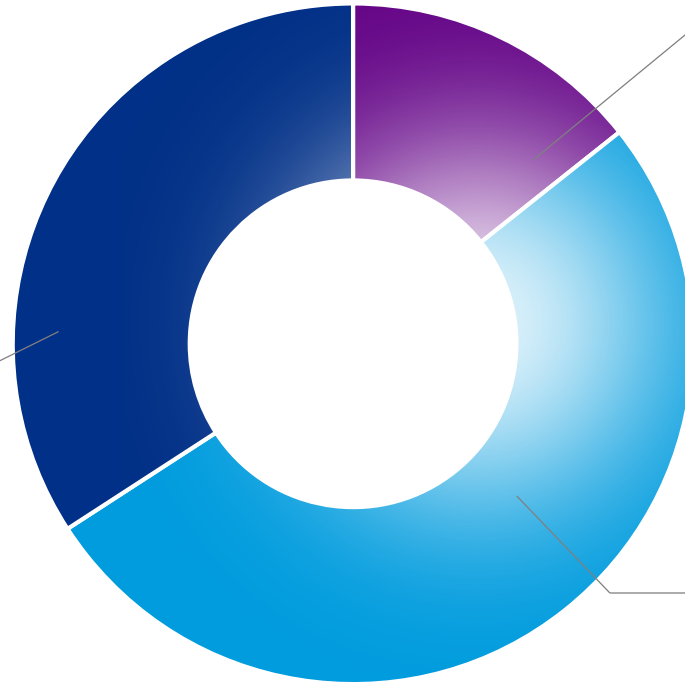# FREELANCE IN RUSSIA

The market and its perspectives

2017

2/3 OF RUSSIAN FREELANCERS WORK CROSS-BORDER

Share of Russian freelancers who have foreign clients

Only Russian clients

34%

Only foreign clients

14%

Both foreign and Russian clients

52%

"Did you have any freelance income from Russian/foreign customers or got it from Russian/international internet-platforms in the first half of 2017?"

PayPal

FREELANCERS WHO WORK WITH FOREIGN ORDERS ARE ON AVERAGE MORE MATURE AND MORE PROSPEROUS
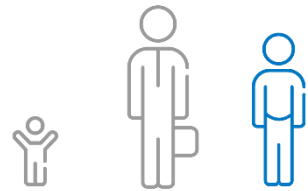
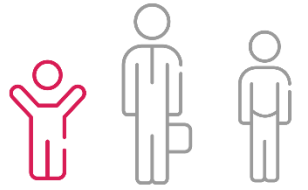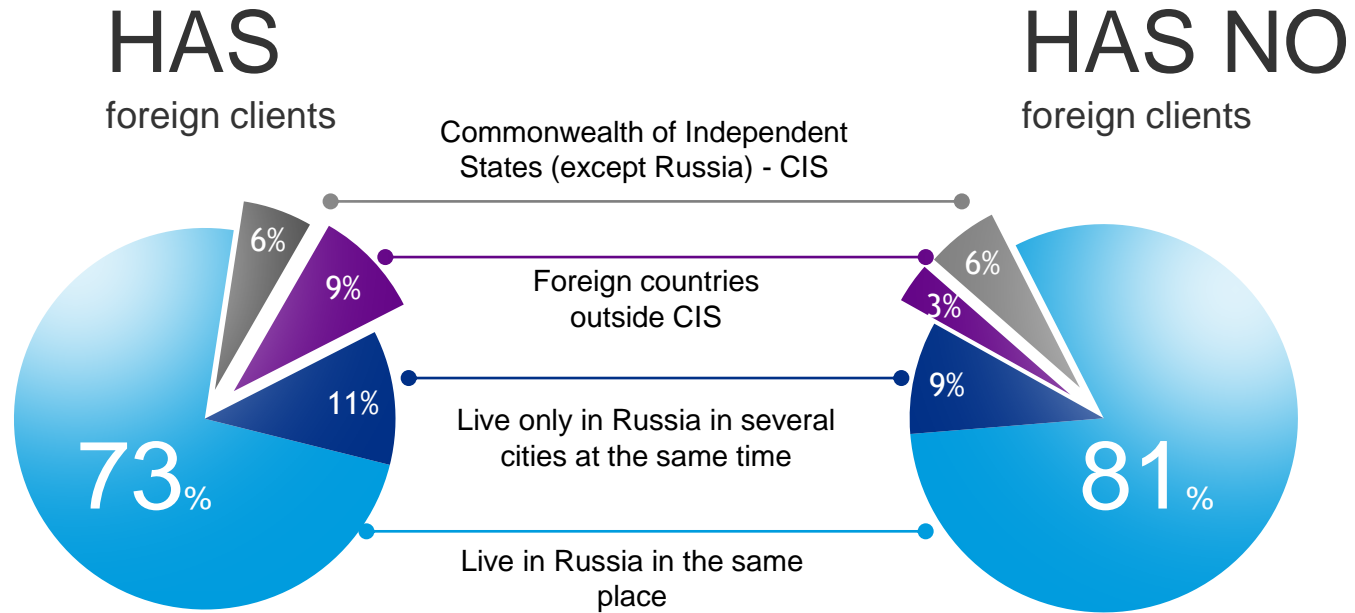|	Gender	Age 14-25 / 26-35 / 36+	Higher education	Has a partner	Has enough money for major needs (like home appliances / car)
Has Foreign clients	65% 35%	31% 50% 19%	22% 78%	54% 46%	16%
Has no foreign clients	54% 46%	36% 50% 14%	16% 84%	58% 42%	8%

PayPal

International freelancers live a less settled life – more people are on the move during a year both domestically and abroad

HAS
foreign clients

HAS NO
foreign clients

Commonwealth of Independent States (except Russia) - CIS

Foreign countries outside CIS

Live only in Russia in several cities at the same time

Live in Russia in the same place

HAS: 6% · 9% · 11% · **73%**

HAS NO: 6% · 3% · 9% · **81%**

HAS		HAS NO
4%	Outside the urban areas	4%
7%	Town (less than 300 thousand)	9%
20%	City (more than 300 thousand)	30%
26%	1 million +	19%
19%	Saint Petersburg + region	13%
24%	Moscow + region	25%
9%	Central Federal District (FD)	10%
4%	Northern-Western FD	2%
15%	Volga FD	18%
7%	Southern and Caucasus FD	13%
12%	Siberian FD	5%
6%	Ural FD	11%
3%	Far Eastern FD	3%

