the European Research Federation

EFAMRO Moodindicator Q1/Q2 2015:

Market research expenditures in Europe: more optimism among market research agencies

Introduction

In Q1 and early Q2 of 2015 a new wave of the EFAMRO Moodindicator was conducted. Research agencies, that are members of their national trade association, have been asked about the business outlook from the perspective of their agency and their domestic market. In this wave respondents from 12 European countries participated.

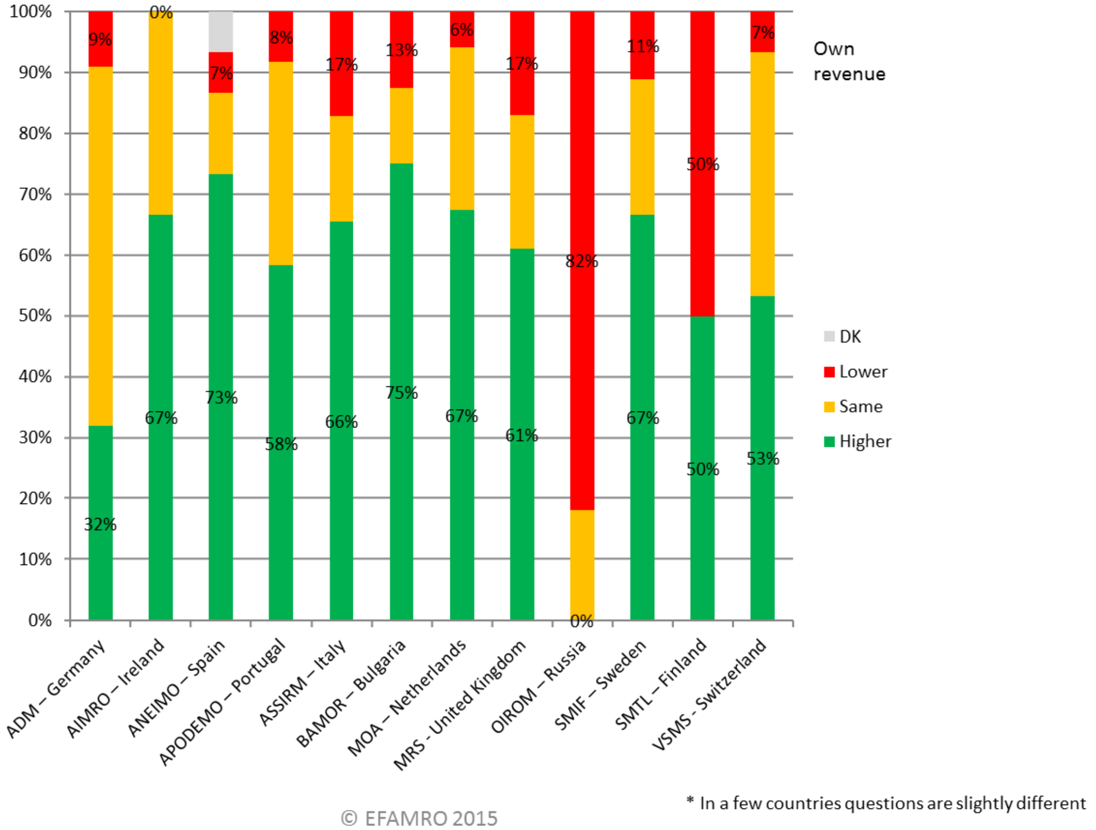
For some countries the sample base and response rates are relatively small; the questions differ slightly (as a result of historic benchmarking) and fieldwork periods are not exactly the same in all countries. However, the results create a good indication of the development of the research industry, in particular when comparing the results to the results of the previous waves.

Expectations regarding 2015: increasing optimism regarding the outlook for their own agency

The European agencies are quite optimistic regarding their own revenue development in 2015, generally more optimistic than in wave Q3/Q4 2014.

Only a considerable proportion of the respondents from Russia and Finland expect their revenue to decrease in 2015. Russian research agencies are almost unanimously pessimistic about the 2015 revenue. In the Q3/Q4 2014 wave about one third of the Italian agencies expected their revenue to decrease; the proportion of pessimistic agencies is much lower in Italy in wave Q1/Q2 2015.

Thinking about the year ahead do you think your research revenues will be higher than, lower than, or about the same as 2014? *



With the exception of the two 'pessimistic' countries and Germany, in all (other) countries the majority of agencies are optmistic about revenue in the year ahead.

Below the 'top positive' of each of the countries is shown, 'top positive' means 'percentage respondents expecting an increase -/- percentage expecting a decrease'.

