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TESTING THE BUSINESS-IDEA ON ITS RELEVANCE ON THE  
MARKET AND INTEREST-LEVEL AMONG POPULATION  
BEFORE THE IMPLEMENTATION

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Key words: consumer behavior, interest-level, Internet-business, video service, video clips

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Testing the business idea on its relevance on the market and interest-level among population before the implementation

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The research is focused on the interest-level analysis of internet-business such as congratulatory video service and its current relevance on the market. To accomplish the main goal of the research the survey was conducted. The survey was created using Google Application and spread through the main social media channels such as Facebook, Twitter and Vkontakte - the Russian social network. As a result, 58 people answered. The survey helps to define the main target audience by gender, age and preferences. These three main categories help to create a portrait of consumer of the congratulatory video service and analyze its consumer behaviour.

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# 1 INTRODUCTION

This research is conducted in order to test and analyse the idea of creating internet based business on its vitality and current need among the population in general and among the specific target group. The main objective is to research the interest-level of congratulatory video service as an online service which mainly will be offered through the web site and social media channels. Another important objective of the research is to understand the factors which affect the interest-level the most.

## 1.1 Thesis Company “Happy Event” Ltd.

“Happy Event” Ltd. was established on 10th of June 2010 in Russia by its current CEO Dmitry Volkov. The main company’s activity is to organize events, which includes writing scenarios and hosting the events. Events include: kids, teens birthday parties, or other topic parties; classmates get togethers days, adults birthday parties etc. The main target audience is young working people aged from 25 years old as this category of people tend to order this type of service more often. Happy Event is successfully operating in Surgut, Russia for almost 5 years already. At the moment Dmitry would like to expand the sphere and create similar service which can be targeted not only in Russia.

## 1.2 Goal; Main objective; Research Question; Hypothesis

*Goal of the research:* To test the business idea on its relevance on the market and measure the interest-level among potential customers before the implementation of business

*The Main Objective:* To create a portrait of consumer and test video service on potential target audience.

*The Research Question:* Is there enough interest level for the video service among target audience for establishing profitable business?

*Hypothesis:* We assume that congratulatory video service is relevant on the market and the interest-level among population is high enough to establish profitable business and keep it successful.

## 2 METHODOLOGY

### 2.1 The materials and equipment used in the research

The overall methodology of the thesis is survey among users of several Social Networks. The survey was implemented by questionnaire. The questionnaire consists of ten questions in total: eight of them are multiple-choice questions with the possibility of several answers at the same time and two open questions with no limit to answer length. This means that the methodology approach is a mix of qualitative and quantitative research methods. As a result, we have received fifty-eight answers which prove that the main approach is quantitative research method but at the same time the open questions explain the qualitative part in the research mix.

The survey of ten questions was created using Google Application – Google Forms - in both English and Russian languages in order to reach more potential respondents. The survey contains eight multiple-choice questions and two open questions. This survey has been sent to several social networks such as Facebook, Twitter and Vkontakte – the network mostly used in Russia. Altogether, fifty-eight results were conducted. The results were combined in one table automatically in Google Drive. As there were two open questions which had long and detailed answers and the rest of the answers were also space consuming there was a decision made to print out the answers for easier analysis. The results have been printed on A3 papers and the data analysis was made by hand.

At first, all the respondents were divided into gender groups. After calculating the age of respondents they were formed into age groups. To simplify the analysis the combination of gender and age groups was made.

<b>Age group</b>	<b>Men</b>	<b>Women</b>
<b>Under 18</b>	A	E
<b>18-25</b>	B	F
<b>26-35</b>	C	G
<b>36-55</b>	D	H

## 2.2 How the samples were gathered, any randomization techniques and how the samples were prepared

The letters from the table above which symbolize the gender and age group at the same time were used to analyze each question. The letter was written next to each answer in the table of answers. In the end, the amount of all letters in each question was counted. Another table was created for each question separately. Each table consists of answers' options and letters.

## 2.3 How the measurements were made and what calculations were performed upon the raw data

After calculating the amount of each letter category, another set of tables has been created for each question separately. Each table contains answers options, letter corresponding to the age and gender and letters' amount corresponding to each answer option.

## 2.4 The statistical techniques used upon the data

These tables have helped to clarify and visualize the information received. Based on this information the charts and diagrams were created using the spreadsheet. The information analyzed using pen and paper was transferred to Google drive spreadsheet. With its help the diagrams have been created.

# 3 THEORETICAL BACKGROUND

## 3.1 How Happy Movie as a business growth strategy

As Happy Event considers expanding, there is a need to analyze the business growth strategies and its risk level before implementation.



Ansoff Matrix is a product-market strategy model which includes four growth alternatives created by Russian American Igor Ansoff in 1957. The Ansoff Matrix is a strategic planning tool that provides a framework to help executives, senior managers, and marketers devise strategies for future growth.

### *Market Penetration*

In market penetration strategy, the organization tries to grow using its existing offerings (products and services) in existing markets. In other words, it tries to increase its market share in current market scenario. This involves increasing market share within existing market segments. This can be achieved by selling more products or services to established customers or by finding new customers within existing markets. Here, the company seeks increased sales for its present products in its present markets through more aggressive promotion and distribution

### *Market Development*

In market development strategy, a firm tries to expand into new markets (geographies, countries etc.) using its existing offerings.

### *Product Development*

In product development strategy, a company tries to create new products and services targeted at its existing markets to achieve growth.



### *Diversification*

In diversification an organization tries to grow their market share by introducing new offerings in new markets. It is the most risky strategy because both product and market development is required. (Ansoff's Matrix, From Wikipedia, 2015, [http://en.wikipedia.org/wiki/Ansoff\\_Matrix](http://en.wikipedia.org/wiki/Ansoff_Matrix))

Happy Event has chosen Diversification strategy and creates Happy Movie which is going to be a new branch of the company "Happy Event". It will create new video service and offer it in new markets different from Happy Event but at the same time the new service will be offered also to existing customers which means that Product Development strategy will be partially used. Happy Movie main activity will be creating video clips as gifts for different important life events. These video clips will have their own target audience and market but at the same time it can be an additional service for the existent service of Happy Event. When people order the organization of the event Happy Movie can offer its service and create video as a gift for this event.

The colours on the chart show the level of risk of each strategy. The diversification is the most risky one that is why I have been asked to do the research.

#### 3.1.1 Happy Movie as an Internet-business

Internet-business has several names such as electronic business or online business and Dot-com Company. No matter what would be the title of this type of business the meaning is that it has virtual market, online sellers and online buyers. The more scientific definition of "E-business (electronic business) is the conduct of business processes on the Internet. These electronic business processes include buying and selling products, supplies and services; servicing customers; processing payments; managing production control; collaborating with business; sharing information; running automated employee services; recruiting; and more". (Margaret Rouse, 2007-2015, <http://searchcio.techtarget.com/definition/e-business>)

A dot-com company is an organization that offers its services exclusively on the Internet, either via the user's Web browser or a client program that must be installed in the user's computer. Telecommunications companies that offer voice or video services over the Internet are called dot-com companies as well. Even though Happy Movie's official website name is ending with ".info", it also fits into the definition of the dot-com companies as it will fully function online (via the website and social media). The only reason for Happy Movie not to use the ".com" in its domain name is that it is already busy by the other company.

Our goal is to understand what makes online market different in terms of attracting buyers and potential customers and how do traditional marketing strategies and segmentation approaches work for online type of company which is functioning through web site and social media channels.

### 3.1.2 What service does Happy Movie offer?

Happy Movie Company is creating congratulatory video clips for people all around the world. Unique Selling Proposition of such service is that it is always unique video clip which is based on the event and individual preferences of the customer. Each video clip will exist in one and only instance (unit) as it will include pictures and videos from the person's personal archive, congratulations from relatives, favourite music, colour, dreams etc.

The video clips scenario creation will be based on various life events such as Birthday, wedding, anniversary, women's day, father's and mother's days, St. Valentine's Day, Jubilee, Baptizing, Easter, Christmas, New Year, Engagement party etc. Any significant event in life can become a wonderful, memorable video clip.

Nowadays, in the modern rhythm of life people face the problem which rarely finds solution – lack of time. There is never enough time for searching a special present for relatives and friends. Work and daily routines take the majority of time so rarely there still time for hobbies or other activities left not even thinking of spending time for somebody else and looking for a present. People choose any banal present just to have it but as a result this gift will not bring happiness and unforgettable emotions. Everyone wants to see their close people smiling and laughing from being enormously happy, but few know how to find a good compromise between spending little time on searching or making a present and making it special. This is exactly the reason why the idea of creating the congratulatory video service has appeared. Happy Movie is the company which is happy to take the responsibility of creating an unusual and special handmade gift while customers do not spend their time on searching for it.

This present has only benefits: a recipient always has a chance to see himself as a cinema star, singer, dancer, or model, any celebrity in the video. This video helps to realize that dreams came true in reality. The convenience of the service is that it can be ordered online through the web site and the final video will be sent online as well. That is why it is easier to be closer to those relatives or friends who live far away.

The service will be divided into three categories:

*Light*

The production of the video clip takes approximately 1-2 days. Mainly the ready-made video template is used for creating video clips. We assume that this type of service is mostly for those customers who made a last minute decision, or forgot about present. In the video productions only photos from the personal archive used, no videos. The quality of the video clip is the same high as in Medium and Premium types, but it is less unique as the template was used.

*Medium*

The production takes approximately 3-4 day. A ready template can be used if customer wants to, or a short individual scenario can be done. Mostly pictures and ready videos from personal archive are used.

*Premium*

The production takes approximately 1 week. It includes: creating unique scenario, idea (like a short movie); there is a possibility to record the video or audio from a friend or relative if the customer wants to. At the same time the videos and photos from personal archive are used.

Videos can be done in Russian, English, French languages. If any other language required by customer, there is a possibility that he or she will write the text in the language he or she needs and Happy Movie uses it in the video creation.

The services will mostly be implemented online. The material needed for the video can be sent by email or drop box. The meeting with the customer and those who would like to participate in the congratulatory video can be done by Skype. If there is a need to record the video congratulation from the customer or his friend or relative, the record can be done via Skype as well.

*Goal of the service*

The purpose of such service is to introduce an alternative to existent present options. The concept of the video clip is laying in the combination of the ready combining simple things together in one video.

In the following table the types of service are briefly described and the price is added corresponding top each category of the service offered by Happy Movie.

Service	Price € depends on length and difficulty
<i>Light package</i>	<ul style="list-style-type: none"> <li>• Production: 1-2 days</li> <li>• Ready made template</li> <li>• No special scenario</li> <li>• Pictures from customer's archive</li> </ul>
<i>Medium package</i>	<ul style="list-style-type: none"> <li>• Production: 3-4 days</li> <li>• Ready template and/or simple scenario</li> <li>• Pictures and videos from customer's archive</li> </ul>
<i>Premium package</i>	<ul style="list-style-type: none"> <li>• Production: from 1 week</li> <li>• Creating unique scenario, idea (like a short movie).</li> <li>• Possibility to record videos and audios from relatives</li> </ul>

The prices are approximate and are based on the research of several companies' tangible gifts' prices. Also small samples of potential clients who are female students, has been interviewed. According to the interview answers the approximate prices for the congratulatory video service has been formed. Considering the amount of money students are willing to pay we assume that the Light package will be more popular.

There are always exceptions in age groups, any age group category can order any package according to how much they are willing to pay and what result they want to receive. But more common is that student's order Light package, working youth medium package and middle age group Premium package.

### 3.1.3 Web site description

→ <http://happymovie.info/> The screenshot see in the appendices.

Happy Movie’s website – it is a landing page. What is landing page and what are its types?

