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Susanna Hirvonen 1201387

FINNISH ONLINE STORE TO RUSSIA – CASE COMPANY X

Thesis
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Author
Susanna Hirvonen

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Abstract
The purpose of this research is to provide a framework in the context of online store usability for the case company X and other Finnish online store companies. If they decide to operate in the Russian online market, they may have a better chance to succeed due to this framework. This study is strictly focused on online store usability. The study reveals whether usability can be defined as the key issue in gaining the trust of Russian online consumers.

Qualitative research methods were utilised in this research. The study was conducted by semi-structured focused interviews. Five Russian online market specialists were interviewed. The results of the study are coherent with the theory. The theory explains the overall issues about online stores and consumers' trust in e-commerce. In the study, the overall focus is on the Russian market.

Gaining and maintaining the trust of consumers is especially important in the Russian online market. Usability was not found to be the key issue, but it is an important part of the whole process. If the usability fails to reach the expectations of Russian consumers, trust will not be built. Because small Finnish online store companies usually do not have already well-known brands or the money to spend on big marketing campaigns, this thesis serves to explain how to bring the trustworthiness to Russian consumers.

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CONTENTS

APPENDICES

1 INTRODUCTION

1.1 Background

The idea for this thesis came from the writer's personal interest in electronic commerce and the Russian market. After searching for some time, a suitable case company operating in a national online store business, but interested in expanding abroad was found. As Lahtinen (2013, 28) explains in his book, business on the Internet is not in a same way geographically restricted as normal brick and mortar stores are. Electronic commerce (e-commerce) offers an opportunity to reach customers globally. This means the market potential can be huge, but so is the competition on those markets. Hence when entering a new market it is good to have knowledge beforehand about the market and the consumers on the market.

Selling goods outside domestic borders is nowadays easy. It is not uncommon for a small domestic business to receive orders abroad and thus have the potential to grow their business. What is stopping them from grabbing the opportunity is mostly a lack of knowledge about international business. (Albaum & Duerr 2011, 3.) The case company is now operating only on the Finnish market. Making this thesis started from a slight interested shown by the case company towards the Russian market. The idea of this thesis report is to provide them with additional information, which will help them to operate on the Russian online market.

When operating on the global market, the online store needs to meet the different language, delivery, customs and payment methods. Even the smallest business can grow into a big one when there is a will to develop the business. Even though e-commerce offers the opportunity to reach customers all over the world, there still are many issues to consider when internationalising. Gaining and enhancing the trust of the costumers are the key issues in the development of sales and the whole business. (Toimelias 2015a.)

1.2 Outline

The frame of this thesis is built upon the usability of online stores. The theoretical part of this thesis will firstly explain the general theory of electronic commerce. It then focuses on the usability of online stores and how usability can create trust in the online stores. The theoretical part tells about the development of, the currents trends as well as the possible challenges there might be in the Russian online market. A PESTEL-analysis was used as a helping tool, so that the market would be described in a sufficiently versatile way. PESTEL is a tool used to help in explaining a phenomenon or a state of the organisation. (Opetushallitus 2015).

Empirical part of this thesis is conducted by semi-structured focused interviews, by interviewing specialists who have knowledge and experience of operating on Russian online market. The specialists are carefully chosen so that they create a group with a diverse view of Russian online market. Research methods and questions are explained further on along with the introduction of the interviewed specialists. The report ends with a discussion part where the researcher explains the thesis process and gives remarks about the findings of the study.

1.3 Aims and limits

This study seeks to find the answer on how to gain the trust of Russian online consumers in the context of online store usability. The aim of this study is to provide a set of frames in which the case company X can then build its online store functions when it expands to the Russian market. To get the customers to trust the store well enough to place their orders can be challenging for unknown web stores, which do not have huge amounts of money to spend on marketing campaigns. In addition, the Russian online market is growing annually (Appendix 1), and this study hopes to bring information not only to the case company X, but also to all Finnish online store companies, about what they should take into consideration concerning the usability of their online store if they want to succeed on the Russian online markets.

When the case company knows how to win over the trust of Russian customers, they are likely to have a better chance of succeeding on the Russian online market. This report gives an overview of the Russian e-commerce market for the case company, but it can be used for other Finnish e-commerce companies seeking to enter the Russian online market.

The main research question is:

- Is the ease of web site use the key issue creating trust between Finnish online stores and Russian consumers using the online stores?

As this thesis is strictly built around the usability of web stores and the Russian market, there are many limits to the study. Firstly, the internationalisation is limited to Russia. Secondly, the financial part of the internationalisation is not taken into consideration in this study. Marketing and logistics are only briefly mentioned, because they are not the focus of this study. The premise of the Finnish online store in this study is a small domestic online store with an unknown brand trying to find paying customers from Russian online markets. Mobility is now days relatively common, thus this study assumes it to be obvious that the online stores include the access with mobile devices to their site. Thus this study does not address the mobility issue.

1.4 The case company

The case company is a Finnish company. It was established in 2010. The company operates as a retailer for a variety of different goods needed in the everyday life of families with small children. Their selection includes carrying clothes and bags, cloth diapers, children toys, clothes and nursing goods such as nursing bras and –shirts. The company operates mainly in the business to consumer (B2C) market, but they also work in business to businesses (B2B) by offering imported carrier products for retailers in Finland.

The company has already grown form a sole trader's online store into two people business that includes both online -and brick and mortar stores. The brick and mortar store is located in Helsinki, Finland and it provides customers with the same goods as the online store, but with additional carrier services. (A 2014.) Company X has been successful in the Finnish market and they are aware of the fact that at some point the business could be expanded abroad. It is a common known fact that the Finnish market size is small, especially when operating on a niche market.

2   ELECTRONIC COMMERCE

2.1   General description

Definitions for the e-commerce concept are all similar; some are more precise than others are. In short, it means making purchases via electronic ways, mostly via the Internet (Kotler, Wong, Saunders & Armstrong 2005, 135). Longer explanation for e-commerce defines it as a business model or part of a business model that gives the company a possibility to do business over Internet. It can happen in all the biggest market segments: B2B, B2C, C2C and C2B, and almost any goods or services can be offered by e-commerce. (Investopedia 2015.)

The term e-commerce covers the exchange of goods or services for money. When marketing, developing business, keeping the customers and other aspects of business are included, the concept widens to electronic business (e-business). When doing e-business it involves also e-commerce. However, e-commerce alone can exist without all the features of e-business. (Lorette 2015.)

Shopping via the Internet has many benefits for both the seller and the buyer. If it is done correctly, it is a very simple and fast way of exchanging goods for money. The buyer does not have to leave home to purchase the desired items, and the seller does not have to have physical stores and sales staff to handle the transaction of selling which means lower costs for the seller. The buyer can search through many Internet sites to find the correct items at a good price and on the other hand, the seller can have an almost unlimited selection of goods. (Kotler et al. 2005, 135.)

The importance of e-commerce for all trade has grown strongly within the last decade, thus the significance of it now longer needs to be justified. It has become a mandatory part of sales and the selection of distribution channel for successful businesses. (Hallavo 2013, 11.) According to Lahtinen (2013, 19) e-commerce is often seen as a possibility to shorten the distribution channel (Figure 1) from the producer to the consumer, hence achieving cost-effectiveness when the steps have decreased. (Lahtinen 2013, 18.)

