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GLOCALIZATION STRATEGY OF THE INTERNATIONAL COMPANIES IN THE RUSSIAN FMCG MARKET UNDER THE IMPORT SUBSTITUTION POLICY

Abstract:

The purpose of this study is to determine the most effective marketing strategies that would be effective for the international companies in the Russian FMCG market under the import substitution policy. The condition of FMCG market is one of the main indicators of the economic situation in any country. Moreover, this market is very sensitive to any changes in the external environment. That is why it requires from the companies a special approach to the development of marketing strategies. To achieve the goal, analytical alignment methods, statistical methods, methods of analysis and synthesis were used. The study covers the period from 2015 to 2018. The marketing strategies of the 4 largest TNCs (Nestle, Coca Cola, Danone and P&G) are analyzed. The results of the study prove that the Russian FMCG market continues to be of undoubted interest for foreign companies. Their investments to the Russian economy are growing, the number of provided jobs is increasing. The most appropriate marketing strategy in the Russian FMCG market for international companies is the glocalization strategy. The import substitution does not deny the creation of a special mechanism for attracting direct foreign investment, which opens up great opportunities for foreign companies. The study contributes to researches in the field of marketing strategies of international companies in the FMCG markets in the period of global economic instability and sanctions wars. The study can open a new discussion on the feasibility of applying a glocalization strategy in emerging markets in the context of import substitution.

Keywords:

FMCG market, glocalization, international marketing strategy, import substitution

JEL Classification: F23, M31, L19

1 Introduction

The FMCG market is one of the main indicators of the economic situation in any country. It reflects the level of solvency of the population, as a large group of products in this market is essential goods. This market is sensitive to any changes in the external environment. Until 2014 the Russian consumer goods market and the FMCG market as its part was of particular interest for international companies. New players were constantly entering the market, and retail chains were developing. In 2014 the economic crisis has begun due to the decline in real incomes of the population, the sanctions policy of Western countries, the weakening of the national currency and other factors. As a result, a number of international brands left the Russian market. The situation is getting worse by the political situation, which has caused so-called sanctions war between Russia and Western countries. The policy of import substitution affected the interests of the TNCs that are presented in the Russian market (Kheyfets & Chernova,2018).

Indeed, real incomes in Russia have been declining for the fourth year in a row: in 2014, the decline was 0.7%, and in 2016, income fell by 5.9% in real terms, in 2017 by 1.2% and in 2018 - 2.9% (Federal State Statistics Service, 2018). Moreover, according to the experts, GDP growth will reach in 2019 only 1.5%.

Nevertheless, the third quarter of 2018 was quite positive for the Russian FMCG market. It grew by 6.6% in money, and real consumption still continues to be a notable driver of its growth. From January to September 2018, the Russian FMCG market showed the highest growth in physical terms since 2013. It happened despite the acceleration of inflation to 2.9% and a decrease in the consumer confidence index by 3 points to 67, one of the lowest values in the history of observations. According to Nielsen, one may talk of the positive trend in compare with the previous year, when the development of the FMCG market was provided solely by the price factor with negative real consumption values (Nielsen, 2018).

The policy of import substitution does not mean that foreign companies must leave the Russian market. It should be understood that import substitution does not deny the creation of a special mechanism by the Russian government for attracting direct foreign investment, which opens up great opportunities for foreign companies (Zobov et al.,2017). So, in the context of economic and geopolitical instability and the policy of import substitution, on the one hand, and interest in the Russian market, on the other hands, the international companies are forced to reconsider their marketing strategies in this market.

The main purpose of the work is to study the marketing strategies of the largest FMCG companies successfully operating in the Russian market from 2015 to 2018, to identify the general patterns of these strategies and to determine the degree of a positive attitude to the implementation of these strategies by representatives of retail chains. Of course, each company is unique and offers a special combination of decisions to strengthen its position. But, nevertheless, we tried to identify general directions.

Analytic alignment methods, statistical methods, methods of analysis and synthesis were used to achieve the goal.

