



# INNOVATIONS IN THE MARKET RESEARCH INDUSTRY.

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**W**elcome to first edition of MRSM-Whiz! You are now reading the first edition of MRSM's very own e-bulletin.



I sincerely hope you enjoy MRSM-Whiz's and find it a useful part of your working life. The e-bulletin is designed to offer an update on the latest happening in our industry, especially in the rapidly changing world of today. It is also a good way to stay in touch with what we have in store, especially if you haven't touched base with us for a while.

I would also like to take this opportunity to wish everyone Happy New Year! It's been a fairly interesting ride for most of us over the last couple of years against the backdrop of the global recession. I'm pleased to see that against all odds, we as an industry, is slowly gaining our growth traction again. I am very much looking forward to a good year for all of us.

I whole-heartedly thank those who have been instrumental in putting this newsletter together. Their dedication and efforts were exemplary of the spirit that we want to instill in the industry.

The plan is to come up with this bulletin every four months. Since this is our first attempt at this, all comments and feedbacks via our website are strongly encouraged. Yes, the MRSM website is alive and kicking. Check it out.

Enjoy!

Yours sincerely,

Yazid Jamian  
President, MRSM

W

elcome to the inaugural issue of MRS M-Whiz, our very own bulletin; intended to engage with not just our members but also, prospective members. In this 1st issue, our cover story is on “Innovations in the Market Research Industry”. Hear what Kow ( MD of Nielsen), Ben (MD of Synovate) and Kar Im (Marketing Planning Manager of BAT), have to say about the exciting stuff, or lack of, in our industry.



Also in this issue, we've featured two of the most respected pioneers in our industry, John Smurthwaite, Chairman of TNS M'sia and our first MRS M President, Ken Ponder. Learn about their interesting tales on how they landed up in Malaysia and their insights into the market research industry, under the Spotlight section.

Read about our President's views on research innovation under the Research Opinion section.

Pick-up what's going on in our industry from News Across and Industry Updates. Find out who's going where in On-The-Move and check out our activities under MRS M Events.

I would like to acknowledge and express my appreciation to all members of the Editorial team: Yazid, Rozina, Kala, Megan, Poh Chun and LiLi, for volunteering to take up the 'content provider' role. Without their effort, MRS M-Whiz would just remain on the discussion table.

We welcome your feedback and comments, to help us improve from this inaugural issue. Please write to : [enquiries@mrs m.org.my](mailto:enquiries@mrs m.org.my)

Finally, I would like to seek your support in raising the profile of MRS M. How? Start by sharing MRS M-Whiz bulletin with your colleagues and business associates.

Yours sincerely,

Barry Ooi  
Editorial Director, MRS M-Whiz

## Innovations in Market Research

It is widely recognised that companies do not stay ahead by standing still. Companies need to innovate in order to meet the ever changing needs of consumers and customers. Whilst most companies are doing so, innovation is risky and expensive. Furthermore, not all new products are deemed new in its entirety. It is estimated that only 10 per cent of new products are major new innovations.

### What then is innovation?

According to Ben Llewellyn, MD of Synovate, Malaysia, innovation can happen at every stage of the marketing research process; from the way data is being collected to data processing, to data analysis and its deliverables. He further adds that technology will provide the biggest leap in market research innovation. He firmly believes that technology will allow real-time delivery of data and the application of web portals will provide greater access to respondents and offer enhanced experiences.

At Nielsen, innovation is being adopted across all its major business areas; product development, operational efficiency, management discipline and strategic focus, as explained by Kow Kuan Hua, MD of Nielsen, Malaysia. He emphasises that innovation at Nielsen is about challenging the status quo and doing things differently in meeting clients' market demands.

Ng Kar Im, Marketing Planning Manager at BAT is of the opinion that innovation is about "conversion of ideas into cash". "I tend to think that

innovation by service industry differs from innovation in manufacturing industry," Kar Im adds. "Service industries do not generally produce technologically advanced artifacts, therefore, innovation in services brings to the front "softer" aspects of innovation, based on the skills of the workforce and inter-organisational cooperation practices."



Ben Llewellyn,  
MD of Synovate, Malaysia.

