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EDITORIAL

UNCOVERING OPPORTUNITIES

Soon we will celebrate 100 years as an industry. The pioneering work of very innovative professionals and academics that led to statistical sampling and a cost effective way to inform politicians and corporations of what citizens and customers wanted brought all of us here.

Those pioneers and innovators worked very closely with CEOs and senior political leaders. Market research was born in the boardroom.

Today we are the threshold of a new paradigm in our industry. The digital era has empowered consumers and citizens with immediate access to a wealth of information. It is estimated that $90 billion dollars are spent worldwide in Online Advertising and it is expected to grow almost exponentially. What is the return on that investment? Is it well used? How do online and offline messages and behaviours correlate? These are key questions that investors in digital marketing need answered.

We have a magnificent opportunity as an industry with seats in the boardroom and at presidential palaces as the trusted source of advice on consumer and citizenship understanding in a much more complex world.

At the same time we live and work in a region that is booming for our industry. We are a beacon of growth in a struggling global economy and stability is creating millions of new consumers every year and increasing demand for understanding them.

According to ESOMAR data, in the past few years Latin America´s share of the global marketing research industry grew from 5% in 2007 to 6% in 2010. Global indicators forecast a steady growth, increasing the size of the professional opportunity that the industry offers to all of us and the team we employ.

To achieve this great opportunity we need to have strong leadership in our industry. We need to defend what is right, innovate but not disregard decades of industry knowledge for the sake of that innovation. Innovation is key, it is our DNA, but it must be rooted in sound research methods.

There is room for growth for everybody in LatAm, big and small agencies, client teams, we all have a wonderful professional opportunity before us. Let´s make the most of it by defending a simple principle: the truth.

Have a great conference!

IGNACIO GALCERAN
PROGRAMME COMMITTEE CHAIRPERSON

PART 1:
THE BIGGER PICTURE

NEW FACES, NEW ROLES, NEW WAYS, A NEW LATIN AMERICA

THE COMPLEX ENVIRONMENT OF A CHANGING POPULATION

Luis Woldenberg Karakowsky • Dolores Sánchez

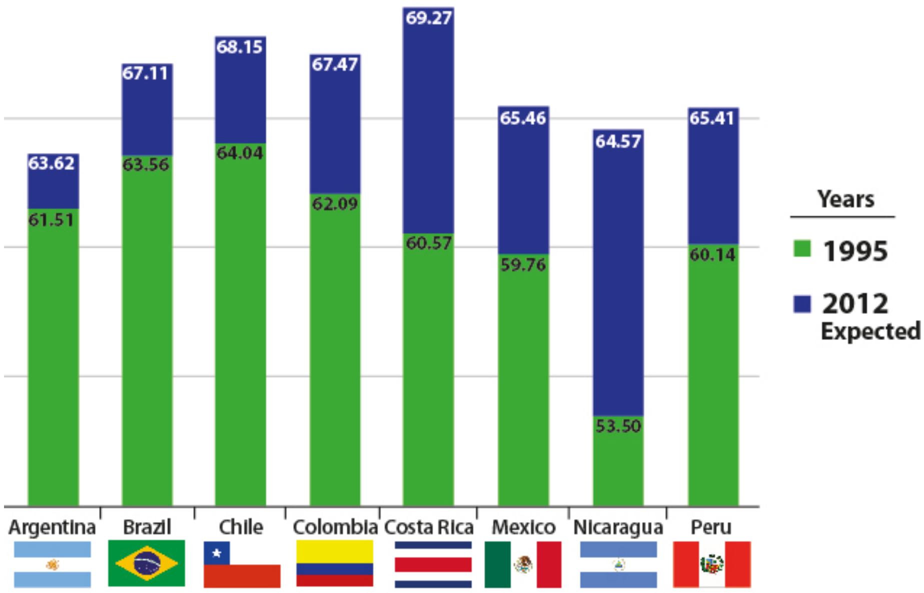
INTRODUCTION

We are immersed in a world thrown into confusion and multiple crises (economic, social, political, of values, environmental, et al) that impact Latin America, generating a new social configuration. We find ourselves facing new segments that require us to rethink concepts, products, and styles of communication, for example, young people with little hope of finding a job, empowered women, an ever-increasing number of senior citizens, new health requirements that must be met, and so on.

Sadly, we notice that many brand managers are still operating under hypotheses that – even if they were true back in the 1990s or even five years ago – are no longer valid. The new social configuration has generated a consumer that is more caustic, critical, demanding and, above all, less loyal. These new people are exposed to a much larger media spectrum but this is done in a less focused way and not in depth. Alternatively, these are people who establish a larger number of contacts and relations on the social networks but whose interpersonal communication is poorer each day.

In this day and age, Latin America presents population pyramids with a larger elder component (see figure 1). The demographic bonuses and the growth of unemployment have caused traditional research, which focuses on very specific topics, to lose ground as a diagnostic tool. It would seem that the answers regarding knowledge or consumption frequency, as well as brand positioning, are no longer enough in their basic sphere. That is to say: How many?

FIGURE 1, PROJECTED POPULATION GROWTH BETWEEN 15 AND 64 YEARS IN LATIN AMERICA (PERCENTAGES)



Source: U.S. Census Bureau 2011

Each day the demand for knowing what has to be done and why it must be done is more important and this knowledge rarely comes from specific studies.

Therefore, there is demand for a researcher who is more sensitive and knowledgeable of context. That is, an evolution from a market researcher to a sociologist capable of generating reports and explaining realities that are becoming more complex and contested.

To meet these demands of understanding context, knowing that the concept of consumer has become restrictive these days, would seem fundamental. What we need to understand is what is happening to us as a society and as human beings to be able to explain consumption behaviors. This is why we consider it important to provide a first revision of what has happened in Latin America.

A WORLD THROWN INTO CHAOS

Since 2008, the world has been shocked by several crises:

- Economic crisis in the great European superpowers and the United States
- Worldwide unemployment
- Violence
- Crisis of the capitalist system
- Crisis of values
- Political crisis in the north of Africa and the Middle East
- Economic bipolarity
- Environmental disruption
- Lack of leadership
- Unanswered problems

These crises lead one to rush to the conclusion that the world is in the wrong direction, announcing the end of a cycle. An economic, political, social, employment-related and commercial reordering is expected.

LATIN AMERICA IMPACTED

2009 was a hard year for Latin America. The world crisis impacted the region's economy, causing unemployment and inequality to bring about a new home configuration. Now, more than ever, we are witnessing the birth of new social segments.

CHANGE IN HOUSEHOLDS

The first primary finding is the reduction of the traditional family (conformed by father, mother and offspring). In all of Latin America until the 1980s the incidence of traditional families was above 85%. Today the tendency is towards a reduction, particularly in the larger countries. With the exception of Central America, more people prefer to live on their own. There has been a rise in divorce rates, the average age for marrying has increased, the age difference between spouses has reduced, the number of offspring is decreasing and life expectancy is increasing significantly. These are the stepping-stones of change.

The growth and creation of concepts like domestic partnerships, childless couples, people living alone and homosexual couples will force the manufacturing sector to pay more attention to these segments.

We have witnessed an increase in the consumption of products in single serving packaging for personal use. Many of them are even already prepared, are hedonistic or pleasurable and are geared more towards satisfying the "I" (individual consumer) than the "us".

Social transformation is born at home and it is clear today that there has been a considerable change in a concept that used to be considered unmovable: the traditional family.

To sum up:

- Living alone is a growing option. Individualism is being pondered against sharing
- Increasing number of divorces
- Couples reach a higher age before marriage
- There is a growth in the number of childless couples
- Fear of commitment is being generated

THE EMPOWERED WOMAN

Work is a fundamental part of Latin American society (see table 1). We are in a region where work is highly valued and that implies that, in Mexico, as well as in Brazil, Chile and China, he who pays the piper calls the tune.

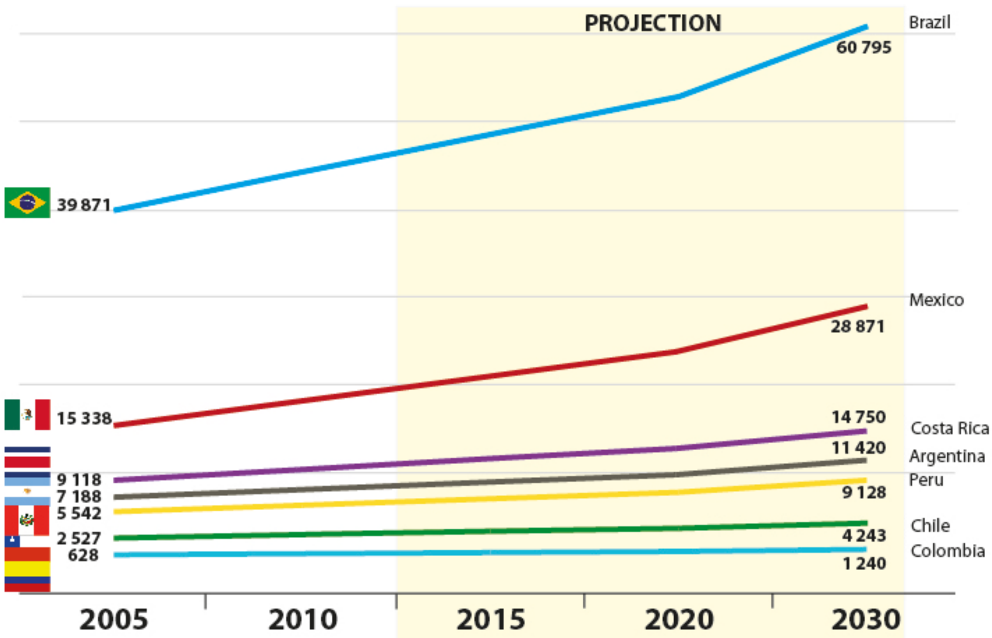
TABLE 1, THE IMPORTANCE OF WORK IN THE LIFE OF THE LATIN AMERICAN (PERCENTAGES)

	Total	Argentina	Brazil	Chile	Guatemala	Mexico	Peru
Very important	75.10	70.70	65.40	63.00	95.00	85.40	71.60
Important	21.70	25.90	33.40	28.70	4.30	12.70	23.60
Not very important	2.40	2.30	0.90	5.80	0.60	1.40	3.90
Nothing important	0.80	1.20	0.20	2.50	0.10	0.60	0.80

Source: World Values Survey 2011

Historically we are facing a growing trend of female presence in the work environment, not only in numerical terms but also in their importance in the executive world (see figure 2). That is, not only are there more women working but also at the same time there are more female managers or bosses in Latin America.

FIGURE 2, POPULATION OF ECONOMICALLY ACTIVE WOMEN (IN THOUSANDS)



Source: Comisión Económica para América Latina y el Caribe 2011

A woman who simultaneously is a mother, has a job and, in the vast majority of cases, takes care of housekeeping, is also a more stressed, violent, intolerant and empowered woman. Never before have so many liters of alcohol been consumed by the female sex and never before have women purchased so many cars and houses.

A fundamental piece of the puzzle to explain the transformation of the households is the evolution of the Latin American woman. Advertising is clear in this sense: any message where a traditional housewife is presented performing household chores with low-rise shoes and apron is unanimously rejected. Women don't want to be seen this way, no longer think like this and, even further, do not tolerate viewing themselves like this. What a few years ago was considered natural is now disapproved.

When it comes to education, the population of college-educated women has grown significantly and in certain sectors has equaled the male population.

This “vis a vis” world also produces a different consumer. No matter how hard the crisis may be, the market for lipstick and makeup does not take a plunge.

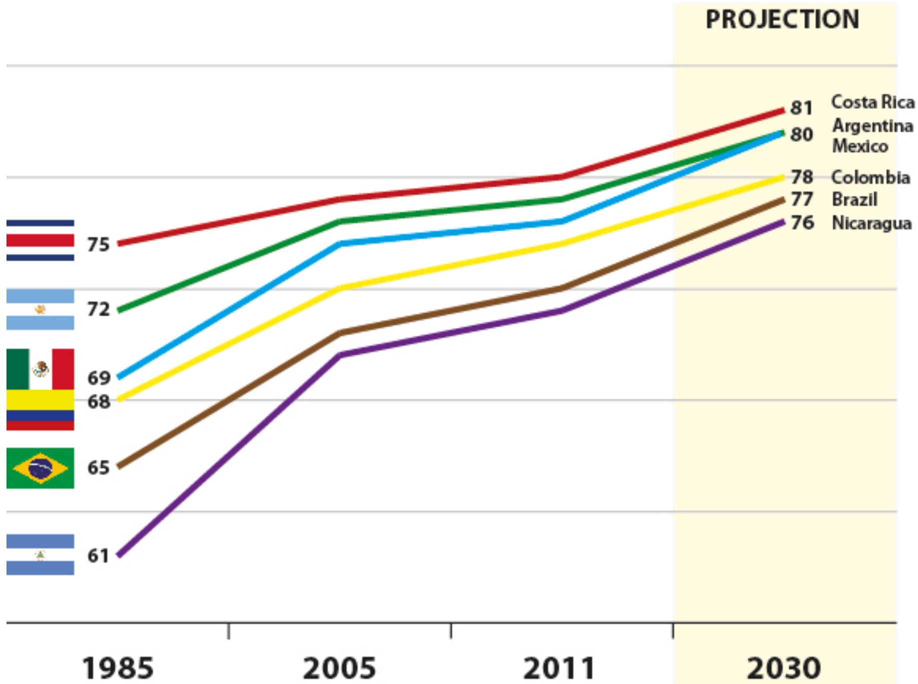
To sum up:

- Women stand out as household leaders
- More responsibility and power
- Play a larger political, social and economic role
- More feminine stress due to the combination of being a provider with their responsibilities in the upbringing and education of their children
- New concepts for products and communication styles are required to impact this new type of woman

SENIOR CITIZENS

Life expectancy has grown in the entire continent and it is clear that the senior citizen segment is increasingly large (see figure 3). In Mexico alone, the projection is that the senior citizen segment will grow 406% by 2050. This fact implies huge social challenges: if there are no jobs for the young there will be even fewer opportunities for the elderly.

FIGURE 3, GROWTH PROJECTION OF LIFE EXPECTANCY IN LATIN AMERICA (PERCENTAGES)



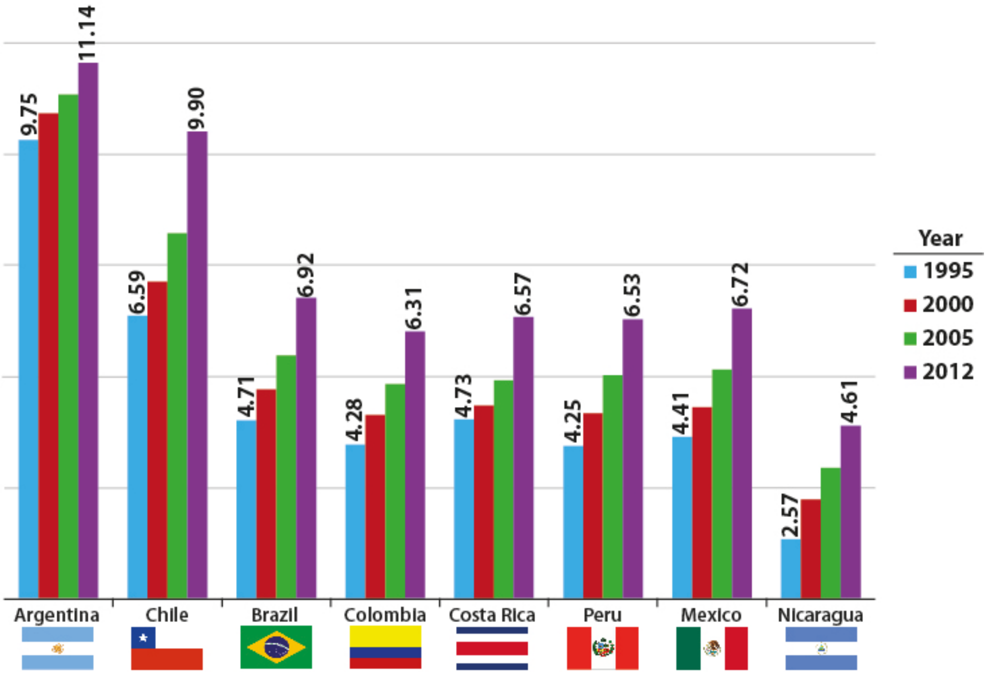
Source: U.S. Census Bureau 2011

Such an accelerated increase in the senior citizen segment will present a clear problem in the economies of each nation as the number of needed pensions in Latin American countries grows exponentially (see figure 4).

Chronic degenerative diseases are an unsustainable burden for the diverse governments. We have already seen, and will see even more, the appearance of products aimed towards this segment.

Senior citizens are now called “adults in their peak” and, in general, have larger purchasing power than the average population. They require distractions, entertainment, special food to satisfy their physical needs, integral wellness et al. This market is clearly a giant on the rise and we’ll see it explode in the following years.

FIGURE 4, GROWTH OF THE ELDERLY POPULATION IN LATIN AMERICA (PERCENTAGE OF PEOPLE OVER 65 YEARS)



Source: U.S. Census Bureau 2011

To sum up:

- Rise in life expectancy.
- Nevertheless, there is no employment for the elderly.
- Problems to sustain enough pensions.
- Lack of opportunities for this population segment.
- Difficulties in catering to their health issues.
- Consumer goods and adequate services for this segment are required.

OVERWEIGHT

Hedonism is here to stay. We are becoming emotionally lonelier and thus we require a larger number of placebos. Inasmuch as it's true that the "healthy" segment has grown significantly, it's also true that Latin America has never had so many "fatties". Obesity, perceived as the new Latin American pandemic, threatens to collapse the health system of several nations (see table 2). This issue presents challenges for the Latin American health systems where, for example, there will not be enough money to care for diabetics.

TABLE 2, OVERWEIGHT AMONG ADULTS IN LATIN AMERICA (BMI ≥ 30 KG/M^2)

	Both sexes									
Year	Argentina	Brazil	Chile	Colombia	Costa Rica	Guatemala	Honduras	Mexico	Nicaragua	Peru
2010	37.6	18.4	31.7	22.9	24	28.7	11.4	35.5	28.4	27.6
2005	31.2	13.5	25.3	17.4	18.6	22.7	9.8	29.2	22.8	22.1
2002	27.6	10.9	21.7	16.3	16.6	19.1	8.9	25.9	18.8	19.8

Source: World Health Organization 2010

The feelings of loneliness and the lack of human interaction (we progressively devote less time to talk) have increased the percentage of Latin American compulsive individuals. A new pandemic we will begin to analyze is that of the shopaholic.

In general:

- There is a rise in obesity in Latin America, especially in Mexico.
- Obesity strongly impacts health.
- It generates high-cost chronic diseases.

BELIEFS

Part of the social syndrome is the loss of faith. The Catholic religion, which has been mainly predominant in this region, loses followers on a daily basis. On the other hand, we are witnessing the emergence of new religions that are less massive, are closer to the people and are capable of generating believer cores with greater day-to-day coexistence.

A VERY UNEVEN CONTINENT

One of the saddest figures in Latin America is not only the percentage concerning poverty and extreme poverty but the data provided by the GINI coefficient, which displays brutally unequal populations. This is a problem that presents itself across the length and breadth of the Latin American territory. The trite phrase "very few who have all and many who have nothing" can be applied to many nations in the Latin American continent. Social polarity is not only an unresolved matter but is also an area of opportunity for those producers who generate brands that, far from producing shame and becoming stigmatized as "meant for the poor", can generate added value and become a source of pride for their users. A perfect example of the former is the vitamin-enriched tortilla offered by the Mexican government at its CONASUPO stores.

Examples of change:

- Brazil presents a larger economic growth.
- Colombia and Costa Rica: better country image, better assessment of their ruler (despite the high unemployment rate in Colombia).
- Mexico stands out in social issues.

CONCLUSION

The Latin American crucible converges in huge changes:

- New segments / new roles / new values
- Breaking of paradigms, which imply new products and new ways of communication
- Understanding and gaining interest in the new segments allows us to develop larger satisfiers
- Talk to them in their own codes
- Cater to their motivations
- Anticipating their interests
- Engaging them in their means of contact

The vertiginous change in Latin America makes understanding the new segments a complex affair. He who detects them, understands them, and caters to them might grow and be important in the market.

Never has Einstein's phrase *"If you look for different results, don't always do the same"* been more valid. We have youngsters and women who are different to the earlier generations. We have Latin Americans who live in a different way and who have modified their moral values as well as their behavior and tolerance patterns. We are not what we used to be and we'll probably be very different to what we are today. Concept research has gone from "Nice to Know" to "Must Know". We must become careful observers of the evolution of the human being and the societies to understand how and why there are changes in consumption.

To sum up: the successes of the past rarely provide good guidelines about what we need to do in the present or even the future. Evolve or die and understanding the social phenomena could seem like a good starting point.

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HOW TO CONTINUE BEING A CULTURALLY RELEVANT BRAND?

COCA-COLA AND ITS 125 REASONS TO BELIEVE

Omar Fuentes • Pablo Kennedy

INTRODUCTION

As you may already know, Coca-Cola is 125 years old, and is still today the most valuable brand in the world.

Understandably, throughout these 125 years, Coca-Cola has executed many activities to sustain this value. For the past six decades focusing mainly on communication – apart from the multiple actions and campaigns carried out around the world to maintain and develop the business – Coca-Cola has always broadcasted emblematic commercials, commercials which have provided a viewpoint about socially sensitive issues: Hilltop (1971) communicated a world peace and fraternal message during the last years of the Vietnam War, or The Mean Joe Green (1979), which fostered a message of respect in search of finding unity in diversity; to mention a couple among many other examples.

During the 1990s, the world went through one of the most prosperous periods of all modern times. However, by the end of the decade, a group of economic, political and social changes led us into a period characterized by systematic uncertainty. The rapid growth of some worldwide violent nucleuses and the successive and profound economic crises are some of the symptoms of this uncertainty we are talking about.

It is in this context, and with Coca-Cola being a happiness and optimism lighthouse illuminating the world, that we have decided to recreate the value of the brand as an icon of what people really value. We have established our objective in terms of refreshing its identity precisely as a synonym of these values: happiness and optimism, in a world that probably needs them more than ever. We were aimed at developing a campaign that would make us proud, and that would achieve the highest standards in our measuring scale, inspired from people to the people.

RESEARCH PLAN AND STEPS

As mentioned in the beginning, the starting point was the vocation to activate once again the cultural leadership of the brand in the present world context, therefore, the first step was generating hypothesis regarding the successful communications of the brands that worked at this level. Secondly, to get a deep understanding of the top macroforces or global tensions that influence the present cultural context and the tensions that such macroforces produce in people's everyday lives. It is worth mentioning that there is much learning particularly related to the methodologies applied in the development of the study of Macroforces. In particular, the interaction with the academic world to obtain a thorough understanding in the stage of comprehension, and the way of making this information actionable.

In this sense, the deep understanding of the social tensions affecting Latin America started with an *Academic and Trends research*, focused on Argentina, Mexico, Brazil, Colombia & Chile. We analyzed and consolidated a vast amount of academic thinking (in numbers: ten books, ten papers, five newspapers, five magazines, ten reports on academic investigations about social tensions and trends affecting Latin America) in order to develop deep hypothesis on which and how global tensions affect the local context. Besides, we complemented this stage with a methodology called *Provocative bites*, a sensible way to capture inspiring stimulus in secondary sources in order to illustrate and gain a better understanding of the local expression of the social forces we were studying. We visited almost 50 websites and we came up with a thoughtful understanding of the topic.

In a second step, we validated these hypotheses through an *academic referatum* with 50 key informants, intellectual and specialists on different topics who gave us their point of view on our preliminary thoughts. We looked for the main sociologists, psychologists, writers, communication and political scientists per country, those whose work is available in bookstores. We sent them our written paper so they could review it, and add information and real examples. With this input, we moved forward to produce a final document that consolidated our deep understanding of the macroforces and the local impact and expression they have in Latin America.

Moving one step forward – and with all this knowledge already digested through an implication and inspirational *Workshop* - we conducted *Planning Sessions* with the research agency in order to strategically decide which were the four most relevant macroforces, those that we considered were the ones that most had to do with the construction of contemporary paradigms. The ones we selected were:

- *Uncertain World*: It talks about the increasing feeling of uncertainty and insecurity. Great natural disasters, various systemic risks created by mankind, economies crashing overnight, and the increasing feeling of paranoia we have inside.

- *Build Yourself*: It is most likely the most structuring macroforce of our time. It is the firm conviction that our identity is neither given nor fated and that we, ourselves, are solely responsible for building our own identity, and through this construction are the builders of our own success or failure.

- *Blurring World*: A world marked by fusing and blurring limits as well as univocal experiences. A world where reality beats fiction and where often fiction and reality happen to be the same.

- *Time Management*: Time has become the most crucial variable of our lives. Multiple roles and demands make time management a source of daily tension in people's lives.

The following step was focused on bringing to life people's tensions produced by these macroforces, giving them a true-to-life name, and filling them with relevant insights, thinking they are an enemy to be defeated. The research format used here has also innovative features in terms of obtaining information from the field and the way of presenting the results, practically in the format of communicational brief.

In this step, we conducted a methodology called *Vox Populi* that consisted in flash interviews in key spots of the main cities of Brazil, Colombia, Mexico and Argentina. This methodology allowed us to capture concrete and impactful insights that helped us to understand how people experience each of the global tensions we defined. This way, we were able to turn our academic framework into a true-to-life approach.

After talking with more than 200 people in the streets, in five different cities of Latin America, we came up with the decision that the most relevant tension was *Uncertain World*. And going one step far, we discovered that in an uncertain reality, where people cannot clearly explain why certain things happen, they - highly influenced by media - tend to find someone to guilt. In this sense, people think that there are more guilty ones than innocent ones – or said differently - that bad people outnumber good people. For this reason, they are afraid of others' actions, whether the others are the government, a thief or even their neighbors. As a result of this insightful understanding, we named this feeling of uncertainty that generated a deep tension among people in Latin Americans with a true-to-life name: *Social Fear*.

The following step was to include the communication agencies in the thinking process by means of trying both to sensitize them and to make them share their viewpoint. At this point the process turns into an interactive approach where the client, the communication agencies and the research agency start a non-traditional interaction to refine thoughts, stimulate creativity, and go deep into the multicultural approach to achieve an output capable to trigger emotions in different cultures.

We came out from this innovative a dynamic working process with not only one, but two core *creative ideas*.

In simple terms, if *social fear* exists it is because people believe bad ones outnumber good ones; then – as an icon of happiness and optimism - we had to demonstrate the contrary, because we actually believe that there are many reasons to believe that good things outnumber bad. So, our first campaign had to talk about those multiple reasons to believe there is a better world than the one we see in the media.

After we have demonstrated this, our second shot had to inspire people to be part of the good and recognize those millions of people that, through simple actions, keep demonstrating that there are many good people in this world.

So, with the main creative ideas already laid on the table, we moved one step further in regards to research, not to audit or validate the process but with a view towards enriching it and adding content to the campaign.

For feeding the campaign creative ideas, we conducted 18 *creative and focus groups* with Young Adults / Teens and Moms in Brazil, Argentina and Mexico that helped us to understand how people deal with negative things in the world, which are those experiences, moments and little things that can counteract the bad news. We also conducted 12 *in depth interviews with opinion formers* and a *profound web-based research* to find inspiration and quantitative data that could support the reasons to believe in a better world.

RESULTS AND MAIN LEARNINGS

In this process, we have not only achieved one of the most successful campaigns in our history but, in fact, two. Both of them achieved results high above the category average, the average in the countries where they were broadcasted, ranking in the 8% of the best ranked commercials in History. The first one ("Chorus") was broadcasted in Latin America, in the Middle East, Japan, Egypt, China and Germany, among others, and the wake of its impact is still expanding.

The second one has just started its journey around the world. However, there is more; the great performance of our commercials might be the tip of the iceberg and there is something bigger still to come. What we have certainly obtained owed to this process are the following two main topics:

First, we have developed a new way of thinking on how we communicate in a more relevant way with people; this would not have been possible if we had not made a deep, practical and applicable research work which articulated the big global trends with our consumers' life styles and allowed us to understand better than ever the structural tensions of our world and how to operate them so as to make our messages more relevant and true-to-life.

The second learning is much more related to the work dynamics, a way of thinking the communication process flow, going from detecting the opportunity to obtaining the learning after airing the commercial, but not in a very lineal way, in a way of more interaction between client, communication agencies and research agencies.

In short, we have learned a lot about how to take the iconicity of brands to the next level, and this is exactly what we would like to share.

APPENDIX

Link "Reasons to believe" commercial (2011): http://www.youtube.com/watch?v=Hxx81MD6atk

Link "Superheroes" commercial (2012): http://www.youtube.com/watch?v=b1rM8hSQgPQ

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THE KIDS ARE ALRIGHT! THE GLOBAL FAMILY TODAY

NICKELODEON LATAM; KIDS & FAMILY GPS

Noel Gladstone

INTRODUCTION

Nickelodeon Kids & Family GPS is an on-going, global research effort with multiple local, regional and international research projects feeding into the global expertise on the changing face and role of the family. Understanding today's families is a primary goal for the Nickelodeon research teams internationally as the results feed into our global expertise on kids and families. By continuously carrying out research and insight studies on the local, regional and international levels, we are able to evaluate those trends that are having a long-term effect on the market as well as serve to illustrate the changing notion of family and the level of influence for both parents and kids.

With the Nickelodeon GPS Global Family & Power of Kids Influence studies, we are looking at what constitutes the notion of "family" today, starting with how it is defined and how this definition differs from the past. We aim to understand the role of each family member and fully appreciate the relationship kids have with their parents and other family members. We analyze the internal and external factors that contribute to bringing families closer together or pulling them apart, and importantly, we consider our findings against a backdrop of research on past generations of families.

Understanding today's decision-making dynamic is key when thinking about how to engage consumers and families, and eventually unlocking the family budget.

THE SHAPE OF THE FAMILY TODAY

In an attempt to understand how the role of family is fragmenting and ever-evolving, we examined what is happening on a global level. In many parts of the world, from the United States to South Africa, we notice a number of trends; that household size is becoming smaller in western countries, we are also witnessing an increase in the number of single parent households, plus conversely, a rise in three generational families.

In order to understand the family unit fully, we needed to understand the role of the three segments that really are the underpinning of today's family; kids, parents and especially important in Latin America, the grandparents.

Although we mentioned household size is getting smaller, kids are a huge force to be reckoned with, particularly from a numbers perspective, as populations are on the rise again throughout much of the western world and the number of children is increasing. In the United States alone, the kids' population is expected to expand to 80 million plus by the end of decade.[1)]

An important distinction is that kids are growing up in a much more diverse world than those of prior generations. In fact, kids are leading the way as it relates to diversity, and the kid population is more diverse than any other age segment. For example, in the United States we can see the growing numbers of Hispanic families and kids when compared to the older baby boomers or members of Generation X.

The make-up of the family structure in which kids live is also very diverse; it's not necessarily the two-parent type structure in which kids are living in. As mentioned previously, the rising level of single parent households is one area where family units are evolving, another is the rise of the three generational household, the extended family unit, which is not a new phenomenon to Latin America, but rising again in the United States.

Throw away any tired notion of grandparents as this is not the old feeble stuck-in-the-past traditional grandparents of yesteryear; today's grandparents are younger (at least young at heart), baby boomers are fast-becoming the generation of grandparents, and the average age of the first-time grandparents in the United States is getting lower, currently benchmarked at 48 years old. These grandparents are plugged-in technologically as many go online, connect and communicate, instant message, text, search or even use apps like Skype which have replaced the traditional methods of communication.

These new technologies play a vital role in the home from an emotional and practical standpoint, helping with child-rearing, attending a school event, even grandparents buying their grandkids things their parents are reluctant to.

From an emotional point, kids say they get along well with their grandparents, with over half describing a grandparent as a friend and they feel they can talk to their grandparent about anything. We also noted that if the grandparents are not living in the family home, they are certainly living close by, with over half saying that they live within a 30-minute radius.

Our new research highlights what previous surveys have also pointed to, that there is a growing bond not just between parents and children, but also between grandparents and grandchildren. It is no wonder then that no matter how often kids see their grandparents, many kids feel they would like to see them even more – even though a large majority of kids see their grandparents at least once a month, as many as half the kids would still like to see them more often.

In the recent years that we have conducted research into family life, we can reveal further shifting and fluidity in family structures. In certain parts of the world, this phenomenon has been labeled the 'patchwork quilt' family, with new family members being stitched in along the way.

People often speak in this context of family fragmentation, and yet despite the myriad of changes to the traditional family unit, our research continues to paint a picture of increasing family closeness with family households, regardless of their shape or size.

In our research we have found that this growing household diversity is generating a greater sense of togetherness and unity, which is thus stimulating a surge in communication within the family unit.

Evolving family dynamics in the family unit is also playing its part in bringing families together. From generation gap to family fusion, we are seeing the family unit that has never been closer to one another, never been more in touch with the needs of each member.

WE ARE FAMILY

Regardless of certain characteristics or circumstances, the dynamic of family has taken a new turn across the board. Kids and parents have a different, much closer, relationship than in the past, with many parents considering their kids among their best friends. This heightened closeness goes beyond parents' understanding of this bond (and vice versa), but also taps into the acknowledgment that this marks a departure from the bond between parents and their kids as recently as the preceding generation.

Consider the example of the recent craze for family car stickers, which can be personalized to display the size and shape of the family, a clear announcement to the world of family togetherness.

Our survey shows that two-thirds of parents agree that they are now closer to their kids than their parents were to them, and this shift towards a closer family state is particularly pronounced in Mexico and Brazil. Approximately the same proportion of parents agree (64%) that there is less of a generational gap nowadays.

One very clear difference between the generations is how parents describe their relationship with their kids – over half describing their kids as their best friend. We talked to parents about this in depth. It is not about abandoning responsibility, as parents still recognize the importance of parenting which includes setting boundaries and providing guidance for their kids, but rather the context is what has changed, for example, with more discussion and explanation happening face-to-face pertaining to household rules so that there is greater mutual respect and understanding.

Our survey showed that Brazil had the strongest sense of friendship between parent and child at 83% agreement. This trend was much lower in Europe (35%) and the United States (50%).

Today, parents and kids share and these shared interests are on the rise. We are constantly hearing stories about kids and parents sharing video content and music. Kids are enjoying the classic rock and heavy metal music that their parents grew up with through platforms like Rock Band or iPods/MP3 players, thereby introducing a whole new generation to the music their parents loved. Go London Calling!

Fashion is also a major unifying factor, particularly for mothers and daughters, as we hear stories of them sharing clothes and fashion ideas. Who would have thought 30 years ago that parents and kids would be wearing the same types of clothes?! All of this has really helped to fuel a greater closeness in families as reported by all members of the family that we have not seen before.

At the heart of the matter is the evolution of the family model. Where parents once embodied the role of mini dictators, they have adapted to changing times to take on a more democratic approach to family business, ultimately giving kids control and demonstrating that everyone's point of view within the family unit carries weight and is being considered.

As a result of this we are declaring the generation gap, at least as we knew it, is now over! The dynamics within the family have drastically changed in recent years, where it was once an us versus them mentality, it is now an us versus the world point of view.

A key factor in family closeness has been attributed to family playtime. Time spent together as a family is considered to be the most influential and most sought after activity as it allows the various members of the family to come together, escape the daily routine and take time out together, whether it happen in the form of a holiday, a day trip or meal at a restaurant.

Whatever else is changing in the world and how they relate to it, families still have many traditional expectations of family time together. Time spent playing together is precious. Our research reveals that parents and kids alike agree that regular family playtime is really important to them. Four in five parents and a significant number of kids think it is extremely or very important to have regular time for the family to play together. We also know from our research in the United States that two-thirds of parents consider time spent playing with the kids to be a favorite part of the day and over half of kids agree that playing with their parents is as much fun as playing with friends.

When the family is spending time at home, our research shows that television and new technology are responsible for facilitating that togetherness.

The majority of parents and kids today share a lot of things in common, especially television shows and other media, and these mediums are the backdrop for their time together at home. An astonishing 94% of parents and kids indicate television as the key common ground which has both positive and negative implications. The time that is spent together enjoying an activity allows for greater communication, opening up new dialogue and easing personal interaction that will benefit the relationship between parent and child well beyond those isolated incidences. On the other hand, spending time together in front of a television screen does not necessarily mean that this interaction is truly intimate or rewarding as it infused with distractions and less substantive entertainment. This interaction through media is especially relevant in Mexico and Brazil where 97% of parents acknowledge this fact, as television-viewing accounts for 98% and 99% of the activities shared together, respectively.

Television obviously exposes the family unit to products – those advertised in commercials and those placed in programs – and therefore sparks interest in certain brands and products. Again, it is interesting to note that this is especially relevant in Latin America, with the highest incidences of kids pointing out products seen on television (78% and 83% respectively). Parents are seeking their kids' opinions not only for products for the child and family, but also those for parents themselves. Parents tell us that they typically choose where to go together but when it comes to movies, fast food restaurant, and specialty stores, their kids are more likely to get to choose themselves. This control granted to kids marks a tremendous departure for present-day kids, as 64% of parents polled indicate that there is a significantly lesser generation gap than when they were children. In Brazil, the findings are particularly surprising, as the country is the key performer in terms of collaboration when shopping for specific items. From clothing selection to where the family should vacation, the decision-making process is very collaborative. This collaboration is obviously easier to come by as parents in the Americas are more likely to be accompanied by their kids on shopping trips to the stores, with virtually all Mexican and Brazilian parents participating in this kind of behavior.

In evaluating why parents take their children's opinion into account, the overwhelming consensus is the lesson of teaching their children that their opinion matters. This viewpoint is especially true in Latin America, more so than any other region in the world, with 91% of Mexican parents and 92% of Brazilian parents stating that giving their children this validation is the governing principle behind including them in purchasing decisions.

The time that is spent together enjoying an activity allows for greater communication, opening up new dialogue and easing personal interaction that will benefit the relationship between parent and child. In fact, research indicates that families that play together lend to their kids' accelerated development, paving the way for progressively more sophisticated attitudes in dealing and understanding the world around them.

While the parent/kid dynamic has advanced to incorporate increased interaction and closeness, the role of each parental figure has also evolved as a result. Fathers today are more hands-on than in previous generations, but there is no changing the fact that kids are still the closest to their mothers. This same closeness translates to a congruity on the opposite side of the spectrum with mothers feeling closer to their kids than to their husband/partner, whereas dads are equally close to the wife/partner as to the kids. Regardless, the mother is still the go-to parent and the one both sons and daughters feel closest to, which is probably not surprising given that in most cultures fathers are still more likely than mothers to be the main breadwinner for the family and therefore less likely to spend time at home with the children. It is that dependability that pinpoints a high approval rating for mothers for doing a better job than their counterparts.

This increasing family closeness extends to grandparents too as they are providing an ever increasing emotional as well as practical support to their grandchildren in this day and age. While the grandmother is typically a little closer than grandpa, the gender pattern is reversed when it comes to stepparents as more kids have a greater affinity for their stepfathers compared to those kids relating to their stepmothers.

Despite increasing family closeness, there is still a deficit as far as how much parents know about their kids' lives and how much they are willing to disclose. Mothers would like to be better informed on emotional matters (i.e. hopes and fears), yet fathers are even more in the dark than their counterparts. When it comes to activity online or what they are doing while away from home, kids would prefer not to have their behavior monitored but they are interested in having their parents better understand what is important to them on an emotional level.

The gap in understanding kids' emotional lives is even greater for single parents. Single mothers don't feel they fulfill the role of mum as well as mums in two-parent families – but they're being too hard on themselves because kids with single mums rate them higher than mums on average.

From generation gap to family fusion, the family dynamics have changed in such a way that the generation gap is no longer relevant. Family fusion is the next step in the evolution of family dynamics.

EXPECTATIONS – WHEN I GROW UP

This generation of kids – also referred to as the millennials – has been brought up to believe they can achieve anything they want in life. While this can be interpreted as something positive, it does raise the concern that this group is overly optimistic of the world around them and particularly the kinds of opportunities they are more likely to be offered and potentially secured. This generation has witnessed the quick rise of various teenage stars achieving unimaginable greatness on multiple platforms and they are also very aware of the wealth that accompanies such success. There is no doubt that this has given a taste of what stardom might be like and allowed them to dream, but at the same time our research shows that kids today are more grounded in their sense of what really matters for the future than most would presume. They are grounded in the real world, with a genuine admiration for sporting achievements and excellence, getting to grips with new technology but most importantly, being happy, as happiness is the most important matter for them.

When talk turns to the future, we are seeing that kids' dreams and parents' aspirations are very much aligned, and both focus on happiness and self-fulfillment. Everyone agrees that the single most important thing in life is to be happy. After that, parents would like to see their kids make a good marriage and then both agree that is important to do well at school and college.

Parents and kids alike are increasingly aware of the importance of education as a way of ensuring a better, more secure future. Although kids place more importance than parents on having close friends, having money and looking good, overall both groups are seeking a balance between emotional factors and achieving happiness is paramount for both generations.

Even at a young age, kids are aware that they have responsibilities, which include working hard at school. This high importance placed by both kids and parents on academic success will help ensure a better future for all to look forward to. For kids, in spite of their dreams, we see that education means more to them than being rich, beautiful or famous, in fact, education is ranked third with only 'happiness' and 'a job you enjoy' coming before it.

For most, the importance placed on education extends to aspirations of future career success. It is not just about earning money, most kids think it is very or extremely important to have a job they enjoy and parents too hope their kids will have a fulfilling as well as fruitful career.

Despite the fact that the global average shows parents making no difference between sons and daughters, the boys and girls in our survey make a number of differences for themselves. Girls place more importance on doing well at school, having close friends, looking good, helping people in the community, having children and getting married. The only aspect of life which boys consider more important than girls is making money.

When it comes down to it there are only small differences between boys and girls, older and younger kids, and also between what parents and kids say, but at the top line level there is more consistency than there are differences.

Happiness is by a long way at the top of everyone's list. It's all about finding ways of being fulfilled in life. Education is consistently high as a priority and of course this is due in part to the need to find a job, and to earn money. But it's much more than that, it's also about achieving goals and a sense of fulfillment.

LET'S TALK ABOUT MONEY

Given the current economic climate, it is no surprise that parents are engaging their children in the discussion of finances, but it is impactful to find that three-quarters of parents talk to their kids about family finances. This new platform of engagement is born from necessity, with so many parents concerned about their kids' financial future, but this shift in dialogue is yet another sign of the changing family fusion, with shared understanding and responsibility. This is one of the more difficult aspects of this enhanced family closeness, as kids are increasingly exposed to their parents' concerns.

Consistently across the board, we are seeing that parents want to teach their children the value of money. While there might be a slight improvement in families' economic situations, there is a long road ahead and the recession has negatively impacted expectations for their kids' financial future, and 60% of parents polled say they are worried about it. What is not so surprising to see is that the extent of the dialogue varies according to the age– the older the child, the more likely it is that parents will share these conversations. However, it might be surprising for some to note that even with children as young as eight or nine years old, over 70% of parents discuss money with them. The lessons start at a young age these days!

The financial crash of the last few years has been a truly global phenomenon and this plays out differently in different countries. The extent of dialogue and openness about finances also varies, but we found that in Latin America approximately 65% of parents acknowledge having a conversation with their kids about family finances. With 78% of parents more aware of financial concerns than they were before, it is particularly interesting to see their cautiously optimistic viewpoint of their kids' futures, with more than 50% of parents still believing their kids will earn more than themselves.

When it comes to the gender gap, as far as financial conversations go there are very few differences between talking to girls or boys of such matters. Nevertheless, parents of girls express a slightly higher level of worry about their financial future than parents of boys, and this worry is also marginally higher as the children get older.

As the parental focus remains on finances, it is no surprise to see that many parents are increasingly aware of the importance of saving these days. In fact, a recent Nickelodeon study in the United States shows that in a perfect world, the number one thing parents would do more of is save money. It is the concern for maintaining a certain lifestyle for their children and being able to provide for them to meet their needs that fuels constructive dialogue with the children; if there is something that cannot be achieved or acquired, instead of sweeping it under the rug, parents are proponents of the conversation examining why it is not possible. Kids are becoming even more responsible for their own personal expenses; with at least four in 10 kids saving at least some of the pocket money they are given.

We notice that kids in Western Europe are more likely to be savers whilst some of the biggest spenders seem to be in Poland and Korea, with those in Mexico and Brazil falling somewhere in-between yet also generous in giving to charity. The Kids Influence study also reveals that while some kids are saving for specific items such as clothes, video games/consoles and mobiles, many of them don't know what they are saving for and just answer, 'nothing in particular'.

However, parents just can't help in giving. When it comes to making economies, expenditure on kids is one of the last items to go. Indeed, in Mexico, where many families are still remembering the economic slump from the mid-1990s, never mind more recently, over half the parents responded by saying that they would buy everything for their kids, if they could. Spending on the children isn't seen as indulgent, it's a cultural expectation to want to better your provision for the family.

GLOBAL KIDS

Kids today are more connected within the family but also to the outside world, with three-quarters taking an interest in what's happening in other parts of the world, and media plays a very important role in this dynamic. TV and internet are even more influential than parents and teachers in telling kids what is going on around the world, but parental influence (at over 50%) remains strong.

In turn, there is a fascinating distinction in behavior when evaluating kids' source of information about products or brands. There is irrefutable evidence that the Internet plays the most influential role in kids' lives in Latin America, with an average of 76% of kids reporting that online media is their main source of information. Television is the second-most influential news source, at 68%, friends come in third at 62%, and trailing way behind in fourth place are parents at just 48%. While the percentage of parental influence is not low by any standards, it is certainly nowhere near as high as the children's influence over the parents which consistently topped 90% in the region. Though television is the second leading news source for kids, our research found that commercials are seen as most helpful and are given the most attention in Latin America, affecting an average of 72% of kids in the region.

The consumption of media benefits in expanding kids' horizons. Kids today have more in common than at any time in the past (as far as music, clothes, icons, etc.); "millennial" attitudes of awareness, caring and responsibility for what's happening in the world today; and there's more commonality between kids in different countries as the common denominator is the media they consume and the ever increasing role it plays in their lives.

Information is instantly available to kids today, and by virtue of this real-time connectivity, kids know more about the world around them than their parents' generation. This spike in knowledge has also propelled a different perspective in how kids care about the world around them, taking an active interest in the environment and wanting to help people in the community.

Many parents recognize this as a generational difference – their children's awareness of and care for other parts of the world is much wider than their own interest when they were young – and again, parents of younger kids feel this to be the case just as much as the parents of kids entering their teens.

It's not surprising that kids show an interest in what's happening all round the world today. In a world where they are entirely comfortable with finding out more about what's going on using the full range of digital media at their disposal, they are exposed to themes and values that they wouldn't have come across at this early age in the past.

Kids today are well informed about the world and they care about what's happening, and their parents are encouraging this behavior. While most parents' principal hope for their kids is that they will be happy and healthy, many parents are also keen to see their children developing into responsible citizens of the future, caring about the world around them and keen on being involved.

This emphasis on caring for the world around them naturally includes an element of social responsibility. Parents are giving more importance than ever before on social responsibility like recycling, saving water, energy, trying to reduce waste, and actively take steps to protect wildlife in some ways. Yet kids have knowledge about recycling that their parents wished they had and are helping parents better understand their social responsibilities. These values are being reinforced by the kids, who are increasingly aware of the importance of helping less fortunate people or looking after the environment. Our research tells us that those in Brazil and Mexico are the most actively interested in the environment (95% and 73% respectively), while in Russia there is less interest.

Although we see some differences in attitudes to the environment, for the most part our data shows that feelings of citizenship and responsibility among young people today are held the world over – and across all of our research there are many other areas of commonality between children from differing countries and cultures.

It's not just Nickelodeon exploring these values – here's what Stan Sthanunathan from The Coca-Cola Company has to say: *"There's a lot more commonality between a teen in Shanghai and a teen in New York City than a teen in Shanghai and a teen in a small, rural part of China".*

All the signs are there that kids today are more aware of the world's problems than ever before and, for the first time in decades, they are motivated to take action.

In a recent TRU report, Stan Sthanunathan predicts that teens are going to mobilise a lot more in the future – the very kids, aged 8-15, who form the focus of our research today.

