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MASTER'S THESIS (PROJECT)

**«Creating effective digital promotion and sales channels for B2C marketing strategy using
example of Eat and Fit Kazakhstan»**

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Table of Contents

Table of Contents	3
I. Abstract of research.....	4
II. Introduction.....	5
III. Literature review.....	7
IV. Theoretical approaches to creating an effective digital promotion and sales channels for B2C marketing strategy.....	13
1.1 Kazakhstan market of services of enterprises implementing the concept of healthy eating 13	
1.2 Traditional and digital marketing.....	20
1.3 Sales channels.....	22
1.4 Social media and promotion	25
1.5 Analysis of consumer preferences regarding Eat and Fit products and services	29
V. Conclusion.....	39
VI. References	40
VII. Annex.....	43

I. Abstract of research

In the last few years, the promotion and sales of proper nutrition have increased. Companies are expanding their marketing, including the use of social media to promote healthy food and communicate with the audience. The purpose of this article is to study the digital marketing of Eat and Fit, used to promote healthy eating services, and what digital marketing channels should a company use to reach its target audience. The study is important for B2C, because it will help nutrition companies understand how to promote their services and products and what are the advantages and disadvantages in their current promotion marketing strategy.

The structure and volume of the thesis: The thesis consists of an introduction, 2 chapters, conclusion, a list of references and annex.

Digital marketing. A marketing direction that involves the promotion of services and goods using digital technologies (Blog ingate, 2021).

Traditional marketing. A type of marketing that includes a set of traditional concepts, principles and methodological developments (PR agency, 2021).

Sales channel. The way through which customers get to the company to order the goods and services they are interested in (Alexey Varlamov, 2019).

Healthy food. A balanced diet of natural and high-quality products that meet all the needs of the body and benefit it (4brain, 2021).

Social media. Internet platform for communication, exchange of information and content, and other social interactions (Blog ingate, 2021).

Influencer. A well-known person who can influence other people's decisions and opinions (Olga Borisenko, 2021).

II. Introduction

The trend towards a healthy lifestyle can be traced around the world. It is actively promoted, its integral component is proper nutrition, which should be not only complete, but also environmentally friendly. Kazakhstanis have consumer preferences similar to those of the post-industrial society. Accordingly, young people are actively involved in the fitness movement and are actively involved in the promotion of healthy eating, this is especially noticeable among residents of megacities. A visible confirmation of this is the opening of fitness centers and sports clubs throughout the country. Mass yoga events in parks are popular, and individual diets are ordered, aimed at proper nutrition. City dwellers are finding it increasingly difficult to consume healthy foods as they experience time pressure. Not everyone is able to cook tasty, healthy and varied dishes after a hard day's work, and the time for lunch is also accelerated, which is replaced by fast food or harmful snacks.

Proper nutrition delivery will help solve the current problem of proper nutrition, satisfying the needs of city residents in caring for health, beauty and longevity, forming a culture of healthy nutrition.

To achieve this goal, it is necessary to perform the following tasks:

- to analyze the Kazakhstani market of services of enterprises implementing the concept of healthy eating;
- analyze consumer preferences regarding Eat and Fit services;

The information base of the study was scientific and educational literature, scientific articles from journals and Internet sources.

Research question: What digital marketing channels should a company use to reach its target audience?

Hypothesis 1. The company aims to attract customers through digital marketing.

Research Methods: comparison, description, survey, interview, analytical method.

III. Literature review

There is a lot of research on the promotion of junk food, but little is known about the promotion of healthy foods. People are increasingly opting for fast food and ordering it both offline and online. Instagram Facebook and other social media platforms are becoming increasingly popular for sharing online material. Furthermore, it is becoming fashionable to follow other people on social media sites all over the world. Food marketers have begun cooperating with well-known bloggers to offer nutrition services on social media sites (Anna Popova, 2020).

Bloggers have emerged as a result of the growth of social networks. Self-branding has helped these people become well-known. The marketing of oneself as a professional, your qualities, enhancing your name, and selling labor are all examples of self-branding. Because of their self-branding, bloggers also attract a big number of young people. And, as you may know, social media is primarily used by teenagers. "Fitspiration" is a new movement that aims to motivate individuals to live a healthier lifestyle. Fitspiration is a term that combines the words "fit" and "inspiration." This concept aims to motivate people to participate in sports and maintain a healthy lifestyle. Instagram is one of the most popular social media platforms for sharing photographs that promote healthy eating and physical activity (Jean Liu, 2021).

Traditional channels of communication, such as periodicals and television, do not compare to the interaction between a blogger and a potential client, in our case, subscribers. The blogger's relationship with his or her readers is crucial. Bloggers are also thought to be experts in the field of the goods they promote. And this instills trust in subscribers, as information from a blogger who has used a product is seen as more trustworthy than celebrity endorsements, for example. In this context, marketing might be seen of as a new sort of electronic word-of-mouth advertising (Frans Folkvord, *et al.*, 2020).

Two categories of customers are studied in this research, each having a different approach to food selection. Gender disparities in food preferences aid businesses in determining which marketing plan to employ in order to expand client base and, of course, revenue.

People's taste preferences and the eating environment have evolved so much in the last few years that it is now very easy to find economical and excellent food. However, this has resulted in an issue that contributes to obesity. The abundance of high-calorie foods with high energy values, as well as factors such as food appearance and scent, tempt people to eat more than they need. Taking this into account, the experts came to the conclusion that a toxic food and beverage environment is to blame for the global rise in obesity and nutrition-related disorders. As a result, they indicated that adjustments in the current food environment are required to meet the goals of reducing or stopping the increase of obesity.

Food marketing is one part of the food environment that has a significant impact on both adults and children's food choices. In this paper, the term "food marketing" refers to any type of promotion that aims to promote the awareness of, and desire for, specific products, brands, or services. Food advertising demonstrates a significant link between the production of goods and the generation of demand for those goods. Food advertising nowadays promotes foods and beverages heavy in fat, sugar, and other toxic chemicals linked to poor food quality. This sort of marketing not only influences consumer behavior, but also boosts food intake (Frans Folkvord, *et al.*, 2020).

Many countries have established policies restricting food advertising while children are watching television in recent years. Furthermore, authorities monitor what foods and beverages are sold in schools. In view of the current obesity-friendly society, it is critical to transition to a "healthy" food environment in which good nutrition is emphasized in order to avoid chronic diseases caused by poor nutrition. Innovative strategies to increase attention to healthy foods that boost their value for

adults and children are needed to attain this goal. Promoting a healthy diet can be a great way to accomplish this objective.

Food advertising is becoming more prevalent in media and social media entertainment content, such as advertising games, ads, and product placement. This minimizes client skepticism and boosts the effectiveness of food marketing.

Another hypothesis is that responsiveness to food cues in advertising is determined by individual variables. The findings clearly reveal that food advertising has an impact on everyone's eating habits. People who are overweight, impulsive, or have a sweet tooth or children who are not allowed to eat sweets are the most vulnerable to this.

Studying whether promoting a healthy diet might boost the consumption of good foods like fruits and vegetables, which offer critical nutrients, prevent chronic diseases, and strengthen general health, is very promising. However, nothing is known regarding the efficiency of such promotion in terms of changing people's eating habits (Steffi De Jans *et al.*, 2021).

Six out of ten studies revealed evidence of the usefulness and effectiveness of promoting healthy eating among people. This research have found that encouraging a healthy diet has a favorable impact on product attitudes, purchasing intentions, food choices, and consumption.

Providing nutritional information has been considered to affect eating behavior for more than three decades in efforts targeted at improving food choices. However, in most circumstances, such a technique is best beneficial for women who are concerned about the utility of their dietary choices. On the contrary, raising nutrition awareness does not influence the eating preferences of individuals who are unconcerned about their nutrition, which is primarily men. These gender disparities in food preferences aid businesses in implementing a "two-vector" marketing strategy that allows them to

grow their client base and income while meeting new nutritional standards. Furthermore, this innovative technique will aid in the treatment of obesity.

