amec World Media Intelligence and Insights Study 2015

Survey Report May 2015

Contents

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Survey background

The survey

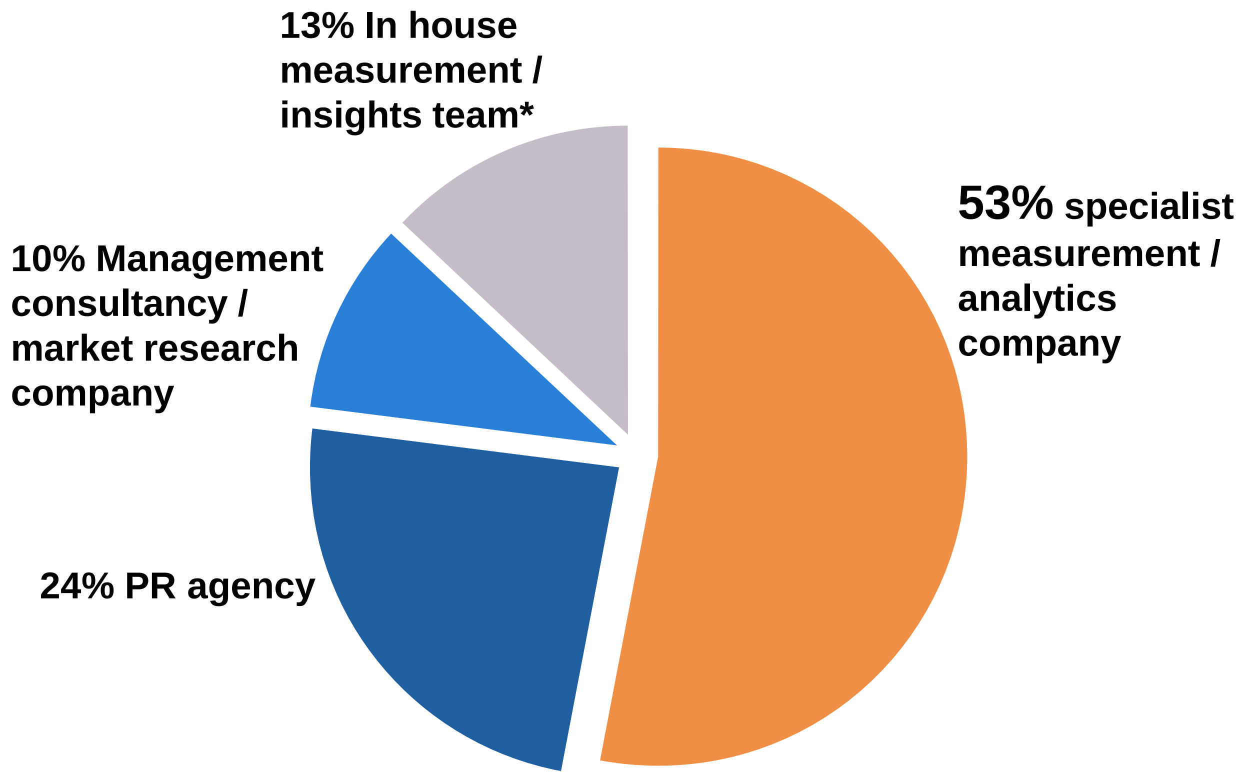
- This report covers the findings of AMEC's annual industry survey for 2015

- The online survey is designed to be completed by MD/ CEO level participants and invitations are sent to all current AMEC members
    - In total, 99 organisations qualify for inclusion in the 2015 survey
    - 79 completed survey submissions were received in the survey period – a healthy response rate of 80%
    - Research was carried out between 19th March and 20th April 2015

- The survey data has been analysed to look at specific groups within the overall population of AMEC members − defined by operational location, type of business and business size. The next three pages of the report explain more about this analysis and how the membership is segmented
    - 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



- This question was introduced in 2015 so that the researchers could filter members from different types of business towards different (but over-lapping) question sets
- More than half of participants say their organisation is best described as a **specialist measurement and analytics company**, while 10% are **management consultancies or market research firms** offering this kind of service
- Around a quarter are **PR agencies** which offer measurement or insight services
- One in eight members in the survey is from an **in house team**, working in areas such as company, government or non-profit comms

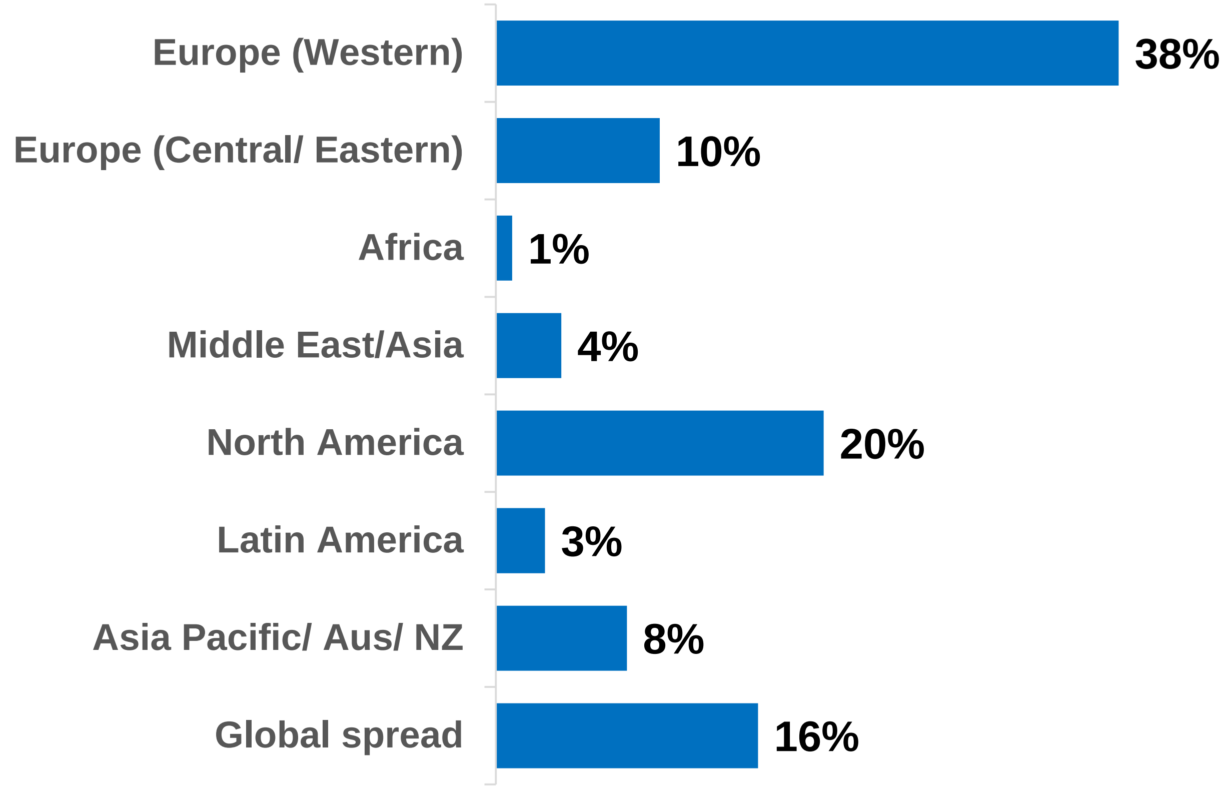
* Incl. company comms, government comms and non-profit comms

Base: All (79) 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 – where they work

39% carry out work across a number of regions

61% work mostly/ entirely within one region

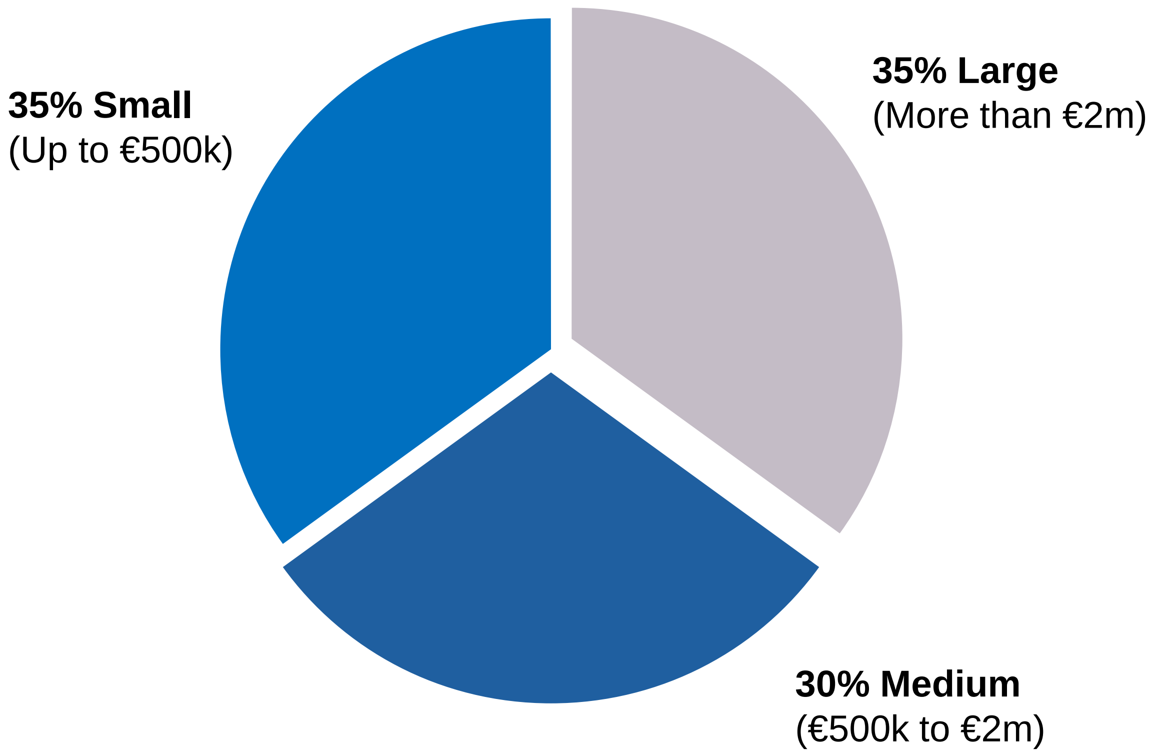


- AMEC members were asked to give a % **breakdown of the regions where they carry out business**
- Three in five work mostly / entirely in one region, while 39% work across a more dispersed geographical base
- The chart shows allocation of AMEC members to a "home" region where they currently carry out 50%+ of their business
- 48% of members are located in Europe, 20% in North America and 8% in Asia Pacific
- 16% do not carry out 50%+ of their business in any one region, and so are classified as having "global spread"
- The regional profile of members taking part in the 2015 survey is very similar to that of members who took part in 2014

Base: All (79) Q Please complete this question by indicating the proportion of your business carried out in each of these regions.

The survey participants – size of business

43% give details of annual income



- More than half chose to opt out of providing details on financial performance, reflecting restrictions related to Sarbanes-Oxley
- In total, 43% opted to share financial details – 34 members in total
- A third of those who shared their figures are categorised as **large**, with 2014 income in excess of €2m, 30% report income of €500k to €2m (**medium**) and the remainder of **small** members had below €500k income in 2014
- Compared with 2014, considerably more members are in the ***large*** category this year, up from 21% to 35%
- To reflect this shift to larger organisations. The **small** category has been redefined from *up to €750k* to *up to €500k*
- In 2014, 79% were classified as **small** or **medium**, compared to 65% this year

Base: All giving income figures (34 members) Q Please indicate the total value of all research/insights business undertaken by your organisation in y/e 31st Dec 2014

Executive summary

Summary of key findings – industry trends

- **Most members report stronger revenue growth than 12 months ago**
  - Existing clients are felt to be more active (although budgets are not always larger)
  - There are also more sales opportunities and more new clients
- **But the market is also more competitive, with growing pressure on prices, particularly from procurement**
  - Despite this, almost half of all members have been able to increase their prices year-on-year
- **Recent industry consolidation is far more likely to be seen as creating opportunities rather than threats**
  - And consolidation is forecast to continue in the coming year
- **Members continue to see trends for more insight and less monitoring and for greater focus on ROI**
  - However, monitoring only reporting remains a key output for clients of specialist measurement and analytics firms
  - And demand for measurement of ROI is still low on the list of specified programme deliverables
- **The volume of social media research commissioned by clients is still increasing rapidly**
  - Although many members now say that clients are taking some social media insight activity in house
- **Most AMEC members expect overall growth to continue in the coming year, with a quarter forecasting growth in excess of 10%**

Summary of key findings – the coming year

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- **Product and service innovation is seen as vital, particularly for specialist measurement and analytics providers**
  - Focus in the coming months will be on new data sources and data partnerships, as well as:
    - New client user interface technology (specialist measurement and analytics firms)
    - Data science skills (management consultancies and market research firms)
    - Insight consultancy (PR firms)
- **Key business sectors for growth in 2015 are expected to be *healthcare* and *energy* (as in 2014)**
  - Government communications and financial/professional services also hold strong potential in some global regions
- **Most members anticipate AMEC's upcoming new suite of integrated metrics as an important development for the industry**
  - More than half think this is likely to bring closer the point when measurement finally becomes integral to all PR programmes

Summary of key findings – working practices, relationships and operations

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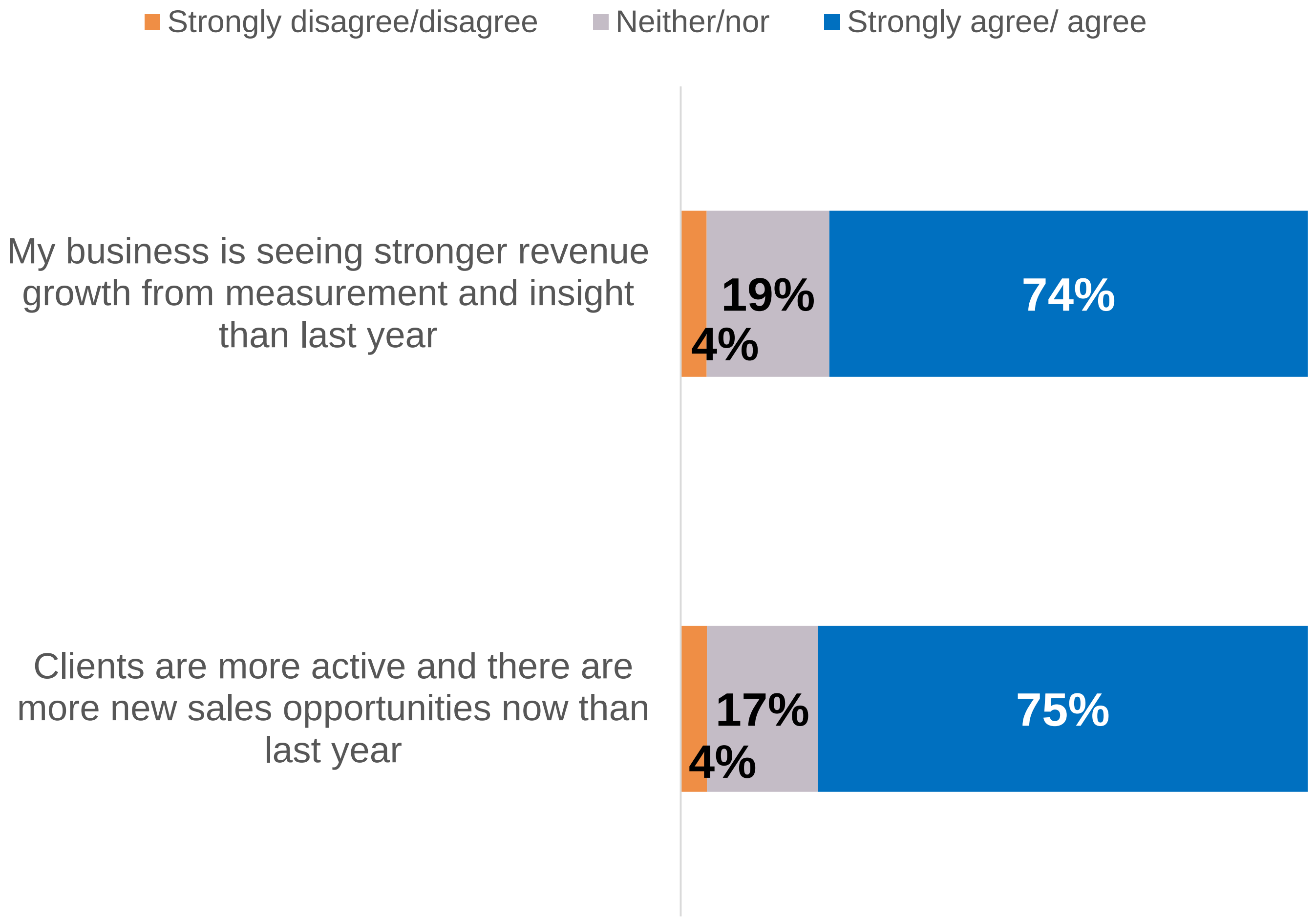
- **A majority of AMEC members work in partnership with other firms at least some of the time to deliver integrated client service**
  - Partnership working is expected to increase in future
  - The use of outsourcing is also increasing year-on-year, and expected to grow further in future
- **Overall, AMEC members believe the PR industry in general is now more likely to recognise the importance of measurement and analytics**
  - PR firms which belong to AMEC typically run their own in house measurement framework and many use their own in house methodology as an alternative to the Barcelona Principles
- **As in 2014, clients usually expect programmes which measure both quality and quantity**
  - And also look for approaches which are transparent/can be replicated
  - The number of clients specifying goals up front is down on 2014 and the proportion requiring the measurement of target audience change is also slightly down
  - Demand for AVEs continues, with many clients still insisting on this kind of output
- **Members think AMEC should prioritise two main areas of activity to support business success in the industry:**
  - Educating the market about measurement
  - Creating a suite of measurement industry frameworks

1. Industry trends

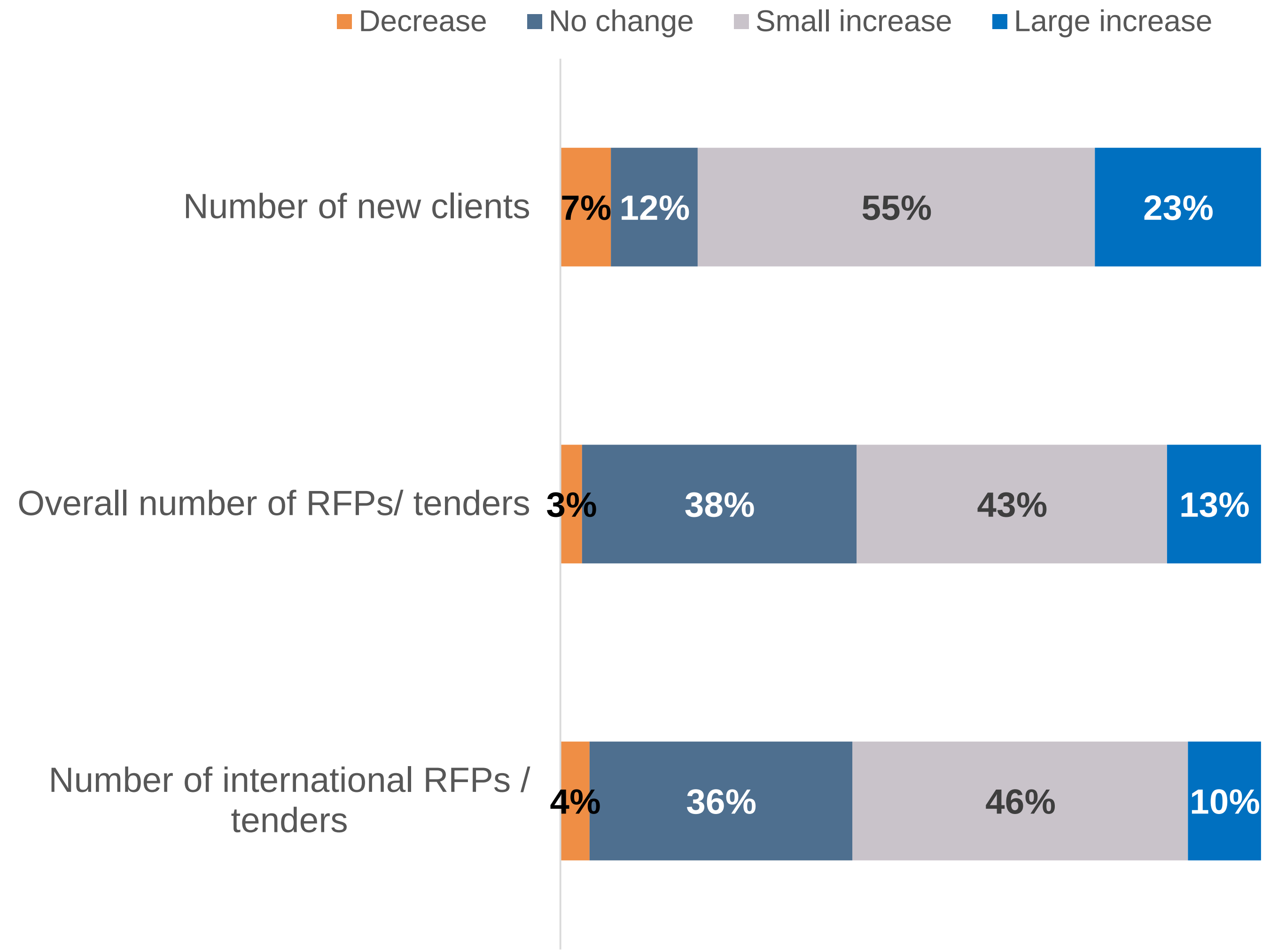
Industry trends – market activity and growth



- Three in four client-facing AMEC members are seeing **stronger revenue growth from measurement and insight** than was the case this time last year (members who work in house are not asked this question)
- Members primarily based in regions such as the Middle East, Africa and Latin America (100% agree) and those with a global business spread (90%) are most likely to be witnessing stronger revenue growth, while this is least likely for those based in Central/ Eastern Europe (57%)
- Three in four also report that **clients are more active** leading to **more sales opportunities** than last year
- As with revenue growth, the increase in sales opportunities is most pronounced in regions such as the Middle East, Africa and Latin America while there the proportion of members reporting an increase is lower in Central/Eastern Europe

Don't know/blank % not shown
Base: All excluding in house (69) Q Please indicate how much you agree or disagree with each statement

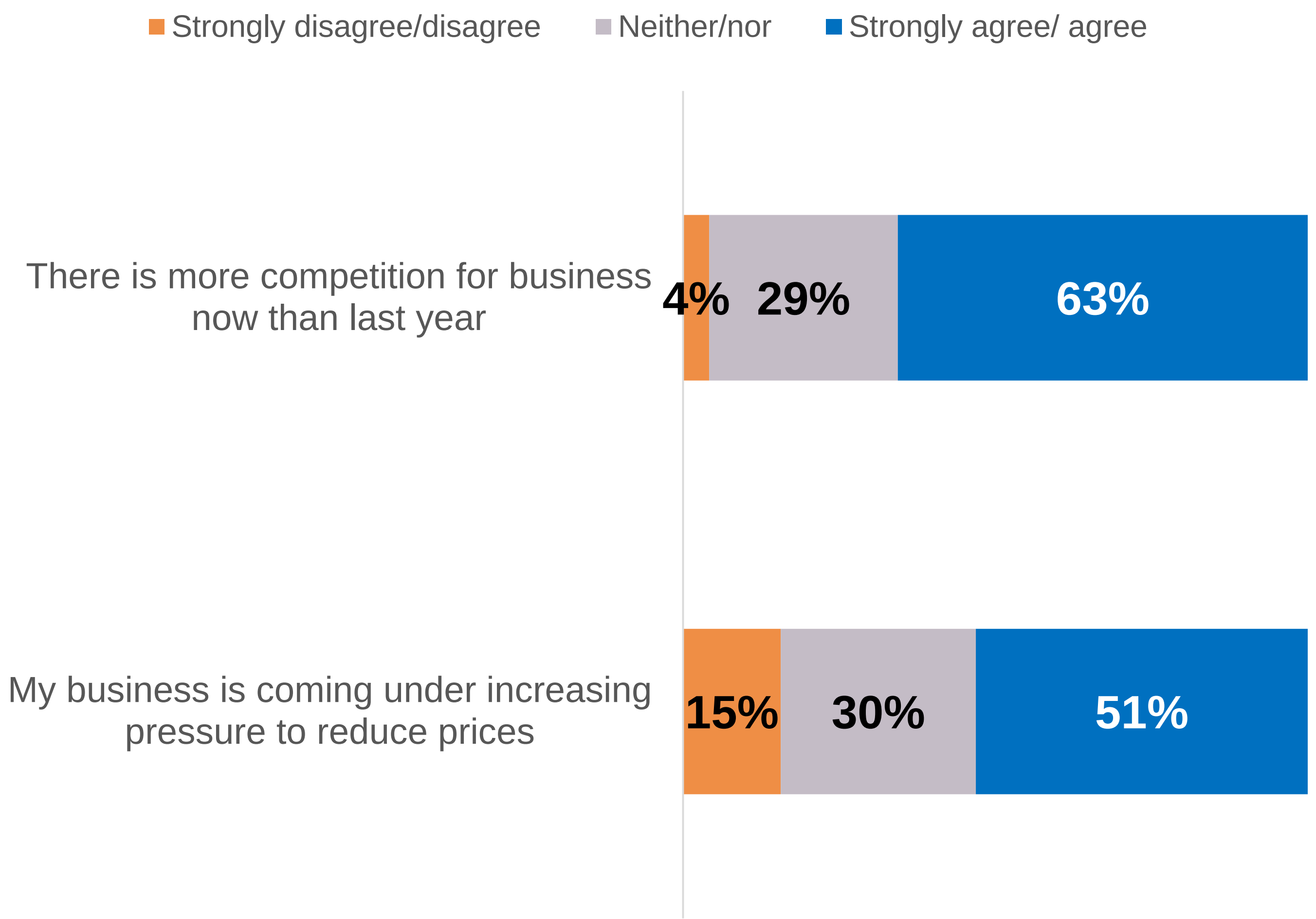
Industry trends – new clients and RFPs/tenders



- Client-facing members were also asked about the extent of the increase they are seeing in client numbers and the number of opportunities to respond to RFPs/tenders
- Almost eight in ten (78%) are currently seeing an increase in **new client numbers**, including 23% who are seeing a large increase
- More than half (56%) report an increase in the overall **number of RFPs/tenders** at the moment, including 13% seeing a large increase, and the same proportion (56%) say that the number of **international RFPs/tenders** is growing
- As with the overall business growth on the previous page, the growth in new client numbers is most pronounced in regions such as the Middle East, Africa and Latin America (100%) and for members with global spread (90%)
- The growth in the total number of RFPs/tenders is also strongest in these two categories, while the growth in international RFP opportunities is most pronounced for members with a global spread (80%) only

Don't know/blank % not shown
Base: All except in house (69) Q Are you currently seeing an increase or decrease in the following aspects of your business?