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┌──────────┐                                              ┌──────────┐
│ Producer │ ───────────────────────────────────────────▶│ Consumer │
└──────────┘                                              └──────────┘

┌──────────┐      ⬭           ⬭           ⬭          ┌──────────┐
│ Producer │ ─▶ Wholesale ─▶  Broker  ─▶   Retail  ─▶│ Consumer │
└──────────┘                                          └──────────┘
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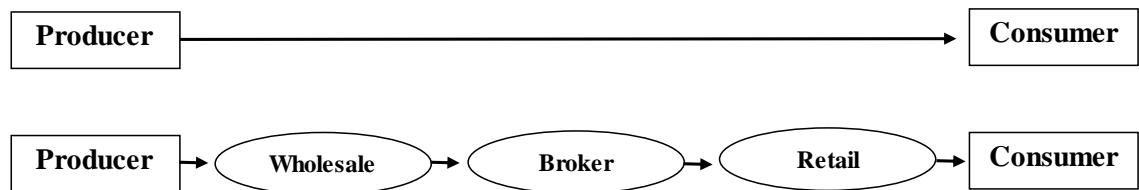
Figure 1. Different looking distribution channels. (Modified from the source: Lahtinen 2013, 19).

The simplest distribution channel is seen in Figure 1, where the e-commerce works as a sales way straight from the producer to the final consumer, which can be more cost-effective than with multiplied steps. However, the figure also shows the distribution channel with multiple steps involved. In that case, there might be e-commerce sales happening in many parts of the distribution channel and it can be both, B2B and B2C. (Lahtinen 2013, 18.)

2.2   Usability and credibility

According to Nielsen (2012), usability of an online store can be defined as the feature of quality that evaluates how easy the online store is to navigate and use. The usability of an online store is important, but Nielsen also states that utility is equally important and they go hand in hand. When usability means how easy the page is to use, utility means that does the design of the page work at all; does it do what the users of the page need it to do. Together these two define if the web page is useful or not. Credibility can be defined as being trustworthy (Dictionary 2015), or being believed in and trusted in (Oxford Dictionaries 2015). In the commercial world, the trust consumers have towards companies affects whether or not they will purchase from that particular store. As Lahtinen (2013, 62) states, only few if any would buy from a store of which they do not trust.

Creating a web page is the start, and having good search engine optimization might get some hits with Google and the like. However, to get the potential customer to actually make their purchase and come back again is the next and more difficult step. A web site needs to meet the consumers' expectations, which are high these days. If the web site is not in accordance with expectations, they easily abandon it and move on to a next one. Sites need to be easy to navigate and read and they need to be updated frequently to keep a fresh and current feeling to them. This costs the company, but without it, it is hard to keep customers. (Kotler et al. 2005, 146.)

When shopping online, it is common to have many web stores open at the same time. It makes the comparison easy and if there is even a small problem with the buying process, the customer easily changes to another store. Customers visiting the page can have different goals for the visit. Lahtinen (2013, 113) divides the customer into four groups based on the goal of their visit:

- Buying product that is already known to exist
- Examining the product category
- Finding the most favourable price
- Browsing to collect ideas.

The functions of an online store should support the goals of all the four groups. In addition to the four types, Schade (2014 a) uses one more type of customer in her article published on the Nielsen Norman Group-site. She also adds the so-called "One-Time Shoppers". They are consumers that might be from any of the four before mentioned categories, but they often have a specific goal in mind. They might have a special discount to use, or maybe a gift card to spend on the web store. The unique characteristic of them is that they only visit the page once, thus they are not acquainted with the way that a specific online store works, so the navigations and the layout should be clear for them too.

Roy, Dewit, & Aubert (2001, 389) emphasizes the meaning of trust between the user and the seller. They say it to be quite critical issue for the success of the business and establishing long-term relationships in business. According to them, trust develops during time. Users will form their first opinion about the business and that opinion will change when they receive more information and gain more experience of the business. The first opinion is seen as the most important one. It is easier when the trust is built from the start, but it still needs to be maintained over time.

In the context of usability, Roy et al. (2001, 340, 395) found the ease of navigation being the most important factor affecting trust. They also tested the impact of experience on the ease of navigation, because some users are more familiar with using web pages than others. It turned out the experienced users are more critical towards the online stores, but experience of using the Internet does not affect the trust issue. The general usability of the web page is the most significant factor for the trust of the consumer towards the online store business. They highlight the meaning of web site design being suitable for the given image of the business.

The importance of usability is also supported by the most widely used model for predicting the adaption of online store. The Technology Acceptance Model (TAM) explains how new technology with its aspects are received and used by users of it. There are other prediction models for it, but TAM is the most used one. According to the model, how easily new technology is accepted is based on two factors:

- **Experienced practicality:** Does the user believe that this new thing will help to improve the performance?
- **Experienced ease of use:** To what extent the user is comfortable to use the features of the technology? (MBASkool 2014.)

According to TAM the online store adaption would be affected by the previous experiences and the beliefs rising from it. (Ratnasingam 2005, 3.) In the study conducted by Roy, Dewit, & Aubert in 2001, they were focusing on the effect of the first expression of the web page on consumers' trust. These together can lead to the conclusion that the past experiences that people have from using web pages have led to some standards in web site design and thus they are an important factor when deciding the layout of web page in order to receive the trust of users.

2.2.1 Layout

According to a research made in 2013 (Wu, Lee, Fu & Wang 2013, 19) the layout and the overall atmosphere of an online store can have an effect of the feelings of a consumer towards the web page and thus influence whether the consumer will make the purchase or not. They concluded that bright colours in layout design make people want to buy products from online store, because it creates happy feeling. However, this might not be accurate for all online stores; it depends on who the customers are. In order to attract potential customers, it is important to know who the customers are, and what in their minds an attractive design is.

Based on Nielsen's (2010) study, people browsing on the web pages tend to look more to the left side of the web page. Nielsen and his team have conducted researches using the eye tracking technique. He states that 69% of the browsing time people look to left side and only 30% of time to right side. This is a thing to consider when planning the layout of a web page. He has also found out that in vertical way it is more important what the web page has upper side of the screen than lower. These results cover the web user that read left to right. The results are obviously different in the countries using languages reading form right to left. In the end, based on his study, he states that it is better to design the layout of web page in a traditional way.

The layout and thus the navigation on the page is an important part of the user experience. However, this is not the only important issue regarding online stores. It is good that consumers can easily navigate through the store, but if the product descriptions are weak, then the consumer might not make the purchase. According to Schade (2014 b) product pages must lure the consumer into believing the product they are looking is really what they want and need. She also adds, that with the online stores consumers cannot physically observe the product, thus their purchase decision depends strongly on the product page description. The product description must be accurate. It has to answer the possible questions the consumer might have of the product, but it cannot lie. If the product description promises more than what the product is, it will most certainly show as an unhappy customer and returns of the products. (Schade 2014 b.)

The search is an important part of the online stores' process (Lahtinen 2013, 144). Especially if an online store has a wide selection of goods, it is crucial that the customer can easily search for the product needed. If the customer cannot find the product in mind, the purchase cannot happen. The products are important to be found by the search, but Lahtinen also reminds that customers also want to search for secondary information such as contact information and so worth. Because of the popularity of Google and such search engines, consumers are nowadays used to quality searches.

2.2.2 Buying process

The buying process, also called the ordering process, should be the most reliable tested aspect of the online store. When a customer starts the process, she or he has to be able to finish it without any problems. If there is even one error in this process, there is a good change the customer will not complete the order and the store loses its sale. (Lahtinen 2013, 138.)

The importance of the smooth buying process can be seen from the abandoning of the shopping cart. Baymart Institute (2014) has listed abandonment rates of 29 different online stores and the most current average of all those documented shopping cart abandoning online is 68%. That is the average number of customers that have started to make the purchase but for some reason have not finished it. Statista (2015) conducted a research in 2012 and according to the results (Appendix 2), there are multiple reasons why people drop out of an online purchase, and many of them are due to usability problems. The web site navigation was too complicated, the process was too time consuming, and concerns about security are all listed as reasons to abandon the shopping cart and they all are related to the usability of online stores.

