

Co-operation in Edinburgh

Dear All,

I hope you are all surviving the current times. We welcome new members Globexel (India), Ocucom (USA), Socis (Russia), BIA Research (UK), Infotrak (Kenya), and myself Mr Sample (UK). I suffered redundancy at the end of March which meant I might have had to step down as Chairman and I would like to thank the council for their vote of confidence in electing me as a member again with consultant status so my Chairmanship can continue.

Reports are mixed on the business front with some companies being very busy (some of this extra work has come from company closures!) and others saying things have been very slow. Either way all companies large and small are looking at their costs and matching them to their order books. Sir Martin Sorrell (WPP) pointed this out earlier in the year saying he would reduce his costs by the same percentage as his revenue declines. At the end of April he reported a 6% drop in revenues.

Job budgets

The other effect of this general decline is in job budgets. Clients are ever more demanding and suppliers are cutting prices to secure work. Cashflow is the other major problem faced by suppliers. Perfectly viable businesses are getting into trouble because they cannot get paid in time to meet their own responsibilities. Why should suppliers be banks for their clients? (We all know what has happened to the banks).

Mixed business reports

New analytical tools

The growth area in research is online with new tools for analysis of behavioural habits online. We have the technology to stream particular advertising to surfers depending on the sites they are browsing. A more dangerous development is the ability to identify individuals by their IP address and there has been a case in the US that put one company out of business for infringing data protection laws. Indeed there is a case pending against BT in the UK at the moment.

We had a good meeting in Athens where respondent co-operation was discussed and we are looking forward to the Edinburgh conference in June where we will discuss new techniques in qualitative research. We welcome the co-operation with the ICG Group. It is the first time we have collaborated in this way and I am sure their contribution will be invaluable to the conference

We look forward to the Insight Show in London which is at the end of June this year. As usual we will have the AIMRI Village and I hope to meet as many members as possible while we are there.

At the end of October we are planning to visit Munich coinciding with the Research & Results exhibition.



John Mackay,
Chairman

Changes to the website www.aimri.net

The current round of changes to the website are listed on page seven including the new **blog for members**.

Subsequently it is hoped to introduce an online booking form for meetings.

Further changes to the appearance of the website are planned and these will be discussed with Herbert Höckel of **mo-web**.



Munich - See page 2

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Targets for researcher skills

The autumn **AIMRI** meeting will be in Munich on Friday 30 October 2009. The subject will be:

“Understanding niche markets”

Reaching minority groups is a key market research activity, whether it be children, or consumers of luxury items, or enthusiasts for sports and pastimes, or travellers, or healthcare patients, or businessmen, or whatever. The narrower the segment the greater the sampling difficulties and the more specialised the techniques.



Munich

The conference will be in the comfortable 4 star **Platzl Hotel**, located next to the famous Hofbrauhaus and within immediate proximity to the Marienplatz - The Bavarian State Opera, Maximilianstrasse and the Viktualienmarkt.

Facilities are excellent and include a sauna, solarium and gym etc.

Munich is the Capital of the state of Bavaria and lies near the foot of the German Alps. It is Germany's second most popular destination after Berlin, and has something to offer to everyone, be it culture, hi-tech, parks and greenery, night-life, architecture, beer gardens, shopping or the skiing and sailing close by.

Our conference will come just after the **Research & Results 2009 Market Research Exhibition (28/29 October)**, also in Munich (see below).

This will be another stimulating event in an historic environment. **For more information please contact Richard Chilton (tel +44 20 8780 3343).**

Focus on innovation

The summer **AIMRI** meeting will be in Edinburgh on Friday, 12 June 2009. The subject will be:

“New trends in qualitative research”

We will cover on-line focus groups, ways of exploiting Web 2.0, using blogs as a research tool and examine cases where qualitative research has provided new insight. This will include developments in the healthcare, B2B, financial services and retail fields.

