

connect

insight, innovation and ideas
from our global network

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Own the future!

After a powerful performance in 2010 and the first half of 2011, GfK is financially strong, and growing fast. Over the coming months, we will build on this success to achieve more and do better for you.

By Professor Dr. Klaus L. Wübbenhorst, CEO GfK Group

Our new strategy, "Own the future", is an ambitious new plan launched this month, to take GfK's services to a new level of excellence and to help us achieve our mission as a company. Our mission is to help our clients achieve new futures. "Own the future" is a challenge to ourselves to be leaders, in a world that's changing incredibly fast. And an invitation to you, and every client, to be part of the next leap forward in commercial research.

We are in a strong place. GfK covers everything from the media and advertisements that people see, to the way they feel about your brand, to the products they actually purchase. We call it the entire purchase process. It's exciting, and new. And we want to push it further. We are transforming our business to give you the most complete view of your customers. To pinpoint everything your customers experience in the all-important months, weeks, days and seconds before they decide to buy (or not to buy) your products, services or ideas.

To make this happen, we are building on our global reach and expertise. We are strengthening our infrastructure to create a truly connected research network with the ability to join the dots in a new way, delivering insights powerful enough to guide your business into the future.

Work is already underway, and we're excited about the benefits it will bring you, as we move forward together:

- As the world becomes more connected, we'll deliver the knowledge you need to expand across borders into new markets.
- Technology is transforming the way we live our lives. We'll help you understand what that means for your customers and your business. And we'll help you innovate for success.
- We are creating stronger connections between different markets, between different areas of expertise and between every GfK colleague. We believe this will give you insights of unprecedented quality and depth.



- We are harmonizing our services, to create value for you through greater synergies, global knowledge-sharing and a stronger portfolio of global solutions.
- We analyze the entire purchase process, and can tell you what people see, how they feel and what they buy at every stage.
- We are streamlining, to work in a faster, more responsive, more efficient way.
- Our experts are on the ground in every major market, giving you deep local knowledge, with global standards of excellence. And as we change, we're raising the bar every day.
- We are investing in our people, supporting them to lead GfK and our clients to a rewarding new future.

We will share new developments with you as we implement our new strategy, and roll it out over the course of the following 6–18 months. Watch this space.

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ONE VISION
ONE FUTURE
ONE GfK



so•cial me•dia [ˈseuʃl mɪdʒe]

sg. and pl.

(latin socius = companion; medium = middle, center)

Social media refers to platforms and applications on the internet that allow users to generate and share their own content. This might encompass text, photographs, audio files or videos. Facebook, Twitter, YouTube and Wikipedia are just some of the most prominent social media sites, but social media also comprises all types of discussion forums, blogs and rating features.

It is GfK's objective to research social media – its users, usage, content and influence. And increasingly GfK is itself becoming a part of this interactive world of social media.

Interview with Norbert Wirth, Global Head of Innovation in GfK's Custom Research sector

Market research 2.0

Some people consider social media to be mere hype, while others see it as the world's largest focus group. And many haven't the faintest idea what the term means. Nevertheless, social media has been part of our lives for some time now. The fact is that social media is exerting more and more influence on consumers' formation of opinions on the internet and consequently on their purchasing decisions.

NORBERT, WHAT ARE THE FACTORS DRIVING THE SOCIAL MEDIA PHENOMENON?

Social media doesn't just satisfy the internet generation's need for entertainment and information; far more importantly, it satisfies their need to participate. Social media services such as Facebook, MySpace and Wikipedia have revolutionized the linear "from broadcaster to recipient" model of media communication, allowing each and every one of us to be a broadcaster. In today's internet – Web 2.0 or the social web, as it is also known – it is incredibly simple to generate one's own content and make it available to the entire networked world; and people are responding dramatically to this freedom: there are already over four billion photos on Flickr, 155 million tweets on Twitter every day, 35 hours of new video material on YouTube every minute – and that is just a statistical snapshot.

We are seeing a huge range of opinions emerging through social media platforms and also minority interests finding a voice. The younger generations, in particular, are very happy to make their day-to-day lives, opinions and emotions public. It is something they are accustomed to, on account of their active participation in digital life, and they are happy to share their experiences with an audience that now numbers millions. In doing so, of course, they are influencing their audience, to varying degrees.

TO WHAT EXTENT DO TWEETS, BLOGS AND OTHER ITEMS POSTED ON THE WEB HAVE AN IMPACT?

This enormous volume of online buzz and user-generated content produces a continuously expanding pool of market-relevant data. It is not only individuals, but also companies, products and celebrities that are the subject of ongoing communication. Public perception of a brand or the response to an advertising campaign or the hype surrounding a brand-related issue can, for example, be tracked and measured from comments on blogs.

On the one hand, the increasing significance of social media – and consequently of social media marketing – comes with a partial loss of control, since user-generated content is, by definition, generated by users. On the other

hand, they offer a marvelous opportunity for brands, or products, to interact with their consumers and, if they get the relationship right, to appreciate enormously in value.

This is why it is so important to know what's going on in social media portals. Criticism, praise – everything that is posted – is actually a gift: free advice from consumers in real time. However, only targeted observation and analysis make it possible to pick up suggestions or to identify problematic issues from the plethora of opinions posted, to which companies can react, if necessary. This holds true even if they simply want to see how their own brand is positioned compared with their competitors in the world of social media.

To read more of the interview with Norbert Wirth [click here](#).



Norbert Wirth, Global Head of Innovation in the Custom Research sector, is GfK's social media expert.

From access panels to market research online communities

A strong community

The past decade has been marked by two revolutions in market research – and both are associated with the internet. The first is the realization that conducting surveys in online panels is an effective alternative to telephone and face-to-face surveys. The second is that, as a result of the growth of social media, consumers have changed from being passive to active participants in the world of marketing. The logical result and combination of both these developments has given rise to a major research opportunity: market research online communities.

By Mike Cooke, GfK Custom Research, UK

The internet offers market researchers numerous possibilities that allow the voice of the consumer to be heard. Online panels, also known as access panels, in which internet users of every description volunteer to take part in surveys, are just one of these options. It is hard to imagine the market research world without access panels as a research modality.

GfK has a multitude of access panels around the world which are set up to serve as more than just a speedy, cost-effective platform for ad hoc research. These are sustainable and long-term surveying environments. They are more in-depth and facilitate conversations between GfK's clients and their target groups. For example, Emmi CAFFÈ LATTE in Switzerland is able to discover more about expectations and consumption habits on the topic of "cold drinks" from both its customers and those who are not customers. In the Netherlands, the United Nations Children's Fund (UNICEF) and the hardware store chain Hornbach are simply interested in establishing a closer connection with their supporters and customers respectively.

