

RMAA



Russian Digital Market Overview

2023

Complete Guide to Create a
Digital Marketing Strategy
in the Russian Market
Review 4.0, Edition 2023

Introduction



The year 2022 has brought powerful transformations of the Russian digital market. However, by understanding these changes, circumventing restrictions, and taking advantage of new opportunities, it is possible to succeed in promoting products to the Russian-speaking audience.

Vadim Tylik

RMAA CHIEF EXECUTIVE OFFICER

In this White Paper, we will describe the current ecosystem of the Russian digital market, as well as provide statistics and an overview of the most popular tools and services available there.

We have created the Paper specially for those who want to understand the specifics of the Russian online market and its target audience, as well as to learn how to promote their business online effectively.

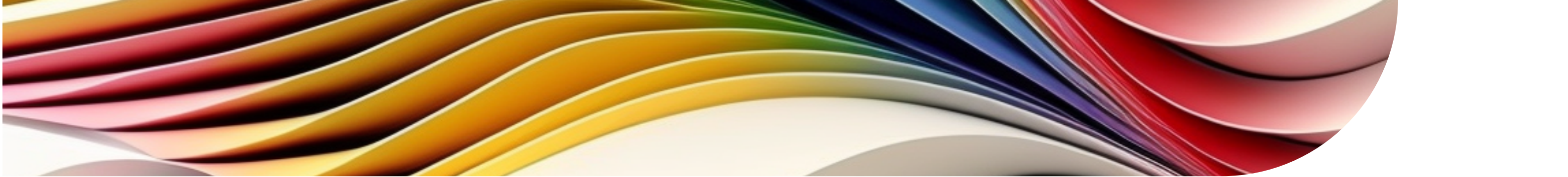


RMAA

RMAA is a cross-border marketing agency dedicated to connecting brands with the Russian-speaking audience.

We help navigate cultural, linguistic, and media landscape barriers to deliver your story to the Russophone audience.

Founded in 2008 and based in Moscow, the RMAA marketing agency provides its clients with a detailed and extensive understanding on how to increase their sales, improve their marketing techniques, and grow their businesses and brands in Russia and the CIS.



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Russian digital market Overview

The previous year was marked by dramatic changes in the Internet advertising industry in Russia:

No Ads

Google does not show advertising in Russia on its resources (search engine, YouTube, etc.).

Restrictions

TikTok introduced restrictions for Russian users: it is not possible to post new content or run ads.

Blocked

The popular social networks Facebook* and Instagram*, which also served as advertising channels, are blocked in Russia.

Popular platforms

Against the background of blocking Western social networks, Russian platforms such as VKontakte and Telegram are gaining popularity.

Changes in the digital ecosystem have had a global impact on the structure of advertisers' budgets and on the work of companies and professionals providing internet marketing services.

** The social network is recognized as extremist and banned in Russia*



The year 2022 was a substantial transformation for us and our clients. However, while someone is hysterically reducing marketing budgets or leaving the Russian market altogether, others are looking for and launching new channels, conducting analytics, and building a new effective marketing strategy. Add to this the noticeably weakened competition in some niches, and growth is guaranteed.

The ability to readjust quickly in a changing marketplace is one of the most important factors in sustainability and growth of any organization

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RMAA CHIEF EXECUTIVE OFFICER

Digital Media Ecosystem in Russia

Facebook*, Twitter, and Instagram* were blocked in Russia, and monetization in YouTube was suspended, too. Besides, on March 3, the Google Ads advertising system announced the suspension of advertising to users located in Russia.

Nevertheless, there have always been alternatives for companies promoting their products and services in the Russian market. VKontakte remains the largest social networking service in Russia. According to VK Company Limited, the average daily audience of VK services (DAU) was a record 73 million users in the fourth quarter of 2022.

Average daily reach of the platform				
	January 2022 (M users)	Yearly change (M users)	January 2023 (M users)	Current restrictions
Search engines				
 Yandex	62,51	3,09	65,6	no restrictions
 Google	56,66	4,37	61,03	ad placement is not allowed
Social media				
SOCIAL PLATFORMS				
 VK	46,39	+6,88	53,27	no restrictions
 Telegram	28,1	+22,11	50,21	no restrictions
 OK	19,52	+2,35	21,87	no restrictions
 Facebook*	8,54	-6,1	2,44	blocked, available only via VPN, ad placement is not allowed
CONTENT PLATFORMS				
 Youtube	46,13	+5,14	51,27	ad placement is not allowed
 Instagram*	38,45	-10,76	27,69	blocked, available only via VPN, ad placement is not allowed
 TikTok	33,06	-0,42	32,64	ad and content placement is not allowed

General View of Predominant Search Engines

Among the large number of search engines, Google is the worldwide undisputed leader, and only in Runet Yandex is on a par with it. However, Google has also taken the lead in Russia in the most promising type of search – on mobile devices.

Thus, Russian SEO specialists solve a problem in every project that their colleagues in America and Europe do not know about, namely for which search engine they need to optimize the site in the first place. The answer depends on the region, the business niche, the price segment, and other factors, and will never be the same.

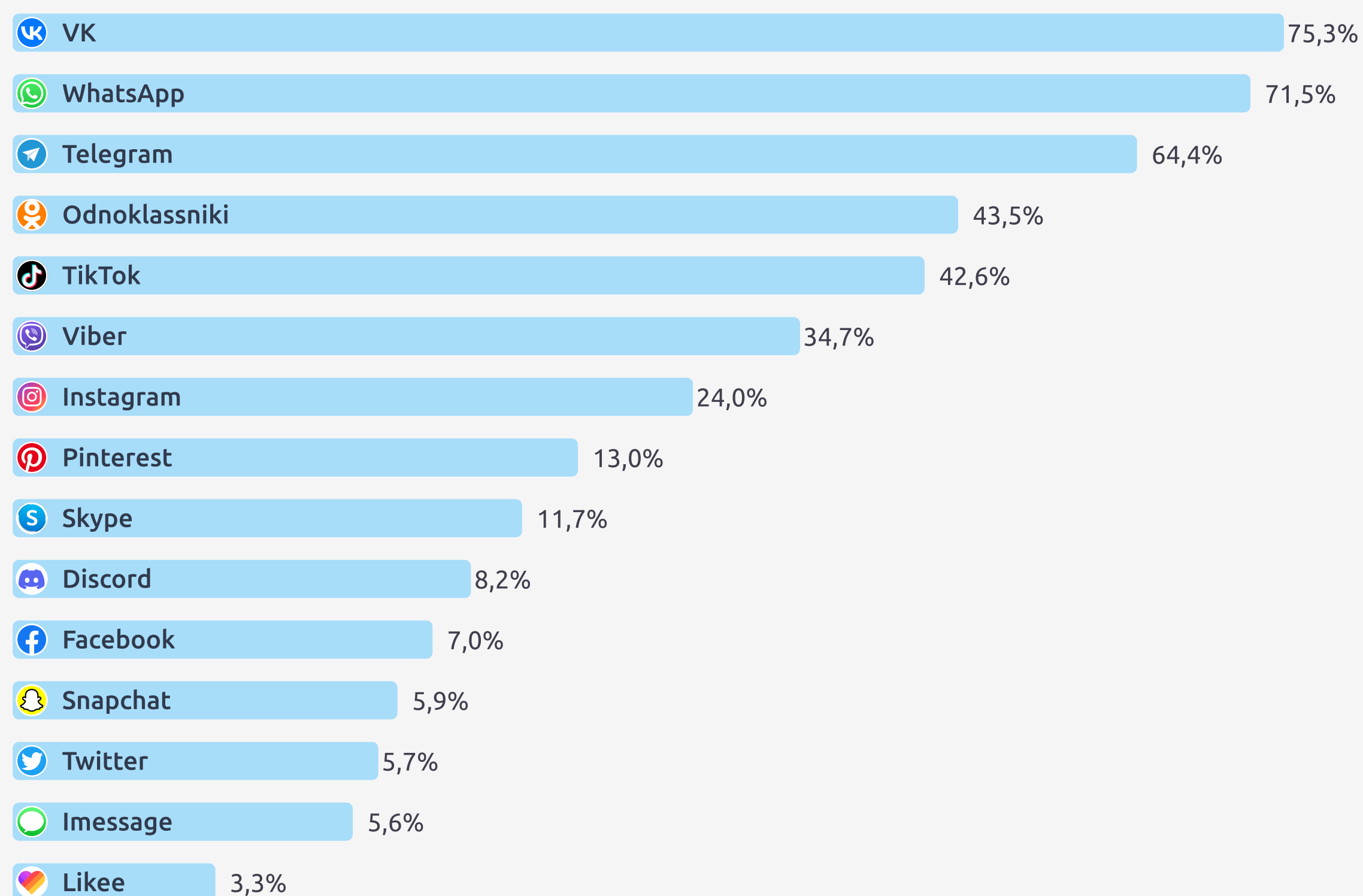


Source: <https://gs.statcounter.com/search-engine-market-share/all/russian-federation>

