

Arina Drobysheva

## Bachelor's Thesis

Word of mouth as a marketing tool

Case study: Green tyre company

---

Helsinki Metropolia University of Applied Sciences

Bachelor of Business Administration

International Business and Logistics

Word of mouth as a marketing tool

Case study: Green tyre company

3 November 2017

Author(s) Title Number of Pages Date	Arina Drobysheva Word of mouth as a marketing tool; Case study: Green tyre company 39 pages + 1 appendix 3 November 2017
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Specialisation option	Entrepreneurship
Instructor(s)	John Greene, Supervising Lecturer
<p>The purpose of the study is to analyse the effect of word of mouth marketing on chosen company. Green tyre is a rapidly growing auto service company that operates in Saint-Petersburg, Russia. The company sells tyres and automobile disks as well as offers different repair services.</p> <p>Quantitative research methodology was used in the study. Data gathered through questionnaires that were given to clients of Green tyre. Thirty- five questionnaires were given and all of them were answered.</p> <p>The results of the questionnaire revealed a high level of word of mouth influence on Green tyre's clients. The results of the study showed that the target audience is male between 34 to 48 years old. Over thirty - one percent of respondents rely on recommendations when searching for an auto service. Moreover, over sixty percent of participants share their experiences with friends or families. It was also found that most of the clients rely on billboard advertising channel. However, the biggest number of clients still does not check reviews before choosing an auto service and prefer using different companies every time. The most valued qualities perceived for auto service were service level and price.</p> <p>The author recommends that management of Green tyre begins listening to their clients and increase level of presence in social networks. It is recommended that Green tyre develops word of mouth marketing strategy in the internet and start communicating with customers in person to achieve competitive advantage on the market. Further research, however, is needed to find correct target audience as well as buyer needs and wants.</p>	
Keywords	Word of mouth, marketing channels

## Contents

1	Introduction	1
2	Word-Of-Mouth marketing (theoretical approach)	2
2.1	Marketing identified	2
3	Marketing Channels	3
3.1	Communication channels	4
4	Word of Mouth	6
5	Factors influencing the decision to buy	8
5.1	Influencers (opinion leaders)	9
5.2	Types of influencers	10
5.3	Why influencers are effective?	11
5.4	Reference group	11
5.5	Family and friends	12
5.6	Emotional appeal	13
6	Word of mouth marketing in a modern technology	14
6.1	Technological evolution	14
6.2	Customers' behavior in the new environment	15
6.3	Marketers' behavior in the new environment	15
6.4	New marketing opportunities	16
6.5	Social media	17
6.5.1	Significance of social media	18
6.6	Word of mouth in social media	19
6.6.1	Examples of word of mouth in social media	19
	Apple iPod battery	19
	Starbucks	20
6.7	Traditional media helps WOM	20
7	Why word of mouth is so influential?	21
8	Methodology	22
9	Company overview	24

9.1	Purpose of the research	25
10	Findings of the research	26
11	Analysis of survey	34
12	Conclusion	38
13	References	39

Appendices

Appendix 1.

## List of figures and tables

Figure 1. Model of the marketing process (Kotler 2013:5).

Figure 2. Simple representation of marketing (Lancaster & Reynoldes 2004: 16-18).

Figure 3. Marketing in the modern organization (Lancaster & Reynoldes 2004: 16-18).

Figure 4. Communication model (Lancaster & Reynoldes 2004: 380).

Figure 5. Marketing communication channels (Lancaster & Reynoldes 2004:275).

Figure 6. Age.

Figure 7. How often do you use Green tyre?

Figure 8. Which service do you use in Green tyre?

Figure 9. How did you hear about Green Tyre?

Figure 10. Do you usually search for reviews before choosing an auto service?

Figure 11. What is the most valuable feature for you?

Figure 12. Do you prefer using same auto service or you choose different?

Figure 13. How do you search for auto service?

Figure 14. Do you share your experience about an auto service with friends/relatives/colleagues?

Figure 15. What advertising channel do you see most often (in terms of auto services)?

Figure 16. Will you tell other people about Green tyre?

Figure 17. Have you heard something about Green tyre from people before?

## 1 Introduction

This work introduces the word of mouth marketing concept, its theoretical background as well as practical example of its influence within Green tyre.

Economic fluctuations as well as tight competition forced companies to broaden their minds in terms of traditional marketing methods and implement new ones. Word of mouth has always been influential and responsive method of gathering information for people. With the technological development, increasing significance of social media, marketers have identified new opportunities and challenges. With regards to word of mouth, world is developing at a face pace and companies need to be involved in daily conversations of people, check their recommendations and reviews to be able to foresee potential threats of word of mouth as well as its advantages.

This thesis examines the word of mouth as a marketing tool, its relevance and influence in digital era.

The basis of the report includes introduction to marketing, its main marketing channels as well as consumers' motivations towards expressing word of mouth. In order to get the overall picture, technological evolution (social media importance) explained with regards to word of mouth.

The topic was chosen due to its relevance in recent times and potential significance. The aim of the thesis is to show the real value of word of mouth marketing with the help of empirical research. Although, previous studies have been conducted about word of mouth, the influence of it in relation to other marketing communication channels has not been identified before.

To identify the importance of word of mouth, a practical research was carried out.

The research was made using questionnaire that related to several topics: target audience, marketing channel, word of mouth marketing.

The results disclosed the significance of word of mouth for the specific company in today's technological world and underlined the opportunities and problems that chosen company need to implement for successful marketing strategy.

## 2 Word-Of-Mouth marketing (theoretical approach)

### 2.1 Marketing identified

As Phillip Kotler states in his book, marketing is the process where company/marketer creates value for customers, builds profitable relationships and tries to capture that value in return (Kotler & Keller 2012: 4). High-quality service and goal-oriented behavior should be the main principles when communicating with customers. Other than that, professionally-made marketing campaign has become a key ingredient for business success (Lahtinen & Isoviita 1994: 7; Kotler & Keller 2012: 3).

Besides this, marketing can be found everywhere. On a daily basis, people involved in various number of actions, that are related to marketing somehow, formally or informally. Moreover, it is ingrained in everything that people usually do from the food they eat, to the videos watch and advertisement they see (Kotler & Keller 2012: 3).

In practice, there is a logical process in marketing explained on the picture below. It starts with the analysis of the marketplace, its opportunities, moves to target market selection process, creation of marketing program and strategy, followed by managing profitable relationships with the customer in the end. Companies must always be up-to-date with marketing programs, innovations and service, paying attention to customer needs, and look for new competitive advantages rather than remaining with the past strengths (Kotler & Keller 2012: 11).



Figure 1. Model of the marketing process (Kotler 2013:5).

Marketing is a process of decision-making and implementing those decisions in the best way possible so that the objective of marketing (customer satisfaction and profitability) will be achieved (Lahtinen & Isoviita 1994: 7).

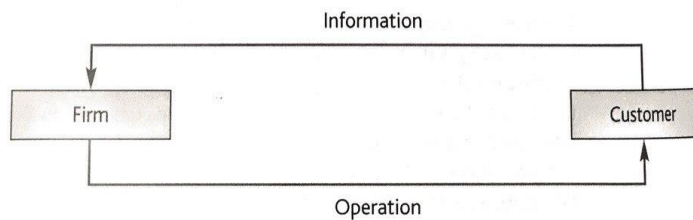


Figure 2.1 Simple diagrammatic representation of marketing



Figure 2.3 Marketing in the modern organisation

Figure 2. Simple representation of marketing (Lancaster & Reynolds 2004: 16-18).

Figure 3. Marketing in the modern organization (Lancaster & Reynolds 2004: 16-18).

It is crucial to understand that at the centre of marketing concept is always the customer who becomes the main attribute of all business operations (Lancaster & Reynolds 2004: 6).

To deliver marketing objective, company needs channels – special paths that transfer tangible or intangible goods from production to the client. These include people, organizations and various supporting activities (Goldman 2017).

### 3 Marketing Channels

There are three kinds of marketing channels exist to deliver marketing campaign to the target customer: communication channels, distribution and service channels.

Communications channels include Internet, radio, TV, magazines, mail, posters, billboards, CDs, audiotapes, mail, flyers, and telephone. It is everything that includes direct interaction with the target customer. Also, the way we want to express ourselves by clothes or accessories, companies attract by their shelves in retail stores, by the look of their websites and other sources of media. Nowadays, we see the increasing number of companies communicating via blogs, e-mail, and social network to be closer to the customer.



Distribution channels deliver physical products or services to the buyer. It is the intermediary between customer and marketer. The aim of those channels usually includes displaying, selling and delivery of products. Distribution channels are wholesalers, different agents, retailers. More specifically, it is Walmart or famous retailer Target, as well as French Auchan or Leroy Merlin.

Finally, service channels support transactions between customers and companies. It includes various banks, insurance companies, warehouses, logistic or transportation companies.

There is a constant challenge in choosing the best mix of marketing channels for the marketing offers (Kotler & Keller 2012:14).

### 3.1 Communication channels

Communication is the action of sending a message, thoughts or information through some of communication channels. It is usually described as a process which includes following factors:

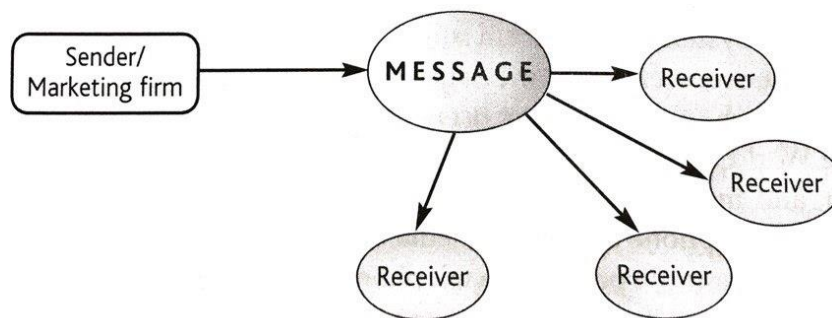


Figure 4. Communication model (Lancaster & Reynoldes 2004: 380).

It is crucial to understand what types of communication exist. A long time ago there was only one type of communication (face to face), now there are already 5 of them, and, there will be more in the future.

### Personal conversations (face to face)

Fortunately, face to face conversations remain the most popular and powerful type of communication. By transmitting message from one person to another, people use human voice as well as other methods to convey the message : from body language to facial expressions, emotions, tone of voice, slang words and other methods that will deliver the message in the most efficient way.

### Voice only conversations

Such voice conversations by telephone, for instance, are close to personal and remain of the most valuable because person holds the attention of the listener and helps to deliver the message by using different tones of voice.

