ELECTRONIC BAZAAR: SOCIAL MEDIA AS A MARKETPLACE IN CONTEMPORARY KAZAKHSTAN

ЭЛЕКТРОННЫЙ БАЗАР: СОЦИАЛЬНЫЕ МЕДИА КАК РЫНК В СОВРЕМЕННОМ КАЗАХСТАНЕ

ӘЛЕУМЕТТІК МЕДИА ҚАЗІРГІ ЗАМАНГЫ ҚАЗАҚСТАННЫҢ НАРЫҒЫ РЕТИНДЕ

by

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A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Arts in Eurasian Studies at

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ELECTRONIC BAZAAR: SOCIAL MEDIA AS A MARKETPLACE IN CONTEMPORARY KAZAKHSTAN

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THE DEVELOPMENT OF MA PROGRAMS AT NAZARBAYEV UNIVERSITY:
A LONGITUDINAL STUDY

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Abstract

This study focuses on different modalities of social media trade in Kazakhstan and how sellers create trust online using platform features, personal skills and physical locations of stores associated with social media accounts. Researching this topic in Kazakhstan locates this study in a specifically interesting intersection of trade, technology, informality and trust. Social media trade is a part of electronic commerce that is new and technologically advanced type of business, however many traders work informally as they fail to meet legal norms as business registration, paying taxes and giving receipts. Just as individual traders poured to the streets in the period of perestroika, modern day small business owners have occupied social media and turned it into an electronic bazaar. As shops located at bazaars transfer their stores online, and traders learn new technology in order to increase their sales, this study challenges the notion of bazaars being static and backward. Driven by the question of trust building in a complex realm of electronic but yet informal trade, I focus on a concept of a “living account” that is coined by my ethnographic data (interviews, observations and social media content analysis). I explore different dimensions of trade both online and offline to understand how these realms are intertwined in the question of informality and trust. I argue that the "aliveness" of an account produced through regular contact allows sellers to create trust that results in a successful sale. So, as long as an account is perceived to be “living” the question of formal registration, taxes and receipts is not relevant to customers.
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Note on transliteration

For Russian words used in this thesis I have used ALA-LC system, which is a set of standards for the romanization, or representation of texts in other writing systems using the Latin alphabet. This label includes the initials of the American Library Association (ALA) and the Library of Congress (LC). This system is used to represent bibliographic names by North American libraries and the British Library, as well as in publications throughout the English-speaking world.
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Chapter 1

Introduction

This study focuses on different modalities of social media trade and on how sellers create trust online using platform features, personal skills and physical locations of stores associated with social media accounts. Researching this topic in Kazakhstan locates this study in the specific intersection of trade, technology and trust. Just as individual traders poured to the streets in the period of perestroïka, modern day small business owners have occupied social media and turned it into an electronic bazaar. Driven by the question of trust, I also focus on a concept of a “living account” that is largely influenced by my ethnographic data and the research on animation by Paul Manning and Ilana Gershon (2013) and Teri Silvio (2010). I explore different dimensions of trade both online and offline to understand how these realms are intertwined and create complex relationships of sellers and their online shops with customers.

For the purpose of this study, which involves several scholarly fields, I have identified the following key themes: the economy in the period of post-Soviet transition, the informal economy, bazaar culture and shuttle trade, small business development, electronic commerce, and online trust. In order to understand Kazakhstan’s modern situation in electronic commerce and small businesses’ role in general it is crucial to look at the past, more specifically at the Soviet economy and its transition into the independent Kazakhstan’s market economy. In the Soviet state commercial activities were generally banned. Food was primarily sold at collective farms (kolkhozy) and consumer goods were usually available at the “unofficial markets” (Özcan, 2016). My personal examples will serve the purpose of illustrating the situation in the Soviet market. I remember being told that my mother and her cousins used to wear the same exact coats of the same color, but different sizes as there was a lack of variety of consumer goods at the market. My uncle was famous for buying American jeans, which were treated almost as a family treasure. During the Soviet era,
there was already a strong demand for consumer goods. Verdery (1996) notes that Soviet rule preferred “heavy industry (steel mills, machine construction) at the expense of consumer industry (processed foods, or shoes)” (p. 26), because it was easier to control production rather than consumption, and state was concerned with control due to the central planning, when the economy is regulated by the state (Verdery, 1996). Ferhevary (2009) provides an ethnographic data from an American journalist on the consumer needs that were present during Communist rule “Stores had nothing to sell. There wasn’t enough food. . . . Lines formed whenever something, anything, was for sale. The fatigue of daily life was all over their faces” (p. 426). Consequently consumer goods were supplied by barterers and unofficial traders. Even nowadays, barter is a common practice in rural areas. Around three years ago my distant aunt, who lives in the village near Pavlodar in the north-east of Kazakhstan had bartered her gooses for tea and was selling tea packages throughout the year to have some extra money. This practice is common in the rural areas according to McGuire (2016) due to the devaluation of Kazakhstan’s currency tenge some products like sheep have a constant value, that money does not. During the transition in the 1990s, this sort of unofficial small trade was simply for the survival of thousands of families in post-Soviet countries.

Economy in the Period of Transition

“The transition period” usually describes the economic and political transformation of former Soviet states after the collapse of the Soviet Union; however, Estonia, Latvia and Lithuania are usually analyzed separately as they became a part of European Union. For the purpose of this study, I mainly analyzed literature on the Central Asian states and Russia due to more commonalities with Kazakhstan in market development. One of the features of the Soviet economy was mass employment, which was possible due to the “central planning” mentioned above. However, during the transition, the labor market changed significantly. Not only were people no longer guaranteed a job, but a market economy “required shifts of labor from agriculture and industry to services and from rural to urban areas” (Bah & Brada, 2014, p. 18). However, in reality
the trend is not a rule for every former Soviet Union country, as Armenia and Uzbekistan have a relatively high percentage of agriculture that is approximately 20%, while in Kazakhstan it constitutes about 5%, which is closer to Russia’s 4% (Benešová & Smutka, 2016).

Central planning was a key characteristic of the USSR and it was not only applied individually to each country in the Soviet Union, but to all of the countries’ economies, which means that they were merged into one. Thus Rumer (2003) argues that one of the main problems of the economic transition after the collapse of the Soviet state is the disappearance of centralized management and distribution. The chain that included production, distribution, and consumption was spread all over Soviet Union and was managed by Moscow. Thus, after the collapse of the Soviet Union, the chain that involved Kazakhstan was broken (Özcan, 2016). Özcan (2016) states that the “Soviet networked economy” could not survive in the new reality, so former Soviet states had to “compensate” for it. According to Özcan (2016) at the point when state experiences economic crises and there is massive unemployment small enterprises play crucial role in that “compensation” as they tend to “absorb shocks better and adjust faster” (Özcan, 2016, p.26).

According to Bah and Barda (2014), in the beginning of the transition there were no small and medium-sized enterprises, but they played a significant role in the growing economy during transition. Thus in the transition period the small businesses of Central Asia were in the beginning stage of their development (Rumer, 2003). Mukhina (2009) also states that the process in the 1980s, after the policy of glasnost (“publicity” or “liberalization”), Soviet people became “consumer conscious,” even while the Soviet state failed to provide basic goods and people were queuing for them.

The beginning of the transition was officially marked by the price liberalization in 1992; however a “well-functioning market economy” was never reached as the state failed in developing institutions (Promfet, 2006). Privatization was also an important step in the transition, since state property was given to individuals. However, Olcott (2010) argues that the process of privatization
can be called “semitransparent at best” (p. 87), referring to the unequal distribution of property and land, which was mostly acquired by oligarchs and the political elite. Although the middle class, which consisted mainly of entrepreneurs and specialists, were not “direct beneficiaries of privatization” (p. 67), the disappearance of the Soviet system provided opportunities for the entrepreneurial activities (Özcan, 2016). However the precise data of the number of small businesses cannot be retrieved as Rumer (2005) points out that approximately 30 percent of entrepreneurial activities are hidden even in contemporary Central Asia and informality of trade is a key characteristic of its economy (p. 7).

**Informal Economy**

In scholarly works such various terms as shadow economy, black economy, underground economy, irregular economy, and hidden economy are used to define economic activities that are not recorded by the government (Losby et al., 2002). “Non-observed economy” is used in Kazakhstan’s official statistics “which implies hidden, unaccounted, informal, and illegal economic activity. Non-observed economic activity includes the production of goods and services, as well as the illegal redistribution of revenue and assets” (Laumulin, 2013, p.157). However, considering the purpose of this study, I exclude criminal subgroups from my definition of “informal economy”.

Informal activities are “not intrinsically unlawful but violate some non-criminal rule or law” (Losby et al., 2002, p. 5). Thus, when referring to the informal economy, I mean businesses that fail to follow legal formalities, even though their products and services are legal. Non-accountability to the state is what distinguishes the informal economy as Bah and Brada’s (2014) definition of gray economy best explains: “the production of legal goods and services whose production is deliberately hidden from the authorities so that the producers can avoid paying taxes, registering their firms, meeting regulatory requirements, or paying mandated benefits to their workers” (p. 22).

One of the key characteristics of the informal economy is the use of cash rather than other types of payment, as cash leaves no evidence of the transaction (Losby et al., 2002, p.6). As
transactions are not recorded, the income is not traced by the state. Informally working employees are not registered and do not get social benefits (Losby et al., 2002). Bah and Brada (2014) mention other negative aspects of the “gray sector” such as low salaries, limited working hours for employees, and tax avoidance by firms, which leads to decreased competitiveness for legal firms; also consumers can suffer from low quality products. On the other hand, the informal sector provides jobs for those who otherwise would be unemployed (Bah & Brada, 2014). Rumer (2005) argues that the “shadow economy” positively influenced people’s lives by providing a survival instrument. Özcan (2016) supports this view, stating that entrepreneurial activity had mainly an “involuntary origin.” Rumer (2005) also finds the shadow economy to have advantages not just for the individuals, but for the state in general as “profits remain in the country and are spent on production and consumption” (p. 7).

Addih and Medina (2013) state that 33 percent of Kazakstan’s growth domestic product is generated by informal sector, which is the second highest percentage in the region after Armenia (p. 9). Informality thus is a commonly accepted practice, another proof of its existence is the commonality of corruption in the region. According to Rumer (2005) informality in economic life is caused by the commonality of corruption on the everyday basis: “the societies here have come to perceive corruption as a norm of life; it has lost its criminal connotation in public consciousness” (p. 6). Ledeneva (2013) in her study of corruption in Russia’s government concludes that people prefer “receiving commands,” even “seek them” and “read signals and display compliance before the command is even given” (p. 1156). This leads to the perception of corruption as something common.

A significant role in the informal economy was played by shuttle traders and bazaars that spread all over Central Asia; Rumer (2005) calls the emerging market “semi-capitalist and semi-bazaar.” For example, in Almaty, according to official statistics referred to by Spector (2008) there were 16,000 trading places, however the study conducted by the author in 2006 suggested that there were at least
150,000 of them. This makes it clear how important it is to understand bazaar culture in order to understand the informal sector of Kazakhstan’s economy.

**Bazaar Culture and the Shuttle Trade**

According to Mukhina (2009), the shuttle trade is a form of international trade that emerged in 1987 during the shift from a socialist to a capitalist market, but boomed in the 1990s after the collapse of the Soviet Union as borders became more open and easier to cross. “Suitcase traders” or “trading tourists” are other terms used to explain the phenomenon of individuals traveling abroad and buying products to re-sell them back home (Mukhina, 2009). As Central Asian countries faced a common challenge with the collapse of the Soviet state — “the disruption of trade networks” — bazaars took up the niche of supplying people with various goods (Spector, 2008, p. 44). In the 1990s, bazaars had more of a spontaneous character (*stikhiinyi bazar*) (Spector, 2008) and small shuttle traders, street sellers, and “perestroika entrepreneurs” were main players in the market (Özcan, 2016, p. 67).

As Spector (2008) states, shopping centers and malls have also emerged, but bazaars still have their consumers. Although mainly low-income people are customers at bazaars, the middle class also prefers bazaars for certain types of products like fresh produce (Spector, 2008). The author also mentions that another reason for middle class people to choose bazaars over shopping centers is loyalty, “because very often they have been buying from favored produce traders for decades and have built up trusted relationships with them” (p. 45). Of course, some of the consumers prefer “civilized” shopping at Tsum in Almaty (a shopping center), even though the products there were re-sold from Baraholka bazaar; it is the conditions of the place that played a role in their preference as Tsum is located in the city center that is more comfortable to shop at comparing to Baraholka that is distant and overcrowded (Spector, 2008). However the author does not address the issue of informality at Baraholka bazaar compared to the boutiques at Tsum.
Manning (2009) discusses a similar situation in post-socialist Tbilisi, where both “western style ‘supermarkets’ and ‘oriental’ bazaars” exist. However, the author emphasizes that the market economy facilitated the general distaste for “oriental” bazaars and western style malls were opposed to them because the latter were perceived as civilized.

Interestingly, as Özcan (2016) notes, there is a gender imbalance among traders at bazaars as many of them are women who started as shuttle traders in the 1990s. As mentioned previously, shuttle traders (chelnoki) were mainly women who traveled to Istanbul, Karachi, Urumchi, and Dubai and brought back goods for sale (Özcan, 2016). Their entrepreneurial activities are viewed as “the extension” of their household chores as their motivation is providing for the family; in many cases, other family members are also involved in business (Özcan, 2016 & Werner, 2004). Mukhina (2009) argues that gender played a significant role in trade even in the Soviet Union in 1920s during the implementation of New Economic Policy (NEP), as mostly women worked in shops. According to the author, there are several economic and societal reasons for women constituting the majority in trade. Unemployment in the late 1980s and the beginning of the 1990s had a female face with 85% of unemployed being women. Many of them were single mothers, since after divorce children stayed with mothers (Mukhina, 2009). The author concludes that women started to look for opportunities in other places such as the shuttle trade because “formal opportunities” were limited. Another reason is societal, due to the Soviet legacy; to be involved in trade during the Soviet period was perceived by society as speculation, which had criminal connotations (Mukhina, 2009).

According to Mukhina (2009) however, only men were called “speculators”; if a woman was involved in trade, she was perceived as a victim of circumstances. Women also were treated better by customers and officials as they were talked to more politely and could wait for money or products (Mukhina, 2009). According to Özcan (2016), there is also a difference in female and male networks used for the entrepreneurship: men have extensive networks but with a threat of betrayal
embedded in them. However women’s networks are based on “in-depth relationships”. According to
the same study, women are perceived to have advantages over men in trade sector as “women are
good with money,” they are “good communicators” and “adapt faster to the change” (p. 143).
Overall, traders of both sexes see taxes, corruption, and lack of legal norms as factors affecting their
business negatively (Özcan, 2016).

