



Market Research Council

Gridley & Company LLC

A Perspective on Market Research Trends

October 21, 2011

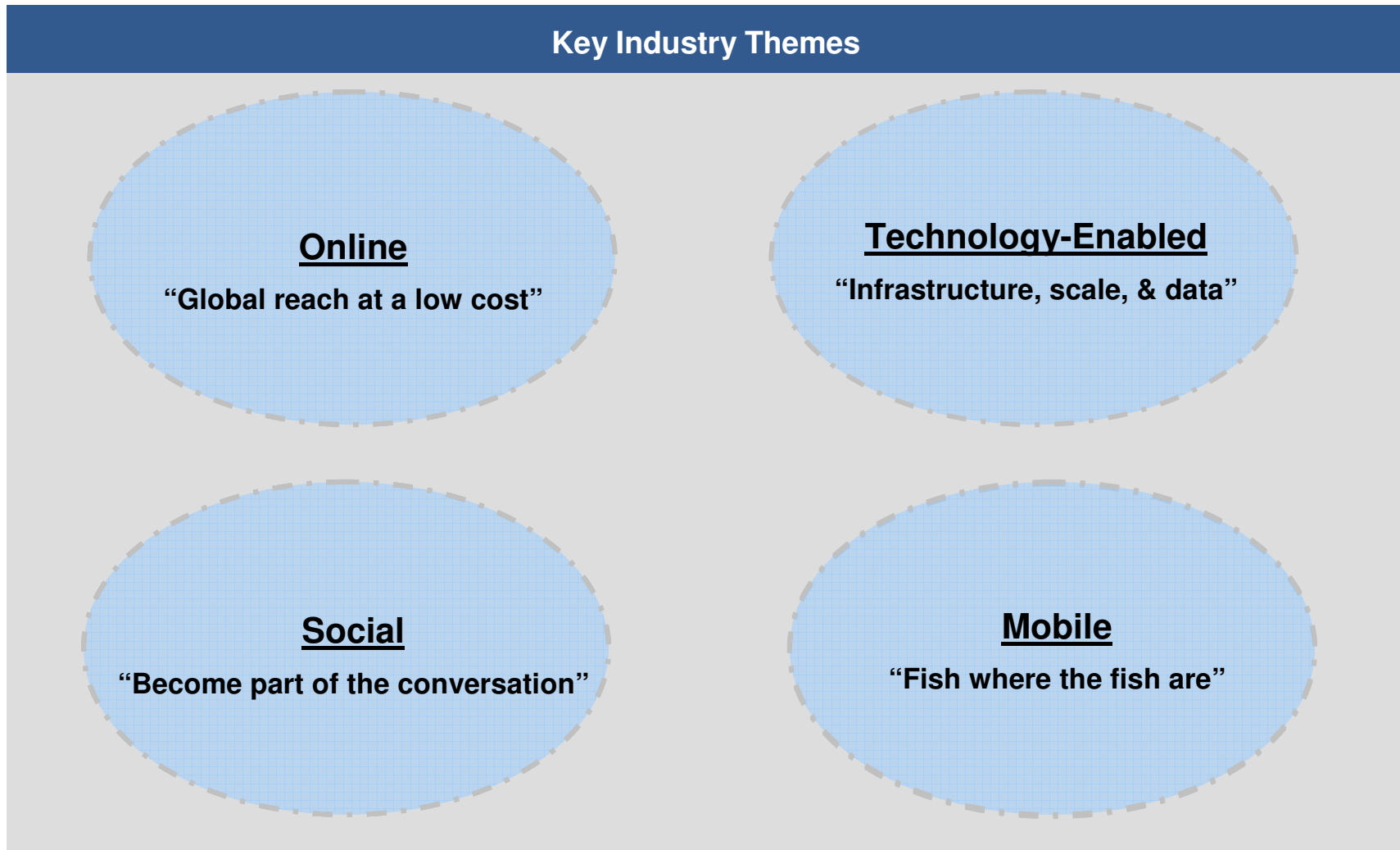
Key Industry Issues

- **Definition of online panels evolving**
- **Threat of real time analytics and customer interaction / feedback**
- **Growing ability for brands to get direct consumer input and feedback**