2 Problem Statement

The past 5 years have been marked in Russia by negative dynamics of market growth. As a result, some international companies have left the Russian market. Companies like C&A, Mexx, and Accessorize have announced their departure. Among the main reasons for their decision, brands' representatives name a drop in purchasing power, adverse business conditions, etc. Also, among the reasons for leaving the market are sanctions introduced against Russia, adverse business climate, political risks, the economic crisis and the import substitution policy. Of course, all these factors negatively affect the activities of the companies, but at the same time it should be noted that sometimes companies do not think about the specifics of the Russian market and do not adapt their marketing strategies to its conditions.

For example, in 2015, the Spanish brand Desigual left the Russian market. Initially, this brand was very popular in the Russian market, attracting customers with bright colors and stylish hippie outfits. A sharp drop in popularity began due to an ill-conceived product policy - the climate in Russia is very changeable and many things in the spring-autumn-winter periods are not suitable for their clothes. The company, however, did not begin to adapt its product strategy to the Russian market.

At the moment, we can observe the exit from the Russian market of only those brands that have not been able to afford large-scale investments with a long payback period. Also, it can be said that some brands pay little attention to their marketing, advertising and PR strategies, are unable to organize a flexible pricing policy or introduce new anti-crisis products that are more suitable for the Russian consumer. And, of course, the reluctance or inability to open their own production on the territory of the Russian Federation in some cases makes further activities for the international companies simply impossible.

As numerous studies of both Russian and foreign scientists show, the glocalization strategy is the most suitable marketing strategy for international companies during a period of economic instability. Moreover, under the sanctions, this strategy is the only possible one. On the one hand, local strategies do not allow to use the undeniable advantages of the global brand, and, on the other hand, global strategies cease to work due to the negative factors of the macro environment. According to Bukhvalov & Alekseeva (2015), economic sanctions may include boycotts (ban on importing goods from a particular country or group of countries), embargoes (ban on exports) and financial sanctions (ban or temporary suspension of lending or investment in a target country or group of countries). All this reinforces uncertainty for international companies.

The concept of glocalization develops against the backdrop of criticism of the conclusions that advocates for globalization of the global economy. According to Levitt, the standardization strategy emerges due to the advancement in technology and communication and due to changes in consumer taste and preference and they became homogeneous increased global competition is a reason for standardization (Levitt, 1983).

There are a great number of academic researches about the advantages of global strategy for the international companies which cannot be denied (Nasir & Altinbasak, 2009). As a result of these advantages, the strategy of standardization has been argued to generate certain benefits for companies. Firstly, standardization gives the firm economies of scale, consequently reducing costs. Moreover, the company can communicate a consistent brand across all countries, which is important in a world where consumers are extremely mobile and travel much. Lastly, there is the advantage that with a standardized strategy the coordination of international operations becomes more manageable.

Proponents of the standardization approach view the globalization trends in the world as the driving force behind greater market similarity, more technological uniformity, and higher convergence of consumer needs, tastes, and preferences (Keegan and Green, 2008).

Advocates of the adaptation approach argue that, despite increasing globalization tendencies, variations between countries in such dimensions as consumer needs, use conditions, purchasing power, commercial infrastructure, culture and traditions, laws and regulations, and technological development are still too great, thus necessitating the adjustment of the firm's marketing strategy to the idiosyncratic circumstances of each foreign market (Theodosiou & Leonidou, 2003).

Glocalization, seems to be the tool of attaining a fine balance of assimilating foreign influences into a society that add to its diversity without overwhelming it (Foglio & Stanevicius, 2007). Glocalization is a way to supplement globalization and localization synergy and strategically; a system to manage the approach to the glocal market (global/local market); the capacity to remain rooted strongly in the local reality, also facing the global market; the chance of articulating in global and local (glocal) key the chain of the value; a method which allows the enterprise to arrive in optimum way respectively to the local market.

Currently, an increasing number of scientists and practitioners are in favor of glocalization, the main question is only in the degree of localization and globalization (Menon, 2014).

Glocalization, sustainable development of the international companies in the national markets, the problems of adapting their strategies in the context of the sanctions policy are considered in the works of Antonio Foglio & Vaidotas Stanevicius (2007), Quelch JA and Jocz K.E. (2012), Svensson, G. (2001), Vrontis, D., & Thrassou, A. (2007) and others.