Please indicate the region and city of your permanent residence. If you move constantly, indicate all the geographical locations in which you lived for more than one month during last year
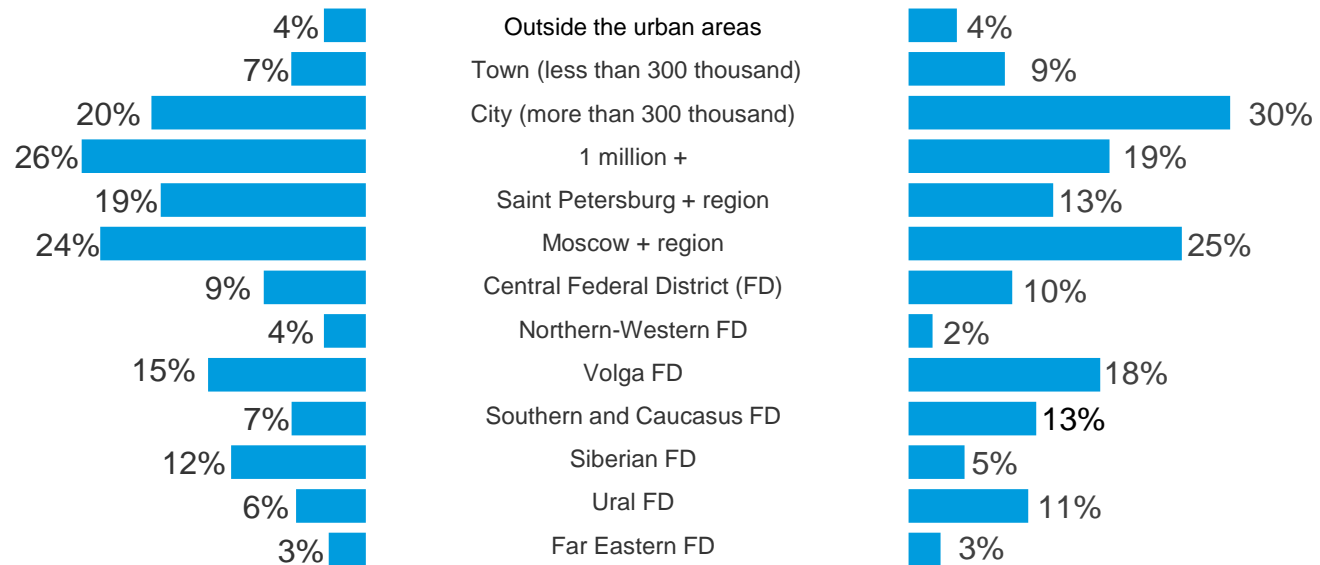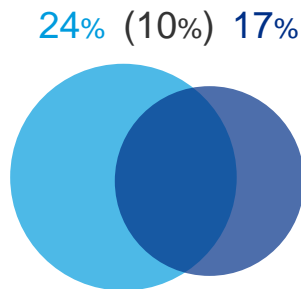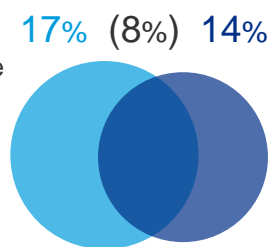
FREELANCERS' SPECIALIZATIONS

Domestic clients — Cross-border clients

Design:
graphics, architecture, page making, infographics, multimedia materials
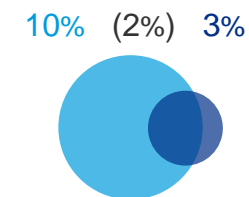
24% (10%) 17%

IT-development:
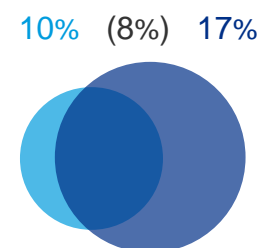software development, mobile apps, websites, testing, it-administrating

17% (8%) 14%

Editing:
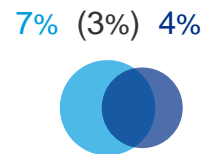article writing, literary and promo texts, copywriting for websites

10% (2%) 3%

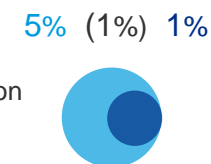**Working on stocks:**
photo, graphics, video, music

10% (8%) 17%

Sales and marketing:
product promotion online, ad placement, market research, search optimization, internet-marketing, viral marketing, e-mail sending
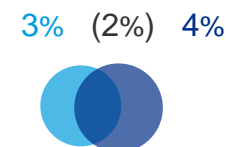
7% (3%) 4%

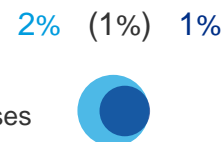**Photo and video operators:**
photo shooting or video recording on demand

5% (1%) 1%

Translations:
from one language to another, dubbing

3% (2%) 4%

Online education and courses:
teaching via Skype, personal courses and webinars

2% (1%) 1%

Business services:
accounting, law, staff recruitment, financial and business analysis, real estate agent services

2% (0%) 1%
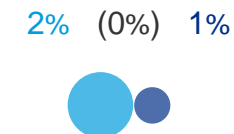
Data entering and administration:
searching for information on the web, data entering, administration, virtual and phone consultations for clients

2% (0%) 1%
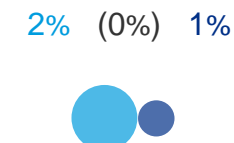
Delivery and transportation:
couriers, freight transport, special equipment, delivery from a different country or city

1% (0%) 0%
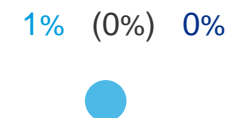
Music and producer work

1% (0%) 0%
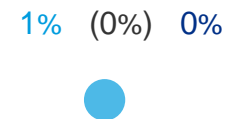
Developing special documentation