Online panels 2.0

By their very nature, panels require a certain level of care, which means that the mood of panel participants must be nurtured. Because internet users are spoilt for choice on the web, market research has to double its efforts

regarding online panels, to react to the ever-expanding assortment of audiovisual stimulation, interactive features and widgets, which are small, fun-based applications. Users often consider static sites to be boring and uninteresting and are therefore quick to click away from them, or do not even click on them in the first place. A traditional online panel which is limited to ad hoc surveys is not only unappealing in the longer term for the present-day active internet generation, but is also not able to take full advantage of the considerable desire to communicate which is manifest in today's consumers, who are anything but passive.

Market researchers' endeavors have resulted in the recent development of "socialized panels", which extend traditional access models by the use of social media tools. These panels display questionnaires as games, puzzles, forums, blogs, cloud tags or wikis, as well as offering applications to up- and download photos, PDFs, audio files and videos. This list keeps growing, because each new application and every new widget provides more opportunities for the creative researcher to explore new qualitative depths. It is possible, for example, to use internal panel respondent blogs to follow complex purchase decisions, such as how a consumer chooses a mortgage or how the mobile phone fits into their lives.

[Click here to read more of this article.](#)



In market research online communities, respondents increasingly become research partners.

From passive to active social media analysis

Buzz Almighty?

If you are a consumer who is thinking of buying something, the social web is a treasure trove of opinions, experiences and recommendations. For this reason, forums, blogs, social networks and comparison sites are increasingly valuable information sources for companies as well. Social media monitoring is a market research method that tells you what people are saying about you and your products. But how “mighty” is this online buzz? How much does it actually influence purchasing decisions?

By Dr. Christian Jarchow, GfK Custom Research, Germany

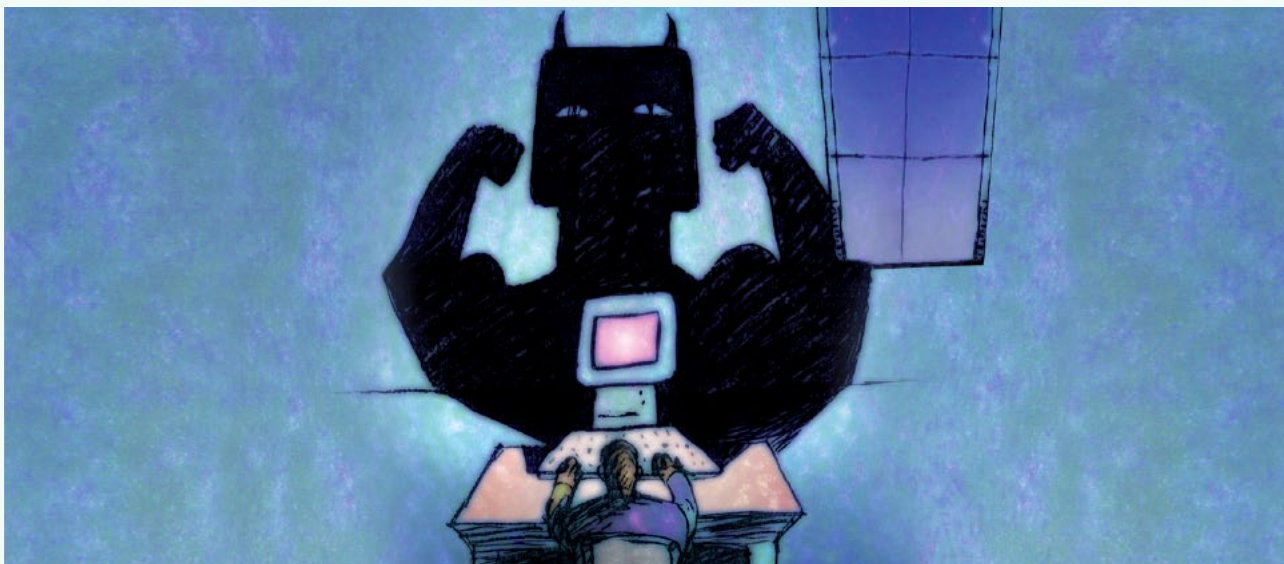
Blackrider12: “I took the new hybrid SUV on a test drive today. I’ve heard it has a lot of problems. Does anyone know?” Easygoh: “Very bad choice. The hybrid engine is absolute rubbish. Electric cars are the future now.” People who read and write posts on social media sites, in this case the automotive forum Motor-Talk.de, attach a very high degree of credibility to opinions expressed there – so social media monitoring is more important than ever before.

This is already a relatively well proven area of digital market research, in which companies use special web technologies to collect public posts by users of social media such as blogs, forums, consumer sites and open communities over a specific period, and analyze them using data and text mining. These posts can include written opinions, such as product reviews on Amazon, and also homemade videos posted on YouTube. Software systematically collects, cleanses, codes and aggregates data, using statistical and linguistic analysis to compare and interpret it and finally turn it into valuable business knowledge.

Will social media monitoring make online surveys obsolete?

Some proponents of harvesting user-generated content say that online surveys will eventually be seen as stone-age technology. They predict that questionnaire-based online research has a limited lifespan and will be an insignificant niche market at best in future. The signs of decline seem quite obvious to anyone in the market research business: a decreasing willingness to participate, poor-quality data and a growing demand for surveys which are fun to take part in rather than methodologically rigorous and representative. But the reality is different: all types of online research are expanding fast. GfK has carried out detailed studies, comparing the results of online surveys and social media monitoring, which clearly show that the two research methods make it possible to obtain different insights.

[Click here to read more of this article.](#)



The bugbear that is the almighty social media user – companies can use innovative market research to stand up to him.

From individual TV consumption to a remote shared viewing experience

The virtual sofa

Television has the power to bring us together. Social networks allow us to share experiences with our friends and family even when we are far apart. When social networks and television meet in the new world of connected TVs, we find that we are all sitting together on the “virtual sofa,” the term media research uses to describe a remote shared viewing experience.

By Nick North, GfK Media, UK

It is the year 2015. Oscar is 16. He lives somewhere in Europe with his mother and little sister, Chiara, aged ten. It's the weekend, just after lunch.

Chiara is concentrating intently on her notebook. She's chatting to seven of her school friends via Club Penguin – all at the same time. She can see the chat windows on the large connected TV screen, the family's internet-enabled television. MTV plays in the background. Oscar is on his mobile phone, chatting to friends and fans of his favorite football team on Facebook. But only until the live football match kicks off on TV.

