

Seminario
GfK Eurisko – GfK Roper Consulting

**TRENDS GLOBALI,
IDENTITA' LOCALI**

**Un monitor per comprendere il
nuovo consumatore**

Milano, 18 Ottobre 2007

Understanding consumer trends across cultures: how to turn insights into business opportunities

A. Brogren

The changing nature of consumer participation: a view on some of the key trends affecting consumer worldwide

J. Hulme

Uno sguardo alla "vecchia" Europa: solidi valori, nuove incertezze

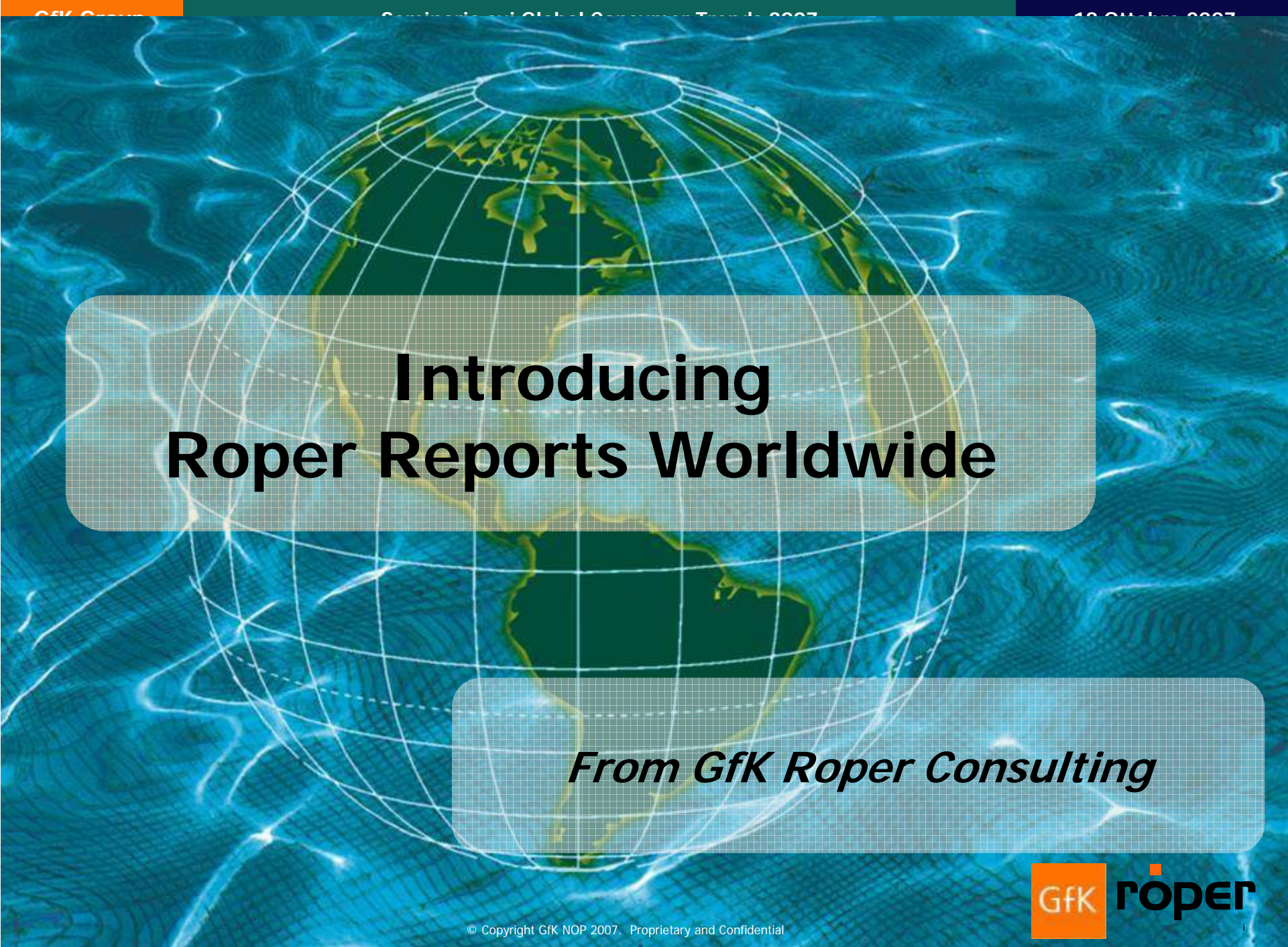
P. Anselmi

Cultura tradizionale e post-modernità: le peculiarità del consumatore italiano

M. Danelli

Understanding consumer trends across cultures: how to turn insights into business opportunities

(A. Brogren)



Introducing Roper Reports Worldwide

From GfK Roper Consulting

Introductions

Understanding consumer trends across cultures:

how to turn insights into business opportunities



Anders Brogren

GfK Roper Consulting
Managing Director

The changing nature of consumer participation:

a view on some of the key trends affecting consumers worldwide



Jodie Hulme

GfK Roper Consulting
Account Director, Europe



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Who we are and what we do

- ✓ What we do
- ✓ Coverage
- ✓ Roper Reports Worldwide Deliverables
- ✓ TrendKey



GfK



roper
GfK Roper Consulting

GfK Group: Expertise Across Five Complementary Areas

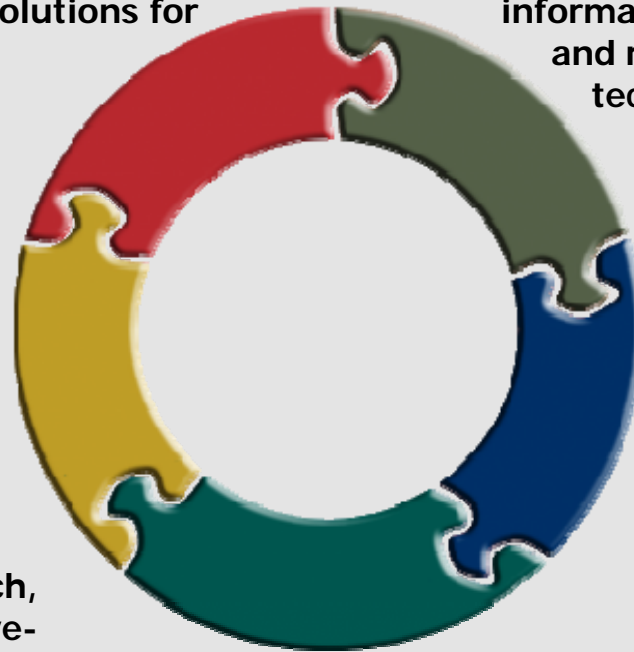
7

Consumer Tracking

Consumer and retail panel-based Business Information Solutions for manufacturers and retailers for consumer packaged goods and service companies

Healthcare

Information services supporting globally successful new product development and healthcare marketing research, brand research, communication effectiveness, loyalty as well as measuring market shares on products in the veterinary and dental industry



Retail and Technology

Retail panel-based marketing information for manufacturers and retailers in consumer technology industries

Custom Research

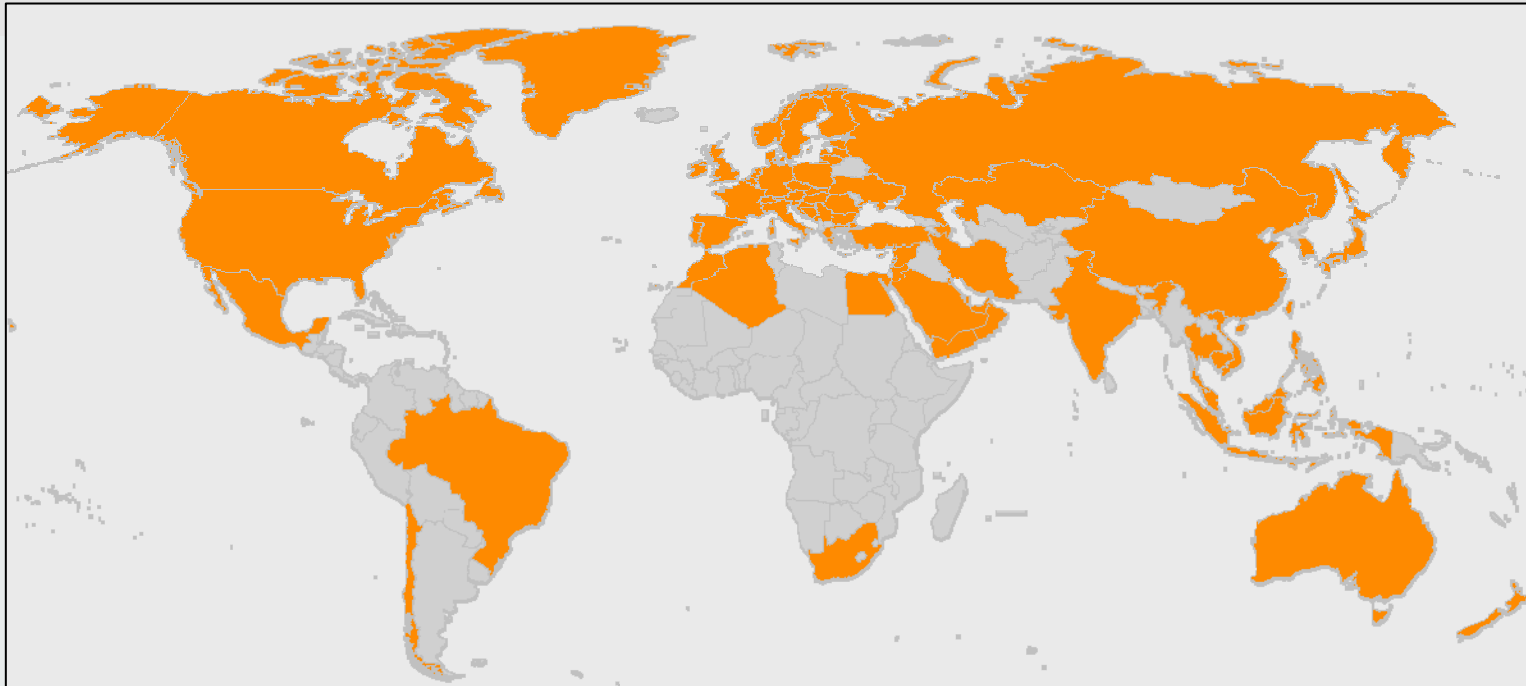
Interview and test market-based support information for new product development and brand management across a wide range of industries

Media

Interview and panel-based audience and readership measurement and consumer response testing for TV, print, radio and Internet

GfK Group: Worldwide Presence

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Algeria
Argentina
Australia
Austria
Azerbaijan
Bahrain
Belgium
Bolivia
Bosnia and Herzegovina
Brazil
Bulgaria
Cambodia
Canada
Chile

China
Colombia
Croatia
Czech Republic
Denmark
Ecuador
Egypt
Estonia
Finland
France
Germany
Greece
Hong Kong
Hungary

India
Indonesia
Iran
Ireland
Israel
Italy
Japan
Jordan
Kazakhstan
Kenya
Korea
Kuwait
Latvia
Lebanon

Lithuania
Malaysia
Mexico
Morocco
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Paraguay
Peru
Philippines
Poland

Portugal
Qatar
Romania
Russia
Saudi-Arabia
Serbia and Montenegro
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Syria

Taiwan
Tanzania
Thailand
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
Uruguay
USA
Venezuela
Vietnam
Yemen

ROPER REPORTS WORLDWIDE

Roper Reports Worldwide (RRW) provides a **deep insight into consumer drivers** in every region of the world.

It is the most comprehensive and strategically effective resource for **understanding and communicating with consumers** who live in different cultures, who have wide-ranging values and needs and who have varying access to media, technology and retail options.

RRW delves beyond **demographics** to profile the **lifestyles, values, attitudes and buying behaviour** of more than 30 developed and developing nations that account for a vast majority of global spending.

In addition to offering the richest portrait of the consumer landscape, RRW provides a **trends perspective** that highlights shifts at the country, regional and global level.

GfK Roper Consulting: On the Pulse of the Consumer Since 1933

10
10



1934:
GfK Group
Founded

1973:
Roper
Reports®
US Trends
Launched



1997:
Roper
Reports®
Worldwide
Trends
Launched

2001:
NOP World
Established

2005:



GfK Roper
Consulting
Established
As NOP World
Joins The GfK
Group AG

1933:
Roper Polling
Operation Established
By Elmo Roper; Later
His Son Bud Roper
would Serve as
Chairman of the Board

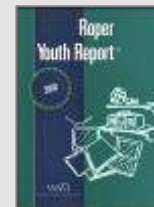


Elmo Roper



Burns "Bud" Roper

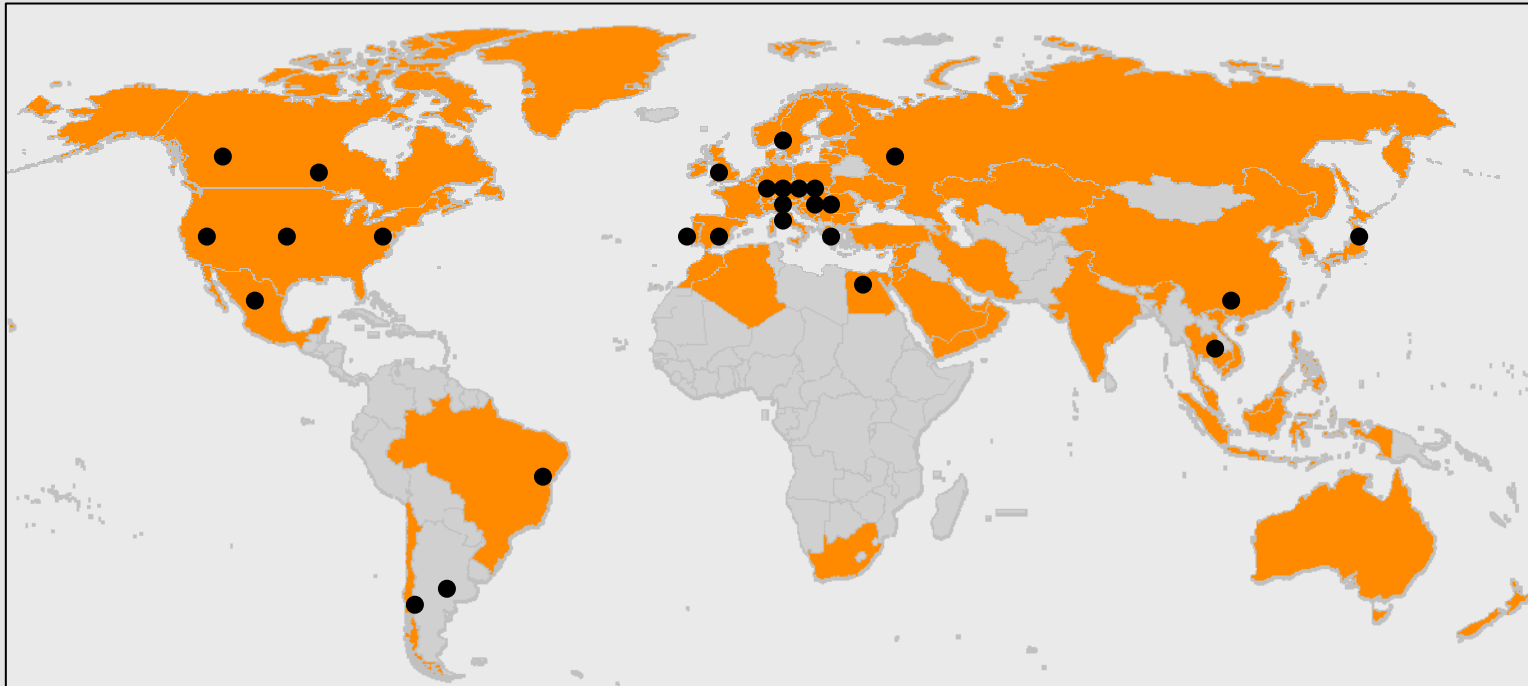
1990:
Roper
Youth
Report Launched



1986:
First Roper Reports® US
Public Pulse®
Newsletter Published

GfK Roper Consulting Network and growing!

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Algeria
Australia
Austria
Azerbaijan
Bahrain
Belgium
Bosnia-Herzegovina
Brazil
Bulgaria
Cambodia
Canada
Chile

China
Croatia
Czech Republic
Denmark
Egypt
Estonia
Finland
France
Germany
Greece
Hong Kong
Hungary

India
Indonesia
Iran
Ireland
Italy
Japan
Jordan
Kazakhstan
Korea
Kuwait
Latvia
Lebanon

Lithuania
Malaysia
Mexico
Morocco
Netherlands
New Zealand
Norway
Oman
Philippines
Poland
Portugal
Qatar

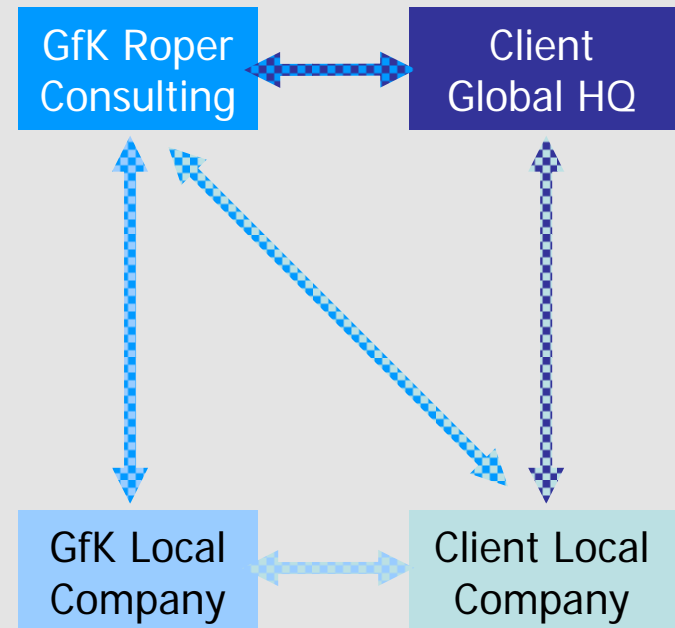
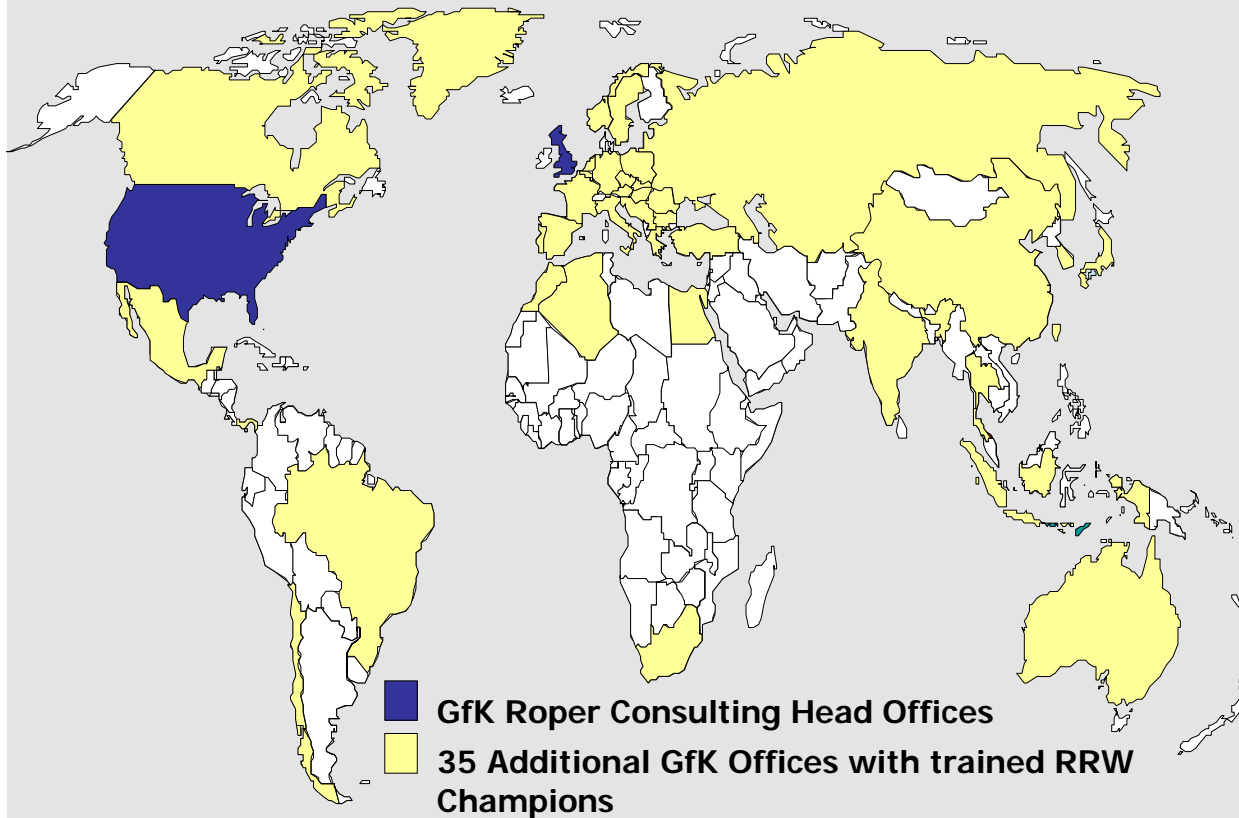
Romania
Russia
Saudi-Arabia
Serbia and Montenegro
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland

Syria
Taiwan
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom
USA
Vietnam
Yemen

GfK Network of RRW "Champions"

Facilitates Global & Local Relationships With Clients

- | | | | | | | | | |
|-----------|----------------|------------------|---------|----------|----------|----------|-----------|--------------------|
| Argentina | Australia | Austria | Belgium | Bosnia-H | Brazil | Bulgaria | Canada | China |
| Croatia | Czech Republic | Egypt & S.Arabia | France | Germany | Greece | Hungary | Indonesia | Italy |
| Latvia | Mexico | Netherlands | Panama | Poland | Portugal | Romania | Russia | Serbia/ Montenegro |
| Slovakia | Slovenia | Spain | Sweden | Thailand | Turkey | UK | Ukraine | |



Key people in GfK Roper Consulting

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Anders Brogren – Managing Director GfK Roper Consulting

Nick Chiarelli – Director, Product Manager Consumer Trends

Jodie Hulme – Account Director, Europe

Anders Olsson – Director, Product Manager Analytical Tools

Kathy Sheehan – Senior VP, General Manager, New York

Bryan Enders – AVP, Acting General Manager, Irvine

Chris Svoboda – VP, Business Development,

Hetty Fore – VP, Product and Operations Manager

Paolo Anselmi – Vice President Europe, Head of Consumer Division, GfK Eurisko

What Gives These Brands Their Competitive Advantage?