Unfortunately the development of bazaars is largely not discussed in scholarly works since,
according to Karrar (2016), they were considered “static institutions” and according to Özcan
(2016), “backward.” Thus, the popular perception of bazaars as less civilized than Western type
markets is present both in the popular and scholarly perceptions of bazaars. However, the findings
of the study conducted by Karrar (2016) in Kyrgyzstan’s two major bazaars suggest the opposite.
According to the author, bazaars became more than a marketplace: they play a significant role in
globalization in Kyrgyzstan through trading routes and suppliers from different countries. However,
the question of the technological development of bazaars is not discussed.

As Özcan (2016) points out, the main weakness of transition analysis is to assume that the
transition to democracy and capitalism will eventually happen. Rumer (2005) admits that his book
titled Central Asia at the End of the Transition does not mean that the transition is over, rather that
countries have developed their main features that are less likely going to change. In the ever-
evolving world of electronic business some of the core features of the transition economy (which
has probably not ended) such as the commonality of informal trade, trust relationships between
sellers and consumers, and the female face of the trading sector are still present in (social media
originated) electronic commerce, but in a slightly different form. Thus, I suggest looking at the e-
commerce not only as a completely new technologically advanced form of business brought from
the more developed parts of the world, but also as a continuation of the processes that have been
present since the collapse of Soviet state.
Small Business Development

Most of the literature on independent Kazakhstan’s economy refers to it as an oil and gas economy because Kazakhstan’s economic success is mostly a consequence of natural resource deposits (Gleason, 2003). A number of scholars agree that Kazakhstan has one of the most promising economic prospects among Central Asian states mainly due to the oil boom of 2000s (Promfet, 2006 and Gleason, 2003). Along with “natural resources curse” and “oil boom” discussions, foreign investments are a popular theme in scholarly works dedicated to Kazakhstan’s economic state (Gleason, 2003 & Hohmann et al., 2014). However, little is devoted to the development of small and medium-sized enterprises, which during transition have played one of the crucial roles in the new state’s market. According to Abazov (1997) entrepreneurial activity “has had a certain stabilizing influence on the economic situation” (p. 446). He argues that the “tradition of non-state activity” and Soviet heritage have contributed to the success of small-scale privatization in Kazakhstan and its resistance to instabilities (p. 446). Gürgen (1999) argues that among Central Asian states, the private sector plays a more significant role in Kazakhstan and the Kyrgyz Republic, which is a sign of a market-driven economy. Although 20 years ago Abazov (1997) stated that government had implemented successful policies concerning mass privatization and had encouraged the development of markets, the economy of the country was mixed with substantial presence of government control. Abazov was quite optimistic stating that with time the regulatory role of the government will weaken, but the mixed nature will still be present.

Yusuf (2015), however, discusses Kazakhstan’s future market transformation into a knowledge-based economy. He has argued that economic growth in the long-term depends on technological change, which is going to be developed by “engineers and technicians and brought to the market by savvy entrepreneurs” (p. 265). Apart from highlighting the role of human capital, Yusuf (2015) has also emphasized the role of the city as a space for facilitating innovation, referring
to the historical development of marketplaces as spaces for entrepreneurship ideas. Although the author does not specifically highlight the role of small businesses in a knowledge-based economy, electronic commerce can be viewed as a technological change in entrepreneurship. However taking into consideration the similarities of trade during the transition and the contemporary phenomenon of electronic commerce, this requires further research.

**Electronic Commerce**

Electronic commerce has many definitions and typologies provided by various scholars depending on the degree of significance that technology plays in the business. Interestingly, authors have found it more effective to define e-commerce by excluding other businesses. Mahadevan (2000) uses the term “Internet-based e-commerce” and suggests that e-commerce does not include companies that use websites to display “information on the products that they sell in the physical world,” rather, it refers only to businesses that use the internet to conduct transactions online. Singh et al., as cited by Groucutt and Griseri (2004), define e-commerce as “online exchange of value, without geographical or time restrictions, between companies and their partners, employees, or customers” (p. 19). DeLone and McLean (2004) base their analysis of e-commerce on communication theory as the Internet is a “commerce medium” as well as a “communication and IS phenomenon.” According to the authors, in e-commerce, users are customers or suppliers, who make “electronic decisions.” For the purpose of this study I define electronic commerce as a type of commerce which uses technology to enable customer to make a final decision online whether or not the transaction itself has been electronic.

E-commerce has a number of advantages over traditional (non-electronic) businesses as it allows them to sell products and provide services worldwide at a low-cost (Daniel et al., 2002). Srinivasan et al. (2002) refer to e-commerce as “e-retailing” and acknowledges its advantages as “greater flexibility, enhanced market outreach, lower cost structures, faster transactions, broader
product lines, greater convenience, and customization” (p. 41). Grefen (2010) also mentions the low cost of media used to increase communication richness. However, the goal of implementing information technologies is not simply to reduce costs of existing businesses, but to enable it in the first place (Grefen 2010). Greater competitiveness (Srinivasan et al., 2002) and transaction security (Groucutt & Griseri, 2004) are identified as main challenges of e-commerce.

According to a study conducted in Malaysia, CEOs believe electronic commerce contributes to their market share and sales increase (Sin et al., 2016). The importance of e-commerce for business is also realized by business owners in Yemen (Zolait et al., 2012), however, a number of obstacles are mentioned including bureaucratic obstacles to obtaining facilities, the high cost of the Internet equipment, and “non-availability of a secure environment.” Internet security issues, lack of regulations in the legal system (Sin et al., 2016), lack of knowledge about e-commerce, and a shortage of power supply (Faloye, 2014) are also regarded as factors limiting e-commerce development worldwide. Although electronic commerce is mostly viewed in the literature as a technological advancement, it has also been adopted by small businesses in the informal sector in the developing economy of Nigeria (Faloye, 2014), although it is used mainly for the purpose of communication. The adoption of electronic commerce in developing markets is closely connected with social media, which play a significant role in the small and medium-sized businesses; as Kaplan & Haenlin (2010) highlight, “timely” and “direct end-consumer interaction” (p. 67) make it applicable for companies of all sizes. Social media increases “the brand value of virtual enterprises” thus it is “essential digital marketing tool” (Kavisekera & Abeysekera, 2016, p. 212). Social media can perform not only as a tool, but as a marketplace itself, where products and services are displayed and shops communicate with customers (Ackaradejruangsri, 2015). Garifova (2016) calls Instagram “modern, fast, affordable,” and she states that Russian businessmen are in “difficult business conditions” and thus encourages them to use Instagram. This suggests the accessibility of
social media and its affordability for small enterprises even in less developed markets in challenging situations.

Previous studies do not agree on what exactly the role of social media is in e-commerce — whether it is a part of e-commerce, a tool of marketing, or an independent marketplace in its own right. However, most studies argue that the use of social media benefits companies by increasing customer engagement and brand awareness. Although some studies argue that social media is more likely to be used by established companies (Gazal et al. 2016), research in Russia (Garifova, 2016 & Alexeenko, 2012) and Thailand (Ackaradejruangsri, 2015) suggests that social media is popular among small businesses that use it as a marketplace. For my study, located in Kazakhstan, I suggest thinking of social media as a marketplace, a sort of an electronic bazaar filled with small business owners. Just like a merchant in a bazaar relies on customers’ loyalty and trust, electronic commerce does too, to an even greater extent. While bazaar traders compete with each other, electronic retailers simultaneously compete with all of the offers presented on the internet. As Srinivasan et al. (2002) argue, e-commerce has led to a “reduction in information asymmetries,” as buyers now have the ability to instantly compare products and services from all over the world. Consequently the issue of customer loyalty and trust seems to be of great importance to the authors.

**Online Trust**

A number of researchers have highlighted the role of trust for entrepreneurial activities and with the development of electronic commerce, it has become even more challenging for business owners to create trusting relationships with customers online due to a number of reasons addressed below. Trust unites “conceptions of how someone’s trustworthiness of a particular kind leads us to trust that someone with respect to some matter or range of matters” (Hardin, 2006, p. 16). Another key concept that is situated within the definition of trust is reputation. According to Clemons et al (2016), reputation usually refers to the expectations a customer has towards a seller based on
previous experience with that seller, while trust can be based on a “range of matters” (Hardin, 2006). Hardin also (2006) argues that firms have an interest in creating and maintaining their reputations as a form of investment in the future as, according to Groucutt and Griseri (2004), buyers must have trust in the company and its goods.

Indeed, for business deals and entrepreneurial activities whether online or off, reputation is key for forming trust, however, forming trust online is more challenging due to the anonymity of stores and clients leading to fewer protections for transactions and allowing sellers to commit fraud by entering the market under different names (Clemons et al., 2016). At the same time, Hardin (2006) even considers the internet as being a “very important new form” of social capital, referring to the opportunities of the internet to connect enormous number of people.

In electronic commerce, there are several factors besides reputation that create trust in online shopping such as the presence of a physical store, a third-party confirmation of trustworthiness and the seller’s guarantees (Clemons et al., 2016). As compared to in-person relationships, Hardin (2006) states relationships on the internet can be more trustworthy if persons have an offline relationship, and a simple recommendation can serve as a third-party guarantee. In traditional retail, the sales manager plays a crucial role in building trust as one can serve as a third-party and can give an oral guarantee, however, in electronic commerce, such a person is absent (O’Cass & Carlson, 2012). According to the findings of my research, in social media trade, the perception of an account as containing life substitutes for the third party. The living account itself becomes a part of the equation that leads to trust and consequently to the sale. Although there is a problem in identifying trustworthiness online, we are equally troubled with the same issue in offline situations. However offline relationships seem to be “thicker” (Hardin, 2006), so sellers tend to aim at creating rich relationships with customers. Hajli (2016) argues that relationship quality consists of trust, commitment, and satisfaction that result in consumers’ brand loyalty. Although Nisar and
Whitehead (2016, p. 757) argue that trust is “the most significant” factor of commercial relationships they agree that loyalty is a consequence of trust. Thus, brand loyalty is an important indicator of company’s trusting relationships with customers.

The role of innovation in developing brand loyalty through electronic commerce cannot be dismissed, since innovation is also a factor that contributes to online trust. According to a study conducted by O’Cass and Carlson (2012), a consumer forms trust to a brand based on the experience of using a website. If there is a perception of a website as innovative, this results in a positive image of a trustworthy company. According to a study based in the developing market of Iran (Hajli, 2016) online discussions of customers on social media increase trust in a brand in two ways. First, consumers tend to believe in a new brand based on online discussions. Secondly, customers share their experiences and knowledge, thus creating a trusting environment. Interestingly, a study conducted by Nisar and Whitehead (2016) suggests that consumers tend to trust a brand’s official pages on social media rather than friends, and thus the role of social media in building trust becomes even more evident.

However, the peak of a trusting relationship that has led to brand loyalty is expressed in the changed role of customers in creating value in online communities. As a study conducted by Hajli (2016) suggests, rather than co-creating value for customers, co-creation with customers is what makes the experience valuable through “the process of interaction” that creates “an individual relationship with the brand” (p. 142). Hunter, as summarized by Ciaramitaro (2011), suggests that creating a community of customers means “to develop a network of customers all of whom can be in touch with each other for mentoring, partnering or idea sharing” (p. 51). The idea of building trust with consumers is not new; traditionally, sellers are supposed to have individual relationships with consumers (Ciaramitaro, 2011). However according to Groucutt and Griseri (2004) “a different medium is driving the relationship along” (p. 235), meaning user communities. Mahadevan (2000)
refers to user communities as virtual communities that generate value and spread knowledge. Thus, the dangers and opportunities of the Internet make electronic commerce distinguishable from traditional offline retailers in terms of the priority of maintaining reputation and building trust with consumers. Overall, there are several factors creating a trusting online relationship with a customer such as the presence of an offline store, the image of an innovative company through a website, the online brand co-creating communities, and the quality of relationships with consumers. However, I feel there is a gap in the literature on the small businesses’ brand creation through social media and their maintenance of quality relationships with customers.

As mentioned previously, the bazaar in scholarship is generally perceived as a backward (Özcan, 2016) and static (Karrar, 2016) institution. Electronic commerce, on the other hand, is seen as an advanced form of business, whose adoption various scholars encourage due to its advantages over traditional businesses (Daniel et al., 2002, Srinivasan et al., 2002, Zolait et al., 2012, Sin et al., 2016, Garifova, 2016). However, social media based stores challenge this notion due to the informal features of trade online. Although goods are sold online and thus constitute a part of electronic commerce, some online retailers also have physical stores located at bazaars and shopping centers called krytyi bazar (roofed bazaar) and contribute to the traditional bazaar culture. At the same time informality of trade allows sellers to avoid legal regulations, so they constitute a part of the informal economy. Stores on social media are located at the intersection of electronic commerce and informal trading culture, which allows them to create unique ways of managing trusting relationships with clients. This is because stores selling goods on social media on the one hand, can be perceived as technologically advanced businesses and on the other hand can be seen as contributors to the informal market. This is where the title of this study comes from, merging two presumed opposites into one category of trade creates an electronic bazaar. The purpose of this study is to explore the development of electronic commerce in Kazakhstan as being a
technologically mediated form of bazaar trade, with the whole phenomenon of social media traders echoing the processes that emerged after the collapse of the Soviet Union. Interestingly, the way Kazakhstani traders adjusted Instagram features to suit their needs started to gain momentum on the official Instagram application very recently over the period of working on this research\(^1\).

**Methodology and structure**

This study focuses on contemporary small business representatives that trade on social media in order to explore the way bazaars have extended to the digital world and became a part of electronic commerce in Kazakhstan. At the same time, there is also a presence of locally produced goods on social media. These Kazakhstani producers position themselves as “high fashion” brands that can challenge the need for imported brand goods. From the variety of businesses that are present on social media, I have chosen clothing and accessories retail, since this sector fits best the purpose of exploring the development of shuttle trade since the collapse of Soviet Union and has a sufficient presence of local producers.

