Media landscape questions: Russia

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1. **What characterizes the difference between national, regional, and local in relation to media in your country?**

The Russian Federation is a federal semi-presidential republic comprising 85 federal subjects. Russia is the country inhabited by 146 million people as of 2016. Regionalization of the markets and media systems has been a stable tendency of the national media market. The key peculiarity of the modern media system in Russia is related to the changes in the media market structure and the new correlation between the national and regional/local markets. The vertical hierarchical structure of the newspaper and magazine market that used to be predominant in the USSR has given way to horizontal configurations on the regional local markets.

Due to the sharp unexpected increase in the cost of production and distribution of their media products from those publishers who are focused primarily on the sale of publications media have already faced the great difficulties. Apparently, in the future many of them will have to either shut down or go to the Internet or to reduce the format, type, frequency, fire staff, etc. Number of publications have declared force majeure and have had to abandon earlier commitments. And since advertising revenue has also been falling fast, almost all participants of the print media market is now cutting staff and closing of the projects (Russian periodical press market. Trends and prospects of development. Annual Report, Moscow: FAPMK, 2015. P. 6).

From 2004 till present time the number of newspaper kiosks in Russia has decreased by 31.5% from 42 thousand to 28.9 thousand units. Because of legislative initiatives and prohibitions adopted in the last 2.5 years the Russian print media have lost about 60% of the advertising market. In March last year government subsidies for the delivery of subscriptions were canceled, then the subscription circulations of newspapers and magazines in the second half of 2014 in the national average fell by 20.2% and by the end of the subscription for the first half of 2015 – by 22%. In some regions of the Russian Federation this fall exceeded 100%, although the role of the printing press either in Russia or in the world has not changed – it remains the second information medium after television.

Apart from reductions in distribution the deterioration of the print media has had more negative effects on journalism. Serious political and intellectual public discussions have suffered foremost. The national agenda has 'lost' a number of issues important for national identity. Today, only weekly business magazines are trying to resume the traditions of the quality press, though the discussions of non-economic issues are minimized. The attempts to create a universal (in terms of the audience) national (in terms of distribution and agenda) magazine have given indifferent results. And though the success of 'Russkiy Reportyor' (the project by the 'Ekspert' publishing house) in the regions enables us to be more or less optimistic, its sales in Moscow and other large cities are far from being satisfactory.

Secondly, television as a medium which has a particular effect on the centrifugal forces in Russian politics has come to play the key role in the media system. However, this resulted in the subsequent 'division of labor': the central (federal) channels took upon themselves the function of covering national politics and that of mass entertainment – the fact accounted for by their co-operation with global and national advertisers – while the regional media (both audiovisual and print ones) focused on regional/local audiences and advertisers (Rantanen, Vartanova, 2004).

It is obvious that the potential of the federal channels in forming the national agenda has not been fully realized. In an attempt to satisfy advertisers' needs, Russian TV has shifted the emphasis to entertainment, with elements of infotainment, tabloid style, and journalism 'on demand'. This, in turn, leads to fuller attention of the audience to the regional media, which outperform the national media in their informational closeness to the audience.