Basically, the landing page is the page where the visitor “Lands”. Its main distinction from any other web site type is that is it only one page. It does not have any chapters where the visitor might click on and end up in a different page. It is one page where the full text is written just down to the page.

There are 2 basic types of landing page:

- 1) Click Through
- 2) Lead Generation (also referred to as Lead Gen or Lead Capture pages).

Happy Movie has chosen the second type of the landing page.

#### *Lead Generation Landing Pages*

Typically Lead gen (a short title of the Lead Generation) pages are used to gather user’s data, such as a name and email address. The main purpose of the page is to collect information that will allow the company to market and connect with the prospect at a subsequent time. A lead capture page contains a description of what clients will get in return for submitting their personal data.

“The length of the form and the level of personal data requested can have a direct impact on conversion”. (From the website <http://unbounce.com/landing-page-articles/what-is-a-landing-page/>) That is why the website should ask for the absolute minimum amount of information that will let the company to market to its prospects effectively. For example, there is no need to ask for a phone or fax number from users if you only need to contact them via email.

Happy Movie has chosen Lead Generation type because it is very simple and clear and one of the important things is that it is optimized for the mobile use. When open from the smartphone the webpage still has good usability and visibility. Happy Movie offers its service on the web page and at the same time asks for email address if customer needs to order the video service. If potential customer would like to contact Happy Movie first (before he or she has decided to order service), the web page requires customer’s name, email address and the message-question from the consumer. This this the absolute minimum which was described above, that is it led to high conversion rate.



<b>Exploitation of the web site</b>	<b>1 month</b>
<b>Amount of views</b>	198
<b>Amount of orders</b>	6
<b>Approx.conversion rate, sales</b>	3%
<b>Normal conversion rate, sales</b>	1,5%

The Happy Movie's website has 198 views during 1 month period of time. During this time we have received 6 orders. This gives us the result of approximately 3% conversion rate which allows us to think that congratulatory video service does have and will have enough interest-level in order to keep the business profitable as the normal conversion rate for sales is 1,5%.

Considering the fact that the investment in Search Engine Optimization has not been implemented yet and company has not been promoted through Facebook, Instagram, YouTube and other social media channels, the conversion rate is high. But SEO is essential step to do after the website has been created.

#### *Search Engine Optimization (SEO)*

The SEO is one of the next steps in our research and in the future it will be fully implemented for Happy Movie. But it is essential to understand how it is important for any company's website and especially for online business which to invest in SEO. That is why in this research the goal of the SEO is explained and also how it is connected to the segmentation strategies.

The main goal of Advertising and Media is to get and direct new visitors to as many pages and pieces of content as possible in order to generate advertising views for paying customers. It is useful to look at:

- Domains, search keywords and phrases to overall traffic volumes
- New visitors viewing the webpage and content
- Conversion rates changes as they lead to increased retention and loyalty, such as newsgroup sign-ups
- Campaigns that are successfully leading to desired demographic or behavior profiles traffic to the site

It is very common to use the advertising on the website. Many companies are interested in sharing the link to their webpages through other companies' webpages. That is why advertisers may

also be interested in knowing how their ads are resonating with key demographic and psychographic segments. For instance, “How are their ads performing with females vs. male audiences?” “What are the top pages and content requested by different ages and income categories? For a self-service or support site marketers usually take a look at segments including:

- “Information found” conversion rates by various visitor groups
- Key words and phrases requested by new visitors
- Time spent on top pages by new or returning visitors

So, how effectively develop relationships with numerous individuals that come to check the web site? Meaningful groups or segments have to be created by the marketer. These groups should be significant as well as manageable. Marketing strategies and tactics should be created as they will strengthen the relationship and keep visitor (potential customers) interested in what the company offers through the website. (Written with the help of the website of )

This is what explains that the online marketing is only slightly different form the traditional marketing. And that the correctly done precise segmentation brings benefits to both types of markets. In the next chapter we will take a closer look at the critical factors affecting the interest-level. The segmentation is initial stage and one of the most important ones. It will be explained in traditional theory and also what is segmentation for online business.

### 3.2 Critical factors affecting the interest-level

Analyzing several resources including books in different languages and scientific articles we have created the list of top factors which affect the interest-level of potential customers in general and specifically online. Considering the fact that the company has not been established yet, some points of this list are advices for the company.

- Start as fast as possible, which will help understand needs of potential customers
- Understanding customers
- Surprise with good service
- Adopt the service for the customers

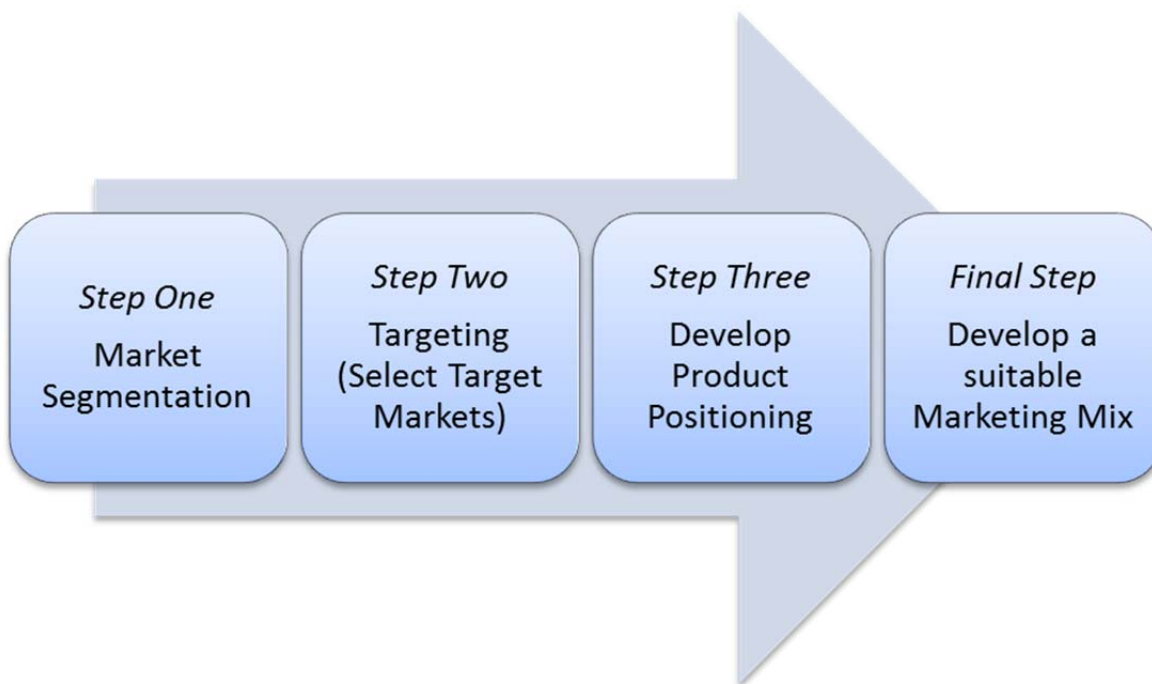
To be successful in the factors mentioned above, the company should be able to find its target audience as soon as possible. There are several online tools to accomplish this goal nowadays. First, the company needs to start with correct segmentation.

The following diagram shows three basic stages of segmentation, targeting and positioning, and an additional final implementation stage of marketing mix development.

It is important to understand that development and implementation of a marketing mix always follows the first three stages of the STP process.

The STP process is an analytical approach that helps the company to make important target market selection and product positioning.

The arrow in the model indicates that STP is a sequential process. Market segmentation is always a starting point, which allows viewing different consumer needs and categories in the overall market. “Typically a marketer would look between three to ten market segments when dividing up one particular market. The marketer can then assess which segments best fit with the firm’s strategy and resources, as well as assessing the current and future attractiveness of each segment”. (2012-15, Market Segmentation Study Guide, Understanding the Basic STP model, <http://www.segmentationstudyguide.com/stp-process/basic-stp-process/>)



Based on this market segment analysis and evaluation, the firm (Happy Movie) will select one or more of the market segments to form part of their marketing program. The market segment that will be selected for Happy Movie is then referred to as a target market. Therefore, a target market is simply one of the many market segments available to the company that the firm has intentionally selected for the purposes of their marketing programs.

After company (Happy Movie) will select its target market, it needs to consider how it will structure its marketing program to achieve success. There are two parts to this as shown in the

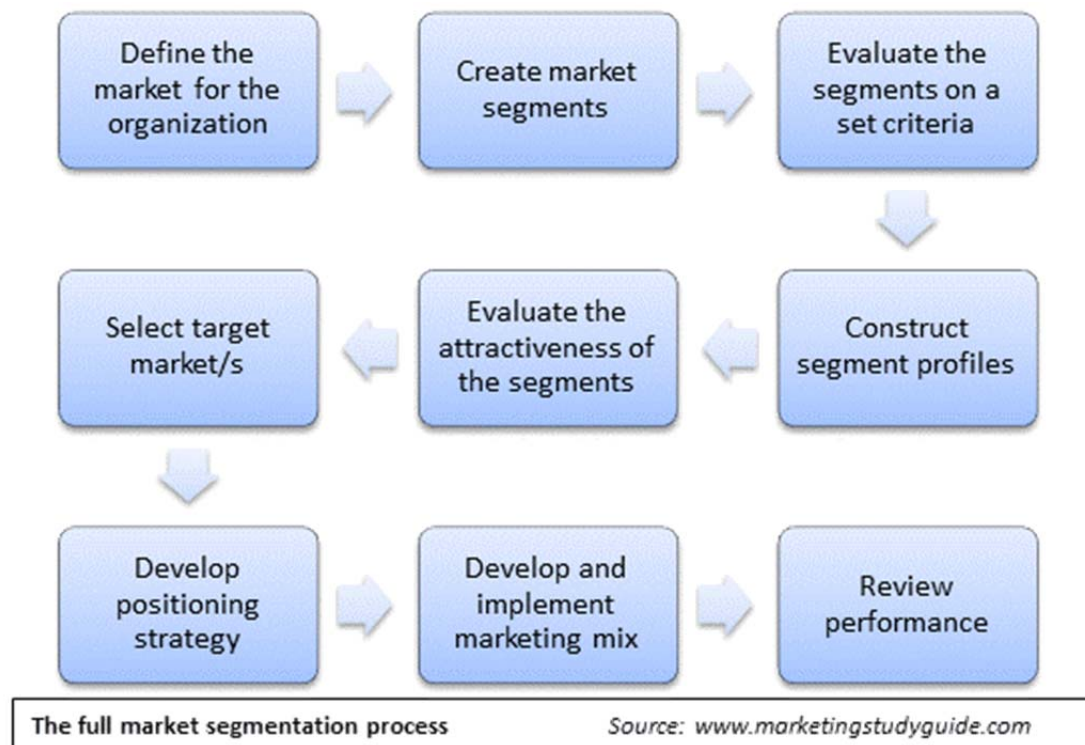


diagram above. The first is positioning, which is how the company wants its products to be understood by consumers in that particular market. Once the desired positioning has been determined an appropriate and supportive marketing mix then needs to be developed and implemented by the company.

To understand the STP model better, in the following diagram shows the Full STP Process with all steps included.

Usually the STP approach is presented as a simple three step process. While that simple approach provides a good introduction to this marketing concept, it does not explain the smaller steps involved in the process which are crucial for understanding the overall STP process. (2012-15, Full STP process, <http://www.segmentationstudyguide.com/stp-process/full-stp-process/>)

The following diagram highlights the overall STP process in nine steps:



At this stage my research for Happy Movie will include only first six stages of the full STP process. Developing positioning strategy, Implementing marketing mix and review performance will be implemented later on.