Edinburgh

The conference will be in the comfortable 4 star **Royal Terrace Hotel**. Recently modernised it enjoys excellent views over landscaped gardens to the rear while the front is part of the well known *Georgian terrace*. Facilities are excellent and include a swimming pool and



gym. The hotel is centrally placed for shopping and visits to the castle and museums.

Edinburgh has one of the most beautiful cityscapes in the world, making it the ideal city break destination. With Scotland's most famous castle dominating the city skyline, there is plenty to see and do including world-class museums and galleries.

The high volcanic rock with precipitous sides upon which the castle is built has been a stronghold for thousands of years. It is because of the defensive value of the rock and the succeeding castles built there that **Edinburgh** became important and eventually the capital of Scotland.

For more information please contact Richard Chilton (tel +44 20 8780 3343).

Research & Results 2009

The **2009 Research & Results market research exhibition** will be held in the M.O.C. Convention Centre, Munich from Wednesday 28 to Thursday 29 October 2009. About 2,500 visitors are expected. For more information go to www.research-results.com

A Rolling Annual Plan

In future **AIMRI** will publish a rolling annual plan for the meetings for members.

Date	Hotel	Venue	Airport
Fri 12 June 2009	Royal Terrace	Edinburgh	Edinburgh
Fri 30 October 2009	Platzl	Munich	Munich
Fri 5 March 2010	tbc	Rome	Rome

Dates and venues:

Subjects:

For June 2009 the subject is:

“New trends in qualitative research”

For October 2009 the subject is:

“Understanding niche markets”

Cities and countries of the future

The world is currently witnessing dramatic and rapid changes in the economy, culture and society. In the first two months of this year, violent riots and demonstrations have occurred in seven European countries. Undiversified cities around the world like Detroit are becoming a war zone with precipitous drops in property values and unemployment rates in the double digits. A major US security official ranks the economic debacle as **“THE biggest threat facing national security and governments”**, especially the United States. With all of this chaos, what will be the areas of most opportunity and prosperity in the future?

Paradigmatic shift from West to East

Nearly every management consulting firm has contributed to this discussion. Nearly every one of these firms has a section on their website on the paradigmatic shift from the West to the East. SIS International and I have lived this new paradigm since 1989, before many firms caught on.

It is clear that this **Eastward shift** is being accelerated by the recession. On our Market Intelligence blog, our analysts wrote on how IBM, with its ‘Project Match’, is offering its US laid off employees the opportunity to relocate to Asia. The hitch: Employees will likely be paid local salaries. This seems to be the turning point when people realise how much of a reality the shift from the West to the East has become.

What will bounce back?

‘Global Cities’ (**New York, London, Tokyo, Shanghai, Hong Kong, Sao Paulo**) will be very strong positioned to bounce back and be strong in the long term.

Even before the recession, there had been major movements of people to ‘Global Cities’. These cities benefit from both the BEST human capital as well as flows of immigrants to support growth. This has been noticed in many developing countries like China, with expatriates and educated executives relocating to urban areas and with rural immigrants moving to **Shanghai, Guangzhou and Beijing** for factory jobs. There, they receive higher wages, rewarding their talent and hard work, unlike in smaller urban areas.

to the East...
to global cities...



Shanghai

Can Global Cities Like New York Survive?

Very, very few US cities will avoid recession. Which cities will bounce back in a strong position in the next five years?

The economic problems are widely thought to have originated out of New York, raising the question of whether a city highly dependent on the financial sector (20% of its budget), over 250,000 layoffs in only ONE industry and 50,000 more layoffs could ever bounce back.

After September 11th, New York had a ‘renaissance’. While it lost many people, it gained new people who relocated to one of the nation's safest and prosperous large cities in the years following. New York City residents are quite satisfied in their leadership and the decrease in crime over the past few years. In the years to come, New York will face many challenges. While the city expects massive layoffs in one of its largest industries, it has developed a program to retrain these laid off executives. This will help keep some of the world's most valuable **intellectual and human capital** in the New York area.

