Media consumption in Russia
Key trends
Deloitte CIS Research Centre
Moscow, 2017
We are pleased to present the results of our second comprehensive study of media consumption in Russia.

According to weekly FOMnibus surveys, in spring 2016, 70% of Russians over 18 years are Internet users. Notably, Internet expansion is mainly linked to its accessibility, which comes with the development and growing popularity of technology among Russians. The Russian Internet audience is increasing due to usage in the regions, in smaller population centres and by the older generation. It is these categories currently generating Runet growth, as the younger and middle-aged generations in large cities have long been actively using the Internet. This may have a number of consequences for Internet companies. Firstly, new socio-demographic groups emerge as potential users of existing services (products for children and pensioners and others).

Secondly, companies with mass-audience services, such as search engines, have been forced to look at adapting their developments and interfaces to the demands of different people – users with slower connections or more expensive connections, younger users who need to be protected from dangerous content, older people who are not yet particularly aware of Internet-fraud and other common network threats.

In our report, we have tried to reflect the latest trends in the media consumption market through public surveys and in-depth interviews with representatives from leading high-tech, telecommunications and entertainment companies and the Russian mass media. This has helped us interpret our findings not only from the perspective of subjective consumer opinion in Russia and their way of thinking, but from the point of view of business environment adaptability and development.

Our clients are leaders in the high-tech, telecommunications and entertainment spheres, and for that reason a detailed study of the trends in this area is the basis of our professional experience.

We will also be pleased to provide you with a full version of the report (tailored to each client, taking into account goals and objectives) with in-depth data analysis findings and significant distinctions highlighted among federal districts, major cities such as Moscow and Saint Petersburg, cities with populations of over 1 million and for various socio-demographic groups and other social categories.

If you are interested in a full version of the report, please write to us at cisresearchteam@deloitte.ru.
Methodology

Purpose of research:
To study trends in the Russian media consumption market.

Target audience:
Russian nationals over 16 years of age using the Internet (data acquisition method) [*Russians*].

Research goals:
• highlight the nature of shifts in Russians’ media activity in the last three years (2014–2016)
• compare highlighted trends in Russians’ media consumption in the last two years (2015–2016)
• highlight the core types of Russians’ media activity on work and rest days
• study Russians’ media behaviour in detail according to information receipt methods, thematic preferences, time costs and other criteria
• analyse media devices used to browse media content; which are used by Russians and under which circumstances
• assess Russians’ advertising loyalty (specifically, depending on media activity)
• assess Russians’ level of trust of the various media sources (specifically, Russian and foreign mass media)
• compare highlighted consumer portraits in relation to various media activity types

Data collection method
We used the following qualitative and quantitative data collection methods to achieve the goals mentioned earlier:
• online sample surveys that meet a socio-demographic portrait of the Russian population (1,600 respondents)
• expert interviews with representatives from the leading high-tech, telecommunications and entertainment companies and the mass media

Research sample
Multistage and stratified sample representative of the Russian population according to gender, age and type of population centre – 1,600 persons, 9 Federal districts, 46 regions, and at least 110 population centres.

*According to weekly FOMnibus surveys, Internet penetration in spring 2016 among Russians aged 18 and upwards was 70%.
Overall media consumption in Russia continues to grow, however, 2016 saw a slowdown in media usage growth compared to 2015 (from 8% to 6%). The greatest growth slowdown (by 6-7 pp) was seen in the following leisure activities:

- cinema visits
- reading printed books
- reading printed media
- video games

### Key findings

#### MEDIA USAGE TRENDS 2016

Overall media consumption in Russia continues to grow, however, 2016 saw a slowdown in media usage growth compared to 2015 (from 8% to 6%).

The greatest growth slowdown (by 6-7 pp) was seen in the following leisure activities:

- cinema visits
- reading printed books
- reading printed media
- video games

#### MEDIA USAGE INCREASED*

Primarily in the following segments:

- Internet 62%
- electronic books 31%
- video games 4%

#### MEDIA USAGE DECLINED*

In the following segments:

- printed media -24%
- printed books -16%
- TV -8%
- radio -4%

*according to the media usage index (proportion of those who indicated higher usage minus the proportion of those who indicated lower usage)

### DURATION OF MEDIA SOURCE USAGE

#### TV

- Work day: 2 hours 10 min. -7 min.
- Weekend: 3 hours 35 min. = Unchanged

Single Russians tend to watch less TV (by 7 pp). St. Petersburg residents have begun to watch more TV (media usage index of 17%).

There has been a modest fall in the frequency of news consumption (by 0.4), as well as socio-political programme and topical professional programme consumption (by 0.2 respectively).

#### Internet

- Work day: 3 hours 42 min. -18 min.
- Weekend: 4 hours 24 min. -7 min.

Internet activity is growing among senior respondents (media usage index of 72-73% for respondents aged over 60).

Compared to 2015, laptop and PC users’ average time spent on the Internet fell by 13 and 14 minutes, respectively.

However, smartphone users have started to spend more time on the Internet (18 minutes per day).

#### Radio

- Work day: 2 hours 10 min. -3 minutes
- Weekend: 1 hour 25 minutes -2 minutes

Respondents aged 20-24 and St. Petersburg residents tend to listen to the radio more (index of 14% and 15% respectively).

The greatest decline in interest towards radio was shown among senior respondents aged 65 and over (media usage index of -24%).

#### Printed books

- Work day: 1 hour 33 minutes -3 minutes
- Weekend: 1 hour 25 minutes -2 minutes

Respondents aged 20-24 trend to read less printed books (media usage index of -22% to -28%).

Respondents from St. Petersburg (media usage index of 17%) and those aged 20-24 read printed books more often (media usage index is 14%).
Key findings

Top-3 most commonly used smartphone features*:

- Mobile calls: 21%
- Messengers (WhatsApp, Viber, social network messengers): 15%
- Social network applications: 12%

Mass media ranked by trust level:

- News, analysis, official Internet websites: 35%
- TV: 28%
- Social networks and Internet blogs: 13%
- Opinions of others/acquaintances: 8%
- Newspapers/magazines/radio: 1%–3%

General advertising tolerance in Russia is –7%, which indicates persisting negative sentiment towards advertising:

- Tolerance is lowest towards radio and TV advertising (~16% and ~17% respectively);
- Russians are more tolerant towards ads in the printed media (3%) and outdoor ads (9%).

In 2016, overall advertising effectiveness in Russia fell to ~6%, indicating that the majority of Russians do not find advertising information valuable. This figure is growing.

- TV advertisement was deemed to be the most effective: the largest share of Russians claimed to have found information in TV advertisements valuable (effectiveness index at 7%).
- Internet advertising ranked second. According to respondents, Internet ad effectiveness has dropped 3-fold (from 15% to 5%).

Top-3 most commonly used smartphone features*:

- Mobile calls: 21%
- Messengers (WhatsApp, Viber, social network messengers): 15%
- Social network applications: 12%

* according to the features usage index (proportion of those using a function more often minus the proportion of those using it less often).

Audience tolerance ranked by media source*:

- Television: youngsters aged 16-19: 10%
- Printed media: Women: 10%
- Internet: Middle-aged people: 11%
- Outdoor advertising: Women: 2%
- Mobile calls: 14-15%
- Social network applications: 9%
- Opinions of others/acquaintances: 8%
- Newspapers/magazines/radio: 1%–3%

* according to the advertising tolerance index (proportion of those favouring advertising minus the proportion of those who disapprove).

The TV is the most effective tool for advertising:

- food: 59%
- pharmaceuticals: 50%
- household goods: 43%

The Internet is the most effective tool for advertising:

- electronics: 48%
- clothes: 46%
- appliances: 41%
- services: 40%

The radio is the most effective tool for advertising:

- services: 43%
- cosmetics/perfumery: 31%

Outdoor advertising is the most effective tool for advertising:

- services: 32%
- electronics: 30%
- household goods: 30%
- food: 30%
Media consumption in Russia

Introduction

Breakdown of media consumption
Information content and usage patterns
Media usage in Russia
Attitudes towards new devices and gadgets
Russian household ownership of media devices
Demand for smartphone functionality
Attitudes towards advertising: loyalty
Attitudes towards advertising: value
Attitudes towards advertising: product category
Media source ranking by trust level
Attitudes towards the mass media: Russian or foreign sources?
Frequency of internet visits compared to 2015

Media consumption in Russia

Technical aspects of media consumption
Russian media consumption in figures
Contacts
**Breakdown of media consumption**

Which of the following have you used or performed in the last two weeks (percentage)?