The four Ps are "product," "pricing," "promotion," and "place" in this work. Factors impacting how much people eat and whether they overeat are given special consideration. It's crucial to understand, though, that eating isn't the same as gaining weight or being obese.

Consumer expectations regarding the advantages of food can be influenced by marketing communications such as advertising, promotion, branding, nutrition, and health needs. The process of communicating information about a brand, its products, and services to a target audience via various channels of contact is known as marketing communications. Although the influence of marketing communications can be as visible as price adjustments in some cases, consumers are not always aware of some of the most recent kinds of marketing communications (for example, "advertising game", packaging design or social media activities). Consumers may be unaware that their purchasing decisions are influenced (Sendpulse, 2021).

One of the most researched aspects of food marketing is advertising and promotions. Advertising, both traditional and online, in a store, in films, television programs, or games, organizing events, on the street, and so on are all examples.

People are informed about a product's attributes, such as the price or where it can be purchased, through marketing communication. Consumers are forced to try fewer goods and look exclusively for brands they are familiar with, rather than the brand with the best nutritional properties, as a result of marketing communication that raises brand and food recognition. Consumer expectations for the purchase and consumption of a certain food product rise as a result of increased communication. Even if it does not modify the expected advantages of consumption, marketing communication can influence the importance of these benefits, for as by prioritizing taste above

health. This could explain why nutrition is ranked last in assessments of factors that influence food selection, taste, and cost (Tuyen Van Duong *et al.*, 2020).

In the US media market, the food business is one of the most prominent advertisers. Children and teenagers are among those who are most frequently exposed to television advertisements, which primarily promote snacks, sweets, and other high-fat, high-sugar items. Food marketers, like all consumer goods marketers, shift budgets away from traditional forms of advertising such as television, print, radio, and outdoor to more current forms of communication through new media such as websites, video games, social networks, product placement, and in-store advertising. Even if it is not true, it is said in these commercials that the intake of these products is normal, enjoyable, and socially beneficial (Rebecca Wyse *et al.*, 2021).

Digital advertising can be defined as a system of analytical, technological, and support tools that are all linked together. This term encompasses the entire set of tactics and technologies used to advertise a product or brand, as well as attract and keep customers, through digital platforms. As a result, we'll refer to "digital advertising" further in the text as a catch-all word.

Digital advertising is a collection of advertising tools that use the Internet to send a marketing message to consumers. Advertisements and messages delivered via e-mail, websites, social networks, online advertising in search engines, mobile or website banners, digital promotions, branded pages and landing pages, video, photo, and contextual advertising, as well as native integrations, are all examples of digital advertising.

Display advertising, banner advertising, video advertising, and contextual advertising are the four basic types of digital advertising.

Digital advertising, on the other hand, is not restricted to the Internet; it also includes television, radio, telephone, direct sales, and direct contact. Digital advertising tries to entice consumers to the Internet area by using direct channels to communicate with them. It does so through employing SMS notification tools, applications, promos, and traditional advertising, as well as links to online resources and QR codes.

Interactivity, or the ability for a customer to interact directly with advertising, is a major characteristic of digital advertising. This can be represented in a variety of ways, including clicks, gaming interactions, motions, recordings, "likes," and so on. It is feasible to acquire and evaluate data about consumers thanks to interactivity. All digital advertising actions are captured in specialized analytical tools, which can then provide complete, accurate, and detailed statistics about customers (Vladimir Godin *et al.*, 2019).

IV. Theoretical approaches to creating an effective digital promotion and sales channels for B2C marketing strategy

1.1 Kazakhstan market of services of enterprises implementing the concept of healthy eating

In Europe, the practice of state intervention in the field of public catering has existed since the end of 1990. For example, in Italy a few years ago there was a program for certification of food quality in local establishments, the so-called "Blue Certificate". The need for it arose in connection with the need to strengthen the health of the nation by instilling healthier eating habits. Thinking about the correctness of nutrition, Italians began to prefer restaurants marked with the Blue Certificate, and more often eat fruits, herbs and fresh fish.

Currently, one of the most pressing topics discussed in society is proper nutrition. The mass media and the Internet are actively promoting a healthy lifestyle and proper nutrition, as integral elements of the lifestyle of a modern person, the number of online requests for healthy food is increasing from the population. More and more consumers are adopting a healthy lifestyle and including functional foods in their diets. Many well-known companies are focusing their activities on the production of healthy food products by adding healthy ingredients to the products, and also help to increase consumer awareness of this type of product.

Meanwhile, the Kazakh healthy food market is in its infancy. Nevertheless, the majority of Kazakhstani consumers are ready to adhere to proper nutrition, but not all are ready to adhere to it all the time, which is explained by the lack of their income. Most Kazakhstani consumers believe that natural products are too expensive, as a result of which the offered range of healthy food products is insufficient, and demand is limited by the high cost of these products.

In Kazakhstan, many people associate the words “diet”, “vegetarianism” with “weight loss”, and behind them there are only temporary measures. As a rule, a "healthy" menu is offered by sanatoriums, cafes at gyms or restaurants that focus on girls who watch their figure. As for the sanatoriums, the diets they offer for workers in poor conditions are obsolete and often do not meet the problems and demands of modern man. The healthy menu of the rest is also not perfect - often they are compiled without the participation of nutritionists who are familiar with the latest trends and discoveries in medicine.

I must say that Kazakh consumers are ready to reconsider their food system. Surveys show that about 30% of women and 7% of men living in the city of Nur-Sultan think about what they eat at lunch and dinner.

Delivery of healthy food is a relevant niche for business today, as it solves two problems of our time at once. The first is the ever-accelerating pace of life and, in connection with it, the lack of time for the cooking process due to increased employment, which leads to the fact that most people resort to snacks that are not always healthy.

The cult of a healthy body and attractive appearance is more than ever promoted by the media and social networks, and as you know, adjusting the diet is the first step towards the absence of excess weight and health problems. More and more people are realizing that youth can be extended with the necessary effort and discipline. All this paved the way for healthy food delivery services, which are most popular in metropolitan areas, and yet they are also accessible to the population with an upper average income.

Every year there are more and more adherents of a healthy lifestyle in Kazakhstan. In pursuit of good physical shape, people not only spend time in the gym, but also try to adhere to the principles of proper nutrition.

Far-sighted investors caught the trend for a healthy lifestyle 9 years ago. It was then that, along with the growth of the fitness services market, nutrition delivery services began to develop. At the moment, there are about 50 companies specializing in the delivery of healthy food in the republic. At the same time, the main share falls on Nur-Sultan and Almaty, while in the regions this business area is still not saturated.

Over the past few years, fitness and following the rules of healthy eating have taken a strong position in the everyday life of Kazakhstanis. Fashion was replaced by a serious hobby, and then the realization of the need for an integrated approach. A perfectly reasonable desire to lead a healthy lifestyle has led to the emergence of an entire sports industry.

Today, not only fitness clubs and nutritionists, but also companies that deliver healthy food are engaged in the monetization of a reasonable hobby. The option of ordering daily PP rations at home appeared in Kazakhstan about five years ago. Since 2013, the market has not only acquired major players, but also adopted a steady pace of development and created its own internal rules. The components of a healthy food delivery service are: seasonality, low margins, and aggressive competition.

Eat and Fit is a healthy nutrition delivery company founded in 2016.

