NEXT

GLOBAL MARKET RESEARCH 2008

ESOMAR INDUSTRY REPORT

IN COOPERATION WITH KPMG ADVISORY

WORLD ESOMAR RESEARCH

ESOMAR is the world organisation for enabling better research into markets, consumers and societies.

With over 5000 members in over 100 countries, ESOMAR's aim is to promote the value of market and opinion research in illuminating real issues and bringing about effective decision-making.

To facilitate this ongoing dialogue, ESOMAR creates and manages a comprehensive programme of industry-specific and thematic events, publications and communications as well as actively advocating self-regulation and the worldwide code of practice.

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GLOBAL MARKET RESEARCH 2008

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FOREWORD

I am very pleased to present GLOBAL MARKET RESEARCH 2008—now in its 20th year, this annual industry report from ESOMAR provides an authoritative view on the state of the market research industry and the key figures for research spend on a national, regional and global level.

Global turnover for 2007 is US$ 28,235 million, representing a growth rate of 6.5% on the previous year and 3.9% when adjusted for inflation. This confirms the health and dynamism of the industry, which typically grows in-line with or faster than the global economy.

We have deepened and broadened the report providing more explanation of current and emerging trends in existing sections and more detailed areas of analysis. A new section on pricing gives attention to putting value on market research, a key question in an increasingly pressurised pricing environment, and provides price benchmarks for a range of research projects.

We invited experts from the market research industry and major clients to share their knowledge and insights into the key trends in six industry sectors. The resulting articles highlight the diverse industries that market research supports and demonstrates the myriad ways in which market and consumer insights are driving growth for companies globally.

Our assessment of the competitive environment has been updated and augmented with key examples of challenges from new players in the landscape. The industry journal has also been revamped to provide a clearer overview of the main events in the industry in the last 18 months.

The report would not be possible without the time, commitment and dedication of the many trade associations, independent analysts and ESOMAR Representatives. Clients and Top 25 research companies also supported the exercise with their financial data submission as well as their ideas, creativity and insight.

We hope that this report provides useful insights to the direction in which the industry will develop in coming years and the opportunities that lie ahead.

ESOMAR continues to co-operate with KPMG Advisory on the data collection and analysis for this report.

With best regards,

Véronique Jeannin
Director General

I. HIGHLIGHTS

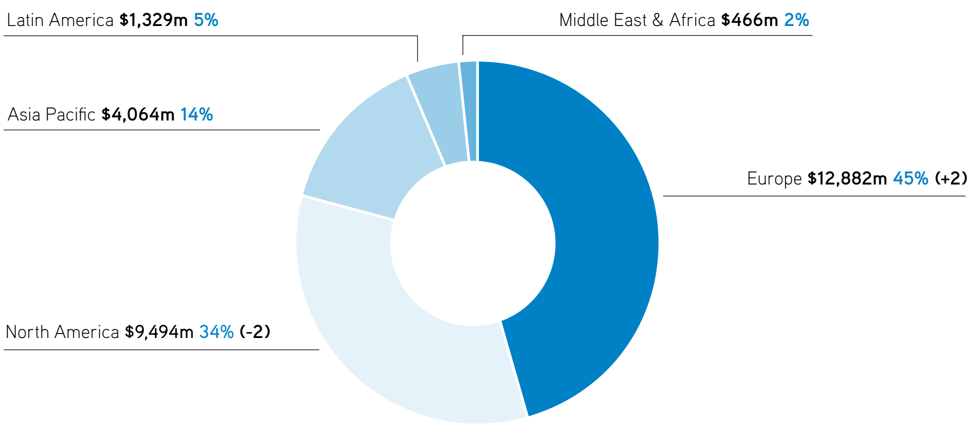
The latest developments in market research industry size, performance, consolidation, composition of client sectors and research methods.

1.1 THE TOP-LINE

Global market research turnover tops US$28bn in 2007, representing a growth rate in line with expectations of 6.5% and 3.9% after adjustment for inflation.

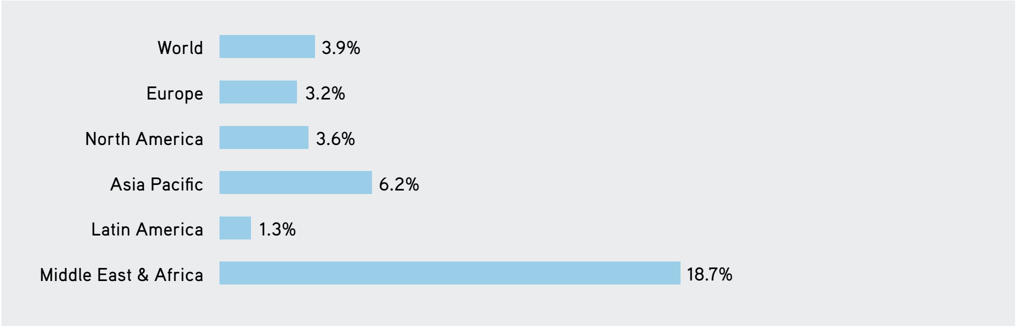
- Improved performance in Europe with growth of 5.6% and 3.2% after inflation
- Slight softening in North America with growth of 6.2% and 3.6% after inflation
- Strong growth in Asia Pacific, Middle East and Africa, whilst the Latin American research market slows significantly
- Thirty-three countries make double-digit year-to-year gains. This number drops to 18 after inflation is taken into account

Global market research turnover in 2007 US$28,235m



ESOMAR estimates. Rounded figures are presented. Percentage point changes in market share compared to 2005 are provided between brackets.

Net growth rate 2007 (adjusted for inflation)



Exchange rate fluctuations eliminated. IMF inflation rates used to determine net growth.

Global market research turnover for 2006 is restated to US$24,737m; growth to 7.1% year-to-year and 4.3% after inflation. This is mainly due to revised data for Japan, where year-to-year growth was 6.1% (previously reported as 4.3%).

1.2 REGIONAL PROFILES

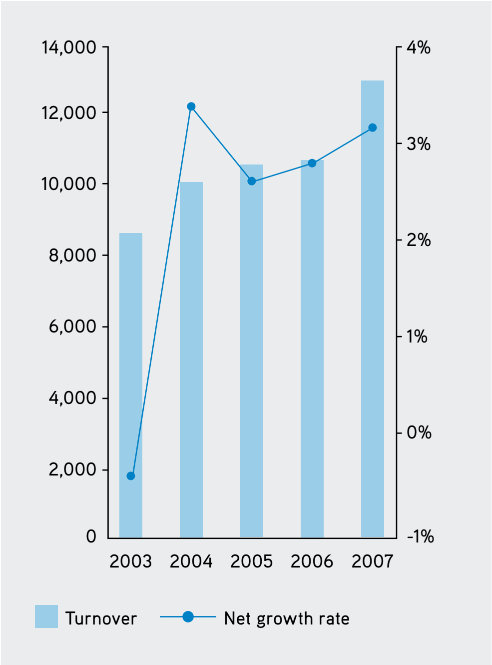
EUROPE

Overall growth in 2007 improves slightly in Europe to 5.6% year-to-year and 3.2% after inflation with turnover of US$12,882m. Regional performance is a tale of two stories with most of the mature research markets of the EU15, where almost 90% of the region's turnover is generated, showing low growth, and most Central & Eastern European countries and Turkey growing at double-digit rates.

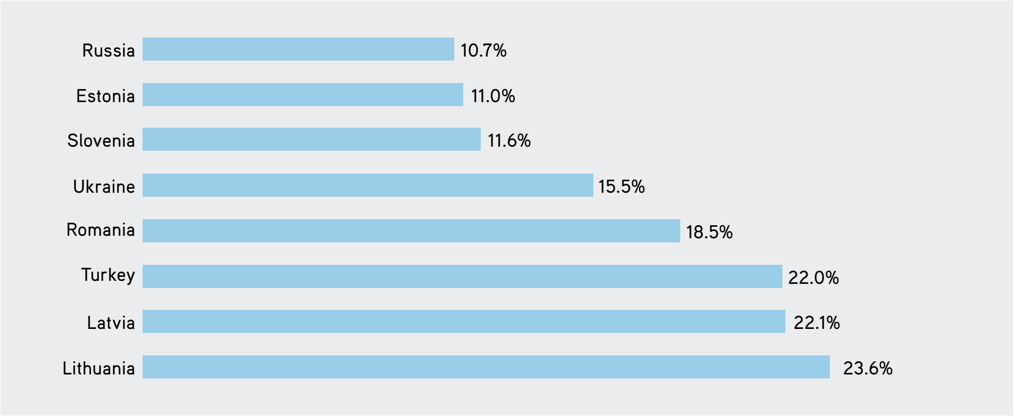
Star performers amongst the EU 15 are Austria, Greece, Ireland, Spain and Sweden all growing above 5% after inflation. The vast majority of Europe grows faster than the EU15's star performers.

Sweden has one of the most mature research sectors in the world with market research spend per capita amongst the highest in the world. A year-to-year growth rate of 9.0% and net growth of 7.1% help illustrate the long-term growth potential of the industry as a whole and points to the sector's link to the advertising industry. Growth in advertising spend in the Nordic countries is higher than the average for Western Europe and this is reflected in research sector growth rates. Russia continues its dynamic expansion with a year-to-year growth rate of 21.2% and 10.7% after inflation; turnover reaches US$270m. With market research spend per capita still below US$2 and the economy growing rapidly, this momentum is likely to be maintained for the foreseeable future.

Europe - Market research turnover
2003 to 2007 (US$m)



Fastest growing markets in Europe
Net growth rates in 2007 (%)



See table 1.3 page 91 for country data.

NORTH AMERICA (CANADA & USA)

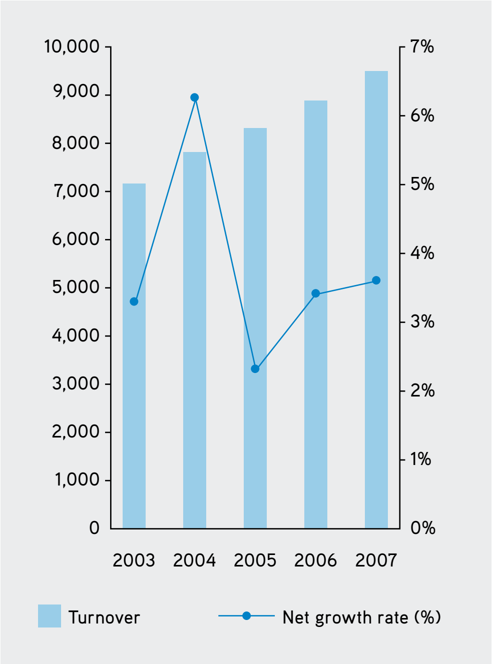
The commercial marketing, media and opinion research sector in North America performs well with a year-to-year growth rate of 6.2% and a net rate of 3.6%, to generate a turnover of US$9,494m in 2007. The US research sector totals US$8,276m, an increase of 6.0% year-to-year and 3.4% after inflation. Growth is driven by syndicated service providers – who work with long term contracts – and internet-based services. This is in contrast to 2006 when survey-based and qualitative research agencies made key contributions to growth.

In Canada the research sector expands well above expectations at 8.2% year-to-year and 6.0% after inflation to generate US$768m. The market clearly exhibits the Pareto Principle where the largest 20% of companies continue to produce nearly 80% of turnover.

The Canadian economy – with its natural resource base (oil, natural gas, potash/fertilizer, etc.) and the lack of a housing boom – has been relatively well shielded from the recessionary climate that began to affect the US in August 2007.

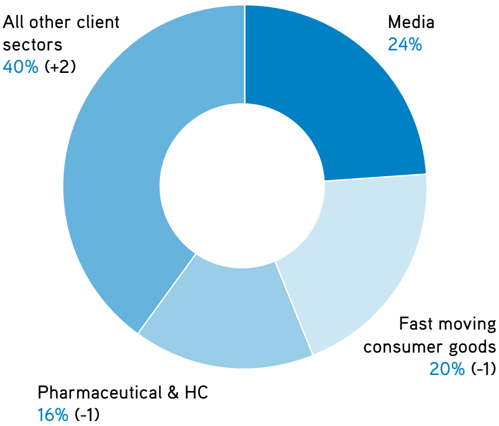
Looking at the top three client sectors in North America, sales to media sector clients (24%), driven by the US market, continues to stand out, accounting for a high proportion of overall spend when compared to the global average of 14%.

North America – Market research turnover
2003 to 2007 (US$m)



See table 1.4 page 92 for country data.

North America – Top three client sectors
2007 (%)



Percentage point changes in share of spend compared to 2006 are provided between brackets.

ASIA PACIFIC

The Asia Pacific research sector keeps up the heat with a year-to-year growth rate of 8.4% and 6.2% after inflation to reach US$4,064m in 2007.

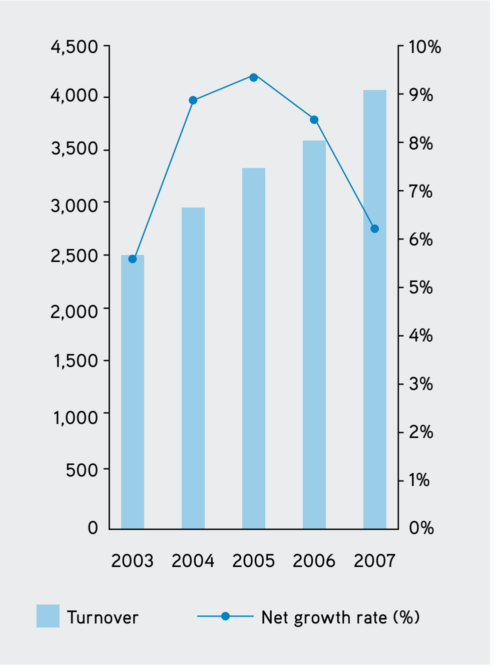
Japan, with the region's largest research sector (37% share), continues to perform well. Australia, New Zealand, Singapore and Taiwan show low or flat growth as the focus of research moves to other parts of the region. China, India and the rejuvenated tiger economies of Southeast Asia drive growth for the region.

Ten markets post double-digit year-to-year growth. This number is halved when inflation is taken into account.

The search for talent is a key focus for companies and demand is outstripping supply with some firms turning away work due to staff shortages. Rather than the brain drain the region experienced a few years ago, skilled professionals are moving within the region with Indians relocating to other parts of Asia and Mandarin speakers from Malaysia and Singapore moving to China.

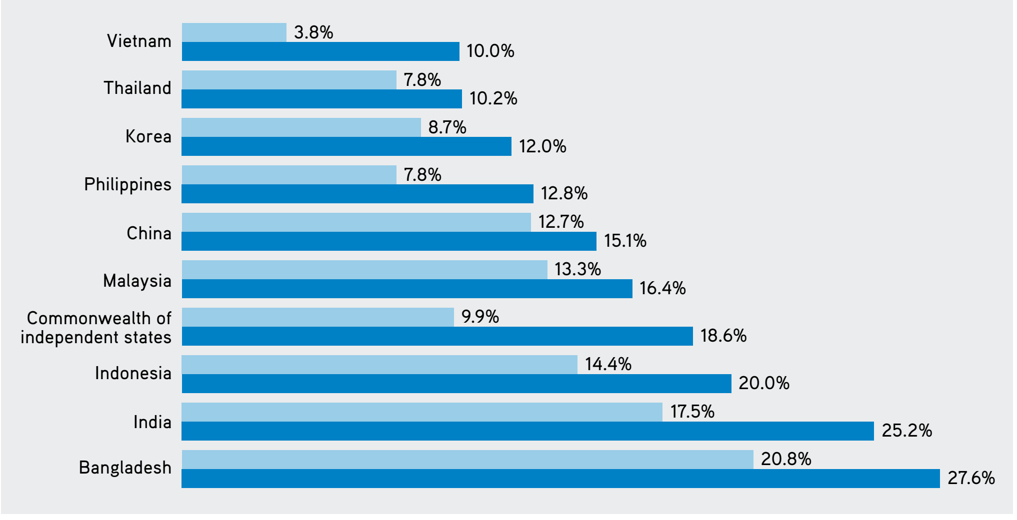
Asia Pacific – Market research turnover

2003 to 2007 (US$m)



Fastest growing markets in Asia Pacific

Net growth 2006 (%)



Commonwealth of independent states: Armenia, Azerbaijan, Georgia, Kazakhstan and Uzbekistan

See Annex table 1.5 page 92 for country data.

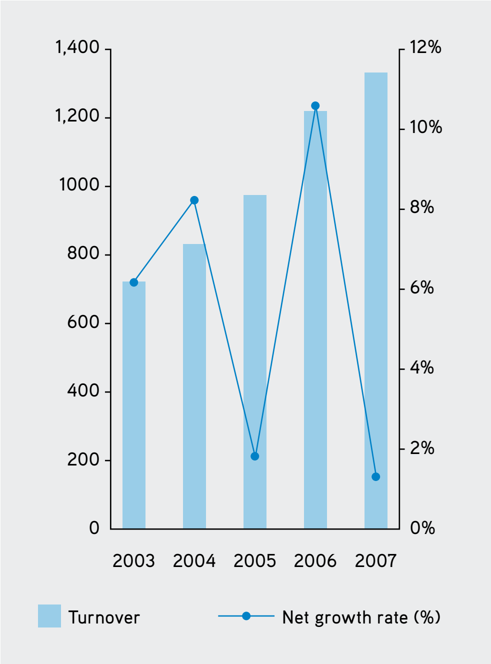
LATIN AMERICA

The Latin American research sector slows in 2007 with a year-to-year growth of 6.5% and 1.3% after inflation; turnover reaches US$1,329m. This follows the pattern observed in recent years of see-sawing growth rates from one year to the next. Local analysts point to heightened opinion polling activity during election years as one explanation for this phenomenon, particularly in Brazil, the regions largest research market.

The last three years have seen the global players make significant gains in market share throughout the region. The competitive landscape has changed irrevocably and an increasing number of firms are now turning their focus to areas such as pharmaceuticals, telecommunications, finance and smaller domestic clients to search out new segments in which to compete and find future growth drivers.

Latin America – Market research turnover

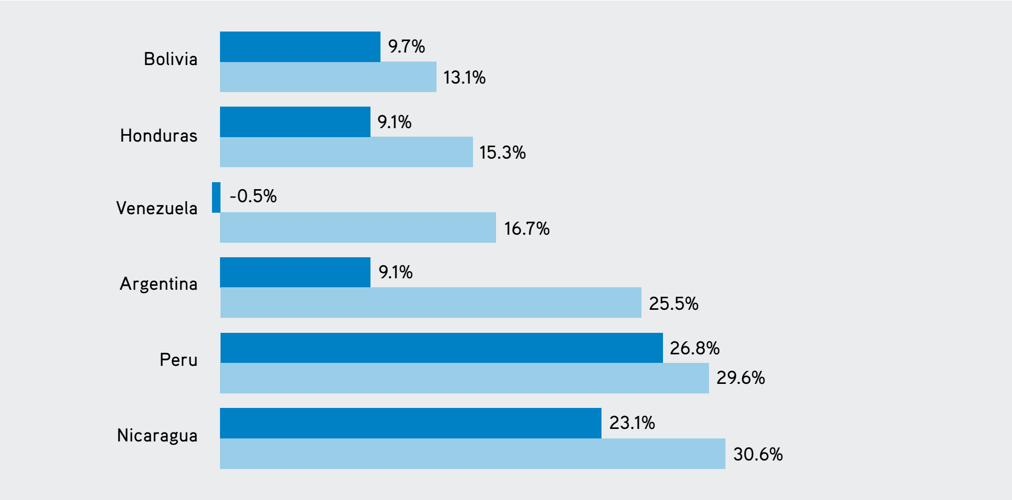
2003 to 2007 (US$m)



Following a bumper year in 2006 when six countries achieved double-digit net growth, two countries, Nicaragua and Peru, grow over 10% after inflation. Six countries achieve double- digit year-to-year growth.

Fastest growing markets in Latin America

Absoloute and net growth rates in 2007 (%)



See table 1.6 page 93 for country data.

MIDDLE EAST & AFRICA

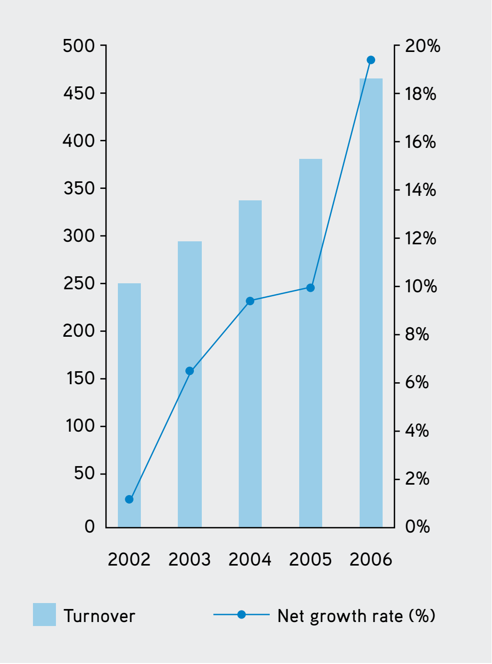
The smallest of all regions by turnover at 2% market share, sector growth accelerates to reach 23.8% and 18.7% after inflation, resulting in turnover of US$466m in 2007.

Growth is driven by the two largest markets, South Africa and the Gulf Coast Countries (GCC) who make up more than two-thirds of the regions turnover.

In South Africa, the research sector is boosted by joint ventures with black economic empowerment companies, by growth in target markets and an extending client base, such as in the financial services and utilities industries.

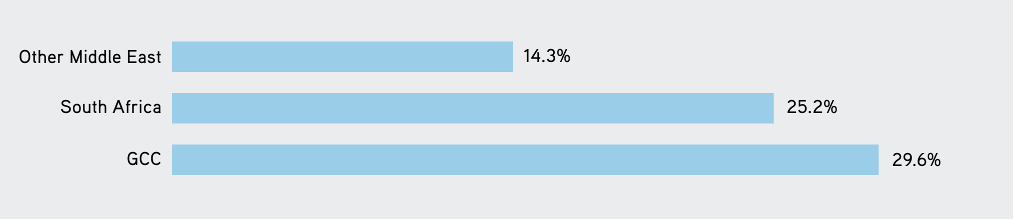
Economies in the oil-rich GCC are booming and companies across industry sectors are dedicating marketing activities to the sub-region. The result is the continued rapid growth of consumer research.

Middle East & Africa – Market research turnover 2003 to 2007 (US$m)



Fastest growing markets in Middle East & Africa

Net growth in 2007 (%)



Other Middle East – Yemen, Iran and Iraq.
GCC – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

See table 1.7 page 94 for country data.

1.3 FIVE LARGEST MARKETS

The five largest markets generate turnover approaching two-thirds of the industry total. The US is the giant of the pack, accounting for almost half of top five turnover. The UK maintains second place and records flat growth for the third year in succession. Germany moves into third place, overtaking france in 2007. Japan continues its healthy growth trend and leads the pack in terms of percentage spend on online research.

	USA	UK	GERMANY	FRANCE	JAPAN
Turnover 2007 (US$m)	8,726	2,771	2,659	2,644	1,518
Net growth (%)	3.4	3.4	2.5	2.3	5.2
Global market share (%)	30.9	9.8	9.4	9.4	5.4
MR per capita (US$)	28.90	45.54	32.35	42.87	11.88
% spend online	21.0	18.0	n/a	12.0	29.0
MR as % of spend	5.3	9.3	10.9	18.1	3.9

Manufacturing clients provide the largest client base in all of the top five markets. In the US, the media sector accounts for a quarter of sales (global average 14%). In the UK the public sector clients provide 15% of research turnover (global average 8%). In France wholesale & retail sectors rank second biggest spenders at 9% (global average 5%). Japan's advertising industry accounts for a whopping 17% of research sales (global average 3%).

1.4 MARKET CONSOLIDATION

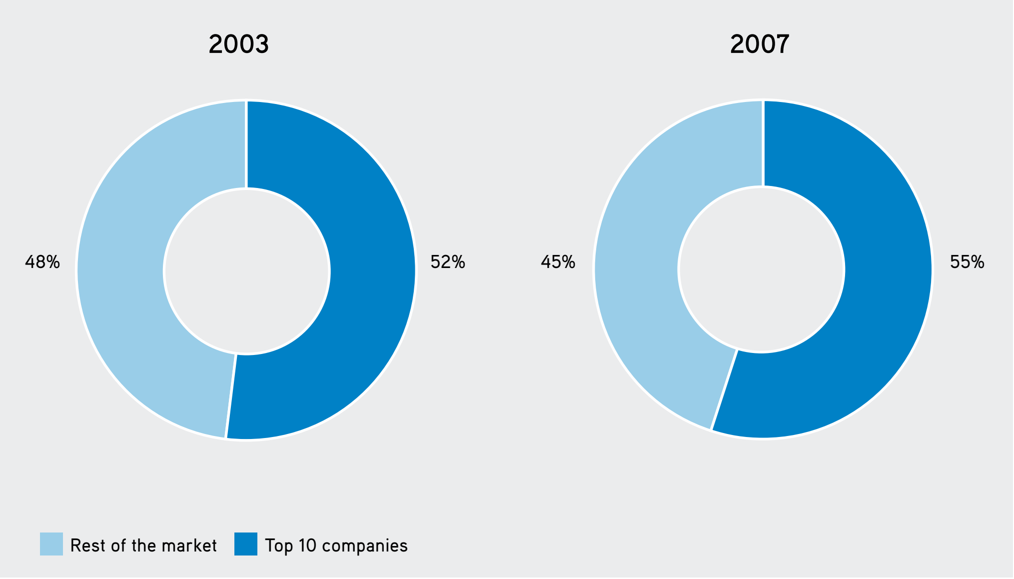
Merger and acquisition activity heats up again after a relatively slow year in 2006 when the largest companies took time out to absorb major acquisitions from the previous two years.

