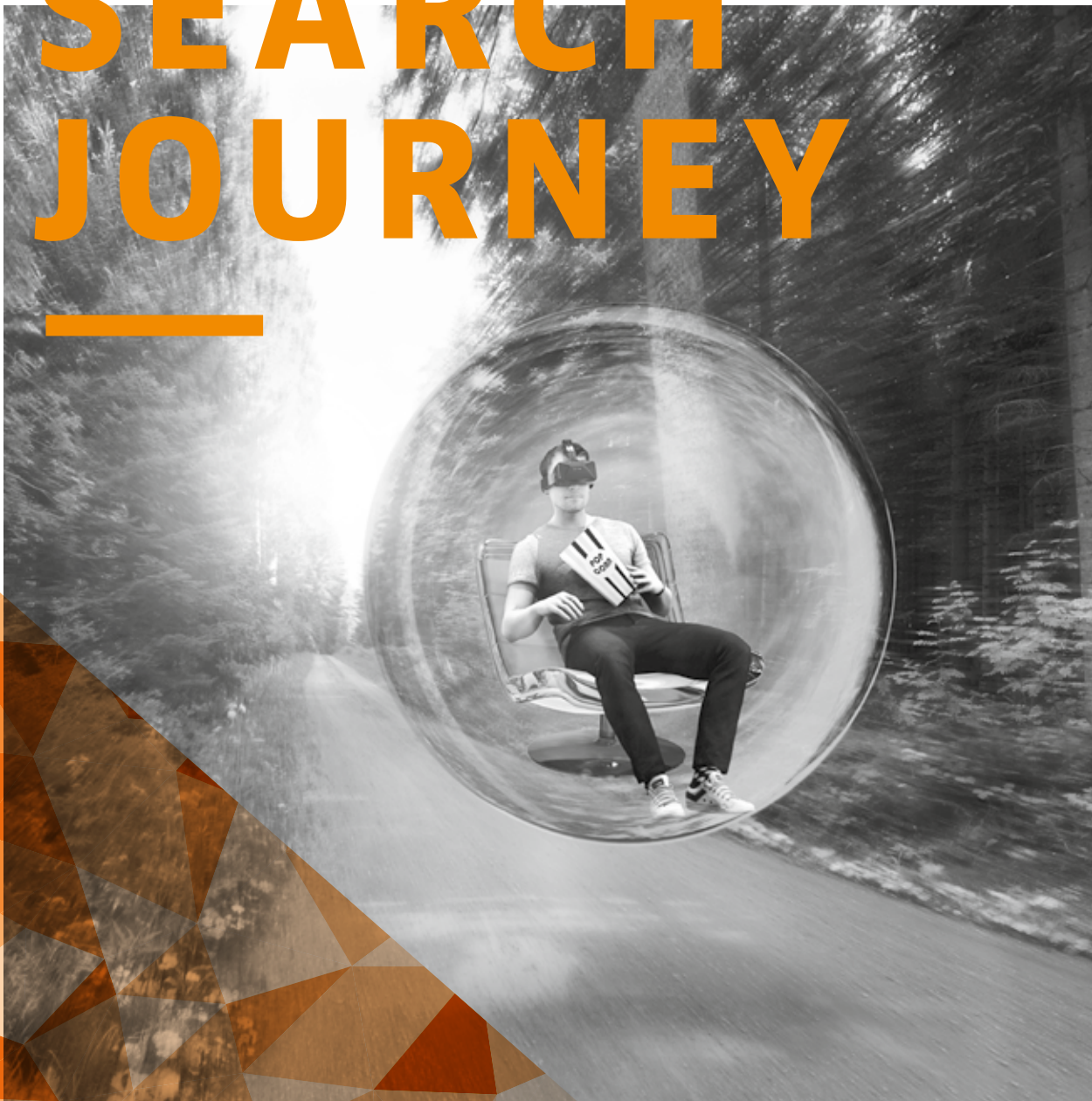


RE- SEARCH JOURNEY



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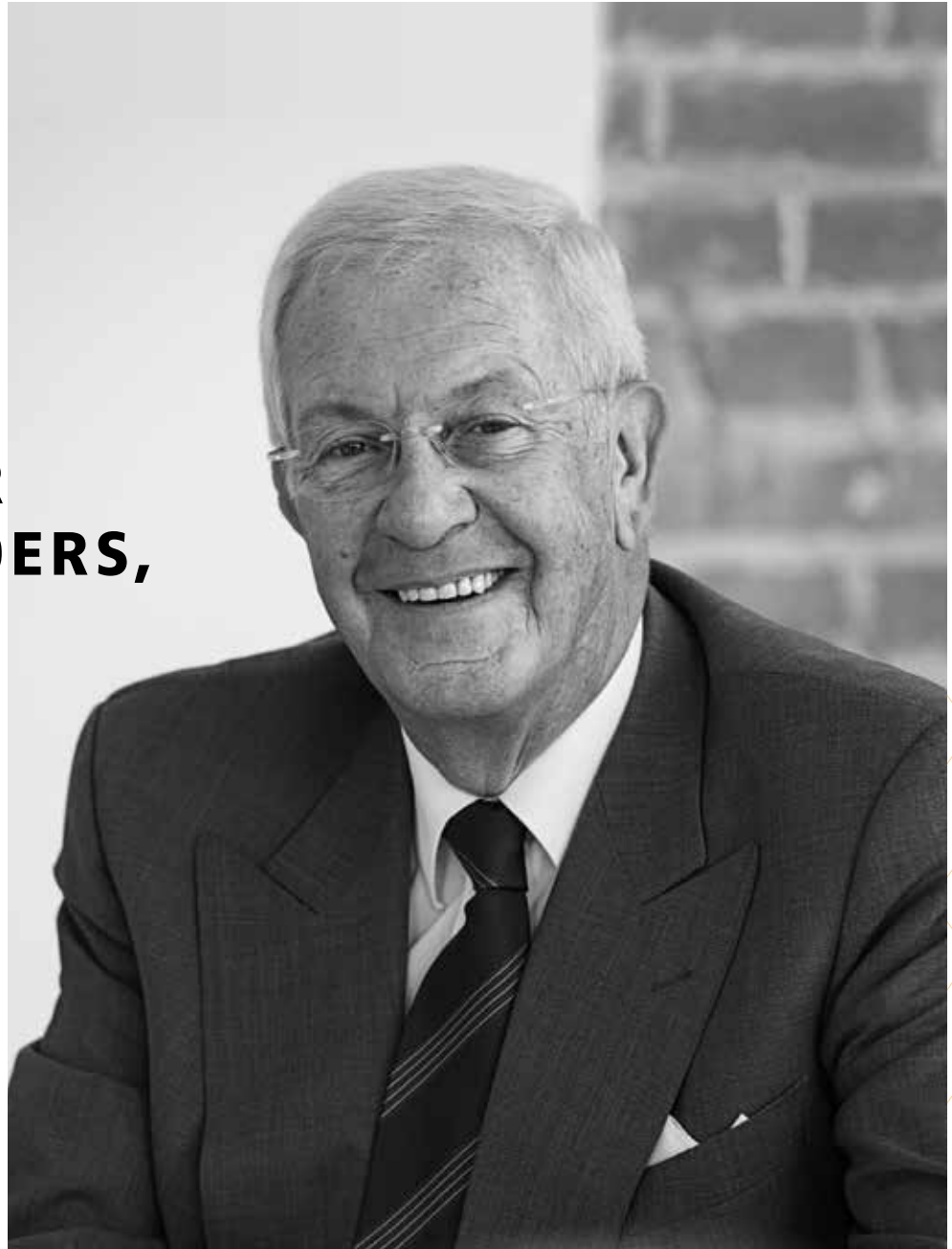
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**DEAR
READERS,**



Is knowing enough? No – we must also apply knowledge. Is it enough to want to explore new horizons? No – you also have to do it.

These questions, based on a quote from Johann Wolfgang von Goethe, have determined our activities over the last twelve months. Creating and sharing knowledge so that it can be used by as many people as possible is an important goal of the GfK Verein. As a market research think tank, our work focuses on promoting market research as a consumer- and mar-

keting-oriented discipline as well as the transfer of knowledge between science and practical application.

The fact that the digitalization of products, processes and services leads to fundamental changes in consumer behavior and business processes is not news. That this also leads to relevant changes in market research is undisputed. In our industry, there are massive shifts in the value chain away from the collection and aggregation of data towards data analysis and its connection to the trend for real-time quality. At the same

“OUR GOAL IS TO UNDERSTAND EXACTLY HOW NEW TECHNOLOGIES IMPACT MARKETS AND HOW THIS CHANGES DECISION-MAKING AND MARKET MECHANISMS.”

Prof. Hubert Weiler

time, there is an increasing need for intelligent interpretation and concrete recommendations for action. As a think tank for market research, we therefore want and have to think outside the box and focus strongly on these issues. This is why we have realigned our research both in terms of content and organizationally: In the future, we want to analyze customer behavior and especially market decisions using an interdisciplinary approach. Our goal is to understand exactly how new technologies impact markets and how this changes decision-making and market mechanisms. We are also planning to expand the activities of the GfK Verein internationally. This includes networking with leading think tanks and innovators.

In terms of personnel, we have also strengthened our strategy as a think tank for market research that investigates consumer and market decisions: Manfred Scheske, CEO and cofounder of infirst Healthcare, is part of our Executive Board since August 2017. With Manfred Scheske, we have gained a top manager with a precise understanding of markets, consumers and trends. He uses this knowledge to inspire and drive forward our research activities.

In addition to these research tasks, the GfK Verein has continued to fulfill its tasks as a responsible shareholder of GfK SE and also provides extensive support to the transformation process currently underway at GfK SE. Our focus, first and foremost, is on putting GfK SE back on its way to sustainable and long-term profitable growth as well as on emphasizing the importance of the Nuremberg location.

The expertise, commitment and willingness to change of all employees are essential factors in order to break new ground in research and to continue to successfully position the GfK Verein for the future. I therefore thank in particular the GfK Verein team for successfully driving forward our work day by day with their creativity and expertise. I would also like to thank all the committees, organizations and individuals that have contributed to the success of our work as a non-profit organization and investor in GfK SE. This includes the Advisory Board, Members' Council, Executive Board, management, our cooperation partners in the fields of academia and business, external advisors, service providers and, last but not least, our members.



*Prof. Hubert Weiler
President of the GfK Verein*

QUESTIONS FOR MANFRED SCESKE, VICE PRESIDENT OF THE GFK VEREIN



*Manfred
Scheske*

**“YOU SHOULD SEE
YOUR CAREER
AS A JOURNEY –
A JOURNEY
THAT YOU LOVE.”**

Manfred Scheske

You have been vice president of the GfK Verein since 2017 – now you have been nominated as president. Which challenges do you think lie ahead for the GfK Verein?

MANFRED SCHESKE: We see that market research is going through a phase of significant and accelerating changes, both as a sales discipline and as an industry. Methodology, data generation, data collection and data processing as well as the analysis and evaluation of market data – everything is being put to the test. This means, of course, that value principles and value-adding elements of market research are being challenged or redefined outside of established paradigms.

These are highly dynamic changes for the GfK Verein in terms of its main purpose, which is not commercial but rather geared to providing science and its practical applications with new and useful insights at an international level. In addition to research, however, we also have to live up to our role as the majority shareholder of GfK SE. We guide and support the company alongside co-shareholder KKR not only to survive in the economic environment but also develop a leading global profile with new forward-looking services. As you can see, there are considerable challenges that have made the GfK Verein revise and adjust its strategic orientation.