According to the studies of electronic commerce conducted in Thailand (Ackaradejruangsri, 2015), Russia (Garifova, 2016), Malaysia (Sin et al., 2016) and Nigeria (Faloye, 2014) building trust online is one of the most challenging aspects for entrepreneurs. Thus I focus on the way small businesses build trust using social media features. Of course social media stores exist not only on Instagram, some companies have a greater following on other social networking sites. However, I have chosen to narrow down my study to Instagram for several reasons. First is its popularity among Kazakhstan citizens. According to Brand Analytics, a company that provides digital marketing services, Instagram is the second most popular social media platform in the country — around 1,336,200 users that post at least once a month. According to their analytics VK is the most

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\(^1\) New features include Instagram stories, that appear on a different timeline and disappear within 24 hours, Instagram live allows realtime online translations and a photo of the product contains link to a website
popular social networking site with its 1,944,500 active users. Taking into account Kazakhstan’s population of 17 million people, this is a significant audience. Other social networks can be counted in hundreds of thousands of users, so there is a significant gap between Instagram and VK on one hand and sites like Facebook, Moi mir and Odnoklassniki on the other. I focus on Instagram because it is a platform particularly attractive for retail. Instagram focuses on the visual component of a post rather than textual. It requires a user to post an image or a video with a caption. In contrast, VK, Facebook, Odnoklassniki, Twitter and Moi mir allow users to post text with no image attached to it. According to Admixer Kazakhstan (“Reklamnye vozmozhnosti Instagram v Kazahstane,” 2016), a company that provides advertisement on social media, Instagram is an effective tool for those companies that aim at presenting their products visually, clothing and accessories fall into this segment as well. Another reason is Instagram’s audience according to both Admixer and Brand analytics the majority of users are women at age 18-34. Thus this platform is most suitable for the purpose of the research of shuttle traders and bazaar culture’s digital extension.

Chapter 2 explains the way Instagram stores operate, how sellers themselves perceive their work and what skills they develop in the process. I base my analysis on the concepts of commodifiable skills by Urciuoli (2008) and the term phatic labor coined by Elyachar (2010) in order to understand what set of skills is used by traders and how it is connected to the process of trust building. Chapter 3 focuses on the issue of building trust online. I explore what it means to have a living account applying theory on animation (Silvio, 2010; Manning & Gershon, 2013; Ngai, 2005). As visual component of posts have the ability to communicate a certain feeling to customers they contribute to the life creation process. Thus photographs are also closely observed in this chapter as a part of trust building strategy. As sellers animate their shop’s profiles they also create a self-brand that becomes one with the shop. This chapter also looks at the relationship of trust and informal aspects of trade by uncovering processes that are not formally legal. In chapter 4, I observe spaces that online stores inhabit in the physical realm. This includes participation in fashion fairs,
opening of showrooms or even transferring from offline to online marketplace. Thus I look at the different dimensions (online or offline) in which stores can co-exist, exploring the relationship between the two and how it affects the issue of trust.

This study is largely based on the ethnographic data I have gathered in summer 2017. I have observed local fashion fairs, conducted interviews with 10 sellers who own an Instagram shop and analyzed 200 Instagram accounts. In order to protect participants’ anonymity, I changed their names and some of the details of their private lives like cities, occupations, goods they sell. I have used both qualitative and quantitative methods while approaching this study. Coding profiles according to their features provided quantitative data. This method presents approximate proportions of stores with different characteristics while using qualitative methods allowed to gather thick data and deepen the analysis of Instagram stores. In order to minimize the influence of my previous use of a personal Instagram account on sampling and recruiting process, I created a new account. My Instagram account for research purposes contains information on the research and my affiliation with Nazarbayev University stating that I am a Masters Student at Nazarbayev University and conducting research on Instagram stores. I used direct messaging on Instagram for participants recruitment process. Thus I have simultaneously attempted to create trusting relationship with participants using my research account by posting photographs with captions on Instagram. Because Instagram’s algorithm suggests similar profiles for following, I started from a clothing profile I was personally following and then followed Instagram suggestions that fit into sampling criteria. When the stores did not fit into my sampling criteria, I started anew by following back a store that followed my account first. I have repeated this cycle until I reached 200 profiles for the quantitative analysis. Most of the categories derive from the literature on social media trade, electronic commerce and online trust building (Faloye, 2014, Sin et al., 2016, Kavisekera & Abeysekera, 2016) as shuttle-traded, imported goods/local production; type of delivery, presence of a website, physical store, presence on other social media.
After categorizing 200 Instagram accounts I looked closer at the first 50 in order to gather qualitative data as well. I analyzed most recent five posts text, visuals, social media tools use and comments section. I contacted 50 accounts, however only 5 of them decided to participate in the study. The remaining 5 participants were recruited in shopping centers and roofed bazaars. I went through boutiques and started a conversation with the question “Do you have an instagram account?” One of the interviews was conducted at a coffeeshop right after I was introduced to the brand’s designer by the manager at a fashion fair. Thus interviews were conducted in various locations and under unusual circumstances. For example one was conducted in the car that is used by a seller to deliver goods and another while a shop owner had her hair curled. Almost all of the interviews scheduled online I conducted at a coffeeshop (partially because some of them had no physical store). The once that were conducted at the physical stores were sometimes interrupted by the need of a seller to help occasional clients. Each interview lasted approximately for 40 to 90 minutes, depending on the person and the surrounding circumstances such as interview location and the store’s busyness. All of the participants are women at the age of 20 to 35. This is partially due to the products’ peculiarity — the greater interest of women in clothing and fashion, Instagram’s audience being in its majority female. On the other hand there is also a deeper reason for women to be involved in trade in Kazakhstan and other post-Soviet countries. As has been discussed previously, trade historically was women’s business (shuttle traders and bazaar traders in its majority were women). Thus through stories of 10 sellers I show the world of Instagram trade in modern Kazakhstan and tell a larger story of the development of electronic commerce in a post-Soviet country, as well as explore how traders adopted a social media platform that is used to view photographs and communicate with friends to serve their needs instead and turned it into a virtual marketplace. The process of setting up trade online is different for every trader, although they share some similarities. In the next chapter, I look at Instagram as a platform and focus on the way trade
on it works. Usually Instagram is used to post updates for friends by posting pictures and writing captions, traders use it the same way except for a different purpose.
Chapter 2

Modalities of Instagram trade

Instagram is a social media platform that requires posting of visual content such as photos and videos, and there is no opportunity to post text only. This feature makes Instagram different from other popular social networking sites (Facebook, Twitter, Vkontakte) and especially attractive for trade. Although one needs to have a smartphone in order to post publications, creating account on Instagram is free of charge and there is no other factor that limits its usage.

Instagram stores are profiles that sell goods via Instagram. The seller creates a profile, fills in the description of their shop including what type of goods are sold, physical location if any, delivery or shipping options, contact details, and sometimes shop owner’s name and phone number. Then, shop owners make their stores visible to customers by using different methods of marketing. They purchase mass following programs, cooperate with bloggers, host giveaways (“a giveaway” is a lottery type contest that usually includes a requirement to follow hosting account), create entertaining content and use official Instagram tools for promotion (such as paid advertising). “Blogger” as I define in this study is any person with large following on Instagram. Stores and other businesses pay bloggers for the advertising of their product or service sometimes by using barter. Bloggers feature goods in their posts, and direct their followers to the store’s profile.
Instagram stores mostly operate like website stores, where customers view images of products and make a purchasing decision (2.1). However, there is no shopping cart or a special button that selects the goods, and there is no possibility of an electronic transaction. Thus, customers view a gallery of goods in a profile and then contact the store owner for further details. Sometimes the communication happens in a comments section underneath the picture, sometimes via direct messaging on Instagram. Many sellers also use the WhatsApp messaging application or phone number to connect with customers.

It is also important to note that Instagram, like any application, is changing and developing. It means that there are new features and updates that reshape usage of the application. One of the recent major changes that influences Instagram trade is the way timeline is being formed. Previously posts appeared in a chronological order and all of the account owners that are interviewed in this study were operating under this condition. However, the policy has changed and the algorithm of Instagram became similar to the one used on Facebook (social networking site that owns Instagram since 2012). Thus, sellers face new challenges in promoting their posts as the order of posts that appear on the page depends on its popularity and engagement.

Other recent changes that are important for trade on Instagram and product promotion are interactive prices placed on the photo (2.2) and sponsor of the publication (2.3). These changes show in which direction Instagram is moving and demonstrates platforms convenience for trade.
However these developments were introduced very recently within the last 6 months, while traders in Kazakhstan were using Instagram this way for several years. Thus application developers have just caught on to this trend and adjusted its features to existing practice, while many people, predominantly women in Kazakhstan, had already made Instagram trade a source of income.

2.1 Instagram trade as a main source of income

As discussed in the introduction, bazaars are dominated by women traders. Similarly, Instagram trade is dominated by women, they are both customers and sellers. All 10 participants I interviewed were women, and during my observations of bazaars, shopping centers, and fairs women were the majority of the involved. Women in the post-Soviet transition period traded primarily for survival due to the female unemployment (Mukhina, 2009), Instagram shop owners to some degree started selling on Instagram as a survival instrument.

Some women define their motivation to start their own business as a need to earn money to provide for their family or a desire to have their own income. Thus, trade on Instagram is a main source of income for some of the participants. In twenty-year-old Meruert’s story earning money by selling products on Instagram played a deciding role in her life. After her parents got divorced, she was striving to help her mother and started a part-time job. Unfortunately, 16-year old art student Meruert lost that job and could not find another one due to her young age. She decided to sell handmade accessories, despite her mother’s disbelief, and created an Instagram account to sell her handmade accessories in 2014. She used her personal savings of 15,000 tenge, and bought everything she needed to make the goods. According to her own words, it was easy to start trading activity online: “I just started uploading pictures on Instagram and people started writing me and ordered accessories.” As Meruert was a student, her mother did not allow her to deliver goods to customers’ homes, so customers had to come and pickup their orders from Meruert’s home or college. Sometimes they would agree on a certain place, for example Respublika Avenue on the right bank of Astana to exchange goods for money. After Meruert had been trading on Instagram for
half a year, her mother had to move back to Shymkent to look after elderly parents. Being the eldest daughter in the family, she needed to provide for the family entirely on her own. At this point she decided to expand the variety of the goods on her Instagram page. Thus young Meruert slowly moved from selling women's accessories to selling phone accessories, cosmetics and clothes. She has also started delivering to customers with her boyfriend during the summer break. Her store became rather popular “I was recommended by my customers to their friends and had loyal customers.” In 2016, after two years of selling goods online exclusively on Instagram, Meruert saved up enough money to rent a boutique in one of the small shopping centers on the right bank of Astana. It was only 28 square meters, however for Meruert at that point it seemed like an important achievement. “I had just two shelves and a chair, but still 5 or 6 customers came to support me at the opening.” Her store has expanded once again as she started selling clothes. When she opened a physical store, she started working “officially” and registered as an individual entrepreneur. She hired a delivery person who is one of her former customers, and currently her boutique has expanded to 80 square meters. In two years Meruert was able to create a rather sustainable business from 15,000 tenge (approximately 80 USD\(^2\)), Instagram and her creativity.

Although she admits that the need for a job and additional money was her motivation to start, Meruert says she finds joy in her business, enjoys communicating with people and being helpful. For her it is important that she does not have a boss: “I always knew I will work for myself. There will be no one to tell me what to do.” She has already graduated and currently is single-handedly supporting her family that includes her mother and two younger sisters. Trade that started on Instagram remains her only source of income. Meruert’s future plan is to open franchises in other Kazakhstani cities.

\(^2\) According to the exchange rate in 2014 [https://www.zakon.kz/4633639-kurs-dollara-na-20-ijunja-2014-goda.html](https://www.zakon.kz/4633639-kurs-dollara-na-20-ijunja-2014-goda.html) 15,000 tenge as for April 2018 is equivalent to 46 USD
Another participant, Alua (22), already works in a franchise like this. She was also motivated by the need to earn additional money as, being a student, she could not work full-time. When she was offered an opportunity from her close friend that already owned an Instagram store she could not resist: “My friend already had an online store in Pavlodar for 3 or 4 years, and she offered me a job in a store in Astana”. Alua has worked for an year in a physical store that at first existed only on Instagram. Overall there are three stores in three cities in Kazakhstan — Pavlodar, Astana and Almaty. Her friend, the owner, currently lives in Almaty and manages the store there. “I am graduating this year. Although it started as a favor to a friend, I enjoy it now.” Alua manages not only the physical store in Astana, but also its Instagram page. At first, her friend created a page on Instagram and only when she had enough clients, she opened a store in one of the business centers.

Bakhyt (20) started her dress rental business when she was in college. Like Alua and Meruert, she could not work full-time because of classes. A situation when she was invited for a wedding but could not afford buying a dress was a starting point that has changed her life. She found out the prices at dress-renting agencies and ended up not going to the wedding because she could not afford it. Instead she had a business idea that was able to connect her personal interest in earning money and a higher need to serve others: “I wanted to help out people like me, those who cannot afford renting a dress for 20000 tenge. I wanted to do something pleasant for the people”. Thus her motivation to start a business on Instagram was not only to earn money and support herself but to solve an existing issue — high prices for dresses.

Bakhyt started with two dresses: one that she has already owned and another one that she bought for 30,000 tenge. “The money was not even mine. My friend decided to start this renting business with me and gave me 30,000 tenge. However, she quit, and we decided that I will return the money later.” Now Bakhyt fully supports herself “I can even help my parents. This summer I have bought them kitchen furniture.”
Amina’s (31) motivation to start a business is similar to Bakhyt’s. She wanted to help others. “I looked for the perfect shoes and could not find any that I liked,” she says. Amina was told that she could order them in any style she wants in China, and she did. While back in Kazakhstan, her friends started trying on the shoes she designed and according to her they fitted perfectly almost any person. “People started asking me if I can order more and that is how I decided to design my own collection.” She invested around 1000 USD and was told that she was taking a risk as there were still no customers. However Amina had to order at least a 100 pairs, otherwise the factory would have not worked with her. Even a hundred was rather a favor they did as it is a small number for the factory. “I had no other option: this was the last money I had.” Currently, Amina owns a boutique and works with designers from Ukraine, Russia and Georgia.

Overall, all of the above mentioned participants started their business on Instagram and made it their primary activity. Some started it due to the need to earn money and some because of the need to help solve an issue they saw at the market. However many women still manage both their primary job and Instagram trade that they perceive as a hobby.

