

May 2008 Newsletter: Leader

The Market Research Society of Singapore (MRSS) Conference 2008



“THINKING ALLOWED”
Unconventional approaches
in a new marketing era
MRSS Asian Research Conference in Singapore
13TH June, 2008
9am – 5pm
The Stamford Ballroom
Swissôtel The Stamford

The inaugural MRSS Asian Research Conference “THINKING ALLOWED” will be held at the Swissôtel on Friday 13th June 2008. The MRSS is leading the way by introducing a program specific to the Asian Research industry and has been undertaken in co-operation with Market Research Societies in Australia, India, Indonesia, Japan, Malaysia, the Philippines, and Thailand.

The line-up of speakers are from both Singapore and abroad - MRSS are bringing together twelve speakers from client side, researchers and planners in a dynamic one day event.

“THINKING ALLOWED” will be a place of convergence and networking for market research professionals, marketing and marketing services managers from public and private corporate end users. It will also include technology and service providers and other market research specialists interested in new concepts and unconventional approaches.



Top-level market research experts from Asia and beyond will present the strategies and ideas behind some of the best research case studies. Awardwinning speakers from the UK will join “local” clients such as Standard Chartered Bank, MTV, SingTel, Nokia, Y&R and well known researchers.

A client panel will talk about what they want from research and a flock of agency planners will argue their case about the future research they will need.

In addition, two pre-conference workshops will provide updates on what is happening in the world of online qualitative research and how to crack market conventions and symbology to help clients make better decisions.

The “THINKING ALLOWED” conference also provides a number of excellent sponsorship and exhibition opportunities. Several new entrants to the Singapore research business are taking advantage of increasing their organization’s profile and showcase their products and services. ■

To find out more about exhibiting and sponsorship opportunities at this unique, targeted research industry platform contact Greg Coops at greg.coops@asianstrategies.com / T: +65 9666 4754 or Ted Utoft at tedutoft@gmail.com / T: +65 82332191 and keep on checking www.mrssingapore.org.sg for the latest news and programme updates.

2008 SURVEY OF MARKET RESEARCH BUYERS (1)

ASIA RESEARCH

Asia's Market Research
& Market Intelligence Journal

In February 2008, Asia Research (the journal for the market research industry in Asia) embarked on a ground breaking survey of corporations in Asia who undertake market research through external firms. The key objectives of the survey were to establish:

- Trends in the type of market research corporations are commissioning
- Which external firms they use
- Satisfaction with the market research firms used
- Opinions on the benefits of using independent research firms compared to those of the large multi-national research houses (and vice versa)

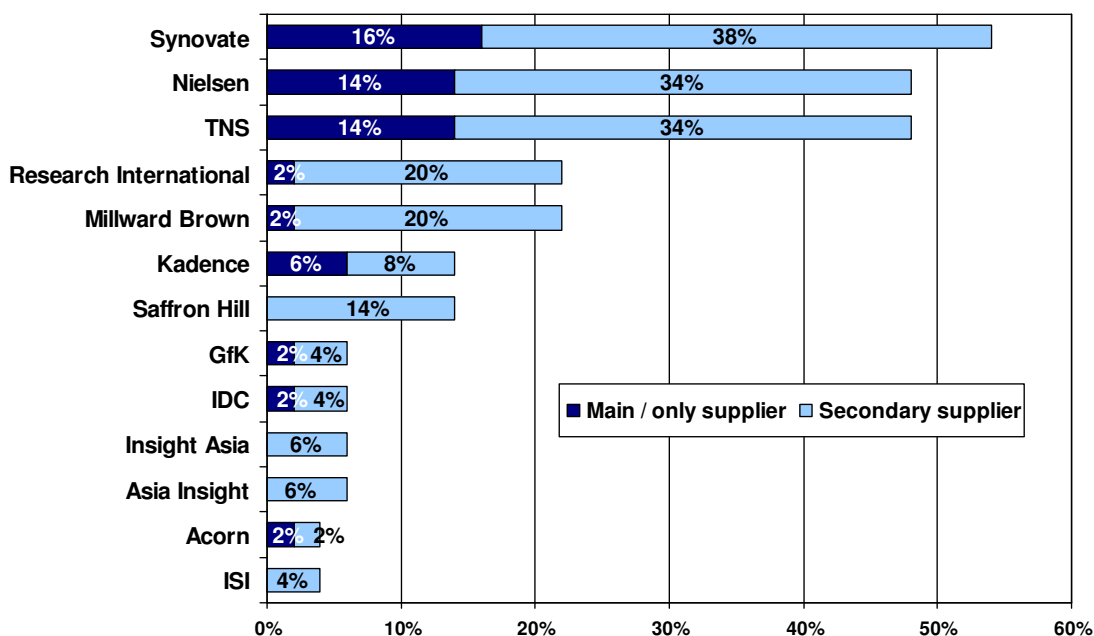
A total of 133 interviews were conducted with research buyers (engaging external firms at least once a year), including 63 interviews with corporations based in Singapore.

