EFAMRO Moodindicator Q3/Q4 2014:

How market research agencies in Europe perceive their outlook

Introduction

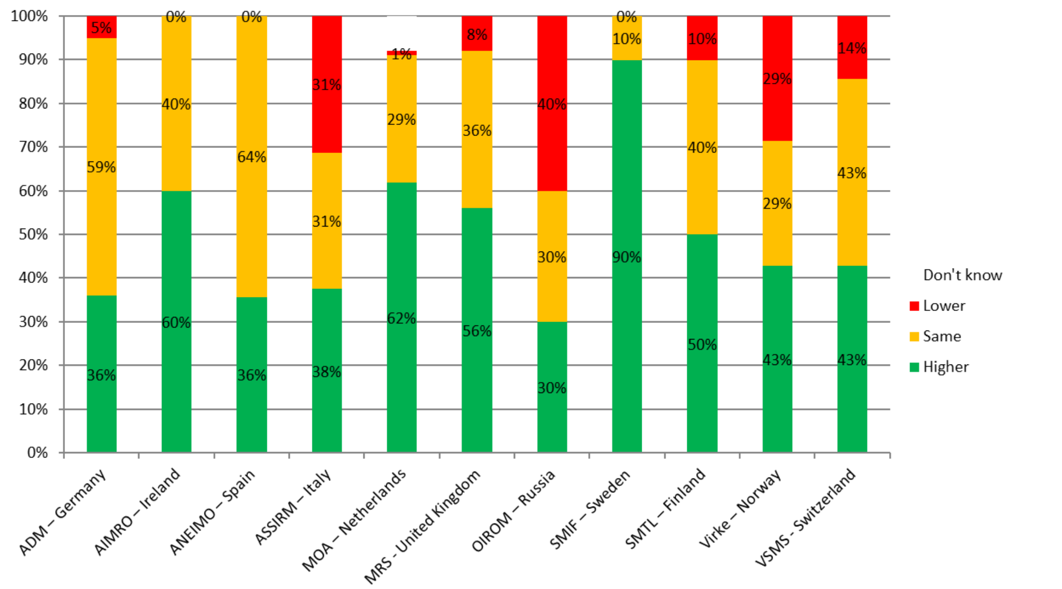
In Q3/Q4 2014 a new wave of the EFAMRO Moodindicator was conducted. Research agencies, that are members of their national trade association, have been asked about the business outlook from the perspective of their agency and their domestic market. Results are available from 11 European countries.

For some countries the sample base and response rate is 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 market, in particular when comparing the results to the results of the previous waves.

Expectations regarding 2015: positive outlook for their own agency

The European agencies are quite optimistic regarding their own revenue development in 2015. Only a considerable proportion of the respondents in Italy, Norway and Russia expect their revenue to decrease in 2015.

Thinking about 2015, do you think your research revenues will be higher than, lower than, or about the same as 2014? *

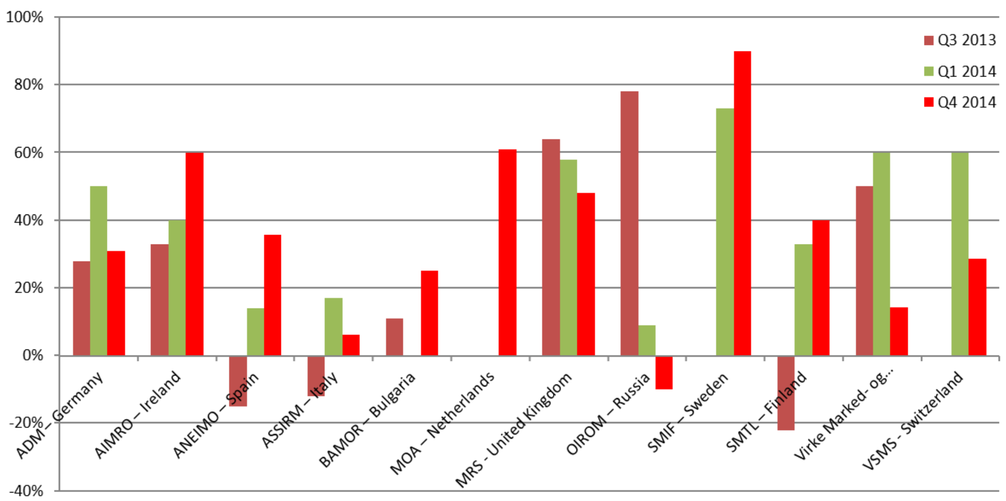


* In a few countries questions are slightly different

Respondents in Sweden are very optimistic and in Ireland, the Netherlands and the UK there seems to be quite some optimism as well.

