

EFAMRO Moodindicator Q4 2015:

Research expenditures in Europe: agencies continue to be optimistic

Introduction

In Q4 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 organisation and their domestic market. In this wave respondents from 14 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.

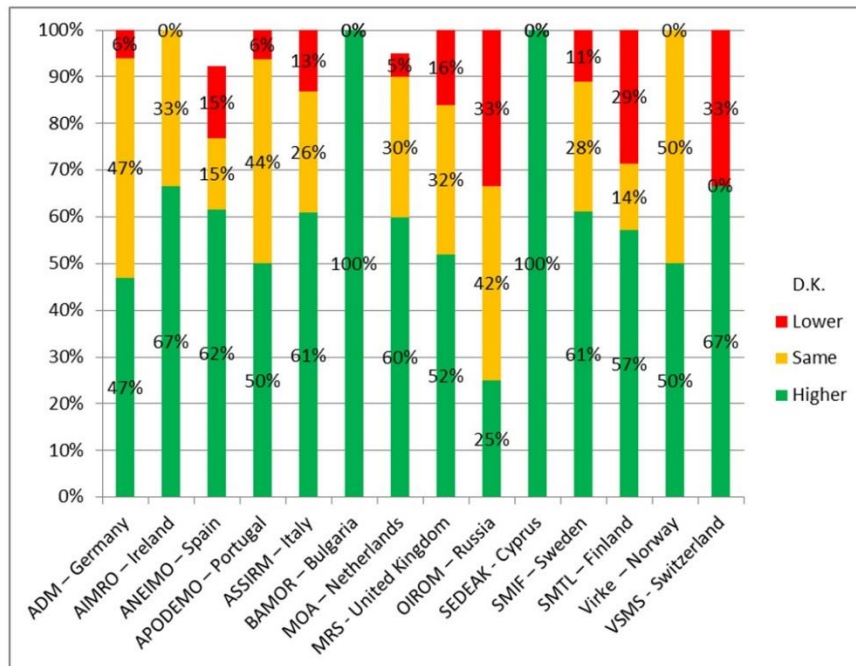
Expectations regarding 2016: continuing optimism regarding the outlook for their own business

European research businesses are rather optimistic regarding their own revenue development in 2016, generally more optimistic than in wave Q3/Q4 2014 and Q1 2015.

Except for Russia and Germany, in all countries the majority of the business owners and managers expect the revenue of their business to grow in 2016.

In most of the countries there is an overall optimism or a neutral attitude. Pessimistic business owners and managers are rare. Only a significant proportion of the respondents from Russia, Finland and Switzerland expect their revenue to decrease in 2016.

Thinking about 2016, do you think your research revenues will be higher than, lower than, or about the same as 2015? *



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* In a few countries questions are slightly different

In most of the countries the situation has improved considerably since 2013. In 2013 business owners and managers in half of the countries were relatively pessimistic, now it is only the case in Russia.

In many countries the optimism is on the level of the wave by the end of 2014 or slightly higher. In Italy and Spain respondents are considerably more optimistic than last year, but on about the same level as yearly 2015. In Russia the situation has improved considerably since early 2015 albeit the balance remaining negative.

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 2016, do you think your research revenues will be higher than, lower than, or about the same as 2015?
Net positive

