

Esko Salo

**Adaptation of Maspart.com to Russian e-commerce**

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## **Thesis Abstract**

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Author: Esko Salo

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The current study explores the challenges for adaptation of a company to the Russian e-commerce market. The thesis was written for Maspart.com, which is an e-store located in Finland. The Russian e-commerce market is one of the fastest growing in the world and that makes it extremely attractive for companies which desire to expand. The current work aims to provide economic and cultural information about the Russian market and business environment.

The theoretical part of the study presents information about e-commerce, Russia as a market area, as well as the business practices and culture in Russia. The information includes two perspectives, business-to-business and business-to-customer. Broad information about the case company, Maspar.com, and Russian e-commerce practices is presented in the Research environment chapter of the thesis. Moreover, Russian purchasing behavior towards products which are similar to Maspart.com's portfolio is closely observed.

The survey was conducted by using a qualitative research method. Interviews with six Russian companies were held in order to gain an insight into their buying behavior in the B2B environment. The aim was to reveal the current practices used in Russia, such as payment methods, ordering process, sources of information, and advertisement channels.

The conclusion of the thesis includes ideas and recommendations for the adaptation of a company to Russian e-commerce. In addition, Russian business behavior is broadly discussed.

Keywords: e-commerce, Russia, e-store

SEINÄJOEN AMMATTIKORKEAKOULU

## Opinnäytetyön tiivistelmä

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Venäjän verkkokauppa on saanut paljon myös mediahuomiota, sillä se on yksi kaikkien aikojen nopeimmin kasvavista markkinoista tällä hetkellä. Tämän takia monet yritykset ovat alkaneet tutkia mahdollisuuksiaan sijoittua Venäjälle.

Opinnäytetyö on tehty suomalaiselle Maspert.com -verkkokaupparyitykselle, joka on kiinnostunut laajentamaan liiketoimintaansa Venäjän e-kauppaan. Työn tarkoituksena on tutkia kyseisen verkkokaupan soveltuvuutta Venäjän e-kauppaan sekä antaa yritykselle tarvittavaa tietoa, jota voi käyttää verkkokaupan kehittämiseen.

Teoreettinen osa sisältää tietoa e-kaupasta, Venäjästä liiketoiminta-alueena sekä Venäjän kulttuurin vaikutuksista. Maspert tekee kauppaa yksityisten sekä yritysten kanssa, joten molemmat näkökulmat on huomioitu.

Tutkimusympäristössä perehdytään laajemmin Maspertin, Venäjän e-kaupan käytäntöihin ja nykytilanteeseen sekä nykyiseen ostokäyttäytymiseen Maspertin tuotevalikoimaa kohtaan.

Tutkimusmenetelmänä on käytetty laadullista tutkimusta, jossa on haastateltu 6 venäläistä yritystä. Tutkimuksen tarkoituksena on ollut saada tietoa venäläisten yritysten välisistä kauppakäytännöistä kuten maksutavoista, ostokäyttäytymisestä, tietokanavista sekä markkinointivälineistä.

Keywords: e-commerce, Russia, e-store

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# 1 Introduction

Many companies are nowadays interested in expanding their business available to Russian markets even though it is completely unfamiliar area for them. Everyone who knows Russian commerce can say that it is very challenging. Starting business operations can be described as rocky road, full of obstacles. There will certainly be many problems and surprises on the way. Russian customers are very demanding and they expect perfection. Russian market can offer a great success if the company is ready to face this challenge.

This study is done on request of the case company Maspart.com – a Finnish E-store who is interested to access Russian market. Maspart.com is a new and growing E-store with a network of over 130 different partners. Customers can choose from 3900 different products offered by 75 different companies. Wide portfolio covers the following categories; real estate management, transportation, construction, agriculture, material handling, forestry and building.

The company does not have storage nor it handles packages, import or export operations. Once customer places an order in the E-store, it will be automatically forwarded to the right supplier, and then supplier will send the product straight to the customer. Company concentrates on marketing, sales activities and customer service. This study includes essential information about understanding the structure of Russian market, business practices, culture, consumer behavior, payment methods and knowing where the industrial areas and prosperity are located

## 1.1 Research method

Qualitative research method was chosen for the purpose of this study. This includes interviews with case companies. Interviews concentrate on studying the company's practices in Russian B2B environment.

## 1.2 Objectives

The study concentrates on the current Russian business climate and opportunities for the case company - a Finnish E-store. The main objective is to get an insight on Russian economy and culture by offering answers to the following questions:

- What is the current situation of E-commerce in Russia and what is the prospective?
- Is the company's business model applicable for Russian market?
- What are the challenges to succeed?
- What marketing channels are applicable for the company?

The secondary objective is to provide company a good knowledge of Russia as the business area. This includes;

- General information about Russia and its economy
- Pointing out different regions in order to understand Russia as market area better
- Ideas and recommendations to the company

Research is targeted to potential business customers in order to study their behavior and practices on Russian market since the information on this aspect is limited.

## 1.3 Limits

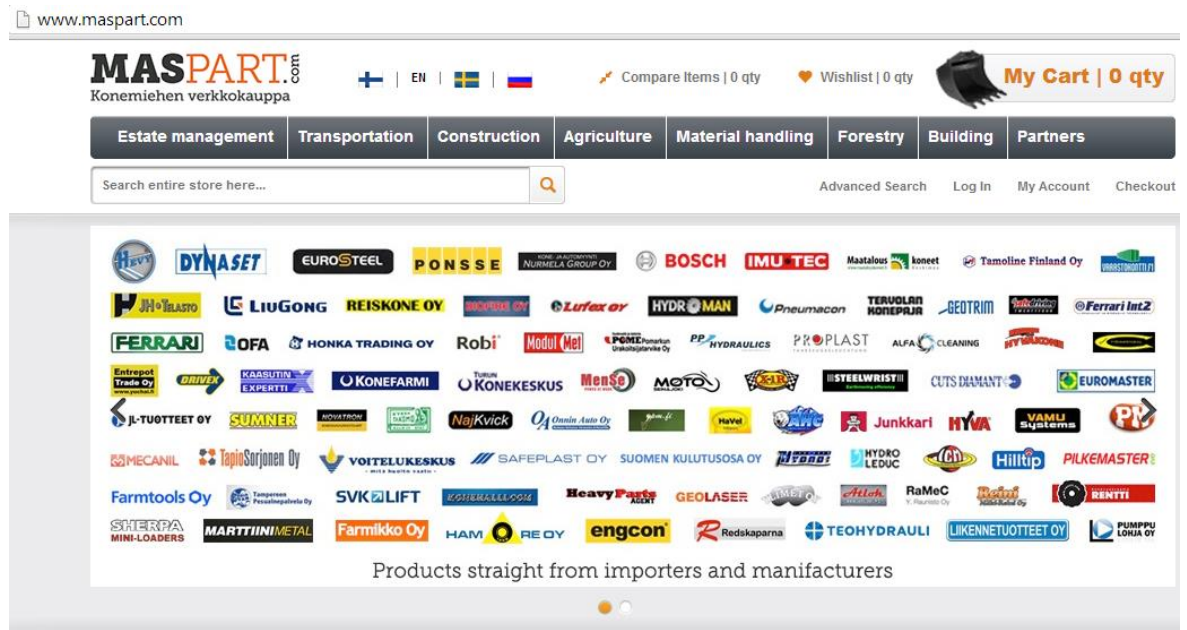
Since the case company works with both business and private customers, both B2B and B2C perspectives are taken into consideration. In order to understand Russian culture better, it is compared into Finnish cultures because the owners of Maspart.com are Finnish.

Case company's business model makes it easy to expand to new market areas. They have now successfully implemented their business model in Finland and are planning to expand to Russia. The company has not yet successfully expanded to



the Russian markets. Furthermore, general information about Russia is presented in this study.

## 1.4 Case company



### Featured Products



Figure 1 Maspart E-store (Maspart, 2013)

Maspart.com is a new and growing Finnish E-store with a network of over 130 different partners and the number is growing rapidly. Product portfolio includes currently around 3900 products offered by 75 different companies. Wide portfolio covers the following categories; real estate management, transportation, construction, agriculture, material handling, forestry and building.

Maspart.com works like any other E-store; customer has own virtual shopping cart where he or she can add products. After products are added the customer is required to pay in advance and only then the products will be delivered.

Management of Maspart.com consists of 5 people with a wide range of experience, CEO of the company is Kim-Jussi Nurmela who has over 10 year

experience of e-business and Seppo Salomäki has sold machinery for over 20 years. The idea of establishing Maspart.com came the first time on spring 2012 and after just few months it was under development. The shop opened for the public on 23th of January 2013 together with 30 different partner companies. In the near future the plan is to expand this business available to Poland and Sweden as well.

## 2 Theoretical background

### 2.1 E-commerce and E-business

There are several definitions by different authors and organizations about Electronic commerce (E-commerce) and Electronic business (E-business). Some of the scientists define E-commerce different from E-business, but some say it means the same. Here are some examples how different authors define E-business:

The first known definition about E-business was formulated by IBM in 1997: "The transformation of key business processes through the use of Internet technologies" (IBM, 2014)

Stephen Chen: "The conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners" (Chen, 2005, 2)

Harrison and Van Hoek view that E-business is associated with B2B trade while E-commerce is related to B2C trade. Their definition is: "Trading with a firm's suppliers and business customers – that is, business-to-business – by electronic means. (Harrison, 2008, 239)

E-commerce is defined as follows:

Kim and Moon: "The delivery of information, products and services, or payments via telephone lines, computer network or any other electronic means" (Kim, 1998, 2)

Vladimir Zwass: "The sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks" (Zwass, 1998).

Chaffey (2007): "All electronically mediated information exchanges between an organization and its external stakeholders" (Chaffey, 2007, 14)

Many authors argue that E-business has a broader meaning than E-commerce. This is because E-commerce refers only to selling or buying while E-business includes aspects like; customer service and collaboration with business partners.

However, E-commerce can be looked from many different perspectives, for example; from **communications perspectives** E-commerce is a flow of information, payments, products and services over different electronic channels. **Business perspective** views that E-commerce uses technology in order to automate business transactions. For **service perspective**, E-commerce is a tool for customers and managers of the company which is used to reduce costs improve quality and cut the delivery times. In this study, the E-commerce is viewed as an **online perspective** which sees E-commerce as an atmosphere of products, services and information available online (Chaffey, 2007, 8-11). Viewing in this perspective makes E-commerce synonymous to E-business. The most exact definition for the purpose of this study is defined by Vladimir Zwass.

### 2.1.1 Categories of E-commerce

E-commerce can be categorized into 5 ways; business processes, business-to-business (B2B), business-to-customer (B2C), customer-to-customer (C2C) and business-to-government (B2G).

Here are some examples in order to understand better these categories;

- E-store establishes secure internet connection together with suppliers in order to share information sales and sales forecasts. This makes the supplier more aware of the situation and well prepared for the orders. This is known as business processes.
- Company orders product from a supplier and puts them to storage (B2B)
- Customer purchases product from E-store (B2C)
- Customer sells product through forums to another customer (C2C)
- Russian government allows businesses to sell online in Moscow (B2G)

The most used category is B2C; this is when the customers are shopping online. Transactions between businesses are called B2B. Sales in B2B are much higher than in B2C as it is visible from figure 2. Third most popular category is business processes, this means when governments, companies or organizations use internet technology in order to improve their purchasing and selling activities. These three are the main elements of E-commerce. (Schneider, 2011, 4-7)

### **2.1.2 B2C and B2B online sales**

Online shopping is a part of E-commerce which has been invented already in 1979 by Michael Aldrich (Tkacz, 2009, 255). The invention of online shopping and the development of E-commerce have changed commerce dramatically (Leskinen, 2011). Total market of E-commerce in Europe was 157 million euro on year 2011 (Morgan, 2011). Increased popularity of E-commerce has changed customers' behavior and decision making process. Nowadays people can easily find several companies online and compare their products. Customers become more aware and are capable of using several digital sources during decision making process (Decisions, 2011).

Year	B2C Sales: Actual and Estimated \$ Billions	B2B Sales (including EDI): Actual and Estimated \$ Billions
2011	360	9500
2010	330	8600
2009	300	7500
2008	270	6500
2007	230	5600
2006	200	4800
2005	170	4100
2004	130	2800
2003	100	1600
2002	80	900
2001	70	730
2000	50	600
1999	25	550
1998	10	520
1997	5	490
1996	Less than 1	460

Figure 2 Total online sales in B2C and B2B (Schneider, 2011, 9-10)

The figure above is from year 2008, and it represents the actual and estimated online sales. Investors have spent more than 100 million dollars to start more than 12 000 internet related businesses between 1997 and 2000. At that time, many investors were scared of losing the opportunity of a lifetime and started investing to the Internet businesses. The price of good ideas increased. Unfortunately, some of them suffered from bad implementation, and many bad ideas were funded. More than 5 000 of these companies dropped out of business on year 2000. On years, 2003-2005 many troubled businesses were purchased and the second wave of financial investments started. Good ideas, which suffered bad implementation before got a second chance and a rebirth of online business have started. The annual growth rate of E-commerce is currently between 10-20%. However, still billions of people in the world do not have computers or access to the Internet, once the price of computers decreases and people get access to the internet it is expected that electronic commerce might face another dramatic expansion. (Schneider, 2011, 9-10)

### **2.1.3 Advantages and disadvantages**

E-commerce allows companies to increase sales and profit and lower costs. There are several advantages of E-commerce; some of them are listed below:

- Good advertising can make even a small company to reach many potential customers around the world
- Companies can reach individual people who have same interests but are spread around the world.
- Negotiating about the price and delivery methods is easy since Internet helps companies to obtain new information.
- It lowers the risk of human error through automated systems
- It increases the accuracy of the delivery of the orders
- It helps sales people by determining the availability of products
- Buyers can choose from a wider range of products compared to traditional commerce
- Online shops are open every day 24 hours
- Buyers can have instant access of detailed information about the product on the web
- Digital products can be delivered through internet in no time.
- Important documents can arrive quickly and safely through Internet
- Makes the process of monitoring payments easier
- People from distant areas can learn and study degrees through Internet.

However, not all businesses can take advantage of E-commerce. For example, companies, which sell easily perishable food products or unique items, which are impossible to inspect from a distance, are unable to sell their products online. Nowadays the biggest disadvantage is caused by the innovations and rapid development of technology. Nevertheless, this will change once the E-commerce is mature enough to become more available and accepted by the masses.

#### **Some of the disadvantages are listed below:**

- Products such as fruit, vegetables or unique items are difficult to sell since most of the customers want to examine their quality before buying

- Prior to E-commerce, it is difficult to estimate costs and return-on-investment. The technological background of E-commerce can change unpredictable and cause companies to have difficulties in finding skilled employees to keep E-commerce system working effectively.
- Moving to E-commerce might be very expensive for companies who have existed for a long time and who have big customer databases since they will need help of a third party consultation or a software company.
- Legal and cultural issues if E-commerce is implemented to a foreign market.
- Some of the customers are afraid of using online stores or paying over the internet due to their habits, and they prefer to use retail stores.  
(Schneider, 2011, 17-20)

#### **2.1.4 B2B E-commerce**

In B2B E-commerce, the advantages are similar as mentioned in the last chapter. Companies who are doing B2B are aiming to:

- Being able to sell or purchase globally
- Buy and sell at any time, day and location
- Save costs by having less personnel
- Save on showrooms and storage space
- Improve customer service

However, compared to B2C E-commerce the advantages of B2B come from:

- Ability to integrate the business processes with partner companies in order to gain fully automated supply chain and demand chain
- Possibility to create enterprise resource planning system
- Storing data and mass customization

B2B E-commerce is much more complicated compared to B2C, but if it is successfully implemented it can offer many good features. Such as; Company will be able to increase the net value of products and trade them in larger quantities. In B2B environment, much more payment methods are available compared to B2C



E-commerce, whereas credit cards are the main forms of purchasing. (Chan, 2001, 349-352)

### **Business models**

In case company is offering physical goods there are three different business models which are available to the company;

#### 1) Buyer orientated E-commerce system

This E-commerce system suits a large corporation, which purchases large amounts of several different goods. The benefit of this system is that buyers do not need to search for suppliers; they just need simply to send their need of products and suppliers will contact them. This process will be handled electronically; it will save time and costs.

#### 2) Seller oriented E-commerce system

This system is suitable for companies who are marketing or producing goods to a large amount of small or medium size companies. This system is also known as "one to many". Companies who use this system normally have their own customer service, product catalogue, and they are also organizing the product deliveries. The customer will also have own virtual shopping cart and he is capable of retrieving order information of his previous orders.

#### 3) Market place of multiple buyers and sellers known as "Virtual markets"

This system is built on software application, which provides a meeting place for many different vendors and buyers. These kinds of market places are normally focused on one specific industry or sector. Virtual market place is expected to have a high chance to grow in the future. However, all sectors are not suitable for virtual markets and the starting company should carefully consider on what sector or industry to specialize. Some characteristics, which are suitable for virtual markets, include:

- Non standardized products which require a high level of customization

- Market place where buyers and sellers are spread to several locations
- Products which are perishable and require special transportation or big warehouses
- Goods which are needed to supply temporal shortages.

In virtual markets, both buyers and sellers are accessing the system time to time to update information, price or add new products to sell. (Chan, 2001, 352-364)

## **2.2 Russia**

This chapter will introduce Russia and its economy, the aim is to understand;

- Russia as a country
- Where the biggest Russian cities are located
- Where the prosperity is located
- Where the industrial areas are located
- Russian current economic situation and how the future looks like

Russia is the biggest country in the world if measured by square kilometers. Size of Russia is 17.075.400 sq. km. which is about a ninth of the Earth's land area. Russia is the ninth most populous nation with around 143 million residents. Nearly 80 percent of Russian residents live in the European part of Russia, the majority, 73 percent of the residents live in cities. (Statistics, 2010)

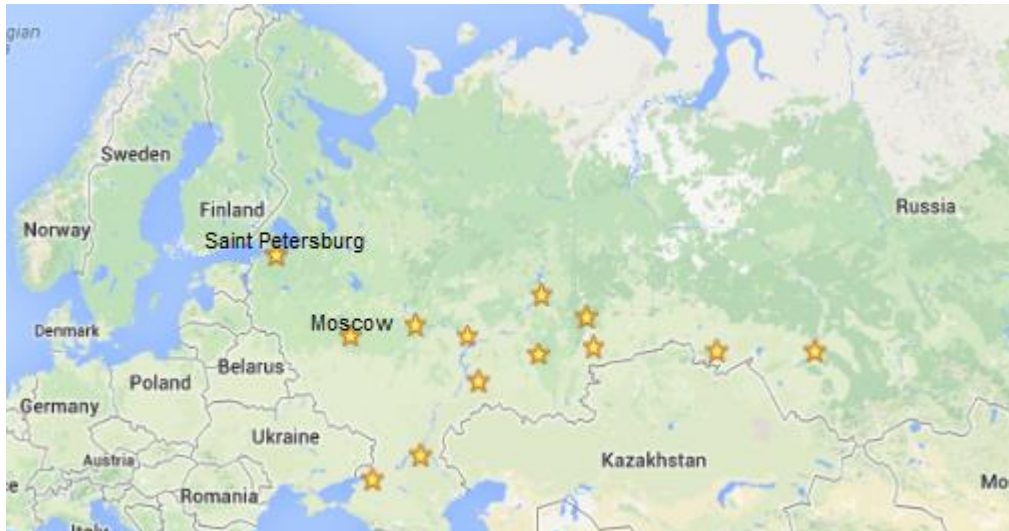


Figure 3 Cities over one million population (Profile, 2013).

The marks in Figure 9 represent the 13 cities which have population over a million people. The most populated cities are the capital Moscow, with 10.1 million residents, and Saint Petersburg, with 4.57 million residents. The other 11 cities have a population of 1 to 1.42 million.

Scandinavian companies which are interested in Russian market often want to expand their business only to St. Petersburg. The reason is; the location, high population, long history in trade and good infrastructure. However, there are many other cities, with less population and good business perspectives, which are still undiscovered by Scandinavian companies. The currency used in Russia is ruble (RUB) one ruble is divided into 100 kopecks. Top countries for export are Germany, Netherlands, Turkey and Italy. Top import countries are Germany, China, Japan and Ukraine. (Profile, 2013)

Russians multiethnic society, top ethnical groups are; 82 % Russians, 4% Tatars and 3% Ukrainians. Official language is Russia and over 80% of the people speak it as their mother tongue. However, other languages are used among the ethnical groups. English is not widely spoken in Russia even though it is getting more popular especially in the biggest Russian cities. Main religion in Russia is Orthodox (Rosstat, 2012).

Russia is a large producer of natural gas holding the second largest natural gas reserves in the world. In addition, Russia has second largest coal and eighth largest crude oil reserves. Russia is the world's leading oil producer since it

passed Saudi Arabia in oil producing on year 2011. Furthermore, Russia is the top exporter of metals, especially in primary aluminum and steel. (TWF, 2013)

Russians relatively undiversified economic structure put it in a vulnerable position to the potential external shocks especially to the sharp decline in oil or natural gas prices. Permanent decline in energy prices would cause a significant drop in Russian's growth. (RF, 2013, 15)

At the moment, Russia is planning to create a new economic bloc called the Eurasian Economic Union. Challenges of Russian economy for the future will be decrease in the workforce, wide corruption and lack of an investment on infrastructure.

