Marketing communication strategies for SMEs in Russian and Swedish companies: Implications for international entrepreneurship.

Master’s thesis within Business Administration

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Jönköping/ Moscow May 2016
Acknowledgments

I would like to express great gratitude to my supervisor Dr Tatiana Anisimova, that she expertly guided throughout the process of writing the thesis, by sharing her experiences and knowledge. Her comments, corrections, and wise counsel have helped in the writing of the dissertation.

Also, a huge thanks goes to all interviewed. They were able to find the time to share their experiences and knowledge with the author.

And of course, I am very grateful to my family for their support and belief in me. Without their advice and support, it would be very hard for me to write this thesis.

Jönköping, Sweden, May, 2016

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Master Thesis in Business Administration

Title: Marketing communication strategies for SMEs in Russian and Swedish companies: Implications for international entrepreneurship
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Date: May, 2016
Subject terms: SMEs, marketing communication strategies

Abstract

Background: Today, small and medium businesses is one of the most promising areas for the development of a modern economy. Namely, well-developed SMEs is the basis for innovative and economic development of the country. But for the development, small and medium-sized businesses need to explore marketing communication strategies that may be applicable to them.

Problem: The main problem discussed in this thesis is that due to the lack of financial resources and amount of professionals in marketing sphere, SMEs do not carefully use the marketing communication strategies to build a relationship with customers.

Purpose: The purpose of this thesis is to investigate and to analyze the differences of SMEs in Russia and Sweden. Moreover, it is consisting on building an effective marketing communication strategy to attract more customers.

Method: In order to realize the purpose of the thesis, the author conducted a sociological research using an inductive approach and primary data collected through interviews. Respondents consisted of owners and the marketing department of restaurants and cafes industry in Russia and Sweden.

Conclusion: Marketing communication strategies of small and medium enterprises in Russia and Sweden vary from company to company, but they are all aimed at building relationships with clients. The results show that enterprises in Sweden are more likely to use non-traditional platforms such as social media. These companies are characterized by integrated use of traditional and non-traditional instruments, but paying more emphasis on non-traditional tools. In the case of companies in Russia, entrepreneurs are more inclined to traditional tools, but nevertheless among them there are those who are gradually moving towards using social media platform.
Table of Figures

Figure 1.1: SME segmentation .................................................. 7
Figure 1.2: Evaluation of marketing communication instruments .......... 10
Figure 3.1: The research “onion” ................................................. 24

Table of Tables

Table 2.1: Advantages and disadvantages of personal sales .................. 11
Table 2.2: Main instruments of sales promotion ............................... 14
Table 2.3: Benefits of direct marketing for buyers and companies .......... 19
Table 2.4: Main tools of direct marketing ...................................... 20
Table 3.1: List of interviewing in Russia ........................................ 27
Table 3.2: List of interviewing in Sweden ....................................... 28
# Table of Contents

1. **Introduction** .................................................................................................................................................. 5  
   1.1 Background .................................................................................................................................................. 5  
   1.2 Problem discussion .................................................................................................................................... 6  
   1.3 Problem ....................................................................................................................................................... 7  
   1.4 Purpose ........................................................................................................................................................ 7  
   1.5 Research questions ..................................................................................................................................... 7  
   1.6 Delimitations .............................................................................................................................................. 7  

2. **Theoretical framework** ................................................................................................................................. 8  
   2.1 SMES: definition and challenges ............................................................................................................... 8  
   2.2 Marketing Communication Strategies in SMES ....................................................................................... 9  
   2.3 Personal Selling as an instrument of marketing communication for SMES ...................................... 11  
   2.4 Public Relations as a communication tool for SMES ............................................................................. 13  
   2.5 Sales Promotion as a tool for building relationships with customers in SMES .................................. 14  
   2.6 Advertising as a way of communication in SMES ................................................................................ 17  
   2.7 Direct Marketing as a marketing communication strategy in SMES .................................................. 19  
   2.8 Towards Integrated Marketing Communication strategies in SMES ............................................. 22  

3. **Methodology** .................................................................................................................................................. 25  
   3.1 Research philosophy ................................................................................................................................. 25  
   3.2 Research approach .................................................................................................................................... 26  
   3.3 Research method ........................................................................................................................................ 26  
   3.4 Time horizons .......................................................................................................................................... 27  
   3.5 Data collection ........................................................................................................................................... 27  
     3.5.1 Primary data collection ....................................................................................................................... 27  
     3.5.2 Interview ......................................................................................................................................... 27  
     3.5.3 The choice of individuals .................................................................................................................... 28  
   3.6 Data analysis .............................................................................................................................................. 29  
   3.7 Trustworthiness ....................................................................................................................................... 29  
     3.7.1 Credibility ..................................................................................................................................... 29  
     3.7.2 Transferability ............................................................................................................................... 30  
     3.7.3 Dependability ............................................................................................................................... 30  
     3.7.4 Confirmability ............................................................................................................................ 30  

4. **Empirical findings and Analysis** .................................................................................................................. 31  
   4.1 General information about the industry ................................................................................................. 31  
   4.2 Marketing Communication Strategies in SMES ................................................................................... 31  
     4.2.1 Personal selling ................................................................................................................................. 32  
     4.2.2 Public Relations ............................................................................................................................... 34  
     4.2.3 Sales Promotion ............................................................................................................................... 36  
     4.2.4 Advertising .................................................................................................................................... 39  
     4.2.5 Direct Marketing ............................................................................................................................ 41  
   4.3 Implications for international entrepreneurship .................................................................................. 43  

5. **Conclusion** ................................................................................................................................................... 45  

6. **Discussion** .................................................................................................................................................... 47  
   6.1 Limitations and self-criticism ............................................................................................................... 47  
   6.2 Suggestion for further research .......................................................................................................... 47  
   6.3 Managerial implications ...................................................................................................................... 48  

7. **References** .................................................................................................................................................. 49
Appendix 1 – Interview Guide (Original in Sweden) ................................................................. 56
Appendix 2 – Interview Guide (Original in Russia) ............................................................. 57
1. Introduction

In this chapter, the author describes the dissertation topic, the relevance of this topic, and also highlights the purpose and the main questions regarding the research topic.

1.1 Background

Generalized world experience in the economical sphere considers small and medium businesses as one of the most promising and propriety directions in the development of market mechanisms of the modern economic organism. According to Wang and He (2014), technological innovation and economic development experienced by most countries in the world is due to the essential role played by the SMEs. Moreover, it proves the fact that the economic growth and the development of small sector are positively correlated. Another important thing to add is that SMEs perform various functions such as creation of jobs, generation of the added value, and etc. They also play a significant role in the value chain, as well as function as a source of innovation (Ionita, 2013). Bridge, O’Neill and Cromie (1998) also hold the view that SMEs are the main source of employment and a source of innovation. According to Norbe, Silva (2014), SMEs do not use sophisticated marketing and business plans. Said (2000) also proves the fact that SMEs do not have a proper marketing policy. Caputo, Cucchiella, Fratocchi, Pelagagge and Scacchiam (2002), Thrassou and Vrontis (2006) explain this by the fact that SMEs have a weak knowledge base and limited financial resources.

According to Thrassou and Vrontis (2006), when small and medium enterprises operate in a small market and have a limited number of clients, these companies base their activities on personal communication methods most of the time. Kotler (2005), as well as Said (2000), put forward the idea that SMEs do not need formalized methods of marketing. In these companies there is a positive dependence between the value of the product for the client and personal relationships while receiving this product.

Well-functioning communication links of producer companies are indispensable to their normal functioning as an economic unit, and also are one of the key prerequisites for a successful market activity. The importance of communication in modern conditions is steadily growing due to a range of factors, including an increasing saturation of the markets with goods, large variety of consumer needs, constantly changing forms and methods of competition, and current sophisticated means of collecting, storing, processing and transmitting information.

The tools of marketing communication used by small and medium-sized enterprises differ from those which are used by the large ones. These differences depend on the fact that SMEs have limited resources. Therefore, they can’t use advertisements on national and local television. A distinctive features of SMEs in recent years is their ability to use communication tools which are more effective, which help them remain competitive in the global market. What else is important for the successful activity of SME is the availability of an effective and efficient official website, monitored by the company (Ruzzier, Ruzzier, Hisrich, 2016).

One of the main advantages of marketing communications, allocated by Ruzzier, Ruzzier and Hisrich (2016), is the provision of such opportunities which were previously not available to such kind of firms. With proper use of marketing communication, SMEs can go global and can compete with companies regardless of their size. Moreover, such companies can find clients worldwide who are looking for a specific good and service. But despite the huge opportunities that can provide marketing communications, few SMEs use these opportunities. Most often, SMEs do not fully appreciate the importance of a web site as a valuable tool for marketing communication.
1.2 Problem discussion

Due to the inadequacy of marketing and financial systems, newly created companies often do not stand the tough competition in the industry and negative economic changes. Moreover, many companies are missing a marketing management concept which is one of the reasons of ineffective functioning of SMEs.

Moreover, it is worth noting that today not only marketing communications, but also certain other elements in SMEs are not fully implemented. The analysis of the current situation in the field of marketing communications allows to conclude that negative changes in the economic situation in the country result in significant changes in marketing communication policy for SMEs. According to the marketing research of Profi Online Research in 2010, 52% of organizations reduced the budget for marketing communications in connection with the financial crisis. It should also be noted that the specifics of SMEs cause a shortage of personnel in the marketing department at the company. Moreover, in critical conditions reduction of marketing costs are manifested largely due to the reduction of staff.

In Scandinavian countries, including Sweden, small and medium business is a significant part of the economy. In Sweden the number of small and medium-sized enterprises in 2014 reached 672,334 (Internal market, industry, entrepreneurship and SMEs, 2015) The share of the SME sector in the gross domestic product of Sweden is about 27-28%. The main factor in the growth of SMEs in the Scandinavian countries is:
  • The presence of long-term government strategies aimed at increasing the competitiveness of the state as a whole, including the concept of development of small and medium business;
  • Effective state policy to support and promote development of small and medium businesses;
  • Highly developed financial and credit-wise support of SMEs (Oreshko, 2007).

Also, the benefits of the Scandinavian countries can be attributed to well-established close cooperation of small, medium and large businesses, with support from the state. An important condition is also the fact that a legal regime enables a high degree of protection of citizens and property. Scandinavian countries created and continue developing efficient infrastructure to promote development of and support entrepreneurship of SMEs in particular and other areas in general.

Although small and medium businesses are the essential backbone elements of the modern economy, the level of development of small and medium enterprises in Russia has not reached the level of development of SMEs in countries which are the major economic partners of the country. Following the data from 2014, there are about 5.5 million small and medium-sized businesses in Russia. The share of the SME sector in the gross domestic product of Russia is only about 21% (Enquiry on development of sector of small and medium-sized businesses in Russia, 2015).

In Russia, there is a discharge from the developed countries from the point of view of the turnover of SMEs in production output at a basic prices and in dynamics of its development. In this regard, it is necessary to conduct a thorough in-depth analysis of the current situation and to look for new managerial, marketing and investment solutions in the field of marketing communications of SMEs.
1.3 Problem

The main problem discussed in this thesis is that due to the lack of financial resources and amount of professionals in the marketing sphere, SMEs do not carefully use marketing communication strategies to build a relationship with customers.

1.4 Purpose

The purpose of this thesis is to investigate and to analyze the differences of SMEs in Russia and Sweden. Moreover, it involves building an effective marketing communication strategy to attract more customers.

1.5 Research questions

- What are the differences of SMEs in Russia and Sweden in using marketing communication strategies?
- How SMEs can create a marketing communication strategy in Russia and Sweden?
- What inside and recommendations can be given for Russian and Swedish companies?

1.6 Delimitations

Due to the fact that the author of this thesis has limited time and resources, it is necessary to highlight the limitations of this thesis. The research aims to elucidate the marketing communication strategies for SMEs in Russia and Sweden. As in Sweden there is a huge number of SMEs, about 99.8%, author decided to choose one particular industry. In this regard, the restaurant and cafe business was chosen. Moreover, it will be easier and more correct to combine companies in one industry. To ensure the reliability and accuracy of the final results and to give recommendations for sharing of experience, In Russia was chosen restaurant business as well. In a theoretical framework, author decided to analyze only such instruments which can be controlled by the company.
2. Theoretical framework

In this chapter, the author describes the theory necessary for the analysis and information gathering, as well as sections such as the description of SMEs in Sweden and Russia and the challenges they can face, the marketing communication strategies and integrated marketing communication strategies.

2.1 SMEs: definition and challenges

Ward (2005) argues that there is no exact definition of SMEs, as it varies from country to country. In his point of view, the meaning may be determined by the number of employees working in the organization and/or enterprise’s fixed assets. According to the EU definition, SMEs are defined based on such key indicators as the number of employees, and one or two other indicators, such as turnover or total balance and company share (Spickett-Jones, Eng, 2006). Indicators such as the turnover are constantly changing, but the relative independence should not be greater than 25%. In Russia, the company is SME in the case where all three indicators are within the specified limits: the number of employees, relation to the ownership structure and revenues. Regarding the ownership structure, the company share in the SMEs should not be more than 25%, the number of employees should be no more than 250 people, and the annual income should not exceed 25 million euros.

![Figure 1.1: SME Segmentation. Source: Small and Medium Entrepreneurship in Russia, 2013](image)

Major challenges, according to Huang, Brown (1999), which are faced by small and medium-sized enterprises are:

- Sales and marketing (in 40.2% of SMEs);
- Human resource management (15.3%);
- General management (14.3%);
- Production management (8.6%).

