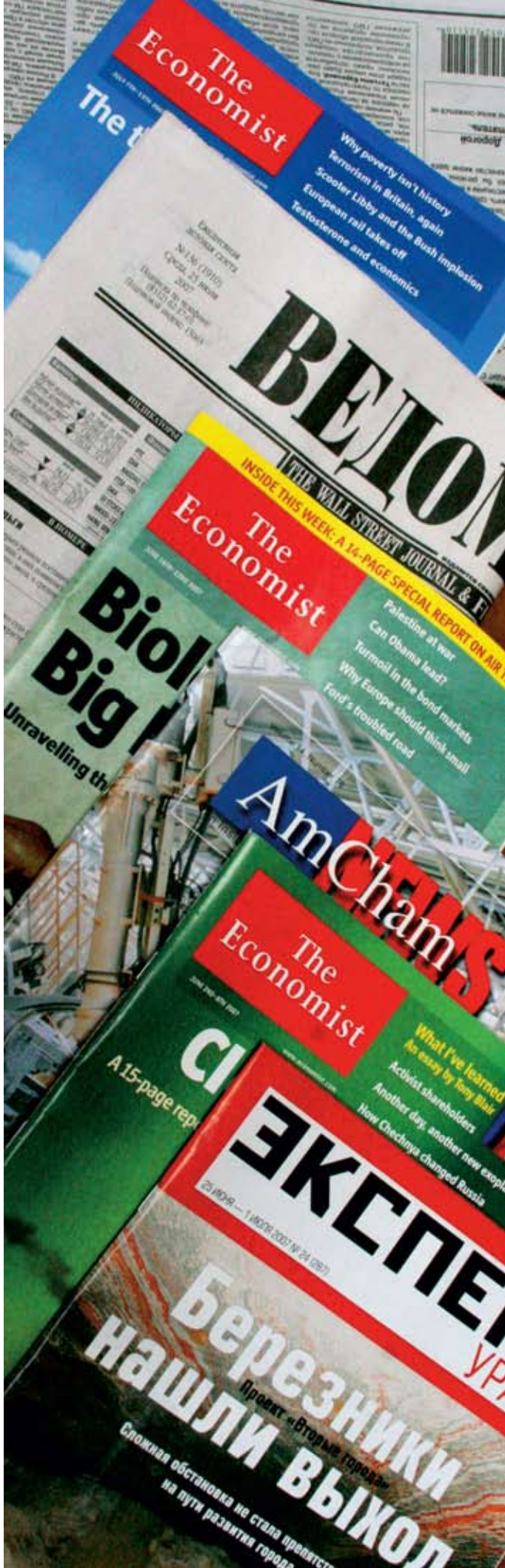


# MASS MEDIA

- The amount of modular advertising in Ekaterinburg mass media from August 2005 to August 2006 came in at over 1.2 billion rubles (\$46.9m)
- The circulation of the three leading freesheets varies from 320,000 to 415,000 copies
- Around 2,700 firms advertise in local magazines
- In 2005 Sverdlovsk's magazine market was worth more than \$10m, while in 2006, according to different sources, it was worth between \$12m to \$14m
- Ekaterinburg's radio broadcasting market ranks third after Moscow and Saint Petersburg, with its volume increasing 10-30% annually; around \$5-\$6m each year is spent on radio advertising on the city's radio stations



Anna **Balashova**, Analyst, Economics Division, MARCHMONT Capital Partners

## Mass Media

*Ekaterinburg's has a well-developed mass media market which spans an array of mediums. The region's print media market can be logically split into several sub-sections: freesheets, political broadsheets, free announcement newspapers (free to place small ads but paper costs to buy) and TV guides.*

Freesheets are far and away the most successful in the market. According to regional research institution Socium the number of ads in Ekaterinburg's print media between August 2005 and August 2006 exceeded 1.2 billion rubles: 170 million rubles for ads placed in 12 political newspapers, over 191 million rubles for ads in three TV guides and over 417 million rubles for ads in four free newspapers.

