

gems

INSIGHTS FROM EMERGING MARKETS



- A View from the Trenches
- Winning in the Traditional Trade
- Mobile and Internet
- Digital Kenya
- Clickstream Revolution

Dear Readers,

Welcome to TNS' second issue of GEMs – our Rapid Growth & Emerging Markets newsletter.

According to the HSBC report on the state of the global economy, rapid growth and emerging markets are the only cause for cheer amid a generally gloomy outlook.

While the rest of the world tries to ascertain which letter of the English alphabet best fits the shape of the economy, wondering whether it will be a V or a W shaped recovery, the Chinese are very clear about the inexorably cyclical nature of everything and swear by the letter “O” as their model of human existence. Currently they, along with India and several other emerging markets, are on the ascending arc of the letter “O”; so while they are achieving sterling growth and an increasing standard of living for their citizens, the rest of the world is struggling to maintain a balance between creating jobs and controlling budget deficits.

The world is indeed changing – emerging markets are not just the quantitative leaders; they are also creating trends in areas where historically one would expect the developed world to lead.

We all recognize that the Internet is changing our lives and our businesses in an unprecedented way. But when we say this, we normally have the developed world in mind. However, more and more it is emerging markets which are leading the digital revolution.

One such area is the usage of convergence devices and mobile Internet usage. As two articles in this issue demonstrate, it is consumers in emerging markets, who are innovating in the face of scarcity

and adversity and adopting the mobile Internet to improve their lives. These articles provide insights and implications into rapidly growing Internet usage in South East Asia and Africa.

In our regular “Letter From China” we look at the uniqueness of China’s Internet usage and the importance of leveraging Clickstream data to provide a holistic consumer understanding in the world’s biggest online market.

This issue of GEMs also has a fascinating article that looks at the keys to winning in the Traditional Trade which drives the vast majority of goods moved within rapid growth and emerging markets – a must read for anyone marketing products and services in rapid growth and emerging markets.

Finally, we also introduce the first article in a new series entitled “View from the Trenches: 10 things you won’t learn on Google”. The focus of this first article is on India.

We hope you enjoy the assortment of snippets and insights from rapid growth and emerging markets in this issue.



James Fergusson
Global Director
Rapid Growth and Emerging Markets
James.Fergusson@tnglobal.com



Ashok Sethi
Consumer Insights Director
Rapid Growth and Emerging Markets
Ashok.Sethi@tnglobal.com

