



GfK Marketing Services

GfK Retail and Technology

On the worldwide track

Business information services for consumer
durables markets





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universal

universal





Established in 1934, GfK is one of the world's leading market research organizations. The company achieved its strong positioning thanks to innovative technology, software, consultancy services and client confidence and will continue to consolidate and expand this position. Today, over 120 companies and affiliates in nearly 60 countries form part of the GfK Group. The driving force behind the Group's ongoing development are its 5,300+ employees, whose creativity, open approach to innovations and business expertise make a significant contribution to GfK's success. GfK's comprehensive services are organized in five business divisions with an international respectively global focus according to specific client needs.

The GfK Group – knowledge worldwide present

The **Retail and Technology** division carries out continuous and systematic monitoring of sales of consumer durables and services. Movements in these markets are reported for all the relevant sales channels and forms of retail distribution.

The **Consumer Tracking** division supplies continuous information on purchase decisions and consumer behaviour.

Through its **HealthCare** division, GfK provides clients around the world with information services relating to price fixing agreements for medication, market positioning and customer satisfaction as well as measuring the amount of products and materials used by dentists and labs and measuring the consumption of veterinary medication.

The **Media** division collects information on the use of traditional and new media, ranging from print media to radio, television and all other online and offline media as well as PCs.

The **Custom Research** division uses a wide variety of standard and tailor-made services of all kinds to meet the information needs of individual clients.

The comprehensive range of techniques and services offered enables clients to benefit from the individual and combined expertise of the business divisions. This expertise supplements GfK's range of Retail and Technology services.



“Continuous self-criticism is the only way to progress and perfection”

Arnold Böcklin

GfK Retail and Technology – From information to understanding

More than ever before, information has become the critical factor in competitive markets. This applies to the content of the information, as well as to the software and IT equipment used. Information has a long term influence on internal business decisions and processes as well as external market behaviour towards clients and business associates. Gaining a competitive edge, i.e. identifying market trends at an early stage and responding quickly by offering tailor-made goods and services, have therefore become the top priority.

The GfK Retail and Technology division’s long standing cooperation with leading retail companies in the relevant markets ensures access to essential basic data. Using modern information systems, this data is subsequently collated to form the basis for the kind of information the division provides.



GfK Retail and Technology offers modular, compatible information and consultancy services, which enable clients to find the right solutions to a variety of different business related matters. Comprehensive and competent customer relationship management does not stop once findings have been submitted, but includes, in particular, their interpretation and evaluation by consultants with the relevant market experience. In this sense, GfK sees the process as a working partnership.

The GfK Retail and Technology division has a worldwide reputation as a specialist in following the consumer durables markets and a competent partner for retailers and manufacturers. It is also the world's leading information provider in this field. Virtually all big manufacturers and retailers put their trust in GfK's information and services.



GfK has always sought to ensure clients' satisfaction with the quality of the information and services supplied. The company's aim is to provide clients with information that can be applied in the most varied ways to support their activities. The basis for achieving this is as follows:

- continuity
- innovation
- global application of products

Existing technology and methods are continually improved, technically upgraded to the latest specifications and standardised for international use. At the same time, intensive research is carried out into new methods and technologies.

"Converting data into information" largely summarizes our work in the past. However, our innovative approach coupled with the market expertise resulting from years of experience mean we have added a new dimension to the range of services we offer our clients, "from data to information to knowledge."



global

[global]



“If you raise your eyes, you will see no frontiers”

Japanese saying

International markets – global market research

The one-time vision of market globalization has now become reality in many sectors. Accordingly, there is a growing demand for information about the global markets.

GfK Retail and Technology identified this trend at an early stage and switched to designing information systems with an international focus. This means that GfK offers uniform information that takes account of national and regional differences, thereby ensuring transnational communication and understanding. Information suitable for international comparison is based on standard definitions of markets, types of businesses, product groups, brands, models and technical specifications.

GfK's Retail and Technology division is in a position to offer both country specific reports which take into account local features and client specific reports on certain regions and economic areas which can be compared at international level. Information about market prices is provided in the local currency and any currency conversion requested by clients.

Combined with cutting edge information technology, such standardized information enables faster and improved analysis of the markets. GfK Retail and Technology translates data into clear, transparent and comprehensible information which facilitates the penetration of different markets in the long term. A major contribution to this process is also made by our experienced teams of national and international specialists who act as personal account managers.