You talk about revising the strategy – what personal and strategic goals would you like to implement?

MANFRED SCHESKE: There are three major focus areas. When I think of the GfK Verein’s target groups, then we want to be even more open and also more collaborative at the same time, i.e., we will be offering different levels of interaction intensity.

In our research strategy and work, we have to put ourselves at the frontline of current changes even more than before in the area of methodology, technology, consumer behavior and market decisions. Because we should not only describe the paradigm shift but also be a part of it and experience it on an intellectual level. It is important to me that we create new, relevant levels of knowledge through our research and bring them into the global dialogue. Of course, this can only be done through a strong international network with other “thought leaders” and “think tanks” that work in disciplines that are relevant for us.

In addition to our work as a think tank, we naturally give top priority to our shareholding in GfK SE, which is also used to finance our activities. In this respect, we must do everything we can to secure the value and profitability of GfK SE in the long term and support the company during its new and future orientation phase.

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**LISTENING TO CONSUMERS
 IS ALSO PART OF THE FUNDAMENTAL
 DEMOCRATIC PRINCIPLE OF MODERN
 MARKETING**
 «

Your sights are firmly set on the future – do you want to make a clean break with our past?

MANFRED SCHESKE: No, not at all. I believe that if you look to the past too much, you can miss out on the future (laughs). But often the past also provides a solid basis for the future. While it's true that the discipline of market research and the market research industry are undergoing a phase of radical changes, the core values of our mission and our vision have not changed. Wilhelm Vershofen called it "make the consumer's voice heard." And I see it this way: Listening to consumers is also part of the fundamental democratic principle of modern marketing. Proceeding to make this insight the foundation of business decisions is what we call today in marketing "making consumers' voices count." And this builds on our very own history – this is pretty timeless!

However, GfK's history is also very strongly influenced by significant economic events. Market research and relevant information lead to clarity, truth, transparency and quick decision-making. These are all essential elements of a competitive economy, which was largely shaped in Germany by the father of the social market economy, Ludwig Erhard, cofounder of the GfK Verein. We still feel absolutely committed to him and the market economy concept. Let me put it this way: Consumption and consumer-based decisions and the resulting economic momentum were and will remain the heart and soul of our endeavors.

The GfK Verein currently has close to 530 members – do you want to increase this number? Who would you like to have as new members?

MANFRED SCHESKE: Of course, we also want to increase the number of members in the long term, but that is not a priority at the moment. It is more important that we rethink

the quality of interaction with our members and the professional community and create more room for dialogue. We are thinking about introducing two new levels of interaction. One idea is to introduce something like an "associate" membership. This offer could be aimed especially at young people, students and young professionals who are looking for direct exchange and dialogue without committing to a full membership. A "Fellows" level would also be possible. By this, we mean select individuals who are particularly interested and committed to research topics of the Verein and therefore want to and are able to contribute intellectual or creative input.

But of course, we do not want to and will not lose sight of the interests of our members but rather include them in our research strategy. Our goal is to fulfill our role in the transfer of knowledge between science and practical application in the best way possible. At the end of the day, we want to be a point of reference for the expert community interested in market insights.

By when do you want these target group and member goals to come to fruition?

MANFRED SCHESKE: These are all plans for the next one to two years. We are in the planning phase and implementing things step by step – please have a little patience with us in this regard.

Mr. Scheske, you have been an active member of committees of the GfK Verein for over 20 years. How did you come to the GfK Verein?

MANFRED SCHESKE: Peter Zühlsdorff approached me at the beginning of the 90s and suggested that I become a member of the GfK Verein's Advisory Board. I had already worked

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 WE WANT TO BE A POINT OF REFERENCE
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with him on various committees and associations, and at the time, I was the CEO of Lingner + Fischer (now known as GSK Consumer Healthcare). I then lived in the U.S. for six years – during this time, I was not involved with GfK. In 2004, I returned to Europe and got involved with the GfK Verein again, first as a member of the Advisory Board, and later also on the Members' Council and on the Executive Board starting last year.

Let's take a brief look back at your professional history: What is the biggest milestone you have reached in your career? What are you proud of?

MANFRED SCHESKE: In this regard, I consider myself lucky, because I have so many wonderful and different kinds of milestones to choose from! One, for example, was when the Lingner + Fischer team, which I managed for around ten years, was awarded the German Marketing Prize in 1998. And during my time as president of the North American operations of GlaxoSmithKline (GSK), I was also very fortunate. At that time, we established an entirely new market with nicotine replacement products, which generated annual sales of over half a billion U.S. dollars for GSK. However, it wasn't just about the sales potential – it felt particularly good to know that I had made a tangible contribution to the decline in smoking-related mortality in the U.S. Back in Europe, I have particularly strong memories of the very first central European approval procedure for an over-the-counter drug (approval for all EU Member States), of which there are still only a handful to this day. As head of European operations, not only was I responsible for getting this drug through these regulatory authorities but also for introducing it simultaneously in all European countries. That was my first sales/launch conference with simultaneous translation into 15 languages. But I am especially proud of the last

eight years, which I have spent with infirst Healthcare. It is a small, privately financed start-up based in London, where we develop products and drugs that I believe and hope we will hear a lot more about in the future.

What (or which qualities) has helped you along the way to attaining manager positions? What advice would you give to young professionals just starting out?

MANFRED SCHESKE: I have always taken the consumer extremely seriously, listened very carefully and watched closely – however, I have also made sure that what I am observing is sufficiently future-oriented and not a reflection of the past. At the same time, I have always specifically made sure that developments offer added value or increased efficiency for the consumer. Admittedly, I have been and continue to be tirelessly driven by innovation in this regard. For me, good marketing still begins with product management. It's a pity that many brand management techniques often lead to compromises in new product development that are accepted as long as such me-too products fit under the brand umbrella somehow.

As far as the younger generation is concerned, I would like to give them the advice: See your career as a journey – a journey that you love, even if it is often tiring. If you focus too much on the goal or are only enamored of your career path, viewing the work itself and the path toward your goal as mere necessary evils, sooner or later, you will experience a rude awakening.



Dr. Andreas Neus

INTERVIEW WITH DR. ANDREAS NEUS, DESIGNA- TED MANAGING DIRECTOR

Dr. Neus, five years ago, you took over as the head of the international university program at the GfK Verein and afterwards, you launched projects for the future of market research. This year, you will be assuming the position of managing director of the GfK Verein. What do you find exciting about the role?

DR. ANDREAS NEUS: What I find exciting is the special structure of the GfK Verein that has its roots in history – in other words, the duality of the role: On the one hand, we serve as a think tank for market research and on the other hand, we serve as the majority shareholder of GfK SE. This situation gives us a unique opportunity to have a clear perspective on the needs of today's customers. At the same time,

“WE WILL ALSO ENGAGE WITH *UNCOMFORTABLE* QUESTIONS FOR MARKET RESEARCH.”

Dr. Andreas Neus

it allows us to look ahead five to ten years into the future in order to analyze technical developments and their potential effects, thereby creating a “radar” for structural changes in a market. In the area of disruptive digital transformation, it has been shown that you have to keep a close eye on both aspects.

In addition, the important function of the GfK Verein as the majority shareholder of GfK SE is an exciting issue that demands a high level of responsibility: Surely, the most important task is to support the transformation of GfK SE in a meaningful way, i.e., as a good sparring partner in terms of content.

As the managing director, you will have many different tasks. Are there tasks that you are particularly looking forward to?

DR. ANDREAS NEUS: There’s a whole bunch of them (laughs)! For example, I am especially looking forward to deepening the exchange of expertise between our members – in workshops, talks and other formats. My idea is to also invite young scientists, start-up founders and young professionals in the field of marketing to meet with us. I am convinced that this will allow us to prioritize the most relevant questions for

the future of market research even better and establish an even broader basis for dialogue. Because one thing is clear: Science and practical application – both for established companies and for start-ups – can and should learn from each other. Supporting this transfer of knowledge and enriching it with our own insights is one of the core tasks of the GfK Verein.

What priorities do you want to set in your new role?

DR. ANDREAS NEUS: The GfK Verein is currently working on implementing its new strategy, which includes a number of other points in addition to interdisciplinary research. But the first objective will be to convert this strategy, which has been approved by the Executive Board of the GfK Verein and will be presented to the General Assembly by Manfred Scheske in July 2018, into a plan and prioritize our activities accordingly.

That sounds like a realignment – how will this change the research work of the GfK Verein?

DR. ANDREAS NEUS: In terms of content, an important focus will be on consumer behavior and the way decisions are made by customers as well as by marketing and product

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 BELIEVER IN
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 PARTNERS AND IDEAS –
 THE KEYWORD HERE IS
 ›OPEN INNOVATION‹.**

«

Dr. Andreas Neus

managers change and the effects that this has on market research and market insights. This will also change “how we work.” In this regard, I am a great believer in interdisciplinary and flexible project teams in order to obtain the most relevant findings in shorter cycles and with the involvement of the best external partners and ideas – the keyword here is “open innovation.” The dynamic exchange with other industries and disciplines is important at the moment in order to understand how the context in which market research operates and creates added value for its customers is changing.

To this end, we will also develop a trend radar and also look at questions that are “uncomfortable” for market research. In addition, we will develop a research map and test out from whom we can best learn about which topics and which topics we should focus on ourselves. During all this, the keyword is “testing”, because the digital transformation of market insights cannot only be understood in abstract scientific terms. New technologies, such as augmented reality, machine learning, blockchain, voice assistants, new e-payment methods, etc., really need to be put into practice in real scenarios and analyzed through experiments and prototypes to determine what does and what doesn't work.

Why do you believe it makes sense to rethink research approaches, interdisciplinarity and exchanging knowledge?

DR. ANDREAS NEUS: Because the way that successful research works has changed fundamentally in the last ten years. Actually, there are three dimensions of research that have changed.

FIRST, THE SHIFT FROM SPECIALIZATION TO INTERDISCIPLINARY RESEARCH.

We owe many discoveries and inventions to scientific specialization. At the same time, however, increasing specialization, with its own concepts and terminology, also means that the dialogue between different disciplines will become more difficult. Many of the questions on the future of markets and market decisions do not follow disciplinary boundaries. In fact the thing is the interaction of human decisions with information and markets. In order to understand the effects that augmented reality and machine learning will have on consumer behavior and market decision makers, we must bring together the different perspectives and ideas belonging to behavioral science, data science and research into the future and trends.

SECOND, THE SHIFT FROM THE “SECRET RESEARCH LAB” TO “OPEN INNOVATION.”

In the past, research was done behind closed doors in a “secret lab” over many years – it was the paradigm of choice. In the meantime, the keyword “open innovation” has shown that you can achieve your goal much faster through the open exchange of ideas. The approach itself is not new: Newton called it “standing on the shoulders of giants.” Open source software and its development methods are key success factors in this process. In the area of data analysis as well as in the area of machine learning, the development speed of open solutions is usually far superior to proprietary solutions.

THIRD, CLOSE EXCHANGE WITH START-UPS AND INNOVATIVE COMPANIES AS A “WIN-WIN.”

Another key aspect is the close relationship between scientific research and practical application. This has advantages for both sides: Practical application is supported by science through new concepts and perspectives. At the same time, practical application also challenges science to put its research results to the test in real-life scenarios and prove the practical relevance of its findings. However, there is a further advantage for science: It gains access to relevant data sets in the area of “fast & big data,” which require completely new concepts and methods of analysis and interpretation.



