



[Rumetrics,](#)  
[or Runet grows in strength and reaches even](#)  
[farther](#)

**Russian Internet Report**  
**Bluerank Agency**

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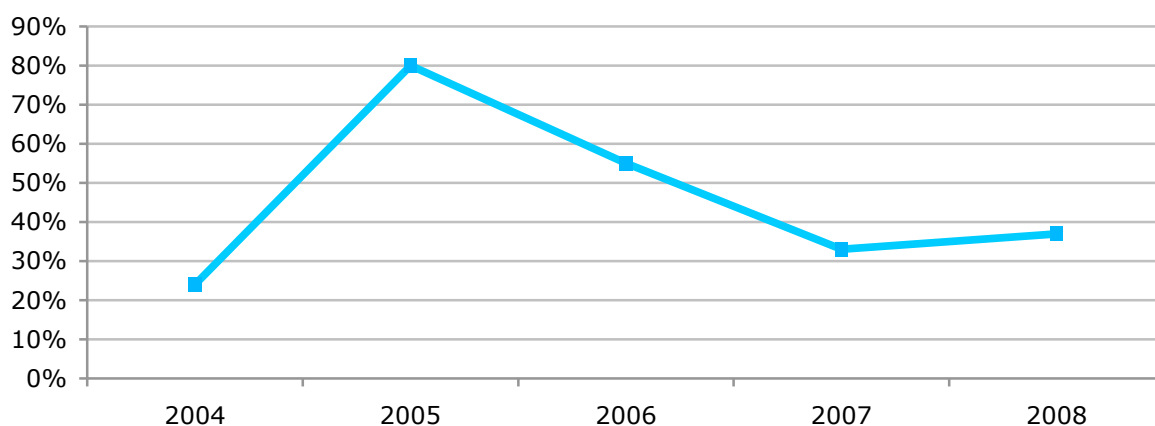
## Runet grows systematically

Russia – a global force? Irritated fallen superpower that would like to make little of others. Certainly the vast power and potential resides in the Russian Internet called Runet.

## How fast does Runet develop?

In October and November 2008 [RUmetrika](#) conducted a research of Internet users covering the years 2004-2008. It was based mainly on statistics gathered by [Rambler100](#), RUmetrika and [Goskomstata RF](#) (Federal Statistical Office). According to their findings, the daily number of Runet users in December 2008 was 19.5 million (including the visitors from outside the borders of the Federation). Within 4 years the number of Runet users increased more than five times.

% increase in the number of users in relation to the previous year



The increase results from:

- spread of broadband Internet access;
- falling price of Internet access (such a significant growth in 2005 was due to a reduction in costs), coefficient of correlation between the pace of growth and the price for an

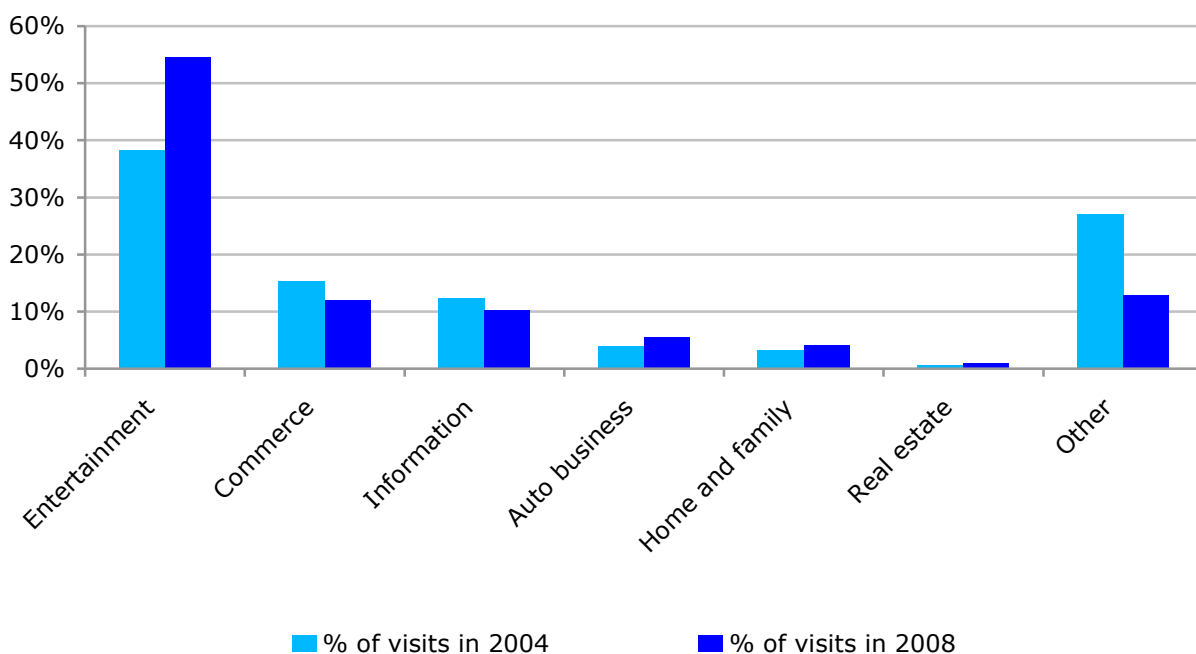
Internet subscription is equal to -0.96, indicating a functional relationship between these values;