And of course the early months of 2011 demonstrated very clearly the powerful combination of such values working hand in hand with global communications technology when thousands of young people helped to swell the crowds during the Arab Spring …

WE SPEAK TECHNOLOGY

Our research has already demonstrated how new forms of communication are keeping families constantly communicated. We have also seen how media can make kids feel connected outside of the home as well as part of the global community. Today, from as early as the age of six, kids are exposed and engaged with technology, already serving as active participants in the digital generation. While older kids have had to push harder to get their hands on new technological gadgets at home, the younger kids are now meeting less resistance and parents are starting to take for granted that children both want and need these different media at their fingertips. The use of technology by the Millennlals is the distinguishing factor of the generation, and parents are acknowledging this fact and catering to it as a tool to connect with their kids. As these media touch-points are set to play an increasingly important role in children's lives, it is vital for parents to understand the full range of the media they use and how they feel about it.

Our analysis shows that patterns of communication are very different for kids within the family circle and outside that construct. Talking, either on a mobile phone or landline, is considered the most frequently used method of communication within family relationships, though kids' preferred method for keeping in contact with their mothers is texting above all other methods (and they text their mothers more than they text their fathers). Another method that is part of kids' everyday lives is of course social media, and we are seeing that kids are slightly more likely to communicate with their mothers by social networking than by conventional email.

We are even starting to see grandparents keeping in contact using newer media, with 10% of grandchildren texting a grandparent and 7% sending them an email in the last month. The communications used by kids change as the kids get older. With the parents, this trend really only affects the level of texting, which generally increases with the kid's age.

As you may well expect, girls are generally more communicative than boys, and the most communicative of all are girls between the ages of 12 and 15 years. In general, compared to boys, girls are more likely to keep in touch with their mothers by text and with father strictly on the mobile phone.

Looking at the various forms of communication used by parents, we found a certain level of disparity between those within the family circle compared to those outside the family. While parents use mainly their mobile phones, either for talking or texting to keep in touch with their partners and children, they are using a much wider range of media to communicate with friends.

Media can be used to forge better communications between families, and television plays an especially important role in family leisure time. As broadcasters, it is interesting to note that it's not just that families are spending time together in front of the TV, but that they actively share tastes and interests in what they are watching together. Playing with the family on a game console is considered the third most preferred activity among kids.

We have all heard critics of the media claim that more time spent in front of the screen is leading towards fragmentation of family life, but we can now demonstrate the power of media – whether it's television, mobile telephony or the Internet – bringing families together and generating an even greater sense of closeness.

SUMMARY

The 21st century family dynamic has evolved to now center on a stronger sense of connectedness within the family. While mothers are still at the core of the family structure and responsible for bringing the family together, fathers and grandparents are more involved than ever before and kids are actively seeking out more time and togetherness with all of them. Family connectedness generates a healthy dialogue on many subjects, but there is still room for greater communication, particularly as it pertains to opening up on an emotional level. This connectedness can give kids a feeling of happiness, security, understanding and curiosity about the world around them.

When it comes to aspirations for the future, kids are more concerned with self-fulfillment rather than accumulation of wealth. The outlook shared with their parents is the importance of academic success not only as the route to a good career and financial security, but also as a key step in these early stages in achieving goals and aspirations.

There appears to be a direct correlation between communication and accomplishment, and increased openness about family finances in particular is a marked characteristic of this family fusion as it cultivates shared understanding and responsibility. The starting point for kids to understand what is happening in the outside world is communication with their parents, and this stems from shared experiences in the consumption of media. This family connectedness breeds knowledge, sensitivity to unknown circumstances and situations, and therefore fuels a greater sense of happiness, security, understanding and curiosity.

While most studies today tend to report on negative findings related to kids' trends and behaviors, we felt compelled to share our results which finally shed a positive light on this segment. At Nickelodeon, we are committed to continuing our research and ensure that the values it represents are values we can tap into and share with our viewers and the public at large.

FOOTNOTE

1. Source; US Child Stats Gov kids 0-17.

RESEARCH SOURCES

Nick GPS International; 11 countries; AU, BR, CN, FR, IT, MY, NL, PL, RU, UK, ZA…Over 250 kids and adults per country, approximately in total 2,500 kids and 2,500 adults, (parents of the kids) were interviewed, plus 26 families filmed.

Nick GPS 'Power of Kids Influence'; 10 Countries, BE, BR, CA, DE, ES, KR, MX, NL, PL, UK, approximately 4000 kids and 7,650 parents, plus 15 families interviewed on film.

Pew Research Centre study, on Attitudes to Fatherhood, USA 2011.

Mexico & Brazil; 'Meet the Parents' 500 kids & their parents 2006. Qual & Quant, with family ethnography interviews & video.

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PREPARING FOR THE NEW ERA

HOW TO ADAPT AND SELL IN LATIN AMERICA IN THE 21ST CENTURY

Dan Hill

THE CENTRAL ROLE OF EMOTIONS IN DECISION MAKING AND BEHAVIOR

As noted by Felipe and Betty Ann Korzenny, authors of *Hispanic Marketing*, "marketing success in any culture is predicated on reaching the emotion core of the consumer".[1] How could it be otherwise given human nature? For well over 300 years now, Western civilization – and its marketing and market research approaches – has labored under the misinformed approach most memorably stated by the French philosopher, Rene Descartes, when he declared: "I think, therefore I am."

In reality, human beings are not primarily or profoundly rational beings, regardless of Descartes' Enlightenment Era biases. Since shortly after World War II, the scientific basis for understanding human nature – including consumer decision-making and purchase behavior – has become clearer and clearer. First, people have three brains – which came into being during different stages of evolution. The sensory (reptilian) brain is approximately 500 million years old. The emotional (mammalian) brain is approximately 200 million years old. Meanwhile, the rational brain is merely 100,000 years old; in other words, it doesn't enjoy "first mover" advantage in helping to influence business outcomes (Howard).

Indeed, whereas as recently as a decade ago the marketing orthodoxy would have accepted a THINK-DO-(feel) decision making model, today the accepted progression is SENSE-FEEL-think-DO.

In short, emotions not only matter, they "win." Given that the emotional brain is significantly older and more densely wired than the rational brain, it sends something like 10 times as much data to the rational brain as vice versa (LeDoux). Moreover, given its more ancient roots it shouldn't be surprising that everyone feels before they think, and as such the notion of objectivity is just a myth. A case in point is this statement by famed lawyer Clarence Darrow: "I don't like spinach, and I'm glad I don't. Because if I liked it, I'd eat it, and I just hate it."

Now, Anglos may still strive to believe that they resemble Mr. Spock of *Star Trek* fame more than they do Homer Simpson. But in general terms, Hispanics don't labor under that misconception. In *The Whole Enchilada*, for instance, Juan Faura lays out the Eight Laws of the Hispanic Universe in relation to Hispanic marketing. Law #2 is "Assume we will be emotional and dramatic." Law #5 is "Intellect and Emotion are partners who do not speak the same language. Emotion is the key to our hearts".[2]

THE RESEARCH IMPLICATIONS OF LIVING IN A LOW-TRUST SOCIETY

It's often been said that trust is the emotion of business. After all, in freely exchanging goods for cash or credit, it's beneficial if an element of confidence exists between the two parties such that there's faith that the other side won't cheat or otherwise abuse them. If only life were so simple. The Latin America of the 21st century remains a low-trust society, bedeviled by a history highlighted by ruthless conquistadors and a contemporary governing style still often "riddled with corruption and instability." As a result, the "threshold of trust is much lower than that of your average American," for instance, "when it comes to certain things" (Faura 2004).[3]

Part and parcel of that distrust is a hierarchical sense of human relationships. From the Aztecs to the Catholic Church, the experience has been that of highly-stratified societies. Over the centuries, literal survival has often depended on cozying up to, or at least politely accepting, those in power. Add in the pervasive Catholic sensibility, and one finds a society in which "The Hispanic target aspires to conform and be like others," and "the family and the group are more important than the individual" (Korzenny 2005).[4]

Now, it's not as if these tendencies to conform or endorse "group think" don't exist elsewhere in the world, and make the job of collecting good research data harder than it would be otherwise. Human beings are not truth machines. Our essential goal is to survive and thrive, and in pursuing that good we aim to feel good about ourselves and accumulate allies by whatever means necessary, including lying to others and especially ourselves in order to bolster our confidence and odds of prevailing. Add in the fact that over 90% of thought activity isn't fully conscious, and you have a situation in which it's not only what people won't tell but also can't tell you that threatens to make traditional market research utterly unreliable.

Confronted by this reality, what's a researcher to do? The vagaries of verbal input, i.e., lip service, already looks ominous – even before you add in the specter of those who may not be literate enough to articulate their preferences clearly. Traditional, quantitative research relies on ratings, which depend on conscious, cognitively-filtered – simple – answers. The truth lies elsewhere. Qualitative research would seem to stand a better chance. After all, "The Hispanic culture is a passionate one, so it stands to reason that the most value would be gained by understanding the more emotional, human aspect that only qualitative investigation can provide" (Faura 2004).[5)]

But conformity and a cultural bias toward pleasing others puts that option at risk because the interviewers, the focus group moderators, inevitably serve as authority figures.

FACIAL CODING AS A MEANS OF NON-INVASIVE, NON-VERBAL, SCIENTIFIC RESEARCH

Fortunately, a solution exists. Along with pioneering work on evolution, which was given such momentum by his visit to the Galapagos Islands of South America, Charles Darwin also enjoyed a second revelatory experience in life. It came when he was closely observing his young kids' facial expressions, and came to realize that they resembled those of somebody else he had also been observing. Only it wasn't a somebody, it was a something: an orangutan named Jenny at the London Zoo (Hill). From that link between the facial expressions of his children and of Jenny, Darwin launched the scientific tool now known as facial coding, as part of his seminal understanding that emotions are to be taken seriously, and that in their faces human beings best reflect and communicate their emotions.

Why is that the case? Darwin offers three reasons: our facial expressions are universal, spontaneous, and abundant. Let's take each reason in turn. First, as to universality, the key fact to know is that even a person born blind emotes similarly to all of us because our emotive expressiveness is, as a species, something that's hardwired into our brain, rather than learned or socialized. Second, the face is the only place in the body where the muscles attach right to the skin, providing the opportunity for spontaneous, real-time research data. Sure, a person might try to squelch – to suppress – their true, real reactions, but not before they have already given it away thanks to micro-expressions: the quick, often split-second reactions that reveal the heart of a person's reaction to most anything. Third, human beings have more facial muscles than any other species on the planet. Thus our facial expressions represent a rich depository of insights, sitting right there in front of the nose of the observant researcher.

As such, facial coding offers an ideal fit for research in Latin America. It conforms to the essential emotional basis of Hispanic culture, and it suits the fact that the "marketer needs to make extra efforts to uncover the internal reality of the consumer" (Korzenny 2005).[6)]

THE PRACTICALITIES OF FIELDING

So, how does facial coding work in practical terms? There are really three components. The first is fielding. Facial coding relies on either observation or video by which to do the analysis. In a focus group setting, for instance, Cisco's Flip cameras can be placed on the table to record the subjects during the conversations. Once the video is captured, it needs to be reviewed carefully on a split-second basis using the field's gold standard: the Facial Action Coding System (FACS) developed by Dr. Paul Ekman and his collaborator, Wally Freisen. Between approximately 1965 to 1978, they systematically figured out which muscle movements, known as Action Units, correspond to which of the seven core emotions that go across cultures: happiness, surprise, sadness, fear, anger, disgust and contempt. Finally, statistical output can be matched up to either people's reactions during exposure to a stimulus, including, say, a TV spot; or to the intervals and even the specific comments made during the focus group discussions.

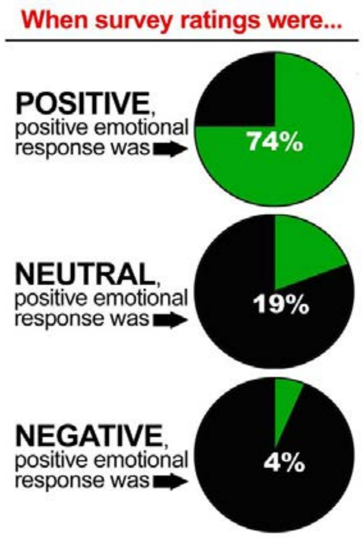
Shown in figure 1 is both a typical camera set-up during a focus group, and the semi-automated facial coding studio used by Sensory Logic to track detected facial expressions so that they can then be quantified, demarcated by specific emotions, and time-stamped to relate to stimuli exposure or linked to verbal input supplied by participants.

FIGURE 1, FLIP CAMERA SET-UP, AND FACIAL CODING STUDIO

OVERVIEW OF FACIAL CODING RESULTS FROM HISPANIC TESTING

With an overview of Hispanic culture and facial coding in place, it's now possible to share specific results in a meaningful manner. Let's begin with the thesis that "Hispanics appear to have a higher than average desire to please others, including interviewers" (Korzenny 2005).[7)] Is that true? The variety of testing done by Sensory Logic, over its 13-year history of applying facial coding to market research, would suggest that that thesis is, indeed, accurate.

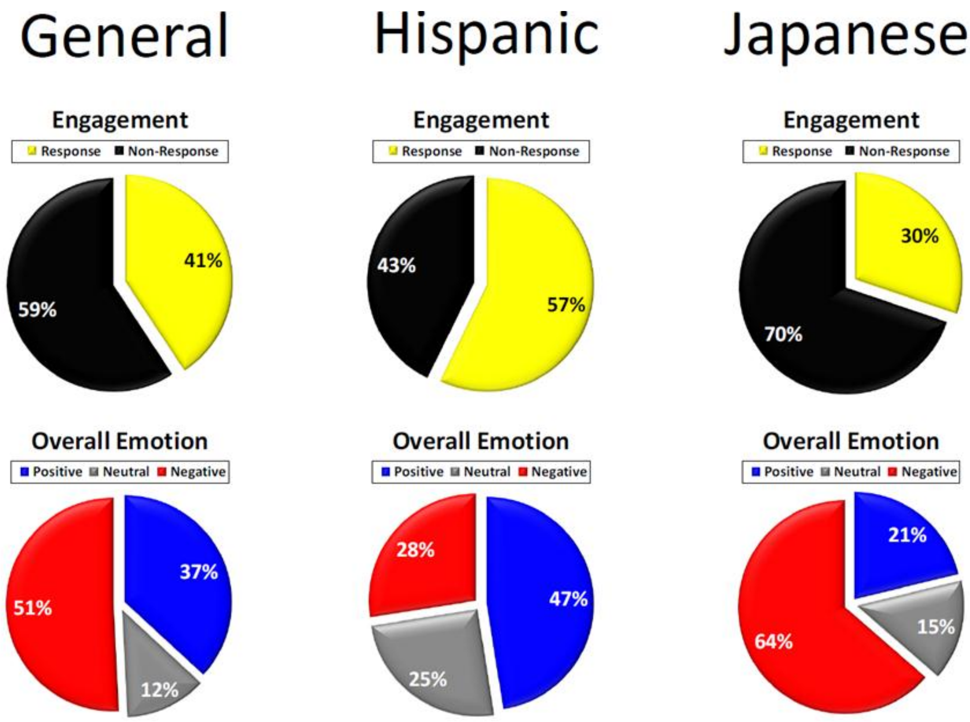
FIGURE 2, SAY/FEEL GAP



As figure 2 reveals, when it comes to survey ratings versus the degree to which a given person is predominantly positive, neutral or negative emotionally regarding the same issue for which a rating was gathered, the reality is that most of us fudge it. Only three-fourths of the time is a "yes" really a yes. And when a person says he or she is neutral, the reality is that four-fifths of the time they're actually negative. By gender, the results are fascinating. Men are both less likely to make "nice" verbally and more likely to be positive, emotionally, than women – who are very discriminating buyers. Meanwhile, among different racial or ethnic groups, Caucasians are significantly more likely to have a "say/feel" gap than African-Americans, who are pretty honest and say how they feel. Who is even more given to verbal grade inflation than Caucasians? By a small degree, it's Hispanics – eager not to offend, whether they're emotionally on board or not.

But there are other qualities that make the Hispanic consumer interesting, too, and a good candidate for facial coding research. One is that they tend to emote, to be emotionally engaged, more often than other subjects we've tested. Indeed, fully 57% of Hispanic consumers we've tested will emote at least once during exposure to a marketing stimulus, or in discussing it – a rate well above the general populace, and nearly twice the level of the Japanese. Moreover, Hispanic consumers are more positive. If you go by one person, one vote – so to speak – meaning that each person gets quantified in terms of whether they're predominantly positive (over 50% positive emoting), neutral (40 to 50% positive emoting), or negative (under 40% positive emoting) during exposure and/or discussion, Hispanics again come out ahead of the general public and are over twice as positive, emotionally, as their Japanese counterparts. (See figure 3.)

FIGURE 3, GENERAL / HISPANIC / JAPANESE COMPARATIVE DATA



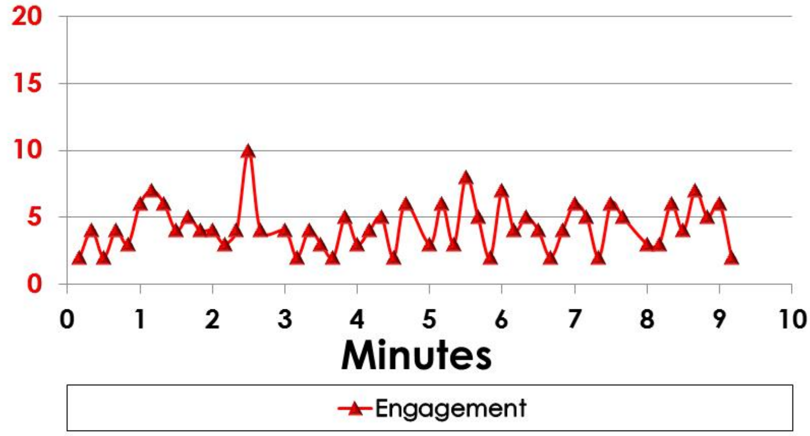
REPRESENTATIVE IN-DEPTH CASE STUDY

Earlier this year, in conjunction with the de La Riva Group in Mexico, Sensory Logic captured video footage of 40 participants viewing a sales pitch for a product that must remain confidential to maintain client's confidentiality. Facial coding data was collected to reflect the participants' responses while exposed to the pitch and then analyzed to learn the success of the sales pitch.

Sensory Logic measured the success of the sales pitch based upon the emotional engagement of the participants, their emotional appeal reaction, and the participants' dominant emotions during exposure to the sales pitch. Engagement occurs when participants become emotionally involved, care, as reflected by the amount of emoting. Whether participants' emotional response is positive or negative refers to the appeal. And, dominant emotions refer to instances when participants had one or two emotions that most characterized their reaction.

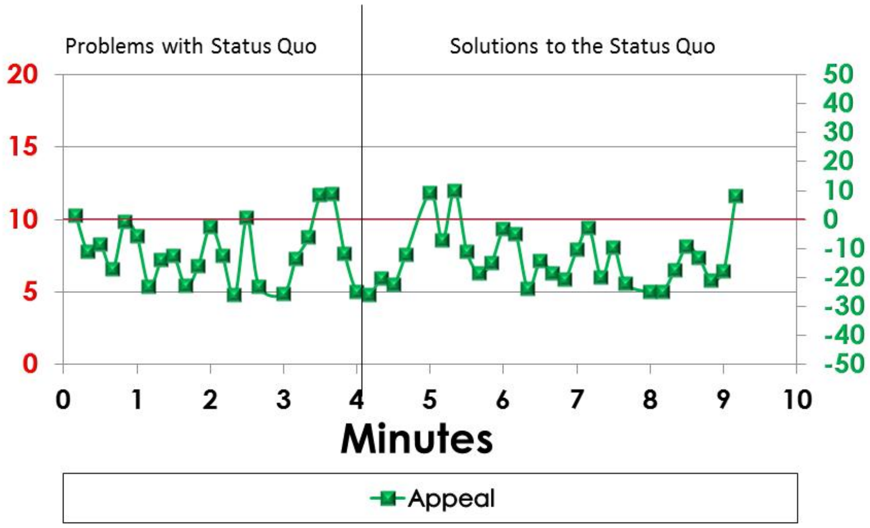
The participants' engagement with the sales pitch is relatively low throughout. Overall the pitch was divided into two movements – problems with the status quo and the solution proposed. We noted the engagement peak just after the two minute mark as the speaker addresses the impact of an unacceptable status quo on families. As figure 4 shows, aside from the one peak in section 2, engagement was strongest in sections 5 and 7, where the sales person used the first person plural "we" pronoun to make more of a connection with the target market. The first half of the sales pitch, problems with status quo, had a 45% engagement rate while the solutions proposed had a 55% engagement rate.

FIGURE 4, PARTICIPANT ENGAGEMENT



As to appeal, while the sales person is depicting verbally the inadequacies of the rival product, it is appropriate that the appeal score is negative. After all, the more the target market feels dissatisfied with what is currently available to them, the more the contrasting solution should be of value. That said; the negative appeal score that registered in sections 1-3 are fine. In contrast, sections 4-7 should, in depicting the superior solution the sales person provides, lead to elevated appeal scores. The sales person should in sections 4-7 be selling hope, i.e. the promise of happiness, which if convincingly portrayed should lead to positive appeal scores. Unfortunately, except in three instances the appeal scores never crest above the neutral mark. Put another way, the benefits of the proposed solution are not registering on people. The average appeal in the sections discussing the status quo, sections 1-3, was -11. The discussion of favorable solutions, sections 4-7, should in theory have a very positive appeal; however, the average appeal was -15. (See figure 5.)

FIGURE 5, PARTICIPANT'S EMOTIONAL APPEAL

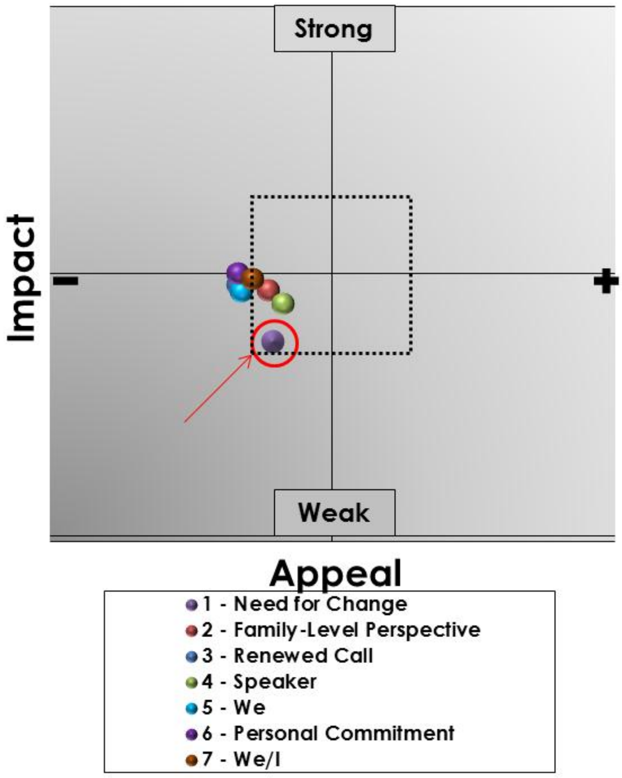


The most significant dominant emotion portrayed by participants was frustration. In the first movement of the speech, problems with the status quo, this reaction is on-emotion as the participants display warranted frustration with the barriers presented by the status quo. In the second movement of the speech, solutions to the status quo, however; high frustration as dominant emotion exposes the participants' resistance to the speaker revealing that the participants' perceive the sales person's intent as lip-service. Other significant emotions included high dislike and high sadness toward the conclusion of the sales pitch, which signifies the participants' disappointment with the speaker's overall pitch.

The discussion of dominant emotions also introduces the concept of being on-emotion or off-emotion, i.e. whether one creates the right emotion at the right time. In total, eight of the 18 cases of a dominant emotion are off-emotion in the sales pitch. A total of 75% of the instances when a dominant emotion was off-emotion occurred during the solution portion of the sales pitch.

If you were to separate the sales pitch into sections, as seen in figure 6, most of the sections are clustered together with relatively neutral impact and relatively weak appeal. The sales pitch ideally would have had a more positive appeal in sections 4-7 where the sales person discusses the favorable solutions. Also notable, the opening of the sales pitch has the weakest impact of all sections of the sales pitch, meaning the least intense emotional response.

FIGURE 6, EMOTIONAL OUTPUT – SECTION COMPARISON



A significant factor in the participants' reactions to the sales pitch was the speaker's own emotional participation in his own sales pitch. His emotional profile should have reflected the negative emotions associated with the problems he has with the status quo balanced with very positive emotions he associated with the hope he has in the solutions he offers for the status quo. His emotional profile, however, was dominantly negative with high frustration, sadness and dislike, which would contribute to the participants' emotional response as they mirrored the tone of the sales pitch. The overall emotional appeal of the speaker's pitch is relatively negative. Most significant to the speaker's impact and appeal, the closing remarks of his pitch are the most impactful, but the least positive of all his remarks. In other words the sales pitch does not end on a high note emotionally. (See figured 7 and 8.)

FIGURE 7, SPEAKER'S EMOTIONAL PROFILE

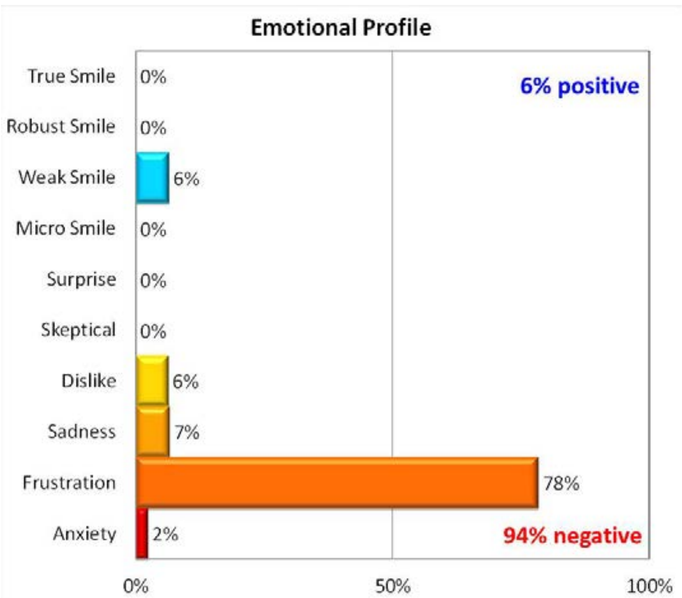
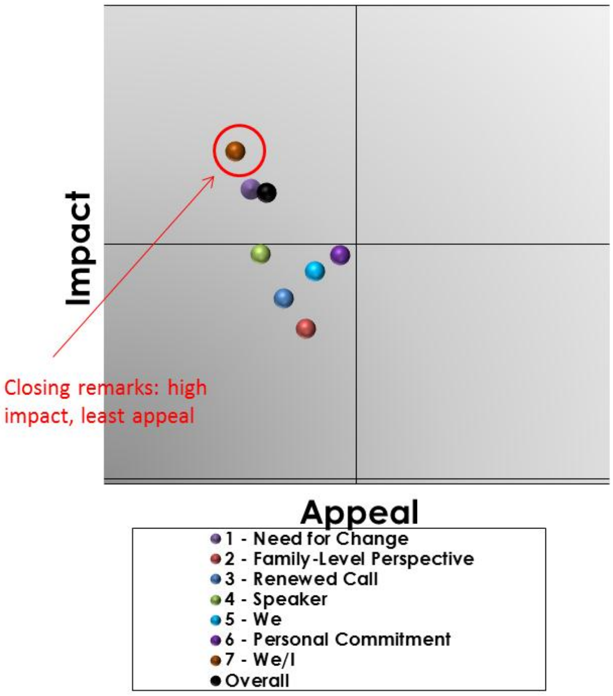


FIGURE 8, SPEAKER'S EMOTIONAL OUTPUT



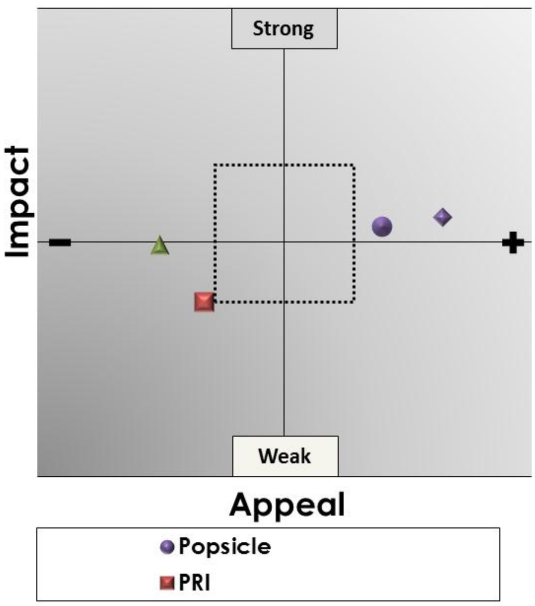
OTHER RESULTS FROM MEXICO

Again having partnered with the de La Riva Group in Mexico, Sensory Logic captured video footage from a pair of focus groups. The first was devoted to a TV spot involving a food product with a low price point. The second was devoted to gaining responses to a TV spot involving a political campaign. During each group, facial coding data was collected to reflect two different parts of the session: first, participants' intuitive, real-time emotional reactions during exposure to the TV spot; and secondly, the overall emotional flavor of their response to the TV spot during the discussion that followed.

As figures 9 and 10, the results couldn't have been more different.

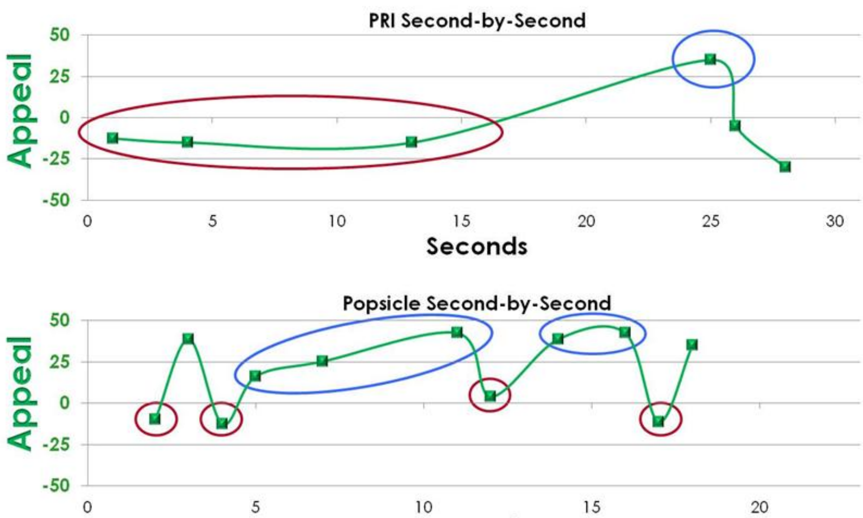
On an overall basis, taking into account not only the intensity of Impact of the emotional responses (with implications for their likely recall and motivational level) but also the positive/negative appeal of the emotional responses (decisive for preferential brand-building), the TV spot for the food offering was the hands-down winner. While the intensity or impact wasn't especially robust, the TV spot for the food was well received – far ahead of the TV spot for the political campaign.

FIGURE 9, CARTESIAN GRAPH RESULTS - EXPOSURE AND DISCUSSION



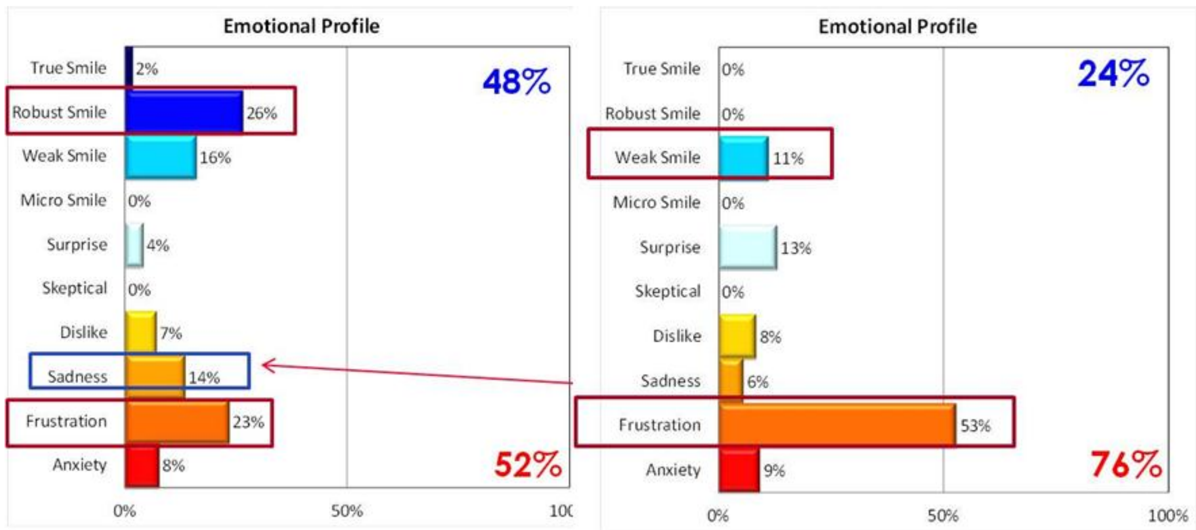
Moreover, based on the second-by-second, real time results it becomes obvious that the political campaign TV spot was failing to engage people. In Sensory Logic's methodology, a data point gets plotted when there are code-able emotional responses. With only six data points – as opposed to the 11 data points for the food TV spot – the political ad fails to motivate interest.

FIGURE 10, SECOND BY SECOND RESULTS



Finally, as the results from the discussions reveal, the political campaign spot continued to struggle. Only 11% of the emoting of participants was positive (across four levels of smiling/happiness as well as surprise). In contrast, frustration that arose from both confusion and resistance to the effort to be persuasive, was prevalent. Meanwhile, the food TV spot generated 61% positive emoting. The positive emoting was characterized by a low-grade version of happiness, i.e., weak social smiles, but there were more robust social smiles as well. And no negative emotion rose to prominence. (See figure 11.)

FIGURE 11, EMOTIONAL PROFILE RESULTS



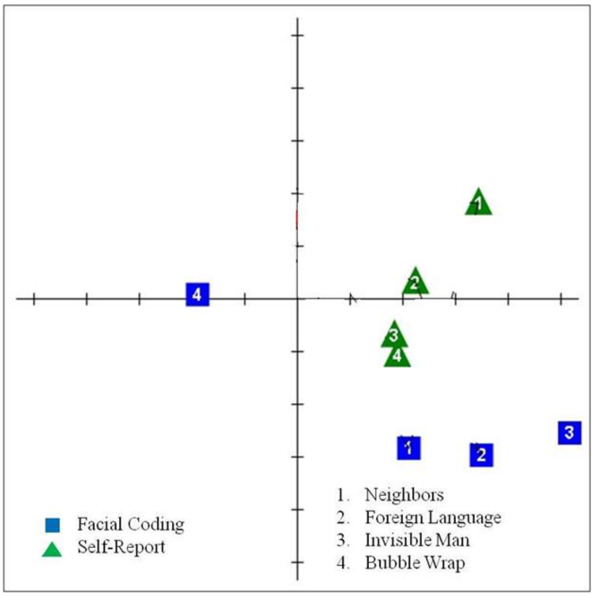
CONCLUDING REMARKS

Anybody who has ever had the opportunity to visit Mexico's world famous Museo Nacional de Antropologia will – especially in the light of this paper – come away with a renewed appreciation of just how expressive the human face often is. There in the museum's various halls or exhibits, you can see statues, pottery, and architectural objects replete with ancient faces showing all of the core emotions. Granted, sometimes those emotions were meant to ward away intruders – a warrior's fierce scowl – but often they reflect the lives of the people. Living in a world where survival was tenuous, it's not surprising that surprise, fear, and sadness predominate over happiness.

But in contemporary society, in marketing, it's the opportunity to convey a reasonable hope for happiness through the branded offer that's the emotion most often to be leveraged. A problem/solution format should be on-emotion, inviting the consumer to feel – convincingly – the problem, so that the solution then has greater value. Not all marketing will hit the mark, however, making facial coding a great method by which to avoid "lip service" approval of marketing that doesn't really win over the target market.

Accordingly, take into account this final marketing example, involving Hispanic emigrants to America. They were shown four TV animatics. Verbally, all four were endorsed and in three of the four cases to an almost equal degree, thereby not providing much in the way of discriminating insight. But the facial coding results reveal a clear difference. One spot is well ahead – and the one most worth investing in. It's called "Invisible Man" and empathizes with the feeling that Hispanics in America might have, namely, of feeling like they're insignificant. Meanwhile, one of the four spots is clearly not well received, no matter what's being said by the participants. (See figure 12.)

FIGURE 12, FACIAL CODING VS. SELF-REPORT RESULTS



Therein lies the promise and the application of facial coding in Latin America in the 21st century. As the breakthroughs in brain science have convincingly documented, we're primarily emotional beings. Emotions are central to everything in life, including marketing, because "Hispanic cultural subjectivity defines perceptions, beliefs, and actions" (Korzenny 2005).[8) Connect with consumers through your marketing efforts as documented by facial coding, and you'll know whether you've engaged and won them over. Motivation, recall, call to action and preference are all emotional constructs. Never forget that in Latin the words motivation and emotion have the same root, "movere", to move or make something happen. Marketing that inspires only an intellectual, non-feeling response is like a beautiful new car that sits in the driveway, not moving, because there's no gas in the tank.

FOOTNOTES

1. Korzenny, Felipe and Betty Ann. (2005). Hispanic Marketing, xix.
2. Faura, Juan. (2004). The Whole Enchilada, xvi.
3. Ibid, 47.
4. Korzenny, 2005, 180, 21.
5. Faura, 2004, 58.
6. Kozenny, 2005, 215.
7. Ibid, 224.
8. Ibid, 170.

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PART 2:
BUSINESS BEYOND BORDERS

MASTERCARD-MASTER INSIGHTS

THE JOURNEY FROM QUESTIONING TO LISTENING IN LATIN AMERICA

Ricardo Alvarez

INTRODUCTION

MasterCard in Latin America transitioned most of their studies from face-to-face and CATI interviews to online and Social Media analyses. Research-on-Research was conducted to identify why scores and consumer opinions were so different between online and off-line. Online responses were more candid and positive to our brand to any stimuli in the digital world versus the data gathered from traditional data collection methods. The analysis suggested that the quality of consumer's opinions are richer, more authentic and more insightful when respondents are more "relaxed" in the internet versus when they are approached in person or by a land-line phone. Analysis on consumer-generated content in social media made a great contribution to nurture the recommendation and insight to support business decisions, however, social media analyses are not going to replace yet the other richness gathered from traditional focus groups in which the interviewer listens, understands, perceives and feels the emotions of the individual that is before researcher.

BACKGROUND

In the Latin American region it is very difficult to interview face-to-face some consumer targets due to insecurity and other factors. Online panels, netnography and MROCs (Market Research Online Communities) have been very good options to generate insight among some targets. Researchers must be very careful to achieve consistency in data gathering and validity. MasterCard conducted research-on-research to identify why most brand health scores were higher off-line versus that gathered online and how to ensure we provide actionable insight to support the decision-making process.
The objective of this paper is twofold: first, to share what drives the differences in scores when switching data collection methods (from "analog" to "digital"); and second, to identify how insight can be transformed into actions using new methods such as social media, netnography and MROCs.

CONDUCTING NETNOGRAPHIC AND SOCIAL MEDIA ANALYSES IN LATIN AMERICA

According to Kozinets (2002), *"Netnography, or ethnography on the Internet, is a new qualitative research methodology that adapts ethnographic research techniques to study the cultures and communities that are emerging through computer-mediated communications. As a marketing research technique, netnography uses the information that is publicly available in online forums to identify and understand the needs and decision influences of relevant online consumer groups"*.[1] Poynter (2010), the senior analyst of social media and online market research, identified the term 'netnography' more broadly: *"Some definitions of ethnography are so broad, they could embrace the whole of market research, both qualitative and quantitative, without touching the sides"*.[2] Poynter concludes that *"there is a wide variety of new 'ethno' words which have been coined to discuss ethnography in the context of the internet in general and social media in particular"*.[3]

Some of the advantages of netnography and analysis of consumer-generated content is that ethnography in the internet is far less time consuming and elaborated. Kozinets (2002) said, *"Another contrast with traditional and market-oriented ethnography is that netnography is capable of being conducted in a manner that is entirely unobtrusive (though it need not be). Compared with focus groups and personal interviews, netnography is far less obtrusive, because it is conducted using observations of consumers in a context that is not fabricated by the marketing researcher"*.

ANALYSIS OF CONSUMER-GENERATED CONTENT

In Brazil consumers love to post pictures and videos in social networks with legends describing the meaning of the moment. We conducted a promotion inviting people to post on our website "what is priceless for you". Hundreds of pictures described beautiful moments. The prize was that MasterCard would film the best story on a TV ad spot. They have to register their pictures and participate in blogs and social media websites. We conducted an analysis to understand how MasterCard can fit in their everyday life (regardless of a product or service). We were more interested in identifying what is priceless for them rather than understanding how to issue a card. By doing so, we uncovered questions we had never previously thought relevant or important enough to ask. We together co-created a new way to generate insights based on what is important for them every day and their motivations. This was a way to collaboratively generate new insights.

Conducting analysis on social media is more an art than science. The key is to understand the essence and value of everyday happenings that people take for granted. Analysis on traditional off-line research along with observation of online consumer generated-content, such as videos of photos, complements each other: on one hand we get what consumers say they do, and on the other we get what they actually do.

According to Hardey (2011), *"consumer-generated has demanded more nuanced, innovative and exotic methodologies. Ever since consumers could become 'friends' on a social network site (SNS), the take-up of social media has been prolific across the commercial sector. Social media and accompanying Consumer-generated content (CGC) have shifted the boundaries where marketing, consumer behaviour and research converge to occupy an information-led and transparent world. However, this caveat must be offered: market research objectives continue to remain as a core set of principles -- to provide good analytical data that cannot only be captured by a Twitter feed or Facebook group. This includes the recognition of the importance of qualitative data in capturing the narrative of consumer content".*[4)] According to Hardey (2011), *"Consumers, who are part of Generation C (Content, Creation, Connection and Choice), constitute a significant proportion of the membership on consumer review websites. The nature of this generational category is discussed and situated within their use of social media. Reflecting calls for an innovative and open research agenda, the methodology is designed to reveal new forms of informational behaviour among this group of consumers, who are at the forefront of social media adoption. The research reveals that activities within consumer review sites are embedded in broader social media behaviours, and that this influences the creation and use of consumer-generated and marketing content. The identification of such new forms of consumer activity forms the basis for further research and the incorporation of Generation C into successful marketing strategies".*[5)]

THE "RELAXED" RESPONDENT

Research-on-research was conducted to understand why scores on brand health were higher online versus using the same instrument offline.

- Hypothesis: The differences of 12 parentage points in brand awareness online versus offline is due to respondents that collect online are more exposed to online banking and other online stimuli versus the one offline that are exposed to TV ads.

The quantitative test supported this hypothesis. The test assessed that not only exposure to online banking generated higher awareness scores among cardholders. It also revealed that they had much better experience when looking at the images and logos on the screen as opposed to cards that were handed out by interviewers. The research, which surveyed the same target including affluent segments, showed that 68% viewed conversion rates as either extremely or very important when optimizing online display campaigns focused on brand awareness, compared with 59% who were interviewed face-to-face. The research also reveals a more involved, yet unsettled online advertising recall among Brazilians and Mexicans versus recall on TV advertising. Brazilians campaigns are typically longer (47% last three months or more, compared to 16% in Mexico).

THE SOCIAL MEDIA REVOLUTION

According to Forrester Research (2012), "time spent online surpasses traditional media consumption including TV and this time spent online is not exclusive to high-socioeconomic level consumers. Low-SEL online metropolitan consumers in Brazil and Mexico fully engage with the online world when access is available".

Social media has rapidly evolved over the past years in Latin America, consumers are faced with an explosion of media, and as a result global brands operate in a very challenging environment. Consumers no longer need a laptop or computer to post a comment in the internet; they are doing it using their mobile devices. That is why we had to look at digital and social differently, to find a way to understand their topics, their conversations, and their sentiments rather than fabricate a situation to get to know them. According to the same report of Forrester, "about nine in 10 people regularly visit a social networking site, mostly spending their time connecting with friends and family. Facebook is dominant in both Mexico and Brazil, but in Brazil it only recently surpassed Orkut as the No. 1 site".

Conducting analysis in social media is costly because we had to deal with very large amounts of information and the need of intelligent and human analysis in interpreting the meaning of the conversations.

Undoubtedly in Latin America the social activity has boosted conversations toward what is priceless in life for them as well as ordinary conversations about everyday events in life. At MasterCard we have tracked the conversations generated in blog posts, twitter, Facebook, news, YouTube, forums, and as a result, when people talk about something "Priceless" or *"No-tiene-precio"* (priceless in Spanish), they relate to exceptional and emotional experiences such as laughing *"jajaja"*, "boyfriend", "thank you" "friendship", "my children". Their conversations are related to what really matters in life.

To start with the analysis, one of the simplest approaches is to analyze what is called "tag clouds" or "word clouds" as illustrated in figure 1.

FIGURE 1

There are several software options in the market place to start analyzing data based on words and phrases. These tools originate large amounts of information, the key is how to transform that information into insight. This task requires a lot of intellectual effort.

CONCLUSION

According to the study we conducted, we concluded that scores generated online are higher than those gathered offline because they are more "relaxed". The environment is not fabricated by the marketing researcher. In the social arena, consumers are prolific, authentic and insightful. People are not necessarily talking about MasterCard or any brand in specific, or about the things we need to know about. Information of consumers in social networks doesn't always address their behaviour and attitudes, but if they are talking about our brand we must know it.

Analysis on consumer-generated content in social media made a great contribution to nurture the insights to support business decisions, however, social media analyses are not yet going to replace the richness gathered from traditional focus groups in which the interviewers listen, understand, perceive and feel the emotions of the individual that is before the researcher.

FOOTNOTES

1. Kozinets (2002). p.32.
2. Poynter (2010), p.246.
3. Ibid.
4. Hardey (2011), p.21.
5. Hardey (2011), p. 33.

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BRAZIL'S MIDDLE CLASS? YOUR TABLE IS READY

OPPORTUNITIES AND CHALLENGES FACING THE FOOD SERVICE INDUSTRY IN BRAZIL

Gabriel Aleixo • Renata Ribeiro

INTRODUCTION

In under ten years Brazil's middle class has moved from an unfamiliar concept to a blossoming reality. In 2009, for the first time the Brazilian "C Class" – named after the socio-economic income band C, the official designation of "middle class" status – accounted for half the country's population. The explosion of wealth and prosperity has led to significant change in consumer behavior, particularly in the food and beverage categories with restaurants and grocery stores, a particular growth area.

With so much opportunity to engage with this new category of consumers, intelligent brands such as Nestlé Brazil are seeking ways to innovate and connect with the C Class market.

Nestlé wants to better assess the need states of this growing middle class as they relate to eating out of home (see the "Objectives" section for a more detailed breakdown of Nestlé's research needs). In order to understand this, Nestlé engaged with BrainJuicer's JuicyBrains Community™, a Market Research Online Community (or MROC) designed to put brands in touch with their consumers in an interactive way. By encouraging consumers to interact and share responses with each other, a community goes further and deeper than simple qualitative interviews. The project was designed to truly dive into the lives of these new frequenters of bars and restaurants, to get a flavor of what really makes them tick and to understand the motivations behind their choices.

This paper will paint a picture of Brazil's C class for Nestlé, with particular interest on the importance of dining out as a new and potentially emotionally charged activity for consumers who never before had access to such leisure activities. The findings of the research allowed Nestlé to define a clear direction for the brand, and plan product offers to tackle the opportunities related to the food service industry in Brazil.

THE OUT-OF-HOME FOOD MARKET IN BRAZIL

The out-of-home food market in Brazil is estimated to account for R$185 billion, and it has been growing on a double-digit basis for many years now. Today, an average Brazilian eats more than 30% of all meals out of home, and studies show that more than 80% of Brazil's metropolitan population eat out at least on a weekly basis.

Such a thriving market represents a huge opportunity, not only for companies directly involved in servicing those consumers – restaurants, bars, etc. – but also for most of the key players in the food industry.

Like so many other categories in Brazil, the so called out-of-home food market is composed of both formal and established businesses as well as informal ones (street vendors and informal restaurants, for instance). From a consumer point of view, this difference is less than relevant; usually the choice for a place to eat has to do with other factors than this, but from a business perspective, this segmentation is very relevant as it is particularly hard to serve the informal and pulverized food market with solutions and products. Nevertheless, learning from the differences and understanding what you could be competing against are relevant aspects, but little is known about the informal food market in Brazil.