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**YOU HAVE TO CRITICALLY EXAMINE YOUR
 OWN ASSUMPTIONS ABOUT WHAT IS
 ›FEASIBLE‹ OR ›UNFEASIBLE‹ IN ORDER TO
 AVOID DEVELOPING TUNNEL VISION.**
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The in-depth exchange with start-ups also provides valuable input for innovative research approaches. Many of the exciting research topics in the area of data science, machine learning and the future of markets are handled by start-ups. This is where students apply the theoretical knowledge from university to practical situations and find completely new solutions.

All in all, these three dimensions of change in the area of data science have led to a powerful acceleration in research and development. We have already started the change in these three dimensions at the GfK Verein in the last few years and will continue to implement it rigorously as part of the new research strategy.

You say that an interdisciplinary way of working is paramount nowadays. What does interdisciplinarity look like at the GfK Verein?

DR. ANDREAS NEUS: One of the real strengths of the GfK Verein is that we have colleagues with profound expertise in different subject areas. This means that we are indeed an interdisciplinary think tank in the best sense and want to harness this strength even more in the future.

Previously, the different disciplines were organizationally divided into three teams. In light of the new research strategy, we have now combined all the disciplines under one "research" team. The three professional perspectives from which we now consider our research questions are behav-

ioral science, data science and future and trends. Also new is that each of our researchers is assigned to two of these thematic areas. This also allows them to deepen their own expertise in both disciplines. Alongside the appropriate organization of projects, this ensures that we can implement interdisciplinarity better ourselves.

Does digital transformation also play a role in the GfK Verein?

DR. ANDREAS NEUS: Absolutely, and a very important one, since the digital transformation is changing market research in a significant way – with regard to tools and methods, and customers' demands for speed, quality and relevance, but also in terms of the business model.

In order for us to take an in-depth look at the relevant trends of digital transformation, we introduced a new workshop format with the "Digital Future Council" in 2016 and 2017. In addition to representatives from the GfK Verein, independent market research experts, external top experts from the areas of start-ups and digital platforms, information and decision quality, data science and predictive analytics, do-it-yourself market research, mobile networks and security take part in this two-day seminar. All of the participants work together to analyze the trends, methods, technologies and hypotheses that are particularly relevant for the future of market research and its digital transformation. Also very important in this regard is to critically examine the basic assumptions of market research and go far beyond the traditional thought patterns of market research.

Let's take a look back for a moment: What is the biggest milestone that you have reached in your career? What are you proud of?

DR. ANDREAS NEUS: "Pride" is not the right word – successes always require the right team and a dash of good luck. I am happy and also thankful that I had the opportunity to gain practical experience with digital transformation fairly early on. In 1990, I set up an email and newsgroup server at the University of Bonn with computer scientists and also cofounded a start-up to support companies with their first steps online. As a result, I had to and was able to delve into the opportunities and challenges of the new communication technologies quite early – and I benefited a great deal from this.

At the end of the 90s, I was given the chance to head several innovation projects for media companies in Europe and North America in Strategy & Change Practice at IBM. That was an incredibly exciting time, and it was clear that the changes in media usage were mainly driven by the younger generation. In one project, the CEO of a major media company said to me, only half joking, that one of our biggest problems was that we didn't have enough 13-year-olds on the board!

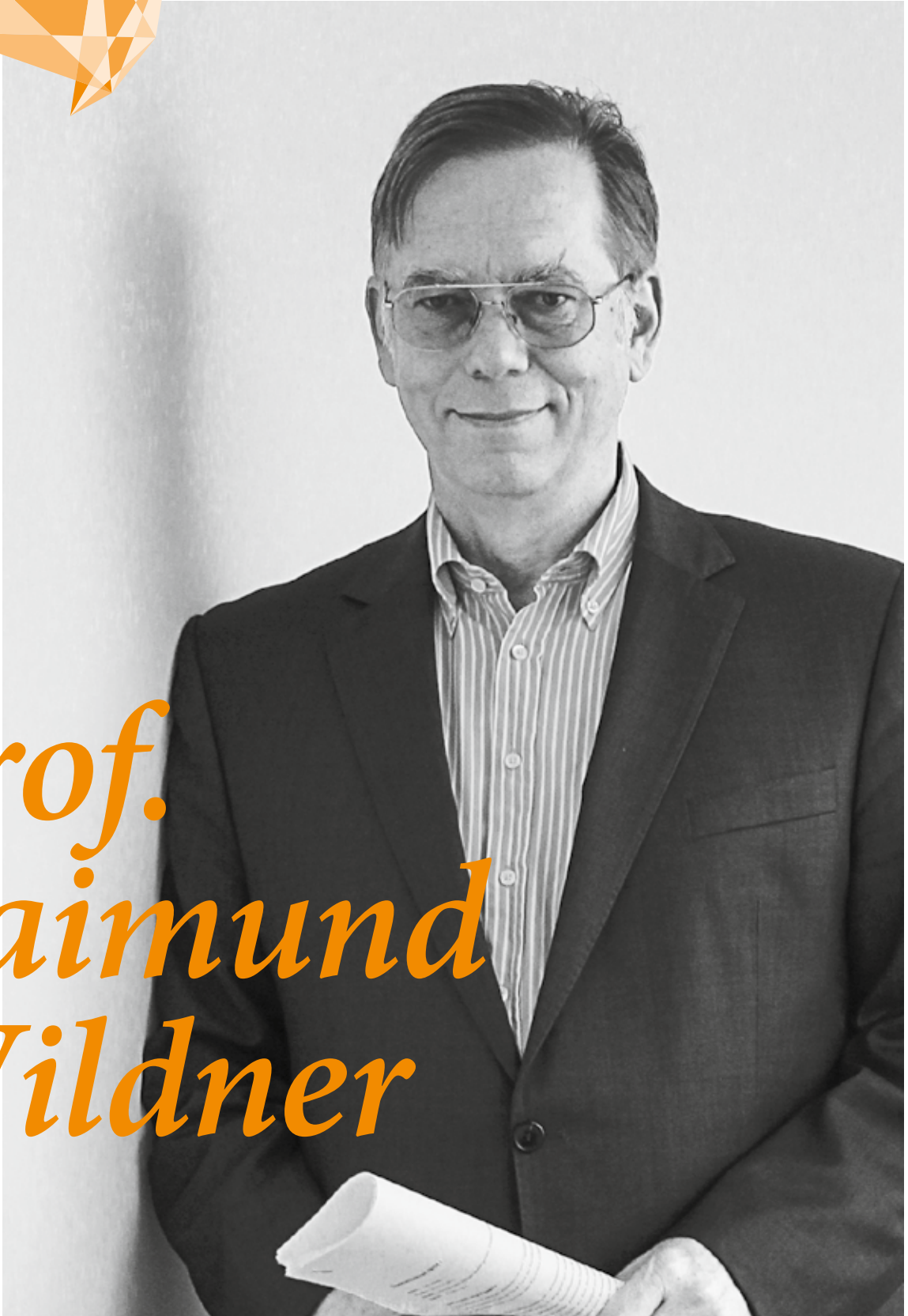
Later on, from 2008, I helped set up the Service Innovation Lab of the Karlsruhe Service Research Institute at the Karlsruhe Institute of Technology. We investigated why innovations fail and which methods can be used to promote them. And we observed that innovations are suffocated in many companies by a sense of hierarchy that is too strong. After all, nobody knows who will come up with the revolutionary idea – the recognized "expert" or the intern? We figured out even back then that we have to create an environment in which a "bottom-up" innovation process exists alongside the typical "top-down" format, so that people with the best ideas could be found, including a small amount of room for trial and error.

Looking at the bigger picture, I am especially grateful to have been able to work on projects in various countries with very different people from whom I have learned a great deal. However, the most important lesson for me is that you have to critically examine your own assumptions about what is "feasible" or "unfeasible" in order to avoid developing tunnel vision. I have also learned that – despite my fascination for new technologies – "innovation" is first and foremost a cultural and human challenge, not a technological one. That people – and not technology – are ultimately the most important success factor for innovation is an insight that I find very positive. Sometimes it gets lost in all the hype over the latest technical toy.

WE WILL CONDUCT RESEARCH DIFFERENTLY IN THE FUTURE – BUT OUR PRINCIPLES WILL STAY THE SAME

In the interview (p. 10), Dr. Andreas Neus explains some key points of our new research strategy. However, there are principles for our research that are important to us and still apply:

- Our principle is still to “make the consumer’s voice heard,” but we will bring this voice into the 21st century. We do this by researching what is “cutting edge” in the value chain of market research and its development with a time horizon of around five years.
- Consumers continue to be the focus of our research. Our focus on decisions is new: We investigate how consumer behavior and market mechanisms are changing based on new trends and technologies and what this means for consumer understanding and making better market decisions (e.g., big & fast data, behavior tracking, digital interfaces for consumers and decision makers, super aggregators, machine learning). In doing this, we are pursuing an open research approach, which aims for innovative combinations of state-of-the-art methods and tools (open innovation), not “new developments.”
- We will continue to share our knowledge: We will share the results of our research through publications, conferences and lectures with the expert community and that way promote the dialogue between science and practical application. We offer research that is understandable and relevant for the expert community and provides a significant knowledge gain with regard to trends, especially disruptive changes in the area of consumer behavior and market decisions. We also benchmark ourselves with other think tanks. We are currently working on the exact research planning and a “research map” of the most relevant concepts. In addition, we are looking for the right international partners, whether they be scientific institutes, private research institutions or think tanks.
- Cooperating with science is important: We already have a good international academic network through our research and educational programs and have also started the expansion of an international think tank network. Since 2016, we have been a partner of the Institute for the Future (IFTF) in Palo Alto and through our cooperation with the St. Gallen Symposium have access to an international network of young top talents from the areas of science and start-ups in over 90 countries. In the future, however, we will focus even more strongly on the targeted, international network with think tanks that are relevant to our research topics.



*Prof.
Raimund
Wildner*

INTERVIEW WITH PROF. DR. RAIMUND WILDNER, MANAGING DIRECTOR

Mr. Wildner, you have been at GfK for 34 years – that is a very long time. How did you come to GfK? What or who sparked your interest back then?

RAIMUND WILDNER: Well, I was previously an assistant in the statistics department of a university and, of course, you wonder where there are companies that handle a lot of data and that might need a statistician. And market research, which is very multifaceted and has to do with psychology, the economy and particularly data and statistics, was something I found exciting even back then. So I simply applied to GfK.

What was your first job at GfK? Did you think at the time that you would stay for so long?

RAIMUND WILDNER: As I said, I applied as a statistician. What really surprised me at the time was that in the interview, I was told, “We don’t need statisticians. We make tables.” And so my first job at GfK had little to do with statistics, but I was an assistant in controlling to the then managing directors Klaus Hehl and Bernhard Jackel. After half a year, I switched over to Heinrich Litzenroth’s “New Projects” area and under his leadership, we began to set up the BehaviorScan test market in Haßloch. That was truly exciting, because I learned a great deal about retail, consumers, media, communication and also customers.

34 years of experience spans many situations, people and projects. What was your best experience? The biggest milestone? Your finest moment?

RAIMUND WILDNER: At the beginning, we had major quality problems in Haßloch. The data used to come in way too late and had far too many errors. I then spent weeks working to eliminate the delays and errors one by one. When, after maybe twelve weeks of hard work, the report came out for the first time after three weeks instead of the previous six weeks and without errors, it was exhilarating. It was also great when I was later named Market Research Personality of the Year in 2007. That came as a total surprise! It was only during the congratulatory speech that it slowly dawned on me – oh, they mean me!

What was your worst moment? The most difficult time?