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



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Compared to previous waves of the Moodindicator (Q3 2013 and Q1 2014), respondents in Sweden, Ireland and Spain are relatively optimistic. In the last three waves there seems to be an upward trend in Spain.

In Switzerland, Russia and Norway the outlook of the agencies seems to worsen.

The negative change in Russia in the last twelve months is most notable.

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

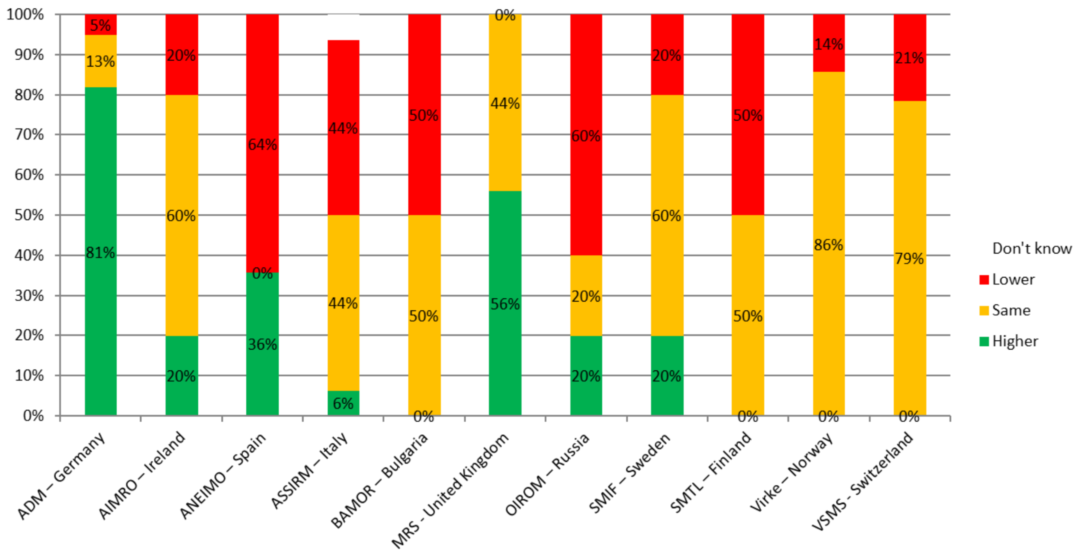
	Q3 2013	Q1 2014	Q4 2014
ADM – Germany	28%	50%	31%
AIMRO – Ireland	33%	40%	60%
ANEIMO – Spain	-15%	14%	36%
ASSIRM – Italy	-12%	17%	6%
BAMOR – Bulgaria	11%	0%	25%
MOA – Netherlands			61%
MRS - United Kingdom	64%	58%	48%
OIROM – Russia	78%	9%	-10%
SMIF – Sweden	0%	73%	90%
SMTL – Finland	-22%	33%	40%
Virke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

* In a few countries questions are slightly different

Expectations regarding 2015: quite negative outlook for the industry

Though agencies are in most of the countries rather optimistic about the development of their own agency, they seem to be quite pessimistic about the development of the market in their countries. Just agencies in Germany and the UK are optimistic.....