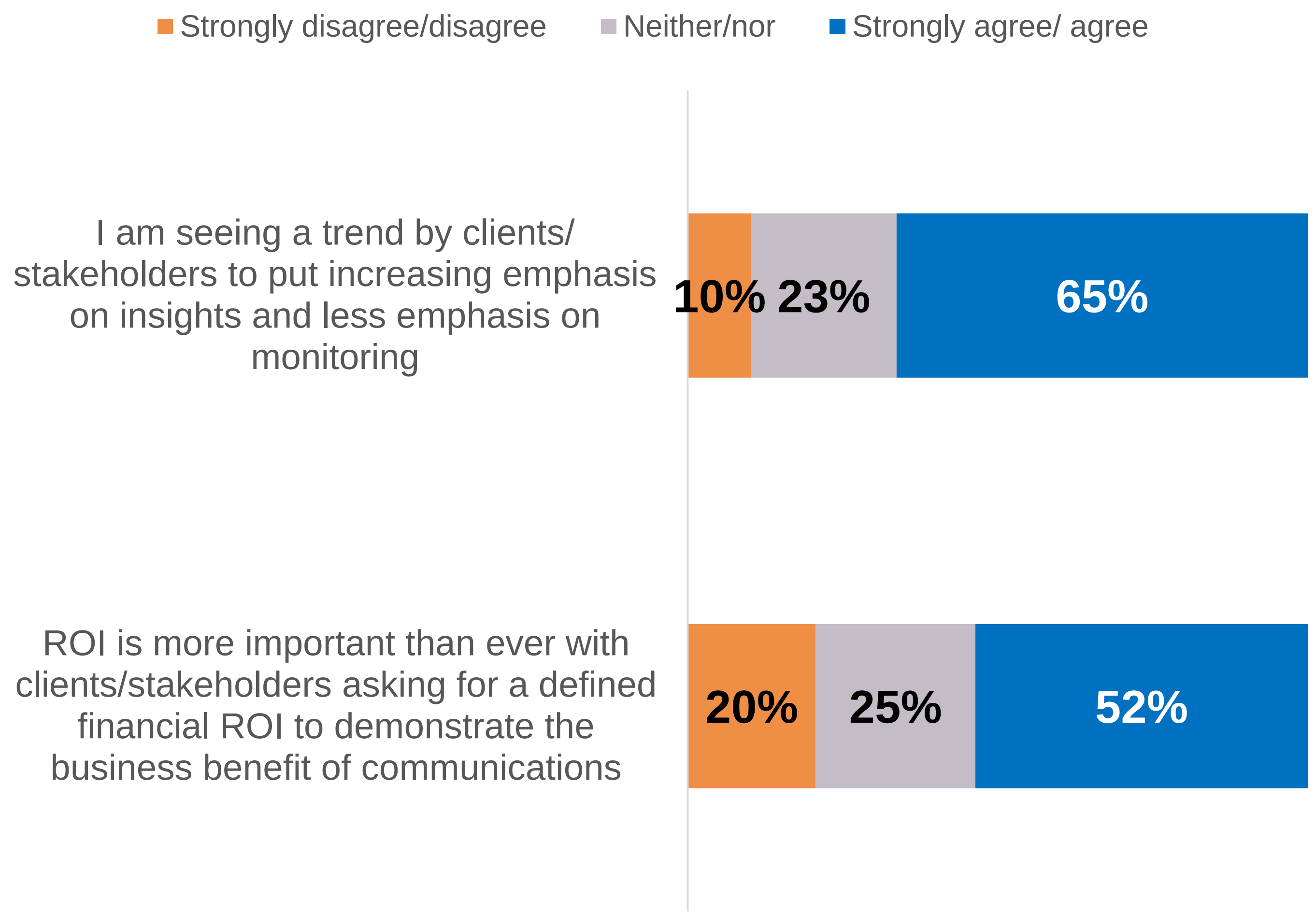
Industry trends – competition and pricing



- While the majority of members are experiencing an increase in new business opportunities, almost two in three (63%) are also experiencing an increase in **the level of competition** for that business
- An increased level of competition is more likely to have been noted by AMEC members in €500-€2m firms (80%) and €2m+ organisations (58%) than by smaller AMEC members (42%)
- Around half of all the AMEC members taking part in the research say their organisation is coming under increasing **pressure to reduce prices**, with just 15% saying that this is not the case
- Pressure on pricing is most likely for members based in Central/Eastern Europe (88%), but is less of a concern among members who have a global spread (31%) and those based in North America (36%)
- In house members (70%) and specialist measurement/ analytics firms (60%) report the greatest likelihood of pricing pressure, while this is less of a concern for PR agencies (26%)

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

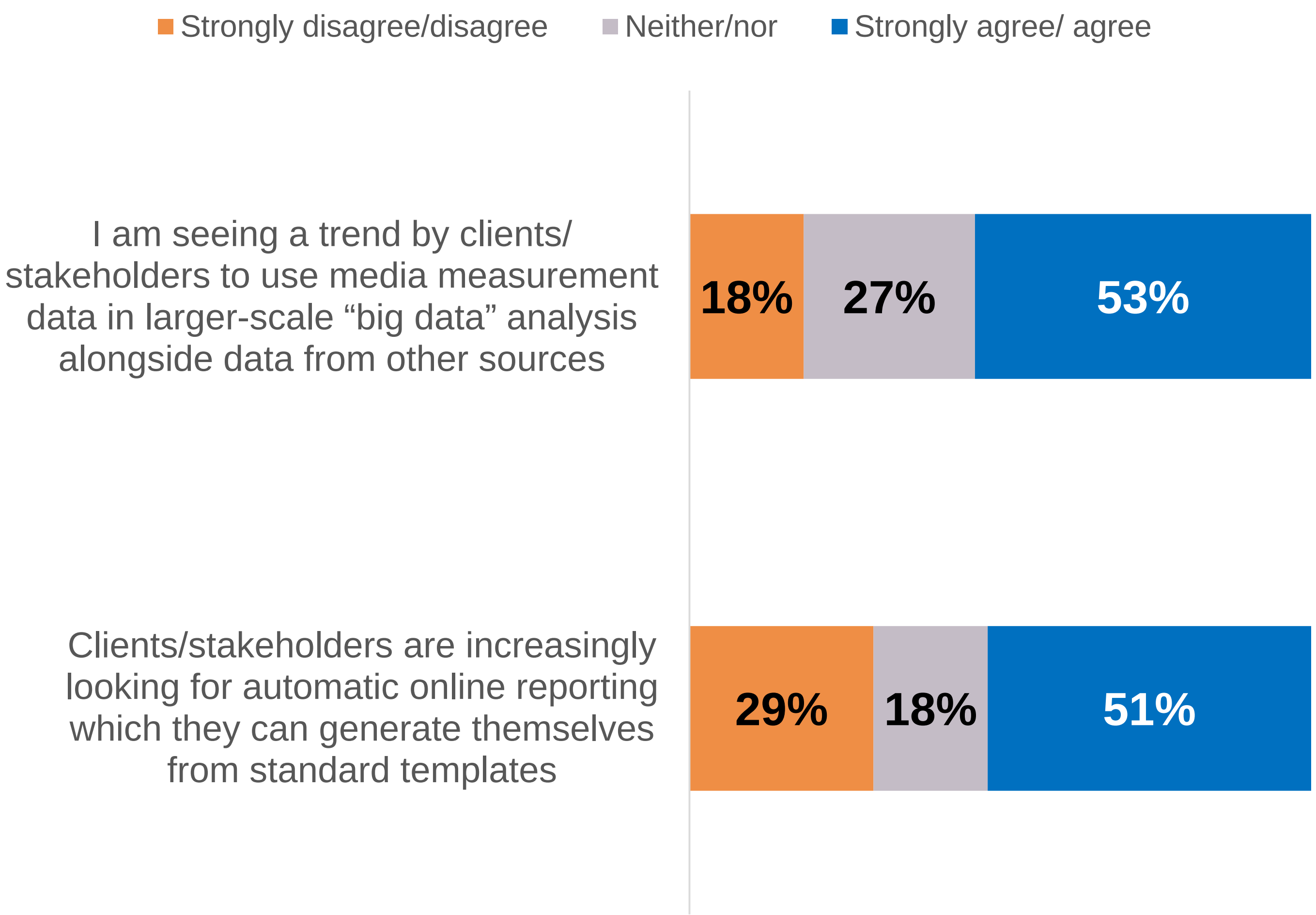
Industry trends – client requirements



- Two in three AMEC members agree that clients and stakeholders are putting **increasing emphasis on insights with less on monitoring** (65% agree)
- The increasing emphasis on insights is most apparent to members in North America (88%) and those working across a global spread of regions (77%), but less so in regions such as the Middle East, Africa and Latin America (17%) and Central/ Eastern Europe (38%)
- Opinion is more mixed with regard to the importance of ROI. While 52% agree that more clients are asking for a **defined financial ROI to demonstrate the benefits of communications**, 20% disagree and 25% are unsure
- Clients/ stakeholders are most likely to ask for a defined financial ROI in North America (69%) and Asia Pacific (67%)
- A defined financial ROI is more likely to be expected by clients/ stakeholders of PR agencies (74%) and in house teams (70%) than specialist measurement and analytics firms (40%) or management consultancies/ market research (38%)

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

Industry trends – analysis and reporting

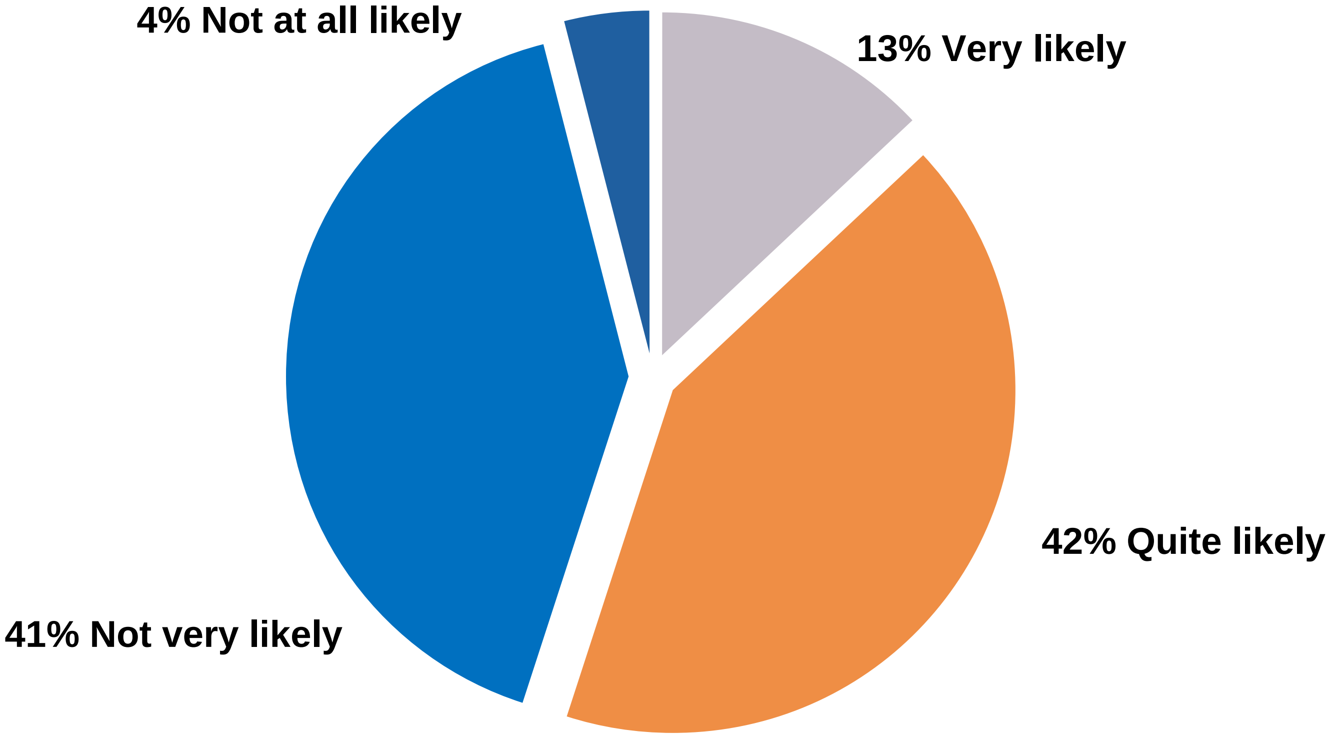


- As in the 2014 survey, more than half of AMEC members are seeing a trend for **clients / stakeholders to use media measurement data alongside data sourced elsewhere in “big data” analysis**
- Members in the management consultancy/ market research category are most likely to be seeing this trend (88%) while PR agency members are least likely (37%)
- Also continuing a trend identified in the 2014 survey, around half say more clients/ stakeholders are looking for **automatic online reporting which they can generate themselves** (although more than a quarter are not seeing this trend, as in the 2014 survey)
- Members in the small (up to €500k income) category are most likely to find clients asking for this kind of service (58%), compared with 50% in the €500-€2m category and 42% of €2m+ organisations

Don’t know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

AMEC's new suite of integrated metrics: impact

AMEC's new suite of integrated metrics, to be developed in 2015, will be part of its biggest ever Global Education Programme. How likely is it that 2015 will be the year when measurement finally becomes a fundamental part of every PR programme?



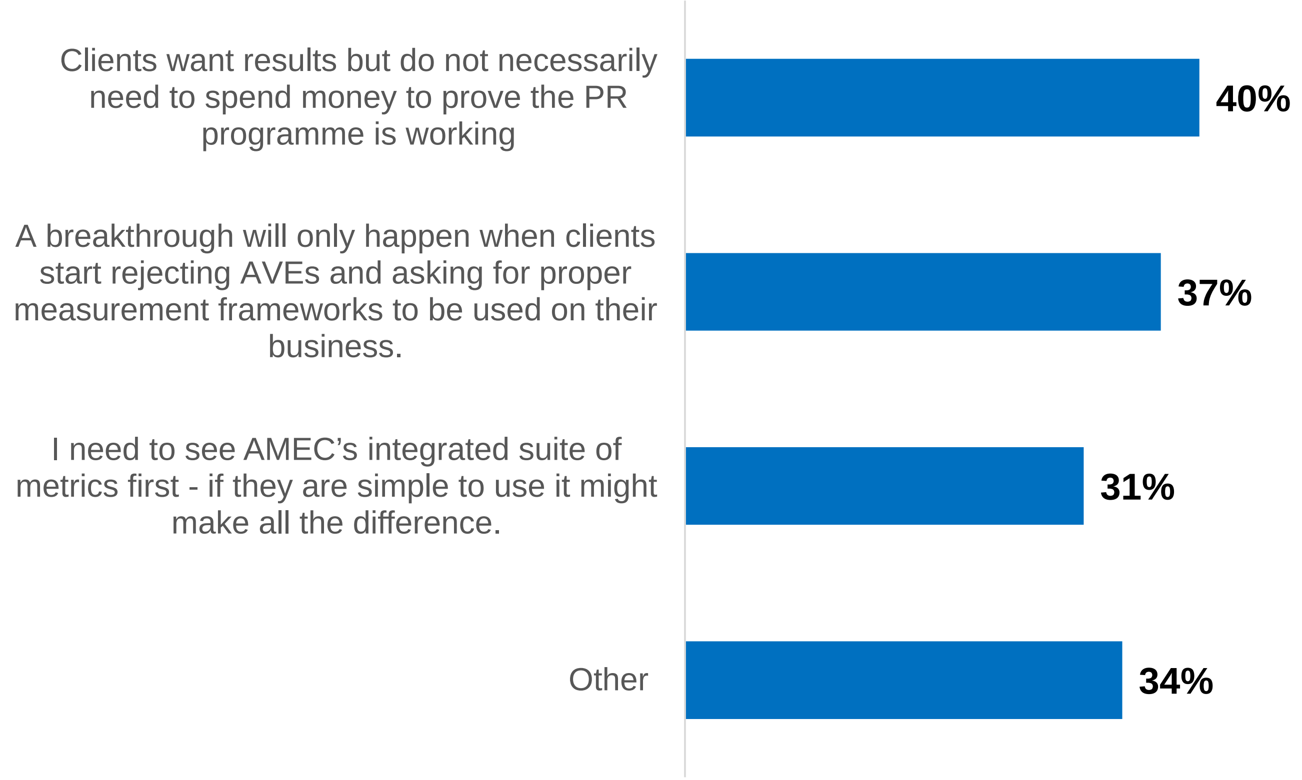
- With AMEC developing **a new suite of integrated metrics** in 2015, members were asked if this development would finally see measurement becoming a fundamental part of every PR programme
- Overall, 55% think it is likely that measurement will become a fundamental part of all PR programmes, but 45% say this is not likely
- As the table below illustrates, AMEC members working in house are the most optimistic of the four types of member

Type of AMEC member	% Very/quite likely
Specialist measurement/analytics firm	48%
PR firm	53%
Management consultancy/ market research company	63%
In house	80%

Don't know/blank % not shown
Base: All (79) Q AMEC's new suite of integrated metrics, to be developed in 2015, will be part of its biggest ever Global Education Programme. How likely is it that 2015 will be the year when measurement finally becomes a fundamental part of every PR programme?

Barriers to measurement becoming part of every PR programme

Reasons why 2015 not likely to see measurement finally become a part of every PR programme…..

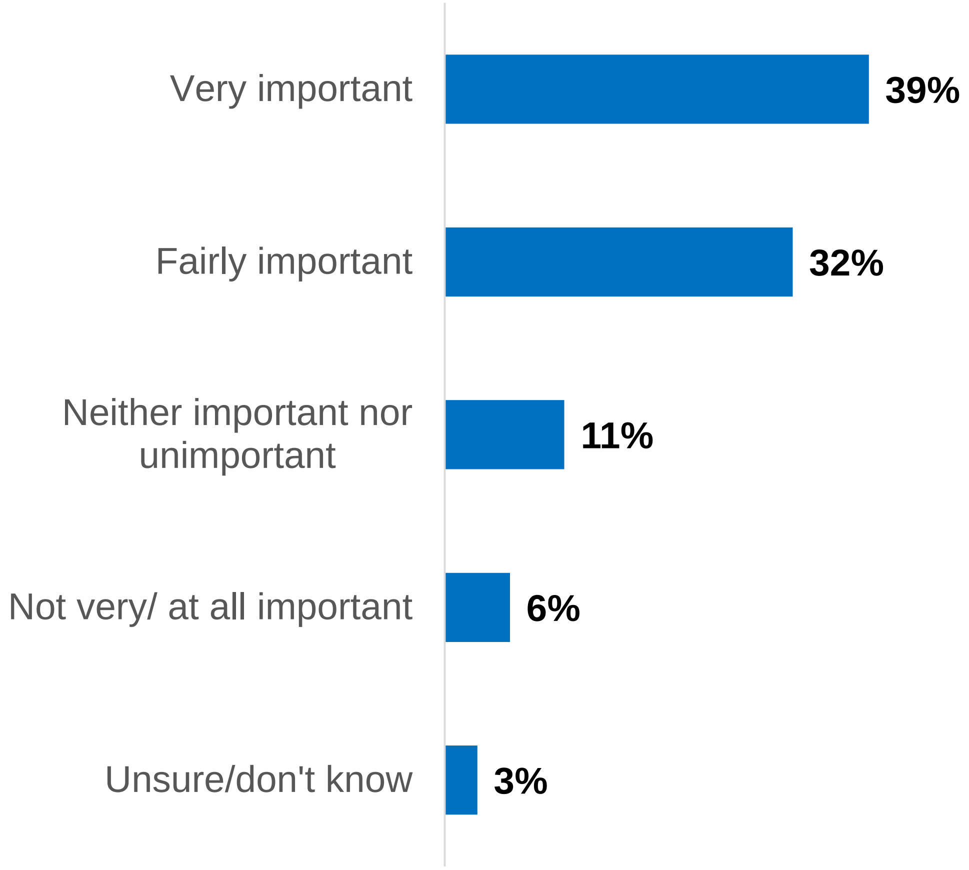


- For the 45% of members who do not expect measurement to become a fundamental part of every PR programme, the main reason is that **clients want results but don't need to spend money to prove their PR programmes are working** (40%)
- In addition, 37% say **a breakthrough will only come when clients start to reject AVEs** and 31% would **prefer to see the integrated suite of metrics before stating a view**
- Some examples of "other" answers:

Although I haven't seen the AMEC metrics, I feel 2015 will continue to be a year for educating the masses. 2016 is more likely to be the year in which we break through.
Because I think 'every' PR campaign is a tough target to reach in entirety. I think many more will come along the measurement journey than ever before but there will still be pockets of resistance, ignorance and campaigns that go untracked.
Many clients remain disconnected from some of the fundamental issues and processes that connect measurement to the success of their businesses. They often find flawed approaches like impression counts are enough to do the job as they see it. It will be a long slog with these kinds of clients.
I think that measurement is already a part of most of the PR strategies. So that 2015 won't be 'the year' but the continuation of it. 2011 was the beginning

Base: (35) All saying "not very/at all likely" Q Why do you say this is not likely?

AMEC's new suite of integrated metrics: importance



- More than seven in 10 members think AMEC's new suite of integrated metrics will be important in helping to **cut through the confusion about metrics which exists in the marketplace:** 39% say it will be *very important* and 32% *fairly important*

Base: All (79) Q How important will AMEC's new suite of integrated metrics be in helping cut through the confusion about metrics which exists in the marketplace?