London, Tokyo, Singapore and regional mega cities like Sao Paulo will likely remain strong in the long term.

What about Dubai?

Dubai is in question. The city-state is facing severe challenges with a catastrophic real estate downfall and its intellectual capital (largely expatriates from abroad like India, Asia and Europe) have left, some by leaving in exodus without paying their bills and by dumping their rental cars in the parking lots of Dubai International Airport. Amidst dramatic challenges, it still is positioned as the **epicenter of the Middle East** with a strong financial sector with a government committed to fighting the crisis.



Ruth Stanat
SIS International
Research, New York



Vital questions to be answered

More or less all of us have to fight for **'Respondent cooperation'**, the subject of the very inspiring Athens meeting on March 6th 2009. Only 21 members attended but all of them unanimously sounded praise on the value of the presentations.

Which research methods and strategies work best? What we can do to increase respondent engagements? These vital questions were answered from a variety of different perspectives. Because of its significant impact on data quality the issue had been brought back into the limelight of the community anyway. Personally, I was reminded of Peter Cape's (SSI) excellent article in *Synergie No.3/2008* titled **"Why Do People Participate in Surveys?"**

The term heard most often during the day was **'over-researched'**. According to the lectures and comments it would appear that this problem is worst in North America, only a little better in Europe and not (yet) a major obstacle in Asia.



Miami

The morning sessions were started off by **Jack Semler of Readex Research, USA**, with a report from the 8th Annual **CMOR Respondent Cooperation Workshop in Miami** where delegates had come up with a number of helpful rules, eg. 'no large grids', 'don't force every answer', 'offer to share results', 'use digital fingerprints to track duplicate respondents' and many more. Jack's most challenging suggestion was actually to deliver incentives at the point of first contact in order to create a sense of obligation which was, obviously, discussed under cost considerations by the group. Be creative in providing incentives or other values (like information) was Jack's final appeal to his audience.

Robin Shuker of BIA Research, UK posed the question **"Are participants relaxed and giving more open answers**

in online focus groups?" His answer was a clear "yes"! He talked about fast changing and new technologies like video interviews, Ebox and Itracks platforms and bulletin boards: "Digital is the name of the game". Popular consumer brands today rely on online focus groups without peer group pressure where people are "brutally" honest and enjoy the experience tremendously. Blogging has become a global pastime! And such fun experiences are worth more than monetary incentives! Robin also presented a software program for running online groups.

We then heard a paper by **Efrain Ribeiro of Ipsos Group, USA**, on **"Online engagement challenges & opportunities in the US market"**. Efrain addressed problems like spam emails and declining response rates to panels. As social networks have become really active during the last three years you can (and must) exploit this increasing traffic. River sampling has been positioned as an option for reaching a random, less-surveyed online audience although "self-selection" is still a massive problem for representative samples: "You often don't know who you get from your intercepts". Efrain also talked about the need to increase the quality of respondent online experience. His credo: "Regain trust among research-users of online methodology!"

Richard Sheldrake of Perspective, UK, spoke about **"Reaching the impossible in telephone research"**. His presentation turned out to be an amusing performance interlarded with hard facts and valuable pieces of advice for all who rely on telephone surveys. Richard revealed ways how to get around the "gatekeeper", emphasised the importance of a clear-cut introduction and summarised his message saying "Be clear, be brief, be honest... and be persistent!"