2.2 Selling as a hobby

Participants in this subchapter to some degree differ in their motivation, the amount of time they spend on the Instagram trade, and in the presence of another source of income. Thus, they have developed a slightly different business model. However, the fact that currently Instagram is not their main source of income does not exclude this possibility in the future. The term phatic labor introduced by Elyachar (2010) can be applied to the work Instagram shop owners produce. In her research of women in Cairo she observed social practices as chatting, gossiping, paying visits. The word “phatic” she borrows from Bronislaw Malinowski’s (1983) concept of “phatic communion,” that represents language (gossiping and chatting) as having a purpose of “establishing ties for their own sake, rather than for the purpose of conveying any information in particular” (Elyachar, 2010, p. 453). Thus Elyachar applies phaticity to the activities produced by women in Cairo, who
establish ties that create real benefits. The author states that “this labor produces communicative channels that can potentially transmit not only language but also all kinds of semiotic meaning and economic value” (p. 453). Women, for instance, were able to influence political situations by their social connections with one another that influenced their husbands. Similar to women in Cairo, women involved in trade create similar channels of possibilities with their clients. They do the work, that is pleasurable for them and is even referred to as not a real job, even though it also brings them tangible benefits and potential future opportunities. Thus, in this chapter I focus on their perception of their work, motivation and future plans.

Professionally looking with a short haircut, Fazilat was different from the previous interviewees. She was around 10 years older than the participants starting business in college and talked using marketing terminology. Fazilat (34) holds a position of the head of the advertising and marketing department in a large company. She is also married and states that she is rather satisfied with her financial situation. For Fazilat her motivation was not in earning money as she simply stated “I love bags”. She has started selling bags on Instagram 1.5 years ago in the winter of 2016. “I have Instagram and only Instagram” she states. Fazilat primarily works with handmade designers from Russia and Ukraine. She also orders bags from Korea and China from time to time. “From 100 bags I usually have just 4 from China”. Her friend lives there and ships bags that Fazilat chooses.

Currently her job at the company is her main income, however it poses difficulty for her to calculate the income that comes from selling bags. “I reinvest everything I earn. I try to widen the variety of goods and additional value is very low. I aim at attracting customers first. I want to raskrutit’sia (to become widely known) first, so that people will become familiar with my store”. Currently the average price of her bags is 15,000 tenge and the highest price for a bag is 30,000 tenge. She plans to “do something so that with super prices people will be still willing to buy my bags.” Half a year ago, she started partnering with local boutiques and plans to partner with more similar stores in Atyrau and Almaty. Interestingly, she called them story using the English word
“store” and adding Russian ending. She prioritizes creating a name and not instant money as she is willing to wait for her store to become more popular. Fazilat enjoys the process and is willing to invest time and energy into making her store better by bringing more variety of bags.

Yevgeniya (29) also sells bags “for the soul.” She says that her work is rather monotonous and boring. She works in a bank and sits all day in front of a computer. “I wanted beauty, wanted to indulge in it. I did not even understand at what point it started taking more time. For the first several months I was surprised that I even earn money for doing it!” Business for Yevgeniya started out of love for bags and surfing. At least once every 6 months, she travels to an island for that purpose. “It was just an idea to take orders and bring back bags. At first it was just a hobby of mine”. Her first customers were her friends and relatives. But then it has expanded through Instagram as she was uploading pictures of the bags.

Yevgeniya states that now it takes more time to trade on Instagram, in particular, to create content for her page. Sometimes she communicates with customers on her Instagram page until midnight. “This work brings me joy. And my job does not. At 6 pm I’ve already left my workplace.” However, the motivation to spend more time on Instagram trade rather than on her job at the bank is not solely defined by her interest and a feeling of joy. “I know that even if I work more, I will not earn more. However, it is different on Instagram. There is a place for growth.” Thus, she has expanded her business to Almaty. It is also located on Instagram only. Thus Yevgeniya views her Instagram shop as an opportunity for growth that brings her a feeling of satisfaction that her primary job lacks.

Although Yevgeniya’s job currently brings her less money than her business, she still treats it as her main activity. “I do sometimes have a desire to leave my position at the company. However it is just so stable and business is not.” Yevgeniya ties this instability to several factors. First is tenge
devaluation\(^3\) that leads to a higher price for imported goods and as a result decreases the buying ability of Kazakhstani customers. Second is the production limit. As she sells a handmade product, there is a limited amount of bags that can be produced on that island. Thus stability is a key concept that influences this small business owner’s choice to juggle business and a corporate job.

Although some of the participants tended to idealize their work on Instagram and wanted to be perceived as having a higher motivation, all of them were concerned with the way their business will develop and looked for the opportunities to expand it. At the same time, women who admitted their motivation was a need of financial support stated that later they found joy in the work they did and thus find it to be their vocation. This notion hints that money and the “beauty” and “joy” of the job are two main motivations for women to start a business on Instagram, although with a different priority in each case. Overall both groups simultaneously perceive Instagram trade as business and a vocation. Those women who started their businesses as a primary job found joy, and those who manage Instagram trade as additional, fun activity have plans for developing and are concerned with their business’s payoff.

2.3 Creativity and professional skills development

Trading on Instagram not only brings revenues to owners and for some even feelings of joy and satisfaction. It also develops participants’ professional skills and provides a space for creativity and growth. Instagram for some participants became a space that allows sellers to realize their potential through acquiring new skills or developing existing ones. It creates a deeper meaning for selling products as women experience more benefits than material reward. In this chapter I refer to Urciuoli’s definition of skill as “any practice, form of knowledge, or way of being constituting productive labor” (2008, p. 212) in the discussion of skills that traders use on Instagram. According to the analysis of websites conducted by Urciuoli, skills in new workplaces became commodifiable

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\(^3\) Tenge devaluated by 19\% in 2014, to read more on the history of tenge devaluation read KZT: Kazakhstan devalued tenge, history repeats ... - Nordea e-Markets
as they are viewed as part of the self and can be exchanged on the market. This view applied to trade can be called a model of social/cultural capital as a constantly-increasing bundle of skills embodied in self the trader.

However, if Elyachar’s model discussed previously is applied the emphasis shifts from individual skills to the importance of networks and we can view social/cultural capital as an ever-increasing network of relations created and maintained by phatic labour of the trader. Based on the evidence from the fieldwork I argue that participants noted their communication skills and referred to themselves in Urciouli’s (2008) understanding of skills constituting the self, however at the same time the labour that women produce in their interactions with clients through messengers, comments, posts, online translations and photographs are phatic in Elyachar’s (2010) sense. Interestingly, Urciouli and LaDousa (2013) state that phatic labour could be treated as a communication skill and that phatic activity done at a workplace is not necessarily the same as phatic labour as work. The interplay between understanding communication as neoliberal skill that is a part of the self and communication done for the sake of communication that leads to networks with potential is reflected in the experience of women Instagram traders in Kazakhstan.

As Fazilat has a background in marketing and advertising, she has one of the most professional approaches towards Instagram trade among the participants in the study. Every month she writes monthly content plans, where she plans every single post that will be published on her profile. “I regularly participate in trainings and webinars on digital marketing. I have read almost every book I could find on Instagram.” She is willing to keep up with the trends and learn. Even participating in this research interested her in that regard. Perhaps this mostly has to do with her professional field of marketing and advertising. However trade on Instagram has motivated her to develop professional skills further and in a new direction. Fazilat’s perception of communication as a bundle of skills reflects Urciouli’s (2008) argument as she is focused on the skills development rather than on sustaining relationships.
While Fazilat is developing her skills in digital marketing, Yevgeniya devotes her time and energy to master photography as she realized the importance of photographs for her sales. She takes almost all of her photos herself on a smartphone. “I have light, professional backgrounds, and basically a mini home studio.” Yevgeniya shared with me that taking photographs is the most time-consuming part of Instagram trade. One should post at least three times a day and according to her no photographer will take that many pictures. Thus she found a solution to master photography on her own and produce the needed amount of shots. Aisulu (26) has a clothing boutique with her sister and learned a completely new skill. She started to produce handmade lingerie. Her sister attended a course on it and taught Aisulu. Handmade lingerie sewed by her will be sold at their boutique. During the interview, she proudly showed off the piece she was working on. A sewing machine was standing on a small table inside of the boutique. The skills that Yevgeniya, Fazilat and Aisulu are developing belong to hard skills that are more technical as they require specific knowledge (Urciuoli, 2008).

However Urciuoli (2008) pays special attention to soft skills, that have nothing to do with technical skills, but rather constitute a number of personal qualities and abilities that by some companies are believed to be more important than hard skills. One of the most popular soft skills according to Urciuoli’s (2008) research is communication. For Alua, all of her knowledge on social media management comes from a personal experience and a crucial part of it is communication. Alua mentioned that “right now I feel that I interact with people better. As people are very different, it is important to find a way to every type of client.” Communication is a rather vague term that includes a number of sometimes contradicting specifics, however as long as they “facilitate organizational operations and interests” (Urciuoli, 2008, p. 213), these skills are favorable and named as communication skills. Before she started working at the boutique there was no need for her to communicate with that many people. Now, she is responsible for communication not only in a boutique but also on Instagram. For her, communication offline and online has no real difference.
“You need to be polite and be helpful” — she says about any type of communication with customers. In Alua’s case she shows the capacity to align with different types of clients, understand their needs and interests.

Women acquire a number of skills including communication, digital marketing, photography and even sewing. Their motivation mostly comes out of the necessity to develop their shops in terms of making their business more profitable and effective. Although, at the same time, sellers are in a position of growth, personal development, and realization of their potential. I argue that the skills that Fazilat and Yevgeniya develop can be considered as commodifiable. “As aspects of worker performance, skills have become conceptualized as ‘things’ that can be acquired and measured and that possess an inherent capacity to bring about desired outcomes, outcomes that can be measured in dollars” (Urciuoli, 2008, p. 212). Thus photography skills bring Yevgeniya direct profit and Fazilat’s marketing techniques can be measured even more specifically by the number of visiting profiles for instance. Thus even though photography and marketing can be regarded as more technical than communication skills per se, they also bring profit. Overall trade on Instagram requires development of new skills that result in profit. This shows that bazaar culture cannot be considered as static as sellers themselves constantly develop and acquire new skills. The fact that soft skills are also important for trade makes it up to date with larger corporations that prioritize soft skills like communication while hiring. Although shop owners often work alone and thus their skills are commodified in the business, their family members create a supportive system that allows women to maintain shops.

2.4 Kinship trade — support of family members

Some of the participants admitted the role that their close ones played in the development of their business. This feature is highlighted in the works on female shuttle traders (Mukhina, 2009 and Werner, 2004) and female entrepreneurs (Vossenberg, 2013) that tend to depend on their kinship ties while managing business activities. This trend is also present among Instagram shop
owners and deserves attention. As all of the study participants are women, I find it important to focus on kinship ties and the role they play in trading experiences. This notion can to some degree be perceived as a continuation of trading experiences of female shuttle traders in the 90s in the regard to its female dominance, dependency on kinship ties and in some cases becoming a main source of income of the family. Kinship ties are maintained through regular contact, the purpose of which is the communication itself. However, close ties between trader and one’s kins leads to the participation in Instagram trade. So, trade in this case is an example of phatic labor (Elyachar, 2010) as kin communicating with one another on a regular basis created a channel of possibilities that led to trade.

Aisulu was at first helping out her sister. “The idea to open an Instagram store came to my sister. She has been always independent, did not have a boss for 4 years.” Her sister had an initial capital of 200,000 tenge and invested it in clothing that she bought in Almaty. Currently the supplier ships the goods to Astana and there is no need to travel there. The first thing sisters did to sell clothing was creating an Instagram page. Their profile is just one year old, but they managed to open a physical store two months ago.

A former logistician, Aisulu (24) found her previous job dull. At first she perceived trade on Instagram as a hobby and distraction from her work, but then she decided to leave her office job, even though at the moment they did not earn as much as they used to while working from home. “We have invested money in this boutique and right now we do not see the money. And we also do not put high prices. We are keeping the prices rather low.” Before opening a boutique, they worked only via Instagram and stored all the clothing at their apartment. Consequently there was no rental price and they managed to sell clothing at a cheap price. Just like Meruert, the sisters registered their business when they opened a physical store. Interestingly, unlike Meruert, Aisulu and her sister have not hired a delivery person yet and still deliver clothing on a bus by themselves. Thus, and Instagram store is perceived by both Meruert and Aisulu as not a real business that needs to be
registered while there is no physical store, even though they regarded trade on Instagram as their only source of income. However, it is different for other participants. The sisters plan to expand the variety of goods they sell by adding shoes and lingerie. Aisulu hopes to afford traveling to China or at least Almaty to be able to choose goods personally.

Dilshat (40) and her sister are already traveling to Turkey once a month to bring goods and sell them in Kazakhstan. She enjoys the benefits of owning a business like a flexible schedule and travel. They do not perceive it as their main income as both of them are married and their husbands support them financially. Dilshat has stated that she is not doing business because of the money. Rather, she has a mission — so that “women can find comfortable clothes. Every woman no matter what her class is wants to feel desirable.” Another reason is that usually clothes are sold for young thin women, whereas their boutiques offer a range of sizes that fit any woman.

Both Dilshat and her sister decided to quit their corporate jobs and open a boutique to have more freedom. Although Dilshat has studied abroad and has 20 years of professional experience she decided to devote more time to her family. “If you are at work from morning until evening then you are nothing as a woman (kak zhenshina nikakaya). You will have no energy and no time to realize yourself. And when to live your life?” Since Dilshat's children are grownups now, she desires to devote more time to herself. There are four people working at their boutiques, so Dilshat herself does not work as a sales manager as most of the other participants did.

Meruert, who has started business alone now works together with her younger sister. She is overtaking part of her responsibilities on their Instagram page and WhatsApp as well as in a physical store. Meruert is still responsible for clothing as she knows exactly all of the information regarding it. However, her sister is specializing in cosmetics. According to Meruert, she gives consultations on cosmetics not only by verbally explaining advantages of a certain product but also showing how to apply it and use it. In Bakhyt’s rental business, her parents played a major role.
They supported her by buying a room in the same apartment building where she lives. Thus she is able to store all of the 42 dresses she owns now without the need to pay annual rent.

Women trading on Instagram tend to rely on their close social circle. A sister, a friend, parents or even a husband support their entrepreneurial activities. Sisters became business partners in the case of Dilshat, Meruert and Aisulu. They share responsibilities and manage their business together. Married women tend to rely on their husband’s financial support. Thus Fazilat and Dilshat feel that their business is more of a hobby or as Dilshat called it “something to do” as her husband brings income home. Since these women do not earn money out of the need to feed themselves, they preferred to call their business a hobby.

The perception of business being a hobby is present among all of the participants. Even those who stated that their motivation was to earn money in the course of an interview admitted that their work brings them joy. Joyful business brings them both financial benefits and emotional satisfaction. Some women are also willing to serve others. Meruert, Bakhyt and Dilshat mentioned the need to be helpful and bring joy into other people’s lives. Dilshat surprisingly used the word “mission” while defining her motivation for opening clothing boutiques.