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



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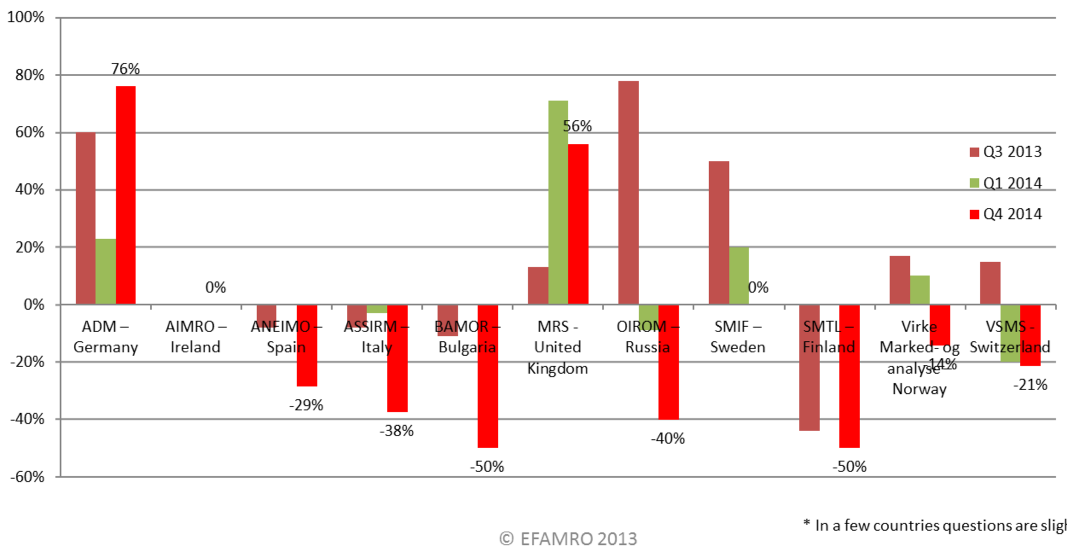
It is usual for there to be some difference in perception of respondents to the performance of their own agency and the total national market, but the variances are bigger than in previous waves… Germany is an exception: the German managers are more optimistic about the German market than about the development of their own revenue.

The respondents are quite pessimistic about the development of the market, much more pessimistic than in Q1 2014. Just the German respondents are more optimistic than in previous waves.

In the southern European countries the numbers do not shown much recovery of the research markets.

Looking at the research industry in your country overall, what are your expectations for growth over the next 12 months? * *Net positive Percentage for 2014 Q4 score*



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Overall the market conditions show it will be tough in 2015.

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
ADM – Germany	60%	23%	76%
AIMRO – Ireland	0%	0%	0%
ANEIMO – Spain	-8%	0%	-29%
ASSIRM – Italy	-8%	-3%	-38%
BAMOR – Bulgaria	-11%	0%	-50%
MRS - United Kingdom	13%	71%	56%
OIROM – Russia	78%	-9%	-40%
SMIF – Sweden	50%	20%	0%
SMTL – Finland	-44%	0%	-50%
Virke – Norway	17%	10%	-14%
VSMS - Switzerland	15%	-20%	-21%

* In a few countries questions are slightly different

Some correlation with European confidence indicator ESI

As mentioned, respondents are quite pessimistic about the development of the market, much more pessimistic than in Q1 2014. We compared these results to the changes of the ESI ('Indicator of confidence and economic sentiment', a study continuously conducted by the EU) in the periods between the waves of the Moodindicator.

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

compared to

ESI index (indicator of confidence and economic sentiment)

net positive Expectations market	Q1 2014	Q4 2014
ADM – Germany	23%	76%
ANEIMO – Spain	0%	-29%
ASSIRM – Italy	-3%	-38%
BAMOR – Bulgaria	0%	-50%
MRS - United Kingdom	71%	56%
SMIF – Sweden	20%	0%
SMTL – Finland	0%	-50%

ESI index change	Q1 2014	Q4 2014
ADM – Germany	5.1	-2.7
ANEIMO – Spain	10.6	3.0
ASSIRM – Italy	15.1	-1.6
BAMOR – Bulgaria	4.6	-3.1
MRS - United Kingdom	19.8	-3.6
SMIF – Sweden	7.1	2.2
SMTL – Finland	1.4	-2.2

Comparing the results of the Moodindicator with the ESI shows some similarities with the changes in the economic sentiment in general.

Fieldwork and sample

Fieldwork started mid September and ended early November 2014.
Slightly different periods of fieldwork and some differences in the wording of the questions.
Sample in some smaller countries just 4 or 5 respondending agencies.

ADM – Germany	*38*
AIMRO – Ireland	*5*
ANEIMO – Spain	*14*
ASSIRM – Italy	*18*
BAMOR – Bulgaria	*4*
MOA – Netherlands	*145*
MRS - UK	*25*
OIROM – Russia	*10*
SMIF – Sweden	*11*
SMTL – Finland	*11*
Virke – Norway	*8*
VSMS - Switzerland	*15*