- increase in the number of computers in Russia. For example, in 2004 statistically there were only 20 computers for 100 households and businesses. In 2008 the number of computers increased to 41 in the households and 30 in the companies. Of course, this is related to GDP and labour force growth what stimulated the actual demand for computers.

## What attracts "Runauts"?

The objects of interest of Runet users in the last several years have changed slightly. "Entertainment" is still the most popular category (an increase from 38.2% to 54.5%), probably due to the fact that the household computers were purchased mainly to serve as a source of amusement.

Runet users' interest changes



As shown above, the largest increase (86% up) was recorded in the category of "Real Estate", while the most significant drop was noted by "Commerce".

It is difficult to draw long-term forecasts for the further development of Runet. It is

expected that in 2009 the overall rate of growth will be only 8% because of the slowdown in the growth of society's income as well as keeping Runet access prices on the same level.

## Runet at present

In April 2009 there were 64.335 million Runet users from the Russian Federation, 11.886 million from Ukraine and 4 million from the USA. There is an increase recorded in the number of users outside the capital city – Nizhniy Novgorod (+0.22% per month), Kazan (+0.4%), Ufa (+0.07%), Samara (+0.12%) and Rostov-on-Don (+0.27%).

[Public Opinion Foundation \(FOM\)](#) has presented the results of a research conducted on the Internet audience carried between 2002 and the first quarter of 2009. The analysis focused on the dynamics of development and comparison of the number of network users in Russia, Europe, South America and Australia.

According to FOM, in March 2009, the number of adult users was 37.5 million, i.e. 33% of the total population of the country with a daily number of "Runauts" exceeding the threshold of 20 million and amounting to 20.6 million. Thus, there has been an increase since the year before - of 14.7% monthly year-on-year and 31% when comparing daily.

In other words, the Russians have begun to use the Web more. Of course, there are some deflections from this general trend – e.g. during winter we spend more time in front of the computer than in the summer. In the end of 2008, Russia was on the 3rd place (38 million) in the world in terms of quantity of Internet users (according to research conducted by Nielsen agency), second only to Germany (49 million) and Brazil (39 million) and defeating the European countries and Australia. The increase in the number of Internauts within half year (study carried out in 2008) amounted to 15%.

## Tendency in queries in April and May 2009

The most popular search engine remains [Yandex](#), however the main competitor, Google, won in April with 25.8 million users compared to Yandex's 24.4 million. It is worth emphasizing that Yandex is more popular among white collars (32.7% prefers Yandex, 23.8% - Google) and on the territory of Russia, while Google prevails among Runet users outside the borders of the Federation.

The most popular topic of queries is *tourism*, especially *train travels* and *plane tickets*, for example *aeroflot* (the name of Russian airlines) was searched by 100.8 thousand "Runauts", while the train timetable was demanded 95 thousand times.