Consumer Understanding: The 4 Major Factors That Drive Consumer Behaviour

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Geography

Despite the converging forces of globalisation, citizens of different countries remain different

Did you know?
More Americans eat on the go than any other nationality



Demographics

The key events of life such as marriage or becoming a parent shapes one's needs

Did you know?
Only 17% of Turkish women are employed (UK – 63%; US – 61%)



Personal Values

The guiding principles by which we live our life are a central component of who we are and what we need, do and feel

Did you know?
Striving is the world's predominant value orientation



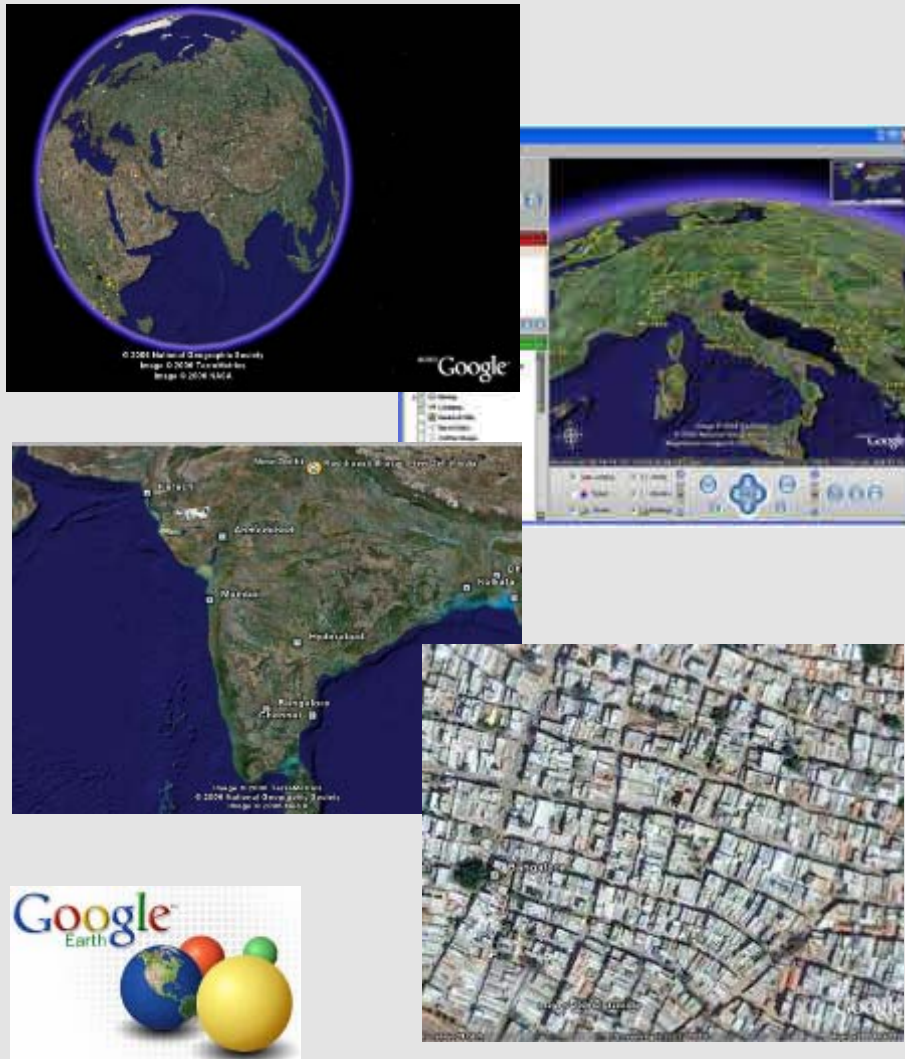
Lifestyles

How we spend our time can make a huge difference to the types of products, services and messages we respond to

Did you know?
The country with the worst work-life balance is.....**Korea**

Better Processes for Using Consumer Insights Means... Perspectives that suit the task in hand

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“Global” - Big picture stories on what the world looks like

“Regional” - How a region compares to the world as a whole

“Local” - How a country compares to the rest of its region or to the world as a whole with extra depth for the US

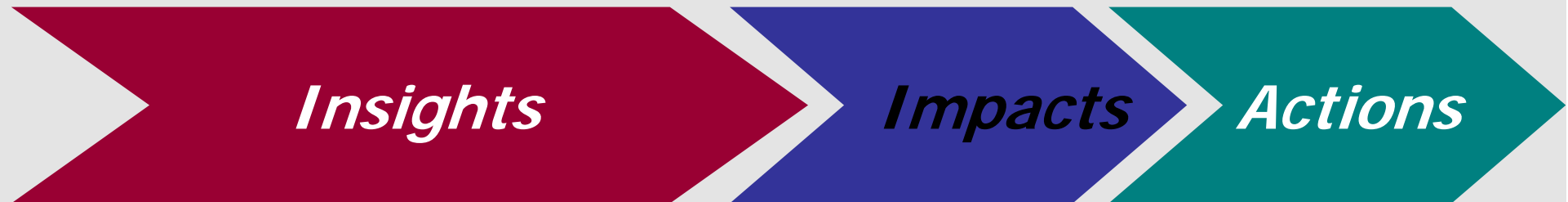
“Micro” - What particular groups of consumers look like

GfK Roper Consulting Process Takes Consumer Understanding, Assesses The Impacts And Develops Appropriate Actions

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GfK Roper Consulting:

Framework for Turning Insight into Competitive Advantage Through Action



What

are the key trends affecting consumers?

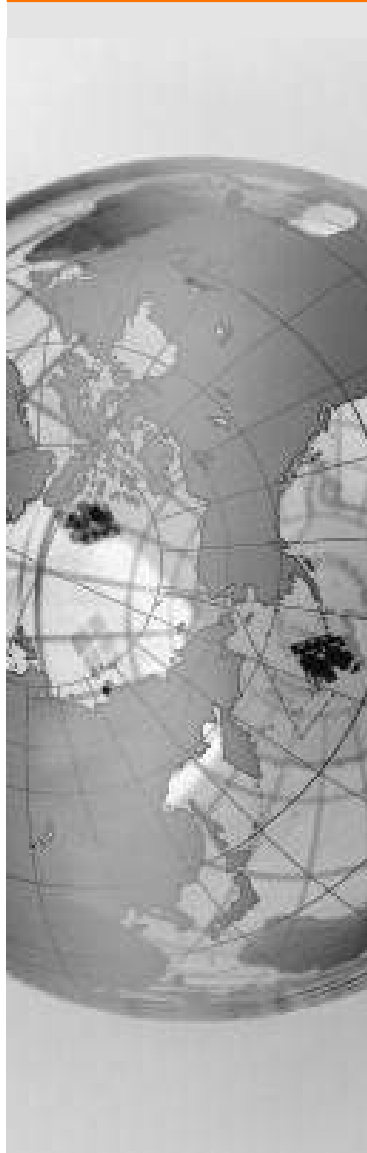
Which

of these trends should I focus on?

How

can I take advantage of these key trends?

Coverage at a glance - **Talking to 30,000+ Consumers Every Year**



18

Ages 13+

An annual global study of 1,000 to 1,500 in-home, face-to-face, 1-hour interviews per country

25+ countries

9 waves since 1997 with over 300,000 respondents in database

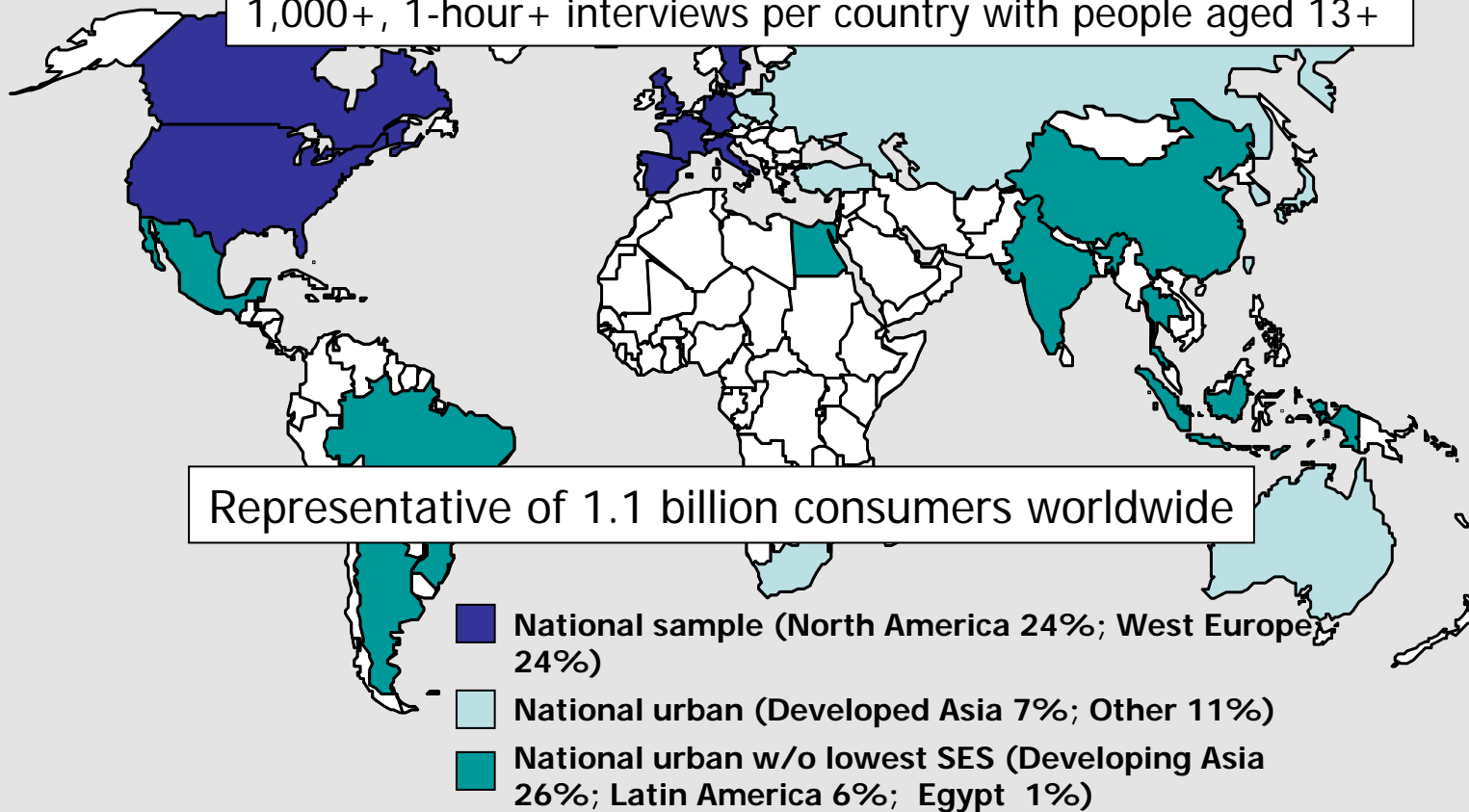
Coming soon – an additional online wave covering 20 countries and comprising 20,000 interviews

Coverage at a glance

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Listening to 30,000+ consumers worldwide since 1997
1,000+, 1-hour+ interviews per country with people aged 13+

Representative of 1.1 billion consumers worldwide



RRW Geographic Coverage 1999 – 2007

20

Developed Asia

	99	00	01	02	03	04	05	06	07
Australia	x	x	x	x	x	x	x	x	x
Hong Kong	x		x	x	x	x	x		
Japan	x	x	x	x	x	x	x	x	x
South Korea	x	x	x	x	x	x	x	x	x
Singapore		x		x		x			
Taiwan	x	x	x	x	x	x	x	x	x

Developing Asia

China	x	x	x	x	x	x	x	x	x
India	x	x	x	x	x	x	x	x	x
Indonesia	x	x	x		x	x	x	x	x
Malaysia	x		x	x					
Philippines	x	x	x	x	x	x	x		
Thailand	x	x	x	x	x	x	x	x	x
Vietnam		x	x						

Middle East/Africa

Egypt		x	x	x	x	x	x	x	x
Saudi Arabia	x	x	x	x	x	x	x		
South Africa	x	x	x	x	x	x	x	x	x
Turkey	x	x	x	x	x	x	x	x	x

Central/Eastern Europe

Czech Republic	x	x	x	x	x	x	x	x	x
*Hungary	x	x	x	x	x	x	x		x
Poland	x	x	x	x	x	x	x	x	x
Russia	x	x	x	x	x	x	x	x	x
*Croatia									x
*Ukraine									x

Latin America

	99	00	01	02	03	04	05	06	07
Argentina	x	x	x	x	x	x	x	x	x
Brazil	x	x	x	x	x	x		x	x
Chile								x	
Colombia		x						x	
Mexico	x	x	x	x	x	x	x	x	x
Venezuela	x	x	x	x	x	x			
Puerto Rico								x	
Peru								x	

North America

Canada	x	x	x	x	x	x	x	x	x
USA	x	x	x	x	x	x	x	x	x

Western Europe

*Belgium									x
France	x	x	x	x	x	x	x	x	x
Germany	x	x	x	x	x	x	x	x	x
Italy	x	x	x	x	x	x	x	x	x
*Netherlands	x								x
Spain	x	x	x	x	x	x	x	x	x
Sweden				x	x	x	x	x	x
UK	x	x	x	x	x	x	x	x	x
*Portugal									x

* Available as extra sets

Extra Countries Available in RRW07

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Roper Reports Worldwide 2007

Content Coverage

In-person wave

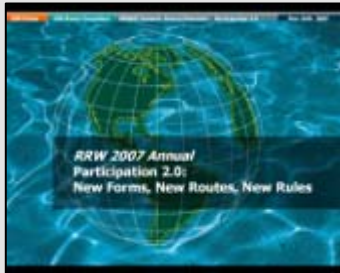
- Mood Of The Nation
- Leisure And Lifestyle
- Personal Values
- Power Brands
- Social Networks
- Category Influentials
- Shopping Behaviour And Decisions
- Cultural Affinity
- Media And Advertising
- Beverages/Alcohol (20+ yrs only)
- Youth Issues (13-19 yr olds only)
- Beauty
- Technology
- Automotive
- Demographics

Online wave

- Personal Values
- Online Brands
- Category Influentials
- Online Shopping Behaviour (Music, Video, Books)
- Technology Attitudes & Behaviour
- Digital imaging
- Ethical Consumption
- Online financial services
- Privacy & Security
- Demographics

Roper Reports Worldwide Subscription includes...

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Global Annual Presentation

A presentation of key trends driving the global consumer marketplace.

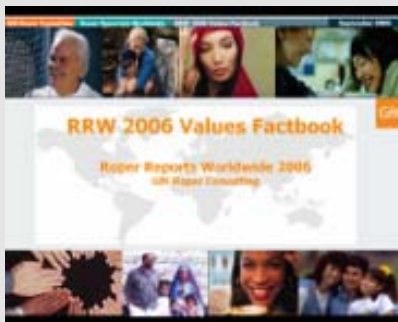
Global Pulse (Bi-monthly)

An electronic newsletter with key findings and trends in the global marketplace and Roper Report's perspective.



Mood of the World Report

This report is an in-depth picture of the current world mood and consumer confidence for their own and their country's future and top economic and social concerns. It also highlights key trends and shifts at the regional and country level.



Values Factbook

This well regarded fact book allows clients to get a country, region, and worldly view, of all the cultural values that influence consumer's behaviour.

Roper Reports Worldwide

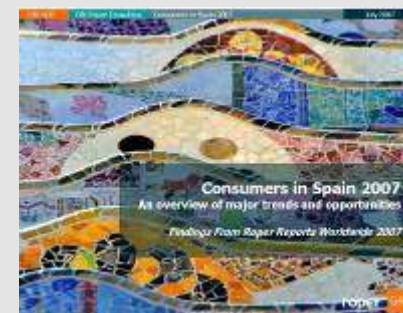
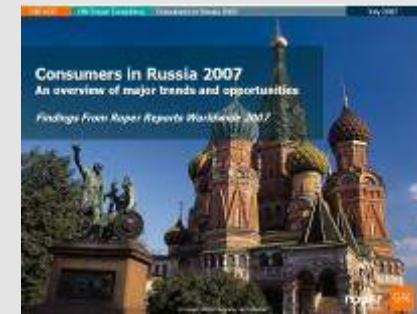
Country Reports

24

RRW Country Reports are a comprehensive source that can be used for gaining extensive insight in to a particular market

Each report consists of a deck of circa 150 slides and covers the key elements of the market together with perspective commentary

Country Reports can be used to assess how trends and values within this market can create competitive advantage and also provides insight on



Roper Reports Worldwide also offers special interest reports: Issues, Consumer Groups, Product Categories

25



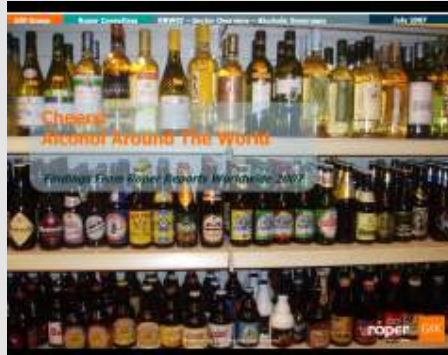
Corporate Social Responsibility – *Trend or Fad? Is the time now*

- Our CSR report provides an overall framework for understanding and working with CSR
- It defines and analyses CSR and ethical consumption and explores key opportunities for communicating CSR



Reaching Global Youth

- Our Global Youth report identifies values, ambitions, concerns, their outlook, activities and lifestyle
- We also provide key insight on how to successfully tap in to this market



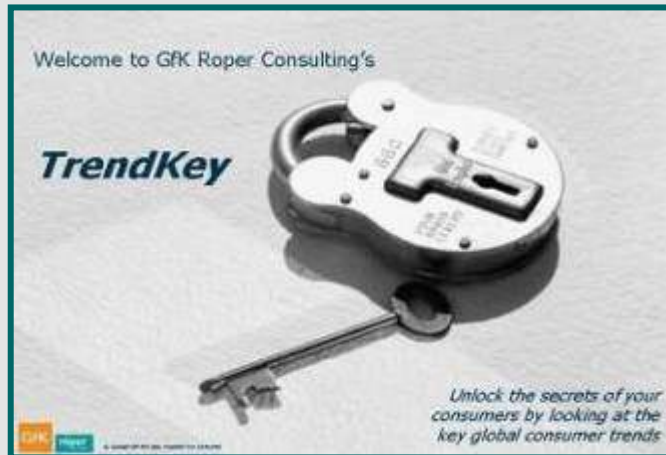
Understanding Drinkers

- Our Global Alcohol report identifies usage, attitudes towards and occasions for various types of alcoholic beverages

...and more

Roper Reports Worldwide Subscription includes...

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TrendKEY Focus®

Identifies major global consumer trends, explores the implications of each trend via white papers and in-market examples of these trends and provides comprehensive supporting data



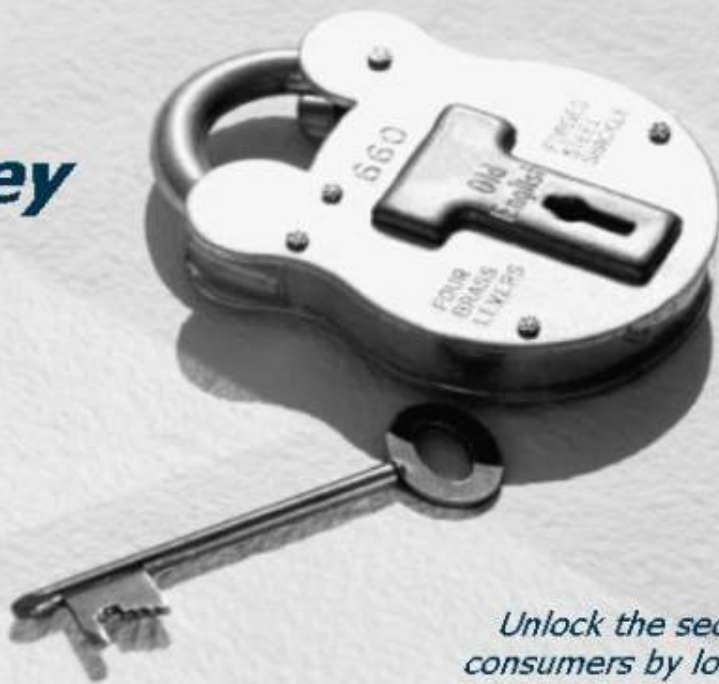


TrendKey A Global Trends Framework



Welcome to GfK Roper Consulting's

TrendKey



Unlock the secrets of your consumers by looking at the key global consumer trends

GfK roper
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The Guiding Principles of Trend KEY are...
Insights to Impacts to Actions

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**What**

are the key trends affecting consumers?

Which

of these trends should I focus on?

How

can I take advantage of these key trends?

Trend KEY

Points of view and links to supporting material

Trend KEY – FOCUS

Evaluate the relevance of the key global consumer trends by:
Demography
Geography
Standard Roper Segments

Trend KEY - TARGET

Evaluate the relevance of the key global consumer trends for:
Key Segments
Brand Users/Fans
Target Consumers

Trend ACTIONS

Customized consulting to apply trends to solve business issues

Helping Clients Means.....

Moving From Trends to Impacts to Actions.....