The ultimate goal of innovation extends beyond doing things creatively and differently. "Its goal is to deliver more value to clients", adds Ben. Innovation is not just confined to new product development and the way research is being implemented, but it is extended to how clients are being served. The usual practice, where a research project ends once the findings have been presented is no longer tenable. The new model which is being used by research agencies is On-Site servicing, which calls for greater involvement by its client service associates. Ben states, "our client servicing executives are expected to get more involved with our clients, spending more time in their office and working with them on strategy development".

Kow, on the other hand, points out that as part of Nielsen's strategic innovation initiative; effective client servicing is about helping clients to come out with winning strategies. This

requires a shift from regular servicing to one that is orientated towards consulting in nature.

### Real innovations or mere enhancements?

There are many instances where innovation is already taking shape in the research world. At Synovate, its specialist unit, Brand Lab, dedicates its time and effort into exploring new tools of measuring a brand. Its young team based in South Africa, has produced an innovative tool called Brand Value Creator (BVC), a tool to measure a brand's success. What BVC does is it estimates which brand will get the business. It quantifies that amount of business that gets lost and allows marketers to look at each barrier and compare the value of the business that they are losing with the cost of removing these obstacles. This is certainly not the typical market research study, which we're all familiar with and this innovation has provided Synovate with the opportunity to delve into the consulting space.

Another innovative research tool is BuzzMetrics developed by Nielsen. Leveraging on innovative technology, it's a service that gathers and integrates



Kow Kuan Hua,  
MD of Nielsen, Malaysia.

data from nearly 100 million blogs, social networks and any consumer generated media (CGM). "It's a tool that allows you to listen to



unaided consumers conversation online,” Kow divulges. “This is an invaluable tool, to understand your consumers, monitor and analyse what consumers are saying about your brand and gain an unfiltered view into what consumers really think.”

## Are boutique agencies more innovative?

It is not just the big research companies that are paving the way on research innovation but smaller agencies too. But are boutique agencies more innovative? Kar Im explains that the measure of performance for innovation is quite subjective. Perhaps the boutique agencies are by nature more flexible in meeting clients’ needs. For example, some of them took on contest management, tele-marketing, CRM management, amongst others, upon client’s request, knowing that these areas are not their ‘core competencies’.

If it works well, it becomes a successful case study of an administrative/organisational innovation!

Kow maintains that boutique agencies tend to specialised in an area of expertise eg. qualitative research, new product development, shopper research, etc. “This does not mean that they are more innovative, they’re just more specialised”. Ben shares a similar viewpoint, “More focus does not mean being more innovative and adopting best practices is not the same as innovate.”

Kir Im states that she has not personally experienced any radical changes

in the industry but there are many examples of incremental change within the industry. Some specific examples are, in the 80s to the 90s, the IT tools (such as Nielsen’s InFact & pricing simulators in the market) were arguably, innovations then. Today, the offers tend to be more ‘business solution’ oriented (e.g. the recent ‘True Customer View’ by Synovate, was an enhancement from its ‘Brand Value Creator’ product).

## Malaysia lags behind in the innovation curve

Generally, Malaysia is not an innovative country. “We readily embrace new tools and methodologies, but this is not the same as creating them; stresses Ben. Synovate M’sia has been successful in introducing its numerous new research tools to its clients in Malaysia. The openness of Malaysian companies to new ideas and methodologies is very conducive for innovative practices.

Kow observes that Malaysian companies have started to adopt new tools and techniques. “They’ve seen how other countries have benefited from using them where there’s a lot of new learning”.

## Where are high innovations occurring?

The highest level of innovation is going to come from techniques and tools which leverages into the internet. Ben foresees that the deployment of C-panels will be a major research tool. The requirement by clients for faster feedback to their new product introductions and marketing activities will

also require innovative techniques in the online forum space.

Another major area of innovation will be in the social media space. “Using social networking tools to track the daily activities of the consumer vs diary research,” adds Kar Im.

But are major market research innovations going to come mainly from the internet and technology applications? Kow maintains that for Nielsen, major innovation is possible across all disciplines; operational efficiency, product innovation, management practice and strategic innovation. Kar Im shares a similar view stating that market research practice need not purely focus on tools and techniques but in the ability of research agencies to effectively address clients’ business issues, and this could include its servicing skills. “Any ideas that the agency could introduce that would enhance its ability to deliver value would be a great opportunity.”