There has been a flood of merger & acquisition announcements and rumours. At the time of writing, most coverage has gone to whether TNS goes with GfK or WPP. Should either deal go through the result will be in a sea-change in the structure of the industry, potentially pushing other players to pursue mid-sized firms so as not to be left behind. Excluding healthcare specialists IMS from the panels equation, either scenario would create the world's number two in the panels business and number one in surveys. The new research giant would be hot on the heels of Nielsen, which is currently almost double the size of its closest competitor.

Regardless of whether a TNS/GfK or TNS/WPP deal goes through, further industry consolidation is inevitable. The major chains continue to buy up large national players across the globe. For example, Ipsos acquired Markinor, South Africa's leading independent research firm and dipped its toe in India, acquiring a controlling share in Indica Research, one of the top five national firms. Synovate acquired Interview-NSS, the Netherlands' and Metra Seis, Spain, the largest national independent firms in each country. Ipsos and Synovate are themselves the prospective targets for aquisition from both within and outside the industry.

Retail and healthcare specialists are currently aquisition targets. Companies such as TNS, GfK and Kantar have recently strengthened their offerings in these hot segments.

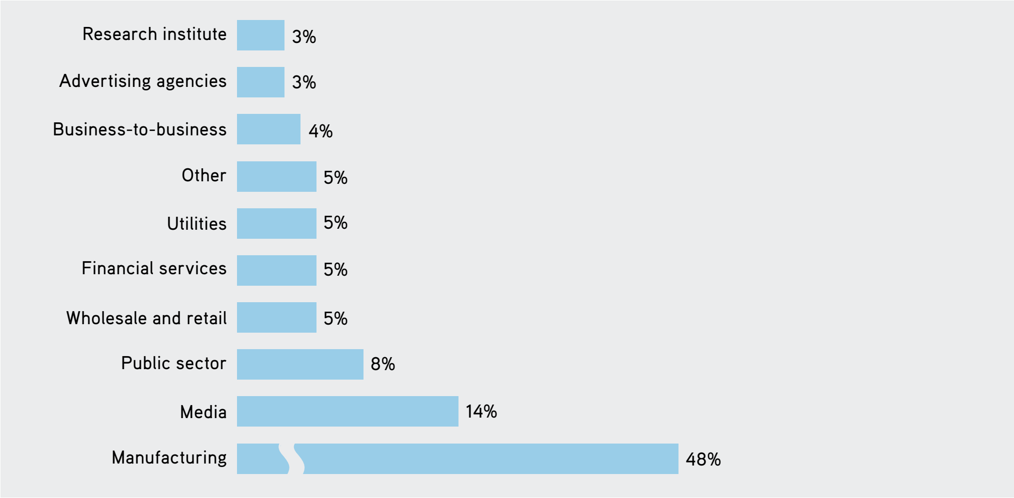
Market share of top 10 companies



1.5 SOURCES OF WORLDWIDE RESEARCH TURNOVER

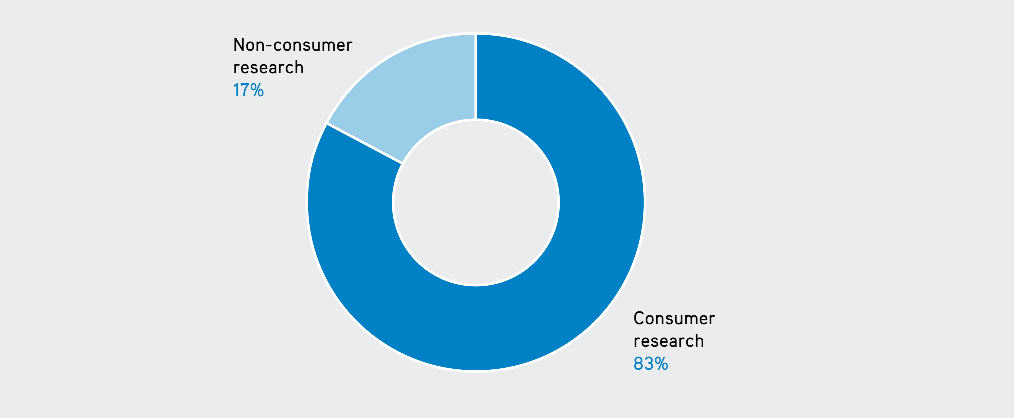
The analysis by client sector shows the same hierarchy as in 2006. Demand from the manufacturing industries is significantly larger than from any other client base, followed by the media sector. Fast-moving consumer goods and pharmaceutical & healthcare sectors account for the lion's share of sales to manufacturing clients.

Sources of turnover 2007



Consumer versus non-consumer research 2007

Consumer research generated 83% of industry turnover in 2007, with non-consumer generating 17%. Non-consumer includes business-to-business, industrial, medical, and staff/employee surveys.



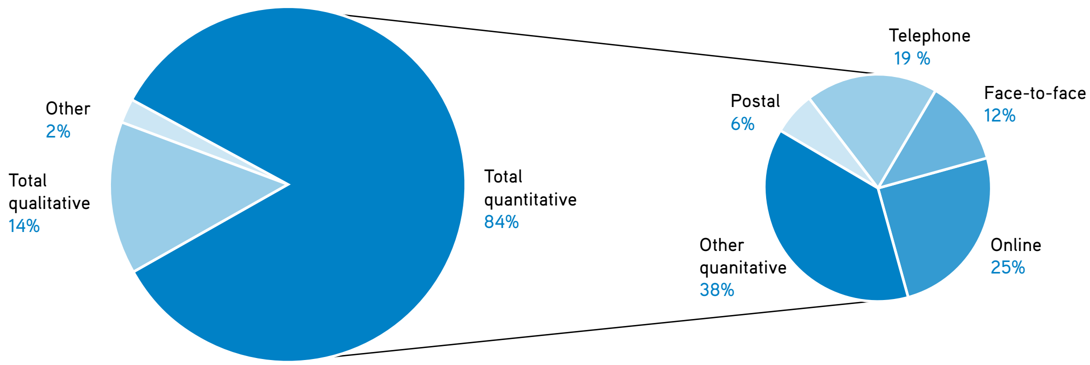
See Annex table 2.1 to 2.4 pages 99—103 for available country data on spend by different clients sectors.

1.6 SPEND BY RESEARCH METHOD

Quantitative research methods account for 84% of global research spend with qualitative accounting for 14%. The remaining 2% includes desk and secondary research.

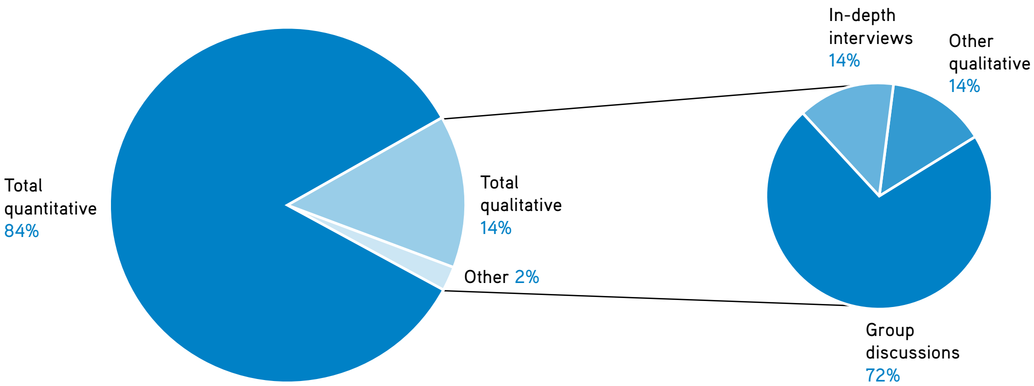
The breakdowns below show online now accounts for 25% of quantitative research spend and group discussions (72%) account for the vast majority of qualitative research spend.

Spend by research method 2007 — Quantitative research spend breakdown



Other quantitative research methods includes mainly syndicated services for which breakdowns are not available.

Spend by research method 2007 - Qualitative research spend breakdown



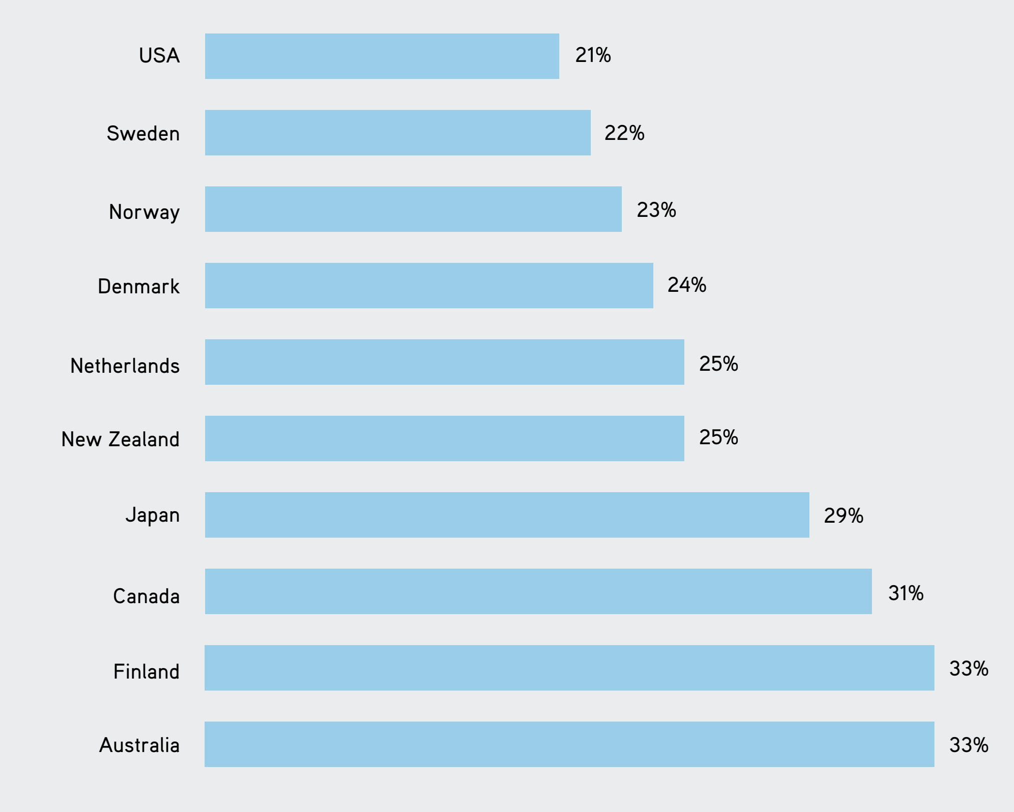
Other qualitative research includes ethnography and other research methods for which breakdowns are not available.

ONLINE RESEARCH

Online research now accounts for 10% or more of overall research spend in eighteen countries; up from 13 in 2006. The quality of samples is re-emerging as a central issue.

Online specialists continue to make good gains and many are operating with larger margins than the industry average.

Top 10 countries with highest online research spend as a percentage of total spend 2007



See Annex tables 3.1 to 3.3 pages 105—108 for available country data on spend by research method and design.

II. PRICING

How do you put a value on market research? It's a simple question, but one with many different answers. It's a question market research suppliers are having to ask themselves, as prices come under pressure, and clients, at the same time as wanting more, often want it for less.

2.1 VALUING MARKET RESEARCH

Nobody wants to see their business commoditised, but equally, market research companies have to recognise that return on investment (ROI) is the modern-day marketing mantra. If, as a marketer, you want to secure a budget for something, you'd better be able to tell the board exactly what they'll get back for every dollar they give you. Market research, of course, is no exception to this rule, and in recent years, the drive towards ROI, coupled with the growth of online research, has threatened to commoditise some parts of the market research business. A third factor has also, inevitably, played a part in driving down prices: the rise of market research procurement, which sees market research services bought by client-side buying teams with less experience of, and knowledge of market research, than traditional market research buyers.

PROCUREMENT

"Procurement has definitely accelerated over the last three years, but it's always been there in many big companies, especially in non-packaged goods" says *David McCallum, Managing Director, Global Customised Research Services at Nielsen.*
What has happened in recent years, according to McCallum, is that procurement has spread from the automotive industry and large industrial companies where it started, into the packaged goods arena.

> "… as they (clients) are being squeezed, they are in turn using procurement to look, not just at market research, but at all major suppliers."

"The major consumer packaged goods companies have seen their businesses come under increasing competitive pressure, with demands from retailers to give them better prices" he says. "So as they are being squeezed, they are in turn using procurement to look, not just at market research, but at all major suppliers."*Petra Heinlein, a member of the management board at GfK*, has also

Petra Henlein, GFK

David McCallum, Nielsen

noted the rise and rise of procurement and while, in her experience, there is still in most cases a specialist research buyer involved in the process, who makes the final decision, she feels the emergence of the procurement model has made the market research supplier's task more difficult. –"Procurement often makes it more difficult to clearly recognise the added value that research offers, which can actually be the key differentiating factor between MR agencies" she says. "Procurement departments tend to look at the price, first and foremost. You still have to communicate to the research department what is special about what your offer and get across your sector expertise and knowledge about specific markets. These more intangible qualities may not be immediately apparent if you are solely focusing on cost, but in many ways these are the most important parts of what is being purchased. That said, we have recently noticed that there is more focus on getting the relationship right."

From the client's perspective, procurement is undoubtedly about ROI, but for some companies at least, it's also, perhaps surprisingly, about relationships.

"From the client's perspective, procurement is undoubtedly about ROI, but for some companies at least, it's also, perhaps surprisingly, about relationships."

Procurement specialists tend to define their roles in terms of objectivity, accountability and the ability to understand relationships.

CROSS-BORDER CONTRACTS

One of the factors that ought to give market research buyers added buying power is their desire to work with suppliers on a global basis. Increasingly, the larger companies are seeking market research partners who can carry out similar projects in multiple territories, with simultaneous fieldwork and standard research methodology across all markets. Surprisingly, however, Nielsen's McCallum says this type of work has little impact on price.

"If you're running a project in six diverse countries, there are not a many economies of scale, because the questionnaire needs translating, and you need different brand lists and attributes, because the ads and brand positioning can be different" he says. "In reality, there are often more cost savings if the client does several projects in one country than if they run the same project in 20 countries."

Nevertheless, cross-border work now represents a growing slice of market research expenditure. A recent study by Care Insight, Germany estimates 20 per cent of surveys are conducted internationally, and industry leaders expect this to grow by one percentage point a year.

A related trend is a desire among the large clients to have a team dedicated to their account. This team should have considerable

> "If you're running a project in six diverse countries, there are not a many economies of scale"

experience and expertise in the client's sector, something that, according to GfK's Heinlein, clients are at least prepared to pay for. She says:

"There are definitely international clients who accept that costs are driven up by the coordination needed to pull data together from different platforms, and produce seamless studies from multiple countries. If they ask for sector expertise, they understand that dedicating global key account managers to the project, who focus on this sector and this client exclusively, comes at a higher cost, and building this expertise is something they are prepared to pay for."

The additional revenues help to fund the higher calibre employees who are, by definition, needed to service these types of contracts. They also enable the market research supplier to put the necessary

> "There are definitely international clients who accept that costs are driven up by the coordination needed to pull data together"

infrastructure in place to service the account in an appropriate manner, to the point of opening offices in a new territory purely to be physically close to key clients.

INNOVATION

When buying market research services then, clients are being driven by the need to achieve ROI, and hence, to get the right price. They are being driven, too, by the need to work with a market research supplier whose organisational structure mirrors their own, and who can run and coordinate research projects across multiple territories. They also want to work with suppliers who employ people with the necessary expertise in their sector to offer strategic insight and analysis on top of the raw data. There is also one additional factor that is undoubtedly influencing client companies in their choice of market research partner: innovation. The media landscape looks so different now than it did 15 years ago as to be almost unrecognisable. In 1992, satellite TV, in Europe, at least, was just an idea. The Internet was in its infancy. Mobile phones were used, by the few people who had them, largely for talking to each other. How different it all looks today. With the seemingly unstoppable rise of blogs, social networking sites and user-generated content, brands have, to a certain extent, lost control of the message. They can still broadcast to a fragmented TV audience, but the days when the audience would take the message on board or simply ignore it are long gone. The Internet has made it easy for consumers to share their opinions, good and bad, about their brand experiences, and given the sheer numbers of outlets for them to do so, brands need research partners that can help them keep track of what the world is saying about them.

"We find that clients are very keen to understand and employ the latest "respondent-interaction" techniques such as social communities, online networking and ethnography." says GfK's Heinlein. "However, the real pay-off for them is the ability to provide true ROI measurement for their marketing and advertising investments. The ability to bring together point of consumer, media and sales data into validated forward-thinking products is a key request from clients." Work carried out by McKinsey and Co suggests, in fact, that product and service innovation is the key driver of growth in all rapidly-changing and competitive industries and is often a key to improving pricing power. McKinsey's work has shown that companies with marketers that are making use of innovative research techniques are outperforming their peers who are not. New product and service development will, therefore, continue to be a key area of focus for market research companies – the successful ones at least – going forward. As data collection and other "standard" research services become increasingly commoditised, the successful players will be those who can show that they offer something extra, and that that something extra is worth paying a premium for. The challenge for market research companies in today's world is to have the size, scale and presence of a global player, just like the multinationals they want to work with, and at the same time, to be as nimble and fleet-footed as the smallest boutique, in order to capitalise on the opportunities presented by the social phenomena that are emerging constantly to pose new challenges for brands. It's a tough ask, to be sure, but for those that are up to it, the rewards are potentially huge.

New product and service development will, therefore, continue to be a key area of focus for market research companies – the successful ones at least – going forward.

2.2 BENCHMARKING RESEARCH PRICES

Originally published in Global Prices Study 2007 Report
Based on design, analysis and reporting by Ray Poynter Principal, The Future Place

Findings of Global Prices Study are based on quotations from 592 agencies with each agency quoting on up to eight types of ad hoc research projects, segmentation analysis, presenting insights and charge out rates for junior & senior researchers.

The Study found that in markets where buyers can choose from a range of data collection methods:

- Telephone interviewing is often about three-quarters the price of face-to-face interviewing – and is generally about the same price as in 2005;
- Online is, in most cases, about three-quarters the price of telephone interviewing and is in many cases cheaper than in 2005;
- The biggest cost savings are found in markets sufficiently large enough to make online access panel development attractive. The balance of response has also shifted in these countries to many more quotes for online and fewer for face-to-face;
- The most expensive countries tend to be those with high labour costs and which also do not have mature online access panels.

The most cost-effective way to conduct a global research project is via multiple modes, varying by country. Any attempt to fix on a single methodology will result in much higher costs, and may not even be possible.

Global Prices Study 2007 is the 7th benchmarking study ESOMAR has conducted since 1982 to help research providers and buyers execute market research projects. The latest edition reports on prices in 63 countries and includes analysis of changes over-time. A total of 592 research agencies participated in the study, providing data to report on 63 countries, along with regions and sub-regions.

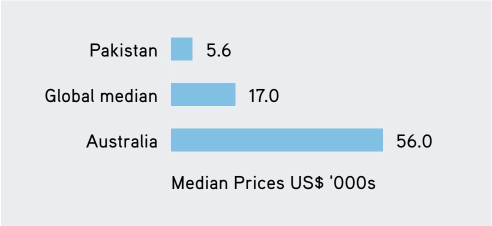
Please find out more and order your copy at www.esomar.org/publications.

ESOMAR members can access a dynamic web reporting tool in the MyESOMAR section of www.esomar.org to review data at different levels of granularity in a number of different currencies.

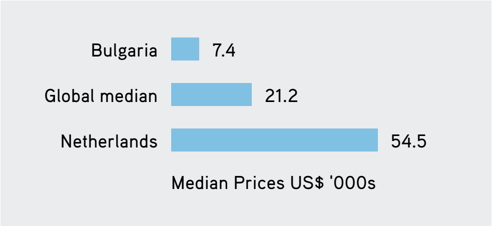
NATIONAL USAGE AND ATTITUDE SURVEY

a) Least – most expensive

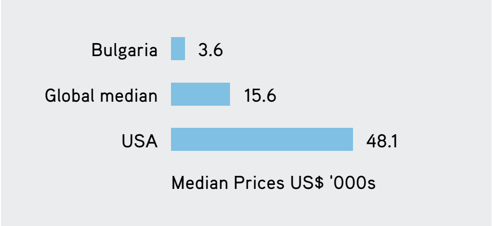
Face-to-face in home
57 countries



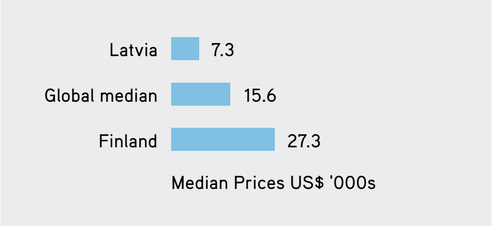
Face-to-face at central locations in urban areas
48 countries



Telephone/CATI
41 countries



Online access panel
19 countries



North America is the most expensive for all methods, but that the difference between it and other markets is less for online.

b) Online and telephone

Online only appears more expensive than telephone because of the different countries responding for the various options. The median telephone price amongst countries not offering online was just under US$12,000. Amongst countries that do offer online the median price for telephone is over US$27,000.

c) 2007 vs. 2005

There are relatively few changes in country rankings with many of the changes explained by exchange rate movements. Brazil has become far more expensive as the Real has appreciated significantly against the US Dollar.

Prices in Portugal have come down despite the fact that the increase in the value of the Euro should have made it more expensive. This movement is the result of intense price competition in the two years since the 2005 study.

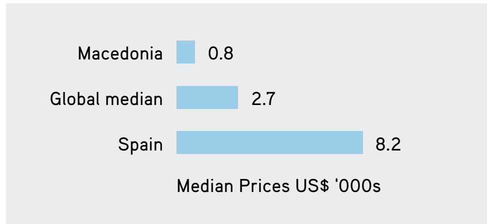
Research prices have shot up in Russia, whilst the Rouble has depreciated in value. Prices have risen along with in the cost of living and as a result of demand growing faster than supply in this rapidly expanding market.

Sample: A quota sample of 500 regular users of a chocolate confectionary product, 25-minute interviews. Deliverables: tables.

d) Segmentation

Pricing models for this type of work range from valued added cost plus to complementary. Some agencies in usually low cost countries quoted fairly high charges for segmentation work, related in some cases to the need to outsource the analysis. Other relatively expensive agencies offered segmentation at less expensive rates, possibly reflecting a high level of competencies and/or the use of value added techniques as a differentiator.

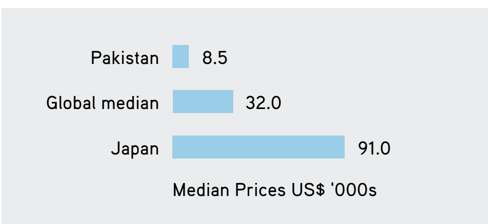
Segmentation analysis on 10 lifestyle questions with results presented face-to-face 41 countries



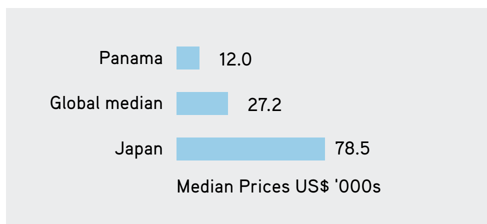
TRACKING STUDY

a) Least – most expensive

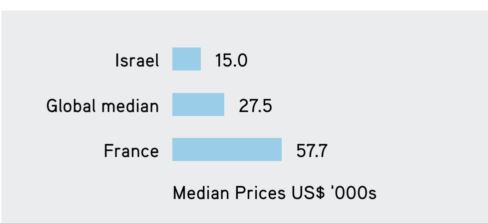
Face-to-face in home
53 countries



Telephone/CATI
41 countries



Online access panel
19 countries



The 11 countries were Belgium, China, France, Germany, Hong Kong, Italy, Japan, Netherlands, South Korea, Spain, and UK

Options

Eleven countries submitted sufficient bids for all three modalities. The average median telephone price for these countries is about two-thirds of the median face-to-face price, and online is about two-thirds the cost of telephone.

- Face-to-face $60.7
- Telephone $47.4
- Online $36.6

b) 2007 vs. 2005

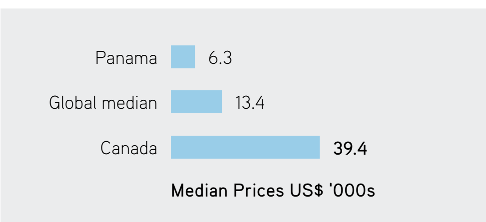
Of the eight countries for which price data is available for 2005 and 2007, the absolute US dollar prices in 2007 were lower than in 2005. In the UK, Australia, and Japan the price reductions are very large, and in the UK and Australia they go in the opposite direction to the currency movements. These changes are the result of price competition and the number of new entrants to the market.

Sample: a quota sample of 1,000 with housewives, 50 interviews for each of 20 consecutive weeks (50 x 20) for a tracking study on washing powders. Interview duration 12-20 minutes. Deliverables: table every four weeks plus a final written report.

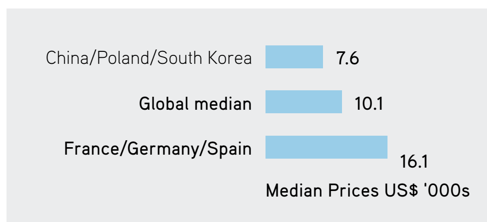
COMPUTER-ASSISTED ADVERTISING PRE-TEST

a) Least – most expensive

Central Location - CAPI
44 countries



Online access panel
20 countries



Data shows that online access panels cost two-thirds of central location interviewing in markets where both options are available.