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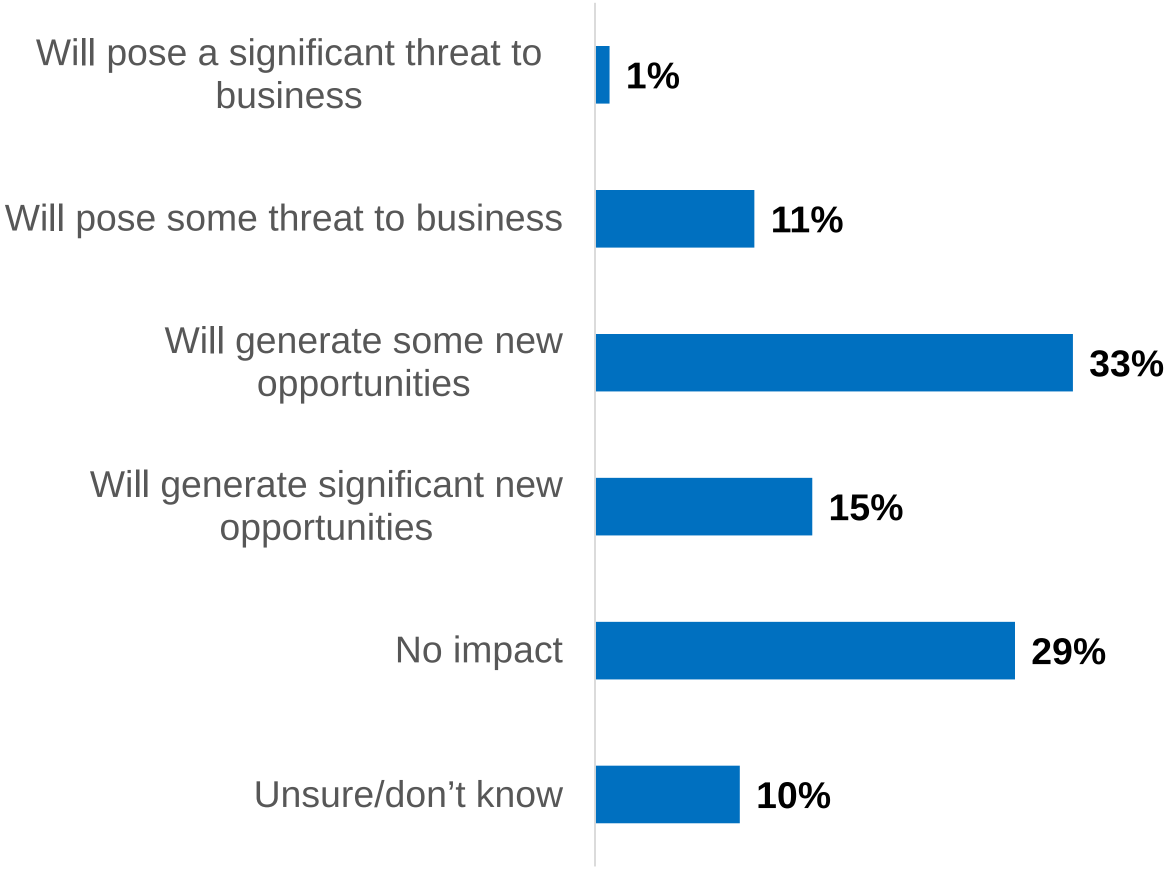
2. Measurement industry consolidation

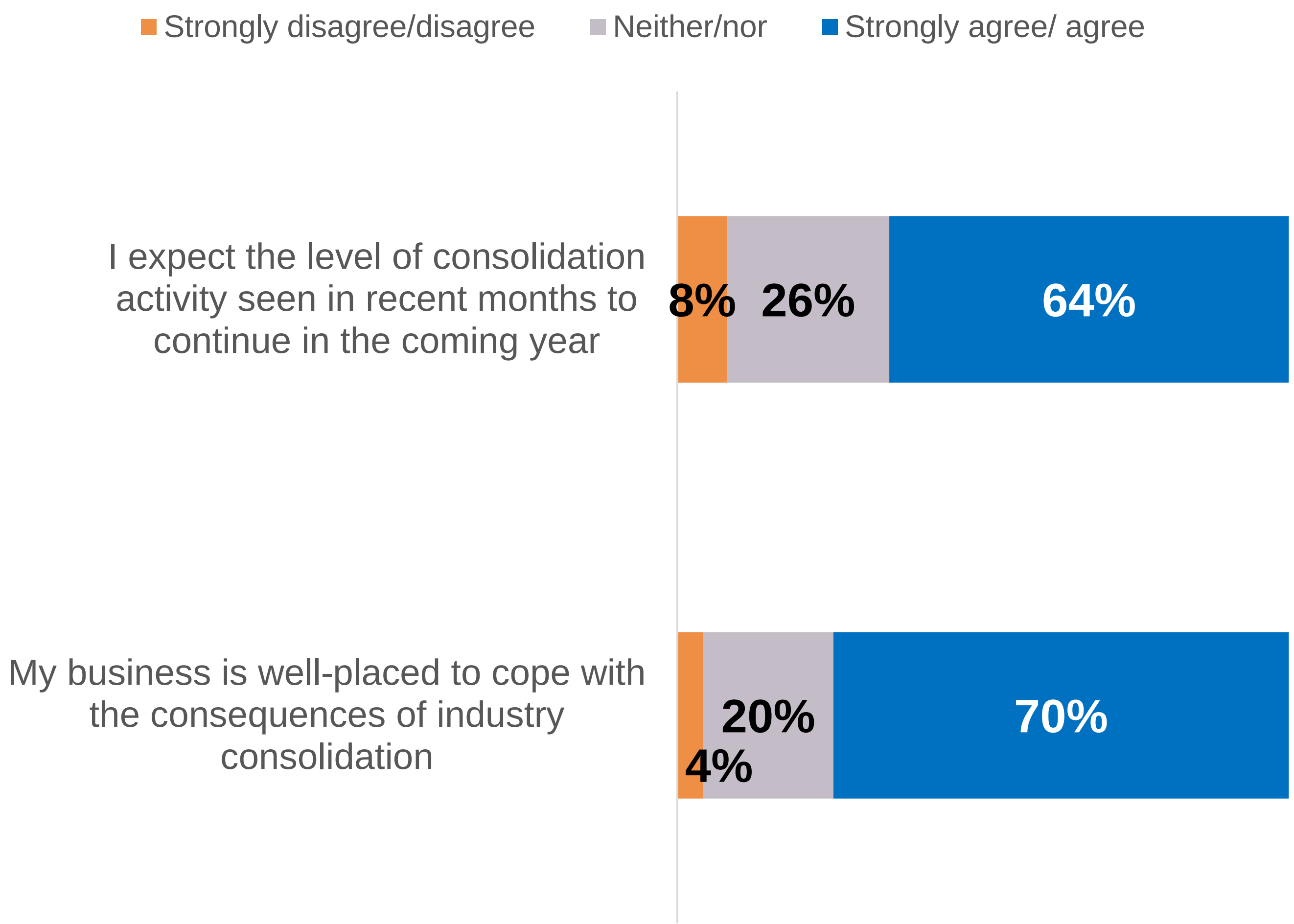
Impact of consolidation on individual members



- Most AMEC members expect the recent wave of **consolidation in the measurement industry** to either *generate new business opportunities* (48%) or have *no impact* on business (29%)
- Only 12% feel that industry consolidation poses any level of threat to their business
- Consolidation is only perceived as a threat in three geographical categories (elsewhere, no members see it as a threat):
  - North America (19%)
  - Western Europe (17%)
  - Global spread (16%)
- And the threat is only for medium and large firms (no small-size members perceive a threat):
  - €500k-€2m (30%)
  - More than €2m (33%)

Base: All (79) Q In the past 12 months the measurement industry has undergone extensive M&A activity. What impact will this industry consolidation have on your organisation?

Impact of consolidation on measurement industry

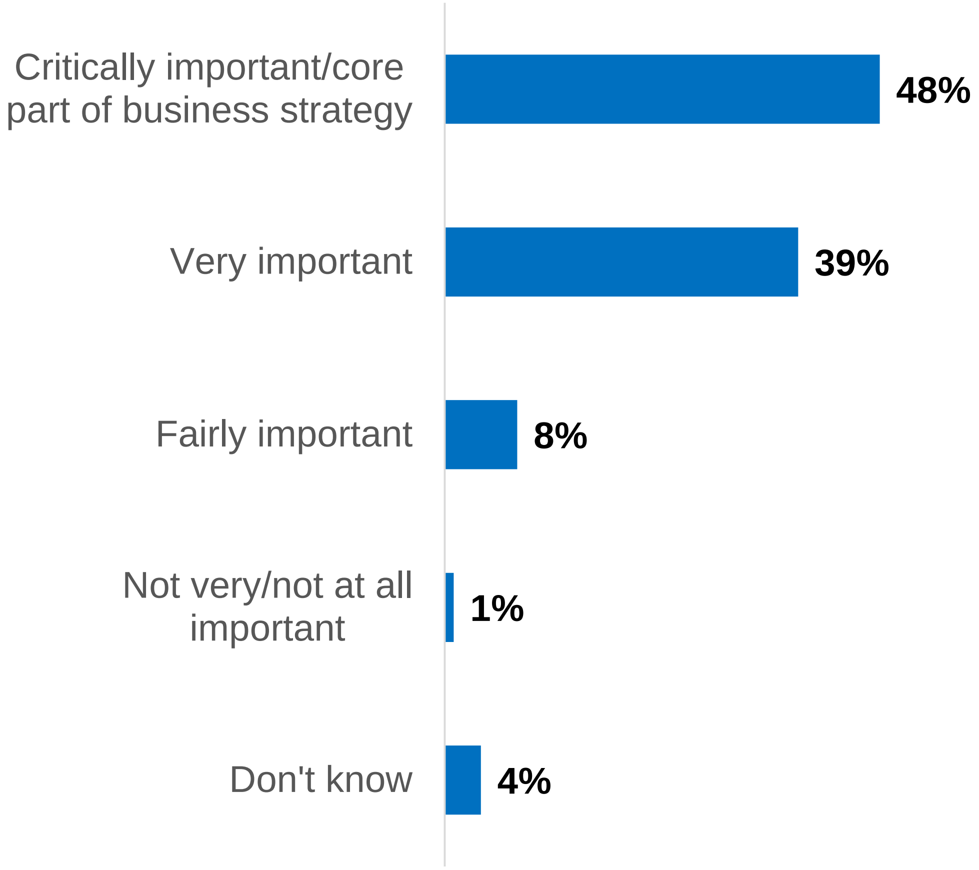


- Most measurement/ analytics providers in specialist firms, management consultancies and market research agencies think **the recent level of consolidation will continue in the coming year** (64%)
- The majority of AMEC members of this kind believe their business is **well-placed to cope with the consequences of consolidation** (70%)

Don't know/blank % not shown
Base: All measurement and analytics service providers (50) Q Please indicate how much you agree or disagree with each of these statements about how the structure of the industry is changing

3. Growth and innovation in next 12 months

Importance of innovation

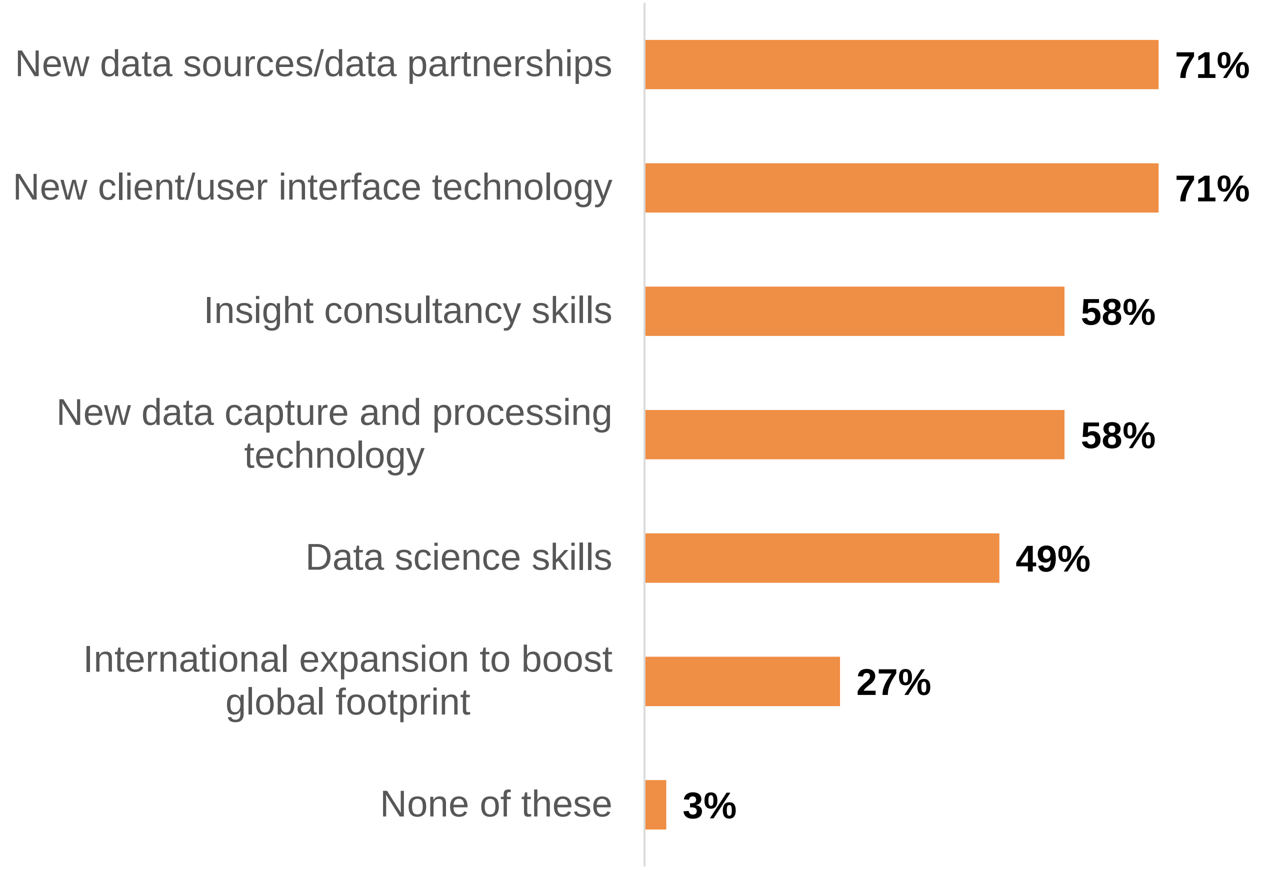


- Almost half (48%) say that **product service and innovation** is *critically important* and a core part of business strategy, with a further 39% saying this is *very important*
- Larger AMEC members are more likely to say innovation is critical than smaller members: 75% in the more than €2m income category say this is the case compared with 50% of €500k - €2m income members and 42% of members with income below €500k
- As the table below illustrates, specialist measurement and analytics firms are most likely to regard innovation as a core part of business strategy

Type of AMEC member	% critically important/core part of strategy
Specialist measurement/analytics firm	67%
PR firm	26%
Management consultancy/ market research company	25%
In house	30%

Base: All (79) Q How important to your business is investment in product and service innovation?

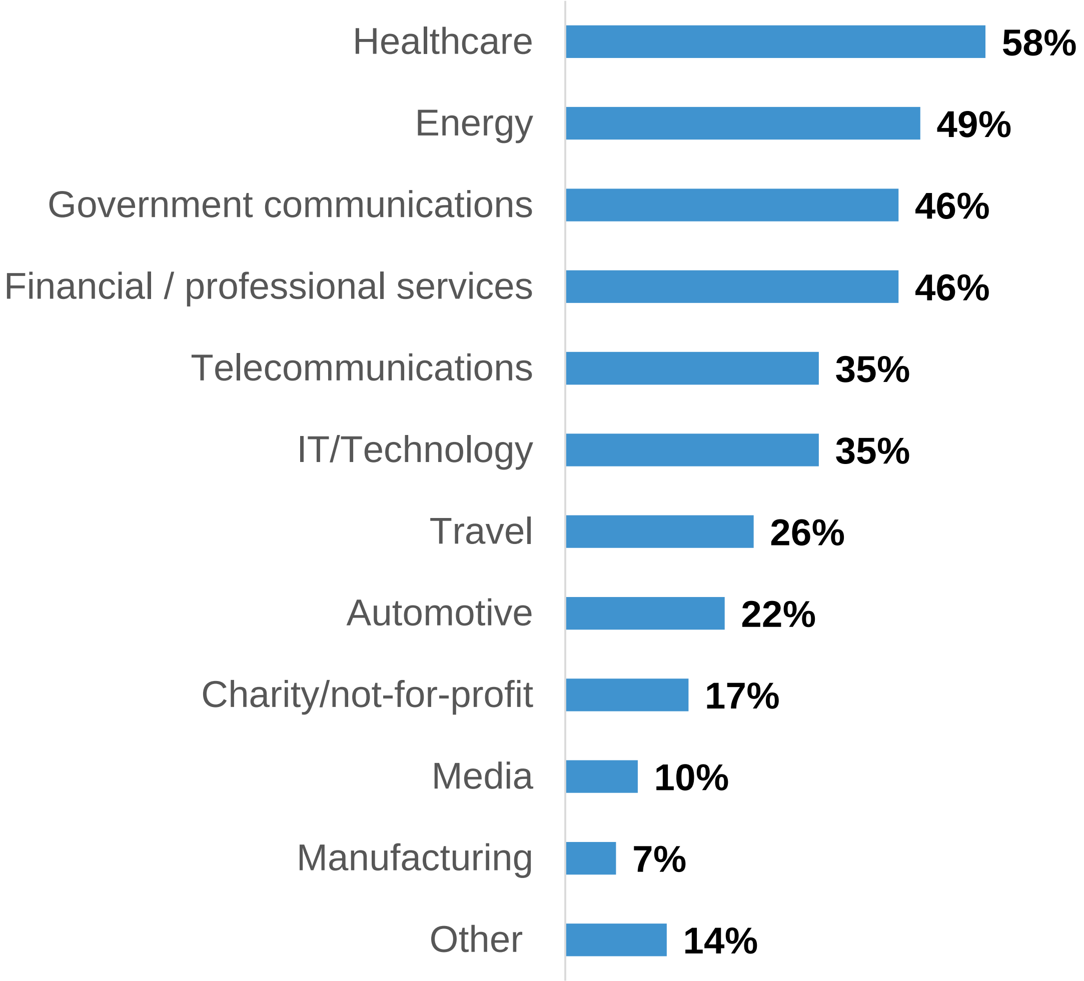
Planned investment in innovation during next 12 months



- The most common focus for **product and service innovation** among AMEC members is expected to fall into one or both of the two categories below during the coming year (each selected by 71%):
  - *New data sources / data partnerships*
  - *New client/user interface technology*
- Members will also focus on developing improved *insight consultancy skills* (58%) and *new technology for capturing and processing data* (58%)
- Priorities for innovation vary according to the type of member concerned:
  - *Insight consultancy skills* are the most likely focus for PR agencies (89%) and in house teams (70%)
  - *Data science skills* are the top priority for management consultancy / market research members (88%)
  - Specialists are most likely to be focussing on *new client / user interface technology* (81%)

Base: All (79) Q How will you be investing in product and service innovation during the next 12 months?

Client sectors with most growth potential

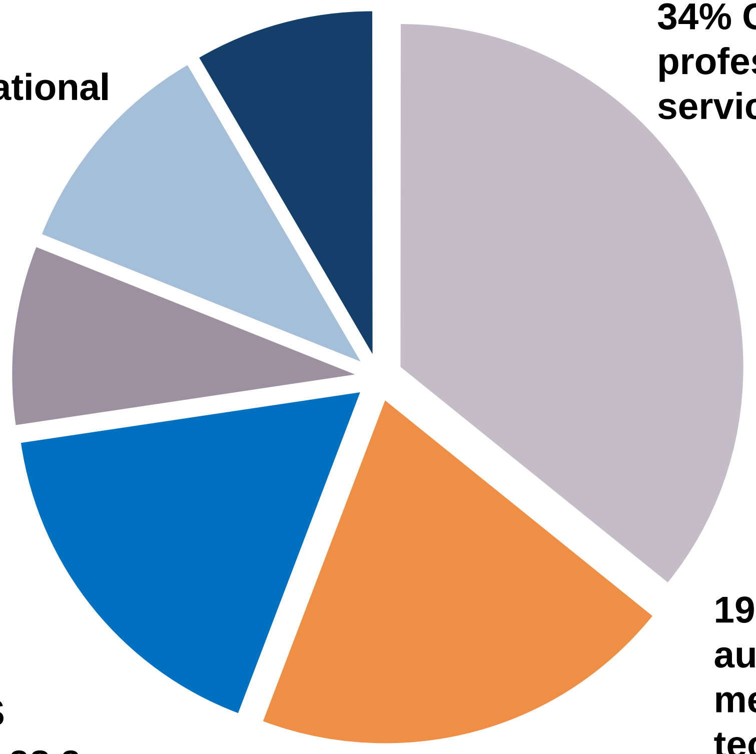


- As in 2014, the two **client sectors** which client-facing AMEC members feel hold the greatest growth potential are *healthcare* and *energy*
- Members also see strong growth potential in *government communications* and *financial/professional services*
- The table below shows which sectors members in different types of business say have the most potential

	Most growth potential
Western Europe	Healthcare; energy
Central/Eastern Europe	Government communications
North America	Healthcare
Asia Pacific/Australia/NZ	Healthcare/financial/prof. services
Middle East, Africa and Latin America	Government communications
Global spread	Healthcare
Specialist measurement/analytics firm	Government communications
PR firm	Healthcare
Management consultancy/ market research company	Energy

Base: All excluding in house (69) Q Which client sectors do you think have the biggest industry-wide potential for growth during the next 12 months?

Focus for business activity to drive growth in next 12 months



- When asked which single area of business activity they are focussing on to **drive growth in the coming year**, AMEC members are most likely to say *consultative/ professional services* (34%)
- *New automated technologies* (19%) and *SaaS* (16%) are also selected by more than one in six members
- Members in the PR (68%) and management consultancy/ market research (63%) categories are most likely to be focussing on *consultative and professional services*
- Meanwhile, specialist measurement and analytics firms are more likely to be focussing on *new/automated measurement technologies* (29%) or *SaaS* (24%)
- *Consultative/professional services* are the top focal point in most of the geographical categories, with two exceptions:
  - Central and Eastern European-based members will be focusing primarily on *new/automated measurement technologies*
  - Members in regions such as the Middle East, Africa and Latin America are most likely to focus on *international services*

Don't know/blank % not shown
Base: All (79) Q What area of business activity are you focusing on to drive revenue growth in the next 12 months?

