

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Information Technologies



Bachelor Thesis

**Social Media Marketing for a Small Business: Case
Study of Russia**

Dzhaborova Komila

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BACHELOR THESIS ASSIGNMENT

Komila Dzhaborova

Business Administration

Thesis title

Social media marketing for a small company

Objectives of thesis

The main objective of the research is to analyze the changes in how small businesses in Russia do social media marketing after the banning of Instagram.

Partial objectives:

1. To analyze the current state of play in social media marketing in Russia after introducing the Instagram ban.
2. To make a survey of social media marketing among small businesses in a selected sector in Russia.
3. To compare the performance of companies before and after the Instagram ban.
4. To formulate recommendations on adapting to the new reality of social media marketing.

Methodology

The methodology of solving the theoretical part of the diploma thesis is based on the study and analysis of professional and scientific sources of information. The thesis examines the social network Instagram to promote small businesses, emphasizing blocking this social network in Russian territories. Data will be collected before and after the Instagram ban and used to analyze the companies performance. Based on the synthesis of theoretical knowledge and the results of the practical part, the conclusion of the work will be formulated.

The proposed extent of the thesis

40-50 pages

Keywords

Instagram, emerging market, small businesses, block, VPN, target, reels, followers, clients

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- COX, Sarah, "Social Media Marketing in a Small Business: A Case Study" (2012). Department of Computer Graphics Technology Degree Theses. Paper 16. <http://docs.lib.purdue.edu/cgttheses/16>
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The Bachelor Thesis Supervisor

Ing. Miloš Ulman, Ph.D.

Supervising department

Department of Information Technologies

Electronic approval: 14. 7. 2022

doc. Ing. Jiří Vaněk, Ph.D.

Head of department

Electronic approval: 27. 10. 2022

doc. Ing. Tomáš Šubrt, Ph.D.

Dean

Prague on 14. 03. 2023

Declaration

I declare that I have worked on my bachelor thesis titled "Social Media Marketing for a Small Business: Case Study of Russia " by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on 15.03.2023

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Social Media Marketing for a Small Business: Case Study of Russia

Abstract

The main objective of the research is to analyze the changes in how small businesses in Russia do social media marketing after the banning of Instagram. Another partial objectives of the author are: analyzing the current state of play in social media marketing in Russia after introducing the Instagram ban, making a survey of social media marketing among small businesses in Russia, to compare the performance of companies before and after the Instagram ban, to formulate recommendations on adapting to the new reality of social media marketing.

The methodology of solving the theoretical part of the diploma thesis is based on the study and analysis of professional and scientific sources of information. The thesis examines the social network Instagram to promote small businesses, emphasizing blocking this social network in Russian territories. Data will be collected before and after the Instagram ban and used to analyze the companies performance. Based on the synthesis of theoretical knowledge and the results of the practical part, the conclusion of the work will be formulated.

Consequently, the author comes to the conclusion that the fall of real income took place after the start of the conflict in Ukraine and consequent ban of Instagram, but the author believes that firms managed to adapt to new reality and the biggest share of their misfortune was caused by the ongoing economic recession in the country.

Keywords: Instagram, emerging market, small businesses, block, VPN, target, reels, followers, clients

Marketing sociálních médií pro malé firmy:

Případová studie Ruska

Abstrakt

Hlavním cílem výzkumu je analyzovat změny v tom, jak malé podniky v Rusku dělají marketing sociálních médií po zákazu Instagram. Další dílčí cíle autora jsou: analýza současného stavu marketingu sociálních médií v Rusku po zavedení zákazu Instagram, provedení průzkumu marketingu sociálních médií mezi malými podniky v Rusku, porovnání výkonu společností před a po zákazu Instagram, formulovat doporučení pro přizpůsobení se nové realitě marketingu sociálních médií.

Metodika řešení teoretické části diplomové práce je založena na studiu a analýze odborných a vědeckých zdrojů informací. Práce zkoumá sociální síť Instagram na podporu malých podniků s důrazem na blokování této sociální sítě na ruských územích. Data budou shromažďována před a po zákazu Instagram a použita k analýze výkonu společností. Na základě syntézy teoretických poznatků a výsledků praktické části bude formulován závěr práce.

V důsledku toho autor dospěl k závěru, že pokles reálných příjmů došlo po začátku konfliktu na Ukrajině a následný zákaz Instagram, ale autor se domnívá, že firmy se podařilo přizpůsobit se nové realitě a největší podíl na jejich neštěstí byl způsoben pokračující hospodářskou recesí v zemi

Klíčová slova: Instagram, rozvíjející se trh, malé podniky, blok, VPN, cíl, navijáky, sledující, klienti

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List of abbreviations

SMM	Social Media Marketing
VPN	Virtual Private Network

1 Introduction

It's only in recent years that social media has emerged as a significant marketing tool for local companies all around the world. More and more people have access to the internet, and with it, more opportunities for businesses to connect with customers, build their brands, and advertise their wares. The ability to sell on social media allows smaller firms to compete with larger ones in the same markets at a lower cost and with more efficiency. Small businesses in Russia have caught on to the benefits of social media marketing and are utilizing it to grow their customer base and boost revenue.

The purpose of this dissertation is to investigate the usefulness of social media marketing for Russian small companies using a case study approach. A key emphasis of the research will be the strategies employed by small firms to make the most of the promotional potential offered by social media sites. The research will also examine the obstacles that smaller businesses encounter when trying to adopt social media marketing strategies, as well as methods that may be used to assist them succeed.

The research will be conducted as a qualitative case study to address the research questions. A Russian small business that has made good use of social media marketing strategies will serve as the case study's main subject. In-depth interviews with the company's proprietor, staff, and customers will be undertaken for the case study's aims. During the interview, the author inquired about the company's approach to social media advertising, the results that have been achieved, and the challenges that have been experienced.

Together with that, this research will examine existing works on the topic of social media marketing for Russian Small and Mid-size Enterprises (SME). This literature analysis will concentrate on scholarly and professional papers that provide insight into the social media marketing methods used by small businesses in Russia. The challenges that smaller businesses experience when trying to implement social media marketing strategies will also be discussed, as will the methods through which these firms have found to overcome those challenges.

There are a number of issues with the study that should be fixed or at least considered. To begin, this research will only examine one Russian SME, therefore its findings may not be generalizable to the sector as a whole. Second, the research will solely consider social media marketing strategies, ignoring all other methods utilized by small businesses. The survey will also exclusively include the perspectives of small company owners, workers, and consumers. The study will not cover the perspectives of other stakeholders, such as suppliers or rivals.

2 Objectives and Methodology

2.1 Objectives

The main objective of the research is to analyze the changes in how small businesses in Russia do social media marketing after the banning of Instagram.

Partial objectives:

- 1. To analyze the current state of play in social media marketing in Russia after introducing the Instagram ban.*
- 2. To make a survey of social media marketing among small businesses in a selected sector in Russia.*
- 3. To compare the performance of companies before and after the Instagram ban.*
- 4. To formulate recommendations on adapting to the new reality of social media marketing.*

2.2 Methodology

The methodology of solving the theoretical part of the diploma thesis is based on the study and analysis of professional and scientific sources of information. The thesis examines the social network Instagram to promote small businesses, emphasizing blocking this social network in Russian territories. Data will be collected before and after the Instagram ban and used to analyze the companies performance. Based on the synthesis of theoretical knowledge and the results of the practical part, the conclusion of the work will be formulated.

3 Literature Review

When it comes to marketing in and of itself, before constructing any part of the marketing scheme, it is essential to comprehend that marketing evolves not only in the real world, but also in the virtual one. This is something that must be understood before any part of the marketing "pyramid" can be constructed. And the virtual world has practically no boundaries, while the real world and "physical" marketing are becoming more expensive and more premium every day.

Since even the presence of a brand or logo of a brand on the screen of television broadcasts, for example, the same World Cup in 2022 in Qatar (Figure 1), businesses were ready to allocate huge amounts of resources (Joshi, 2022). If author of this work looks at facts, the World Cup in 2018, which took place in Russia, was the event that was seen by the most people over the course of the past several years. In addition, the championship game of this competition was seen by around one billion people around the world, and it is essential to keep in mind that the match was carried out in real time across the entire planet (Clark, 2022). Since an event such as the World Cup is an insane magnet for the money of any state, it is important to pay attention to how many potential buyers are hiding in this billion, but it is also important to pay attention to how many opportunities it brings to such a deep and still early science as marketing.

All of this is incredibly enticing to businesses since even a little firm can acquire a lot of attention through such media channels, even with relatively few resources. This makes all this a very desirable situation for businesses. Because of this, commercial organizations are looking to further adapt social networks to solve their problems. In response, social networks are adjusting their algorithms in a way that compels commercial organizations to pay more frequently and for a greater amount to gain access to the audience they desire.

Figure 1, Some of the brands that showing on crossline, World Cup 2022 Qatar



Source: Yahoo Sports, 2022

It is essential to be aware that marketing encompasses a sizable number of subfields, subcategories, and individual specializations. Describing and highlighting all these aspects of marketing would be a laborious and time-consuming process; however, in this context, it is important to focus on the fundamental roles that *SMM* plays.