Thinking about the year ahead do you think your research revenues will be higher than, lower than, or about the same as 2014? *Net positive*

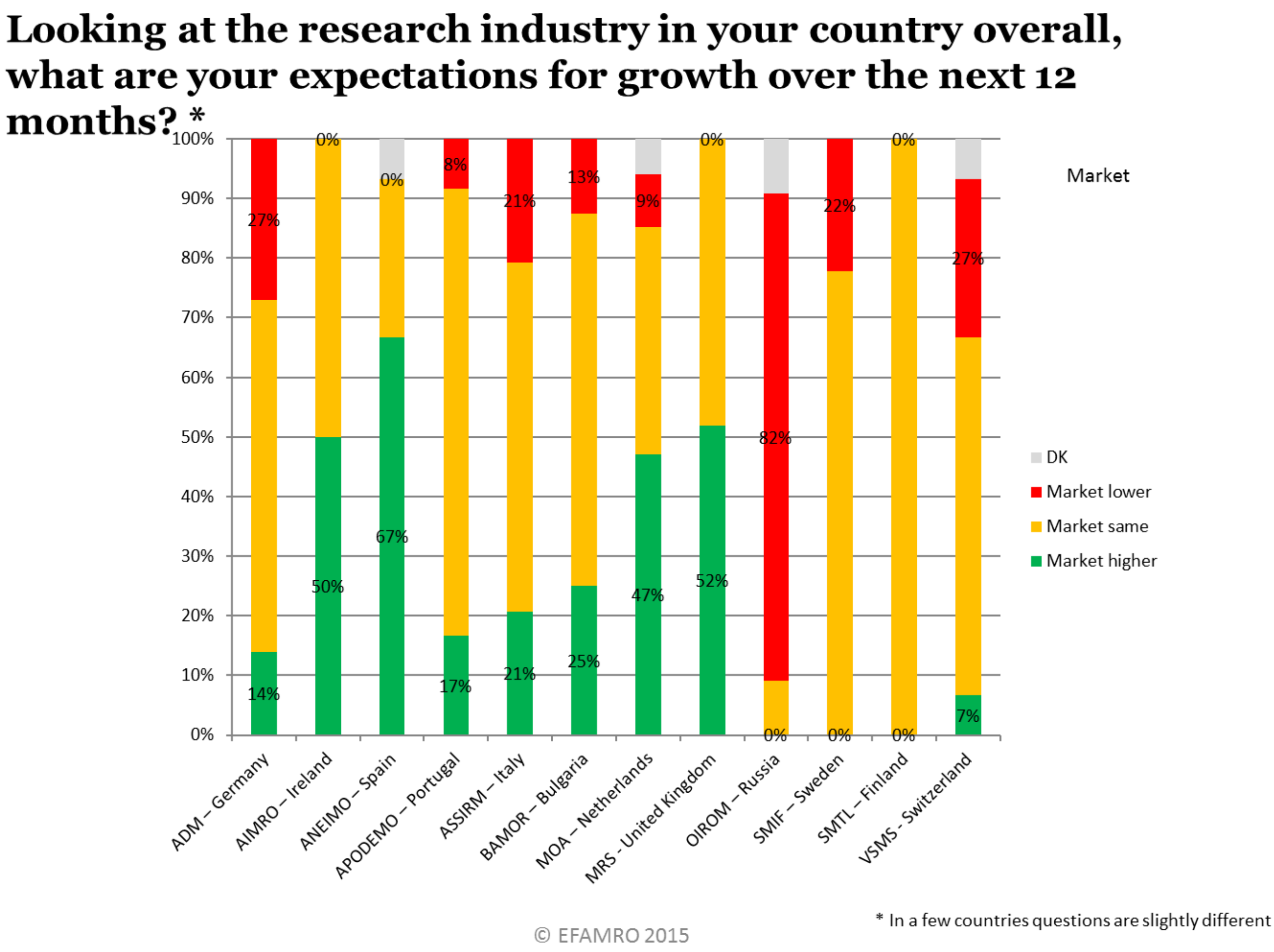
	Q3 2013	Q1 2014	Q4 2014	Q1/Q2 2015
ADM – Germany	28%	50%	31%	23%
AIMRO – Ireland	33%	40%	60%	67%
ANEIMO – Spain	-15%	14%	36%	67%
APODEMO - Portugal	-11%			50%
ASSIRM – Italy	-12%	17%	6%	48%
BAMOR – Bulgaria	11%	0%	25%	63%
MOA – Netherlands			61%	61%
MRS - United Kingdom	64%	58%	48%	44%
OIROM – Russia	78%	9%	-10%	-82%
SMIF – Sweden	0%	73%	90%	56%
SMTL – Finland	-22%	33%	40%	0%
Virke – Norway	50%	60%	14%	
VSMS - Switzerland	0%	60%	29%	47%

Compared to previous waves of the Moodindicator (Q3 2013, Q1 2014 and Q3/Q4 2014), respondents in Bulgaria, Italy, Spain and Portugal are relatively optimistic. This indicates a recovery of the Mediterranean industry covered by EFAMRO.

