



“RUSSIA IS A SPECIAL CASE AND OF COURSE YOU HAVE TO TREAT IT SPECIALLY – IT IS YOUNG AND ITS BUSINESSES ARE GROWING VERY FAST”

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Are Russian companies now waking up to the importance of design? When did this process begin?

Brand design is a very young industry in Russia – people only started talking about it no more than five years ago. The advertising market has existed for 15 years, but at the same time, no one was thinking about brand design, and as a service it was not offered in the market place. As new services are very difficult to promote to the market, it is fortunate that we are doing it with our clients who see the value of it.

Increasingly, our clients are thinking about product branding as a strategic part of their business because they see the increase in the value of their company.

In terms of the general economic situation, last year there has been a shift in what entrepreneurs are talking about. A year ago they were talking about investments, about money, and specific projects. Today, we can hear

that they are talking about their brands and the branding part of their business. Entrepreneurs have started to change their attitude towards branding.

How did you come to this business?

By education, I am an applied mathematician and was always interested in analysis – which is fundamental to our profession. Perestroika forced me to look for new ways of self-realisation. By chance, I got involved in trade and afterwards in marketing and advertising. Then I achieved certain success and started directing the advertising agency. After a few years in the advertising industry, I decided to launch a brand design agency of my own. Analytical skills obtained during the years of academic study became very appropriate and useful in my new profession. In branding, you should create models for how brands will behave, as you do in maths.

How well are Russian companies now selling themselves? How much of your work is specifically tailored to Russian companies as opposed to applying the best Western practices?

Russia is a special case and of course you have to treat it specially – it is young and its businesses are growing very fast. You cannot ignore history or an understanding of the consumer because Russians are different in their behaviour and buying attitudes. We have to predict the future of business. Our approach is a combination of Western expertise with an understanding of the Russian market.

However, I am also not a great admirer of making statements such as ‘Russia is a special country, with its own peculiarities’. There is peculiarity now, because of the growth within the market, but it will stabilise at some point. There will be not much of a difference between Russia and the West. But there is the question of

whether Russia will be more like the West, or whether the West be more like Russia.

Europe is changing quickly, but the East is moving much faster. Europe always refers to the past and its behaviour is dominated by its history. Europe cannot lead change. The East and Asian countries are young, enthusiastic and active to lead the change. It is like a teenager, which is growing too fast. There are growing pains, as is to be expected in a period of transformation.

How do you judge the success of the brands that you develop? In terms of sales or clients returning, for example?

A lot of people would use the research methods. And of course, research is important, but the results are widely available. However, success is not the privilege of everyone. Only a few entrepreneurs are successful. It is not a rule, but rather the personality of the person which is the basis of being different. Working by typical rules is not the way to lead success. Non-standard ideas must be pursued. Judging success is a task which cannot be resolved because there is no recipe or formula.

Even so, it is not just a question of luck. The ability to be independent is important. It is also important to be 'internally free' – be free from rules, from being dogmatic or dependent on other people or on concepts. This freedom gives the opportunity to hear yourself and to be true to oneself as an entrepreneur.

If I try to follow rules, it leads to nowhere. As soon as I go my own way, it leads to a large jump in success in business. The overall progress in any era is that you criticise and change things. This is the basis of progress.

What happens, in global business, is that increasingly we hear of new business models for growing and developing which are based on completely new ideas, on the personalities of the people, so the statement that there are no rules of business is correct. Those who are successful are those who find something new.

What is your assessment of the skills, talent and instincts of those who are leaving school in Russia today? Is this generation equipped to make the most of the opportunities, as you have done?

I impatiently wait for the next ten years to pass. Then the kids who are currently at the institutes will be available for business and government. It is a generation that is completely free from its past – it has new ideas and new thinking.

This will be a very interesting mix. It will be a mix of people with a good understanding of science, but who are fresh minded. What we see now in business is that people with fresh minds are leading businesses that do not achieve very high revenues (it's mid size businesses). If you look at the people who are leading the top businesses or government you see the older generation. Though they want to be young, they are still old in their minds. Even though I am young, I am already old because I was brought up with Communism and the Komsomol and I still have some nostalgia for those times – which is bad! I do want to say that there is a lot which is negative in the Soviet past. Even though we can still learn a lot from our past it carries the mentality of the personality that is not free. Such mentality was cultivated and became the part of our nature.

Russia is still a model of society which is a pyramid, at the top of which is the bureaucracy, which since Soviet times has led the state. We want to invert the pyramid so that the bureaucrats serve society. At the moment, the state makes us, the citizens, work for the state.

Is there a danger that the next generation, as society undergoes this transformation, will lose something which is peculiarly Russian?

'Russian peculiarity', 'Russian soul', 'Russian mentality' – are areas of speculation to support the pyramid. At the bottom, at the foundation of any state, is an ideology. The idea that unites people. Ancient states were based on fear and the idea that people should protect the state. Today the fear is different – the fear of the expansion

of foreign capital; the fear that foreign brands will come to the market. These are ideas that help the state to protect itself. This is a contemporary solution for this period of time...

Coming back to the pyramid, you can feel it happening. At some point in time, some important people started saying: "We cannot allow the expansion of the West, it is a villain, we must support Russian producers", in order to support their personal interests. They need to build the policy of protectionism, which is why they support the concept of 'Russian exceptionalism'. In fact, the ordinary consumer does not care whether it is a Russian or Western producer. Of course the consumer thinks about it, but only because this 'exceptionalism' is imposed on them. In fact, the product quality and its availability is what really matters and makes difference to the consumer.

The West says 'Russia is different' and Russia says 'OK, we are different'. In fact, there is not much that separates us: there are more similarities than differences. Instead of calculating the differences, it is better to think about what makes us the same. Often, these ideas of difference start to grow and are supported, you try and behave according to the concepts and you in fact become different. At the end, the result of stressing difference is fascism.

What do you think of assertions that propaganda and branding of consumer products are similar in their techniques?

They are similar, but not the same. Propaganda is the process of promoting social ideas and making people believe in them. In our work, in developing the brands, of course we use some of the methods. Though we don't want the consumers to completely believe in what we say. We do not make them behave in the way that we want, while in fact it happens. At the basis of branding is free choice. So there are different motives. Propaganda closes everything – borders – while branding is opening and sharing the information and it has a completely different objective. 