In the category of *car service*, the most interesting for "Runauts" are:

- *automatic gear-box repair* (0.34% of the queries from the category)
- *radiators* (0.16%)
- *car air conditioning* (0.09%)

There is a new category – *home renovation*, and the most popular queries are:

- *practical bathroom* (1.12% of the queries from the category)
- *balcony / balcony renovation* (0.42%)
- *attic insulation* (0.21%)

[SpyLOG](#) has conducted a research into trends among Internet users in May. The word *sex* has once again won with *work* (which was on the top position in the beginning of the year, when the economic crisis was most widely discussed), which is becoming less popular when the sun and summer comes and is replaced with *holiday* and *leisure*. There is a visible increase in the number of queries such as: *tent* (1 348). What is worth mentioning, is the fact that there has been a decrease in the number of such queries in the capital city (-1.61%). The most notable growth was noted in Voronezh (+0.11%), Samara (+0.1%), Kazan (+0.1%) and Omsk (+0.1%).

Russians frequently ask about cheap foreign resorts, such as: *holiday in Turkey* (21,750 queries), *holiday in Crimea* (12,300), *holiday in Bulgaria* (4,860), *holiday in Greece* (4,660).

The 4 most popular themes are: *tourism*, *imported cars*, *Russian banks* and *cell phones*.

Compared with April, the audience of *tourism* has increased by 9.41%, *real estate in Moscow* has risen by 0.63%, *flats for sale* by 0.48%, *building materials and finishing* by 1.35%. *Real Estate in Moscow* was interesting for 3,330 Internet users (+0.63%), while *flats for sale* was chosen by 2,600 people.

## The equipment parameters of the average user

The most popular browsers are: Microsoft IE 7 (25.43%), Firefox 3 (20.53%) and Microsoft IE 6 (20.34%). For the first time in the history of *Runet trends*, Firefox 3 achieved a better result than Microsoft IE 6 and reached a 2<sup>nd</sup> position in the ranking. The authors of the research have also checked the types of monitors that are most commonly used. They were divided into following types: mobile phone screens (3.9%), standard screens (65.6%), wide screens (29.6%). It also turned out that 0.9% of Internauts uses 2 screens at the same time.

The preferred screen resolutions are:

- for mobile phones - 234x283 (0.791 million),

- for computer monitors 4:3 - 1024x768 (31.8 million),
- for computer monitors 16:10 - 1280x800 (14.1 million).

The highest grow in the number of users was noted by Mozilla Firefox (+1.68 million) and Google Chrome (+1.4 million).

## **Russians do not keep up**

Research shows that residents of Russia are currently six- and five-fold delayed in the assimilation of technological innovations in relation to Norway and the United States. In terms of human technological development, in 2005 Russia occupied 69th position among 175 countries. Similar survey in 2008 placed it on the 74th position among 134 countries.

## **Where do Runet goes?**

In 2012 there will probably be 57 million of Runet users, with 31 million citizens of the Russian Federation. Until that year, it is predicted that the sector of *entertainment* will accumulate interest of 60 - 70% of them. Because of the crisis, further development of the *auto business* and *real estate* sectors may be blocked.

On the basis of research carried out by A. A. Dawydow, the director of the "System Sociology" committee of the Russian Sociologists Association, [RUMetrika](#) has presented prognosis on the future development and increase in the number of Internet users in Russia till the year 2041. According to this report, in ten years 76% of citizens will use the Internet, and in 2040 the percentage will increase up to 95.

## **Target consumers – how to find them?**

Users can be divided into several groups, using criteria such as: region, age etc. The Moscow region itself has 3.6 million "Runauts", with 2.7 million users active every week. That is more than enough to be a target group of effective advertising of goods and services. Consequently, the majority of the ads is aimed at Moscow dwellers.

Furthermore, we can divide the Internauts by age. There are two dominating groups - students and office workers (even though it may seem illogical). Each of these groups is well known to advertisers and the promotional activities aimed at them bring the expected results.

Nevertheless, it is always indispensable to clearly and precisely determine the target group when launching a new campaign.

Students are a group that comprises of pupils of senior forms, university students and young people that are not continuing education (they work, but still are in the same age group) who are aged 14 - 23. Representatives of this group have a fairly uniform way of life, interested in the latest news, music, all kinds of entertainment and scientific information. This group represents about 35% of the Runet's users.

Office workers – people aged 24 - 44 years, with medium and higher incomes, mostly white collars or entrepreneurs, so-called 'upper class', that includes 43% of Russian web users. This group is most researched and targeted when it comes to advertising on the Internet.

People aged 45-54 represent 9% of the users, and the group 55 + is unnoticeable in Runet. Nevertheless, this group represents over 40% of the press readers.