### 3.2.1 Segmentation

“The love of few is better than the sympathy of many”. (*M.R.Zobnina, Start-up guide - how to start and not to close the internet-business, translated from Russian*) It means that it is better to make few people really happy after using your service than to be slightly liked by many people. In practice, it means that the segmentation has to be done very carefully and precise. It is very important for a company to understand that it cannot appeal to all buyers or at least not in the same way. Buyers are very numerous and very diverse in their needs and buying practices. Companies vary widely in their abilities to serve different segments of the market. “Segmentation is thus a compromise between mass marketing, which assumes that everyone can be, treated the same and the assumption that each person needs a dedicated marketing effort”. (*Kotler Philip, Wong Veronica, Saunders John, Armstrong Gary, Principles of Marketing, Fourth European Edition, 2005, page 391*)

Nowadays the use of mass marketing is not that popular. Instead of the mass marketing companies tend to practice target marketing. Target marketing involves identification of market segments, selecting one or more of them, and developing products or service and marketing mixes which fit to each segment. By doing this companies can develop the right product or service for each target market and adjust their prices, distribution channels and advertising to reach the target market efficiently. It helps to focus on the buyers who have greater purchase interest.

“Market Segmentation means dividing a market into distinct groups of buyers with different needs, characteristics or behaviours, who might require separate products or marketing mixes. There are several ways for the company to segment the market and develop profiles of the resulting market segments. Market targeting involves evaluating each market segment’s attractiveness and selecting one or more of the market segments to enter.

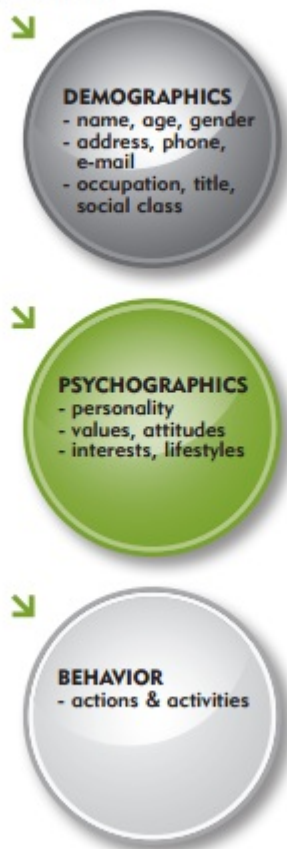
Market segmentation consists of buyers who differ in one or more ways. They may differ in their wants, needs, resources, locations, buying attitudes and buying practices. Through market segmentation companies divide large markets into smaller segments that can be reached more efficiently with products and services that match their unique needs”. (*Kotler Philip, Wong Veronica, Saunders John, Armstrong Gary, Principles of Marketing, Fourth European Edition, 2005, page 391*)

Segmentation is not a new concept. Marketing companies have been practicing segmenting their marketing efforts for years. Here are a few marketing segmentation strategies:



- Demographic – based on gender, age, marital status, education level and ethnicity. In a nutshell, demographics tell us who an audience is,
  - Geographic – based on geographical location of where your customers are located
- Behavioural – based on intent, behaviour, and response to service or brand. Behavior tells us what customers are doing. This type of segmentation is used a lot online. These behaviours help online companies to segment their audience.
- Psychographic – based on personality, lifestyle and social class. Psychographics describe their attitudes and opinions. (Annmarie Hanlon, 2013,

The segmentation variables are categorized into several, large “buckets” and examples of each are as follows:



<http://www.smartinsights.com/digital-marketing-strategy/customer-segmentation-targeting/segmentation-targeting-positioning-model/>

The “Four Ps of Marketing” becomes the basis of testing variables to identify individual segments:

1. Product (service) is whatever it may be that is being sold/marketed.
2. Price refers to not only the actual price but also price elasticity.
3. Place has evidently replaced distribution simply by where or what area the marketing campaign is going to cover, as well as what types of distribution channel (retail, wholesale, online, etc) will be used. Today the idea of place is not limited to geographic profiling but also demographics and other categorizing variables.

This has only occurred over the last ten years with the expansion of internet use and its ability to target specific types of people and not just people in a geographic area.

4. Promotion simply refers to what medium will deliver the message and what the overall marketing strategy is offering as a benefit.

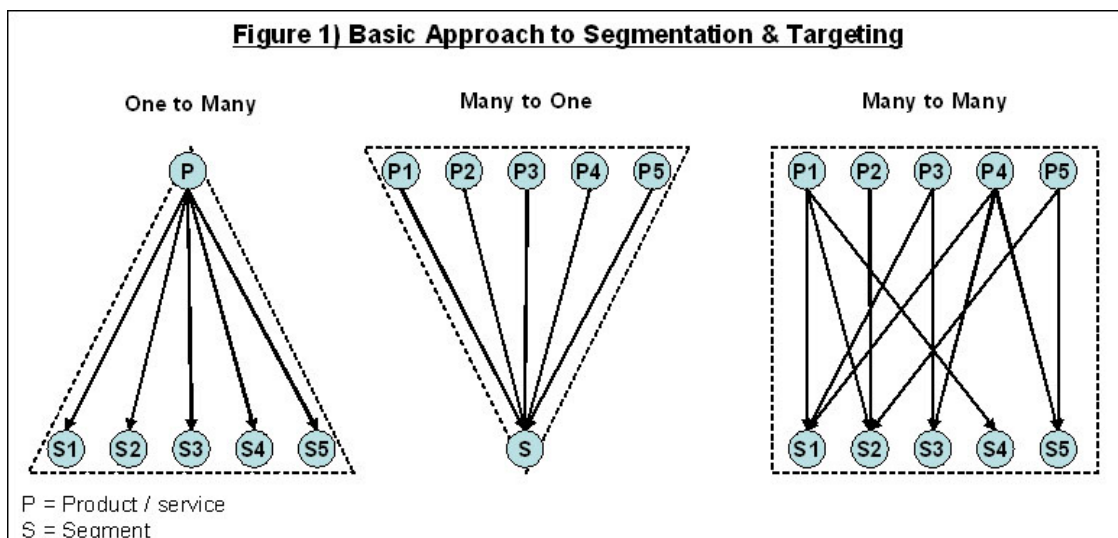
The most important question company should be able to answer is – how much segmentation does it want to do or how much is really needed? Meaning, how much work or resources the company wants or can invest in segmenting its customers? Some suggest starting with 3 segments; they can be any 3 segments. If the work needed for implementation the segmentation to 3 segments was handled successfully, then the company can move on and divide to more segments if needed.

Dividing into several segments means that company should understand each segment and apply different marketing strategies for each segment respectively.

There are several business strategies which help companies to achieve their goals depending on segmentation objectives they set.

### Segmentation strategies

One of the recommended approaches in segmentation for a company is to have a limited number of products offered to many segments or many products offered to a limited number of segments.



The benefit of such approach is that even if it may not work at all times, it is a force for as much focus as practicable. The one-to-many model provides – in theory – that a business keeps its focus sharp and makes use of economies of scale at the supply end of the chain.

The many-to-one model has its advantages and disadvantages as well. The problem is that a business would stretch its resources too thinly in order to serve just one or a few markets. It can be fatal if the company's image is ruined in its chosen segment. However, there are many companies that have concentrated on only one market segment.

The most popular model among the mentioned above is the many-to-many approach because it is the most secure in balancing the company's risk. The approach is based on entering into new markets with existing products or introducing new products into existing markets or even develop new products and launch them into new markets. (Wikipedia, 2015, Industrial Market Segmentation, [http://en.wikipedia.org/wiki/Industrial\\_market\\_segmentation](http://en.wikipedia.org/wiki/Industrial_market_segmentation)) This is exactly the strategy which Happy even is using at the moment. It offers the existing service (Event Organization and hosting) to its current customers. After the Happy Movie will be established it will offer that service to Happy Movie's customers as well, while the customers of Happy Event can become Happy Movie's customers. Thus, existent service – event organization – is offered to current customers and will be offered to new clients of Happy Movie service. Happy Movie is focusing its service to different segments, and changes the feature of the video clip according to the segment ability to pay and preferences.

### 3.2.1.1 Segmentation of online business

As Happy Movie is an online company, it is important to mention how to apply segmentation online.

Nowadays, there are several online tools how to survey customers' needs and wishes, such as *Google analytics*, *Quantcast*. These tools provide analysis of the website visitors and give incredible visibility to visitors' demographics. Happy Movie has chosen Google analytics tool to accomplish this goal.

After defining the demographic segment the further segmentation strategy should be done:

1. Behavioural Segments – monitor actions to generate personalized relevant content. Track their abandoned products and then remarket them.
2. Purchasing habits – See what items customers are purchasing and remarket products that are similar.
3. Start with two segments and monitor improvements. Once you get the process down, try to identify certain patterns and expand your segmentation strategy.

Demographic data may be appended to each visitor resulting in the further clarification and understanding of segments. Through lead / inquiry forms or surveys, further psychographic, demographic and behavioral data may be appended such as company size, location, and purchase stage.

If the segmentation and database marketing are done well, it will make customers feel content about having a relationship with the company. It is important to think of optimizing our marketing investment simply to reach the highest results such as sales, orders etc. The right message, to the right person, at the right time, at the right place — true one-to-one marketing. A combination of behavioral, psychographics and demographic targeting may accomplish this. To make potential customers of Happy Movie feel content about interacting with the company, main segments of potential consumers have been formed. In the following chapter the segments are described. It gives better understanding of potential clients' lifestyle and current social and income status and other variables which might affect the purchase decision.

### 3.2.1.2 Segments' profiles and Target Market

When constructing segment profiles, we are attempting to describe the consumers in each of the segments with the purpose of understanding their needs, particularly in regards to how they are somewhat unique as compared to the other market segments identified.

The survey results have shown that there are 3 main segments which Happy Movie has to focus on. You can see them on the table below. The survey analysis and charts see in the next chapter.

Usually segment's profile has more detailed information including not only gender, age, location and status but also behavioral and psychographic description. As the majority of respondents were female from the first segment (young not-working or part-time working students) the detailed profile was done only for that segment at this point. Later on the full description will be done for all the segments.

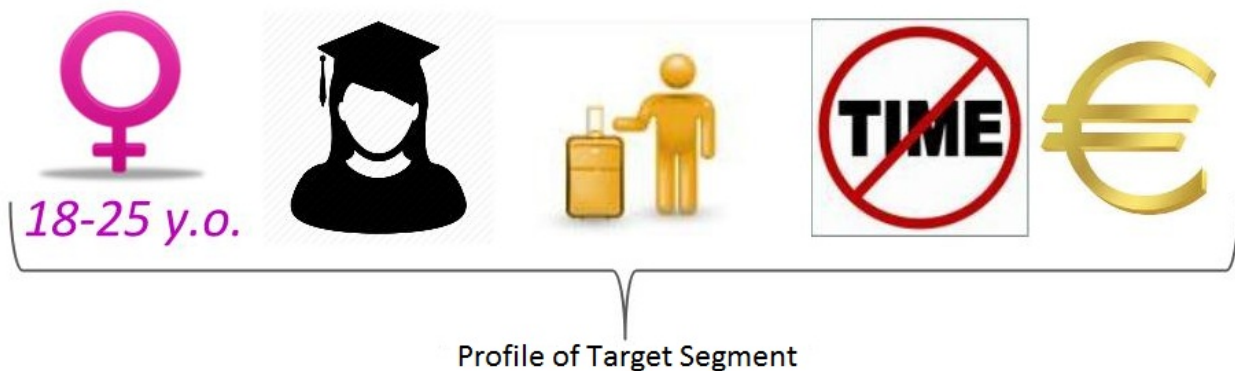
<b>Status</b>	<b>Age category</b>	<b>Gender</b>	<b>Location</b>
<b>Young not-working people (students)</b>	18-25 y.o.	females	Russia, Europe
<b>Young working people</b>	25-36 y.o.	males	Russia, Europe
<b>Working people middle age</b>	36-55 y.o.	males and females	Russia, Europe



A suitable definition of a segment profile for our purposes is:

*“A descriptive summary of the size, needs, behaviors and preferences of consumers within a particular market segment, with the goal of evaluating segment attractiveness and developing suitable marketing strategies”.*

So the Main Target Market of Happy Movie are young females aged 18-25, students who live far from home or travel often, who’s main criteria for decision making is lack of time for searching for the unusual present and low possibility to meet recipient and bring the present physically.



