tangible result. One of such sectors is digital brand management.

It is a widespread tradition in many modern companies nowadays to have a community management as a separate job functions which are the following:

- Representing an organization in on-line forums (a bulletin board, a blog, Twitter, Facebook wall etc.);
- Being the voice of the community inside the organization;
- Mediating online disputes as the need arises;
- Keeping online content fresh and interesting.

There are common marketing mistakes in social media and digital brand management:

- Filling the organization's feed with more than 10% of marketing content;
- Missing the listening activity in favor of speaking;
- Missing to paying attention to the competitor's communities;
- Missing the invests to the community (time, creating the content that consumers want, building the connection with consumers);
- Using too much automation;
- Missing the involvement to the social media program.

At the same time, there are three basic activities that must be executed in social media: claim your profile in every credible social media platform, creating policy, monitoring. (Dragon, R. 2012, 8.)

The consideration to avoid mistakes in social media marketing, according to Dragon, R. (2012, 175), are the following:

- Do not mix organization's social media with individuals' personal accounts,
- Provide enough trainings for the company's team,
- Be careful with the reaction to users' post and comments,
- Respond operatively,
- Apologize for company's mistakes,
- Use humor, if it is appropriate.

It varies how to integrate company's web site and social platforms. Very common way is to compartmentalize social media, i.e. "community" sections are added to the site to get users know what social media are being used by the company. It depends also how many social media platforms are being used by

the particular company. However, the most common are Twitter, Facebook, YouTube and blogs. In case of Russia the list can be extended by the original Russian social media vk.com (“ВКонтакте”). In any case, it is very important that user has a possibility to find easily the information about company’s official presence in social media and a possibility to achieve these communities.

Furthermore, social media can be used for corporate communications and PR. Social media provide additional communication channels. The principle opportunities here are:

- It is easier for the company to reach customers and vice versa;
- It is easier to search for the information;
- It is easier to get and analyze the feedback.

In turn, the work with feedback requires three things:

- Building a digital monitoring practice in order to know what people are saying about the company, the products etc.;
- Setting up a measurement practice in order to quantify the effectiveness of company’s activity in social networks and the customer’s feedback;
- Setting up response mechanisms with high velocity to deal with feedback identified through measurement and quantified practice.

Another sphere in which social media can be used is online reputation management (Schlinke J., Crain S. March 2013, 87). It assumes to monitor the relevant keywords and conversations, to focus on what people say about the company and to respond in a proper way. Social media represent also a great instrument in questions of the crisis management.

Answering the question on how to measure the effectiveness of the social media campaign, it is necessary to admit, that any social media program is to be connected to the measurable business objectives. Business objectives provide the purpose to a social media campaign. In other words, social media campaign is to be measurable in terms of the particular business. In any case, the social media campaign needs monitoring, measurement, analysis and reporting. There are a lot

of different characteristics that can be measured during social media campaign and the number of it grows constantly. For instance, in terms of the particular social media, there can be measured:

- The number of followers;
- The number of tweets/retweets/"likes"/"shares"/comments per day;
- The number of daily visitors to the blog per day;
- The number of views and downloads;
- The number of positive/negative mentions;
- Volume of updates per day;
- Customer Support or Service requests per day/per hour;
- Response to promotional offers;
- Event attendance (physical or virtual);
- Net sales volume (total, by product, by category, by location, and so on);
- Etc.

The detailed list of the characteristics to be measured is defined by the needs of the particular business. It is very important also to monitor constantly the market of the measurement software in order to use the most effective software. (Blanchard, O. 2011, 136-156, 194-199.)

4.2.5 Direct marketing

Direct marketing or e-mail marketing allows to promote by presenting goods and services directly to the potential clients using the Internet technologies. It can be done by using mailing lists, newsletters, newsgroups, discussion lists etc. Direct marketing can be used for the number of purposes. The requirement is that customers must agree to have their emails used for direct marketing newsletters. Otherwise, sending out emails is called spamming and is not good for legitimate business.

According to Amor D. (2002, 223-229), there are several distinct stages of the successful e-mail marketing:

- Segmentation and selection of target audience;

- Developing relevant content (to use personal greetings, to get the ‘subject’ and ‘from’ lines filled correctly, to provide relevant links to a web site, to put the important information first, to provide contact details etc.);
- Developing relevant response (the company should be ready to react to any customers’ response in proper time);
- Testing (the message should be tested before sending to clients);
- Sending (the appropriate time for sending should be chosen);
- Response;
- Measuring the results.

Amor D. (2002, 223-229) provides several rules to make emails more effective as well:

- To use a signature for every e-mail: the name of a sender, the name of the company, company’s web site address;
- To use auto responders to answer customer’s request before a particular specialist is able to respond;
- To avoid mistakes in typing.

4.2.6 Other instruments

According to R.Gay et al (2007, 411), viral marketing describes

“such marketing strategy or tactic that encourages individuals to pass on a marketing message to others. Successful execution means the message’s exposure grows exponentially – like a virus”.

This marketing method is also known as buzz marketing. The sender is satisfied to get the compliment from forwarding the message, the receiver is pleased to get it, the creator of the message gets benefits from its wide spreading.

There are different ways to provide online viral marketing, such are links “forward to a friend” at web sites and social networks, links on e-mails, free online games, humorous pictures, videos etc.

Fahy et al (2012, 269) and Gay et al (2007, 411-413) provide information about other digital marketing methods, such as mobile marketing and interactive television advertising.

The main idea of the mobile marketing is to create and deliver marketing communications through mobile devices. There are a lot of Internet-enabled portable devices available nowadays, such as smartphones, tablets, gaming devices etc. The amount of active users of mobile devices grows rapidly every year.

Interactive television advertising provides users with the possibility to participate by pressing the button on the remote control handset to see more information about the product. There are also interactive video: the user can stop the film at any moment and check the information about the product using the given links right from the video.

There are a lot of different instruments available for on-line marketing of goods and services. Such are portals which can be a good place to offer relevant content, products or services. The popularity of coupon sites grows constantly nowadays. These sites provide the information about special offers and discounts from different companies and spheres. However, the Internet technologies are constantly developing and the new software, strategies and possibilities for online advertising appears daily. So, it is necessary for the company to follow the latest news about the online marketing technologies.

4.3 Evaluating of the online advertising campaign

A lot of diverse software is available to measure the effectiveness of the online campaign nowadays. However, much of this software provides users with the quantitative information that technology could deliver and this information is to be analyzed by the experts. The market of such software is growing constantly as well as the range of the provided e-metrics. The types of e-metrics to analyze depend on the objectives of the online campaign.

There are instruments that allow to research different aspects of how customer behave while visiting a web site: where did they come from (for instance, via search engine or from the link on another site), where do they go while they are on the web site, what options are selected, what visuals are viewed etc. Different companies provide such services. One of the most popular is Google Analytics which is available in Russian Internet as well. There is similar instrument which is even more popular in Runet and it is Yandex Metrika.

There are services which allow analyzing the whole digital advertising campaign including SMM and the amount of references from other on-line sources and different articles.

However, it is necessary to have access rights to all of the company's online sites and accounts to be able to use the mentioned software effectively.

4.4 Russian sector of the Internet - Runet

Many of large-scale sociological agencies nowadays conduct researches about the Internet which are in high demand in Russia. Some information related to the results of researches is available also from open sources. This chapter provides some statistic information about Internet in Russia nowadays.

A non-governmental organization The Fund for the Development of Civil Society presented the report of the Russian sector of the Internet named RuNet Today in 25th of September 2012. The report is based on the analysis of the usage of search engines, blog platforms, news media sites and social networks. The research highlights the fact that over the past four years the Internet has become far more accessible in Russia: the country now has over 53 million users, more than 43 million of whom access the Web on a daily basis. Not only the number of Internet-users grows rapidly in Russia, but also the rate of usage of the Internet increases. The following sub-chapters illustrate the last trends of RuNet.

4.4.1 Targeted audience

According to the latest researches there is continuous and significant growth of the Internet advertising in Russia nowadays. According to the Video International (the largest media advertising market operator in Eastern Europe providing professional media advertising outsourcing services), the Internet advertising market in Russia reaches 50 billion rubles in 2013. (Компьютер Пресс 2012.)

The FIGURE 5 illustrates the temps of the Internet penetration in Russia since the year 2005 till the year 2012. The annual growth is about 3% per year for Moscow and about 5% per year for cities with more than 100 000 people. The data are provided by the TNS Web Index, 2005-2012.

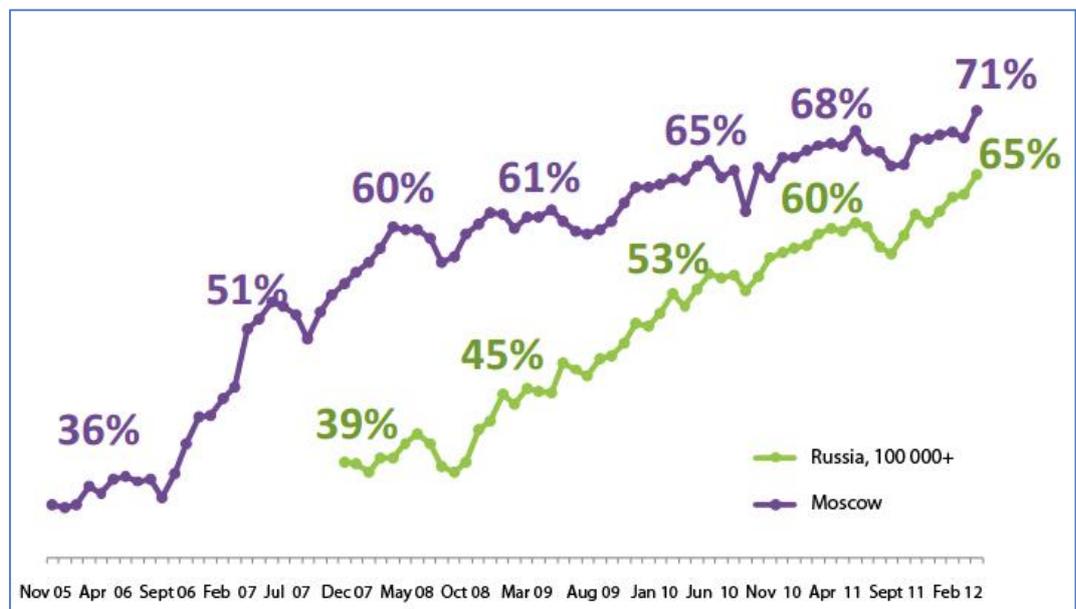


FIGURE 5. The temps of the Internet penetration in Russia, 2005-2012. (Ишунькина И. 2013)

According to the data of FOM (2012), the number of active users of different ages also grows rapidly in Russia (FIGURE 6).



FIGURE 6. The number of active Internet users in Russia, 2010-2012 (FOM Фонд Общественное мнение 2012)

4.4.2 Popular digital marketing sites and methods in Russia

According to the LiveInternet.ru, which provides the web sites' statistics, the most popular search engines in Runet in 2012 were the following:

- Yandex – 50.9%
- Google – 33.8%
- Mail.ru – 8.6%
- Google Pictures – 2.6%
- Rambler – 1.1%
- Yandex Pictures – 1.0%

The top 5 of the most popular social networks and blog services is provided by Kommersant.ru based on data from TNS Russia (2013). The ranking takes into account the users of 12-54 years old which live in cities with more than 100 000 people. The top 5 includes

- vkontakte.ru with 28 601 millions of users;
- odnoklassniki.ru with 22 965 millions of users;
- “Мой мир” mail.ru with 18 850 millions of users;

- facebook.com with 15 956 millions of users;
- google+ with 3 938 millions of users.

