

# ANNUAL REPORT 2021/2022

Nürnberg Institut für Marktentscheidungen e. V.  
Founder and Anchor Shareholder of GfK SE

→ People. Markets.  
Better Decisions.



# The Nuremberg Institute for Market Decisions

## *Founder and Anchor Shareholder of GfK SE*

### PEOPLE. MARKETS. BETTER DECISIONS.

The Nuremberg Institute for Market Decisions (NIM) is a non-profit institute for consumer and market decision research. Positioned at the interface between science and practical application, NIM produces and shares insights on how consumer and managerial decisions are changing in the face of new trends and technologies and how people can make better decisions in markets.

### OUR MISSION: RESEARCH FOR THE BENEFIT OF SCIENCE AND PRACTICE

The key objective defined in our Articles of Association is to investigate market decisions at the interface between science and practice, since these are the true essence of consumer, market and sales research. Particularly with regard to changes due to digitalization, disruptive changes or social trends, it is important to understand the effects on market decisions and their quality. This research task requires close interdisciplinary cooperation with leading academic institutions and universities.

### ANCHOR SHAREHOLDER OF GfK SE

As an anchor shareholder, the NIM accompanies GfK SE in its economic development and helps to set the course for future growth. Our history, our role as a shareholder and our close relationship are also underlined by the addition of "Founder and Anchor Shareholder of GfK SE" alongside our name.

### MEMBERS: FOCUS ON PROFESSIONAL DIALOGUE

We are currently expanding the active exchange with our members in order to further deepen the professional dialog on the topic of market decisions. All members also have access to specialist knowledge such as studies and research findings. We also regularly publish journals, e.g. the *NIM Marketing Intelligence Review* and the new NIM research magazine *NIM INSIGHTS*. Members have the opportunity to attend the NIM Market Decisions Day conference and NIM Insights Lunches free of charge. As active contributors and co-researchers, members are always welcome to put forward ideas to further develop relevant research topics or actively participate in research projects as sparring partners who contribute both critical and constructive ideas. ■



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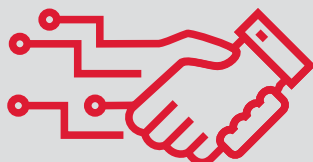
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**Decisions are notoriously difficult to make. Even with the best available data and information at hand, they are always marked by uncertainty to some extent and they have the uncomfortable trait of offering attractive options that are, nonetheless, mostly mutually exclusive.**

**Manfred Scheske**



**Manfred Scheske**  
*President  
Nuremberg Institute  
for Market Decisions*



## FOREWORD

Manfred Scheske



# New Era and Chapter for GfK SE and for NIM

### Dear Members,

For the past three and a half years, the phrase “Market Decisions” has been part of our name. Decision research, understanding the relationships and interdependencies that influence market participants’ decisions and consequently move markets, has been the primary statutory purpose since our organization’s founding in 1934.

Decisions are notoriously difficult to make. Even with the best available data and information at hand, they are always marked by uncertainty to some extent, and they have the uncomfortable trait of offering attractive options that are, nonetheless, mostly mutually exclusive.

The NIM organization is also forced to face such tough decisions. It needs to carefully analyze the circumstances, develop, assess, and evaluate alternatives, and eventually make a decision while keeping its objectives in mind.

That is precisely what the Executive Board did in relation to the announced merger between Nielsen IQ and GfK SE, and that is exactly what the Members’ Council scrutinized during the approval process.

Let me begin with the objectives that underlie our decision-making processes:

1. **Firstly, our main objective must be to fulfil our non-commercial purpose defined in our statutes. This must be attained with an ambitious approach in accordance with the intentions of and the spirit of our founders, more globally though, reflecting today’s market dynamics and state of the art with regards to technology and data science.**
2. **Secondly, we need to maintain and increase the value of GfK SE since this is NIM’s primary source of income to generate funds needed for the fulfillment of our statutory purpose.**

3. **Thirdly, as founder and anchor shareholder of GfK SE, it is our duty to safeguard the company’s interests and wellbeing. This applies to its employees, to the key products (which form a currency of trust for GfK customers), to the GfK brand and especially to the Nuremberg location.**

But first we must return to the year 2016 once more. GfK SE and, subsequently, the NIM organization were faced with demanding market conditions and circumstances.

Digital disruption had closed in on the market research industry. GfK SE issued a series of profit warnings: it was obvious that the company had to change to adapt. What’s more, such change had to be swift and radical. The portfolio was far too diversified and thus too vulnerable to competition – particularly ad hoc business was subject to a very sharp downward trend. Processes needed to be standardized and consolidated to address inefficiencies and overhead costs. Moreover, for 2016 and the following years, GfK SE was affected by on large-scale impairments for assets and acquired companies and products which subsequently proved not to be worth the previously anticipated value. Needless to say, this affected earnings considerably. Indeed, GfK SE found itself in the center of a perfect storm. The scale and magnitude of the needed transformation is difficult to manage for the Management Board of a listed company when one needs to report sales and earnings performance to impatient shareholders every three months.

As a result of this situation, NIM had decided to partner with an experienced private equity firm, in this case KKR, and to delist the company from the stock market to initiate a radical transformation and to make the company future-proof, valuable and profitable again without the burden of publishing quarterly reports. That was a difficult, courageous and, in retrospect, also absolutely correct decision taken by NIM, under the leadership of my predecessor Prof. Hubert Weiler.

This was followed by a five-year process involving streamlining of the portfolio and transformation of struc-

tures and processes to improve both customer service and efficiency and reduce redundancies in the infrastructure. All of this was accompanied by an extensive investment program to accelerate the innovation pipeline whilst also significantly enhancing analytics expertise, user experience and real time access to information and insights.

This massive turn-around process was successful. With tremendous efforts, the company regained competitiveness and future-readiness financed with a capital injection underwritten by KKR, with a periodic increase in debt and with a five-years long hiatus of dividend distributions to shareholders. A considerably leaner company produced strong top-line growth and owing to the structural- and process improvement, even stronger bottom-line momentum in 2021.

This positive trend continued in 2022 with even greater momentum, that is, a high single-digit increase in sales after five months and continuation of over-proportional growth in earnings. This year also saw a dividend being paid out to the shareholders for the previous year. This was a welcome milestone for NIM as dividends are our main source of income and needed to fund our activities in pursuit of our statutory obligations.

The years of restructuring were very challenging and demanding for the company but likewise for NIM. We quickly cut back on our spending, essentially cutting it in half. As a result, we weren't very popular at times, because we also had to scale back our sponsoring programs significantly. Fortunately, we received a €13 million compensation payment in association with the reconciliation of trademark rights, and we sold our office building on Schnieglinger Strasse. Despite the austerity budget and this extraordinary income, we still saw our cash reserves shrink. We eventually managed to execute an option agreement with KKR that did not jeopardize our majority shareholder role, left all our rights intact and included a warrant to participate in future increases in value, ultimately bringing us a cash inflow of €20 million in mid-2021. Thanks to GfK's good results in 2021, dividends were also paid out again this year. In summary NIM can conclude: "We have left five years of existential challenges behind us, the storm has passed, and we are sailing on a good course, with cash reserves considerably rebuilt."