The survey showed that Singapore remains a very important research hub for the region - about two-thirds of buyers are undertaking international research and among these in an average of eight markets a year. This is higher than buyers based in Hong Kong where only five markets a year on average are researched.

The average buyer uses three different suppliers a year. The leading suppliers in Singapore are Synovate, Nielsen, and TNS who jointly obtain about half the market share. However, research buyers are choosing to spread their business around according to the strengths of individual agencies. Most are also using the local / independent research firms, the leading mentions in Singapore include Kadence, Saffron Hill, Insight Asia, and Asia Insight.

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Market Research Firms Used in Last 2 years



(Top 13 mentions shown only)

2008 SURVEY OF MARKET RESEARCH BUYERS (2)

A range of methodologies are undertaken by corporations. Brand image tracking leads, but client's research needs are quite diverse since the main investment in research is fairly evenly spread between brand tracking, customer satisfaction, new product development, market sizing, and usage & attitude research. Around half of corporations engage in some form of competitive intelligence, and this is higher on the priority list with the less frequent research buyers and also for specific industry sectors such as automotive.

Clients are generally satisfied with their suppliers of research, although relatively few are 'delighted' shown by just 7% stating "Very Satisfied" overall (see below). Suppliers are generally getting the service aspect right, e.g. responsiveness, staff attitude, and timeliness of projects. But areas where clients are less satisfied is quality of interviews and moderation, the presentation, and in particular the insight and direction in the reports where less than half are satisfied. Regression analysis reveals that the latter is one of the highest drivers of client satisfaction overall and potentially the Achilles Heel for some of the bigger companies who are seen more as data factories providing just the benchmarks.

Satisfaction levels with the various suppliers varies considerably. Indicatively, among top 5 agencies in the market, Nielsen has the highest client satisfaction rating across most attributes.

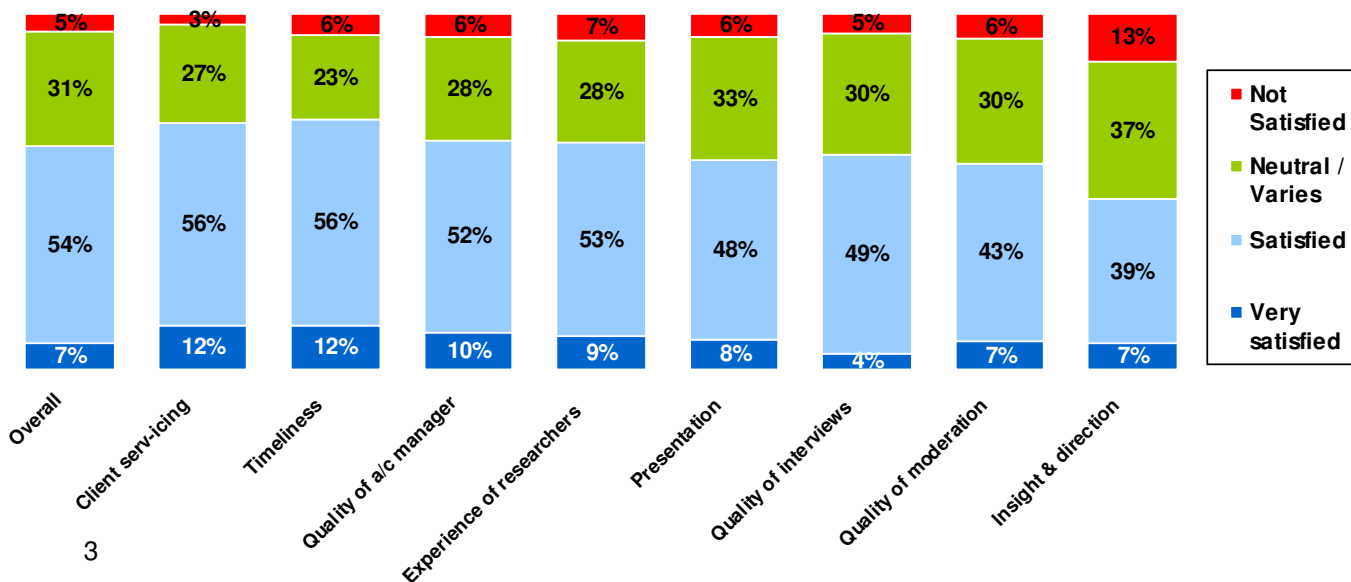
About a third of companies state that they are now obtaining research from "new sources". Some of this being internal such as telco companies undertaking their own SMS based surveys, and others using graduate trainees to undertake desk research. But some corporations are using a new types of vendors such as freelance consultants specialised in their own industry sector, media companies, or simply buying off-the-shelf reports off the Internet, e.g. from ISI.