The annual report "The Internet in Russia. Situation, Trends and Prospects 2011" which is conducted by Scientific Center "Economy", with the reference to J'son & Partners Consulting Agency provides the information about the most popular Internet resources by the number of active users in Runet (millions of users) (TABLE 1):

TABLE 1. The most popular Internet resources by the number of active users in RuNet (Scientific Center "Economy" 2011)

Web resource	Number of users, mil users	Resource's name	Number of users per month, mil users
Blogs	18.6	LiveJournal	13.7
		LiveInternet	8.8
		Блоги@Mail.ru	4.9
Video hosting	31.0	YouTube	22.1
		RuTube	19.7
		Yandex Video	12.1
Photo hosting	21.0	Mail.ru Фото	13.1
		Yandex Фотки	8.6
		Radikal.ru	7.6

4.5 Psychology of perception of advertising and digital advertising by people

4.5.1 B2B online buying behavior

As well as the basic principles of B2B marketing differs from principles of B2C marketing, online buying behavior in B2B and B2C sectors are different also. In B2B sector, the final buying decision is a question of the responsibility of the group of people. This group consists of people who initiate the purchase procedure, who will actually use the product, who have the authority to select the product and to make the purchase, who influence the decision etc. It is very difficult to satisfy all these people with one web site, so it is necessary to do the

segmentation of the market in order to meet the needs of all groups. For B2B web users, the web is a tool of their business, so they choose their partners and suppliers based on the quality of their web site as well.

There can be found different bases for the segmentation:

- The size of buying organization (large, medium, small);
- Industry sector;
- Geographic location;
- Choice criteria (price, productivity, service orientation etc.);
- The organization of the purchasing process (decentralized or centralized purchasing).

The criteria for the segmentation are the following:

- Effective (the segments consist of customers with relatively homogeneous within a segment needs);
- Measurable (customers behavior must be identified);
- Accessible (there have to be clear understanding on how to work with the particular segment);
- Actionable (it is necessary to have the resources to exploit the opportunities identified through the segmentation scheme);
- Profitable (too small segments may be unprofitable to serve).

According to the results of the recent research of the McKinsey&Company (Tjark Freundt, Philipp Hillenbrand&Sascha Lehmann, 2013), there are the following themes makes essential contribution to perceived brand's strength:

- The company cares about honest, open dialogue with the customers and society;
- The company acts responsibly across its supply chain;
- The company has a high level of specialist expertise.

These moments are to be taken into consideration when planning the digital marketing campaign for B2B market.

This subchapter is based also on the materials by Gay, R., Charlesworth, A.&Esen R. (2007, 178-180) and Fahy, J., Jobber, D. (2012, 120-122).

4.5.2 B2C online buying behavior

In order to meet customer's expectations it is necessary to understand why a customer makes a purchase. There are such questions as who buy, what, how, when, how often, where and why do they buy. The answers depend on many psychological and social factors such as, for instance, the customer's perception of the product, motives and benefits for the customer, customer's personality and level of education, customer's level of life and social class, culture and family role etc.

According to Gay, R., Charlesworth, A.& Esen R. (2007, 175-178), there are two key aspects of the research and analysis of the customer's online behavior:

- Explicit behavior is based on data provided by the user (for instance, user profile or registration details, any recorded actions on the site like ordering something or signing-up for newsletters);
- Implied behavior is based on data derived from the observations of a user's interactions with the web site.

Based on this information the company can build its online advertising campaign in a proper way to achieve better results.

There is also special software to research customer's online behavior nowadays. For instance, Google provide new instrument Consumer Barometer (www.consumerbarometer.com), which "provides insight into how consumers use online and offline information sources in their purchase process". With that resource it is possible to realize where users start their web surfing, how they search for information about the product, how they buy it and what is the role of search in the buying process. This site was created by the joint efforts of companies IAB Europe, TNS and Google. There are interactive charts with the results of the research of consumer behavior on the thirty-six product categories

and thirty-nine countries available on the resource. Here so-called ROPO-effect arises: Research Online Purchase Offline.

According to the results of Visa e-Commerce Consumer Monitor Research 2012 (2012), 87% of surveyed respondents tried to shop online at least once. This number increased by 30% in 2012 compared with 2011 (57%). The study results found also that nearly 46% of surveyed Internet users viewed only products online, but preferred to buy at stores. So, even if the purchase was made offline, there are great chances that it was found first with online instruments.

5 CASE COMPANIES INTRODUCTION. RESEARCH CONTEXT AND METHODS

This chapter contains the case companies' presentations and describes the current situation, global product portfolio and other essential information about companies' operations and performance.

5.1.1 K-Rauta

General information about the company

K-rauta is Rautakesko's international concept. Rautakesko is developing retail and B2B sales of building, renovation and home improvement products and services with an emphasis on customer orientation. Rautakesko operates in eight countries and manages six retail store chains: K-rauta, Rautia, K-maatalous, Byggmakker, Senukai and OMA. The K-rauta chain operates in Finland, Sweden, Estonia, Latvia and Russia.

K-rauta operates in DIY-market. DIY stands for do-it-yourself and means home maintenance and improvement work conducted by household members on their own household without the paid services of a professional. The concept combines total services and selections for consumers, builders and professional customers. The key elements of K-rauta are

- wide product selections,
- total solutions and services that make customers' lives easier and
- a reliable price-quality ratio.

Activities in Russia

According to the official information, Kesko bought the domestic chain of DIY stores named "Stroymaster" in St.Petersburg and transformed it to K-rauta in 2006; there are 14 stores in Russia by now and these are:

- 8 stores in St.Petersburg,
- 3 stores in Moscow,

- 3 stores in Moscow region (Yaroslavl, Kaluga, Tula).

According to KESKO's own estimate, the market share for Northwestern and central Russia is about 5%. The research of Russian agency INFOLine about DIY-market in Russia says that the share of revenue for K-rauta from the Russian market is about 2,9% for 2012. K-Rauta's main competitors in the Russian market are Leroy Merlin, OBI, Castorama, Maxidom, Metrika.

This chapter is based on the information from the publicly available sources (K-раута, О компании; Kesko 2013; Sostav.ru 2013; Kesko Building and home improvement trade 2013; Kesko Management 2013).

5.1.2 Prisma

General information about the company

Prisma is S Group's international concept and it is a Finnish chain of supermarkets and hypermarkets which operates in retail sector and provides household goods, food commodities and clothes. S Group's business model is built on chain business and is organized as nation-wide chains. It produces services for the grocery and consumer goods trade, the service station store and fuel trade, the travel industry and hospitality business, the automotive and accessories trade and the agricultural trade. (SOK Corporation Annual Report 2012, 48.)

Activities in Russia

S Group has its Prisma supermarket trade units in Russia (14 stores), Estonia (8 stores), Latvia (5 stores) and Lithuania (3 stores) S Group engages also in travel industry and hospitality (SOK Corporation Annual Report 2012, 35).

The main competitors with knowledge of the local conditions and enormous network in the Russian market are Metro CC (German chain), Auchan (French chain), Lenta (Russian chain), O'Key (Russian chain), X5 Retail Group (Russian chain), Magnit (Russian chain) (SOK Corporation Annual Report 2012, 34).

Prisma operates in Russia since 2008. Supermarket trade in Russia is carried on via subsidiaries. There is OOO Prisma in Russia and it has nine supermarkets and five hypermarkets in St. Petersburg. There are plans to expand the Prisma network in Russia in coming years. (SOK Corporation Annual Report 2012, 78; Prisma 2013.)

5.1.3 Luhta

General information about the company

Luhta OY (ent. L-Fashion Group or Luhta Fashion Group) was founded in Lahti in 1907. Luhta is one of the biggest clothing manufacturers in Europe and the biggest clothing manufacture in Finland. Luhta became the first Finnish company that launched the full production abroad, and their products have received recognition in the international market. Luhta exports its products to total over 40 countries and has more than 4000 distributors all over the world. The most popular Luhta's brands are Luhta, Rukka, Icepeak, Torstai, Sinisalo, Your FACE, J.A.P Company and Story. Luhta owns a chain of department stores Vaatehuone and Alekski 13 in Finland, which has 26 wholly owned stores and 40 stores operating under franchising. (Luhta 2013.)

Activities in Russia

The company cooperates with Russia for more than half a century. In previous times the company specialized in wholesale (customers could purchase Luhta's clothes in the biggest chain stores - Sportmaster, Snow Queen, Sportgrad, Intersport, Stokmann, etc.). Now L-Fashion Group is actively developing its own retail and franchise. The main export countries are Germany, Russia, Sweden, Holland and France. (spravker.ru 2012; L-Fashion Group OY 2013)

5.1.4 Kemppi

General information about the company

Kemppi was founded on 23 May 1949 in Lahti, Finland. Kemppi is a world-leading manufacturer of arc welding equipment and a provider of solutions for highly productive welding. Kemppi Oy is a subsidiary of Kemppi Group Oy. Kemppi Group Oy owns offices in 15 countries and regular exports into 70 different countries. All Kemppi welding equipment is designed and manufactured in Finland, according to IEC and EN standards. (Kemppi 2013.)

Activities in Russia

Kemppi OY started its cooperation with the USSR in 1979 by delivering the welding equipment. The LLC Kemppi company is an authorized dealer of Kemppi OY in Russia since 2006. The company supplies welding equipment, components and spare parts for the machine building, power, petroleum, chemical and food industries as well as in the building industry enterprises. There are accredited service centers with all the necessary diagnostic equipment and service specialists for the warranty and post-warranty services of the Kemppi equipment in Russia as well. According to the CEO of the Kemppi in Russia, Evgenia Kopoteva, there operates a network of dealerships for the sale and services of the welding equipment with more than 40 representatives all over Russian Federation. (WELDEX Россварка 2012.)

5.1.5 LADEC OY

General information about the company

LADEC LTD or Lahti Development Company was established in 2013 as a result of the merge of three companies which are Lahti Science and Business Park Ltd, Lahti Regional Development Company Ltd (LAKES) and Lahden alueen uusyrittyskeskus. The company has its main office in Lahti, Finland. LADEC aims to provide possibilities for development and growth of the business, entrepreneurship and innovations in Lahti region and the growth of

competitiveness in South Finland. LADEC is responsible for internationalization as well. LADEC helps companies to turn their expertise and research operations into profitable businesses and is in charge of the regional innovation policy. LADEC also has the core functions of coordinating industrial policy in the region, providing business services, marketing the region and representing its interests in Finland and abroad. LADEC offers comprehensive consultancy services to start-up companies.

The aim of LADEC internationalization services is to support the internationalization operations of the region's businesses. Special attention is given to businesses starting international trade and export operations and businesses who want to penetrate new markets. LADEC provides consulting services on the basics of internationalization including financing, marketing, networking and challenges related to internationalization in general. The main focuses here are China and Russia. (LADEC, 2013)

Activities in Russia

According to the official information, LADEC Russia services help the businesses of the Lahti region to access the Russian markets and assist Russian businesses in gaining a foothold in Lahti. LAKES business advisors are responsible for the Russia services in Lahti as well as business consultation services in Saint Petersburg and co-ordinate the consulting and support services from other business operators directed at the Russian markets. (Mecatronics 2013)

5.2 Instruments for data collection and analysis

The qualitative methods of data collection and research are used in the thesis. Questionnaires are used to get the opinion of the target auditory about the existing digital advertising campaigns.

The anonymous survey is done among the actual and potential customers of the particular company. The age of participants is between 25 and 40, male and female equally. The survey is provided in Russian by the means of the Internet. The results are translated into English by the author of the Thesis. The number of

participants of the survey for each company is 10. The total number of the participants is 50. The amount of the conducted surveys is 50 as well. The form of the survey is given in the Appendix 1.

6 EMPIRICAL RESEARCH OF THE CASE COMPANIES' ONLINE-MARKETING

6.1 K-Rauta

The official web site: www.k-rauta.ru

The official community in social networks: no official community in Runet

6.1.1 The existing advertizing campaing in Runet and its analysis

At the moment Finnish DIY international concept K-rauta is represented in Russian Internet by the means of the web site www.k-rauta.ru. There is no official Russian community neither in Facebook, nor in vk.com.

Russian K-rauta's web site has the design which is similar to the original Finnish version www.k-rauta.fi. Nevertheless, Russian version has more poor quality of the performance, for instance, low quality images are used, subscribe services and feedback services do not work in a proper way (no information comes to the subscribed user's mailbox, no one calls back on the phone).