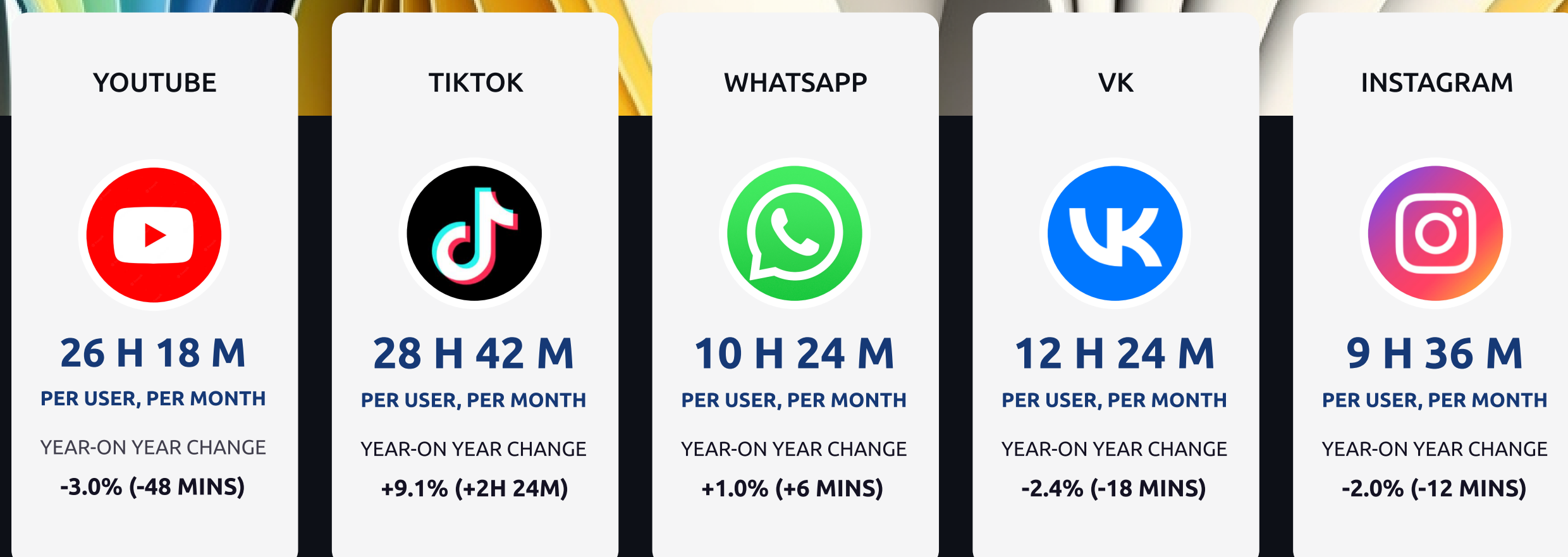
Social Media platforms in Russia

According to DataReportal, VKontakte was the leader in Russia in terms of reach, while Telegram showed a significant increase in its audience reach. According to MediaScope, in February 2023, social networking features were used by 41% of Russians, which is almost twice as much as in the same month last year.

The worst situation in the Russian market is with Meta* services. Instagram* coverage fell from 31% to 6%, and the time spent there dropped from 41 to 17 minutes. On Facebook*, the reach fell from 7% to 2%. Despite this, many Russians continue using these social platforms through VPN services.



Source: <https://www.web-canape.ru/business/statistika-interneta-i-socsetej-na-2023-god-cifry-i-trendy-v-mire-i-v-rossii/>



In spite of its leadership in terms of audience reach, VK ranks only fourth after YouTube, TikTok, and WhatsApp in terms of time spent within the app or on the website.

Messengers in Russia



By the end of 2022, Telegram surpassed its competitor WhatsApp in terms of user traffic for the first time. By the beginning of 2023, its share exceeded 60-80% of the total volume, as calculated by four largest Russian mobile operators. WhatsApp is ahead of other messengers in terms of the number of its users, but experts expect that Telegram may catch up with it as early as this year.

According to Mediascope, Telegram's audience in Russia doubled through the course of the year, having hit 48.8 million users per day as of January 2023. The average time spent on Telegram has increased from 23 to 39 minutes per day. The audience of WhatsApp has increased by 5 million daily users, with a total number of 76 million people within the year. The average time spent on the platform is 33 minutes a day as compared to 31 minutes a year before.

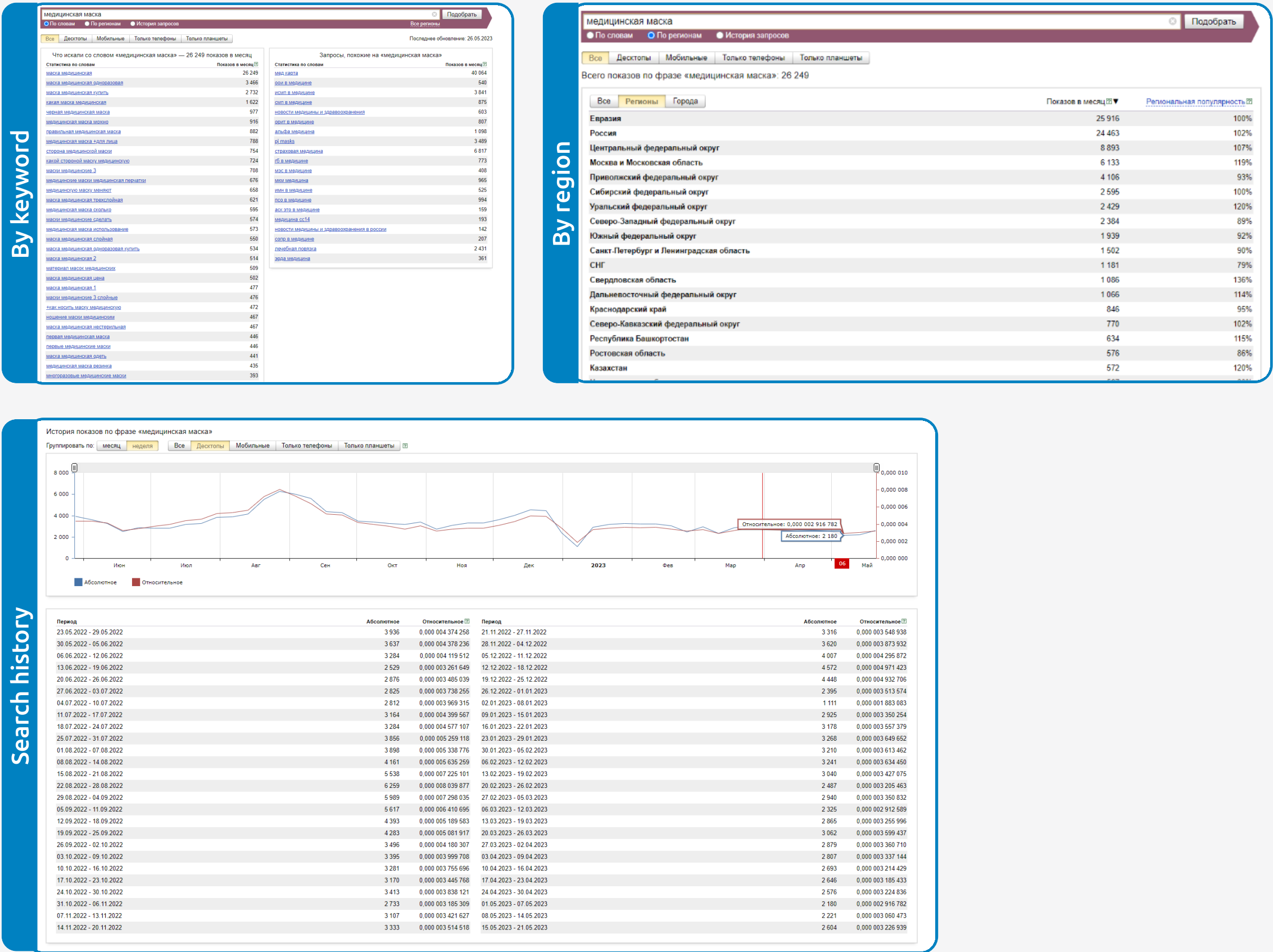
Source: <https://www.vedomosti.ru/technology/articles/2023/01/23/959995-telegram-obogнал-whatsapp>