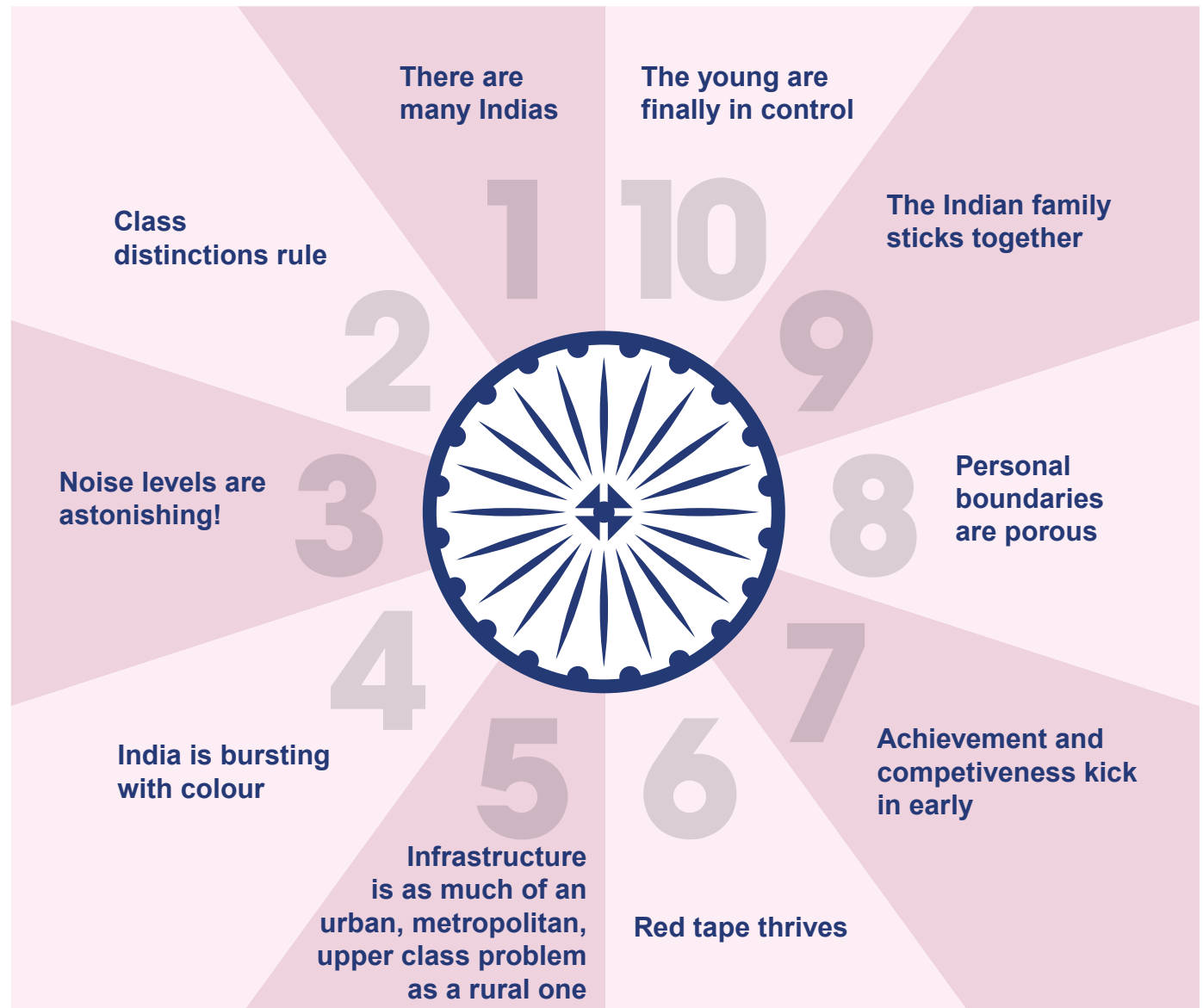


A view from the trenches: 10 things you won't learn on Google

Anjali Puri, Executive Director, TNS India

Our 'view from the trenches' series is an attempt to provide an everyday perspective on life in Rapid Growth Emerging Markets. This is 'small stuff' that often doesn't make its way into category-focused research reports and may not float to the top of a Google search on the country in question. Glimpses into living, working and shopping environments, cultural assumptions, social relationships, street life and business etiquette that can be the basis for powerful insight – either by bringing to the fore new opportunities or filling in missing links in existing knowledge.

We start with a view of India that looks beyond the statistics in circulation about the booming middle class, the telecoms explosion, the global rise of corporate India ... or the grimmer reminders regarding socio-economic disparity, crumbling infrastructure and shaky security. What we have are a collection of observations and food for thought such as you might return with after spending a few months in the country.



A view from the trenches: 10 things you won't learn on Google

continued from previous page

There are many Indias:

Although this is something you will find on Google, it is a point worth dwelling on anyway. The diversity of India is the first thing that must be appreciated by anyone who wants to work in this market. Not only are the different regions in India distinct in terms of language, cuisine, attire, festivals and interpretations of religion, we also find huge variations in consumer mindsets as a result of differing socio-economic backgrounds – from an upmarket, educated, English-speaking, global sensibility at one extreme to a rooted-in-tradition, often illiterate, local-language speaking parochial worldview at the other. These differences have implications for marketers at various levels. For example, we find that product formulations for the same brand need to differ for the north and south of the country; and the same piece of communication does not carry across regional borders, not just on account of language but also because the popular celebrities, cultural sensibilities, jokes and emotional hooks can vary from one state to another.

Class distinctions rule:

India is and has always been a highly class-driven society, and the status distinctions go beyond the traditional caste system that is a more widely known phenomenon. A mix of income, education and occupation clearly define your “place” in society in contemporary India. And your place in society in turn defines who your friends are, who you sit down at the table with, who you would think of marrying, and what



India by Neha Ahluwalia, TNS India

sorts of jobs are open to you. It is critical to signal clearly who you are and where you belong, and one of the most overt symbols of status in India is speaking English. Status is a hugely important need that drives brands across categories ranging from milk additives to whiskey, shampoos to mobile phones.

Noise levels are astonishing!

The average Indian lives with (and often seems oblivious to) an extraordinary amount of noise in his environment. Ordinary conversations are carried out at much higher decibel levels than elsewhere, rising over loud honking on the streets, loud music from cars, buses and temples, loud noises from the kitchen and loud street vendors who seem to have undergone special training to develop a distinctively piercing nasal pitch. Where most countries would have road signs discouraging honking, on Indian roads you are likely to find trucks and buses asking people to honk if they want to be noticed.