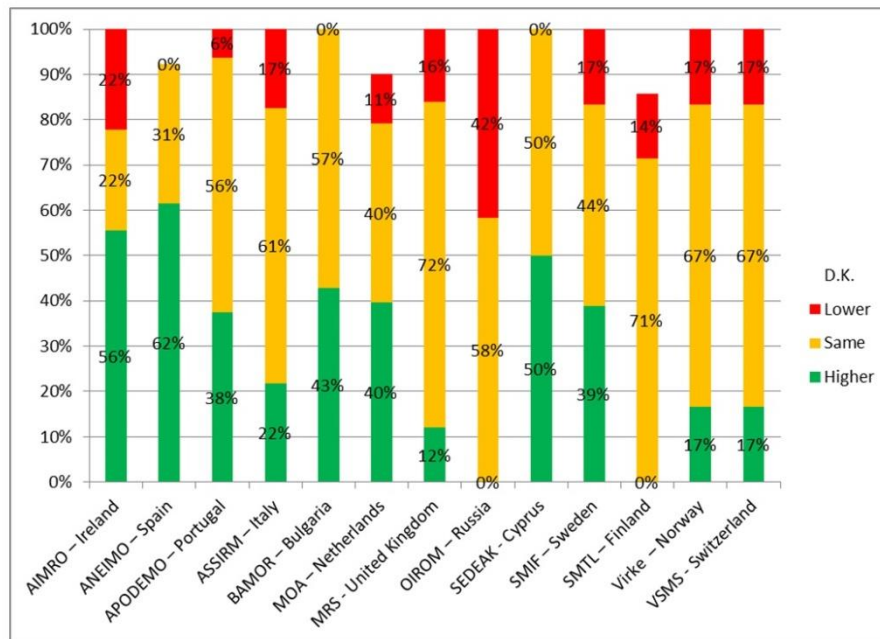
	Q3 2013	Q1 2014	Q4 2014	Q1/Q2 2015	Q4 2015
ADM – Germany	28%	50%	31%	23%	41%
AIMRO – Ireland	33%	40%	60%	67%	67%
ANEIMO – Spain	-15%	14%	36%	67%	46%
APODEMO - Portugal	-11%			50%	44%
ASSIRM – Italy	-12%	17%	6%	48%	48%
BAMOR – Bulgaria	11%	0%	25%	63%	100%
MOA – Netherlands			61%	61%	55%
MRS - United Kingdom	64%	58%	48%	44%	36%
OIROM – Russia	78%	9%	-10%	-82%	-8%
SMIF – Sweden	0%	73%	90%	56%	50%
SMTL – Finland	-22%	33%	40%	0%	29%
Virke – Norway	50%	60%	14%		50%
VSMS - Switzerland	0%	60%	29%	47%	33%

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Expectations regarding 2016: quite negative outlook for the industry

Though research businesses in most of the countries are optimistic about the development of their own organisation, they seem to be less optimistic about the development of the industry in their countries. Only in Spain, Ireland and Cyprus are the majority of the business owners and managers positive about the industry outlook for 2016.

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



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* In a few countries questions are slightly different

It is usual for there to be some differences in perception of respondents to the performance of their own business and the total national industry, but the variances are big this time: respondents are much more pessimistic regarding the industry than about their own organisation. Spain is an exception: respondents are slightly more positive about the industry than about their own business.

Compared to earlier waves of the EFAMRO Moodindicator a few years ago, the outlook has improved considerably in the Mediterranean countries, Bulgaria and Finland. The industry in the Mediterranean countries seems to be quite stable in the optimistic outlook.

In some other countries, like Russia and the UK, the outlook now is considerably worse than a few years ago.

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
ADM – Germany	60%	23%	76%	-13%	
AIMRO – Ireland	0%	0%	0%	50%	33%
ANEIMO – Spain	-8%	0%	-29%	67%	62%
APODEMO - Portugal	-44%			8%	31%
ASSIRM – Italy	-8%	-3%	-38%	0%	4%
BAMOR – Bulgaria	-11%	0%	-50%	13%	43%
MOA – Netherlands				38%	29%
MRS - United Kingdom	13%	71%	56%	52%	-4%
OIROM – Russia	78%	-9%	-40%	-82%	-42%
SMIF – Sweden	50%	20%	0%	-22%	22%
SMTL – Finland	-44%	0%	-50%	0%	-14%
Virke – Norway	17%	10%	-14%		0%
VSMS - Switzerland	15%	-20%	-21%	-20%	0%

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Some correlation with European confidence EU-index ESI

Like in previous waves we have compared the results of the Moodindicator to the levels of the ESIⁱ ('Indicator of confidence and economic sentiment', a study continuously conducted by the EU) for the corresponding periods. Of course this comparison is just possible for the major EU countries. Again we notice many similarities between the perceived outlook of the 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 – long term average = 100))**