1% (0%) 0%

PayPal

5

Canada
15%

USA
54%

Great Britain
22%

Poland
5%

Ukraine
10%

France
6%

Germany
19%

China
8%

India
7%

Australia and New Zealand
13%
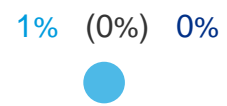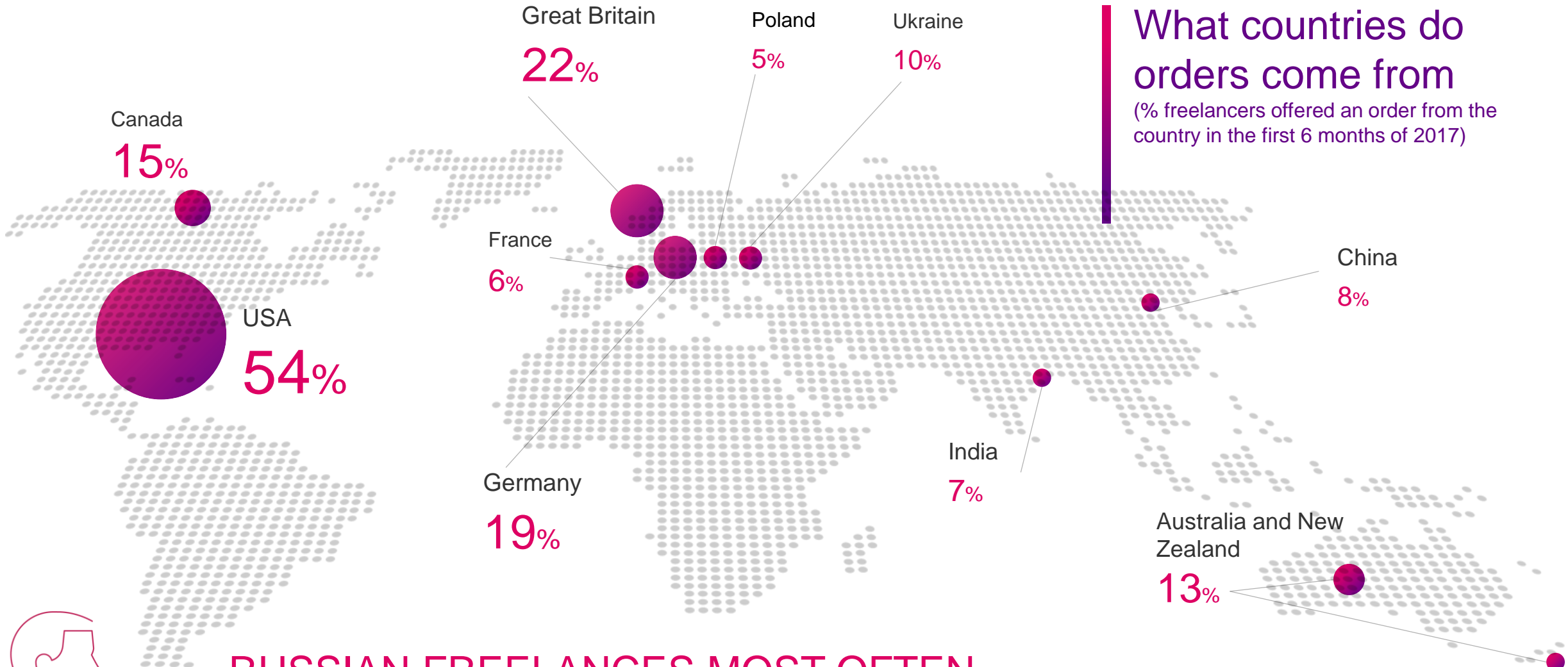
What countries do orders come from
(% freelancers offered an order from the country in the first 6 months of 2017)

RUSSIAN FREELANCES MOST OFTEN WORK WITH US, BRITISH, AND GERMAN CLIENTS

"With clients from which countries did you work in first half of 2017?"

PayPal

INTERNATIONAL FREELANCE MARKET IS 'YOUNG' –
1/3 OF FREELANCERS STARTED TO WORK WITH FOREIGN CLIENTS NO MORE THAN A YEAR AGO

Duration of their work with foreign clients

"When did you complete your first foreign freelance order?"

33%

25%

23%

14%

	Less than a year ago	1 to 2 years ago	2 to 5 years ago	More than 5 years ago	Difficult to say

PayPal
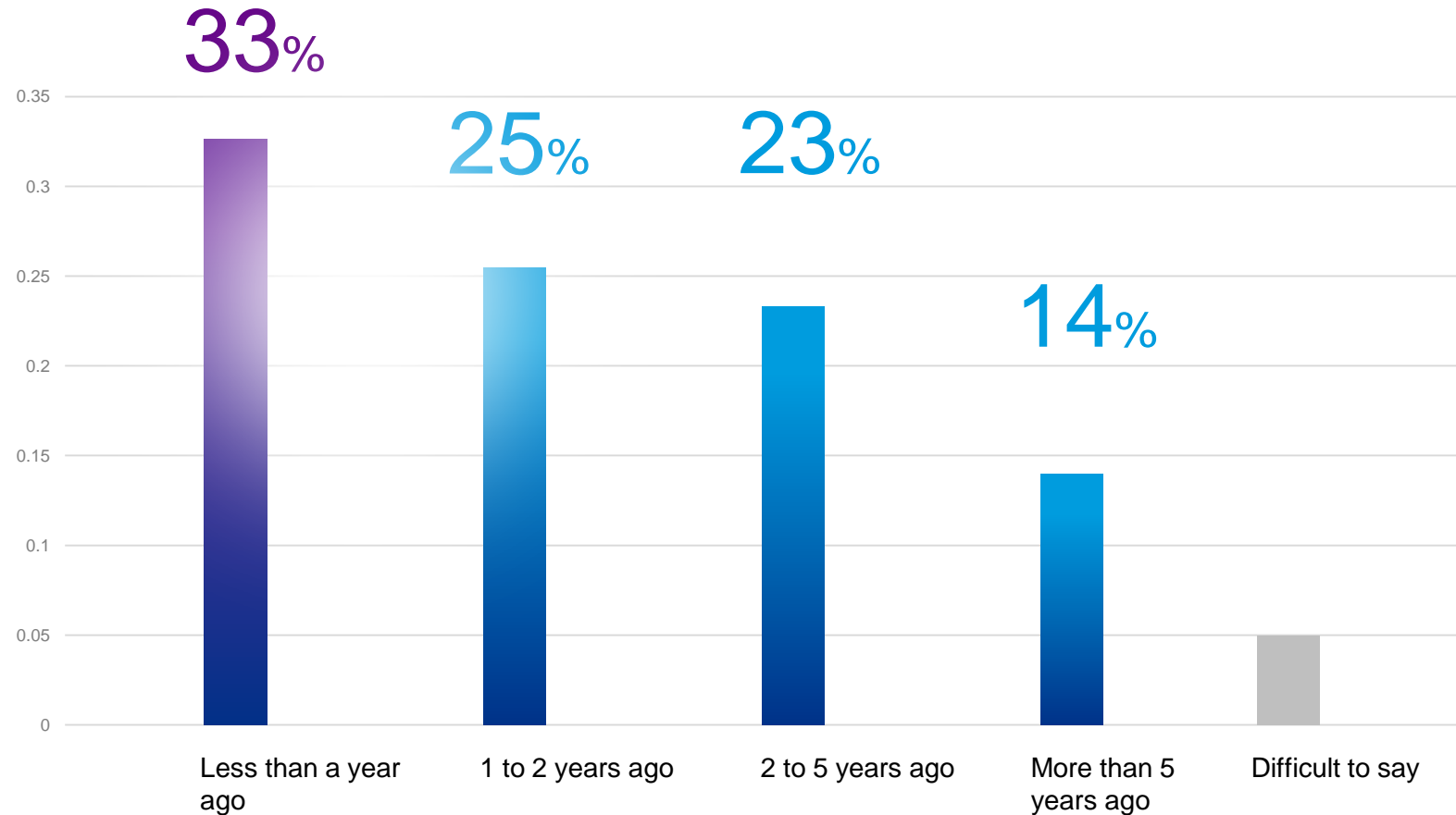
83% OF FREELANCERS SEE INTERNATIONAL MARKET AS EXTREMELY PROMISING