India is bursting with colour:

One of the things that strikes a first time visitor to India is the amount of colour in everyday life ... from the clothes people wear to the way they do up their homes, to the everyday rituals of flowers and rangoli – India really is bursting with colour. It is important for brands, particularly in categories that are meant for display, to recognize the importance of colour in product design and packaging. Technology brands, for example, have only recently begun to introduce colour into their product offerings.

A view from the trenches: 10 things you won't learn on Google

continued from previous page

Infrastructure is as much of an urban, metropolitan, upper class problem as a rural one:

More than 80% of urban India deals with power cuts on a near-daily basis, and running water is available to even the most upper class localities only for a couple of hours a day. Upper class homes whose owners can afford it typically have their own infrastructure back-ups for electricity and water supply, but for most of middle class India, dealing with infrastructure challenges is an everyday reality. The fact that there has been a naturally conservationist attitude in India as a result of scarcity explains why Indians are now lagging behind in jumping onto the 'green' bandwagon. For a country that is only just beginning to splurge, it is a bit early for the conservation message to take root.



India by Neha Ahluwalia, TNS India

gems : SEPT 2010

Red tape thrives:

Getting things done is a huge challenge in India, particularly when it involves dealing with bureaucracy. Red tape impedes every process, from getting a phone connection to getting a passport renewed to making a complaint about a traffic offence. This has been a springboard for much humour as well as empowering messages in communication over the years.

Achievement and competitiveness kick in early:

Indians tend to be innately competitive, and are encouraged to be this way from a young age. This is a function partly of a high parental need for achievement, and partly of the fact that the supply of good schools and good jobs falls way short of the demand created by the huge population – which means that Indians compete with hundreds of others for every opportunity, big or small. Achievement and performance are among the biggest drivers of brands across categories – from detergents to breakfast cereal to technology.

Personal boundaries are porous:

Indians have few personal boundaries, and are as comfortable throwing open their homes and hearts to near-strangers as they are asking fairly personal questions of people they have just met. It is not uncommon to get into a conversation on a train or bus and be asked why you are not married, how much you earn, whether you plan to have kids and what you want your yet-to-be-born kids to be when they grow up. It is equally common to be sitting on a double seat in a bus and be asked to move over to create room for a third person ... so the absence of personal boundaries extends to physical space as well!

The Indian family sticks together:

The family is still very important in India. Although the extended family has given way to nuclear families, the family is at the centre of most activity even though we talk of rising individualism among the young. Family opinion and influence also continue to be play a key role in all 'serious' decisions like careers and marriage.

The young are finally in control:

India has traditionally been a society that has revered age, but a distinct shift is now visible. Over 50% of Indians are under 30, and this statistic is becoming apparent in the average age of politicians, film stars, cricket heroes and other youth icons.

This segment is likely to drive a lot of the change India will see in the coming years, since they are a distinctly different generation. Many of them have grown up with technology and are very comfortable with it. They are connected and in tune with global trends – many of the shifts we see around the world in terms of growing social responsibility and environmentally sensitive choices are reflected among the urban youth in India. They are also quite different from the generations a few years ago in that they are willing to create change by being a part of the system rather than being disconnected from it.



Anjali.Puri@tnsglobal.com

Winning in the Traditional Trade

Arnaud Frade, Regional Director - Retail & Shopper, TNS APMEA



India by Himanshu Verma, TNS Egypt

Within Rapid Growth & Emerging Markets, the Traditional Trade (TT or General Trade) sector represents the vast majority of stores where most consumers purchase goods on a daily basis. These range from open air markets, shacks, small stores (“mom and pop stores”) to other types of independent retailers – basically any non-chain, non-structured retail operations, covering food, health & beauty, and textiles as well as mobile phones or small electrical goods.

In many countries, these are actually frequented by shoppers from all walks of life, whereas in others they are almost exclusively targeted at low income consumers. Traditional trade represents a massive channel for the trading of goods: in China, whilst Modern Trade is fast expanding and winning share of wallet at a fast pace, TT still represents the bulk of the distribution channels outside the top tier cities. In India and sub-Saharan Africa more than 90% of the trade is traditional, as is more than 70% in Indonesia and more than 50% in Brazil.

For a manufacturer, these various formats and their challenges can easily prove overwhelming... it is thus vital to focus attention on several critical elements...

Winning in the Traditional Trade

continued from previous page

What are the major distribution points?