Once the pre-match build-up is underway, Chiara is relegated to the single notebook screen. As she logs on to Zattoo, she immediately receives a reminder that a new series of one of her favorite shows starts tonight: the online TV channel Zattoo has analyzed Chiara's Facebook profile via Facebook Connect and automatically generated this recommendation. Meanwhile, Oscar switches the connected TV to “interactive” and searches for clips of previous weeks' goals via the recommendation guide. He watches them via IP alongside the pre-match live broadcast. He checks his virtual sofa to see which of his friends have also tuned in and tweets his status to remind latecomers that he is waiting. The game kicks off and thousands of tweets from other viewers pop up in the social media panel of the screen, providing a parallel running commentary alongside the action. A joke posted by Oscar about the other team's goalkeeper is picked up by the TV commentary team, who talk about it live on air, much to Oscar's delight and his friends' approval. Even his grandfather, who is watching the game on his tablet PC while traveling, is prompted to post a congratulatory comment on Oscar's Facebook wall.

After the match, Chiara resumes control of the big screen, searching through her friends' status feeds to find out what they are watching. Finding no one, she searches the TV for her favorite episode of the Simpsons; she can't remember the name, but that doesn't matter because she

searches for the storyline where “Lisa cheats in an exam”. From the listed search results, she finds the right episode. Oscar decides to leave his sister in peace. Anyway, it is about time he wrote a blog entry discussing the highlights of the football match.

[Click here to read more of this article.](#)



Just watching television is a thing of the past. Increasing numbers of viewers now send text, Facebook and Twitter messages at the same time.

From social hype to a selective future

Social media mania

New reports emerge every single day. The communication and information behavior of the global population has been turned upside down. There is talk of a new networked age, a new digital dimension. The question is: how long until the bubble bursts? And why has this social media mania only emerged now, in the second decade of the new millennium?

By Dr. Rudolf Aunkofer, GfK Retail and Technology, Germany

Everyone is talking about social media – a global phenomenon that has captivated individuals of all ages and backgrounds. The digital exchanges of social media are perfectly suited to today's world because they allow flexibility, something that is clearly desirable given the increasingly busy daily lives of users. The sender and recipient do not need to be available at the same time, as they do for a conversation. Texts and images can be sent and then read or viewed later. For the first time, social media is offering individuals the opportunity to shape their communication practices in a variety of ways: should they be synchronous or asynchronous? Where will they occur and who will be involved?

Have a say, experiment, be involved

There are also other good reasons why social media is so captivating. The interactive concept on which social online media is based, for example. Interaction perfectly complements the communicative desire of society. Traditionally, listening to the radio or watching television is a one-way process. In contrast, digital entertainment is moving away from the more passive, one-sided sender-recipient model of the past.

Users are now able to have a say, exert influence and get involved, and are no longer just listeners or viewers. The roles of recipient and sender are now entirely interchangeable.

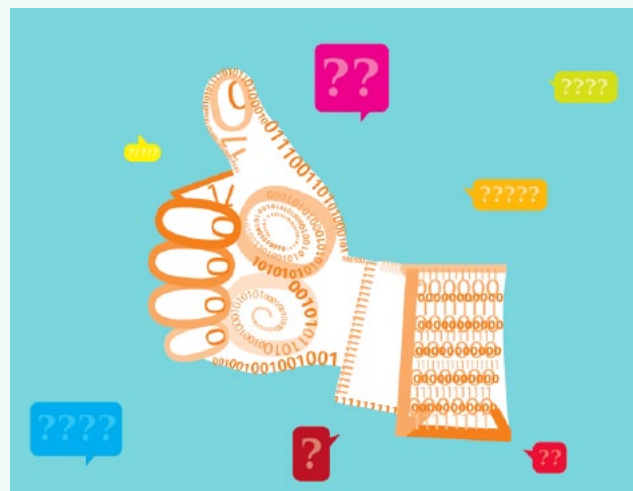
This phenomenal spread of social media is also undoubtedly partly attributable to those media that have eagerly embraced the new trend. The permanent digital media presence of all social media platforms has inevitably attracted further user groups, who, out of curiosity or a desire to be involved, have tried out one or several of the many online innovations.

Global technology network

However, the correct technology had to be in place before social media could develop into social media mania. There can be no digital networking without internet access.

Access to the world wide web is now available to almost one in three people around the globe, which equates to around two billion individuals. This is as a result of the continuous expansion of broadband technology, as well as the fall in connection costs. Internet is no longer a luxury and consequently is also used by many lower income groups. The number of internet users around the world increased by 44% between the years 2000 and 2010 alone. However, access is by no means yet universal or equally distributed: only about 11% and 22% of the population are online in Africa and Asia respectively, whereas 77% of North Americans have internet access and in some European countries, such as Sweden and the UK, more than 80% of the population are connected to the web. These highly developed countries have been exceptionally well supplied with high-speed internet and flat rates for several years now. This again raises the question: why exactly did social media mania only break out in industrialized countries around three or four years ago? The answer is that, until recently, network effects were not present for social media.

[Click here to read more of this article.](#)



Social media is all the rage – but for how much longer? And then what happens?

Monitoring the effectiveness of advertising of

Social media platforms

By Robert Wucher, GfK Custom Research, Germany

Social media is increasingly shaping the communications landscape and this means that adjustments must be made to the way in which the success of communications measures are monitored. Although social media campaigns are now all but essential for companies, it is still difficult to determine their real value for marketing strategy. This article demonstrates how this was achieved for O2 and HTC.

Traditional indicators such as conversion and click rates are not sufficient for evaluating the effectiveness of communication measures in social networks. In this domain, success criteria such as image improvement, brand loyalty and recommendation rates are more important. Taking O2's and HTC's "University Band Battle" campaign by way of example, nurago and GfK conducted a survey to evaluate social media campaigns real value for marketing strategy.

To promote a new HTC smartphone particularly focusing on music and social networking features and exclusively available at O2, both partners created a joint brand community on Myspace to run the "University Band Battle". The prize of this competition for up-and-coming musicians was the chance to perform as a warm-up act for a quite popular professional German band. Bands with at least one student member were permitted to enter the competition. Ten finalists were selected and Myspace users were then able to cast votes for their favorite acts. Within the campaign, the participating bands and their fans acted as multipliers for the "University Band Battle": musicians directly made their fans and friends aware of

their participation and the voting on Myspace. To this end, they were able to use viral features such as the "ID Badge", which integrates the profile picture of a Myspace user who is logged in by embedding a code in their personal Myspace profile or on an external website.



The first step was a baseline measurement to determine the status quo of the O2 and HTC brands prior to the launch of a campaign. The user group for this measurement was not exposed to any online advertising or the profile page before the start of the campaign and formed the control group. In the second stage, two additional user groups were identified using cookie tracking: users who either came into contact with traditional display advertising, which exclusively ran on Myspace, or visited the respective profile page. The information collected enabled each individual advertisement and specific ad location to be analysed separately.

