

Direct Marketing in Russia: Revelations of a First-Time Country Visitor

How do I find a market for my goods? How do I make these goods available to the widest array of people? These are but two of the many questions that are asked by people around the world who own or run competitive, private sector businesses. Key to answering these questions is determining the robustness of whatever infrastructure a country has to offer.

In most modern Western economies, an enterprising entrepreneur has access to well-developed telecommunication, ground transportation, and utility infrastructures. In most instances, a well-functioning, efficient, and reliable postal system also is a part of its communication and economic infrastructure. And, despite all that razzmatazz about the Internet and wireless telecommunications, mail still provides about only way by which a marketer can communicate and do business with just about every household and business in the nation. That's certainly true in the United States, and, to a large extent, it's true in Russia.



Postal systems worldwide, however, are facing an array of challenges in the marketplace that previously never existed. While most postal services remain a domain of government, the monopoly that most postal systems have enjoyed

over the delivery of messages, money, and merchandise has been eroded by worldwide private express couriers, such as DHL, Fedex, and United Parcel Service; local and regional express companies, telecommunication systems, and other familiar electronic communication means. Anyone who has turned on a radio or television knows quite well how both function as a medium for the delivery of advertising and marketing messages.

My awareness of the somewhat unique challenges facing the Russian postal office was driven home by a recent visit to Moscow. I had been asked to speak at a direct marketing conference sponsored by the Russian International Post Office to address consumers' perceptions of and reaction to the kind of business mail messages that are so much a part of the American postal system.

Russia is an enormous country with a number of challenges presented by its geography and demography. Developing a vibrant postal market within a country with such diversity is one of the issues that Russian postal officials must contend with today.

Another challenge that it must face is the time-warped perception many Westerners have about the nature of the Russian marketplace. For instance, I was pleasantly surprised to find that Moscow was a vibrant, strikingly European city. I was also surprised to find not only an extraordinarily friendly people but one that was surprisingly conversant in English. The challenge of working parents with little leisure time, the desire to dress stylishly, and to find and enjoy the pleasurable things in life was just as much a part of the Moscovite's experience as it is for the Londoner, Parisian, or New Yorker.

The availability of disposable income and the need to make best use of leisure time are two of the facets that make a vibrant mail market possible. Mail provides the convenience of being able to shop at



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home amidst a wide array of goods available from catalog marketers around the world. You not only can shop at home; you also can take delivery of your goods at home as well. In many respects, the major cities of Russia offer the same opportunities that any mail marketer might look for domestically or internationally.

There are, however, challenges that await any American business interested in doing business in Russia. It's a nation with a long cultural tradition of its own. Russia's well-entrenched and often stodgy bureaucracy is very much a part of that tradition. Anyone who chooses to do business there must be prepared to deal with those cultural realities. Perhaps more so than in the United States, there is a real role for those service intermediaries that can help an enterprise negotiate the thicket posed by bureaucratic red tape.

From my short visit, it seemed clear that direct mail marketing is still in its infancy in Russia. One of the things that Americans have as part of their cultural experience is a wealth of knowledge on how to make best use of the mail for economic development. In short, there's a great deal we already know from which the Russian entrepreneur can learn. There's a real opportunity here for those who are interested in mentoring their counterparts in Russia in the fine art of making mail work. There's also a tremendous opportunity to open and develop a whole new market for the kinds of goods and services that others have found can be satisfactorily provided through the mail.