

gems

INSIGHTS FROM EMERGING MARKETS
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Dear Readers,

The last quarter saw another feather in the cap of the emerging markets as Li Na, the Chinese tennis player, became the first ever Asian to win a grand slam title. One by one the Chinese have conquered the world of sports and the few areas such as tennis and track and field which have traditionally been their areas of weakness are now seeming to be within their reach. While India has yet to discover its sporting prowess, in the game of cricket it has emerged a winner as demonstrated by the country's World Cup win. However the Indians will be foolish to rest on their laurels, as Chinese who so far have confined their attention to another kind of cricket (the traditional sport of cricket fighting is alive and enthralled the Chinese even now) are now starting to take interest in the game of cricket!

Emerging markets continue their inexorable march forward and are becoming the bulwark of the global economy, preventing it from sliding over the precipice. In such a situation we have been conscious that it is a misnomer to label them as emerging markets (and that is the reason that we at TNS collectively refer to them as rapidly growing and emerging markets). It is widely forecast that China's economy will sooner or later overtake the American economy – in fact some say that it has already done so on a PPP (purchasing parity) basis. The real question is when, if at all, it will overtake Western developed economies in terms of per capita GDP or income, giving the Chinese consumers the same standard of living as their Western counterparts. It is surprising that no one ever comments on this and the might of China is seen as frighteningly formidable even when it ranks around one hundredth in the world in terms of per capita income. Will China and India be content merely to become the largest economies in

the world on the strength of their massive populations? Clearly not – the consumers in these countries have high aspirations and want to enjoy the same lifestyle as Western consumers.

While the aspirations of the emerging market consumers are understandable, it is widely recognised that their increased consumption cannot be as energy-intensive and cannot have the same degrading impact on the environment as in the developed world. The United States today has around 800 cars per thousand people, whereas China only has 50. The planet does not have the capacity to manufacture and absorb the number of cars that will take the Chinese and the Indians to the same level of ownership as in the developed world. The Innovation abilities of companies and governments will be tested to the hilt to meet the desires of the emerging consumers. We at TNS are focused on helping marketers enhance the quality of life in emerging markets

by enabling them to understand their aspirations and preferences. In this issue of GEMS we talk to you about some of the ways in which we are attempting to do this.

We hope you enjoy these insights from emerging markets.



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teens

Connecting with Teens in Emerging Markets

While the rationale of addressing teens in marketing communication is obvious, the apparent cultural diversity of the cohort across different markets often poses a challenge to marketers. TNS has been studying teens all over the world as a part of the global TRU program. Our research indicates that while specific local conditions – developmental, cultural and economic – mean that connecting with teens in emerging markets requires sensitivity to cultural nuances, technological connectivity has also brought about a shared outlook on life. While marketers need to localize their executions, their themes can be global, appealing to the shared values of teens across the world.

There are, generally, three good reasons why brands should be talking to teens. First, they have impressive buying power – globally they spend US\$750 billion every year. Second, they have a growing influence on the purchase behavior, not just of their peers, but of the wider community. And third, this is the formative stage of their consumption behavior. They are the mainstream consumers of tomorrow. Connecting with them now is a bit like being able to see over the horizon.

Add to this compelling case for increasing connection to this cohort the fact that emerging market teens comprise a significant proportion of the population in many markets and are riding a wave of economic boom representing an exponential opportunity for marketers.



Life-Stage Commonalities

The question arises when thinking about how to connect to emerging market teens, just how different or similar are they from those in more developed markets? Are there marketing heuristics for instance that can be applied to teens irrespective of provenance?

Certainly there are commonalities that connect teens across the globe – irrespective of whether they hail from a developed market or an emerging one. For instance, adolescence is a life-stage and, as we know, elements of life-stage transcend time and place. Life for teens everywhere is a balancing act between self-expression and conformity, affiliation and individuality, fun and responsibility, friends and family, respect and irreverence, and rebelliousness and safety.

Yes, today's teens are much the same as previous generations – they worry about school, career, friends, family, about being popular and accepted – about discovering who they are.

Cultural Differences

It would be safe to say that there really is no homogeneous entity called Asia. Despite certain similarities – especially amongst the Confucian countries – culturally, socially, and linguistically, many developed and emerging markets in Asia are as different from each other as they are from Europe or the U.S. On the one hand one might expect a degree of diversity loss with globalization. On the other, increased globalization also fosters a desire to reconnect to, commune and protect what makes a society unique and distinctive: It's about identity and roots, and should not be underestimated as a powerful social force. It is the stuff of national football teams and chauvinistic chanting at mass rallies.

Thus, specific local conditions – developmental, cultural and economic – mean that connecting with teens in emerging markets requires sensitivity to cultural nuances. If you grow up in a particular culture you are naturally going to carry the imprint of that culture in your personality, your attitudes and ultimately in your behavior. This raises two questions – how wide are the gaps? And what can brands and marketers make of all this?

Cultural Convergence

The difference between Millennials and previous generations is the speed at which cultural convergence is taking place, enabled by unparalleled access to technology. This is not just the first truly global generation; it is the first multi-cultural generation. It is a generation that has developed, in spite of geographical disparity or inherent cultural differences, a shared world view and set of experiences. Values are closer, the desirability of certain objects, the need to connect and share – is as strong in emerging markets as it is in developed markets.