However, the outlook for the research business is good, with 45% stating their organisation will spend more on research in the next 2 years compared to just 4% stating less (the remainder stating no change or did not know). The question is, who is going to close the satisfaction gap for insight and direction in research reports? ■

For more information contact: editor@asiaresearch.com.sg

Satisfaction With Market Research Firms

(overall and for various aspects of service)



HONG KONG & INDIA - HOME TO ASIA'S BIGGEST DESIGNER BRAND FANS: NIELSEN (1)

An improving economy and the rapid opening up of various markets in Asia have given rise to a group of affluent consumers who are eager to adopt the latest fashion trends. According to the latest Nielsen Global Luxury Brands Study, consumers in Hong Kong lead the region as Asia Pacific's most designer brand-conscious.

Following Hong Kong (38%) as the most brand conscious market in Asia is India (35%), and the Philippines (26%) at a distant third. And despite the prevalence of imitation designer-branded goods in some markets, over half of consumers do not think imitation products match up to the real deal, led by Japan (69%), Taiwan (65%) and China (60%)

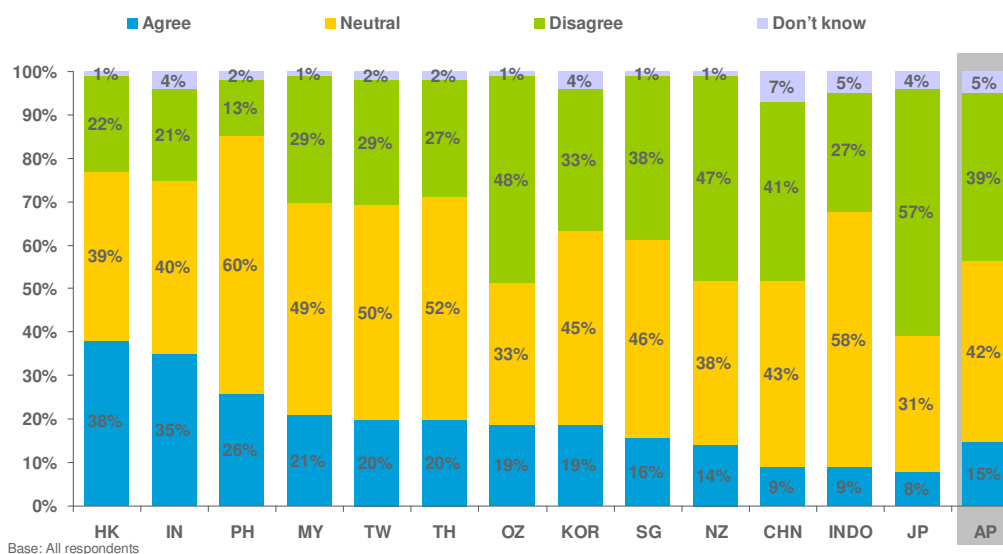
More than one in 10 respondents in Singapore purchase designer brand items and 34 percent claim to know many people who buy them too. Although most (70%) in Singapore feel that such branded goods are overpriced, almost half (42%) believe that one gets what one pays for — that for what they are worth, the quality of designer brand items are indeed significantly higher than standard brands.

As the global study reveals, if money were no object, Louis Vuitton (29%), Chanel (28%), Gucci (27%) are the most coveted brands among consumers in Asia Pacific. The appeal of Louis Vuitton is strongest in Asia, with the world's top 10 markets that most aspire to the French brand all hailing from Asia, led by the Philippines (42%, also topping the world), Hong Kong and Singapore (each at 40%).

