

The analysis of influence of advertising on consumer behavior of Russians based on brand tracking studies

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The purpose of the project

The purpose of this project is to conduct tracking study on Russian consumers' preferences for milk products as well as to generate information to broaden the understanding of their consumer behavior.



Tracking study

-Tracking is carried out with a minimum duration of three months. Compared to other studies (e.g panel study), tracking allows noticing the hidden effects to which consumers are being exposed.

-One of those effects, to which Russians are exposed, is called ‘carryover’, a ‘time-lag’ when a consumer was exposed to the advertising of the specific product for the first time, and, when he/she made a purchasing decision regarding that product.

- Now Russia is in a period of post-crisis and, therefore, Russian consumers differ with their prudence and reasonableness. A certain period should pass so that Russians make a decision to buy a product. Therefore, tracking studies are the most appropriate methodology to understand features of Russian consumers, their changing and fickle needs



Limitations in previous researches

- Tracking studies have been carried out in Russia only for ten years and time has not ripened for the efficient application of this method.
- The aim of the most of the researches on milk products preferences that have been carried out so far in Russia was to find out which brands are in higher demand among the consumers. Thus, the researchers didn't even go into the details on why particular brands are more successful than the others.



Research question

What are the features of Russian consumers' behavior and how advertising influences on buying decisions of Russian population?



Hypotheses

1. The imposition of sanctions and the subsequent devaluation of ruble have an impact on the buying motives of Russian consumers since their choice is limited to the use of local products mostly.
2. Since there is a high competition among Russian brands of milk, the competitive advantage of most of them is sustained thanks to the successful implementation of advertising strategies, because this is the best way to focus the attention of consumers on the brand product.



Discussion

- The Hypothesis 1 can not be accepted.
- Russian consumers opt for domestic dairy products, not imported ones.
- The products of domestic production are more attractive for Russian consumers because of shorter shelf life and ‘freshness.’
- When manufacturers import products a longer time is being passed since the date of production. Hence, consumers doubt the fact of that product being fresh.
- A lot of foreign producers use chemical additives to sustain and support long shelf life
- Transportation costs money. Thus the price for imported dairy products is higher compared to the price of domestic products.



Methodology 1

Tracking study

-Face-to-face structured interviews, distributed in person to large groups.

-Tracking study was conducted with duration of 3 months: from December, 2016 to February, 2017.

-The qualitative results describe and summarize features of a collection of information on milk products preferences of Russian consumers, while quantitative results are followed by analysis of circle graphs that are proportional to how many percent of the target group gave a certain answer.



Methodology 2

Post-testing method

-Post-testing is carried out during the advertising campaign or after its completion, when the advertising message has already been issued to the market and a certain time has passed, sufficient for the target audience to familiarize with the advertising.

- Taking into account the features of Russian consumers, the questionnaire was composed based on the advertisements of the brands that have been broadcasted on TV for a certain time.



Measurement of communicative component of the effectiveness of advertising

- Tracking study is based on evaluation of communicative efficiency of advertising (CEA)
- CEA is determined by the efficiency of contact with consumer segment by means of selling emotional connections.
- This indicator of efficiency is being constantly checked and calculated throughout the production process, because it has an impact on economic efficiency.
- Four performance indicators have been tracked, namely recognition, memorability, attractiveness and impact.



Target audience

-Women between 25 and 60 years, who are guided by their own experience and their personal evaluation of quality characteristics of milk products and may also be oriented to the tastes of their children / grandchildren.



The brands that were chosen for the tracking

1. «Домик в Деревне» (“Domik v Derevne”)
2. «Простоквашино» (“Prostokvashino”)
3. «Агуша» (“Agusha”)
4. «Веселый Молочник» (“Vesyoli Molochnik”)