International comparative reports cover Western and Eastern Europe, major Middle Eastern countries, Africa and the Pacific and Australasia as well as America. The information system, which ensures compatibility at a global level, is currently available in more than 60 countries. In the future, the GfK network will be expanded according to the clients' demand for information.

continuity



continuity



“Past and present are the means, the future alone is our objective.”

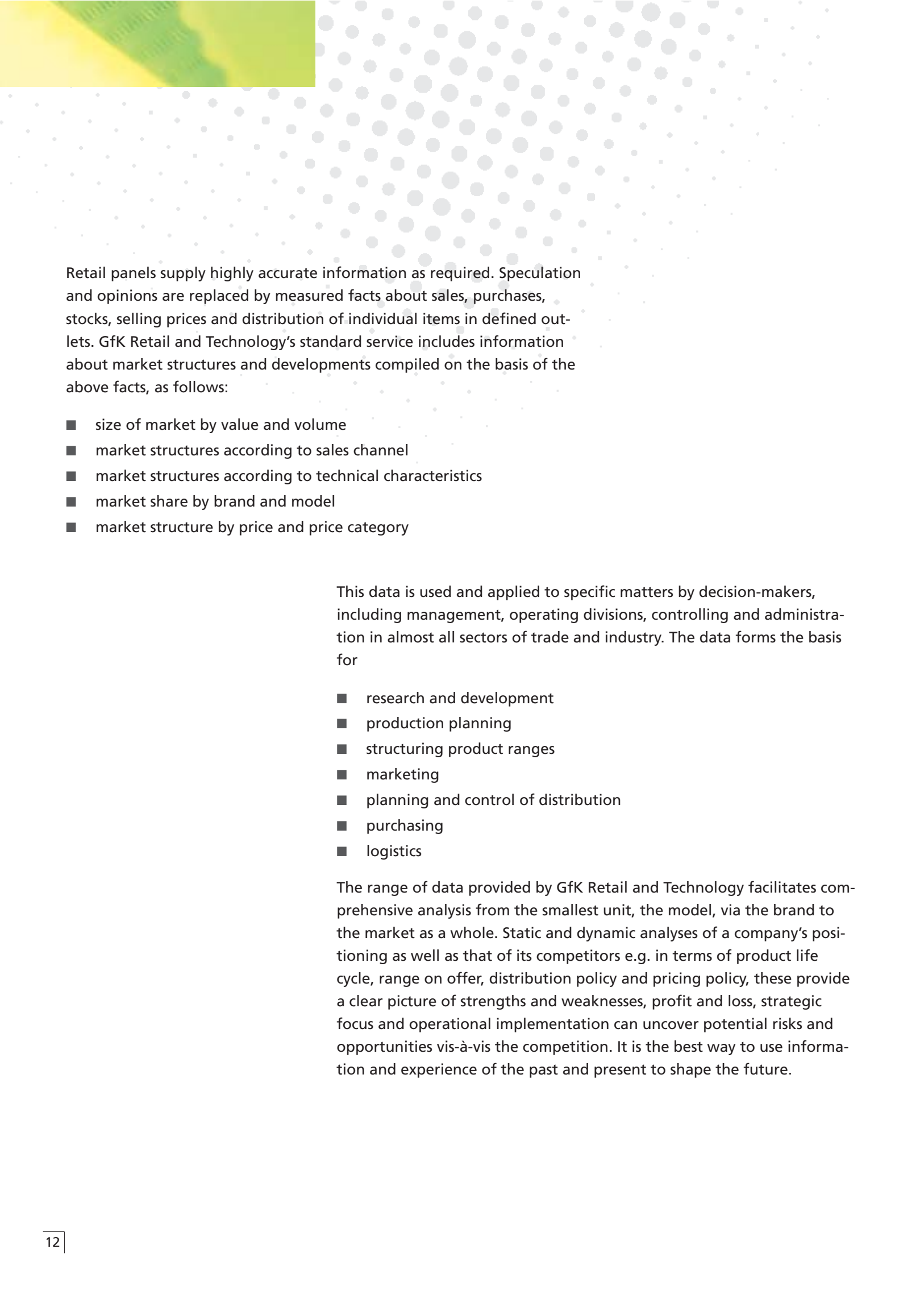
Blaise Pascal

Panel research – continuous transparency of sales

Trade and industry need objective assessments of the markets for their decision-making. Here, GfK Retail and Technology provides the necessary level of transparency with regard to national and international sales. A wealth of data from defined markets is assessed in terms of clients' needs and converted into meaningful information on the basis of the expertise gained through many years of experience. Consumer durables are at the centre of this process. These include

