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# Optimization and development of e- marketing channels


Case: Imaton Professional Psychological  
Toolkit Ltd.

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## DESCRIPTION

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<b>Abstract</b> <p>The topic of Internet advertising is being broadly explored nowadays, since more and more companies are getting involved within this sphere.</p> <p>In this thesis the topic included a broader concept, than a traditional promotion of the web-store through the Internet. The overall operational process, abilities and resources were estimated and explored in order to come up with the proposals and outcomes towards optimization and development of e-marketing channels.</p> <p>For theoretical basis the concepts of IMC, e-marketing, social media, web-store management etc were explored.</p> <p>Further, the qualitative research methods were applied in order to collect the practical data about the case. Interview with Imaton`s CEO provided an essential information about the company`s internal environment, degree of employees motivation and resources etc. The review of Internet advertising feedbacks was also performed in order to explore the development tendency and current positions, as well as to figure out the basic suggestions.</p> <p>The research resulted with the suggestions for development social media advertising branch, broader the Integrated Marketing Communication proposals, increasing the ability for company- to- customer communication and proposals for web-store optimization.</p>		
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## 1. INTRODUCTION

In the beginning of 21th century the scale of Internet communications is growing with an enormous speed. The Internet itself has grown to a global network, connecting people from all parts of the world and wiped off the borders for information exchange. However, the Internet is not only used as a space for people`s connections, but as a huge and borderless digital market for companies to operate in. No geographical or distance issues are interfering the companies in reaching their customers.

Being accessible and ubiquitously used, digital space are attracting more and more companies to become a part of it. The easiness of company- to- customer communication, a numerous communication paths and cost reductive advertisement are only several points from a long list of benefits a company can get.

However, the issues of gaining the popularity, reaching customers and being visible within this global information flow are outstandingly actually nowadays. So how a company can examine its positions within the digital world and find a ways to improve them? How to attract the customers online and build mutually beneficial relationships with them? Which benefits can be gained from Social Medias and Integrated Marketing Communication? These were the key questions explored in this thesis.

The case company for this thesis - the Imaton Professional Psychological Toolkit Ltd - a medium sized enterprise, operating on the Russian market form the year 1991. However, the huge step towards the Internet communication with the customers was made in 2010, when the company gained its web-store for distributing psychology- related products. The web-store "The World of Psychologist" is exactly the key object of the research.

Reaching the customers from different regions of such a huge country as Russia is a complicated issue. That is why it was important to evaluate the situation from all sides and to estimate all available ways for advertising and increasing brand awareness.

The objectives were to:

- Identify how effective were the Internet marketing channels applied by the Imaton within the advertising campaign of the web-store

- In which ways the communication process could be developed?
- Which resources does the company possess?
- Which benefits the company can get from developing social media and IMC channels?

To answer these questions the topic- related theories were explored and the research was done, in order to find out their implementation ways. The previously taken advertising campaigns were estimated and the possible improvements were suggested. Finally, it was possible to see the whole scale of the situation and to figure out the possible ways for further development.

## **2. DIGITAL MARKETING COMMUNICATIONS**

### **2.1 E-marketing**

According to Dann & Dann (2011), e-marketing is any type of marketing activity, which needs some form of interactive technology for its implementation. (Dann & Dann 2011, 4). The first milestone of e-marketing occurred in 1990, when the Internet changed from private network to become a part of mainstream society (Dann & Dann 2001, 18).

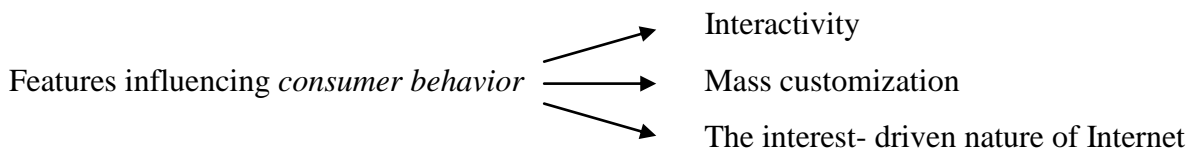
As stated by Chaffey (2006), the factors of Internet popularity and improvements in hard- and software industries boosted the e-marketing process and development of customer relationship within it. The role of Internet marketing itself is supporting a multi- channel marketing (a combination of digital and traditional channels) within the buying cycle (Chaffey 2006, 14-15).

Jaffe (2005), named another 4 forces which caused increasing rate of change in digital revolution. Those are: broadband, wireless, search and network. Broadband enables everyone to be connected, minimizing the time between the exposure and action. Wireless connection (Wifi) made it possible to move being connected at the same time. Search engines are facilitators of within online connections. Networks, in their turn, precede the interaction between people between each other, keeping them connected and up to date. (Jaffe 2005, 36.)

### 2.1.1 Features of e-marketing environment

Dann & Dann (2011) give ten characteristics of the e-marketing environment, stating that all the practices of the e-marketing have been evolving in light of environment in which it operates. The characteristics are grouped according to their impact on:

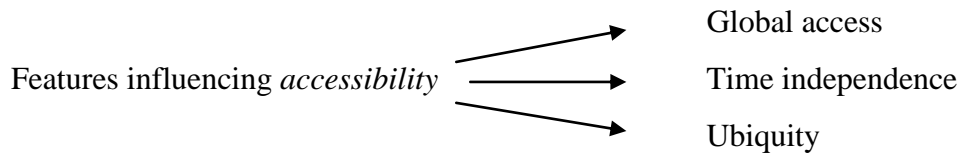
- *consumer behavior*,
- *accessibility*
- *characteristics of products* (Dann & Dann 2011, 41).



*Interactivity*-the feature of interactivity stands for the degree of two-way communication set between the company and its clients (Wang, Xu, Gao, 2005). According to Hoffman and Novak (1996), Internet- focused interactivity can be subtracted into 2 main types. The first one-person interactivity is described as persons` activity to communicate with other people using the Internet. Machine interactivity is identified like the ability of a person to access hypermedia content. (Dann & Dann 2011, 42.)

*Mass customization*- in this feature the customization follows from interaction due to capability of producing personalized user experience in the Internet. Customization can range from simple choices to the more heavy customization (e.g. of user interface).

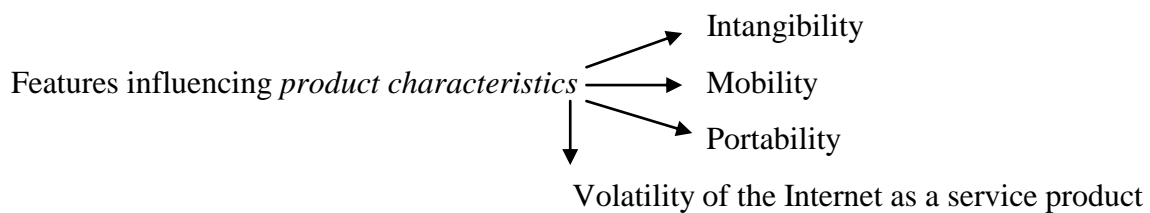
*The interest-driven nature of the Internet*- this characteristics states that consumers` interaction with the e-marketing organization are interest- driven. The company can benefit from motivated consumers which are actively searching for information of product, since they are more likely to interact with the company. On the other hand, interested- driven consumers are relies on what they are looking for, not for finding a product accidently. (Dann & Dann 2011, 44.)



*Global access*; the feature of the Internet, letting you access it from anywhere on a planet, unlike the traditional marketing environment, which is bounded by geographic reach and physical locations.

*Time independence*; characterizes Internet as being always opened and always on. Time independence is one of the most appealing aspects of the Internet, as stated by Arnott and Bridgewater (2002).

*Ubiquity*; the access to the Internet environment is widespread in the first-world nations and in nations with developing economies. The second aspect of ubiquity states for Internet's ability to cross media through geographic boundaries. (Dann & Dann 2011, 46.)



*Intangibility*; e-marketing uses communication for delivery of intangible benefits, which cannot be physically experienced. The major benefit of e-marketing then is the intangible value brought by a combination of access and convenience.

*Mobility*; the aspect of e-marketing based on evolving and adapting of new developed technologies of portability, wireless communication and power management. Due to use of multiple networks it doesn't depend on fixed message channels.

*Portability*; can be divided into information portability and data portability. The first one stands for multiple ways within which the information can be delivered and transferred through variety of digital channels. Data portability, in its turn, stands for the level of ownership a user can have over the data trail. This issue is important the most in the context of social media. (Dann & Dann 2011, 48.)

*Volatility of the Internet as a service product*; Internet is unstable and its volatility has been good for the rapid development, however make the digital environment an unstable place. The



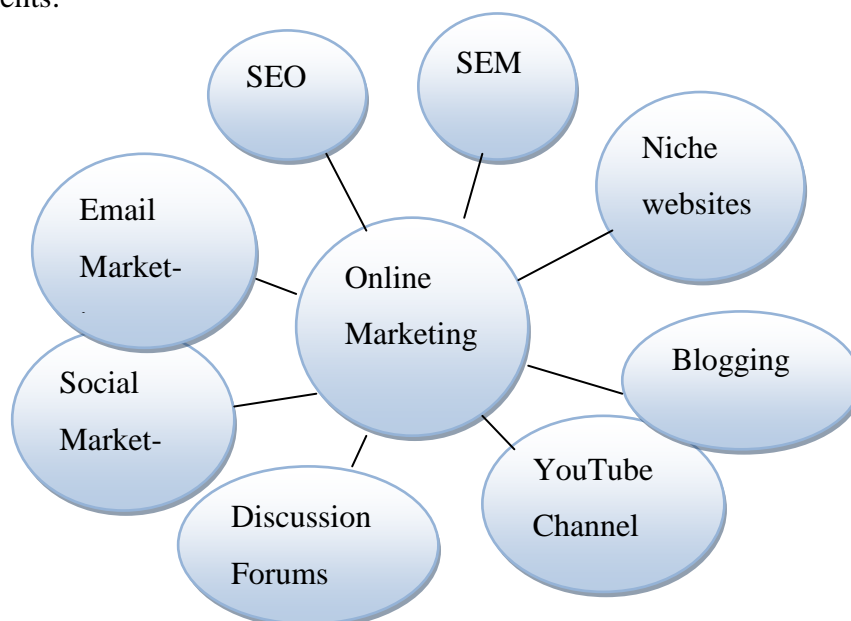
instability of environment from the implementation perspective can be considered as one of the most complicated aspects of e-marketing. It's important to keep up with new tools, which are appearing on a daily basis. (Dann & Dann 2011, p 49)

## 2.2 Online Marketing channels

Choosing a marketing channel is considered as an important step for a company, therefore all pros and cons should be evaluated in order to identify the most suitable and effective channel. A company should implement a strategic approach to manage risks and deliver the available opportunities from online channels. (Chaffey 2006, 20.)

Marketing channels include different platforms and tools a company can implement as a part of strategic internet marketing plan. Taking the advantages from what the companies have, there are always ways to go.

The following figure (Figure 1) "Online channels for marketing" consists of the following segments:



**Figure 1 – Online marketing channels**

### SEM

According to Alex Cris from Google, a blogger from Reliablysoft.net resource, Search Engine Optimization (SEO) and Paid per Click (PPC) are considered as tools within the Search En-

gine Marketing (SEM) segment. For further exploration we will keep this approach also, however still explaining some of channels from the Figure 1.

