

**Internet leading in market research**

- GfK 53% of the total surveys conducted at world-wide level in GfK are performed online**
- GfK In CEE countries, the number of online surveys went up by 55% in 2010 compared with 2009.**
- GfK The Internet penetration rate in Romania – grew from 17% in 2005 to 43% in present.**

**Internet in lead**

GfK Romania, using Internet Monitor, continuously tracks the Internet penetration rate evolution in Romania. Latest years' figures are very encouraging, thus opening the way for agency and research clients to use online research.

**The Internet penetration rate in Romania experienced a sustainable growth from 17% in 2005 to 43% in 2011.**

In the urban area the Internet penetration rate is even higher, accounting for over half of the population. The bigger the size of the city, the more the households with Internet access. In Bucharest and in other big cities the Internet access rate is on average 62%.

The growth of internet penetration rate in urban has important implications for market research, related to the degree with which the results of an online study can be extrapolated to the entire population depending on the Internet penetration rate.

Regarding the profile of internet users in urban, if in 2005 they were mostly young people – almost three quarters being 15-34 years old – now, in the past couple of years mature people have adopted Internet much faster.

**In 2011, 74% of users are aged 18-44**, a more frequently approached target in market research. The percentage of Internet users has grown including among seniors from the age segment 45-54, from 9% in 2005 to 13% in 2011.

The reasons for this change in percentages of users by age segments can be various : internet usage for professional purposes besides personal ones by professionally active

people, the development of the Internet with useful information for the mature target as well, a wider opening in adults' attitude towards the Internet or simply the consumers' need to adjust to modern trends.

**The education level of the urban Internet users is higher**, a maintaining trend that is emphasized in 2011 compared to 2005.

In 2011 compared to 2005 some geographic regions have recovered the penetration rate, which makes the distribution of the urban Internet users to be more geographically similar to the national distribution of urban inhabitants.

Very interesting is the fact that the most active consumer segment, the one aged 18-45, has a similar consumption pattern as the urban population in general, for products and services related to universal or primary needs, such as financial or cosmetic products.

The differences appear in the case of products with technical characteristics, where the Internet users' consumption is significantly higher.

Therefore, **the urban Internet users aged 18-45 endow their household with more appliances and are more attracted to modern technique.** In their households there can be found more frequently desktop computers, food processors, digital cameras, LCD/Plasma TVs, video cameras, laptops, washing

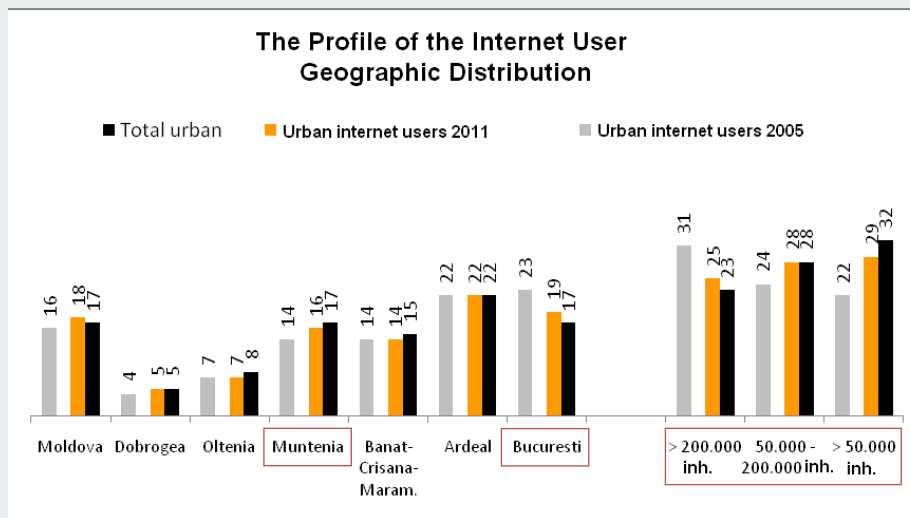
machines and microwaves.

