amec World Media Intelligence and Insights Study 2016

Survey Report June 2016

Acknowledgements

AMEC thanks the following members for their help in compiling the 2016 AMEC World Media Intelligence & Insights Survey.

- Pauline Draper-Watts, Executive Vice President at Edelman Intelligence, Practice Chair – Measurement, Edelman Berland
- Philip Lynch, Brand Insights and Data Management Consultant
- Khali Sakkas, Executive Director, Insights & Research, Isentia
- Colin Wheeler, Associate, The Measurement Practice and Director Consultant, Understanding Expertise Ltd

Contents

Survey background

The survey

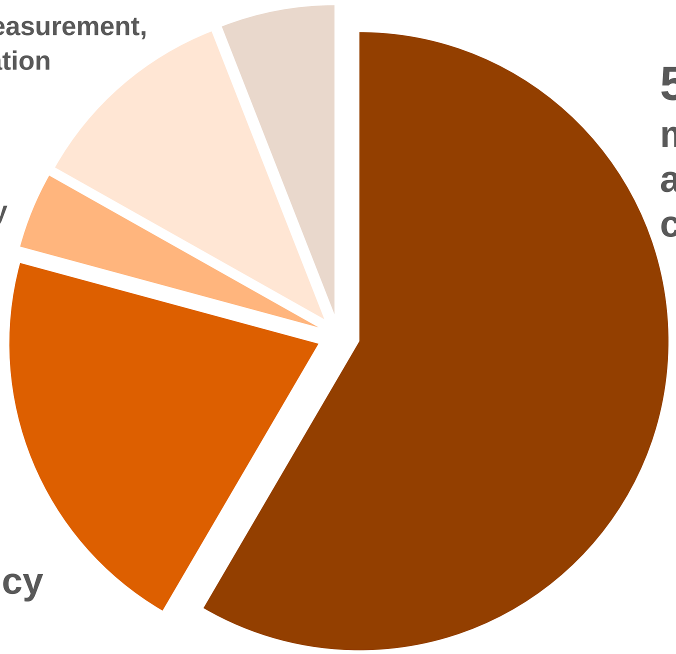
- This report covers the findings of AMEC's annual industry survey for 2016

- The online survey is designed to be completed by MD/ CEO level participants and invitations are sent to all current AMEC members
  - In total, 103 organisations qualify for inclusion in the 2016 survey
  - 82 completed survey submissions were received in the survey period – a strong response rate of 80%
  - Research was carried out between 4th April and 31st May 2016

- The survey data has been analysed to look at specific groups within the overall population of AMEC members − defined by location and type of business
  - Throughout the analysis process we have looked at how the findings vary across these different categories, but this comparison is only discussed and/or illustrated in the report where it shows an informative contrast between different groups
  - Comparison between sub-groups should be interpreted as an illustration of differences in emphasis and experience between different categories of member, but cannot be said to be statistically significant, owing to the small numbers involved

- Points to note when reading the report
  - Where combined percentage figures do not sum to 100%, this is likely to be a result of a) rounding to the nearest whole percentage, b) exclusion of "don't know" and/or blank answers from the display on the chart or c) the question allows multiple answers
  - Base sizes can vary between questions as some questions were left blank by some participants (including the section on financial matters which is not asked of companies which cannot submit this type of information under Sarbanes-Oxley)

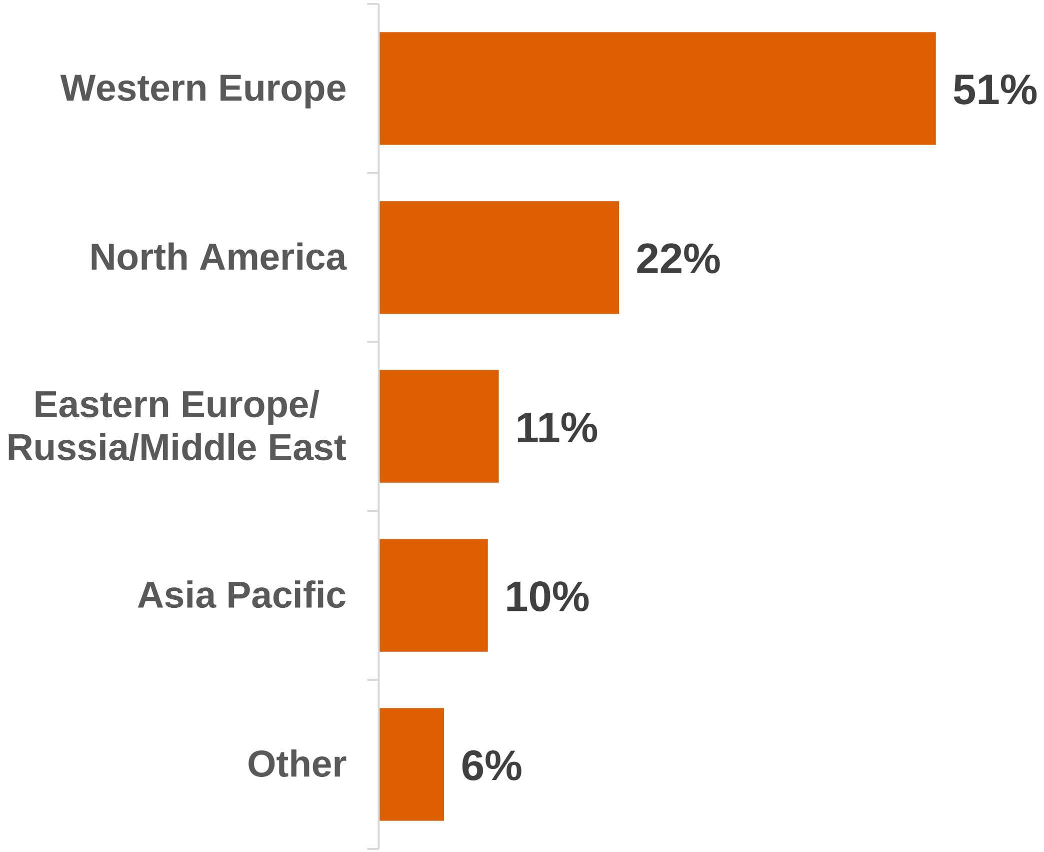
The survey participants – organisation types



- Three in five AMEC members in the survey (59%) describe their organisations as **specialist measurement and analytics** providers (53% in 2015)
- One in five (21%) participants works in a **PR agency** (24% in 2015)
- Besides these two main groupings, 11% of participants are **in house**, with 7% working in government/not-for-profit organisations and 4% for commercial companies
- The remainder either work in a **consultancy or agency** of some kind, which offers measurement services as part of a wider service package (4%), or as **independent consultants** (6%)
- In this report, the **consultancy, agency** and **independent consultant** categories are combined to form a comparison group to contrast with the other three categories of survey participant

Base: All (82)
Q In order to ensure that you are only asked the questions which are most relevant to you, please indicate which of these categories best describes your organisation

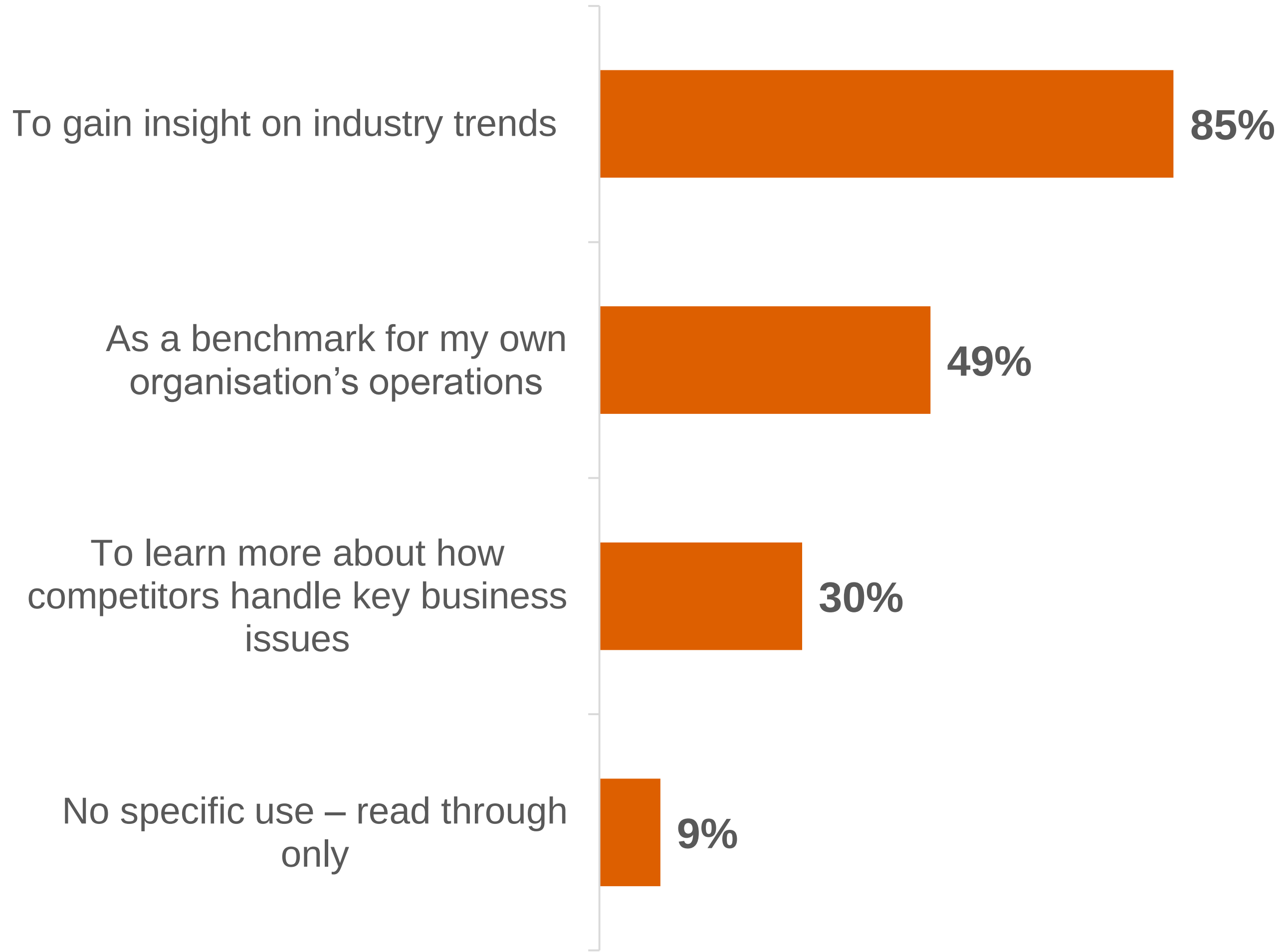
The survey participants – business location



- For the 2016 survey, the location analysis used in the report is based on information from the AMEC membership list
- Around half (51%) the survey participants are situated in **Western Europe**, with 22% in **North America**
- A further 11% are located in **Eastern Europe, Russia, Turkey and the Middle East**, with 10% in **Asia Pacific** (including Australia and NZ) and 6% elsewhere (Latin America and Africa)

Base: All (82) Data based on location identified in AMEC membership listing.

How members use the survey



- AMEC members were asked how they use the findings from this survey which is carried out annually and reported to coincide with the annual industry Summit
- Most members use the survey as a way to develop understanding about **industry trends** (85%), and around half (49%) use the survey data as a **benchmark**, against which to compare their own organisation’s operations
- In addition, 30% say the survey provides a useful source for information on how **competitors** are tackling key business issues

Base: All (82)
How do you use the findings from this survey?

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Executive summary

Summary of key findings – industry trends

- **The majority of AMEC's members report a strong commercial environment, with plenty of opportunity to grow**
  - Most think the industry has expanded in the last year, particularly those in specialist measurement firms
  - The number of new clients and RFP opportunities continues to grow
- **However, members acknowledge that the competitive environment is making life tougher**
  - More than half are seeing stronger revenue growth this year but the proportion is down on 2015
  - Two in three say they are facing more competition for business, and many report coming under pressure to reduce prices
- **This year's survey shows a shift towards a more international business outlook**
  - The proportion of members carrying out work in more than one global region is higher than in 2015
  - The number of countries where members carry out business is increasing rapidly, and there's also a rise in the number of operational locations
- **Service and product innovation is seen as key**
  - Three in four members have invested in innovation during the past 12 months
- **Client demand for AVE scores appears to be weakening**
  - The proportion insisting on AVEs has halved in the past year, while the number of clients who don't require AVEs is increasing

Summary of key findings – the coming year

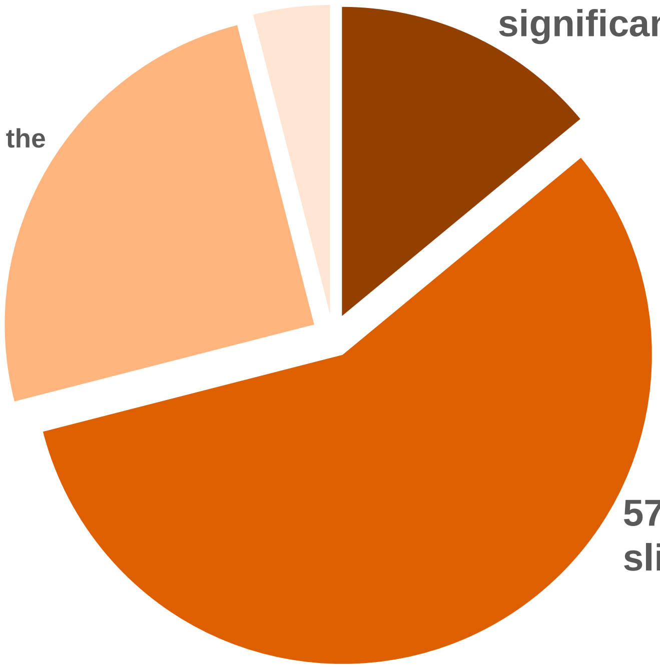
- **Most members forecast more growth in the coming year, with one in eight anticipating a double digit increase in business**
  - The biggest drivers of growth in terms of service offer are expected to be *consultative/professional services*, *new automated measurement technologies* and (increasingly) *international services*
  - The greatest potential for growth is expected in the *healthcare* sector, and members also forecast significant growth in *financial and professional services*, *IT/technology* and *government communications* sectors
- **Industry consolidation is expected to continue at the current level**
  - The majority see this as an opportunity, not a threat
- **Increasing demand for measurement and insight is expected from all the different client functions**
  - Most of all, members anticipate increased demand from digital/social media teams
- **For the future, members will be investing in a number of areas to help take advantage of growth opportunities**
  - The main focus of investment is expected to be *new data sources/partnerships*, *insight consultancy skills* and *new data capture and processing technology*
- **Going forwards, members' priorities for AMEC are**
  - *Educating the market about measurement* and establishing the *new integrated industry framework*
  - Many members also value the role AMEC plays in helping to identify industry partners

Summary of key findings – working practices, relationships and operations

- **Most members incorporate their own in house approach when presenting their measurement offer to clients**
  - AMEC frameworks, including the Barcelona Principles, form an explicit part of these presentations for many members
- **AMEC's PR agency members are more likely to feel that the measurement element of their client offer is critical or very important than in previous years**
- **Members are increasingly turning to industry partnerships to offer a broader client service, particularly in terms of global footprint**
  - The proportion working in partnerships on a regular basis has jumped notably upwards this year, and is expected to continue to increase
- **The specifics of client service demands continue to evolve**
  - Most members say demand for *social media* measurement is still increasing
  - This year's survey shows an increase in demand for measurement of *paid media* and *other survey* data
  - However, demand for *print* measurement is decreasing slightly
- **Members are most likely to outsource the monitoring and data collection aspects of their business**
  - *Reporting* and *insight analysis* are typically kept in house
- **Measurement and analytics specialists report increasing client demand for reporting that incorporates *measurement, analytics and insights***
  - Meanwhile, *monitoring only* and *offline reporting* continue to be important output formats

1. Industry trends

Industry trends – expansion

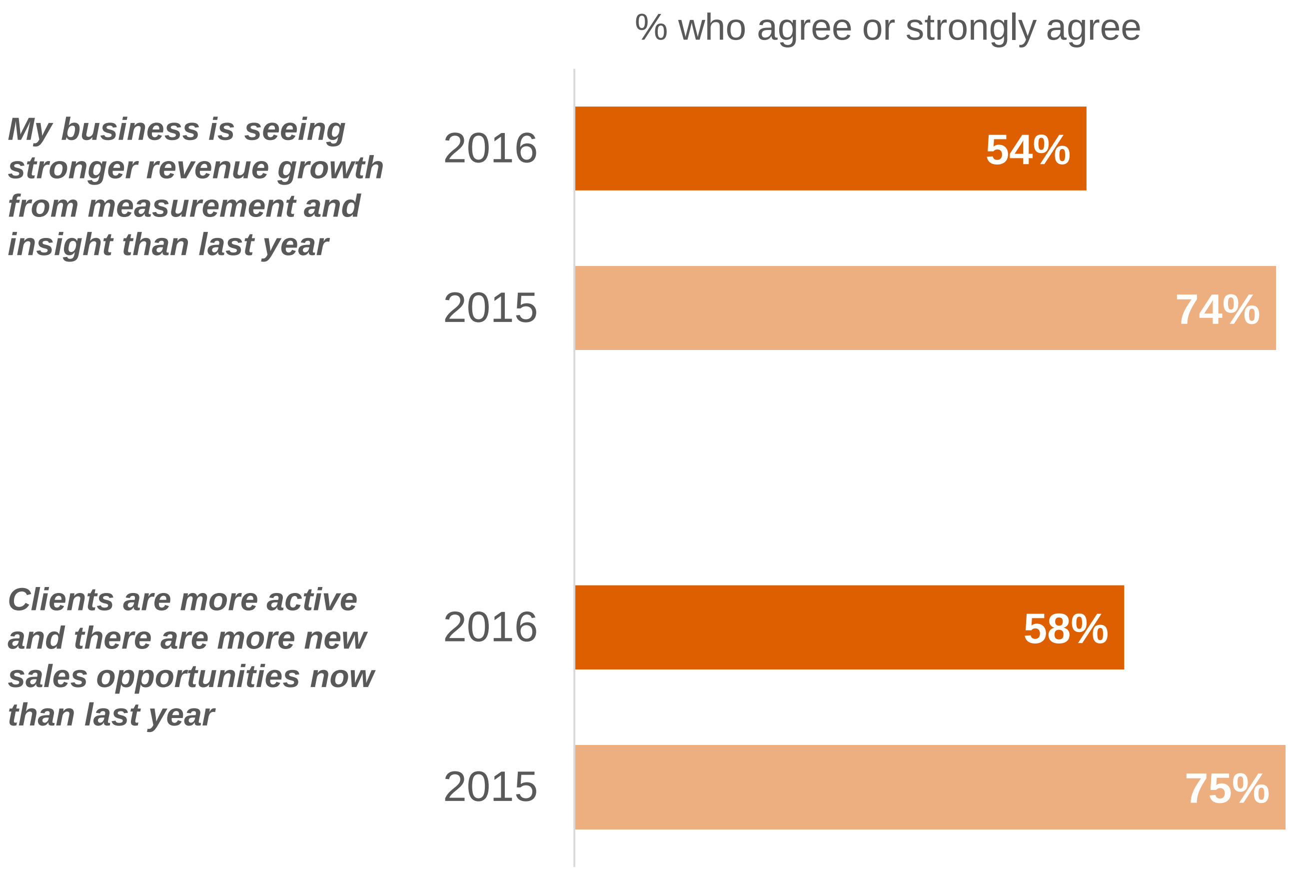


- Most AMEC members believe that the industry has expanded in the past 12 months, with 14% saying it has *expanded significantly* and 57% *expanded slightly*
- A quarter (25%) say the industry has remained *the same size* this year, while just a handful are uncertain (3%) or feel there has been a *decline* (1%)
- As the table below illustrates, members in PR firms and those based in Asia Pacific are less likely to feel the industry has expanded than those in other categories

	% saying industry has expanded slightly/significantly
Western Europe	73%
Eastern Europe/Russia/Middle East	78%
North America	67%
Asia Pacific/Australia/NZ	50%
Other regions	100%
Specialist measurement/analytics firm	85%
PR firm	50%
Consultancy/independent consultant	51%
In house	55%

Base: All (82)
Q Do you think the communications measurement and evaluation industry has expanded or declined in the past year?

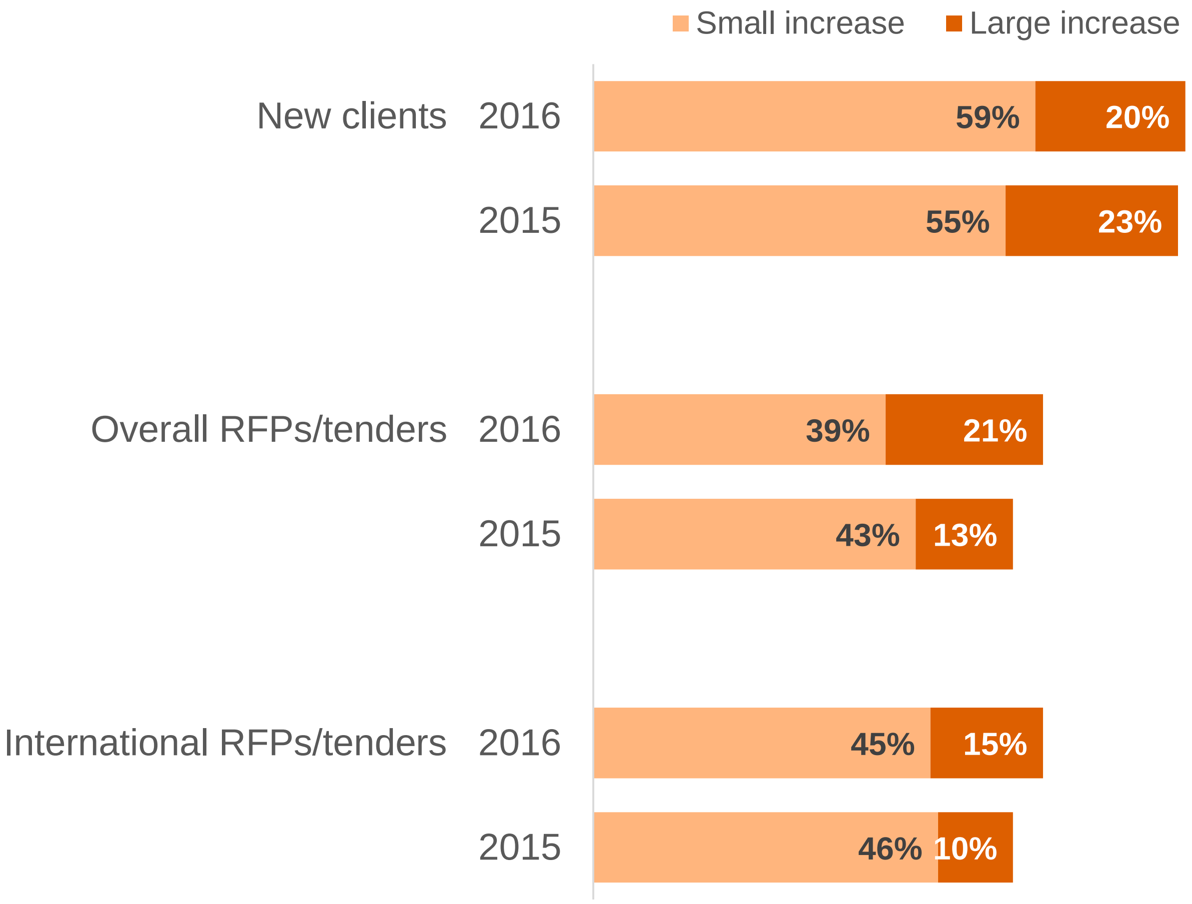
Industry trends – market activity and growth



- More than half (54%) the AMEC members in the survey say their **business is seeing stronger revenue growth** this year than in 2015. However, this proportion has declined from 74% in last year's survey
- According to members, revenue growth is strongest this year in the "other" regions, such as Africa and Latin America (80%), North America (56%) and Western Europe (56%), while those in Eastern Europe/ Middle East (44%) and Asia Pacific (38%) are less likely to feel revenue growth has strengthened
- 58% feel that **clients are more active** leading to **more sales opportunities** now than last year. As with revenue growth, the proportion who say this is the case has declined, down from 75% in 2015
- Specialist measurement and analytics providers are considerably more likely to be seeing a growth in client activity (70%) than other types of business, particularly PR agencies (35%)

Base: All (82)
Q Please indicate how much you agree or disagree with each statement