At the moment, K-rauta's web site contains a lot of DIY-advice for customers, some information about their services and contact information. The texts are written with good Russian language. However, most of the K-rauta's competitors in Russia (which are French Leroy Merlin www.leroymerlin.ru, OBI www.obi.ru, French www.castorama.ru, Maxidom www.maxidom.ru and Metrika www.metrika.ru) do have not only web sites with contact information, but the full-scale online stores, as well as the Finnish web site www.k-rauta.fi does. Russian site www.k-rauta.ru demonstrates the intention to have the catalog of goods someday, however, there are a lot of site's pages which tend to contain information about goods, but are under construction at the moment. Such situation is usually interpreted as bad manners in web design.

There is a publicly available instrument to estimate the traffic and other analytics of the particular web site. This instrument is represented by www.alexa.com. Due

to the lack of publicly available information on site's traffic, this instrument will be used for rough estimate of the popularity of the listed web sites in the Russian Internet.

The following table contains information on the traffic rank of the particular web site in Russia. (The rank by country is calculated using a combination of average daily visitors to this site and pageviews on this site from users from that country over the past month. The site with the highest combination of visitors and pageviews is ranked #1 in that country.) The TABLE 2 provides the sites handled according to the growth of ranks.

TABLE 2. Traffic ranks in Russia (www.alexa.com 2013).

№	Web site	Traffic rank in Russia
1	leroymerlin.ru	1 206
2	metrika.ru	2 858
3	Maxidom.ru	4 743
4	Obi.ru	5 145
5	castorama.ru	6 453
6	k-rauta.ru	20 117

It can be clearly seen that K-rauta does not have the leading positions in that list.

Continuing the comparison with the competitors, it can be said that not all of them have communities in popular social networks, but Leroy Merlin and Maxidom use their communities in vk.com to communicate with customers' complaints efficiently. There are no ways to communicate with the customers by the means of K-rauta's site. At the same time, there are a lot of negative feedbacks from the customers in different forums and notice boards concerning Russian K-rauta in Runet. There are no official comments from K-rauta to these messages.

For instance, there can be provided the following examples of forums with customers' mainly negative feedbacks with no K-rauta's reaction:

<http://www.salespb.ru/forumTheme.phtml?forum=0&theme=936&p=5>

<http://gmstar.ru/spb/2-192860-k-rauta.html>

<http://www.otzyvru.net/k-rauta.html>

http://www.yell.ru/spb/com/k-rauta_5236542/

http://spb.infoskidka.ru/view_shop/k-rauta-11822.html

K-Rauta has the mobile version of the site for mobile devices. The mobile version contains the contact information and the basic information about provided services.

According to the information from the K-Rauta managers in Russia, the Internet advertising campaign is still under construction.

6.1.2 Russian customer's survey

This subchapter provides the summarized results of the customers' questioning.

1. Have you ever visited this site before? Yes/No

The results are the following: Yes – 6 participants, No – 4 participants.

2. What sort of information were you looking for? How successfully? You can choose several answers.

The results are provided in the TABLE 3.

TABLE 3. K-rauta: the answers to the question 2 of the survey.

Variants of answers	The amount of answers Yes	Successful	Not successful
Contact information	4	4	0
Information about discounts and special offers	1	0	1
Information about goods and services (prices, descriptions)	5	0	5
Information about the brand	3	3	0
Just curiosity	1	1	0
Other	2	1	1

3. How did you like the site's interface? Was it user-friendly enough for you?

The results are the following:

Yes – 4 participants,

Probably yes – 2 participants,

I do not know – 3 participants,

Probably no – 1 participant,

No – 0 participants.

4. Does the site's design help to form positive attitude among Russian clients towards the company?

The results are the following:

Yes – 0 participants,

Probably yes – 2 participants,

I do not know – 5 participants,

Probably no – 3 participants,

No – 0 participants.

5. Please, estimate the quality of the site's content (text and images).

5a. Do the texts have a proper quality? In other words, do the texts have good translation, no mistakes, appropriate vocabulary etc.?

5b. Do the texts match the cultural context, i.e. are they oriented to Russian customers, and are the texts clear? Is the represented information up-to-date for Russian customers in particular?

5c. Do the images have appropriate quality? Are they not too small, not too big, with enough resolution etc.?

5d. Do the images match the cultural context? In other words, do you feel like you could be in those pictures? Do they demonstrate essential views to you, to Russian culture? Do the images look native to you?

The results are provided in the TABLE 4.

TABLE 4. K-rauta: the answers to the question 5 of the survey.

The answer	The amount of the voters for the particular answer			
	THE TEXTS		THE IMAGES	
	5a. The quality of performance	5b. The cultural context	5c. The quality of performance	5d. The cultural context
Yes	0	0	0	0
Probably yes	6	4	1	2
I do not know	4	6	5	6
Probably no	0	0	4	2
No	0	0	0	0

6. Does the site have enough functionality? What else would you like to see there?

The results are the following:

Yes – 0 participants,

Probably yes – 1 participant,

I do not know – 1 participant,

Probably no – 2 participants,

No – 6 participant,

The participants would like to see at the site also online store, subscribes, catalogues of goods with the prices.

7. Do you remember any on-line advertising of this company?

The results are the following:

Yes – 0 participants,

Probably yes – 0 participants,

I do not know – 1 participant,

Probably no – 3 participants,

No – 7 participants.

8. Have you ever been to the official community of the company in the social network?

The results are the following: Yes – 0 participants, No – 10 participants.

9. On what purpose have you visited the community? How successfully?

This question is excluded from the K-rauta's survey since no one of the participants of the survey has ever visited the community.

10. Have you ever used any on-line communication channel to contact with the company (such as site's feedback form, social networks communities, official or unofficial forum etc.) If yes, then were you satisfied with the quality of the on-line provided service?

The results are the following:

I have not ever tried – 4 participants,

Yes – 0 participants,
Probably yes – 1 participant,
I do not know – 0 participants,
Probably no – 2 participants,
No – 3 participants.

6.1.3 Results of the analysis and recommendations

Based on the observations and the results of the customers' surveys, there can be provided the following recommendations.

It is clear that the pattern advertising strategy is used, i.e. ads follow the basic approach, but themes, texts and some visual elements are adapted to the local market. K-rauta's online presence complements and enhances the offline image of the company: the same colors, logos etc. are used. So, suggesting recommendations for further actions, it is worth to begin with the elimination of defects with the web site's design, content and functionality. There have to be used higher quality images; there should not be any pages under construction; the declared functions are to be working. The company should not only to declare the subscription to the company's news and offers, but to perform it actually. Such online behavior contradicts to the company's mission which is to help to the customers to create comfort at their houses by offering the services of the highest professionalism and willing to be the best.

In consideration of the growing trends in Russian retail and the trends to combine online and offline retail channels, it could be effective for K-rauta to have online store or at least online catalog of goods available to attract the attention of the potential customers.

The communities in social networks could be used as a communication channel with the customers to get their feedbacks and to work with their complaints. Community in social network could be used as an instrument to create positive attitude towards brand in general. Working with the customers opinions online would help to create a positive attitude towards the brand as well.

The site's texts declare services not only for individual customers, but for business clients as well. However, web site does not offer any specific online services for business customers. Probably, the company should pay more attention to this direction as well by offering more individual approach to the B2B sector.

Based on the information from the K-rauta's office in Russia, digital marketing channel is under testing process at the moment, so they are not ready to share any information about it. However, it does not seem like K-rauta gives a lot of attention to the digital marketing in the Russian Internet these days.

6.2 Prisma

The official web site: www.prismamarket.ru

The official community in social networks: vk.com/prisma

6.2.1 The existing advertizing campaing in Runet and its analysis

The Prisma chain of stores and supermarkets is represented in Russian Internet by the means of web site www.prismamarket.ru. It is necessary to admit that during the performance of this thesis the Prisma's web site has changed significantly. However, the current version of the site still repeats the design of the original Finnish site with the translation into Russian.

Russian version of the Prisma's web site provides all the necessary information for the customers such as general information about the company, the provided goods and services, discount programs, store locations, job offers etc. Catalogues of goods are provided with prices, but there is no actual online store functionality. Prisma's web site gives also the possibility to subscribe for special offers and other useful for the customers information.

Prisma provides free mobile applications for both iPhone and Android mobile devices to give customers the possibility to get actual information about special offers and events in stores of the Prisma chain, to get contact information on

stores locations and with other functions that could be useful for clients, for instance, creating a shopping list.

Prisma is represented in Russian social network vkontakte.com by the means of official community vk.com/prisma. There is a link from the official site of the company to achieve the community. The community is designed in corporate style of Prisma and is regularly updated with the information about current special offers and events. In Russia, Prisma chain positions itself as a provider of perfect solutions for the whole family. The quality is available – that is what their web site declares. There is a slogan in the head of their community in vk.com which can be translated as “Mom + dad + me + Prisma = the best equation for family shopping”. Communicating with the clients, the content of the community support this formula with a lot of contests where all the family members could participate. The brand communicates with the customers actively, Prisma’s managers respond very quickly to the clients’ requests or complaints by the means of that community.

At the same time, there are a lot of special services in Runet for customers to share their opinions on different stores and companies. For instance,

<http://spb.tulp.ru/gipermarket/prisma--4>

http://otzovik.com/reviews/supermarket_prisma_russia_sankt-peterburg/

http://www.yell.ru/spb/com/prisma_5370006/

<http://gmstar.ru/spb/2-133255-prisma/otzyvy-o-kompanii-3.html>

The review of such forums for comments on Prisma demonstrates that a lot of negative opinions stay with no reaction from the official Prisma.

According to the information from Prisma, the company is planning the new digital advertising campaign at the moment.

6.2.2 Russian customer’s survey

This subchapter provides the summarized results of the customers’ questioning.

1. Have you ever visited this site before? Yes/No

The results are the following: Yes – 10 participants, No – 0 participants.

2. What sort of information were you looking for? How successfully? You can choose several answers.

The results are provided in the TABLE 5.

TABLE 5. Prisma: the answers to the question 2 of the survey.

Variants of answers	The amount of answers Yes	Successful	Not successful
Contact information	6	6	0
Information about discounts and special offers	5	4	1
Information about goods and services (prices, descriptions)	7	6	1
Information about the brand	2	2	0
Just curiosity	2	2	0
Other	3	3	0

3. How did you like the site's interface? Was it user-friendly enough for you?

The results:

Yes – 7 participants

Probably yes – 3 participants

I do not know – 0 participants

Probably no – 0 participants

No – 0 participants

4. Does the site's design help to form positive attitude among Russian clients towards the company?

The results:

Yes – 2 participants
 Probably yes – 7 participants
 I do not know – 1 participant
 Probably no – 0 participants
 No – 0 participants

5. Please, estimate the quality of the site's content (text and images).

5a. Do the texts have a proper quality? In other words, do the texts have good translation, no mistakes, appropriate vocabulary etc.?

5b. Do the texts match the cultural context, i.e. are they oriented to Russian customers, and are the texts clear? Is the represented information up-to-date for Russian customers in particular?

5c. Do the images have appropriate quality? Are they not too small, not too big, with enough resolution etc.?

5d. Do the images match the cultural context? In other words, do you feel like you could be in those pictures? Do they demonstrate essential views to you, to Russian culture? Do the images look native to you?

The results are provided in the TABLE 6.

TABLE 6. Prisma: the answers to the question 5 of the survey.

The answer	The amount of the voters for the particular answer			
	THE TEXTS		THE IMAGES	
	5a. The quality of performance	5b. The cultural context	5c. The quality of performance	5d. The cultural context
Yes	9	8	10	9
Probably yes	1	2	0	1
I do not know	0	0	0	0
Probably no	0	0	0	0
No	0	0	0	0

6. Does the site have enough functionality? What else would you like to see there?

The results:

Yes – 8 participants,

Probably yes – 2 participants,

I do not know – 0 participants,

Probably no – 0 participants,

No – 0 participants.

7. Do you remember any on-line advertising of this company?

The results:

Yes – 0 participants,

Probably yes – 0 participants,

I do not know – 0 participants,

Probably no – 2 participants,

No – 8 participants.

8. Have you ever been to the official community of the company in the social network?

The results: Yes – 7 participants, No – 3 participants.

9. On what purpose have you visited the community? How successfully?

The results are provided in the TABLE 7.

