According to Newzoo, Russia was the 12th largest games market in the world in 2014 and 2015. Last year, there were 59.5 million gamers in Russia, of which 30.8 million spent moneys on games, and the average payer spent $40.95 per year (slightly lower than the Eastern European average).

Based on Newzoo 2016 report, 2016 global game market revenue will reach $99.6 billion, with $1.4 billion generated by 72 million Russia gamers, and Russia market will rank the 11th largest market in the world and No. 1 in Western Europe.
Mobile online game market is currently dominated by MMO (Massively multiplayer online games), social games and mobile games. 2015 was not an easy year for Russia game industry: several players left the market and, as a result, the share of social games fell while the situation in the MMO segment is more stable.

According to Mail.ru Group's analysts, mobile games and social games owned nearly same amount of revenue and market share. Mobile games reached 10.6 billion rubles, or 20% of the market. Meanwhile, the relative share of social games decreased from 27% in 2014 to 24% in 2015, reached 12.3 billion rubles.

MMO were still the most popular games, however, with a share above 55% of Russia online game market both in 2014 and 2015. This segment amounted to 29 billion rubles in 2015, up 4% in rubles from 2014.
Russia Online Game Market (In billions, Rubles)

According to the estimate from Mail.ru Group, Russia's online and mobile games market amounted to 51.9 billion rubles in 2015, up 2% from the previous year.
Russia Mobile Game Market (In billions, Rubles)

Source: Mail.ru Group

2015 Russia mobile game market revenue amounted to 10.6 billion rubles, an increase of 20%, and it is account for 20% of total revenue in global online game market. Although showing decline because of economic crisis in recent years, mobile game market still remains the main growing part of the Russia online game market.

Russia PC Game market

Russia game market is still ruled by PC with more than 80% of market share, but consoles are just entering the market and become more and more popular. Marketing director at local distributor SoftClub, Sergey Amirdjanov forecast that console will make great progress over the next five or ten years.

At present, consoles brands in Russia game market are dominated by Sony and Microsoft.
Russia mobile game players prefer to play and pay for strategy and role-playing games, and they have unique interest in playing tank battle games compared to players in other countries.

Besides, Russia mobile game players like playing casual games, and 56% of Russian game players on Android platform and 76% of female game players choose to play casual games.
# Russia Mobile Game Revenue Top 10 in the First Half of 2016

<table>
<thead>
<tr>
<th>NO.</th>
<th>Game</th>
<th>Genre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Clash of Kings</td>
<td>SLG</td>
</tr>
<tr>
<td>2</td>
<td>Game of War - Fire Age</td>
<td>SLG</td>
</tr>
<tr>
<td>3</td>
<td>World of Tanks Blitz</td>
<td>ACG</td>
</tr>
<tr>
<td>4</td>
<td>Vikings: War of Clans</td>
<td>SLG</td>
</tr>
<tr>
<td>5</td>
<td>Clash of Clans</td>
<td>SLG</td>
</tr>
<tr>
<td>6</td>
<td>Castle Clash</td>
<td>SLG</td>
</tr>
<tr>
<td>7</td>
<td>Last Empire-War Z</td>
<td>SLG</td>
</tr>
<tr>
<td>8</td>
<td>Clash Royale</td>
<td>SLG</td>
</tr>
<tr>
<td>9</td>
<td>Boom Beach</td>
<td>SLG</td>
</tr>
<tr>
<td>10</td>
<td>Galaxy Legend</td>
<td>RPG</td>
</tr>
</tbody>
</table>

Source: App Annie Indexes

“Clash of Kings”, “Game of War - Fire Age” and “World of Tanks Blitz” ranking Top 3 by revenue in the first half of 2016.

In the first half of 2016, both "Clash of Kings" and "Game of War - Fire Age" performed well in all countries in the world. "World of Tanks Blitz" is one PVP battle game developed and distributed by Belarusian game company giant Wargaming on the background of World War II, and because of Russians' keen on tank battle games, the game won against "Clash of Clans" and made to mobile game revenue Top 3 in the first
half of 2016.
Strategy and role-playing games contribute the largest part of revenue to Russia game market, so there is no doubt that game developers will aim to develop these two kinds of games. In this case, small game developers can focus on developing tank battle games to earn the market share.

RUSSIA’S MAJOR GAME COMPANIES

Distributors

1C Company

1C Company is one of the largest independent Russian software developers and publishers. Its headquarters are in Moscow, Russia. On the internal Russian market, 1C is considered a leader in business software as well. It is best known outside Russia as a video game developer, and owns popular products including Forgotten Battles, Pacific Fighters, Theatre of War and Battle of Stalingrad.