Main industries of Russia are listed below:

- Mining and extractive industries which produce coal, oil, gas, chemicals, and metals.
- Machine building, from rolling mills to high-performance aircraft and space vehicles.
- Defense industries including radar, missile production, and advanced electronic components
- Shipbuilding, road and rail transportation equipment, communications equipment,
- Agricultural machinery, tractors, and construction equipment, electric power generating and transmitting equipment,
- Medical and scientific instruments; consumer durables, textiles, foodstuffs, handicrafts. (TWF, 2013)

### **2.2.1 Macro economy**

Before planning to start a business in a wanted market area, it is important to take a look how the country's economic situation looks like. Economy includes macroeconomic and microeconomic activities. Economic performance can be measured by using macroeconomic indicators, which measure the economy as a whole. Macroeconomic indicators include; growth, inflation, interest rates,

unemployment and exchange rates. On the other hand, microeconomic activities measure behavior of workers, households, companies, and individual markets, such as sectors or industries. Macroeconomics can be described as the product of all the micro economic activities. (Taylor, 2012, 7)

### Gross Domestic Product

Gross domestic product, or GDP, measures the economic activities in the country. GDP is widely used to measure economic growth. Growth can be either positive or negative. Negative growth is associated with economic depression or recession.

GDP stands for the market value of all goods and services produced by certain economy during the period of measurement. GDP includes government purchases, paid-in construction costs, private inventories, personal consumption and the foreign trade balance. In addition, exports are added to the calculations and imports are subtracted.

GDP is not the best indicator to measure prosperity. The reason is that it does not include aspects of a good life, such as leisure activities or economically valuable activities, which are not paid for. However, it does include activities which lower the quality of life, such as damaging the nature. (Taylor, 2012, 5)

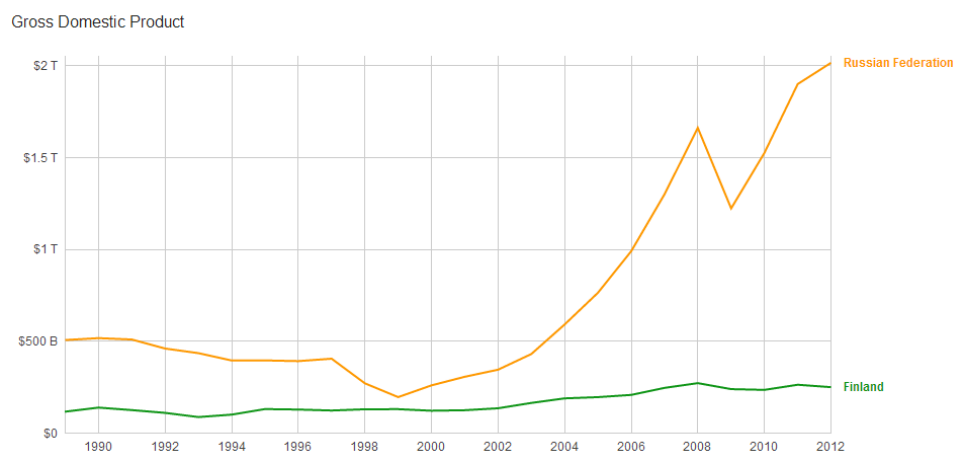


Figure 4 GDP Development in Russia and Finland (TWF, 2013).

Russian economy has changed significantly since the collapse of the Soviet Union. It used to be an isolated economy, but now it is turning into a more global

economy (TWF, 2013). On year 2012, GDP of Russia was about \$2.0148 Trillion, while in Finland GDP was \$250.0244 Billion.

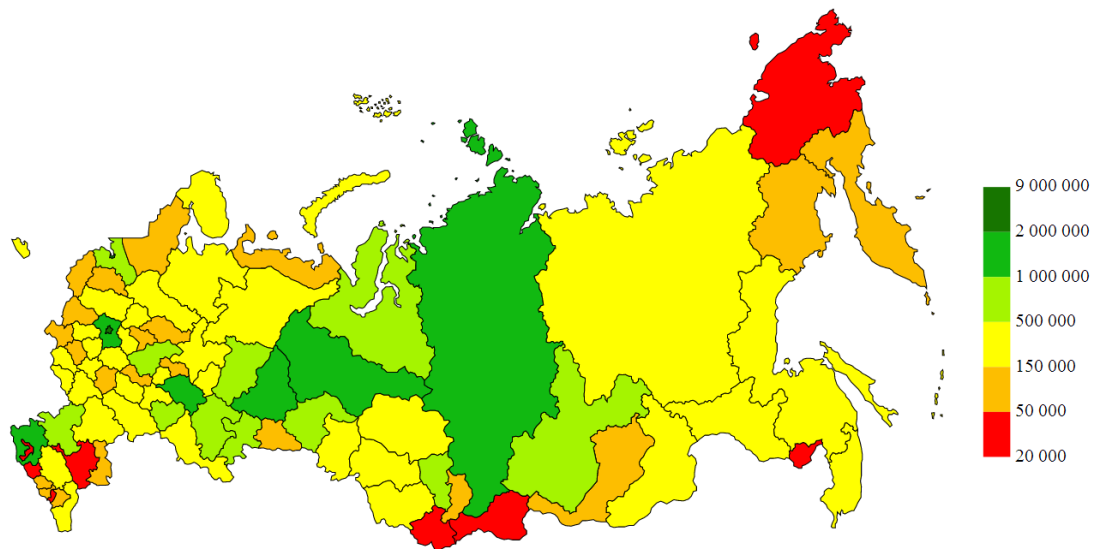


Figure 5 GDP distribution by regions (Regions, 2013)

Figure 5 illustrates the GDP distribution by region. The numbers are in million rubles.

### **Inflation**

Inflation is often seen as an increase in the overall price level. Consumer Price Index, also known as “CPI” and GDP Price Deflator are indicators which are often used to measure the level of inflation. CPI measures the average price of final goods and services purchased by a household. The purchased goods and services together form the market basket.

GDP Price Deflator is used for the same purpose as CPI, but with a key difference. While CPI is based on fixed basket of goods and services, GDP Price Deflator shows broader view. Moreover, the benefit of using the deflator is that it automatically includes changes of customers’ behavior.

Inflation is argued to have both negative and positive effects on the economy. The negative effects could be a decrease in the real value of money and effect on the purchasing power. The uncertainty about the future discourages people to invest or save money. High inflation rates can lead to shortages of goods, as consumers will start to buy a significant amount of goods. The reason is that they are afraid of

a future increase in the prices. Positive effects of inflation could be a debt relief by reducing the real level of debt and mitigation of economic recession. (Taylor, 2012, 4)



Figure 6 Inflation rate in Russia (Indicators, 2013)

December 2013, inflation rate in Russia was 6.5%. Many countries try to keep the inflation rate between 2-3% which is considered to be a normal. If the inflation rate is 6.5% and it remains the same, it means that if one unit of metal costs 100€ today, it will cost 106.50€ in one year.

CPI in Russia is formed as follows:

- 30% Food & non-alcoholic beverages
- 14% Transport
- 11% Clothing and footwear
- 11% Water, electricity, housing, gas and other fuels
- 6% Cultural activities and recreation
- 6% Tobacco products and alcoholic beverages
- 6% Household appliances
- 16% Communication, health, education, restaurants, hotels and other goods and services. (Indicators, 2013)

## Unemployment rate



Figure 7 Unemployment Rate in Russia (Indicators, 2013).

November 2013, the unemployment rate in Russia was 5.4%. The highest unemployment rate of 14.1% was recorded in February 1999, and the lowest - 4.9% in January 1993. The unemployment rate in Russia is measured by the number of people who are actively looking for a job, compared to the labor force. (Indicators, 2013)

## Interest rate

Interest rate is expressed as a percentage or an annual rate. It is calculated from the total amount of loaned money. Developed economies offer various interest rates depending on the loan taker. The interest rate is influenced by the longevity of the loan, the assessment of the risk, and the loan taker. Loans which are not meant to be paid for many years use bond yields instead of interest rate. Bond yields are determined by market forces, while short term rates are determined by central banks. (Taylor, 2012, 6)



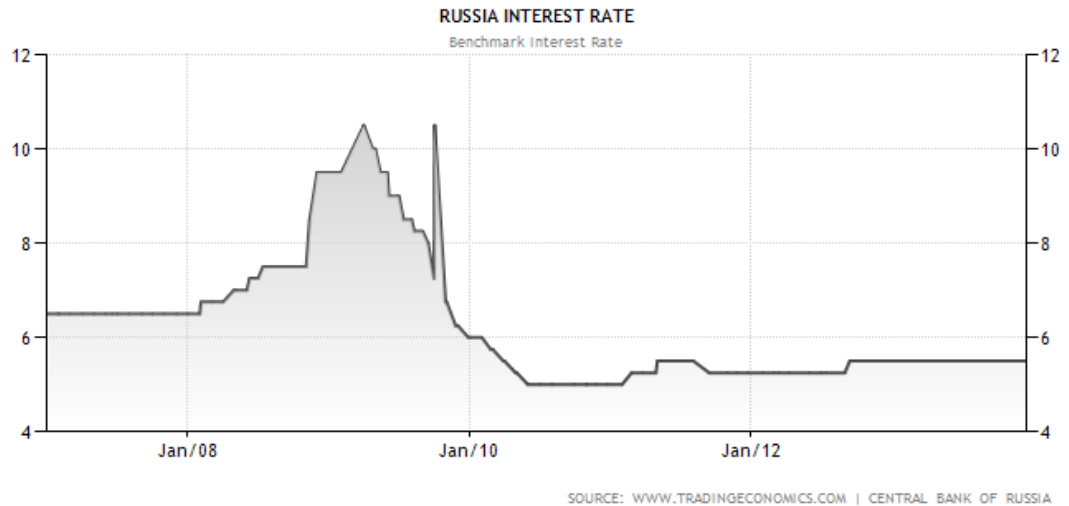


Figure 8 Interest rate in Russia (Indicators, 2013)

The Central Bank of Russia is in charge of reporting the interest rates. The last recorded rate was 5.5%. The highest interest rate in the history of Russia was 10.5% in April 2009, and lowest rate ever reported was 5% in June 2010. (Indicators, 2013)

### Exchange rate

Exchange rate stands for the price at which one unit of currency can be converted into another. During the years, politicians and economists often changed their opinion about how to control exchange rates. Nowadays, many economists believe that the best way to control exchange rates is to be part of a strong currency union such as EURO or have freely floating exchange rates. (Taylor, 2012, 7)

US Dollar (\$) ⇒ Russian Ruble (RUB) (USDRUB)

RUB ⇒ \$

**1 USD = 33.3687 RUB** +0.01620 (0.049%)

Jan 15, 5:00PM GMT



Figure 9.USD to RUB exchange rate (Converter, 2014).

Russia was one of the countries which suffered the most from the economic crisis in 2008-09. The oil price crashed down and the foreign deposits were withdrawn. The latter affected significantly on the foreign exchange rates, as it is visible from Figure 9.

### 2.2.2 Economic forecast for 2013-2015

It is estimated that GDP growth will exceed 3% in 2014 and 2015. However, this requires that European economies will improve. If the global recovery is delayed, it will slow down the economic growth in Russia. For example, the export growth will suffer. There are also risks in oil price change and other Russian export commodities, such as metals. On the other hand, a slight upside surprise is possible, as well.

The income of the households will slow down, and the inflation rate will start to decline. It is expected that the inflation rate will decline gradually during the forecast period. As a result, the purchasing power of households will increase.

Russian growth in exports will remain quite low. Nevertheless, the imports are expected to rise around 5-6% during 2014 and 2015. The unemployment rate is expected to remain low. (BOFIT, 2013, 1-4)



Figure 10 Russian GDP and imports (BOFIT, 2013, 4)

### 2.2.3 Industrial centers

This chapter includes a list of 250 large industrial centers of Russia. The list can be found from appendix 1 and it includes information such as: city, region, population, industrial activities and names of the leading companies. It is also indicated in what industries the companies are operating. The first two results from the list are below as an example:

Ranking, 250 Largest Industrial Centers of Russia

No	City	Region	Population, tsd. (2010) (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
1	Moscow	Moscow	11514	1895,2	<b>Mechanical engineering</b> (Russian Federal Space Agency, Russian Technologies State Corporation, Renault, United Technologies, ABB, Bombardier, Volvo, Alcatel-Lucent), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi), Uniconf, Kraft Foods, Cherkizovo, Ostankino, Efes, JTI, BAT, Coca-Cola), <b>Oil and gas refinery</b> (Gazprom Neft), <b>R&amp;D</b> (Gazprom, Russian Federal Space Agency, Rosatom Nuclear Energy State Corporation, RusHydro, Siemens, Samsung, Intel, Russian Technologies State Corporation, Boeing, Dow Chemical, LG, Areva), <b>Pharmaceuticals</b> (GlaxoSmithKline)
2	St. Petersburg	St. Petersburg	4849	1282,7	<b>Food, drink, tobacco industry</b> (Carlsberg, Philip Morris, JTI, BAT, Orkla Foods, Coca-Cola, Heineken, Mars, Kraft Foods, Procter&Gamble), <b>Mechanical engineering</b> (Power Machines, United Shipbuilding Corporation, Russian Technologies State Corporation, OJZ (Uralmash-Izhora Group), Toyota, Nissan, GM, HP, Philips, Schneider Electric, Hyundai, Siemens, United Technologies, Johnson Controls), <b>Ferrous metallurgy</b> (Severstal), <b>Construction materials</b> (LSR), <b>Chemical industry</b> (Linde Gas), <b>R&amp;D</b> (Gazprom, Norilsk Nickel, Rusal, RusHydro, Surgutneftegaz, Severstal, Russian Federal Space Agency, Rosatom Nuclear Energy State Corporation, Polymetal, Intel, LG, Alcoa)

Figure 11 Top 2 Largest Industrial Centers in Russia (Centers, 2010).

In order to recognize where the Russian prosperity is located, it is good to take a look at the map of the largest industrial centers. These areas play a significant role in the national economy and prosperity.

The following 250 industrial centers represent 25% of Russian cities, 66% of urban population and 76% of national industrial production. A peculiar fact is that highly populated cities do not always have the industrial power. Moscow and St. Petersburg are ranked 1<sup>st</sup> and 2<sup>nd</sup> to the list and they are the most important industrial centers in Russia.

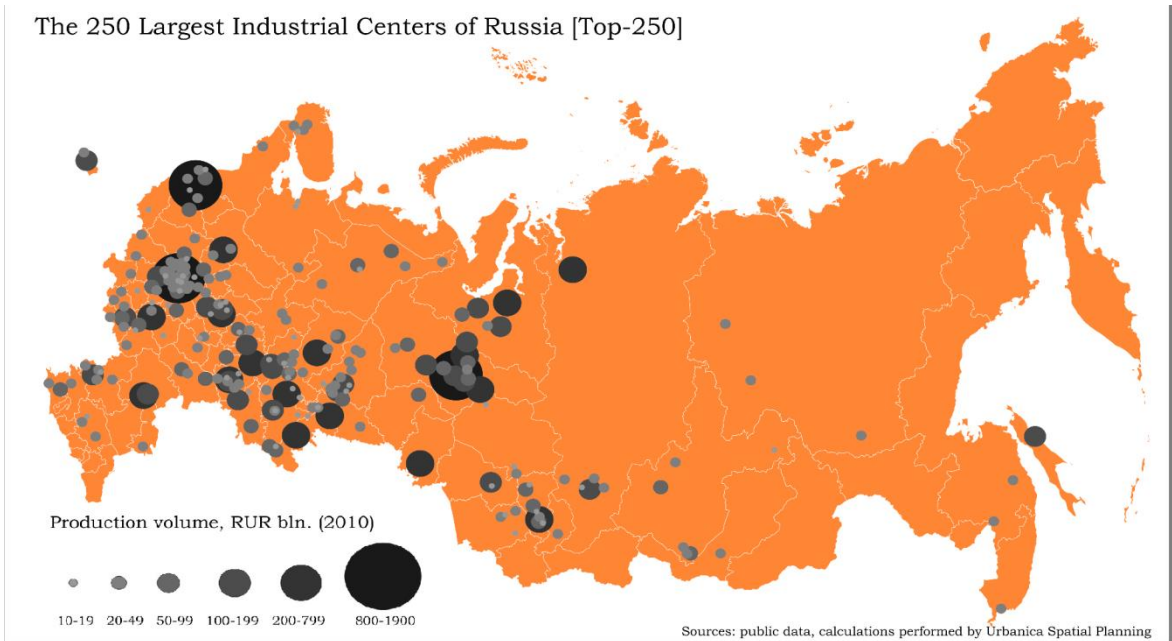


Figure 12 Top 2 Largest Industrial Centers in Russia (Centers, 2010).

Cities which are specialized in processing natural resources, such as oil and gas, mining, metallurgy, electric power generation, chemical, pulp and paper, have 140 positions in the ranking. Furthermore, half of them are in the top 100. There are some cities which are currently facing post-industrial transformation (from industry to services). The following cities are ranked low on the list but they have high level of prosperity. For example, the cities of Sochi (not in ranking), Khabarovsk (187.), Vladivostok (127.), Belgorod (96.), Tomsk (84t.), Tyumen (66.) and Krasnodar (61.).

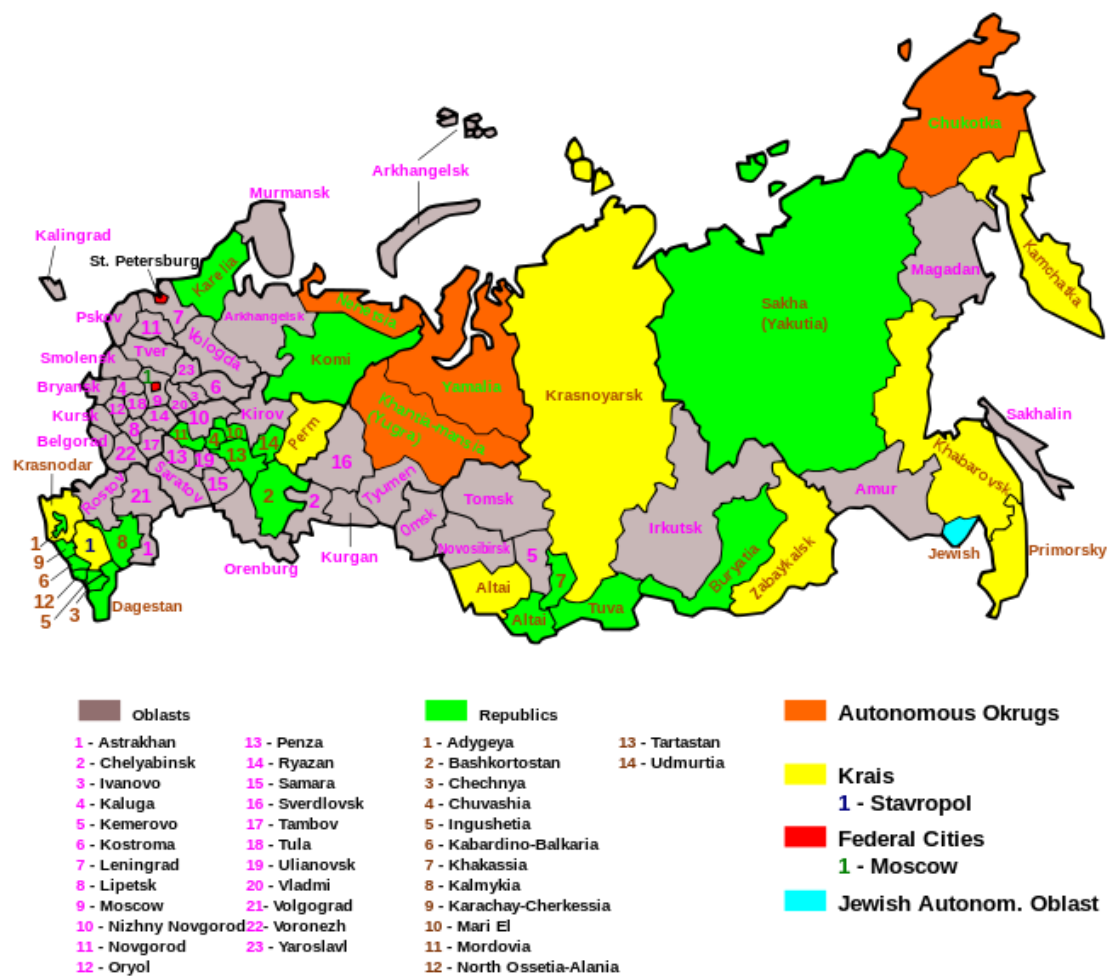


Figure 13 Regions in Russia (Regions, 2013).

### 2.3 Doing business in Russia

Many small and medium-sized Finnish companies are only seeing Russia as a destination to export. Many times companies are satisfied and depending on only

on one or two distributors. However, this includes a high risk since in the global economy the distributors tend change the supplier for better deals. Furthermore, distributor has all the information about the customers and supplier might be left empty handed if cooperation ends. This risk is valid especially for the companies who do not manufacture their own goods and their business is relying on intermediating items to Russians.

These risks can be avoided by changing the company's business strategy to fit the Russian market. If the company has resources, it is advised to establish own distribution networks, regional and sales offices. Russia as the market place has much more to offer than the ability to export.