Instagram trade, for many women, is the only source of income that allows them to financially support themselves and their family members, as seen in the story of Meruert, who supports her mother and sisters singlehandedly, or Bakhyt, who is buying expensive furniture for her parents. Interestingly, even those sellers who are not involved in trade full-time can compare their income to a salary from a primary job, and it is either equal or in some cases even exceeds it as in Yevgeniya’s case. However, trade on Instagram is perceived as a less stable job and less time-consuming. Both Yevgeniya and Fazilat manage to work full-time at large companies and Dilshat is satisfied by the free time she has.

Overall, women who started their business on Instagram did not invest large amounts of money. For the majority of the women I interviewed, Instagram was a starting point in their
business. Thus, for the participants, there is a logical transition from an “online store” to opening a boutique. All of them called their Instagram page an online store and were storing goods at their homes in the beginning of their business. However later sellers open a physical store. They create an opportunity for customers to physically choose products. In the introduction, I defined electronic commerce as a type of commerce when a customer makes purchasing decision online, however based on the data it is more complicated in Kazakhstan. Customers search for products online and choose Instagram stores, however some customers do not make final decision online, they rather shortlist the stores they liked and then visit physical stores. There is a continuity between e-commerce and traditional modalities of trade as customer uses both to make a purchasing decision.

The need to touch products before buying is reflected in Aisulu’s words: “It was not convenient for clients to come to our home. When some found out that it is not a boutique, they ignored me. A boutique is the next step. It is convenient for clients as they can touch and feel the goods.” Customers simply want to verify the quality of the product that they want to purchase. A physical store is one of the strategies that sellers use to evoke trust. However, the opportunity to physically choose goods is not the only way to create it. Traders show the activeness of an account, create a continuation between online and physical stores, as well as become brands themselves in order to make customers trust them online. In the next chapter I explore the issue of trust in Instagram trade and how shop owners manage to create it online.
Chapter 3

Trust on Instagram — Instagram profile as a guarantee

The presence of an offline showroom for an Instagram shop largely contributes to building trust through customers’ confidence in the products’ quality. However, despite the importance of a physical store, a purchasing decision is in some cases still made online. A customer chooses a particular Instagram store to “touch” its product out of many by searching on Instagram and looking at various profiles. The customer chooses particular shops to visit. There are also stores that operate only online and have no physical store. Thus the issue of building trust online is urgent for Instagram stores whether or not they have a physical instantiation.

The issue of trust is highly important in any commercial relationship (Nisar and Whitehead, 2016), however it is reinforced by the degree of anonymity online (Clemons et al., 2016). The question that was driving me through this research is how sellers build trust online. In most cases according to the participants, customers had to guarantee their purchase through a 100% payment, sometimes even weeks ahead of the supposed date of the products’ arrival, even when sellers lacked a website or registered trademark. From my fieldwork, I have identified one common theme among the participants — the concept of a “living account,” with photographs being an almost indispensable component of a post contributes to the imitation of life process and has several key functions discussed further. This chapter focuses on the elements of a living account and how it contributes to online trust building.

3.1 Creating a living account

Participants referred to the account as zhivoi (“living”) if it is active, has a large number of followers, likes and comments. However, during the interviews the concept of a “living account” became more complex as participants explained the process of creating posts, photographs and managing the account. The life of an account serves as a guarantee and evokes trust.
In this chapter, I refer to animation as a framework of analysis. Similar to animated objects that become alive by motion inert accounts create a feeling of life. Animatedness coined by Ngai (2005) represents the move from “references of biological existence to socially positive emotional qualities” (p.94). So, the meaning of animatedness includes making things lively, it is the effect that puts life into objects. If animatedness is only the effect of liveness, then it is produced by trader’s phatic labour that constantly communicate with followers. Thinking of the process of giving life to accounts in terms of animatedness helps to understand the two opposite components of an Instagram account’s life. Animatedness, according to Ngai, somehow represents “the connection between the emotive and the mechanistic” (p. 100). Thus, account management and development consists of both the mechanical and emotional components that can be referred to via mechanical usage of the platform and emotional content creation. Both are necessary for the making of life.

This notion of phatic labour creating an effect of animatedness of an account can be traced from the very beginning — a post creation process. Bakhyt (20) states that creating posts is hard work. She tries to learn from “girls” from America and Russia and thinks that she still did not learn how to do it right: “I simply write size and price.” She thinks an ideal post should contain information on the material and the type of an event the dress is suitable for. Bakhyt believes there should be a “separate” person to do that.

Fazilat has a different opinion regarding other people leading an Instagram page. “I think that at least for the first two years the owner should communicate with customers and feel their pain, problems, requests. A person who is not interested to the fullest might not understand the nuances of the goods and brand. I think that my bags are very special as nobody brought them before me to Kazakhstan. I need to tell every person all of the specifics.” Thus, she decided to do everything herself. Post creation is a rather complicated process and it is also important to identify a time suitable for the post when the audience is the most active. Fazilat monitors statistics that are available on Instagram and views the preferred time for her posts to appear. Another
recommendation to lead an Instagram store’s page comes from Bakhyt. She states that it is crucial for her to post twice a day, otherwise her sales drop. “The most important thing is the activeness of your account.” This kind of routine interaction with the audience on Instagram is similar to the chatting and gossiping of women in Cairo (Elyachar, 2010). By posting several times a day, participants interact with the audience and produce phatic labour (Elyachar, 2010) that results in the appearance of an account as “living.” In other words, the account is animated (Urciuoli, 2008). Thus, a rarely updated profile creates a feeling of less liveliness, because by posting, a shop owner evokes feedback in the form of likes, comments or orders. However, by not posting, the seller does not allow interaction with customers to happen. This means no phatic labour is involved and consequently no effect of life is produced.

Another important part of creating an “alive” account is to have “alive” followers. Yevgeniya stated that reviews, comments and photographs lead to trust, but most importantly is for followers to be “alive”. Bakhyt ensured me that all of her followers are “my people.” She did not use mass following programs or any sort of advertisement. By zhivye podpischiki (alive followers), participants refer to accounts owned by real and rather active people and not to profiles of other stores, businesses and organizations. New profiles of businesses and organizations tend to use mass following programs in order to create the feeling of a well-followed account. An account with a large following is more likely to be followed by other users. “Alive” followers then can be considered to be a proof of successful phatic labour, they are a part of phatic infrastructure that allows economic benefits to flow.

Altynshash shared her experience of ordering the usage of a mass following program on her account. She paid 15,000 tenge and raised her number of followers from 2000 to 7000: “The person promised me that all of them will be from Astana. I have checked it; he did not lie.” Mass following programs depending on the settings, can follow, give likes and even leave comments under a certain account’s name. From the content analysis of Instagram profiles of stores I have noticed that the
majority of them used mass following programs even more extensively than Altyndash. Based on my personal experience of working as a Social Media manager for a couple of years (creating and posting content for corporate brands) using such program, it can be identified quite easily. I would argue that even a regular Instagram user can detect an account that uses mass following program. They can be identified by the high number of followers and a number of likes that is approximately less than 10% of the followers number. There are accounts with a 100 000 followers and around 20 likes per post. There is also no other activity on the page such as comments. This means that the real engagement rate of an account is insignificant.

One of the identifiers of “alive” followers is customer reviews, as they reflect the existence of social relations between customers and traders. As Yevgeniya shared, reviews are important for her sales. Interestingly, sellers post screen captions from private conversations with customers, where the latter are praising the quality of goods, the fast delivery or shop owner’s personal qualities. Sometimes sellers publish customers’ photos in newly purchased clothes. In one of the accounts I analyzed qualitatively, one out of the five latest posts was a photograph of a customer. Interestingly, that post got twice as many likes as other clothing pictures. Seeing a real person wearing clothes caused more sympathy than regular product photographs. It also brought diversification into the account’s profile, which is another important concept that allows to catch customer attention.

From time to time Fazilat uses welcoming posts (post-znakostvo), where she introduces herself. She also communicates with customers as Fazilat and not as a store. “When customers write me, I say hi, I am Fazilat, what can I do for you?” By doing so, she makes sure that there is a personal connection. “When you are not like a friend, but trying to genuinely help and understand customer’s needs, the sales go easier.” Thus Fazilat preserves her personal communication style in her store, as customers know the person they are talking to. Fazilat’s personification of communication creates a feeling of life in an account as customers talk to her and not just to a store.
or a brand. The contact Fazilat creates with her posts and messages opens a communicative channel. It indicates the phaticity of the labour, as it does not seem to be an actual work, because Fazilat is not selling her product, she is creating a possibility for the sale by building an infrastructure. As Elyachar (2010) points out the infrastructure her participants constructed “left no marks on the ground or algorithms for engineers to reproduce. Traces of these channels might have been documented in the ‘women’s talk’ of which Usta Ahmed was so leery” (p. 456). In the case of the participants of my study “the marks” can be found online in the form of posts, comments, personal communication in messengers, they are leaving rather digital traces.

Fazilat says that, “I try to post interesting photos and write text that is not boring and trying to communicate through my posts”. She shared her recent experience of such communication: “Today for the first time I have uploaded just a picture and asked the girls, are you okay with me posting this kind of content. And all of them wrote that they are not against it.” Fazilat is still not sure what the entertainment content will look like for her store, but she knows that she needs it. Interestingly, the above example of a communication is one that makes her account more alive. As 99% of the posts on Fazilat’s page are “selling,” that means it showcases the goods her account indeed have a major possibility of looking as a shopfront. However, these posts that do not sell a product actually contribute to the richness of communication. They evoke communication different from the discussion of sizes and prices only that is usually happening under the posts with products. Entertaining posts are examples of phatic labour (Elyachar, 2010) as they create contact with the audience that does not immediately lead to the transaction of money and goods. The effect that phatic labour creates produces animatedness that makes profile feel alive (Ngai, 2005). According to the qualitative analysis of Instagram store profiles the majority of customer comments are about the availability of a product or it price and size. Nozawa (2015) states in his research on sociality in Japan, that skillful communicators “facilitate the smooth circulation of the ‘air of the conversation
within an interactional space as by an air conditioner” (p. 386). By “air” the author means the flow of interaction, that Fazilat, for instance, aims to create by interactive and entertaining posts.

Although Fazilat sells bags and most of the times posts pictures of bags she wants to somehow diversify her page with interesting texts and photos: the two main tools that Instagram has to offer. However, Fazilat is a representative of very few store owners that pay much attention to text. According to the qualitative analysis I conducted, I have come to realize that not all accounts use text to entertain as Fazilat does. In the majority of the cases — 62% of accounts — the text’s only function is to provide basic information such as size and price. Around 8% of 50 analyzed profiles did not use any text in their publications. However, photographs are used in every profile as there is no option to create a publication on Instagram without one. Moreover, I will refer to the visual component of a post as visual because it can be not only a photograph, but any digital image containing text, graphs, collages etc. Thus, when referring to a photograph, I mean an image that contains a product.

3.2 Functions of a photograph

One of the main functions of a photograph of course is to showcase a product and, as posting requires a digital image, it also serves the function of appearing on customers’ timelines. So stores post photographs everyday and, most of the time, at least twice a day. This means there should be at least 30 photographs ready to be posted per month. Fazilat orders photographs from a professional photographer. “When the arrival comes I give everything to this girl for three days and she takes pictures.” For her it is important so that a customer can clearly see the quality of her products and professional pictures ensure that.

Although Bakhyt has also ordered photoshoots in order to have content, her use of photographs differs from Fazilat’s. She prefers using professional photosets and not smartphone pictures because it results in sales. Interestingly, it is not the quality of a photograph that allows to look closer at details, but the atmosphere a professional photograph creates that sells.
“A professional photoshoot creates an atmosphere, hair and makeup also play a big role.”

For Bakhyt’s account, photographs are shot professionally not for the sake of a good quality of a photograph that can be measured by its size, but rather as part of creative content on her account — the photographs depict a story — a girl in a dress with perfect hair and makeup. It thus creates a feeling of liveness or animatedness according to Ngai (2005), rather than taking a professional photograph on a mannequin for instance. The embodiment of a dress and even more the recreation of an atmosphere of celebration — a photograph becomes more than just a testament of a clothing quality. It becomes a part of the entertaining content of the page. That in return also contributes to the item’s sale. Yevgeniya also states that her sales depend on photographs. “I tend to use different photos, use different angles and backgrounds.” Changing all of this aspects of a photograph adds creativity to the post and makes the account overall to look more attractive.

Yevgeniya sometimes takes pictures on the street in her daily life in order to fill in the required amount of photographs. “I had my nails done and want to show my manicure holding one of the purses. I immediately got orders.” In this example it is also clear how Yevgeniya’s street photograph evokes a certain story — a girl with a beautiful manicure on her way with a fancy accessory in her hands. A photograph that depicts a story and features everyday life episodes passes on this life to the account itself. Manning and Gershon (2013), in their essay, explore what creates life in the animation. They summarize Silvio’s work on Taiwanese cosplayers who became their character under certain circumstances — when being photographed. All of the rest time they acted as teenagers and only when being photographed did they behave like the characters they were embodying. Similarly, a photograph for Instagram is animated through additional attributes that give a picture a feeling of normal everyday life. That is not just a bag shot in the professional studio with a monotonous background, but animated to create a feeling of life — an image of someone holding the bag with beautiful nails. A photograph thus is a tool that showcases life of a profile.

According to Nozawa (2012) the profiles that Japanese users create should be understood as a
“complex social project, something people work on and have stakes in.” The author states that profile is constructed similar to a character in an animated cartoon. The author provides an example of the headless Celty, a character in an animated cartoon. She attempts to find her head and wears a helmet on public to mediate with other characters. In this sense, profiles that Instagram traders create also mediate communication with customers and are constructed just like animated characters.

Pictures also show how the product can be applied by the customer and presents its functions — even if allows to picture oneself matching the product with nail color. In a seller-consumer relationship, photographs can also show the existing trust. Photographs then are “indexical” of the existing phatic contact of sellers and consumers in Pierce's sense. As Peirce summarized by Hanks (1999), “an indexical sign stands in a relation of ‘dynamical coexistence’ with its object” (p. 124). So, both relationships and photographs that point to them are co-present.

Bakhyt's relationship with clients and their trust can be seen from the way they send her photographs in the rented dresses. “It has been around half a year since they started sending me their pictures. Before I had to ask them.” She mentioned that many were ashamed of renting dresses and did not want their pictures to appear on a dress rental profile. She connects this change in the clients' attitude with a number of followers she has. Although she has fewer than 10,000 followers, her page looks active with a number of likes, comments, and of course, customer photographs. Interestingly, the majority of the photos she uses are sent by customers. Bakhyt even gives discounts for those who want to use dresses for a photoshoot. This way she manages to post twice a day without the need to create visuals.