Companies like Nestlé explore the out-of-home food opportunity via a business-to-business approach, developing and offering products for restaurants and bars, which they will offer to their clients. From the company's perspective this is a win-win approach, since the restaurants and bars can have access to profitable solutions tailored to their needs, and the brands have the opportunity to create more consumption occasions for their products, becoming more and more part of consumers' daily lives.

THE CHOICE FOR A MARKET RESEARCH ONLINE COMMUNITY

To help Nestlé understand emerging C Class consumers we used a MROC platform, JuicyBrains Community ™, to engage with consumers at the local level.

'Community', even in the context of the online world, is a very broad term, but can be loosely defined as the bringing together of a group of individuals in an environment in which certain rules govern their interaction.[1)]

Considering this definition of what a 'community' is, we can easily identify several online platforms which qualify, such as social networking websites, blogs, forums, micro-blogging, photo and video sharing services, Wikis and many more. It doesn't take more than a minute browsing any of those platforms to discover that brands and companies are already present in this space, maintaining conversations with consumers, interacting and learning with them. However, despite this intense and constant contact, brands have with their consumers via the 'Social Web',[2)] there is the need for a tool that enables a different kind of conversation, one that's not guided only by social norms and etiquette, and that's not biased by promotional and marketing interests.

A Market Research Online Community (MROC) enabled BrainJuicer and Nestlé to achieve certain things that were of primary importance for the project:

- Recruitment of members that matched the specific profile defined for the study; in this case, middle-class Brazilian consumers;
- Active moderation of the conversation to ensure the members fulfilled certain tasks and steps, and also that the conversation stayed on subject as much as needed;
- A larger group of participants (87 members) than in traditional qualitative research, to offer a diversified view on the subject preventing any one point of view from dominating the conversation;
- Discussion across brands and categories, allowing consumers to talk about different themes and offer a truer view of their lives - rather than forcing them to artificially focus on one brand or topic.
- The project spanned several weeks which allowed the researcher to plan ahead on specific participant activities. On this particular project, this was very valuable, as it allowed us to follow consumers when they actually had the experience of eating out, mainly during weekends;

Since a major part of the growth observed in the out-of-home eating behavior can be attributed to the changing habits of the emerging middle class in Brazil, this project was designed to focus on the consumer experience of eating out itself, placing the respondent in the center of the analysis. So we did not directly consider the political or economic background to the growth of C class consumer options. These elements play an important role in enabling and motivating people to go out more and spend more on food outside of home, but don't directly determine consumers' brand or product choices on these occasions. So the key element for a brand like Nestlé is to understand the individual motivations and needs of these Brazilians, and be able to respond to them, thus generating competitive advantage for the company.

THE SAMPLE

The community we recruited comprised 87 members, with 39 of those proving to be very active and engaged throughout the three week project. Unusually, no members left in the middle of the project, showing an extremely positive engagement of participants with both the subject and the actual discussion.

We recruited participants from social classes C1, C2 and D (according to the Brazilian Social Economic classification Criteria). Fewer members of class D – the emerging lower-middle class - were recruited to the group, but those who joined proved to be very enthusiastic and active in the discussion, with a participation level above the other social classes.

The community included both men and women, age over 18, who eat out of home at least once a week. All participants lived in the São Paulo metropolitan region, as specified by Nestlé. Food is one of the most local of all consumer goods categories, and it must be treated as such. Therefore, it was important to generate understanding and insights about the São Paulo consumers first, making sure they're relevant for this market.

LOWER INCOME CONSUMERS AND ONLINE COMMUNITIES

Even though our community only included C1, C2 and D class consumers, there is still a huge difference in the reality of a C1 class consumer and a D class consumer in Brazil. When we compare the average monthly incomes of households belonging to class C1 and D, we have an income gap exceeding 100%: average income of a C1 household is R$1.541 and of a D household is R$714.[3)]

This difference alone would be something really difficult to manage within a traditional focus group; lower income consumers would tend to be intimidated by mentions of products and services which they have no access to or opinion about. On the other hand, separating them into different groups would not let us bring the ideas and opinions of the different levels into potentially insightful contact.

Only a Market Research Online Community can deal with this limitation. The first response of each community member to any specific task is independent (i.e. the participant cannot see what other people are saying until he posts his contribution), so much of the initial 'group effect' is minimized and people are forced to be more true to their personal views during the discussion.

Furthermore, the on-line platform also serves as a kind of shelter, a protection to allow them to expose their own ideas without feeling too exposed; when they feel uncomfortable about a comment, they can simply choose not to respond.

This target group is increasingly familiar with online communities and social networking websites. Today, more than half of the whole internet population in Brazil belongs to the C, D and E social classes,[4)] and the number of C class consumers accessing social networks in Brazil is the same as A and B class users combined.[5)] This means that it is now as easy to find a C class respondent in Brazil who uses social networks, as it is to find an A or B class respondent.

Brazilians in general are among the most active users of social networks on the planet. The networks create an environment that stimulates open discussion, which is so important and rich for market research. This paradigm shift needs to be considered by researchers exploring the needs of this emerging consumer, and it was one key driver behind the decision to use an online community for this case.

RESEARCH OBJECTIVES

The primary objective of the study was to understand how the growth of the middle class in Brazil affects the food service industry, ultimately to inform Nestlé's business growth objectives. This project was designed to allow BrainJuicer and Nestlé to better understand the needs of this emerging consumer market and develop products tailored for their own specific needs and expectations, which is crucial to take advantage of the opportunities present in this rapidly changing market.

The company was particularly interested in understanding the roots of the C class movement; the importance of dining out compared with other activities; attitudes and behaviours around dining out; the relationship and importance of different types of places and the meals offered (i.e. bars, quick service restaurants (QSRs), and full-service restaurants).

THE APPROACH

There are many possible approaches to designing MROC tasks. For this project we chose a mixed approach combining both traditional Q&As alongside gamified / projective techniques.

Our first task sought to understand what eating out means to the individual. This included questions on the practical elements (where, how often, etc.) alongside attitudinal considerations (why, key attributes, etc.). As previously mentioned each respondent answered the questions before they were able to see other people's responses. This meant that we got the individual's unbiased view. Further moderation and conversation between participants let us dive deeper into the similarities and differences between our participants and create hypothesis about the important aspects of dining out.

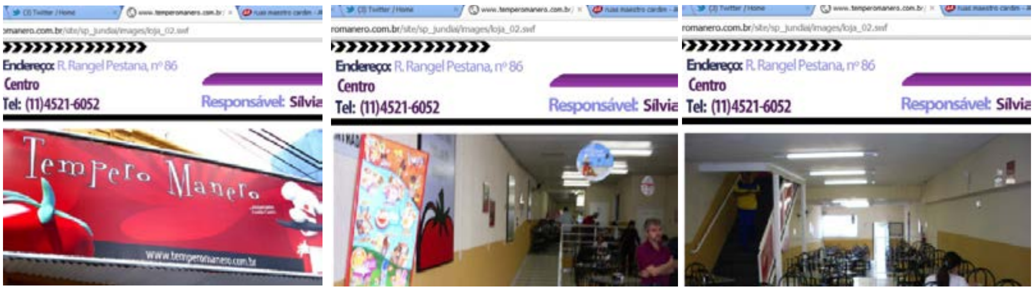
The second task took a gamified approach. We challenged the participants to write a restaurant review of their most recent dining out experience (against certain criteria) and to also take a photo of the venue. Each review was then scored by other participants for two reasons – to encourage more participation and also to provide a quantitative guide of what a 'good' and 'bad' restaurant looks like (see figure 1). The focus of this task moved from the individual's attitudes / opinions (task one) and instead took in the restaurant's own characteristics and how they were responding to the customer's needs. It's important to recognize that the subject of our research is not just the individual but also the restaurants themselves and the relationship that exists between the two.

The photos were a great help in bringing the research discussions to life; being able to actively see our participants in the restaurants adds another dimension to our findings. On one level it gives us more data – we can compare the look and feel of different places; on another it provides an opportunity to compare what people say about a place and how it looks (what do they mention, what do they leave out), which in itself is interesting.

A crucial difference between the first two tasks is that in the first one we understood claimed importance of attributes, whilst in the second one we could see if these claims translated to the restaurants they chose. So although they claim particular aspects of restaurants to be 'essential' – we now understand whether these same elements also appear in the places they went to, and how they were commented on in the reviews. This provides the researcher important information about the difference between the aspirational qualities of a restaurant and the 'real-life' view – both of which are important for Nestlé to better understand when designing their own offers.

Tasks one and two helped us to better understand today's Brazilian consumer, so we designed the third task to put this understanding into a historical perspective. It asked respondents to compare their out-of-home eating habits today with their habits from five years ago. As they had already completed two tasks on their current habits this made it easier for them to think more deeply about the different aspects of eating out, and how their attitudes, expectations and experiences might have changed.

FIGURE 1, TASK 2 OUTPUT EXAMPLES WHERE WE CAN SEE THE DIFFERENCE BETWEEN PLACES AND HOW THEY SCORE OR REFER TO THEM



Name	Tempero Maneiro
Address	Jundiaí Downtown
Score	★★★★★
Strengths	The service is excelent, the ambient is nice and very well cleaned. The food is great!
Weakness	They could replace the current dishes, they are too flat (it would be better a kind of bowl)
Total cost per person	Not defined (rice, beans, gnochi, salad of carrots, beet, letuce, tomato and onion, as a side dish I ate a beef with onions and one coca-cola to complement)

Ednilson 2012, d

Name	Bar e Restaurante Zebra
Address	Rua Maestro Cardim (Hospital Beneficiência Portuguesa)
Score	★★★
Strengths	Lunch is "well served" (good amount of food), tasty and the price is not too expensive
Weakness	The client service: when you order, they forget you, then you need to call them again; Also, there are some clients listening loud music on their cell phones
Total cost per person	R$ 16,67 ("Cuban" Chicken filet : rice, vegetables, french fries, 2 fried eggs, bacon, ham and we ordered in addition: black beans from the feijoada. And, lime juice or acerola juice or graviola juice with milk)

LunaAthermis, c1

ACTION STANDARDS

Nestlé has been studying and following the evolution of this target group since 2005, leading the industry movement to understand and create solutions for this emerging middle class segment. Nestlé Professional (food services) is also paying attention to this target and has been developing new solutions for them. However, this was their largest attempt yet to dive into this consumer universe, their daily lives and realities in relation to eating out habits.

For Nestlé, the outputs of this study will serve as a springboard for the development of products aimed at restaurants, cafeterias and fast-food chains targeted at middle class Brazilians, and will also be instrumental in defining communications platforms (e.g. language, expressions and meanings).

RESULTS DISCUSSION

The findings of our Community illustrate that to the Brazilian middle class, eating out is far from a merely practical need. It is fully charged with emotional cues, secondary meanings and aspirations that relate to the moment they're living in and especially the evolution they've seen in their lives over the past five to ten years.

Looking back to Brazil 10 or 15 years ago, we would have seen a country with little or no middle class. Its income distribution was hugely uneven with little common ground between the rich – with access to goods and services of all types – and the poor, largely excluded from consumer markets. This has changed, thanks to proactive government policies on income distribution and the positive economic performance of the country: millions of consumers who had been excluded from the market started to have access to services that before were restricted to the 'rich'.

The findings of this project clearly indicate that eating out is perceived as one of the flagship elements of the rise of the new middle classes and the transformation in their lives – even if in an implicit way, the stories, references and associations all point to this perception.

The more functional aspects of eating out rest on two key pillars that drive most of the decisions that consumers consciously make when choosing a place: the environment and the food. Those are, possibly, two of the most generic elements of eating out, but the meanings and needs behind them reveal a much more interesting picture. We will now dig into the project findings to illustrate how our participants related to food and environmental factors (see figure 2).

FIGURE 2

"The Restaurante e Churrascaria Sallet's Boa Vista is a place that has my preference when I think of eating out. The restaurant has a good variety of dishes and salads to mount to my choice (self-service), and also a steakhouse. My grade for this restaurant is 4 because the food is good, with varieties that includes many types of desserts as well. I just did not register internal photos because the manager requested anonymity of the clients, but I took a photo of the front door for you to confer." (Vilmario500)

"Since 5 years ago many things has changed, the way of service, prices, specialties offers, all of them added many tricks to gain the customer. Nowadays it is common to eat out, and it is no longer a program only for rich people, we can all eat out with our family too." (Guigaoff)

"Five years ago the 'financial power' was not as good as now, for this reason we ate out less often than now. And the quantity of restaurants and pizzerias also improved given us more competitiveness prices options." (Danniel)
"Time of eating out is always very special, because we can try new foods, new environments, and fellowship time with friends and loved ones." (Alatwan)

"Eating out means to break the routine, do something new, because we always eat at home and it becomes a tiresome routine, so we decide to eat out. Eating out brings the idea of a restaurant, new food, waiters ready to serve, I feel good eating out and doing something new." (XxFIRE)

Food
There is a clear preference among consumers for places that offer 'well served' – meaning generous - dishes, and preferably those places offering either a buffet system, or a 'kilo' system, where you pay by how much your plate weighs after a visit to the buffet. This preference is linked to the ability to choose exactly what you want to eat and how much you want to eat, as well as the big variety of dishes and different types of food.

FIGURE 3

"Giraffas is always a good option: because they serve meals of daily routine that are good for us. And the image I have of Giraffas is the joy of happy people eating and having fun there." (Marcelodios)

Consumers say that eating out gives them the opportunity to taste new types of food and discover different flavors. In fact, when we probed more deeply, we soon realized that the proportion of people who actually go for radically different cuisines (e.g. Japanese food, Mexican food, etc.) is not very relevant.

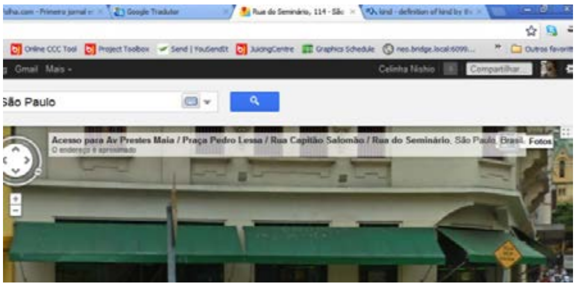
FIGURE 4

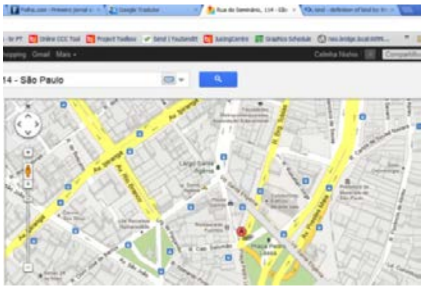
"We went to a Flying Sushi (Japanese fast food chain), but for children as they do not eat such food, before we got there we bought some food for them from a McDonald's Drive Thru and brought the sandwiches to eat here with us" (Kgco)

What consumers are telling us in reality is that rather than taking the opportunity to experiment radically, they like the opportunity to have more familiar food that still tastes different from their own – perhaps through different seasonings, recipe variations or preparations.

"I believe that even though there are numerous options of restaurants, it seems that's all the same, and I would rather that they offered more options. Not always I'm interested on eating those ready dishes offered by restaurants. I think it would be interesting if there was any option we set up our plate with whatever we wanted. Even if we had to pay more for this option." (Nrinocencio)

FIGURE 5





Name	Lanchonete do Fado
Address	Rua Do Seminario,141 – Downtown - São Paulo
Score	★★★★★
Strengths	Quick and personalized service – I go there very often and they recognize me, tasty and inexpensive food
Weakness	None
Total cost per person	R$ 15,00 prox – rice, beans, 2 hamburgueres and Fries

tioBin

Compared to the warm reception given to buffet offers, there is more tension around 'a la carte' service. On the one hand, the whole experience of being served is very much desired, but on the other, it's rare for the menu choices or food quantity to exactly match what the person would have chosen freely.

Surely consumer budgets play a very important role in this whole mechanic. Although the purchasing power of C and D class consumers has been steadily increasing for several years, they're still living at the threshold of their income when it comes to paying the bills and having some spare cash for leisure. So the sense of 'making the most out of my hard earned money' also plays an important role, and the freedom offered by buffets and kilos address this need very well.

"If you do not use "the good sense" and financial control, eating out can be costly at the end of the month. I would recommend this practice: eat out only when necessary and to relax. The more we eat out, more money will come out and at the end might damage the household budget. In most cases I have the exactly money to dinner out with the dessert too, to avoid excesses, especially with goose bumps as candy, juice, ice cream, smoothies and more." (Earns07)

"Where do I go out? It depends on the period and amount of money I have to spend. I usually go on Fast Foods and other restaurants depending on these." (Gustavolsilva)

"I always end up exceeding the budget because of the blessed dessert." (Regina2747)

FIGURE 6

"My wife and some fellow of the same church as me. We all went to a pizzeria in a "rodizio system", where we could eat at will." (Earns07)

Environment

The environment is crucial for the final decision on where to dine. In Brazil, eating out is essentially a leisure activity to be shared with family and, if possible, friends. Eating out alone is almost an unimaginable thought: something that doesn't even make sense for most of the participants.

FIGURE 7

"Last time I dined out was in the food court of the Carrefour hypermarket. I went shopping with my family and we decided to eat there." (Andreiabella)

Eating out is a social moment, and both functional and subjective elements play a role. From a functional point of view, the restaurant needs to accommodate the entire party: the whole family, often including friends, 'aggregates' (extended networks of friends and neighbors), etc. So customers need large tables and some flexibility to organize them according to the customer's needs, and some room for the children to play or – even better – to be looked after while the adults eat. This explains the success of many food courts, both in shopping centers as well as supermarkets, which offer all these elements, plus the opportunity to choose the food from many available options.

The social element of eating out works on an emotional level too, so people want to take their loved ones to places that will create a nice impression and generate nice memories. So not only do they need to feel comfortable and welcomed, they also look for places where they can be relaxed and not think about restrictions or rules. In the community, people frequently mentioned the idea of being able to laugh, speak and joke without having to mind their tone of voice, or walking around freely without bothering others. There's an idea of freedom, and of feeling 'at home' away from home.

FIGURE 8

"I did not like the spacing of the tables and the room was very tight, people are crowded, also we had soft drinks, but the only option at this place was bottle of 290ml, although we usually get Coca-Cola 1 liter bottle." (Nallaworks)

"I prefer a canteen (Italian restaurant) where I feel like at home, something like familiar" (Driluna)

"Usually my friends and I avoid going to restaurants because we are always in a big number of people and the mess is big, not everyone likes to receive a large number of adults and children. We have avoided some places because many times we had problems because we were 'talking too loud' and so on. At once the waiter came to ask if we could not laugh more low!" (JotaPluftz)

The meaning of eating out

We can see an interesting transfer happening between the home experience and the activity of going out to eat, for these consumers. In higher Brazilian socio-economic groups (A and B) we have observed trends pointing to more in-home living, a behavioral change leading people to want to be more in their homes and create experiences there. But the emerging C Class consumers are moving in the opposite direction.

This is rooted in the perception of home for the emerging middle-class consumer. Home has always been the place to go after a full day working and studying, but not necessarily by pure choice - simply because going out was almost never a viable option. So home is where you rest, recover from a busy day, but also where you have your housekeeping obligations, where you have to do things yourself otherwise no one else will do them for you.

"The images that come to my head are my family having fun, my husband drinking a beer, and seeing him relaxing... the better to eat out is that I do not have to cook on that day and this is very good!" (Regina2747)

"Although I cook well, I loooooveeee eating out. Sometimes it is good to eat out. Not only to avoid to do the dishes and clean the kitchen, but also to see people and try something different and new." (Cely)

"I dine out because I want to take my wife out of from her home routine, usually on Tuesdays we go out, go to Mc Donald's, steak houses, pizzerias, and even the famous "Cinquentão" in the neighborhood where it sells snacks as a coxinha, empada, risoles, meatballs all for 0.50 cents each" (Juan.alves)

"I think our women deserve a day off and to take them out for lunch is always good." (Marcelodios)

This has a special importance for women. Traditionally, the wife is the one who stays at home, raises the children, takes care of the house, and cooks for the family and so on. This picture of home-life is changing and we are seeing new family arrangements in Brazil - more women working out of home or being the main provider of the household. However, we need to keep in mind that these emerging consumers have a more traditional view of society and values, so behavioral change takes longer to fully materialize. In that sense, even though the home is a most treasured and important place for C Class women, it's also linked to daily hard work and responsibilities.

Going out with the family for dinner or lunch is therefore the moment middle class Brazilians can forget about all these obligations – cooking dinner, doing the dishes – and enjoy a nice time together with the ones they love. So the whole social experience around eating out is in reality, much more important than the actual sensorial experience with the food. Food needs to be good, ideally great in taste, but not necessarily different from what they're used to.

This is where we see the tension around service emerging. If we continue on this same line of thinking, we'll easily come to the conclusion that 'a la carte' restaurants offer something that C Class consumers value a lot - the possibility of being served by someone and not having to worry about anything. But even though this is an aspiration, it takes away the freedom Brazilians would like to have when they go out with their family, because they will have to take someone else's choice of menu, accepting the ingredients and combinations someone else created, which might not be exactly what they wanted.

In the end, eating out is really all about the perception of improvements in life. It is still a very superfluous activity for this target group – this in itself is a problem for the food industry since dining out is an easy activity to cut in the event of any abrupt changes in income.

But, despite this, eating out of home is one of the achievements treasured by the emerging middle class. For many years, the image of the wealthy household in Brazil has been a place where the family is served and cared for by a 'staff' who are there to do exactly what they're asked to do. The experience of eating out with the family nowadays for middle class consumers resonates emotionally with this image. It's something that's still out of their reach on their daily lives, but that they can try to experience every once in a while, even if only for a short period of time.

RELEVANCE FOR NESTLÉ

Conducting market research with lower income consumers in Brazil is not always an easy task, for some of the reasons discussed in the sample and approach sections of this paper. Using a very effective and efficient approach, Nestlé was able to capture new insights and understanding about this strategic target group, which will help them not only fine-tune their current offer as a food service company, but also help them devising a mid to longer term strategy to take advantage of the opportunities presented by this huge social change happening in Brazil.

The results of the Community are rich in images, examples, stories and consumer language which will help internal audiences in gaining intimacy with this target, as well as helping Nestlé's clients – restaurants, bars, etc. – to fully grasp the meaning of this territory for their customers.

The solutions that can be envisioned by Nestlé for their Professional/Food Service unit reach beyond simple product offers. They can include services and support for their direct clients, in such a way that it helps the company create stronger alliances and more competitive advantage in the marketplace.

This study is the first step of a wider innovation process where Nestlé Professional wishes to explore new possibilities in Brazil. With the results of this research, Nestlé will make a deep-dive to clearly define the territories they want to play in, generate ideas for solutions and follow the company's innovation process.

CONCLUSION

Brazil's rapidly growing middle class represents both opportunity and challenge for researchers, as for the companies which look to market to them. This paper has sought to prove the effectiveness of an MROC solution in reaching this consumer segment and engaging with them. We feel that the MROC approach was a successful one – the topic of eating out of home is implicitly social, and a community-based approach helped reflect this. In addition, it let us move beyond simple self-reporting, using members' interactions with each other to get to truer perceptions of the dining out experience and environment.

For Nestlé, this approach allowed a high level of immersion into the world of "eating out" for the emerging C Class market in Brazil. In its three weeks, the community was able to explore in depth the habits, attitudes and motivations of the audience, in their own vocabulary. The results challenge easy assumptions about the meaning of eating out for this segment, instead revealing a balance between aspiration and an expectation that the dining experience will allow freedom of choice and match these new consumers' expectations. The new middle class consumers may be taking a seat at the table, but they want it on their own terms.

FOOTNOTES

1. J. Kennedy, L. Verard - Online community platforms - A macro-overview and case study – ESOMAR Online 2009
2. Howard Rheingold coined the term in 1996
3. Critério de Classificação Econômica Brasil 2012 – ABEP – database: LSE 2010 Ibope
4. Internet POP 2010 Ibope
5. Redes Sociais POP Sept/2010 Ibope

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THE POWER OF PACHA MAMA

MOTHER EARTH AND THE CONSTRUCTION OF SUCCESSFUL BRANDS

Julia Paez • Cristina Paez • María Augusta Iturralde

INTRODUCTION

"Doña Justina Cusicanqui, wise and tender old lady, tells a story of her grandmother about an Aymara Indian who, in front of the obstinate priests that aimed for him to be baptized under the Christian faith, answered in a very calm tone: "I expect nothing from the Heavens, all I have has been given to me by the Land". Homero Carvalho Oliva, 1957, Pachamama

Small and medium enterprises (SMEs) represent an important sector for the growth of global economy. SMEs in Latin America have an even more important role, and it is clear that they are becoming stronger every day.

"For Latin America SMEs represent a lot in terms of employment, production and even if in a discreet way, have a role in exports which are so necessary for our countries".[1)]

According to Cepal, the contribution of SMEs to the economy in Latin America represents:

Sector	% in Latin America
Employment	25 to 45% (of the employed)
Production	15% to 25%
Exports	1 to 3%

There is no standard among countries on the number of employees that make up an SME. In Ecuador SMEs are organizations with up to 100 employees and employ 38% of the total labor force of the country, accounting at the same time for 19% of its total production.

Currently SMEs have strong government support, which has already generated a number of policies that promote their development, especially in the financial and tributary areas. However, management is still very basic and is limited in its performance. We see that "SMEs still sell and do not offer: given that the offer means the product itself, services, people and the brand".[2)]

Clearly, a more developed management would allow SMEs to obtain tools to support a more aggressive approach in the market and occupy spaces of greater competitiveness. But in order for this to happen, SMEs must strive to obtain:[3)]

1. An element that differentiates them from competitors.
2. This element should be valued in the market.
3. Be sustainable over time.
4. Be easy to communicate and understand.

The focus of the study is to contribute in finding that differential element for SMEs, from the standpoint or their brand design and development.

If we recognize as market researchers the great opportunities that lie in this sector of the economy and we offer our services to it, we shall be contributing at the same time to the development of our countries.

Both SMEs and large companies are going to live closer within the market in the coming years and probably become synergistic networks that improve the lives of our people. As researchers, we must be near this development, being important actors in the process of changing the ways of doing marketing and communicating new brands and products.

THEORETICAL FRAMEWORK

There are three threads that inspired and enabled us to embroider this process.

Thread 1: The Transculturation Approach

This thread follows the theory of transculturation, developed by Fernando Ortiz who, with a Latin American position, contrasted his vision to concepts associated with acculturation (Melville J. Herskovits) led by Westernized thinkers, who believe that acculturation is *"... an ethnocentric term with moral significance. The immigrant must 'acculturate'; as well must do the Indians, pagans and infidels, barbarians or savages, who have the "benefit" of being submitted to our Great Western Culture. (...])The 'uneducated' is to receive the benefits of 'our culture', it is he who has to change to become one of us ..."*[4)]

Instead, Fernando Ortiz talks about giving and receiving diversity in order to build the new, rescuing the relationship between cultures from a dynamic and generous vision that values diversity, *"In every embrace of cultures occurs what happens in the genetic mating of individuals: the creature has something of both parents, but is always different from both of them"*.[5)]

Thread 2: Brands that become Icons

The second thread is extracted from the theory of iconographic brand construction, whose primary exponent is Douglas B. Holt, Professor of Marketing at Oxford University and author of "How Brands Become Icons: The Principles of Cultural Branding, Holt reminds us that "all societies need myths, simple stories that help people deal with stress in their lives";[6)] and reminds us that today's most powerful brands succeed "by providing myths" to its target.[7)]

According to Holt, brands that manage to maintain a close connection to culture are usually successful. He links the anthropological approach to the branding process, explaining it in the need for humans to believe in myths. A simple story acquires the role of a parabola, and its characters whisper within us, helping us understand life. The characters of the myths serve as models in our daily journey.

This trend is gaining space in the brand management field. If a brand is strong in the appropriation of a myth, the product represents that myth. Its purchase becomes a ritual that allows the buyer to approach the myth, and feel that he lives it internally.

Third thread: Embroidery

The third strand to give energy to this project is an exercise that has already been established in Chile where a local project sought to anchor its brand to the iconography of the area in Patagonia. Giulio Vinaccia (Colombian designer) made the following statement with regards to this subject:

"The more the identity of an object becomes marked, the more it will be desired by those who don´t want to be massified or homologated, in other words, those who want to be differentiated. It is necessary to use our rich and vast "local" cultural heritage in actions capable of giving the products and services of our small enterprises a defined identity, with a soul, that is, with "our face". The micro and small companies dedicated to the craftsmanship, agro food and tourism, being immersed in "local activities" own genuine values, characteristic of that environment where they operate. Therefore, they are able to add to their products and services, value, images and symbols that impregnate a visible "cultural density".

RESEARCH METHODOLOGY

One of the best alternatives for economic growth in emerging countries is entrepreneurship, which is achieved through the creation of small and medium enterprises (SMEs). In the case of Latin America it can be a solution that contributes to sustainable development. In many countries of the region, entrepreneurship in SMEs is already a reality that helps. Examples are Brazil, Mexico or Chile, where long-term strategies for the promotion of small and medium enterprises have delivered excellent results in the three countries.

Ecuador does not escape this trend and it is becoming increasingly common in our country to find successful entrepreneurial exercises and projects that have already left the borders and captivated other territories. (Examples are República del Cacao and Adriana Hoyos).

In this regional framework and understanding that one of the factors of success of a local venture is to have a strong brand, the next step is finding the most efficient and direct way to support a rapid and clear brand positioning process.

It is hypothesized that an efficient way to achieve the desired positioning is to anchor the brand and its iconography to its physical and cultural environment.

This project addresses this journey and allows us to glimpse that indeed, creating sensorial, rational and emotional ties to the place of origin of the local enterprises contributes to a fast and solid positioning of their brands and to a successful economic return.

The geographical area where the company and brand of our concern is located is called Zuleta. It is a region in the Ecuadorian Andes, towards the north of the country. This region has a strong presence of indigenous people, organized as a commune, which coexists with the mestizo population. They keep their traditions and maintain their culture alive. The use of a traditional dress, characterized by spectacular multi-colored embroidery, is widespread in the female population. (See figure 1.)

FIGURE 1

The brand under analysis is: 'Hacienda Zuleta'. The company operating the brand owns a beautiful colonial estate, founded around 1600. Its original buildings remain in excellent condition. Modern buildings have been added to the complex, where cheese is produced as the core product. Jams have been recently added to the product mix. The colonial estate also functions as boutique hotel for luxury tourism.

The estate and business have been in the hands of a traditional Ecuadorian family for over 100 years. The family head and founder of Hacienda Zuleta, Don Galo Plaza Lasso, held important public positions as President of Ecuador, Secretary of the Organization of American States, and United Nations High Commissioner for Peace, among others. He saw in his estate Zuleta, a place for personal realization and fulfillment of his visions for development.

From the perspective of a transcultural approach, with brands working as icons and the cited Chilean case, our method aimed to understand the existing relationships between the indigenous and the white folks, the hacienda and the commune, all within a geographical and a value oriented system, in order to develop a strong brand and motivate the purchase of the product.

FIGURE 2

The target market for the brand is made up of urban men and women between 18 and 55 years, of middle and upper segments, living in large cities nationwide. The subjects of research as a source of information were the inhabitants of the area of Zuleta, male and female, young and adults, indigenous and mestizos.

The research included qualitative and quantitative methods, classical and modern. The qualitative process was designed to understand the perceptions and beliefs of the inhabitants of the area of Zuleta, both indigenous and mestizos, with regards to their icons and values. What urban cheese consumers thought of linking these icons to the brand "Hacienda Zuleta" was also explored.

The quantitative process focused on confirming if the link environment-brand was perceived as adequate and to validate the label change through the Eye Tracker.

MODELO MIXTO

Phase 1
• *In Depth Interviews: (14)*
To understand the iconographic elements and cultural references of the area where the products are produced, with spokesmen of the Zuleta area, from medium-high, medium and low socioeconomic levels, adults and adolescents, men and women.

Phase 2
• *Focus Groups: (4)*
To explore the views, expectations and objections that arise in the target from the connection of the brand with its area of origin, with consumers and potential consumers of medium-high and middle SEL adult men and women.

Phase 3
• *Eye Tracker (70) + focus groups (2)*
To establish perceptions and opinions generated by new labels of core brand products, with consumers and potential consumers of medium-high and middle socio economic level adult men and women.

Phase 4
• *Face to face surveys in households (200)*
To quantitatively establish levels of appreciation and recognition of the brand as it is closely linked to sensory and cultural elements of its area of origin; with consumers and potential consumers of medium-high and middle socio economic level, adult men and women.

As support of the methodology, we used photographic records that illustrate the area, its inhabitants, its colorfulness and environment, as well as the dress embroidery, which is fundamental in the iconographic imagery. Additionally, we prepared a video to better understand the area and the environment.

MAIN RESULTS OF THE RESEARCH PROCESS

The results regarding the possibilities of linking the brand with the geographical area are encouraging. Both men and women of the target and the inhabitants of the area of Zuleta perceive in a positive way that the brand "Hacienda Zuleta" takes hold of the myth, which is embodied in the model of development as it was understood by Galo Plaza Lasso, who believed in transculturation.

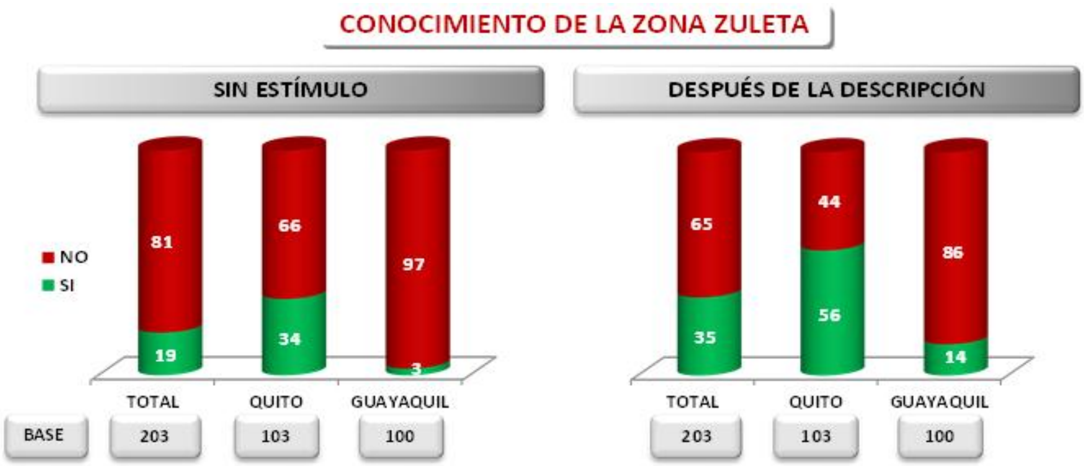
The myth in the area of Zuleta is that Galo Plaza loved the region and trusted the ability and sensitivity of its people, giving them tools for their development through education.

The local population (Zuleteños) responded with a quality-oriented behavior and love for the environment, which became embodied in its beautiful embroidery and its ambitious conservationist project.

Both the target and the Zuleteños clearly recognize iconographic elements related to the natural and strong chromatic elements of the area and the beautiful embroidery, where women (Zuleteñas), and Don Galo Plaza are the main characters.

Knowledge of the geographical region within the target
Results validate Zuleta as a region with an interesting level of knowledge within the target market. This provides a strong starting point for the work of brand positioning as shown in figure 3.

FIGURE 3



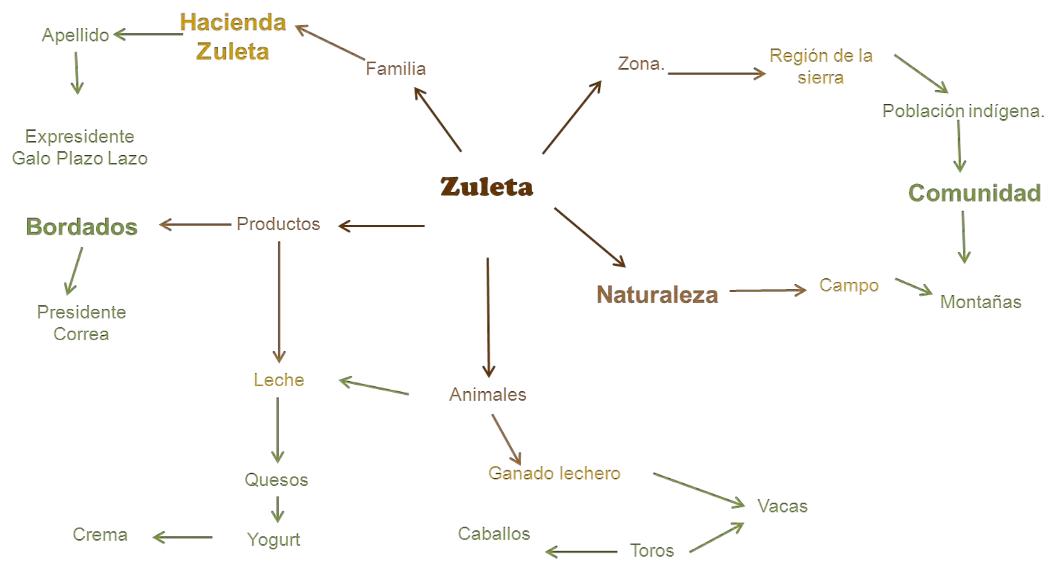
The Zuleteños, their own definition of themselves

FIGURE 4

Zuleteños see themselves as very oriented towards quality work, they love nature and its conservation. They also recognize the importance of animals like the condor, the spectacled bear, the dwarf brocket deer, porcupine and the American puma, typical of the region.

The Zuleta region as it is perceived by the target market

FIGURE 5

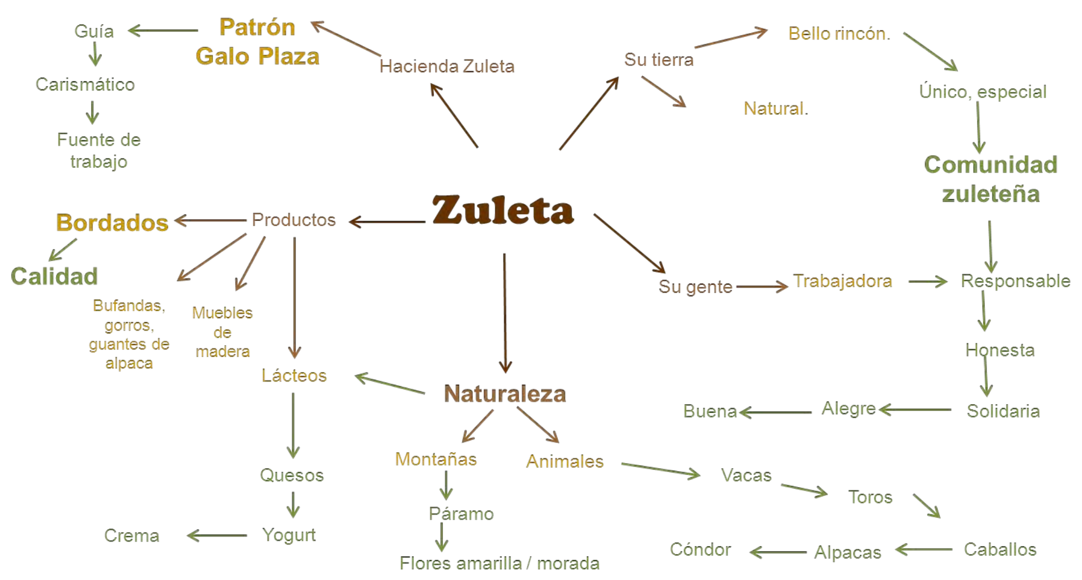


Items associated with Zuleta as a region are: the existence of an indigenous community, crafts in general and in particular the beautiful embroidery of the area. In terms of colors are those associated with both nature and the embroidery (green, brown, black, blue, gold). The association with milk production is limited, however.

The vision of Zuleta by the target contains enough elements for the construction of a myth, nesting concepts such as hacienda, Galo Plaza, indigenous Zuleteños, nature, quality embroidery, and with less strength, dairy produce and cheese.

Zuleta as Viewed by the Zuleteños

FIGURE 6



The view of Zuleta from the perspective of a Zuleteño is similar to that of the target market, but includes a stronger relationship with Galo Plaza who is recognized as a patriarch in the area and is named: "Patron Galito" as a sign of affection and familiarity.

Hacienda Zuleta Brand and bounds with the area

FIGURE 7

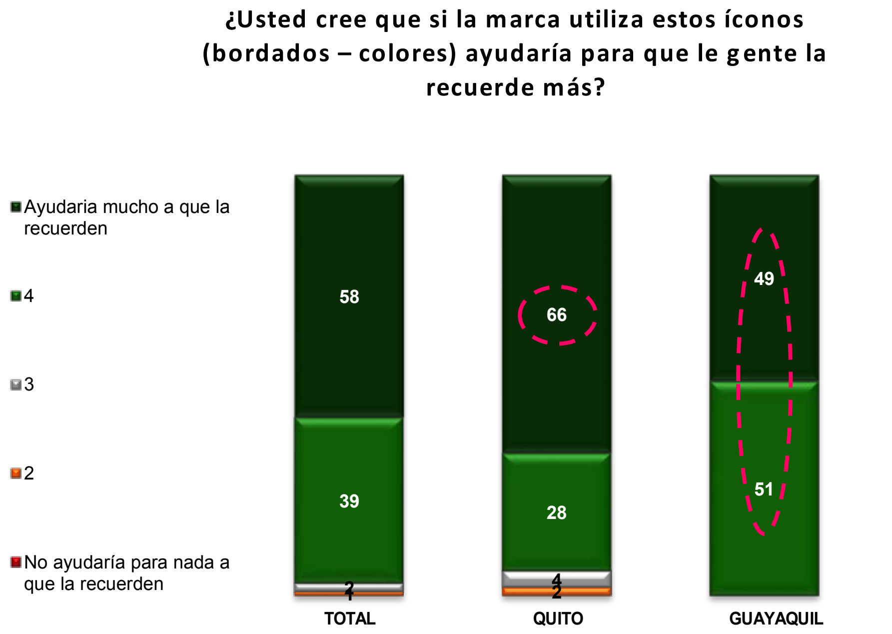
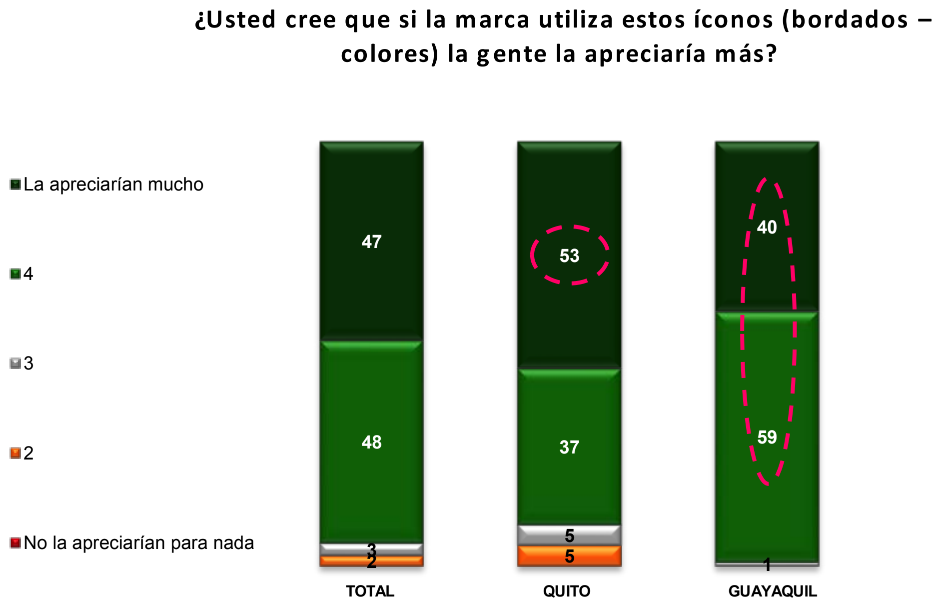


FIGURE 8



Results are positive within the target market with regards to the idea of linking the brand 'Hacienda Zuleta' to the geographical region in its color and icons. The target market believes that this link would be appreciated and the brand would be better remembered.

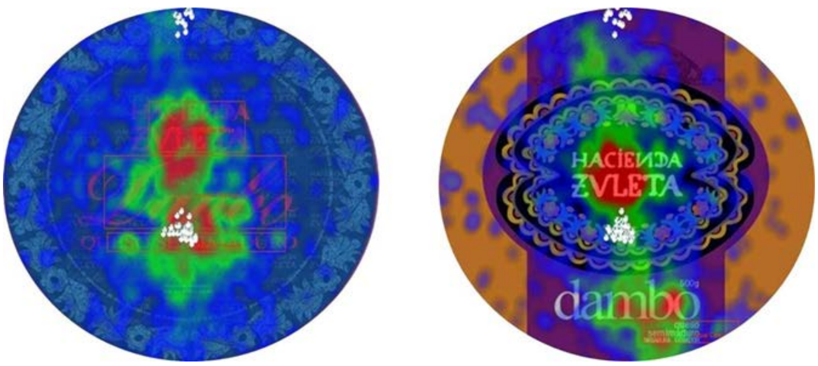
The target market also believes that generating a strong link between the area, the brand 'Hacienda Zuleta' and cheese, as a core product, will have a positive impact in a more frequent purchase of the products.

With these results, it became necessary to change the design of labels. The old label and the new one were confronted with the Eye Tracker and further surveys. Both methods showed that the new label is better; it is more positively valued and further contributes to brand recognition.

FIGURE 9

FIGURE 10

FIGURE 11



From the results obtained in the Eye Tracker, we can notice that there is more brand recognition for the new label. Most people see first the new label, and pay more attention to it (17 times vs. 13) than to the old label.

The new label shows with greater clarity that the cheese is made by 'Hacienda Zuleta', and that the product variety is (Dambo). It is a more encompassing label, allows reading of all elements. The new label allows for greater discernment among its elements.

In the surveys, we found that the target market perceives as adequate that the names of the different cheese varieties be associated with the main characters of the area: Galo Plaza and Zuleteña.

CONCLUSIONS

The results of this research present exciting opportunities for brand owners.

Both the target market and the local population recognize that it is positive to link the brand to the region. They both consider this link generates appreciation, proximity and greater motivation to buy products protected under the Hacienda Zuleta brand.
There is an interesting platform of knowledge of the Zuleta region which supports the future of the brand´s awareness.

Quality is a value that characterizes the region and is reflected in the beauty and the care with which they work their embroidery.

There is clear possibility of working in a change of label that incorporates stronger and clearer imagery of the area and especially its central element: the embroideries.

There is high appreciation for the natural environment. There is an opportunity in including the colors of the land in the iconography of the brand, through the colors of the wax covers of the cheese products.

The clear recognition of local characters Galo Plaza and Zuleteña make it a good move to use them to name the cheese, associating each product to the color that best identifies it within the range recognized as belonging to the area.

ACTIONS TAKEN

The actions taken have already yielded positive results. There is a gradual increase in sales and acceptance towards new product lines (jams) covered by the Hacienda Zuleta brand.

Based on the results of the study, the brand has been provided with a type of lettering that recalls the colonial era, to reinforce the historic character of “the hacienda”.

Also, the color of the wax pack of the cheeses was changed, adjusting them to the colors recognized as part of the area - black, green, brown, and yellow/gold.

A new label was designed for all products; it has embroidery as a central element and prioritizes the brand "Hacienda Zuleta" in the center.

Two of the cheeses have been named after the leading figures in the area. The more mature product was called "Don Galo" and the most tender (white cheese) "La Zuleteña". A black / gold combination was used for “Don Galo" cheese whereas blue and pink colors were used on the label of 'La Zuleteña' .

FIGURE 12

Additionally, the brand Hacienda Zuleta has decided to undertake an action of commitment to nature, supporting the conservation of animals in the area through various projects of ecological preservation, responding to the appreciation there is on the natural environment of the area and the care of it.

At this point in time, a program is being planned aiming towards the generation of economic means through the sale of the cheese products in order to preserve the wild species of the zone through linking each type of cheese to the conservation of a particular animal:

- Don Galo is meant to preserve the spectacled bear.
- La Zuleteña to the condor
- Dambo to the dwarf brocket deer
- Pate gras to the porcupine
- Probably Bondell will be destined to protect the puma.

With this, "Hacienda Zuleta" feels that the circle is being closed and a winning synergy is achieved relying on the iconography, values and attitudes held in the area, encouraging purchase behavior that also generates feelings of empathy with the brand for its actions towards nature conservation.

FINAL THOUGHT

Both the information obtained, and the results achieved in the activities that stemmed from that information, validate the original hypothesis of this project.

It is noted that this is a positive experience that if replicated in different areas in Ecuador and in other Latin American countries, using transculturation as the central axis in the development of local iconographic brands, can generate a positive synergy to benefit the brand, consumers, population and surrounding environments.

