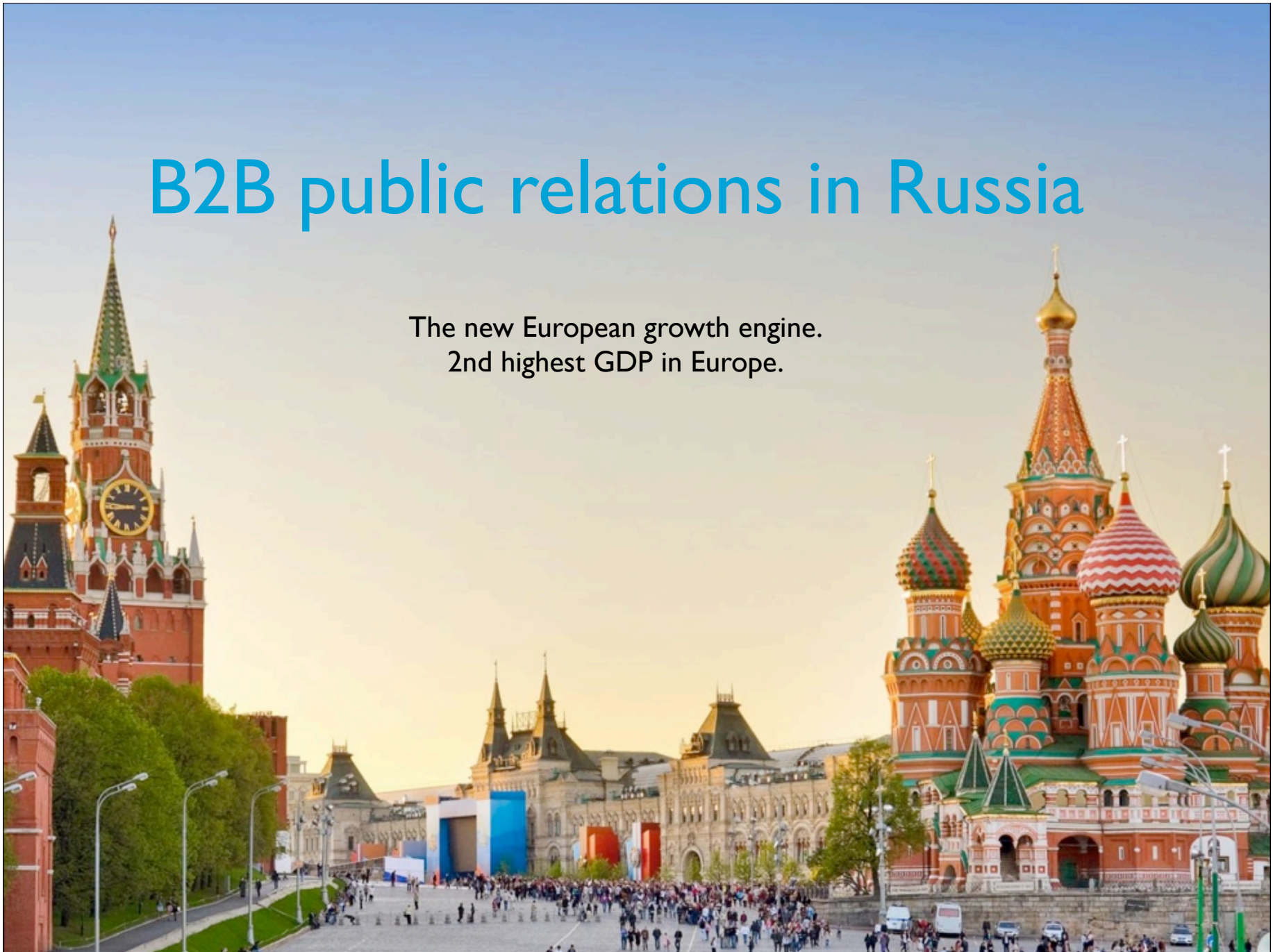


# B2B public relations in Russia

The new European growth engine.  
2nd highest GDP in Europe.



# In figures

Population: 143M

Russian speakers: 200M+

Online population: 64 M (2013). 78% users log on to the Internet every day.