How to Assess the Demand for Products, Issues, and Niches in the Russian Market

A key tool for assessing demand in the Russian market is Yandex.Wordstat. It is a free service by Yandex for collecting statistics on search queries, in particular, how many people per month were searching for a key phrase, with the ability to specify the region, to track seasonal spikes or dips in demand, to find out the share of mobile traffic, and many others.

The service will help in solving the following business problems:

- Determine market activity and overall industry capacity.
- Track trends in your market area.
- Expand/specify your target audience.
- Study the specifics of your traffic.
- Set up contextual or targeting advertising effectively.
- Form a semantic core for SEO promotion, etc.



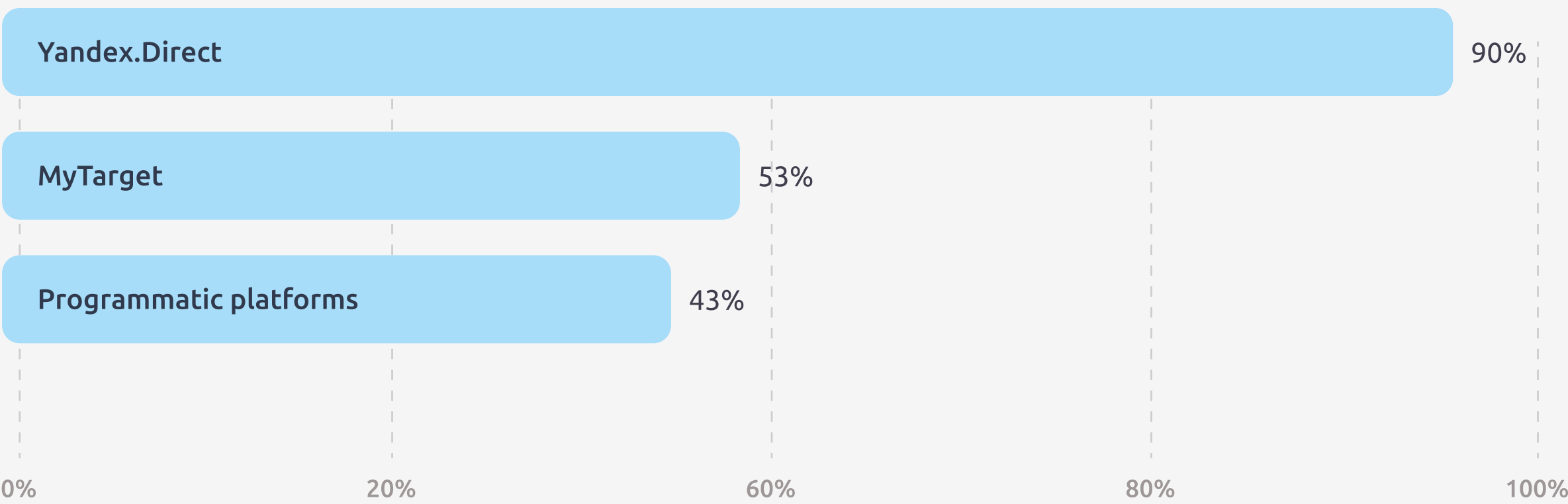
Advertising Systems and Tools in the Russian market

7.1 Paid search ads systems

Back in the day, when promoting in the Russian market, it was necessary to run ads in two search engines: Yandex and Google. On March 3, 2022, the Google Ads advertising system announced the suspension of advertising to users located in Russia. Since that time, Yandex.Direct has become the main contextual ads system in Russia and the biggest provider of context ads in the Russian Internet.

In general, Yandex.Direct functionality is very similar to one offered by Google Ads. Its main operating principle is showing relevant search results (context ads) and Yandex ad network (media or banner ads).

Where brands reallocate their budgets from Google Adwords



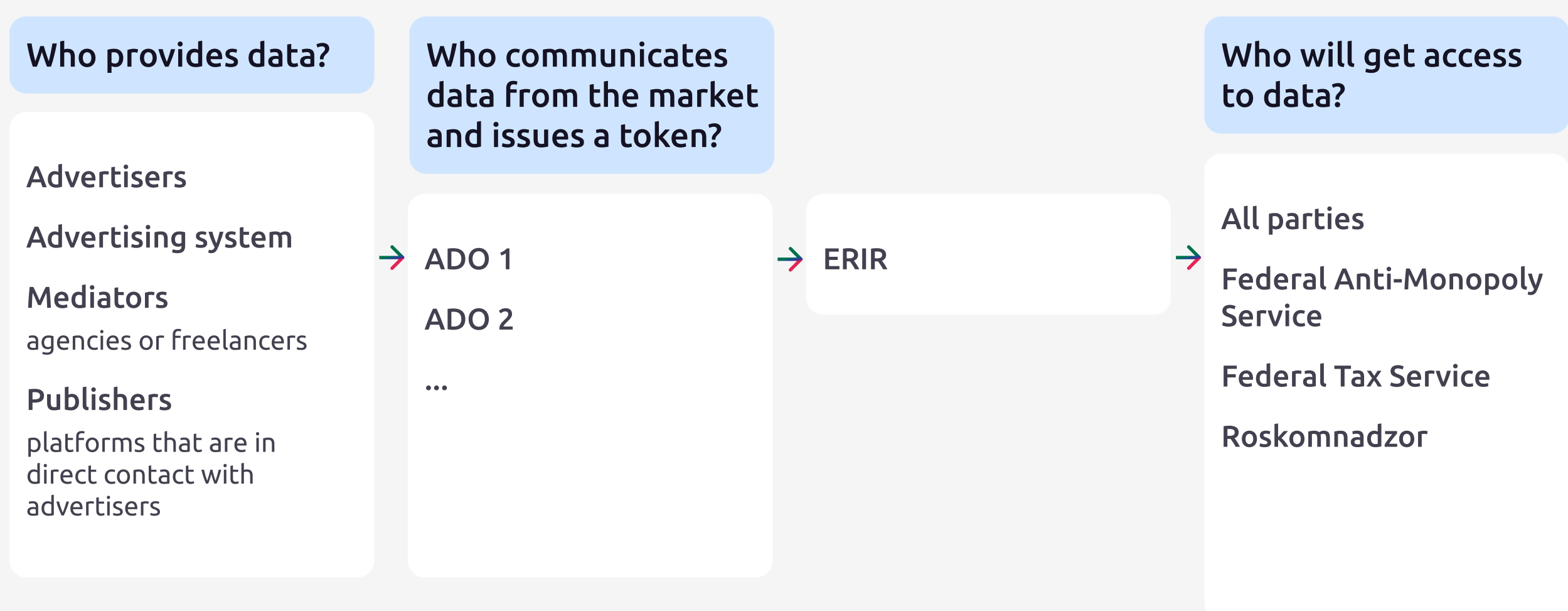
Source: <https://www.sostav.ru/publication/issledovanie-genius-group-55841.html>

7.2 Advertising marking

An important innovation for 2022 was the mandatory labeling of advertising on the Russian Internet that was adopted on September 1. Now any online advertisement must be labeled, and all information about it must be submitted to the Unified Registry of Internet Advertising (ERIR) through the Advertising Data Operator (ADO).