The biggest problem faced by small and medium enterprises is the lack of qualified staff and time for decisions on questions of marketing. As a result, most often such companies focus on the survival in the market. According to Carson, Cromie (1989), most SMEs have three types of constraints: market impact, finance, and physical resource. Many authors (Huang, Brown, 1999, McKenna, 1991, O’Brich, 1998) point out the fact that selling and marketing are the most common problems faced by small and medium enterprises. At the same time, these activities are among the most essential for the survival of the company. Few of the reasons for this poor performance include the facts that SMEs have limited financial resources, they cannot hire qualified specialist,
Marketing Communication Strategies in SMEs

“Marketing communications are a management process through which an organization engages with its various audience” (Fill, Jamieson, 2011: 31). Marketing communications are the connecting element which represents brands and businesses with their clients. The basic idea of marketing communications is the creation of such relations through dialogue. Then customers are ready to make a series of purchases and increase engagement (Fill, Jamieson, 2011). Fill, Jamieson (2011) identify three different perspectives of marketing communications:

- Marketing communication – attractive force. From many consumers, target audience, marketing communications are tools that are a bridge to create a one-way, two-way communication with the target audience;
- The second theory is the audience. Usually, the main feature of the use of marketing communications is to provide information to those or other customers about products or services based on target audience. To achieve an efficient level, marketing communications should be accessible and understandable to the target audience;
- The cognitive response. Consumers should be considered as key activists as problem solvers using tools of marketing communications, which in future will be able to help them when choosing a product or service.

At the modern time marketing communications are the only instruments of attracting target consumers. The competition among small and medium businesses about the quality of products and services is virtually absent while the price is losing the function of quality score. Providing additional convenience and accessibility of goods today is also not a sufficient factor to acquire a leading position in the market. In these conditions, the seller must provide a permanent communication with all partners on marketing activities, not just with consumers. This is especially true for small and medium businesses (Duncan, Moriarty, 1998).

The marketing communication tools used by small and medium enterprises differ from those used by largest companies. Attitudes of consumers and businesses become less formal; companies try to pay more attention to personal dialogues with customers (Hoffman, Novake, 1996).

Unlike large corporations that focus on the relationship of consumers with the brand, SMEs concentrate more on selling and providing access to information about the product. The majority of specialists committed to the view that SMEs are difficult to implement any marketing tools, as they have limited resources and a small number of professional experts (Huang, Brown, 1999). However, according to the latest research in this area, marketers say that regardless of the fact that SMEs do not use the visible tools of marketing communication, this does not mean they do not have marketing at all (Bjerke, Hultman, 2002). Small and medium enterprises use unique forms of marketing that are not typical for large businesses and require more fundamentals to understand them (Hills et al, 2008).

In many SMEs, a manager is a key person, who is always engaged in the marketing, while in larger companies it deals with a separate employee (Bettiol, Maria, Finotto, 2012). Usually, because of limited resources, only a few SMEs have a specialist engaged in the marketing, or the company has financial resources to outsource (Nwankwo, Gbadamosi, 2011). SMEs often try to enlist the help of marketing communications only in specific cases relating to their industry. Even with the presence of marketing communications in SMEs, their objectives are different from those used by large companies. If marketing policies of large companies will be most focused on building long-
term relationships with customers with a brand, then SMEs will try to create relationships with client and create access to information about the products. SMEs are more characterized by a unique use of marketing communication strategies than large firms (Fill, 2005, Spickett-Jones, Eng, 2006). SMEs are more committed to using personal sales; while sales promotion in such companies has limited use, and such tools of marketing as pricing, negotiations are seen not as advertising, but as the creation of the climate for trade. But what considering of advertising, companies did not pay particularly keen attention, as SMEs don’t see the benefit from their use.

Employees in small and medium-sized enterprises may use the tools of marketing communication differently than employees of large companies. If in large corporations, employees are busy with their brand equity, in small and medium-sized enterprises, employees more interested in building relationships with their potential customers. Moreover, despite limited resources, most small and medium businesses conduct marketing communication better than large companies (Nwankwo, Gbadamosi, 2011). Unlike large enterprises, SMEs perceive marketing as something that should be used in some cases if the enterprise wants to increase its sales. It is possible to distinguish two types of SMEs that use marketing communications:

- Those who use the tools of marketing communications to maintain its position in the market and to improve its relations with customers, i.e. to the survival of the organization in society;
- Some companies, which use the tools of marketing communication which will be identical to those used in large businesses.

Strategically, SMEs are characterized by the use of personal connections to regulate the situation on the market. Most often, they feel the market conditions and predict their behavior instead of conventional direct marketing communication instruments. As a result, it is possible to notice that SMEs rarely resorted to the use of marketing communications and advertising, and they have no need to use a permanent marketing strategy. Instead, SMEs have the following key features unlike large enterprises: employees in SMEs are more motivated than in large companies; not only managers but also employees are interested in the development of the company; the employees are willing to resort to the use of professional relationships to resolve the problems faced by the enterprise.

Even assuming that SMEs use marketing communication tools, they are not intended for the long term or to establish any individual goals. To succeed, SMEs do not necessarily develop appropriate strategies unlike large organizations (Spickett-Jones, Eng, 2006). However, modern marketers (Nwankwo, Gbadamosi, 2011) have come to the opinion that SMEs need to use the same tools of marketing communication, as large ones. And with the advent of new technologies, the use of these tools becomes possible for SMEs. Judicious use of these tools as a means of communication, helping consumers to satisfy their needs. Provided that the company and customers have a close relationship, and provided that they are in contact with others in the marketing environment, the situation occurs that the marketing communication and users are intimately linked. A key element in marketing communication of any organization are the customers. According to their desires, the future marketing policy of the company will depend on this.

As noted above, the development of new technologies, SMEs have the opportunity to use the newest tools of marketing communication to increase its presence in the market. Moreover, these tools are less expensive than traditional instruments such as television (Nwankwo, Gbadamosi, 2011). Modern online technologies provide tremendous advantages for SMEs to enter new markets and new ways of communication that had previously been available only to large organizations. The purpose of SMEs to the use of these technologies is the creation of a group with other partners who share a common knowledge for more effective collaborative use of new technologies. But the
negative is the fact that SMEs are not focused on building long-term strategies for marketing communications and more focused on temporary results (Nwankwo, Gbadamosi, 2011).

Usually, the traditional instruments of marketing communication for SMEs can be evaluated as follows, as shown in Figure 1.2:

![Figure 1.2: Evaluation of marketing communication instruments. Source: The Chartered Institute of Marketing, 2009](image)

### 2.3 Personal Selling as an instrument of marketing communication for SMEs

Personal selling represents a relationship between the seller and buyers aimed at building long-term relationships and satisfaction, and the sale of products or services of the company as well (Ruzzier, Ruzzier, Hisrich, 2013). Sellers are usually described as professionals who are helpful for consumers when selecting a product or service. They are conduits of information between consumers and the company. Professional sellers almost always try to pay attention to the wishes of the clients, listen to them, and pass their requirements to the enterprise. Best sellers operate in the presence of one-on-one. In these circumstances, it is easier to create a relationship of trust, because customers believe them more. The success of any retailer depends on his/her ability to build relationships, to listen, and hear. A good salesperson can emotionally understand the desire and requirements of the client, and offer him/her what he/she needs. Personal selling always involves itself personal communication between sellers and consumers, regardless of whether face to face, by telephone or via the Internet (Kotler, Armstrong, 2012).

When there comes a difficult time to create relationships with potential clients, personal sales are the most useful tool. Since sellers can directly communicate with customers, learn the company’s problems faced by consumers, their wishes, and to adjust their marketing program based on research to meet the interests of each client. Most often, the salesperson is the best tool that is the bridge between the company and consumers. Usually, sellers play two different roles in the organization: the seller and the buyer (Kotler, Armstrong, 2012).

First of all, the salespersons are the official representatives of the company in society. They are attracting new customers by bringing them information about the products and services of the enterprise. Moreover, they sell products with the help of such tools as a transfer of information, negotiations on prices, offers and conditions, reply to questions and objections. More importantly, they also contribute to the analysis of the situation on the market. Also, they are employees who provide customer information to the company. They convey requests and customer issues to the relevant departments. Also, salespersons initiators of new ideas, as they express the wishes of clients in marketing and non-marketing departments to increase the company’s value. Typically, the sellers are the only employee with whose help buyers can directly contact the company about emerging issues. As a result, the existence of good relations between seller and consumer is direct communication of good relations with the enterprise, and its products and services and the presence of negative relationships will set back the company.

The company can reach the heights in the sale only if there is a good selection of qualified salesperson. 30% of the vendors may give the company about the 60% of sales. Therefore, to
achieve success, the company should carefully examine the question of recruitment. Gallup Consulting identify such key features that should be possessed by salespersons to enhance the value of the company: intrinsic motivation – internal desire to achieve high results, constant motivation him or herself; to work on a pre-planned plan, follow it; the ability to support the consumer prior to the actual purchase of goods or services; and capacity to build long-term trusting relationships with customers.

Today, sales are more than just the sale of goods and services, but to develop partnerships with potential clients. More of all it is necessary to pay attention to this question when working with the major clients because they need to devote more attention. In the modern world, the key to a good relationship between company and consumer is the satisfaction of requirements and desires of potential customers. In many businesses, it is easy to see that the success of the sale is estimated not by the number of units sold, but by the number of clients that were satisfied with the purchase.

The main feature of personal selling is that the information treatment, i.e. any communication that emanates personalized for each consumer, but the most interesting thing that occurs immediately instant feedback, which gives the possibility to change and underscore the primary goals of personal sales.

According to Burnett and Moriarty (1998), personal selling has a different reason in contrast to the other elements of marketing communications. The task and the problem associated with the sale, mainly involve interpersonal relationships. When selling, the primary mission is to build relationships between the sales agent and the customer, between the sales agent and his/ her manager, and between the sales agent and other employees of the organization.

Based on the literature, it can highlight the main advantages and disadvantages of personal sales:

Table 2.1 Advantages and disadvantages of personal sales

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility (company can make a presentation considering the needs, motives and behavior of individual customers)</td>
<td>It is difficult to recruit and retain sales agents</td>
</tr>
<tr>
<td>Minimized wasted effort, because the message is only offered to the target audience of likely buyers</td>
<td>The impermanence of the message (due to the independence of the sales staff, the dissemination of a unified treatment difficult)</td>
</tr>
<tr>
<td>The relief faction of the buyer (face to face meetings allows company to use the repetition of specific calls to action if it is necessary)</td>
<td>Motivation (it is hard to motivate sales agents to use required methods of sale, made all the necessary calls with trade offers, use the new technology and to behave ethically)</td>
</tr>
</tbody>
</table>

Personal selling is component of marketing communication, which offers the exchange of information, adaptation to any relationship and the application of various techniques to convince the consumer in making a purchase. In personal sales, usually has three objectives: informing, persuading and reminding. A feature of personal selling is the individual attention and transfer large amounts of information from the sales agents.

SMEs, unlike big businesses, should pay more attention to personal selling as this can be their competitive advantage. At the beginning of the company, the general director is the leading seller and the representative of the company. Usually, personal relationships created at the start of the company become long-term. In this regard, it is necessary for the early inception of the company
to pay considerable attention to this indicator (Ruzzier, Ruzzier, Hisrich, 2013). To determine the importance of personal selling to SMEs, companies first need to analyze different levels of sales. The first and easiest way is the registration of the transaction. At this stage, the company uses its experience and knowledge for information dissemination in an efficient way. This information should be resourceful and carry some value for the client. The next step is a routine of selling which is characterized by delivering information about the product and its benefits for the customer. And the last step is creative selling. At this stage, the seller should have all the information about the product and its properties, but at the same time also should have skills in sales psychology (Ruzzier, Ruzzier, Hisrich, 2013).

In recent years, it is crucial that SMEs pay attention and use modern technologies to build long-term relationships with salespeople and customers. The company constantly needs to analyze the wants and needs of clients, consistently conduct surveys, ask questions, and carefully analyze them.

### 2.4 Public Relations as a communication tool for SMEs

The primary goal of public relations is to build mutually beneficial relationships between the company and its clients, which main activity is focused on the needs and wishes of the target audience (Cutlip, 1985). Public relations help companies build relationships with potential customers based on reassurance and influence when making purchasing decisions (Kitchen, 1996). Many authors (Kotler, Armstrong, 2012, Ruzzier, Ruzzier, Hisrich, 2013) believe that public relation is an instrument of marketing communication, which is considered a means of communication using such tool as advertising. The main idea of PR is the conclusion of a positive relationship with customers, with tools such as publicity, and treatment or correction of negative information, history about the company. The main reason for which companies resort to the help of PR is building good long-term relations with clients, partners, and the media. In a lot of literature (Kotler, Armstrong, 2012, Kitchen, 1993) can be noticed that PR and advertising have the same meaning. But unlike advertising, PR can achieve public opinion in fewer material resources. A distinctive feature of public relations is the fact that companies don’t need to pay for the time in the media, but for the staff who will disseminate information and story about the enterprise. Under the condition that the company has an interesting story that can interest a variety of media, can lead to the same effect as advertising but for the less money. The basic idea of PR is to provide information about the company with the help of independent people. Public relations are actively developing, as consumers have more trust in information from independent experts rather than advertising. To achieve set goals, public relations should be well planned and executed in agreement with the requirements. The activity of public relations is not associated with the immediate selling of goods and services. It uses the advertising of long distance, delayed acquisition, is preparing potential customers to buy. Therefore, PR is focused on promotion not of goods, but firms, and not on the market, but in society. The task of PR is to create a favorable communication climate necessary to manage public opinion, the reputation of the firm to promote their products/services. Budak, Budak (1998) allocate three primary objectives, which is public relations have: providing accurate information about the company’s activities; creating a positive climate in the organization; and building proper tools of communication.

According to Kotler, Armstrong (2012), PR has the following instrument that will help company to a good condition for marketing communication:

- The primary tool is news. PR staff is responsible for the discovery, creation, and dissemination of positive information about the company, its products and services, as well as by the staff. These news stories can be found in reality, or with the help of a PR-expert, who offers ideas for creating news. Today, CEOs increasingly have to give
Interviews to various media, conduct sales meetings, which in turn can influence both positively and negatively for the company;

- To host events such as grand opening, press conferences, presentations and educational programs, master classes that will interest company’s target audience and attract more attention;
- The company should also pay attention to the written appeal to attract the target audience, such as annual newsletters, articles, brochures, magazines of the enterprise. A corporate identity that will be used in the written materials will be the tool with which consumers will identify the brand;
- Also to create a positive image of the company, leaders should devote time and money to charity.

