

## **EFAMRO Moodindicator Q1/Q2 2018:**

### ***Market research industry in Europe still going strong: optimism is continuing in most of the European countries though slightly decreasing***

#### **Introduction**

In Q1 and Q2 of 2018 EFAMRO conducted a new wave of the EFAMRO Moodindicator. Research agencies, that are members of their national trade association, were asked about the business outlook from the perspective of both their own organisation and their domestic market. In this wave, respondents from 13 European countries participated.

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

Usually the reporting of the first wave of the EFAMRO Moodindicator is somewhat earlier. In this wave some of the national associations collecting the data themselves in their own country, had to extend to fieldwork period. As a consequence data were only available quite late.

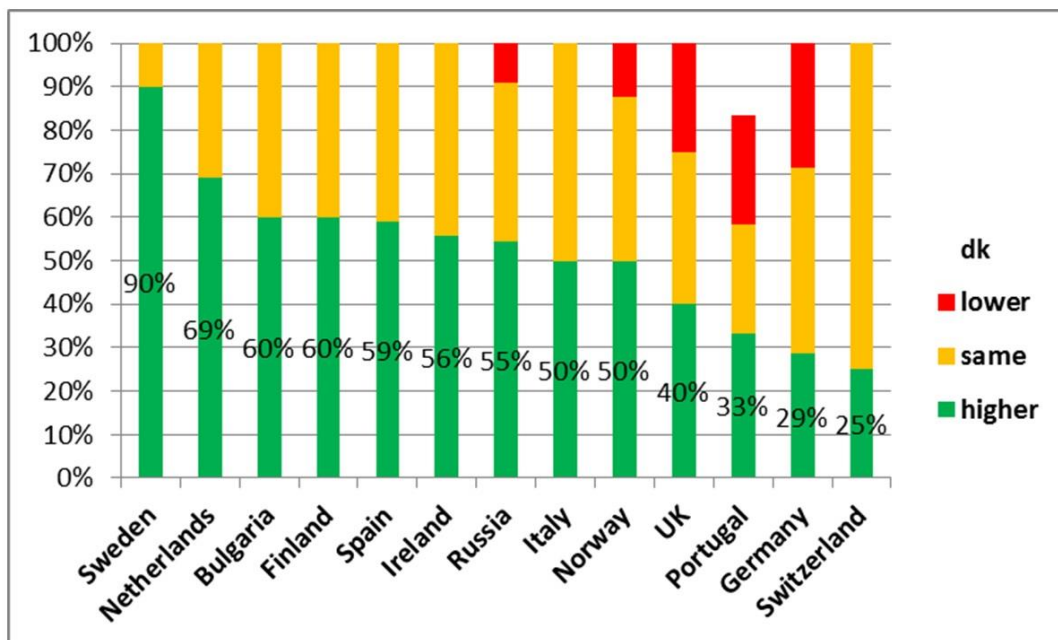
#### **Optimism in the European research market continues unabatedly**

Since the economic crises have been curtailed in most of the European countries, optimism is continuing. In most of the countries the majority of the business owners are optimistic regarding the revenue of their agency in the year ahead (see Table 1). The average level of optimism is slightly lower than in the previous wave, Q4 2017. This is according to the development of the economic sentiment in Europe. The economic sentiment expressed in the ESI index ('Indicator of confidence and economic sentiment', a study continuously conducted by the EU) was lower in Q1/Q2 2018 compared to Q4 2017.

Regarding the development of the revenue of their own agency, business managers are extremely positive in Sweden and the Netherlands.

**Table 1: Business owners views on their own businesses**

**Thinking about the year ahead do you think your research revenues will be higher than, lower than or about the same as in 2017?**



Research businesses in Switzerland, Germany and the UK have been less optimistic compared to other countries in this wave, similar to the position in late 2017. In Portugal the sentiment seems to have changed, to one of less optimism. In Russia an extremely positive sentiment in Q4 2017 has declined into an average positive sentiment.