5+ years on the market – They maintain leadership positions and set the pace for the market

8000+ Satisfied Clients - So many people they have fed during the entire period of work

Rating 4.8 – According to Google and 2GIS reviews

250+ daily deliveries – Over 20 punctual couriers deliver healthy meals daily

Benefits of Eat and Fit:

1. Created by professionals - the menu is developed by TOP chefs in cooperation with nutritionists and nutritionists, in accordance with international standards and norms;
2. Night production - healthy food = fresh food. Ready rations get on the table to customers immediately after preparation;
3. Advanced cooking methods - sous-vide, cook&chill - expensive technologies allow you to "seal" the freshness of dishes;
4. Certified production - certificate and conclusion of SES, registered trademark EAT & FIT TM - a guarantee of quality and safety

Anyone can leave a request on the site or call by phone. Next, the goal of ordering proper nutrition (losing weight, weight gain, maintaining the existing shape) is clarified with the consultant, the amount of calories, proteins, fats and carbohydrates necessary to achieve the chosen goal is calculated, a menu is drawn up that takes into account the characteristics and preferences of the client.

After making the payment, the client is delivered every day (the time the client chooses himself) a ration for the whole day, which consists of the first and second breakfasts, lunch, afternoon tea and dinner.

The more calories in the diet, the more expensive the price of the service. You can choose a diet for 850, 1150, 1450 and 1850 kcal for any period.

It is worth noting that the reviews about this delivery are positive. The couriers arrive on time, the food is fresh, the dishes are all delicious. But the peculiarity of such delivery is its expensive price.

Prices range from the cheapest (for a 7-day diet of 850 calories) 45,500 tenge to the most expensive (for a diet of 1,850 calories for 21 days) 173,250 tenge. Residents of the city of Nur-Sultan with low and even middle income cannot afford such expensive meals.

Also, the market has a delivery of healthy food "Fitmeal", which offers a full daily diet from 750 to 2,500 kcal per day. The prices in the Fitmeal delivery are lower than in the Eat and Fit delivery.

So, for example, a diet for 1,150 kcal for seven days is offered by Eat and Fit for 49,000 tenge, and Fitmeal for 35,000 tenge. This can be explained by the fact that the dishes in the Fitmeal delivery are classified as "homemade dishes" and are omelettes, buckwheat, boiled chicken breast, cottage cheese casserole with jam, oatmeal and pasta. While "Eat and Fit" delivery dishes are distinguished by originality, complexity of preparation and variety of ingredients used: cream soup, blueberry porridge, pumpkin, red fish, tuna steak, risotto and the like.

The Leeloo.ai system has simplified communication between the client and Eat and Fit. The company can be contacted via WhatsApp. To place an order, just go to the company's website and select a communication method: telephony or instant messenger. The fastest way to order is via WhatsApp: operators process several requests at once. Customers don't have to wait for a response. Moreover, when re-ordering, operators will already know what the client wants. Correspondence will be saved, operators will quickly process the order. Eat and Fit also added informational messages - templates that notify the client about the time of preparation of the order and current promotions of the company. Such a trifle increases the lifetime value.

The phone is not torn from calls: all orders are made in the chat. Since customers do not wait for the operator to become free, but immediately go to the dialogue, the sales funnel expands. Each manager will be able to correspond with several clients at the same time. As a result, customers are satisfied with fast service, and the company is satisfied with high conversion.

The company maintains regular communication with its customers. Delivery of proper nutrition is carried out in the morning. The client receives a notification "The courier is already on his way to you." The company tries to make its messages unique and can replace the usual alert "Courier is already on its way to you" with "Top top manager is already on its way to you" (Top top means the steps of a child). Moreover, Eat and Fit try to be friends with customers and use the Leeloo.ai system. Leeloo.ai is a platform for comprehensive automation of the customer journey from the first click to regular sales. This platform allows you to automate key business processes of customer acquisition, support, sales using chatbots in instant messengers and artificial intelligence. With the help of chatbots, smart emails and warm-up content, Leeloo turns cold traffic into long-term buyers. Through pre-programmed messages, the Leeloo system sends messages such as "It's cold today, dress warmly", thus showing care for customers.

On the last meal day, the company adds 1 piece of cheesecake and a photo card with the words "Feel like a part of our family" to the food set, in which the team holds a cheesecake. Thus, the company raises loyalty and trust, and the likelihood of a sale increases. That is, the company aims to impress the client as much as possible and keep him.

The company works well with the base of former clients. A week after the client leaves, the bot contacts the client and makes it clear that the company remembers him. After 3 days, the bot writes and gives a cashback discount when ordering next time. On the 20th day, the bot writes "We have been apart for 20 days, when you will return ...". On day 100, the bot texts "I used to read that bots have no soul, but 100 days without you is unbearable. Do not change us for whites. They write like that even if the client doesn't come back to them. There was an interesting situation, for example, once the client answered a verse with a verse, and the employee answered with a verse. The company's marketing is more focused on customer retention and return.

On the 6th day, the bot writes to the new client about the loyalty program called "I'm from the tank", according to which you need to say that the client came from a friend, and then Eat and Fit gives

the new client a discount. Eat and Fit's mission is to make marketing easy, enjoyable, and unobtrusive.

The company works well with customers who have already tried them. The big problem is that most clients want to lose 3-5 kg. They don't work with overweight people because they are hard to work with. They only work with those who want to lose 3-5 kg. 3-5 kg can be thrown off in 1 month of nutrition with Eat and Fit. The company has a problem that they bring the client to the result, and the client leaves them. Because they are no longer needed by this client until he gains weight again. The company faces a big task to increase the lifetime value of the client. It costs a lot for the company to attract a client and after 1 month of supply the company does not receive profit from the client. The entire margin for food and delivery goes to attracting a client. The average lifetime of a company is 2 months, i.e. the client returns within a year. For 2020, the record lifetime was 315 days, i.e. they had a client who ordered proper nutrition for 315 days in a row. But there are also clients who are with them for 2-3 days, 5-7 days, the company has much more of them. The average client with them is about 40 days. Every day the company makes an average of 6-8 sales. The company used to have a 21 day program because it takes 21 days to build a habit. When there was a program for 21 days with one trial day, the average lifetime was 25-30 days. Few people bought the program for 21 days, basically everyone bought the program for 1 day and was not converted into sales. The company instead of one day made 2 trial days and added an additional discount for subsequent orders. Firstly, it eliminated a large number of people who only ordered food for 1 day because they are not potential customers of the company. Secondly, in 2 days a person will really have a better idea of the company, i.e. for example, if on the first day the client does not like the menu in terms of taste, on the other day they will like it, because Eat and Fit has a different menu every day. As a result, the conversion from two trial days is much better than from 1 trial day. This led to the fact that in 2021 the conversion increased and the company's lifetime value increased.

From the summer of 2021, the company decided to make a price gradation. There used to be programs for 1, 10 and 21 and 31 days. As practice has shown, this was not very effective and profitable. Since the summer of 2021, the company has programs for 1, 12, 24 and 36 days. This innovation allowed to increase the lifetime value. Now, for example, on average, a client already buys a course of nutrition not for 21 days, but for 24 days. On average, a client with them is 1 month in autumn and 1 month in spring. There are people who eat all year round, but they are few.

1.2 Traditional and digital marketing

The term "traditional" refers to any type of marketing that is not conducted online. This means communicating with the target audience through print, video, direct mail, telephony and outdoor advertising such as billboards. This marketing method also includes the media, from newspapers to radio.

Digital marketing is any marketing that a company conducts online, such as paid social media advertising, email marketing and Pay per Click advertising, online mailing lists, influencer marketing, and video marketing. The world is becoming more and more digital, and the way marketing is evolving too. Digital marketing is often more cost-effective than traditional marketing and provides more direct ways to connect with target audiences around the world. Digital marketing is essential for business today.

Traditional marketing has several disadvantages. First, businesses have little to no real-time interaction with the consumers they sell their products to. When you see a hypermarket billboard, you can't send a digital message to the billboard and ask if gray duvet covers are on sale today.

In addition, some marketers find traditional marketing inconvenient. Once a print ad has been published, it cannot be edited. If you entered the wrong discount number in a radio commercial, you can't change it.

Traditional marketing is often more expensive. In addition, it is not known who you will attract with this investment, because the results are difficult to measure.

Traditional marketing has been in business for quite some time - it's even considered an ancient series of marketers. But does ancient mean that it is ineffective? No, but that also doesn't mean it's as effective as it used to be.