Moreover, the Internet, using such tools as websites, blogs, social networking can attract the attention of the public. Today, a website is a valuable tool for public relations because more and more consumers to find the information about the company resorted to the help of official website. Like other tools of marketing communication, public relations should define the goals, message, plan, and evaluate the result.

According to Cole (1989), Evatt (2005), Goldberg (2003), such tool of marketing communication as public relations is not only important for large businesses but also for small and medium enterprises. There is also a view (Evatt, 2005) that the representatives of small and medium business compared to larger, more appreciate public relations as a holistic and binding instrument of marketing communication. It is worth noting the fact that the tools of public relations used by small and medium-sized enterprises differ from those used by large ones (Otterbourg, 1966). SMEs are often focused on building long-term relationships, not publicity (Evatt, 2005). Usually, the purpose of almost all small and medium enterprises is building a personal and informal relationships, and they are less focused on the use of such channels as the media (Huang-Horowitz, 2015). According to a study conducted by Gray (2004) can be identified that almost 90% of companies at least minimally use public relations in their activities. Besides, businesses that somehow used the public relation looked better than those that are not used (Huang-Horowitz, 2015). According to Cole (1989), SMEs that use public relations have the status and image in society. Unlike large firms, small and medium enterprises objectives of public relations are distributed between groups of employees, and not dependent on one employee.

Concerning small and medium-sized enterprises, PR is one of the available tools of marketing communication, as they do not have to pay for the time and message, but only for professional employees who can spread positive information about the company, and to organize information sessions and meetings. Moreover, this tool brings good results in all sector, but only in case of proper use, and can easily be integrated with other instruments of marketing communication (Kitchen, Papasolomou, 1997). Under the condition that SMEs will be able to provide accurate and exciting information and stories about the company that will attract the attention of the target audience, the media will publish this information (Ruzzier, Ruzzier, Hisrich, 2013). However, it is worth remembering that SMEs do not use the same tools of public relations like large enterprises as the use of complicated procedures is not effective for them. Typically, SMEs have no time and energy to wait for the result (Moss, Ashford, Shani, 2003). This especially applies to businesses that are at an early stage of its development, because of limited resources and expertise these companies can’t use the same tools of public relations (Hogarth-Scott, 1996).

2.5 Sales Promotion as a tool for building relationships with customers in SMES
Sales promotion is one of the tools of marketing communication, often aimed at achieving short-term results sales of goods and services (Józsa, Keller, 2012). The main feature of a sales promotion from other tools of marketing communication such as advertising is the delivery of reasons why you should buy a particular product or service in a given time, but not the reasons why you need purchase a product or service (Low, Mohr, 2000). A distinctive feature of a sales promotion from advertising is that advertising is often based on the identification of reasons why you should buy a product or service, and sales promotion aimed at identifying incentives buy (Józsa, Keller, 2012). And more importantly, sales promotion directed at the action of consumers at the moment, not later (Fill, 2005).

Kotler, Armstrong (2012) identifies the main reasons, why sales promotion has a rapid growth in recent years: changes within the company (sales managers are increasingly faced with the challenges of growing sales, in this regard they are choosing sales promotion as one of the fastest ways to achieve short-term results); changes from the outside (in today’s world, companies face a huge number of organizations that are similar to each other. In this case, to identify their business, managers use sales promotion); consumers have less confidence in information from advertising, media; consumers increasingly start to use such communication tools as Internet, telephone.

Today there is a trend that consumers are increasingly looking for goods and services at a low price and on favorable conditions. Therefore, sales promotion is one of the practical tools for attracting such consumers. Before company install sales promotion, companies need to determine the primary objectives of sales promotion, and only then, based on goals, choose the appropriate tools. Sales promotion should be aimed not only at building short-term relationships and making a temporary purchase but also to increase the brand value in the eyes of its consumers and establish long-term relations. Such authors, as Gherasim (2012), Kotler, Armstrong (2012), identifies next most important instruments of sales promotion:

Table 2.2 Main instruments of sales promotion

<table>
<thead>
<tr>
<th>Variety of instruments</th>
<th>Meaning of each instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>If a company wants to introduce a new product to the market or recall the existence of a particular product, the sampling is the most useful tool. In a situation, when company use such tool, as samples, the company can distribute them either free or for a fee (to offset costs). Samples can be delivered to consumers through the mail, in store, in the ad or when he or she purchase another product</td>
</tr>
<tr>
<td>Coupons</td>
<td>With the help of this tool user can get savings if he or she purchase a certain product or service. Most often, this tool is used when promoting the demo version of the product or to maintain the demand for the older product</td>
</tr>
<tr>
<td>The recovery of money (the discount)</td>
<td>The features of this tool are very similar to a coupon except that the price reduction occurs after the purchase is made. After the client sends the data of the purchase, a certain part of the cost will be refunded</td>
</tr>
</tbody>
</table>
The price for a package (cent-off deals)

The advantage that consumers can get from this tool is the savings compared to the usual price of the same product. With this tool, the manufacturer notes the reduced price on the package. There are several types of packaging. First of all, a single price for the product, the situation in which two products are sold for the price of one. Secondly, combining in one package related products, such as shampoo and conditioner. This kind of sales promotion is effective in achieving short-term results.

Point-of-purchase

The advertising of products on displays, in the time of sale

Event marketing, sponsorship

Companies can directly create a variety of activities, or to act as sponsors of events held by other organizations. Event marketing is an alternative to advertising, but for the less cheap price

These tools gradually lead to the purchase of goods or services from consumers. They are directed in such a way that affect the perception of the customer to make a purchase or at least to try the product. As a rule, these shares are aimed at the development and improvement of relations between the company and the consumers as gifts are a kind of instrument that always reminds about the brand (Liao, Shen, Chu, 2009).

According to Kotler, Armstrong (2012) to achieve results in sales promotion, in addition to selecting appropriate instruments, the company must determine many other aspects, such as: the company needs to determine the amount of sales promotion (the more the company will spend on sales promotion, the more products will be produced); the company initially needs to clarify the conditions for participation in the development (as a rule, these events can participate as all the consumers or particular groups of clients); the organization should choose the place, time and how to distribute sales promotion (each instrument has its own characteristics, captures different amount of the target audience and costs a company in different ways); marketers must also pay attention to the duration of the action, as if the action lasts for a long time, the promotion will lose its goals to act immediately, and in the case of short period, the organization will not be able to attract all those willing customers; and of course the company must always evaluate the results of sales promotion (as a rule, only some companies carried out surface analysis of the results, and the majority of organizations don’t think about this issue. The most popular and one of the easiest ways of evaluation results is to compare sales before, during and after use of sales promotion).

SMEs are turning to sales promotion to attract more potential clients and intermediaries, as well as to increase sales. Usually, SMEs direct their instruments to interact a larger number of intermediaries, but in the end, they receive a greater number of purchases by consumers. SMEs can use all of the tools that have been described above, both together or separately (Ruzzier, Ruzzier, Hisrich, 2013).

Tools of sales promotion aimed directly at consumers can have as a price compensation or not (Laroche, 2005). With tools focused on the price of the reward, marketers want to reach the attention of those customers, whose perception is directed to receive the pricing benefits. Among the key instruments aimed at receiving price benefits can be attributed to coupons, reduced prices,
price discounts. And non-price instruments are samples, gifts, contests, loyalty programs. To attract the attention of intermediaries, marketers spend the larger amount of money. In this purpose, they use such tools as price discounts, allowances for special services, free goods, gifts, and invitations to meetings and events. As for other companies and sales agents, marketers use some exhibitions, cash prizes, incentive trips and organizing parties and meetings. Naturally, sales promotion is one of the easiest and fast-acting tools of marketing communications for SMEs, but they also have a downside: by using these tools, companies are in most cases able to attract the attention of those consumers who are committed to the price and not the brand; this tool is most often aimed at achieving short-term results, and in extremely rare cases leads to long-term results; when the company for an extended period of time offers products and services at a lower price, loyal and regular customers of SMEs begin to think about the quality of the product or service, which reduces trust and leads to losing of potential customers (Manuere, Gwangwava, Gutu, 2012).

Due to the reason, that frequent use of sales promotion has an adverse impact on the decision of consumers to build long-term relationships, SMEs should use a combination of all tools (Ruzzier, Ruzzier, Hisrich, 2013).

2.6 Advertising as a way of communication in SMEs

This type of marketing communication is a paid form of presentation of product information without personal presence. When using this kind of marketing communication, marketers should take four major decisions: setting advertising objectives, setting the advertising budget, developing an advertising strategy, evaluating ad campaigns (Kotler, Armstrong, 2012).

When choosing advertising goals, a company must pay attention to the decisions about the target market and marketing campaign, which define the primary objectives of advertising. Kotler, Armstrong (2012) distinguish three types of advertising objectives:

- Informative advertising. This kind of advertising is most often used when the release of a new product on the market. The goal of advertising is to create primary demand for this new product;
- Convincing advertising. This type of publicity plays a huge role because at this stage the competition increases. At this stage, the purpose of advertising is to create selective demand. Also, in some cases, this type of advertising is used as a competitive advertising (the company directly or indirectly compares its product to a competitor’s product). But the disadvantages of this type of publicity is that often frustrated competitors may resort to such actions as filing a complaint;
- Reminders in advertising. This kind of advertising is most appropriate for mature products for which the principal is the saving of space on the market, as well as reminders to customers that they are not stopped thinking about the product.

It should also be noted that all types of advertising focused on establishing long-term relationships with clients.

The next step after setting goals is the determination of the advertising budget for each product. The advertising budget of a product depends on what stage of the life cycle is the product. If the product is relatively new on the market, it is necessary to allocate more funds to advertising to attract more customers and increase brand awareness, rather than on mature brands that need less advertising costs. Not only is the stage of life cycle of the product affects the costs of advertising. Also from market share depends on the amount of the material resources needed for the campaign. Provided that, the company needs to take share from competitors or build new market share,
advertising costs will be higher than under the condition that the company needs only to maintain its existing market share (Kotler, Armstrong, 2012).

Concerning advertising strategies, it consists of two major elements: creating advertising messages and selecting advertising media. Companies should always remember that the success of advertisement not depends on the amount of the budget, but on how it is stored and attracts the eye. Since today there is an overabundance of advertisements, companies are becoming harder to succeed. In the modern world, advertising should be planned well in advance, to be creatively oriented, interesting and needs more to address the emotional component. In this regard, in recent years, most marketers have resorted to the fact that they are combining advertising and entertainment to attract more consumers using more compelling messages. Moreover, changing the traditional advertising more than entertainment, advertisers come up with a new form of advertising that looks more like a short film or clip, rather than advertising (Kotler, Armstrong, 2012).

The main stage in the creation of promotional video is the plan of the message, which will be directly released to the consumer. The goal of any advertising is to get customers to respond to advertising and make a purchase. But consumers react only to the advertising, which in the future will lead them. Therefore, advertising should be focused on identifying the benefits that can get the consumer when using the product of this brand. To succeed, any advertising message should have 3 key features: advertising should have a value, that is to indicate the benefits that consumers will receive when using products/services of this brand; the information contained in the advertisement must conform to reality (the user should be sure that when purchasing this product/service, he or she will receive the promised benefit); the advertising message should point to benefits different from competitors (this allows the consumers to identify the advantages that he or she will get when choosing this brand).

The most important component of print advertising is the image. The first thing the reader pays attention to is a figure. In this regard, the image has to attract the reader’s attention that he or she will want to read this ad copy. The following is the header which job is to draw a certain number of readers who are interested in this information. And of course copy, which is the primary text information. The copy should be simple, but at the same time memorable and eye-catching. The success of the campaign depends on the combined use of all these three components together.

Among the main types of media are television, radio, magazines, newspapers. But also recently increasingly used new tools of advertising such as cell phones and digital devices, which reach the customer directly.

Marketers always have to keep track of two essential indicators to measure the results of advertising campaigns: the effects of communication and the effects of sales and profits. The effect of communication is to determine efficiently whether the advertising conveys information. To measure the effects of communication both before and after their implementation. Marketers can learn the effect of advertising before the implementation, showing the advertising message to the consumers and ask them if they like this message. And after satisfaction company can check the visibility and product awareness. To measure the effect on sales and profits is much harder than the effect of communication. Because the effect on sales and profits is not only advertising but also other indicators, such as price, availability. One of the most efficient methods of assessing the impact of sales and profit is the comparison of the results of past sales and profits and advertising costs.

Regardless of the fact that increasingly there are new advertising tools due to the development of new technologies, the objective of advertising remains the same: to sell more products or services,
or getting a higher price for the same product than before using advertising. Companies usually achieve their goals with the help of two universal communication effects: awareness of the brand and the relationship or preference for the brand (Rossiter, Percy, 2013). Advertising is often aimed at retention of existing customers or seek to gain market share of competitors. As a rule, the behavior of consumers about making a purchase depends on the inertia, people tend to buy products that they already know, even if the alternative might be better (Eagle, Kitchen, Rose, 2005, Percy, 2004).

Specificity of advertising in small and medium businesses is that individual entrepreneurs and small and medium companies can’t afford any big budgets for advertising; they have to choose such tools that at minimum cost would give a significant effect (Constantinescu-Dobra, 2012). An important feature of small and medium enterprises and their products is the local nature of production and customer service. The main feature of advertising technologies for small and medium business is the rule of supply and distribution of the advertising budget. Because of limited resources, supervisors shall take particular care in the choice of media, types of advertising to achieve better results. Small and medium enterprises are better to spend a little and use simple ways to advertise, but to do it constantly. The company needs to determine its budget for advertising as a percentage of income. The higher the income, the more advertising company need to give (Percy, Rossiter, 1992).