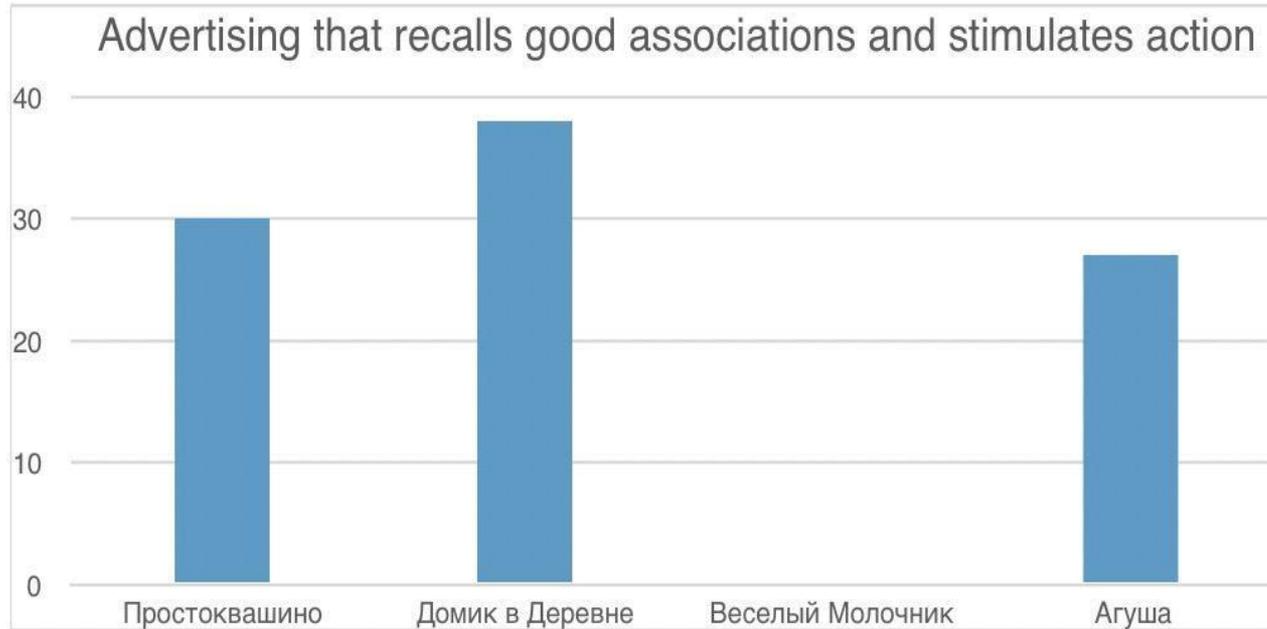
The results of the first month of tracking

The success of «Домик в Деревне» (“Domik v Derevne”), «Простоквашино» (“Prostokvashino), «Агуша» (“Agusha”) , depends on the fact that these brands have won rational preference of consumers by stimulating high degree of satisfaction and delight from the product, as well as strengthened emotional attachment to the brand, which is an important factor for sustaining consumer loyalty.

The failure of the brand «Веселый Молочник» (“Vesyoli Molochnik”) can be explained by the fact that it lacks any promotional activity that can earn the trust of consumers and form a positive attitude towards the brand.



Graph 1 (The first month of tracking)



Graph 1 explanation

Advertisements of brands «Домик в Деревне» (“Domik v Derevne”), «Простоквашино» (“Prostokvashino”), «Агуша» (“Agusha”) were able to reach the emotional territory of target consumers by understating their needs and selling proper emotional connections.

- 38 out of out of 40 respondents (95%) answered that they remembered the advertising of «Домик в Деревне» (“Domik v Derevne”), which made good impression on them and, as a result of this, they decided to enlarge their consumer knowledge about the product and learn more about it;
- 30 respondents (75%) have also chosen «Простоквашино» (“Prostokvashino”) as a brand that recalls good associations and stimulates action;
- 27 respondents (67,5%) have also chosen «Агуша» (“Agusha”);
- «Веселый Молочник» (“Vesyoli Molochnik”) stays out of the picture. None of the respondents have reacted to this brand.

Hence, absence of advertisements of «Веселый Молочник» (“Vesyoli Molochnik”) makes ‘potential consun



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from the brand and give preference to the ones that attract with their profitable offers and stimulate emotions.

The results of the second month of tracking

- Consumers started to pay attention and notice the ads of the brands they didn't see or notice before.
- The results showed that respondents are doing better when recognizing the advertisements of different brands, and this provides justification for the thesis that Russian consumers are exposed to 'carryover effect', and some time should pass so that pay attention to particular brands and consider them as possible options for consumption.