Specifically, how best can a manufacturer maximize distribution to ensure its brands can reach various formats... for example, in Indonesia, Pasars (the wet markets) are a major wholesale distribution point, often used by small stall owners (warungs) as their main buying point...

How best to reach communities?

Mobile shops (carts etc) are a great way to connect directly within a community – they are used for selling but can also be used for testing products...

How to leverage presence in Modern Trade?

Many small shop owners buy their items from large supermarkets or chains, away from the city or village in which their store is located... How can bespoke packaging and formats cater to these buyers, and is it even suitable?

What is the optimal way to conduct research?

In these channels, access and solid methodologies are critical. In particular, methodologies must be tailored to the environment being researched – requiring innovative solutions adopted to capture true behaviours and effective insights. This is at the heart of TNS' focus on driving better research in Traditional Trade.

Brand owners outside these core markets will have heard several common **myths** around Traditional

Trade. These often highlight underlying opportunities to win and create success in Traditional Trade...

Traditional means only low income consumers shop there...

This is entirely inaccurate. In many countries, shoppers of TT are both from low and middle/high income groups... they however exhibit vastly different patterns – whereas the low income shopper is likely to buy all goods in TT outlets, higher income shoppers will only selectively buy goods which they have little emotional engagement with... Furthermore, higher income shoppers may not even visit the shops in person – the maid, driver or a phone call will procure the necessary items.

The opportunity: depending on your brand, there is a significant opportunity in targeting shoppers based on their actual income-driven shopping behaviours; for example better connecting with low income shoppers with solutions adapted to their needs... going beyond the classic example of the single-dose sachets and examining how you can adapt your product, packaging but also formula, to better match these needs.

Shoppers only shop in person...

Not everybody actually visits a shop... in India, for example, up to 30% of all shopping within TT is done over the phone. The consequence? Product promotions may never be seen by shoppers... two packs for the price of one (Buy One Get One Free) for example may not be passed on to the shopper...



Africa by Harry Rutenberg, TNS RI South Africa

Winning in the Traditional Trade

continued from previous page

The opportunity: reviewing the promotions you run and their execution is critical here – it may be warranted in certain markets to use the pack to communicate promotions available or to seize the opportunity and seek to engage shoppers directly via a help-line or even a home delivery service.... In addition, it is worth helping shopkeepers to better engage their customers...

Products are always within easy reach...

For every open stall and easy-to-reach display there is a blocked storefront, protected by gates or chicken wire... in certain countries, almost all stores have these security elements. This creates a major packaging challenge...the pack is read not at arm's length but at around 2 to 3 metres distance... so the visualization of the content becomes critical and a real challenge, yet most packs are still designed for close reading... missing entirely the opportunity to cut-through and reach more shoppers...

The opportunity: matching the way shoppers shop for your products and the way your packs are designed... obvious, it seems, yet not done consistently and by most manufacturers. A bold pack design, a clear way to provide effective cut-through and a consistent labelling, adapted to local needs / understanding are all critical to performing better in these environments.

Service is far more important in Modern Trade...

This is as inaccurate, as it is obvious: service is

everything in Traditional Trade. Shopkeepers are embedded within the communities they themselves live in and must develop a personal rapport with their shoppers. Providing informal credit terms (a major barrier for Modern Trade, unless credit facilities can be provided), recommending products (very selectively), and making conversation are all key aspects of the shopping experience. Often, the shop may even be located in the shopkeeper's own home.

The opportunity: helping shopkeepers offer more to their customers, by providing them with relevant in-store materials (i.e. not large fridges, likely to be cannibalized by other brands or posters which will end up lining a back-room) to help in the decision or provide a value-add to shoppers. In the same vein, turning the outer packaging of delivery boxes into a source of merchandising advice....

Product quality is inferior to that in Modern Trade...

Whilst this may make a perfect story for the Modern Trade retailers, it is, overall, not necessarily true at all. Most packaged goods found in TT are exactly the same as those available in Modern Trade (one of the reasons being they may have actually been bought there!).

The opportunity: brands are all about quality and reassurance – so over-communicate and ensure there are ways to protect the content (sophisticated packaging, able to sustain more abuse and keep

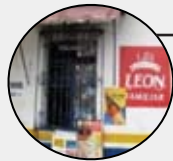
products fresher longer), deliver a clear message (adapted labels and information elements – many shoppers, especially of lower education levels, will seek more information and want to take their time learning about your product's benefits) and guarantee quality (with labels and anti-tamper seals)...