There is a very low amount of western companies who operate in regional markets of Russia. These market areas are much less developed compared to the St. Petersburg or Moscow. Furthermore, the cost of the labor is also much lower. Regional markets can also be a great opportunity for making business; however the companies must invest strongly to knowledge and experience. In addition, it requires careful planning and good business strategy.

Leading Finnish companies are afraid of Russian markets; they are very careful with investments and scared to lose their money. There are still many fears and prejudices left from the last decade.

Russian markets are very dynamic, and when company is making a risk analysis they should always search for fresh knowledge. The biggest risk on Russian markets especially from the Finnish company's point of view is that the actual opportunities to expand and broaden business are not used.

When Finnish companies still have competitive advantages and they see the opportunities they have often over-cautious approach, the aim is to achieve market shares at the lowest possible cost. This might raise the results but only short-term but it will never bring a supportive and sustainable position in Russia. Instead, if the company would take full benefit of the opportunities, Russian market could guarantee the company's profitability for decades. (Zashev & Kaartemo 2008)

### 2.3.1 Russian consumption style

In this chapter only B2C information is presented since there was no information available about B2B consumption styles in Russia.

Nevertheless, this information is still beneficial for B2B point of view because in Russian business environment individual decisions play big role in company's decision making process. Managers of companies in Russia use strong leading style, where managers are expected to make decisions for the whole company.

Nowadays, there are several consumption habits. Customers' attitude in Russia is changing since the purchasing power in Russia is increasing. A study was performed by GFK Russia in order to recognize different consumption styles in Russia. The results include seven different consumption styles which are presented below:

#### 1) Innovators – 15%

- Much higher consumption potential than average. The majority of this group is below 30 year old. Furthermore, half of the group is formed by business man and officials from different companies who live in a metro area.

#### 2) Spontaneous – 17%

- Dominated by male if compared to the innovators. This group has average level of potential; however, this group acts quite similarly than innovators. Most of the people who belong to this group are in hurry; they want to save time and they tend to buy spontaneously. Furthermore, studies shows that people who belong to this group mainly have only secondary level of education and they have full time work.

#### 3) Ambitious – 15%

- Less spontaneous compared to the previous two groups. People who belong to this group pay great attention to advertisements if they need products or services. Half of this group lives away from biggest

cities and they can be found in regional capitals and big industrial cities.

4) Self-Realized – 10%

- People who belong to this group prefer traditional retail stores with long history; they have self-reliability when choosing products. Advertisements have less effect on their opinion. This group is full of middle aged women who are health conscious.

5) Settled – 21%

- Big part of customers belongs to this group, they are very traditional on the markets and they prefer brands which have existed for long time. They are less attracted by new or different brands or products. This group is dominated by women with average level of education and middle age.

6) Traditionalists – 11%

- Dominated by older people, most of the group is retired and they have low consumption potential. They prefer to go to retail stores which are established already in Soviet Union.

7) Thrifty – 11%

- Consumers in this group have very low consumption potential. Most of the group is older 50 years old older with almost no educational background. Most of this group is located in villages, they are looking for cheapest products and they often go to several stores. (GFK, 2003)

### **2.3.2 Contracts**

Business contracts among Russians and foreigners are usually made in two languages, Russian and English. It is required that both parties and assistants read the contracts and to see that everything is understood correctly.



When doing business with a Russian company, it is a must to make trade agreement for many reasons. When everything is clearly agreed in written form, it will decrease the risks of business. According to the Russian legislation, Russian company cannot do foreign business if written trade agreement is not done. Before signing a contract with Russian business, background information such as business rating needs to be clarified from third party agency.

Documents and contracts of the companies will get official value once stamped with company's round shaped stamp. Legally the round shaped stamp does not bring any extra value, but in practice the round shaped stamp will ease the process of handling papers significantly. Russian companies cannot operate without this stamp in Russia. The color of round stamped stamp must be black or blue, other colors are not valid. (Start-up, 2012, 20)

### **2.3.3 Russians as an customers**

Russian customers want high quality service and personal attention. Salesperson is required to be creative and have good customer service skills, in order to satisfy demanding Russian customer. Listening customer carefully, giving personal discounts and completing the customers "small wishes" might guarantee that the customers comes back.

It is norm that the company provides service and information in Russian language. This includes also after sales service such as warranty repair. Russian customers want to talk with the same sales person all the time. It is very challenging to be sales person in Russia because customers expect him to know and arrange everything. Russian customers might sometimes be very impulsive, and they might have last minute changes, sales person is required to understand and be very flexible towards this.

Selling in Russia requires systematic planning in advance and personal attention to the customers. Great psychological eye and flexibility towards challenging situations are the keys to succeed in Russian market. Russians expect that sales person knows everything about the product. Furthermore, they also require

excellent interaction, presentation and negotiation skills. Personal network and relationships with people have very significant meaning in Russian market. Having contacts in authorities will help to improve the business. (Start-up. 2012, 14)

#### **2.3.4 Relationship with EU**

EU is an important area for Russian export. Russia is used to export raw oil, natural gas, uranium and coal to EU. There is cooperation among these areas in order which aims to reduce the environmental impact of the energy business. EU and Russia have made several contracts in order to improve business, investing and political situation.

Relationship between Finland and Russia is based on official contracts. All Finnish ministries and central agencies have straight connection to Russian administration. Governments of these countries are working on improving the business environment, removing barriers of trade, promote general projects and establishing business contacts.

The most important items what Finland exports to Russia are paper and cartoon products, electronic devices, medicine, vehicles and special machines, plastic and dairy products. Finland imports from Russia mineral oil products, natural gas, metal and steel, electricity and coal. (Start-up, 2012, 11)

#### **2.3.5 St. Petersburg as Business area**

Russia is challenging market area even for the experienced companies. Most of money and authority is concentrated into Moscow. On the second place are St. Petersburg and the whole north-west Russia. European Union is near St. Petersburg, and it effects positively on its economy.

St. Petersburg is the second most populated city in the Russia. This city is the control center of the whole North-West Russia and also important city for education and universities. Finland and St. Petersburg have business history of hundreds of years and Finnish brands are well known there.

There is very good train connection between Helsinki and St. Petersburg because of the new train line called Allegro which was opened on year 2010. Using this train the travel time from Helsinki to St. Petersburg is only 3.5 hours, there is 4 different turns per day to travel. It is also popular to go to St. Petersburg by boat, two days cruise does not require Russian Visa.

In the beginning of year 2011 import of St. Petersburg raised by 35%. Finland is the fourth largest by 5%. The countries before Finland are China, Germany and Netherlands. St. Petersburg exports minerals, cars, mechanical engineering products Imports: cars, food items, chemical industry goods,

St. Petersburg belongs to technological and innovation specialized economy areas. On Leningrad and St. Petersburg area the investments are directed mostly on the car industry. According to Finnish-Russian business commerce, there are at least 320 Finnish companies in St. Petersburg. (VLP, 2009)

## **2.4 Finnish and Russian culture**

Culture effects significantly how the consumer views the product and buys them. Good cultural knowledge will avoid unpleasant mistakes in marketing. Studying and understand cultures will helps recognizing the consumption style of foreign customers and make them more likely to purchase company's products or services. When designing marketing material the cultural aspects need to be taken into consideration in order to make company more attractive. To help target marketing, society can be divided into smaller groups for example based on their social classes, income, education or occupation. Each member has certain position and role in the big society and they often have equal values, interests and behavior. Furthermore: they behave similarly towards products and brands. (Kotler 2010, 161-164)

Culture or sometimes "category" can refer to nations; Finnish, Russian, ethnicities; Lapp, Finland Swedes, regions; Northern Finn, Eastern Russian, religions; Christian, Muslim, occupations; Welder, Accountant, organizations; Microsoft culture, genders; Women culture or generations; Youth culture. (Culture, 2013)

Geert Hofstede has defined the culture as follows:

“The collective programming of the mind distinguishing the members of one group or “category” of people from another.” (Hofstede, 2014)

The key expression of the previous quote is “collective programming” as it describes the process to which we all participate since we were born.

As an example; Parents make several cultural based decisions about the baby’s life before it is even born. At the young age parents and teachers are giving the advices to their children in order to prepare them for successful interactions of their own culture and society. However, cultures and societies have often different set of instructions and beliefs which can differentiate from each other. The children will learn what is bad and good, right or wrong, normal and abnormal.

As the child grows up these advices become the core beliefs which are impossible to discard. When people meet new culture which is unlike to their own, it is seen as strange and different. (Lewis, 2006, 17)

#### **2.4.1 Geert Hofstede’s theory**

Geert Hofstede conducted a study in order to discover how culture effects on society’s moral values and behavior. He distinguishes six dimensions: Every country’s score in each dimension can range from 1 to 100. Understanding and analyzing country’s score gives a clear picture of country’s culture, values, cultural differences and it is a useful tool facilitating marketing efforts, cross-cultural communication and international management (Dimensions, 2013).

##### **Power Distance (PDI)**

PDI dimension expresses the way how society handles inequalities among people. In low PDI countries, the power is distributed equally while high PDI countries people have a place in hierarchical order. (Dimensions, 2013)

- The doors of the managers are closed and workers need to book time in order to talk with them (High PDI).

- The doors of the managers are open and workers can visit manager freely (Low PDI).

### **Individualism versus collectivism (IDV)**

Countries with high score on IDV are expected to take care only of themselves, and their immediate families and their self-images are defined in terms of “I”. Low score on IDV reflects to collectivism where people’s self-image is “we” and they have a tight relationship with their families, friend and they are looking after each other in exchange of unquestioning loyalty (Dimensions, 2013).

- The manager of the company is expected to lead and advice workers and make decisions for the whole company (Individualism)
- The regular employees of the company expect that their opinion is asked if the company makes decisions. Managers of the company make decisions together. (Collectivism)

### **Masculinity versus femininity (MAS)**

Societies which score high on MAS dimension like to compete. Moreover, they are hungry for achievements, success and rewards. Heroism and assertiveness are also part of their characteristics. Low score refers to femininity which stands for more cooperative and consensus-oriented society. People want to live modest and high quality life, while caring for others (Dimensions, 2013).

- The company is outsourcing business processes and constantly looking for ways to avoid taxation and maximize the profits. (Masculinity)
- The company is concerned about climate change and they want to improve the national prosperity. Maximizing profits is not their first priority. (Femininity)

### **Uncertainty avoidance (UAI)**

UAI expresses the attitude of society towards uncertainty and ambiguity. The essential question is how the society behaves towards the unknown future. Furthermore, how they are trying to control the future or do they control it at all.

Countries with high score in UAI are rigid towards the changes and the new ideas. They prefer to stay and behave as planned. Low score refers to societies which have more relaxed attitude towards the future. (Dimensions, 2013)

- The company has a strict budget and action plan for the next 5 years. Moreover, there is no space for changes. Innovation and new ideas are resisted since they might blur the future (High UAI).
- The company has an idea about the future but it prefers not to think about it too much. Innovation and new ideas are not resisted. Furthermore, new ideas are discussed and sometimes taken into practice (Low UAI).

### **Long-term versus short-term orientation (LTO)**

LTO expresses the way a society behaves regarding the future. Low score on LTO refers to short-term orientation where people are normative in their thinking, and they have high respect for traditions. Moreover, they are less likely to save money for the future but focusing on achieving quick results. There is a concern with establishing the absolute truth.

Societies scoring high on LTO believe that the truth is more flexible, and it depends on the situation, context and time. They are more patient and persistent when achieving the results. Furthermore, they tend to save money for the future and to adapt to the changed conditions. (Dimensions, 2013)

- In addition to work tasks, company has strict rules which everyone is obligated to follow and respect. People come to work earlier and are scared to be late. Breaking the rules has consequences, which are written on the paper. Contracts are binding and there is no possibility to renegotiate. (Short-term orientation)
- Employees are expected to do their work but the deadlines are flexible, there is no clear working times and people might come and go according to their own individual situations. Contracts' terms can be renegotiated later. (Long-term orientation)

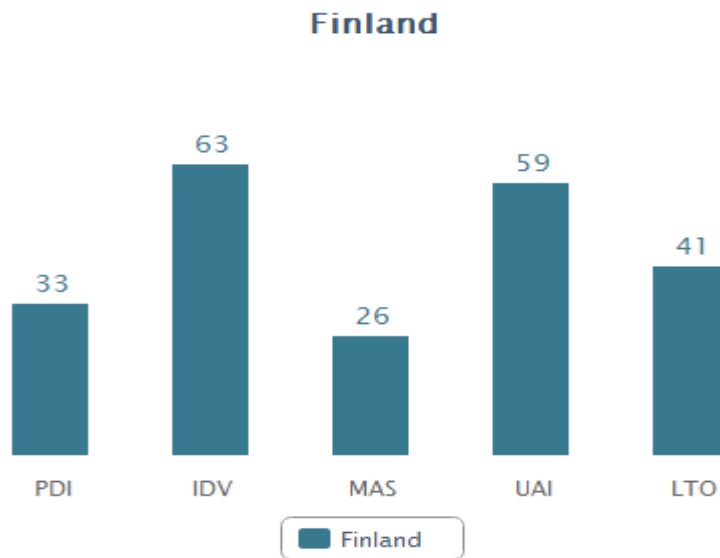


Figure 14 Finland score in dimensions (Dimensions, 2013).

Finland scores low on PDI which can be reflected as follows; being independent is important, people want equal rights and hierarchal order is for convenience only. In business power is divided in the management and managers ask on rely on workers experience. Managers are expected to consult with employees. Controlling is disliked and attitude towards manager is informal and the first names are used.

Finland has high individualism which means that people are expected only to take care of themselves and their immediate family. Relationship between employer and employee is based on contract and mutual advantage. Management of company is seen as several individuals.

Finland is considered as feminine society since it scores very low on masculinity. The focus is on working in order to live. Managers want that workers have good quality in their life and equal values. Compromises and negotiations are used in order to solve conflicts. Statuses are hidden and well-being is important. Good manager is seen as supportive.

Finland has medium level of UAI which can be seen in emotional need of more rules and laws even if they never seem to work. People have inner need to stay

busy and work hard; being punctual is very important, innovation may be resisted, feeling secure brings motivation and is very important element.

Finland is short-term oriented country, meaning that traditions are respected and old methods which are found working are kept, people are impatient when it comes to achieving results. People are unlikely to save much for the future. There is strong need to establish the truth. (Dimensions, 2013)

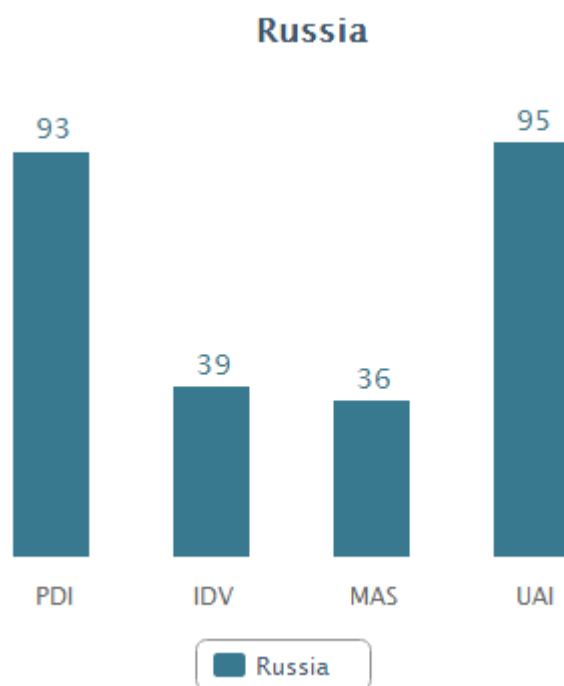


Figure 15 Russian score in dimensions (Dimensions, 2013).

Russia is in top 10% of the most power distanced societies in the world. There is a huge difference between the less and more powerful members. Country is very centralized, 80% of the financial potential and 2/3 of foreign investments are directed to capital city Moscow. Big power distances cause high importance of status symbols. Status is visible in all business related interactions; top-down approach should be used when connecting business.

Russia has quite low individualism and it is visible in all day life. Russians don't talk about cousins as "cousin" instead they say my brother or my sister. When Russians are out with their friends, they literally say that "We are here with friends" instead of "I am here with friends". Friend and family are very important in



everyday life and facing the challenges. Relationships and who you know are in very big role if you need information, want to get introduced to someone or want to achieve something in negotiations.

Russia score relatively low on masculinity dimension which may be a surprise. But in case of Russia, this dimension is related to their style in power distances. Russians talk modesty to each other's, dominant behavior might be accepted only by the boss.

High score on UAI means that Russians feel that they are very threatened by ambiguous situations. This is visible on their very complex bureaucracy system. During negotiations presentations might be either badly prepared or extremely prepared with all details. If Presentation is badly repaired, Russians want to concentrate on establishing a relationship. Planning well and detailed materials are common concepts in Russia because background information and context is preferred. If Russians consider people to be strangers they will be very formal and distant. Being formal is also used as showing respect.

There is no score on LTO dimension for Russia, however compared to Finland, Russia more short-term oriented country. People are very impulsive and they are impatient to achieve quick results, this is also visible in political decisions; new laws and restrictions might come suddenly with no warnings in advance (Dimensions, 2013). Next chapter "The effects of Culture in B2B environment" includes more information about LTO such as; concept of time in Finland and Russia.

#### **2.4.2 The effects of culture in B2B environment**

Finnish working culture is more organized compared to Russian. Finnish people are scheduling their working process, they like to set deadlines and they do follow them. Finns are normally doing only one task at a time while Russians like to do work on many tasks at the same time and not ordering them.

Manager of Finnish-Russian workplace should be aware of the specialties of the both cultures in order to avoid conflicts. Finnish employees are very organized and

task orientated, they don't tolerate people who work unorganized, return their work after deadline or are late from work which is very normal for Russians.

Finnish culture is data –orientated, they like to search information from many sources such as; internet, TV, radio, books, colleagues, notes, family, friends and reports. However, Russians are conversation –orientated. In addition to reading data, they like to use a lot “spoken” sources such as; family, family friends, TV, radio, old teachers, familiar people such as; godfather, school friends, gossips and relatives. (Lewis 2006, 50–51.)

When cooperating with Russian it is important to remember that even though Russians speak a lot, they don't understand compromises while Finnish people are always targeting to have compromise. If Finn tries to negotiate with Russian and during the negotiations the some parts of the offer are left out in order to make it make offer better, Russian will think it's odd and suspicious. (Lewis 2006, 376)

When having Finnish-Russian working environment, it is good to review the common rules because of cultural differences. Russians are not good in following the written laws or rules; they think that even if they break the rules they can always talk themselves outside the situation while Finns are always doing everything according to written rules and laws. It is important to remember that in Russia there is a lot of difficult bureaucracy and managers are indifferent towards it (Lewis 2006, 120).

### **The concept of time in Finland**

Finnish people are always accurate and effective come to work on time and leave early. Normal working days are scheduled between 7-9 am and they end 3-5pm. Lunch is in the middle and lasts only half hour. Lunch is light and it is eaten fast in order to continue working effectively. (Lewis 2006, 57–58.)

The day is split into different tasks and meetings. Employee knows exactly what he or she needs to do during the day in order to keep up the schedule and match deadlines. Work is always aimed to finish exactly after 8 hours of work. (Lewis 2006, 57–58.)

### **The concept of time in Russia**

Russian concept of time is very different from Finnish, Russians are not accurate and they come just a little bit late. The problem is that bosses often plan meetings but they cancel them afterwards or move forward. Sometimes they miss the scheduled meetings and explain afterwards if someone asks. (Lewis 2004a, 6–7.)

Russians don't plan their days in the same way than Finns. They have several goals for the days but not concrete starting point or schedule, conversations include many different tasks. Sometimes tasks might get mixed with other tasks and some task might get forgotten. There is no clear time when the work starts or ends. (Lewis 2006, 58–59.)

### **Conclusion of time concept**

Problem in these two cultures are that the time is understood in complete opposite way. In Finnish work environment being continuously late, not completing tasks in deadlines are big offenses and might cause termination of the working contract. In team work, individuals are relying on each other and they trust that everyone is on schedule and the work will be done before dead line. Finnish people work alone, effectively and in time. In Finnish work environment the Russian employee would be seen as very bad employee, if no one educates him or her about Finnish working culture and also in the opposite situation.

### **Negotiations and meetings**

Finnish and Russian negotiation style is different, Finnish model is very simple while Russian is diverse and hard to understand. Finnish people talk slowly and clearly in order to minimize the chance for misunderstandings, in the end the whole content is summarized and listeners can have chance to ask questions if something is left unclear. Presentations include PowerPoint's, examples and other material in order to make everyone clear what is going on (Lewis 2006, 68).

Russian negotiation style is like playing chess, the whole conversation is planned beforehand step by step. Everything starts with normal conversation which leads to emotional and theatrical part where people start strongly protest and be suspicious. The next stage is that people start suddenly accept the opposite party but not their contracts or deals, people are not flexible in negotiations. This all

leads to big conflicts of interests and people start to force the opposite side to accept the deal in order to have result for the conversation. However, Russians are very eloquent and warm in their speech. They think as themselves as tolerable and understandable. Sometimes they might be poetic because they appreciate the literature. Russians express themselves well but not specifically, being specific is key element of Finnish culture. (Lewis 2006, 377–378.)

### **2.4.3 Guidelines for business behavior in Russia**

Usually Russians expect foreigners to behave according to general etiquette rules. Eye contact, happy and smiley looking face are important aspects. Brisk greeting during the handshake will give a good first impression. Man should wait for Russian women's first move when about to shake her hand. Sometimes the Russian women can get offended if the man forces her to handshake.