The typical ordering process on an online store is seen in Figure 2. It starts from the shopping cart, the contents of which are products the customer is going to buy. After that comes the checkout or the register, where normally the customer either signs in or only gives delivery information. Then the journey continues to choosing the right delivery and payment methods. In the end is usually the paying of the order and then the process ends to a polite thank you page. The paying in this process is assumed to happen via an online bank, outside the online store.

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┌─────────────────────────────────┐
│        Shopping Cart            │
└─────────────────────────────────┘
                ▼
┌─────────────────────────────────┐
│   Register, Shipping Address    │
└─────────────────────────────────┘
                ▼
┌─────────────────────────────────┐
│   Choosing the Mode of Delivery │
└─────────────────────────────────┘
                ▼
┌─────────────────────────────────┐
│  Choosing the Method of Payment │
└─────────────────────────────────┘
                ▼
┌─────────────────────────────────┐
│      Confirming the Order       │
└─────────────────────────────────┘
                ▼
┌─────────────────────────────────┐
│           Payment               │
└─────────────────────────────────┘
                ▼
┌─────────────────────────────────┐
│   Ending to a Thank You Page    │
└─────────────────────────────────┘
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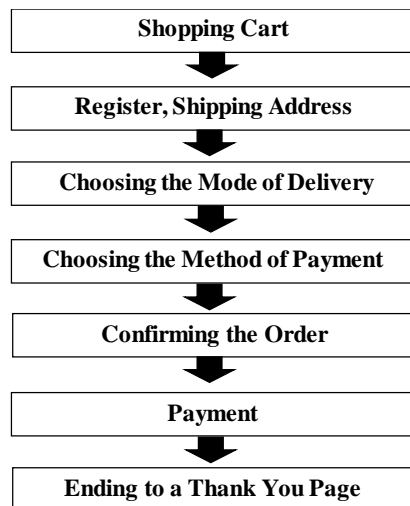
Figure 2. Process of ordering. (Modified from source: Lahtinen 2013, 138).

The process of ordering has to be clear and predictable. The customer must know which stage of the process is happening now, and which comes next. If there is a need to use any steps out of the normality, they need to be clearly explained to the customer. The process descried in Figure 2 is only one example. It can look different, but most importantly, it has to proceed logically, and all the steps have to be visible for the customer throughout the process. (Lahtinen 2013, 138-139.)

2.2.3 Customer service

In a brick and mortar store, the possibility for interaction between the customer and the staff makes it easier from the company point of view to affect the sale. In an online store, the customer makes the decision whether to buy the product or not, and most of the time does not contact the online store staff before the purchase. Should the customer have any questions, it is important to offer multiple tools for contacting the company. In addition to normal phone- and email addresses, customers might want to contact the company also

via social media. (Lahtinen 2013, 242-243.) To know what the best way for serving customers is, the company needs to understand who their customers are. An online store selling for example video games, compared to an online store selling goods for children, has different target groups, and thus, their customers are different people with different expectations about customer service. (Collier 2010, 119-120.)

For an online store, it is important to get the customer to finish the order. To ensure the customer will complete the purchase, the process of buying has to work efficiently. Having the right kind of products to offer and having a nicely working buying process are all part of customer service, by creating the trust in the buyers towards the online store. Collier (2010, 47-48) mentions few features that are important to exist on any web page to create the trust of the customers:

- **Actual address**: It is good to have a physical location where customers can place the company.
- **Phone number**: Possibility for actual human contact is important for people.
- **Story of the company**: People like to have a personality behind the company. Story means telling if the company is a family-owned company, or something about the employees there. In addition, customers like to hear if the company values customer satisfaction.
- **Have a frequently asked questions-section**: Many people have similar questions regarding deliveries or payments, and listing them already makes it simpler for the customers and for the company.

Collier also adds that it would be good to have a section with previous customers' positive comments. This can happen by having a commenting box on company's web page or a link on a site that people tend to use for product or service evaluations. Collier's study (2013) reveals that these recommendations and reviews from other users are important for customers and affect their buying decisions. The study states that 86% of the respondents "read reviews often or very often" before making an online purchase. Collier (2010, 110) also mentions the importance of knowing where customers write these reviews, because nowadays there are many web sites where it is possible to do so.

Handling of possible defects is important to the company. The way the company reacts and handles the situation, will stay in customer's mind or a long time. If a defect situation is handled in a good way, it can be a good promotion for the company. Nevertheless, every time a customer gives notice of a fault it means the company has to make a change to correct its actions. To correct things is better than a situation where customer notices a fault but does not contact the company and only simply stops buying from them. Perhaps the unsatisfied customer even tells his or her friends about the fault, thus spreading negative feedback. For a company this is a difficult situation, because the company has no idea this defect has occurred, and so it cannot even correct it. (Lahtinen 2013, 243.)

2.2.4 Security

The safety of personal details is perhaps the first thing that comes to mind when thinking about safety, because customers of online stores give their personal information during the ordering process. They also give payment details and other delicate information. According to Symentec's monthly report, the three most commonly occurring breaches during February 2015 regarding the personal information online have been people's actual names, their home addresses, and social security numbers (Symentec 2015, 6). When personal information is stolen, it can be used for example to get loans or making other financial commitments that the real person behind the personal data becomes responsible for. In addition, some cyber criminals collect personal information and sell it to other criminals online. (Lahtinen 2013, 278-279.)

Safety is also part of the customer service. A reliable online store explains their return policy and warranty on their web page. A responsible firm also gives enough information about itself, about contract terms and the products it has for sale. (Global Shopping 2015.) As explained in the previous chapter, these are part of the factors that create the trust between the customer and the online store. The creation of the consumer's trust towards the online store is visualized in Figure 3. In the original figure by Smith (2004, 225), he used the graph to show the adaption of online procurement and the consumer's confidence towards the procurement. In Figure 3, the graph is adapted to meet the needs of the author of this report.

The last step in Figure 3 – consumer's trust, is accomplished only if the power of cyber-security is larger than the opposite power of cybercrimes. If the customer feel she/he cannot trust the online store and thus the cybercrime power is stronger, most likely, the customer will not make purchases from that particular store and so the trust is not created.
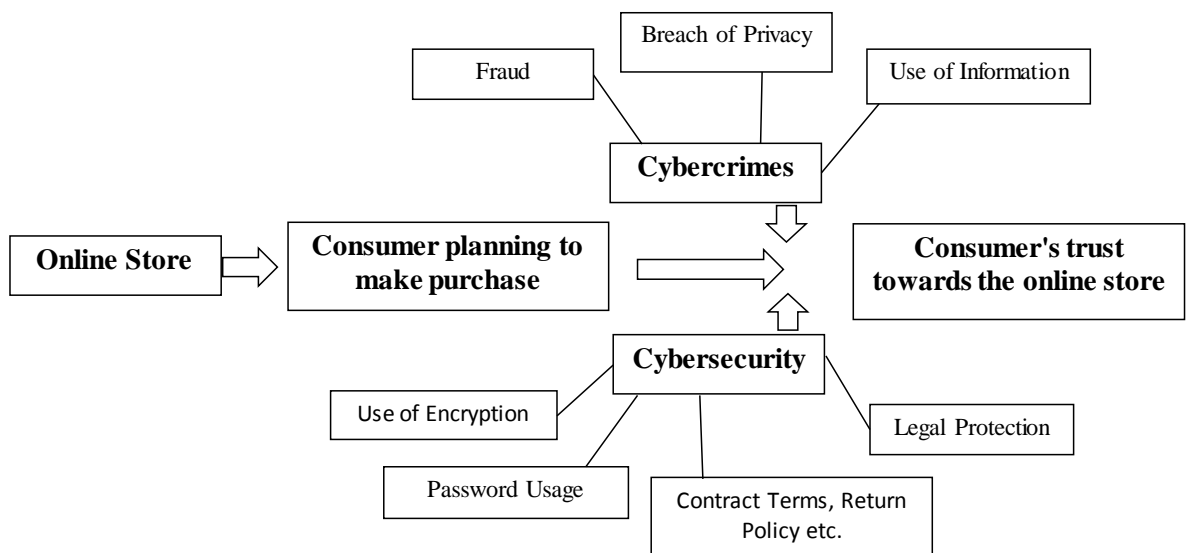
Figure 3. Creation of customer's trust in online shopping process. (Modified from source: Smith 2004, 225).