"Louis Vuitton has consistently brought out interesting designs and new product ranges that meet the diverse appetites of many Asians," said Fiona Lee, Director for Retailing Research, The Nielsen Company Singapore.

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To what extent do you agree with the following statements? - I buy designer brands



HONG KONG & INDIA - HOME TO ASIA'S BIGGEST DESIGNER BRAND FANS: NIELSEN (2)

Another long-established French brand, Chanel, is the second most coveted brand in Asia Pacific and if money were no object, is most attractive to consumers in China (41%), Korea (38%) and Taiwan (30%), whose aspirations not only topped the Asia Pacific region but reigned the world as the most pro-Chanel consumers.

It's worth noting that the level of desire among Asian consumers to buy Chanel and Christian Dior increased by six and four percentage points respectively compared to two years ago when the Nielsen survey was last conducted.

"Asia is considered by many international brands as a major sales region, with the improving personal financial status of Asian consumers and with the opening up of various developing markets, there is huge room for growth in the luxury sector," said Ms Lee.

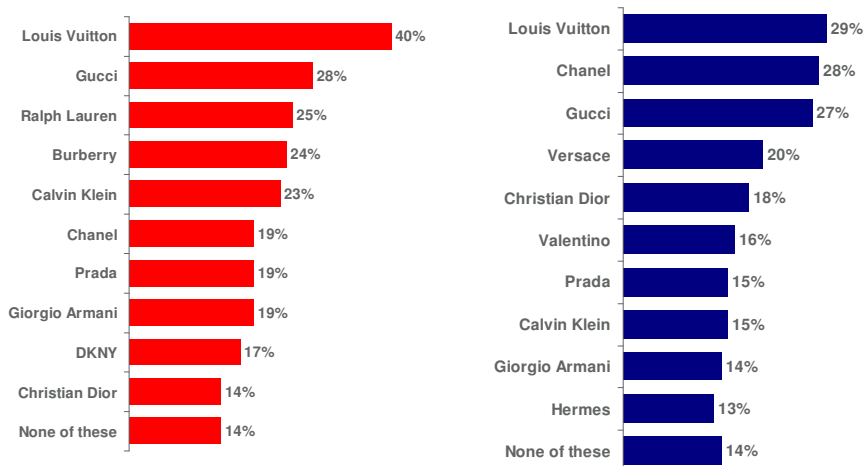
What's on the Horizon for Designer Brands?

Designer brand appeal has certainly spread across sectors. According to the Nielsen survey, consumers in Asia Pacific 'approved' the potential of a crossover product between a designer fashion brand and a new technology gadget - almost 50 percent would buy a mobile phone that was co-branded with a luxury brand – an area already tapped into by fashion giants like Prada. 43 percent said they would buy a co-branded designer laptop computer, 27 percent a "designer" flat screen TV and a fifth would go for a designer branded MP3.

Designer-brand mobile phones appear to be the gadget that Singaporeans would be most receptive to purchasing, with over two-fifths of respondents here saying they would buy such a product.

"There seems to be huge market potential for luxury brand line extensions into every corner of the home and office," said Ms Lee. "Cross-over between brands and products is certainly an opportunity and it is clear that consumers from Asia, along with those in other fast developing markets, are driving demand for these products." ■

Which of the following brands' products would you prefer to buy in the future if money was no object? Top 10 – Singapore Vs Regional



Base: All respondents

BRANDS INCREASE IN VALUE FOR A THIRD CONSECUTIVE YEAR: MILLWARD BROWN

Companies are coming to realise that brands are among their most valuable assets. They account for around one third of the value of Fortune 500 companies. The BrandZ Top 100 Most Powerful Brands Ranking 2008, published in April by Millward Brown, reveals a significant increase in the financial value of brands over the last year.

Now in its third year, the BrandZ ranking uniquely combines primary research findings with publicly available financials to give a dollar value for brands. The Ranking values market-facing brands, meaning the product and service brands that people and businesses buy as opposed to brand portfolios or corporate brands.

The BrandZ Ranking is created by Millward Brown Optimor, the group dedicated to helping companies maximize returns from brand and marketing investments.

The most valuable brands

The 2008 results reveal Google to be the most valuable brand in the world for a second year running, with a value of \$86.1 billion. GE takes second place with a brand value of \$71.4 billion and Microsoft is in third place with a brand value of \$70.8 billion. The value of the Top 100 as a whole increased by 21 percent: from \$1.6 trillion in 2007 to \$1.94 trillion in 2008. This is more than double the increase experienced the previous year.

