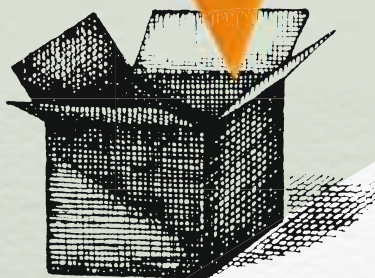

ANNUAL REPORT

2012/13



CREATING KNOWLEDGE

BRANDS AND MARKETS/
METHODS/SURVEYS

PASSING ON KNOWLEDGE

TRAINING/PUBLICATIONS/
EVENTS

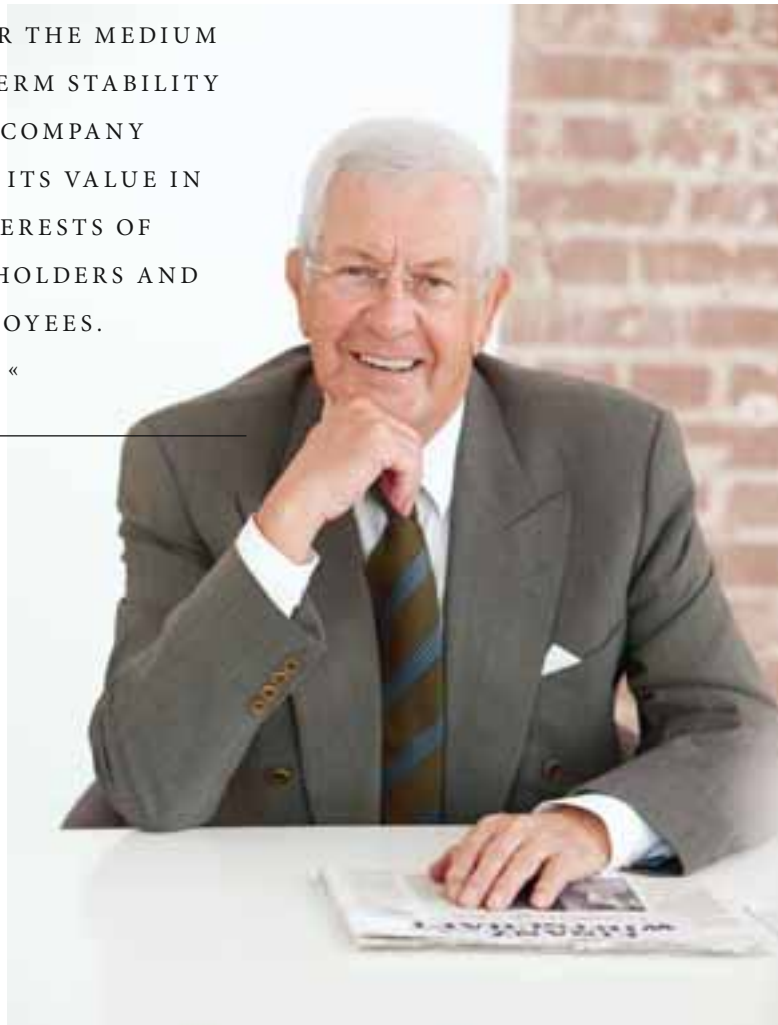
TAKING STOCK

2012 ANNUAL FINANCIAL
STATEMENTS/ORGANIZATION/
PORTRAIT/EXECUTIVE BOARD/
ARTICLES OF ASSOCIATION

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AS GfK SE'S ANCHOR
SHAREHOLDER,
WE CONSIDER THE MEDIUM
AND LONG-TERM STABILITY
OF THE COMPANY
AS WELL AS ITS VALUE IN
THE INTERESTS OF
ALL SHAREHOLDERS AND
EMPLOYEES.

«



LADIES AND GENTLEMEN,

As Spokesman for the Executive Board I am delighted to present to you the 2012/2013 Annual Report of the GfK Verein. On the following pages, we take stock and provide an overview of the GfK Verein's activities.

We experienced an important change at the end of last year when Peter Zühlsdorff stepped down as President of the GfK Verein for health reasons. Up to the end of 2012, he made a significant contribution to shaping GfK's development over a period of 26 years, supporting the company in evolving into a successful international market research institute. I would like to take this opportunity to thank him for all his hard work.

The remit of the GfK Verein – as enshrined in its Articles of Association – is to promote market research. This remit is based on the historically formed identity of the Verein. Projects and activities in the past twelve months have indeed focused on achieving this particular goal. Today, market research is firmly established and recognized in research and practice. Yet markets and players change. The economic importance of countries and cultural regions outside Europe and the USA is growing. At the same time, the Internet and social networks are changing communications for both companies and consumers. These developments necessitate a new approach to research. In its capacity as a market research think tank and GfK SE shareholder, the GfK Verein intends to make a substantial contribution to such innovation with its work.

Some examples of innovative market research approaches are described in this Annual Report. For instance, the GfK Verein launched TANEP, a tool for analyzing online communications channels, along with other social media-related projects. We have also continued to promote market research by establishing training and continued professional development programs at four universities in Africa.

As GfK SE's anchor shareholder, we consider the medium and long-term stability of the company as well as its value in the interests of all shareholders and employees. It is our aim to further increase the competitiveness of GfK SE based on the continuity of its business policy. With all its activities, the GfK Verein's remit as a not-for-profit organization provides the ideal platform for achieving this. The Verein observes trends in market research, and develops and tests new methods. All of this also supports GfK SE's sustainable development.

I would like to express sincere thanks to everyone who has contributed to making the work of the GfK Verein a success in the past year, in particular the Advisory Board, Members' Council and the Executive Board members.

I hope you enjoy reading our Annual Report.



Prof. Hubert Weiler,
Spokesman of the GfK Verein Executive Board



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www.gfk-verein.org
www.gfk.com

FOR THE LATEST NEWS:

www.twitter.com/GfK_Verein
Facebook: GfK Verein

FOR PREVIOUS ANNUAL REPORTS OF THE GfK VEREIN:

INNOVATION AND COOPERATION

In its capacity as a market research think tank, the GfK Verein initiates research projects and develops new survey methods. It is also the majority shareholder of GfK SE. The stake in GfK SE promotes productive cooperation between Basic Research and practical application.

A stake of 56.1 % in GfK SE makes the GfK Verein the anchor shareholder. As a majority shareholder with a strong sense of responsibility, the GfK Verein aims to increase the value of GfK SE in the long term. The two entities have a different remit. The GfK Verein focuses on Basic Research while GfK SE delivers market, brand and productspecific insights. The organizations complement each other, with the GfK Verein obtaining the results of practical experience from the GfK Group, for example on current market trends and requirements. In addition, as a shareholder in GfK SE, the Verein receives dividends, which it invests in methodology and studies. In turn, GfK SE relies on the results of research carried out by the GfK Verein to integrate new ideas into its product portfolio in the medium to long term.

A tradition of thinking ahead

The GfK Verein was established in 1934, primarily to “allow the voice of the consumer to be heard”, as the preamble reads. Consequently, the purpose of the Verein since its inception has been to establish and promote market research. Today, the GfK Verein is a respected market research think tank acknowledged by those in both scientific circles and engaged in practical application. Its remit as a not-for-profit organization is to create and pass on knowledge.

Creating knowledge – international and innovative

The GfK Verein delivers knowledge on markets and consumer trends. Its mission, as stipulated in the Articles of Association, is to conduct its “own research in Germany and abroad”. For example, the GfK Verein examines the work-life balance of workers in Germany as part of its study on Work

& Life in Germany. Insights gained from the study help the GfK Verein to generate basic knowledge on market trends and developments. It also propagates relevant knowledge on how better to analyze markets. The Verein develops market research methods such as GfK EMO Scan, frequently in close cooperation with business and scientific organizations. The main focus is not on the development of existing tools. Instead, the GfK Verein researches methods which represent a significant improvement on existing methodology. Many methods successfully translate from theory into practice and are used by GfK SE on behalf of its clients.

Passing on knowledge – teaching and training

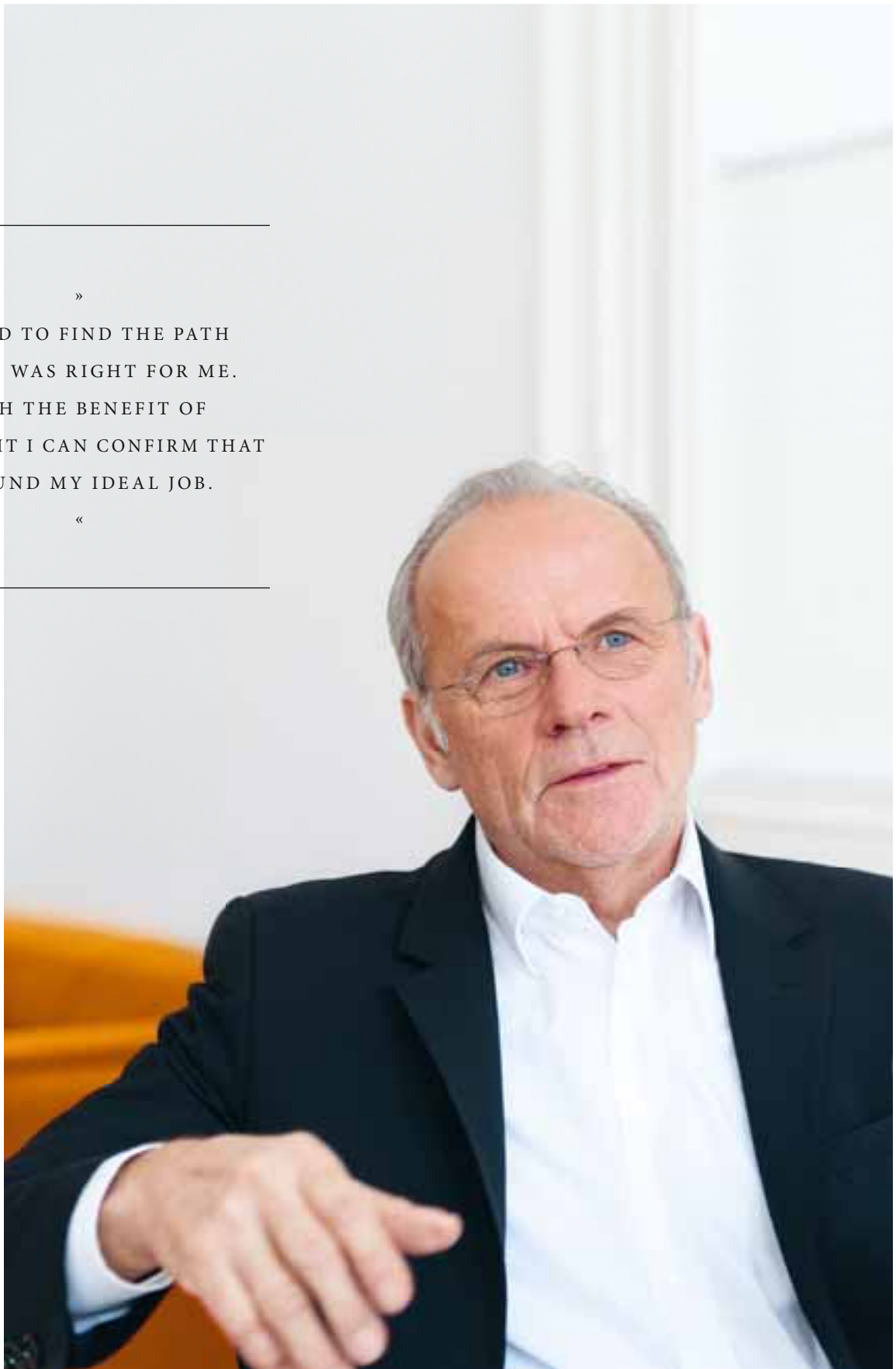
Cooperation with universities and colleges constitutes a major element of the work of the GfK Verein. According to the terms of its Articles of Association, it may cooperate with scientific institutions at global level if necessary. The primary cooperation partner is Friedrich-Alexander-University Erlangen-Nuremberg, where the Verein funds a chair. Additionally, the GfK Verein is committed to teaching and training market researchers, including at the GfK Academy, which it set up in 2005. The Academy attracts internationally renowned experts, who lecture on marketing and market research. For the past two years, the GfK Verein has also promoted the training of market researchers in four African countries. A similar program is now also to be established in China.

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I TRIED TO FIND THE PATH
WHICH WAS RIGHT FOR ME.

WITH THE BENEFIT OF
HINDSIGHT I CAN CONFIRM THAT
I FOUND MY IDEAL JOB.

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"I AM VERY PROUD OF GfK'S DEVELOPMENT"

Peter Zühlsdorff talks about his time at GfK, what inspired him in his work and what makes it easier to say goodbye. The manager and entrepreneur experienced great success as well as turbulent times at GfK. His initiative and enterprising approach made a significant mark on the GfK Verein and GfK SE. His actions essentially set the course for future stability. At the end of 2012, Peter Zühlsdorff stepped down as President. However, the 72-year-old's loyalty to the GfK Verein remains undiminished.

You have been a member of the GfK Verein for 26 years and were on its Executive Board for around 20 years – what did that time mean to you?

PETER ZÜHLSDORFF: GfK is almost like a child to me. Although it was not always easy in the early years, facing pressure together over a long period of time, you develop a close relationship. Looking back today, I am very proud of GfK's development.

What initial difficulties did you face?

PETER ZÜHLSDORFF: I joined GfK in 1986, two years after the organization was split into the GfK Verein and GfK GmbH, which is now GfK SE. Initially, I was on the advisory council of the company (GmbH) and in 1989 I was elected to the Supervisory Board, following the transformation into a joint stock company (AG). In mid 1992, I became Supervisory Board Chairman of GfK AG and President of the Verein. At the time, my main task was to ensure that the company had a management team which would take it forward financially while having an interest in seeing GfK prosper. This was something I achieved. Together with Raimund Wildner from the GfK Verein and Klaus Wübbenhorst at GfK SE (the former AG), we provided a strong base. I resigned from my roles at the GfK Verein and GfK SE in 2005 and subsequently became Honorary President of the Verein.

Then, in 2009, you were re-elected as President of the GfK Verein?

PETER ZÜHLSDORFF: Yes, that's right. At the time, talks were in progress for a supposed merger of equals, as part of which GfK SE would join up with a non-German company. We wanted to prevent that. I returned to the GfK Verein and we created a new structure based on amending the Articles of Association, which prevents a personal union of the Verein and GfK SE. This ensures that both organizations have the stability to move forwards independently.

Could you please expand on that?

PETER ZÜHLSDORFF: The structure of GfK SE and the GfK Verein as its majority shareholder is unique. I call it my perpetuum mobile. It is a structure I ascribe to myself: in addition to subscription fees from members, the Verein receives a dividend from GfK SE. In line with its Articles of Association, the Verein invests its funds in promoting market research. However, in its capacity as a think tank, it also delivers ideas and provides impetus for new research approaches that are subsequently applied in operations. It is a key factor that the Verein holds 56 % of the shares in GfK SE. They are treated like a traditional family-owned business – this was always important and firmly stipulated. At the GfK Verein, we want the company to continue for generations without being hampered by

materialistic short-term interests. Some consideration needs to be given as to whether a Verein (association) is the best possible legal form. However, that has nothing to do with its basic structure.

At the end of 2012, you stepped down as President of the GfK Verein. Was it hard for you to say goodbye?

PETER ZÜHLSDORFF: I am still a member of the Verein. It's just that I no longer hold an official role. Nevertheless, I will always feel great responsibility and loyalty to the GfK Verein. For me, making my departure short was a form of self-protection. I only announced that I was leaving a fortnight before my actual leaving date. I have seen too many successful men continue in office for too long. I did not want to be one of them. At my own company, Deutsche Industrie-Holding (DIH), I also recruited two partners four years ago, who now run business operations. Now I am only a member of the Advisory Board.

When did you set up the company? And why did you decide to become self-employed?

PETER ZÜHLSDORFF: DIH was originally established by Deutsche Bank for the redevelopment of Eastern Germany. I had only just left Wella when one of the Board members contacted me and recruited me to DIH. I subsequently took over the company and expanded it as a holding company. Self-employment was a planned decision after many decades of working as a management employee. I also liked the challenge of supporting companies for a defined period of time. After all, my motto is that ten years maximum is enough. Then you burn out, become too familiar and can no longer truly innovate. I am good at tidying up, motivating people and generating momentum. In this respect, my specific qualities fit very well with DIH.

You have had a very successful career. From today's viewpoint, it was also rather unusual, considering that you started out as a cabin boy. Would that even be possible today?