RAIMUND WILDNER: The most difficult time was probably in 2008 and 2009, when the merger with TNS was almost complete and I came to the conclusion that the way it had been planned would go wrong. The merger was then called off due to WPP’s takeover of TNS, and the opinion, even within GfK, was that the merger would not have been the right direction to take.

**“EVERYTHING WAS
MORE MANAGEABLE
AND ALSO MORE
PERSONAL, *BUT*
OF COURSE ALSO
MUCH MORE
PROVINCIAL.”**

Prof. Raimund Wildner

Were there times when you thought about doing something else professionally?

RAIMUND WILDNER: Yes, twice I applied for jobs outside GfK. One time was when I was at the second level of management in a GfK department, and the two department heads were constantly butting heads. At first, I thought I could keep the department out of it, but soon realized that this wasn't possible, so I no longer wanted to be a part of it. And the second time, I was enticed by a professorship at a university for applied sciences. Both times, then member of the Management Board Klaus Hehl discouraged me from leaving, and I am still grateful to him today for doing so.

In the many years you have worked at GfK, you have experienced and taken part in many changes. Was everything better in the past? How have you felt about the changes at GfK and in market research as a whole?

RAIMUND WILDNER: When I started, there were around 400 GfK employees, not counting the sales reps working in the field, who realized sales of around DM 100 million. 80 % of their work was based in Germany. When I was hired, no one asked whether I could speak English – there was a foreign operations department for that. Everything was more manageable and also more personal, but of course also much more provincial.

What developed at an extremely fast pace was IT as a whole. In 1985, I got PC no. 8 at GfK. It had 640 KB of built-in memory and a 10 MB hard drive, which was considered top-of-the-range at the time and cost DM 18,000. Data transfer was done by sending floppy disks via mail. Charts used to be pasted and drawn by hand using templates – there was a separate department for that. A lot has become much easier; however, the pace has also increased enormously. In general, it wasn't better or worse back then, but it was different from today.

You were active in many associations and received a number of awards for your work, including being named Market Research Personality of the Year by the Professional Association of German Market and Social Researchers (BVM). Your work has been very diverse – what have you enjoyed the most?

RAIMUND WILDNER: What I have always enjoyed the most is developing new things or exploring new questions with colleagues. This includes, for example, the Kronberg conferences, which I have helped organize every year since 1995, but also the project with Fernsehforschung and Seven One Media, where we studied the long-term effects of advertising. I get a lot of fun out of this, but unfortunately, there are fewer opportunities to engage in such activities. However, that is the price of professional advancement.

For a while, you even had multiple functions within GfK – you were the head of methodological research, data protection officer at GfK AG and managing director of the GfK Verein all at the same time. That requires a lot of energy. What do you do for relaxation in your spare time?

RAIMUND WILDNER: Well, often there wasn't much time left over. But I always enjoyed spending the time I did have with my wife and three children. We often went hiking, biking or swimming. The children have now flown the nest, but we still get together regularly. And my grandson was born two years ago, which is really wonderful. I also like to read current news or nonfiction – novels not so much. In any case, I can't remember the last time I was bored.

You were active in many associations and received a number of awards for your work, including being named Market Research Personality of the Year by the Professional Association of German Market and Social Researchers (BVM). Your work has been very diverse – what have you enjoyed the most?

RAIMUND WILDNER: What I have always enjoyed the most is developing new things or exploring new questions with colleagues. This includes, for example, the Kronberg conferences, which I have helped organize every year since 1995, but also the project with Fernsehforschung and Seven One Media, where we studied the long-term effects of advertising. I get a lot of fun out of this, but unfortunately, there are fewer opportunities to engage in such activities. However, that is the price of professional advancement.

Have you approached the role of managing director with enthusiasm? As a manager, what has always been particularly important to you with regard to your employees?

RAIMUND WILDNER: As a manager, you should try to create an atmosphere in which the work is fun. This includes respect in terms of allowing room for further development and publicly recognizing their successes. The advantage here is that people work more and better. If you rule with an iron fist, you will have people that don't contradict you and are complacent, but you won't get much further than that with such people. Fear destroys creativity.

Once the position of managing director has been handed over, you will have more time for other things. What projects, dreams and plans do you have for your future?

RAIMUND WILDNER: To start with, I would like to take some time off and do what I've always enjoyed doing more often and for longer: hiking, biking, swimming, reading and also traveling now and then. And later on, I might do some volunteer work, but we'll see – I don't know yet.

And the last question, which goes way back: Has your professional life developed the way you wanted it to when you were first starting out? What was your dream job when you were a kid?

RAIMUND WILDNER: As a kid, I wanted to be a Catholic priest: They always acted so dignified and everyone listened to them. But when I became too interested in girls, so I wanted to become a journalist instead, and even wrote for a newspaper on the side. But most of the journalists I got to know advised against it. That's why I wanted to become a vocational school teacher and also earned a degree in business education. I was then asked if I wanted to be an assistant in the statistics department of a university. I figured that I could always be a teacher for 30 years. But after my time as an assistant, I had no desire to do my teacher training, and so I went to GfK. Things have always developed completely different to how I imagined, but that is just fine and I don't regret anything, especially not coming to GfK.



CREATING KNOWLEDGE

TOPICS IN THIS SECTION:

22 /// RESEARCH PROJECTS

24 /// STUDIES

26 /// STUDIES – OUTLOOK

Always at the Center of our Research: Understanding the Consumer

We have developed a number of approaches to investigating current trends that are relevant for consumer research and marketing today. One of these focus areas was the research of human emotions. However, our work also focuses on other current research areas such as the use of virtual reality in market research or new insights for marketing from social media.

An excerpt from our research projects is included in this report – the complete overview can be found on our [homepage](#).

PREDICTION OF PURCHASE ACTS, QUANTITIES AND BUYER PENETRATION

Our "BrandSimulator" consumer panel model predicts the effects of different marketing mix concepts on the sale of products in the area of fast moving consumer goods (FMCG). In addition to purchase acts and quantities, the buyer forecast (key figure "penetration") is now also available. In order to achieve this, the model was completely revised last year: Fixed brands and business relevant sets were removed and instead modeled using a mix of history, recommendations and availability.

EMO SCAN

EMO Scan is software for the automatic recognition of human facial expressions to recognize and analyze emotions. Emotions are captured in real time without being influenced by subsequent surveys or annoying cables. The only things required to identify emotional reactions (e.g., to a commercial or a product) are a webcam and internet connection. We developed the software with the Fraunhofer IIS and emotion psychologists from the University of Geneva. In 2012, it was awarded the German Market Research Innovation Prize.



VOICE ANALYTICS

Working with engineers from the University of Passau and audEERING GmbH, we developed an instrument that can capture human emotions by way of a person's voice. Voice analytics is the basis for the "GfK MarketBuilder Voice," which is available to GfK SE customers. MarketBuilder Voice won the German Market Research Innovation Prize in 2017.

PICTURESCAN

The tool developed with the department of Prof. Lienhart from the University of Augsburg is used to extract marketing-relevant knowledge from photos in social networks.

The software detects brand logos, objects, scenes, people displaying emotions, age and gender on the posted photos as well as the overall mood and aggregates the information to find indicators. This makes it possible to measure brand popularity and customer feedback virtually in real time. Trends can be discovered and opportunities and risks assessed for image management and sales.

Our PictureScan tool received the 2016 Innovation Prize of the Professional Association of German Market and Social Researchers (BVM).

VIRTUAL REALITY IN MARKET RESEARCH

Products can be displayed in a virtual purchasing environment, such as in the supermarket. This controllable experimental situation is ideally suited for market research studies. We are therefore investigating the possibilities that these new technologies offer market research and how they can be used even more effectively.

We also looked at the usability and potential applications of VR technologies in the area of automobile research in "virtual car clinics." By using VR technologies, the effort required for car clinics, for which the first prototypes will be presented, can be drastically reduced.

Studies – a look back



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GLOBAL PERSPECTIVES BAROMETER 2018 – VOICES OF THE LEADERS OF TOMORROW

With the St. Gallen Symposium, we interviewed over 1,400 top talents in more than 90 countries – this time on issues revolving around the future of work. The results show that young top performers see positive effects as a result of new technologies, such as automation and artificial intelligence and are generally optimistic about their career. [Download study.](#)



**MOBILE COMMUNICATIONS 2018 –
WHO HAS WHICH DEVICES AND HOW DO THEY USE
THEM?**

The fourth edition of our study “Mobile Communications” shows an increasing level of connectivity in the everyday life of consumers in eight countries. The typology of the respondents shown here, from “non-connected” to “super connected”, is based on an extensive questionnaire on the behavior and attitudes toward smartphones/cell phones and the possibilities of mobile communication.

**CHALLENGES OF NATIONS 2017 –
UNEMPLOYMENT A GLOBAL CONCERN**

Each year, the study asks many countries the question, “What do you believe are the most urgent issues that need to be solved in your country today?” The issue of immigration as the dominant concern for Germans in the previous year lost relevance significantly in 2017. It nevertheless continues to occupy first place in the list of concerns. In terms of the international average, however, people are most concerned about another issue: unemployment. For the study, around 27,500 interviews were carried out in 2017 in a total of 24 countries. The study is available [for download](#) in our Studies Overview.

The next study will be published in summer 2018.

**GLOBAL TRUST REPORT –
ONLY FEW TRUST POLITICIANS**

This study was carried out for the third time in fall 2017. A representative survey of 2,000 people was carried out in Germany to find out how much trust they place in selected professions. The study was also conducted in 19 other countries.

Politicians hold last place on the trust scale in Germany and in 16 other countries. Firefighters, paramedics and nurses ranked as the most trusted professions among Germans.

**MARKETING CHALLENGES 2017 –
FOCUS ON DATA SCIENCE**

In the fall of 2017, we asked 600 marketing and sales managers about the challenges in their area of work, and here too, big data is the number one topic. According to the respondents, around one-fifth of German companies will be hiring more data scientists in the future – at large companies (250 or more employees), the proportion is even at nearly 30%. [You can find the complete study here.](#)

2017 – GLOBAL GREEN INDEX

Waste and recycling, consumption, mobility and energy supply – where do Germans stand on environmental issues?

**ON THE ROAD AGAIN! MILLENNIALS AND
THE FUTURE OF MOBILITY**

What do millennials think about mobility in general? Which modes of transportation do they use? These and other questions on the mobility of millennials were addressed in the fall of 2017. [Read the entire report.](#)

**FASHION RETAIL 2017 –
ONLINE, OFFLINE OR BOTH?**

The unlimited shopping made possible through new technologies has caused the biggest crisis to date for traditional retail. However, this continues to be the most important channel when it comes to fashion shopping.

Studies – Outlook



STUDIES – OUTLOOK

CONSUMER STUDY 2018 – A STUDY BY THE GFK VEREIN

How is private consumption changing worldwide? Every two years, the “Consumer Study” provides information on fundamental trends in private consumer behavior in six EU countries, Russia and the U.S.

The next issue will be published out in summer 2018.

ETHIOPIA’S GROWTH MIRACLE – A STUDY BY THE BERLIN INSTITUTE

The second largest country in Africa with a population of over 100 million has been evolving into the star of the continent in terms of growth for some years now. Political stability, solid economic growth, increasing enrollment rates: What is behind Ethiopia’s success story? The study examines the developments and makes recommendations for other African countries and cooperation on international development.

The study conducted in cooperation with the Berlin Institute for Population and Development will come out in fall 2018.