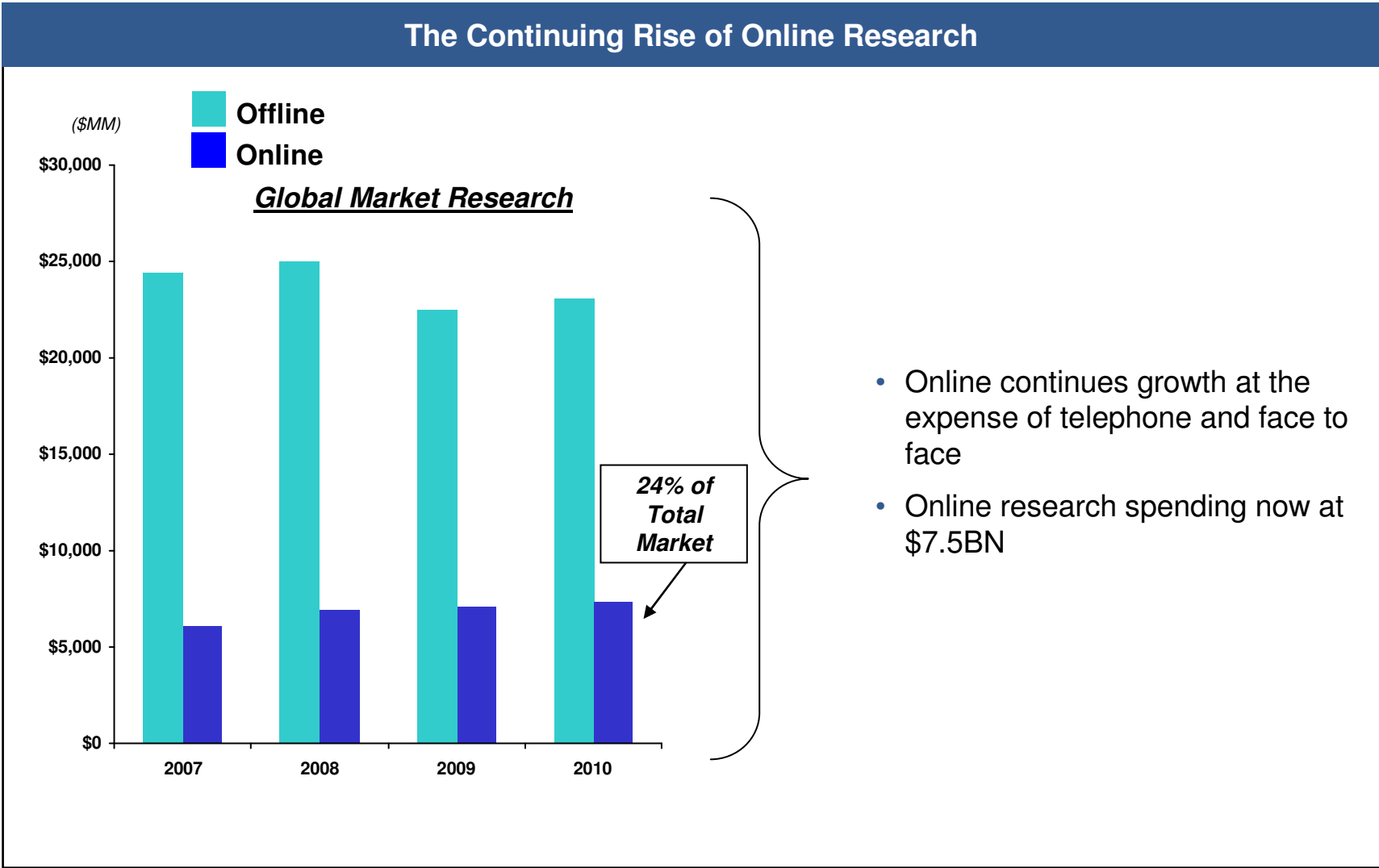


Changing perception of market research industry

Key Value Drivers for