

Transformation of Russian media industry: the impact of digitalization

The present state of the Russian media industry is characterized by such trends and processes as commercialization, re-regulation, and digitalization, though all these processes have taken place in the context of national economic and sociopolitical circumstances.

The paper attempts to analyze and discuss the nature of economic change in Russian media under the influence of the digital transformation. It continues the foresight research project carried out by the Faculty of Journalism at Lomonosov Moscow State University in 2015-2017. It was based on 49 in-depth semi-structured interviews with media managers and experts of the top companies in four segments of the media industry. Although the majority of managers considered the digitalization as the main driver of media business, the study has revealed that the Russian media industry in the next ten years is unlikely to fundamentally change. According to the findings the basic business model in Russia in the next ten years will remain the advertising-driven model. At the same time the level of customization of media content will rapidly increase. The majority of interviewed experts confirmed that two factors were likely to sustain the significant level of uncertainty in the media system of Russia; firstly, new practices of media consumption, and secondly the probability that the business model may shift.

The present stage of the research proves that the trends and features highlighted two years ago intensified in the new decade, especially during pandemic. Digitalization processes have opened up a number of new opportunities for media companies to monetize the audience. However, the transition from old business models to new ones is fraught with a lot of difficulties. This study is devoted to the reveal the main ways of introducing business models in digital space by domestic media companies in Russia.

The object of the paper is the process of production and distribution of content by the largest domestic media companies in traditional ways and in digital environment. The aim is to mark the features of the most common (effective) business models used by the largest Russian media companies in the context of digitalization.

The main tasks of this research are to identify the most common digital content production and distribution models; to evaluate the financial efficiency of the production and distribution of digital content for media companies; to evaluate the dynamics and prospects of development of business models in the digital environment in the next 5-10 years; to determine the value of traditional business models for media companies in the digital transition.

On the basis of 25 semi-structured interviews with the owners and top managers of the largest Russian media companies (publishing houses, television channels, radio stations), several trends have been identified: media companies choose a model of moderate evolution: radical changes involve too much risk, so companies either develop digital strategies in the long run, or wait for the conditions in which it will be impossible not to transform. Digitalization enhances the role of the audience in business processes, it drives media strategies towards development of the new content and distribution strategies. But on the other hand, the media industry still stays under pressure of the state.

The transformation of the Russian media industry provides an interesting and unique example of the emergence and evolution of the media system torn between the pressures of a hybrid nature: universal market-driven and nationally specific, and a historically determined one.