It is good to remember your conversation partners names. For foreigner, it is enough to remember the first name but for natives should also the second names. Russians use several names during the conversation.

Polite form of talking is when meeting for the first time. Russian enjoys talking about hobbies and family related topics. It is not to pick the following topics; criticism of the country, Russian war history or political news of the day.

In Finland, it is quite common to talk about weather but, not in Russia. However the Russian saying "chut ni o pogode govorili" means "we almost talked about weather" expresses how inconsiderable this topic is.

When meeting for the first time in the business meeting, Russians expect that the company's executives are present. After the first meeting, when everything is, the rest of the company's staff can meet and get to know each other. It is to be well prepared for the meetings, sales speech and arguments needs to be studied fluently. Sales material and brochures need to be in Russian language. If the company does not have Russian speaking person, one should be hired for the meetings.

Russian negotiator will inform quickly if he or she is not interested in continuing the negotiations. Being active and asking questions during the presentations will express your interest towards the topic. Russians often use e-mail or video conversations when negotiating. However, face to face meetings might give better results in negotiations. (Start-up, 2012, 16)

There are many small tips how to motivate new Russian partners and workers. For example drinking together with them during negotiations can lead to better relationships. Talking about how to trick government in order to avoid strict rules might be a good topic. Some other tips include; praising Russian art and technology, doing favors, showing emotions and feelings. These aspects are important and Russians will be more likely to approve the person (Lewis 2004a, 10).

#### 2.4.4 Cultural comparison



Figure 16 Russia – Finland comparison (Lewis, 2013, 10)

The following figure shows the differences in Finnish and Russian cultures. In the middle of the picture is the yellow based area which represents what similarities

these two cultures have. Reasons for similarities can be explained by the same historical background and the geographical location. Both countries have long, cold and dark winters even though Russia is geographically much larger country with different weather zones, most of the country is still having the similar or even worse weather conditions compared to Finland.

There are several differences in between these two cultures. While Russians are very close to their families, Finns are not. Russians are very eloquent speakers and they have good imagination, Finns are silent and quiet. For Finns it's important to be individual and specific, furthermore Finns have better attitude towards change. However, Russians are more communal, they show low respect towards laws and rules, they have negative attitude towards changes.

Some of the differences are caused by the way the countries were lead in the history. Lenin, Stalin and Putin are all big leaders who have very stable authority. They don't do things to please the country; they do them to lead it. For example during Stalin's time, doing work was in big role, people were scared to death to even be late from work because it had some serious consequences and even death. Nowadays Russians are against these big leaders knowingly or unknowingly. They don't appreciate laws and authority because they have questionable their own country leading for several centuries.

Especially after 1990, Russian society faced big changes in only 20 years. The old times lead people to have the following core values; mercy, sympathy, mutual support, rights and religion. History is the reason why Russians prefer collectivistic way of thinking; this is the only thing in addition to religion how they used to support each other's in the hard times. The change was too fast and caused many values to break into parts, Russians started to get influenced by European culture and core values started to change, new values included; freedom, opportunities, selfish and materialism. Russians did not obey anymore and corruption started to flourish. Now Russian culture is creating own identity based on the influence of European culture (Lewis 2013, 122).

It is visible in Russian culture that the collectivism is not as strong as it was in Soviet Union times. There are signs that it has now started slowly turning towards

individualism, people are starting to think more like “I”, and becoming more and more interested about own rights and benefits. Furthermore, increased level of tourism to and from Russia has its own effect on Russian culture. Especially in Finland when train connection “Allegro” was created between Finland and Russia. Among young people the level of going for exchange between Finland and Russia has increased. (Lewis 2013, 10–11.)

### **3 Research environment**

#### **3.1 Maspart.com industry**

Maspart.com is E-store, and it acts as a portal between the customers and producers. The idea is that the customers can find several products offered by many different producers from one place. Maspart.com makes it possible for suppliers to move into E-business easily with no own investments or marketing costs.

Company's target is to become worldwide marketing place in machinery industry offering everything from spare parts to new industrial machines. Product portfolio includes; estate management, transportation, construction, agriculture, material handling, forestry and building.

Maspart.com makes retail agreement with suppliers. Each purchase done through maspart.com brings commission for the company. Companies who have retail agreement with Maspart.com get access to the E-store. Companies can now add products to sell and customize the details and price.

Maspart.com also offers marketing services for the company, used media channels are several trade magazines, newspapers, Google-advertising, social media, exhibitions, newsletters, radio and TV –advertising.



### 3.2 Maspart.com E-store buying process

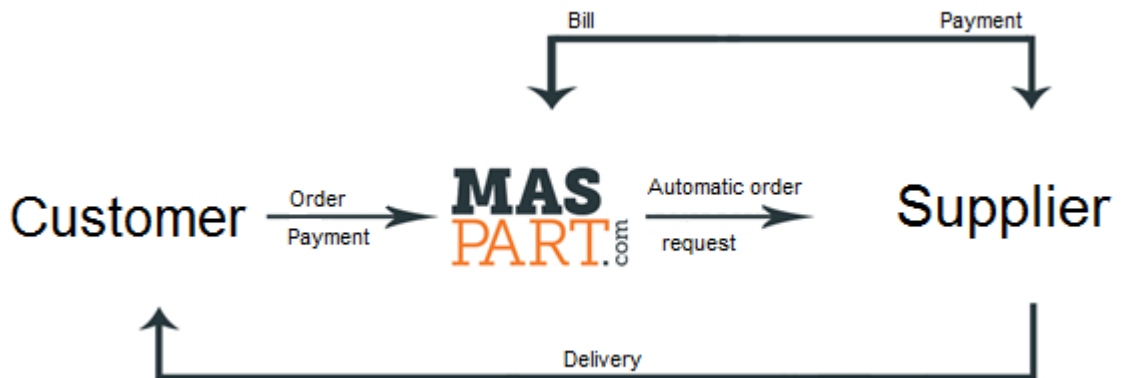


Figure 17 Buying process (Maspart, 2013).

The following picture describes the buying process of Maspart.com. In the order process, the customers are required to pay in advance for the products and delivery costs. The offered payment methods are; online payment, credit card, PayPal, bill or by financial institute.

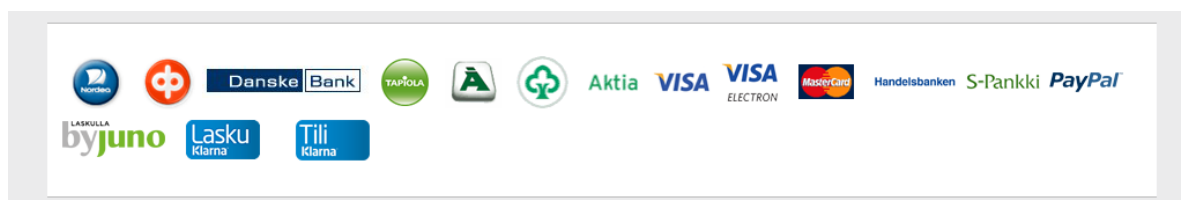


Figure 18 Payment methods (Maspart, 2013).

After the order is paid, Maspart.com will automatically send notice to the supplier where the order is processed within 24 hours. Supplier will send the ordered products straight to the customer and charge Maspart.com for the resale price. Maspart.com is responsible of after sales support such as exchange of the products, refunds, reclamations and warranty services. Profit of the company comes from retail margin and media sales.

### 3.3 Usage of E-store

Usage of the internet is growing rapidly, around 30 percent on a yearly basis. E-business is concentrated to Moscow and St. Petersburg, and it grows 20-40

percent per year. Regarding to Internet World Stats 43% of the Russians are internet users, and the number in Finland is 85%. However, the most of the Russian internet users have purchased something online (Suoninen 2010, 27).

Romir: the research agency conducted a study regarding customer behavior in Russia about E-Store. Around 1500 people answered this research. Regarding to the results, 96% of the answered people have bought something online and only 1-2% has never used E-store.

The main reasons of why Russians buy from E-stores are:

- Saving time (74%)
- Low prices and chance to save money (65%)
- Products are delivered to home (59%)
- A wider range of products (54%)
- More specific information available (45%).

Russians find information about E-stores from many channels. The common way is to use web-search engine such as Google or Yandex (54%).

Other sources of information are:

- Online advertisements (26%)
- Internet forums, blogs and social media (16%)
- Recommendations of friends or family (16%)
- Special catalogues provided by E-stores (15%)

TV and Radio are also used in Russia in order to promote E-store (VV, 2010, 4).

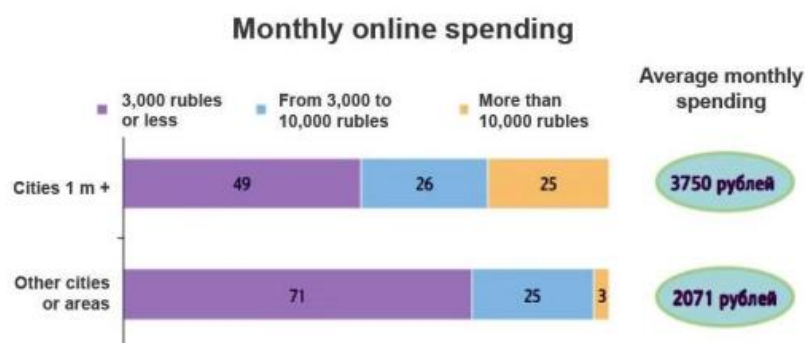


Figure 19 Monthly online spending (Digital news, 2011).

Figure 19 represents montly online spendings done in E-store. Online shoppers who live in cities with population over 1 million make approximately 80 euro purchases per month and in the smaller cities the number is half times lower.

**Most demanded goods by Russian online shoppers**

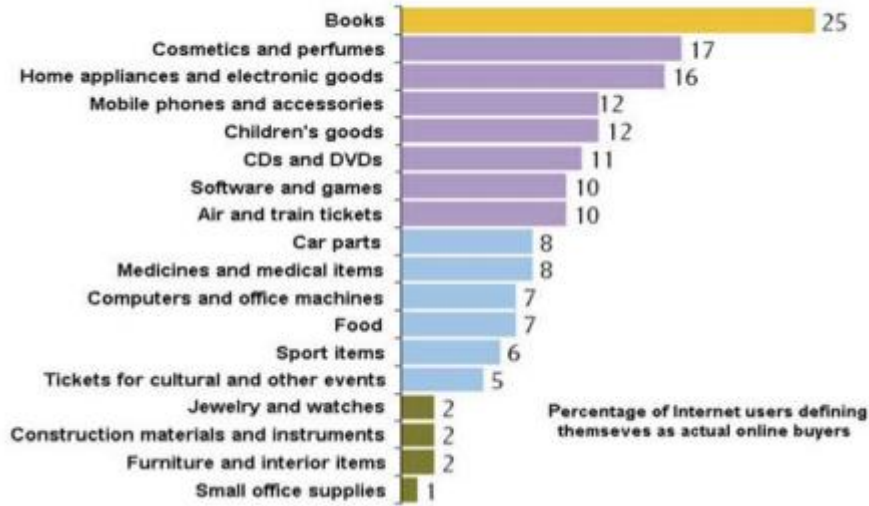


Figure 20 most demanded goods (Digital news, 2011)

Figure 20 represents the most demanded product categories in Russian B2C E-commerce.

### 3.3.1 Payment methods



#### Payments / Payment means used in e-commerce

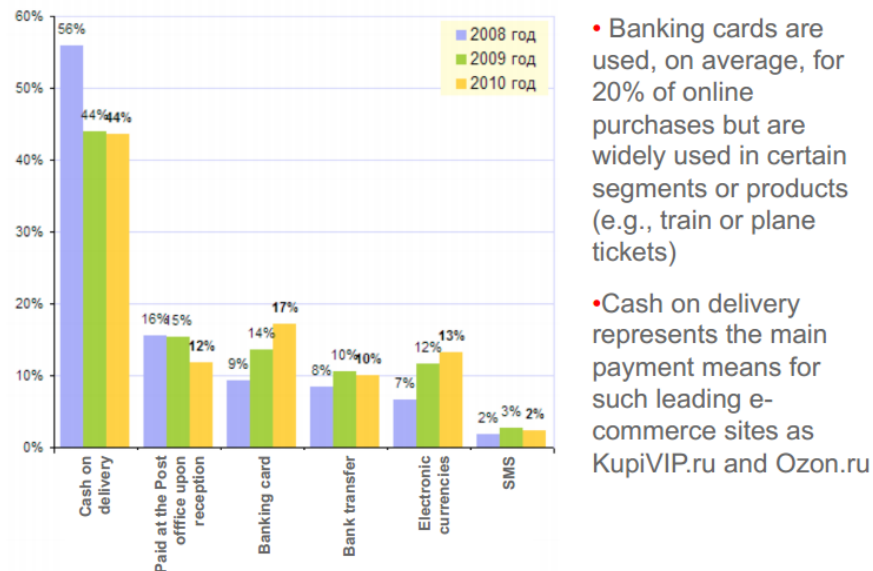


Figure 21 Payments used in B2C E-commerce (Digital news, 2011)

Electronic payment systems, bank and credit cards are becoming more and more popular in Russia, especially in the larger cities. However, cash remains still the most preferred method for most Russians. The most popular payment method is still cash-on-delivery. Paying by cash is not good way to pay big purchases since nobody wants to have big amounts of cash on themselves; this also overloads the pick-up centers since they need to send the cash away every few hours. (Expansion, 2013)

Many companies fail so succeed in Russia even though they are doing everything right, the reason is that they cannot offer customers suitable payment methods. The businesses fail because people are not able to purchase them, even if they want to. Payment methods which are popular in Europe are not popular in Russia, for example; Moneybookers is not popular at all and PayPal does not even operate on Russian markets. According to latest research done by RuMetrica, only 40% of the population in Russia own credit card, out of this 40% only 29% are using it on daily basis which, this means that 12% of Russian population uses credit cards. The main reason to have credit card is to receive salaries and use it

to withdraw money from the ATM. According to research only 5% of the owners of credits cards confirm that they have used it at least once to purchase products or services online. Web Money is like PayPal and is the most used payment method in E-commerce in Russia, if company wants to receive online payments, Web Money is a must to have. (Methods, 2011)

The main reason why people are still paying by cash is that they are afraid and cannot yet trust other payment methods. Companies need to teach and educate people to use E-payments and trough experience people will learn, trust and use more these systems. (Expansion, 2013)

### **3.3.2 E-commerce in Russia**

On year 2012 Finnish consulate received 1.3 million visa applications from Russia: the growth from the previous year was 23%. Russians are truly interested about Finland. Age groups which do the most purchases online in Russia are 18-24 and 31-35. 15% of them do online shopping's on weekly basis. However, the most expensive purchases are done by middle to top level managers and entrepreneurs who have above average income level.

Generally, Russians use E-store for two main reasons; low prices and wide category of products. Gaining trust is essential in order to make Russians use the E-store. The best way to gain trust as a starting Finnish company is to relay on the Finn brand, even Russian companies who operate in Russia are using it. It is possible to see advertisements such as "This is built with Finnish quality". Russians have very good opinion about Finnish products and companies.

In order to gain trust it is good idea to collect positive feedback from Russian customers and put it to the company web-page so it is visible also for the other customers. Adding Vkontakte –like button to your web-page is very important. Once a customer clicks it, it will automatically be visible to all of his Vkontakte friends.

On your web-page is it very good idea to put statements and information which answer the question: Why should you buy from us? For example; Russian always

wants to know, is it possible to cancel the order, how long time he has to do it and is he going to lose money if he decides to cancel the order.

If you want customer to use online payment systems, it is good to write why, for example; you will save money and get your product faster. Russians like use of superlatives and they should be used in the Order –button. Instead of “Order now” or “Move to the paying”, write; “order your wonderful products”. Button should be also highlighted so the customer can see it clearly. This slight difference can increase your company’s income. There should always “contact us” –button since the Russian often likes to ask company for more information.

Already 16-17% of the Russian own smart phones, many of them use it for purchasing online. It is important to make sure that E-store is optimized also for the smart phones and tables. Russians like to use mass discount web-sites such as Groupon because of the opportunity to get big discount. 80% of the internet users know about these services and 36% of them use it often. Very popular group discount web-page in Russia is [kupikupon.ru](http://kupikupon.ru).

Search engine optimization is very important and in some cases they are much more effective way to get customers than using money on Yandex or Google advertisements. Make sure that E-store has right technology and it works fluently with Yandex, meaning that the people who search through Yandex can easily find the E-store.

In order to find good keywords for Yandex web-page [wordstat.yandex.com](http://wordstat.yandex.com) can be used. There is several ways to offer customer support for Russians; Phone, E-mail, Feedback form, Skype and ICQ –chat program.

If company which is located in Finland want to have phone support for Russian customers, it is good to order so called virtual phone number. Many operators in Russia offer service where they give you are real Russian telephone number located in St. Petersburg or Moscow, once the customer calls it the call will be redirected to your own mobile phone. Russians are less likely to call Finnish numbers because of the extra costs.

If a company wants to receive payments or to have Russian bank account, it is necessarily to establish company to Russia. There are 3 different choices how to do this. The first one is by opening subsidiary company to Russia; however it is very difficult process and includes a lot of bureaucracy such as hiring jurists and organizing work permits. It is calculated that it might take up to one year and cost almost 10 000€ depends how lucky you are. Second choice is to open a limited company, which is partly owned by Russian citizen and the CEO is Russian. This will make the process much faster and cheaper. However, the best choice is to try to find a suitable company who is already operating in Russia and establish cooperation with them, even if they will take some small commission. Web Money is most popular internet payment system in Russia and then Yandex Money (Lecture, 2012).

### **3.3.3 Current situation of E-commerce in Russia**

Currently many Finnish companies are opening their E-stores to be available for Russians. However, they do not offer delivery of products to Russia. Instead, Russians are coming to Finland to pick up their shopping's.

The Finnish courier and post company called Itella had to open a new pick up point in Lappeenranta. This is due to the fact that many Russians were coming to pick up their online purchases from Lappeenranta, and only one pick up point was not enough. On year 2012, only dozens of Russians came to pick up their packages from Lappeenranta post office per month, but by year 2013 the number is over one thousand.

Language and delivery barriers are currently slowing down the growth. To help this problem and assist Finnish companies to expand their business to Russia; Matkahuolto; logistics company which is integrated to Itella, BusinessVercco Oy; offering E-shop services for Finnish customers and Mediatalo Toimelias; specialized in e-marketing in Russia have together developed a service which offers all in one package for an entrepreneur who wants to offer products for Russians.

The first stage of the project will expand the availability of Russians to pick up their packages from the Finnish side of Russian border. The second stage aims to make it possible to deliver packages to Russia. However, this is very challenging and complex to implement due to logistics in Russia, and it requires big cooperation among companies. (E-store, 2013)

There is very massive growth potential on Russian E-commerce business. On year 2012, online retail reached \$13 billion; this is only 2 percent of the country's total retail market. This is still an early stage, and year-on-year increase of online retail is around 27%. It is predictable that the growth rates will continue. The population of Russia is 140 million people. 61 million people are online, but only 26 million are actual online shoppers.

In September on year 2011, Russia had the highest number of unique internet users online in Europe. The sales of E-commerce in Russia are estimated to grow from 8.24 (in 2012) billion euros to 19.16 (in 2017) billion euros. (Expansion, 2013)

### **3.3.4 Income and income distribution**

Excluding the small Caribbean nations who have resident billionaires, Russia is country of the highest level of inequality in wealth, in the world. On worldwide level, billionaires account about 1-2% of the total household wealth but not in Russia. Today 110 Russian billionaires own 35% of the all wealth. Furthermore, there is 1986 people with wealth over 50\$ million and over 84 000 millionaires. (Research Institute, 2013, 53).



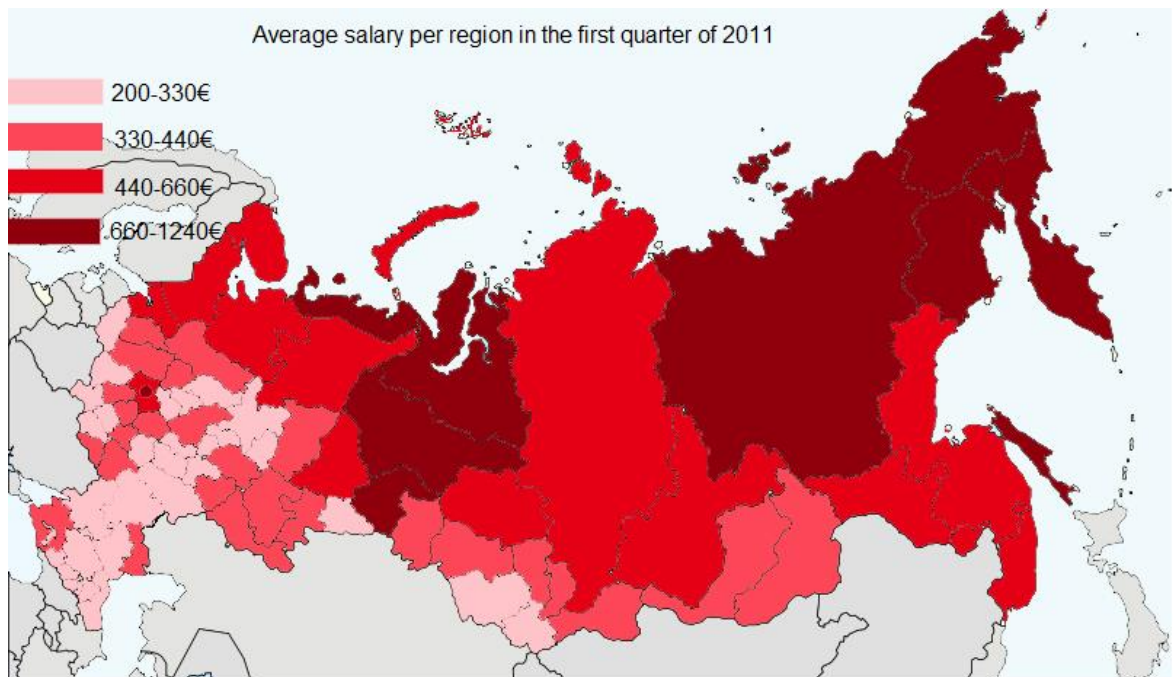


Figure 22 Average salary per region in the first quarter of 2011 (Average, 2011)

Over the past years the income of Russia's population has been growing. If measured by average parameters, Russia has been starting to turn into a country with middle income. However, the inequalities are actually just getting worse.