Market Research



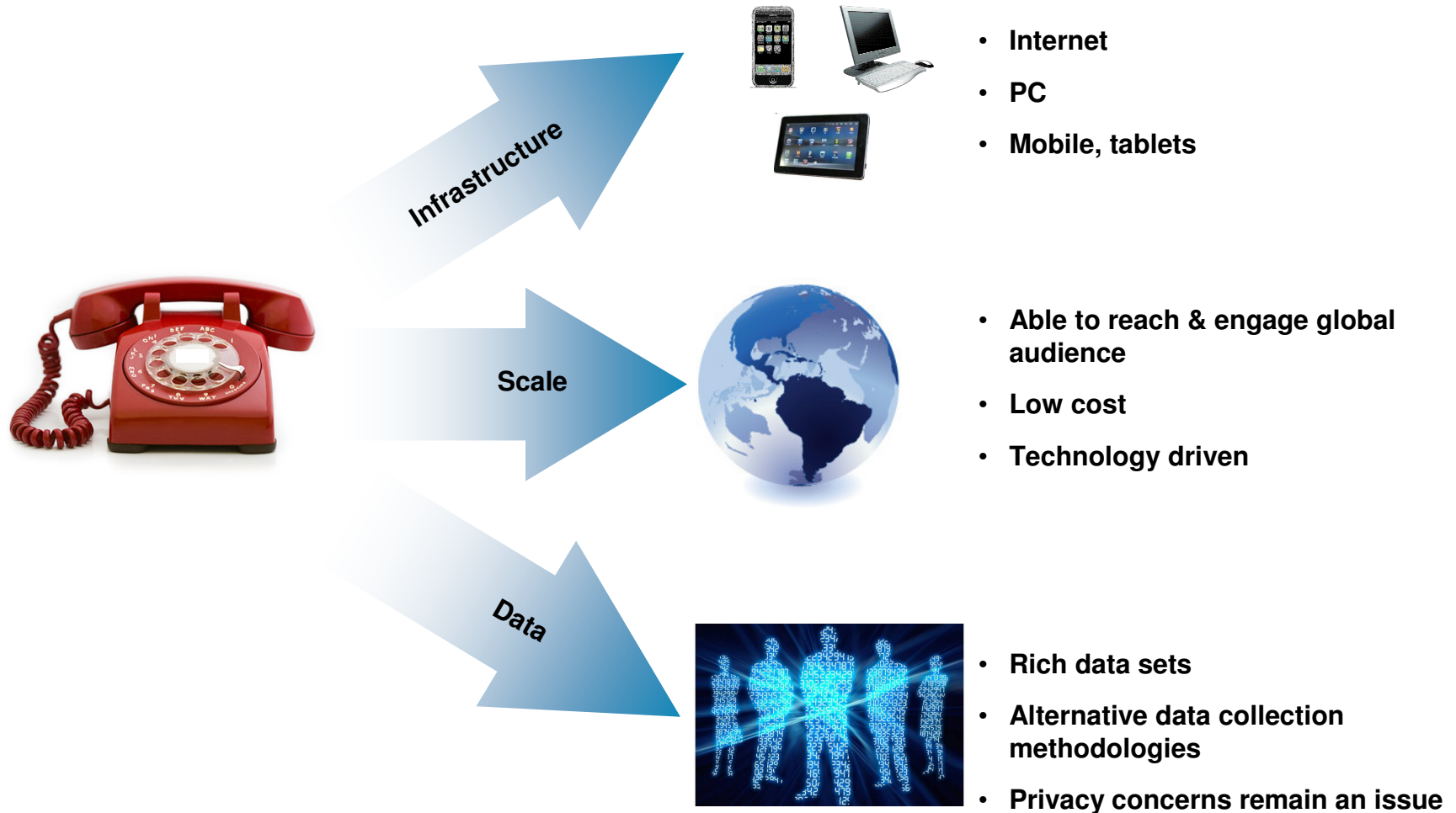
Continual Shift to Online Channels



Source: ESOMAR.