- consumer electronics
- telecommunications
- information technology
- household electrical appliances
- photographic products
- media (CD, DVD)
- do-it-yourself products
- stationery
- sports
- toys
- leather goods
- books

Over 300 product groups are currently being monitored and this number is continually growing to meet clients' increasing demand for information. GfK's aim is to provide comprehensive information not just on the individual product groups, but also encompassing entire market sectors. In addition to consumer technology goods, GfK's Retail and Technology division now also tracks other services such as tourism and equity research.



Retail panels supply highly accurate information as required. Speculation and opinions are replaced by measured facts about sales, purchases, stocks, selling prices and distribution of individual items in defined outlets. GfK Retail and Technology's standard service includes information about market structures and developments compiled on the basis of the above facts, as follows:

- size of market by value and volume
- market structures according to sales channel
- market structures according to technical characteristics
- market share by brand and model
- market structure by price and price category

This data is used and applied to specific matters by decision-makers, including management, operating divisions, controlling and administration in almost all sectors of trade and industry. The data forms the basis for

- research and development
- production planning
- structuring product ranges
- marketing
- planning and control of distribution
- purchasing
- logistics

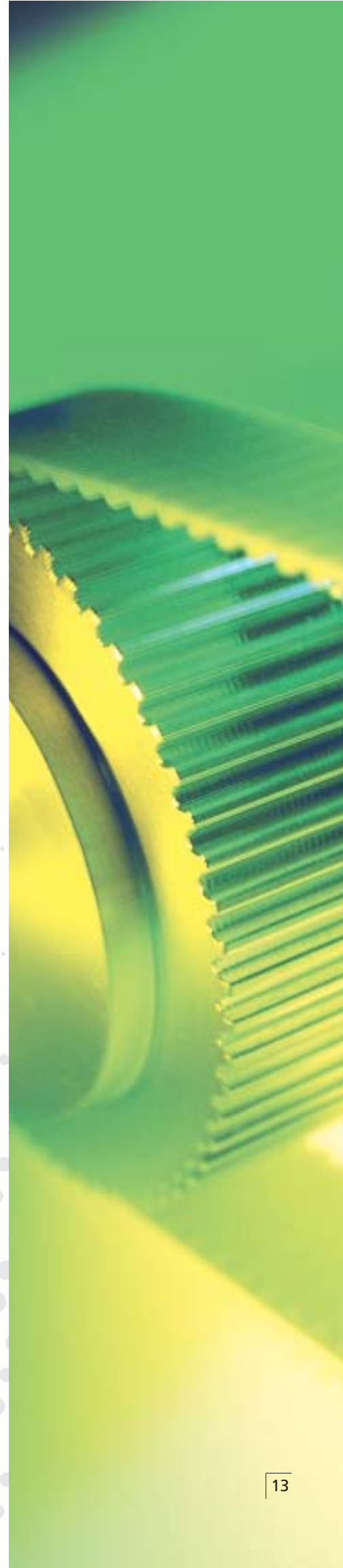
The range of data provided by GfK Retail and Technology facilitates comprehensive analysis from the smallest unit, the model, via the brand to the market as a whole. Static and dynamic analyses of a company's positioning as well as that of its competitors e.g. in terms of product life cycle, range on offer, distribution policy and pricing policy, these provide a clear picture of strengths and weaknesses, profit and loss, strategic focus and operational implementation can uncover potential risks and opportunities vis-à-vis the competition. It is the best way to use information and experience of the past and present to shape the future.

GfK's clients enjoy the long term benefit of the comprehensive market overview obtained by monitoring a vast range of different markets and outlets. This includes, for example, the merging of consumer electronics, telecoms and IT which is resulting in multimedia products and applications that are recorded in a specially designed format known as Multimedia Tracking. Similarly, cross-sectional analyses are also processed in the form of digital recordings and Internet sales.