Connecting with Teens in Emerging Markets

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Three Points of Connection to Emerging Market Teens

There are numerous points of connection that can be made with emerging market teens. Here are three. First, what are the issues or causes that resonate with emerging market teens, around which they can be mobilized? Second, who do they admire? And finally, what are some of the values that we can identify, around which brands can increase their emotional connection?

one

ISSUES AND CONCERNS

Emerging market teens are acutely attuned, as are other teens, to the big picture issues facing them and the world, e.g. education, the economy, and climate change are the top three concerns.

Additionally, each market also has its own peculiar concerns, be it poverty and terrorism in India; AIDS, abortion and women's rights in Thailand; or drugs, crime and gangs in the Philippines.

Compounding these global and local concerns are the new 'terrors' peculiar to a generation that has acquiesced to having the very innermost secrets of its intimate life writ large for all to see on the Internet – online bullying, fears for safety and privacy of self and loved ones (four in 10 are concerned about these).

two

SPORTS AND CELEBRITIES

In spite of the heady pace of globalization and the internationalization of many emerging market teens, in the areas of sports and entertainment it is usually the local stars who shine for teens. Primarily for the cultural reasons mentioned above, celebrities fail, on the whole, to cross borders.

Indeed in the area of TV and film there is not one star that emerges with regional appeal. At best one can make a case for sub-regional appeal, say with the likes of a Jackie Chan, who is the favorite star amongst China teens (29%), and also has a level of appeal in the other 'Chinese' markets of Hong Kong and Taiwan.

Of course, sport (in particular football, and to a lesser extent basketball) provides teens with some common cause for celebration as international teams in both leagues are followed around the globe. And so it is someone like David Beckham who is the only star (of any genre) to have some level of appeal in every market.

three

VALUES

For emerging market teens, friends are important, but family is critical – often to survival and success in the world at large. Teens recognize and respect this dynamic.

Owing to the hegemony of American exports, especially in the area of popular culture, we are pre-programmed to imagine the 'typical' teen as a cross somewhere between James Dean and Kurt Cobain. Nothing could be further from reality in emerging markets. There is no rebellion or revolt against parents or society.

Freedom of expression is fine; so is the pursuit of individuality. But in most emerging market cultures, these must be pursued – inasmuch as they are – within the closely knit communities of family, friends and society. Being ostracized or even isolated from the body politic, even if it's 'just a phase,' is not something emerging market teens even contemplate, let alone desire.

Standing-out-while-fitting-in would best describe teens' relationships within the interdependent weave of family and friends.

Conclusion

Asia's cultural and linguistic diversity between developed and emerging markets throws up challenges for marketers looking for that cross-border X-factor for their brand. Brands will do well to understand not only the differences between emerging teens and developed market teens, but also the commonalities.

In particular there is a need to leverage the technologies, such as social media, that are driving cultural convergence – teens around the globe are developing a shared outlook on life and a unified way of seeing the world, through common media usage and the availability of global experiences to all. This is a trend that brands and marketers will need to tap into to keep their brand relevant in an ever-changing world, and no more so than among emerging market teens.



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Informal Capitalism and How the African Consumer is Connecting to It



While the modern financial institutions struggle to win consumer trust, informal banking channels are thriving in Africa. Based on in-depth research by TNS RMS across several African countries, we present some insights into how banks and other financial institutions can learn from traditional lending groups to improve their appeal.

Merry-go-rounds

When Paul Okinda needed \$35,000 (Kenya Shillings 2.8 million) to open his Topz Bar in a Nairobi estate, he did not bother with banks. Instead he turned to the Chamas, an informal credit system rooted in African tradition and culture, but now supported by some formal

banks in the market. Without signing a paper or filling out a long list of forms, Mr. Okinda emerged from his monthly Chama meeting with the \$35,000 (Shillings 2.8 million) in cash.

For years development economists saw Africans' Chamas (Merry-go-rounds) as archaic tribal institutions that would die out with the rise of the modern economy. But now many economists see the Chamas as a highly efficient method of promoting grassroots capitalism and an instrument for facilitating financial inclusion of the majority.

In their original form, Chamas in Kenya allowed peasants to pool their labor, rather than their money. With the introduction of the money economy in the 20th century, the Chamas took on a financial character, as informal savings associations. Every month each member would contribute a fixed share into a "pot". In a 12-member group, each member would receive the pot once a year.

Alienated from Banks

It has been argued that banks in most of sub-Saharan Africa don't match the mindset of the people. Rather, they are still fixated on the old colonial-style financial structures that deliberately excluded the African majority. In Kenya, for instance, banks only lent to the Indian traders and merchants together with the European settlers (farmers and industrialists).

There have historically been high default rates of bank loans among the populations in African markets. Some of the reasons for default were unavoidable, but others were simply through the banks' lack of insightful understanding of their customers. In Cameroon, for example, bankers complain of loan default rates as high as 50 percent. But the paradox is that the Tontine (Merry-go-round) payments are taken so seriously that borrowers faced with default have been known to commit suicide.