The term "*social media marketing*" (SMM) refers to a subset of internet marketing that involves the process of developing and distributing material on social media platforms with the intention of achieving company objectives in the areas of marketing and branding, as

well as making a financial gain (Keegan, 2017). Why is it necessary for a company to have SMM?

The following are the specific activities that are the focus of commercial SMM:

- Develop brand awareness and knowledge among users;
- Attract new customers and maintain relationships with regular customers;
- To increase sales;
- Test hypotheses, collect feedback, respond to negativity, and resolve conflict situations.
- Get direct contact with the audience for live communication and feedback.
- Have your own controlled mouthpiece to deliver brand messages and values to the audience.

To provide a concise overview of what has been discussed, social media marketing offers a great deal of potential for the promotion of businesses in every sector. A more extensive brand communication campaign can benefit from and be supported by it, but it is also very capable of becoming the primary and required channel of connection with the audience (Sherwood, 2017). The numerous small companies that do not invest in the creation of conventional websites on the internet but instead rely on social media accounts as their primary communication medium with customers serves as a good illustration of this phenomenon.

Promotion through paid advertising on social networks is also included in SMM, in addition to the free publication of posts (texts, videos, photos, and other types of material) that promote audience engagement. For this reason, it is essential to emphasize the definition of SMM, which states that social media marketing is the advertising of goods and services within social networks, which are forms of social media by marketing. This will give a clear understanding of the essence of SMM and help to better understand the benefits and reasons why small companies have benefited from the development of marketing. The author of this paper will provide a brief overview of social networks and a step-by-step guide to SMM in chapters a little later.

The discussion between a social group and the topic of a company's marketing can be facilitated using a tool called social media marketing. Direct work in communities that are

comprised of the users to be targeted is what SMM entails. Interacting with a target audience in a modern setting can be accomplished using social media platforms.

Today, the audience of social networks is comparable to the audience of TV channels; the only difference is that the audience of social networks is more attentive and active (Rauchfleisch, 2020). However, it is also important to note that the Internet is in almost every home, and that the use of social networks has become much more necessary than it was just ten years ago, when they were just starting to be released. iPhones and the IT sector both started to experience consistent growth. When compared to the reach of traditional marketing methods, which each had both their benefits and their drawbacks, the reach of any marketing done through social networks has a reach that is practically unattainable. This is a logical conclusion that can be drawn from the fact that social networks are currently being used by approximately half of the world's population (Scott, 2022).

The marketing of social media platforms lies at the crossroads of several disciplines, including public relations, advertising, sociology, and journalism. SMM is more comparable to public relations than it is to advertising. Advertising allows for the acquisition and subsequent purchase of the attention of consumers. The trust of one's target audience cannot be purchased; rather, it must be gained through one's actions. Journalism is much more relevant to social marketing than blogging or posting ever could be. These are instruments for direct, open, or covert connection with the intended audience; they are not for "blaming" on the public what the firm finds fascinating and important or what the author of the articles finds significant and intriguing (Fu, 2022). It is necessary to highlight the things that may be acquired through marketing that makes use of social media and the frameworks that social media provides before pointing out the connection between marketing and social media. It is vital to highlight some of the goals that can be accomplished with the help of social media

Naturally, the business can manage not only all digital marketing channels, and there is no requirement for it to be present on all platforms. However, the firm may choose to do so. But if there is anything that will determine the outcome of using this technology, it will be a more effective allocation of work and a utilization of the opportunities that are currently available. This strategy is applicable not only to huge businesses but also to smaller ones,

such as the business that the author will take into consideration in the practical section of this article.

Even though it is only one of the non-standard marketing engagement methods available, social media marketing is now the most promising. Large corporations and other industry leaders aren't the only ones interested in social media marketing; small and medium-sized enterprises, who utilize SMM for their own promotion and to build contact with their customers, are also in demand for the service. SMM does not have an immediate effect, but it does produce a long-term result, if it is used in the appropriate way and with certain targets in mind. The cheap cost of investments in comparison to the potential effect of the activities that are carried out is the primary benefit that it offers.

Tools traditionally used for marketing on social media:

- Group dialogue is the process of developing, designing, and populating (maintaining) a blog;
- Social dialogue is the process of disseminating information within thematic communities, providing support for discussions, and providing responses to queries and comments.
- Trade marketing can be defined as the practice of organizing promotional efforts inside a social group.
- Hidden marketing entails working on popular sites devoted to a particular topic, initiating, and sustaining conversations in the role of an agent of influence;
- Direct marketing includes activities such as engaging a discourse on behalf of the company, direct advertising in topical forums and on the pages of popular bloggers, viral marketing, and the monitoring of both positive and negative information.
- Development of a constructive informative background;
- Enhancement of the company's online resources for use in social media (SMO) (Awodele, 2009).

But does these tools of social media marketing even can be compared to traditional marketing ways and already established processes that can clearly make huge profit, as was said earlier. At this point, it's important to clarify how much impact social media and combined with marketing can achieve together.

3.1 Measuring Impacts of social media on Marketing Activities

The most important instrument for developing a brand identity, raising consumers' knowledge of the company, encouraging user participation, and producing intermediate leads is social media. Confusion might emerge when team try to incorporate social media into a conversion funnel; thus, the only way to set things right is to have a clear awareness of the procedures that are required to produce leads. Members of social networks like Facebook, for instance, frequently engage in the practice of soliciting other users' email addresses. Even while Facebook does not make it possible to obtain a user's email address from the social network's resources, it is possible to obtain addresses through the use of supplemental add-ons and third-party programs (Perez-Botero, 2013).

One of the most important aspects of a marketer's work is determining how successful individual campaigns are. It is essential to have a clear understanding of how the results of labor will affect the bottom line. It is astounding that the majority of businesses operate in the dark and have no clue how the success of their business is affected by social media. That is why determining the ROI (return on investment) of social networks is not a simple operation, marketers are only partially to take a blame for this situation.

There are even others who believe that evaluating return ROI from social media is just impossible. It turns out that the scenario is very similar to traditional advertising on billboards: marketers invest their efforts into engaging with social networks, and then they basically hope that this may affect sales in some way. ROI is a financial statistic that represents the profitability (or loss) of investments made in a company, project, startup, or marketing effort.

The fact that many digital companies try to measure success through metrics such as likes or tweets that cannot be monetized is one of the reasons why it is difficult to measure the ROI from social media. However, business revenue is directly related to site visits and the number of new contacts. mailing lists, contact information for phone calls, and direct sales derived from social networks. When trying to deal with complex social media phrases that don't truly connect to profit and bottom line, company owners are left in a state of confusion, and marketers come out seeming like they are selling snake oil (Hanna, 2011).

It is helpful to understand how to apply the words and quantifiable methods to other online marketing channels when analyzing the ROI of social media. For instance, contextual advertising gives additional statistics and the opportunity to measure the outcomes more precisely (Lewis, 2015). For investors who fund a variety of company ventures, the return on investment is an essential metric to consider. The capacity to monitor the return-on-investment ratio contributes to the improvement of company efficiency, the analysis of sales performance, and the instruction of how to effectively spend funds within a budget.

As trite as it may sound, social media's greatest strength is building relationships with users, and those relationships can't be measured. Facebook posts may not lead to any conversions today, but a lot of users will see them and get to know the brand better. Later, this introductory stage for the user may be replaced by a desire to click on a link or buy a product offline. Social networks also help new brands develop their own identity and find their own voice. For brands that specialize in boring things like finance or insurance, social media can be a place for these companies to connect with users in a more informal and casual way.