FOOTNOTES

1. Small and medium enterprises in Latin America, Sebastián Vergara, Lima Peru 2005 Cepal
2. Business strategies of Spanish SMEs, Mercedes de Obesso
3. Business strategies of Spanish SMEs, Mercedes de Obesso
4. Malinowski
5. Fernando Ortiz That of transculturation of snuff in Cuban Counterpoint of snuff and sugar Caracas Ayacucho Library 1987
6. Harvard Business School Press 2004
7. Harvard Business School Press 2004

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PART 3:
BUSINESS BEYOND BORDERS - THE FUTURE CAPSULE

PURCHASE PREDICTION AND BRAND LOYALTY

STUDYING HEDONIC FORECASTING AND REWARD TO ESTABLISH APPROACH BEHAVIORS

Alejandro Salgado-Montejo • Carlos Velasco • María Fernanda Gómez • María José Calvo

INTRODUCTION

Consumer behavior has been widely studied using different approaches; one of the most recent is neuroscience (Ariely and Berns, 2010). The study of the nervous system provides new questions and dimensions to study the consumer which were previously hidden and offers evidence to support the notion that decision making is not an exclusively rational process, rather many of our decisions and judgments are automatic and even irrational (Bodenhausen and Todd, 2010).

Also, in many cases, our behavior is biased by how the brain processes information. Simonsohn, Karlsson, Loewenstein and Ariely (2008) showed that information derived from direct experience or interaction is weighed more heavily than information obtained from observation. This is a clear example of how automatic our decision can be and why it is important to understand what mechanisms are involved in decision making.

Current research has shown that the brain employs heuristic mechanisms in many everyday decisions suggesting that omitting information is a more common process than was previously thought; ignoring information can actually increase predictive accuracy (Gigerenzer and Gaissmaier, 2011). Hence, the empirical conception that "rational" decisions are more accurate is a praise that lacks foundation, especially in complex decision scenarios (e.g. product purchase and product selection) where there is a high load of information and limited time.

Moreover, the concept of rationality understood as cognition void of emotion is an imposition that limits the understanding of consumers' decisions. In this sense, the division of emotion and reason constrains the approach of how real life decisions and behaviors take place. There is no rift in the brain when it comes to our thoughts and emotions; feeling is thinking (Quartz, 2009). To understand consumer behavior variability and why some brands are more successful than others it is necessary to complement traditional research with tools that allow an integral approach to cognitive processes such as emotion, sensory integration, memory and attention.

Emotional experience, in particular, can alter decision patterns. A transient emotion can outlast its main cause and be used as information for future decisions (Raghunathan, Pham and Corfman, 2006; Andrade and Ariely, 2009; Taute, Huhmann and Thakur, 2010). Emotion then is not just the result of or caused by experience but relevant content and as any information that the brain processes it can bias decision making.

The link between behavior and emotion has provided an enormous contribution to the understanding of consumer behavior (Izard, 2009; Hoyer, Stokburger-Sauer, 2011; Martin and Morich, 2011). There is still a need, however, to go deeper into the brain in order to respond to the aforementioned issues. The birthplace of emotion is forecasting and reward systems (Panksepp, 2010); before laughter and love, social cooperation and even moral emotions existed, pleasure mechanisms provided contrast.

Information processing via forecasting and reward systems is nonconscious and therefore requires a non-traditional approach for its measurement. The saliency of packaging attributes such as color, shape, sound or weight and their association with quality, price, flavor, smell or functionality may be implicit (Piqueras-Fiszman and Spence, 2011; Spence and Gallace, 2011). This suggests that the consumer might not be aware of this information; still it is having a significant effect on product selection and expected reward. Also while trying or consuming the product, these same mechanisms will compare expected with actual reward and determine if forecasting/anticipation was accurate (Salgado-Montejo, Velasco, Blanco and Guarin, 2011). The human brain is always looking for contrast in order to determine whether an experience is pleasant or unpleasant; this is the basic mechanism that allows consumers to choose one product over another.

Many of our decisions are governed by perceived benefit/pleasure, that is, anticipation of how much pleasure can be derived from consuming or using a product or service. This mechanism is known as hedonic forecasting and is intimately related to actual reward; the pleasure felt when we actually use or consume a product (Salgado-Montejo, Velasco, Blanco, Guarin, 2011). From movies, perfumes and iPods to hamburgers, clothes and diapers – all of them are processed in the same manner in the brain. We seek to develop a methodology that can predict purchase behavior and brand loyalty by measuring hedonic forecasting and reward across different products and product categories.

By studying these two brain mechanisms it is possible to expand our understanding of consumer decision making as they acquire a product. Once this process is understood, it is possible to predict how promising a product will be, even before its launch. This study will facilitate the development of more precise and reliable indicators to determine purchase probability and improve the quality of products and services. It can also be used as a tool to develop marketing strategies and predict return of investment.

METHODOLOGY

Participants

Participants were recruited using a market research data Base (FeedBACK Profile, Bogotá Colombia). Twenty-five participants aged 18 to 55 years from Bogotá, Colombia were selected. There was no discrimination by gender or socioeconomic status; participants were randomly selected from the database. An economic incentive of $15,000 Colombian pesos was given to each participant.

Instrument and data analysis

Eight different products from four different categories (two from each category) were tested in all participants. The criteria for choosing the products were that they were recognized brands in Colombia and had a clear competitor to compare to. The chosen products were Activia Yoghurt (Danone), Regeneris Yoghurt (Alpina), Chocoso (Bimbo), Chocorramo (Ramo), Milo Sandwich (Milo), TroopX (Colombina), Brisa Water (Coca-Cola), and Manantial Water (Coca-Cola).

Eye tracking goggles capable of recording the position of the eyes at a sampling rate of 70hz (Tobii Glasess Stockholm, Sweden) were used to assess visual fixations and ensure that the participants were actually observing the packaging of each product. This device does not require a chinrest and allows the participant to move freely and approach the stimuli.

The Facial Action Coding System (FACS) was used to recognize and measure facial action units (AUs), which are transitory changes generated by facial muscles. Forty-two AUs can be identified using this system and can be used to measure emotional expression via facial muscles (Ekman and Friesen, 1978). Nonconscious facial expressions of brief duration are known as microexpresión, which are motor responses that last between 1/20th and 1/5th of a second.

Electroencephalography (EEG) was employed to measure brain activity; by using mathematical analysis it is possible to quantify and classify the signal produced by phase cones. A 14-electrode Emotiv Epoc EEG was used, the international 10-20 system was used to place scalp electrodes. Independent component analysis was performed as well as spectral analysis of the brain signal, particularly frontal and occipital activity (Blanco, Gómez, Ono, Salgado-Montejo, Velasco, 2011).

Procedure

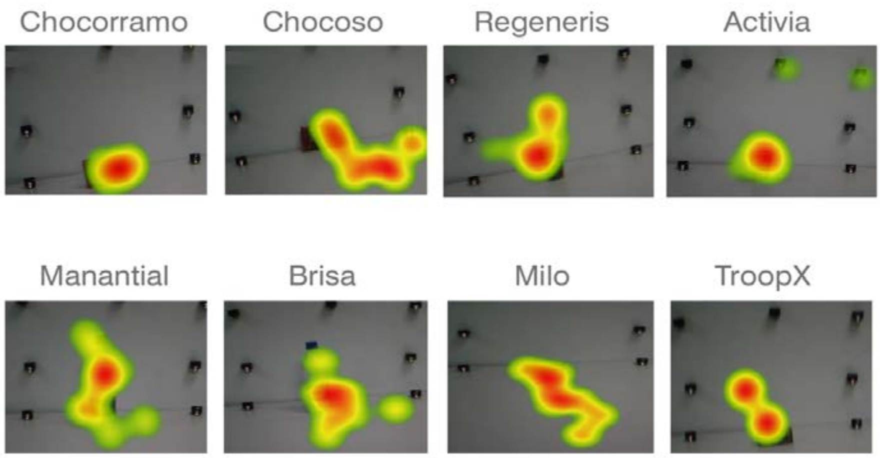
All procedures, data collection and research designs were carried out in accordance with the APA's code of conduct, the ICC/ESOMAR International Code on Market and Social Research, as well as local legislation. All participants signed an informed consent.

Eight infrared markers were placed in the wall and table where the products were shown forming a frame around the product. Tape was used to fixate the markers to the wall. For phase one of the study products in their packaging were randomly presented; after each product participants were asked to close their eyes while one of the researchers placed a new product in the infrared frame. For phase two product samples were placed in small white cups; participants were asked to try each product. EEG and facial expression were measured in both phases. Eye tracking goggles were used exclusively for phase one. EEG files were processed using MatLab V 7.7 (R2008b) and the EGGLab (Computational Neuroscience Laboratory, University of San Diego, USA). EEG asymmetry in Alpha and Gamma frequencies were taken into account to establish approach behaviors (Blanco, Gómez, Ono, Salgado-Montejo, Velasco, 2011). Facial expression was coded using the Facial Action Coding System (Ekamn and Friesen, 1978). Tobii studio 2.2 software was used to import the Tobii goggle's data and confirm that the participants were observing the product and determining that brain activity was caused by the observation of the packaging.

RESULTS

Eye tracking data shows that all participants viewed the products for a similar amount of time and that during EEG and facial recording they were observing and analyzing the packaging. Overall fixations occurred within the packaging and gaze time was similar in all stimuli.

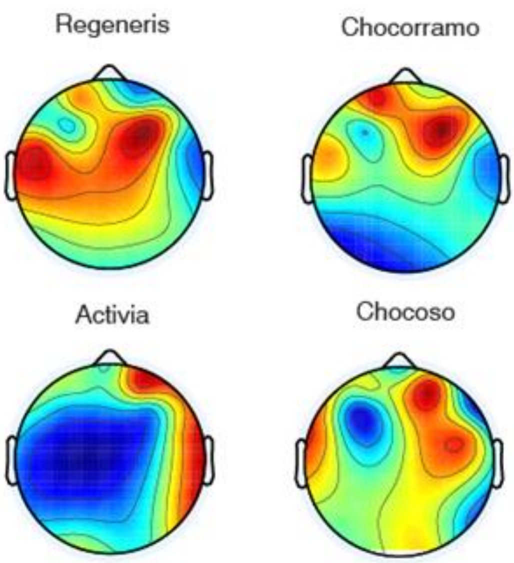
FIGURE 1, EYE TRACKING HEAT MAPS OF THE EIGHT PRODUCTS THAT WERE TESTED, SHOWING THAT MOST FIXATIONS WERE FOCUSED ON THE PACKAGING OF EACH PRODUCT



The most frequent facial expressions were joy, surprise and contempt. Joy was most intense in products with high forecasting and reward, surprise expressions were positive and associated with discrepancies with the product they were expecting to observe next. Contempt was more frequent during packaging evaluation and in products that had weak forecasting. During product tasting all stimuli elicited positively valenced emotions at different intensities.

We found consistency between facial expression and EEG. By combining alpha and Gamma power data we were able to assess the affective impact of packaging and flavor for each product. Alpha and gamma asymmetries were congruent in both forecasting and reward.

FIGURE 2, BRAIN MAPS OF FOUR OF THE PRODUCTS THAT WERE TESTED, SHOWING ASYMMETRIC EEG ACTIVITY IN THE ALPHA BAND



This shows how the brain interprets each packaging and weights choices using affective information

Our data is consistent with reported sales in Colombia. Tested products with tight gaps and high forecasting and reward values have high purchase and repurchase rates in Colombia. Figure 3 shows forecasting and reward values for the all tested products.

FIGURE 3, A REPRESENTATION OF BRAIN POWER SHOWING THE AMOUNT OF ASYMMETRY IN FRONTAL AND OCCIPITAL LOBES (IN ALPHA AND GAMMA)

Positive values represent asymmetry towards positive valenced emotions and approach behaviors. Negative values represent negative valenced emotions.

Milo, Regeneris and Chocorramo presented the highest forecasting, while Activia and TroopX presented negative forecasting. Regeneris, Chocorramo and Milo presented the highest reward. Changes in forecasting and reward in the two bottled water products tested cannot be explained alone by basic neural circuits. Data shows that some packaging is not able to produce a congruent forecasting-reward experience.

DISCUSSION

This research contributes to the growing body of evidence that packaging is not a container for the product but a sensory and emotional marker that plays an important role in consumers' decisions (Becker, van Rompay, Schifferstein and Galetzka, 2011). This is particularly interesting in the case of Manatial and Brisa since they elicit different emotional reactions and approach behavior tendencies, but when the consumer is faced with the water without the packaging (phase two of this study) the emotional experience is similar. This means that packaging is playing an important role in defining the experience and perhaps even the "flavor" of the product. This also shows the potential that packaging in product diversification and product line extensions; with an accurate design which takes into account sensory congruence (Spence,

2011) it is possible to reach different targets with minor or no modifications of the actual product. The ethical issues of these marketing strategies remain a topic of discussion.

When comparing forecasting and reward in the tested bottled water products, there were methodological errors that can affect the intensity of the measured reward. The methodology of the study can assess that there is a similar experience when consuming either of the products regarding flavor, but it cannot assess the intensity of the experience. For future studies, products that are insipid or low on flavor should be treated differently to assess actual intensity.

Forecasting and reward percentages for each product can be attributed to cultural associations and personal experience, but also to sensory congruence, that is, how well paired are sounds, colors, shape and other attributes of the packaging, with the actual product (Gallace, Boschin and Spence, 2011; Spence and Gallace, 2011). What does the gap between forecasting and reward mean in terms of behavior is another interesting issue.

Measuring the gap between forecasting and reward establishes if the initial prediction is correct or if a modification should be stored for future reference in memory systems. This means that high forecasting products have high first purchase ratio while high reward products a high repurchase ratio. In other words forecasting is a good predictor of first purchase and short term product launch success. While reward is a good predictor of long term success; both of these measures are equally important since one is predicting the potential to attract consumers and the other the potential to maintain consumption. However only if both forecasting and reward are high and the product has a tight gap between them, will there be a high probability that the consumer will be loyal to the brand. This can be explained since sensory experience can trigger dopamine release (Barridge and Robinson, 1998; Salimpoor, Benovoy, Larcher, Dagher and Zatorre, 2011) and increase approach behaviors and positive emotions (Müller et al, 1999; Coan and Allen, 2003).

Understanding the importance of measuring brain and psychophysiological responses, and taking into account different levels of information processing, broaden the understanding of consumer behavior. Specifically, measuring forecasting and reward can provide standardized measures to predict consumers' receptiveness to a new product, explain a drop in sales or difficulties to attract new buyers or penetrate new markets. Since culture can alter the perception of a product and have a significant impact on sales, multinational companies can make use of forecasting and reward measures to anticipate challenges and difficulties before launching a product. Also for media, advertisement and television; measuring forecasting can accurately provide insights about the expectations of a product, movie or event.

Currently market volatility and increase in competitor products are some of the biggest concerns since they have increased behavior variability and reduced, in some contexts, the ability to accurately predict product selection and consumption. As product diversification increases consumers must seek different strategies to weight choices and select products. There is need to identify methodologies and techniques that respond to four key issues: 1) Fast and easily deployable; 2) Able to reduce noise during data collection; 3) Provide insights that reliably respond to actual behaviors; and 4) Results can, to some degree, be generalized with a small sample. Brain and behavior research contributes to solving these issues by offering a variety of tools and techniques.

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PART 4:
THE ECO-INNOVATION

LET THE BRAZILIAN SUN SHINE IN

BUILDING CREDIBILITY FOR SOLAR ENERGY BY DEVELOPING RESEARCH-BASED CONCEPT AND COMMUNICATION

Fabián Echegaray

INTRODUCTION

"Solar energy is the future of energy". Few remarks could bring together disparate players like Greenpeace and the International Agency of Energy,[1] institutions usually perceived as speaking from opposite sides. Yet consensus around the immense possibilities of solar photovoltaic (SPV) technology to address our energy problems reveals that rare capability of coalescing those rallying around social and environmental interests and those acting based on mainstream business-minded principles. After all, if solar energy is the future of energy, then it is the future of our economy, and of how our businesses and society will be founded.

To be sure, growing economic pressures resulting from current energy shortages and price instability, along with mounting environmental pressures mobilizing action plans and agreements to revert climate change and develop carbon-neutral governance, place present models and future choices of energy in a decisive position. These factors situate energy choices as a critical touch point to ensure social stability and business sustainability. Hence, the imperative for countries and companies to move forward towards greater eco-efficiency and a cleaner and fully renewable energy matrix (see Alam et al, 1991; Giddens, 2010; Pasternak, 2000; Stern, 2011; Tolmasquim, 2007).

If this is true for all nations, it seems all the more relevant for Brazil regardless the type of renewable energy under question, though numerous accounts converge in placing higher emphasis on solar energy-based solutions (IEA, 2010; EPIA, 2010). To begin with, the country solar coverage is wider than any other country in the world under any possible criteria, be it in terms of number of sunned days, radiation intensity or geography covered by solar radiation.[2] Moreover, solar equipment installation costs are becoming even compared to non-renewable energy sources like coal-fed thermoelectric powerhouses or pre-salt layer oil extraction, thus circumventing the cost barrier.[3]

On top of this, there are numerous signs of public favorability for alternative energies. Surveys with Brazilian consumers increasingly reveal a concern with the environmental footprint of current energy choices.[4] Both consumers and opinion makers within the business community display a receptive attitude towards clean forms of energy, as well as optimism about the possibility of having a higher share of wind and sun power out of the energy matrix (CEBDS-Market Analysis, 2010).[5] Last but not least, consumers exhibit growing expectations that business will embrace clean forms of energy and express a disposition to criticizing companies that appear disconnected with this expectation (CEBDS-Market Analysis, 2010).

How can the broader legitimacy around cleaner options of energy evolve into unambiguous incentives in favor of developing SPV solutions? Which tools can help in accelerating the transition from consumer openness and business sympathetic rhetoric for this type of energy to a scenario of materialized gains for pioneering companies likely to adopt it?

EXPLORING THE BUSINESS CASE FOR SOLAR ENERGY: THE RESEARCH AGENDA

Despite a variety of favorable arguments and conditions to the adoption of solar photovoltaic energy, Brazil has a small SPV base (20 MW at the end of 2010, 99% of this being off-grid) and currently there are no existing national programs (since hydro and, gradually, wind and coal-fed thermoelectric plants have been more strongly favored) (EPIA, 2011). Moreover, a substantial number of decision-makers within government and public and utility companies perceive the irregular flux of energy from renewables as a risk to energy supply and network stability to the extent that solar energy central generators add up to a mere four and solar energy was excluded from the 2030 National Energy Plan.[6]

Aiming at reverting this picture, our clients – GIZ (German Agency for International Technical Cooperation) and Instituto IDEAL (Latin American Institute for Alternative Energies Development) in partnership with the concessionary of electric power services of South Brazil (Eletrosul) - launched project Megawatt Solar consisting of the installation of the first photovoltaic plant in a public building connected to the public grid capable of generating 1.2 GWh per year, power which is likely to be traded in the free energy market through public bids.

Our clients understood that key to their success in attracting corporate sponsors for this initiative required going beyond the assumption that managers would be able to reconcile the offer of solar energy with their intentions to greening corporate reputation and performance --although these were taken as major drivers for commercial persuasion. Thus, it also required from their proposal to provide a visible, credible, easily capitalizing indication of the customer adherence to a singular sustainable choice likely to be widely communicated by corporate sponsors and dress them with a competitive advantage as sustainable agents. Hence, an eco-label was chosen to be instrumental to that goal.

Our clients' suppositions of an energy choice likely to be translated and capitalized into a distinctive sustainability credential by corporate customers involved a series of assumptions for which they lack supporting evidence. To begin with, the standard assumption that adopting solar energy could effectively equate the idea of going green among the few key stakeholders. Next, the conventional argument that going green could automatically render reputational capital with a variety of stakeholders (especially, with end consumers), and that this way to obtain prestige will be not outpaced by other forms of achieving that end. Additionally, there was a hidden assumption that consumers find sustainable business relevant across the board, that they are capable of distinctively identifying signs and symbols conveying a message of commitment to environmental corporate responsibility and that they will be sensitive and believe in the content of an eco-label.

All these assumptions for a successful business proposal implied the need for essential market data about potential customers´ understanding of solar energy virtues, limitations and myths, the benefits and costs perceived in the proposed solar energy business model (which involved a premium price compared to hydro-sourced electricity), the reputation gains and marketing utility associated to the possibility of exhibiting the eco-label, and their assessment of the eco-label design thought to operate as the key tool for clients' communication and sales. Our clients' suppositions about the instrumentality of such an eco-label needed to be tested both with direct customers (i.e., decision-makers within corporations) and indirect customers (i.e., end consumers) in order to get feedback to improve this tool's appeal and potential performance as well as the kind of effect it could have in building legitimacy around solar energy consumption.

The research agenda aimed at addressing a number of critical questions pervasive to the larger plan of building successful cases for sustainable initiatives and policy models. What cognitive and marketing barriers do corporate customers confront to fully embrace sustainable choices? How effective could an eco-label be for identifying companies as subscribers to renewable energy and, therefore, conveying to their stakeholders the information of a positive alignment with a sustainable business model? To what extent is an eco-label capable of surpassing awareness barriers about solar energy and generating material benefits such as better reputation? And how effectively did our clients' original prototype transmit the contents of the intended proposal to customers?

ECO-LABELING AS CREDIBILITY TOOLS

Over the past years, sustainable models of running business have become an imperative for enhancing reputation, ensuring competitiveness and reducing costs. In the case of Brazil this was evidenced for both consumers and the business community through an array of clear indications going from booming issue news coverage to skyrocketing rates of companies adopting GRI codes for disclosing CSR activities to the increasing number of consumers admitting to reward producers at the checkout or though positive word-of-mouth (Echegaray, 2010).

Yet, public, pervasive and accessible signals that communicate that a company is walking the talk in a sustainable manner remain scarce. News reports are increasingly mixed in the message they convey as business journalism confronts company socio-environmental performance in a less candid, more critical way. Ads on sustainable behavior face a substantive degree of skepticism. GRI-styled sustainable reports are hardly read even by company's employees, far less by clients or consumers in general (Echegaray, 2010).

Despite these shortcomings, we know that consumers, opinion leaders and executives still build their impressions of corporate behavior through the bits of information they receive in relation to a number of initiatives perceived as aligned with the sustainable agenda. From how responsible to the environment the manufacturing process of a company is to how fair and progressive are their employee policies, to what the company does for the community surrounding it, to how innovative and green is the way the company generates its energy. All activities that usually remain invisible not just to consumers but sometimes even to the vast majority of the staff of the company that follows these choices.

The key challenge is therefore how to make the invisible become visible for the publics at stake and how to generate credibility that the company is actually travelling that sustainable path even if these stakeholders have no direct means to validate the company's claims. Eco-schemes and certifications are one instrumental tool for these purposes. As with other responsible initiatives, an eco-label may work as a useful heuristics to identify that a company is using solar-powered energy for producing goods and services, and endorsing its claim that by doing so it is having a clear and distinguished commitment to green technology and a sustainable relation with the environment. Yet, consumers and business customers are unlikely to be able to check and verify that claim before granting support to a company's allegation that it is green just because it states so.

Eco-labels attempt to square this challenge by conveying third-party certified reassurance that certain environmental-friendly achievements or established environmental leadership criteria is met during the life cycle of the product or service. In other words, eco-labels build their strength upon an underlying system of trust behind the label assertions and their warrantors. It serves the purpose of shaping an initiative with credibility and easing the barrier of disbelief likely to surround a claim about a decision in favor of environment that is hard to see and sell.

On the other hand, for all the virtues related to eco-labels they are also confronted with a number of qualifications. Eco-schemes, seals and labels have multiplied at a fast rate, proving their appeal to producers that want to raise awareness and build trust around their brands as sustainable models (currently estimated at 430 schemes worldwide, according to Eco-labelindex.com), yet this very same boom may generate more confusion than clarity about the authenticity of such a large number of schemes and the effectiveness of ROI from adhering to voluntary credentials -particularly, within eco-labeling crowded segments such as food or furniture. Of course, such saturation is not the case of solar energy whose labels are scarce around the world: just four.[7)] However, for corporate managers fine-tuned with eco-labeling this mixed picture may generate more disincentives than incentives to follow that path, as they may conclude there is a diminishing return for adopting this tool vis-à-vis their eventual need (and correlated efforts and pains) for pioneering in the energy category in particular.

In Brazil, on one hand, consumers react positively to eco-labels to the extent these are pointed out as the best indications of corporate responsibility work (Idéia Socioambiental, 2010); on the other hand, their overall knowledge context remains very low and restricted to few iconic labels and certificates (Akatu-Faber Castell-Market Analysis, 2006). Interestingly, those trusting eco-labels as information tools are more strongly concentrated among low education individuals (Idéia Socioambiental, 2010) – a fact that reveals that schemes represent cognitive easing mechanisms capable of popularizing the environmental commitment of a company among a wider audience but given the poor cognitive skills of this audience that may be far from effective in the short term.

Furthermore, eco-labels seem to perform asymmetrically with B2C and B2B markets. While these tools serve as heuristics for consumers and automatically may help to factor in sustainability considerations into their purchase calculation, it is an enigma how they mold corporate customers' choices. So, companies selling goods to other companies may find little incentive in adopting an eco-scheme that may make no difference to their customers. Likewise, the relative absence of measurements and studies clearly indicating the added value of eco-labels to branding, market size or share or other valid currency (Nimon-Begin, 1998; Watanatada-Mak, 2011) may weaken their appeal as well.

Last but not least, eco-schemes assume an authoritative, recognizable third party that endorses and furnishes legitimacy to its promise of delivering higher performing goods in environmental terms. However, neither external player on the client side could easily fulfill these requirements. Both the NGO (Instituto Ideal) and the international cooperation agency (GIZ) lack visibility and market projection to play that role; on top of that, they are not formally entitled to serve as trustees or guarantors of the proposal.

DATA AND METHODS

Based on the research goals previously described, we proceeded with a two-phase methodology approach, each targeting a different public. To understand consumer notions about solar energy, identify the potential return for companies, and determine reactions to both the concept and design of the draft eco-label, two focus groups were conducted in the city of São Paulo, each with eight adults aged 24-62 years. Participants had to have one common trait: a high interest in socio-environmental activities by companies, yet with opposing levels of trust about corporate communications on that matter. Each segment represented not less than 35% of the population according to previous studies, and they are classified as "CSR receptive" if their confidence level is high and as "engaged skeptical" if that level is low.

Next phase involved mapping out the business publics' attitudes toward solar energy, current energy usage and potential demand for solar energy, reactions to both the concept and design of the draft eco-label and responses to the solar energy proposal. Sixty-eight managers were interviewed using a variation of CATI (computer assisted telephone interviewing) to web technique. These business elites worked for large companies free to choose their energy model and supply and acting on a variety of segments – from food industry to transportation, from civil construction to retail, across main cities from the south, southeast and northeast regions of Brazil. Nearly half the respondents work within the management and operations areas (that is, those directly involved with organizational efficiency requirements) and the other half from marketing/ communications and sustainability areas (that is, those involved with company reputation and social legitimation)[8)] - a majority of all of them working in those positions for over a decade. On average, the interview took slightly more than 35 minutes. The study with both publics was fielded between mid October and mid December 2010.

UNDERSTANDING MYTHS AND BELIEFS ABOUT SOLAR ENERGY: UNLOCKING THE SUPPORT GAP

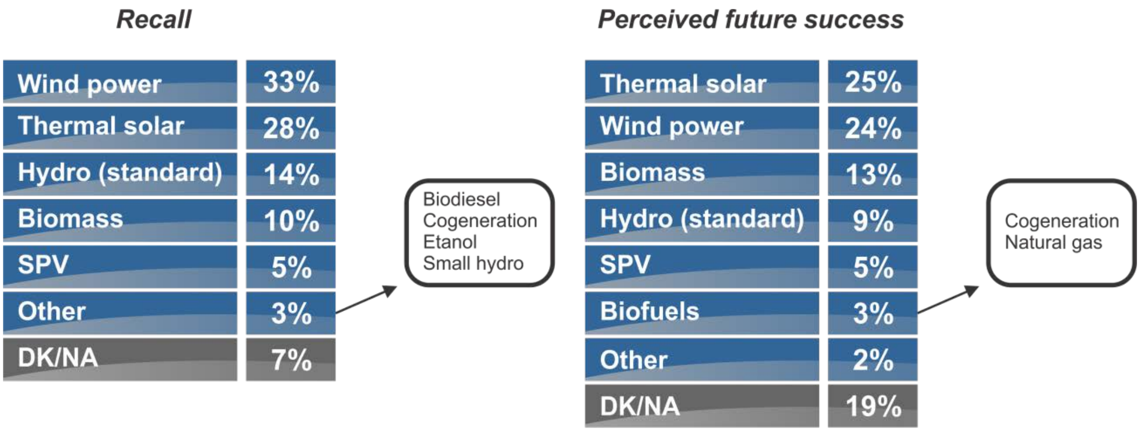
Alternative energies like solar photovoltaic find a responsive chord among Brazilians and this response springs from a perception of impact minimization (*"as far as I know, they do not harm nature"* – Consumer) and resource availability and accessibility (*"because it's renewable and it has a free usage provided by nature"* - Consumer). Key references of alternative energies are solar and wind, followed by biogas. In a distant third place come a variety of biomass and biodiesel sources such as sugar-cane etanol, waste and grass-generated fuel, along with references to nuclear energy and tidal power.

These notions of alternative energy yield four implications. Among those sensitive to issues of sustainability, we can highlight:

a) a plurality of sources of energy in mind, not just a sense of one dominant energy source;
b) a recognition of forms of energy related and unrelated to one's daily life, thus showing a capability for connecting the notion of energy supply and needs both to residential, individual consumption needs (such as heating/cooling, lighting and fueling cars) and to business and collective or large-scale needs for manufacturing and transportation;
c) an awareness of types of energies even if not currently under operation in the country;
d) the indifferentiation between thermal and photovoltaic solar energy .

This scenario of relatively sophisticated opinions may result in fertile soil for initiatives related to pioneering forms of energy. At the same time, the prevalent merging in consumers' minds of different solar energies as a single one (thermal) reveals a critical obstacle to showcase the uniqueness and value of SPV. Conversely, business elites self-declare familiar with alternative energies (18% a lot, 59% fairly well) and exhibit a similar ranking of top-of-mind sources, except that they distinguish thermal solar from SPV better than consumers –though many of managers are not free from confounding both. Receptivity of renewables among business is also high being perceived as the most promising sources of energy in the near future: for example, wind power tops the awareness ranking (as per one-third of managers) and one-fourth of this public also considers it the smartest bet among all clear energy options. In the case of thermal solar energy the match gets even closer: 28% and 25% of opinions, respectively (see figure 1).

FIGURE 1, ALTERNATIVE ENERGIES: UNPROMPTED RECALL AND PERCEIVED FUTURE SUCCESS (BUSINESS SAMPLE)



When it comes to alternative electric power, which is the first type of energy that comes to mind? (Two mentions allowed.)
Which type of alternative electric power would you say would be one of y our main company choices in the future? (Two mentions allowed.)

Nevertheless, favorability and recall confronts a number of myths and misconceptions, yielding a support gap between approval and actual mobilization in favor of these options. For example, consumers believe that solar plates and wind power engines will occupy too much room and interfere with bird migrations (effects in conflict with the claim of being environment-friendly), that the former will become useless on cloudy days or periods without winds, that discontinuity in winds or sunlight during the same day can zero the generation of power, that these solutions are unfit to attend demands from large corporations that are assumed as requiring "bolder" types of energy, that their energy efficiency claim is ultimately weakened by limited or inexistent storage capabilities.

Misconceptions with solar energy start at the definitional level. Both consumers and a substantial number of managers conceptually merge SPV with thermal solar energy, and attribute electricity-generating capabilities to thermal panels (*"To my knowledge, solar energy is produced by the very same ray of solar light"* - Consumer). This myth, along with previous ones, has serious implications:

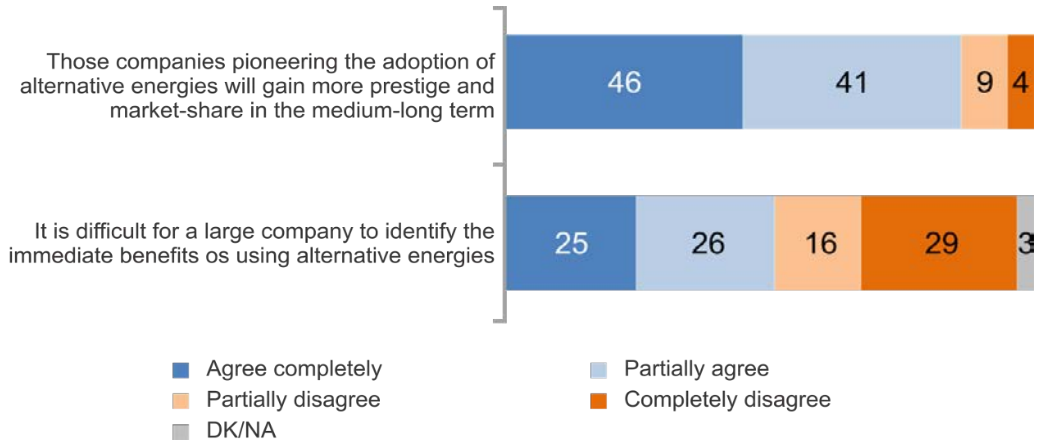
1. it turns SPV's role banal and subtracts value to SPV initiatives, reducing its persuasiveness in the eyes of companies;
2. it increases the risk of alienating consumers when addressed by a pioneering SPV adopting company since they may feel manipulated or deceived by company's discourse because of the supposed simplicity and redundancy of the proposition.

Consumers establish their favorable attitudes for solar and wind power mostly upon their minimal interference on the environment, validating the prevalence of a risk avoidance argument. This has troubling implications for the Megawatt project: a basis for support upon negative rationales (i.e., the minimization of negative outcomes) to a greater extent than positive arguments (i.e., benefits or expected returns) is a far less effective motivation for driving action. Accordingly, welcoming attitudes for clean energies at the generic level find a hard time to translate into mobilization of public pressure upon government or corporations for mass adoption of these greener sources of power. We call this the support gap.

Another factor feeding this support gap relates to the paradoxical way consumers perceive themselves as agents of change. In line with findings from other studies, consumers are keen to state they can influence corporations' decisions quickly, dressing themselves as the mythical sovereign subject of the market proclaimed by mainstream economics and marketing. Yet, ultimately, this influence hardly drives corporate decisions; it actually projects itself as a retrospective referendum on corporate choices once these have been already taken. In other words, favorable orientations towards corporate sustainable choices by consumers would have a hard time to channel pressure over firms to accelerate clean energy adoption, another reason for the current support gap.

Business managers are far more balanced between positive and negative motives behind favorable views of renewables. They admit a choice for sustainable energies renders positive enticements at the reputational level in the medium-long term (46% totally and 41% partially agreeing with that idea). A benefit that consumers are willing to grant but that believe as resonating more strongly among companies' employees and current clients than to society at large. On the other hand, executives are divided as to the short-term payback tangibility of walking the greener energy path: 51% agree that it is difficult for a large company to identify the immediate benefits of using an alternative source of energy whereas 45% disagree and 3% have no opinion (see figure 2).

FIGURE 2, VIEWS ABOUT PAY-OFFS FOR ADOPTING ALTERNATIVE ENERGIES (BUSINESS SAMPLE)



In any case, the likelihood these motivations will –by default- encourage SPV adoption is low as this option remains off the radar of corporate executives. Only 5% of them spontaneously recall SPV as part of a renewable energy menu and the same percentage of managers admit this option would be of interest for the companies they work for.

Business leaders are less prone to echo many of consumers' myths or misconceptions, but this only partially softens a degree of ambiguity behind their manifest high interest/favorable attitudes at the general level about non-conventional renewable energies. This ambiguity takes the form of:

a) a major gap between attributed importance and actual adoption of a clean energy option within the corporate environment they work (such gap reaches 30 points compared to other sustainability-oriented decisions within the company like progressing towards product certification -16 points gap- or water/energy consumption reduction –a 6 points gap);

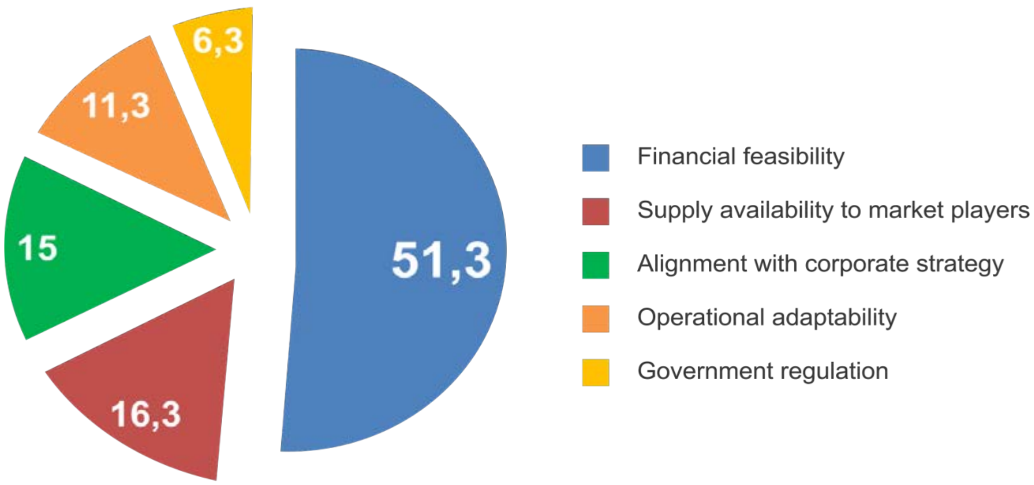
b) a conceptual divorce around the notion of clean energy as core to the decision of developing a sustainability corporate policy platform as indicated by poorly correlated responses between those asserting that their companies have been implementing sustainable solutions and their companies' actual adherence to renewables; and

c) the aforementioned split in opinions about short-term payback identification of adopting renewables (only 45% perceiving immediate benefits) versus the dominant rhetoric of renewables as a must-have target for companies regardless higher costs (69% endorsing this standing), which portrays the conviction that for many executives other companies should chase that road over the next years but not theirs as they might not seem too willing to risk their careers in the near future for uncertain options, or –better said- options that look certain only in the very distant future.

Perceived higher costs of clean energy is another barrier for support common to both consumers and businessmen. Unaware of rapidly decreasing prices, government timid but growing encouragement and extended financing, and the crystallization of persuasive benchmarks showing medium and long-term compensation through lower expenditures that surround non-conventional energies, stakeholders feed their support gap upon a relative misconception of financial feasibility for renewables.[9] After probing for main challenges for wider usage of alternative sources of electric power slightly over half of the managers' sample (51.3%) pointed out shortcomings of financial feasibility. Outdated and missing information plus the assumptions that going green in energy terms represents heavy costs with no visible payback seem the perfect recipe for freezing decisions. As business managers need to accommodate actions to short-term satisfaction of shareholders and profitability of their companies it seems very unlikely they will take a long-term and sacrifice-prone decision. In sum, as far as those misconceptions about the finances of renewable and non-renewables remained uncontested and not clarified by green energy proponents, the argument for travelling the sustainable road through adoption of renewables will look too much like ignoring the economic leg of the triple bottom line (see figure 3).

Last but not least, business publics recognize other challenges beyond financial feasibility. These barriers vary in nature and some depend on decisions external to market agents. That is the case of issues of greener energy supply availability and favorable government regulation, which respond to one-fourth of other reasons blocking the future of renewables. Since large-scale availability is ultimately conditioned to government policy and enticements this means that the Brazilian state has a substantial role to play.

FIGURE 3, MAIN CHALLENGES TO USING ALTERNATIVE SOURCES OF ELECTRIC POWER (BUSINESS SAMPLE)



Consumers echo this attribution of responsibility to government as key decision-maker, for some *"the first step depends upon defining a government policy for renewables – I'm not talking about the government putting money on these but determining the development of renewables as part of government policies"*. Other consumers further stretch this expectation by analogy with environmental legislation: *"Pretty much like you got environmental legislation forcing companies to deal with its waste in a responsible manner you ought to get legislation that somehow put the pressure on companies to use solar energy and to do it at accessible prices"*. The medium and long-term implications of this support for a regulatory upper-hand of government are clear: the longer the industry takes to be pro-active and all-encompassing in developing self-regulation measures and meeting key expectations from stakeholders about their responsibilities, the higher the odds this will instigate a state intervention and judicialization of business decisions and processes.

Difficulties in figuring out a corporate strategy aligned to a greener energy source mix anchored on renewables and the underdevelopment of operational adaptation mechanisms to use sources like SPV complete the set of identified obstacles by managers. These issues account for over one-fourth of the barriers and fully fall within market agents' responsibility. More importantly, their share of the total obstacles perceived suggests that political decisions within company are slightly more critical than technical matters.

Taking all things considered, the message is clear: SPV needs not only to gain visibility and better comprehension before decision-makers but also needs to showcase its uniqueness and corporate functionality more clearly. These myths and misconceptions represent clear barriers to the success of cleaner energies in general and SPV in particular and point out to the need for better communication and more instrumental education of both publics. Unless these false or ambiguous readings are fully understood by proponents of alternative energies and priority action is taken to overcome them, the odds of capitalizing favorable views into company choice for SPV may remain low.

At the same time, consumers and business validate the logic of reputation returns for companies investing in alternative energies. This validated clients' assumption encourages to base their plans for tackling the unexplored SPV opportunities by focusing its marketing upon an eco-label capable of identifying and, therefore, differentiating those pioneering corporations sponsoring the SPV development program. Promoting a customer approach upon displaying the eco-label emerges, in theory, as a sound instrumental decision. The next section will explore how well it did and what lessons were learned from testing this communication and marketing tool.

HOW STAKEHOLDERS REACT TO THE ECO-LABELING PROPOSAL FOR SPV?

The belief in consumer sovereignty as driver of corporate behavior by individuals is the equivalent to the belief in the reputation and market returns for adopting sustainability choices by managers in that they are both needed assumptions for generating a virtuous cycle favorable to the spread of renewable energies. Yet, these become insufficient conditions to propel such cycle unless they get to connect each other by some mechanism that informs consumers where to exert their influence over firms and that allows companies to raise visibility and extract status gains from their decision to walk the renewable path.

In search of a working tool to play that role, our clients develop a SPV sponsorship eco-label. But, how instrumental and effective is this tool both in conceptual terms (i.e., raising awareness, securing visibility, improving the cognitive connection and comprehension of the SPV proposal) and in terms of achieving the attempted effects (i.e., motivating interest or actual commitment to sponsorship by firms and engaging consumers in rewarding practices for companies going that way)?

Eco-labels are cognitive facilitation tools playing the role of information shortcuts, endowed with the credibility of an authoritative endorser. This is critical in the case of Brazil where surveys reveal that seven out of ten consumers have troubles identifying ethical products (69%) and understanding the socio-environmental benefits of products claiming to be sustainable (71%) at the moment of purchase (CEBDS-Market Analysis, 2010). More so, when considering that similar surveys with sustainable opinion leaders (many of them being area managers at big companies) reveal an even larger proportions of these elites agreeing that non-identifiability and feature verifiability are top barriers for a typical consumer (90% and 95%, respectively) (CEBDS-Market Analysis, 2010). These circumstances are likely to make eco-labels very instrumental, and there is evidence supporting this helpful role at the general level (Idéia Socioambiental, 2010); yet: is this the case in relation to the proposed SPV eco-label?

One key research finding is that eco-label efficacy heavily relies on exhaustive prompting before consumers' eye to get noticed; otherwise they will hardly figure as relevant cues. Managers' responses to eco-labels are aligned with the way consumers react. Only 8.4% of business elites interviewed for this project instinctively refers to a well-recognized label as a good indication that a company makes use of alternative energies.

Eco-labels in Brazil also need to deal with a background of rather few antecedents, something that gets reflected in the fact that only one every two managers being aware of any label scheme or certification (and even one-fourth of those claiming awareness end up being unable to cite examples). Among consumers the government-backed, heavily disseminated, product-attached energy-efficiency Procel label for home electronics has become synonymous of eco-labeling with scarcely any other example in mind. For businessmen, Procel ranks in second place yet it achieves the highest rates in credibility and market influence.

Clients suspected that important barriers would be in the way to attracting attention to a SPV-centered offer for companies concerned with sustainability. The eco-label was, thereby, pivotal to their efforts in switching the game. Yet, assessing how well-aligned such tool would be with the conceptual proposition around solar energy and how effective was the symbolic language used were also matters that ought to be empirically addressed.

SPV tested concept

In spite of being the fastest growing type of energy generation, grid-connected solar photovoltaic projects in Brazil are still scarce, low scale, mostly related to research and irrelevant in terms of power generation. The first, larger scale project will be installed by Eletrosul at its HQ in the city of Florianópolis with expected power generation of 1,2 GWh/year – a quantity large enough to meet energy demands of 680 households. This energy will be sold to firms and given that there is no public policy promoting clean power, those companies that acquire this energy will be pioneers in helping to develop this market in Brazil, in addition to behaving in a more sustainable manner since they will be using clean electricity.

This type of energy is more expensive than conventional power, for this reason the Instituto Ideal, with the support of GIZ, decided to create a seal so the company that acquires this type of energy will have a tool to disseminate this action. The solar seal will enable consumers to identify who is buying the new type of energy. To obtain the seal companies shall acquire a minimum volume of photovoltaic energy for a minimum period of 5 years. The idea behind the seal is not to certify but rather become a sort of "I am in" flagship tool campaign by which companies could also display their will to favor this choice of energy fully available within the Brazilian market.

Respondents were exposed to this concept draft, then to the preliminary version of the seal in order to verify their overall assessments, perceptions of ROI and stated buying intentions. Consumers ratified their receptivity to alternative energies by welcoming the proposal of a SPV eco-label. Its main effects just happened in relation to one of the most sensitive issues: credibility of firms' sustainable claims. But the gains in legitimacy were not automatic. In fact they voice an expectation for a broader role of a seal not contained in the conceptual statement-to perform as a self-explanatory guidance for consumers: *"What is critical for me is being able to believe in what a company says is doing. A seal is important, it provides something visual to distinguish and identify but I also want to understand if that's actually true and how having the seal ensures that* - Consumer".

Clients' bet on the positive effects of using an eco-label had in mind the first condition of information supply but somehow missed the role that such tool has in terms of furnishing credibility and the way it is expected to fulfill that role before consumers. In that sense, a first outcome of research was to provide additional clues as to how to market the idea more effectively. The concept behind the eco-label also triggered a reflective process which motivated consumers to think of sustainable investments in comparative terms across companies from same segment and relate different performances to a broader agenda about corporate commitments to a better future. In this sense, the eco-label seems instrumental to both a preliminary educational process among consumers and a favorable benchmarking of early corporate adopters likely to benefit from individual choice and positive word-of-mouth, as declared by some respondents.

Managers sympathize with the concept more than they feel persuaded by it but this gap is fairly minor. Whereas 74% react favorably, the perception of ROI is positive for 69% and actual interest on the proposal as it is gathers 67% of executives. As opinions asked relate to more material or consequential decisions, the level of endorsement weakens -as illustrated by the lower likelihood of recommending the adoption of the seal before the board (i.e., 62%). Still, the breach between the 74% who agrees with the concept and the 62% who are willing to advocate for it before the corporate hierarchy seems, in perspective, rather low.

What elements seem to deepen or avoid that gap from getting bigger? Restraining factors are related to one key assumption of our clients' proposition – the belief in the likelihood of market gains. For 82% of managers' companies using the seal elicit public prestige. Concurrently, 78% of them are persuaded that consumers pay attention to this type of signalization of a company engagement with sustainability. Reputation is, thus, a clear motivating force. On the other hand, factors contributing to this gap are the eco-label drawbacks in idea clarity, interpretability and credibility – plus a certain degree of resistance to paying a premium cost. These are issues more strongly related to the practical, functional aspects of the seal than of symbolic nature (like prestige and image gains). For 51% of executives the eco-label as proposed is difficult to decode (alarmingly, 54% of those in the communications/sustainability departments think that way) – a disadvantage that echoes among consumers, on a scale of 1 to 5 for easiness to make sense, the eco-label gets only 2.75 points, its lowest score among several other features probed. Businessmen also reveal mixed feelings about how clearly the proposed eco-label was able to catalyze an engaging platform for SPV adoption and show themselves divided with regards to its credibility – a matter that has less to do with likely project sponsors than with the absence of government back-up and a degree of skepticism about label potential for propelling major changes in energy supply.