This is monitored by Roskomnadzor, and all participants in the advertising chain must provide it with information about advertisements displayed on the Internet. They will have to report both **before** and **at the end** of an advertising campaign.

Data communication subjects and objects



Labeling is necessary in any of these situations:

- You're advertising about your products on your website, your app, or your social media page;
- You contact an advertiser – another site, a social networking page, a blogger;
- You contact an agency and they place the ads for you.

Advertising is information that is:

- addressed to the public;
- aimed at attracting attention to the advertised object, creates interest to it, and promotes it in the market.

Everything that is considered advertising must be marked, except for social advertising and advertising on TV and radio programs when it is also published online unchanged.

Advertisements of your own products in email newsletters and push notifications must be marked as "Advertising", but you do not have to submit the information to ERIR.



The advertisement features the Dyson logo in the top left corner. Below it, the text "Безупречные технологии" (Flawless technology) is written in large, bold, black Cyrillic letters. Underneath this, "в рассрочку" (on installment) is written in a smaller font, followed by "0-0-24" in a large, bold font. To the right of the text is a blue oval-shaped product box. Below the box, the text "Фен Dyson Supersonic HD 07" (Dyson Supersonic HD 07 hair dryer) is written. On the right side of the advertisement is a full-length image of the blue and copper-colored hair dryer. At the bottom left, there is small text: "Реклама. Рекламодатель ООО 'MBM'" and "Erid: Pb3XmBtzt7ZdeRVGF5pWKH5xbGmSYx1ove8RHR2".

An example of marking on the M.Video website: there is a mark "Advertising," a token, and an indication of the advertiser

How to work with ODS

To tokenize an advertisement, you need to:

- get a token,
- put a mark "Advertisement" on your creative,
- place information about the advertiser—name, Primary State Registration Number or OGRN code (for legal entities), taxpayer identification number, registered trademark, and link to the website.

Any advertising post is considered to be creative:

- banner,
- text and graphic items,
- circular video on Telegram,
- ephemeral stories on social networks,
- audio and video clips,
- newsletters that are not from their own database,
- podcasts and video broadcasts,
- links in SEO articles.

An advertising token is an ID

a unique alphanumeric code assigned to each creative before it is launched online. It confirms that the creative is registered in ERIR. To get the token, you need to prepare a creative and send it to the EPR.

- Advertising data operators (ADO):
- Laboratoriya Razrabotki (Sberbank);
- Yandex Advertising Data Operator (Yandex);
- VK Advertising Technologies (VK);
- OZON ORD (Ozon);
- MediaScout (MTS);
- Pervyi ORD (VimpelCom);
- ORD-A (AmberData).

How advertising systems and agencies work with ad labeling



Major advertising systems, such as Yandex.Direct and myTarget, integrate with the advertising data operator via API and generate tokens automatically – businesses do not need to request them separately.

For advertising on other platforms, you will have to apply to a third-party ODS – for example, if you want to publish ads directly in your Telegram channel.

If you approach an ad agency, you can pass the responsibility of interacting with the ODS onto them. At the RMMA agency, we take care of all the marking of ads for our clients.

Maria Gorelova

HEAD OF LEGAL DEPARTMENT RMAA

7.3 Social media targeting

Targeting in the 2023 market has changed because of refocusing on Russian advertising networks: Yandex, MyTarget, VK. This advertising channel is constantly improving, as social networks have collected and continue collecting a huge amount of information about users: their interests, dates of important life events, where they live, what music they listen to, how much they earn and what phone model they use. All of this lets you create a targeted offer and show it to the right audience.-

Targeted ads systems in Russia:

- VK Ads Manager;
- myTarget (for placement of ads on Odnoklassniki, My World, VK, and other projects of Mail.ru Group).

We did not put LinkedIn and Meta platforms (Facebook** and Instagram**) on the list because they had been blocked in Russia.*

In April 2022, the Russian holding company VK (VKontakte, Odnoklassniki, and affiliate networks) announced the launch of a new VK ads manager. The beta version of the service was gradually upgraded to a release, and new functions were added. As a result, today VK Ads has become a valuable and convenient platform for implementing many marketing tasks.

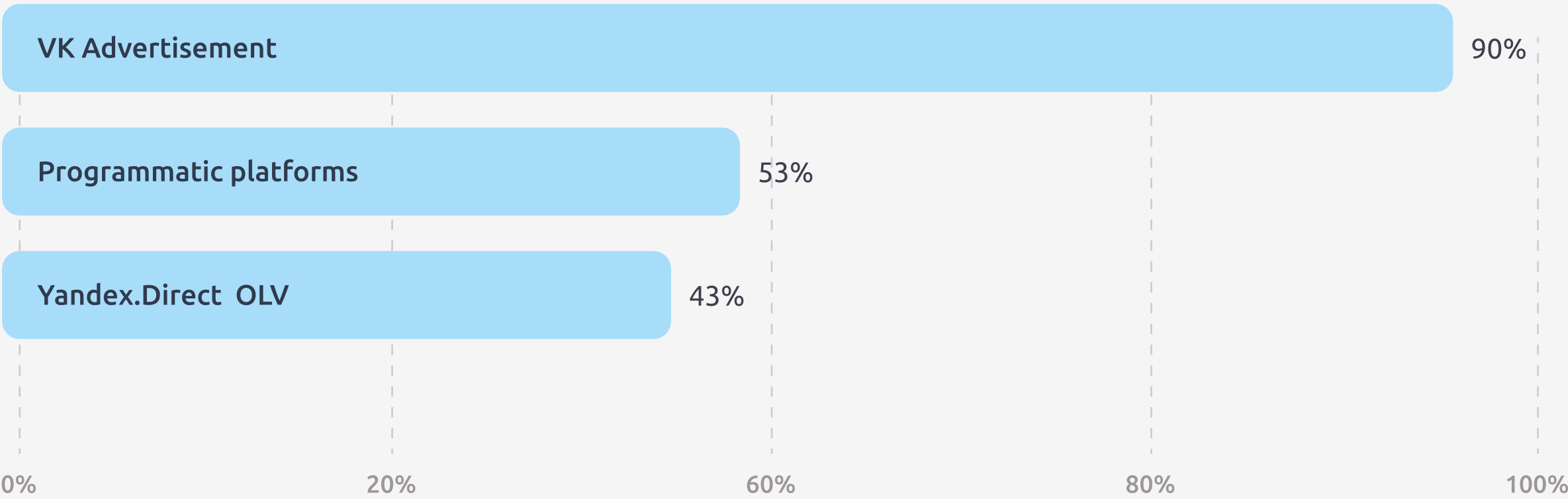
At the moment, there are two advertising accounts: VK PRO, which broadcasts ads on VKontakte only, and myTarget, which covers all the networks of the company. However, on April 20 the function of creating new campaigns to promote communities was closed in the old VKontakte account, and, starting from May 24, such promotion will be stopped completely. Thus, there will be only one platform for advertising on VKontakte (and in the entire partner network, too).

7.4 Video ads

In 2022, Google closed its Google Ads advertising service for advertisers from Russia. That means in Russia you can no longer place ads on YouTube.

In this situation, the number of video views on Russian social network VK is growing. For example, in March, VKontakte has set new records for audience and activity: 53.6 million daily audience in Russia and 1.1 billion video views per day.