TABLE 7. Prisma: the answers to the question 9 of the survey.

Variants of answers	Yes	Successful	Not successful
Contact information	1	1	0
Information about discounts and special offers	6	5	1
Information about goods and services (prices, descriptions)	2	2	0
Information about the brand	1	1	0
Just curiosity	1	1	0
Other	2	1	1

10. Have you ever used any on-line communication channel to contact with the company (such as site's feedback form, social networks communities, official or unofficial forum etc.) If yes, then were you satisfied with the quality of the on-line provided service?

The results:

I have not ever tried – 4 participants,

Yes – 4 participants,

Probably yes – 1 participant,

I do not know – 0 participants,

Probably no – 1 participant,

No – 0 participants.

6.2.3 Results of the analysis and recommendations

Based on the observations and the results of the customers' survey, there can be provided the following recommendations.

Since Prisma do not have online store in Russia, its advertising campaign in Russian Internet could be oriented towards the promotion of the brand in general.

The results of the customers' survey demonstrate the company is doing very well in this direction at the moment.

It would be useful for the company's image to react promptly on customers' complaints in the Internet using special services to monitor the appearances of such complaints. There are settled opinions in Russian society on the quality of the Finnish goods and services, so working with negative feedbacks online would help to strengthen the positive image of Finnish products and services in general and the image of Prisma particularly.

The original Finnish site www.prisma.fi has the functionality of the online store. The latest trends are to combine online retail and offline retail business, however, neither Russian Prisma, nor its main competitors in Russia are eager to open online stores in Russia. This question requires more detailed research and analysis.

It is obvious that Prisma has clear digital marketing strategy and digital marketing takes serious place in the company's marketing entity.

6.3 Luhta

The official web site: www.luhta.ru/ru , www.icepeak.fi/ru

The official communities in social networks: <http://vk.com/luhta>,
<https://www.facebook.com/pages/Luhta/253134844717184?fref=ts> ,
<http://vk.com/icepeak> ,
<https://www.facebook.com/pages/ICEPEAK/279510475396090?fref=ts>

6.3.1 The existing advertizing campaing in Runet and its analysis

Luhta is represented in Russian Internet with the localized version of the original Finnish site www.luhta.fi and can be achieved at www.luhta.ru/ru .

Luhta's web site contains very brief information about company, contact information and the catalogues of clothes without any prices and without detailed descriptions of the goods.

While observing the site, it can be clearly seen that the translation of the site to Russian is not done in a proper way. For instance, media banners contain messages in English, the catalogues of goods are translated partly as well, the links to the catalogues are not translated at all, and the descriptions of goods are not translated in most cases. FIGURE 7 illustrates the unmotivated usage of English sentences in media banners of the Russian version of the site.

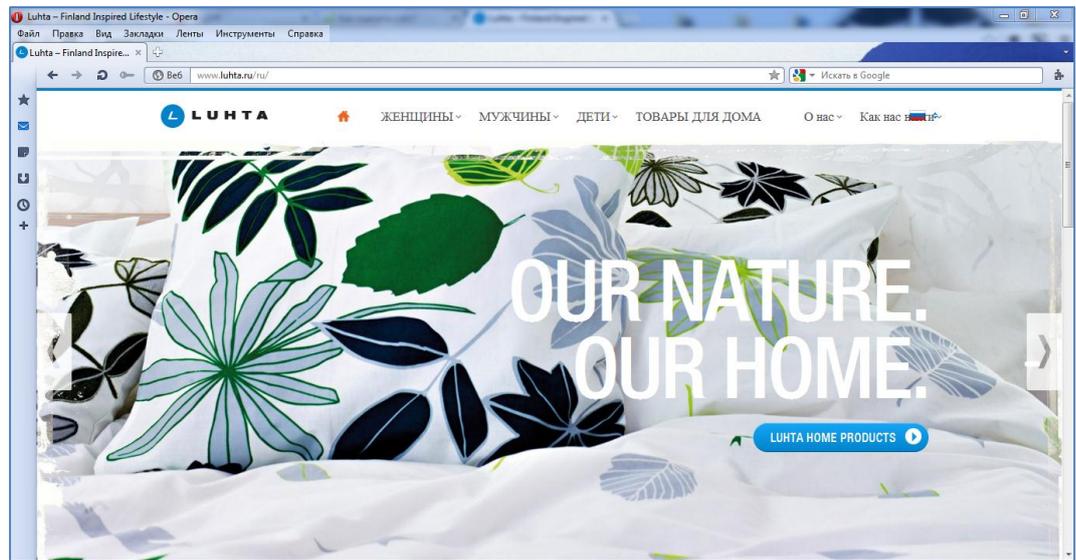


FIGURE 7. The example of English texts in Russian version of the Luhta's site and site's design troubles caused by Cyrillic fonts (Luhta 2013).

The contact information is not translated as well. The transliteration is used to inform about addresses of the stores in Russia, but not the original Russian text. Search filters of goods in catalogues are translated partly as well.

There are problems with the displaying of the site in different browsers. The problems are caused by the using of the Cyrillic font and the fact that words in Russian language takes more space to be written than the same words in English. This fact can be illustrated by the FIGURE 7 as well. The mentioned situation can be clearly observed in the right upper corner of the given illustration.

Luhta has an official community in the popular Russian social network Vkontakte and the address is <http://vk.com/luhta>. Luhta has also the Russian community in Facebook (<https://www.facebook.com/pages/Luhta/253134844717184?fref=ts>). Both the communities are updated regularly. However, the community in vk.com is more oriented towards the clients. The brand communicates with its clients actively by the means of this community. At the same time, the Facebook community is used more for entertainment.

Luhta has also separate Russian site for one of its brands which is Icepeak. The site is www.icepeak.fi/ru. Russian site of Icepeak is also the localized version of the original Finnish site www.icepeak.fi. This site is much better translated than Russian version of Luhta's site. However, it still contains some information in English without translation (FIGURE 8, FIGURE 9).

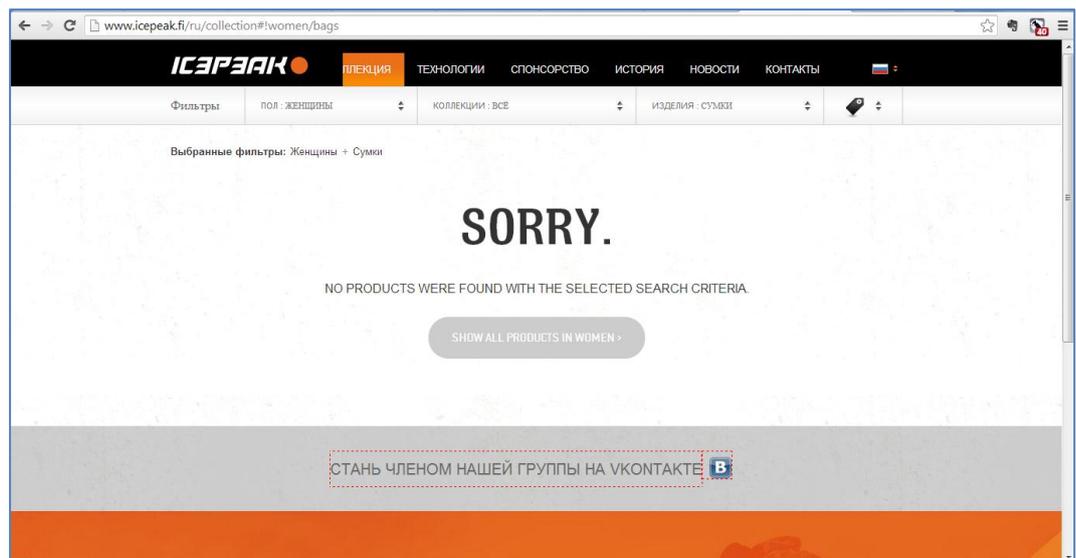


FIGURE 8. An example of the page without translation from the Russian version of the Icepeak's web site (Icepeak 2013).

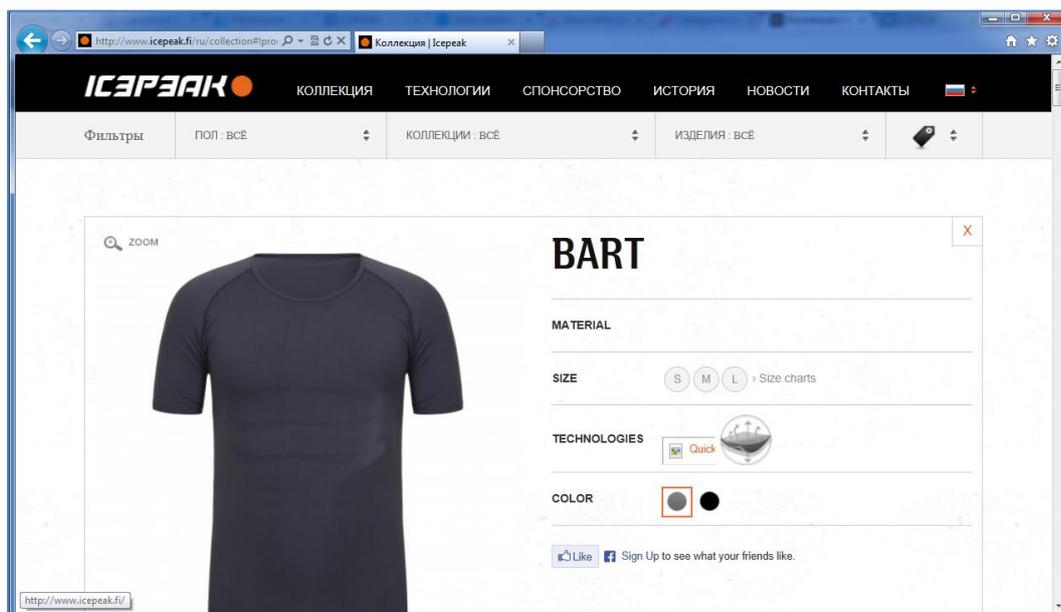


FIGURE 9. An example of the page without translation from the Russian version of the Icepeak's web site (Icepeak 2013).

FIGURE 8 illustrates the problem with the displaying of the site in different browsers as well.

There are also separate communities in Russian for Icepeak in social networks Vkontakte and Facebook. They are <http://vk.com/icepeak> and <https://www.facebook.com/pages/ICEPEAK/279510475396090?fref=ts> accordingly. The brand communicates with the customers operatively by the means of these communities.

Web sites www.luhta.ru/ru and www.icepeak.fi/ru do not allow estimating the traffic using open sources. The company itself refused to provide any information on this subject, so the assessment of these sites' traffic is not provided in this thesis.

Neither www.luhta.ru/ru , nor www.icepeak.fi/ru provides the possibility for users to subscribe to their news and special offers.

There is no mobile version of the site.

6.3.2 Russian customer's survey

This subchapter provides the summarized results of the customers' questioning.

1. Have you ever visited this site before? Yes/No
The results: Yes – 5 participants, No – 5 participants.

2. What sort of information were you looking for? How successfully? You can choose several answers.

The results are provided in the TABLE 8.

TABLE 8. Luhta: the answers to the question 2 of the survey.

Variants of answers	The amount of answers Yes	Successful	Not successful
Contact information	5	2	3
Information about discounts and special offers	3	0	3
Information about goods and services (prices, descriptions)	5	1	4
Information about the brand	2	2	0
Just curiosity	1	1	0
Other	1	0	1

3. How did you like the site's interface? Was it user-friendly enough for you?

The results:

Yes – 1 participant,

Probably yes – 1 participant,

I do not know – 4 participants,

Probably no – 3 participants,

No – 1 participant.

- 4.** Does the site's design help to form positive attitude among Russian clients towards the company?

The results:

Yes – 1 participant,
Probably yes – 2 participants,
I do not know – 5 participants,
Probably no – 2 participants,
No – 0 participants.

- 5.** Please, estimate the quality of the site's content (text and images).

5a. Do the texts have a proper quality? In other words, do the texts have good translation, no mistakes, appropriate vocabulary etc.?

5b. Do the texts match the cultural context, i.e. are they oriented to Russian customers, and are the texts clear? Is the represented information up-to-date for Russian customers in particular?