As is clear from the above, the best results among the advertisers are achieved by those who present their goods and services to the following target groups: residents of Moscow and Moscow region aged 24-44. If these parameters match your product, Runet will be the best tool to find a Customer.

## **User's preferences**

According to data collected by FOM, e-mail is the most frequently used channel of communication on the web: 56% interviewees indicated it as a way to communicate. Internet telephony and blogs were chosen by, respectively, 12 and 10% of respondents. 55% of 'Runauts' are registered on the social networking sites, of which 93% use their accounts regularly. 8% percent of users are blogging.

The biggest difference that distinct the users of Web 2.0 from other 'Runauts' is making use of the digital content (video, audio, photo) and reading news (30% more often). The Web 2.0 users upload 71% more of video and photos, than the rest of Runet's community. The smallest differences are noted when it comes to online games, e-shopping, using online bank services, stock market investing, foreign exchange operations, as well as the use of search engines. In other words, the queries in both groups look similar.

A research company – [Gemius](#) - conducted a review of the Runet's newest portals, focusing on the visitors, the type of visits, usability. Gemius' research is based on Software Panel technology and traces actual users, rather than a combination of IP and cookies. 30 most popular Runet's information and business portals were chosen to undergo the analysis: 13 websites of federal newspapers, 10 news portals, the websites of radio and TV channels as well as information agencies ([RIA News](#), [Lenta.Ru](#) i [Regnum](#)). As the research has shown, these

portals have 13 million users per month (43.2% of all 'Runauts'). The information portals are visited by the average number of 1 million people daily, the newspapers' websites are visited by 0.91 million, radio stations and TV channels portals (BBC News, 'Moscow Echo', 'News') - by 0.32 million, information agencies - by 0.48 million.

According to the March data collected by Gemius, the most popular Runet website is [RBC.ru](http://RBC.ru). This can be explained by the fact that the site not only presents the news from the world, but it also serves as a business portal.

Each portal has a group of users that adapts to it. For example, in 2008 on [Lenta.ru](http://Lenta.ru) the most popular queries were: *Bachmina* (a lawyer who was convicted for writing the article "160 UK RF"), *Svetlana Bachmina*, *nokia 5800*, *Champions League* and *global financial crisis*.

On [Utro.ru](http://Utro.ru) visitors searched for: *bank crisis*, *economic crisis*, *banking crisis in Russia*, *global economic crisis* and simply *global crisis*.

[RIA News](http://RIA News)' most searched news were *changing to winter time*, *transition to winter time*, followed by *financial crisis* as well as *Muslim Magomajew* (Azerbaijani opera singer).

On [KP.ru](http://KP.ru) Internauts wanted information on: *Galina Brezhnieva* (daughter of General Secretary of the Communist Party of the Soviet Union Leonid Brezhnev), *celebrities without make-up*, *group therapy*, *Montechristo series*, *pumpkin dishes* and *in touch* (a social network).

[NewsRu.com](http://NewsRu.com) was mostly searched for *financial crisis*, *2008 crisis*, *4th November feast*, *rouble devaluation*, *crime*, *ntw (TV channel)*, *national unity day*. *Banking crisis in Russia* was again farther, outran even by *maniac in Samara*.

