ELEVEN TIME ZONES, dozens of peoples and languages, a huge quilt of mores, religions, buying habits, per-capita incomes, distribution infrastructures, etc.

That’s Russia.

It’s been making a ponderous U-turn to a market economy. After a long hibernation, Russia awoke to find its erstwhile fantastic business traditions lost. Anyway, it was quick enough to grasp the ABC’s of modern market operations. And the Russian advertising of the day was fairly advanced. Browsing through the yellowed pages of old Russian newspapers and magazines one comes across some fantastic specimens. The Russian trade literature of the period carried good editorials on various aspects of commerce and advertising.

On the demise of the USSR, Russia’s economy found itself in shambles, of necessity relying on oil and gas – a fact attracting greedy Western attention, uninvited Western advice (often based on double standard), and Western lectures on “de-mocracy” (especially funny when coming from some blatantly police states).

What saddens me a lot is the fact that Russia, a gold mine of scientific ideas, inventions and R&D expertise, does not benefit from it. This intellectual treasure lays idle because of the lack of commercialization skills and adequate marketing savvy.

But things are improving.

An exciting place. An exciting time. Like the days of Peter the Great.

Some history

In 1914 the growth rate of Russian economy was higher than that of the United States. Russian industrialists and merchants were a good match to their foreign counterparts. And the Russian advertising of the day was fairly advanced. Browsing through the yellowed pages of old Russian newspapers and magazines one comes across some fantastic specimens. The Russian trade literature of the period carried good editorials on various aspects of commerce and advertising.

After the Bolshevik revolution there was a short-lived renaissance of market economy in the 1920s, remembered by advertising historians for Vladimir Mayakovsky’s poster doggerels in his ragged style unreadable by barely literate post-revolutionary public.

Some advertising lingered on for a while; then it vanished from Russian life for decades, to be regarded as one of the “villainies” of capitalism.

The only advertising agency in those days was Vneshtorgreklama (a Russian abbreviation for “foreign trade advertising”), an unwieldy and amateurish institution under the Ministry of Foreign Trade, which produced ads in foreign languages for the constellation of foreign-trade organizations.

In 1966, when I began freelancing there as English-language copywriter, there were no literature on advertising, no courses, no contacts with Western advertising communities, no nothing. Those were the days of the Iron Curtain.

Perestroika

Overnight Russia found itself in a new system, of which it had had absolutely no idea. The early private businesses were extremely primitive, largely involved in box-moving to feed the Russian markets starving for Western goodies.

In the early Perestroika days, the days of unsaturated markets and huge markups, operators were not concerned with marketing or the quality of their ads.

Early ad agencies were yet more primitive, mostly set up by a couple of
Importance of marketing & advertising in Russia

Western companies that, like Xerox, normally rely on their efficient selling forces, are quick to discover that for them to extrapolate their tactics to Russia's open spaces, they would need large selling armies, which is impossible. They have to opt for marketing means. Thus, 

Russia is a classical marketing country.

Marketing

To be a practitioner of marketing and advertising in Russia is no easy task. Marketingwise, Russia is not a “country”; it is rather a huge sparsely populated landmass to which no unified marketing concept applies. For centuries it has been home for dozens of Slavic, Turkic, Finno-Ugric, and many other peoples, a melting pot of cultures.

If you superimpose that mosaic on a bizarre array of regional differences in traditions, ways of life, values, predominant occupations, buying habits, and what not, you will end up with a fascinating kaleidoscope of marketing patterns and recipes.

In practical terms that means that what sells perfectly all right in Moscow, may not impress buyers in St. Petersburg, and even less so in Siberia. The number of possible marketing situations you may find in Russia may baffle description.

What is more, Russian markets are so dynamic that selling points that work today may become out of place tomorrow.

You might imagine that, with the country being like that, skills of top-notch marketers and advertising agents must be in great demand. Nothing of the sort.

Statistics

In Russia there are no reliable national statistics. The country used to be a very closed society. Information about people, media, distribution, material and labor resources, business laws, institutions and traditions was either unavailable to outsiders or did not exist at all.

Official data may be wildly inaccurate. One example is Russian income statistics. Few analysts trust it, for they know that fears of draconian taxes and organized crime have led to widespread under-reporting. Russia’s official information collection system often supplies data that is irrelevant and Soviet-style. Another problem: with things changing in Russia by the day, any information may become dated before going to press.

Because there is so little reliable data around on which to draw for predictions, marketing in Russia is mostly a qualitative rather than quantitative exercise. Emphasis is necessarily on intuition often being more productive than formal quantitative methods. For good and ill.

