

## INSTAGRAM SOCIAL MEDIA MARKETING EXPERIENCES OF COSMETICS RETAILERS IN KAZAKHSTAN

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### *Abstract*

*The purpose of this study was to explore how cosmetics retail SMEs in Almaty and Nur-Sultan run their social media marketing activities on their Instagram business pages and the effects they have on their bottom line. This phenomenological research studied the SMM experiences of Kazakhstani cosmetics SMEs by adopting an exploratory research design and implementing the abduction reasoning approach. The study implemented a purposive sampling of representatives of Almaty and Nur-Sultan cosmetics SMEs who manage Instagram social media marketing for their companies. Primary data was collected through semi-structured interviews. The theory of social media engagement and the RACE digital planning framework were the theoretical bases for the study. The expected results were related to good and bad practices in running social media marketing activities on Instagram and navigating customers through the Instagram SMM funnel of the SMEs.*

**Keywords:** *social media marketing; Instagram social media marketing funnel; cosmetics small and medium-sized enterprises, Kazakhstan cosmetics industry;*

**JEL Codes:** *M30, M31*

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### 1. Introduction

Small and medium-sized enterprises (SMEs) in Kazakhstan operate with insufficient social media marketing (SMM) expertise. Social media is an environment of relationships and not that much of pure transactions. Therefore, SMM helps SMEs stand out from the competitive crowd by engaging their followers in mutually beneficial experiences. It also allows companies to fill in their social media marketing funnel (SMMF) with active buyers. Therefore, it increases the chances of survival and growth of SMEs. Unfortunately, Turkyilmaz et al. (2021) defined the lack of *qualified personnel and the lack of well-developed strategies* as significant challenges Kazakhstani SMEs face in the context of Industry 4.0. “Industry 4.0 plays a significant role in exploiting the opportunities of

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digitalization at all stages of production and service systems... [Its] main goal is to increase resource efficiency and productivity, increasing companies' competitiveness" (Stavrova et al., 2021, p. 131).

In addition, SMEs owners tend to exert substantial control over communication management with a rather superficial understanding of communication processes. It reflects their generalist and unsystematic SMM knowledge, which negatively influences the flat communication by obstructing and slowing down the communication. Flat organisations hardly tolerate top-down communication and strict hierarchical relationships.

## **2. Background**

### ***Beauty products market in Kazakhstan***

The retail beauty products business in Kazakhstan was evaluated at KZT 222.1 billion for 2017. Online retail accounted for 28% of the cosmetics product market in Kazakhstan in 2017 (Albekova, 2018). Almost 80% of the population in the country usually buy cosmetic products. Women are 94% and men are 68%. The strongest purchase influencers are price and brand promise. Additionally, 46% of men consult with their partners, while only 18% of women ask for the opinion of their partners. It is important to note that 19% of women and 33% of men rely on information about a product on the Internet. However, in 2020, Kazakhstan's cosmetics companies covered only 4-5% of the country's market (Ibraeva, 2018). Most cosmetics products are imported.

### ***Social media marketing in Kazakhstan***

Social media is the most dynamically developing media in Kazakhstan. This development is strongly motivated by the high penetration of the Internet in the country, over 70%. As a result, social media in Kazakhstan has continued to increase its role as one of the leading sources of information, from 10% in 2010 to 47% six years later. Global Digital 2018 revealed that Kazakhstan demonstrated an 87% increase in 2018 in social media users compared to 2017. Active social media users in Kazakhstan are 5.8 million, of which 2.5 million are mobile users (Kemp, 2018). The high penetration of the Internet and the high number of active social media users in Kazakhstan predispose SMEs to use social media as one of the best online marketing strategies to build their brand, increase the base of their customers and ultimately drive sales.