These powers of cybersecurity and cybercrimes are continuously changing due to for example technology and policies changes. Online store companies need to be up to date regarding these issues in order to maintain the trust of their customers. (Smith 2004, 225-226.) As explained earlier in this report, the trust of the customers is a major force influencing the willingness of the consumers to make their purchases from online stores.

3   RUSSIA AS A POTENTIAL MARKET

3.1   General commercial aspects

Russia is a large country with a population in 2014 of about 142,000,000 (Worldome-ters.info 2015). Russia has been an important trading partner for Finland for a long time. According to the Finnish-Russian Chamber of Commerce (FRCC) in 2014 Russia was the third biggest export target for Finland. Compared to the previous year, exporting to Russia from Finland had decreased 14%. (FRCC 2015 a.) The Russian market continues to be an important yet challenging market area for many Finnish companies. Approximately 4,000 Finnish companies export to Russia and 1,300 import from Russia. (Suomen Yrittäjät 2015.)

The confederation of Finnish Industries hopes companies can see beyond the current sanctions and the overall unsteady political situation between Russia and the EU. They hope Finnish companies continue to see the potential of Russian markets and are not afraid to operate there. The main trade barriers of which they know Finnish companies have faced in Russia are mainly due to high bureaucracy causing customs procedures being sometimes complicated and onerous. In addition to the procedures, the certification system and the tariffs have been seen as challenging. (Laukkanen 2015.)

When goods are exported from Finland to Russia, there are many expenses to take into account in addition to the original sales price of goods. Customs duties and taxes, for-warding costs, customs clearance costs and possible certification costs are examples of some of the costs. Moreover, if the currency used is the rouble then the variations of the value of the rouble against the euro is to be noticed. When expecting customers' payments from a Russian bank account to a Finnish one, it can take a longer time than a money transfer inside Finland. (Perilä-Jankola 2001, 70-71.)

When commercial goods are delivered to Russia, it usually requires about ten documents, which most are ask at the border station. However, Russia is committed to reduce the amount of documents needed in foreign trade. Their goal is to reduce the amount to half by the year 2018, and use more electric documents. The most common documents needed

are trade agreements, commercial invoices, packing slips, waybills, certificates of authenticity and notifications needed in customs clearance. In addition to all these, some products require different certificates such as a product registration certificate for example. The certificates can be also documents related to product safety. Certificates prove the goods meet the requirements set for them. The requirement for certifications applies to both products produced in Russia and products which are foreign. (FRCC 2015 b.)

Even though the Russian market is close to Finland and the size of the market is tempting, the number of Finnish e-commerce businesses operating on Russian online market is still small. Palomaa (2015) refers to a study made by the Finnish Post that Russian would like to order goods from Finnish online stores, but unfortunately only a small number of Finnish web stores are ready to sell cross-border. The issues Finnish online store companies seem to wonder most about are the language barrier and Russians paying online purchases in cash.

3.2   E-commerce in Russia

Over half of the population in Russia has access to the Internet (62% in 2014). That equals almost 72.3 million people, making Russia the leader in Internet and mobile users in Europe. The highest number of Internet users is in the biggest cities, Moscow and St. Petersburg. (EWDN 2015 a. 17-18). Shopping online has become a normal way of buying for those Russians who use the Internet actively. Especially in larger cities and with those who have more than average incomes. Online shopping is expected to rise in the upcoming years. (EWDN 2015 c. 17.)

Despite the current economic and political crises going on in Russia, the online retail market is still growing. According to David Waroquier (EWDN 2015a, 11.), the online retail market is currently equivalent to Italy and Spain and growing all the time. For foreign e-commerce coming to Russia, Waroquier emphasizes the commitment towards the country. To succeed in the Russian online market, one needs to understand the country and its local settings. In addition, it is important to adapt the company's marketing to meet the expectations of the country and to be prepared to deal with custom and issues with delivery (EWDN 2015 a, 14).

Bigger online businesses, like eBay and Amazon, have succeeded in expanding their business to Russia without any adaptation. This kind of success in Russia, without any country specific adaptation, is possible when the local consumers appreciate the brand and feel they will achieve advantage of using it. (EWDN 2015 a, 27.) This can lead to the conclusion that for a smaller online retailer to succeed in Russia, it requires a true commitment towards the country and the willingness to really adapt the business to the local matters. Trust in online stores seems to play a major role in Russia, too. According to East West Digital News (2015 a, 23.), Russian users are cautious about the product information as well as the prices of goods. Those together with delivery methods cause most of the discontent.

The marketing means, which drew the attention of the western consumers, should not be translated into Russian market without any adaptation. In Russia, the consumers need more conviction and guarantees to make them feel safe enough to make their purchase from an online store. Russian consumers do not trust every retailer, and they are cautious of the pricing of goods. They are willing to pay high prices if they feel the goods are worth the money spent. Whether the goods are worth it or not can be due to warranty, brand or other quality matters. (EWDN 2015 c, 23).

The social media in Russia is a commonly used way for companies to maintain their relationships with current customers and to attract more customers. What is to be noticed is that the social media tools which work in Finland, might be wrong for Russia. For example in Finland, Facebook is commonly known to be the most used form of social media. In Russia, VKontakte is the most used. VKontakte is similar to Facebook, but it has a Russian origin. (Miettinen 2014, 54.)

3.3   Trends and challenges of e-commerce in Russia

According to East West Digital News (2015, 14), the Russian domestic online market continues to grow, but the growth in the year 2015 will not be as high as the previous year. Logistics are becoming more effective as the Russian Post improves its service. When it comes to payment methods, Russians still prefer to use cash. Electronic payments are slowly becoming more common. Ordering from abroad is a growing trend. Russians mostly order from China. Shirobokov (2015, 27) also adds there have been records from western online retailers stating slower growth because of the increased competition and the falling of the ruble's value against other currencies.

One new issue affecting all foreign online stores operating in the Russian market is the law of personal data storage. Earlier it was acceptable to keep Russian consumers' personal data stored on servers located outside Russia. After September 1st, 2015, servers used for storing Russian consumers' personal data must be located physically in the area of the Russian Federation. (EWDN 2015 b, 20.) The crisis has affected some segments in online retail. According to East West Digital News (2015 a, 7, 21-24), consumer electronics have suffered from the crisis, whereas children's goods' demand has remained without loss. Sanctions have made it impossible to import for example dairy products from Finland to Russia. These kinds of sanctions are threats and as learned from the current sanctions, they come as a surprise and cannot be prepared for in advance.

Russian consumers seek for a wider selection of goods and lower prices from online stores. They appreciate trustworthy sellers and web pages that are localized to meet the expectations of Russian consumers. In addition, Russian payment methods are valued and so is clear information about the terms of delivery. The Russian Post is known to be slow, and sometimes customs can also make the delivery times longer by slowdowns in checking of the goods. However, these issues are progressing into a better direction. Other courier services are established alongside the Russian post, and the customs are developing their services into more simple and faster processes. (EWDN 2015 c, 23).