Cookie tracking made it possible to clearly identify single instances of exposure to advertising material. In addition, the information that was collected allowed specially selected users to be invited to participate in online surveys. Within the context of the survey, participants were selected according to freely definable "classes" of exposure, e.g. those who visit or "befriend" a brand community, as well as the type and intensity of advertising exposure.

[Click here to read more of this article.](#)



How is social media affecting adoption of new products



Everyone is talking about network and controlled word-of-mouth-marketing, which are applied in the area of new product marketing time and again. The following conditions are pre-requisites for successful implementation:

- (1) There are social networks in which opinion-forming processes are at work.
- (2) In these networks, some opinion leaders have a disproportionate influence on the behavior of others.
- (3) Opinion leaders are identifiable.

However, even if the requirements appear to be in place, not all marketing campaigns that rely on controlled word-of-mouth are effective. One of the most important challenges in the planning of network marketing is to correctly identify opinion leaders. It is also relevant, but not always straightforward, to discover the way in which influence processes take place.

In research conducted with a pharmaceutical company, the following case study investigated the network effects which emerged when a new drug was launched. The study used both survey data on the network behavior of physicians in three large US cities and physician-level prescription data. Consequently, it was possible to empirically assess the penetrating power of the reported networks.

Overview of the study's most important findings:

• *Word-of-mouth is effective*

It emerged that word-of-mouth between physicians indeed played an important role in the prescription of a new product and that this occurred independently of other marketing activities.

• *Sociometric techniques are most valid for identifying opinion leaders*

While it is not uncommon for those being questioned in network marketing to use self-reports for measuring opinion leadership, sociometric techniques also identify the opinions of other members in the social group. The study shows that different findings are generated by the two approaches. While self-reports are likely to measure self-confidence, sociometric measures provide more valid findings as actual reference values.

• *The network map provides additional insight*

A sociometric map, i.e. mapping the network of information flow, makes it possible to identify subgroups within a network and utilize connections between the groups accordingly. Market potential for new products can therefore be tapped more quickly.

• *Central influentials are more important*

The study supports the use of campaigns focusing on central influentials, because they exert above-average social influence and reach a wider group of individuals. Opinion leaders tend to be early adopters and heavy users of a product. This doubles their influence as they start persuading other potential users sooner than other members of the network.

The findings of the case study on the process of social influence are relevant to all product groups that are perceived as risky; specifically this comprises innovative, expensive and rarely purchased products that are of importance for the identity of the consumer.

This article is a summary of Iyengar, R.; Van den Bulte, Ch.; Eichert, J.; West, B. and Valente, T. W. (2011): "How Social Network and Opinion Leaders Affect the Adoption of New Products", GfK Marketing Intelligence Review, Vol. 3, No. 1 (May), pp. 16-25. It is published with the permission of the GfK Verein.

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Perspectives in the Global Marketplace



The Mood of the World 2011

Navigating Choppy Waters

By Joseph Staton, GfK Custom Research, UK and Diane Crispell, GfK Custom Research, US

2011 is shaping up to be a year of disruptive events. From the earthquake in Japan to the toppling of regimes in Egypt and elsewhere through the Middle East, change is happening at an ever-accelerated rate - but how are consumers reacting in this dynamic environment?

In the 2011 Mood of the World Report, GfK measured the impact of economic, social, and political conditions on people worldwide, gauged their reactions and showed in what ways the world is a very different place today.

Comparing the top concerns of global consumers today to 2007, we clearly see the long-term impact of the Global Financial Crisis.

Top-five personal concerns¹

2011	2007
1. Inflation and High Prices	1. Crime and Lawlessness
2. Recession and Unemployment	2. Recession and Unemployment
3. Having Enough Money to Pay the Bills	3. Having Enough Money to Pay the Bills
4. Crime and Lawlessness	4. Inflation and High Prices
5. Environmental Pollution	5. Quality of Public Education

Egypt, with the political and social chaos it's experienced this year, bucks these global trends. Egyptians' number-one concern this year is crime, up from 4th place in 2007. Education remains in 5th place in Egypt as it was in 2007, while pollution has dropped from 8th to 12th place.

Global saving strategies

People are not feeling the relief that macro-economic statistics might suggest, either. The global number who report various financial problems have not decreased over the past year, which helps explain why only 17 per cent feel it is "a good time to buy", while 40 per cent feel it is "a good time to wait" and 38 per cent feel it is "someplace in between."

Consumers are coping with the long economic downturn by saving money in a host of ways. The most popular shopping tactic is to use coupons, which half of global consumers have done in the past year, and which ranks first among ten popular 'saving strategies' in 12 of the 25 countries covered in the survey. Another way is by cutting

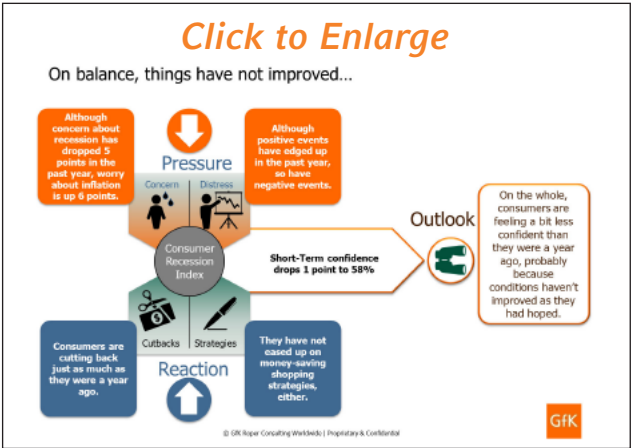
back on specific types of purchases, with a huge 84 percent of global consumers having cut back on at least one of 26 listed items. The most popular cutback is eating out less, with 44 per cent of consumers globally having done this in the past year, led by Spain, where 68 per cent had done so.

Spain, in fact, has replaced the USA as the country with the highest Consumer Recession Index – which is Roper's proprietary measure combining economic pressures and reactions. In contrast, the BRIICS nations (Brazil, Russia, India, Indonesia, China, and South Africa) have dropped to the bottom of the list, because they report less economic pressure and are taking fewer actions to save money.

What the future might hold

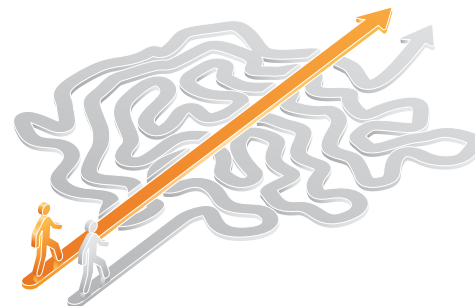
People are feeling burned by the recent GFC (Australian speak for the Global Financial Crisis). While seven out of ten believe it's likely that their national economy "will be increasingly influenced by the rest of the world" in the next five years, only a quarter think that this would be a "good thing."