### Free Announcement Newspapers

The main players in the market of free announcement newspapers are: Va-Bank, V Kazhdy Dom (To Every Home) and Nasha Gazetta (Our Paper), all of whom are published by major regional media publishers. Va-Bank and V Kazhdy Dom, for example, are published by INTERMEDIA-GROUP Ural while Nasha Gazetta is one of numerous publications of AKAB-Press's portfolio. All three share similar circulation figures, with Va-Bank at 344,000 copies, V Kazhdy Dom at 320,000 and Nasha Gazetta slightly ahead at 415,000 copies. These circulation figures were established and stabilized some years ago and they are not likely to dramatically change in the near future. Their main competitors are freesheets, which have doubled in number since 2004 and in August 2006 accounted for 27% of all newspaper ad sales. This

hasn't gone unnoticed by freesheet publishers; in August and September 2006 Va-Bank launched two new subject-specific papers, Va-Bank Construction and Va-Bank Money.

### Newspapers and TV Guides

The region's print media market is being boosted by the rapid development of TV guides. Spiraling readership figures have attracted the attention of national players, with 2006 seeing the market entry of national TV guides Telenedelya (Teleweek) and Panorama TV. The best ad sale and readership figures belong to Telesem (Teleseven), a guide published by InterMediaGroup Ural since 1994. Ekaterinburg's first glossy TV guide was TeleShow, launched in 2005 with circulation set to rise, publishers say, to 70,000 copies in the near future.

Ekaterinburg's specialized print media market is made up of six local broadsheets. However experts seem to agree that the market is nonetheless full due to the availability of regional and heavily ad-subsidized insertions in national newspapers. Between August 2005 and August 2006 national broadsheet titles Kommersant, Komsomolskaya Pravda, Argumenti e Facti (Argument and Fact), Zhizn (Life) and Moskovsky Komsomolets (Moscow Young Communist) shared 87% of all ad placed in broadsheet. Just 8% of all ads placed were in the four regional publishers, Oblastnaya Gazeta (Regional Newspaper), Vecherny Ekaterinburg (Evening Ekaterinburg), Na Smenu! (Change Shifts!) and Uralsky Rabochy (Ural Worker).

Ekaterinburg's market of city dailies is underdeveloped. However, market participants have traditionally struggled to keep projects launched in this sector viable enough to stay afloat.

### Magazines

Ekaterinburg has one of Russia's three busiest regional magazine markets, with many of the region's magazines born or having strongly developed between the mid 1990s and the start of the new millennium. Shopping guide Ya Pokupayu (I Buy), published

by ABAK Press since 1996, up-market men's magazine Banzai, published by Banzai Publishing since 2000 and Sovremenny Dom I Office (Modern Home and Office), the first in Russia glossy interior design and construction magazine published by Univer-Press since 1998, all began in Ekaterinburg.

Speaking of glossies, Ekaterinburg's glossy magazines market is particularly developed with long-established and successful publications at its core. The market leaders command significant ad revenues which help them remain self-sufficient and independent.

As with newspapers, magazines pertaining to specialist interests are tipped to prosper as the market further develops. Existing successful magazines are expected to reorientate towards a higher-earning audience.

Presently around 2,700 companies advertise in local magazines. Ekaterinburg remains attractive to advertisers meaning it still has further potential for growth; in 2005 the market was worth \$10m while in 2006 varying estimates put its value at \$12-14m.

### Radio Market

Ekaterinburg's radio market has been growing steadily at around 10-30% annually for the last few years and is today one of Russia's most developed regional radio markets, ranked third after Moscow and St Petersburg. Annual average ad sales on Ekaterinburg commercial stations stands is around \$5-\$6m per year (radio ad sales for all of Russia are around \$200m, \$140m is generated by the Moscow-based radio stations).