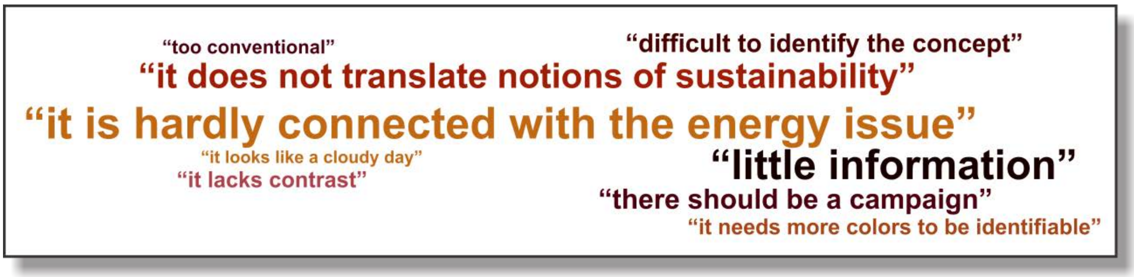
How successfully would the SPV eco-label travel from concept to a visual mode? The final step of this research involved testing a first prototype of the eco-label before all publics in order to determine how well this would communicate the idea of a pioneering corporate-sponsored SPV development program and learn what was needed to retain the favorability achieved at the conceptual level around clean energies and eco-labels. (See figure 5).

Both publics reacted ambiguously to the graphic representation of the eco-label thus showing a far stronger alignment with the conceptual proposition than with its visual logo mode. It is no news that performing a transition from well-defined or positively perceived concepts to effective visual expressions of those ideas is a difficult task; furthermore, and contesting common sense, there is evidence for eco-labels that text-based information like a conceptual written message might be more effective than pictorial information as portrayed by a symbolic seal (Tang et al, 2004).

Consumers were relatively disappointed by the design as they felt it delivered partial cues *("Not everyone is aware that solar panels have that shape")* and lacked eye-catching potential (*"Visually, it is far from mind-blowing"*) – in other words, two "must have" conditions: cogent and easy to assimilate information about the benefits of the concept and striking graphic attractiveness were missing. Along with those reactions, seal colors automatically elicited sun/solar energy associations but were perceived as requiring more intensive tonalities to successfully link the substantive emotional expectations behind their approval for clean energy with the seal as a communication tool.

Managers also get mildly excited by the image of the seal. One in every three of them rated it lower than 7 points on a 1-10 scale. Reasons for that half-hearted response relate to core communication deficits: it does not deliver an effective sustainability message either because this concept is missing or it is difficult to infer from the seal. The novelty of an energy eco-label is thus neutralized as its visual representation spurs a perception of un-connectedness to what is the essence of the proposal: energy supply. Last but not least, aesthetical shortfalls constitute another type of criticisms (see figure 4).

FIGURE 4, MOTIVES FOR NEGATIVE REACTIONS TO SPV ECO-LABEL DRAFT (BUSINESS SAMPLE)



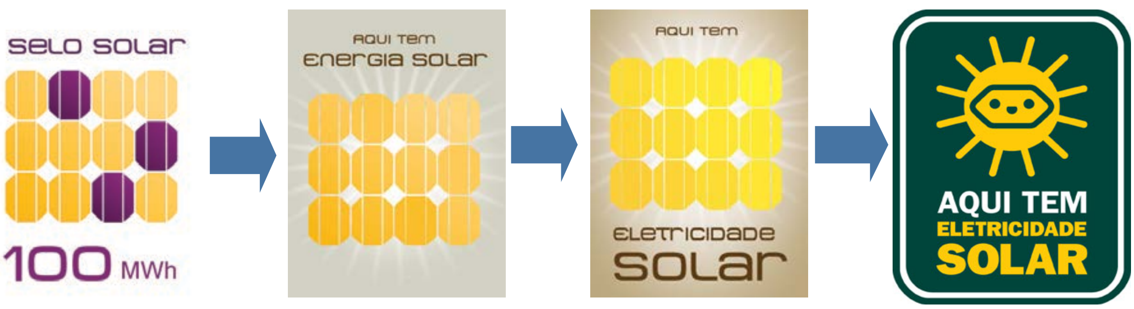
These reactions conspire against an effective conversion of favorable attitudes towards renewables and eco-labeling into more committed responses among businessmen and are likely to ignite further disbelief about the seal since those deficiencies are perceived as subtracting credibility to the concept and initiative. A key implication of this research is that unless the seal is reworked to achieve a more congruent symbolic outlook that clearly connects it with both the core themes of sustainability and energy, odds of bridging the gap between idea favorability and willingness to recommend this option before the board will remain null.

Confronting the mix scenario of high opportunities for success and underperforming visual proposal, which -in a way- synthesized the core takeaways from this research, clients reformulated the eco-label design integrating research suggestions and lessons. The new seal was a closer reflection of these stakeholders' concerns and expectations about what a sustainable energy eco-label should be about (see figure 5).

FIGURE 5, SOLAR ENERGY SEAL EVOLUTION: GETTING ADAPTED TO STAKEHOLDERS' NEEDS AND EXPECTATIONS

Draft seal

Research-based redesigned seal



Likewise, insights from research inspired a larger review of clients' strategy. After the visual improvement, clients agreed that the next critical step will imply advancing a public educational campaign seeking not just to divulge the eco-label but to raise awareness levels about the singularity of SPV and increase its perceived value among consumers and business customers. Such a campaign plan has led to a finalized brand usage guidebook, an educational primer and a video still under development, and a good business practices manual regarding a responsible usage of green marketing around the eco-label. Furthermore, this educational campaign was understood as being more effective if set in motion before any broader disclosure of the seal, focusing on printed media, specialized magazines, internet, and energy and sustainability events.

Along with these decisions, research helped our clients to conclude that -unlike standard usage of eco-labels in Brazil and abroad- the seal will have stronger resonance if used in institutional campaigns instead of in product packaging by corporate patrons. This approach seems more coherent in building trust and mobilizing choice among potential business customers. Finally, for those partnering with our clients in sponsoring this pioneering SPV initiative, a joint communication campaign is planned to be set forth around the social value of adopting clean energy at customers' locations (i.e., employees offices, retailers' stores and point of sales, etc.) or in companies' sponsored events (i.e., shows and fairs, industry conferences, etc.).

CONCLUSIONS

Market research can go beyond neutral descriptions of public moods and make a difference in favor of a more sustainable future. So far, the scattered number of studies and surveys focusing on issues of sustainability in Latin America have been limited to either a retrospective assessment of isolated social and environmental initiatives by a handful of companies, or feeding back the credibility of advertising investments to greening a brand, or tracking public views about climate change and corporate responsibilities to society and the environment. As we attempted to argue, our industry can play a larger and fairer role by helping to improve how sustainable solutions, like alternative energy, may get communicated and get higher chances of success in order to mitigate the human drama of living in a hotter, increasingly polluted and climatically fragile planet.

For this specific business case, market research contributed to develop a sharper basis for a unique renewable energy proposal through various ways. To begin with, it helped by untapping myths and beliefs that hamper the conversion of positive attitudes into mobilization in favor of renewables (what we called the "support gap"). Secondly, research assisted by testing concepts and visual cues in order to obtain critical intelligence for better alignment of these with stakeholders' expectations and rationales about clean energy. Finally, research allowed to identify how to potentialize the impact of powerful heuristics such as eco-labeling.

In addition to perfectioning concept and visual cues, there are other practical lessons derived from this study with implications valid for a wider portfolio of sustainable solutions. For issues like energy and other technological advances, there is a clear need for education of target publics well before launching any product. Positive attitudes do not equate to fully understanding and differentiating of sustainable solutions from other conventional options. As a result, an environmentally sounder proposition may see its value diluted and even raise up adverse reactions. That is what was at risk, for example, with those confounding thermal and SPV sources of energy.

Not rarely, sustainable solutions are inherently related by its proponents not to immediate pay-offs but to long-term results, and this view is reflected among consumers and business which raised another obstacle to progress. Yet, solutions like renewables can also encompass medium-term benefits in economic terms as costs associated to its implementation rapidly go down and if consumption savings are effectively tracked. Moreover, government regulation is likely to further change the current structure of costs, along with society and industry pressures for more sincere prices for non-renewables like fossil and coal-based energies mounts; not to speak of a portion of customers who consistently signal a willingness to face premium prices for greener products and services. And, of course, there are the symbolic pay-offs like stronger reputation, better insulated corporate images, more highly motivated workforce, capability for attracting sustainability-sensitive talents and consolidated loyalty relationships with current customer-base.

As the year 2012 begins, a renewed surge of news promising a more prosperous destiny for solar photovoltaic energy reached newspapers and blogs in Brazil. The government finished a study suggesting legislation that will allow the generation of solar energy at the household level,[10)] and announced a USD 118 million credit line for solar energy.[11)] At the same time, the largest energy distributor in the Northeast region, Chesf, announced investments of over USD 41 million in testing SPV units,[12)] whereas in the Southeast region, one major stadium for the World Football Cup of 2014 in Minas Gerais is promising to feed all its energy needs out of solar by end of 2012.[13)] As for the current project we worked for, a public bid was launched during the last months of 2011 and 14 proposals were submitted, suggesting a substantial interest in the future of solar energy.

Things appear to start moving swiftly in favor of a sustainable path towards the clean, renewable forms of energy in Brazil, pretty much like other markets in Latin America. Market research can play a positive role here too, one that contributes to shaping the society in other ways than providing inputs that -in some cases- we know ultimately might result in more consumerism, less healthy societies and environmentally depredating behaviors.

FOOTNOTES

1. Greenpeace (2010), "Sol: o futuro da energia", available at http://www.greenpeace.org.br/clima/pdf/sol_ofuturo.pdf, on Dec.15, 2011; Joel Kirkland (2010)"IEA: Solar Power Could Produce Nearly One-Quarter of Global Electricity by 2050,". Scientific American. May 12, 2010.
2. Incidence of solar radiation is estimated at 4,500 to 6,300 Wh/m2, according to the America do Sol network, 2011.
3. According to late 2011 calculations by Bloomberg New Energy Finance, costs are expected to half by 2013, pushed by a larger economy of scale achieved with regards to producing components. Consequently, world annual manufacturing of equipment has quadrupled since 2008 and is expected to double til 2013 pushing costs down a bit further. Also, see: Scheidt, Paula (2011), "Bons ventos para a energia fotovoltaica no Brasil", Revista Brasil Energia, December 2011, n.373.
4. Revista Brasil Energia (2012), "Meio ambiente mais preocupante", February 2011, n.375; Portal Energia Hoje (2011), "Brasileiro rejeita energia nuclear", December 16, 2011.
5. Ibid.
6. ANEEL (regulatory agency of electric energy), 2010.
7. According to Eco-labelindex.com, available at http://www.eco-labelindex.com/eco-labels/?search=solar&as_values_063=, on Dec. 28, 2011.
8. Such segmentation not only relates to the specific second-level goals of the study (namely, identifying the tensions and potential between eco-efficiency arguments vs. reputational appeals in providing a discursive background to lever the solar energy proposal) but also to established literature findings about the need to consider the company as an heterogeneous agent and –thereby- map out the opinions of the different decision-makers with different (when not antagonistic) goals. See: Fonseca-Da Silva (2010).
9. Of course, there are additional considerations resulting in far higher comparative costs of using unclean energy sources which, conveniently, mainstream economics and marketing ignore, such as the public health effects, the economic consequences over national accounts and the environmental costs of degradation, depletion and pollution. For a thorough discussion of the hidden costs of current forms of energy and its quantification, see Brown (2009).
10. Valor Econômico, January 27, 2012
11. Estado de São Paulo, February 14, 2012
12. Valor Econômico, January 30, 2012
13. Brasil Econômico, October 27, 2011

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SUSTAINABLE BRAZIL

PERCEPTIONS AND PRACTICES OF THE NEW BRAZILIAN MIDDLE CLASS ON SUSTAINABILITY AND CONSCIOUS CONSUMPTION

Mario Mattos

INTRODUCTION

The debate on building a sustainable society is undoubtedly one of the major themes that emerged at the turn of the century. It left the environmentalist ghetto to reach government and media spotlight, overcoming corporate world resistance and gradually getting into consumer life. There is more and more a wish to reach a less linear economy (production, consumption, disposal), to have it more cyclical (production, consumption, disposal, reuse) and a more sustainable society.

Definitively, a big boost to this process will come as more consumers start to take on sustainable attitudes and behaviors and include these criteria in their process of choosing products and services.

The new National Policy on Solid Waste (PNRS), recently approved in Brazil, establishes responsibilities of the various productive agents (suppliers, producers/ manufacturers, retail distributors, etc.) in the collection, processing and disposal of waste products consumed. This law is still undergoing regulatory process, but it is already clear that to ensure the fulfillment of its responsibilities, companies must seek engaging help from consumers at least in the correct disposal of solid waste produced in their own product usage.

Thus, monitoring consumer perceptions and actions is in itself an important element in assisting companies to drive their strategies of branding and product development.

However, another phenomenon took hold in Brazil in the first decade of the new millennium and highlights the importance of consumer's role: the emergence of the so-called "new middle class" as the driving force of consumption, production and national economy. Classes C and D, although numerically large, were left aside when it came to consumption and to companies' focus. These classes emerged during President Lula's administrations (both mandates), with the growth of the economy, the increase in formal employment and in the purchase power of minimum wage, inflation under control, the income redistribution policies, access to higher education, rural driven electricity, etc., and the first decade ends having these classes as the superstars of national consumption activities.

This new middle class finally has access to the consumer market and shows behavior that is less conscious than that of other Brazilian consumers, making the second half of the 2000s reach percentage growth in consumers who have less conscious behaviors when consuming.

Undoubtedly, it becomes essential to better understand these new consumers, their relationship with consumption and sustainability in order to have actions developed that are designed to increase consciousness and behavior towards a more sustainable society.

This study developed document-based research on the Brazilian economic and political development since the 1980s to understand the emergence of the new middle class.

At the same time, document-based research was developed on the evolution of Brazilian and global debate related to issues of environmental protection, sustainability, corporate social responsibility and conscious consumption. On the other hand, an opinion poll conducted by GfK for Institute Akatu was kindly authorized to be applied on this paper.

A quantitative poll was conducted with individual home-based interviews using a structured questionnaire with average duration of 45 minutes. Data were collected during the month of July 2010.

We interviewed 800 women and men, A/B/C/D classes (E class excluded), aged 16 years or more in 12 cities in all regions of the country. Results were weighted to ensure population weight proportion in this age bracket from these regions.

The interviews were distributed by gender, education and occupation quota according to the population of age 16 years or more based on data from the IBGE (Brazilian Institute of Geography and Statistics) Census/2000.

BRAZILIAN ECONOMIC AND POLITICAL DEVELOPMENT IN THE LAST FEW DECADES

Brazil is enjoying a period of privilege in its history. No longer living as the "country of the future", now it takes on the role of world powerhouse.

The country lives under a democracy that celebrates more than 20 years applying its Constitution, with several elections at all levels and real alternation of power in the federal government, the states and municipalities.

Moreover, Brazil has been enjoying privileged economic times and the recognition of being a paramount player in many vital issues addressed by the international political and economic community.

Much of these results come from political and economic processes developed over the past three decades (1980s, 1990s and 2000s) and each of them took very different roles in the process of consolidating democracy and economic stability in Brazil.

1. The 1980s

In the early 1980s, Brazil was still under a military dictatorship, without elections for major executive positions and having only two political parties (Arena, the incumbent and PMDB, the opposition).

It is true that since the mid 1970s, the military regime had already begun a political transition ("slow, gradual and secure" in the words of the president at the time, General Ernesto Geisel). In August 1979, the Amnesty Law was enacted (now highly contested for including in its scope amnesty also to military personnel accused of torture) benefiting and enabling the return to Brazil of several politicians, having as the most iconic example, the former governor Leonel Brizola.

However, at the same time, in April 1981, the so called "Riocentro" case broke - a failed bomb attack set up by military against the political opening, planned to take place at the Pavilion Riocentro in Rio de Janeiro during a concert to celebrate Labor Day. That showed the route to democracy was not accepted by "hard line" minded individuals from the army.

During the 1980s, there were several achievements toward democracy, as allowing new political parties to be founded, open elections for governors in 1982, the 1983-1984 campaign of the "Diretas Já" - reference claiming direct people's vote for president, the election to choose mayors of all capitals in 1985, the indirect election of the first civilian president after more than 20 years (Tancredo Neves in 1985), the Constituent Assembly and the promulgation of the new Constitution in 1988. This process, however, would end only with the 1989 presidential elections and the victory of Fernando Collor de Mello.

Going from the 1970s to the 1980s, two players started to stand out in the public arena, although still occupying less prominent roles, and would develop themselves over the following 15 years to control the political landscape from 1994 on: Fernando Henrique Cardoso and Luis Inacio Lula da Silva.

Thus, from a political point of view, the 1980s was a long path of achievements and transition to the democratic regime in Brazil.

On the other hand, the 1980s is also known as the "Lost Decade", from the point of view of economic growth in Brazil, as well as in several other Latin American countries. In fact, while in the 1970s Brazil's economy grew on average 8.6% a year (reaching up to 13.97% growth in 1973), the average GDP growth rate in the 1980s was 2.9 %. This meant that the per capita income, which grew 6.1% annually between 1970 and 1979, remained virtually stagnant in the following years. In fact, per capita income had grown every year throughout the 1970s, reaching a value of US$6,690 in 1980, and only recovering a consistent growth curve from 1992 on and is back above 1980s level fifteen years later, in 1995, when it reached $ 6,750 (Demarchi, 2011).

But the low growth was just one of the problems of the Brazilian economy at that time and certainly not the biggest one.

Inflation was already at a high in 1980 (almost 100% in that year) and it went over the roof top in the second half of the decade to 2,000% in 1989, the year of the first presidential election and reached 2,500% in 1993 (Carvalho, 2011). This was the period of long waiting lines at banks and hypermarkets. Workers would buy their groceries at the exact same day of receiving their pay, withdrawing cash at the bank teller's booth, since the following day they would not be able to buy the same due to virtually daily price changes.

2. The 1990s

Thus, Brazil starts the decade on a newfound democracy, but already weakened institutionally due to the impeachment of President Collor de Mello, and showing an economy with declining growth rates, high unemployment and hyperinflation (stagflation).

The second half of this decade and the early years of the 21st century were able to reverse such scenario, when the two players who began to earn the spotlight in the political scene from the early 1980s onward take on their roles.

With the fall of Collor de Mello, his vice president took office: Itamar Franco from the state of Minas Gerais. The new president invited his minister of foreign affairs - an intellectual, internationally renowned sociologist and senator Fernando Henrique Cardoso - to assume the ministry of finance and implement a new plan to stabilize the economy, which became from 1994 on the "Plano Real". It did not only change Brazil's inflation and economy scenario, but also secured the election of Fernando Henrique for president at that same very year, 1994, replacing Itamar Franco.

Both administrations of Fernando Henrique Cardoso were marked by consolidating economic stability and structural changes in the economy, as well as consolidating the democracy, symbolized by turning over the power to the opposition after the 2002 election.

3. The 2000s

Lula, a former metalworker and union leader who emerged to lead the great strikes of the ABC Paulista region (cradle of the Brazilian automotive industry) and the founding of the Workers Party (PT), gained ground with a feisty opposition speech based on social measures and the fight against corruption. As a candidate, he had been defeated in the previous three presidential elections (in 1989 by Collor and Fernando Henrique twice in 1994 and 1998) but saw his party grow in various levels of municipal and state governments and in the congressmen chambers.

The party and its candidate had always captivated about one third of the votes in presidential elections, but also accumulated an even greater personal rejection towards Lula and his party, PT. In 2002, backed up with a slogan "Hope Overcame Fear" and a wide range of alliances (to the point of choosing a big national entrepreneur as a candidate for vice president), Lula managed to reduce these levels of rejection in business sectors and among the middle class and won the election in the second round reaching more than 60% of valid votes.

Unexpectedly, Lula invited the newly elected senator Henrique Meirelles to be the president of the Central Bank of Brazil. Meirelles was elected senator representing the party PSDB, party of Fernando Henrique Cardoso (now in opposition), and had achieved a successful career in international financial institutions generating great rejection within PT and the left-wing parties that supported Lula. The choice gave a clear sign of Lula's administration's intention and commitment to monetary stability.

On the other hand, Lula gave priority to the social agenda in his two mandates. It is clear that the federal government's social policies did not begin with Lula's administration. The 1988 constitution was named "Constituição Cidadã" (Citizen Constitution) largely structured on the concept of rights and actions of the State to guarantee citizenship to everyone and rescue Brazil's "social debt". And Fernando Henrique Cardoso's administration had already structured several programs with various areas of work as its focus: school-grant, food-grant, propane gas allowance, eradication of child labor, family health, support to family farming, etc. (Almeida, 2004).

But Lula raises the social issue as the main focus of his administration, as it is clear in his inaugural speech in the Congress:

(...) "millions of Brazilians in the country and in the city, in far-fetched unassisted rural areas and most helpless urban outskirts, at this moment have nothing to eat. They miraculously survive below the poverty line, if not dying from poverty, begging for a piece of bread. (...) If, at the end of my mandate, all Brazilians have the possibility to have breakfast, lunch and dinner, I will have fulfilled the mission of my life. That's why today I urge to you: Let us get rid of hunger in our country."

Thus, the government articulated existing programs and new programs in areas such as direct income transfer to poor families (Bolsa Família – Family Grant), access to higher education (ProUni), reduction of the housing deficit (*Minha casa, Minha vida* - My Home, My life), universal access to electricity especially in rural areas (Luz para Todos - Light for All), among others.

4. The "New Middle Class"

The combination of low inflation, rising employment, economic growth and increased income through real increases in the minimum wage and social policies have resulted in a significant income growth of classes C and D, removing large numbers of Brazilians from the poverty line and generating a great dynamic domestic market, with the emergence of the "new middle class" formed by consumers who came from these social classes. The focus is on 28 million Brazilians who left the poverty line and 39 million who rose into the middle class. For comparison purposes, taking into consideration only the group that became part of the middle class represents a population nearly equal to that of Spain (41 million).

And this process has not come to a halt. According to a study conducted by Kantar World Panel, in the period of only one year (between 2010 and 2011), the number of C-class households increased 4.61%.[1)]

Reflecting a new social reality, there are still many discussions about a more precise definition of who makes up this new middle class. As a guide, only to be able to size the growth of this segment, the middle class accounts for 63% of Brazil's population in the beginning of 2012 and 40% at the end of 2002.[2)]

The new middle class, for the first time, has the opportunity to actively participate in consumption in Brazil. And it is so effective, that it impacts virtually all industries.

According to the same study of Kantar World Panel, *"there is the introduction of new consumer habits, population's behavioral change (...) The highlight of this year is for categories with higher added value, such as liquid detergent (...), on the other hand, (...) other categories have falling sales, which is true for bar soap (...) Sales were driven mainly by class C... "*.[3)]

Another example of this impact can be seen on Subscription TV. The increased penetration of this segment in Brazilian households was due largely to the new middle class, whose growth was 50% in 2011 and now represents one third of subscribers in Brazil according to ABTA (Brazilian Association of Subscription TV).[4)]

The tourism industry was also impacted. Over the past 10 years (2001-2011), Brazilian tourists' spending grew 110%, galloping from $20 billion to $ 42 billion reais (Brazilian currency) a year. And class C was the greatest reason for such growth. Spending by tourists in this segment grew 324% in this period, while the expenses of classes A and B increased 56%.[5)]

And the new middle class landed in Hollywood. In order to have emerging segments easily reach movie theaters, the number of dubbed movies and cartoons grew 75% in 2011, reaching 77 compared to 44 in 2010.[6)]

According to the study *"O Setor de vestuário no Brasil - números e comportamentos"* – (The apparel industry in Brazil – numbers and behavior) from Datapopular, class C accounted for 48.4% of spending on clothing in the country in 2011, paying an amount of R$ 35.3 billion.[7)]

In a special section about Brazil's new middle class, the newspaper *Folha de S. Paulo* showed the great impact of individual formal education levels when it comes to their social rise. While the country's elite has 77% of its members holding college degrees, among the lower class, 100%, at the most, has completed elementary school and of the middle class 89% has completed high school.[8)]

No wonder young people from the new middle class apply to colleges supported largely by public college incentive programs. *"Education is one of the biggest dreams (of young adults from class C in the city of Rio de Janeiro). That is why, out of every ten college students in Rio de Janeiro, five belong to this new middle class"*, states Penteado (2012).

The growth of credit is undoubtedly one of the most important elements to boost Brazil's growth and to raise consumption among the general population and especially among the lower income segments. Between 2005 and 2011, there was a threefold increase or more in the total volume of credit offer in the Brazilian economy, which last year reached the level of 47.8% of the GDP. Despite the major growth and the risk of default that comes with it, this percentage is still low compared to levels from developed countries (Demarchi, 2011).

This economic boost from consolidating the domestic market and from consumption of the middle class still have room to grow in Brazil. According to the plan "Brasil sem Miséria" (Brazil without Poverty) of President Dilma Rousseff, 16 million Brazilians (about 8% of the population) still live in extreme poverty. The plan aims to reach out to this segment seeking their inclusion in social programs and their productive inclusion in society and in the Brazilian economy.

Hence, Brazil started 2010 having its fifth presidential election after the promulgation of the new constitution and as one of the superstars of the new global political and economic scenario.

DEVELOPMENT OF ENVIRONMENTAL ISSUES AND OF THE CONCEPT OF SUSTAINABILITY AND CONSCIOUS CONSUMPTION

The debate on social and environmental impact of human activity is quite recent, and, even more, when it comes to its relevance in the international agenda. After all, 2012 is 30 years from the ECO-92 conference in Rio de Janeiro, one of the milestones of this discussion.

1. Early Days

Until the 1950, environmental issues were confined to academic discussion, focused on the issue of environmental preservation, away from the social and political debate and public opinion.

American biologist, scientist and writer Rachel Carson changed the landscape in taking the environmental debate to the American public and to the world when she published the book "Silent Spring" in 1962. It showed through scientific support the dangers to nature and to man with the use of pesticides. She is considered the founder of the worldwide environmental movement.

Under this drive, NGOs were founded to deal with various environmental issues. In 1969, "Friends of the Earth" was founded in San Francisco, USA, organizing successful campaigns such as the conservation of whales.

2. The 1970s

In 1971 in Canada, one of the most iconic movement comes about, "Greenpeace", focusing strongly on generating visibility for the events of environmental impact, taking on an important role to bring this debate to the global agenda and to ordinary citizens.

In Brazil, the environmental movement also began to take shape. In the same year in 1971, in Porto Alegre, the Associação Gaúcha de Proteção ao Ambiente Natural - AGAPAN (Gaucho Association for the Protection of the Natural Environment) is founded. That was the first organization dedicated to the environment in Latin America led by José Lutzenberger who later became one of the world's leading authorities on the subject. In addition to these organizations that emerged throughout the decade, the environmental movement will benefit from the return of political exiles from 1979 on, whom helped get the agenda up-to-date based on the international debate.

The subject gains momentum and finds its way reaching the political debate in several countries and international organizations.

During the 1970s in many European countries, the green parties arose. Even though most of these parties remained as a minority within their local political scenarios, they have made environmental issues take part in the national political agenda and forced all parties to take a stance on the subject.

In Brazil, the Green Party was founded in January 1986 in the city of Rio de Janeiro by historical leaders of the Brazilian environmental movement, such as Fernando Gabeira and Carlos Minc.

In 1972 the United Nations Conference on the Human Environment was held in Stockholm, Sweden, which among other things stressed the importance of environmental education and was instrumental in the creation of the United Nations Environment Programme, having a major impact on developing policies for the management of environmental issues.

And in 1980, the report "Global 2000", from the U.S. government under President Jimmy Carter's administration, for the first time placed the environment as a theme of global impact and that could not be limited to standalone actions of a particular country.

3. The 1980s

Gradually, after entering the political agenda of local and international issues, the environmental issue also gets on the corporate agenda starting in the 1980s. This sector was resistant to this debate due to three basic considerations:

- Practical: they felt "attacked" by the debate over the environmental impact of the production process and due to some "anti-capitalist" bias of some sectors of the environmental movement.
- Ideological: competitiveness would be the only factor able to solve environmental problems; and no state interference in terms of the discussion of the organization of the productive/manufacturing industry.
- Technological: not available clean technological on industrial scale.

Over time corporate organizations started to review their role within society, incorporating new technologies, adapting to new laws and taking the initiative to realize that in many cases the environmental issue is also a huge opportunity to create and differentiate their business.

Arruda (2010) features three corporate generations associated with social -environmental issue in business:

"the First Generation, where full priority is given to economic aspects in detriment of environmental and social aspects; the Second Generation, where there is an equal balance of those three aspects and their interface, creating opportunities related to eco-efficiency, security of production process and social economic development; and the Third Generation, where there is the integration of all three aspects for a truly responsible action, generating intangible benefits for organizations".

Clearly these "generations" express the evolution of the debate in the corporate world, but they clearly do not mean an evolution since, in the same historical moment, there are companies expressing the concepts and practices of all those generations.

In Brazil, the evolution of this corporate movement is quite recent, having started in the 1990s and leading in 1998 to the founding of the Instituto Ethos de Empresas e Responsabilidade Social (Ethos Institute for Business and Social Responsibility) by a group of entrepreneurs and executives from the private sector and in 2005 to the launching of the Corporate Sustainability Index in Bovespa (São Paulo's stock exchange).

In 1987, a report by United Nation's World Commission on Environment and Development (Brundtland Report) formalized the term "sustainable development", or a production mode that "meets the needs of the present without compromising the ability of future generations to meet their own needs ", marking the development of the concept of sustainability.

In the 1980s in Brazil, the movements of consumer protection and organization agencies begin to take shape. The increasing importance of this theme is made clear through the founding in 1987 of the Instituto Brasileiro de Defesa do Consumidor – Idec (Brazilian Consumer Defense Institute), and the major milestone in consumer rights, the "Consumer Protection Code", in 1990 (Federal Law 8. 078/1990).

4. The 1990s

Given the growing discussion of environmental issues in social, political and business forums, in 1992, the largest gathering of heads of state so far achieved was held: ECO-92- United Nations Conference on Environment and Development (UNCED). One of the most significant outcomes of this conference was the Agenda 21, which sets a new standard for the development of society integrating environmental, economic and also social dimensions.

From the topics proposed on Agenda 21, in 1995 the concept of "sustainable consumption" was launched by the Commission on Sustainable Development (CSD/UN), which encompasses several changes in the production process and presents the consumer as instrumental agent for the promotion of these transformations.

According to Minehira (2010),

"The term (sustainable consumption) gains public recognition in the year 2000. When celebrating the 50th anniversary of the Universal Declaration of Human Rights, a group of Nobel Peace Prize winners gather in Paris creating the "Manifesto 2000 for a Culture of Peace and Non-Violence". The objective was to make each individual sensitive to assume their part in changing the world. In order to create this impact, the document warned citizens to pledge to six attitudes. The fifth was "to promote consumer behavior that is responsible and development practices that respect all forms of life and preserve the balance of nature on the planet."

In 1999, the Dow Jones Sustainability index is launched for companies in the United States, and, as already said, Bovespa in Brazil launched its Corporate Sustainability Index in 2005.

5. The 2000s

The twenty-first century is the stage of consolidating the debates in the public sector, in the business sector and in the role of consumers and the confluence of these sectors and all actions for joint and coordinated efforts from all sectors of society.

Given this focus, in 2001 in Brazil the Akatu Institute is founded aimed at promoting changes in attitudes and behavior of consumers seeking the act of conscious consumption as a key instrument for transforming the world through the acquisition of products and services that are socially just, economically viable and ecologically clean. And in 2009 the Ministry of Environment established November 15th as the day of conscious consumer.

In 2005, the Kyoto Protocol came into force, an international treaty was signed in which a timetable for reducing the emission of gases that aggravate the greenhouse effect was established - where developed countries agreed to reduce by 2012 at least 5.2% of emissions compared to the levels of 1990. Despite being the most industrialized nation on Earth, the United States has not ratified the treaty.

The environmental issue finally captured Hollywood. The movie "An Inconvenient Truth" starring former Vice President Al Gore addressed the issue of global warming and received the Academy Award for best documentary feature in 2007.

In 2010, after 21 years of discussions in the National Congress, the National Policy on Solid Waste (PNRS) was approved, which "aims to promote coordination among government, the productive sector and civil society in finding solutions for the correct allocation of organic waste and for the return to productive chains waste capable of reuse". (Accioli et al, 2011). Introducing the concept of shared responsibility between the different segments of society, the PNRS provides a clear and important role to consumers, who should make the appropriate separation, storage and forwarding of their waste. Moreover, it encourages and prioritizes the development and hiring of organizations of recyclable material collectors.

Thus, in addition to placing the responsibility on social sectors, the PNRS also articulates environmental, social, economic, and political and consumer levels positioning Brazil as one of the countries with the most advanced legislation in the treatment and disposal of one's waste.

THE NEW MIDDLE CLASS AND THE EVOLUTION OF CONSCIOUS CONSUMPTION IN BRAZIL

So far it was possible to understand how the themes related to environment, conscious consumption and sustainability developed and strengthened through the agenda of discussions over the years in the world and in Brazil and how the new middle class emerged in the country over the last decade, as result of a long political and economic process.

Now we want to understand how these two movements meet and to what extent they support or oppose each other.

1. Understanding and segmenting consumers

Akatu Institute was founded in Brazil in 2001 aiming at developing among Brazilian consumers' consumption attitudes and practices that trigger progress towards building a more sustainable society.

As a result, Akatu develops studies to monitor the evolution of consumer behavior in relation to this matter. One of the tools used in these studies is a scale comprised of thirteen consumer behavior attributes, that once the practices in these attributes are spotted, consumers are segmented into four groups, reflecting the consumer's level of consciousness in their process of consumption.

These four groups are designated as:

- *Indifferent consumers*: Consumers who are far from conscious consumption practice;
- *Novice consumers*: Those who already demonstrate some conscious consumption practice;
- *Engaged consumers*: Consumers who already have significant conscious consumption practice;
- *Conscious consumers*: Those who actually have more conscious practice in the various forms of consumption;

Throughout the second half of the first decade of 2000, we can see a stable percentage of Conscious consumers (keeping a percentage of 5% between 2006 and 2010), representing a growth of about 500,000 new consumers who have become part of this segment, considering the increase in the Brazilian population in that period.

On the other hand, there was a significant increase of the percentage of *Indifferent* consumers now representing 37% in 2010 (compared to 25% in 2006). As a consequence, consumers fell from 28% to 23% and Novice consumers from 42% for 35% in that period.

In order to simplify the analysis, consumers were divided into two segments:

- *More Conscious*: Those consumers having more conscious consumption practices, grouping the Conscious and Engaged consumers;
- *Less Conscious*: Those consumers having less conscious consumption practices, grouping the Indifferent and Novice consumers;

When analyzing the behavior evolution of these two segments in more detail, rolling out the thirteen attributes of the Akatu scale, we find that among the most conscious there is a scenario of stability or growth in the adoption of conscious consumption practices. In fact, for seven attributes, there is a numerical increase in the percentage of consumers who adopt these practices. In two cases the percentage remains exactly the same and in four cases there is a numerical decrease in the percentage.

Conversely, when analyzing less conscious consumers, the change is the opposite. In eleven of the thirteen practices considered, there is a numerical drop in the percentage of consumers who practice them. And in only two cases, there is a numerical increase in the percentage of consumers that adopt such actions.

Thus, the decrease in overall consumer behavior rates does not occur due to loss of consumers who had already reached a more elaborate consumption practice. Apparently, once reaching such level, the likelihood is to maintain these behaviors and it is harder to experience a regression in the level of conscious consumption and practice. On the other hand, consumers who are still in early stages of consciousness in terms of consumption are more likely to give up some of the behaviors they had adopted earlier.

2. Profile of consumer segments

Among several examined variables, only three showed a significant difference in the profile of consumers who are more or less conscious: social class, education and age.

More conscious consumers are more likely to be from classes A and B, holding college degree and at 45 years of age or older, while less conscious consumers are more likely to be from classes C and D, with schooling up to high school and younger (up to age 45 years). (See table 1).

TABLE 1, PROFILE OF CONSUMERS BY SEGMENTS OF SOCIAL CLASS, EDUCATION AND AGE (%)

	Consumer Profile	
	More Conscious	**Less Conscious**
Social Economic Class (SEC)		
SEC A/B	**74%**	62%
SEC C/D	26%	**38%**
TOTAL	100%	100%
Formal Education		
College Students	**62%**	48%
Elementary and High School students	38%	**52%**
TOTAL	100%	100%
Age		
16 to 44 years old	32%	**47%**
45 years old or over	**68%**	53%
TOTAL	100%	100%

The schooling data is nothing out of the ordinary. The adoption of conscious consumption practices is largely due to the understanding of the topic, its importance and impact of everyday consumption practices on society and the environment. In this sense, the higher the educational level of the consumer, the greater their ability to understand this whole process and adopt new forms of consumption.

Likewise, also not surprisingly, consumers who adopt less conscious consumption practices focus are mainly concentrated in classes C and D.
Firstly, there is a strong correlation between social class and educational level. Classes A and B tend to concentrate a greater share of college degree consumers, while classes C and D comprise higher share of consumers having completed elementary school or high school.

Secondly, as seen earlier, these are the segments, Classes C and D, which largely form the new middle class and rose strongly to new categories and consumption practices in a very strong manner in the second half of the decade.

According to Claro (2012),

"With a stronger economy, classes C/D/E gained purchasing power by firing a chain of positive effects in terms of quality of life and business. Like any consumer, classes C/D/E have needs and desires that were not previously met. The increase in purchasing power enabled families to have access to a new range of products, food and entertainment, previously considered unnecessary and superfluous. They began to make their dreams come true with consumption they had aspired for years and mostly considered impossible".

In fact, in face of the whole history of consumption alienation that these segments were submitted to and its recent rise to the spotlight of Brazilian economy, with various business sectors showing efforts to draw them, it is hard to imagine that these consumers could express more conscious consumption practices. And that poses a major challenge for improving short- and medium-term consumption practices by the Brazilians given the fact that:

- an education level increase will only take place in the next generations and,
- it is expected for the coming years the continued growth of consumption of the new middle class through the inclusion of Brazilians who are currently below the poverty line, as well as the intensification of communication actions, product development, distribution and pricing policies, etc., targeted to these consumers by companies.

3. How consumers understand the concept of Sustainability

To broaden the understanding of the relationship of consumers with conscious consumption, a deeper analysis was made of these consumers' understanding of the concept of sustainability. This is because the idea of Sustainability provides a benchmark that allows better understanding of their motivations for the adoption of conscious consumption practices.

So when faced with the term "Sustainability", more than half of consumers (56%) said they were unaware of it.

The other share that claims to know the concept is divided between those who cannot define it (9% of the total), consumers who provide an incorrect definition of the term (19%, who in most cases associate "Sustainability" with the ability to sustain themselves and their family financially) and a share of 16% of consumers that provides an appropriate definition (in many cases the definition is partial and focused on environmental issues) for it.

It can be seen, in general among the set of consumers, a farfetched understanding of the term Sustainability. This characteristic is, however, highlighted particularly in two types of consumers: Class C and D and those with low schooling level.

Indeed, among consumers who do not know the meaning of Sustainability, three-fourths belong to class C and D (76%), while among those who know the meaning, this percentage is less than half (43%).

A similar pattern occurs in terms of the level of consumer schooling. On one hand, three-fourths of consumers who know the meaning of Sustainability hold a college degree (74%). On the other hand, two-thirds of consumers who do not know the meaning of Sustainability have reached a high school education (66%).

These numbers leave wide open the weakness of Brazilian education and culture and emphasize a particular aspect of the challenge of developing conscious consumption practices in the country: the need for revising the communication of conscious consumption and sustainability for Brazilian consumers.

Definitively, these debates involve complex concepts and are difficult to grasp. The broadening of its extent goes through two paths:

- Translating the terms of this debate in order to make it more accessible to the average consumer, especially emerging consumers;
- Developing, at the same time, actions which drive more sustainable behavior, without requiring the consumer to first go through the understanding of the effects and extent of its consumption. Consciousness may derive, secondly, from sustainable practice.

4. Making the debate accessible to consumers

Generally, Brazilian consumers are distant from the term "Sustainability". In a list of nine issues, sustainability is consumers' last interest, with only 14% claiming to have interest in this subject.

Second to last in the list is "Corporate Social Responsibility," triggering interest of 18% of consumers.

On the other hand, first appears the theme "Health", having 87% of consumers stating their interest in the subject and "Products / Purchase / Consumption," having 59% of interested consumers.

The data suggests that sustainability is a debate that takes place among experts and that is far, in general, from the average consumer.

However, analyzing the other issues evaluated, it is noted that "Ecology / Environment" is a subject of interest to 44% of consumers.

When we analyzed the data by social class, we note that, except for "Health", which indicates greater interest in classes C and D (89%), in all other cases there is greater interest in the issue from consumers of classes A and B.

In the case of "Ecology / Environment", there is 58% interest in classes A/B compared to 38% in classes C/D. In the case of Sustainability, however, the values are respectively 18% and 12% of interest.

As already seen, three factors influence these results:

- Low formal educational level of Brazilian consumers, even more pronounced in classes C and D. This factor creates more difficulty to consumers when dealing with issues of greater complexity.
- Little familiarity of consumers with the term "Sustainability". Most consumers are mainly unaware of the term or are unable to define it correctly and those who do, associate it to environmental protection issues.
- Although terms of Sustainability, Social Responsibility and Environment are strongly associated with each other, there is clearly a greater consumer interest on the latter.

This combination clearly indicates the need to inform consumers of the discussion, especially those of the new middle class, using both more objective and consumers´ more familiar terms.

The Environment term has been most used in communication, has become more familiar and is undoubtedly a more "concrete" term than Sustainability. The latter is more abstract and demands greater ability to establish connections between different aspects of reality.

Thus, to establish a connection and dialogue with the new middle class as to develop more conscious consumption practice certainly goes through the translation of this debate in order to make it more accessible to these consumers.

5. Developing actions triggering behaviors

Undoubtedly, the main path of improving consumption practice must start from the educational work of consumer awareness so that they understand the effects of their consumption on society, on the environment and also the impact on business decisions. That is, the change in behavior comes from the attitude change of consumers.

As seen, this approach increases the possibility that the learned behavior does not change, even with changes in the external consumption scenario.

However, there are examples of changes in behavior that is not accompanied by a prior change of attitude, rather, that can generate this change in attitude later on.

An example of this is related to a law which established the compulsory use of seat belts by drivers and passengers.

A study on the use of seat belts by drivers or car passengers released by GfK Brasil in 2011[9)] shows that 95% of respondents use a car use seat belt. In other words, there is a high degree of compliance to the law. Twenty-six percent of the total car users say they did not use seat belts before the law, but that they would not stop using it, even if the law were revoked. And only 3% say they would no longer use the seat belt once the law would be revoked.

That is, one-quarter of respondents were impacted by an external determination (Law), changing their behavior because of that and, subsequently, built consciousness of the importance of this behavior and would keep it in spite of the presence or not of the external factor.

This example demonstrates that to some extent, consciousness can be built through mandatory external factors that forced, at first, behavioral changes.

SUMMARY

The new Brazilian middle class is undoubtedly an important element in the dynamics of the Brazilian economy, for its role in the consolidation of domestic consumer market and potential consumer growth.

However, it comes as a challenge in the development of more conscious consumption practice, since:

- It is composed of segments of society who have always been marginalized in Brazil's consumer society and now has the opportunity to access different categories of products and services. The development of conscious consumers is a challenge considering society as a whole, even more so in this group eager to finally be able to also enjoy the many benefits provided by today's society.
- This new middle class is composed of consumers with lower schooling level, hindering their ability to engage in more abstract discussions as the one related to sustainability.

In order to meet this challenge, establishing a dialogue with these consumers and promoting changes in their attitudes and behaviors, all stakeholders taking part in the debate on sustainability and conscious consumption (companies, governments, civil society) should seek to simplify the terms of the debate and use educational activities related to mandatory instruments which, if used wisely, may help reach desired goals. In a matter of such complexity and importance as building a more sustainable society, all tools available to change consumers (and companies as well) can and should be used.

FOOTNOTES

1. Superhiper Magazine, número 426, dezembro, 2011.
2. Folha de S.Paulo newspaper, special “Classes”, 22/01/2012.
3. Superhiper Magazine, número 426, dezembro, 2011.
4. Meio&Mensagem Magazine, February/2012
5. Exame magazine, 30/Dec/2012.
6. Folha.com, 22/Jan/2012.
7. G1.globo.com, 18/Jan/2012.
8. Folha de S.Paulo newspaper, special “Classes”, 22/01/2012.
9. 1.000 telephone interviews with women and men, A/B/C/D classes (E class excluded), aged 18 years or more in the nine metropolitan areas and three capitals (Brasília, Goiânia, Manaus). Data were collected during the month of November 2010.

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PART 5:
DIGITAL INNOVATION

WHEN TOMORROW BECOMES TODAY

Daniel Cunill

INTRODUCTION

The Market Research industry is regarded as one of the industries that is most resistant to change and evolution. However, during the last 10 years the industry is changing in global terms and developing and growing as never before. There are many reasons for this, but we could point to two main events that have influenced the transformation of the industry.

The first one is the unstoppable development of new technologies worldwide. Every day brings new ways for us to contact the people around us and hence, final consumers as well. This has given rise to an escalation of new forms of reaching, communicating and above all, listening to the opinions of consumers from all over the globe. Thanks to new technologies, our way of understanding the consumer has been transformed and with this, the industry as a whole.

As a second reason which is no less important than the first, researchers have understood the need to embrace new technologies so they can apply those new ways of communication to existing research methodologies and eventually create new ones. To date, it is clear that methodologies such as Online Research or Mobile Research will not take the place of existing methodologies, the use of which has been widely spread across the Market Research industry, but on the other hand, they will complement existing methodologies, which we will from now on refer to as traditional methodologies, with new ways of reaching consumers and obtaining better insights.

This paper intends to shed some light on what these new methodologies and research techniques are, analyze their benefits and disadvantages and take a close look at how they are implemented and used in the different regions of the world where those methodologies are well established. Furthermore, the paper will provide answers about the different development and growth that those methodologies have undergone in Latin America.

In order to deal with the first of these, we will first try to understand how new methodologies are helping the industry by analyzing the way in which traditional methodologies are failing to solve the global challenges posed today for the Market Research industry in the Latin American region.

To do this, we will describe the disadvantages of continuing to use these methodologies through observing the difficulties that researchers worldwide are facing. As will be seen, some of them are the same ones that Latin American researchers are facing at the moment; others, however will be different. The combination of those two conversion triggers will allow help us understand the present and the immediate future of the new methodologies in the Latin American Market Research industry.

CONVERSION TRIGGERS

The first decade of the twenty first century will perhaps be regarded as one of the best-ever periods for the Latin American population. The growth in the region, probably led by the Brazilian economy in Latin America, acquires an even bigger impact if we consider the critical situation that Europe, the United States and what is today termed 'first world' are going through.

Such growth has had a great impact on Latin American society. To understand how new technologies have influenced Market Research in our region, it is important to take a close look at how society has been transformed over the last twenty-five years.

Thanks to this amazing growth, Latin American governments have had access to capital that has been primarily utilized to provide better basic services to their societies. One of them is clearly Education which has provided access to new technologies at almost all levels of Latin American societies. This, together with the effect of globalization, has brought with it mobile phones, computers, the Internet, social networks, blogs, online newspapers and other brand new concepts. Products that were completely unheard of not all that long ago are now well known and used by most of the inhabitants of this planet. This is very important to bear in mind to allow us to understand how these developments have also influenced the Market Research Industry.

Traditional research in Latin America, which includes face-to-face research, CATI research and postal research among others, has grown enormously, but this growth was in line with the spectacular development that Market Research overall has had in Latin America. In actual fact, in almost 90% of all countries worldwide, those methodologies continue to be the main methodologies nowadays as regards their use and the business generated. Nevertheless, if we look at the market share that these methodologies have in comparison with the so-called new methodologies, we will observe that their share has decreased importantly worldwide as well as significantly in Latin America.

The reason behind this decline in business might be easy to understand if we look at the reasons for the loss of market share that traditional methodologies have suffered worldwide. In the following sections we will focus our efforts on describing the main reasons why traditional methodologies have suffered a decrease in business and importance. The reasons behind this reality will be referred to from now on as global triggers.