However, the above examples feature only photographs that are original. By that I mean that the store had some sort of a connection to these photographs. They have either paid a photographer, asked customers, or took photographs themselves. In contrast, borrowed photographs are photographs that were taken from a different profile or downloaded from the internet. Interestingly,
not all of the traders create their own content including photographs. There are some accounts that take photos of clothing from the internet and some even steal those of different shops. When I came across this phenomenon during my content analysis of Instagram pages, I was fascinated by how the same pictures would appear in different accounts. At times, it made me wonder if the owner of a shop has two accounts. But then I interviewed Altynshash (21), who confessed to me that she, in her own words, “steals” photographs from other accounts that have same supplier. The clothing she sells comes from China, so there are many suppliers and sellers that work with the same goods. She also admitted that she started to post less frequently because it takes time to find a certain item clothing of clothing on other accounts. “I don’t ask other people to take pictures in clothing, because I find it to be not aesthetic.” For her it is better to “borrow” a picture than to create one. Photographs are examples of “phatic traces” (Nozawa, 2015), and if they are original as in the case of Bakhyt, they point at the existing trusting relationship with her clients. However, if they are “borrowed” as in the example of Altynshash they do not index the relationship because she had nothing to do with the appearing of the photograph; she did not take it or ask for it. The photographs in her profile form a collection of phatic traces of other traders and customers that have no connection to her and her clients. Consequently they trouble the creation of a trustworthy profile.

Because Altynshash started a physical boutique at a closed market first, she clearly prioritizes it over her Instagram store. Since she used mass following program, and posts stolen pictures her Instagram account is not a primary source of income. It allows her to occasionally get orders on accessories and promote her physical store through flyers. Altynshash’s complex story of working online and offline is discussed in the next chapter. However here it is important to look at her case as a representative of those less successful accounts that constitute a large share of Instagram stores and that fail to create life and thus trust online.

3.3 Informality and trust
Although liveliness and an active account contributes to trust building, what is more interesting is how it interacts with the issue of informality. Will the account be trusted even if legally it is not following the state laws on commerce and if there is no legal guarantee to a product and no receipt? According to Yevgeniya, in the beginning of her trading activity she had issues with clients not trusting her. “I had to send my ID number, documents of individual entrepreneur, receipt.” Customers wanted to be somehow protected and asked for all of the possible information there is. It is clear that informal nature of Instagram trade evokes fear and negative attitudes in customers, who do not feel that they can fully trust an Instagram account selling clothing. Although she does not have a physical store, Yevgeniya registered her business and pays taxes. “It is better for me, I did it just in case. What if there are some jealous people that will set me up?” Now, Yevgeniya assures me that there are no cases with customers not trusting her. “They see that my page is ‘alive’ and has reviews by other customers. Even if I did not have any documents right now, people would have trusted me because of my Instagram page.” Thus it seems that the trustworthiness of an account can be built up online and if successful it even outweighs legal norms.

Fazilat is registered as individual entrepreneur but the stores she is collaborating with give receipts. Everything is stated in the agreement with partnering stores that sell Fazilat’s goods. In Fazilat’s case, the trust can be tested on the guarantees she provides as they are “personal.” “I work with craftspeople from Russia, Ukraine and they cannot give a guarantee. They just tell me it will be okay.” Thus, she passes on this verbal guarantee to her clients. That is also a reason why she manages her Instagram page in order to be able to give personal guarantees. Although her business is registered, Fazilat does not have any written official guarantees she can give to her clients. This form of initial trust then forms into a reputation of a trustworthy person or a store. After receiving the verbal guarantee, people tend to come back to Fazilat and recommend her as a person with whom it is good to have deals. “Reputation is very important and costs a lot, especially online everything spreads very fast,” — Fazilat states. Yevgeniya also pointed out the power of loyal
clients and reputation. “After one satisfied customer I get 10 more — one’s friends and relatives.” Thus, being trustworthy largely contributes to seller’s future income and considering the anonymous nature of online world is highly important for a store.

Fazilat frequently takes orders from different cities in Kazakhstan. In this case, the transaction of money is electronic. Customers need to send the whole sum to her card and then depending on the delivery type it can take 1-3 days or up to a week. Fazilat sends her card number and users either transfer money from their cards electronically or use cash transactions. Therefore, a customer has to have trust in sellers because they are receiving goods much later. “I send additional photos, videos and if customer says in reality it looks different or the quality is not satisfying — I simply return the money.” However the possibility to return a product is not mentioned anywhere prior to the transaction. It is connected to the fear that many will then use this opportunity. But if there is going to be a conflict, Fazilat prefers to avoid it. Thus, there are no negative reviews on her page. She proudly says that there were no cases when a person refused to order her products because of the need to pay beforehand.

Bakhyt also had issues with clients not trusting her. “Some of them asked me for a receipt when they paid for a dress reservation.” Interestingly, she mentioned that no similar agencies provide receipts. For Bakhyt, officially registering a business is not compulsory now. “I have only 40 dresses. When I feel that I want to widen my business, I will register it. I plan to continue my education and work according to my profession.” Bakhyt plans to keep this business as a hobby. She asks for customers IDs in order to secure herself from theft. “They are also concerned with national ID as if I could take a loan on their behalf and commit a fraud.” In this case she could not take any other document because she had to be protected herself. “They take a dress that is worth around 80,000 tenge for 8,000 tenge. I want a document that has some sort of power.” Thus, in Bakhyt’s business it is important for client to trust her as they not only pay money but also give her a document.
Interestingly, the issue of trust is not only one of customers not trusting an online seller, but a store owner having issues with trust towards clients. Thus Meruert interpreted the trust question otherwise, and raised the issue of an owner’s trust in clients. She used to set aside clothing for people that promised to buy it and kept it for several weeks. However Meruert lost the trust in clients and now there are no such options. “I only set aside clothing for the customers I know for a long time.” And the concern of not trusting one's clients is not made up. While I interviewed Bakhyt she stated that if one of the dresses to be stolen she would post a photograph from a document instead of reporting to police. “I think this way is more effective” — she said. Unfortunately, several months after our interview, one of her dresses was stolen by a customer. Interestingly Bakhyt did post a photograph the customer’s ID, and then deleted it when the question was resolved.

Some participants perceive their Instagram stores as formal, while others do not. Prices that are declared within the post signal that they are fixed. Fazilat puts the price of her bags in her posts and is quite emotional about other accounts not using the same strategy. “I think it is not convenient for customers to write on WhatsApp or direct to the store just to know the price. Many stores do that! Why? You are a store!” Thus Fazilat perceives Instagram shops as formal stores that are supposed to have fixed prices and follow legal formalities. However, this view is not shared by everyone on Instagram. Some Instagram traders like to message prices through direct messaging, which certainly allows sellers to be flexible with prices just as at informal bazaars and even fashion fairs (this notion is discussed in chapter 4).

### 3.4 Self-brands and other trust-building techniques

An alive, active account with original photographs is not the only way to build trust online. As I have stated previously based on the examples of Fazilat and Yevgeniya, personal reputation that is created by trust and is based on previous experience plays a major role in Instagram trade. Not only can one customer become a loyal client who makes several purchases, but word of mouth
spreads through this person’s recommendation. Sellers cooperate with popular figures in order to use this tool on a large scale — bloggers. Bloggers create content on social media and usually focus on one or several topics. However, I define bloggers here as any popular figure on Instagram. Some bloggers have a specific price for the mention of an account and some cooperate for free products. Thus, Fazilat named cooperation with bloggers as her main promoting element. Usually she pays them, but once a singer worked in exchange for the bag. “She wrote me myself and had around 400,000 followers. She took a picture with a bag and I received around 700 followers. It was worth it.” In this case, the trust that the singer’s followers had towards her transferred to the product she was featuring. Amina also works with bloggers to promote her Instagram, however she is concerned with their reputations. “Now that I think my brand is becoming famous I carefully choose the people I cooperate with, and many of them started buying my accessories. I send products to big Kazakhstani stars and now I even think the time when western starts will wear my accessories is not far away.” Kazakhstani actors and singers have a large following and authority, so their recommendation makes people trust a brand they personally recommend. In some cases, stars do not write a recommendation — they simply tag it on the picture. They can also transfer their attitude nonverbally using smiles and emotions on the picture as well as emojis in the text.

Another way to create trust on Instagram is by using the Instagram live function. It allows users to stream videos on Instagram and users can leave comments, it also stays for 24 hours. This feature was added in 2017. Mereurt shared that she uses Instagram live whenever she is bored. “I give advices about makeup and answer questions. Many people ask me how I started a business and I share”. This happened one evening and I came across it. It lasted around an hour and followers left positive comments regarding her own personality and style. Clearly, for them, Meruert herself became a public figure similar to the bloggers that Fazilat and Amina cooperate with. They trust Meruert’s personal choice because they were able to identify her store with her and got to know her better as a person. Although Meruert largely posts photographs from the internet, her profile is
“living” in the sense that they know who replies to them and she is always present on Instagram stories (a post that appears on a different timeline and contains images, texts, videos that disappear within 24 hours). Using the new “live” feature allows her to literally breathe life into her account. She is there to talk to followers about cosmetics, her boyfriend or her business even at night just as a normal living human being would be. Meruert’s business account is embodied by her personality — a kind of an avatar, but in a form of a store. Interestingly, Meruert’s store personalization can be viewed as a part of overall pattern of capitalism. As Manning and Gershon (2013) articulate based on the example of studio Ghibli and its animator Hayao Miyazaki, the trend of representing large corporate brand with a single figure — the embodiment of a company. The author states that further such symbols as brand mascots can animate brand image. Thus, Meruert became a human symbol of her brand in the same way that Hayao Miyazaki became a human symbol for Studio Ghibli. Gershon (2014) as well compares creating a social media profile with the process of creating animation. According to Gershon, self-branding implies creating the best version of oneself online.

Not only can a person embody a company, but a set of skills can also identify with a company. Fazilat herself also became a part of a brand she sells. As I mentioned in chapter 2, the set of skills sellers acquire can itself become “a thing” that can be sold. While a worker is perceived as a bundle of skills, they also become one with the company according to Urciuoli (2008). Similarly Gershon (2014) introduces the term of “corporate personhood” reflecting the notion of a person’s transformation by corporations, simply speaking, appearing hireable (having the needed skills) in new media. Thus Fazilat’s appearance as trustworthy, friendly and polite cannot be separated from the brand she attempts to sell. Because, interestingly enough, while workers attempt to appear hirable according to Gershon (2014), they also sell themselves as a brand. I argue that sellers like Fazilat also sell themselves to customers together with a brand. It’s both her skills and the embodiment of herself as a brand that allows successful sales. As Urciuoli (2008) points out, “workers become not just producers but embodiments of their companies” (p. 213). This notion is
reinforced due to the entrepreneurial nature of the work as most of the time, business owners are
single workers. They themselves identify with the business and thus with work they do and the
skills they develop. Thus sellers, can be said to embody their shops through their skills especially
those as communication.

Apart from associating a brand with a single figure, one owner can create several brands that
are aimed at a different audience. Dilshat has two stores — a store with office clothing and bigger
sizes for women, and another one with more trendy clothing for teenagers. Both of them have
Instagram accounts and the owner manages to create and animate separate brands. Taylor (2018) in
her research on pen names of Canadian and American romance writers states that a single author is
able to create several animated selves similar to a company with multiple brands. The example of
Nora Roberts — a romance writer who started writing thrillers under the male pen name J. D. Robb
— shows that creating another brand serves the purpose of separating the products and attracting
new audiences. Similarly, Dilshat is animating both accounts with different names and goods to
reach more customers.

Thus, a crucial element in online trust building is whether or not the account is living to be
trusted. The life is created by phatic labour: the frequency of posts, texts, photographs and
communications. Informality does play a role until the moment when the account can serve as its
own guarantee. If its active and is filled with “alive” followers, that appear in the form of reviews
and pictures the question of formal registration, taxes and receipts is not relevant anymore. In the
next chapter I unfold the different modalities and co-existences of both online and offline and how
the coherence and continuity supplements stores’ attractiveness and trustworthiness.
Chapter 4

Communication with an offline world

Just as shop owners create trust using the tools available on Instagram, they also enhance it through presence in the offline world. This gives customers an opportunity to touch the product or even to experience the online store offline, to transfer the online communication to offline or, sometimes even to invite someone to their online versions. This chapter aims at discovering those transfers back and forth, between online and offline, and the modalities of their existence. Here, I present observations of fashion fairs and focus on the offline communications during the fairs as well as suggest Instagram’s role as its continuation or a tool for a second contact with a customer. Consequently, Instagram can be considered to be an element of phaticity (Elyachar, 2010), since it allows regular contact with customers. Then, the chapter explores the importance of the location of a physical store. Based on observations and interviews at business centers, roofed bazaars and shopping centers I analyze how location influences branding and trust. Although some stores have managed to create a feeling of continuity between both of their versions, some strike a balance between the two. One of the ways that continuity is created is through communication. The chapter also observes the phenomenon of multichannel communication used by shop owners and their usage of WhatsApp and Instagram combination. WhatsApp, in this duo, serves as a platform for more personal types of communications.

Instagram exists not only online but also offline. This notion can be largely observed at the local shopping fairs or in physical stores where customers are offered to follow their page to see updates. Thus Instagram does not exist separately somewhere on the internet. It is closely connected with offline communications. Although some Instagram stores correspond to their physical versions, some create a feeling of the existence of two different shops. In this chapter I explore several dimensions in which physical and online stores interact and attempt to shine a light on the space in between the two.
4.1 Fair as an offline Instagram presentation

A fashion fair is a temporary market that operates during the weekend and is usually located in a shopping center. Every participant has its own space — a table or a rack — to showcase the goods. There is a temporarily created fitting room that is shared by all the participating stores. Customers purchase goods on the spot and do not receive any payment receipts.

The prestige and the media coverage of such fairs differs dramatically depending on the goods that are being sold and who the organizers are.