<table>
<thead>
<tr>
<th>Media Type</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>100%*</td>
<td>100%*</td>
</tr>
<tr>
<td>Television</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>Radio</td>
<td>58%</td>
<td>61%</td>
</tr>
<tr>
<td>Video games</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Printed media</td>
<td>52%</td>
<td>39%</td>
</tr>
<tr>
<td>Printed books</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>Electronic books</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td>Cinema</td>
<td>33%</td>
<td>37%</td>
</tr>
<tr>
<td>Theatre</td>
<td>13%</td>
<td>16%</td>
</tr>
</tbody>
</table>

* Using data collection (online survey)

<table>
<thead>
<tr>
<th>Media Type</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Video games</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>Printed media</td>
<td>58%</td>
<td>61%</td>
</tr>
<tr>
<td>Printed books</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Electronic books</td>
<td>52%</td>
<td>39%</td>
</tr>
<tr>
<td>Cinema</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>Theatre</td>
<td>33%</td>
<td>37%</td>
</tr>
</tbody>
</table>

- **Significant changes in 2015–2016**

**TRENDS**

In 2016, the media activity index for Russians remained practically unchanged at 54% (-2 pp compared to the previous year).

The Top 5 media past times in 2016 were:
- surfing the Internet
- watching television
- listening to the radio
- playing video games
- reading printed media

In 2016, video games ranked 4th in the list of top media actions, ahead of reading printed media.

At the same time, 2016 saw a 13 pp decline in the popularity of printed media, electronic and printed books.
Breakdown of media consumption

CHARACTERISTICS

Television

Television viewing is lowest among Russians aged 16-19 and 20-24 (by 23 pp and 13 pp lower the average). The highest television viewing figures were seen among the 65 and over category (by 6 pp higher the average).

Over the year, television viewing among young people aged 16-19 fell significantly by 16 pp and slightly less in the 20-24 age group (by 8 pp). Viewing has also fallen slightly among Russians living alone (by 7 pp).

Radio

The proportion of those aged 16-19 listening to the radio is nearly half the general average (31%).

The opposite is true for Russians aged 35-39, who are the most common radio listeners (by 11 pp higher the average).

On the whole, the proportion of those listening to the radio is highest among the 35-54 age group.

People in the 20-24 age group listened to the radio 14 pp less in 2016 than in 2015, while people in the 55-59 age group listened 9 pp less.

Video games

8 pp more men play video games along with Russians aged 20-39 (by 6–9 pp). The most active users of video games are Russians aged 25-29 (65%).

People aged 40-44 played fewer video games (by 13 pp).

Reading printed media

The most common readers of printed media in Russia are Muscovites (by 8 pp), and Russians aged 50-55 and 35-39 (by 9 pp and 8 pp, respectively).

The fall in popularity of printed media is predominantly caused by younger people aged 20-24 and Russians aged 40-44 (printed media use in these age groups fell by 18 pp and 14 pp, respectively). Also, men read less printed media in 2016 (by 8 pp).

The proportion of those aged 16-19 listening to the radio is nearly half the general average (31%). The opposite is true for Russians aged 35-39, who are the most common radio listeners (by 11 pp higher the average).

On the whole, the proportion of those listening to the radio is highest among the 35-54 age group.

People in the 20-24 age group listened to the radio 14 pp less in 2016 than in 2015, while people in the 55-59 age group listened 9 pp less.
Books
The proportion of women reading printed books is 6 pp higher than the average. Both Russians aged 50-54 and Muscovites read printed books 9 pp more often than the national average.

Electronic books are popular among people aged 25-29 (by 7 pp), Muscovites (by 15 pp) and St. Petersburg residents (by 7 pp).

The proportion of those reading electronic and printed books is significantly lower among 16-19-year olds (by 15 pp and 12 pp, respectively).

Cinema visits
The fall in electronic book use compared to 2015 was mainly caused by the 27 pp reduction in reading levels by the 16-19 age group and the 23 pp reduction by St. Petersburg residents.

The fall in electronic book use compared to 2015 was mainly caused by the 27 pp reduction in reading levels by the 16-19 age group and the 23 pp reduction by St. Petersburg residents.

In 2016, the most significant decline in overall media activity with respect to all media channels was seen among the 16-19 age group (for all media channels, the average fall was by 10 pp).

Their media preferences have switched entirely in favour of the Internet.
### Shifts in media usage in 2014–2016

**How do you assess the changes in your media usage or activity in the last three years?**

<table>
<thead>
<tr>
<th>Activity growth</th>
<th>2016</th>
<th>2015</th>
<th>Dynamics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>62%</td>
<td>61%</td>
<td>+1 pp</td>
</tr>
<tr>
<td>Electronic books</td>
<td>31%</td>
<td>31%</td>
<td>0 pp</td>
</tr>
<tr>
<td>Average index</td>
<td>6%</td>
<td>8%</td>
<td>-2 pp</td>
</tr>
<tr>
<td>Games on any device</td>
<td>4%</td>
<td>10%</td>
<td>-6 pp</td>
</tr>
<tr>
<td>Cinema visits</td>
<td>0%</td>
<td>7%</td>
<td>-7 pp</td>
</tr>
<tr>
<td>Theatre visits/concerts</td>
<td>0%</td>
<td>3%</td>
<td>-3 pp</td>
</tr>
<tr>
<td>Radio</td>
<td>-4%</td>
<td>-7%</td>
<td>+3 pp</td>
</tr>
<tr>
<td>Television</td>
<td>-8%</td>
<td>-5%</td>
<td>-3 pp</td>
</tr>
<tr>
<td>Printed books</td>
<td>-16%</td>
<td>-9%</td>
<td>-7 pp</td>
</tr>
<tr>
<td>Printed media</td>
<td>-24%</td>
<td>-17%</td>
<td>-7 pp</td>
</tr>
</tbody>
</table>

**Reduced activity**

At the same time, respondents showed a serious reduction in the reading of printed books and printed media compared to 2014 (media consumption index of -16% and -24%, respectively).

In the last year, the media consumption indices for these two sources fell by 7 pp.

### Key findings

**“We work with a young target demographic, and for a few years we have been noticing a demographic hole: the number of young people is consistently shrinking because the birthrate fell prior to 2000. This is one of the reasons that we froze the Look at Me project.”**

Alexey Ametov, Publisher, Look at Media

**“Yes, that’s certainly the case. The 50+ demographic arrived online and began using social networks and other media resources later than the younger generation. I would note that we have a lot of members of this demographic on the Rambler&Co company webpages. Many also visit the Rambler portal, which has existed for 20 years. It is natural that our target demographic has grown in age.”**

Anna Nikulina, Commercial Director, Rambler.ru

**“Today our readers use PCs and smartphones by a ratio of 60 to 40. We are witnessing falling popularity for PCs, while smartphones and tablets are increasingly popular. Last autumn we moved over entirely to a mobile first product development model. Aside from other benefits, mobile media formats are more effective than those for PCs as they are ‘warmer’ and closer to the user. They are also more effective as far as advertising is concerned.”**

Semyon Boyarskiy, Business Development Manager, Odnoklassniki

**“Yes, the active demographic is growing in age, we have also noticed this trend. However, it is not a rapid process. The population is aging, of course, and as this happens, technologies penetrate the older age groups. People over the age of 50 are now beginning to actively use various devices.”**

Maxim Grishakov, Chief Customer Officer, Yandex
CHARACTERISTICS

In 2016, the television-viewing index was –8%, which shows a fall in interest towards television viewing. This was especially true for the younger respondents, who have been watching less television since 2014 (the media activity index for young people aged 16-19 was –46%, and for 20-24 year olds that figure was –27%).

St. Petersburg residents watched more television, with a media activity index of 17%. The media activity index for radio was –4%. Overall, respondents are listening to less radio than three years ago. The largest fall in interest for radio was seen in the 65 years and older age group (media activity index of –24%).

The opposite (increase in radio usage) was seen among respondents in the 20-24 age group and St. Petersburg residents (whose radio listening indices were 14% and 15%, respectively).

The media activity index for Internet is the highest for all media channels (62%), which is proof that Internet usage is on the way to supplanting all remaining media channels. Importantly, it is the oldest age group that has most affected the Internet media activity index the most in the last three years (72–73% for people aged over 60).