5c. Do the images have appropriate quality? Are they not too small, not too big, with enough resolution etc.?

5d. Do the images match the cultural context? In other words, do you feel like you could be in those pictures? Do they demonstrate essential views to you, to Russian culture? Do the images look native to you?

The results are provided in the TABLE 9.

TABLE 9. Luhta: the answers to the question 5 of the survey.

The answer	The amount of the voters for the particular answer			
	THE TEXTS		THE IMAGES	
	5a. The quality of performance	5b. The cultural context	5c. The quality of performance	5d. The cultural context
Yes	1	2	8	2
Probably yes	3	5	2	4
I do not know	2	4	0	2
Probably no	3	0	0	2
No	1	0	0	0

6. Does the site have enough functionality? What else would you like to see there?

The results:

Yes – 1 participants,

Probably yes – 3 participants,

I do not know – 2 participants,

Probably no – 3 participants,

No – 1 participant.

The participants would like to see at the site also prices, online store.

7. Do you remember any on-line advertising of this company?

The results:

Yes – 0 participants,

Probably yes – 0 participants,

I do not know – 2 participants,

Probably no – 2 participants,

No – 6 participants.

8. Have you ever been to the official community of the company in the social network?

The results: Yes – 8 participants, No – 2 participants.

9. On what purpose have you visited the community? How successfully?

The results are provided in the TABLE 10.

TABLE 10. Luhta: the answers to the question 9 of the survey.

Variants of answers	Yes	Successful	Not successful
Contact information	4	4	0
Information about discounts and special offers	6	6	0
Information about goods and services (prices, descriptions)	8	8	0
Information about the brand	1	1	0
Just curiosity	1	1	0
Other	1	0	1

10. Have you ever used any on-line communication channel to contact with the company (such as site's feedback form, social networks communities, official or unofficial forum etc.) If yes, then were you satisfied with the quality of the on-line provided service?

The results:

I have not ever tried – 5 participants,

Yes – 2 participants,

Probably yes – 2 participants,

I do not know – 0 participants,

Probably no – 1 participant,

No – 0 participants.

6.3.3 Results of the analysis and recommendations

Based on the observations and the results of the customers' survey, there can be provided the following recommendations.

Since Luhta itself does not have any online store, but only some catalogues of goods, their advertising campaign's goal in Russia might be to advertise the brand in general. With no direct sales it is useless to use context advertising in Yandex or Google.

However, first of all, for better results, it is necessary to provide the complete translation of the company's site into Russian, including catalogues, links in menus, description of goods etc. Then, it is necessary to eliminate the problems with the web sites' design and its incorrect displaying in different browsers caused by the using of the Cyrillic fonts.

Social brand communities in networks vkontakte and Facebook are updated with actual information regularly. However, the communication with the customers could be extended with the usage of the instruments of direct (or e-mail) marketing, i.e. by the subscriptions. It would help to communicate with the customers and to research their needs and opinions. It would help to bring the company's advertising message to the customers as well.

Comparing to the other sites of clothes manufacturer, it can be said that, in most cases, they have the online stores, but not just online catalogues of clothes. So, usually, they use more aggressive methods of advertising such as contextual advertising in search engines, for example Yandex Direct or Google Adwords. In case of Luhta, there is no necessity to use such methods since its advertising campaign is oriented more on brand promotion in general.

Due to the growth of the amount of users of mobile devices, it would be useful to provide mobile version of the site as well.

The publicly available official information says that Luhta intends to develop its own retail and franchise in Russia, however, the existing site does not support this information. After all, it does not seem that Luhta takes internet marketing very

seriously in Russia. General recommendations might be to find a way to use digital marketing possibilities in the entire marketing entity, since there are a lot of examples of successful clothes online and offline retailers in the Russian market these days.

6.4 Kemppi

The official web site:

<http://www.kemppi.com/inet/kemppi/ru/akp.nsf/frameset/Frameset?OpenDocument&content=/inet/kemppi/frontpage.nsf/0/358FA3A975CC1FF7C22577A0002BF10A?opendocument&showtop=0>

The official community in social networks:

<http://www.youtube.com/KemppiJoyOfWelding>

https://twitter.com/Kemppi_Welding

6.4.1 The existing advertizing campaing in Runet and its analysis

Kemppi OY is represented in Russian Internet by the means of the localized version of the original site www.kemppi.com and can be achieved at <http://www.kemppi.com/inet/kemppi/ru/akp.nsf/frameset/Frameset?OpenDocument&content=/inet/kemppi/frontpage.nsf/0/358FA3A975CC1FF7C22577A0002BF10A?opendocument&showtop=0>. It repeats the main site's design with the possibility to use localized texts and advertising information.

Russian version of the Kemppi's web site contains information about Kemppi's products which are welding machines and accessories for them.

Observations of the site demonstrate that the site has some parts without any translation in it. The FIGURE 10 illustrates this thesis perfectly.

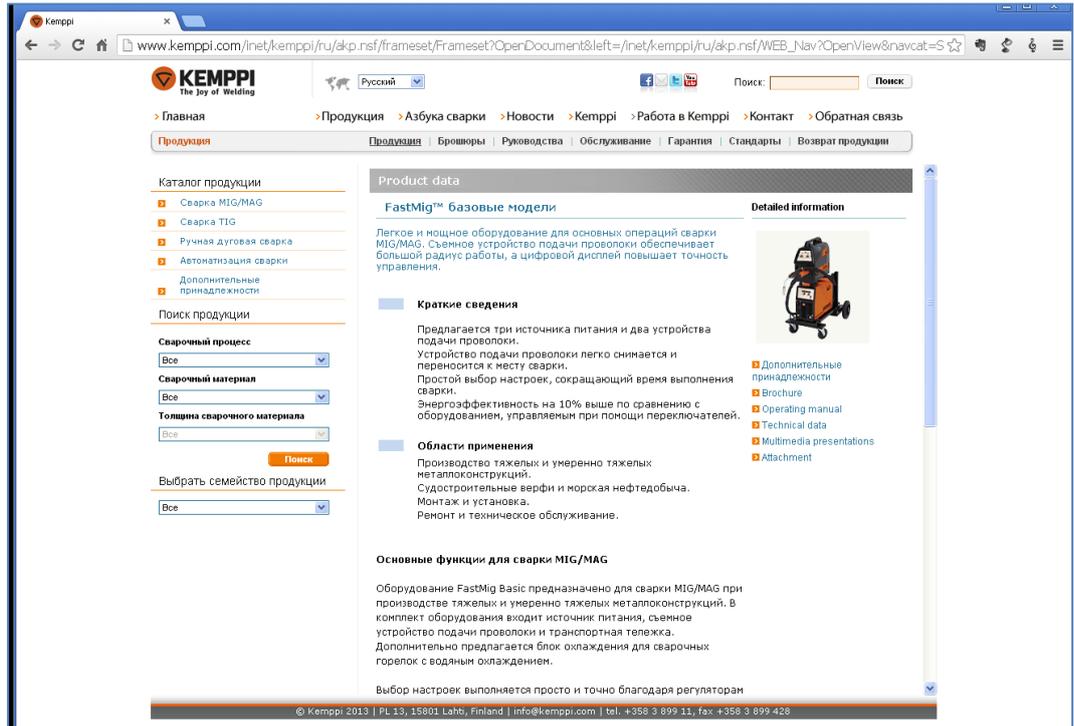


FIGURE 10. An example of the Russian version site's page which is partly translated into Russian language (Kemppti 2013).

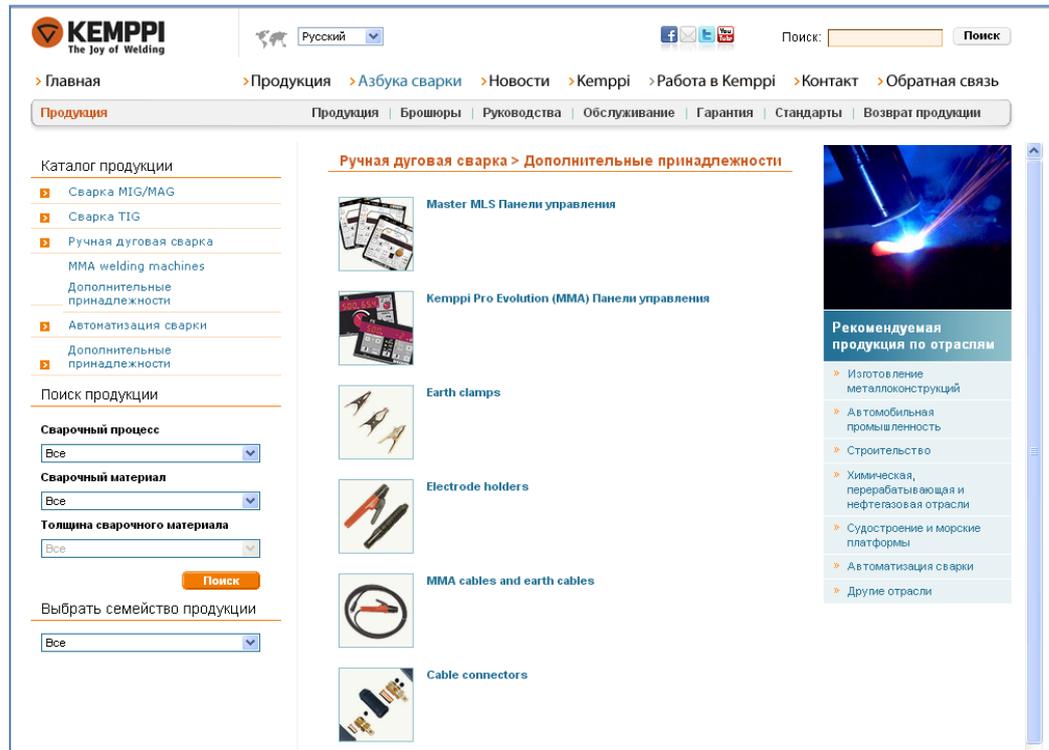


FIGURE 11. An example of the Russian version site's page which is partly translated into Russian language (Kemppti 2013).

FIGURE 11 illustrates the fact that some positions in the catalogue of goods are not translated to Russian as well.

The site contains a lot of links to different brochures, guides and manuals. However, not all of them are translated into Russian; for example, the operation instructions for Kempact Pulse 2800 MVU Automotive are provided only in English and are available at [http://www.kemppi.com/inet/kemppi/kit.nsf/DocsPIWeb/om_kempact_pulse_2800MVU_19101821_0709_en.pdf/\\$file/om_kempact_pulse_2800MVU_19101821_0709_en.pdf](http://www.kemppi.com/inet/kemppi/kit.nsf/DocsPIWeb/om_kempact_pulse_2800MVU_19101821_0709_en.pdf/$file/om_kempact_pulse_2800MVU_19101821_0709_en.pdf).

Then, not all of the mentioned brochures even have headings in Russian. Figure 12 provides the list of the operating manuals and it is obvious that most of them do not have headings in Russian.