Small and medium enterprises in their early stage of business can be limited to use of such advertising tools as POS-advertising (advertising on points of sale); direct mail (direct mailing advertising circular with certain destinations on off-line channels or by e-mail); signs, window displays, lighting and design solutions in parts of the facades, retail spaces and office of the company; advertising on local radio stations or a creeping line on TV, advertising on the corporate website. Large companies differ from the small and medium in many ways, but primarily concerning advertising: what works for some is meaningless to others (Grabara, Okwiet, 2011).

As for advertising in the newspaper; this type of publicity is very common. Since there are many weekly and daily newspapers, and they have huge circulations, the newspaper is very popular among small and medium-sized businesses. Plus to everything else, the cost of advertising in this newspaper is very low. There are also targeted newspaper, advertising where can be much more effective than on television (Joshi, Hanssens, 2010).

Today, professionals in promotional activities should not accept the finds ways of advertising, but should generate new ones. SMEs also sometimes create their ads, not based on the original characteristics of the products and services, which in turn can lead to inaccurate beliefs about the product and services. This can be a cause of distrust to this brand and destroy long-term relationships with consumers (Ruzzier, Ruzzier, Hisrich, 2013).

2.7 Direct Marketing as a marketing communication strategy in SMEs

Direct marketing is a tool, which helps to build long-term relationships with a particular group of clients or individual clients through one-to-one contact. This tool of marketing communication allows the company to direct its activities and tools to meet the needs of the particular group. In the beginning, marketers used direct marketing to sell products via mail or phone and to collect the names of potential and current clients. Recently, with the growth of technology and interest in the Internet, marketers started to create a framework and data and to use more modern tools of direct marketing. In the contemporary world, the company considers direct marketing as a business model, not only as a way of advertising or an additional channel of communication. Kotler,
Armstrong (2012) argue that in recent times, direct marketing is one of the rapidly developing tools of marketing communication.

According to Kotler, Armstrong (2012), both sellers and buyers have their positive sides of direct marketing. In Table 2.3, there is comparison of benefits that companies and customers receive:

**Table 2.3 Benefits of direct marketing for buyers and companies**

<table>
<thead>
<tr>
<th>For buyers</th>
<th>For companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct marketing is convenient, easy to use. Using direct marketing, the</td>
<td>Those companies that actively use the tools of direct marketing are more</td>
</tr>
<tr>
<td>consumers can find everything they need at any time and place and not have</td>
<td>opportunities for building relationships with potential clients. Because</td>
</tr>
<tr>
<td>to go shopping and look at the time of closing. The purchase can be done</td>
<td>direct marketing allows a company to interact only with those clients or group</td>
</tr>
<tr>
<td>while walking, work and relaxation</td>
<td>of clients with whom they want to create long-term relationships. With the</td>
</tr>
<tr>
<td></td>
<td>development of online technologies, marketers have the opportunity to learn</td>
</tr>
<tr>
<td></td>
<td>directly the desires and needs of certain customers via phone or e-mail, and</td>
</tr>
<tr>
<td></td>
<td>in connection with this results they can individually to meet the needs of</td>
</tr>
<tr>
<td></td>
<td>specific clients</td>
</tr>
<tr>
<td>Consumers don’t need to choose time in selecting the product to contact</td>
<td>Clients are active assistants, as they are constantly asking questions, thereby</td>
</tr>
<tr>
<td>the managers for further properties and qualities of the products</td>
<td>helping to identify weaknesses ad correct them</td>
</tr>
<tr>
<td></td>
<td>Direct marketing is one of the cheapest and effective ways to reach a specific</td>
</tr>
<tr>
<td></td>
<td>market. Online direct marketing is a cheap tool that leads to the acceleration</td>
</tr>
<tr>
<td></td>
<td>of orders, processing of information, feedback and delivery</td>
</tr>
<tr>
<td>Consumers are not limited in the choice of products, as they are offered</td>
<td>Companies become more flexible. Marketers can respond immediately to changes,</td>
</tr>
<tr>
<td>of options anywhere in the world. No one store can offer such a variety of</td>
<td>to change prices, terms and shares emergency information and announcements.</td>
</tr>
<tr>
<td>products and services like direct marketing</td>
<td></td>
</tr>
<tr>
<td>Clients have the opportunity to compare different products and services,</td>
<td>Also direct marketing is a tool through which marketers can reach those data</td>
</tr>
<tr>
<td>technical characteristics, and to compare companies among themselves</td>
<td>that were not available using other tools of marketing communication</td>
</tr>
<tr>
<td>Provided that the company can make a good catalog or website of the company,</td>
<td></td>
</tr>
<tr>
<td>the tools of direct marketing are much more useful and informative than the</td>
<td></td>
</tr>
<tr>
<td>sales managers</td>
<td></td>
</tr>
<tr>
<td>With the help of direct marketing, consumers directly contact with the</td>
<td></td>
</tr>
<tr>
<td>company via phone or a company website to solve specific problems. In this</td>
<td></td>
</tr>
<tr>
<td>regard, each customer gets an individual approach in solving of specific</td>
<td></td>
</tr>
<tr>
<td>issues in order to make the order on the spot</td>
<td></td>
</tr>
<tr>
<td>Consumers have freedom of choice, they choose the catalogs and websites</td>
<td></td>
</tr>
<tr>
<td>they want to view</td>
<td></td>
</tr>
</tbody>
</table>
The most important tool to achieve a positive result from the use of direct marketing is a well-structured database. The database consists of collection, analysis, and interpretation of information about potential and current customers. Having an excellent database is an indispensable tool when building long-term relationships with clients. The full database allows control over the actions of customers under 360 degrees. In this case, the company can use its database for various purposes. First, the database can be used to find potential clients and convert the information to meet their needs. Secondly, companies use databases to analyze their potential customers with the aim of providing them what they would like to see. The database is one of the tools that can help the company to create long-term relationships with consumers. But like all other tools of marketing communication, to take advantage of the database, the company will have to invest in computer hardware, software databases, qualified staff.

To achieve good results from the use of direct marketing, it is necessary to identify the main instrument. Kotler, Armstrong (2012) define the following tools:

*Table 2.4 Main tools of direct marketing*

<table>
<thead>
<tr>
<th>Instruments of direct marketing</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct-mail marketing</td>
<td>This instrument consists of sending different information with a specific person or virtual address. This tool is flexible as it allows company to send ads, offers and reminders to a specific customer or group of customers because it uses one-to-one, direct contact. What else is important to note, when using this tool, the company can easily estimate the results and are suitable for all kinds of goods and services</td>
</tr>
<tr>
<td>Catalogs</td>
<td>Print marketing is one of an effective tool that help to increase sales. In these regard in recent years there has been increasing interest in this instrument. But due to the fact that the market is full of printed catalogues, the opportunities of marketers in this industry are limited. In this regard, online catalogs increasingly are developing as there is no limitation in quantity. Online catalogs allow companies to change prices, and add the latest information and announcements</td>
</tr>
<tr>
<td>Telephone marketing</td>
<td>This tool is used for direct exposure with clients and business partners with the help of phone. Marketers use the telephone marketing to make sales directly. With the help of outbound calls, they want to sell certain products through direct contact via phone, with the free incoming calls, they take orders from such sources as television, catalogs and others. But marketers should use this tool with caution, as persistent unwanted calls can annoy customers that in the future adversely affect the company’s image</td>
</tr>
</tbody>
</table>
Mobile phone marketing

In the modern world, around 21% of cell phone users go online with their phones, 23% are constantly faced with advertising on mobile phones in the past month, with half of them drew attention to the ad. In recent years, it can be notice that most companies optimize their web sites for mobile phones. When using this tool, as in many others, companies need to provide accurate actionable information for customers.

Podcasting

Podcasting provides users the ability to download information booklets, audio and video files on their phones and portable devices, with the possibility of further listen/view these files in any convenient place and time.

Marketers should exercise caution in using these instruments, providing only accurate information, and not interfering with the persistence of consumers when making decisions. As for small and medium enterprises, initially, they see direct marketing as a way of communicating with customers using a database for the purpose of selling their products. In the modern world, the perception of direct marketing has changed, now SMEs perceive direct marketing as part of the business model (Ruzzier, Ruzzier, Hisrich, 2013). For the successful use of direct marketing, one of the important conditions is the availability of an excellent database of the actual and potential clients, which includes such data as geographic, behavioral and psychographic.

When using direct marketing, SMEs have several advantages, such as: it is a useful tool for establishing relationships with potential clients (with the help of databases, companies have access to information about their potential customers, as well as in the target group); in the situation when SMEs used this instruments of direct marketing correctly, companies can appear at the right moment for each customer; this tool is one of the most efficient and fastest growing forms of marketing communication (it is cheap, but it is aimed at achieving those target groups, which they could not reach when using other tools of marketing communication); with proper use of these tools, SMEs will be able to build long-term relationships with their key clients (Ruzzier, Ruzzier, Hisrich, 2013).

2.8 Towards Integrated Marketing Communication strategies in SMEs

Today marketers will notice a huge change in marketing communications. If before the company tried to spend lots of money on such kinds of marketing communications like television, magazines or other mass media, today there are new tools and new trends. To the emergence of these instruments was the changes, such as:

- Attitudes of consumers are changing. In today’s world of modern technology, consumers are better informed, and more ways of communication exist. Modern consumers have made it easier to communicate, and also to find any product information on the Internet;
- As well as consumers changing, also marketing communication strategies are changing. Modern marketers are abandoning mass marketing. Increasingly found that marketers focused on building close relationships with customers in smaller markets;
- With the introduction of new technologies of marketing communication, methods of communication between consumers and companies received massive changes. With the
With the appearance of a huge variety of marketing communications, consumers are attacked from all sides by information about different products. In this situation, consumers perceive messages with various communication tools like private messages about the company that is not interconnected. This, in turn, may lead to misunderstanding of the image of the brand, its values, and relationships with clients. Typically, companies refuse to use integrated marketing communications, resulting in misunderstanding between company and customers. The media says one thing, official website, email, a Facebook page each provides different information. The reason for this is the fact that information for various marketing communications comes from different departments. Concerning success during the using various tools of marketing communication, the company should enter integrated marketing communications.

One of the central questions facing modern organization – how to gather and efficiently use all existing channels of mass and personal marketing communications to achieve corporate objectives. First, an organization of professional management of marketing communications. Secondly, it is necessary to create such a model of marketing communications that best understands the changes taking place. The purpose of the IMC is to establish an effective communication management, which will tie together all the efforts of company departments and external partners and guide them on the achievement of corporate goals. According to the concept of IMC, the company carefully plan and coordinate its many communication channels – advertising media, personal selling, sales promotion, public relations, direct marketing – developing a clear, consistent and compelling presentation about the company and its products. One aspect of why companies should enlist the help of integrated marketing communications is their ability in creating communication with potential customers, as well as saving financial resources of the enterprise (Madhavaram, Badrinarayanan, McDonald, 2005). Today, most markets, such as Schultz, Patti (2009) claim that the IMC is one of the most valuable marketing tools. Moreover, this marketing tool is the most efficient way of communicating with the target audience (Luck, Moffatt, 2009, Schultz, Schultz, 2003).

In a constantly changing world, companies increasingly need to search for new ideas and tools for gaining the trust of the target audience and build long-term relationship. In this regard, to achieve their goals, companies have to use a different combination of tools of marketing communication to reach potential customers (Markwick, Fill, 1997). In response to the increasing to use different tools of marketing communication, more and more companies are turning to integrated marketing communication, which incorporates various communication tools (Smith, 2002).

The main idea of integrated marketing communications is that they use a variety of communication tools, connected to each other. The result from their combined uses much more than separate use of each of them. Moreover, the company’s expenses on communication also decrease (Završnik, Jerman). The IMC serves as a connecting element between a brand and consumers for mutual satisfaction of interests and needs, and to build long-term communication (Luxton, Reid, Mavondo, 2015).

The Luxton, Reid, Mavondo (2015) identify the following benefits that can have company when properly used integrated marketing communications:

- Through the use of integrated marketing communications, companies save time and resources because of the direct impact on customers. Companies don’t have first to think of what to say, and then look for those to whom it has to be said;
- It is necessary to unite all communication tools of the company into one that all marketing and communication tools of the company worked as a whole;
• To enable departments to use readily internal and external opportunities for a company that will effectively utilize communication tools to achieve maximum results (Ratnatunga, Ewing, 2005).

As a result of continuous communication between the different departments of the company, while also saving resources and time, a favorable condition for an efficient use of marketing mix and media, which further leads to the development of the company and increase profitability (Kitchen, Burgmann, 2015). Customers always notice and appreciate businesses that have an individual approach to each client and satisfy their personal requirements. Also in recent years, due to the development of new technologies, markets have changed from mass marketing to individualized marketing (Mulhern, 2009, Ewing, 2009).

To achieve the maximum result from the use of IMC, company need to reach the attention of senior management (Swain, 2004). If top management is not interested in the programs of the IMC, they will not remove a sufficient amount of time and money to implement these programs since they are not directly connected with the implementation of products. In this regard, the company can get not positive, but negative results from the use of allegedly integrated marketing communications. The tools of IMC are more than just customer oriented, but most organizations still resort to using traditional marketing tools which are more functional oriented. In this regard, customers can hint about the need to use other instruments to achieve a common result (Mulhern, 2009, Ewing, 2009).
3. Methodology

In this chapter the author describes the methods that were used in the research, which includes such chapters as the research philosophy, approaches and strategies. Thesis also includes descriptions of primary data collection, a general description of the data analysis and evaluation of the chosen method.

3.1 Research philosophy

The research is a combination of steps that people use systematically to clarify certain knowledge and things, thereby increasing their knowledge. According to Ghauri, Granhaug (2005), on systematic basis assumes that the research is based on logic, but not just on belief. Besides, it is calculated that the researcher has pre-defined specific objectives they want to achieve (Saunders, Lewis, Thornhill, 2009). According to Kothari (2004), research is the searching of information and knowledge on a particular topic, using both scientific and systematic approaches to finding information based on scientific research. For success in scientific research, the researcher needs to overcome certain steps. There are many variations of these steps, but according to Saunders, Lewis, Thornhill (2009), the researcher needs to pay attention to such actions as a philosophy, approach, strategy, time horizons before start the research.