One of the main reasons for the change is the moving into adulthood of media-active Russians. Another reason is the older age group’s access to and subsequent usage of media devices.

According to the experts, another reason for the increasing Internet activity of the oldest sections of the population, particularly on the VKontakte social network, is the older generation’s desire to get information about their children.

“This trend is also explained by the fact that older users’ children and grandchildren are registered on VKontakte. Parents want to follow the lives of the younger generation, which is more interesting to them than communicating within their own generation. We are witnessing a significant growth in the older demographic that leave comments and ask questions.”

Nikita Ershov, Head of group 12.digital

Furthermore, the market experts note that this trend brings an important commercial issue into the picture, i.e. advertisers’ exclusive focus on a young target demographic and the reluctance of the industry to pivot the marketing of goods and services towards older users.

“The media advertising industry considers the older generation to be ‘babushki’, far removed from modern technology. However, various expert reports on the market suggest that those who are earning money today will be 50 years old and above in around 10 years’ time, and their finances and behaviour will not change. They will remain active consumers.

I agree that the most complicated task is to explain (to both companies and advertising agencies) that the older age groups are highly active, because at the moment they are not prepared to sell to these consumers. Content producers and service companies are also failing to serve this category of consumer. They too think that those over the age of 50 do not need anything. However, this is not right. The fact is, our television channel is growing older. We invited over-45s with a high level of income to participate in focus groups. 50 year olds came along, all sorts of weathered people. They talked a lot, discussed a lot, how to optimise tax payments and where to go on holiday. In brief, they were very active people and in 10 years’ time when they will be 60, they will not be any less energetic.”

Andrey Sikorskiy, Marketing Director, RBC


“Attitudes towards advertising are also changing.”

Nikita Ershov, Head of group 12.digital

St. Petersburg residents watched more television, with a media activity index of 17%. The media activity index for radio was –4%. Overall, respondents are listening to less radio than three years ago. The largest fall in interest for radio was seen in the 65 years and older age group (media activity index of –24%).

CHARACTERISTICS

The media activity index of -24% for printed media is the lowest among all other media channels. Russians’ interest in it is falling fastest among all socio-demographic groups. Respondents from the 35-39 and 45–54 age groups read printed media less often (media activity indices of –34% and –38%). The opposite (a slight increase in printed media compared to 2014) was noted among St. Petersburg residents (media activity index of 8%). The media activity index for electronic books is relatively high at 31%, which is testimony to the amount of time given to reading electronic books in 2014–2016. The media activity index for electronic books is highest among young people aged 16-24 (45–47%), and lowest for the 35-39 age group (18%), and in Russian cities, except for Moscow and St. Petersburg (12%).

The media activity index for printed books is negative at –16%. One of the possible reasons for this is the gradual transition to electronic books. Growth in the reading of printed books (in the last three years) has been seen among St. Petersburg residents (17%) and respondents aged 20-24 (14%).

Respondents aged 45 and over have been responsible for the significant fall in the number of printed books being read (the index for the various age groups was between –22% and –28%).

“We are witnessing an interesting trend: some users have watched too many videos and now want to read books (this behaviour has been reported in the USA and we have noted this tendency on our sites too). The consumers of our content, who are between 16 and 30 years old, want to read again. However, this does not negate the importance of video content for us”. Aleksey Ametov, Publisher, Look at Media

The media activity index for cinema, theatre and concert going is 0%, which shows that Russians have not changed their cinema, theatre and concert habits. However, young people between 20 and 24 years of age note that they have started going to the cinema (index of 36%), theatres and concerts (45%) far more frequently than three years earlier. The same trend is seen among St. Petersburg residents (50%) and those who live alone (27%).

The media activity index for video games is 4%. It has been about 10% for the last three years. Of the many age groups, the 55-59 category stands out as spending significantly more time on video games (index of 49%). Increased interest in video games is also seen among respondents living alone (36%).

“Some gaming platforms did not switch from PCs to mobiles in time and are now experiencing problems. However others have launched mobile applications or exclusively focused on mobile platforms from the outset. These companies are in a far more advantageous position. By the way, this sector represents a separate arena for advertisement. Gamers form an enormous demographic for advertising in the mobile sector”.

Semyon Boyarskiy, Business Development Manager, Odnoklassniki

Semyon Boyarskiy, Business Development Manager, Odnoklassniki
### TRENDS

#### Top-3 most popular columns in each media source

<table>
<thead>
<tr>
<th>Column popularity in 2016</th>
<th>Changes observed in 2015–2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Radio</strong></td>
<td></td>
</tr>
<tr>
<td>Information programmes</td>
<td>3.6 times*</td>
</tr>
<tr>
<td>(news, weather)</td>
<td></td>
</tr>
<tr>
<td>Russian music</td>
<td>3.4 times*</td>
</tr>
<tr>
<td>Foreign music</td>
<td>3.1 times*</td>
</tr>
<tr>
<td>*Average number of listening sessions per week</td>
<td></td>
</tr>
</tbody>
</table>

Between 2015 and 2016, there were no significant changes in preferences for radio shows. The only change was a slight 0.2% increase in the frequency of children’s programmes.

<table>
<thead>
<tr>
<th>Column popularity in 2016</th>
<th>Changes observed in 2015–2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Television</strong></td>
<td></td>
</tr>
<tr>
<td>General news (daily news)</td>
<td>4.3 times*</td>
</tr>
<tr>
<td>Cinema</td>
<td>3.4 times*</td>
</tr>
<tr>
<td>Serials</td>
<td>2.6 times*</td>
</tr>
<tr>
<td>*Average number of viewings per week</td>
<td></td>
</tr>
</tbody>
</table>

News programme viewings have fallen slightly by 0.4%. The drop for socio-political programmes is 0.2% and for professional-type programmes is 0.2%.

<table>
<thead>
<tr>
<th>Column popularity in 2016</th>
<th>Changes observed in 2015–2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Printed media</strong></td>
<td></td>
</tr>
<tr>
<td>General news (daily news)</td>
<td>2.4 times*</td>
</tr>
<tr>
<td>Socio-political information</td>
<td>1.7 times*</td>
</tr>
<tr>
<td>Scientific and public information</td>
<td>1.6 times*</td>
</tr>
<tr>
<td>(travel and others)</td>
<td></td>
</tr>
<tr>
<td>*Average number of reading sessions per week</td>
<td></td>
</tr>
</tbody>
</table>

Preferences for printed media have not changed from 2015.

### Media consumption in Russia

**Key trends**

- **Information content and usage patterns**
- **Top-3 most popular columns in each media source**
- **Which columns do you watch, listen to or read? How often?**

- **Changes observed in 2015–2016**

**Internet**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Share of media users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Searching for specific information</td>
<td>80%*</td>
</tr>
<tr>
<td>Checking news on social network personal pages</td>
<td>65%*</td>
</tr>
<tr>
<td>Business or formal correspondence</td>
<td>60%*</td>
</tr>
<tr>
<td>*Share of media users</td>
<td></td>
</tr>
</tbody>
</table>

Some reasons for using the Internet are less popular than in 2015, such as downloading books, videos and music (down by 10–17 pp), and online purchases (down by 10 pp), watching films or listening to music online (down by 12–13 pp).
Information content and usage patterns

**CHARACTERISTICS**

**Television**

**Connection type**

Of all the types of television connections, the most common are Internet-television and connections through an individual cable aerial, with 35% of Russians using each method.

**Television viewing circumstances**

In Russia, television viewing tends to be spontaneous rather than planned, which is why current schedules play an insignificant role.

- More than 33% of televisions are left on showing the programme of interest or as background noise (33–38%).
- 26% of Russians switch on the television to watch a specific programme.
- 18-19% of people switch off the television if they find nothing of interest to watch.

Viewing circumstances have not really changed since 2015. However, there has been a small fall in the proportion of those who switch the television on to watch a specific programme on a work day (by 4 pp).

In 2016, differences between television viewing on work days and rest days became less clear.

**Frequency and duration of television viewing**

Two out of three Russians watch television practically every day (63%).

The remaining 32% watch television 4–5 times a week or less often.

Compared to last year, the average duration of television viewing has fallen slightly (by 7 minutes on work days and 6 minutes on weekends) to approximately 2 hours 10 minutes on work days and approximately 3 hours 35 minutes on weekends.

**Preferences**

In terms of the duration of television viewing, first place is taken by movies. On average, Russians watched movies in 2016 for roughly two hours a day.