### 3.2.2 Consumer behavior

#### 3.2.2.1 Traditional explanation

Creating right customer profile needs full and clear understanding of the consumer behavior. “Consumer behavior can be defined as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires. For many products and services, purchase decisions are the result of a long, detailed process that may include an extensive information search, brand comparisons and evaluations, and other activities. There are several things on the list that company needs to know and understand:

- The specific needs customers are attempting to satisfy and how they translate into purchase criteria.
- How consumers gather information regarding various alternatives and use this information to select among competitors.

- How customers make purchase decisions
- Where do customers prefer to buy service
- How are customers influenced by marketing stimuli at the point of the purchase
- How the consumer decision process and reasons for purchase vary among different types of customers (e.g. purchase decisions might be influenced by the personality or lifestyle of the consumer)". (George E. Belsh & Michael A. Belch, *Advertising and Promotion: An integrated marketing communications perspective, Sixth edition, 2004, page 105*)

The following model is used for analyzing the consumer decision making process. What happens at the various stages of this model and how advertising and promotion can be used to influence decision making will be slightly described in this chapter. The factors such as motivation, perception, attitudes and integration processes form the basics of factors which influence the decision making.

**A. Stages in the consumer decision-making process**



**B. Relevant internal psychological processes**



(This model has been presented in several books and this is known as traditional, classic model of the decision-making process. It is hard to say to whom exactly it belongs. I first saw it in the book: George E. Belch & Michael A. Belch, *Advertising and Promotion: An integrated marketing communications perspective, Sixth edition, 2004, page 105*)

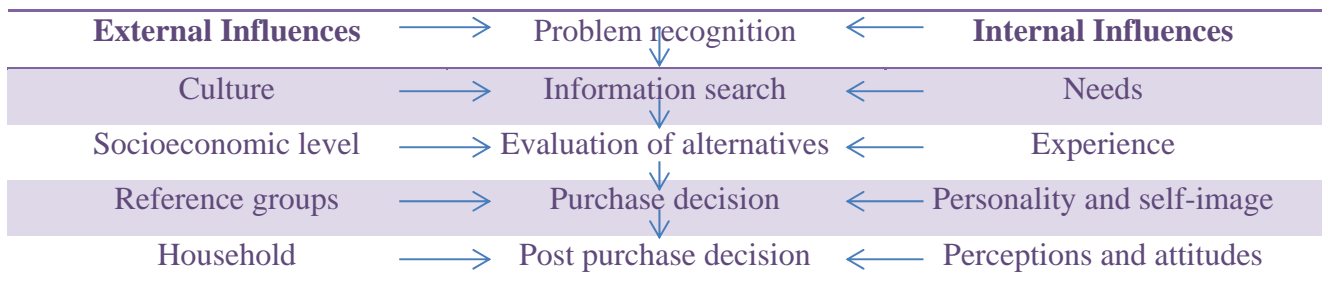
The consumer passes through several stages in his decision-making process. “This model shows that decision making involves a number of internal psychological processes. Motivation, perception, attitude formation, integration and learning are important to plan the promotion since they influence the general decision-making process of the consumer.

Problem recognition occurs when the consumer perceives a need and becomes motivated to solve the problem. The problem recognition stage initiates the subsequent decision processes. Problem recognition is caused by a difference between the consumer’s ideal state and actual state. The difference exists between what consumer wants the situation to be like and what the situation is re-



ally like. But this is not only in negative way, it can turn out positive way if consumer's expectations were lower from he or she got in the reality.

The causes of problem recognition may be either simple or complex and may result from changes in the consumer's current and/or desired state. These causes might be influenced by both internal and external factors". (George E. Belch & Michael A. Belch, *Advertising and Promotion: An integrated marketing communications perspective, Sixths edition, 2004, page 105*)



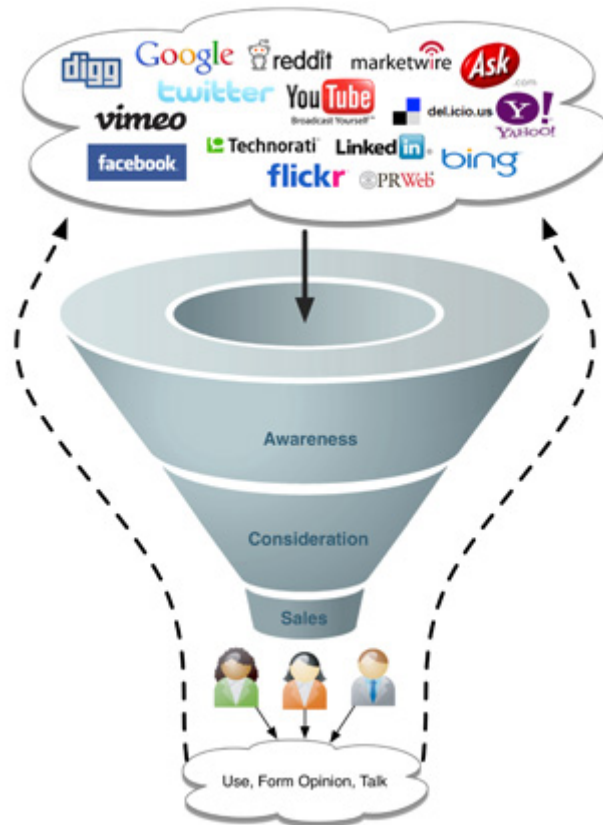
### 3.2.2.2 Nowadays

Nowadays with the appearance of huge variety of social media the ability to search has become quicker and easier than ever before. We are facing not only an increase in information, but also the decrease of geographical barriers to purchase.

The new consumer is less influenced by what he is told and more by what he finds himself on the Internet. That is why our objective is to learn how to use the internet and social media to connect from awareness to purchase.

The traditional marketing theory defines 5 stages of the consumer decision-making process, with strategies to maximize the opportunity to attract and keep the consumer through each stage. The process has been described in the previous chapter. To understand the difference in time in the consumer decision-making process another model will be presented in this chapter.

The model on the following picture can be called: the new consumer decision process; the online stratosphere has increased the information available to consumers. The inputs are greater than ever before and (literally) at their fingertips. (Wise Up marketing solutions, Understanding the decision-making process of new consumer, blog by Mary-Anne, 2013, <http://wiseupmarketing.com.au/understanding-the-decision-making-process-of-the-new-consumer/>)



This funnel shows the stages which any product or service nowadays passes to reach its customer. Here are the steps in order to maximize the connection with new customers of modern world with high level of technology usage.

As Happy Movie is going to be a new business which will be operating online, it should maximize connections with new consumers. Mary-Anne in her blog – wise up marketing solutions advises her tips on that:

1. “Increase Awareness”
  - Optimize to be seen in search results
  - Use social media to create a brand name
  - Use pay-per-click advertising to get in front of your consumer
  - Advertise in popular newsletters of complementary businesses
2. Maximize your Consideration
  - Make your homepage work harder (you only have seconds to convince them to stay)
  - Use a blog so your consumer can get to know you better
  - Make your offers clear and easy to understand
  - Use press releases to ensure there is hype about your product on multiple platforms
3. Convert to Sales
  - Offer service that your competitors don’t (or can’t)

- Reward regular purchases
  - Add value (don't just try to cut the price)
4. Compel to share
- Asks for reviews and recommendations
  - Use Social Media to thank major customers”

To sum up, ten or twenty years ago, the word-of-mouth played the number one role in influencing the decision-making process. Nowadays WOM still has its power, but it more has transformed to the virtual world. Customers' decisions are influenced by what they have seen on the internet - a friend has shared a video of the product or service on the social media platform or the advertising came up. For companies advertising becomes easier in terms of reaching more potential customers as there are several techniques to use online to find target audience. Most of the active internet users have noticed that they see the advertising of some products or services they plan to buy while searching for other things on the internet or simply checking Facebook messages. How does it happen? Since you have once typed the name of product or service in your browser, it memorizes and every time will remind you that you really need and want to have it. It becomes annoying for the customers sometimes but at the same time it can be a good reminder and can passively affect the customer's post-purchase stage. For the company it has only benefits, it can increase sales, improve interaction with customers, promote new products or services and help to position the product or service in our case in customers' perception.

### 3.2.3 Positioning

Final but the main stage of the STP process is positioning. Positioning of the product or service is how the consumers understand it and its specific benefits. The perception and understanding

of the service is formed by consumers during a period of time based on the information from various sources. Some of the sources are shown on the chart.



The positioning of each product or service in the mind of

the consumer always occurs in relation to the competition or the other alternatives a potential customer is facing. (Understanding product positioning, 2012-15, <http://www.segmentationstudyguide.com/all-about-positioning/>)

To understand how Happy Movie's service differ from competitors' we have done competitive analysis.

### 3.2.4 Competitive analysis

One of the major factors affecting the interest-level is brand comparisons made by customers. Consumers and potential clients always or in most of the cases analyse how the service is different from the competitors' one – what advantages and disadvantages it has. How to convince them to prefer our service to competitors? How to make them like the service and use it again? These are the most important questions we have to answer. To answer these questions we have analysed what competitors exist on the market and what are the major differences in service we offer.

The research has shown that there are competitors mainly in Russia. Companies with similar type of service operating in Europe were not found by us. The competitors in Russia do similar video service but not exactly the same. This gives the benefit to the service we offer. Here is the list of competitors we have found and analysed their website, prices and the method of working with customers.

Service or Company name	Place	Channel	Language	Service description
<b>Aleno4ka-show</b> <a href="http://www.aleno4ka-show.com/">http://www.aleno4ka-show.com/</a>	Russia	website, Facebook, Vkontakte	Russian	using ready programs and templates + customers pictures
<b>Cheap video clips to order</b> <a href="https://vk.com/club62305672">https://vk.com/club62305672</a>	Russia	social network page	Russian	Customers pictures and music + effects
<b>Congratulatory video clips to order</b> <a href="https://vk.com/club42845298">https://vk.com/club42845298</a>	Russia	social network page	Russian	Customers pictures and music + effects

<b>Animated congratulatory eCards</b>	Europe and US	online	multilingual	Ready cards w/o pictures
<b>People</b>	International	online editing programs or apps	multilingual	Programs

The most serious competitor among the above is the first one. That company has a big variety of video programs ready to use – no editing involved. The spectrum of programs includes children videos, weddings, romantic video clips, anniversary etc. The drawback of this service comparing to happy Movie is that videos are done only using pictures not videos and there is no editing or speech recording added. Basically, the benefit of this competitor is that it owns variety of programs with ready sound and other effects where the customers' pictures are installed. Since these companies are targeted to Russian speaking audience, it creates one more benefit for Happy Movie.

The video services which exist in Europe is about making the video itself, to be more exact, filming and editing. Usually professional photographers offer this type of the video service or professional cameramen. The main functions of the service they offer is to record the video during the event such as wedding, for example, then edit it, add special effects, sounds, pictures. The service “Happy Movie” offers is to create a congratulatory video from the pictures and videos which already exist in people's archive. The specialty of such service is that the scenarios are different depending on the customers offer and event.