And how best to gather the right information and optimize your marketing investments? For this, we adopt the 3E model – looking at gathering an exhaustive perspective on the three core components of the Traditional Trade path to purchase...



Indonesia by Karthik Venkatakrishnan, TNS Indonesia

Need



Environment ●●●●●

Channels, Distributors & Wholesalers

- Wholesaler/distribution point dictates selection
- Neighbourhoods dictate channels

focuses on gathering key insights to optimize your Route to Market, to shape your effective understanding of the market, to adopt the right distribution strategy, balancing control with cost management...



Engagement ●●●●●

Shopkeeper

- Drives recommendation
- Controls category/item interactions

looks at providing a holistic understanding of the shopkeepers such as how recommendations are driven, how physical interactions with products are controlled or how they engage their customers. Research is ongoing, including via novel methodologies, such as Mystery Seller...



Experience ●●●●●

Shopper

- Relation to a brand (commitment)
- Price/Value relationship
- Connection with Shopkeeper (stakeholder relationship)

is the ultimate stage, seeking to provide an in-depth understanding of how the shoppers see the different channels, what relationships exist with various brands, and how value or price prevails are all critical aspects.

Purchase

Overall, winning in Traditional Trade is about accurate, current and detailed understanding of the human interactions taking place at the heart of communities in Rapid Growth and Emerging Markets... leveraging insights to deliver better products, improved packaging and high-value offers.



Arnaud.Frade@tnsglobal.com

Mobile and Internet Emergence via Convergence (A focus on South East Asia)

Mobile and Internet convergence is growing rapidly, but full market potential is not being realized

Michael Joyce, Regional Director, Technology (South Asia)

Emerging markets leading in convergence

Emerging markets are quickly taking technology device convergence to new heights. In 2008 the term 'convergence' was all about mobile phone handsets increasing functionality to include MP3 music players and cameras. In 2010, the term has a whole new meaning as the current generation of smart phones is taking over many functions that were previously the domain of desktop and laptop computers.

Now there is direct competition between Netbooks and smart phones – where the key difference is the physical size of the device. In more affluent markets where consumers can afford the luxury of owning both, there is a greater delineation of tasks by device. Editing documents or Internet shopping, for instance, are more often done via Netbook while Instant Messaging and listening to music are more often done via mobile handset.

However in less affluent markets, where we see a new class of consumer emerging from the 'bottom of the pyramid', there is a tendency to invest in a single device. This device is expected to 'do all' and often represents a consumer's single largest financial outlay for the year. This is where we see the highest rates of convergence.

Untapped potential for mobile Internet

The current mobile Internet services market still has enormous untapped potential – owing to inhibiting factors such as regulatory restrictions, network capacity limitations, lack of affordability and the high price of the

devices. These problems have been more evident in emerging markets where money is a significant obstacle – both for consumers and for infrastructure investment.

Global Industry forecasts predict that in the next few years mobile broadband subscribers will equal the number of fixed broadband subscribers. Since 2006 fixed broadband has experienced solid year-on-year growth in absolute volumes – however, when compared to the exponential growth of mobile broadband, fixed broadband growth appears relatively flat!

The massive demand for and uptake of mobile broadband is fuelled by the rapid growth of the mobile phone user base (Vietnam, for example, saw a staggering increase of 86% in new mobile subscribers in 2009 as compared to 2008¹).

However, while transition to 3G should also accelerate mobile Internet, markets in South East Asia (for example Thailand) are yet to fully deploy 3G technologies, while others (such as Vietnam) have issued 3G licenses to selected carriers and are in the early stages of network upgrading. Even in markets where 3G has been launched there are often capacity and coverage problems, particularly in the Philippines where consumers claim 'functionality problems' as a barrier to usage at twice the regional average.²



Mobile and Internet

continued from previous page

Across South East Asia, consumer levels of interest (among non-users) for 3G services range from 14 to 22 percent – well above the global average of only 10%.³

So whilst it is clear that South East Asia's rapid growth markets have strong demand for the mobile Internet, this trend towards convergence has not translated into positive growth for network operators' financial results. Why?

Barriers to application adaptation

TNS Global Telecom Insights (GTI) 2010 study finds the overwhelming barriers that prevent consumers from becoming regular users of VAS (Value-Added Services) are that the service is 'too difficult to use' and has 'functionality problems'. Put simply, consumers have been facing two fundamental problems:

- The process, navigation or operating system required to access the VAS is too complicated and not easy to use;
- The network they are using is too slow, too congested or has insufficient coverage to deliver the service they are seeking to use

The first point (usability) appears to have been rectified by usability and functionality advances in operating systems. For the world's rapid growth Emerging Markets this will be further addressed as lower priced Chinese manufactured devices with Google's Android functionality become more readily available.