High-end fairs are located in big shopping centers such as the newly-built Mega Silk Way or Keruen. Kazakhstani designers have an opportunity to showcase their clothing lines and occasionally they organize a runway show or a series of master classes for women. There are also smaller fairs that offer handmade products, jewelry, pottery, accessories, soap, and less clothing. This type of fairs tends to be more affordable, with cheaper prices. They are usually hosted in shopping centers such as Astana Mall, Keruen City, or Sary Arka that have a variety of affordable shops and generally are less crowded. However, Keruen shopping center has hosted such fairs as well, although they seem to be less advertised. Fairs can be organized to raise money for a good cause, or can be attached to a celebration or event. Thus, while working for a charity foundation, I participated in a fair that was organized by the United Nations Women organization. Primarily cheaper products were sold at the fair. Visitors to the shopping center passed by and stopped to pick an interesting handmade piece or an accessory. Although the charity foundation had a greater variety of goods, we decided to sell only affordable, non-clothing goods. However for the purpose of this research I observe only those fairs that sell primarily clothing (4.1).
My first encounter with a local fashion fair happened a few years ago, when I was working at the charity foundation that sponsored a social entrepreneurship project. My job at the fair was to sell clothing produced by socially vulnerable people. The fair was hosted by a high-end restaurant in its ballroom. Designers and craftspeople from different cities in Kazakhstan attended it. From the atelier that was next to us, I heard that shops paid organizers for participation. The first day we hardly sold anything. People passed by and occasionally went through the racks. The next day I printed out photographs of clothes on people. The trade went a lot better. People attracted by the images started asking questions about the project. Some wanted to customize a certain piece to make it longer and my colleague used a printed photo as a business card simply writing a phone number on it. Later a group of teenagers showed up and got interested. However, they admitted that had no money just then. They asked if there was an Instagram account for this project and I wrote it for them on a photograph as well. It was the first fair the project was invited to. It turned out that we were not prepared well for it. Assuming that people buy clothing right on the spot, we did not think of printing business cards and moreover to put our Instagram account’s name on it. This happened several years ago when the Instagram trade trend did not appear to be that obvious to me.

I attended another one of the fashion fairs while conducting participant observation for this project. I noticed that the situation has changed. Further, I have merged my observations from several fashion fairs as I see no particular differences in the way Instagram is used by shop owners. As I demographically fit into the target audience of the majority of the stores present at the fair, sales persons were eager to answer my questions regarding their clothes. Interestingly, in the end, I had business cards of every store I talked to. And all of them had Instagram and a phone number on it (4.2). Occasionally there was also an email or a VK page, but the overall trend points to the popularity of Instagram at fashion fairs. Sales persons often referred to the
store’s Instagram page to resolve an issue. Similarly to my own experience as a seller, they offered different colors that were available for shipping from Almaty or a possibility to customize a clothing piece if you dm them (*napishite v direct* - “write us using direct messaging”). Instagram seemed to be a continuation of their store or rather as a legitimate store that is only partially presented at the fair and more fully on Instagram. Thus, the fairs offer opportunities to try things on and if one is satisfied with the general store quality and style, one is invited to further explore the greater variety online. Gu and Tayi in their study conducted very recently (2017) call this notion pseudo-showrooming. Consumers tend to first experience goods of an online shop in its physical store and only make a purchasing decision after viewing a larger range of products placed online. According to a survey of customers (Gu & Tayi, 2017) not only do customers use pseudo-showrooming to buy products later, actually 72% of consumers agreed that it helped them to understand a brand and its product line better. Thus, showrooms and any kind of offline store representation substantially contributes to the brand image as well.

Interestingly, some brands prefer to not have price tags on them during the fairs, which is probably due to less fixed prices. I experienced this myself when the head of the social entrepreneurship project told us to sell goods at a higher price as it is a high-end fashion fair. However, one of the neighboring brands actually lowered their prices the next day to increase sales. Other stores had their prices crossed out and replaced by lower ones. Thus, there is a common practice to change prices for the fashion fair.

Not all of the Instagram store owners participate in fairs. Shops that import their goods or sell goods that are not handmade usually do not showcase their products. Those who participate defined two main ways the fairs are used for their businesses: as a form of advertisement, and as a market to sell goods. For Fazilat, participation at the fair is one of the ways she promotes her business. She talked about the fairs when asked how she advertises her shop. For Amina a fashion fair is an important event. According to her, it is an
opportunity to sell her products right on the spot. Amina attends fairs in different cities but primarily in Astana and Almaty. “I never miss a fair like this, especially because I was selling my goods myself until recently.” For her, it is equally as important to be attractive offline as it is online. She admits that it was difficult for her to find an assistant to work during the fairs as a sales person needs to have high communication skills and a sense of style. Communication in this case is viewed as part of the self in a neoliberal sense (Urciouli, 2008), because sales person is viewed as a bundle of skills. However, at the same time the purpose of having a skill is to create regular phatic contacts with customers (Elyachar’s, 2010).

“I have found two girls recently, that work exclusively during the fairs. I am testing them out right now,” Amina said as I was interviewing her at a coffee shop at the shopping center during the fashion fair. “We give customers business cards. For me, it’s important that customers follow us. Maybe later they will decide to buy something else.” Thus, Instagram during the fairs is used almost as client database as it allows vendors to stay in touch with customers and increases the chance of a second purchase.

4.2 Location matters not — populating the unpopular

Fashion fairs are organized in crowded spaces. The logic is simple the more people see it, the higher the chance to sell it. Interestingly, Instagram stores largely do not follow this rule. As a number of researchers point out summarized by Turhan et al. (2013) point out, the right store location attracts customers, increases sales and serves as a long-term investment that results in profitability. Thus, the decision about a store’s location is important mainly in economic sense as it affects consumers’ buying behavior.

However, the majority of Instagram shops have physical stores that are located in small shopping centers, big roofed bazaars, apartments or even office buildings. Amina found an interesting solution to the question of the location of a physical store — she has turned one of the rooms in her own apartment into a store. Amina designed everything so that it looks like a luxury
store. “When customers first come they are surprised to see my little boutique that is hidden inside of the apartment. They even say that it looks like an expensive store from the inside.” As Amina sells designer clothes and also designs the products herself, the price for the goods she sells are above average. For her it is important to keep things convenient but at the same time to maintain the status of the brands she sells. Amina also emphasized that because it is located at the apartment only those who are intending to buy products are allowed in. This also creates a feeling of exclusiveness, so she is not preoccupied with the increase of traffic at her store by changing the location. However it is still an issue for other Instagram shops that aim at attracting more customers.

In choosing small shopping centers or office buildings Instagram shops are limited in terms of the number of people that pass by and have the intention to shop. Thus the main source of consumer traffic becomes Instagram. That is also a reason why many stores have their Instagram profile’s name as a brand (4.3). Aisulu and her sister did not put up a sign on their store yet, however they decided to use their Instagram account for the name, keeping the dashes and dots. As Aisulu explains, “People already know us by our Instagram account. I personally want our boutique to have a fancier name. But my sister said we will confuse our clients and lose them”. She also mentioned that it is crucial for them as customers at the shopping center are rare. “There are only four to five people passing by a day. You know, it is not Artyom or Mega.” The majority of the customers that visit their boutique come from Instagram. Although Meruert has a relatively bigger boutique, she still considers her business to be an online shop. Her attitude towards location is similar to Aisulu’s experience. “We are not located in Mega. Our store is rather small.

4 Artyom — a big roofed bazaar, Mega — a big new shopping center
Although it is located near the left and right banks of the city, 200 people do not pass by a day. People come from our Instagram and only 5-6 people are those who were walking by.” The way her store operates determines its cohesion. Customers look at clothing on Instagram, decide if its style is suitable for them and then come to a physical store. “I do it myself. It is very comfortable. You look at it, you come and if you eventually like it, you buy it.”

Similar to personal representation online, when according to Gershon (2014), “the author of the profile is widely regarded as the offline person with an offline name and appearance that resembles the profile's name and photographic appearance,” the physical stores transfer online. However, what is even more intriguing is the fact that this process is reversible. Physical stores can be regarded as offline representations of online Instagram shops with similar customer service, products available, and even profile’s name. In just the same way, Aisulu and Meruert started from Instagram stores that opened its physical versions — a showroom, a place where customers can feel and experience the products. Thus according to Gu and Tayi (2017) they united dual channels and created an omni-channel. This strategy implies that several channels of sale have similar products, however one of them — usually online — has additional exclusive products. Pseudo-showrooming allows to increase sales as customer has greater variety online but at the same time can experience similar goods. However the difference between Gu and Tayi’s study and Instagram shops in Kazakhstan is not only in the different use of omni-channels, especially in the usage of storage space. For online web stores, their showrooms are purely used to showcase some of their products, for Instagram showrooms, their physical store usually displays all of the available products. Thus, it also has a function of a storage space.

Dilshat’s boutiques faces similar issues with low customer traffic due to the store’s location. She owns two separate boutiques with different clothing styles and has separate Instagram pages for both of them. Her boutiques are located in office buildings neighboring other boutiques. It is quite common to have the first several floors of a building rented by shops, and have the top floors be
given to companies as actual offices. Dilshat has started her business from opening a physical store first. The business is five years old, and Instagram, three. “We opened it as soon as we understood that it is trending” — she says. According to her, it is affordable or even free of charge. Dilshat uses her Instagram to attract customers to the boutique that otherwise can be left unnoticed by rare visitors. Interestingly, many other neighboring shops were closed, but had a phone number and Instagram account attached to the door (4.4). I have encountered posts on Instagram shop’s accounts saying that tomorrow the boutique will be open from 4 pm to 8 pm because of the personal reasons of the shop owner. Thus it can evidence that a physical store like that operates through Instagram. Customers come from Instagram, and if they are notified, probably not many of the potential customers will complain.

This situation is different at the more crowded roofed bazaars such as Artyom. The stores there are more likely to be open during working hours. Although not every boutique has an Instagram profile, many of them do. While Instagram stores are an extension of bazaar culture online, some of them indeed are usually perceived as one (both physical and online store). However there are several factors that influence this perception like the store owner, their communication style, and the type of goods. Some boutiques at roofed bazaars that have an Instagram account tend to create a feeling of two separate stores as their Instagram account and physical store are often managed by different people and their audience is different as well. While Instagram stores are extensions of bazaar culture it does not necessarily mean that physical and online stores are identical.

4.3 Maintaining one and two stores
Depending on the viewing capacity of the space and the cohesiveness of the stores in terms of its style and communications offline and online stores, can be perceived as one store or two separate entities. In the case when customers primarily come from Instagram their physical and Instagram store are actually perceived as one. This can be evidenced by the way physical stores are presented in the public space.

Another factor that contributes to the store’s cohesion is the match of expectations and reality. Although this can be best answered by customers, shop owners think about this issue too. As Meruert mentioned, one of the best types of reviews she gets are that customers are satisfied with the quality of the products. “When they write me that the skirt looks even better in reality than on Instagram, I am very happy.” Unsatisfied customers no doubt feel tricked by Instagram if their expectations and reality do not correspond. This has happened to me as well. After following a coffeeshop for a while I was tricked into believing it is a cozy place with delicious milkshakes and food, probably located in a very modern space. When I arrived, it was nothing like this. It was difficult to access, the sign was rather dull and hard to find, and the milkshake didn’t seem sweet and delicious at all. The dissatisfaction made me unfollow this profile and taught me a lesson of researching the place or shop first. I imagine situations like this possibly occurred with the participants and many other Instagram shops, but are not pleasant to admit. The way Meruert and other participants deal with negative customers generally is to return the money or substitute the goods. The inaccessibility of a store can be balanced or even outweighed by a pleasant quality and reasonable prices. Thus, the image of an online shop with a coherent physical store is maintained. Appearing coherent is an important feature for new media. According to Gershon’s research conducted in 2014 on self-branding, a person faces a challenge to maintain their representations across several media platforms or as the author calls it “orchestrating a single self-representation.”

For Amina, what creates integrity between her physical and online store is her communication style. “I like to talk to customers as if we were friends.” She uses emoij and a
friendly style on her Instagram, and assured me that it is the way she talks to people offline as well. “Customers can even see where I take mirror looks for my Instagram. I take them in my boutique.”

According to Moes and Vliet (2017), photographs of a physical store in the online shop can give the experience of a physical store, although the authors note its media richness to be lower than that of a 360-degree photographs. However, Instagram shops also use the stories function that allows them to stream videos from their store. One of the shop owners from Almaty that I met at a fashion fair told me that she uses Instagram stories and Instagram live to show customers products. Instagram live translations allow the real-time interactions with customers. They can ask to look around the store or stop on the details of a product. Amina also actively uses those functions. The sense of continuity she creates with her communication style and the experience of a physical store through photographs and stories contributes to the perception of her Instagram and her physical boutique as one.

Some stores, especially those that are located in bazaars seem to constitute several separate stores. Although at times it seems that online and offline is rather integrated through the content (goods), shop owner or otherwise it is important not to blend them completely. As Boellstorff notes in his study of the virtual world of Second Life (2008) concerning “forms of imbrication”— when offline issues transfer to online world — there is “a confusion in the literature on virtual worlds because of the assumption that such traffic blurs or even erases the gap between the virtual and actual, rather than working to define and sustain that gap” (p. 200). Thus, I attempt at identify the difference, the space in-between the two realms of what seems to be one store.

There are two sets of customers a store has that usually do not intersect and thus there are two embodiments of a shop — a physical and online. While searching for participants for this research, I went to roofed bazaars. Passing through small boutiques, I asked if I can find them on Instagram. Many of the small shops replied negatively. Just like during the fairs, some offered me a business card. Probably they had been asked this question before since the majority of business
cards had only Instagram and a phone number, similarly to those of local designers at fashion fairs. If customers generally liked the style and were satisfied with the quality and price by following Instagram page, they can see the new arrivals or come later when specific sizes are available. In this regard, a physical shop nicely integrates with its Instagram version. However, in a situation when a customer does not ask for it, there is a possibility of not being aware of this opportunity.

So there are this two stores that under certain circumstances become one, but can easily exist separately. Some of the shops seem to be very distant from their Instagram profiles. When I attempted to ask more questions about Instagram profile, the typical answer was that the sales person does not know anything about it. It is either managed by the hozyaika (a shop owner) or what is even more surprising, sometimes the sales person only knows that it exists. In some cases, the hozyaika was not even living in Astana, she was managing the Instagram store from Almaty and a sales person was managing the physical store. However there are many cases when both the physical and online stores are managed by a single person and yet the stores still seem to be separate.