However, as already mentioned in the introduction of this paper, there are other facts, situations and problems that Latin American researchers are facing more and more often in using traditional methodologies. These are tied to the inherent characteristics of Latin America and include: history, geography, society, culture, security, politics, demographics, the character of its populations and others which although not unique to Latin America, are very specific to the region itself. These particularities that have played an important role in the region but have not been particularly important or have not played any role globally will be referred to as regional triggers.

The combination of both kinds of triggers will help us to understand where the Market Research industry stands in Latin America nowadays and where the industry is heading in the near future. Because, although these global triggers are the reason for the similarity in the way in which Latin American researchers and other researchers worldwide are (and will be) combining both kind of methodologies, the regional triggers make this combination unique in comparison with the mix applied by other researchers. Due to this fact, it is very important to understand those triggers before starting to analyze the different methodologies arising in our industry as we speak.

Global triggers

Price

Ten years ago, when Online Research was born, most researchers only perceived a benefit in the use of Online Research. This primary benefit was price, as from the very first Online Research was known as a non-expensive methodology.

The economic situation at that time and the fact that traditional sample providers had still sufficient margins to offer a more competitive price to clients, eventually gave rise to two different situations. The first situation was experienced basically in the United States where the high penetration of the Internet, in addition to stable connectivity and high speed connection, allowed researchers to access samples with good representativity and reduce their fieldwork costs. Furthermore, it enabled them to spend more money on research than they had done previously or increase investments in other research areas. On the other hand, European researchers, for example, had to face low Internet penetration and unstable connectivity that made it impossible to switch methodologies, as had been the case in the United States.

Nowadays, if we analyze the global situation that the economy is facing today, we can conclude that the global economy is going through one of the worst global crises in history. This crisis has very much affected the Market Research industry, forcing researchers to work with lower budgets and therefore to run the same amount of projects (in some cases) at a much lower budget. This has led to the need to analyse methodologies that would offer similar capabilities at a lower cost and has thus given Online Research and other new methodologies the possibility to grow and gain weight and importance among the methodologies used globally.

However, as occurred when it was first set up, Online Research has once again had to face a dual reality, due to the different impact it has had on the different regions and countries. This means that although the switch to Online in the United States and Europe is now a reality, it has not yet taken place in Latin America or Asia.

The cost of labor has been pinpointed as the main reason for this dual reality. The cost of hiring interviewers in Brazil or United States may vary between both countries by 300% and directly affects the final cost of a telephone or personal interview in both countries. Thus, the costs of traditional research in those countries, where labor costs are relatively low, have affected the competitiveness of Online Research pricewise. However, although there is a very limited difference in price between traditional and new methodologies, Latin America is investing a significant amount in executing projects Online. The reason for this is that Tier 1 agencies are requested to work with Online research on multi-country projects in which the majority of the fieldwork elsewhere is also run through Online. Therefore, although these agencies may be more interested in ultimately working with Traditional methodologies due to a non-relevant difference in price compared to new methodologies or in some occasions a better price than with Online Research, then Online Research will finally be the methodology selected.

This explains why Online Research, although not as competitive as in Europe or in the United States, is already being used by researchers, but primarily conducted by Tier 1 agencies.

Time
The second most important benefit in using Online Research is the time savings that the methodology brings researchers.

Ten years ago, in reference to traditional methodologies, fieldwork processes could take weeks and depending on the complexity, even months. Although today traditional methodologies have improved their timings considerably, they are still far behind the timings that new methodologies are able to provide.

Experts on new methodologies remark that the main reason why new methodologies are faster than traditional ones can be explained by analyzing their processes. Fieldwork in new methodologies is significantly less complex, shorter and self-assisted. This last characteristic means that the Online Community members, better known as panelists, will take part in a survey right after receiving an invitation, and continue by clicking on a link that will eventually lead them to a survey where they will be able to give their opinions as they would normally do using a traditional methodology such as telephone or face-to-face interviews. Summing up, the panelists will be able to complete the interview without the need for a person to play the part of the interviewer. Hence, self-assistance enables researchers to achieve more interviews completed within a certain period with almost no cost of labor required. This once again means not only better timings but also better costs.

However, traditional researchers point out that in certain projects where there are a major number of quotas such as age, gender, region or others that are even more specific, such as social class, the quotas have led to important problems through fieldwork, given the lack of profiling that existing panels had, leading to major delays and eventually reducing the time savings that it was expected to achieve. Therefore we should stress that although Online research has clear advantages in reducing fieldwork timings, sometimes those timings might be finally affected by the complexity of the project and the lack of panelist information which would ensure the same time saving that new methodologies offer for less complex studies.

In order to ensure that these problems are solved, the industry has reacted by improving the data that Online fieldwork providers have on their panel members as well as creating new processes and ways to reach certain population segments that they could not reach previously more quickly, ultimately making fieldwork more efficient when researchers have to face complex studies, and providing better representativity.

Despite the different opinions that researchers have on this subject, it is generally accepted that the timings provided by Online Research and Mobile Research are shorter. Thus, as this is not only happening in Latin America but also in the rest of the world, time is considered one of the main global triggers of conversion, together with price.

Other global triggers - Easy Global Reach
The same new methodologies that provide better costs and better timings provide access to multiple sample sources from one or few points of access. This allows researchers to complete projects in different countries not only within shorter times but also in a more efficient way as they can reach the opinions of different panelists around the globe from one sample provider.

Enhancement of the reach and representativity in new methodologies
As well as time and costs, one of the main reasons why researchers have considered switching gradually to new methodologies is the improvement of the representativity offered.

During a preliminary stage, researchers and frequent users of Online Research mentioned the dramatic rise in Internet penetration as the main reason why the representativity of the Internet was now covering many more segments of the population than it was covering before. The investment that many governments worldwide have made in the last ten years has meant not only an increase in the number of computers connected worldwide to the Internet but also enabled the lower class to get online too. As a result, the online population has increased extensively (in the number of users) and also intensively, as the number of segments nowadays available is much greater than it was before (Euromonitor internal, 2010).

Obviously the fact that a wider range of the population can now be reached through the Internet has enhanced the possibilities of new methodologies to reach targets that only traditional methodologies could cover before. However, this reality has not worked as the main trigger of conversion. In fact, researchers worldwide are moving gradually into Online Research due to the decrease of representativity of Traditional methodologies such as telephone interviews. The reason for this situation is the continuous fall in land lines in all economies in favor of mobile lines which have increased their presence to a level in which some countries have more mobile lines than they do inhabitants.

This reality has not only made CATI research lose part of the representativity that was ensured before but has given rise to other methodologies, such as Mobile Research, the comparative advantage of reaching segments that are now hard to reach for traditional methodologies.

Therefore, we can conclude that the combination of technical enhancements on the Internet connections, the investments of governments encouraging their population to get online and the new situation in which consumers now prefer mobile lines to land lines has resulted in an improvement in the scope of the new methodologies and additionally has eventually increased the number of segments where Online and Mobile Research, among others, provide better representativity than traditional methodologies such as CATI Research. Thus, the third global brings enhanced representativity.

Possibility of obtaining the benefits of the technological "boom"
The final global trigger is related to the technological advances that have been put into practice in the last years. In particular we should mention developments which have shown to have more influence on research. These are basically those related to Multimedia which have enabled researchers to dispose of survey tools that show images, videos or other multimedia formats, thus giving Market Research experts the chance to conduct studies that show panelists specifically what the product, test or advertisement is about.

Another example of technological advance applied to Market Research is the widely-known eye tracking research where, thanks to the technology required to follow the direction of a person's gaze, researchers can now determine for example which ads and which parts of them primarily focus the attention of a consumer as well as determining what part of the supermarket shelves are the ones that attracting the attention of a potential buyer.

These new methodologies mentioned now, together with many others, would probably not exist if scientific discoveries were not ultimately applied to our industry. Thanks to this, science and eventually new technologies applied to research work is the fourth and last global trigger that is pushing researchers all over the globe to improve their use of new methodologies.

Regional triggers
The global triggers mentioned above have been vital for understanding how new methodologies are starting to grow to a level where, in certain regions of the world, they are becoming the future of Market Research in those regions. Nevertheless, in some others, the impact of those triggers has not been relatively as important as it has been in Europe or in the United States. Therefore, as mentioned previously, the regional triggers will be the ones to help us understand the current situation of the implementation of new methodologies in a specific region.

The regional triggers that have played the most important role in Latin America are the ones related to the political situation in some countries, for instance, security in Mexico or Colombia, or the problems that researchers are experiencing on response rates and answers given in traditional research nowadays. Let's start by talking about the first regional trigger mentioned: security.

In Latin American countries, the lack of security has been pinpointed as one of the main problems of our times. In different parts of the continent the poverty which still exists has caused delinquency and crime which have generated an extreme lack of security. A very clear and recent example is the situation that the northern part of Mexico is going through. The crime wave and the situation of the population in the northern part of the country is preventing researchers from conducting research in those regions due the lack of security for interviewers, as well as the lack of consistency in the responses of the people interviewed, as their answers might be biased or influenced by the lack of safety in the site where the interview is taking place.

This is the main reason why researchers in our industry are more and more often demanding the use of self-assisted interviews, and ultimately, new methodologies, so that panelists can provide their answers in a safe environment, thereby avoiding the presence of an interviewer in a setting that might eventually be hostile (Smyth, Melani, Dillman, 2008).

The second and the final regional trigger that we will analyze in this paper is a situation that many researchers worldwide are facing nowadays. Nevertheless it has recently been considered regional as it is affecting a number of different regions in an unlikely way.

It is widely known by all researchers that the response rate in traditional methodologies has decreased steadily over the last ten years. This situation is the consequence of different events. First of all, Latin Americans are reducing the number of land lines, as it is happening elsewhere, and as explained above, this leads to a smaller universe and eventually to a worse reach. On top of this, the latest studies show that CATI and Face to Face studies are experiencing a constant drop in the number of people willing to take part in surveys. Therefore creating a trend on which to complete a project using a traditional methodology is becoming more and more difficult.

This, together with a great increase in the number of interviewed people who answer “I don’t know/I prefer not to answer”, is making many Latin American researchers consider the option of changing the methodology.

Hopefully at this point in the paper, the reader will have understood what the global and regional conversion triggers of traditional research into new methodologies are. Those triggers have helped us understand the posture of Latin America now, compared with other regions such as Europe and the United States. This background will help us understand where the region is likely to move in the future. We will now pay special attention to clarifying what are the ultimate methodologies used in Market Research and how they can help researchers in Latin America to obtain insights that cannot be obtained with traditional methodologies. Thus, we will focus on the advantages that they provide, and also on the down sides that those new methodologies are proving to have nowadays. Finally, we will stress the importance of what the application of those methodologies in Latin America might be, and establish an analogy between the benefits and the limitations that researchers are experiencing globally with those that researchers in Latin American will most likely have.

By understanding the tools and methodologies currently available in Latin America through taking a look at the latest developments in other regions, we will indeed understand what will happen in the future in the regional Market Research industry, which is our primary aim in this paper.

In order to explain what is new in the industry, we will first classify these new developments into four kinds:

- New methodologies
- Fieldwork developments
- New studies
- New targets, new reach

NEW METHODOLOGIES

As methodologies usually involve studies, targets and fieldwork developments, it makes sense to start with this type of advance in research.

Online Research

When referring to the new methodologies concept, Online Research is the methodology that would probably be identified as the methodology leading the transformation of the research industry. Online research was a concept that was pretty much non-existent in the industry; in fact if we still look at some regions, it is still a methodology used marginally by researchers. Nevertheless, as mentioned previously in this paper, online research is now the main quantitative methodology in the United States (AAPOR Executive Council, 2010) and in the process of becoming the main one in several European countries such as the United Kingdom, the Netherlands, Sweden or Germany. The impact that the methodology has had in those countries has been more than significant, offering better reach, timings, representativity and price, as we have already said before.

Nevertheless, what was the impact of Online Research in Latin America? Indeed, the growth of the methodology in the Latin American territory is an event that can be considered recent. At the present time, Online Research has started to grow significantly in the region over the last three years. However, the growth has not been as spectacular as it has been in other regions of the world and there are certainly reasons for this which have already been explained above.

Types of Online Research

Three main types of Online Research are conducted nowadays. The first one, which is considered the least complex and simpler of the two existing types, is Client Data Base Research. This methodology was initially used to obtain the opinions of employees, clients and others on different topics, and companies started to use it as a method for rapidly obtaining opinions on relevant issues for the organization that were sometimes sensitive for employees; thus, the great asset of a self-assisted methodology and a completely anonymous methodology that would allow the person interviewed to answer spontaneously.

Nowadays, the Client Data Base Research methodology is still used for internal research. However, researchers nowadays have found it very profitable to use it to reach professional segments that are difficult to reach using other methods, and extremely specific populations. Thus, as the need for specific samples has recently increased dramatically, the need for this methodology has also experienced considerable growth.

The second type is Online Fieldwork with no prior segmentation. This methodology, as its name indicates, uses the website or Internet traffic as the main source of potential respondents. Researchers have no information on the respondent profile and this means that the survey needs to contain an introductory part where demographic questions can be asked so the person answering the survey can provide sufficient information to the researcher, to make up for the lack of information that the researcher has about the respondent.

This methodology was rapidly extended and thus the number of opinion polls, interviews and research in general increased dramatically throughout thousands of websites all over the world. This methodology definitively provided to be a very extensive source of respondents, but it is intriguing that the main disadvantage of this methodology is its low response rate. The non-existent engagement between the respondent and the interviewer, the habitual and understandable ignorance of the user about the purpose of the interview and the lack of any sort of incentive are the reasons that Online Research experts pinpoint in explaining the difficulty of completing rapid fieldwork using this methodology (Lipner, 2007). Furthermore, quality has also been referred to as one of the main concerns of researchers when analysing this methodology. The fact that researchers have no information on the user makes it difficult for them to validate the profiles of the people responding to the survey, thus casting doubt about the true profile of the person responding to the questionnaire.

Looking back at these 10 years of experience, this methodology has been used globally for non-complex projects that were especially short in terms of the number of questions, especially for very specific targets where representativity was not important. Lastly, it has given researchers the possibility of obtaining insights at a low cost within a timeframe which, although shorter than most of the traditional methodologies, was still far from being as fast as the Online Access panel methodology that we will describe next.

These two methodologies are what we could term the first steps that the industry took in Online Research. However, immediately afterwards, the industry started to develop a new methodology aimed at eliminating the diverse disadvantages that these methodologies proved to have. This new methodology is the third methodology we will analyze and is the one that is best known and most often used nowadays of all the Online methodologies. We will refer to it as the Online Access Panel methodology.

This methodology uses data bases created exclusively for market research purposes with the aim of inviting users – also called respondents – to take part in a survey conducted by e-mail. The companies owning or managing these panels have collected information from their users (segmentation) that allows them to reach specific segments through a cross-selection of the data obtained when the panelists or respondents register. Afterwards, the panelists invited to take part in the survey will be offered an incentive in the event they complete the survey (Shwader, 2008).

In the first developments of the Online Research methodology, most of the panels created in the industry were consumer panels with few segmentation variables available. Nowadays, this has changed quite a lot. The industry is attaching more and more importance to relying on a good panel, based on the understanding that it is a panel with good profiling and therefore, significant information on its panel members. Furthermore the industry has also taken a step forward by creating the so-called "specialized panels" which although smaller in size, are very much appreciated by researchers as they make it possible to reach very specific professional categories using a methodology that allows them to respond the survey whenever it best suits them. This has had a relevant impact on medical, pharmaceutical or IT research in which researchers use Online Research as one of their main tools to conduct the fieldwork of their studies.

One of the most important changes that this methodology has brought about is related to the progress that panel providers have obtained by improving the segmentation of their access panels. Nevertheless, this progress remains in second place in the light of the most relevant changes that panel companies have made to improve the Online Access Panel methodology. The first one would clearly be the method used by panel owners to contact their panel members in order to obtain their opinions.

During the first years of the Online Research it was only important to have a large number of panelists. Quality and efficiency was based on the number of panelists that a company had. This led to one-way communication in which the panel company invited its member and the member just had to respond. With the arrival of the Web 2.0 and Online communities such as Orkut or Second-life, and the decrease in the response rate of the existing panels, Online research experts realized the importance of increasing and improving the engagement of the panel members by encouraging a two-way communication in which improvements in the methodology could provide more detailed insights and maintain response rates more stable (Feneley, 2010).

The methodology has thus provided several benefits to the industry. First of all, considering non-segmented Online Research, the possibility of knowing who is to be interviewed before inviting a panel member. This provides for the possibility of inviting certain segments or even establishing segmentation controls in the survey, making sure that the panelists are who they say they are. Secondly, and again thanks to the segmentation, traditional surveys can be reduced in length due to most of the qualification questions forming part of the information that panel companies own. Thirdly, panels provide better engagement with respondents thanks to a more complex, structured communication as well as the existence of an incentive system that rewards panelists for the effort made in responding to a survey which usually leads to more complete and detailed answers in open questions as well as a much higher success rate in longer surveys (Faber, 2011). Last but not least, quality is better as panel companies have been thoroughly scrutinized in order to commit to existing standards, such as the ESOMAR standards, as well as acquiring certifications like the new ISO that proves the quality of the fieldwork management.

Nonetheless, Online Access panels have been shown to have several limitations that need to be stated. The first limitation is related to the fact that the demand for online panels has increased dramatically in past years. The number of existing online access panels has also increased, as well as the number of people that populate them. Unfortunately, it is clear that these increases have not been large enough to offset the enormous increase in access panel demand worldwide. This lack of renovation, generally explained by high panel recruitment costs, has forced existing panels to have high volumes of activity which often leads to a reduction in panel lifetimes, due to patent and obvious overuse. Hence, many experts have determined that the Online Research industry is at a dangerous crossroads where on one side, the industry demands greater access to Online Access Panels and on the other, panel providers are not able to provide sufficient samples to ensure the future of the methodology.

Online Access Panels are not only subject to great pressure due to excess demand, but also as the result of an increasing need to find very specific targets. Most of the existing active panels are data bases with panelist information that, although very specific in most cases, is not sufficiently detailed. This usually leads to large numbers of panelists who try to complete a questionnaire and eventually do not qualify. In some cases, panelists try to access different surveys more than ten times until they have the chance to complete one (Johnson, 2011, Roster and Rogers, 2004).

This problem has two different effects. First of all, the industry is not provided with sufficiently detailed samples to service the industry with very specific segments which are lately in high demand. On the other hand, the decreasing panel member engagement in Online Communities is leading to lower response rates and is therefore becoming one of the major issues that Online Access Panels are facing nowadays.

These limitations have created the need for the users and owners of these panels to look for alternatives that will extend the panel lifetimes and thus ensure the future of Online Access Panel research in future years. These alternatives are what are known as fieldwork developments. An analysis of these follows, including information about what their functions are and how they are used nowadays by industry experts.

Fieldwork development in Online Research

Router
As mentioned previously, the Online Research industry has a need to reach very detailed targets. First of all, surveys conducted on Online Access Panels are increasingly demanding additional qualification questions in order to ensure that the sample responding to a survey is precisely the sample needed. This leads to a reduction in the opportunity for panelists to qualify for a survey, which very often leads to frustration and a loss of engagement of the panel member towards the panel community. Consequently, this problem has increased the need to find a technology that will halt this trend and ensure the future of Online Access Panels (Comley, 2005).

Routing technology provides the answer to this problem. This technology, implemented recently in several panel management software solutions, firstly creates a connection between all the studies that a panel owner or online research provider is conducting in their panel. Before entering into this project network, the panelist will answer a certain number of qualification questions that will determine which studies the panelist can qualify for. After this, the respondent will be invited to take part in one of the pre-selected surveys.

Since the qualification questions at the beginning of the survey cannot ensure that the panelist will definitely qualify for a specific survey (due to quality fieldwork standards and the unfeasibility of adding all the qualification questions of the projects in the fieldwork at that point), it is possible that eventually the panelist will not qualify. If so, the respondent will be redirected or routed to one of the projects that the panelist is pre-qualified for.

Thanks to this solution, panel members have a higher chance of qualifying for a survey. This has proved to have relevant results on panelists' satisfaction and their engagement, resulting in more detailed results in very long surveys and eventually better insights provided to researchers. Furthermore, panel providers have also experienced a reduction in their fieldwork periods, since now one invitation to a panelist is much more likely to generate a complete interview than ever before.

This technology will definitely solve some of the issues that the Online Research industry is facing due to the increasing need of reaching very specific segments or targets. Nevertheless it must be clarified that this solution just solves part of this problem. The industry and the panel owners need to excel in achieving better profiling, by making available information that will enable them to enhance their target capabilities. Additionally, the industry will need to further develop the way the routing technology provides solutions to researchers so they have the chance to place enough detailed questions at the preselection stage (and then guarantee that panelists invited to a survey will definitely qualify for it) and avoid generating a survey that is too extensive that would ultimately increase the total length of the interview in the overall project.

River Sampling

As stated previously, the second most important problem that the industry is facing nowadays is the sample limitations that Online Access Panel firms are already experiencing today.

Last year's increase in Online Research demand has resulted in an important need for panel owners to increase their panel communities. However, as we have seen previously when explaining the reasons why the Routing technology was created, certain targets are difficult to obtain even if panel owners increase their numbers considerably. An example of such targets might be certain occupations, low social class levels or elderly segments.

Hence, we can conclude that making large investments in recruitment usually leads to finding the same people/targets/segments that the panel owners will already be able to find on their panels, leaving the panel owner with the same segments still under-represented in their communities.

River-sampling is a new fieldwork process that allows researchers to capture potential respondents through the traffic that a certain website has. It is certainly similar to the Online Fieldwork with no prior segmentation, as most of the samples generated by River Sampling are captured through banners on websites or pop-ups located on Social Networks and other websites with a significant amount of traffic (Semans, 2011). However, this fieldwork process is better developed than the Online Fieldwork with no prior segmentation which was first used at the beginning of 2000. The main difference lies in the fact that researchers take into consideration certain basic segmentations that social networks and other websites own on their users, so only traffic belonging to the segments required will be able to see the banner or the pop-up that takes them to the survey. Therefore, the possibility exists of segmenting the population, but it is quite limited.

The defenders of this fieldwork process pinpoint River-Sampling as a feasible solution for obtaining access to those segments that are usually under-represented on Online Access Panels. Furthermore they add that one of the main benefits is the possibility of accessing samples with no professional panelists and in general, panels that might be considered "burned-out" as they have become accustomed to what an online survey is.

These benefits are correct, but it should be clarified to the population that River Sampling cannot cover all the segments that are usually under-represented on panels nowadays. There are indeed targets, such as specialists or very young targets that are easily accessible through River, however elderly people are still under-represented in River. The reason for this is due to the fact that certain targets, although present on the internet and which are thus possible to reach, are usually very reluctant to take risks when browsing on the internet. This means that they tend to avoid advertisements, block banners and pop-ups, thus blocking all the potential ways to get in touch with the River.

Secondly, we should remember that people accessing the River can take part in existing Online communities, which gives rise to problems of duplication, if River is combined with the Online Access Panel sample, and questions the argument of River defenders as regards to the freshness of the sample acquired. It is certainly true that some of the people who will answer the survey will seldom have had contact with an online survey, nevertheless it is matter of fact that the probabilities of accessing the river (and volunteering to answer a survey) are higher in current online survey takers than in what we could call a fresh sample.

In sum, we can determine that River Sampling allows researchers to reach samples which are nowadays very hard to find as well as capture samples that are not biased due to their over-exposure to online surveys. However, as happened with Routing, this methodology will need to develop its reach in the future to provide access by researchers to segments in which the current configuration of River is still practically non-existent or almost impossible to reach.

Panel blending
As we have seen so far, the Online industry is facing a continuous increase in worldwide demand for this methodology and several issues, due to the lack of sample available for certain targets. This situation explains the fact that new fieldwork processes have arisen, such as the ones explained so far, in addition to practices that were previously scarcely used and have now become common.

Panel blending or mixing different panels for a specific project was a practice rarely used before. There were indeed several reasons why researchers were reluctant to mix different panels: it was time-consuming, usually more expensive as it involved more management hours and on the client side, researchers were uncertain about using several panels that might contain the same panelists twice (duplication). However, the fact that Online Research studies are more and more complex in regards to quotas and also need to reach specific target groups and larger amounts of completes, has increased the need to use several Panel providers for one study.

This new situation partly explains why panel blending is now very common in Online Research. Nevertheless, it is important to understand that the industry is not only using panel blending due to the current problems that sample providers are facing. Researchers have also understood that this practice helps to minimize several inherent problems that Online Access panels have. The main one is representativity (Lorch, Cavallaro, Van Ossenbruggen, 2010).

Online Access Panels have been often criticized by industry researchers for being far from what a representative selection of the population can be. The main reason for this is because Online Access Panel companies use very specific ways of recruiting, creating what specialists called “Recruitment bias” which is bias produced by recruiting a panel from certain websites/data bases that have a specific segment or an over-represented target. Studies have shown that while recruiting from different locations is expensive and requires good software to manage the recruitment and later manage the panel, it is also essential in minimizing the recruitment bias. Eventually, the industry has realized that it is not only important to blend different recruitment sources when building a panel, but equally important to blend different online access panels if needed, as this only reduces the recruitment bias even more. Therefore, we can now conclude that the industry has understood that sampling from different panels and blending samples is bringing their fieldwork a more representative and less biased sample, minimizing the inherent effects of Online Access Panel recruitment.

Unfortunately, panel blending has not only brought positive effects to the industry. In fact, at the beginning of its implementation, the industry detected that fieldwork processes were not taking into consideration the higher chances of a respondent who was registered in two different access panels responding to the same questionnaire. Hence, some studies detected the presence of panelists with identical profiles (and sometimes even identical answers) who took part in the same study. Thus, panel providers and clients saw the need to increase the depth of quality controls in every study where panel blending was required. Due to the time that these processes take for Online Access Panel providers and researchers, software solution companies have started to offer what is one of the greatest advances of the industry in this field, namely de-duplication systems.

These systems enable researchers to use different ways such as IP address, cookie tracking or external software solutions to detect panelists who enter the same questionnaire twice or more often as regards their origin. Those systems not only save time for researchers but eliminate potential human error in detecting potential duplicates due to the automatic detection features that the systems use.

Usually de-duplication systems are also built in Data Quality Solutions that provide researchers with software that has a wide range of tools to control everything related to the data acquired through fieldwork processes. The main controls are:

- Speeder control: this system detects which panelists are completing the survey in less time than the researcher has in theory determined they should take.
- Straight-liners: the system controls the existence of those panelists that respond to non-sense answers.
- Geo-Localization: by controlling the IP of the panelists the system can detect the area in which the panelists are responding to the questionnaire, thereby making sure that only panelists from a certain country are the only ones accepted in the survey.

Nowadays, Data Quality Solutions provide researchers with the assurance that the data ending up in the final data file fulfils not only all quality standards but also offer researchers the chance to focus on the data analysis rather than spending hours on tasks that do not provide a comparative advantage and which were never considered their core-business. Hence, these software solutions are being implemented in most panel management tools at this time and will certainly be a basic feature offered in all Online Sampling systems in the near future.

B2B Panels and other specialized Online Access Panels
Business to Business panels are a natural development brought about by the increasing need to reach more specialized samples.

As we can imagine by their names, these Online Access Panels differ from Business to Consumer panels due to the population that is invited to take part in the surveys. These segments are usually reluctant to register in Business To Consumer panels as the incentives given to consumers do not usually encourage specialized segments such as Managers, IT Decision Makers or other company influencers to take part in these panels.

Panel managers or owners have tried to develop Business to Business panels thinking that special incentive systems, communications and above all survey topics needed to be used for this kind of Online Access Panels. Therefore, we can conclude that the success of these panels is based on high incentives, communication that is in line with the register used on the communications which those professionals usually receive and the invitation to take part in surveys on very specific topics that are usually very much related to the panelist's occupation.

The main benefit provided by this kind of panel lies in the symbiosis between a new methodology (Online Research) and the automated technology required to run a customized communication and incentive system. Thanks to this symbiosis, researchers now have the chance to access "hard-to-reach samples" through a method that ensures quality (as the standards for other Online Access Panels are implemented) and also works properly in combination with the occupation of these targets, who tend more and more to be less interested in taking part in projects over the phone or face-to-face (Michalis, 2010).

Some typical examples of specialized panels or Business to Business panels are the following: Business Decision Makers Panels, IT Decision Maker panels or Healthcare panels.

Mobile Research
So far, in talking about New Methodologies we have only mentioned Online Research and the different forms that this new methodology has taken. However, Online Research is not the only new methodology that the industry is putting into practice.

Two or three years ago, newly created businesses (for the most part) have been promoting projects to provide solutions for conducting Mobile Research. There are many reasons why researchers have started to consider conducting empirical research through this channel. The main and most important one is the role that mobile phones are playing in society nowadays. They are one of the few elements that, regardless of cultural or social differences, is considered indispensable by most persons. Furthermore the development of Smartphones has given rise to the possibility of easily adding applications to cellphones which, in daily practice, fulfill more technical requirements.

Secondly, in 2006, mobile phone penetration exceeded landline phone penetration. This is not only the result of the tremendous increase in the number of mobile owners (or Smartphones); we should look at the steady decrease in the number of landlines, given that consumers have clearly opted for mobile phones as opposed to landline telephones.

These reasons are the two main explanations for understanding why researchers have started to consider mobile phones a feasible and unique way to reach consumers.

How does Mobile Research work and what are its capabilities?
As we mentioned, Mobile Research is a methodology that can be considered recent, above all if we compare it to Online Research. In fact, in regions such as Latin America or Asia, the methodology has not even been used yet.

The first steps in the methodology were taken when conducting fieldwork through SMS. Researchers sent questions through text messages and panelists who previously gave their phone numbers were contacted and asked to answer a few questions since, although the SMSs were free of charge, it was seen the fall in the response rate in surveys with more than three questions was too high.

With the incorporation of the Internet into mobile phones, basically provided by WAP connection, respondents were required to download a small application where they could receive the questionnaire over the Internet and answer it through the same channel. This enhanced the experience of the respondent and offered the possibility of having a wider range of question types available for the researcher. However, the slow Internet connection and simplicity of the applications did not allow the methodology to take the step needed for it to be considered a viable methodology by the industry.

The arrival of the so-called Smartphones was the trigger that has enabled Mobile Research to become a unique and very useful methodology for the industry nowadays.

Thanks to the use of Smartphones, the industry replicated what it did with Online Research; it created Mobile consumer panels (and already specialized targets as occurs in Online Research). Those consumers were requested to download an application on their new-generation cellphones so they could install software that would allow them to take part in Market Research studies on a permanent basis.

The process is usually very simple. The panelists or respondents receive a notification on the application downloaded informing them that a new survey has been received. The panelists, as occurs in Online Research, can access this survey whenever they consider it appropriate. Once the panelists have answered the survey they usually receive an incentive for doing so.

What is different with Online Research?
Mobile Research shares several characteristics with Online Research; they both offer the respondents the option of answering at their convenience; it provides researchers with immediate feedback from the respondents and it benefits from the application of new technologies through its own channels (Internet in the case of Online Research and Smartphone in the case of Mobile Research). However, the methodologies are clearly different.

One of the main problems that have been detected in Mobile Research is the limitation of the questionnaire length as compared to Online Research. Although nowadays, questionnaires in Mobile applications may be longer than what they were when WAP technology was used, it is also true that the methodology as it is right now is not eligible for surveys longer than 10 minutes, which thus limits most of the fieldwork conducted nowadays, especially in Latin America.

However, not all the differences are in favor of Online Research; Mobile research offers access to technology such as Geo-localization which, based on a previous agreement with the respondent, offers the possibility of detecting where the panelist is located and activate the function to activate the survey and send it the panelist when they are in a specific location. This means, for example, that if wanting to conduct a survey about airlines, it might be interesting to send the survey every time the geo-localization informs the software that the panelist is located at an airport and he will be thus likely to board a plane at that time.

Furthermore, Mobile phone research allows for the possibility of sending immediate feedback to researchers in the form of pictures, videos and other multimedia features that can easily be used and transmitted nowadays through a mobile device.

Limitations
When it comes to limitations, Mobile Research shares similar limitations with other new methodologies. One of them is the existing bias at age, gender and social class level. Even today, although practically everyone has a mobile phone, not everyone has a Smartphone. In actual fact, according to IFcom, 19% of all mobile users use the Internet on their phones. This means that only advanced Smartphones can be used for advance Mobile Research and this means that only young targets between the age of 18-35 years and business professionals (who are frequent users of the Internet on their phones) offer significant representativity in order for this methodology to be considered representative of this population. If we took into consideration regions such as Latin America, the penetration would be even lower even in this segment. In

short, although penetration will likely increase in the upcoming years, mobile research cannot yet be considered representative.

It should also be mentioned again that only short surveys should be used, as longer surveys do not usually elicit a good response from panelists.

Last but not least, the fact that it is not possible to register mobile phone numbers due to the limitations that Data Protection Acts enforce at present. This means that researchers are not yet able to send out invitations to participate to a controlled sample.

The DYI research
"Do-It-Yourself" or DIY research is one of the concepts that has given rise to much talk in recent years. It has created so much controversy that many researchers have different points of view on what Do-It-Yourself research is.

Generally speaking, DIY research is research that allows a researcher to remain in control of activities that usually are outsourced to third parties. It is important to understand that those activities have not usually been outsourced voluntarily but in an obligated way, as researchers did not have the tools required to control them.

Nowadays, companies from different regions are becoming specialized in creating tools that provide such control to researchers and thus the effect is a reduction in the number of intermediaries and activities outsourced. The reduction in the tasks outsourced usually leads to a price reduction, which is a key element in understanding the effect that these tools aim to bring. The effect is what the industry now refers to as "democratization of the industry", allowing companies, agents or people to access research.

Types
Several implementations, systems and software solutions are regarded as "Do-It-Yourself" but the main ones are:

- Survey tools
- Automated Sample Access
- Survey tools with Sample access

Does this mean that DIY Research will put an end to the industry or reduce the business generated by traditional or new methodologies, as we know them today? Not really. Those methodologies will probably increase the business generated by the industry globally, as it is expected that new companies that never previously invested in Market Research will now do so. Thus, in most cases, we are not talking about a new way of working that will likely generate new methodologies, new business and therefore an increase on the total turn-over generated by the industry.

With the growth of DIY Research, it is clear that smaller studies with less complexity will be the first to benefit from this methodology. On the other hand, studies with greater complexity will probably continue to use the methodologies they have used until now. However, it is also clear that while DIY tools will become technically complete, the industry will gradually also use these tools in complex studies.

We can conclude by saying that DIY methodologies will be part of the future of the Market Research industry and one of the main sources of new business in the very near future. The tools available now will probably develop into more technically complex tools that will allow researchers to conduct the studies they conduct now, with full control over some of the processes that were previously outsourced. Furthermore, given that DIY is a very recent idea in the industry, new methodologies will be incorporated into the industry, through their development. This will likely generate a new group of methodologies which will probably be considered the future "new methodologies" together with the new ones emerging from the development of existing methods.

CONCLUSION
Our industry is known for being conservative as regards change. However, the influence of other fast-moving industries has affected Market Research, creating new methodologies, processes and in general, new developments that are gradually changing the Market Research industry in a way that has never been seen before.

As analyzed in this paper, the growth of new methodologies in Latin America has been determined by a combination of reasons in common with many other regions (the so-called global triggers) and the ones that have specifically arisen in our region (regional triggers). Thanks to this combination of triggers, we can understand the grounds for the limited success that those methodologies have obtained in Latin America so far. However, as long as it is possible to solve the problems that the methodology is facing in the region, it is quite clear that the new methodologies will also gain their own space in the Latin American Market research industry, as has happened elsewhere.

The main question that could be asked is, will the new methodologies banish the traditional ones, reducing their market share to absolute minimums? Indeed, new methodologies are fast gaining terrain. The first reason is explained by the fact that new processes and developments provide new methodologies with the tools required to solve some of their intrinsic problems and disadvantages. The second reason emerges if we look at how traditional methodologies are failing to present the evolution needed, in such a way that some of their weaknesses (for instance, flexibility or timing) will be enhanced. However, it is important to also comprehend that traditional methodologies will surely play a very important role in the future of the industry, above all due to the limitations that some of these methodologies present, which are not likely to be solved in the immediate future. Consequently, we can conclude that the future of the industry will most certainly be explained by the greater importance of the new methodologies and the final stabilization of their growth, reaching a point of maturity in which they will share their space with the traditional methodologies that even today, still represent the vast majority of revenues spent on Market Research.

When looking at the future of our industry, researchers must look at the increasing need to find ways to reach segments that are more difficult to reach through the channels they have used until now. New methodologies are definitely helping to find better ways to reach certain segments, but due to their limitations, it is impossible for them to reach all segments on their own. Thus, the question is how the Market Research industry can ensure it has the capabilities to do so, to allow it to have the tools to provide the widest possible representativity of the population in order to eventually extrapolate the results and provide the insights required.

Through an analysis of newly-created methodologies and processes, it remains clear that they all have limitations as regards the representativity that they offer. Therefore the answer to the previous question cannot be found by looking at a specific methodology. The response will surely rely on the combination of existing methodologies (traditional and new ones) and those that will emerge in the near future.

This idea is already a reality. In Latin America, the practice of completing studies using a combination of face-to-face/telephone interviews and online research has enabled researchers to reach a representativity level that they were hitherto unable to reach.

This practice will allow traditional methodologies which, as already stated above, have been criticized for not being adapted to the needs and requirements of the industry, to add technologies and in sum, processes that will convert them into tools, thus enabling them to continue to play a key role in the future of the Market Research industry and thus ensure its continuity.

Moreover, traditional methodologies will not be the only ones to obtain the benefits of combining different methodologies. As we have seen, new methodologies have arrived with important faults that in many ways limit their use and question their credibility as useful methodologies. Creating additional processes and methodologies for use in combination with these new methodologies is already a reality, as has been explained in this paper. Nevertheless, a deeper combination of methodologies such as a symbiosis between online research and mobile research or the developments in the Do-It-Yourself business areas will be essential to allow us to understand the future of the upcoming methodologies; methodologies that will help the Market Research industry to change, adapt to the needs of an increasing number of users and ensure its continuity in the years to come.

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DIGITAL BOOST IN LATIN AMERICA

Alexandro Herrera

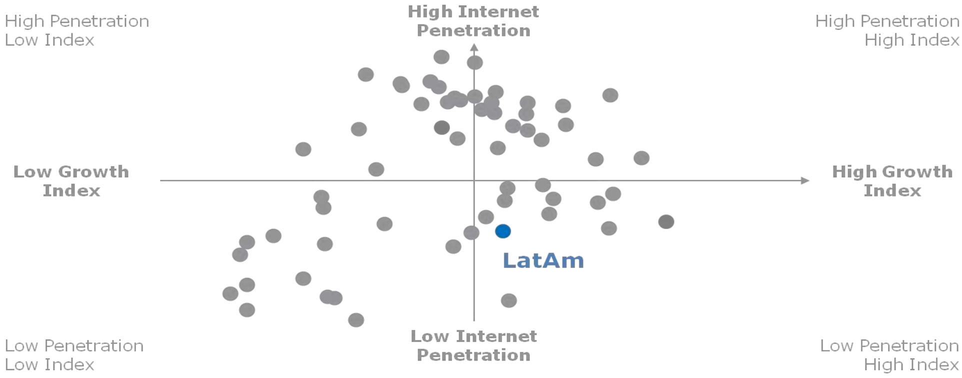
LATIN-AMERICANS ARE DIGITAL FRIENDLY

Implementing a digital strategy in Latin America is very different than in India, Russia, China, England or South Africa. Cultural conditions and online behavior must be taken in to account.

In spite of Latin America having still a lower Internet penetration than developed regions - 38% vs. 77% in northwest Europe and 77% in North America - it is estimated that the region will experience the biggest growth in the oncoming years. In 2011, Latin America's Internet population reached over 112 million people aged 15 years and older, Brazil being the largest online market with 40.5 million users, followed by Mexico and Argentina.

These early adopters do not have the same access restrictions as the rest of the market. As new users, many of these markets have come straight to web 2.0 and are impressed, using a range of devices to access. Digital strategies must be based on high engagement tactics (see figure 1).

FIGURE 1, LATIN AMERICA HAS A HIGH GROWTH POTENTIAL



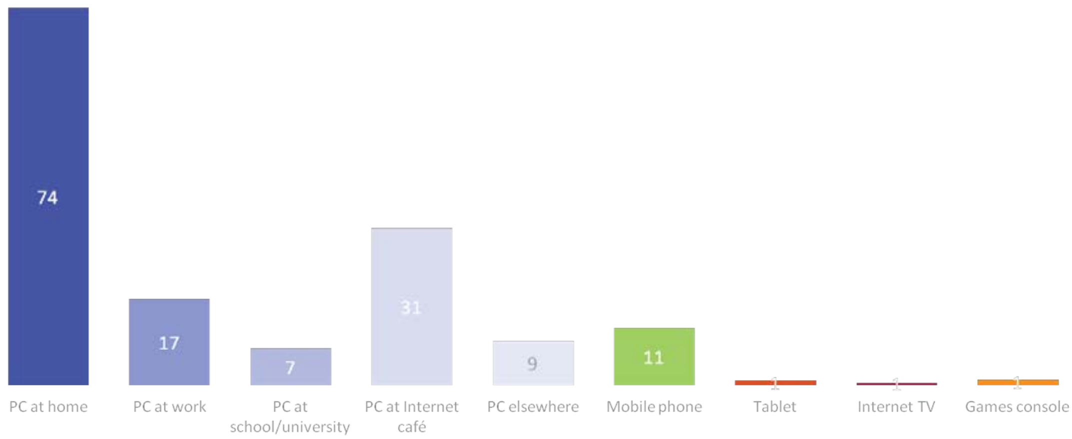
Markets are then mapped by looking at the size of the online population (Internet penetration) and the size of the opportunity within that population (Digital Growth Index). Source: Digital Growth Index; Internet World Stats Base: All respondents

On the other hand Latin Americans have always been known as talkative, warm and friendly people. According to Digital Life, a survey done in 60 countries, Internet enables them the freedom of expression they don't have in the offline world (38%), Internet improves the relationship they have with other people (43%) and allows them to express their feelings (36%). So if we take into account the cultural characteristics of Latin America and add them to the Internet characteristics you will understand why Latin Americans feel like fish in the water in most parts of the digital world.

The place where people access the Internet more frequently in the region is at home (81%), then at work (30%) and third at an Internet café (11%). It's important to notice that in Mexico the Internet café access rate (20%) is higher than in any other country in the region, mainly because its low cost (US$1 an hour). (See figure 2.)

With this potential market in the region, brands most realize the tremendous opportunity that the digital world has in Latin America.

FIGURE 2, LATIN AMERICANS ACCESS TO INTERNET MAINLY ON PC AT HOME



Source Digital LIfe: S5; Device use for Internet access in past 4 weeks; Base: All respondents; 6804

LATIN AMERICAN CONSUMERS ARE MORE OPEN TO BRAND INTERACTION ON THE INTERNET

In the offline world an average consumer is exposed to 1,200 brand communications per day which might lead us to think that after all these exposures, consumers might not be willing to interact with brands in the online environment. However, online shopping and browsing are the activities where brands are considered to be less intrusive and where consumers are more open to receive information on products or services.

Brands should be present in price comparison sites, browsers and online shopping sites. Google Adwords is an example of an enterprise that has taken advantage of this trend by offering their clients the chance to appear wherever the consumers are looking.

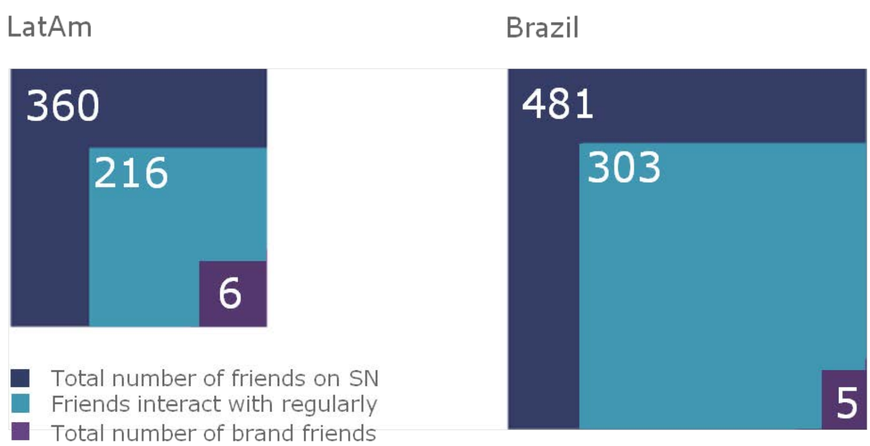
SOCIAL MEDIA IS GAINING RELEVANCE IN LATIN AMERICA

Six of each 10 consumers in the region enter a social network daily. I Chile is more social, with seven out of 10 consumers visiting a social network daily.

Social networks in Latin America have become an important part in people's lives and are growing at fast rates. Argentina, Brazil and Mexico are in the top 15 countries of Facebook users. Mexico is in sixth place, Brazil in tenth place, and Argentina in thirteenth place, and all continue to grow. The average annual grow rate of Facebook in Mexico is 51.5%. For the first time in Brazilian history, the number of Facebook users in Brazil passed Google's Orkut. 30.9 million Facebook users vs. 29 million Orkut users.

Latin America is the friendliest region with an average of 360 friends on Social Networks compared with 185 at a Global Level and 87 in Developed Asia. We also have the friendliest country, Brazil with 431 friends (see figure 3).

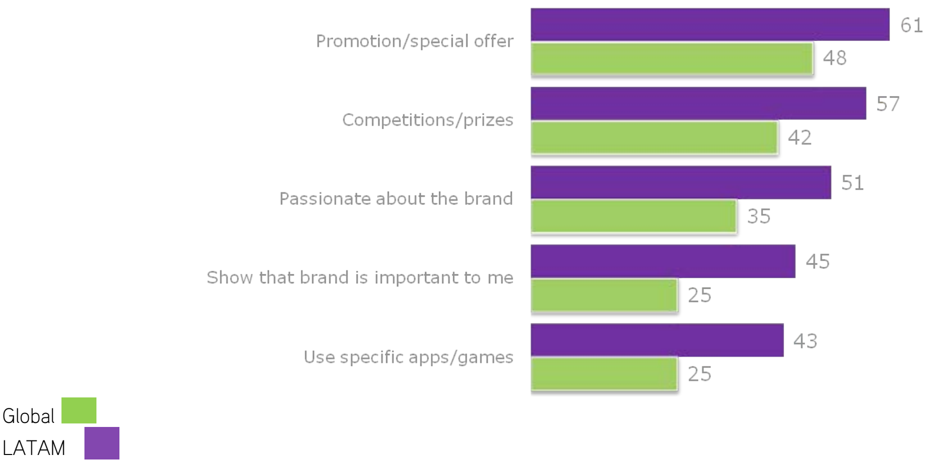
FIGURE 3



LATIN AMERICA IS THE REGION WHERE CONSUMERS FOLLOW AND/OR ARE FRIENDS TO MORE BRANDS

The typical Latin American digital consumer follows and/or is friend of an average of 6.2 brands in Social Networks. Although Promotions and Special Offers are key drivers of brand interaction in social media, it is not all about personal benefits. Four of each 10 Latin Americans are following and/or are fans of a brand because they are passionate about it (active loyalty). It might be true that at the beginning they are looking for a functional benefit but ultimately, brands can also build engagement and strong relationships with their consumers in a digital environment (see figure 4).

FIGURE 4, REASONS TO JOIN A BRAND COMMUNITY ON A SOCIAL NETWORK



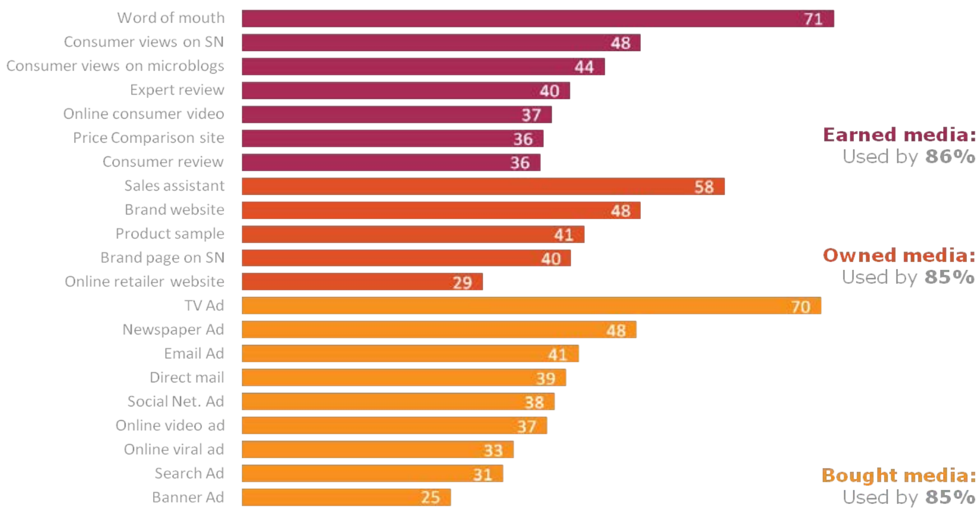
Source Digital LIfe: I3a/I3b; Reasons to join a brand group/community Base: Social Networkers & Micro Bloggers; 62009

THE CONSUMER JOURNEY IS CHANGING

Three out of 10 digital consumers in Latin America have bought online in the last month against the global average of seven out of 10 consumers. This might seem a small figure but let's consider that although online shopping is not high in the region, browsing before making a purchase is significantly higher, as 85% of Latin Americans browse online before buying products or services.