30

Trends

Start with an accepted Trend
e.g. Longer Life Expectancy

Impacts

Progress to implications of the Trend e.g.
Longer Working Life
Later Childrearing
Changing health threats
Changing nature of retirement
Second childhoods
SKIers

Actions

End up with possible outcomes or actions e.g.
Products that make ageing less visible,
Products for the newly aged,
Products and services that improve quality of life

How We Do it

31
31



2,68	+1,91
2,48	+2,06
20,77	+0,11
0,85	+1,11
5,99	+1,01
47	+0,11





Life on the Go

Life on the Go

What is it?

33

Consumers live a mobile lifestyle.

That does not simply mean they move around a lot, although clearly international travel, commuting, vacations all lead to mobility of body and mind.

Consumers are also mobile in other senses too – social mobility (the desire to improve one's situation), cultural mobility (an openness to other cultures and ideas) and virtual mobility (distance solutions), are all increasing.

Dimensions of mobility are key drivers of some other major consumer trends that we track

34

See also our "Looking for success" trend

Social Mobility
wanting to 'move up'

Physical Mobility
getting out and about, leaving home

Dimensions of Mobility

Cultural Mobility
being open to change

Virtual Mobility
using technology to enhance life

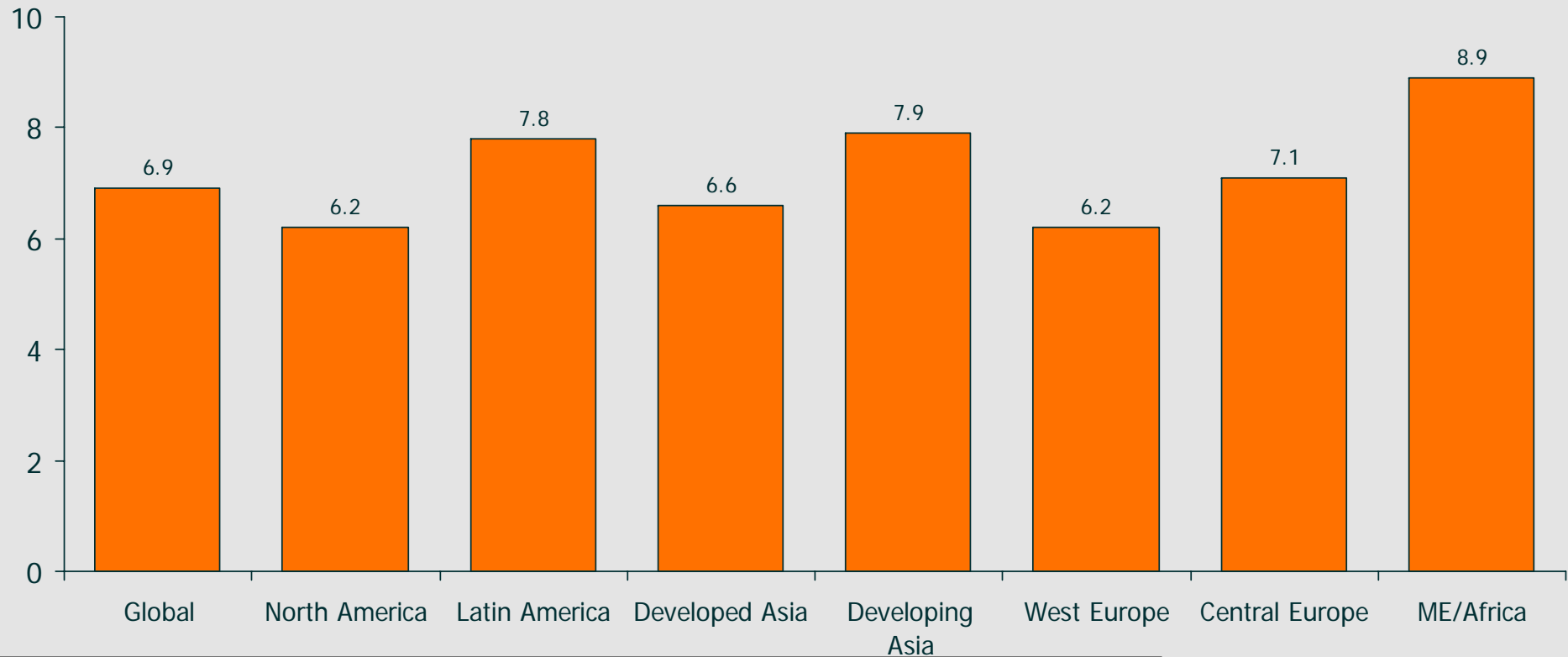
See also our "Mixing Influences" trend

See also our "Blurring boundaries" trend

Weekly Hours Spend Commuting To And From Work/School: Regions

35

Mean weekly hours spend by consumers age 13+ commuting to and from work/school, 2006



North America: USA, Canada

Latin America: Argentina, Brazil, Mexico

Developed Asia: Australia, Japan, Taiwan, Korea

Developing Asia: China, India, Indonesia, Thailand

Western Europe: France, Germany, Italy, Spain, Sweden, UK

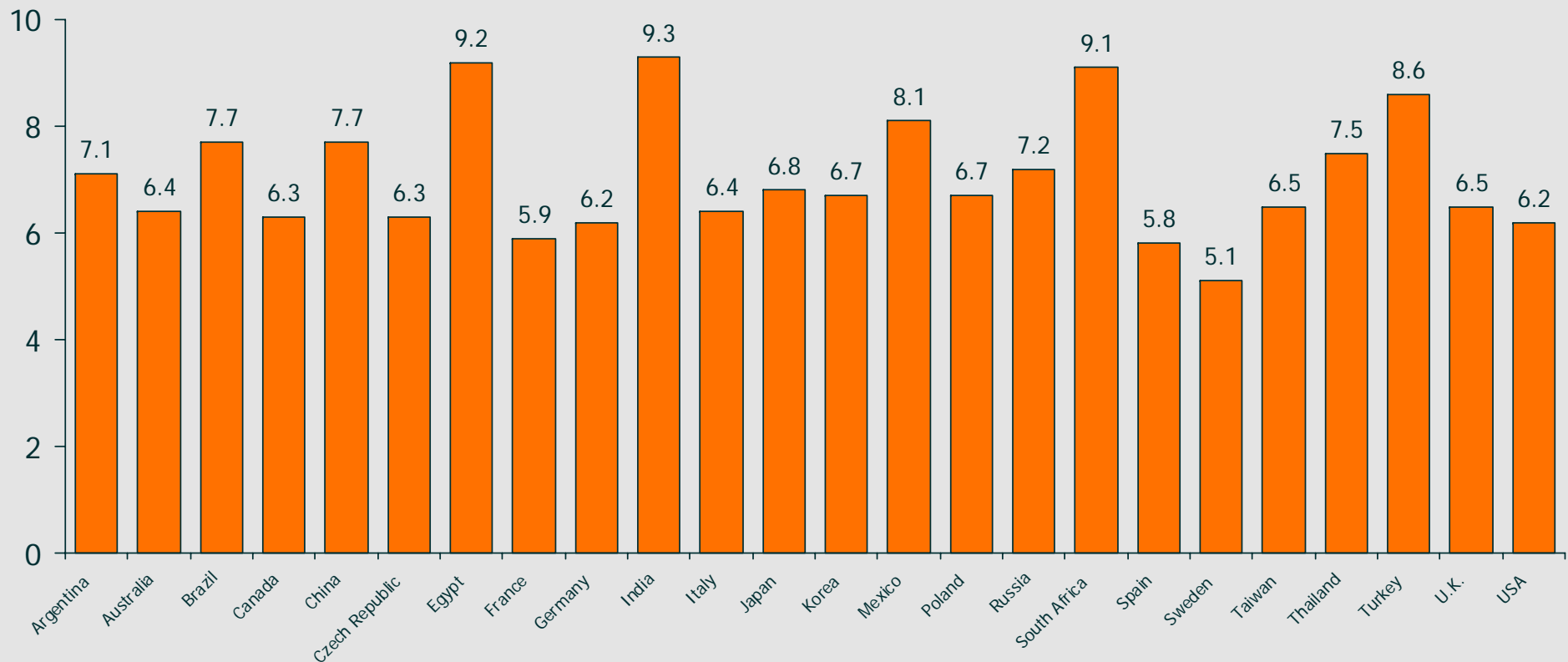
Central Europe: Czech, Poland, Russia

ME/Africa: Egypt, Turkey, South Africa

Weekly Hours Spend Commuting To And From Work/School: Countries

36

Mean weekly hours spend by consumers age 13+ commuting to and from work/
school, 2006



Trend(s): **Life on the go**

Brand: **Travelbag**

Sector: **Travelling**

Where: **Sunday Telegraph UK**

When: **15. January 2006**

Travel around the world and chat with somebody from the other side of the world. For the 'been there, done that' generation, businesses have to re-think how to attract an experienced audience.

BEEN THERE

DONE THAT

Experience sailing around the Whitsundays, Australia.

WE'VE GOT THE EXPERIENCE TO INSPIRE YOU

All our consultants are experienced travellers. They've collected experiences from around the world to inspire you and make sure you get the most from your holiday. So if you want to go there or do that, talk to one of them today. Call us on 0870 814 6251

TRAVELBAG
Travel created for you.

Trend(s): **Life on the go, Pursuit of Wellbeing**

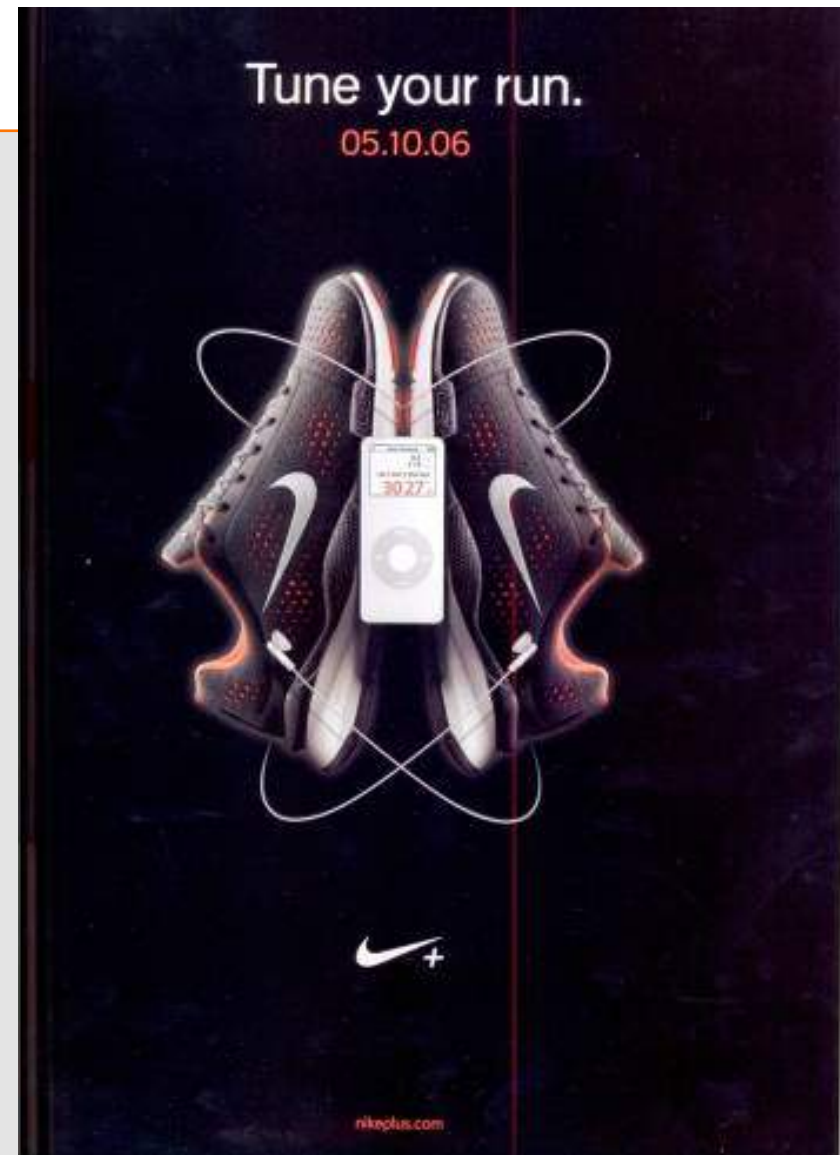
Brand: **Nike / Apple**

Sector: **Footwear**

Where: **Euroman Magazine, Denmark**

When: **October 2006**

Having fun by listening to your music while working out is a way of making the pill less bitter. The Nike shoes have a sensor in the sole that transmits workout information to the iPod so that it can be collected then analysed



A photograph of three people on a beach. In the center, a shirtless man stands with his arms raised high, looking upwards. To his left and right, two women in dark athletic wear also stand with their arms raised. The background shows the ocean and a clear sky. The text 'Pursuit of Wellbeing' is overlaid in a large, italicized, grey font across the center of the image.

Pursuit of Wellbeing

Pursuit of Wellbeing

What is it?

40

Consumers, more than ever before, know what they are supposed to do to live a healthy lifestyle.

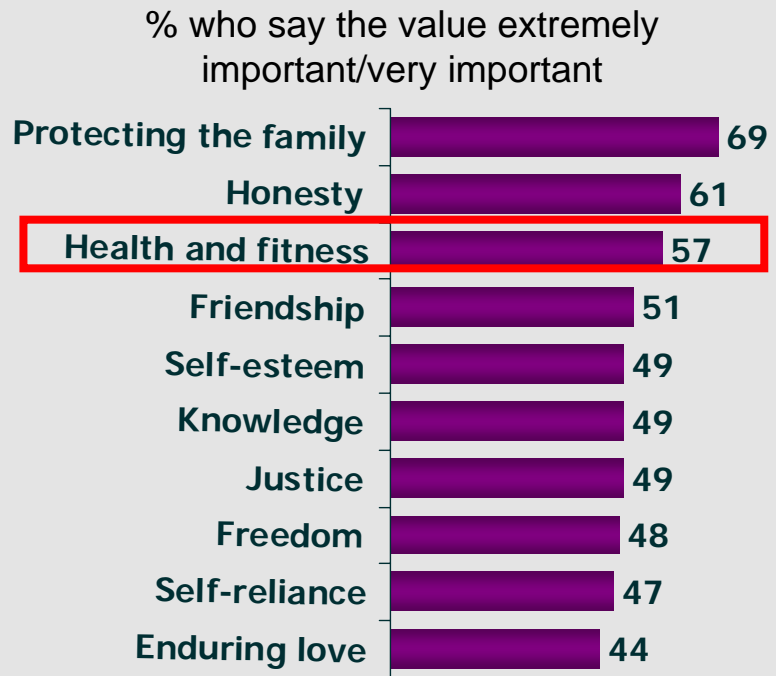
But, even with the best of intentions, many find it difficult to live a healthy lifestyle.

Opportunities exist for marketers who can help consumers to close the gap.

Well-Being

“Health and Fitness” an Increasingly Important Value

Globally, “health and Fitness” ranks the the third most important value



In Many Countries, the importance of “health and fitness” registered significant growth

Ranking of “health and fitness” as an important value

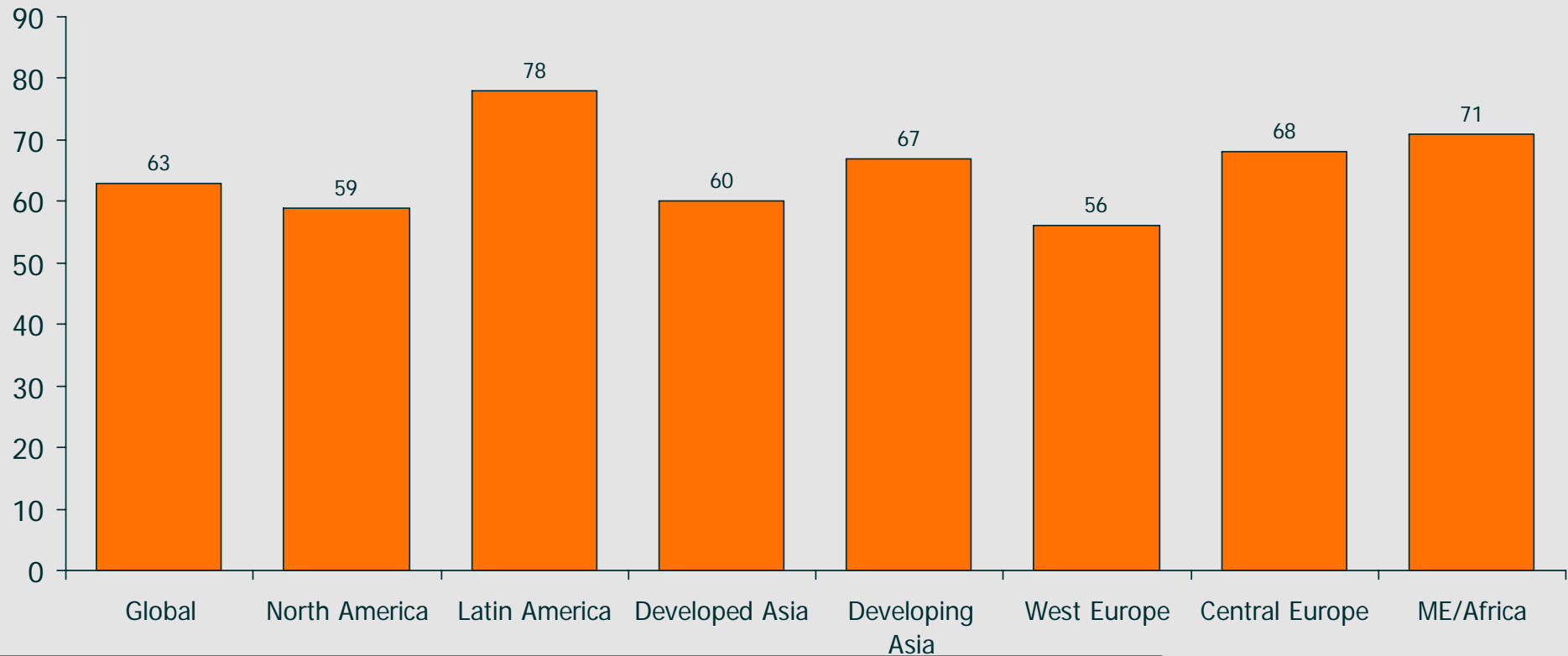
Country	2004	1999	Difference
Germany	2	9	-7
Hungary	5	12	-7
Argentina	6	13	-7
Australia	9	16	-7
Venezuela	1	7	-6
China	1	7	-6
Philippines	3	9	-6
Spain	1	6	-5
Hong Kong	2	7	-5
U.S.	6	11	-5
Turkey	15	20	-5
Poland	2	6	-4
Canada	11	15	-4

“Health and fitness” has been consistently in the top 5 values in: Taiwan, Indonesia, France, Korea, Thailand, Russia, Saudi Arabia, Mexico, and Czech Republic

Health & Fitness: Regions

42

% of consumers age 13+ who find 'Health & Fitness' extremely/very important as a Personal Value (Top 2 boxes), 2006



North America: USA, Canada

Latin America: Argentina, Brazil, Mexico

Developed Asia: Australia, Japan, Taiwan, Korea

Developing Asia: China, India, Indonesia, Thailand

Western Europe: France, Germany, Italy, Spain, Sweden, UK

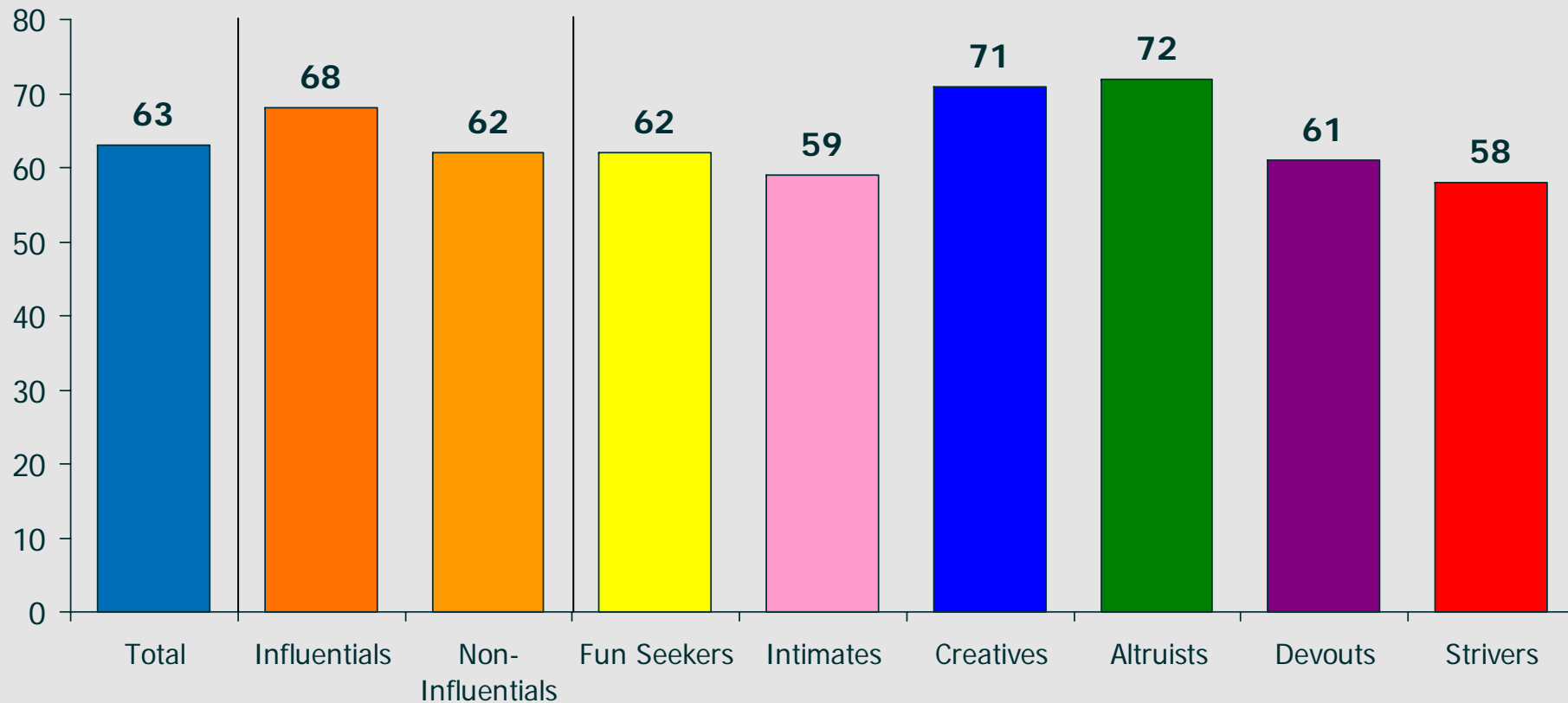
Central Europe: Czech, Poland, Russia

ME/Africa: Egypt, Turkey, South Africa

Health & Fitness: Segments

43

% of consumers age 13+ who find 'Health & Fitness' extremely/very important as a Personal Value (Top 2 boxes), 2006



Trend(s): Pursuit of Wellbeing

Brand: Red Lane Spa
 Sector: Healthcare/travel
 Where: Share Magazine, US
 When: November 2006

Due to stressful Western lifestyles, wellbeing is becoming more important on holidays.