The way business related issues are done in Russia is no better or worse than in Finland, they simply are usually quite different. When sending goods to Russia the customs can be a challenge – depending on what the goods are. Customs clearance is paper work that needs to be done accurately and by following the norms set by Russian customs. (Honkanen 2011, 17-18, 140.) Getting to know the market and the potential demand in beforehand is important when entering the Russian market, as it is in any market entry. Honkanen (2011, 32) advises companies entering the Russian market to make a good research in order to avoid surprises and not to think operating on Russian market would be easy.

4 RESEARCH METHODS

4.1 Selection of the target market

The author of this research conducted a preliminary market study for the case company at the beginning of the year 2015. The study focused on the demand of baby carriers and the current competition on the market. It was found that Russian market has potential because the size of the market is big and most importantly there is a growing demand for baby carriers. The target group for the case company X are women aged from 20 to 40 years old. When compared the size of the Russian market to Finland (Table 1) it is seen the market size in Russia is multiple to Finland.

Table 1. Comparison of the two markets by size of the market (Modified from the source: CIA 2015).

	Finland	Russia
Population (July 2015 est.)	5 476 922	142 423 773
15-24 years women	316 130	7 064 060
25-54 years women	1 020 216	33 086 346

Even at the time of economic crises, children goods still sell relatively well, and the Russian online market is growing every year. Estimations say the growth will be more significant after the current crisis is attained. The internet penetration level is growing throughout the country along with e-commerce. As e-commerce becomes more used, there will be more electronic payment methods and faster delivery methods with reduced

costs. (EWDN 2015 c, 15.) After the preliminary research conducted by the author of this thesis, indicated the potential of the Russian online market for the case company X, the need to make a more specific research about entering the market arouse. As explained earlier, when entering a new market area, it is advisable to gather valid information about the market.

4.2   Methodology

Qualitative research methods were utilized in this research. The most common ways to collect material in qualitative research are interviews, surveys, observations and information based on variety of documents. They can be used singly or by combining some, or all of them. In this research, the main method was individual interviewing. Interviewing is a flexible way of collecting information. An interviewer has the advantage of repeating the questions, correct misunderstandings and having a conversation with the interviewee. The main idea about a qualitative interview is to collect as much information as possible about the chosen issue. Thus, it is justified to give the interview questions or topics in advance to the interviewee. Then this person will have time to think about the answers beforehand. (Sarajärvi & Tuomi 2002, 73, 75.)

For this research, this method was suitable, because of the flexibility of interviewing. When one interviews another face-to-face, not only are the words taken into consideration, but so is the body language and the tone of speaking. In addition, this method gives the possibility to go deeper with the questions, thus getting answers that are more specific. As a negative feature, this method is time consuming, and the person interviewing the experts have to be careful not to lead the answers and not to analyze the answers in a wrong way. Individual interviewing is mostly used method, and the interviewer felt it is the most suitable for her to implement for this research. (Hirsjärvi &Hurme 2010, 34-35, 61.)

Face-to-face interviewing was the desirable choice for this interview, but because of long distance and overlapping schedules some of the interviews were made by phone and email. Hirsjärvi & Hurme (2010, 64) write that interviewing by phone makes it difficult to know if the interviewee has understood the questions in the right way. This was not noticed during this research, since the interview questions were sent beforehand, thus giving the respondents some time to think about the questions and their answers. Based on the observations of the researcher, all had understood the questions in a right way.

A qualitative research does not seek to find statistical generalizations as quantitative re-search does, but it tries to describe a phenomenon or to understand some specific issue. Hence, the selection of interviewees must be considered carefully, since it is important that the people interviewed have information on or experience with the research topic and questions. (Sarajärvi & Tuomi 2002, 87-88.)

Interviews can be carried out in different ways. For this research a semi-structured fo-cused interview method was chosen. A focused interview is quite an open interview, which is built on pre-selected themes and specified questions based on those themes. The point of this method is to get the individuals' opinions and interpretations of the topic. The themes are based on the theoretical frame of the study, in other words, the things that are already known about the issues. (Sarajärvi & Tuomi 2002, 77-78.)

An advantage of a semi-structured focused interview is that it keeps the questions and the structure of all the interviews the same, but depending on the answers the interview can go either very deep or even be quite shallow. It is almost like a discussion between two parties, but the difference is that there is a specific theme in which the conversation is kept. (Hirsjärvi & Hurme 2010, 48.) The structure of the interviews (Appendix 3) was the same for all interviews. It was sent beforehand to the interviewees. The face-to-face and phone interviews were recorded with the interviewees' consent.

For this research five individual interviews conducted. Two were face-to-face interviews, two happened over phone, and one by email. Because the number of experts was chosen to be very limited, it was important to find experienced experts who were able to give accurate and reliable answers. Each face-to-face or phone interview lasted about half an hour.

The first interviewee, Ms. Miettinen, is an expert of Russian trade and the founder of MOST RM – a company offering services for companies and individuals interested in expanding to Russian market. (MOST 2015). Her expertise for this research came from her knowledge of Russian culture and marketing to Russian consumers. The interviewing happened face-to-face. The second interview happened over the phone due to the distance. Mr. Tonder, CFO and Co-founder of Mediatalo Toimelias Ltd, is a marketing expert. The company is focused on Russian online marketing and sales and they offer services for Finnish online companies (Toimelias 2015 b.)

The third interview happened also by phone. Mr. Rönkkönen, the CEO from atFlow Oy, gave valuable information from the technical point of view about Finnish e-commerce in the Russian market. atFlow is a company focused on the development of online services (atFlow Oy 2014). The fourth interview happened face-to-face. Mr. Pennanen is the owner of Drivos Ky. Drivos sells accessories and equipment needed for motocross, snowmobile and other such sports (Drivos 2015). The company has an online store in Finland and they sell to Russian consumers. This interview gave the view of an actual merchant operating in the Russian online market.

The last interview was made by email. Mr. Shirobokov, Co-founder and Commercial director of East-West Digital News, was kind enough to find some time to write answers to the interview questions, thus giving the point of view of what Russians experts are expecting from Finnish e-commerce. East-West Digital News is an information company which provides data about the Russian online market (East-West Digital News 2014).

4.3   Analysis

Analyzing a qualitative issue usually starts already during the interviews. Especially when the researcher is the one doing the interviews, he or she can make observations during the interviews. (Hirsjärvi & Hurme 2010, 136.) For this thesis, the analysis was done during the interviews and they were finished right after the interviews. The face-to-face and phone interviews were recorded, thus during the final analysis it was easy to review what was actually said.

The interviews were not completely transcribed. Only those parts, which are used as direct quotes in this research, were also transcribed (Appendix 4). The analysis was done straight from the interviews and the recordings of them. The same person was doing the interview as well as the analysis, and the interviews were built in a way so that the researcher could easily follow up the answers. The transliteration of all the interview material was therefore seen as unnecessary.

Analysing only five interviews might feel easy, but it is not. As Ruusuvuori, Nikander & Hyvärinen (2010, 9-10) state, the interviewers do not give direct answers to the main research questions - the questions used for the interviews are completely different. There are three types of questions in a research: the main research question(s), the questions for the interviews and the analytical questions for the collected material. In this thesis, the analytical questions are:

- What are the most important issues about web site usability that affect the trust of Russian consumers towards the online store?
- Is there something culturally or in other ways specific that Finnish e-commerce should consider about their online store functions when expanding to Russia?

After the analysis comes the time to interpret the results. By analysing each of the interview and then comparing the results, there were similarities and variances found. Interpreting the results is time consuming and can be a difficult process. The researcher has to find the order for all the different kind of answers and find meaning while also making the right kind of conclusions from the answers. (Hirsjärvi &Hurme 2010, 135.) In this research, the right answers were searched by finding the similarities from the interviewees' answers.