11.2% Russians have income below poverty line. Wages of 15.8million people are under 150€ per month. Average gross salary in Russia in the beginning of 2013 was around 670€ (Rosstat 2013) and the top tier of society; 10-12 percent of the wealthiest are living separately from large mass of the population.

Experts believe that in order to ease the income inequality the progressive system of taxation and the luxury tax must be introduced. There has been a lot discussion about returning the progressive taxation but it seems that it stays that way. However, the luxury tax has taken effect to a certain extent on January 1, 2014. The tax is now valid on luxury motor vehicles. In the future, luxury tax might be added to; countryside palaces, yachts, antiques and jewelry but it is not yet decided. (Inequality, 2013)

### 3.4 Agriculture and machinery industries in Russia

Maspart.com product portfolio includes many products which are suitable for Agricultural purposes for that reason it is good to take a look into Russian agricultural situation more closely since it is big and raising sector in Russia.

In 1990s Russia was having problems with producing food and was facing food shortages but now Russia is one of the top countries in wheat exports. Infrastructure of the country is slowing significantly the development. The president of the Russian Grain Union, Arkady Zlochevsky suggests that Russia could beat US and become world leader in exporting wheat. There is still high level of concern towards global food security and investors are looking to secure land which is one of the best natural resources in Russia.

Russia is actively investing into technologies, infrastructure and returning land to agricultural use.

Exports in grain are continuing to grow. Agriculture minister Yelena Skrynnik claimed that exports of foodstuffs have high potential to become one of the key elements in Russian exports. According to forecast which were done by the Russian Institute. In 2019 Russia could harvest over 125m tons of grain and 45-50m can be exported and in US the amount of exported grain would be 30m tons. (Agriculture, 2010)

Machinery industry is the top industry right after the oil and gas in Russia. There is around 7500 big and medium size enterprises and 30 000 small which are concentrated to the machinery industry. Machinery industry employs over 4 million people in Russia. Modern technology and high quality are the reasons why Russians prefer to buy foreign machinery. However, foreign machinery have often higher price, longer repair times and they are harder to get because of the limits set by the government. (MI, 2010)

### **3.4.1 Agricultural machinery market**

Russian agricultural machinery and equipment market dropped almost 40% on the year of 2009 because of the crisis. Reasons for this include low prices for farm produce, new barriers to import and the credit crunch. In addition, it was supported by politics to restrict the market access, in order to lower the amount of foreign manufacturers who want to access the markets.

However, import duties of some items such as self-propelled harvesting machines were raised even though Russia stopped giving interest-subsidized loans for agricultural equipment and machinery which is products outside Russia. On year 2010, Russia started to support farmers by giving them 80% refund of the interested rate for agricultural machines but only if it's made in Russia.

Agricultural sector has now improved a lot compared to last years and it is possible to get loan for imported agricultural machinery. In year 2010, agricultural equipment and machinery market in Russia raised around 20%. There is now a clear trend towards more modern and westerns machinery: this includes both local and imported machines. Exports of Germany to Russia grew by 39% on year 2010, in the end of the year it was account for 370 million Euros. In general there is still huge growing potential on Russian agriculture market.

Most of the Russian and West European companies are expecting general growth of 30-40% in agriculture. In some areas such as drilling, tillage and forage harvesting machinery the growth is expected to be as much as 60-70%. In the tractor and combine segments the imports are now playing a smaller role since many international companies have set up their own production of machinery in Russia. There are excellent perspectives for component suppliers and manufacturers as well. (Machinery, 2014)

### **3.4.2 Exhibition and agricultural forum**

Best way to meet new partners and potential B2B customers is definitely to take part into different forums and exhibitions like the one below.

AgroTech Russia 2013 organized their 8<sup>th</sup> international specialized exhibition for agricultural machinery and investment goods. Exhibition was held from 9 to 12 October in 2013 in Moscow's All-Russian Exhibition Center.

Opening ceremony was attended by the:

“Prime Minister of the Russian Federation, Dmitry Medvedev, the Deputy Prime Minister of the Russian Federation Arkadiy Dvorkovich, the Minister of Agriculture of the Russian Federation, Nikolai Fyodorov, the Netherlands' Minister of Agriculture, Sharon Dijksma, the Director General of OAO GAO All-Russian Exhibition Center, Alexei Mikushko, and other officials.” (Exhibition, 2014)

AgroTech Russia is the biggest trade fair held in Russia related to agricultural equipment. It includes both Russian and foreign enterprises with an opportunity to present:

“advanced plant production technologies, modern equipment such as tractors, tillage machines and tools, crop cultivation and harvesting machinery, equipment for plant production storage, primary processing and transportation, as well as seeds, fertilizers, plant protection agents, etc.” (Exhibition, 2014)

There were more than 450 different exhibitors from 25 different countries present.

### **Russian Agribusiness Forum**

Adam Smith Conferences' 2nd international Russian Agribusiness Forum is next time being organized in 3 - 5 June 2014, InterContinental Moscow Tverskaya Hotel.

The company is also organizing different forums such as Retail forums and Food & Beverage. The aim of the forums is to collect all interested parties together who are interested in Russian Agribusiness sector. Aim of the forum is to identify opportunities, increase investments, efficiency and profitability of agrarian sector in Russia. (Forum, 2014)

### **3.5 Advertising E-store in Russia**

Marketing channels needs to be chosen regarding the infrastructure of the region. Using E-advertising is the best way to reach people in Russia because bad roads and mail processing often cause big delays when using letters. Russia has the highest amount of Internet users in Europe regarding to statistics. Russians also spend more time in internet comparing to Finns, so marketing trough internet is very efficient.

Marketing in Russia is more aggressive compared to Finland. Russians love word games and use quality words more than Finns. Pictures have less meaning than text. Even though Russians react well towards advertising, it should not be forgotten that recommendations by friends and families are still very important and have high value (VV, 2010, 4).

### 3.5.1 Social media

Phone or email

Password

Log in

Forgot your password?

Welcome!

VK is the largest European social network with more than a **100 million** active users.

Sign up for VK

Your first name

Your last name

Sign up

or

Sign in with Facebook

What can you do on VK?

- Find people with whom you've studied, worked or met on vacation.
- Learn more about people around you and make new friends.
- Stay in touch with loved ones.

about terms people communities developers

VK © 2013 Suomi English Русский Українська all languages »

Figure 23 Vkontakte

Vkontakte or VK is social media channel widely used among Russians. VK is the third popular Russian web-site with over 120 million internet users mainly from Russia and Eastern-Europe. Appearance of VK is similar to Facebook, but the main difference is in the users. Facebook users commonly have international connections all around the world while VK is used to communicate with Russians and eastern Europeans.

Companies, organizations and events can create a new group and event pages to VK. Customers can interact directly with the owner of the group, this will make it

easy to manage and develop interesting content, news and activities for customers.

Marketing in VK is based on collecting people to join your group and communicating with them. Once the members joined your group, it allows the creator to send them news. VK offers advertisement service. This makes advertising easier and targeted to the right target groups. (Channels, 2013)

### 3.5.2 Yandex.ru

The screenshot shows the Yandex.ru homepage. At the top, there is a navigation bar with links for "10 ГБ на Диске", "Личные настройки", and "Войти в почту". Below this, there are news snippets with a "Новости" link. A central search bar features the Yandex logo and the text "Найдётся всё". To the right of the search bar is a "Найти" button. Below the search bar, there are several utility sections: "Хельсинки" with a map, "Погода" showing +2°C, "Телепрограмма" with TV listings, "Маркет" for shopping, "Авто" for car models, "Работа" for job listings, and "Недвижимость" for real estate. A currency exchange table is also visible, showing rates for USD, EUR, and RUB. At the bottom, there are links for "Артемия Лебедев", "Директ", "Справочник", "Метрика", "Реклама", and "О компании".

Figure 24 Yandex

Yandex is in the controlling position on Russian internet. In April on year 2012 more than 60% of the searches completed by Russians were done through Yandex. Site collected over 46 million unique visitors. The second most used search engine in Russia was Google (in Russian language).

However, there is a difference in the usage of the search engines. Google is preferred by business people and students while Yandex is used by "regular Russians". Google is used to obtain random information while Yandex is used to find commercial service, information about everyday life and consumption.

Just like Google, Yandex offers many ancillary services such as maps, music, money, e-mail and traffic information services. Using Yandex is the best way to advertise company services for Russians. Advertising in Yandex can be controlled in several ways such as; keywords, theme, geographical scope, time limits and the length of the campaign. (Channels, 2013)

### 3.5.3 Odnoklassniki

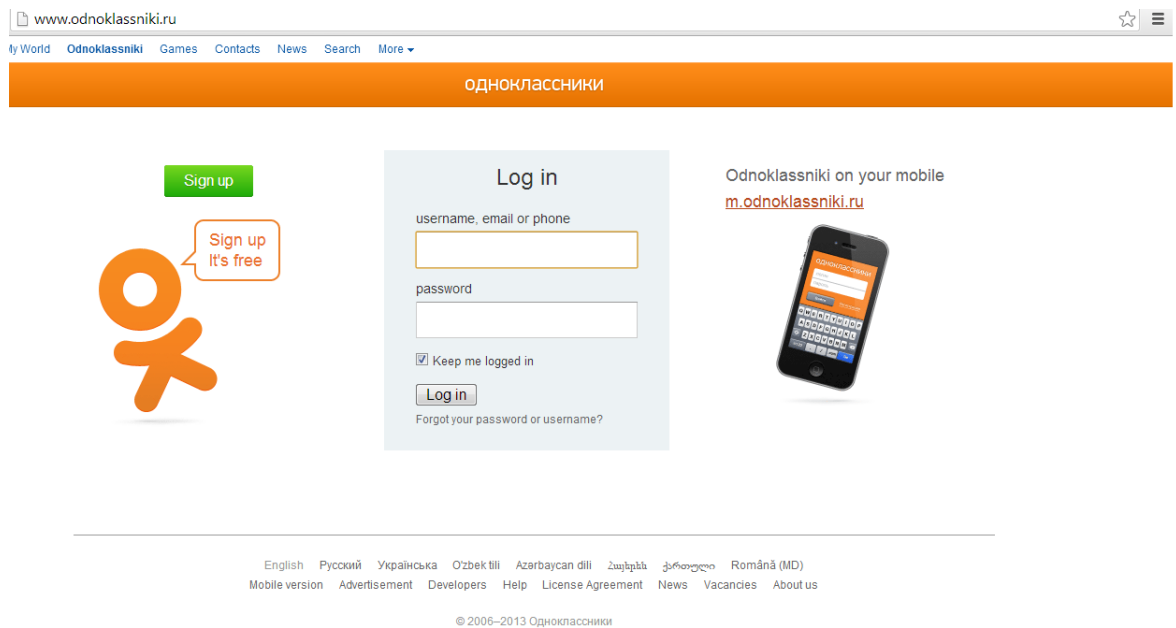


Figure 25 Odnoklassniki

Odnoklassniki is a community made for old and new classmates. This channel makes it possible to find friends from years back and to communicate with them and schedule meetings. Users can establish groups, share pictures, videos and files.

Odnoklassniki is the fifth popular web-page in Russia. There are more than 45 million users and 10 million new visitors on a daily basis, so it is also quite important channel. Web-page is especially popular among middle class people who are under 35 year old and who have high education. This channel is used on free time rather than work. This channel makes it possible to send private messages straight to users of this community. In many other social media



channels sending private messages to unknown people is made difficult or even impossible. (Channels, 2013)

## **4 Qualitative research**

In this chapter are presented the research methods applied in the current study. The reasons for choosing certain research methods are also closely explained. Here is also presented the data collection process and the manner the data was handled and further analyzed.

### **4.1 Research methods**

A mixed research method was chosen initially for the purpose of this study. In the qualitative research the interviews were held with 6 Russian case companies. The purpose was to explore B2B companies' buying behavior.

In the quantitative research an online survey was created in Google document form. It consisted of 9 questions, with the purpose of to explore the purchasing habits and culture of B2B customers in Russia. Because of the language barrier, the questionnaire was created both in English and Russian languages which can be found in appendix 2 and 3.

The first half of the questions were developed in order to give an insight on companies' size and location, occupied industry and an average purchase cost. The second half of the questions covered topics such as preferred payment methods, delivery time expectancy, sources of information and general attitude towards purchasing online.

The survey was sent to the 330 companies by email. An email was chosen as a contact method because of the availability of a large number of emails of companies operating in Russia. The companies' name list was distributed by the case company Maspart. Contacts were obtained from civil engineering trade fair held in Moscow. However, the response rate was 1%. Out of 330 companies, 3 companies took part in the survey by answering the questionnaire. Moreover, about 20 companies had invalid email addresses. Because of the insufficient number of companies which participated in the research, the results could not be further analyzed because of reliability and validity issues.

## **4.2 Data collection**

The qualitative research took form of interviews. The interviews were held on the phone or E-mail. The companies which participated in the interviews are currently operating in Russia and are active in the B2B environment. The questions for the interviews were developed in order to reveal companies attitude towards purchasing of technical items. Closely discussed were modes of delivery, preferred payment methods and other aspects of online purchasing.

## **4.3 Case studies**

The companies which were chosen for this interview are all practicing B2B commerce in Russia. 4 out of 6 of the interviewed companies are practicing business close to the Maspart.com product portfolio. The other 2 could make the small purchases in Maspart.com. The interviews aimed to gather information about:

- How the current business is organized
- What sources of information the companies use in order to find customer or business partners
- What kind of payment methods the companies prefer
- Current buying behavior and attitudes towards E-stores

The interviews were hold using phone, Skype or E-mail. Interviewed people were representatives of the company such as: CEOs, secretaries or marketing managers. The companies were asked to briefly describe business and how it operates, how did they started it, what were the challenges and turn points, how do they manage marketing, where are they looking for new customers or partners and what is their opinion about E-store.

### **4.3.1 Trikotazha**

#### **How business is organized**

Trikotazha is specialized in manufacturing textile products such as; underwear, socks, shirts and sport wear. They sell their products to customers, companies and government. The factory and storage is located in city of Voronezh, around 500km from Moscow, company employees around 100 people. Material and equipment of the company is from Turkey or Russia.

All materials the company needs are delivered first to Moscow and company's representative will pick them from there by van: this is more than 1000km of driving. Furthermore, the company has a chance to check the quality of the materials before taking them into the van.

#### **Sources of information**

If the company needs to buy machinery, the first source of information is friends, relatives and partners. On a later stage the company uses Yandex and read professional journals. The company is finding new customers from visiting fairs and read yellow pages.

#### **Payment methods**

The company uses a bank transfer in B2B environment. In case of bigger orders payment is arranged so that the first 30% will be paid in advance and the rest when products are being delivered. Company has their prices in RUB.

#### **Buying behavior**

The company is purchasing small amounts of industrial fluids, tools and spare parts. The purchase of the mentioned products is done usually by going to a retail store. For the future, the company would be interested to consider using E-store for small purchases. Purchasing online will save a lot of time and efforts for the company. However, the company does not have any experience of using E-store. The company would prefer to pay to the courier and suitable delivery time would be 1-2 weeks.

### **4.3.2 Trubocenter**

#### **How business is organized**

The second company which took part in survey is located in Moscow. The company size is under 10 employees. The company is specialized in B2B sales but also sell B2C. Partners of the company are different manufacturers or suppliers located in different cities in Russia.

The company uses manufacturers and suppliers storages as pickup points in order to deliver products to different regions. It operates in two segments - construction and metal. Trubocenter sells machinery and accessories related to construction and special metal pipes, such as acid-resistant and stainless steel pipes. Their biggest customers are usually building sites.

#### **Sources of information**

Trubocenter has operated for couple of years and has several loyal customers. The company is continuously seeking for new business customers. Mostly Yandex and Google are used in the search for new customers. Once Trubocenter finds suitable companies, the company will contact them and try to offer their products; in some cases offer is send by post.

#### **Payment methods**

Trubocenter's transactions are done by using bank transfer. The company requires payment in advance. Company accepts both RUB and USD.

#### **Buying behavior**

The company suggests that the best place to find new customers is professional fairs. The company does not read journals, instead internet is used. With B2B customers who are for example construction sites, business meeting are arranged, product catalogues and offers are presented in the business meeting. Some companies purchase products during the meetings but some not. These segment products have often all good quality so everything is about price. In their opinion industrial E-store would be a good idea and would definitely be successful if company first makes big marketing campaign. Good delivery time would be around 1 week and payment to courier by cash.

### **4.3.3 Snosim**

#### **How business is organized**

The third company's offices are located in Moscow and Kazan. The company is specialized in demolishing old buildings, processing the waste and reselling the material. The company was established by young Russian businessman with good business idea and not much experience. When the company started to become more successful the owner hired few experienced and professional employees. Professional employees helped by sharing knowledge in order to improve the business. The company has been operating now for around 8 years and future looks bright. The company has own machinery but also rents it since the company operates in all Russia and it is not profitable to move big amount of heavy machinery.

#### **Sources of information**

In order to find new customers the company uses Yandex direct, Avito, customer databases and search engine optimization are used. The company participates to different construction fairs in order to establish new connections with companies and partners. The company does not have experience in purchasing products from E-store.

#### **Payment methods**

The company uses bank transactions in B2B environment, some small payments are done by cash. Company has prices in RUB.

#### **Buying behavior**

Snosim has several construction companies as customers but are continuously looking for more. The company has few partners who can supply with all the construction related items; buying decisions is made according to the cheapest price, good quality and delivery times. In the future the company would consider using E-store but only if it is reliable and with fast delivery times.

#### **4.3.4 Betonbaza**

##### **How business is organized**

Betonbaza is a big company and it is specialized in manufacturing big amounts of concrete. The company has now operated for 9 years in Moscow region. Betonbaza has several construction companies as partners. The company is aiming for big B2B orders. The CEO of the company has participated to several entrepreneur training courses in Moscow and learned good tactics and skills about business in Russia. The CEO established good contacts on the course which helped in developing the business. Now the company is planning to move to other Russian cities and their new strategy includes establishing small concrete factories near big construction areas so they can cut the logistic costs.

##### **Sources of information**

In the beginning the CEO considered E-marketing inefficient but decided to try it and made own web-page. Once the web-page was ready the company started to improve sales and the company decided to hire marketing agency to help with Yandex search engine optimization. According to CEO the results were significant and it was very good decision. The company also employed people to monitor different Russian forums: after a while, 20 most suitable forums were chosen for marketing purposes. Company's representatives are now using these forums actively by answering other people problems and promoting company. This was also very good and working way to increase sales. The company also attends fairs in Moscow.

##### **Payment methods**

For every order the company organizes a business meeting where the company negotiates about price, payment and delivery methods individually with each customer. Bank transactions are used in B2B environment. Company has prices in RUB.

##### **Buying behavior**

The company has wide network of suppliers, once the company needs something they call another company and they will arranged everything for them. The prices

are agreed in the beginning of the partnership so that everything works with just one phone call. The company has no experience using E-stores.

#### **4.3.5 Nova-resurs**

##### **How business is organized**

This company is operating in Moscow region and specialized in building roads, tunnels and bridges. There were several companies in Russia who are making same business than this company. However, the competitive advantage of this company is that they offer several services from one place. This is one of the few companies who can offer road, tunnel and bridge building from one place.

##### **Sources of information**

The company still believes that their success was because of their marketing strategy. E-marketing was organized by professional agency and the total cost were around 10 000€. The company recommends that before opening business to Moscow it is very important to investigate and analyze how similar companies work.

Finding suitable employees has also big effect on the company's success. Finding experienced and good employees even if the price is higher has big effect on the success. Employees should never say "I don't know" for the Russian customers; they should always help him and find answers. There is very high chance that the customer comes back if it is well served.

##### **Payment methods**

Company prefers bank transactions in RUB

##### **Buying behavior**

The company has established several partnerships among different Russian companies which help them by renting machinery, repairing or supplying with material.



#### **4.3.6 PSB5**

##### **How business is organized**

PSB5 is a sales company located in Moscow. They are specialized in selling different kind of construction material to build houses. Their best selling products are different sized Styrofoam blocks which are used for isolation inside house walls. When they started in the first place, they didn't have own production but they have now opened small factory which produces Styrofoam blocks.