Ng Kar Im,  
Marketing Planning Manager,  
BAT

## Innovation or Renovation?

“What’s that?” I asked my golfing buddy during one of the mornings I get to go out and enjoy a round of golf.

With pride in his voice, he replied, “Oh, this is the new R9 driver. It allows you to adjust the loft and lie of the club to help you shape your shots. I can adjust the club myself, and no longer have to depend on the club fitter to do this for me.”

“What’s that?” I asked a friend of mine over coffee a couple of months back.

With pride in his voice, he replied, “It’s an iPad. It’s the latest thing... I asked my friend in the US to buy this for me. It’s so cool. Let me show you what it can do...”

I remember years ago before I finally bought an iPod, I tapped a friend’s shoulder to get his attention. After pulling out an ear piece from his ear, I asked, “What’s that?”

With a condescending smile, he replied, “It’s an MP3 player.”

This is the question that I often find myself asking nowadays. In this day and age when one expects that everything that a man can possibly invent has already been invented, lo and behold, we have a new gadget introduced in the market. This holds true in all aspects of our daily lives. I recently found myself asking a bank officer the same question after seeing a big red poster depicting the bank’s latest saving/current account offer.

How do these guys do it? How do companies, big and small, are able to find new ideas and new products to appease us consumers?

Maybe a better question is “why?” The answer lies in the way Microsoft has remained successful all these years.

*Everyday we say, “How can we keep this customer happy? How can we get ahead in innovation by doing this, because if we don’t, somebody else will?” Bill Gates.*

Innovation and new product development appear to consistently remain a top priority for successful companies. Even in the aftermath of the global recession, companies nowadays are saying that innovation is a priority, especially to take advantage of the economic recovery. The lesson is crystal clear for companies like Google, Ford, and Apple: innovation remains important for any business to survive and grow.

Not unlike our close neighbors in the Asia Pacific region, we are still reeling from the impact of the global financial crisis. With the worst of the crisis behind us, consumer confidence is hoped to slowly recover to its all-time high of only a few years ago. But let’s face the fact – it is still a challenging economic environment for our market-ers to consider innovation projects.

The good news is that our consumers are still open to innovation – it is believed that two-thirds of our

consumers are open to buying new products, even at current times. But let’s not kid ourselves. The innovation journey is hard. While successful innovation helps companies stand out from the crowd and stay ahead in the market, the road to innovation is littered with failure. It is thought that for every 10 new product or service launches, 8 or 9 of them are doomed for failure. Usually such costly failures are due to companies not having a thorough understanding of the fundamental needs driving consumer choice and the factors that predict new product success.

An associate of mine recently said that the days of true innovation is over. Renovation is the way to go now. I must say that we had a lively, and animated, debate for the next hour or so. Who came out the winner? No one... but both of us certainly came out smarter.

Innovate or renovate? – That’s the question. I don’t pretend to be able to exhaustively cover all aspects of this debate, but would certainly like to share a point of view.

Since the start of the global recession, we have seen a trend towards line extensions accelerating rapidly. Ray Crook, the Innovation and Product Development Regional Director for TNS based in Australia, cited that testing of new brands has slumped dramatically with only 1% of the ideas and products tested since the middle of 2008 being new brands. Line extension

work has increased 95% within the same period.

I share Ray's sentiment that we should challenge this prevailing trend towards line extension. There is opportunity for marketers to be brave and take the risk to achieve profits from new brand innovation. We should stand up and tell them that line extensions within a category carry a greater risk of cannibalization within the portfolio than from new brands. New brand innovation is better at generating uniqueness than line extensions. New brand innovation is also more likely to be seen as more premium as they don't have the often more mainstream parent brand baggage that line extensions do.

Based on his experience, Ray cited that new brands often achieve higher value for money, priced purchase intention and liking scores versus line extensions. At the risk of being provocative, this is probably due to a greater focus and effort on generating and building great ideas for new brands innovation versus, too frequently, a more laid back and expedient approach to line extension innovations.