However, SMEs must be aware that social media marketing hardly follows the principles of traditional marketing. It requires a better understanding of social media marketing concepts. Often, SMEs are still doing online business the old way. However, it is challenging to develop the necessary managerial or digital business processes needed for the growth of an SME in such circumstances (Kudryashova, 2019). Training is vital because many SMEs risk to disappear in the first five years of their establishment due to

insufficient communication skills essential in the competitive market in Kazakhstan. Unfortunately, SMEs, as their larger counterparts, focus primarily on sales due to their financial instability. Sadly, marketers in Kazakhstan lack theoretical and practical online communication skills to promote themselves and their products effectively (Kudryashova, 2019).

### ***Purpose of the Study***

The purpose of this study was to explore how cosmetics retail SMEs in Almaty and Nur-Sultan run their social media marketing activities on their Instagram business pages and the effects they have on their bottom line. The rationale for this study was, first, the increased focus of the Kazakhstani government on stimulating SME development and, at the same time, ensuring their sustainability. Cosmetics retail SMEs are in the number one economic segment in Kazakhstan. Second, Instagram is the leading social network among the age group of 18-29. It is the group which the government wants to stimulate to establish their enterprises. Third, Almaty has the highest concentration of SMEs businesses. Additionally, it was easier to reach SMEs for research purposes. The expected results were related to the good and bad practices of SMEs in running social media marketing activities on Instagram, and navigating the clients through the levels of their SMM funnel.

### ***Research Questions***

The research posed the overarching question: *What is the Instagram social media marketing practice of cosmetics retail SMEs in Kazakhstan.* In addition, the study asked the following narrower research questions.

- *RQ1. What is the level of social media marketing expertise of cosmetics retail SMEs in Almaty and Nur-Sultan?*
- *RQ2. What practices do cosmetics retail SMEs use on their Instagram pages to develop their bottom line?*

### ***Theoretical framework***

The study was based on two theoretical concepts: Social Media Engagement Theory (Gangi, 2016) and the RACE Digital Planning Framework (Chaffey, 2020). The Social engagement theory puts in its centre user engagement. Gangi (2016) defined user engagement as “a user’s state of mind that warrants greater involvement and results in a personally meaningful benefit (ie, participation to fulfill a need)” (p. 4). The theory claims that user engagement consists of two components: individual involvement and personal meaning. Individual involvement relates to the importance a user attaches to his role on the social media platform to meet his personal needs (O’Brien et al., 2019). These personal needs associate with the individual involved in the personal meaning attached to meeting the needs and wants of the user. Fulfillment is achieved when the user experience matches the intensity of the user’s needs (Gangi, 2016). The higher the user engagement, the more

intense the interaction content of the social media site and the community is. Li and Bernoff (2008) define social media content usage as the frequency with which followers engage in social media platforms, creating mutual values and benefits. Unfortunately, only engagement is not enough to drive business results. A “good marketer knows that just getting a customer involved or to interact with an application or campaign is typically not enough to drive results - even basic awareness” (Corcoran, 2011, para. 1). Therefore, a strategic approach, based on social media participation, is required to answer the research questions.

The RACE Digital Planning Framework stands for *reach, act, convert, and engage*. This model enables social media marketers to help a brand engage with its public with defined objectives and KPIs within a predefined time frame. RACE is exclusively focused on increasing the commercial returns of digital marketing across the RACE conversion funnel.

*Table no. 1 – RACE Digital Planning Framework Areas*

<i>Plan</i>	An overall strategy integrating communications across social media touchpoints; It consists of setting goals and objectives with KPIs and designing a coherent strategy to achieve them.
<i>Reach</i>	Raising a brand’s online visibility across social media through paid, owned and earned media;
<i>Act</i>	Motivating and facilitating desktop and mobile interaction with a brand’s content prospects become engaged leads;
<i>Convert</i>	Stimulating conversion to sales through online channels;
<i>Engage</i>	maintaining a long-term valuable benefit proposition, so customers continue to buy and become brand ambassadors;

*Source: (Adopted from Hanlon & Chaffey, n.a., p. 51).*

### **3. Literature review**

#### ***Social Media Marketing***

Social media marketing is the leading strategy within the digital marketing framework (Barefoot & Szabo 2010). It allows for implementing communication activities via various social media (blogs, microblogs, online communities, forums, etc.) and social network sites (Facebook, Instagram, LinkedIn, etc.). “Social media in marketing is all about using natural conversational platforms of people to build relationships with them in order to satisfy their needs” (Nadda et al., 2015, p. 362).