Traditional marketing is great when you're trying to target a local audience. For example, you are a dentist who has just opened a clinic, so you will not have patients coming in regularly, so you hand out flyers to passers-by and it works.

Digital marketing, on the other hand, has exploded over the years. I mean, social media and the internet of things are becoming second nature these days, it's pretty obvious why digital marketing fits into that equation.

Unlike traditional marketing strategies, digital marketing does not require huge funds. Cost-effectiveness allows small businesses to somehow compete with larger businesses.

Another benefit of digital marketing is participation. You can do social media posts, email marketing, posting on forums, blogging. Anything that gives you the ability to interact with your customers.

Traditional marketing doesn't take the time to do this, and it's a deal breaker. Businesses these days need to be more focused on customer relationships because consumers make decisions based on how they are treated more than the value of the product itself.

This form of marketing is also measurable. Time is money, and companies can't afford to waste time if they don't want to be left behind. You can see which campaign is getting the most responses, which ones aren't as good as others, etc. You can decide what to do or mix them up in real time.

Here are some of the most common digital marketing methods used by businesses:

- SEO stands for search engine optimization (SEO)
- Marketing on social media
- PPC (pay-per-click) advertising

- Content marketing and web design
- Email marketing

The following are examples of classic marketing channels:

- Magazines\Newspapers\Catalogs
- Television\Radio\Telephone
- Billboards
- Fliers
- Industry gatherings
- Exhibitions

Traditional marketing is appealing to marketers because of its consistency and simplicity. Marketers employ a variety of traditional marketing tactics, including:

- Telemarketing\Broadcasting
- Meetings in person
- Door-to-door sales are one of the most common types of sales.
- Print advertisement Networking Direct mail
- More on referral marketing

1.3 Sales channels

One of the most important aspects of a manufacturing company's operational operations is product distribution from manufacturers to end-customers. Customers today expect things to arrive at a given time, in a specific location, and with the expected degree of quality. As a result, distribution and sales channels are built and connected in such a way that customer preferences are prioritized. Customers' requirements and desires are reflected in the quantity and levels of sales channels. As a result, sales channel management is critical in today's business. Decisions about sales channels must be made by company brand managers.

These are decisions that are tied to channel management and to which managers must pay special attention if they want to be competitive and produce strong business results. Companies gain a distinct market niche in which they compete with other competitors by entering new sales channels. Innovations in sales channels that are based on client needs and wants are the most common way for firms to compete with their competitors. A good brand manager keeps an eye on the market and the situation in a specific channel, constantly perceives the requirements and wishes of customers and acts on them, and manages innovations within that channel. Innovations are seen as a critical component of a channel's success.

There were extremely few distribution routes in the past. Because of market development, product development, and an increase in consumer requirements and wants, the number of distribution channels has increased dramatically over time. In such a market climate, brand managers are pressured to constantly analyse their competition, situation in distribution channels, and try to be inventive in their area and market segment if they want to be successful, if they want to earn higher and higher market share.

That is a really difficult task, and the manager should be well-versed in dealing with it. Making decisions about the amount of channels, whether to build new channels or retire old ones, is a particularly difficult issue. A multi-channel method is frequently used. What is critical to emphasize is that modern management focuses on consumers and their needs and wants when deciding how to manage their distribution networks.

One of the four elements of the marketing mix is distribution. It refers to the process of making a product or service available to a consumer or business user who need it. This can be done either directly by the product or service provider, or through intermediaries (distributors, agents, wholesalers etc.)

Distribution has long been thought to be one of the areas in business where significant cost savings and improvements can be accomplished.

The distribution region, which accounts for a significant amount of a company's total costs, has gotten a lot of attention in terms of new concepts and strategies for better managing this vital function. Distribution management is currently considered as an important aspect of a company's strategic management. Distribution, in its broadest meaning, refers to all of the actions involved in getting goods and materials into the manufacturing, through the factory, and to the final consumer. Another aspect of the distribution process that needs be explained is the distribution channel, also known as the sales channel.

The sales channel is the path that items traverse from supplier to client during the selling process. Companies utilize a variety of different sorts of sales channels to make their products available to the market. Because not all channels are suitable for all economic sectors, it is worthwhile to consider the business activity of the sector under consideration, as this explains the variety of possibilities available. Retailers have been using multiple marketing channels at the same time since the 1990s. It's also worth noting that technology has aided in the growth and expansion of the number of available channels.

It is necessary to explain channel strategy when observing channels. A vendor's channel strategy is their approach for getting a product or service from the manufacturer to the end user. Retail channel strategy is closely related.

The manner the offer is made available to the consumer is referred to as a retail channel strategy. The choice of a retail channel strategy continues to be a challenge for companies under pressure to build a long-term competitive advantage while maintaining product differentiation. In this case, rather than the product being offered, the sales method becomes the most crucial component in determining success.

The strategy outlines how the organization intends to control distribution channels, manipulate items on their route from the manufacturer to the final client, and obtain a competitive advantage. The configuration and integration of the distribution channel are tied to the strategy.

The utilization of a variety of distribution channels by a single company is becoming more common. Organizations that are expanding add new channels and communication methods, giving them the opportunity to expand market penetration at a lower cost. Rather than replacing current channels, new channels are frequently formed. As a result, the question of how to manage a successful multi-channel approach becomes even more important.

The addition of new channels opens up new avenues for firm contact and communication with their customers. This presents new problems for firm staff and systems in their interactions with customers. Channel integration is a strategic challenge that may necessitate structural adjustments and changes in customer behavior within an organization.

Because they are a source of competitive advantage and differentiation, the number and kind of channels, i.e. channel configuration, are strategic. It is clear that the single channel is no longer the preferred configuration for merchants. The company sells its items through a single retail channel and then expands into other channels. When it comes to channel configuration, companies have two options: dependency or independence.

Companies can treat the channels as separate entities with no communication between them, or they can integrate the channels to allow different types of information and money flows to flow between them. The retail channel strategy includes channel integration after channel configuration. The retail channel plan must include channel integration.

1.4 Social media and promotion

The company has a presence on social networks such as Instagram and TikTok. The company tested TikTok for 1 month and everything was unsuccessful. Promoting commercial content on TikTok was hard for Eat and Fit. After that, the company tried to target publications, but failed to collect a large number of leads. Firstly, the leads did not fit geographically, as they covered the whole of Kazakhstan, and not the city of Nur-Sultan, where the company is based. Secondly, the leads were not suitable

for age, mostly there were young people under 18 years old, i.e. people who are not the target audience of the company. In general, promotion on TikTok took 300,000 tenge and the hours of work of employees from the sales department, which went down the drain. Instagram is the social network whose audience has grown. This social network became popular in Kazakhstan about 10 years ago, where all the youth used it. Now just frequent Instagram users are about 30 years old and above. This is a capable age when people begin to take care of their health and earn good money. These are not quite adults yet, who are conservative, but not quite young either. For a company, Instagram is the best option for promotion. The market value of 1 minute video costs from 30 thousand tenge. The company orders a videographer and all content is filmed in the studio where the Eat and Fit workshop is located. The workshop and studio have one owner. The cost of 1 video for Instagram is 60 thousand tenge. This price includes the work of a videographer, some details on certain topics. In total, the cost of producing one video costs 70 thousand tenge. The company hires a targetologist for 150 thousand tenge per month. On average, 4 videos are filmed per month for 60-70 thousand tenge. As a result, 400 thousand tenge is spent on content creation and promotion per month. The purpose of the studio was to reduce the cost of producing photos and videos.

The budget for promotion and sales is different based on seasonality. For example, on such holidays as International Women's Day and Nauryz, the budget for marketing increases. On March 8, the company gives flowers to customers for each order, which increases the company's expenses. The company tries to do more wow-service, extramiles (when the company does more than what is expected of it). And thus, the company forms not a "satisfied customer", but a loyal customer.