The main difference between SEO and PPC approaches to online advertising consists of two different ways of traffic – free (organic) and paid (Cris, 2012). Search Engine Optimization (SEO)- according to Charlesworth (2009) ‘the practice of making a website attractive to a search engine by presenting its code and content in such a way that the search engine will assume it will address a specific inquiry from a searcher’. (Charlesworth 2009, 178)

Paid per Click (PPC) - according to Chaffey (2007)- ‘the performance-based advertising where the advertiser pays for each click’. In this case the search engine is paid from the advertiser, so as to list the advertisement or banners in the search results list or in the third-party sites.

However, the payment itself is taken not for the advertisement displaying, but for each click made by user.

The ranking within the PPC-advertisement is made according to highest cost-per-click value for each key search phrase. Top spot goes to the company, which is ready to pay for it. (Chaffey 2007, 413) The main difference between Organic traffic and Paid search advertising consists of result placement on the search screen, as you can see from the picture below. (Cris 2012)

**Picture 1- placement of paid and organic search advertising (Cris 2012)**

The image shows a search results page with two columns of results. The left column is labeled 'Ads related to seo packages' and contains several PPC results. The right column is labeled 'Ads' and contains organic search results. Red arrows point from the PPC results to the organic results, indicating the placement of paid advertising above organic search results.

**PPC results (Left Column):**

- [SEO - globeone.gr](http://www.globeone.gr/SEO)  
www.globeone.gr/SEO  
Get Your Website on the Front Page of Search Engine Results! Learn More
- [White Label SEO Packages - WLMarketing.com](http://www.wlmarketing.com/)  
www.wlmarketing.com/  
Completely Transparent Reseller. Up & Running In 5 Days. Order Now!
- [Optimization Services - Improve Your App Portfolio Mgmt](http://www.techtarget.com/IBM-Rational-Answers)  
www.techtarget.com/IBM-Rational-Answers  
Enjoy Reduced Risks and Costs.  
TechTarget has 265 followers on Google+
- [SEO Packages. SEO Package cost. SEO Packages Pricing ...](http://www.w3commerce.com.au)  
www.w3commerce.com.au > Search Engine Optimisation  
W3Commerce offers seo packages that suit any business ranging from SMB's to corporates. Our package pricing is designed with your needs in mind and we ...
- [SEO Packages UK | Cheap SEO Packages | Anicca Solutions](http://www.anicca.co.uk)  
www.anicca.co.uk/seo-search-engine-optimisation-packages.htm  
SEO packages UK – Anicca Solutions is a Leicester based online marketing agency offering cheap SEO packages to businesses across the UK.
- [Monthly SEO Packages – Increase Your Website Traffic and Sales](http://www.netwidemediagroup.com)  
www.netwidemediagroup.com/monthly-seo-packages.html  
Our Monthly Search Engine Optimization (SEO) Package is designed to get top results from major search engine like Google, Bing, Yahoo and more.

**organic results (Right Column):**

- [Google AdWords](http://www.google.gr/AdWords)  
www.google.gr/AdWords  
Αύξηση Επισκέψεων, Άμεσα Αποτελέσματα. Ξεκινήστε Τώρα!
- [SEO in Cyprus Limassol](http://www.nikamsolutions.com/)  
www.nikamsolutions.com/  
SEO (Search Engine Optimization)  
Ανεβείτε Ψηλά στις Μηχανές Αναζήτησ
- [2013 Premium SEO Packages](http://www.linkdiversity.co/)  
www.linkdiversity.co/  
Safe, Diversified Links  
\$79.97 - 16 Links Platforms!
- [Δωρεάν Βιβλίο Seo](http://www.internet-big-money.com/)  
www.internet-big-money.com/  
Κατέβασε αμέσως το Seo βιβλίο και δες όλα τα δωρεάν μαθήματα
- [SEO Forum](http://www.magestic.net/)  
www.magestic.net/  
SEO forum, Webmast Forum  
Internet marketing forum, Webhosting

See your ad here >

**Niche Websites** (mini websites) – sites consisting of 2-3 pages and created especially for advertising purposes and contained with valuable information for the target group.

**Blogging** – one of the most common channels to promote affiliate offers.

**YouTube channel** – tool of promotion a product or brand within mini presentations or videos.

**Email marketing** – building a large opt-in list of emails is the main feature for this channel. Being related to the customer niche, this service can be used for informing the subscribers and customers about the offers. (Cris 2013.)

### 2.3 Integrated Marketing Communication

In this chapter the main statements of Integrated Marketing Communication (IMC) are presented and described. The main goal is to review the tools and opportunities a company has for keeping in touch with their customers and fulfilling its promotional goals.

The most common definition given by Koekemoer & Bird, (2004) states IMC as “the collective activities, materials and media used by a marketer to inform or remind prospective customers about a particular product offering and to attempt to persuade them to purchase or use it.”

Another definition given by Kliatchko (2005) states IMC as a ‘concept and process of strategically managing audience- focused, channel- centered and results- driven brand communication programs over time’. However, after the several researches were done, the author proposed the updated definition, stating that ‘IMC is an audience- driven business process of strategically managing stakeholders, content, channels and results of brand- communication programs’. (Kliatchko 2005, 140.)

The following definition is considered to be a channel- centered and audience - focused and strategically aimed on communication. In the same way Larich & Lynagh (2009) state that IMC involves a variety of communications within a comprehensive plan to provide consistency and impact through integration of discrete messages. Companies in this context should communicate with customers, but also with stakeholders and other publics.

The communication itself applied in terms of IMC is divided into two main parts:

- Mass communication (includes advertising, sales promotion, public relations, trade-shows etc.)
- Direct communication (includes on-line marketing, word- of mouth marketing, personal selling etc.)

Also Integrated Marketing Communication can be seen as a concept of coordinating all promotional tools as advertising, sales, promotion, personal selling, public relations and direct marketing. This concept is used to provide a consistence message across the audiences and avoid the uncoordinated communications within a company. (Kerin 2003, 332.)

Being a strategic approach, IMC requires the coordination of organization`s strategies, messages and resources in order to have a proper engagement with the target audience. (Fill 2006, 98)

There are two principal aims of IMC according to Baines (2008). First of all, it is the development of brand values via advertising. If succeed, it will create the right vision and improve customers` beliefs towards brand.

Secondly, customer should be made to behave a particular way so as later on he/she will buy a product or service. Those two above- mentioned aims makes a basis for company`s identification via advertising and gain control over the target audience. (Baines 2008, 443.)

The benefits from integration of the IMC policy results in cooperated activity of the company`s departments while creating and developing an integrated program. As stated by Smith& Taylor (2004) synergy can be seen as one of the main benefits. Making the departments work together and in one common direction, avoiding conflicts, will save time and money. Moreover, competitive advantage of the company will be increased as well as its profits. Unified message to the customers gains more impact towards customers, standing out from the messages customer sees every day. Sales, in their turn, are increased via “stretching” a message through several communication tools. (Smith & Taylor 2004, 16.)

Synergy as a fundamental advantage is also claimed by Pickton & Broderick (2005). The parts of IMC such as advertising, media, promotion, personal selling and etc. are put together is

order to aim a mutual goal- increasing sales profit. Among other benefits: greater marketing precision, cost saving, greater accountability and etc. (Pickton & Broderick 2005, 27)

Stretching the message through different channels don't interfere customers from getting it, stated by Arens (2011). Forming of perception towards brand or product is done automatically in customers` mind, even if they are getting the information from different sources. (Arens 2001, 274)

### **2.3.1 The implementation of IMC**

The process requires a proper planning from the very beginning and all elements should be indeed consisted into single plan. As stated by De Pelsmacker (2001), claiming that all elements should be planned in a way of forming a consistent integrated plan. The key for successful implementation of IMC is a strategic integration of the departments, responsible for the parts of communications functions. (De Pelsmacker 2001, 9-10.)

As an evaluation tool for integration achievement 4E`s and 4C`s are implemented to state the significant benefit from integration.

The 4Es are:

- Enhancing: intensity, augment
- Economical: applying least cost financial resources
- Efficient: not being wasteful
- Effective: producing the required outcome

The 4Cs are:

- Coherence: logically connected
- Consistency: not self contradictory
- Complementary Communications: producing a balanced whole or a supportive communication process
- Continuity: connected and consistent over time

(Pickton & Broderick 2005, 28-29)

### 2.3.2 Barriers to implementation of IMC

In this sub-chapter some of the statements towards the obstacles for IMC implementation are explored. Eagle and Kitchen (2000, 667) identified two main obstacles. Firstly, company's personnel were not prepared well and had a shortage of knowledge for engagement and working coordinated. Second barrier was the structure of the company itself, which in some cases made the integration process complicated.

Fill (2009) also mentioned the unwillingness of the employees to change the old habits and task distributions, since facing the complication of planning and cooperation within IMC policy. (Fill 2009, 234)

According to Enache (2008) a lack of top managers' support can badly influence the process of IMC integration. Moreover, some managers still consider multiple channel advertising as ineffective and costly. Same source also states the problem of shortage of theoretical and practical foundations for the procedure. Never the less lots of information and theory regarding IMC being provided, there is no standard process which could be followed by each company.

Nowadays it's important to manage and coordinate the company's communication process in different kind of media. However, measuring of the performance is an important aspect, which enforces companies to search for the best media channel to suit their marketing objectives. Later on we will take a closer look on the Social Media environment and the possibilities it provides nowadays.

## 2.4 Social Media

The following chapter is addressed to Social Media in context of IMC tools, exploring its influence on modern marketing strategies and the possibilities it gives.

To start with the definition, as stated by Kaplan and Haenlein (2010), Social Media is "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation of exchange of User Generated Content".

The term Web 2.0 was popularized by Tim O'Reilly in year 2004 and stands for a second-generation of Web-pages. This, however, does not consider as an update of technical specification, but refers to the changes in how pages are made and how can they be used.

Kaplan and Haenlein (2010, 61-62) in their turn, defined Web 2.0 as a term to illustrate a new way of software development, in which the users of World Wide Web are given the opportunity for continuous creation and modification of content. It is also stated, that Web 2.0 can be seen only as a foundation of technology and ideology, meanwhile User Generated Content term includes all the ways of using Social Media by people. In other words, those two terms are closely related, but not used as synonymous.

Back to defining Social Media, Hermkens, Kietzmann, McCarthy and Silvestre (2011) proposed it as a set of “highly interacted platforms” created within the use of mobile and web-based technologies, in which the content created by users can be shared, developed, discussed and modified by individuals and communities (2011, 241).

Hermkens et al. (2011, 242-147) were the creators of framework which explains Social Media within seven building blocks. The purpose of the framework is to create a clear view towards Social Media, so as to let firms get a full comprehension of services available.