There is a perceived lower risk involved with line extensions. This may lead to bad ideas being launched. Ray agreed with this by citing the following:

*Companies are more willing to launch line extensions regardless of research recommendations. In our database for purchase intention scores obtained for products that were launched following our simulated test markets compared to those that were not launched. The results are very interesting, if a little alarming. The purchase intention for new brands that were chosen for launch was 30% higher than those new brands that were not taken forward, suggesting that only the best of these*

*products tested reached the marketplace.*

*However, the story is rather different for line extensions. For line extensions into the same category, the difference in scores for those chosen to launch vs. those not launched is only 3%. Clearly the potential lower risk of line extensions is blinding marketers into launching too many products which are fundamentally not good enough.*

Implications: *What other opportunities are being sacrificed? What are the consumers now thinking about the mother brand after poor line extension launches? How will the retailers react to the brand's next launch?*

Sergio Zyman, in his book *Renovate Before You Innovate*, presented a compelling case for renovation. He is of the opinion that there is nothing wrong with both innovation and renovation – done the correct way. Often companies made the mistake of being too hung up on their core competencies, and innovate around them. He is a big proponent of innovating around core essence. He cited how Coke once went into the shrimp business to take advantage of their core competencies in purchasing, distribution, sales, logistics and global operational capabilities. Shrimp farming was not a core essence of Coke. Consumers simply couldn't make a connection between shrimp and Coke. Coke failed to understand why consumers are willing to buy from them. They now understand, more than many companies, what core essence is and the value that consumers place on it.

Sergio went on saying that "it's easy to develop new competencies, but it is much harder to develop new core essence."

He has a simple, but yet effective, way

of looking at innovation versus renovation.

*Innovation, he says "starts with what you can make and see if you can sell it." Conversely, "renovation", he says "starts with what you can sell and see if you can make it."*

*Innovation is also much more expensive and risky than renovation because it often requires you to build new assets/infrastructures and competencies and to source new customers and consumers. Remember, securing a new customer often costs six times more than retaining a current one*

As MR practitioners, we have to work with our clients and do our homework – be more selective in the innovations we take to market, otherwise failures will be queuing up at the door.

Be it innovation or renovation, it is about creating new value.

The challenge now is on us, the practitioners. We have to excite our clients by providing our own point of view about innovation. We should be able to combine our qualitative and quantitative methods to help our clients in their innovation journey from start to finish. I am a firm believer that innovation success comes from knowing WHAT to look for in winning ideas, WHERE to look for winning opportunities, and ALWAYS maintain the level of excitement inherent in every winning idea throughout its journey to market.

Many of the research tools used today to determine innovation success were designed many years ago. Today a combination of fragmenting markets, a diverse range of media and targeted marketing, rather than mass marketing, all mean that businesses need a more tailored and integrated approach to researching their innovation process.





## INDUSTRY NEWS

### Reaching out to Indonesia's affluent and lucrative consumer segment

(Source – Nielsen Wire)

### Different strokes for different folks

APAC – Asia-Pacific's social media market is diverse and evolving rapidly with its own unique social network services, with local sites thriving on highly profitable business models.

(Source – ZDNetAsia.com)

### Food flavours go local in Asia Pacific and beyond

(Source – Market Research World, written by Euromonitor International)

### MR navigates Tesco growth in Asia

Global – UK based supermarket, Tesco is Thailand's biggest grocery chain and is now one of four companies bidding for the Thai assets of Carrefour, after the French giant took the tough decision to pull out of a number of Asian markets. In part, Tesco's success is a victory for market research, pushing it as a front runner.

(Source – MrWeb)

### Digital liberty: Shopping at a push of a button

(Source – Adoimagazine.com)

### MR revenues declined in 2009 - even in AsiaPac

Global – ESOMAR has released its annual report on the global market research industry, painting a sobering picture of the first decline in MR turnover since it began measuring in 1988, but nevertheless striking a positive note.

(Source – MrWeb)

### TNS Responds to Clients by Restructuring Asia Pacific Region

APAC – TNS, the world's largest custom research company, has announced the new structure of TNS operations in Asia Pacific (APAC), with Singapore becoming the APAC regional headquarters.

(Source – PressReleasePoint)

### What do young Asian office workers eat for breakfast and lunch?

(Source – Advertising Age)

### Internet yet to trump traditional media

Singapore – Internet remains small as nine out of 10 Singaporeans still turn to either newspapers or TV for information, news and entertainment, The Nielsen Company in its latest annual media index concluded.

(Source – Marketing-Interactive.com)

### Opinion leaders set the stage for brands

Global – Opinion leading social media users are found to be more engaged with mainstream media brands as expected, a study by BBC Worldwide, Carat and The Future Foundation revealed.