Focus on measurement for PR agency members in next 12 months

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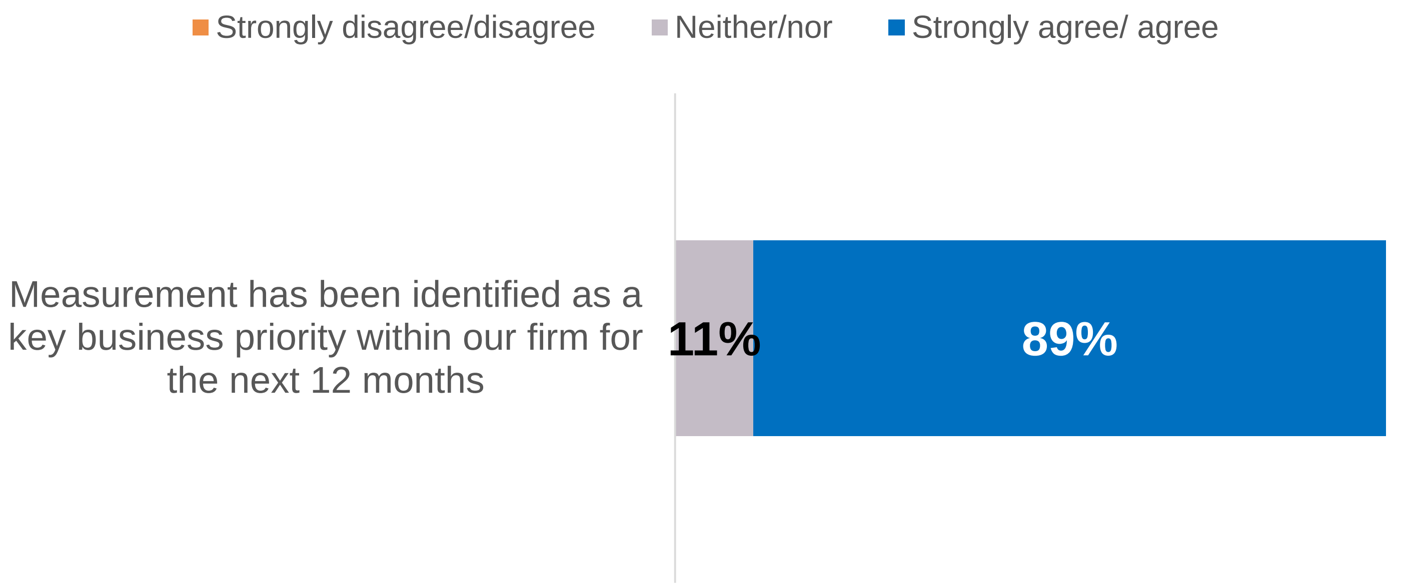
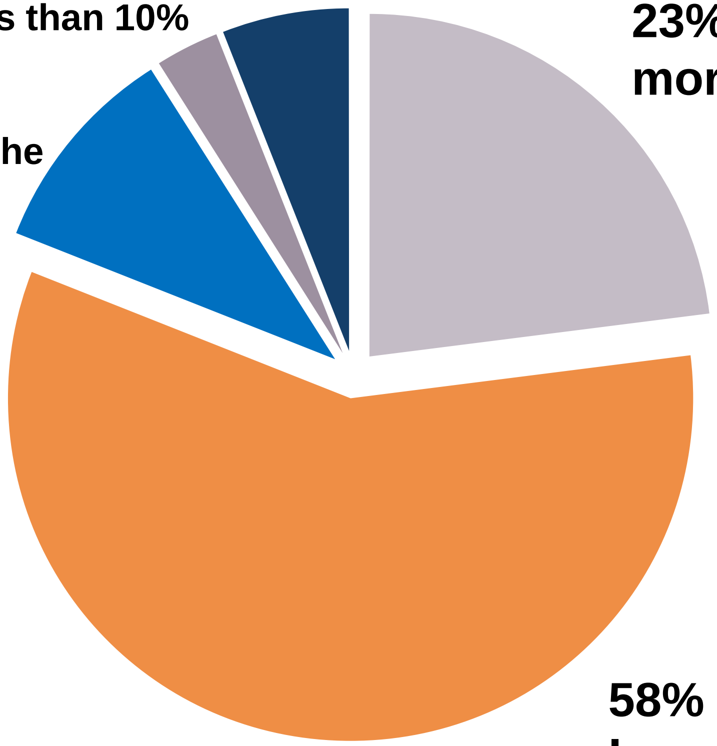


- The vast majority of PR agency members (89%) agree that **measurement has been identified as a key business priority** for their firm in the coming year

Don't know/blank % not shown
Base: All PR agency members (19) Q Please indicate how much you agree or disagree with each statement

Growth forecast for next 12 months



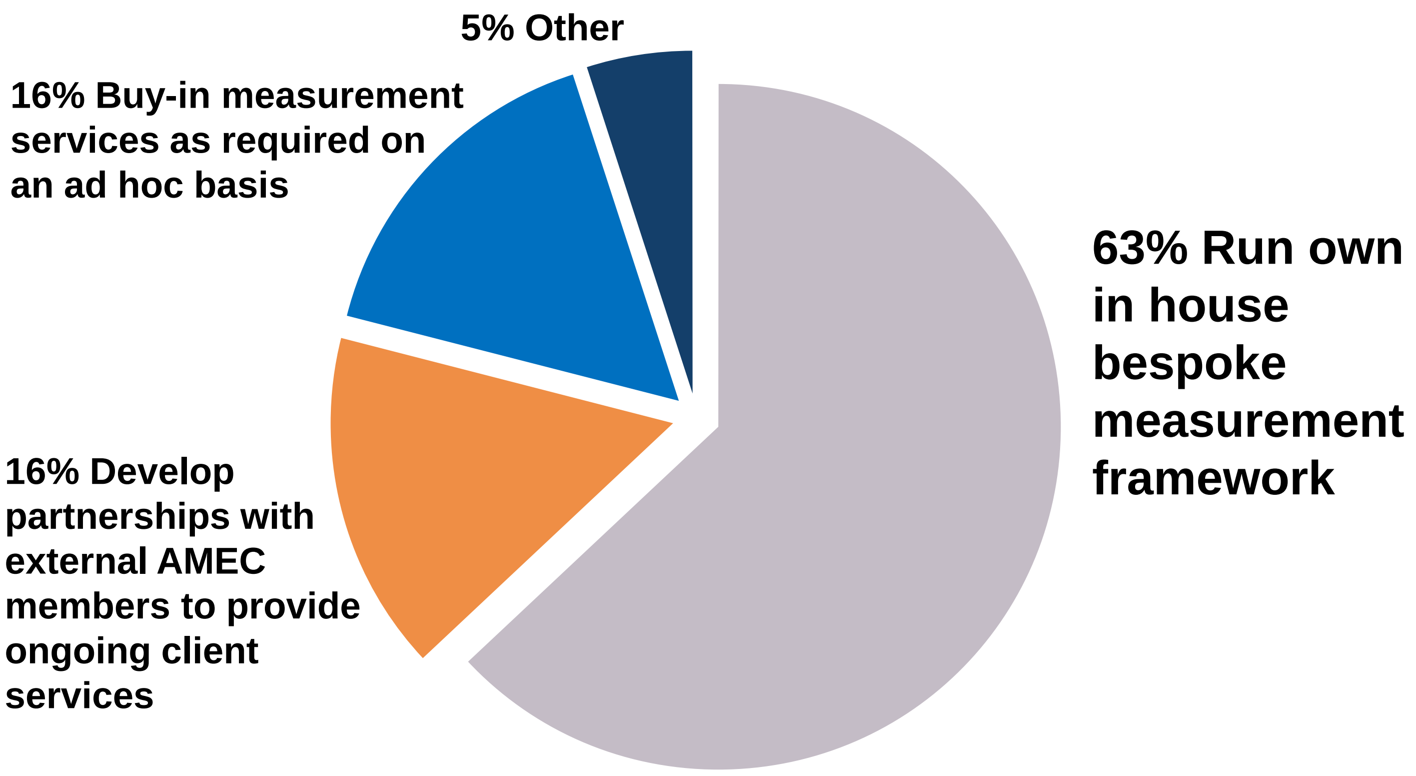
- Almost a quarter (23%) of all AMEC members in the survey this year expect **double digit growth** across the industry in the next 12 months
- In addition, 58% expect growth of 1-10%, while just 3% anticipate a contraction in the industry
- As the table below illustrates, growth expectations are most bullish for members who operate across a number of regions, and are also above average in Asia Pacific and regions such as the Middle East, Africa and Latin America

Region	% of members expecting growth of more than 10%
Western Europe	13%
Central/Eastern Europe	13%
North America	25%
Asia Pacific/Australia/NZ	33%
Middle East, Africa and Latin America	33%
Global spread	38%

Don't know/blank % not shown
Base: All (79) Q How do you think the media measurement, research and intelligence industry will perform in the next 12 months?

4. Measurement offer from AMEC's PR members

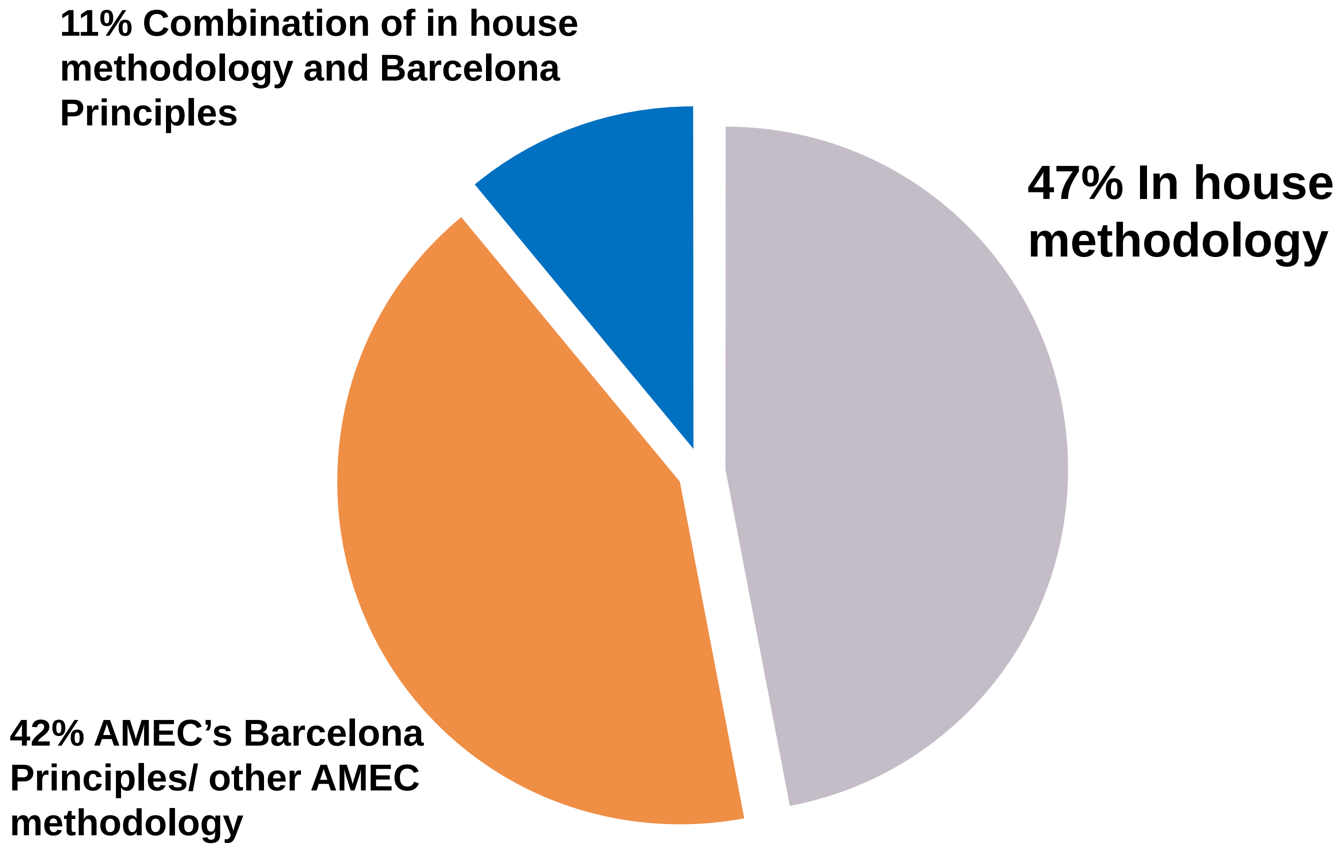
Measurement services as part of an overall PR service mix



- The majority of AMEC's PR agency members **incorporate measurement services into their overall client service mix** on the basis of an *in house bespoke measurement framework* (63%)
- 16% *buy-in measurement services on an ad hoc basis* and 16% *develop partnerships with external AMEC members to provide ongoing client services*

Don't know/blank % not shown
Base: All PR agency members (19) Q Thinking about the way your organisation incorporates measurement services into your overall PR client service mix, which of the following best describes your approach?

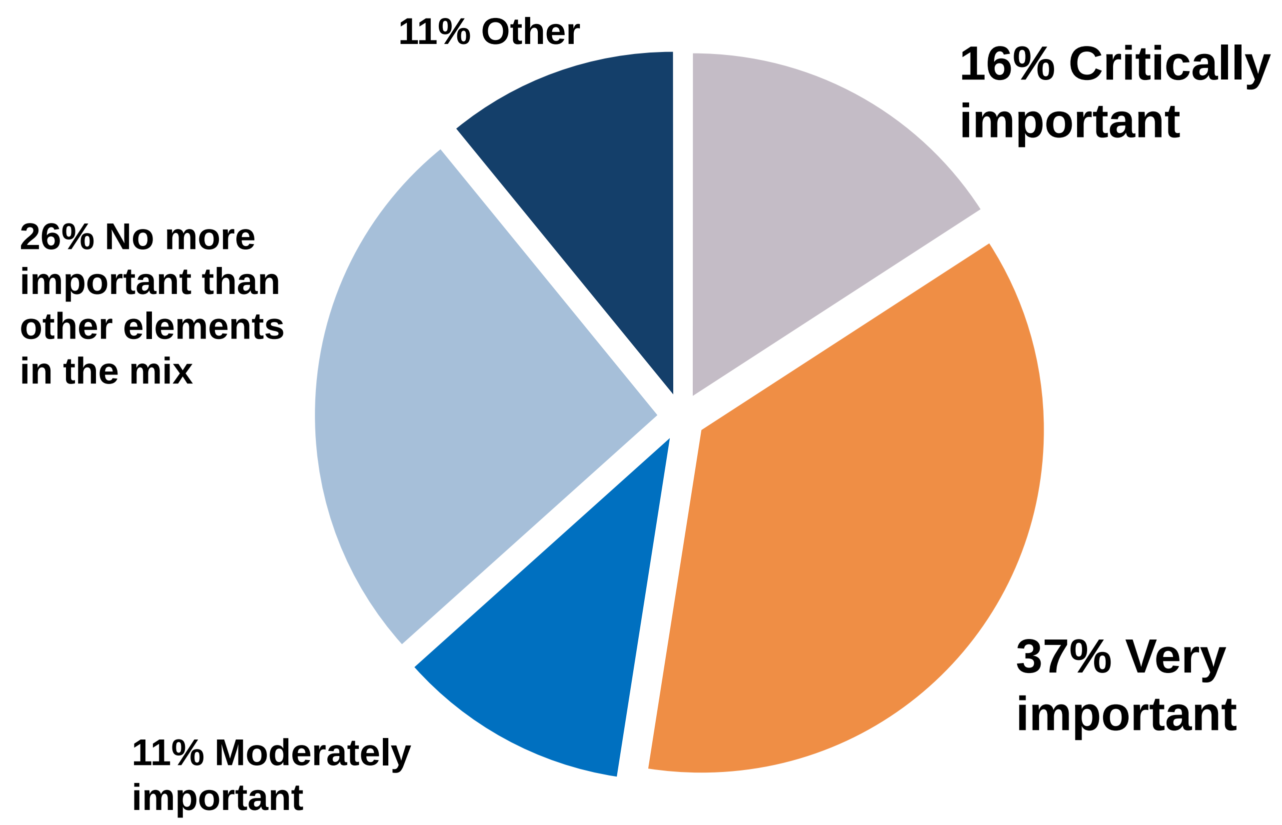
Basis for measurement offer to clients from AMEC's PR members



- Almost half (47%) of AMEC's PR agency membership use their *own in house methodology* **when presenting their measurement offer to clients.** Most of the remainder (42%) base their measurement offer on the *Barcelona Principles* or another AMEC methodology

Don't know/blank % not shown
Base: All PR agency members (19) Q When presenting your measurement offer to clients, which of the following is your approach primarily based on?

Importance of measurement offer for AMEC's PR members

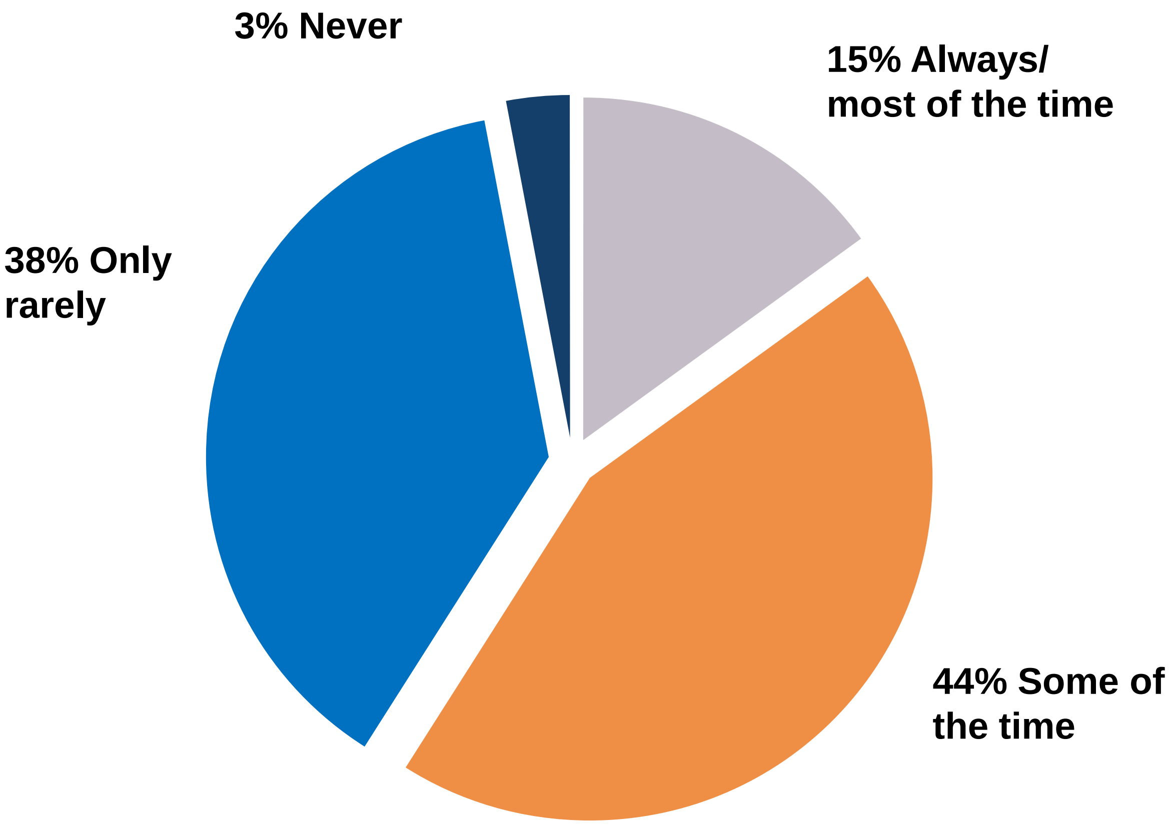


- More than half of AMEC's PR agency members say that measurement and analytics are a *critically important* (16%) or *very important* (37%) part of their **overall PR client service mix**
- A further 11% say measurement and analytics are *moderately important* while 26% say these services are *no more important than other elements in the mix*

Don't know/blank % not shown
Base: All PR agency members (19) From your clients' point of view, how important is your measurement and analytics offer as part of your overall PR client service mix?

5. Working relationships with clients/ stakeholders

Partnership working: prevalence

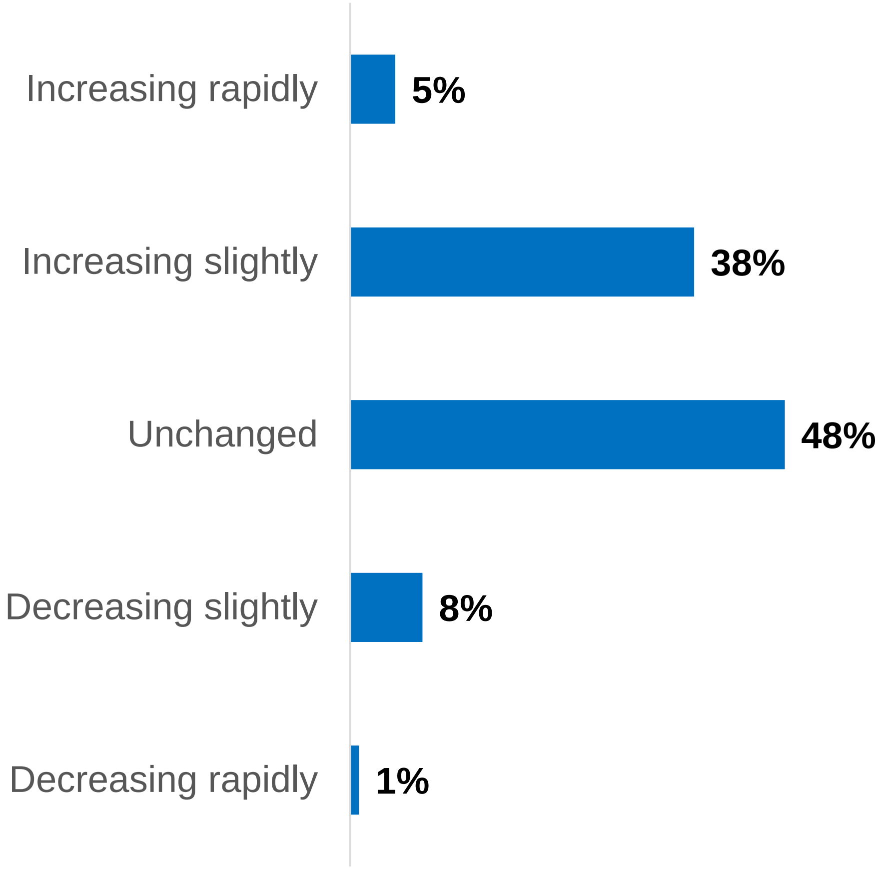


- Overall, 15% of AMEC members **work in partnership with another firm to deliver integrated service/outputs to end clients or stakeholders** either *always* or *most of the time*
- A further 44% work in this kind of partnership *some of the time* and only 3% *never* do so
- The proportion saying they work in this kind of partnership *at least some of the time* is down from 71% in 2014 to 59% this year
- Partnership working of this kind is most common among management consultancy/ market research agency members and least likely among specialist measurement and analytics firms (see below)

Type of AMEC member	% Always/ most of the time
Specialist measurement/analytics firm	7%
PR firm	21%
Management consultancy/ market research company	38%
In house	20%

Base: All (79) Q How frequently does your organisation work in partnership with another firm in order to deliver integrated service/outputs to end clients/stakeholders? (e.g. a PR/communications consultancy partnering with a measurement provider)

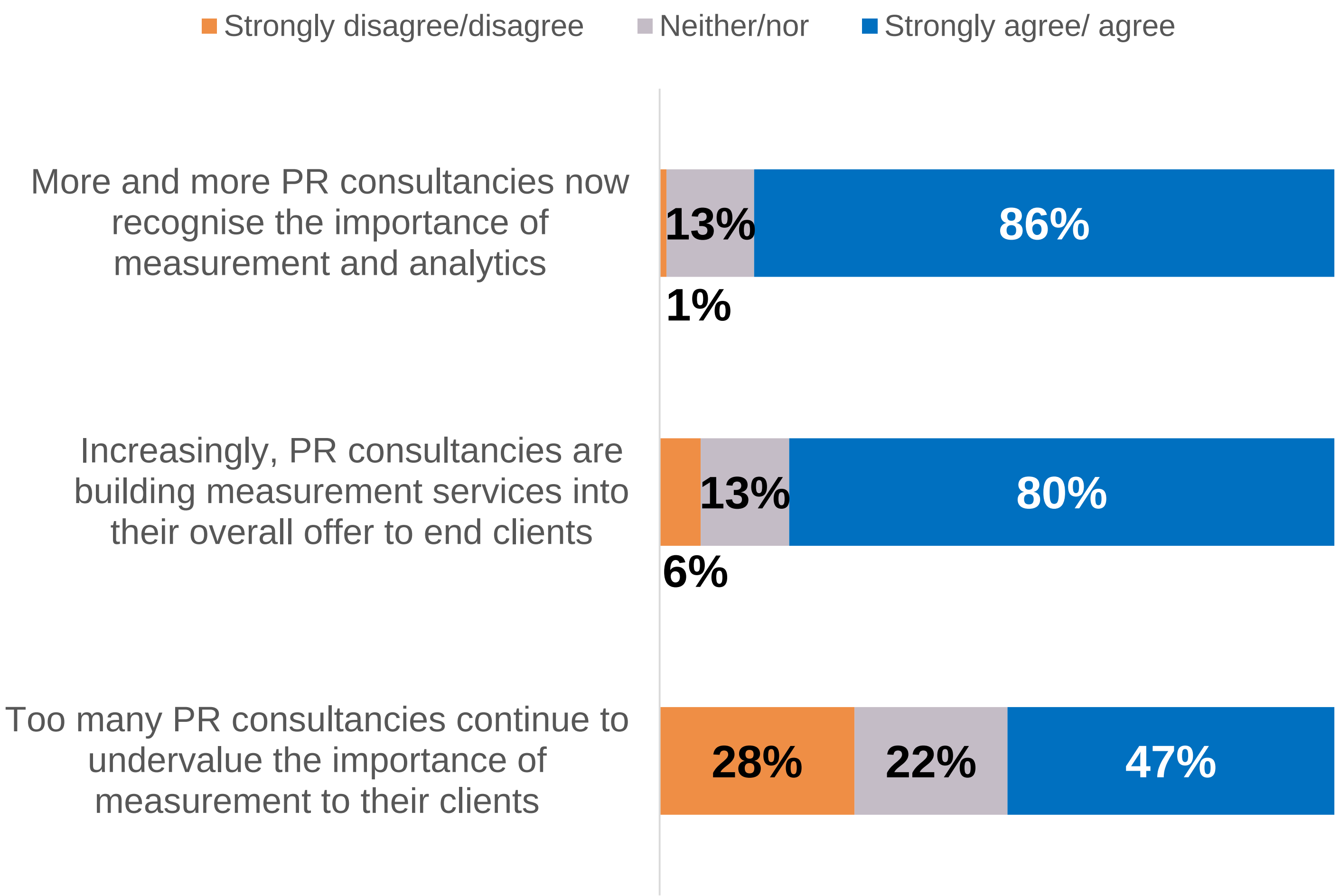
Partnership working: how this is changing



- The extent of **partnership working** is increasing for 43% of AMEC members at present – 38% *slightly* and 5% *rapidly* – although 9% say they are doing less partnership working
- Partnership working is most likely to be increasing in regions such as the Middle East, Africa and Latin America (83%) while members in North America are least likely to be experiencing an increase (19%)

Base: All (79) Q And is the frequency with which you work in partnership with other firms increasing or decreasing?