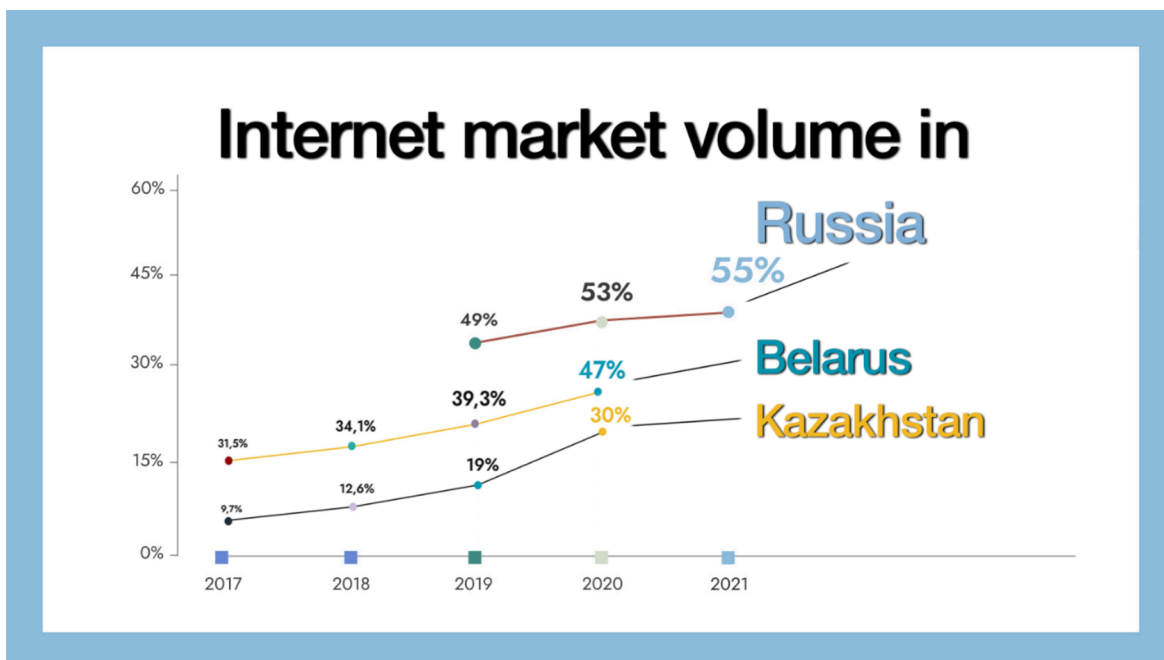
3.2 SMM in Russian Federation

Since the characteristics of national SMM as such vary from nation to nation, the behaviour and influence of social networks in Russia must be measured based on more than just one region. Since Belarus and Kazakhstan are included in the Russian market, it is important to understand the extent of its progress toward the regions that are geographically closest to Russia as well as the regions that are the largest in size. The author of this piece will examine the state of social media marketing in Russia, as well as the question of whether it is required to tailor the brand account to the specifics of certain countries. The size of the digital advertising market, the number of agencies, and the number of times people use the Internet daily in each nation all have an impact on the development of the sector. Therefore, to analyse “the health” of the Russian markets, it is vital to first have a look at the data, as well as to highlight a few of the other surrounding locations that were mentioned before. Specifically, these regions include: (Fig. 2).

Since SMM is a component of the online advertising business, the size of that market should be the first thing to get careful consideration. For instance, the IAB Belarus for 2020 forecasts that the popularity of digital advertising will continue to expand each year through the year 2021 (Tarasevich, 2021).

Another important factor to consider is the total number of people who utilize the internet. 80% of the population of Kazakhstan makes regular use of the Internet, with 88% of individuals devoting the most of their time online to social networking sites. Gemius reports that the percentage of daily users in Belarus is somewhat higher than the global average: 90% of the country's citizens log into the network daily (Szostak, 2021). In the same vein, 40% of them are always active on social networking sites. It is estimated that just 70% of people living in Russia log on to the internet daily, making Russia one of the countries with the lowest rates (Kononov, 2021). A little less than one third of them spends more than three hours every day on social networking sites. These actively engaged users are the ones that companies are "searching" for. Now with that out of the way, important to find out which social networks are the most widely used in each of the three nations (Cheng, 2021).

Figure 2, Internet market volume in Russia, Belarus, Kazakhstan



Source: Andre, 2021

In Kazakhstan in 2021, Instagram was the most popular application, taking first place in the ranking of popular apps; 79% of Kazakhstanis prefer using Instagram as their primary communication channel. Below are V Kontakte, TikTok, Odnoklassniki, Facebook.

Instagram is also the most popular social media platform in Belarus, with 77% of the country's population using it on a regular basis. Followed by Vkontakte, TikTok, Odnoklassniki (Statista, 2022).

Instagram is the social network that is believed to be the most popular in Russia; 35.5% of Russians choose to spend their time on this platform. Vkontakte and TikTok come in second and third place, with respective percentages of 28% and 24% of the Russian population (Statista, 2022). Author may draw the following conclusion from all the statistics: the market for internet advertising is consistently expanding and increasing. When seeking for information about a company or product, people resort to social media more than they do search engines.

Therefore, it is now just as vital to execute contextual advertising on Yandex or Google as it is to maintain a brand account on Instagram or TikTok. As a result, it is time to stop using a single account for all CIS nations and begin customizing the information for individual users. Additionally, companies should take into consideration which social network is most widely used in each nation. VKontakte and TikTok are currently in second and third place, respectively, behind Instagram in three countries (Statista, 2022). The professionals will be able to determine which social networks require their attention initially with the assistance of these data. But just as small businesses can use all social networks, large companies are clearly interested in promoting their brand relatively free of charge. Therefore, it is important to note those elements that will help small businesses in this regard more than large ones.

3.3 Importance of Promotion

Small businesses need customers. And in general: any business needs customers, no matter how small or big. In general, there are many reasons why a small business should use social networks for work. But the main reason is just the opportunity to get customers.

The popularity of social networks is growing rapidly - Facebook, Twitter, Instagram, VKontakte, Odnoklassniki, etc (Torous, 2021). So, it is hardly worth saying that they are full of potential customers and the main idea here is that users, i.e., potential customers are there every day. And there is no other platform more powerful than social networking sites for this purpose. Today, 58.4% of the world's population, i.e., 4.96 billion people, uses social networks (Serik, 2022).

On average, people spend about two and a half hours on these sites. What's more, 58% of people browsing social media also use them to search for products. In other words, social media has proven to be an advertising tool with extraordinary penetrating power. For a small business, creating an engaging social media profile can do wonders. What large corporations and popular brands do with their investment opportunities; small businesses can equally do with innovative social media tactics (Hua, 2022).

But to apply the right strategy at the right time and attract the right people, you need a solid plan and the right use of the advantages that social marketing has. All it really takes is a bit of internet research and enthusiasm to tackle the needs of small business social media marketing in a cool, customer-focused, and calculated way.

3.4 Methods of Promotion

Some techniques of SMM are offered for free (or as shareware), while others need payment. Activities aimed at generating social activity are included in the category of free techniques. This might involve the formation of a group (or public) on behalf of the firm or one that is committed to a certain set of product or service categories. It is of the utmost importance to keep the group up to date on a consistent basis by uploading news and publications, information from the media, maintaining user engagement, etc. A company can also be promoted through the writing of comments and posts in public groups and on public pages of third-party websites (Kizi, 2022).

The utilization of the advertising chances supplied by social networks is included in the paid techniques. Including the placement of tailored advertising as part of the marketing of VK or other social networks is possible. Advertising is also frequently utilized in applications, particularly the most popular ones, which frequently bring together millions of

users. Contests and other types of promotions among members of social networks are yet another strategy that has shown to be successful (Obermayer, 2022).

Content marketing. This is the primary reason why individuals join communities or subscribe to channels. Users are seeking for the most recent news, information that will help them, and material that is entertaining. It is worthwhile to fill one's social network accounts with specific material if one is to do so in consideration of the demands made by subscribers. The primary principle stipulates that advertising content should always come after informative content.

Video marketing. The YouTube service should be considered the primary distribution point for videos that are intended to attract customers. Despite the widespread availability of similar information on other networks, our website offers a format that is more appropriate as well as a wide range of functionalities.

Targeted advertising. Launching customized advertising is one of the most cost-effective and potentially lucrative methods for promoting items on social networking sites. The adaptability of the settings is what sets it apart from other similar products. Advertisements are only presented to individuals who may have an interest in the product or service being advertised (Ewen, 2022).

Promotional activities inside communities and on promoted accounts. A firm can purchase a post in a group that has a significant number of subscribers by paying the appropriate cost. As a direct consequence of this, many people start to notice it. Cooperation with organizations discussing related subjects is required for businesses who want to obtain such advertising.

Conversations with various consumers. The way company representatives interact with other users on social networking sites is one factor that has a significant bearing on the image of the business. In this environment, it is simple to conjure up a picture of a forward-thinking brand that can move with the times. It is essential that the account be managed by an experienced expert; nevertheless, if the specialist is impolite while interacting with

customers or publishes messages that are unclear, the subscribers may become dissatisfied with the account.

3.5 Critical Evaluation

3.5.1 Advantages

SMM offers numerous benefits, and it is essential to emphasize as many of them as is humanly feasible to create the most accurate image possible of the boundless opportunities offered by social networks.

Trust level. Users of networks do not consider social media marketing to be advertising, and as a result, they do not block these advertisements as spam.

Outstanding coverage. There is a greater number of chances to bring in new clients, and these prospects are not constrained by geographical borders. SMM makes it possible for organizations and brands to reach a massive audience of prospective consumers ranging from hundreds of thousands to hundreds of millions of people in a very short amount of time. This is made possible by the exponential growth of social media.

Accurate sampling. The ability to more precisely identify one's target audience is made feasible by social networking sites. The users themselves provide the essential information about themselves, which makes the conditions for targeting more favourable.

Prices. Another important benefit is the very low cost of advertising on social networking sites. A SMM campaign may be run for a fraction of the cost of advertising in traditional mediums such as newspapers and television. Additionally, the cost per visitor that is attracted is significantly cheaper when compared to the cost of employing other techniques of advertising. Making new friends, establishing a community, hosting an event, or having a conversation about a significant event does not require a significant number of financial resources. Primarily, the funds are being spent on promoting the company to disseminate information to prospective clients (Gildin, 2022).

Feedback. Communication with prospective clients, including the capacity to respond to their inquiries, provide information in detail, and get an understanding of all wants and comments made.

Quick response. Exchanging information at a high rate of speed. If you already have a community, then the response to your advertisements will be very quick, in contrast to the typical advertising done through search engines or blog postings.

3.5.2 Disadvantages

Naturally, there isn't a single facet of marketing that is composed entirely of advantages, which is why it's essential to be aware of the drawbacks that lie dormant in a field of marketing that appears to be so impermeable as social.