PETER ZÜHLSDORFF: Yes, that's what I believe. In my day, we were also told that we would achieve nothing without educational qualifications. Yet I think that many opportunities are open to those who are not too precious about working hard and always give of their best. This is what being at sea taught me. As a cabin boy, you have many different tasks, all of which require total commitment. I then completed a commercial apprenticeship at Woolworths and subsequently had another four different career stages during my years of learning and traveling in my 20s and 30s. It wasn't until after that when I joined Tondeo in Solingen that I started to climb the career ladder. I then moved to Wella and DIH. From 1970 until today those were three major stages.

What helped you to get top jobs in trade and industry? What advice would you give to young people only just starting their career?

PETER ZÜHLSDORFF: My advice is very simply to just be yourself. Top-level jobs, to me, have always been and still are an abstract situation. You need to separate the job from the person. I was not driven by career and money, but by curiosity and the wish for approval. I always tried to find the path which was right for me, and with the benefit of hindsight I can confirm that I found my ideal job. But none

» **BE**
YOUR-
SELF «

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«

of it was planned. And my story wasn't one of continuous success. What has always supported me to this day are the people I see as role models. Another important factor for me is to work with an organization where I feel at home. That was the case at Wella, GfK and Tengelmann – looking back I have no hesitation in saying this.

After so many years of serving the GfK Verein, how will you fill this new "gap"?

PETER ZÜHLSDORFF: I will continue to take an interest in what happens at GfK. As I mentioned before, I am still a member of the GfK Verein. I also still have a few mandates in Berlin, in the quasi-political arena. Generally speaking, I am trying to avoid traveling quite as much as I used to and reduce stress levels, but I still have plenty to do.

Restructuring is your specialist area. You must have found Berlin the ideal city?

PETER ZÜHLSDORFF: I am well-disposed towards Berlin. For many decades, the two halves of this city were separately subsidized. It takes time for people to overcome this in their minds. Besides, the city lost its structure as a major industrial center. But a new SME sector is gradually emerging. Berlin also has a unique infrastructure and strong healthcare industry as well as outstanding colleges and universities. These are all key drivers for future development. Basically, the city needs to be told to be proud of what it is and not complain about what it lacks. I have been living there again since 2007 and feel completely at home.

PROFILE

Peter Zühlsdorff was born in Berlin in 1940 and has been committed to GfK since 1986. He initially was on the Advisory Council of GfK GmbH and was appointed as member of the Supervisory Board following the company's transformation into a joint stock company in 1989. From 1992 to 2005, Peter Zühlsdorff was GfK AG's Supervisory Board Chairman and President of the GfK Verein. In 2009, he was once again elected President of the GfK Verein. He resigned from this office with effect from 31 December 2012.

The DIH Deutsche Industrie-Holding GmbH shareholder and former CEO of Wella AG has had a successful career with numerous mandates on supervisory boards and advisory boards of companies such as Merck, Deutz and Escada. He was a Management Board member at Wella AG for 17 years and CEO for five of those years. In 1999, he took over Deutsche Industrie-Holding and was at the helm as managing partner for ten years. As Managing Director of Tengelmann, he successfully restructured the company.

DIVERSE TASKS & CHALLENGES

Basic research, new methods and international projects – the GfK Verein pursues a wide range of activities. Its staff complement is correspondingly diverse. The 17 GfK Verein employees have very different qualifications in many fields.



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MANAGING DIRECTOR
Prof. Dr. Raimund Wildner

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**ASSISTANTS
TO THE MANAGING DIRECTOR**
Petra Gelsen
Helen Streilein

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GfK ACADEMY
Friedgard Spingler

BASIC RESEARCH
Dr. Anja Dieckmann
Holger Dietrich
Dr. Carolin Kaiser
Vladimir Manewitsch
Birgit Stoltenberg
Dr. Matthias Unfried

KNOWLEDGE MANAGEMENT
Claudia Gaspar
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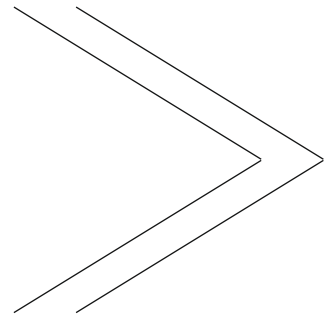
PRESS & COMMUNICATIONS
Sandra Lades

As a market research think tank, the GfK Verein puts particular emphasis on teamwork, training employees and fair management in day-to-day business. The work-life balance also plays a role in terms of the team's motivation and creativity. Time and again, the annual employee survey has shown that these aims are really put into practice, with staff consistently giving all of the areas mentioned above-average positive scores.

The GfK Verein currently employs 17 staff members, 15 of whom are graduates. In line with the objectives specified in its Articles of Association of promoting market research and developing new methods, the GfK Verein conducts its

own Basic Research, for example. Comprising a team of six employees, this department identifies and assesses trends in research and technology, tests innovative market research tools and develops suitable prototypes to market maturity.

Forward-looking research and innovation play a major role in everyday work. Today's employees are able to build on a long tradition. Market research started in Germany with the establishment of the GfK Verein in 1934 – at the time, under the name of Gesellschaft für Konsumforschung e.V. The object of the GfK Verein even then was to gain knowledge about markets, consumers and trends and pass this on. To this day, the GfK Verein accomplishes this task.



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STUDIES*Ronald Frank***UNIVERSITY COOPERATION***Andreas Neus***GfK MARKETING INTELLIGENCE REVIEW***Dr. Christine Kittinger-Rosanelli*

THE FACES OF THE GfK VEREIN



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Prof. Dr. Raimund Wildner is Managing Director and Vice President of the GfK Verein. He also lectures as Honorary Professor at the University of Erlangen-Nuremberg, is a member of the Rat der Deutschen Markt- und Sozialforschung (German Council of Market and Social Research), the Professional Standards Committee of ESOMAR and Management Board member of the BVM and GEM. What he likes about market research is that "it connects the human dimension with mathematics and statistics. Being able to conduct research in this field with an almost free reign is always fascinating." Prof. Dr. Raimund Wildner received the ARF Great Minds Award in the category of Innovation in 2013.

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Dr. Anja Dieckmann heads up the Basic Research department of the GfK Verein, jointly with Holger Dietrich. Her responsibility includes research projects conducted in cooperation with academic institutions. After graduating in psychology and working for the Boston Consulting Group for two years, Anja Dieckmann was a research assistant at the Max Planck Institute for Education Research, where she completed her PhD on decision-making research. Her motto in life is "A bisserl was geht immer" (never take no for an answer).



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Claudia Castaldi completed a Master's program in sociology and pedagogy. Market research was the ideal start to her career, according to the Knowledge Management employee at the GfK Verein: "Being constantly exposed to new and widely differing topics for me means that I am always learning." Her motto in life reflects this attitude: "Jeder Tag erweitert die eigene Perspektive" (every day broadens your horizon).



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What **Holger Dietrich** particularly likes about his job is that "there is always something new to discover, and market research establishes a link between science and practice." Today, he is a team leader in Basic Research at the GfK Verein. The set-up of this specialist department has been a milestone in his professional career. When he originally joined GfK SE, he was in method research. In his leisure time, the graduate statistician likes to spend time behind the camera and says, "I will photograph every minute detail."



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Ronald Frank heads up the Studies department at the GfK Verein. Previously, he spent many years in media research. The social science graduate started his career at GfK Marktforschung. In his free time, Munich-born Ronald Frank plays jazz music, enjoys a glass of red wine and likes to travel to France. His motto is to live in the moment.



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Claudia Gaspar has found the thought that "a change in perspective is often enough to see clearly" helpful throughout her career in market research. As head of the Knowledge Management department, she deals with all facets of research relating to German consumers. "I like working in market research, because I have a genuine interest in people's opinions. For me, survey results are not mere statistics, but tell exciting stories."



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Petra Gelsen is an assistant in the office of Prof. Dr. Raimund Wildner. She trained in wholesale and worked abroad for 15 years as a bilingual secretary, spending ten years at the European Parliament in Brussels. She then "went back to Nuremberg and finally ended up happily at the GfK Verein." What Petra Gelsen particularly likes about her work is that "I can apply my experience from many different areas here."



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Dr. Carolin Kaiser works in social media within Basic Research at the GfK Verein. "New challenges call for new methods" – this motto characterizes her working life. She particularly values interdisciplinary research at the interface between marketing, computer science and social sciences. After gaining a doctorate in business data processing, Dr. Carolin Kaiser was a research assistant at the University of Erlangen-Nuremberg for several years before joining the GfK Verein.





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Dr. Christine Kittinger-Rosanelli says that "almost everything that has to do with research and new things is exciting to me." As Operating Editor on the Editorial Team of the GfK Marketing Intelligence Review, she deals with new research findings all the time. The native Austrian with a doctorate in economics previously worked for the Institute of Strategic Management, Marketing and Tourism Marketing and at the Bank für Tirol und Vorarlberg.



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Sandra Lades, Head of the Press Office of the GfK Verein, reports that she has found it exciting to experience and help shape the development of Nuremberg-based GfK into becoming a global company. The graduate in business economics was previously responsible for international marketing in the GfK Group's Custom Research sector. Her motto is that "if you want something enough, you will find a way to make it happen. If you don't want something enough, you will make excuses."

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Vladimir Manewitsch works in Basic Research at the GfK Verein. In his work, he particularly likes "the challenge of having to bridge theory and practice by finding a scientific approach to real questions, and then implementing and applying it." The businessman with a diploma (Dipl.-Kfm.) has great plans for 2013, as he intends to finish his thesis on "Structural missings in market research".



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As Head of University Cooperation **Andreas Neus** coordinates the GfK Verein's cooperation with international universities. The graduate psychologist and communications researcher previously headed up the Service Innovation Lab at the Karlsruhe Institute of Technology (KIT) and was responsible at IBM for studies on the transformation of the media industry. In his leisure time, he is into wreck diving – hunting for lost planes, ships and cities submerged beneath the sea.



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Friedgard Spingler describes her role as Managing Director of the GfK Academy as "all-encompassing, diverse and having sole responsibility". After studying an unrelated subject, her career in marketing was facilitated by her first job as Product Manager at Coca-Cola. What she now particularly likes about her job is that the GfK Academy functions like a "company within a company". She also likes the fact that there is much approval from outside, i.e. from seminar participants.

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Birgit Stoltenberg is convinced that "you develop as your responsibilities grow". With a diploma in business mathematics, she is a Senior Specialist in Basic Research at the GfK Verein. She explains what she particularly likes about her job: "I really like working in Basic Research, because it involves research in a business environment, which means that there is plenty of scope for my fascination with figures."



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"Don't worry, be happy" is the motto for life and work of **Helen Streilein**. She is an assistant in the office of Prof. Raimund Wildner. Previously, she worked for over twenty years in GfK's Board level office. Having trained as a bilingual secretary, she started her career at the Bayerischer Mütterdienst (Bavarian charity supporting women).



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Claudia Stürmer developed an interest in market research while studying business economics. Born in Berlin, today she works in Knowledge Management at the GfK Verein. "It's exciting to have one's finger on the pulse and research what makes consumers tick." In life, she has vowed to herself, "never to give up, then you'll achieve what you always wished for."



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Dr. Matthias Unfried is a Research Specialist at the GfK Verein. He particularly enjoys interdisciplinary work on exciting questions which cross over from Basic Research to applied research. The business economist previously worked for several years as a research assistant at the Chair in Economic Theory of the University of Erlangen-Nuremberg. In his spare time, he supports the Technisches Hilfswerk charity, enjoys good food and likes Ireland and Norway.

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OUR TOPICS:

20 /// Brands & markets

24 /// Methods

30 /// Studies

CREATING *KNOW- LEDGE*

This section describes the basic research projects of the GfK Verein. It includes newly developed research tools, along with their potential practical applications. At present, the research being carried out by the GfK Verein focuses on emotion analysis and the analysis of communication ways online.

BRAND MANAGEMENT 2.0

THE NEW

ARCHITECTURE OF MARKETS

A change of venue for the renowned Kronberg entrepreneurial talks – as the Schlosshotel in Kronberg was closed for renovation, the meeting of around 50 entrepreneurs and managers took place in Berlin's Hotel Adlon on 31 January 2013. The theme of the 32nd Kronberg entrepreneurial talks was change in the markets and the resultant challenges and opportunities for brand management.

In the environment of every entrepreneur, scientist and politician, the economy is a living organism, which must grow in order to thrive. Over the past few years, economic growth has been weaker than before. One of the reasons for this slowdown was the global economic and financial crisis. As a result, almost everyone in Germany was happy with the limited increase in GDP of 0.7 % in 2012. This was mainly the case because growth while everyone around you is ailing means that the economy is healthy and efficient at its core.

According to Matthias Hartmann, CEO of GfK SE, German consumers radiate confidence. The CEO presented the current figures from the consumer climate index, which GfK surveys monthly on behalf of the EU Commission. Income expectations of Germans averaged a high level of 31 points in 2012, which compared extremely well with other countries. Conversely, the figures recorded for the UK (– 26), France (– 39) and Italy (– 57) were negative, i.e. people fear that their income levels will fall. With regard to willingness to buy, the situation is similar. German consumers ranked far above all other countries in 2012, with an annual average of 33. In the UK, for example, a figure of – 45 was measured.

Wanting is not the same thing as buying

Naturally, willingness to buy does not equal an actual purchase and vice versa, just as a lack of willingness to buy does not necessarily mean that the consumer will not buy. This was highlighted by Thomas Bachl, Global Head of Consumer Panels at GfK SE. In his talk, he pointed out that going without is not really an option when it comes to fast-moving consumer goods (FMCG), which people need on a daily basis. Almost everywhere in Europe, FMCG remain accordingly resilient to economic developments. In Germany, growth in sales of FMCG in 2012 was slower (+ 2.2 %) than in some other countries (for example, the UK: + 3.9 %). Causes include the renewed strength of discount stores, especially in the second half of 2012 and less marked price rises for food and beverages, which had been relatively extreme in previous years.

An important reason for the comparatively modest sales growth in FMCG in Germany was the rise in retailers' own brands and particularly of value added brands, especially those of stores offering a comprehensive product range. Retailers are promoting this trend by increasingly offering such own brands to consumers with added benefits, such as being organic or locally sourced. Dr. Robert Kecskes, Manager Strategic Customer Development of GfK's Consumer Panels, explained in his talk that this is a successful strat-

egy. Demand for products which consumers can buy and consume "with a clean conscience" is on the rise. This has increasingly resulted in the "moralization of markets". The older age group of middle class, in particular, can afford to pay the "moral mark-up" of a few cents or more. However, this age group is increasingly inclined to choose value added retailers' brands over "average brands" with a lower profile. In future, manufacturers' brands and retailers' value added brands will therefore be competing for these consumers who can afford to pay extra.

The key to consumers

In one of its biggest consumer surveys to date, the GfK Verein examined who has been dealt the best hand in this competition. Professor Dr. Raimund Wildner, Managing Director of the GfK Verein, explained in his presentation that the survey was essentially based on the question of which features and benefit consumers attribute to manufacturers' and retailers' own brands. A total of 5,800 people were questioned and almost 40,000 brand evaluations were collected. The 26 statements on each brand included in the survey can be grouped into four "keys to consumers":

1. Brand Appearance:

Here, retailers' own brands generally cannot compete with manufacturers' brands. It is virtually impossible for a no-name product to achieve cult status.

2. Quality confidence:

Manufacturers' brands have the edge in this respect. However, it is not as pronounced as for brand appearance. The gap between average brands and retailers' value added brands is no longer particularly significant.

3. Feel-good factor:

With regard to the emotional and ethical added value which brands offer, mid-range brands and retailers' own value added brands are judged more or less the same by consumers. This applies, in particular, to drugstore products in general and specifically in Germany to the brands of the dm, a drug store chain, which generally benefit from the substantial trust consumers have in this retailer.

4. Bargains:

As expected, cheap retailers' own brands have the edge. This puts pressure on manufacturers' brands: what should and what can they do in terms of price competition?

Given that the playing field of brands – expressed as market shares – is shrinking and the head start generated by consumer confidence is decreasing, brand manufacturers cannot continue as before. Of this, Alessandra Cama, Managing Director of Consumer Panels Germany, is convinced. Alongside traditional marketing – using tools such as price, advertising and innovation – a new type of personalized brand relationship marketing needs to emerge, as she explained in her speech. For example, it is important to strengthen the relationship between brand and consumer, something which life brands have successfully pioneered. Unlike most other brands, they are able to maintain, and in some cases even expand, their market shares without having to slash prices. This has mainly been possible because life brands play an important part in people's everyday lives. They do not exclusively target people as buyers, but also as users, becoming relevant to life per se rather than only in terms of consumption. These brands convey what consumers desire. If consumers are then also given the opportunity of helping to shape their chosen brand, for example on the basis of crowdsourcing, this further strengthens the relationship and ensures the brand's sustainability in the future.