Indonesia, TNS library

The second point is a reflection of market maturity and is more difficult to address.

As markets experience rapid growth in the number of mobile subscribers, service providers compete fiercely to attract these new users to their networks. For many new subscribers, brands do not seem adequately differentiated, making price the key purchase criterion. Hence, network operators enter price wars and offer deals that are driving down average revenue per user (ARPU).

At the same time increases in the subscriber base mean that network capacity needs to be increased to meet higher call and data volumes being transmitted. That extra capacity requires heavy investment – investment that takes longer to return as margins are continually shrinking. If this investment is not made, we see escalation of user problems with 'functionality' of network and VAS applications. This creates a vicious circle where lack of investment delivers a lack of revenue (adoption) from new VAS.

Market maturity growth cycle

Markets like Malaysia show the investments to improve the capacity are worthwhile as better network performance significantly increases user demand for VAS adoption. This is clearly evident in GTI 2010 where Malaysian consumers' level of interest in 3G services is 22% (building on an already very high base of 38% of current users).

End Call

The mobile Internet market is huge; it is growing fast and with industry development growth it will continue to accelerate – particularly if operators address capacity issues.

Marketers across all sectors must accelerate their efforts to reach the consumers through digital content via mobile devices. As smarter, more intuitive, devices drive Internet usage it will make the mobile phone the optimal information source and entertainment device across South East Asia and the world's other rapid growth and emerging markets.

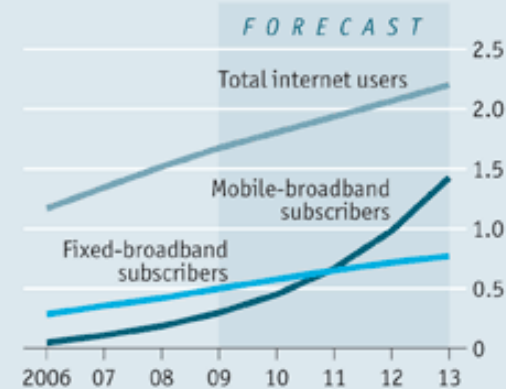
3G

| Users | | Interest |
|-------------|----|----------|
| Global | 12 | +10 |
| Developed | 24 | +8 |
| Emerging | 5 | +14 |
| Thailand | 2 | +14 |
| Vietnam | 4 | +16 |
| Indonesia | 4 | +17 |
| Cambodia | 3 | +18 |
| Philippines | 12 | +18 |
| Malaysia | 38 | +22 |

TNS: GTI 2010

Watch it take off

Internet users, bn



Sources: Informa Telecoms & Media; ITU; Forrester Research

¹ Informa Telecoms & Media

² TNS – Global Telecom Insights (GTI) 2010

³ TNS – Global Telecom Insights (GTI) 2010



Michael.Joyce@tnsglobal.com



Digital Kenya

Growing opportunity in East Africa

Melissa Baker, CEO, TNS Research International, East Africa

For the growing band of online East Africans, the Internet is an intimate and important part of their lives. Understanding their behaviour and motivations provides valuable clues to show how marketers can exploit this medium to further the interests of their brands.

Research across key East African cities shows that an average of 45% of adults have ever surfed the Internet, and among these, commitment is higher than in many other countries around the world. The recent Digital Kenya study gives some insights into how best to utilize this growing medium. The study was conducted earlier this year with 1,669 Kenyan Internet users.

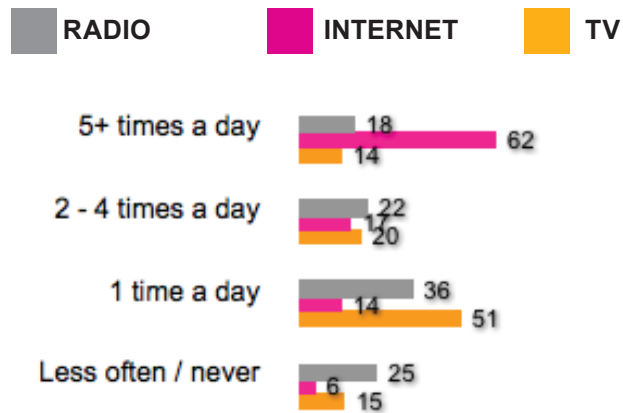
How should the Internet be integrated into marketing strategies?