THE DEMOGRAPHIC STATE OF THE NATION – A STUDY BY THE BERLIN INSTITUTE

The number of people living in Germany in 2016 was 82.8 million – more than ever before. For a long time, an increase in the population was considered unlikely; however, it has now reached a new record, largely due to immigration. The study “The demographic state of the nation” looks at population development and the challenges of demographic change, and asks: How will these trends differ regionally in terms of their effects and what will the urgent tasks for the future be?

The study is conducted in cooperation with the Berlin Institute for Population and Development and will be published at the end of 2018.





SHARING KNOWLEDGE

TOPICS IN THIS SECTION

30 /// EDUCATION

38 /// PUBLICATIONS

42 /// EVENTS

University Programs –

MILESTONES OF OUR UNIVERSITY PROGRAMS IN AFRICA AND CHINA

KENYA:


In the last five years, the GfK Verein, with the Department of Business Administration at the University of Nairobi, has established a master's in marketing with specialization in market research. The initial funding for this project was provided by the German Investment and Development Corporation (DEG; deginvest.de). This was followed by the GfK Verein's continued support of the master's study program, which by now has become so well established that it can continue to exist independently. The GfK Verein therefore came to an agreement with the University of Nairobi to discontinue support for the program. The last lectures of the GfK Verein were held on February 24 and 25.

A day later, the GfK Verein-sponsored computer lab of the Department of Business Administration was officially

opened. Students in the master's program can use this lab and the corresponding workshop room for their research work.

SOUTH AFRICA:

The previous master's program at the University of Pretoria has come to an end. It will now be replaced by shorter intensive courses, which will be supported by local experts – with the medium-term goal of becoming self-financing. The university has hired Sotira Petrou for this, a doctoral candidate at the Faculty of Economic and Management Sciences of the University of Pretoria. Her job encompasses several activities: One activity is the management of the Prosumer Decision Lab. This is where research projects will be set in



IN ORDER TO TEST THE NEW FORMAT OF THE INTENSIVE COURSES, A WORKSHOP ON THE TOPIC OF DATA SCIENCE AND MARKET INSIGHTS WAS HELD ON NOVEMBER 9 AND 10, 2017.

motion and experimental work will be driven forward. With the GfK Verein and the University of Pretoria, she will also organize the intensive courses on data, analytical methods and market insights presented by the university based on modern technology. This new teaching format has driven our partnership with the university forward in a positive way: Both sides benefit from the new flexible course formats, which enable sustainable research collaboration with regard to relevant market decisions and lab experiments.

In order to test the new format of the intensive courses, a workshop on data science and market insights was held on November 9 and 10, 2017. Market researchers and marketing managers devoted two full days to the challenges of the digital transformation of the market research industry, and to the possible answers and solutions to these challenges. The challenges and data sets of the industry were examined in a series of lectures combined with practice-oriented data analysis sessions using various open source tools. 30 participants from the Insight Industry took part in the workshop alongside their customers. The curriculum of the intensive courses was refined and expanded based on the feedback gathered. In addition, the participants from the industry gained insight into the contents of the courses and now have an idea of what is taught in those classes.

CHINA:

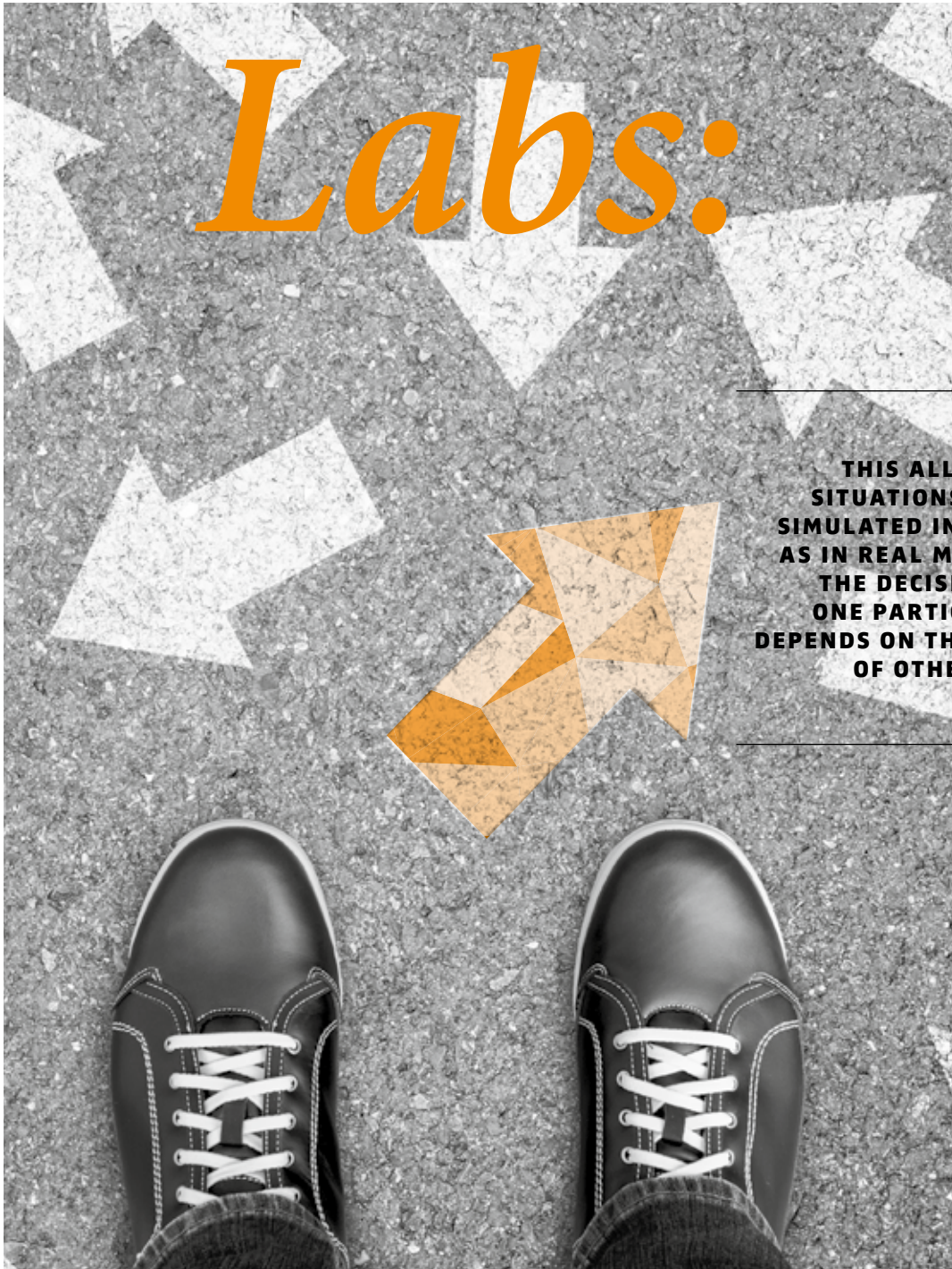
In China, the GfK Verein works with the Business School of the Central University of Finance and Economics (CUFE) in Beijing. The Summer School for International Market Research, Innovation and Data Science, a project based on cooperation between CUFE and the GfK Verein, has become firmly established over the course of the last four years. In July 2017, 25 high-potential students (in the top 2 % nationwide) took part in the two-week summer school program. The students worked on theoretical concepts and practical projects in the area of market research/marketing in order to further expand their knowledge of statistics, R programming, innovation, survey design and their understanding of the challenges on the customer side. In an additional Market Insight Project, the students learned about the latest market research practices. Three CUFE students were selected for an internship at GfK SE in Beijing, and one student for an internship at GfK SE headquarters in Nuremberg.

The scientific cooperation between the GfK Verein and CUFE has grown successfully over time and is focusing increasingly on bringing together science and practical application. Following this approach, a joint one-day conference with selected participants and speakers from the industry will take place in July 2018 prior to the summer school.

Decision

Labs:

**THIS ALLOWS
SITUATIONS TO BE
SIMULATED IN WHICH -
AS IN REAL MARKETS -
THE DECISION OF
ONE PARTICIPANT
DEPENDS ON THE DECISION
OF OTHERS.**



UNDERSTANDING BEHAVIOR THROUGH EXPERIMENTS

If you want to find out how people behave or make decisions, then you usually ask them. However, surveys also have a disadvantage: People don't always behave or make decisions like they say they do. The significance of some influencing factors is also difficult to survey – for example, many people claim they are not influenced by advertising.

If you want to determine with certainty how people really make decisions and which influencing factors have an impact on this process, observation – especially in a controlled experiment – is the method of choice.

EXPERIMENTAL ECONOMIC RESEARCH

Traditionally, empirical economic research investigates the behavior and decisions of market participants using “naturally occurring” or especially collected field data. However, this often has the disadvantage that the effects of different influencing factors on the observed behavior are mixed up and can be difficult to separate. Experimental research attempts to solve these problems. In experiments, test subjects are placed in strictly controlled situations, where their decision is observed in order to carefully examine causal relationships and their level of impact. The founding fathers of this form of experimental economic research are the Nobel Prize winners Vernon Smith and Daniel Kahneman.

Economic experiments investigate the basis for individual decisions in economically relevant situations in order to better understand human behavior and the handling of information in decision making. The economic relevance is ensured through an incentive-compatible remuneration scheme, whereby the participants assign a specific value to their decision. This also goes back to Vernon Smith's “Induced Value Theory.” The remuneration of the test subjects depends on their decision. If they want to earn as much

as possible, they have to decide in a way they think will maximize their payment.

In order to control the environment in such experiments as best as possible, they are conducted in laboratory experiments. These labs are usually equipped with isolated computer workstations where the test subjects have to make their decisions. A network of computer workstations and special software also enable interaction between the participants. This allows situations to be simulated in which – as in real markets – the decision of one participant depends on the decision of others.

THE “PROSUMER DECISION LABS” – POWERED BY THE GfK VEREIN

In order to better understand how people make decisions based on available information and their own values and goals (both as consumers as well as marketing decision makers), the GfK Verein has supported the setup of several behavioral economics labs: In addition to the lab at FAU Erlangen-Nuremberg and its own mobile lab in Nuremberg, the GfK Verein has set up another two labs in cooperation with the University of Pretoria in South Africa and the Central University of Finance and Economics in Beijing. Both are fully equipped and ready for research to start. In Pretoria, we have already been able to acquire an excellent lab manager in Ms. Sotira Petrou. These labs promise many exciting research projects on behavior and decisions in markets, which will be able to answer intercultural questions thanks to the international network. Such questions may be about the impact of additional information (augmented reality or recommendations from social networks) on purchasing decisions or the effect of new interactive data visualizations on the quality of the decisions made by product and marketing managers, to name just a few examples.

**GfK CHAIR
INFORMATION & SUPPLY
CHAIN MANAGEMENT:
STUDY “DIGITAL
TRANSFORMATION –
THE BIG BANG OF
THE 21ST CENTURY”**





**PEOPLE THEMSELVES ARE THE
DECISIVE FACTOR FOR THE
SUCCESSFUL IMPLEMENTATION OF
THE DIGITAL TRANSFORMATION
IN THE COMPANY.**

Since 2015, the GfK Endowed Chair for Information & Supply Chain Management has been providing students at the University of Applied Management in Ismaning with the strategic and operational foundations of modern, front-end-based information management as well as the management of complex value chains. In the dual study concept, acquired knowledge is immediately applied in a real-life situation at a company, thereby directly combining research and management practice. The hands-on management study program consists of two areas of concentration:

- + Innovation & Supply Chain Management (bachelor's program)
- + Information Management (master's program)

Under the direction of Prof. Rudolf Aunkofer, the department focuses on the development and use of innovative management approaches to create customer-centric value chains. This ensures a sustainable customer-orientated approach and, in turn, makes the entire value chain network competitive.