In the following SWOT analysis, the strengths will be described more detailed and they will form the competitive advantage of Happy Movie.

### 3.3 SWOT analysis

Main objectives of SWOT analysis are:

- Analyze the inside resources of the company and outside environment
- Analyze the risks and evaluate competitiveness
- Create competitive advantage for the company's service

### Expected results from the SWOT

- The concept about the position of the service on the market
- Strategy of increasing the competitive advantage of the service
- Strategy of increasing sales and company's profitability

### 3.3.1 Strengths and Weaknesses

#### Inside resources of the company

Strengths	Weaknesses
<i>Advantages of the company in front of competitors</i>	Disadvantages of the company in front of competitors
<ul style="list-style-type: none"> <li>✓ The strengths form a competitive advantage               <ul style="list-style-type: none"> <li>▪ The video service has 3 categories according to the price, time needed for production and difficulty of the clip</li> <li>▪ Creating individual scenario for each clip according to the clients' age, gender, event and preferences of colour, music, movies etc.</li> <li>▪ Possibility to record video or audio speech of the client if needed for scenario</li> <li>▪ Technical skills and experience with working with video editing programs and softwares</li> <li>▪ <b>Why people are interested in the service?</b> <ul style="list-style-type: none"> <li>○ Because in the modern rhythm of life there is always lack of time to</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ Disadvantages of the service</li> <li>✓ Lacking the big variety of software programs for creating videos at the moment → needs investment</li> </ul>

find an unusual personalized present. And Video clip creation requires having special editing programs and skills.

### 3.3.1.1 Competitive Advantage

The difference between the strengths and weaknesses form the competitive advantage of Happy Movie. There are obviously more strengths than weakness which will allow the Happy Movie to lead on the market or at least to take the leading position among competitors. In the following table Happy Movie's competitive advantage is presented from other angle than in the SWOT. Happy Movie has been compared to competitors by the following categories – Channel: how the service is delivered to customers and potential clients and where the advertising is done and will be developed further; Language: in what languages those channels work at the moment and which will be added in the nearest future (2-3 months); Service itself: how beneficial is Happy Movie's service from competitors' one; Price: three different price categories affordable for different customers' segments.

	Channel	Language	Service description	Several prices offers, €
<b>Happy Movie</b>	web site + social network pages (Facebook, Vkontakte, Instagram)	Website, Facebook, Instagram	Video editing programs + customers pictures, videos and audios, any music, presentation style according to the preferences,	1. 20-80
		in English		2. 80-150
		Vkontakte in Russian		3. 150-300

### 3.3.2 Threats and Opportunities

Description of threats and opportunities of the company it is the description of the external factors on the company's activities.

<b>Opportunities</b>	<b>Threats</b>
<i>All what allows a company to increase sales volume or increase profits</i>	<i>All what might decrease sales volume or level of profits in the future</i>
<p><b>Resources of Growth</b></p> <p><b>a. New markets geographic expansion:</b></p> <p>→ Happy Movie operating online so it has no geographic limits in offering the service; Happy Event might enter the international market in the future with the help of Happy Movie</p> <p><b>b. New product groups</b></p> <p>→ In what new market segments the company can expand its presence</p> <p><b>c. New customers on existent.</b> Happy Movie's customers can become Happy Event's customers.</p> <p><b>d. Who does not use the service yet?</b> Potential customers who don't use social media and internet are not Happy Movie's customers yet because the service is advertised only in the internet. The opportunity is to increase awareness among all categories of potential clients</p> <p><b>e. Needs of existent customers.</b> Customers of Happy Event need Happy Movie video service: they order the event organization and buy the present at the same time.</p>	<p><b>Where to find threats:</b></p> <p>Behaviour change of the target audience</p> <p>Questions to answer:</p> <p><b>a. How the needs of the customers might be changed in 5 years</b></p> <p>→ In 5 years period the competition might increase as the use of online editing programs become more affordable and more people study programing design</p> <p><b>b. Will the lifestyle change? The behavior while choosing company's service?</b></p> <p>→ The lifestyle will change and people will use social media and internet even more often than now and more age categories will use it. People will become more picky in the service because they will compare the service Happy Movie offers with the one which is free of charge and can be used directly by customer (meaning free editing programs which customers can download on smartphones or computers)</p> <p><b>c. Can the audience start using the service differently?</b></p> <p>→ The audience might start using the ser-</p>



**f. What needs are not covered by the company yet:** Highly professional editing programs are not in use yet. Needs investment.

**g. Frequency**

- How to make customers buy service more often and always use it
- How to increase a total sum of the purchase of current customers

**h. Technical upgrade**

- What technologies exist to create and spread a service cheaper: social media and SEO of the website

**i. Cheap marketing methods**

- a. Are there media channels with low competition: at the moment the most affordable for Happy Movie method is social media and it reaches the target audience which is the most important?

vice differently because of the point discussed above. They will become more picky and might use the service only when they don't have time to edit the video on their own or if they feel lack of skills.

**d. Can these changes lead to the rejection of the service**

- Not completely. Technology is developing fast but not all the people are able to develop their skills so fast. That is why more professional way of doing the video clip will be still needed. Also it is time consuming, people in 5 years might become even busier, the rhythm of life will become faster and they will not have time to do the clip themselves.

**e. Size change of the target audience**

- It might change or the target audience itself might change. Because those who are the target audience nowadays may still be the target audience in 5 years but in a different age category and with different lifestyle and with different life rhythm.

**f. Are there any prerequisites for reducing the size of the target audience in the future**

- Described above

**g. New "players" entrance to the market**

**h. Open new technology and the loss of PC**

### 3.3.3 Conclusions

Happy Movie offers the service which is very different from competitor's one and that is already a big advantage. This means that the competition is relatively low at the moment. According to the SWOT analysis results and competitive analysis results we can assume that Happy Movie Service will bring the satisfaction to its clients and will increase profitability of the company.

There are only few weak sides of Happy Movie at the moment. They cannot decrease customers' satisfaction or decrease the profitability because they are minor and they will be eliminated in the nearest future, right after the company will start functioning.

At the moment there are many opportunities for the company which can be soon turned into strengths. And they will be able to increase customers' satisfaction and attract more potential clients to the Happy Movie. The opportunities do not require much investment or other resources which means that the implementation of the opportunities will occur in the nearest future.

The threats which are described in the SWOT analysis are not real at the moment – they are assumptions of what might happen in the future and what do we predict might influence on Happy Movie. It is essential to understand those and to keep them in mind but at the moment they do not pose a risk to the start of Happy Movie company.

## 4 DATA GATHERING AND ANALYSIS

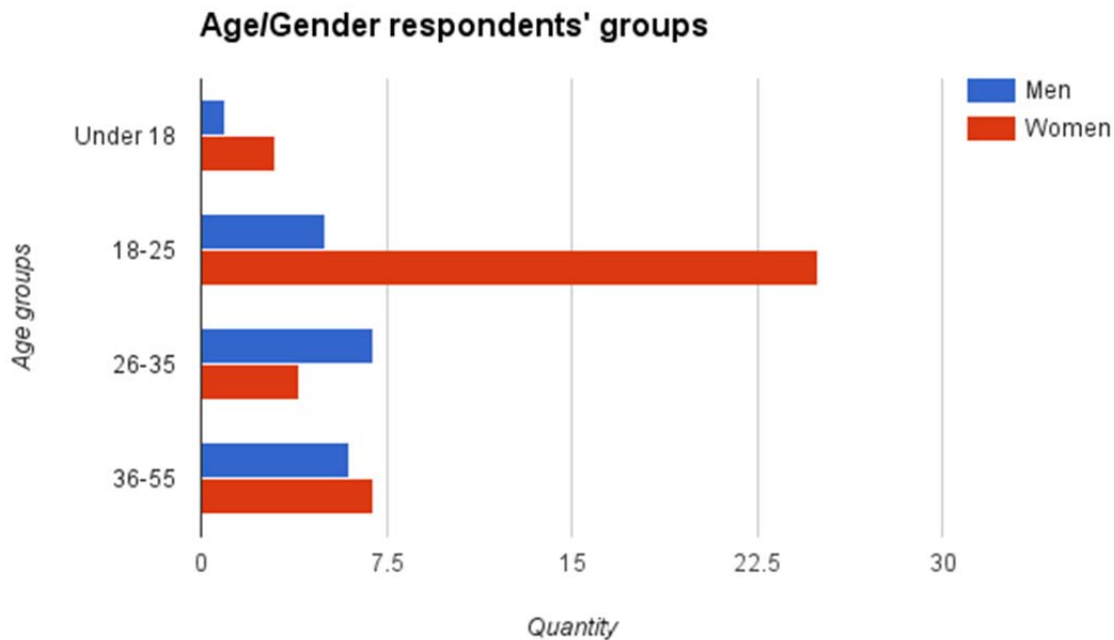
### 4.1 Sample

The survey was conducted through Google Forms and spread to several social networks such as Facebook, V Kontakte and Twitter.

The survey has several goals:

- To understand what presents do usually people get and give for celebrations and what they would like to receive as a present in order to understand if there is a need for video service;
- To define the main segment and target group to focus in order to split the market into segments.

The questionnaire has ten questions in total, eight of them are multiple-choice questions and two are open questions. Total amount of respondents is 58 including 19 men and 39 women.



#### 4.2 Data Gathering tool

To conduct our survey we have chosen to use Google Forms as a data gathering tool because it is easy to use and it is free of charge. This is a brief description of the tool:

Google Forms is a free tool from Google that allows to do the following:

- Create forms, surveys, quizzes, and such
- Share the forms with others
- Allow others to complete the forms online
- Collect all the responses in a spreadsheet
- Provide you with helpful summaries of the collected data with charts and graphs

The access to Google Forms is through the Google Drive screen or the Google Forms web app. The use of Google Forms is possible with the personal Google account, or through a Google Apps for Education account. With a Google Apps for Education account there is also a possibility to do the following:

- Require that respondents be from your Google Apps domain.

- Collect respondents' usernames.

### 4.3 Reliability and validity

The precisely formulated questions and error-free work of Google Forms provide reliability of the answers we have received from respondents. Infelicity (slight error) in answers would have a place to be only in the sense that the questionnaires were spread in limited amount of social networks and not every user had a chance to see it and answer because of different reasons: not convenient time of the questionnaire post; respondents' lack of time or reluctance to fill the questionnaire. Validity of the answers we got is hard to measure because it is subjective but the way people answer open questions gives an idea that they are really involved into the topic and give full detailed answers from the bottom of their heart as talking about presents is always a close and pleasant subject.

Below there is a questionnaire itself, which was called: What presents do you like?

The title of the questionnaire and the questions themselves did not open a real purpose and topic of the research. The purpose of this questionnaire was to define which unusual presents can be created to surprise relatives and friends. Congratulatory Video Service was one of the multiple-answers options even though the whole idea behind was to understand the interest-level exactly for video clips as presents. In the appendices section you can see the screenshot of the questionnaire from Google Forms.

#### **1. Gender**

- a. Male
- b. Female

#### **2. Date of Birth**

3. What gifts do you most often give to your relatives and friends (more than one answer is possible)
  - a. Flowers
  - b. Money
  - c. Photo frame
  - d. Book
  - e. Clothes

- f. Valuable (jewelry etc.)
- g. Car, bike etc.
- h. Gadgets (smartphone, tablet, laptop etc.)
- i. Dance, poems, song, video clip
- j. other.....