Acropolis, Athens

AIMRI meets in Athens

Sundara Rajan, Market Search, India, presented an unique case study on motor cycle research and explained that in India face-to-face is still the most important method. In spite of the considerable economic progress India still has a low Internet penetration (8%, mobile phones 12%) and Indian market research has to cope with 24 different languages plus 400 dialects! So Sundara showed us how they at Market Search **keep respondents interested and engaged in face-to-face situations.**

After a delicious lunch on the top floor of the St George Lycabettus Hotel with a fabulous view over the city and the Acropolis **Ralf Zacharias of MAIX**, Germany, presented a **“New approach to measuring importance”** and thus getting in-depth insight into the decision processes of consumers. Basically, we all have encountered the differences and shortcomings of stated and derived importance. According to Ralf the solution is maximum difference scaling (MaxDiff), a method that yields a better and clearer discrimination between items than any other method. Compared with rating scales it is much easier for respondents to understand the question – and that is why it fosters respondent co-operation!

Last but not least **Constantine Sigalos of Global Link**, Greece, gave us an overview over the current political and economic situation in Greece and on **Market Research in Greece**: Internet penetration currently is 50% but fast growing since among the younger generation it has reached 80% already.

Thanks to Richard Chilton’s unpretentious but very effective preparation Athens was yet another delightful meeting with a wealth of valuable inspirations and very useful one-to-one conversations on professional co-operation between members. **“See you in Edinburgh and/or Munich!”**

Fritz Brandes
FBInnovation
Germany



New members

Globexel

Globexel is a leading provider of independent market research services. We take a consultative approach, assisting and suggesting clients on each stage of data collection process. Our clients rely on us to provide them with accurate and reliable market research services.

At Globexel, our services are backed by a strong knowledge base, robust process and technology and superior quality output with 110 trained interviewers across eight languages, giving us an advantage of wide global coverage from a single location; all centered around delivering high levels of client satisfaction. Much of our business is generated by repeat clients, further strengthening our promise for high quality delivery standards.

Globexel is a state of the art global contact center with a capacity of 75 seats located at Ahmedabad, India. Backed by strong venture capitalist funding, the organisation has a dynamic and process driven team supported with best in class technology and systems.

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Infotrak

Infotrak Research is a professional research company that was founded in October 2004.

We provide the East African market with suitable information solutions to sustain the needs of our growing economies.

Infotrak realises the need to bring you closer to your customer, to give you a greater insight into how people behave and a greater understanding on what they actually want.

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Financial institutions concentrate on survival

On behalf of **AIMRI** I attended Day One of the Marketing Week Conference on Retail Financial Services on 19-20th January 2009 which took place at the charming Thistle Hotel, Marble Arch in London. John Mackay has already reported on the second day (*see Synergie February 2009*).

The Conference was opened by **James Wycherley of Barclays** and took place amidst the tumultuous global crisis in the financial services industry which made it all the more interesting.

Day One began with an introduction from **Professor Nigel Waite, director of the Financial Services Research Forum** co-organisers of the event. The Forum combines leading financial services organisations and academics to engender cutting edge research in the area of financial services strategy and management.

Nigel did not pull his punches in describing the fallout of the financial crisis with **SURVIVAL** being the key objective of all financial institutions. The key issue from the consumer perspective was seen as the destruction of **TRUST**. He ended on a note of optimism though with the statement **“Tough times don't last, tough people do!”**

Frances Green of Harris provided an overview of some recent research into consumer response to pension schemes. The solutions suggested were as follows:

- Pension providers should reposition themselves as offering **ADVICE** to avoid the fear of simply 'Being sold to'.
- Focus on present day benefits in a simpler and more targeted fashion.

Rachel Lawes of Lawes Consulting gave a fascinating insight into the world of Semiotics and how this can help us understand consumers relationships with Financial Services brands.

Rachel highlighted why most Financial Services communications fail:

- They talk to consumers as if they were rational and in-charge of their finances.
- The messages are mainly about technology based services eg. 'fixed rate bonds at 4.33% 8.9% APR'.
- Consumers do not understand and this makes them feel inadequate – This makes it worse.
- Credit crunch – Means new set of consumer anxieties and needs where WOM (Word of Mouth) becomes more important, yet it is absent.

She cited Sophie Kinsella's 'Shopaholic' range of books, TV's 'Repossessed', online Christmas Clubs, Trip Advisor

and 'Frugal is Fashionable' as examples of how to better understand current consumer behaviour.