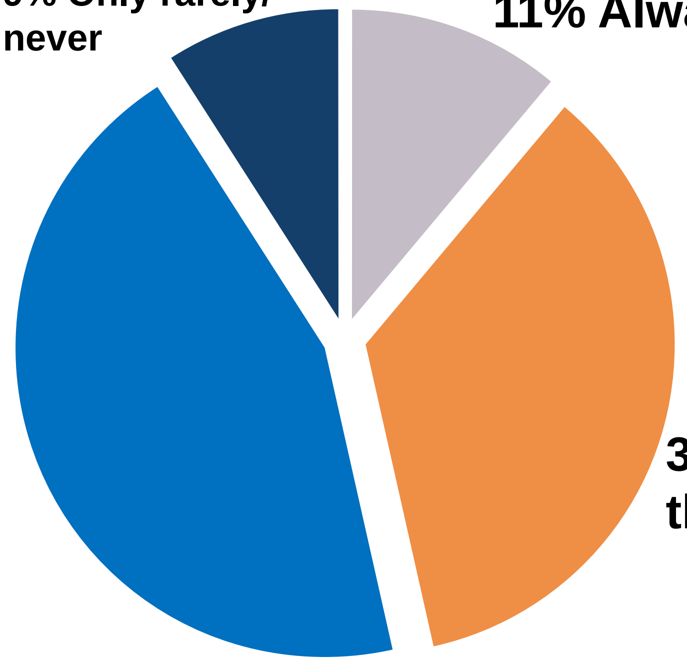
Role of PR consultancies in general



- Most AMEC members (86%) agree that more and more **PR consultancies are coming to recognise the importance of measurement and analytics**
- The proportion agreeing with this statement is up from 72% in 2014
- Following on from this, four in five members believe that **PR consultancies are increasingly building measurement services into their overall end client offer**
- Meanwhile, 47% of members think that **too many PR firms still undervalue the importance of measurement to their clients**
- However, the proportion agreeing with this statement is down from 62% in 2014, while the number disagreeing is up from 17% to 28% this year

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

Working with procurement

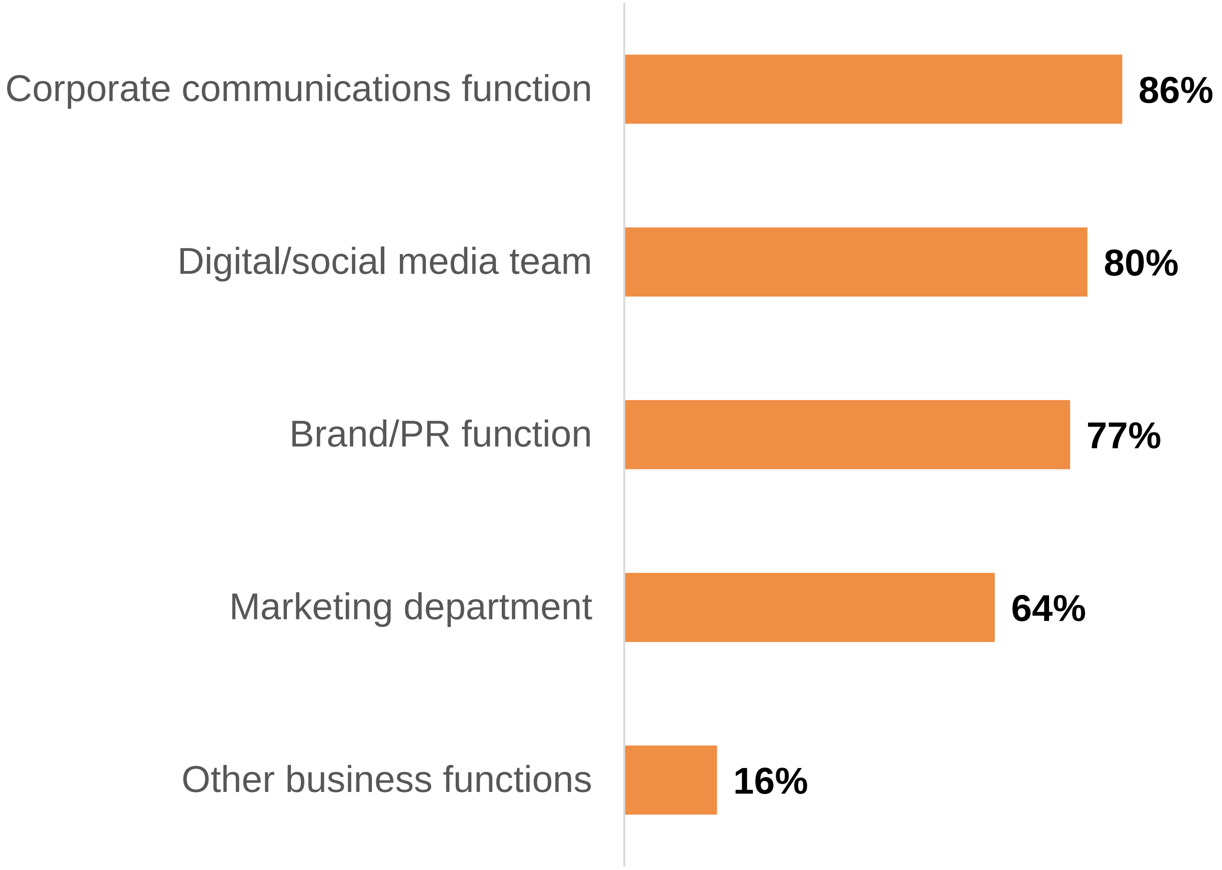


- One in ten AMEC members says that **procurement** is *always* involved in **the negotiation of new/renewal contracts,** with 35% saying this happens *most of the time*
- The proportion who say procurement is *always involved/ involved most of the time* has risen from 37% in 2014 to 46% this year
- Procurement is most likely to be involved in negotiations for members based in North America and Western Europe (see below)

Region	% saying procurement is involves always/ most of the time
Western Europe	50%
Central/Eastern Europe	38%
North America	57%
Asia Pacific/Australia/NZ	33%
Middle East, Africa and Latin America	34%
Global spread	23%

Base: All (79) 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)

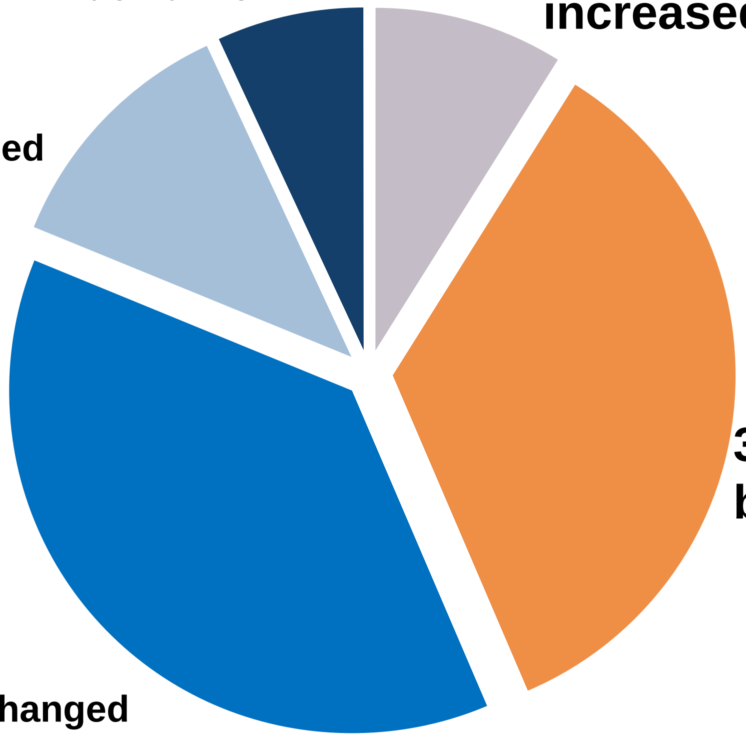
Client functions driving demand for measurement and insight services



- For client-facing AMEC members, **increasing demand for communications measurement and analysis** is likely to come from different functions across the client organisation
- The vast majority expect greater demand from the *corporate communications function* (86%) and most expect to see increasing demand from *digital/social media teams* (80%) and the *brand/PR function*
- In addition, two in three (64%) expect higher demand from the client *marketing* function

Base: All except in house (69) Q In the next few years, do you expect to see increasing demand for communications measurement and insight services from the following functions?

Pricing changes in past year

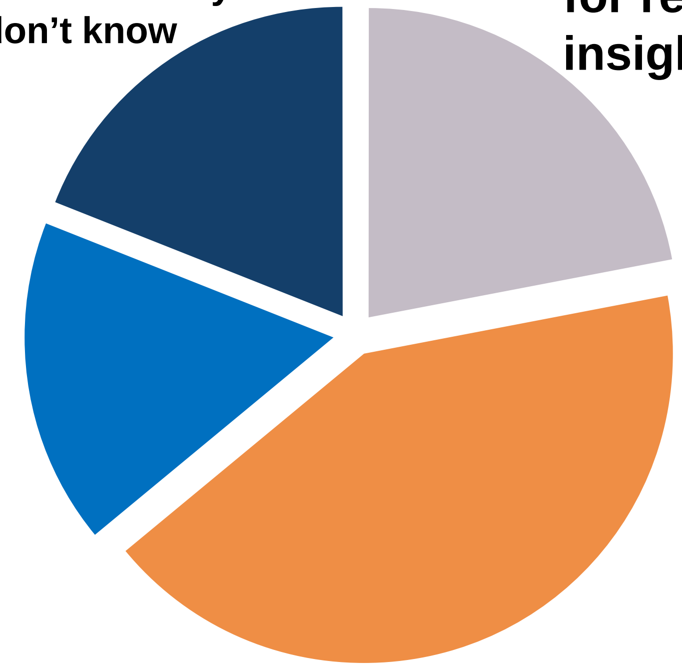


- In total, 45% of AMEC members have **increased their prices** in the past year - 35% have increased prices by *up to 5%* and 9% have increased prices by *more than 5%*
- Meanwhile, one in eight (12%) members have **decreased their prices** – 6% of members have reduced prices by up to 5% and 6% have made greater price reductions
- As the table below illustrates, members in Central and Eastern Europe are least likely to have increased prices to clients and Western Europe is also below the international average in this respect

Region	% of members who have increased prices by any % in past year
Western Europe	35%
Central/Eastern Europe	0%
North America	47%
Asia Pacific/Australia/NZ	83%
Middle East, Africa and Latin America	100%
Global spread	40%

Don't know/blank % not shown
Base: All except in house (69) How have your prices to clients changed in the past 12 months?

Client budgets



- Despite the overall growth in the industry and the increase in the number of new clients and RFP/tender requests, client-facing AMEC members report a mixed picture with regard to **client budgets**
- On average, 22% of clients have *increased* their budget for research and insights work, down from 29% in 2014
- Meanwhile, 17% have *decreased* their budget (15% in 2014) and 42% have *not changed* their budget
- Clients are most likely to be spending more in regions such as the Middle East, Africa and Latin America, as well as in North America (see below)

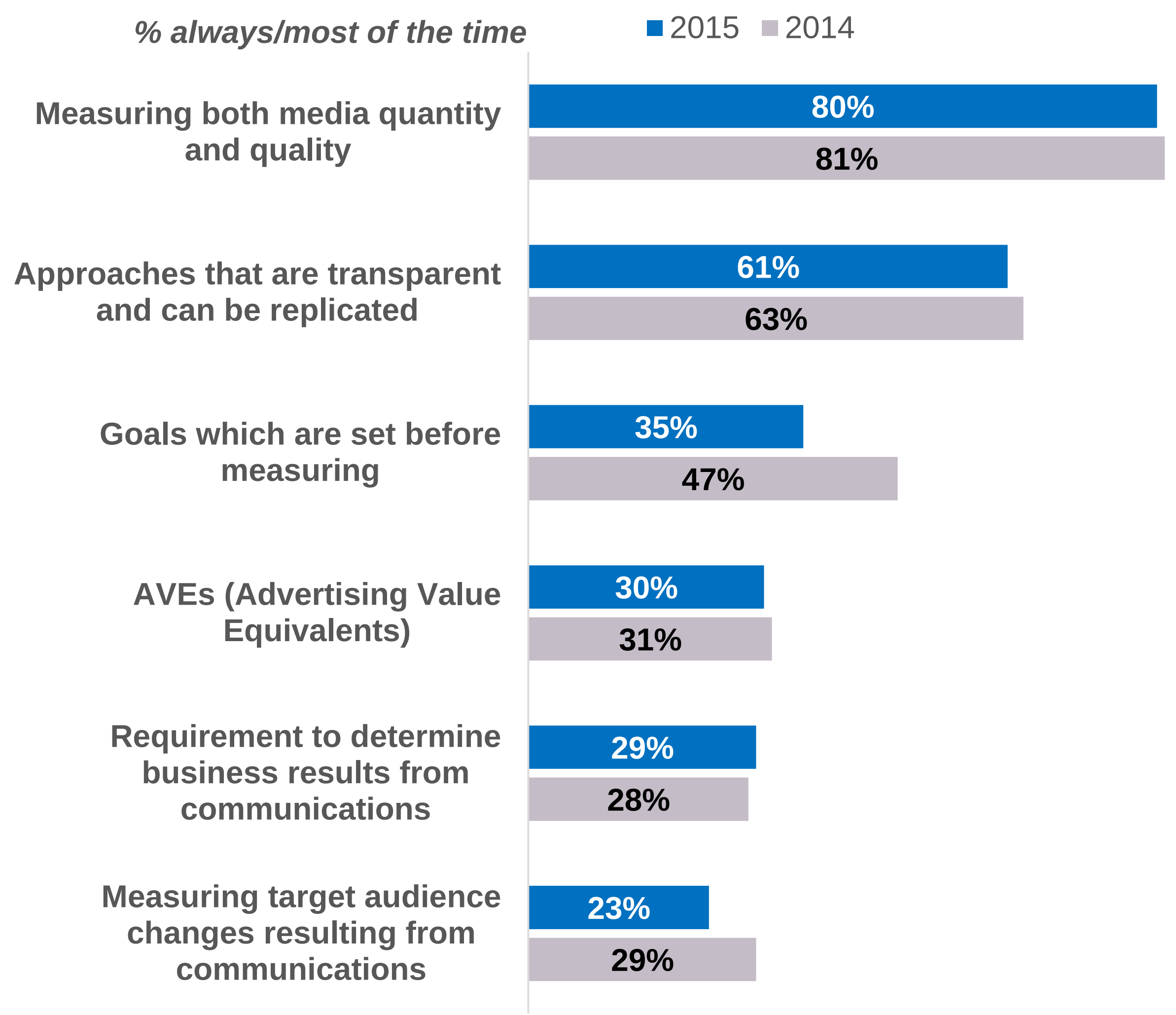
Region	% of clients increasing budgets	% of clients decreasing budgets
Western Europe	18%	14%
Central/Eastern Europe	8%	35%
North America	29%	14%
Asia Pacific/Australia/NZ	12%	21%
Middle East, Africa and Latin America	49%	14%
Global spread	22%	15%

Base: All except in house (69) Q Please complete this question by inserting the percentage of your clients who fall into each category.

amec World Media Intelligence and Insights Study 2015

6. Client/ stakeholder expectations

Client work specifications



- Members in client-facing organisations were asked to say how often **work commissioned by clients** specifies each of these criteria, and figures shown represent a combination of those saying *always specified* and *specified most of the time*
- In most cases the proportion of clients who include these criteria in their specifications is similar in 2015 to 2014, although the proportion of clients who **specify set goals before measuring** has declined from 47% to 35%
- Clients are most likely expect AMEC members to **measure both media quantity and quality** and to ask for **approaches which are transparent/ replicable**
- Three in ten say that **AVEs** are always or usually included in client work specifications
- Only a minority of clients require measurement of **business results** or **target audience changes** from communications

Base: All except in house (69) How often does measurement work commissioned by your clients specify the following?

Client demand for AVE scores

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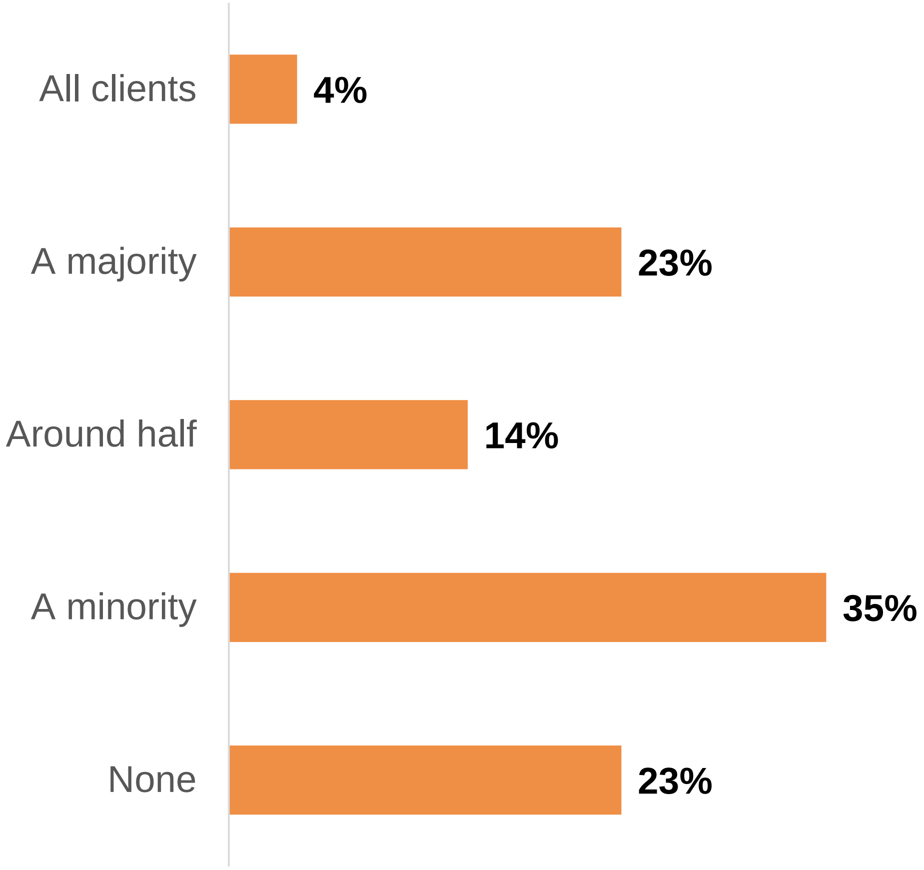
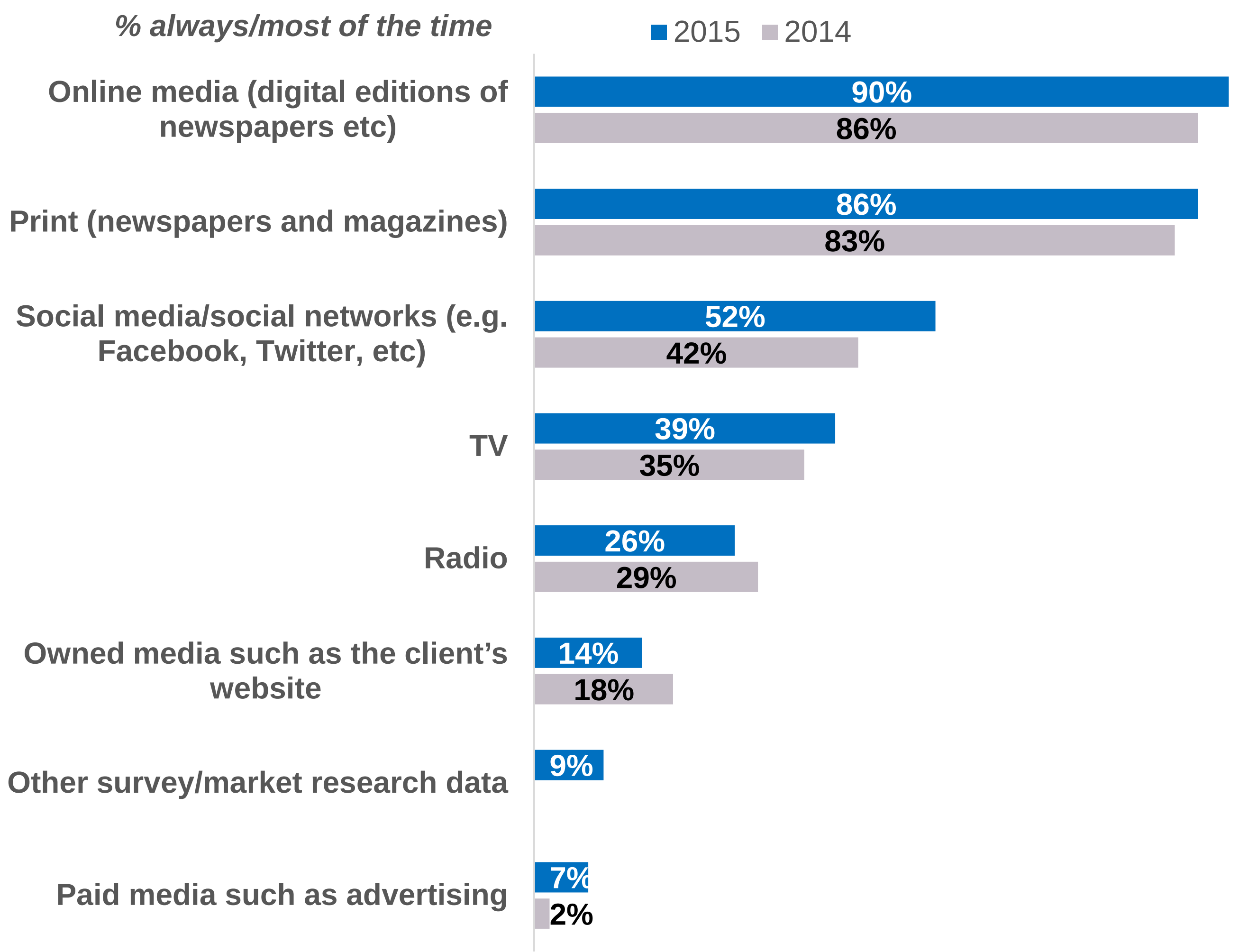


- More than one in four client-facing AMEC members say that a majority (23%) or all (4%) of their clients still **insist on an AVE score**
- As the table below illustrates, demand for AVE scores is highest in regions such as the Middle East, Africa and Latin America and there is also above average demand in Central/Eastern Europe

Region	All/a majority of clients insist on AVE score
Western Europe	31%
Central/Eastern Europe	43%
North America	0%
Asia Pacific/Australia/NZ	17%
Middle East, Africa and Latin America	80%
Global spread	30%

Base: All except in house (69) Q What proportion of your clients insist that you provide them with an AVE score?