In close cooperation with the ISMC Institute of the same name (<http://iscm.iun-world.com/>), the department provides research results from the areas of digital transformation, technology and innovation in the form of different reports and analyses in order to support companies in their future-oriented decision making. Because people themselves are the decisive factor for the successful implementation of the digital transformation in the company. In the end, people must decide holistically how new technologies (robotics, speech recognition, artificial intelligence, etc.) are to be specifically used in the context of "digitalization." That is what the researchers at the institute established in the current study "Digital Transformation – the Big Bang of the 21st Century for the Technology Industry." A survey of 150 experts from leading tech companies was conducted in ten different markets worldwide.

GfK CHAIR
**AT THE FRIEDRICH-
ALEXANDER-
UNIVERSITY OF
ERLANGEN-NUREMBERG:**
*THEORY AND
PRACTICE
ARE BROUGHT
TOGETHER HERE*

**THE AIM OF THE
GfK VEREIN IS TO PASS
ON KNOWLEDGE,
INCLUDING TO YOUNG
ACADEMICS.**

Eleven years ago, the GfK Chair for Marketing Intelligence at FAU Erlangen-Nuremberg was established with endowment capital from the GfK Verein. The holder of the chair is Prof. Nicole Koschate-Fischer. In 2017, she was admitted as an ordinary member of the Bavarian Academy of Sciences and Humanities.

The aim of the GfK Verein is to pass on knowledge, including to young academics. The bachelor's and master's programs are scientifically based, as well as very hands-on. The content emphasis therefore reflects all relevant strategic and operational subject areas and marketing methods.



Over the last few years, the department has become extremely well established under the direction of Prof. Koschate-Fischer. Its academic core is the "Master of Marketing" study program, which has been offered since 2009. The number of applicants keeps rising every year and the applications are becoming increasingly international. In the past year alone, applicants came from 20 different countries and six different continents for approximately 60 university places. A new addition to the program is the specialization option "Marketing Research with a Focus on Data Science," which focuses on (business) information systems, statistics and the analysis of "Big Data."

Alongside teaching, research plays a key role: Practically oriented topics are examined in a quantitative empirical manner. The four areas of expertise of the GfK chair are price management, product and innovation management, market research and customer behavior and customer relationship management. Interdisciplinary and international work is an integral part of the curriculum. The research cooperations with renowned scientists and institutions as well as regular publications in leading international academic journals attract the attention of the global scientific community and make the research from Erlangen-Nuremberg known all over the world.

In Focus:



COMPACT – THE INFORMATION SERVICE OF THE GfK VEREIN

Compact informiert seit 2009 monatlich über aktuelle Trends und Themen aus der Marktforschung. Dafür gibt es die bei unseren Mitgliedern und Interessierten beliebten sogenannten Fokusthemen des Online-Informationsservice. Hier erscheinen einmal pro Monat kostenlos die neuesten Ergebnisse aus Umfragen und Analysen des GfK Vereins sowie aus Kooperationen des GfK Vereins mit der GfK SE.

FOCUS TOPICS

09/2017

TRAVEL TRENDS: WE HAVE LIFT OFF!

All-inclusive, wellness or Caribbean cruise vacations – these are all the rage right now according to Germans. However, not all rank among the personal favorites of vacationers.

>> Read more on the focus [topic](#)

10/2017

THE CHALLENGES FACING THE WORLD

The issue of immigration and integration is the biggest challenge that Germans and Austrians are concerned about right now. In other parts of Europe and the world, the focus is on entirely different issues.

>> Read more on the focus [topic](#)

11/2017

BON APPÉTIT, GERMANY!

TV cooking shows are popular. But who cooks like the pros at home? And how often are pots left untouched in German kitchens? According to the GfK Household Panel, the number of everyday cooks is decreasing in Germany. In contrast, the number of gourmet and weekend cooks, snackers and raw food enthusiasts is increasing!

>> Read more on the focus [topic](#)

11/2017

GETTING AROUND IN THE FUTURE

What does the future of mobility look like? Consumers in Germany, the UK, France and Italy are divided on this question. However, self-driving car fleets are especially well received among all respondents.

>> Read more on the focus [topic](#)

12/2017

MARKETING CHALLENGES: DECISIVE DATA

When it comes to making the right decisions at work, virtually every marketing and sales expert draws from their personal professional experience and discussions. However, to what extent does data also help them in decision making?

>> Read more on the focus [topic](#)

01/2018

VALUES: SECURITY STILL IN FIRST PLACE

As it traditionally does at the start of every year, the GfK Verein surveyed Germans on the importance of values: At nearly 80 percent, security still occupies first place – as in previous years. Values such as power, performance and competition increased in importance in this year's ranking, whereas social values such as trust, the home and solidarity decreased compared to the previous year.

>> Read more on the focus [topic](#)

02/2018

TRANSFORMED LIFEWORLDS, NEW TRENDS

Mature professionals, older mothers and people living alone are the three trend target groups that will have a significant impact on our society in the future. A good reason for manufacturers and retailers to take an in-depth look at these groups.

>> Read more on the focus [topic](#)

03/2018

JOBS WITH EXTRA TRUST

Train drivers, pilots or pharmacists? The GfK Verein looked at which professional group is most trusted among Germans in numerous consumer interviews. The result: Firefighters enjoy the greatest trust. The same holds true around the world – the helping professions are considered the most trustworthy.

>> Read more on the focus [topic](#)

04/2018

INCREASED APPETITE FOR ORGANIC PRODUCE

A look at the development of the share of total food expenditure on organic products, including beverages, in the last few years shows continuous growth: Since 2004, the share of organic food has more than tripled. And the recent development from 2016 to 2017 also brought about an increase of 0.2 percentage points. These are the findings of the GfK household panel, in which 30,000 people in charge of their household regularly report their purchases.

>> Read more on the focus [topic](#)

05/2018

PURCHASING POWER AND ONLINE POTENTIAL: REGIONAL BUDGET LEVELS

Purchasing power varies from the German national average depending on place of residence. What does this mean for the sales opportunities of retailers and service providers in the different urban and rural districts? And do online providers possibly have a better chance in some places than in others? For the current Compact focus topic of the GfK Verein, three urban centers and three rural regions were selected and compared.

>> Read more on the focus [topic](#)

06/2018

50PLUS: SMARTPHONE FEVER TAKES HOLD

The results of the "Consumer Study" of the GfK Verein on mobile communication show that the over-50 age groups have also long discovered the advantages of using cell phones. Only the penetration of smartphones in the over-70 market is slower.

>> Read more on the focus [topic](#)

MARKETING RESEARCH FOR PRACTICAL USE IN OUR *GfK MIR* MARKETING JOURNAL

Twice a year, the GfK Verein presents current research findings from marketing science – published for practical use – in the MARKETING INTELLIGENCE REVIEW (GfK MIR). Each issue provides information on a key topic – in German and in English – with a view to the practical application of new findings for marketing decision makers. The last issue looks at how fake news and negative brand knowledge, for example, endanger brands and brand values.

The GfK MIR is freely accessible online. [Read the latest issue.](#)

TAKING A LOOK AT BRAND RISKS

Gone are the days when strong brands were built up and stayed attractive mainly through one-way communication and widely aired TV spots. Gone are the days of predominantly growing markets. What's more, the socioeconomic environment of many markets has seen more stable times. Digitalization and social media do not leave brand management untouched.

"The risk for brands has increased exponentially," says Patrick Marrinan, who we interviewed for the first issue

of GfK MIR 2018, which is dedicated entirely to risks that can threaten strong brands. Fake news, boycotts and protests represent enormous risks, according to the managing principal of Marketing Scenario Analytica, a New York City-based consulting firm specializing in brand risks. With social media, every market participant can voice their thoughts or concerns, without being held accountable for them. Platforms such as Facebook, Twitter, etc., allow consumers to communicate with one other at any time and, if need be, to also band together against brands.

Whether VW, Dove, Wells Fargo, the American National Football League or a number of other brands, managers need only open a newspaper to see that things can turn bad for some brands. Their downfall can be sudden, and the landing can be very hard. Many markets today are driven by ideologies, and social media is a perfect vehicle for spreading (mis)information rapidly. Therefore, much of what we think we know about brand management needs to be reassessed from risk perspectives.

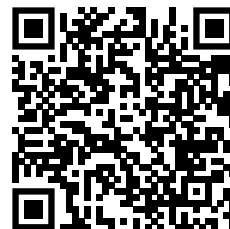
The guest editors of the current issue of GfK MIR, Susan Fournier and Shuba Srinivasan from Boston University, see



four types of brand risk. Included among them are brand reputation risk and brand dilution risk. A brand can suffer damage if its reputation and image are marred due to negative brand signals. The risk of brand dilution refers to a brand losing significance. If a brand also loses its uniqueness, this can lead to an erosion of brand value.

Especially at risk are brands that are closely connected with a real person, or whose owner or CEO is very talkative. Lack of preparation with regard to crisis events or product categories, which are part of the political or cultural debate, also increases brand risk. "The more exposed a brand is to brand risk, the more attention management will have to pay to this issue," says Susan Fournier. She therefore advises marketing and brand managers to always address risk considerations proactively and make "brand risk" a fundamental consideration when it comes to strategy development and brand philosophy. Potential revenues should always be considered in relation to the potential risks.

**READ OR
DOWNLOAD THE
ENTIRE ISSUE**



*The GfK Marketing Intelligence Review Vol. 10, No. 1,
was published in May 2018.*

*Guest editors: Susan Fournier and
Shuba Srinivasan, Boston University, Questrom
School of Business, Boston, MA, USA.*

Are older mothers any different as consumers?

KRONBERG ENTREPRENEURIAL TALKS 2018

The "Kronberg Entrepreneurial Talks" have a long tradition: Since 1982, top managers from manufacturers of food and drugstore products and representatives from GfK SE and the GfK Verein have been coming together at the end of January at Schlosshotel Kronberg in the Taunus region near Frankfurt. The first item on the agenda is taking stock: What was important for the industry in the past year? This also involves identifying trends in a key topic and shining a light on the opportunities that this presents for the manufacturers.

The theme of this year's 37th entrepreneurial talks was "Beyond disruption – creeping sociostructural shifts with a major impact on consumer behavior." The discussions revolved around the growing target groups of "people in employment living alone," "older mothers" and "mature professionals." With 41 top managers from industry and 18 representatives from GfK SE and the GfK Verein, the library in the Kronberg hotel was filled to capacity.

The result of months of preparations by an entire team from the GfK consumer panel area and the GfK Verein was then presented. The consumer panel data was repeatedly examined according to the various aspects, and hypotheses were formulated, discarded, modified and confirmed until a conclusive picture emerged. The panel analyses were supplemented by a comprehensive qualitative study from the GfK Verein in order to gain a better and deeper understanding of the target groups.

The analysis of the previous year was conducted by Stephan Knäble, the manager responsible for the consumer panels at GfK SE. He was able to report many positive developments for 2017: Households can afford more and pay more attention to quality. Sales in the food retail industry and drugstores are increasing accordingly. At the same time, consumers are not only buying in greater quantities but are also willing to pay higher prices and are increasingly reaching for the higher quality products on



**ALL THREE GROUPS
ARE STRETCHED FOR
TIME, WHICH OPENS UP
OPPORTUNITIES IN THE
CONVENIENCE FOODS
SEGMENT, FOR EXAMPLE.**

the shelves. Discount stores, on the other hand, were able to increase their share of sales again for the first time after several years of decline, especially when it comes to fresh products and brands.