The first message from the study is that the marketers cannot afford to neglect the Internet while crafting their marketing strategies. Online Kenyans expect brands to interact with them online. While Internet penetration may be relatively low at the moment, now is the time to establish a reputation for our online interface with consumers, so that as access grows, especially as mobile phone based interface sharpens, brands are well placed to capture the hearts and minds of target consumers.

It is unlikely that the Internet will immediately replace conventional media, but with access to the Internet growing exponentially via the mobile phone, it may certainly replace them over time.

Among users, the Internet is already ahead of conventional media in terms of frequency of use. Perhaps this is not surprising given that it is possible to go online a number of times even during periods when traditional media are out of reach. It is quite easy to take a sneak view at a website during working hours, whereas turning on the radio or TV at work is expectedly frowned upon. The

chart below shows the frequency of accessing radio, the Internet and TV by our Internet users. You can see that the Internet wins hands down for access more than 5 times a day.



65% of those participating in the Kenyan research spend more than 1 hour a day online, and most of them want to spend more time!

A tool for both work and entertainment

Work is the main sphere of motivation for going online, followed by academic pursuits and then entertainment. Accessing reliable information is the main reason for connecting, followed by ease of communication. Thus online users in Kenya are mainly in the information hunting segment of users worldwide; even so about half seek entertainment via the Net. Marketers need to fulfil these needs and also play to future opportunities as TNS expects entertainment and e-commerce to grow quickly.

Already, a majority of Kenyan Internet users search for product information online to aid in their purchasing decisions. 78% of Kenyan surfers regularly do this. Although this is lower than elsewhere in the world, it still holds a clear message to marketers: you must provide easy to find and navigate, clear and relevant product and service information to the users.

Burgeoning e-commerce and social influence

More specifically what surfers are interested in is the basic details of the product or service, product pricing, a comparison between different products or brands, user reviews, professional reviews, products or services that exist within a particular category and where to obtain the products or services locally.

What are surfers looking for when researching products and services?



Already 57% of Kenyan Internet users seek reviews by other users of products and services to input into their purchase decisions – with the power of online recommendations or disparaging reviews likely to increase dramatically over time.

E-commerce or online purchasing is a big opportunity though currently in a nascent state. While an international TNS study showed that the top 10 Internet activities revolved around online banking, researching products or services online, visiting a brand or product website or other e-commerce activities, these do not figure in the top 10 in Kenya yet. Kenyans visit sites relating to seeking knowledge (especially news) and communication. Indeed, other results from the study show that despite the high level of product research online, only 29% have ever purchased online – this may be contributed to by a relatively small banking infrastructure and low penetration of credit cards.

A lack of means of online purchase and a lack of local product delivery in Kenya are the key limiting factors. In fact, 88% demanded to be able to buy online using mobile money. The second most demanded type of site in Kenya, after educational or e-learning sites, was indeed e-commerce. Kenyan brand and service providers need to provide Kenyan online users with possibilities in terms of online ordering and purchasing. Assuming infrastructure and access can evolve, Kenyan banks in particular have a big opportunity – especially since online banking is one of the leading services that Kenyan web surfers would like to use.



Social media

So where are the best places to be seen on the Web? For Kenya, news is currently an important draw so online daily newspapers and other news sites are important places to have an advertising presence. Additionally, search engines, especially Google, are launch points for many online knowledge searches (90% use Google) which often end in Wikipedia – 87% of Kenyan users had read something on Wikipedia!

An increasingly important destination is Facebook, with 85% of Kenyan surfers linked up to a social network site and 96% of these to Facebook. In Kenya 50% of social networkers have more than 100 contacts online! Social networking sites are very sticky, with over 70% of those linked visiting more than once a day. Thus social networks should be an important weapon in the online marketer's armoury. In Kenya 56% of social networkers had joined a brand fan group and 40% have clicked on an advertisement.

In terms of the brand or service website itself, manufacturers' sites still have a lot of credibility as sources of information, being selected by 30% of online users as the most trusted source. However, this is outstripped, by reviews by other seemingly independent users, who are cited by 44% as their most trusted source.

Therefore even where the Internet penetration is relatively low it is important for marketers to not only have a strong website, but to also monitor what others

are saying about their brands via social media and blogs.

Finally online advertising appears influential. In total, 92% remember seeing an advertisement online and about 45% of these say it was influential in their purchase decision. This openness to online communication further enhances the potential of digital media in Kenya for manufacturers to reach out and bond with their consumers.