Media channels

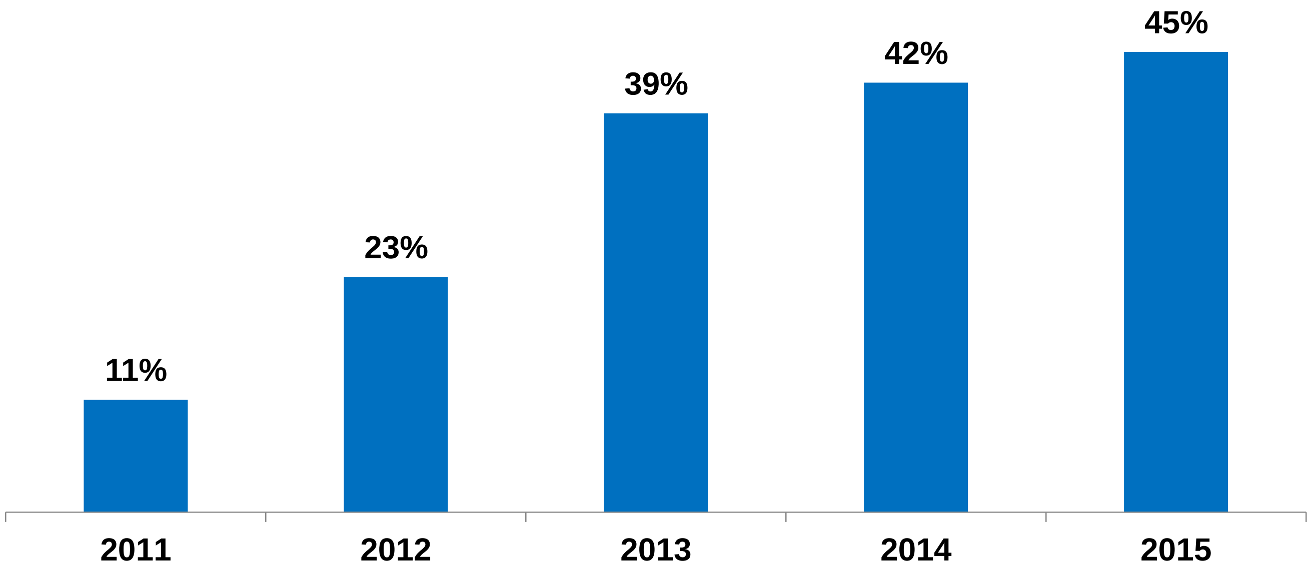


- This chart shows **the scope of the work undertaken for clients/ stakeholders** by AMEC members. The figures are a combination of the proportion who *always* include each type of media and those who do so *most of the time*
- The comparison with 2014 survey figures shows that the top four types of media – *online, print, social media and TV* – are all more likely to be included in the scope of client work this year than last
- The most notable increase is for *social media*. In 2014, 42% of clients included this in the scope of work requested, and this has risen to 52% in 2015
- Meanwhile, members report a slight decline in the proportion of clients including *radio* and *owned media* in the scope of their work assignments
- *Other survey/market research data* was added to the list in 2015 – almost one in ten clients includes this in the scope of their work

Base: All (79) 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

45% of clients include social media measurement in their programmes



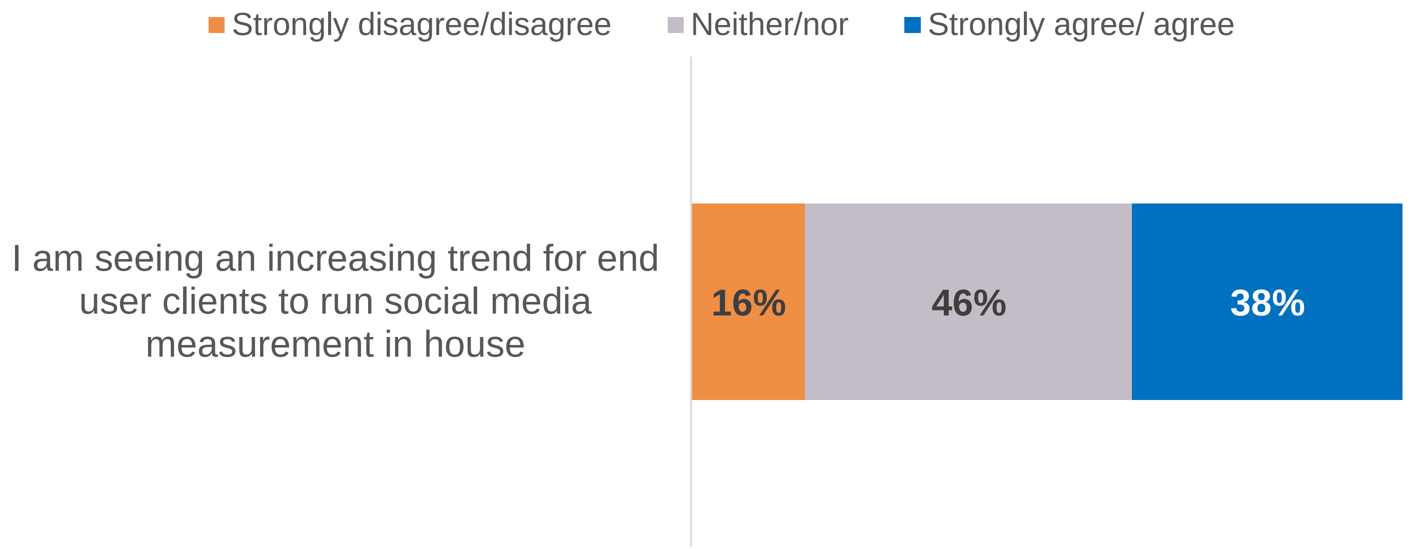
- In total, AMEC members now report that 45% of clients **include social media measurement in their programmes**. As illustrated in the chart, the proportion including social media continues to grow over time
- Social media measurement is most likely to be included by clients of members with global spread or based in North America, and is more likely to be included by clients of AMEC's PR members

	% of clients including social media
Western Europe	39%
Central/Eastern Europe	37%
North America	56%
Asia Pacific/Australia/NZ	46%
Middle East, Africa and Latin America	21%
Global spread	64%
Specialist measurement/analytics firm	37%
PR firm	73%
Management consultancy/ market research company	28%
In house	31%

Base: All (79) Q Thinking about year ending December 31st 2014, 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 2014, approximately what percentage was social media/social network measurement?

Client social media insights activity

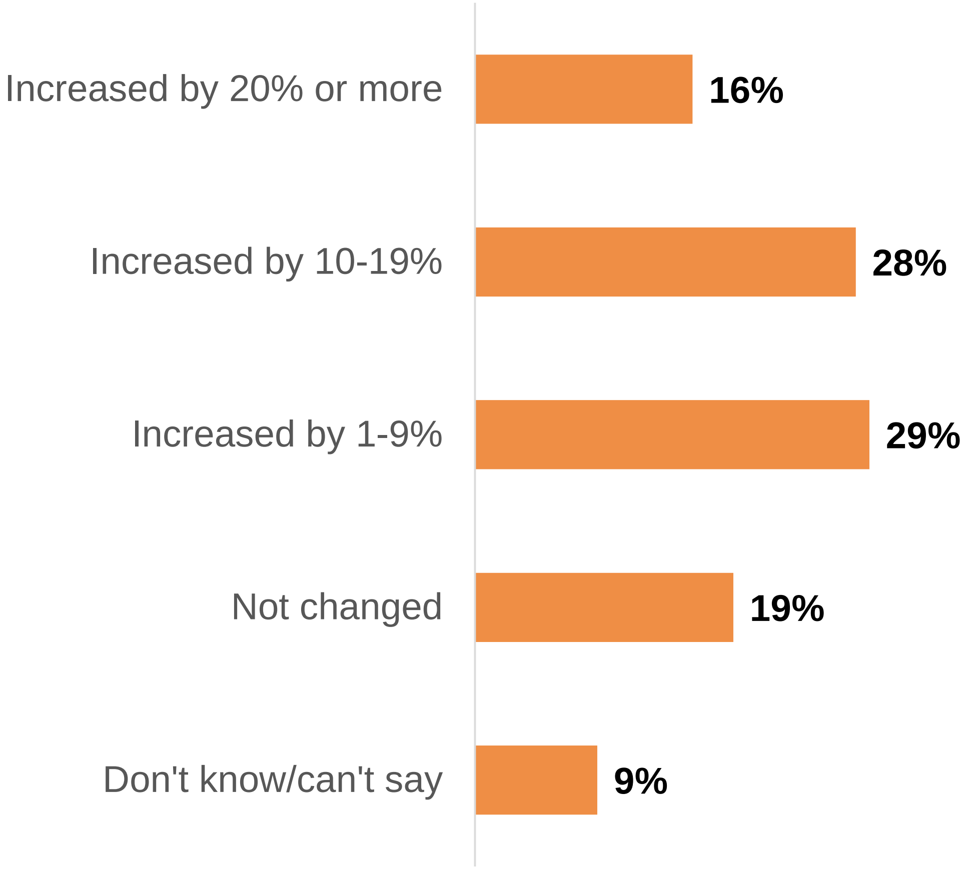
48% of clients run social media insights activity in house



- AMEC's client facing members were asked what proportion of **clients run their own social media insight activity in house**
- Overall, members estimate that around half (48%) of clients carry out in house social media insight measurement of some kind
- The highest estimate is reported by members in Asia Pacific/Australia/New Zealand (70%), with the lowest in Central and Eastern Europe (28%)
- Across all members, 38% say they are seeing a growing trend for clients to run social media measurement in house

Base: All except in house (69) Approximately what percentage of your clients are running social media insights activity in house?
Base: All (79) Q Please indicate how much you agree or disagree with each statement. Don't know/blank % not shown

Volume of social media business

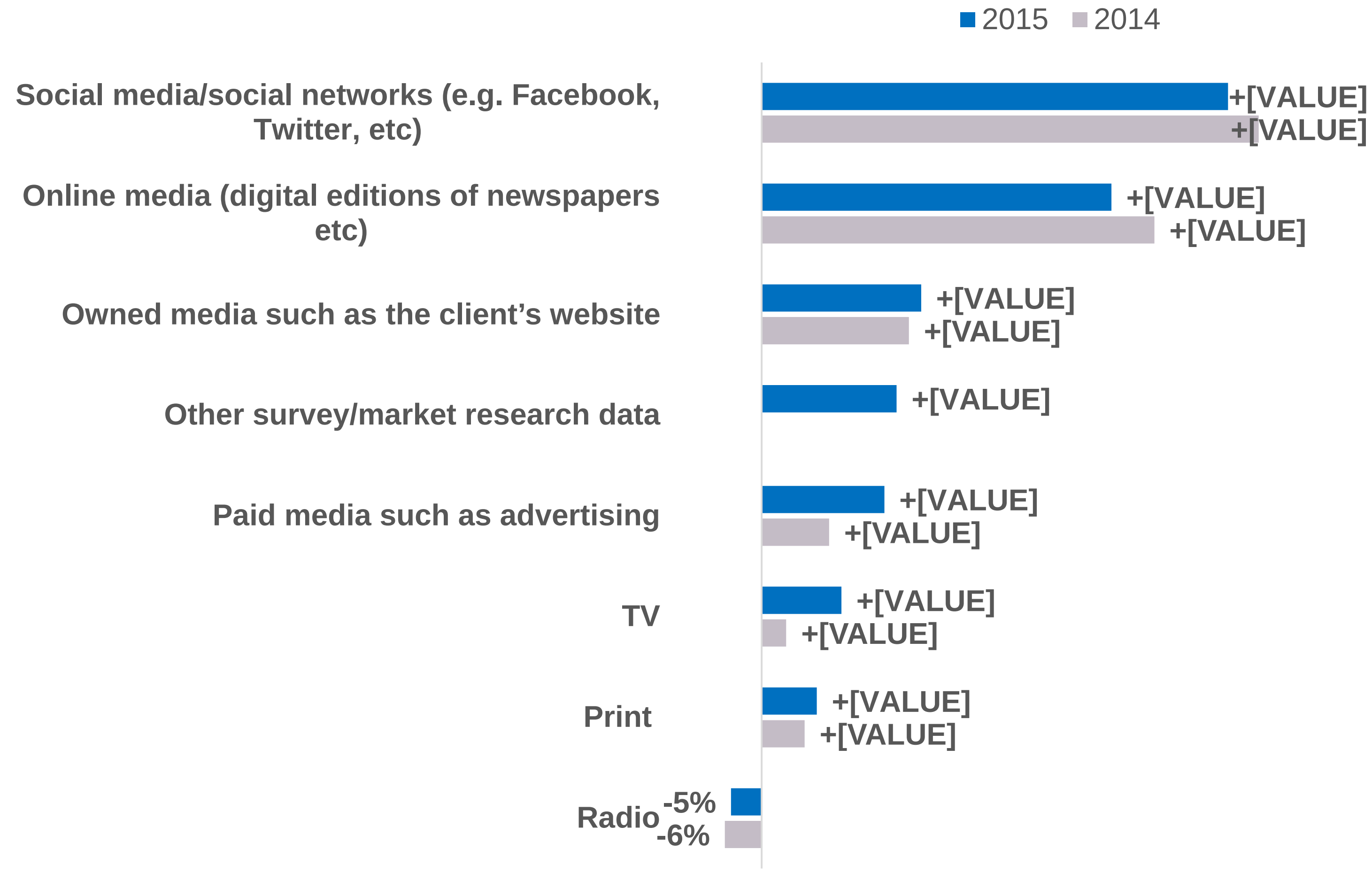


- Despite the trend for clients to take on more social media insight activity themselves, many client-facing AMEC members report **rapid growth in their social media measurement business** during 2014 when compared with 2013
- Overall, 73% report an increase in their social media measurement business, with 16% saying this reflects *an increase of more than 20%,* and 28% saying they have seen volumes *increase by 10-19%*

Base: All except in house (69) Q In year ending 31st December 2014, how did the volume of your social media measurement business compared with the previous 12 months?

Change in client demand

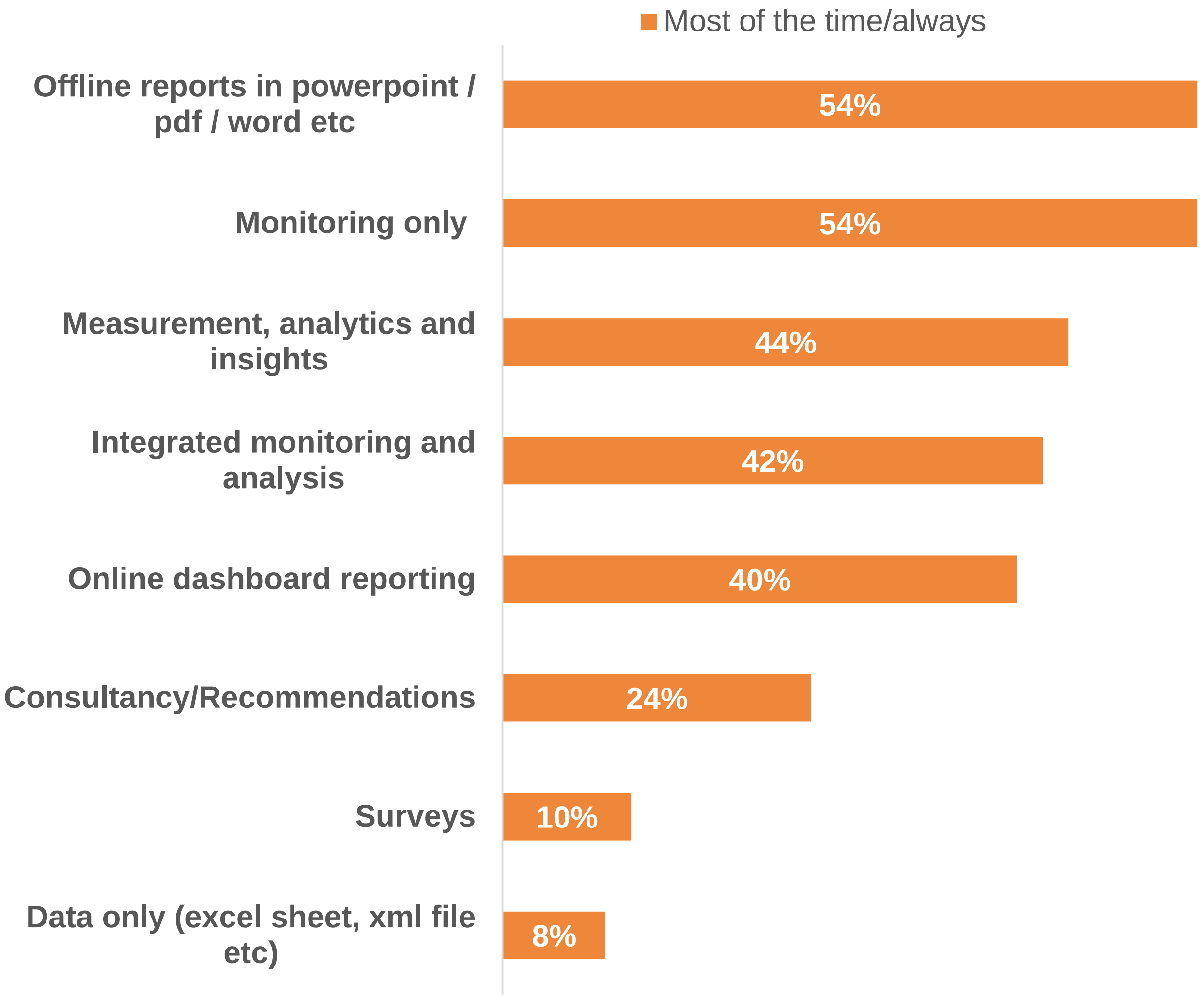
% net increase (% increase minus % decrease)



- 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
- Members continue to report strong **growth in demand for measurement** of *social media* and *online media*, as in 2014
- Members also report growing demand for all the other types of media channel except for *radio* where demand is shrinking, as was the case last year

Base: All (79) 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

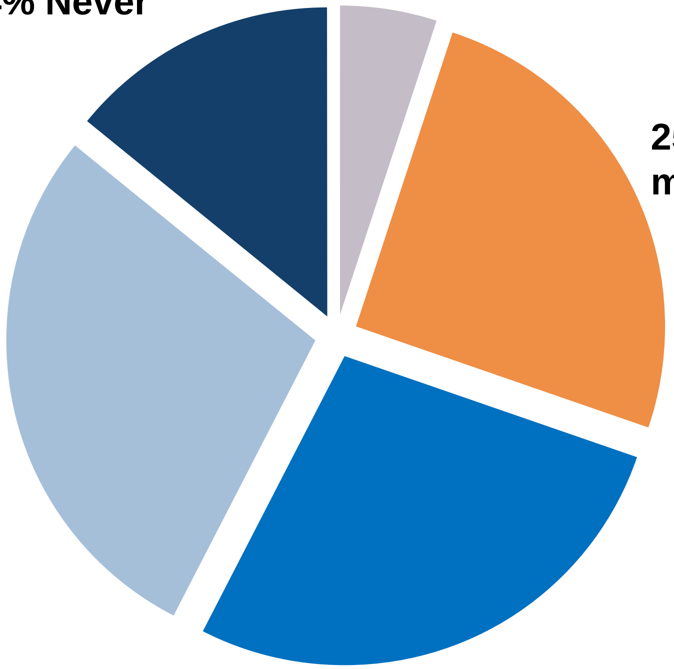


- Measurement and analytics service providers in the AMEC membership were asked about the kind of **service mix** clients request, specifically the kinds of **outputs** clients receive
- The two most common output formats are *offline reports* and *monitoring only* output, followed by outputs that combine *measurement, analytics and insight*

Base: All measurement and analytics service providers (50) Q Thinking about your service mix, how often do your clients receive the following types of output as part of the service provided by your organisation?

7. The Role of AMEC

Barcelona Principles

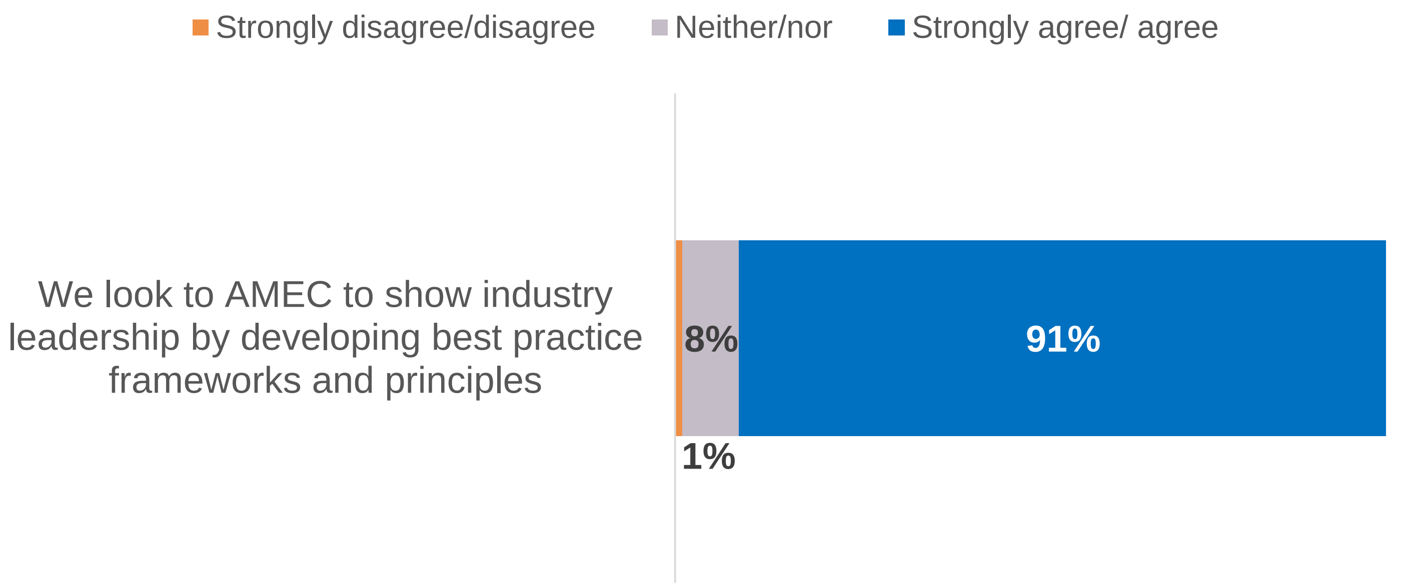


- Three in 10 AMEC members say that the Barcelona Principles are always or usually **referenced in new business discussions/ RFPs/ tenders,** and a further 27% say this happens *some of the time*
- However, a total of 42% say the Barcelona Principles are mentioned *only rarely* or *never*
- In 2014, 47% of members said the Barcelona Principles were always or usually mentioned. The 2015 figure of 30% is considerably lower, but the question wording has been modified and this may have affected the way it has been answered
- The table below lists the main reasons why the Barcelona Principles are not always/usually referenced

Reasons for not referencing Barcelona Principles	Base: 54
Do not expect clients to understand/be interested	37%
Clients want to stick with use of AVEs	22%
Use own set of values instead of Barcelona Principles	13%
Do not understand Barcelona Principles clearly enough	4%
Other	31%

Base: All (79) Q How frequently do you find the AMEC Barcelona Principles are referenced in new business discussions/RFPs/tenders?
Base: All not usually referencing BPs (54) Please indicate below why you do not reference the Barcelona Principles all/most of the time in your new business discussions with/proposals for clients?