![Figure 3.1: The research “onion”. Source: Saunders, Lewis, Thornhill, 2009](image)

The research philosophy is knowledge gathering and analysis and characterization of data, knowledge and information. This is the very first step that should be done before the beginning of the research, delving deep to collect data and information on a particular topic (Figure 3.1). According to Johson, Clark (2006), in the process of conducting research, researcher need to be cut attention to philosophy, since it concerns not only what researcher do, but also what examine and understand.

The research philosophy helps to collect, analyze and understand, which tools contribute to gather data and knowledge on a particular subject. Western philosophy distinguishes two basic forms of research philosophy: positivism and interpretivism (Galliers, 1991). However, from Saunders,
Lewis, Thornhill (2009), research philosophy can have three different views: realism, positivism, and interpretivism. This master thesis focuses on interpretivism.

Interpretivism comes from the fact that subjective meanings play a vital role in social action. Its purpose is the identification of the main interpretations and values shared by individuals and social groups. The primary purpose of interpretivism is not an indication of how to do it, but the interpretation (explanation) of how it’s done now. The main condition is the fact that the researcher should make a sensitive position. The task of interpretivism is to understand the social world from the position of the investigated themselves.

3.2 Research approach

The research approach is the second step and, according to Saunders, Lewis, Thornhill (2009), may be of two types: inductive and deductive. Research based on deductive method is focused on the analysis of general knowledge to the more accurate while induction is designed for the analysis of specific knowledge and summarizing the broader findings and conclusions (Trochim, 2006).

Based on the research goals of this master thesis, an inductive method was chosen. According to Hyde (2000), the inductive research was initially based on the collection of information, and only then analyzes what questions and topics can respond to the knowledge. Induction is a transition in the process of cognition from the particular to the general; from the knowledge of a lesser degree of generality to the knowledge of the greater degree of generality. This research method, the knowledge associated with a generalization of the results of observations and experiments. Induction is a study in which cognition takes place in the process of developing individual claims, providing the ability to generalize and to formulate general provisions. Based on this research method, the researcher collects information to generalize theory based on the results of research. However, researcher need to be careful when using this approach because it is based on the consolidated results and findings of the limited number of observations, results of which in reliability cannot always be verified (Denzin, Lincoln, 2005).

The author of this work firsts started the analysis and monitoring the process of collecting data on a particular topic, with the aim of further preparation of the theoretical framework, based on the obtained knowledge.

3.3 Research method

According to Neuman, Lawrence (2003), to gather data, researchers can resort to two different methods, such as qualitative and quantitative. The quantitative method used to analyze the numbers, resulting in analyzes real facts. The main advantage of this method is that all the data can be located on the computer where they are stored, counted and manipulated. Most often, using this method the researcher receives a number or set of numbers. As for qualitative data, they are most often based on words that are the transmitting link. The main advantage of this approach compared to quantitative is that researchers can capture the subtle details and the meanings that numbers cannot convey.

The qualitative method focuses on obtaining deep and comprehensive information about the subject. Unlike quantitative methods, they are focused on statistic measurements, but rely on the understanding, explanation and interpretation of empirical data, and it is the source to form the hypothesis and productive ideas.
To clarify the purpose of this master thesis, a qualitative method was chosen. According to Shay (2001), this method is most useful in the analysis of marketing, as it has different views. Using this method, it is possible to analyze different groups of people who have a direct influence on the thesis topic. A distinctive feature of the qualitative method is that it is flexible, allowing the respondents to think freely and express their opinions (Malhotra, Birks, 2006, Shukla, 2008).

3.4 Time horizons

As for time horizons, they may be cross-sectional and longitudinal (Saunders, Lewis, Thornhill, 2009, Menard, 2002). Cross-sectional method is a method of research of various populations in a single time stamp for the purpose of collecting data about people in different stages of life or various circumstances. The method contrasts with a longitudinal research aimed at the study group for any period to monitor the process of development and influence, the changing situations. So, when conducting cross-sectional research, each respondent’s information is obtained once, and during the longitudinal – several times.

Since the author has limited time for writing this thesis, the cross-sectional method was chosen and data were collected up to two months. Cross-sectional method selected for the purpose that this method is most often used for data description and explanation of how these factors are related in different organizations (Easterby-Smith, 2008, Robson, 2002).

3.5 Data collection

Data collection can obtain by two types: primary and secondary (Merriam, 2009). Most often, primary data is used during the situation of analysis of a specific topics and concrete problems. The primary information includes unpublished data obtained by the researchers. Secondary information – data collected earlier, by another organization for purposes unrelated to the purpose of this marketing research (Smith, Albaum, 2005).

3.5.1 Primary data collection

The choice of using primary data can be justified for a particular research object and the selection of various methods, such qualitative research, experiment and other (Aaker, Kumar, Day, 2003). For analysis purposes of this thesis, the author chose a method such as interviews.

3.5.2 Interview

An interview is a communication between two or more people in the form of question and answers to clarify certain goals (Aaker, 2003, Kahn, Cannell, 1957). By using interviews, the researcher can get answers to specific questions that interest them and meet their goals and objectives. According to Gray, Williamson, Karp, Dalphin (2007), the use of such method as an interview gives researchers the benefits of high-frequency response and a low probability of misunderstanding, because for defendants are easier to feel easily and freely.

To conduct interviews, researchers can use various forms such as personal, online, via telephone, mail or through other media tools. As for the content, the interview can take three different types: structured, semi-structured and unstructured (Gray, Williamson, Karp, Dalphin, 2007). A structured interview involves detailed elaboration of all procedures of the interview, i.e. including the general plan of the conversation, the list of questions and answers. Semi-structured interview also involves the elaboration of interview procedures, providing for a mandatory list of questions. However, unlike structured interviews, in this case, the interviewee has not offered answers.
Unstructured interviews have minimal standardization of behavior of the interviewer. It took place without pre-prepared questions and developed a plan for the conversation. Defined only the theme, which is offered to the respondent for discussion (Cohen, 2006).

A semi-structured interview most often used when the author has the ability only once to interview someone. Moreover, despite the fact that the author has a list of prepared open-ended questions on a particular theme, the author nevertheless may deviate from these questions. It gives the author an opportunity to reveal new ways of seeing and understanding the selected topic (Bernard, 2006). Also, pre-prepared list of questions gives the interviewer the opportunity to be prepared. Furthermore, the individuals freely express their his/her opinion (Cohen, 2006).

From the cost side, the telephone interview is less expensive, but on the other hand, the researcher does not possess the capability to control emotions and perceived image of the respondents. As for the personal interview, the researcher has the likelihood that will be able to get answers to all of his/her questions, can ask leading questions and to clarify the resulting confusion (Aaker, 2003).

To answer the objectives of this thesis, a personal interview was taken from the company’s managers, located in Jönköping. With companies that are located in Russia, the author contacted via Skype call or e-mail due to time constraints, the employment of the respondents and the factor of distance. To answer to the objectives of the thesis, the author chooses semi-structured kind of interview. This type of interview is comprehensive, and the interviewer encourages the candidate to speak as much as possible. Semi-structured interview allows the researcher to elaborate the topic on which he or she interested and asked questions as they arise.

### 3.5.3 The choice of individuals

To achieve the goals of this thesis, the main stage for the success of the interview depends on the correct choice of the individuals. The aim of this research was to conduct an interview with managers and marketing department of small and medium businesses in Russia and Sweden, working in the sector of restaurants and cafes.

Table 3.1 presents a list of interviewing in Russian companies. The major, who answered the questions are managers because they are more aware of these issues. Also among interviewing there also managers of sale and marketing departments who is also aware of the marketing communication strategy.

Table 3.1 List of interviewing in Russia

<table>
<thead>
<tr>
<th>Company</th>
<th>Position</th>
<th>Date &amp; Length</th>
<th>Type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company G</td>
<td>Owner</td>
<td>4/04/16 40 min</td>
<td>Telephone</td>
</tr>
<tr>
<td>Company H</td>
<td>Co-founder</td>
<td>5/04/16 41 min</td>
<td>Skype</td>
</tr>
<tr>
<td>Company I</td>
<td>Marketing &amp; Sales manager</td>
<td>13/04/16</td>
<td>Via e-mail</td>
</tr>
<tr>
<td>Company J</td>
<td>Owner</td>
<td>8/04/16</td>
<td>Via e-mail</td>
</tr>
<tr>
<td>Company K</td>
<td>Marketing manager</td>
<td>15/04/16 43 min</td>
<td>Telephone</td>
</tr>
<tr>
<td>Company L</td>
<td>Sales manager</td>
<td>11/04/16</td>
<td>Via e-mail</td>
</tr>
</tbody>
</table>

Table 3.2 presents interviewing in Sweden. As in Russia, most of interviewing were managers, because of the peculiarity of this type of enterprises.
### Table 3.2 List of interviewing in Sweden

<table>
<thead>
<tr>
<th>Company</th>
<th>Position</th>
<th>Date &amp; Length</th>
<th>Type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>Owner</td>
<td>1/04/16 43 min</td>
<td>Personal</td>
</tr>
<tr>
<td>Company B</td>
<td>Co-founder</td>
<td>4/04/16 42 min</td>
<td>Personal</td>
</tr>
<tr>
<td>Company C</td>
<td>Owner</td>
<td>12/04/16 43 min</td>
<td>Personal</td>
</tr>
<tr>
<td>Company D</td>
<td>Owner</td>
<td>9/04/16 41 min</td>
<td>Skype</td>
</tr>
<tr>
<td>Company E</td>
<td>Owner</td>
<td>12/04/16</td>
<td>Via e-mail</td>
</tr>
<tr>
<td>Company F</td>
<td>Co-founder</td>
<td>16/04/16</td>
<td>Via e-mail</td>
</tr>
</tbody>
</table>

### 3.6 Data analysis

The fundamental step after collecting data is its analyzing. This stage is crucial and requires pre-planned operation, as at this juncture the data will be analyzed and will be converted to a message which carries meaning (Sapsford, Jupp, 2006). A distinctive feature of the quantitative analysis is that this type is characterized by the analysis of existing data, more focused on numbers while qualitative analysis is based on the systematic use of data generated in the course of the research (Yin, 2003). The author of this thesis for data analysis follows five basic steps, outlined by Saunders, Lewis, Thornhill (2009):

- Understanding data;
- Combining data from different sources;
- Analysis and selection of key aspects that are similar between themselves for further research;
- The construction of the theory, based on the received data;
- Summing up, the conclusions.

The analysis process initially consists in the selection of the most appropriate information from the mass of obtained data using interviews. Mostly researchers distinguish essential data and information regarding the research topic. The next step after the analysis of the data is necessary to interpret the results and make recommendations for the exchange of experience between entrepreneurs of the two countries.

### 3.7 Trustworthiness

To answer the goals and objectives of this master thesis, the author chose a qualitative method of research using semi-structured interviews. However, as results of research and data collection have limitations in increasing the confidence level. In this regard, Guba (1981) underline four main criteria such as credibility, transferability, dependability, and confirmability.

#### 3.7.1 Credibility

The credibility is the fact that the conclusions reached by the authors are perceived as reliable in real time, and this study can be repeated and tested again in life (Bryman, Bell, 2007). This study represents a dialogue between representatives of the company and the author, aimed at receiving data using semi-structured interviews with open-ended questions. This method allows a different view on the research topic and to identify new prospects. A semi-structured interview allowed the interviewee to express his opinion based on his experience freely. To ensure that all statements of interviewees were correctly interpreted, the author recorded and transcribed the interview results.
3.7.2 Transferability

Transferability is how the results obtained in the research can be transferred to a more practical situation and environment (Bryman, Bell, 2007). The author of this study accepts the fact that from the author’s relationship to reality depends on the transferability of this study. The author conducted interviews with individuals of different companies which demonstrates a variety of experience. The majority of interviewees have different views and experiences, based on which the author revealed his interpretation of marketing communication strategies. The results of the interviews showed that the majority of individuals using a variety of ways to express the same opinion. The author hopes that this will lead to an increase in transferability as individuals from different companies share the same opinion.

3.7.3 Dependability

Dependability is the third step to check the quality of the research, which according to the Bitsch (2005), is based on the stability and the consistency of the results. The assessment of the dependability of the results depends on the analysis of the fact how the author chose the research theme, the process of data collection, interpretation of results and conclusion. Proof of the dependability of this research is that the author explained the reasons for choosing the topic and particular criteria for selection of interviewees. Also to avoid errors in data analysis and interpretation, the author recorded all interviews and took note of the results of the data several times.

3.7.4 Confirmability

This method is proved by the fact that the results were interpreted as presented to the respondents and the author has no bias or interest (Guba, 1985). Confirmability is a proof of the fact that the interview is properly conducted (Bryman, Bell, 2007). According to this tool, the author had no personal interest, and private views of the author were not considered in the analysis and interpretation of data. To be sure that the results are based on the data obtained and not on the personal opinions of the author, it is necessary to conduct some activities. Also, according to Riege (2003), the data must be analyzed and interpreted in order in which they are received and using unbiased way.

In this regard, the author pre- prepared interview questions, which in the author’s opinion, meet the purpose and the problems identified in this thesis. These questions were sent to all interviewees in advance to ensure that they familiarized with the list of questions and were able to prepare. In an interview, all the questions were easily understood by individuals, but if necessary, the author was ready to explain the contents of this issue.
4. Empirical findings and Analysis

In this chapter the author describes the empirical data that were obtained through interviews and data analysis results. First, the author gives a description of companies that were interviewed. Further, the author cites the results of the interviews and presence the analytical research.

4.1 General information about the industry

The restaurant business is one of the most popular forms of business, almost everywhere it is possible to find a small restaurant or café. Moreover, restaurant business turnover occupies a very high place in the world. However, the restaurant business, despite its wide distribution, quantitative and qualitative growth in the world, today is recognized as one of the most difficult spheres of activity.