**4. What gifts you receive more often?**

- a. Flowers
- b. Money
- c. Photo frame
- d. Book
- e. Clothes
- f. Valuable (jewelry etc.)
- g. Car, bike etc.
- h. Gadgets (smartphone, tablet, laptop etc.)
- i. Dance, poems, song, video clip
- j. other.....

**5. Do you always have enough time to choose an interesting and unusual present?**

- a. No, I don't have enough time
- b. Yes, I always have enough time

**6. Do you always stay satisfied with presents you have received?**

- a. Yes, I am always satisfied
- b. In most cases I am satisfied
- c. Not really satisfied, expect more than get

**7. What is the most memorable and unusual (wow present) you have ever received?**

**8. What would you like to get as a present?**

- a. Money
- b. Song
- c. Jewelry, flowers etc.
- d. Dance

- e. Clothes
- f. Poems
- g. Video clip, congratulatory video
- h. Gadgets (smartphone, tablet, laptop etc.)
- i. Other

**9. Do you like to share with your relatives and friends what presents you have received?**

- a. Yes, always do so
- b. Sometimes, when I have something to brag
- c. No

**10. Is it important to you to choose a present matching to a recipient's interests, by, preferences, social status?**

- a. Yes, it is important
- b. No, it is not important

**11. What do you think is a good present which can stay in a memory for many years? (Don't limit your fantasy, create any idea about present )**

*12. Bonus! We have a lottery: each 10th participant of the questionnaire will get a numerological analysis of personality (your type of personality etc.) If you are interested, enter your email address.*

#### 4.4 Analysis of questionnaire

One of our objectives was to know if there is a need for intangible presents on the market. We face huge variety of tangible presents on the market and possibility to buy or order those online is growing every day. But Happy Movie offers congratulatory video clips which are intangible presents. My mission was to know if people do value intangible presents more or the same as tangible presents.

In the table below you can read the examples of answers from 32 respondents (the rest 26 respondents were Russian speaking). But these are enough to get the idea and understand people's preferences.

## Question number 7

What is the most memorable and unusual (wow present) you have ever received?

Drum kit.

Book from my cousin in my graduation day. It was written about seriously funnu topic and made with great sense of taste and humor

I got my first and only drumkit from my brother. He spent his whole first paycheck on it.

good pillow was nice suprise :D

A dedicated video clip with song

Selfmade photo collage, ready framed.

My friends took me to megazone as surprise.

an envelop with a huge sum of cash

All those unique performances which I've received when having big parties on my BDs, like music performances, songs, poems, monologues, plays etc.

A TV is the only "wow" things that comes to my mind.

A painting

I remember getting a huge lego cowboy fortress when I was little. That was really something :)

I don't think a received an unusual present, but I did receive some books from my grandparents about the war and the time they were young. So we would never forget that part of history.

A 6 months stay in America :)

Kalevala bracelet which my boyfriend bought for me as a christmas present i can wear in our future wedding. We are not engaged yet so it was a promise gift

Pearl necklace

Drum kit.

Book from my cousin in my graduation day. It was written about seriously funnu topic and made with great sense of taste and humor

I got my first and only drumkit from my brother. He spent his whole first paycheck on it.

good pillow was nice suprise :D

A dedicated video clip with song

Selfmade photo collage, ready framed.

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i remember getting a huge lego cowboy fortress when I was little. That was really something :)

I don't think a received an unusual present, but I did receive some books from my grandparents about the war and the time they were young. So we would never forget that part of history.

A 6 months stay in America :)

Drum kit.

Book from my cousin in my graduation day. It was written about seriously funnu topic and made with great sense of taste and humor

### Question number 11

What do you think is a good present which can stay in a memory for many years? (Don't limit your fantasy, create any idea about present)

Idea counts. It's a beautiful thought

Watch. Great and stylish watch is one of the best below 150e presents, or with enough money over 400e which is even cooler

Something funny and DIY, definitely not something one buys in a store, something that would take a lot of preparation and ideas, and is personal to the individual.

jewelry with some personal text

Good ceramic, travels/exiting activities

Personal stuff, like jewelry or tattoo with meaning. Depends on people's nature.

A thing they will use in regular basis, or something unique

to help out a relative solve an important problem or purchase sth they have been dying to have at the time needed,.

Depends on who's receiving it and why

A trip to an awesome place filled with awesome stuff to do. Especially with awesome people.

One person I know got an InterRail card and a small amount of money to go with it. He still talks about the trip even after +6 years.

Custom-made photo frame with a poem inscribed on it

Many times it's not something material or it is some big gesture like organizing the event or party.

A present which a person can use for a very long time and will always remember the person, they received the present from you.

Time spent together! Like a day trip together or a fun thing like skydiving or so together



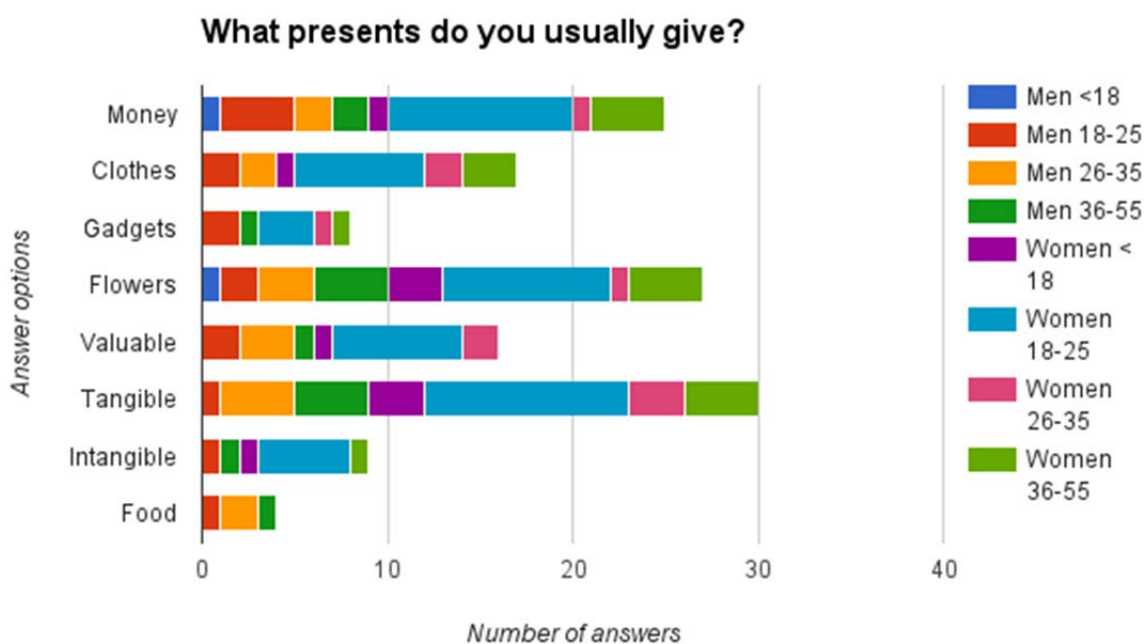
It can be small thing and cheap but with a huge thought. Like my promise bracelet had a story and meaning of giving it.

Something that creates wonderful memories, like a holiday trip. Also things that are related to a person's hobby or an interest, something that helps you experience more great moments. When it's carefully considered, specifically to the person it is given. It depends on the person, someone demands diamonds and someone is forever grateful for warm slippers :) I appreciate when I notice that someone has picked up some detail from my sayings, what I'm interested in at the moment or if I need some specific thing.

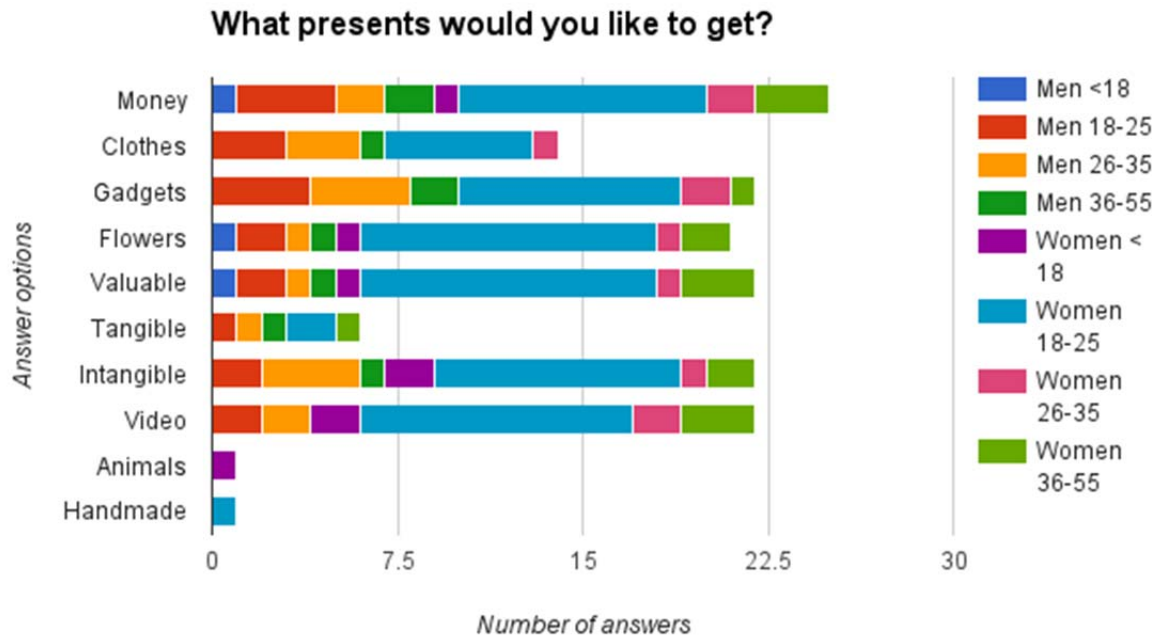
Depends on who is giving it. To me it's important that the present is personal. It should just have some kind of meaning because presents doesn't have to be expensive

These answers give clear understanding that people value intangible presents more than tangible. Even when people give an example of tangible gift they mention what emotion it has brought or who it gave and at what day or time, which means that the intangible part of the present is valued more. Knowing this we can assume that congratulatory video service is successful business idea.

The next essential thing to analyze is what do people usually give and get for celebrations, what are the reasons of such choice, what is the variety of gifts already existing on the market and do both parties stay satisfied – giver and recipient? That is why respondents have been asked the following questions.



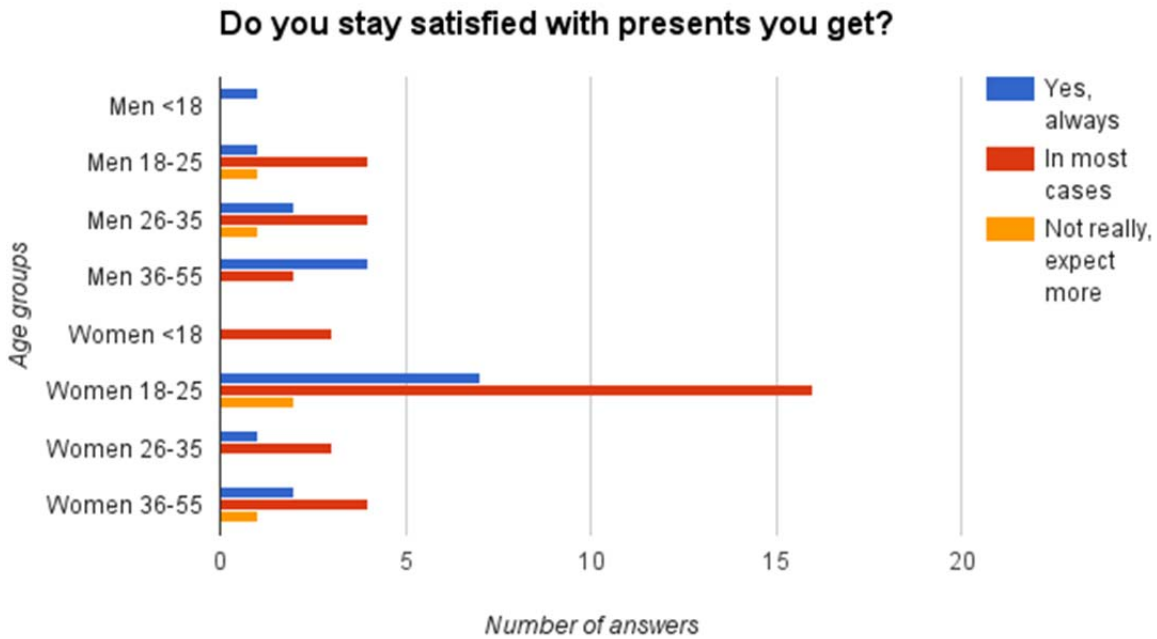
The question has multiple-choice answers which include Money, Clothes, Gadgets, Flowers, Valuable, Tangible, Intangible and Food. The leading answers are Tangible goods, Flowers, Money, Clothes.