The first financial commitment. The initial results will not become visible straight away. As a rule, at least three to six months should have passed.

Work that never stops. It is vital to do frequent updates to bring in new clients and keep the ones you already have. This includes consistently posting fresh content and keeping up to date with any relevant news or articles. The various social media platforms are run like businesses, and their proprietor's profit from them. It is becoming increasingly difficult to move around without paying a fee. An alternative to quick and convenient paid marketing is rapidly becoming available through several resources. Since new features are continually being added to social media platforms, it is becoming increasingly difficult to use them effectively. As a result, it is necessary to either devote additional time or financial resources to the study of emerging trends or to consult the services of an expert ((Fineberg, 2022).

Calculating the CPI may be challenging. It is quite difficult to make an accurate estimate of how much money will be spent on such an advertising campaign. The amount spent is directly influenced by a wide variety of internal and external circumstances. It will not be feasible to do subscriber behaviour analysis in the same manner as, for instance, on Yandex. Metrics and Google Analytics are two examples. When using social networks, it is not able to determine where users came from, for what request they were looking, or how they acted when visiting a website. The company will only be able to obtain the broad figures

that the marketer will use to determine whether he is heading in the right way and whether they are correctly promoting the company through SMO and SMM (Varbanov, 2015).

There are no assurances on the level of safety. If a corporation cannot be one hundred percent certain of the outcome while using SMM, then the safety of this marketing segment is also a common party that may be called into question. The lack of privacy afforded by social networks is something that a lot of people are familiar with. Some organizations might have access to users' private messages, might be able to get users' personal as well as commercial data, might be able to monitor users' behaviour, and so on. If company place a high value on the information, you have access to behind the scenes, it is probably not worth it to entirely transition your company over to social media and put your reputation at danger (Bucher, 2012).

There was no first interaction. People who are interested in a certain product will almost always begin their investigation by using an online search engine. For instance, if he is looking to purchase household textiles, he will not search "Vkontakte" for a group that is specifically devoted to the selling of textiles. Search engines are often what people turn to for these sorts of needs.

It can't be that incorrect. The consequences of making an error in these posts are substantially more severe. Reputation can be irreparably damaged by even the smallest error, such as a significant misspelling, in the comments or in the selection of themes for the post.

Does not give 100% coverage. Even these ad groups differ from standard advertisements in several ways, many people continue to overlook them due to the advertising focus of the content they include.

The strategy is not appropriate for all situations. There are certain businesses that just cannot make such progress as easy as others. To begin, they are businesses whose products and services are essential to the functioning of normal life. Additionally, it is essential to keep in mind that every social network has its own set of guidelines, and that moderators are responsible for ensuring that these guidelines are followed. Because of the high level of

activity in the group, it is simple for you to lose favor, and as a result, the group will be prevented from doing certain tasks or have those actions severely restricted.

Strong levels of competitiveness. When using social networks, there is virtually no chance of having a private conversation with the customer. Numerous adverts, invites to groups, and other forms of communication, like as chats, will be used by the business in an ongoing effort to attract the attention of prospective customers

3.6 Censorship of Social Media

Censorship of the internet is the practice of preventing users from accessing types of content or information on the internet. This practice is often carried out by governments or major organizations (Deibert, 2016).

Simply said, if a government, Internet service provider, or social network does not approve of a certain website on the Internet, then that website is added to the list of blacklisted websites, and residents of the nation are thereafter unable to access the website in question. Censorship of the internet is an effort to make the free and unlimited environment on the online more pliable and controllable, as well as more like the actual world in terms of adhering to regulations. Censorship of the internet is becoming common practice in an increasing number of nations all around the world. Since its inception, the internet has served as a haven where users may freely access a wealth of diverse information. On the other hand, beginning several years ago, several nations and countries started making efforts toward bringing the Internet within the jurisdiction of the laws and censorship in some of those countries. The online media have been given official status, and applicable laws will now be applied to them. This will require them to adhere to the guidelines that govern the media industry's competitive landscape. It is important to question those in the know on the necessity of censorship on the internet as well as who should enforce it (Kizza, 2003).

Because of the Internet's pervasive presence in our daily lives, we have grown to regard it as an everyday phenomenon for a considerable amount of time. What was once simply a pipe dream is now a reality thanks to the World Wide Web: virtual communication, online

access to view movies and TV episodes, listening to music, finding an answer with just one click... But can we always trust the information that's offered on the internet?

It was this question that drove a wedge in the user base, creating two distinct schools of thought: some users are completely persuaded of the necessity for censorship that safeguards us from potentially dangerous content, while others are of the opinion that it is not required. It is with him that, in some way or another, the great of this world, gifted with authority, are obliged to calculate, therefore the opinion of a large audience is of the utmost importance. Even in nations ruled by governments with a high degree of authoritarianism. However, before jumping to any quick judgments, one should consider all the benefits and drawbacks of the situation, as well as recall what internet censorship is and what the main principles of its functioning are.

Therefore, the control and suppression of the publishing or access to information on the network is what we refer to as censorship on the Internet. Censorship of the internet and censorship of printed media are legally equivalent practices and should not be differentiated. People living in a nation where access to material is restricted but it is not censored are nevertheless able to quickly retrieve the information on websites that are hosted on servers located in other nations. Because of the inherent complexity of the global network, it is patently evident that it is not feasible to filter the Internet in its entirety. However, this is not such a negative thing because the use of pseudonyms prevents the specific identification of the material's creator and the subsequent removal of the content. The issue that must be asked is, does such "control" of information make any sense at all? And if that's the case, who has need for it?

A real stone in the garden of those who are interested in censorship, perhaps more than anyone else - politicians - is any news that is leaked to the Internet media that reflects the authorities in a disadvantageous position, highlights protest, attempts to overthrow the government, and the implementation of a coup d'état. This also applies to government officials who, for understandable reasons, have no desire to leave their positions inside the administrative machinery (Rothstein, 2008).

Censorship, for them, is a means of expanding existing opportunities, and the rights of users to open discussion and argumentation of their positions are considered by the security forces only in the very last turn. Neither law enforcement agencies nor intelligence agencies can be called champions of total permissiveness on the network.

People who believe that the Internet is a breeding ground for pornography, drug promotion, suicide, and other content whose morality is questionable can be counted among those who advocate for the censor. These people come from the ranks of regular, but unduly worried, citizens. In most cases, the desire to “stop everything” and “restrict access” is motivated by the straightforward objective of ensuring the safety of young people and adolescents. This fact makes it possible to comprehend these sentiments.

However, there are versions of the Internet that are not censored. There is a generic term for this kind of “Internet,” and that name is “the darknet.” The darknet is another name for the anonymous Internet, which enables users to avoid being censored by the computer they are using. On the darknet, you can buy goods that are not permitted for legal circulation, and you can also find illegal service providers, such as experts in the sending of phishing emails, developers of ransomware malware, and other tools for cybercrime. This is a possible example of what will happen to the Internet if there is no control over it. Because of this, it is essential to have a solid understanding that the Internet has only recently emerged on the course of human evolution, and enough time is required for certain aspects of people’s lives to start functioning and being carried out solely based on the Internet and social networks (Moore, 2016).

3.7 Overview of studies on SMM ban impact on SMEs

The marketing plans of SMEs increasingly need to include SMM, also known as social media engagement. They are able to create brand recognition, communicate with consumers in real time, and reach out to a larger audience as a result of this capability. SMEs have been left in a vulnerable situation as a result of the recent prohibition on social media marketing platforms in some nations (Berthon, 2012).

The impact of the SMM ban on businesses has been the subject of several research. One study found that the limitation significantly affected the marketing efforts of SMEs (Kaynak, 2005). The survey found that businesses that put more emphasis on marketing through social media sites saw a drop in customer engagement and revenue. It's because many businesses rely heavily on social media for customer outreach, and the restriction hindered their ability to interact with their customers (Given, 2013).

One additional study investigated how the regulation influenced the social media presence of small and medium-sized enterprises (Danis, 2010). The study found that restrictions have a major impact on SMEs' social media engagement metrics including comments, shares, and likes. This indicates how the restriction hindered SMEs' communication with their intended demographic, which might have future effects on sales (Oztamur, 2014).

The effect of the limitation on SMBs' brand recognition was the subject of a third study (Ahmad, 2018). Once the limitation was put into place, the study found that small and medium-sized enterprises (SMEs) who relied on social media marketing to raise brand recognition saw a decline in brand exposure. This is due to the fact that without social media platforms, small and medium-sized businesses would have to rely on less efficient types of advertising in order to raise awareness of their brands.

3.8 Summary of main findings

Numerous marketing studies have examined how the restriction on SMM affects small and medium-sized businesses. These studies investigate how the restriction has affected advertising, social media, and name recognition among businesses. They stress the need to analyze and compare various forms of advertising to find the most appropriate ones for reaching target audiences. Censorship of social media and its effects on SMM have also been the subject of author analys. The author address the possible harmful impacts of censorship on SMEs' capacity to freely and creatively communicate with consumers. With aknowledge of many Russian studies have looked into the promotion strategies and significance of the SMM market. The need of tailoring marketing tactics to certain demographics has been underlined, and the most successful marketing channels for SMEs have been discovered,

thanks to these research. Last but not least, several studies have investigated how to quantify the effect of social media on advertising campaigns. The reach, engagement, and conversion rates of SMM efforts are studied in these research. By gaining insight into these indicators, SMEs may better improve their marketing strategies and more successfully reach their marketing objectives.