2. **What is the role of newspapers in your society?**
According to Roskomnadzor, from 1 January to 6 December 2014 in the Russian Federation were registered 1943 newspapers and 1960 magazines. Today, the are 25781 newspaper, 31714 magazines and 4473 other periodicals officially registered. Moreover, according to the public opinion Foundation (FOM), the Russian print media is gradually increasing its share in the structure of media consumption. So, answering the question: "From which sources do you most often learn of news and information?" in 2014 the newspaper was named by 27%.
The main tendency in the development of the newspaper market, however, is reductions in circulation. This is accounted for by the both demographic and economic situation. As well as by the decrease in the interest of Russian citizens, especially young people, in newspapers as a source of current information, which results from the rapid development of the on-line media. Publishers have to spend additional resources in order to oppose this threatening tendency. Free newspapers have become a way to solve this problem.
Lack of investments in printing and distribution as well as uneven development of regional advertising markets means that for non-national papers regional and local authorities must provide large amounts of both formal and informal financial support. The Russian print media sector still retains many features of the USSR's centrally planned economy including the presence of the local authorities as investors and owners. The regional character of the newspapers market also explains the poor economic status of the sector and the lack of publishers operating at the national level. The national dailies established during the Soviet era still retain the largest market shares and most private media holding companies active in the market have built themselves up around these decades-old titles: Komsomolskaya Pravda, Sovetsky Sport, Moskovskij Komsomolets, Trud and Izvestia. In some cases their publishers are parts of larger national media groups – such as the National Media Group (NMG) in the case of Izvestia, formerly owned by Gazprom until 2008, or Media 3 in case of Trud; one major exception is the state-owned Rossiiskaya Gazeta. Circulation rates show rather stable positions for the established market leaders, albeit with greatly reduced numbers compared with the Soviet era 20 years ago. Also unique is Pavel Gousev, owner of Moskovskij Komsomolets, whose media group is not part of a larger, diversified conglomerate. Industrial groups own NMG (Alexei Mordashov, CEO of Severstal) and Kommersant (Alisher Usmanov, CEO of Gazprominvestholding).
The fact that print media have lost their leading role in the media system has been determined not only by the distribution crisis but also by their loss of superiority in shaping the national "agenda", a role which has fully been played, over recent years, by federal television channels.

3. **What characterizes the magazine sector in your country?**
The magazine market has been expanding rapidly in Russia: over the past few years its annual growth has exceeded 13%. According to Roskomnadzor, by the end of 2014 in the Russian Federation 31 714 journals were officially registered of different ownership forms and thematic focus.

The main conclusion is that Russian publishers in the current economic conditions do not want to take risks with new projects, since revenues from advertising are falling, annihilated the channels of retail distribution of the press has sharply risen in price the subscription and the total publishing costs overall. All, of course, only according to guru's publishing business in Russia as A-F. Listewnik, no new reader of journals of any positive shift in the publishing market, should not wait. Simply put, without new projects the publishing market will continue to fall. The crisis in the Russian magazines industry today is undoubtedly there and it escalates, that caused both outer and inner. The first is the General economic difficulties and problems with distribution, more precisely – Russian "war" of the municipal authorities with the press booths; costly and non-transparent mechanism for getting magazines on the shelves of chain stores (supermarkets), moreover, burdened by the inexplicable long-term return to publishers for already sold products. Failures with the mail subscription in 2014, legislative restrictions in recent years on advertising in the press of various goods and services to which is now added a sharp jump in the prices of paper and printing work, the decline in the purchasing power of the population, instability of the national currency (Russian Periodical Press Market. Trends and Prospects. Annual Report. Moscow: FAPMK, 2015. P. 65.).

4. **What characterizes the radio sector in your country? If your country has community radio as phenomena, please include them. If not, please reflect on how minority groups (ex.: migrant/immigrant diasporas, national groups, language-based groups, etc.) use ICTs for articulation, mobilization, cultural resistance, etc.**

The commercial radio market began to grow in the mid-1990s with the emergence of local FM stations. As a result, traditional "wired broadcasting," a system established in the USSR during the 1920s that relies on public loudspeakers and radio household cables, has become less popular. This was due to the strong competition in large cities from local FM stations, and because the aging equipment used for wired broadcast services. According to Roskomnadzor, as of 01.01.2015 in a register of broadcasting licenses was 6943 operating licenses, of which 3182 licenses for broadcasting, which is 13% more than in 2013 (Russian Radio Market. Trends and Prospects. Annual Report. Moscow: FAPMK, 2015. P. 17).

The most important factor in the development of the industry in 2014 was, of course, the situation on the market of radio advertising. After a successful 2013, when radio advertising was ahead of the pace of growth (+13%), television, outdoor advertising and consistently showing a negative trend of the print media, at the end of 2014, the Commission of experts of Association of Communication agencies of Russia (ACAR) evaluated the growth of radio advertising market is only 2%, and its volume is 16.9 billion.