For more information, please email connect@gfk.com.



Footnote: ¹Roper Reports® Worldwide survey of more than 32,000 consumers aged 15-plus in 25 countries

Segmentation: the route through the post-recession maze



By Michelle O'Neill and Lisa Gudding, GfK Custom Research, USA

Consumers are not going back to their pre-recession ways. What we are now seeing in North America is a new era of shopping behavior, which has led us to identify a new segment – the people we call 'XTreme Shoppers'. This prevalent, but diverse, and growing group of shoppers has one thing in common: the drive to get the very best deal possible, through use of digital and social tools at hand. Nearly four in every ten shoppers fit this profile in 2011.

Segmentation can be the most valuable research conducted by any firm, especially today, when consumer behavior is changing. Here are our tips on how to ensure that you are getting the best results possible:

- **Seek extremely experienced teams**—clients should choose a supplier team that has done a lot of segmentation research. Every segmentation study will be better than the last, with learning earned through every project.
- **Make it Corporate Conversation**—it is crucial that our clients achieve top level buy-in regarding conducting the work and supporting the implementation. Conducting up-front stakeholder sessions will help, but the onus will lie heavily with the client team who must take efforts to keep the segmentation as part of the corporate conversation into the future.
- **Look to be best In class**—there has been an evolution over the years regarding what are considered “best in class” segmentation drivers. In most cases, the sweet spot is where attitudes, behaviors and demographics meet, often with an occasion-based overlay.
- **Value segments**—knowing the relative value of each segment, both today’s valuable customers and tomorrow’s hot prospects, is key. GfK’s key differentiator approach is to determine value by taking into account tactical behavioral elements as well as attitudes and receptivity to potential future client activities.
- **Accommodate media buying**—an old complaint, especially in attitudinal segmentation, was that it was nice-to-know information but actionability was limited because the client didn’t know how to “find” the target segments. By planning in advance, fusion to GfK MRI or other media buy information can be built into the program, eliminating the old complaint.
- **Keep it elegant**—make sure your reports are elegant and simple for most key stakeholder audiences. This requires different levels of deliverables – data analysis and quantity of data details - for different stakeholder groups. Plan for this in advance vs. trying to share the large master analysis with all stakeholders.
- **Bring segments to life**—this is an extremely important step that is sometimes, wrongly, only considered as an afterthought. Plan up front for socialization of the program. Past activities have included immersion rooms, life size target segment cut-outs for client conference rooms, videos, quick reference guides, banners, etc. Plan regular life-giving activities after the conclusion of the research, to ensure that it remains top of mind.

For more information, please email connect@gfk.com.

Case Study: segmentation for new product rollout

- **Situation**—GfK conducted a global segmentation study for BP. Economic analysis from the segmentation study established Performance Seekers as the most attractive segment to target for marketing fuels in a specific region. This segment was also a good fit with the BP brand positioning and value proposition.
- **Targeting Strategy**—The plans to target Performance Seekers were informed by insight generated on needs, attitudes and behaviors specific to this segment by both the core segmentation study and follow up ethnography research conducted among this group.
- **Product Development**—Based on what the research identified as “triggers” among this segment, the Invigorate® fuel additive was refined and positioned. Invigorate® is a BP-exclusive additive formula now used in all BP grades of gasoline.
- **Campaign Development**—A communication platform was developed to appeal to Performance Seekers as the core audience. Reasons to believe the key message points were drawn from what the segmentation identified as their product-related beliefs and performance orientation. Key messaging: “With continuous use, Invigorate® helps clean and protect engines from deposits, sludge and corrosion. The result? Users get a few more miles per tank.”
- **Rollout**—Knowledge of media consumption habits allowed efficient media buys for Performance Seekers. Achieved by seeding the segmentation study with “bridge” questions to syndicated media studies—GfK MRI in US and TGI in Europe.

How do you forecast a winning product?

By Britta Schmitz, GfK Custom Research, Germany

The challenge is not new: highly saturated markets, shortening product life cycles that require faster development of innovations, and high failure rate amongst new products. With all of this going on, it becomes more and more important to be able to forecast, accurately, the real potential of new product ideas - and more and more important to be able to do this early in the development process, ideally when the R&D has not yet started and the big budgets are intact.

How do you forecast a winning product?

Traditional KPIs such as Buying Intention, even if benchmarked with a database norm or existing, successful product, do not deliver the security on which to base this marketing decision, since they do not quantify the potential of the new product. The answer is to undertake an early volume forecast – something that more and more brands are using to base their new product decisions upon.

In order to invest the R&D budgets most successfully, it is too late to wait until the products are already produced or exact marketing plans have been set up. By using valid volume forecasts, based on a pure concept description, you can direct budgets at those products that show most promise of being successful in the market.

But forecasting volume is not enough. In order to identify the real potential of a new product concept, it is crucial also to size up the risk of cannibalization with existing products. This is especially relevant in mature markets, where brands are often already present on the market with other products and are aiming at increasing their market share by launching line extensions or re-launching existing products. Clients need to understand where the market volume for the new product, line extension or re-launch comes from and, in particular, what share of that volume is incremental volume, gained from competition, and which brands or products it is likely to come from. The key is to understand the close / direct competition from the consumer perspective.

Different markets, changing needs

Another truism for mature markets is that “new to the world” products are extremely rare. Manufacturers in these markets focus on line extensions, rather than entirely new product concepts. Their aim is to increase market share by building upon an established, successful platform



or product, or by re-launching an existing product with improved performance or new benefits or even just with redesigned packaging, to keep the product looking state-of-the-art.

On top of this, manufacturers in market markets can profit from a stronger shelf presence and therefore show stronger interest in testing product ranges of several SKUs (stock-keeping units), sometimes even across categories, in order to profit from a potential umbrella effect.

Volume forecasting must adapt for changing market needs

Given the increased complexity of the market place and new product (or line extension) test requirements, Volumetric tools need to be constantly improved, to allow for the expanding scope of application. Tools need to be able to test the sales volume of concepts, concept & products, pack re-launches, as well as whole product ranges (e.g. up to 10 SKUs).

So is there a volumetric tool that can really do all that? The answer is yes. GfK Concept Challenger gives early volume forecast, based on a validated method, with flexible application for concepts, concept and products, and pack re-launches. It reveals the predicted source of volume for a new product and seizes cannibalization risk. It can also be applied in any concept or concept and use test.

For more information, please email connect@gfk.com.