The increase in value for the Top 100 brands was driven to a large extent by the technology and mobile operator categories which account for just under one third of the brands in the Top 100, but over 50 percent of the increase. Brands which increased most included Apple, who had a 123 percent increase in brand value and the biggest overall increase of \$30 billion. The biggest increase in percentage terms was BlackBerry, who sprang into the Top 100 at number 51 with an incredible 390 percent increase in brand value.

Another source of growth was from China. There were four Chinese brands in the Top 100: China Mobile, Bank of China, China Construction Bank and ICBC. These brands increased by 51 percent altogether. This is in comparison to the more established economies in Asia, who had a total of seven brands in the ranking but an aggregate increase of only seven percent.

Growth was also evident from the other emerging economies. The first Russian brand, MTS made it into the Top 100 list with a brand value of \$8.1bn. Other BRIC brands to watch out for in future brand rankings include Lukoil, Beeline and Baltika from Russia, ICICI from India, as well as Brahma, Petrobras, and Bradesco from Brazil.

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brandz Top 10 Most Powerful Brands			
RANK	BRAND	BRAND VALUE (\$M)	BRAND VALUE CHANGE
1	Google	86,057	30%
2	GE (General Electric)	71,379	15%
3	Microsoft	70,887	29%
4	Coca-Cola (*)	58,208	17%
5	China Mobile	57,225	39%
6	IBM	55,335	65%
7	Apple	55,206	123%
8	McDonald's	49,499	49%
9	Nokia	43,975	39%
10	Marlboro	37,324	-5%

(Continued)

Strong brands protect the business from risk

For the first time this year the BrandZ Top 100 Brands have been compared as a portfolio against the S&P 500. As some parts of the world are currently experiencing a period of economic turmoil, it is very interesting to look at the effect that brand plays in driving value. At the beginning of April 2008, The BrandZ Top 100 brands outperformed the S&P 500 five times. If a “strong brands” portfolio is created of those companies where the brand contributes over 30 percent of earnings, there is a seven-fold increase in performance.

This difference demonstrates the power of brands. Even in an economic downturn, strong brands protect the business from risk.

A unique piece of research

The BrandZ Ranking is the only brand ranking based on primary research. Because of this it reflects the perceptions of people who really count — brand users and consumers. The study uses WPP's BrandZ database, the world's largest repository of brand equity data. The BrandZ study has interviewed more than one million consumers globally and covers 50,000 brands worldwide. The Top 100 Most Powerful Brands Ranking is the first to cover both business and consumer brands and to include predictive metrics of future brand performance. Market performance metrics and financial data were obtained from Datamonitor and Bloomberg respectively.

The BrandZ Ranking provides sector and geographic coverage of market-facing brands. Categories covered include Apparel, Beer, Cars, Fast Food, Financial Services, Luxury Goods, Mobile Communications, Motor Fuel, Personal Care, Retail, Soft Drinks, and Technology. It covers brands in developed markets currently driving world GDP, and emerging markets whose share of world GDP is expected to grow in the future.

For further information about the BrandZ ranking, please contact [Patricia Driver](#), Managing Director, Millward Brown Singapore. ■

PEOPLE

KADENCE ASIA PACIFIC APPOINTS NEW PROJECT DIRECTOR

Global market research provider, Kadence Asia Pacific, has appointed Rowena Lim as Project Director to support the company’s ongoing expansion in the region.

Rowena has over six years’ experience in co-ordinating and managing insight projects gained from roles at research agency TNS, and more recently at international fast food corporation Jollibee. Skilled in initiating, designing and implementing qualitative and quantitative insight projects across a variety of cultures, Rowena is also experienced in delivering new product development research, and overseeing brand tracking studies.



Piers Lee, Managing Director of Kadence Asia Pacific, comments: “Rowena brings a wealth of experience to Kadence and I am delighted to welcome her to our growing team. Kadence continually aims to offer its clients the highest level of service, and we believe that Rowena’s market knowledge within the FMCG, food and beverages, and telecoms industries, alongside her capabilities as a market researcher and willingness to embrace new tools and methodologies, will add significant value to the work we undertake for clients operating within these sectors”. ■

This Newsletter has been coordinated by Kadence Asia Pacific, part of the Kadence International Business Research Group.

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