Technology-Enabled

- Technology underlies rapidly shifting business models in the Market Research industry



Social

- With nearly 2 billion people speaking in social media, brands are seeking to become part of the conversation
- Low cost market intelligence driven by thoughtful engagement

Coca-Cola
Food/Beverages

Share: [Post](#) [Photo](#) [Link](#) [Video](#)

Write something...

Retail Digital
This is what it looks like when Roberto Cavalli dresses up Coca-Cola bottles. The bottles target young strong women and will be distributed only in Italy. Ciao!

Wall Photos
View Post · 36 minutes ago

Tacoma Mall
Monday Morning Brainbuster: Where was the first Coca-Cola sold?
View Post · 39 minutes ago

Pour la santé evite de faire chier
Tu peux faire de la pub pour la page stp =>
Like · Comment · about a minute ago ·

Massive audience

34,773,289 like this
278,651 talking about this

Starbucks

Share your ideas, tell us what you think of other people's ideas and join the discussion.

my STARBUCKS IDEA

Question of the Day
What's your favorite Artisan Breakfast Sandwich?
more info

- Bacon & Gouda
- Veggie & Cheese
- Ham & Cheddar
- Sausage&Cheddar
- RF Turkey Bacon

Submit

Leaderboard
Check out the top ten point scorers for last month.

1.	cupajoeqevamoe	399	388	1558
2.	DadCooks	6	244	1747
3.	Charliebouse	14	36	1530
4.	stainies	0	47	1526
5.	mick888888	0	0	1522
6.	CoffeePam	0	0	1480
7.	TKboss	31	1274	29
8.	Melody	127	152	873
9.	Serpico	1	451	819
10.	amandanor	11	76	1172

↓ Ideas submitted
⊞ Comments submitted
⚡ Votes submitted

Example of Starbucks engaging customers to elicit information

Keeping its audience engaged with point scoring system

Mobile

- With 5.3 billion mobile subscribers, market research companies are finding new and innovative ways to engage consumers in the go
- Mobile will quickly overtake the PC as the most popular way to get on the Web
- Industry is in the midst of developing best practices for deployment



- **Hit people with surveys any time – able to “measure the moment”**
- **Wherever they are**
- **Whatever they are doing**
- **Always on**
- **Primarily communication device**
- **Rich surveys (MMS Video's / Photo's)**

Today

- **Mobile phone market research works the same way as online research but uses the Internet browser**
- **Questionnaires are delivered via an SMS or WAP message, automatically launches the survey on the mobile phone.**
- **Questions are then answered, and the data is gathered in real-time**

What's Next

- **Opt-in Apps**
- **Geo-specific engagement**
- **Social networking integration**
- **Game driven engagement**