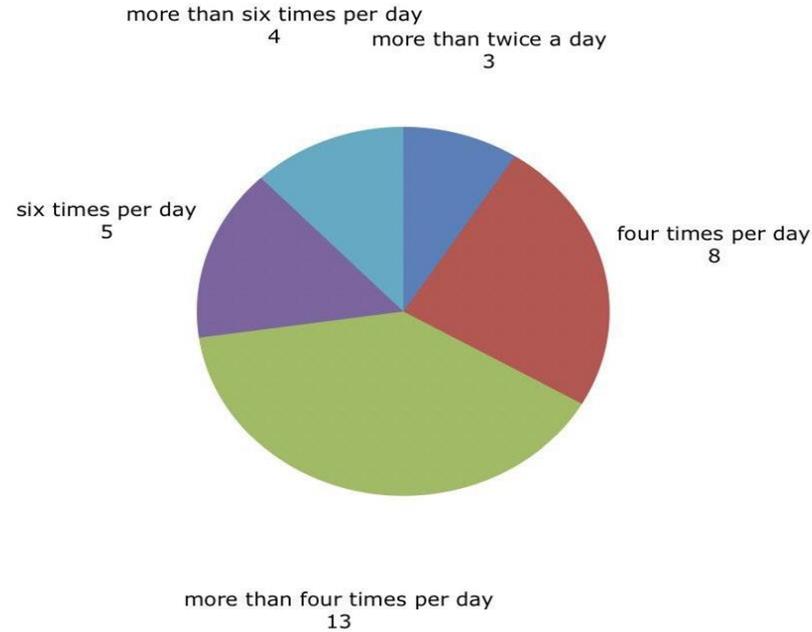


The results of the third month of tracking

- Consumers started to consider most of the previously unknown brand products as a possible option for consumption.
- This is because they claimed to come across the advertisements of the brands more often, which made them want to try the product.



How often people come across the advertisements of brands 1



«Домик в Деревне»

(“Domik v Derevne”)

Graph 2a



Explanation of the graph

-11 out of 40 respondents claimed that they come across the advertising of brand product «ДОМИК В ДЕРЕВНЕ» (“Domik v Derevne”) more than six times per day (Their number increased from 7 to 11, compared to the second month)

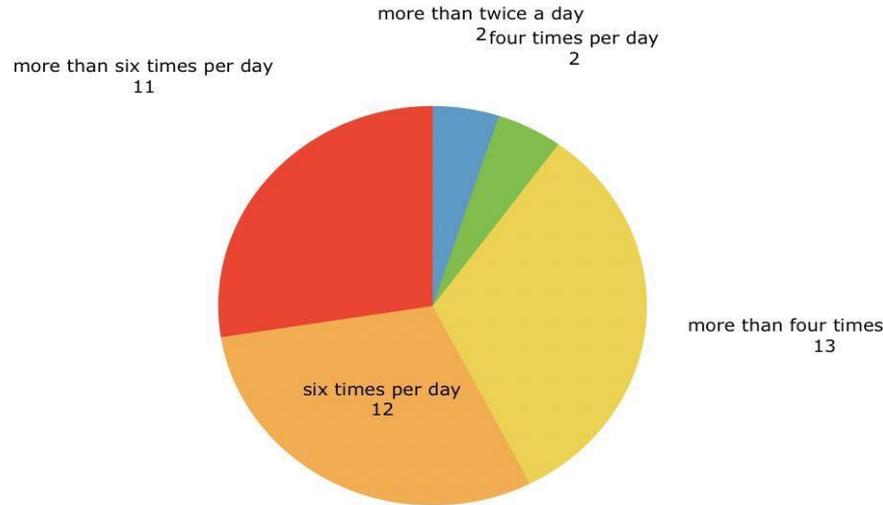
-12 respondents said that they come across the ad of «ДОМИК В ДЕРЕВНЕ» (“Domik v Derevne”) six times per day (Their number increased from 8 to 12, compared to the second month);

-8 respondents claimed that they come across the ad of this brand product more than 4 times per day (Their number number increased from 5 to 8, compared to the second moth).

Hence, the level of ‘effective frequency’ of the brand advertising of «ДОМИК В ДЕРЕВНЕ» (“Domik v Derevne”) has increased, and this is one of the reasons why the majority of the respondents give preference to it.