Thinking outside the box

The Kronberg entrepreneurial talks ended with inspiration from a very different perspective. As guest speaker, philosopher Professor Dr. Julian Nida-Rümelin expanded on how survival in the market and competitive advantages are not created by trusting the beautiful world of an ideal economy, i.e. the rules of supply and demand, although this was what economists in the 19th and 20th centuries still believed. Today, it is far more important to consider carefully the concrete needs of consumers. In an era of plenty, they no longer strive for consumption but a fulfilled life. This has produced new values and preferences. Beyond simply knowing what these are, brands (and their manufacturers) need to share the same values and preferences. •

AT A GLANCE

ENTREPRENEURIAL TALKS KRONBERG

DESCRIPTION

Annual event of the GfK Verein and GfK SE at which GfK specialists discuss a specific marketing topic with a group of top-level managers from major brand enterprises

FIRST EVENT

1981

€ 30,509

is the purchasing power forecast by GfK for residents of the Starnberg district for the year 2013, placing it in pole position. According to GfK, the average purchasing power per year in Germany is € 20,621. Down at the bottom of the league table is the district of Görlitz with € 15,687.

€ 17,9 BILLION

is the value of the 2013 retail sales forecast for the Berlin area, with Hamburg coming in second place. In relation to the population of Berlin, this corresponds to a GfK retail sales index rating of 101.6, and for Hamburg a rating of 121.6 (the average for Germany is 100). The lowest sales are expected from retailers in the Lüchow-Dannenberg district in Lower Saxony.

990

is the number of cars per 1,000 inhabitants. With this figure, Wolfsburg in Lower Saxony once again recorded the highest density of cars throughout Germany in 2012 (reporting date: 1 January 2012; previous year: 933 cars). Wolfsburg also leads the rankings for the number of people employed in industry per 1,000 head of the population.

18.1 %

is the percentage of the population having children in the Cloppenburg district of Lower Saxony, which is more than a third above the German average. The highest percentage of pensioners (28 %) live around Dessau-Rosslau in Saxony-Anhalt.

5,956

homes were completed in the Munich area in 2011, putting the capital of Bavaria in the top spot for housing construction, followed by Greater Berlin, which came in first place last year.

GfK BASE FIGURES

Once a year, members of the GfK Verein receive an extensive set of figures: the GfK Base Data. These important statistics obtained at urban municipal and rural district level by GfK GeoMarketing are available in both printed and CD-ROM form. They offer companies the basis for calculating their regional sales figures. For example, the data facilitate an assessment of the regional potential and support location planning and evaluation. Consequently, GfK Base Data constitute an important basis for the management of sales and marketing.

NEW FOR PRACTICAL APPLICATION



In addition to optimizing existing procedures, the GfK Verein develops new market and marketing research methods. This basic research results in innovative ideas, which GfK may then integrate in the measurement of advertising effectiveness and brand relationships, for example.

Dr. Oliver Hupp, Division Manager, Brand and Communications Research at GfK Consumer Experiences Germany, explains what exactly happens in the transfer process from theory to practical application.

How are theoretical models applied in practice?

DR. OLIVER HUPP: As customer advisors from brand and communications research, we often generate momentum for the development of new methods. The reason for this is that clients frequently approach us with very specific questions. It is also often the case that we see a requirement, which then becomes the starting point for joint basic research with the GfK Verein. A good example of this procedure is the approach we used for analyzing consumers' relationships with their chosen brands. The motivation was to measure customer loyalty more accurately. The GfK Verein, GfK SE and Boston University together developed an approach based on the assumption that emotional relationships to products can be compared to human relationships. We applied this to eight different sectors and tested the method in various countries, including the USA, Germany, Spain and China. The result was a concrete questionnaire and evaluation module, which we essentially are able to apply 1:1 in practice.

Does a theoretical approach need to be adapted for applied use?

DR. OLIVER HUPP: The research tools developed by the GfK Verein and GfK SE are research modules rather than stand-alone solutions. This means that a new measurement approach is usually integrated into standard tools as an additional function. Consequently, the requirement for

adapting new developments consists in precisely defining interfaces with tried and tested research approaches and establishing connections.

What does that mean?

DR. OLIVER HUPP: Initially, the use of new modules developed in joint research projects with clients yields data. We combine this data with the data collected with proven tools by linking the two data sets in relation to each other. We do this in such a way that we generate new and more in-depth information for the companies we advise, thereby offering added value. How this will work is the most exciting question for any project. Finding the answer is our main task when we apply newly developed modules in practice.

How exactly does that apply in the case of brand relationships?

DR. OLIVER HUPP: For instance, we analyze brand awareness and buying intention by ascertaining the image as well as finding out to which marketing activities consumers were actually exposed. These indicators, which we obtain from brand tracking for example, are then put in relation to the topic of brand relationships. This enables us to establish which image elements the relevant company should develop and expand on a targeted basis in the future if it wants to strengthen the relationship with consumers – and helps us to determine the most appropriate information channels.



PROFILE

Dr. Oliver Hupp has worked for GfK SE since 1999. As Division Manager Brand & Communications Research, he and his team advise brand manufacturers in the fast moving consumer goods and slow moving consumer goods industries as well as services and B2B sectors on questions of strategic and operating brand management and advertising research. His focus is on national and international brand positioning and brand valuation. Since 2012, he has headed up the new Brand & Communications Consumer Goods, Services & B2B business division and the method department of GfK Marktforschung.

The brand relationship module has been used worldwide since 2012. Has it revealed any surprising aspects?

DR. OLIVER HUPP: I found it very interesting that in certain categories – like sports clothing and equipment – there were no extremely negative relationships. Such relationship patterns are also absent in low involvement markets, such as the energy market. The picture is very different in the banking and insurance industry, or the cosmetics sector. Here, negative emotions run high. This was something we assumed beforehand and then proved entirely correct in practice: relationship patterns, their qualities and emotional aspects are very sector-specific.

Are any further developments planned in the immediate future?

DR. OLIVER HUPP: As far as brand relationships are concerned, nothing is planned at the moment. Of course, it is always possible that we observe new responses or changes in the market. Similar to GfK EMO Sensor, which measures emotions as part of advertising tests. During the development phase, the Asia-Pacific region was not particularly relevant. When the situation changed, we responded and EMO Sensor was adapted for the Asian market. •

GfK EMO Scan SPEAKING WITHOUT WORDS

Even when we don't say anything, our facial expression reflects what we think and feel every second of the day. For marketing and advertising, this form of unaware communication is highly relevant. With EMO Scan, the GfK Verein has developed a method which analyzes what someone's facial expression reveals about advertising effectiveness and product impact.

Curiosity, joy and feeling challenged – our emotions are mirrored in our faces by spontaneous reaction. GfK EMO Scan registers emotion in real time, without the bias that occurs in subsequent surveys. The tool is simple and cost-effective. In fact, GfK EMO Scan requires no fiddly cabling. All that is required to determine the response to ads and products is a webcam and Internet connection.

Automatic analysis of facial expressions

The GfK EMO Scan camera scans important facial areas, such as the eyes and the corners of the mouth. Sophisticated software, which runs parallel, ensures that no translation problems occur in the automated interpretation of facial expressions. This software was jointly developed by the GfK Verein, Fraunhofer IIS in Erlangen and psychologists studying emotions from Geneva University. It registers even the slightest facial changes, measures movements and compares them at pixel level with facial expressions saved in a database. The portfolio comprises more than 12,000 faces, including a significant set of Asian faces.

The green light for the development of GfK EMO Scan came in 2008. In early 2012, the facial expression reader was ready for market launch and has since been used worldwide to test TV commercials. Almost simultaneously, GfK EMO Scan was awarded the innovation prize of German Market Research. The current version records whether stimuli are perceived as pleasant or unpleasant. Version 2.0., which will be ready in 2014, will include additional basic emotional assessment dimensions such as novelty value (new – old hat) and comprehension (understandable/clear – confusing/too challenging). The latter promises to deliver important insights,

especially in usability tests of websites, software and consumer electronics devices. Another new feature in the future will be that facial expressions will no longer be compared at pixel level with database photographs. Instead, the comparison will be based on action units (AU), i.e. defined muscle movements. Nine specific muscle movements which reflect emotions as facial expressions will initially be examined. For example, AU4, knitting one's eyebrows and AU9, turning up one's nose. The number of action units will continually be increased over time.

AT A GLANCE

GfK EMO Scan

PROJECT DESCRIPTION

Automatic registration of facial expressions
for the purposes of emotion analysis

PROJECT LAUNCH

2008

COOPERATION PARTNERS

Fraunhof Institute for
Integrated Systems (FIIS);
Geneva University,
Professor Klaus R. Scherer; GfK SE

EMO Scan FINDINGS FOR THE SNICKERS COMMERCIAL IN GERMANY VS THE USA



EMO Scan

THE SNICKERS COMMERCIAL WITH ARETHA FRANKLIN
ACHIEVES THE OPTIMUM EMOTIONAL IMPACT,
WITH POSITIVE EMOTIONS PEAKING WHEN THE CAMERA
IS ON THE ACTUAL PRODUCT.

The emotional profile generated in the audience by the German and American versions of the commercial is very similar, although the US version is longer and includes an additional celebrity cameo by Liza Minelli at the end. This means that the commercial works internationally, even though Aretha Franklin is less well known outside the USA.

GfK EMO Scan **PRIZE-WINNING INNOVATION**

Automatically identifying emotions: the GfK Verein jointly developed GfK EMO Scan together with Fraunhofer IIS and Geneva University. The software registers even the slightest changes in facial expression and interprets them (cf. page 26). The tool was awarded the innovation prize of German Market Research in 2012. Member of the panel of judges Sabine Menzel, Director Global Market Research, Henkel AG & Co. KGaA, explained why this innovation received the award.



What did you find most convincing about GfK EMO Scan?

SABINE MENZEL: Its simplicity and superiority. The panel was particularly impressed with the way in which sound scientific findings from emotion and facial expression research are applied in this complex software, yet at the same time the data collection process relies on a simple webcam to generate accurate results of high validity. On the spectrum of non-invasive implied measurement methods, EMO Scan is a more informative alternative to well-known neuroscience tools such as the EEG. In addition, the easy “production” of higher case numbers and transfer of the data measured in interval scales facilitate statistical evaluation.

Did the panel of judges take long to reach agreement?

SABINE MENZEL: After the initial phase of individual written submissions, the panel always discusses all competition entries to give each entry its due amount of attention. Relatively speaking, a quick decision is therefore not really possible. In this case, the anonymous entry “automated facial expression analysis” actually received excellent comments from all members of the panel in the individual assessment.

Which future areas of application would you like to see – beyond testing the advertising effectiveness of TV commercials?

SABINE MENZEL: In principle, I imagine that integrated analysis of facial expressions could be used in all qualitative and quantitative studies where consumers are shown visual or concept-based test items. This may involve the evaluation and optimization of product and packaging design, or websites. It may also focus on a more in-depth analysis of copy if such copy is delivered in suitable audio-visual form. It may even involve analyzing the speeches of politicians. I am sure that there is plenty of scope for further development.

Man or machine – what are your thoughts? Is a sophisticated software better than a human being at accurately reading what the facial expression of the person opposite us means?

SABINE MENZEL: When it comes to integrating the analysis of facial expressions into studies, the efficiency gain with software-based evaluation is enormous. In terms of budgetary research considerations, it is an ideal method. Besides, it would require many researchers to analyze a group of people and their interpretations would not always be uniform and reliable. But ultimately only a human being can fully register all the differentiated features of another human being, and interpret and understand them. No machine in the world can feel in the same way. •

DECODING COMMUNICATION IN NETWORKS

“Markets are conversations.” This is the first of the 95 theses in the Cluetrain Manifesto on the relationship between companies and customers in the era of the Internet. When the manifesto was first published in 1999, it provided a vision for the future. The proliferation of social networks, however, has increasingly turned this thinking into reality, which also makes it more relevant to marketing and market research. In cooperation with Sensemetric and Vienna University, the GfK Verein is developing an analysis method for online communications channels.

Marketing activities and consequently communications between manufacturers and consumers increasingly take place on the Internet. This has resulted in a sharp rise in the number of people involved in conversations and the number of different communications channels used. To date, all contributions have been collected for analyses and evaluated on the basis of text analysis, regardless of their relationship to each other and their importance in terms of overall communications. Although this form of collecting all statements made in a survey delivers initial valuable insight on the content of texts, it does not take into account the links between content and their meaning for communications as a whole.

A more efficient approach is to utilize the network-based structure of communications on the Internet to understand how people gain insights, select products and services and solve problems. To achieve this, it is necessary to analyze the structure of communications and the relationships between individual contributions.

Develop a new analysis method

A current cooperation project between the GfK Verein, Sensemetric in Vienna and Vienna University involves the development of a method and software that register references in blogs and tweets to other contributions and analyze the impact of individual contributions on the overall discussion. This happens across various services and platforms, making it possible to trace how an intense discussion on Twitter about the statements of a dissatisfied consumer, which was started by one or two contributors, is then continued in blogs or on

Facebook and may eventually also end up in the traditional media. Network analysis methods and modern visualization methods are used to evaluate the findings.

This approach has facilitated online research into the dynamics of discussions for the first time. For marketing, this provides the opportunity of identifying relevant players and developing suitable strategies for optimum participation in consumer communications. The research project was launched in autumn 2012 and a cooperation period of two years has been agreed. •

AT A GLANCE

TANEP – TOWARDS AN ANALYTICS OF NETWORKED PUBLICS

PROJECT DESCRIPTION

Analysis tool for
online communication channels

PROJECT LAUNCH

2012

COOPERATION PARTNER

Sensemetric, Vienna;
University of Vienna

WHO ARE EUROPEAN AND GLOBAL CONSUMERS? THE GfK VEREIN USES ITS STUDIES TO DETERMINE TRENDS IN SOCIETY, ECONOMICS AND POLITICS, AS WELL AS HOW THESE IMPACT ON CONSUMERS. IT ALSO ANALYZES TOPICAL MATTERS SUCH AS THE WORK-LIFE BALANCE IN GERMANY.

LIFE & WORK IN GERMANY: IS EVERYTHING OK?

The price people pay to have a successful career and balanced family life is often high. According to findings of the representative "Life & Work in Germany" study of the GfK Verein and Financial Times Deutschland, fitting in work and children is a challenging balancing act. To date, this is the most comprehensive scientific survey in Germany regarding the work-life balance.

More than half of the working population with children complained about a lot of work pressure, with the majority regularly facing health problems and many having to abandon the idea of advancing to the next stage in their career. However, some people succeed in achieving a good balance between work and family. The work-life balance winners usually earn well, are educated and work well as a team in their relationship. These were some of the findings of the representative basic research study, as part of which 2,655 workers were questioned in April and May 2012.

Of those achieving a healthy work-life balance, 76 % stated that they find it easy to combine having a job and children. They are far less stressed by their work than the average respondent. At the same time, they want to advance in their careers, but not at all costs. Three in ten would rather abandon the next career stage if it meant that they would have more time to spend with their family. At 44 %, only the group of family-oriented people surpasses this ratio. However, only

8 % of those who manage to combine their job with having a family would be prepared to give up their job completely for their family's sake, whereas 50 % in the family-oriented group would do this.

Work pressure with and without kids

The survey also revealed that although having to combine family life with a job is exhausting, focusing only on a career does not make people happy. In the group of career-minded people, only 41 % stated that they were happy in their job. At 40 %, the corresponding figure for the family-oriented group was only marginally lower. Conversely, only around one in five in this group believe that they do not have enough time for their family, whereas in the career-minded group this applied to almost twice as many respondents. In addition, 72 % of the career-minded group described work pressure as often being extreme. The percentage of this group who complained about health problems was the same as in the family-oriented group. It seems that children and career take an equal toll.



IT ALL DEPENDS ON THE TYPE OF PERSON

CAREER-MINDED GROUP

MOSTLY MEN WHO WORK A LOT AND ARE HIGH EARNERS. ON AVERAGE, THEY HAVE CHILDREN. JOB AND CAREER COME FIRST FOR THEM.

23%

GROUP OF INDEPENDENT INDIVIDUALS

THIS GROUP MAINLY COMPRISES SINGLE AND SELF-EMPLOYED PEOPLE, MOSTLY MEN. THEY EARN WELL AND NOT MANY HAVE CHILDREN. CAREER IS AS IMPORTANT TO THEM AS LEISURE TIME AND FRIEND.