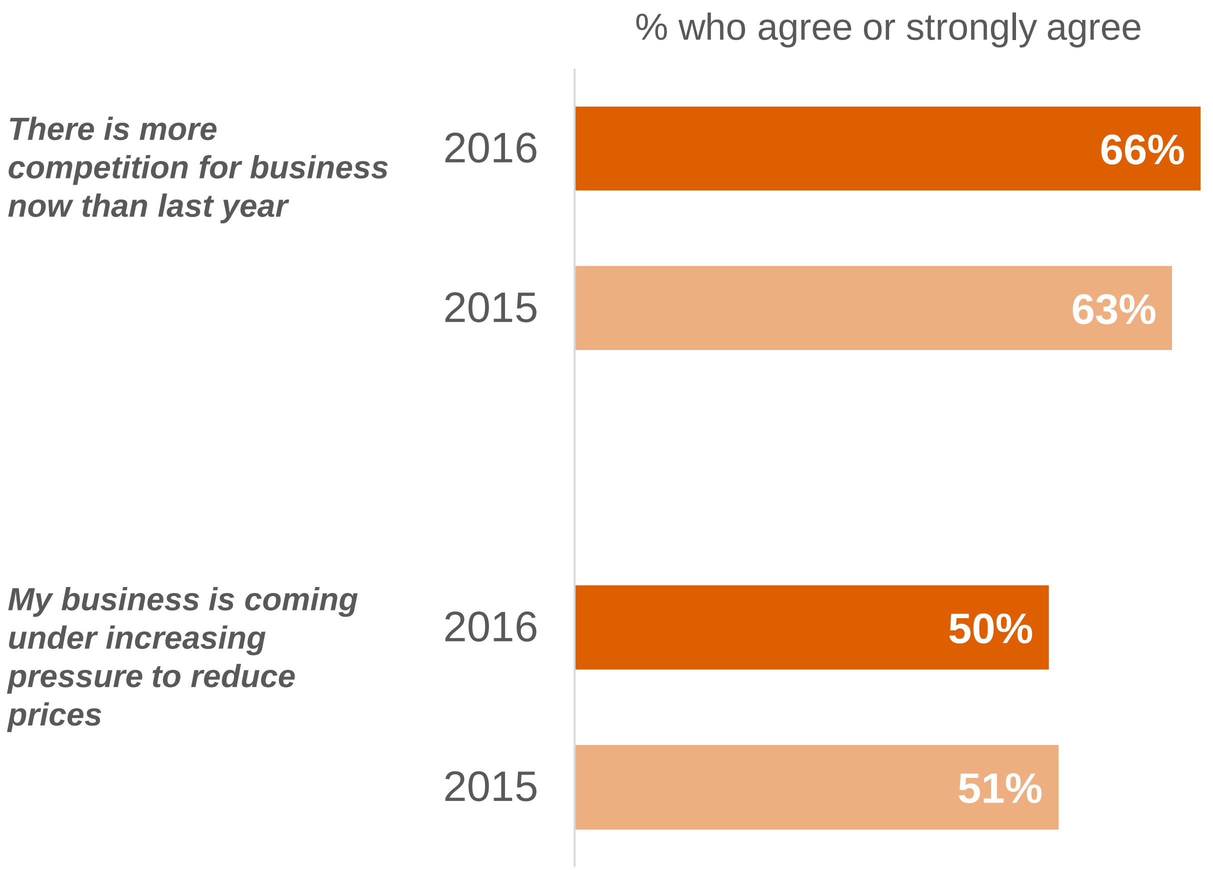
Industry trends – new clients and RFPs/tenders



- While the figures for revenue growth and client activity suggest a somewhat more cautious business environment in 2016 than 2015, members continue to report strong new business opportunities
- Overall, 79% of members in the 2016 survey have seen an increase in **new clients** – a similar proportion to 2015 (78%) – while just 6% report a decrease
- Three in five members (60%) report an increase in the number of **RFPs/tenders**, including 21% who have seen a large increase. Meanwhile, only 4% have seen a decrease in the volume of RFPs
- The volume of **international RFPs/tenders** is also growing, with 60% saying they have seen an increase, while only 3% report a decrease
- Year-over-year, the proportion of members who report an increase in the volume of RFPs/tenders (both overall and specifically international) is slightly higher

Base: All except members based in house (72)
Q Are you currently seeing an increase or decrease in the following aspects of your business?

Industry trends – competition and pricing



- Sales opportunities are increasing, but at the same time, members say that the market is more crowded and competition is also growing
- Two in three AMEC members (66%) say there is **more competition for business** now than last year, up slightly from 63%
- Members who are most likely to be feeling the pressure of greater competition tend to be specialist measurement/ analytics providers (75%) and/or based in Western Europe (75%)
- A consequence of the increased competition is **pressure to reduce prices**. As in 2015, half (50%) feel that pressure on pricing is increasing, although 18% feel this is not the case
- Pressure on pricing is most keenly felt in Eastern Europe/Russia/Middle East areas, where 78% agree with the statement. By contrast, none of those based in other regions such as Latin America and Africa feel under pressure to cut prices

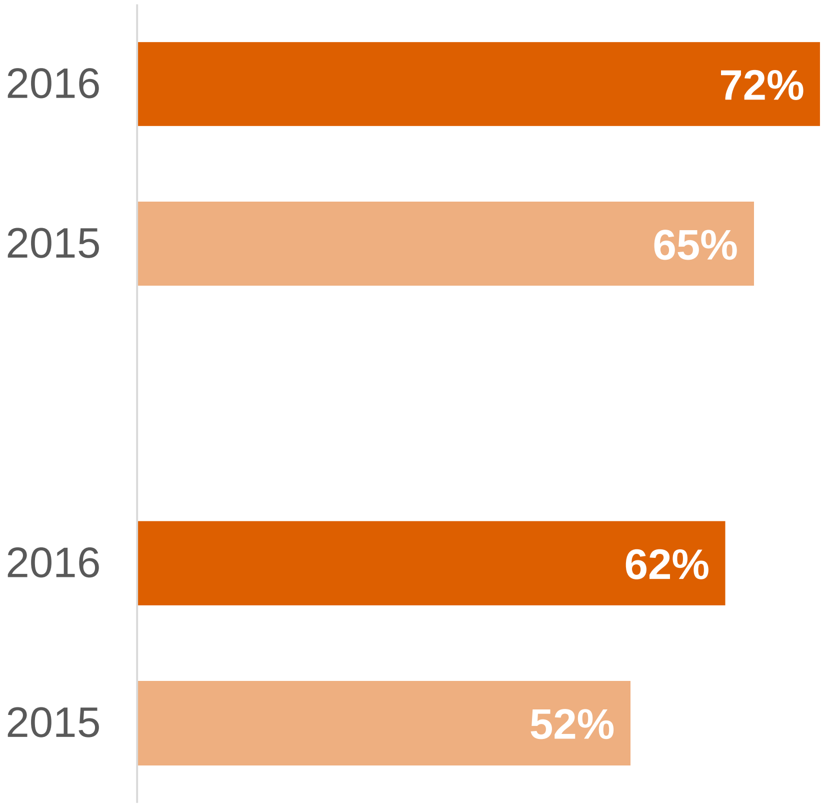
Base: All (82)
Q Please indicate how much you agree or disagree with each statement

Industry trends – client requirements

% who agree or strongly agree

I am seeing a trend by clients/ stakeholders to put increasing emphasis on insights and less emphasis on monitoring

ROI is more important than ever with clients/ stakeholders asking for a defined financial ROI to demonstrate the business benefit of communications



- More than seven in ten members (72%) agree that clients are increasingly placing **emphasis on insights over monitoring.** The proportion agreeing stood at 65% in 2015
- However, as the table below illustrates, the strength of this trend varies according to region, with the greatest momentum towards insights reported in North America

	% seeing a trend for more emphasis on insights, less on monitoring
Western Europe	78%
Eastern Europe/Russia/Middle East	78%
North America	83%
Asia Pacific/Australia/NZ	38%
Other regions	20%

- Members are more likely to agree that ROI **is more important than ever for clients** (62%) than 12 months ago (52%)
- Members in North America (72%) and Western Europe (70%) are most likely to agree, while only a minority believe this to be the case in Asia Pacific (25%)

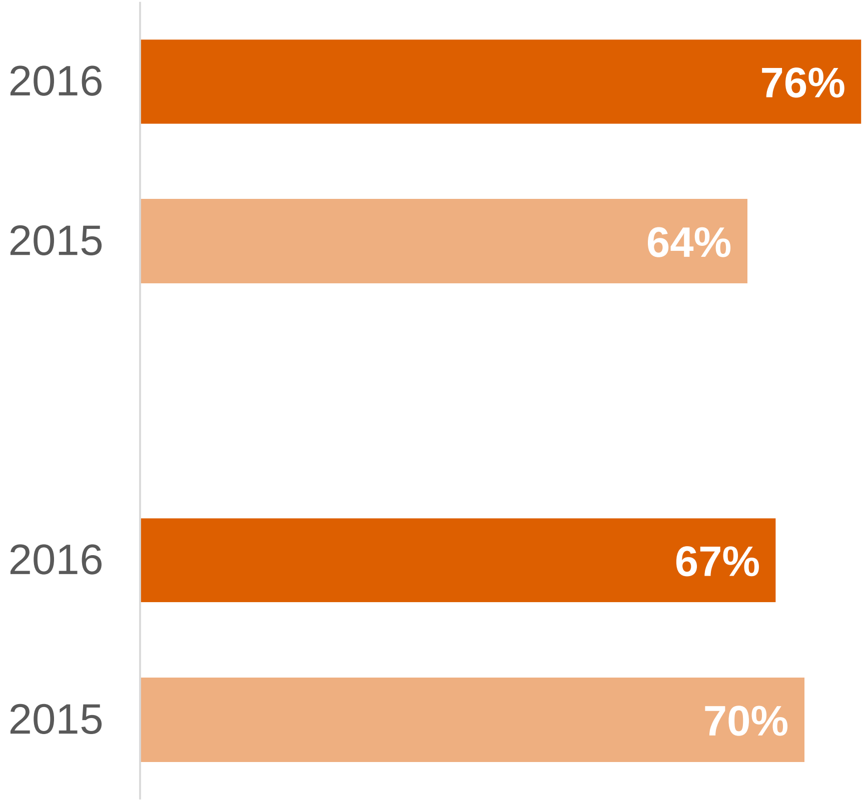
Base: All (82)
Q Please indicate how much you agree or disagree with each statement

Industry trends – consolidation

% who agree or strongly agree

I expect the level of consolidation activity seen in 2015 to continue in the coming 12 months

Industry consolidation provides an opportunity for my organisation, not a threat*

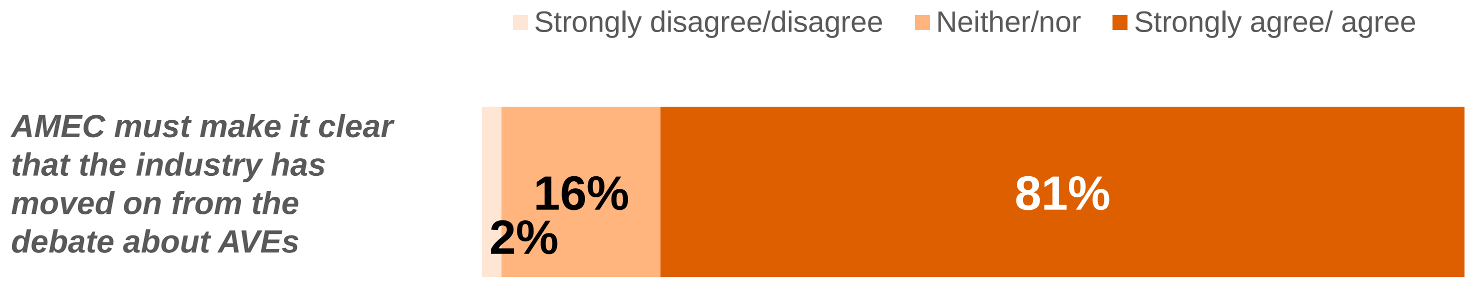


- Members in measurement and analytics firms are asked about industry consolidation
- More than three-quarters (76%) think **the level of consolidation activity witnessed in the past year is likely to continue**, up from 64% in 2015

- Leaders in two in three (67%) measurement and analytics firms regard **consolidation as an opportunity rather than a threat**
- In 2015, the survey asked a similar question with different wording*, but achieved a similar outcome. Last year, 70% believed they were well placed to cope with the impact of consolidation

Base: All except members based in house and PR agencies (56)
Q Please indicate how much you agree or disagree with each of these statements about how the industry is changing.
* Asked as *My business is well-placed to cope with the consequences of industry consolidation* in 2015

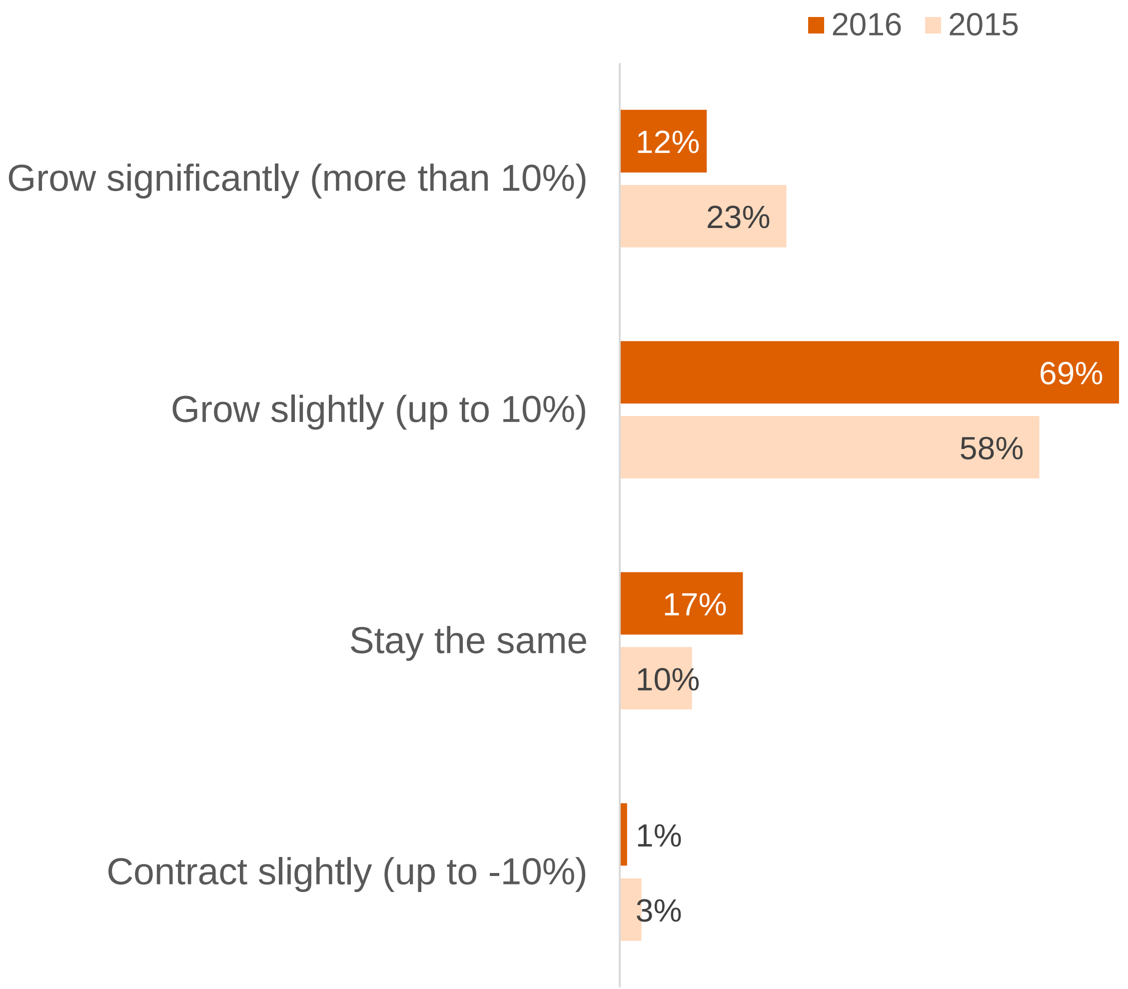
Industry trends – AVEs



- Most members (81%) believe **AMEC should make it clear that the industry has moved on from the debate about AVEs,** while just 2% disagree
- PR agency members are most likely to agree (94%) with this sentiment

Base: All (82)
Q Please indicate how much you agree or disagree with each statement

Growth forecast



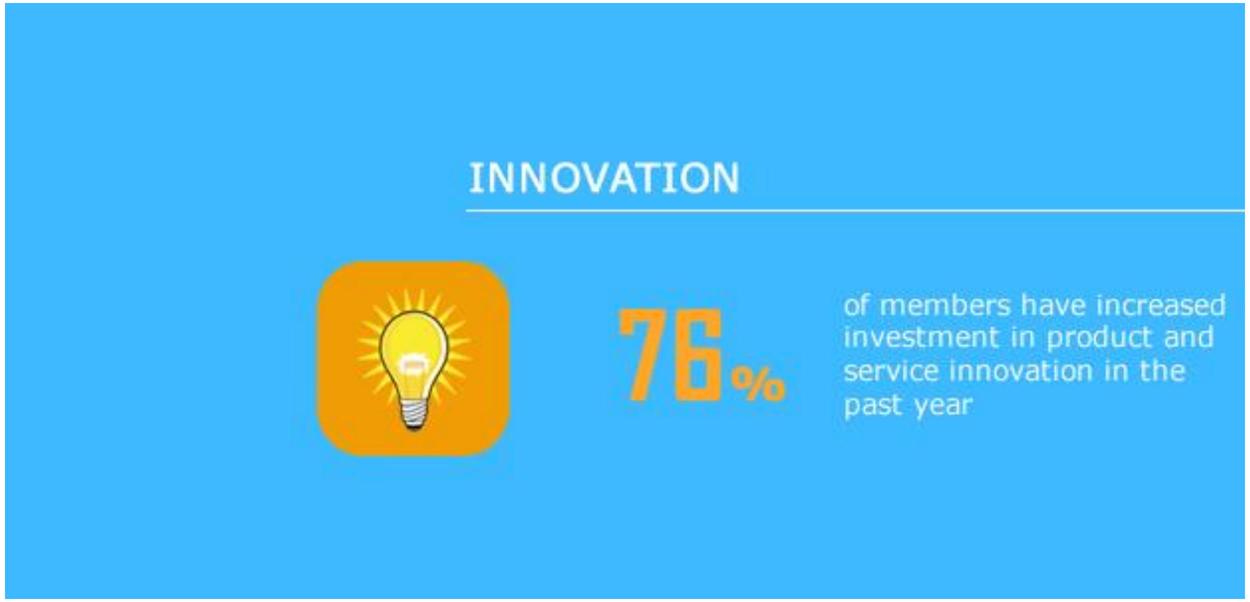
- Despite the uncertainty hanging over much of the global economy, 81% of AMEC members expect the industry to grow in the next year, including 12% who expect *significant* growth

- However, the proportion forecasting *significant* growth is down from 23% in 2015, while the percentage anticipating *slight* growth is up from 58% to 69% this year

- Members based in Asia Pacific are somewhat more cautious than those located elsewhere, as illustrated in the table below

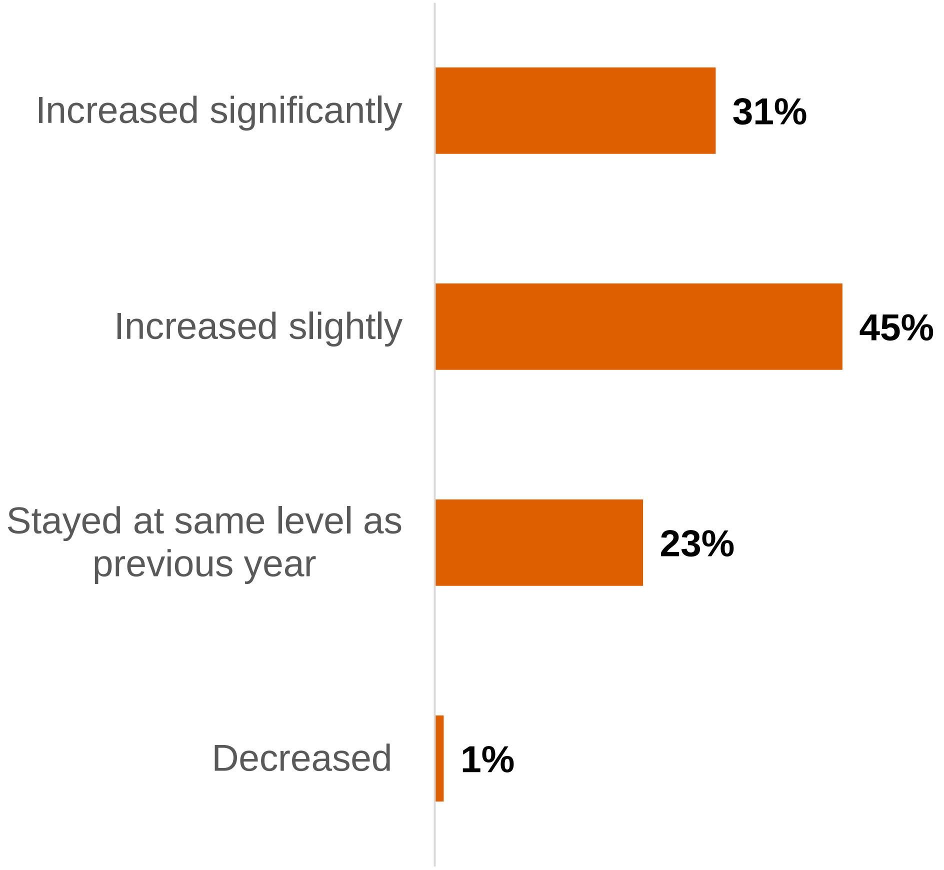
	% of members expecting growth of more than 10%
Western Europe	12%
Eastern Europe/Russia/Middle East	11%
North America	17%
Asia Pacific/Australia/NZ	0
Other regions	20%

Base: All (82)
Q How do you think the media measurement, research and intelligence industry will perform in the next 12 months?



2. Product and service innovation

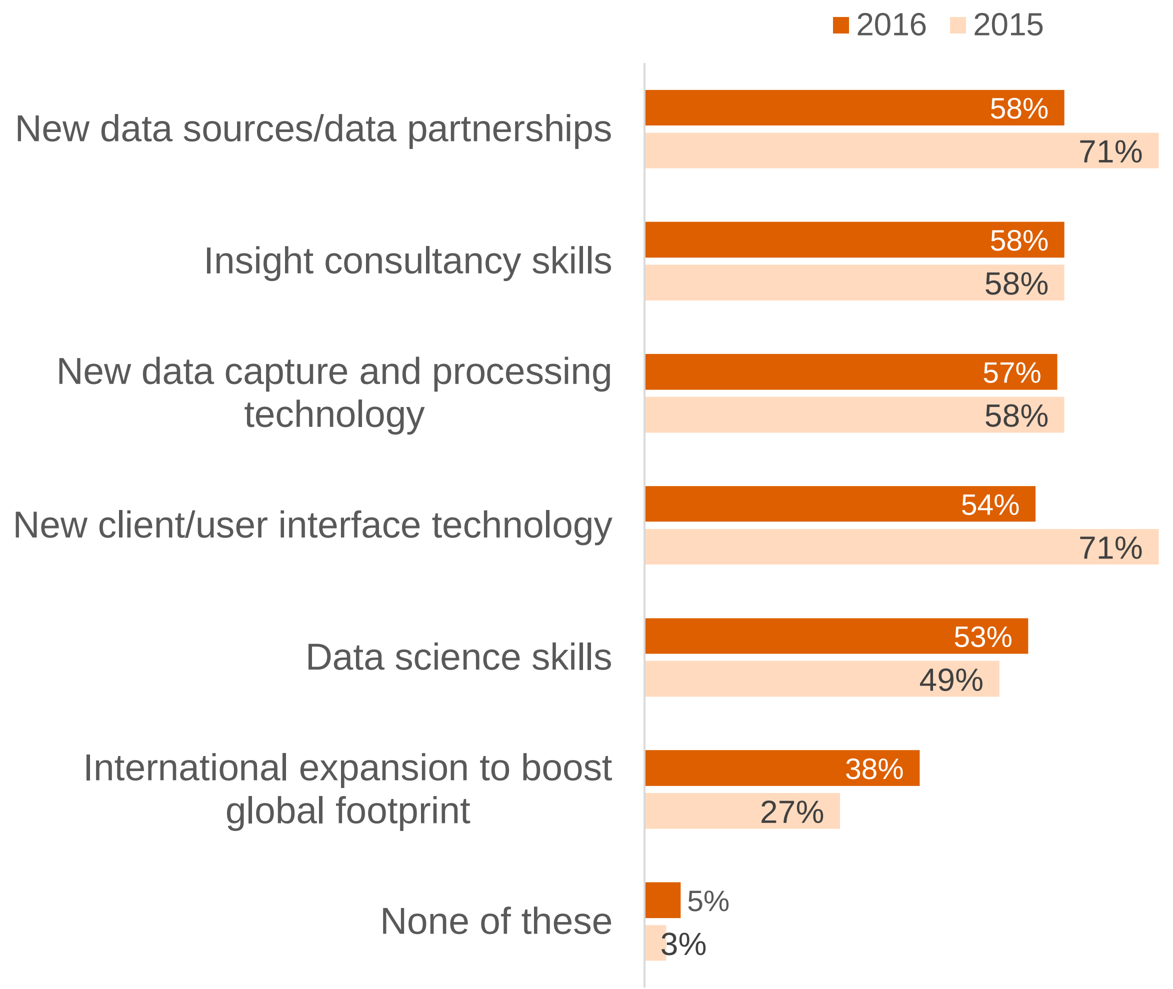
Investment in innovation



- The majority of AMEC members are **investing more in product/service innovation**. Three-quarters (76%) say this kind of investment has increased in the last year, including 31% who say it has *increased significantly*
- Of the remainder, 23% have invested *at the same level* as last year while just 1% has *decreased* investment
- The highest proportion who say they are *increasing investment significantly* is reported amongst measurement and analytics specialists (43%)

Base: All (82)
Q Over the past year, how has your level of investment in product and service innovation changed?