Nonetheless, critical questions remain: Can we now rest after the GfK turnaround? Can we scale up our budget to proceed with an agenda and activities which are more ambitious, more in line with our expectations and, above all, truer to the spirit and the legacy of our founders? Or do we need to continue to fulfill our statutory obligations with a simmering austerity budget?

The logical answer is: NIM's freedom to operate and to grow is restricted as well as enhanced depending on the

economic performance of GfK SE. Any future commercial risks will always affect NIM commensurately.

So let's take a closer look at GfK SE's prospects for the future. Despite all the respect for the strong performance it has achieved again, it has to be said that the enterprise is by no means where it needs to be. The encouraging development of gfknewron needs to persist and, above all, requires further investment. Investments are also essential to keeping one step ahead of the competition in the use of passive data and continuously developing and perfecting the omnipanel perspective, that is, the urgently needed complete coverage of offline and online shopping behavior required by the industry. Investment is also crucial to the modernization of outdated platforms and their transfer to cloud-based systems.

To make efforts and financial investments economically meaningful, scale effects are paramount. This is precisely where GfK is at a disadvantage: Gaps in our geographical coverage are not helpful in this respect, especially our scant presence in the United States.

At the same time, we are witnessing rapidly advancing global consolidation:

- Kantar has taken over Numerator and expands into further geographies
- NIQ is moving quickly to advance its omnichannel offerings and to gain access to marketable passive data, through targeted acquisitions.
- IRI is about to merge with NPD

GfK cannot just stand by and watch these power shifts and changes happen.

**There is a clear need for GfK to increase in size and, most importantly, expand geographically to secure its future.** Therefore, we worked together with our co-shareholder to examine every opportunity available on the market and this explains why we were always active on the M&A market. However, we have not been successful as a consolidator due to the combination of very high multiples for potential targets and limited financial power.

We subsequently took a look at possible combinations, keeping in mind at all times that geographical expansion is essential for GfK to secure its future. The meaningfulness of such constructs, of course depends on the fit. Will the shareholders get along? Is it a win-win situation? What about valuation and relative valuation? What is the joint strategy? How much debt do we wish or need to take on? What are the long-term equity plans or, in the case of private equity, the exit strategies? I cannot name any parties, but I can tell you that there would have been other potential partners apart from Nielsen NIQ and that the GfK shareholders rejected options because of lack of fit.

However, a combination with Nielsen NIQ was always a strongly preferred scenario. The degree of complementarity, combined with a marked similarity of cultures and history, is simply exceptional. Both companies are market research pioneers with a combined history of almost 200 years, which hold strong market leading positions earned with loyal customers and achieved through hard work and reliability. This also applies to the common understanding of continuous product and service improvement and the commitment to attracting customers with better products and service. **The companies are a perfect fit.**

- With regards to the monetary aspects of the proposed deal, we managed to reach an agreement with the NIQ shareholder, Advent International which comprised an attractive valuation for GfK as well as a fair relative valuation. The share price based on the valuation is considerably higher than the KKR starting price, which was already significantly higher than the previously listed stock market price. GfK shareholders will reinvest by far the largest part of their equity value in the joint company and will thus become substantial shareholders in the combined company. However, Advent International will be the majority shareholder.
- GfK shareholders will also receive a considerably smaller part of their equity value in cash.

For the NIM, this combination of a continued active shareholder and a substantial cash payout means:

- Long-term financial independence.
- Financial resources to fund our mission of transforming the Nuremberg Institute for Market Decisions into the world's most renowned institute for market decision research.
- A stake in the joint company that makes us a major shareholder in one of the world's largest market research companies, and if Advent International and KKR should exit at some point in the future, e.g. after an IPO, NIM could possibly become the largest single shareholder.

When asked whether the GfK brand, the main products in our portfolio (e.g., Market Intelligence, Consumer Panel), the Nuremberg location, the Orange Campus, the employees and similar are protected, NIQ CEO Jim Peck replied: "We want the merger with GfK because we admire GfK's products and because customers value the GfK brand. This includes employees who build the products, look after them and who know them down to the last detail. Why should we change anything? It simply makes good business sense to continue things as they are."

That is exactly how we see things too. This mutual understanding led to contractually agreed multi-year

consent rights for NIM regarding changes to the main GfK products, the Nuremberg location and use of the GfK brand. NIM will also be represented on the company's board. This all underscores our commitment to fulfilling the role of an active, engaged shareholder.

We negotiated this entire package constructively yet with determination. We sought advice from our own independent consultants – including Fieldfisher and BakerLaw for legal services, Rothschild for M&A advice, EY for tax and financial matters. We also partnered with KKR to obtain strategic advice from McKinsey, and Goldman Sachs assisted us with the transaction. Along the way, we always insisted on comparing valuations against market standards and, above all, evaluate against the key alternative scenario, the stand-alone option.

The result was very clear:

- The merger will create a leading, highly competitive, global company that can be the trusted partner like no other for the worldwide branded goods industry.
- This joint company offers the best future prospects for the GfK brand and the GfK products.
- This joint company provides GfK employees with opportunities for development that we consider to be significantly greater than the risks associated with such a transaction.
- This company will retain Nuremberg as a key global location.
- This transaction provides NIM with financial independence paired with a continued prominent role as an active Anchor Shareholder in the world's largest provider of retail- and consumer research.

The Executive Board recommended this negotiated package to the Members' Council, which they unanimously approved after a critical review. At this point, I'd like to stress that the Executive Board did not take this decision lightly. We all are deeply committed to NIM's purpose, to GfK as a company, to the Nuremberg location and to the employees. We acted based on this responsibility and the deep belief that we are doing the right thing for NIM's as well as for GfK's future.

Best wishes,



**Manfred Scheske**  
President

Nuremberg Institute for Market Decisions





**Dr. Andreas Neus**

*Managing Director and Vice President  
Nuremberg Institute  
for Market Decisions*

*In the present day, it is becoming increasingly clear that the economically decisive factor is the consumer in the sense of the end user.*

*The fate of all products which have been manufactured for the market – that is, for sale – ultimately depends on his attitude his habits and his market decisions.*

**Vershofen, Memorandum, 1934**



## UPDATE ON NIM

Dr. Andreas Neus



# People. Markets. Better Decisions.

In 2021, we set an important course for NIM by investing in its future as a research institute. A decisive factor was that we were able to significantly strengthen our team once again. With Dr. Michael Zürn, we have gained a highly experienced social psychologist and behavioral economist. And with Nina Hesel, the NIM will benefit from a recognized expert from marketing practice, who will contribute her comprehensive know-how to our research.

The distinguished financial expert Sven Schmidt, our new Head of Finance, has many years of experience in digitalization. He is not only responsible for all finance and tax issues, but is also spearheading the digitalization of all administrative processes for NIM.