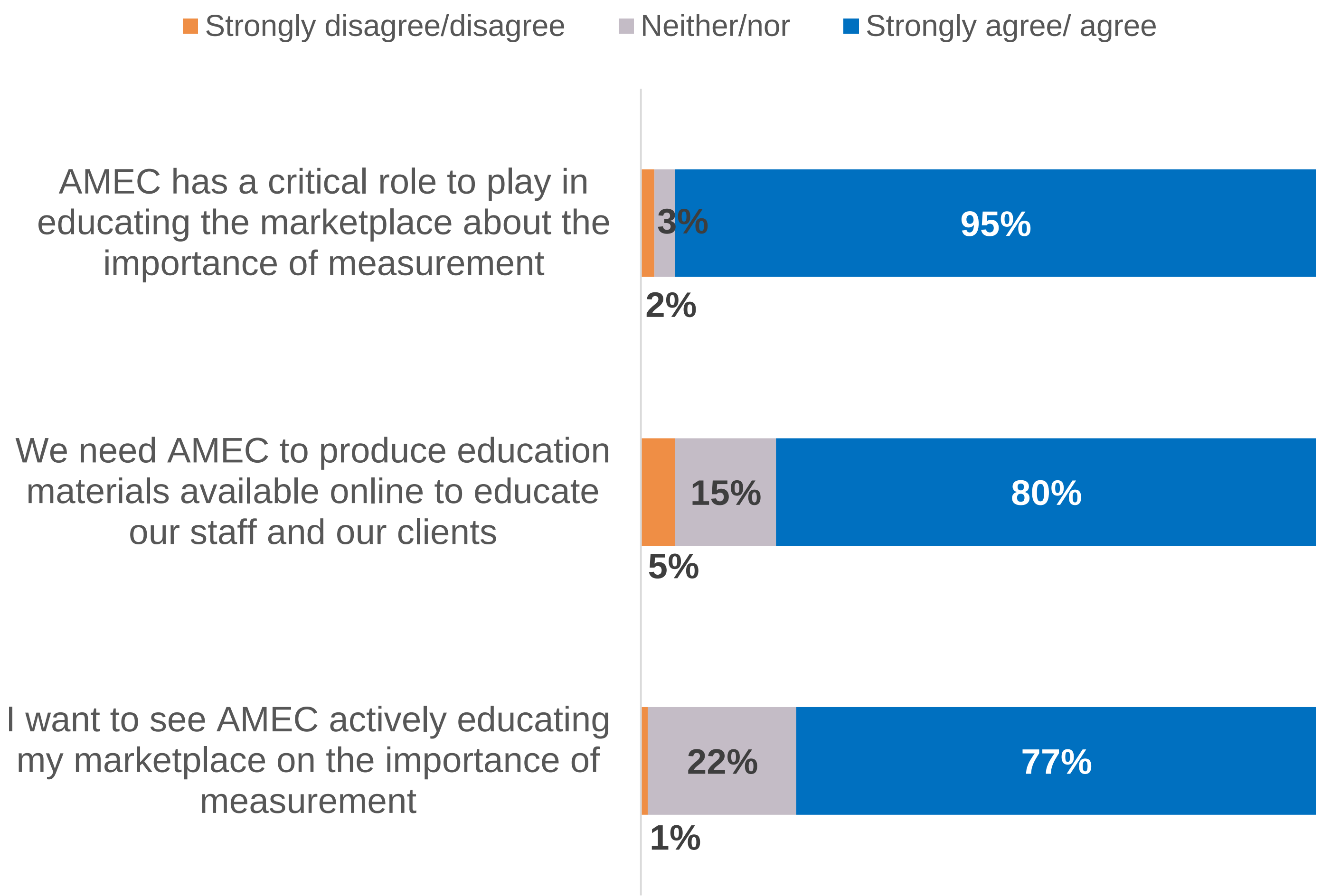
Best practice frameworks and principles



- Most AMEC members (91%) agree that they look to AMEC to **show industry leadership by developing best practice frameworks and principles**

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

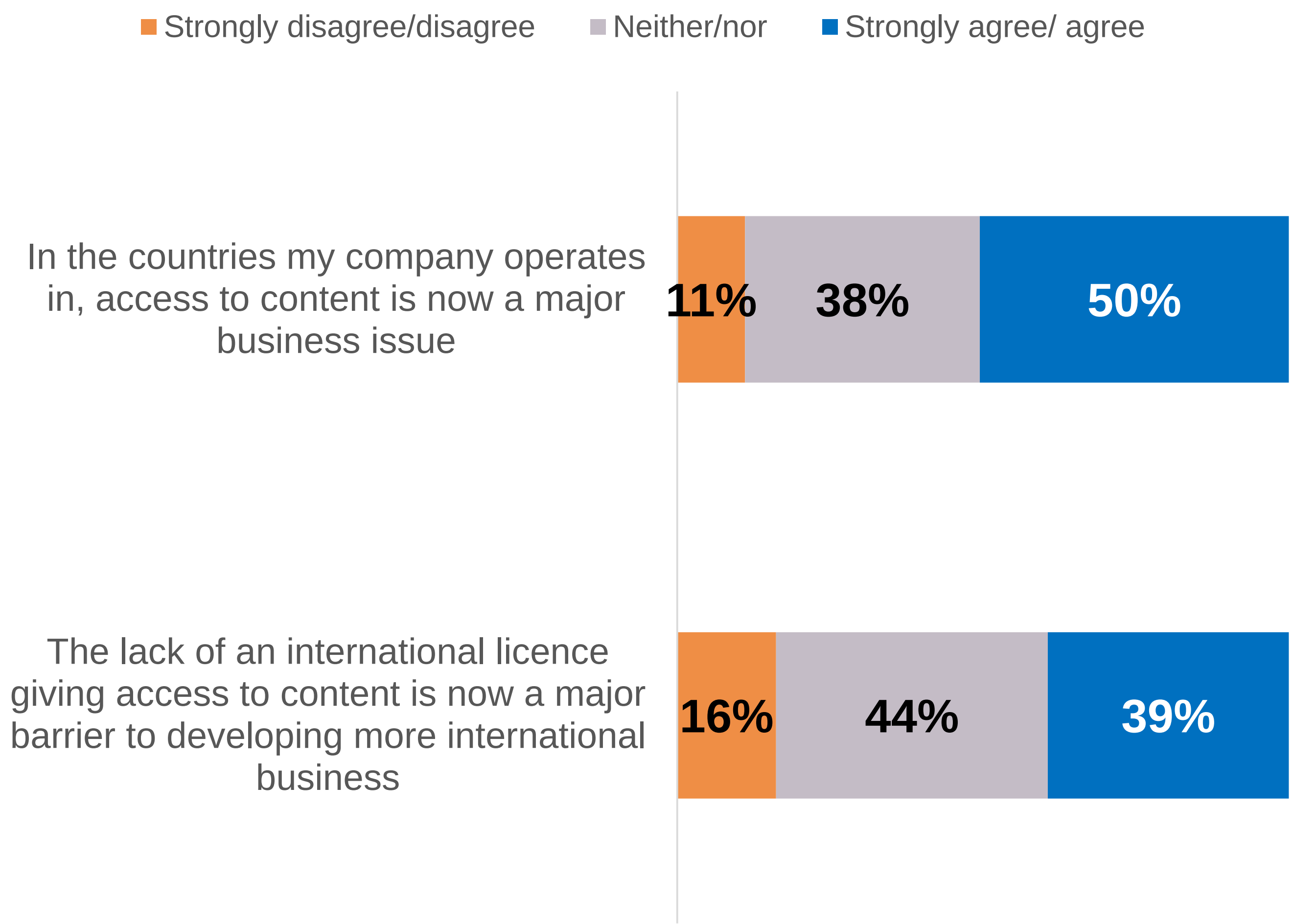
Educating the market



- AMEC members feel strongly about the organisation's role in educating the market:
  - 95% agree that **AMEC has a critical role to play in educating the market about the importance of measurement**
  - 80% agree that AMEC should **produce online materials which can be used to educate staff and clients**
  - 77% want to see AMEC **play an active role in educating the market on the importance of measurement**

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

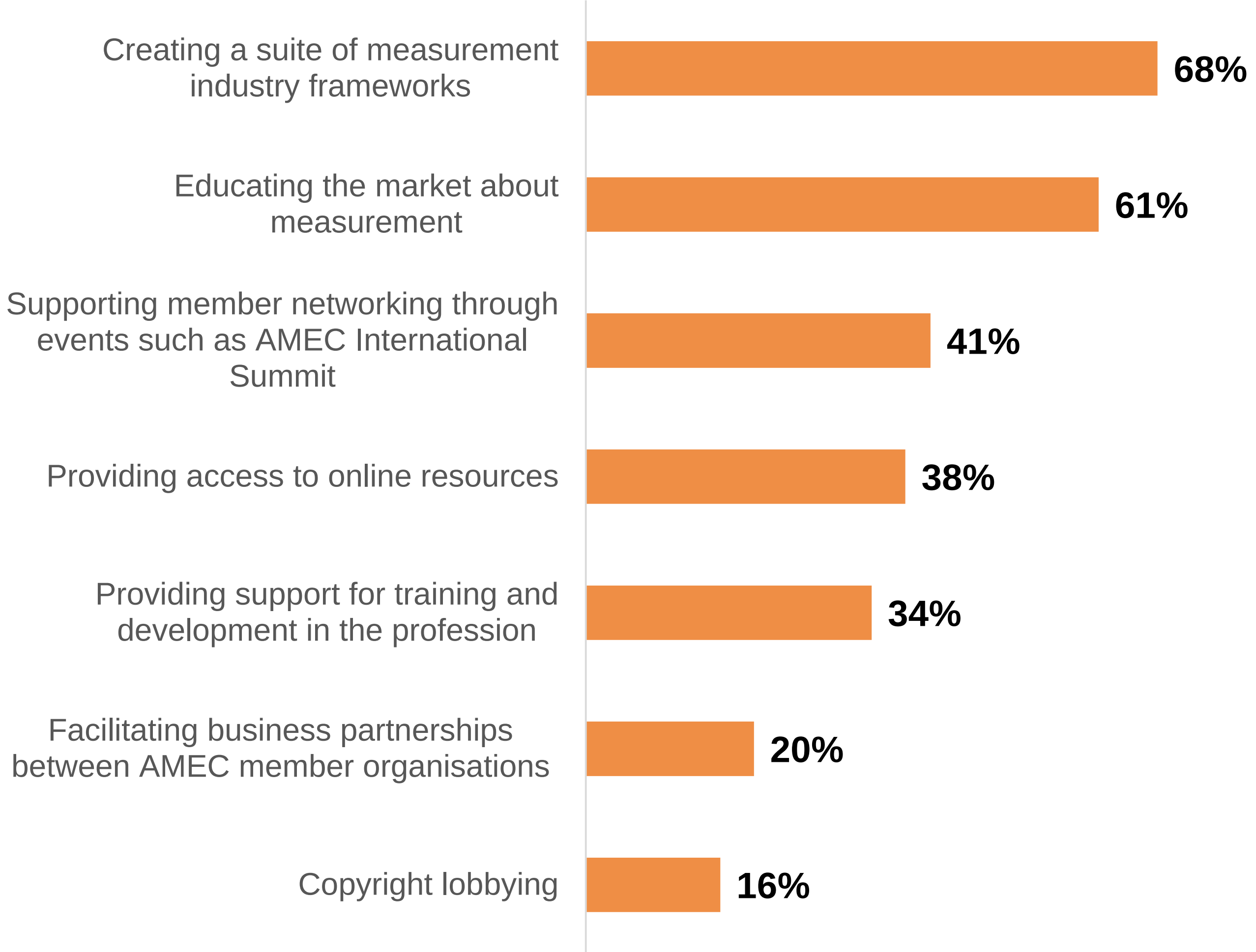
Content licencing



- Half of all members agree that **access to content is now a major issue in the countries they work in** – a similar proportion to the 2014 survey, when 52% agreed
- Members based in North America (63%) and Central/Eastern Europe (63%) are most likely to agree, whereas those in regions such as the Middle East, Africa and Latin America (0%) and Asia Pacific (34%) see this as less of an issue
- In total, 39% of AMEC members feel that **the lack of an international licence giving access to content is now a major barrier to developing more international business** (35% in 2014)
- The lack of an international licence is most likely to be seen as an issue in Central/ Eastern Europe (63%) and least likely to be a concern in Asia Pacific (0% agree)

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each of these statements

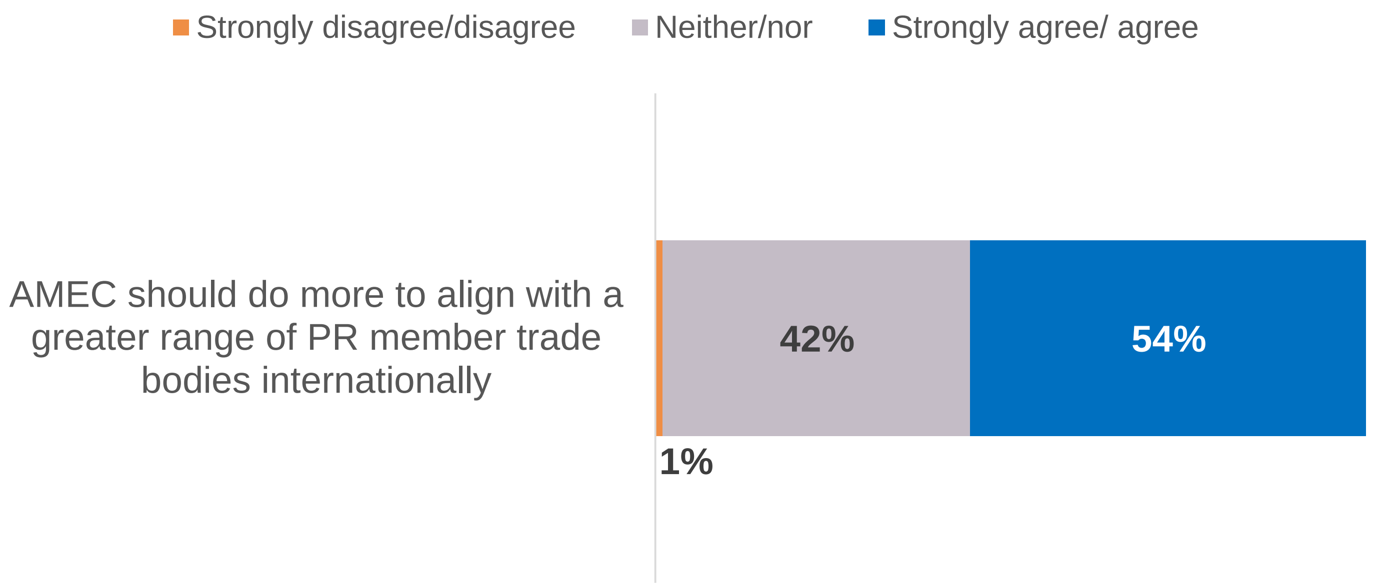
Priority areas for AMEC to support member businesses



- Members were asked to select the **top three priority areas for AMEC to focus on** in order to help them conduct their business
- *Creating a suite of measurement industry frameworks* tops the list, selected by 68%, followed by *educating the market about measurement* (61%)
- The lowest priorities for members are *copyright lobbying* (16%) and *facilitating partnerships between AMEC members* (20%)

Base: All (79) 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?

Alignment with PR trade bodies

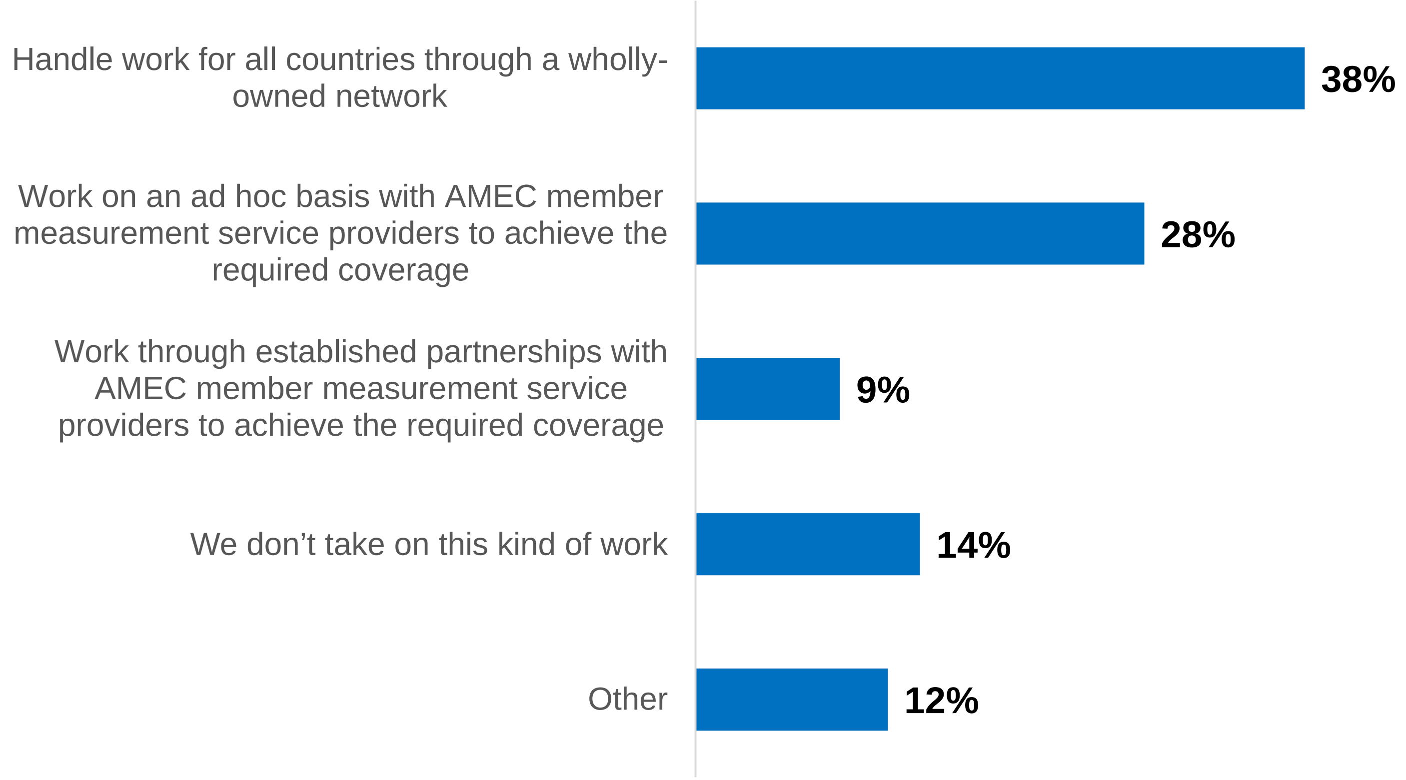


- More than half (54%) think AMEC should do more to **align with a greater range of PR member trade bodies** internationally
- Members in PR firms (69%) and in house roles (70%) are more likely to agree with this than those in other types of AMEC member organisation

Don't know/blank % not shown
Base: All (79) Q Please indicate how much you agree or disagree with each statement

8. Working with industry partners and suppliers

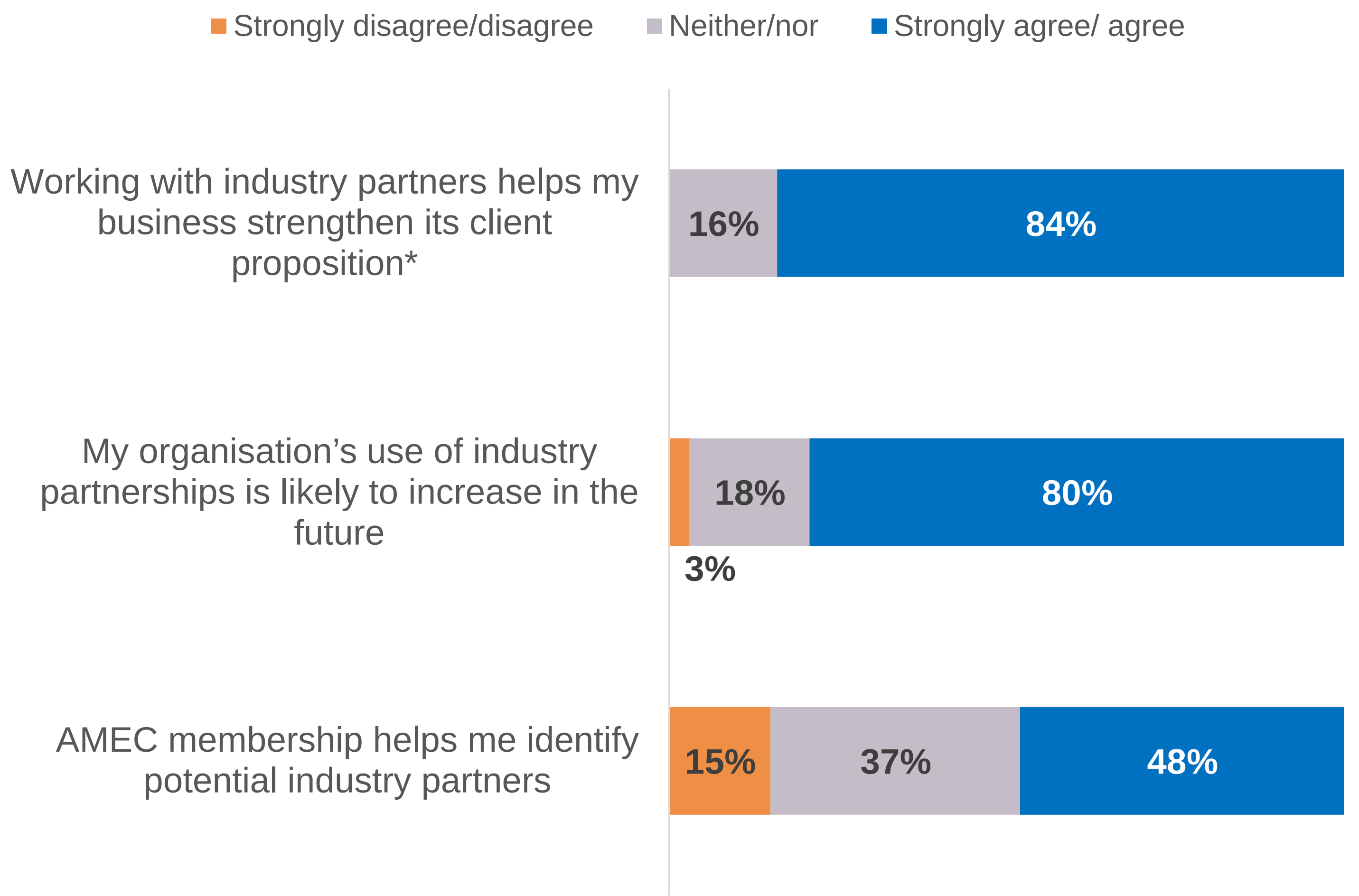
Responding to a global RFP/tender



- More than a third (38%) of AMEC’s client-facing members say they **respond to a global RFP/tender** with the intention to *handle work for all countries through an existing wholly-owned network*
- A similar proportion of members *work with other AMEC member measurement service providers to achieve the required international coverage*, either on an ad hoc basis (28%) or through established partnerships (9%)
- Members based in North America (73%) or with a global spread (70%) are most likely to have access to a wholly-owned network, while working on an ad hoc basis with other AMEC members is the most likely solution for members in Asia Pacific (67%) and Western Europe (42%)

Don’t know/blank % not shown
Base: All except in house (69) Which of the following best describes how your business responds to a global RFP/tender from a client?

