



welcome

Dear GfK clients and colleagues,

We are proud to present you our second newsletter.

This issue contains articles about:

- Note from the editors
- Changes of the Greek consumer
- Things in transition
- Results from GfK Hellas client satisfaction survey
- An introduction to AD*VANTAGE MultiMedia®, GfK's advertising pre-testing tool

We hope that you will enjoy reading our newsletter, and we are - as always - open to any suggestions for improvement.

Sincerely,

Your GfK Hellas team 



Dear Reader,

If somebody would like to describe the current situation in Greece in two words, **transition** and **change** should be the most suitable ones.

Under the guidance of IMF and EU, tax, labor and pension legislation changes in depth and this produces transition in society and in markets.

As always in such big changes there are two different views. The ones that reject the changes and forecast catastrophe of the economy for the future and the ones that predict exactly the opposite; a growing healthy economy after the first shocking period.

It is the future that it will prove which side is the right. However, the current transitional period creates an unknown and very competitive environment for businesses to operate. Although the statement of every company is "business as usual" the need for deeper **knowledge** of the new market conditions is becoming more and more indispensable and this is our task in GfK; to help you grow your business from knowledge.

In the following please find some highlights of this changing market. ■



Feeling the latest changes of the Greek consumer

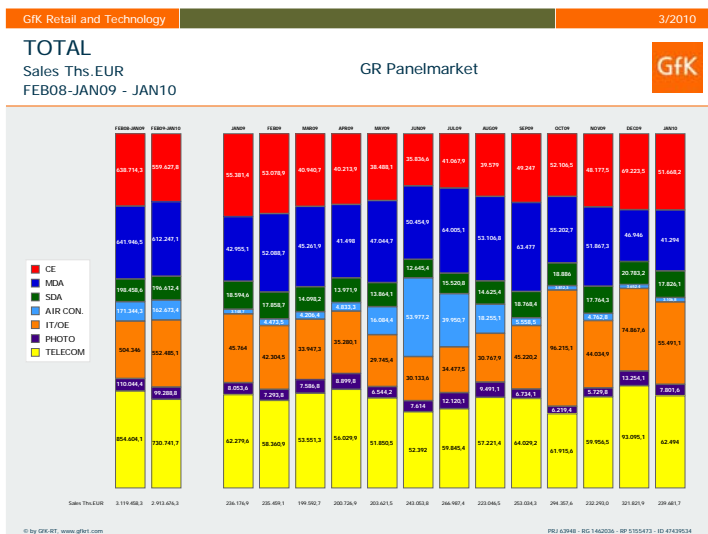
By Spyros Camileris, General Manager Retail & Technology

Under the new tough governmental measures, consumers are redefining their priorities and are considering their true spending capacity. This is one of the most evident consumer insights of the last 2-3 months. Consumers have anymore less disposable income for massive purchases, therefore when the need comes to buy from one product category, spending for others is automatically substantially reduced. This is further supported by the restrain (due to the global financial crisis) of consumer loans offered by banks that were supposed to act as a supplement to the already low level Greek salaries (approximately 65 - 70% of the average European salary).

A second insight of the last 13 months is that, on the one hand offers, promotions and subsidies offered by the stores and on the other hand governmental subsidies provided for air conditioning and student's netbooks boosted the techno markets and kept consumption in relatively good levels despite the financial crisis. Even January and March, with the new government announcing the feature measures against the crisis were still positive.

| Product groups | Jan - Dec 2009 Sales Units | Growth rate % | Jan - Dec 2009 in EUR | Growth rate % |
|--------------------|----------------------------|---------------|-----------------------|---------------|
| SDA | 3.306.838 | 7,6 | 197.381 | -0,5 |
| MDA | | | | |
| without ks | 1.499.946 | -2,2 | 613.908 | -5,4 |
| with ks | 1.529.637 | -4,3 | 630.772 | -8,4 |
| CE | 2.886.981 | 3,4 | 575.592 | -11,6 |
| IT | 1.552.996 | 20,8 | 542.758 | 7,9 |
| TELECOM | 4.659.077 | 3,3 | 730.527 | -14,3 |
| PHOTO | 1.582.825 | 5,3 | 99.541 | -10,0 |
| AIRCO | | | | |
| without installers | 266.185 | -15,3 | 162.715 | -6,5 |
| with installers | 354.685 | -15,8 | 234.403 | -7,9 |
| TOTAL | 15.754.848 | 4,9 | 2.922.422 | -6,9 |