The company held a giveaway in 2015. Giveaway is a method of promoting a page on Instagram, which involves the drawing of prizes in exchange for fulfilling the conditions. The most popular condition is a subscription, the need to like posts, repost or leave a comment.

Eat and Fit did a giveaway right after they opened, as it's the cheapest way to promote and the fastest way to build an audience. But the company faced several risks - the quality of the audience, the

massive unsubscribe after the end of the giveaway, and affected reach. Therefore, the company decided to no longer use this method of promotion in social networks. Also in 2015, Eat and Fit collaborated with bloggers. After 1 bad experience, they decided not to work with bloggers anymore. In 2017, there was a blogger who advertised Eat and Fit products well. She was offered free meals for several months in exchange for advertising. Unfortunately, she had the task of collecting as many advertising campaigns as possible. And after some time, she simultaneously advertised restaurants and the delivery of proper nutrition. Accordingly, she did not lose weight, but gained weight, i.e. there was no result from proper Eat and Fit nutrition. After that, Eat and Fit do not cooperate with bloggers.

Advertising channels:

- targeted advertising in social networks;
- advertising with opinion leaders among their target audience (effective in the short term -the audience of opinion leaders, as a rule, is very limited. Very effective at the start)

Target audience 1

Demographic:

Age – 25-35 y.o.

Gender – female

Income level – middle-upper-middle, 300-700 thousand tenge

Job position: all middle and upper class employees such as managers, directors, freelancers, as well as bloggers and fitness trainers, women who want to lose 3-5 kg.

Geographical:

Nur-Sultan

Psychographic:

Values - healthy lifestyle, proper nutrition, diet and people who value their time

Behavioral:

People who spend most of their time at work who do not have time to cook at home

Do sports in Invictus

Social media use – Instagram

Target audience 2

Demographic:

Age – 30-40 y.o.

Gender – male

Income level – middle-upper-middle, 300-700 thousand tenge

Job position: managers, entrepreneurs, top managers, as well as bloggers and fitness trainer

Geographical:

Nur-Sultan

Psychographic:

Values - healthy lifestyle, proper nutrition, diet, sport

Behavioral:

People who want to save their time and focus

Do sports in Invictus

Social media use – Instagram

Many companies are embracing the eco-friendly movement. In order for Eat and Fit to be eco-friendly, the company plans to recycle plastic. They want to return dishes from customers and make figurines like “To Your Favorite Customer” out of shredded plastic.

The founder of Eat and Fit opened the Invictus go franchise. This network of fitness clubs is very popular in the city of Nur-Sultan, so there were no problems in advertising even at the beginning of the launch. Eat and Fit products are also offered there.

The company plans to launch the Eat and Fit Go product. The concept is that a person comes to a micromarket and opens a refrigerator with the help of an application, takes products, scans a

barcode, pays using an application and picks up. This format is take away, ready to go or ready to eat. It is planned to launch this product in micromarkets and coffee corners (small coffee shops).

As part of the formation of a strategy for the implementation of the most effective communication with the consumer, the following digital advertising tools were created and used in the company:

1) chatbot. Development of an automatic support bot that answers typical questions from participants. An hour-bot can greatly reduce the load on feedback, and as a result, reduce costs. Also, the bot program is universal and can be easily adapted by programmers to any platform and any conditions of the promotion that the bot must observe.

2) mobile version of the website. The main type of device for accessing the Internet in Kazakhstan today are smartphones. That is why one of the main characteristics of the site should be adaptability to any type of device;

3) landing. In comparison with the usual internal pages of the site, landing has great advantages, for example, the user's focus on one action (goal), the maximum stimulation of the user to complete the target action. And according to research by media agencies, a landing page can significantly increase the effectiveness of an advertising campaign;

4) collaboration with bloggers. Native advertising has a positive effect on consumer engagement. The company works with bloggers who correspond to the theme and tone of the campaign, and also have a content viewing audience that matches the target audience of the company.

5) SMM. Communication and interaction with the consumer through social networks contributes to obtaining feedback about the company's products. This opens up the possibility of timely response to errors and problems of products and quality of services.

1.5 Analysis of consumer preferences regarding Eat and Fit products and services

A customer survey "Eat and Fit" was conducted (questionnaire is presented in Appendix A).

As a result, 30 people were surveyed and the following results were obtained. The survey period: January 5 - March 15, 2022.

The socio-demographic characteristics of the respondents (see Fig. 11, 12, 13) allow us to conclude that the target audience of Eat and Fit are women aged 25 to 35 and men aged 40 to 50 with a monthly income per family member of 300,000 to 700,000 tenge.

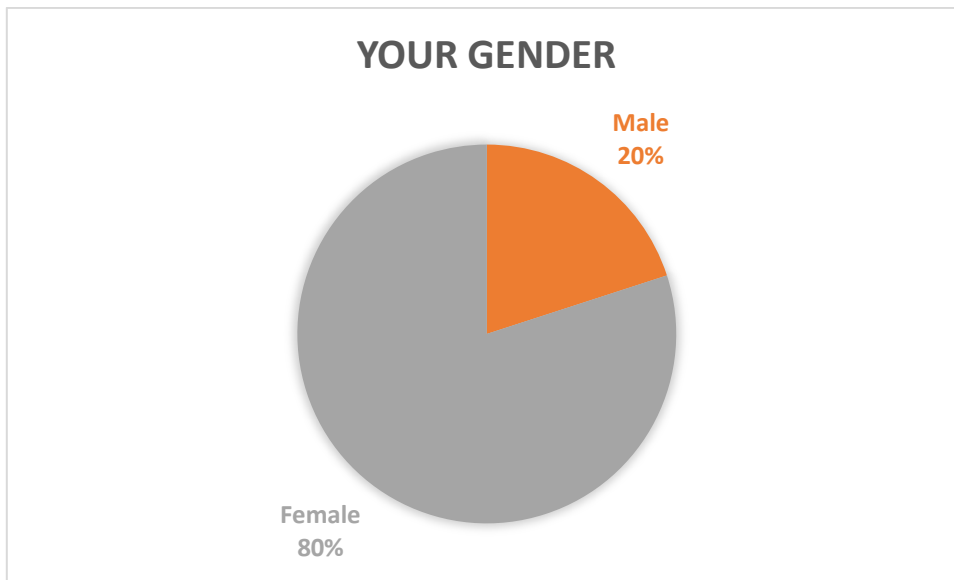


Figure 1 – Your gender

Figure 1 shows that women showed great interest in the issue of a healthy lifestyle, their number was 80%, while men - 20%. It can be assumed that women are more interested in their appearance and self-care, their health and body.

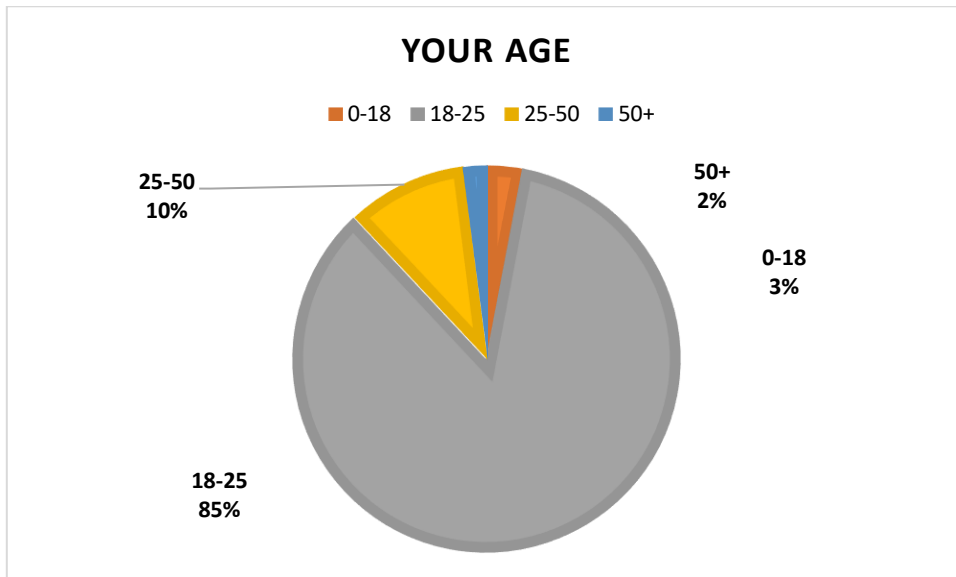


Figure 2 – Your age

As shown in Figure 2, most of the respondents interested in this topic are people aged 18 to 30 years. Most likely, this is due to the fact that young people are the most active and are more often influenced by modern trends.