(Source – Marketing-Interactive.com)

## RESEARCH FINDINGS

### Shopping binge may slow down says Nielsen

APAC – Nine of the top 10 most confident countries in the world hail from the Asia region, but research shows spending patterns are likely to slow down.

(Source – Marketing-Interactive.com)

### Local brands struggle for a piece of the loyalty pie

Hong Kong – More than half of Hong Kong consumers would not repurchase goods and services from the same brand, a customer experience survey from Epsilon has found.

(Source – Marketing-Interactive.com)

## Malaysians have most Facebook friends

Malaysia – According to a survey conducted by international firm TNS, a Malaysian has an average of 233 friends in their social network, followed by 231 in Brazil and 217 in Norway. Japanese users had the least number of friends, averaging 29.  
(Source : The Star Online)

## Regional media rule among Asia's elite

APAC – A combination of regional media is one of the best ways for high-end brands to reach Asia's affluent consumers, Synovate's latest PAX found.  
(Source – Marketing-Interactive.com)

## Shared news matters more

Global – Brands that advertise around news stories shared in social media have a better chance to engage with consumers, a global research by CNN found.  
(Source – Marketing-Interactive.com)

## Largest ever digital research project reveals major changes in online behaviour around the world

(Source – Market Research World, written by TNS)

## A 17 per cent rise on mobile advertising

Global – BuzzCity's Global Mobile Advertising Index for Q3 2010, has revealed a worldwide growth of 17 per cent in mobile advertising.  
(Source – Marketing-Interactive.com)

## Companies struggle to keep social media content on-message

Global – Nearly three-quarters of blog posts don't reflect corporate messaging  
(Source – eMarketer)

## Malaysians feel safer

Malaysia – The world's largest custom market research specialist TNS Research International (TNS) recently released a survey showing that Malaysians feel safer.  
(Source : The Star Online)

## INDUSTRY EVENTS ACROSS ASIA PACIFIC

### Australia

AMSRS Conference 2010 Melbourne – Eyes Wide Open  
9 – 10 September 2010  
(Source – AMSRS)

ESOMAR Asia Pacific 2011, Melbourne  
Increasing Value Through Simplicity  
20 – 22 March 2011  
(Source – ESOMAR)

### China

The 3rd APRC Conference 2011  
Xian – 15 October 2011  
(Source – APRC / JMRA / CMRA)

### Japan

The 2010 APRC Conference Tokyo – Passion for the Next  
25 – 26 November 2010  
(Source – JMRA)

### India

20th Annual Market Research Seminar  
11 – 12 November 2010  
(Source – MRSI)

### Singapore

Market Intelligence & Consumer Insights  
22 – 23 November 2010  
(Source – MRSS)

Future Fundamentals – The Transformation of Market Research  
6 – 7 April 2011  
(Source – MRSS)

### Thailand

Brainology and Advance Consumer Insight 2010, Bangkok  
3 – 5 November 2010  
(Source – TMRS)

**MRS M:** What lead you to Malaysia and decide to practice market research here?

**Ken Ponder:** First of all, thank you very much for the honour of being the first in your series of interviews for the MRS M Bulletin.

My first introduction to Malaysia occurred a very long time ago, shortly after I first graduated. I was posted to Kota Bharu, Kelantan for over two years, under the British Volunteer Programme. I was teaching HSC level in Pure Mathematics, Statistics and Economics.

During this time, I first came across SRM (Survey Research Malaysia) and their Field Office in Jalan Chempedak. About 10 years later, in 1977, I returned to Malaysia and lectured in Maths, Statistics, but mainly Survey Research Methods and Marketing Research to ITM students for internal and external professional courses. I set up the marketing research programme as part of the external Institute of Statisticians' examinations, and this led me to meet most of the key personnel in the Marketing Research industry. Quite a number of these people are still active in the profession today.

Well, in the late 1970's, one of the people I met was John Smurthwaite, and over the years, though I had returned to the UK, I had kept in touch with him, and occasionally met with him. In 1996, I was offered a position with FSA, as it was known, and took the opportunity to return to Malaysia. Up until then, my career background had always been research-oriented in the fields of education, manpower, and transportation and pharmaceutical, for many years.