The amount of time spent by Russians watching socio-informative shows has also fallen (by 12 minutes). In 2016, the average viewing time for these types of shows was 58 minutes a day.
Information content and usage patterns

CHARACTERISTICS

Internet

Connection type

The majority of Russians use WiFi networks or a dedicated line to connect to the Internet at home. Each connection method has an almost equal share of 47% and 46%, respectively. However, the number of users of dedicated lines has fallen by 6 pp since 2015.

Device type

77% of Russians connect to the Internet using smartphones. The figures are almost the same for notebooks or netbooks (76%). 72% of Russians use a desktop computer to connect to the Internet.

Compared to 2015, there was a 6 pp fall in the share of Russians using desktop computers to connect to the Internet. There was a 7 pp increase in the number of users connecting to the Internet using a smartphone.

Thus, the trend for universal Internet availability continues to remain.

Specifics of Internet activity based on device type.

The nature of Internet activity depends on the device used to connect to the Internet:

- most Russians spend time on the Internet through a desktop computer (on average, 3 hours 20 minutes)
- slightly less time is spent on the Internet when connected by notebook or netbook (roughly 3 hours 4 minutes per day)
- the average time spent on the Internet by those connected through a smartphone fell to 2 hours 22 minutes
- even less time is spent on the Internet connected through a television (2 hours 6 minutes).
- if a tablet is used to connect to the Internet, then the average time spent on the Internet is roughly 1 hour 51 minutes per day.

The average time spent by Russians on the Internet using notebooks has fallen by 13 minutes since 2015 and by 14 minutes per day for those using desktop computers. Current use is at 3 hours 4 minutes and 3 hours 20 minutes per day, respectively. At the same time, the amount of time spent by Russians on the Internet using smartphones has increased by 18 minutes a day to 2 hours 22 minutes.

Our research shows that in comparison with 2015, watching short videos has become a more popular reason for logging on to the Internet.

“...we have noticed rising demand for video content. There are currently 350 million video views a day on Odnoklassniki.”

Semyon Boyarsky, Business Development Manager, Odnoklassniki
Radio listening frequency
25% of Russians listen to the radio practically every day.

The highest share of radio listeners is among those over 60 years of age (33–37%).

Specifics of radio listening on rest and work days.
39% of Russians listen to the radio in their cars. The South Federal District (49%) and Ural Federal District (48%) returned higher figures, while the figure for the 30-34 age group was 48% and for the 50-59 age group - 49%.

On rest days, practically 50% of all Russians listen to the radio. This is 5 pp higher than in 2015. The figure for the oldest age group is even higher at 80%, while in the Far East Federal District it is 60% and 59% in the North-Caucasus Federal District.

Radio listening duration.
On average, Russians spent approximately 1 hour 33 minutes listening to the radio in 2016 on work days (this figure has not changed since 2015) and roughly 1 hour 25 minutes on rest days (6 minutes higher than in 2015).

Preferences.
The following radio shows are the most popular in terms of the amount of listening time:
- 1st place. Russian music: average listening time per day – 1 hour 8 minutes
- 2nd place. Overseas music: average listening time per day – 1 hour 4 minutes

Information radio shows had the lowest listening time, on average 35 minutes a day.

“The internet is changing how people consume content across all media platforms. Radio is no exception to this. For example, through our Yandex.Music and Yandex.Radio services, we see how recommendation technology captures an audience by allowing users to create personalized music streams. Online audio advertising is attracting more and more advertising: you get all the benefits of radio advertising plus the transparency and effectiveness of online advertising tools.”
Maxim Grishakov, Chief Customer Officer, Yandex

Introduction
Breakdown of media consumption
Information content and usage patterns
Media usage in Russia
Attitudes towards new devices and gadgets
Russian household ownership of media devices
Demand for smartphone functionality
Attitudes towards advertising: loyalty
Attitudes towards advertising: value
Attitudes towards advertising: product category
Media source ranking by trust level
Attitudes towards the mass media: Russian or foreign sources?
Frequency of Internet visits compared to 2015
Technical aspects of media consumption
Russian media consumption in figures
Contacts
Media consumption in Russia / Key Trends

Information content and usage patterns

**CHARACTERISTICS**

**Printed media**

**Printed media reading conditions**
- 50% of those questioned said they buy printed media. Roughly, 25% of all Russians prefer free printed media. 8% subscribe to printed media, while the remaining 17% read media read company media or what their friends or relatives buy.
- The minority (30%) buys printed media regularly, while the majority buys it from time to time (irregularly) or depending on a specific situation (70%).

Compared to 2015, there has been a small growth in the proportion of printed media purchased in the North-West Federal District (by 10 pp), by the 40–49 age group (by 7–14 pp), and St. Petersburg residents (by 16 pp).

Conversely, a reduction in the share of consumers of printed media and the simultaneous growth in preferences for free media was seen in the Far East Federal District (by 9 pp), among the 16-19 age group (by 7 pp), and among 50-54 year olds (by 7 pp).

**Frequency and duration of printed media reading.**
Russians read newspapers roughly twice a week, and magazines – once a week. There has been a small drop in the frequency of newspaper reading since 2015 by 0.2 times a week.

On average, Russians spend roughly 26 minutes on a work day and 35 minutes on a rest day reading printed newspapers and magazines, which is the same as in 2015.

**Preferences**
- Socio-informative media is the most frequently read – 2.4 times a week
  - The share in the North Caucasus Federal District is higher (2.2 times a week), among men – 2.1 times a week and among 55-59 year olds – 2.6 times a week.
- The second most popular topic is socio-political events (1.7 times a week).
  - The share in the North Caucasus Federal District is higher (2.1 times a week), among men – 2.1 times a week and among 55-59 year olds – 2.6 times a week.
- The third most popular topic is scientific and public information (1.6 times a week)
  - which is read most commonly by residents of the North Caucasus Federal District (1.9 times a week), the Central Federal District (1.8 times a week).
  - Muscovites read on this topic 2.2 times a week, while young people aged 16-19 do so 2.4 times a week.
Media usage in Russia

You consider yourself an active media user: regularly watch television, read printed and electronic media, listen to the radio and use the Internet. Select a statement that best describes you.

<table>
<thead>
<tr>
<th>Statement</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I am an active media user and I share news with friends, acquaintances and colleagues through discussions and on the Internet (social networks, blogs, forums and others)</td>
<td>42%</td>
<td>47%</td>
</tr>
<tr>
<td>Yes, I am an active media user, but prefer to share news with friends, acquaintances and colleagues personally</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>Yes, I am an active media user, but prefer to share news with friends, acquaintances and colleagues by Internet (social networks, blogs, forums and others)</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Yes, I am an active media user, but I prefer not to discuss news with friends, acquaintance and colleagues and do not share it over the Internet</td>
<td>13%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**TRENDS**

In 2016, the share of active media users amounted to 87%. The majority of them shared news and information both by Internet and in personal discussions (42% of the sample). This share is higher among young people aged 16-24 (57%-61%). By middle age, media activity falls, and in the age group 40 and above, the share of active media users is 26-36%.

The share of the most active media users fell insignificantly from 2015 by 5 pp. To a greater extent, this is caused by the 7 pp reduction in media activity by women, people aged 35-44 (by 13–17 pp) and 45-59 (by 7–9 pp).
Attitudes towards new devices and gadgets

Do you consider yourself a fan of technical innovation? Select the statement that best describes you.

- I choose tested media devices (that have been recommended) rather than new devices 40%
- I buy the latest media devices, but only after comparing them with other new devices and determining which is the best product 35%
- I am not normally the first to buy a new product, but still purchase them before the majority does 31%
- I buy a new device only after it has become standard and there are no other alternatives 16%
- I buy the latest media devices as soon as they are released. I prefer to be the first 10%
- Usually, I do not choose media devices (I receive them as a gift, at work or otherwise) 8%
- I buy a new device only after it has become standard and there are no other alternatives 5%
- I buy the latest media devices as soon as they are released. I prefer to be the first 5%
- Usually, I do not choose media devices (I receive them as a gift, at work or otherwise) 4%
- 2016 2015

TRENDS
In 2016, 40% of Russians purchased known media devices rather than the newest on the market. Roughly, every third Russian (29%) chooses the best technical product from those new to the market.

Thus, the total share of consumers who approach the purchase of media devices rationally is 69%, which is practically the same as in 2015 (67%).