See the international market as promising one

17%

NO

83%

YES
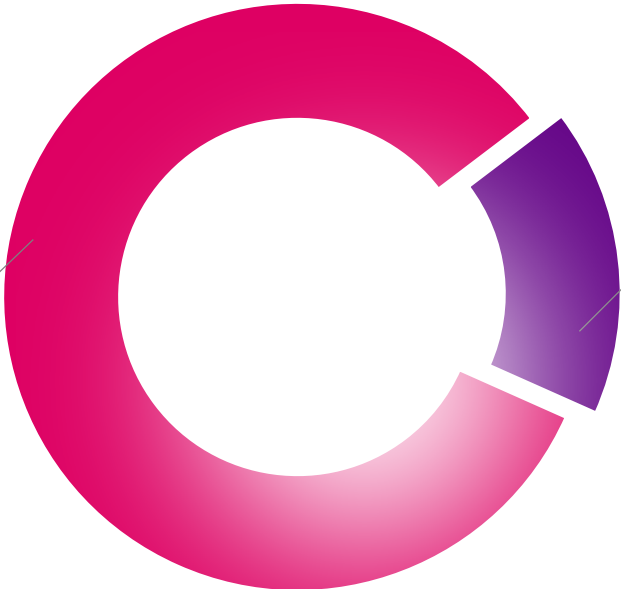
"Do you consider the international market as a promising one to you as a freelancer and why?"

Why do you think it is not promising for you?

"Lack of foreign language skills"

"High competition and price dumping from other countries"

"International freelance is much more developed than freelance in Russia. In Russia there are less freelancers who can do complicated projects"

"It's important to develop our own country and local potential!"

"You can only create interesting texts when you know a country's mentality and culture"

"I'm a tutor for exams that exist only in Russia"

"Profession specifics"

"I work in the field of Russian legislation"

FOR 1/3 OF FREELANCERS, WHO WORK WITH FOREIGN CLIENTS, SUCH ORDERS ARE THE MAIN SOURCE OF INCOME

The importance of freelance income

Main source of income

Additional, but significant source of income

Additional, insignificant source of income

Circumstantial, one-time source of income

38%
39%
15%
7%

Foreign orders

44%
36%
11%
9%
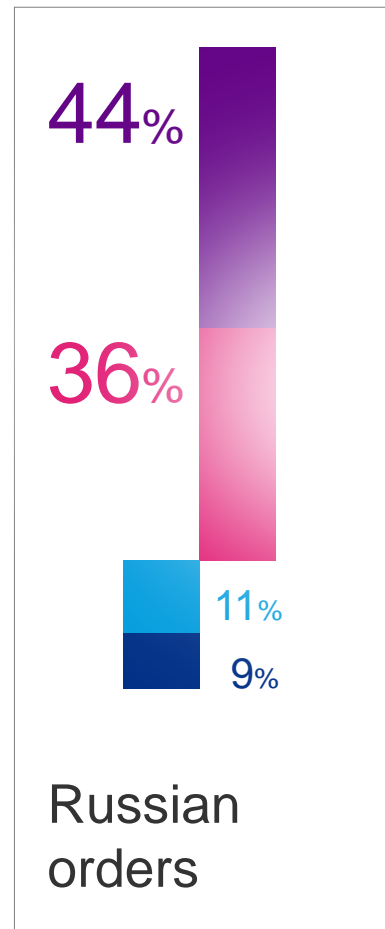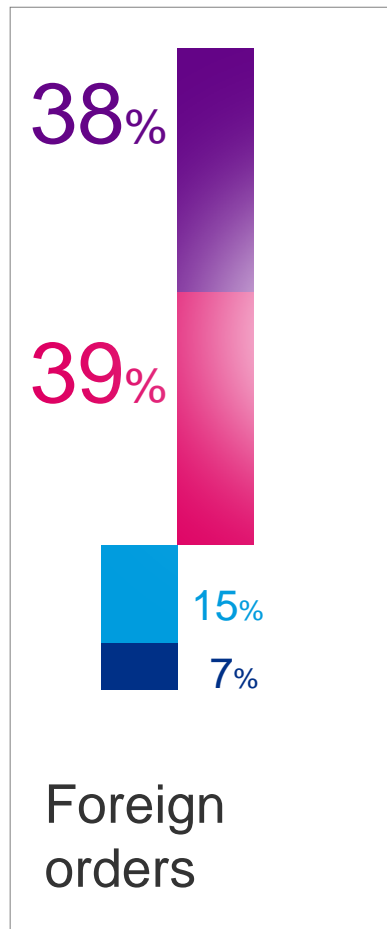
Russian orders

Percentage of income from international freelance

(% of income for those working with both Russian and foreign clients)

54% of income
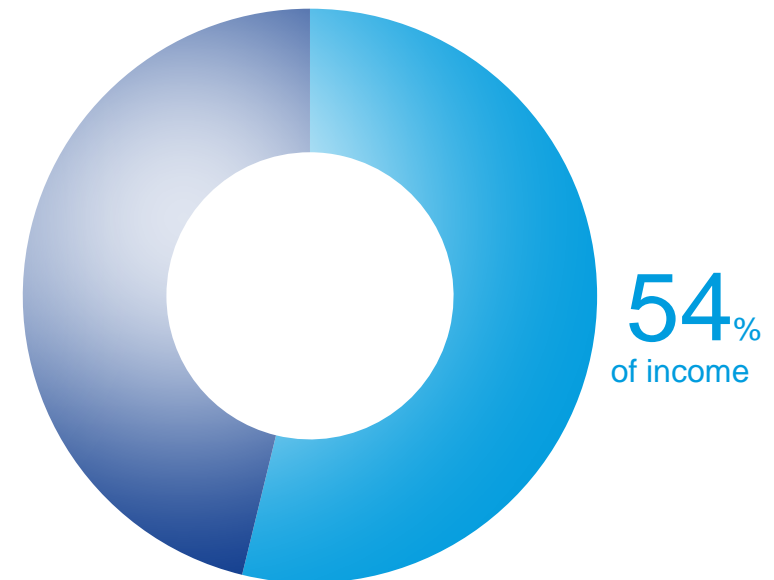
? Please evaluate what percentage of your income in the first half of 2017 was accounted by foreign orders, compared with all freelance orders?