Market development (respondents)						Development ESI index				
Q1 2013	Q1 2014	Q4 2014	Q1/Q2 2015	Q4 2015		Q1 2013	Q1 2014	Q4 2014	Q1/Q2 2015	Q4 2015
60%	23%	76%	-13%		ADM – Germany	102.0	107.1	104.4	105.1	106.9
-8%	0%	-29%	67%	62%	ANEIMO – Spain	89.7	100.3	103.3	109.1	109.0
-44%			8%	31%	APODEMO - Portugal	82.5	98.6	102.3	103.2	103.6
-8%	-3%	-38%	0%	4%	ASSIRM – Italy	83.9	99.0	97.4	106.1	109.4
-11%	0%	-50%	13%	43%	BAMOR – Bulgaria	95.3	99.9	96.8	101.6	105.7
			38%	29%	MOA – Netherlands	87.1	98.0	103.3	102.6	106.8
13%	71%	56%	52%	-4%	MRS - United Kingdom	97.1	116.9	113.3	111.1	107.7
50%	20%	0%	-22%	22%	SMIF – Sweden	98.7	105.8	108.0	104.5	107.8
-44%	0%	-50%	0%	-14%	SMTL – Finland	93.8	95.2	93.0	94.1	97.8

It is noticeable the Finnish research market has a quite negative outlook for 2016, and it is the only country with a very low long term ESI index.

The developments in the UK seem to be less negative, but research business owners and managers are somewhat pessimistic about the UK market. In this case the country shows a decrease of the ESI index in the last 8 months.

**Expectations development research industry in each of the countries. Net positive
Compared to
Variance ESI index (indicator of confidence and economic sentiment – long term average = 100))**

Market development (respondents)						Variance ESI index			
Q1 2013	Q1 2014	Q4 2014	Q1/Q2 2015	Q4 2015		Q1 2014	Q4 2014	Q1/Q2 2015	Q4 2015
60%	23%	76%	-13%		ADM – Germany	5.1	-2.7	0.7	1.8
-8%	0%	-29%	67%	62%	ANEIMO – Spain	10.6	3.0	5.8	-0.1
-44%			8%	31%	APODEMO - Portugal	16.1	3.7	0.9	0.4
-8%	-3%	-38%	0%	4%	ASSIRM – Italy	15.1	-1.6	8.7	3.3
-11%	0%	-50%	13%	43%	BAMOR – Bulgaria	4.6	-3.1	4.8	4.1
			38%	29%	MOA – Netherlands	10.9	5.3	-0.7	4.2
13%	71%	56%	52%	-4%	MRS - United Kingdom	19.8	-3.6	-2.2	-3.4
50%	20%	0%	-22%	22%	SMIF – Sweden	7.1	2.2	-3.5	3.3
-44%	0%	-50%	0%	-14%	SMTL – Finland	1.4	-2.2	1.1	3.4

So the outlook perceived by business owners and managers seems to be related to general economic sentiment.

Fieldwork and sample

Fieldwork started November 2 2015 and ended November 30 2015.

<i>AIMRO – Ireland</i>	<i>9</i>
<i>ANEIMO – Spain</i>	<i>13</i>
<i>APODEMO – Portugal</i>	<i>18</i>
<i>ASSIRM – Italy</i>	<i>24</i>
<i>BAMOR – Bulgaria</i>	<i>7</i>
<i>MOA – Netherlands</i>	<i>133</i>
<i>MRS - UK</i>	<i>25</i>
<i>OIROM – Russia</i>	<i>12</i>
<i>SEDEAK – Cyprus</i>	<i>2</i>
<i>SMIF – Sweden</i>	<i>19</i>
<i>SMTL – Finland</i>	<i>7</i>
<i>Virke – Norway</i>	<i>6</i>
<i>VSMS - Switzerland</i>	<i>7</i>
<i>ADM – Germany had its own data collection.</i>	

ⁱ Link: http://ec.europa.eu/economy_finance/db_indicators/surveys/documents/2015/esi_2015_11_en.pdf