Planned investment in innovation



- Members will be investing in a number of different areas for product and service innovation in 2016/17
- Almost six in ten (58%) intend to invest in **new data sources/partnerships**, and/or **insight consultancy skills** (58%). A similar proportion expect to be investing in **new data capture and processing technology** (57%), while 54% and 53% are likely to invest in **new client interface technology** and **data science skills**, respectively
- Meanwhile, investment in **international expansion to boost global footprint** is likely to be less widespread (38%), although is more likely to be under consideration than was the case last year (27%)

Base: All (82)
Q How will you be investing in product and service innovation during the next 12 months? (multiple answers accepted)

Business sectors with most growth potential

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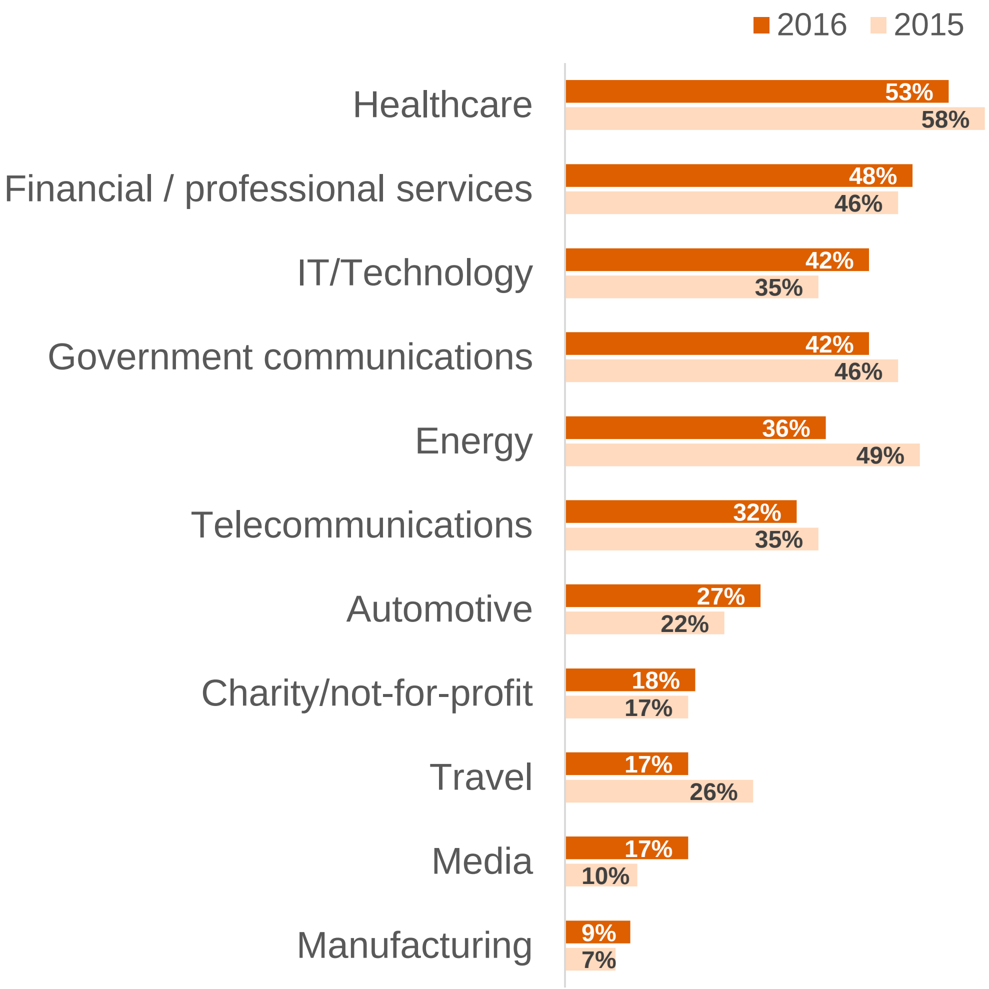
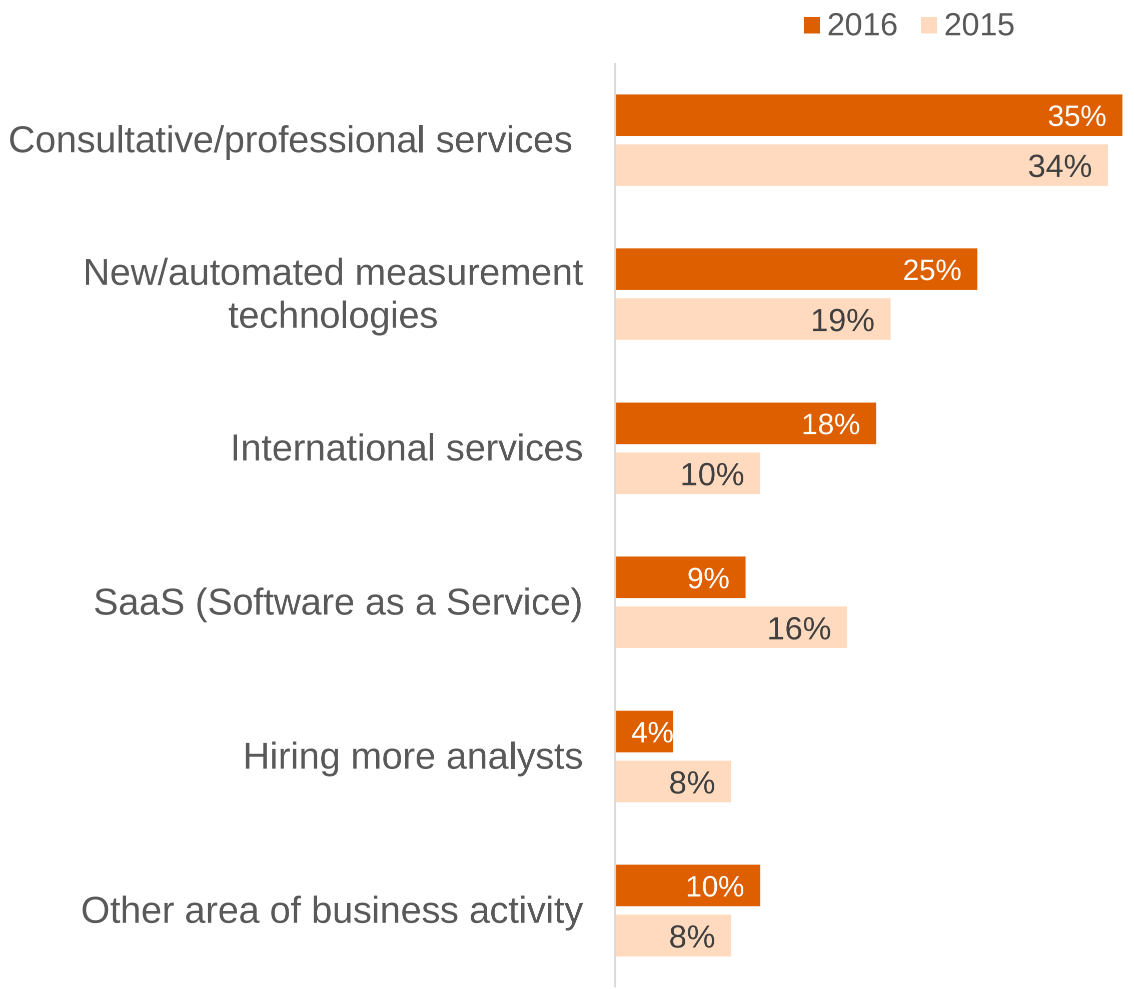


- AMEC members foresee the strongest client sector opportunities arising in **healthcare** (53%), **financial and business services** (18%), **IT/technology** (42%) and **government communications** (42%) during the coming year
- The **energy** sector, meanwhile, has dropped down the list of sectors with greatest potential. Selected by 49% in 2015, the sector is now regarded as having potential by 36%, no doubt reflecting the ongoing industry downturn
- The table below illustrates how the greatest perceived potential for growth varies by region and member type

	Business sector with greatest potential
Western Europe	Healthcare (56%)
Eastern Europe/Russia/Middle East	Healthcare (50%), IT/technology (50%)
North America	Healthcare (64%), Financial/ Business services (64%)
Asia Pacific/Australia/NZ	Government comms (75%)
Other regions	Government comms (80%), Financial/ Business services (80%)
Specialist measurement/analytics firm	Government comms (55%)
PR firm	Healthcare 71%
Consultancy/independent consultant	Healthcare 63%

Base: All except members based in house (72)
Q Which client sectors do you think have the biggest industry-wide potential for growth during the next 12 months? (multiple answers accepted)

Growth drivers for next 12 months



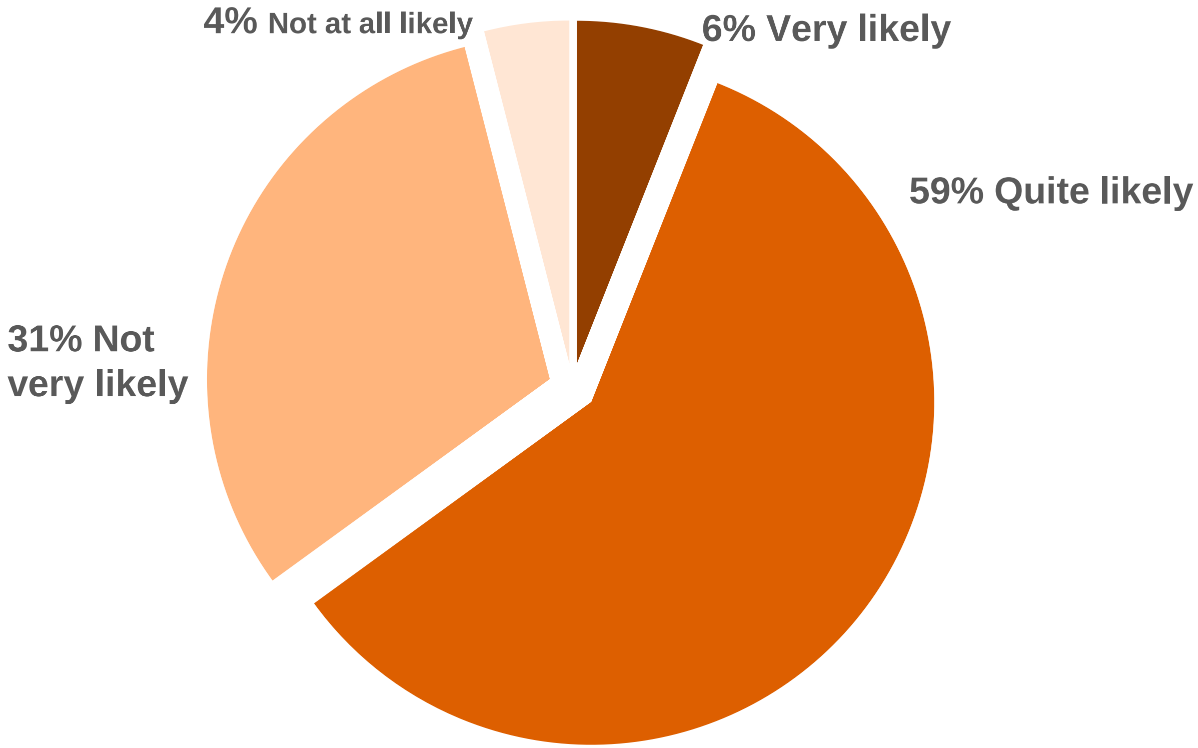
- All AMEC members in all categories were asked to name the number one area of business activity on which they will focus to drive growth in 2016-17
- As was the case in 2015, improving **consultative/professional services** (35%) is most likely to be selected, followed by **new/ automated measurement technologies** (25%)
- The proportion saying they will drive growth via more **international services** is up from 10% in 2015 to 18% this year, while fewer will drive growth with **SaaS** in 2016 (9%) than last year (16%)
- Greatest emphasis is placed on consultative/professional services by members in PR agencies (63%), while in house members are most likely to be focussing on new/automated technologies (67%)

Base: All (82)
Q What area of business activity are you focusing on to drive revenue growth in the next 12 months?

3. Measurement

AMEC’s integrated metrics framework

How likely is it that 2016 will be the year when measurement finally becomes a fundamental part of every PR programme?

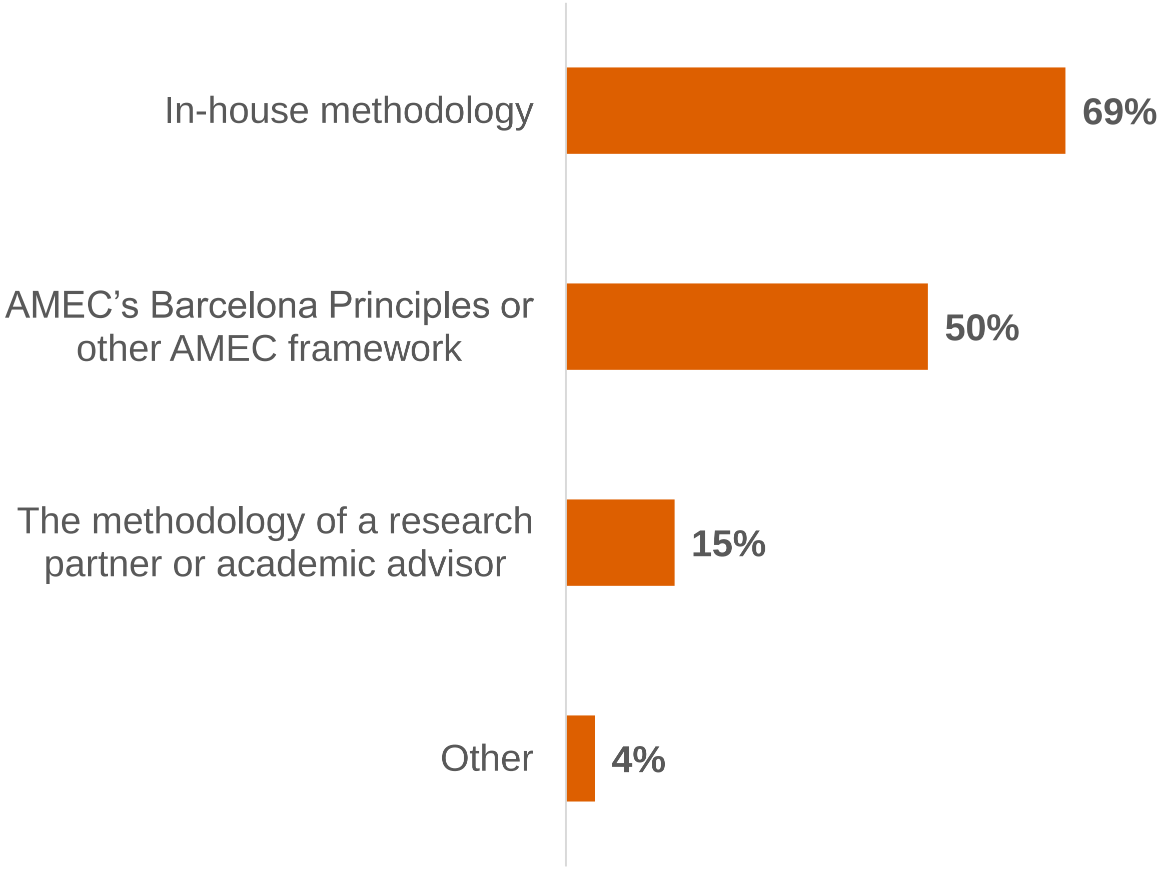


- With AMEC’s new **integrated metrics framework** being announced this summer, 65% of members think it is *likely* this year will see **measurement becoming a fundamental part of every PR programme** (including 6% who think this is *very likely*)
- Meanwhile, 31% think this is *not very likely* and 4% *not at all likely*
- When a similar question was asked in 2015, 55% felt that measurement was likely to become fundamental to PR, while 44% thought it was unlikely
- Support for the notion that measurement will become fundamental to PR programmes is strongest amongst PR agency members (88% likely), as illustrated below

	% very/quite likely
Specialist measurement/analytics firm	61%
PR agency	88%
Consultancy/independent consultant	26%
In house	78%

Base: All (82)
Q AMEC’s new interactive integrated metrics framework, to be announced this summer, will be part of its biggest ever Global Education Programme. How likely is it that 2016 will be the year when measurement finally becomes a fundamental part of every PR programme?

Basis for measurement approach

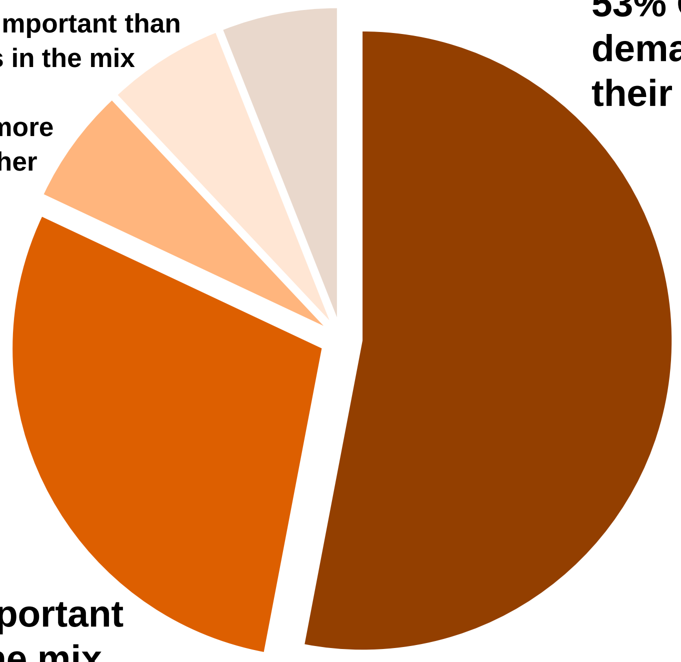


- Seven in ten (69%) AMEC members include their **own methodology** as a basis for their measurement offer when presenting to clients, while 15% incorporate **the methodology of a research partner or academic advisor**
- In addition, half (50%) of the measurement, analytics and PR firms in the survey incorporate **AMEC's Barcelona Principles** in their client measurement offer
- Members in the Eastern Europe/Russia/Middle East region are most likely to include the BPs in their offer (78%), while PR agencies do so more often (59%) than other member types

	% including Barcelona Principles in measurement offer
Western Europe	46%
Eastern Europe/Russia/Middle East	78%
North America	62%
Asia Pacific/Australia/NZ	13%
Other regions	60%
Specialist measurement/analytics firm	51%
PR agency	59%
Consultancy/independent consultant	25%

Base: All except members based in house (72)
Q When presenting your measurement offer to clients, which of the following is your approach primarily based on? (multiple answers accepted)

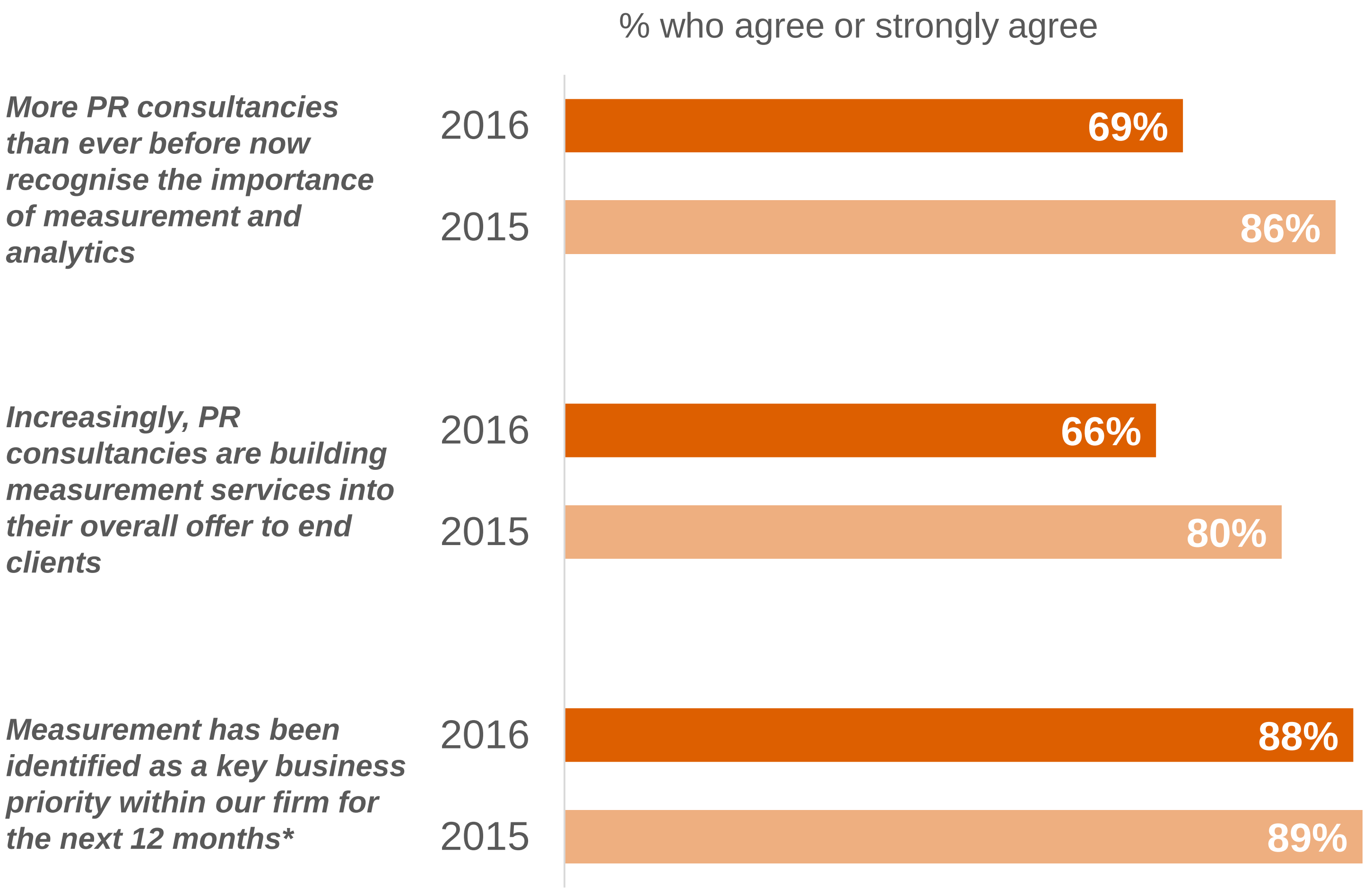
PR – measurement/analytics as part of overall offer



- AMEC's PR agency members were asked **how much importance their clients attach to the measurement and analytics** element in their overall client service mix
- More than half (53%) say that clients *always or usually demand measurement* in their pitch briefs, while 29% say that, while not demanded, measurement is a *very important* element in the mix
- Meanwhile, 6% say measurement is *moderately more important* than other elements in the mix and 6% say it is *no more important* than other elements
- When a similar question was asked in 2015, 16% of AMEC member PR agencies said measurement was *critically important* to end clients, with 37% selecting *very important* – a total of 53%, compared with the 82% who select one of the top two categories this year
- In 2015, one in four (26%) PR agency members said measurement was *no more important than other elements in the mix*, compared with just 6% this year

Base: All PR agency members (17)
Q From your clients' point of view, how important is your measurement and analytics offer as part of your overall PR client service mix?