*The stats on this slide do not take into account those who sell their content via online stock library platforms. That's because they interact with their customers in a different (specific) way. This includes not actively looking for new sales and frequent sales with low average return

PayPal

9

FOREIGN CLIENTS BRING MORE INCOME

BECAUSE OF THE HIGHER SERVICE COSTS

Monthly income from both Russian and foreign clients
(in RUB)

43486

37795

All freelancers working with this type of client

Domestic

Cross-border

How much did you earn by completing freelance orders of this type last month? // How many freelance orders from Russian/international clients did you complete in the first half of 2017?

Amount of orders and their payment
(average per month)

60697

53273

34747

22457

14456

13813

5788

7,3   6

Main source of income

Additional, but significant source of income

Additional, insignificant source of income

Circumstantial, one-time source of income

"How many freelance orders did you have in the first half-year 2017?"
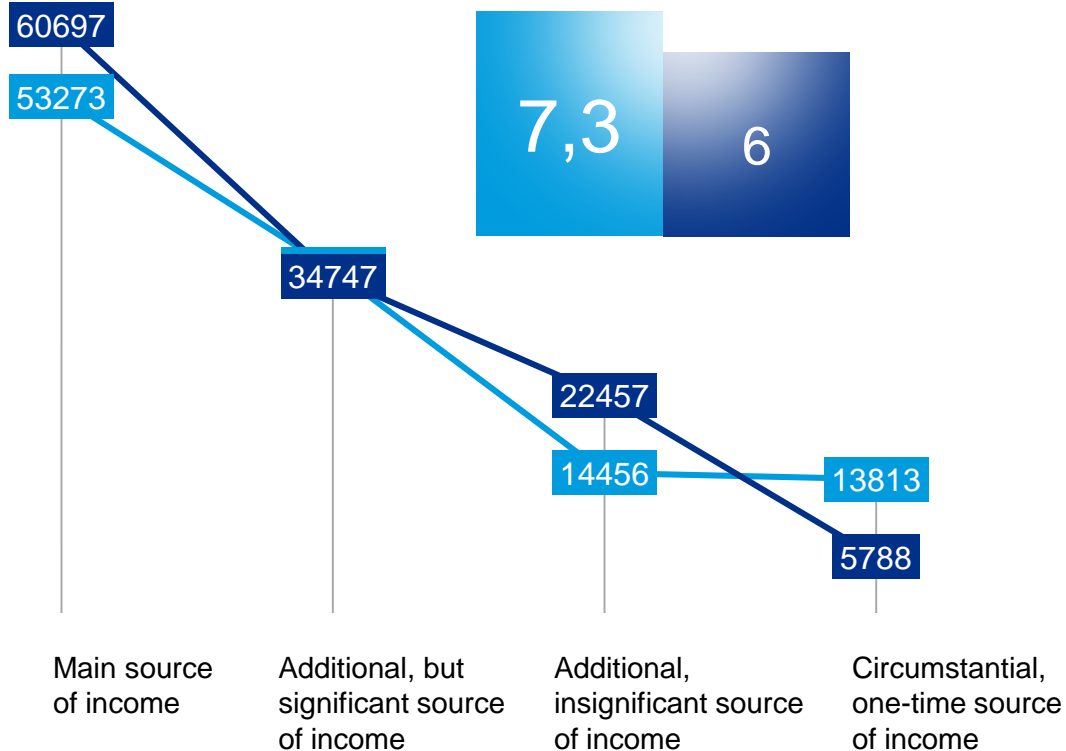
"The same work brings more money"

"A higher cost of services"

"Foreign clients are more ready to pay"

PayPal

*The stats on this slide do not take into account those who sell their content via online stock library platforms. That's because they interact with their customers in a different (specific) way. This includes not actively looking for new sales and frequent sales with low average return
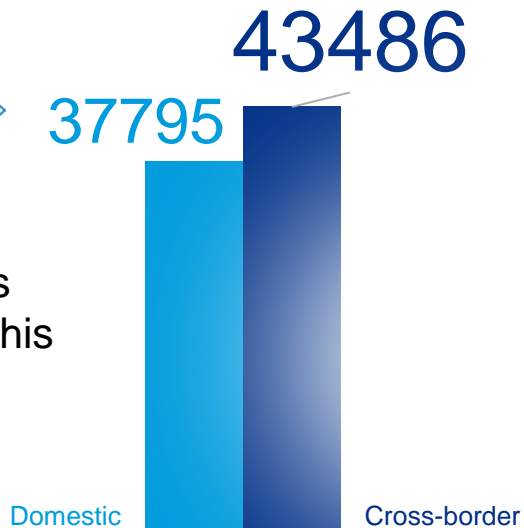
MORE THAN A HALF OF FREELANCERS EXPERIENCE A REMARKABLE RISE IN INCOME FROM FOREIGN ORDERS

Change of income
in the last 6 months
(first half of 2017 / second half of 2016)

"Please evaluate how has your income from foreign orders of this type changed comparing with the second half of 2016"