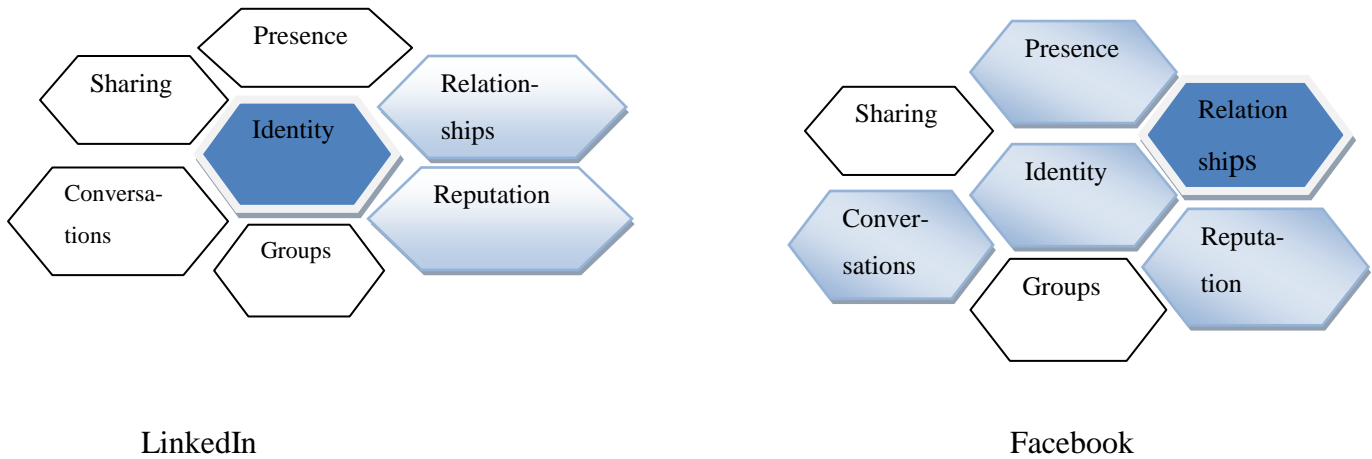
Those 7 building blocks are:

- Identity
- Conversations
- Sharing
- Presence
- Relationships
- Reputation
- Groups

The definitions of the blocks are the following.

- Identity- the amount of personal information users are willing to share in social media environment.
- Conversations- extent to which users communicate on a social media settings.
- Sharing- extent to which users exchange, distribute and receive content.
- Presence- the ability of users to know about the others being accessible.
- Relationships- extent to which users can be related to other users.

- Reputation- the extent with which users can identify the standing of others, including themselves, in social media settings.
- Groups- extent to which users can form communities and sub communities.



**Figure 2- Contrasting functionalities of different sites, (Hermkens et al., 2011)**

Further we will look through another approach to Social Media provided by Dann & Dann (2011). In their interpretation the concept is defined as “interconnection between content, users and communication technologies”. In their opinion, the popularity of Social Media as a new trend on the Internet can be explained with people`s natural willingness for communication and connecting with each other. In this interpretation, Social Media contains 3 interconnected characteristics which are needed for proper work of the setting on-line. These are:

- communications media
- content
- social interaction

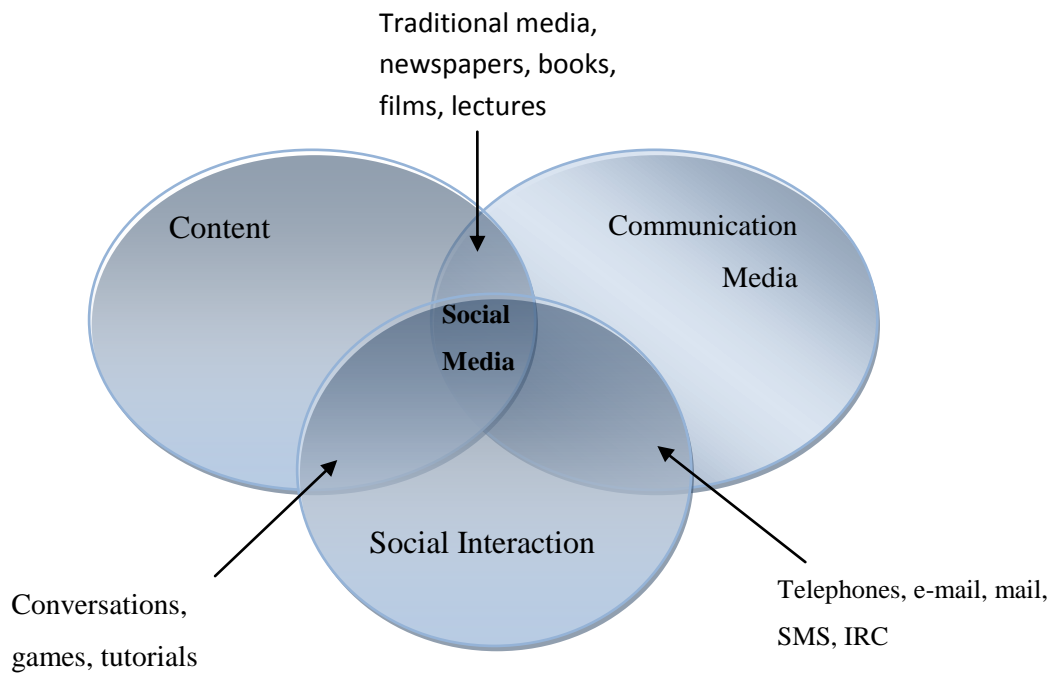
Communication media is defined as a foundation enabling social interaction and content to co-exist in real time and share the same virtual space.

Content is a draw which brings the individual to the site in the first instance- e.g. news about friends on Facebook, videos for Youtube and etc.

Social interaction, in its turn, is an interconnection of one user with others directly via different social media services.



For a proper work of Social Media settings all 3 components should be available. The figure below (Figure 5) illustrates interactions between components. (Dann & Dann 2011, 344.)



**Figure 3- Social Media Components s (Dann & Dann 2011, 345)**

According to Nicole B. Ellison (2008, 210), the Social Media era started in 1997 with the launch of SixDegrees.com web site. Later on, such sites like Facebook and MySpace attracted millions of user, who included those web sites into their daily practices.

Considering the growing popularity of social media within the global users on the daily basis, social media platform has been considered as a new field for advertisers and companies. Mangold & Faulds (2009) made a study, in which they mentioned the possibility for single person to communicate with other people and companies in a global scale. Companies, in their turn, could benefit a lot from including Social Media into Integrated Marketing Communications.

### **2.4.1 Categories of Social Media**

Constantinides and Fountain (2008) identified 5 categories of Social Media. Those are:

- Blogs /online journals where people can post ideas, images and links.
- Social networks where people with common interests come together and where they can build personal web sites.
- Content communities which are the web sites with a particular type of content.
- Forums/ bulletins which are sites for exchanging ideas or information.
- Content aggregators or applications allowing users to customize the content.

Constantinides and Fountain (2008, 234)

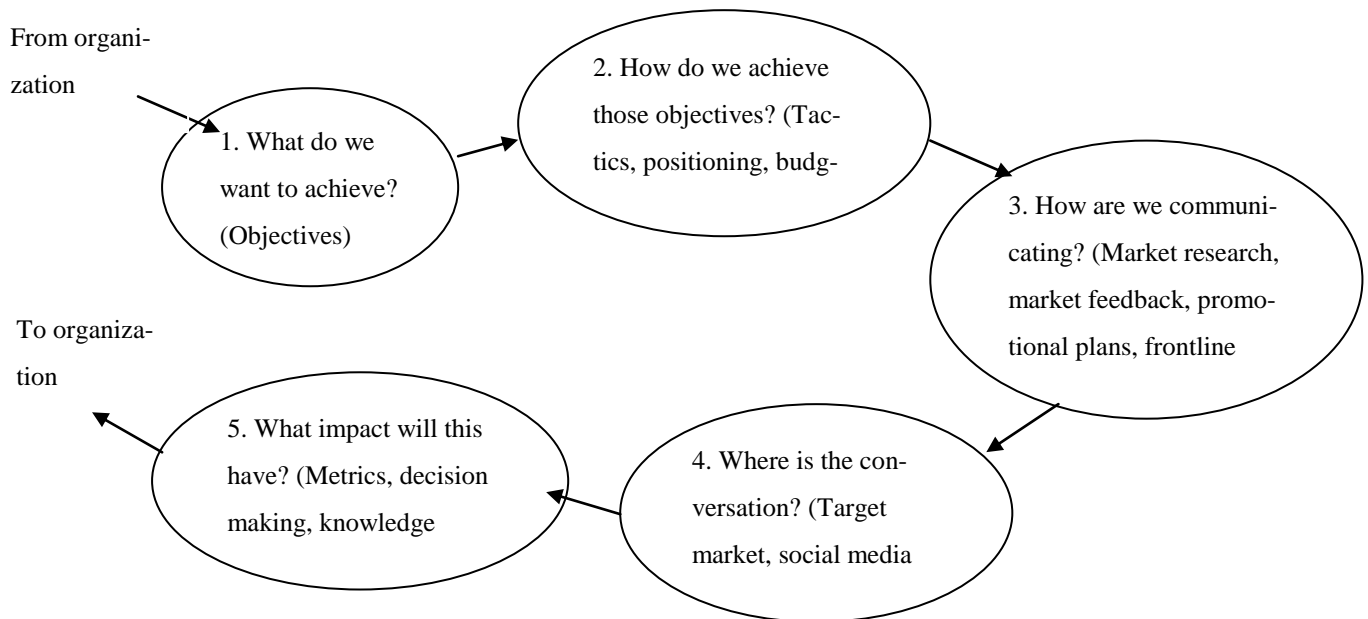
### **2.4.2 Marketing through Social Media**

The social media planning process is loosely based on a classic marketing planning process, consisting 4 stages: Where are we now? Where we want to go? How do we get there? Where should we end up? (Dann & Dann 2011.)

Within the terms of social media, there are 5 steps (Figure 6) of the planning process as well as two preconditions. The social media plan starts with inheriting information, objectives, knowledge and pre-existing conditions from the whole organization (Dann & Dann 2011, 348.)

On the next stage these objectives are being converted into tactics, depending on available resources for e-marketing, such as time, budgets, current positions. Current communication strategies are reviewed as well.

The two final stages are acted by picking the target audience/ market and their preferred social media for engaging the conversation. Later, the impact of this engagement is evaluated through metrics, information flows and knowledge management. (Dann & Dann 2011, 348.)



**Figure 4 – Social media planning process (Dann & Dann 2011, 348)**

Authors also add, that the given planning process do relies on the assumption, that social media should not be seen as a pure tool of promotion, channel of distribution or platform for market researches. (Dann & Dann 2011, 349.)

### 2.4.3 Social media sites

The purpose of the following chapter is to explore more deeply the different sites and their application to marketing activity. The following things will be also assessed:

- Purpose of customer use
- What a company can use it for?
- What kind of goods, services or ideas you can bring to market within it?

The whole list of sites proposed by the authors is the following:

Site	Address	Function	Content
Blogger	www.blogger.com	Commentary	Hosted blogging
Delicious	www.delicious.com	Social bookmark	Meta tags, content discovery
Facebook	www.facebook.com	Social network	Groups, advertising, applications
Flickr	www.flirckl.com	Image hosting	Images, tags, content disc.

Google			
Sidewiki	google.com/sidewiki	Meta commentary	Tags and social Commentary
Livejournal	www.livejournal.com	Life streaming	Personal experience
Twitter	www.twitter.com	Life streaming	Short messaging system
Youtube	www.youtube.com	Video hosting	Video

**Figure 5 - The social media site “shopping list”. (Dann and Dann 2011, p 364)**

For the further exploration we will pick up only Twitter from the list, since it seems to be the most preferable for the case of Imaton Company. However, Vkontakte (vk.com), European largest social network and Facebook analog, will be analyzed as well, however not being included into Dann`s list.

#### Twitter

Twitter is a “child of the shift” from static web content to the highly-dynamic interpersonal updates. Twitter operates through the revenue spectrum as a personal account (Revenue 0), sales advertising medium (Revenue 2) and direct sales link approach (Revenue 3). (Dann & Dann 2011, 375.)