SoftClub

SoftClub is the leading publisher, developer and distributor of computer games in Russia, Eastern and Central Europe. SoftClub is the key partner for many top international publishers and has its own development and localization facilities capable of delivering products for all modern game platforms. SoftClub owns products like King’s Bounty series, Red Orchestra 2: Heroes of Stalingrad, Men of War series, Off-Road Drive, Real Warfare 2: Northern Crusades, Theatre of War 3.
Akella

Akella is a Russian software company specializing in the development, publishing and distribution of video games and multimedia products. The company had developed several popular games: Pirates of the Caribbean, Age of Pirates: Caribbean Tales, Swashbucklers: Blue vs Grey, PT Boats: Knights of the Sea and PT Boats: South Gambit, and published games including Sabotain: Break the Rules, Postal 2: Corkscrew Rules, A Stroke of Fate: Operation Valkyrie and Postal III.

i-Jet Media

i-Jet Media is an international distribution network and publisher of social games. The company developed its first game, Maffia New. In April 2009, i-Jet Media published Happy Harvest which exploded the Russian Internet. Now i-Jet Media works with 40 game developers and has published 80 social games on 30 social networks, and currently has several dozen social games with an audience of 70 million users.

ND Games (Noviy Disk)

Established in 1991 and headquartered in Moscow, Russia, Noviy Disk is the leading Developer, Publisher and Distributor of software and games in the Russian-speaking territories. In 2006 Noviy Disk was appointed by Nintendo of Europe to become the official and exclusive distributor of Nintendo in the Russian market. The company's division ND Games is a development and production house established in 2004 to bring innovative and hi-quality products developed internally, or by some of the best studios in the Russian-speaking region to worldwide markets.

Alawar

Alawar is a Russian video game developer, publisher and distributor, founded in 1999. The company specializes in the development and distribution of computer games, and it is now focused on developing and publishing free-to-play games. As of today, the company has published more than 300 of its own gaming brands including Farm Frenzy, The Treasures of Montezuma and others.
Developers

- **ZeptoLab**
  ZeptoLab is a Russian entertainment and gaming company best known for developing the game Cut the Rope, which has been downloaded more than 400 million times since its release. Other games developed by the company include Cut the Rope 2, Pudding Monsters and King of Thieves.

- **Gaijin Entertainment**
  Gaijin Entertainment is a Russian video game development company established in 2002. The company specialize in the development of games for various platforms, and it is the largest independent video games developer in Russia, known for War Thunder.

- **Dynamic Pixels**
  Dynamic Pixels is a Russian mobile gaming company, founded in 2004. Being a pioneer of a freemium business model of games distribution, it turned into experienced and high-yielding studio with developing, marketing, PR, business development and legal depts.

- **Aggro Studios**
  Aggro Studios is a leading European game development and outsourcing studio with over half a decade of experience developing titles for Mobile, PC and Web. Aggro Studios specializes in end-to-end game development across multiple platforms, frontend development, art(animation), backend development and game services.

- **Lesta Studio**
  Lesta Studio is a game developer based in Saint Petersburg, Russia. Lesta Studio was founded in 1991 providing digital graphics and multimedia solutions. In 2003 Lesta entered the computer games market in cooperation with Buka Entertainment to launch its first game: The Entente: Battlefields World War I.
Nival

Nival is a Russian video game developer headquartered in Saint Petersburg. The company was founded in 1996 as Nival Interactive, in 2011, it merged with Nival Network into a new company, called Nival. Nival has developed and launched Prime World and King's Bounty: Legions.

GAME PLAYERS’ USER BEHAVIORS

Android devices take a large market share and contribute the majority of game downloads in nearly all countries; 3.4% of apps in Russia are game apps. According to the 2016 Q2 report released by Unity Company, Russia is the fourth country in the world with largest game installations (following China, the United States, Brazil), 11.3% from iOS platform and 86.3% from Android platform.
### iOS/Android % By Top 10 Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>iOS%</th>
<th>Android%</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>18.5%</td>
<td>81.4%</td>
</tr>
<tr>
<td>United States</td>
<td>30.6%</td>
<td>68.8%</td>
</tr>
<tr>
<td>Brazil</td>
<td>3.9%</td>
<td>92.5%</td>
</tr>
<tr>
<td>Russia</td>
<td>11.3%</td>
<td>86.3%</td>
</tr>
<tr>
<td>India</td>
<td>3.7%</td>
<td>92.8%</td>
</tr>
<tr>
<td>Japan</td>
<td>53.0%</td>
<td>47.0%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.9%</td>
<td>96.1%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>15.8%</td>
<td>75.0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>7.9%</td>
<td>89.6%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>9.3%</td>
<td>90.7%</td>
</tr>
</tbody>
</table>

Source: Unity Analytics

According to the report of Zennaapps:

1) More than 50% of Russian tablet and smartphone users play mobile games daily
2) For Russian, Google Play Stores generated around 90% of revenue
3) Russian Google Play downloads up around 25% year-on-year
4) 49% of Russian gamers are aged 21-35
5) 79% of Russian gamers play on mobile devices
6) 15% of Russian mobile gamers play more often than 5 days a week
7) 54% of Russian mobile players are full-time employees
8) Russian users play Asian games more actively than European players
9) Average retention rate/day 1 in Russia is 20-35%, average retention
rate/day 7 in Russia is 10%-15%
10) 90% of high-quality traffic in Russia is provided by myTarget

**Other Data**
48 Hours After Installing the Game

<table>
<thead>
<tr>
<th></th>
<th>GOOD</th>
<th>BAD</th>
<th>MEDIocre</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Paying Users</td>
<td>2.5%</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>ARPPU</td>
<td>$20.00</td>
<td>$5.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>Ad ARPDAU</td>
<td>$0.03</td>
<td>$0.005</td>
<td>$0.01</td>
</tr>
</tbody>
</table>

1) % Paying Users: 0.5~2.5%
2) ARPPU: $5~20
3) Ad ARPDAU: $0.005~0.03
THINGS TO KNOW BEFORE LAUNCHING YOUR MOBILE GAME IN RUSSIA

Russia is big
With roughly 144 million inhabitants, Russia numbers among the largest populations in the world, and most Russians carry more than one phone. Targeted properly, Russian users can become a significant percentage of your user base.

The majority of Russians use Android devices
Across the globe, Android continues to dominate in the battle for mobile OS market share, and Russia has been no exception. According to the most recent data from Kantar DataLead, 64.5% of mobile devices in Russia run Android. The popular western wisdom of iOS presenting the greatest revenue potential is not necessarily the case for Russia. In fact, iOS devices constitute only 24.4% of all Russian mobile devices. So, Android devices beat other devices in Russia, and it also contributes 86% of mobile games market share in Russia.

Localization Pays Dividends
Launching your game in Russia without localization is a missed opportunity for seeing substantial return on a small investment. Although it gained lots of popularity in English-speaking countries, British company King’s Candy Crush game didn’t even reach the Top 10 Charts in Russia, with many conceding that lack of localization was its
downfall. Offering culturally-tailored content is crucial, from simply utilizing the language to a complete content overhaul. In Russia, only 5% of Russians speak English, and in this case, localizing your game means the difference between an audience of 15 million and 144 million users. A prime example of the latter, is the developer Ubisoft’s Russian adaption of Valiant Hearts, a game inspired by the Great War. They started by scrutinizing Russia’s role in the war, completely rewriting the in-game encyclopedia, and even hiring a historian to ensure that every minute detail was correct. As a result, Valiant Hearts won Best Narrative at The Game Awards 2014 and received a very warm reception in Russia, and it also won the heart of iOS game players.

Alternative Stores in Russia

To reach the Russia App market effectively, it is reasonable to consider alternative application stores for the Russian market. Today the largest application store is Google Play Store and the largest alternative application store in Russia to Google Play Store is Yandex.Store. This is an application manager built on the Android platform. Right now there are more than 150,000 apps there. The main market is Russia, but also the countries where Yandex is promoting its services: Ukraine, Kazakhstan, Belarus and Turkey. GetUpps! is the second largest alternative application store. This is an application storefront created by MegaFon. It is a home to over 50,000 applications. Third place belongs to MTS App Market. For a small subscription fee of $0.35 per week it grants users access to over 3000 premium applications.

App Promotion on Russian Social Media

Facebook doesn’t rule the social realm in Russia like in many other countries, and local social medias like Vkontakte, Odnoklassniki and Moi Mir contribute 90% of game traffic to Russia market. So companies should pay more attention to these three local social medias and then make use of myTarget - a Russian mobile application promotion system that can fills ads to the above mentioned largest Russian social networks. Today, myTarget drives the largest volumes of traffic on the Russian market. Now, the volumes of downloads myTarget can give you vary greatly depending on the specifics of the application promoted and the cost you are ready to pay for an install. In general, casual games or mass-market applications can get up to 3,000 downloads for iOS and up to 10,000 downloads for Android if the campaign is at its high.
CONCLUSION

- 2016 global game market revenue will reach $99.6 billion, with $1.4 billion generated by 72 million Russia gamers, and Russia market will rank the 11th largest market in the world and No. 1 in Western Europe.

- Mobile online game market is currently dominated by MMO (the most popular game), social games and mobile games, and mobile games and social games owned nearly same amount of revenue and market share.

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- Russia's major game distributors are ND Games, 1C Company, SoftClub, Akella, and major game developers are ZeptoLab, Gaijin Entertainment, Dynamic Pixels, Nova Games.

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