The average median prices for 14 countries where data is available are:

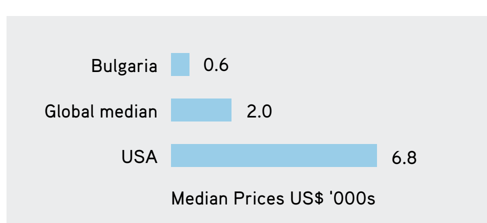
- Central location CAPI $21.2
- Online access panel $13.6

Sample: three matched samples of 100 adults who are regular users of the product. Advanced scripting and video displays were required as part of the project. 10-minute interviews. Deliverables: tables

b) Face-to-face presentation

The most expensive countries were those with the highest labour costs, with the main exception being Thailand, which is the third most expensive, at US$4,539. Some agencies do not charge for presentations and a few advised that they 'never present'.

Face-to-face presentation close to office
32 countries



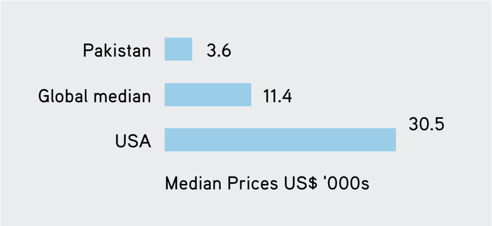
Some agencies do not charge for presentations and a few advised that they 'never present'.

FOUR GROUP DISCUSSIONS

Prices increased by around 13%, or US$1,514 when comparing countries with data from 2007 and 2005. In 2007 the median price for the focus groups is US$11,397, almost US$2,500 cheaper than in 2005, when the mean price was US$13,586. However, this reflects the larger number of less expensive countries in the 2007 data set.

Least – most expensive

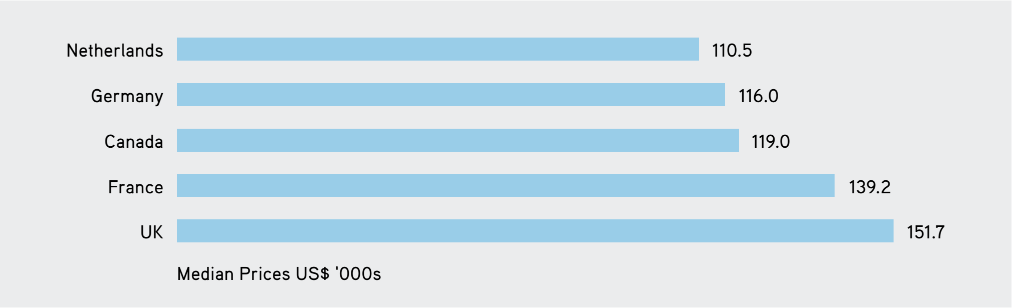
32 countries



The focus group project was based on four groups, two with men and two with women who are regular users of specified banking services. The project included TV recording. Deliverables: A report, audio cassettes and a verbal debrief to the client.

TWO GROUP DISCUSSIONS AT EACH OF SEVEN CITIES AROUND THE WORLD

5 countries



Three or more quotes were received from only five countries, reflecting the difficulty of coordination. Whilst UK comes out with the highest median price, the lowest price available in the UK was lower than the lowest price from the Netherlands.

Analysis showed that there is very little difference between the regions in terms of where the research is organised. North America is just 1% less expensive than the median, and Europe is just 2% above the median. However, most of the North American agencies came from Canada, which tends to be cheaper than the USA.

Two group discussions at each of seven cities around the world with women who wear perfume. The seven cities were Berlin, London, Milan, New York, Paris, Rio de Janeiro and Tokyo with simultaneous translation and viewing facilities. Unlike the simple focus group project, this project required considerable international coordination skills, translation, and more interpretation. Deliverable: major presentation in Geneva.

ETHNOGRAPHIC STUDY

Least – most expensive

34 countries

The key driver in this sort of research is the cost of labour. All four of the most expensive countries are English speaking, with the USA and, particularly, the UK being much more expensive than all other countries.

Some of the price differences may be driven by lack of familiarity with this type of research, particularly since agencies in the UK and USA would probably assert that they are the most experienced with ethnography in the context of market research. If that is correct, we may see the less expensive countries becoming more expensive as experience with this technique grows.

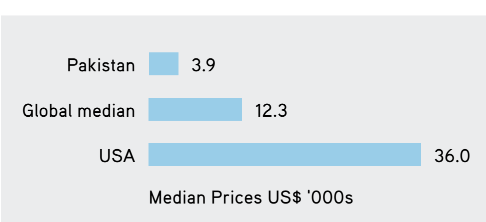
Ethnographic study on in-home media usage - 12 family households observed from 4pm to 10pm to look at usage patterns of all home media (e.g. TV, radio, internet, telephone, games consoles, audio systems), each family observed for one entire evening. Deliverables: major presentation and 30 minute DVD.

BUSINESS-TO-BUSINESS SURVEY

Data is available for 25 countries for both online and telephone interviewing, with the median cost for online at around 70% of telephone when averaging across these countries. The cost of telephone projects largely reflect high labour costs. Looking at the most expensive 10 countries for online, the drivers of cost appear to be a combination of high labour costs and the lack of a mature online sector.

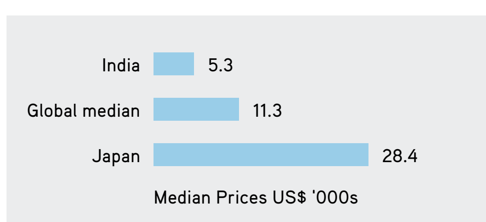
Least – most expensive
Telephone/CATI

49 countries



Least – most expensive
Online

25 countries



Sample: 200 executives responsible for authorising desktop computer purchases from a sample list of 2,000 supplied by client. 15-minute interviews. Deliverables: tables and written report.

MULTI-COUNTRY STUDY

North America is the most expensive region to conduct research in, followed by Middle East, Australia/New Zealand and Western Europe. The least expensive regions are Eastern Europe, followed by Latin America and Asia South.

This project gives a good overview of the relative costs by region/sub-region. In general, North America, particularly the USA is expensive and Eastern Europe is amongst the cheapest. However, as the EU new accession countries, such as Hungary, Poland, and particularly Bulgaria and Romania, become more like the rest of the EU, this picture could change dramatically.

References to 'cost per Interview' ignore issues such as quality and insight. However, in the context of this project it is a useful way of comparing the costs for different sub-regions.

All countries for which bids were received have broadly comparable cost structures (i.e. the most developed markets)

	COUNTRIES	NO. OF INTERVIEWS	QUOTES	MEDIAN PRICES US$	COST PER INTERVIEW US$
Asia East	China, Hong Kong, South Korea, Japan	2000	8	136,028	68
Asia South	India, Pakistan	1000	8	53,386	53
Australia New Zealand	Australia, New Zealand	1000	9	78,067	78
Eastern Europe	Russia, Poland, Czech Republic, Hungary	2000	11	92,807	46
Western Europe	UK, France, Germany, Italy, Spain	2500	17	184,079	74
Latin America	Mexico, Argentina, Brazil	1500	11	79,705	53
Middle East	Kuwait, Saudi Arabia, UAE	1500	7	119,832	80
North America	USA, Canada	1000	13	95,537	96

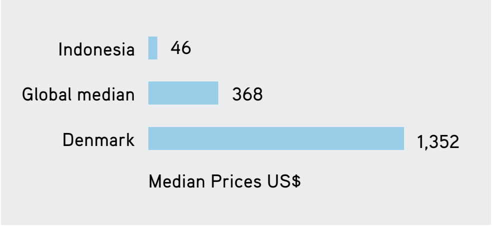
Multi-country study on human resource developments with a sample per country of 500 companies. Quotations requested for 10-minute telephone interviews conducted in local languages in defined regions across the world. Deliverable: data only.

This project was the most time-consuming and difficult for agencies to produce quotes for and this is reflected in the fact that just four agencies quoted for all eight sub-regions. In addition to the time required, most agencies need to sub-contract some of the fieldwork for this type of project, and they are less likely to inconvenience sub-contractors for the purposes of a survey. In a 'real world' situation it is likely that more agencies would provide quotations.

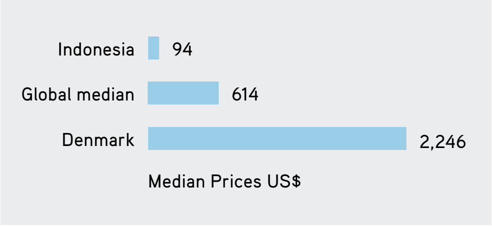
COMMERCIAL TARIFFS

Data on charge-out rates for both the Junior and Senior Researchers is available for 50 countries. The relationship between the median prices for Senior and Junior Researchers is strong, with the correlation across the 50 countries of 0.97. Junior Researchers are, on average, charged out at 60% the rate of a Senior Researcher.

Least – most expensive
Junior Researchers
51 countries



Least – most expensive
Senior Researchers
51 countries



Charge-out rates for eight-hour day

III. TRENDS

Assessment of the outlook, key developments and competitive environment in the market research industry.

3.1 OUTLOOK

Market research is a dynamic industry, typically growing in-line with or faster than the global economy. Research firms have mainly reported growth in the first half of 2008, which may slow in the second half of the year due to macroeconomic factors.

The sector has two very different segments, the customised survey business and the panel-based business. The panel segment provides media audience and consumption measurement and requires upfront investments in measurement devices. This segment has higher barriers to entry, higher margins and is dominated by a few firms, including Nielsen, IMS, GfK, TNS, IRI, JD Power & Associates, and Arbitron. These firms generally work under long-term contracts, minimising the effects of shorter-term economic downturns.

The survey segment includes qualitative and quantitative methods that provide understanding of markets and consumers. This segment is more competitive, fragmented, and operates under smaller margins. It has also been seeing significant changes, including consolidation of the largest players & client contracts and rapid-growth in emerging markets. The survey business is more cyclical than the panel segment, as contracts are usually one-offs and discretionary. Qualitative research, primarily using focus groups, is most closely tied to the fortunes of advertising agencies, which have begun reporting slowdowns.

DEVELOPMENTS

Key developments in the industry include:

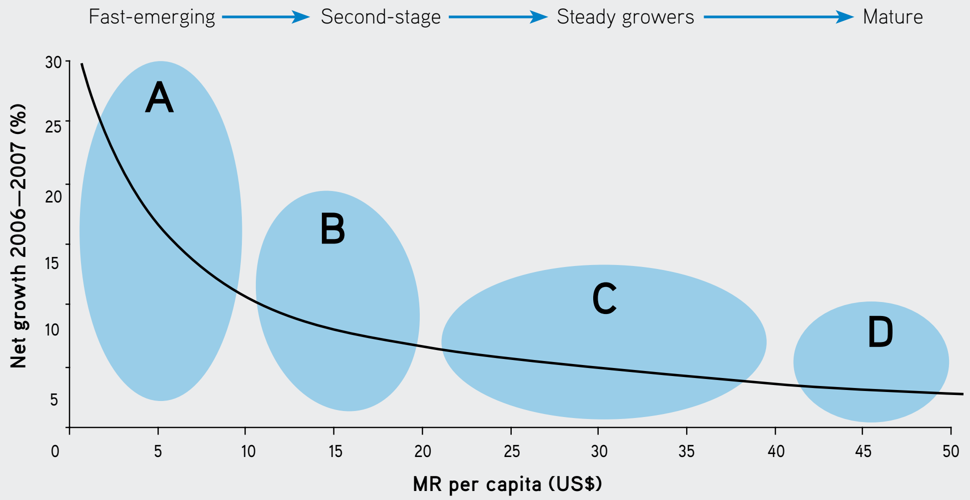
Rapid changes in client markets driving sector growth. More than ever, clients need to understand consumer experiences and apply this knowledge in communications, production development and innovation processes.

Holistic research approaches combining tried and tested with the new. New sources of data and technologically enabled data fusion are providing opportunities to broaden the research remit as well as challenges from new entrants.

Faster responses are being asked of research and data quality is re-emerging as a central issue. Demand is growing for high quality real-time data. As the industry embraces rapid methodological developments, maintaining high quality and integrity remain core principles.

Different levels of maturity in different markets around the world. A wide range of growth rates are likely for the foreseeable future. The chart opposite compares net growth 2006/2007 and market research spend per capita by grouping markets into categories A to D. Group A markets are growing at double-digit rates, most group B markets record high single-digit or stronger growth and the more mature research sectors of C & D countries are generally growing at a slower pace.

Net growth versus market research spend per capita



	GROUP				
	A	B	C	D	TOTAL
Number of markets	52	14	12	3	81
Turnover US$m in 2007	3,855	3,640	14,900	5,840	28,235

GROUP:

A – Most of Asia Pacific, parts of Central and Eastern Europe, and all of Latin America, the Middle East & Africa

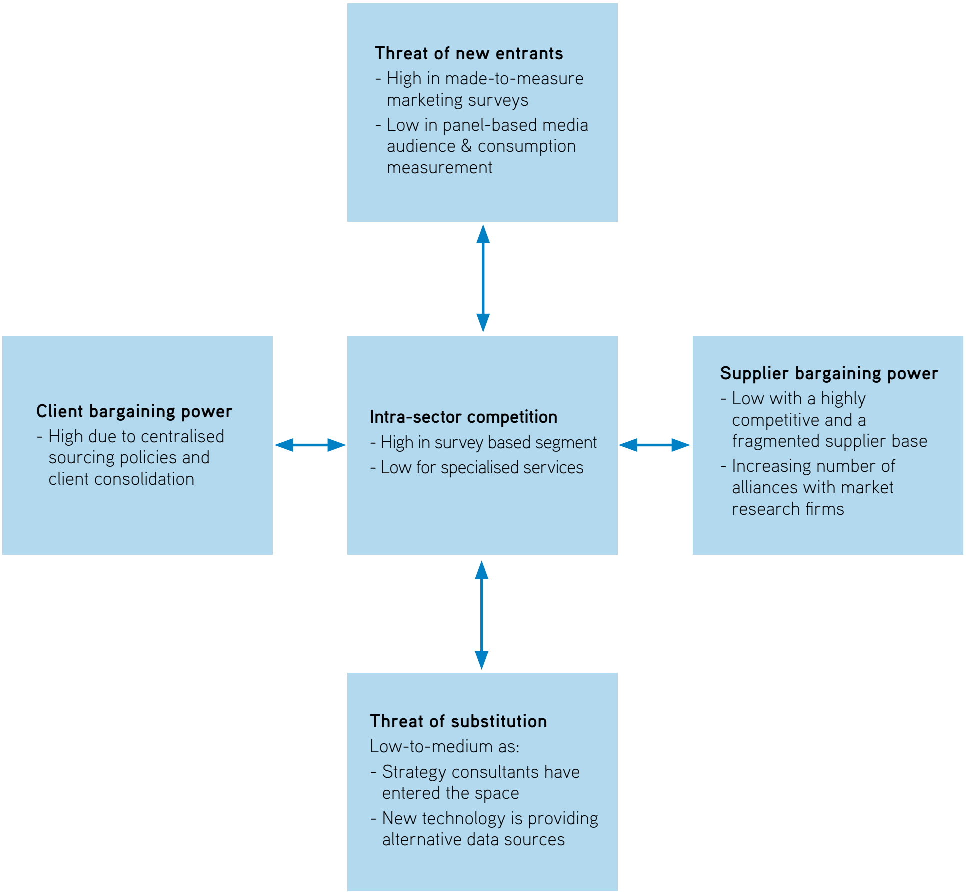
B – Austria, Belgium, Czech Rep., Greece, Hong Kong, Japan, Korea, Luxembourg, Portugal, Singapore, Slovenia, Spain and Turkey

C – Australia, New Zealand, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Switzerland, Canada and USA

D – France, Sweden and UK

3.2 COMPETITIVE ENVIRONMENT

This assessment of the competitive environment reflects the interaction between the different forces that are determining competitive intensity and is illustrated using examples of recent activity that is changing the sectors landscape irrevocably.



Initial analysis by Exane BNP Paribas, 2007

INTRA-SECTOR COMPETITION

High sector competition for survey research, which has low barriers to entry. Following well over a decade of international expansion and consolidation, the six largest survey providers, Ipsos, TNS, Kantar, Synovate, GfK, and Nielsen, account for around one-third of the survey segment.

Boutiques are increasingly able to compete with larger players, especially where there are mature markets for online access panel and respondent bases can be bought in at attractive prices.

Competition is fiercer for national research than for multi-country studies. For international research, clients typically require standard research methodology and simultaneous fieldwork in all markets and are increasingly selecting agencies able to make multiple strategy recommendations fitting different cultures and markets in different phases of economic development. These complex requirements raise barriers to entry.

Eight companies dominate the market for panel-based research, where there is less competition.

CLIENT BARGAINING POWER

Pricing pressure is on the rise as clients are consolidating, using preferred supplier lists, and employing more centralised sourcing policies. Clients are consolidating accounts and increasingly using procurement departments to negotiate contracts to maximise return on investments.

SUPPLIER BARGAINING POWER

Despite notable acquisitions by Confirmit, Norstat and Toluna, the online access panel market remains fragmented and highly competitive, resulting in low supplier bargaining power.

There is a growing trend towards partnerships between research companies and online sample & technology providers. Synovate's alliance with Global Market Insite is a prime example.

THE THREAT OF NEW ENTRANTS

The level of threat depends on industry segment. The competitive environment is especially dynamic in the survey segment with companies such as Cable & Co Worldwide, Cello Group and advertising giant Saatchi entering the market last year, joining Experian, infoUSA and others who began acquiring in 2006.

A shake-up lies ahead for the audience measurement segment as ongoing migration to digital media begins to change the competitive landscape. This new mediascape demands new tools of measurement, combining data from multiple sources and using metrics that can be comparable between different media.

The battlefield is taking shape, with Nielsen and TNS acquiring to strengthen online audience measurement offerings; Experian acquiring Hitwise; Yahoo bolstering its web analytics portfolio; comScore acquiring mobile measurement specialist, M:Metrcs and Mediamark recently scrapping its plan to fuse data with M:Metrics in favour of an identical arrangement with Nielsen Mobile. Perhaps most significant was Google's recent unveiling of a free research and advertising planning tool, heading into direct competition with Nielsen, comScore, Compete, Hitwise and others.

The threat of new entrants is significantly lower in other areas of panel-based research, such as the pharmaceutical segment, where IMS Health dominates the market.

THE THREAT OF SUBSTITUTION

The threat of substitute products is low, but does need to be tracked. In particular consultancies are increasingly buying data directly from online sample providers and reselling them to clients at much higher prices than market research firms.
Companies specialising in direct marketing, with access to their clients' databases and that can analyse them directly or cross reference them with other databases could also substitute market research products.

IV. EXPERT INSIGHTS

Experts from the market research industry and major clients give their insight into the key trends in six industry sectors. These articles highlight the dynamic and varied industries that market research supports and demonstrates the myriad ways in which market and consumer insights are driving growth for companies across the world.
In this collection Experts insight highlights how capturing and analysing the consumer experience and how applying this knowledge in the product development and innovation process is key to future success.

"Whenever we try to expand to new products we don't want to damage the others. It's about having an integrated knowledge that everything we do impacts on the rest of the market" Esteban Socorro, Coca-Cola

4.1 FAST-MOVING CONSUMER GOODS

The world of fast-moving consumer goods is moving ever faster. Manufacturers have proved themselves nimble and responsive, creating high-quality and convenient products that meet consumers' varied and evolving needs. But as product life cycles shorten, the success rates for product launches drop and the threat of proliferation increases, leading to the need for new innovation models.

Consumers are paying increasing attention to health and sustainability; choosing a shampoo or a soft drink means selecting not just a flavour, scent or size, but also a carbon footprint and calorie count.

Synovate senior vice-president Bob Michaels says the current economic downturn is also affecting FMCG producers, with fuel prices and the cost of ingredients adding to costs at a time when consumers are largely looking to spend less, not more. "That's putting them in a quandary – how much can they raise prices?" he asks. "There are many projects going on now in terms of price optimisation and also cost-reduction initiatives, like substitution of ingredients and reduction in pack size."

The most successful companies will be those combining orthodox and new approaches to innovation, and those with the best understanding of consumers' needs and those of their own internal clients.

"If you listened to the focus groups, you'd think we never sold a box of sweetened cereal. There's an element of candour online that you don't get otherwise. That's priceless." Vivian Milroy Callaway, General Mills

NEED FOR SPEED

Esteban Socorro, CSD global customised knowledge & insights director at Coca-Cola in the US, says the pressure on manufacturers means that research agencies serving FMCG clients need to be more efficient, faster, "and also very interested in how these products are capable of creating and sustaining brand value and be capable of measuring that".

Volumetric research, for instance, needs to look beyond simply how much of something a client is likely to shift, but also what Socorro calls the "halo effect" on the rest of the brand and the existing range, something especially important for a company with such a strong core brand. "Whenever we try to expand to new products we don't want to damage the others. It's about having an integrated knowledge that everything we do impacts on the rest of the market," he says.

Brand equity research is increasingly important, Michaels says, beyond product and price testing, as manufacturers work to adjust to the current conditions. "Strong brand equity often means you can demand a higher price, so it helps manufacturers deal with these pressures and weather the storm a little better."

The FMCG industry will continue to draw on knowledge gained from internal teams and external partners, syndicated market research, quantitative surveys and focus groups. Tracking brand awareness, advertising effectiveness and sales performance will remain key elements of the information toolkit. As they look to closely follow emerging trends and connect more effectively with consumers at all stages of production and promotion, new techniques that enable co-creation with consumers are expected to flourish.

WATCHING AND LISTENING

The use of ethnographic and observational research is becoming more extensive as manufacturers seek to better understand consumers' daily experiences and create products that fill newly identified niches. At the same time, advancing technology is creating new and better ways of establishing how and why consumers behave the way they do.

At General Mills in the US, for instance, a virtual store (a computer-based reproduction of a supermarket, where mock-ups of new or changed products, packs and formats can be put on shelves for customers to browse) is a key feature of the company's 'experimental suite'.

Vivian Milroy Callaway, who runs General Mills' Centre for Planning and Experimentation, has also had success with what they call Corner Market, a real-life mock-up of a store, where shoppers are recruited to go and shop with real trolleys and real music piped up and down the aisles. Callaway is convinced that online research is highly valuable, because respondents take part when they have time to do it properly. "I swear, you get better data," she says. "If you listened to the focus groups, you'd think we never sold a box of sweetened cereal. There's an element of candour online that you don't get otherwise. That's priceless."

FIGHTING FIRE WITH FIREFIGHTERS

At Coca-Cola, new sources of insights are being tapped. Socorro says that to better understand, say, moving faster than the market, firefighters (whose success depends on speed and action under pressure) might be interviewed. But, he says, the emphasis is not so much on doing new things but in putting research results to better use. "We're focusing on aggregating our information," Socorro says. "Data and information and insights are only half of the story – if it doesn't create any impact on our business, it's useless. We need to combine data with experience."

"It's important to inspire people and our creative agencies," Socorro says. "It's stimulating them with the insights rather than just giving them the data. We show them what it really means."

HE WHO DARES, WINS

> "The application of research is also changing. Ethnographic research, for instance, led to the creation of a 1.5-hour film on the build-up to the South African World Cup. The film was created solely for internal use, in order to inspire the project's workers."

Other pioneering work includes the combination of qualitative research, ethnography and semiotics by Unilever for the Rexona deodorant brand in Russia. Women were saying they used deodorant every day, but sales did not bear this out. It was discovered through ethnography that deodorant was seen as an item for special occasions. Semiotics explored ideas of femininity, glamour, jealousy and aspiration. What resulted was a much talked-about ad campaign showing that 'regular' women could have an everyday luxury, and that the rich and famous could be let down by their body odour. Deodorant consumption increased 15% as a result.

A STUDY OF TOP PERFORMERS

North America

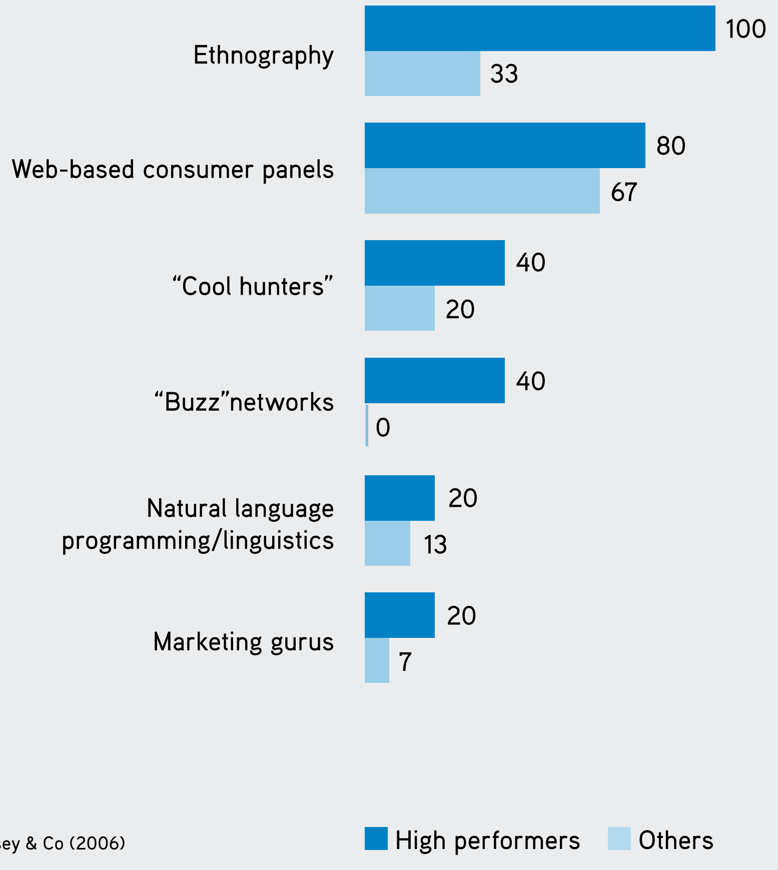
To understand how consumer goods companies are coping with increasing complexity, McKinsey research combined a survey of marketers at 20 leading North American consumer goods companies with a review of their relative market shares, growth rates, and new-product sales, as well as other metrics.