### Digital

Digital communication may include such tools like e-mail service and involve mainly text communication. It maybe be one way or two-way communication. Undoubtedly it is less powerful tool than the ones listed before, however, it allows to deliver the message very quickly to anyone over long distance.

### Multimedia digital messages

Images and audio multimedia messages can be powerful tool for communication as it adds more attention to a person when text message is supported with images or audio descriptions. Moreover, it allows to add more interaction in the conversation. Examples of such messages may be any social network like Facebook, LinkedIn or apps like WhatsApp, Viber etc.

### Text messages

Text only messages are the least powerful tools of communication. The only one advantage of it could be the ease of transfer the message via digital sources in modern world. There are many examples of using text messages. For instance, Twitter, SMS service, emails, instant messengers, RSS feeds (Gibson 2017).

To achieve the best result in reaching the customer, companies should use several channels with one common idea or message behind that.

In order to be closer to the customer, companies explore new media channels, implement traditional (f.e. magazines, newspapers, tv, radio, telephone, post, personal meeting) and monitor overall customer relations. Internet and modern technology has created an excellent platform in which companies use applications that will strengthen their cooperation with customer ( Lahtinen & Isoviita 1994:169).

#### **4 Word of Mouth**

Communication channels are linked to the concept of word of mouth. Especially, in the modern world, word of mouth is distributed via communication channels listed before.

It is essential to introduce the concept of word-of-mouth as a unique type of communication marketing channel that allow to benefit both consumers and companies.

As Andy Sernovitz states in his book (2009:15), word of mouth is natural conversation between real people. Word of mouth has always been with us. Simply because people love to talk, share their opinion and listen to others' views. Everyone talks about products, services, TV shows, celebrities, restaurants, hotels, and other. All in all, they talk about stuff they use on a daily basis.

Even from the Odyssey times and before, word of mouth has always been around. People love to tell stories, as the human being has been a culture around spoken word where lots of storytellers existed. They caught the attention of the crowd and hold them amazed till the end of the story (Hughes 2005:28).

Word of mouth marketing is a special message shared with others via Internet or face-to-face (Blakeman 2014:119).It can be done through basic conversation between people or with the help of any communication types such as text message or voice messages. Word of mouth marketing (here and further described as WOM) is a valuable promotion tool that should be analysed and implemented as a part of any business strategy in the company no matter which industry it works in (Gibson 2017).

Word of mouth marketing is about influencing the conversation in a way, so that people are talking about you, your brand or product. WOM is about joining the daily chat

of people and be involved in it, however, companies should take into consideration the most important fact- never try to manipulate or fake or diminish fundamental honesty of conversation (Sernovitz 2009: 2).

WOM is highly difficult to control and measure, though, it can spread immediately and can be very influential in purchasing decisions. There are many examples of word of mouth that can be found in daily purchases of people. Chances of buying something due to the recommendation from friends or relatives are much higher than due to the influence of any other promotion tool. Think about the last restaurant, the last car purchase, house or flat – most of those choices are influenced by others' opinion or feedback (Gibson 2017).

It is a common fact that a marketing message that comes from a family member, friend, and colleague is way more trusted than paid advertising. Word of mouth reactions, comments or feedback, no matter how they were delivered (digitally or in person), can do more harm or a quick large profit, than million dollars spent on traditional advertising (Blakeman 2014:120).

Word of mouth marketing efficiency depends on satisfaction levels of customers. For instance, dissatisfied customers will tell more people about their experience than those who are highly satisfied. Although if the company solve the problem with dissatisfied customer and that customer is delighted about the way it has been done, company will end up with positive WOM spread that will be more valuable and effective than ordinary positive feedback. Following this, customers who hold strong views will tell more people about their experiences than those with milder views (Lovelock & Wirtz 2011:166).

The main purpose of word of mouth marketing is to ensure that the conversation keeps going. However, it is important that the content should be creative and remarkable. Correct key words should be chosen in order to simplify the search of that message for interested target customers. There is a thin line between positive and negative message. Boring, hard-sell advertisements will rapidly change into a viral message that called spam. Valuable, up to date message – key identification for successful WOM campaign (Blakeman 2014:119).

Nowadays, word-of-mouth conversations also connected with terms like buzz and viral messages. Those concepts have slight difference between each other mainly in the way the message reaches the person.

Buzz is an offline or online conversation that spreads from customer to customer about something of a high interest to them. Simply, it is a natural version of hype. The topic of buzz could be any product, service, place, person, show, performance or even word or idea. Buzz created and spread mainly among customers at street level (Lewis & Bridger 2001:104).

Viral marketing is a concept of marketing message that spreads like a virus or infection – with the speed of a flu disease at school or kindergarten. The message is grown by itself across social networks, e-mail, sms or any other source. Sometimes the customer represents retailer of a specific product or service with the help of viral messages. Main factor in viral marketing is the involvement of the customer in marketing dialogue so that the person contributes to own network of friends like a personal marketer (Lewis & Bridger 2001:143).

## **5 Factors influencing the decision to buy**

Word of mouth marketing is strongly involved in people's decision-making process. Marketers try to penetrate into the daily conversation of ordinary family influencing their decision to buy.

To make a purchase, a decision should be made; this decision requires a specific wish to buy and purchasing power. Purchasing power is a decision about which product to buy and how much the customer want to spend. Willingness to buy depends on three factors: psychological, social factors and marketing influence.

Psychological factors include: needs of a person, attitudes, motives and lifestyles. Social factors consist of people and communities that affect our willingness to buy. Those people could be family, communities, influencers, reference groups. Marketing influ-

ence includes all main promotion techniques to stimulate sales (Lahtinen & Isoviita 1994:63).

Social factors are the most influential in terms of word of mouth marketing, that is why, companies try to focus on specific types of people and facilitate WOM in those specific groups.

People want to be in contact with other people, create relationships and friendships. They also want to be popular, educated and respected by others. Self-esteem should include self- development, desire for education, knowledge and growth as well as sense of doubt about appearance (Lahtinen & Isoviita 1994: 65).

Following this, people listen to other's opinion, look for recommendation when choosing a product, ask anyone that is more trustworthy than advertising. Those conversations also can be a part of socialization and integration into the community you want to be in.

Nowadays, marketers understood the power of social needs of a human and try to use different methods to influence the decisions of their potential customers through those social activities.

### 5.1 Influencers (opinion leaders)

People love referrals. They used to trust the opinions of friends when making a purchasing decision. That is why, marketers look for opinion leaders – people who can spread the information and make it in the most valuable way trying to persuade and influence on others' opinions and decisions. As Philip Kotler states, there are special people that are able to activate social influence on others due to the special skills, knowledge, education or personal characteristics, such as leadership or oral skills. Marketers try to identify those strong personalities and direct marketing efforts to them (Kotler 2013:150).

People like to think that they are very independent and strong, while making own decisions, however, such decisions are shaped with the social life the person lives. From the morning show we see( telling how to wear, where to go, eat, and buy) till the evening time a human may be easily affected by hundreds small but valuable influence

attempts. Not all of them are social influence attempts, however, most of them are. (Arnould et al. 2004:588)

Influencer (opinion leader) – person, usually third-party who significantly sets up purchasing decision to buy a product or affects person's opinion on a particular product, service, idea or event. Although may never be accountable for it. Usually, influence – action of creating a particular environment leading to change or affect favorable opinion on specific issue (Brown & Hayes 2007:49-50). Those people usually active, open, educated, modern, aware of all news that are on stream and interested in discussing the products, brands, event (Lahtinen & Isoviita 1994:69).

## 5.2 Types of influencers

The most challenging part of word of mouth strategy is to know how and who to reach, in other words, how to find those influencers (Chaffey et al. 2009:559).

As Malcolm Gladwell also states in his book "Tipping Point", the focus should be made on small actions that make great impact. His book remains a fundamental book since its publication in 2000.

There are three types of influencers identified by Gladwell: connectors, mavens and salesmen.

Connectors mainly talk with people. Thousands of people. They are natural networkers, love making presentations, different introductions. Usually, those connectors know people in various spheres of life, for example, in social, professional, economic, political and cultural circles. Indeed, connectors are the most influential people for word of mouth as they spread the message and link useful for marketers' people with each other.

Mavens are very educative, knowledgeable people. They consume and share a lot of information. Following this, such types of people often may be astute and identify individual patterns and trends.

Salesmen are real persuaders with strong leadership skills. They usually very charismatic, open people with the ability to communicate on a professional basis. However,

rather than being aggressive, they hold the 'soft' position. Rather than doing something on purpose, salesmen search for tendency of others to imitate each other and try to insensibly influence at this stage of decision-making process (Brown & Hayes 2007:38).

### 5.3 Why influencers are effective?

It is crucial to understand why people need influencers and what do they do. Firstly, they optimize the message and transfer it to potential customers in the easiest and fast way, therefore, customers benefit from it. Whereas, marketers, have more simplified route to their target market. Secondly, influencers amplify the message in a way that it becomes more valuable. When a message goes through the influencer, it carries more weight and impact than before due to the fact that influencer promotes the product with his communication skills, knowledge of pattern and tendencies of people he/she talks to. If the influencer says so, it must be true – this is how people view it (Brown & Hayes 2007:142).

Moreover, with the help of social media and Internet, overall, message can be spread and reach any person easily. It is the nature of social media to spread the information widely across the web, however, when it comes to influencers, the content carried with authority and the impact is way too serious and intelligent (Brown & Hayes 2007:148). Different types of individuals may act like influencers in purchase decisions. Consultants, business gurus, distributors, authors, famous orators, financiers and numerous other people could represent opinion leaders (Brown & Hayes 2007: 49-50).

For example, Jackie Huba (famous authors of books about WOM and customer loyalty) explained that only 1% of all customers of Marriot Hotels chain are their real focus group that contributes to the company's performance. Those are real fans and people who enjoy the hotel and brand and are happy and wish to spread the information to the world. Following this, they may act like opinion leaders and influencers for the company, as well.

### 5.4 Reference group

Another type of people influencing word of mouth is reference group. It is a number of people who share common interests or goals and interact with each other according to



these objectives. Each member of the group linked with others by specific characteristics, hobbies or interests. Besides this, each member perceived by others and all are bound together and interact over time (Foxall & Goldsmith 1994:193).

Many products bought by the group pressure as consumers try to buy something that others have or want them to have. People tend to think what other people will think, accept or envy. Customers may buy specific products that were discussed with reference group beforehand. That one product could be the connector of all members, its main objective and topic. Indeed, the product should stand out and catch attention, it should be something that is unique or something that creates buzz.

Reference group conversation mainly attaches to the brand or product. For instance, Apple fans chat in Facebook group about the new product or service.(Foxall & Goldsmith 1994:193 ).