Retail panels, i.e. specific representative samples for defined outlets, supply the data required at regular intervals. This data is then compiled and translated into useful information using statistically proven methods. In addition to the representative basic panels, which cover a large section of the market, special panels and trend panels are gaining in importance as a form of rapid information systems providing monthly, weekly and, in extreme cases, even daily information. It has now become just as important to obtain information quickly as it is for the information to be of high quality.

The panels are continuously adapted matching changes on the retail side. New forms of Internet sales, which now compete with traditional outlets, have led to the corresponding changes in the types of transactions observed. We are therefore faced with the constant challenge of adapting our samples to changing market conditions.

GfK Retail and Technology has a team of experts with many years' experience, which works with clients to achieve the common goal, "progress through understanding". These specialists expertly gather, process and interpret the required data to provide the information the client needs.



systems

systems



“Knowledge alone is not enough: it must be used”

Johann Wolfgang von Goethe

Information systems – intelligent software for better understanding of the markets

Reliable and speedy information enables clients to act quickly in the market. Modern merchandise information systems mean a constant increase in the volume of data available. However, it takes skill and expertise to combine and concentrate the data to produce problem-specific information.

GfK Retail and Technology provides its clients with easy-to-use analysis and support systems which are used, in particular, to process panel data. These systems can be run offline on individual PCs or in combination with other online GfK systems, enabling clients to carry out independent analyses at any given time. The opportunity of networking basic systems to establish a link between GfK and its clients results in sustained gains in, and the wider distribution of, market intelligence.



National and international data from GfK's retail panels is pooled in a data warehouse, which allows the company to offer detailed and highly concentrated information about various markets. This is produced by a complex information system, which focuses on client requirements by using a large number of problem specific analysis, control and strategy programs. Major programs used include:

- Inmarkt Express: a PC based system for evaluating and analysing panel data
- Model Express: a PC based system for evaluating and analysing product lists
- Quick View: a PC based program for quick browsing of panel data and product lists

Thanks to these programs, users obtain a vast amount of specific information from the panel research in an almost unlimited number of combinations. The information can be accessed as overall market observation, brand illustration or as model information. The growing variety of products and their technical features have led to a bewildering profusion of products. However, with the help of these information systems clients can quickly obtain an overview of what is happening in the market in general and the models available in particular.

Easy access to information has become just as important as the quality of the information and the speed with which it can be obtained. GfK Retail and Technology's Internet portal (www.gfkms.com) therefore offers public sites, which can be accessed by everyone, and premium sites, which are password protected, have restricted access and are tailored to the needs of individual clients.

The public site provides, to anyone accessing the site, up-to-the minute information about the business sectors in which GfK Retail and Technology operates. The premium sites, which have been developed as an Extranet solution, enable clients to access the specific data and information required at any time.

Personalized premium sites containing individually defined user profiles regulate access to relevant information provided via GfK's data webhouse.



background

background





**“It’s not knowing the answer,
it’s knowing how to ask the right question”**

Jean-Jacques Rousseau

Complementary studies markets, people, opinions

In addition to the facts, it is expectations, evaluations and opinions that dictate players’ behaviour in the market. These are the decisive factors for the success or failure of products, brands and companies. To take account of these variables, complementary studies and analyses, e.g. on customer satisfaction, preferred brands, purchase decisions and image, are necessary.

Qualitative surveys involving decision-makers in retail are frequently used to supplement quantitative panel data. Retailers decide on the range of products they offer, which essentially means that they decide on the contact probability between customers and products and therefore on the success of a product. Retailers also have an advisory function, especially when it comes to hi-tech consumer goods, and therefore have considerable influence on the brands and product choice of consumers.

Thanks to the intensive and regular contact GfK Retail and Technology has with decision-makers in the retail industry, the up-to-date information obtained by GfK comes from the right people. The areas we look into and the instruments we use cover the entire spectrum of facts, opinions and attitudes found in retail, including

- customer satisfaction
- preferred brands
- purchase decision process
- image analysis
- distribution checks
- promotion checks
- conjoint measurements
- point-of-sale checks

This methodology has earned much recognition and is complemented by the full range of classic Ad Hoc analyses. Depending on the task in hand and clients’ requirements, interviews are carried out in writing, by telephone or face-to-face.