The region's multitude of stations can be divided using a range of criteria, firstly, by the means of transmission. Radio Rossii (Radio of Russia) and Mayak (Beacon) transmit via wire (for which residents pay a small fee every month and which is installed into a wall in every flat in the form of a special connector), while others broadcast over FM frequencies or over the internet. Secondly, like any city, there are both music- and talk-dominated stations. Third we can look at the average



age of the target audience, with the pop and dance music dominated output of stations like Dynamite and Radio SK proving popular with teenagers and young adults. Contemporary adult stations like Radio C and Radio 7 tend to prove most popular and attract the most advertising since their 25-40 year old audience is highly active in the consumer markets. Stations oriented towards listeners over 45 such as Melody also broadcast. Finally stations can be broken down into two groups: national networks (broadcast centrally but which break for regional news variations) and local stations that create their own product. In Ekaterinburg only a third of all FM stations are local. Local stations have the advantage of being independent in choosing their broadcasting policies and playlists whereas network stations must usually stick to strict, centrally-agreed formats.

The internet is expected to grow as a means for regional radio. However radio station bosses have so far proved reluctant to invest in online broadcasting as only an estimated 15% of Ekaterinburg residents have internet access.

## TV

An increase in the number of quality programs broadcast by local TV stations has been another factor in the development of Ekaterinburg's TV market. Another factor has been the growth of advertising agencies, boosted by the introduction of high-accuracy ratings measurement which not only record how many people tuned in but also GRP (gross rating point), i.e. to what extent the ads shown during and between programs reached their target audience.

There 17 terrestrial TV channels in Ekaterinburg. They include national channels (Pervy Kanal (First Channel), Rossiya (Russia), NTV and Sport), network channels (TNT, STS, TV-3, REN TV, Muz TV, Domashny (Home)), local channels (Chetverty Kanal (Fourth Channel)) and channels for the wider Ural Federal District (Ermak). Chetverty Kanal is a rare example of an independent local TV channel, unaffiliated with larger networks and whose programs that are 100% its own.

Demand for ads is fueling the rise of the TV advertising market, with ads dominated by FMCGs (fast-moving commercial goods) such as mobile phones and related services, beauty and fashion products and cars.

## Largest Ekaterinburg TV Networks

Name	Website
4 Kanal	www.chanell4.ru
SOYUZ	www.tv-soyuz.ru
Studio 41	www.studio-41.com
ATN	—
O2TV	www.O2tv.ru

## Ekaterinburg Radio Stations

Name	Website	Frequency
1. Radio SK	www.radiosk.ru	90.2 FM
2. Maximum	www.maximum.ru	90.8 FM
3. Echo Moscow	www.echoekb.ru	91.4 FM
4. Love Radio	www.loveradio.ru	99.4 FM
5. Europe Plus	www.europaplus.ru	101.2 FM
6. Nashe Radio	www.nashefm.ru	100.4 FM
7. Dynamite FM	www.dinamitfm.ru	102.0 FM
8. Avtoradio HM	www.avtoradio.ru	102.5 FM
9. Radio Chanson	www.chanson.ru	103.2 FM
10. Radio C	www.radioc.ru	103.7 FM
11. Mayak 24	www.radiomayak.ru	104.1 FM
12. Radio 7	www.radio7.ru	104.5 FM
13. Radio Pilot	www.pilotfm.ru	105.0 FM
14. Russkoye Radio	www.rusradio.ru	105.7 FM
15. Radio Track	www.hitfm.ural.ru	106.2 FM
16. Avtoradio	www.avtoradio.ru	107.0 FM
17. Radio Gorod	www.gorodfm.ru	107.6 FM

## Newspapers

Name	Website
Argumenti I Facti	www.aif.ru
Komsomolskaya Pravda	www.ural.kp.ru
Moskovsky Komsomolets	www.mk-ural.ru
Oblastnaya Gazeta	www.oblgazeta.ru
Uralsky Rabochy (Ural Worker)	—
Vecherny Ekaterinburg (Evening Ekaterinburg)	—

## Advertisement Publications

Name	Website
Bistry Kuryer	www.bk.ural.ru
Iz Ruk V Ruki	www.irr.ru
Nasha Gazeta	www.ngzt.ru
V Kazhdy Dom	—
Va Bank	www.gazeta-vabank.ru



Dmitry Tolmachev,  
Chief Editor, Expert-Ural magazine

## Business Print Media

*According to global media monitoring firm TNS Gallup Media there are around 300 newspapers and magazines published in Ekaterinburg. Business publications only account for around 20% of that number, but analysts point out that development over the last ten years in the city's business print media market has been qualitative – not quantitative.*

The most prominent and widely read business publications are those which are parts of national publication chains. Delovoy Kvartal Ekaterinburg, for example, is part of the Delovoy Kvartal Abak-Press series of business weeklies, while Expert-Ural is published by the regional office of national magazine Expert and national broadsheet Kommersant features a regional insertion, Kommersant-Ural.