SMM activities include advertising, entertainment, interaction, customisation, Word-of-Mouth, purchase intention, and purchase (Koivulehto 2017). Thus, social media marketing provides a proactive and conversational approach for an SME to engage with its

customers in a productive dialogue and sharing experience. Something that traditional advertising, for example, has not been able to provide due to its asymmetric nature. Social networking sites (SNS) have become a leading source for informed decisions, which customers need to take the utmost step, namely, purchasing. It is due to the information SNS provide on community sentiment, social media nodes, and online behaviour (Zlateva, 2020).

The development of SNS has enabled users to become active participants in online communication with brands. They have also become proactive creators and sharers of brand-experience-related-content through SNS such as Facebook, Instagram, Twitter, or LinkedIn (Schlinke & Crain, 2013). As a result, SNS has become a massive Word-of-Mouth (WoM) resonator box, affecting brand perceptions of customers and vice-a-versa. Social networking sites turn out to be more powerful than most traditional marketing approaches, as their content is considered credible because it comes from a ‘friend’. Additionally, the content is dynamic, engaging and easily accessible 24/7.

### ***Social media marketing in Kazakhstan***

SMEs in Kazakhstan can benefit significantly from taking a strategic approach to their social media marketing activities. For example, trying to reach young people (15-24) in Kazakhstan requires a deep understanding of how to build and run social media marketing funnels using VK (71%) and Instagram (59%) as the two most preferred SNS among these two age groups. “On average, young people in Kazakhstan are subscribed and use two or more networks” (BRIF, 2017). As Sulistiyo (2019) concluded “strategic marketing planning should start with a content strategy – this is the essence of strategic marketing planning – and just after setting the content is that we should choose the platforms to be used” (Sulistiyo, 2019, p. 53). The result positively influences online trust and purchases because customers form their opinions on their interactions with the SME. This positive effect reflects the efficiency and effectiveness of social networking sites.

Efficiency relates to the use of resources to produce the highest possible quality at the respective lowest possible cost. Effectiveness can be defined as the level of achievement of set goals or resolution of an issue. For example, in social media marketing effectiveness goes hand in hand with achieving the set marketing objectives and utilizing the opportunities that business, technical, and cultural contexts provide. In contrast, efficiency is maximizing results with decreasing costs to attract a new customer in the SMM funnel (Poynter, 2010).

Therefore, SMM removes the barriers traditional marketing erects for SMEs. These barriers are little interaction, no control over timing, higher costs, limited customization options, costly updates, and imperfect campaign measurement (Lyfe Marketing, 2019). Traditional marketing offers very limited interaction opportunities to engage with the SME.

Communication is asynchronous, making it challenging to retain existing customers. Production and execution processes raise serious timing barriers to change a commercial setting, for example. It also sets the difficulty of updating and adjusting a campaign. Most changes in traditional promotional materials require additional time and expenses. The high costs that traditional marketing incurs in both production and execution are related to the lack of control over time. Another downside of the high costs is that they are spent for a time-limited exposure with a high waste of reach in a target audience. The last one projects with limited options for customizing a campaign and more focused segmentation and targeting. Finally, it is the imperfect campaign measurement. For example, it is hard to measure how many people have seen, heard, or read an ad. Furthermore, more relatively expensive research is needed to study the impact of the ad on the target audience and assess whether the set objective was achieved.