Informal Capitalism and How the African Consumer is Connecting to It

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These Chamas, Tontines and “Contributions” work, economists say, because their loans are backed by social pressure, a system familiar to Africans. Banks perform poorly because their loans are backed by paper guarantees made to strangers, a concept alien to Africans.

Creditworthy?

Talking to bankers in most of the African markets, one gets an image of the borrowers being untrustworthy. Talking to Chama, Contribution Club or Tontine participants, one gets a picture of a fastidiously punctual and well-disciplined people. And herein lies the disconnect between the consumer and the business. The informal savings groups, built on trust, are generally made up of homogeneous groups – people from the same ethnic background (Kikuyu or Kamba in Kenya, Bamileke in Cameroon or Igbo in Nigeria), the same workplace or the same neighborhood.

“When people go to banks, they don’t feel that same urgency to reimburse the loan,” Okinda says. “If you don’t make your payment to the Chama, you are rejected by the community. If you are banned from one group, you are banned from the others.”

Indeed, several years ago, several Bamileke traders in Cameroon committed suicide because they realized that they could not make their Tontine payments.

The bylaws of one Tontine, called Njangi 85 of the Bamenda region of Cameroon, reveal a strictly regulated system. A fine of 1,000 CFA francs will be paid per minute of lateness to the monthly meeting (1 CFA franc = \$3.50). The system of graduated fines for late payment of the contribution culminates with expulsion of any member who is 24 hours late. How mutual trust coupled with social pressure prevents defaulting can act as a great lesson for the banks.

Opportunity for Private Sector?

The informal savings groups have metamorphosed to well

organized entities and now draw membership from countries as far as Europe and America. In Kenya for instance, there have been instances of people in the diaspora becoming serious investors through the organized Chamas. With uncounted millions of dollars flowing through this alternative finance system, Kenyans, Cameroonians, Nigerians and other consumers use the Chama credit for projects ranging from paying for a wedding, to buying a (matatu) taxi, to building a hotel. It is not rare in Cameroon to see a Tontine where the monthly pot is \$1 million. Interest-earning Tontines in Cameroon have catapulted many indigenous business people to great heights only otherwise possible through formal banks.



There is evidence of the organized sector seeking inspiration from this, as seen in the Trans Century Group, a renowned investment company which has heavily borrowed from the successes of the small Chama system and replicated the concept, albeit to a more sophisticated level.

The reality today remains that the faster the banks and the government recognize these potent economic stimulation vehicles, the easier it may become to pull most sub-Saharan

African consumers out of the bondage of poverty. In most of these countries, the Chamas, Tontines and Contribution Clubs remain legal despite the lack of support and policy framework to support them. What’s more, it is a general assumption that most Government officials are members of at least one Chama.

Recent market research studies on perceptions of banks don’t paint a rosy picture of the banks; “Banks are too expensive, too slow and too full of paperwork...Banks demand too many conditions – a property title, a guarantor, a certificate of guaranteed future salary earnings, insurance”. The frustration has driven the people to seek alternative ways of getting along. The informal systems are now growing and banks have now recognized the missed opportunity. Partnering with these informal groups would be a strategy that the banks could consider employing.

Banks in Kenya have tried to keep abreast of the informal system. Several of these banks have introduced products that are geared to harnessing the massive resources of the Chamas. How successful this will be is yet to be fully established by independent research.

Understanding this phenomenon of consumers having developed their own ways of raising capital and bypassing the formal banking system provides powerful insights which the formal banking and financial institutions can use to develop their strategies to better connect with the consumers.



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tourism

The Emerging World of the Tourism Marketer

The Chinese (and the Indians) Are Coming!

As the world continues to be plagued by currency volatility, high oil prices, external economic shocks including natural disasters and political unrest, and limps towards what is certain to be a slow and painful recovery, one might wonder where the next piece of good news will come from... here is one such silver lining. According to a report by the UNWTO, international tourism is forecast to grow by between 4 and 5 percent in 2011. This is surely good news for the industry considering that developed economies like the US are forecasting GDP growth of only a couple of percentage points while others in Europe are fighting to stave off bankruptcy.

Tourism from emerging economies represents about 50% of an estimated 935 million annual global tourist arrivals. The cheer of course comes from China's projected 8% + growth, supplying a steady flow of outbound tourists. In fact it is not just the big city residents; consumers in Tier 2 China are also becoming more aware and able, leading to millions of new potential tourists. Cheer also emanates from India, with 6%+ projected GDP growth, making it the darling of several country tourism operators like the Singapore Tourism Board. With rapidly increasing visitation and spend (second only to the Chinese and the Indonesians), Indian visitors in Singapore spent a whopping S\$911 million last year. Not to forget Brazil, with a humble 4% GDP growth projection. Having secured the rights to host the World Cup in 2012 and the Olympics in 2014, it is not hard to imagine the frenetic economic activity and opportunity that will accompany these mega-events.

Developing "insight-based" Strategies

To woo the new tourists, in recent months we have all seen massive global branding campaigns, investments into significant infrastructure development initiatives (China and India), and aggressive travel export promotions from destination branding organizations, including countries,

regions and even individual cities. This emphasis on tourism promotion comes from the fact that tourism is such an important driver of inclusive economic growth, job creation, exports of services and community development.