## Let's hit the mark - contextual advertising

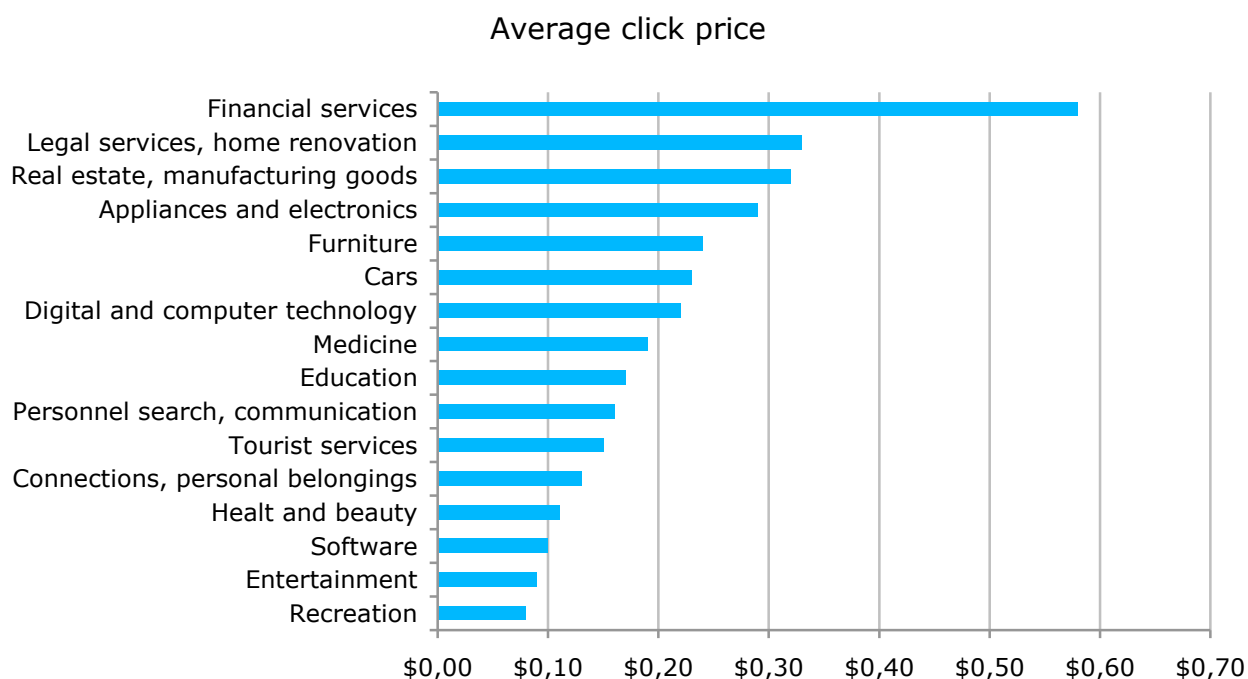
An analysis centre - [Biegun](http://Biegun) - presented data on the average price per click and dynamic of growth in this price in the 27 largest (in terms of budget) Runet's sectors: *cars*, *household appliances and electronics*, *recreation*, *digital and computer technology*, *connections*, *health and beauty*, *furniture*, *medicine*, *real estate*, *education*, *personnel search*, *software*, *manufacturing goods*, *entertainment*, *home renovation*, *communication*, *tourism*, *financial services* and *legal services*.

The most expensive clicks are those in financial sector, the cheapest - those connected with entertainment. The most dynamic growth in 2008 was observed in *connections* (by 68%), *cars* (40%), *appliances and electronics* (45%). The prices rose the least in *software* (2%) and *education* (5%).

The largest decline in advertising budgets was reported in the sectors of *financial services* (-34%, down to \$0.58 per click), *search for personnel* (-33%) and *legal services*

(-25%, a fall to \$0.33). Such noticeable losses are due to the fact that their prices were already sufficiently high before, so the financial situation in the country had to influence the budgets.

The main reasons for this decline are: end of fierce price wars, economic crisis and the traditional seasonal fluctuations.