In Russia, Finland and Sweden (recently) the situation has worsened albeit the balance in Sweden remaining positive. The negative change in Russia in the last eighteen months relates to the worsening economic and geopolitical outlook.

Expectations regarding 2015: quite negative outlook for the industry

Though agencies in most of the countries are optimistic about the development of their own agencies, they seem to be far less optimistic about the development of the industry in their countries.



It is usual for there to be some differences in perception of respondents to the performance of their own agency and the total national industry, but the variances are significant: respondents are much more pessimistic regarding the industry than about their own agency.

Just in three countries - Ireland, Spain and the UK - are the majority of respondents optimistic about the developments of the national industry (‘revenue own agency’: 10 out of 12 countries).

Compared to previous waves of the Moodindicator (Q3 2013, Q1 2014 and Q3/Q4 2014), respondents in Bulgaria, Ireland, Italy, Spain, Portugal and Finland (though overall neutral) are relatively optimistic about the market. This supports the view that there is a recovery of the Mediterranean industry covered by EFAMRO.

Looking at the research industry in your country overall, what are your expectations for growth over the next 12 months? *Net positive*

	Q1 2013	Q1 2014	Q4 2014	Q1 2015
ADM – Germany	60%	23%	76%	-13%
AIMRO – Ireland	0%	0%	0%	50%
ANEIMO – Spain	-8%	0%	-29%	67%
APODEMO - Portugal	-44%			8%
ASSIRM – Italy	-8%	-3%	-38%	0%
BAMOR – Bulgaria	-11%	0%	-50%	13%
MOA – Netherlands				38%
MRS - United Kingdom	13%	71%	56%	52%
OIROM – Russia	78%	-9%	-40%	-82%
SMIF – Sweden	50%	20%	0%	-22%
SMTL – Finland	-44%	0%	-50%	0%
Virke – Norway	17%	10%	-14%	
VSMS - Switzerland	15%	-20%	-21%	-20%

In Russia, Finland and Sweden the industry situation worsened, the same pattern as was shown when discussing the agencies outlook. The negative change in Russia in the last eighteen months is again remarkable.

Some correlation with European confidence indicator ESI

Like in previous waves we have compared the results of the Moodindicator to the levels of the ESI (‘Indicator of confidence and economic sentiment’, a study continuously conducted by the EU) for the corresponding periods. Again we notice many similarities between the perceived outlook of the market research industry and the ESI in these countries.

Expectations development research industry in each of the countries*. Net positive

compared to

ESI index (indicator of confidence and economic sentiment)

	Q1 2013	Q1 2014	Q4 2014	Q1 2015	ESI (long term average=100)	Q1 2013	Q1 2014	Q4 2014	Q1/Q2 2015
ADM – Germany	60%	23%	76%	-13%	ADM – Germany	102.0	107.1	104.4	105.1
ANEIMO – Spain	-8%	0%	-29%	67%	ANEIMO – Spain	89.7	100.3	103.3	109.1
APODEMO - Portugal	-44%			8%	APODEMO - Portugal	82.5	98.6	102.3	103.2
ASSIRM – Italy	-8%	-3%	-38%	0%	ASSIRM – Italy	83.9	99.0	97.4	106.1
BAMOR – Bulgaria	-11%	0%	-50%	13%	BAMOR – Bulgaria	95.3	99.9	96.8	101.6
MOA – Netherlands				38%	MOA – Netherlands	87.1	98.0	103.3	102.6
MRS - United Kingdom	13%	71%	56%	52%	MRS - United Kingdom	97.1	116.9	113.3	111.1
SMIF – Sweden	50%	20%	0%	-22%	SMIF – Sweden	98.7	105.8	108.0	104.5
SMTL – Finland	-44%	0%	-50%	0%	SMTL – Finland	93.8	95.2	93.0	94.1

* In a few countries questions are slightly different

Fieldwork and sample

Fieldwork started March 13 and ended April 30 2015.

AIMRO – Ireland	*6*
ANEIMO – Spain	*15*
APODEMO – Portugal	*15*
ASSIRM – Italy	*35*
BAMOR – Bulgaria	*8*
MOA – Netherlands	*39*
MRS - UK	*23*
OIROM – Russia	*11*
SMIF – Sweden	*9*
SMTL – Finland	*7*
VSMS - Switzerland	*16*

ADM – Germany had its own datacollection.