Distribution

In Western markets, firms are used to well-defined ready-made distribution channels. In Russia, they are just taking shape in some industries. Western firms seeking to establish their existence in Russia are well-advised to cultivate personal relations with agents, to proceed incrementally, and to retain a fall-back position should a relationship sour.

Experience has shown that perhaps the highest-risk strategy is to visit Russia once or twice, select an agent

guys with a computer, blithely unaware of things marketing & advertising. Their “advertising” simply directed ex-Soviets to where they could buy something previously unknown.

After the frantic years of no competition, and no need for real selling skills (“they simply buy from us”), Russian businesses found themselves in the hostile environment of saturated markets, harsh competition, and commoditization. They found themselves unprepared to deal with the overproposed, cynical customer armed with the Internet. Earlier adverts, which had been essentially price lists, stopped to pull.

Many firms floundered and disappeared. The survivors began to think about advertising and more professional advertising and look for those who could make it for them. Mostly to no avail, though.

It became fashionable to set up a marketing department, to hire marketing graduates and MBA’s. Many organizations began to seek marketing advice from Russian and/or Western consultancies.

Although welcome developments, many marketing efforts are mismanaged, with the result that some marketing departments are closed down.

The main way of getting some marketing expertise in Russia is by trial and error. It was so back in 1988, when I became a Marketing Director at the Xerox office in Moscow, and it is pretty much the same now. Anyway, I have witnessed some progress since 1995, when I quit ed as VP Marketing at a Texan-based company and started an agency in Moscow.

To educate the Russian business, I set up in 2001 a School of Marketing & Advertising and authored books “The Savvy Advertiser” (translated into Bulgarian) and “Marketing Thinking, or Client-Tomania” (also available in English at Amazon.com).
A Glimpse of Russia’s Advertising and Marketing

and grant him exclusive representation, then move quickly to consignment or credit sales, without establishing a consistent track record first.

Russian agents can help the foreign supplier by placing his products on store shelves, handling customs, transportation matters and other operations. It is only rarely that they can be entrusted with sophisticated marketing and advertising projects.

**Internet potential**

It is clear that in a “country” with eleven time zones the Internet must hold a huge promise. Unfortunately, the Russian Internet is not up to the mark, largely because it is still dominated by designers and programmers, as it was the case in the USA before the dot.com bubble burst of 2000.

We wait for them to make room for marketers and copywriters.

**No marketing "academia"**

Ironically, being a late starter in a market economy has some good thing to it – unlike the US, for instance, we do not have in Russia an army of ivory-tower marketing "academia" and no "learned" marketing journals – that frightful heap of unread junk. Russian magazines generally prefer down-to-earth how-to articles.

**Advertising**

The Russian advertising scene can be best described by the Biblical phrase: the blind leading the blind. Blind agencies leading blind advertisers.

The quality of ads in Russia is horrible for two reasons. For one thing, most of Russian advertisers don’t have the slightest idea of what good advertising is about. For the other, the same pretty much goes for Russian ad-makers (including those who man local branches of Western chain agencies). The ads they produce are all too often a waste of the client’s money.

Oddly enough, you stand better chances to find good, down-to-earth, selling advertising not in Moscow, but in other Russia’s places. One reason is that provincial agencies are not spoiled by huge ad budgets of internationals, which is the case in Moscow. They have to supply the goodies to local manufacturers for their hard earned advertising monies.

**Russian admen**

Since its renaissance several years ago, Russian advertising has been attracting a wild assortment of characters: designers concerned with self-expression (at the customer’s expense); printers who think that tinkering with ads is just an easy and lucrative addition to their businesses. Unfortunately, it attracts all too few marketers and sales experts, account planners, and copywriters.

There being no educators with practical experience, Russian ad schools are attracting a crowd of ivory-tower scholars (psychologists, psycholinguists, culturologists, etc.), and "artists."

**CreAtinism**

Most of Russian agencies still view advertising as an exercise in design and graphic arts. David Ogilvy used to call this disease art-directoritis. I call it “creAtinism.”

The disease worsened with the coming of fancy graphical computer packages, which enable a third-rate designer to get a motley background, reversed text or other ad-killing tricks in a matter of seconds. With nobody minding.

Those creatures believe that their task is simply to “beautify” with graphical frills some text provided by the advertiser.

Only few understand that it is basically the copy that sells.

**No copywriting of note**

When we were establishing our agency in 1995, we went out looking for copywriters. And found none! MD of one prosperous agency volunteered that the market didn’t need copywriting and selling advertising in general. It was allegedly simply happy with “pretty pictures.”

Copywriting is still a craft practically unheard of at a sizeable proportion of Russian agencies. Even at international chain agencies in Moscow they may have just some rudimentary copywriting.