Pregnant with promise as the industry is, the tourism marketer needs to get up close and personal with deeper consumer understanding, and not just in scraps and morsels but through careful integration of social context, consumer insights and decision making, as well as means by which to activate these opportunities through offering innovation and smart communications.

Digital and "brick and mortar" to Co-exist

The proliferation of media and availability of information have

all but made the consumer of today autonomous – it's now about sharing experiences and inspiring new ones, gleaned information from a wide range of printed and digital sources but narrowing these through advice from a close inner circle of influence, from family and friends. Pricing and comparisons happen next, with the World Wide Web providing a wide range of choices before purchase is finally made. A key word here is trust – there has clearly been proliferation of information and offers, but there hasn't been sufficient validation from consumers and this continues to be a key weakness for marketers. The most influential route to reach an individual traveller is via your website (awareness building) or via user recommendations – a significant market understanding piece completed in China for a global hotel major showed WOM from family and friends and online recommendations are significant influencers of decision making.

However the digital needs to co-exist in a mutually beneficial way with the brick and mortar. When online travel agents burst upon the scene a decade ago, naysayers believed that to be the end of the brick and mortar travel agent. Expedia's recent partnership with agents, where they assume the role of a supplier of inventory rather than as competitors, shows the power of the last mile and the importance of trust... something Ctrip realized and started utilizing years ago. At the same time, they will often use more traditional modes. A great example of innovation in a traditional area is Air Asia's use of 7-11 stores to distribute tickets in fast-growing markets.

Complex Needs of the Emerging Consumers

Travellers from emerging markets often want to see the key icons and the most popular sites and to pack in as much as they can. Travellers from China to Angkor Wat might complain if taken to a temple with no other participants – they want to go where the others are going. The 'tick list' is still important – but the list will be determined by what they know about the destination and where it sits in their 'travel imagination'.



The Emerging World of the Tourism Marketer

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European hotel operators as well as the Asian hospitality chains – Shangri La, Mandarin Oriental and Peninsula – are salivating at the thought of grabbing hordes of Asian customers expected to descend on Europe. However the Asian chains are brimming with optimism and confidence as they truly understand the ethos of service delivered in a truly Asian way – a sea change from the way “western” marketers and hoteliers have delivered the offer in the past.



A unique aspect of the Asian traveller is that they are more interested in acquiring mementoes and spending on things for themselves as well as their family and friends back home than spending on luxurious hotels and airlines. This allows them to share their experience with folks back home and also gives them bragging rights and status back home. Destination immersion does not generally extend to splurging on food and drink – anyway most travellers from emerging markets

(especially those with very distinctive cuisines of their own) are irresistibly drawn to food that looks and smells like food from home.

Many airlines and hotels see budget international business travellers (particularly if they are in Economy class) as low-yield, price-sensitive customers. Consumers’ annual incomes may be lower than in mature markets, but in the context of their lives and their reference groups, travellers from emerging markets are success stories – leveraging that and recognizing them as such can deliver real benefits.

Airlines with prestigious brands and who talk an emotive message about their success punch well above their weight and can charge more.

Prudence and Pride

Prudence is here to stay; it’s a paradigm shift driven by the events of the past three years and there is no hard evidence to suggest we are out of the woods yet. Consumers are still nervous about “excessive” spending and will continue to look for some controls over spending. Opportunities for budget brands delivering honest value and boutique brands delivering innovation in product and service will gain. And loyalty programmes will find it hard to maintain stickiness if they have not delivered both the concrete and emotional benefits. One shouldn’t be surprised if high tier customers from established loyalty programmes would sometimes prefer to make the odd stay at the friendly entrepreneur’s boutique hotel... for value or even for a few dollars more.

Brand campaigns will need to co-exist with tactical marketing to get the customer “in through the door” for that first taste of an experience they have never had. While the former will continue to build real “love” and preference (long-term) the latter will remain the driver of usage (read: bums on seats / heads in beds!).

The age of the digital native is here - technology for the masses and virtually unrestricted access to information for everyone calls for an even more concerted effort towards needs-focused marketing and communications, creative and innovative product offers, social media and technological integration. Innovations in application of technology will separate winners from losers. Technology is breaking down all barriers to experience by reducing hassles (e-visas, mobile maps, blogs), enabling real-time tailoring of holidays and providing new ways of booking and paying for the promised experience.

The tourism industry has also seen the rise of authenticity and eco-tourism – consumers are seeking new experiences, deeper, richer and more fulfilling ones; ones that have truthfulness of origin, commitment and sincerity. An increasing number of tourists are looking for a holiday which is rooted in local communities, cultures and environments. This is not only an opportunity that can be leveraged in emerging economies where there are an increasing number of urban consumers looking to reconnect with their origins but a significant opportunity to market emerging market destinations to the developed world, where consumers jaded with “me too” offers are embracing the chance to be a part of something more meaningful and truly authentic.

It’s a dawn of a new world and there is appetite for change. The travel landscape is changing... at an ever increasing pace. The tourism marketer needs to embrace this change and welcome the future.