##### **Sources of information**

Company has web-page and online catalogue where customers can see all products, customer is asked to call the company if they want to order products. Company does not use E-store yet because it is not popular but maybe in future they might consider. For advertising their products they use Yandex Direct and search engine optimization. Company's representative also participated to fairs in order to find more customers or new partners, they also go to trainings.

Sales people in this company read several psychological books in order to learn how to sell better their products. The owner of the company participated in several trainings before starting business and used around 4000€ for the courses. Courses were related to being entrepreneur and E-marketing. Owner suggests that trainings are very good way to learn how to do business in Russia and find very good business partners.

##### **Payment methods**

The company prefers bank transfer as payment method.

#### **4.3.7 Summary of the interviews**

##### **How business is organized**

In total of 6 companies participated in the interviews. Their offices are located in three different cities: Voronezh, Moscow and Kazan. None of the companies have experience using E-store for B2B purposes. When Russian companies are talking

about selling or buying online they usually mean that they have online catalogue and people can call them if they want to make orders.

### **Sources of information**

The most important channels for finding B2B customers or partners according to the interviewed companies are: Yandex (search engine optimization), online catalogues and professional fairs. Participating in seminars can improve the chances of finding potential partners and customers. Employees of one of the interviewed companies discovered that being active in different forums is one way to increase sales. The company uses 20 different forums where they answer people's questions and advertise their company. Avito, Google, yellow pages and professional journals are also widely used but not as much as the methods mentioned before.

### **Attitudes towards E-store**

It is evident, that Russian companies would be interested to purchase from E-store. However, they are worried about delivery times and reliability of the service. Furthermore, payment methods should include payment to courier by cash and bank transfer. Russians like to contact company by phone or visit their office before bigger purchases, they also want to negotiate about payment terms such as part of the money before the shipment and the rest of the money after the product has been delivered. Russians prefer business meetings for bigger purchases.

### **Managing marketing**

Many of the interviewed companies prefer to hire a specialist or use the services of third party when managing E-marketing. This is seen as one of the best ways to improve business fast, since the work is done by experienced people. One of the companies used around 10 000€ on E-marketing and achieved very good results. Analyzing and monitoring the behavior of similar companies and "copying" their practices are also found very useful in Russian B2B environment. One of the interviewed companies mentioned that having several products or services at one place attract B2B customers. Buy more – get cheaper tactic seems to be popular in Russia. However, it is wise to not mention it, since it might not be attractive for

the small shoppers, instead writing “for purchases over XXXX€ contact us” is preferred option.

### **Payment methods**

Russian companies normally inform their prices in RUB since there is no chance to make losses because of the exchange rate. In addition, it is normal to have prices in USD and EUR, especially big international companies have their prices in these currencies in order to avoid exchange rate losses. Bank transfer is preferred in B2B transactions and customized payment schedules in case of bigger purchases.

## 5 Conclusion

Maspart.com have good premise to start planning to move their operations to Russia. Because of the cultural differences it is good to consider how to modify business operations in order to achieve better results.

Making market research in Russia is challenging; first of all, there are not much relevant publications for public use available online. It consumes plenty of time to find relevant information using search engines or other sources. Part of the companies do not have own websites or e-mail addresses.

Company's web-pages are very messy and it is popular that they describe themselves as experts in several different fields. Some have wide product portfolio and suffer bad classification which makes it very difficult to find certain products.

When contacting companies by phone or e-mail for interviewing purposes, it is visible that they avoid sharing information. This brings to a problem that it is very difficult to interview people as stranger. In some cases secretary does not use names and avoids introducing the company too much. Furthermore there is a high possibility that information provided by the person does not represent the company.

It is very unlikely to reach real decision makers without having their straight number or e-mail address. Mail addresses which are available on company's websites are full of spam and the chance that they answer is very minimal even if you have arranged with the company that you will send them E-mail. Some domains use limitations and automatic answers.

Language barrier is still an obstacle; most of the web-sites are only in Russian language. Technical information is very hard to translate between English and Russian languages.

Russian E-commerce is growing rapidly. There are high chances for Maspart.com to succeed in expanding to the Russian market. However, this move requires a good and organized business model, strategy and cooperation with partners.

### 1) Securing the business

Finding the right companies to work with is a very important step in order to secure the transportation of the goods. The person who hands over the orders needs to be reliable and capable of testifying in case of any dispute. The whole transportation process must be secured, so that the orders cannot just disappear, without anyone knowing about it. Furthermore, the company must figure out how to avoid the situation where the driver or customer starts buying straight from the suppliers. One way to improve the stability of the company is to be independent. In terms of B2B sales, it means relying less on mediators, instead, organizing own distribution channels and networks is preferred. Moreover, opening regional sales offices is a very good way to improve security and limit the risks.

### 2) Unfamiliarity of E-commerce

The popularity of E-commerce is rapidly increasing among Russians and it is estimated that E-commerce will continue to gain popularity in the future. Products, which currently form the most of the E-commerce market, are outside the case company's product portfolio. It is impossible to give a short-term forecast for the case company's success based on this research. Nevertheless, in long term run, the situation looks promising. Once the customers get used to trusting E-commerce, there is no reason why industrial product would not be sold in E-stores.

### 3) Advertising & Gaining trust

There are several different marketing channels available in order to market an E-store in Russia. However, before spending money on them, it is good to take a look on the outfit and usability of the E-store itself. The most important thing is to make sure that the E-stores' technology is compatible with Yandex. Moreover, people should be able to find the E-store information easily from the Yandex search engine, which requires also search engine optimization. Even if the outfit of the E-store is fine and it works perfectly with Google, it might not work with Yandex and users will fail in finding the E-store.

It is proven that in many cases search engine optimization is much more efficient than paying for Yandex or Google advertisements. Furthermore, the E-store must be compatible with smartphones and tablets, and it should have own page in

Vkontakte. Using mass discount web-page, such as kupikupon.ru and putting some products there at a big discount, is also a good idea to promote the E-store.

In order to gain trust, it is a good idea to consider highlighting company's Finnish origin. The reason is the fact that Russians have a long history in doing business with Finland. Moreover, Finnish businessmen are trusted and their honesty is highly appreciated.

#### 4) Payment methods

It would be a good idea to give a chance to Russians to pay to the courier when receiving the products. Many Russians prefer not to pay in advance valuable stoppings. Furthermore, they want to see the product before paying. However, if there is no possibility for this, the company should encourage customers on the web-page to pay in advance. One way of doing this is to write info box about why customers should use this payment method. For example, the customer will save money and the product will be delivered faster. Moreover, the customer may want to know what happens if they want to cancel their order. For example, information about how much time customers has to cancel an order before losing the money. Web Money and Yandex Money are the most popular payment systems in Russia.

#### 5) Purchasing by phone (Catalogues)

There are many companies and customers who do not use internet for buying industrial products. Instead, catalogues are used. In case of a purchase, a phone call is made and an order is placed. The case company could create broad catalogues of their products and make it possible for people to call straight to the company's office and order products. The bill could be delivered by mail, text message or E-mail.

#### 6) Bank transfer

If a company wants to receive payments or to have Russian bank account, it is necessarily to establish company in Russia. There are 3 different choices how to do this:

- Opening subsidiary company to Russia (difficult process, bureaucracy, might take up to 1 year and cost 10 000€)

- Open limited company which is partly owned by Russian citizen and the CEO is Russian. (Faster and cheaper than previous choice)
- Find suitable company which is already operating and receiving payments in Russia and establish partnership with it. It is possible that the mediator company will charge small commissions. This is considered to be the best choice.

#### 7) B2B contracts

Be prepared to make B2B contracts in two languages - English and Russian. Make the contracts clear and comprehensive. According to Russian legislation, it is necessary to make written trade agreement in order to do foreign business with a Russian company. The company should have own round shaped stamp with company logo on it and should stamp all company's documents with it.

#### 8) Employees

The company should hire experienced and skilled employees, who have a strong knowledge of how to do business in Russia, in order to higher the chances of being successful. Furthermore, it is a good idea to use money on companies who are specialized in E-marketing, such as Yandex search engine optimization.

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## **APPENDICES**

APPENDIX 1. The 250 Largest Industrial Centers of Russia

APPENDIX 2. Questionnaire in English

APPENDIX 3. Questionnaire in Russian

## APPENDIX 1. The 250 Largest Industrial Centers of Russia


 INDUSTRIAL FRAMEWORK OF RUSSIA  
 250 LARGEST INDUSTRIAL CENTERS OF RUSSIA

## Ranking, 250 Largest Industrial Centers of Russia

No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
1	Moscow	Moscow	11514	1895,2	<b>Mechanical engineering</b> (Russian Federal Space Agency, Russian Technologies State Corporation, Renault, United Technologies, ABB, Bombardier, Volvo, Alcatel-Lucent), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi), Uniconf, Kraft Foods, Cherkizovo, Ostantkino, Efes, JTI, BAT, Coca-Cola), <b>Oil and gas refinery</b> (Gazprom Neft), <b>R&amp;D</b> (Gazprom, Russian Federal Space Agency, Rosatom Nuclear Energy State Corporation, RusHydro, Siemens, Samsung, Intel, Russian Technologies State Corporation, Boeing, Dow Chemical, LG, Areva), <b>Pharmaceuticals</b> (GlaxoSmithKline)
2	St.Petersburg	St. Petersburg	4849	1282,7	<b>Food, drink, tobacco industry</b> (Carlsberg, Philip Morris, JTI, BAT, Orkla Foods, Coca-Cola, Heineken, Mars, Kraft Foods, Procter&Gamble), <b>Mechanical engineering</b> (Power Machines, United Shipbuilding Corporation, Russian Technologies State Corporation, OMZ (Uralmash-Izhora Group), Toyota, Nissan, GM, HP, Philips, Schneider Electric, Hyundai, Siemens, United Technologies, Johnson Controls), <b>Ferrous metallurgy</b> (Severstal), <b>Construction materials</b> (LSR), <b>Chemical industry</b> (Linde Gas), <b>R&amp;D</b> (Gazprom, Norilsk Nickel, Rusal, RusHydro, Surgutneftegaz, Severstal, Russian Federal Space Agency, Rosatom Nuclear Energy State Corporation, Polymetal, Intel, LG, Alcoa)
3	Surgut*	Khanty-Mansi Autonomous Okrug	307	800,3	<b>Oil and gas extraction*</b> (Surgutneftegaz*), <b>Electric power generation</b> (OGK-2, E.ON OGC-4), <b>Oil and gas refinery</b> (SIBUR), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi)), <b>R&amp;D</b> (Surgutneftegaz)
4	Nizhnevartovsk*	Khanty-Mansi Autonomous Okrug	252	481,6	<b>Oil and gas extraction*</b> (TNK-BP*, Gazprom Neft*, Russneft, Slavneft), <b>Oil and gas refinery</b> (SIBUR)
5	Omsk*	Omsk Oblast	1154	348,4	<b>Oil and gas refinery*</b> (Gazprom Neft), <b>Chemical industry</b> (Titan), <b>Food,</b>

<sup>3</sup> 1 USD = 30,4 RUR (01 January, 2011)

No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
					<b>drink, tobacco industry</b> (Unilever, Wimm-Bill-Dann Foods (Pepsi), SUN Inbev), <b>Mechanical engineering</b> (Russian Technologies State Corporation, Russian Federal Space Agency)
6	Perm	Perm Krai	992	331,3	<b>Oil and gas refinery*</b> (Lukoil), <b>Mechanical engineering</b> (Russian Technologies State Corporation, Russian Federal Space Agency), <b>Food, drink, tobacco industry</b> (Nestle, Wimm-Bill-Dann Foods (Pepsi), Unimilk (Danone), SUN Inbev), <b>Chemical industry</b> (Henkel)
7	Ufa	Bashkortostan	1062	313,6	<b>Oil and gas refinery*</b> (Bashneft), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi), Efes), <b>Pharmaceuticals</b> (Pharmstandard)
8	Norilsk	Krasnoyarsk Krai	175	312,0	<b>Nonferrous metallurgy*</b> (Norilsk Nickel)
9	Chelyabinsk*	Chelyabinsk Oblast	1130	277,3	<b>Ferrous metallurgy*</b> (Mechel, ChelPipe, OMK, Magnitogorsk Iron and Steel Works), <b>Food, drink, tobacco industry</b> (Uniconf, Carlsberg, Wimm-Bill-Dann Foods (Pepsi), Coca-Cola), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
10	Novokuznetsk*	Kemerovo Oblast	548	264,0	<b>Ferrous metallurgy*</b> (Evraz Group), <b>Coal mining</b> (Evraz Group, UMMC, Sibuglemet), <b>Nonferrous metallurgy</b> (Rusal)
11	Cherepovets	Vologda Oblast	312	261,3	<b>Ferrous metallurgy*</b> (Severstal), <b>Chemical industry</b> (Phosagro, Air Liquide)
12	Almetyevsk	Tatarstan	146	259,5	<b>Oil and gas extraction*</b> (Tatneft), <b>Ferrous metallurgy</b> (OMK), <b>Mechanical engineering</b> (ChelPipe)
13	Volgograd	Volgograd Oblast	1021	256,6	<b>Oil and gas refinery*</b> (Lukoil), <b>Ferrous metallurgy</b> (Severstal), <b>Nonferrous metallurgy</b> (Rusal), <b>Food, drink, tobacco industry</b> (Imperial Tobacco, Wimm-Bill-Dann Foods (Pepsi), Unimilk (Danone)), <b>Mechanical engineering</b> (Russian Technologies State Corporation, Machinery & Industrial Group N.V)
14	Lipetsk	Lipetsk Oblast	508	247,4	<b>Ferrous metallurgy*</b> (Novolipetsk Steel), <b>Mechanical engineering</b> (Indesit, Machinery & Industrial Group N.V.), <b>Food, drink, tobacco</b>

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
15	Magnitogorsk	Chelyabinsk Oblast	410	247,3	<b>industry</b> (Roshen, Cherkizovo, Unimilk (Danone)), <b>Construction materials</b> (Eurocement)
16	Togliatti	Samara Oblast	720	233,4	<b>Ferrous metallurgy*</b> (Magnitogorsk Iron and Steel Works)
17	Kogalym	Khanty-Mansi Autonomous Okrug	58	221,5	<b>Mechanical engineering*</b> (AvtoVAZ*, GM, Johnson Controls), <b>Chemical industry</b> (SIBUR, Togliattiazot, Kuibyshevazot), <b>Electric power generation</b> (Lukoil), <b>Food, drink, tobacco industry</b> (Danone)
18	Kstovo	Nizhny Novgorod Oblast	67	209,8	<b>Oil and gas extraction*</b> (Lukoil), <b>R&amp;D</b> (Lukoil)
19	Novy Urengoy*	Yamalo-Nenets Autonomous Okrug	104	205,2	<b>Oil and gas extraction*</b> (Gazprom)
20	Nizhnekamsk	Tatarstan	234	196,6	<b>Chemical industry*</b> (TAIF*, Tatneft, BASF), <b>Mechanical engineering</b> (KAMAZ)
21	Nefteyugansk*	Khanty-Mansi Autonomous Okrug	123	184,3	<b>Oil and gas extraction*</b> (Rosneft*, Gazprom Neft, Russneft)
22	Nizhny Tagil	Sverdlovsk Oblast	362	159,1	<b>Ferrous metallurgy*</b> (Evraz Group), <b>Ore mining</b> (Evraz Group), <b>Mechanical engineering</b> (Uralvagonzavod), <b>Food, drink, tobacco industry</b> (Unimilk (Danone)), <b>Chemical industry</b> (Russian Technologies State Corporation)
23	Khanty-Mansiysk*	Khanty-Mansi Autonomous Okrug	79	157,4	<b>Oil and gas extraction*</b> (Gazprom Neft*, Russneft)
24	Yekaterinburg	Sverdlovsk Oblast	1350	156,0	<b>Ferrous metallurgy</b> (Novolipetsk Steel), <b>Mechanical engineering</b> (OMZ (Uralmash-Izhora Group), Russian Technologies State Corporation, Russian Federal Space Agency, Rosatom Nuclear Energy State Corporation, Areva, Gazprom), <b>Chemical industry</b> (SIBUR, Unilever), <b>Nonferrous metallurgy</b> (UMMC), <b>Construction materials</b> (Eurocement, LSR), <b>Food, drink, tobacco industry</b> (Rusagro, Pepsi, Coca-Cola, Unimilk (Danone), Orkla Food, Wimm-Bill-Dann Foods (Pepsi))

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
25	Buzuluk	Orenburg Oblast	90	155,9	Oil and gas extraction* (TNK-BP)
26	Nogliki	Sakhalin Oblast	10	154,3	Oil and gas extraction* (Rosneft, Sakhalin Energy)
27	Samara*	Samara Oblast	1165	147,5	Oil and gas refinery (Rosneft), Mechanical engineering (Russian Federal Space Agency, Russian Technologies State Corporation, Electroschit, Tadem), Nonferrous metallurgy (Alcoa), Food, drink, tobacco industry (Nestle, Pepsi, Coca-Cola, Unimilk (Danone), Wimm-Bill-Dann Foods (Pepsi)), Chemical industry (Linde Gas), R&D (Rosneft)
28	Kaliningrad	Kaliningrad Oblast	432	143,4	Mechanical engineering (Autotor, Telebalt, Philips), Food, drink, tobacco industry (Heineken), Chemical industry (Linde Gas)
29	Nadym*	Yamalo-Nenets Autonomous Okrug	47	140,2	Oil and gas extraction* (Gazprom)
30	Noyaborsk	Yamalo-Nenets Autonomous Okrug	111	136,6	Oil and gas extraction* (Gazprom Neft*, Gazprom, Chevron), Oil and gas refinery (SIBUR)
31	Vyksa	Nizhny Novgorod Oblast	56	135,5	Ferrous metallurgy* (OMK)
32	Nizhny Novgorod	Nizhny Novgorod Oblast	1251	132,4	Mechanical engineering (GAZ, Russian Technologies State Corporation, Rosatom Nuclear Energy State Corporation, United Shipbuilding Corporation), Chemical industry (SIBUR), Food, drink, tobacco industry (Coca-Cola, Wimm-Bill-Dann Foods (Pepsi), Heineken), Pharmaceuticals (Stada, Pharmstandard), R&D (Rosatom Nuclear Energy State Corporation, Intel)
33	Kaluga	Kaluga Oblast	325	131,4	Mechanical engineering* (Volkswagen*, Peugeot, General Electric, Siemens, Power Machines, Volvo, Magna, Rosatom Nuclear Energy State Corporation, Russian Federal Space Agency, Russian Technologies State Corporation), Food, drink, tobacco industry (SUB Miller)
34	Novosibirsk*	Novosibirsk Oblast	1474	125,8	Oil and gas refinery (Gazprom), Mechanical engineering (Russian Railways, Russian Technologies State Corporation), Chemical industry (Rosatom Nuclear Energy State Corporation), Food, drink, tobacco industry (Carlsberg, Pepsi, Coca-Cola, Unimilk (Danone), Sunny Products,

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
103	Vladimir	Vladimir Oblast	346	39,4	Mechanical engineering (Rosatom Nuclear Energy State Corporation, Russian Technologies State Corporation, Machinery & Industrial Group N.V.), Food, drink, tobacco industry (Unimilk (Danone))
104	Syktvykar	Komi	235	39,0	Pulp and paper industry (Mondi)
105	Neftegorsk	Samara Oblast	19	38,7	Oil and gas extraction (Rosneft)
106	Kurchatov	Kursk Oblast	43	38,3	Electric power generation (Rosatom Nuclear Energy State Corporation)
107	Apatity	Murmansk Oblast	60	38,1	Ore mining (Phosagro)
108	Chehov*	Moscow Oblast	61	37,8	Food, drink, tobacco industry (Danone), Construction materials (Dow Chemical)
109	Monchegorsk	Murmansk Oblast	45	37,8	Nonferrous metallurgy (Norilsk Nickel)
110	Kirov	Kirov Oblast	474	37,1	Nonferrous metallurgy (JMMC), Mechanical engineering (Russian Technologies State Corporation)
111	Komsomolsk-on-Amur	Khabarovsk Krai	264	37,0	Oil and gas refinery (Rosneft), Mechanical engineering (Russian Technologies State Corporation), Ferrous metallurgy (Amurmetal)
112	Zarinsk	Altai Krai	49	36,1	Ferrous metallurgy (Novolipetsk Steel)
113	Novocherkassk	Rostov Oblast	169	35,4	Mechanical engineering (Transmachholding, Alstom), Electric power generation (OGK 6)
114	Kostomuksha	Karelia	30	34,7	Ferrous metallurgy (Severstal)
115	Rybinsk	Yaroslavl Oblast	201	34,2	Mechanical engineering* (Russian Technologies State Corporation*), Electric power generation (RusHydro)
116	Bryansk	Bryansk Oblast	416	33,8	Mechanical engineering (Transmachholding, GAZ, Russian Technologies State Corporation), Ferrous metallurgy (Transmachholding, Gazprom), Food, drink, tobacco industry (Cherkizovo)
117	Gubkinsky	Yamalo-Nenets Autonomous Okrug	23	33,8	Oil and gas extraction* (Rosneft), Oil and gas refinery (SIBUR)
118	Novoshaktinsk*	Rostov Oblast	111	33,5	Oil and gas refinery (Yug Rusi)
119	Smolensk	Smolensk Oblast	327	33,5	Jewelry industry* (Kristall), Mechanical engineering (Russian