Public Companies in Market Research

Traditional



B2B Data



Online

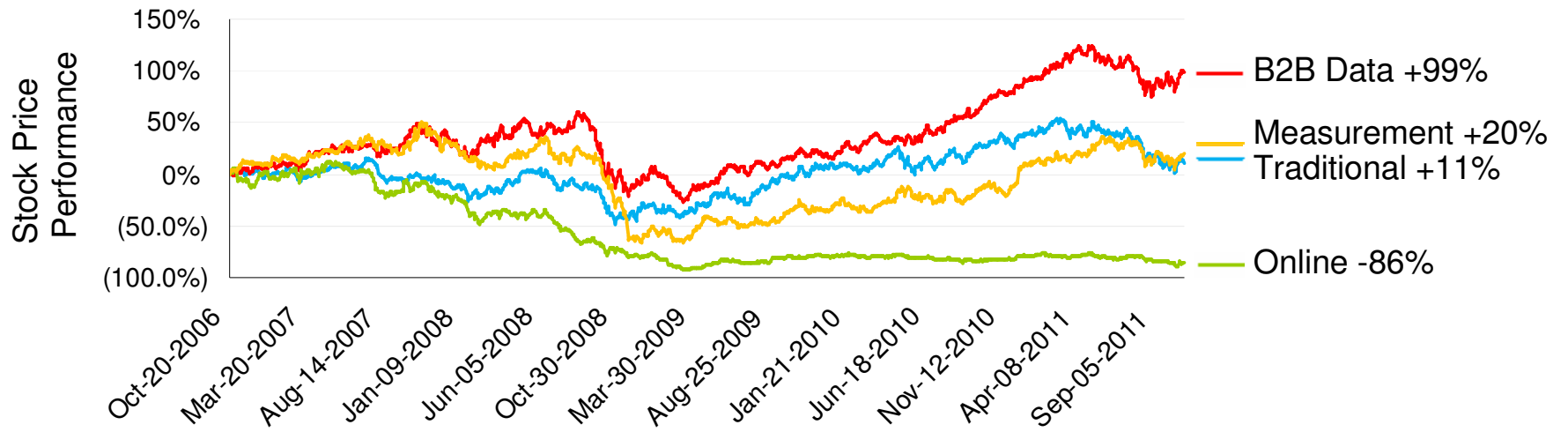
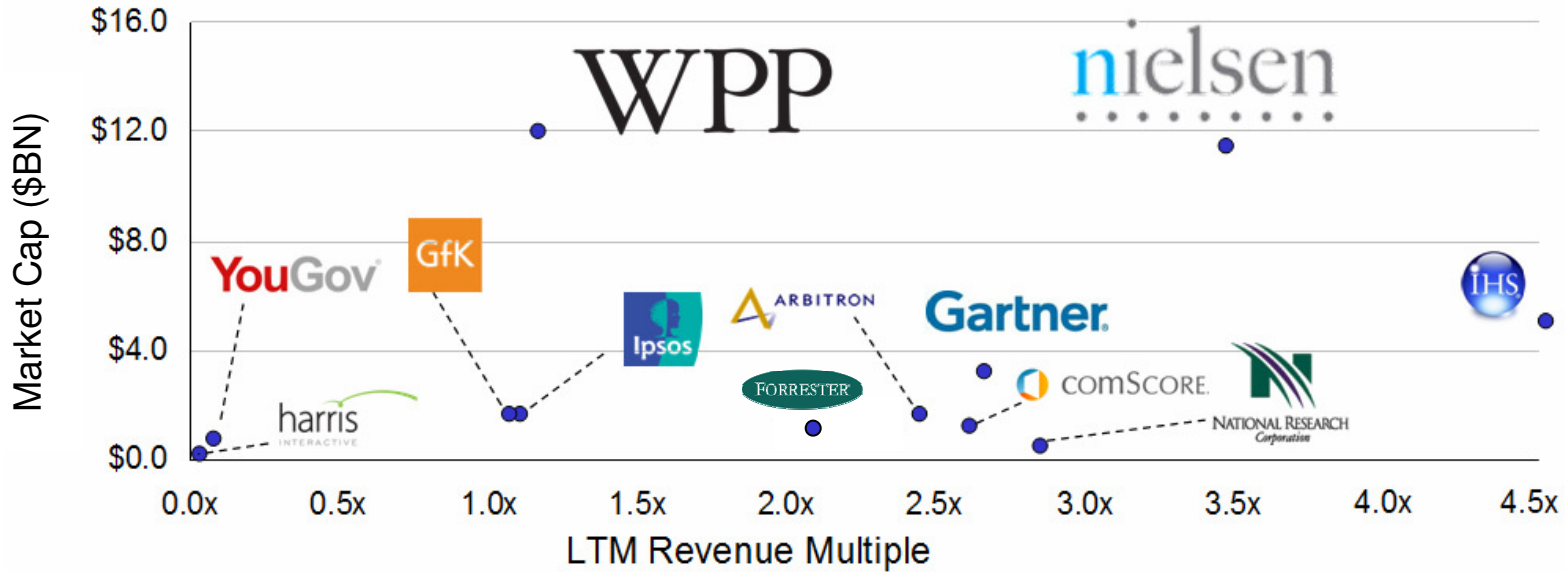