Trend(s): **Pursuit of wellbeing**

Brand: **Dove**
 Sector: **Cosmetics**
 Where: **Brazil**
 When: **December 2006**

Pursuit of Wellbeing is a category constantly reinventing itself, but needs careful interpretation for local cultural conventions and attitudes to appearance

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Summer Without Shame (Dove Brazil)



No one looks 100% perfect (Natural Beauty – Shanghai)

Geographic-trends: From West to East & East to West

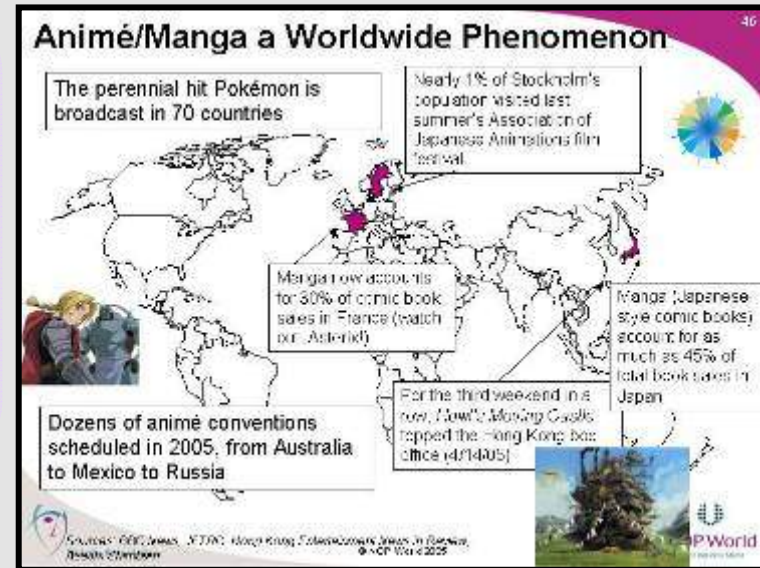


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In the "third age" of the globalisation process, products from developing economies are reaching out to the rest of the world:

- Products made are of high quality
- Consumers in those markets are demanding higher quality and more recognition of their specific needs and tastes
- Those in West are open to products irrespective of where they are from

Look for more and more products from "developing" markets competing with Western brands in their own



The RRW 2006 Annual
Globalization has had three stages (so far)

Stage One: Go Global	Stage Two: Think Global, Act Local	Stage Three: Individual consumers
Starting point: 1980s In this era, the philosophy of global businesses was: <i>Get your products in front of the world's consumers and they will buy them</i>	Starting point: 1990s In this era, the philosophy of global businesses was: <i>Adapt your products to local markets and they will buy them</i>	Starting point: 2000s In this era, the philosophy of global businesses should be: <i>Beware of stronger local competition AND watch for them coming to play in your backyard!</i>
Western Monologue	"Translated" Western Monologue	Evolving Dialogue

GfK logo



OCEAN BEACH PRESENTS EXCLUSIVE
BRAHMA BEER LAUNCH

BRAZILIAN DANCE SHOW
FREE BRAHMA FOR THE FIRST 100 PPL
BRAZILIAN ATMOSPHERE
FRIDAY, MAY 19TH, 2006



Geographic-trends: Urbanisation & Migration

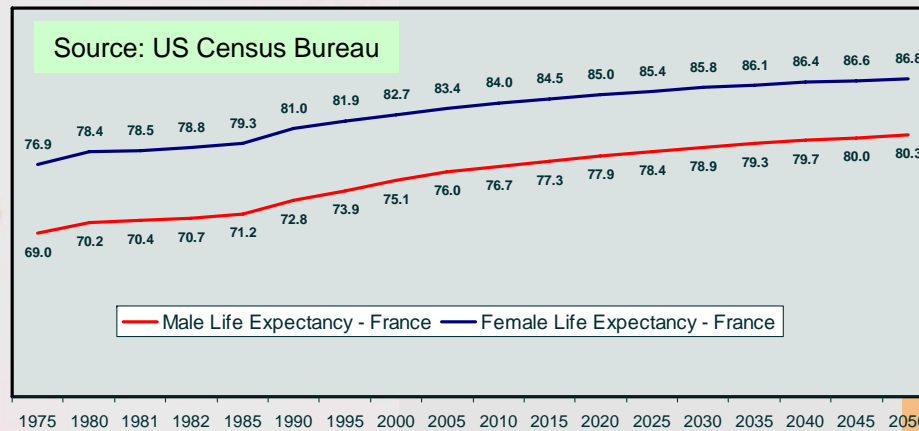
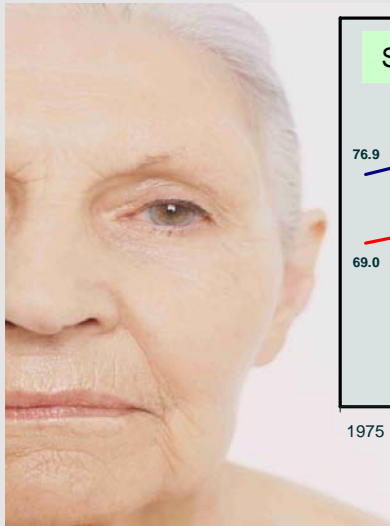


For the first time in history **50%** of the world's population is urban
 The "Developing World" now accounts for over **50%** of global GDP (in PPP terms)



Dhaka is projected to be the world's second biggest city (after Tokyo) with a population of 22.8 million by 2015

Lifestage Trends: Ageing Population



It is a well accepted fact that we are living longer, having fewer children and that, therefore, societies are ageing

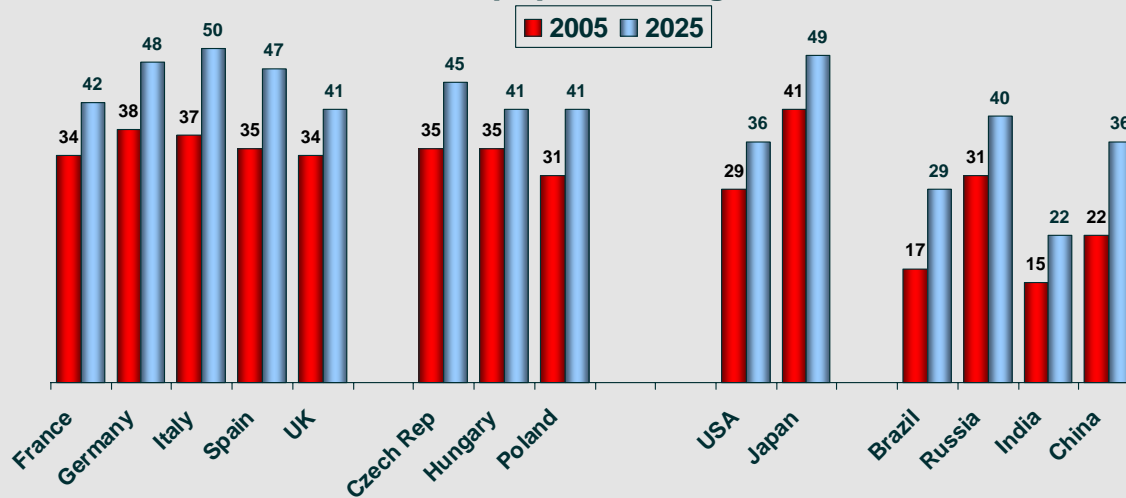
But what is old?

What implications does this have on people's lives?

What does it mean for people who are older now?

What does it mean for how young people will age?

% of population aged 50+

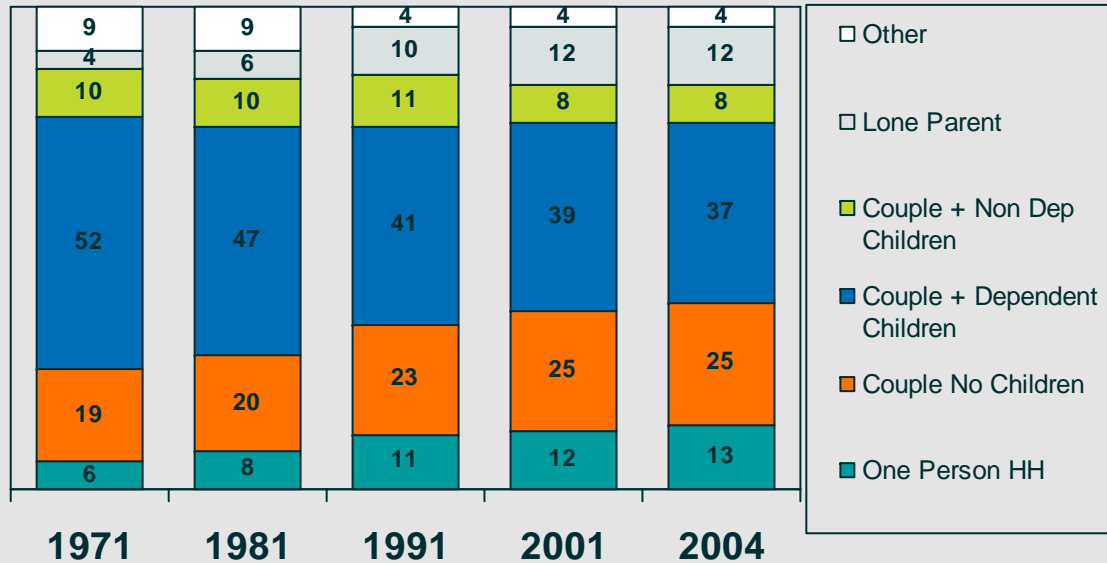


Lifestage Trends: Changing Household



49

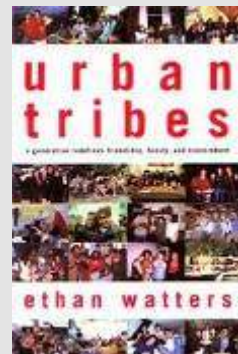
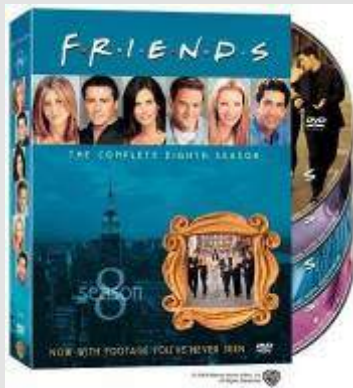
Household Structure in the UK
SOURCE: Office for National Statistics – Social Trends 2005



“Traditional arrangement” of a couple + dependent children has become a minority situation over the past 30 yrs

Single person households, lone parents and couples with no children have all become more prevalent.

Marketing and product development on the basis of “stereotypes” is becoming less and less relevant in today’s society.



Lifestage Trends: Peak of Busy-ness



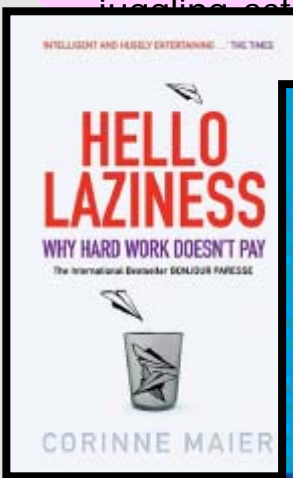
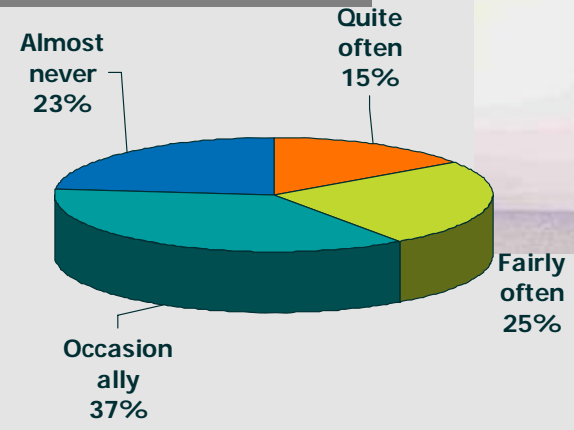
50

Consumers nowadays have busy, complicated lives. For many, the reality is a case of juggling home, work, social life and other commitments – work and life are not always in balance. We see the beginnings of a push back (in the West at least) against the long hours culture of recent years. In Developing nations the desire to improve one's situation is, for now, keeping work hours long.

For parents, particularly working women, this juggling act is particularly extreme and is a major stressor.



How often do you personally feel stressed?



Lifestyle Trends: Life on the Go



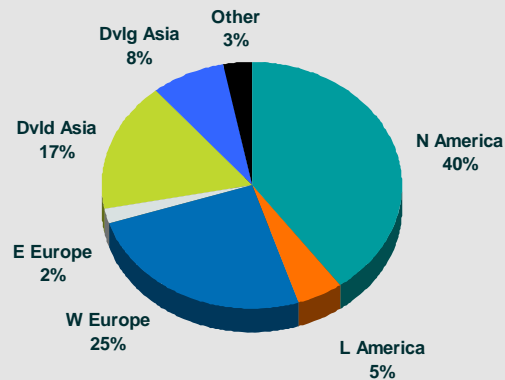
51



Homo mobilis:

32 Million Strong Globally
65% Live in West Europe and

US



65%

Spend some time each week commuting



Physical Mobility:

Classical travel-based mobility encompassing business travel, leisure travel, commuting

Routine mobility such as commuting is often associated with multi-tasking and distance-working solutions (iPod, Blackberry, laptop, etc) Can also include migration, working in another country



The average global commuter spends
7
hours per week between home and work

Lifestyle Trends: Pursuit of wellbeing



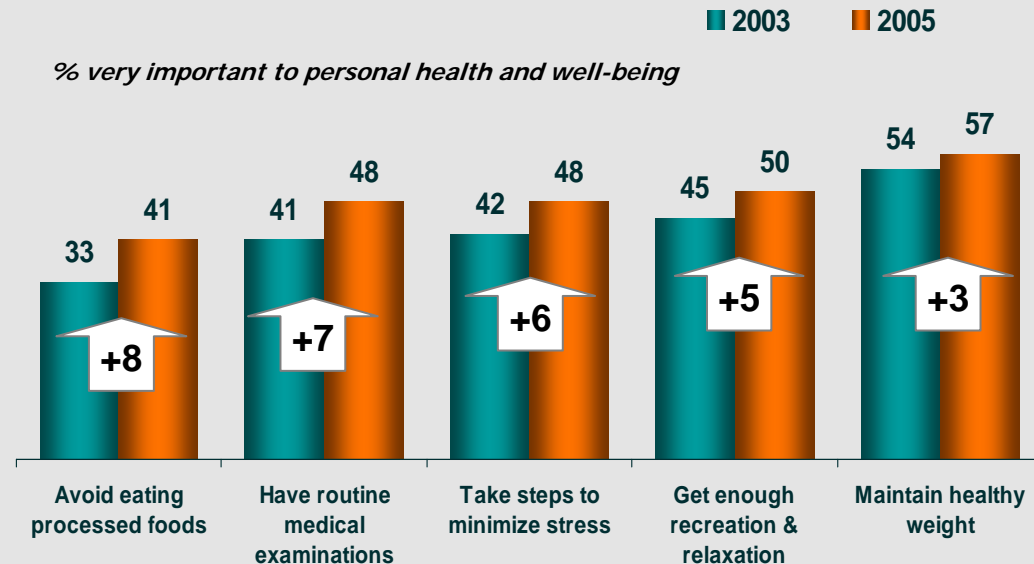
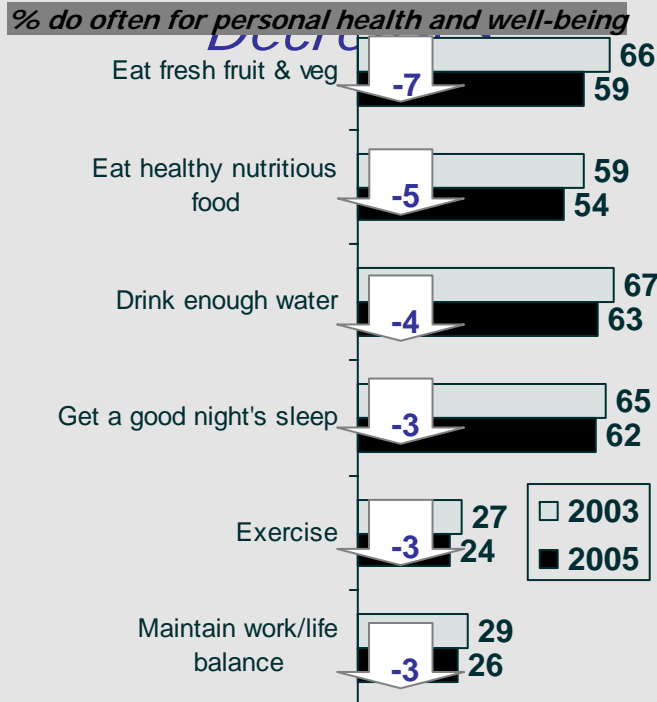
Behavior of Healthy Activities

Globally, "health and Fitness" ranks the #3 most important value (of 60 values)



Good health ranks #1 (of 15 items) as a part of the "good life" in 29 of 30 countries

Most Health Behaviors Increase in Importance....



Source – RRRW05
Trend: 13-65 year-olds



Lifestyle Trends: Word of Mouth



53



© 2005 SKYDECKCARTOONS.COM April 2006

People Power A North/South Split on Word of Mouth v. Advertising

Map color coded by top-ranked source for finding out about new products and services



■ People i.e. Word of Mouth
■ Advertising (Net)

© Copyright © 2006. From Roper Reports Worldwide



- Advertising bombardment – weight and coverage
- Consumer cynicism & erosion of trust
- Too much choice
- Not enough time
- **Word of mouth is a filtering mechanism**

Lifestyle Trends: Home is Where you Are



54

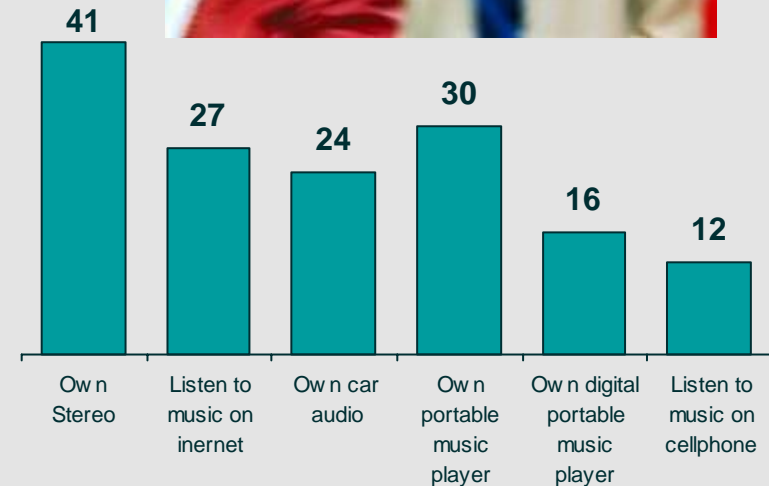
GfK Group | GfK NOP | Trend Summary - RRW05 - Home is where you are | January 2006

Blurring the Lines Home is Where You Are

- Consumers use technology everywhere
- And most technology is portable
- It's not necessarily about one device for all things...

...But being able to do the things I want in multiple places, across devices

Playing Games	Listening to Music	Watching TV
<ul style="list-style-type: none"> Home Console Portable Gaming System PC Cell Phone In The Car Online 	<ul style="list-style-type: none"> Home Stereo TV Cell Phone By Satellite In The Car Portable Device 	<ul style="list-style-type: none"> Home TV Online In The Car Cell Phone Video iPod/PSP Portable TV



- Examples:
 - Listening to music
 - Watching TV
 - Playing games
 - Working (email, Windows Mobile, etc)

Lifestyle Trends: Convergence is Multi-Modal

55

Convergence Means “One-On-Many, Not All- In-One

- For example: consumers watch movies in the theater, at home on DVDs, on their PCs/laptop, on their portable DVD players, on other portable devices (PSP, etc.)
- Music also continues to be offered on more diverse platforms and combined with other forms of entertainment
- Multiple platforms and various options allow consumers to define and interact with *their* world in the way that is most relevant to them
- Battery life, increased memory capabilities, and improved quality could disrupt this trend and push more consumers toward more convergent devices; however, this shift will probably be needs driven



Lifestyle Trends: Mixing Influences



56

% rating these values as extremely or very important



INTERNATIONALISM (globally #58 value)
but more important in:

- Australia – 35th of 60
- Russia – 36th
- Egypt – 40th
- Japan – 40th
- Sweden – 46th



Consumers around the world are becoming more open to new taste experiences [though plenty of them still like to be cautious sometimes too]

This change is fuelled by greater holiday travel, cooking programmes on TV, new restaurants, etc

Companies seem increasingly adept at blending the new/experimental with the known/trusted – so we get the KitKat that we know and love, but in new “global” flavours.....