Android leaps ahead in the tablet race in Southeast Asia

Nearly one in two buyers chose an Android tablet

By Gerard Tan, GfK Retail and Technology, Singapore

When Apple launched the iPad last year, it caused an instant buzz, with much excitement in the computing industry among both consumers and manufacturers alike. But, while the iPad led the market for some time, it didn't take long for rival manufacturers to start coming up with alternate models, offering an increasing number of new and advanced features.

Consumers across Singapore, Malaysia, Thailand, Vietnam, Cambodia, Indonesia and the Philippines have been snapping these up, with some 261,000 tablets, spanning almost ten different brands, being sold across these seven markets* between January and April this year. In particular, it is the tablets using the Android operating system (OS) that have seen the greatest rise, and that are now the most popular platform embraced by users in

these markets. In April, almost half of all tablets (46%) purchased by consumers across these seven markets in Southeast Asia were an Android. This is compared to just five months before, when the proportion was only just over one in ten (13%) – and enormous leap.

This could well be driven, in part, by a similar trend seen in smartphone in Southeast Asia. Manufacturers seem to be banking on the current Android craze and choosing this platform for their tablets, resulting in consumers being offered ever more choice and variety of Android tablets.

Another trend seen is that 3G and 4G tablets are becoming the most popular choices, compared to their non 3G/4G counterparts, contributing nearly four-fifths (79%) of overall sales units across the seven countries between January and April this year. And that is despite their costlier pricing. This is driven by the double whammy of consumers' demand for high speed and constant web-connectivity, together with today's well wired society offering increasingly ubiquitous coverage.

Increased functionality – but falling prices

We have also noticed the addition of more features on new tablet models released in recent months, such as double camera - which is fast becoming the default feature - as well as USB drives. But, despite all these enhancements, average prices are showing a declining trend in Southeast Asia, making tablets increasingly affordable to consumers. The average price in April was standing at around USD600, down 23 percent when compared to January's average pricing across the region. The most expensive tablets were found in Indonesia, while those being sold in the Philippines had the lowest average selling price.

The tablet, with its lighter and sleeker form, will continue to wow consumers and enjoy significant adoption in the near future – but, added to this, we expect to see manufacturers actively stimulating the market, by fueling consumer demand through exciting new features and competitive prices.

For more information, please email connect@gfk.com.

Footnote:

Findings from a GfK Asia survey, covering Singapore, Malaysia, Thailand, Vietnam, Cambodia, Indonesia and the Philippines. Survey period: Jan-Apr 2011.



Banks leading the way:

Advancements in Mystery Shopping

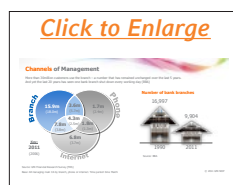
By Chris White, GfK Custom Research, UK

Mystery shopping has always been important in the banking sector, but as banks focus more and more on customer service – raising it to the same level of importance as sales – the need for advanced mystery shopping has become greater than ever. So how exactly has the banking sector made advances in their mystery shopping, what improved insights are they seeing and are they seeing a true return on their investment?

Development of multi-channel mystery shopping

When it first started, mystery shopping in banks consisted of simple enquiries made in branches. What we see now are multi-channel studies, requiring complex sample and assessor profiling and focusing on all aspects of the customer journey from sales to compliance.

Since the birth of the call-centre in the late 80s and the rise of the Internet in the mid-90s, consumers now manage their bank accounts through a variety of very different channels. Although the branch is still a key channel for many, figures from the British Banking Association show that the number of bank branches in the UK fell from 16,997 in 1990 to 9,904 in 2011, which is in line with data from GfK's Financial Research Survey (the FRS) showing the increasing popularity of direct channels. As such, banks require an in-depth understanding of how service is provided to customers through these other channels and mystery shopping provides the ideal solution.



As well as this customer service level, mystery shopping can prove vital on a compliance level. Banks are facing increasing legal regulation in the sale of many products and one of the most effective ways of measuring whether bank staff are selling products compliantly is via mystery shopping. While a bank's own customers can be asked directly about the sales process, they won't be looking out for specific elements of regulation, unlike mystery shoppers, who can provide banks with an objective measure of the key aspects of regulation. Regulators, in particular, are increasingly looking to monitor bank compliance via mystery shopping.

Finally, in an increasingly competitive market-place, banks are looking at ways of gaining a better understanding of their competitors. Again, running mystery shopping on competitor organisations is seen as part of this solution.

Mystery shopping no longer a stand-alone methodology

The market need to gain a deeper understanding of different customer channels, compliance to industry regulations and competitor performance has meant that mystery shopping is no longer a stand-alone research methodology; and this necessity to combine mystery shopping with other knowledge sources has led to deeper insights.

- **Channel** – mystery shopping studies for banks often require a multi-channel approach, which, in turn, requires a detailed understanding of the ways consumers use different channels, the profile of the customers who use these channels and the different drivers of customer satisfaction by channel. As such, other data sources become necessary, to define the channel mix and customer profile (e.g. internal bank data or market monitors) and the elements to be measured (based around findings from customer satisfaction studies).
- **Compliance** – in order to undertake a study about compliance, a detailed understanding of that industry's regulations is required, meaning that industry specialists are becoming increasingly necessary within mystery shopping agencies.
- **Competitor benchmarking** – companies can gain huge insights from understanding what their competitors are doing and how well they are delivering it. Mystery shopping is ideal for this purpose – and market monitors can be used to design representative competitor samples, using mystery shoppers who meet the right profile.

How do you measure the ROI?

No one would argue with the fact that it is increasingly important to demonstrate a bottom line return on every area of expenditure. In the banking sector, ROI for mystery shopping is being assessed in four ways, to prove its monetary benefit:

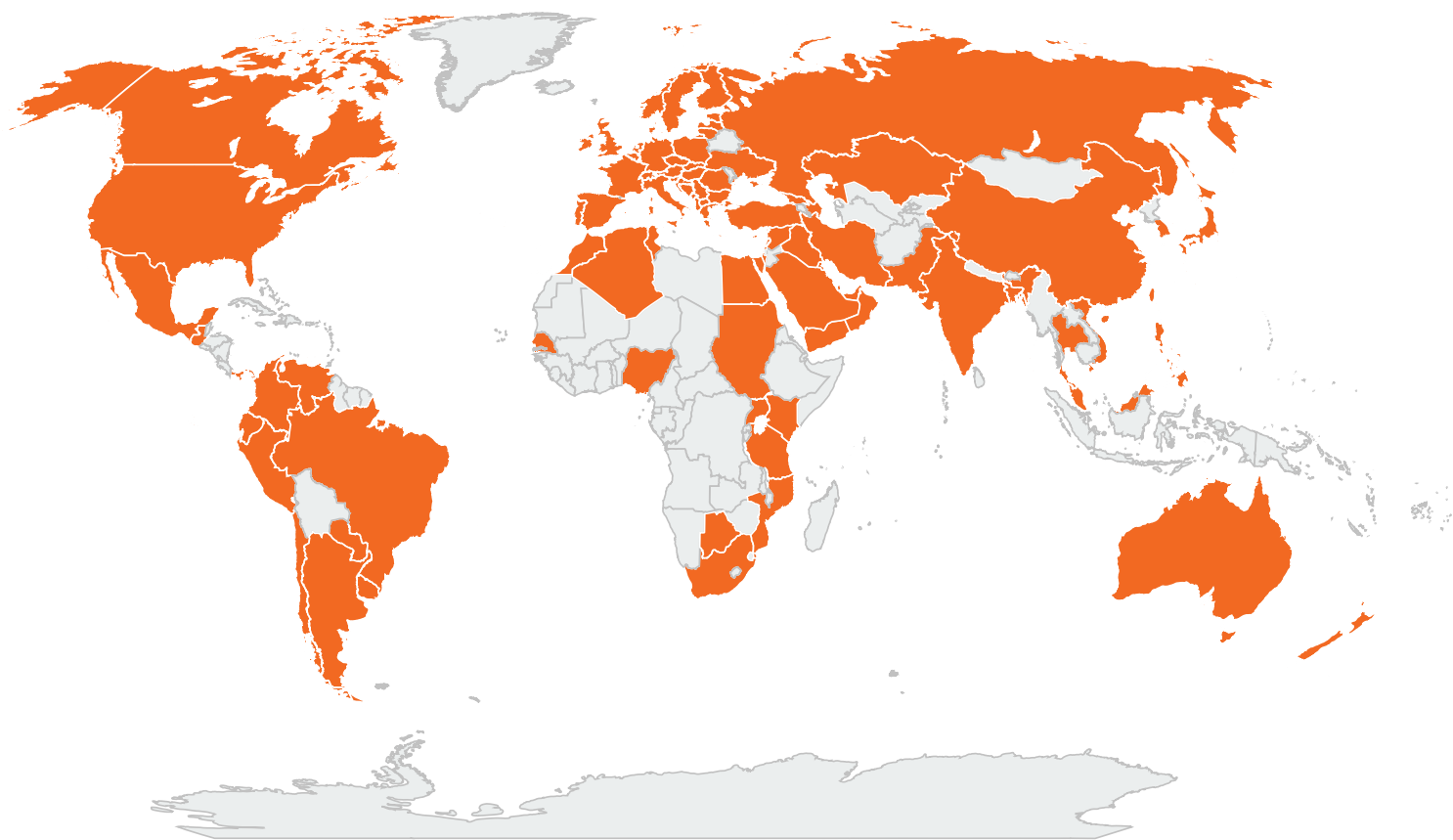
- **Sales** – are staff effectively selling products and where can improvements be made?
- **Service** – is service in line with customer expectations and what is the impact of improved service on customer behaviour and retention?
- **Cost Efficiencies** – are call centres working as efficiently as possible?
- **Compliance** – what is the impact of non-compliance?

For more information, please email connect@gfk.com.



GfK Global News

...GfK paints the world **orange**





USA: GfK now serving public sector clients through GSA contract

GfK Custom Research North America was recently granted direct access to contracts and calls for proposals from federal and other government agencies in the USA only available through the General Services Administration (GSA).

The GSA serves as the primary purchasing agent for numerous public sector agencies, including the US Federal Government. After undergoing a complex evaluation process, GfK was awarded the GSA's Mission Oriented Business Integrated Services or "MOBIS" contract, strengthening GfK's public affairs and policy research services in the USA.



Belgium: GfK conducts survey in 32 countries

The European Union awarded the contract for the "European Quality of Life Survey" (EQLS) to Belgian company Significant GfK in March.

For the survey, around 40,000 Europeans over the age of 18 from the 27 EU member states plus Croatia, Macedonia, Turkey, Kosovo, Serbia, and also potentially Albania and Montenegro will be interviewed. The focus of the survey is on living conditions, family, employment, voluntary activities, health, immigration and standard of living in the individual countries.

The EQLS has been carried out every four years since 2003 and is commissioned by Eurofound, an EU agency for the improvement of living and working conditions. The findings serve as a basis for political decisions and scientific debates within Europe.



Romania: GfK supplies data currency on the print market

In March this year, GfK Romania became the supplier of the national data currency on the print market for Romania's advertising industry. The contract will run for the next three years.

Together with local partner organization Metro Media Transilvania, GfK Romania collects the relevant data on the readership of 118 national and 27 local newspapers, as well as 112 magazines with publishing frequencies ranging between weekly and quarterly. This corresponds to over 80% of the entire Romanian print market.



Ethiopia/Angola: GfK commences market analysis

GfK Retail and Technology East Africa has recently begun supplying retail data on sales of technical consumer goods in Ethiopia and Angola.

Around 80 shops in the Ethiopian capital Addis Ababa have been reporting their sales figures for conventional televisions (CRT TV), plasma and flat-screen TVs (PTV/flat), smartphones, mobile phones, internet sticks and refrigerators to GfK. In the medium term, the survey will not only be expanded to include other cities, but will also incorporate additional product groups. The retail panel in Angola comprises almost 120 shops in the capital Luanda and the ports of Benguela and Lobito. With the exception of internet sticks, GfK collects data on the same product groups here as in Ethiopia.

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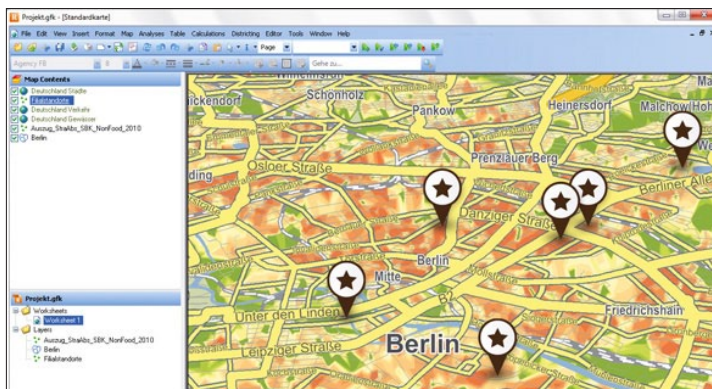


Belarus: GfK supplies retail data

The GfK Retail and Technology sector has been supplying retail data on Belarus since April. The first report focused on the telecommunications industry in the first quarter of 2011.

According to this report, the retail segment recorded revenue of \$14 million dollars from sales of smartphones and \$27 million dollars from sales of mobile phones between January and March 2011. In the Belarusian telecommunications panel, around 480 retail outlets report their figures to GfK on a weekly basis. Together they represent 90% of the overall market.