A typical company has three types of media: Bought media are those they pay to appear on such as TV ads; Owned media are those that the company controls and produces such as the brand's website; and Earned media where the brands don't have control such as consumer views on Social Network. If we compare the relevance of these media during the path to purchase we can see that the Earned media has a similar importance when compared with the Owned media and Bought media, therefore brands should be careful of what is been said about them. (See figure 5.)

FIGURE 5, THE ONLINE CUSTOMER NOW USES A RANGE OF TOUCHPOINTS TO CAREFULLY RESEARCH PURCHASES (% OF TOUCHPOINTS TO RESEARCH)



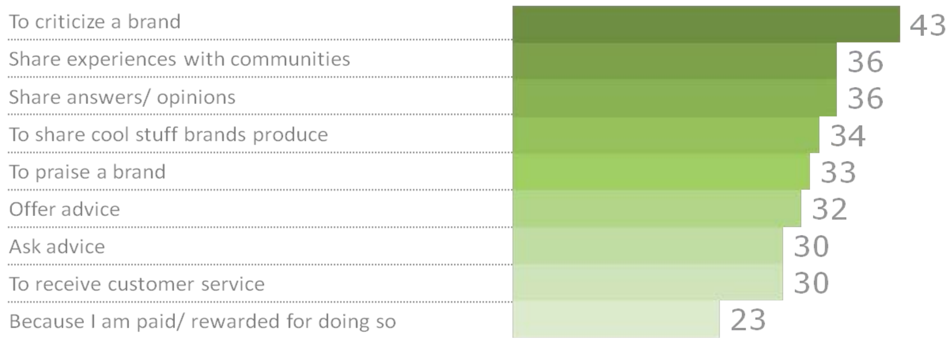
Source Digital LIfe: P1a-P3; Touchpoint usage throughout Consumer Journey (All categories) Base: Purchasers answering Section P; 70441

It is very important to consider who consumers are looking to as reliable sources of information for this browsing. Forty-six percent of Latin American digital consumers take into account their friend's and family's comments when deciding whether or not to buy a product or a service. And 30% trust more in the word of a stranger rather than in what the brand says about itself.

They usually go to social networks, blogs and "question sites" like Yahoo Answers or to "Critics portals" like Apestan.com, where people post complaints about products and services.

But that's not all – 47% write about a brand. The majority of the users write to complain about a brand, which shows why it is so important to manage or at least influence word of mouth in the digital world (see figure 6).

FIGURE 6, REASONS TO WRITE ABOUT A BRAND (% OF REASONS TO WRITE ABOUT A BRAND)

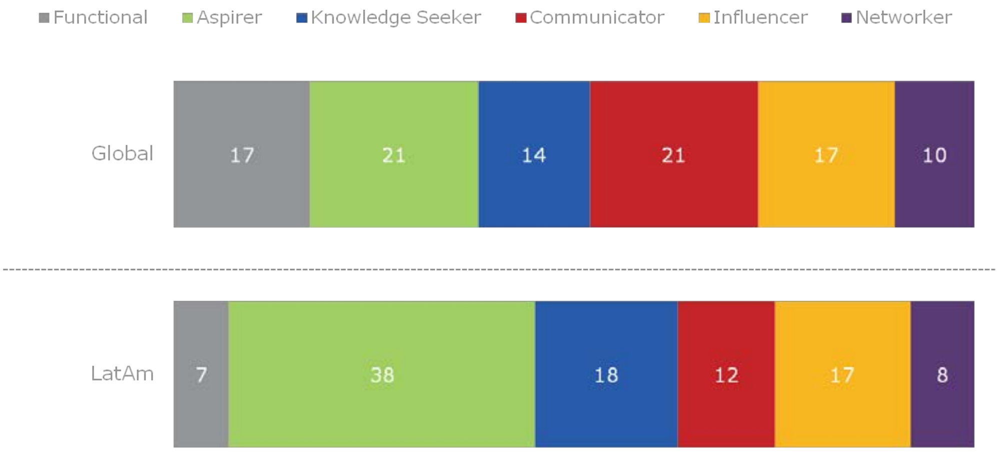


Source Digital LIfe: I8; Motivations for writing online comments. Base :Online comment writers (all categories); 26747

GET TO KNOW THE DIGITAL CONSUMER IN LATIN AMERICA

Digital consumers are different and there are certain strategies that brands can apply to reach different segments. TNS has developed a segmentation of digital consumers based on their attitudes towards the Internet and the role the digital world plays in their lives (see figure 7).

FIGURE 7, ASPIRERS DOMINATE THE MARKET IN LATAM (% OF EACH SEGMENT)



Source Digital LIfe: Digital Lifestyle Segmentation. Base: All Respondents

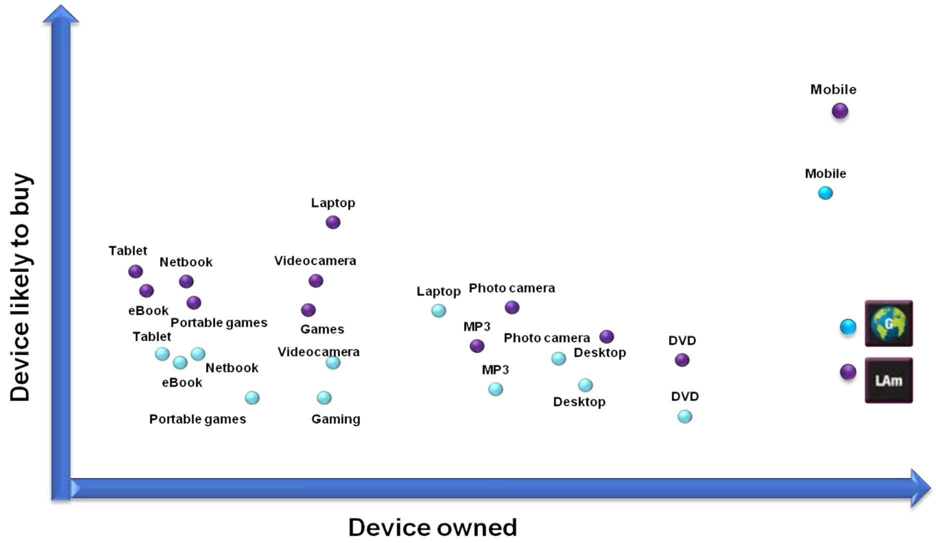
In Latin America the largest segment is Aspirers – people that are looking to create a personal space online. They're very new to the Internet and are accessing via mobile and internet cafes but mostly from home. They are not doing a great deal at the moment online but are desperate to do more of everything, especially from a mobile device.

Socialising is the dominant activity in Aspirers' time online. Aspirers have a medium sized online friends' network (due to a lack of access) and a minority have brand friends – however the ones who do have brand friends have many of them.
Aspirers see the Internet mostly as a personal space to connect with other Internet users. Brands can take advantage of this by creating a community and linkages that will encourage Aspirers to turn into advocates as part of their self-expression by providing competitions and games which offer something new.

THE FUTURE OF DIGITAL IS MOBILE

The future of Digital is mobile. The increase in penetration of smartphones has made the Internet available for consumers in a way they have never experienced before. Mobile is one the devices most owned and most desired (see figure 8).

FIGURE 8, MOBILE IS THE MOST WANTED DEVICE



Source: Mobile Life

Mobile Digital has a significant role that impacts consumer lives in four ways: first, convenience, that allows them to save time when looking for a product in the supermarket or in a store nearby; independence to have everything they need at the moment they need it, experience to interact with the world around them and transparency giving them the knowledge on whether a product or service is worth buying or not.

SEVEN MANDATES FOR BRANDS IN THE DIGITAL WORLD

Some brands are living examples of how to combine the advantages of mobility with digital attributes to engage consumers. Let's see what they have done.

1. *Make consumers active participants of your brand.* Unilever launched in Facebook a campaign called Unilever VIP, under the slogan "Help guide the future of the brands you love" where people can give advice on what the brands need to do next or give ideas that will inspire the company to go beyond. In return, participants receive points that can be exchanged for prizes.
2. *Make consumers advocates of your brand by engaging them with culture icons.* Nike prepared a video teaser called "Marty's McFly Closet" to launch their tennis based on the famous movie "Back to the future". The video was promoted through the social networks and turned into a trending topic in just a few hours. As this article is being written, it has more than one million views. They also released a website www.back4thefuture.com where people can interact with the product in 360° views.
3. *Making life easier.* If you're a fan of Converse there's nothing more frustrating that going from store to store trying to find the new model of shoes. It is easier if you have the Converse app that tells you which is the nearest store to find them.
4. *Talk with consumers in their own environment.* If they want entertainment, give them fun. The Mexican app enterprise Kaxan Games developed a game for iPad called TacoMaster. This game is the most downloaded app for iPad around the world (after being released on August 4th).
5. *Stay close.* Foursquare, the geo-localization platform, allows more than 1.5 billion users to check-in in a place and obtain a recommendation, tip or special offer. It's available around the world, including Latin America.
6. *Connect with people beyond traditional media.* Dilma Rousseff was elected as the new president of Brazil. Not only did she make history by becoming the first female president of Brazil, but she is also one of the very first candidates in the country to apply an extensive new media strategy to a political campaign. Her social media strategy included Facebook, Twitter, Orkut, Flickr and YouTube, combined with a website and a blog to keep people up to date with her campaign.
7. *Combine digital with real life.* Cadbury released a new augmented reality game "Spots V Stripes". The augmented reality app allows users to take part in a digital game where they view a Cadbury chocolate bar through a Smartphone camera and play with it.

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The article will be supported by the syndicated study Digital Life, a comprehensive study about attitudes and online behavior conducted by TNS in 60 countries interviewing 72,000 people around the world and representing 93% of the world's internet population. In Latin America we interviewed 6,400 people in six countries (Argentina, Brazil, Chile, Colombia, Mexico and Peru), and also by Mobile Life, another syndicated study on mobile behavior and attitudes conducted in 58 countries worldwide including five Latin American countries (Argentina, Brazil, Chile, Peru and Mexico).

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SOCIAL MEDIA EXPERIENCES

CONSUMERS OR PEOPLE?

Andrés Lopez • Luis Miguel Quijada

INTRODUCTION

This paper is double-natured. On the one hand, it is a kind of collection of learnings, empirically obtained through the research we have been carrying out for our clients in the past few years, regarding brands and what they are doing within digital environments. These learnings allow us to have a better understanding of the way brands must behave within social networks if they really want to connect with consumers. On the other hand, beyond empirical data, this paper reflects on what these data suggest about the nature of the relationship between consumers and brands. It isn't about a simple change of scenario or medium where the same old rules can be followed, but rather about a change of scenario involving a change in rules themselves. Let us explain ourselves.

The title of this paper is *Consumers or People?* Before describing the findings, we want to use an introductory statement to explain this somewhat provocative title. At the AMAI Congress, last year, we heard a statement that called our attention and related to what we want to explain. The statement went: "Stop thinking of people as consumers and start considering them human beings.• The word "consumer" is a marketing jargon term that allows us to cut a slice out of daily life that relates to what we can sell to somebody and throws away anything else. That leads us to stilted thinking." (Joel Rubinson, ARF).

Well, the statement got hold of our attention precisely because it was consonant with some of our reflections when considering the kind of relationship produced between brands and consumers on social networks. We were realizing that such a relationship involved a way of listening and talking - *of presence and being* - closer to the relationship "person to person" than to the relationship "brand to consumer", in the sense the latter is usually considered: a relationship between a "subject", the brand, who "conquers", and an object, the "consumer", who is conquered. What we are suggesting, then, is that the traditional relation brand-consumer, in which the brand plays an active role (it conquers, talks to, occupies the mind of, and so on) and the consumer is passive (he is conquered, he just listens, he is occupied by, and so on) is now followed by another relation in which the roles are no longer so clearly distributed and, in any case, is more similar to the relationship between two subjects or the relation "person to person."

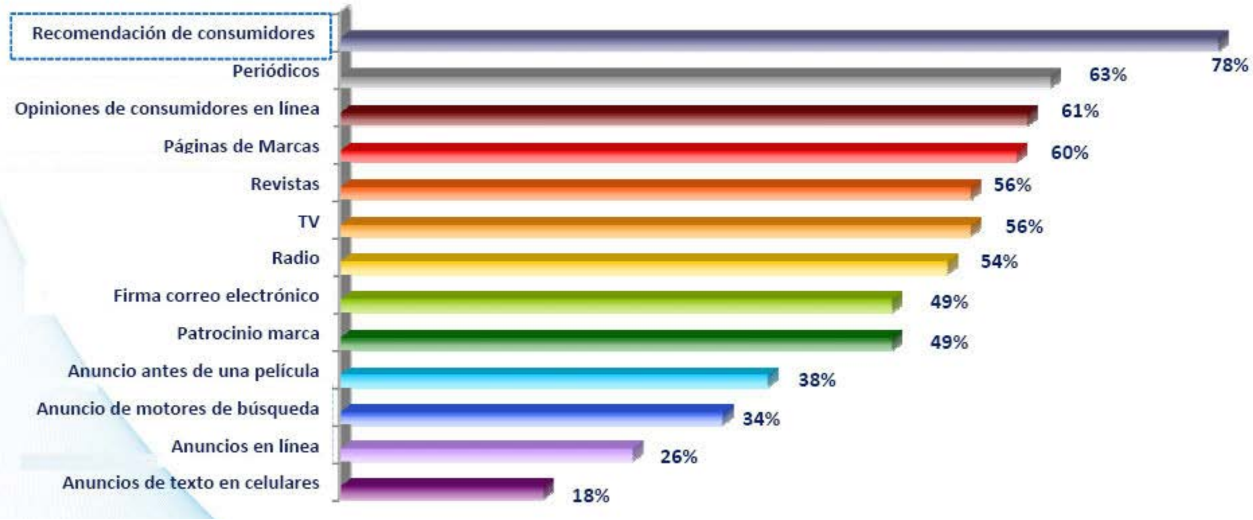
THE LEARNINGS

To be is to be *shared*. On the "approach factor" for brands on social media

One of the most urgent problems for brands is how to reach consumers and, of course, this problem is also present on social networks. Given the nature of social networks, and the role played within them by brands, the problems take a specific form, which is useful to point out.

We have to bear in mind that, within social networks, brands are an "alien" element: social networks are formed by individuals who share an interest and constitute a *community*, while brands are not persons and their interest consists in selling their products. Thus, there is always a certain degree of distrust towards them, the suspicion that brands could turn into a market what is a community, that is, something intended to share information from people to people. This leads us to the idea that, in order to reach consumers, brands must follow certain specific strategies. Brands must avoid showing their most commercial side – that which posits consumers as mere passive objects to be conquered – and rather behave in such a way that consumers themselves come to brands *voluntarily* and *actively*. Or, even better: *a brand should make things in such a way that consumers themselves bring it closer to other consumers*. In general terms, not only in regard to social networks, it has been proven that, for any consumer, the most reliable source of information is other consumers' opinions. This is even truer on social networks, since in this environment people do not only share information, but also modify it and amplify it, in both negative and positive ways. (See figure 1.)

FIGURE 1, A NIVEL GLOBAL LAS OPINIONES DE LOS CONSUMIDORES SON MUY VALIOSAS …



Fuente: Estudio realizado por Nielsen en 47 paises sobre las fuentes de información de producto más confiables para el consumidor.

Well, what we have learned in these past months is that the highest "approach factor" – meaning that which makes a consumer feel eager or motivated to get in touch with the brand – is related to sharing: that is, when, because of what the brand does or says, it achieves being posted on somebody's wall, which results in that others also get to know what is being said or done. The learning, therefore, would be: "things must be done in such a way that those seeing you feel the need to share to and with others what you are doing".

Digital Shamans. From traditional to new consumers

Nowadays, after the emergence of social networks, it is relevant to consider three different figures. First, there is the "traditional consumer", that is, one who simply consumes what other, the manufacturer, produces. We will call the second figure a "Prosumer", a mix of the producer and the consumer: he does not only consume what others produce , but also intervenes, to some extent, in the production itself by means of suggestions for the creation of new lines of products or services (this is what has been recently called co-creation). In the third place, there is the one we will call "Dotsumer", a consumer who does not only intervene in production, but also in selling goods.

Naturally, the last two figures appeared together with social networks. Focusing on the Dotsumer, we can see that nowadays there are users who become what is known as "Digital Shamans", whose power in regard to what we are referring to is highly superior to the power held by Digital Gurus, such as Bill Gates or Steve Jobs. Indeed, Digital Shamans go far beyond that, because through the *virality* of their opinions and commentaries, they can have great influence on the decisions made by other users. Besides, Digital Shamans hold a high degree of credibility, for most of them were common users first. Their vantage point makes them able to modify consumers' perceptions about a brand, and even generate new consumption trends.

The point is that all these changes have a strong influence on brands' works. Within traditional schemes (correspondent with the consumer figure), brands came up with proposals to which consumers had to, more or less, adjust. Nowadays, in contrast, it is consumers who, according to their needs, come up with proposals for the brands, so that brands adjust to those needs (*Prosumer*). Now, returning to the figure of the Dotsumer, let us refer to the current self-evidence of something that has always been said though not always completely believed in: the true owners of a brand, since a brand is ultimately what is said about it, are consumers. Finally, in more practical terms, it is important to say that nowadays brands are in need of these new figures that we have called Digital Shamans, true opinion leaders, who should be identified, followed, convinced and mesmerized.

How to call users' attention, or, On the obligation to be innovative and match users in the evolution of social networks

Every instance of brand communication should be competing with the rest of the contents circulating through the networks. Obviously, the question here is: which elements contribute the most to calling attention? Well, our experience has allowed us to observe that those elements are related to innovation - innovation in terms of contents, applications, promotions, visual components and even how users are addressed.

The fact that innovation is so important on social networks, so much so that it is the essential element for calling attention, is due to the fact that the digital environment is constantly evolving. Thus, all its components should evolve accordingly.

FIGURE 2

Somehow we can say that, in this regard, it is also consumers themselves who set the action guidelines, and if the brand has the obligation to be innovative –with everything that this involves in terms of attitude: to be able to take risks, to persevere, to grow and evolve looking into the future, to consider short- and long-term trends, to take the odds for diversity, to engage audiences and seduce them, and to never say "that can't be done"–, that innovation is aimed at matching consumers. It cannot be forgotten that users are innovation experts, since they are the ones with needs to be met and real-life situations that require real solutions.

On the criteria that should be taken into account so as to be relevant for people

When a brand wants to connect with users, whatever it says or does, in any kind of medium, must be relevant and interesting for them. This principle is even more important as regards social networks, simply because on social networks the idea is not that the brand shows itself (its benefits, for instance), but rather that it gives or offers something. On social networks, consumers expect brands to give something, and they naturally expect them to give something that is relevant for them on the basis of their singularity: thus, what they require becomes more personalized and individualized.

Well, what we have learned is that relevance is associated to various factors:

a. First, relevance has to do with the ability to arouse some kind of emotion, either positive or negative, among users.
b. Second, it has to do with how useful for them is the information you deliver.
c. Third, it has to do with how updated and trendy is whatever you say.
d. Fourth, it has to do with the ability of the content of what you say to impact its viewers in a certain way.
e. Fifth and last, it has to do with the ability to make persons feel identified with each other.

Credibility, naturalness and desacralization: characteristics of current effective communication

Our age (postmodern, hipermodern or however we want to call it) is characterized, among other things, by constant desacralization [which goes along with "superficiality" and "triviality" – in contrast with the depth and meaningfulness searched for not so many years ago. This statement is even more relevant for the environment of social media, where perhaps the only sacred thing is desacralization. Thus, we have witnessed how important figures in the spheres of politics, art, financing, sports, and so on, expose their deepest secrets on the Internet and, moreover, how people question them, reprimand them, support them and even advise them. In this sense, the Internet represents a space, maybe the only one space, really democratic: let us remember that, on the Internet, we are all equally educated and informed. And let us also remember that, in democracy, all of us are god.

This fact, widely explored by social network scholars, is directly related to the issue of credibility in a very precise sense: it comes out that an easy-going, somewhat informal, fresh, clear and direct expression – in contrast with a solemn speech, more linked to depth and meaningfulness – has become a token of frankness and honesty, since it is a positive sign of humanization. It is by no means casual that the Internet has turned into a reference source and that those with more credibility are precisely those who have desacralized knowledge the most, presenting it as accessible and easy to grasp.

In this regard, it is important to note that brands sometimes publish interesting and useful contents and yet, due to their solemn tone, do not achieve the pursued reliability. The idea, then, is to provide information that is useful for people but, most of all, to deliver it as your own friend, cousin, partner, etc., would do it. We have confirmed that this practice fosters the possibility of recommendations, enhances the attention paid to posts, and increases the likelihood of revisits. In sum, the task is to obtain an intelligent combination of usefulness and entertainment. Based on our experience, what are our recommendations? Here they are: Besides providing the information people are looking for, it should be delivered in such a way that:

a. the content is amusing.
b. the language used is simple -but not vulgar of offensive- and clear.
c. the content is witty and varied.
d. you always seek to be empathic with the consumer, you avoid making judgments, you act rather as a mediator and, if necessary, you even stand by the consumer.

Generating a conversation with your users: How to enter into permanent dialogue with them

Perhaps one of the most important changes in the rules of the game within this scenario is going from the traditional to talk to (the audience or the target, just as it is done in conventional advertising) to the new *to talk with* (concrete and singular persons who address the brand and question it). The paradigm of this new relation is a *face-to-face* conversation, with all the risks it involves: one is always in danger of losing face. The fact is that brands should really learn to listen and to understand that there is a difference between listening in *abstract* terms (to the public whose opinion is available by means of research) and listening in *concrete* terms to a singular person who, when speaking, is always doing much more than only expressing an opinion: she is posing a demand that requires an answer.

But there is more to it. Of course one has to answer, but one must also *generate dialogue permanently*. Listening should become a day-to-day activity, a kind of *constant monitoring* of users' ideas. The idea is *to allow them permanently to speak and to make them speak on a daily basis so that we can monitor their opinions*. In other words, we should encourage people to talk; we should generate continuous dialogue, constant interaction.

How do we get that? Here are some of our learnings: In order to get continuous interaction, a brand must:

a. answer to all of the questions made by users, despite their seeming absurdity - let us remember what we said before about *avoiding judgments* - and do it genuinely, behaving authentically, accepting the mistakes committed;
b. create and share stories, fostering users to share theirs and/or presenting experiences that encourage others to make comments or share their own experiences, that is, giving them something to talk about: surprise and delight are factors directly related and, of course,
c. do not sell, but sell as a consequence - we have already said that the brand must put aside its commercial aspect: the task, we might say, consists only in enabling this task.

More on faces: To face something, to show one's face ... On masks, persons and responsibilities

To show one's face requires having a countenance, and in order to achieve this a brand must give itself away or, in other words, it must become human - transform itself into a person and stop being that alien and somewhat strange presence that, as we have already mentioned and will mention again, a "brand" is, by principle, within social networks-. Having a "visible face" obviously means counting on flesh-and-blood persons to speak in its behalf, a fact from which derives a series of implications that we should better untangle.

On how must a brand-person behave

"With great power comes great responsibility", said Uncle Ben to Peter Parker. These words, from one of the most popular comics ever, perfectly illustrate this topic: the idea is that brands should try to stop looking as such and instead present themselves as human beings. Doing so involves a direct responsibility charge, for it means taking responsibility away from the brand - an abstract and hardly identifiable entity - and handing it to those who speak in its behalf, to those who stand up for it, showing their own face. Or, in the example we have referred to, it is about removing Spiderman's mask and disclosing the countenance of the vulnerable young man behind it. And, since giving someone a countenance means turning him into a person - let us remember that the word person is related to mask and countenance - we must ask ourselves what the implications of this step towards the personification of the brand are. What is the appropriate behavior of a brand that - without stopping being a brand, we will also deal with this afterwards - is also a person? We have found that the characteristics that should define this *human entity* within social networks are:

a. to express wishes and avoid perfection, showing fallibility and vulnerability - but taking advantage, indeed, of flaws;
b. to keep an emotional attitude, not only in conversations but also in the visual elements presented;
c. and to keep a good disposition: to show openness and availability.

All these elements support the credibility of contents on social networks and enhance the reliability of the brand. It is easier to trust something with a face than to trust an abstract sign. This invariably reinforces factors such as purchase intention, recommendation of and loyalty to the brand.

Person and moral responsibility
But there is more to it. We have just said that the word person is related to a mask and to having a countenance. But it is important to add that, historically, that term turned out to be inseparable from the *moral responsibility associated with having a countenance* (he who has a countenance possesses singularity and hence responsibility). That is precisely the reason why presenting a brand with human qualities on networks stresses responsibility. Let us imagine Spiderman wearing his mask, it would cover all of his mistakes, but that would not be so if his true identity were revealed - that is why we were formerly speaking about the possibility of *losing face*. Peter Parker has a face, a career, a reputation to maintain. It is the same with brands: once humanized, their behavior must consider, as persons, a series of facets and aspects - if they want to keep a responsible face - such as the following:

a. to comply with healthy communication rules;
b. to educate;
c. to show interest in users;
d. to care about the environment and to promote a sense of community - we should not forget that the fear of a brand turning what used to be a community into a market was an ever-present concern. Consequently, just as we stated at the beginning, the brand should avoid speaking of commercial issues in an obvious way.

The virtual consultant as an ally
There is still another issue important to mention concerning the "personification" or transformation of a brand into a person. Ultimately, it leads to what we might call the "digitalization" of the corporation. By the term "digitalization" we refer to the transmutation of the faces representing the corporation into virtual characters. Besides remaining sensitive to customer support, virtual characters should act as real advisors for customers, somehow becoming their ally, getting to the point of revealing unspeakable secrets, offering them reliable and verifiable information, being always available and providing them with the latest corporation news, showing appreciation not only through words but also through actions, for instance, acknowledging how valuable the relationship of the user with the brand is for the corporation by means of gifts or some other actions requiring no efforts from consumers. This is trusting someone real, someone equal to a user itself.

Turning the brand into a social object. What do we mean by "social object"?
In real life, a "social object" is a relevant topic, one that is meaningful for most people and therefore a prompter of conversations. The range of "social objects" goes from important public figures or news, to inventions or crimes. A "social object" is meaningful to the extent that we feel affected by, interested in or identified with it. In this context, in order to increase and amplify in a positive way the number of comments about the brands, they need to turn into social objects. The task of brands is to make sure that this amplification and virality lead to their established goals. Some of our recommendations for generating "social objects" that people deal with for the benefit of the brand are:

a. differentiation: be distinctive, use something that in terms of content, technology or creativity makes the brand stand out;
b. satisfaction: meet a need for users, related to either consumption or information;
c. esteem: make the user feel he is important and taken into account for the brand's decision making;
d. knowledge: if a brand does not inform but only delivers marginal contents, it will sooner or later stop being a social object;
e. accessible contents: offer contents trivially meaningful, that is, simple and summarized enough so as to be understood at a glance but substantial enough so as to deliver the information the user is seeking.

"Social objects" on Social Media can have various forms, from a simple text or post, to pictures, videos, the products themselves, events, and so on. Ideally, in this context, the brand itself turns into a social object.

Making the difference means offering value
One of the main subjects worrying most Social Media developers and strategists is how to offer value. The answer lies in knowing which elements must be compulsory present in a social strategy and which would provoke a significant

difference, generating hence among users a sense of real value as compared to competitors. So, which are the former - those that should be present - and which the latter - those adding value?
Compulsory elements are, for instance, the following: a) contests and gifts; b) information about new products, c) regular posts, d) offers, e) reliable news about the brand, and so on.

We have been mentioning differentiation elements, but in order to present them in a summarized way, we can mention the following: a) amusement, b) variety, c) community, d) innovation, e) interaction.

If we pay close attention, we come to realize that when we consider that all of the strategies of this kind should add value, we are stating therefore that the differentiation factors are really compulsory factors.

FIGURE 3

FINAL REFLECTION: CONSUMERS OR PEOPLE?

Let us return to the title of this paper, *Consumers or People*, and let us also remember the phrase we read in the introduction, Joel Rubinson's statement referring to the need to stop thinking about consumers as consumers and to start thinking about them as persons. We said that this phrase had called our attention because it was consonant with our own reflections on the kind of relationships that is currently developing between consumers and brands within social networks. As we have been mentioning throughout this presentation, these reflections were aimed at the fact that, if a brand wants to connect with consumers on this medium, it must stop acting as a brand and behave, instead, as a person.

Thus, what Rubinson states is that brands must consider consumers as persons, not as consumers, while based on our experience working what we affirm is that brands should stop acting as brands and start behaving as persons. Thus, bearing in mind both statements, ours and Rubinson's, some issues come into question, and they are what we will deal with in our final reflection. In the first place, what does it mean that brands should perceive consumers as persons and not as mere consumers? In the second place, what does it mean that a brand should stop acting as a brand and behave as a person instead? And, finally, how do both statements relate to one another and, most of all, what conclusions can we draw?

The traditional relation of brand / consumers is precisely what is thrown into question by the former phrases. In this relationship, consumers have always played a passive role (the role of an object), whereas the brand has played an active one (the role of a subject): Had not positioning been defined as the place a brand occupies in a consumer's mind, the place that is occupied by the brand, that is conquered by the brand? Well, what Rubinson's statement seems to question when he asks brands to perceive consumers as persons is precisely that passive role assigned for them by the traditional perspective of brands. What Rubinson says is something like this: your look, a brand's look, is a one-sided or *one-dimensional* look, a reductionist look that cannot encompass people's complexity; a look that only withholds what seems to be part of the valorization chain of the brand's products - a look, we might say using another term, that desubjectivizes, canceling the subject as such and turning it into an object.

Now, isn't exactly this traditional look the one that, as we have been explaining throughout our presentation, is heading directly to absolute failure when attempting to play a role on social networks? Haven't we insisted time and again throughout the presentation that on social networks a brand must stop acting as a "brand" and must instead "personify" itself, behave *as if* it were a person, including everything this involves in terms of responsibility taking, listening commitment and so on? And, doesn't this need for behaving *as if* the brand were a person involve an obligation to grant its consumer the role of a person: that is, one who is allowed to speak, one with whom a permanent dialogue should be established, one to whom our face is shown, one who deserves to be listened to, et cetera?

[Behaving *as if* it were a person: we think that we would be wrong if we understand this *as if* as a kind of *simulation*. It isn't about playing at being persons, it isn't about wearing a disguise and actually continue acting and perceiving things in the same way brands have being acting and perceiving things. We think that the new game rules posed by social networks must be taken seriously, because winning a game is only possible when it is taken seriously, not as a mere game.]

Perhaps, and this is our last statement, beyond all the clear difficulties for brands in knowing how to move within this medium, the major challenge social networks pose is the need for brands to conceive themselves - as well as the relationship with consumers - in a different way than the one they have been following up to this day.

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MULTI-LANGUAGE MULTI-CONTINENT COMMUNITY PANELS

HOW B2B AND B2C RESEARCH CAN EFFECTIVELY SPAN THE WORLD

Monique Morden • Eddie Accomando

INTRODUCTION

The trend of globalization is alive and kicking. Global companies continue to expand into emerging markets where GDP growth is higher than in more traditional markets such as in North America which are experiencing lower rates of growth. Organizations developing strategies for these important regions are demanding market research to understand how they can successfully enter or expand within these fast growing countries. Economic growth in these countries and advancements in technology have created increased internet penetration, social media usage and smartphone ownership. These technological trends are predicted to continue increasing in the coming years.

These trends have fueled the use of online research methodologies inspired by the power of the internet and the connections made possible through social media: MROCs, Communities and Community Panels. All of these are closed communities used for the purpose of market research either qualitative or quantitative or a combination of the two. There are subtle differences between a MROC and Community Panel; the definitions below provide some clarity. This paper is focused on Community Panels.

- *MROC: Market Research Online Community* is a qualitative approach involving 100 to 800 members using both quantitative tools (surveys, polls) and qualitative tools (discussions, auto-ethnography) but all with a qualitative Interpretation. MROCs can be short-term or long term, however, some people argue that 'real' communities can only be long-term, since it takes time to develop the dynamics inherent in a community.
- *Community Panels* are larger in scale and can be used for both quantitative and qualitative research. As with an MROC, a typical community panel comprises customers and is branded. The primary differences with community panels lie in the size (between 4,000 and 40,000 members), ability to conduct quantitative research (due to larger sample sizes, deep profiling and targeted sample selection) and duration (almost always long-term).

Currently, Vision Critical operates over 500 community panels around the world on behalf of 350 clients. With one in three of our clients being Fortune 500 companies, there is a great demand for multinational but multi-lingual community panels. Currently, one out of seven of our community panels is multi-lingual.

Multinational community panels provide clients with a global view of their customer base, giving clients the ability to understand similarities and differences across different geographies in reference to their products or services. It is possible to conduct online communities multi-nationally in English only. This approach provides the advantages of designing and managing within one language and the ability to have members from different countries interact with each other (assuming there are relevant activities). The downside to English only communities includes:

1. *Representation*: The exclusion of some people from the customer base due to qualification criteria based on a certain level of proficiency in English.
2. *Communication*: Possible constraints on comprehension and expression due to communicating in second language.
3. *Culture*: Challenges in mixing cultures within certain research activities.
4. *Expectation*: Customers expect linguistic customization from a Fortune 500 company.

Setting up a multi-national community panel requires a lot of thought and planning. With the diversity of the participants, the research team has to decide on what trade-offs will be made on timing, cost, speed and effort.

The key elements for consideration in designing a multi-national community panel include:

- Language considerations
  - Single language versus multiple languages
  - Language variations
  - Translation
  - Mechanisms
- Incentives
- Localized versus centralized models

In order to assist companies in wading through these important decisions, we examine two very different multi-national community panels: 1) Texas Instruments with a business to business community panel of technical engineers that use their system components, and 2) Metro International with a consumer community panel that consists of readers of their daily newspapers.

Further, we look at some differences in behaviour by country, to further emphasize the benefits of multi-national and multi-lingual community panels to end clients.

METHODOLOGY

We are presenting two diverse case studies involving B2B and B2C to demonstrate the different types and applications of international community panels with multiple languages. An overview of these community panels is provided below.

MULTI-LANGUAGE B2B COMMUNITY PANEL

The Texas instruments (TI) community panel is not only a B2B panel but an even finer element within categorized as B2E – Business to Engineers – a very sought after segment of the market with which it is historically expensive to conduct research. The TI community panel is comprised of approximately 3,500 technical Design Engineers worldwide spanning 90 countries. The "TI Expert Advisory Panel" was recruited through direct email of customers in the TI customer database, as a follow-on link to the tail customer satisfaction tracking study, and trade shows. TI felt it was important to communicate with the target market in language as much as possible, in order to get the most information and insights from the process. Furthermore, as a Fortune 500 company, customers expected this. As such, the community panel was designed to have linguistic customization with 14 languages currently included. Vision Critical was selected because the multi-lingual capabilities of the software. The panel provided several benefits to Texas Instruments include increased response rates (36% up from 1% via ad hoc research approaches); 75% reduction in research costs; faster turnaround (timeframe reduced to one week from four weeks) and better representation of the target market. (See figures 1 and 2.)

FIGURE 1, TEXAS INSTRUMENTS COMMUNITY PANEL: COUNTRIES AND LANGUAGES
(90 COUNTRIES AND 14 LANGUAGES)

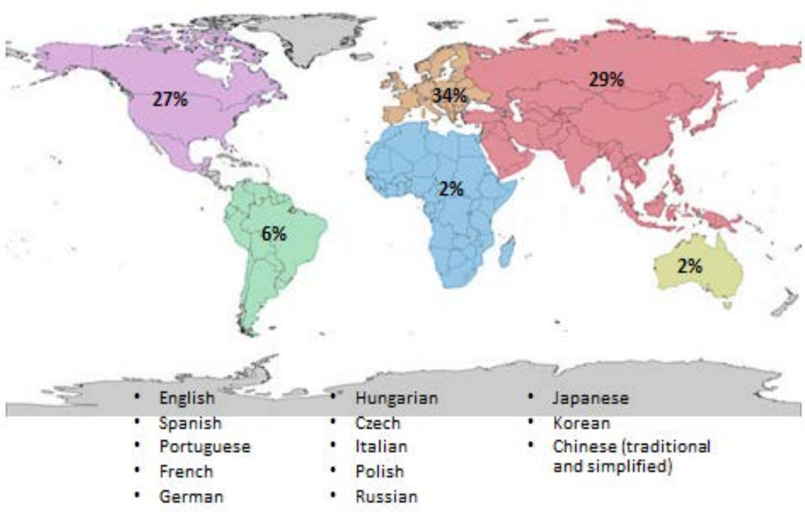
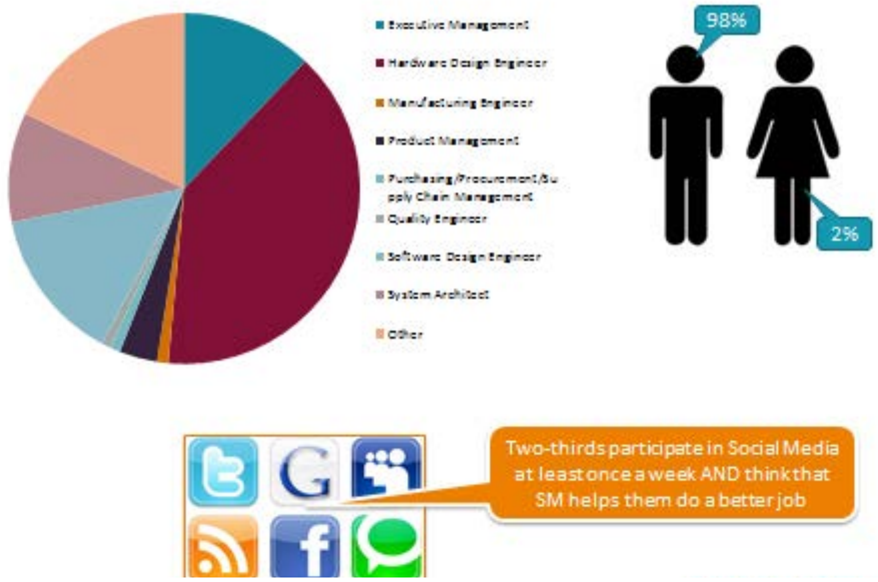


FIGURE 2, TEXAS INSTRUMENT COMMUNITY PANEL: MEMBER PROFILE



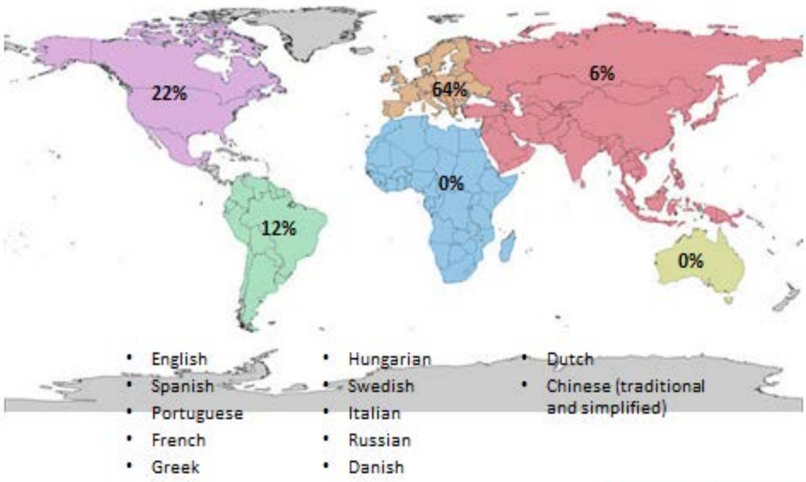
The demographic profile of TI members has a heavy skew to males given the nature of the profession. Of note, while the 2% of females accurately depicts the reality of the design engineer population, this proportion has been increasing over the past five years (almost doubling).

metro

MULTI-LANGUAGE B2C COMMUNITY PANEL

Metro International is a Swedish media company publishing the world's largest international urban newspaper with over 37 million readers a week in over 100 cities in 22 countries and 15 different languages. Branded as the "Metropolitan Panel", it includes about 17,000 members across 16 countries and 12 different languages. Latin American countries currently include Mexico and Chile with the Brazilian and Guatemalan markets launching in Q1 of 2012. The community panel was recruited through a variety of sources including direct email marketing in each market, advertisements in newsletters, and via contests run through the local print newspapers. Metro sends studies to both its entire member base, as well studies specifically targeted for certain markets. Topics include seasonal holidays, travel, sex, parenting, entertainment, food and other topics specifically for Metro advertisers. Over 165 studies were deployed throughout 2011 with an average response rate of 42% thanks to a sophisticated engagement program rooted in the local and international news articles printed in the local editions. The panel is integrated into the core business model; all revenues are generated from advertising and the panel contributes to generate insight on different levels. (See figure 3.)

FIGURE 3, METRO INTERNATIONAL COMMUNITY PANEL: COUNTRIES AND LANGUAGES (17 COUNTRIES AND 12 LANGUAGES)



Some sections of this paper refer to a quantitative analysis of data from either of these two community panels (e.g., social media usage, verbatim analysis). Detailed information is provided on sample source, sample size, country, language and analysis within those sections.

CONSIDERATIONS IN INTERNATIONAL COMMUNITY PANELS

To follow is an examination of the main considerations for multi-national community panels.

Single Language versus Multi-language

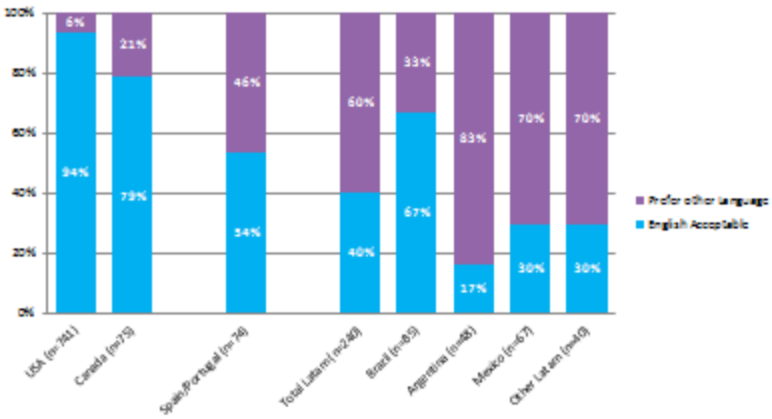
English only community panels offer great efficiencies related to design, managing, and analysis of surveys, discussions, portals and member communications. While this is possible, there are some disadvantages to this approach. Comfort in both reading and writing in English will affect engagement in the community and accuracy in the information collected. Comprehension and ability to respond and articulate thoughts in English can affect data quality. While it is possible to find people across different countries comfortable communicating in English, it does limit the pool of people from which you can draw.

Early in the process, Texas Instruments identified the need for a multi-lingual community panel. Foremost, TI was concerned with the engagement of members and conveying the importance of all customers but especially to markets outside of North America. TI also recognized that, being a Fortune 500 company, there was an expectation for linguistic customization by market. TI began by surveying current members regarding their language preference to get a better gauge of expectations and language capabilities so they could manage the cost of translation.

Members were asked *"Are you comfortable taking surveys in English?" and a follow-up question for those asking, "If resources allow, would you prefer to receive future Texas Instruments Expert Advisory Panel surveys in another language instead of English?"*

Both of these questions were intended to get at both the tolerance for doing surveys in English and the preference for doing surveys in their native language with costs as part of the consideration. The research indicated that language is very important to Latin American countries with 60% of members expressing a desire for the surveys in their native language with a high of 83% in Argentina to low of 33% in Brazil with Mexico at 70% and other Latin American countries (e.g., Chile, Columbia, Costa Rica, Ecuador, Guatemala) at 70%. (See figure 4.)

FIGURE 4, TEXAS INSTRUMENT: LANGUAGE PREFERENCE BY REGION FOR MEMBERS RECRUITED VIA ENGLISH



This research revealed that despite having a certain level of proficiency in English, a great proportion of members preferred to complete surveys in their native tongue. With a great desire to engage this highly specialized market, Texas Instruments became even more committed to executing activities on the community panel in multiple languages.

Translation

Multi-lingual community panels come with a great deal of translation requirements. The elements requiring translation include: portals, login pages, newsletters, surveys, forums, verbatims (comments, posts), support, and any other forms of communication (deployments, reminders, notices, etc.). This can be costly and time consuming, so it is recommended that a comprehensive cost/benefit analysis is performed prior to undertaking such an initiative.

Translation can be accomplished through a variety of mechanisms each with their own advantages and disadvantages: out-source to a translation house, translate using internal resources, and automated translation software programs. Cost and quality, in this regard, are directly correlated. Individual organizations have to decide for themselves and based on their customer base, how to balance these two elements successfully.

Inherent in the translation of all these different materials is a comprehensive quality assurance process where all materials are tested and reviewed by a native speaker of the relevant languages. This is an important step, as it cannot be assumed that the translated versions provided by your translation process are completely accurate or that these translations have been entered completely accurately into your platform. It is always recommended that a person not involved in the original translation perform the quality assurance of the final products. This, of course, can add to the cost and timing compared to a unilingual community panel.

Processes and systems can be implemented to make this function more efficient and accurate. The Vision Critical Community Platform includes a translation module where translators can directly access the platform and the text requiring translations, such as portal content, survey questions, forum posts, and enter in all the associated languages within the context of the base language. This greatly assists the inputting process as well as the quality assurance process as it is extremely easy to refer back to the base question for clarification.

Language Variations

Not only are there a myriad of languages to consider but numerous variations of those languages. English is not just English. There is American English, Canadian English, British English, Australian English. To illustrate, Word allows you to choose the language preference for your documents offering up 16 versions of English, 21 versions of Spanish and 15 versions of French. These are all pluricentric (Clyne, 1992) languages where there are several standard versions, both in spoken and in written forms, due to the fact that language and the national identity of its native speakers do not coincide.

There is a trend toward international versions of some languages where an international standard is used for global applications of a language (i.e., Global English, World English, Common English, Continental English, General English). More often than not, the dominant variation will be used in a global context. In the case of English, American English speakers constitute more than 66% of native English speakers, then British English (18%), Australian English (7%) and Canadian English (7%). As this trend evolves and becomes more common, global companies may be able to leverage these standard language versions for cost savings and efficiency.

In the context of a multi-lingual community panel, each organization will address language variations slightly differently depending on several factors:

- *Composition of the customer base*: The geographic distribution and concentration of customers greatly affects the choice of language(s). If the majority of customer are situated in a particular country, that will often be the default version
- *Origins of the company*: A company founded, headquartered, or based in a certain region may default to that variation. Tolerance or acceptance by consumers to language variations is heightened if the corporate identity is strongly connected to a country.
- *Corporate Strategy*: For companies in the process of globalizing and positioning themselves as global companies, the more dominant variation may be adopted.
- *B2C versus B2C*: As a general rule, Business to Business organizations often have a more global standardized strategy and execution to their business model than B2C. On balance, B2C markets are larger in scope and carry with it greater expectations of localization.

Routing to Language

Once you have committed to a multi-lingual community panel, routing to the appropriate language is general done through one of two approaches: 1) selecting country or 2) selecting language. Neither is right or wrong, as the approach chosen is dependent upon the factors listed above. To follow are two examples illustrating the appropriate application of both approaches.

1. Select By Language

Texas Instruments is a multi-lingual international community panel with a targeted B2B population of technical design engineers involved with semiconductors which is a much sought after segment that is limited in number both within country and international. There is an insufficient number of technical engineers in each country to warrant a localized approach. As such, a landing page is provided during the recruitment phase for members to select their language of preference. From that point hence, they are always directed to the portal and member login in their language of choice. (See figures 5 and 6.)