Throughout Russia, there is no significant market experience in the restaurant business and a long tradition. Besides, there is no well-established methodological framework that helps to conduct business. In Russia before the crisis of 2015, the restaurant industry has been developing very actively. But due to the crisis of 2015, the market situation has deteriorated, which affected the decrease in the number of restaurants and cafes. In addition to the crisis, the restaurant business in Russia faced with other challenges such as international sanctions and a ban on the export of products. At this stage, Russia has not formed the restaurant culture. The last couple years in the restaurant market of Russia the fundamental concept is the development of fast food restaurants or restaurants on the principle of Free Flow. The crucial competitive factor in the successful restaurants is the kitchen and the average check. But also, the success of restaurants in Russia depends on many other factors, such as smart promotion strategy, professional public relations and advertising policy, distinctive kitchen, and service.

As for the situation in Sweden, restaurant and café industry does not face the same problems as in Russia. Since 2003, there has been enormous growth in this industry. Over the last ten years have seen the rise of this type of enterprises to 25%. This is due to the nature of the Swedes who prefer to eat outside the home, especially in the summer. Although the Swedish restaurant business has faced the crisis of 2009, the result shows only the loss of consumption growth. According to the Swedish Hotel and Restaurant Association, despite the crisis, this industry shows high growth rates. The only problem, faced by the restaurant industry in Sweden is to attract more educated young employees, who have the desire to work. This is show, that Russian and Swedish restaurants have different opportunities to grow and, in this regard, use various tools of marketing communication. All companies that were interviewed are located in cities with the same population. They all provide European and healthy food and are in the same price segment.

4.2 Marketing Communication Strategies in SMEs

The author conducted interviews with representatives of restaurant and café business in Sweden and Russia. In Sweden, the author conducted personal interviews. As for the respondents from Russia, due to the limited time and distance, telephone, skype interviews were conducted, and in some companies, the answers to the interviews were sent by mail. The interviews helped to find out which marketing communication strategies adopted by companies in the restaurants and cafes sector in Russia and Sweden, as well as what differences exist between them.
Due to the fact, that some companies decided to hide their name, the author resolved to encrypt the name of all companies. This decision is also explained by the fact that the author wants to concentrate the reader on the head, not on the company name. The empirical results are represented in a structured manner, which answers the research questions of this thesis: marketing communication strategies in SMEs in Russia and Sweden, how they create marketing communication strategy.

4.2.1 Personal selling

Personal selling is one of the most important tools of marketing communication and with the help of this instrument, there is a direct communication between company and consumers. Also from the Chartered Institute of Market (2009), personal selling has a high level of clout, medium level of credibility and control, but at the same time high level of cost. During the data collection, it became apparent that entrepreneurs both in Sweden and Russia are paying significant effect on personal sales.

Because some companies are small, there are no workers, so owners are the only employees at that cafes. At this regard, they do not need to choose, train, and motivate employees. These entrepreneurs want to communicate personally with their loyal customers, which in turn gives them more benefits. For example, Company A has only two employees: the owner and his wife, and all the issues they decide by themselves from management to the sales and customers service.

“The central staff in our café is me. I handle each client and know every one of them on the face. My wife helps me more with marketing activities and when working with documents. I think, we still handle our duties, and there is no need to hire assistants.”

The same situation is observed in the Company E. Since this café opened a year ago, and it is not very large, the owners have decided to service their customers by themselves. They have no employees in sales that in some way is a plus for the development of café.

“We try always to interact with our clients and ask their opinion about certain matters about the development of our café. This, in turn, helps us to accommodate the wishes and requirements of our clients, those instead of increases their trust in us.”

As for the Company B, the company has a particular list of rules, which every employee should perform. But the main criteria in the process of selecting is that they want this job.

“We have 12 points to follow in each table. The company has a system of tips, and I decided not to take this money, so this amount of money go to them. This is, from my point of view, is some motivation.”

The Company C believes that the staff is the face of a restaurant, and they communicate directly with clients of a restaurant. Therefore, the management pays particular attention to the process of their selection and training.

“We have some requirements that must be met when selecting staff. After choosing the suitable staff, we are training and testing them in real conditions. I control the whole process, and in the case of successful completion of these tests, they are employed.”

As for Company D, they have no sheet of individual requirements. In selecting staff, each applicant is interviewed by the owner, after which he decides about hiring. The main criteria to which the
owner draw attention is the ability to communicate with clients, ability to support conversation and politeness.

“In our restaurant, most well-known is personal relationships, so employees should pay more attention to this issue. My staff remember all of our clients, and can maintain a conversation about personal interests of each of them. From my point of view, it is much more important."

Company F also haven’t got specific requirements when selecting staff. The most important thing is a desire to work and ability to communicate with clients. Each employee is provided a list of needs that should be met on each table.

Almost the same situation is observed in the Russian market of the restaurant business. The Company G pays a considerable attention on personal selling since they directly operate with the clients. Selection of potential employees adheres to certain standards and requirements. The co-founder of Company G said:

“We interview each new employee before starting to work, after which they are trained to companies’ standards. Training takes place in three stages, after each stage the employees pass the exams. Training takes an average of 10 days.”

Company H believes that appropriately selected and trained personnel significantly impacts the reputation of the restaurant, even if the restaurant does nothing different from the competition. The success of a restaurant depends not only on the exact process of selecting staff but also from a good education system.

“In our company, there is an attestation of employees every quarter and once a year the final attestation, which analyzes the work of each employee. After that, we sum up the results, during which I make an assessment of the professionalism of labor and the level of its compliance. Depending on the results, we take the decision to increase or not the wages of each employee.”

As for the Company I most important, when selecting a staff in the sales department, is the desire and ability to work in a team. In the case of gross violations in the work of the employee, the company assigns a trial period with a decrease in the level of wages. In order to prevent disagreements regarding the violations, the company has created a list of rules by which the work is carried out in the restaurant.

“We have a certain list of rules that should be followed. Also, every employee should know the name and composition of all products offered by our restaurant. Before entering into the work, each candidate issued a list of requirements which they should comply with.”

Since the atmosphere in the restaurant creates not only visitors but also employees, Company K considers that it is necessary to establish the right program of the motivation of staff. Since the restaurant has a system of tips and the workers get all this money by themselves, it directly affects the level of their service. Moreover, the company proposes a system of bonuses for the number of sales of unique dishes. Besides, sometimes there is a contest for the best staff of the restaurant. The company K also analyzes the quality of service. In this regard, a program of motivating the team aimed at increasing sales and improving the quality of customer service.

“Such programs will improve the standard of service. Special attention is paid to staff training. There are individual courses and conducted staff training directly into practice.”
Almost in all restaurant companies, both in Sweden and in Russia, the management places great emphasis on personal selling, since this indicator, for Company L, as the binding element of the company and consumers.

“To continuously monitor the quality of service to visitors in the restaurant, we established a system of personal evaluation. There is a method of test that employees take, thereby affirming their knowledge and experience. Besides, several times a week in the restaurant comes the inspection (always unexpectedly), this allows us to identify shortcomings of the service.”

Company J formed a full-fledged training formulation, which is tested in every meeting. During the trial, first, check the menu knowledge of the staff, how they will offer their guests. Depending on the results of this test, will be re-training and testing of individual employees. Moreover, the restaurant hosts a regular program of staff motivation to sell more and better and to train in guest service.

According to the data obtained from the interviews, the author found that all the companies both in Russia and in Sweden understand the importance of personal selling. After all, the success of any restaurant lies primarily in the efficiency and quality work of the staff. Moreover, visitors appreciate the work of the team first of all from the level of service. All interviewed companies understand the fact that the recruitment process should be treated responsibly and devote a lot of time. This proves that all enterprises have a list of requirements that should be followed by each employee.

According to Ruzzier, Ruzzier, Hisrich (2013), personal selling is a competitive advantage of SMEs. As small and medium enterprises have limited resources, in most cases, for example in Company A, Company E, they act as sales agent. In this case, the exchange occurs directly between clients and the seller, who simultaneously is the owner. As the wishes, requirements and recommendations for secondary flow to the proprietor, which reduces the likelihood of errors and timely response to the problem.

In Sweden, almost all restaurants (Company A, Company B, Company D, Company E) owners directly serve their customers along with waiters, which gives them more opportunities to communicate with their clients. While in Russia, it is almost impossible to meet the owner of not only serving but even in the restaurant. This fact can be provoing with the Ruzzier, Ruzzier, Hisrich (2013), that general director is the leading seller and representatives of the company and personal relationships created at the beginning of the company become a long-term. Since most of these restaurants in Sweden are just starting their business, this explains the existence of such personal relationships of the owner with customers.

4.2.2 Public Relations

The role of public relations in Sweden and Russia are perceived differently. Swedish restaurant business is widely believed that this is not a major marketing communication tool, as they often prefer to pay more attention to personal relationships. All companies in Sweden, except Company E does not pay attention to PR. Particularly all of them give some money for charity, but from their point of view, the money they allocate to charity is not a part of some PR campaign, but only as a way to help. According to interviews with company E, PR is a useful tool for communication and promotion. But despite this fact, the company pays dissenting attention on the use of this communication tool.
“Public relations was super-efficient when we opened the café. We got the huge PR in the local press and online. It really helped us to get a steady customer base when we launched.”

As for other companies in Sweden, they all are of the opinion that they don’t want to be intrusive. The co-founder of Company B said, that:

“We didn’t use any variety of PR in our company because we want to get our loyal customers without pushing too much. But we are planning to make a big celebration of the enterprise, one year.”

Company C as a PR campaign of his restaurant uses Facebook and Instagram pages where always emerging news about upcoming events and information about vacancies. The same situation is in Company A, Company D and Company F. For them it is a waste of time and money, and it’s a tool to which they should pay attention only in extreme cases.

As for those companies that were interviewed in Russia, there is an entirely different situation. Almost all businesses try to by all means to use the tools of public relations. All interviewees agreed that they use various activities to attract the attention of already established customers and potential visitors. The Company L has a clear view that PR is one of the main ways of informing customers about company’s products and services.

“We hold such public relations activities as charity events, children’s carnivals and festivals, weeks dishes of different countries and regions, as well as the master classes of some dishes under the guidance of the chef or competitions for housewives in the preparation of simple desserts.”

As for Company H, the restaurant uses different kinds of public relations, interacting with a variety of magazines, radio, media. The company tries to conduct charity events with orphanages (for children organizes trips to the cinema, holidays). But the company does not perceive these activities as a kind of public relations.

“Our company conducts various activities corded with individual events, either organized together with partners and not confined to any holidays. We also try to work in close cooperation with our suppliers. For example, recently there was the action that was buying a bottle of wine from our supplier, gives the visitors scratch codes, which provide the opportunity to win gifts: branded pens, calendars, etc.”

On the stage of a PR-program, the Company K has some key activities, such as the organization of special events, various PR-actions, communication by these developments, time tracking, and monitoring.

“Among the major special events we organize activities such as presentations, round tables, competitions, and parties. Two times a month we hold theme evenings with a concert, every weekend we hold such an event as a ‘Family Sunday’ (with games for children and competitions). Also, every season we invite chefs from around the world to create a special menu of our restaurant.”

PR campaign of the restaurant I is aimed not only to adults but also for children. The company often holds master classes with the kids, during which they learn to prepare meals under the guidance of restaurant’s chef. But company’s PR-activities is not limited only to children
activities, restaurant regularly conducts national holidays, carry out lessons for the perfect organization of the wedding, as well as master classes with fashion representatives.

“Periodically we do lessons in the subtleties of the etiquette table manners for children. A specially trained employee does classes, during which children practice all aspects of etiquette at the table. We think it is necessary since childhood to learn good manners because this knowledge will need everyone in his life.”

Due to restaurant business is one of the most challenging fields, well-organized PR campaign is a key in promoting the restaurant. However, companies in Sweden do not pay enough attention to this tool. They consider it as a way of imposing their ideas to the consumers, which can be annoying. While in Russia, companies understand the importance of this issue, and the companies pay a huge impact.

Companies in Russia agree with the Kitchen’s opinion (1996) that the public relations are an essential element to building a relationship with clients. From their point of view, PR is some advertising but for a cheaper price and more efficient. As for news, restaurants in Russia carry out various master classes, presentations, to which they invite the press. Such events help them to spread positive information about their activities, thereby attracting the attention of customers. In the case of companies in Sweden, they take it as a kind of advertising that has long been annoying consumers. In this regard, they almost cease to use the tools of PR, and often communicate with their customers through social networks.

According to the interviews, the author finds that particularly all companies in Russia periodically conduct presentations and educational programs, as well as master classes on various topics. While in Sweden, these events are not observed, only some interviewees expressed the opinion that they are soon going to host an event.

Despite the low level of trust to PR from entrepreneurs in Sweden, this tool has a high degree of confidence from consumers compared to other tools of marketing communication. According to the research of the Chartered Institute of Market (2009), PR is the only communications tool, which has a high level of trust at a low price. This explains why entrepreneurs in Russia attaches great importance to the use of this tool.

4.2.3 Sales Promotion

As for the sales promotion program, when deciding on using it, the marketer or the owner should take further decisions. All the companies agreed in opinion that it is necessary to determine in advance how long it will take the sales promotion. From Company C, the most efficient method of restaurant development is the system of building the club program. Personal work with each guest, nothing is more effective than advertising from mouth to mouth. Each guest needs to become aware of their individuality. The manager of Company C knows every guest, who own the club card, and also communicates with each new guest.

“Our company has loyal customer program, such as VIP cards. These cards give discounts in all units; also, we invite the owners of this cards to special evenings. We also once were the sponsor of girls football team, but we don’t really need it. For us more significant personal contact with our loyal clients.”
As a sales promotion, the Company A chose such element as discounts. As the company operates not so long ago, and to broaden its target audience, café uses discount (10%) for students. The company also offers meals at a fixed price for lunch, which is also an element of sales promotion.

“In the future, we plan to apply not only discounts and lunch at a fixed price but also to enlist the aid of other tools, such as create club cards, some lucky hours.”