4.4   Reliability and validity of the research

Reliability in a qualitative research means the trustworthiness of the data and its analyses. Reliability issues are related to the interpretation part, which is the final part after the empirical part and analyses. According to Anttila (1998a) it would be recommended to have the research data in such a form so that the readers of the research can easily check where the researcher has found the results and its interpretations. In this research, the

reader must ask for the interview recordings from the researcher if wanting to review and verify what was really said during the interviews.

The validity of the research is considered at all parts of making the research. When analyzing, the researcher should relate the findings from the theoretical data to the concepts arising from the research data. The relationship between theoretical data and research data must be logical. (Anttila 1998 b.) All conclusion made in this research are based on the study results. The researcher's own conclusions are clearly mentioned in the discussion section apart from the study results. The frame of the study – the usability of online stores in a Russian context – was considered at all parts. However, at some parts it was necessary to also address the marketing and logistics issues as well. It is to be noticed that the author is an inexperienced researcher. The study relates to the theory and the study findings are paralleled with the theory; thus it can be said the study is as valid and reliable as far as a first time study can be.

5   RESEARCH RESULTS

5.1   Gaining the trust

Gaining the trust of the Russian consumers is an important issue. According to the interviews, Russians seem not to trust every online seller. This was thought to be due to the fact the online business is still quite new on the market and people are known to be suspicious towards new things. Alternatively, it can be because of hoax national online sellers leaving the consumers feeling sceptic about e-commerce. When a Finnish e-commerce decides to enter Russian market, they need to prepare for it well. The first orders are the most critical ones. If something goes wrong from the beginning, it is very difficult to get the trust of the consumers.Russian online consumers usually consider European online stores to be reliable. This does not mean nothing needs to be done to earn this trust. It is a good starting point, but Finnish online stores still need to work for the trust of Russian online consumers.

Marketing is important. To get the consumers to make the first buy is the most money consuming, but after that if the first experience is positive and the marketing is done in a right way, the consumers start to trust the store and they are more likely to come back and buy more.

> **The first purchase from a customer is expensive for the seller, that you get the customer from the Internet through for example a search engine to your online store - - -then when you get the customer to buy, to get the customer to buy again that is the secret for a web store success. Info collected from the customer has to be used (for after sales). (Tonder 2015.)**

Social media is a good tool to help gain trust. Same social media tools that work in Finland might not work in Russia. More about the differences are found in the section 5.4 "The cultural impact". Recommendations from other users are import to Russians. They read different forums and trust other consumers' experiences. Visibility on the right forums is important in the Russian online market.

The search engine gives maybe half of the visits to online stores, but the rest needs to be earned with right kind of marketing. Of course, visits to a site do not equal sales. In getting consumers to make their purchases there is the matter of needs and trust. Needs include that the store is providing what the consumers are looking for. Trust means the store seems reliable enough for the consumers to make the purchase. In some cases, Russians sacrifice the reliability. This can happen if the price is low enough. However, Finnish online stores cannot compete with the low prices of Chinese and similar online stores. The trust issue is therefore seen as significant.

5.2 Key factors about usability

The web page language is among the first things that came up as the most important thing about the web page when the sales are targeted to the Russian market. English is not enough in Russia. It is not only they have a minority of people who speak English, but also that the language works as one issue that builds the trusts towards the shop. When a customer can handle things in his or her own familiar language, they can be sure they understand what is said on the pages and they can read all the terms and conditions.

Paying for the goods is another crucial element. In Finland, paying online works easily via credit cards and Internet banks. However, in Russia it can be a challenge. Not everyone has a credit card in Russia and even when having a credit card, it might not work outside Russian borders. Of course, invoicing is one solution, but this creates more work to the e-commerce. In addition, waiting for the money to be transferred from a Russian bank to a Finnish bank can take some time. If the e-commerce wants to play it safe and wait for the money before sending the goods, then the lead times will get longer.

Online consumers in Russia are used to using Yandex money, which can be used to pay in shopping online. They also have other virtual payment methods, which in Finland are not known. Credit cards are a usable solution for cross-border online payment, but the online store has to make sure their customers have the kind of credit cards that work outside Russia.

> **It is true the amount of credit cards people have is relatively low. Another (payment) option offered (in our online store) is that we make an invoice and customer can go to a bank and pay with it. (Pennanen 2015.)**
>
> **The range of (online) payment methods (in Russia) is quite wide, much wider than Finnish consumers have. Finnish consumers practically only have credit card and online bank, and nowadays also the Klarna-account. (Tonder 2015.)**

The importance of good usability was noticed during the interviews. Usability was seen as a part of a bigger process. The layout has to meet the expectations of the customers, and those expectations are created by past experiences, marketing and the image of the company. When it comes to the layout itself, lucidity seemed to be an important issue. Even though the national Russian web pages can seem difficult to navigate, it is preferred to keep web sites lucid. When all the important information is easy to find and there is no unnecessary information blocking the page, it makes the page to feel more trustworthy than the one with difficult navigation. The whole buying process has to work: from the marketing to the receiving of ordered goods. As Russians do not trust every seller, they sometimes do so that they order first something very negligible – just to test the process. If they are satisfied with the process, they usually order more.

Customer service was mentioned as one of the major issues in gaining the trust. Customer service is part of usability, especially when today's online stores seem to offer multiple ways for customers to contact them, as for example chats on their web. Having a brick and mortar store besides the online store was seen as a positive and trust creating thing. As customers can visit the store of the case company X while in Finland, they are more likely to trust its store also online.

5.3   Challenges about usability

When expanding a Finnish online store to Russian market, there are some challenges to overcome. As mentioned before, the language is a crucial issue: the web page has to be translated into Russian. However, not everything that is in Finnish should be translated into Russian. Only the informative and important information matters. There have been cases where Finnish web pages are full of information which Finnish people like to see, but which Russians only see as clutter making the page difficult to understand.

Another challenge comes from the currency difference. When selling to consumers in Russia, it would be advisable to show the costs in roubles too. However, the fluctuations of the exchange rates make it difficult to have the accurate up to date prices on display. It was seen better to keep the prices in euros, because if converted to roubles, the prices would change daily and that would be confusing to customers. When sending goods to Russia there are customs papers and other logistic issues to handle. Logistics is easily handled by post. If the online store starts to have many orders from Russia, then the manual work can get too time consuming. Thus, it is recommended to plan from the beginning how to automate all the possible work to avoid unnecessary paper work. This will help to keep the order process fluid.

> **All logistic issues, as for example connection to Post and customs, all these documentary procedures can be automated. Automating is the prerequisite to a bigger trade. One does not fill the forms manually for long period. (Rönkkönen 2015.)**

Another challenge is the implementation of well-functioning customer service. It would be recommended to have multiple ways for customers to contact the customer service. Russians like to ask questions before they make their order. When the consumers ask questions, it is crucial to react quickly to them. In gaining and keeping Russian consumers' trust it is important to offer them a way to ask questions and to answer them relatively quickly. Nevertheless, finding the right solutions and ways to implement them depends on the e-commerce; the main point is that customers can easily reach the online store staff when needed.

> **When it comes to Russian customers, the relationship is not only the order and then nothing; with them, it is possible to form a closer relationship. They might call and ask for advice, for example. (Pennanen 2015.)**

One issue to notice about the language is to find out what the name of the company means in Russian language. Even if the word does not sound like anything wrong in Russia, because of the Cyrillic alphabets western alphabets can turn into different letters and the word can then sound different in Russian.

> **The culture of course affects --- what kind of visions the name of the online store gives. There have been some funny (named) companies from Finland --- (they are funny) when a native Russian sees them. (Rönkkönen 2015.)**

Russians like to get to know the online company a bit before they place their order. They might send additional questions about the features of the offered goods for example. Hence, it is important for a Finnish online store to be able to provide also the customer service in Russian. If the goods offered are special and hard to find, then Russian consumers might see the effort to order from store operating other than Russian language. The language of the online store and customer service are both part of the commitment towards the country. To succeed in Russia one needs to play with Russian rules that are familiar to the consumers on the market.