The study showed that whilst some leaders appear to be coping with today's challenging environment by experimenting with new media, new approaches to gathering consumer insights and more collaborative relationships with retailers, others are being left behind.

While the most successful companies had more senior and experienced people in their consumer insights teams, they were also investing more in non-traditional approaches to insight-gathering, charging 'cool hunters' with identifying market trends, for instance, or making concerted use of buzz networks online or in person.

Non-traditional research

Use of non-traditional research approach, % of divisions using given approach "somewhat" or "extremely" often



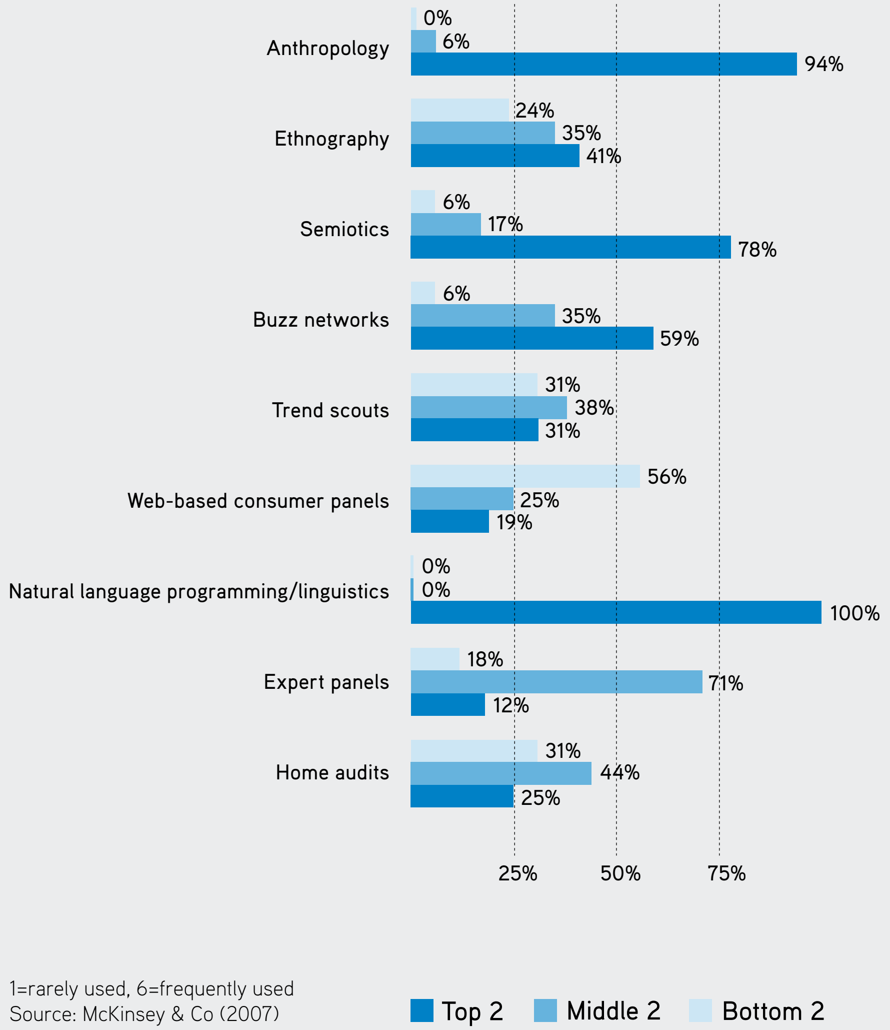
Source: McKinsey & Co (2006)

Europe

In Europe, the packaged goods benchmarking survey involved 13 companies with some 20 business units and included more than 200 respondents across a range of marketing roles, including head of consumer insights. High performers were defined by analysing key financial- and market-performance metrics, outperforming the others by at least two times in each measure.

Industry is pioneering use of non-traditional approaches but toolkit is still limited to a few techniques

Median of divisions averages, n = 16, Industry %

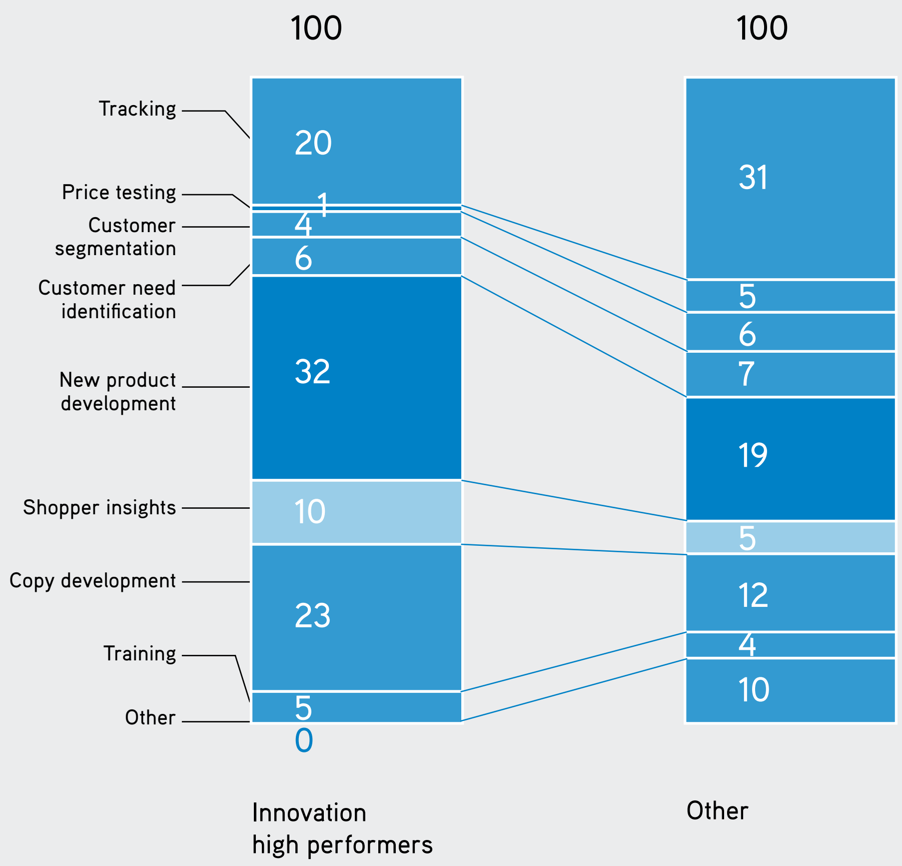


1=rarely used, 6=frequently used
Source: McKinsey & Co (2007)

McKinsey also found that high-performing companies – those outperforming the others by at least two times in each measure – spend significantly more time on new product development and shopper insights.

High performers spend significantly more time on new product development and shopper insights

Median of divisions averages, n = 18 divisions



Note: Average % of time by high performers and other companies
Source: McKinsey & Co (2007)

"FMCG clients are increasingly doing shopper insights work, looking at how they can influence decisions at the point of purchase" Bob Michaels, Synovate

4.2 RETAIL

The retail industry continues to consolidate in national markets, at the same time as consumer segments become increasingly fragmented. Retail formats are diversifying as time-poor shoppers seek not only a place to buy what they need, but a retail experience. Pressure on pricing and rising costs are being balanced against a pressing need to innovate.

Shopping is still far from being a universally consistent activity, as emerging markets move away from daily trips to the corner-store to less frequent visits to more modern supermarkets and hypermarkets. India, for instance, has over 12 million retail outlets, more than the rest of the world combined, serving 200 million households. This includes the small 'kirana', or general store, as well as hawkers, where each item is haggled over and bought individually.

In other, more developed markets, different forces are at play. In Ireland, for example, migrants from elsewhere in the European Union are now a significant and influential proportion of the shopping population; Poles alone account for 8% of employed people in the country. Their behaviour and how it differs from the Irish consumer has been studied in Ireland for its impact on grocery retailing.

"to offer a range of techniques – from accompanied shops and in-store interviews, to eye-tracking and in-store videoing." Danielle Pinnington, Shoppercentric

Specialist retailers are competing not only on range, price and convenience but on the quality of the shopping experience. The most successful global and regional retailers are working closely with their suppliers, and adapting to local needs with carefully planned layouts and store formats.

OFF-THE-RACK OR MADE-TO-MEASURE

The changing face of retailing means there's increasing call for research that unlocks some of the mysteries about what people do and buy in a way that there wasn't a decade or two ago. "Brand communication at the store was unnecessary except for a promotion or a price offer," recalls *Coca Cola insights leader Esteban Socorro*. "The connection with the consumer was already there and the brand experience would come when they tried the product. This was possible because there was minimal competition, and no significant differentiation within the category.

"But in today's world, which is full of products with multiple differentiated benefits and functional and emotional options, where everything can be copied or improved quickly, where thousands of other messages clutter your brand voice and 'confuse' your consumer, you cannot wait for them to try your product to have the full brand experience you are selling. The shopper wants a purchase that articulates efficiency, economy, knowledge, context and experience."

Retailers and manufacturers understand better the benefits of large amounts of data, sometimes from multiple sources, that can be studied in detail to inform marketing decisions. Insights on shopper behaviour – and their preferences before, during and after product purchase – are in high demand.

To help retailers and the owners of products sold at retail, there is an abundance of available data, particularly in the most developed markets, and analytical capabilities have improved exponentially in recent years.

Bob Michaels, senior vice president of Synovate in the US, says FMCG clients are increasingly doing shopper insights work, looking at how they can influence decisions at the point of purchase – something that's particularly apt in the current economic climate, and is especially powerful if it can influence the purchase of an item that's priced higher than the one the shopper had intended to buy. Being able to segment shoppers and target those for whom such equity in the store is available is now increasingly important.

KEEPING AN EYE OUT

Advances in technology, such as radio frequency identification, video, and digital eye tracking, are being combined with observational research, interviewing and purchase data to track shopper experiences and guide the success of in-store marketing activity.

Nielsen's new PRISM tool uses a combination of electronic monitors and human auditors to measure traffic throughout stores, generating an in-store equivalent of Nielsen TV ratings, including day parts and aisles in place of programs. It uses Nielsen scanner data to link those audience numbers with sales, and ties in with the HomeScan panel to generate analysis of the demographics.

Danielle Pinnington, managing director of retail research specialist Shoppercentric in the UK, says clients are recognising a need to work with a variety of behavioural and shopper-based specialists to generate the insights that can drive their business.

"This means we need to be able to offer a range of techniques – from accompanied shops and in-store interviews, to eye-tracking and in-store videoing – and so we are often pitching for work in partnership with other specialists in order to combine particular areas of expertise," she says. "This in itself reflects an increasing desire among clients to work with wthe real experts in the field rather than the larger agencies who have limited shopper expertise."

A multi-pronged approach to understanding consumers led to an overhaul in the layout of Acqua e Sapone stores in Italy through a project run jointly with one of their main suppliers, Procter & Gamble. The project drew heavily on "bio-feedback" from participating shoppers in real stores, measuring things like blood pressure, heart rate, perspiration and electrical impulses to create an 'emotional map' of the store, highlighting points of stress and areas where shopper attitude is likely to change. A lab-based eye-tracking study was combined with the store results for a redesign that led to significant lowering of shopper stress and improvement in excitement levels.

YOU BOUGHT THAT?

Pinnington emphasises the importance of interviewing shoppers to explain the 'why' behind the shopper behaviour being measured through these other, often hi-tech, means. *Thomas Schindlbeck, managing director of H,T,P, Concept GmbH in Germany*, concurs that the integration of tech-inspired research with the recent renaissance of ethnography is an indicator that listening, observing and empathy are more valid than ever … "and it's unlikely these qualities will be replaced by technical and computer-generated analysis any time soon".

Pinnington sees the desire for a greater understanding of the effectiveness of in-store marketing as a key driver of retail research in the future. "Clients are looking for data beyond sales, in order to measure the impact on shopper decisions and attitudes, and so develop business practice principles that can inform future campaigns and achieve greatest ROI," she says. "This is likely to lead the design agencies to use research to develop or support the campaigns they pitch to clients, creating a whole new client-base for shopper research."

New technology and the need for new insights into what makes shoppers tick – and naturally what makes them buy – mean there is significant untapped potential in retail research.

Francesco Gallucci, CEO of 1to1lab Italy, and Rosario Stingo, manager of P&G Italy, who were behind the Acqua e Sapone research, say: "The emotional experience is a new, mostly unexplored world: we still have work to do in order to fully understand its potential and opportunities."

"As these economies grow and mature, the mix of medical needs will become more similar to the current developed world, and the portion of the population with access to innovative and higher-priced medicines will grow steadily"

Adel Al-Saleh, IMS Health

4.3 PHARMACEUTICAL / HEALTHCARE

The healthcare sector is growing on two fronts. First, the established healthcare industry is benefiting from increased demand in emerging markets, the increasing popularity of privately funded care, and from the demands of ageing populations in many mature markets. At the same time, the definition of health is broadening, and products and services that have not previously been thought of as connected to healthcare are starting to see themselves as contributors to consumer wellness.

Pharmaceutical companies are partnering with life sciences firms to bolster research and development pipelines. Glenmark Pharmaceutical is working with Dyax to identify biological entities for its three targets in cancer treatment, for instance, while Nicholas Piramal is working with Eli Lilly for drug development in treating metabolic disorders.

The focus of innovation is moving from primary care to specialist areas. Asian countries, which are increasingly significant consumers of pharmaceuticals, are seeking to compete as producers with North American and European giants. PricewaterhouseCoopers' "Gearing up for a Global Gravity Shift" report on the pharmaceutical sector in Asia says China, India and Singapore are poised to become leading countries in this arena, with

"Research companies that aren't used to working with healthcare clients – and some of the ones that are – need educating on the regulations governing this sector. That impacts the way projects are done, the timing, and there are some questions we just can't ask." Julie Curphey, Pfizer

India and China already having emerged as major suppliers of several bulk drugs, producing them at lower prices than can be achieved elsewhere.

Winning strategies will focus on meeting patients' unmet needs whilst understanding the influential role of doctors and other healthcare professionals.

Specialist health sector market intelligence and consultants IMS Health says growth in 2007 returned to the slowing trajectory it had been on for the past four years before interruption by strong growth in the US in 2006.

IMS president for EMEA, Adel Al-Saleh, says this slow growth was largely driven by the genericisation of major therapy areas, moderating growth from new medicines emerging from the research and development pipeline, and benefiting from the ongoing expansion of access to medicines, especially in lower-income countries. The global prescription market last year grew 6.4% to US$712 billion based on sales, a jump of $178 billion over the past five years.

SWEET REMEDIES

The lion's share of research spend will continue to be by pharmaceutical firms. In a dynamic and complex market, detailed understanding of sub-sectors and segments is needed from research and development and to support strategies on launch, pricing and market access, lifecycle planning and expiration.

However, *Francesco Morace, president of Future Concept Lab in Italy,* says:

"The definition of health among consumers is broadening with a trend towards 'virtuous hedonism, in which health means not just physical health but happiness and psychological wellness."

"Wellness is not just a relaxing spa and taking care of the body but something much more connected with the psychological condition. It's a sort of cultural challenge, and this is now true in many different categories. Already we're seeing the convergence of cosmetics and pharmaceuticals," he says. Chocolate, for instance, has always been an indulgence, certainly not a health food product, but Morace says that the right kind of chocolate – with the right ingredients and the right production process – could be seen as a contributor to wellness and happiness. "Not all chocolate, and not for all consumers, but in a way, it's changing the whole idea of diet."

This kind of evolution in highly varied products and services will have a knock-on effect for traditional healthcare suppliers, which Morace says will need to use more ethnography and anthropology to get the right balance between science and user experience, with greater attention paid to things like colour, packaging and the materials being used. "What's really important is to understand what is health for people in their daily lives," says Morace.

PATIENT POWER

Consumers are also taking increasing control over their medical treatment, something that impacts the way prescription drugs are supplied. *Julie Curphey, Business Intelligence team leader at Pfizer UK,* says that because some Pfizer products are more lifestyle drugs rather than life-saving ones – think Viagra – patients are going to their doctor asking for a particular drug they think is appropriate for their treatment.

"They're more empowered about their healthcare … there's an increasing need to understand the patient and understanding how they're feeling but the holy grail of healthcare is how to get people who are prescribed drugs to actually take the drugs. "This means we're doing work with agencies who are great at doing work with consumers on FMCG products," Curphey says.

Research companies that aren't used to working with healthcare clients – and some of the ones that are – need educating on the regulations governing this sector. "That impacts the way projects are done, the timing, and there are some questions we just can't ask. We're getting very, very tough on agencies that don't want to comply with that, and there are lots that don't. They just don't get the importance and the seriousness of it."

At Hoffman La Roche Pharmaceuticals in Canada, *group market research manager Jacqueline Mohamed* says online research is being used more widely, though the limitations of online in specialist populations must be taken into account. The company, which has been shifting its focus from primary care to oncology, is keenly aware of the dangers of using small samples offline too.

"We're having to rely more heavily on chart audits to measure market share and other KPIs," Mohamed says. "There are, however, inherent biases with the use of chart audit data and given the small universe of physicians, even collecting the data is becoming more and more difficult. One begins to question the quality of the data."

GOOD PROGNOSIS

The United States remains the single biggest market for healthcare, but growth is far faster in Latin America—Brazil and Mexico are now significant contributors to the industry—while in Asia, China, India and Korea are also posting growth of well over 10% a year. China was up 25.7% last year alone, according to IMS.

"As these economies grow and mature, the mix of medical needs will become more similar to the current developed world, and the portion of the population with access to innovative and higher-priced medicines will grow steadily," says Al-Saleh.

He says that despite the reduced number of new chemical entities reaching the market each year, the number of products in development continues to grow by about 12% a year, providing potential for future industry growth.

"In a dynamic world of generally decreasingly loyal behaviour and an increasing curiosity for the new, the customer experience becomes the most critical driver of customer loyalty." Stephan Thun, Maritz Research

4.4 AUTOMOTIVE

The motoring industry is coming under severe pressure on many fronts; pressure that's intensifying as oil prices continue to post new record highs this year, and as environmental concerns become truly mainstream. Consumers are questioning not only whether to make a big-ticket purchase at the moment, but whether they should be running a motor vehicle at all. Gas-guzzlers are being traded for hybrid vehicles and smaller, more efficient models in mature markets.

While growth in developed markets is slow and hard-won, with intense competition and often slim margins, there are huge opportunities in developing markets, particularly Latin America and Asia, where exposure to international brands is giving consumers choice like never before, and where the new middle classes are keen to exhibit their status by upgrading from two wheels to four.

Global vehicle production is still growing – there was a 5.1% increase last year on 2006 – but production is shifting closer to demand. In North America, for instance, vehicle production last year was 3% lower than a year earlier, reflecting a similar sized drop in sales there. Production in Europe – increasingly in 'new' European countries such as Slovakia and the Czech Republic – grew 14.3%, though sales were up just 8.4%.

"... instead of running customer satisfaction programs separately from health check studies, clients are increasingly seeking to bring both elements together into one connected framework." Andrew Turton, TRG iSKY

Production and sales were up more than 7% in Asia-Pacific, and in Central and South America, 14.3% more vehicles were made, and sales shot up 21.9%, according to figures compiled by Automotive News.

NEW PRIORITIES

Manufacturers are reducing production costs by sharing vehicle platforms across multiple models and thereby managing margins, which have been hit by the rising cost of labour, energy and materials. Technological innovation is being used to differentiate products, and strategic alliances formed to harness future demand for more environmentally friendly vehicles. Already, sales of pick-ups and sports utility vehicles have been declining significantly, and the range of small cars is growing.

Tord Hermansson, director of market intelligence at Volvo Car Corporation, says the difference in how cars are received in different markets is not to be underestimated. "Our S80 model is seen as quite a large car in Italy but the US customer still considers it too small," he says. "Estates are popular in the EU but they're a non-existent market in China at the moment."

Meanwhile, in the US, the growing appeal of city-centre living to the so-called 'creative classes' is leading to a different approach to marketing – think BMW's shift away from its usual focus on performance with its 'not taking risks is risky' advertising. *Kevin Joostema, SVP of GfK Automotive US,* says manufacturers are thinking beyond cars to alternative mobility solutions for people who are joining car-sharing schemes or only use a car at the weekends. Rear-facing passenger seats and lounge-style interiors are likely to eventuate for certain target consumers, he says.

Consumers' needs are changing quickly, leading to faster production cycles for new vehicles and facelifts of existing models. "In a dynamic world of generally decreasingly loyal behaviour and an increasing curiosity for the new, the customer experience becomes the most critical driver of customer loyalty," says *Stephan Thun, Maritz Research's VP and managing director Europe*. Manufacturers are working to create brand-specific customer experiences as a critical differentiator, an experience that's consistent across varied communication and distribution channels.

LASTING LOVE AFFAIR

> There is a wealth of historic data available to the automotive industry, covering market development and the changing appetite for different types of vehicles. This, combined with social-cultural and psychological trend analyses is being used to support product design and development, launches and brand positioning.

Andrew Turton, CEO of TRG iSKY (North America), says manufacturers' now-acute need to retain existing customers in places like North America and Europe calls for research approaches that treat the brand relationship holistically, uniting brand and operational metrics.

"So, instead of running customer satisfaction programs separately from brand health check studies, clients are increasingly seeking to bring both elements together into one connected framework," Turton says. "Understanding the extent to which customers are truly connected to a brand – as opposed to merely satisfied with the product or service – is particularly valuable in the context of the current macro dynamics of the automotive sector; this kind of understanding will inform pricing strategies, product development decisions and of course, marketing communications expenditure."

Thun says the current focus of customer experience assessment on people who've actually bought – rather than potential buyers and rejecters as well – must be changed; smarter ways of integrating survey data with other CRM data must be generated to help retailers and manufacturers drive satisfaction and, ultimately, profitability.

Researchers also need to be more nimble. "Consumer behaviour is much harder to predict, and many customer decisions seem to be – and some in fact are – irrational," Thun says. "Researchers need to come up with innovative, new tools to get under the surface of consumer wants and needs, and understand their emotional drivers." Consumers' attitude to the environment is a vital one to interpret correctly; the short-term impact of environmental concern can easily be overstated, since consumers may feel compelled to say they care, without having any real plans to change what they do.

> "It's important for researchers to help car manufacturers understand the speed with which customer preference can turn into actual behaviour – that is, the purchase of green technology – to help clients identify and demonstrate a possible return on investment," says Thun.

ON YOUR BIKE

In India, one of the fastest-growing markets in Asia, motorcycle manufacturer TVS Motor Company is finding that while a recent boom in the range of brands available to consumers has stimulated desire for vehicles, what matters to consumers has changed little.

"The guy who bought a Mercedes will be on the golf course discussing the mileage he gets out of it, and there's a sense of pride in that," says *TVS head of consumer insights Ranjan Samanta.* "To be the right choice, the decision has to make sense and be good value, and that's defined by how long it lasts and that it works well, and that it makes financial sense. After that comes comfort and then style."

Samanta says TVS is increasingly doing research at the product development stage – and with people who've never owned a car or motorbike before – rather than doing the bulk of surveying at the time of launch, as has previously been the case.

Ethnography – spending time with people in their homes – coupled with diary research generated a valuable insight into female potential consumers. "Many women don't come from a background where they know how to ride a bicycle, so they don't know how to balance and they think they won't be able to ride a scooter," recounts Samanta. "So, while they'd love one, they don't buy one because they don't want to have to be taught by their brother or another male relative." TVS's response was to position an easy-to-ride scooter at the female market with a balancing wheel at the back for stability, supported by a learn-to-ride school taught by women.

Volkswagen AG is another to use ethnography – in the form of ride-alongs in the backseat of people's cars – to observe what they call 'normal' use of a car and to foster new ideas to increase car usability. Observers looked at things like what made installing a child's seat difficult, and where people tended to put their mobile phones and wallets when they drove.

VW has also ventured down the Web 2.0 road, collecting customer opinions about the brand, and a particular new model in the pre- and post-launch phase, from relevant blogs and online communities. These areas were screened for comments on the VW car and competing models, with the findings used to inspire communications and the development of future models.

BETTER MILEAGE

> This is a mature segment within the information industry, offering more modest growth potential than other sectors.

The biggest growth opportunities are in the emerging markets – car ownership stands at just 9% in China and 6% in India, according to Nielsen figures, compared to more than 90% in the US – though the need to retain customers in mature markets is also driving demand.

"Research needs to help brands to connect to customers in a world of multi-channel communication, and invest in smarter technology to collect, connect and analyse data from surveys, web forums, text and video blogs and integrate this with other business metrics," Thun says.

"The automotive industry is under quite a threat … and the research industry needs to focus on helping clients take decisions which lead to selling higher quantities, selling at higher margins, or reducing costs."

"It's important not to get myopic and just look at payment and cards. Extra research gives us a broader perspective on how consumer attitudes, behaviours, needs and values are changing." Tracy Hampton, Visa

4.5 FINANCIAL SERVICES

Globalisation, industry consolidation and consumer technology are transforming the financial services industry. The economic turmoil that has squeezed inter-bank credit and the affordability of mortgage products over the past year has also undermined public confidence in institutions that had previously been seen as pillars of society.

External factors, such as the ageing population in many developed markets, mean there's demand for new kinds of services, but those needs are diverse. In some markets, there's still customer nervousness about credit cards and borrowing; in others, where customers are long accustomed to shopping with plastic, they are demanding faster and more convenient ways to pay.

The growing popularity of transacting online means that for many customers, there's little need to ever step into a branch, making brand differentiation a bigger challenge than ever before.