The key players in the FM radio market are several central (national) stations operating at the national level out of Moscow. Radio broadcasting at the sub-national levels occurs through local broadcasters joining one or more of the country's thirty-one existing national networks. The nine main networks are:

VGTRK (Radio Rossii, Mayak. Kultura, Vesti FM)

Evropian Mediagroup (Evropa Plus, Dorojnoe Radio, Retro FM, Radio 7 na semi homah, Sport FM, Keks FM, Radio Record)

Russian Mediagroup (Russkoe Radio, DFM, Radio Monte-Carlo, Hit FM, Maximum)

Gazprom Media/ Veshatelnaya Korporatia ProfMedia (Avtoradio, Umor FM, Radio Energy, Radio Romantika, Ekho Moskvi, CITI-FM, Detskoe Radio, Relax FM, Comedy Radio)

Krutoy Media (Love Radio, Radio Dacha, Taxi FM)

Multimedia Holding) Nashe Radio, Radio Best FM, Rock FM, Radio Jazz)

Rumedia (Business FM, Radio Shokolad)
Izum (Stolitsa FM, Vesna FM, Vostok FM)
Moskva Media (Moscow FM, Moskva FM, Radio Moskvi)
(Russian Radio Market. Trends and Prospects. Annual Report. Moscow: FAPMK, 2015. P. 42).
Similar to the broadcast TV sector, foreign ownership is almost absent at the market. Although the state formally is largely present in ownership structures of the radio industry, this does not guarantee it the leading position at the market. On the contrary, in the radio industry the cost efficiency of privately owned networks and stations gives them an advantage, and their management is less motivated by political concerns than TV broadcasters.

5. **What characterizes the television sector in your country?**
The available statistical data show that while in the USSR the key role in the media system was played by the print media, currently this role is played by Russian federal on-air television channels. Today, there are three main types of terrestrial broadcasters: centralized national channels, network national channels, and regional channels. In cities and towns of Russia 51 publicly accessible TV channels are available. Besides, cable television and satellite television are rapidly developing, too. Market experts believe that the total number of channels that broadcast in Russia is about 1070 (Television in Russia. Conditions, Trends and Perspectives. Annual Report. Moscow: FAPMC, 2015. P. 17). Today, television is the most important source of information and entertainment for most citizens of Russia. About 75 % of women and 60 % of men in Russia watch TV every day. The changing attitude of Russians to different media is not the only explanation of the growing role of TV in the national media system. For a lot of families, an important dimension of choosing this or that medium is money: they do not have to pay for television (paying for electricity certainly does not count). Nevertheless 68 % of households are subscribed to pay TV.
Today, the Russian terrestrial TV market is comprised of twenty national public broadcasters that can be divided into three major groups. The first group includes the public-private network Channel One Russia, the state broadcaster Rossiya 1 and the commercial provider NTV. The second group is comprised of the two national public entertainment networks of TNT and CTC. The third group consists of the state broadcasters Rossiya 24, Rossiya K, Karusel, Mir, Zvezda along with the national 5 Kanal, REN TV, TVC and OTR broadcasters and the entertainment channels Domashnyi, TV3, Pyatnitza, Match TV and Muz TV. Also where is one religious channel – Spas (Television in Russia. Conditions, Trends and Perspectives. Annual Report. Moscow: FAPMC, 2015).
The number of regional TV companies has been increasing; there are about 700 local stations, both public and private.[2] The development of regional TV is an indicator of the economic situation in Russia: the wealthiest parts of the country have the most commercial regional TV channels. Of all eighty-five regions, territories and republics of the Russian Federation, the ten economically least developed regions receive only public broadcasting. In the most developed fifteen regions, including Moscow and St. Petersburg, the number of terrestrial channels available ranges from a maximum of fifty-eight in the capital to approximately fifteen in the Tver, Vladimir, and Novosibirsk areas. The overall number of available channels in these regions ranges from twenty to seventy-nine [3].
The combination of state ownership and private funding is crucial for maintaining competition between public and commercial channels, especially at the sub-national level. Yet at the same time, state control of terrestrial and satellite transmission networks and licensing puts regional

companies in very difficult economic conditions. Local news, the most valuable type of local TV content, has had to adopt rather sensationalist practices in order to increase its ratings. With low salaries and underinvestment in audiovisual technology, production quality is in general quite low.