Despite the fact that Company B operates on the market not so long ago, it uses a variety of tools to encourage sales. To increase the number of potential customers and to inform them about company’s activity, the restaurant uses coupons for pizza, which provide an opportunity to get two pizzas for the price of one, as well as discounts for loyal customers. Moreover, the company is a sponsor of the local football club, and planning to become a sponsor of the local hockey team.

The owner of the Company E expresses the view that they pay not enough attention to the sales promotion. The company does not have bonus programs and discounts. At the moment café only offers lunch at a fixed price of 89 SEK, which includes salad, bread, coffee/ tea. Moreover, after 15:00 in café menu appear smoothie and vegetables and fruits for 49 SEK.

“We should work more with sales promotion, but for instance, we have a lunch deal and after 15:00 we sell smoothie.”

Company D uses such program of customer loyalty as a bonus program. With this program, customers accumulate points that can later be used to pay for meals. For the owner, the participation in different sponsorship programs is not very efficient since it does not meet the restaurant’s policy not advertise itself.

“We only work with our loyal customer, and for us do not important whether they announce the name of our restaurant during, for example, the football game or not. Such way is not a type, in which we want to find our customers.”

Co- owner of the Company F said that they use such types of sales promotion as discounts, coupons, and lunch at a fixed price. The restaurant offers discounts for students and company’s loyal customers on all menu dishes, as well as discounts to students during lunch. Moreover, the company periodically distributes discount coupons and coupon for a second pizza for free.

According to the interviews conducted in Russia, the author can conclude that the tools of sales promotion are much more diverse than in Sweden. In Sweden, almost all events represent a lunch at a fixed price, bonus programs and discounts for students and these activities are taken for an extended period. While in Russia, all of the programs are used for a short time and are presented as a short- term assignment, a chance not to be missed. Moreover, the tools of sales promotion are often changing, thus consistently attracting the attention of consumers.

Company G periodically offers various tools of sales promotion to its loyal customers. The owner is sure that the regular use of sales promotion has a positive effect on building good long- term relationships with their clients. At the moment, the café offers three types of offers such as cappuccino for free until 12:00; birthday discount 25% on the menu and a fixed price on a certain dish from the menu.

“We periodically use sales promotion. For example, in September was the action 'half price' for some dishes from the menu; almost every month we propose a new meal with the possibility of tasting for a symbolic price; when paying by credit card also receive a
discount; collect stickers and get the sixth coffee for free. We are confident that these tools have a positive effect on our customers, and we plan to continue to focus on this issue.”

In Company I, instead of discount cards, there is membership cards, the type of which are depending on the amount of check. There are three types of membership cards: bronze, silver, and gold club cards. The holders of the bonus cards will get bonuses each time when they visit the restaurant, the size of which depends on the type of card and the amount of the order. Bonuses are accumulated, and they can be used instead of cash up to 100% of the cost.

“To holders of bonus cards, in addition to the discounts, we provide other privileges and benefits, such as gift when ordering a banquet. Moreover, when ordering a banquet, our clients can choose one of two options to use bonus cards: get the bonuses or get a discount depending on the type of membership card.”

A known configuration for sales promotion of Company J is coupons – discounts for dishes from the menu, degustation of the newest dishes. To attract the attention of customers to new dishes, the restaurant holds the presentation of food and drinks. The wine degustation portions are offered to regular clients in conjuction with the standard of the food ordered by theme, free of charge.

To gain the trust of the customer, Company H presenting name cards, which always act and give a discount of 15%. But these cards are not distributed among the entire mass of loyal customers, but only particularly significant customers, those who visit the café often and regularly.

“For the rest in our café will act cards, where it is necessary to note marks about visits to our café (nearly ten times). In the case of filling all the marks, customers can choose their reward from the: one-time discount, a bottle of wine, or a dish to choose.”

Company L promotion is carried out with the use of coupons, prizes, special events and sales, gift certificates. Coupons are the most useful configuration for promoting services of the restaurant. The company uses such kind of coupons as two meals for the price of one, special fixed prices for particular types of dishes.

To attract the attention of potential customers and to remind itself to loyal customers, Company K is actively using tools of sales promotion. The café has a system of discounts to the dish of the day and lunches.

“To attract the attention of our loyal clients, we periodically deliver or send them via email coupons. This card provides special conditions, which has a limited period and the amount of discount. We also attract the attention of our potential customers, giving them a discount coupon, which they can use in the next time in our café.”

During the interviews conducted in Russia and Sweden, the author found that sales promotion is a tool that has found attention in each company. But despite the fact that these tools vary from company to company, they all perform the same task: quickly attract the attention of consumers. The author noticed a pattern that all businesses in Sweden use such method of sales promotion as lunch at a fixed price. While in Russia more popular to use the system of discounts and bonus cards. But ultimately, both of these tools lead to the creation of loyal customers.

What is even interesting to notice that most companies in Sweden participate in the sponsorship. It is for them as a way of a reminder to their loyal customers and as a way of informing potential clients. As for Russia, those companies believe that this method is not useful for them, and more suitable for large enterprises.
But from the point of view of entrepreneurs in Russia and Sweden, the system of bonus cards is the most effective. They underline the reasons, why this tool is so efficient and easy to use. First, this technique allows the company to communicate individually with each client, in this regard, consumers feel their importance to the enterprise and become more loyal. Secondly, with the help of this tool, entrepreneurs form a link between company and customers, because every visit of the company will give them bonuses. Third, the bonus system allows them firstly know about upcoming events and to have the privileges despite others.

During the research, the author found that entrepreneurs also use other methods to stimulate sales such as samples, the price for a package, but they pass less attention for this types. They attribute this to the fact that most people today nicer to receive discount or bonus, other than remuneration. On this opinion also agrees Gherasim (2012), that nowadays consumers are increasingly looking for products with low price and attractive conditions. In this regard, companies direct most of their activities to meet the requirements of such clients, and only a limited amount of resources for other types of sales promotion. Most often companies under the price for a package perceive the combination of two methods such as coupons and price for a package. Most interviewees distribute coupons among their customers that allow them to get the second pizza for free.

4.2.4 Advertising

As for advertising, the answers to this question were surprising to the author. Most companies that were interviewed are of the view that the use of advertising for SMEs are not an effective way of communication with customers. All businesses in Sweden (Company A, Company B, Company C, Company D, Company F) do not use any advertising, what was surprising to the author. In the case of companies that are in Russia, they are all in some form trying to use advertising. As for Company A and Company B, they are quite new, so these companies decided not to take so broader approach. The co-founder of Company B said:

“The company choose not to advertise at any types because the company doesn’t want to publicize itself. We thought that the time and customers will give us better advertisement.”

As for Company C, which has a history since 1998, they also do not need any advertising and local media contact them by their self if it is necessary:

“We don’t use any advertising. We have quite good relationships with the press, so if there is any news, we do not contact them, but they contact our company.”

Very similar is the situation in the Company D. The owner of this restaurant in this industry for over 30 years, and he never used any advertising. He believes that the most important thing is personal contact with his clients, to know them all and communicate with them, for example, about the weekends, how was the trip to London, etc. It will bring more loyal customers than advertising on television or in the newspaper.

The co-founder of the Company F maintained the position that the use of any advertising is a waste of money. From his point of view, it is never possible to be sure on the results of advertising, and he said that the more money a company spends on advertising, the more unnecessary costs of the business. The owner claims that while operating his business, he never resorted to the help of advertising and has no plans to do that.
Practically the opposite situation on the Russian market of the restaurant business. In Russia, almost any business cannot image their activity without the use of any advertisement, especially in the restaurant business. The most common types of advertising in Russia are advertising on the street, in newspapers and magazines, signs and on local television. The CEO of the company J said:

“For advertising, we use following remedies: the sign, the pillars, and the media. The sign is a kind of business card for the restaurant, which serves principally component of outdoor advertising, is the face of our company. Near the entrance to our restaurant, we have double-sided pillars, on which was written more attractive price points of our restaurant’s menu, the time, and cost of a business lunch.”

There is a view that there are some services (products) that do not need advertising. From the owner of the Company H, such judgment can hardly be considered correct. He believes that without extensive information about services of the company, no one business can successfully operate and grow.

“We use advertising in our activities to inform the population about new services. We are trying to deliver to consumers the idea that this service is necessary for their lives, it will bring him or her benefit and pleasure.”

During the interview, the author also noticed that the Company C also has a sign near the restaurant, where located the menu of a business lunch, price, the address of Facebook and Instagram pages. But according to the interview, the CEO does not consider it with any advertising tool. As for Company G, the company most often uses advertising on billboards and on the street, which is aimed at a particular territory and in social media.

“From my point of view, to attract the guest to the restaurant, we needed a professional advertising, but to hold the guest in the restaurant, we should have an interesting menu and professional service. Concerning advertising, in my opinion, the most efficient is information advertising, but actually, the best advertising is the recommendation of our friends.”

Company K is involved in the development of promotional activities and promotion of the restaurants. In addition to promoting the restaurant, the company is engaged in the development of relations with partners who place their promotional materials and products to restaurant chains, including such companies as the journal “Stolnik”, cigarettes “KENT”, store “GoodShop”.

“We provide a platform for these businesses, and in return, our company received quality advertising of our products with a significant discount from our suppliers that allows us to meet the needs of visitors at an affordable price.”

The same policy in advertising their services adheres the Company L. According to interview with a manager of the sales department, the company has close partnership relations with representatives of the journals who post monthly restaurant advertising in their magazines, and in exchange, they placed their magazine on the tables of restaurants for free.

It is necessary to clarify that the newly discovered restaurant or café directly require the use of any advertising. But it is worth remembering that attempts to attract customers only through advertising will not bring any results. As Percy, Rossiter (1992) mentioned, due to the lack of resources and time, small and medium- enterprises use different tools of advertising as large ones, but all of the should do it constantly. At this regard, companies should properly think before they
start to use any advertising. According to the findings, companies in Sweden more think about the future results and their possibilities and don’t see the need to use advertising at this stage. While most companies in Russia try to pay attention to advertising and to use it in any way.

The research revealed that the majority of Swedish enterprises of the restaurant business pay more attention to non-traditional forms of advertising such as using social media platforms (Facebook pages and in Instagram, the official website of the company). As for Russian, they use a mix of these instruments, with more attention to traditional advertising like advertising in the street, radio, newspapers and even on local television.

According to research conducted by the Chartered Institute of Market, it can be underlined that from all the traditional tools of marketing communication, advertising is one of the less efficient concerning clout and credibility, and this tool has a high price and the medium level of control. According to this research, it can be concluded that the Swedish restaurant sector entrepreneurs act rationally paying the minimum amount of attention on advertising and considering this tool like a not useful for small and medium businesses. The author also highlighted the fact that the entrepreneurs in Russia who belong to medium-sized businesses use advertising much more than those that are small enterprises. The author also noticed that the majority of interviewees restaurants in Russia have their activity for 7-10 years while the majority of interviewees in Sweden are on the market about 1-2 years. This is also the reason why Swedish companies pay less attention to any advertisement.

### 4.2.5 Direct Marketing

All interviewees restaurants have agreed in the opinion that the direct marketing program should be targeted and original. They all believe that developing a loyalty program, the company enters into long-term relationships with their clients. Company A uses direct marketing before the Christmas holidays, informing their loyal customers about the gifts. They call them, and gave them briefly information about the actions.

As for Company B, they try to pay more attention to such kind of direct marketing as e-mail, phone, sending via SMS some information about the restaurant’s events and actions to loyal customers. The company also use some social network to inform people about their company, about products for lunch each day, offering companies and large groups of individuals.

The owner of Company E also believes in the idea that nowadays it is much more important to turn communication into the Internet. At this regard, the company is trying to send more information on social networks such as Facebook.

“We have a newsletter and a Facebook group, where we post information about news and events. In the future, we also plan to use the Periscope for this purpose, which will also inform our loyal customers about upcoming events.”

In Russia is particularly the same situation as in Sweden. Companies mostly use direct marketing to encourage regular customers, to re-attract them and to inform about new promotions and offers. For Company H, direct marketing is a good and inexpensive form of advertising.

“We use the existing email addresses of our loyal and new customers for direct mail information. The objective of our direct marketing is to inform our clients about upcoming events, plans of our restaurant, as well as about new menu.”
Moreover, the company’s co-founder expressed the idea, that there is nothing can be perfect and, such other tools of marketing communication, this method also has its disadvantages. Due to the such advantages of direct marketing as it does not require high costs and is aimed at a particular customer, almost all companies try to use this tool. In this regard, because of the influx of a vast amount of information from a variety of sources, many letters are destroyed immediately by the users. In this regard, the company always need to come up with new ways of direct marketing.

As for other businesses, Company L uses direct marketing is a reminder tool about themselves.

“We always ask our guests to leave contact phone numbers or email addresses and do regular newsletters, promotions, special offers. Our restaurant offers to the birthday discounts, invitations to tasting new dishes at special prices.”

The head of marketing department of Company K said that they are often tasting such method of direct marketing as ‘cold calls’, phoning visitors after the banquet, take note of the figures that have been spent. After the banquet they ask their guests, whether they liked the menu and the service. Moreover, the restaurant marketing department use such kind of direct marketing as e-mail and SMS.

In terms of direct marketing, the Company G sends out information by e-mail, but only with the permission of the clients. From the point of view of the company, posting information by using such direct marketing tool as the phone is ineffective. The company also places all required information via social media: Instagram, Vkontakte (Russian social network) and on the official website of the enterprise. Also the management of the company believes that it is necessary to pay attention to the frequency of the disseminated information.

“We strongly believe that we need to be very careful when communicating with our customers and not trying to annoy them, on average we come in touch with them 2-10 times a year.”

The company I restricts direct marketing in its restaurants using only the SMS and e-mail messages. The main reason why the company uses this these instruments is to retain and attract loyal and potential guests.

“To consolidate the loyalty and the urge to come once again to the restaurant, we send SMS and e-mail newsletters with favorable conditions, promotions, and new menu.”