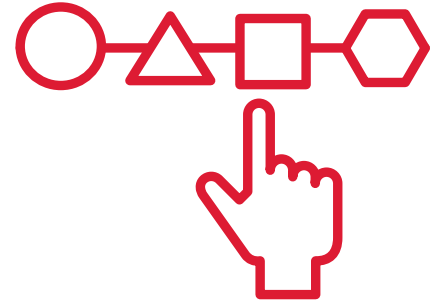
Dr. Carolin Kaiser, who was already responsible for pioneering research at NIM in the field of smart machines and market decisions, took on the new position as Head of Artificial Intelligence at the turn of the year. She is investigating crucial questions such as how the rapid development of artificial intelligence affects consumer decisions, where the boundary between information and manipulation lies, and how people deal with digital “co-decision makers”. That is why we now also have two anthropomorphic robots that are used in experiments to investigate the effect of human-machine interaction on consumer decisions.

### RESEARCH IN DIALOGUE

In the current times of considerable disruption and profound change, we are pursuing the central question of how market decisions by consumers and companies change – and how they can be improved. We strive to communicate this research and its insights even more extensively. Therefore, this year we have started to provide an overview of our completed and ongoing research projects in a separate research report, the *NIM INSIGHTS*.

Due to the annual cycle of our research projects, we can inform our members about the results of the completed projects in the first half of the year. At the same time, using the framework of the breakout sessions of the NIM Market Decisions Day, we also conduct intensive dialogue with conference participants and members on the research results and approaches for new topics. To keep our members updated on our activities, we also share news several times a year via the newsletter *NIM News+*.

The online format NIM Insights Lunch, launched during the corona pandemic, has become very well established. Around 50 participants regularly take part and the large number of contributions to the discussion after the presentations shows how important this form of exchange is. In the second half of 2022, we plan to launch a live version of the format as well. The somewhat relaxed pandemic rules also allow us once again to present NIM's research results live at conferences and attract additional partners for new research projects.



## EXPANSION OF COOPERATION

In the past year, we also intensified many of our research collaborations. These include the Institute for Media and Communication Management (MCM-HSG) at the University of St. Gallen and the DISPOC Institute (Department of Social, Political and Cognitive Sciences) at the University of Siena. Against the backdrop of pervasive digitalization and the increasing influence of artificial intelligence on both consumer decisions as well as data-driven decisions in companies, we also expanded our research cooperation with the Friedrich-Alexander-Universität Erlangen-Nürnberg (FAU). In addition to the GfK Chair of Marketing Intelligence held by Prof. Dr. Nicole Koschate-Fischer, NIM now also supports the research of two chairs in the field of business information systems, headed by Prof. Dr. Sven Laumer and Prof. Dr. Martin Matzner respectively. On behalf of NIM, I would like to take this opportunity to thank FAU and all the professors involved for the excellent and very fruitful collaboration in shaping the new research partnership.

## BETTER DECISIONS

An important question that guides our research is: what is a good decision? What can be used to judge the quality of a decision? Psychologist Ward Edwards, one of the founders of behavioral decision research, came to the following conclusion on the topic of decision quality: *“A good decision cannot guarantee a good outcome. All real decisions are made under uncertainty. A decision is therefore a bet, and evaluating it as good or not must depend on the stakes and the odds, not on the outcome.”*

For us, this means that NIM’s three main research areas will accompany us for a while to find answers to their questions:

1. How much can we as humans trust AI? How much control do we require? **Smart machines** are influencing more and more decision-making situations – both for consumers and inside companies, for example in marketing and product development. The role of AI ranges from a neutral analysis of thousands of offers that a human being could hardly manage to compare, to the creation of a shortlist with recommendations. These recommendations, however, may turn out to be guided less by the actual wants and needs of the decision-maker than by the commercial interests of providers.
2. What role does social, environmental and economic sustainability play in decision-making? Values, ethics and societal goals are becoming increasingly important in consumers’ purchasing decisions as well as in companies’ marketing and product development. Instead of simple self-optimization, **purpose beyond profit** is increasingly an issue – and one where different desirable goals can also conflict with each other, thereby making decisions more difficult.
3. How can we make better decisions in the face of the huge amount of information available about an increasing number of services and products on the market, including labels and certifications that are supposed to reduce complexity? How can we overcome decision biases and learn from decision failures to improve the **quality of decisions** – and to waste as few of our own, corporate or societal resources as possible?

For all these research topics, we cordially invite you to participate in the dialogue – either with questions or with challenges and use-cases from your own practice and research. Because one thing is indisputable: for these socially and economically relevant topics, it is necessary to view the market as a system of independent actors, which interrelates the needs of consumers, the offers of companies and the framework conditions set by the state.

I would like to thank our members who, even during the “virtual” episode, have always exchanged ideas with us, encouraged us or offered constructive criticism. Active intellectual sparring partners and “co-researchers” are important for all of us, so that we can work together on the right topics.

Finally, I would like to express my heartfelt gratitude to my colleagues at NIM who, despite the many challenges posed by the pandemic, have enthusiastically and energetically advanced NIM’s mission every day, gained exciting insights and shared them with practice and science.

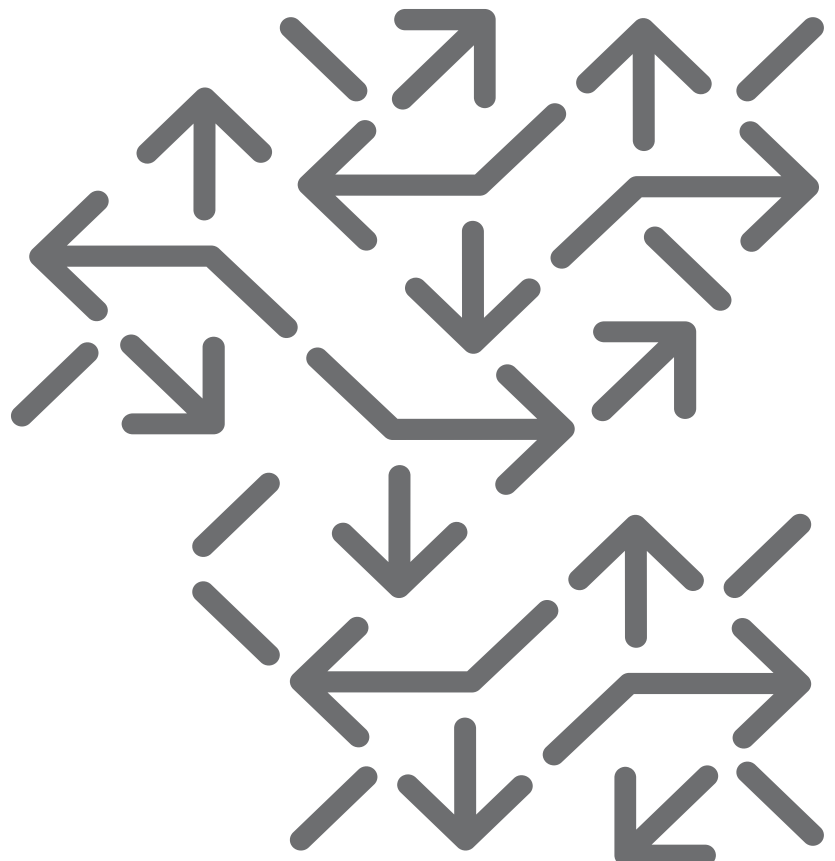
**Dr. Andreas Neus**

*Managing Director and Vice President  
Nuremberg Institute for Market Decisions*