Attempts by the state to establish technical and structural dominance in the TV market inspired the reorganization of the state-owned VGTRK in 1998. VGTRK now operates three nationally distributed channels: Rossiya 1, Rossiya 2, Rossiya 24, Rossiya K. VGTRK also maintains a network of 85 state-controlled regional television stations. VGTRK's regionally interconnected structure allows it to support the policies of the federal government over the influence of regional authorities.

The dominance of the national channels characterizes the regional TV market. Even the most popular private channels and networks (NTV, CTC and TNT) have to deal with heavy informal pressure from the state. The political concerns of the Russian political elite are obviously one of the factors in instrumentalizing the role of the national TV channels, but there are also commercial factors, such as advertising, affecting the significant position of TV in the Russian media system. Commercial TV networks (especially since 1999) have formed mutually beneficial alliances of central (national) and regional channels. They will retransmit programs from Moscow with no changes, allow for the partial retransmission of Moscow channels with the addition of regional programs (mostly news and current-affairs programs) and permit the insertion of news and entertainment programming from Moscow on the basis of special agreements. These alliances have increased the probability that regional stations will rely on proven program formats such as talk shows, games shows and low-cost soap operas mainly imported from abroad rather than focus on developing new content.

[1] The major legal form of Russian TV broadcasters, according to Russian legislation, is a JSC (joint stock company) which exists in two types: OJSC = open joint stock company and CJSC = closed joint stock company.

[2] Vartanova, Elena L. and Smirnov, Sergey S. “Contemporary Structure of the Russian Media Industry.” Rosenholm, Arja; Nordenstreng, Kaarle; and Trubina, Elena, eds. Russian Mass Media and Changing Values. London: Routledge: 2010. Pp. 21-40.

[3] Television in Russia. Conditions, Trends and Perspectives. Annual Report. Moscow: FAPMK, 2015.

6. Describe the telephony sector in your country. What are the roles and penetration rates of the landlines? What is the role of the mobile telephony sector? How do people commonly use mobile phones (including smartphones and tablets)?

Because of the unchallenged state monopoly in the fixed telephony market that prevailed until the early 1990s (and a lack of investment in the sector during the 1990s), mobile telephony experienced a real boom between 1991 and the early 2000s. The number of cellular subscribers in Russia (measured by the number of active SIM cards) in 2014 amounted to 240.3 million. The penetration rate of cellular services (number of SIM cards per 100 inhabitants) in Russia at the same time was 170% (220,4% in Moscow). Even the most underdeveloped regions have an average penetration rate of 140%. Mobile telephony is also increasingly being used for Internet services (68 %) because mobile plans are so widely affordable.

The market is characterized by an oligopoly of MTS (31 %), MegaFon (29 %), Vimpelcom (24.0%), and Tele2 (15 %). The present strategies of these Russian mobile operators focus international expansion, primarily for CIS countries.

Mobile Internet audience is growing twice as fast as the audience of the Internet in general. 87% of all Runet audience used the mobile devices connected to the network. The number of Internet users with three or more points of access to the global network has grown to 53%. 22% of mobile Internet users go online with a traditional phone, 53% – from a smartphone, 10% – using a tablet.
Audience uses mobile Internet for:
1. social networks - 81% (Vkontakte, Odnoklassniki, MoyMir)
2. maps – 80%
3. messengers – 76% (WhatsApp, Viber etc.)
4. games – 71%
5. video – 56%
(Internet in Russia. Conditions, Trends and Perspectives. Annual Report. Moscow: FAPMK, 2015).

7. **Describe the historical development and current situation of Internet in your country. Also consider: technical infrastructure, digital divide, common uses, influence of Internet content in public debates, etc.**

2015 to 2014 ,
• The number of users of the Russian segment of the Internet has increased from 72 m to 77m people.
• The number of users buying legitimate content increased from 12 million to 18 million people .
• The volume of the Internet economy has increased from 750 billion to 1.1 trillion rubles . (From 1.6 % to 2.2 % of GDP)
• The volume of online payments has grown from 350 to 475 billion rubles
• The number of people working in the Internet -industry has increased from 1.2 to 2 million people .
• The volume of Internet-dependent markets has increased from 6.7 trillion to 11.8 trillion rubles.