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
					Mars, Efes, Wimm-Bill-Dann Foods (Pepsi), Heineken, Uniconf), <b>Electric power generation</b> (RusHydro), <b>R&amp;D</b> (Samsung, Intel)
35	Stary Oskol	Belgorod Oblast	221	124,1	<b>Ferrous metallurgy</b> (Metalloinvest), <b>Ore mining</b> (Novolipetsk Steel), <b>Construction materials</b> (Eurocement)
36	Salavat	Bashkortostan	156	118,6	<b>Oil and gas refinery*</b> (Gazprom), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
37	Tarko-Sale	Yamalo-Nenets Autonomous Okrug	20	117,0	<b>Oil and gas extraction*</b> (Novatek)
38	Rostov-on-Don Verkhnyaya Pyshma	Rostov Oblast	1090	114,6	<b>Mechanical engineering</b> (Russian Technologies State Corporation, Rostselmash, Russian Railways, Hyundai), <b>Food, drink, tobacco industry</b> (Yug Rusi, Carlsberg, Coca-Cola, Efes, Wimm-Bill-Dann Foods (Pepsi))
39		Sverdlovsk Oblast	60	113,4	<b>Nonferrous metallurgy*</b> (UMMC)
40	Krasnoyarsk*	Krasnoyarsk Krai	974	112,6	<b>Nonferrous metallurgy</b> (Rusal), <b>Chemical industry</b> (SIBUR), <b>Mechanical engineering</b> (Russian Federal Space Agency, Russian Technologies State Corporation, Machinery & Industrial Group N.V., Russian Railways), <b>Food, drink, tobacco industry</b> (Carlsberg, Coca-Cola, Wimm-Bill-Dann Foods (Pepsi), Unimilk (Danone)), <b>Pulp and paper industry</b> (BAZEL)
41	Kazan*	Tatarstan	1144	112,1	<b>Chemical industry</b> (TAIF), <b>Mechanical engineering</b> (Russian Technologies State Corporation, Schneider Electric), <b>Food, drink, tobacco industry</b> (Efes, Unimilk (Danone), Wimm-Bill-Dann Foods (Pepsi))
42	Volzhsky	Volgograd Oblast	314	107,5	<b>Ferrous metallurgy</b> (TMK), <b>Electric power generation</b> (RusHydro), <b>Chemical industry</b> (SIBUR), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Coca-Cola)
43	Naberezhniye Chelny	Tatarstan	513	102,0	<b>Mechanical engineering*</b> (KAMAZ*, Sollers),

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
44	Megion	Khanty-Mansi Autonomous Okrug	50	101,3	<b>Oil and gas extraction*</b> (Slavneft)
45	Orsk	Orenburg Oblast	240	98,7	<b>Oil and gas refinery</b> (Rusneft), <b>Ore mining</b> (Russian Copper), <b>Nonferrous metallurgy</b> (Mechel), <b>Mechanical engineering</b> (TMK), <b>Construction materials</b> (SU-155)
46	Vsevolozhsk	Leningrad Oblast	60,0	93,1	<b>Mechanical engineering*</b> (Ford), <b>Food, drink, tobacco industry</b> (Orimi Trade), <b>Chemical industry</b> (Nokian Tyres), <b>Packaging industry</b> (Rexam)
47	Yaroslavl	Yaroslavl Oblast	592	92,5	<b>Oil and gas refinery*</b> (Slavneft), <b>Chemical industry</b> (SIBUR, El Dupont de Nemours), <b>Mechanical engineering</b> (GAZ, Russian Technologies State Corporation, Russian Railways, Tatneft, Komatsu), <b>Food, drink, tobacco industry</b> (Carlsberg, Imperial Tobacco)
48	Kemerovo*	Kemerovo Oblast	533	86,8	<b>Ferrous metallurgy</b> (Kokс), <b>Chemical industry</b> (SIBUR), <b>Coal mining</b> (UMMC, Koks, SDS), <b>Electric power generation</b> (TGC-12), <b>Food, drink, tobacco industry</b> (Unimilk (Danone)), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
49	Ryazan	Ryazan Oblast	525	86,0	<b>Oil and gas refinery*</b> (TNK-BP), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Unimilk (Danone)), <b>Chemical industry</b> (Air Liquide)
50	Saratov*	Saratov Oblast	838	83,5	<b>Oil and gas refinery</b> (TNK-BP), <b>Chemical industry</b> (Lukoil), <b>Oil and gas extraction</b> (Rusneft), <b>Food, drink, tobacco industry</b> (BAT, Sunny Products), <b>Mechanical engineering</b> (Russian Federal Space Agency, Rosatom Nuclear Energy State Corporation, Russian Technologies State Corporation), <b>R&amp;D</b> (Gazprom, Cisco Systems)
51	Berezniki*	Perm Krai	157	82,7	<b>Chemical industry*</b> (Uralkali, UralChem, BashChem), <b>Oil and gas extraction</b> (Lukoil), <b>Nonferrous metallurgy</b> (VSMPO Avisma)
52	Tula	Tula Oblast	501	82,3	<b>Food, drink, tobacco industry</b> (Carlsberg, Unilever, Uniconf), <b>Ferrous metallurgy</b> (Koks), <b>Mechanical engineering</b> (Russian Technologies State Corporation)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
53	Usinsk	Komi	43	78,0	<b>Oil and gas extraction*</b> (Lukoil, Rosneft), <b>Oil and gas refinery</b> (Lukoil)
54	Balakovo	Saratov Oblast	200	75,0	<b>Electric power generation*</b> (Rosatom Nuclear Energy State Corporation, RusHydro, KES Holding), <b>Chemical industry</b> (Phosagro, Rosatom Nuclear Energy State Corporation), <b>Ferrous metallurgy</b> (Severstal)
55	Lyantor	Khanty-Mansi Autonomous Okrug	39	74,6	<b>Oil and gas extraction*</b> (Surgutneftegaz)
56	Gubkin	Belgorod Oblast	89	74,0	<b>Ore mining</b> (Metalloinvest, Koks)
57	Orenburg	Orenburg Oblast	547	71,8	<b>Oil and gas refinery</b> (Gazprom), <b>Oil and gas extraction</b> (Gazprom), <b>Mechanical engineering</b> (Russian Railways, UMMC, Deere & Co)
58	Novotroitsk	Orenburg Oblast	100	69,6	<b>Ferrous metallurgy</b> (Metalloinvest)
59	Bratsk	Irkutsk Oblast	246	67,2	<b>Nonferrous metallurgy</b> (Rusal), <b>Electric power generation</b> (En+), <b>Pulp and paper industry</b> (Ilim Pulp), <b>Ferrous metallurgy</b> (Mechel)
60	Stupino*	Moscow Oblast	67	66,4	<b>Food, drink, tobacco industry*</b> (Mars*, Ostantino), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Household and hygiene production</b> (Kimberley Clark)
61	Krasnodar*	Krasnodar Krai	745	66,1	<b>Oil and gas refinery</b> (Rosneft, BASEL), <b>Oil and gas extraction</b> (Rosneft, Gazprom), <b>Food, drink, tobacco industry</b> (Philip Morris, Yug Rusi, Wimm-Bill-Dann Foods (Pepsi)), <b>Mechanical engineering</b> (Russian Federal Space Agency, Russian Technologies State Corporation), <b>R&amp;D</b> (Rosneft, SIBUR)
62	Ulyanovsk	Ulyanovsk Oblast	614	66,0	<b>Mechanical engineering</b> (Sollers, GAZ, Russian Technologies State Corporation), <b>Oil and gas extraction</b> (Rosneft), <b>Food, drink, tobacco industry</b> (Orkla Food, Mars)
63	Izhevsk*	Udmurtia	628	64,2	<b>Oil and gas extraction</b> (Rosneft, Russneft), <b>Ferrous metallurgy</b> (Mechel, ChelPipe), <b>Mechanical engineering</b> (Russian Technologies State Corporation, Russian Federal Space Agency, Siemens), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi))
64	Muravlenco	Yamalo-Nenets Autonomous Okrug	37	63,4	<b>Oil and gas extraction*</b> (Gazprom Neft), <b>Oil and gas refinery</b> (SIBUR)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
65	Irkutsk	Irkutsk Oblast	587	62,9	<b>Mechanical engineering*</b> (Russian Technologies State Corporation), <b>Electric power generation</b> (En+), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi), Heineken)
66	Tyumen	Tyumen Oblast	582	62,2	<b>Oil and gas refinery</b> (Antipinsky refinery), <b>Mechanical engineering</b> (Hydraulic machines and systems), <b>Ferrous metallurgy</b> (UMMC), <b>Pharmaceuticals</b> (Pharmstandard), <b>R&amp;D</b> (Gazprom)
67	Voronezh	Voronezh Oblast	890	60,8	<b>Chemical industry</b> (SIBUR), <b>Mechanical engineering</b> (Russian Federal Space Agency, Russian Technologies State Corporation, Russian Railways, Philips), <b>Food, drink, tobacco industry</b> (Carlsberg, Wimm-Bill-Dann Foods (Pepsi), Uniconf, Kelloq)
68	Mezhdurechensk	Kemerovo Oblast	102	58,4	<b>Coal mining</b> (Evraz Group, Mechel, Sibuglemt)
69	Cheboksary	Chuvashia	454	58,0	<b>Mechanical engineering</b> (Machinery & Industrial Group N.V., Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Unimilk (Danone))
70	Ukhta	Komi	100	57,7	<b>Oil and gas extraction</b> (Lukoil), <b>Oil and gas refinery</b> (Lukoil)
71	Neftekamsk	Bashkortostan	122	57,5	<b>Oil and gas extraction</b> (Bashneft), <b>Electric power generation</b> (Bashkirenergo), <b>Mechanical engineering</b> (KAMAZ)
72	Langeepas	Khanty-Mansi Autonomous Okrug	42	57,3	<b>Oil and gas extraction</b> (Lukoil), <b>Oil and gas refinery</b> (Lukoil)
73	Kamensk-Uralsky	Sverdlovsk Oblast	175	57,2	<b>Ferrous metallurgy</b> (TMK), <b>Nonferrous metallurgy</b> (Rusal, Renova), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
74	Belovo*	Kemerovo Oblast	77	55,6	<b>Coal mining</b> (Magnitogorsk Iron and Steel Works, Evraz Group, UMMC), <b>Electric power generation</b> (TGC-12)
75	Raduzhny	Khanty-Mansi Autonomous Okrug	43	54,4	<b>Oil and gas extraction</b> (TNK-BP, Russneft)
76	Shchelkovo*	Moscow Oblast	110	53,8	<b>Ferrous metallurgy</b> (Magnitogorsk Iron and Steel Works, OMK), <b>Food, drink, tobacco industry</b> (Coca-Cola), <b>Pharmaceuticals</b> (Valenta)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
77	Nyagan	Khanty-Mansi Autonomous Okrug	55	53,2	<b>Oil and gas extraction*</b> (TNK-BP), <b>Oil and gas refinery</b> (SIBUR)
78	Veliky Novgorod	Novgorod Oblast	219	53,1	<b>Chemical industry*</b> (Acron), <b>Nonferrous metallurgy</b> (Russian Copper), <b>Food, drink, tobacco industry</b> (Kraft Foods), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
79	Tver*	Tver Oblast	404	52,9	<b>Mechanical engineering</b> (Transmashholding, Alstom, GAZ), <b>Chemical industry</b> (SIBUR, Russian Technologies State Corporation), <b>Ferrous metallurgy</b> (Arcelor Mittal), <b>Food, drink, tobacco industry</b> (Unimilk (Danone))
80	Astrakhan*	Astrakhan Oblast	521	49,1	<b>Oil and gas extraction</b> (Gazprom, Total), <b>Oil and gas refinery</b> (Gazprom), <b>Mechanical engineering</b> (Russian Railways)
81	Novomoskovsk	Tula Oblast	131	47,9	<b>Chemical industry</b> (Eurochem, Procter&Gamble)
82	Mirny	Yakutia	37	47,9	<b>Ore mining*</b> (Alosa), <b>R&amp;D</b> (Alosa)
83	Solikamsk	Perm Krai	97	47,8	<b>Chemical industry*</b> (Silvint, Russian Technologies State Corporation), <b>Oil and gas extraction</b> (Lukoil)
84	Tomsk	Tomsk Oblast	523	47,8	<b>Chemical industry</b> (SIBUR, Gazprom), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Nonferrous metallurgy</b> (UMMC), <b>R&amp;D</b> (SIBUR), <b>Food, drink, tobacco industry</b> (Unimilk (Danone))
85	Prokoplevsk*	Kemerovo Oblast	210	46,1	<b>Coal mining</b> (SDS)
86	Sterlitamak	Bashkortostan	273	45,2	<b>Chemical industry*</b> (BashChem), <b>Food, drink, tobacco industry</b> (Heineken)
87	Votkinsk*	Udmurtia	100	45,0	<b>Oil and gas extraction</b> (Rosneft), <b>Mechanical engineering</b> (Russian Federal Space Agency, Gazprom)
88	Sayanogorsk	Khakassia	63	44,3	<b>Nonferrous metallurgy*</b> (RusAl), <b>Electric power generation</b> (RusHydro)
89	Zheleznogorsk	Kursk Oblast	95	44,1	<b>Ore mining</b> (Metalloinvest)
90	Nevinnomyssk	Stavropol Krai	118	43,9	<b>Chemical industry</b> (Eurochem), <b>Electric power generation</b> (ENEL OIGK-5)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
91	Borovsk*	Kaluga Oblast	12	43,8	<b>Mechanical engineering</b> (Samsung), <b>Chemical industry</b> (L'Oreal), <b>Food, drink, tobacco industry</b> (Nestle)
92	Penza	Penza Oblast	517	43,5	<b>Mechanical engineering</b> (Transmashholding, Russian Federal Space Agency, Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Uniconf, Cherkizovo)
93	Uray	Khanty-Mansi Autonomous Okrug	39	43,0	<b>Oil and gas extraction</b> (Lukoil)
94	Pervouralsk	Sverdlovsk Oblast	125	42,5	<b>Ferrous metallurgy*</b> (ChelPipe), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi))
95	Ruza*	Moscow Oblast	14	42,1	<b>Mechanical engineering</b> (LG), <b>Food, drink, tobacco industry</b> (Nestle)
96	Belgorod	Belgorod Oblast	356	41,5	<b>Construction materials</b> (Eurocement), <b>Food, drink, tobacco industry</b> (Cherkizovo), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
97	Kursk	Kursk Oblast	415	41,4	<b>Pharmaceuticals</b> (Pharmstandard), <b>Food, drink, tobacco industry</b> (SUN Inbev), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
98	Dzerzhinsk	Nizhny Novgorod Oblast	241	41,4	<b>Chemical industry*</b> (SIBUR, Procter&Gamble), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>R&amp;D</b> (ThyssenKrupp)
99	Taganrog	Rostov Oblast	258	41,2	<b>Ferrous metallurgy</b> (TMK), <b>Mechanical engineering</b> (Tagaz, EMAlliance, Russian Technologies State Corporation)
100	Ramenskoye*	Moscow Oblast	96	40,9	<b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi))
101	Angarsk	Irkutsk Oblast	234	40,2	<b>Oil and gas refinery</b> (Rosneft), <b>Chemical industry</b> (Rosatom Nuclear Energy State Corporation, SIBUR, Rosneft), <b>Electric power generation</b> (En+), <b>Food, drink, tobacco industry</b> (SUN Inbev, Wimm-Bill-Dann Foods (Pepsi))
102	Kirishi	Leningrad Oblast	52,8	40,1	<b>Oil and gas refinery*</b> (Surgutneftegaz), <b>Electric power generation</b> (OGK-6)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
					Orgsintez, El Dupont de Nemours), <b>Food, drink, tobacco industry</b> (SUN Inbev)
226	Seversk	Tomsk Oblast	109	16,0	<b>Chemical industry</b> (Rosatom Nuclear Energy State Corporation)
227	Strezhevoy	Tomsk Oblast	42	15,9	<b>Oil and gas extraction</b> (Rosneft, Gazprom, Russneft)
228	Iskitim*	Novosibirsk Oblast	60	15,8	<b>Chemical industry</b> (Russian Technologies State Corporation)
229	Konakovo*	Tver Oblast	42	15,5	<b>Electric power generation</b> (ENEL OIGK-5)
230	Boďaibo	Irkutsk Oblast	15	15,3	<b>Ore mining</b> (Polus Gold)
231	Obninsk	Kaluga Oblast	105	15,0	<b>R&amp;D</b> (Rosatom Nuclear Energy State Corporation), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Pharmaceuticals</b> (Stada), <b>Food, drink, tobacco industry</b> (Wimm-Bill-Dann Foods (Pepsi), Lotte Confectionary)
232	Arzamas	Nizhny Novgorod Oblast	106	14,8	<b>Mechanical engineering</b> (GAZ, Russian Technologies State Corporation), <b>Construction materials</b> (Saint-Gobain)
233	Shakhty	Rostov Oblast	240	14,7	<b>Textile industry</b> (Gloria Jeans), <b>Ferrous metallurgy</b> (Mechel)
234	Zlatoust	Chelyabinsk Oblast	175	14,6	<b>Ferrous metallurgy</b> (Zlatoust metal works), <b>Mechanical engineering</b> (Russian Federal Space Agency)
235	Arkhangelsk	Arkhangelsk Oblast	349	14,3	<b>Pulp and paper industry</b> (Solombalsky pulp and paper plant)
236	Guy	Orenburg Oblast	38	14,3	<b>Ore mining</b> (UMMC)
237	Berezovsky	Kemerovo Oblast	47	14,2	<b>Coal mining</b> (SDS, Koks, Arcelor Mittal), <b>Chemical industry</b> (SDS)
238	Biyask	Altai Krai	210	14,0	<b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Pharmaceuticals</b> (Evalar)
239	Buguruslan	Orenburg Oblast	53	13,9	<b>Oil and gas extraction</b> (TNK-BP)
240	Dimitrovgrad	Ulyanovsk Oblast	123	13,9	<b>R&amp;D</b> (Rosatom Nuclear Energy State Corporation), <b>Mechanical engineering</b> (AvtoVAZ)
241	Kolchugino	Vladimir Oblast	46	13,8	<b>Nonferrous metallurgy</b> (UMMC)

No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
					Technologies State Corporation, Siemens), <b>Food, drink, tobacco industry</b> (Unimilk (Danone))
120	Shelekhov	Irkutsk Oblast	48	33,4	<b>Nonferrous metallurgy</b> (Rusal)
121	Otradny	Samara Oblast	48	33,2	<b>Oil and gas extraction</b> (Rosneft), <b>Chemical industry</b> (Tarkett)
122	Chernushka*	Perm Krai	33	33,0	<b>Oil and gas extraction</b> (Lukoil)
123	Saransk	Mordovia	297	32,8	<b>Food, drink, tobacco industry</b> (SUN Inbev, Unimilk (Danone)), <b>Chemical industry</b> (SIBUR), <b>Mechanical engineering</b> (GAZ)
124	Ulan-Ude	Buryatia	404	32,4	<b>Mechanical engineering</b> (Russian Technologies State Corporation, Russian Railways)
125	Klin*	Moscow Oblast	81	31,8	<b>Food, drink, tobacco industry</b> (SUN Inbev), <b>Glass industry</b> (Asahi Glass)
126	Volgorechensk	Kostroma Oblast	17	31,3	<b>Electric power generation</b> (OGK-3), <b>Ferrous metallurgy</b> (Gazprom)
127	Vladivostok	Primorskiy Krai	592	31,2	<b>Mechanical engineering</b> (Sollers, Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Coca-Cola, SUB Miller, Wimm-Bill-Dann Foods (Pepsi))
128	Vorkuta	Komi	71	30,8	<b>Coal mining</b> (Severstal)
129	Vyborg	Leningrad Oblast	80,0	30,7	<b>Electric power generation</b> (OGK-1), <b>Food, drink, tobacco industry</b> (Pepsi, Cherkizovo)
130	Kashira*	Moscow Oblast	42	30,7	<b>Nonferrous metallurgy</b> (Rusal), <b>Ore mining</b> (UMMC, Polymetal)
131	Krasnoturyinsk	Sverdlovsk Oblast	60	30,7	<b>Electric power generation</b> (Rosatom Nuclear Energy State Corporation)
132	Sosnovy Bor	Leningrad Oblast	66,0	30,6	<b>Mechanical engineering</b> (Russian Technologies State Corporation, Russian Federal Space Agency, GAZ, Machinery & Industrial Group N.V., EMAlliance, Russian Railways), <b>Food, drink, tobacco industry</b> (Nestle)
133	Barnaul	Altai Krai	612	29,8	<b>Pulp and paper industry</b> (Ilim Pulp), <b>Electric power generation</b> (En+)
134	Ust Ilimsk	Irkutsk Oblast	87	29,8	<b>Mechanical engineering</b> (Machinery & Industrial Group N.V., GAZ)
135	Kurgan	Kurgan Oblast	334	29,6	<b>Oil and gas refinery</b> (Maiysky refinery), <b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Food, drink, tobacco industry</b> (Uniconf)
136	Yoshkar-Ola*	Mari El	249	29,6	