***“Competition is the most promising means of achieving and securing any prosperity. It alone leads to economic progress benefiting all people, especially in their function as consumers; and to the dissolution of all advantages which do not result directly from higher performance.”***

**Ludwig Erhard in:  
Wohlstand für Alle (Prosperity for All)**



## INTERVIEW



# How Intelligent People Use Intelligent Machines Intelligently

Interview with Thomas Ramge,  
non-fiction author and technology correspondent for brand eins

### **You talk about post-digital times, what does that mean exactly?**

The term “post-digitality” was coined by the Italian philosopher Giorgio Agamben in the early noughties. At the time, he particularly addressed the ambivalence of digital systems, which at the same time make our lives easier, but also produce many negative side effects. In technology research, this is often referred to as “rebound effects”. In the post-digital age, the synthesis of analog and digital succeeds. As intelligent people, we will use intelligent machines intelligently. As post-digital citizens, employees and customers, we have developed a human sense of whether systems learning from data are repre-

senting our interests or are acting as well-disguised salespeople spraying the sweet poison of “convenience”. We no longer look at our smartphones hundreds of times a day, always on the search for the next mini-dose of dopamine; instead, we use artificial intelligence in the literal sense of the word, i.e., competently and self-determinedly.

### **What does that mean for decision-making?**

One of the great promises of AI is that we can delegate decisions to IT systems that learn from large amounts of data. And that is certainly often true. In semi-autonomous driving, we are increasingly delegating decisions to the vehicle computer, for example, whether the car should brake very hard and very quickly. That’s good and makes sense, because it saves lives, and hopefully we’ll soon be able to transfer all driver decisions to the vehicle, making good use of the time spent in the car and reducing the number of traffic accidents. At the same time, post-digital decision-makers have developed a special decision-making competence: they know when it makes sense to delegate a decision to machines and when it does not.

### **When does it make sense to leave decisions to machines?**

Of course, this depends very much on the context. Basically, at least two conditions must be met to ensure reliable machine decisions. First, the system must have demonstrated that, based on the data available and proven statistical methods, it is able to select the right option among various possibilities. This can be, as men-



tioned above, the emergency braking assistant, which has been proven to react faster and more reliably than excellent, attentive human drivers. It can also be a diagnostic tool for skin cancer that predicts melanomas with higher statistical certainty than the best doctors in the world. Second, when delegating, we need to be sure that these AI systems know our preferences and represent our interests. Unfortunately, this is very often not the case with algorithmic decisions or decision recommendations at present.

### Why not?

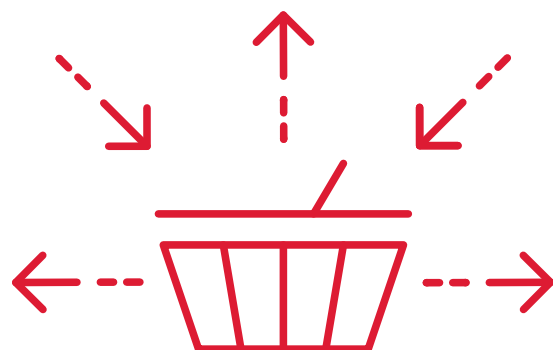
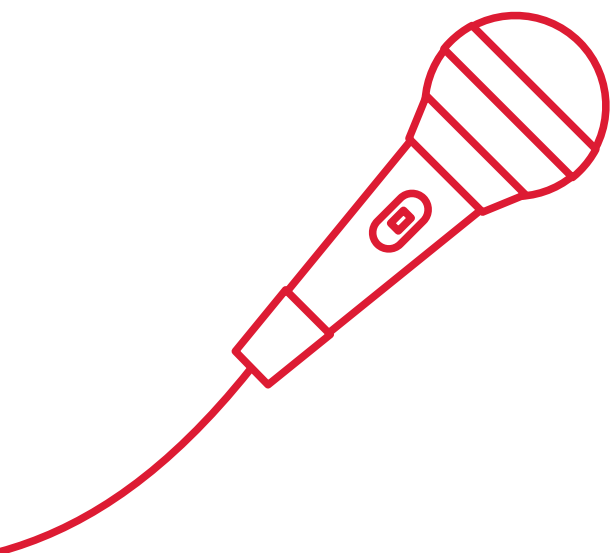
Well, many of the AI decision assistants we use today are not neutrally programmed. They are often systems that tech companies provide to us for free-of-charge or at a subsidized price. The providers then give the AI assistants several missions to follow: offer the user a lot of added value so that she or he uses you as often as possible. Gather as much data as possible so that we get to know the user as well as possible. Then offer the user services for which she or he is willing to pay as much money as possible. This logic can be applied to many areas in which IT systems only pretend to provide neutral information, but actually manipulate it for advertising purposes. We also see this trend in price comparison engines. They were invented as empowerment tools for consumers. Today, they are often sales machines that present themselves as representatives of consumers' interests. If they really were, we probably wouldn't have to run so many TV ads for promoting them.

### Why do AI assistants have a great appeal for the human psyche? Are they really more trustworthy "friends" – especially when it comes to market decisions (of managers and consumers)?

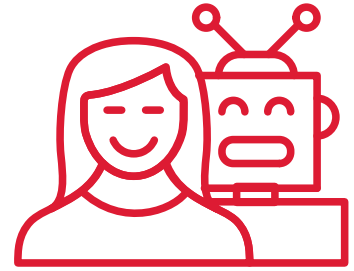
German-American AI pioneer Joseph Weizenbaum observed this phenomenon at the end of the 1960s, when his secretary entrusted her most secret things to the world's first therapist-bot, Eliza. In doing so, the secretary did not realize that Weizenbaum could of course read her conversation with the computer program. We all know that the algorithms of online sellers or comparison portals do not give us neutral recommendations. They rather optimize all kinds of things, but certainly not the interests of customers. However, it is convenient to accept these suggestions and, in our perception, still better than searching longer on the Internet for more information, which then overwhelms us in its multitude and variety. In this respect, AI decision assistants offer us humans a simple way out of the paradox of choice. They give the impression that they offer us a good pre-selection based on their wealth of data, so that we can then make the final decision more easily. The latter is often true. But we often don't know whether the pre-selection contains the best options according to our preferences.

### How can we harness the data richness and the computational power of machines to make better decisions in the interplay of uncertainty, risk preference, and subjective conflicts of goals?

Our brain has only a limited bandwidth per day to make deliberative decisions. Ideally, we allow assistance systems to make routine decisions. Then we have more time and mental energy to think intensively about the important decisions and make them in a more informed way. In turn, this means that we think more thoroughly in advance about the objectives we are pursuing with a particular decision – and whether these aims are in line with the values we define for ourselves as individuals. Incidentally, AI systems will not do this work for us, not even in the future. ■



## INTERVIEW



# The Machine Goes Shopping: “The brand is much less in focus. Objective performance criteria are becoming more important”

Dirk Ploss, Senior Innovation Manager at Beiersdorf AG, reveals the consequences for marketing when shoppers increasingly delegate purchasing decisions to AI.