And as for the Company J, it also uses the simple and minimal tools of direct marketing such as SMS and e-mail sending. From the point of view of head of the marketing department, customers often positively respond to the messages that were addressed directly to them. As a result, the company tries to pay more attention to personalized messages.

“Personal invitation to a celebration or a message about a new dish on the menu operates on a client completely different than advertising on radio or television. Most often we do direct mail to the addresses of regular customers, recorded at the moment of providing them with discount cards.”

The primary tools of direct marketing, used by interviewees in Russia and Sweden are sending SMS notifications and e-mails. As for the catalogue and brochures, companies consider that the printed version is not very useful in the modern world, and most of printed media automatically destroyed by consumers. In this regard, they distribute electronic versions of their catalogues via e-mail in pair with other information about the company. But the emphasis is on the social network
and the official website of the company. The companies explained it with the reason that information on the Internet spreads much faster and reaches more people than through traditional instruments. Moreover, modern tools of direct marketing require less financial cost, which also explains their popularity. The main reason why the companies use direct marketing is to inform their customers about upcoming events and to show loyal customers their attention and that the company remember them.

Concerning the database, the majority of interviewed companies have a system of bonus card by which they gather data about their potential customers. Upon issuing the card, the customer fills out a form, which is the basis of the database. Moreover, the company analyzed consumers on social networks, which is also contributes to the replenishment of a database. The interviews also revealed that some companies (Company I, Company C, Company L) use other organizations to collect data about their potential clients.

The author also realized that all businesses are of the opinion that it is necessary to use the tools of direct marketing not so often. They all boil down to the view that the most optimal is the use of direct marketing 8-10 times a year. This allows them to remind themselves to regular customers, but also not to be intrusive. Moreover, the companies agreed that the most important step of direct marketing is the accuracy of the information contained in them. Therefore, managers should pay more attention in the process of formation of information.

4.3 Implications for international entrepreneurship

During research, the author found that entrepreneurs in Russia and Sweden are paying considerable attention to marketing communication strategies. But despite this, the strategies they use are very different from each other. Marketing communication strategies of companies in Sweden is more focused on social media platforms and word of mouth, with great emphasis on personal contact with clients. In Russia, entrepreneurs tend to traditional instruments of communication, but with a small element of social media. Based on the results of the research, the author determined to give the recommendations to the international entrepreneurs about marketing communication strategies.

First, an essential thing entrepreneurs should pay attention is integrated use of marketing communication instruments. Nowadays, increasingly, new tools are emerging to develop relationships with customers. The companies almost every day faced with a huge variety of tools, each of which is effective to maintain relationships with their customers. The consumers get confused by the variety of all the information and begin to doubt the veracity of all data. In this regard, it is important for international entrepreneurs to use the tools integrated for better results and to solve misunderstandings. In turn, the use of integrated marketing communication strategies, the company saves time and resources than they use them separately.

Secondly, companies do not need to revise its strategy based only on traditional or non-traditional marketing communications. Certainly, social media today actively grow and develop, providing small and medium enterprises the opportunities which were unavailable before. Most marketers stick to the opinion that there are two great and inexpensive marketing tools – e-mail and social networks, both of which play an important role in attracting customers. But despite this, traditional tools are also not losing their importance in marketing activity of the company. Printed marketing and advertising are still relevant. According to a survey by the national restaurant association, the majority of visitors (73%) prefer the traditional instruments of marketing communication, in particular, advertisement in the newspaper and magazines (The marketing system of the restaurant
business, 2016). Moreover, loyalty programs are the most decisive factor when choosing a company. As for entrepreneurs in Russia, they are skeptical about social media platforms, which is evidence low attention to this tool. From the owners’ point of view, it is a waste of time and resources, which will not bring special results. Based on all these data, the author offers international entrepreneurs to give equal attention to both traditional and non-traditional marketing communication. With the development of new technologies, consumers are also likely to change, but they should not forget about traditional, as not all clients along with modern technologies.

Third, to develop and achieve high results, international entrepreneurs should pay widespread attention to personal relationships with their customers. According to the analysis, it can be concluded that entrepreneurs both in Sweden and Russia pay attention to establishing personal, friendly relationship with their clients. However, in Sweden, this aspect is developed more. This helps them to communicate personally with their customers, know the strengths and weaknesses of their businesses, things that need to change, as well as topics for discussion with each client. The staff, including the owner, personally know all of their loyal customers, which is the basis of trust. But in Russia, this question is less developed. If in small companies, the situation is almost the same as in Sweden, then in medium-sized enterprises has a less developed system of a personal relationship with customers. Certainly, entrepreneurs are aware of the importance of this component, but due to the lack of time, this issue is undertaken by the staff and only in some cases the owner. International entrepreneurs should be given a huge role in the development of personal relationships with clients, as this is a kind of analysis of the company from the view of consumers. The correct interpretation of data obtained from customers can be the key to solving important issues. As well as the availability of personal attention to each client contributes to the fact that the clients become more committed to the company and gradually become loyal customers.
5. Conclusion

In this chapter the author gives the final conclusions of this thesis and answers to research questions that were defined at the beginning of the dissertation.

The main objective of this research was to analyze how the companies in restaurant and café business of Russia and Sweden use marketing communication strategies. Based on primary data, which were obtained during interviews with owners and managers of marketing and sales department, the author tries to provide to the research questions.

Answering the first question: “What are the differences of SMEs in Russia and Sweden in using marketing communication strategies?” During interviews, the author found that companies in Russia and Sweden pay sufficient attention to marketing communications, but their type varies from country to country. In Sweden, most companies pay more attention to non-traditional marketing communication tools such as social media, word of mouth. They stick in the opinion that it is necessary to create and develop their business without the help of advertising and PR. For them, the most important thing is good relationships with their customers, personal attention to each of them. In Russia, more emphasis on the traditional tools by which companies can show their advantages in comparison with competitors. Only in some companies there is a shift towards the use of non-traditional instruments of marketing communication. But unlike Sweden, Russian restaurant business pays equal attention both to traditional and non-traditional instruments.

Answering the second question, “How SMEs can create a marketing communication strategy in Russia and Sweden?” Both in Russia and Sweden, companies are trying to use the tools of integrated marketing communication. Integrated use of these tools gives them more options, and there is an increase in efficiency. But despite the fact that both countries use the integrated method, the interviewees focus on the various tools. In Sweden, the marketing communication strategy is to use the combination of traditional and non-traditional instruments. From traditional, more emphasis on personal sales, as the staff is direct representatives of a restaurant or café to the consumers. Non-traditional tools are those as social networks (Facebook, Instagram) and personal communication with clients. Most of them also want to extend their strategy through new social media tools, such as Pinterest, Periscope. In Russia, the strategy of marketing communication most often consists of a variety of traditional instruments such as personal selling, sales promotion, and advertising, because the entrepreneurs believe that these tools are most useful. Although those companies that have already use social media to develop relationships with clients, claim otherwise and reconsider their strategy for social media.

Answering the third question, “What inside and recommendations can be given for Russian and Swedish companies?” The tools of the marketing communication strategies used in Russia and Sweden have their strengths and weaknesses. In this regard, based on the obtained data, the author has tried to guide the exchange of experience between Russian and Swedish entrepreneurs. The author has identified three essential aspects that companies need to pay attention. First, to avoid problems of misunderstanding and achieve high efficiency from the use of communication tools, entrepreneurs should pay attention to the integrated marketing communication strategies. This will help the company to save time and resources, and consumers can get the same information from different resources. Secondly, entrepreneurs of both countries should pay equal attention to both traditional and non-traditional instruments. Due to there are diverse groups of consumers, to successfully achieve the attention of all of them, entrepreneurs should use all the tools equally. And third, international entrepreneurs need to pay more attention to personal relationships, as this
is the foundation of a healthy relationship with consumers. Correct and reasonable use of all these recommendations will lead to success.

Marketing communication strategy of the company should be directed to both traditional and non-traditional tools. Their combination can vary from company to company, but entrepreneurs should continuously learn the newest tools of marketing communication and revise their strategy for these tools, but do not forget about traditional. Finally, entrepreneurs should not expect to receive immediate results, as different tools have different speed of action. In this regard, it is necessary to use a combination of tools such a way as to have instruments with both short-term and long-term results.
6. Discussion

This chapter discuss the results of research from the point of view of limitations to ensure valid and reliable results. Also the author pays attention to recommendations for future research.

6.1 Limitations and self-criticism

This thesis offered a look at the analysis of marketing communication strategies in small and medium businesses in Russia and Sweden in the restaurant sector and café. The author identified the primary tools that were used in the Russian and Swedish SMEs, as well as the differences between them. Based on these data, the author has attempted to give recommendations for sharing of experiences for entrepreneurs in the industry.

Limitations of this research were the fact that small and medium-sized enterprises in Russia and Sweden have different assumptions towards marketing communication strategies and use different instruments. This became the barrier to providing larger-scale empirical results, and the fact that some companies practically do not use traditional instruments of marketing communication strategy.

Working on the theoretical background, the author of this thesis assumed that in Russia and especially in Sweden the traditional tools of the marketing communication strategies used in full. However, at that time, companies in Sweden is more focused on the use of social media platforms, while in Russia the majority of entrepreneurs still use traditional tools to communicate with customers. Besides, due to the limited amount of time and resources, the author was able to analyze only one industry that does not allow to say about all SMEs. Also during the semi-structured interviews, the author has included a question about the role of social media and word of mouth as a way of communication with customers, as it allowed the author to evaluate the place of this tool among other traditional instruments.

6.2 Suggestion for further research

In addition to the answers to the research questions described in the previous chapter, during the process of collecting data, the author has received much information which can become the basis for further research. One aspect is also the analysis of other sectors to have a complete picture of marketing communication strategies in small and medium-sized enterprises in Russia and Sweden.

Another aspect mentioned in the chapter empirical results is the social media platform. This research showed that all companies in Sweden use social media as a primary tool for establishing customer relations. Moreover, in Russia, the majority of enterprises have begun to shift to social media platforms.

Since the role of marketing communication strategies is growing, it would be interesting to analyze both controlled and uncontrolled marketing communication instruments. It would also be informative to know the opinion of consumers about these tools and based on them, to give recommendations to the entrepreneurs on the revision of the marketing communication strategies according to the received data.
6.3 Managerial implications

This research aims to study the marketing communication strategies of small and medium enterprises in Russia and Sweden in the sector of the restaurant business and café, which means that using it in other countries and industries require a thorough review in advance. Same goes for large companies because the instruments and scope of marketing communication strategies they have developed more and they have more opportunities and resources.

The purpose of the research was to analyze the marketing communication strategies of SMEs in Russia and Sweden, and to make recommendations for the exchange of experience, as small and medium-sized enterprises have an individual approach when establishing a relationship with their customers. From a practical point of view, it is important to understand that all of these tools of marketing communication have different speed of achievement. When properly integrated using these tools, entrepreneurs will be able to get results from their activities regularly, both in the long and the short term.
7. References


How to plan marketing communications (2009)? The Chartered Institute of Marketing, 1-6.


54

Appendix 1 – Interview Guide (Original in Sweden)

1. Do you have a marketing department? If yes, how many employees go into it? If not, who deals with these issues?
2. When the company was established?
3. What marketing communication tools do you use to communicate with your potential customers?
4. Which tools in your opinion are the most effective and why?
5. Which tools work well in your company and which are not? Why?
6. Which new tools would you like to try and why?
7. What difficulties do you face when communicating with your customers? How you solved these problems?
8. Are you using the advertising as a communication tool? If yes, what types of advertising you use? If not, for what reasons?
9. Do you think that PR is an effective tool for communicating with customers and how you use it?
10. Do you pay attention to personal selling? How you have established this process?
11. According to what criteria do you select staff in the sales department?
12. Do you teach them and how?
13. How you motivate them?
14. How you use direct marketing in your company?
15. Do you use sales promotion? If yes, what tools are you using?
16. How often do you use sales promotion?
17. How you use the marketing communication tools: total marketing communication strategies (integrated marketing) or separately and why?
18. How you calculate the benefits of using communication tools?
19. How much money (you can give in %) you spend on marketing in comparison with other costs?
20. Do you use the SMM and/or word of mouth as a way of communicating with customers?
21. What role do network play when establishing contact with potential customers?
1. Есть ли у Вас отдел маркетинга? Если да, то сколько сотрудников в нее ходят? Если нет, то кто занимается этими вопросами?
2. Когда компания была создана?
3. Какие инструменты маркетинговой коммуникации Вы используете для общения со своими клиентами?
4. Какие инструменты по Вашему мнению являются наиболее эффективными и почему?
5. Какие инструменты хорошо работают в Вашей компании, а какие нет и почему?
6. Какие новые инструменты Вы бы хотели попробовать и почему?
7. С какими трудностями Вы сталкивались при общении со своими клиентами? Как Вы решали эти проблемы?
8. Прибегаете ли Вы к помощи рекламы? Если да, то какие виды рекламы Вы используете? Если нет, то по каким причинам?
9. Считаете ли Вы, что пиар является эффективным инструментом общения с клиентами, и как Вы его используете?
10. Обращаете ли Вы внимание на личные продажи? Как у Вас налажен этот процесс?
11. С помощью каких критериев Вы выбираете сотрудников в отдел продаж?
12. Проводите ли Вы обучение с ними, и как Вы их мотивируете?
13. Как Вы используете прямой маркетинг в своей компании? (маркетинг по почте, каталогам, электронная торговля, факс, мобильный телефон)
14. Используете ли Вы стимулирование сбыта? Если да, то с помощью каких инструментов?
15. Как часто Вы используете стимулирование сбыта?
16. Как Вы используете инструменты маркетинговой коммуникации: интегрировано или по-отдельности?
17. Как Вы подсчитываете выгоды от использования данных инструментов коммуникации?
18. Какое количество материальных средств (можно в % соотношении) Вы тратите на маркетинговые коммуникации по сравнению с другими расходами?
19. Используете ли Вы СМИ и/или сарафанное радио как один из способов общения с клиентами?
20. Какую роль играют полезные знакомства при налаживании контактов с потенциальными клиентами?