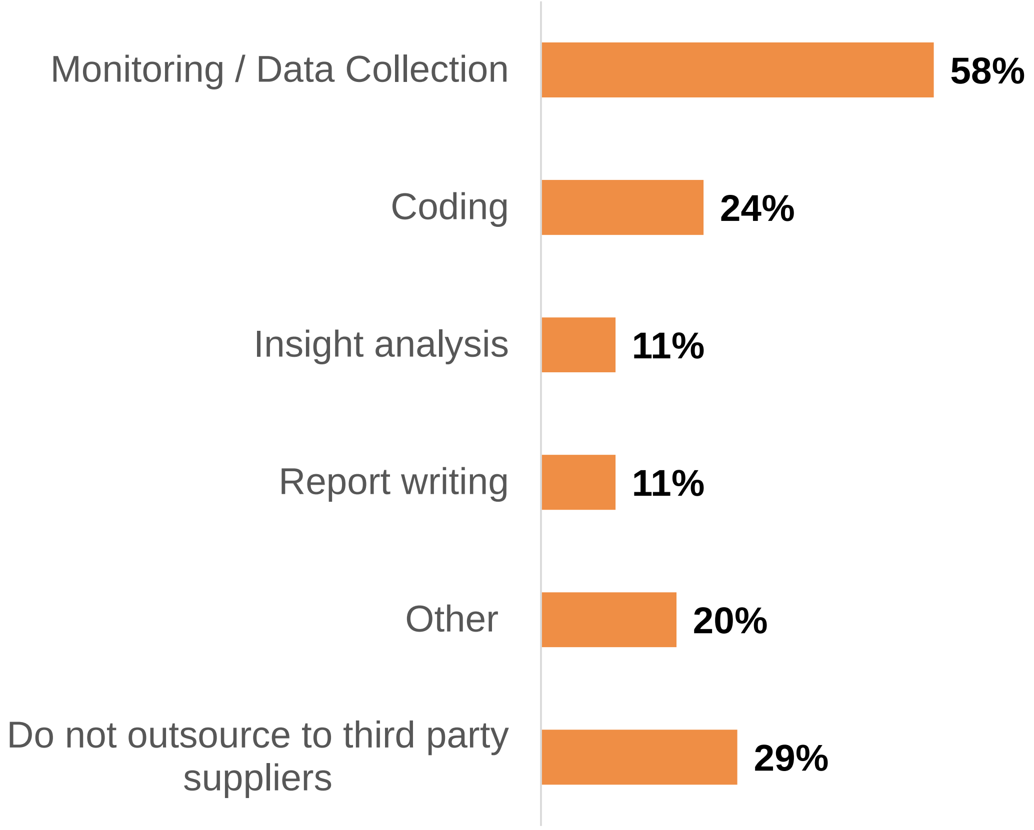
Value and growth of industry partnerships



- Most client-facing members (84%) agree that **working with industry partners helps to strengthen the business proposition**
- Across the membership as a whole, **the use of industry partnerships is expected to increase in the future** in most cases (80%)
- Membership of AMEC is seen as a helpful way to **identify potential industry partners** by 48% of members

Don't know/blank % not shown
*Base: All (79), except * All except in house (69) Q Please indicate how much you agree or disagree with each statement*

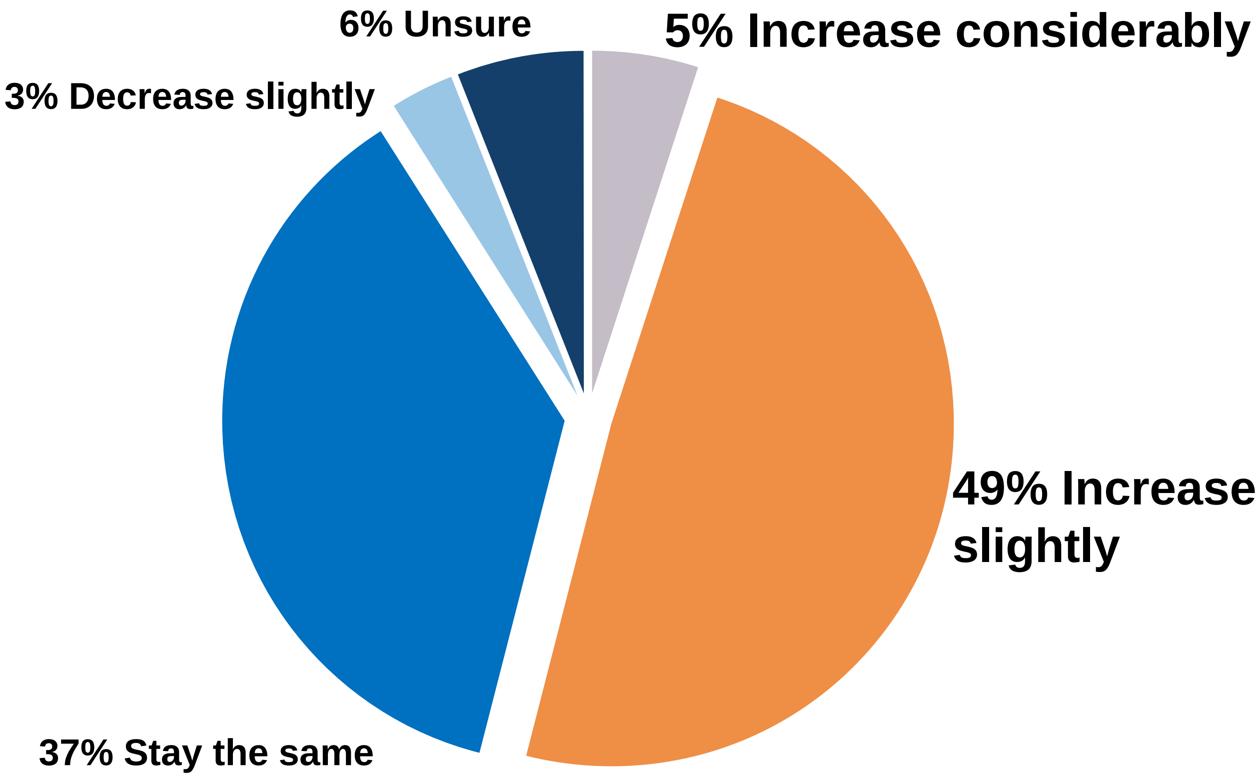
Outsourcing



- Seven in ten (71%) AMEC members **outsource** at least one aspect of their business, compared with 66% in 2014
- As in 2014, members are most likely to outsource **monitoring/ data collection** and/or **coding**
- PR firms are most likely to outsource at least one aspect of their measurement and analytics activity (89%) followed by in house teams (80%)
- Meanwhile, management consultants/ market research firms (50%) and specialist measurement and analytics providers (64%) are less likely to rely on outsourcing

Base: All (79) Q Does your organisation currently outsource the following to third party suppliers?

Anticipated change in use of outsourcing



- More than half expect to **increase the extent of outsourcing** in the next year or two – 5% considerably and 49% slightly
- Only 3% of members anticipate a decrease in the level of outsourcing

Base: All (79) Q How is your level of usage of third party suppliers likely to change in the next year or two?

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

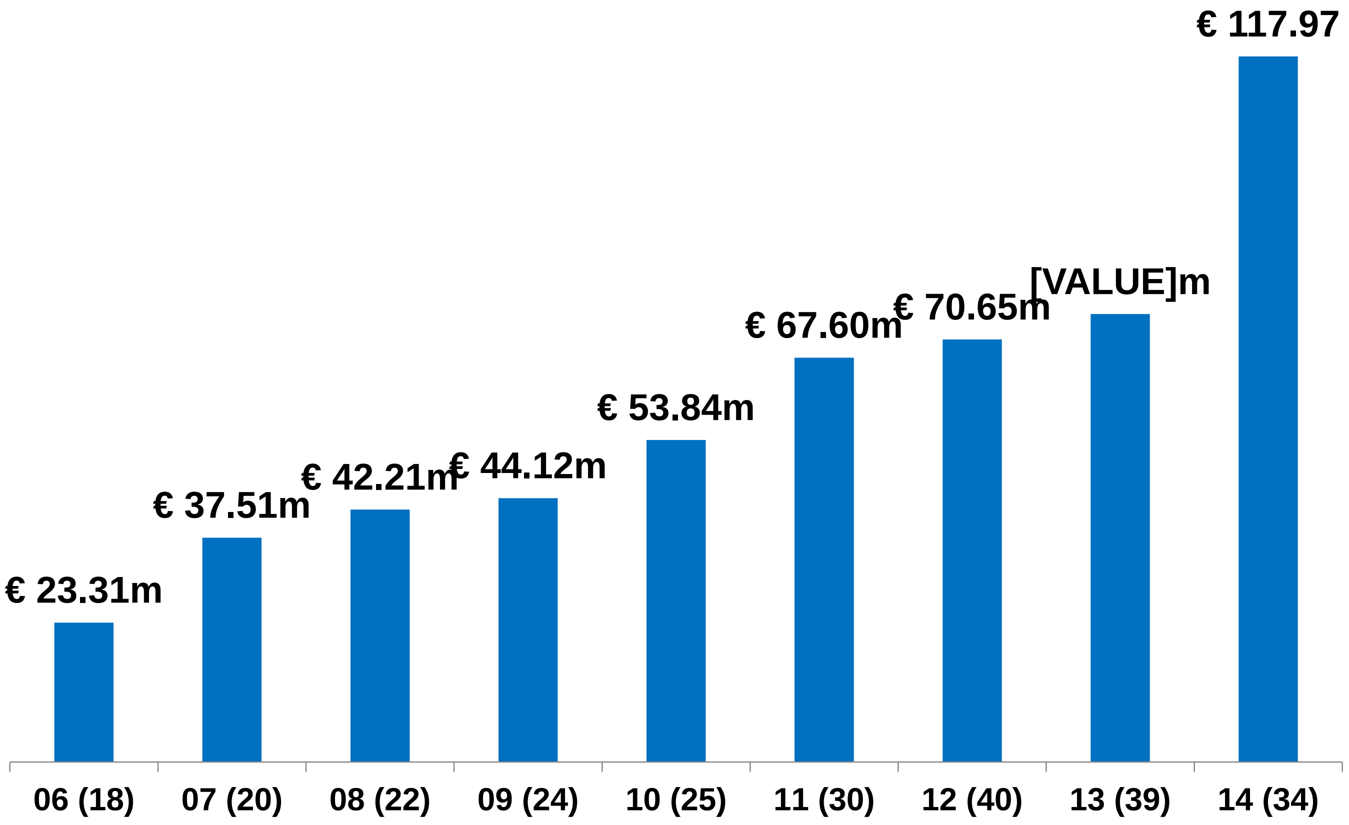
- Members could choose to opt out of the financial benchmarking questions to avoid conflict with Sarbanes-Oxley
    - In total, 34 of the 79 participating member companies provided financial information (43%)

- 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

- Consequently, we need to be more cautious drawing year-over-year comparisons

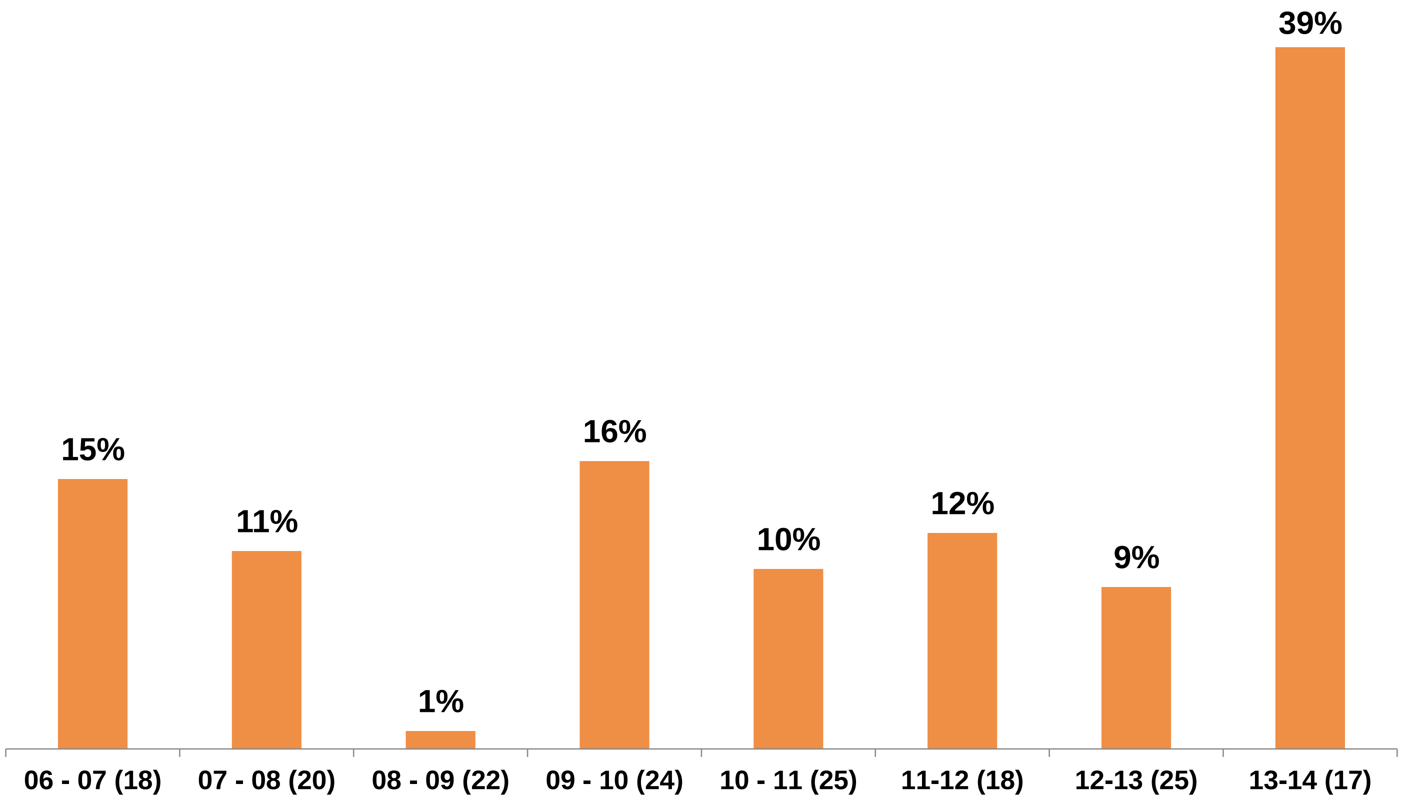
Overall income



- The **total income** reported by the 34 AMEC members answering this question in 2015 is **€117.97m**
- This figure does not include the same basket of AMEC members each year, and excludes the 45 survey participants who did not provide financial information
- The total income figure for 2015 reflects ongoing industry growth (as seen in previous surveys)
- The leap in total income when compared with the 2014 survey is influenced by the impact of industry consolidation and the inclusion in the 2015 figures of some large organisations which have not participated in the survey in recent years

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 2014

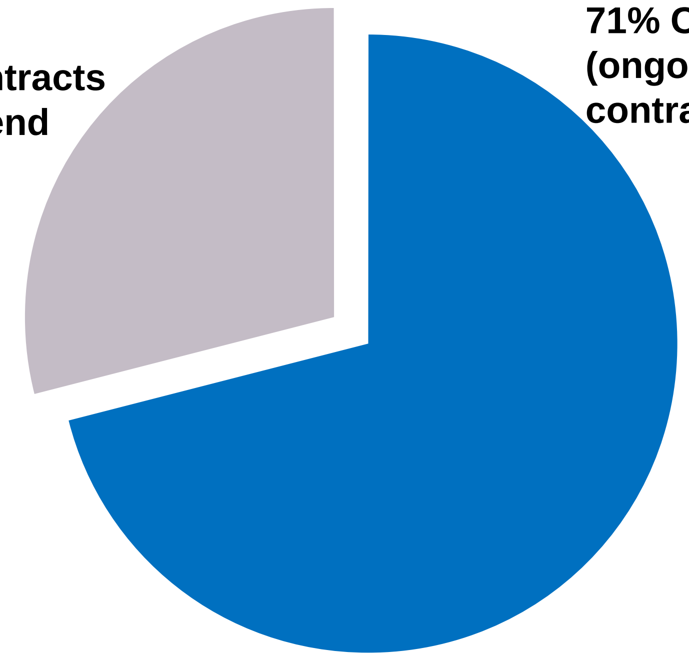
Growth over time



- This chart shows the **average year-over-year growth in income from research and insights work** across AMEC membership as a whole (where data is available)
- The average increase for each period is calculated only on the basis of member companies who provide data for both time periods in the equation (e.g. reported figures in both 2014 and 2015 surveys). The number of member companies in each annual calculation are shown in brackets
- It is likely that some of the reported growth in 2013-14 is the result of industry consolidation
- In the 2013-14 period, income across 17 member companies reporting for both years is 39% higher year-over-year
- When the three largest organisations are taken out of this calculation, growth still stands at a relatively high level of 26%

Base: All members providing income figures for both years in the calculation – base sizes in brackets. 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 2014

Continuous vs ad hoc work

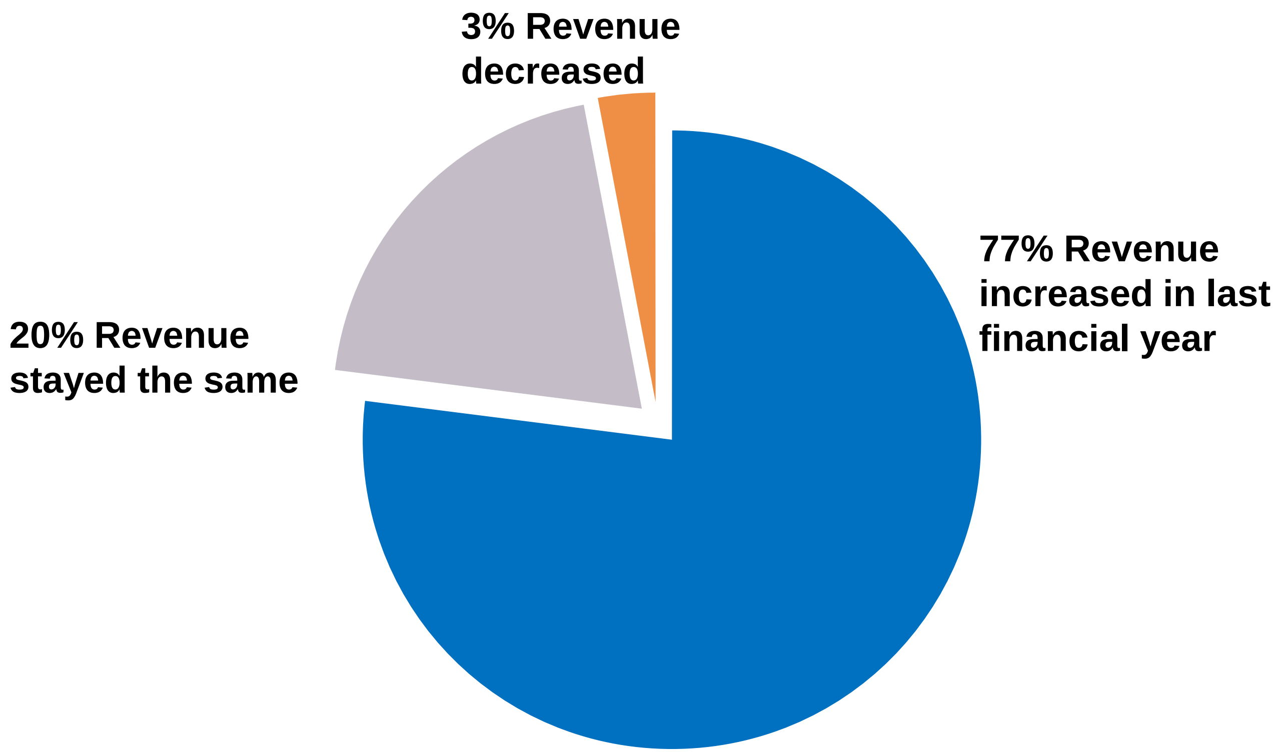


- In total, 71% of business undertaken by AMEC members reporting figures for 2014 is classified as **continuous work**, with the remaining 29% classified as **ad hoc**
- The proportion of ad hoc work is considerably higher than at any point since the survey was first carried out in 2008 (see table below)

Survey year	08	09	10	11	12	13	14
Continuous	81%	81%	80%	84%	80%	83%	71%
Ad hoc	19%	19%	20%	16%	20%	17%	29%

Base: All members providing income figures (34) Q Please indicate the percentage of all measurement and insights business undertaken in 2014 as continuous work? By continuous work, we mean ongoing renewable contracts. Q And now please indicate the percentage of all research and insights business undertaken in 2014 as ad hoc projects? By ad hoc projects we mean contracts with a fixed end date.

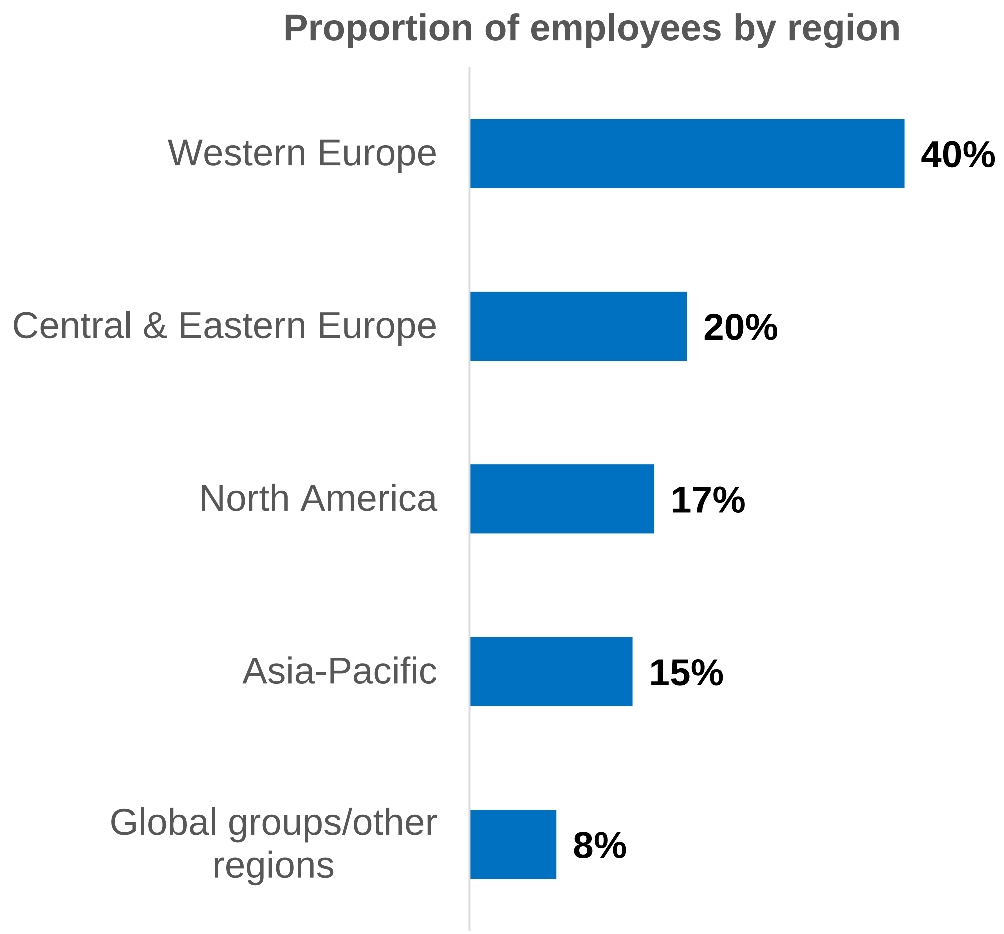
Revenue growth



- More than three in four (77%) of those members who indicated how their **total revenue** changed in the previous financial year said it had *increased*
- 20% say revenue was unchanged and just 3% report a *decline* in revenue
- In the 2014 survey, 71% reported increased revenue and 10% reported a decline

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 size

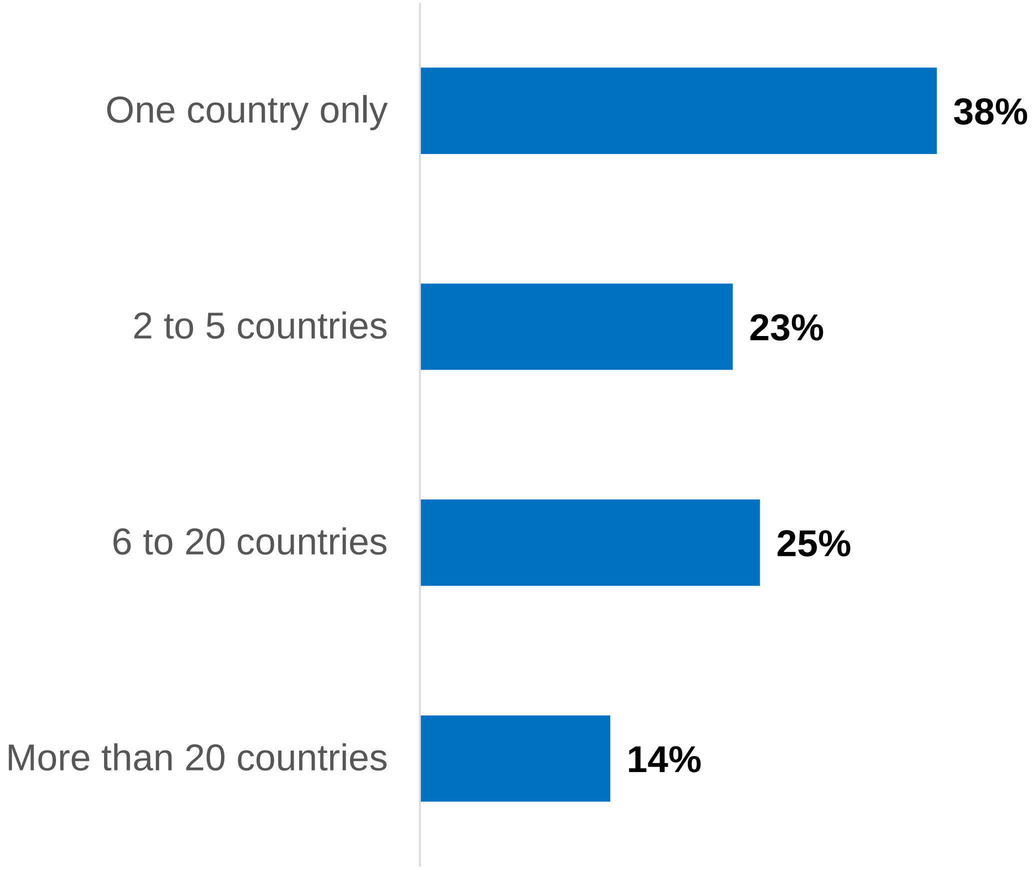


- In total, 34 AMEC members answering the question employed 1,343 **full-time equivalent payroll employees** on measurement business on December 31st 2014
- Two in five these employees are based in Western Europe
- One in five are based in Central/Eastern Europe and 17% are based in North America
- Around a third of AMEC members (35%) have up to 10 employees, while 47% have a workforce of 11-50 and 18% employ more than 50

Base: All answering benchmarking questions (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 2014

Operational locations

Countries where operating



- Overall, 38% of AMEC members answering the question have **operations** in only one country while 23% are based in 2-5
- Four in ten (39%) have operations in more than five countries

Base: All answering (77) Overall, in how many countries does your organisation currently have operations?

amec World Media Intelligence and Insights Study 2015

For further information on the survey:

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