| Product groups | Jan - March 2010 Sales Units | Growth rate % | Jan - March 2010 in EUR | Growth rate % |
|--------------------|------------------------------|---------------|-------------------------|---------------|
| SDA | 824.751 | -2,4 | 50.053 | -1,0 |
| MDA | | | | |
| without ks | 349.409 | 1,6 | 143.163 | 2,0 |
| with ks | 353.545 | 0,4 | 145.173 | -0,2 |
| CE | 693.099 | -10,6 | 142.329 | -6,8 |
| IT | 385.338 | 15,0 | 133.781 | 9,6 |
| TELECOM | 1.231.960 | 25,1 | 182.325 | 4,7 |
| PHOTO | 348.790 | -3,3 | 21.199 | -7,9 |
| AIRCO | | | | |
| without installers | 22.239 | 4,1 | 11.535 | -2,5 |
| with installers | 28.082 | -5,4 | 15.781 | -12,6 |
| TOTAL | 3.855.586 | 5,2 | 684.385 | 1,4 |



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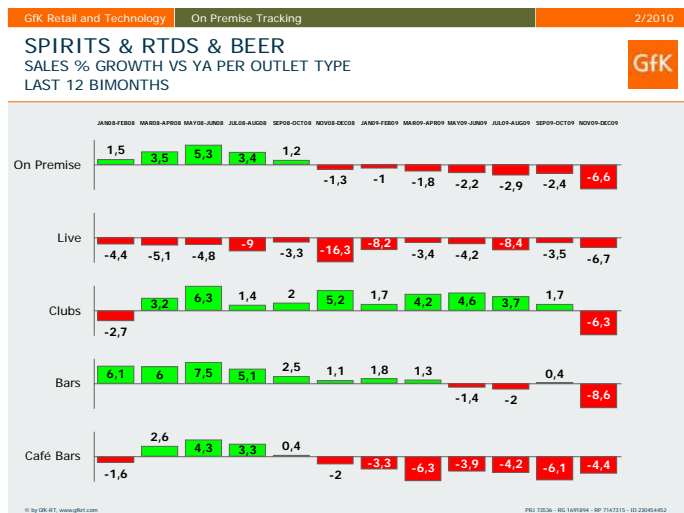
This market “endurance” becomes more evident during the first quarter of 2010 when the Greek government, under the guidance of IMF and the EU, started taking strict measures for the recovery of Greek economy. The decision for the increase of VAT from 19% to 21% in particular, effective since March 20, pushed consumers to purchase from expensive categories (such as MDA and TV) prior to the increase. This affected, in its turn, also other categories (such as SDA, IT and Telecom).

This trend will be more apparent in the next months after the very recent measures which shrunk down significantly the income of the public employees and the pensioners. With less disposable income in their hands more than 60% of the population of the country, will be very careful in the way that will spend their money. The last two months also indicated a clear turn to cheaper brands. This was the result of some promotional activities so far, but with the VAT being already at the levels of 21% and since July the 1st at 23%, the need to buy low price will be even bigger. Apparently competition and price war will be enhanced in the coming months.

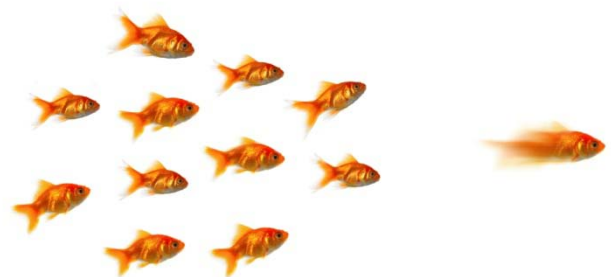
On the contrary entertaining has changed “working hours” and places. Bars for instance which serve as a place for “after work” entertainment and clubs where alcohol costs less than in the Live entertainment channel, seems to become more in fashion places.

For such a short note, the aforementioned insights are indicative of how fast things change in the market. In such fast moving environment one is the key word:

Information. Companies that are informed how consumers change and behave are the winners, and market research is the perfect tool to discover information for market trends and consumers.