A reference group can also be a single person. For example, actor, singer, sportsmen, and idol with whom a person likes to be identified. Identification is a key indicator for customer before deciding. Consumption styles and product choice are being imitated according to the object of identification. Nowadays, there are many famous people acting like a reference for potential customers. Madonna, Kim Kardashian, Rihanna and many others advertise products, services, ideas or events (Lahtinen & Isoviita 1994:69).

## 5.5 Family and friends

Many purchasing decisions are made according to the opinions of a family, colleagues or friends – people who link the human to the wider society and social life itself. They represent the most important social group that influences on individual consumption decisions. The attitudes or preferences and behaviour may vary due to the influence of one family member on other. It will undoubtedly affect purchasing decision, although, consumer needs and its satisfaction differ in family life cycle (Lahtinen & Isoviita 1994: 212).

A child's opinion, for instance, is highly influenced by family members, as well as friends opinions between each other. Also, spouses affect each other's opinion (Lahtinen & Isoviita 1994:68 ).

Most of the word of mouth takes place within a family group or group of close friends. For example, there is a significant number of advertisement on TV or in social network where core element or idea- friends or family discussing some product at home, or together. It leads to the fact that most of the consumption decisions are made in family environment affecting the desires and wishes of other family members.

Even the most personal purchases can be affected by the buyer's behaviour in family. For example, a person may buy only BMW cars as all family members are fans of the brand and everyone drives this car in the social circle of person (Foxall & Goldsmith 1994:197).

## 5.6 Emotional appeal

Emotions also affect human's purchasing decision, and marketers try to influence those emotions with the help of different promotion tools.

There is great number of choices a person could make, however, choice criteria may be complex. In order to make the final choice and choose between hundreds of brands, marketer influences a customer by increasing positive emotions towards a product or brand to achieve competitive advantage over the others.

Moreover, professionals know that buying always tied to feelings (O'Shaughnessy, J. & O'Shaughnessy N. J., 2003: 6). Everything we buy – new dress, bar of milk or hotel – somehow is based on emotional appeal. Nowadays, emotions replace physical attributes to influence the market.

For example, Coca-Cola Company has created an emotional universe for consumers all over the world. From the advertisement about Christmas to cans with personal names on it, company steps into the personal life of every customer and affects its emotional appeal to the brand.

When there is no emotional value in company's strategy, there is no relationship with the customer at all. Ideally, there will be an incidental and exceptional purchase by the

customer, although he/she will never come back as the product does not vary from many others by customer's perspective (Freemantle 1998: 3-4).

## **6 Word of mouth marketing in a modern technology**

### 6.1 Technological evolution

Prior to 1991, it was difficult for Internet users to find any information or other connectors. However, it changed in 1991 with two main the inventions – creation of search tools and World Wide Web code. The phenomenal growth was not predicted by all possible measures. From the number of households and businesses connected to a large number of websites created. Nonetheless, profits did not grow at all even though enterprises invested millions of dollars into the new internet economy (Roberts 2008:6).

However, the situation has changed significantly, and recent technology has created a digital age.

The enormous growth in computer innovations, information, communications has created a major impact on the value companies started to bring to their customers. Today, everyone in the world can be connected to each other and find information on any topic. Twenty or thirty years ago to receive news about important word events or connect with relatives took days or even weeks, whereas now, there is only a few moments by Internet in mobile phone or webcam on the computer (Kotler 2013:23).

The unique characteristics of new network allow connecting any set of people or organizations in the world. Results of this cooperation are seen in strategic opportunities and options for businesses that were previously even unthinkable (Roberts 2008:11). Business firms and customers are now in positions of partners, their aim is to build profitable relationships where both parties benefit cost effectively. Both can contribute to those relationships in real time. Firms can learn on individual examples how to satisfy needs and wants of customers by using modern Internet technologies (Lancaster & Reynoldes 2004:215).

## 6.2 Customers' behavior in the new environment

Changes in the technology are the most influential and fast changes in recent years. Customers became way too educated and knowledgeable during the whole decision making process, because the availability of information has grown significantly.

For example, mobile phones and technologies allow customers scan barcodes, get all the information about the product, connect with reference group, and look for alternatives and recommendations on the go within several minutes.

More people, particularly young audience, spend time online and less time watching TV or radio (Barefoot & Szabo 2009:14).

Information availability closely related to Web 2.0 that has created sensational transformation of how customers act today. People talk with others, create communities, forums, events, talk online about products or services, basically, involve in far more intense word of mouth that is used to be. Information is no longer limited to any borders, families or societies: people are not communicating with only people they know.

The interactive technology has created special "self-service" environment for the customer where he/she chooses the websites to visit, controls the communication. As an example, banks allow customers to have such self-services. It is easy as never to pay bills, check balance, apply for a loan, pay for electricity or house online. Practical problems such as language or cultures still exist, but it develops every day to the extent that has never been that effective before (Roberts 2008:23; Lovelock & Wirtz 2011:176).

## 6.3 Marketers' behavior in the new environment

Marketers use the Internet for many purposes: promoting consumer awareness, provide information, facilitating customer relationships, stimulating product tests, measurement and analysis of advertising campaigns.

Firms place advertisements on their websites and on many others. It allows them to support already existing communication channels, but at a reasonable price. Despite

this, it is crucial to understand that any element of marketing communication mix such as Internet advertising should be a part of efficient marketing strategy that includes various marketing channels.

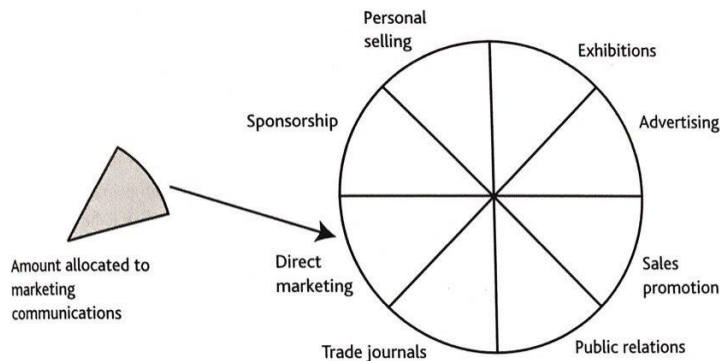


Figure 12.3 Marketing communications mix

Figure 5. Marketing communication channels (Lancaster & Reynolds 2004:275).

Indeed, marketers found that not all customers are profitable. Nowadays, companies may track customer behavior, measure profitability of each customer and improve overall strategies and profitability according to those statistics (Roberts 2008: 26).

#### 6.4 New marketing opportunities

Companies should take into consideration the crucial switch in consumers' behavior and look for great opportunities that opened for them in a modern world of Internet. Firstly, and one of the most important tips for companies is listen to their customers. By listening to customers and their online buzz, companies may improve their product; create new research& development strategies, success measures, marketing tools.

Secondly, there is a great opportunity for constant and honest feedback from customer. In popular social networks like Facebook, VK or LinkedIn, there are plenty of active consumers that are ready to provide immediate responses (Roberts 2008: 29).

Thirdly, social media allows companies find new communication strategies and channels to integrate with the customer. The more important is a fact, that customers are no longer want to receive advertising messages or banal news, they want to be an active part of those messages and communication channels. Such new strategies may

be applied in, for example, Instagram, Twitter, Facebook and Pinterest (Kumar et al. 2012:8 ).

## 6.5 Social media

“Social Media is the biggest change since the industrial revolution” - Business week said this as far back in 2005.

What is social media?

Simply, it is the electronic platform (special websites or microblogs), that is used for sharing information, ideas, personal messages, pictures, videos and other forms of communicating channels between people across the globe.

What is Social Media Marketing?

Social media marketing is the action of using social media platform to promote company, products or service. This type of marketing works as a supportive tool in cooperation with well-known traditional promotional strategies. It qualifies as a form of word of mouth marketing (Barefoot & Szabo 2009:13). Social network opens new opportunities and allows to identify customer need on a 24/7 basis (Lewis & Bridger 2001:120). Examples of modern social media include different review sites (like TripAdvisor), discussion groups, ratings, blogs, YouTube, e-mail, Facebook, Instagram, price comparisons websites and many other.

Conversation happens, whether marketers like it or not. Blogs, as an example, already achieved the number of 200 million according to Darren Barefoot. Moreover, Facebook has more than 300 million active users. Apart from it, there are plenty of other social networks that are popular and influential for marketers. All in all, million dollars today are going to social media and internet. Besides this, the amount of investment will increase year by year since the innovation era has just started (Barefoot & Szabo 2009:14).

Customers have found a completely new way to find out about the products or services they want to buy or use. Modern community is moving towards shorter, more efficient

and personal communications. In digital world the old advertising model (with its 15-30 seconds TV advertisements) does not work anymore (Chaffey et al. 2009:563).

#### 6.5.1 Significance of social media

With this culture of sharing ideas and content come two important characteristics that social media has: transparency and authenticity (Barefoot& Szabo 2009:10).

Moreover, it is not an unfriendly, hostile place that it used to be before the Web 2.0, as key word of today's Internet is collaboration. Collaboration has created the enormous number of valuable actions bringing other people the very best of themselves, whether recipes or participating in raising money to help fight cancer (Barefoot& Szabo 2009: 7). Following this, technology has significantly changed the amount of opportunities humans can implement in lives. The mechanisms through which people could influence used to be very limited, especially on a global scale. There should be a person working in the government or in international corporation or be widely known, respected person. Nowadays, to change something even globally, everyone needs an access to a PC or phone with wireless connection (Brown & Hayes 2007:147).

Interestingly, but today, customers, not companies control the information flow of marketing that is connected to any of product (Smith 2011: 9).

Social media allows building new relationship with anyone (no matter where you live and which language you speak), understand each other's preferences, needs (Smith 2011:10).

When looking for a holiday trip, nowadays, customers just open The TripAdvisor application, type the favourable hotel or city and find all the information about it from recent visitors.

Social media has created a niche for everyone, whether it is a Chinese football team or jump enthusiasts - all can find each other and create communities. The ease, low cost and simplicity of setting a website or writing a blog has allowed football fans ,Apple fans or Zumba dancers to coordinate and build own personal relationships. Just one click on the screen, people turn strangers into friends and observers into creators (Barefoot& Szabo 2009:3 ).

## 6.6 Word of mouth in social media

Since the invention of Internet and popularity of social networks, word of mouth has started moving faster than ever before. Now, a history of word of mouth marketing has changed significantly and will be recorded forever. Internet has changed the speed of word of mouth, it has now become fast, powerful and even dangerous (Brown & Hayes 2007:147).