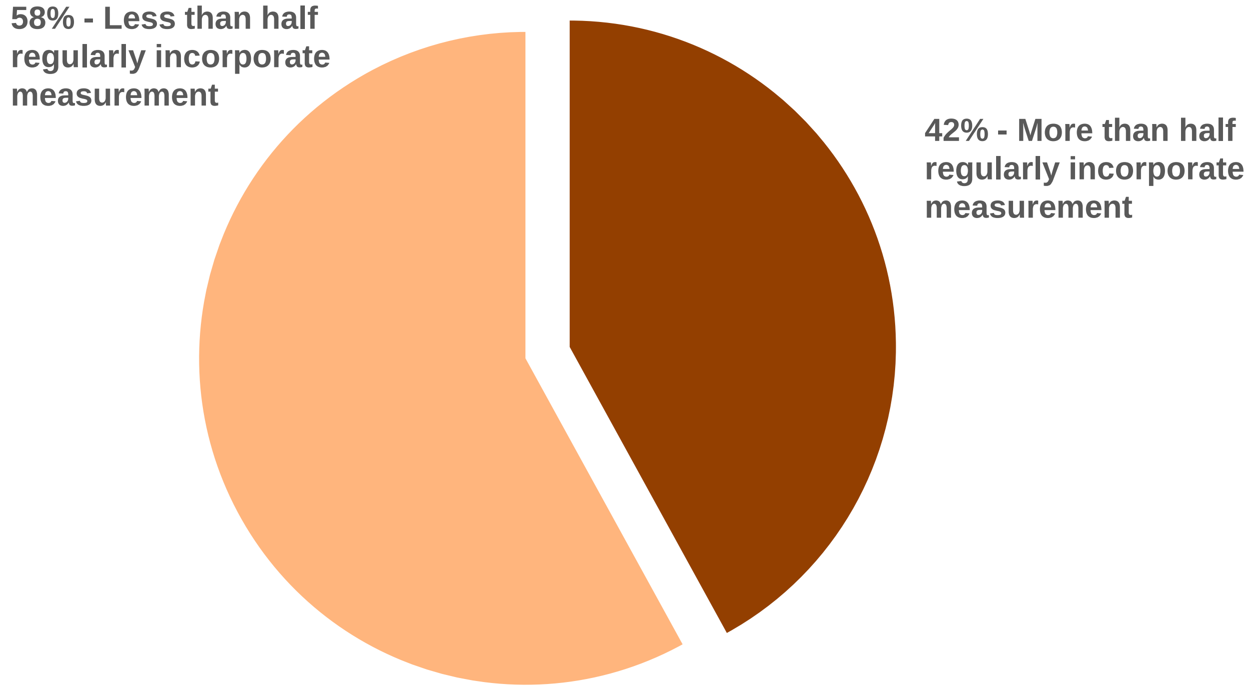
PR – importance of measurement services



- The vast majority (88%) of AMEC's PR agency members regard **measurement as a key business priority** for the next 12 months – a similar proportion to 2015 (89%)
- Meanwhile, across the AMEC membership as a whole, 69% agree that more PR consultancies than ever before now **recognise the importance of measurement and analytics**, and 66% of all members think PR firms are increasingly **building measurement into their overall end client offer**
- While the strength of opinion in both these measures is lower than in 2015, both statements continue to attract agreement from at least two in three members

Base: All (82), except * All PR agency members (17)
Q Please indicate how much you agree or disagree with each of these statements

Measurement firms – perceptions of PR offer

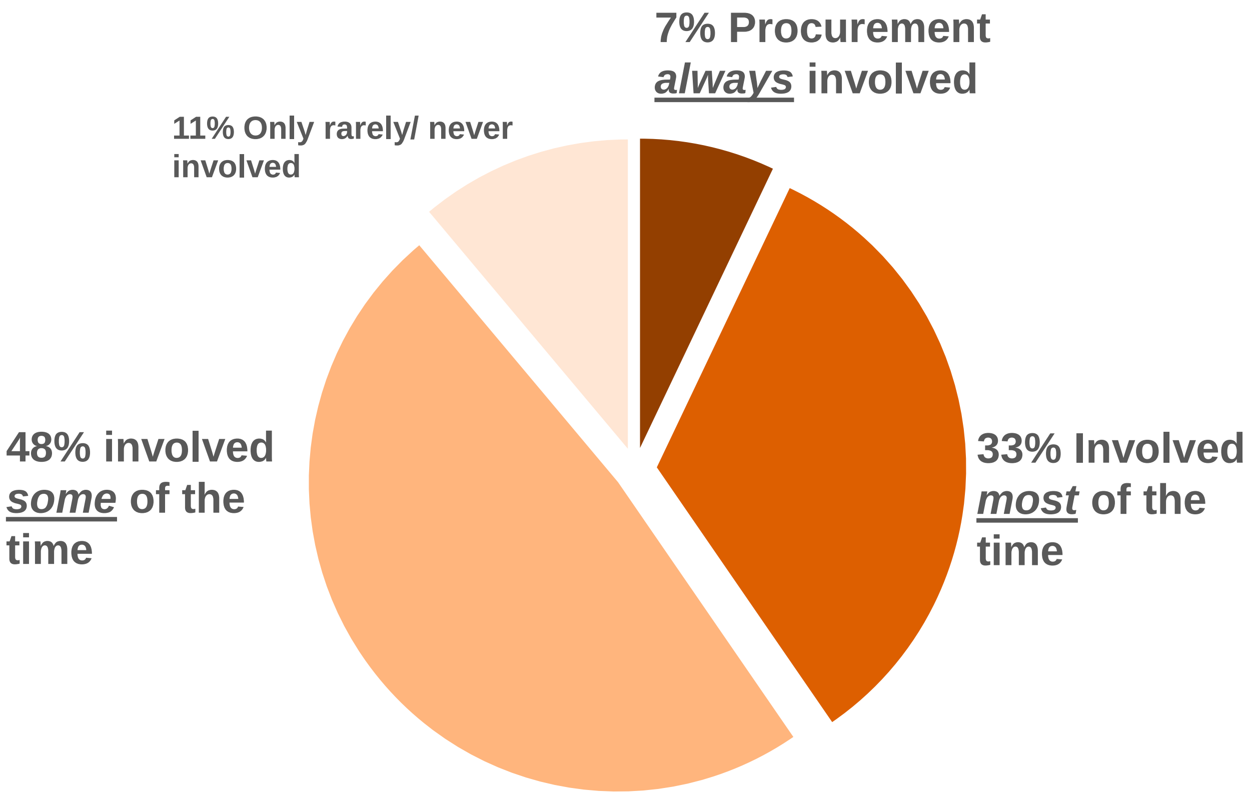


- AMEC's measurement and analytics members were asked **what proportion of their PR clients incorporate measurement into their end client offer on a regular basis**
- Despite the strong message from AMEC's PR agency members that measurement is either *critical* or *very important*, fewer than half of measurement and analytics firms who work with PR agencies say that the majority of their PR clients regularly offer measurement to end clients (42%)
- The majority (58%) say measurement is offered by fewer than half of their PR clients on a regular basis

Base: All members in measurement & analytics firms who give an answer (those who don't have PR clients and "don't knows" are excluded) (38)
Q As far as you can tell, approximately what percentage of your PR consultancy and PR company clients incorporate measurement into their end client offer on a regular basis?

4. Working relationships with clients/ stakeholders

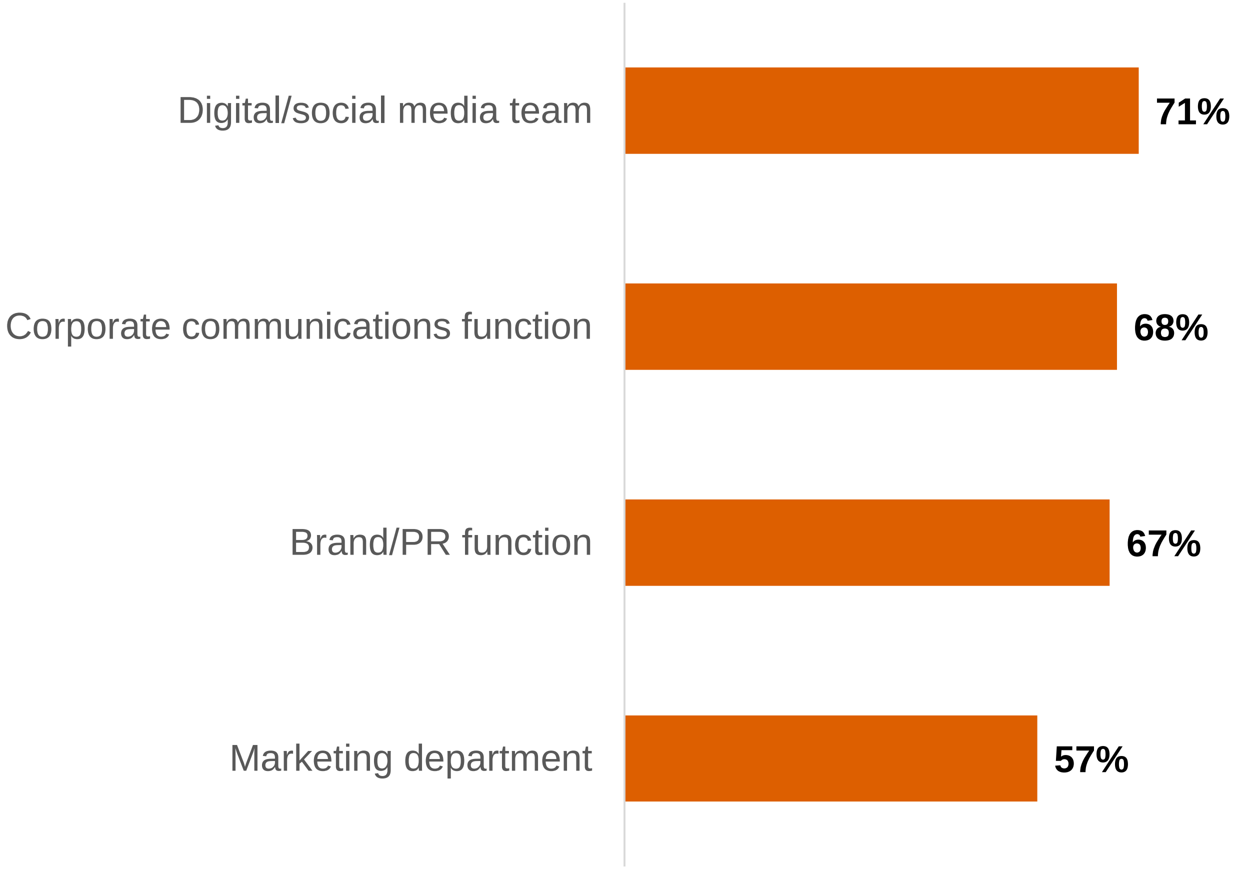
Working with procurement



- Overall, 40% of AMEC's members in the 2016 survey say **procurement** is *always* (7%) or *usually* (33%) involved in the negotiation of new or renewal measurement contracts, compared with 46% in 2015
- Most of the remaining members (48%) say procurement is involved some of the time, with 11% saying procurement is *rarely* or *never* involved

Base: All (82)
Q How frequently is the procurement function involved in the negotiation of new and/or renewal measurement contracts with your organisation? (By this we mean your own internal procurement team and/or your client/partner organisation procurement team)

Demand for measurement and insight services by client function

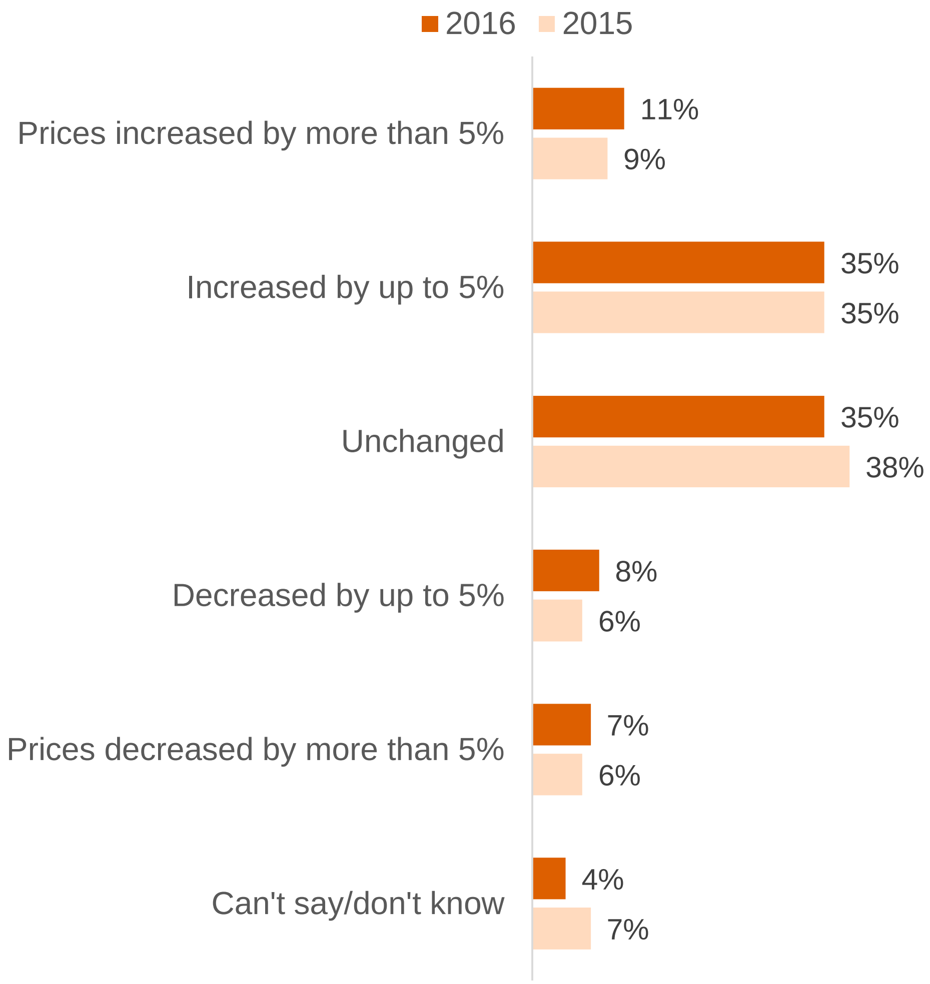


- AMEC members report increasing demand for measurement and insight services across the full range of **client departments**
- Demand for measurement and insight services is most likely to be growing in the *digital/social media function* (71%), closely followed by *corporate communications* (68%) and the *brand/PR function* (67%)
- Increased demand is also reported from the *marketing* function (57%)
- Demand from the *digital/social media* function is most likely to be increasing for AMEC members based in North America, and for AMEC's PR agency members

	% reporting increasing demand from digital/social media function
Western Europe	76%
Eastern Europe/Russia/Middle East	56%
North America	92%
Asia Pacific/Australia/NZ	25%
Other regions	80%
Specialist measurement/analytics firm	64%
PR agency	94%
Consultancy/independent consultant	63%

Base: All except in house (72)
Q Is demand increasing for communications measurement and insight services from the following functions?

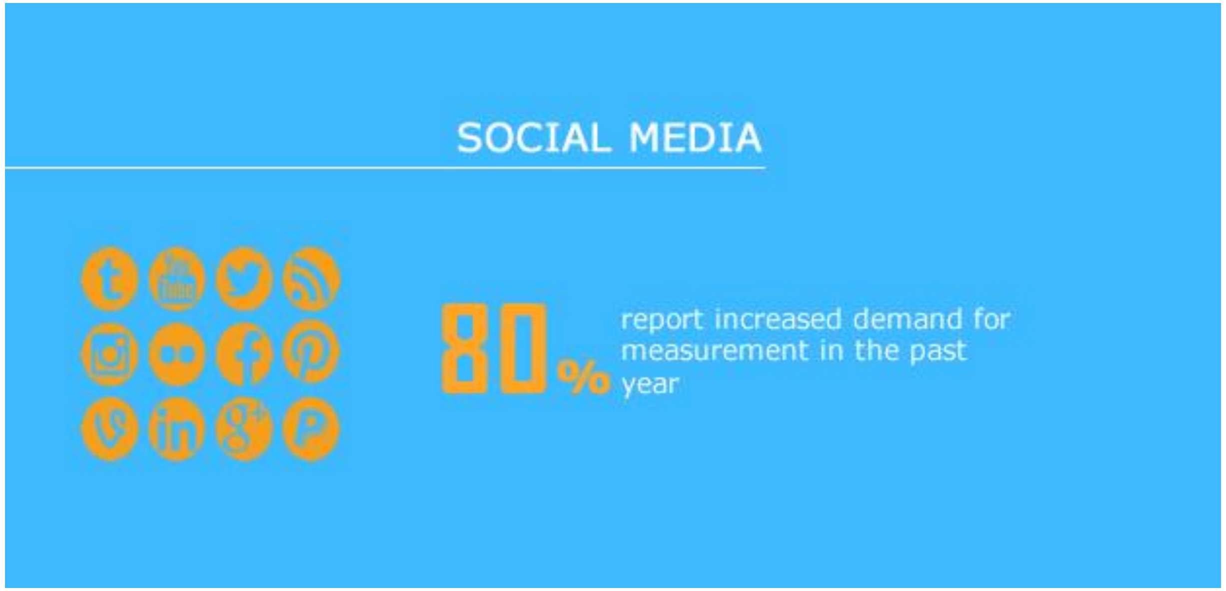
Pricing changes in past year



- Almost half (46%) of AMEC's members have **increased their prices** in the past year, 35% by up to 5% and 11% by more than 5%
- Meanwhile, 15% of members have *reduced* their prices, including 7% who have done so by more than 5%
- Year-over-year comparison tells a very consistent story – in 2015, 44% *increased* their prices and 12% *decreased*
- As the table below shows, *price decreases* are largely confined to members based in Western and Eastern Europe/ Russia/ Middle East, and are only reported by specialist measurement and analytics firms

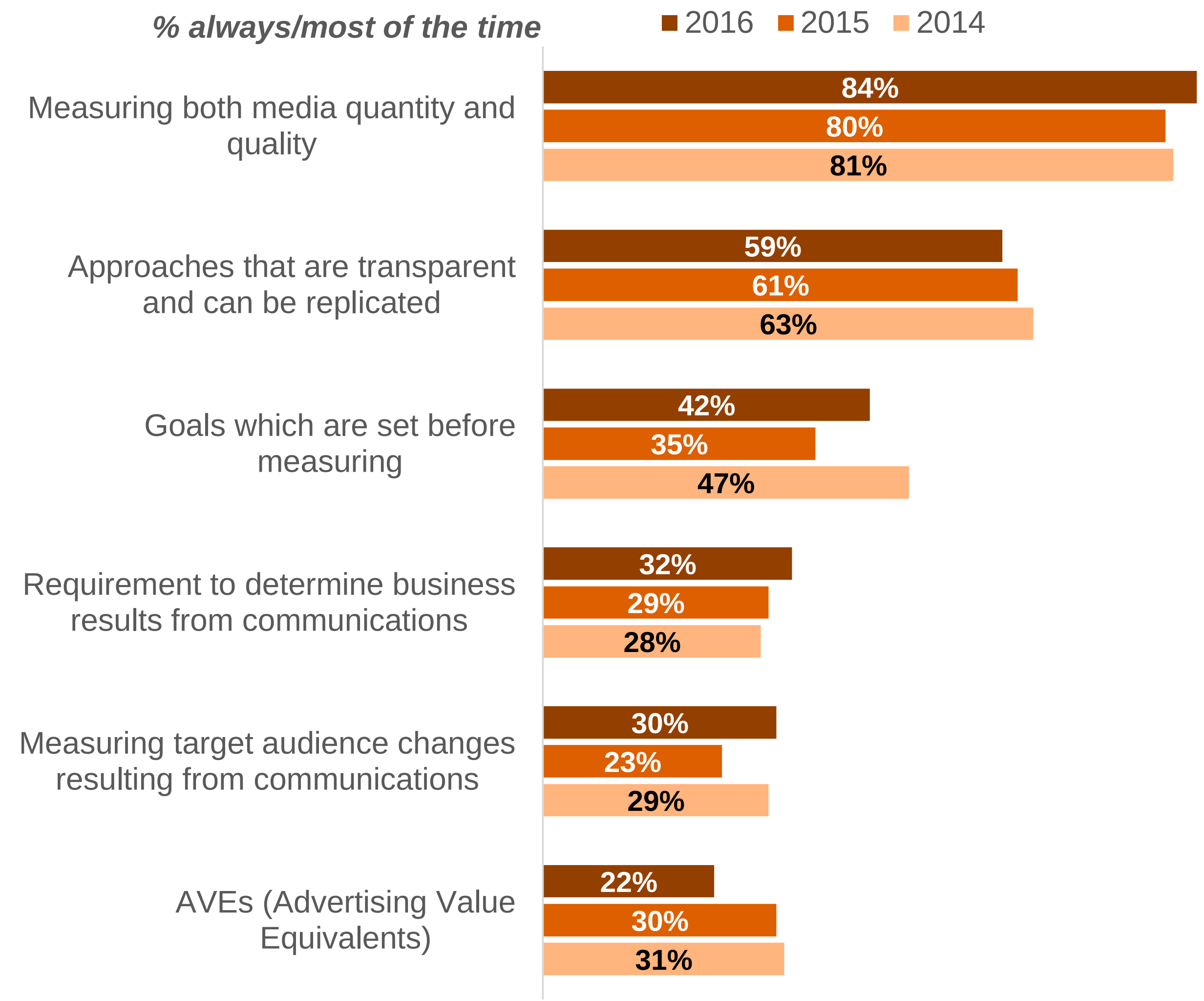
	% increased prices in past year	% decreased prices in past year
Western Europe	43%	19%
Eastern Europe/Russia/Middle East	22%	33%
North America	39%	0
Asia Pacific/Australia/NZ	88%	0
Other regions	60%	20%
Specialist measurement/analytics firm	33%	25%
PR agency	59%	0
Consultancy/independent consultant	63%	0

Base: All except in house (72)
Q How have your prices to clients changed in the past 12 months?



5. Client/ stakeholder expectations

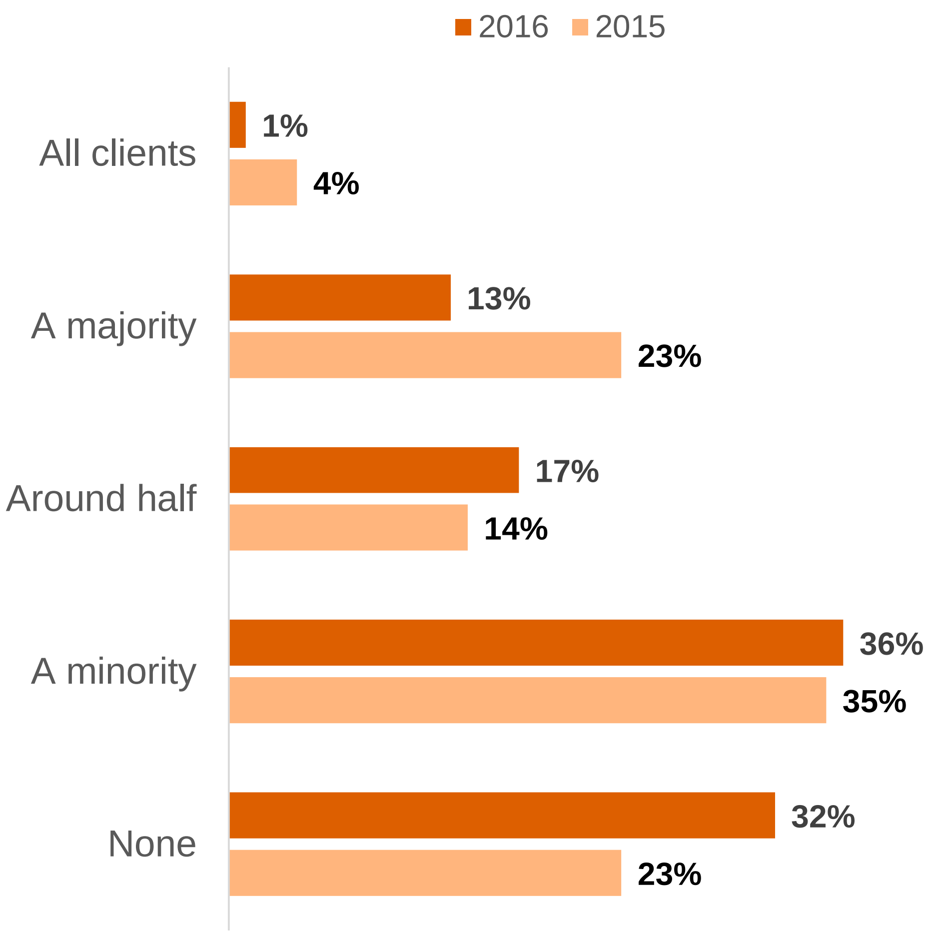
Client work specifications



- AMEC members were asked how frequently client work includes this set of specifications. Figures in the chart show the proportion saying *always* or *most of the time*
- Most client specifications include **measuring both media quality and quantity** (84%), slightly up from 80% in 2015, while 59% include the specification that **approaches are transparent and can be replicated** (61% last year)
- The proportion of clients who usually specify **goals set before measuring** is 42% this year, up from 35% in 2015 but below the 47% reported in 2014, while 32% of clients require that **business results can be determined from communications** (29% in 2015)
- The proportion of members whose clients specify **AVEs** is down this year, standing at 22% compared with 30% in 2015
- Meanwhile, 30% of clients specify the **measurement of target audience changes resulting from communications** this year, up from 23% last year

Base: All except in house (72)
How often does measurement work commissioned by your clients specify the following?