Overall market research markets have been very positive since 2014. Before 2014 most markets were pessimistic, in particular in Finland (with a small sample) and the southern European countries Spain, Italy and Portugal. It is clear that these countries suffered the most from the crisis. After the recovery in most of the markets the Russian market had a bad period 2014 – 2016.

The sentiment in Switzerland varied during the last five years but was usually at the less optimistic side of the European markets. This is the last few years due to uncertainty caused by currency issues. The variance in sentiment in the UK is also remarkable, obviously related to the unclear Brexit future.

Below (Table 2) are the results of the EFAMRO Moodincator since 2013, expressed in 'net positive' (means 'percentage respondents expecting an increase -/- percentage expecting a decrease').

**Table 2: Net positives for business owners' views on their own businesses**

**Thinking about the year ahead do you think your research revenues will be higher than, lower than or about the same as in 2017?**  
*Net positive*

	Q1 2013	Q1 2014	Q4 2014	Q1/Q2 2015	Q4 2015	Q1/Q2 2016	Q4 2016	Q1 2017	Q4 2017	Q1/Q2 2018	Variance
Sweden	0%	73%	90%	56%	50%	45%	67%	60%	86%	90%	4%
Netherlands			61%	61%	55%	36%	61%	66%	64%	69%	5%
Bulgaria	11%	0%	25%	83%	100%	80%	63%	57%	80%	60%	-20%
Finland	-22%	33%	40%	0%	29%	13%	67%	20%	63%	60%	-3%
Spain	-15%	14%	36%	67%	46%	71%	57%	73%	26%	59%	33%
Ireland	33%	40%	60%	67%	67%	100%	54%	50%	56%	56%	0%
Italy	-12%	17%	6%	48%	48%	72%	44%	8%	46%	50%	4%
Russia	78%	9%	-10%	-82%	-8%	-34%	50%	67%	81%	45%	-36%
Norway	50%	60%	14%		50%	34%	38%	83%	50%	38%	-12%
Switzerland	0%	60%	29%	47%	33%	45%	63%	17%	50%	25%	-25%
UK	64%	58%	48%	44%	36%	45%	17%	39%	-13%	15%	28%
Portugal	-11%			50%	44%	20%	38%	67%	47%	8%	-39%
Germany	28%	50%	31%	23%	41%	29%	30%	47%	39%	0%	-39%

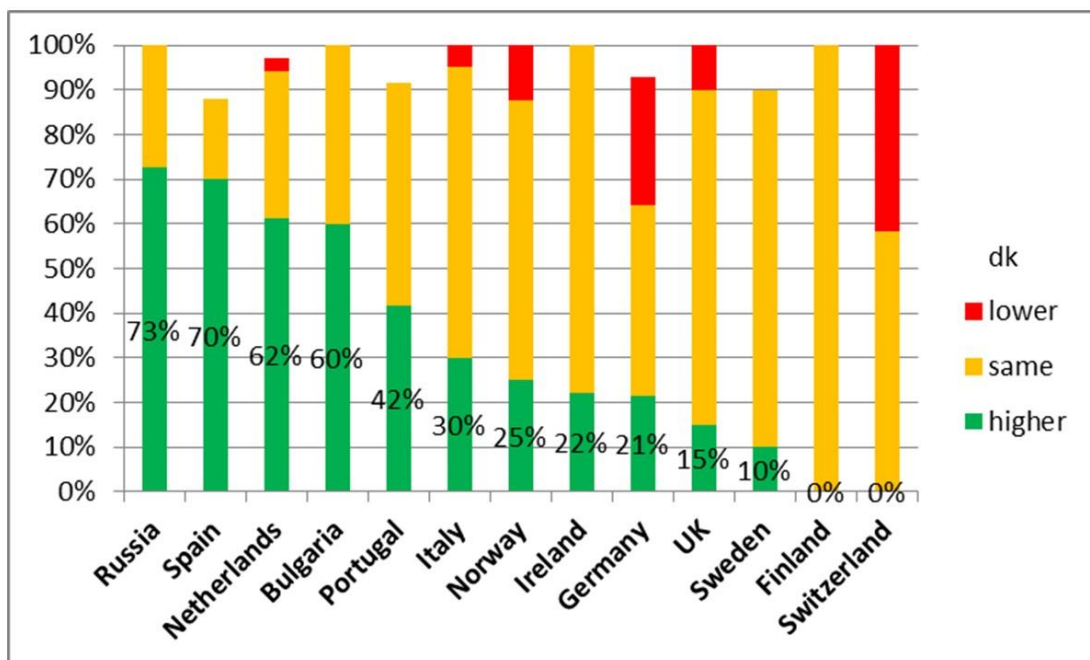
## Expectations regarding the national market in 2018: again stable and growing