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education

Empowerment through Education – the Emerging Gulf Arabs

With resource-rich Gulf economies that encouraged people to be entrepreneurs and lead comfortable lives on the strength of oil-based wealth, education perhaps did not get the depth of attention it deserved. However winds of change are sweeping the region and education is now seen as a critical ingredient in the recipe for success. The increasing importance of education not only provides opportunity for educational institutions and services, but for a whole range of products and services whose consumption correlates well with education.

Mayssa is 27 years old and lives in Jeddah, Saudi Arabia. She wants to do a Master's degree in business management that will empower her to take on the challenges that the post-recession era has thrown to her. Mayssa is just one of the millions of Gulf Arabs who want to pursue higher education and the number is increasing.

A TNS research conducted in 2010 highlighted the fact that 48% of Gulf Arabs aged 25 to 29 years old would like to pursue at least a Master's degree in future. For a region where the average number of years of formal education stands at 13½, the region is now embracing education like never before.

The Historical Context

Historically men and women have played very distinct and well-defined roles in the Arab world. While the Gulf Arab male has always experienced 4 life stages, viz. childhood-adolescence-maturity-old age; women traditionally experienced only 3 stages viz. childhood-womanhood-maturity. Men represented the public face of society while women represented the private face– an identity restricted to the immediate family. These demarcations of roles meant that women had little or no scope to pursue higher education. For men, trade was seen as the most prestigious occupation and self-employment was the ideal for all men. Oil-rich governments' support of their citizens in cash and kind undermined to a large degree people's drive for further education.



I have trust in myself; I do things myself and feel confident about them

I always strive to win

I am more likely to surf for education and jobs / career related information on the internet

I am very much interested in learning new skills (foreign languages, development programs and finishing school to succeed professionally)

an...Enthusiastic Go-getter



I am very receptive and interested in the opinions and ideas of others

I am a natural optimist

I always try to achieve the highest possible degree of excellence in anything I do

I like to surf the internet and am a relatively heavy internet user

an...Enterprising Optimist



The Winds of Change

Today, reduced governmental support in cash and kind, ever-increasing numbers of nuclear families and the quintessential search for self-identity mean that the traditional societal framework is under pressure. In an ever more Western-influenced world, education is increasingly seen as providing an opportunity to progress. Most Gulf Arabs are positive about the benefits of education and are slowly accepting a new hierarchical structure based on performance via education rather than possession of power and money. Education is now considered not only as a means to interact with like-minded people in the society but also as a means to explore new things and learn new ideas. Education is seen as a springboard to success that gives one the confidence to take on challenging situations.

The seeds of this evolution were sown almost 2 decades ago. The 1987 TNS Arab Consumer Understanding program indicated that women and youth would be the torchbearers of change in the region. Even then, there were indications that an increasing number of young girls were pushing for higher learning, and with this education an emerging awareness and intolerance of injustice. Education, combined with increasing social pressures (e.g. high birth rates / youth unemployment), has been a key catalyst for change to the existing social framework in the region; which has climaxed in the recent Arab Spring.

The New Reality

A recent TNS study shows that one of the biggest worries a woman has in life is the fear of not being able to provide her children with a good education. This stems from the belief that more than ever before, education is essential to a successful life. This is further compounded by the fact that 60% of Arabs are fearful of not being financially secure / independent and hence feel a need to equip their children with education.

Empowerment through Education – the Emerging Gulf Arabs

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The need of the hour is more rewarding courses and curricula to support greater success in today's demanding and competitive environment. Consequently, while the traditional fields of medicine, engineering and administration are still considered critical, almost 33% of the Gulf Arabs believe that business management, accounting, finance and commerce hold the key to success, and 36% consider business / finance & management to offer the potential for 'dream jobs'.

This has also resulted in the growing importance of English as the medium of interaction. Almost 50% believe that they lack adequate English language skills – the medium of higher education – and intend to take English language classes in future. Other courses on the rise include Arts & Design, Architecture, and IT / Computer Science.

Arab men and women have also expressed interest in enhancing their soft skills. In fact, almost 25% believe it's imperative to acquire and enhance softer skills such as communication skills, business language & etiquette and personality development that would help them interact and compete confidently in professional life.

Interestingly, quality education may not be necessarily close to home; 66% of those surveyed would prefer going abroad for higher education. The USA, UK, Canada, and Australia are some of the preferred countries for higher education among aspiring Gulf Arab students.

The Age for Education

Governments in these mostly oil-based economies have realized that the key to long-term sustainable growth of their economies lies not in further mining of oil fields but in the mining of knowledge, and ultimately shifting the focus towards more knowledge-based economies. The sense of urgency in realizing this objective is now extremely high on the agenda. Governments have supported this growing need by launching



programs and opening new higher education institutions with billions of dollars.

Educational institutions – both private & government – have been quick to respond to the growing need for education amongst people. Advertisements promoting and inviting students on to various educational courses are common across leading newspapers in the UAE. In fact over a one-week period recently, advertisements by educational institutions in leading UAE daily newspapers constituted close to 10% of the total number of ads in the paper.