When face-to-face contact is required, it's likely to be for a more complex purpose, and the consumer experience available at the branch needs to reflect this. The nature of

"Brand research now looks at a broader assessment of reputation. That doesn't really involve new methodologies but different stakeholder groups, so it's the first time we've done research like this with analysts, investors and policy makers."

Oliver Loch, UBS

the relationship between institution and client is therefore varied and complex.

Sam Thayer, global finance sector head with TNS, says the credit crunch had surprisingly little impact on first-half financial research, given that most of it had been assigned long before. "We've had some programmes cancelled, but it hasn't been as significant as we expected," he says. "It's inevitable that all of these cuts are going to hit research and it's very hard to estimate how much, but it will be more of a second-half effect."

Asia is an especially fast-growing market for financial services. *Piers Lee, managing director of Kadence Asia*, says the wealth management sector in particular has been surging ahead. In Singapore, for instance, total banking assets under management rose from about US$92 billion in 1998 to about $350 billion in 2004, and has risen further since.

SEEING THE BIGGER PICTURE

Financial services research tends to focus on retail or mass-market banking, looking at customer satisfaction – mystery shoppers are a common starting point – and brand tracking. More financial clients are looking at how their brands are being affected by the market turmoil, but Thayer says the main source of research revenue continues to be tracking overall customer/prospect brand perceptions and satisfaction.

"Traditional customer satisfaction measurement is morphing into customer experience measurement; requiring us to fuse our traditional customer satisfaction/loyalty and brand research capabilities." he says.

Oliver Loch, global head of brand research at UBS, says their brand research now looks at a broader assessment of reputation. "That doesn't really involve new methodologies but different stakeholder groups, so it's the first time we've done research like this with analysts, investors and policy makers," he says. Smaller sample sizes mean different techniques of data analysis, and often a different approach, are required to get hard-to-reach interviewees to cooperate at all.

Industry-wide, there's also a growing focus on business intelligence, and integrating attitudinal and behavioural data to generate truly actionable insights, something that's long been talked about but is only just starting to happen.

"Credit card companies have probably gone the furthest with this," Thayer says, combining their databases on customers' prior transactions with targeted research to examine how and why clients use their cards the way they do. "Linking what people say to what people do is very powerful."

Visa USA has been looking beyond its traditional research boundaries to generate new customer insights. "It's important not to get myopic and just look at payment and cards," says *Tracy Hampton, SVP research services*. "Extra research gives us a broader perspective on how consumer attitudes, behaviours, needs and values are changing." Findings on the importance to shoppers of speed and convenience have fuelled development of a contact-less card and a system under which there's no signature required for purchases under $25.

At *Standard Chartered* in Singapore, *Susan Burrell, head of client research, Wholesale Bank*, says there's also a shift in the balance between the big picture and the fine detail. "We are continuing the shift away from syndicated market surveys and allocating more spend towards tailored surveys that focus on our key clients in our priority countries, giving us deeper insights into the needs and behaviours of the clients we care the most about," she says. "We are doing more forward-looking research in addition to our regular tracking studies, to give us clearer direction for future product development."

BANKING ON NEW GROWTH MARKETS

When asked about the potential for growth in this sector, Lee says that about 40% of financial services clients intend to spend more in the near future, while 10% plan to trim research budgets. What this doesn't include, however, is those businesses that are yet to begin research programmes but are likely to soon.

"There are also considerable opportunities for more product innovation, such as flexible mortgages, cross-selling (banks selling insurance and vice versa) and channel development, like internet and mobile banking, all of which will drive further demand for research," Lee says.

Loch stresses, however, that client demand is not just for more research but for more robust research. Quality has slipped over the past three to four years, he says. "I don't know why; I guess it's cost pressures and cutting corners, but there was a time when if there was something unexpected in a research report, we'd get excited and try to interpret it," Loch says. "Now, if there's something unexpected, we go back and ask them to check the data and the process to see that everything's right. Usually you find someone's got the coding wrong – they ticked the wrong numbers or something like that."

Sources of new business, Thayer says, are not just in the traditional areas of research competency like brand and communications, but also in the so-called BRIC markets (the fast-growing economies of Brazil, Russia, India and China), helping clients understand how to conduct research in these countries.

Burrell says corporate clients are looking for non-traditional banking products such as structured investment solutions, or products to help them manage their currency and interest-rate risk and supply chain financing as they adapt to different ways of trading in new markets. Standard Chartered has therefore commissioned research to understand their needs in markets across Asia and the Middle East.

"We're also seeing more demand for Islamic banking products," says Burrell. "We've adapted our research to capture feedback on clients' interest in these products, and to monitor our success relative to competitor banks in meeting client needs," she says.

In Asia, Lee says few of the international banks that have recently moved into the region are doing much market research there so far. "The barriers to research are lack of in-house knowledge of marketing, let alone market research, and also a strong culture of traditional banking practices, and internal cost cutting. There's also been little attention given to packaging their products, with a focus on just lending money." While they may be offering innovative credit card products, this is built mainly on research done by the likes of Visa and MasterCard. The reverse is often true for unit trusts, however, with fund managers sometimes relying on distributor banks to give them feedback on the market.

"We want to know more and more about individuals, and we want to know more without having to ask. The more passively we can measure consumers, and on as large a scale as possible, the better." Isabelle Le Roy, Havas Media

4.6 TELECOMS, MEDIA AND ENTERTAINMENT

In a climate of international media ownership consolidation, there is intense competition resulting from technological integration and convergence between telecommunications and broadcasting. Media consumption is fragmenting, there is a shift from print to digital publishing, from linear television to on-demand services on new platforms, and the internet is the fastest-growing medium for advertising expenditure in most markets in the world.

The most successful companies on the new media stage are likely to be those that can best adjust their business models to use the internet, manage security and intellectual property issues, and make well chosen acquisitions of new innovative technologies and companies.

It's clear that consumers are no longer passive recipients of media but participants in it and, increasingly, creators of it. They are empowered by technology and are able to engage with media and with brands as never before.

PricewaterhouseCoopers' Global Entertainment and Media Outlook predicts that by 2010, broadband adoption will total 433 million households worldwide. The Pew Internet & American Life Project shows that in the US alone, 75% of internet users use instant messaging, 38% read blogs and 22% have their own web pages. In Japan,

"It's pretty clear to me that probably within the next two to three years, there's probably going to be eight or 10 different companies out there offering smaller scale versions of single source media measurement." Kevin King, Philips

almost everyone has their own blog and updates it via mobile.

"The most fundamental shift in the history of media usage is upon us," notes PricewaterhouseCoopers' report "How to Capitalize on Lifestyle Advertising". Advertisers are now able to drill much deeper into consumer habits and preferences, and the 'social renaissance' taking place is creating unprecedented opportunities for the advertising industry. But rather than speak at segmented groups of mass consumers, brands, PwC says, need to position themselves within the lifestyle of individuals.

It is now widely acknowledged that media spend is out of step with consumers' use of media; online and mobile adspend, while fast-growing, still lags way behind spend on traditional media outlets in most markets.

'Old' media are far from extinct however, and are embracing cross-platform opportunities to deliver content and advertising, as evidenced by ad sales initiatives between newspapers, Google and Yahoo, as well as partnerships to publish classified ads with Monster.com.

TERMS OF ENGAGEMENT

This new media landscape demands new tools of measurement, combining data from multiple sources and using metrics that can be comparable between different media. Not only that, but data must be available fast, as advertisers and their agencies seek increasing accountability and the ability to make business decisions based on media research in real time, rather than just in time for their next product or campaign launch. And, with consumers frequently using several media concurrently, there must be a way of measuring engagement; for example by putting into perspective the attention someone gives a poster they glance at, compared to an email message from a trusted friend.

The 'cost per thousand' metric based on reach and frequency in traditional media is growing redundant. "It's a paradox with still work with metrics invented nearly a century ago – gross ratings points - or technology from 20 years ago," says *Isabelle Le Roy, director of innovation at media agency Havas Media*, "but finally things are changing now. We want to know more and more about individuals, and we want to know more without having to ask. The more passively we can measure consumers, and on as large a scale as possible, the better."

This view is widespread. Indeed, the World Federation of Advertisers' blueprint for consumer-centric holistic measurement says research initiatives that match the blueprint must be customer-centric, multi-media, and provide information and criteria beyond simply media exposure.

Aside from the now-abandoned Project Apollo in the US, such studies include Touchpoints in the UK, Mindset in Germany, Media in Life in France, IBOPE in Brazil, SIMM in the US and Media Monitor in Italy.

NAME YOUR PRICE

Online, cost-per-click and even cost-per-action advertising payment models are evolving, but PwC points out that today, effective advertising now is about not just being seen but influencing consumer behaviour. Measurement companies such as BuzzLogic and Onalytica in the US, and Culture-Buzz in Europe, have devised metrics for influence, mostly based on links to blogs. Measurement tools that also take in online discussions are clearly not far away.

A Simmons Symmetrical study has already covered measurement of 76,000 respondents in a year, as well as 1,000 media vehicles including television, web sites and magazines. The growing popularity of streamed TV viewing online in the Netherlands, meanwhile, has led to the development of new video analytics that measure this new kind of media consumption, reporting on viewing of original transmissions, time-shifted viewing and viewing of material only available online.

It was Project Apollo, however – the Arbitron-Nielsen project sponsored by most of the world's biggest advertisers – that had been the leading light in this area. Now abandoned, Apollo had set out to meet advertisers' demand for better, more comprehensive single-source media measurement.

KEEP ON COUNTING

Few think that the end of Apollo is the end of what Apollo was designed to achieve, however. Media measurement of the future – even the near future – is likely to be based on measures that can be determined without consumers having to keep a diary or a good memory of what they've consumed, and is likely to measure several media at once. "There's a huge road ahead for quantitative work and analytics," says Le Roy, pointing to portable people meters and radio frequency-based measurement devices as a sign of things to come.

Kevin King, senior manager, Communications Intelligence, Philips Consumer Lifestyle Sector, USA, says media plans that are fixed and paid for six months in advance are no longer satisfactory; media measurement that allows for true flexibility in planning and buying is on the way, but what's on offer currently is either still too slow to be as useful as it should be, or simply too expensive for clients.

"The opportunity really is for people to give this kind of data back in a more efficient and cost effective way, and someone's going to figure that out."

He is one who sees the future rising from the ashes of Apollo. "Project Apollo, as it was originally envisioned, was way too grandiose; it was trying to do too much," he says, but single source is not going away, in spite of the early failure of Apollo.

"It's pretty clear to me that probably within the next two to three years, there's probably going to be eight or ten different companies out there offering smaller scale versions of single source media measurement."

Guillermo Oliveto, general manager, CCR Group/IRI, Argentina, warns that technology does not necessarily change what drives people – they still dream, love, talk, seek out power, laugh and cry –so researchers must take care not to throw out the baby with the bath water.

"The best thing we can do, as researchers, is to understand as soon as possible, how any new innovation in media affects people's life, and if it really creates a new behavior or if it just a new way to do what we always did just in a different way"

he says. "We have to ask ourselves two critical questions: What is changing? And just as important, what is not changing? Once we could answer these questions, we will be ready to think about our toolkit."

V. THE TOP 25 MARKET RESEARCH COMPANIES

Just seven firms propelled most of the growth in the list of the world's top 25 largest market research firms, each growing 11% or more.

FEW DRIVE GLOBAL GROWTH

By Laurence N. Gold, Editor & Publisher, INSIDE RESEARCH

Just seven firms propelled most of the growth in the list of the world's top 25 largest market research firms, each growing 11% or more.

These firms – Cello Research & Consulting, comScore, Lieberman Research Worldwide, The Nielsen Company, The NPD Group, J.D. Power and Associates, and OTX - which accounted for nearly 30% of Top 25 revenues and 20% of global spending, had combined growth of over 13% in 2007. By contrast, the remaining 17 firms had combined growth of 5.6%, or just 3.0% above estimated worldwide inflation. Global spend growth for 2007 came in lower than either, at 3.9%.

This disparity speaks to the changing nature of the global research market. Three are driven exclusively by online research methods which barely existed five years ago. Three are driven by syndicated service offerings which account for a growing share of worldwide spending. NPD is in both groups: online and syndicated.

GLOBAL TOP 25 FIRMS

Once again Nielsen is at the top of the rankings as they have been for the last eight years, and at a steady share of 24% of Top 25 revenues. A testament to its pervasive influence is its revenue increase of $524 million, or 26% of the $2.0 billion increase in overall Top 25 growth. IMS Health held on to its second place, but barely, despite its steady stream of acquisitions, with seven in 2007. TNS, with its own steady stream of ten acquisitions, nearly regained second rank lost last year to IMS.

GfK, which lost its fourth place ranking in 2006 to The Kantar Group, regained it by a slim margin by virtue of Kantar's slow growth in 2007, half that of GfK. Otherwise the rankings for the next ten firms were unchanged from last year.

At the bottom of the list four firms gained ranking, three for the first time. Cello, Market Strategies, which regained its 2005 listing, and BVA attained listing primarily via acquisitions while OTX was driven purely by organic growth. Dropping off the list this year was Telephia, which was acquired by Nielsen, Nikkei Research, Abt Associates and Burke, the latter three not growing fast enough to make the cut.

Seven firms lacked sufficient growth to overcome worldwide inflation of 3.0%, and four of them registered a drop in revenue from 2006 to 2007. The largest percent gains came from two firms, both conducting online research, comScore and OTX, growing over 30% each.

This global Top 25 list and ranking was verified by each firm's public record or outside auditors. Verification each year since the list was first compiled in 1995 by the U.S. market research newsletter, *Inside Research*. The list is published in the U.S. American Marketing Association's *Marketing News* magazine, this year on August 15.
IR also compiles M&A activity from each of its issues.

ACQUISITION INFLUENCE DOWN

Bottom line organic growth of the Top 25 firms was 7.7%, much stronger than last year's 5.1%, but still below the six year benchmark rate of 8.6% between 1005 and 2001. After worldwide inflation, this year's net organic growth was 4.7%, well above the average annual after inflation rate of 1.6% over the last five years. So 2007 growth rate is a positive exception to the recent history of the Top 25.

	GENERIC*	+M & A's	=TOTAL	NET**
2007	7.7 %	1.4 %	9.1 %	6.5%
2006	5.1	3.5	8.6	6.4
2005	5.4	4.5	9.9	7.4
2004	4.8	1.1	5.9	3.4
2003	1.4	3.6	5.0	3.0
2002	2.3	4.2	6.5	4.9

* Generic excludes effects of M&A's (acquisitions or divestitures); all exclude currency effects.
** After WW inflation.
Note: Growth rates based on home country currencies.

This occurred while mergers and acquisitions, normally a major driver of overall growth, played a smaller role in 2007 growth, just 1.7%. Combining M&As with generic (see Table below), this year's total growth of 9.1% is at levels similar to the last two years and well above the three years before that. So generic growth, highest in the past five years, played the pivotal role in 2007 as the main driver of growth.

Not that M&A's have lost their luster among Top 25 firms. Fourteen grew their revenues primarily via acquisition in 2007, buying 55 mostly small marketing research firms which, at the time of their acquisition, had annual revenues of over $400 million. Last year there were just 28 M&As involving Top 25 firms, some generating large annual revenue.

It's not likely this slowdown in M&A contribution to growth will continue. Research firms have come to realize that this is an important growth component for large research conglomerates to answer their clients' demand for global services.

It's not likely this slowdown in M&A contribution to growth will continue.

For smaller firms on the list, it's a means to gain size and mass, as a first step toward becoming truly global.

Providing the wherewithal to achieve this can take two directions. Becoming or being public gives access to money private firms don't have without large equity and control demands. Thirteen of the Top 25 are public or units of public companies, with comScore being the most recent. The other direction is private equity, with four now owned or controlled by them. Market Strategies became the most recent, and proceeded to make two acquisitions shortly after their own acquisition, funded by their new owners.

THE MARGIN EFFECT

Twelve of Top 25 firms are listed on stock exchanges around the world. As a result, their public finances makes possible disclosure of their profitability, along with eight others. It ranges widely.

Private equity firms have become interested in the research industry as a profitable investment.

Firms with primarily syndicated services that have monopoly positions, such as Arbitron and IMS, generated net profits in the 10%-15% range over the last few years. Internet driven public firms, both on the Top 25 and smaller ones, such as comScore, YouGov, and Macromill, achieved levels in the range of 15%-20% or even higher, though some, such as Harris Interactive, Greenfield Online, and Research Now, were below 10%.

The balance of the firms are driven primarily by survey research services, or a combination of survey and syndicated services. These include Ipsos, TNS, GfK, Kantar and Synovate. Net/operating margins here run 5%-10%, attesting to the competitive nature of these firms. All are global which can make cost control difficult.

All 20 public firms, including Top 25 and smaller ones, had positive net or operating profits in 2007. It is also encouraging that 12 had profits higher in 2007 than 2006, with the balance generating lower profits, possibly due to unforeseen or uncontrollable costs.

Finally, all 20 firms had revenue increases in 2007, with smaller firms generating high growth rates than larger ones lower growth.

These results reflect a growing industry with sufficient profits for investment to continue growing in the future.

MORE EMPLOYEES

Top 25 firms had nearly 105,000 full-time employees in 2007, an increase of 5.4% over 2006. With 9.1% increase in revenues including acquisitions, this could speak to greater productivity and/or efficiencies, in part due to outsourcing backroom work to lower-labor cost countries like India and Philippines.

For example, Nielsen and IMS have let go thousands of employees within past 18 months. Last October, Nielsen announced it would outsource part of its IT operations to India's Tata Consultancy Services in a deal valued at $1.2 billion over 10 years. While this move is extraordinary, it also symbolic of cost-cutting efforts of world's largest firms to remain competitive and profitable. Note that Nielsen's largest rival, IRI, has strong ties with EDP/programming resources in India through companies controlled by its owner Symphony Technology Group.

Few of Top 25 CEO's have career presence and skills associated with traditional research, especially the large ones. Only a handful are headed by researchers or have some experience in research, and those ranks are thinning. Instead, the research industry is now mostly headed by "outsiders" who see themselves as financial players in information industry, with all that implies.

WHERE IS THE TOP 25 GOING?

First, expect consolidation to continue, especially for the Top 25. At this writing, TNS is "in play" with two possible suitors – GfK and Kantar's parent WPP – jockeying for position. Others in and outside the research industry have been eyeing Synovate and possibly Ipsos.

Also, expect consolidation among the newer industry players, such as the online firms, which may have a tough time growing in the future. Competitive pressures, especially price, will force online sample companies to combine, as with the recent acquisition of Common Knowledge by ToLuna.

Private equity firms have become interested in the research industry as a profitable investment. Two sold recently – Market Strategies and pending Greenfield Online – to investors, and more is expected as they see the potential and are willing to use their own funds to grow their acquisitions.

With consolidation a near certainty, expect the Top 25 and the industry as a whole to become even more concentrated.
The likely scenario for ten years out is for a handful of research conglomerates controlling worldwide research together with smaller research boutiques surviving on intellectual capital.

Top 25 Global Research Organizations

Rank 2007	Rank 2006	Organization	Headquarters	Parent Country
1	1	The Nielsen Company	New York, NY	USA
2	2	IMS Health Inc.	Norwalk, CT	USA
3	3	Taylor Nelson Sofres Plc.	London	U.K.
4	5	GfK AG	Nuremberg	Germany
5	4	The Kantar Group*	London & Fairfield, CT	U.K.
6	6	Ipsos Group S.A.	Paris	France
7	7	Synovate	London	U.K.
8	8	IRI	Chicago, IL	USA
9	9	Westat Inc.	Rockville, MD	USA
10	10	Arbitron Inc.	New York, NY	USA
11	11	INTAGE Inc.**	Tokyo	Japan
12	12	J.D. Power and Associates*	Westlake Village, CA	USA
13	13	Harris Interactive Inc.	Rochester, NY	USA
14	14	Maritz Research	Fenton, MO	USA
15	15	The NPD Group Inc.	Port Washington, NY	USA
16	17	Opinion Research/Guideline Grp.	Omaha, NE	USA
17	16	Video Research Ltd.**	Tokyo	Japan
18	18	IBOPE Group	Sao Paulo	Brazil
19	19	Lieberman Research Worldwide	Los Angeles, CA	USA
20	21	comScore Inc.	Reston, Va.	USA
21	–	Cello Research & Consulting	London	U.K.
22	–	Market Strategies International	Livonia, MI	USA
23	–	BVA Group	Paris	France
24	–	OTX	Los Angeles, CA	USA
25	22	Dentsu Research Inc.	Tokyo	Japan
		Total		

* Estimated
** For fiscal year ending March 2008
1 Includes some non-research employees
2 Total revenues that include non-research activities for some companies are significantly higher.
3 Rate of growth from year-to-year has been adjusted so as not to include revenue gains or losses from acquisitions or divestitures.

Rate of growth is based on home country (domestic) currency and includes currency exchange effects.

Full-time Employees[1]	Global Research Revenues (US$m)	Change[3] %	Revenues[2] from Outside Home Country (US$m)	%
33,171	$4,220.0	12.7%	$2,047.0	48.5%
7,950	2,192.6	6.0	1,391.6	63.5
15,267	2,137.2	5.4	1,754.6	82.1
9,070	1,593.2	5.8	1,195.3	75.0
7,100	1,551.4	2.7	1,024.6	66.0
8.088	1,270.3	9.1	1,125.5	88.6
5,801	867.0	7.8	813.3	93.8
3,655	702.0	5.6	261.0	37.2
1,906	467.8	10.4		
1,130	352.1	6.9	13.6	3.9
1,666	281.1	7.5	2.5	0.9
875	260.5	12.0	76.0	29.2
1,336	226.8	-1.7	66.0	29.1
806	223.3	3.0	35.9	16.1
1,120	211.1	11.7	50.7	24.0
1,235	202.2	7.5	87.1	43.1
386	169.6	-1.1	0.2	0.1
1,743	116.5	0.4	25.0	21.5
324	87.5	11.1	16.4	18.7
452	87.2	31.5	10.1	11.6
400	79.9	11.0	38.8	48.6
311	61.8	10.8	6.0	9.7
620	55.6	-0.3	2.7	4.9
191	54.5	35.6	3.7	6.8
116	54.2	-10.4		
104,719	**$17,525.4**	**7.7%**	**$10,047.6**	**57.3%**

VI. KEY FINANCIAL FIGURES– TOP 10 COMPANIES

Profit and loss and key ratios for public firms.