(http://www.kemppi.com/INET/kemppi/ru/akp.nsf/frameset/Frameset?OpenDocument&left=/INET/kemppi/ru/akp.nsf/WEB_Nav?OpenView&navcat=Product%2

[0Manuals&main=/inet/kemppi/kit.nsf/ProductManualsAll?Openview&ExpandView&top=/INET/kemppi/ru/akp.nsf/Top?ReadForm&topcat=Product%20Info\)](#)

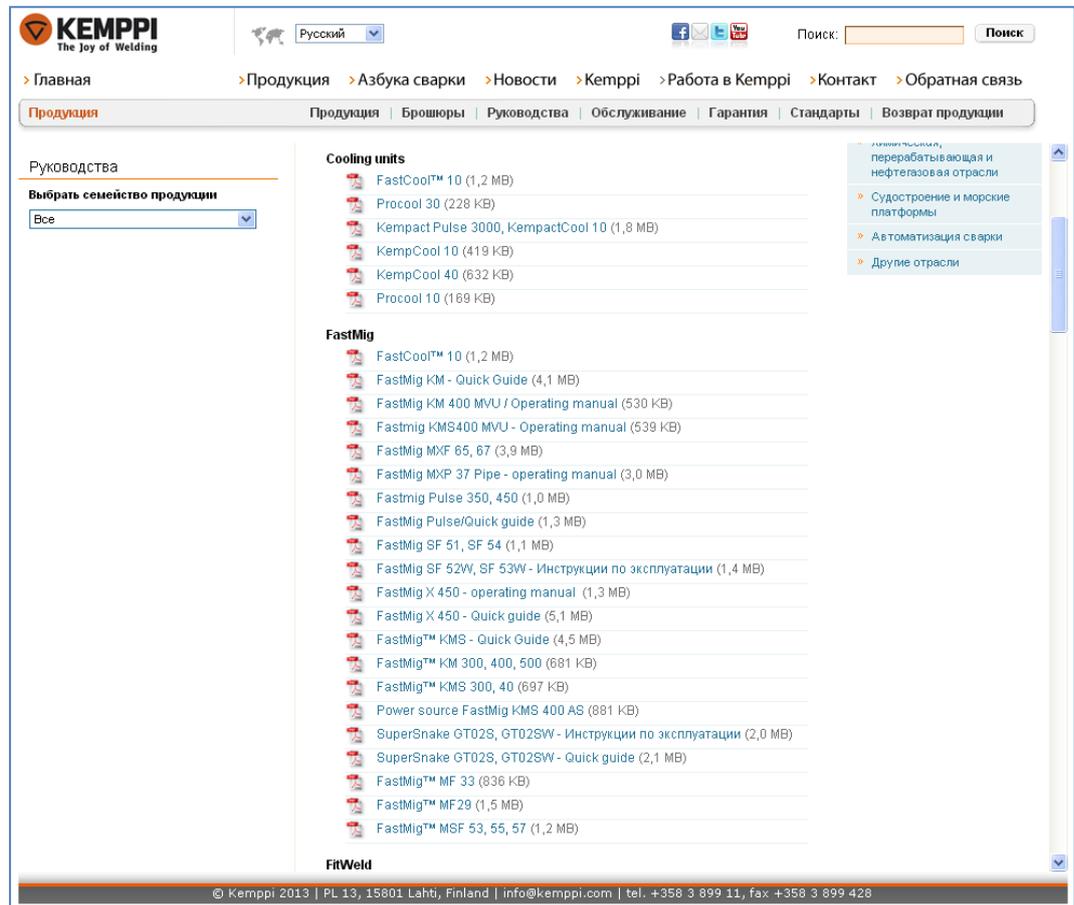


FIGURE 12. The list of headings of the operational manuals from the Russian version of the Kemppei's web site (Kemppi 2013).

There is a part about international standards to ensure the comparability of the operational safety, quality and features of welding devices in the site. These are IEC and EN standards created by International Electrotechnical Commission and the European CENELEC which are available at

Welding%20ABC. However, there is no single mention about national Russian standards for welding processes in this part.

There is a feedback form in the site and it is available at http://www.kemppi.com/inet/kemppi/ru/akp.nsf/frameset/Frameset?OpenDocument&left=/inet/kemppi/ru/akp.nsf/WEB_Nav?OpenView&navcat=Feedback&main=/inet/kemppi/wwwcare.nsf/WEBFeedbackEN?OpenForm&top=/inet/kemppi/ru/akp.nsf/Top?ReadForm&topcat=Feedback . It is clear that the form is not translated into Russian as well.

The Figure 12 illustrates also the fact that there is contact information of the Finnish office of Kemppi OY at the foot part of the Russian version of the site instead of the information about Russian office's contacts.

The page with the results of the search on the site contains some English words without translations as well. Figure 13 contains the results of the search of the word “Kemppi” and demonstrates missed translations.

The screenshot shows the Kemppi website interface in Russian. At the top, there is a logo for 'KEMPPFI The Joy of Welding' and a language selector set to 'Русский'. A search bar contains the text 'kemppi'. Below the search bar, there is a navigation menu with links like 'Главная', 'Продукция', 'Азбука сварки', etc. The main content area is divided into 'Каталог продукции' (Product Catalog) on the left and 'Search results' on the right. The search results section shows 'Products: 1 - 10 of 10 documents.' and lists the following items:

Date	Title
13.12.2009	Kemppi Pro Evolution Источники питания
03.11.2009	Kemppi Pro Evolution Блоки охлаждения
03.11.2009	Kemppi Pro Evolution (MMA) Панели управления
03.11.2009	Kemppi Pro Evolution Панель управления
03.11.2009	Kemppi Pro Evolution Promig 200, 300
03.11.2009	Kemppi Pro Evolution
03.11.2009	Kemppi Pro Evolution (TIG)
03.11.2009	Kemppi Pro Evolution (MMA)
23.10.2008	Kemppi Pro Evolution 3200 Automotive
10.06.2013	Kemppi Arc System 2.0 – ArcQuality

Below the product list, it says 'Documents: 1 - 10 of 61 documents.' and shows 'More results: 1 | 2 | 3 | 4 | 5 | 6 | 7'. The first document listed is '05.06.2008 Техника безопасности'. At the bottom of the page, there is a footer with copyright information: '© Kemppi 2013 | PL 13, 15801 Lahti, Finland | info@kemppi.com | tel. +358 3 999 11, fax +358 3 999 428'.

FIGURE 13. The page with the search results (Kemppi 2013).

Concerning the social networks, it can be said that Kemppi is the only one from the companies under observation of this thesis who has its own official YouTube channel. There is a link to YouTube channel at the Russian version of the site and it is <http://www.youtube.com/KemppiJoyOfWelding>. The most part of the material there is in English. However, it is necessary to admit that there are also some videos translated into Russian or with Russian subtitles.

There is a link to the Twitter account https://twitter.com/Kemppi_Welding from the Russian version of the site. However, the account in Twitter has only messages in English or in Finnish and no Russian language.

There is a link to the Facebook official community of Kemppi. The community is written in Finnish and English as well.

There is a link to subscribe for news of the company. All information about the subscription and the subscription itself is provided in English.

The link “Advertising campaigns” (http://www.kemppi.com/kemppi/campaign/nocampaigns_en.html) which is translated into Russian like “Рекламные кампании” contains the empty page with the notice in English that there are no active campaigns at the moment.

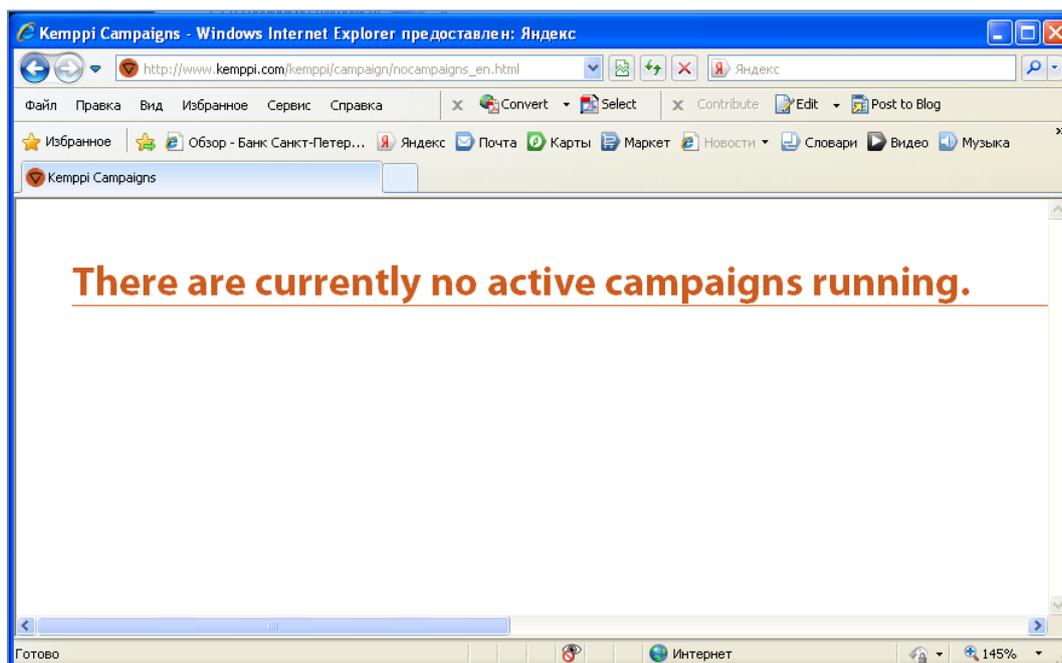


Figure 14. Advertising campaigns page of the Russian version of the Kemppli’s site (Kemppli 2013).

There is a section For Partners and Clients (“Партнерам и клиентам” in Russian) in menu at the foot of the page. It contains three links without translation. Two of them lead to the pages without translation (these are Kemppli Connections and Kemppli Channel) and the third one (ProNews) leads to the subscribe form for printed magazine named Pro News.

There is no mobile version of the site. The original site uses Flash technologies which are not supported by the majority of mobile devices, so the regular version of the site is not viewed correctly on the mobile devices.

6.4.2 The Russian customer’s survey

This subchapter provides the summarized results of the customers’ questioning.

1. Have you ever visited this site before? Yes/No

The results: Yes – 3 participants, No – 7 participants.

2. What sort of information were you looking for? How successfully? You can choose several answers.

The results are provided in the TABLE 11.

TABLE 11. Kemppi: the answers to the question 2 of the survey.

Variants of answers	The amount of answers Yes	Successful	Not successful
Contact information	3	2	1
Information about discounts and special offers	2	0	2
Information about goods and services (prices, descriptions)	6	3	3
Information about the brand	2	2	0
Just curiosity	0	0	0
Other	3	2	1

3. How did you like the site's interface? Was it user-friendly enough for you?

The results:

Yes – 2 participants,

Probably yes – 4 participants,

I do not know – 1 participant,

Probably no – 2 participants,

No – 1 participant.

4. Does the site's design help to form positive attitude among Russian clients towards the company?

The results:

Yes – 2 participants,

Probably yes – 7 participants,

I do not know – 1 participants,

Probably no – 0 participants,

No – 0 participants.

5. Please, estimate the quality of the site's content (text and images).

5a. Do the texts have a proper quality? In other words, do the texts have good translation, no mistakes, appropriate vocabulary etc.?

5b. Do the texts match the cultural context, i.e. are they oriented to Russian customers, and are the texts clear? Is the represented information up-to-date for Russian customers in particularly?

5c. Do the images have appropriate quality? Are they not too small, not too big, with enough resolution etc.?

5d. Do the images match the cultural context? In other words, do you feel like you could be in those pictures? Do they demonstrate essential views to you, to Russian culture? Do the images look native to you?

The results are provided in the TABLE 12.

TABLE 12. Kemppi: the answers to the question 5 of the survey.

The answer	The amount of the voters for the particular answer			
	THE TEXTS		THE IMAGES	
	5a. The quality of performance	5b. The cultural context	5c. The quality of performance	5d. The cultural context
Yes	0	0	4	2
Probably yes	1	2	5	5
I do not know	2	1	1	2
Probably no	6	5	0	1
No	1	2	0	0

6. Does the site have enough functionality? What else would you like to see there?

The results:

Yes – 0 participants,

Probably yes – 5 participants,

I do not know – 1 participant,

Probably no – 4 participants,

No – 0 participant.

The participants would like to see at the site also translations of the manuals etc., prices, subscription for Russian.

7. Do you remember any on-line advertising of this company?

The results:

Yes – 0 participants,

Probably yes – 0 participants,

I do not know – 2 participants,

Probably no – 3 participants,

No – 5 participants.

8. Have you ever been to the official community of the company in the social network?

The results: Yes – 0 participants, No – 10 participants.

9. On what purpose have you visited the community? How successfully?

The results are provided in the TABLE 13.

TABLE 13. Kemppe: the answers to the question 9 of the survey.

Variants of answers	Yes	Successful	Not successful
Contact information	-	-	-
Information about discounts and special offers	-	-	-
Information about goods and services (prices, descriptions)	-	-	-
Information about the brand	-	-	-
Just curiosity	-	-	-
Other	-	-	-

10. Have you ever used any on-line communication channel to contact with the company (such as site's feedback form, social networks communities, official or unofficial forum etc.) If yes, then were you satisfied with the quality of the on-line provided service?