We think, that now the localization is not so much an adaptation to the tastes and preferences of customers due to the elements of the marketing mix, but adaptation to the economic conditions and political situation in each market. We cannot but agree with the proponents of standardization strategies that the tastes of consumers around the world are becoming more and more close and global brands are well-deserved popularity. However, economic conditions often add up in a way that it is simply not possible to use global strategies.

Among the main problems that international companies are facing in the Russian FMCG market at present are the restriction on the import of certain products that are intermediate goods in their

production chain, restrictions on innovative activities in Russian subsidiaries, and insufficient attention to the export opportunities of the company outside the CIS (Gurkov, 2016a), a decrease in the purchasing power of the population, a change in purchasing behavior and a shift in consumer preferences towards local products. The new situation in the context of general economic instability and internal factors requires a modern approach to the marketing strategies (Chernova et al., 2018).

It should be noted that despite economic instability, sanctions, protectionism, global processes do not stop. However, they are confronted with local factors that cannot be ignored. Glocalization strategies help TNCs to function effectively in local markets, despite the above problems, while maintaining the advantages of their global focus (Grigorescu & Zaif, 2017). Moreover, glocalization strategies allow TNCs to literally integrate into the local economy and position themselves as part of the local economy, allowing, nevertheless, to take advantage of the effects of globalization. According to Gupta & Westney (2003), glocal strategies give the opportunity to reap several types of benefits such as the vast potential of a much larger market arena, opportunities to capture scale- and location-based cost efficiencies, and exposure to a multiplicity of new product and process ideas. The degree of standardization of the marketing strategies will depend on organizational and environmental factors (Zou et al., 1997). Vrontis et al. (2009) consider, that the extent of standardization depends on the following five factors: target market, market position, nature of product, environmental and organizational factors. Using a strategy developed for a specific market, MNCs retain their advantages that are not available for national firms: global efficiency, multinational flexibility and the learning process around the world (Laura Diaconu, 2012).

TNCs has always paid close attention to adapting their marketing strategies to local market conditions. This was mainly due to the elements of marketing mix. An analysis of such strategies is considered in the works of both Russian (Chernova et al., 2017) and foreign scientists (Kotler, 2000; Bekh, 2016; Eiman Medhat Negm, 2016).

At the present time it is not enough just to adapt the elements of marketing mix. Moreover, it is hardly possible to propose a standard set of elements for adaptation. Nevertheless, MNCs can offer their models of glocal strategies in each specific situation for each market. Given the interest of foreign partners in their presence on the Russian market, and due to the policy of import substitution implemented in the country, import supplies are replaced by the localization of foreign production in the Russian territory, i.e. trade exports to Russia are transformed into production investments in the Russian Federation. (Lavrikova et al, 2019; Bukhvalov & Alekseeva, 2015).

Localization of production is actually a prerequisite for effective functioning in the Russian market. At any case Russia is unable to cover all the production of consumer goods itself. Moreover, Russia is very interested in the investments. So, the decision of the western companies to localize their production to Russia is mutually interesting. We agree, that basic conditions for localization are availability of capital, availability of technology, production capacity and availability of market (Kotlyarova et al., 2017). But we must not forget about the existence of certain problems (Connolly & Hanson, 2017).

An analysis of the companies successfully operating in the Russian FMCG market shows a general pattern expressed in careful planning of marketing strategies and their adaptation to the market conditions. Of course, each company is unique and offers a special combination of decisions to strengthen its position. But, nevertheless, we tried to discover some general directions.

The marketing strategies of Coca Cola, Danone, Nestle and P&G were considered. These companies were chosen for the study, as they are ones of the largest FMCG companies on the Russian market, they actively apply the glocalization strategy in different national markets, demonstrating sustainable development. These companies belong to the different structural elements of the FMCG market, that allows to obtain objective data. Also, they declare their intention to continue invest in the Russian economy and consider the Russian market as a market with great potential.

3 Methods

Largely due to well-planned marketing strategies, the analyzed companies show growth in this difficult time. According to Forbes we can register constant growth of these companies. Table 1 presents data on the revenue of 4 TNC in the Russian market during the period from 2015 to 2018.