For instance, nowadays, it is easy to share the photo of a new shop and send it to all friends in Facebook, as a result, there will be a buzz going on already, as well as word of mouth will immediately starts working.

At the same time, negative feedback about the film will immediately cause the situation of destructive word of mouth marketing (Hughes 2005: 26).

### 6.6.1 Examples of word of mouth in social media

The influence of word of mouth in internet is way too faster than anyone might think. As an example, sister tells his brother about new café opened nearby. Then he spreads the message further to his mother or friends. However, if sister tells the same story to one of the Facebook groups (about good places to eat, for instance,) she will get thousands of reviews and the café will be probably full soon (Barefoot& Szabo 2009: 14).

#### Apple iPod battery

A well-known story about WOM happened with two brothers, ordinary customers that created a film called "Ipod's Dirty Secret" showing their findings about an iPod battery. It started with the fact that Ipod's battery did not work, they called to the service and man told them that the battery was dead. As a protest, they stencilled phrase "iPod's unreplaceable battery lasts only 18 months" all over Apple's poster ads for that iPod product. Following this, video was viewed by over 6 million people in month, reaching 15 million in total (before the invention of YouTube). Eventually, Apple improved the battery.

This is an example of negative word of mouth that has been spread like fire over millions of people. (Roberts 2008: 31).



## Starbucks

Starbucks has the special website (idea.com) that is made for helping the company to generate new ideas, be closer to their customers, show them their values. Over 80 000 of ideas generated from that platform and more than 50% have been implemented somehow. Company recruits people and fans that are creative and bring valuable suggestions for the company performance (Bernoff& Schadler 2010: 104).

It is a perfect example of tight cooperation in social network, word of mouth spread that leads to benefits for all parties.

### 6.7 Traditional media helps WOM

However, no matter how fast the digital era grows, human being will not spend all their time online. That is why, it is important to understand that marketers do not have to choose between modern or traditional methods but choosing all of them in right proportions to reach the target and provide efficient service, promote the brand, incorporating social message into visual message.

Traditional media helps marketers to create a foundation to familiarize customers with the brand or product. Following this, when customers go online, they are sharing information, chat with people about already known facts that initially have been provided by traditional marketing channels.

The successful traditional marketing campaign automatically becomes a topic for discussion and generates buzz. There are plenty examples from Old Spice to Apple. The aim of such campaigns mainly to catch initial attention to the brand, its tagline or values in order to create word of mouth and spread the message further in social media (Blakeman 2014:57).The importance of word of mouth is significant as every dollar spend on advertising should create buzz (Hughes 2005: 5).

## **7 Why word of mouth is so influential?**

In the Digital and Technological Era, we are overwhelmed with enormous amount of information. People do not want to spend time on searching and distilling the information overload. Thus, word of mouth has become a necessary timesaver. It is much easier to receive already sorted valuable data as a benefit for people and let professionals do their job: investigate and filter it (Silverman 2001:9-10).

Consumers can now choose between tasks that consume a lot of time and implement time-saving technologies. Moreover, new generation is involved in multitasking. For example, driving a car can be mixed with telephone calls, surfing the web, social networking, e-mail check and so on. Thus, companies must provide services that meet new requirements people want to have, paying attention to time saving features (Kumar et al. 2012: 7).

Furthermore, word of mouth is trustworthy source (Hughes 2005:25). Potential customer is more likely to trust the opinion of third party, according to his/her already sorted independent review, than from someone that has deliberate interest in promoting something for you. This unique credibility gives word of mouth much of its influence. That is why, if you ask people why word of mouth is so powerful, they probably tell about its natural independence and objectivity ( Silverman 2001:26).

Moreover, expectations of the customer are higher nowadays than they used to be. As people become more educative, informed about market and its services, they develop new needs that change too fast (Kumar et al. 2012: 7). Customers want to have a control over all aspects of life. They want to control what they consume, what they buy, control their privacy, information around. Ideally, customers want to receive a product that combines all those features in one package. Besides this, they want to receive it right now on a 24/7 basis (Roberts 2008: 29). It is a time when no one believes in manufacturers, retailers or any other providers.

Modern consumer more individualistic than old one. People do not want to buy this milk. They want to know where it comes from. Is it organic? Is it vegan? Is it healthy?

Hence, customers are more involved in most the actions. They check labels, prices, look for recommendations, reviews etc. (Boyett, J. H. & Boyett, J. T., 2003:195).

Customers loose attention so fast. If there is no personal relevance, they rapidly switch to something else.

As a result, such careful customers look for word of mouth that will bring them more value and allow the possibility to choose the best product or service.

To sum up, Japanese distinguish between *miriyokuteki hinshitsu* (quality that fascinates) and *atarimae hinshitsu* (quality that is expected), new customers want *miriyokuteki hinshitsu*. Today, the best source to find it – word of mouth that is much more reliable than any source of promotion. (Boyett, J. H. & Boyett, J. T., 2003: 195).

## 8 Methodology

C. Kothari (2004: 2) describes research as:” Search for knowledge through objective and systematic method of finding solution to a problem”. The process includes statement of a problem, formulating the assumption, collecting facts and data, reaching a conclusion.

The purpose of any research is to find answers through application of specific techniques. The main goal of a study is to find a correct answer on a question that has not been identified before.

Since the research viewed to be empirical, there are three types of questions that can be formulated in the research. First type is exploratory questions that are directed to discover phenomenon or situation. Second type is descriptive questions. The aim of those questions is to provide a description of phenomenon or situation. Questions often start with “How?” .Third type is causal questions where the purpose is directed towards the reason of the phenomenon or situation. Usually question starts with “Why?” and “What?” (Mligo 2016: 42).

Descriptive method is chosen in the survey since the aim of the research is to obtain the information about the word of mouth marketing influence.

There are two main research methods: quantitative and qualitative.

Qualitative method is focused on finding a quality of something. For example, when human behaviour or psychological characteristics needs to be investigated, various

associations tests are applied, as well as interviews, attitude and opinion tests (Kothari 2004:3).

Qualitative method is focused on measurement of quantities or amount. It is supposed to provide sufficient data that can be collected by several methods: observation, personal interview, telephone interviews, mailing or questionnaires (Kothari 2004: 17).

A quantitative method is chosen for the study. It is usually conducted by questionnaires and has emphasis on verification and testing. It allows examining the market by collecting the answers of customers, for instance. Method is the most preferable for the thesis due to its ease and convenience for respondents. For instance, the interview method is not appropriate for this research due to its time limits. Moreover, the purpose is to get short, clear answers rather than interviewing people or look for their behaviour.

The research purpose is to identify the marketing position of specific chosen company, collect and analyse data and provide conclusions and marketing perspective according to the results received by respondents of questionnaire.

A survey is directed towards the analysis of efficiency of word of mouth marketing within chosen company and in the market, as well. Received information is based on people's attitudes, experiences and opinions. As a result, specific picture of consumer behaviour can be identified as well as clear view for the chosen company to plan marketing strategy.

The theoretical background creates a guide for empirical research and helps to identify significant questions that reflect current problems or trends on the market. Deep understanding of main concepts, its relevance today as well as growing trends identified in theoretical part with regards to word of mouth. Then, on the specific company case, the influence of word of mouth is proven on the examples and results obtained through answers of respondents (current clients of the company).

Survey is made according to judgement sampling as the selection is made by the researcher (Kothari 2004:59).It is created by Google Forms program which is very simple

and free tool that allows to create own questions in any form that is needed. Data is further analysed in Excel program. There are 13 questions, most of them with only one choice option.

Data collection is done by leaving printed surveys in one of the auto service's waiting room for clients. One of the company's workers introduces the goal of the survey and asks for help. As a result, clients have been chosen randomly.

Research data has been analysed immediately after all questionnaires have been collected. Additionally, the questionnaire has been made in Russian language; however, it is translated to English for the thesis (see appendix). Also, there has been two weeks for answering questions.

## 9 Company overview

Green tyre was founded in 2009 year. Company provides tyre repair service, different other repairs of the car, as well as working as internet shop for tyres and automobile disks. The Company is located in Saint-Petersburg, having more than 10 offices around the city. Nowadays, the company works as retail and wholesale provider. Moreover, Green tyre works with corporate clients and started the storage of tyres in recent times.

Products include famous brands such as Michelin, Kleber, Yokohama, Hankook and other popular tyre firms.

The consumer target group of the company is mainly middle-class adults from 25-55 years. Those are the people with passengers' cars as well as minibuses and trucks.

The price is set to be a little bit higher than other competitors in the market, however, it is based by the cost of equipment they use and overall service with interior of auto services. (equipment provided by Hoffman Company known to be a reliable mechanism for tyre-repair) However, Green tyre is well-known for having many seasonal sales or coupons with lower prices.

Other than the noted, a few months ago, company started to work as franchising. This action will allow them to grow faster in Saint-Petersburg and other cities in the near future.

Basically, it is a well-known company that shows their presence on the market with the help of different communication and advertising channels. Indeed, they invest in radio and billboard advertising so that the presence on the market has high awareness. You can find posters on the streets in all parts of the city. Following this, there is a belief about word of mouth influence that affects company's image and success. Buzz is going on about the Green Tyre about its perfect service, professional equipment and fast-service.

### 9.1 Purpose of the research

The main purpose of the study is to examine the effectiveness of word of mouth marketing in Green Tyre. As company is well known for quickly becoming of the most spoken auto services in the city, the survey goal is to examine how correct this information is.

The goal is to find is there any buzz about the company and where does it come from. It identifies how customers choose auto services, what are the most important features for them, what are the main motives of customers when choosing the brand. The importance of recommendations, reviews and overall buzz is asked in the survey. Moreover, research survey is questioning how target group reflects to social media, what do they want to see there to react more rapidly. Indeed, it shows possible problems company may have in connection to its marketing strategy.

Also, analysis of marketing prospects of the social web and its importance in overall marketing strategy of the company to reach its target audience is examined in the study. More specifically, survey identifies what are the best marketing channels the company uses and which work best.

## 10 Findings of the research

People were provided with a printed survey with 13 questions. They were asked to answer them in the waiting room while car was in service. It may seem that 35 respondents is not enough for efficient analysis, however, the flow of customers in the automobile industry is not that big in comparison to many others, moreover, research was conducted offline but with real, valuable customers that can provide honest and reliable feedback. Moreover, all 35 questionnaires were completed, so the answer rate is hundred percent.

From the 35 completed questionnaires the majority were males and only eight percent females. It is not the surprise as the automobile industry, and especially auto service industry is popular mainly between males.

Following the section of age, the prevail amount of respondents were between 34-40 years old (37 percent). There were also a big percentage of people between 41-48 years old. Despite this, all age groups were implemented into the survey as may be seen on the diagram below.