Where brands are reallocating their budgets from YouTube



Source: <https://www.sostav.ru/publication/issledovanie-genius-group-55841.html>

Advertising video networks in Russia

MyTarget	7	2,3	9,3
Yandex Advertising Network	6,5	2,5	9
Google Display Network	7,2	1,8	9
Weborama	7,1	1,3	8,4
Digital Alliance	6,4	1,8	8,3
Otclick	7,5	0,7	8,2
Go Net	7,1	0,8	7,9
Adspector	7,4	0,5	7,8
Mediatoday	7,1	0,5	7,6
MoeVideo	7,2	0,4	7,6

7 Quality 1,2 Cooperation 8,3 Integration

Native video ad networks

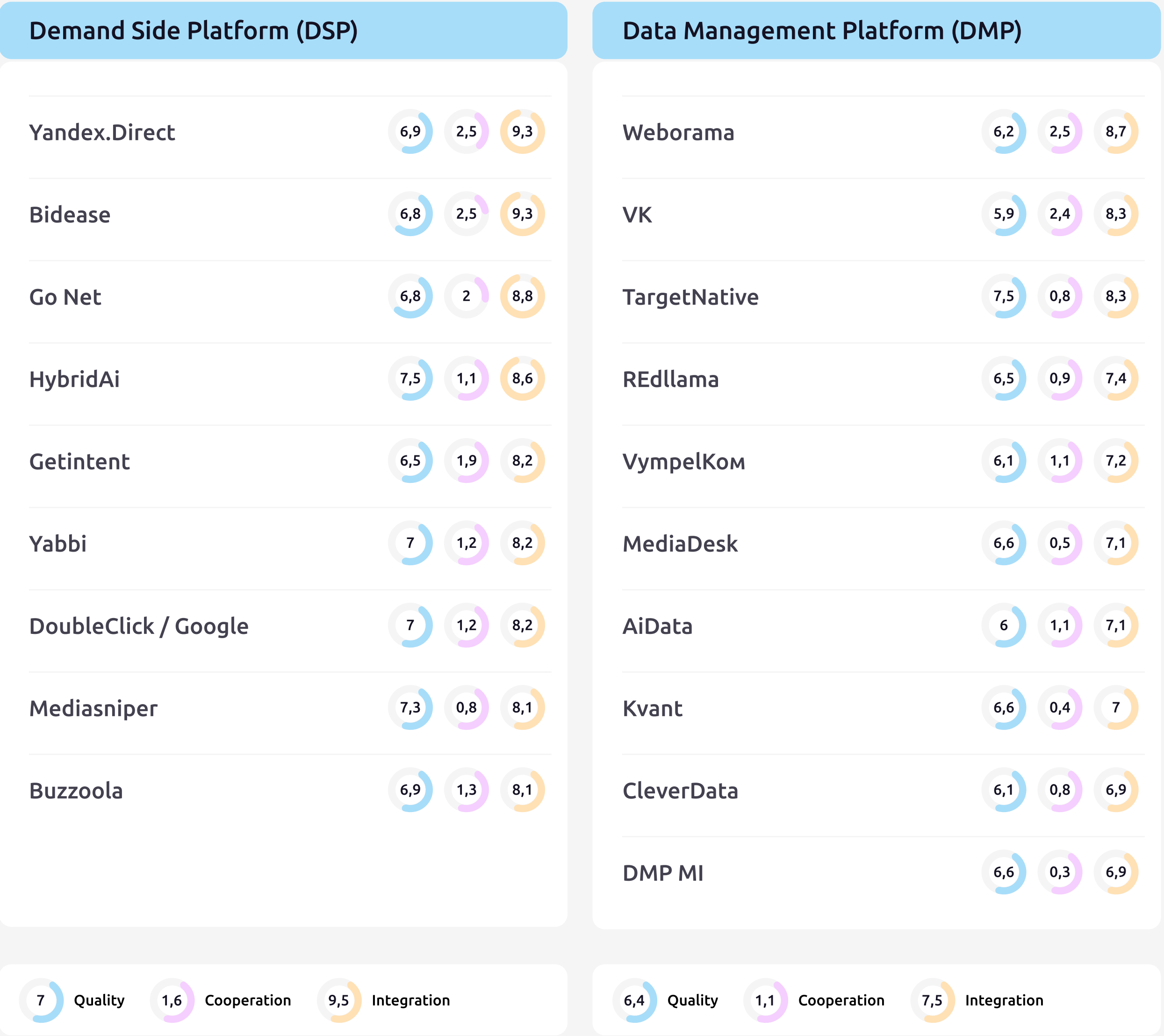
Yandex	6,7	2,5	9,2
VK	7	2,1	9,1
Nativeroll	6,7	2,4	9,1
Buzzoola	7,1	2	9,1
Instagram*	7	1,8	8,8
Facebook	6,8	1,8	8,6
Getintent	6,6	1,8	8,4
Natiscope	7,5	0,8	8,3
Odnoklassniki	7,1	1,3	8,3
REDdigital	6,4	0,8	7,2

7 Quality 1,7 Cooperation 8,6 Integration

Source: <https://adindex.ru/maps/digital-matrix/2022/content/>

7.5 Programmatic platforms

Due to the exit from the market of such major programmatic players as Google / YouTube, Facebook / Instagram*, Tik Tok, Criteo, RTB House and others, the demand for Russian programmatic platforms has increased significantly.



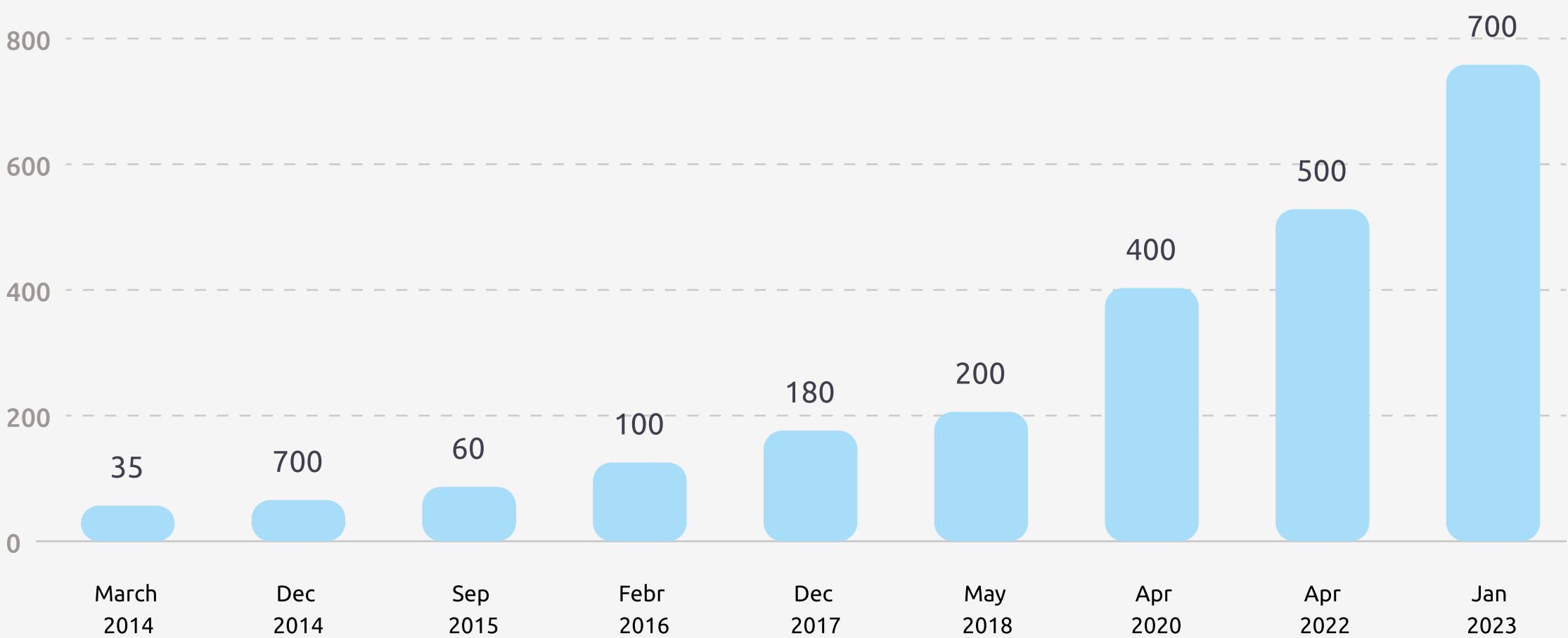
Source: <https://adindex.ru/maps/digital-matrix/2022/content/>

7.6 Brand promotion on Telegram

In 2023, Telegram became the new media in Russia: many bloggers and brands use the platform as a channel for attracting audiences, communicating with them and making sales.