Table 1: Dynamics of the analyzed TNC's revenue in the Russian Federation for 2015-2018, bln.rub

TNC	2015	2016	2017	2018	Total	a_0	a_1
Nestle	86	97	120	141	444	111	13,3
Coca-Cola	63	68	70	82	283	70,75	4
Danon	99	97	104	107	407	101,75	2,3
P&G	111	130	141	143	525	131,25	7,5

Source: Calculated by the authors on the basis of data from the site <http://www.forbes.ru>

The revenue data of these companies testifies to the sufficient potential of the Russian market, which, despite of the crisis of 2014, continues to be attractive to many international brands. To confirm this statement, the data for 2015-2018 were analyzed, and trends in the development of the revenues of Nestle, Coca-Cola, Danone and P & G for 2019-2020 were constructed using the method of analytical alignment.

Using the linear trend formula can reveal a trend for the following years:

$$Y_t = a_0 + a_1 t$$

Accordingly, the parameters of the linear trend can be calculated as follows:

$$a_0 = \bar{y} = \frac{\sum y}{n}$$

$$a_1 = \frac{\sum yt}{\sum t^2}$$

Based on the formulas above, it is possible to calculate the parameters of a linear trend and build a trend for 2019-2020 years for brands that have supply dynamics in tables 2, 3, 4, 5.

Table 2: Calculation of the parameters linear trend of the dynamics of the revenue of Nestle, bln.rub

Trend Indicator Values (TIVs)					
Years	t	y	yt	t ²	Yt
2015	-2	86	-172	4	84,4
2016	-1	97	-97	1	97,7
2017	1	120	120	1	124,3
2018	2	141	282	4	137,6
TOTAL	0	444	133	10	444
2019	3	-	-	-	150,9
2020	4	-	-	-	164,2

Source: Calculated by the authors on the basis of data from the site <http://www.forbes.ru>

Table 3: Calculation of the parameters linear trend of the dynamics of the revenue of Coca-Cola, bln.rub

Trend Indicator Values (TIVs)					
Years	t	y	yt	t ²	Yt
2015	-2	63	-126	4	62,75
2016	-1	68	-68	1	66,75
2017	1	70	70	1	74,75
2018	2	82	164	4	78,75
Total	0	283	40	10	283
2019	3	-	-	-	82,75
2020	4	-	-	-	86,75

Source: Calculated by the authors on the basis of data from the site <http://www.forbes.ru>

Table 4: Calculation of the parameters linear trend of the dynamics of the revenue of Danone, bln.rub

Trend Indicator Values (TIVs)					
Years	t	y	yt	t ²	Yt
2015	-2	99	-198	4	97,15

2016	-1	97	-97	1	99,45
2017	1	104	104	1	104,05
2018	2	107	214	4	106,35
Total	0	407	23	10	407
2019	3	-	-	-	108,65
2020	4	-	-	-	110,95

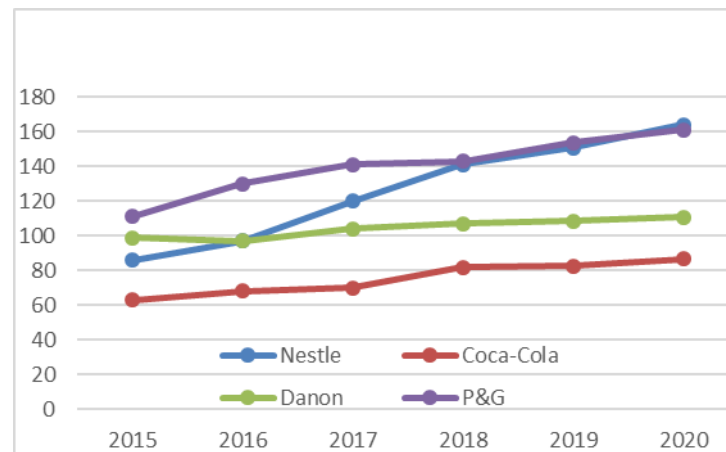
Source: Calculated by the authors on the basis of data from the site <http://www.forbes.ru>

Table 5: Calculation of the parameters linear trend of the dynamics of the revenue of P&G, bln.rub

Trend Indicator Values (TIVs)					
Years	t	y	yt	t ²	Yt
2015	-2	111	-222	4	116,25
2016	-1	130	-130	1	123,75
2017	1	141	141	1	138,75
2018	2	143	286	4	146,25
Total	0	525	75	10	525
2019	3	-	-	-	153,75
2020	4	-	-	-	161,25

Source: Calculated by the authors on the basis of data from the site <http://www.forbes.ru>

Figure 1: Dynamics of TNC revenue in the Russian Federation, bln.rub



Source: developed by the authors based on the above statistical data.