The next question was “What presents do you usually get”? And the leading answers are Money, Gadgets, Valuable, Intangible and Video.

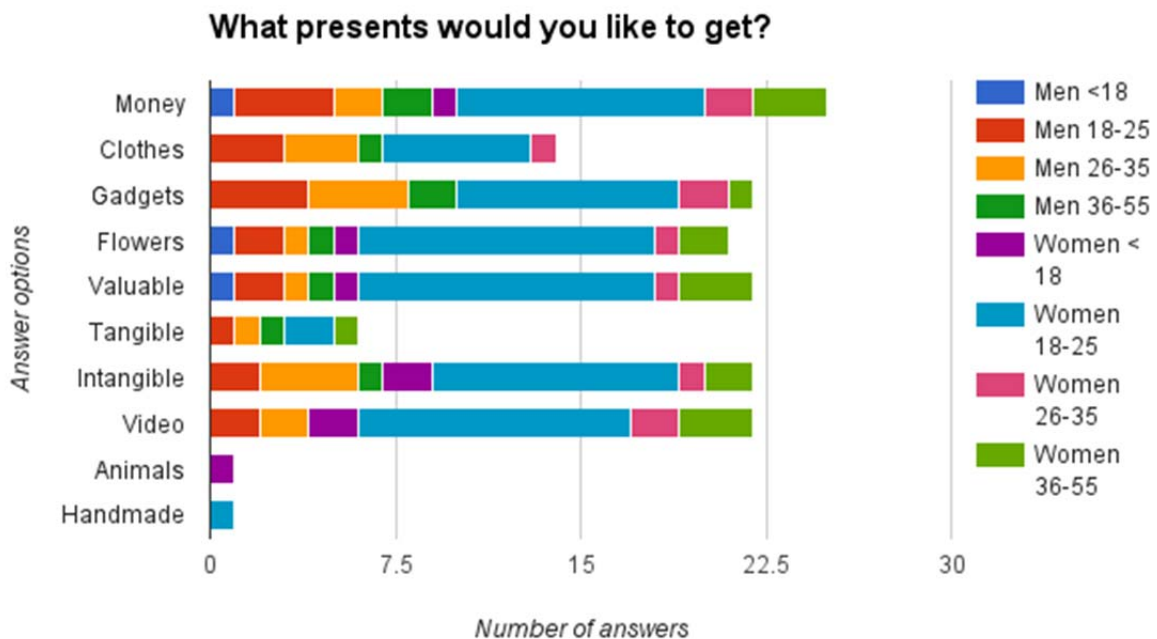
So, people get in return the same what they give. That is logical scheme. But does it bring satisfaction? Sometimes people give presents because they felt they have to do it as they were invited for celebration. But those presents are not personalized and they don't bring satisfaction to a

recipient.



As you can see from the chart the most popular answer was “In most cases”. This means that people are satisfied most of the times with what they get or they are not completely satisfied with what they get as a present all the time.

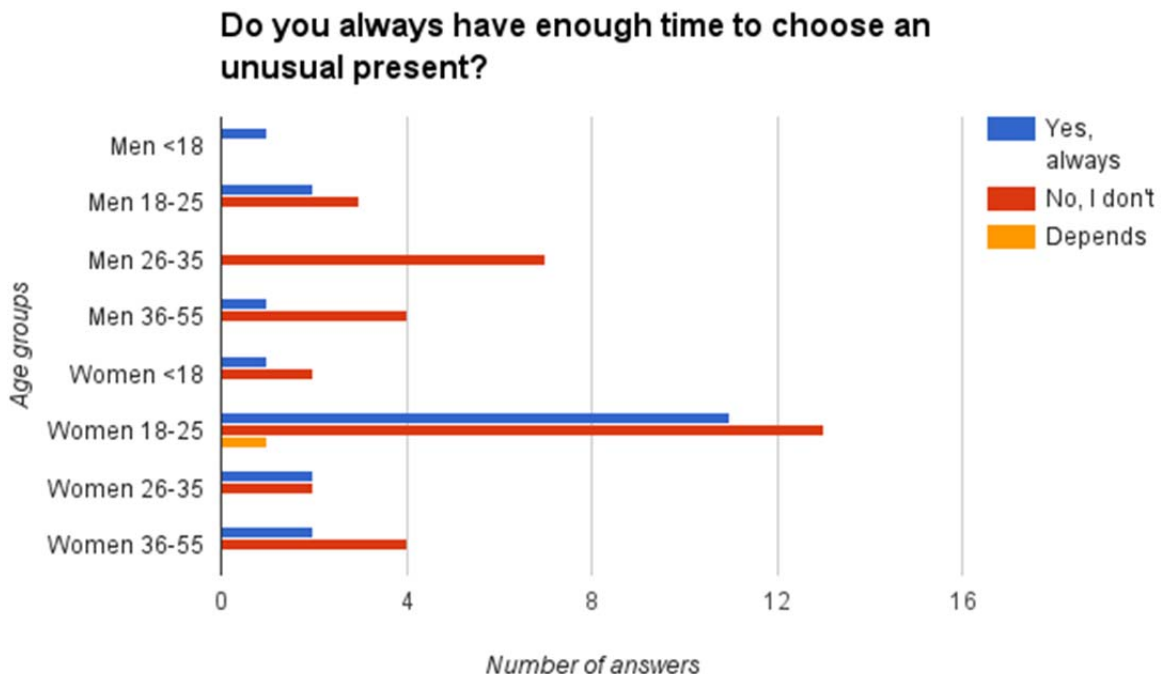
Here is the explanation why people not always stay satisfied with the presents they receive or not completely satisfied because they expect more or different from what they get.



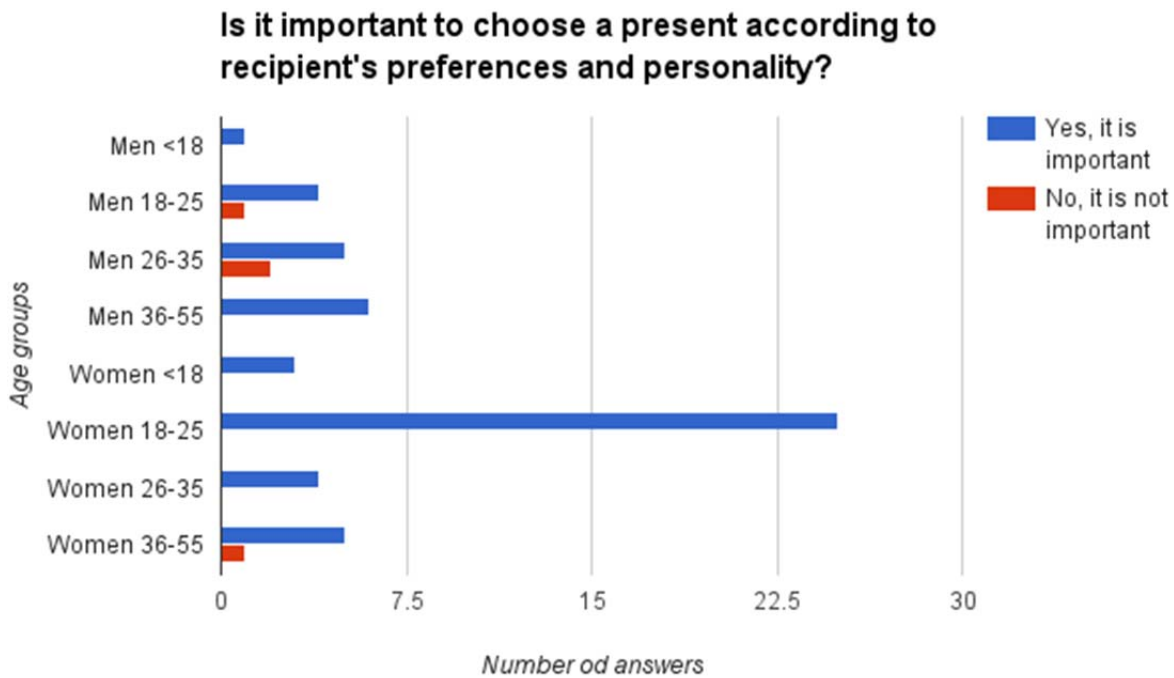
On this chart the Video category is separated from the Intangible category even though it is also intangible. This was done to analyze how much is the demand for the video clips apart from other intangible presents. As we can see the leading answers are still Money, Gadgets, Flowers, Valuable (meaning jewelry), Intangible and Videos. There are two conclusions out of this question:

- 1) The first one is that people value all intangible presents including songs, dances, poems, monologues and Video of course at the same level with Valuable goods, Gadgets and Money, everything which has expensive value
- 2) And the second conclusion is that people are interested in getting Intangible goods as presents much more than tangible. Even though in the reality they give and get tangible, they dream of intangible.

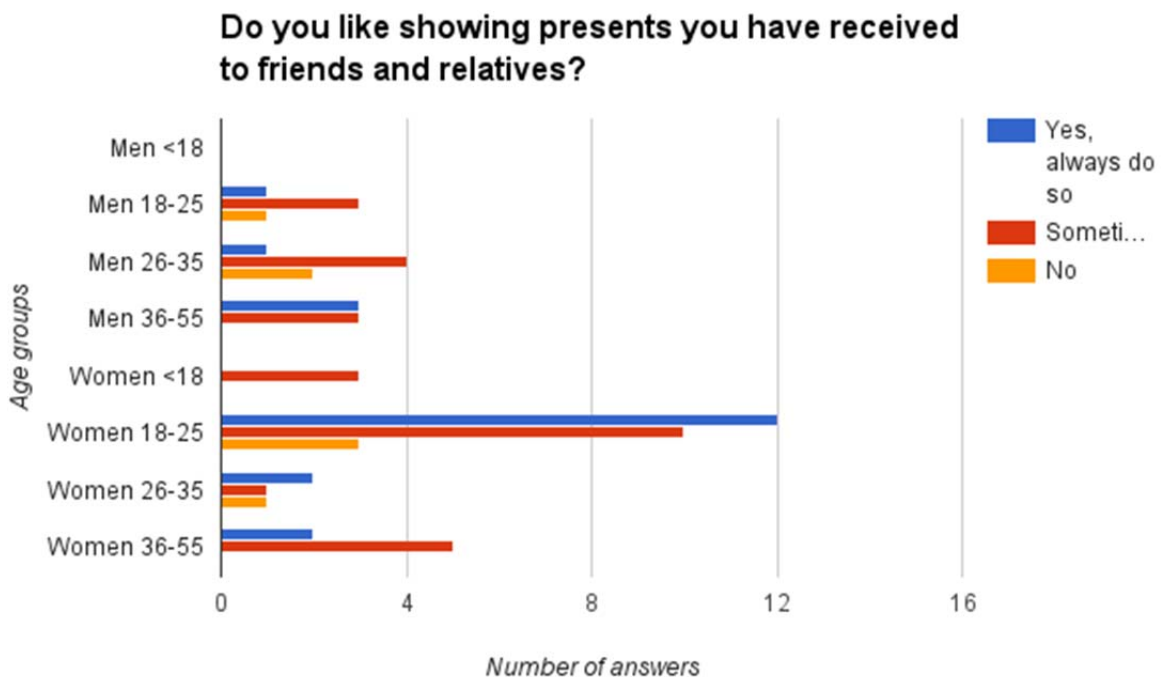
Why does it happen so that people want intangible but get and give tangible? Mostly because there is always a lack of time to choose, find or create a present by yourself and people buy something which has no meaning or personalized approach or simply give money and they get the same in return.



