

ADVERTISING AND SALES PROMOTIONS IN RUSSIA
Primolennaya N.V.
Scientific director Moseeva S. M.
Siberian Federal University
Institute of Business Process Management and economies

Marketing is the process of communicating the value of a product or service to customers, for selling that product or service.

From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that also benefit the organization and its shareholders. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behavior and providing superior customer value.

There are five competing concepts under which organizations can choose to operate their business: the production concept, the product concept, the selling concept, the marketing concept, and the holistic marketing concept.

Marketing Concepts

1) Earlier approaches.

The marketing orientation evolved from earlier orientations, namely, the production orientation, the product orientation and the selling orientation.

2) Contemporary approaches.

Recent approaches in marketing include relationship marketing with focus on the customer, business marketing or industrial marketing with focus on an organization or institution and social marketing with focus on benefits to society. New forms of marketing also use the internet and are therefore called internet marketing or more generally e-marketing, online marketing, "digital marketing", search engine marketing, or desktop advertising. It attempts to perfect the segmentation strategy used in traditional marketing. It targets its audience more precisely, and is sometimes called personalized marketing or one-to-one marketing. Internet marketing is sometimes considered to be broad in scope, because it not only refers to marketing on the Internet, but also includes marketing done via e-mail, wireless media as well as driving audience from traditional marketing methods like radio and billboard to internet properties or landing page.

3) Customer orientation.

A firm in the market economy survives by producing goods that persons are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern. Many companies today have a customer focus (or market orientation). This implies that the company focuses its activities and products on consumer demands. Generally, there are three ways of doing this: the customer-driven approach, the market change identification approach and the product innovation approach.

In the consumer-driven approach, consumer wants are the drivers of all strategic marketing decisions. No strategy is pursued until it passes the test of consumer research. Every aspect of a market offering, including the nature of the product itself, is driven by the needs of potential consumers. The starting point is always the consumer. The rationale for this approach is that there is no reason to spend R&D (research and development) funds developing products that people will not buy. History attests to many products that were commercial failures in spite of being technological breakthroughs.

4) Organizational orientation.

In this sense, a firm's marketing department is often seen as of prime importance within the functional level of an organization. Information from an organization's marketing department would be used to guide the actions of other departments within the firm. As an example, a marketing department could ascertain (via marketing research) that consumers desired a new type of product, or a new usage for an existing product. With this in mind, the marketing department would inform the R&D (research and development) department to create a prototype of a product or service based on the consumers' new desires.

The production department would then start to manufacture the product, while the marketing department would focus on the promotion, distribution, pricing, etc. of the product. Additionally, a firm's finance department would be consulted, with respect to securing appropriate funding for the development, production and promotion of the product. Inter-departmental conflicts may occur, should a firm adhere to the marketing orientation. Production may oppose the installation, support and servicing of new capital stock, which may be needed to manufacture a new product. Finance may oppose the required capital expenditure, since it could undermine a healthy cash flow for the organization.

Advertising and Sales promotions in Russia

There is room for pioneering. Most major western advertising agencies are active in Russia, domestic agencies are growing and improving; however, telemarketing and fax marketing to business customers is common but not effective and other direct marketing channels (catalogues, e-commerce and regular mail) are still in their infancy.

On the contrary traditional advertising media are well established in Russia and they work well, in particular for consumer goods. Television, print media, outdoor billboards, magazines, point-of-sale promotions and displays, and free samples are widely used. Person-to-person direct marketing also works well (eg. with health and beauty products).

For industrial goods, trade shows and trade magazines are effective advertising methods.

As Russian advertising regulations are not well developed and advertising may be high. The competition of Russian products is fierce, and you will need to adapt your advertising to suit Russian culture.

Cultural Sensitivity

Cultural sensitivity and understanding of protocol is paramount to effective marketing. The intricacies of a nation its beliefs, even its superstitions can make or break your business. Know the market; immerse yourself in it. Never assume your marketing strategy will be transplantable to a foreign country. There is only a slim chance language will translate well. Anglophonic countries may be susceptible, but if your product or service plays on a quintessentially British characteristic or joke the chances are, it will not be well received.

As for other countries, don't bank on using the same strap-lines or gimmicks. Unless they are perfectly transitional, your product or service could suffer especially if it relies on humour.

Unless you are certain your product or service can sell itself on indigenous merits, it is probably wise to revise its selling-points for a foreign market. As always, however, only your own fastidious research can conclude this.

Marketing in Russia needs a strong cultural adaptation. The basis of the culture is different from the Western culture, in everyday life as in business. Collectivism in Russia takes the place of competition in the Western countries: a strong communal spirit is still reflected in Russian business practices today.

Severe climatic conditions have also meant that co-operation and collaboration, rather than competition, have been vital for survival. This sense of togetherness is one of the traits that distinguish Russians from many Westerners. Everybody's business is also everyone else's .

Russian collectivism dates back to the peasant farmers, who lived in agricultural villages known as 'mirs' or 'obshchina' and worked together in an organised and self-managed community. This affinity for the group and the collective spirit remains today. It is seen in everyday life, for example most Russians will join a table of strangers rather than eat alone in a restaurant.

'Egalitarianism' underpins Russian social philosophy: individuals aim to the removal of inequity and promote an equal distribution of benefits. In Russian business terms, this equates to important strategies of equality, reciprocity and mutual advantage. Russians are very status conscious and believe in co-equals. A "deal" is often thought of from the perspective of equally shared benefit.

Russians are also proud people. They are patriotic and strong defender of the reputation of their country. They expect the rest of the world to admire Russia. They accept that their lives are difficult and pride themselves on being able to flourish in conditions that others could not.

Some more bites of cultural training in Russia:

It is considered bad luck to shake hands over a threshold and should be done either inside or outside.

When taking flowers as a gift you must only take an odd number.

If you leave something behind in Russia it means you're coming back.

In business negotiations Russians view compromise as a sign of weakness.

In Russia, the 'OK' symbol with the thumb and forefinger touching in a circle is considered very rude.

1 Journal of marketing / Экономический журнал

2 Journal of economics and business / Научно-практический журнал

3 Research in economics / Научно-практический журнал

4 Journal of environmental economics and management / Экономический журнал