PC based processes such as CATI (computer aided telephone interview) and CAPI (computer aided personal interview) and the Internet help to increase efficiency and rapid implementation.

structure

structure



„To be © or not to be“

with apologies to Shakespeare

ENCODEX

The basis of e-business and e-commerce

The rapid pace of change in information and communication technology has led to closer contact between manufacturers and retailers throughout the sales chain. This encompasses both direct relationships between companies and the inclusion of virtual marketplaces and procurement platforms.

The business processes relating to the individual stages in the supply chain, from ordering to billing, are increasingly being carried out electronically. However, in order to become fully compatible in electronic terms and achieve the desired cost savings and increased efficiency, all participants need to adopt a standard data exchange format and a common product classification method.

Automated communication between systems will only be possible once this kind of standard exists and can feed systems with the basic data required, such as data relating to supply chain management, efficient consumer response, category management, strategic sourcing and continuous replenishment. ENCODEX provides a common language by means of an internationally standardized consumer durables masterfile, which is accessible online. The aim is to rectify the current situation, where a large number of different formats and data structures frequently causes significant manual labour when exchanging product and catalogue data which can also often be prone to error.



Building on the existing product files of GfK Retail and Technology, any product information provided by manufacturers is entered, classified, standardized and centrally stored in ENCODEX. All authorized users benefit from having to access only one source of data, when searching for product information or wishing to update their merchandise information systems.

The ENCODEX product catalogue currently comprises over 1,000,000 products from more than 100 product groups covering the following sectors:

- consumer electronics
- information technology
- telecommunications
- household electrical appliances
- photographic products

In principle, ENCODEX is available for hosting products from all kinds of markets.

In addition to the technical specifications of products, all the data required in merchandizing, including EAN, ILN, order and supplier numbers, logistics data and prices, is made available in ENCODEX. This information is supplemented with digitized pictures of the products. ENCODEX also offers users of its GfK retail panel data the benefit that the relevant basic product data can be linked with the appropriate sales data and market prices.

ENCODEX is a platform with comprehensive functions available to trade and industry for the exchange of structured, standard product information. The user-friendly ENCODEX software enables users to browse the ENCODEX product catalogue online. In addition to the various personalized access options which regulate access down to individual items, individual searches can be stored in the database with automatic notification of the user. If a change occurs in the defined area of the database, ENCODEX advises the user automatically of the new status. Naturally, ENCODEX users can access product data in their own language.

ENCODEX offers manufacturers and retailers a vast range of benefits including

- a system covering all product ranges
(a necessity for the retail industry)
- a system covering all countries
- a central interface for entering and accessing data
- a standard data format
- accurate, complete and up-to-date product descriptions



The benefits of this concept in terms of cost savings and increased efficiency for all parties concerned are obvious.

ENCODEX is working together with national and international associations from trade and industry in selecting and defining the classification criteria and data formats with a view to developing a standard that is generally accepted throughout the sector.

In its function as e-enabler for e-business and e-commerce ENCODEX is already being used in Europe and Asia. Expansion into other regions and the inclusion of additional ranges will happen in line with the requirements of the relevant business community.

Thank you for taking the time to read this brochure. Please do not hesitate to contact us directly if you require any more information.

Publisher: GfK Marketing Services GmbH & Co. KG
Nordwestring 101
D-90319 Nuremberg

Phone +49 (0) 911 395-23 72
Fax: +49 (0) 911 395-27 62
gfkms_de@gfkms.com
www.gfkms.com

Design: Scheufele Kommunikationsagentur GmbH
Große Friedberger Straße 13-17
D-60313 Frankfurt am Main

Phone +49 (0) 6 13 87 10-0
Fax +49 (0) 69 13 87 10-26
info@scheufele-online.de
www.scheufele-online.de

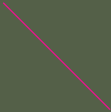
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Local contact





**For further Information
please contact:**

**GfK Marketing Services
Nordwestring 101
D-90319 Nuremberg
Germany**

**Phone + 49 (0) 911 - 3 95 23 72
Fax + 49 (0) 911 - 3 95 27 62
gfkms_de@gfkms.com
www.gfkms.com**