4 Practical Part

4.1 Research Question and Research Design

The main research question of the following bachelor thesis lies in understanding if the recent ban of Instagram has had a negative impact on online marketing and sales in general of small businesses. For this purpose, the author, instead of relying on multiple structural interviews, focused on the quantitative approach, where the author first created a relevant questionnaire and then shared it with a selected sample that is expected to fully or at least partially represent the selected proportion. In this case, it is wise to say that the total number of small businesses in Russia is approaching a 5-digit number, so creation of a representative sample would require over 10,000 business owners to be questioned, which does not seem feasible at all in the context of the author's research.

Henceforth, the author's research has an illustrative nature with a limited sample selected – 60 participants, which were contacted by the author by email. Consequently, the author used the results of the survey for the hypothesis testing. In addition to that, the author also analyzed the number of active users of social media before and after the start of the conflict in Ukraine.

4.2 Data

The author focused on two primary sources of data for her research:

- Primary Data represented by a survey with small business owners' responses, whose businesses are based in urban area with cities whose population is over 1 million people.
- Secondary data represented by relevant reports and statistics published by social media platforms themselves about daily activity of users from Russia on their platforms.

4.3 Questionnaire Survey

The author used google forms as a basis for promoting the survey among small business owners of Russia. Collection of responses from survey was conducted in January, 2023 with 60 first observations being recorded and used for the analysis with a pilot testing of questionnaire being done prior to the handing out of the form.

The survey had the following list of questions:

1. What is your age?
 - a) 18-35
 - b) 36-50
 - c) >50
2. What is your gender?
 - a) Male
 - b) Female
3. Estimate your monthly profit from enterprise
 - a) Less than 1,000\$
 - b) Between 1,000\$ and 5,000\$
 - c) More than 5,000\$
4. How much of your income is online sales? (in %)
 - a) Less than 10%
 - b) Between 10% and 40%
 - c) More than 40%
5. Have you used any social media platforms for advertising?
 - a) Yes
 - b) No
6. Which one have you used the most?
 - a) TikTok
 - b) Telegram
 - c) VK
 - d) Facebook
 - e) Instagram
 - f) Twitter

7. What was the main channel through which clients get to know about you?
 - a) Social Media
 - b) References
 - c) Physical advertising (billboards, promoters, etc.)
 - d) Specialized platforms (Avito, Profi, etc.)
8. How will you evaluate the effect of your advertising prior to the conflict in Ukraine?
 - a) Highly negative (1)
 - b) Negative (2)
 - c) Neutral (3)
 - d) Positive (4)
 - e) Highly positive (5)
9. Have you switched to alternative platforms or marketing techniques after the start of the conflict in Ukraine?
 - a) Yes
 - b) No
10. How will you evaluate the effect of your advertising after the start of the conflict in Ukraine?
 - a) Highly negative (1)
 - b) Negative (2)
 - c) Neutral (3)
 - d) Positive (4)
 - e) Highly positive (5)
11. Has your real income from business activities fallen after the start of the conflict?
 - a) Yes
 - b) No

4.4 Hypothesis and Data Analysis

The author tested the following hypothesis:

- 1) Typical channel of advertising and having real income to have fallen after the conflict are related.
- 2) There is a difference in the perception of effectiveness of advertising before and after the conflict.

- 3) Owners who have not used social media for advertising did not experience a fall in real income.
- 4) People who have used social media platforms for advertising switched to alternative platforms after the start of the conflict.
- 5) There is a relationship between monthly profit from the enterprise and having real income fallen.
- 6) Percentage of sales in online and having real income fallen are related.
- 7) Experiencing a fall in real income after the start of the conflict and switching to alternative advertising platform are related.

The hypothesis number two is tested according to the paired samples t-test, while the result was accordingly tested with the help of either Chi-Square tests or Fisher's exact tests, depending on the situation with expected frequencies.

The author presented a quick overview of the dataset used for the testing below.

Figure 3, part of the dataset

	What is your age	What is your gender	Estimate your monthly profit from the enterprise	How much of your income is online sales in	Have you used the most	Which one have you used the most	What was the main channel through which clients got to know about you	How will you evaluate the effect of your advertising prior to the conflict	Have you switched to alt.
1	18-35	Male	Less than 1,000\$	Between 10 and 40%	No	Telegram	Specialized platforms (Avito, Profi, etc.)		2 Yes
2	18-35	Female	Between 1,000\$ and 5,000\$	Less than 10%	Yes	Instagram	Social media		4 Yes
3	>50	Female	Less than 1,000\$	Between 10 and 40%	No	Facebook	Specialized platforms (Avito, Profi, etc.)		4 Yes
4	36-50	Male	Less than 1,000\$	Less than 10%	Yes	TikTok	Physical Advertising (billboards, promoters, etc.)		1 Yes
5	18-35	Male	Less than 1,000\$	Less than 10%	Yes	Telegram	Social media		1 No
6	18-35	Male	More than 5,000\$	Between 10 and 40%	Yes	Twitter	Physical Advertising (billboards, promoters, etc.)		1 Yes
7	>50	Male	More than 5,000\$	Less than 10%	Yes	TikTok	Social media		1 Yes
8	18-35	Female	Between 1,000\$ and 5,000\$	Less than 10%	Yes	Instagram	Specialized platforms (Avito, Profi, etc.)		1 Yes
9	36-50	Male	Less than 1,000\$	Less than 10%	Yes	TikTok	Specialized platforms (Avito, Profi, etc.)		4 Yes
10	18-35	Male	Less than 1,000\$	Between 10 and 40%	Yes	VK	Social media		5 Yes
11	>50	Female	Between 1,000\$ and 5,000\$	More than 40%	Yes	Facebook	Social media		4 Yes
12	36-50	Female	Less than 1,000\$	Less than 10%	Yes	Twitter	References		4 Yes
13	18-35	Female	Between 1,000\$ and 5,000\$	Less than 10%	Yes	Twitter	References		4 No
14	36-50	Male	Less than 1,000\$	Between 10 and 40%	Yes	Telegram	Physical Advertising (billboards, promoters, etc.)		2 Yes
15	36-50	Female	Between 1,000\$ and 5,000\$	More than 40%	Yes	TikTok	Social media		4 Yes
16	36-50	Female	More than 5,000\$	Less than 10%	Yes	VK	Social media		4 No
17	18-35	Female	Less than 1,000\$	Between 10 and 40%	Yes	Facebook	Specialized platforms (Avito, Profi, etc.)		1 No

Source: own calculations

First, the author proceeded to the first hypothesis, where she identified if the variable of channels of communication with customers has something to do with the variable of the fall in real income or not. The author introduces the output for the testing in the figure below.

Figure 4, first hypothesis tested

What was the main channel through which clients got to know about you? * Has your real income from the enterprise fallen after the start of the conflict? Crosstabulation

			Has your real income from the enterprise fallen after the start of the conflict?		Total
			No	Yes	
What was the main channel through which clients got to know about you?	Physical Advertising (billboards, promoters, etc.)	Count	3	8	11
		Expected Count	3.4	7.6	11.0
	References	Count	2	4	6
		Expected Count	1.8	4.2	6.0
	Social media	Count	9	14	23
		Expected Count	7.0	16.0	23.0
	Specialized platforms (Avito, Profi, etc.)	Count	1	8	9
		Expected Count	2.8	6.2	9.0
	Total	Count	15	34	49
		Expected Count	15.0	34.0	49.0

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.476 ^a	3	.480
Likelihood Ratio	2.767	3	.429
N of Valid Cases	49		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.84.

Source: own calculations

Following the output, the author can conduct the following hypothesis testing:

Ho: channels of communication and fall in real income are not related

Ha: channels of communication and fall in real income are related

A = 0.05

Chi-Square test

P = 0.480

0.480 > 0.05 => Ho is not rejected. Two variables are not related.

Then, the author continues with the second hypothesis about the relatedness of variables of difference in perception of advertising before and after the conflict in Ukraine, and the author uses paired test for this case. The output is presented below:

Figure 5, second hypothesis testing

		Paired Samples Test						Significance		
		Mean	Std. Deviation	Paired Differences		t	df	One-Sided p	Two-Sided p	
				Std. Error Mean	95% Confidence Interval of the Difference					
				Lower	Upper					
Pair 1	How will you evaluate the effect of your advertising prior to the conflict in Ukraine? – How will you evaluate the effect of your advertising after the conflict in Ukraine?	.224	1.517	.217	-.211	.660	1.036	48	.153	.306

Source: own calculations

Ho: there is no difference in the way how owners of small firms were evaluating the effect of advertising before and after the conflict in Ukraine

Ha: there is a difference in the way how owners of small firms were evaluating the effect of advertising before and after the conflict in Ukraine

$$A = 0.05$$

Paired t-test

$$T = 1.036$$

$$P = 0.306$$

0.306 > 0.05 => Ho is not rejected. There is no difference in the way how business owners evaluate the effect of advertising before the conflict in Ukraine and after.