Two times and more

By 50%

By 25%

Increased
19% | 17% | 17%

Didn't change
31%

Decreased
16%

HALF OF FREELANCERS RECEIVE REPEATED ORDERS

Loyalty of clients

In my opinion, the main difficulty in this type of tasks is the quantity. The more clients you work with, the more they come back to you. And it often happens that you cannot work with so many clients at the same time.
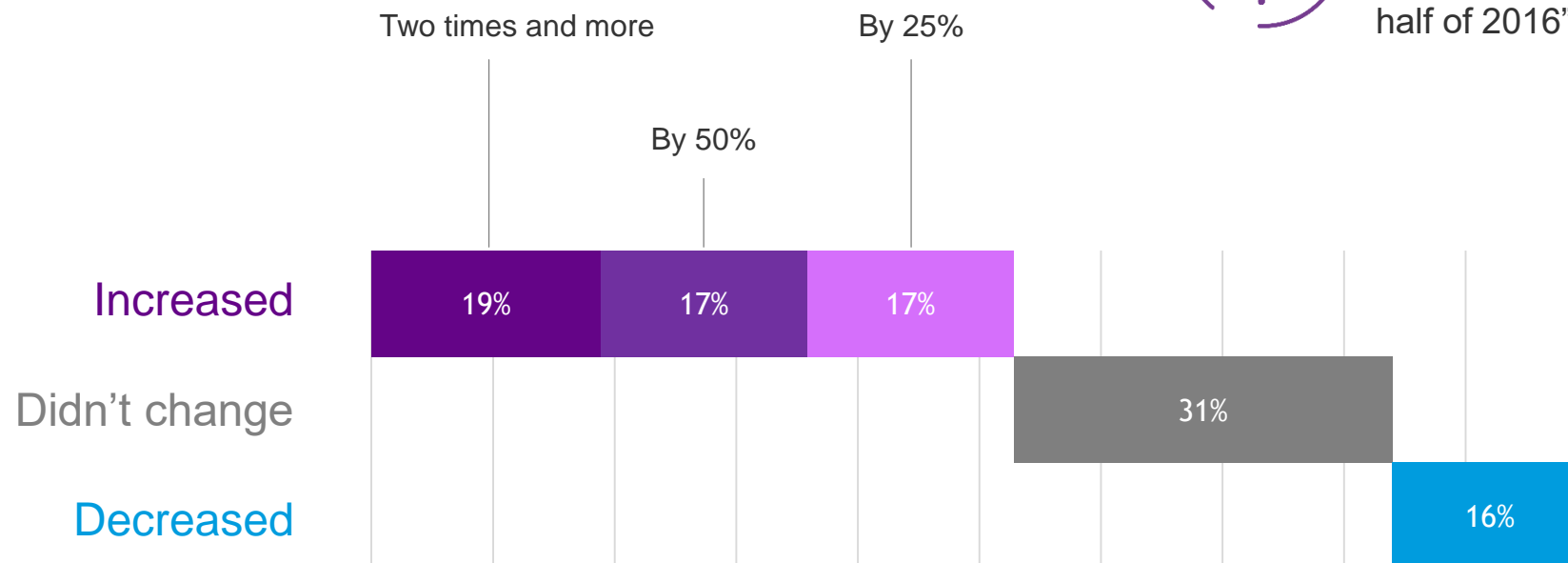
"Among your customers those who prevail are the ones with whom you:"
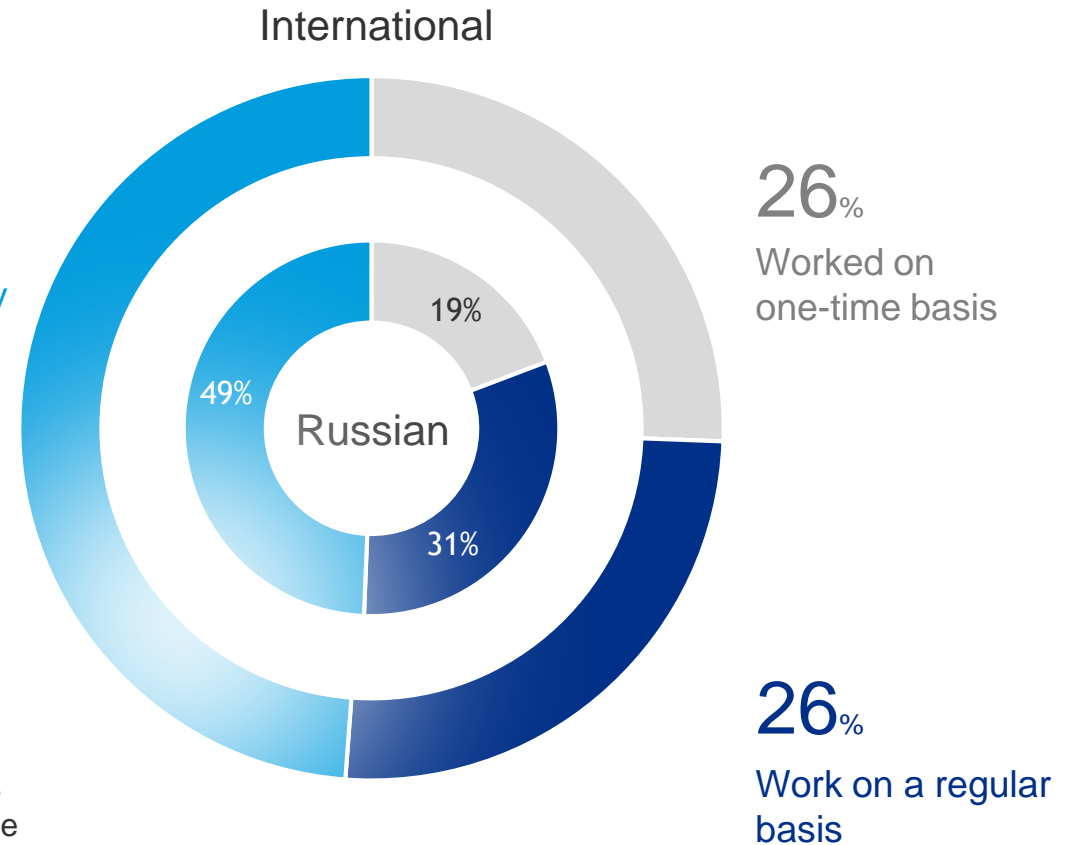
International

49% Worked previously

49%

19%

Russian

31%

26% Worked on one-time basis

26% Work on a regular basis

*The stats on this slide do not take into account those who sell their content via online stock library platforms. That's because they interact with their customers in a different (specific) way. This includes not actively looking for new sales and frequent sales with low average return

PayPal

In the first month of working as a freelancer I got a very big job – in 10 days I needed to create a massive interactive presentation for Telstra – the biggest telecommunications company in Australia. Design and illustrations were ready, I was an animator and a programmer – I was required to make nice animation, various interactive features and then combine all elements to get the whole thing to work. I worked with one of the best IT companies in Melbourne – Loud&Clear.

We soon got a great team for the project. I spent 16-20 hours working every day, with rare breaks for basic human needs, like food and sleep. The Australian guys also did their part, they were always ready to look at a new portion of completed work and give their comments. In the middle of the project, the managers offered to hire two additional freelancers to help me with the simplest animation, so that I could concentrate on more complex things. Two guys from the US agreed quickly and started sending me their parts of the work. In the last 48 hours of the project I didn't sleep at all, and project managers replaced one another, making sure I was not left alone for a second no matter what time of the day it was.

It was a few hours before the project deadline. It was an early morning in Australia, I was making some last minute changes in our mega-presentation and waiting for the last portion of animations from one of my animation colleague, but he didn't contact me. Managers were panicking and I went on to google that worker. I found him on Facebook in 5 minutes, there was his mom on friend's list. She had her phone number on the page, because she had a small business. There was no time to wait, so I called.