The share of consumers in Moscow choosing known devices rather than new devices is significantly lower at 25%.

Compared to 2015, the number of those wanting to be the first to buy a device while it was still not a mass product declined less by 5 pp.

This reduction was seen among men (by 6 pp), and in all age groups, except the youngest and oldest.
Russian household ownership of media devices

Do you have any of the listed media devices? If yes, which ones do you use?

<table>
<thead>
<tr>
<th>Device</th>
<th>Yes</th>
<th>No</th>
<th>Usage index</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD, video players</td>
<td>30</td>
<td>70</td>
<td>54</td>
</tr>
<tr>
<td>Portable players (Mp3, iPods and others)</td>
<td>54</td>
<td>46</td>
<td>70</td>
</tr>
<tr>
<td>Game consoles</td>
<td>41</td>
<td>59</td>
<td>56</td>
</tr>
<tr>
<td>Electronic books</td>
<td>28</td>
<td>72</td>
<td>44</td>
</tr>
<tr>
<td>Radios</td>
<td>39</td>
<td>61</td>
<td>45</td>
</tr>
<tr>
<td>Car screens</td>
<td>21</td>
<td>79</td>
<td>63</td>
</tr>
<tr>
<td>Tablets</td>
<td>21</td>
<td>79</td>
<td>63</td>
</tr>
<tr>
<td>Mobile phones</td>
<td>21</td>
<td>79</td>
<td>63</td>
</tr>
<tr>
<td>Computers</td>
<td>20</td>
<td>80</td>
<td>77</td>
</tr>
<tr>
<td>Notebooks and netbooks</td>
<td>20</td>
<td>80</td>
<td>77</td>
</tr>
<tr>
<td>Smartphones</td>
<td>19</td>
<td>81</td>
<td>78</td>
</tr>
<tr>
<td>Table stereos</td>
<td>19</td>
<td>81</td>
<td>78</td>
</tr>
</tbody>
</table>

TRENDS

The most common devices in Russian households are:

- 1st place – televisions (98%): nearly all television owners watch television. The usage index is at 89%.
- 2nd place – smartphones (81%), notebooks (80%), computers (79%) and mobile phones (79%): Russians use mobile phones less often than computers and notebooks (57% compared to 69% and 70%). Smartphones have the highest usage index is 77%.
- 3rd place – tablets (63%): the usage index is 47%.

While internetisation was having the greatest impact on media usage just a couple of years ago, today the ‘mobilisation’ of media consumption is the dominant trend. Adopting a mobile first strategy is a priority for all players on the media market in Russia, which means new products are primarily developed and adapted for smartphones. Despite this trend, experts note that people are still not prepared to completely reject keyboards and the convenience of laptops. Therefore, the majority of industry representatives on the media market are not phasing out desktops.

“Digital product managers have now refocused on mobile devices. Mobile first is a trend where companies develop all their products for mobile use from the outset and only later develop desktop versions. In terms of figures, about 45 percent of our users access our resources from mobile devices”.

Anna Nikulina, Commercial Director, Rambler.ru

“The explosion in media consumption on mobile devices would seem to be confirmed by all the figures and it’s generally clear to all. However, is business managing to keep up with the changing reality? Not always. Here is a simple illustration: last summer we looked at the websites of the top banks and found that more than a third do not have a mobile version of their website. However, we see that people are searching for loans, deposits and cards more and more often from smartphones, and the quality and quantity of advertising tools that enable companies to tap into this consumer demand is constantly on the up”.

Maxim Grishakov, Chief Customer Officer, Yandex
A large proportion of Russians have technology such as DVD and video players, audio systems, portable players and radios at home, however their rate of use index is significantly lower in comparison to smartphones, tablets, PCs and televisions. The obsolescence trend is most pronounced for DVD and video players: the proportion of DVD player owners in Russia is fairly high (70%), but the rate of use index is lower than zero (-4%).

Russians use smartphones more often than in 2015 (their user activity index has increased by 5 pp).

The opposite (reduced user activity) has been seen for all other devices, apart from games consoles (their share has remained practically unchanged). Russians use DVD players less (by 10 pp), mobile phones (by 9 pp) and music centres (by 8 pp).

More often than not, the fall in the usage index for a specific device is caused by the reduction in the proportion of those who own and use it regularly.
Demand for smartphone functionality

**Which functions do you use on your smartphone most often and which less often?**

<table>
<thead>
<tr>
<th>Function</th>
<th>Used more often</th>
<th>Used less often</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone calls</td>
<td>34</td>
<td>13</td>
</tr>
<tr>
<td>Messengers (WhatsApp, Viber, social network communicators)</td>
<td>23</td>
<td>8</td>
</tr>
<tr>
<td>Social network app. (VKontakte, Facebook, Odnoklassniki, Instagram and others)</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>Internet calls (Skype, WhatsApp, Viber)</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Messages</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Video games</td>
<td>5</td>
<td>24</td>
</tr>
</tbody>
</table>

**TRENDS**

Despite the trend towards the 100% mobilisation of functional capabilities, Russians are a long way off using all functions equally.

The most popular function among Russians is mobile calls (34% stated that they had started to call more often compared to the previous year. Its usage index has grown by 21%).

Messengers are also very popular and rank second (23% of those questioned noted that they use messengers more often. The messenger usage index rose 15%).

Social network applications take third place: every fifth (22%) person admits to using them more often, which has led to a 12% increase in the usage index.

The proportion of those who play video games on their smartphone has fallen by 19%, while the proportion of those exchanging text messages has fallen by 20%.

**CHARACTERISTICS**

Residents of the Volga Federal District have begun to make mobile calls more often (27%). That figure for people aged 50-54 is 29% and 60-64 – 28%.

Messenger popularity has grown quicker among women (22%), Russians aged 25-34 (26–25%), and Far East Federal District residents (27%).

The highest usage index for social network applications is in the 16–29 age group (31–32%).

Video game popularity fell the most in the 20-34 age group (24–29%), while the popularity of text messaging fell greatest in the 25-44 age group (26–31%) and among St. Petersburg residents (31%).

**Introduction**

**Breakdown of media consumption**

**Shifts in media usage in 2014–2016**

**Information content and usage patterns**

**Media usage in Russia**

**Attitudes towards new devices and gadgets**

**Russian household ownership of media devices**

**Demand for smartphone functionality**

**Attitudes towards advertising: loyalty**

**Attitudes towards advertising: value**

**Attitudes towards advertising: product category**

**Media source ranking by trust level**

**Attitudes towards the mass media: Russian or foreign sources?**

**Frequency of Internet visits compared to 2015**

**Technical aspects of media consumption**

**Russian media consumption in figures**

**Contacts**
Attitudes towards advertising: loyalty

What is your opinion of television, radio, printed media and Internet advertising?

The overall advertising loyalty index among Russians is –7% (2 pp higher than the previous year, which confirms a negative attitude towards advertising.

Loyalty to radio and television advertising is lowest of all (–16% and –17%, respectively). Russians have a better attitude to printed media advertising (3%) and outdoor advertising (9%).

The experts note an increase in negative attitudes towards advertising due to its high concentration and aggressiveness. As a result, the number of Internet users blocking advertisements (using programs such as Adblock) is growing.

“The online advertising model is experiencing serious problems as a result of a large amount of aggressive advertising online. YouTube angered users by introducing unskippable advertising before videos, and this factor can be considered the main catalyst for the rising number of users blocking adverts. It is estimated that in Russia 10-15 percent of Internet users block advertising. Our target demographic is complicated because up to 25 percent of them use Adblock. There are other markets where more than 50 percent of users have installed Adblock”.

Alexey Ametov, Publisher, Look at Media

“Advertising is becoming more and more personalised and manageable, and going forward this should have a positive impact on audience loyalty. We already have the ability to generate adverts automatically without human involvement. A clear-cut example is smart-banners, which choose goods from the advertiser’s database worth advertising to a particular individual. However, it is very important for both advertisers and advertising platforms to monitor the balance and avoid putting excessive advertising pressure on the consumer. I am not talking about individual channels (the Internet, television, outdoor advertising or radio), but about the need to create a single ecosystem where it will be possible to manage the frequency of communications across all media platforms. For example, relieving users from the inconvenience of watching the same irrelevant video advertisement for the fiftieth time. Personalisation, the automation of advert development in various formats, a cross-channel approach towards communications with clients – all of this will make marketing significantly more effective and sensitive going forward”.