5.4 The cultural impact

For the case company X the demand on the market was noticed during another research conducted earlier. During this research it was found that Russians are known to invest in their children. The Finnish children's clothing company Reima has been operating successfully on the Russian online market, and secondary sources (Appendix 1) of this research proved that children's goods demand is growing annually in Russian online market.

> **When talking about children goods, the durability is an important issue to Russians. Reima has a very good image in Russia. --- When it comes to children, Russians do consume. ---It is kind of the status of the parents too; if your child is poorly dressed, it is you (as a parent) who could not dress your child well. (Miettinen 2015.)**

Clearance is important in the product description. It is of course important that the goods the online store is offering are meeting the demands of the Russian consumers, but also it is important how the goods are displayed in the store. When it comes to product description and especially product pictures, it is good to understand that Russian consumers have different tastes than Finnish consumers. Pictures that attract customers in Finland might not work in Russia. Mainly the difference seemed to be that Russians prefer more colourful and bright pictures than Finns do. In addition, Russians like to see their idols using the goods, so the possibility of using a famous person in pictures or in marketing campaign is one marketing way.

> **We have advertisements on Facebook and I follow at the beginning when we place different photos which ones work. It is funny that in Finland and Russia it is the opposite pictures that work. The colours attract clicks differently. --- The two same pictures in Finland and in Russia and they go completely crossed. (Pennanen 2015.)**

Having good Google search engine optimizing works in Finland, but in Russia google.ru is not as popular as their own search engine Yandex and others alike. It is important the search engine optimizing is done to Russian search engines too. Another difference is the popularity of Facebook. Facebook is a simple way for companies in Finland to do marketing, but in Russia the users of Facebook are very minimum. They have their own VKontakte and alike.

Russians also compare products and read other things about the products, this is mostly done in different forums. This is another thing a Finnish online store companies should be aware of - the visibility on different Russian online forums. The visibility online was among all the answers. The business happens online, and it is important to be present in the same media as the consumers.

6   DISCUSSION

The main research questions was: Is the ease of web site use the key issue creating the trust between a Finnish online store and a Russian consumer using the online store? Based on this study the answer is no. The usability works together with marketing. With the right kind of marketing, the consumers are attracted to visit the online store and that is when the usability plays a major role. When the usability meets the requirements and expectations of the Russian consumers, some of which are created by marketing, then it will created the trust. Usability itself or marketing itself are not enough, they need to work together to create a whole that serves the customers.

Even though according to this study the usability was not seen as the main issue, it is one of the main issues. Marketing was mostly seen as the key factor in order to lure the user to the web page and from there on, the usability plays the major role. Even if the online store itself works nicely, the trust can be lost in the logistic phase, hence it is important to use reliable partners to be sure customers will receive their orders in time.

Doing this research was very interesting. Trust as a topic seem to be something that could have expanded to any limit. It was good I had the frame chosen from the beginning so it forced me to keep the study only in the context of usability. Before I started this study, I had only my personal consumer experience about different online stores. Now I had to think about e-commerce in a more deep perspective. Based on multiple sources, e-commerce has been a rising business for many years, and the growth seem not to stop. Russia being a neighbouring country to Finland means there is a big market right next door. I hope my research will give small online store businesses the courage to expand their business abroad. The major difference when starting to sell to Russia is the language, and that is a skill that can be bought.

According to theory, Finnish online stores are not selling to Russia as much as they could. I asked from ten Finnish online stores who sell goods for children whether they sell to Russia or not, and if they do not, what is stopping them. Two out of ten said they do sell to Russia. One said they sell, but they do not send the goods to Russia, but customers must collect the goods from Finland. Those who do not sell there see the language and the customs as too big of an issue and they do not have the resources enough to tangle the difficulties. Only three out of ten had not even considered to expanding to Russia. Of course, this survey was very minimalistic; it was only done to get primary data about the situation of Finnish online stores in Russia. To say for sure which of the respondets are promoting themselves and to what extent they are committed to the Russian market would require more research.

My study focused strongly on usability. Another important issue would be logistics, but based on my findings in B2C online business the logistics between Finland and Russia works very easily via Post. Not even the Russian customs causes problems anymore. The legal side of selling goods to Russian consumers was not part of this study; it is an important part but I did not see it as a part of usability. As a further research for my topic, I would suggest a study about the legal aspects of e-commerce in Russia.

The results of this research are coherent with theory. On the whole, I see this study very useful for small Finnish online stores. They get a sort of a frame from this study and when they operate within that frame, they know they have the key elements which will help them to get the trust of the Russian consumers and thus succeed in the Russian online market.

The challenge is to get the Russians to visit the online store and to know what the Russian online consumers want to see on the page. It is impossible to give one answer to this, since it depends on who the customers are. When it comes to the challenge of different currencies, one solution could be to add a converter or a link to a reliable converter to the online store so that the customers can easily check what the given amount of euros is in rubles.

What was nice to notice was that the interviewees were all interested in the topic of this research and were happy to participate in it. As an overall result, I could say the look of the web store has to match the expectations of the customers, and the expectations of Russian customers are different than Finnish customers. This research gives an overall view of the expectations, but they of course vary - It is all about knowing the customers.

According to the results of the above mentioned little survey and the theory, Finnish online stores could need a bit of a push towards the Russian online markets. I hope this study will give the company X as well as other Finnish online stores the courage to see the potential offered by the Russian online market. As Mr. Shirobokov wrote at the interview: "It takes less than three to five days to deliver a cross-border purchase from Finland to Russia (and this is more than acceptable for Russian consumers). Finnish online stores should start activities ASAP, otherwise Chinese players will occupy this niche."

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Development of Internet and e-commerce in Russia (Modified from the sources: Inter-
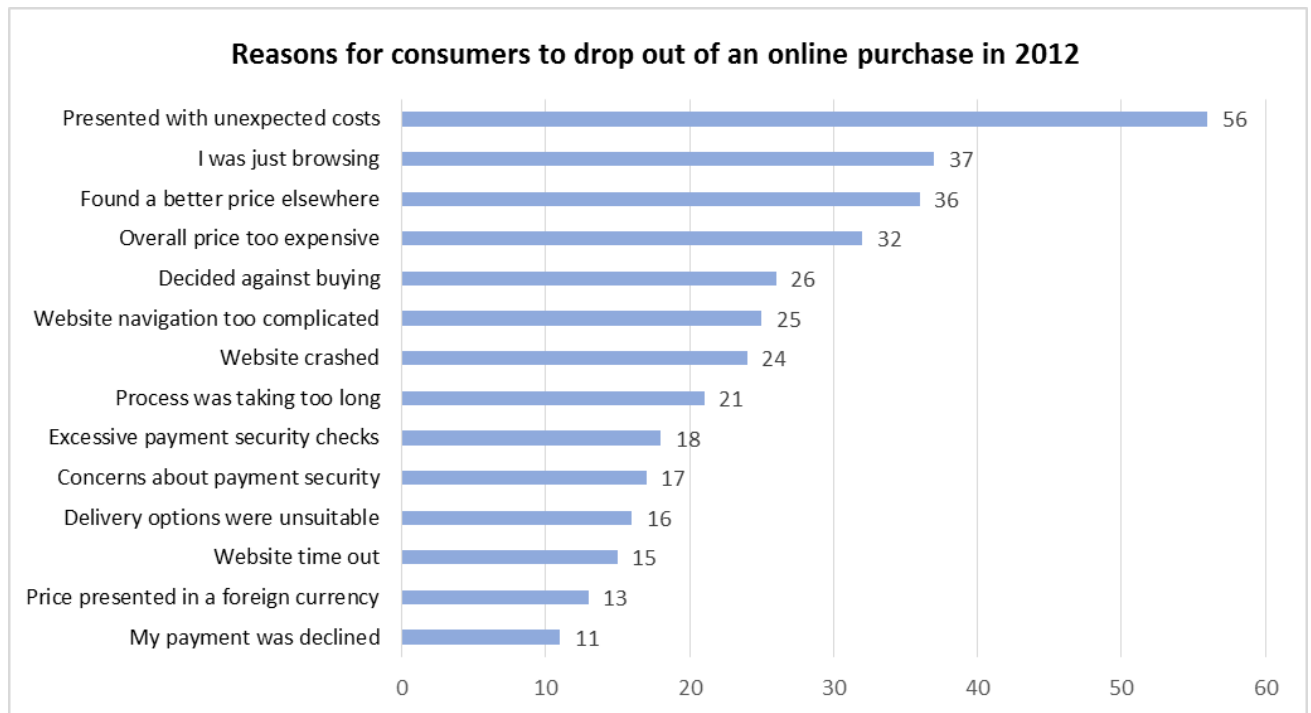netlivestats 2015, EWDN 2015 c 7, 14.)