What little copywriting the agencies have is generally relegated to underpaid ex-journalists or linguists absolutely innocent of things marketing and advertising. And even then it is mostly about thinking up some funny slogans.

A new fad is so-called SEO- “copywriting.”

**Ad agencies**

There are thousands of firms in Russia that call themselves advertising agencies. Most of these shops are basically design boutiques. They concentrate on logos, business cards, stationery, outdoor engineering structures, souvenirs, and other advertising marginalia.

Their ultimate dream is to grab some prize at one of those ad contests, one sees so many around. Courtesy of those shows, some green Russian agencies found themselves involved in the award rat race. (Ogilvy: “The Lunatics Have Taken over the Asylum.”)

**Chain agencies in Russia**

Dozens of Western agencies have opened their shops in Russia. Most offices of these international
grandees have “all the signs of famous agencies which are moribund” (D. Ogilvy), perfect “ministries of advertising” housed in posh offices. Those outfits put you in mind of infamous Soviet-style bureaucracy. Inefficient, expensive, and, well... “moribund.”

They mostly don’t have to bother about recruiting advertisers in Russia: their worldwide clients who establish their presences in Russia simply fall into their laps. The bulk of their job is simply dubbing Western commercials and outdoor ads created in Alabama, Bavaria, Yorkshire, or elsewhere – it is supposed that advertising “gurus” know better how to sell to a Russian housewife or a Russian shopkeeper. With funny results sometimes. Examples are legion.

The chain agencies are just fond of enlightening green Russian adfolks, e.g., like this:

Most of them follow these precepts themselves. I believe David Ogilvy is turning in his grave.

"Branding"

As the fairly technical “branding” of the mid-20th century (based on the AMA definition of “brand”) has gradually turned into the schizoid “branding” of our days. Russia, with its rudimentary marketing culture and psychological predisposition for wishful thinking, was severely hit by “brand hysteria.” Just like elsewhere, nobody in Russia knows what the word “brand” means.

Some believe that a good “brand” is just a good name, or a properly designed label on a bottle. (Some pay as much as $400,000 for a vodka label, mostly to UK “brand” companies.) Why bother with client insights, product quality, ad policy, sales guides, etc.!

Some Western companies are making good money in Russia with their “Russian” trademarks in cigarettes, beer, detergents, etc.

**Western marketing & advertising in Russia**

Western companies that have succeeded in Russia have done so through a combination of improvisation and innovation, combined with a substantial investment of time and ability to learn from mistakes. In Russia, international businesses have to show more flexibility and understanding. It is only at their peril that they can continue to behave the way most of them have behaved in their home markets.

Unfortunately, some Western firms, especially mammoth blue-chips, continue to mechanically translate their advertising ideas to Russia – why bother, if you are a huge bureaucratic monster.

Having squandered millions, they sit on the fence and wait for results. More often than not, nothing happens. They may wonder why methods that have worked perfectly all right in other places turned out to be useless in that funny market.

Some, however, learn from their mistakes and revamp their marketing and advertising philosophies.

There are several reasons for failures of those mechanical marketing grafts. Some are highlighted below.

**New selling points**

Years of experience with the Russian operations of major Western companies have taught me that a Western product's selling points have often to be re-considered for Russia. A company’s solutions may have advantages that work all right in Europe or elsewhere, but not in Russia. On the other hand, some corporate or product features may appear to be excellent selling points in Russia. It is only rarely that Western companies do such a review.

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

"Russifying"

The popular practice of many Westerners in Russia is to have their ads hastily done into Russian. Some even do than in London. The consequences of that practice depend on the field.

Whereas the bad Russian of high-tech brochures may simply amuse Russian readerships and… work, nevertheless; bad FMCG commercials and outdoors are often above the heads of most Russians.

Mechanical, unimaginative “russifying” may appear to be a formidable task even linguistically.
The Russian language

With its host of suffixes and prefixes, and idiomatic flourishes, Russian is extremely colorful in fiction. On the other hand: (a) its words are generally longer than, say, in English; (b) its word-forming power is low; (c) many words, especially in high technologies, can only be translated into Russian using two lines or so.

Examples are “computing,” “networking,” “full-featured,” “sharing,” etc. In the body of a copy an experienced copywriter can handle this, but titles and headings including “problem” English words may look extremely cumbersome when translated. Even the nice English phrase “simply the best” will be a problem for a Russian translator.

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

Slogans

Some international companies come to Russia with classes of products that are unheard of here or have had adequate substitutes for decades or even centuries. Instead of educating the market, those internationals may set out to promote their unknown products the way they do in places where those products are well-known and popular.

One example: in Russia, that vodka land, one sees outdoor whiskey ads produced for markets where those brands are just household names and need only some reminding. Headlines and straplines are often “blind,” not infrequently they are in English (!). Some ads do not even show the bottle, just the label.