24%

GROUP WHO COMBINE JOB AND FAMILY

THIS – THE YOUNGEST – GROUP COMPRISES AN EQUAL NUMBER OF MEN AND WOMEN. ON AVERAGE, THEY OFTEN HAVE CHILDREN AND ARE DETERMINED TO SUCCEED IN THEIR CAREER WHILE DEDICATING ENOUGH TIME TO THEIR CHILDREN. THEIR RECIPE FOR SUCCESS IS TEAMWORK AT HOME AND THE NECESSARY INCOME.

30%

FAMILY-ORIENTED GROUP

THIS GROUP MAINLY COMPRISES WOMEN, MANY WITH BASIC SCHOOLING AND MANY ON A LOW INCOME BECAUSE THEY WORK PART-TIME. PEOPLE IN THIS GROUP HAVE THE HIGHEST NUMBER OF CHILDREN. FAMILY IS MORE IMPORTANT TO THEM THAN A CAREER OR HAVING TIME TO THEMSELVES.

23%

Trade-offs in favor of a career

Overall, most Germans would be prepared to cut back on family and leisure time for the sake of their career. Just over two thirds indicate that they accept a lot, provided that they are remunerated accordingly. Almost half focus 100 % on their job and fit their leisure activities in around it. And nearly as many give precedence to work over other aspects of their lives if that enables them to advance in their career. Almost a third would give up hobbies for their job and a considerable 18 % would sacrifice having (more) children if it helped their career. The same number is also prepared to neglect friendships, with a further 10 % risking their health if work demands it.

An increasing number of companies are exploring ways of supporting their employees' work-life balance. The most successful measures have been working time accounts, flexitime and part-time work. Workers questioned in the survey would like to make greater use of these options in future. •

AT A GLANCE

LIFE & WORK IN GERMANY 2012

DESCRIPTION OF THE STUDY

New, and the most comprehensive scientific research on the work-life balance in Germany to date

STUDY CARRIED OUT IN

2012

COOPERATION PARTNER

Financial Times Deutschland

CHALLENGES OF EUROPE

Concerns about unemployment at an all-time low

Although Germans are relatively well off compared with other European countries, they remain in top spot when it comes to worrying. Every German citizen indicated an average of 2.5 problems that currently need to be solved in the country. In Europe overall, the average in terms of the concerns named was as low as 2.0 challenges. This is one of the results of the Challenges of Europe 2013 study, which is based on approximately 13,300 consumer interviews. They were conducted on behalf of the GfK Verein in 11 European countries and additionally in Ireland – in view of the ongoing euro crisis – in February 2013. As in every year, Europeans were asked: “In your opinion, which are the most important challenges that currently need to be solved in [relevant country]?”

At 32 %, unemployment remains at the top of the list of concerns in Germany. However, the figure was down by two percentage points compared with the previous year. This means that concerns about unemployment are at the lowest level since survey records for the whole of Germany began in 1990. There is a marked gap between East and West Germany, with only 28 % in the West German federal states being concerned about the job market while this figure is 44 % in East Germany. Fears about inflation, second highest in the list of concerns, are also far more widespread among citizens in East Germany at 38 % than in West Germany (26 %). The ongoing financial and debt crisis means that concerns about inflation have solidified again in Germany as a whole, with the share of those worried about this challenge rising by three percentage points to 29 % in the course of the year.

In Europe overall, unemployment is also top on the list of concerns – down by a minimal one percentage point on 2012. In ten of the countries analyzed, this is the number one challenge. At 72 %, unemployment is the most urgent problem that needs to be resolved in Spain, closely followed by France at 69 %. Only in Russia and the Netherlands do other challenges rank in first place with inflation and economic stability respectively.

Concerns about the development of prices and purchasing power are in second place for Europe as a whole. One in five Europeans is unsettled – this represents a slight decrease compared with the previous year. Nevertheless, citizens in Russia and Germany expressed particular concern about the stability of their respective currencies. New among Europeans’ top 10 concerns this year is corruption. The Spanish are mainly responsible for this development. Their share of people anxious about corruption rocketed within one year, from 4 % to 27 %.

In view of the continuing financial and economic crisis, Ireland was included in the survey for the first time this year. Two thirds of the Irish population believes that action is required in respect of issues which are directly linked to the economic crisis. The main concerns all relate to the job market, with one in four stating that more should be done to secure and increase the number of jobs, and a further 20 % of the Irish population expressing anxiety due to the level of unemployment. Concern about the economic development is ranked in third place, mentioned by 18 % of Irish respondents. •

AT A GLANCE

CHALLENGES OF EUROPE

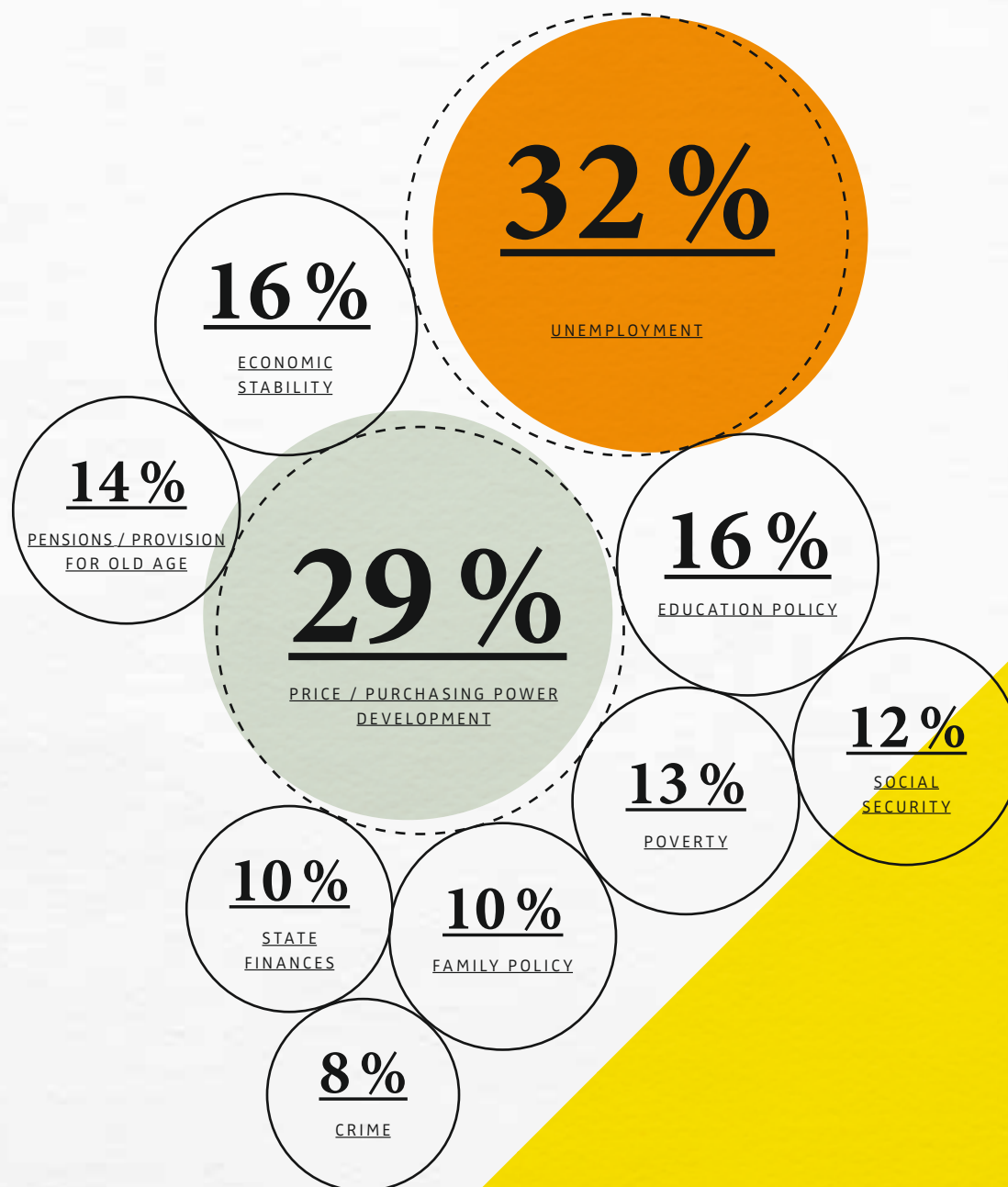
DESCRIPTION OF THE STUDY

International survey of 12 countries on the major issues to be resolved in the countries concerned

SURVEY START

2001

TOP CONCERNS
IN GERMANY IN 2013



GLOBAL TRUST REPORT 2013

WHOM DOES THE WORLD TRUST

The GfK Verein carried out a trust survey, asking which sectors of the economy and institutions are most and which least trusted. At international level, the military and armed forces are the most trusted while political parties bring up the rear in the trust rankings.

For the GfK Verein's Global Trust Report, a total of 28,000 consumers in 25 countries rated the level of trust they place in 12 different institutions and 11 sectors of the economy. In Germany, trust levels remained virtually unchanged on the previous year with few exceptions: With regard to institutions, the police received the highest approval rating at 81 % and the justice system came in second place at 65 %. Political parties were at the bottom of the list again, with only one in six stating that they trust them. However, an international comparison confirms that political parties in Germany are ranked somewhere in the middle. The German government was the only institution to achieve a higher trust score than before. Although at 34 % it is ranked in the lower third, it gained five percentage points compared with the previous year's survey.

On the international trust scale, the military and armed forces ranked highest with a value of 79 % across all 25 countries. Religious institutions came in second place with 66 %. At the bottom of the international list were political parties – similar to what was the case in almost all of the countries surveyed. On average, they achieve a trust rating of only 18 %.

Mistrust in the financial sector persists

Among sectors in Germany, a clear winner emerged: the retail sector. A total of 87 % of German citizens trust this sector, putting it in top spot once again. Consumer electronics and domestic appliances manufacturers came in second place (78 %), followed by car manufacturers (71 %). Banks and insurance companies ranked lowest at 29 % and the level of trust placed in them was down by 7 percentage points on the previous year.

Across all countries, manufacturers of consumer electronics and domestic appliances top the trust ranking with just

under 74 %, closely followed by retailers (69 %). The relatively low level of trust placed in the financial sector unites consumers across the globe. Banks and insurance companies achieved a trust level of 62 % and came three places from the bottom in the rankings. Only Telecom and Internet service providers and airlines came out worse at international level, scoring 60 % each.

Euro in nosedive

As part of the GfK Global Trust Report 2013, the GfK Verein also asked people about how much they trust their local currency. In many cases, the strength of faith in the local currency exceeds the level of trust in the reliability of institutions such as the police or military. This is, for example, the case in Canada (trust rating: 91 %), Switzerland (90 %) and Sweden (87 %). Across all nations surveyed, almost 65 % of respondents said that they trust their currency. However, in the seven Eurozone countries included in the survey, an average figure of 39 % was recorded. However, the Belgians and the Dutch are exceptions, with each nation recording trust ratings of well over 50 %. Among the most doubtful when it comes to the euro are the Italians (trust rating: 30 %), the Spanish (35 %) and the Germans (38 %).

AT A GLANCE

GfK GLOBAL TRUST REPORT 2013

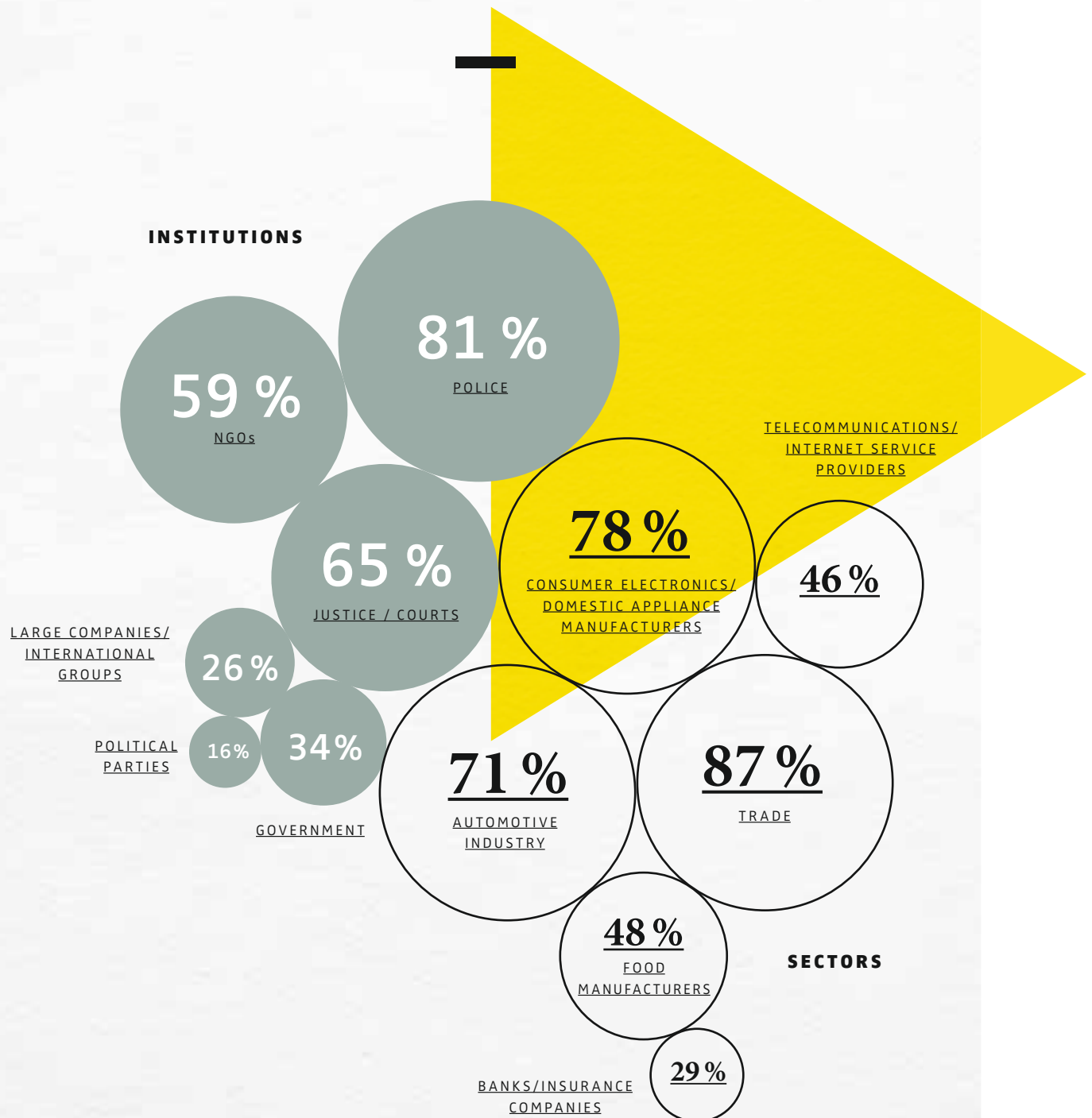
DESCRIPTION OF THE STUDY

Annual international survey conducted in 25 countries on trust placed in institutions and sectors of the economy

STUDY CARRIED OUT

since 2001

GERMANS TRUST



Source: GfK Verein, GfK Global Trust Report 2013

OTHER SURVEYS:

BRIEF OVERVIEW

GfK Consumption Trend Sensor 2012

Just under 50 % of German consumers do not feel that they have been particularly financially affected by inflation and the weak economy. Consequently, they are generally managing quite well. One in three respondents even stated that they are not short of cash. The GfK Consumption Trend Sensor 2012 highlights that Germans are far more satisfied with their financial circumstances than the average for Europe. This survey was conducted in nine European countries. •

Lifeworlds in Europe

The structure of the consumer base varies substantially between Madrid and Moscow. This is evident from the latest GfK Verein study conducted together with the Berlin Institute for Population and Development. Purchasing power is strongest in Northern and Western Europe. However, Eastern Europe is closing the gap on these regions. Population figures are rising in Western Europe while at the same time declining in Eastern Europe. Nevertheless, all nations face the same demographic change. In future, there will be more old people everywhere. The UK is currently experiencing a parallel rise in the average age of the working population and families. At the same time, the high income group is particularly large in the UK compared with other countries. This also applies in France and Austria. •

AT A GLANCE

GfK CONSUMPTION TREND SENSOR 2012

DESCRIPTION OF THE STUDY

Bi-annual survey of the
basic trends in private consumption in
nine European countries

STUDY CARRIED OUT IN

2012

AT A GLANCE

LIFEWORLDS IN EUROPE

DESCRIPTION OF THE STUDY

Analysis of the population in eight European countries
and their regions according to life stage and
social class as well as demographic and economic
developments for the purposes of predicting
future consumer structures

STUDY CARRIED OUT IN

2012

COOPERATION PARTNER

Berlin Institute for Population and Development

THE EURO

MORE PRIVATE SAVERS
IN THE EUROZONE ARE IN FAVOR OF
KEEPING THE SINGLE CURRENCY
THAN A YEAR AGO.