Company	**The Nielsen Company**	
Headquarters	New York (USA), Haarlem (The Netherlands)	
Website	www.nielsen.com	
Listed on	Privately owned	
Leadership team	*David Calhoun*	Chairman and CEO
	Susan Whiting	Executive Vice President
	Brian West	Chief Financial Officer

(in US$m)	**2007**	**2006**	**2005**	**2004**
Revenue	4,707	4,174	4,059	3,814
Other income				
Total income	**4,707**	**4,174**	**4,059**	**3,814**
Cost of revenue	(2,112)	(1,989)	(1,904)	(1,772)
Selling and general administrative	(1,585)	(1,466)	(1,464)	(1,321)
Other Operating Expenses	(594)	(553)	(318)	(468)
Cost and expenses	**(4,291)**	**(3,771)**	**(3,686)**	**(3,561)**
Operating Profit	416	166	373	253
Non-operating income	(62)	(124)	(61)	189
Profit before tax	**354**	**42**	**312**	**442**
Interest income	30	19	21	16
Interest expense	(648)	(420)	(130)	(140)
Income before income tax expense	(264)	(359)	203	318
Income tax expense	(18)	49	(24)	(805)
Net Income	**(282)**	**(310)**	**(179)**	**(1,123)**

	2007	**2006**	**2005**	**2004**
Current assets / current liabilities	0.8	1.1	1.0	2.3
Equity / liabilities	0.3	0.3	1.0	0.7
Net income in % of operating revenue	(6.0%)	(7.4%)	4.4%	29.4%
# full time employees at year end	n/a	41,000	40,694	40,233
Net income / employee	n/a	(7,561)	4,399	27,919

Non-research revenue included

Company	**IMS Health Inc.**	
Headquarters	Norwalk USA	
Website	www.imshealth.com	
Listed on	New York Stock Exchange	
Leadership team	*David Carlucci*	Chairman and CEO
	Gilles Pajot	Executive Vice President
	Leslye Katz	Senior VP & CFO
	Kevin Knightly	SVP Business Line Management

(in US$m)	2007	2006	2005	2004
Revenue	2,193	1,959	1,755	1,569
Other income				
Total income	**2,193**	**1,959**	**1,755**	**1,569**
Cost of revenue	(1,173)	(850)	(759)	(668)
Selling and general administrative	(626)	(665)	(575)	(515)
Other Operating Expenses				
Cost and expenses	**(1,799)**	**(1,515)**	**(1,334)**	**(1,183)**
Operating Profit	394	444	421	386
Non-operating income	(44)	4	33	28
Profit before tax	**350**	**448**	**454**	**414**
Interest income				
Interest expense				
Income before income tax expense	350	448	454	414
Income tax expense	(116)	(133)	(170)	(129)
Net Income	**234**	**315**	**284**	**285**

	2007	2006	2005	2004
Current assets / current liabilities	1.0	1.1	1.5	1.7
Equity / liabilities	0.0	0.0	0.3	0.2
Net income in % of operating revenue	11.0%	16.1%	16.2%	18.2%
# full time employees at year end	7,950	7,400	6,900	6,400
Net income / employee	29,439	42,637	41,173	44,597

Company	**Taylor Nelson Sofres Plc**	
Headquarters	London (UK)	
Website	www.tns-global.com	
Listed on	London Stock Exchange	
Leadership team	*Donald Brydon*	Chairman and CEO
	David Lowden	Chief Executive
	Andy Boland	Finance Director
	Pedro Ros	Managing Director – Global Clients and Sectors

(in GBPm)	**2007**	**2006**	**2005**	**2004**
Revenue	1,068	1,004	999	945
Other income				
Total income	**1,068**	**1,004**	**999**	**945**
Cost of revenue	(299)	(284)	(281)	(274)
Selling and general administrative	(666)	(646)	(619)	(580)
Other Operating Expenses	0	0	0	0
Cost and expenses	**(965)**	**(930)**	**(899)**	**(854)**
Operating Profit	103	74	100	91
Non-operating income	0	0	0	1
Profit before tax	**103**	**75**	**100**	**92**
Interest income	5	1	1	1
Interest expense	(25)	(17)	(16)	(24)
Income before income tax expense	83	59	85	69
Income tax expense	(25)	(20)	(30)	(24)
Net Income	**59**	**40**	**55**	**46**

	2007	**2006**	**2005**	**2004**
Current assets / current liabilities	1.1	1.0	1.1	1.1
Equity / liabilities	0.1	0.2	0.2	0.1
Net income in % of operating revenue	5.5%	4.0%	5.5%	4.8%
# full time employees at year end	15,267	14,542	14,256	13,208
Net income / employee	3,832	2,744	3,844	3,460

Company	**GfK AG**	
Headquarters	Nürnberg (Germany)	
Website	www.gfk.com	
Listed on	Frankfurt Stock Exchange	
Leadership team	*Professor Dr. Klaus L. Wübbenhorst*	CEO
	Christian Weller von Ahlefeld	CFO

(in EURm)	**2007**	**2006**	**2005**	**2004**
Revenue	1,162	1,112	937	669
Other income	26	16	10	11
Total income	**1,188**	**1,128**	**948**	**680**
Cost of revenue	(7810	(752)	(638)	(451)
Selling and general administrative	(252)	(234)	(203)	(141)
Other Operating Expenses	(18)	(23)	(26)	(10)
Cost and expenses	**(1,051)**	**(1,009)**	**(867)**	**(602)**
Operating Profit	136	119	81	78
Non-operating income	3	3	28	4
Profit before tax	**139**	**122**	**109**	**82**
Interest income	8	5	2	4
Interest expense	(30)	(33)	(19)	(5)
Income before income tax expense	117	94	92	81
Income tax expense	(26)	(22)	(25)	(28)
Net Income	**91**	**71**	**68**	**53**

	2007	**2006**	**2005**	**2004**
Current assets / current liabilities	0.8	1.0	1.1	1.0
Equity / liabilities	0.5	0.5	0.4	0.8
Net income in % of operating revenue	5.7%	6.4%	7.2%	7.9%
# full time employees at year end	9,070	7,903	7,515	5,539
Net income / employee	7,230	9,014	8,984	9,593

Company	**The Kantar Group**	
Headquarters	Fairfield, CT (USA)	
Website	www.kantargroup.com	
Parent company	WPP Group Plc	
Listed on	WPP is listed on London Stock Exchange and Nasdaq	
Leadership team	*Eric Salama*	Group CEO
	Robert Bowtell	Group CFO

(in GBPm)	2007	2006	2005	2004
Revenue	905	893	810	745
Other income				
Total income	**905**	**893**	**810**	**745**

Non-research revenue included

Company	**Ipsos S.A.**	
Headquarters	Paris (France)	
Website	www.ipsos.com	
Listed on	Euronext Paris	
Leadership team	*Didier Truchot*	Co-Chairman
	Jean-Marc Lech	Co-Chairman

(in EURm)	2007	2006	2005	2004
Revenue	927	857	718	605
Other income				
Total income	**927**	**857**	**718**	**605**
Cost of revenue	(366)	(344)	(287)	(249)
Selling and general administrative	(471)	(434)	(368)	(305)
Other Operating Expenses	0	0	0	0
Cost and expenses	**(837)**	**(778)**	**(655)**	**(554)**
Operating Profit	90	80	63	51
Non-operating income	(3)	(3)	(2)	0
Profit before tax	**87**	**77**	**61**	**51**
Interest income				
Interest expense	76	66	53	39
Income before income tax expense	(24)	(22)	(18)	(13)
Income tax expense	**52**	**44**	**35**	**53**
Net Income	**2007**	**2006**	**2005**	**2004**
Current assets / current liabilities	1.1	1.5	1.7	1.4
Equity / liabilities	0.5	0.8	0.4	0.3
Net income in % of operating revenue	5.6%	5.1%	4.9%	4.3%
# full time employees at year end	8,088	6,800	6,100	4,822
Net income / employee	6,429	6,471	5,738	5,392

Company	**Synovate**	
Headquarters	London (UK)	
Website	www.synovate.com	
Parent company	Aegis Group Plc.	
Listed on	Aegis is listed on London Stock Exchange	
Leadership team	*Robert Lerwill*	Group CEO
	Adrian Chedore	*CEO of Synovate,* Executive Director

(in GBPm)	**2007**	**2006**	**2005**	**2004**
Revenue	433	401	331	272
Other income				
Total income	**433**	**401**	**331**	**272**

Company	**Information Resources Inc.**	
Headquarters	Chicago, Illinois (USA)	
Website	www.infores.com	
Listed on	Privately owned	
Leadership team	*Romesh Wadhwani*	Chairman
	John G. Freeland	President and CEO
	Nigel Howlett	President, IRI International
	Michael Duffey	Chief Financial Officer

(in US$m)	**2007**	**2006**	**2005**	**2004**
Revenue	702	665	624	573
Other income				
Total income	**702**	**665**	**624**	**573**

Company	**Westat Inc.**	
Headquarters	Rockville, Md (USA)	
Website	www.westat.com	
Listed on	Employee owned	
Leadership team	*Joseph A. Hunt*	President & Chief Executive Officer
	Peter R. Gill	Vice President-Accounting
	Dee Schofield	Manager-Marketing
	Thomas W. McKenna	Executive Vice President & Secretary
	Tom Jones	Vice President-Telecom & Data Processing

(in US$m)	**2007**	**2006**	**2005**	**2004**
Revenue	478	426	420	398
Other income				
Total income	**478**	**426**	**331**	**398**

Company	**Arbitron Inc.**	
Headquarters	New York	
Website	www.arbitron.com	
Listed on	New York Stock Exchange	
Leadership team	*Steve Morris*	President & Chief Executive Officer
	Pierre C. Bouvard	President, Sales & Marketing
	V. Scott Henry	Executive Vice President & CIO
	Owen Charlebois	President, Technology and R & D
	Sean R. Creamer	Exec. Vice President, Finance, Planning & CFO

(in US$m)	**2007**	**2006**	**2005**	**2004**
Revenue	338	329	310	297
Other income				
Total income	**338**	**329**	**310**	**297**
Cost of revenue	(157)	(130)	(111)	(110)
Selling and general administrative	(80)	(79)	(67)	(62)
Other Operating Expenses	(42)	(44)	(39)	(33)
Cost and expenses	**(279)**	**(253)**	**(216)**	**(206)**
Operating Profit	59	76	94	91
Non-operating income	4	8	8	8
Profit before tax	**63**	**84**	**101**	**98**
Interest income	2	3	3	1
Interest expense	0	(6)	(4)	(8)
Income before income tax expense	65	81	101	92
Income tax expense	(24)	(30)	(33)	(31)
Net Income	**41**	**51**	**67**	**61**

	2007	**2006**	**2005**	**2004**
Current assets / current liabilities	0.6	1.0	1.6	1.3
Equity / liabilities	0.4	0.7	0.6	0.3
Net income in % of operating revenue	12.1%	15.4%	21.7%	20.4%
# full time employees at year end	1,092	1,007	919	889
Net income / employee	37,545	50,306	73,241	68,127

JANUARY 07

- VNU changes its name to The Nielsen Company
- Nielsen reorganises top executive team appointing five ACNielsen regional presidents and announces plan to cut 4000 jobs from 42,000 worldwide workforce, mainly from ACNielsen, to markedly cut costs
- TNS Japan merges with Infoplan Inc., a full service custom research company
- TNS acquires majority stake in Research Survey, South Africa, and acquires advertising spend service PressWatch Media, UK
- Database giant, Acxiom Corporation and database marketing services company I-Behavior join forces to offer in-depth data on consumer purchasing behaviour to multi-channel retailers
- Synovate, the market research arm of Aegis Group plc, announces acquisition of Interview-NSS, The Netherlands' largest independent full-service market research company
- ACNielsen signs new five-year deal expanding its partnership with Dollar General, which operates more than 8000 dollar stores in the US
- Kantar acquires European healthcare online firm All Global, UK
- New ESOMAR Council appointed for 2007–2008, Frits Spangenberg, The Netherlands, becomes president, Ann Margreth Hellberg, vice president

FEBRUARY

- TNS acquires Sorenson Associates, USA, a firm known for use of RFID enabled shopping trolleys and video to track consumers in supermarkets
- TNS acquires Cymfony, USA, moving into word of mouth tracking and research and into direct competition with Nielsen Buzzmetrics
- Ipsos acquires Apoyo Group, Peru, for US$10m. Apoyo also has operations in Bolivia and Ecuador
- GfK retains and wins new TV research contracts around the world
- Public relations company, Chime Communications, UK, acquires data collection firm Facts International
- Synovate to provide six surveys for BBC World in 21 countries around the world

MARCH

- Business information provider, Dun & Bradstreet, USA, acquires First Research, internet market research provider of editorial-based industry insight for sales professionals
- Cello Group, London, acquires healthcare research firm MSI Consulting for US$11 million
- Synovate extends its presence in China by opening 3 more office in Shenzhen, Chengdu and Ningbao, now has a presence in 9 Chinese cities
- IMS Health buys health economics and outcomes research specialist ValueMedics, USA
- TNS further expands retail and shopper insights offering with acquisition of Retail Forward, USA
- TNS announces a strategic alliance with Integration to sell its brand experience measure Market ContactAudit
- Nielsen joins forces with the Shanghai Media Group to measure outdoor and online media in China, and to develop new media technology

APRIL

- Harris Interactive acquires Media Transfer AG Netresearch & Consulting, Germany, a provider of virtual retail shopping simulations for on-shelf testing for US$12m
- Private equity firm, Information Services Group, headed by Mike Connor, former Chair/CEO of VNU Media Measurement, buys outsource services and market place data provider Technology Partners International, USA, for US$280m (later revised to US$230m)
- Experian continues research agency acquisition programme with purchase of minority share in Chinese agency, Sinotrust Marketing Research and Consulting
- Experian acquires online audience measurement firm Hitwise for US$240m
- Synovate and Global Market Insite, a leading provider of panel and market research software agree to a worldwide partnership, combined with its existing panels, this enables Synovate to offer panel services in over 50 countries
- Eileen Campbell assumes CEO role at Millward Brown and Bob Meyers becomes chairman

MAY

- Provident Equity Partners acquires majority stake in Decision Resources, USA, from private equity firms Casttena Partners Inc. and Boston Ventures Management LLC.
- GfK acquires Edge Research and Consultancy, Greece, a full-service consumer research company
- Hansa Research Group, India, acquires equity stake in GCR Custom Research LLC., USA

JUNE

- Nielsen completes acquisition of Netratings and Buzzmetrics, USA
- Nielsen acquires telecom research firm Telephia, USA
- The NPD Group signs long-term deal with Wal-Mart to provide consumer purchase tracking across a broad range of categories
- INTAGE acquires TM Marketing, Japan, a specialist in medical market research
- Arbitron wins radio ratings business using portable people meter in 46 top US markets, as Clear Channel signs up
- Online audience measurement firm ComScore (ranked 20 globally) raises US$82.5m in its initial public offering

JULY

- TNS acquires Conversa Global, New Zealand
- Ipsos acquires Eureka, a specialist in public opinion, social and CRM research, its fifth acquisition in Australia
- Opinion Research, which is owned by infoUSA, acquires NWC Research, to expand its presence into the Asia Pacific region
- Advertising giant Saatchi acquires survey-based brand and research firm Clear Ideas for an initial consideration of US$36m. Clear Idea has offices in Amsterdam, London and New York
- Abt Associates acquires Schulman, Ronca & Bucuvalas, USA Market Strategies International (ranked 17 in the US) merges with Doxus a technology specialist
- Confirmit, Norway, completes acquisition of Pulse Train, UK, continuing consolidation of market research software business
- US-owned shell company Cable & Co. Worldwide announces intention to acquire 'several marketing and opinion research companies' under the new name of Marketing & Research Corp.
- Information giant Experian acquires business-to-business analytics firm The pH Group, UK
- YouGov announces first acquisition in Europe with conditional agreement to buy German-based consultancy psychonomics AG

AUGUST

- YouGov makes two more acquisitions, US-based Polimetrix and Nordic agency Zapera, in a move to establish geographic hubs and expertise
- Private equity firm SV Investment Partners acquires FocusVision Worldwide, a provider of video transmission and digital recording technologies for qualitative research
- UK publisher and media group Emap acquires online retail research firm Planet, UK
- Harris Interactive acquires Decima in Canada and MarketShare in Asia Pacific in deals with a combined value over US$24m
- Munro Global, UK, acquires London-based agency Media Lab Research, its fourth research sector buy since its formation in summer 2006
- IRI, USA, extends relationship with Wal-Mart, creating a range of consumer panel services

SEPTEMBER

- TNS Media Intelligence acquires media monitoring and evaluation firm PressWatch, Germany
- AOL acquires behavioural targeting firm TACODA, USA, in a deal worth US$275m
- Synovate acquires Spain's largest independent full service market research agency, Metra Seis
- GfK acquires ad campaign research company Daphne Communication Management, the Netherlands, and mystery shopping specialist SATISTEME, France
- TNS acquires retail and shopper insight consultancy ID Magasin, UK, a specialist in video-based research and eye-tracking for international in-store research
- IRI, USA, appoints John Freeland, an Accenture veteran as its new president and CEO, succeeding Scott W. Klein who moves up to IRI's parent, Symphony Technology Group

OCTOBER

- GfK acquires Sino-MR and China Market Monitor, both specialists in research into consumer electronics, domestic appliances and retail telecoms
- Millward Brown, part of WPP's Kantar Group, forms a joint venture with Kenya-based marketing services firm Scangroup to expand across Africa
- Opinion Research Corporation, owned by InfoUSA, acquires Northwest Research Group, USA
- Cello acquires London-based consumer specialist 2CV, continuing its strategy to build a substantial international research and consulting group
- Google partners with Nielsen to provide data pinpointing demographics of viewers watching advertising sold through the search giant's TV Ads network
- Synovate's parent, the Aegis Group, acquires Genesis Media, Canada, adding data analytics, CRM, digital and direct marketing services to its network
- Web analytics & online business optiomsation firm, Omniture Inc. acquires Visual Sciences (formerly WebSideStory) for US$384m international research and consulting group
- Bob Meyers becomes global CEO of Research International – after serving as chairman of the Millward Brown Group group
- Nielsen announces ten-year outsourcing deal with India's Tata Consultancy Services in a US$1.2 billion agreement

NOVEMBER

- Synovate's parent, the Aegis Group, acquires New Zealand-based Research Solutions
- Business information giant Dun & Bradstreet acquires commercial data integration software firm Purisma, USA, in a deal valued at US$48m
- Cable & Co Worldwide acquires its first market research firm, Quantum Research Services – with the aim of building a market research group; this is followed soon after by acquisition of INmarketing Group,USA, a company providing hi-tech online incentive and recognition applications, for US$6.1m
- IBM acquires business intelligence provider Cognos, Canada, for around US$5 billion, making its 23rd buy in support of its Information on Demand strategy, a cross-company initiative announced in February 2006 to make use of the firm's various areas of expertise to 'unlock the business value of information'
- Australian marketing services group Photon acquires brand experience agency Sledge for US$7.9m
- Ipsos acquires a controlling share in one of India's top 5 agencies, Indica Research, and acquires advertising, marketing and CRM specialist ResearchPartner, Norway

DECEMBER

- IMS Health acquires analytics and technology firm MIHS Holdings, USA
- TNS acquires US consumer research consultancy Landis Strategy & Innovation
- Synovate acquires SPSL, UK, a provider of retail foot traffic measurement data
- WPP's brand development business Added Value acquires Cheskin, USA, gaining greater expertise in the technology sector, design strategy and US Hispanic markets
- UK audience measurement body BARB renews six-year deal with Ipsos MORI to provide its Establishment Survey
- TNS wins BARB contract to provide UK TV audience measurement currency beginning in 2010
- Investment group Altaria Private Equity acquires 93% of the shares of fieldwork group Norstat, Norwaystrategy and US Hispanic markets

JANUARY 08

- GfK acquires Australian research firm the Blue Moon Group and takes majority stake in Macedonian agency Stratum Research
- WPP acquires consumer market research firm Yankelovich, USA, which is to be merged with Henley Centre HeadlightVision
- TNS Media Intelligence acquires Irish media analysis firm MediaMarket
- Synovate acquires CIMA Group, Chile, which also operates in Colombia, Peru, Ecuador, Bolivia and Costa Rica
- Information Services Group appoints former VNU chairman & CEO Gerald Hobbs and McKinsey veteran Donald Waite to Board of Directors
- WPP's Research International continues leadership re-shuffle appointing Kirk Ward to global product development leader, Andrew Wish to Worldwide Infrastructure and operations director and John McHarry to chief information officer
- Kantar Group wins telecoms giant BT's consumer brand and customer tracking projects
- Kantar Media Research acquires a stake in media tracing firm Integrated Media Measurement, USA

FEBRUARY

- Nielsen forms alliance with neuromarketing research firm NeuroFocus to develop new measurement techniques based on the latest advances in neuroscience
- TNS acquires Swedish financial services specialist Prospera Research
- Arbitron and the Nielsen Company abandon Project Apollo, the single-source media and shopping research initiative, after 3 years
- Microsoft acquires behavioural targeting firm, YaData, Israel

MARCH

- Millward Brown, part of WPP, launches a new company in India in partnership with sister agency IMRB International
- TNS acquires web analytics firm, Compete, USA, for US$75m up front and further payments of up to US$75m based on revenue targets
- YouGov signs with stockbroker Numis and equity fund management firm FOUR Capital Partners to form a venture hedge fund to exploit investment opportunities identified through its consumer research
- Synovate acquires Peter Seagroatt & Associates, UK, a supplier of retail key account information to the UK petrol forecourt and convenience sectors
- Cable & Co Worldwide acquires Precision Opinion, USA, which focuses on the entertainment industry and political polling for the government
- WPP's Research International acquires majority stake in shopper research specialist Zdology, China
- YouGov wins European Commission contract for a seven-country study of financial services consumers and to develop new media technology

APRIL

- Millward Brown Optimor, USA, part of WPP, forms a strategic partnership with Brazilian brand consultancy BrandAnalytics
- JD Power and Associates acquires Umbria, USA, a consumer market research firm analysing information from social and consumer-generated media
- Nielsen acquires US-based audience engagement firm IAG Research for US$225m
- GfK acquires Turkish market research firm Bilseim International, the remaining 35% of Swiss oncology specialist GfK Research Matters, the Brazilian market research firm Shopping Brazil, and the watch panel set up by French market research agency Société V
- IRI, USA, partners with the GfK/TNS-owned Europanel Association to offer global coverage
- Yahoo! Inc. acquires assets of Tensa Kft. (aka IndexTools) a provider of web analytics software for online marketing
- Media and communications agency Starcom USA signs agreement with TNS media research to use its DIRECTView opt-in audience measurement panel service in the US
- Outsourcing and consulting company, Satyam Computer Systems, India, acquires Caterpillar's market research and customer analytics business for US$60m, aiming to build a global research and data analysis group
- John Burbank, joins Nielsen from AOL for newly created position of chief marketing officer, reporting to Susan Whiting, EVP of the Nielsen Company

MAY

- Ipsos North America completes acquisition of media research specialist Monroe Mendelsohn Research
- In the US, MultiMedia Intelligence and Experian partner to share industry and consumer data
- comScore, USA, acquires mobile measurement firm M:Metrics

JUNE

- AGB Nielsen wins Beijing Olympic bid and will measure the games' TV audiences in 38 countries on five continents
- Healthcare research and advisory group Decision Resources, USA acquires Manhattan Research
- Online fieldwork firm, Toluna, UK, acquires Common Knowledge, USA for US$10.5m, obtaining it first panel of American consumers
- Google unveils free research and ad planning tool, heading into direct competition with Nielsen, comScore, Compete, Hitwise and others
- Ipsos acquires Buenos Aires-headquartered Livra Panels, a provider of online panels and data collection services in Spanish and Portuguese-speaking markets
- Fieldwork group Norstat, Norway, acquires data collection arm of Hermelin Research, Finland
- John Napier, former CEO of market research agency AGB, to join Synovate parent Aegis as non-executive chairman from mid-July

KEY Merger / acquisition / alliance Appointments / people New business Other

VII. INDUSTRY JOURNAL 2007/2008

A review of merger and aquisition activity, key people moves and client wins.

VIII. ANNEX

The methodology, national, regional, regional and global figures, data on client spend and research spend breakdown. GDP growth, exchange rates and inflation.

8.1 METHODOLOGY

The study measured market research turnover of the industry at national, regional and global levels. The study covers work conducted by market research companies or institutes. It does not include work conduct by non-commercial institutes (e.g. universities and government departments) and research performed by non-research companies (e.g. advertising agencies and management consultancies) that use their own resources for carrying out research. To avoid double counting work subcontracted to research companies outside the country is not included in the statistical analysis of the domestic research turnover.

THE DATA

The data was provided by national market research associations, leading companies, independent analysts and ESOMAR representatives around the world. Estimates have been validated by crosschecking between sources. Partial market turnover data was available for countries comprising less than half a percent of the global market. GDP growth derived estimates have been use for these countries.

CALCULATIONS AND PRESENTATION OF FIGURES

All developments are based on turnover in US dollars whilst table 1.8 shows turnover figures in euros.

Most countries reported their turnover in local currency, or in US dollars, providing the exchange rate used for conversion. The average exchange rate provided by the International Monetary Fund (IMF) was used for conversion into US dollars and euros. Growth rates are adjusted for inflation using IMF's official rates (i.e. average annual changes).

To eliminate the effect of exchange rate fluctuations, growth rates are calculated in the following way:

- Growth rates per country are based on turnover in local currencies for 2006 and 2007. With 2006 turnover being adjusted using the local inflation rates for 2007.
- For regional and global rates, the turnover for 2006 and 2007 was converted into US dollars using the 2007 exchange rate.

Where available, updated turnover figures have been used; resulting in more accurate growth rates. Improved estimates are the result of new information becoming available after the end of the 2006-2007 financial year and data from a wider range of sources.

This year's survey is identical to last years. Some questions were not answered by all countries and those that did not answer a question are excluded from the relevant tables.

In numerous tables weighted totals are presented on the proportion of turnover allocated to e.g. different research methods or design. Turnover figures are used for weighting the data of each country that responded to a particular question.

8.2 TURNOVER, GROWTH AND PER CAPITA DATA

The growth rates presented here are based on turnover in local currencies for 2005 and 2006 and converted into US dollars using the 2006 exchange rate; net growth is adjusted using the local inflation rate of 2006 (Source: IMF). Growth rates cannot be calculated using the rounded turnover figures presented below.

1.1 Global market research turnover and growth rates per region

Region	Turnover (US$m)					Absolute growth (%)	Net growth (%)
	2003	2004	2005	2006	2007	2006/07	2006/07
EU15	7,896	9,191	9,582	9,566	11,467	4.5	2.4
New member states	267	325	392	431	565	12.6	9.5
Other Europe	436	515	565	665	850	16.6	10.8
Europe total	**8,599**	**10,031**	**10,539**	**10,662**	**12,882**	**5.6**	**3.2**
North America	7,137	7,824	8,306	8,890	9,494	6.2	3.6
Asia Pacific	2,526	2,976	3,327	3,590	4,064	8.4	6.2
Latin America	720	830	971	1,213	1,329	6.5	1.3
Middle East & Africa	254	297	339	381	466	23.8	18.7
World	**19,237**	**21,957**	**23,482**	**24,737**	**28,235**	**6.5**	**3.9**

Some turnover figures have been updated since last year's publication.
Bulgaria and Romania joined the EU in January 2007.

1.2 Global growth rate developments

	Absolute growth (%)	Net growth (%)
2003 versus 2002	4.4%	2.0%
2004 versus 2003	7.9%	5.4%
2005 versus 2004	6.2%	3.5%
2006 versus 2005	7.1%	4.3%
2007 versus 2006	6.5%	3.9%

2006 versus 2005 revised from 6.8% and 4.0% Net.