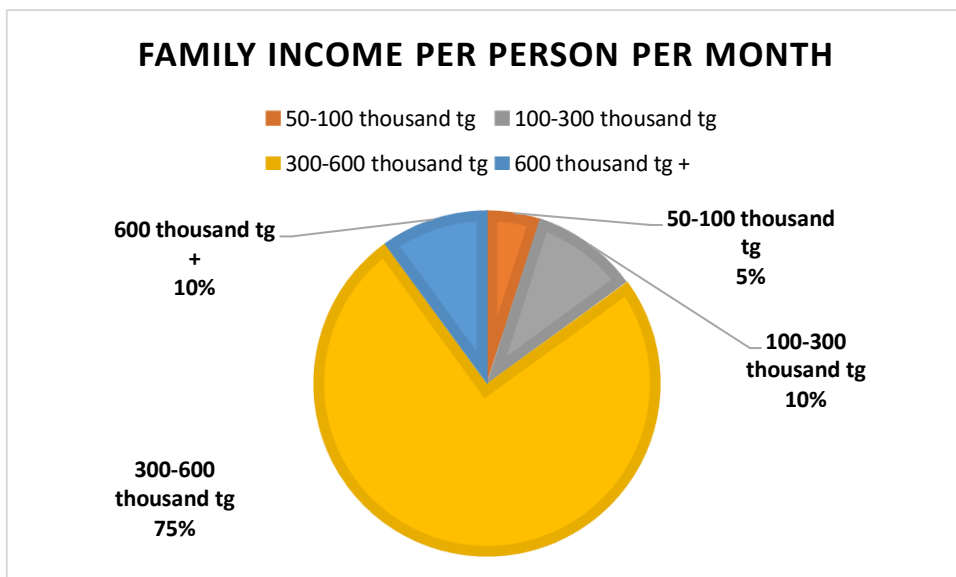


Figure 3 – Family income per person per month

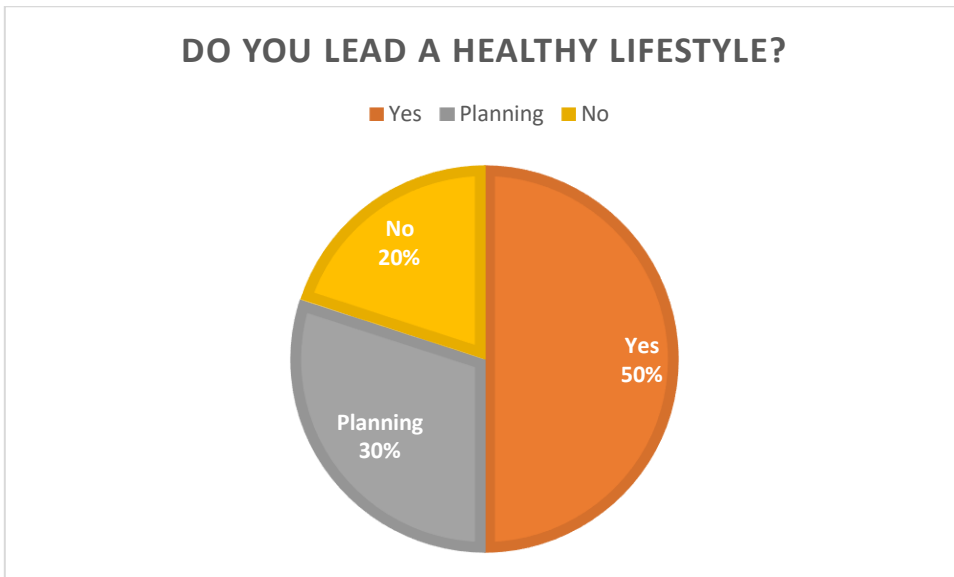


Figure 4 - The attitude of respondents to maintaining a healthy lifestyle

Figure 4 shows that 80% of respondents lead or plan to lead a healthy lifestyle.

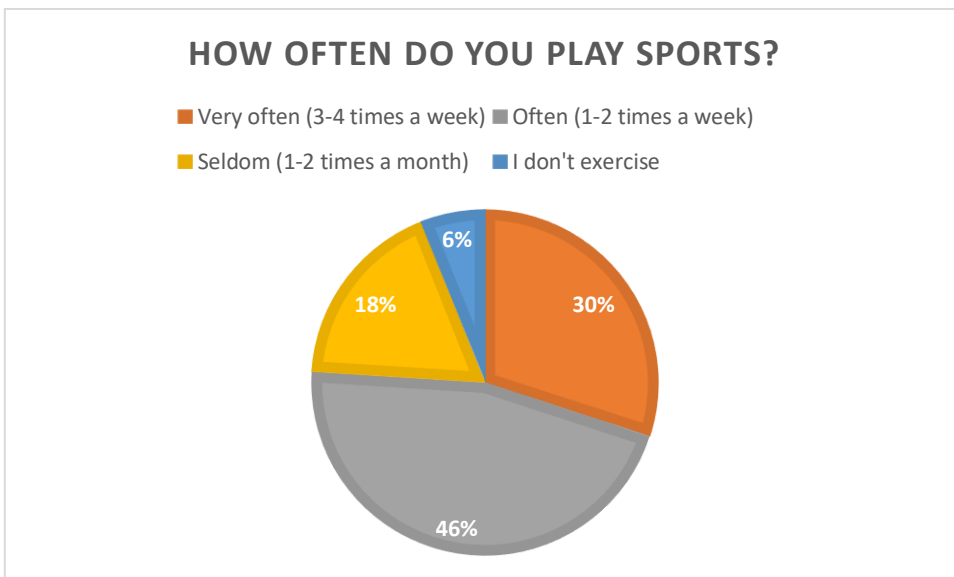


Figure 5 – Estimation of the frequency of sports activities of respondents

Figure 5 shows that 76% of respondents go in for sports more than three times a month, which means that most of the respondents lead an active lifestyle and are ready to spend money on building a beautiful body.

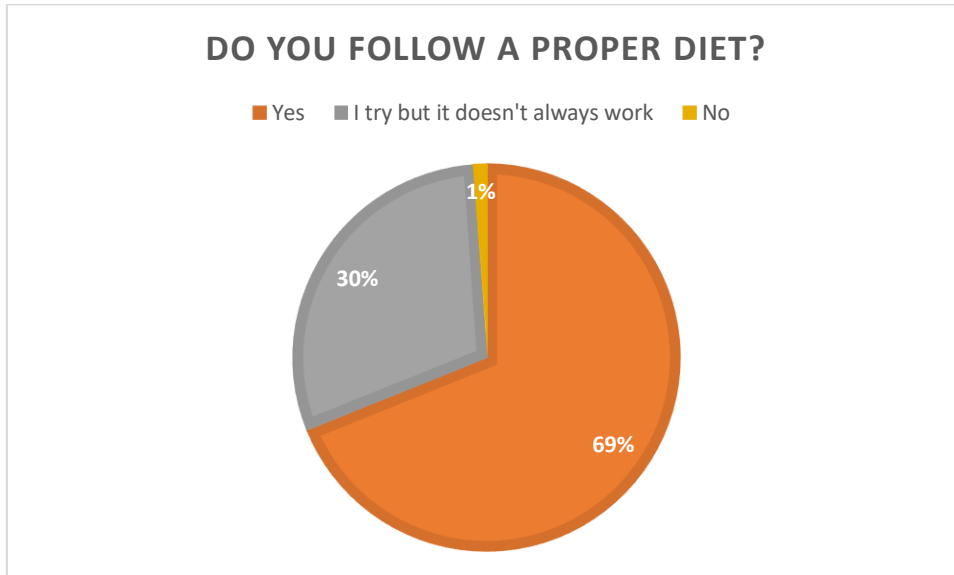


Figure 6 - Attitude of respondents to proper nutrition

Figure 6 shows that 69% of respondents are interested in proper nutrition and already adhere to it, or try to adhere to it, but have some barriers (30%). It can be assumed that these barriers are related to the lack of time for cooking, which leads to unhealthy and quick snacks, and high food prices.