From the data above, we can deduce a constant trend of increasing the revenue of the analyzed companies in the Russian Federation, the predicted values also tend to increase in 2019 -2020 years.

Also, as part of this study, a survey of 116 representatives of retail chains was conducted in order to determine a positive attitude to the strategies of glocalization of international companies in the Russian market. In our opinion, this assessment is very important, because retail is the main indicator of the success of marketing strategies of the FMCG companies (Chernysheva et al., 2019). The survey's results are shown in the Table 6.

Table 6: Results of a survey of the representatives of retail chains to the application of the strategy of glocalization by international companies in the Russian FMCG market

Q-ty of the experts, f	The degree of positive attitude to the implementation of glocalization by the international companies, x
7	98
10	95
15	90
21	85
19	80
17	75
15	70
12	65

We calculate the average degree of the experts' approval of the strategy of glocalization of international companies by the formula:

$$X_{sr} = \frac{\sum x * f}{\sum f} = \frac{(686 + 950 + 1350 + 1785 + 1520 + 1275 + 1050 + 780)}{116} = \frac{9396}{116} = 81\%$$

To confirm the reliability of the obtained average value, it is necessary to calculate the coefficient of variation, which is calculated using the variance and coefficient of variation:

$$\text{Dispersion} = \frac{(98-81)^2 + (95-81)^2 + (90-81)^2 + (85-81)^2 + (80-81)^2 + (75-81)^2 + (70-81)^2 + (65-81)^2}{116} = \frac{289 + 196 + 81 + 16 + 1 + 36 + 121 + 256}{116} = \frac{996}{116} = 8.59$$

$$\text{Standard deviation} = 2.93$$

$$\text{Coefficient of variation} = \frac{2.93}{81} * 100 = 3.62$$

It should be noted that with a coefficient of variation of less than 33-35%, the studied population can be considered homogeneous, the opinions of the respondents agreed, and the average value of 81% is reliable.

Thus, it can be argued that the strategy of glocalization is positively perceived by experts of the Russian retail market, which suggests the feasibility of implementing the strategy of glocalization by international FMCG companies in Russia.

4 Results and Discussions

Based on the data obtained as a result of calculations in the Method section, Nestle showed the greatest growth, which, despite the third position in 2015, almost equalized its positions with P & G in 2018, and by 2020 should be ahead of it, taking the first place. Danone took second place in 2015, however, with a certain stability of revenue growth, by 2020 it will take third place. Thus, it can be concluded that the main players in the FMCG market, taking into account the growth of their income and the high potential of the Russian market, will continue to invest in the Russian economy, which means that the Russian market will become increasingly attractive to other global players.

In accordance with Nielsen, top-1–5 players in the third quarter of 2018 showed the highest sales growth in money among FMCG producers. Their total revenue increased by 8.4% (Nielsen, 2018). And that's also confirms the findings.

It is worth noting that the retail managers' opinion survey confirmed the relevance of the glocalization strategy for more effective adaptation of the strategies of international companies to local markets.

This strategy is the most universal, especially in the context of a sanction policy, and the import substitution strategy in the local market. Glocalization allows the use of local resources for brand production, while maintaining belonging to an international brand, or mimicking a national brand. So, for example, Valio produces its products on the Russian market under its own brand, and Nestle, by mimicking the local market, produces "48 kopecks" ice cream on the Russian market, adapting itself fully to the market. Thus, international companies get the opportunity for their sustainable development in the local market without experiencing pressure from sanctions, as well as consumer approval for which the participation of international companies in the economy of their countries is important.

Nevertheless, the glocalization strategy has some drawbacks that affect certain difficulties when operating an international company in the local market and in the market of origin, if it is impossible to mimic the name and directly fall under the action of sanctions. So, for example, in July 2019, relations between Russia and Georgia escalated, as a result of which there was a threat of getting under the influence of the sanctions of Borjomi mineral water. This brand belongs to Alpha groups (RF), which, using the strategy of glocalization, sell it in Georgia and export it to Russia. However, the threat of an export ban could complicate the situation for the company. On the one hand, the company is Russian, but the import of the product into Russia will be prohibited. On the other hand, this brand is famous for its name and source of production, and it will be impossible to adapt it in Russia.