Estimate 2014: 80M (71%)

Mobile apps users: 25M

Time spent online: 21,7h/month

76 % use social media

Time spent in social media: 9.8h/month (Nr 1 worldwide)

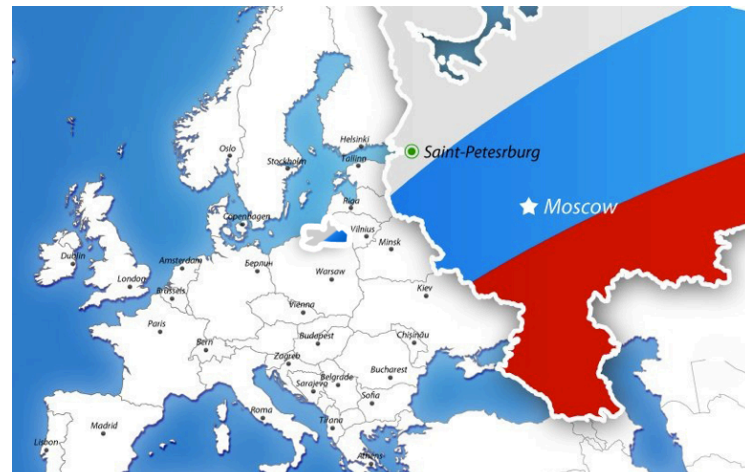
Communications and beyond



# Russian reality

**Eleven** time zones, **dozens** of peoples and languages, a huge quilt of mores, religions, buying habits, per-capita incomes, distribution infrastructures, etc.

**That's Russia.**



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# Top 10 websites

1. Yandex.ru (68 % market share, 90M users/m )
2. Google.ru
3. Mail.ru (80M email.accounts, news)
4. Google.com
5. VK.com (VKontakte.ru) (86M users in Russia, 200M+ total)
6. Youtube
7. Facebook
8. Wikipedia
9. Livejournal.com (1.5M blogs, incl Dmitry Medvedev)
10. Odnoklassniki.ru (43M users)

+ Twitter 1.0M, Instagram 600K, LinkedIn 5M

# Russians online

## HOW CONNECTED IS RUSSIA?

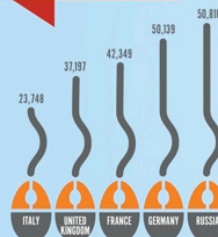
By 2014, 71% of adults in Russia – 80 million people – will access the Internet. This milestone follows several rapid advances in recent years as the tech-savvy population adopts a slew of communications technologies.



The highest GDP per capita among BRIC countries – USD 16,736 in 2011.



### EUROPEAN INTERNET USAGE BY COUNTRY



RANKED BY TOTAL UNIQUE VISITORS – SEPTEMBER 2011

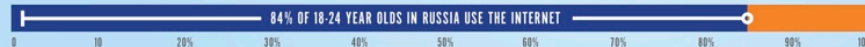
Nearly **99 PERCENT** of the Russian population\* owns a mobile device.

The largest online population in Europe.

### INTERNET USERS IN RUSSIA 2010-2013



POPULATION SIZE: 143,030,106 GDP (NOMINAL): \$1.86 TRILLION AVERAGE SALARY: \$812 A MONTH



Mobile TeleSystems OJSC ("MTS") is the leading telecommunications group in Russia, Eastern Europe and Central Asia. Including its subsidiaries, the Group services over 100 million mobile subscribers. We're happy to answer your questions about Internet trends in Russia on our blog: <http://bit.ly/LRH01o>. Sources: AC&M, Comscore, eMarketer, FOM, gks.ru, IMF, Levada Center, mojaraplata.ru, MTS

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# General

## **Few things to keep in mind before you enter Russian market**

- Rules and regulations are not always followed
- More often than not a company will try to avoid taking risks
- Emotional component can become the most important one. Many decisions are made (or not made) based on emotions.
  - No decision will be made without the CEO. Nobody will just take the responsibility.
- Partnership is often considered as conflict of interests. Nobody wants to have a half of revenue, they would prefer to have a better half.
  - Employees will always do what they were asked to. They may see it is wrong, but they will still do it because the boss said so.
- Mistakes are hardly analyzed. It is more about punishing the one who made the mistake and not about finding the roots of it.
- Employees make a lot of breaks during the working day. Tea-break, coffee-break, break to talk, break to smoke. You name it.
  - Everyone has several jobs or sideactivities.

# Basics in B2B communications

1. **Low trust to the traditional media.** Media has always been and still is a propaganda vehicle, most of the content is paid and unreliable.
2. Relatively low trust to advertising.
3. Limited availability of high quality **B2B-mailing lists**.
4. Increasing importance of **digital channels**, like LinkedIn
5. Importance of WOM. **Recommendations and introductions** (and also reviews and ratings) are very important.
6. **Low trust** to unknown people and vendors.  
Many Russians will not trust proposals from some unknown vendors. Your task will be to convince them that you are **real, legal**, your products are **high quality**.
7. High value of personal **networks**: friends, colleagues, relatives etc. Build your network!
8. Importance of prospecting and targeting. Find the **decision maker** (read: CEO).
9. Say it in **Russian!**
10. It is not only about **facts** – it's also emotion. Russians make most of their decisions (including purchase ones) on the emotional ground. You should include it into your sales strategy.