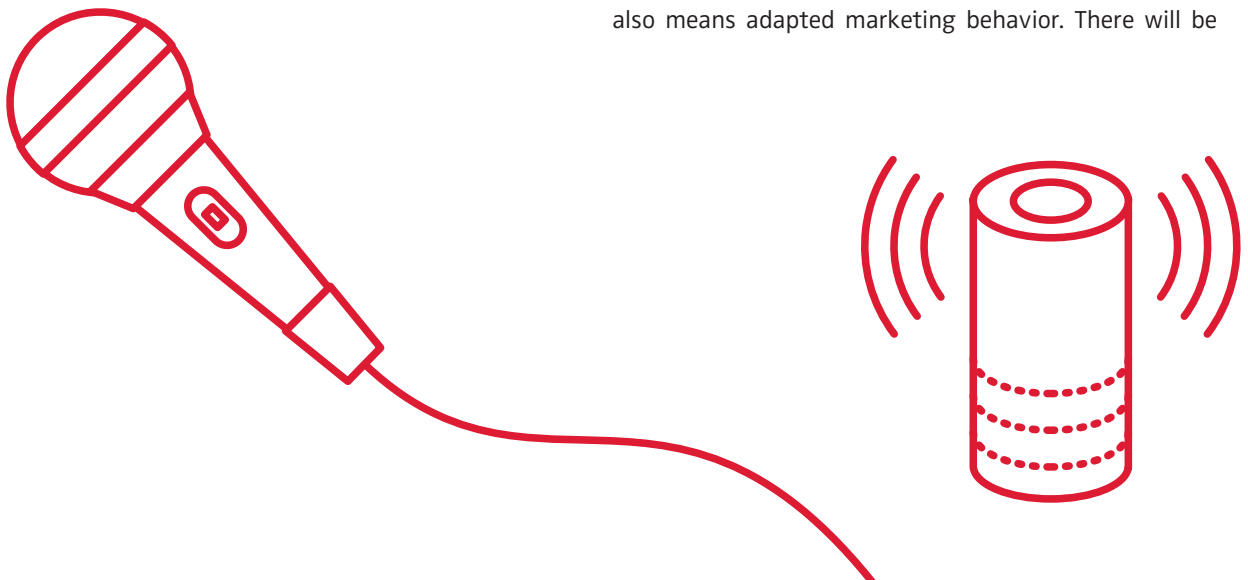
**Machines are increasingly doing the shopping for us. Have purchasing processes, especially decision-making processes, as we have known them up to now, reached their end?**

“Reached their end” would certainly be an exaggeration, but they are facing massive changes. Up to now, it has always been the case that it was primarily the market participants on the supply side who used modern technologies. Programmatic advertising, real-time targeting, AI-supported targeting – all of these have been used to influence the buying process in the interests of the sellers. In the future, however, buyers will also increasingly use technologies to assert their interests. This starts with automatic price and offer comparisons, leads to detailed data management, and ends with the complete outsourcing of purchasing processes to digital assistants.

**Artificial intelligence and automation are playing an increasingly important role in marketing. But what happens when consumers also make more and more use of AI and delegate purchasing decisions to machines?**

To answer this question, we need to take a closer look at the motivation of consumers. For everyday goods, for example, it's about saving time and convenience. Consumables such as kitchen paper or kitty litter are not necessarily products I want to buy – but have to. Here, complete outsourcing is conceivable. In other areas, however, it's more a matter of assistance – where can I get the best overall package, the optimum price-performance ratio?

In extreme cases, this means for the provider side that we will sell to machines in the future. The brand is much less in focus, objective performance criteria are becoming more important. On the one hand, this means “advantage for retail brands”, but on the other hand, it also means adapted marketing behavior. There will be



a move away from likeable, towards machine-readable. Away from emotional, towards categorizable. Up to now, we have always ended up selling to a human being – in the future, it could be an algorithm.

**AI vs. AI – how do algorithms change the entire decision-making process or the purchase funnel?**

This is a fascinating question that cannot be answered so easily and clearly, since both sides are subject to mutually influencing dynamics. For example, if the seller AI encounters an algorithm that is primarily price-driven, it can automatically adjust its offer. If, however, the buyer has placed more emphasis on sustainability, the seller engine may have score points with additional services, i.e., compensation measures, take-back pledges, or the like.

As a resident of Hamburg you are familiar with this situation from the fish market, where the offers of the fish, vegetable and plant traders are optimized in real time (“... and one more mackerel!”) until an interested person accepts the offer. Let’s imagine this in real time and between two machines. Then it is less fun, but the same mechanisms are used.

**Where are the limits of customization in the purchasing process and how should marketers deal with a lack of AI neutrality?**

Customization is always a question of data in terms of meaningfulness, timeliness, quality, consistency – and availability. Shopping assistants could also use this data as currency, according to the motto: I’ll only pay price X, but in return I’ll give you access to more data about me.

AI needs a lot of data to function. For training, learning and pattern recognition. This poses the challenge that the system still seems to be “too dumb” at the beginning, so the benefits are not visible, acceptance is lower – and even less data can be generated. A vicious circle.

Furthermore, there is the danger of so-called biases. These arise when machine learning systems are trained with data that is not representative or not sufficiently diverse. And even if the data is diverse and representative, the algorithm itself may still be biased.

**How can non-fungible tokens (NFTs) contribute to forge a close relationship between consumers and brands and shape decision-making processes for brands?**

With such a young technology, there is of course always plenty of room for speculation and imagination. NFTs are still primarily used experimentally or have a pri-

marily financial appeal. In the future, however, NFTs can be put to reasonable use in many places. One example is digital customer loyalty management; rewards and bonus programs do not have to focus on services, products and discounts forever. A completely different example comes up when consumers then also take hold of these technologies.

Let’s imagine that all my personal data is stored in the form of NFTs. Then I can share it at will – tamper-proof! – to the extent that I see fit. This fundamentally changes the balance of power in the area of “data, targeting and market research”!

**How does the Web 3.0 environment enhance the consumers’ user experience and thus the decision-making process for brands? How should marketers respond to this?**

If we look at Web 3.0 mainly as a catch-all term for interactive, immersive experiences, there are of course an enormous number of opportunities to create and improve experiences. However, it seems important to me not simply to “want to be there” – that didn’t even really work with Second Life – but to think seriously about what added value you can create.

In some industries – like fashion, entertainment or cosmetics – this is naturally easier; however, how the added value question will be answered for a toothpaste, or a deodorant spray is still completely open, even for me. But it’s also very exciting! ■



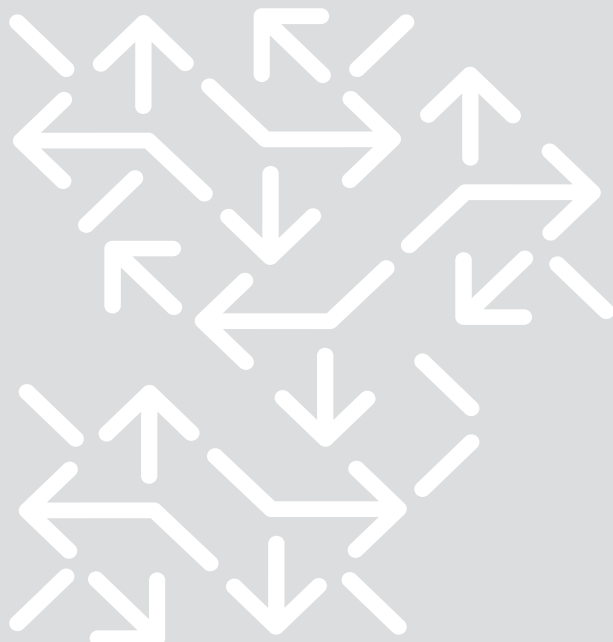
# Highlights from Research

Our researchers work on numerous exciting, innovative research questions related to the topic of market decisions. To show the NIM's research work in even greater detail, we launched the NIM research magazine *NIM INSIGHTS* in 2022, in which we present the most important findings from the previous months. Those interested in learning more will find the magazine on our homepage, and we also send a printed copy to our members. We have selected three highlights from the magazine to include in this annual report.