The investments of Coca Cola for the period of work in Russia exceed 5.7 billion dollars. More than 80% of the ingredients and materials required for the production of beverages in the country - from Russian suppliers. The company provides more than 10,000 jobs and more than 60,000 jobs provide the company in related areas. An analysis of Coca Cola's activities over the past two years has shown that Coca Cola does not wait and see, it does not save on promotion, and, of course, hardly thinks about leaving the market. Coca Cola constantly brings new products to the

market. So, in recent years, Coca Cola Zero, Sprite Cucumber have appeared, the range of local brands has expanded due to the "Corners of Russia" juice. The company actively uses social and ethical marketing by launching the project "Separate", the collection and recycling of packaging "Share with us!". At 80-90% of the company's production is localized in Russia.

The head of Coca Cola in Russia, Zoran Vučinić, defines the company's success formula in Russia as "innovations, developing marketing and increasing market share" (Meshcheryakov A., 2016).

So, the main directions of the marketing strategies of Coca Cola on the Russian market are the following:

- Local manufacturing
- Innovations
- Societal marketing
- Expansion of the assortment due to local brands.

Nestle provides over 10,000 jobs in Russia; over the past 20 years, investments have amounted to about \$ 2 billion. According to Maurizio Potarnello, the head of the company in Russia and Eurasia "in spite of the fact that the economic situation has influenced the consumer ability of people, we are absolutely confident in the return of the Russian market to the former stability and welfare, and the restoration of the ability of the middle class to buy quality products that we offer in this market." The main priority of the company in Russia is the localization of business and the development of local production. About 70% of raw materials and about 90% of packaging materials are purchased from local suppliers. It allows Nestlé to produce in the local market more than 90% of the goods that the company sells in this region and better adapt to changing economic conditions, while continuing to satisfy the preferences of local consumers. The company invests in local production. For example, now it is implementing three major projects. One of them is two-line enterprise for the production of wet portioned pet food at a plant in Kaluga Region. This project was implemented as part of the investment program for the development of the factory in the period from 2017 to 2019 with a total investment of 10 billion rubles. The second is the start of construction of a new full-cycle plant for the production of baby food in Vologda. The company plans to invest in the production of 1.8 billion rubles. for the period from 2017 to 2019. And finally, thanks to the steady growth of the instant coffee market in Russia, Nestlé decided to invest 1.5 billion rubles in further expansion of the Nestlé-Kuban instant coffee factory (Nestle, 2018).

The success of the company is facilitated by following the concept of social and ethical marketing. Social projects conducted by the company attract large groups of loyal consumers.

So, the main directions of the marketing strategies of Nestle on the Russian market are:

- Innovation
- Development of local production
- Development of new categories
- Entering new markets

- Entering premium segments
- Societal marketing.

The general director of Danone group in Russia, Bernard Druko, despite the difficult economic and political situation, said that the company "intends to continue to invest in the development of production, agriculture, ecology, as well as the study and promotion of healthy nutrition" (Danone, 2017)

In 2017, Danone's investments into the Russian economy exceeded \$ 2 billion, the company provides more than 10,000 jobs. In order to maintain a leading position, the company implements a range of activities. First, the company believes that for the success of the company it is not enough just develop the brand, it is necessary to develop the entire industry. Thus, the company successfully develops so-called DBA program (Dairy Business Academy). By investing in this project, the company promotes the involvement of young professionals in the dairy farming and processing industries. Being the largest buyer of raw milk on the Russian market, the company is interested in increasing productivity.

The company pays much attention to innovation. In recent years, the company has launched several successful projects. In 2015, a very successful launch of the new thermostat range was carried out. Thermostatic yogurts have contributed to the development of the entire category of thick yogurts. At the beginning of 2017, the Danone owned TEMA brand, after four years of successful cooperation with the Nutrition Institute, introduced an innovative product in the baby food market - a two-layer bio-curd.