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*Russia is a riddle  
wrapped in a mystery  
inside an enigma.*

Sir Winston Churchill

And it's still is pretty  
much like that!





# What works I

In general in the Russian market you use all the same methods that you would use at home. Some of them would even work better and present better results.

## I. Telemarketing

In Russia share of sales from telemarketing is growing from year to year. Telemarketing market share grows by 40% a year and is in top 3 in Europe based on rate of growth. This type of sales is relatively new here and people are not yet tired from getting constant calls with an attempt to sell something. As a result, a standard efficiency rate of telemarketing in Russia is around 14-15% with no extra effort.

At the same time telemarketing is not used to its full potential in Russia. Many companies just do not yet understand the benefits of this sales method. We can confidently say that only one third of telemarketing resources is used. There is still a lot of room to grow profits with comprehensive use of telemarketing.

# What works II

## 2. Direct Mail

One of another most effective sales method in Russia is direct mail. Of course, you should have a **relevant data base**. Each company gets dozens of mails with proposals, ads, invitations, etc. Most of it land up on the **secretary desk** first.

All you have to do here it to stand out. Use Russian mentality, the way Russians think and most importantly feel. Sometimes it pays off if you add a present to your mail, something like a fountain pen. In this case you can be sure that the top manager will at least get your mail. The rest depends on the way you have crafted your proposal.

Sometimes it also makes sense to follow up your mail with a call. It adds to the value and importance of the mail and the secretary will in most cases forward it to her boss.

The more creative you are the more chances for success you have.

# What works III

## **3. Promotion Activities**

Let the customers get a chance to taste your product, touch it, see it in use.  
Companies arrange presentations in trade fairs and other events where customers have all the opportunities to test the product and leave feedback.  
Consider also launch seminars to target audience if you have a channels to reach the target audience.

# What works IV

## **4. Trade shows**

2,000+ trade shows take place in Russia each year. Some of them are more like fairs but a great deal are professional specialized exhibitions and trade shows.

Successful and well planned participation in these events can help you find new partners, sales channels, clients, and exciting opportunities.

# What works V

## 5. Public relations

In the market, where most of the media content is paid and the media penetrations low, the way of doing PR differs from Western markets with traditional values and principles of journalism. It may still make sense to use the **classical media-PR** (even if is paid), combine it to **digital PR** (use both Russian social media (for example VKontakte, Facebook, LinkedIn etc.) to direct people to your owned platforms (like LiveJournal blogs, website etc.) and add traffic with well planned **SEM-campaigns** (for example in Yandex)

# Expert's advice

1. All your promotional **materials** (brochures, presentations, ads etc.) should be in Russian\*.
2. Your **online corporate/product presence** should be in Russian\* (also for organic-SEO-reasons)
3. It's a good idea to have your **personal online presence** also in Russian\*, for example in LinkedIn.  
Be active and be visible.
4. Do your legwork - participate and start to **build your networks**. Follow up, keep in touch.
5. Do your research. Find the persons who can introduce you  
to the **ultimate decision makers**.
6. Try always to understand the **drivers of the people**, the way they think. When in Russia, keep your eyes open – you'll see a lot of loyalty programs, discounts and offers also play a big role. Many people are attracted by chances to win - competitions and draws.
7. Be active. Russia is a large market with great potential and you won't be the only one to see it. Beat your competitors by being **proactive**. If you want a place in this market you got to get out there and take it.

# Expert's advice

\* **Review the selling points.** Western product's selling points have often to be re-considered for Russia. A company's solutions may have advantages that work all right in Europe or elsewhere, but not in Russia. On the other hand, some corporate or product features may appear to be excellent selling points in Russia. It is only rarely that Western companies do such a review.

One example: Minolta office equipment unearthed an impressive collection of advantages for Russia (which might be not that important elsewhere). A campaign "Minolta office equipment is ideal for the rigors of Russia!" stressed tolerance to faults, static electricity, bad power, low-quality paper, etc. In a country, where equipment is largely not grounded, where power supply is often horrible, etc., that fine-tuning sold many pieces, even to foreign rep offices in Moscow.

**The Russian language.** Russian language is extremely colorful in fiction. On the other hand: (a) its words are generally longer than, say, in English; (b) its word-forming power is lower; (c) many words, especially in high technologies, can only be translated into Russian using two lines or so. Examples are "computing," "networking," "full-featured," "sharing," etc. In the body of a copy an experienced copywriter can handle this, but titles and headlines that include "problem" English words may look extremely cumbersome when translated. Even the nice English phrase "simply the best" will be a problem for a Russian translator.