#### *Social Media objectives*

The primary objective of a Twitter account as a social media channel is an engagement with individuals. Sales-oriented objectives are acceptable, but the constant sales programs will make an association with spam account. (Dann & Dann 2011,357.)

In-house Metrics: set of basic internal metrics is provided by Twitter. The terms are- following, followers and listed scores + mentions of the account.

Alternative metrics: Twitter Analyzer- a tool for analysis of the account use against proposed schedules and timelines.

#### Social media triad

- Content: other people, short messages, third-party content;
- Social interactions: direct messages, indirect observation (timelines), replies, re-twit.
- Communication media: third-party hosted site, applications and mobile devices. (Dann and Dann, 2011, 376.)

## Vk.com

VK is a largest European social network with over 100 million active users and over 62 million average daily users. Was launched in October 2006 in Saint-Petersburg and owned by Mail.ru Group since September 2014. By now the second most popular web-site in Russia and Ukraine.

### *Social media objectives*

VK communities can be considered as the greatest opportunity for communication available for a company. The communities can be subdivided into two types: Groups and Public pages. Exactly the Public pages are the newsfeed oriented broadcasting tools suitable for business purposes. Companies are able to run the official communities, which are widely used for sharing information with the subscribed users, organize online communication with customers via comments, discussions, questionnaire and etc.

In-house metrics: Public page manager is able to get all the statistical data of the community straight within the “Community Info” page on VK. This is a significant benefit, since provides great opportunities for control and research.

### Social media triad

- Content: presence of other people, photos, videos, music, applications, communities.
- Social interactions: private through internal messages and chat system, or public comments, wall posts and discussions.
- Communications media: third-party hosted site, mobile content.

Summing up the chapter, we can now get the clear understanding of how broad are the possibilities for communicating via social media for any kind of the enterprise. The necessity of communicating with customers via social media turned to be obvious, taking into account its rocketed popularity and instant development.

#### **2.4.4 Social Media in IMC**

In this section the process of incorporation Social Media into IMC is discussed. In this context it is important to explore the opportunities and challenges organizations can face. As we already stated, social media provides a wide range of opportunities for making company-customer relationships stronger and also expand them.

In terms of IMC, social media gives a numerous opportunities in reaching targeted markets, comparing to traditional media tools. Moreover, social media brings its own particular profit for research and development department. The benefit from feedback collection makes it possible to perform and immediate corrections to the product. By including customer into the product development campaigns helps in building long-term bonds based on product and brand loyalty. (Weber 2009, 25-26.)

However, marketing through social media requires the adaptation of different techniques than marketing within traditional media. Drury (2008) claims, that traditional media marketing was mostly about delivering the message to target audience. Marketing turned into a process, which included both brand and customers. Social media marketing is not restricted with telling and giving a message, but also about receiving and exchanging perceptions and ideas. (Drury 2008, 276.)

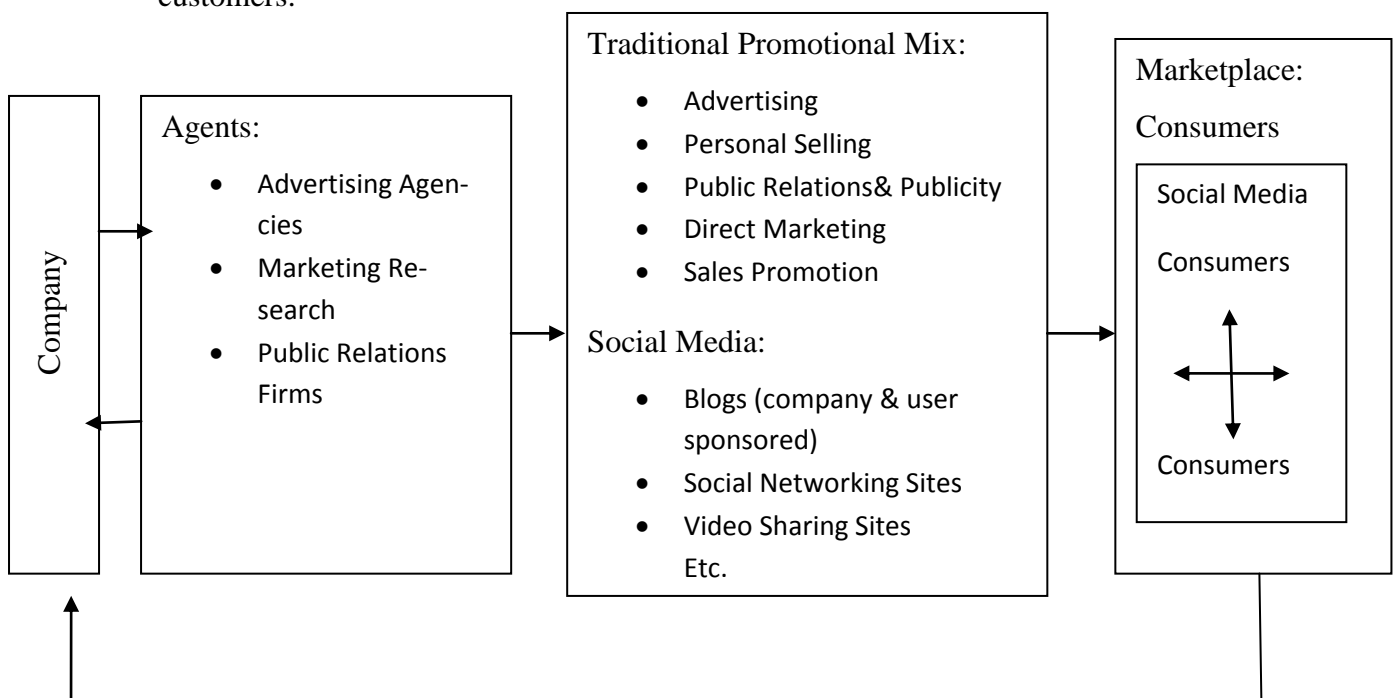
The factors of gender, age, income, education and etc. is now less relevant compared to what people do and think, like and dislike. Since that, the social media communications is less about creating controlled messages, but oriented on creating a persuasive environments which attracts people. The best online pages should be a combination of professional and user-generated content. (Weber 2009, 35.)

In this context the grown power of the consumers should be mentioned again, as it has its influence on integrating Social Media into IMC. As it is stated by Constantinides and Fountain (2008), mentioned the changes in consumers` needs, values and buying behavior after they got the access to previously unavailable information. Hearn, Foth and Grey (2009) acknowledged the participatory tendency in the Internet enabled by recent technological innovations, which shifts the traditional business- to consumer model into new consumer- to consumer paradigm.

The reasons for that- a user-created content, generated within new media services and applications. (Hearn, Foth and Grey 2009, 49.)

Mangold and Faulds (2009) acknowledged that social media should be included into the promotional mix during the planning and developing stage of IMC strategies. From this point of view, social media is hybrid element of a promotional mix, a combination of traditional marketing tools characteristics with a social media influence. The earlier mentioned consumer-to-consumer communications influenced the managers` strategies. Marketing managers should still consider the power and critical nature of the discussions which are carried on by consumers using social media. (Mangold & Faulds 2009, 360.)

Since that, the opportunities of control for content, timing and frequency of customers` communications are out from managers` control. Managers now should learn to shape the consumers` discussions in a way which suits the goals of the organization. The methods for those include providing networking sites, use of social networks and promotional tools to engage customers.



**Figure 6: The new communications paradigm. (Mangold & Faulds 2009)**

The new communication paradigm changed the traditional consumers approach to products and services, mostly because of new sources of information appeared. The consumers got a new ways of collecting the information about the products and services, and it gave them a power they had never yet experienced. (Mangold & Faulds 2009)

Hereby is written 3 of 4 main points of impact towards advertising, made by interactions and discussions of consumers in the social media. These points made a great impact on planning and executions of IMC strategies as well.

- 1 Consumers declining the traditional sources of advertising, such as newspapers, radio and TV. They require on-demand and immediate access to information.
- 2 Consumers frequently use social media to perform the information searches and making a buying decision.
- 3 Consumers perceive social media as a more trustworthy source of information than traditional elements of promotional mix. (Mangold & Faulds 2009)

As we can see, those changes diminished the role of traditional advertising methods as a basis for developing IMC strategies. The fact of communication of information about products and services between customers should be accepted as a new reality. Consumers also respond to this information, influencing all aspects of consumers` behavior (information acquisition- post purchase expressions), expressing satisfaction or dissatisfaction.

Finally, consumers are less perceptive to the traditional elements of promotion-mix. Advertising now is not the most reliable source of information for decision- making. Therefore, for companies it`s important to learn talking with their customers, so as to influence the discussions, which take place among consumers in social media space. (Mangold & Faulds 2009, 361.)

### **3. THEORY OF ONLINE STORE MANAGEMENT**

#### **3.1 Consumer behavior online.**

Consumer behavior has a different response towards on-line and off-line elements. As stated by Dasgupta, online consumers have two basic characteristics according to their personality:

- Keeping offline consumer behavior
- Unique mode of behavior (Dasgupta 2006, 340.)



The author of Channel Advisor Blog, director of marketing Sheridan Orr listed '5 consumer behaviors influencing online marketing' and analyzed what the retailers should do in react. From the beginning of 2000 consumer behavior came over the significant changes. Nowadays online customer is willing to get straight to the exact information they need-validation, prices, reviews, feedbacks etc. (Orr 2013.)

Consumers` behavior has been modified in 5 ways:

#### 1. Consumers shift to More Sophisticated Queries

While searching for the information via Internet, consumers are being concrete of what they are looking for. Comparing the results of searches like "Camera" and "Canon t4i", we could get common information about different cameras from the first one, while receiving more shopping-related results for the second.

#### 2. Consumers embrace a visual culture

Image is what helps consumers to verify what they are getting. Shoppers always seek for the images because of their simplicity. According to Search Engine Journal images are ranked higher than product specific details- descriptions, reviews and ratings during the purchase decision.

#### 3. Consumers rely on the opinion of others

Reviews and recommendations consumers came across helps him to create an opinion towards product quality. According to HubSpot 70% percent of customers trust the reviews of other consumers.

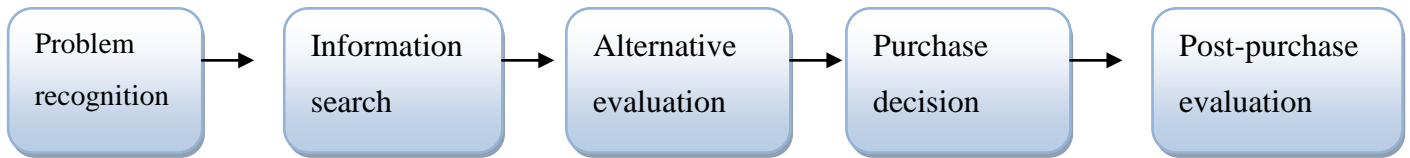
#### 4. Consumers want the facts

Facts about the product are also included into information consumer wants to know. Moreover, he/ she want the facts, not a "marketing spin". This helps a customer to identify, whether he found exactly what he wanted.

#### 5. Consumers feel that price matters

Price is a critical matter on the purchase stage. Browsing through on-line stores consumers don't want to overspend. (Orr 2013)

Taking Kotler's stages of decision-making process (Figure 7) as a base we can identify those of them, which influenced the most from the consumers going online.



**Figure 7 – Decision Making Process (Kotler 2009)**

Consumers now are spending less time on information search. The information should be easily seen and accessible, as well as meaningful and precise.