Year	Population total	% of population with Internet	Internet users (connnection at home)	New users	Growth in user amount	Russia's share of world Internet users
2014	142,467,651	59.27%	84,437,793	7,494,536	10 %	2.89%
2013	142,833,689	53.87%	76,943,257	669,911	1 %	2.84%
2012	143,169,653	53.27%	76,273,346	5,988,652	9 %	3.03%
2011	143,438,152	49.00%	70,284,694	8,528,992	14 %	3.08%
2010	143,617,913	43.00%	61,755,703	20,085,678	48 %	3.02%
2009	143,689,741	29.00%	41,670,025	3,121,477	8 %	2.36%
2008	143,677,033	26.83%	38,548,548	3,123,872	9 %	2.45%
2007	143,652,377	24.66%	35,424,676	9,522,519	37 %	2.58%
2006	143,715,023	18.02%	25,902,157	3,985,955	18 %	2.23%
2005	143,932,966	15.23%	21,916,202	3,356,072	18 %	2.13%

Top 10 segments in e-commerce by turnover		
Segment	Turnover in billion rubles	Growth % -2013
Household; appliances, electronics	146	37 %
Clothes and footwear	92	21 %
Computers, notebooks, parts for computers	69	22 %
Parts for cars	38	44 %
Mobile phones	32	24 %
Home items	31	60 %
Goods for children	**30**	**23 %**
Furniture	27	34 %
B2B equipment	23	24 %
Materials for construction	21	43 %

In 2014:
- About 12 million Russians made purchases from foreign online stores
- Orders from foreign online stores equals 47 million total
- In parcels it makes 75 million parcels
- Total market size was about 2.5 bn $
- Market growth from the year 2013 was 2% in value

Reasons to abandon shopping cart on online stores (Modified from the source: Statista 2015)

Reasons for consumers to drop out of an online purchase in 2012

Reason	Value
Presented with unexpected costs	56
I was just browsing	37
Found a better price elsewhere	36
Overall price too expensive	32
Decided against buying	26
Website navigation too complicated	25
Website crashed	24
Process was taking too long	21
Excessive payment security checks	18
Concerns about payment security	17
Delivery options were unsuitable	16
Website time out	15
Price presented in a foreign currency	13
My payment was declined	11

Interview frame in Finnish and in English

HAASTATTELURUNKO:

1. Mitkä ovat oman kokemuksesi mukaan verkkokaupan sivuston tärkeimmät ominaisuudet, kun myynti on kohdistettu Venäjän markkinoille?

2. Luoko mielestäsi verkkokaupan sujuva ja luotettava käytettävyys luottamusta venäläisissä kuluttajissa, vai onko luottamuksen takana jotain muuta?

3. Mitä haasteita olet itse kohdannut verkkokauppasivustojen käytettävyyden osalta Venäjän markkinoilla?

4. Millä tavalla omasta mielestäsi venäläinen kulttuuri vaikuttaa tai pitäisi ottaa huomioon verkkokaupan sivuston suunnittelussa?

5. Onko jotain muuta erityistä mitä tulee mieleen, joka suomalaisen verkkokaupan olisi hyvä huomioida, kun haluaa laajentaa Venäjän markkinoille?

INTERVIEW FRAME:

1. Based on your own experience, what are the most important features of a web store when the sales are targeted to Russian market?

2. Do you think a well-functioning and easy-to-use web store creates the trust among Russian online consumers towards the web store, or is there something else generating that trust?

3. What are the challenges you have faced with the usability of an ecommerce web site when you have targeted the Russian market?

4. How do you think the Russian culture affects or should be taken into consideration in the design and layout of a web store?

5. Please let me know if you have anything other specific in mind that you think a Finnish online store should be aware of when they are planning to enter the Russian market.

Quotes from interviews in original language

Ensimmäinen ostos asiakkaalta on kauppiaalle kallis, eli se, että sie saat houkuteltua asiakkaan verkosta, vaikka hakukoneesta sinne sun verkkokauppaan ---- sitten kun se on saatu ostamaan, se että se saadaan ostamaan uudelleen on se verkkokaupan menestyksen salaisuus. Asiakkaasta saatu tietoa tulee hyödyntää --- (jälkimarkkinnoinnissa). (Tonder 2015)

On totta, että Venäjällä aika vähän on ihmisillä luottokortteja. Toisena (maksu)vaihtoehtona (nettikaupassamme) tarjotaan, että voi käydä ihan suoraan, että tehdään lasku ja voi käydä pankissa maksamassa. (Pennanen 2015.)

Maksuvälineiden repertuaari on melko laaja, paljon laajempi kuin suomalaisella kuluttajalla, kun suomalaisella kuluttajalla on käytännössä luottokortti ja verkkopankki, ja Klarna-tili, se on nyt tullut. (Tonder 2015.)

Kaikki logistiset, kuten esimerkki postin nettiyhteydet ja tulli yhteydet, nämä asiakirjamenettelyt voidaan automatisoida, et se automatisointi on ison kaupan edellytys, että niitä ei pitkään käsin täytä. (Rönkkönen 2015.)

Venäläisten asiakkaiden kanssa, miten sen nyt sanois, niitten kanssa tulee lämpimämpikin suhde, se ei oo pelkkä tilaus ja ei mitään, vaan saattaa just soittaa ja kysellä vähän neuvoja. (Pennanen 2015.)

Tietenkin se kulttuuri vaikuttaa --- minkälaisia mielikuvia sitten se verkkokaupan nimi antaa. On kaikenlaisia hassuja yrityksiä ollut täältä Suomesta -- kun natiivi venäläinen näkee ne. (Rönkkönen 2015.)

Lastentavaroista ehdottomasti kesto venäläisille on tärkeä. Reimalla on tosi hyvä imago Venäjällä. --- Mitä tulee lapsiin, niin venäläiset kyllä kuluttaa. --- Se on vähän niinku vahempienkin status, että jos sun lapsi on huonosti puettu, niin sehän on sinä et pystynyt pukemaan lasta hyvin. (Miettinen 2015.)

Meillä on facebook mainontaa ja mie seuraan alussa kun heitetään eri näkösiä kuvia samasta aiheesta katotaan vähän mikä toimii niin se on jännä että suomessa joku kuva se on just vastakkainen mikä venäjällä toimii, värit ihan eri tavalla niinku saa klikkejä --- kaks kuvaa venäjälle sama ja suomeen sama niin ne on ihan ristiin. (Pennanen 2015.)