65%

OF GERMANS SURVEYED,

75%

OF ITALIANS AND

80%

OF DUTCH

SAID THAT THEY WANT TO KEEP
THE EURO RATHER THAN RETURN TO THEIR
PREVIOUS NATIONAL CURRENCIES.

Source: GfK Verein, GfK Investment Barometer 2013

FINANCE

WILLINGNESS TO INVEST IN STOCKS
AND SHARES IS COMPARATIVELY LOW IN GERMANY.
WOMEN ARE THE MOST CAUTIOUS GROUP
IN THIS RESPECT.

JUST UNDER

7%

OF 30 TO 49-YEAR-OLD
FEMALE PRIVATE SAVERS HAVE HOLDINGS
OF STOCKS AND SHARES.
CONVERSELY, THIS APPLIES TO JUST OVER

12%

OF MALE PRIVATE SAVERS.

Source: GfK Verein, GfK Investment Barometer 2013

GfK Investment Barometer – focus on the euro

Good news for the euro, given that more savers and private investors than a year ago are in favor of keeping the single currency. These were the findings of the GfK Investment Barometer 2013. As part of this international survey, the GfK Verein regularly questions people in ten European countries and the USA who have personal provisions, save and make other investments. Compared with the previous year, people in almost all of the Eurozone countries are more favorably disposed towards the euro than in the previous year, with the exception of Greece. Nonetheless, the majority of respondents fear that prices could rise by more than 2 % p.a.

GfK Investment Barometer – focus on finance

Savers and investors in Germany are particularly suspicious of personal provisions. In excess of 50 % trust neither state nor private pensions. Conversely, in the USA, pensions-related trust towards banks is above-average at 56 %. In addition to the differences which are evident in the views and behavior of private individuals who save and invest in the various countries, income and gender play an important role. For example, women tend to shy away from investing in stocks and shares and high earners are more likely to have a private pension plan.

AT A GLANCE**GfK INVESTMENT BAROMETER****DESCRIPTION OF THE STUDY**

Survey on the attitudes and behavior
of private financial decision-makers
in Europe and the USA

STUDY CARRIED OUT

at the end of 2012

COOPERATION PARTNER 2013

Manager Magazin



FIVE LIONS

**TUNISIA
MOROCCO
EGYPT
GHANA
SOUTH AFRICA**



Five lions poised to leap?

Not just one but five African lions may be on the verge of following in the footsteps of the four Asian tigers. South Africa, Ghana and Morocco as well as Egypt and Tunisia are all countries of which much is expected, despite the political changes some of them have recently seen. This is evident from the Africa Study conducted by GfK Verein / the Berlin Institute. These countries have achieved impressive economic growth rates in the past few years, offer good living conditions by African standards and provide the best opportunity in terms of a demographic dividend based on their population structure. The qualitative part of the study focuses on the detailed analysis of five countries – including Kenya and Nigeria alongside South Africa, Ghana and Egypt. A quantitative assessment of 50 African countries supplements the qualitative survey. •

AT A GLANCE

FIVE LIONS POISED TO LEAP?

DESCRIPTION OF THE STUDY

Analysis of the economic and demographic potential of emerging markets in Africa

STUDY CARRIED OUT IN

2012

COOPERATION PARTNER

Berlin Institute for Population and Development

PREVIEW: 2013 SURVEYS

GfK Global Green Index 2013

This long-term survey is jointly carried out by GfK SE's Energy & Environment department and the GfK Verein. The Global Green Index comprises seven aspects – consumption and production, energy in homes, energy supply, waste and recycling, mobility, tourism and personal commitment to environmental protection. The quarterly survey waves are based on around 2,000 face-to-face interviews conducted in private households in Germany. In summer 2013, data for the GfK Global Green Index will be collected in 13 countries for the first time.

-

Types of households – structure and changes

In addition to financial resources, private consumption is largely based on the structure of households in a community, the way in which people cohabit and manage their disposable income. This survey by the Berlin Institute for Population and Development is commissioned by the GfK Verein to analyze the structure and dynamics of private households in different countries in relation to their demographic and economic development stage as well as their cultural and religious values.

-

GfK Global Trust Report 2014

The GfK Global Trust Report has been published every year since 2011. It examines the trust placed in institutions and industries. The 2014 survey will investigate the trust people from 25 countries worldwide place in approximately 25 selected occupations.

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OUR SUBJECTS:

- 42 /// Training
- 50 /// Publications
- 56 /// Events

PASSING ON *KNOW- LEDGE*

The GfK Verein's mission is to promote the education and training of market researchers and translate the knowledge obtained from research into practical application. The remit includes cooperating with universities, establishing and maintaining the GfK Chair and the GfK Academy, publishing the GfK Edition Marktforschung book series as well as the GfK Compact information service and the GfK Marketing Intelligence Review magazine.

AFRICA: PAVING THE WAY FOR EXPERTS



Up to now, finding a course in market research at an African university has been virtually impossible. However, this is all changing now that GfK Verein, GfK SE and Deutsche Investitions- und Entwicklungsgesellschaft mbH (German Investment Corporation, DEG) are setting up study programs at four selected African universities to train market researchers.

It is certainly a challenging but worthwhile task. GfK Verein laid the foundations for professional market research in Africa by launching a large-scale pilot project in October 2010. Phyllis Macfarlane, Chairman and former Managing Director of GfK NOP UK, is currently spending much of her time in Africa, heading the activities locally on behalf of GfK SE.

GfK Verein and its partners are helping African universities in Nigeria, Ghana, Kenya and South Africa to establish market research courses which will ultimately turn out qualified market researchers. The initial "Train-the-Trainer" workshops were held at the University of Pretoria from 22 January to 3 February 2012. 17 young lecturers from the four partner colleges participated, and some of the experienced professors attended and contributed to specific individual modules. The initial courses, enabling students to broaden their knowledge of research design, analytics and statistics were introduced in Spring 2012. As Phyllis Macfarlane says: "The fact that all the universities involved in the project are now running market research graduate programs is a real milestone."

Country-specific training

The courses vary from country to country, reflecting the different Universities' expertise. Since October 2012, the University of Nairobi has been offering a specialized four-semester module in market research as part of its Marketing Master's degree. GfK has been giving students access to its expertise on a regular basis and to this end, Nick Moon (GfK NOP), John Muthee and Patricia Githua (both from GfK Kenya) and Phyllis Macfarlane have all delivered seminars locally.

A course culminating in a recognized market research qualification was introduced by the School of Media and Communication, part of the Pan-African University in Nigeria, in Spring 2012. The first year intake yielded 26 successful graduates and places have already been awarded for the second year. The modules on Statistics and Consumer and Retail Panels are taught by GfK Verein and GfK SE staff. Four of the best students from the program were offered international work experience placements at GfK SE in Denmark, Austria and the UK.

In South Africa, the first certified Business and Marketing Research program was launched in April 2013 at the University of Pretoria. The course, which is split into six two-day modules, provides 20 students per year with detailed knowledge on how to process quantitative data and use qualitative research methods. Guest Lecturers from GfK Germany and GfK South Africa teach courses in International and Advanced Questionnaire Design and Statistics. Two short seminars focusing on questionnaire design took place in the second half of 2012 as an introduction to the topic.

It has been somewhat more difficult to obtain approval from the Ghanaian education authorities. As an interim measure, a certified higher education program was launched in May 2013, pending approval of a Master's course in market research, which is expected in June 2013.

The training has been extremely popular with future market researchers in every country. Macfarlane enthuses: "Up until now, plans like these have always faltered due to a shortage of resources. However, thanks to support from GfK, higher education in Market Research has been able to make real progress on the African continent."

Strong practical focus

Market research academies for training interviewers are also being launched in tandem with the university graduate programs. At these, local professionals can learn about interviewing and data capture techniques. In partnership with Evolution Africa, GfK plans to launch the first training sessions in Kenya in July 2013. Participants will examine survey methodologies, hone their interviewing skills, design questionnaires and carry out quality controls. Similar programs will soon be launched in the other countries.

For the conclusion of its multi-year pilot project, GfK Verein is planning a concerted action for 2014: alumni from the universities and academies will collect basic data on their respective countries and consumers. As yet, there is no comprehensive picture of African consumers, and this will enable one to take shape. As Phyllis Macfarlane explains, "the universities in Africa are innovative and entrepreneurial, but sometimes lack the resources to take action. The greatest challenge for us is to make sure the program is sustainable and that it benefits African and international market research both now and in the future. After all, sound market knowledge is critical for business success everywhere – but here, in particular, it is indispensable, because Africa is so different from the rest of the world."

However, it is not just in Africa that GfK Verein is looking to fill the gaps in market research skills. Based on the positive results of these projects, GfK Verein has decided to push forward with the international expansion of its university cooperation. The next focus is on China, where a similar program for the education and training of market researchers will be established. Andreas Neus, who has been leading this new division of GfK Verein since April 2013, is responsible for the further global expansion of the collaboration program. •

AT A GLANCE

PROMOTING MARKET RESEARCH IN AFRICA

PROJECT DESCRIPTION

Market research training for professors, staff and students at universities in Ghana, Kenya, Nigeria and South Africa

PROJECT LAUNCH

2010

DURATION OF PROJECT

until 2014

COOPERATIVE PARTNERS

Deutsche Investitions- und
Entwicklungsgesellschaft mbH
(German Investment Corporation, DEG);
GfK SE



GfK ACADEMY: KNOWLEDGE AND INSPIRATION

The secret of successful brands in theory and practice – Marketing Professor Kevin Lane Keller lectures at the GfK Academy in strategic brand management. He is one of a team of high-caliber international lecturers who teach at the Academy. Today, the outstanding quality of the GfK Academy's seminars attracts around 120 marketing managers from all over Europe each year.

Experts agree on one thing: brands determine the value of companies. In the digital age of social media, this represents a greater challenge than ever for marketing managers. They need to create brand values and a unique brand offering that is relevant. To achieve this, every brand needs its mantra – no longer than three to five words. These few words must reflect the essence of the brand. Kevin Lane Keller highlights the importance of this for successful brand management. He is Marketing Professor at the Tuck School of Business and lectures at the GfK Academy. His seminar on Strategic Brand Management this year took place in Mainz from 13 to 15 March 2013 and was attended by 19 participants from eight countries. He explained what successful brands do better than others. The seminar participants were a lively mix of people, who work in the financial sector, for food manufacturers, in cosmetics concerns and consulting firms. What they all had in common is that they are experienced brand and marketing experts. Regardless of whether they work in Russia, Serbia, Sweden or Germany, the challenges they face are very similar and include the following questions: What makes a brand successful? How can a brand profile and communicate its strengths? What are the new rules in changing markets?

Learn from others

Alongside theoretical knowledge, Kevin Keller particularly conveys practical aspects in his seminar. Using case studies, he explains how companies have successfully built their brands. He includes concrete advice, for example regarding brand development in times of economic difficulties and presents guiding principles that can be used, for instance, in appropriate brand positioning. Kevin Keller also provides participants with checklists and toolkits.

With this combination, Kevin Keller meets participants' expectations. Damian Selzer, Senior Product Manager at Schwartau, stated: "I want to sharpen my understanding of the topic and also obtain relevant tools which I can use in my day-to-day

work." This was the first time he had attended a GfK Academy seminar. Damian explained his choice saying, "GfK has a very good reputation and stands for quality. And Kevin Keller is a highly respected Professor of Marketing. It was also very interesting to me that participants from well-known companies were attending the seminar – it creates an inspiring environment in which everyone learns from one another."

Convincing diversity

Strategic Brand Management is one of six seminars which the GfK Academy offers every year. The spectrum of topics covered ranges from marketing strategy to pricing and innovation management. The response has been excellent and all seminars are fully booked very quickly. Since its establishment in Autumn 2005, the GfK Academy has attracted around 600 participants from 283 companies in various countries. Most participants are managers in marketing. Internationality is another particular feature of the Academy, with 60 % of participants arriving from non German-speaking countries in Europe.

Participants often return after their first seminar: almost 60 participants had completed two or more seminars at the GfK Academy by October 2012. One of them is Manuela Stamatovic, Marketing Director at Erste Bank Serbia. Strategic Brand Management was the third seminar she had attended. According to Manuela, "Once you have attended a course at the GfK Academy, the bar is set very high. The level and quality of courses and course instructors is really excellent." The fact that participants are international, and there is a creative exchange among them, also convinced her. "I return home with positive impetus and have recommended the GfK Academy to several colleagues and acquaintances." For Manuela Stamatovic, above all, the seminars optimally supplement existing practical knowledge. After the latest seminar she attended, she was once again full of praise: "I had already gained some new ideas for my own work by the end of the first day."

GfK ACADEMY 2012 SEMINARS

STRATEGIC PRICING MANAGEMENT

FROM MYSTERY TO ART AND SCIENCE

COURSE DIRECTOR

Marco Bertini, Ph.D



MARKETING STRATEGY

TURNING CONSUMER INSIGHTS INTO SUCCESSFUL MARKETING STRATEGIES

COURSE DIRECTOR

Sunil Gupta, Ph.D.



MARKETING COMMUNICATION IN A DIGITAL WORLD

NEW STRATEGIES BEYOND SOCIAL MEDIA

COURSE DIRECTOR

Donna L. Hoffman, Ph.D.
Thomas P. Novak, Ph.D.



AT A GLANCE

GfK ACADEMY

DESCRIPTION

Seminars for market researchers and marketing experts with respected contributors from all relevant areas of marketing

ESTABLISHED IN

2005

STRATEGIC BRAND MANAGEMENT

CREATING POWERFUL BRANDS IN A NEW MARKETING WORLD

COURSE DIRECTOR

Kevin Lane Keller, Ph.D.



INNOVATION MANAGEMENT

USING CONSUMER INSIGHTS TO DRIVE GROWTH THROUGH INNOVATION

COURSE DIRECTOR

Srinivas K. Reddy, Ph.D.
Barry L. Bayus, Ph.D.



MARKETING PERFORMANCE

MEASURING AND IMPROVING RETURN ON MARKETING INVESTMENT

COURSE DIRECTOR

Koen H. Pauwels, Ph.D.



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THE PEOPLE WHO ATTEND
OUR SEMINARS DON'T
JUST WANT TO HEAR A BUNCH
OF NICE STORIES.

THEY ALSO WANT TO GET
SOME TOOLS THAT
THEY CAN USE AND HELPFUL
HINTS.

«



INTERVIEW: TOOLS FOR A NEW BRAND WORLD

Kevin Lane Keller is Marketing Professor at the Tuck School of Business, Dartmouth College. He also advises major companies on brand management-related matters. At the GfK Academy, he leads the Strategic Brand Management – Creating Powerful Brands in a New Marketing World seminar. In this interview, Kevin Lane Keller explains why teaching at the GfK Academy is a special experience for him and comments on the challenges brand managers will face in future.

When did you start teaching at the GfK Academy? What was your reason for joining the GfK Academy?

KEVIN LANE KELLER: I am teaching this course for the sixth time now. It has always been very popular and I have always really enjoyed teaching it. One reason might be that it is rare to find three-day courses. This format provides the chance to explore topics in-depth, do case studies and be more interactive. Also, 20 participants is the optimal size for a seminar like this. It gives you a chance to get to know people a little bit and to get to know what they are doing. The third reason is that students are from all parts of Europe. Moreover, they work in interesting companies and all come to learn. That creates a really nice atmosphere. To me, this is really an ideal teaching situation.

From your point of view, what makes the GfK Academy so special?

KEVIN LANE KELLER: When I first heard about GfK Academy I thought it was a really smart thing to do for an organization like the GfK. I was especially impressed by the caliber of highly-respected experts who teach there.

How much theory and how much practical experience do the participants get?

KEVIN LANE KELLER: When you go away on a program like this you don't just want to hear a bunch of stories. You want to get some tools that you can use as well. So, I give some theoretical background and philosophy about brands.

But I also give a lot of tools and guidelines and try to apply the theory in case studies. And then there is the brand challenge exercise which we added last year. Everybody brings a brand challenge from their daily work and they discuss it in groups.

"New Marketing World" is one part of the seminar's title – what is new in the world of marketing?

KEVIN LANE KELLER: There are three main trends in my opinion. The first is technology and the way it empowers consumers because they get more information. But it also empowers companies, because they know more about consumers. The second is globalization. It has a lot of different issues like developing versus developed markets, or the growing cultural diversity in countries like the US or in Europe. The third changing force for me is social responsibility. Especially younger people expect companies to do the right thing as far as the environment, communities or social causes are concerned. These three trends are going to stay for a while and really change markets.