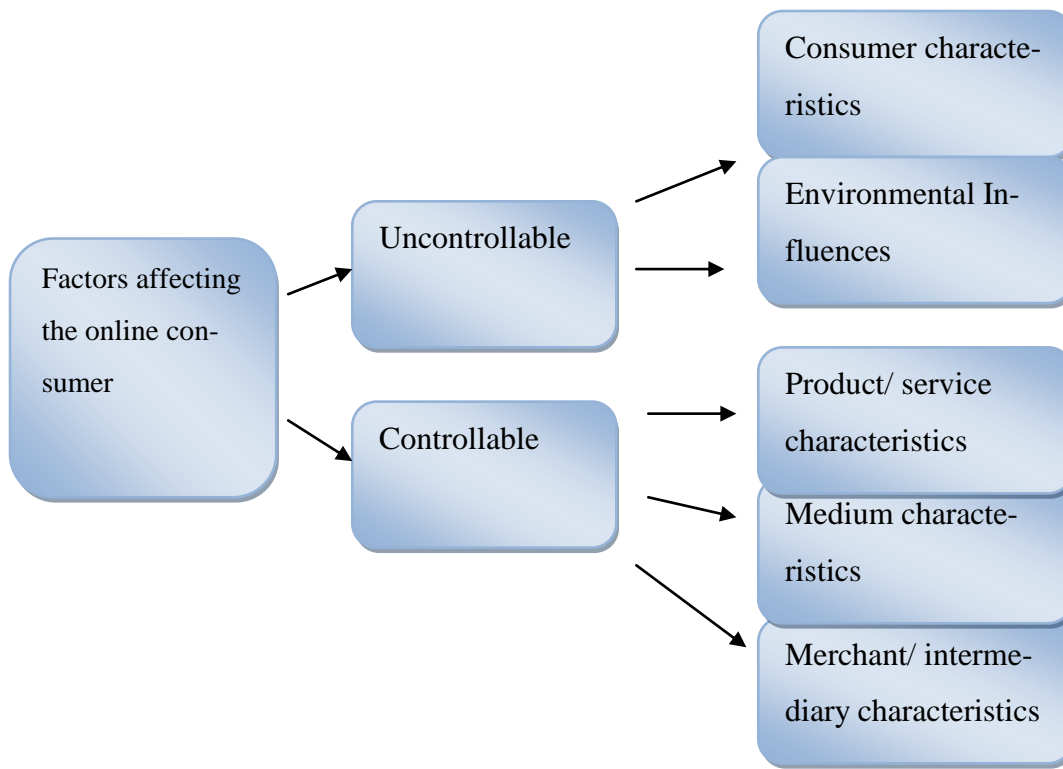
During the Alternative Evaluation stage online customers turned to be more influenced by the opinion of others. Moreover, those feedbacks can be easily found on plenty of sources. Since that, seller should keep product quality and overall service on a high level.

Purchasing Decision stage can be influenced by the convenience of payment and delivery, rather than just product availability. Post-purchase evaluation, in its turn, is likely to be expressed, so it's in sellers interest to keep it positive.

After Kotler, such authors like Smith & Zook (2011) explored the consumers' buying process and resulted the research with basic recommendations to managers on each stage of consumers' decision-making process.

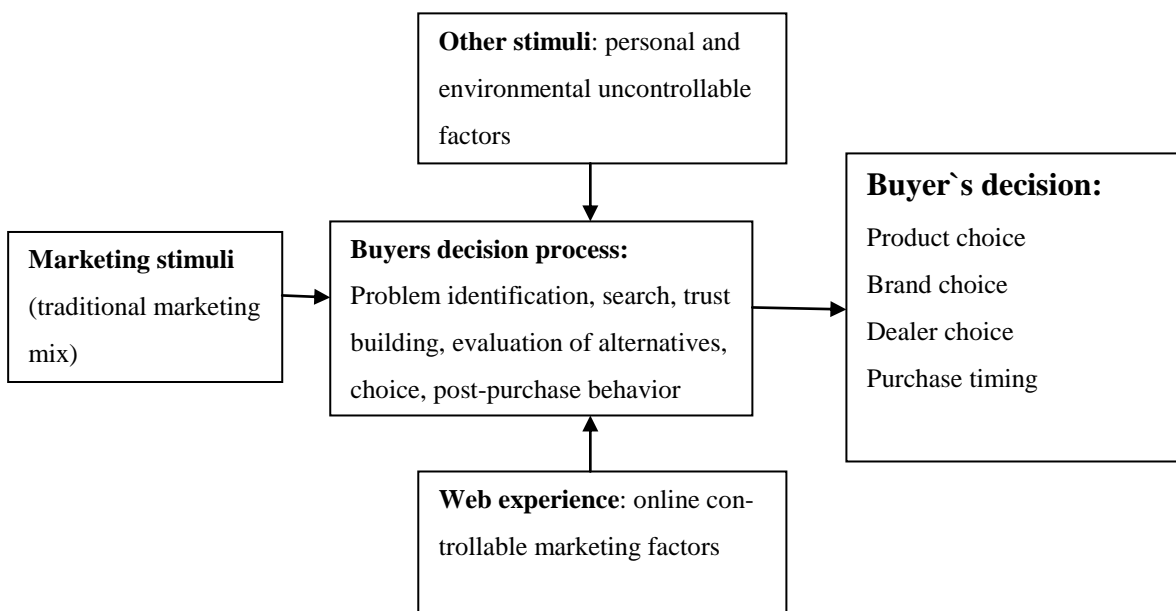
Keeping the topic, we can mention Johnson's elements which is related to of consumer behavior online. Among those elements are logistics support, web-site technological characteristics, product characteristics and etc. (Johnson 1999, 4.)

According to Constantinides (2004), factors influencing consumer behavior can be divided into the following groups and sub-groups.



**Figure 8 – Factors affecting online consumer (according to Constantinides 2004)**

Further factors influencing consumer behavior are exposures and opinions of the customers toward company's marketing. According to Kotler (2003) these factors affect consumers' decision making before the final purchasing decision (Figure 9). Online marketers, on their turn, can influence the decision making process of the virtual customer by engaging traditional marketing tools as well as creating a suitable online (Web) experience. Web experience should be a mix of online functionality, information, cues, stimuli etc, going beyond the traditional 4P's marketing approach. Web-site of the company plays his important role as a interfacing platform between the company and its online clients. (Constantinides 2002.)



### **Figure 9 – Factors influencing the online consumer behavior (Kotler 2003)**

The Web experience can be considered as a major parameter for customer, being crucial for firms operating online. The online experience which is delivered to the customers via web-site should be a subject of special attention. Poor design and dysfunctions on a web-site is a serious threat for company`s virtual operational process. (Constantinides 2004)

According to Results of Nua Internet Surveys, half of the online customers who had their online orders abounded, changed their opinion towards a brand due to negative experience online experience. (Nua Internet Surveys, 2002)

Summing up, we can evaluate the importance of company`s image while operating online. The consumers nowadays can be characterized as highly demanding and principal, always willing to get exactly what they want and giving no excuses for company`s misconducts on the Internet.

### **3.2 Web-store management**

In this section the basic statements towards web-site operations are explored. The factors of web-site organization, convenience and functionality are crucial for gaining profits and expanding the sales volumes, since forming the customers` opinion and attitudes.

Different researchers made their own dimensions of B2C web-sites, however being similar in some common points. Ranganathan and Ganapathy (2002) identified 4 main dimensions- information content, design, security, privacy (Ranganathan and Ganapathy 2002, p 460)

According to Liu and Arnett (2000, p 24) a framework for a high-quality B2C web-store includes the following point as being directly related to web-site success:

- Information Quality;
- Learning Capability- online business benefits from interactive way of communication with customers via website. The capability of finding required information on the website is appreciated by customer.
- Playfulness- this statement is based on fact that the possibility of repeat visit is high, when customer found the web-site enjoyable to use. Site design should attract visitors to participate and make their visit pleasurable.

- System quality- website should provide quick error recovery and ensure correct operations in order to fulfill customers` quality expectations.
- System use- customers` confidence towards the system is directly related with their willingness to use online payment functions. System should be both under customer`s control and easy to use.
- Service quality- company should always improve the service quality of the web-site. Arranging and presenting customer service opportunities in this case go instead of face-to-face communication. (Liu and Arnet 2000, 25.)

Constantinides (2004, 114) listed other factors influencing online customer`s attitudes towards web-site. Those are controllable elements listed into 3 main categories:

- Functionality factors- presenting a good functioning, easy to explore, interactive and fast web-site.
- Psychological factors- trustworthiness of the site helps customers to overcome doubts and fears. Website should communicate and persuade customers to explore and interact.
- Content factors- these are refer to creative and marketing-mix related elements on the website.

Summing up the web-site dimensions provided, we can see the importance of convenience and attractiveness of it for a user. The lack of face-to-face communication should be substituted with a perceptive guidance system, convenient organization and supportive interface. Keeping the web-store attractable is crucial for increasing sales rates and getting distribution volumes broaden.

#### **4. METHOLOGY**

This chapter of the thesis covers the company description part and the short history of its development by the situation analyzed in this thesis. Here are mentioned the factors, which influenced the traditional operational process and forced the changes, providing new perspectives for the development, and finally causing the need for new promotional level. Description of the research strategy and the data collection methods are involved as well.

#### 4.1 Description of the company

The commissioning organization of the thesis is Imaton Professional Psychological Toolkit Ltd. This company is a medium-size enterprise with a head premises in Saint-Petersburg, Russia.

The company was created in the year 1990 on the basis of the Main State Center of the Unity of Measurements. This institute had not been related to the business of the company, however that was the only form of partly private property allowed in the USSR. Later in 1993 Imaton became a private organization and a Limited Liability Company.

In the year 1998 the Imaton Institution was established on the base of the company. It was specialized on providing additional psychological education, holding different kinds of courses and seminars. It is still operating nowadays as a branch of the Imaton Company. Another branch of the company is the “Psychological Newspaper” operating as an Internet resource since the year 2006. These three branches together form the Imaton Group, run by the Board of Directors as the core decision- making agency.

Imaton`s main aim from the very beginning was the methodical maintenance of practical psychology of Russia within a high quality toolkit. The production range of the company mostly includes the tests and methods composed by leading Russian psychologists. Some of the tests were developed originally for the Imaton Company by Russian psychologists. For those test Imaton Company is the only official distributor.

These tests are implemented in diagnostic of different fields of personality and mental abilities. Those fields of diagnostic include such as:

- Diagnostics of personal characteristics
- Diagnostics of motivation
- Correctional- diagnostic complexes
- Optimization of functional abilities etc

#### 4.1.2 Operational market and customer segment

Russia is the only operational market for the Imaton Company. The main reason for that is the product orientation and specialization according to Russian standards and needs. Some custom formalities and fees also make international operations complicated, moreover all the products range is presented in Russian language. However, lots of Imaton products are in use by institutions of Russian-speaking countries such as Kazakhstan, Belorussia, Mongolia, Ukraine and etc. As I already mentioned, products are not distributed abroad, since that foreign customers come to Saint-Petersburg in order to make a purchase straight there.

The core product of the Imaton Company- tests and methods- are mostly oriented and applied in professional psychology. Those methods are broadly applied in different state institutions, spheres of public health and power structures, professional sports and business and etc. Such companies like “Saint-Petersburg Bank”, Russian Ministry for Emergency Situations, Russian Railways are also in the list of Imaton`s customers.