Now is a critical time for the Internet's development in Africa. A number of key factors are aligning that will work in synergy to rapidly accelerate and drive Internet adoption. These include significant increases in bandwidth throughout sub-Saharan Africa, increased investment in mobile phone networks, and an influx of lower cost smart phones with Internet-friendly browsers and operating systems.

In essence the time for marketers in Kenya and other sub-Saharan African markets to embrace the Internet is now.



Melissa.Baker@research-int.com

Clickstream Revolution

Jon Briggs, APMEA Regional Director, Digital Innovation & Implementation

The importance of being China

It was highlighted last year that the Chinese Auto market had become larger than the US market for the first time. And recently, GM announced that China had become their biggest global market. Clearly the size and the heady growth in China are making it a key battleground for marketers who want a higher quantity as well as quality of market intelligence to succeed in China. Marketers are often heard asking questions such as: Where do I go to find information? How do I evaluate different offers? How do I become an expert and build my customised ideal model that best suits me?

It is also well known that China is home to the largest number of Internet users in the world. Not surprisingly the answer to these questions is therefore increasingly digital.

The importance of being digital

It is well documented that the digital revolution has increased the collective power of consumers. This means that to have a greater chance of success, marketers must collaborate with consumers more than ever before – they need to co-create and they need to listen more deeply than previously to engage and maintain relevance. What is less well documented is that the digital revolution has also provided us marketers and researchers with new and often unprecedented real time data that can be used to understand consumers' behaviours, their underlying motivations and need drivers.

Clickstream is just one example of this new opportunity environment and is a tangible expression of the listening zeitgeist.

Clickstream is a so-called addressable channel. Because each Internet session is unique and traceable to a specific user, behavioural data is gleaned by permission from a person which records the exact websites, search terms and advertising that they were exposed to or clicked on. This overcomes two essential problems that researchers trying to help marketers have previously faced:

- consumers often cannot recall their behaviour exactly
- some consumers don't want to accurately recall their behaviour because of social inhibitions

Given the fact that there is a bewilderingly large number of options for consumers' online behaviour, these problems are only magnified in a digital environment.

Integration of “do” and “feel”

At TNS, we integrate this actual behavioural data with attitudinal data. This enables us to not only explain what



China, TNS library

Clickstream Revolution

continued from previous page

people are doing but to understand why they are doing it.

This helps us in launching attitudinal probes into specific behavioural groups, whose behaviour is proven by the click streams that they generate, not just by what they claim. This provides incremental insights to answer questions such as: What does a group or segment of target consumers actually do in the digital world? How effective is a video or Internet banner in influencing people to think in a certain way about a brand? What are the synergies in an integrated marketing campaign



gems : SEPT 2010

between digital and traditional (tradigital) by examining test and control cells? How do people decide which brand to purchase? What influences people? How do they talk and think about a category online? When do people decide which brand to purchase?

Our **Digital Behave** Offer, which combines clickstream and attitudinal data, is providing answers to some of the very same questions that the Auto companies need to sustain their growth in China. And across other sectors like Technology, Search, Financial Services, Healthcare and so on.... we have invested heavily in expanding our China-based expertise in this area in conjunction with our Global Centre of Excellence in Germany.

Uniquely digital, uniquely Chinese

China offers unique possibilities for incremental consumer understanding using clickstream data. The three drivers of everything digital reach their apogee in China:

- i) the sheer number of users of the Internet;
- ii) the democratisation of the means of production & distribution as evident through the sheer number of blog entries, forum visits, video sites and the like;
- iii) Cognitive Surplus, a vast reservoir of well educated and capable consumers keen to express themselves. And because China is a unique market, we also have unique capabilities to follow the consumers wherever they go in clickstream terms – whether it be via mobile, PC or iCafe. This provides TNS with a unique and holistic market perspective.

It is often said that the digital revolution magnifies everything about brands. They must be more honest. They must be more efficient in their marketing. They must be more accurate in their targeting. They must be more collaborative with consumers. And they must move at increasing speed and with increasing agility.

As such, **Digital Behave**, leveraging clickstream, is a key weapon in the marketers' armoury to investigate and then take advantage of China's vast and unique digital environment to create more profitable engagements with consumers.



Jon.Briggs@tnsglobal.com

IMPORTANT NOTICE

Please switch off *your*
handset before *entering*
the bank to *avoid*
EMBARRASSMENT

MANAGEMENT