A third point that indicates the changes in the Greek market is the change of the way that Greeks entertain themselves. The vivid night life is in decline and this is very well indicated by the trends of the consumption of the alcoholic drinks in the channel of “Live entertainment”.



Things in transition

Crisis has accentuated changes!

By Vivi Ordolis, Director Qualitative Department - Custom Research

Current mindsets and behaviors revolve around new / intensified **stress factors** including,


- finances: adverse psychology, reduced purchasing power, job uncertainty / insecurity, anxiety for the future, feeling that things are here to stay ...
- abandonment: trust & confidence in institutions down, detachment from the outer, diverse feeling of alienation ...
- complexity: constantly changing reality, short lived "news", time shortage, role multiplicity, increased mobility ...

All in all, an **"entrapped"** society where long term outlook has been **disrupted** (lack of perspective / forwardness) & where short term vision is being **forced**.

But how people rethink? In difficult times people seek **relief** mechanisms to cope with the emerging realities. So, they develop behaviours that are likely to facilitate two demands, yet , **two opposite demands**



May be a way . . .

- reinforce treat value
- do not decriminalize price for premiums through price cuts; value reinforcement is preferred
- many consumers are risk averse; need to be reassured
- demonstrate how your brand could be a good fit against changes
- create ways of making consumer feel "good" about
- lift mood, use upbeat messages
- POS: where you can best target messages and create an opportunity to "connect" with consumer. 

Source: Reflections from GfK Hellas Qualitative studies

How satisfied are you with us?

... your feedback to our survey shows that you are in good hands!

By Theodore Christodoulou, Director, Quantitative Research Department



In October last year, GfK Hellas conducted its first, under this company name, satisfaction survey among our clients. All companies that have collaborated with us during the period September 2008 – September 2009 were asked just how happy they are from doing business with us.

The survey has been a success, as 125 of our customers have participated, accounting for 88% of our custom research turnover for this period. The replies were rich in context and very enlightening.

We at GfK would like to thank you for giving us the opportunity to feel joy and pride for our strengths and successes, but above all, for showing us the way to improve and overcome our weaknesses.

There is no better process than striving to achieve what it needs to overcome oneself. We do not look back on what we are good at; this is our conquered land, our heritage and we are responsible to preserve this. We keep working together with you to deliver what you are asking from us, based on what you believe that we are capable to provide: **The best!**

What clients say about us:

Advertising sector

“Energy and willingness to collaborate above and beyond the framework of working hours and agreements, deep understanding of all issues, providing knowledge on markets, the economy and social issues beyond the usual demands from a research”

Automotive Sector

“Exceptional perception and know-how of our market, transparent, holistic services and the authority of an international company”

Pharmaceutical sector

“Reliability, quality, spirit of collaboration, the people I worked with were excellent. Among the four companies we did research with this year GfK was No.1”

“Willing to investigate the issue in-depth and not superficially, offering us knowledge and insight as well as a clear direction through their unique presentations”

Telecom sector

“Understanding our needs, meticulous work with focus on every detail but clear guidance at the end-product”


“Strategic thought, experience, global mentality, wide network of information on international markets, satisfaction from client service”

Financial Sector

“Knowledge of the market conditions and responsive to our needs, clear and actionable recommendations, accessible and open-minded people at all levels”

FMCG sector

“A certain code of good communication has been developed between us and the GfK Hellas team. Their experience is evident in their proposals and our collaboration is becoming better and closer. It is a modern and reliable company as so are the methods they apply”

“In-depth knowledge of our company and our brands and therefore can foresee needs and prospects. Nice people and reliable associates” 

Fact: Pretested advertising works better

AD*VANTAGE MultiMedia® – GfK's unique tool for assessing and optimizing the potential success of cross media advertising.

By Konstantinos Ververidis, Senior Research Executive, Quantitative Research Department

The current economic crisis has accentuated concerns towards brands and companies. Consumers have become more suspicious.

Therefore it is more important now than ever to build strong relationships between brands and consumers.