Higher education is clearly seen to be the key to success – a passport to a better and more rewarding life.



Education did play a complex role in the uprisings in the Middle East and North Africa. Many commentators noted that educated youth have played an important role in what has come to be called the "Arab Spring". However, it seems that these revolutions were not propagated by well-educated youth; these uprisings were spurred by the needs and demands of poorly educated youth, whose knowledge and skills are often challenged by the demands of a rapidly-advancing world.



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consumers

Stop-Go Lives for Consumers in India



The demands of modern society mean that people are increasingly looking for ways to help them manage the pace, complexity and fluidity of modern life

It would be stating the obvious to say that rising urbanisation, growing mobility and advances in communication technology have made life fast-paced and busy. Consumers are increasingly living '24/7 lives' with unstructured eating habits, longer working hours and even non-traditional household compositions. The growth of new media and communication technology has made access to information fast and affordable for consumers, but at the same time has resulted in further reducing their already short attention spans. As a result, time is becoming an ever more critical resource.

While none of this may sound surprising or unexpected, the consumer response to this changed environment is unexpectedly bipolar. Consumers are being pulled in two directions – on one hand they look for ways to deal with the complexity and try to make sure that they do their best to grab all the opportunities which the new environment is offering them. On the other hand they often find the pace of life to be overwhelming and wish to 'Stop', take a break and slow down to recuperate their energies before they get back in the race.

WHAT IS DRIVING THIS TREND?

Rising Incomes and Urbanisation

India has been having a dream run in terms of economic growth, with some economists betting their money on India rather than China for the long run. According to the United Nations Population Fund, by 2020, two of the five largest cities in the world will be in India (Mumbai and Delhi) – both by area and population. Across the country, population is inevitably being drawn to the cities. While cities offer greater economic opportunities and a hope for a better lifestyle, the consumers also have to deal with the faster pace of life, physical inconveniences such as longer distances for commuting and the greater stress of urban living.

Time Stress

According to a CISCO Salary Survey, Indians have the longest working hours per week – an enervating 56 hours. Coupled with that, the average commuting time in India is 50 minutes against the global average of 31 minutes. Additionally the number of women in the workforce is also rising. Nasscom (National Association of Software and Service Companies) estimates that women constitute 30-40% of the call centre workforce in India. With both partners at work, time becomes even more scarce, leading to rising stress.

Advancement in Technology

While advancement in technology facilitates easier mobility and access to information and entertainment, at the same time it puts stress on the consumers, multiplying the volume of data and options available to them. Hence while consumers were happy to get all their news from their daily newspaper, possibly supplemented with the evening news on the telly, today they have access to 24-hour news channels, countless websites, as well as Apps which fetch news feeds and make them available on their mobile phones. While this has certainly enriched the consumers' lives and made them more informed, it has put further stress on their lives, leaving them gasping for breath as they juggle between these channels.

HOW ARE CONSUMERS REACTING TO THIS TREND?

Search for Simplicity

Seeking to do away with complexity is one of the significant expressions of this trend. Consumers in India are looking for ways to make things easier for themselves. It's about less effort, less time. So whether it's packaged food or squeeze tubes there is growing interest in simplicity.



Pantene's 3 minute hair treatment

Within Arm's Reach

In India, there are more than 600 million mobile phone users and 80 million active Internet users. As consumers become increasingly mobile, on-the-go convenience gains significance. So whether it's making payments online, eating on the go or ordering online, consumers are increasingly looking for formats that offer flexibility and easily fit into their lives.



McDonald's home delivery

Energy Management

Traditionally in India products positioned as offering "energy" have been mainly targeted at children or other special groups such as convalescents. However, the changing lifestyle is causing an adult "energy crisis" forcing consumers to make special efforts to manage their energy to help them navigate the various roles they play during the day. A significant number of consumers in India choose food as a way to manage their physical and mental energy levels throughout the day.



Horlicks NutriBar

Time Out

As mentioned earlier, the time and energy crisis is also prompting consumers to take some "time out" –and this is even truer in India, which has traditionally extolled the virtues of work and duty rather than leisure and relaxation. Consumers in India are now increasingly aspiring to devote time for themselves and seek escape from their busy schedules of daily life. This is despite the fact that



Lakme Happy hour services

traditionally the concept of family and "we society" has always been high. Consumers are actively seeking products that help them slow down and retail solutions that provide "me time".

LEVERAGING STOP-GO LIVES

The trend of "stop-go lives" has special relevance for marketers and they need to ask themselves:

- What are the opportunities to help consumers who are increasingly exposed to the stresses of modern life with simple, convenient solutions?
- How can we innovate around products and packaging to adapt to consumers' on-the-go lifestyles?
- What are the opportunities to help consumers manage their energy levels and thereby live their lives to the fullest?
- How can brands provide elements of escape to enable consumers to de-stress during their busy lives?



TNS Consult in strategic partnership with The Futures Company.