### ***Social Media Marketing Management Skills***

Successful social media marketing requires adequate management skills. DeMers (2015) provides the top five skills that a social media manager must have: visual thinking, proficient writing, customer service mindset, search engine optimization and content marketing, and SNS advertising experience. Graphic thinking is rooted in the ability to conceptualize and create eye-catching content. Proficient writing is necessary to clearly convey ideas and persuade in writing. Advanced writing gives an exclusive tool to maintain a consistent brand voice using diverse tones. The customer-service mindset places the customer’s needs first and channels an issue outside the SNS or offline. Search engine optimization and content marketing are related to how the reach and engagement of online content impact referrals and small and medium-sized business revenue. Finally, the SNS advertising experience is vital because the SNS ads compete with the content created, in most cases, by members of the inner friend SNS circle. However, these ads have the undeniable advantage of smart-bomb targeting and stimulating online word of mouth. Thus, SNS ads bring organic communication and sales effects.

*Table no. 2 – Social Media Marketing Management Skills*

<i>Communication</i>	Communicate appropriately with diverse audiences;
<i>Strategic judgment</i>	Making informed decisions for the highest effectiveness;
<i>Empathy</i>	Knowledge of consumer interests, needs, desires, and challenges;
<i>Self-discipline</i>	Processing and creating various types of content 24/7;
<i>Multi-tasking</i>	Organize time, activities, and platforms in a manageable order;
<i>Adaptability</i>	Being flexible to last-minute changes in the initial SMM plan;
<i>Self-control</i>	Managing issues resulting from consumers’ negative actions;
<i>Enthusiasm</i>	Sharing enthusiasm for the brand they promote;

*Source:* Adapted from Ryan & Jones, 2017.

A vital SMM management task is the adequate measurement and evaluation of the SNS promotional activities. It is the third step in the more significant strategic SMART objective-audience-outcome approach. The free measurement analytical tools that the SNS has, such as Instagram Insights, equip SMM managers with an invaluable instrument to analyze their performance. They allow for real-time adjustments in social media marketing activities. Chaffey and Ellis-Chadwick (2016) defined several ways to measure the effectiveness and efficiency of SMM. They claim that the success or failure of a social networking campaign can be measured by the degree of recognition of the brand, the affiliation of the referrals to the consumer brand and the WOM brand's referrals.

#### ***Social Media Marketing Funnel (SMMF)***

A social media marketing funnel is a rite of passage of a prospect through a dynamic transformational communication journey that converts them to loyal customers and brand ambassadors. Pieiro-Otero and Martínez-Rolán (2016) emphasize the higher level of commitment (brand and individual), loyalty, and advocacy required within social media marketing. In "the online world, loyalty and support for the brand can lead to changing consumers into prescribers, thus increasing the scope of the organisation's action, which could lead to an expansion of its consumer base" (Pieiro-Otero & Martinez-Rolán, 2016, 43).

Rogers (2011) proposed a social media marketing version of a marketing funnel consisting of seven stages of commitment: awareness, consideration, preference, action, loyalty, and advocacy. Each stage of the funnel requires specific activities appropriate for the stage, such as listening, reaching, conversation, conversion, and nurturing. Zlateva (2020) asserts that social media marketing "funnel provides the opportunity to identify where unique audiences are using it to create relevant content to meet them at this stage of the customer's path" (p. 57).

## **4. Methodology**

### ***Research Philosophy***

The phenomenological research approached the SMM experiences of Kazakhstani retail cosmetics SMEs adopting the interpretivism. Phenomenology describes beliefs, attitudes, and actions (Husserl, 1977). Interpretivism allows a researcher to focus on a specific subject of interest or particular behaviour (Saunders et al., 2012). Therefore, it best satisfied the purpose of the research to understand the ways SME cosmetic retailers in Almaty and Nur-Sultan implement social media marketing in their Instagram stores. The research attempted to cast light on the SMM small and medium-sized enterprises do without claiming any representativeness. However, the research claims to be one of the few, at the time of completion, to explore a new scientific territory of social media

marketing in Kazakhstan. Therefore, a qualitative research approach is more meaningful when studying a phenomenon for which little is known in a particular context (Malhotra & Birks, 2007). Therefore, implementing a quantitative approach in studying an Instagram sales funnel in the Kazakh context is justifiable.