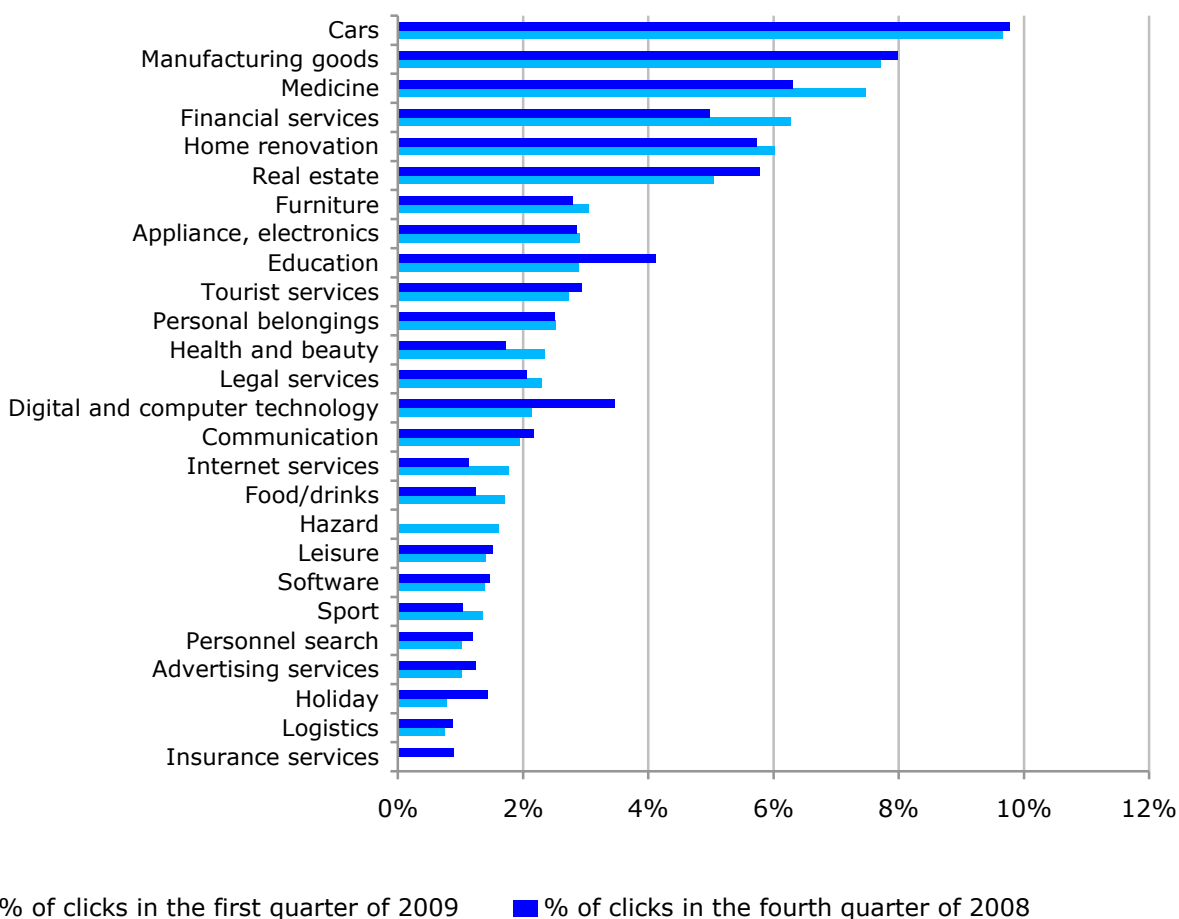


As it can be seen, the cheapest to advertise are *tourist services* and *entertainment*. This is probably due to the fact that the public needs more time to get used to buying the products and services of those sectors than of the other ones.

Because of the influence of the crisis some segments have lost both on the budgets and position in the ranking: *tourist services* (from position 9th to 10th), *holiday* (from 16th to 19th), *personnel searching* (from 21<sup>st</sup> to 23rd). Others went up seasonally: *health and beauty* (from 12th to 15th) or *sports* (from 23rd to 21st). *Financial services* also ranked higher (from 6th to 4th position), *services on the Internet* went up by 6 positions to reach 16<sup>th</sup> place.

The situation in the first quarter of 2009 has started to return to normal - *cars*, *medicine* and *manufacturing goods* have maintained their positions. *Medicine* have even increased its share of advertising budgets by 1.17%.