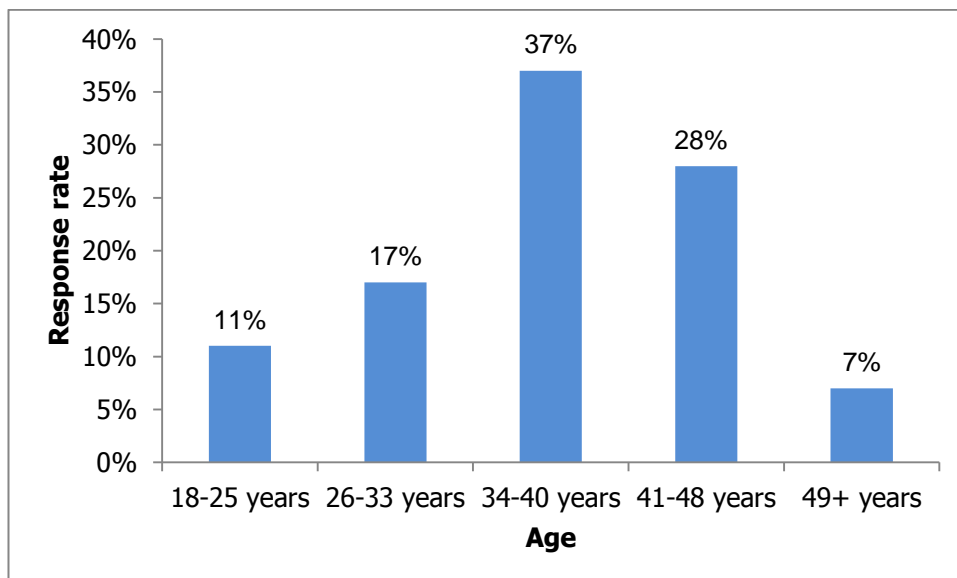


Figure 6. Age of respondents.

Then, very important question about previous visits to Green tyre was asked. As it can be seen on the table below, 87 percent of respondents never used company's service before, whereas around 12 percent used it more than one time. These results are quite

promising, because if around 4 people already come back, most probably they are satisfied with service and will do the same in the future, as well as attract others. Other than that, there are 1 percent of people that visit the company on a permanent basis.

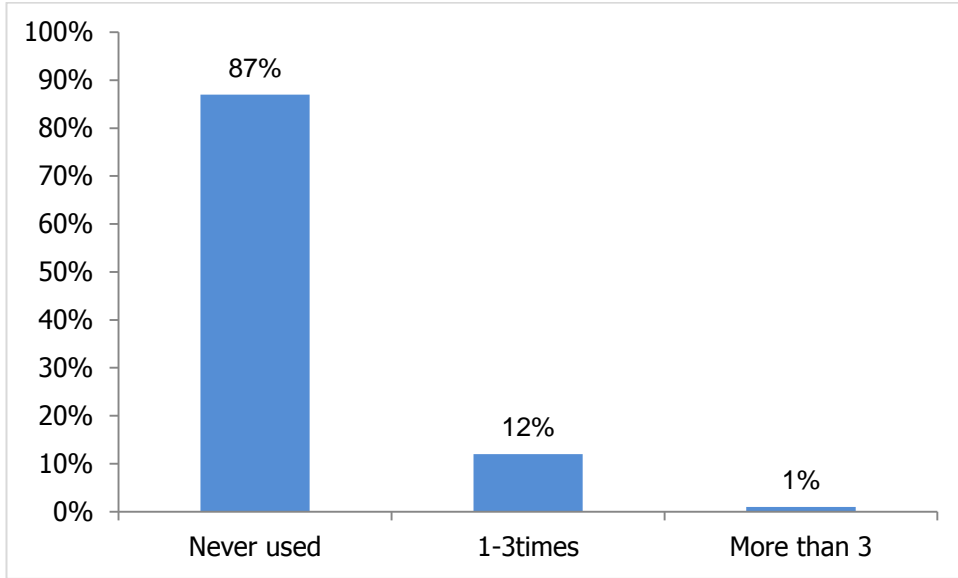


Figure 7. How often do you use Green tyre?

Respondents used mainly tyre change service (98 percent) while visiting Green tyre. This question may show subjective view, due to the fact that the questionnaire was conducted only in 1 office of Green Tyre where customers mainly changed tyres. It was impossible to measure the overall picture as different services of the company separated by location. For instance, in contrast, if the questionnaire was given in the storage office, the same results would have been achieved there.

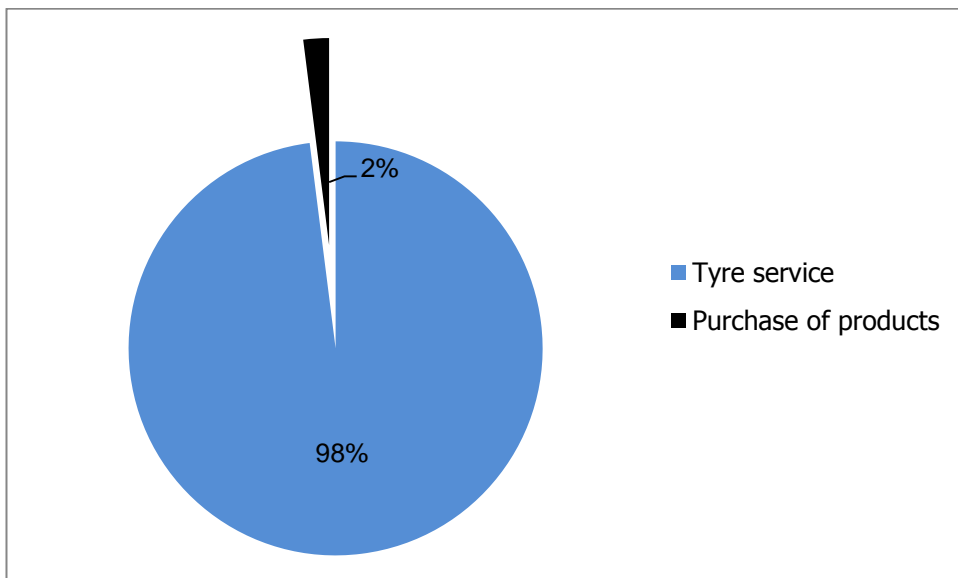


Figure 8. Which service do you use in Green tyre?



The essential question was asked about the company: How did they come to Green tyre? Research showed that the number of people coming by recommendation (whether friends, relatives or internet reviews) had reached 35 percent. What is more important is the fact that banner advertising (meaning outdoor billboards here and further) has been affected 33 percent of clients. Internet advertising means various ads on websites. Social media includes all websites like Facebook, LinkedIn, forums, blogs and others. All in all, such questions may allow company to find their rationale between marketing channels and help them to find the most valuable. Sometimes it could be very challenging to identify which marketing channel to use as nowadays, there are plenty of options to reach a consumer.

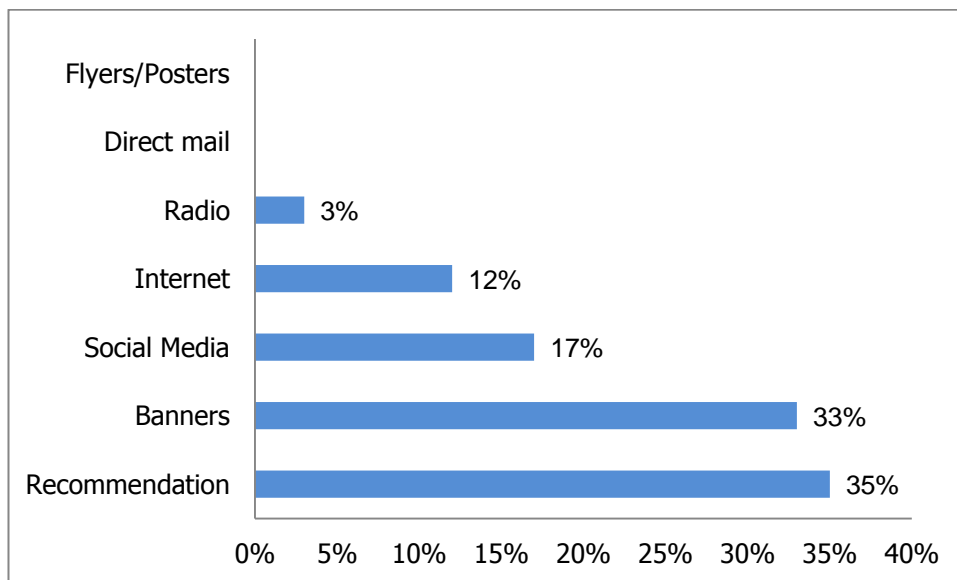


Figure 9. How did you hear about Green tyre?

As the research is mainly conducted to know about word of mouth, it was essential to know the reviews more precisely. The figure below shows that 73 percent of respondents did not look for reviews before choosing the auto service. However, if to sum up previous question's results about recommendations with current results of reviews (around 27 percent people checked reviews before coming to Green tyre), it becomes evident how well the company distributes buzz and how many reactions people have on what they do.

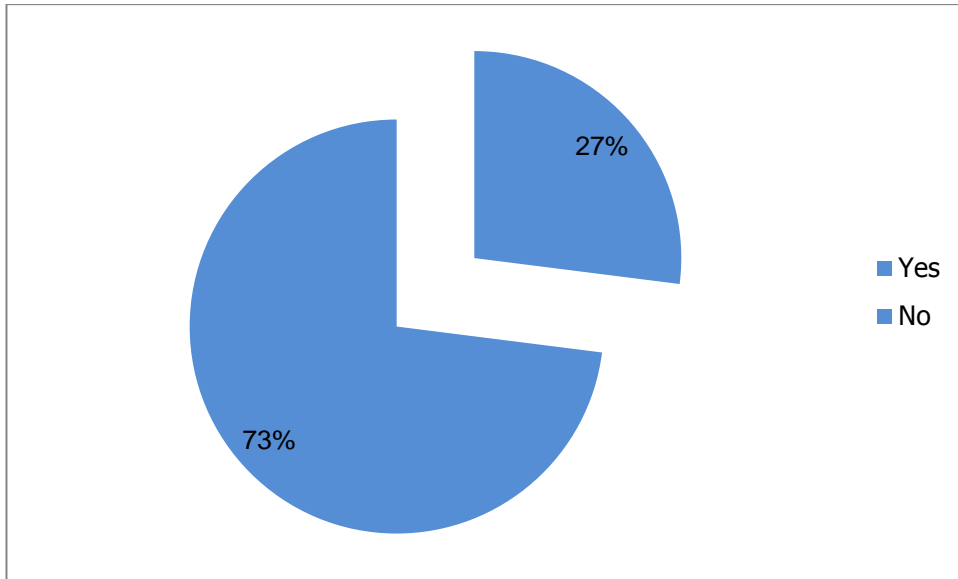


Figure 10. Do you usually search for reviews before choosing an auto service?