Ian Morgan of Google introduced the context of internet growth into the equation with his notion that the future of Financial Services will be based on 'The Survival of the quickest'. With 38% growth in Financial Services online searches accounting for 20% of all Google searches and the phenomenon of social media/networking due to increase rapidly to 2012 internet presence becomes evermore important.

Ian pointed out three specific recommendations:

- Advertising should be less product specific – rather offer helpful advice (NatWest's Moneysense campaign stands out as a success).
- Advertising should be positioned from the consumer rather than the corporate perspective (Bank of America's U-Tube site 'Your Money' is a fine example).
- Web usability needs to improve – Consumers want to get to the information they need quickly and easily.

John Connaughton of Illuminas offered some interesting insights into global response to the financial crisis highlighting areas of potential market opportunities for certain brands and sectors. For example in China where there is a cultural aversion to debt the level of consumer finance remains fairly static at around 30%.

Tim Francis of RI asked if consumers really knew what was going on in the Financial World at the moment? Too much information makes it difficult for consumers to

understand the relationships between corporate banks, high street brands and their home life. **Levels of concern are very high** but this does not always translate into action – 'The credit crunch is reinforcing traditional inertia barriers.' The financial services industry has demonstrated a confusing mixed response from innovating and shouting very loudly, to keeping their heads down and reminding customers of their heritage.

Richard Harris of Amex explained their 'Spendcentric Model' which provides end-to-end spend information bringing them ever closer to their customers. The major challenge at Amex is to understand the most effective mix of media channels as they all include a 'halo' effect on each other. Richard also pointed out how quickly **consumer attitudes can change**. The message behind their socially responsible card 'Red' launched in 2006 was that to indulge = Do good - A message that clearly does not chime in 2009.



Thistle Hotel

continued from page 6

Steve Nuttall of YouGov also picked up on changing consumer attitudes presenting findings that 48% of UK respondents had said their feelings towards their financial provider had **DETERIORATED**. Not surprisingly those who had suffered as a result of the credit crunch had more marked negative feelings.

Conclusion

There was much consensus between speakers, focussed mainly on the confusion created by the financial crisis and the suggested responses. Compared to previous economic recessions, consumers are much better informed – The growth of online media has meant that there is really no place to hide from the public. This does of course also mean there are more opportunities to **understand and influence opinion**.

So it would appear that consumers' faith in Financial Services has not deteriorated as experts had feared. Not that this should be a call for complacency as the detailed results showed that younger customers tend to trust financial services institutions the least and there was a marked **decline in the level of trust in banks** and credit card providers among consumers most likely to use the internet



Jonathan Wheeler
Blauw Research UK
London

Changes to the AIMRI website www.aimri.net

AIMRI is all about communicating with each other. At a recent meeting members have asked us to look at ways to improve this and the top favourite has been for **AIMRI** to have its own **blog**. This has now been designed and will be unveiled at the Edinburgh conference.

It is set up so that all members can access, read each others posts and either comment or add new posts of their own. Currently it is 'open access' but if members want more limited access, passwords etc. this can be done, either on the whole blog or parts of it. We also have stats designed to tell us how many people are visiting, where they're coming from, which posts are most popular, and which search engine terms are sending people to the **blog**.

Go use it! And most important of all tell us what you think about it, how it could be improved, what other features you would like. There are many things we can do with this blog but we need you to tell us what you want.

Other changes to the website include a picture **gallery** for photos of members, an **archive** for back numbers of Synergie, an **archive** for presentation charts from meetings and a new and more lively **Homepage**. The present round of changes should be operational before the end of June 2009.

see also the front page...

Daunting challenge for researchers

Report on Financial Services Powerhouse (April 2009)

On a warm April afternoon in London, a relatively small group of marketers and researchers from the world of financial services gathered at the invitation of **Marketing magazine**.