Brands are today's most important corporate value drivers. Strong brands define a clear and authentic identity. They offer compelling emotional and rational benefits, have a clear competitive differentiation and create thereby a deeper customer loyalty which in its turn reinforces brand success. Since successful brands sell better, brand success is particularly important. This is why brands need to be continually cultivated and strategically developed.

However, the power of a brand lies in what consumers have learned, felt, seen, and heard about it over time. The more consistent, authentic and relevant this information is, the stronger the brand perception. By revealing consumers' brand perception patterns, market research shows marketers how well they have communicated and supported the brand's identity. Customers must be able to reconcile their rational and emotional needs with the brand and identify with what it promises. This is the only way of establishing strong customer loyalty.

Communication is key! Quantifying the contribution communication campaigns are able to achieve is a central cornerstone in systematic brand management.

However, the media and marketing landscape has changed dramatically in the last years. Advertising across multiple media channels has become the norm.

360 degree branding, cross media advertising are today's catchwords. In the UK the share for online advertising spending surpassed the spending for TV advertising. In Greece the advertising spending for online displays reached 24.5 mil. € in the first six months of 2009, an increase of 36% compared to the corresponding time period last year.

Thus, today a realistic assessment of brand presence and brand communication needs a multimedia approach.

GfK responds to this requirement with its pretest tool, **AD*VANTAGE MultiMedia®**.



What is AD*VANTAGE®/MultiMedia?

AD*VANTAGE® MultiMedia is an evaluative and diagnostic technique for pre-testing advertising creative concepts before launching – thoroughly reducing the risk of an ineffective ad. It provides validated key measures and reliably evaluates whether an ad will succeed in creating or enhancing the attitudinal and behavioral bond between the advertised brand and its target group. Finally it gives direction on how to optimise advertising. Even 'rough' animated spots or materials in a very early stage of the creative process can be analysed before their finalisation ensuring that high production costs are avoided.

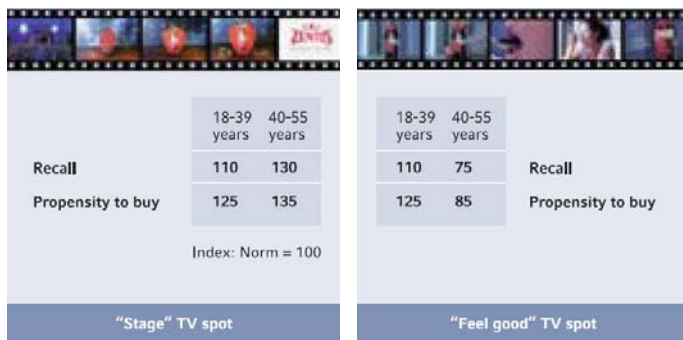
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Who is it for?

Client side advertising and research managers responsible for marketing communications, ad agency executives and creative's. Advertisers use the pre-test results to evaluate and decide between different creative options and to perfect the ad campaigns.

What insight does it deliver?

- How effectively the advertising will stand out from other ads and why.
- The level to which the advertising will produce a positive change of affinity for the advertised brand.
- How the advertising is working in terms of impact, comprehension, clarity, message delivery, liking, emotional & rational involvement, brand reappraisal, Persuasion etc.



Innovation

- The success of AD*VANTAGE® MultiMedia is based on exposing ads in a controlled but low involvement environment, which is made as realistic as possible for the respondent.
- By **combining qualitative and quantitative** information on the advertisement, and applying evaluative and diagnostic criteria to these results, the AD*VANTAGE® MultiMedia generates an accurate and reliable assessment of the effect of a commercial.
- The multimedia ad pre-testing approach ensures deeper understanding of the **interplay effect of using multiple media channels** for a campaign. In other words, marketers can examine each media channel's individual contribution and the incremental up-lift achieved by combining more than one media channel.

- Finally the tools standardized approach allows consistent testing of campaigns, in all key media channels, and **benchmarking the results** against a database of normative data.

Key measures when evaluating advertising include:

- Visibility
- Branding
- Communication
- Appeal
- Scene to scene analysis
- Brand Enhancement
- Persuasion

Advertising has become expensive. Word of mouth may produce better results. However the power of these two media when working together can have impressive results. In times of crisis communication expenditure must be smart and ensure multiplicative dividends.

So, test your advertising before you spend money!



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