### ***Research Design***

A research design provides the framework for a study, guiding the researcher's decisions throughout the research process. The current study adopted an exploratory research design. Exploratory research "is preliminary research that explores a relatively new or unknown topic area to gain a basic understanding of it" (Weerakkody, 2015, p. 28). The use of social media marketing on Instagram by Kazakhstani cosmetics SMEs is such a phenomenon. The research design also guided the implementation of abduction as a method of reasoning approach. Abductive reasoning is based on incomplete knowledge of the studied phenomenon (Fischer, 2001).

### ***Data Collection***

Primary data was collected through a semi-structured interview with representatives of small and medium companies in the cosmetics industry in Kazakhstan responsible for the social media marketing of SMEs at the time of the interview. This type of interview is flexible in collecting rich and detailed information on the underlying beliefs, motivations, and attitudes of the interviewee (Malhotra & Birks, 2007). The semi-structured interview allowed us to discover the Instagram SMM experiences of the interviewees in reoccurring themes.

### ***Sampling***

The research implemented purposive sampling, which is a subtype of non-probability sampling. Purposive sampling assumes that the unit of analysis possesses specific characteristics relevant to the research problem (Ghauri & Grønhaug, 2010). Therefore, all sample representatives of Kazakhstani cosmetics SMEs were responsible for their companies' social media marketing activities. They had to have an active Instagram business page that functioned as a sales platform. The researcher conducted a preliminary observation of the Instagram pages to minimize the sampling error. Only Instagram pages with 10,000+ followers were selected to be approached for an interview.

Despite the eight interviews, the research still meets the minimum number of semi-structured interviews required for data saturation. Theoretical saturation is the "point in data collection when no additional issues or insights emerge from the data, and all relevant conceptual categories have been identified, explored, and exhausted" (Hennink et al., 2016, p. 592). Furthermore, the researcher adopted code saturation because of the delimitations of the Almaty- and Nur-Sultan positioned cosmetics retail SMEs. Therefore, the eight



interviews conducted could be claimed to meet the code saturation criteria of 5-9 (Creswell, 2007) for phenomenological studies.

### ***Procedure***

Based on the research strategy, 27 cosmetic companies from all over Kazakhstan were selected. Unfortunately, only nine companies had agreed and gave interviews. However, one of the interviews was removed from the pool due to the insufficient depth of the interviewee's answers. Therefore, the final pool of interviews consisted of eight interviews with an average duration of 36 minutes. The interviews were taken April – March 2021 using Zoom.

To minimize the subjective factor, the researcher discussed the interview questions with her academic supervisor. Three questions were re-worded and two were removed because of redundancy. The finalized list of questions was translated into Russian and reviewed for translation consistency by a professional translator from English to Russian and vice versa. After that, the interview questions were pre-tested with a cosmetics buyer to increase the reliability of the interview.

## **5. Findings**

The study explored how cosmetics retail SMEs in Almaty conduct their Instagram social media marketing. To answer the overarching research question and the specific research questions, the researcher identified three main themes that surface from the data:

### ***1. Professional Preparedness for Instagram social media marketing***

The theme suggests that most cosmetics SMEs lack professional training or education. Most of them come from a different form of marketing or public relations program. The main issue for most SMEs is the lack of integration of their Instagram page with other online channels, which leaves the company with limited communication diversity. However, they have little satisfaction and trust in social media experts. Such a situation hinders the successful growth of the enterprises. It also threatens the viability of young SMEs (1-3) years on the market.

### ***2. Targeted advertising, free information, wide product range, and quality of service increase Instagram followers***

This theme discusses the most used practices to lead new customers into the Instagram SMM funnel of the company. The leading approach of most interviewees is targeted advertising, which helps bring new customers to their Instagram pages. In addition, free information (and consulting) for the wide product range supported by quality services is another critical factor for success. Therefore, according to the interviewees, they try to build trust in their customers, which turns out to be a key factor of the success in the cosmetics retail industry in Kazakhstan.