Lifestyle or Behavioural Trends: Pragmatic Materialism ("Want it All" Consumers)



57



Consumers around the world are becoming more and more demanding.

Increasingly, they want products, brands and retailers to offer features and benefits that used to be mutually exclusive:

- Health benefits **AND** good taste
- Luxury **AND** a good price
- Convenience **AND** quality
- Activity **AND** price



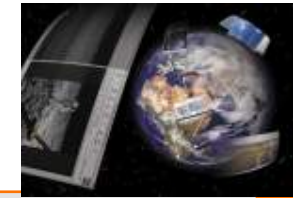
56% of consumers agree that they "like to buy things to treat or indulge myself"

54% of global consumers agree "I often use food or drink to treat myself after a particularly long day"

The change is that consumers are nowadays prepared to prioritise certain aspects of their life – here they will "indulge"; elsewhere they may be very budget conscious



Lifestyle Trends: New for Old Media (Trading Up)



58

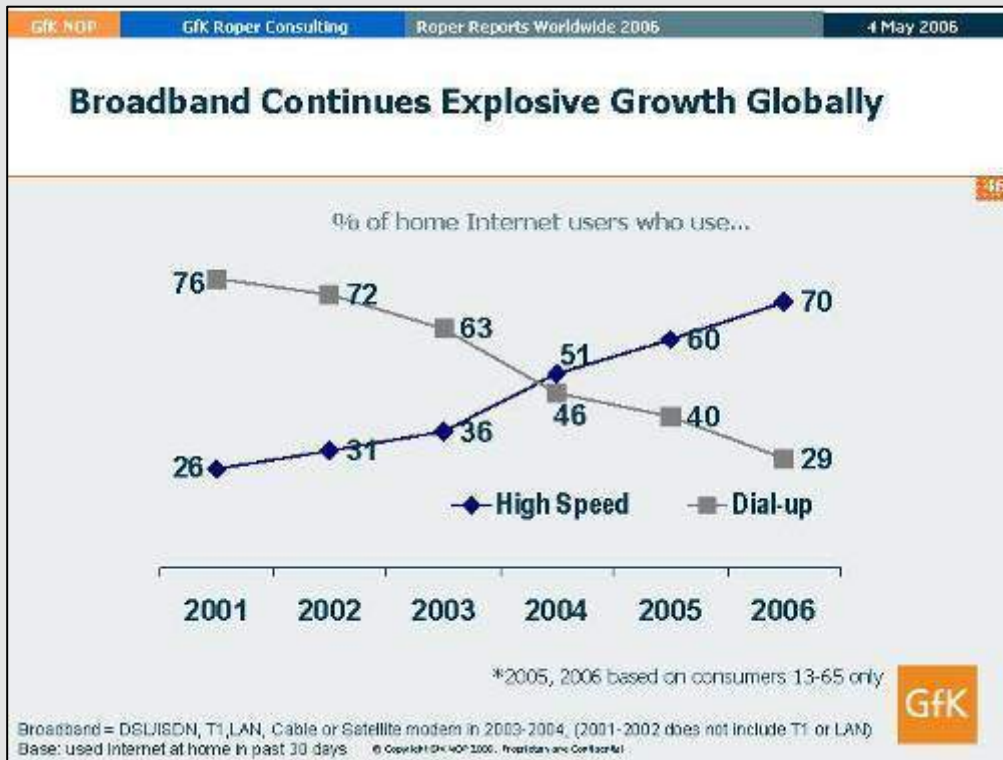


Broadband has surpassed dial-up- and is leapfrogging over traditional dial-up in emerging markets (like China and India)

Broadband users are spending more time online and less with traditional media than non-Internet users and even narrowband users are

Blogging is increasing in most markets around the world and threatening traditional journalism – blogs appeal to the growing word-of-mouth movement and the increasing skepticism with news media

Advertisers (finally) are aggressively and creatively expanding into new and alternative media sources; *“spending on online video advertising will triple in the*



Bunko Yomihodai (“All You Can Read Paperbacks”) began in 2003. It now has 50,000 subscribers.

Values-based trends: Moving to Fun



59



GfK Group GfK NOP Trend Summary – RRW05 – Achieving & Enjoying January 2006

Hedonism and Materialism
Valuing Leisure Up Almost Everywhere

Total Global 27%, + 3 points since 1999

Leisure: Putting emphasis on free time

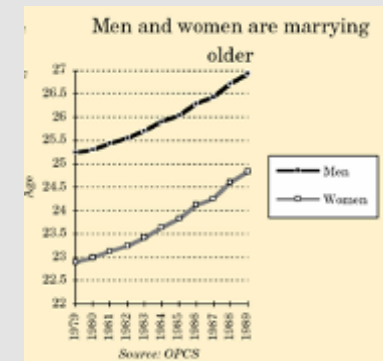
Canada 33%, +10	France 31%, +6
USA 34%, +5	Saudi Arabia 34%, +9
	Spain 24%, +3
	South Africa 28%, +5
Brazil 25%, +7	Poland 29%, +7
Mexico 25%, +3	Russia 29%, +4
Argentina 30%, +2	India 24%, +9
	Indonesia 22%, +5
	Taiwan 39%, +13
	Thailand 34%, +9
	Korea 27%, +5
	Philippines 25%, +4
	China 18%, +3

GfK

© Copyright GfK, 2006. Proprietary and Confidential Trend: 13-65 year-olds



- Consumer escapism is on the rise in response to the growing high pace of life – consumers are looking to “tune out” and relax



Coddling Crisis: Americans think adulthood starts at 26

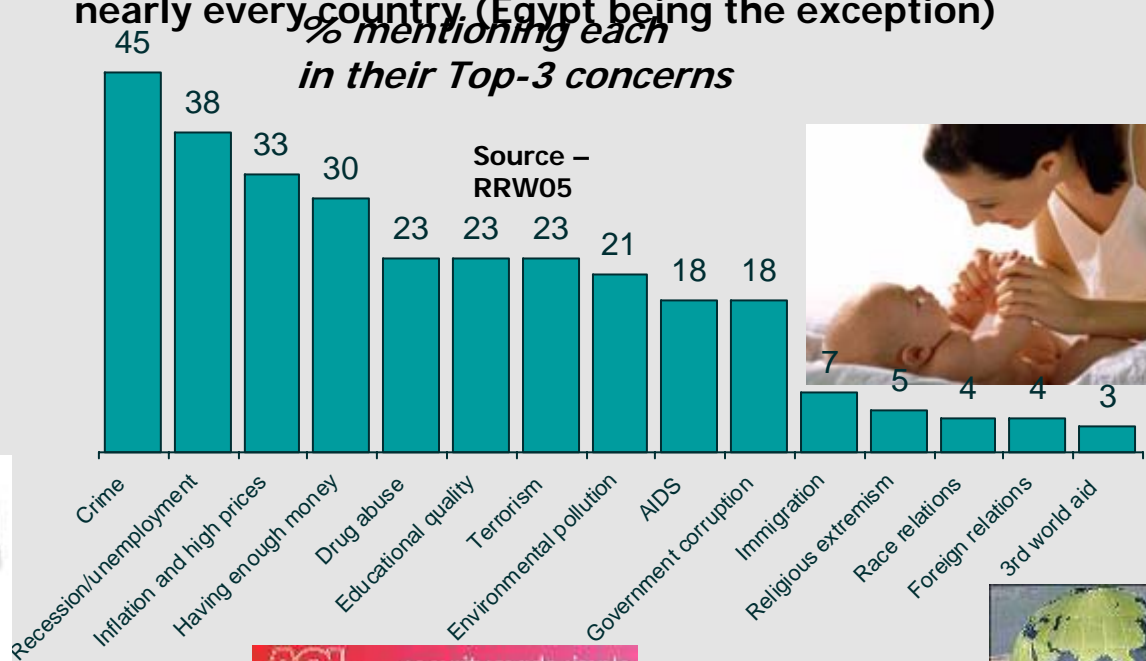
Values-based trends: Security for All



60

- Global media and 24 hour a day news coverage have focused peoples' minds on the serious issues of the day to an unprecedented level
- "Threats" can be:
 - Health-related (SARS, H5N1)
 - Safety (Al-qaeda, Bin Laden, etc)
 - Economic (outsourcing)
 - Environmental (climate change)
 - Personal (identity theft)

Protecting the family (Having safety for loved ones) is ranked in the top 5 values (of 60 personal values) in nearly every country (Egypt being the exception)



*The changing nature of
consumer participation: a
view on some of the key
trends affecting
consumer worldwide*

(J. Hulme)

The Emerging Story

RRW 2007 Annual
**Participation 2.0:
New Forms, New Routes, New Rules**

What's Changed and What Hasn't?

Things The World Had Yet To Hear Of

63

Google
 iPod, iTunes
 Viagra
 Blackberry
 American Idol/Pop Idol
 YouTube
 MySpace
 Second Life
 World of Warcraft
 Skype
 Sudoku
 eBay
 Toyota Prius
 Smart car
 Starbucks
 The Tipping Point
 Amazon.com
 Metrosexuals
 Botox



Blogging
 SMS messaging/Texting
 Wikipedia
 Tivo
 Fairtrade
 Carbon footprint
 SARS, H5N1
 Wii, xBox, PSP
 Satnav
 Megapixels
 Rohypnol



1

Life in 2007: *Participation*

Participation

Definition of Participation

65

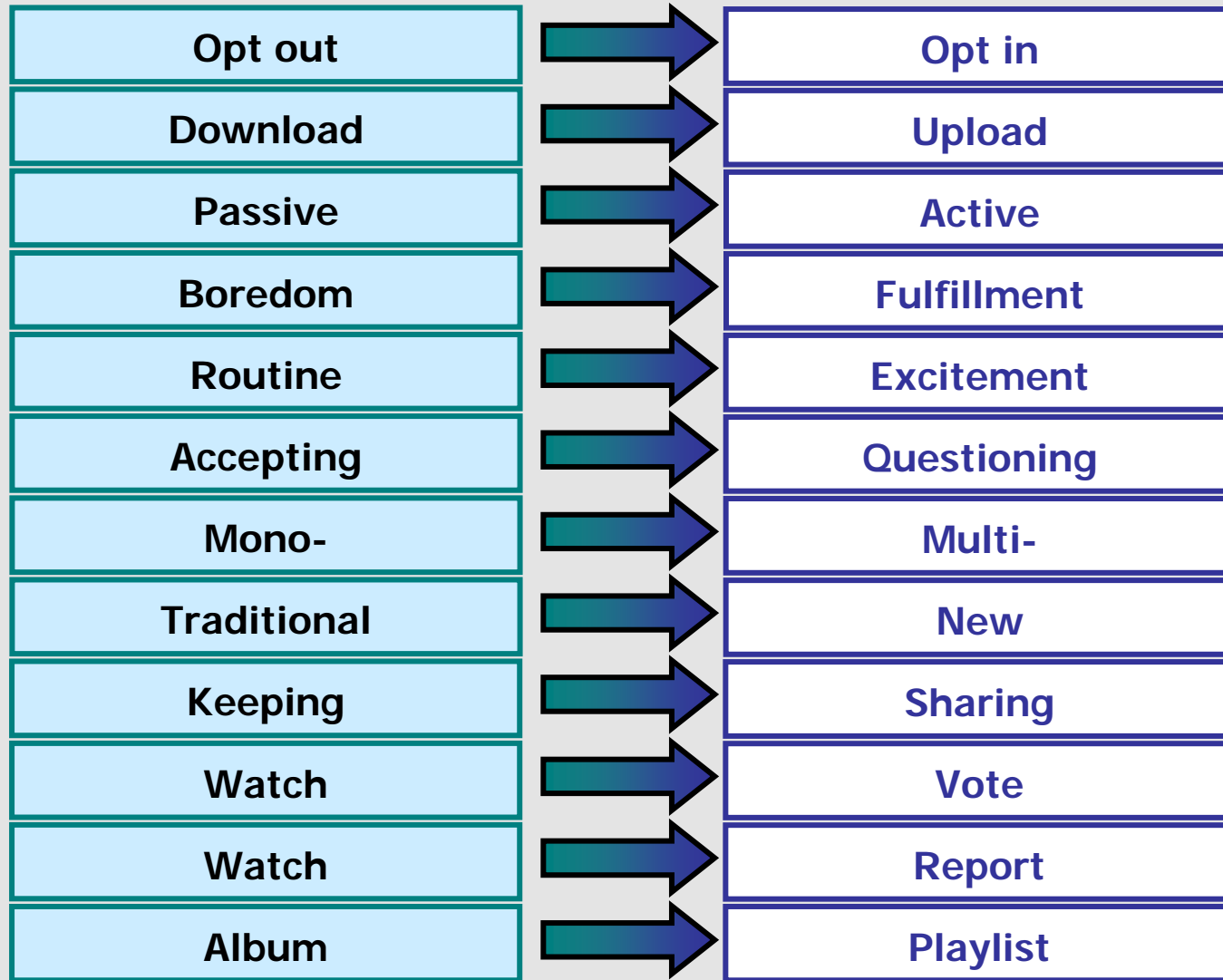
par·tic·i·pa·tion

1. an act or instance of participating.
2. the fact of taking part, as in some action or attempt: participation in a celebration.
3. a sharing, as in benefits or profits: participation in a pension plan.
4. of or pertaining to a venture characterized by more than one person, bank, or company participating in risk or profit: a participation loan.

Dictionary.com

Participation

Participation Can Be About Mindset And Behaviours



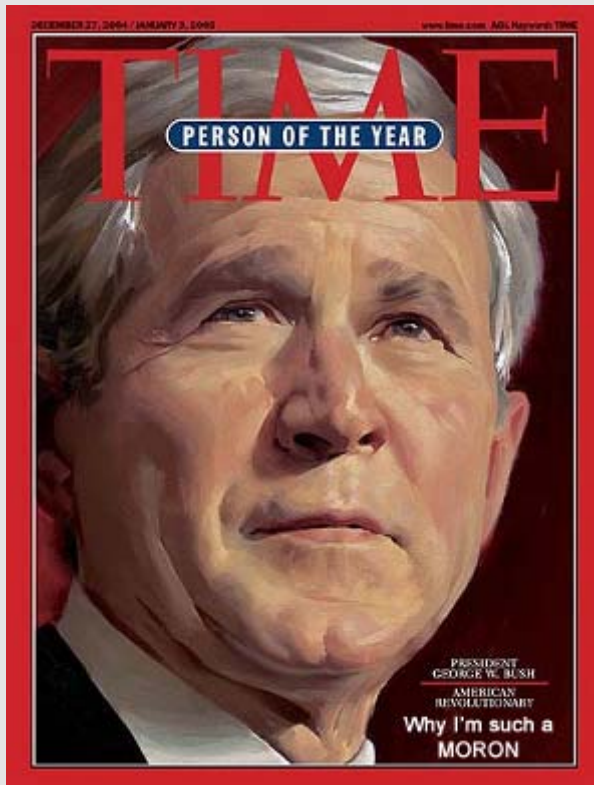
Participation

The Power of The Individual

67

From This (2005).....

To This (2006)



"2006 is a story about community and collaboration on a scale never seen before. It's about the cosmic compendium of knowledge Wikipedia and the million-channel people's network YouTube and the online metropolis MySpace. It's about the many wresting power from the few and helping one another for nothing and how that will not only change the world, but also change the way the world changes"

www.time.com

The "Great Man" theory of history is usually attributed to the Scottish philosopher Thomas Carlyle, who wrote that "the history of the world is but the biography of great men"

Participation

But Participation Can Have Broader Definitions Too

68

Mainstreaming or *Democratisation*

- Values, attitudes or behaviours become less isolated only to certain individuals and more widely dispersed throughout the entire population

Active, Engaged or *Involved*

- The way that people use, say media, becomes more about contributing something of oneself:
 - ➔ Authoring, Uploading, Blogging, User Generated Content

Enrichment

- Widening the circle of one's experience
- Not simply going through the motions of a task but genuinely getting something out of it e.g. sense of fulfillment

2

Life in 2007: *Participation*

2.1

Participation Via *Mainstreaming*

**2.2**

Participation Via *Involvement*

**2.3**

Participation Via *Enrichment*



Mainstreaming

Activities, Values and Behaviours Are Becoming More Equally Spread

70

Markets

- Consumer confidence up in most markets
- Emerging markets are catching up rapidly in terms of consumption behaviours, focus on luxury brands, etc

Values

- Creative values used to be associated much more with certain people; now they are far more evenly dispersed
- Altruistic values used to be associated much more with certain people; now they are far more evenly dispersed

Behaviours

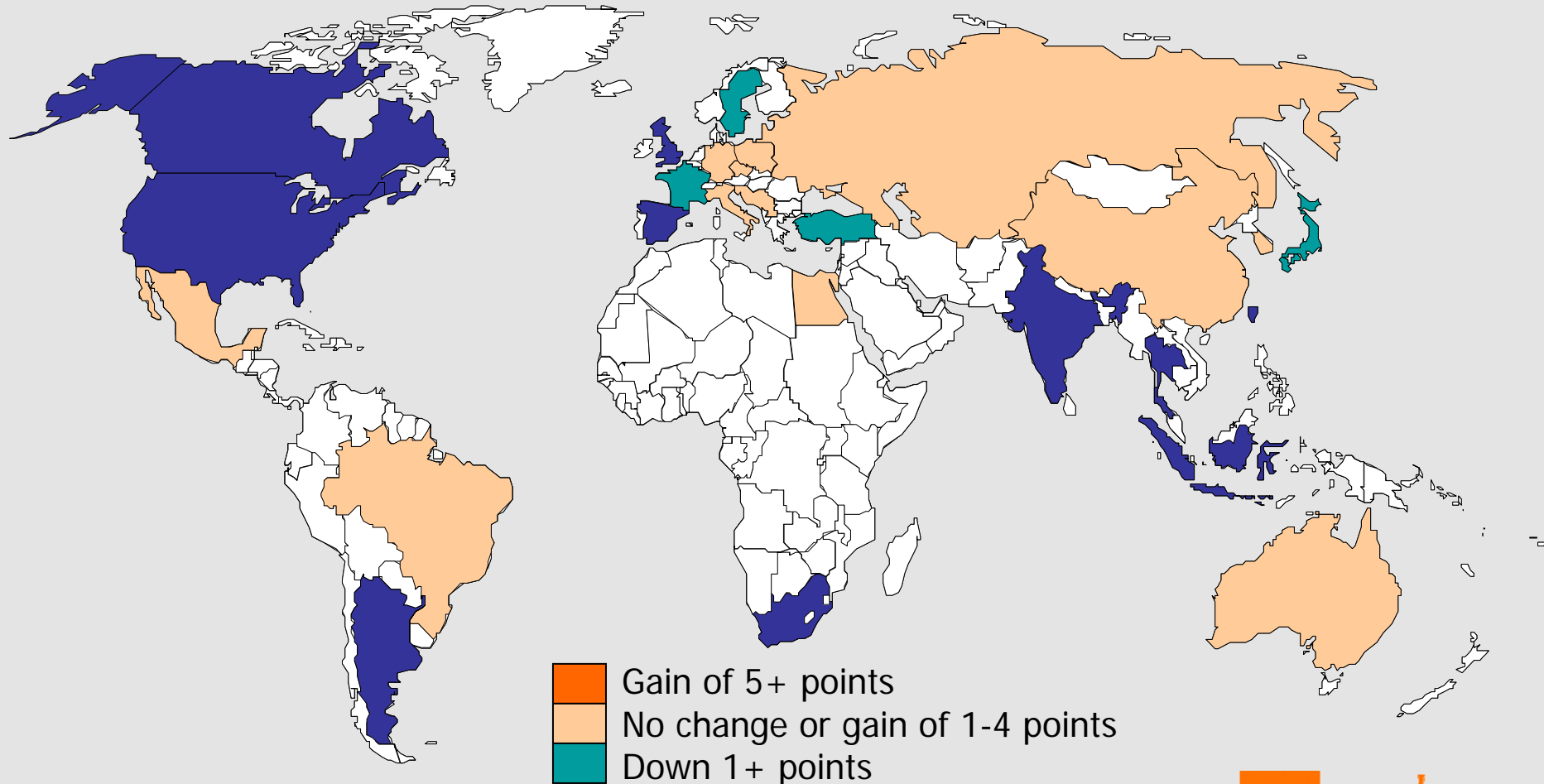
- Behaviour patterns converging around the world – regions that were lagging starting to catch up
- All the world adopting similar new behaviour patterns simultaneously

Mainstreaming

Globally, Confidence Is up 3 Points, to 59%; Marked Gains in a Number of Countries

71

Pt. change 2006-07 in % age 13+ confident they will be better off in 12 months



Participation

The 3rd Age of Globalisation – Look For Brands From Emerging Markets In Your Territory