Telegram's audience has grown by more than 40% every year since 2013. Telegram is used by 8.8% of the world's population every month.

Telegram monthly active users (MAU), millions

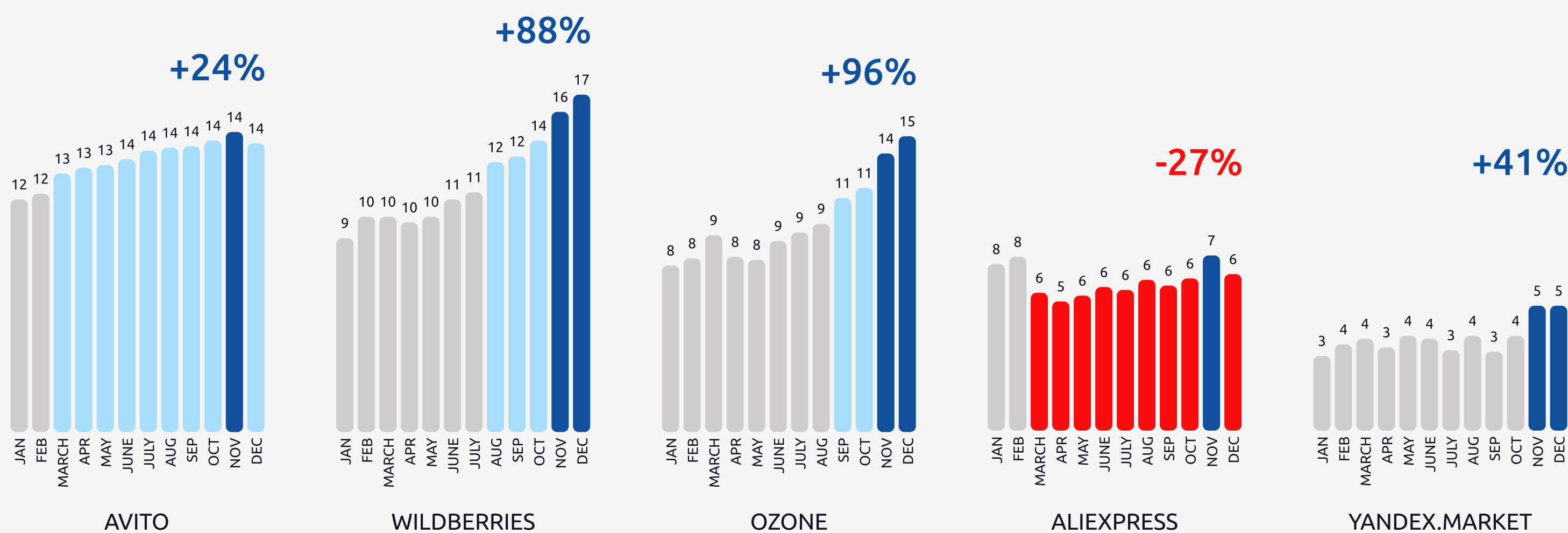


There are four ways to advertise on Telegram channels:

- through Telegram Ad Platform;
- through Telegram channel exchanges, for example, Telega.in;
- by negotiating directly with channel owners;
- by contacting the RMAA specialists.

Marketplaces

Today’s e-commerce in Russia is a fast-growing, in-demand medium with an extensive inventory. Marketplaces are becoming a full-fledged channel for promotion and an outreach tool that helps build knowledge about the brand. This is partly due to the model of social commerce, which involves communication between brands and users in the sales process



Source: <https://mediascope.net/upload/iblock/ee9/b91rtngqh1jf0zhalydi9jf125voo5o8e/%D0%BC%D0%B5%D0%B4%D0%B8%D0%B0%D0%BF%D0%BE%D1%82%D1%80%D0%B5%D0%B1%D0%BB%D0%B5%D0%BD%D0%B8%D0%B5.pdf>

Community Management

The main goal of community management is to create an active community around the brand. The platforms used for this purpose in Russia are as follows:



VKontakte



Telegram



Youtube



Instagram **

(when the product is more premium and when the audience is Russian-speaking world wide.).

10. Influencer marketing

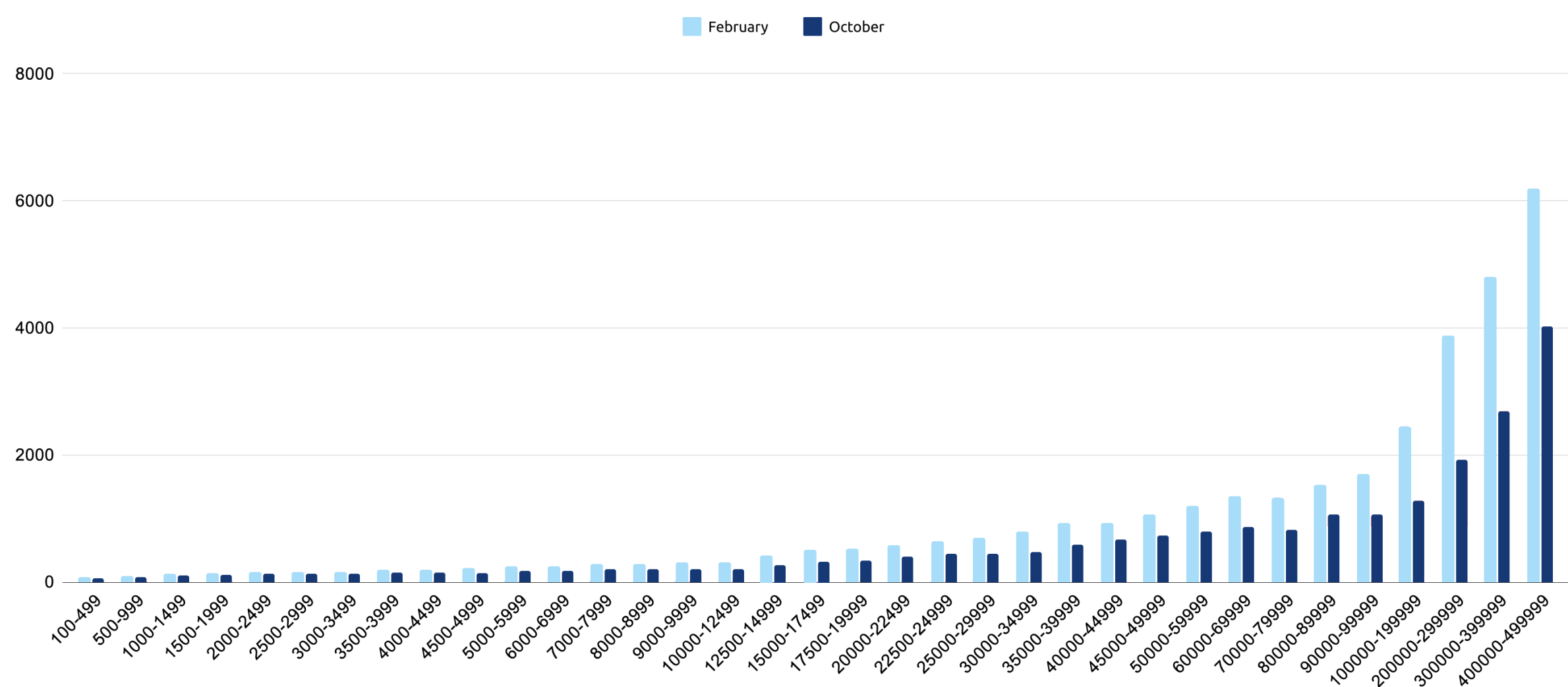
Influencing marketing platforms in Russia are:

- YouTube;
- Instagram**;
- Telegram;
- Twitch.

Unlike them, Facebook** and Twitter are platforms that are not considered Influencing Platforms in Russia..