### 3. Lack of audience targeting, segmentation, and competitor analysis

The theme comments the two significant challenges Kazakhstani cosmetics retail SMEs share but pay little attention to the unfocused target audience and lack of competition analysis. Most of the interviewees roughly divide their target audience demographically into financially viable and financially hindered women who mainly live in a Kazakh city. However, few interviewees shared that they segment their target audience through psychographic analysis. Furthermore, all interviewees ignored the value of the competitor analysis and Porter’s five forces analysis. Instead, they focused on their clients and developing their Instagram stores.

Table no. 3 – Demographic profile of the interviewees

#	Gender	Age	Education	City	Instagram followers	Position	Years in cosmetics business
1	female	22	International law	Almaty	121 k	SMM manager	3 years
2	male	35	Higher education	Almaty	24.5 k	Back office	2 years
3	female	33	Accounting	Almaty	20.5 k	Co-owner	3 years
4	female	28	Higher education	Almaty	46 k	Owner	2 years
5	female	35	Higher education	Almaty	46 k	Owner	5 years
6	female	26	Economics & Logistics	Almaty	63.8 k	SMM specialist	4 years
7	female	38	Higher education	Almaty	42k	Owner	9 months
8	female	30	Economics	Nur-Sultan	29 k	SMM manager	7 years

Source: own research

*RQ1.* What is the level of social media marketing expertise of cosmetics retail SMEs in Almaty and Nur-Sultan? The answer to this question emerged in *Theme 1* and *Theme 2*.

#### **Theme 1. Professional Preparedness for Instagram Social Media Marketing**

The most critical theme that emerged in most interviews was the lack of adequate marketing education focusing on social media marketing or specialized training in Instagram marketing. However, the lack of such education or training prevents the rest of the interviewees from becoming social media marketing experts for their companies. Only two of the interviewees confirm they have a business education, and one, despite the non-marketing education, passed social media marketing training. To summarize, most interviewees are one-SMM-man-show, who are self-taught and have hardly attended any training in social media marketing. Crittenden and Crittenden (2015) claim that the “21st century is experiencing a communications revolution, and digital and social media marketing is changing the way consumers receive and use messages” (p. 71). It requires

experts to be up-to-date with the latest developments, which they can keep with lifelong learning.

Only two interviewees regularly underwent special SMM training. However, they indicate that they prefer to learn from blogs and not long-term courses. Interestingly, those interviewees who regularly attend training are part of a social media marketing team. They hold the position of a creative director or an SMM manager. The remaining six interviewees performed social media marketing activities alone. One of the reasons for doing social media marketing without outsourcing is the negative experience and lack of trust in external SMM providers. An interviewer commented on the situation: “I do the SMM and the entire development of the Instagram page and the targeted advertising sales funnel. It is related to the fact that I do not trust external SMM experts on such questions because our views differ” (Interviewee 2).

***Theme 2. Free information, wide product range, and quality of service increase Instagram followers***

All interviewees claim that they use (targeted) Instagram advertising and quality content. Targeted advertising is the core to reaching the audiences and channeling them into the Instagram sales funnel. First, advertising on social media offers advantages as a direct response (reaching online communication and purchase). Second, it increases brand and product awareness and, respectively, brand points of contact. Third, it is more cost-effective, more flexible, and easy to update. However, a severe disadvantage can become a too broad a target. It would increase advertising waste, leading to low click-throughs. Thus, the price of reaching one prospective customer grows. Unfortunately, most of the interviewees do Instagram advertising setting a broad target. On average, the age ranges from 20 to 45 years of the target. An interviewee stated that “there is no such thing as a target audience. Every client is special, and we try to understand their wants and preferences“ (Interviewee 4).

The second key instrument for attracting and keeping customers in the Instagram shop is free information about the comprehensive product assortment of the store. Few interviewees provide advice and help with the use of specific products based on the customer’s skin type. Additionally, they teach the proper steps to apply a cosmetics product. Moreover, they recommend products or a product line that would have a better effect on the face skin. The Nur-Sultan interviewee explains that “our customers like our consulting because there are many girls who need help with cosmetics and motivation”. Most of the interviewees predominantly provide product, ingredients, and price presentation on the Instagram page. One interviewee even shared that “my Instagram is more like a shop window. I display the product and description” (Interviewee 3).