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green

Understanding Green in Latam

“Everyone thinks of changing the world, but no one thinks of changing himself”,
Leo Tolstoy

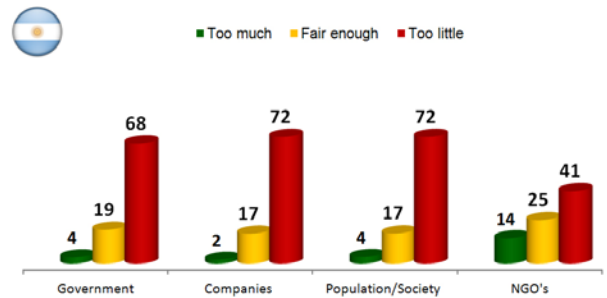
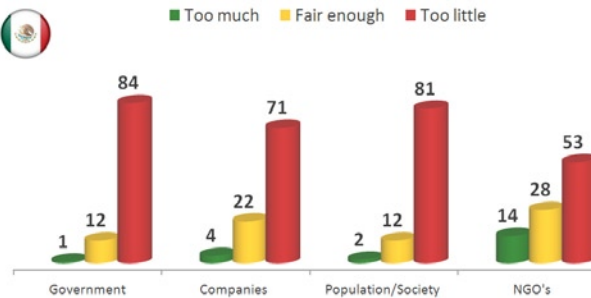
We all depend on the benefits that nature and the environment provide us in terms of food, water, air and energy. Taking care of the environment is the responsibility of all, but without the commitment of the corporate sector it is almost impossible to achieve a sustainable environmental protection program.



Both in Argentina and Mexico, around 80% of the population expresses great concern about the overall condition of the natural environment – according to TNS Green Study 2011. The concern is noteworthy in both countries when it comes to assessing how consumers feel about the general condition of the environment, Mexicans express more discontent than Argentinians (85% to 69%) and women tend to worry more than men in both countries.

The biggest environmental issue in both countries is global warming. While water pollution is the second problem mentioned in Mexico, reflecting the lack of adequate water in some regions, garbage is Argentinians’ second biggest worry.

Do you think _____ is doing too much/fair enough or too little to conserve the environment?



Source: TNS Green Study 2011

It is worthwhile to mention that although 26 million people are exposed to harmful levels of air pollution in some of Mexico’s urban centres only one in ten Mexicans mentions it as their biggest concern.

The Finger Points in all Directions

The high level of concern expressed in both Latin-American countries coexists with heavy criticism of the role of the population in preserving the environment. The vast majority in both countries consider that society is doing too little – but “society”, seems to be thought of as an abstract entity which has little to do with individual behaviour, reflecting a common social malaise! However, it is not only society’s role in protecting the environment that is criticised: 7 out of 10 in Argentina and 8 out of 10 in Mexico are disappointed with government’s efforts on green policies, and almost half in both countries are disappointed with the efforts of NGOs.

Corporations in the Green Debate

Although CSR is a global issue, the stridency with which it is demanded increases in countries where the public institutions are seen to perform poorly. One of our recent surveys conducted among more than 30 countries shows Argentina is at the top of the ranking (and Mexico ranks 10th) when it comes to demanding companies to do more than what they are

required to do by law for a better society. Although education, security, poverty and health are considered as the main issues on which companies should concentrate their efforts, the environment ranks high and its importance has grown steadily (it doubled in Argentina in the past 2 years). Clearly, companies are significant actors in the green debate: 90% of respondents claim it’s important for companies to have green policies and two thirds believe companies do too little in this area. The young are the loudest in their condemnation.

However, companies claim that they have incorporated green policies in their agenda in many ways in this region. In a study conducted by TNS for the World Bank among companies, including those as small as 5 employees, 4 out of 10 respondents surveyed mentioned they have environmental policies. In Argentina, companies such as Kimberley-Clark and Carrefour have Sustainability Reports; McDonalds opened the first eco-store in Buenos Aires province. In Mexico many big FMCG companies have CSR programmes related to the environment; Bimbo has changed its packages to more environmentally friendly ones, Coca Cola promotes reforestation activities and Kraft and Danone promote environmental consciousness among children with Tang and Danonino respectively. However it seems that these efforts have only a limited impact on the populations’ view.

Understanding Green in Latam

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Need for Communication and Differentiation

A clear explanation of this gap between expectations and perception of what companies do is the lack of awareness. Only 1 out of 10 in both countries mentioned that they have heard of any concrete efforts from companies to become greener in the last year. Also the TNS Green Study 2011 shows that there seems to be a lack of information related to enterprises' efforts as more than half of Argentineans and a quarter of Mexicans cannot identify which type of companies are working harder to get "green". The other challenge is differentiation, as all companies tend to focus only on a narrow range of green initiatives. Recall and association is even lower when these initiatives are not directly linked to the business of the company or the personality of the brand. In the region, and especially in Argentina, there is another factor that makes effective communication even more challenging: all institutions are regarded with a deep mistrust, including companies.

When it comes to defining which industrial sectors should do more to protect the environment, consumers from Argentina point out petro-chemical, transport and automotive sectors as the main candidates to correct their behaviour – probably because these industries produce the highest levels of pollution. Interestingly in Mexico, the biggest pressure is on the food and beverage industry; 3 out of 10 say that this industry has to do more for the environment. In second place is the petro-chemical industry.

Are We Doing More to Become 'Green' than Simply Criticize?