It was quite evident that respondents will mostly be sensitive to price and service. Fifty seven percent of respondents tend to use Green tyre for its fast actions and polite staff. Location is not the priority for most people, however, the company is located in a profitable and noisy districts of the city. Quality seems to be significant for some (approx. 4 percent) audience. It could be so that an automobile industry and the action of changing tyres usually is not associated with quality, it is more likely about time.

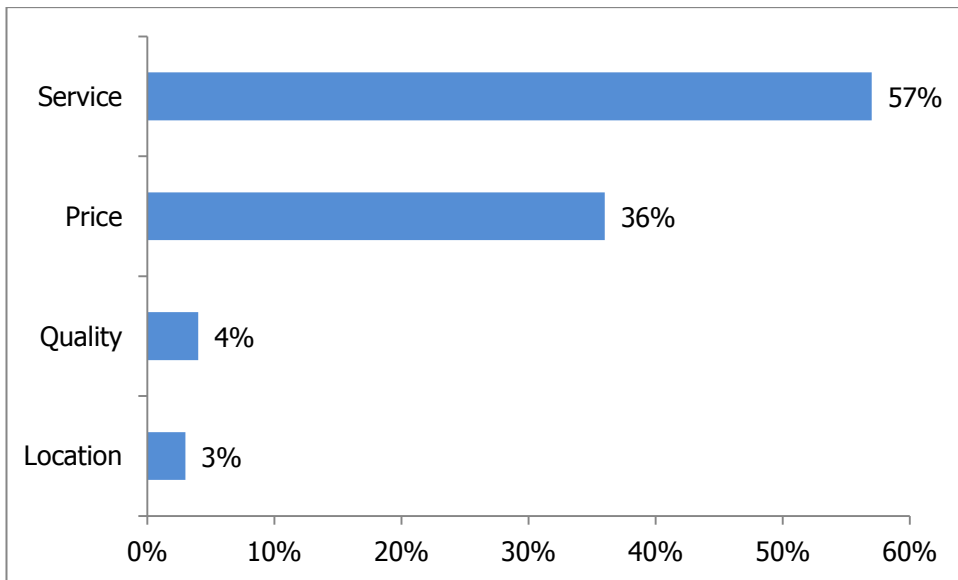


Figure 11. What is the most valuable feature for you?

To measure brand orientation and customer loyalty, there was a question given to participants about their relation to any specific auto service. Most of the people (42 percent) do not differentiate companies and rely on other value rather than brand orientation. However, 38 percent of participants said that they usually used same service from

time to time. Difference between all choices is not that significant in comparison to many other questions with clear replies.

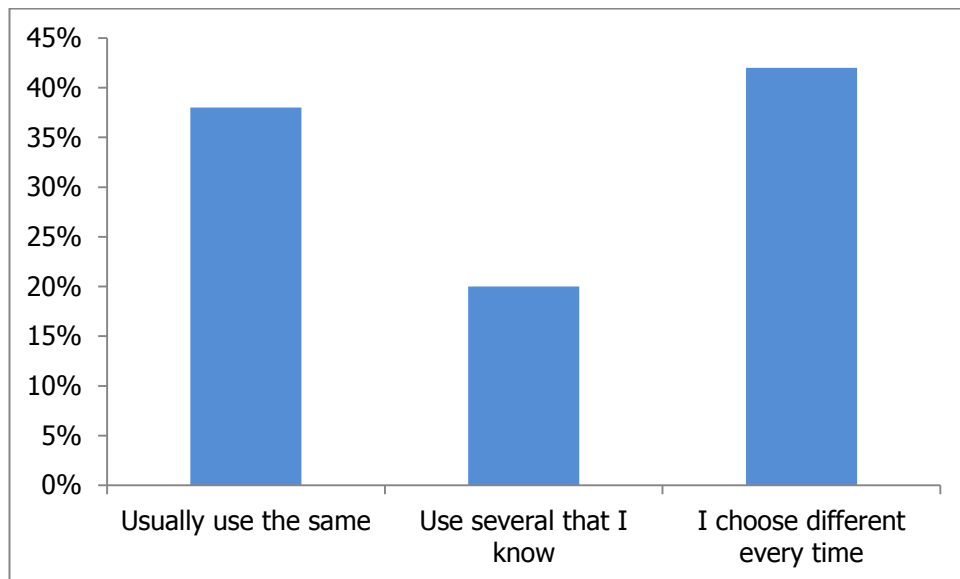


Figure 12. Do you prefer using same auto service or you choose different?

Next question was related to customer decision-making process. Respondents were asked to identify how they search for auto service. 31 percent of participants usually ask people that they know, probably because the information will be more trustworthy and less time is need for search. However, there were quite many people that search the web (28 percent) and look for something nearby (27 percent). It is interesting that the location here is almost on the same levels with other preferences whereas when people were asked to identify their values, they put location on the lowest level. Moreover, price option that was one of the most valuable variables for participants now reflects only for 6 percent.

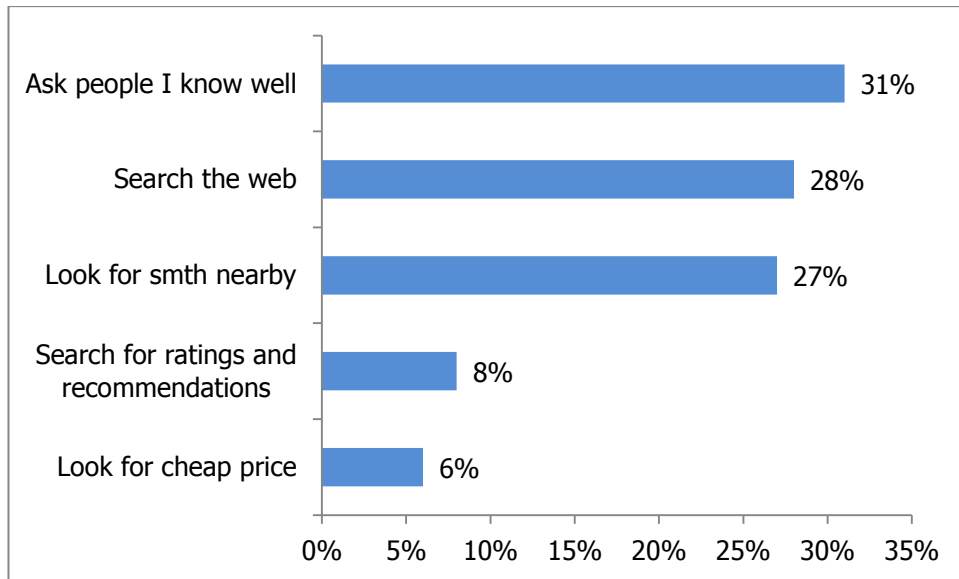


Figure 13. How do you search for auto service?

The next significant question related to word of mouth was asked: do people share their experiences with friends, relatives or colleagues after using the auto service? The results show that most of the clients will probably tell somebody about the experience. It means that in most cases the conversation exists within the family about the services and products they use on a daily basis (approx. 85 percent of participants share their views with others).

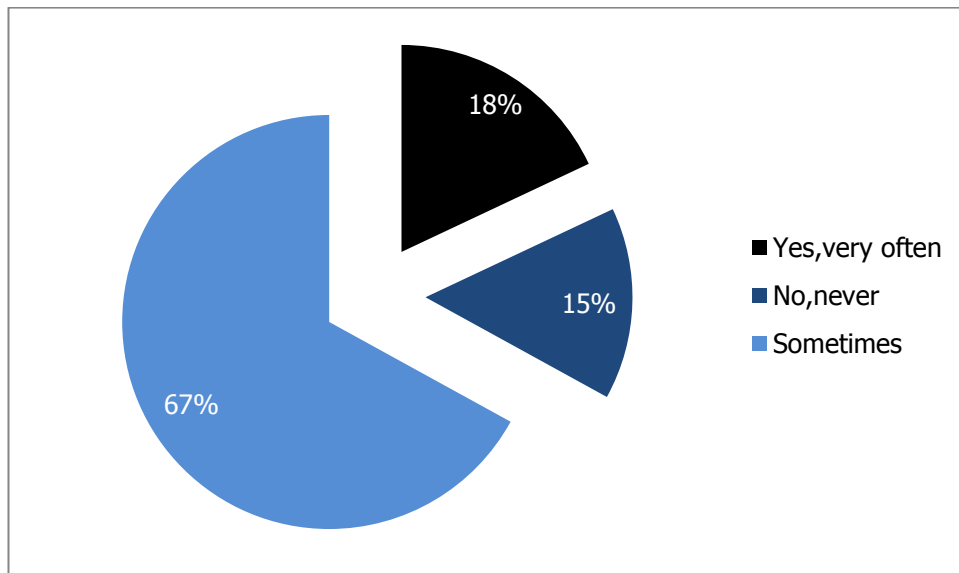


Figure 14. Do you share your experience about an auto service with friends/relatives/colleagues?

Then, it was essential to identify which marketing channel is the most popular in auto service industry in Saint Petersburg. As a result, banner (billboard) advertising was the most popular and visible for clients. Talking about Green tyre, for instance, there is a big number of outdoor billboards around the city as well as internet advertising. There is a slight difference in numbers between three most noticeable communication channels: Banners (approx. 29 percent), Social Media advertising ( 24 percent) and Internet (27 percent).

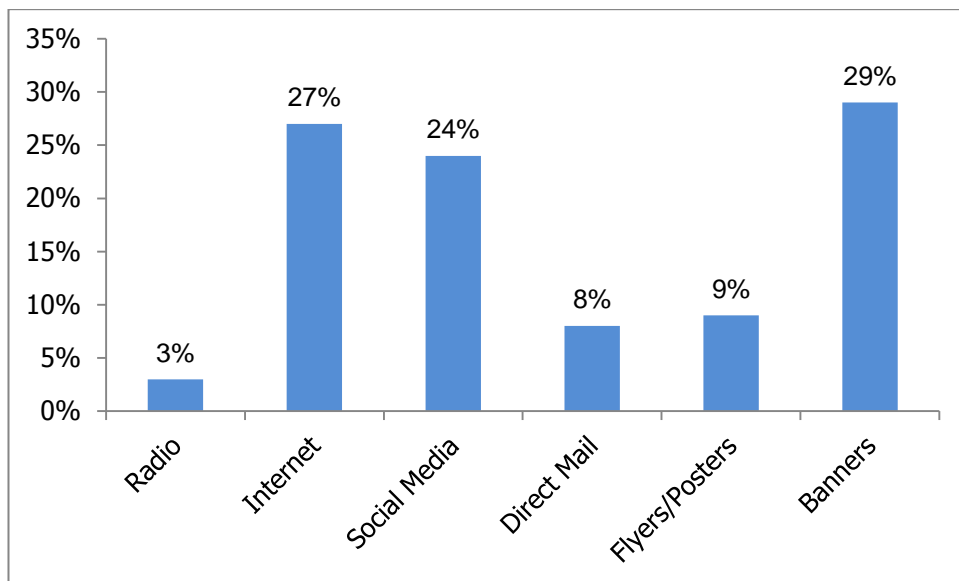


Figure 15. What advertising channel do you see most often (in terms of auto services)?