Additionally, most interviewees use influencer advertising (paid or barter), competitions, and giveaways. One of the interviewees rejects the benefit of partnering with influencers and does not use this tactic anymore. Another one still uses mass-following, despite its reduced effectiveness. Having said this, the interviewee comments that “after the quarantine, people began to clean their Instagram pages from stores and left a minimum number of stores followed” (Interviewee 6).

A third factor is the wide range of products, reflecting the wide target audience of the cosmetics SMEs interviewed. The range of products is designed to satisfy the broad wishes and needs of customers. One of the cosmetics companies enjoys the opportunity to co-create with customers its product range. However, the majority of the rest leave the audience to dictate what products to be offered. Some go to the extreme to try to surpass customer expectations in a product and service offer. “We do everything to exceed the customer’s wishes” (Interviewee 2).

Related to this, most of the companies try to attract and keep customers with lower prices. However, price is crucial in an oversaturated market where many suppliers have similar or identical products. Most of the cosmetics companies interviewed believe that price is a critical factor in their success. A customer needs to be “interested in low price” (Interviewee 5). With respect to these three cosmetics, SMEs offer cashback and bonus systems to keep their clients.

*RQ2.* What practices do *cosmetics retail SMEs* perform on their Instagram pages to develop their bottom line?

***Theme 3. Lack of targeting, segmentation, and competitor analysis of the target audience.***

All interviewees use targeted Instagram advertising; however, most of them do limited targeting of the audience. In summary, there are two extensive targets that the interviewees indicated. The first is financially sound girls and women. The second target is girls who look for low-price cosmetics products. The segmentation of the target audience uses a predominantly demographic approach with a focus on age (20-45 years) and income (no range was specified). Another type of segmentation is the skin type, which questions how one can reach a target audience based on this criterion. Only two interviewees went deeper into the segmentation process using psychographic analysis of interest.

However, only one managed to explain the interests he/she uses to segment the audience “for example, healthy eating, healthy lifestyle, fashion, and beauty” (Interviewee 8). The second interviewee uses geographic analysis with a focus on the city of Almaty. Two interviewees do not target audience. The first one thinks that there are two broad segments of financially sound and financially hampered women. The second believes that

every customer is particular and fits hardly into a segment. Therefore, the interviewee does not segment his audience.

Related to targeting and segmentation is listening to the audience and the respective approaches to increase followers. Two of the eight interviewees have a proactive approach and use regular surveys to learn what makes their customers tick. They conduct surveys on posts or stories. “We regularly survey what our customers need” (Interviewee 1). Interviewee 8 even takes the time to analyze every comment. However, the rest of the interviewees are reactive and wait for their customers to ask about a product. An interviewee listens to his customer only in their physical shop.

Online listening is also connected with the integration of additional channels on the Instagram business page. Only one interviewee commented that her company actively integrates her Instagram business page with a website and a YouTube channel. A second interviewee shared that they integrate their Instagram with multilink sites and have a CRM system. A third interviewee struggles with her Tik-Tok profile. The person finds it difficult to understand the platform and faces a low return on investment. She also considers the audience as a low-budget one. However, she admits that Tik-Tok might be helpful as a supplementary channel for additional business. The website they have turns out to be a complex channel for their audience. Five interviewees do not integrate communication channels and rely solely on their Instagram page. It requires a lot of work and a lack of interest in integrating more communication channels. Interviewee 3 explained the following way. “We do not integrate. It is too much work... I don’t have time” (Interviewee 7).

Listening is also related to competition. Unfortunately, most of the interviewees perform not do any competition analysis. They remain focused on developing their Instagram business – creating quality content and a unique product range. Only interviewee 6 discussed that they look at competitors with similar followers but with so much price, product range, and content. One reason an interviewee provided for ignoring the competition was that they have customers from throughout Kazakhstan.