Client demand for AVE scores

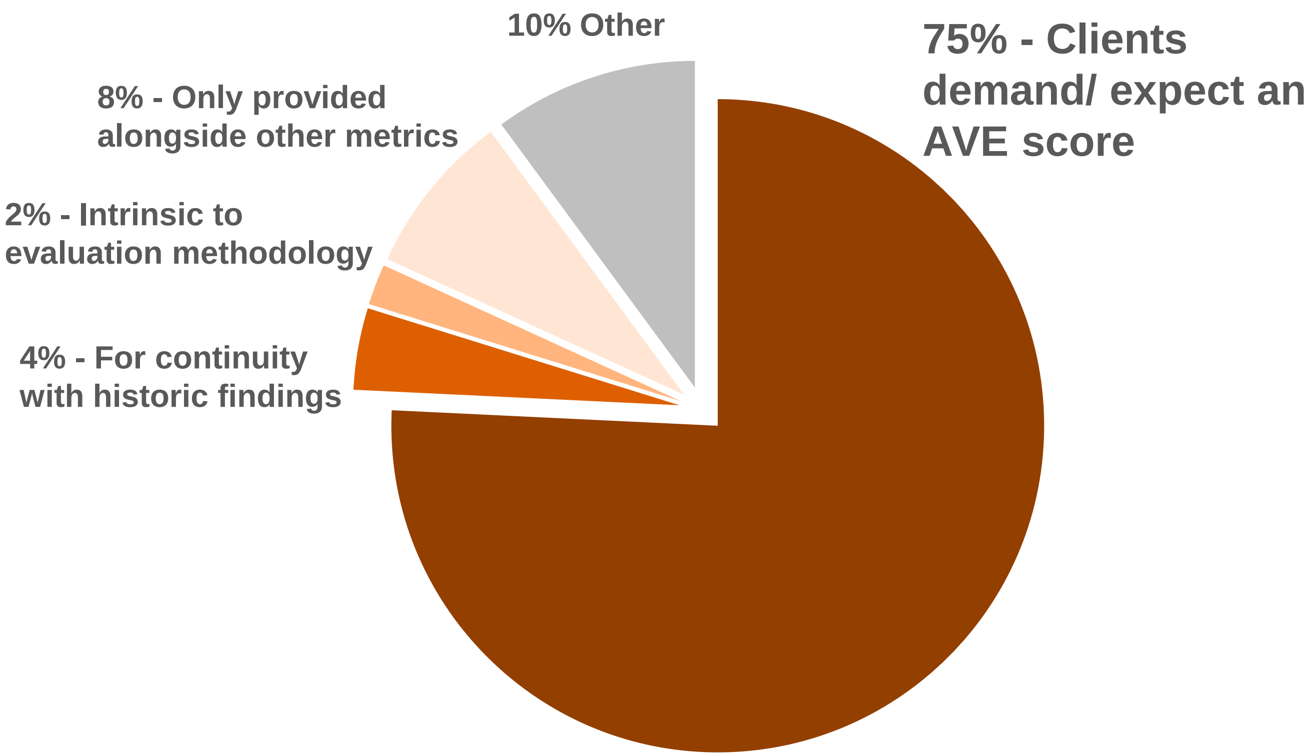


- **Client demand for AVE scores** appears to be declining. In 2015, 27% said *all or most* of their clients demanded AVEs, while 23% said *none* of their clients did so. In 2016, the figures have changed to 14% *all/majority* and 32% *none*
- AMEC members based in North America are most likely to a complete lack of demand for AVEs (46%)
- However, in Eastern Europe, Russia and the Middle East, 33% of members say that all or most clients do demand an AVE score

	% all/most clients demand an AVE score	% have no clients demanding an AVE score
Western Europe	14%	30%
Eastern Europe/Russia/Middle East	33%	33%
North America	0	46%
Asia Pacific/Australia/NZ	13%	25%
Other regions	20%	20%

Base: All except in house (72)
Q What proportion of your clients insist that you provide them with an AVE score?

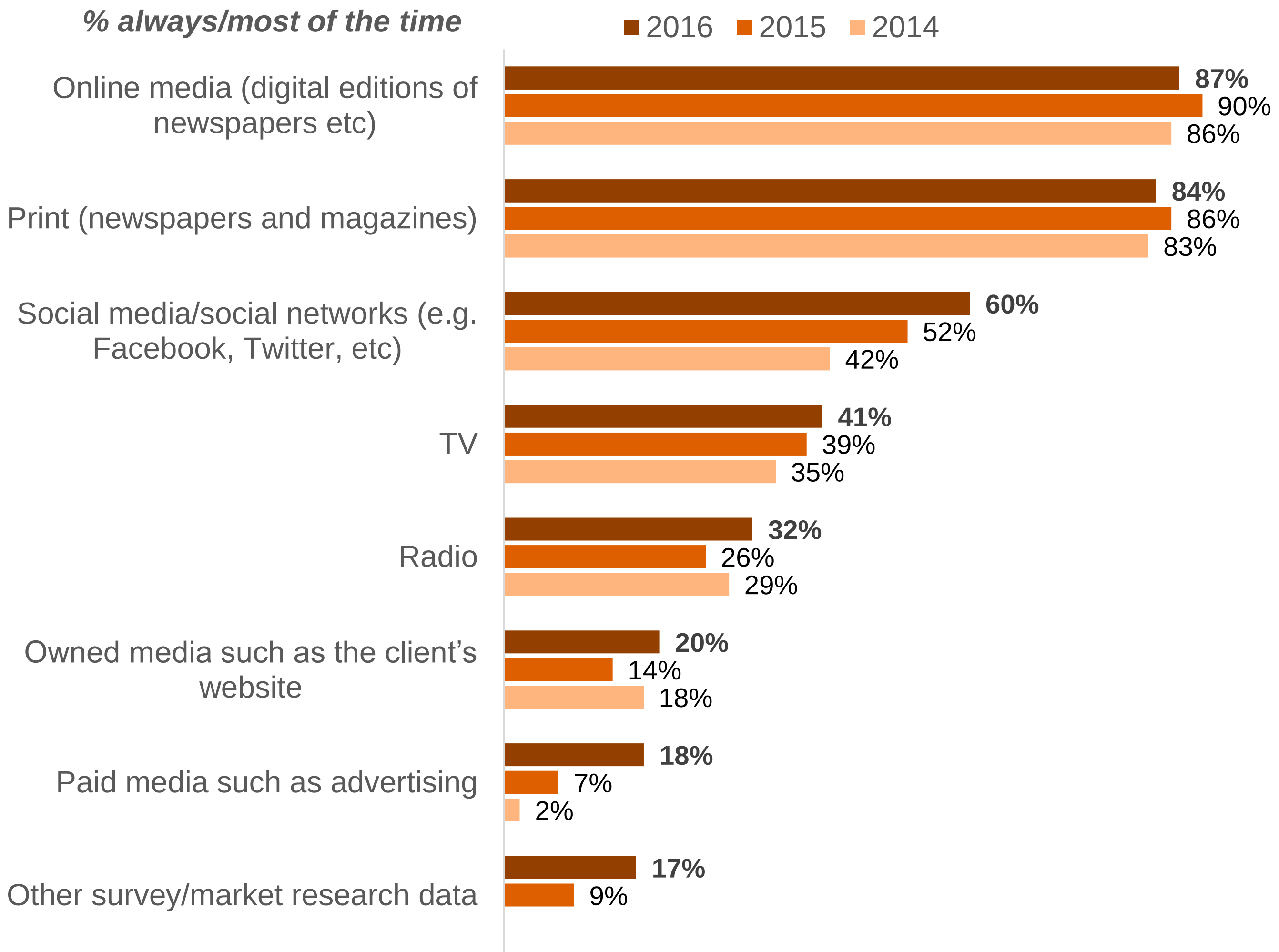
Why AVE scores are provided



- The 48 AMEC members in the survey who **do provide an AVE score** to at least some clients were asked to explain the reasons why they do so
- Most (75%) simply say that this is *what clients demand* or expect
- Small proportions of members say they *only provide AVE scores alongside other metrics* (8%), they do so *for continuity* (4%) or they do so because *AVE is intrinsic to their methodology* (2%)

Base: All providing AVE score to at least some clients (48)
Q What is the main reason you provide clients with an AVE score?

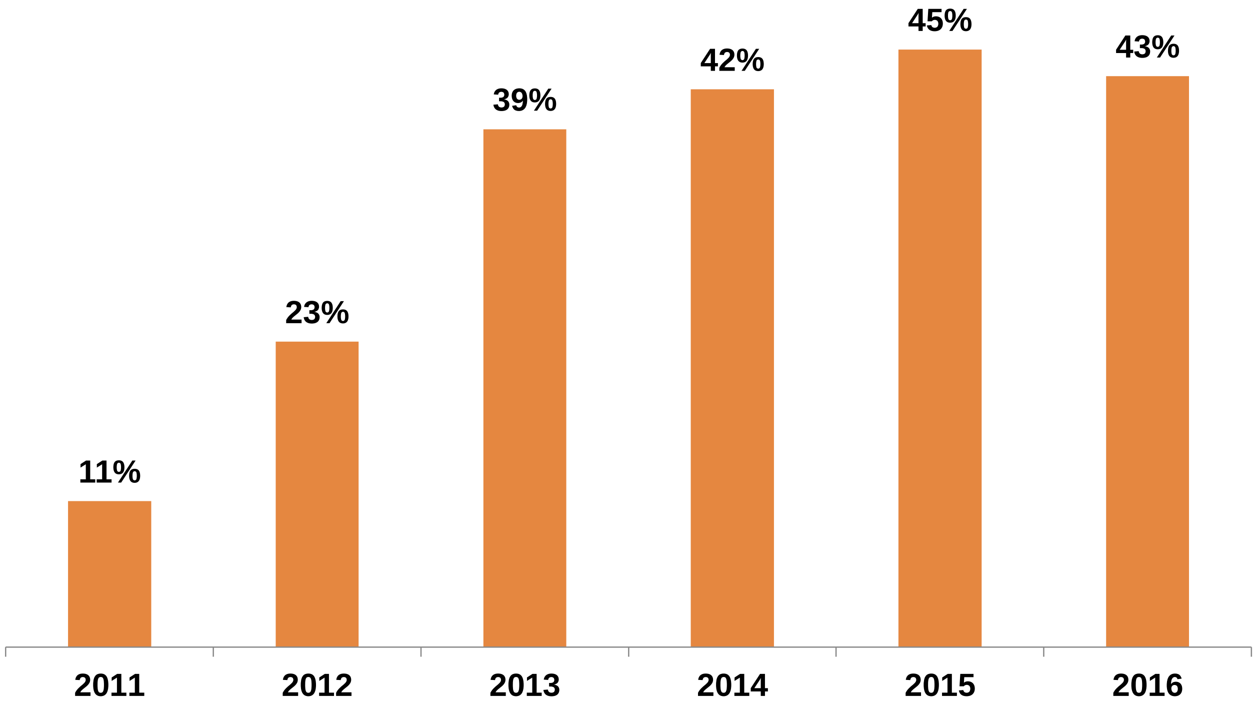
Media channels



- As in previous years, the vast majority of client and in house measurement work includes **online media** (87%) and/or **print media** (84%). Figures for these two categories remain relatively stable compared with 2015 and 2014
- Meanwhile, demand for **social media** measurement continues to increase. In 2014, social media measurement was part of the spec for all/most work of 42% of AMEC members, rising to 52% last year and now standing at 60%
- Demand for measurement of **TV** (41%) and **radio** (32%) remains relatively consistent with previous years, as does frequency with which **owned media** content is measured (20%)
- However, the proportion of work which includes measurement of **paid media such as advertising** has jumped, from 2% in 2014 to 7% in 2015 and 18% this year. Demand for **other survey/market research data** is also up, increasing from 9% in 2015 to 17% this year

Base: All (82)
Q For each of the following media channels please indicate how frequently your clients include these in the scope of the work you carry out for them?
Q (in house only) For each of the following media channels please indicate how frequently you include these in the scope of the work you carry out?

Social media measurement



- AMEC members were asked to say what proportion of their total client base included **social media measurement** in their programmes

- The proportion including social media in 2016 (43%) is relatively consistent with 2015 (45%) and 2014 (42%), and appears to have reached a plateau

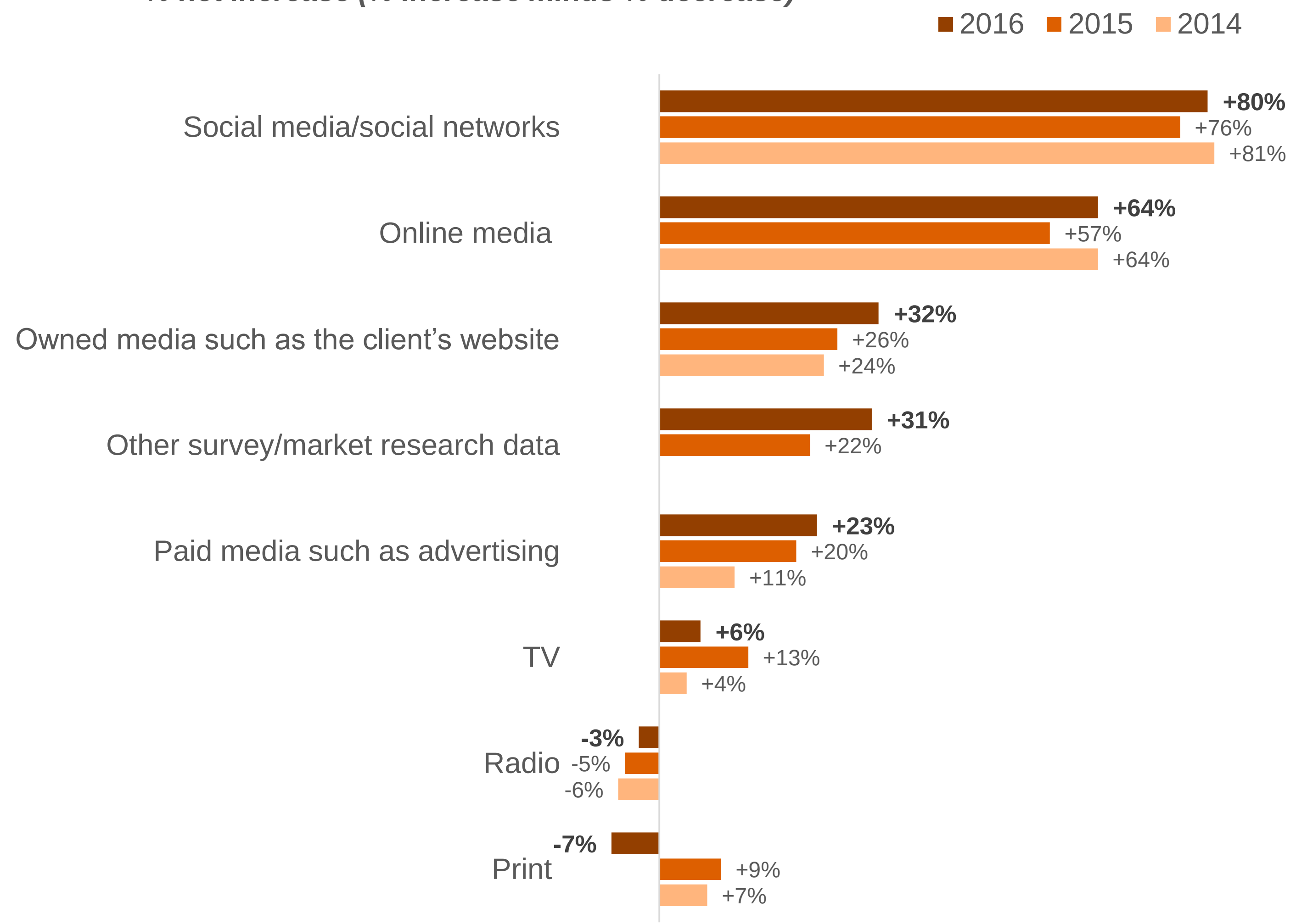
- However, measurement of social media does vary significantly by region and type of AMEC member. Clients are most likely to want social media included in North America (58%) and least likely in Eastern Europe, Russia and the Middle East (29%)

	% of clients including social media
Western Europe	43%
Eastern Europe/Russia/Middle East	29%
North America	58%
Asia Pacific/Australia/NZ	37%
Other regions	37%
Specialist measurement/analytics firm	32%
PR agency	70%
Consultancy/independent consultant	63%
In house	35%

Base: All (82)
Q Thinking about year ending December 31st 2015, approximately what percentage of your total clients included social media/social networks in their programmes?
Q (In house only) Thinking about year ending December 31st 2015, approximately what percentage was social media/social network measurement?

Change in client demand

% net increase (% increase minus % decrease)

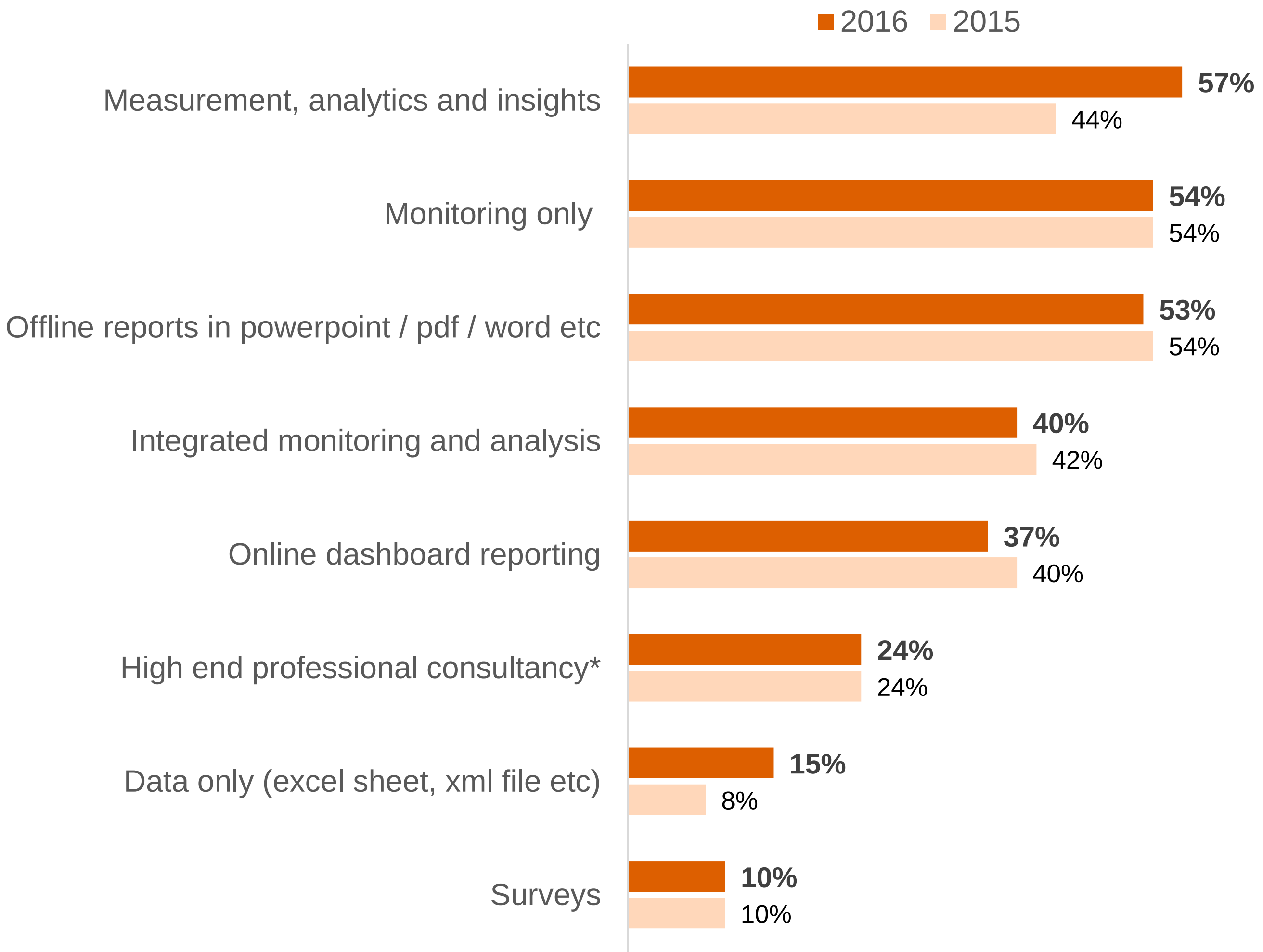


- The figures in this chart are calculated by subtracting the proportion of members who say demand in each area is decreasing from the proportion who say demand is increasing
- The change in demand for measurement continues to be dominated by growth in demand for **social media/social network** measurement (+80%) and **online media** measurement (+64%)
- The net increase in demand for measurement of **owned media** content is higher now (+32%) than in either 2015 (+26%) or 2014 (+24%)
- Demand is also more likely to be increasing for **other survey/market research data** (+31% this year vs +22% last year) and for **paid media** content (+23% vs +20% in 2015)
- Meanwhile, members are more likely to report decreasing than increasing demand for **radio** (-3%), and **print** (-7%) – the first time print content has received a negative score on this measure

Base: All (82)
Q For each of the following media channels, please indicate how client/stakeholder demand for measurement has changed in the past 12 months

Service mix/outputs

% including each type of output always/most of the time

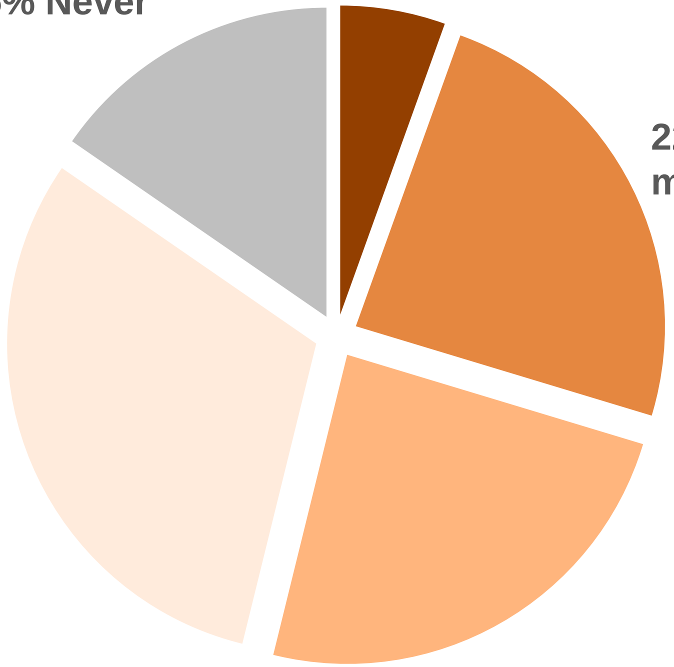


- The most common form of output provided by AMEC members is **measurement, analytics and insights** (57%). The proportion saying their deliverables take this form *all* or *most of the time* is up from 44% in 2015
- More than half (54%) produce **monitoring only** reporting *all/most of the time*, and a similar proportion (53%) produce **offline reports** in packages such as Powerpoint
- The number of members producing outputs such as **integrated monitoring and analysis**, **online dashboards** and **surveys** is fairly consistent year-on-year in most cases, although reporting in a **data only** format is increasing, up from 8% in 2015 to 15% this year

* Asked as *Consultancy/recommendations* in 2015
Base: All except members based in house and PR agencies (56)
Q How often do your clients receive the following types of output as part of the service provided by your organisation?