According to this information, we can classify the main customer group as state institutions` representatives, which are responsible for purchase decisions. Their main aim is to make a purchase within the particular budget, provided by the government. To fulfill the needs of this segment, Imaton Company always keeps the prices on affordable level and avoids intermediates on the distribution chain.

However, after the beginning of the “World of Psychologist” web-store operational process additional customers` segment appeared. The people somehow related or interested in psychology, as well as professionals performing private practices can be considered as the key customers, on which the product line is oriented.

The original selling and distribution process was based on signing a mutual selling contract within the Imaton Company and the buyer. Since the most part of the buyers has always been represented as the legal entities, this contract- based selling process satisfied both parties.

The individuals always could make a purchase via the web-site of the company and receive the product after the Internet or bank payment. Russian customers receive the purchased items by state mail, as a registered parcel within a private logistic services or picking it up in the head-office in Saint- Petersburg.

### 4.1.3 Background information related to the research

As it was already stated, the traditional way of selling products included personal communication with the company selling department, in which the order for the particular products could be made.

The first changes to the traditional distribution process were made in the year 2008. By that time the Imaton opened the selling point within their premises in Saint-Petersburg in order to present their test and methods. The range of products then started to broaden with a psychology-related literature, developing games for children, table games, DVDs etc. The range and volume of shop's products was growing according to the demand.

The shop called "The world of psychologist" turned out to be a successful and profitable enterprise. Since that, in the year 2010 the Imaton's board decided to launch a web-store in order to distribute the whole product range of the shop to the Russian customers.

The technological development of the web-store site ended in 2011 and straight after that the sales department started the content adding. As a result, the site was divided into related sections for literature, CDs, toys, games, tests, methods, equipment etc.

As the next step a wide range of payment systems were integrated into the system. Those included bank card payment, eWallets, Internet payments, cash-machine transactions, payments via mobile phone balance, cashless payments for legal entities etc.

The delivery procedure starts after the payment complication and performed through different ways. The customer can pick the product straight from the store in Saint-Petersburg or ask for courier delivery within the city borders. For the rest of the country products are delivered via State Mail or a transport company, depending on their customer's choice.

In the autumn of 2012 the web-store started its operational process on the full strengths. It was a completely new distribution channel for the Imaton Company and moreover it was a great new space to present the products. The company which has always been specialized in distributing only tests and methods now got the opportunity to sell a huge range of different products which could be related to psychological seminars and trainings, proceed the equipment for rehabilitation centers and different kind of state institutions.



The on-line advertisement campaign was launched March 2013. Starting from that point, Google Analytics tool started being implemented to track the amount of visitors, positions of the web store, effectiveness of key-words and etc. The analytical results based on Google data are composed monthly and analyzed by the marketing managers and board of directors. This tracking system perfectly suits for constant control over marketing positions, customer activity and etc.

One more key decision was taken in October 2014, when the board of directors decided to move the shop to the new, much bigger place. This change is about to influence not only the volume of the product range, but also gives a space for implementation of new services. They are, however, will not be closely described in this thesis, since being only on the planning stage.

## **4.2 Qualitative research methods**

The main idea of the whole thesis was to try exploring the case broader and express decisions outside the borders of internet advertising. Exactly qualitative research was chosen for this purpose. Oppositely to the quantitative one, its results cannot be expressed in precise and measurable information. However, it provides a clear vision of how things run and moreover a picture from inside the company in this studies case.

According to Charmaz (2007), the great advantage of qualitative researchers over the quantitative ones is the ability to “add new pieces to the research puzzle” while gathering the data. (Charmaz 2007, 14)

### **4.2.1 Interview**

Interview with the Imaton`s CEO Alexander Karpov was chosen as the first qualitative research method. As stated by Eriksson and Kovalainen (2011) interview is a talk based on questions and organized between two or more participants. (Eriksson and Kovalainen 2011, 78)

Advantage of interviewing within qualitative research consists on getting a deep exploration of the topic form the relevant person (Chamaz 2007, 25). Getting the understanding of Imaton`s internal environment and resources was the basement on which the analyze was built

and later on linked with the theory. It also tended to be the way to evaluate the level of marketing integration within the company, match the decision-making process.

The interview was organized via Skype, the core positions was recorded during the process. The questions are attached in appendix 1.

#### **4.2.2 Feedback analysis**

As it was already stated, Google AdWords has been the core promotional tool from the very beginning of “The world of psychologist” web-store operational process. The value of this information should not be underestimated, since it provides the vision of the main developing tendencies within Internet advertising and particularly Google AdWords.

Since that, the review and analysis of monthly feedbacks, based on Google advertisement statistics was the second research method applied. Within the scale of theoretical framework this data is quite boarded, since being mostly about the context advertising. However, keeping this promotional channel in a good condition is necessary for gaining new customers and spread the awareness about the company throughout Russian market.

The aim of this research was to evaluate, which “paths” and sources leads the customers to web-store and how the company can increase the range of this paths. For data gathering all the feedbacks from September 2013 till October 2014 was analyzed.

## **5. RESULTS OF THE RESEARCH**

This part of the thesis contains the results of the research and data collection.

### **5.1 Interview Results**

#### **5.1.1 Online marketing channels**

As it was confirmed during the interview, online marketing is seen as the core advertising tool for the web-store. Since that, it is being paid an instant attention from the company`s board of directors. Each month the monitoring results are presented and further steps are discussed.

The terms for perfect Search Engine Optimization conformity were created from the very beginning of web-site operations. They are also being updated within every new page created there. However, the branch of Paid per Click (PPC) advertisement is considered as a way more powerful tool and this is definitely an expected result.

The company is aiming on further increase of this advertisement line. The financial support for Google AdWords activities is not planned to be reduced, which gives the marketing managers a space for new steps and experiments. The core aim for this scope of actions is to improve and strengthen web-sites positions within the search results lists.

The use of customers` e-mail base became more frequent recently, since being a reliable and useful promotional and communication channel. The Imaton Institution is the main channel of its constant filling, since all their clients provide their personal data while using its services. According to Alexander Karpov, the point here is in straight reaching of the target audience, since the Institution lectures and seminars participants are people somehow related to the psychology. Respectively they are highly interested in the “World of psychologist” products. The e-mail base is used to aware customers about the special offers, key new product available and some significant news about the company. This channel helps to keep the customers` awareness and create a communicative attitude.

The discussion forum “The psychological club” was also mentioned as tool for communication and customers` interactions. Being not straightly related to the web-store, it is still an important part in the chain of company- to- customer communication as well as a place for customer- to customer interactions. Moreover, within the reasonable degree it is used as an advertising and promotional tool for the web-store.

### **5.1.2 Integrated Marketing Communication**

In this part of interview results stated the main points towards IMC policy of the Imaton Company. The main purpose on this stage was to figure out the level of the departments` interaction and respectively the ability company`s ability for consistent brand message.

The Imaton Group consists on Imaton Ltd. (the case company), Imaton Institution and Psychological Newspaper. The interaction between the departments is organized and controlled by

the board of directors. All the key steps and decisions are discussed on weekly meetings which give the opportunity for fast solution and decision making. The head of the Board is the first person responsible for cooperative and productive work of the departments.

According to CEO's words, the first steps for integrated communication policy was taken during winter 2012, straight after forming the Board as a ground for decision making. Nowadays the level of synergy- the key aim of IMC- is evaluated as stably good. Within the policy of unifying customers' database, supporting the initiatives of each branch and planning common advertising and promotional campaigns, the unified messages are created.

These messages are spread within all the available internet channels and resources, which creates great impact. The significant cost reduction and increase of interest from the customers' site are the main effects of this policy. However, the integrated communications works also beyond the internet advertising field. It helps to satisfy the needs of the key customers- state institutions, which are making huge volume purchases. As Alexander stated, these clients are interested in goods, but never the less in services, such as provided by Imaton Institution. Now, instead of proposing separated goods and services, Imaton now can propose comprehensive and multi-purpose decisions for their customers. Instant communication and interaction caused fast decision-making and flexibility in all aspects.

Another important point which turned out was the absence of significant barriers for further IMC development. Such common problems as non-competent employees, lack of mutual understanding and support, non involved managers didn't occur or were overcome. It was especially stated, that employees' motivation and willingness were the key factors to make it all happen. The corporative culture and team spirit make a basis for the great further development and this is especially appreciated by the CEO.

### **5.1.3 Social Media**

In this part of the interview the key aim was to identify the company's positions in advertisement and communications through social media, as well as the potential for further development.

By the present moment Imaton Company has one official community in the V Kontakte social net including 4700 users. The main information presented in there consists on different prod-

ucts` description, news about upcoming events and videos from some of them. This community is not web-store oriented, however includes lots of links into its web-site.

Regarding the company abilities to provide more social media communication channels, Alexander stated the following information. There overall 8 people responsible for communication with the customers, including 5 from the selling department and 3 administrators. In theory, this men power might be enough for further development of this communication branch. Imaton is willing to start to broad its presence on social media market, however with no damage to the rest developing directions.

#### **5.1.4 Web-store management**

In the final part of the interview the issues of the web-site operational process and organization were discussed. The key idea was to find out the ways of quality and customers` satisfaction control.

The web-site of the “World of psychologist” store, as comes from the interview, is under constant improvement process. The customers` opinion and feedbacks are collected via questionnaires, e-mails, feedback forms and etc. There is a particular person responsible for that, so company always tries to give a fast and adequate response to customers` remarks. The most common way used by web-store users- an electronic feedback form on it.

In order to keep customers` trust towards the system (especially on-line payment operations), the significant attention is paid to its technical support. All the problems, if occurred, are being fixed quite fast with a help of outsourced specialist. However, serious problems with payment and logistic procedures had never taken place. The general development plans include further improvements in organization, in order to make the use more pleasurable.

#### **5.1.5 Additional information**

Answering about the general plans of the company, Alexander stated that the development of regional partnerships is now the most preferable direction and lots of effort is put into it. The presence of Imaton production in regional psychological centers is the first step to increase brand awareness within distant Russian regions. The dealership network is expanding also, since that turnover growth is expected to be about 10- 15% percent per year. Imaton does not

feel a strong competition in their market segment, being in some kind unique producer of psychological toolkit.

## 5.2 Review of Google Analytics statistics

In this chapter the information for context advertising within Google is presented.