Then, the author continues to the third hypothesis testing about the relatedness of two variables – one related to using social media for advertising at all and having real income fallen after the start of the conflict.

Figure 6, third hypothesis testing

**Have you used any social media platforms for advertising? * Has your real income from the enterprise fallen after the start of the conflict?
Crosstabulation**

		Has your real income from the enterprise fallen after the start of the conflict?		Total	
		No	Yes		
Have you used any social media platforms for advertising?	No	Count	3	7	10
		Expected Count	3.1	6.9	10.0
	Yes	Count	12	27	39
		Expected Count	11.9	27.1	39.0
Total	Count	15	34	49	
	Expected Count	15.0	34.0	49.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.002 ^a	1	.962		
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.002	1	.962		
Fisher's Exact Test				1.000	.642
N of Valid Cases	49				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.06.

b. Computed only for a 2x2 table

Source: own processing

Ho: using social media platforms for advertising and having real income fallen after the start of the conflict are not related

Ha: using social media platforms for advertising and having real income fallen after the start of the conflict are related

$A = 0.05$

Fisher Exact test (one expected frequency is lower than 5)

$P = 1$

$1 > 0.05 \Rightarrow Ho$ is not rejected. The variable about using social media for advertising and fall in real income are not related.

Then, the fourth hypothesis is related to variables of using social media and switching to alternative methods of advertising after the start of the conflict, the output is presented below:

Figure 7, fourth hypothesis testing

Have you used any social media platforms for advertising? * Have you switched to alternative platforms or marketing techniques after the start of the conflict in Ukraine? Crosstabulation

		Have you switched to alternative platforms or marketing techniques after the start of the conflict in Ukraine?		Total	
		No	Yes		
Have you used any social media platforms for advertising?	No	Count	5	5	10
		Expected Count	3.7	6.3	10.0
	Yes	Count	13	26	39
		Expected Count	14.3	24.7	39.0
Total	Count	18	31	49	
	Expected Count	18.0	31.0	49.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.951 ^a	1	.329		
Continuity Correction ^b	.369	1	.543		
Likelihood Ratio	.927	1	.336		
Fisher's Exact Test				.465	.268
N of Valid Cases	49				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.67.

b. Computed only for a 2x2 table

Source: own calculations

Ho: no relationship between the variable of using social media for advertising and switching to alternative platforms are the start of the conflict in Ukraine

Ha: there is a relationship between the variable of using social media for advertising and switching to alternative platforms are the start of the conflict in Ukraine

$$A = 0.05$$

Fisher's exact test (one cell's expected frequency is lower than 5)

$$P = 0.465$$

$0.465 > 0.05 \Rightarrow H_0$ is not rejected. There is no relationship between two variables.

Then, the author continues to the fifth hypothesis testing related to two variables – monthly profit and experiencing a fall in real income after the start of the conflict.

Figure 8, fifth hypothesis testing

Estimate your monthly profit from the enterprise * Has your real income from the enterprise fallen after the start of the conflict? Crosstabulation

		Has your real income from the enterprise fallen after the start of the conflict?		Total	
		No	Yes		
Estimate your monthly profit from the enterprise	Between 1,000\$ and 5,000\$	Count	5	12	17
		Expected Count	5.2	11.8	17.0
	Less than 1,000\$	Count	7	17	24
		Expected Count	7.3	16.7	24.0
	More than 5,000\$	Count	3	5	8
		Expected Count	2.4	5.6	8.0
Total	Count	15	34	49	
	Expected Count	15.0	34.0	49.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.214 ^a	2	.899
Likelihood Ratio	.208	2	.901
N of Valid Cases	49		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 2.45.

Source: own calculations

H₀: there is a relationship between the monthly level of profit from the enterprise and having real income fallen

H_a: there is no relationship between the monthly level of profit from the enterprise and having real income fallen

$A = 0.05$

Chi-square test

$P = 0.899$

$0.899 > 0.05 \Rightarrow$ variables are not related.

Then, the author proceeds to another hypothesis testing about the relationship between the percentage of sales in online segment and experiencing a fall in real income. The output is presented below:

Figure 9, sixth hypothesis testing

How much of your income is online sales? (in %) * Has your real income from the enterprise fallen after the start of the conflict? Crosstabulation

			Has your real income from the enterprise fallen after the start of the conflict?		Total
			No	Yes	
How much of your income is online sales? (in %)	Between 10 and 40%	Count	5	14	19
		Expected Count	5.8	13.2	19.0
	Less than 10%	Count	7	12	19
		Expected Count	5.8	13.2	19.0
	More than 40%	Count	3	8	11
		Expected Count	3.4	7.6	11.0
Total	Count	15	34	49	
	Expected Count	15.0	34.0	49.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.570 ^a	2	.752
Likelihood Ratio	.565	2	.754
N of Valid Cases	49		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.37.

Source: own processing

Ho: percentage of sales in online segment and experiencing a fall in real income are not related

Ha: percentage of sales in online segment and experiencing a fall in real income are related

$$A = 0.05$$

Chi-square test

$$P = 0.752$$

$0.752 > 0.05 \Rightarrow H_0$ is not rejected. Two variables are not related.

Finally, the author proceeds to the last hypothesis testing about switching to alternative platforms and experiencing a fall in real income:

Figure 10, seventh hypothesis testing

Has your real income from the enterprise fallen after the start of the conflict? * Have you switched to alternative platforms or marketing techniques after the start of the conflict in Ukraine? Crosstabulation

		Have you switched to alternative platforms or marketing techniques after the start of the conflict in Ukraine?		Total	
		No	Yes		
Has your real income from the enterprise fallen after the start of the conflict?	No	Count	10	5	15
	Expected Count	5.5	9.5	15.0	
	Yes	Count	8	26	34
	Expected Count	12.5	21.5	34.0	
Total	Count	18	31	49	
	Expected Count	18.0	31.0	49.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	8.334 ^a	1	.004		
Continuity Correction ^b	6.581	1	.010		
Likelihood Ratio	8.242	1	.004		
Fisher's Exact Test				.009	.005
N of Valid Cases	49				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.51.

b. Computed only for a 2x2 table

Source: own calculations

Ho: experiencing a fall in real income and switching to alternative platforms are not related

Ha: experiencing a fall in real income and switching to alternative platforms are related

$A = 0.05$

Chi-square test (all expected frequencies are greater than 5)

$P = 0.004$

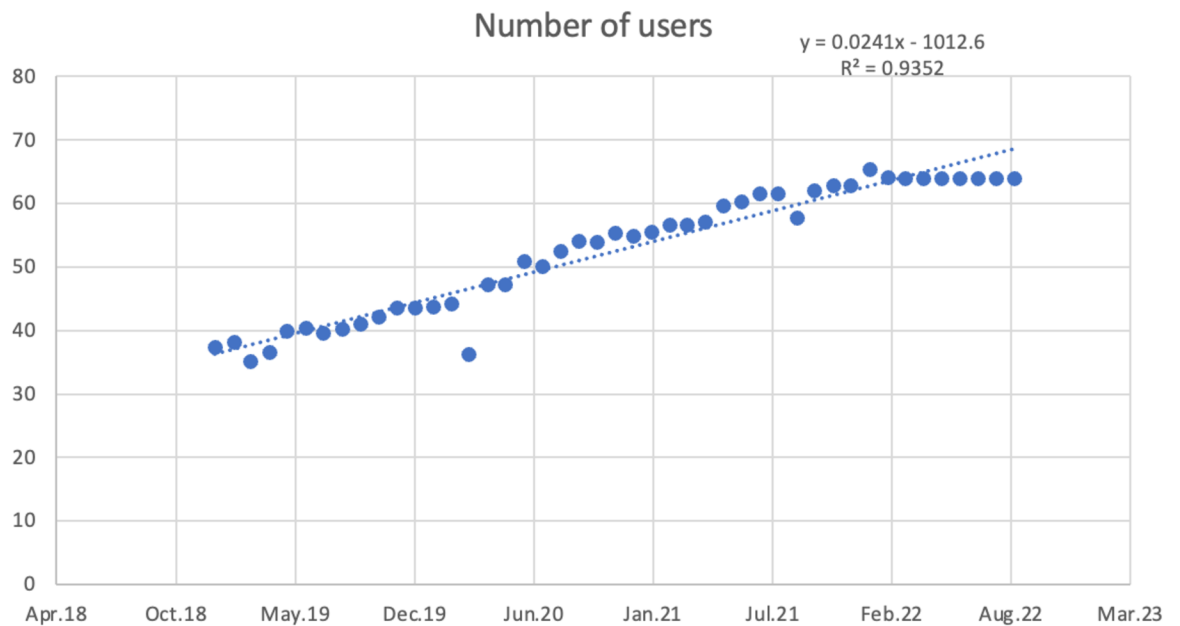
$0.004 < 0.05 \Rightarrow Ho$ is rejected. Ha is assumed: two variables are related.

In addition to the main interpretation of the results and hypothesis testing, the author also presents an overview of answers and distribution of answers. The results for that are available in the appendix of this bachelor thesis.