A lot of time passed, and I almost crossed off that option, but then a surprised female voice answered 10 000 km away from me. I explained the situation quickly and asked how I could contact that irresponsible freelancer, to which she answered 'He is sleeping', but she promised the guy would answer soon. Not even 10 minutes have passed, and I got the last part of the work in my Dropbox. As a result, I was completing the final presentation 3 minutes before the deadline. L&C office went crazy, everyone was incredibly happy and congratulated each other on a conference call. The next day I got a promised payment with a nice bonus. I earned that much in 2 years working at an office. In a couple of months a managing director of that company skyped me and begged me to make some changes to an old project and said he could only trust me with that. I was in Sheremetyevo Airport at that time, and was going on a two weeks' vacation. I only had a smartphone on me.

The guy was desperate, and so I offered a crazy and a very uncomfortable option for me – they take a free computer with a program to control it remotely and install all the necessary software, and I try to do everything with my phone. It's hard to explain how difficult it is to work on a big computer program with a finger on the phone display. Luckily for them, I had 6 hours before the flight and there was not a lot of work to be done. I went to one of the airport's cafes, ordered coffee and plugged my phone in. I worked almost up until my flight, but I managed to finish everything on time.
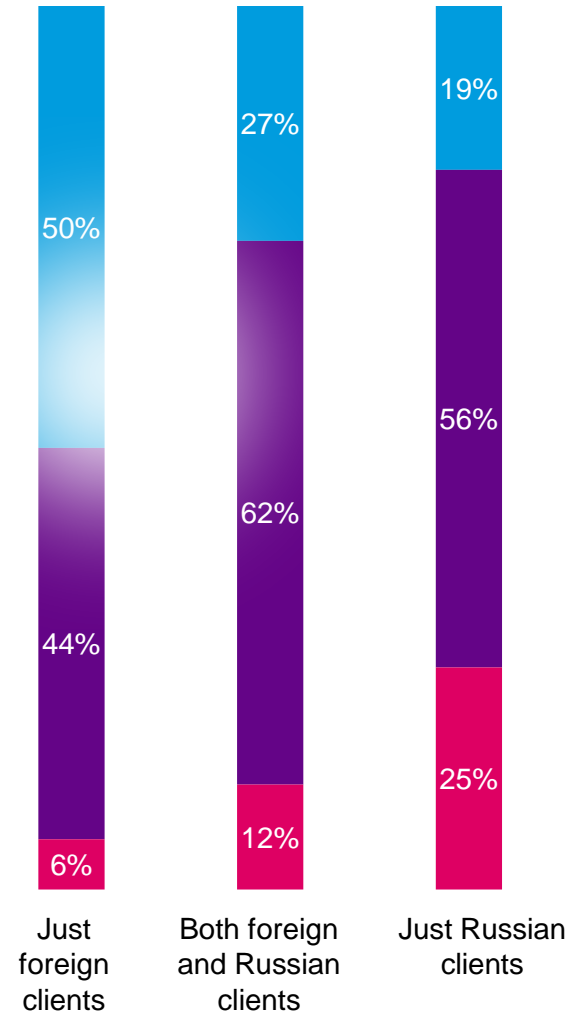
FREELANCERS PREFER CROSS-BORDER CLIENTS

Why cross-border?

"A higher payment rate"
"Better understanding of the costs of work"
"Better perspectives for future cooperation"
"A more formal relationship"
"Payments in foreign currency"
"Better business culture"
"The job will be more interesting"
"Foreign orders in a portfolio help to enter the international market, which is much larger"
"More inclusive of unusual style of work"
"I like the reliability of international clients and their good payment systems"
"Foreign folks like unusual art more, they are more loyal to strange things (my drawings are mostly very abstract and not everyone is ready for that)"
"A wider connections circle, a more promising market, communications are faster and easier"

Foreign clients

A client's country doesn't matter

Russian

	Just foreign clients	Both foreign and Russian clients	Just Russian clients
Foreign clients	50%	27%	19%
A client's country doesn't matter	44%	62%	56%
Russian	6%	12%	25%

Why domestic?

"A higher probability of a repeated order"
"More understanding, same mentality"
"Mostly because it's easier to cooperate with Russian clients, in particular regarding payment"
"I work with clients on their own territory. I prefer meeting with a student in person to have better contact"
"Don't know the language"
"Because if I need to take a non-paying client to court, it's easier to do in Russia"
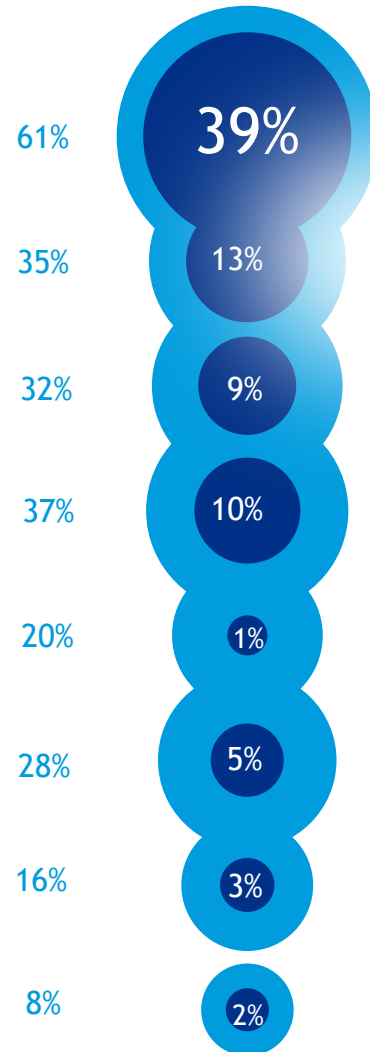"Russian is my native language. I write texts in Russian"
"Speed of interaction"
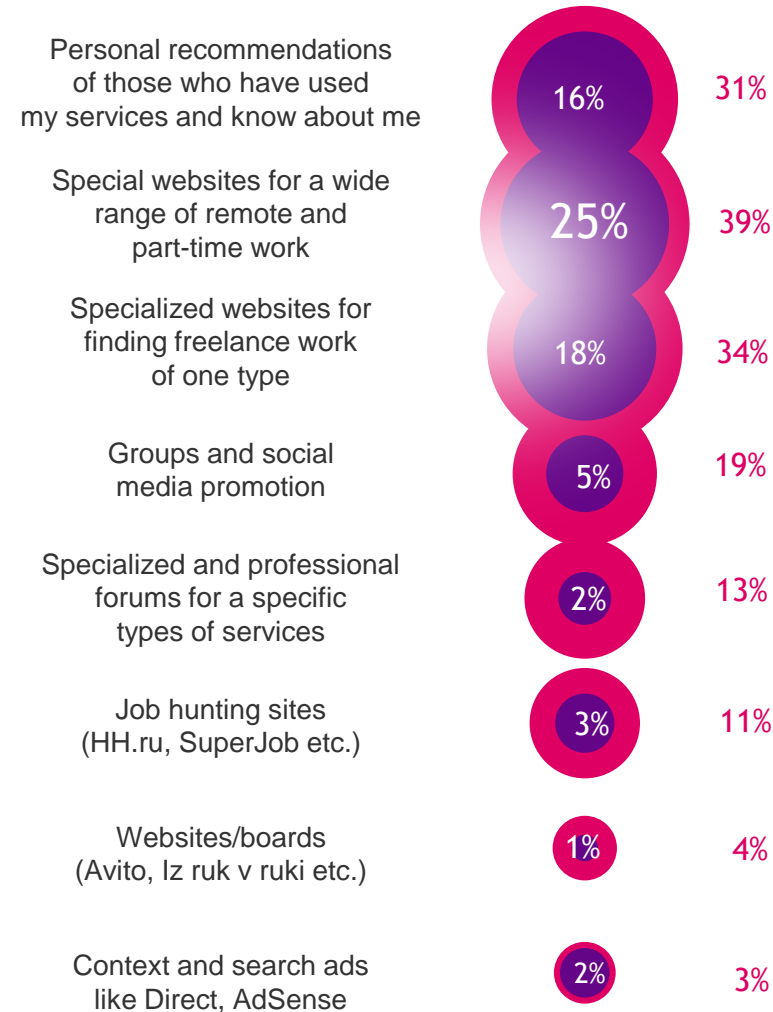
HOW DO FREELANCERS ATTRACT CLIENTS