These consumers also have more mobile phones and fixed telephone lines in their households . One reason for this is the possibility of accessing the Internet through the telephone network, but also through telecom product packages (some suppliers offer the phone service coupled with the Internet or television one ).

Companies are heading more and more towards online research due to the advantages of this type of research.

In Romania, in present, the growth of the Internet penetration rate, as well as the characteristics of the urban target have paved the way and justified the usage of online marketing research.

**The Profile of the Internet User Geographic Distribution**



## How is Social Media important for companies?

**Although many marketers and marketing communication professionals use social media, it is still in the exploration and experimentation phase in Romania. Marketing campaigns are mostly done at random, without establishing clear objectives and strategies.**

GfK Romania has conducted for Biz an online qualitative and quantitative research among 376 marketing and communication professionals from companies that are undergoing promotional activities in the online environment. The business-to-business study investigated marketers' expectations of Social Media and their attitude towards it.

### Low budgets for Social Media



Over a third of the respondents invest maximum 15% of their marketing budget, while another third of them state that they either don't know or they cannot appreciate the percentage of Social Media expense in this budget. Only 6 % say they dedicate over 50% of

their budget to advertising through this channel.

In comparison with 2009, 30% of the marketers that were involved in this research indicate a growth of over 50% of their budget invested in Social Media.

In the context of Social Media development in Romania, especially of Facebook, when looking at these figures it comes rather as a surprise that only 35% of those who use Social Media for their company think that the budgets will experience a significant growth in 2011, by at least 50% versus the previous granted sums. This skeptical belief can be explained by different aspects related to the current status of the online marketing communication through Social Media, as well as to its level of professionalization.

The respondents associate the communication through Social Media with the tendency of experimentation, improvising and insufficient testing. Moreover, marketers are confronted with a series of dilemmas that postpone the decision-making regarding the role of Social Media in the company's strategy. These dilemmas are in respect to resources, as well as to the degree in which the company is ready for more exposure and transparency.

### Internalization versus externalization

The know-how in this extremely dynamic field which is relatively new for the professional environment is considered insufficient on online communication projects, representing yet another significant barrier. Consequently, the challenge

for the next period of time will be finding the right person to manage the communication.

One possible solution – which has already been adopted in other countries by companies that are active on Social Media – is the identification of communicators among the brand's loyal consumers and who are capable of creating high-quality content in the name of the brand on suitable online media.

### Does Social Media represent the future of communication?

The most challenging issue remains the measurement of Social Media results, as well as the suspicion that it does not have a real influence on customer loyalty. Furthermore, the majority of people believe that a strong impact cannot be obtained only by using Social Media and that it offers different results from those of traditional companies. What is more, they are reticent towards the idea that Social Media represents the future of marketing communication. The campaigns conducted through this channel are considered complementary, but less efficient than activities conducted through classical ATL and BTL channels. With all the limitations and unknown variables of Social Media, it is still a useful communication channel necessary for PR, especially for creating buzz and word-of-mouth, however it does not significantly contribute to the strengthening of the relationship with clients which brings loyalty, as many marketers believe. Customer loyalty remains therefore a challenge and an important objective for the companies that are active on Social Media. For the majority of the respondents, PR through Social Media implies a difficult to accept risk which is hard to assume in front of the management. Although they all state they need feedback, the fact that it is difficult to control responses and that there is a high exposure to criticism represent a major drawback.

### Digital @ GfK

GfK ensures the realization of online studies with the help of the **Ask GfK panel of respondents**, having over **20.000 members** and over **40.000 performed surveys**, such as: usage and attitudes, brand image, consumer satisfaction and loyalty, product testing, TVC testing, price research, employees satisfaction etc.

**Top advantages of online research :** Fast achievement of the sample, in 3-4 days; a better research organization (operator errors are eliminated, the data is gathered automatically and centralized on a secured server), better geographic coverage, respondents from more regions answering at the same time, the possibility of using modern techniques for multimedia presentations; „Real time“ status on field situation; easier to interview busy people, managers, specialists or to approach delicate subjects of discussion.

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