How do these trends influence brand management?

KEVIN LANE KELLER: These developments have a big impact on brand building. Globalization for example is an opportunity to access more markets. You can build your brand in ways you could not years ago. To me that is exciting, even if it can be challenging, too. Competition is more intense and it can be harder to understand consumers. In the seminar I reflect upon these changes through class discussions. •

PROFICIENT IN THEORY AND PRACTICE

The GfK Chair for Marketing Intelligence was established at Friedrich-Alexander-University Erlangen-Nuremberg, in 2007. The Master's degree course in Marketing is based on theory and, at the same time, delivers relevant practical experience. Respected contributors from science and trade and industry provide students with training on strategic and operating aspects as well as methods used in marketing. Another focus of the Chair includes research projects on a wide range of market research topics.

The Master's degree course in Marketing at Friedrich-Alexander-University Erlangen-Nuremberg received almost 700 applications for the 2012/13 winter semester. This represented another significant increase in the number of applicants compared with the previous year. At present, approximately 180 students are enrolled. The course offers interdisciplinary content and conveys market research skills while also focusing on marketing management. Students particularly value the practice-based knowledge transfer. For example, in his capacity as honorary professor, Professor Dr. Raimund Wildner, Managing Director and Vice President of the GfK Verein, lectures on data collection and data analysis. Professor Dr. Klaus Wübbenhorst, former CEO of GfK SE, and Professor Dr. Thomas Ruf, former Managing Director at GfK Retail and Technology GmbH, are also involved as honorary professors and lecturers. They are joined in Nuremberg by internationally respected scientists, including Professor Dr. Wayne D. Hoyer from the University of Texas, Austin, USA, who has led an event on consumer behavior and a Ph.D. seminar as part of the Master's degree course. In addition, numerous guest speakers are invited. Past guest speakers have included Dr. Hubertine Underberg-Ruder, President of the Underberg Group, and representatives from other major conglomerates such as Procter & Gamble and Siemens.

Research with international partners

The GfK Chair for Marketing Intelligence has advanced various research projects with international cooperation partners. Last year, the following three projects were concluded:

Own labels and customer loyalty

Professor Dr. Nicole Koschate-Fischer and Dr. Johannes Cramer used GfK household panel data and a comprehensive customer survey to examine how the share of a retailer's own labels in a store's product range impacts on customers' loyalty to the retailer. The findings confirmed that a higher share of retailer labels increases loyalty. Retailers selling at a low price level benefit disproportionately from a high share of own labels. It also became evident that brand manufacturers can position themselves in contrast with retailers' own labels through targeted product management. For example, customers perceive a greater gap in quality and will buy fewer retailer labels the greater the intensity of advertising and innovation of manufacturer brands.

GfK CHAIR FOR MARKETING INTELLIGENCE



Life-changing events and customer loyalty

Do important events in people's lives, such as the birth of a child or changing jobs, affect brand loyalty? The evaluation of GfK panel data in combination with a survey involving a large sample has provided evidence that such events influence preferences and purchasing behavior. They even impact on relatively stable consumer features, such as price awareness and the propensity to buy new products. This project was conducted by Professor Koschate-Fischer and Dr. Jan Engling.

The price image of retailers

This project researched how the use of various price management tools impacts on retailers' price image. Professor Koschate-Fischer and Dr. Stefan Binder analyzed, in particular, special offers, price guarantees and competitor price comparisons. The latter have a significant impact on the price image of retailers. Conversely, special offers and price guarantees only reduce the perceived price level in respect of retailers whose prices are generally perceived as being low anyway. •

AT A GLANCE

GfK CHAIR FOR MARKETING INTELLIGENCE

DESCRIPTION

GfK Chair at Friedrich-Alexander-University Erlangen-Nuremberg, which focuses on market research, price management, product and innovation management, customer behavior and attitudes, and customer relationship management

ESTABLISHED IN

2007

GfK EDITION **MARKETINGFORSCHUNG**

The GfK Edition Marketingforschung (eng: GfK edition marketing research) is a series of books which the GfK Verein has been publishing since Autumn 2011. The books contain new scientific findings from the fields of marketing, market research and principally dissertations from the GfK Chair for Marketing Intelligence at Friedrich-Alexander University Erlangen-Nuremberg. Professor Dr. Nicole Koschate-Fischer is head of the Chair and editor of GfK Edition Marketingforschung, which currently comprises six volumes.

SIX VOLUMES HAVE
BEEN PUBLISHED TO DATE.
THREE OF THE SIX
AUTHORS WERE AWARDED
THE DOCTORAL PRIZE BY THE
HERMANN GUTMANN FOUNDATION.

ORDERS CAN BE PLACED ON
AMAZON OR DIRECTLY WITH THE
GfK VEREIN BY CONTACTING
INFO@GfK-VEREIN.ORG

AT A GLANCE

GfK EDITION MARKETINGFORSCHUNG

PROJECT DESCRIPTION

Book series with new scientific findings from the fields of marketing and market research and principally dissertations from the GfK Chair for Marketing Intelligence

PROJECT LAUNCH

2011

THREE NEW VOLUMES
PUBLISHED IN AUTUMN 2012
AND EARLY SUMMER 2013



DR. JOHANNES CRAMER

Handelsmarken – Strategien für Einzelhändler und Markenartikelhersteller

(Trade names – strategies for retailers and brand manufacturers)

(ISBN 978-3-943332-03-2)



DR. JAN ENGLING

Lebensereignisse und Kundenloyalität – Eine dynamische Analyse direkter Effekte und mediiierender Wirkungen von psychografischen Konsumentencharakteristika

(Life-changing events and customer loyalty – a dynamic analysis of direct effects and mediating impacts of psychographic consumer characteristics)

(ISBN 978-3-943332-04-9)



DR. STEFAN BINDER

Der Einsatz von Preisinstrumenten und deren Auswirkungen auf das Preisimage von Handelsunternehmen und deren Wettbewerbern

(The use of pricing tools and their impacts on the price image of retailers and their competitors)

(ISBN 978-3-943332-05-6)

The fourth volume of the book series, published in October 2012, examines how consumer perception factors regarding specific product categories, the price level of retailers and consumers' price awareness impact on the correlation between retailer labels and loyalty to a business. The dissertation also highlights the means by which brand manufacturers are able to influence consumer perception of specific product categories and the impact this has on consumer behavior with regard to retailer labels. The author, Dr. Johannes Cramer, gained his Ph.D. at the GfK Chair for Marketing Intelligence, Friedrich-Alexander-University-Erlangen-Nuremberg.

The fifth volume in the series, published in June 2013, provides a dynamic analysis of the direct effects and mediating impacts of psychographic consumer characteristics. The dissertation highlights the extent to which life-changing events shape behavioral customer loyalty and describes the psychographic consumer characteristics which explain changes in loyalty. These insights enable companies to efficiently target the consumers concerned. The author is Dr. Jan Engling, Marketing Manager at GfK SE in Panel Services Advanced Business Solutions. Parallel to his work, he obtained a Ph.D. as external doctoral student of the GfK Chair for Marketing Intelligence at Friedrich-Alexander-University Erlangen-Nuremberg.

Also published in June 2013, the sixth volume in the series analyzes the impact of pricing tools, such as special offers, price guarantees and competitor price comparisons, on the price image of retailers. The analysis is based on three different experimental studies. This dissertation also explains the effect of selected influencing factors on the above correlation. The author, Dr. Stefan Binder, gained his Ph.D. at the GfK Chair for Marketing Intelligence at Friedrich-Alexander-University Erlangen-Nuremberg.

GfK COMPACT: HAS ITS FINGER ON THE PULSE

GfK Compact provides an exclusive insight into research. The GfK Verein information service examines a different FocusTopic every month. FocusTopics are short, exclusive articles from GfK's consumer research, which can be accessed online. Users can also subscribe to receive email alerts when a new contribution has been posted. Frequent FlashInterviews that relate to the FocusTopics are also published on GfK Compact. In these, members of the GfK Verein discuss the relevant topic with experts, giving their personal opinions. The Headlines provide an overview of the latest market research findings from the various GfK sectors. Background information, including official economic data, is available on GfK Compact under the general data tab.

AT A GLANCE

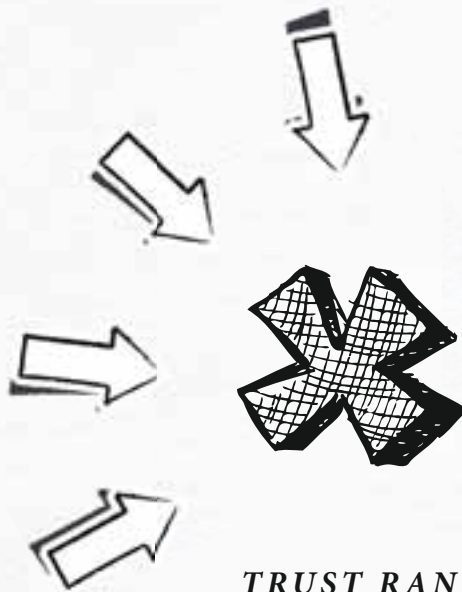
GfK COMPACT

PROJECT DESCRIPTION

Information service of the GfK Verein on current GfK market research findings

PROJECT LAUNCH

2009



GENDER CLICHÉS BRANDS

TRUST RANKING

SOCIAL NETWORKS

BEST
INTENTIONS

LIFE



WORK

RANKING OF CONCERNS

SUSTAINABILITY

HOLIDAYS

YOUNG & FLEXIBLE

BAN ON OLD-STYLE LIGHT BULBS

FAMILY

BEST INTENTIONS

STRUCTURES

VIRTUAL NETWORK

READ AND
SUBSCRIBE AT:
WWW.GfK-COMPACT.COM

RELAUNCH

GfK MIR: MODERN

AND PRACTICAL

The GfK Verein's marketing journal, GfK Marketing Intelligence (GfK MIR), presents academic publications based on a practical approach. Four years after its initial launch, the publication is gradually being relaunched. May 2013 saw the first GfK MIR issue with a new content concept.

Academic articles by the world's most respected marketing researchers are selected for the GfK Marketing Intelligence Review and edited for practical application. In the past, English articles were supplemented by a short summary in German. To determine whether this concept responds to the wishes and requirements of readers, group discussions were organized in Germany and the UK in June 2012. Managers from marketing and market research were invited along with members of the GfK Verein and GfK SE employees whose positions brought them into direct contact with customers.

Based on these discussions, some of the requested changes were implemented in the first 2013 issue of GfK MIR. As part of this "soft relaunch", the articles are published in abridged form and the wording has been even more closely aligned with practical use. The German summaries of articles are now published in a separate supplement for German-language readers. In addition, the type has been optimized to make the publication easier to read.

For 2014, further changes are planned that primarily relate to the content. Each future issue will relate entirely to one specific specialist subject of topical importance in marketing. The first of these topic-specific issues will discuss emotions. It is being prepared in cooperation with Professor Dr. Andrea Gröppel-Klein from Saarland University, who will act as chief editor for the issue. Andrea Gröppel-Klein is head of the Chair in Business Studies with a focus on Marketing and Director of the Institute of Consumer and

Behavioral Research. The future topic-based issues will each comprise an article which reflects on the state-of-the-art in the topical field. Alongside other articles relating to the relevant topic, there will also be one article that considers the relevance of the central topic for market research as a whole. To optimize the layout and scope of the GfK Marketing Intelligence Review, one German and one English issue will be published next year. •

AT A GLANCE

GfK MARKETING INTELLIGENCE REVIEW

PROJECT DESCRIPTION

Marketing journal containing edited articles from academic publications for practicing marketing decision-makers

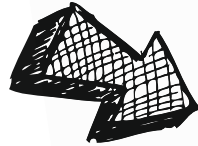
PROJECT LAUNCH

2009

PUBLICATION FREQUENCY

twice per year

MIR 01/2013



GfK CONFERENCE 2012

WHAT WILL THE BOOM IN SMARTPHONES & TABLETS DEVICES ENTAIL?

Mobile existence, communication and consumption: anything, anywhere and at anytime? The GfK Verein deliberately worded the title of the GfK Conference 2012 as a question. Many remain uncertain about the potential impact of an increasingly networked environment and the popularity of social networks on communication and consumption.

Mobile internet access, primarily using smartphones, has been a total sales success. More and more people are also sending and checking emails and surfing the Web on the go. However, this mobile networking trend has so far passed by whole sections of the population. In Germany, only just under a third of consumers are well connected when it comes to mobile devices. At international level there is also a clear gap, with four in ten European consumers not yet using the Internet on the go, as Robert Wucher, Division Manager Digital Technology, Consumer Experiences at GfK SE explained in his talk during the 2012 GfK Conference .

500 experts from marketing and market research gathered in Nuremberg's Exhibition Center on 29 June 2012. Three speakers shed light on the topic of mobility in their talks, considering its impact on our everyday lives and backing up their thoughts with current data and sound considerations.

Mobile does not equal mobile

Who are the people who want constant internet access everywhere and all the time? Right at the start of the conference, one widely believed but incorrect notion was cleared up: many believe that the level of use of the new communication channels usually depends on how much someone travels. However, Dr. Hans-Georg Niemeyer, Head of Group Market Research at DB Mobility Logistics AG and Herbert Lechner, Division Manager of GfK Mobility provided proof to the contrary. The group of users who are highly mobile and well connected at the same time is relatively small at 13%.

Mostly young people, students and young professionals on a high income as well as professionals in the top income group

can hardly imagine life without mobile internet access. Six in ten stated that losing their smartphone would be worse than losing their wallet. Robert Wucher explained that as well as ranking higher than the "analog" wallet, mobile devices have also replaced other tools previously used to organize day-to-day life. At the same time, people have a great need for privacy and security. According to Robert Wucher, these are aspects which e-commerce companies must respect if they want to succeed.

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THE NET AND IN
PARTICULAR SOCIAL MEDIA
ARE SETTING STANDARDS IN OUR
COMMUNITIES. ANYONE ATTEMPTING
TO CONTROL, CENSOR OR SUPPRESS
BECOMES A TARGET. CUSTOMERS
AND CONSUMERS EXPECT DIALOG.
THEY DON'T APPRECIATE
BEING BRUSHED OFF AND DEMAND
TO BE TAKEN SERIOUSLY

«

PROF. BERNHARD PÖRKSEN



GfK CONFERENCE 2013

A good online reputation

Another topic at the GfK Conference was the question of how organizations, brands and products should approach the mobile digital age. Bernhard Pörksen, Professor of Media Sciences at the University of Tübingen in Germany, introduced the conference delegates to new aspects of the increased networking among consumers. The good reputation of companies is constantly in jeopardy under the new communications and media conditions. According to Bernhard Pörksen, mobility no longer applies only to people who are continually on the move and access information at lightning speed wherever they are. "The materials themselves have also become highly mobile in this day and age." By this, he mainly means content. For example, negative reviews circulate on social networks faster than ever. For companies, this means that they need to develop new reputation management strategies, especially for a crisis scenario. In the age of social media "markets force dialog".

Ethnic target groups – untapped potential?

Almost 15 million people in Germany are migrants and most of them – approximately three million – come from Turkey, according to the German Office for National Statistics. Many companies only have a vague idea of how these people live, feel and consume. As a result, such intercultural target groups are often neglected in marketing. They are also often ignored in market research. The 2013 GfK Conference closes this gap. Based on the example of consumers of Turkish and Russian descent, differences from and common features with German consumers are highlighted when it comes to buying products and services.

Speakers include Dr. Reiner Klingholz, Director of the Berlin Institute for Population and Development, who will speak on the "Integration of migrants in Germany – at social, economic and cultural level". Ulrike Mühlbacher, Research Manager Technology, Consumer Experiences at GfK SE, will explain the differences between consumers with a Turkish, Russian and German background, for example when buying a car or phone. The current findings from GfK consumer panels will be presented by Dr. Robert Kecskes, Manager Strategic Customer Development, Consumer Panels, Consumer Experiences at GfK SE. His focus is on purchases of fast moving consumer goods by households in Germany of Turkish and Russian extraction.

AT A GLANCE

GfK CONFERENCE

PROJECT DESCRIPTION

Annual event
hosted by the GfK Verein
with lectures on a current topic in
marketing and market research
with around 500 delegates

PROJECT LAUNCH

1950

GfK VEREIN PRESENCE

The GfK Verein presents its work and has positioned itself as a think tank for market research at numerous congresses, conferences and meetings. As a member of various associations, the GfK Verein also contributes its market research expertise.