An important question is, are Latin-American citizens willing to change their everyday behaviour to lead a greener life? Kantar Worldpanel's analysis across Latam concluded the population wears different shades of green which brings about 6 segments considering both attitudes and behaviours. While the greenest group ("360° green") represents 6% of the society, the other extreme ("zero green") accounts for 18%. One key finding is that in Latam people come first, which results in the population believing that there are other things more important, such as poverty, violence and lack of opportunities. Sustainable growth

should address all these problems.

HOPE – Future Generations to Drive the Change

Half the Latin-American mothers feel their kids know more about the environment than they do themselves, according to TNS Kids Power Survey conducted among mothers of 3 to 9 year-olds. Brazil leads the trend. The brands able to develop environmental protection activities will catch children's attention and will fulfil their mothers' expectations of finding an educational content in the media (when it comes to environmental protection, TV is the main source of information for Latin-American kids). Companies such as Danone and Kraft are taking advantage of this trend.

The good news is we won't have to wait till these kids grow up, as this trend can also be found among teens and the young people. In a survey conducted by TNS in Argentina for Universidad de Palermo among 10 to 24 year-olds, we found that 6 out of 10 respondents mentioned they wanted to become a referee of environmental defence, a figure that outnumbers those interested in becoming a successful leader of the community, artist or scientist. In the younger groups, a "green trend" seems to be emerging as a new trigger of social consciousness. Green seems to have become the ideology of the new generations.

SUCCESS STORY – ARIEL'S DOWNY NO RINSE CONDITIONER FROM PROCTER & GAMBLE



The product was launched in the Peruvian market in 2008. On top of the benefit of conditioning fabrics, and having a good smell, Downy liberated the housewife from the task of rinsing and enabled the saving of up to 45 buckets of water with an 850 ml bottle of the product. The rinse that usually took up to 3 or 4 buckets was reduced to 1 bucket with the use of Downy...



The communications campaign aimed at saving 400 million litres of water with Downy. This was achieved and helped the people living in water-scarce areas to improve their quality of life.

Downy became the market leader in 8 months.



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LETTER FROM CHINA

Counting the Millions

2010 was the year of census operations. The greatest contemporary world power, the United States, as well as the future powers of China and India, undertook the onerous but important task of counting their residents. Currently China retains the crown of the most populous country in the world, though its status is increasingly threatened by India. China announced that it added 73.9 m Chinese from 2000 to 2010, taking the current population to 1.37 billion. India on the other hand exhibited a much higher level of productivity and added 181 m Indians in the same decade, taking its population to 1.21 billion - a mere 160 million short of China's.

Historically India's rapid population increase was often referred to by economists and experts as a "population explosion" – an ominous phenomenon threatening the country's multitudes with starvation. However, economists are a group of malleable people, who like to show flexibility and often change their views with the direction of the wind. Today, India's teeming millions are being referred to as the country's "demographic dividend" and expected to help it maintain its economic growth engine, and even help it surpass China some time in the future. While the logic of having a large population in the economically active age group is irrefutable, economists also need to take into consideration the economic potential of the population. On this criterion, China scores a lot higher, given its higher education levels and a much higher participation of women in the workforce.

China's population increase is also coupled with rapid urbanization – with nearly 50% of the Chinese living in urban areas, as compared to around 30% for India. This makes China's urban population nearly twice as large as that of India. Urban living comes with an increase of income-generating opportunities and a chance to escape from agricultural poverty (the per capita disposable income of urban residents in China is 3.5 times that of rural residents). This factor contributes a lot to the vastly different market size that one sees in China as compared to India.

Wanted: 24 Million Brides

The census also indicated that both the countries continued to suffer from a gender imbalance, with 51.3% of China's population being male. Experts estimate that 24 million Chinese men will be unable to secure a bride in the next 10 years. Unfortunately neighboring India will not be able to help much, as it is likely to face its own scarcity of marriageable women – India's population is 51.5% male (but has only 914 girls for every 1,000 boys below the age of six).

Glamour on the Rails

While both countries are facing an increase in population, China seems to be preparing better to give its expanding populace a better quality of life. One example is that while it has slowed down the pace of population growth, it has increased the speed of its trains. In a few weeks China plans to open the high speed rail link between its two most important cities – Beijing and Shanghai. This will cut down the train travel time between the two cities from 10 hours to under five hours, with the trains

cruising at a speed of 300 km an hour. The availability of high speed railway travel will undoubtedly change the lives of people living in this region, including the cities between Beijing and Shanghai where the train will make its scheduled stops. Marketers need to look at the possible implications of this increased mobility on consumer decisions on where they want to live, work or shop, and the marketing opportunities it is likely to create.

The high speed railway seems to be intent on posing tough competition to the air travel service between the two cities. The lowest fare on the high speed train will be significantly lower than the air fare. Not only that, it plans to match the glamour of air travel by hiring a bevy of "gao jie" (high speed train hostesses) to rival the charms of "kong jie" (air hostesses). While there are not many rail enthusiasts in China who are nostalgic about the romance of train travel, the train hostesses do offer a promise of creating a modern day train romance – Chinese style.