External speaker Reiner Klingholz, from the Berlin Institute, then showed how the demographic development will lead to a further decline in growth in the long term.

Robert Kecskes from GfK SE pointed out that despite the general decrease in population, there are growing target groups that create opportunities for growing markets. The above-mentioned trend target groups, "people in employment living alone," "older mothers" and "mature professionals", were then looked at in further detail by himself, Claudia Gaspar and Raimund Wildner, the latter from the GfK Verein. In general, the trend target groups benefit the premium segment and have a positive effect on the manufacturer brands, innovation, convenience and

sustainability. Only men in employment who live alone have less of an idea about innovations and sustainability.

All three groups are stretched for time, which opens up opportunities in the convenience foods segment, for example. However, this requires a completely differentiated approach. Instant meals do not score well with older mothers, whereas soups/stews and gourmet salads do. Men who live alone may see the value in canned food, whereas women living alone tend to prefer frozen or refrigerated TV dinners. Mature professionals also tend to prefer the latter.

Exchange, discussion and delving deeper into the topics were then part of the closing dinner. And the first presentation dates with GfK SE clients were also set up. Because, in the end, a differentiated approach means that every customer requires his own tailor-made concept.

GfK CONFERENCE

“FOCUS ON MARKETS”: THE GfK CONFERENCE 2018

GfK CONFERENCE 2018

In 2018 we provide an outlook on current trends in FMCG markets (trading up in the product range) and in consumer electronics (smart TVs: opportunities and challenges).

Other presentations will be devoted to the current status of e-mobility, on the one hand, and the ethical implications of the digitally connected citizen, consumer and patient, on the other hand.

[More information](#) can be found on our home page.

LOOKING BACK: THE GfK CONFERENCE 2017 – MAKING DECISIONS, KNOWING INDUSTRY 4.0

Last year, current trending topics and topics for the future in market research were also presented by prominent speakers: a good opportunity for the members of the GfK Verein to be inspired and network during intermissions.

The presentations on June 29, 2017, revolved around the topic of digitalization and data. Prof. Gerd Gigerenzer opened the conference. The director of the Harding Center for Risk Literacy explored the exciting question of how good decisions are made. How much data is required to make a good decision, and how can we make the right decision when the conditions are uncertain?

After the presentation, the participants were divided up into groups: One group listened to the lectures on the topic of digital networking and digital transformation given by Prof. Rudolf Aunkofer, Global Director of GfK SE, and Ulrich Müller-Albring, CEO of FritzBox! manufacturer AVM. The other group attended the lecture series on home networks titled “Sweet



Smart Home.” Dr. Gunnar Pautzke, Head of Consumer Market Intelligence at BSH Hausgeräte GmbH, explained the usage of little digital helpers in the home. The fact that networking automatically appeals to young target groups was discussed by Dr. Robert Kecskes, Senior Insights Director at GfK SE.

After lunch, the program continued with a presentation by Simone Cornelsen, Account Director Fashion & Lifestyle at GfK SE, on how digitalization is changing the purchasing behavior of consumers – online and offline. At the close of the conference, Thomas Hahn from Siemens AG talked about the impact of digitalization on products and the value chain.

[All presentations can be found here](#) (available in German only).

ORANGE HOUR: *INSIGHT INTO OUR RESEARCH DURING LUNCH*

For the Orange Hour, we invite employees from member companies as well as personal members from the respective metropolitan region to lunch, in order to give them insight into our market research workshop, present our latest research project and stimulate exchange between our members.



On November 9, 2017, the members from the Nuremberg region got together for lunch at IMPERIAL, the restaurant of celebrity chef Alexander Herrmann, who welcomed and cooked for the guests. For the theme of the event, "Making emotions in the voice measurable for market research," Dirk Moersdorf from GfK SE and Dr. Matthias Unfried from the GfK Verein presented the VOICE ANALYTICS tool, which is able to detect human emotions conveyed by voice. This instrument is the basis of the "GfK Market-BUILDER Voice," which won the German Market Research Innovation Prize in 2017.

» Emotions «
BY MEANS OF THE VOICE



*Yesterday
a consumer,
today a
prosumer*

LECTURE SERIES: *CREATING VALUE IN A PROSUMER WORLD*

With digitalization and since Web 2.0, products are no longer just consumed – they are evaluated, tested, photographed from different angles, filmed and shared with the world. Consumers are having an increasing influence on products. Their opinion counts. And not only within their own circle of friends but also with producers. “Prosumers” do not rely on product placements by manufacturers. They simply place their preferred product themselves – as bloggers, video producers or social users. Prosumers thus act as important opinion leaders. Their voice is heard and thereby subliminally makes the product in question a favorite product.

Since 2016, the GfK Verein has been exploring the many different aspects of the prosumer world in a lecture series.

Last November, the GfK Verein, alongside the director of Indiegogo, Joel Hughes, gave a talk at the innovation lab JOSEPHS in Nuremberg on the growing importance of prosumers in the crowdfunding space along with numerous examples of success stories of young companies. In this event series, the GfK Verein has put the focus on the financing of new products by internet users for the second time.

In her talk at the end of January 2018, Laura Sobral, director of the The City Needs You Institute, used the example of bottom-up citizen movements, where people are claiming their right to more public spaces in major cities, to show how joint activism also leads to greater participation.

Through the event series, companies become familiar with the prosumer phenomenon with the help of current examples and also get ideas for their own business.

>> All topics in the event series can be found [here](#).



TAKING STOCK

TOPICS IN THIS SECTION

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The Figures for 2017

PRELIMINARY REMARKS

The single most important change compared to 2016, both for the balance sheet and the income statement of the GfK Verein, is that for the first time in many years, the GfK SE did not pay out a dividend in 2017. In 2016, this cash flow represented almost 96 % of the GfK Verein's earnings. The GfK Verein has now made provisions and built a financial cushion of over €25 million in recent years. These funds were partially used to finance the GfK Verein in 2017.

GfK SE will also not pay out a dividend in 2018. Consequently, the GfK Verein will continue to use past savings to finance its activities. At the same time, savings were already realized in 2017 and will be increased in 2018 as well as in following years in order to broaden the scope of these funds.

THE BALANCE SHEET: ASSETS

In 2017, financial assets are also the most important item on the assets side of the balance sheet. The 20.61 million shares in GfK SE, which are held by the GfK Verein, appear in the balance sheet at an average of €1.90, which results in a valuation of €39.2 million. For the squeeze-out, the shares were transferred to KKR as part of a securities loan. After the squeeze-out, they were transferred back from KKR to the GfK Verein on October 18, 2017, as agreed. Since then, all shares have been held in the custo-

dian accounts of the GfK Verein. The item "land and buildings" relates to the building at Schnieglinger Str. 57, which belongs to the GfK Verein.

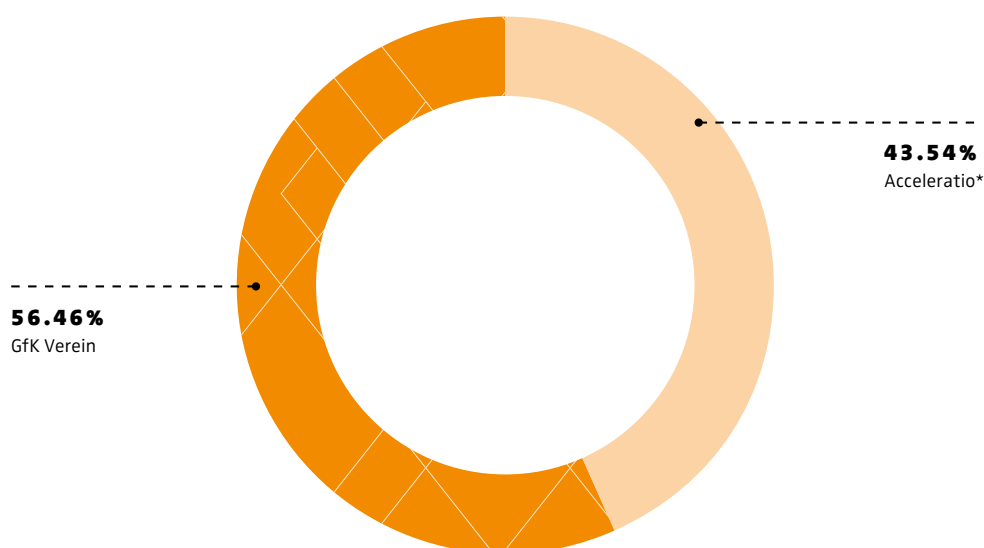
The item "business and office equipment" increased once, because the GfK Verein made itself independent from GfK SE with regard to its IT. In the long term, this will lead to a cost reduction, because the structure can be better tailored to the needs of the much smaller GfK Verein. In the short term, however, investments were necessary. In addition, investments were made in hardware in order to investigate new market research methods, such as virtual reality.

Other assets mainly relate to a loan made to GfK SE by the GfK Verein. As mentioned above, the loan was used to finance the day-to-day activities and has decreased accordingly.

THE BALANCE SHEET: EQUITY AND LIABILITIES

The liability side is dominated by equity. This decreased by €10.4 million, which corresponds to the net loss for the year. However, the equity ratio is over 97 % even without taking hidden reserves into consideration. Other provisions mainly include a fee for legal services related to the squeeze out, which had not yet been paid as of the end of the year.

SHAREHOLDER STRUCTURE



* Acceleratio Capital N.V. and Acceleratio Topco S. à r. l.

INCOME STATEMENT

Revenue mainly includes two items: the income generated from the academy and rental income from the building on Schnieglinger Street 57. The GfK Verein uses part of this building and leases the other part to GfK SE and the Sparkasse Nuremberg.

The GfK Academy has had to deal with increasing declines in recent years. The GfK Verein then tried out a new concept with shorter and less expensive seminars in 2017. The first of these seminars was fully booked. However, the second seminar had to be canceled due to lack of participation. The decision was therefore made to close the Academy. This decreased the revenue of the Academy from €98 thousand to €32 thousand.

The costs for purchased services could be reduced by €300 thousand. These include the costs for the studies for the member newsletters, the remuneration of the cooperation partners for research projects, the remuneration of GfK SE for the administrative work of GfK SE carried out there, payments for the instructors of the GfK Academy as well as for the authors and agency for our journal, the GfK Marketing Intelligence Review (GfK MIR).

Savings in the amount of around €800 thousand could also be realized in other operating expenses. First, the

expense for financial and legal services could be significantly reduced. A further reduction is expected for 2018 because the costs for legal services in relation to the squeeze-out will be eliminated. Lastly, this position also includes the costs for the committees of the GfK Verein, which likewise decreased.

In contrast, personnel costs increased, because the effect associated with the hiring of two new employees in the area of the future of market research and university contacts are reflected in the full-year results for the first time.

In total, the costs for 2017 could be reduced by €900 thousand. Nevertheless, the GfK Verein closed the 2017 fiscal year with a loss of around €10.4 million, which was taken from other retained earnings.