One of the GfK Verein's key tasks – as enshrined in the Articles of Association – is to promote market research. Consequently, it plays an active role in a number of trade associations and organizations. They include the Berufsverband Deutscher Markt- und Sozialforscher e. V. (BVM, trade association of German market and social researchers). At international level, the GfK Verein is a member of the Marketing Science Institute (MSI) and ESOMAR, the European Society for Opinion and Market Research. These two international organizations support the global exchange of marketing and market research knowledge.

The GfK Verein also promotes market research with selected sponsorship activities and through its presence at prestigious events. For example, the GfK Verein was a Gold sponsor again at this year's BVM Conference from 22 to 23 April 2013. Every year, 500 experts from marketing, market and media research meet in Berlin for the Conference. It is accompanied by a trade fair, where the GfK Verein was present with a stand, the BrainFood Bar. Conference delegates enjoyed refreshments and were given information about current research projects. They were also able to try out EMO Scan (cf. page 26). In addition, Professor Dr. Raimund Wildner was involved in a panel discussion on "The future of market research – searching for new paths and values".

At the Bayreuther Ökonomiekongress, which took place from 13 to 14 June 2013, the GfK Verein also participated again as a Gold sponsor. Professor Dr. Raimund Wildner, Managing Director of the GfK Verein, gave a talk on "The new market architecture – rethinking and managing brands and

markets". The GfK Verein had a stand at the accompanying trade fair for exhibitors and sponsors. With up to 1,400 delegates, the Bayreuther Ökonomiekongress is one of the biggest business conferences in Europe. •



THE BRAINFOOD BAR



A POPULAR MEETING POINT AT TRADE FAIRS AND CONFERENCES: THE GfK VEREIN'S BRAINFOOD BAR

The BrainFood Bar invites visitors to share experiences and information. For example, they experience GfK EMO Scan (cf. page 26) live on a monitor. Experts from the GfK Verein are on hand to discuss and explain any related matters. Healthy snacks and drinks keep stomachs happy. This year, the BrainFood Bar was redesigned. The eye-catching rear wall displays two heads which visualize the GfK Verein's understanding of its role as a market research think tank.



OUR SUBJECTS:

- 62 /// 2012 annual financial statements
- 66 /// Organization
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- 70 /// Executive Board
- 72 /// Articles of Association



TAKING *STOCK*



This section covers the balance sheet and the income statement of the GfK Verein for financial year 2012. A profile of Helga Haub, Honorary President of the GfK Verein, is also included in the section on the committees, their members and remit.

THE FIGURES: ANALYSIS AND NOTES



Every year, the GfK Verein prepares a balance sheet and an income statement. Below are some explanatory notes on the major items.

BALANCE SHEET ASSETS

// The financial assets comprise around 20.5 million shares in GfK SE, which the GfK Verein holds. The total asset value on the balance sheet amounting to € 34.8m derives from an on-balance sheet price per share of € 1.70. However, calculated at the price of € 38.59 as at 31 December 2012, the actual value of the shares on the key balance sheet date totalled € 788m. Consequently, this item includes a significant amount of hidden reserves.

// "Other assets" represent, in particular, the building at Schnieglinger Strasse 57 in Nuremberg, which is stated on the balance sheet at a value of € 156,000. The building is leased to Sparkasse Nürnberg (Nuremberg savings bank) and GfK SE. The office fixtures and fittings are shown at a value of € 169,000 on the balance sheet.

// Other assets primarily constitute a loan granted to GfK SE of € 11.3m and receivables from the tax office amounting to € 3.5m.

BALANCE SHEET LIABILITIES

// Equity increased by € 6.7m, an amount which corresponds to the profit for the year (see details below).

THE INCOME STATEMENT

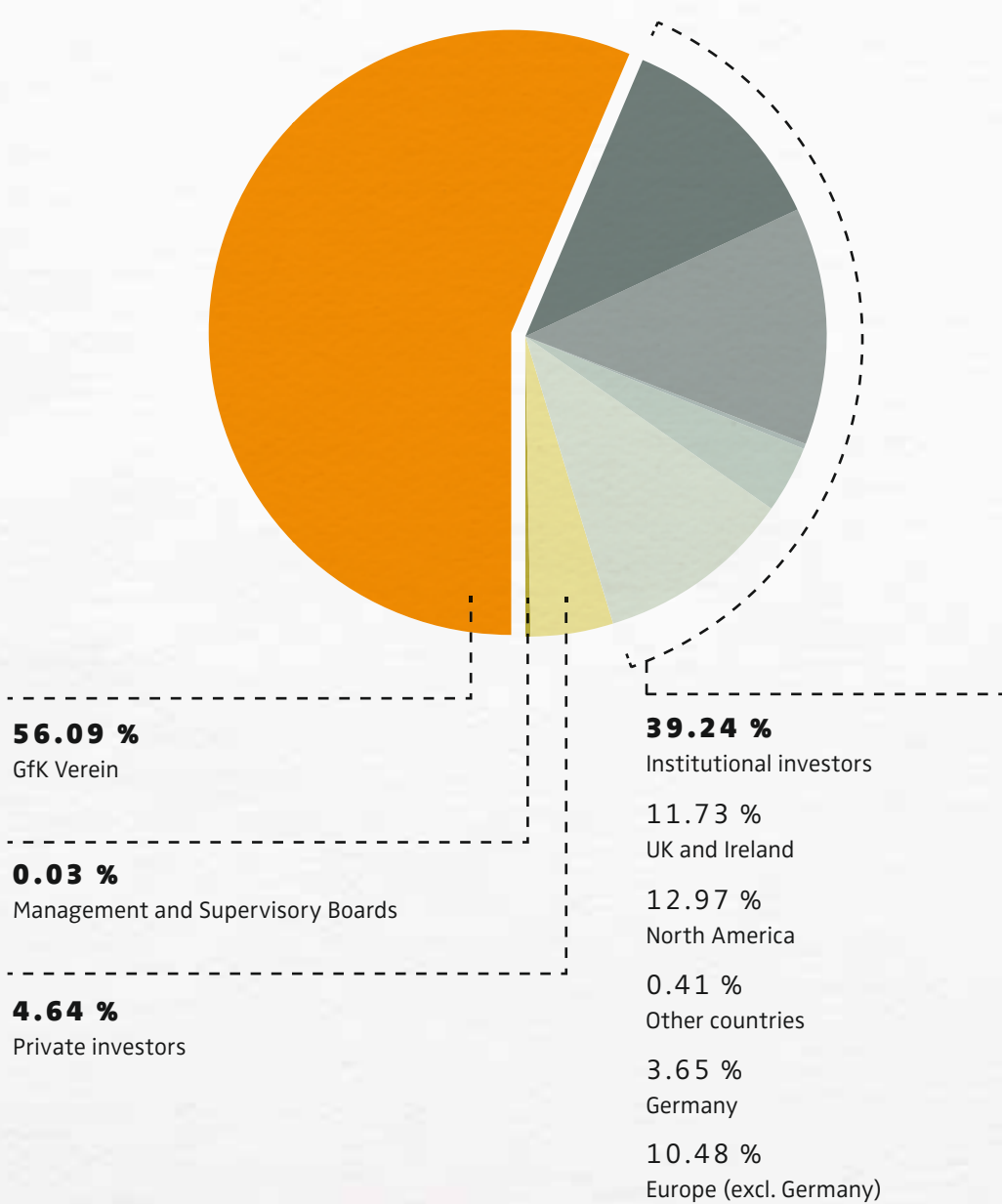
// Annual results were up by around € 3.4m from € 3.3m to € 6.7m. This was mainly attributable to two factors: firstly, GfK SE considerably increased the dividend, which produced a rise in financial results from € 9.9m to € 13.4m. Around 99 % of this increase was contingent on the GfK SE dividend. In addition, the results include interest received in respect of the loan granted to GfK SE.

// The proceeds from sales were mainly attributable to seminar bookings and services supplied by the GfK Verein, for example methodological consulting.

// Other proceeds comprise rental income from our building and, additionally for 2012, DEG (Entrepreneurial Development Cooperation) subsidies for our Africa project.

// Other operating expenses rose, predominantly as a result of the Africa project.

CORPORATE OWNERSHIP /
SHAREHOLDER STRUCTURE
OF GfK SE
%



2012 BALANCE SHEET

€'000	31.12.2011	31.12.2012
ASSETS		
FIXED ASSETS		
Intangible assets		
Industrial property rights acquired against payment and similar rights	1	–
Property, plant and equipment		
Land and buildings	186	156
Other equipment, fixtures, fittings and equipment	174	169
	360	325
Financial assets		
Investments	34,824	34,824
	35,185	35,149
CURRENT ASSETS		
Accounts receivable and other assets		
Trade receivables	79	36
Other assets	8,177	14,786
	8,256	14,822
Cash in hand, cash in banks	62	3
	8,318	14,825
ACCRUALS AND DEFERRED ITEMS	1	276
	43,504	50,250
LIABILITIES		
EQUITY		
Other retained earnings	40,984	47,695
PROVISIONS		
Pension provisions and similar obligations	727	696
Tax provisions	89	–
Other provisions	277	234
	1,093	930
LIABILITIES		
Liabilities to banks	1	1
Advance payments received	3	18
Trade payables	792	1,439
Other liabilities	631	167
of which for taxes	86	95
of which for social security	2	1
	1,427	1,625
	43,504	50,250

2012 INCOME STATEMENT

€'000	2011	2012
Sales	419	364
Membership fees	227	225
	646	589
Other operating income	246	465
of which from currency conversion	6	5
	892	1,054
Cost of goods and services purchased	- 3,721	- 3,560
Personnel expenses		
Wages and salaries	- 1,023	-1,103
Social security, pension and other benefit costs	- 247	- 245
of which for pensions	- 109	- 90
Write-downs of intangible assets, and property, plant and equipment	- 42	- 43
Other operating expenses	- 1,678	- 2,054
of which from currency conversion	- 6	- 16
Income from investments	9,828	13,309
Other interest and similar income	97	110
Interest and similar expenses	- 56	- 44
of which interest	- 38	- 38
Profit from ordinary activities	4,050	7,424
Taxes on income	- 20	- 59
Other taxes	- 725	- 654
Net income for the year	3,305	6,711
Transfer to other revenue reserves	- 3,305	- 6,711
Retained earnings	-	-

STRUCTURE

OF THE GfK VEREIN

The strategic direction and activities of the GfK Verein are determined by four boards: the most important of these is the **General Assembly**. It meets annually and elects the members of the Executive Board, the **Members' Council** and the **Advisory Board**. In addition, it grants discharge to members of the Members' Council and the Executive Board of their duties every year.

The **Executive Board** consists of four members, each elected for a term of five years by the General Assembly. Effectively, under association law, they represent the Management Board. Helga Haub is an additional honorary member of the Board. The members of the Executive Board are responsible for operating activities and the representation of the GfK Verein in the public arena. Each of them is responsible for one aspect of the operation:

// PROFESSOR HUBERT WEILER

Spokesman of the Executive Board and responsible for finance and the GfK SE shareholding

// RALF KLEIN-BÖLTING

Responsible for PR/Press

// PROFESSOR DR. NICOLE KOSCHATE-FISCHER

Responsible for cooperation with scientific institutions

// PROFESSOR DR. RAIMUND WILDNER

Responsible for day-to-day running of the association and for basic research

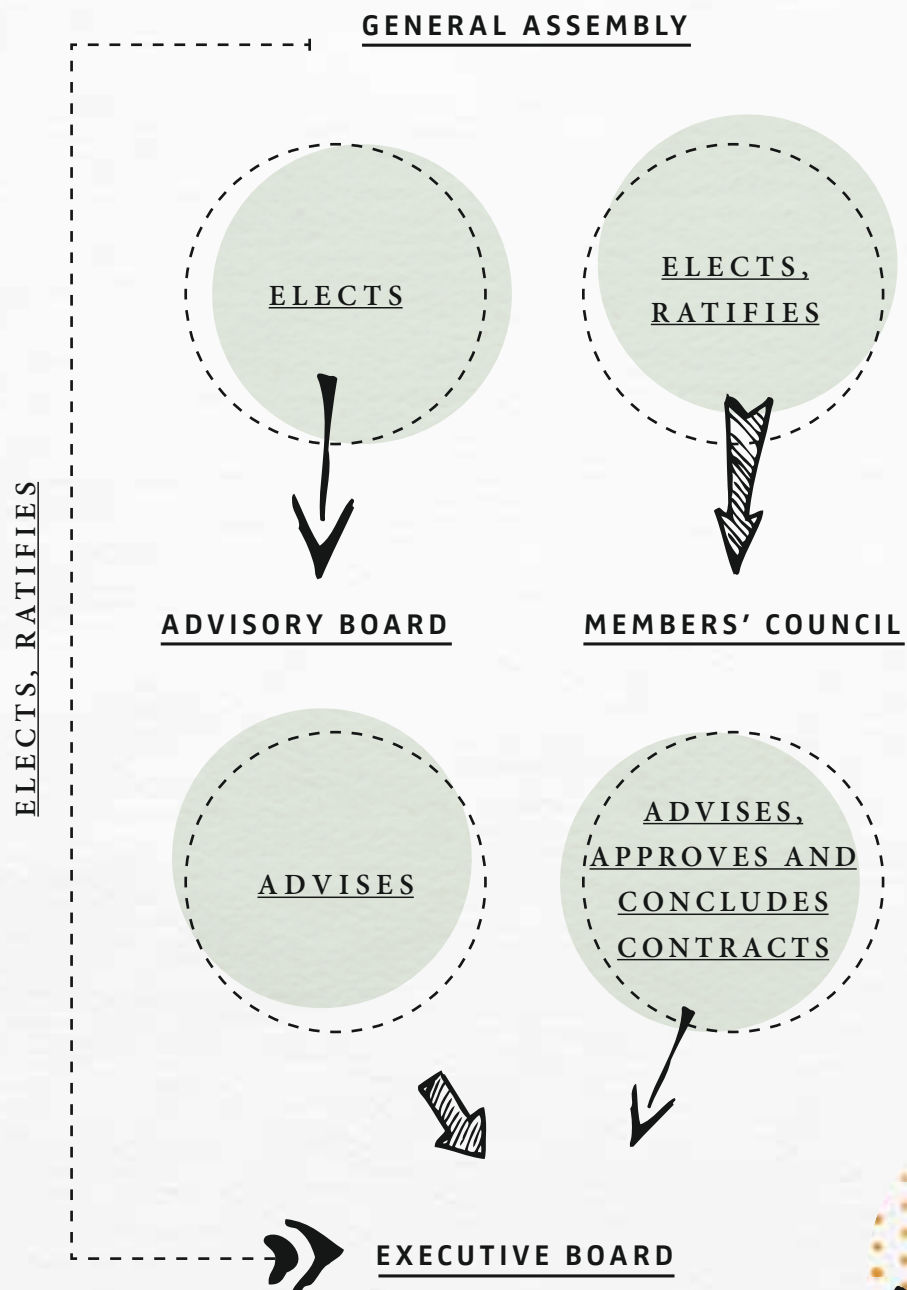
The members of the Executive Board jointly decide on the acceptance of new members, any individuals proposed for appointment to the Members' Council and Advisory Board as well as annual financial planning. As a rule, the Executive Board meets three times a year. Members are also in constant contact via conference calls and by email.

The **Members' Council**, under the direction of its Chairman, Claus-P. Rach, advises the Executive Board on all matters associated with the GfK SE shareholding. In addition, it has extensive rights of veto in this respect. For example, the Executive Board may not sell any GfK SE shares without the prior consent of the Members' Council. Furthermore, the Executive Board may not vote for any resolutions requiring a majority of at least 75 % at the GfK SE Annual General Meeting without the prior consent of the Members' Council. This relates, in particular, to any measures potentially leading to a dilution of the stake held by the GfK Verein in GfK SE. The Members' Council also has ultimate control over the Executive Board, insofar as it is entitled to gain access to the financial accounts. The Members' Council meets twice a year in person and conducts conference calls when necessary.

The **Advisory Board** advises the Executive Board on all issues unrelated to the shareholding in GfK SE. These primarily include basic research, the strategic direction of the GfK Verein, its PR/Press Relations and the annual GfK Conference.

The Advisory Board meets twice a year.