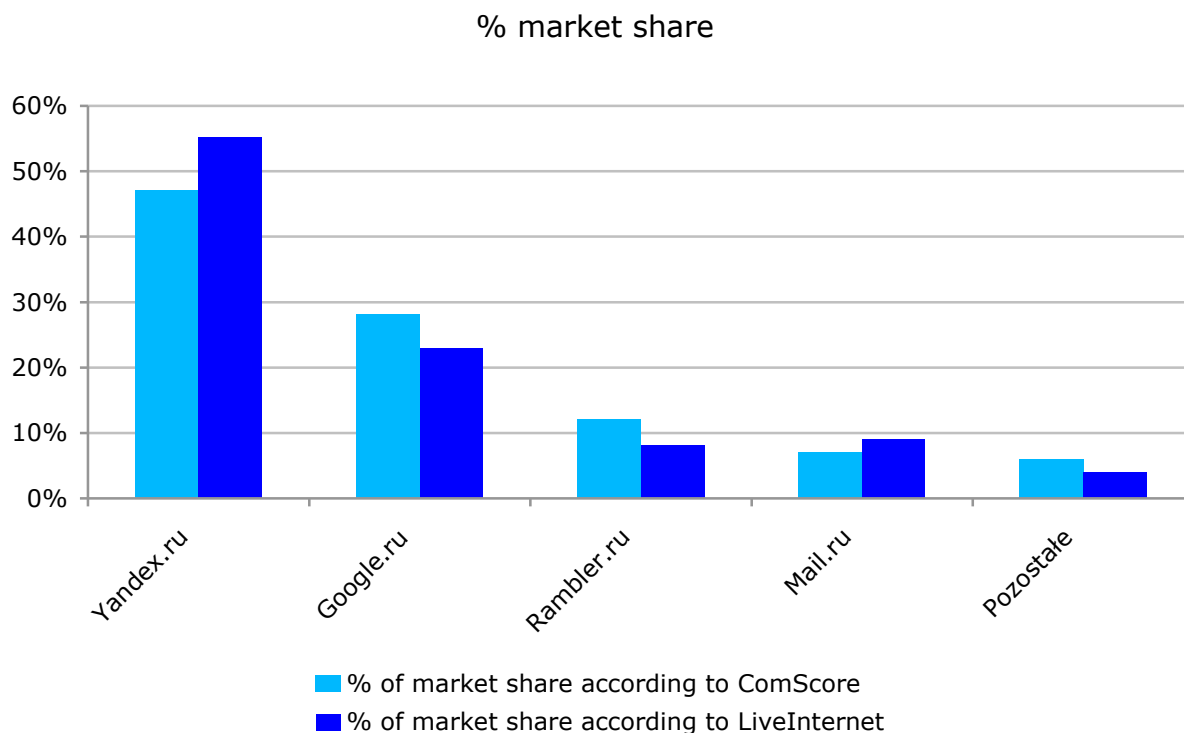
Clicks volume share by category



As shown in the table above, the largest decreases were recorded in the following categories: *holidays* (the New Year’s Eve has passed), *computer and digital technology* (probably due to the impact of the crisis, as well as the season – statistics show that we usually buy home and office computers in autumn and winter).

**Search engines profits**

Runet’s search engines earn around \$ 300 million a year and respond to 50 million search queries daily. Yandex value is estimated at 1,5-2 billion dollars. Here is how the market is divided according to two research agencies:



As the portal [reklaminy.ru](http://reklaminy.ru) claims, spending on online advertising increased by 73% in the first half of 2008. The expenditures on contextual advertising rose by 83% and reached the level of \$161 million. Other segments of online advertising (e.g. banner ads) were not as popular and cost "only" \$ 99 million.

The leading advertisers were again car manufacturers (with spending of about \$ 24 million). The producers of household appliances and electronics were also active – for example Samsung Electronics spent \$1.3 million. The marketing director of Samsung - Sergey Piewniew claims that this budget is to be increased by 2.5 and Internet advertising is expected to be the major way to promote the company. Also the director of corporate marketing in Protector&Gamble - Lada Kudrowa - ensured that online advertising is the most frequently chosen by company and most effective method to reach certain target groups, such as teenagers.

Among the players in the Runet's market of contextual advertising still the most important are: [Yandex](http://Yandex) and [Biegun](http://Biegun), with a 90% share. At the same time, as the statistics of [AIB](http://AIB) show, [Google](http://Google) with its [AdWords](http://AdWords) programme is slowly but systematically increasing its presence. In 2008, Yandex earned \$300 million on advertising alone, and the income from contextual advertising have risen by 85% (by \$255 million).

These sums will probably increase, because, as 44% of users ensures, even in times of crisis and with limited spending for food, they will not abandon the Web ... (question is what can we do with a hungry Customer? ;>)

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**Bluerank** – search engine marketing agency, a partner to leading Polish interactive agencies and media houses and is specialising in search engines marketing in Poland and worldwide. The agency manages international SEM projects connected with search engine optimisation as well as pay per click campaigns on Polish and international markets (for the companies operating in various branches like travel, finance, motorisation, entertainment, e-commerce and for the media). Bluerank is a member of [Interactive Advertising Bureau](#), an international association gathering companies which develop the standards of online advertising industry as well as [SEMPO](#) – an international organisation of companies and specialists connected with search engine marketing.

More information about Runet, Internet...

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