72

Russia: Lukoil



China: Lenovo



Brazil: Brahma



China: Chery

China: Haier



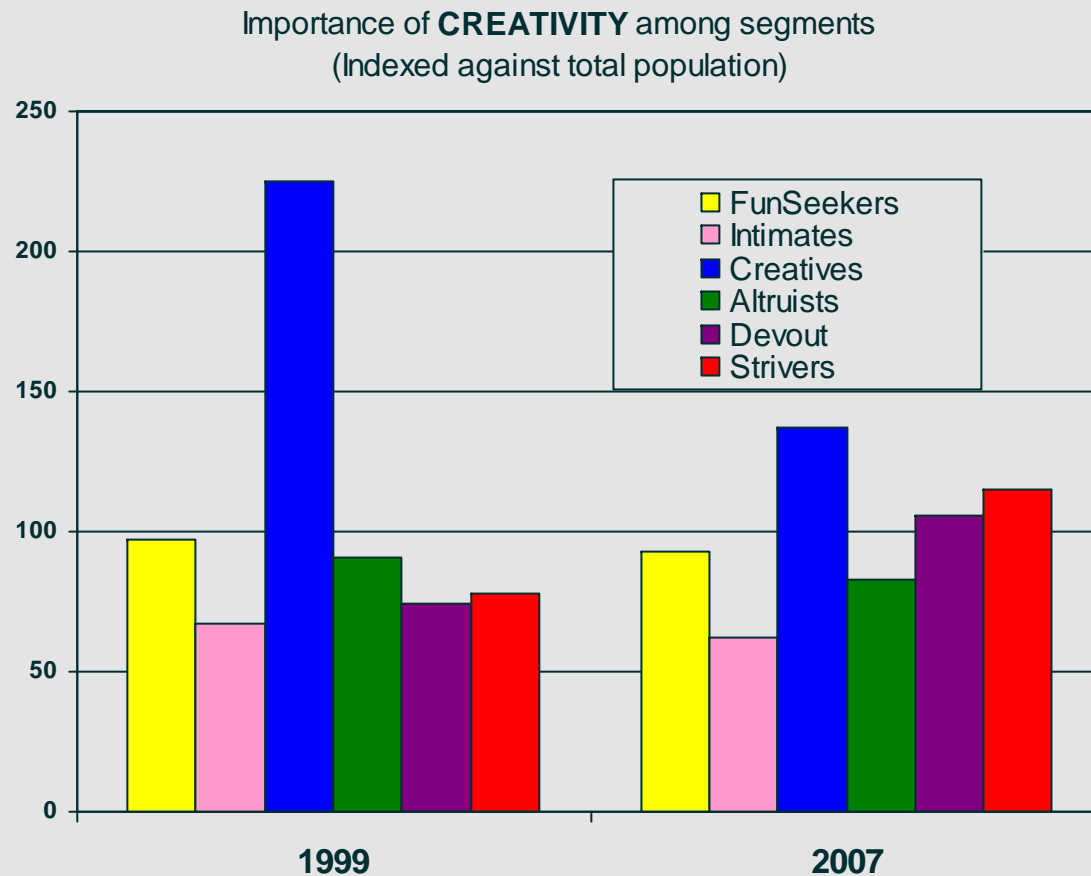
India: Tata



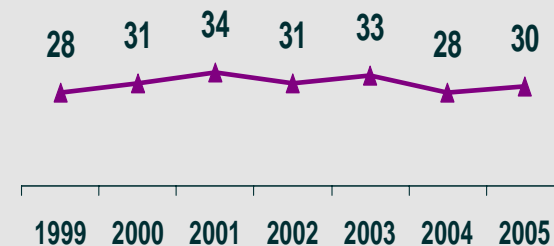
India: Kingfisher lager

Mainstreaming of values**Creativity* Is Less Unique to "Creatives" Than It Was**

73



Creativity is **NOT** becoming less important; arguably it is getting more important
But it is **LESS** associated with just one of our values segments; now it is more evenly spread across all of the values segments

Change over time (%)

* "Being creative, imaginative"

Mainstreaming of values

**Possible Contributors to an Increased Sense of Creativity;
Changing the Way We Listen to Music & Capture Memories**

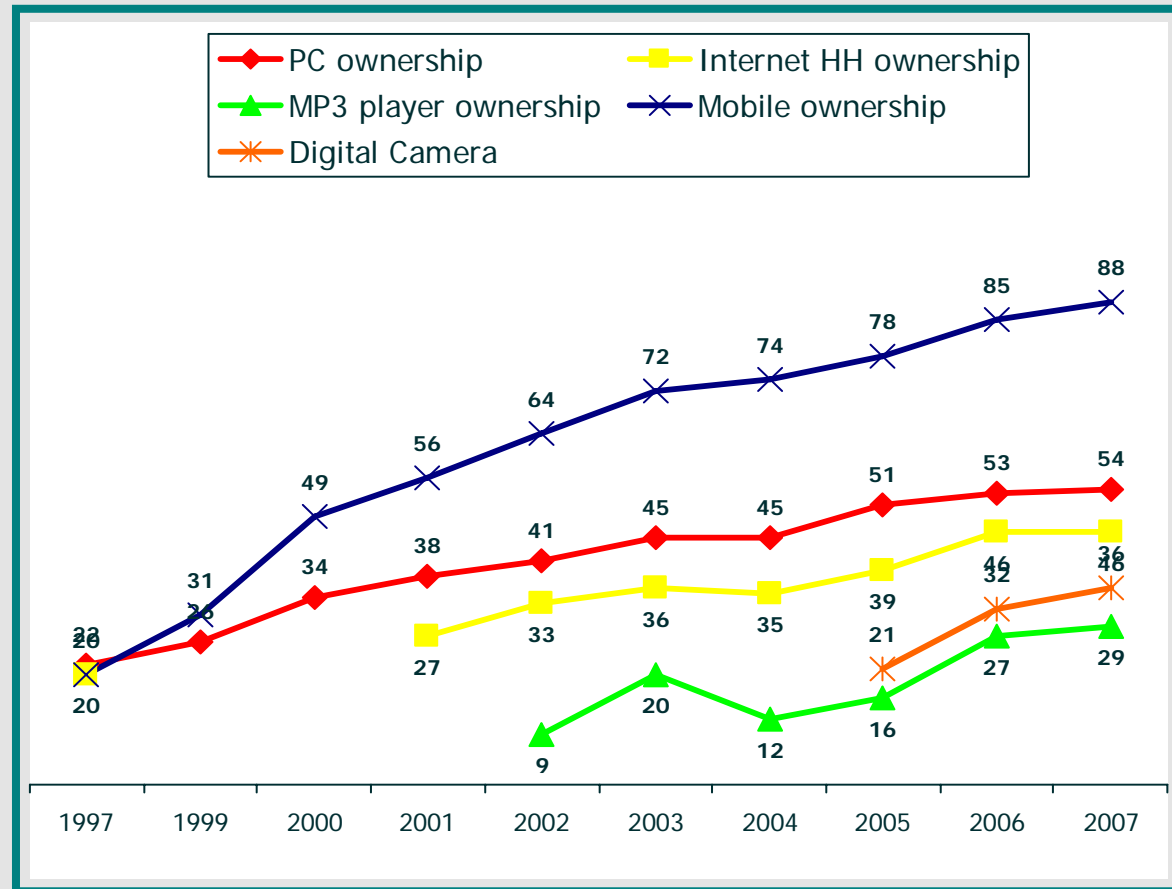
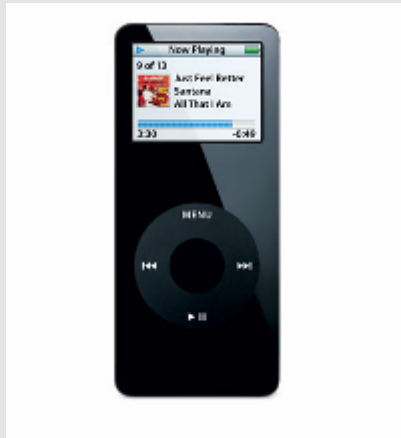


IMAGE: <http://www.macidol.com>

IMAGE: <http://www.menstech.com>

Mainstreaming of values

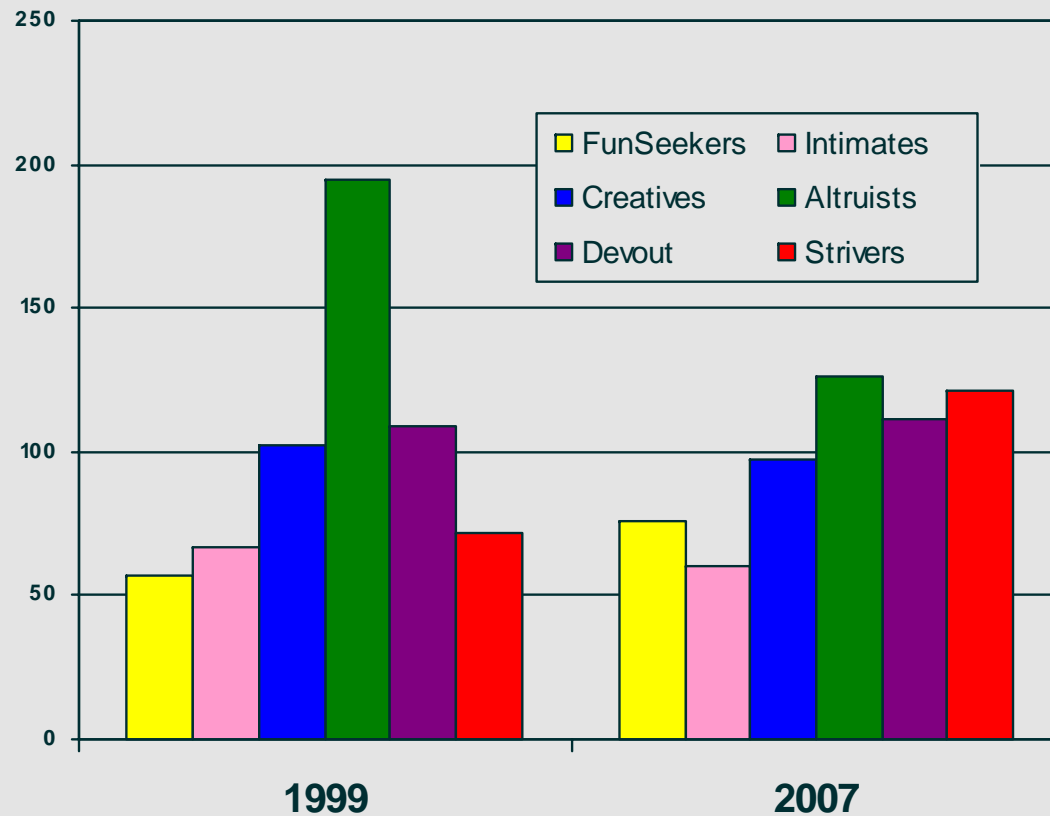
**Possible Contributors to an Increased Sense of Creativity;
Creativity Via Technology And Media**



Mainstreaming of values

Social Responsibility* Is Less Unique to "Altruists" Than It Was

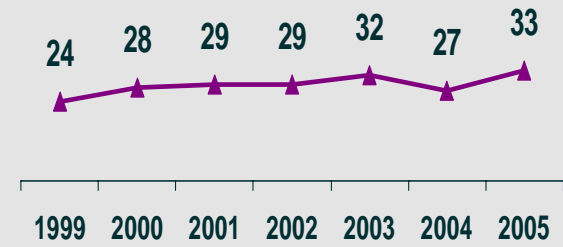
Importance of **SOCIAL RESPONSIBILITY** among segments
(Indexed against total population)



Social Responsibility is **NOT** becoming less important; arguably it is getting more important

But it is **LESS** associated with just one of our values segments; now it is more evenly spread across all of the values segments

Change over time (%)



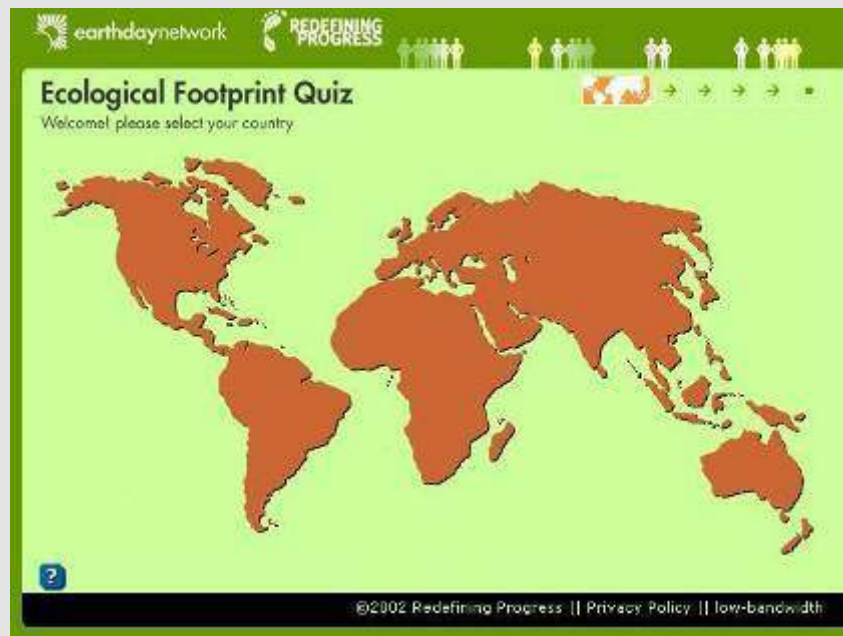
* "Working for the Welfare of Society"

Mainstreaming of values**Climate Change Is on the Agenda in a Bigger Way**

77



The UK Government has issued "An Inconvenient Truth" on DVD to every secondary school in England and Wales. Worldwide the film has grossed \$48M



Carbon Footprint is a measure of the impact human activities have on the environment in terms of the amount of green house gases produced, measured in units of carbon dioxide.

"How big is yours? Find out, and then do something about it!"

<http://www.carbonfootprint.com/>
<http://www.earthday.net/footprint/index.asp>

Marketing to Mainstreaming

Some Tips.....

78

Look for new tastes, flavours, ideas to import/export

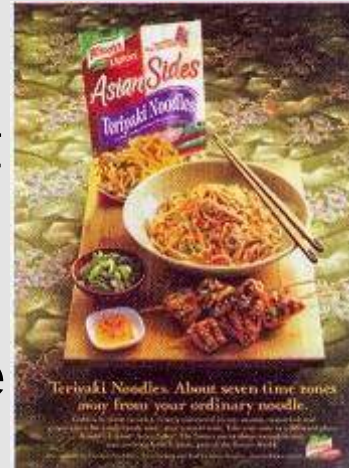
Look for the leapfrog

Learn from the expert(s)

Allow everyone to experience ownership, even if temporarily

Identify who needs to catch up

Encourage everyone to do what only some *were* doing



How does it work?

- 1. Book**
By phone or use our easy online booking engine
10.00AM ✓
- 2. Unlock**
Your Streetcard will let you into the car.
- 3. PIN**
Type a unique PIN into the dashboard

- 4. Drive**
Use the car like it's your own



Involvement

In Some Cases, Consumers Are Getting Deeper Into Work, Leisure Activities, Purchasing

79

Relationship with work is changing – fulfillment through work, working hard and longer working hours
Technology can be a facilitator of higher involvement:

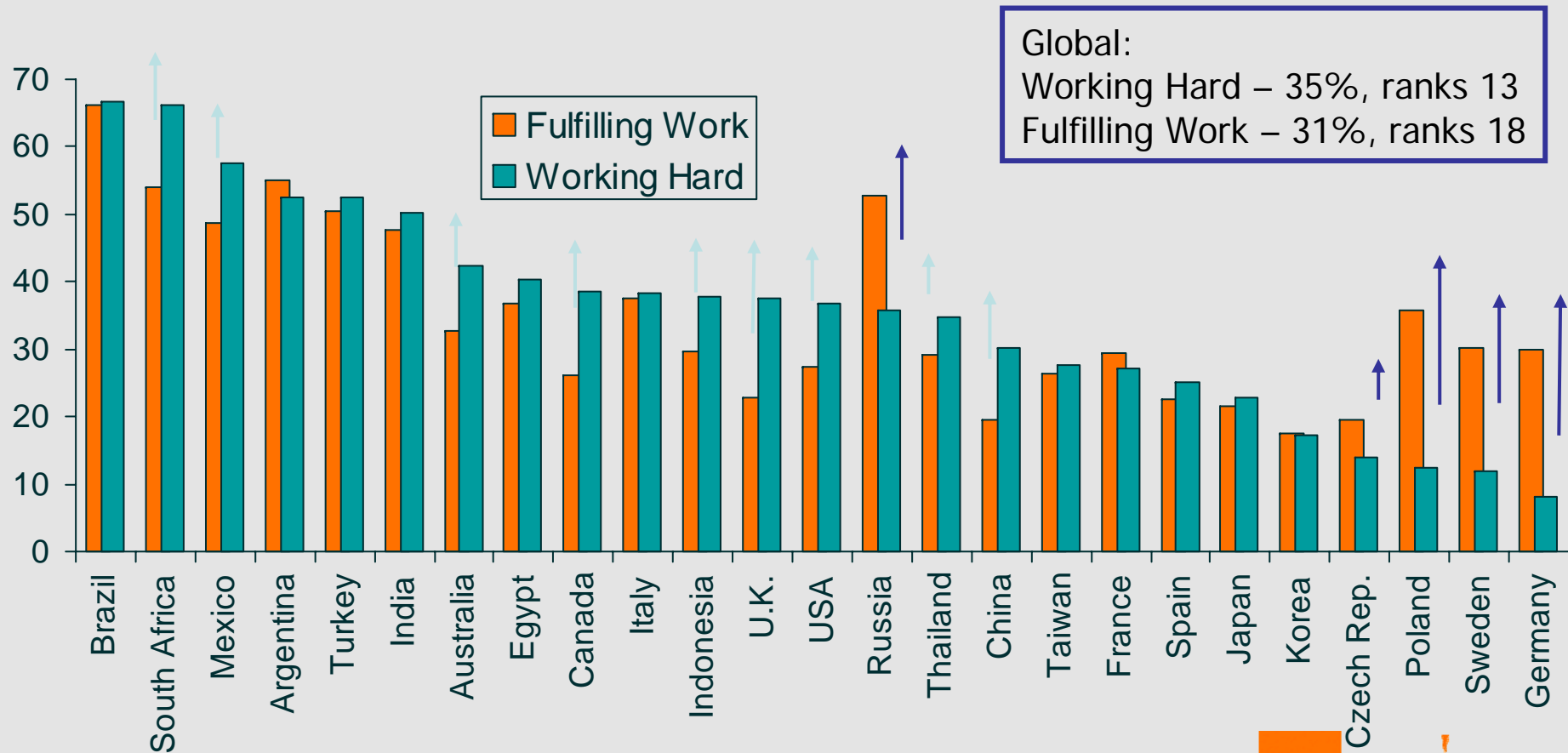
- Cameraphones, MP3 phones
- Web 2.0 is about high-involvement

More demand for control over purchasing processes
Less reliance on marketing messages, advertising
More reliance on key word of mouth contacts

Involvement

Working Hard and Fulfilling Work - *Not the Same in All Countries*

% who say [Value] is extremely important (7 on a 7-point scale)



Involvement

A New Trend? The Power Nap



The YeloNapSM is a specially-designed sleep therapy system of naps from 20-40 minutes in length. A YeloNap will help you recharge and feel refreshed, relaxed and rejuvenated.

www.yelo.com



www.metronap.com

Involvement

Web 2.0

Web 2.0, a phrase coined by O'Reilly Media in 2004

Refers to a perceived second-generation of Web-based services— such as social networking sites, wikis, communication tools, and folksonomies— that emphasize **online collaboration** and **sharing** among users.
Wikipedia.org



82

VOX

See it. Hear it. Vox it.

Express Yourself Share Your Life Start a Conversation Control Your Privacy

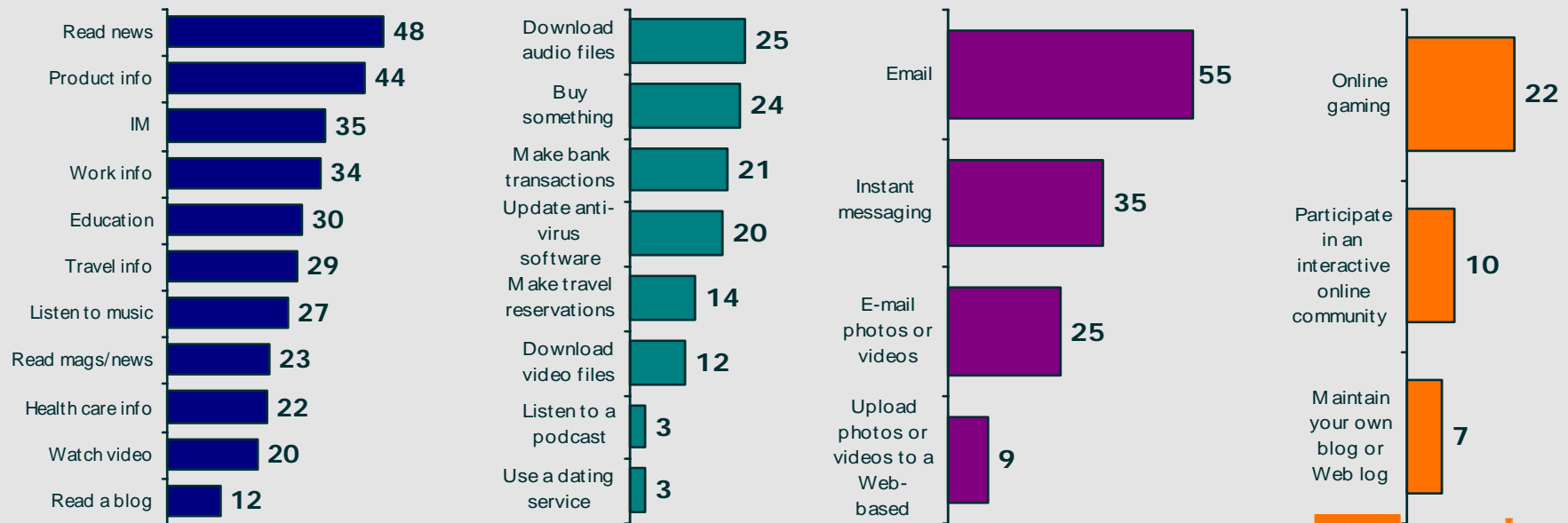
How you use Vox is up to you. Meet new people or keep in touch with friends, start a blog, post photos, watch videos, create a group, or just discover interesting things. Vox is easy to use and has a powerful set of privacy features.

Involvement

Web 2.0 - A Changing Pattern of Web Involvement?