## **6. Discussion**

Using social media engagement theory and the RACE digital planning framework allowed the practical experience of researcher to explore the social media marketing practical experience of cosmetics SMEs in Kazakhstan in their Instagram business. The theory of social media participation explains the importance of engaging cosmetics SMEs in meaningful individual participation and attaching personal meaning. The result is personal benefit. However, a high level of engagement is not enough to deliver business results. As the results showed, Kazakhstani cosmetics companies are trying to exceed the

expectations and needs of their customers. Most of the SMEs followed what the customers wished. However, such an approach puts the companies on the receiving end. It takes control over communication and the opportunity to build a loyalty base. Thus, customers would wander through Instagram shops until they find the product at the most satisfying price. This drift weakens the efforts of companies to attract and retain customers.

It is a result of the lack of proper education or training. With high social media penetration, most companies hardly consider social media marketing to require professional knowledge. Most of the interviewees were self-taught social media marketers. However, “Instagram requires a more professional approach” (Interviewee 6), more strategic management. Free quality content is not enough to further channel customers into the Instagram social media marketing funnel. Instead, it manages to raise awareness and to start the conversation, but not to drive conversion. Free information and content about pretty much the same product range are present in various degrees in the cosmetics industry in Kazakhstan. Thus, one company can educate customers, but they would buy it from the one that gives the lowest price. The big issue is that the cosmetic companies interviewed sell products without building their brand. As a result, there is little difference for most customers when buying the product.

The biggest problem related to the lack of professional training and education is the lack of strategic planning, for which *RACE* stands for *reach, act, convert, and engage*. Most interviewees rely on customers to reach them. It is a passive way to attract new customers or remind regular ones, and it is the least effective way to transform customers into loyalists. Most interviewees use to target advertising without segmenting their audience. Thus, they reach the same pool of customers as their competitors. Unfortunately, no competition analysis is conducted. It deteriorates the commercial effectiveness of the efforts of most of the cosmetics SMEs interviewed. In addition, most of them rely primarily on their Instagram page without integrating it with other channels and using other digital marketing strategies.

Small and medium enterprises (SMEs) without adequate training in social media marketing run the risk of making SMM mistakes. Some can be easily improved, whereas others can have a daunting effect on the brand image and the bottom line of their business existence, respectively. In 2020, the most common mistakes were the following, according to Buffer Social Media Solutions:

- flooding with quantity instead of providing quality;
- being present on all SNS;
- repetitive content across platforms;
- sharing only owned content;
- not curating user-generated content;
- content created for mass consumption;
- not boosting the target posts;
- lagging to respond to questions;

Research found that if SMEs want to be effective and efficient, it is necessary to develop an SMM strategy (Peters et al., 2013). The strategy provides the framework for all activities on social networking sites. Another mistake is the sharing of promotional offers and not the content that intrigues customers. The third mistake SMM experts make is to communicate poorly with their followers. Lipsman et al. (2012) give examples with spamming, delayed responses, and providing content that does not interest users.

Cosmetics SMEs in Kazakhstan would communicate successfully with their customers, build their brand, and drive more sales if they performed SMM professionally on social networking sites. The current state of traditional marketing raises high barriers to promotion. Therefore, SMM offers excellent opportunities for SMEs. SMM allows for direct emotional and reliable communication with customers. Thanks to social media marketing SMEs are not dependent on expensive marketing tools.

Unfortunately, the current research could conclude that the social media engagement theory and the RACE digital planning framework are poorly implemented in the Instagram social media marketing of the studied Kazakhstani cosmetics SMEs. Effective use requires adequate education, training, and a strategic approach to building the brand of a cosmetics company instead of competing with exciting content, quality services, and price. They are essential factors. However, they build half of a brand.

More representative research is needed to highlight more significant cultural influences, social media realities, and marketing in other industries. For example, for the cosmetics industry, a further quantitative study could help explain the behavior of customers in the regions of Kazakhstan. In addition, attitudes toward more strategic and educated social media marketing practice could be studied.

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