Measurement



Source: CapIQ.



















Public Company Valuations
















Source: CapIQ.

— Traditional — B2B Data — Online — Measurement

















Select M&A Transactions

Date	Acquirer / Target	Transaction Value (\$MM)	LTM Rev Multiple	Commentary	
<u>Traditional Market Research</u>					
07/27/11	 Ipsos	 synovate Research reinvented	\$525.0	1.00x	<ul style="list-style-type: none"> • Highly fragmented • Lots of “Moms & Pops” • Picky strategic buyers
03/17/10	 IHS	 CSM WORLDWIDE	\$25.0	NA	
01/09/08	 WPP	 Yankelevich	NA	NA	
<u>B2B Data</u>					
10/02/10	 IHS	 iSuppli	\$94.4	NA	<ul style="list-style-type: none"> • Typically vertically oriented • Higher value proposition and proprietary
04/21/10	 salesforce.com	 Jigsaw	\$162.3	5.6x – 8.2x	
03/08/10	 CCMP CAPITAL	 infogroup	\$643.2	1.29x	
01/05/10	 Gartner	 burton GROUP	\$56.0	NA	
12/01/09	 Gartner	 AMR Research	\$63.0	NA	
09/18/08	 IHS	 GLOBAL INSIGHT	\$196.3	NA	

Select M&A Transactions (cont'd)

Date	Acquirer / Target	Transaction Value (\$MM)	LTM Rev Multiple	Commentary	
Online Market Research					
09/07/11	WPP		NA	NA	• High valuations and M&A activity in the mid 90's
06/02/11			NA	NA	
02/14/11	Eurovestech 		\$237.7	2.02x	• Healthy level of activity this year
02/07/11	OmnicomGroup		\$100.0	1.54x	
10/06/09			NA	NA	
10/23/09	e-Rewards		\$121.8	1.64x	
06/26/09			NM	NM	
01/28/09		OTX	\$84.4	1.41x	
10/07/08	TA Associates	e-Rewards	NA	NA	
08/06/08	Microsoft®		\$421.5	3.06x	

Select M&A Transactions (cont'd)

Date	Acquirer / Target	Transaction Value (\$MM)	LTM Rev Multiple	Commentary	
Data Driven / Measurement					
01/14/11	 INTELLIGENCE. APPLIED.	 <small>EMPOWERING THE HEALTHCARE ANALYTICS™</small>	NA	NA	<ul style="list-style-type: none"> • Consistent value proposition • Many successful outcomes • Broad universe of buyers
07/28/09	 	 INTELLIGENCE. APPLIED.	\$5,071.9	2.34x	
05/28/08			\$43.7	4.41x	
04/06/08			\$223.0	NA	
03/03/08			\$75.0	5.03x	
07/09/07	 <small>Abt Associates Inc.</small>		NA	NA	
06/27/07			NA	NA	
04/19/07		 <small>The power of competitive intelligence</small>	\$240.0	6.00x	

Advice to the Audience

Traditional Market Research

- Challenging market dynamics given exploding online channels
- Many players thinking through consolidation and exit opportunities

B2B Data

- Vertical focus and proprietary approach drives value
- Subscription oriented businesses get premiums

Online Market Research

- Use of new technologies and techniques drives values

Measurement

- Data and data analytics drives value
- Historically has achieved premium valuation to broader sector
- Exit timing doesn't matter