4.5 User Activity

Then, in order to understand the situation even deeper, the author took an insight into the world of numbers behind the activity of users on selected platforms popular among Russians and also among owners of small business entities in the Russian Federation. For this purpose, the author first analyzed the development of the total number of users of Instagram in Russia based on statistics collected from Statista, 2022. The complete table with time series data is available in the appendix of the bachelor thesis and the author proceeded to the trend estimation based on the data obtained. The following figure contains the processed output for the estimation:

Figure 11, trend estimation of the number of active users of Instagram



Source: own calculations

As it becomes obvious, the development of the total number of Instagram users in Russia is an upward sloping curve with an annual increment of 0.0241 million users. The quality of the trend is good with 0.93 for the coefficient of determination meaning that 93% of the variation in the variable of number of users explained. Yet, it is visible that the development of the variable after the ban changed its pattern entirely and according to statistics obtained from Statista, the number stopped developing at all and remained the same

for the last 6 or 7 months. Yet, the author expects that this number did not remain on the same level, but it has actually decreased from March until the end of 2022.

Then, the author continued to the second dataset and examined percentual drop in the number of users per platform used in Russia.

Figure 12, social media active users per platform in Russia - before and after

Social Media	Time Period	Number of active users, millions	% change
VK	Before	46.51	8%
	After	50.34	
Telegram	Before	31.24	46%
	After	45.52	
Instagram	Before	39.03	-12%
	After	34.18	
TikTok	Before	33.17	1%
	After	33.43	
OK	Before	19.81	6%
	After	20.94	
Facebook	Before	9.63	-43%
	After	5.51	
Twitter	Before	2.61	-51%
	After	1.27	
Snapchat	Before	1.27	-7%
	After	1.18	
Average			-7%

Source: own calculations

Clearly, the tendency is quite pessimistic as the decrease for some platforms in the number of active users reaches 51%, as in the case of Twitter. Facebook's situation is also quite dramatic, but both were not really popular among Russians, compared to other platforms, such as Instagram, VK and Telegram. Yet, the situation with Instagram after the ban cannot be categorized as positive, but the fall in the number of active users is not that high practically confirming the fact that the social platform became one of the most favorite

ones among Russians. Clearly, in this case, it is fair to say that domestic social media platforms are really the ones who benefitted from the situation as their activity and number of total users increased significantly. However, overall, there is a decrease of 7% on average meaning that recent restrictions and events has decreased the number of active social media users by approximately 7%, if taking Russia's total number of active users on social media platforms.

5 Results and Discussion

5.1 Effect of Ban

Undoubtedly, when it comes to the interpretation of the achieved results of the analysis conducted by the author, it is wise to say that the results are somewhat controversial and not rather ambiguous in some respects. It is wise to recall that the hypothesis analysis conducted by the author revealed almost no statistical relatedness of all possible combinations of variables in relation to having a serious negative experience or even a shock after the start of the conflict in Ukraine. Despite the general belief that small businesses all over the world are really focused on expanding their pool of customers by SMM and related techniques from the digital marketing, the situation in Russia seems to be rather different as there is no other explanation for the fact that hypotheses about statistical relatedness were not accepted and just for one hypothesis, the author reached the desired result, where she confirmed that experiencing a fall in real income and switching to alternative platforms are related. Of course, the fact that this hypothesis was assumed suggests that people blamed the situation with marketing for the fall of their income from the enterprise after the start of the conflict, so the author's assumption about at least some effect on Russian small firms was not rejected. However, the situation with other hypotheses suggests that there is literally no connection to demographics, size of business and volume of sales done online and the fall in real income, i.e., all were hit in the same way without any specific focus on a given group of business owners.

On the contrary to the hypothesis analysis, the author managed to see that the fall in the number of active users of social media in Russia was quite high for some platforms, such as Facebook and Twitter, but the situation is not the same with all platforms – domestic ones, such as VKontakte and Odnoklassniki were flourishing as people who were not able to continue using Instagram had to switch to alternative ones, which is highly expected. According to the author's analysis, the average drop for social media platforms is equal to 7%. Interestingly, despite the direct ban of Instagram, the decrease was not so astonishing and devastating as it had been supposed previously. Especially it becomes obvious when comparing two censored social media – Facebook and Instagram, where the second platform managed to retain more or less a high number of active users even despite the official ban of

the platform. When comparing these two analyses done by the author and reflecting on the outcomes of them, it is possible to say that there was indeed a fall in real income of small business owners, to the greatest extent, as well as the perception of effectiveness of their advertising also decreased (see Figure 20 in the appendix), but this decrease cannot anyhow be compared to what was supposed by the author of the bachelor thesis and by other researchers who believed that excessive censorship will make small businesses vulnerable and it will lead to incredibly high losses. Yet, the author can say that despite a slight negative effect, the situation is still under control due to the following reasons identified by the author:

- 1) The fall of active users on Instagram was not so high and this is a crucial point, especially given the fact that Instagram was one of the main platforms in Russia for social media marketing.
- 2) Small businesses were able to adapt to new conditions as many of them switched to alternative platforms, as well as Russians who found themselves unable to use Facebook and Instagram

Apart from that, the author believes that the fall in real income can be explained by a series of other circumstances that might have negatively influenced the author's analysis. Undoubtedly, it is fair to say that the country itself is undergoing a period of turmoil with economic recession. What is more, this is a recession with an increasing number of unemployment people due to abandon of the Russian market by a vast majority of prominent firms and in addition to that, the country is also experiencing a period of incredibly high inflation caused by volatility of Russian ruble and the series of devastating sanctions implemented against the country, so it is anticipated that people will spend less and as a consequence of this, firms will also make less and they will experience a fall in real income accordingly. Henceforth, the author's final thought is that the excessive censorship in Russia definitely took its toll on small businesses, but they were able to somewhat adapt to new conditions and it was not the main cause of their misfortune as economic instability seems to be the most logical explanation of the ongoing crisis of enterprises. The author recommends conducting a similar study focused on a larger sample of business owners based in Russia in approximately 6 months, when the economic situation of the country is expected to at least partially stabilize and the real effect of censorship can be assessed without any influence from other external factors on the researched subject.

5.2 Future Development

When it comes to the question of the future development of the situation, it is wise to understand that it depends mostly on a series of external factors that cannot anyhow be predicted nor hypothesized by business owners, as the internal situation in the Russian Federation gets more and more unpredictable. However, the author believes that the situation with the ban of Instagram and Facebook will end in the same way as the situation with the ban of Telegram in Russia ended. The author believes that eventually, Russian government will realize the fact that their impulsive decision of censoring Instagram does not work as planned as people are still using the platform but with the help of external proxy and VPN servers.

Yet, this is not likely to make the situation significantly better as people having business entities in the Russian Federation will not consider their entity as a stable source of revenue, since this source of revenue can be shut any minute indirectly by some decision of Russian government that will simply make conducting business impossible. Another limitation of the author's analyses is the fact that the author did not really try to segment different business owners and did not assess the effect on each individual category or segment of business, such as beauty, for instance. Yet, this was not possible given the circumstances of the modern-day Russia, where people are not really willing to cooperate in any study or survey where the presence of the construction "conflict in Ukraine" is present out of fear for being persecuted, as the author has herself been rejected by some business owners due to the very reason specified in this paragraph. The author supposes that many businessmen and businesswomen who were specializing in the segment will think twice about opening a new branch or even continuing their business in Russia as the investment can surely be considered as a risky one. Henceforth, the author believes that the future development of small businesses in Russia is uncertain and this uncertainty is also something that not only the author of the study experiences, but also the vast majority of business owners based in the Russian Federation.

6 Conclusion

The author's main objective was to analyze the current state of play in social media marketing in Russia after introducing the Instagram ban, to make a survey of social media marketing among small businesses in Russia, to compare the performance of companies before and after the Instagram ban and to formulate recommendations on adapting to the new reality of social media marketing. The author conducted a survey analysis with a subsequent hypothesis testing and also a quantitative analysis with secondary data reflecting social media activity in Russia before and after the introduction of the ban.

The author suggests that business owners and users adapted to the new reality and switched to alternative platforms which were not banned in Russia. Despite widespread belief that small businesses around the world are seriously committed to growing their customer base through SMM and related digital marketing techniques, the situation in Russia seems to be rather different, as there is no other explanation for the fact that hypotheses about statistical relatedness were not accepted, and only for one hypothesis did the author reach the desired result, where she confirmed that experiencing a decline in real income was a significant predictor of bankruptcy. Naturally, the fact that this hypothesis was adopted hints that individuals blamed the marketing situation for the reduction in revenue from the company at the commencement of the war, therefore the author's claim regarding at least some influence on Russian small enterprises was not denied. As for the other assumptions, it seems that no correlation exists between demographics, company size, or online sales volume and the decline in real income; in other words, all business owners were similarly affected.

When it comes to the ultimate recommendation, the author believes that it is sensible to call off the ban since it will drastically reduce the level of anxiety and ambiguity, which is crucial for small business and prevent them from a stable and prosperous development.

Henceforth, the author believes that the future development of small businesses in Russia is uncertain, and this uncertainty is also something that not only the author of the study experiences, but also the vast majority of business owners based in the Russian Federation. The author suggests conducting a similar analysis in a couple of years when the

lagged effect of the ban of Instagram and other social media platforms will come into force. The biggest limitation of the author research was the total number of observations used for the hypothesis testing, which leads to the fact that the sample is not a representative one but an illustrative.