Respondents (clients of Green tyre) were mostly satisfied with the service as the number of people willing to tell others about the company is a little bit higher than those who does not want.(if we consider forty-six percent plus twelve percent of respondents) . However, it is crucial to identify why people do not want to tell others about Green tyre. More precise analysis of this topic will be made later in the report.

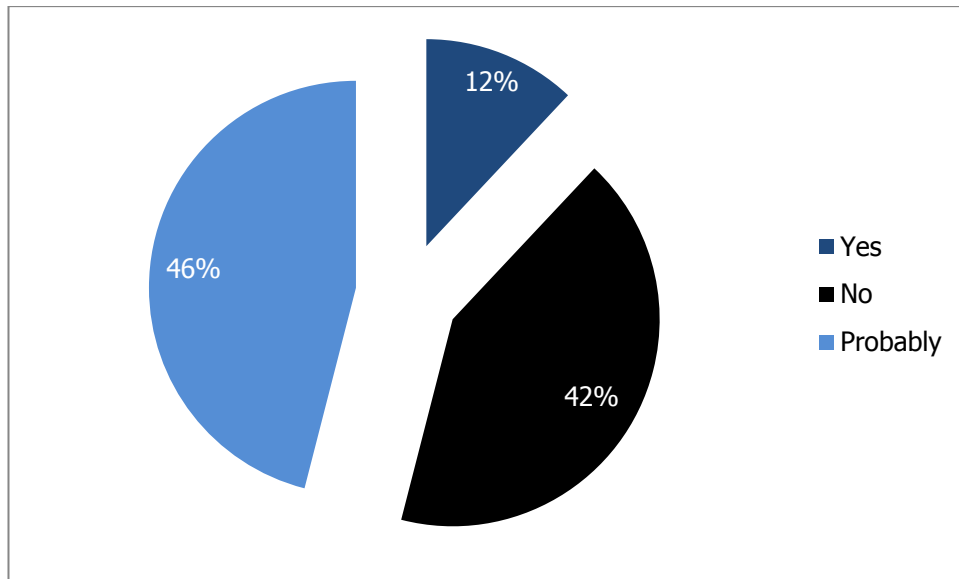


Figure 16. Will you tell other people about Green tyre?

To conclude, the final question was asked about word of mouth spread about Green tyre company. 54 percent of participants said that they heard at least one or two times about Green tyre before and 9 percent said that they heard about the firm many times before. It already shows quite promising results for Green tyre as buzz level is high according to several questions from survey.

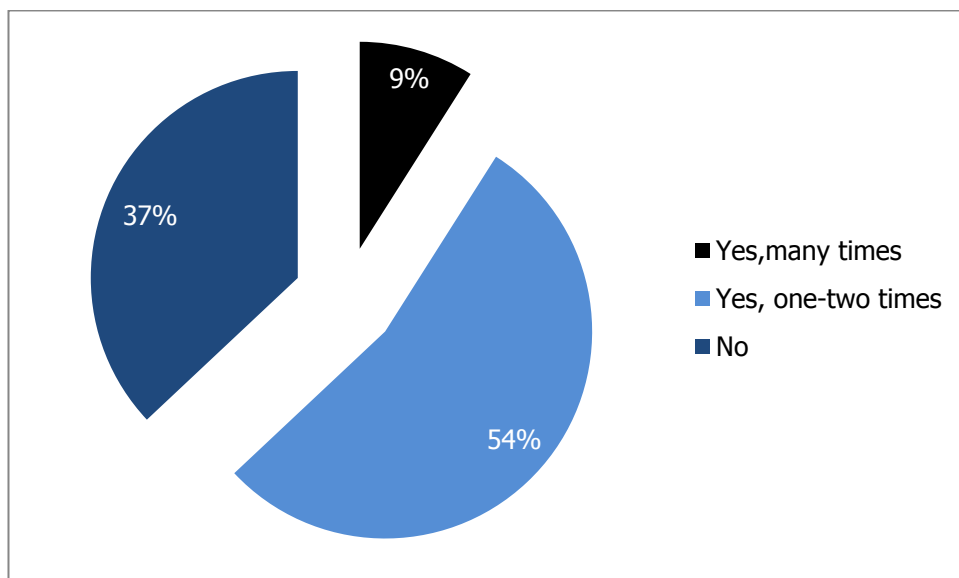


Figure 17. Have you heard something about Green tyre from people before?

## 11 Analysis of survey

The survey has started with demographic questions connected mainly to targeting. The goal of this work was not directed to target analysis, however, for any marketing report it is fundamental to get to know the audience and its preferences. By identifying our target group, there are higher chances to attract significant customers for whom company is going to sell products or services.

Target audience is mainly middle class men from 34-48 years who most probably have families (as the target age group implies this). The circle starts to shrink already, however, it is crucial to identify target preferences in terms of location, customers' needs and values when choosing a product, brand or service. Throughout the survey, company could already find out a lot of information about the customers. For instance, location (question 7) showed up to be the least important feature for customers, whereas service and price are at the top. From this information company may conduct more specific analysis on what issues exactly satisfy customers in terms of service and what actions should be made to increase quality rates (now it is only 4 percent).

According to information gathered about target group, the company may also identify potentially successful marketing channels to encourage word of mouth.

The survey has shown that the main marketing channels are outdoor billboards, internet advertising and word of mouth that became the most influential sources for Green tyre.

According to the information obtained (questions 5, 9 and 11), marketing communications channel strategy can be created for Green tyre. Billboards reflected to be the most seen advertising channel of Green tyre nowadays (from the 5<sup>th</sup> question). It is influenced by several factors.

First of all, auto service industry does not use modern marketing channels yet. Moreover, the target group that was identified before influences the attractiveness of this type of advertising. Billboards are seen everywhere while we drive and while wait for the green light on crossroads. Indeed, Green tyre is the auto service and all customers – drivers. That is why, it is not the surprise to have a specific marketing strategy that is directed to visual ads on the streets while a person sits in the car.

Secondly, it is the uniqueness of the Russian market. Overall marketing in the country develops slower than in other countries like USA, Germany or France. Today, for instance, 50 percent of all Russian companies still do not have even a website, meaning that there is no marketing in Internet and social network at all (2GIS 2014). By looking at competitors' advertising model, almost same results appear (question 11). Auto service industry prefers outdoor billboards to be the most usable channel.

Following this, companies like Green tyre tries to use traditional channels in order to increase attractiveness and visibility of its brand. All in all, results show that billboard – effective marketing channel for Green tyre company.

After banners (outdoor billboards), follows social media that accounts for 17 percent, according to the results of fifth question in the survey. Despite the specific Russian market, smart companies are involved in social network and raise visibility there. Innovative ways of marketing are needed for every company nowadays to make people interested in your product, service or brand. Especially, when the discussion is about tight, overflowed industry like auto service. Beside this, social and internet marketing saves more money than any other traditional promotion methods. Moreover, competitive advantage could be achieved by using social media as prevail number of companies in the industry is not highly involved there, as was said before.

Social network provides the best possibilities to communicate with existing and potential customers and spread word of mouth. Moreover, social network can help Green tyre to extend its brand power, strengthen customer relationship with permanent clients, promote new services and create interactivity through constant conversation with people online.

Green tyre currently uses its own website and a group in VK website. Company seeks for proper marketing strategy in social network and overall online presence. It needs to identify specific goal, identify target audience, online platform that will be most suitable for them as well as provide permanent, creative content and check the participation. Having a presence and be active in social network – significant and most forgotten step for all companies. It is essential nowadays to connect directly with the customers though different sources.



For instance, assistant of Green Tyre may immediately answer on various questions of customers online as well as fully run the social networks.

Internet itself has helped many businesses, especially small, to grow faster. It is dynamic times for companies, and they should implement these new communication channels into the market anyway, because the trend is going to increase year by year. Company may also increase their loyalty in social networks. As stated in question eight, 42 percent of respondents still choose different companies from time to time. That is why, it is significant for the company to develop long-term strategy that will retain customers.

Social network may boost these relationships by various tools. For instance, company already sells many coupons with discounts on corresponding websites; however, through constant communication, presence and individualization of customers, Green tyre may significantly increase the number of customers using only one auto service. Indeed, such actions may lead to buy over competitors' clients.

Word of mouth and its effect on company's performance remain to be the most interesting issue of this survey. Most of the clients share their experiences about auto services with closest people (question 10). Additionally, most of the Green tyre clients will tell others about their service (question 12). It means that people generate word of mouth about industry overall and ready to do so about the company they have been recently.

The survey has shown that word of mouth is a very effective tool for Green tyre itself and auto service industry, specifically.

Apart from already positive results achieved by the company, it is becoming challenging to support its power in recent days due to the increased number of social networks and high customer involvement. However, social media plays a major role in today's word of mouth marketing. It is crucial nowadays to check all possible sources (blogs, forums, reference group pages, videos, websites, social websites) where reviews can be found and respond honestly. Combination of traditional marketing channels and

modern communication channels will increase the level of buzz, in other words, boost the most effective communication tool (proved by the survey results) faster and effectively.

Word of mouth influences consumers on all stages of purchase, thus, detailed analysis should be made by Green tyre to identify customer journey and areas for improvement on each stage of decision making process.

Decision-making process is important for building word of mouth strategy. Questionnaire has identified that families, colleagues or friends have significant impact on person's decisions before and after the purchase. However, there are still many issues that needs to be analysed. What about influencers? Can Green tyre find and implement them to generate buzz? How reference groups relate to auto service industry and personal decisions? Finally, how the emotional appeal may change customer's buying behaviour?