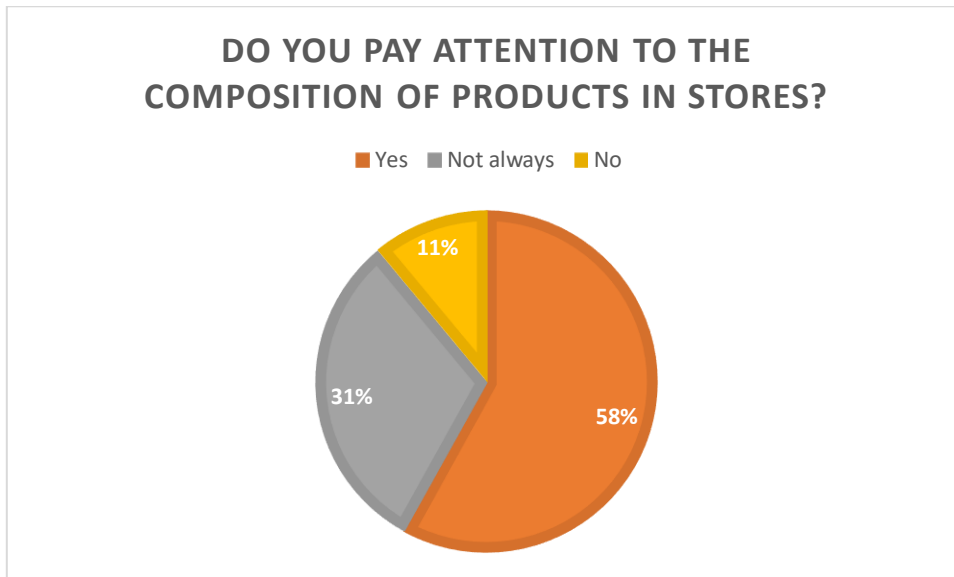


Figure 7 - Respondents checking the composition of products in stores

Figure 7 shows that 58% of respondents are interested in the composition of the products they buy and monitor what they eat, which means they have some knowledge in the field of harmful chemicals and additives. 11% of respondents do not always pay attention to the composition of the purchased products, which may be due to the unwillingness to give up harmful, but beloved food or the lack of knowledge about the dangers and benefits of certain additives and their use in the composition of the same product from different manufacturers.

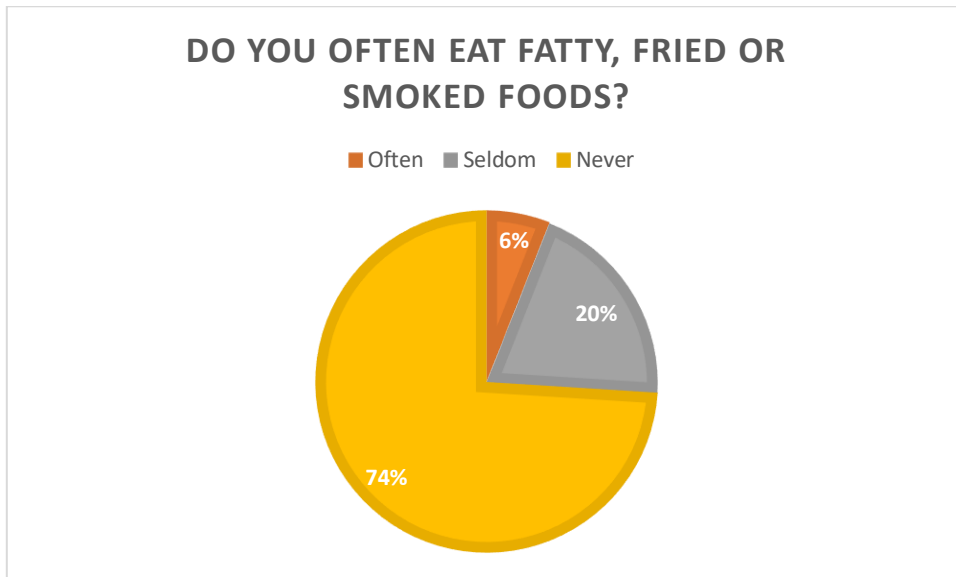


Figure 8 – Do you often eat fatty, fried or smoked foods?

Figure 8 shows that 74% of respondents do not eat or try not to eat smoked, fried and fatty foods.

Also, this may indicate that the respondents have problems with the digestive organs, which leads to special diets and forces them to limit the consumption of fatty, fried and smoked foods.

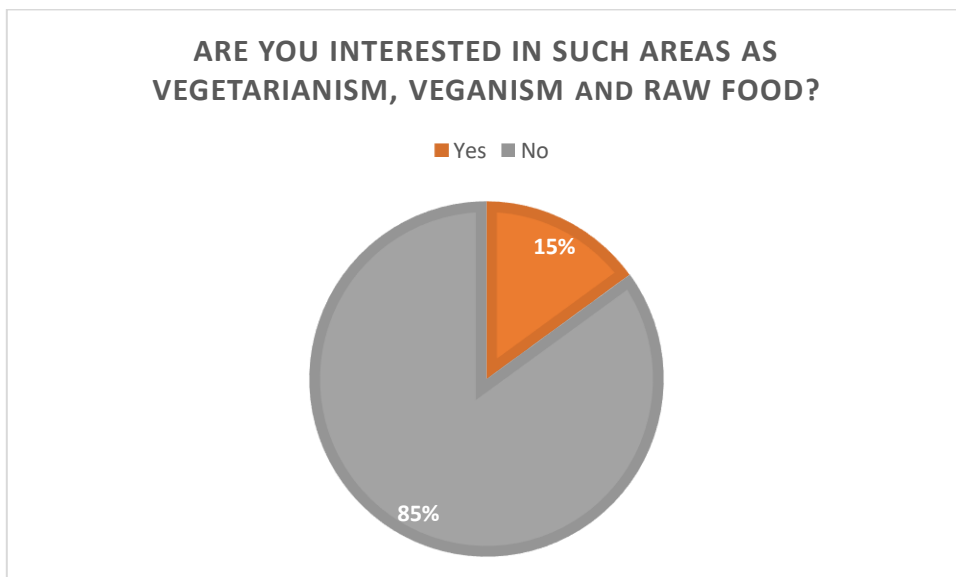


Figure 9 - Are you interested in such areas as vegetarianism, veganism and raw food?

Figure 9 shows that 85% of respondents are not interested in such areas as vegetarianism, veganism and raw food, which means that this type of menu is not in demand, but, nevertheless, this menu should be, as 15% of respondents showed interest in the data directions, which means there is demand, but minimal.