As noticed in previous waves businesses in most of the countries are often more optimistic about the development of their own organisation than about the development of the whole industry in their countries. This is for example the case in Ireland, Italy and Norway.

In this wave however in Portugal and Russia and, to a lesser extent in Spain, business managers are more positive about the development of the market than about the outlook for their own agency. (see Table 3)

**Table 3: National research markets**

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



The expectations regarding the market seems to vary less wave by wave than the expectations regarding the own businesses (with Finland as an exception, but with a small sample).

The last couple of years the group of markets with a very optimistic outlook seems to be quite stable: this includes countries like Russia, The Netherlands and Spain.

Swiss businesses have been continuously pessimistic about the market development over the last five years.

In some countries the sentiment regarding the revenue of the respondents' agency seems to be expressed with some delay in the expectations regarding the national market. This is clearly the case just after the crises: in 2014 agencies became optimistic and just in 2015 the expectations regarding market growth changed. (see Table 4)

**Table 4: Net positives for national research markets**

**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/Q2 2015	Q4 2015	Q1/Q2 2016	Q4 2016	Q1 2017	Q1 2017	Q1/Q2 2018	Variance
Russia	78%	-9%	-40%	32%	42%	59%	20%	58%	63%	73%	10%
Spain	-8%	0%	-29%	67%	62%	43%	57%	67%	51%	70%	19%
Bulgaria	-11%	0%	-60%	13%	43%	60%	38%	43%	40%	60%	20%
Netherlands				38%	29%	36%	55%	63%	42%	59%	17%
Portugal	-44%			8%	31%	20%	0%	40%	40%	42%	2%
Italy	-8%	-3%	-38%	0%	4%	20%	0%	20%	12%	25%	13%
Ireland	0%	0%	0%	50%	33%	100%	45%	30%	22%	22%	0%
Norway	17%	10%	-14%		0%	33%	0%	17%	0%	13%	13%
Sweden	50%	2%	0%	-22%	22%	9%	50%	40%	29%	10%	-19%
UK	13%	71%	56%	52%	-4%	17%	-25%	21%	-22%	5%	27%
Finland	-44%	0%	-50%	0%	-14%	0%	33%	60%	38%	0%	-38%
Germany										-7%	
Switzerland	15%	-20%	-21%	-21%	0%	-42%	-13%	-41%	-20%	-42%	-22%

Overall most of the markets in Europe continue to be optimistic, but business owners in a few countries seem to have distrust in the market development

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### ***Fieldwork and sample***

*Fieldwork started February 27<sup>th</sup> 2018 and ended June 12<sup>th</sup> 2018.*

<b>Q1/Q2 2018</b>	<b>completes</b>
<b>Bulgaria</b>	<b>5</b>
<b>Finland</b>	<b>5</b>
<b>Germany</b>	<b>18</b>
<b>Ireland</b>	<b>9</b>
<b>Italy</b>	<b>20</b>
<b>Netherlands</b>	<b>39</b>
<b>Norway</b>	<b>8</b>
<b>Portugal</b>	<b>14</b>
<b>Russia</b>	<b>11</b>
<b>Spain</b>	<b>17</b>
<b>Sweden</b>	<b>10</b>
<b>Switzerland</b>	<b>13</b>
<b>UK</b>	<b>20</b>
<b>Total</b>	<b>189</b>