Respondents asked that they do not look for reviews while choosing the auto service (73 percent). However, stimulating customers to write reviews will be an effective measurement tool for company. There is a problem with reviews nowadays that Green tyre has. By looking through group page in VK social network, there are plenty of negative reviews without any replies by the company. Indeed, negative word of mouth used to be a way more influential than the positive one. As a result, company should take into account customers' opinions and respond correctly, preferably solving the problem. If the problem solves, customer satisfaction level may increase and negative feedback will turn into positive.

Company should concentrate their attention on positive word of mouth messages, stimulating customers to share experience. Offering the combination of offline and online word of mouth will increase the credibility and loyalty to the brand.

## 12 Conclusion

Despite the fact that there were some limitations concerning the survey, the results showed that word of mouth appears to be a highly influential tool in the research industry. It used to be valuable before, however, with the help of Internet, social media specifically, word of mouth spreads faster and effectively. Today small start-ups can boost their profits immediately, while some other old style corporations will cause financial problems due to overlooking of new marketing channels.

People still share their experiences with other people face to face and look for recommendation before making a purchase. However, consumption habits are changing, and people find new ways of communication such as social media. To be able to stay in business for long, companies need to follow the trends and changes in the marketing communication channels.

Moreover, word of mouth will continue to play a major role in the lives of people and marketers in the future.

Green tyre should take care of its current word of mouth power and pay attention to critique that expressed by customers. This trend of sharing ideas will grow and if, for instance, company direct their loyal permanent customer towards promotion in social media (ask for video reviews by real customers), they will increase awareness and strengthen their brand image.

Correct allocation of current resources and implementing them accordingly, will give Green tyre significant competitive advantage over the other auto services in Saint-Petersburg.

## 13 References

Arnould, E. J., Price, L. & Zinkhan, G. 2004. Consumers. 2nd ed. Boston, MA: McGraw-Hill/Irwin.

Barefoot, D. K. & Szabo, J. L. 2009. Friends with Benefits.

Bernoff, J. & Chadler, T. 2010. Empowered: Unleash your employees, energize your customers, and transform your business. Boston, MA: Harvard Business Press.

Blakeman, R. 2014. Nontraditional media in marketing and advertising. Thousand Oaks, CA: SAGE Publications.

Boyett, J. H. & Boyett, J. T. 2003. The guru guide to marketing: A concise guide to the best ideas from today's top marketers. Hoboken, NJ: Wiley.

Brown, D. & Hayes, N. 2007. Influencer marketing: Who really influences your customers. Oxford: Elsevier Butterworth-Heinemann.

Chaffey, D., Ellis-Chadwick, F., Mayer, R. & Johnston, K. 2009. Internet marketing: Strategy, implementation and practice. 4th ed. Harlow: Financial Times Prentice Hall.

Foxall, G. A. & Goldsmith, R. E. 1994. Consumer psychology for marketing. London: Routledge.

Freemantle, D. 1998. What customers like about you: Adding emotional value for service excellence and competitive advantage. London: Brealey.

Gibson, J., 2017. Word of mouth, social media and viral advertising .Available at:<  
<http://marketing-made-simple.com/word-mouth-social-media-viral-advertising/>>.

[Accessed 03 November 2017].

Goldman Matt, 2017. What is Marketing Channel and Various Channels of Distribution? Available at: <<https://www.tenfold.com/partnerships/marketing-channel-various-channels-distribution>> .[Accessed 08 November 2017].

Hughes, M. 2005. Buzzmarketing: Get people to talk about your stuff. New York: Portfolio.

iPod's Dirty Secret , 2003. YouTube. Available at: <<https://www.youtube.com/watch?v=SuTcavAzopg>> .Accessed 03 November 2017].

Kothari, C. 2004. Research Methodology: Methods and Techniques.

Kotler, P. & Keller, K. L. 2012. Marketing management. 14th ed., Global ed. Harlow, Essex: Pearson.

Kotler. 2013. Principles of marketing. Pearson.

Kumar, V. & Reinartz, W. 2012. Customer Relationship Management. Springer Berlin Heidelberg.

Lahtinen, J. & Isoviita, A. 1994. Customer relationship marketing. Tampere: Avaintulos.

Lancaster, G. & Reynolds, P. 2004. Marketing. Basingstoke, Hampshire: Palgrave Macmillan.

Lewis, D. & Bridger, D. 2001. The soul of the new consumer: Authenticity : what we buy and why in the new economy. London: Brealey.

Lovelock, C. & Wirtz, J. 2011. Services marketing: People, technology, strategy. 7th ed. Upper Saddle River, NJ: Pearson Education.

Mligo, E. S. 2016. Introduction to Research Methods and Report Writing. Resource Publications.

O'Shaughnessy, J. & O'Shaughnessy, N. J. 2003. *The marketing power of emotion*. Oxford: Oxford University Press.

*50% of Russian companies do not have a website*, 2017. Translated from Russian by Drobysheva Arina. Available at: < <http://stat.2gis.ru/research/50-rossiyskih-kompaniy-ne-imeyut-sayta/>>. [Accessed 03 November 2017].

Roberts, M. L. 2008. *Internet marketing: Integrating online and offline strategies*. 2nd ed. Mason, OH: Thomson.

Sernovitz, A. 2009. *Word of mouth marketing: How smart companies get people talking*. rev. ed. New York, N.Y.: Kaplan.

Silverman, G. 2001. *Secrets of Word-of-Mouth Marketing: How to Trigger Exponential Sales Through Runaway Word of Mouth*. New York: AMACOM

Smith, P. R. & Zook, Z. 2011. *Marketing communications: Integrating offline and online with social media*. 5th ed. London: Kogan Page.

## Appendix 1. Questionnaires.

### Questionnaire in English

#### Word of Mouth Survey

Survey is intended to identify the most effective marketing communication channel.

Green tyre- company that provides autoservice in different districts of Saint-Petersburg, as well as working as internet-shop selling tyres and automobile disks.

##### 1. Gender

*Mark only one oval.*

- Male  
 Female

##### 2. Age

*Mark only one oval.*

- 18-25  
 26-33  
 34-40  
 41-48  
 49+

##### 3. How often do you use Green Tyre?

*Mark only one oval.*

- Never used before  
 1-3 times  
 More than 3 times

##### 4. Which service do you use in Green Tyre?

*Mark only one oval.*

- Tyre service  
 Purchasing of tyres, automobile disks  
 Storage of tyres  
 Repair service

##### 5. How did you hear about Green Tyre?

*Mark only one oval.*

- Recommendation (family, friends, colleadues)?  
 Radio  
 Internet  
 Social media (forums, blogs, VK, Facebook, Instagram)  
 Direct mail (email/ tex message)  
 Flyers/Posters  
 Banners

**6. Do you usually search/ask for reviews before choosing an autoservice?***Mark only one oval.* Yes No**7. What is the most valuable feature for you?***Mark only one oval.* Price Quality Service Location**8. Do you prefer using the same autoservice or you choose different from to time?***Mark only one oval.* Usually use the same Use several that I know well I choose different every time**9. How do you search for autoservice?***Mark only one oval.* Ask people I know well Search in the internet (websites) Look for something nearby Look for the cheapest price Search for ratings and recommendations**10. Do you share your experience about an autoservice with your friends/relatives/colleagues?***Mark only one oval.* Yes, very often No, never Sometimes**11. What advertising channel do you see most often? ( in relation to autoservices)***Mark only one oval.* Radio Internet Social Media (forums,blogs,VK, Facebook, Instagram etc.) Direct mail (email,text messages) Flyer/Posters Banners



Word of Mouth Survey

**12. Will you tell other people about Green Tyre?**

*Mark only one oval.*

- Yes
- No
- Probably

**13. Have you heard something about Green Tyre from people before?**

*Mark only one oval.*

- Yes, many times
- Yes, one-two times
- No

---

Powered by

 Google Forms

## Questionnaire in Russian

**Маркетинг из уст в уста**

Опрос направлен на выявление наиболее эффективного маркетингового канала.

Основным направлением деятельности компании ЗАО «Зелёная шина» является торговля автомобильными шинами и колёсными дисками, а так же шиномонтажные услуги и сопутствующий сервис.

В настоящее время компания «Зелёная шина» имеет следующие подразделения:

- 10 розничных магазинов, оборудованных современными шиномонтажными комплексами;
- интернет-магазин шин и колёсных дисков с доставкой товара;
- отдел по работе с корпоративными клиентами;
- собственные складские помещения;
- службу доставки заказов по Санкт-Петербургу.

**1. Пол**

*Mark only one oval.*

- Женский
- Мужской

**2. Возраст**

*Mark only one oval.*

- 18-25
- 26-33
- 34-40
- 41-48
- 49+

**3. Как часто вы пользуетесь услугами Зеленой Шины?**

*Mark only one oval.*

- Никогда не использовал раньше
- 1-3 раза
- Больше 3 раз

**4. Какой сервис вы используете в Зеленой Шине?**

*Mark only one oval.*

- Шиномонтаж
- Покупка колес, дисков
- Хранение колес
- Ремонт

**5. Как вы узнали о Зеленой Шине?***Mark only one oval.*

- Рекомендация (друзья, родственники, коллеги)
- Радио
- Интернет
- Социальные сети (Вконтакте, форум, блог, Facebook, Instagram)
- Персональная рассылка (электронная почта, смс)
- Флаеры / Постеры
- Баннер

**6. Интересуетесь ли вы отзывами или рекомендациями при выборе автосервиса?***Mark only one oval.*

- Да
- Нет

**7. Какие самые важные критерии для вас?***Mark only one oval.*

- Цена
- Качество
- Сервис
- Местоположение

**8. Вы предпочитаете использовать один и тот же сервис или пользуетесь разными время от времени?***Mark only one oval.*

- Пользуюсь одним
- Пользуюсь несколькими, которые знаю
- Выбираю разные

**9. Как вы ищете автосервис?***Mark only one oval.*

- Спрашиваю знакомых и друзей
- Ищу в интернете
- Выбираю по местоположению
- Выбираю по цене
- Ищу рекомендации и рейтинги

**10. Делитесь ли вы впечатлениями об автосервисе с друзьями/родственниками/коллегами?***Mark only one oval.*

- Да, часто
- Иногда
- Нет

**11. Какую рекламу вы замечаете чаще всего? (про автосервисы)***Mark only one oval.*

- На радио
- В Интернете
- В социальных сетях ( В Контакте, Facebook, Instagram и .т. д.
- Персональная рассылка ( электронная почта, смс)
- Флаеры/ Постеры
- Баннер

**12. Расскажите ли вы о Зеленой Шине?***Mark only one oval.*

- Да
- Нет
- Возможно

**13. Слышали ли вы о Зеленой Шине от кого-то до посещения?***Mark only one oval.*

- Да, много раз
- Да, один-два раза
- Нет