Russia is now flooded with foreign names of products that tell absolutely nothing to an average Russian. Some of the names are excellent self-explanatory sellers in English – Deep Cleanser, Head-and-Shoulders, Wash-and-Go, Handy Stitch, Coldrex, etc., etc. Admittedly, those names are a problem in other languages, but most Europeans can at least work out their meanings. For Slavs nearly all of them are double Greek. To make up for that takes some talent.

**Slogans.** Some international companies come to Russia with untranslatable or meaningless slogans. Nobody in Russia can properly translate Nike's "Just do it," Microsoft's, "We are rolling out the wheels." For Xerox, that pioneer of copying, changed "The Document Company." in Russia to "We taught the world to copy." In the post-Soviet environment the phrase has a police connotation – in Russian the first meaning of the word **dokumenty** is ID.

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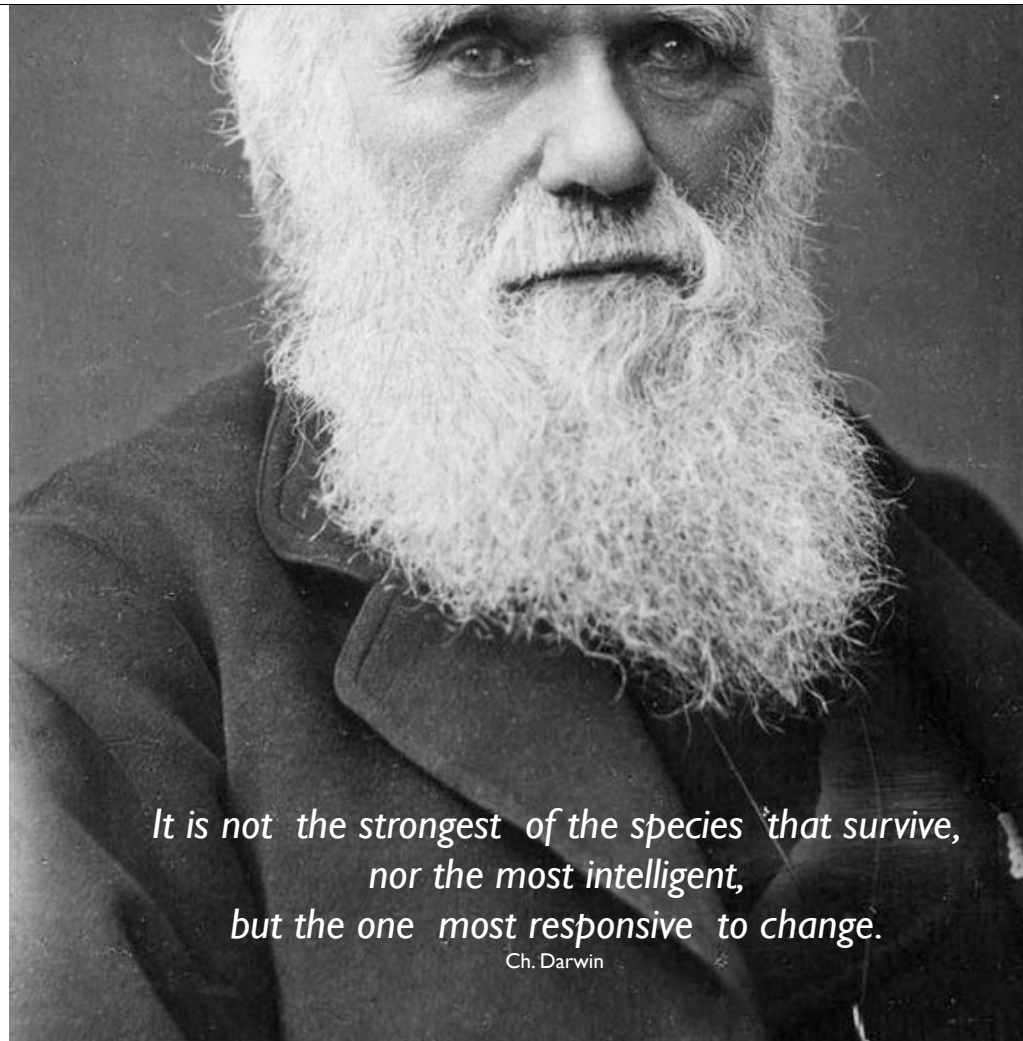




# Some brands to watch

- **MTS**, telecom
- **Beeline**, telecom
- **Yandex**, internet
- **VKontakte**, internet
- **Sberbank**, bank&finance
- **Lukoil**, oil&gas





*It is not the strongest of the species that survive,  
nor the most intelligent,  
but the one most responsive to change.*

Ch. Darwin

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