1.3 Europe 2003—2007 and growth rates on 2006

Europe	Turnover (US$m)					Absolute growth (%)	Net growth (%)
EU 15	**2003**	**2004**	**2005**	**2006**	**2007**	**2006/07**	**2006/07**
UK	1,997	2,362	2,411	2,369	2,771	2.3	0.4
Germany	1,805	2,084	2,185	2,206	2,659	5.1	2.5
France	1,832	2,134	2,247	2,214	2,644	4.1	2.3
Italy	581	671	699	706	858	5.9	3.7
Spain	448	537	562	580	730	9.7	6.4
Sweden	273	309	342	335	426	9.0	7.1
Netherlands	305	336	346	346	402	1.4	-0.2
Belgium	146	163	173	167	195	1.4	-0.4
Denmark	106	125	125	131	156	4.3	2.2
Finland	113	128	124	125	151	5.1	3.8
Austria	96	107	113	123	151	7.1	5.3
Portugal	64	75	87	92	112	5.8	3.7
Ireland	59	79	83	84	104	8.3	5.6
Greece	67	78	79	82	103	8.9	5.7
Luxembourg	4	4	6	6	7	1.4	-0.8
EU 15 total	**7,896**	**9,191**	**9,582**	**9,566**	**11,467**	**4.5**	**2.4**
New EU member states							
Poland	97	113	149	162	209	11.3	8.8
Czech Rep.	53	64	75	81	110	13.2	9.9
Hungary	53	67	70	70	85	6.2	3.4
Romania	12	18	23	30	45	24.2	18.5
Slovak Rep.	12	14	17	19	26	10.0	7.3
Slovenia	12	14	15	16	21	14.3	11.6
Estonia	6	8	9	12	17	14.5	11.0
Bulgaria	7	8	11	13	16	11.9	7.5
Latvia	5	6	8	11	15	28.8	22.1
Lithuania	7	8	9	11	14	27.0	23.6
Cyprus	3	4	5	5	6	6.1	4.0
Malta	na	na	na	na	na	na	na
New EU member states total	**267**	**325**	**392**	**431**	**565**	**12.6**	**9.5**
Other Europe							
Russia	85	110	144	198	270	21.2	10.7
Switzerland	162	183	164	166	198	9.2	7.9
Norway	90	105	120	122	157	11.5	9.0
Turkey	50	60	72	101	132	27.4	22.0
Ukraine	18	21	25	33	43	29.9	15.5
Croatia	12	16	18	19	23	2.5	0.02
Other Countries Europe	19	21	23	24	26	8.2	-0.1
Other Europe total	**436**	**515**	**565**	**665**	**850**	**16.6**	**10.8**
Europe	**8,599**	**10,031**	**10,539**	**10,662**	**12,882**	**5.6**	**3.2**

Some turnover figures have been updated since last year's publication.
Other countries Europe (Belarus, Bosnia-Herzegovina, Iceland, Macedonia, Moldavia, Serbia and Montenegro).
Bulgaria and Romania joined the EU in January 2007.

1.4 North America 2003—2007 and growth rates on 2006

	Turnover (US$m)					Absolute growth (%)	Net growth (%)
North America	**2003**	**2004**	**2005**	**2006**	**2007**	**2006/07**	**2006/07**
USA	6,660	7,319	7,722	8,232	8,726	6.0	3.4
Canada	477	505	584	658	768	8.2	6.0
North America	**7,137**	**7,824**	**8,306**	**8,890**	**9,494**	**6.2**	**3.6**

1.5 Asia Pacific 2003—2007 and growth rates on 2006

	Turnover (US$m)					Absolute growth (%)	Net growth (%)
Asia Pacific	**2003**	**2004**	**2005**	**2006**	**2007**	**2006/07**	**2006/07**
Japan	1,190	1,359	1,405	1,444	1,518	5.8	5.2
China	306	371	475	583	712	15.1	12.7
Australia	383	456	522	532	623	3.2	0.5
Korea	161	233	282	335	392	12.0	8.7
India	63	85	102	115	151	20.0	14.4
New Zealand	67	57	87	86	97	2.3	-0.5
Hong Kong	62	69	76	88	92	5.9	3.7
Taiwan	81	96	90	87	88	0.0	-1.5
Thailand	48	56	58	62	80	10.2	7.8
Singapore	39	45	51	55	60	2.5	0.6
Philippines	27	32	41	44	58	12.8	7.8
Malaysia	31	34	42	49	57	16.4	13.3
Indonesia	21	25	31	37	51	25.2	17.5
Commonwealth of Independent States	12	15	18	22	26	18.6	9.9
Vietnam	10	13	16	20	22	10.0	3.8
Pakistan	5	10	11	12	13	7.3	0.4
Bangladesh	6	7	7	8	9	27.6	20.8
Sri Lanka	3	4	4	4	4	7.9	0.8
Myanmar	5	4	4	4	4	-1.5	-25.7
Cambodia	3	3	3	3	3	-10.6	-13.4
Laos	1	2	2	1	1	-23.2	-26.8
Asia Pacific	**2,526**	**2,976**	**3,327**	**3,590**	**4,064**	**8.4**	**6.2**

Some turnover figures have been updated since last year's publication.
Commonwealth of Independent States (Armenia, Azerbaijan, Georgia, Kazakhstan and Uzbekistan)

1.6 Latin America 2003—2007 and growth rates on 2006

	Turnover (US$m)					Absolute growth (%)	Net growth (%)
Latin America	**2003**	**2004**	**2005**	**2006**	**2007**	**2006/07**	**2006/07**
Brazil	222	267	350	502	543	3.4	-1.0
Mexico	267	296	334	386	399	3.8	0.8
Argentina	45	60	68	81	100	25.5	9.1
Venezuela	35	42	55	60	70	16.7	-0.5
Chile	47	59	55	60	67	3.5	0.5
Colombia	44	45	45	53	63	9.5	5.1
Peru	19	20	23	26	36	29.6	26.8
Other Latin America	11	10	10	10	11	4.6	0.7
Guatemala	8	7	7	7	8	4.6	-0.7
Costa Rica	7	7	8	7	8	1.9	-8.2
Bolivia	0	0	0	5	6	13.1	9.7
Panama	5	5	5	5	5	3.8	2.3
El Salvador	4	4	4	5	5	7.1	4.5
Paraguay	2	2	2	2	3	6.0	1.5
Uruguay	2	2	2	2	3	8.9	3.8
Honduras	2	2	2	2	2	15.3	9.1
Nicaragua	1	1	1	2	2	30.6	23.1
Latin America	**720**	**830**	**971**	**1,213**	**1,329**	**6.5**	**1.3**

Some turnover figures have been updated since last year's publication.
Other Latin America (Ecuador and Dominican Republic)

1.7 Middle East & Africa 2003—2007 and growth rates on 2006

	Turnover (US$m)					Absolute growth (%)	Net growth (%)
Middle East & Africa	**2003**	**2004**	**2005**	**2006**	**2007**	**2006/07**	**2006/07**
GCC	50	56	65	83	110	32.5	29.6
Israel	32	33	36	36	43	3.0	0.9
Egypt	11	13	16	19	21	13.1	8.2
Other Middle East	6	7	7	12	16	33.3	14.3
Levant	10	12	12	10	10	0.0	-4.0
Middle East total	**109**	**120**	**136**	**159**	**200**	**21.0**	**16.8**
South Africa	117	143	159	170	208	31.3	25.2
Maghreb	7	9	11	15	17	10.0	5.7
West Africa	5	6	12	14	15	11.1	5.6
Kenya	8	8	8	9	11	5.5	2.6
East Africa	4	6	8	9	10	11.1	5.8
Sadec (excl South Africa)	4	5	5	6	7	14.0	6.2
Africa total	**145**	**177**	**203**	**222**	**266**	**25.9**	**20.1**
Total Middle East & Africa	**254**	**297**	**339**	**381**	**466**	**23.8**	**18.7**

Some turnover figures have been updated since last year's publication
GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates)
Levant (Jordan, Lebanon and Syria)
Sadec excl South Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia, Zimbabwe)
West Africa (Cameroon, Gabon, Ivory Coast, Nigeria)
East Africa (Sudan, Tanzania)
Maghreb (Algeria, Morocco, Tunisia)
Other Middle East (Yemen, Iran, Iraq)

1.8 Countries ranked by market size

	Turnover (US$m)					Turnover (EURm)				
Country	**2003**	**2004**	**2005**	**2006**	**2007**	**2003**	**2004**	**2005**	**2006**	**2007**
USA	6,660	7,319	7,722	8,232	8,726	5,901	5,894	6,213	6,889	6,366
UK	1,997	2,362	2,411	2,369	2,771	1,769	1,902	1,940	1,982	2,021
Germany	1,805	2,084	2,185	2,206	2,659	1,599	1,678	1,758	1,846	1,940
France	1,832	2,134	2,247	2,214	2,644	1,628	1,719	1,808	1,853	1,929
Japan	1,190	1,359	1,405	1,444	1,518	1,055	1,094	1,130	1,208	1,108
Italy	581	671	699	706	858	515	540	562	591	626
Canada	477	505	584	658	768	423	406	470	550	560
Spain	448	537	562	580	730	350	383	452	485	532
China	306	371	475	583	712	271	299	382	488	519
Australia	383	456	522	532	623	339	367	420	445	455
Brazil	222	267	350	502	543	197	215	281	420	396
Sweden	273	309	342	335	426	242	249	275	281	310
Netherlands	305	336	346	346	402	270	271	278	290	294
Mexico	267	296	334	386	399	236	239	269	323	291
Korea	161	233	282	335	392	143	188	227	281	286
Russia	85	110	144	198	270	75	89	116	166	197
Poland	97	113	149	162	209	86	91	120	136	152
South Africa	117	143	159	170	208	103	115	128	142	151
Switzerland	162	183	164	166	198	143	147	132	139	144
Belgium	146	163	173	167	195	129	132	139	140	142
Norway	90	105	120	122	157	80	84	96	102	115
Denmark	106	125	125	131	156	94	101	101	109	114
India	63	85	102	115	151	56	69	82	97	110
Finland	113	128	124	125	151	100	103	100	105	110
Austria	96	107	113	123	151	85	86	91	103	110
Turkey	50	60	72	101	132	44	48	58	85	96
Portugal	64	75	87	92	112	57	60	70	77	82
Czech Rep.	53	64	75	81	110	47	52	60	68	81
Ireland	59	79	83	84	104	52	63	67	70	76
Greece	67	78	79	82	103	59	63	64	69	75
New Zealand	67	57	87	86	97	59	46	70	72	71
Hong Kong	62	69	76	88	92	55	55	62	73	67
Taiwan	81	96	90	87	88	72	77	72	73	64
Hungary	53	67	70	70	85	47	54	56	59	62
Thailand	48	56	58	62	80	43	45	47	51	58
Venezuela	35	42	55	60	70	31	34	44	50	51
Chile	47	59	55	60	67	42	47	44	50	49
Colombia	44	45	45	53	63	39	36	37	44	46
Singapore	39	45	51	55	60	35	36	41	46	44
Philippines	27	32	41	44	58	24	26	33	37	42
Malaysia	31	34	42	49	57	28	28	34	41	42
Indonesia	21	25	31	37	51	19	20	25	31	37
Romania	12	18	23	30	45	11	15	19	25	33
Ukraine	18	21	25	33	43	16	17	20	28	32

1.8 Countries ranked by market size (continued from page 95)

	Turnover (US$m)					Turnover (EURm)				
Country	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Israel	32	33	36	36	43	28	27	29	30	31
Peru	19	20	23	26	36	17	16	18	22	26
Slovak Rep.	12	14	17	19	26	10	11	14	16	19
Croatia	12	16	18	19	23	11	13	15	16	17
Vietnam	10	13	16	20	22	9	10	13	16	16
Egypt	11	13	16	19	21	9	10	13	15	15
Slovenia	12	14	15	16	21	10	11	12	13	15
Estonia	6	8	9	12	17	6	6	7	10	12
Bulgaria	7	8	11	13	16	6	7	9	11	12
Latvia	5	6	8	11	15	5	5	7	9	11
Lithuania	7	8	9	11	14	6	7	8	9	10
Pakistan	5	10	11	12	13	5	8	9	10	10
Kenya	8	8	8	9	11	7	7	6	8	8
Bangladesh	6	7	7	8	9	5	6	6	6	7
Guatemala	8	7	7	7	8	7	6	6	5	6
Costa Rica	7	7	8	7	8	6	6	6	6	5
Luxembourg	4	4	6	6	7	6	7	5	5	5
Bolivia	0	0	0	5	6	0	0	0	4	4
Cyprus	3	4	5	5	6	3	3	4	4	4
Panama	5	5	5	5	5	4	4	4	4	4
El Salvador	4	4	4	5	5	4	4	3	4	3
Sri Lanka	3	4	4	4	4	3	3	4	4	3
Myanmar	5	4	4	4	4	4	3	3	4	3
Cambodia	3	3	3	3	3	3	2	2	3	2
Paraguay	2	2	2	2	3	2	2	2	2	2
Uruguay	2	2	2	2	3	2	2	2	2	2
Honduras	2	2	2	2	2	2	2	1	2	2
Nicaragua	1	1	1	2	2	1	1	1	1	1
Laos	1	2	2	1	1	1	2	2	1	1
Malta	0	0	0	0	0	0	0	0	0	0

Some turnover figures have been updated since last year's publication.

1.9 Market research and advertising spend per capita

Country	MR turnover in 2007 (US$m)	Ad spend in 2007 (US$m)**	Population*** per 2007	MR spend per capita (US$)	Ad Spend per capita (US$)	MR as % of ad spend
Argentina	100	5,521	39,356,439	2.54	140.28	1.8%
Australia	623	10,664	20,983,085	29.69	508.24	5.8%
Austria	151	3,578	8,276,538	18.22	432.28	4.2%
Bangladesh	9	na	159,005,005	0.06	na	na
Belgium	195	3,289	10,659,521	18.26	308.55	5.9%
Bolivia	6	na	9,827,383	0.59	na	na
Brazil	543	26,640	189,335,148	2.87	140.70	2.0%
Bulgaria	16	483	7,636,756	2.16	63.30	3.4%
Cambodia	3	na	14,338,598	0.21	na	na
Canada	768	11,313	32,934,179	23.31	343.49	6.8%
Chile	67	951	16,579,625	4.04	57.34	7.0%
China*	712	48,518	1,321,052,495	0.54	36.73	1.5%
Colombia	63	3,356	47,517,103	1.32	70.62	1.9%
Costa Rica	8	212	4,443,100	1.69	47.60	3.6%
Croatia	23	1,012	4,436,398	5.13	228.18	2.2%
Cyprus	6	115	779,574	7.31	146.88	5.0%
Czech Rep.	110	912	10,270,133	10.76	88.77	12.1%
Denmark	156	2,499	5,447,084	28.71	458.80	6.3%
Egypt	21	649	73,573,547	0.29	8.82	3.2%
El Salvador	5	na	7,129,853	0.66	na	na
Estonia	17	109	1,342,410	12.32	80.97	15.2%
Finland	151	1,958	5,257,589	28.77	372.40	7.7%
France	2,644	14,595	61,676,296	42.87	236.64	18.1%
Germany	2,659	24,306	82,200,004	32.35	295.69	10.9%
Greece	103	2,674	11,127,604	9.24	240.30	3.8%
Guatemala	8	82	13,307,908	0.60	6.18	9.7%
Honduras	2	174	7,509,442	0.31	23.13	1.3%
Hong Kong*	92	6,311	6,971,685	13.24	905.23	1.5%
Hungary	85	1,066	10,055,657	8.46	105.98	8.0%
India*	151	3,583	1,123,966,698	0.13	3.19	4.2%
Indonesia*	51	3,278	224,937,967	0.23	14.57	1.6%
Ireland	104	2,172	4,315,009	24.08	503.31	4.8%
Israel	43	898	7,205,100	5.94	124.63	4.8%
Italy	858	12,257	58,670,857	14.62	208.92	7.0%
Japan	1,518	38,529	127,761,250	11.88	301.57	3.9%
Kenya*	11	188	34,652,586	0.31	5.44	5.7%
Korea*	392	5,861	48,456,369	8.09	120.95	6.7%
Laos	1	na	6,140,169	0.16	na	na
Latvia	15	187	2,281,181	6.48	81.76	7.9%
Lithuania	14	197	3,377,122	4.26	58.30	7.3%
Luxembourg*	7	132	479,196	14.56	274.84	5.3%
Malaysia*	57	1,285	26,841,083	2.13	47.86	4.5%
Malta	0	43	410,159	0.00	105.08	0.0%
Mexico	399	18,944	105,366,033	3.78	179.79	2.1%

1.9 Market research and advertising spend per capita (continued from page 97)

Country	MR turnover in 2007 (US$m)	Ad spend in 2007 (US$m)**	Population*** per 2007	MR spend per capita (US$)	Ad Spend per capita (US$)	MR as % of ad spend
Myanmar	4	na	57,640,787	0.07	na	na
Netherlands	402	5,499	16,616,780	24.21	330.92	7.3%
New Zealand	97	1,644	4,235,297	22.93	388.26	5.9%
Nicaragua	2	57	6,053,622	0.33	9.33	3.5%
Norway	157	2,477	4,665,000	33.75	530.93	6.4%
Pakistan*	13	348	158,170,001	0.08	2.20	3.8%
Panama	5	na	3,343,351	1.62	na	na
Paraguay	3	199	6,032,867	0.44	32.97	1.3%
Peru	36	1,564	28,068,370	1.28	55.72	2.3%
Philippines*	58	2,602	88,711,952	0.66	29.33	2.2%
Poland	209	2,565	38,065,013	5.49	67.39	8.1%
Portugal	112	2,949	10,623,926	10.51	277.58	3.8%
Romania	45	1,051	21,564,111	2.09	48.74	4.3%
Russia*	270	7,282	142,101,898	1.90	51.25	3.7%
Singapore*	60	1,221	4,588,598	13.16	266.09	4.9%
Slovak Rep.	26	372	5,411,401	4.87	68.74	7.1%
Slovenia	21	415	2,009,556	10.37	206.26	5.0%
South Africa*	208	2,947	47,850,700	4.34	61.59	7.0%
Spain	730	10,928	44,873,588	16.26	243.52	6.7%
Sri Lanka	4	na	19,928,340	0.22	na	na
Sweden	426	3,564	9,169,673	46.41	388.64	11.9%
Switzerland	198	3,346	7,298,746	27.08	458.48	5.9%
Taiwan	88	1,270	23,082,416	3.83	55.01	7.0%
Thailand*	80	2,422	65,740,100	1.21	36.85	3.3%
Turkey	132	2,538	68,897,071	1.92	36.84	5.2%
UK	2,771	29,787	60,835,665	45.54	489.63	9.3%
Ukraine*	43	5,051	46,118,958	0.94	109.51	0.9%
Uruguay	3	886	3,196,347	0.81	277.22	0.3%
USA	8,726	163,260	301,967,085	28.90	540.65	5.3%
Venezuela*	70	2,939	27,500,000	2.55	106.86	2.4%
Vietnam	22	454	85,592,925	0.25	5.30	4.7%

* Source: Advertising spend 2006, Nielsen Media Research
** Source: World Advertising Trends 2008, WARC
*** Source: IMF

8.3 SOURCES OF WORLDWIDE RESEARCH TURNOVER

2.1 Turnover - domestics versus international

Country	Domestic clients (%)	International clients (%)
Argentina	90	10
Australia	88	12
Bangladesh	85	15
Belgium	75	25
Bulgaria	62	38
Canada	84	16
Chile	92	8
Costa Rica	80	20
Croatia	75	25
Cyprus	80	20
Czech Rep.	73	27
Denmark	80	20
El Salvador	60	40
Finland	85	15
France	83	17
Greece	82	18
Honduras	40	60
Hungary	82	18
Indonesia	60	40
Ireland	85	15
Italy	90	10
Kenya	53	47
Korea	95	5
Latvia	80	20
Mexico	80	20
Netherlands	87	13
New Zealand	88	12
Nicaragua	50	50
Norway	90	10
Panama	70	30
Peru	80	20
Poland	84	16
Portugal	80	20
Romania	81	19
Russia	60	40
Singapore	65	35
Slovak Rep.	73	27
Slovenia	76	24
South Africa	89	11
Spain	77	23
Sweden	82	18
Switzerland	80	20
Turkey	81	19
Ukraine	45	55

2.1 Turnover - domestics versus international (continued from page 99)

Country	Domestic clients (%)	International clients (%)
Vietnam	75	25
Weighted total	**83**	**17**

2.2 Proportion of spending by different types of client

	Manufacturing	Business-to-business	Wholesale and retail	Financial services	Utilities	Public sector	Media	Advertising agencies	Research institutes	Other
Country	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Australia	26	4	8	12	9	17	8	2	7	7
Bulgaria	55	3	2	10	15	4	5	3	1	2
Canada	30	0	7	13	7	10	12	0	0	21
Costa Rica	40	4	9	4	3	9	11	8	7	5
Croatia	37	3	6	9	10	4	13	7	7	4
Cyprus	15	3	24	12	13	7	18	4	0	4
Czech Rep.	42	3	10	14	9	5	7	3	5	2
Denmark	42	10	2	4	1	5	22	4	9	1
El Salvador	42	5	6	8	11	5	6	7	5	5
Finland	14	11	17	15	15	3	17	5	3	0
France	54	4	9	4	8	4	5	3	6	3
Germany	72	2	1	3	8	2	8	1	2	1
Greece	42	2	5	5	7	4	13	7	13	2
Guatemala	42	6	6	8	5	6	8	5	8	6
Honduras	40	5	6	13	6	10	6	5	3	6
Hungary	45	2	5	6	13	4	17	2	4	2
Indonesia	70	5	5	5	4	1	5	5	0	0
Italy	70	0	0	5	5	5	9	0	0	6
Japan	37	6	2	2	1	5	10	17	9	11
Kenya	33	6	1	4	24	6	5	15	0	6
Korea	41	10	4	7	8	11	5	4	4	6
Latvia	22	3	8	8	7	21	14	4	9	4
New Zealand	18	11	16	8	14	20	5	0	0	8
Nicaragua	32	5	4	6	10	10	6	8	4	15
Panama	30	5	5	18	10	5	6	9	5	7
Peru	50	5	10	8	5	5	10	3	0	4
Poland	47	1	5	5	7	4	15	4	8	4

2.2 Proportion of spending by different types of client (continued from page 100)

Country	Manufacturing %	Business-to-business %	Wholesale and retail %	Financial services %	Utilities %	Public sector %	Media %	Advertising agencies %	Research institutes %	Other %
Portugal	38	2	13	5	12	4	11	6	5	4
Romania	56	5	2	5	11	7	7	2	4	1
Russia	53	4	6	6	10	3	10	5	2	1
Singapore	10	25	5	15	10	15	7	3	5	5
Slovak Rep.	33	2	7	15	13	3	15	4	6	2
Slovenia	30	1	8	5	8	4	19	8	11	6
South Africa	47	1	4	16	12	3	5	4	3	5
Spain	41	3	6	2	6	11	7	4	12	8
Sweden	37	6	7	6	9	22	7	1	3	2
Switzerland	26	3	6	8	7	12	11	12	5	10
Turkey	59	3	3	4	7	9	11	0	1	3
UK	43	7	4	7	11	15	9	0	0	4
Ukraine	50	6	2	7	12	0	11	8	0	4
USA	48	3	5	4	0	7	25	3	1	4
Vietnam	50	10	5	2	1	2	5	10	10	5
Weighted total	**48**	**4**	**5**	**5**	**5**	**8**	**14**	**3**	**3**	**5**

2.3 Proportion of spending by different types of manufacturing clients

	Fast moving consumer goods (FMCG)	Durables & electronics	Pharmaceutical & HC	Automotive	Other manufacturing	Total Manufacturing
Country	**%**	**%**	**%**	**%**	**%**	**%**
Australia	15	3	4	4	1	26
Bulgaria	34	10	7	3	1	55
Canada	14	10	5	1	0	30
Costa Rica	30	4	4	1	1	40
Croatia	31	1	1	2	2	37
Czech Rep.	32	2	4	3	1	42
Denmark	31	8	2	0	1	42
El Salvador	32	4	3	3	0	42
Finland	10	2	2	1	0	14
Greece	31	1	6	2	2	42
Guatemala	35	3	4	0	0	42
Honduras	35	4	1	0	0	40
Indonesia	53	4	4	7	4	70
Italy	33	6	21	7	3	70
Korea	19	12	4	3	3	41
Latvia	17	1	2	1	1	22
New Zealand	13	0	1	2	2	18
Nicaragua	27	4	1	0	0	32
Panama	27	2	1	0	0	30
Peru	40	1	5	3	1	50
Poland	37	1	6	2	1	47
Romania	44	2	6	3	1	56
Russia	32	2	9	9	1	53
Singapore	6	1	1	1	1	10
Slovak Rep.	25	3	4	2	0	33
Slovenia	16	2	4	7	1	30
South Africa	25	0	2	20	0	47
Switzerland	18	3	4	0	1	26
Turkey	38	3	7	5	6	59
USA	21	1	17	4	5	48
Vietnam	25	5	13	5	3	50
Weighted total	**23**	**3**	**14**	**4**	**4**	**48**

2.4 Proportion of spending by different types of fast moving consumer goods clients

	Beverages	Food	Cosmetics	Tobacco	Confectionery	Other FMCG	Total FMCG
Country	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Bulgaria	19	5	5	3	1	1	34
Canada	0	0	0	0	0	14	14
Costa Rica	9	8	4	6	2	1	30
Croatia	11	8	6	3	3	0	31
Czech Rep.	9	10	5	3	3	2	32
El Salvador	12	10	4	2	2	2	32
Greece	7	7	4	5	3	5	31
Guatemala	13	11	5	4	2	0	35
Honduras	14	13	4	2	1	1	35
Korea	5	4	4	2	0	4	19
Latvia	3	4	2	3	2	3	17
Nicaragua	15	7	3	2	0	0	27
Panama	13	10	3	1	0	0	27
Peru	10	15	8	1	4	2	40
Poland	8	9	8	2	3	7	37
Romania	14	8	12	5	3	2	44
Russia	6	9	9	2	3	3	32
Singapore	3	2	1	0	0	0	6
Slovenia	10	2	1	1	1	1	16
Switzerland	4	5	4	4	0	1	18
Turkey	8	10	6	4	5	5	38
Vietnam	8	5	5	4	3	1	25
Weighted total	**4**	**5**	**4**	**2**	**1**	**7**	**23**