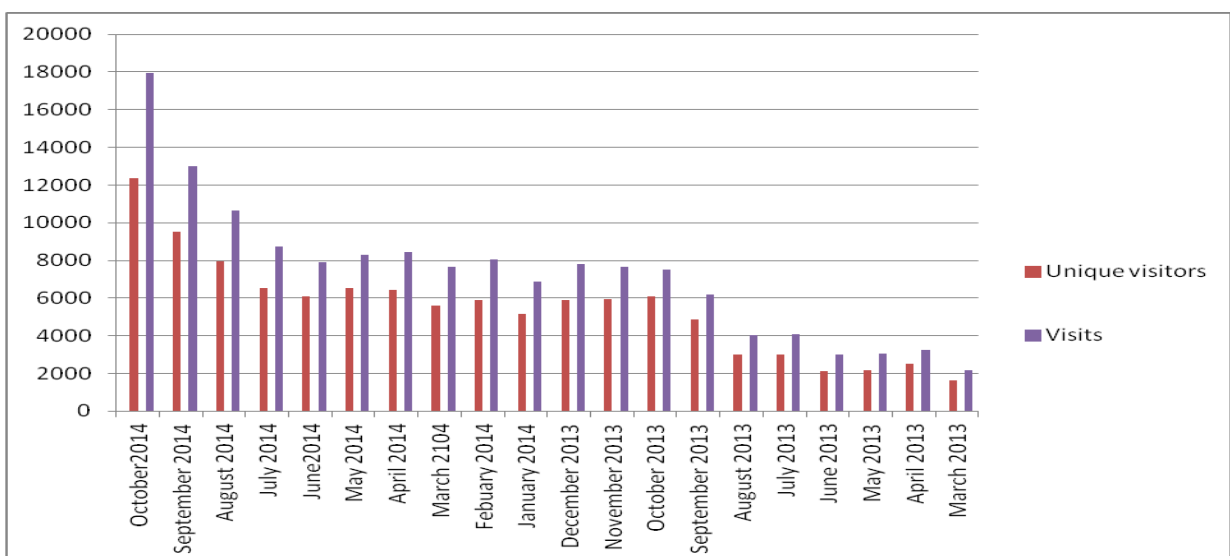
In terms of advertising in the Internet, SEO was applied the first. Search Engine Optimization was made in year 2012, during the process of content filling. All the words and meta-tags were set strictly according to the context of the page, products and key-words for search engines.

More broad advertising began in spring 2013, when the Google context advertising was launched. According to the Google Analytics feedback, the results were significant. The key aim of this advertising campaign was to increase customers` awareness. Moreover the main targeting was made on customers` from distant regions of Russia.

Three graphs below represent:

1. The overall growth of visitors (and the amount of unique among them)
2. The popularity of different paths leading customers to the web-store
3. The rate of regional customers` awareness (in number of visits from different cities)

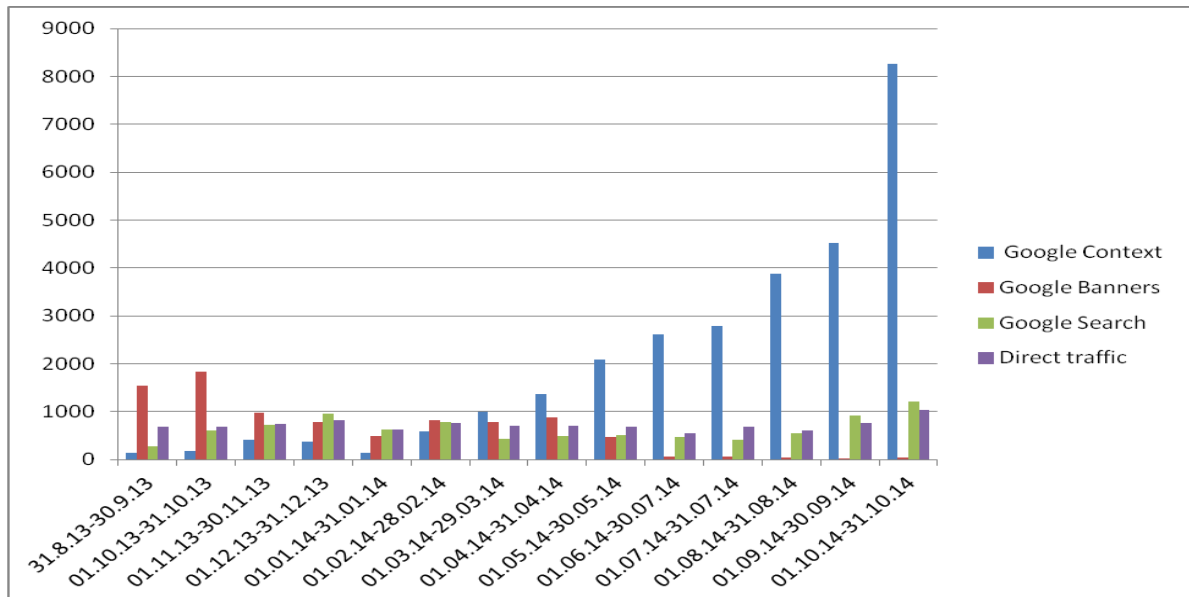
On the Graph 1 we can see growth of amount of visitors and unique visits. (Google Analytics)



**Graph 1, Amount of visitors to the web-site, Google Analytics**

The Graph 1 represents an instant growth of the amount of visitors. It is important, that percent of unique visitors is increasing monthly as well, which stands for sustainable growth of customers` awareness.

On the Graph 2 the analysis of visiting sources is presented:



## Graph 2- Users paths to the web-site,Google Anaytics

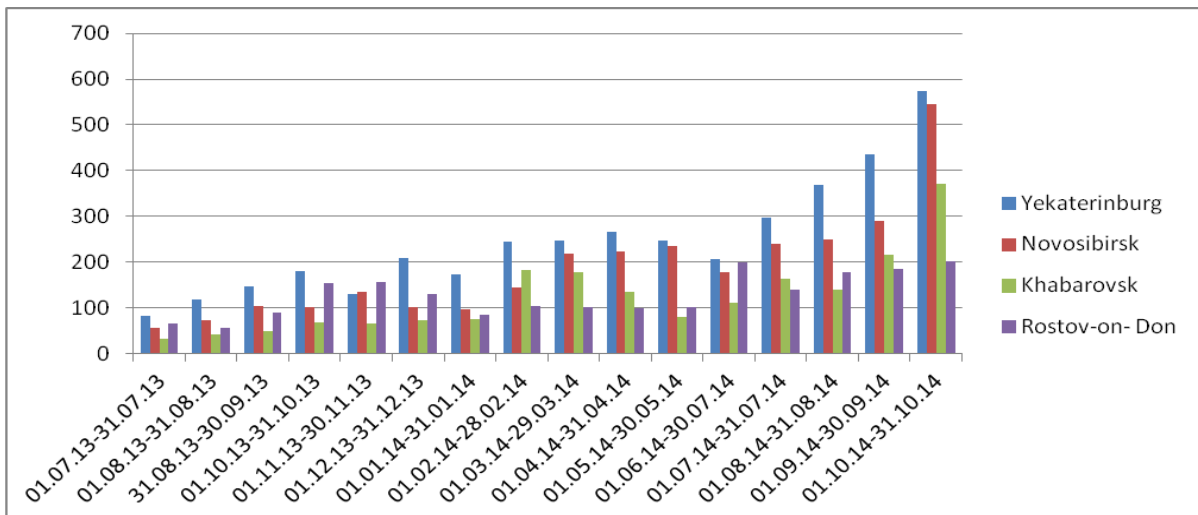
On the Graph 2 we can see the Google Analytics data for the period August 2013- October 2014. The vertical axis of the graph represents the number of visitors for the web-store, the horizontal one- months. There are 4 paths of customers` visits presented- Google Context Advertising, Google Banners Advertising, enters via Google Search results and Direct traffic (entering of the site via typing a direct link).

As we can see from the graph, Google Context advertising reached a great audience, producing over 8000 visits per month by October 2014. Undoubtedly, this is the most powerful tool for on-line advertising of the Imaton Company by the present moment.

Google Banners, which were also applied as a tool within contextual advertising, used to be an effective tool for gaining customers. However, by the April 2014 this path was almost absolutely declined by the customers. The company reacted on it with lowering expenditures for this advertising type.

Nevertheless, banner advertising played its important role. As we can see, the amount of visiting customers within Google Search and Direct traffic has risen. This suggests for increase of customers` awareness about the web-store. They have started to type the address of the store straight to the browser graph and to search the web-store by typing its name into Google search engine. It can also stand for a constant customer group, which has used web-store for several times.

The Graph 3 represents the amount of visits from different cities during the period 07.2013-10.2014. The cities were chosen in that respect, since they represent different regions of Russia- middle part (Yekaterinburg), Siberian (Novosibirsk), Far East (Khabarovsk) and South region (Rostov-on-Don). Saint-Petersburg is not included in this graph since being the hometown of the company with constant growth.



**Graph 3, Amount of visitors from the different cities, Google Analytics**

As we can see from the Graph 3, web-store is stably gaining new customers in different regions of Russia, moreover during the latest months, when the volume of context advertising was maximized. The campaign is gaining its aim- reaching more and more customers throughout the country.

Overall quantity of the cities from which buyers come increased from 26 (07.2013) to 54 (10.2014) which also represents the positive tendency in growth and development.

## 6. CONCLUSION



In this final chapter the conclusive results based on theory and research are expressed. The outcomes of the interview and statistics review will be analyzed and the suggestions to the company will be expressed.

## **6.1 General results` overview**

As we can see from the interview result, the company now has a time of broad development and fast upsurge. The fact of moving the shop to the new bigger building confirms the growing opportunities for new products introduction, new product segments development and selling volumes maximization.

The growing dealership net increases the level of brand recognition and availability within all regions of Russia. This, as expected by the management group will cause the turnover growth and sales volume increase. Here it`s important to mention, that company`s structure has been changed in advance for it, respectively the heightened load and pressure towards the operational process and logistics will not catch Imaton unawares.

The departments of the company are integrated at all levels, the control over all operations, fast decision-making process and personal approach to clients make makes a pledge for sustainable growth.

On the following basis, the importance of further IMC development and broader channels of company- customers` communication should become the core branches of advertising activity.

## **6.2 Online marketing channels**

As we can conclude from the interview and Google statistics, this advertising branch plays a huge role in promotional process. Keeping in mind the growing market presence rate, the reach of new customers and providing them with adequate and useful information should be paid a particular attention. Exploring new digital marketing channels, like blogging and YouTube channels will open new possibilities for information spread, track of customers` opinion and products presentations. The financial support of this direction is not planned to be reduced and it gives a place to step forward.

The customer e-mail base, as it was stated in the interview, is another source of communication, which should be used on full strength. Keeping the customers up to date, sharing the news and opinions about them- will definitely play for the company image and increase the attendance of web-store.

Assuming the Imaton`s ability to hold their own forums (Psychological Club) and blogging places, more effort should be made to develop this sphere. Customers` online behavior, as it stated in theory, mostly depends on the opinion of others. Providing the customers with a place to communicate within each other, at the same time checking and tracking their opinions, should bring huge benefits to the company image.