At no time in recent history could their challenge be more daunting. The global reputation of the industry has taken a huge battering as mortgage defaults reached an unprecedented scale. Key players were blamed for taking too high investment risks and remuneration packages for top performers (and underperformers!) were exposed, which could neither be justified or sustained in the full light of public scrutiny.

Casualties

Then there have been the casualties: Lehman Brothers, Bear Stearn, Northern Rock, RBS, HBOS, Icelandic National Bank to name a few. In effect we have witnessed the near collapse of the entire financial system across the world and which has only been rescued by injecting in vast amounts of public money.

The repercussions of all this has been a severe credit squeeze and the onset of a global recession, only matched in scale by the great depression of the Thirties.

In the context of all this one might have expected a rather gloomy gathering for this conference. It was a great surprise to find that this was far from the case. The meeting was **generally upbeat**, the challenges accepted, but with an air of confidence that the hurdles could be met.

Its not surprising that the **key theme of the day was trust** - The challenge of how to win back the trust of the public in the financial services industry.

Marketing

This report by Stephen Bairfelt, Purple Market Research is continued on the back page.

Financial Services Powerhouse continued from page 7

The first speaker was **Mark Wright, Marketing and Communications Director for Royal & SunAlliance**, a large UK insurance company. He opened by talking about how recent events have been a particular **shock for the traditionally 'better off'**. The result of this is that people are refocussing on what is important to them in life.

The big challenge for marketers is whether this change in habits will become the new norm or whether things will quickly go back to 'normal'. But the real key to success in his view was understanding the customer mindset 'like never before', highly rigorous differentiation and simple communications.

Next on the podium was **David Halston, Director of Brand Marketing at AXA UK**, another large insurance group. He asked the question, **"In an industry experiencing crisis and a chronic lack of trust, how do you differentiate your brand?"**

AXA tracking data shows that people are worried about the value of their pensions and investments and are concerned about redundancy. They are looking to blame someone and the financial services companies are very much in the firing line.

David said that financial services brands needed to move away from the land of promise. They needed to take a firm position, the theory being that in times of austerity people are most attracted to **strength, courage and belief**. Many companies were opting for the price discounting route, but David felt that this was a high risk strategy.

The starting point for AXA was the realisation that the financial services industry is now perceived to be untrusted, unemotional and does not deliver on its promises.

To address this AXA have focussed on the key drivers of trust – deep customer understanding, reliability (consistently doing what they say they are going to do and on time) and care (ensuring customers feel they benefit when they do business with AXA).

Research by AXA shows the number one reason for selecting a financial services company is their **'financial stability'**, so AXA advertising has been very focussed on communicating and reinforcing this.

David Radford, Group Marketing Director of Liverpool Victoria had a very similar message. He demonstrated that

trust had diminished in a number of institutions over recent years and the financial services industry was just one example.

In this context, people tended to place more **trust in friends and family** and 'people like me' (social networks and reference sites).

Nick Dixon, Marketing Director of Skandia talked about **'Sustaining Trust'**. He described an approach where you start by understanding a customer's risk profile, recognise that the money belongs to the investor not the provider and that simplicity in communications are more important than ever before.

Finally, we heard from **John Prout**, Director of Sales and Retention at the government backed **National Savings & Investments**.

John asked the question, **"What makes a trusted brand?"** John clearly believed that:

- trust takes time to build;
- can easily be destroyed;
- needs constant reinforcement.

He described the **seven pillars of trust building** – Familiarity, simplicity, transparency, understanding, fairness, consistency and predictability. It's difficult to trust what you don't know or what you don't understand or what does not seem fair or what changes every day, however, its easier to trust when you get what you expect.

All these papers were packed into a new half day format. It is quite remarkable that so much material was covered in such a short space of time. A thoroughly enjoyable and informative afternoon.

Focussing on the issue of trust



Stephen Bairfelt,
Purple Market Research
Hounslow, UK