Accordingly, in 2009, the revised Articles of Association created a structure which satisfied both the remit of the GfK Verein and its responsibilities as the majority shareholder in GfK SE



THINK
IN TERMS OF
GENERATIONS

»



THE PEOPLE,
I HAVE MET

AND THE **KNOWLEDGE**
I GAINED WHICH GOES BEYOND
THE FAMILY BUSINESS

ARE MY MOST TREASURED
MEMORIES

OF THE TIME I HAVE SPENT
AT THE GfK VEREIN. «

Ownership brings responsibility – this is second nature to Helga and Erivan Haub. Conscious of their responsibility, the married couple has expanded the family-owned Tengelmänn chain of grocery stores into one of Europe's largest retail groups. Kaiser's supermarkets and the OBI chain of DIY stores also belong to the group. Erivan Haub represented the fourth generation to manage the family business, supported at all times by his wife Helga.



Helga Haub knew what she wanted from an early age. She spent her childhood in Emmendingen in the South of Germany and Hinterzarten in the Black Forest. After graduating from high school with the Abitur, she enrolled at Hamburg University to read economics. At the time, very few women studied this subject. At university, Helga met Erivan. They have been married for over 50 years. Although Helga Haub would have enjoyed becoming an entrepreneur in her own right, she says that "wives were not allowed to be involved and I would not have wanted to take on a formal role alongside my husband or with him as my manager." As a result, she remained in the background but was always an important advisor to her husband. Every evening, the two would discuss the business for at least an hour, regardless of where Erivan Haub was at the time. Helga Haub recalls the plan: "If anything were to happen to him, I was to take over his role until the children were old enough to manage the company." Helga and Erivan Haub were included in the Handelsblatt hall of fame of family-run companies in January 2013, with the paper acknowledging their innovative and responsible corporate achievements. The accolade came as a surprise and was much appreciated by the couple.

The most valuable asset

In retrospect, Helga Haub regards bringing up her three sons to one day follow in the footsteps of their ancestors as her life's work. "As a family-run business, we need to think in terms of generations not quarterly periods." When their sons were born, the family moved from Mühlheim, where the group has its headquarters, to Wiesbaden. Helga Haub and her husband wanted their sons to have a normal childhood but also learn from a young age the "responsibility that comes with being born into a family business." Since 2000, sons Karl-Erivan and Christian Haub have been the fifth generation in charge of the business. The Haubs remain resident in Wiesbaden and also own a ranch near Wyoming in the USA, where they spend a few months of the year.

Protecting the environment

Asked to describe herself, Helga Haub explains: "I have always been curious and very interested in people." Nature and the environment are also very important to her. "I was taught to love nature by my parents. Naturally, I embraced this love of nature and today, our sons continue to do so just as naturally." Helga Haub has also continued her mother-in-law's extensive ecological activities. Since environmental issues have no boundaries, she established two further sub-foundations in the USA and Canada alongside the existing Karl Schmitz Scholl Fund (KSSF), all linked to the US-based companies of the Tengelmänn Group.

Helga and Erivan Haub have received numerous prizes and awards for their commitment to the environment. As early as the end of the 1970s, Tengelmänn removed turtle soup from its product range – a trailblazing measure far ahead of its time. The sale of frogs' legs was also discontinued soon afterwards. The frog and turtle have since become the corporate group's eco labels. Tengelmänn has also banned phosphate-based laundry detergents and any plastic packaging that is non-biodegradable. "Der Umwelt zuliebe..." (for the sake of the environment) is a slogan the Tengelmänn Group continues to use today.

Helga Haub's commitment also encompasses other fields. For example, she has been a member of the GfK Verein since 1984, initially on the Council of the former GfK GmbH and later on the Executive Board of the GfK Verein. Helga Haub has been Honorary President of the GfK Verein since 2004. "The people I have met and knowledge I gained which goes beyond the family business are my most treasured memories of the time I have spent at the GfK Verein," says Helga Haub.



MEMBERS OF THE **EXECUTIVE BOARD**



Since the GfK Verein's establishment, the members of its Executive Board have been drawn from the world of science and business. They are elected by the Verein membership. The Executive Board shapes the destiny of the Verein. Above all, the Executive Board members lend support to the GfK Verein in its capacity as the majority shareholder of GfK SE, as well as in generating fundamental knowledge on marketing and market research.





PETER ZÜHLSDORFF

President (until the end of 2012)



For 20 years, Peter Zühlsdorff of DIH Deutsche Industrie-Holding GmbH has been a member of the GfK Verein. From 1992 to 2005, he was its President, from 2005 to 2008 its Honorary President and following his re-appointment as President held this office until the end of 2012.



PROFESSOR HUBERT WEILER

Vice President (until the end of 2012)
Spokesman for the Executive Board
(from 2013)



As a member of the GfK Verein, Professor Hubert Weiler was appointed to the Advisory Board in 1996 and was subsequently elected to the Executive Board of the Verein in 2009. He is the Supervisory Board Chairman of Universa Versicherungen Nuremberg. Since January 2013, he has been Spokesman of the GfK Verein's Executive Board.



HELGA HAUB

Honorary President



Co-owner of the Tengelmann WHG Group, Helga Haub was Vice President of the GfK Verein from 1989 to 2004, and has since held the post of Honorary President.



RALF KLEIN-BÖLTING

Vice President



As Director of Branding and Advertising for Otto GmbH & Co. KG, Ralf Klein-Bölting can look back over 23 years of experience in the branded goods, services and retail industries. Ralf Klein-Bölting has been a member of the GfK Verein's Executive Board since 2009.



**PROFESSOR DR. NICOLE
KOSCHATE-FISCHER**

Vice President



Since 2007, Professor Dr. Nicole Koschate-Fischer has held the GfK Chair for Marketing Intelligence at Friedrich-Alexander-University Erlangen-Nuremberg. She was appointed to the Executive Board of the GfK Verein in 2009.



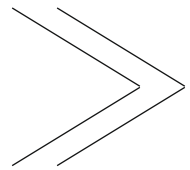
**PROFESSOR
DR. RAIMUND WILDNER**

Vice President



Professor Dr. Raimund Wildner has been with the GfK Group since 1984. He was appointed Managing Director of the GfK Verein in 1995, and Vice President in 2005.

ARTICLES OF ASSOCIATION



I. GENERAL PROVISIONS

§ 1 Purpose of Association

1. The purpose of the association is to engage in domestic and international consumer, market and sales research of both a specific and general nature in all areas of business, and to analyze the results for academic and practical purposes.
2. The association may utilize funds for the purposes of research benefiting the general public.
3. The association shall seek close cooperation with all relevant domestic and international research institutions, and in particular, with the Friedrich-Alexander-University Erlangen-Nuremberg.
4. The association shall make available to students its library and generally accessible databases.
5. The association shall support the education of consumer, market and sales researchers, and the training of management personnel.
6. In line with the purpose of the Articles, the association may acquire for profit businesses in order to gain practical knowledge for market research fundamentals.

§ 2 Legal Status

1. The name of the association is GfK-Nürnberg, Gesellschaft für Konsum-, Markt- und Absatzforschung e.V. (the 'GfK Verein').
2. The association registered address is in Nuremberg, where it is entered in the Nuremberg Commercial Register.
3. The association fiscal year is the calendar year.

§ 3 Membership

1. Private individuals, companies, business and other associations, including any type of associations which regulate markets and governmental agencies may become regular members of the association. Applications for membership must be submitted in writing to the Executive Board of the association, which will make the final decision.
2. Upon the Advisory Board's and Executive Board's proposal, the General Assembly may grant an associate membership. Prerequisite for an associate membership is shared interest in the association's purpose and exceptional accomplishments on the academic level and in practice.
3. Upon the joint request of the Advisory Board and the Executive Board, the General Assembly may grant honorary membership to individuals for outstanding services to the association.

4. The membership shall be terminated as a result of death or written notice of resignation. The Executive Board may terminate a membership for cause. The notice period for the resignation shall be three months to the end of the calendar year. A member loses all rights with respect to the association as of the date the resignation becomes effective.

§ 4 Membership Subscriptions

Regular members shall pay the minimum subscription fee as determined by the Ordinary General Assembly. This amount shall be payable to the association within the first month of the fiscal year.

§ 5 Utilization of Funds

Any profits made shall be used solely for purposes that correspond with the Articles. Members shall not receive any profit participation, nor shall their membership entitle them to any financial benefit from the association's funds.

II. PROVISIONS PERTAINING TO THE VEREIN'S BOARDS

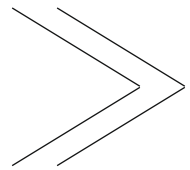
§ 6 Directors and Officers

The association shall have the following boards:

- > the Executive Board
- > the Advisory Board
- > the Members' Council
- > the General Assembly

§ 7 Executive Board

1. The Executive Board of the association consists of a presiding Chair and a minimum of two and maximum of four Vice-Chairpersons. The Executive Board and the Advisory Board shall jointly propose members for election to the Executive Board, with the candidates nominated to be submitted to the Executive Board at least one month prior to the General Assembly.
2. The Chair and other members of the Executive Board shall be elected by the General Assembly for five-year terms. Upon expiration of their term, officers of the Executive Board shall continue to hold their office until the date of the next General Assembly.
3. The Executive Board shall be responsible for all matters that are not explicitly assigned to another board of the association. It manages the affairs of the association in pursuit of its purpose.



4. The Executive Board shall establish and comply with its own internal regulations which will provide for the particular areas of responsibility of each Executive Board member, the internal information and cooperation obligations, and its decision-making procedures. Management of the association's business may be assigned to one member of the Executive Board (Managing Director of the Executive Board). The Members' Council is authorized to offer an employment agreement to the Managing Director of the Executive Board.
5. The Executive Board shall represent the association both in court proceedings and all other matters as the association's legal representative. In each instance, the association shall be represented by two members of the Executive Board. The Managing Director of the Executive Board shall be duly authorized by the other members of the Executive Board to manage those aspects of the association's business affairs which are set forth in the association's internal regulations.

Any transaction that does not fall within the area of responsibility of the Managing Director of the Executive Board will be decided by the Executive Board by a majority vote. In the event of a deadlock, the Chairperson shall have the deciding vote. The Chairperson or two members of the Executive Board shall also be entitled at any time to request that matters which do not normally fall within the area of responsibility of the Executive Board shall be resolved by the Executive Board in this manner.

6. The consent of the Members' Council is required for the following actions by the Executive Board:
 - a) the sale of GfK SE shares;
 - b) the approval of resolutions passed by the General Assembly of GfK SE for which, under the German Stock Corporation Act, a $\frac{3}{4}$ majority or $\frac{3}{4}$ of the vote or a greater majority is required;
 - c) all other actions which require approval as specified by the bylaws of the Executive Board.

§ 8 The Advisory Board

1. The Advisory Board shall consist of a minimum of ten and a maximum of thirty members to be elected by the General Assembly for five-year terms. The General Assembly shall also determine the number of members. Members of the Advisory Board shall be individuals with experience in managing companies or in the area of consumer, market and sales research. At least two members of the Members'

Council shall be elected to the Advisory Board. The Executive Board shall propose candidates for the Advisory Board and the Advisory Board shall be heard with respect to this proposal. Upon expiration of their term, members of the Advisory Board shall continue to hold their office until the date of the next General Assembly.

2. The Advisory Board shall advise the Executive Board and the Members' Council with respect to the conduct of their business.
3. The Advisory Board may define its own internal regulations, including those pertaining to the preparation and conduct of any negotiations and decisions to be resolved.

§ 9 Members' Council

1. The Members' Council shall consist of a minimum of four and a maximum of ten members to be elected by the General Assembly for five-year terms. The General Assembly shall also determine the number of members. Members of the Members' Council shall be individuals with experience in managing companies. The Executive Board shall nominate candidates for the Members' Council.
2. The Members' Council shall advise the Executive Board on exercising its rights and the preservation of its interests that arise from its stake in GfK SE.
3. The Members' Council shall be responsible for issuing formal approval of business transactions and resolutions passed by the Executive Board to the extent required by the Articles or the internal regulations of the Executive Board.
4. The annual financial report of the Association is prepared by the Executive Board and shall be submitted to the Members' Council upon completion thereof. The Members' Council may request an audit of the annual financial report by certified public accountants and that an audit report be prepared according to the terms of applicable general accounting principles. The Members' Council shall select and engage the auditors. If no external audit is conducted, the annual financial statements shall be audited by the Members' Council and the written results of the audit submitted to the General Assembly.
5. The Members' Council is entitled to review and inspect all books and records of the association having the same rights of information and disclosure as an Advisory board (Aufsichtsrat) of a German corporation (Aktiengesellschaft).
6. The Members' Council may define its own internal organizational rules and regulations regarding the preparation and execution of negotiating and passing resolutions.

§ 10 General Assembly

1. Every member of the General Assembly has one vote. Members can appoint another member in writing to participate and vote by proxy in the General Assembly. Evidence of such proxy must be provided.
2. The General Assembly may:
 - a) determine the membership subscription fee,
 - b) elect and terminate members of the Executive Board, the Advisory Board and the Members' Council,
 - c) ratify the actions of the Executive Board and the Members' Council,
 - d) amend the Articles and the purpose of the association,
 - e) appoint honorary Chairpersons and grant honorary memberships,
 - f) dissolve and merge the association.
3. Upon the request of the Executive Board or the Members' Council, the General Assembly may resolve matters which are within the responsibility of the Executive Board or the Members' Council.

§ 11 General Assembly:

Calling of Meetings and Resolutions

1. An Ordinary General Assembly shall be held once every calendar year, at which the association's annual report and financial statements prepared by the Executive Board shall be submitted, and a resolution ratifying the actions of the Executive Board and the Members' Council shall be passed.
2. In the interest of the association, special General Assemblies may be called at any time by the Chairperson or two Vice-Chairpersons. Special General Assemblies shall be called by the Chairperson or two Vice-Chairpersons if the Members' Council or at least 20 % of the members of the association requested this in writing, stating their purpose and reasons.
3. The invitation shall be issued in written form with at least two weeks' notice. The notice period shall run from the date after mailing the invitation. The invitation shall provide for the time and place, as well as the agenda. The letter of invitation shall be considered formally received if it is sent to the members' most recent address, as provided by them in writing to the association.

4. The Executive Board shall decide on the agenda of the General Assembly. Proposals from members shall be submitted in writing to the Executive Board at least one week prior to the date of the General Assembly, together with a brief explanation of the reason for the proposal.
5. The General Assembly shall be chaired by the Chairperson or other individual appointed by the Executive Board. The presiding Chair of the General Assembly shall appoint a secretary to record and keep minutes and shall determine the method of voting.
6. The resolutions of the General Assembly shall be passed by simple majority of the votes. $\frac{3}{4}$ of the vote is necessary in order to pass resolutions on amendments to the Articles of Association.
7. Minutes of the resolutions passed by the General Assembly must be signed by the presiding Chair of the General Assembly and the secretary and shall be filed by the secretary.

§ 12 Honorary Chairpersons

The General Assembly shall be authorized to appoint honorary Chairpersons as jointly proposed by the Executive Board and the Members' Council.

III. MISCELLANEOUS

§ 13 Dissolution and Merger

1. In order for the association to be dissolved or merged, a resolution must be passed by a $\frac{2}{3}$ majority vote of all the members of the General Assembly, failing which, a new General Assembly may be called, which shall be resolved by simple majority.
2. In the event of the dissolution of the association, the assets shall be transferred and assigned to the city of Nuremberg, which shall be obliged to use all of these assets to the extent possible, to achieve the prior purpose of the association.

MEMBERSHIP

GfK VEREIN

Around 560 members support the GfK Verein. Companies and, in exceptional cases, individuals, can join as members. The annual subscription is € 500 for companies and € 150 for private individuals. Members are entitled to the following services:

// The annual statistical report "Fundamental statistics on calculation of regional sales data" (hard copy or CD-ROM). The report contains purchasing power statistics for all German towns and municipal districts, including further information on residential building, demographics, car ownership, industries, retail sales, etc. (the cost of the volume to non-members is € 1,000 + VAT)

// Free participation at the annual GfK Conference (max. two participants per membership: fee for non-members is € 200 + VAT)

// Twice a year: a copy of the scientific journal "Marketing Intelligence Review" (cost for non-members € 75 + VAT)

Up to three times a year: fundamental studies and analyses in the form of membership reports on topical issues on the subject of market research. These reports are based on proven scientific knowledge generated by GfK research areas and are prepared exclusively for members (fee to non-members € 950 + VAT).

If you are interested in becoming a member of the GfK Verein, please contact Petra Gelsen:

petra.gelsen@gfk-verein.org
Tel. +49 (0)911 395-2231

All information on membership and the list of current members are available at
www.gfk-verein.org.

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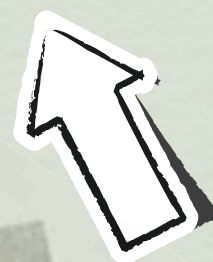
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Market
research

THINK
TANK



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(No. VR 200665)