Ekaterinburg and Delovoy Kvartal were each other's mutual firsts; Delovoy Kvartal-Ekaterinburg was the city's first local business publication, while Ekaterinburg was the first regional city that Delovoy Kvartal Abak-Press published in. The magazine's success convinced the firm to set up a network of weekly magazines under the Delovoy Kvartal brand. This network today includes major Russian cities such as Krasnoyarsk, Chelyabinsk, Rostov-on-Don, Samara, Nizhny Novgorod, Novosibirsk and others. Sold via retail distribution, Delovoy Kvartal magazine Ekaterinburg today has circulation figures of over 7,000 copies and a sizable subscriber base.

Delovoy Kvartal-Ekaterinburg's reports on the city's business happenings, in an informational rather than analytical manner. It mainly focuses on small- and medium-sized local businesses, documenting events, case studies, marketing and business organization trends and ideas, developing markets and performance and potential within various sectors. City individuals and their dynamic approaches to business are also profiled and interviewed. The magazine is targeted towards the more active and mobile corners of Ekaterinburg's business scene, with senior people at progressive and innovative companies prevalent in its subscriber base.

Expert-Ural – unaffiliated with a research center of the same name which also operates in the region – was first published in Ekaterinburg in 2000. In its seven years so far the magazine has benefited from the resources and authority of its centralized headquarters and has developed into an independent publishing project, dedicated



to its Urals coverage. Far from focusing purely on Sverdlovsk and Ekaterinburg, Expert-Ural covers a sizable area including the Tumen, Kurgansk, Chelyabinsk, Orenburg and Perm regions as well as the Khanty-Mansi and Yamalo-Nenets autonomous areas and Bashkiria and Udmurtia republics.

The magazine's readership is largely made up of top managers and chief executives from both commercial and state companies, in other words those most in need of specialized economic and financial news. 60% of its readers are between the ages of 24 and 40, with 55% having above-average income. 8% are business proprietors, while 7% are state and municipal officials. The regional magazine's circulation is 12,500 copies, sold together with its national counterpart, Expert.

Expert-Ural analyses and evaluates changes in the business scenes of the Urals and West Siberia, focusing on the economy, regional policy making, science and technology, culture and society. Reports and articles on promising markets such as heavy and light industry, metallurgy, power generation, agriculture and education. Its name is to support economic integration,

make private businesses more effective and competitive and promote managers' interests.

Ekaterinburg's market of business print dailies is mostly made up of regional insertions in national papers. National broadsheet Kommersant has editorial staff in Ekaterinburg whose remit is to put out the daily Ural business insertion and, in it, focus on important business events and news in Sverdlovsk and its neighboring regions. Its circulation is 7,600 copies and enjoys considerable success owing to its variety of topics such as culture, financial markets, retail distribution and heavy machine building. Kommersant-Ural is targeted towards dynamic, younger business men and women. This publication has a reputation for providing high quality and efficiently prepared information.

It's worth adding that Ekaterinburg's business print media scene differs from that of many other large cities in that many of its more prominent titles are politically and economically independent. This is obviously an asset to publications in trying to maintain the circulation of their readership.



Analysis: Mikhail **Baturin**,  
Chief Editor of Information Agency European-Asian News

## E-Media Market

*Today there are more than 20 players in the regional e-media market, including information agencies, branches of federal agencies, and special media companies*

Today in Ekaterinburg it is possible to single out the top five firms in the e-media market: Information Agency Noviy Region (NR), an Internet publication Ura.ru, Information Agency European-Asian News (EAN), Information Agency Agentstvo Politicheskikh Novostey (API, Agency of Political News), and the fifth position is shared between the local branches of Interfax and Itar-TASS.