Even though respondents admit there is a lack of unusual presents, they understand the importance of choosing a gift according to the recipient's preferences and personality.



So what could be a solution for respondents? They can become potential customers of Happy Movie and order Video Clip as a present. Video Clip is definitely a present which is worth sharing and showing to friends and relatives. The following chart proves this.



## 5 CONCLUSIONS AND RECOMMENDATIONS FOR MANAGEMENT

### 5.1 Answering the research question

*The main purpose of the research* was to test the business idea on its relevance on the market and measure the interest-level among potential customers before the implementation of business.

The SWOT analysis has helped to reach the purpose of the research and to understand if the congratulatory video service is relevant on the market. According to the results of the SWOT analysis and the competitive analysis, Happy Movie has more strengths than weaknesses, as well as many opportunities which can easily be transformed into strengths; low competition level at the moment; and strong competitive advantage among current competitors on the market. Thus, this type of service is relevant on the market and it can be successful and profitable business now and in the future. To keep this business relevant and profitable in the future (might be even in the nearest future) Happy Movie company has to hire more employees – this will help to do the service faster in time and also it will bring diverse skills in the team. The soft wares and editing programs have to be updated according to the modern technology changes. Sometimes it has to be done even faster than people will buy and learn how to use them themselves. The editing programs, software and video templates have to be high quality and professional level to correspond to the already existent company's level and to the customers' expectations, or sometimes even to exceed customers' expectation. This has to be done because in the modern twenty-first century the technology is developing rapidly and it becomes more accessible to wider circles of people – not special skills required, not much money resources required or no money required at all. In order to beat its main competitors – technology and users, Happy Movie has to upgrade its arsenal of video creation and editing programs as well as control employees skills. Employees should be active themselves and have a desire to learn new things themselves. But Happy Movie has also invested in the employees' knowledge – invite lectures for hosting the refresher course or send certain employees to those courses when the opportunity arises. This has to be done regularly in order to keep employees motivated and in order to extend employees knowledge and skills. Also one good way to find an employee with fresh mind and qualified skills is to hire an intern from the correspondent degree program – it might be Producers, Directing and Filmmaking degree etc. with the possibility to hire this person in the future.

*The Main Objective* is to create a portrait of consumer and test video service on potential target audience.

The questionnaire results helped to form main segments which Happy Movie has to reach. All three segments have been partially described. The description has formed the segments' profiles. In the future the segments' profiles will be described more fully. Among those segments the main target audience has been selected based on the amount of responses and interest level towards video clips services. The detailed description of the target audience has formed the customer profile of potential customers of Happy Movie. This has been done in order to understand potential customers' behaviour and decision-making process. It will help Happy Movie to create positioning strategy in the future and choose the best way to attract and reach more potential clients of this segment. segments' profiles.

*The Research Question:* Is there enough interest level for the video service among target audience for establishing profitable business?

Answering the research question - the interest-level among the target audience for establishing profitable business. This was simply proved when we have received six orders of the video clip creation.

Considering the fact that the investment in Search Engine Optimization has not been implemented yet and company has not been promoted through Facebook, Instagram, YouTube and other social media channels, the website has 198 views during 1 month period of time. During this time we have received 6 orders including 4 females, 3 females are non-working students and 1 working student, and the rest are working males from 2 age groups 18-25 and 26-35 years old. 3 girls ordered Light package, 1 girl ordered Medium package and 2 guys ordered light packages.. This gives us the result of approximately 3% conversion rate which allows us to think that congratulatory video service does have and will have enough interest-level in order to keep the business profitable as the normal conversion rate for sales is 1,5%.

4 out of six clients are female students; this proves that the highest interest-level is among the target audience which was defined according to the questionnaire results.

*This, the Hypothesis:* We assume that congratulatory video service is relevant on the market and the interest-level among population is high enough to establish profitable business and keep it successful – has been proved.

## 5.2 Further research

Now when we have answered to the research question positively and we know that the interest-level is enough to establish profitable business and the business itself is relevant on the market, the further research will be more practical. The Happy Event should now calculate the precise investment. Partially the investment has been done already.

Already done	Planned to be done
Website domain name	Video programs
Hosting/Landing	SEO & Promotion:
Approx. 30 euros	

Now the Happy Movie is aware of who form the target audience and who form the rest main segments, so the diverse positioning strategies has to be created in order to position the video clips service on the top place in customers' perception.

Also now Happy Movie knows what the main channel to reach target audience is. Now it needs to do more research on how to attract more potential customers from that segment. That is why the main investment has to be done in advertising and promoting the web site of Happy Movie and its services on Social Media channels – such as Facebook, Vkontakte, Instagram, YouTube and Google. The pages have been already created in Instagram and Facebook.

**Facebook Page of Hapopy Movie**

<https://www.facebook.com/pages/Happy-Movie/1641843112716499>

**Instagram Page of Happy Movie**

[https://instagram.com/happy\\_movie\\_video\\_gift/](https://instagram.com/happy_movie_video_gift/)

YouTube channel will be created soon and Google account as well. So now, those which already exist need investment to reach more viewers = potential customers and pursue them to become customers by creating smart advertising.

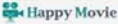



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## APPENDIX 1


Your unforgettable gift
+358 46409621 | tivasilisa@yandex.ru






## Congratulatory Video Service

Its your chance to give unique and unusual present to your loved ones.

You can share your feelings through the video clip no matter how far you are or how much is the time difference with the recipient.

### What's Inside

 <h4 data-bbox="472 837 560 860">Unique gift</h4> <p data-bbox="472 864 655 927">Every video clip will be unique as it includes personal photo's and videos from your home archive.</p>	 <h4 data-bbox="727 837 879 860">Your self-expression</h4> <p data-bbox="727 864 911 949">If you want to participate yourself in the video there is a possibility to record your speech as audio and/or video file and include to the video.</p>	 <h4 data-bbox="983 837 1094 860">For loved ones</h4> <p data-bbox="983 864 1177 949">The scenario of the video will be created specifically for the recipient according to his/her preferences in colours, music, movies and hobbies.</p>
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### Preview

#### Introduction to Happy Movie

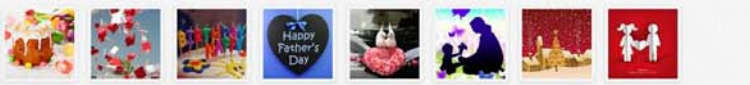
Congratulatory video service can be done for any important event of your life, such as Birthday, Wedding, Father's day, Mother's day, Easter, St. Valentine's day, Graduation, Engagement party, Jubilee and any day which is special for you and your family.

#### What common between love and movie gifts.

If you want to surprise your loved ones with unusual present, Happy Movie will help you do so.

#### Main features and examples

Especially, if you live far away from your family or friends, you do not have a chance to visit them and give the present, this is a great opportunity to send it at any time, no matter how far you are and how much is the time difference.




### About Us

#### Who we are, what are our skills and how great we can make the video

We are young team of people who has started this service from creating videos for our family. After getting positive reactions from family, friends and independent viewers we realized that there is an interest in such service. That is why we offer the opportunity of sharing your feelings through video clips. This is the case when modern technology of the 21st century has positive impact on people and their health because sharing congratulatory videos with your loved ones brings joy and happiness.


#### Testimonials

" Thank you Happy Movie! My mom was so happy to get this video present. I live so far away from home and I didn't have a chance to bring any present to my mom, so Happy Movie was a great solution for me. I staid very satisfied with the result: video was done fast, the price was affordable for me as a student, the scenario was funny and my mom liked the music and colours used. I will recommend this service to my friends and relatives from now on and will definetely order video clip myself again."



**Helen**  
Student

#### Contact Us



HappyMovie - Your unforgettable gift © copyright 2013

APPENDIX 2



**Your unforgettable gift**

+334 86404213 | hello@happy-movie.com



## Congratulatory Video Service

It's your chance to give unique and unusual present to your loved ones.

You can share your feelings through the video clip no matter how far you are or how much in the time difference with the recipient.

GET IT NOW!

### What's Inside

---

**Unique gift**

Every video clip will be unique as it includes personal photos and videos from your home archive.

**Your self-expression**

If you want to participate yourself in the video there is a possibility to record your speech as audio and/or video file and include to the video.

**For loved ones**

The scenarios of the video will be created specifically for the recipient according to his/her preferences in colour, music, movies and hobbies.

### Preview

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Helen  
Student

### Contact Us


SEND



Happy Movie - Your unforgettable gift in digital form

© 2013

## APPENDIX 3



### What presents do you like?

The purpose of this questionnaire is to define which unusual presents can be created to surprise our relatives and friends.

\* Обязательное

**Gender \***

Male  
 Female

**Date of Birth \***

День ▼ Месяц ▼ 2015 ▼ 📅

**What gifts do you most often give to your relatives and friends? \***  
(more than one answer is possible)

Flowers  
 Money  
 Photoframe  
 Book  
 Clothes  
 Valuable (jewelry etc.)  
 Car, bike etc.  
 Gadgets (smartphone, tablet, laptop etc.)  
 Dance, poems, song, video clip  
 Другое:

**What gifts you receive more often? \***  
(more than one answer is possible)

Flowers  
 Money  
 Photoframe  
 Book  
 Clothes  
 Valuable (jewelry etc.)  
 Car, bike etc.  
 Gadgets (smartphone, tablet, laptop etc.)  
 Dance, poems, song, video clip  
 Другое:

**Do you always have enough time to choose an interesting and unusual present? \***

No, I don't have enough time  
 Yes, I always have enough time

**Do you always stay satisfied with presents you have received? \***

Yes, I am always satisfied  
 In most cases I am satisfied  
 Not really satisfied, expect more than get

**What is the most memorable and unusual (wow present) you have ever received? \***

**What would you like to get as a present? \***  
(more than one answer is possible)

Money  
 Song  
 Jewelry, flowers etc.  
 Dance  
 Clothes  
 Poems  
 Video clip, congratulatory video  
 Gadgets (smartphone, tablet, laptop etc.)  
 Другое:

**Do you like to share with your relatives and friends what presents you have received? \***

Yes, always do so  
 Sometimes, when I have something to brag  
 No

**Is it important to you to choose a present matching to a recipient's interests, hobby, preferences, social status? \***

Yes, it is important  
 No, it is not important

**What do you think is a good present which can stay in a memory for many years? \***  
Don't limit your fantasy, create any idea about present

**Bonus! We have a lottery: each 10th participant of the questionnaire will get a numerical analysis of personality (your type of personality etc.).**  
If you are interested, enter your email address and name...

Никогда не используйте формы Google для передачи паролей.