FIGURE 5, TEXAS INSTRUMENTS: LANGUAGE SELECTION PAGE

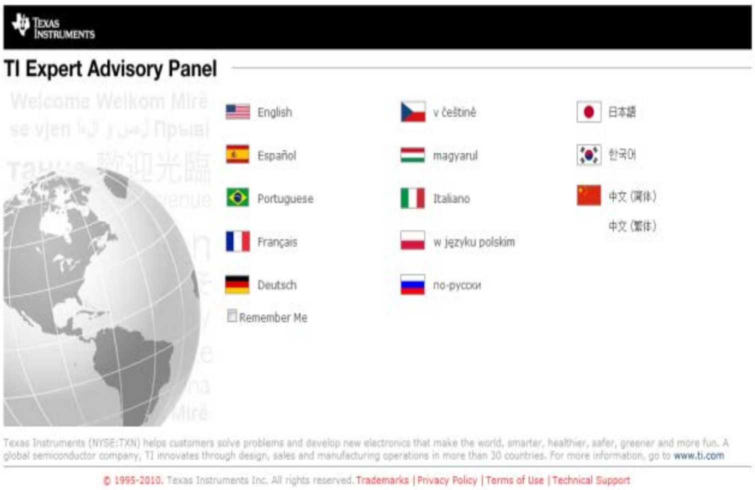


FIGURE 6, TEXAS INSTRUMENTS: IN LANGUAGE LOGIN

2. Select By Country

Metro International is a global newspaper with localized content in the cities and countries in which it operates. The nature of the business model for Metro necessitated an approach by country where the more intimate approach was more in line with the product Metro delivers each day. In this case, members are presented with the ability to select their country during the recruitment phase and henceforth are directed to a portal and login page specific to their country and language. (See figures 7 - 9.)

FIGURE 7, METRO INTERNATIONAL: COUNTRY SELECTION PAGE

FIGURE 8, METRO INTERNATIONAL: LANGUAGE LOGIN

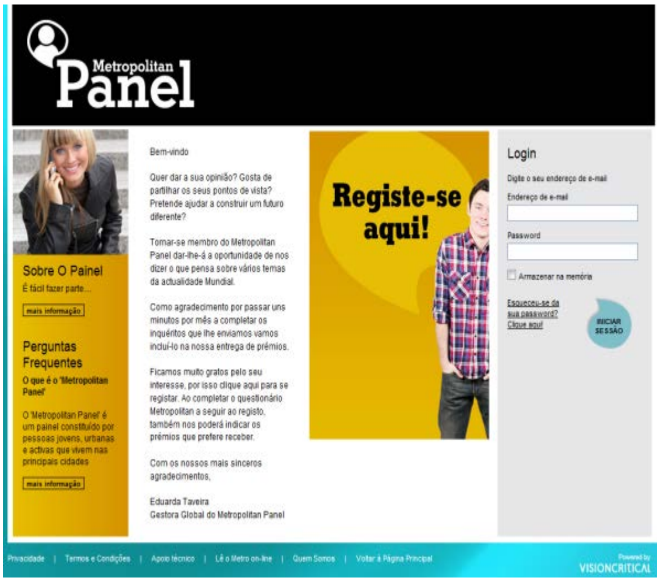
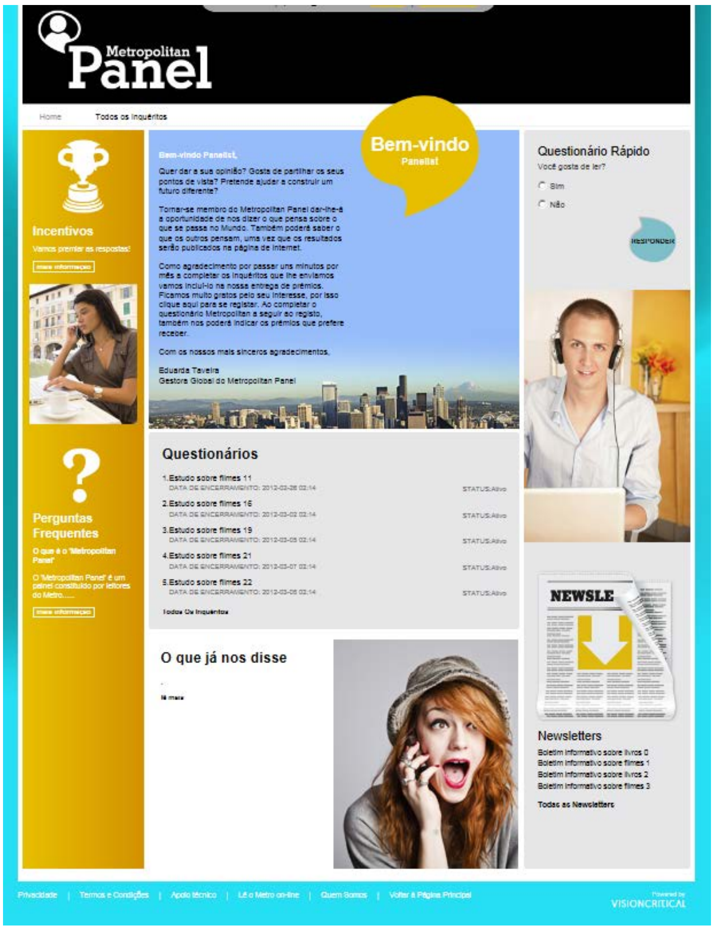


FIGURE 9, METRO INTERNATIONAL: LANGUAGE PORTAL



Incentives

Incentives are a common element of any community panel. At Vision Critical we stress the importance of both intrinsic and extrinsic incentives and try to avoid the use of straight monetary incentives as it can attract the wrong type of participant or give the wrong motivations to participation. Our philosophy centers on members having an affinity to the community panel where the feedback mechanism and purpose of the panel are of more importance. The Texas Instruments community panel operates on this premise and experiences very high response rates for a B2B population but creating relevant studies and feeding industry and product information back to members with no monetary incentives required.

In some circumstances, extrinsic incentives are necessary for the health of the community panel and goals of the client. Many of our community panels involve monthly or quarterly sweepstakes or draws to further incent members to participate. In the case of multi-national communities, this can become very complex due to legal rules and regulations that vary from country to country. In some cases, the draws can be designed, managed and fulfilled within each country.

In other cases a points system is implemented to reward members for participation in studies or activities they participate in; either each activity, a combination of activities or certain special activities. Our platform tracks participation allotting predetermined points for different activities, or different levels of participation within activities. Points can be significantly simpler to administer across multiple countries with different currencies and relative valuations. The Metro community panel leverages a points system, where the amount of points given per study is dependent on the time commitment from members, and based on the response rate and sample size required.

Localization versus Centralization

The degree of localization and centralization varies from client to client. By localization, we are referring to team members (client or supplier) and the design and execution of activities through the panel. There are varying degrees of localization and centralization on both of these elements.

The composition of the team working on the community panel is important to the operational execution of the many tasks involved. Team refers to both the end client, for whom the community panel is designed, as well as the consultants providing all or some of the enabling services to run the community panel.

Client involvement is key to the success of any MROC or Community Panel. In the case of international, multi-lingual communities, the offer is always strengthened with team members who are in the same geographic location as the participants. By being in location, team members are aware of the cultural nuances of the region whether it is the competitive set, the geographic landscape, economic conditions or elements of distribution. A local person will have the ability to represent the community panel member and view the various community panel activities and interactions through their eyes, thereby creating a more authentic and customized experience.

The product offering of Metro is highly specific to each country with content being generated on a local basis and user input being leverage to generate that content. As a result, Metro International has team members in each country managing the day to day operations of the community panel. These community panel managers are embedded in the Metro organization and have detailed knowledge and ongoing interactions with the members. This has created on the ground innovation in recruiting and engaging members in the process. Community Panel Managers for each country (not language) as it is very important to know the local issues, conditions, politicians, performers, and so on. Managers have great autonomy in how they engage with their members; innovation in engagement occurs at the market level and is shared among markets when applicable.

In some cases the research topics and product categories are much more standardized on an industry level, as is the case of technology related to semiconductors where there is not a lot of regional variations in the product or use of the product. Therefore, localized knowledge is not as essential to the day to day aspect of the community panel beyond the overall context required to set-up the panel. In this circumstance, the management of the panel can be more centralized.

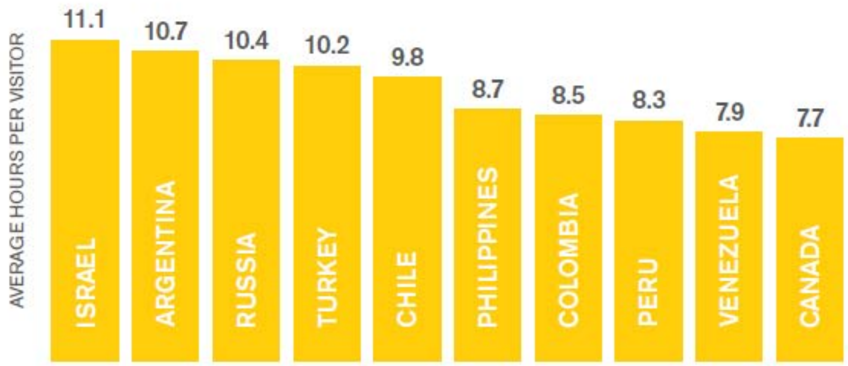
DIFFERENCES IN BEHAVIOUR BY COUNTRY

Multi-national panels provide an opportunity to examine differences in behaviour by country. We take advantage of these two diverse community panel case studies to examine some behavioral aspects by country related to social media and open ended questions.

Social Media Usage

Social media plays a significant role among all TI members with high usage of social media that plays a role in the job and purchase decisions. This is especially with members from Latin America, which lines up with statistics on social media usage for the region amongst the online population. More than eight in ten of the world's internet population over the age of 15 logs on to a social networking site. (Comscore, 2011). Latin American countries accounted for five out of the top ten most engaged social networking countries. The United States is noticeably not in the top ten. Latin Americans have adopted all aspects of the social web which reflects the social culture of the region. (See figure 10.)

FIGURE 10, TOP 10 MOST ENGAGED MARKETS FOR SOCIAL NETWORKING



Source: comScore Media Metrix, October 2011

For Latin American members of the TI community panel, past week usage of social media usage is similar to American members, however, greater proportions of Latin American members feel social media helps them do their job better and influences purchase decisions for semiconductors – information very important to Texas Instruments and reinforcing the community panel method for interacting with technical design engineers. (See table 1.)

TABLE 1, SOCIAL MEDIA USAGE AMONG TI ADVISORY MEMBERS

Social Media Usage	TOTAL	USA	Latin American
Base=TI Members	n=764	n=492	n=170
Participate at least once per week in social media	67%	66%	69%
Social media platforms help you do your job better	63%	59%	72% ↑
Influence purchase decision in semiconductor products	34%	30%	44% ↑

Verbatim Responses

Cultural nuances are evident in conducting international research and multi-lingual research. For this analysis, we turn to the Metro International community panel and several studies using open-ended questions within their surveys. Metro has a mix of studies conducted at the local market level, as well as international studies that are conducted across all, or many, of their markets. Within one international study, we examined the comments provided to a generic open ended question "Have you done something extraordinarily nice for someone that you would like to share with us? If so, tell us and we may run it in the paper!" This question was asked in-language for the relevant markets included in this study (11 countries).

This analysis indicates there is not a strong relationship between providing a comment and the depth of that comment. Two countries are a possible exception: The Netherlands and Denmark. Both of these countries were below average for providing a comment and the number of characters within that comment, perhaps suggesting that they are less engaged with open-ended questions. (See table 2.)

The depth of the comments provided was greater for some countries than others. Portugal had the highest average (362), followed by Mexico, Russia, Canada and Chile. Referring back to Hofstede's cultural dimensions we can see some similarities between these countries. It is also postulated that, had the members been forced to communicate in English, the same depth of comments would not have been elicited. Several factors could be a play including language structure and cultural norms and attitudes.

To further understand this behaviour we turned to Hofstede's cultural dimensions (Hofstede, 1992) where it is well documented that cultural values greatly distinguish different countries from each other. These dimensions include: Power Distance, Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty Avoidance, and Long-term versus Short-term Orientation (only available for some countries and therefore not included). These dimensions are commonly applied in different business areas such as leadership, change management, customer service, marketing, and market research. Business and market research practices need to take into account these cultural differences to ensure an optimal atmosphere for gathering information.

TABLE 2, METRO INTERNATIONAL: OPEN-ENDED QUESTION BEHAVIOUR BY COUNTRY

Country	Total Respondents	% Providing Comment	Average Character Count
Sweden	304	38% ↑	160 ↓
Mexico	313	25% -	296 ↑
Hong Kong	105	24% -	29* ↓
Chile	1088	22% -	248 ↑
Russia	241	21% -	291 ↑
USA	282	21% -	221 -
Canada	567	18% -	289 ↑
Portugal	221	17% ↓	362 ↑
Italy	255	16% ↓	218 -
The Netherlands	416	15% ↓	172 ↓
Denmark	265	15% ↓	176 ↓
Average	na	21%	224

**Note: Hong Kong is difficult to compare directly with other regions given it is a character-based language.*

Character counts per verbatim were compared against scores on the cultural dimensions. The dimension having the greatest relationship with verbatim character count is Individualism versus Collectivism. For almost all countries rating high on individualism, the character count was below average. For almost all countries rating low on individualism, and therefore high on collectivism, the character count was above average, the two exceptions being Canada and Hong Kong where the relationship would appear the reverse. Given the topic of the verbatim question were examples where members had performed acts of kindness for others, there is some logic to the relationship. (See table 3.)

TABLE 3, METRO INTERNATIONAL: VERBATIM CHARACTER COUNT ANALYSIS BY COUNTRY

Country	Ave Character Count	PDI	IDV	MAS	UAI
Portugal	362	63 ↑	27 ↓	31 ↓	104 ↑
Mexico	296	81 ↑	30 ↓	69 ↑	82 ↑
Russia	291	93 ↑	39 ↓	36 ↓	95 ↑
Canada	289	39 ↓	80 ↑	52 -	48 -
Chile	248	63 ↑	23 ↓	28 ↓	86 ↑
Average	224				
USA	221	40 -	91 ↑	62 ↑	46 -
Italy	218	50 -	76 ↑	70 ↑	75 ↑
Denmark	176	18 ↓	74 ↑	16 ↓	23 ↓
Netherlands	172	38 ↓	80 ↑	14 ↓	53 -
Sweden	160	31 ↓	71 ↑	5 ↓	29 ↓
Hong Kong	29	68 ↑	25 ↓	57 -	29 ↓

Two other dimensions also appeared to have a relationship with the number of characters in the open ended comments; Power Distance (positive relationship) and Uncertainty Avoidance (negative relationship). Cultures scoring high on Power Distance accept a hierarchical order in which everyone has a place and this fact requires no further justification, while those rating low on Power Distance strive to equalize the distribution of power and create greater equality. Cultures scoring high on Uncertainty Avoidance maintain rigid codes of belief and behaviour which may have reinforced their behaviour. Once again, Canada and Hong Kong are the exceptions to these relationships.

A greater understanding of these culture dimensions and how they influence participation and involvement in community panels may help clients and suppliers better understand engagement and how to maximize engagement or interpret engagement across different countries and cultures.

SUMMARY AND IMPLICATIONS

Clients can greatly benefit a multi-national community panel where they are able to better understand the different markets in-depth through a community panel. Clients can decide to have a multi-national community panel in one language to save on costs and to create efficiencies. However, this brings with it some disadvantages, such as less representative members of your panel, issues surrounding comprehension of questions and expression of responses. In all cases, data quality can be compromised leading to potentially inaccurate results. To authentically interact with these markets, communication in the local language is recommended.

Multi-national community panels done in-language are multi-faceted engagements that require a great deal of consideration. These considerations involve complex trade-offs between costs, timing, speed and effort. As described earlier, a great many of these decisions revolve around language: languages and variations, translation process, localization and centralization.

When a client decides to have multiple languages, other decisions about language arise, such as which languages to include and which variations of these languages. Clients need to keep in mind that each additional language brings with it associated costs in translation across the different communication points (e.g., surveys, portals, discussions, comments/posts, newsletters). Even within a language there can be demands to include different variations of a language (e.g., Spanish) which exist across different continents, countries and regions within a country. The increased use of a global or standard version of a language can help to balance the demand for multiple versions of a language but have to be considered on a case by case basis taking the characteristics of the company and product category into account.

There are several mechanisms available to clients for translation each with their own trade-offs for cost and quality; outsource, in-house, and automated programs. Translation through professional translation companies has the highest cost but provides the highest quality. Translation through internal resources varies greatly from company to company and region to region but can be a viable alternative. Translation through automated software programs is fast and cheap but is low on quality which is a risky approach for global brands where expectations are high. A combination of approaches can be used. This also applies to QA for all translated materials, as quality comes at a cost.

Incentives on multi-national panels are also complex due to different rules and regulations in each country. The most simple approach and cost effective approach is to have no incentives, however, this does not work for all brands or categories. A high profile brand within an engaging category can often keep engagement levels high with intrinsic incentives and a sophisticated member feedback program. For less engaging categories (e.g., insurance), this will be difficult to achieve. Draws or sweepstakes are possible in some countries but require a localized presence and knowledge to successfully implement. On the other end of the scale is a points system, where members gather points based on their participation levels in different activities. This comes with a higher cost for the client and therefore must be carefully balanced and evaluated prior to implementation.

A centralized versus localized approach to designing and executing multi-national community panels is dependent upon several factors including the organizational structure, product category and customer profile. Local team members provide knowledge of cultural and regional nuances such as the competitive set, geography, economic conditions and distribution channels. However, some research topics and product categories are much more standardized and can be successfully managed via a centralized model.

In conclusion, multi-lingual community panels spanning several countries are worth the time and effort. They provide invaluable information to clients about diverse relevant markets and provide that information in a fast, flexible and cost effective manner. Client engagement is as important as member engagement and both are important factors to the success of the insights emerging from the community panel. The establishment of centralized versus localized models of client involvement are dependent upon the organizational structure, product category and customer profile. With careful consideration of these factors within the context of the organization, product and customer base, clients can gather rich information on global markets to enable them to navigate the continued globalization of their business.

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SHOULD LATIN AMERICA FALL IN LOVE WITH SHOPPER MOBILE RESEARCH?

Armando Mora • Fabio Martins

INTRODUCTION

The smartphone revolution has taken the world by storm. As people leave the shackles of their desks and computers, more and more are using just their phones to access the Internet. In developed countries, smartphones are reaching unprecedented levels of penetration: a recent Ipsos On-line survey conducted in October 2011 revealed that in Great Britain, for example, 48% of people use a smartphone.

In Brazil, half of the sales of mobiles were smartphones in the last six months. Perhaps what is more interesting is that smartphone usage in some emerging countries is even greater: for example, smartphone usage in China has reached 56% and in India 59%. Latin America is well on its way as well, with 25% of Brazil and Mexico using smartphones and substantial growth expected. For emerging countries, smartphones underpin a skip forward in technology which many markets, including those in Latin America, will use to close the gap to more developed markets. Many people in emerging countries who do not own a computer will be purchasing the next HTC or iPhone. This generates a pattern in Latino societies in which the pattern followed by other markets of a gradual technological transition, for example from fax machines to computers to mobile phones will be skipped: why bother with a fax when you can get a smartphone?

This is a life changing paradigm. In countries where communication was a restraint due to poor infrastructure and lack of internet, now people will be able to be connected all the time, speeding transactions, exchange of vital information, resourcing, learning new methods and benefiting from all the goodness that comes with the connected world. The result will undoubtedly be a seismic shift in productivity the likes of which we observed with the introduction of the phone.

SMARTPHONES AS RESEARCH TOOLS

Smartphones have some key features which allow them to be anything anyone desires. Through the advent of applications, developers have managed to turn a phone into a portable supercomputer which is fit for any task at any time. The terminology "there is an app for that" has become common sense when referring to smartphones. Can you, therefore answer the question: Can we do market research with mobile phones? (Answer: "there is an app for that!")

Some of the key features which enable smartphones to become a research tool unlike any other range from:

- Its online connectivity;
- Its ability to record images, sounds and text input;
- A camera which can be used for almost anything, from simple photo taking to a bar code scanner;
- A GPS which allows for pin point accuracy;
- Accelerometers which allow for movement detection, etc.

When you put these features together we are suddenly able to ask any online survey to any respondent with a smartphone anywhere they go. This survey can contain all sorts of media from multiple choice answers, to open ended answers, to photos and videos, to product bar codes and even a GPS location of the respondent.

In short, the smartphone is the ultimate research tool - and respondents carry this tool with them wherever they go! It is always on and always with them!

There is still more to come from these little machines: whilst the leap to smartphones offers an opportunity to gather innovative information enabling us to ask ever more subtle and complex (disagree – not on a smart phone) questionnaires, it will undoubtedly allow for significantly higher-quality data in Latin America. One of the examples we will observe later will relate to one of the most significant challenges in research: how do you ensure that the interviews in the field actually took place where the interviewer says it did? How can we check? Another example is that smartphones allow us to be in places where it was at best complicated and at worst impossible to be with respondents: for example, mobile can be used to catch consumers at their moment of truth, explore geographical regions that were otherwise off-limits and connect with hard-to-reach groups (including those who were not reachable through home computers), or even connect and ask questions to respondents as they go through their daily routine.

Still, before falling in love with the idea of mobile research in Latin America, we need to look at what is practical and desirable through this medium, including the current state of mobile usage among Latin Americans, under what circumstances mobile research is most effective, and how the researcher can ensure data quality.

The next section of this paper explores some of the basics in infrastructure and penetration which will truly enable mobile research to take of in LATAM.

STARTING POINT

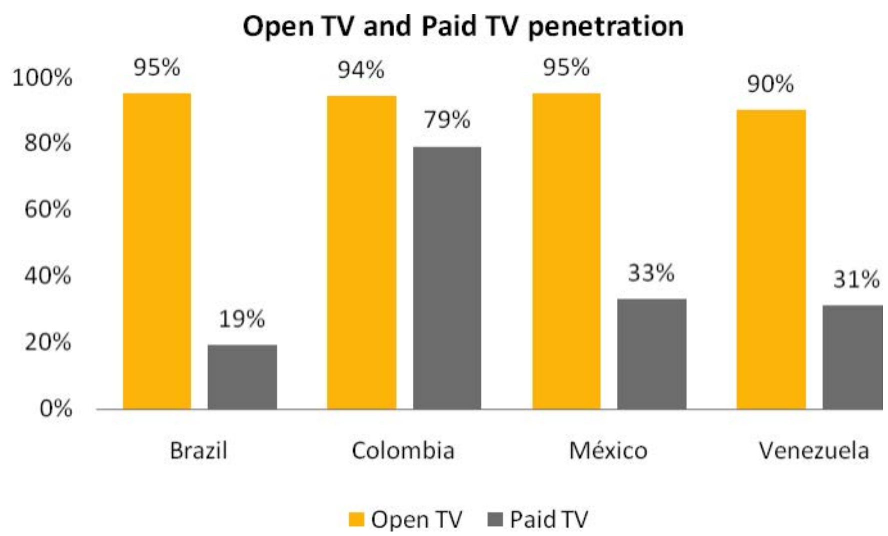
The primary features of human civilization are to communicate and be active members of a society. With the invention of telephones and mobile internet, human interaction has changed in many ways: both services make communication easier, faster, more interactive, and – most important – fun. Yet, the communication itself depends on two parties having the tool, can you talk to yourself? If only you have a phone who do you call?

HOW IS TV PERFORMING?

A TV is certainly found in almost every Latam household, watched by all the family members at different moments of the day. Approximately, in Latam countries we watch TV for 3 hours and 54 minutes. If we visit ten households, nine of them will have a TV.

Paid TV is increasing its participation. Different players are entering the market, making it easier for households to decide if they want a particular service or not. Colombia is the Latam country of higher paid-TV penetration, followed by Mexico and Venezuela.

FIGURE 1, OPEN AND PAID TV PENETRATION



RADIO

In the past, the numbers of TV broadcast and radio stations were traditionally a good indicator of the development and openness of a country. However this media has lost relevance since cable TV, mobile phones and the internet become the main source of entertainment and information.

Radio has a high penetration in Latam, especially in rural areas (~100%), even without electricity. The community radio stations media plays an important role contributing to the evolution of indigenous.

- Brazil: Radio broadcast stations: AM 1,365, FM 296, shortwave 161 (of which 91 are collocated with AM stations) (1999)
- Colombia: Radio broadcast stations: AM 454, FM 34, shortwave 27 (1999)
- México: Radio broadcast stations: AM 851, FM 726, shortwave 15 (2009)
- Venezuela: Radio broadcast stations: AM 46, FM 131, shortwave 3 (2008)

According to a recent Ipsos survey conducted in 2010 in Mexico (26,700 interviews in 27 cities), Radio is the second most important media with a 67% of daily average audience.

In specific targets, as Mexico City executives, we can see that there are two prime times, from 6 to 9 am and from 6 to 8 pm, that would be the schedules to go to the office and return home, respectively.

Eighty-seven percent of the Mexico City executives listen to the Radio in the car and because of their journeys, the average time of listening to the Radio is 3.7 hours per day.

NEWSPAPER

Newspaper circulation has been falling around the world for decades, however in the past few years the web has hastened the decline.

In many countries, the newspaper industry is suffering a financial crisis and for that reason some companies are obligated to cut costs and have turned to Web-only publication.

The big challenge for this industry is to find ways to make money from a growing online audience that use to read the paper for free. (See table 1.)

TABLE 1, TOP 20 US NEWSPAPERS: PRINT CIRCULATION (SIX-MONTH PERIOD ENDING IN MARCH 2009)

Newspaper	Daily Print Circulation	Six Months Ending March 2009
USA TODAY	2,113,725	-7.46%
The Wall Street Journal	2,082,189	0.61%
The New York Times	1,039,031	-3.55%
Los Angeles Times	723,181	-6.55%
The Washington Post	665,383	-1.16%
New York Daily News	602,857	-14.26%
New York Post	558,140	-20.55%
Chicago Tribune	501,202	-7.47%
Houston Chronicle	425,138	-13.96%
The Arizona Republic	389,701	-5.72%
The Denver Post	371,728	NA
Newsday	368,194	-3.01%
The Dallas Morning News	331,907	-9.88%
Minneapolis Star-Tribune	320,076	-0.71%
Chicago Sun-Times	312,141	-0.04%
San Francisoc Chronicle	312,118	-15.72%
The Boston Globe	302,638	-13.68%
Cleveland Plain Dealer	291,630	-11.70%
Detroit Free Press	290,730	-5.90%
The Philadelphia Inquires	288,298	-13.72%

Source: Nielsen Online and Editor & Publisher.

Notes: Figures are for six months ending in March 2009 compared to same period in March 2008. Averages are for Monday-Friday readership.

INTERNET

As previously mentioned, the main use of internet is for social interaction. E-mails, chats and social networks are the main activities carried out on this platform. Colombians do other activities more intensively compared to Mexico and Venezuela. They read newspapers, watch videos on YouTube, meet people and use their computers as a phone. Mexican users download music, videos and movies, browse and search websites, and read blogs. (See table 2.)

TABLE 2, TOP 20 US NEWSPAPERS: PRINT CIRCULATION (SIX-MONTH PERIOD ENDING IN MARCH 2009)

	Colombia	Mexico	Venezuela
E-mail	71%	74%	73%
Chats	56%	46%	47%
Social network	64%	41%	22%
Download music, videos, movies	36%	54%	18%
Browse and search websites	11%	51%	31%
Listen to music	33%	34%	13%
Read newspapers	49%	6%	0%
Share pictures	26%	8%	5%
Blogging / building websites	19%	14%	3%
Watch videos on YouTube	29%	0%	0%
Meet people	27%	0%	0%
Talk over the phone	21%	2%	0%
Upload videos	14%	4%	2%
Financial services	13%	4%	0%

PHONES

As we have seen earlier, there are countries where mobile phones have caused a landslide change in the culture. Take India, a developing and emerging market with around one billion people. Connecting all these people is no easy task, an estimate in 2010 noted that India had 0.03 telephone landlines per person, in other words, one phone for every 33 people. Contrast that with Argentina where there is a phone line for every four people or the United States with around one line for each two people.

If we take these same countries and compare what is happening in mobile telephone the results are staggering: in India there is one mobile for every 1.5 people, in Argentina for every two people there are two phones and in the United States for every 10 people there are 11 phones. It is clear from this data that mobiles phones in emerging markets are leaving older technology in the dust.

BUT NOT EVERY PHONE IS SMART

There are two concerns when we are looking at the phone market. The first is the type of phone. There are several definitions in the market of phone, from the very basic which provide calling abilities and SMS to the smartest which carry all the features required even for the most complex research. However, do not be fooled by the simplicity of some phones, for even the simplest phones can still do certain types of SMS survey.

The second concern is the plan, in other words, would people be paid to answer the research and therefore we must include certain additional incentives, versus having a post-paid plan which already accounts for usage. Depending on which plan is available there are different operational considerations which are very important.

In the following Latam countries, 89% of the users have pre-paid plans, which help them determine how much they are willing to spend and how often they want to add more minutes (table 3).

TABLE 3

	Brazil	Colombia	Mexico	Venezuela
Mobile Phones	202,900	43,711	97,086	26,986
Land line Phones	42,000	6,809	19,719	7,286
Pre-paid	82%	80%	91%	94%
Plan	18%	20%	9%	6%

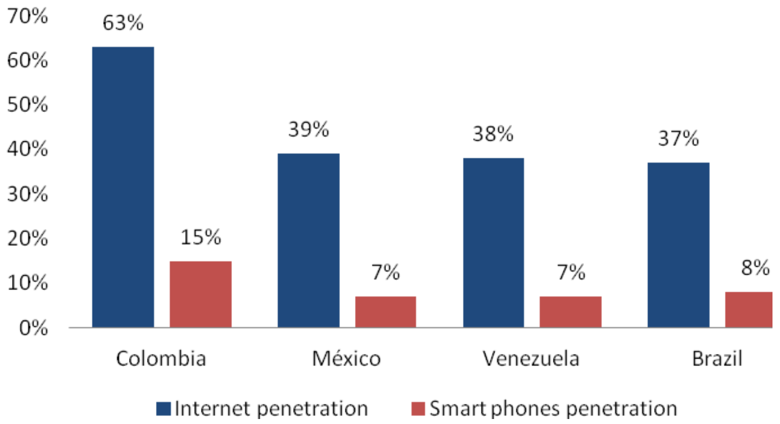
Phone lines

Brazil: information as of 2010

Colombia, Mexico, and Venezuela: information as of September 2011

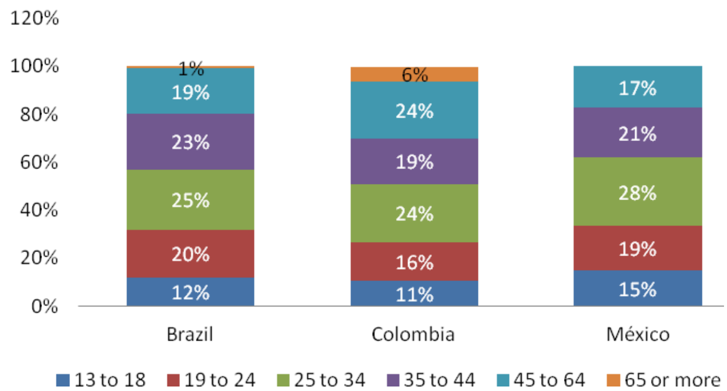
Moving forward to a different technology, we find that the internet is becoming a useful tool for many people. The increase of internet at households and offices has changed the way users look for and share information. For this reason, its penetration in different Latam countries is increasing every year. Smartphones with access to the internet are increasing their participation on the mobile market since users – mainly business executives – are noticing their benefits.

FIGURE 2, INTERNET AND SMART PHONE PENETRATION 2011



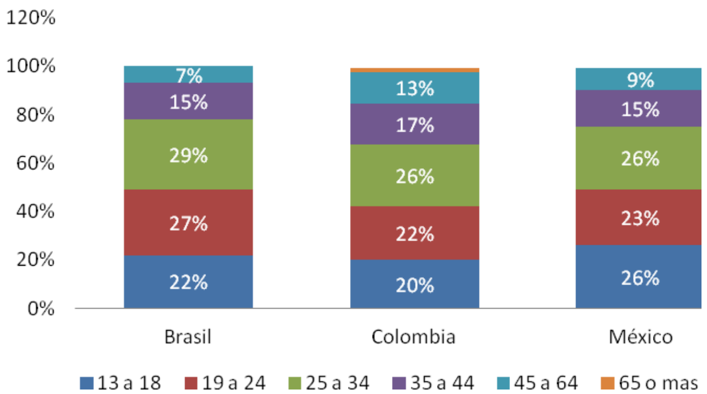
WHO IS USING THESE TECHNOLOGIES?
We find mobile users of different ages. The use of mobile phones is starting at a younger age, while in past only the older consumers had access to this technology due to its investment costs. For Latam countries the core of mobile users is between 19 and 44 years old. Colombia is the only country where we found that a significant share of elders use mobile phones.

FIGURE 3, MOBILE PHONE USERS



Given the nature of the internet, we find a balance of users between children and young adults. Children are increasing their use of internet while young adults must enter this new technology, else they become obsolete. When young adults and adults realize the benefits that the internet provides them with, they use it more often. (See figure 4.)

FIGURE 4, INTERNET USERS



DIFFERENT USAGE FOR THESE TECHNOLOGIES: MOBILES

Mobile users are taking advantage of the different functions that their handsets provide. In past years phones were used only for communication purposes; currently, they are the primary means of interaction with each other, substituting older devices. The main activities for mobile users are text messaging, taking pictures, listening to music in portable formats as well as radio stations, and videotaping.

Colombia is the country most advanced in smartphone usage. They are the main users of internet browsing through their phone, sending and receiving e-mails, watching videos, chatting with friends, and connecting to social networks (e.g. Facebook and Twitter).

TABLE 4

	Colombia	Mexico	Venezuela
Text messaging	82%	75%	0%
Taking pictures	56%	35%	44%
Listening to music in portable formats	55%	18%	15%
Listening to radio stations	47%	11%	14%
Videotaping	43%	0%	25%
Playing games	0%	18%	37%
Internet browsing	37%	6%	7%
Stock up or transfer files	0%	9%	31%
Receive information / promotions	0%	19%	18%
Bluetooth	0%	11%	24%
Receive and send e-mails	29%	0%	0%
Download ringtones	0%	4%	24%
Watching videos	21%	0%	2%
Chatting with friends	22%	1%	0%

WHAT CAN MOBILE OFFER US?

The rich feature set in mobiles has allowed research applications to be able to tap them and turn them into incredible data collection tools. At Ipsos we have identified four key areas of interest for mobiles in shopper research. However, each has its own particular set of challenges and issues. Each of these areas of interest will convey the answers to key business questions which clarify moments of consideration, shopping and consumption; will help us reach even the most specific sample of consumers and shoppers; will allow for unprecedented level of detail and data quality to drive sales; and finally will allow for a combination of qualitative and quantitative techniques to work together in an unobtrusive and fun way which may revolutionise research.

The first area of interest uses some of the unique features on mobiles to allow us to gather data which often times eludes traditional research methods. The key business issue tackled here relates to how we can influence shoppers most effectively in their path to purchase. In order to be able to ultimately impact the sales it is important to map the shopping journey and to evaluate what happens when. Whilst mobiles may be a data collection tool, they allow for information which could not be collected in any other way.

For example, it is a well-known fact that the closer to an occurrence the more accurate people will report that event. Therefore, the best data collection is that which takes place almost concurrently with the event. This is where mobiles have an unfair advantage for respondents carry their phones with them the entire time and are ready to report on events as they take place, increasing data quality and even capturing events which oftentimes went unreported. If we can discover what shoppers are doing, for example, consuming a product or shopping for a product, and we can connect that information chronologically we will now be able to more precisely identify moments of truth, moments of consumption and all that can be influenced in between. As mobiles are able to capture timestamped data and GPS location we are suddenly able to use this research tool to allow us to capture a very accurate “when” and due to years and years of experience, the market research industry is in a unique position to be able to ask the most effective questions to uncover exactly “what” consumers are doing.

The second area of interest solves another very important business issue: finding even the most hard to reach respondents. As products and services become more specialised, they segment the consumers more and more. This, in turn, results in ever smaller numbers of people driving the cost of finding them ever higher.

Two recent factors are making this a trivial problem: firstly, as mobiles can be used for even the simplest questionnaires to the most complex online (can't ask complex questionnaires on phone) questions we are able to ask anything of anyone using a phone; secondly, as penetration of phones reaches full population, it is becoming easier and easier to connect even with the hardest to find people.

The third business question is possibly the one in which mobiles will cause the greatest impact and it deals with discovering and auditing the different retail locations. Because of the unique features available in smartphones, such as cameras, internet and GPS we are now able to ensure data accuracy and quality whilst at the same time gaining the ability to survey the quantity and quality of possible outlets. With this information companies can more effectively plan, monitor and distribute their sales efforts.

The final business issue deals with one of the aspects closest to the heart of any research: does the process of research affect the result? There is some evidence that leads us to believe that the presence of an interviewer may impact the respondent. Therefore, using someone's phone, an object which people always have on them and consider personal, is a great alternative to getting closer to the reality. At this point the reader may think that this has already been solved with observational techniques. However observation is limited. Observation only allows us to infer what is happening and does not allow for asking anything of the respondent. An approach which uses smartphones could prove an interesting and effective bridge between these two worlds.

The best way to relate to these questions is to bring some real examples which can outline and highlight the challenges and issues allowing us to draw parallels with its usage in LATAM.

SMARTPHONE USAGE IN THE WORLD

The Smartphones is transforming the way how consumers connect and live their lives. Nine out of ten use their Smartphone throughout the day and these serve as pocket PCs and extend desktop experience.

Ninety-three percent of smartphone owners use their smartphones while at home and 72% while consuming other media.

Smartphones have become an indispensable shopping tool and are used across channels and throughout the research and decision-making process. Tables 5 and 6 provide interesting smartphone figures.

TABLE 5, TOP 10 COUNTRIES SMARTPHONE PENETRATION

Country	Penetration
Singapore	54%
Canada	39%
Hong Kong	35%
Sweden	35%
Spain	35%
USA	35%
Australia	33%
Norway	33%
New Zealand	33%
Denmark	31%

TABLE 6, SMARTPHONE DEMOGRAPHICS

Gender and Age Group	Penetration
Male	53%
Female	47%
13-17	6%
18-24	17%
25-34	27%
35-44	22%
45-54	15%
55-64	8%
65 +	4%

TABLE 7, TOP FIVE WORLDWIDE SMARTPHONE VENDORS (Q4 2011 MARKET SHARE)

Vendor	Q4 2011 Market Share
Apple	24%
Samsung	23%
Nokia	12%
Research in Motion	8%
HTC	6%
Others	27%

CASE 1, AUDITS

The first case study we will focus is on surveying and auditing retail locations. There are two aspects of this case study which make it particularly relevant to this paper. Firstly, the study took place in an African country which, especially the traditional trade reality, can be very analogous to the realities experienced in LATAM. Secondly, this study was dealing specifically with the uncovering, mapping and auditing of retail locations. It is no secret that in all of LATAM information about retail point of sales is sketchy. The traditional trade particularly is notoriously difficult to map.

It is very important to understand the situation experienced in African research and how this is very relevant to LATAM. For example, key issues which one often comes up against range from data quality to fieldwork checks, moreover other steps in the process such as coding, punching still are heavily manual.

In the specific case of this study, these issues were compounded by the nature of the studied subject. Traditional stores spring up from the back of a person's house and can quickly become a community centre. The client was looking for a way to improve sales and maximise the effort of their sales staff.

Finally, this study was particularly interesting for it did not require respondents to have a smartphone, instead, the researchers themselves took the research tools to the locations.

For this study the smartphone was a key criterion of success. The advantages it brought were clear:

- The internet connection allowed for data to be captured in real time at the location of the retailer;
- The camera allowed pictures of the retailer and its facilities to be recorded and attached to the data captured;
- The GPS located the interview and the retail location providing a precision never before witnessed;
- Because Smartphones are really computers, this is connected through a time stamp and seamlessly integrated.

It is easy to see why smart phones are ideal for this type of research: they are, at the same time, great research tools but also an amazing quality control and data accuracy certifier. Moreover, due to the electronic nature of the data, immediate reporting and real time data are a reality.

During the pilot for this study around 300 interviewers were hired to roam selected areas of the capital and record the details of the retail locations across the city. In 20 days 40,952 stores were recorded, 37,669 GPS coordinates were verified and 40,776 photos were taken. The most expressive result, however, was that 4,476 previously unknown stores were uncovered, or just over 11% of the sample.

From these results it is clear that the power to execute this type of research, even in remote, underdeveloped areas is incredible.

CASE 2

The second use of smartphones for research to be highlighted is that of mobile diaries. Smartphones are at their best in research when information needs to be gathered at the moment that it is happening. Consumption of media, products and services can take place in a myriad of locations and most times far away from the time when a respondent is able to record accurately the event. This is one of the reasons why confectionary companies are particularly averse to diaries, for it is rather difficult to truly record all consumption occasions of candies.

Mobile research holds an unfair advantage in our modern age. People carry their phones with them all the time, anywhere. Many people sleep with their phones next to them and would not dare leave their desks without their phones. Therefore they are an ideal tool to connect with respondents overcoming so many of the hurdles faced by traditional research methods.

The power of mobiles in people's lives cannot be more highlighted than at a recent article published about behaviours of American consumers during their most important sporting event: the Super Bowl.[1)] Researchers measured application (app) usage on mobile phones during the entire game and its entertainment.

The first amazing finding is that app usage was nearly as large as the actual TV audience - 98 million apps occurred during the event versus an audience measurement of 111 million viewers. In other words, the mobile smartphone explosion we are seeing across the globe is making this device as important as the leading TV event in the United States.

The second amazing finding is that app usage dropped off ONLY during the half time entertainment provided by Madonna (the lowest app usage).[2)] Even when the game started, or scoring was taking place, consumers failed to stop their interaction with their mobile devices.

The conclusion of these numbers is that our world today takes place in multiple screens. In this reality can we really hope to engage consumers with a phone call, a face to face interview or even a time consuming electronic interview?

The emergence of mobile phone research has led researchers to ask themselves important questions about their methods and engagement. The first conclusion is that a rich collection technique (making use of interactivity as often as possible) is a must in the modern world in order to capture moods, environments, decision and experiences.

CASE 3: HOW IS THIS RELEVANT TO HOW YOU SHOP?

In the United Kingdom a very powerful exercise was conducted in 2011. Ten people were recruited. They all owned smartphones, they were aged between 23 and 40 years and they were all average shoppers and consumers of goods and services, a typical sample of any research.

The respondents accepted the installation of an application on their phones which allowed for a channel of communication to be open between researchers and respondents. Imagine this as an accompanied shopping trip done virtually. This study generated a powerful discussion about the implications of the presence of researchers and the impact that the interaction with consumers can have versus the interaction with familiar and personal objects, such as your personal phone.

The results of this study were clear. Respondents were much more open about their opinions using vocabulary which they may have otherwise shied from had they been accompanied by a stranger. Moreover, respondents were more observant and enjoyed the tasks they were given, such as photo taking, looking for specific products and even commenting on their perceptions through the shopping process.

LEARNING FROM THESE CASES

In order to be able to take a step back and understand the implications proposed in this paper we have created a summary which highlights three Do's and 3 Don'ts associated with the future of research.

Don'ts

1. *Don't underestimate the market.*

As we have seen in the first section of this paper, it is clear that LATAM is still a little behind the rest of the world, but that will not last … A recent article on Globo TV in Brazil claimed that as of June 2011 there were more mobile phone lines in Brazil than people: 190 million people versus 227 million mobile phone lines.[3)] According to this same study 27.2 million phones in Brazil have internet access and it is estimated that within five years there will be at least two mobiles for every person. In a recent report by GSMA[4)] it is estimated that mobile internet will be as ubiquitous as mobiles in Brazil - that is three years from now. Contrast this with the five to six years that it has taken the United Kingdom to get to 38% penetration of smartphones.

2. *Don't get it wrong.*

The online space has re-defined industries and created modern mammoths (Google and Facebook may be the best poster children of this age). The mobile space will be dominated by many of the same principles of agility, fun, reward, personal and competitive edge. In figure 5 we see the two key players in the social space between 2006 and 2008, the first time put some serious competition versus the reigning king, MySpace. Figure 6 shows the complete story. MySpace got it wrong and went from being double the size of Facebook to being less than 20%.

FIGURE 5

Alleyinsider.com. Source: comScore

FIGURE 6, MYSPACE: U.S. MONTHLY UNIQUE VISITORS

3. Don't forget it's not all about the respondents, researchers can be even more important.
Just as the case study above showed - it is not mandatory to have your respondents owning the latest and greatest phones, even before that you can empower your own teams to deliver improved quality at competitive costs.

Dos
1. Do act now: plan, adapt and re-think.
The average screen size in a computer is 15", the average for a phone is 3". This poses an immediate restriction: what works on line may now (will not!) work on the small screen. Therefore, planning how to operate in this smaller world, adapting questionnaires and questions and re-thinking methods is vital: would question types which require real estate (attribute ranking, concept evaluation, tasks, etc.) work?

2. Do explore what makes mobile unique.
Never before have we been able to be present at the moment where things happen: being with shoppers whilst they shop, being with fans as they experience their events, being with consumers as they use their brands and experience usage. The possibilities are endless.

3. Do it!
One thing is clear. Mobile is the future of telecommunications and personal devices. At the end of 2012 the iPad sold more than any PC manufacturer and a Cisco reports claims that by 2016, there will be 1.4 mobile devices per capita[5)] - whilst they reckon that it will be in 2012 that the number of mobiles will exceed that of humans.

HOW IS THIS RELEVANT TO SHOPPERS AND THEIR PATH TO PURCHASE?

In modern times we have grown used to an untold number of touch-points for advertising and media. From the largest to the smallest screens, from the most broadcast to the single cast messages, we have never had an age of such advertising pollution. However, this revolution has only just now started to affect the way people shop (especially for grocery and FMCG). In the United Kingdom, although seeing significant growth, online grocery purchases only account for around 3.2% of total grocery sales.[6)]

Therefore, the world of technology and connectivity has mostly missed that of shopping. Therefore, this is one of the markets which will experience the most value from being with the shoppers throughout the process, one of the key success criteria of mobile. This marriage made in heaven will be even more formidable when evaluating how shoppers move through their path to a purchase.

Mobile can effective be relevant and unique in each of the stages of this complex process uncovering insights and previously inaccessible information at each step.

FIGURE 7

TO SUMMARISE

- Increasing Smartphone penetrations has opened up the use of mobiles as a better, more relevant data collection tool, particularly when you want to capture the moment, largely without interview effect.
- The mobile features often allow more exciting outputs which bring the respondent's situation to life to provide greater insights.
- However, surveys must be redesigned to cope with the new data collection tool and to appeal to the `hard to find `respondents', i.e. short, simple, in the moment research.
- Mobiles are leapfrogging other technology through wider availability leading to their owners being always connected.
- Smartphone penetration growth is growing and phones are being passed down within families thereby extending their reach.

FOOTNOTES

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APPENDIX

The rise of mobile technology is sweeping away old technologies, as has happened to basic phones, which are being substituted by mobile phones in households. Reasons for this include the latter's lower price, further uses and portability, since mobile phones can be carried with us wherever we go.

Researching in the age of connectivity

Mobile technology has the potential to change the face of research as we know it – yet we must understand its possibilities and limitations before leaping forward.

As the 21st century unfolds the market research industry is faced with some paradigm shifting realities. How can you find respondents? Would you answer a phone survey that takes 30 minutes? Would you be willing to stop your life and take a couple of hours for a U&A? As brands target ever younger consumers how can we engage them? Does the market research industry even know how to talk to this newest generation which considers even email as old fashioned?

Moreover, the marketing strategies employed by companies and brands has the unfortunate result of saturating the market place to a point where the distinction between brands becomes so subtle that consumers rely purely on their emotional response to advertising to continue to consume. The saturation of the market place has a very negative impact on research.

Moving into research

The Market Research Industry has, traditionally, not been associated with the very cutting edge of technology. The idea of equipping interviewers with expensive electronic devices to do a job which pen and paper does nearly as well is a common sight in this industry. Having said that, a few innovators have always tried to change the industry and move it closer to the technological paradigms.

The industry has dabbled into using the cell phone previously. At the dawn of cell phones, some companies tried to do SMS interviewing, but the automated tools for decoding responses had not existed whilst at the same time data plans were still charging for SMS, making respondents effectively pay to be researched. This ineffective formula caused many to dismiss the cell phone as a research tool.

However, the paradigm of smartphones has brought about a unique condition: the research device is no longer in the hands of the interviewer, instead it is with the respondents!