## HOW CLOSELY DO CONSUMERS LOOK AT PRODUCT LABELS?

### DO MORE DETAILED PRODUCT LABELS ALSO LEAD TO MORE INFORMED DECISIONS?

Labels, quality seals and product identifiers are designed to help consumers finding the products and services that meet their own preferences and values. But do they really lead to more informed decisions or can the simplified presentation of interrelationships even lead to misinterpretation? Using what is known as the animal welfare label that German retailers launched in collaboration with the meat products industry as an example, the NIM research team investigated how consumers perceive and interpreted the animal welfare label which categorizes the animal husbandry conditions into four categories.



#### KEY FINDINGS

- A simplified label presentation as found in the form of the four categories of the animal welfare label can lead consumers to misinterpret the information being presented to them.
- The linear scale between 1 and 4 may cause them to overestimate the husbandry conditions for certain label levels due to the assumption that the distance between the husbandry classes is equal.
- A label that consists of simple categories (such as 1, 2, 3 and 4) may therefore reduce demand or willingness to pay for higher value product variants and increase demand for products with poorer husbandry conditions.
- Only detailed additional information will allow consumers to make better decisions based on their actual preferences.





## Artificial Voices in Human Choices

### ARTIFICIAL VOICES IN HUMAN CHOICES

#### HOW THE VOICE OF VOICE ASSISTANTS CAN INFLUENCE PURCHASING BEHAVIOR

The emotional tone of voices can significantly influence a sales pitch and guide listeners in specific directions. But does this also apply to the synthetic voices of voice assistants? What role does the voice play in the interaction between humans and machines? This is the question that the NIM research team investigated. As the use of voice assistants becomes more widespread, the questions how people deal with emotional tone of voice assistants and how it influences purchasing behavior is of increasing importance.

#### KEY FINDINGS

- The emotion in the voice of a voice assistant influences the purchasing decisions.
- A cheerful voice creates trust, and an enthusiastic voice leads to impulse purchases, even when expensive products are involved.
- An emotionally engaging computer voice achieves a comparable effect to a human voice.



### WHAT IS THE VALUE OF STRATEGIC FORESIGHT FOR COMPANIES?

#### WHEN MENTAL MODELS NO LONGER FIT THE VUCA WORLD

The world is changing ever more profoundly and at an increasingly faster rate. One of the consequences of this VUCA (volatility, uncertainty, complexity and ambiguity) world is that the value of our experience-based knowledge is in decline, since knowledge that was still considered reliable yesterday must be called into question today. Linear thinking, linear explanatory models and carry-on-as-you-are management tend to cause problems and not provide solutions in a dynamic, volatile and ambiguous world. The NIM research team examined the value of "strategic foresight" for corporate decision-making from the perspective of 400 senior executives in Europe and the United States.

#### KEY FINDINGS

- Most managers are primarily concerned with overcoming short-term challenges and do not plan further ahead.
- Executives at top foresight performers, that is, the most successful 10 percent of the companies surveyed, tend to perceive their markets as less complex and at the same time more predictable than their competitors.
- Strategic foresight can be the basis for dealing with global challenges and crises more effectively.



What is the  
value of strategic  
foresight  
for companies?



In the first issue of *NIM INSIGHTS*, you can read about these and other findings and take a look at new research projects, such as how robots having a human appearance increases trust in them and how eye contact with robots affects human decisions. You'll find it at:



<https://www.nim.org/en/publications/nim-insights-research-magazine>



## NIM MARKETING INTELLIGENCE REVIEW

# The Journal of the Nuremberg Institute for Market Decisions

The last two issues of the *NIM Marketing Intelligence Review*, our journal for marketing managers, are dedicated to two highly topical subjects which are also relevant to society as a whole.

**The *NIM Marketing Intelligence Review* focuses on current hot topics in marketing and consumer decisions twice a year. Its content offers decision-makers in companies the latest knowledge and comprehensive ideas designed to improve market decisions.**

In the 2/2021 edition, we illuminated the topic of “Brand Activism” from a variety of different perspectives: In our increasingly polarized society, consumers are more frequently expecting brands to take a position on sensitive issues. Other stakeholders also prefer to opt for companies with a clear purpose beyond profit. Brand activism is risky, but the opportunities are promising: The use of sensitive issues can reveal a brand’s soul and give it authenticity. The “Brand Activism” edition encourages to think about socio-political issues and use them to a brand’s advantage.

The 1/2022 edition “Conscious Consumption” is also dedicated to an increasingly important challenge of our times: conscious and sustainable consumption. Climate change, scarcity of resources and mountains of waste make it increasingly clear that we need to radically rethink the way we do things without delay. Consumers increasingly wish to take responsibility, and the pressure is growing on companies to take a more sustainable approach to their actions. Our articles in this edition also deal with obstacles to sustainable consumption and reveal interesting business models that focus on more economical use of resources.

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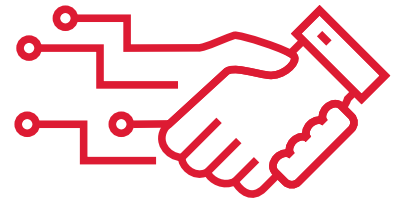
R EVIEW

All issues are available on our homepage for download in German and English.



<https://www.nim.org/en/publications/nim-marketing-intelligence-review/all-issues>

## MEET US – NIM EVENTS



# NIM Market Decisions Day 2021 Retrospective: Decisions Made by Machines and Humans



NIM Market Decisions Day 2021 took place on July 1, 2021. The event focused on the question of how consumers' and companies' market decisions are changing due to increasing interactions between people and machines. This is because machines will increasingly be taking over people's routine tasks.

In doing so, they will also be faced with situations in which they need to make decisions. But where do the limitations of machines lie? What decisions are left for humans to make? What distinguishes human decision-making abilities? How does a human make (market) decisions, even in the face of uncertainty? Top-notch speakers from the areas of science and practice discussed and addressed all of these topics.

The speakers included:

- **Dr. Michael Bartl**, Management Board, Hyve AG
- **Donata Hopfen**, BCG Digital Ventures
- **Linus Neumann**, IT Security Expert and Psychologist
- **Prof. Benjamin Scheibehenne**, Karlsruhe Institute of Technology (KIT), Institute for Information Systems and Marketing (IISM)
- **Dr. Christoph Schneider**, CEO of Amazon Prime Video
- **Florian Schroeder**, "author, presenter, full-time provocateur" (German newspaper Süddeutsche Zeitung)

Florian Schroeder was keynote speaker and served as host.