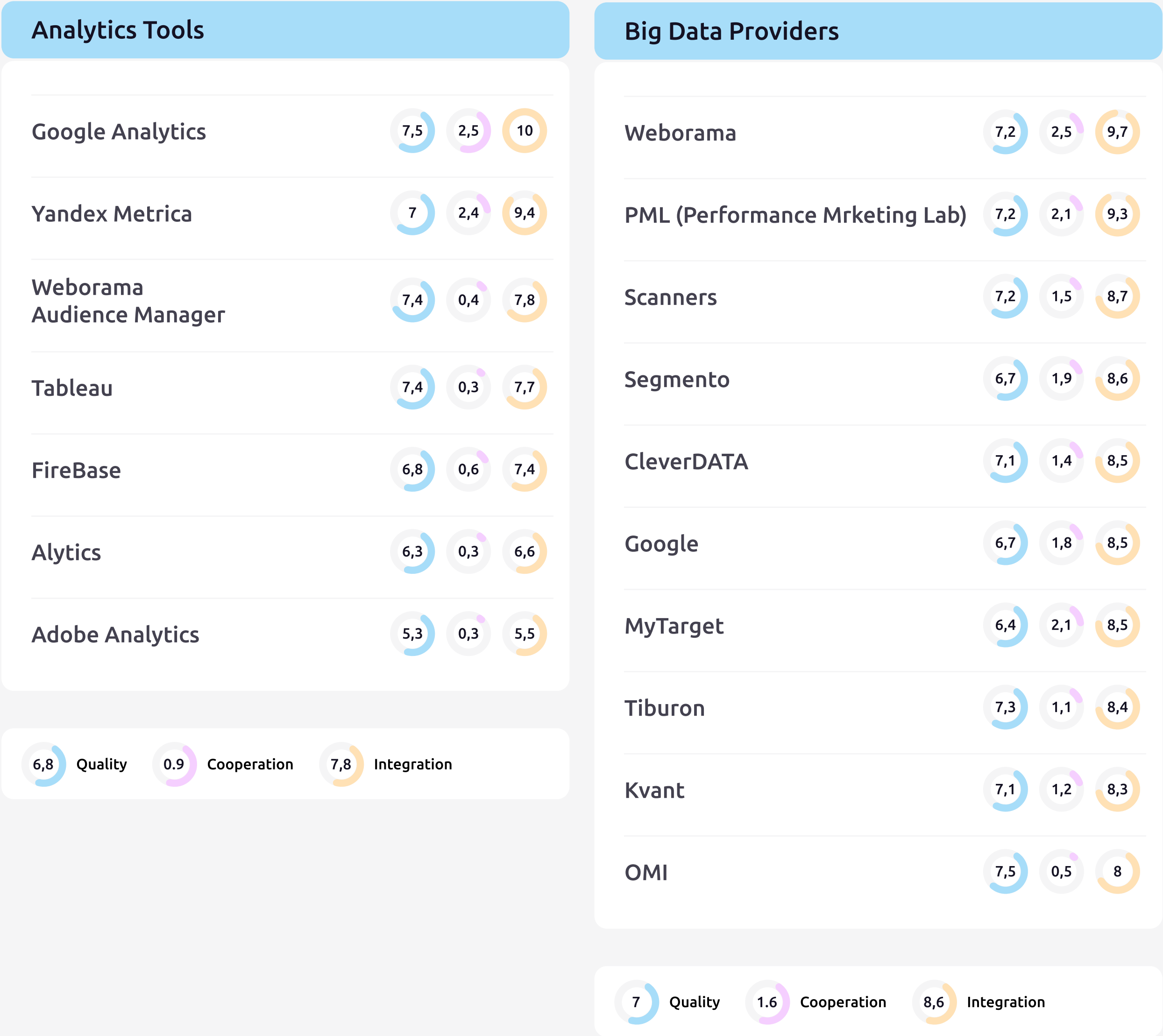
Influencer marketing will be gaining momentum, remaining the only available advertising channel on Instagram** and YouTube, and quite a few brands already went there in 2022, as targeting remains inaccessible, and there is little evidence of further change. Micro- and nano-influencers are better off, and they are less affected by the Instagram* blockage.

How the coverage of bloggers' stories has changed, as compared February through October 2022



Source: <https://livedune.com/ru/blog/7-trendov-v-smm-v-2023>

Data collection and analytics



11.1 Yandex.Metrika and Google Analytics

The most important website analytics systems in Russia are:

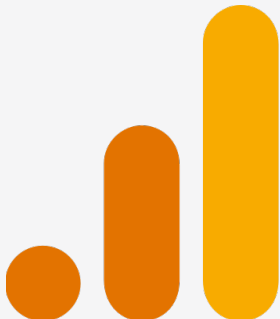
- Yandex.Metrika;
- Google Analytics.

These standard website analytics systems provide insight into the amount of traffic to the site, its sources, how long the audience visits, whether they take any desired action, and other such questions.

If you only have statistics of an advertising campaign (Direct, VK or alike), you can only see CTR, CPC, a number of impressions etc. Surely, you can optimize ads by their click through rate and cost per click, but you will never know how it all really affects sales.

Inclusion of special analytics systems will let you get more information, while a complex 'Call Tracking + Web Analytics + CRM' will give you the maximum profit.

Яндекс  Метрика

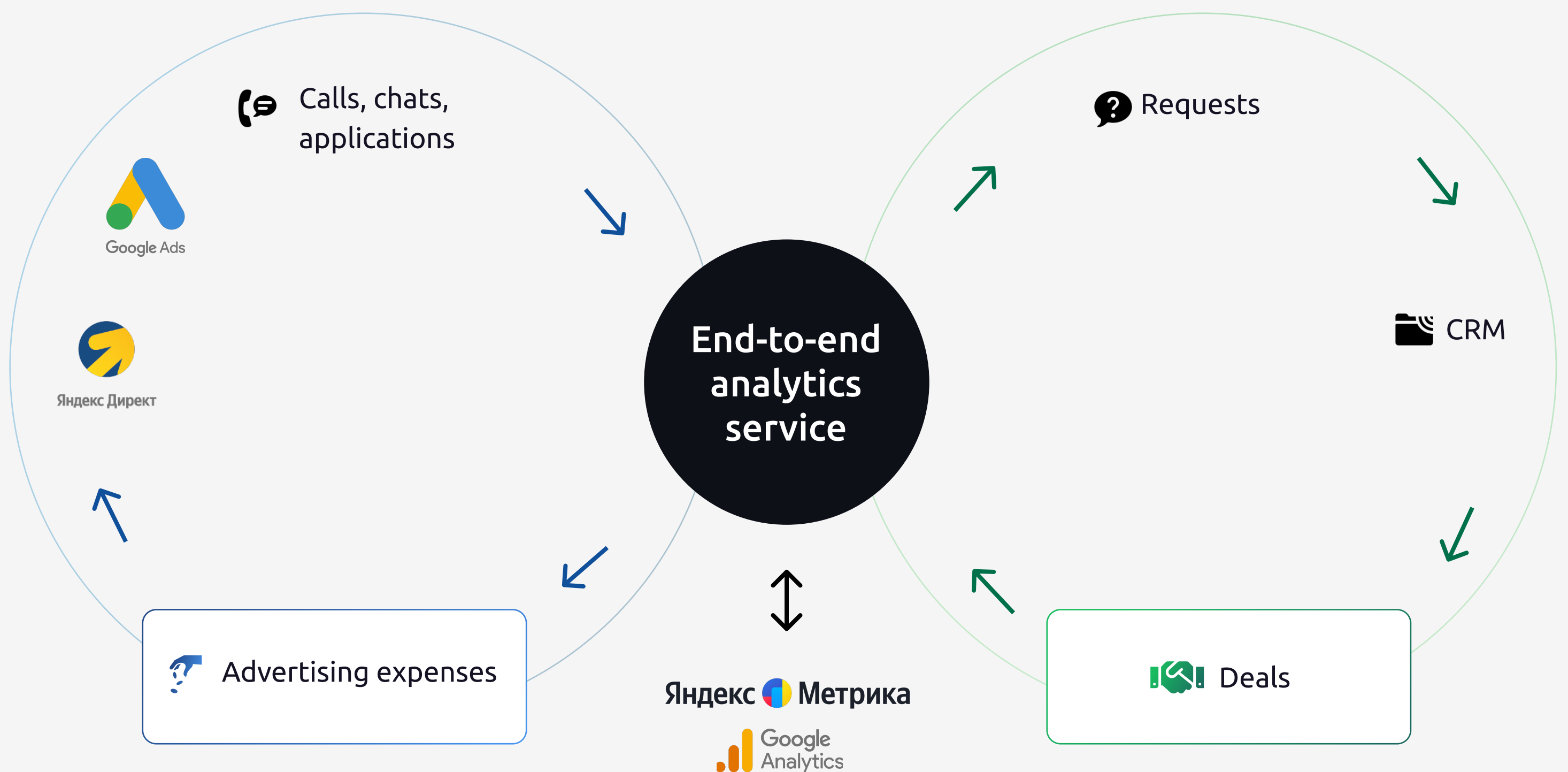
 Google Analytics

11.2 End-to-end analytics

The most popular end-to-end analytics systems in Russia are:

- Calltouch;
- CoMagic;
- Roistat.