After the Russian Federation introduced import restrictions on cheese from EU, prices for dairy products and milk rose sharply. In order to keep prices down and fix up supplies for its enterprises, the company decided to buy a farm in Siberia and brought 5,000 heads of Holstein breed for it. In May 2017, the production of milk on this farm began. It should be noted that this step was unprecedented for Danone. Prior to this, the company has never invested in its own production. The exception was made for Russia.

- Dairy Industry Development
- Societal marketing
- New products in the low-price segment
- Effective Assortment Management
- Innovation
- Localization of business.

According to Sotirios Marinidis, Head of the company in Eastern Europe and Central Asia, between 2016 and 2018 P&G invested 9 billion rubles to expand and modernize two enterprises in Russia - in St. Petersburg and Novomoskovsk. The upcoming investments will be aimed at increasing the capacity of the Russian distribution center, modernizing the production of Tide and child care products, as well as localizing the production of women's care products in Russia. This year P&G invests 2.4 billion rubles in its business in Russia (\$ 37 million) (Shcherbakova, 2019).

The main directions of the marketing strategies of Procter&Gamble on the Russian market are:

- Innovations
- Societal marketing
- localization of business

So, we can highlight the following common directions in the successful marketing strategies of the international companies in the Russian market in a volatile economic environment:

1. Innovation
2. Local content in manufacturing
3. Societal marketing
4. Increase in market share
5. The brand becomes one of the main tools in the struggle for survival
6. Distribution system development
7. Minimum reduction in investment in business development
8. Minimal reduction of A&P budgets and redistribution from BTL events
9. Creating more advanced systems of motivation for sales staff
10. Review of their advertising appeals
11. Refusal to reduce prices by developing interesting and beneficial consumer offers
12. More active use of opportunities provided by PR.

To be fair, it should be noted that in the nearest future we cannot expect the emergence of a large number of new brands in the Russian FMCG market. International companies consider the Russian market quite risky for long-term development. In addition to unfavorable macroeconomic indicators, companies are faced with a number of other problems. However there are some reasons that can positively influence the decision-making on entering the Russian market at present, among them, for example, such as follows: increase the place of Russia in ranking of World Bank "Doing Business in" to 31, high loyalty to international brands, especially in non-food sectors, active development of retail trade, the market is not as saturated as other European markets. Moreover, Russia is very interested in the arrival of foreign business, and judging by Vladimir Putin's speech at the Russia Calling! Forum in October 2017, it is obvious that a lot will be done now to attract foreign companies. Maybe now it's the most favorable time for international companies to enter the Russian market. But companies must also take into account that the Russian market makes special demands on them. Having satisfied them, these companies will certainly succeed.

We believe that companies that are going to enter the Russian market need to develop their own models for adapting their marketing strategies to this market. Those general areas that we have identified should contribute to the successful development of the business, since they take into account the consumer preferences of Russians, on the one hand, and business environment factors, on the other.

We agree with those authors who believe that glocalization is becoming necessary for TNCs (Grigorescu & Zaif, 2017). Even during the period of sanctions and changes in consumer preferences in favor of local products, Russian consumers do not give up global brands.

5 Conclusion

The analysis of the marketing strategies of the international companies on the Russian FMCG market shows that the only possible international marketing strategy in the Russian FMCG market for TNCs during the period of sanctions and import substitution policies is the glocalization strategy.

In this case, the process of globalization of TNCs is not just the adaptation of marketing mix elements to consumer preferences. The company must build such a strategy that could help to integrate into the local economy, taking into account the macroeconomic and political situation in the country, on the one hand, and using its global business models and technologies, on the other. The authors' position on this issue is close to the approach of American scientists Cullen and Parboteeah (2009), who believe that in the current economic conditions, companies developing their international strategies shift their attention from the final product that the company offers to a foreign customers, to the business processes by which they develop, manufacture, promote and sell their products. On the other hand, we cannot but admit that the local customers want both global and local brands (Dumitrescu, 2010) and that's why TNC's continue adapting some elements of marketing-mix to the local customers' preferences.

This research can be useful for the following study of the marketing strategies of international companies. There are a lot of possible ways for further researches. For example, they could explore such topics as the comparative analysis of the glocalization strategies in the different countries, the glocalization on B2B markets, the main tools of glocalization, the main impacts on the adaptation decisions, glocalization opportunities for small and medium enterprises and etc.

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