Altynshash is an example of this phenomenon. She is a senior college student who opened a boutique in a roofed bazaar. After two months she opened an Instagram page for her store. “I have understood that many people use Instagram. Income increases and I lose nothing”. She does not use any advertising for her shop, but gives a business card to her customers. The business card has her Instagram profile written on it. “People give it to their friends and acquaintances — that is my advertising.” Thus Instagram for Altynshash is a tool as it showcases the goods she sells and that tool is used in a word-of-mouth recommendations. Unlike those boutiques located in the less populated areas, her store sees a variety of customers that come to the bazaar for shopping. So, the majority of her clients come from this crowd of customers, although it is true primarily for the weekends. During working days, Altynshash enjoys her own company. Her boutique and Instagram created a very interesting interplay. For some of the customers, her store is similar to those online
stores described above (Meruert’s or Aisulu’s for example) as there are customers that follow her Instagram page then decide to purchase something it and come to the boutique. However, Altynshash also delivers bags. Thus, she has customers that never visited her physical store. She makes deliveries of bags during the work days and hours. But during the weekends, her boutique is perceived as a simple boutique in the roofed bazaar. It is important to note that the boutique does not have a sign — only a number, instead of a name. “Instagram vytaskivaet (pulls out). There is a difference between having an Instagram or not having one.” Thus, maintaining her boutique and adding an Instagram store with delivery practically saves her business that otherwise would bring a lot less revenue especially during the less crowded times and days. For the range of customers that can encounter several of her store’s embodiments (ordering bags on Instagram, visiting physical store) I argue the experience can be similar to the one described by Pierce and Artemsia (2009) regarding virtual worlds: “Players who had met each other real life were able to hold multiple conceptions of each other’s identities in their minds, encapsulating the personas as expressed in both the “real-life avie” 5 - (5 an avatar )as well as the avatar in virtual space” (p. 23). If it is possible to perceive multiple identities in virtual worlds it can to some degree be applied to the online and offline versions of a single store as well.

Thus, Instagram in some cases is a platform that integrates with a physical store and in other cases it is maintained as a separate store that has even different working hours. Overall, for all of the participants with both physical and online shops it is an important market for sales, although Instagram is not the only tool used by shop owners in this regard. Instant messaging applications create a combination with Instagram that is widely spread and allows shop owners to make their communications thicker.

4.4 Synergy of applications

The way Instagram stores operate according to the participants in this study, assumes that Instagram has all of the necessary functions to maintain communications with customers. Not only
does Instagram offer a comments section under each post, but also direct messaging. This secures messages as they are visible only to those involved in the conversation. Instagram made direct messaging even more functional by adding a button under each post that allows a user to send it immediately to any account. There is also a special “write” button in the stories and in the accounts profile. However shop owners and customers prefer to use WhatsApp. This is an application that allows users to send text, images, videos and voice messages to the people in their contact list. As long as someone has their phone number, they can send a message to a contact. This produces a more personal connection than direct messaging on Instagram.

WhatsApp is used by all of the participants for communication with customers. Bakhyt describes the process: “At first they write me in comments and I ask them to write me on WhatsApp or direct message.” Fazilat states that direct messaging is not convenient for her, so in the description of the store profile it is written that “We do not read direct, we do not see your comments”. And she argues that it is true when there are too many comments and messages some just are not appearing. Yevgeniya also prefers WhatsApp to direct messaging as well as her clients. She uses it not only for communication but to navigate while she delivers goods. It is convenient for her to take screen shots of the addresses for delivery. She also likes to see the history of her chat with a certain client. She spends time consulting clients first. This includes sending additional pictures or sometimes even videos. “Sometimes I take an additional picture if a customer wants to see a detail of the product and I did not post it.” Instagram direct messaging also has a limitation — a person following an account, but not mutually followed back, can send a direct message. But, thatone’s message will be left in a form of a request. After the recipient views the message, they can decide to allow the conversation and reply, view it and ignore. Interestingly the sender is sometimes left not even knowing if the recipient has read the message or just preferred to ignore it.

Fazilat also uses a special link that redirects a users from Instagram to WhatsApp without having to save the number. This function is especially popular with Instagram stores. Some shops
even add a number to a list to receive notifications from a store. While I was in the process of recruiting participants. I attempted to write one of the stores on WhatsApp using this kind of link. My message was ignored, however, I kept receiving special announcements from the store. There is a similar function with direct messaging on Instagram that allows users to send messages to groups, however in this case all of the participants can engage in the conversation. This is another function that direct messaging lacks: the ability to send one message to several contacts simultaneously but individually at the same time.

The individuality of the message is enhanced on WhatsApp as in order to start a conversation on this application, users are supposed to have, prior knowledge of one another. The communications I had with store owners while recruiting them via Instagram resemble those a customer has with a store. After writing them on direct messaging and introducing myself, we naturally exchanged numbers. After that we messaged each other on WhatsApp and it did indeed feel as if these people were closer now than those on Instagram direct messaging. We discussed details of the interview on WhatsApp and without the need for calls or confirming the meeting, we were able to actually meet. Thus WhatsApp substituted for calls. The application creates a feeling of something that is more offline than Instagram is. The only situation when I was about to call was when my interviewee and I could not find one another at the place where we agreed to meet. Interestingly those conversations in direct messaging that did not transfer to WhatsApp resulted in no meetings and thus no interviews were conducted. The shop owners felt more or less comfortable to ignore my messages on Instagram, in contrast with WhatsApp. Thus, WhatsApp is used by the majority of Instagram stores due to its functionality and the ability to create a more close and trustworthy interaction. The online and offline worlds meet each other and create an interesting combination of a world that can be reflected on the example of Instagram stores. Overall it is indeed the reality we live in, the natural flow of things, where online stores move offline, and offline boutiques rapidly transfer to Instagram. Offline stores are located in apartments, small shopping
centers, office buildings, roofed bazaars, while their Instagram versions co-exist in one dimension online.

Fashion fairs and small boutiques use Instagram to create clients databases, to ensure multiple purchases, to attract more customers and serves the needs of clients for pseudo-showrooming. Instagram in the physical world is embodied in a form of a business card or a boutique’s name. Some physical and online stores seem to be separated as they are managed by different people or the customers of those stores do not overlap. On the other hand, other stores are nicely integrated with their Instagram profiles by the general continuity of the clothing style, communications and an experience of a physical store through photographs and stories.
Chapter 5. Conclusion

Instagram trade is a part of Kazakhstan’s electronic commerce and simultaneously is an extension of bazaar culture. Online stores transfer to the physical realm and physical stores to online. This study looked at the different modalities of such trade as some physical and online stores form a continuation of one another, while others are managed and perceived as different entities. As this study involves several scholarly fields and is located at the intersection of trade, digital culture and regional studies, there are lessons that can be learned for every sphere.

This study challenges the notion of bazaars being static and backward as they are perceived in the literature according to Özcan (2016) and Karrar (2016), as boutiques located at roofed bazaars transfer their stores online and learn new technology in order to increase their sales. They thus become a part of electronic commerce, which is perceived in scholarship as a new and advanced type of business (Daniel et al., 2002, Srinivasan et al., 2002, Zolait et al., 2012, Sin et al., 2016). Stores that originate from Instagram also do not exactly fit into the perception of electronic commerce as some sellers tend to avoid registration (before they acknowledge their activity as business), do not give receipts, and thus contribute to the informal economy. Additionally online stores typically open their physical showrooms at roofed bazaars and contribute to the traditional bazaar culture.

Because Instagram stores are located at the intersection of electronic and traditional trade, they created unique ways of creating and managing trust. In addition to creating a personal relationship with client, Instagram traders need to keep their accounts alive (keeping the page active with customer engagement and creation of a self-brand), create a continuation between online and physical representations of a store. The contact that traders create by using tools provided by the Instagram platform allow them to form relationships with clients that do not necessarily lead to
purchasing right away, so it constitutes phatic labor (Elyachar, 2010). Regular contacts through posts, comments, messages, photographs and online translations animate a profile and create the impression of animatedness (Ngai, 2005). Consequently, the animatedness that was caused by phatic labour creates trust to a profile. The proof of having these relationships are photographs, for instance, that can be referred to as “phatic traces” (Nozawa, 2015). Overall, the case of Kazakhstan’s Instagram trade follows the trend of small and medium enterprises in developing markets adopting electronic commerce through social media (Kaplan & Haenlin, 2010; Kavisekera & Abeysekera, 2016; Ackaradejruangsri, 2015). Social media comes to serve as a marketplace itself, as it allows vendors to present goods, find customers and sell them.

As bazaars in the region are dominated by female sellers due to the shuttle trading phenomenon of the 1990s (Özcan, 2016) and Soviet societal expectations that trade is for women (Mukhina, 2009), contemporary Instagram trade is also gender-disproportionate and they share similar experiences. Family members of bazaar traders are involved in business (Özcan, 2016 & Werner, 2004), and similar examples are present in 4 out of 10 stories in this study. As in the 1990s women were able to sustain their families; some of the women trading on Instagram also refer to that reason for starting their business. However, all of the participants simultaneously perceive Instagram trade as business and a vocation. Interestingly, 2 out of 10 participants are shuttle-traders as they travel to purchase goods for sale. Others order them from suppliers in Almaty, China, Russia, Korea and Ukraine.

Informality is another aspect that trust can be measured against. In Yevgeniya’s case the appearance of trustworthiness she created by the life in her account outweighed the need to send registration documents and receipts to clients. Formality becomes unnecessary if a profile is living and has alive followers. Interestingly, there is also the trust sellers have to customers. Meruert does not set aside clothes for clients as she does not trust them anymore and Bakhyt keeps national ID
cards in order to protect her dresses from robbery. Most of the business owners I interviewed were not registered in the beginning of their business but as soon as they opened a physical store and started perceiving it as business they did. Rumer (2005) argues that the shadow economy influenced people positively by letting them earn in order to survive. Similarly, informality in the case of Instagram trade can be a survival tool that allows women to earn money, sustain their families, and provide them with enjoyable work that they perceive as vocation.

Trade on Instagram has been present in Kazakhstan for several years now, while the official Instagram application has just recently introduced features that make Instagram more suited for sales such as sponsored (paid) posts in users’ feeds (even if they do not follow the account); editing features in the Instagram camera that allow users to easily add text, like pricing information, to photographs; and links that redirect to online stores. And trust is still an important issue in online trade according to Clemons et al. (2016). The concept of a living account that was introduced by participants themselves largely contributes to the creation of a trusting relationship with customers. As I draw on animation literature (Manning & Gershon, 2013 & Silvio, 2010) and a concept of animatedness by Ngai (2005), I argue that life on Instagram is created similarly to life in animation due to the multiple creators involved and the embodiment of a brand in a single figure. The seller’s self-brand is similar to Gershon’s (2014) corporate personhood that is then associated with an Instagram shop and so contributes to the feeling of life and thus to trust-building. The feeling of the regular communication that sellers create via their account animates it through account’s activeness. While in animated entertainment, such as cartoons, life is created through the voice and moving objects, on Instagram it is a combination of photograph, text, comments, reviews, number of likes and followers. However, photographs are a crucial part of the life equation of an Instagram profile simply because they cannot be thrown away. It is a part of the entertainment content of a profile that creates a story as in the case with Bakhyt’s dress-renting service. A picture of a dress becomes alive with additional attributes such as a girl with makeup and a hairdo, similar to Taiwanese cosplayers.
who are their characters only in a photograph when surrounded by a particular context (Silvio, 2010). Photographs that depict a story contribute to trust building through their role in creating life of an account.

Sellers who create a self-brand associated with an Instagram shop also play a significant role in the making of zho\textit{v}o\texti{ř} account. Gershon (2014) and Manning and Gershon (2013) argue that a single figure representing larger entity animates the brand. In the case of Instagram stores it is the seller who becomes the representation of a brand through communication with customers both online and offline. Communication is one of the skills that sellers learn to develop in the process of selling on Instagram. According to Urciuoli (2008), commodification of skills led to workers becoming the embodiments of companies (p. 213). Instagram traders become the embodiments of their stores due to the skills they acquire and thus contribute to the life-creation.

Stores that have physical and online locations create integrity through communication style, sellers self-branding and goods. I draw on Boellstorf’s (2008) position on defining the gap between online and offline worlds rather than just blurring them into one because of the transfer of offline events to online in virtual worlds. Similarly, offline Instagram accounts that transfer online do not simply become the same physical store but online. In fact physical and online representations do not just blend into one, but can be perceived as different stores. Just as virtual world players can perceive both the avatar and real-life person (Pierce and Artemsia, 2009), customers can to some degree experience both identities an offline and online. In some cases sellers create online versions and work hard to sustain the integrity. Offline stores are located at the apartments, small shopping centers, office buildings, roofed bazaars and embodied in a form of a business card or a boutique’s name, while their Instagram versions co-exist in one dimension online. Instagram shops participate in fashion fairs and open small boutiques in order to attract customers, to sustain the interaction and most importantly provide an opportunity for pseudo-showrooming (Gu and Tayi, 2017). Pseudo-
showrooming largely contributes to the trust building issue by representing a part of the available goods that customers can touch and try on.

This study contributes to several scholarly fields and simultaneously explores the in-between space of online and offline trade, and the complex ways trust and life is created. As the literature review pointed out at certain factors that affect trust online such as the presence of an offline store, an innovative website, the brand co-creating communities, and the quality of relationships with consumers, were put into a concept of life online by study participants. Whether or not an account lives its life creates trust in the Internet-mediated trade.

If during the transition period of the 1990s bazaars were considered to be a part of survival, in contemporary Kazakhstan owning a bazaar is “easy money that feeds off the traders without any need for technological innovations, new development, or sophisticated business planning” (Spector, 2008, p. 47). However, this notion of bazaars not requiring new development and technology is not relevant anymore. According to the research I conducted participants use social media for trade. This way they not only implement new developments, but they also learn new skills in marketing, photography and communications. For many participants trade on Instagram served as a survival instrument similar to the trade experience of women after the collapse of Soviet Union. However, the difference is in the perception of this work as a hobby.

According to Özcan (2016), entrepreneurship in Central Asia started during the late Soviet period and developed in three waves. According to her, the first wave started in the 1980s when “foodstuffs” were sold at the kolkhoz markets and consumer goods, through “unofficial markets.” The second wave consisted of professionals and “former nomenclature members” (party elite in Soviet Union) in the 1990s. The third wave was composed of young entrepreneurs that occupied emerging sectors as media, information technologies and advertising. Trade on social media then represents the fourth wave of entrepreneurship in the region and forms the next step in the
economic transition. Trade on social media belongs to the larger trend of electronic commerce development in the region. As customers learn to trust Instagram traders they can develop overall trust with regard to online trade and other offline activities.

Thus social media trade is more than just a tool for trade, it is an independent marketplace on its own, where traders and customers meet. Instagram trade in Kazakhstan is not simply a new, advanced type of business, but also a part of the economic transition processes and a part of the region’s bazaar culture.
References