Maxim Grishakov, Chief Customer Officer, Yandex
Attitudes towards advertising: loyalty

**CHARACTERISTICS**
The greatest loyalty to advertising is found among the 16-19 age group (average loyalty index of 0%), and women (-2%). Men's attitude towards advertising is significantly worse (the average loyalty index is -12%), as is that of young people in the 20-24 age group (-10%) and the oldest age group of 60 and above (from -12% to -18%).

The advertising audience loyalty breakdown by source is as follows:

- television advertising – young people aged 16-19 (index – 10%) and 20-24 (index – 5%)
- printed media advertising – women (index – 10%), people aged 30-34 (index – 9%) and 55-59 (index – 11%)
- Internet advertising – middle-aged people: 35-39 (index – 2%)
- radio advertising – young people between 16 and 19 (index – 3%) and 20-24 (index – 5%)
- outdoor advertising – women (index – 15%), people aged 30-39 (index 14-15%), 50-54 (index – 16%) and over 65 (index – 21%)

“Yes, we have also noticed that advertising has begun to annoy people more. This is probably because social networks have begun forcing users to watch adverts. They introduced smart newsfeeds that show targeted advertising (depending on each person's interests, online activity, etc.). Whereas previously you would only see advertisements if subscribed to a certain group, now you see them all the time and in a huge quantity. In addition to this, advertising before videos irritates users a lot and the quantity of these advertisements is also rising. As a result, an immunity towards classical advertising is appearing and Adblock is being installed with greater frequency (an application that allows advertising to be blocked completely). This has led to the development of the native advertising market: when advertisements are masked as content that interests the consumer and the boundary between the advertising and the content fades. Special projects are an example of native advertising (although it is important to note that special projects do not always constitute native content). Of these, it is worth noting an interesting case when a couple of years ago McCafé and take-away coffee was being promoted. They got opinion leaders involved from various districts of Moscow (by the way, working with opinion leaders is also one of the new trends in advertising as a new videos by a popular vlogger on YouTube can gain 5-7 million views in two days), who made a map of their favourite places in Moscow close to a McCafé as part of a special project. This way, the consumer was able to see that they could stroll between interesting places in Moscow and grab a coffee from McCafé on the way.

Another trend is challenges – young people love them. For example, you have to complete a task – throwing a bottle of water so that it lands standing on some kind of narrow surface or a chair or table that is far away. If a public opinion leader were to throw an AquaMinerale bottle, it would an excellent example of native advertising”.

*Nikita Ershov, Head of group 12.digital*

“I cannot say that the quality of advertising is falling. On the contrary, it is improving. Advertising has become more technologically advanced, friendlier, more ethical and better than it was before. There are fewer aggressive formats. The advertising market is becoming more cultured. You can simply look at how advertising looked in the 2000s and how it looks now. Visualisation, creative ideas and technology has unmistakably improved. There is just more advertisement and the means of conveying it have become more aggressive”.

*Alexey Ametov, Publisher, Look at Media*
Have you ever received valuable information from advertising?

<table>
<thead>
<tr>
<th>Media Source</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Internet</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Average value level of advertising</td>
<td>-6</td>
<td>-1</td>
</tr>
<tr>
<td>Printed media</td>
<td>-6</td>
<td>-1</td>
</tr>
<tr>
<td>Outdoor advertising</td>
<td>-7</td>
<td>-1/A</td>
</tr>
<tr>
<td>Radio</td>
<td>-28</td>
<td>-26</td>
</tr>
</tbody>
</table>

### TRENDS

In 2016, the overall value of advertising in Russia fell to –6%, which confirms that the majority of Russians do not generate value from it, and that the proportion of people with the opinion is growing.

In 2016, the most valuable or effective advertising, according to Russians, was television advertising. In other words, the largest share of Russians stated that they had experience of receiving valuable information from television advertising (value index of 7%).

Second place in terms of effectiveness is Internet advertising (5%). At the same time, the value of Internet advertising, according to respondents, has fallen three-fold (from 16% to 5%).

Internet advertising is less popular among men (–16%), young people aged 20-24 (–20%), people aged 40-44 (–19%), and residents of large cities (Moscow – 28%, St. Petersburg – 21%, and other cities with populations over 1 million – 21%).

The least effective advertising, as in the previous year, is radio advertising (–28%).

We note that the majority of media experts in Russia never recommend that their clients use a single media source to place an advert.

### Advertising value estimate, %

The effectiveness of advertising is measured based on Russians’ experience of receiving valuable information from it: [proportion of those who received valuable information from advertising minus the proportion of those who did not receive valuable information from advertising].

“Whereas previously the battle between television and the Internet was a standoff between formats – video against images – where the Internet always lost, today it is a direct battle for the final user. Online video advertisement is extremely effective. People watch it and remember. In my opinion, the Internet will decisively win this battle because it alone allows for targeting.”

Semyon Boyarsky, Business Development Manager, Odnoklassniki
Attitudes towards advertising: value

CHARACTERISTICS

• On the whole, women value advertising higher than men (-2% against –10%)
• Young people aged 20-24 value advertising lowest of all (-11%), then Russians aged over 60 (from -23% to -27%), those who live alone (-18%), Muscovites (-11%), residents of St. Petersburg (-10%) and cities with populations over 1 million (-11%). More passive media users, i.e. those who do not share information and news with friends, find less value in advertising (-26%)
• People aged 25-39 find more value in advertising (2–4%), along with media users who actively share news in discussions and online (5%)

Our interviews with the experts revealed that the key factors in raising the effectiveness of advertising are personalisation (targeting), interesting content (special projects), mobilisation (maximum onscreen closeness to the consumer) and the technology of presenting information (carousel).

“In my view, the efficacy of advertising could be improved through new formats and personalisation. By new advertising formats, I mean mobile formats. For example, Odnoklassniki launched an advertising carousel where the user sees more information about a product over a few slides. Television advertising obviously needs to be adapted to the Internet. Separate videos should be filmed or subtitles should be used for native videos that have no sound”

Semyon Boyarskiy, Business Development Manager, Odnoklassniki

“The trend in advertising is adaptation and personalisation. There is only one way to increase the effectiveness of advertising – to make it more interesting and useful for the consumer. This especially refers to special projects, which are a key model for high-quality media platforms, as well as highly focused targeting within the wider media segment”.

Alexey Ametov, Publisher, Look at Media

“Right now, companies are all obsessed with performance marketing. The problem is that brands compete for the attention of consumers since there is a lot of information and it comes from various channels, and people do not choose whether to spend money or not, they chose what to spend it on. Brands compete outside of the sales funnel, i.e. they compete for the consumers who are ready to buy at that moment, but do not stimulate them to make regular purchases. In essence, having achieved the individual sale, the companies relax and they are not interested in whether this person will need their products in the future. Therefore we do not work with the consumers and do not stimulate them to make the same purchase in the same place in, for example, one month’s time”.

Andrey Sikorskiy, Marketing Director, RBC

When it comes to the most popular media channels (television and the Internet), it should be said that the online advertising market is growing and will probably compare to the television advertising market by some point next year. However, we do not see television as a competitor as if this were a zero-sum game. Firstly, due to the different business structure, the top-10 television advertisers form 50 percent of revenues, while the other 200 clients make up the remaining 50 percent. At Yandex, we have thousands of clients and despite the fact that we also have a top-10 list of clients, they do not form half of our revenues. Secondly, we believe that it is the advertiser’s role to get the media mix right at all stages of the sales funnel. For example, when a business needs to generate demand for a product, television and outdoor advertising are indispensable. We never advise our clients to use up their entire budgets online. We are focusing our efforts on bringing the ability to lead targeted campaigns and assess effectiveness, as offered by Internet tools, to outdoor advertising, television and radio”

Maxim Grishakov, Chief Customer Officer, Yandex
### Attitudes towards advertising: product category

You noted earlier that you have experience in receiving valuable information from advertising. Please list the type of goods for which you received valuable information from advertising:

<table>
<thead>
<tr>
<th>Category</th>
<th>Television advertising</th>
<th>Internet advertising</th>
<th>Radio advertising</th>
<th>Printed media advertising</th>
<th>Outdoor advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food products</td>
<td>59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicines</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household chemicals</td>
<td>43%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>48%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household goods</td>
<td>41%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicines</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td>46%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household chemicals</td>
<td>37%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicals</td>
<td>41%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>36%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcoholics</td>
<td>36%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food products (apart from beverages)</td>
<td>62%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TRENDS

**Categories of products for which television advertising is most effective:**

- Food products: 59%
- Medicines: 50%
- Household chemicals: 43%
- Electronics: 48%
- Clothing: 46%
- Household goods: 41%
- Services: 40%

- **Categories of products for which Internet advertising is most effective:**
  - Electronics: 48%
  - Clothing: 46%
  - Household goods: 41%
  - Services: 40%
  - Cosmetics/Perfumes: 31%

- **Categories of products for which radio advertising is most effective:**
  - Services: 43%

There are categories (real estate, financial products, insurance and cars) that use the opportunities presented by advertising tools to their fullest extent. Others are only viewing the Internet as a media channel from the sidelines at the moment, especially certain FMCG segments that are poorly represented in e-commerce. The ROI assessment infrastructure that they are used to is beginning to appear in online advertising and the traditional online indicators do not always suit them.