How often people come across the advertisements of brands 2



«Простоквашино»

“Prostokvashino”

Graph 2b



Explanation of the graph

High level of 'effective frequency':

- 11 out of 40 respondents claimed that they come across the ad of «Простоквашино» more than six times per day;
- 12 respondents claimed that they come across the ad of this brand product six times per day;
- 2 respondents said they come across the advertisement of «Простоквашино» four times per day;
- 2 respondents come across the ad more than twice a day;
- 13 respondents claimed that they come across the ad of this brand more than four times per day.

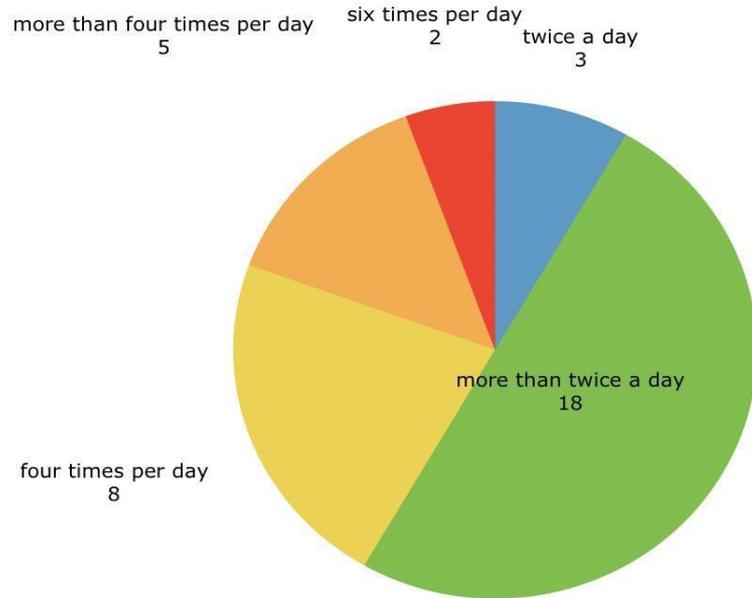


Discussion of the graph

The level of “effective frequency” of «Простоквашино» (“Prostokvashino”) has also increased. Most of the respondents claimed to see the ad of «Простоквашино» (“Prostokvashino”) more often. This is not because advertisers started to pay money (so that the spot is being often aired on TV during commercial breaks) but because consumers started to pay more attention to the commercial of the brand.



How often people come across the advertisements of brands 2



Graph 2c

«Агуша»
("Agusha")



Explanation of the graph

High level of “effective frequency”

- 5 out of 40 respondents claimed that they come across the ad of «Արյա» more than four times per day;
- 2 respondents claimed that they come across the ad of this brand product six times per day;
- 8 respondents said they come across the advertisement of «Արյա» (“Agusha”) brand four times per day;
- 2 respondents come across the ad six times per day;
- 3 respondents come across the ad of «Արյա» (“Agusha”) twice a day

There were no significant changes in perception of consumers, compared to the second month, except of the number of respondents, who claimed that they are exposed to the advertising of «Արյա» (“Agusha”) more than twice a day, which increased from 12 to 18.



Research findings 1

- Russians are very loyal consumers and their level of consumer loyalty was increasing with each month, and this is because the brands such as «Домик в Деревне» (“Domik v Derevne”) and «Простоквашино» (“Prostokvashino”), «Агуша» (“Agusha”) often launch advertising campaigns that attract consumers and sell emotional connections to them, which helps to establish good communicative relations.
- The example of «Веселый Молочник» (“Vesyoli Molochnik”) shows how passiveness in spreading awareness about the brand and its products ' lays the wall' between consumers and product and discourages consumers to consider this brand product.



Research findings 2

Based on the comments of respondents, if the brand «Веселый Молочник» (“Vesyoli Molochnik”) launches advertising campaigns, it can actually earn the love of consumers because of its quality, which, according to consumers, by no aspects concedes to the brands-competitors.



Avenues for Future Researches 1

Even though the correlation between effective frequency and the desire to buy product was found, it is still necessary to measure whether or not the level of loyalty of consumer decreases with the consumption of new products, which before were 'ignored' by them.

For this, three month will be not enough.



Avenues for Future Researches 2

The researches will have a chance to involve in the research more women-respondents and classify them into groups: those who have children, husbands and those who are single. This will also allow noticing how the factor of ‘having a family’ influences on choosing the milk product. This is important since the needs of different target group vary.



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