The results:

I have not ever tried – 4 participants,

Yes – 1 participants,

Probably yes – 2 participants,

I do not know – 0 participants,

Probably no – 2 participants,

No – 1 participant.

6.4.3 Results of the analysis and recommendations

Based on the provided information about the existing advertising campaign of the Kemppe OY and the results of the customers' survey there could be given the following recommendations.

First of all, it would be useful for the company to provide the full and correct translation into Russian for all of the relevant materials and function words including operational guidance, descriptions of products, feedback and

subscription forms and other pages. It would be useful also to provide the contacts of the Russian office at the foot part of the Russian version of the site instead of the Finnish one which is there at the moment.

Since the amount of the users of mobile devices grows rapidly these days in Russia, it would be useful to provide the mobile version of the site or, at least, the possibility for the current version to be displayed correctly on the mobile devices.

Then, something is to be done with the form of the link to the Russian version of the site. Modern web technologies allow modifying the current version of the site's web address (which looks like <http://www.kemppi.com/inet/kemppi/ru/akp.nsf/frameset/Frameset?OpenDocument&content=/inet/kemppi/frontpage.nsf/0/358FA3A975CC1FF7C22577A0002BF10A?opendocument&showtop=0> at the moment) to some shorter and more user-friendly version. The same situation is with the other links to the site's internal pages. It is necessary to give them more user-friendly view. This fact influenced the customers' opinion of the site's quality significantly.

It would be useful to design all the site pages within the same style.

It would be useful to provide the information which is relevant for Russian customers particularly. The customers' survey demonstrates that, for instance, the site should mention not only European welding standards, but also national Russian welding standards and connections between these standards. Concerning the vacancies, it would be more interesting for Russian auditory to know about the open positions in Russian office of Kemppi, but not in the Finnish one. The application form for the candidates is to be in Russian as well.

The news section is to be updated regularly with actual information, but not only several times for year (there is available 3 news issues for the year 2013 and only one issue for the year 2012 at the moment).

It is clear that the site is oriented to B2B clients and it uses global marketing strategy with some changes for the local market. According to the customers' opinions, it helps to support the positive image of the company.

To summarize, it would be useful for the company to give more attention to the localization of the web site and of the digital marketing strategy for Runet. Negligence in the site's design and context results in making a poor impression to the business customers.

6.5 LADEC

The official web site: www.lahdenseutu.net/ru

The official community in social networks: www.vk.com/regionlahti

6.5.1 The existing advertizing campaing in Runet and its analysis

LADEC is represented in Runet by the means of the web site www.lahdenseutu.net/ru which is a version of the original Finnish site translated into Russian. It is available as well by the link www.lahtiregion.ru which redirects user to www.lahdenseutu.net/ru. It is necessary to admit that the web designs for Russian and Finnish versions of the site are different.

The Russian version of the web site contains information for Russian people about life, tourism and business opportunities in Lahti region of Finland. The information is represented with photos and articles in Russian. However, it is necessary to admit, that Russian language that is used in the site can be characterized as having some language constructions that are not habitual to Russian language native speakers. There are also grammatical and syntactical mistakes in the texts. There can be found even gross translation errors caused, probably, by using the automatic machine translation. There are also sentences in Finnish without any translation. Figure 15 illustrates these facts. In general, the texts are quite difficult for reading and for understanding since the inappropriate language is used.

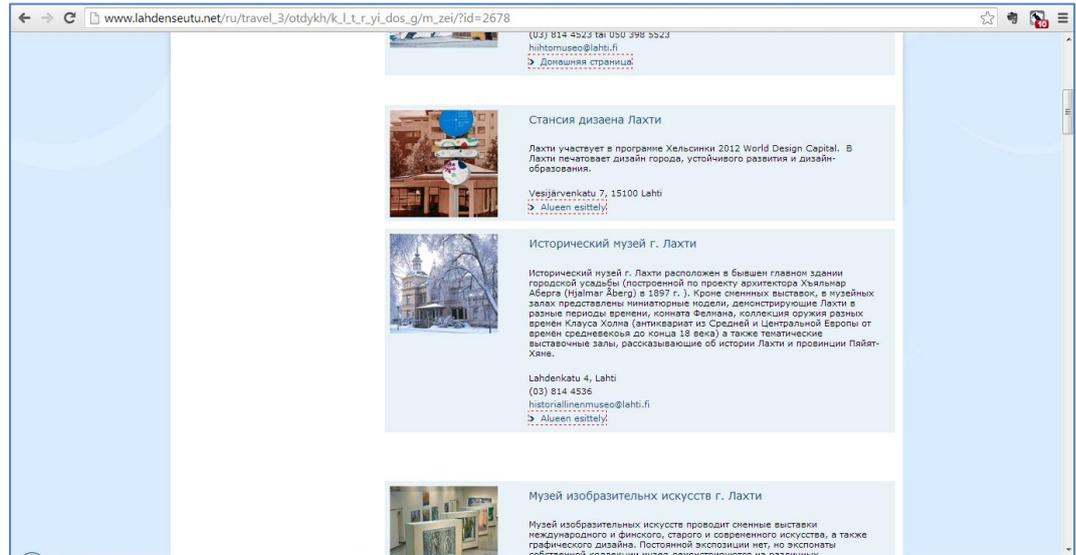


FIGURE 15. The Russian version of the LADEC’s web site (LADEC 2013).

There is a link in the Russian version of the site to order brochures. The form to fulfill to make an order of the brochure is in English, but not in Russian, so the customers cannot be sure if it actually works for Russia.

There is a link to feedback form in the site. However, the link is broken and it leads to the page that says in English that the required "page is not found". The same page contains also words in Finnish. FIGURE 16 illustrates these words.

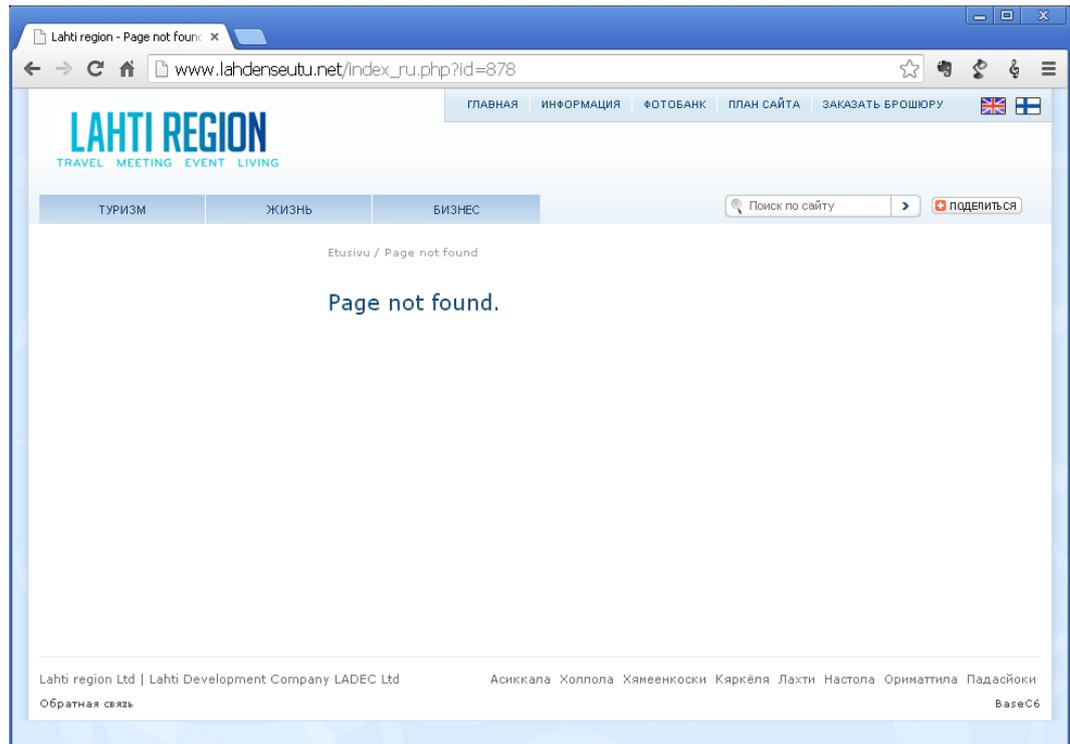


FIGURE 16. The Russian version of the LADEC’s site: page not found (LADEC 2013).

There is also Lahti related community in social network V Kontakte. The address of the community is www.vk.com/regionlahti. The community is updated regularly, however, the communication with users is not complete, and some of the questions remain without any reaction for several weeks.

There is a link to YouTube video from the site, which allow to identify sort of LadeC’s YouTube channel. However, the channel does not call itself the official channel. There are 5 videos available. Only one of them has the heading and the description in Russian. One video has problems with the accompanying sound.

6.5.2 Russian customer’s survey

This subchapter provides the summarized results of the customers’ questioning.

1. Have you ever visited this site before? Yes/No.
The results: Yes – 7 participants, No – 3 participants.

2. What sort of information were you looking for? How successfully? You can choose several answers.

The results are provided in the TABLE 14.

TABLE 14. LADEC: the answers to the question 2 of the survey.

Variants of answers	The amount of answers Yes	Successful	Not successful
Contact information	5	4	1
Information about discounts and special offers	6	2	4
Information about goods and services (prices, descriptions)	2	1	1
Information about the brand	0	0	0
Just curiosity	2	2	0
Other	3	2	1

3. How did you like the site's interface? Was it user-friendly enough for you?

The results:

Yes – 3 participants,

Probably yes – 5 participants,

I do not know – 1 participant,

Probably no – 2 participants,

No – 0 participants.

4. Does the site's design help to form positive attitude among Russian clients towards the company?

The results:

Yes – 1 participant,

Probably yes – 5 participants,

I do not know – 1 participants,

Probably no – 1 participant,

No – 0 participants.

5. Please, estimate the quality of the site's content (text and images).

5a. Do the texts have a proper quality? In other words, do the texts have good translation, no mistakes, appropriate vocabulary etc.?

5b. Do the texts match the cultural context, i.e. are they oriented to Russian customers, and are the texts clear? Is the represented information up-to-date for Russian customers in particularly?

5c. Do the images have appropriate quality? Are they not too small, not too big, with enough resolution etc.?

5d. Do the images match the cultural context? In other words, do you feel like you could be in those pictures? Do they demonstrate essential views to you, to Russian culture? Do the images look native to you?

The results are provided in the TABLE 15.

TABLE 15. LADEC: the answers to the question 5 of the survey.

The answer	The amount of the voters for the particular answer			
	THE TEXTS		THE IMAGES	
	5a. The quality of performance	5b. The cultural context	5c. The quality of performance	5d. The cultural context
Yes	0	0	1	2
Probably yes	0	2	7	6
I do not know	1	3	2	2
Probably no	7	4	0	0
No	2	1	0	0

6. Does the site have enough functionality? What else would you like to see there?

The results:

Yes – 2 participants,

Probably yes – 7 participants,

I do not know – 1 participant,

Probably no – 0 participants,

No – 0 participant.

The participants would like to see at the site also Online Feedback form.

7. Do you remember any on-line advertising of this company?

The results:

Yes – 0 participant,

Probably yes – 0 participants,

I do not know – 2 participants,

Probably no – 4 participants,

No – 4 participants.

8. Have you ever been to the official community of the company in the social network?

The results: Yes – 7 participants, No – 3 participants.

9. On what purpose have you visited the community? How successfully?

The results are provided in the TABLE 16.

TABLE 16. LADEC: the answers to the question 9 of the survey.

Variants of answers	Yes	Successful	Not successful
Contact information	2	1	1
Information about discounts and special offers	6	6	0
Information about goods and services (prices, descriptions)	7	3	3
Information about the brand	2	1	1
Just curiosity	2	2	0
Other	4	3	1

10. Have you ever used any on-line communication channel to contact with the company (such as site's feedback form, social networks communities, official or unofficial forum etc.) If yes, then were you satisfied with the quality of the on-line provided service?