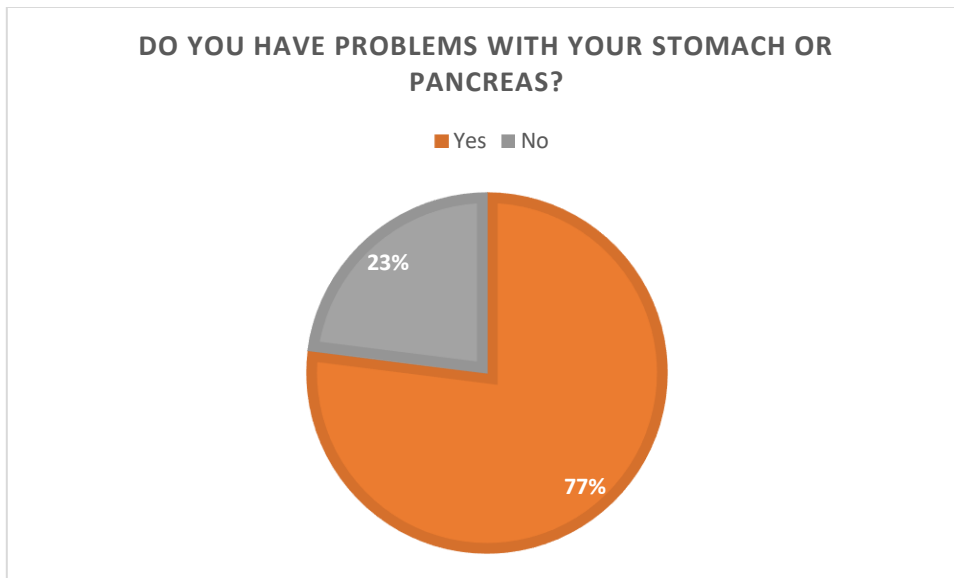


Figure 10 – Do you have problems with your stomach or pancreas?

Figure 10 shows that more than half of the respondents (77%) have problems with the digestive organs, which limits the food allowed for them. Perhaps that is why in question No. 8 more than half (74%) of the respondents answered that they do not eat or try not to eat smoked, fried and fatty foods (see Figure 6).

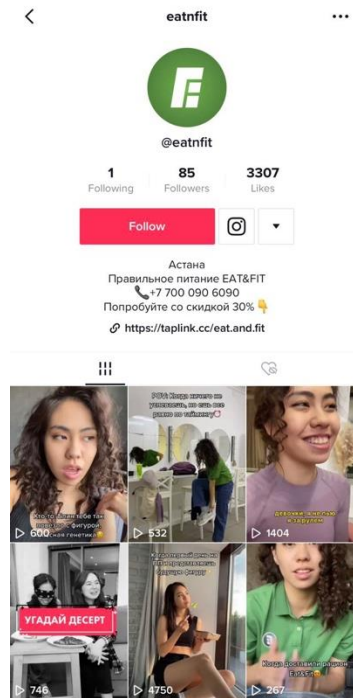
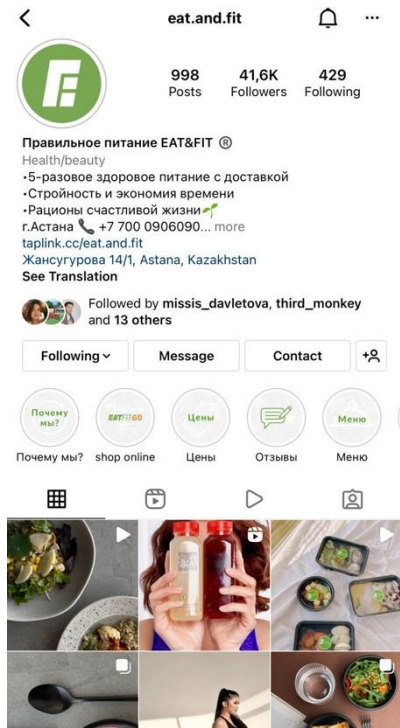
Fast food cafes (or fast food) have replaced the usual traditional meals. Their main distinguishing features are fast and cheap, but constantly eating in such establishments, human health can suffer. They have an almost complete lack of fiber (the traditional menu of any sandwich, french fries, sauce, salad and sweet drink is about 1,500 kcal), low protein content (the required daily dose of its consumption is about 100 g, while a standard sandwich contains only 9 g), the presence of

vitamins and other nutrients is below normal. All doctors and nutritionists are unanimous in their opinion - there are two types of fast food: harmful and very harmful. You can't eat them regularly. There are several reasons. Firstly, the average lunch in such establishments not only covers the daily need for calories, but often exceeds it. Secondly, the abuse of fast food disrupts the balance of hormones that are responsible for the feeling of satiety. In addition, usually a hamburger, hot dog and french fries are washed down with cold carbonated drinks. Due to the low temperature of the drink consumed with a hamburger, the fat contained in its filling instantly solidifies and practically does not decompose. Scientists from England, Sweden, Korea, have long discovered that fast food hides a number of dangerous substances: dioxins, chlorophenols (cause cancer) and acrylamides.

Those people who are not supporters of fast food visit popular cafes where you can order salads, steaks, fish and so on, but again they face problems: either it is expensive, or it is cooked using a lot of sunflower oil, mayonnaise, vinegar , which calls into question the usefulness of the dishes offered.

Currently, social networks such as Tik Tok and Instagram are more popular. It is proposed to actively maintain the page in the instagram: it fixes the exact number of people subscribed to the page, displays statistics on page visits, and automatically provides a comparison of the number of visits for the current and last week. It also displays the number of views and the number of saves for a particular post. In this network, it is easier to communicate and keep in touch with potential customers by commenting under the post, where subscribers can ask a question of interest to them and get an answer that will be displayed in their action feed. On your page, as an advertisement, you can upload a video with the process of preparing a signature dish or a cocktail, various interesting events in the life of a cafe, shoot video reviews of products that came from suppliers (customers are always interested in knowing what they eat). This will shorten the distance between

the cafe and its customers, increase the level of trust, and help not only maintain a constant connection with existing customers, but also attract new ones.



V. Conclusion

Being flexible, keeping up with innovations, emerging needs, novelties and being one step ahead of your competitors is the key to the success of any organization: to offer what is needed. The trend towards a healthy lifestyle, which is rapidly developing at the present time, has affected various areas of human activity, including the service sector. The Kazakhstan catering market is represented by a large number of various establishments, but there is no one that could satisfy the modern need of people for a healthy diet. With this issue in mind, the following tasks were performed:

- analyzed the impact of the trend towards a healthy lifestyle on the service sector;
- Kazakh experience of creation and operation of a healthy food cafe was studied;
- the Kazakhstani market of services of enterprises implementing the concept of healthy nutrition was analyzed;
- analyzed consumer preferences regarding Eat and Fit;

Recommendations:

- a) To exchange earning points on the Eat & Fit card for one monthly gym membership;
- b) To give a coupon for a 5% discount in Eat & Fit when clients buy a subscription to a gym;
- c) To provide at a discount rooms for lectures and seminars to improve the skills of trainers organized by the gym;
- d) Not to promote Tik Tok, because mostly there are young people under 18 years old.

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VII. Annex

Annex A

Questionnaire for a survey of Eat and Fit clients on the topic: "Analysis of the trend towards a healthy lifestyle in the city of Nur-Sultan"

Questionnaire

Hello, please take a few minutes of your time to fill out the following questionnaire.

1) Your gender

– Male

– Female

2) Your age

– up to 18 years old

– 18–25 years old

– 25–50 years old

over 50 years

3) Family income per person per month

– 50–100 thousand tenge

– 100–300 thousand tenge

– 300–600 thousand tenge

– over 600 thousand tenge

4) Do you lead a healthy lifestyle?

- Yes

– I plan

- No

5) How often do you play sports?

– Very often (3-4 times a week)

– Often (1-2 times a week)

– Rarely (1-2 times a month)

- I don't play sports

6) Do you follow a proper diet?

- Yes

- I try, but it doesn't always work

- No

7) Do you pay attention to the composition of products in stores?

- Yes

- Not always

- No

8) Do you often eat fatty, fried or smoked foods?

- Often

- Rarely

- I do not use

9) Are you interested in such areas as vegetarianism, veganism

and raw food?

- Yes

- No

10) Do you have problems with your stomach or pancreas?

- Yes

- No