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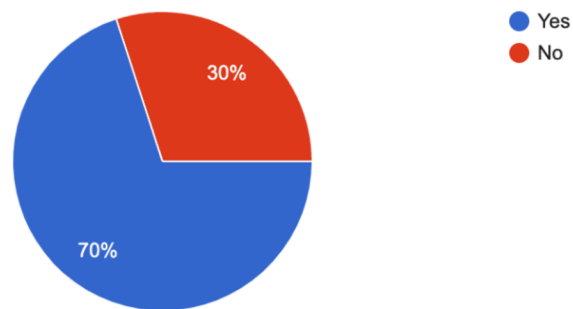
8 Appendix

Figure 13, distribution of answers for the question of experiencing a fall in real income

Has your real income from the enterprise fallen after the start of the conflict?



50 responses



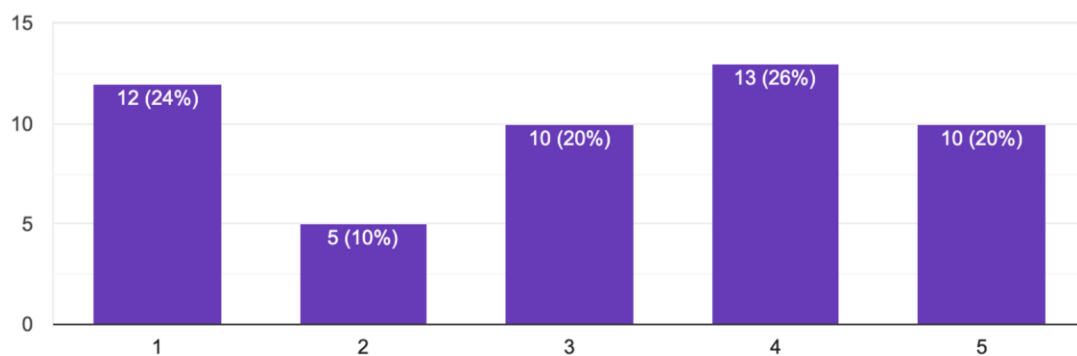
Source: own research

Figure 14, evaluation of the effect of advertising after the start of the conflict

How will you evaluate the effect of your advertising after the conflict in Ukraine?



50 responses



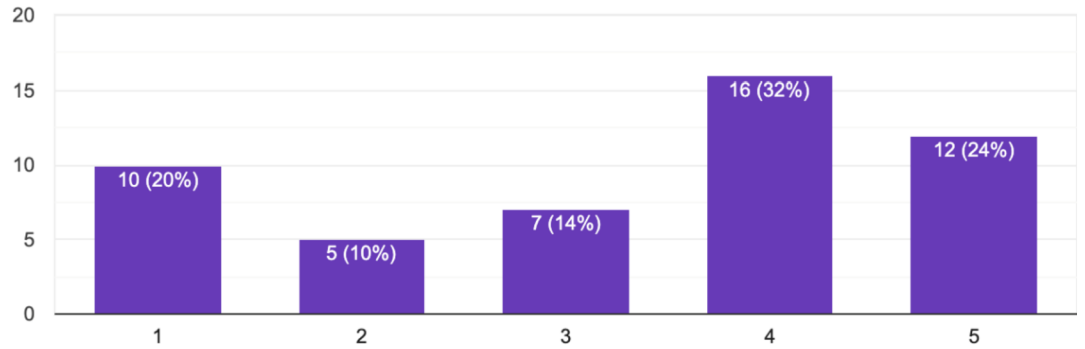
Source: own research

Figure 15, evaluation of the effect of advertising before the start of the conflict

How will you evaluate the effect of your advertising prior to the conflict in Ukraine?



50 responses



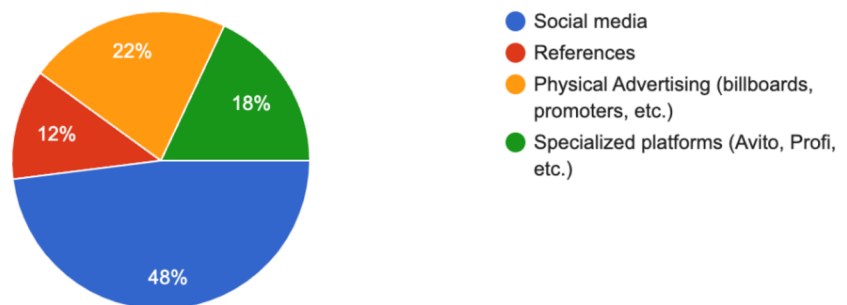
Source: own research

Figure 16, the main channel of communication with clients

What was the main channel through which clients got to know about you?



50 responses



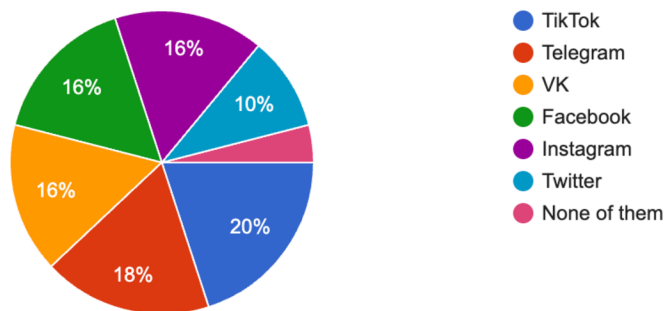
Source: own research

Figure 17, using social media for advertising

Which one have you used the most?

50 responses

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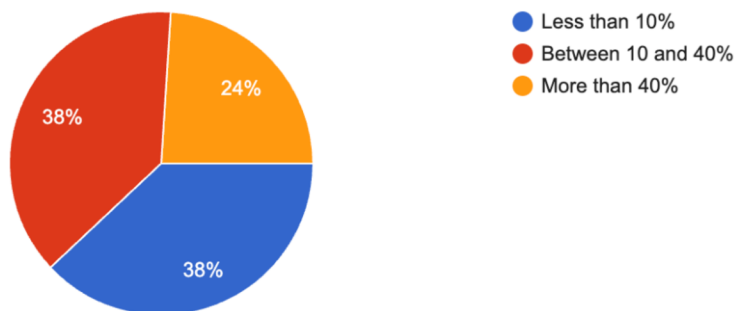
Source: own research

Figure 18, percentage of sales realized through online platforms

How much of your income is online sales? (in %)

50 responses

 Copy



Source: own research

Figure 19, monthly time series of Instagram users in Russia

Date	Number of users
Jan.19	37.42
Feb.19	38.13
Mar.19	35.11
Apr.19	36.69
May.19	40
Jun.19	40.43
Jul.19	39.65
Aug.19	40.34
Sep.19	41.13
Oct.19	42.16
Nov.19	43.64
Dec.19	43.67
Jan.20	43.84
Feb.20	44.24
Mar.20	36.25
Apr.20	47.27
May.20	47.26
Jun.20	51.02
Jul.20	50.21
Aug.20	52.52
Sep.20	54.11
Oct.20	53.89

Nov.20	55.37
Dec.20	55
Jan.21	55.53
Feb.21	56.64
Mar.21	56.65
Apr.21	57.13
May.21	59.75
Jun.21	60.3
Jul.21	61.63
Aug.21	61.64
Sep.21	57.76
Oct.21	62.03
Nov.21	62.93
Dec.21	62.93
Jan.22	65.45
Feb.22	64.14
Mar.22	63.92
Apr.22	63.92
May.22	63.92
Jun.22	63.92
Jul.22	63.92
Aug.22	63.92
Sep.22	63.92

Source: Statista, 2022

Figure 20, comparison of two variables

			Statistic	Std. Error
How will you evaluate the effect of your advertising prior to the conflict in Ukraine?	Mean		3.35	.205
	95% Confidence Interval for Mean	Lower Bound	2.93	
		Upper Bound	3.76	
	5% Trimmed Mean		3.39	
	Median		4.00	
	Variance		2.065	
	Std. Deviation		1.437	
	Minimum		1	
	Maximum		5	
	Range		4	
	Interquartile Range		3	
	Skewness		-.514	.340
	Kurtosis		-1.081	.668
	How will you evaluate the effect of your advertising after the conflict in Ukraine?	Mean		3.12
95% Confidence Interval for Mean		Lower Bound	2.71	
		Upper Bound	3.54	
5% Trimmed Mean			3.14	
Median			3.00	
Variance			2.110	
Std. Deviation			1.452	
Minimum			1	
Maximum			5	
Range			4	
Interquartile Range			2	
Skewness			-.264	.340
Kurtosis			-1.271	.668

Source: own calculations

Figure 21, active users of social media in Russia

Social Media	Time Period	Number of active users, millions
VK	Before	46.51

	After	50.34
Telegram	Before	31.24
	After	45.52
Instagram	Before	39.03
	After	34.18
TikTok	Before	33.17
	After	33.43
OK	Before	19.81
	After	20.94
Facebook	Before	9.63
	After	5.51
Twitter	Before	2.61
	After	1.27
Snapchat	Before	1.27
	After	1.18

Source: Statista, 2022