By autumn this year, the range of GfK retail data from Belarus will also include selected product groups from the consumer electronics, major domestic appliances and IT segments. The expansion of Retail and Technology's business in the country will be managed by GfK Retail and Technology Baltic, which is based in Latvia, Estonia and Lithuania.



Germany: gold award for RegioGraph

The RegioGraph mapping software created by GfK GeoMarketing won the "Top Retail Product of 2011" award from the German economics journal "handelsjournal" with the highest votes in the "process optimization" category.

The RegioGraph allows retail companies to visualize their customers, target groups and areas of potential on up-to-date digital maps and then analyze this information using integrated data on potential, such as GfK Purchasing Power. Some of RegioGraph's features include street-level address visualization, professional sales territory planning tools including zone calculation and a fast, user-friendly interface thanks to background maps that emulate the Google Maps look. With cartographic coverage of more than 240 countries, RegioGraph can be used worldwide to support locally and globally active retail companies in their expansion, sales, marketing and controlling activities.



Germany: GfK's new maps of Africa

The German company GfK GeoMarketing released new digital maps of the African continent in May, completing one of the most comprehensive map updates in recent years.

For many of the 56 African countries, this is the first time that comprehensive and detailed cartographic coverage has been available for administrative and postcode boundaries as well as topographic details. As some African countries do not have official bureaus of statistics or comparable organizations, GfK cartographers obtained the relevant data from a combination of official regulations and legal texts, aid organizations and the United Nations. As a result, for some countries, for example Equatorial Guinea, Ivory Coast, Mali, Niger and Zimbabwe, the digital maps contain more accurate information than is officially available from the countries themselves.



Turkey: GfK announces "Most Innovative Project of 2010"

Cüneyt Değer, IT Manager at GfK Türkiye, has won the internal company competition for the Most Innovative Project of 2010 with his "MoDaCo" (Mobile Data Collector) project.

MoDaCo is a smartphone application for interviewers in the field that combines data transmission via GPRS and positioning and time determination via GPS. This application allows survey results, geographical information and photos of the survey locations to be sent directly to GfK Türkiye's data center. In addition, the data can be integrated into digital maps and delivered to the client in real time. MoDaCo has already been applied in a project in the fast moving consumer goods segment. Using this application, GfK interviewers were able to digitize information from 30,000 retailers within a short space of time.



USA: Latest findings from the Corporate Trust Survey indicate Americans are less trusting today

Distrust of corporations remains high among American consumers three-plus years after the nation's financial crisis according to the recent GfK Custom Research North America 2011 Corporate Trust Survey. A majority (64%) say it's harder for U.S. companies to gain their trust today than it was a few years ago. It appears this lack of confidence will continue, with more than half (55%) saying it will be harder for corporations to gain their trust in the future.

Distrust is particularly high among The Influential Americans®, GfK Custom Research North America's proprietary leading-indicator segment representing the 10% of Americans most involved in creating change in society. Three in four of The Influential Americans (74%) find it harder to trust companies today than they did a few years ago, and 6 in 10 (61%) agree it will be even harder to earn their trust in the future.



Portugal: GfK wins TV research contract

This spring, the Portuguese Commission for Media Study Analysis (CAEM) awarded GfK a contract to establish a new television panel in the country and run it for five years.

From January 2012, GfK Portugal will be measuring the audience ratings of all the country's TV stations. The TV panel will comprise 1,100 households and be representative of Portugal's population of around ten million.

The Portuguese TV audience research is based on the technology of the UMX fixmeter, which records television consumption directly on a household's TV set. A variety of different devices are used according to the area of application and market conditions. In combination, they allow GfK to record TV, radio, print media and internet consumption, both in and outside the home and for all types of transmission.



First Global Employee Engagement Study launched

More than a quarter of workers are willing to move overseas to find a better job, according to GfK International Employee Engagement Study 2011, a new multi-country report.

It is the young, qualified employees who are most likely to feel this workplace wanderlust: two fifths of workers aged 18-29 agreed they are willing to move countries to find a better job, while that figure is one in three for degree holders and nearly one in four for PhD holders. This is compared to just a fifth of employees educated to secondary-school level.

This complete study is available for purchase.



Thailand: GfK expands network in Asia

GfK Custom Research Singapore has acquired the Thai market research company MarketWise.

As of June 1, 2011, the company, which will operate under the name of GfK Marketwise, is one of Thailand's leading full-service market research organizations. This enables GfK to broaden its activities in South-East Asia.

The company was established in 1994 with the objective of combining local knowledge with the most effective and innovative global methods.

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Switzerland: GfK Electronic Media Measurement Meeting

GfK Telecontrol hosted a three-day client meeting in Berne, focusing on the topic of "Electronic media research".

Around 40 existing and potential clients traveled to Switzerland from 18 different countries to attend the "GEM³ – GfK Electronic Media Measurement Meeting". In addition to presentations and workshops on the subject of surveying, production, processing and presentation of TV and radio consumption data, the conference also provided a platform for the exchange of information and experiences. On the first day, participants were immediately captivated by reports on the media landscape and its cultural characteristics in China, Arabic countries, Greece, Germany, Bulgaria, Switzerland, France and Mexico. On the second day of the client meeting, GfK's measurement universe, GfK Telecontrol Universal Meter System (UMS), was introduced in different workshops.



Italy: GfK's Internet Sales Forum

GfK Retail and Technology Italia and ANDEC, the Italian Association of Consumer Electronics Importers and Manufacturers, presented the latest online sales figures at the 5th Internet Sales Forum in Milan.

Over 100 participants, including retailers, e-tailers and manufacturers, attended the six presentations given by GfK experts and external speakers.

In addition to data from high street retailers, GfK has been regularly collecting online sales figures for electronic consumer goods in eleven European countries for the past five years. In these countries, the share of online sales in overall sales increased from just over 6% to almost 14% between 2006 and 2010.



Serbia: GfK FMCG Conference 2011

More than 100 participants attended GfK Belgrade's 3rd GfK FMCG Conference, which focused on "A new age brings new consumers".

At the half-day conference, Serbian market research experts spoke about the fast moving consumer goods sector and about the comprehensive changes in consumers' habits, the new generation of consumers and the increasing influence that the internet has on purchasing behavior. According to these experts, retailers should expect a slowdown in growth rates and must adopt new approaches in the areas of promotion and brand loyalty. Manufacturers of FMCGs are also facing major challenges in Serbia: in order to attract the target group of younger consumers, they must strengthen the online presence of their brands and communicate openly and honestly with this new internet-savvy generation of consumers.

Illuminate your research data



GfK Octopus, the online web reporting portal. Presenting research findings through interactive graphical dashboards and charts for your project – from an off an off-the-shelf solution to a fully tailored, custom-made system.

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