IA NR reaffirms its top position year after year. Its level of influence, in terms of both its reputation as a source and the number of visitors to the site, remains very high.

RIA Ura.ru has quickly obtained a leading position in the market. While a year ago this product could be categorized as fast developing (the project started factually in January, 2006), today it is a leader in terms of influence, stability, and creative potential. The only negative aspect of this unique on-line publication is that it is sometimes biased and one-sided.

IA EAN is the oldest and most respected agency in the market and celebrated its 15th birthday in May, 2007. It is still a provider of official news for the mass media of the Sverdlovsk region. This year also marked the agency's entrance into the information markets of the Big Urals. Today correspondents of IA EAN work in the Khanty-Mansiysk Autonomous District, the

Yamalo-Nenets Autonomous District, Tumen, Kurgan, Chelyabinsk, Orenburg, Perm and Bashkiria. The agency's news and surveys are used by the regional government, the Governor, the administration of Ekaterinburg, and the President's plenipotentiary office to monitor local conditions.

API Agency is a traditional voice of the Ekaterinburg administration, and thus has a lot of exclusive sources of information.

IA Itar-TASS Urals and IA Interfax-Urals are famous for their ability to deliver information to Moscow.

Moreover, it is worth mentioning that all of the media outlets mentioned above are unique and influential in their own right, and that they all have their own users. As the level of competition is high, all the agencies keep improving their products and resources, which constantly increases the quality of information and services available for clients. There is a demand for a great deal of different information, includ-

ing social and market research, surveys of different manufacturing sectors, trade information, and other analysis.

In the current market there is a lack of high quality information available for people wanting to make investment decisions and investments in the economy of the Urals region. Not a single on-line publication deals with professional estimate of economic parameters and investment attractiveness of these or those companies and institutions. The niche of rating agencies at the Urals is empty. Today any agency can enter the rating service market having increased the intension of information processing.

To sum up it is possible to conclude that the e-media of Ekaterinburg, despite having many existing players, is continuing its rapid development. There won't be any serious changes in the next 2-3 years.



### Mikhail BATURIN

Began working in mass media at the age of 16. Was a correspondent for the papers Okno, Na smenu!, Podrobnosti, Oblastnaya Gazeta, and Chief Editor for Uralskaya Zhizn and Capital. He was also a member of the board of IA Region-Inform. Since March 2007 he has been the head of IA European-Asian News. He has a great deal of experience in organizing advertising and PR campaigns, and has participated in a number of election campaigns.

## SWOT

### Strengths

- Ekaterinburg ranks among the top three regional centers of Russia in terms of the number of magazines published
- It is planned to switch over to digital radio broadcasting which will encourage the development of interactive and mobile television and allow the number of stations broadcast in the city to increase from 17 to between 40 and 50

### Weaknesses

- The market of inner-city and weekly newspapers is underdeveloped
- Any increase in the number of radio stations is impeded by the insufficiency of advertising budgets necessary needed to make the launch of new stations viable

### Opportunities

- The underdevelopment of the city newspapers market means there is still room in the market and potential opportunities for potential investors.
- The region's TV guides market is rapidly growing, something that has already attracted national players to enter the market
- High quality cable television systems are already proving economically beneficial. As new services become more integrated (such as broadband internet access with data transfer services), the economic potential of cable TV is continually growing

### Threats

- It takes a new station two years to achieve the desired levels of programming and advertising output

# RGT chain of restaurants

**Café-grill  
Edelweiss**

26, Ural Workers Street,  
620012, Ekaterinburg  
Phone/fax: (343) 332-36-28

**Café-bar  
Hytrovka**

68, Lenin Street, 620062,  
Ekaterinburg  
Phone: (343) 374-30-06

**Premium-class restaurant  
Medvezhya Pad**

30a, Kultura boulevard, 620000,  
Ekaterinburg  
Phone: (343) 337-65-48

**Café-bar  
Jules Verne**

4, Pobeda Stret, 620012,  
Ekaterinburg  
Phone: (343) 216-12-06