BALANCE SHEET AS OF DECEMBER 31, 2017

in € thousand (rounding differences possible)	31/12/2016	31/12/2017
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment		
Land and buildings	133	132
Other equipment, business and office equipment	172	258
	305	390
Financial assets		
Investments	39,201	39,201
	39,506	39,590
CURRENT ASSETS		
Receivables and other assets		
Trade receivables	14	4
Other assets	25,004	13,787
	25,018	13,791
Bank balances		
	35	38
	25,053	13,829
PREPAID EXPENSES		
	180	3
	64,739	53,423
EQUITY AND LIABILITIES		
EQUITY		
Other retained earnings	62,357	52,005
PROVISIONS		
Other provisions	1,312	811
	1,312	811
LIABILITIES		
Bank borrowings	2	1
Trade payables	1,009	539
Other	59	68
	1,070	608
	64,739	53,423

INCOME STATEMENT 2017

In € thousand (rounding differences possible)	2016	2017
Sales	265	172
Membership dues	213	208
Other operating income	29	30
	507	409
Expenses for services procured	-4,866	-4,543
Personnel expenses	-1,984	-2,217
Amortization and depreciation on intangible assets and property, plant and equipment	-12	-21
Other operating expenses	-3,845	-3,053
	-10,707	-9,834
Income from investments	13,397	0
Other interest and similar income	68	10
Interest and similar expenses	-11	-1
Income taxes	-46	0
Net income	3,207	-9,416
Taxes	-1,025	-936
Net profit/loss	2,182	-10,352



MEET THE ORGANIZATION

TOPICS IN THIS SECTION

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THE *GfK* VEREIN TEAM



The GfK Verein has 19 employees. With diverse qualifications and specialist knowledge, together, they make a powerful team that propels the market research think tank to new insights.

MANAGEMENT

1 *Prof. Raimund Wildner*

2 *Dr. Andreas Neus*

3 *Petra Gelsen*

GfK MIR

4 *Dr. Christine Kittinger*

STUDIES

5 *Ronald Frank*

GfK ACADEMY

6 *Friedgard Spingler*

RESEARCH TEAM

2 *Dr. Andreas Neus*

7 *Dr. Anja Dieckmann*

8 *Birgit Stoltenberg*

9 *Dr. Carolin Kaiser*

10 *Dr. Fabian Buder*

11 *Fernando Galdino*

12 *Holger Dietrich*

13 *Dr. Matthias Unfried*

14 *René Schallner*

15 *Dr. Vladimir Manewitsch*

PUBLIC RELATIONS AND COMMUNICATIONS

16 *Sandra Lades*

17 *Helen Streilein*

KNOWLEDGE MANAGEMENT

18 *Claudia Gaspar*

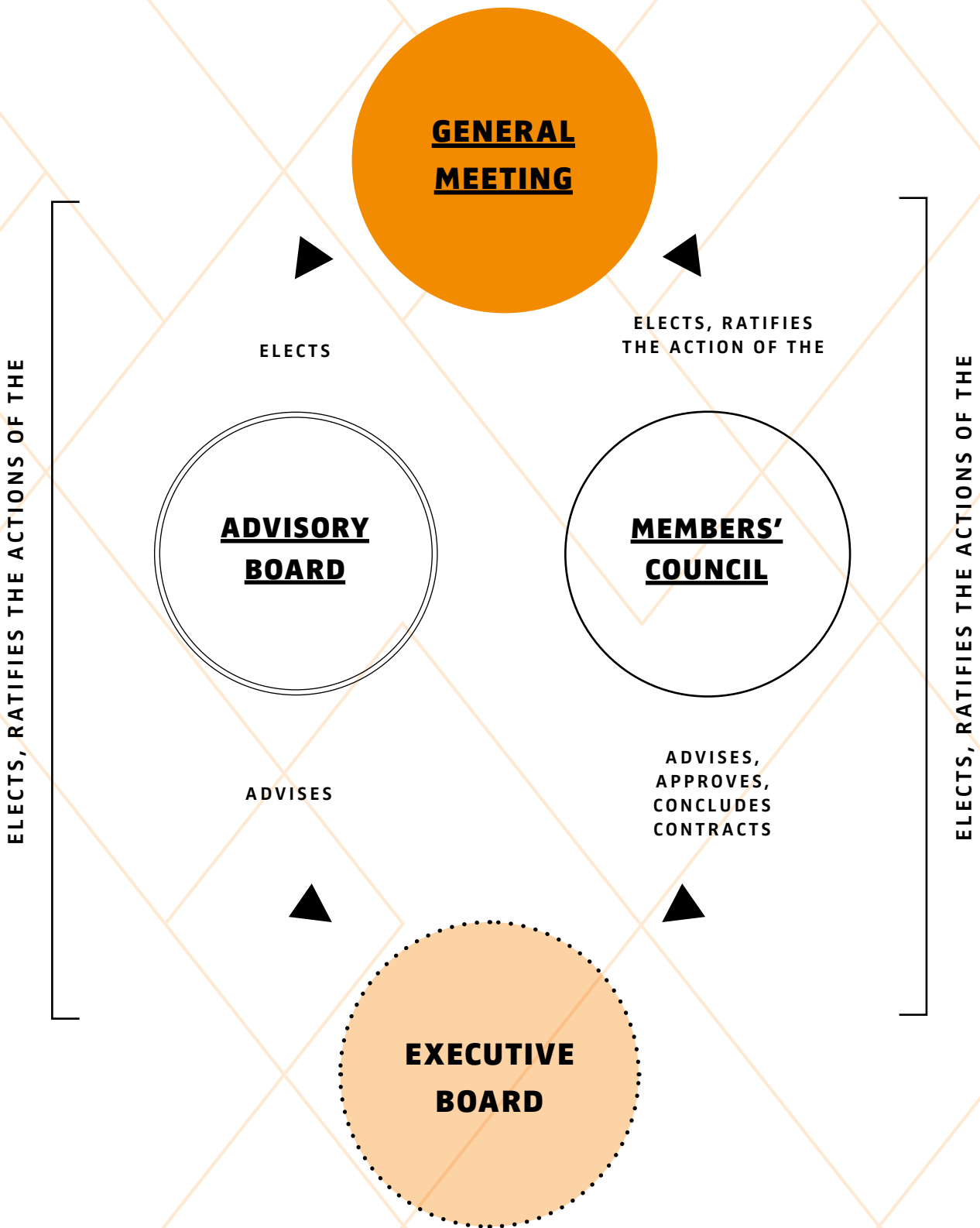
19 *Claudia Stürmer*

[Read more about our team.](#)

STRUCTURE OF *THE GfK VEREIN*

Four committees determine the direction and activities of the GfK Verein: the General Assembly, the Executive Board, the Members' Council and the Advisory Board. The General Assembly is the highest of these committees and meets once a year. It elects the members of the Executive Board, the Members' Council and the Advisory Board. In addition, members of the Members' Council and Executive Board are discharged from their duties on an annual basis.





Committees of the GfK Verein

The Executive Board

Since the founding of the GfK Verein, the Executive Board has been comprised of individuals from business and academia. They are elected by members of the GfK Verein for a period of five years at a time. The members of the Executive Board are responsible for the day-to-day activities of the GfK Verein and representing it to the public.



1. PROF. HUBERT WEILER

President

Chairman of the Supervisory Board
at uniVersa Versicherungen

5. PROF. RAIMUND WILDNER

Vice President

Managing Director of the GfK Verein

2. RALF KLEIN-BÖLTIG

Vice President

Managing Partner, NEXTBRAND GmbH
Chairman of the Supervisory Board
of GfK SE

6. HELGA HAUB

Honorary President

Co-owner of the Tengelmann
WHG Group

**3. PROF.
NICOLE KOSCHATE-FISCHER**

Vice President

Holder of GfK Endowed Chair for
Marketing Intelligence

7. PETER ZÜHLSDORFF

Honorary President

Partner, DIH Deutsche Industrie-
Holding GmbH

4. MANFRED SCHESKE

Vice President

CEO and cofounder of
infirst HEALTHCARE

The Members' Council

The Members' Council consists of a maximum of ten members, who are elected by the General Assembly for a term of five years. Those serving on the Members' Council are individuals with management experience.

CLAUS-P. RACH

Chairman
Rach-Consult

PROF.

DR. HANNS-JÜRGEN WEIGEL

Deputy Chairman
Lawyer

**DR. STEPHANIE
MAIR-HUYDTS**

Publisher,
Mair-Dumont GmbH & Co. KG

DR. ULRICH MALY

Mayor of the City
of Nuremberg

DR. MANFRED STACH

Former Chairman of
the Supervisory Committee of
Unilever Deutschland GmbH

DR. STEFFEN STREMME

Former CEO of
Media Saturn Holding

DR. HUBERTINE UNDERBERG-RUDER

Advisory Board President of
Underberg AG

The Advisory Board

The Advisory Board consists of a minimum of ten and a maximum of 30 members with experience in managing companies or in the area of market research. The Advisory Board advises the Executive Board and the Members' Council.

ECKHARDT FENNER

Owner of
KKK Kosten-, Konditions- und
Kooperationsmanagement

CLEMENS R.P. GÜTERMANN

Former Member of
the Board of Directors of
Gütermann AG

KLAUS HEHL

Honorary Member
Former Chair of the Board of
Directors, GfK AG

BERNHARD JACKEL

Honorary Member
Former Member of
the Board of Directors, GfK AG

PROF. HOLGER JUNG

Jung von Matt AG

PROF. MANFRED KIRCHGEORG

Holder of SVI-Endowed Chair of
Marketing, esp. E-Commerce and
Cross-Media Management, at
the HHL Leipzig Graduate School of
Management

MARTIN KÖLSCH

Former Chairman of Management Board,
FIDOR Bank AG

DR. STEPHANIE MAIR-HUYDTS

Publisher,
Mair-Dumont GmbH & Co. KG

DR. ULRICH MALY

Mayor of the City
of Nuremberg

CLAUS-P. RACH

Rach-Consult

PROF. HANS-WILLI SCHROIFF

CEO and founder, MindChainge
Chair for Marketing at RWTH Aachen

WERNER SPINNER

Chairman of the Supervisory Board of
The Zuellig Group Inc., Cologne

DR. MANFRED STACH

Former Chairman of
the Supervisory Committee of
Unilever Deutschland GmbH

DR. STEFFEN STREMME

Former CEO of
Media Saturn Holding

DR. HUBERTINE UNDERBERG-RUDER

Advisory Board President of
Underberg AG

PROF. HANNS-JÜRGEN WEIGEL

Lawyer

MEMBERSHIP

Membership has many advantages: Members get access to knowledge. They

get the latest studies of our research before the official publication, for example, and always have their finger on the pulse when it comes to important trend topics.

Members receive the CHALLENGES OF NATIONS study beforehand, which

reflects the most urgent tasks that need to be carried out in a number of countries.

Our "Marketing Intelligence Review" journal provides members with scientific findings from marketing edited for practical application.

In addition, purchase of the "Kronberg Book" is offered exclusively to members: It documents the most important findings from the entrepreneurial talks, which take place once a year since 1982 and are organized by the GfK Verein and GfK SE.

Members can also participate in our events for free: Every year, the GfK Conference addresses current questions about marketing and market research. High-ranking speakers from business and society present alongside established experts from GfK. The ORANGE HOUR, a lunch event, gives members exclusive insight into the workshop of our current research projects.

Interested in becoming a member? Send your membership application either by mail or online.

All information on membership can be found at <https://www.gfk-verein.org/en/about-us/membership/apply-membership>

The annual fee for membership in the GfK Verein is €500 (€150 for university professors).

You can find [a list of all members](#) on our homepage.

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-Nürnberg.
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 Members' Council
- > the Advisory Board
- > 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. If a Members' Council member's term in office is due to end, it is automatically extended until the end of the next General Assembly.
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.



IMPRINT

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Register of Associations of
the Nuremberg District Court
(Registration No. VR 200665)