6. The Role of AMEC

Barcelona Principles 2.0

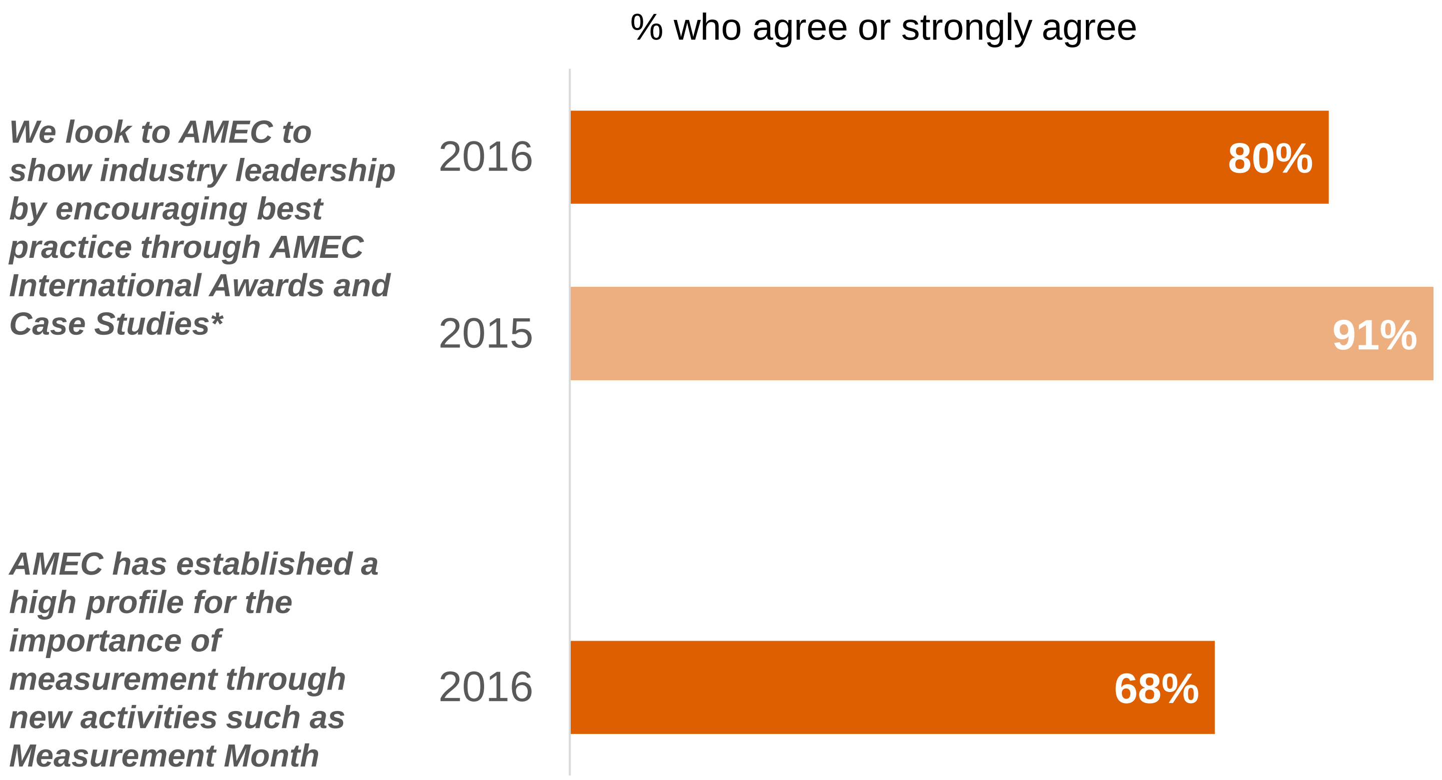


- Just over a quarter of AMEC members say that the **Barcelona Principles are regularly referenced** in new business discussions and RFPs – 5% *always* and 22% *most of the time*
- A further 22% say the Barcelona Principles are referenced *some of the time*, while the remainder say this happens *only rarely* (36%) or *never* (15%)
- When compared with 2015, the proportion who say the Barcelona Principles are *rarely* or *never* referenced has increased from 42% to 51%
- Members who find the Barcelona Principles are not regularly referenced during the sales process typically feel this is because they *don't expect clients to be interested* (44%). One in five *use their own set of values rather than the Barcelona Principles* (20%) and 19% only refer to *best practice/industry standards in general*

Reasons for not referencing Barcelona Principles	
Do not expect clients to understand/be interested	44%
Use own set of values instead of Barcelona Principles 2.0	20%
Refer to best practice guidelines/industry standards in general, not Barcelona Principles specifically	19%
Clients want to stick with use of AVEs	10%
Barcelona Principles too broad/too generic	5%
Do not understand Barcelona Principles 2.0 clearly enough	3%
Other	17%

Base for pie chart: All (82) Base for table: All with BPs referenced some of the time/rarely/never (59)
Q How frequently do you find the AMEC Barcelona Principles are referenced in new business discussions/RFPs/tenders?
Please indicate why you do not reference the Barcelona Principles 2.0 all/most of the time in your new business discussions with/proposals for clients?

AMEC leadership



- Eight in ten (80%) AMEC members agree that they look to their membership body **for industry leadership by encouraging best practice** via International Awards and Case Studies, while just 3% disagree
- A similar question* about developing best practice frameworks and principles attracted agreement from 91% of members in the 2015 survey
- Almost seven in ten members (68%) believe AMEC has **established a high profile for the importance of measurement** through new activities such as Measurement Month, while just 7% disagree

* In 2015, asked as “We look to AMEC to show industry leadership by developing best practice frameworks and principles”
Base: All (82)
Q Please indicate how much you agree or disagree with each of these statements

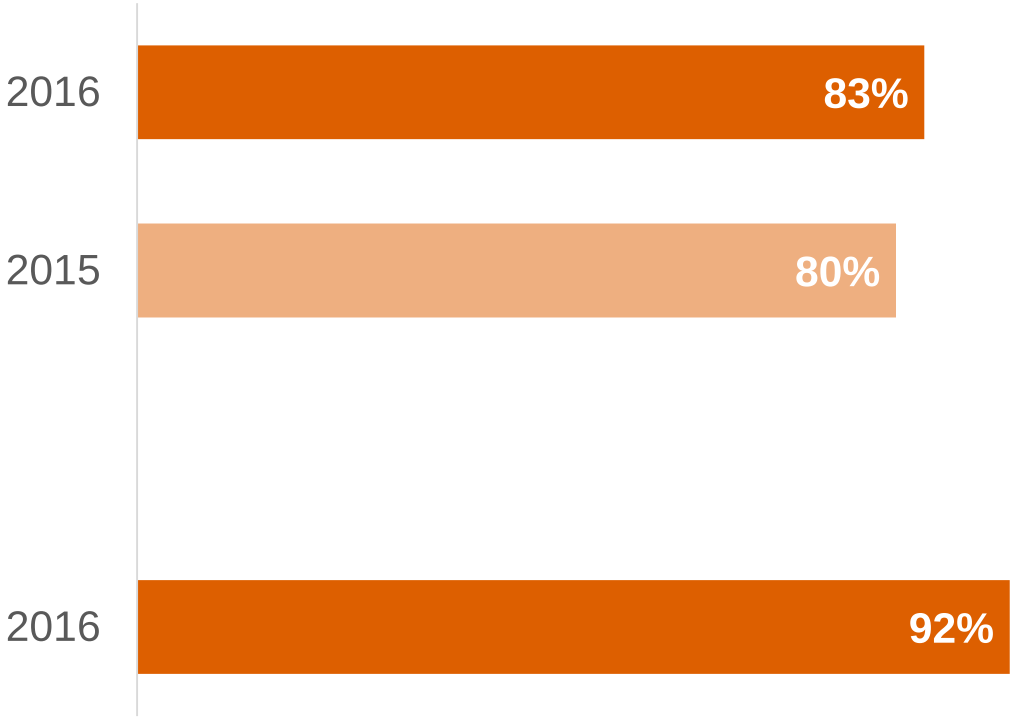
Educating the market

amec World Media Intelligence and Insights Study 2016

% who agree or strongly agree

We need AMEC to produce education materials available online to educate our staff and our clients

We need AMEC to continue to focus on educating the PR marketplace about measurement



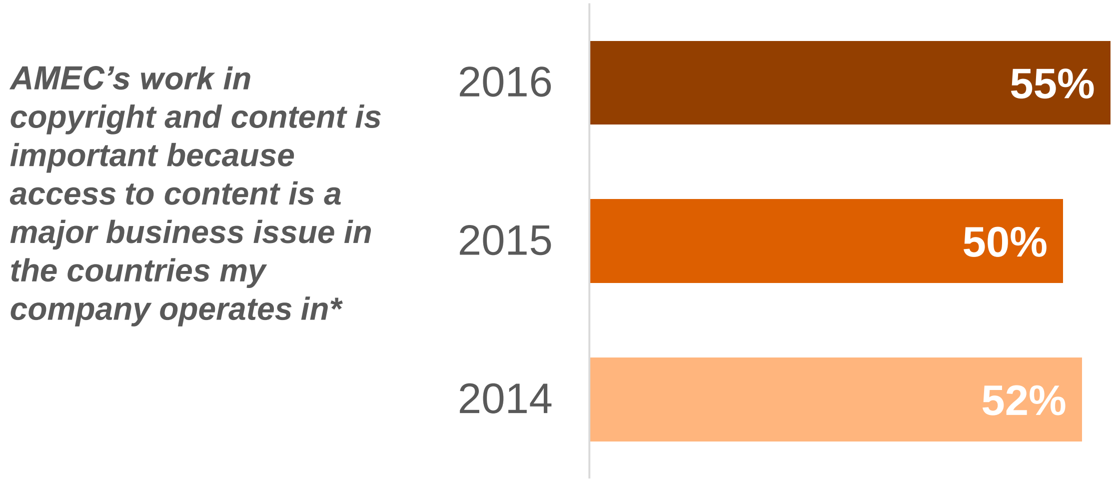
- AMEC members continue to strongly support AMEC producing **education materials which are available online** to help support the education of staff and clients. 83% *agree* with this in 2016, with just 2% *disagreeing*

- More than nine in ten AMEC members (92%) want AMEC **to continue to focus on educating the market about measurement**

Base: All (82)
Q Please indicate how much you agree or disagree with each of these statements

Content licencing

% who agree or strongly agree



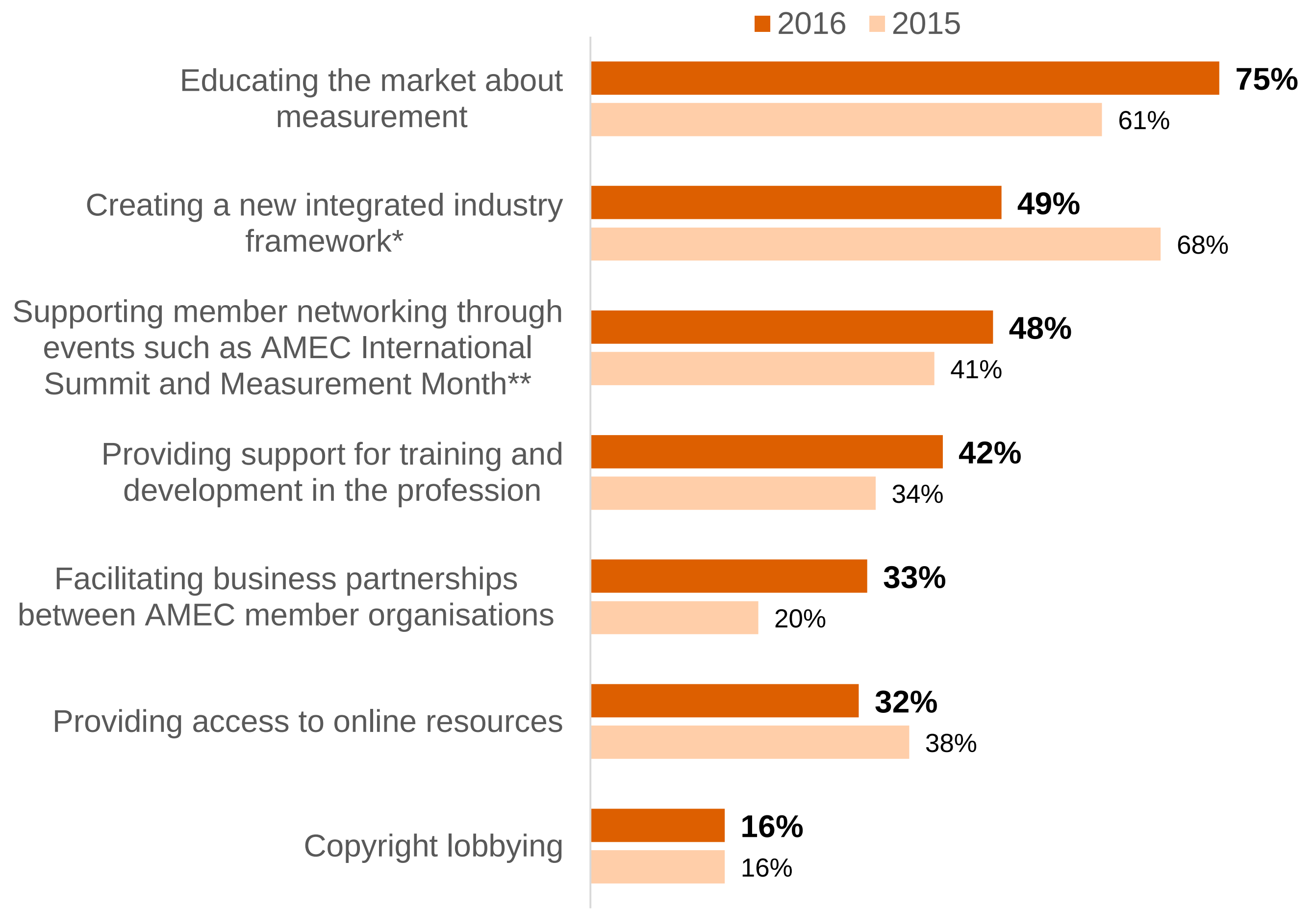
- More than half (55%) of AMEC's membership believe that the work AMEC carries out in **copyright and content is important, because access to content is a major business issue in their region**
- The proportion agreeing with similar statements in the past has been very similar – 50% in 2015 and 52% in 2014
- Members based in Eastern Europe, Russia and the Middle East are most likely to agree this applies to the countries they operate in

	% agreeing
Western Europe	52%
Eastern Europe/Russia/Middle East	67%
North America	56%
Asia Pacific/Australia/NZ	57%
Other regions	40%

In 2014/15, asked as "In the countries my company operates in, access to content is now a major business issue"
Base: All (82)
Q Please indicate how much you agree or disagree with each of these statements

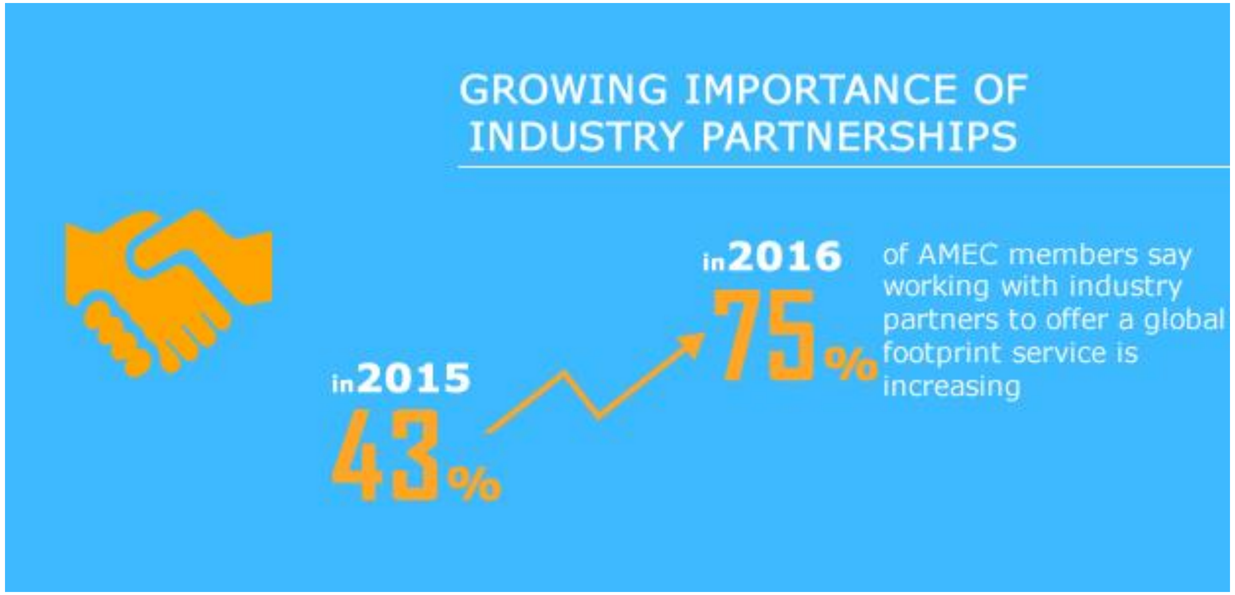
Priority areas for AMEC to support member businesses

% selecting as first, second or third priority



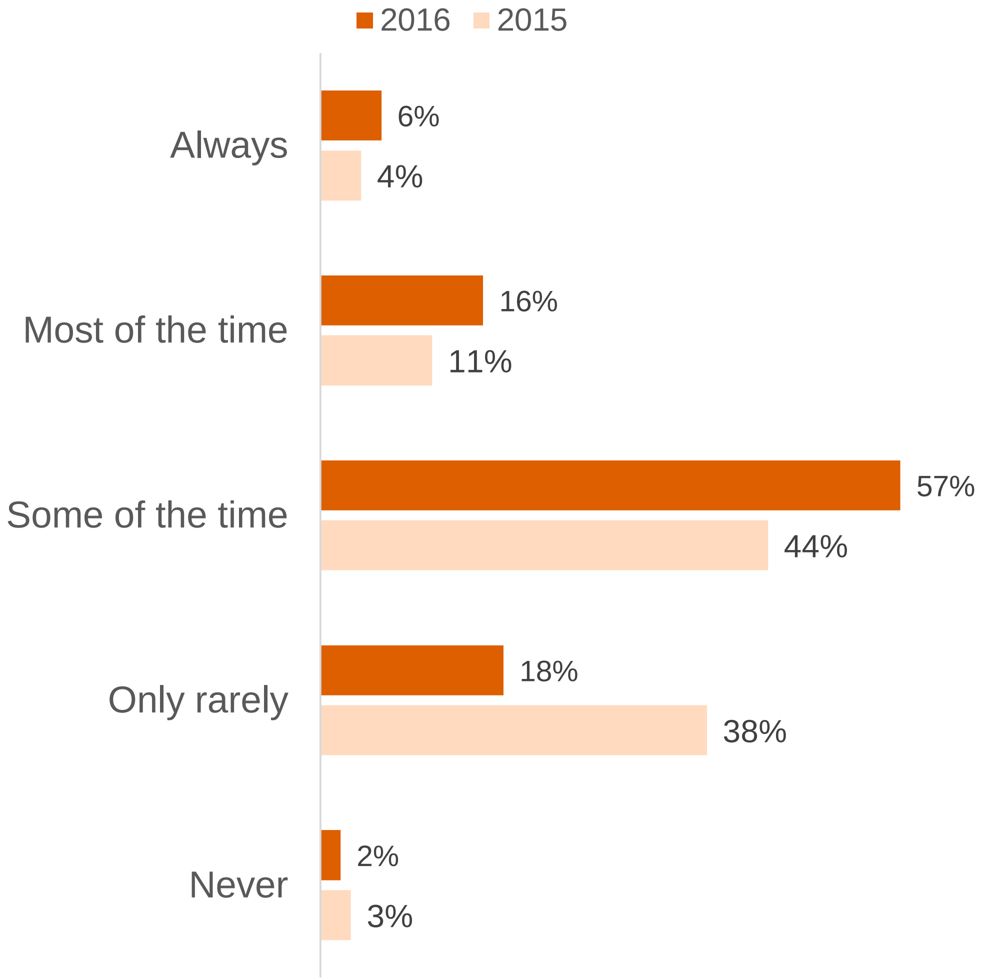
- When asked which areas AMEC should prioritise to help members conduct business, the top priority is **educating the market about measurement** (75%), up from 61% in 2015
- Almost half (49%) think AMEC should prioritise **creating a new integrated industry framework***. The proportion selecting this as a priority is down from 68% in 2015, although the wording has changed slightly, which may account for some of the decline
- 48% of members say supporting member **networking through events** is a top priority for AMEC, up from 41% in 2015, while 42% say **providing support for professional training and development** is a priority (34% last year)
- One in three members (33%) want AMEC to prioritise its role to **facilitate business partnerships between member organisations.** The proportion selecting this option is up from 20% in 2015
- Meanwhile, **providing access to online resources** is less of a priority this year (down from 38% to 32%), and there is no change in the number of members who want AMEC to prioritise **content licencing**

* *Creating a suite of measurement industry frameworks* in 2015
** *Supporting member networking through events such as AMEC International Summit* in 2015
Base: All (82)
From your point of view as an AMEC member, please select the top three areas where you most expect AMEC to help you conduct business?



7. Working with industry partners and suppliers

Frequency of partnership working



- The frequency with which AMEC members **seek partnerships with other organisations in the industry** in order to fully deliver a global footprint service is increasing. In 2015, 15% of members said they did this *always/most of the time*, and this has risen to 22% in 2016

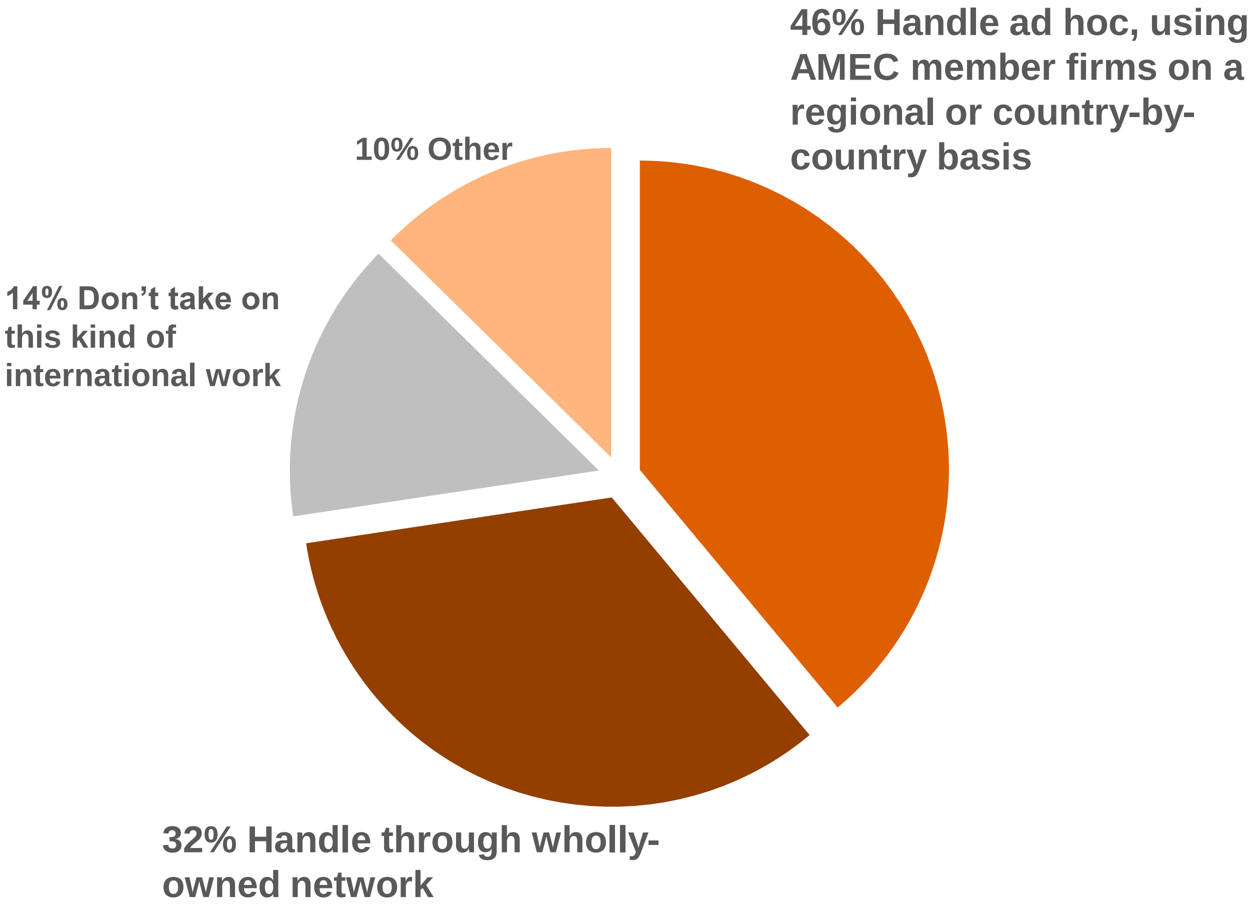
- The proportion of members who work in partnership *some of the time* is also up – from 44% in 2015 to 57% this year. Meanwhile, the number of members who *only rarely* or *never* work in this kind of partnership is down from 41% in 2015 to 20% in 2016

- As the table below illustrates, the prevalence of partnership working is relatively even across the different member categories

	% Always/ most of the time
Specialist measurement/analytics firm	23%
PR firm	18%
Consultancy/independent consultant	26%
In house	22%

Base: All (82)
There is an increasing trend for AMEC members to seek partnerships with other organisations in the industry in order to fully deliver the global footprint service required by clients/ stakeholders. How frequently does your organisation work in this kind of partnership?