Due to the prevailing COVID-19 pandemic restrictions, NIM Market Decisions Day 2021 was held as an online-only event. For this event, the NIM created a new 3-D event platform based on the visual appearance of the previous venue. During the conference, participants were able to find out about the NIM and its research work in a virtual environment.



NIM 3D event platform

## NEW: NIM Insights Lunches

In late 2021, the NIM launched a new event series, the NIM Insights Lunch. Attending during their lunch break, participants gain insight into current research findings related to the topic of “market decisions” in a succinct, concise format and have the opportunity to exchange ideas with the speakers and NIM researchers.

Four NIM Insight Lunches have been held since December 2021:

→ **May 24, 2022:**

### **Conscious Consumption – Use More, Buy Less**

Speaker: Daiane Scaraboto, Professor of Marketing at the University of Melbourne in Australia and guest editor for the *NIM Marketing Intelligence Review* “Conscious Consumption” edition

→ **March 06, 2022:**

### **De-Bias by Design – How to Use Visualization to Become Aware of, Identify and Avoid Errors in Reasoning**

Speaker: Martin Eppler, Professor of Media and Communication Management and Pro-Dean at the University of St. Gallen

→ **January 20, 2022:**

### **Should Brands Take a Stand?**

Speaker: Daniel Korschun, Professor of Marketing at Drexel University in Philadelphia (USA) and guest editor for the *NIM Marketing Intelligence Review* “Brand Activism” edition

→ **December 07, 2021:**

### **On the Way to a Speech-Based Customer Journey**

NIM speakers: Dr. Fabian Buder, Head of Future & Trends Research; René Schallner, Senior Researcher Human-Centered AI; Dr. Carolin Kaiser, Head of Artificial Intelligence; Dr. Matthias Unfried, Head of Behavioral Science



Where else can you find us? For example at external conferences, lectures, expert talks and other events. You will find events related to the Nuremberg Institute for Market Decisions on our website:



<https://www.nim.org/en/events/where-else-you-can-meet-us>

# BALANCE SHEET

as of December 31, 2021



## ASSETS

in € thousand (rounding differences possible)	December 31, 2020	December 31, 2021
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Land and buildings	46	55
Other equipment, operating and office equipment	272	386
	<b>318</b>	<b>441</b>
<b>Financial assets</b>		
Investments	39,201	34,138
	<b>39,519</b>	<b>34,578</b>
<b>CURRENT ASSETS</b>		
<b>Receivables and other assets</b>		
Trade receivables	16	24
Other assets	29	74
	<b>45</b>	<b>98</b>
<b>Bank balances</b>	12,483	27,359
	<b>12,528</b>	<b>27,456</b>
<b>PREPAID EXPENSES</b>	<b>35</b>	<b>41</b>
	<b>52,082</b>	<b>62,076</b>

## EQUITY AND LIABILITIES

in € thousand (rounding differences possible)	December 31, 2020	December 31, 2021
<b>EQUITY</b>		
Other revenue reserves	<b>50,703</b>	<b>61,196</b>
<b>PROVISIONS</b>		
Other provisions	<b>1,171</b>	<b>259</b>
<b>LIABILITIES</b>		
Bank borrowings	1	1
Trade payables	122	458
Other	85	162
	<b>208</b>	<b>621</b>
	<b>52,082</b>	<b>62,076</b>