Maxim Grishakov, Chief Customer Officer, Yandex
CHARACTERISTICS

• Men and women perceive advertising differently. Women are 13 pp more receptive to the advertising of medicines, 10 pp more receptive to cosmetics and perfumes and 13 pp more receptive to clothes.

• Men find more value in the advertising of daily items (10 pp), electronic devices (13 pp), household items (12 pp) and vehicles (8 pp).

“The thing about the FMCG market is that the choice of goods in this segment is often very spontaneous. Here is a simple example: with shampoo, 97 percent of consumers have no loyalty to a single product. They pick various shampoos, as they like trying new products and they are susceptible to special offers. Therefore, the main task for companies on the FMCG market is to generate an image for their product such that a woman in the shop will remember/feel pleasant emotions and take it from the shelf (top-of-mind awareness). Take another example: 99 percent of Lays crisps buyers use the Internet regularly, therefore it is important for the company to be visible all the time and associated with loyal feelings and consumption situations.

Overall, the entire e-commerce market makes up at best 10-13 percent of consumer purchases. In the experience of our FMCG clients, online sales form a small proportion of overall sales. Yes, FMCG goods sell badly online as most Russians continue to go to normal shops. However, despite the fact that no direct sales are made, many companies are now trying to make it possible to buy products through their websites. Therefore everyone knows that the Internet is the future for sales”.

Nikita Ershov, Head of group 12.digital
Media consumption in Russia / Key Trends

Media source ranking by trust level

If different media sources portray the same event differently (provide differing information), then which source will you believe? Which media source do you trust most?

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Rating 2016</th>
<th>Rating 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet news, analytical and official sites</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Television</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Social sites and Internet blogs</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>The opinion of others</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Newspapers</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Radio</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Magazines</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**TRENDS**

Rating of media sources by trust level:
- 35% – Internet news, analytical and official sites
- 28% – television
- 13% – social networks and Internet blogs
- 8% – the opinion of others
- 1%-3% – newspapers/magazines/radio

Russians have come to trust news and analytical Internet sites less in 2016 (5 pp reduction in trust). This is clearest in Moscow (14 pp) and St. Petersburg (23 pp), and among the youngest 16-19 age group (15 pp).

**CHARACTERISTICS**

Internet information
- Level of trust in Internet news sites is higher among the 60-65 (44%) and 40-44 age groups (41%)
- Young people aged 16-19 trust information from social networks and Internet blogs more (19%)

Information provided on television
The level of trust in television is somewhat higher among people aged 35-39 (36%) and St. Petersburg residents (36%).

We asked the experts which images best promote the absorption of information by consumers (i.e. what kind of “presenter” is best – the person or format that conveys the information). The experts unanimously pointed towards the “humanisation” of information, meaning that for people to trust information, a human image is required. Infographics were at the peak of popularity in 2013-2014, but are now taking a back seat. Our analysis of the experts’ views allows us to divide media consumers into two types: 1) those who need information for reassurance that everything will be ok rather than for decision making, and 2) those who need information for decision making, while at the same time not wanting to be told what to do and expecting the maximum volume of varied information for independent decision making.

“...The social networks has given rise to a larger number of people who can produce content. The border between media personalities, whose opinions were previously taken to be reference standards, and normal users has faded away. Nowadays everyone can be a source of content, therefore the importance of “presenters” as disseminators of information has decreased considerably as far as the absorption of information is concerned.”

Anna Nikulina, Commercial Director, Rambler.ru
Attitudes towards the mass media: Russian or foreign sources?

Is the source of information (foreign or Russian) important for you?

- Preference for Russian sources: 62%
- Preference for foreign sources: 6%
- Not important: 32%

As in 2015, for the majority of Russians (68%) the source of their information is important, specifically:

- 62% of Russians prefer to receive information from Russian sources;
- 6% of those questioned prefer to receive information from foreign sources.

At the same time, 32% of Russians do not express a preference for the source of their information.

TRENDS

CHARACTERISTICS

For sources such as television and newspapers, a large share of people consider it important that media sources are Russian (71% and 67%, respectively).

With respect to social networks and blogs, Russians tend not place value on the source (36%).

Socio-demographic and geographic trends have also appeared:

- Loyalty to foreign sources is higher among Muscovites (13%) and young people aged 16-24 (11–14%). The latter often do not place value on the country of origin of information (41%).
- More often, Russian sources are preferred by the 55-59 age group, and those over 65 (71% and 70%, respectively).

Socio-demographic and geographic trends have also appeared:

- Loyalty to foreign sources is higher among Muscovites (13%) and young people aged 16-24 (11–14%). The latter often do not place value on the country of origin of information (41%).
- More often, Russian sources are preferred by the 55-59 age group, and those over 65 (71% and 70%, respectively).
### Frequency of Internet visits compared to 2015

Which of the Internet resources listed below have you visited more often, and which less often (compared to a year earlier)?

<table>
<thead>
<tr>
<th>Visit index</th>
<th>Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>VKontakte</td>
<td>28%</td>
</tr>
<tr>
<td>News sites</td>
<td>19%</td>
</tr>
<tr>
<td>Instagram</td>
<td>5%</td>
</tr>
<tr>
<td>Average value</td>
<td>2%</td>
</tr>
<tr>
<td>Odnoklassniki</td>
<td>0%</td>
</tr>
<tr>
<td>Online video games</td>
<td>-2%</td>
</tr>
<tr>
<td>Periscope</td>
<td>-2%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>-3%</td>
</tr>
<tr>
<td>Moi Krug</td>
<td>-7%</td>
</tr>
<tr>
<td>Twitter</td>
<td>-7%</td>
</tr>
<tr>
<td>Facebook</td>
<td>-9%</td>
</tr>
</tbody>
</table>

The Internet resource visit index is calculated using the formula: (proportion of those who began using a resource more often minus the proportion of those who began using a resource less often).

### TRENDS

- The VKontakte social network is the leader in visit changes (based on respondents' subjective evaluation of their own resource use, the visit index is 28%).
- Third place goes to Instagram (visit index of 5%).
- In the last year Facebook lost 9% of its audience, Twitter – 7% and Moi Krug – 7%.
- Second place among resources increasing their audience goes to news sites (visit index of 19%).

### Characteristics

Activity in the VKontakte network (from the site visit perspective) is somewhat lower in the Far East Federal District (+6%), and among Russians aged over 50 (index of 9% and lower).

The opposite (growth in user activity in VKontakte) is seen among young people aged 16-19 (+33%) and students (76%).

The reduction in Facebook activity is characteristic for the South Federal District (–20%), and for Russians aged 16-29 (from –16% to –20%). A growth in Facebook activity was seen among those Russians who prefer foreign news sources to Russian (+9%).

The reduction in Instagram activity is characteristic for the 55-59 age group (–4%).

A higher than average growth was seen among residents of the South Federal District (+11%), St. Petersburg (+11%) and young people aged 16-24 (+16% and +22%, respectively), and among those who prefer foreign news sources to Russian (+11%).

News sites are less popular mostly among young people aged 16-19 (–3%) and 20-24 (–2%). At the same time, there has been a growth in the use of news sites among residents of the Far East Federal District (+35%) and in the 45+ age group (+22% and above).