2.5 Proportion of spending on consumer versus non-consumer clients

Country	Consumer research (%)	Non-consumer research (%)
Australia	68	32
Bangladesh	30	70
Bulgaria	75	25
Canada	81	19
Chile	85	15
Costa Rica	80	20
Croatia	77	23
Cyprus	75	25
Czech Rep.	75	25
Denmark	89	11
El Salvador	80	20
Finland	80	20
Greece	69	31
Guatemala	80	20
Honduras	85	15
Hungary	81	19
Indonesia	85	15
Japan	83	17
Kenya	72	28
Korea	84	16
Latvia	53	47
Nicaragua	80	20
Norway	52	48
Panama	80	20
Peru	70	30
Poland	64	36
Portugal	55	45
Romania	90	10
Russia	75	25
Singapore	65	35
Slovak Rep.	83	17
Slovenia	82	18
South Africa	84	16
Spain	70	30
Sweden	72	28
Switzerland	80	20
Turkey	76	24
UK	85	15
Ukraine	65	35
USA	87	13
Vietnam	60	40
Weighted total	**83**	**17**

8.4 SPEND BY RESEARCH METHODS AND DESIGN

3.1 Proportion of turnover allocated to research methods

Country	Total quantitative (%)	Total qualitative (%)	Other %
Argentina	85	15	0
Australia	63	33	4
Austria	55	45	0
Bangladesh	85	15	0
Belgium	77	18	5
Bulgaria	80	19	1
Canada	80	14	6
Chile	88	12	0
Costa Rica	78	20	2
Croatia	88	8	4
Cyprus	50	7	43
Czech Rep.	82	15	3
Denmark	88	10	2
El Salvador	67	30	3
Finland	86	14	0
France	87	13	0
Germany	91	8	1
Greece	89	9	2
Guatemala	66	30	4
Honduras	68	30	2
Hungary	84	12	4
Indonesia	75	20	5
Italy	88	10	2
Japan	85	13	2
Kenya	75	25	0
Korea	82	16	2
Latvia	85	12	3
Mexico	83	16	1
Netherlands	74	10	16
New Zealand	83	16	1
Nicaragua	76	24	0
Norway	83	12	5
Panama	64	32	4
Peru	70	25	5
Poland	82	16	2
Portugal	81	18	1
Romania	82	16	2
Russia	75	20	5
Singapore	70	20	10
Slovak Rep.	82	17	0
Slovenia	76	17	7
South Africa	85	14	1
Spain	81	15	4
Sweden	89	10	1

3.1 Proportion of turnover allocated to research methods (continued from page 105)

Country	Total quantitative (%)	Total qualitative (%)	Other %
Switzerland	86	10	4
Turkey	56	12	32
UK	85	8	7
Ukraine	56	29	15
USA	85	15	0
Venezuela	88	12	0
Vietnam	60	35	5
Weighted total	**84**	**14**	**2**

3.2 Proportion of turnover allocated to research methods

	Quantitative						Qualitative				Other
Country	Postal (%)	Telephone (%)	Face-to-face (%)	Online (%)	Other quantitative (%)	Total quantitative (%)	Group discussions (%)	In-depth interviews (%)	Other qualitative (%)	Total Qualitative (%)	Other (%)
Australia	1	18	7	33	4	63	23	9	1	33	4
Austria	3	20	22	8	2	55	25	16	4	45	0
Bangladesh	0	0	85	0	0	85	12	3	0	15	0
Belgium	1	32	32	9	3	77	0	0	0	18	5
Bulgaria	2	10	64	4	0	80	16	2	1	19	1
Canada	8	36	5	31	0	80	0	0	0	14	6
Chile	0	25	62	1	0	88	10	2	0	12	0
Costa Rica	0	30	40	4	4	78	15	2	3	20	2
Croatia	1	23	33	1	31	88	6	2	0	8	4
Cyprus	2	23	25	0	0	50	5	2	0	7	43
Czech Rep.	1	18	44	5	14	82	9	5	1	15	3
Denmark	9	18	9	24	28	88	8	2	0	10	2
El Salvador	0	25	40	2	0	67	20	6	4	30	3
Finland	5	40	5	33	3	86	9	5	0	14	0
France	2	12	15	12	46	87	0	0	0	13	0
Greece	1	18	41	1	28	89	7	2	0	9	2
Guatemala	0	18	45	1	2	66	15	8	7	30	4
Honduras	0	17	48	1	2	68	20	7	3	30	2
Hungary	4	16	45	14	5	84	0	0	0	12	4
Indonesia	2	4	44	1	24	75	12	7	1	20	5
Japan	14	4	18	29	20	85	9	2	2	13	2
Kenya	1	5	67	2	0	75	13	3	9	25	0
Korea	2	20	30	12	18	82	11	4	2	16	2
Latvia	0	17	41	5	22	85	8	4	0	12	3
Netherlands	5	18	11	25	15	74	0	0	0	10	16
New Zealand	3	46	9	25	0	83	9	7	0	16	1
Nicaragua	0	20	55	1	0	76	18	4	2	24	0
Norway	8	39	10	23	3	83	7	2	3	12	5
Panama	0	30	30	2	2	64	20	8	4	32	4

3.2 Proportion of turnover allocated to research methods (continued from page 106)

	Quantitative						Qualitative				Other
Country	Postal (%)	Telephone (%)	Face-to-face (%)	Online (%)	Other quantitative (%)	Total quantitative (%)	Group discussions (%)	In-depth interviews (%)	Other qualitative (%)	Total Qualitative (%)	Other (%)
Peru	1	18	40	2	9	70	20	5	0	25	5
Poland	0	11	35	10	26	82	12	4	0	16	2
Portugal	0	19	21	3	38	81	0	0	0	18	1
Romania	0	11	65	1	5	82	12	3	1	16	2
Russia	1	21	35	5	13	75	15	5	0	20	5
Singapore	2	36	10	20	2	70	10	10	0	20	10
Slovak Rep.	1	14	42	2	24	82	12	5	0	17	0
Slovenia	8	27	23	4	14	76	12	5	0	17	7
South Africa	0	28	54	1	2	85	10	3	1	14	1
Spain	2	26	27	11	15	81	0	0	0	15	4
Sweden	12	36	7	22	12	89	0	0	0	10	1
Switzerland	5	49	21	10	1	86	5	3	2	10	4
Turkey	0	10	43	1	2	56	9	3	0	12	32
Ukraine	0	18	35	0	3	56	20	8	1	29	15
UK	8	17	21	18	23	85	0	0	0	8	7
USA	4	15	2	21	43	85	11	2	2	15	0
Vietnam	2	6	50	2	0	60	28	5	2	35	5
Weigthed total	**5**	**16**	**10**	**20**	**33**	**84**	**10**	**2**	**2**	**14**	**2**

3.3 Proportion of spending on different types of research design

	Ad hoc	Omnibus	Panel	Other continuous	Other type of research
Country	**%**	**%**	**%**	**%**	**%**
Australia	55	5	10	19	11
Austria	52	20	5	17	6
Bangladesh	85	0	2	13	0
Belgium	38	2	49	6	5
Bulgaria	55	15	15	15	0
Chile	80	5	13	2	0
Costa Rica	55	5	10	25	5
Croatia	42	5	41	11	1
Cyprus	42	10	5	35	8
Czech Rep.	62	3	17	15	3
Denmark	36	8	25	31	0
El Salvador	60	8	7	20	5
Finland	20	30	20	20	10
Germany	64	27	6	3	0
Greece	45	1	19	35	0
Guatemala	60	5	15	20	0
Honduras	55	10	5	25	5
Hungary	51	3	19	25	2
Indonesia	60	3	25	10	2
Italy	56	0	44	0	0
Japan	66	0	27	2	5
Kenya	64	2	8	26	0
Korea	64	2	8	14	12
Latvia	58	12	13	15	2
Netherlands	42	1	31	17	9
Nicaragua	70	10	10	10	0
Norway	52	8	17	21	2
Panama	67	8	5	15	5
Peru	70	5	20	5	0
Poland	44	2	27	15	12
Portugal	48	1	41	9	1
Romania	54	3	24	16	3
Russia	65	5	17	10	3
Singapore	65	5	10	15	5
Slovak Rep.	57	9	18	14	3
Slovenia	51	7	17	15	10
Spain	55	28	14	1	2
Sweden	45	22	13	6	14
Switzerland	56	4	36	0	4
Turkey	68	2	22	8	0
Ukraine	64	3	18	12	3
Vietnam	45	10	15	20	10
Weighted total	**58**	**12**	**19**	**7**	**4**

8.5 FIVE YEAR TREND

4.1 Turnover per region 2003—2007

	Turnover (US$m)				
Region	**2003**	**2004**	**2005**	**2006**	**2007**
EU15	7,896	9,191	9,582	9,566	11,467
New member states	267	325	392	431	565
Other Europe	436	515	565	665	850
Europe total	**8,599**	**10,031**	**10,539**	**10,662**	**12,882**
North America	7,137	7,824	8,306	8,890	9,494
Asia Pacific	2,526	2,976	3,327	3,590	4,064
Latin America	720	830	971	1,213	1,329
Middle East & Africa	254	297	339	381	466
World	**19,237**	**21,957**	**23,482**	**24,737**	**28,235**

Some turnover figures have been updated since last year's publication.
Rounded figures are presented. Totals calculated with actuals.

4.2 Unadjusted growth rate per region 2003—2007

	Absolute growth (%)				
Region	**2002/2003**	**2003/2004**	**2004/2005**	**2005/2006**	**2006/2007**
EU15	1.5	5.3	4.4	3.8	4.5
New member states	14.0	10.5	12.0	11.3	12.6
Other Europe	4.4	9.8	8.0	20.8	16.6
Europe total	**2.0**	**4.6**	**4.9**	**5.0**	**5.6**
North America	5.6	5.5	5.7	6.7	6.2
Asia Pacific	6.4	8.9	11.0	10.6	8.4
Latin America	15.8	7.6	7.8	16.4	6.5
Middle East & Africa	4.9	10.7	13.2	14.6	23.8
World	**4.4**	**7.9**	**6.2**	**7.1**	**6.5**

4.3 Inflation adjusted growth rate per region 2003—2007

	Net growth (%)				
Region	**2002/2003**	**2003/2004**	**2004/2005**	**2005/2006**	**2006/2007**
EU15	-0.6	3.0	2.4	1.9	2.4
New member states	11.8	6.0	9.2	8.5	9.5
Other Europe	-2.0	7.6	2.5	14.7	10.8
Europe total	**-0.4**	**3.4**	**2.6**	**2.8**	**3.2**
North America	3.3	6.3	2.3	3.4	3.6
Asia Pacific	5.6	8.9	9.4	8.5	6.2
Latin America	6.2	8.2	1.8	10.6	1.3
Middle East & Africa	1.1	6.3	9.1	9.6	18.7
World	**2.0**	**5.4**	**3.5**	**4.3**	**3.9**

8.6 GDP GROWTH RATES 2003 TO 2007

5 % GDP growth rates per country 2003 to 2007

	2003	2004	2005	2006	2007
Country	%	%	%	%	%
Argentina	8.8	9.0	9.2	7.3	4.0
Australia	3.1	3.6	2.5	2.9	3.2
Austria	1.4	2.4	1.9	2.2	2.1
Bangladesh	5.8	5.9	5.8	6.0	6.3
Belgium	0.9	2.4	1.5	2.1	2.4
Bolivia	2.8	3.6	3.9	4.1	3.9
Brazil	0.5	4.9	2.3	3.5	3.5
Bulgaria	4.4	5.7	5.5	5.6	5.8
Cambodia	7.1	7.7	7.0	6.0	6.0
Canada	2.0	2.9	2.9	3.1	3.0
Chile	3.7	6.1	6.3	5.5	5.2
China	10.0	10.1	9.9	9.5	9.0
Colombia	3.9	4.8	5.1	4.5	4.0
Costa Rica	6.4	4.1	4.1	3.6	3.0
Croatia	4.3	3.8	4.1	4.2	4.5
Cyprus	1.9	3.9	3.8	4.0	4.0
Czech Rep.	3.2	4.7	6.0	5.5	4.5
Denmark	0.7	1.9	3.4	2.7	2.3
Egypt	3.1	4.1	5.0	5.2	5.2
El Salvador	1.8	1.5	2.8	3.5	3.5
Estonia	6.7	7.8	9.8	7.9	7.1
Finland	2.4	3.6	2.1	3.5	2.7
France	0.9	2.1	1.4	2.0	2.1
Germany	-0.2	1.6	0.9	1.3	1.0
Greece	4.6	4.7	3.7	3.3	3.2
Guatemala	2.1	2.7	3.2	4.1	4.0
Honduras	3.5	4.6	4.2	4.3	4.5
Hong Kong	3.2	8.6	7.3	5.5	4.5
Hungary	3.4	4.6	4.1	4.4	4.2
India	7.2	8.1	8.3	7.3	7.0
Indonesia	4.7	5.1	5.6	5.0	6.0
Ireland	4.4	4.5	4.7	5.0	5.2
Israel	1.7	4.4	5.2	4.2	4.2
Italy	0.1	0.9	0.1	1.2	1.4
Japan	1.8	2.3	2.7	2.8	2.1
Kenya	2.8	4.3	4.7	3.3	4.9
Korea	3.1	4.6	4.0	5.5	4.5
Laos	6.1	6.4	7.0	7.1	6.0
Latvia	7.2	8.5	10.2	9.0	7.0
Lithuania	10.5	7.0	7.3	6.5	6.0
Luxembourg	2.9	4.5	4.3	4.0	3.8

5 % GDP growth rates per country 2003 to 2007 (continued from page 110)

	2003	2004	2005	2006	2007
Country	**%**	**%**	**%**	**%**	**%**
Malaysia	5.4	7.1	5.3	5.5	5.7
Malta	-1.9	1.0	1.0	1.3	1.5
Mexico	1.4	4.2	3.0	3.5	3.1
Myanmar	13.8	3.0	5.0	3.5	3.5
Netherlands	-0.1	1.7	1.1	2.5	2.4
New Zealand	3.4	4.4	2.2	0.9	2.1
Nicaragua	2.3	5.1	4.0	3.7	4.3
Norway	1.1	3.1	2.3	2.2	2.6
Pakistan	5.7	7.1	7.0	6.4	6.3
Panama	4.2	7.6	5.5	4.5	4.0
Paraguay	3.8	4.1	3.0	3.5	4.0
Peru	4.0	4.8	6.7	5.0	4.5
Philippines	4.5	6.0	5.1	5.0	5.6
Poland	3.8	5.3	3.2	4.2	3.8
Portugal	-1.1	1.1	0.3	0.8	1.5
Romania	5.2	8.4	4.1	5.2	5.6
Russia	7.3	7.2	6.4	6.0	5.8
Singapore	2.9	8.7	6.4	5.5	4.5
Slovak Rep.	4.5	5.5	6.0	6.3	6.7
Slovenia	2.7	4.2	3.9	4.0	4.0
South Africa	3.0	4.5	4.9	4.3	4.1
Spain	3.0	3.1	3.4	3.3	3.2
Sri Lanka	6.0	5.4	5.9	5.6	6.2
Sweden	1.7	3.7	2.7	3.5	2.4
Switzerland	-0.3	2.1	1.8	2.2	1.7
Taiwan	3.4	6.1	4.1	4.5	4.5
Thailand	7.0	6.2	4.4	5.0	5.4
Turkey	5.0	9.6	7.3	6.1	4.5
UK	2.5	3.1	1.8	2.5	2.7
Ukraine	9.6	12.1	2.6	2.3	4.3
Uruguay	2.4	12.3	6.0	4.0	3.2
USA	2.7	4.2	3.5	3.4	3.3
Venezuela	-7.7	17.9	9.3	6.0	3.0
Vietnam	7.3	7.7	7.5	7.4	7.4

Source: IMF – inflation adjusted.

8.7 AVERAGE EXCHANGE RATES AGAINST THE US DOLLAR 2003 TO 2007

6 Average exchange rates per US dollar 2003 to 2007

Country	2003	2004	2005	2006	2007
Argentina	2.90	2.92	2.93	3.09	3.12
Australia	1.54	1.36	1.31	1.35	1.19
Austria	0.89	0.81	0.80	0.84	0.73
Bangladesh	58.15	59.51	64.65	67.64	68.85
Belgium	0.89	0.81	0.80	0.84	0.73
Bolivia	7.16	7.65	7.93	8.31	7.75
Brazil	3.08	2.93	2.43	2.04	1.95
Bulgaria	1.73	1.58	1.57	1.65	1.43
Cambodia	3,973.33	4,016.25	4,187.17	4,114.24	4,045.82
Canada	1.40	1.30	1.21	1.15	1.07
Chile	691.43	609.37	561.81	565.27	522.47
China	8.28	8.28	8.20	8.05	7.59
Colombia	2,877.65	2,628.61	2,331.71	2,240.00	2,076.24
Costa Rica	398.66	437.91	482.49	529.49	516.58
Croatia	6.70	6.04	5.98	6.11	5.36
Cyprus	0.52	0.47	0.47	0.48	0.48
Czech Rep.	28.21	25.70	23.99	24.47	20.29
Denmark	6.58	5.99	6.00	6.23	5.44
Egypt	5.85	6.20	5.83	5.74	5.72
El Salvador	8.75	8.75	8.78	8.78	9.00
Estonia	13.56	12.60	12.59	13.21	11.43
Finland	0.89	0.81	0.80	0.84	0.73
France	0.89	0.81	0.80	0.84	0.73
Germany	0.89	0.81	0.80	0.84	0.73
Greece	0.89	0.81	0.80	0.84	0.73
Guatemala	7.94	7.95	7.73	8.81	7.61
Honduras	17.35	18.21	19.62	19.37	18.96
Hong Kong	7.79	7.79	7.78	7.76	7.80
Hungary	224.31	202.75	199.94	210.01	183.35
India	46.58	45.32	44.12	45.19	41.36
Indonesia	8,577.13	8,938.85	9,721.65	10,161.76	9,140.68
Ireland	0.89	0.81	0.80	0.84	0.73
Israel	4.55	4.48	4.50	4.75	4.10
Italy	0.89	0.81	0.80	0.84	0.73
Japan	115.93	108.19	110.12	116.90	117.65
Kenya	75.94	79.17	75.72	76.25	67.80
Korea	1,191.61	1,145.32	1,027.59	970.00	929.18
Laos	10,569.00	10,585.50	10,007.99	11,382.57	9,622.14
Latvia	0.57	0.54	0.56	0.54	0.51
Lithuania	3.06	2.78	2.78	2.78	2.78
Luxembourg	0.89	0.81	0.80	0.84	0.73
Malaysia	3.80	3.80	3.79	3.74	3.72

6 Average exchange rates per US dollar 2003 to 2007 (continued from page 112)

Country	2002	2003	2004	2005	2006
Malta	0.38	0.34	0.35	0.36	0.31
Mexico	10.79	11.29	10.90	10.62	10.66
Myanmar	6.08	5.75	6.34	6.70	6.60
Netherlands	0.89	0.81	0.80	0.84	0.73
New Zealand	1.72	1.51	1.42	1.50	1.36
Nicaragua	15.11	15.94	16.56	17.57	18.45
Norway	7.08	6.74	6.44	6.77	5.85
Pakistan	57.75	58.26	59.74	60.53	60.56
Panama	1.00	1.00	1.00	1.00	1.00
Paraguay	6,424.34	5,974.58	6,246.40	6,315.71	5,470.10
Peru	3.48	3.41	3.31	3.32	3.13
Philippines	54.20	56.04	55.14	54.24	46.15
Poland	3.90	3.66	3.24	3.20	2.77
Portugal	0.89	0.81	0.80	0.84	0.73
Romania	33,200.10	32,636.60	29,357.41	29,372.43	24,382.56
Russia	30.69	28.81	28.29	28.72	25.58
Singapore	1.74	1.69	1.66	1.62	1.51
Slovak Rep.	36.77	32.26	31.09	30.76	24.69
Slovenia	207.11	192.38	193.33	200.55	0.73
South Africa	7.57	6.46	6.38	6.58	7.05
Spain	0.89	0.81	0.80	0.84	0.73
Sri Lanka	96.52	101.19	100.59	103.93	110.63
Sweden	8.09	7.35	7.47	7.86	6.75
Switzerland	1.35	1.24	1.25	1.31	1.20
Taiwan	34.41	31.26	32.20	33.19	32.84
Thailand	41.49	40.22	40.31	40.62	34.54
Turkey	150,089.00	1.43	1.35	1.33	1.29
UK	0.61	0.55	0.55	0.57	0.50
Ukraine	5.33	5.32	5.16	5.11	5.05
Uruguay	28.21	28.70	24.46	25.44	23.37
USA	1.00	1.00	1.00	1.00	1.00
Venezuela	1,606.96	1,891.33	2,110.56	2,150.00	2,150.00
Vietnam	15,509.60	15,870.00	15,967.54	16,317.70	16,323.44

* Slovenia joined the Eurozone in January 2007.

2003
One Euro = 1.13 US Dollar
One US Dollar = 0.89 Euro
2004
One Euro = 1.24 US Dollar
One US Dollar = 0.81 Euro
2005
One Euro = 1.24 US Dollar
One US Dollar = 0.80 Euro

2006
One Euro = 1.19 US Dollar
One US Dollar = 0.84 Euro
2007
One Euro = 1.37 US Dollar
One US Dollar = 0.73 Euro

Source: IMF

8.8 INFLATION RATES 2003 TO 2007

7 Inflation rates 2003 to 2007 (%)

Country	2003	2004	2005	2006	2007
Argentina	13.4	4.4	9.6	12.9	15.0
Australia	2.8	2.3	2.7	2.8	2.7
Austria	1.3	2.0	2.1	1.8	1.7
Bangladesh	5.4	6.1	7.0	6.1	5.6
Belgium	1.5	1.9	2.5	2.4	1.8
Bolivia	3.3	4.4	5.4	3.4	3.1
Brazil	14.8	6.6	6.9	4.9	4.4
Bulgaria	2.3	6.1	5.0	7.2	4.1
Cambodia	1.2	3.9	5.8	4.1	3.2
Canada	2.7	1.8	2.2	1.8	2.0
Chile	2.8	1.1	3.1	3.8	3.0
China	1.2	3.9	1.8	2.0	2.2
Colombia	7.1	5.9	5.0	4.7	4.2
Costa Rica	9.4	11.5	13.6	13.1	11.0
Croatia	1.8	2.1	3.3	3.2	2.5
Cyprus	4.1	2.3	2.6	2.0	2.0
Czech Rep.	0.1	2.8	1.8	2.8	3.0
Denmark	2.1	1.2	1.8	1.8	2.0
Egypt	3.2	10.3	11.4	4.4	4.5
El Salvador	2.5	5.4	4.0	4.0	2.5
Estonia	1.3	3.0	4.1	3.6	3.2
Finland	1.3	0.1	0.9	1.1	1.3
France	2.2	2.3	1.9	1.7	1.8
Germany	1.0	1.8	1.9	1.8	2.5
Greece	3.5	3.0	3.5	3.3	3.0
Guatemala	5.6	7.6	9.1	6.9	5.4
Honduras	7.7	8.1	8.8	6.8	5.7
Hong Kong	-2.6	-0.4	1.1	1.8	2.1
Hungary	4.7	6.7	3.5	2.0	2.7
India	3.8	3.8	4.2	4.8	4.9
Indonesia	6.8	6.1	10.5	14.2	6.6
Ireland	4.0	2.3	2.2	2.3	2.5
Israel	0.7	-0.4	1.3	2.4	2.0
Italy	2.8	2.3	2.3	2.5	2.1
Japan	-0.3	0.0	-0.3	0.3	0.6
Kenya	9.8	11.6	10.3	11.5	2.8
Korea	3.6	3.6	2.7	2.5	3.0
Laos	15.5	10.5	7.2	6.8	5.0
Latvia	2.9	6.3	6.7	6.4	5.5
Lithuania	-1.2	1.2	2.6	3.2	2.7
Luxembourg	2.0	2.2	2.5	2.3	2.2
Malaysia	1.1	1.4	3.0	3.1	2.7
Malta	1.9	2.7	3.1	2.8	2.4
Mexico	4.5	4.7	4.0	3.5	3.0

7 Inflation rates 2003 to 2007 (continued from page 114)

Country	2003	2004	2005	2006	2007
Myanmar	24.9	4.2	17.7	27.5	32.5
Netherlands	2.2	1.4	1.5	1.5	1.6
New Zealand	1.8	2.3	3.0	3.1	2.8
Nicaragua	5.2	8.5	9.6	8.8	6.1
Norway	2.5	0.4	1.6	2.1	2.3
Pakistan	2.9	7.4	9.1	8.4	6.9
Panama	0.6	0.5	2.9	2.2	1.5
Paraguay	14.2	4.3	6.8	7.4	4.4
Peru	2.3	3.7	1.6	2.7	2.2
Philippines	3.5	6.0	7.6	7.4	4.7
Poland	0.8	3.5	2.1	1.3	2.3
Portugal	3.3	2.5	2.1	2.1	2.1
Romania	15.3	11.9	9.0	7.9	4.8
Russia	13.7	10.9	12.6	10.4	9.5
Singapore	0.5	1.7	0.5	2.0	1.9
Slovak Rep.	8.5	7.5	2.8	3.6	2.5
Slovenia	5.6	3.6	2.5	2.4	2.4
South Africa	5.8	1.4	3.4	4.5	4.9
Spain	3.1	3.1	3.4	3.4	3.1
Sri Lanka	2.6	7.9	10.6	8.0	7.0
Sweden	2.3	1.1	0.8	1.5	1.8
Switzerland	0.6	0.8	1.2	1.0	1.2
Taiwan	-0.3	1.6	2.3	1.8	1.5
Thailand	1.8	2.8	4.5	3.6	2.2
Turkey	25.2	8.6	8.2	6.5	4.4
UK	1.4	1.3	2.1	1.9	1.9
Ukraine	5.2	9.0	13.5	13.0	12.5
Uruguay	10.2	7.6	5.9	5.5	4.9
USA	2.3	2.7	3.4	3.2	2.5
Venezuela	31.1	21.7	15.9	11.7	17.3
Vietnam	3.2	7.7	8.0	7.0	6.0

Source: IMF – Annual averages

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