# INCOME STATEMENT

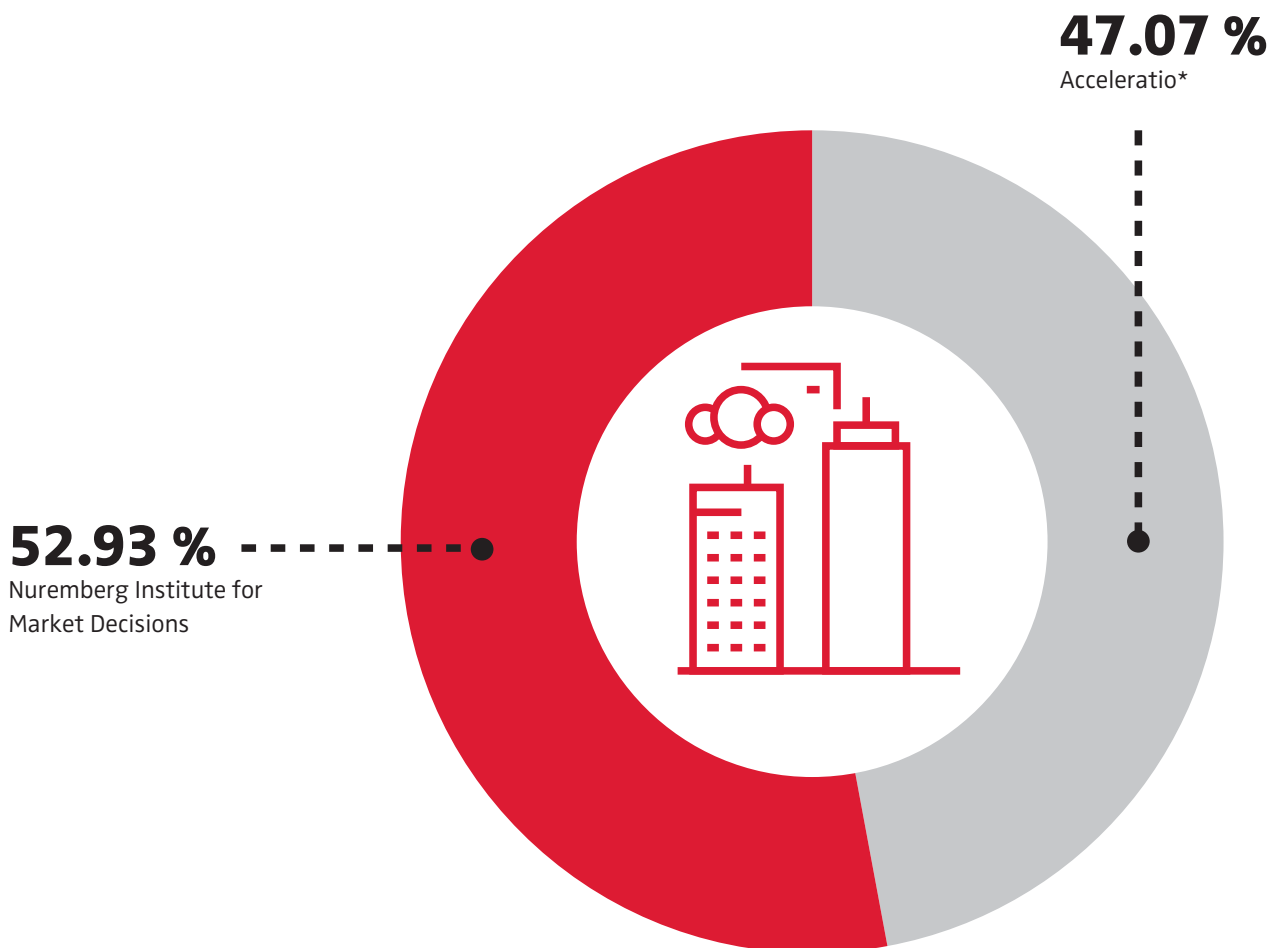
2021



in € thousand (rounding differences possible)	2020	2021
Revenue	16	0
Membership dues	172	155
Other operating income	2,804	15,192
	<b>2,992</b>	<b>15,347</b>
Expenses for services procured	-131	-365
Personnel expenses	-1,583	-1,686
Depreciation, amortization and write-downs on intangible fixed assets and property, plant and equipment	-68	-100
Other operating expenses	-3,237	-2,105
	<b>-5,019</b>	<b>-4,257</b>
Other interest and similar income	0	2
Interest and similar expenses	0	-86
Income and profit taxes	0	-136
<b>Net income</b>	<b>-2,027</b>	<b>10,870</b>
Other taxes	-355	-378
<b>Net profit/loss</b>	<b>-2,382</b>	<b>10,492</b>

## SHAREHOLDER STRUCTURE

In addition to its research work on how consumers as well as marketing and product managers can make better decisions in markets, the Nuremberg Institute for Market Decisions is also a shareholder in GfK SE with a 52.93 percent stake.



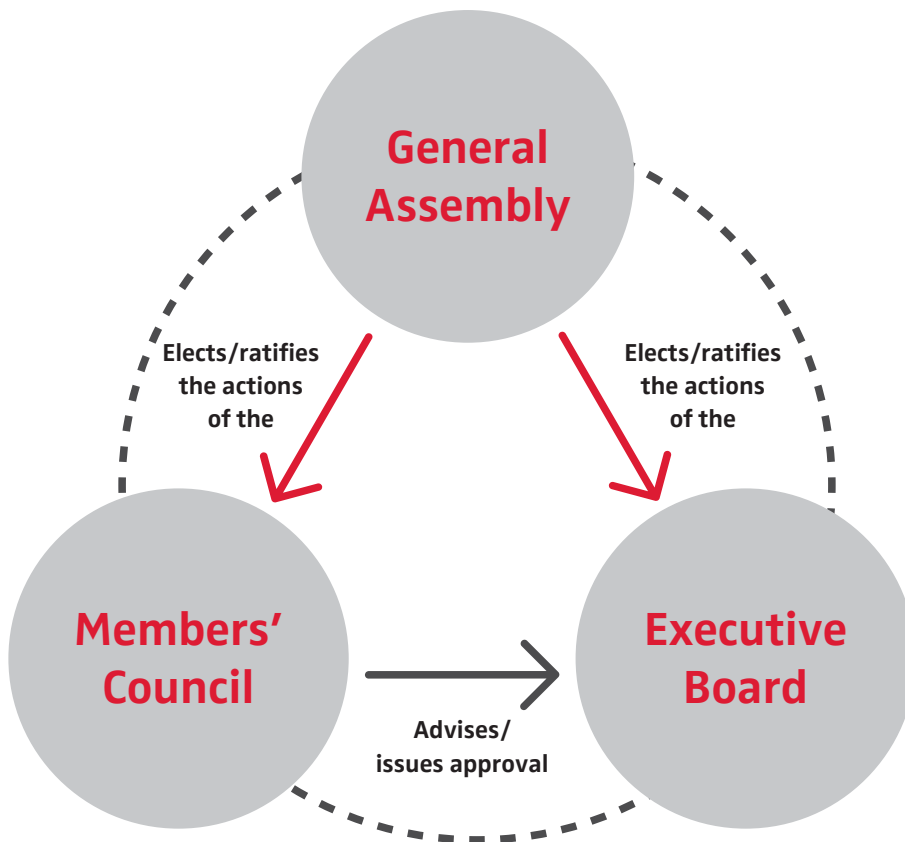
**Date: June 24, 2022**

\* Acceleratio Holdco Sàrl  
and Acceleratio Topco Sàrl



# COMMITTEES

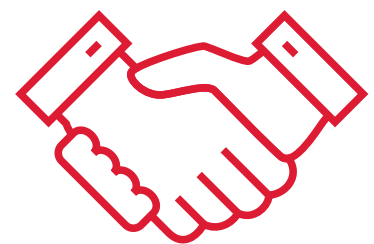
of the Nuremberg Institute for Market Decisions





## MEMBERSHIP IN THE NUREMBERG INSTITUTE FOR MARKET DECISIONS

### Professional Dialogue and New Insights



NIM membership is synonymous with lively exchange and professional dialogue on the topic of market decisions. We regard members as active participants and co-researchers and as an elementary source of inspiration for the further development of our research topics. Membership in NIM is interesting for all who wish to know and discuss how consumers' and corporate decision-makers' decisions are changing in the face of new trends and technologies and what impact this has on the quality of decisions. Our members gain access to the latest research findings and can exchange ideas directly with international experts and our researchers during webinars such as the NIM Insights Lunch (see also page 21), workshops and/or seminars.

## MEMBERSHIP IN NIM – THE ADVANTAGES AT A GLANCE



1. Membership includes the opportunity for two people to attend NIM Market Decisions Day free of charge. NIM Market Decisions Day is our annual conference on the topic of market decisions. Speakers from science and practice present the topic of market decisions from different perspectives and disciplines (see page 20 for more information).
2. Members receive invitations to our webinars such as the NIM Insights Lunch (see page 21) or to live events with our researchers and external experts. These always include an interactive session that allows participants to engage in professional dialogue and to network with others.
3. Members receive the NIM's latest publications by postal mail:
  - The journal *NIM Marketing Intelligence Review*: In two themed issues per year, we present findings and developments from scientific marketing research based on a practice-oriented approach. This allows our members to obtain comprehensive information about new topics and changes in the field of consumer and market decisions at an early stage (see page 18).
  - The publication *NIM INSIGHTS*: This is our in 2022 newly established NIM research magazine in which we compile research finding that have particularly excited us (see page 16).
4. NIM members have early access to current editions of Insights: We provide new studies and research results in our members' section months before they are generally available. The section will be expanded further over the coming months to promote exchange of ideas between members and to customize the content to members' individual interests.
5. We send members our newsletter *NIM News+* with updates on our research projects and forthcoming events on a regular basis.
6. We also offer members the opportunity to talk directly with our researchers about subjects of common interest.
7. University professors who are private members of the NIM and who supervise doctoral or master's students can network their students with our research teams and also conduct joint research.
8. Practitioners with a company membership in NIM have the opportunity to participate in research projects as sparring partners and thus also contribute their questions and topics. Coordinated with a professor, they can cooperate with the NIM in the field of working out a practice-based master's thesis on a decision-making topic.

## FUNDING AGREEMENTS



- Aside from membership, companies and individuals who would like to further support the NIM in regard to an issue related to the field of market decisions can help fund our research within the framework of an individual funding agreement.
- If this may be of interest to you, please contact us so that we can discuss your interests and options in a face-to-face meeting.

More information about memberships:



<https://www.nim.org/en/about-us/membership-join-and-explore>

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