There were 77 million Internet users in Russia (almost 50% of the population), 60,8 million of who had regular (daily) Internet access. Since 2000, inequities among different regions in terms of access have been going down, and the digital divides among class, age and gender groups have lessening.
28% Internet users live in small towns and villages. (Share of the population – 34%. Share of the Internet users (18-65) – 28%. Share of the new Internet users – 40%. Share of the new Internet buyers – 29% . Share of the internet payers – 22%. Share of the new users on-line payment – 28%. Share of the mobile Internet users – 24%. Share of the users of m-commerce – 18%. Share of the users mobile payment – 21%).
In 2014 (winter) Internet penetration rates in Moscow was 73% and St. Petersburg - 72%, in cities 1mln+ - 65%, in cities 500 thousands to 1 million people - 63%, in towns 100 thousands to 500 thousands people - 65%, town with population less 100 thousands people - 59%, in villages - 46% of population.
29,9 million users have broadband access, while most other home access connections rely on older ASDL lines. The expansion of broadband access will requires huge capital investments, and the leading telecom providers – MTS/Komstar, Tsentrtelecom, Vimpelcom and Akado – have become more active at the broadband segment in Russia in order to take advantage of the market’s growth potential. 50 million people in Russia, or 61% of the total Runet audience

are active users of mobile Internet and 11.8 million Russians go to the network only from smartphones and tablets.

The rapid growth of new media has become a vital tendency in the change of the Russian media landscape. In 2014, the monthly audience for RUnet aged over 12 was 72 mln people (a little less than half of Russians). Its most active part is made up of young people. In Russian cities with the population over one million, about 70% of youngsters aged under 22 are internet users(12+ about 60% and more). One of the important elements of internet media is social media, which include the blogosphere, social networks, microblogs (Twitter) and the like.

The Internet is becoming a more and more serious competitor to the traditional media: television, radio and the print press. Internet users today are young, active, most well-educated and also one of the wealthiest part of the audience. These are professionals, high-school and university students, people who look to the future, members of the modern audience, that very creative class which sets the tone in the context of the globalizing economy. In fact, the Internet as a communication platform has replaced traditional mass media in terms of rapidly delivering information and shaping the political agenda. The Russian Internet today is a unique communication and information channel, which provides the user with maximum freedom of choice of content. Political and intellectual preferences are presented on the Internet in the form of polar viewpoints. The Internet allows for great freedom of choice of diverse content ranging from information to education and serves as an information menu where people can choose any information they want.

8. **About the registered domains: what are the most common kinds of websites registered and what are the most accessed kinds of website?**

   TNS has prepared the ranking of popularity of Internet-sites in the Russian segment of the Internet in March 2015.

   The leader of the Russian segment of the network in attendance "Yandex" has 56,3 million people users, while occupying the second place Mail.ru has 55,6 million users. Rounding off the top three social network "Vkontakte" has 51.2 million users.

9. **About social media: what social media platforms are the most common (e.x. blogs, social networks, video-sharing websites, etc)? How influent in public debates are issues raised in social media? Does your country follow international patterns of social media usage (ex.: are global platforms like facebook the most popular or are there national/regional/local ones)?**

   The most popular social network in the Runet is "Vkontakte" – average figures show 52.9 million people visited the service a month (68.7% of the Runet audience). (by May 2014). Social network "Odnoklassniki" is visited by 40,8 million people a month (52,9% of the audience), the network "My World" (holding Mail.ru Group) – 25,9 million people (33,6 % of the Runet audience).

   • 1.5 –2 million active accounts in the Russian Twitter , 14 million tweets per day
   • Livejournal – 800 thousand active authors, 300 thousand entries per day
   • VK – 55 million active accounts , 17 million messages per day
   • Facebook -1-2 million popular accounts , 4-5 million per day
   • OK -100,000 thematic groups , 60 million active subscribers
   • Instagram -7,5 million Russian speakers account 1-2 million records per day
   • 120 thousand independent blogs and forums

Total - 40-50 million messages per day