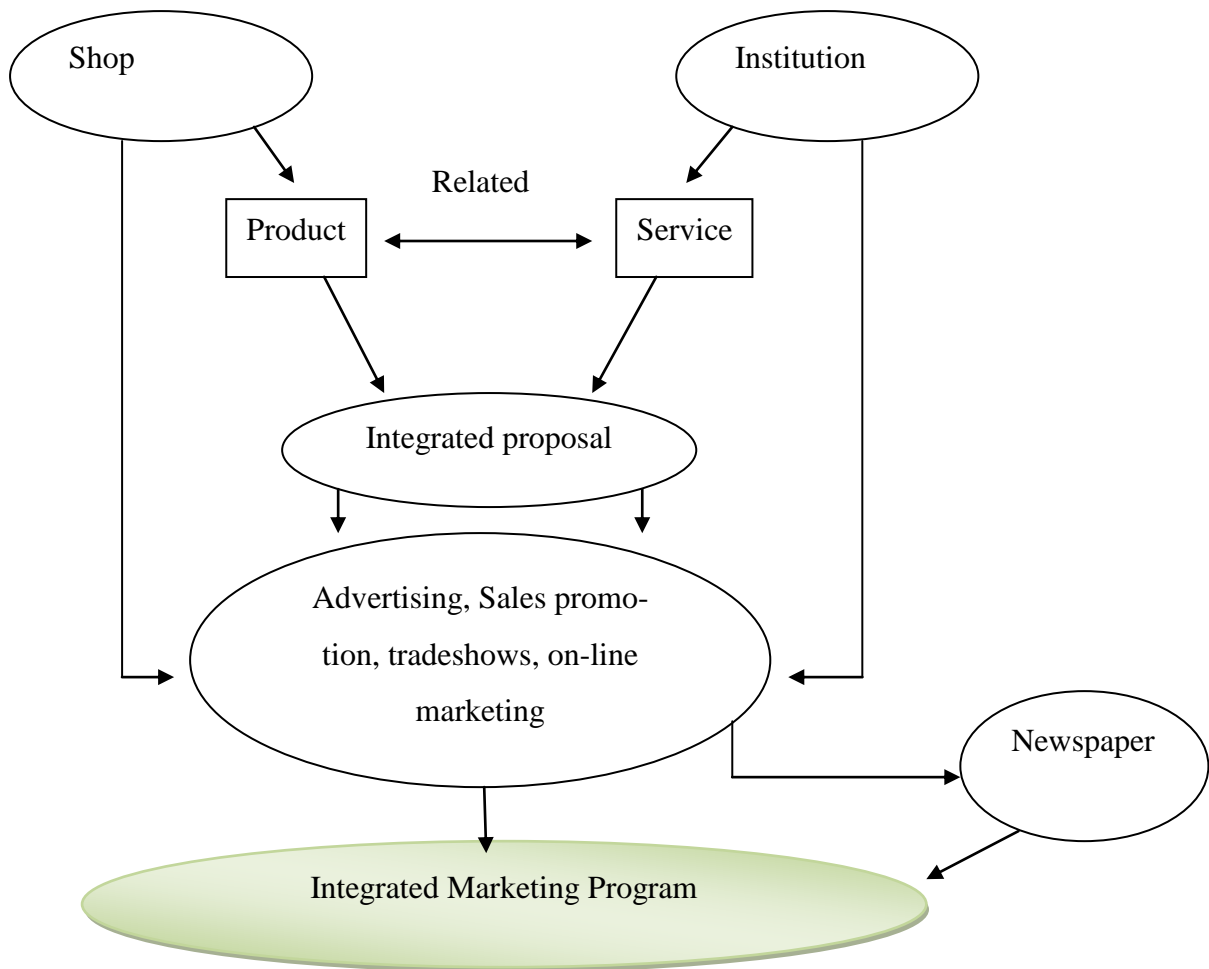
Assuming the results of Google Analytics statistics, we can match good developing tendencies in gaining new customers throughout Russia. The context advertising claims itself as a cost-reductive and effective tool, moreover considering its present volume and turnover. The targeting policy was chosen right, which is confirmed by growing amount of new visitors, increasing regional indicators and growing amount of cities involved.

The key suggestion is not to reduce the financial support of the branch, trying new placements and campaigns. The growing rate of direct traffic to the web-store is an evidence of increasing customers` awareness and gaining a constant customers` segment, which is one of the key aims of the campaign.

### **6.3 Integrated Marketing Communication**

This field definitely requires an outstanding attention from the managers` site, since Imaton now has all that requires for further expand and success in this sphere. Both mass and direct ways of IMC can be developed. On the basis of integration within the company itself, the integrated approach to advertising should be applied as well.

The supportive cooperation of all 3 Imaton`s branches can bring benefits to each of them. The core of IMC policy should consist on cooperation between Institution and the Shop. The scheme for potential model of cooperation is presented below:



**Figure 10- Plan for IMC policy realization**

The model represents the ability of the “World of Psychologist” (the Shop) and the Institution for coordinated activities within marketing campaign. As the first steps, the product and service from each site is chosen, the main point is they should be related to each other. For example, a seminar held in the Institution is related to sand-therapy (a type of diagnostic psychology). There are 3 products in the Shop related to this topic and together they can form an integrated proposal, based on customer benefit (e.g. discount or free delivery through Russia).

As the next step, the integrated proposal is “stretched” via all channels available for the company branches. The on-line newspaper in this respect can join the interaction as being the main informative channel of the Imaton. All three branches are able to provide the integrated

message through their web-sites, e-mails, social media (on-line marketing), personal selling and tradeshow components can be realized in the Shop building etc. As a result, company has an Integrated Marketing Program, which is communicated to the customers within all the channels available.

Furthermore, the same scheme can be applied while serving the state institutions and private companies, which quite often requires complex decisions, as we now from the interview. In this respect, synergy, as the key outcome of IMC will provide broaden advertising messages for seeking new clients and figuring out the solutions as fast as possible during the post-order stage.

From the Imaton`s managers` site, it`s important to keep the departments cooperation and employee`s motivation on a high level, avoiding conflicts and unreasoned decisions. As we can see from the research, no theoretical barriers were identified for continuous and instant growth of this direction (at least on this level of examination). Present employees are skilled, motivated, supported with the managers` participation and this creates a great basis for productive growth.

#### **6.4 Social Media**

The research results regarding social media state the average development of this communication branch. To start with Imaton`s presence in Russian largest social net Vkontakte, we can see that this communication resource is not used on full strength.

The community of Imaton is dedicated to the Institution branch mostly, regarding the fact, that the web-store is the sphere which needs social communications as well. Establishing and proper managing of the official “World of Psychologist” community within Vkontakte social network should be the first step in the process of development social media communications.

As we saw from the interview, present community is used only as an advertising and promotional platform, regarding the fact, that it is only the very basics benefits from using social networks. From the theory, we can state the additional ones: platform for tracking and collecting customers` opinion; platform for customer-to- customer communication; video and photo sharing; powerful tool for company- client communication (e.g. FAQ, online support) etc.

Running a separate community of the web-store will increase its recognition within target audience and establish a relationship attitude. The web-site metrics, in their turn, will be an additional informative monitoring tool, since it allows tracking gender, age, regions and activities of the subscribers.

Twitter is another social net, which suits Imaton web-store communication needs. The possibilities within it are oriented mostly to sharing news and updates, but the rate of engagement with subscribers is high as well. The important thing here is not to use the account as a sheer advertising platform, but to create an image of communication with the customers, keeping them up to the latest news and updates, rather than forcing to buy a product from the shop. Regarding the fact, that creating and running Twitter account will cost Imaton nothing, except the addition to the salary of present PR manager, this step is definitely worth trying.

Youtube is another social net which should be used in cooperation with the Institution. The key point here is that the Shop can hardly find a material to broadcast on a constant basis, however the Institution does so. Seminars, trainings, master-classes and workshops can be recorded and broadcasted on the official channel. The web-store, in its turn, can participate in this project on a temporary basis and to benefits from links and advertisement placed within the channel.

As we know from the interview, Imaton Company has enough men power in marketing departments to perform this scope of activities. Moreover, as said by the CEO, the company is ready to develop this channel. Keeping in mind the regions oriented policy of advertising, social media seems to be a perfect tool to gain and achieve new customers in the distant regions. As the target audience in gained in there, the word of mouth will also work to Imatons` benefit.

## **6.5 Web-store management**

In this section the basic proposals for web-site organization is presented. Generally speaking, the web-site organization is on indeed high level, moreover with a high potential for further updates and developments.

As we matched from the interview, the operational process is running smooth and the fixing process can be made fast. These points are essential for satisfying customers` expectations and making their on-line behavior running smooth.

All the controllable factors of consumers` decisions are fitting the theoretical framework about how they should be. The product range is clear, the section of `similar products` helps in navigation, the descriptions given are clear and unique, which definitely adds the value to the web-site in terms of search engines.

The variety of payments systems is broad and supportive, which increase the chance of purchase from users` site. The system itself is reliable and confident, which creates a good image of safety during payment operations.

However, some additions to the web-store organization can be given. First of all the lack of F.A.Q. section and on-line consultant may be considered as a shortage, since it reduces the informative rate of the web-store from customer`s site. In case of misunderstanding of the operational process customer has the options to call the shop itself (which is not appropriate for regional users, since being costly) or to write an e-mail, which takes some time to respond. In this respect, this updates seems valuable.

Secondly, the web-store has no logging-in function, which will bring a lot to the personalization of usage. This function can bring the following updates:

- Being a new source for e-mail database and information about the customers.
- Increase the personal approach to serving on-line customers, e.g. by providing them with a more personalized interface and more informative order- tracking system.

When talking about the additional ways for customer- to- customer communication, forum section would also be a good update, which also requires personal access to the web-site. This scope of actions will give the customers a new way to express opinions and attitudes. As we know from the theory, on-line customers trust the opinion of others and these updates will create a space for opinions and feedbacks sharing.

Summing up all the fact above, we can see that Imaton Company has a good potential for further development within the Russian market. The structure of the company is definitely appropriate for new applications, experiments and maneuvers. The “World of Psychologist”

web-store, in this respect, can become the leading source of income, the base for communicative relations and advertising campaigns within IMC.

The comprehensive approach to advertising, including use of all branches turned out to be an appropriate and mutually beneficial way, both for company and its customers. Developing the marketing campaigns in this direction, realizing the updates and adding more socially-oriented steps into overall policy should definitely broaden the company`s perspectives in gaining Russian market.

## **7. EVALUATION OF THE RESEARCH**

The performed research explored all the marketing ways applied by the Imaton Company in terms of its web-store advertising. Theoretical framework made an appropriate basis for further exploration and all the further investigations were linked and correlated with it. The overall results are consistent with the theory, since all the survey was performed regarding the reliable facts.

The interview, which was the core research method for the thesis, made it possible to explore the situation within the company and to evaluate it through the theoretical facts. Additionally, the Google statistics review helped to explore the way of development within on-line advertising campaign. Identifying the present situation should always be the first step on the way of planning further development. The choice of qualitative research as the basis helped to see the whole situation as it is, not as it shown on the graphs or statistics.

From the criteria of dependability and transferability the research results are not confrontation with the common sense, being a logical outcome form the data collection process. The data collection process was described in the thesis, its sources are represented in order to clarify the process of data collection. The credibility of the interview results were represented to the commissioning company, in order to avoid misinterpretation. All the suggestions regarding the efficiency of the tools were made only based on the data presented in the research, but not the overall available information, since not all of it can be considered reliable. The conformance is gained by similarity of results and its interpretation.

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## Appendices

### Appendix 1 – Interview Questions

1. As I heard, the shop is moving to the new bigger place. Which benefits and opportunities it brings?
2. There are 3 departments of the Imaton Ltd. - Institution, Imaton Professional Psychological Toolkit and Psychological Newspaper. Are they communicated within each other? In which way?
3. Who is responsible for its overall communication?
4. Which benefits the integration brings?
5. Do you see any barriers to IMC?
6. What about men force? Will the current employees manage or any new-comers are expected?
7. Are you communicating with the customers? In which way?
8. How many employees are responsible for that? Are they doing well?
9. In case of increasing the volume of customer communication, will be able to broaden the employees` state?
  
10. What are the generals plans regarding on-line advertising?
11. Any steps towards Social Media are taken by now?
12. Do you have customers` e-mail base?
13. Are you tracking customers` opinion? Which way?
14. Is there any way your customers can communicate with each other?
15. Is there a way customers can share their wishes?
  
16. Have you ever collected feedback regarding the web-store organization?
17. How often do the system errors occur?
18. Is web-support is strong enough?
  
19. What are the general plans for further development?
20. Are you developing any partnerships?
21. Are there any branches in Russia?
22. Do you feel any competition?