Freelancers most often find clients via personal recommendations and special websites for remote work. The first source is more helpful for working with domestic clients, the second – with foreign ones.

" All in all, thanks to special freelance platforms, there are no major difficulties finding clients.

(but) from time to time there come some dishonest clients who 'forget' to pay for a complete job. "

Domestic orders

61%	39%	Personal recommendations of those who have used my services and know about me
35%	13%	Special websites for a wide range of remote and part-time work
32%	9%	Specialized websites for finding freelance work of one type
37%	10%	Groups and social media promotion
20%	1%	Specialized and professional forums for a specific types of services
28%	5%	Job hunting sites (HH.ru, SuperJob etc.)
16%	3%	Websites/boards (Avito, Iz ruk v ruki etc.)
8%	2%	Context and search ads like Direct, AdSense

Foreign orders

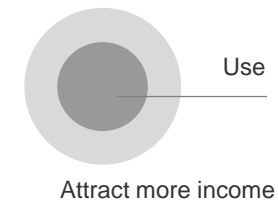|		
16%	31%	
25%	39%	
18%	34%	
5%	19%	
2%	13%	
3%	11%	
1%	4%	
2%	3%	

THE MOST USED AND POPULAR ONLINE SOURCES, AS PER RESPONDENTS:

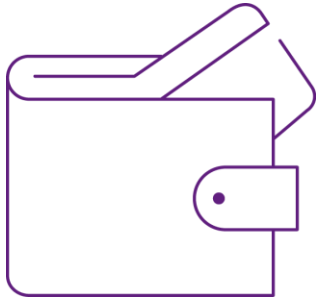**Freelance markets:** Upwork, Freelancer.com

Design boards: Dribbble.com, Behance, Deviantart, Creative Market

Image stocks: Shutterstock.com, Depositephotos,Istock, Adobe, 99designs, Fotolia, Dreamstime

Music stocks: Audiojungle.net

Use

Attract more income

PayPal

Legal status of a client does not vary between domestic and international markets

Russian orders

Foreign orders

THE CLIENT IS

An individual customer, a group of people, a family
- 69%
- 67%

A company, a firm, an organization
- 57%
- 56%

I don't know who my client is
- 4%
- 13%

INDIVIDUAL OR TEAM WORK
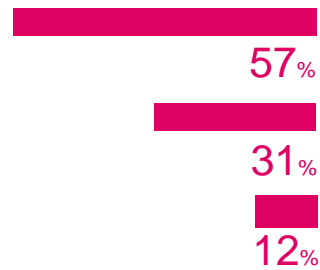
Individual work
- 57%
- 65%

Both individual and team work, depending on the situation
- 31%
- 27%

Team work
- 12%
- 8%
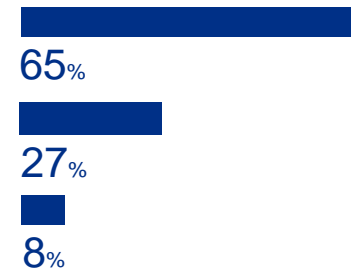
PayPal

PayPal is the most popular payment method for foreign clients, while card transactions are for the domestic ones

Russian orders

Foreign orders
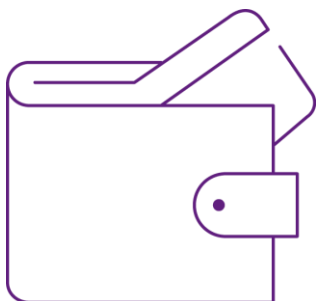
WHEN THE PAYMENT HAPPENS

	Russian	Foreign
The first part comes in advance and after the work is done, the main sum is paid	50%	40%
The whole sum is sent in advance	60%	74%

HOW PAYMENT IS TRANSFERRED

	Russian	Foreign
Bank card transfer	72%	43%
PayPal transaction	14%	66%
Transfer to an e-wallet (Yandex, QIWI, Webmoney)	35%	22%
Bank account	14%	20%
Cash	25%	8%

PayPal

MAIN DIFFICULTIES OF WORKING WITH FOREIGN CLIENTS: COMPETITION, LANGUAGE AND TIME GAP

High competition among freelancers — **30%**

Difference in time zones — **29%**

Language barrier, not enough knowledge of a foreign language — **27%**

Difficulties getting payments from clients — **17%**

Difficulties with legal administration of a transaction — **13%**

Misunderstandings because of differences in business culture — **13%**

Hard to assure a client that you can be trusted — **11%**

Requirements from foreign clients are too high — **7%**

LANGUAGE BARRIER

We don't always understand each other well, because clients are from different countries, and some of them even know English quite poorly

DIFFICULTIES WITH PAYMENTS

Extracting the money from electronic wallets
They are afraid to pay ahead
Payment comes in slowly
Nothing can stop a client from disappearing and leaving you with just an advance payment
Freelance marketplaces with hourly payments are the only guarantee

"What of the listed above are your main obstacles when working on the orders from the foreign clients? // What difficulties do you face when working on the orders of this type from the foreign clients?"

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RESEARCH DESCRIPTION

Aim:

evaluate potential perspective of international freelance market for Russian freelancers

Selection and survey method:

online-survey, recruitment via social media

Target audience:

14+, who have had completed freelance tasks from Russian or foreign clients in the first 6 months of 2017

Sample size:

500 interviews

Time of survey:

August-September 2017