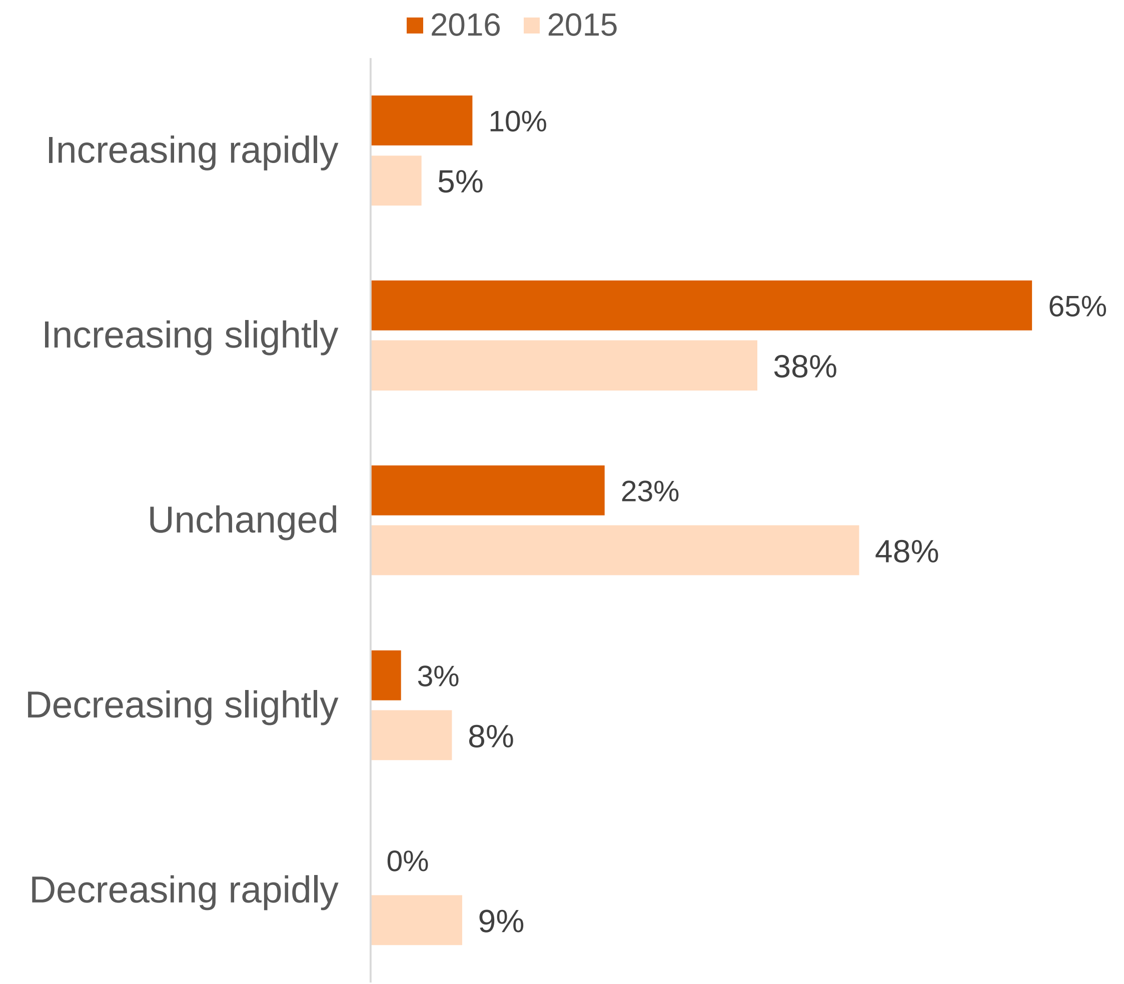
Responding to a global RFP/tender



- When they receive a **global RFP/tender** from a client, 32% of AMEC members handle the work in all countries through *a wholly-owned network*, while 46% handle it through an *ad hoc global network* using AMEC member measurement firms on a regional or country-by-country basis
- A similar question was asked in 2015, when 38% said they used a wholly-owned network. A further 37% worked either through ad hoc partnerships or established partnerships with other industry firms

Base: Base: All except members based in house (72)
Which of the following best describes how your business responds to a global RFP/tender from a client?

Partnership working: how this is changing

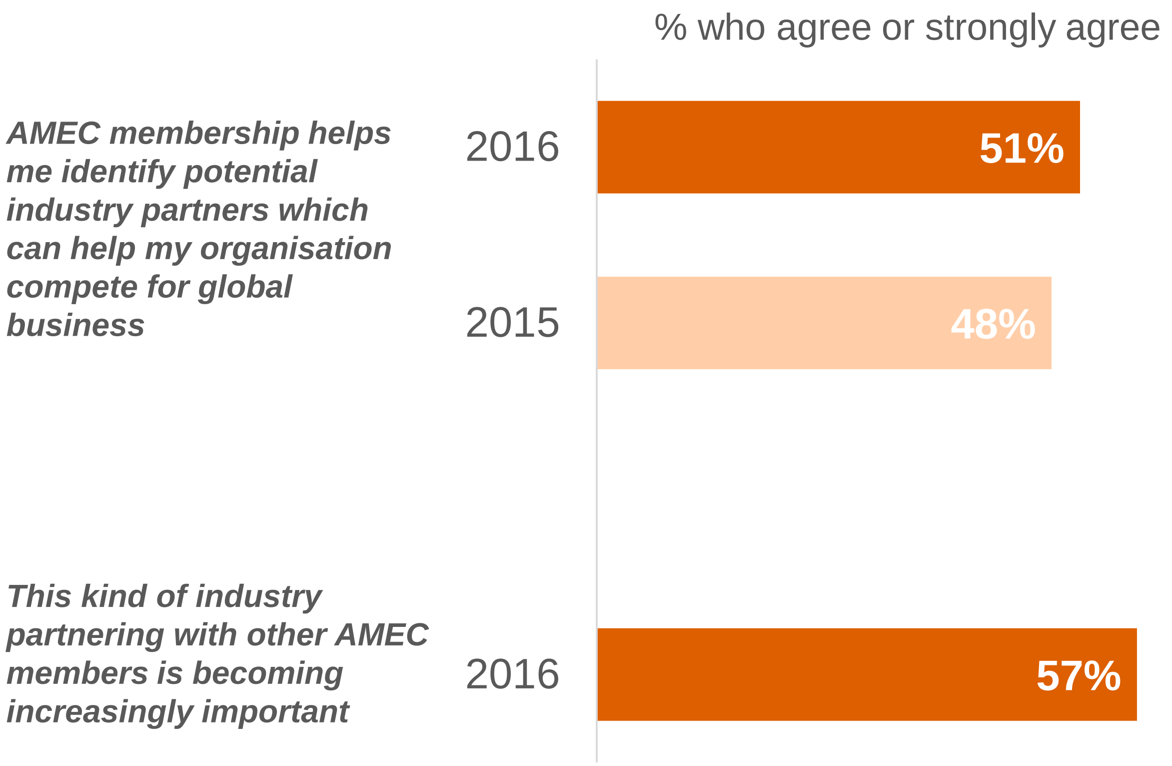


- Three in four AMEC members in the current survey say that the **frequency with which their organisation works in industry partnerships** is increasing, with 10% seeing a *rapid increase* and 65% a *slight increase*

- Members are considerably more likely to report an increase in partnership working this year (75%) than last (43%), and while 17% felt that partnership working was *decreasing* in 2015, only 3% say this is the case now

Base: All who ever work in partnerships with other organisations (80)
Q And is the frequency with which you work in partnership with other firms increasing or decreasing?

Value and growth of industry partnerships



- Half of AMEC members (51%) believe **AMEC helps their organisation identify potential industry partners with whom they can work to compete for global business** (48% in 2015)
- However, as the table illustrates, this role is more important for some types of member than others, and is particularly valued by specialist measurement and analytics firms (62%) and in house members (56%)

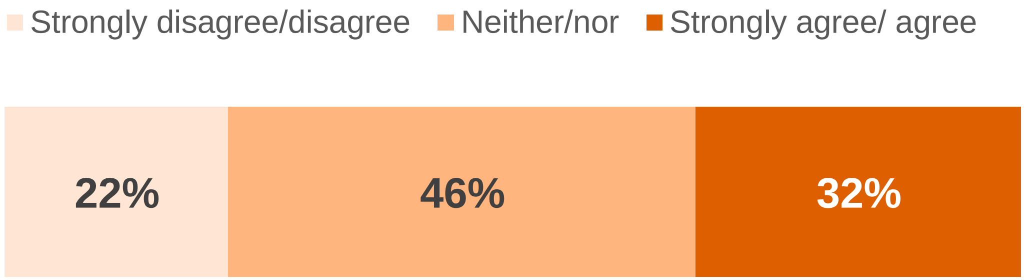
	% agree/strongly agree that AMEC membership helps identify potential industry partners
Specialist measurement/analytics firm	62%
PR firm	29%
Consultancy/independent consultant	29%
In house	56%

- 57% of AMEC members agree that **this kind of partnering with other AMEC members is becoming increasingly important**

Base: All (82)
Q Please indicate how much you agree or disagree with each statement

Industry trends – Use of industry partnerships

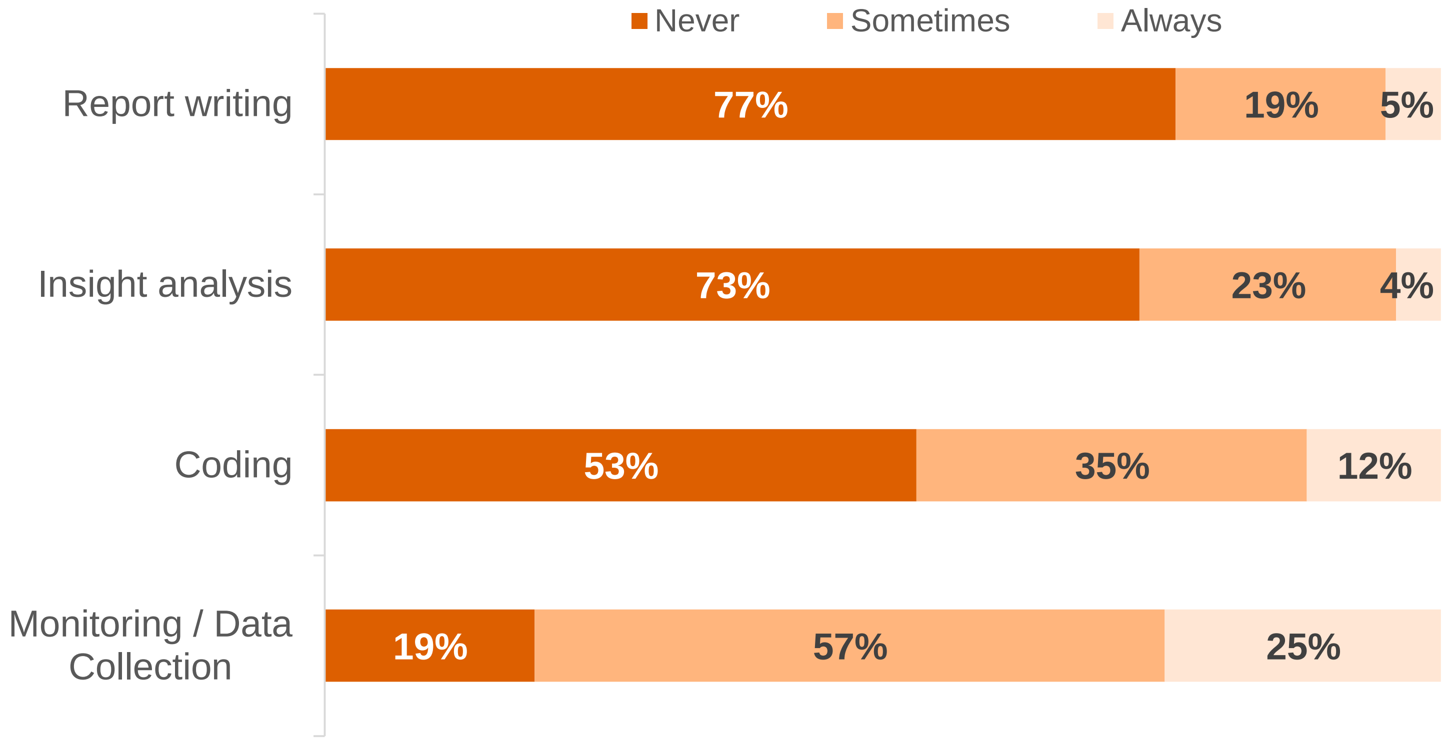
My organisation's use of industry partnerships with other AMEC members has increased in the last year



- One in three AMEC members (32%) say that their **use of industry partnerships – specifically with other AMEC members** – has increased in the last year
- However, 22% *disagree* that this is the case
- PR agency members – many of which already have an established global network - are less likely to find this kind of partnership *increasing* (12%) than consultancies/independents (43%) and specialist measurement and analytics firms (40%)

Base: All (82)
Q Please indicate how much you agree or disagree with each statement

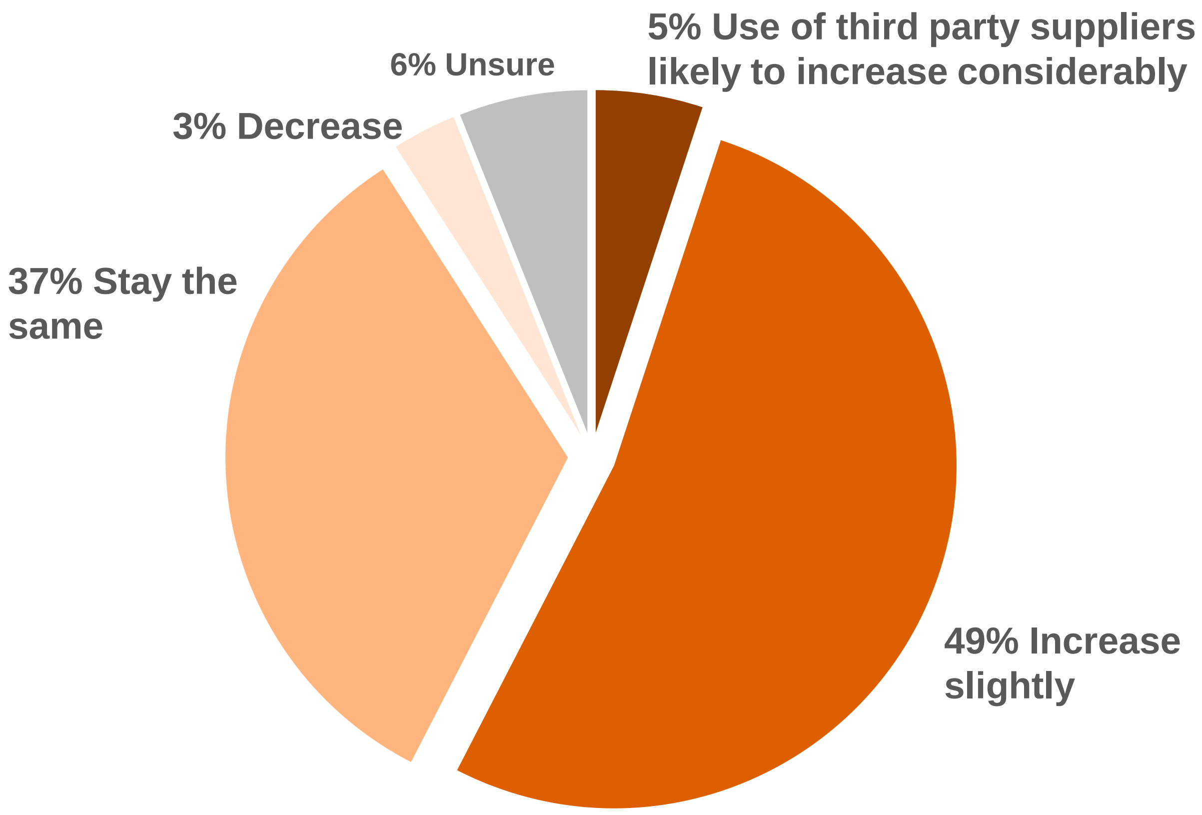
Outsourcing



- AMEC members were asked to indicate how frequently they outsource four different elements in client service
- Members are least likely to outsource **report writing**, with 77% saying they *never do so* and just 5% saying this is *always* outsourced
- **Insight analysis** is also unlikely to be outsourced – just 4% *always* use third party suppliers for this part of the process while 73% *never* outsource it
- More than half (53%) *never* outsource the **coding** element of client service. However, **monitoring and data collection** is the most readily outsourced process – 25% *always* outsource this element, and a further 57% *sometimes* do so

Base: All (82)
Q How frequently does your organisation currently outsource the following to third party suppliers?

Anticipated change in use of outsourcing



- More than half the AMEC members in the survey forecast an increase in the **use of third party suppliers** during the next couple of years – including 5% who think this will *increase considerably*
- Meanwhile, only 3% anticipate a *decrease* in outsourcing

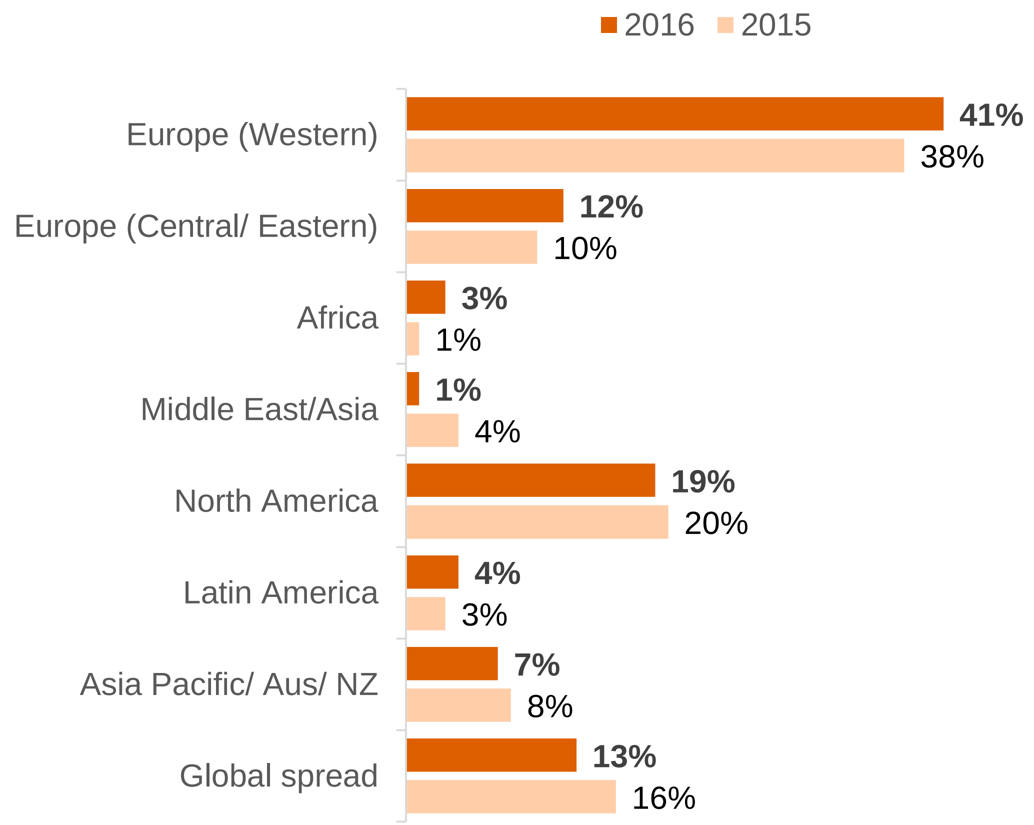
Base: All (82)
Q How is your level of usage of third party suppliers likely to change in the next year or two?

8. Global and regional coverage

Geographies – business spread

51% carry out work across a number of regions

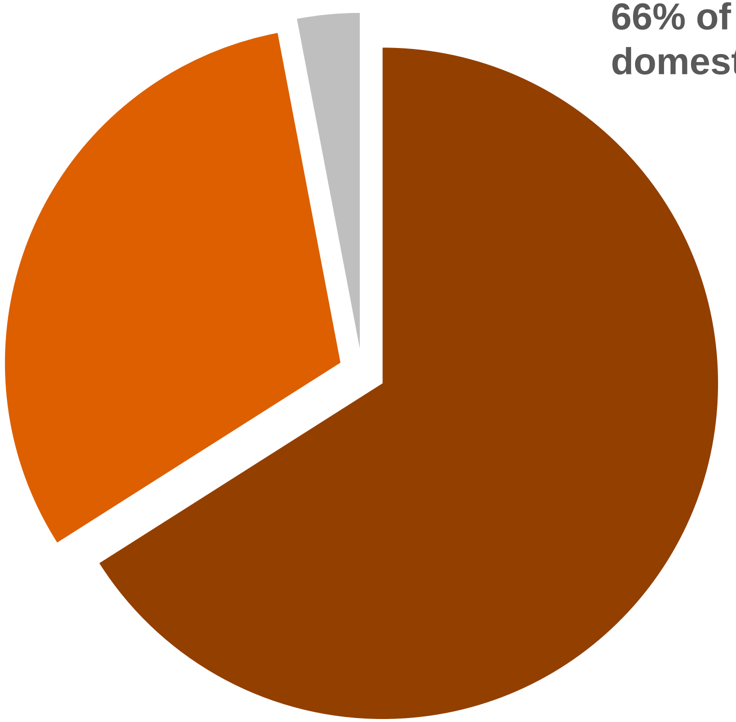
49% work mostly/ entirely within one region



- For the second year in a row, AMEC members were asked to indicate **the proportion of their business carried out in each global region**
- Around half of those taking part (49%) carry out 90% or more of their business *in one region only*, while 51% have a broader spread across *a number of different regions*
- This analysis suggests that the industry is becoming considerably more international in outlook. In 2015, just 39% of members in the survey had a broader spread across a number of regions, while 61% worked mostly or entirely in one region
- The figures in the chart are based on allocation of members to the one location in which they carry out the largest share of their business (i.e. 50% or more of their work is carried out in that region)
- On this analysis, the majority of members in the survey carry out the bulk of their business in Western Europe (41%) or North America (19%), while 13% are categorised as “global” because their business does not exceed 50% in any one region

Base: All answering (75)
Q Please complete this question by indicating the proportion of your business carried out in each of these regions.