For instance, Johnny Walker hit Russia with an expensive “We are walking” campaign. Perhaps a stunning success in England (which I doubt), that far-fetched double-play (Walker – walking) dubbed into Russian was lost on nearly 100% of Russians, most of whom have never so much as tasted whiskey in their lives.

Improvised polls conducted by students reveal that a sizable percentage of Russians cannot even identify some Western product categories, let alone products. Why such a predictable waste!

Trademark awareness

A mark may be an icon in its home market, but… enjoy a low or nil awareness elsewhere. What should you do? Gauge the awareness at first, and make adjustments to your marketing? Or you may well plunge head on into the market with a million-worth marketing ad project? Most foreign behemoths in Russia prefer the latter scenario.

One example is Nike. When it came to Russia, which had largely been an Adidas land, its awareness here was as good as nil. Also, nobody in Russia was crazy about US athletic endorsers. But Nike began mechanically swooshing Russia all over. Why bother and fine-tune things! We are the big great Nike!

Cultural differences

Some companies in Russia demonstrate contempt for cross-cultural approaches.

Just one example – dozens of Baccardi billboards in Moscow showed a huge ugly bat. It may well be that in Calabria, the home of the Baccardi family, the bat is a symbol of wisdom, etc. But in Russia it is… a repugnant monster.

In addition, the company did not bother to explain rum to Russian vodka drinkers, specifically that it is not taken straight, the way Russians consume drinks. That didn’t help the product along in Russia, to put it mildly.

It looks like though that ever fewer Western company err this way with years.
Consulting

In Russia, when tax, legal and marketing problems are concerned, an ounce of prevention can be worth a pound of cure. A piece of seasoned advice early on can save you both aggravation and money down the road.

In Russia you will find all the major consulting grandees, such as McKinsey. Overall, they are professional, efficient, and... expensive. They all have one problem: their stock-in-trade is off-the-shelf solutions, which may work just fine elsewhere, but not uncommonly they fail in Russia.

Russian consultancies, on the other hand, may be not that impressive, but they have more local knowledge. Some of them are good one-hundred-odd-ball fixers.

Lloyd Donaldson, a Westerner with years of experience in Russia's business, comments on getting advice in Russia: “What that boils down to is getting the right person for the job. A professional consultant with personal experience in observing the marketing in practice could be the right choice.

Such a consultant, using an experience-based model, would help you appraise your product and its entry into the Russian market on the basis of past successes. That could be the key that unlocks success in the Russian market for your firm.”

In Russia’s marketing quilt, when penetrating some regional markets with major local differences, e.g., Muslim areas, it would be a good idea to get a local adviser. I have learned that by trial and error.

Quo vadis?

To survive in the new environment of hyper-competition Russian business will need new marketing thinking.

Thank God, Russian marketing is improving. At the moment it’s mostly experimenting with ready-made Western marketing concepts. With funny results sometimes.

There comes an understanding that some aspects of international marketing are unsuitable to the bizarre markets of Russia, so that Russian marketers should be coached somewhat differently.

Well, but how should marketing be taught to Russians, half-Asians – half-Europeans? In his famous poem “Scythians,” the Russian poet Alexander Blok wrote:

Yes, Scythians! Yes, Asiatics we,
With slanting and devouring ogles.
...
We worship all – the flames of icy digits
And gifts of the angelic visions,
We fathom all – the spicy Gallic spirit,
And ominous Germanic genius...

I do hope that sooner or later Russia will develop its own Eurasian school of thought in marketing & advertising, based on the best of the two worlds, the East and the West.

But I don’t know whether or not Russia will become less of “a riddle, wrapped in a mystery.”

Introducing “Marketing Thinking,” a book on Eurasian marketing:

This provocative book is not a traditional compendium of marketing definitions, schemes, diagrams, and matrices. It’s an exciting story about marketing thinking, a fairly elusive substance, which is akin to the musical ear. The absence of that “ear” turns a Harvard graduate into a useless and even dangerous marketing robot. Its presence makes even a rough-and-ready shop keeper into a bullet-biter and achiever...

Now that we have entered a brave new world of the turbulent “new economy,” marketing battles will be won not by “instrumentalists.” They will be won by marketing thinkers, by those who can think and feel like the Client and for the Client, by those who can live and breathe the Client, by those infected with Clientomania, by those bristling with disciplined creativity and inventiveness.

This book is both philosophic and pragmatic. It offers no easy formulas, but rather a guidance on how to acquire marketing thinking and apply it to a gamut of daunting marketing chores.

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

— Sir Winston Churchill

And it's still pretty much like that!