% internet users who have done each activity in the past 30 days



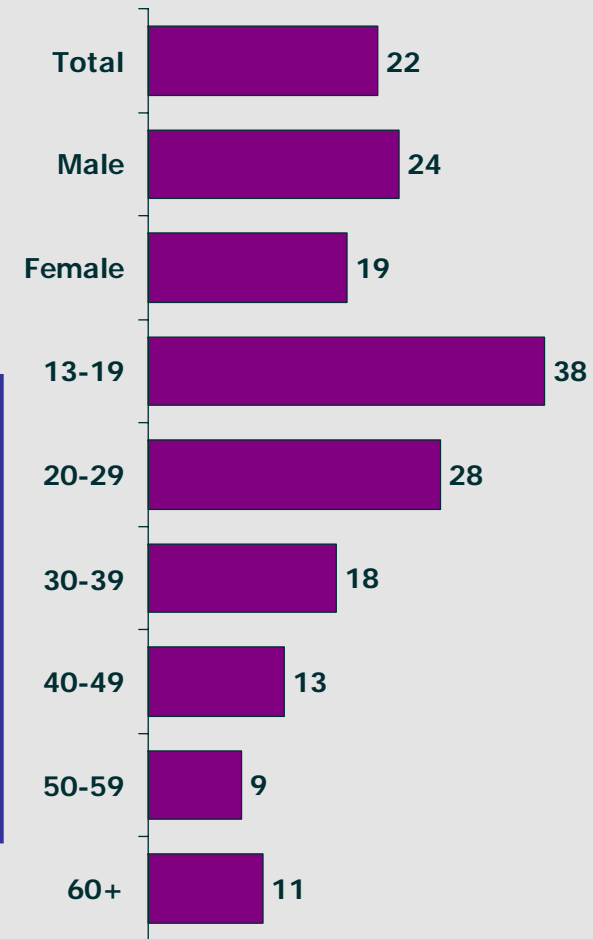
Involvement

Web 2.0 - MMORPGs



22%
of global internet users played
games with others online in the
last 30 days

World of Warcraft	6.6M*
Lineage	1.5M
Lineage II	1.3M
RuneScape	800k
Final Fantasy XI	500k
EverQuest	200k
EverQuest II	175k
Star Wars Galaxies	170k
City of Heroes / Villains	160k
Ultima Online	135k



MMORPG = massive multiplayer online role-playing game
* Subscriber estimates courtesy of www.mmogchart.com

Involvement

Web 2.0 – Online Interactive Communities



10%

of global internet users participated
in an interactive online community
in the last 30 days

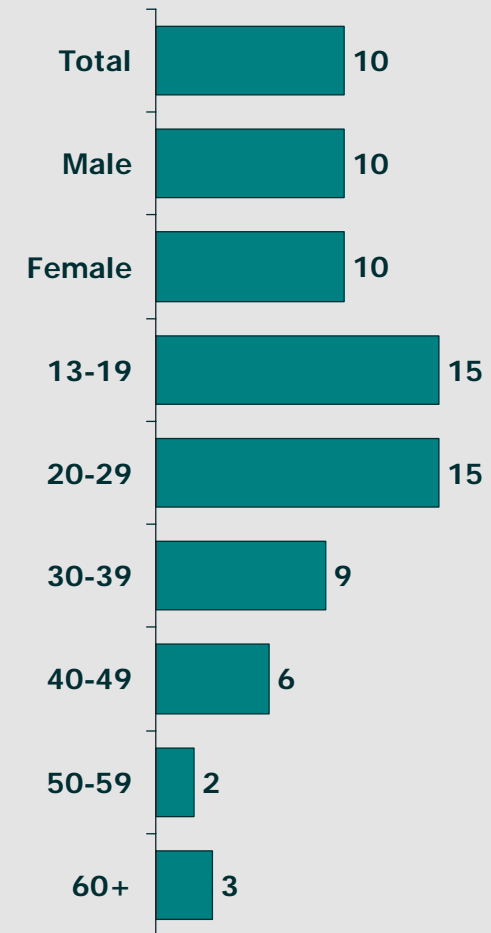
MySpace includes 80M profiles

Bebo claims 24M users

According to Nielsen/NetRatings
YouTube has almost 20 million
visitors each month

Facebook claims 18M users

Second Life claims some 5M
inhabitants



Involvement

Web 2.0 – Photo Sharing



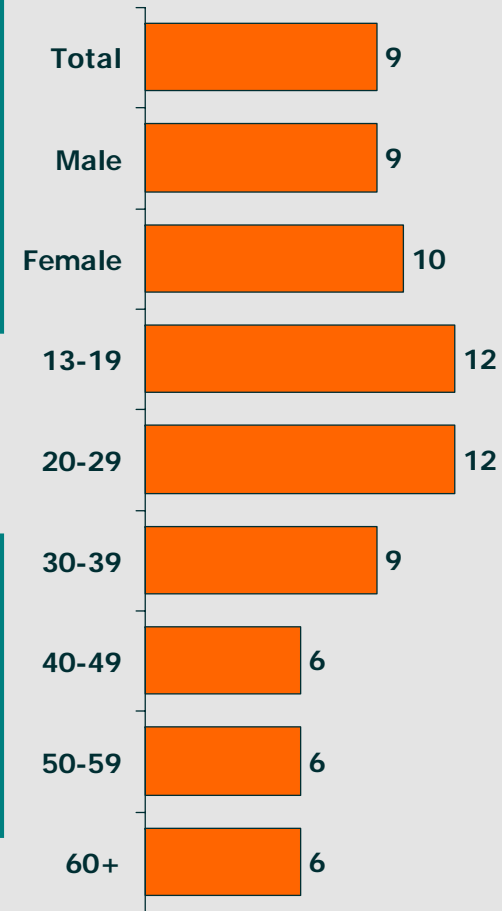
The best way to **store, search, sort** and **share** your photos.

Flickr claims 5M users



9%
of global internet users uploaded photos to a photo sharing site in the last 30 days

25%
of global internet users emailed photos or videos in the last 30 days



Involvement

Web 2.0 - Blogging

87



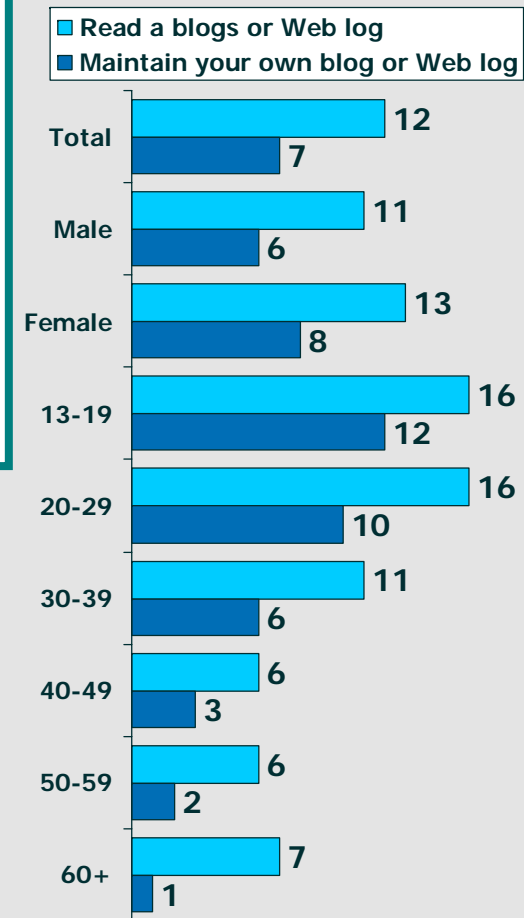
7%
of global internet users **maintained**
their own blog in the last 30 days

12%
read a blog in the last 30 days

Gartner forecasts that blogging will peak in 2007, leveling off when the number of writers who maintain a personal website reaches 100 million:

- the novelty value of the medium will wear off as most people who are interested in the phenomenon have checked it out,
- new bloggers will offset the number of writers who abandon their creation out of boredom.
- The firm estimates that there are more than 200 million former bloggers who have ceased posting, creating an exponential rise in the amount of "dotsam" and "netsam" — that is to say, unwanted objects on the Web.

SOURCE: Wikipedia



Involvement

People's Relationship With Music Is Changing

88

47%

Claim to be "very interested" in music
[Up from 40% in 2004)



"Without the iPod, the digital music age would have been defined by files and folders instead of songs and albums. Though the medium of music has changed, the iPod experience has kept the spirit of what it means to be a music lover alive."
Singer-songwriter and guitarist **John Mayer**

"The iPod completely changed the way people approach music"
Karl Lagerfeld

"iPod has really changed the world for people in terms of them having their own playlists"
Burger King marketing chief **Russ Klein**

"iPod has helped millions of people around the world rekindle their passion for music, and we're thrilled to be a part of that"
Steve Jobs, Apple's CEO

Involvement

Most People Are Involved With At Least One Product Category; Many Are Heavily Involved With The Process

89

From a list of 9 product categories*

77%

try to keep up with new products in at least one category

77%

have recommended at least one category in the past 12 months



43%

Whether I currently need them or not, I am always on the lookout for new products in the market

45%

I spend quite a lot of time researching brands before making a major purchase

* Food/cooking, Out-of-home entertainment, Technology, Cars, The Home, Appearance, Wellness, Money, Travel

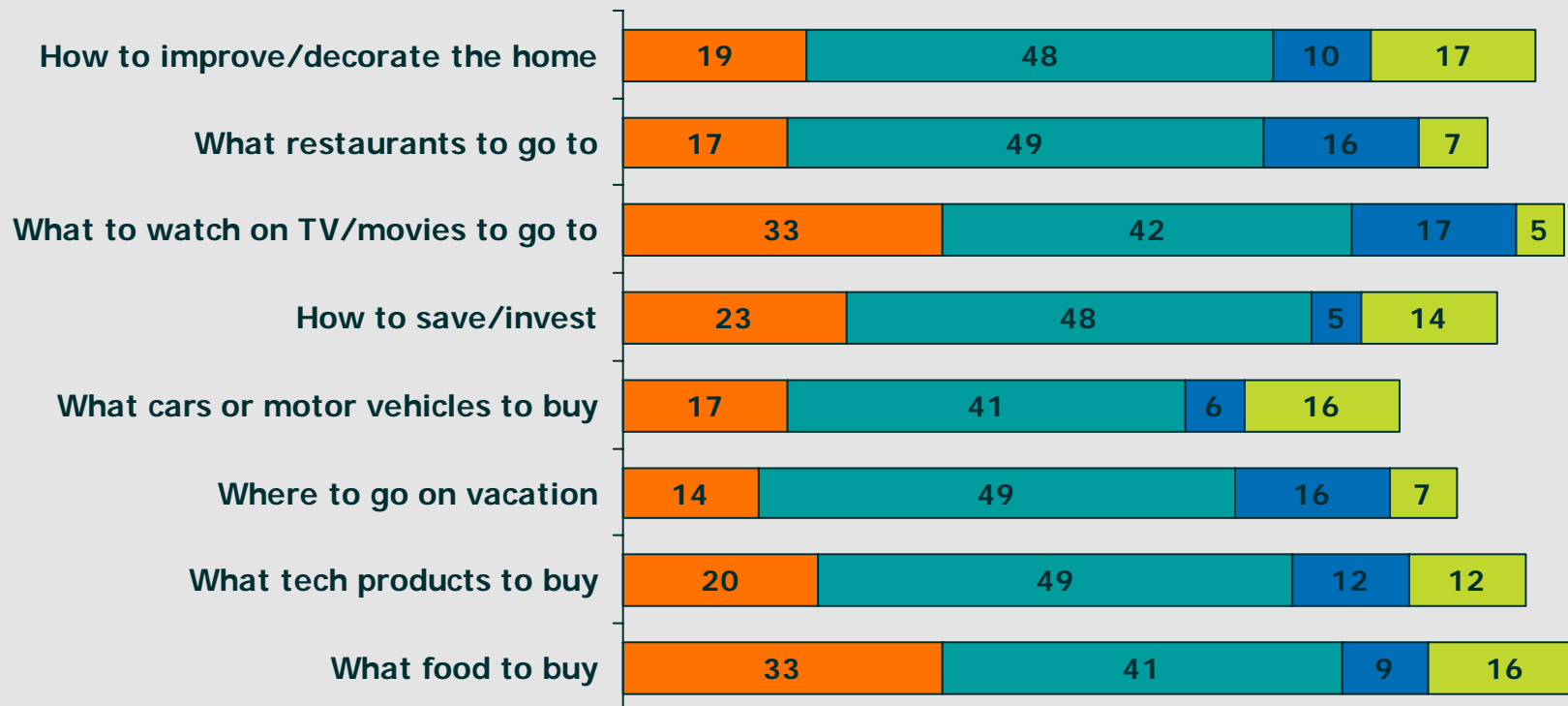
Involvement

Decisions on Vacations and Restaurants More Likely to be a Consultative Process Within Households

90

% who say the following statement best describes the way decisions are made (based on those who have more than 1 in the household)

- | | |
|--|--|
| ■ I make all or most of the decisions myself | ■ I and one or more adults make the decisions together |
| ■ I, children and adults make the decisions together | ■ I am not involved with the decisions |

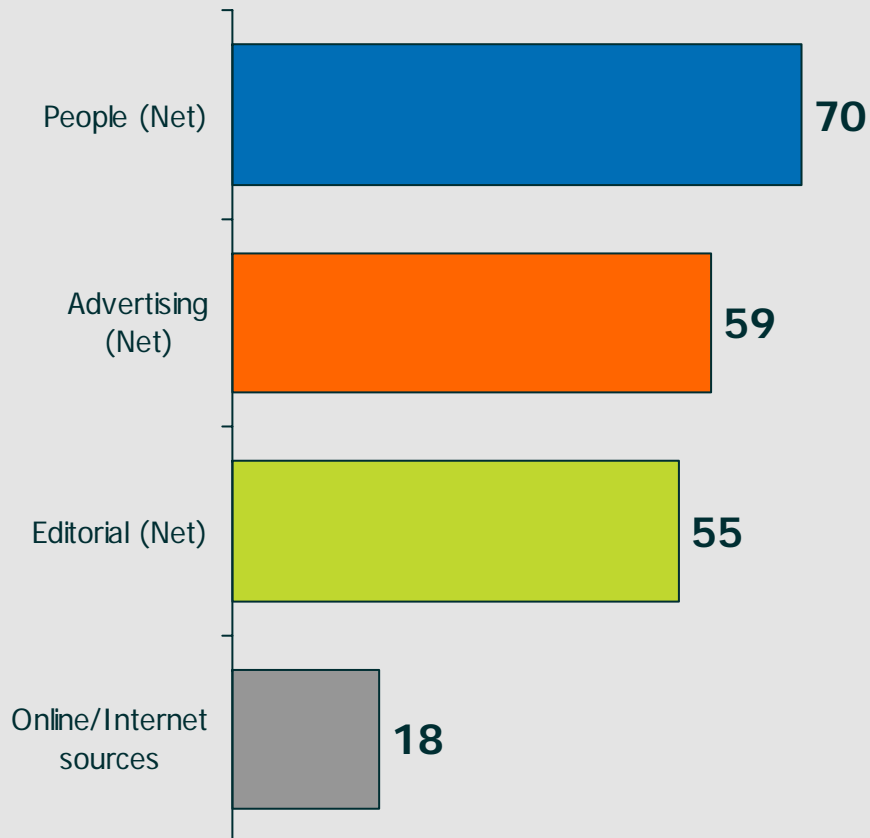


Involvement

People Are the Most Trusted Source of Information Worldwide; A North/South Split

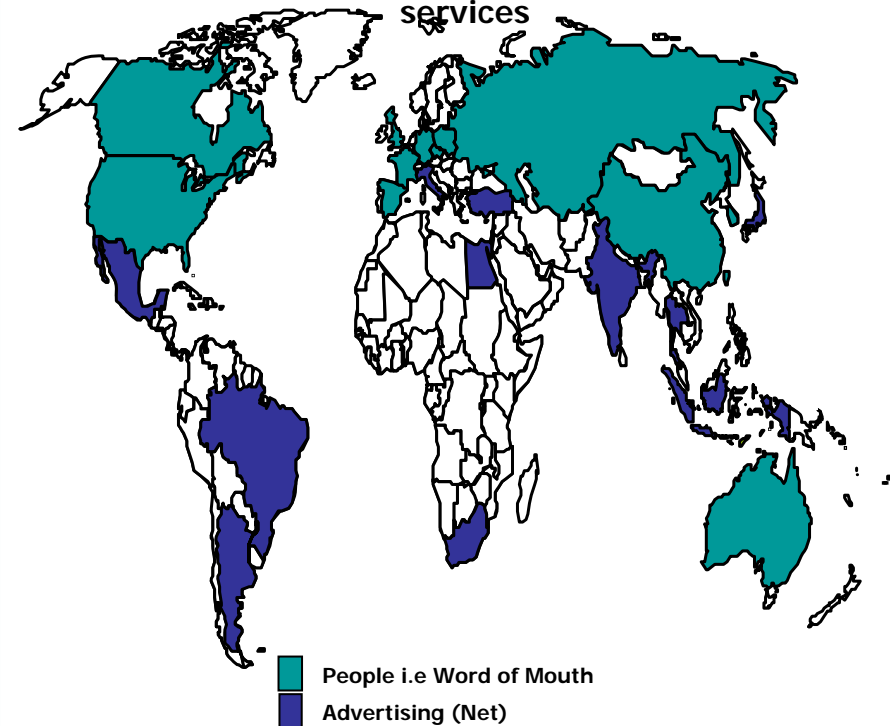
91

% of global consumers 13+ who feel the following sources are very trustworthy for purchase ideas or information



SOURCE: RRW06

Map color coded by top-ranked source for finding out about new products and services



Involvement**Influentials Marketing Building Blocks**

92



Category-level Influentials are defined as those who have:

- A large* social network

AND

- A "passion**" for the category

* Defined at the individual country level using locally relevant definitions of a "large" network e.g. 20+ in US; 30+ in China; 40+ in UK; 50+ in Indonesia

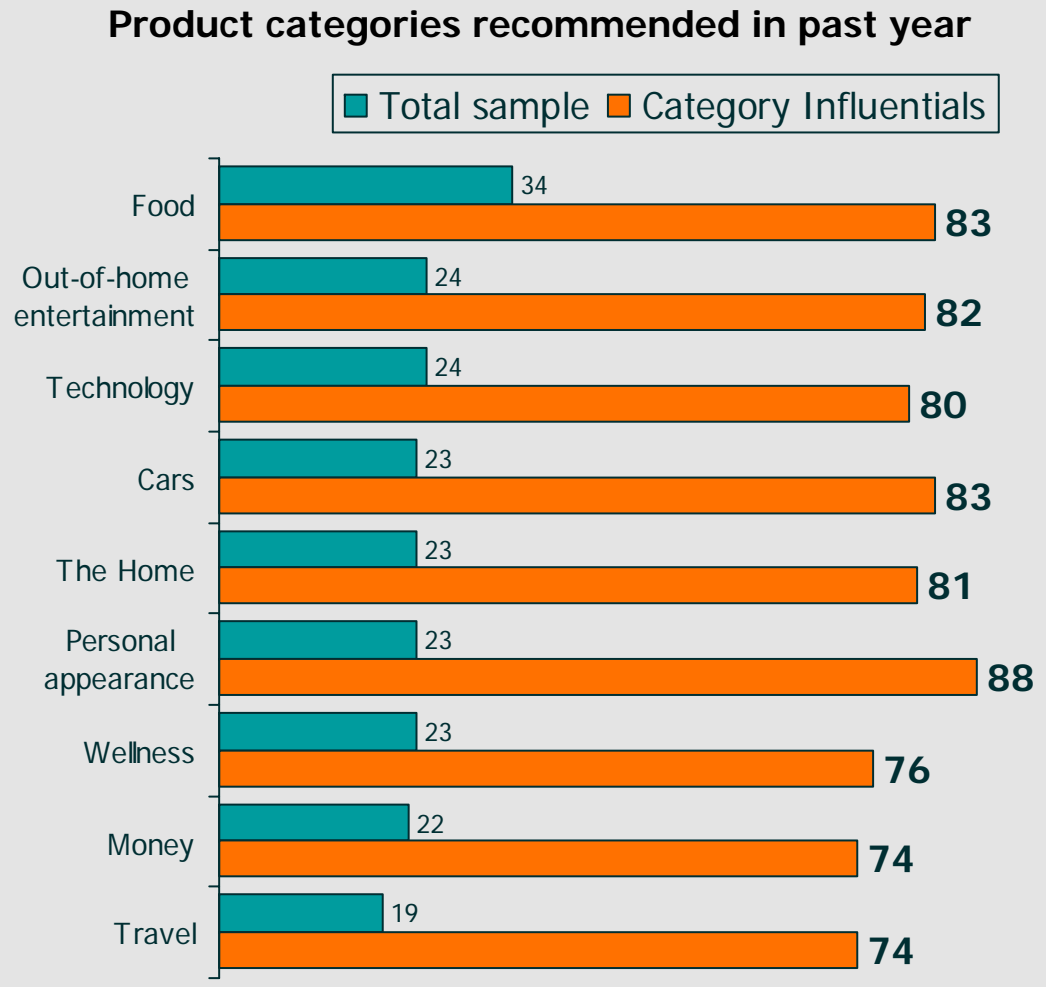
** Defined as: **very actively** seeking the best ideas or latest information about the category