Domestic vs international business

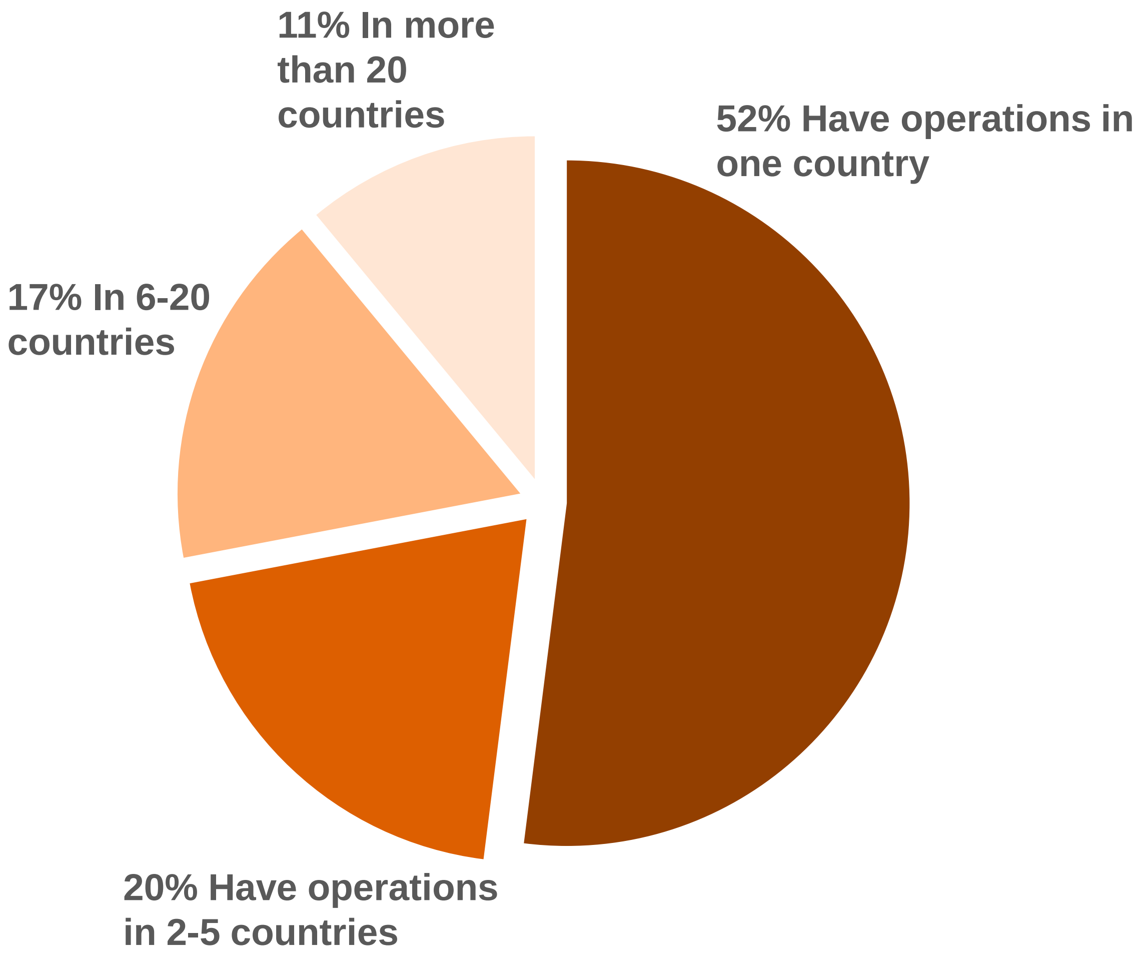


- Despite the fact that AMEC members appear to be embracing a more broadly international business spread (see previous chart), the majority (66%) of business commissioned is in the **domestic market**, with only 31% of business for **services covering more than one market**
- As the table illustrates, domestic only work makes up at least 60% of the total in all five regional categories

Region	% of business: domestic only
Western Europe	66%
East Europe/Russia/ME	60%
North America	61%
Asia Pacific/Australia/NZ	75%
Other	75%

Base: All (82)
Q How much of your business is domestic only, and how much is international?

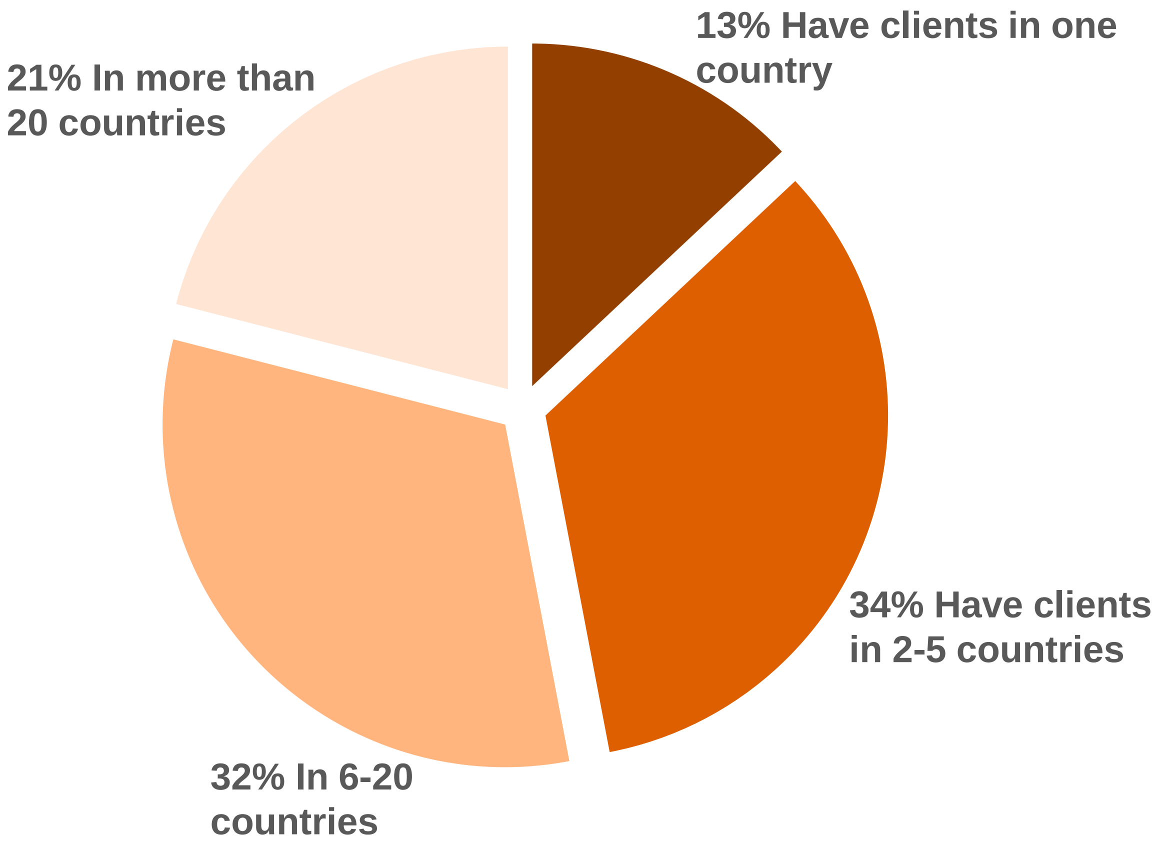
Operational locations



- AMEC members were asked **how many countries they operate in**, for example by number of office locations
- Just more than half (52%) have operations in one country only, while 20% operate in 2-5 and 17% in 6-20. The remaining 11% have operations in more than 20 countries
- Although a similar question was asked in 2015, the caveat about office location was not included, so it's misleading to draw a direct year-on-year comparison

Base: All answering (75)
Q In how many countries does your organisation currently have operations (i.e. office location)?

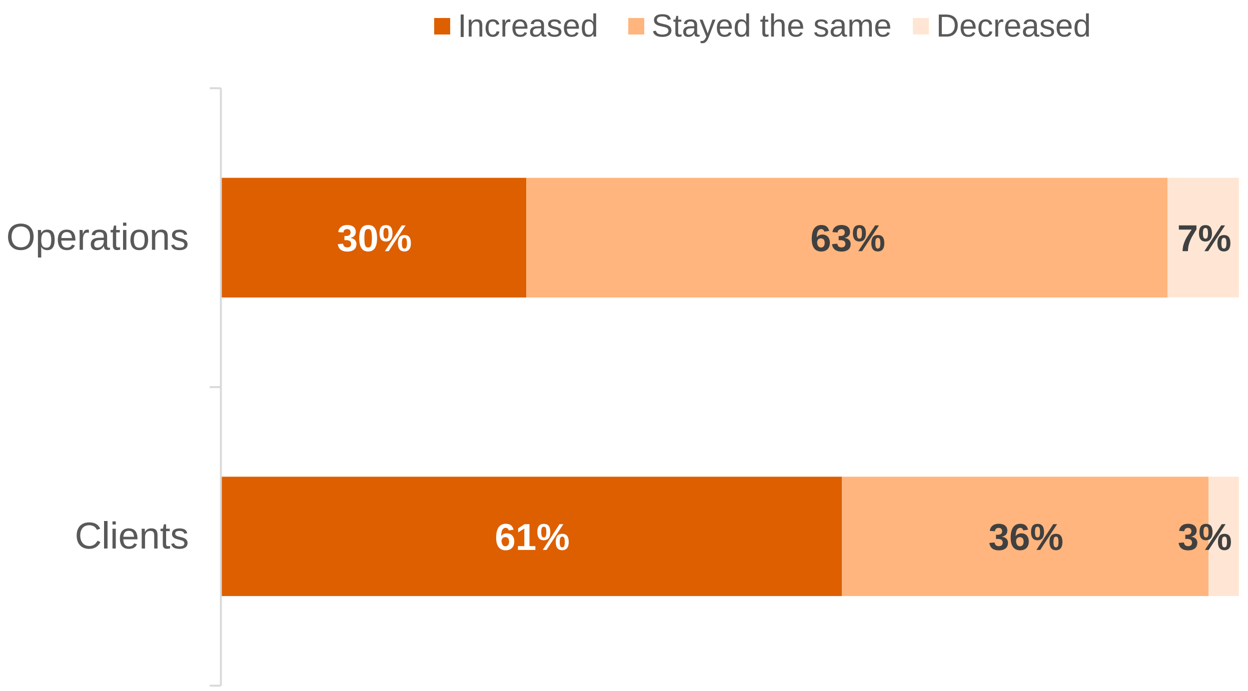
Client locations



- While the majority of members operate from one country, most have **clients in more than one country** – 34% of members have clients in 2-5 markets, 32% have clients in 6-20 markets and 21% in more than 20
- Meanwhile, just 13% of AMEC members only have clients in one country

Base: All answering (71)
Q In how many countries does your organisation currently have clients located?

Growth in operational and client locations



- Confirming the trend towards an increasingly international business profile across the industry, 30% of AMEC members say **the number of countries where they operate** has *increased* in the past couple of years (7% report a *decrease* in this figure)
- Six in ten (61%) AMEC members say **the number of countries where they have clients** has *increased* in the past couple of years, with just 3% reporting a *decrease*
- As the table below illustrates, growth in these numbers is spread across all membership categories and is particularly apparent in the PR agency sector, and in North America

	% increase in operating countries	% increase in client countries
Western Europe	21%	54%
Eastern Europe/Russia/Middle East	25%	75%
North America	53%	88%
Asia Pacific/Australia/NZ	29%	43%
Other regions	40%	40%
Specialist measurement/analytics firm	28%	61%
PR agency	53%	73%
Consultancy/independent consultant	0	71%
In house	25%	29%

Base: All (82)
Q How has the number of countries where your organisation has a) operations and b) clients changed in the past couple of years?

9. Benchmarking

Benchmarking

- This section includes questions on business metrics and performance which have been asked each year since the benchmarking survey began in 2008

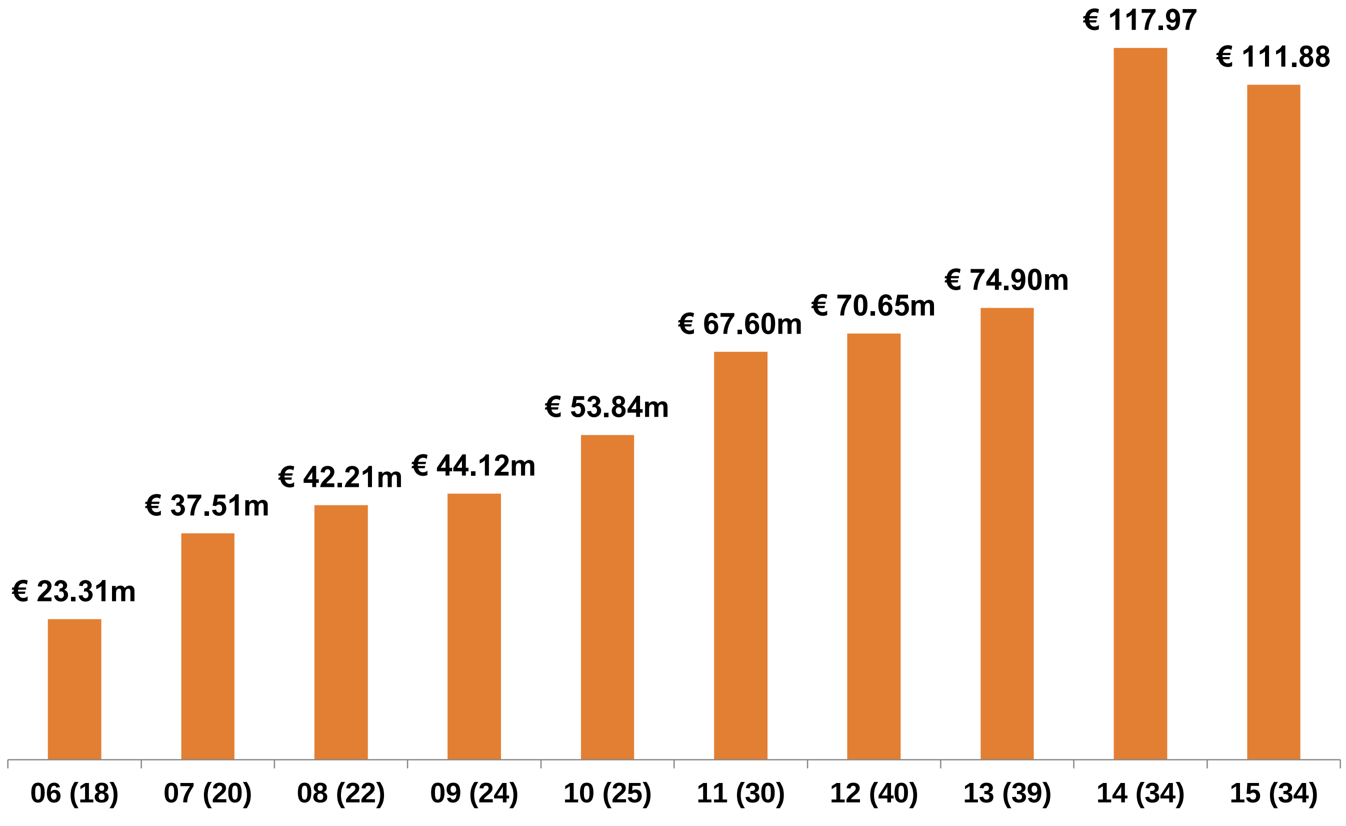
- Members could choose to opt out of the financial benchmarking questions to avoid conflict with Sarbanes-Oxley
    - In total, 34 of the 82 participating member companies provided financial information (41%)

- In the early years of the survey the set of members completing these questions remained relatively consistent and evolved slowly over time, making year-over-year comparison relatively straightforward

- However since 2013 the set of members has evolved quite rapidly:
    - More PR consultancies participating
    - Industry consolidation
    - New members contributing figures for the first time

- As a result, it is no longer possible to carry out meaningful year-over-year benchmarking on the detail of reported income figures. However, the following charts do provide some context and background on how the industry continues to evolve

Overall income

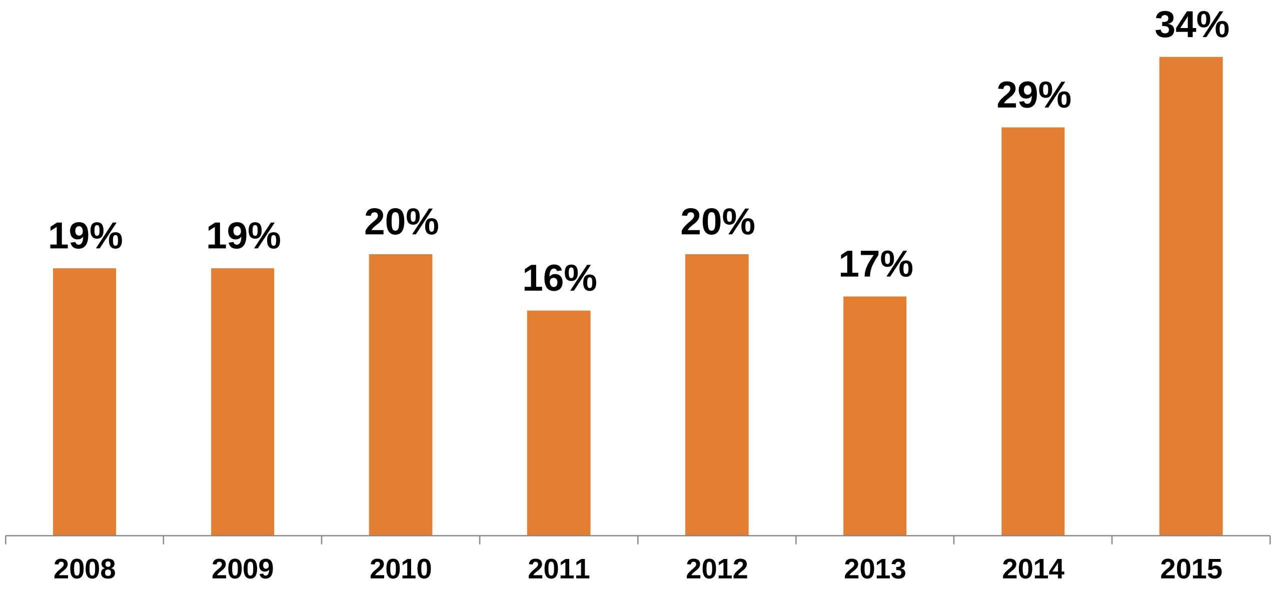


- The **total income** reported by the 34 AMEC members answering this question in 2016 is **€111.88m**
- The figure excludes the 48 survey participants who did not provide financial information
- Fewer than half of the 34 companies providing figures for 2015 provided figures for the previous year, so we cannot make direct year-on-year comparisons
- It is likely that the decline in the total figure between 2014 and 2015 is simply a reflection of the different make up of the group of members taking part

Base: All members providing income figures (34)
Q Please write in below the total value of all measurements and insights business undertaken by your organisation, across all your operations, in the year ending 31 December 2015

Ad hoc vs continuous work

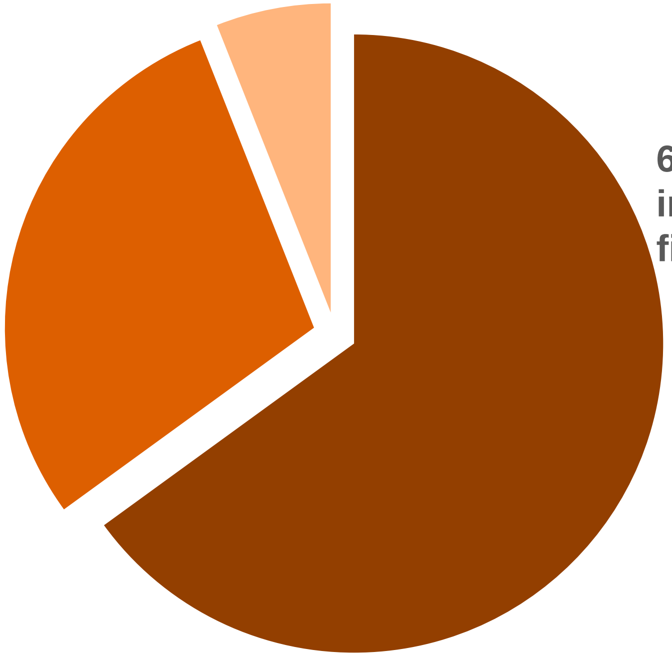
% of client business which is ***ad hoc*** rather than continuous



- Since the first year of the survey (2008), AMEC members have indicated **the proportion of all research and insights business undertaken accounted for by ad hoc and continuous work**
- This chart shows the proportion of **ad hoc work** reported each year since 2008
- From 2008 to 2013, the split was broadly similar, with around 80% accounted for by continuous work and the remainder by ad hoc work. However, this has now changed, with the proportion of ad hoc work rising to 29% in 2015 and 34% in 2016
- At the same time, the proportion of continuous work has declined from 83% in 2013 to 71% last year and 66% in 2016

Base: All members providing income figures (34)
Q Please indicate the percentage of all research and insights business undertaken in 2015 as ad hoc projects? By ad hoc projects we mean contracts with a fixed end date.

Revenue growth

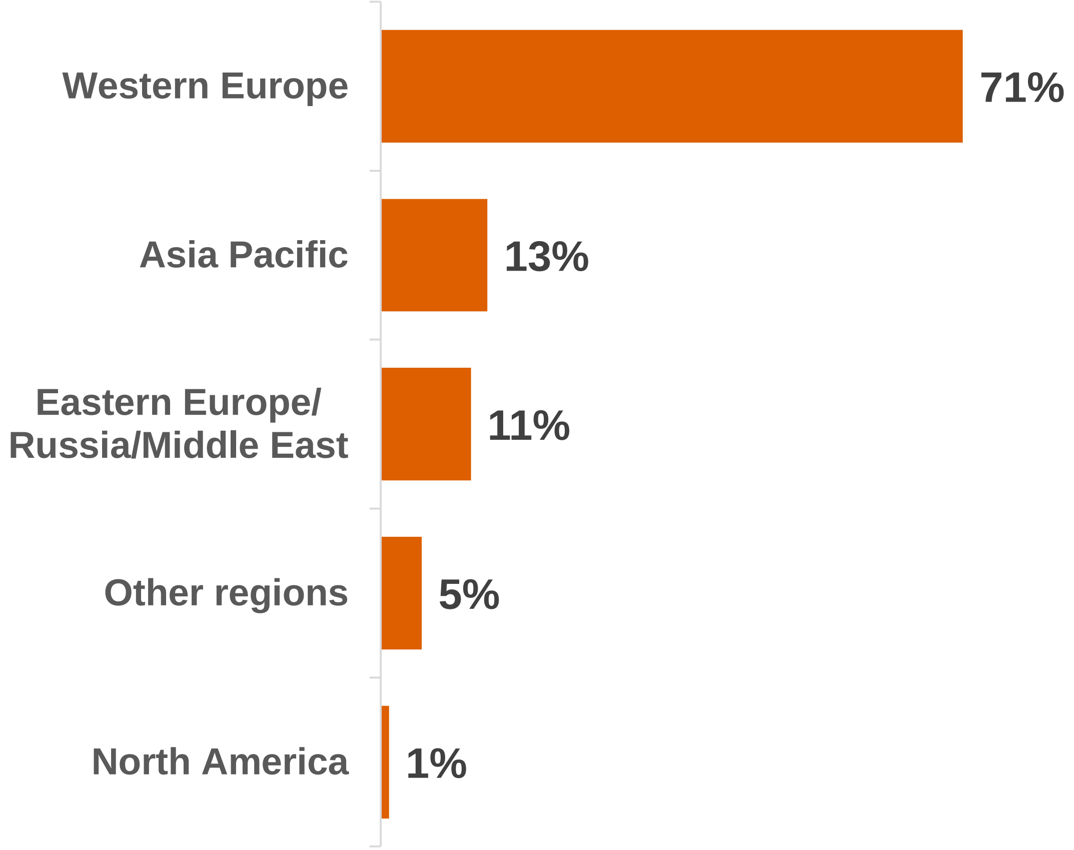


- Two in three AMEC members say that their company's **total revenue** *increased* in the last financial year, when compared to the previous year, while just 6% report a *decrease*
- The proportion reporting an increase is slightly down on 2015 (77%) and 2014 (71%)

Survey year	2012	2013	2014	2015	2016
Increased	63%	74%	71%	77%	65%
Stayed the same	20%	20%	19%	20%	29%
Decreased	17%	6%	10%	3%	6%

Base: All answering benchmarking questions (34)
Q For the last financial year, did your company's total revenue increase, decrease or stay the same compared with the previous financial year?

Payroll numbers



- In total, 34 AMEC members answering the question employed 1,335 **full-time equivalent payroll employees** on measurement business on December 31st 2015
- When analysed on the basis of location according to the AMEC member list, more than seven in ten (71%) employees included in the 2016 analysis work for members based in Western Europe.
- In addition, 13% work for Asia Pacific members and 11% in members based in Eastern Europe, Russia and the Middle East

Base: All answering (34)
Q Please indicate the number of full-time equivalent payroll employees working on measurement business in your organisation (including all sites), as at 31 December 2015

THANK YOU FOR TAKING PART

For more information please contact
Barry Leggetter, CEO

barryleggetter@amecorg.com.
www.amecorg.com