The results:

I have not ever tried – 2 participants,

Yes – 3 participants,

Probably yes – 5 participants,

I do not know – 0 participants,

Probably no – 1 participant,

No – 0 participants.

6.5.3 Results of the analysis and recommendations

Based on the provided information about the existing advertising campaign of the Ladec OY and the results of the customers' survey, there could be given the following recommendations for further actions.

First of all, it is necessary to provide complete and correct translation of the texts into Russian language. It would be useful to modify the existing text in Russian in order to provide the stylistically correct sentences and to avoid grammar mistakes

and using of the uncommon in Russian language constructions. It is necessary to provide the possibility for Russian customers to communicate with the company by the means of the feedback form in Russian.

It would be useful to attach the official status to the existing YouTube channel and to provide more videos in Russian about Lahti and its possibilities for tourists and business in order to illustrate the peculiarities of the Lahti region.

It would be useful to inform Russian clients about the language they should use to communicate with the contact persons, since the contact persons are Finns.

Communicating with the customers online should not be forgotten. Communities in social networks provide excellent possibility to research the customers' needs and opinions and to provide them with the information which is essential for making the decisions about trips to Lahti region or international business possibilities.

The original Finnish version of the LADEC's site makes accent on B2B sector. However, the Russian version of the site does not make the common opinion. It seems to be more oriented to individual customers than for business clients. However, the orientation to B2C sector is not clear enough as well. It would be useful to provide more actual offers for the customers, to make it more interactive. The site's functionality could be extended by the news section about the current events in Lahti region, such as shopping days, sport events and holidays for tourists and travelers or business events for business people. The mechanisms of subscription could be used to bring this information to the customers regularly.

The mobile version of the site would be useful as well, since a lot of young people in Russia use mobile devices these days and the statistics say that online media are more popular among young people than any other sources of the information.

So, it is obvious, that LADEC does not use all the possibilities of the digital marketing in its advertising campaign in the Russian Internet. Russian version of the LADEC's site needs some improvements to bring better results and the digital strategy itself needs to be updated in consideration of the last digital and economic trends in Russia.

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions and recommendations

The analysis of the web sites of the 5 case companies demonstrates that most of the companies repeat in a manner the same mistakes with their web sites and digital marketing campaigns in the Russian Internet.

These typical mistakes are the following:

- Problems with translation into Russian (some texts are partly translated or not translated at all, some texts are translated with grammar and stylistic mistakes, some texts contain the mix of English, Russian and Finnish languages);
- Problems with the site's design caused by using the Cyrillic fonts;
- Problems with the site's usability in general;
- Problems with the site's displaying on mobile devices;
- Missing pages (links leading to nowhere);
- Providing the information that does not meet the local customers' needs;
- Missing the work with the customers' online negative opinions;
- Missing the work with social networks;
- The company's message that the site is trying to bring to the customers is not clear, or the site does not support the message and sometimes even contradicts with it;
- B2B or B2C orientation of the web site is not clear enough;
- Mobile technologies are not used widely enough.

So, based on the list of common mistakes, the following recommendations can be given. First of all, it is a question of paramount importance to use correct Russian language and to provide complete and correct translations of the information for every digital campaign in Runet. It is necessary to have the design adapted to the local language features as well. The site's structure is to be clear and the information is to be relevant for the local customers. Working with customers' opinions online should not be missing by the companies, since it provides the valuable source of information about the customers' needs and demands; social

networks, different online communication platforms and forums, subscribe and polling mechanisms should be used to communicate with customers actively. Mobile technologies should be used more widely. The possibilities of the digital advertising grows daily, so it is necessary to follow the trends and to understand what instruments could be used for the particular company in order to achieve the best results. It is useful also to research the actual and potential customers in order to realize what kind of message do they get from the companies' marketing efforts (online and offline) and is it the same message that the company would like to deliver to the customers. The web site's orientation for individual or business customers is to be expressed in a more clear way.

It is also very important to analyze constantly the successful and unsuccessful advertising campaigns in order to understand what sort of efforts can bring the best results. The digital marketing assumes more freedom and flexibility in communications with the customers, so it is necessary to use these advantages in a proper way. Of course, there are certain rules and conditions to be followed, but digital marketing provides enough space for the creativity also. In other words, not only the technical possibilities matter, but the creative fantasy of the marketers as well. So, it looks odd when internationally famous companies demonstrate the lack of creative and technical competences in questions of digital marketing on a foreign market. The companies under review are rather large; they operate internationally and in Russia, in particular, for many years. The fact that they still allow such sort of negligence with their international Internet campaigns allows to suggest, that these violations may be typical for other Finnish companies' web sites which are oriented to Russian customers. So, it would be useful for Finnish businesses in Russia to be aware of these problems and to prevent its appearance during the Internet advertising campaigns for Russian customers.

General impression is that Finnish companies do not attend enough to the development of the digital marketing channel. The scope of used methods and instruments is quite limited. It seems that they tend to underestimate the effectiveness of the digital marketing methods and do not want to spend money and a lot of efforts on it.

7.2 Suggestions for further research

Due to the limitations of this work, there are some issues that remain beyond the scopes of this thesis work. However, in order to provide more detailed research on the subject, it would be interesting to investigate them as well.

One of the directions that could be suggested for further research is the actual attitude of the companies' marketing management towards the digital marketing and its place in the whole marketing entity of the particular company. In order to understand the success or the failure of the particular advertising campaign or digital marketing strategy in general, it would be useful to interview the management of the company and to interview the specialists who implement the strategy. It would be useful also to look into the process of the creating of the strategy itself.

Again, the online marketing instruments are updated constantly, the existing tools are modifying and the new digital tools are coming to the digital market, so it would be useful to monitor such novelties and to analyze whether or not each of them could be used in the particular digital advertising campaign.

To provide more detailed analysis of the existing digital advertising campaigns of the companies under consideration of this thesis it would be useful also to use special analytic systems; such are, for example, Google Analytics and Yandex Metrika. However, this information concerns the companies' marketing budget questions and can be characterized as confidential.

7.3 Reliability and validity

There is a fact that reviewed companies refused to provide the author of the thesis with any information about their actual digital marketing strategies and online activities in Russia. It made the thesis work process more complicated. In the end, the publically available information was used to create a picture of the particular campaigns and to provide the analysis. So, it is almost impossible to estimate the effectiveness of the Internet advertising from the companies' point of view. Based on the available information, only the general findings which are related to

common sense can be done. In other words, the author can suppose whether or not the particular campaign brings the effective results to the company or not. From the other point of view, such situation provides the possibilities for the unbiased assessment of the existing advertising campaigns from the customers' point of view.

However, to get more reliability of the results, it would be useful to observe the particular advertising campaign during the longer time period trying to find out the actual digital marketing strategy of the company. The number of the surveyed customers could be increased as well in order to get more opinions and more exact results of the final analysis.

Concerning the reliability and validity of this work results, it can be said that this thesis work provides only general recommendations and it is impossible to predict the exact results for the particular company without detailed research of the company and its circumstances and resources. However, the digital era is around and business should use all the available possibilities to be successful these days.

8 SUMMARY

This thesis work was conducted in order to find out about the most common problems with the representing of the Finnish companies in the Russian Internet and to provide recommendations on how to avoid mistakes in future. The findings of this thesis work might be interesting both to the companies under discussion and to other companies that intend to bring their businesses to Russia.

The topic of the thesis is related to the digital marketing and its methods. The research questions are related to how exactly the Finnish companies use digital instruments and possibilities provided by the Internet marketing channel during their operating in Russia. The author approaches the topic with great enthusiasm and motivation since Finnish goods are in great demand in Russia these days, especially in St. Petersburg and in the North-West region. At the same time, a lot of Finnish companies operate in Russia these days and many companies intend to go to the Russian market.

The theory part of this thesis work demonstrates the variety of the digital marketing methods and technics for the companies to represent themselves in the foreign market by the means of the Internet. However, it is still necessary for the companies to know their customers and to create their digital strategy in according to the customers' peculiarities and needs. The negligence with the implementation of the Internet marketing strategy can provide negative publicity for the business. So the Internet marketing has its own advantages over the traditional marketing, but it is a question of crucial importance to use it in the appropriate manner.

The empirical part of the thesis demonstrates that Finnish companies use the online marketing to promote their businesses in Russia. However, there are still some common problems with it. It seems that some of the companies are assured that it is enough just to have some web site and nothing more is needed. It seems that they do not attend enough to the quality of their digital campaigns in Russia and do not want to put more money and efforts into it.

In general, the author feel surprised with the actual results, since the common mistakes are quite primitive and highlighted even in basic books related to the

subject. However, even the large companies demonstrate such mistakes in their digital advertising campaigns. The general impression is that Finnish companies do not attend enough to the development of the digital marketing channel. The scope of used methods and instruments is quite limited. It seems that they tend to underestimate the effectiveness of the digital marketing methods and do not want to spend money and a lot of efforts on it. Obviously, this thesis work provides only general recommendations and it is impossible to predict the exact results for the particular company without detailed research of this company and its circumstances and resources, but the digital era is around and business should use all the available possibilities to be successful these days.

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APPENDICES

APPENDIX 1. The template of customers' survey.

The TABLES 2-11 represent the forms to collect the answers.

1. Have you ever visited this site before? Yes/No.

TABLE 1. The form to collect surveys' answers.

	Yes	No
The amount of answers yes/no		

2. What sort of information were you looking for? How successfully?

TABLE 2. The form to collect surveys' answers.

Variants of answers	Yes/No	Successful/not successful
Contact information		
Information about discounts and special offers		
Information about goods and services (prices, descriptions)		
Information about the brand		
Just curiosity		
Other		

3. How did you like the site's interface? Was it user-friendly enough for you?

TABLE 3. The form to collect surveys' answers.

Variants of answers	The amount of answers
Yes	
Probably yes	
I do not know	
Probably no	
No	

4. Does the site's design help to form positive attitude among Russian clients towards the company?

TABLE 4. The form to collect surveys' answers.

Variants of answers	The amount of answers
Yes	
Probably yes	
I do not know	
Probably no	
No	

5. Please, estimate the quality of the site's content (text and images).

5a. Do the texts have a proper quality? In other words, do the texts have good translation, no mistakes, appropriate vocabulary etc.?

5b. Do the texts match the cultural context, i.e. are they oriented to Russian customers, and are the texts clear? Is the represented information up-to-date for Russian customers in particularly?

5c. Do the images have appropriate quality? Are they not too small, not too big, with enough resolution etc.?

5d. Do the images match the cultural context? In other words, do you feel like you could be in those pictures? Do they demonstrate essential views to you, to Russian culture? Do the images look native to you?

TABLE 5. The form to collect surveys' answers.

The answer	The amount of the voters for the particular answer			
	THE TEXTS		THE IMAGES	
	5a. The quality of performance	5b. The cultural context	5c. The quality of performance	5d. The cultural context
Yes				
Probably yes				
I do not know				
Probably no				
No				

6. Does the site have enough functionality? What else would you like to see there?

TABLE 6. The form to collect surveys' answers.

Variants of answers	The amount of answers
Yes	
Probably yes	
I do not know	
Probably no	
No	
Other	Online store, subscribes, feedbacks

7. Do you remember any on-line advertising of this company?

TABLE 7. The form to collect surveys' answers.

Variants of answers	The amount of answers
Yes	
Probably yes	
I do not know	
Probably no	
No	
Other	

8. Have you ever been to the official community of the company in the social network?

TABLE 8. The form to collect surveys' answers.

	Yes	No
The amount of answers yes/no		

9. On what purpose have you visited the community? How successfully?

TABLE 9. The form to collect surveys' answers.

Variants of answers	Yes/No	Successful/not successful
Contact information		
Information about discounts and special offers		
Information about goods and services (prices, descriptions)		
Information about the brand		
Just curiosity		
Other		

10. Have you ever used any on-line communication channel to contact with the company (such as site's feedback form, social networks communities, official or unofficial forum etc.) If yes, then were you satisfied with the quality of the on-line provided service?

TABLE 10. The form to collect surveys' answers.

Variants of answers	The amount of answers
I have not ever tried	
Yes	
Probably yes	
I do not know	
Probably no	
No	