No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
137	Korolev	Moscow Oblast	184	29,4	<b>Mechanical engineering</b> (Russian Federal Space Agency, Russian Technologies State Corporation, Alfa Laval)
138	Electrostal	Moscow Oblast	155	29,2	<b>Mechanical engineering</b> (Rosatom Nuclear Energy State Corporation)
139	Mytishchi*	Moscow Oblast	173	28,6	<b>Mechanical engineering</b> (Transmashholding, Alstom, Russian Technologies State Corporation), <b>Chemical industry</b> (Tarkett)
140	Pokachi	Khanty-Mansi Autonomous Okrug	17	28,6	<b>Oil and gas extraction</b> (Lukoil)
141	Voskresensk*	Moscow Oblast	91	28,5	<b>Chemical industry</b> (Uralchem), <b>Construction materials</b> (Lafarge)
142	Lebedyan	Lipetsk Oblast	21	28,4	<b>Food, drink, tobacco industry*</b> (Pepsi*, Cherkizovo)
143	Achinsk*	Krasnoyarsk Krai	109	28,2	<b>Oil and gas refinery</b> (Rosneft), <b>Nonferrous metallurgy</b> (Rusal), <b>Construction materials</b> (BASEL)
144	Miass	Chelyabinsk Oblast	180	28,2	<b>Mechanical engineering</b> (GAZ, Russian Federal Space Agency)
145	Volgodonsk	Rostov Oblast	171	28,2	<b>Electric power generation</b> (Rosatom Nuclear Energy State Corporation), <b>Mechanical engineering</b> (Atomsmash)
146	Polevskoi	Sverdlovsk Oblast	64	28,0	<b>Ferrous metallurgy*</b> (TMK), <b>Nonferrous metallurgy</b> (Rusal, Russian Copper)
147	Noginsk*	Moscow Oblast	100	27,7	<b>Mechanical engineering</b> (Russian Technologies State Corporation)
148	Serov	Sverdlovsk Oblast	99	27,6	<b>Ferrous metallurgy*</b> (UMMC, Serov metal works), <b>Electric power generation</b> (OGK-2)
149	Orekhovo-Zuevo*	Moscow Oblast	121	27,5	<b>Chemical industry</b> (Michelin, Akzo Nobel)
150	Novokuibyshevsk	Samara Oblast	108	27,4	<b>Oil and gas refinery</b> (Rosneft), <b>Chemical industry</b> (SIBUR, Renova Orgsintez)
151	Podolsk	Moscow Oblast	188	27,3	<b>Mechanical engineering</b> (Rosatom Nuclear Energy State Corporation, Russian Technologies State Corporation), <b>Chemical industry</b> (BASF), <b>R&amp;D</b> (Gazprom, Heidelberg Cement)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
152	Nerungri	Yakutia	62	27,1	<b>Coal mining</b> (Mechel), <b>Electric power generation</b> (Far East generation)
153	Satka	Chelyabinsk Oblast	45	26,8	<b>Ferrous metallurgy</b> (Magnesit)
154	Udomlya*	Tver Oblast	31	26,7	<b>Electric power generation</b> (Rosatom Nuclear Energy State Corporation)
155	Kachkanar	Sverdlovsk Oblast	41	26,3	<b>Ferrous metallurgy</b> (Evraz Group)
156	Desnogorsk	Smolensk Oblast	30	26,3	<b>Electric power generation</b> (Rosatom Nuclear Energy State Corporation)
157	Chaikovsky	Perm Krai	104	26,2	<b>Oil and gas extraction</b> (Lukoil), <b>Electric power generation</b> (RusHydro)
158	Naro-Fominsk*	Moscow Oblast	65	25,6	<b>Mechanical engineering</b> (Russian Technologies State Corporation), <b>Household and hygiene industry</b> (Avon), <b>Packaging industry</b> (Rexam), <b>Food, drink, tobacco industry</b> (Cherkizovo)
159	Krasnogorsk*	Moscow Oblast	117	25,3	
160	Lobnya	Moscow Oblast	74	25,2	<b>Packaging industry</b> (Tetra Pack)
161	Verkhnyaya Salda	Sverdlovsk Oblast	46	25,0	<b>Nonferrous metallurgy</b> (VSMPO Avisma, Boeing)
162	Dobryanka*	Perm Krai	34	24,9	<b>Electric power generation*</b> (OGK-1), <b>Oil and gas extraction</b> (Lukoil)
163	Kirovo-Chepetsk	Kirov Oblast	83	24,6	<b>Chemical industry</b> (UralChem), <b>Mechanical engineering</b> (Russian Technologies State Corporation)
164	Kovdor	Murmansk Oblast	19	24,6	<b>Ore mining</b> (Eurochem)
165	Alexeyevka*	Belgorod Oblast	39	24,5	<b>Food, drink, tobacco industry</b> (Efko)
166	Udachny	Yakutia	13	24,4	<b>Ore mining</b> (Alrosa)
167	Timashevsk	Krasnodar Krai	54	24,3	<b>Food, drink, tobacco industry</b> (Nestle, Wimm-Bill-Dann Foods (Pepsi))
168	Yanaul	Bashkortostan	27	24,2	<b>Oil and gas extraction</b> (Bashneft)
169	Istra*	Moscow Oblast	35	24,2	<b>Mechanical engineering</b> (Russian Federal Space Agency), <b>Food, drink, tobacco industry</b> (Danone), <b>Pharmaceuticals</b> (KRKA), <b>Packaging industry</b> (Alcan)
170	Novouralsk	Sverdlovsk Oblast	86	24,2	<b>Chemical industry</b> (Rosatom Nuclear Energy State Corporation), <b>Mechanical engineering</b> (Rosatom Nuclear Energy State Corporation)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
171	Vologda	Vologda Oblast	302	24,1	Mechanical engineering (Russian Technologies State Corporation), Food, drink, tobacco industry (Nestle)
172	Vidinoye*	Moscow Oblast	57	24,0	Ferrous metallurgy (Mechel), R&D (Gazprom)
173	Engels	Saratov Oblast	202	24,0	Chemical industry (Henkel), Mechanical engineering (Russian Technologies State Corporation, Bosch)
174	Ivanovo*	Ivanovo Oblast	409	23,9	Mechanical engineering (Komatsu), Food, drink, tobacco industry (SUN Inbev, Heinz)
175	Budennovsk	Stavropol Krai	65	23,7	Chemical industry (Lukoil)
176	Pechora*	Komi	49	23,5	Electric power generation (OGK-3), Oil and gas extraction (Lukoil)
177	Syzran	Samara Oblast	179	23,5	Oil and gas refinery (Rosneft), Chemical industry (Henkel), Mechanical engineering (AvtoVAZ, Russian Technologies State Corporation)
178	Odintsovo*	Moscow Oblast	139	23,4	Construction materials (SU-155), Mechanical engineering (SU-155), Food, drink, tobacco industry (Mars)
179	Novorossiysk	Krasnodar Krai	242	23,2	Construction materials (Novoroscement, Inteko), Food, drink, tobacco industry (Pepsi), Mechanical engineering (Russian Railways, Russian Technologies State Corporation)
180	Solnechnogorsk*	Moscow Oblast	53	23,1	Mechanical engineering (Russian Technologies State Corporation)
181	Kovrov	Vladimir Oblast	146	22,8	Mechanical engineering (Rosatom Nuclear Energy State Corporation, Russian Federal Space Agency, Russian Technologies State Corporation)
182	Serpukhov*	Moscow Oblast	127	22,7	Mechanical engineering (Russian Technologies State Corporation)
183	Dmitrov*	Moscow Oblast	61	22,4	Packaging industry (BASEL)
184	Oktyabrsky	Bashkortostan	109	22,4	Oil and gas extraction (Bashneft)
185	Pokrov	Vladimir Oblast	18	22,4	Food, drink, tobacco industry (Kraft Foods)
186	Yegorievsk*	Moscow Oblast	70	22,0	Construction materials (Saint Gobain, Kronospan), Food, drink, tobacco industry (Tchibo), Pharmaceuticals (Gedeon Richter)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
187	Khabarovsk	Khabarovsk Krai	578	21,9	Oil and gas refinery (NK Alliance), Food, drink, tobacco industry (Carlsberg, Heineken, Wimm-Bill-Dann Foods (Pepsi))
188	Zheleznogorsk	Krasnoyarsk Krai	86	21,8	Mechanical engineering (Rosatom Nuclear Energy State Corporation)
189	Rososh*	Voronezh Oblast	63	21,1	Chemical industry (Rososh fertilizer)
190	Koryazhma	Arkhangelsk Oblast	40	21,0	Pulp and paper industry (Ilim Pulp)
191	Svetly	Kaliningrad Oblast	21	21,0	Oil and gas extraction (Lukoil)
192	Kostroma	Kostroma Oblast	269	21,0	Food, drink, tobacco industry (Nestle, Unimilk (Danone))
193	Revdia	Sverdlovsk Oblast	62	20,6	Nonferrous metallurgy (UMMC, Russian Copper), Ferrous metallurgy (Novolipetsk Steel)
194	Domodedovo	Moscow Oblast	96	20,5	Mechanical engineering (Deere & Co), Construction materials (SU-155)
195	Sergiyev Posad*	Moscow Oblast	111	20,4	Mechanical engineering (Russian Technologies State Corporation), Electric power generation (RusHydro)
196	Zelenogorsk	Krasnoyarsk Krai	66	20,1	Chemical industry (Rosatom Nuclear Energy State Corporation), Electric power generation (OGK-6)
197	Tambov	Tambov Oblast	281	19,4	Mechanical engineering (Russian Technologies State Corporation, Russian Railways), Food, drink, tobacco industry (Uniconf, Cherkizovo)
198	Velikiye Luki	Pskov Oblast	99	19,2	Mechanical engineering (Power Machines, Transneft)
199	Dyurtyuli	Bashkortostan	31	18,9	Oil and gas extraction (Bashneft)
200	Ishimbay	Bashkortostan	66	18,9	Oil and gas extraction (Bashneft)
201	Beloretsk	Bashkortostan	69	18,8	Ferrous metallurgy (Mechel)
202	Nizhniye Sergi	Sverdlovsk Oblast	11	18,8	Ferrous metallurgy (Novolipetsk Steel)
203	Kiselevsk	Kemerovo Oblast	98	18,7	Coal mining (SDS, UMMC, Evraz Group, Koks, Siberian Coal Energy Company)
204	Bor*	Nizhny Novgorod Oblast	78	18,7	Стекольная промышленность (AGC Glass)
205	Balashikha	Moscow Oblast	215	18,6	Mechanical engineering (Russian Technologies State Corporation), Chemical industry (Linde Gas, Akzo Nobel)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
206	Glazov	Udmurtia	96	18,6	Mechanical engineering (Rosatom Nuclear Energy State Corporation)
207	Stavropol	Stavropol Krai	398	18,5	
208	Efremov	Tula Oblast	42	18,4	Food, drink, tobacco industry (Cargill), Chemical industry (Tatneft)
209	Novodvinsk	Arkhangelsk Oblast	41	18,3	Pulp and paper industry (Arkhangelsk pulp and paper plant)
210	Myski	Kemerovo Oblast	43	18,1	Coal mining (Mechel), Electric power generation (TGC-12)
211	Svetogorsk	Leningrad Oblast	16,0	18,0	Pulp and paper industry (International Paper)
212	Zhigulevsk	Samara Oblast	56	18,0	Electric power generation (RusHydro), Construction materials (Eurocement), Mechanical engineering (Russian Technologies State Corporation)
213	Uchaly	Bashkortostan	38	17,9	Ore mining (UMMC)
214	Orel	Orel Oblast	318	17,6	Ferrous metallurgy (Severstal), Food, drink, tobacco industry (Coca-Cola, Unimilk (Danone)), Pharmaceuticals (Sanofi Aventis)
215	Yelabuga	Tatarstan	71	17,4	Mechanical engineering (Sollers), Oil and gas extraction (Tatneft), Chemical industry (Air Liquide)
216	Ruzayevka	Mordovia	48	17,1	Mechanical engineering (GAZ)
217	Novoaltaisk	Altai Krai	71	16,9	Mechanical engineering (SDS)
218	Berezovsky	Sverdlovsk Oblast	52	16,9	
219	Tosno	Leningrad Oblast	39,1	16,6	Chemical industry (Henkel), Mechanical engineering (Caterpillar)
220	Novovoronezh	Voronezh Oblast	33	16,5	Electric power generation (Rosatom Nuclear Energy State Corporation)
221	Kolomna	Moscow Oblast	145	16,4	Mechanical engineering (Transmashholding, Russian Technologies State Corporation), Chemical industry (Henkel), Food, drink, tobacco industry (Uniconf)
222	Reftinsy	Sverdlovsk Oblast	17	16,2	Electric power generation (ENEL OIGK-5)
223	Asha	Chelyabinsk Oblast	32	16,2	Ferrous metallurgy (Ашинский металлургический завод)
224	Zavolzhye*	Nizhny Novgorod Oblast	40	16,1	Mechanical engineering (Sollers, GAZ), Electric power generation (RusHydro)
225	Novocheboksarsk	Chuvashia	124	16,1	Electric power generation (RusHydro), Chemical industry (Renova)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>3</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
226	Seversk	Tomsk Oblast	109	16,0	Orgsyntez, El Dupont de Nemours), Food, drink, tobacco industry (SUN Inbev)
227	Strezhevoy	Tomsk Oblast	42	15,9	Oil and gas extraction (Rosneft, Gazprom, Russneft)
228	Iskitim*	Novosibirsk Oblast	60	15,8	Chemical industry (Russian Technologies State Corporation)
229	Konakovo*	Tver Oblast	42	15,5	Electric power generation (ENEL OIGK-5)
230	Boďaibo	Irkutsk Oblast	15	15,3	Ore mining (Polus Gold)
231	Obninsk	Kaluga Oblast	105	15,0	R&D (Rosatom Nuclear Energy State Corporation), Mechanical engineering (Russian Technologies State Corporation), Pharmaceuticals (Stada), Food, drink, tobacco industry (Wimm-Bill-Dann Foods (Pepsi), Lotte Confectionary)
232	Arzamas	Nizhny Novgorod Oblast	106	14,8	Mechanical engineering (GAZ, Russian Technologies State Corporation), Construction materials (Saint-Gobain)
233	Shakhty	Rostov Oblast	240	14,7	Textile industry (Gloria Jeans), Ferrous metallurgy (Mechel)
234	Zlatoust	Chelyabinsk Oblast	175	14,6	Ferrous metallurgy (Zlatoust metal works), Mechanical engineering (Russian Federal Space Agency)
235	Arkhangelsk	Arkhangelsk Oblast	349	14,3	Pulp and paper industry (Solombalsky pulp and paper plant)
236	Guy	Orenburg Oblast	38	14,3	Ore mining (UMMC)
237	Berezovsky	Kemerovo Oblast	47	14,2	Coal mining (SDS, Koks, Arcelor Mittal), Chemical industry (SDS)
238	Biysk	Altai Krai	210	14,0	Mechanical engineering (Russian Technologies State Corporation), Pharmaceuticals (Evalar)
239	Buguruslan	Orenburg Oblast	53	13,9	Oil and gas extraction (TNK-BP)
240	Dimitrovgrad	Ulyanovsk Oblast	123	13,9	R&D (Rosatom Nuclear Energy State Corporation), Mechanical engineering (AvtoVAZ)
241	Kolchugino	Vladimir Oblast	46	13,8	Nonferrous metallurgy (UMMC)

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No	City	Region	Population, tsd. (2010)	Production volume, RUR bln. <sup>9</sup> (2010)	Sectorial and corporate structure of industrial assets (Russia's leading companies)
242	Novomichurinsk	Ryazan Oblast	19	13,8	Electric power generation (OGK-6)
243	Divnogorsk	Krasnoyarsk Krai	28	13,6	Electric power generation (En+)
244	Pushkino*	Moscow Oblast	103	13,5	
245	Polarniye Zori	Murmansk Oblast	15	13,5	Electric power generation (Rosatom Nuclear Energy State Corporation)
246	Lubertsy*	Moscow Oblast	172	13,3	Mechanical engineering (Russian Technologies State Corporation)
247	Blagoveshchensk	Bashkortostan	34	13,2	Chemical industry (Polief)
248	Balakhna*	Nizhny Novgorod Oblast	52	12,9	Pulp and paper industry* (Volga pulp and paper plant), Mechanical engineering (Russian Technologies State Corporation)
249	Sarapul*	Udmurtia	101	12,8	Mechanical engineering (Russian Technologies State Corporation), Oil and gas extraction (Rosneft)
250	Sosnogorsk*	Komi	41	12,7	Oil and gas refinery (Gazprom)

Notice: the cities where the production volume recognizes the importance of neighbouring municipal entities (in case if those [municipal entities] are of importance – more than 5 bln RUR) are marked with a star (\*). Branches and enterprises that have city-forming importance for a certain population area are marked with 2 stars (\*\*).

## APPENDIX 2. Questionnaire in English

### Questionnaire [www.maspart.com](http://www.maspart.com)

What is the main area of your company's operations in Russia?

- Northwest
- Central
- Southern
- Volga
- Urals
- Siberian
- Far East

What is the size of your company?

- >50 employees
- 50 - 250 employees
- <250 employees

Does your company purchase products from any of the following categories in Russia?

	Yes	No
Estate management	<input type="radio"/>	<input type="radio"/>
Transportation	<input type="radio"/>	<input type="radio"/>
Construction	<input type="radio"/>	<input type="radio"/>
Agriculture	<input type="radio"/>	<input type="radio"/>
Material handling	<input type="radio"/>	<input type="radio"/>
Forestry	<input type="radio"/>	<input type="radio"/>
Building	<input type="radio"/>	<input type="radio"/>

What is the typical cost of your one-time purchase in Russia?

- >300€
- 300-600€
- <600€



**What payment methods your company can use in B2B environment?**

	Yes	No
Credit Card	<input type="radio"/>	<input type="radio"/>
Cash	<input type="radio"/>	<input type="radio"/>
Online payment (WebMoney, Yandex Money)	<input type="radio"/>	<input type="radio"/>
Bank transfer	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>

**Please specify what other payment methods your company can use**

**What is the maximum delivery time you can wait for your product to arrive, once ordered?**

1 week  
 2 weeks  
 3 weeks  
 4 weeks

**If you need to find information about Russian companies, how important are the following sources?**

	Very important	Helpful	Not important
Friends, colleges or partners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yandex -search	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Google -search	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Catalogs delivered by post	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vkontakte	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Odnoklassniki	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TV and radio advertisements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Linkedin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online forums	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional journals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**What is your opinion about the following aspects?**

	This might affect negatively on my buying decision	I don't mind	This might affect positively on my buying decision
Payment in advance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unfamiliar E-store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-store is owned by a Finnish businessmen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company can be contacted only in English	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company's office is not located in Russia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being able to place orders by phone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-store is compatible with smartphones	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company provides catalog of products by mail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possibility to see products in showroom before ordering them	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Here you can leave comments or write more information for example about what aspects are the most important for you when purchasing from E-store.**

## APPENDIX 3. Questionnaire in Russian

## Анкета [www.maspart.com](http://www.maspart.com)

**В каком регионе ваша компания работает?**

- Северо-Западном
- Центральном
- Южном
- Приволжском
- Уральском
- Сибирском
- Дальневосточном

**Какова численность Вашей фирмы?**

- >50 сотрудников
- 50 - 250 сотрудников
- <250 сотрудников

**В каких из перечисленных категорий вы хотели бы сделать покупки?**

	да	нет
Недвижимость	<input type="radio"/>	<input type="radio"/>
Транспорт + дополнительные комплектующие	<input type="radio"/>	<input type="radio"/>
гражданское строительство	<input type="radio"/>	<input type="radio"/>
Сельское хозяйство	<input type="radio"/>	<input type="radio"/>
Погрузка	<input type="radio"/>	<input type="radio"/>
Лесозаготовка	<input type="radio"/>	<input type="radio"/>
Строительство	<input type="radio"/>	<input type="radio"/>

**Каков обычный размер вашей разовой покупки?**

- >300€  
 300-600€  
 <600€

**Какой из следующие способов оплаты предпочителен для вашей компании?**

	да	нет
пластиковая карта	<input type="radio"/>	<input type="radio"/>
наличными	<input type="radio"/>	<input type="radio"/>
онлайн оплата (WebMoney, Yandex Money)	<input type="radio"/>	<input type="radio"/>
банковский перевод	<input type="radio"/>	<input type="radio"/>
Другое (укажите)	<input type="radio"/>	<input type="radio"/>

**Укажите , пожалуйста, какие способы оплаты вашей компании**

**Каков максимальный срок доставки товара вас устраивает?**

- Одна неделя  
 две недели  
 три недели  
 четыре недели

**Какое получение необходимой информации о предприятиях вам предпочтительно**

	Очень важно	не очень важно	Совсем не важно
Друзья, коллеги и партнеры	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yandex - Поисковая система	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Google - Поисковая система	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
каталоги компаний	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vkontakte	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Odnoklassniki	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ТВ и радио рекламы	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
LinkedIn	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
интернет-форумы	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Профессиональные журналы	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Каково ваше мнение:**

	Это может повлиять отрицательно на моё решение приобрести товар	Я не против	Это может повлиять положительно на моё решение приобрести товар
Оплата перед заказом	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Незнакомые интернет-магазины	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Финский интернет-магазин	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
С компанией можно связаться только на английском языке	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
иностранная компания	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
заказ товаров по телефону	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Е-магазин работает на смартфоне	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Каталог фирмы	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
выставочный зал продукции	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Здесь Вы можете оставить свои комментарии, советы или идеи, связанные с этой темой. Ваши комментарии нам очень важны.**