The popularity of social networks is stoking the interest of players on the media market. Many of the experts noted their interest in social networks, messengers and other similar communications channels in terms of business opportunities. For example, the representative of Look at Media told us of plans to partially reorient their business towards distribution channels such as social networks and messengers. However the expert noted that this transition is gradual and will require at least four years.
Technical aspects of media consumption

**INTERNET CONNECTION**
- Dedicated line (direct cable Internet connection): 52%
- Wireless Internet: 44%
- Mobile Internet: 29%
- ADSL-connection: 12%
- Modem connection: 11%

**TELEVISION CONNECTION**
- Individual cable antenna: this type of connection is most popular among residents of the Volga Federal District (43%), Ural Federal District (45%) and Far East Federal District (46%): 35%
- Television-internet: this type of connection is most often used by Muscovites (41%): 35%
- General antenna: this type of connection is most often used by Muscovites (52%) and St. Petersburg residents (38%): 28%
- Satellite TV: satellite television is used regularly in the South Caucus Federal District (39%) and Southern Federal District (37%): 24%

**RADIO CONNECTION**
- Vehicle: 39%
- Radio: 28%
- Mobile device: 11%
- Internet (computer users): 8%
- Household audio devices: 8%
- work days: 13%
### Russian media consumption in figures

#### TARGET AUDIENCE SIZE

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Work Day</th>
<th>Compared to 2015</th>
<th>Weekend</th>
<th>Compared to 2015</th>
<th>Average</th>
<th>Compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>66%</td>
<td>5 pp</td>
<td>50%</td>
<td>-1 pp</td>
<td>58%</td>
<td>2 pp</td>
</tr>
<tr>
<td>Television</td>
<td>3%</td>
<td>-2 pp</td>
<td>23%</td>
<td>6 pp</td>
<td>13%</td>
<td>2 pp</td>
</tr>
<tr>
<td>Radio</td>
<td>0%</td>
<td>1 pp</td>
<td>0%</td>
<td>-1 pp</td>
<td>-2%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Electronic books</td>
<td>0%</td>
<td>-1 pp</td>
<td>-1%</td>
<td>2 pp</td>
<td>-1%</td>
<td>-2 pp</td>
</tr>
<tr>
<td>Printed media</td>
<td>-1%</td>
<td>-1 pp</td>
<td>-6%</td>
<td>-1 pp</td>
<td>-3%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Printed books</td>
<td>-3%</td>
<td>-4 pp</td>
<td>0%</td>
<td>0 pp</td>
<td>-2%</td>
<td>-2 pp</td>
</tr>
<tr>
<td>Video games</td>
<td>-27%</td>
<td>-2 pp</td>
<td>-19%</td>
<td>-3 pp</td>
<td>-23%</td>
<td>-3 pp</td>
</tr>
</tbody>
</table>

* Due to the method of data collection

#### DURATION OF THE USE OF MEDIA SOURCES

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Work Day</th>
<th>Compared to 2015</th>
<th>Weekend</th>
<th>Compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>3 hours 10 minutes</td>
<td>-7 minutes</td>
<td>3 hours 42 minutes</td>
<td>-18 minutes</td>
</tr>
<tr>
<td>Television</td>
<td>1 hour 33 minutes</td>
<td>-3 minutes</td>
<td>1 hour 25 minutes</td>
<td>-2 minutes</td>
</tr>
<tr>
<td>Radio</td>
<td>1 hour 15 minutes</td>
<td>-2 minutes</td>
<td>1 hour 10 minutes</td>
<td>-1 minute</td>
</tr>
<tr>
<td>Printed books</td>
<td>26 minutes</td>
<td></td>
<td>35 minutes</td>
<td></td>
</tr>
</tbody>
</table>

#### FREQUENCY MEDIA SOURCES USED

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Work Day</th>
<th>Compared to 2015</th>
<th>Weekend</th>
<th>Compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>5.4 times a week</td>
<td></td>
<td>4.1 times a week</td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td>3.2 times a week</td>
<td></td>
<td>1.5 times a week</td>
<td></td>
</tr>
<tr>
<td>Radio</td>
<td>1.1 times a week</td>
<td></td>
<td>0.9 times a week</td>
<td></td>
</tr>
<tr>
<td>Electronic books</td>
<td>0.3 times a week</td>
<td></td>
<td>0.2 times a week</td>
<td></td>
</tr>
<tr>
<td>Printed books</td>
<td>0.7 times a week</td>
<td></td>
<td>0.5 times a week</td>
<td></td>
</tr>
<tr>
<td>Video games</td>
<td>0.4 times a week</td>
<td></td>
<td>0.3 times a week</td>
<td></td>
</tr>
</tbody>
</table>

#### GENERAL RATING OF THE VALUE OF MEDIA SOURCES

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Work Day</th>
<th>Compared to 2015</th>
<th>Weekend</th>
<th>Compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>10%</td>
<td>1 pp</td>
<td>10%</td>
<td>1 pp</td>
</tr>
<tr>
<td>Television</td>
<td>3%</td>
<td>-2 pp</td>
<td>23%</td>
<td>6 pp</td>
</tr>
<tr>
<td>Radio</td>
<td>0%</td>
<td>1 pp</td>
<td>0%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Electronic books</td>
<td>0%</td>
<td>-1 pp</td>
<td>-1%</td>
<td>2 pp</td>
</tr>
<tr>
<td>Printed media</td>
<td>-1%</td>
<td>-1 pp</td>
<td>-6%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Printed books</td>
<td>-3%</td>
<td>-4 pp</td>
<td>0%</td>
<td>0 pp</td>
</tr>
<tr>
<td>Video games</td>
<td>-27%</td>
<td>-2 pp</td>
<td>-19%</td>
<td>-3 pp</td>
</tr>
</tbody>
</table>

#### RUSSIANS' WORK DAY PREFERENCES

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Work Day</th>
<th>Compared to 2015</th>
<th>Weekend</th>
<th>Compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>66%</td>
<td>5 pp</td>
<td>50%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Television</td>
<td>3%</td>
<td>-2 pp</td>
<td>23%</td>
<td>6 pp</td>
</tr>
<tr>
<td>Radio</td>
<td>0%</td>
<td>1 pp</td>
<td>0%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Electronic books</td>
<td>0%</td>
<td>-1 pp</td>
<td>-1%</td>
<td>2 pp</td>
</tr>
<tr>
<td>Printed media</td>
<td>-1%</td>
<td>-1 pp</td>
<td>-6%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Printed books</td>
<td>-3%</td>
<td>-4 pp</td>
<td>0%</td>
<td>0 pp</td>
</tr>
<tr>
<td>Video games</td>
<td>-27%</td>
<td>-2 pp</td>
<td>-19%</td>
<td>-3 pp</td>
</tr>
</tbody>
</table>

#### RUSSIANS' WEEKEND PREFERENCES

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Work Day</th>
<th>Compared to 2015</th>
<th>Weekend</th>
<th>Compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>66%</td>
<td>5 pp</td>
<td>50%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Television</td>
<td>3%</td>
<td>-2 pp</td>
<td>23%</td>
<td>6 pp</td>
</tr>
<tr>
<td>Radio</td>
<td>0%</td>
<td>1 pp</td>
<td>0%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Electronic books</td>
<td>0%</td>
<td>-1 pp</td>
<td>-1%</td>
<td>2 pp</td>
</tr>
<tr>
<td>Printed media</td>
<td>-1%</td>
<td>-1 pp</td>
<td>-6%</td>
<td>-1 pp</td>
</tr>
<tr>
<td>Printed books</td>
<td>-3%</td>
<td>-4 pp</td>
<td>0%</td>
<td>0 pp</td>
</tr>
<tr>
<td>Video games</td>
<td>-27%</td>
<td>-2 pp</td>
<td>-19%</td>
<td>-3 pp</td>
</tr>
</tbody>
</table>

* Due to the method of data collection
Contacts

If you have any questions regarding this research, please contact us.

Authors:

Olga Tabakova
Partner
CIS TMT Industry Leader

Anton Shulga
Corporate Finance Partner
CIS Telecom Leader

Natalya Kaprizina
Partner
Audit,
CIS ERS Leader,
CIS TMT Industry

Ekaterina Lukianova
TMT Industry Development Coordinator
Deloitte CIS
elukianova@deloitte.ru

Lora Zemlyanskaya
Research Centre Leader
Deloitte CIS
lzemlyanskaya@deloitte.ru

Vladimir Sokolov
Research Specialist
Deloitte CIS
vsokolov@deloitte.ru

Artyom Belyaev
Designer
Deloitte CIS
abelyaev@deloitte.ru
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients’ most complex business challenges. To learn more about how Deloitte’s approximately 244,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.