Involvement

Category Influentials Show Massive Uplifts in Recommending Behaviour

Size of Cat. Influentials Group

- 9%
- 6%
- 9%
- 7%
- 7%
- 7%
- 8%
- 8%



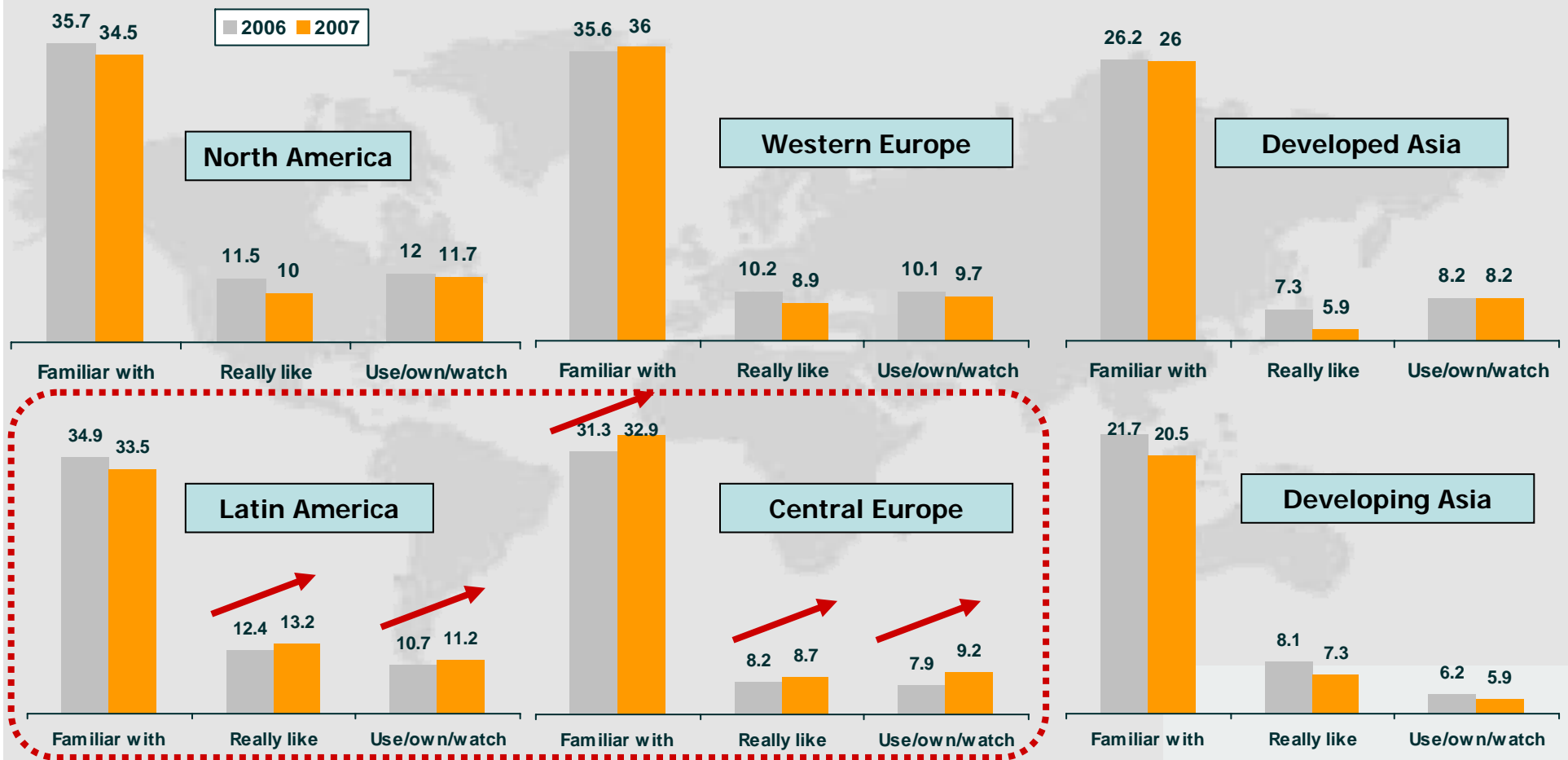
Average Size of Social Network

- 47
- 49
- 50
- 49
- 49
- 48
- 49
- 48

Brand Involvement

Yet, in Latin America and Central Europe, Global Brands Continue to Rise

Average number of brands that global consumers are familiar with/really like/use



*Among 50 brands and 25 countries consistent between 2006 and 2007

Base: consumers 13+

Involvement

There Seems To Be An Emerging Demand For Ethical Products & Services [That Business Is Addressing]

95

Consumers believe business ethics have worsened in the past five years and are turning to "ethical consumerism" to make companies more accountable

About a **third** of respondents say they would pay a **5%-10%** price premium for many ethical products, though this practice such command tiny market share

SOURCE: GfK NOP Study on Ethical Brands
[France, Germany, Spain, UK, USA]
Chris.davis@gfk.com



Marketing to *Involvement*

Some Tips.....

Find opportunities to portray a balanced view

Talk about the experience or the journey, not just the product or destination

Allow people to contribute their energy and ideas

Allow people to dive deeper into your products and services (if they want to)

Find and use the most involved consumers

Offer ethical/environmental solutions [but don't expect them to be enough on their own]



96



Enrichment

Many New Habits & Behaviours Are Adding To Existing Patterns, Not Simply Replacing Them

97

Online networks are providing a complement to existing social networks rather than a replacement

- Geographically dispersed networks
- Special interest groups

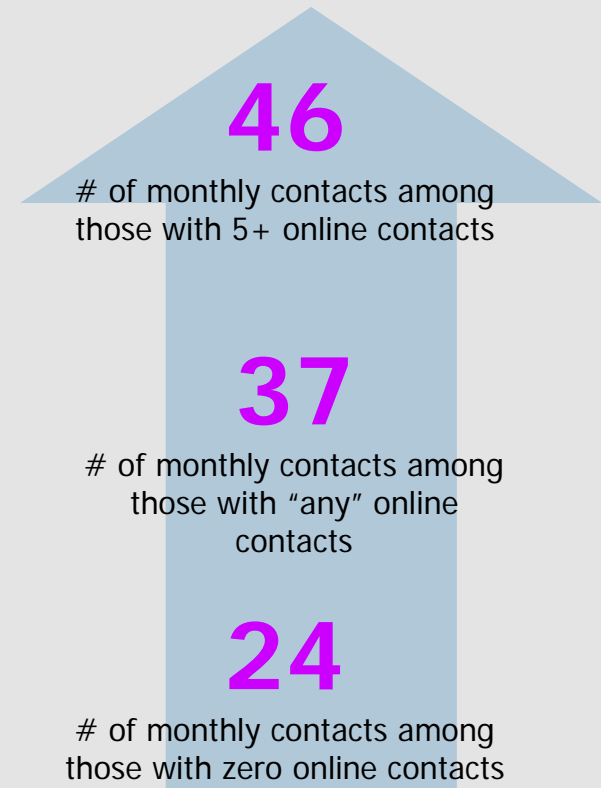
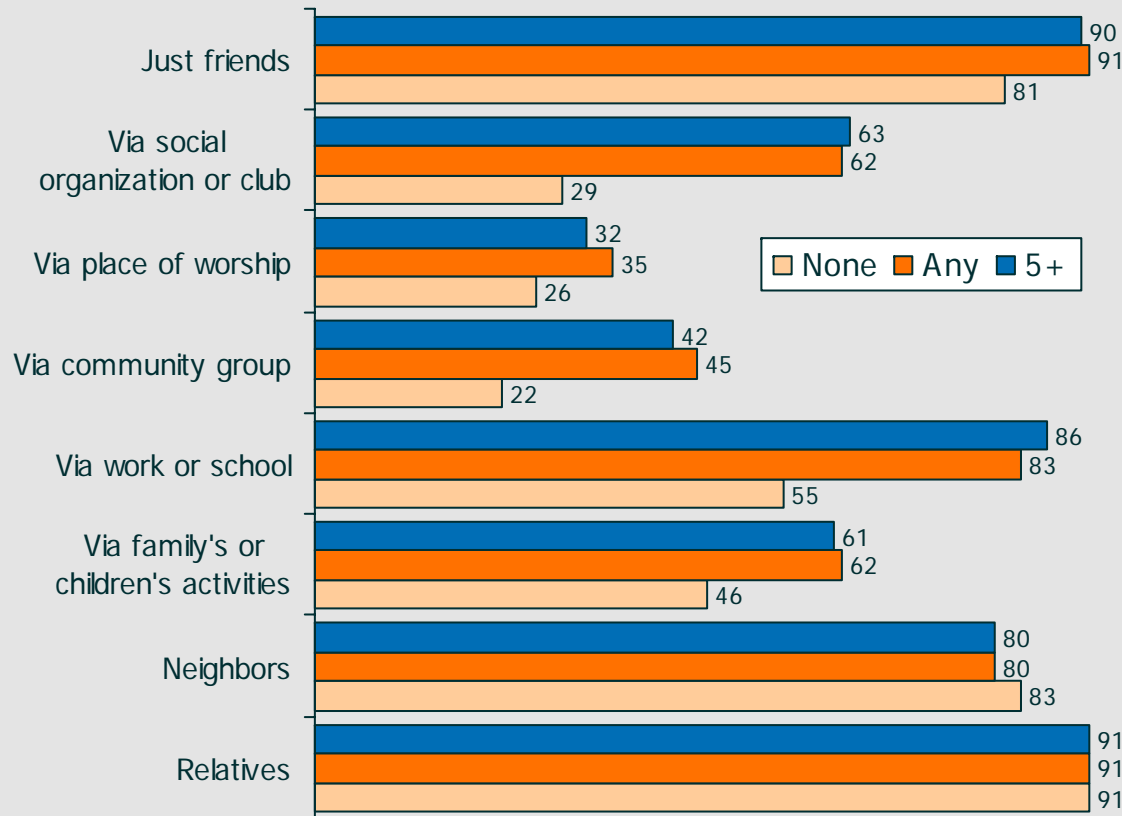
Globalisation and migration are facilitating a widening of the cultural reference points that many are familiar with:

- New foods, tastes, flavours
- New products
- However, there is also a wariness of “global culture” superseding local cultures

Enrichment

Online Social Networks Add To Face-to-Face Networks, Rather Than Replacing Them

People been in touch with in the past month by # of people been in touch with online in the past month



SOURCE: RRW07, E2

Enrichment

Today's Culture Contradictions

99

Interest in Cultures around the World on the Rise

High levels of interest in food experimentation

High levels of foreign travel

Nationalism on the Rise

Importance of Internationalism on the Decline

Concern over Immigration on the Rise

Affinity to American Culture on the Decline

BUT

Enrichment**Global Outlook a Minority Viewpoint, Though Growing**

100

13%

of global consumers say they are "very interested" in cultures around the world

Up from
9% in 2004

India	+11
Mexico	8
Spain	7
Australia	6
Canada	6
China	6
USA	6



<http://www.festivalofworldcultures.com/>

34%

of global consumers rate "internationalism*" as very/extremely important (top-2 box)

* "Wanting to know more about different peoples, countries and cultures"

Enrichment

Own Cultures Come First But Plenty Relate To Other Cultures Too

101

70% of global consumers feel very close to their own culture
(94% feel very/somewhat close)

61% of global consumers feel close to at least one culture other than their own
(19% feel very close to at least one other culture)

Enrichment

Migration Doesn't Mean Forgetting Your Roots

102



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80% NETT OF ALL PROFITS ARE DONATED TO CHARITY

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Enrichment

Migration Doesn't Mean Forgetting the Tastes and Flavours of Home

"UK supermarkets compete to stock the richest range of Polish food.

Beetroot soup, stuffed cabbage leaves and chocolate-covered marshmallows are now being imported in an attempt to attract Britain's Poles, and arouse the curiosity of other shoppers."

SOURCE: Freshplaza.com



103

**About ½ million
Poles have entered
the UK since Poland
joined the EU in
2004**

Marketing to *Enrichment*

Some Tips.....

104

Be careful with cultural references

Not everything American is bad

Allow people to dive deeper into your products and services (if they want to)

Add new features/benefits, don't replace



3**Life in 2017: *Some Ideas*****3.1****What Do We Already Know?****3.2****What Can We Learn from Today's Consumers?****3.3****What Can Products Already On The Drawing Board Tell Us?**



Learning About Tomorrow From Today's Consumers Technology Influentials Are Pushing The Boundaries of Phone and Internet Usage



But especially.....



+ 10%

Seriously intending to buy a laptop in the next 12 mths (versus total population)



The best way to **store, search, sort and share** your photos.

+ 15%

Emailing photos over the internet (versus total internet population)



+ 13%

Listening to music on their mobile phone (versus total phone users)



+ 15%

Listening to music and downloading music over the internet (versus total internet population)



+ 17%

Taking photos on their phone (versus total phone users)



+ 13%

Updating anti-virus protection online (versus total internet population)

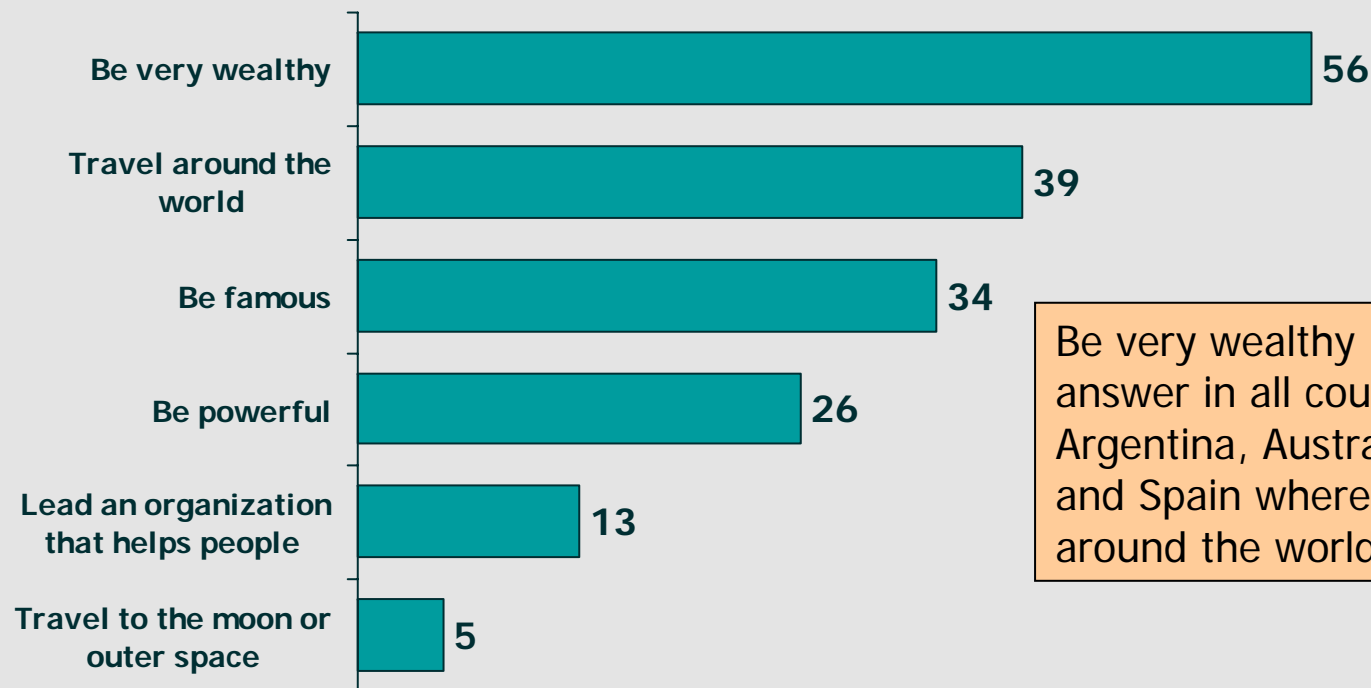
Learning About Tomorrow From Today's Consumers Teenagers Want Money and Travel



Nearly 1.1 million Chinese students have studied abroad, either financed by the government or their own resources, but just 275,000 returned to China after graduation. Last month, the government promised special privileges to graduates if they return to the mainland.

Source: Xinhua, McCann Worldgroup via AdAge China

% of consumers age 13-19 who say would like to do or be in the future (pick 2)



Be very wealthy is the top answer in all countries except Argentina, Australia, Brazil, and Spain where travel around the world is #1

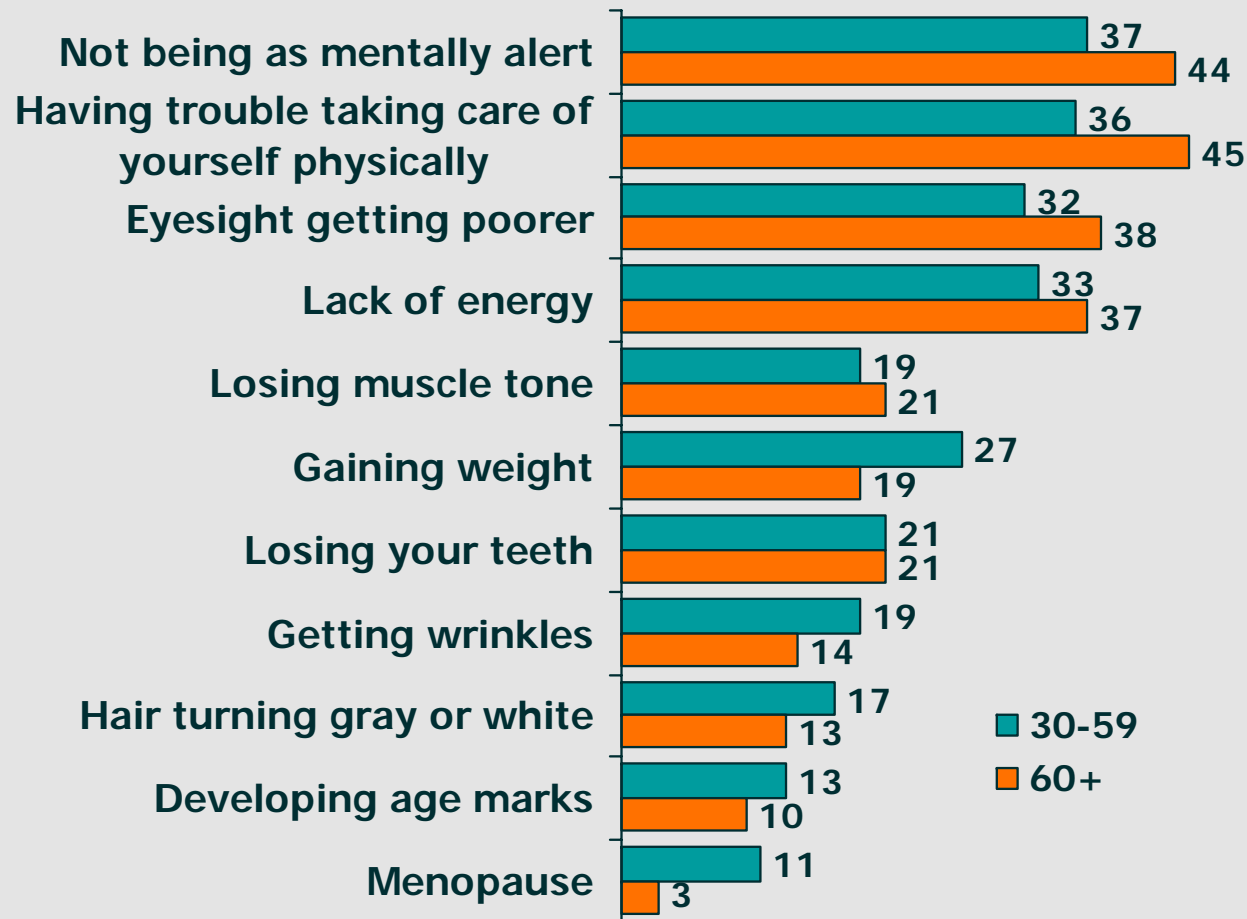
Learning About Tomorrow From Today's Consumers

Mental Alertness and Independence Most Troubling Age-Related Concerns:



108

% of global consumers who say they worry about the following age related conditions



As global populations age, more and more people will be affected by age-related issues

At the same time, many feel increasing pressure to stay young, either in appearance or lifestyle or both

Products and services related to ageing and to enabling older people to live the life they want, will offer huge opportunities to marketers

2017 - What's Coming?

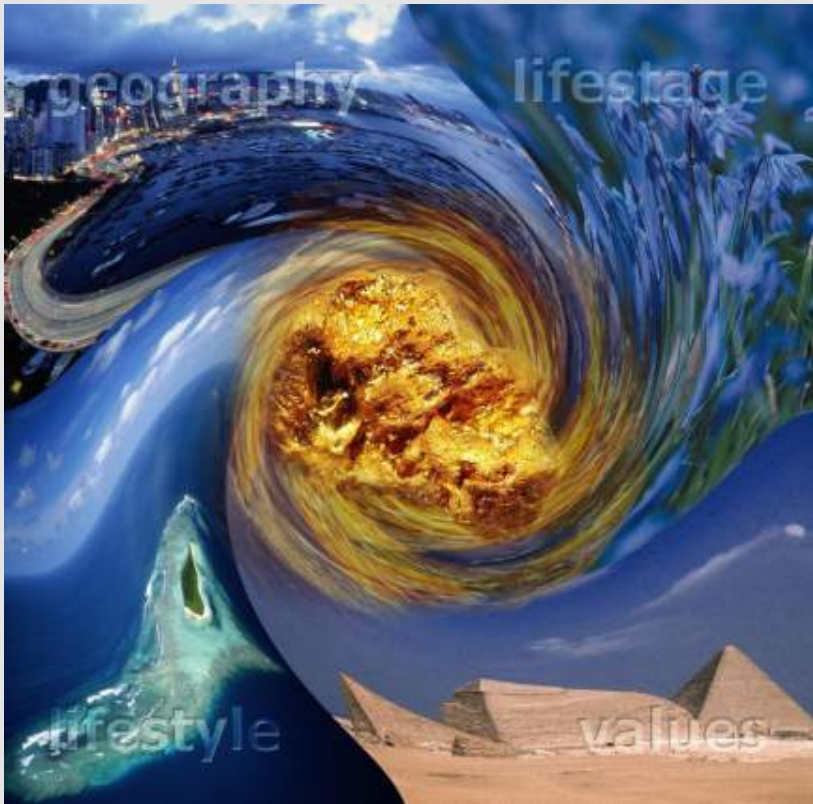
How Many of These Will Be Part of Life in 2017?



Consumer Alchemy 2007

Turning consumer insights into marketing gold

110



Consumer Alchemy is getting the right blend of the four major factors that shape consumer behaviour: geography, lifestage, lifestyle and personal values

The conference focuses on these 4 major factors and major consumer trends that will have an impact on new product development, brand positioning and marketing communications

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INSIGHTS → IMPACTS → ACTIONS

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