While Yandex.Metrica and Google Analytics system let you define an application source, end-to-end analytics systems track a customer journey up to a purchase, and you can estimate costs of clicks and other actions of users (calls) in terms of sales.



End-to-end analytics systems let you understand the following:

- What channel brings more sales? What is their quantity and quality?
- Where should you invest more, based on your ROI?
- What is the lifetime value of your clients?

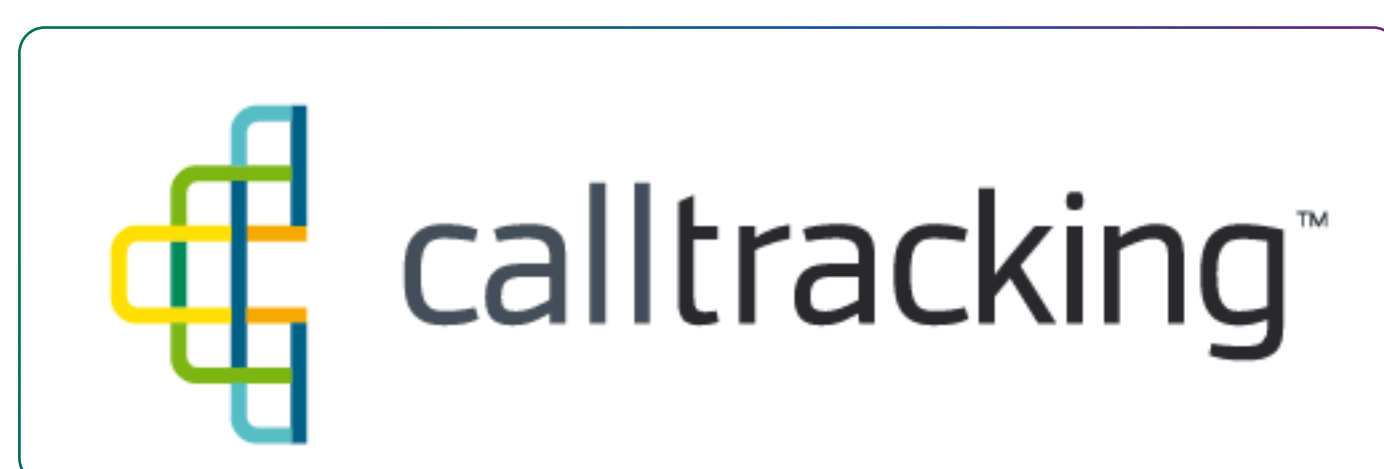
11.3 Call Tracking

There are the following Russian call tracking services:

- Calltouch;
- CoMagic;
- Callibri;
- Calltracking.

Call tracking helps:

- track call sources as accurately as possible (up to a keyword);
- estimate efficiency of a call center (record of all talks to operators, analysis of incoming calls) and improve customer experience;
- expand opportunities of accurate tracking of the journey sale via integration with CRM, Yandex.Metrika and Google Analytics systems.

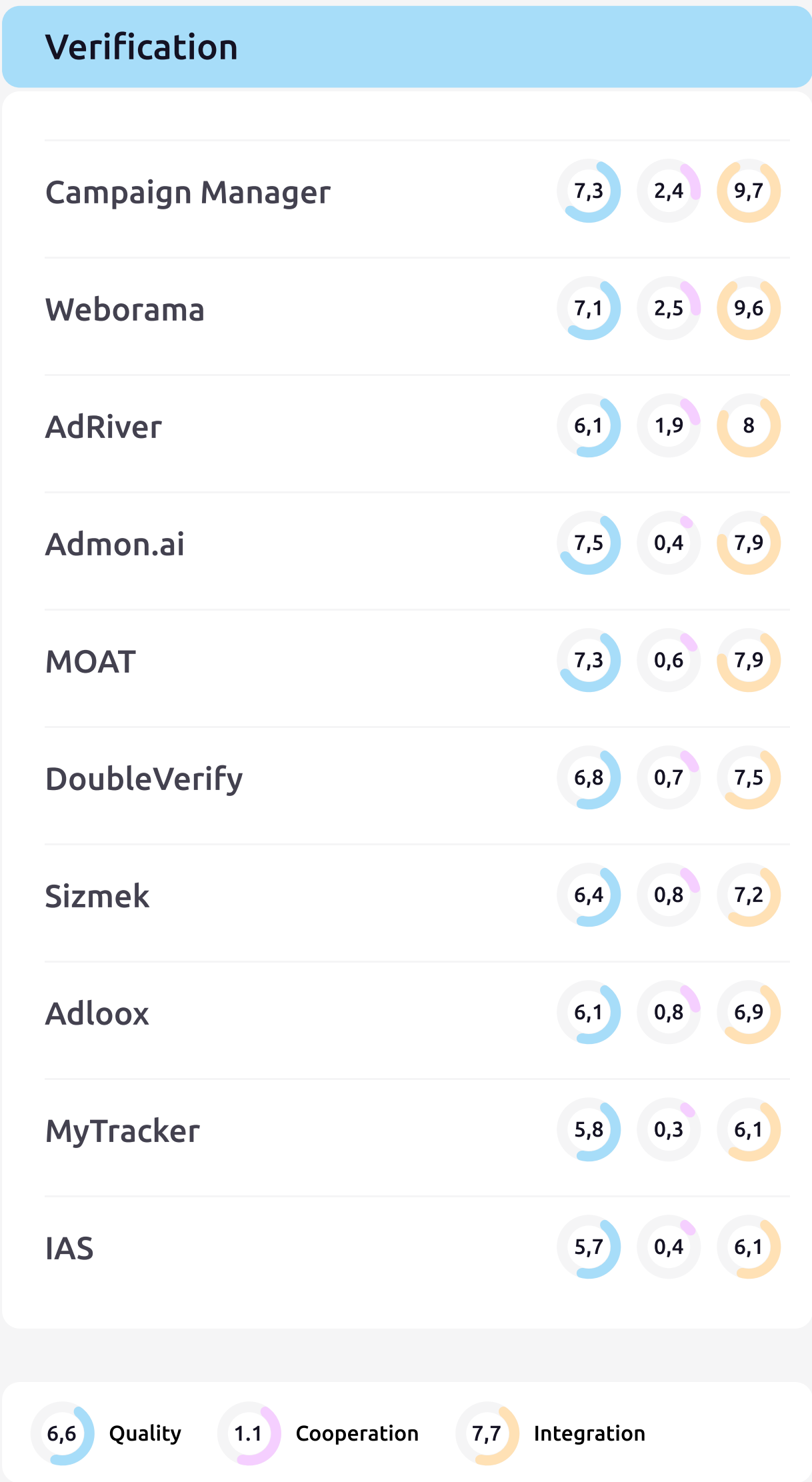


11.4 Traffic verification tools

There are three main ways in which you can verify traffic and take care of your brand's advertising environment:

- 1. Analytics systems.
- 2. Built-in Brand Safety and anti-fraud systems in programmatic platforms (DSP).
- 3. Special services for traffic verification.

The most popular tools in Russia



RMAA

RMAA is a cross-border marketing agency dedicated to connecting brands with Russian-speaking audience. We provide comprehensive digital marketing solutions in Russia: we handle everything from development of a marketing strategy and market analysis to ads production, digital advertising that fits your specific needs. For more information, contact RMAA team via e-mail:

office@rmaa.agency