**MRS M:** What has been the most hilarious and memorable moment as a research practitioner in Malaysia?

**KP:** I am not sure what would be classified as the most humorous event in my time, but one event readily springs to mind. Early in my Malaysian research career, we had the opportunity to pitch for a very substantial six-figure project for a major concern in Singapore. We were the last to present our proposal. The client was very interested in the package presented. After due deliberation and price haggling to get the figure reduced to an acceptable level (by about 10 per cent), contracts were prepared, only to find that the client had agreed to the project costs in Singapore Dollars, when the original was quoted in Malaysian Ringgit! Some profit margin!

**MRS M:** What were the challenges you faced in Malaysia as a researcher?

**KP:** There were many challenges. As I had already lived and worked in Malaysia previously, adjusting to the climate, the food and general way of life were not difficult. Indeed, I had found interacting with colleagues and students previously something I enjoyed, if not relished. However, the key difference for me, as a researcher, working in the Malaysian private sector, was getting to grips with the commercial environment (and the way business appeared to be done).

Another difference was the nature of the 'research problem' that clients then presented with (the focus being on gaining reliable estimates of market size and market share), and the lack of accessible sampling frames to facilitate this. These challenges were very different from my experiences in the UK and Europe.

**MRS M:** Where is Malaysia now in terms of maturity vs other countries in the region?

**KP:** In terms of image, Malaysia's maturity in marketing research is not what it should be. Historically, Malaysia was the hub of activity in the embryonic and development days of marketing research. In the industry's early days in the 1970's, the two key agencies, Survey Research Group (now known as The Nielsen Group), and Frank Small & Associates, now known as TNS, had Malaysia as its flagship country. But, over the years since then, the dominant position that Malaysia once held within the Asia-Pacific region is no longer the case.

This is sadly confirmed when one considers the presence of national professional societies. Malaysia's professional society, the MRS M, was set up only two years ago; countries such as Singapore, the Philippines & Thailand had already established societies.

**MRSM:** How can we make the industry more attractive to young talents?

**KP:** I think this is an area which the MRSM can constructively look at. First there is the issue of developing and progressing the existing young talent within the industry, from both sides of the agency-client divide.

The set-up of a 'Young Researchers' Special Interest Group, organised and managed by some of our young talents, under the watchful eye and direction of an MRSM Committee Member plus any other appropriate persons.

Second, there is the promotion and appeal of the marketing research profession to the tertiary education scene, especially the private sector – industry open days when students are considering their employment options are one such avenue of opportunity which should be regularly offering Universities.

Linked with this is the development of close links with academia in both government and private sectors to promote the Society, the profession and the industry. This needs to be an integral part of MRSM on-going policy. I had started this process with a number of our local universities. Issues such as the development of academic/professional training programmes can be discussed and built upon, as well as seeking out ways for joint collaborative efforts.

**MRSM:** As the 1st president of MRSM, can you tell us how did it get started?

**KP:** I can remember asking John Smurthwaite way back in 1996/97 why there was not a professional Marketing Research Society in Malaysia. Basically, he said that the timing was not right. I later discovered that many organisations feared its introduction, seeing the society as a potential threat, because of the dangers of losing clients and the dangers of losing staff.

In early 2006, I was beginning to think that things had moved on since my discussions with John, and that the time was ripe for action. At that time, my business partner, Kow Kuan Hua and I felt we need to make a move to test the waters and see whether the industry mood for the establishment of a professional society had changed. In March, we invited a selection of research agencies to attend a meeting to explore the issue of forming a society. Representatives from the larger (international) agencies, some medium-sized (mainly regional) and some small (local) agencies were present. In total, 25 people attended, representing 14 agencies.

At the meeting, there was a unanimous vote for the formation of a society and a Pro-tem committee was established to put together a working document that defined its terms of reference – its principal objectives, membership, and a draft constitution, as all non-profit making societies need to be registered with the regulatory authorities.

The committee reported back in September to a larger assembly of Malaysia-based researchers/

organisations with draft objectives and constitution, seeking possible amendments and approval to proceed to register the Society – 31 people attended from 21 organisations. It was not until October of the following year (2007) that formal recognition from the Registrar of Societies was given. The Society's Inaugural AGM was held in January 2008 and the first committee was formally elected and approved by the Meeting.

**MRSM:** What were the challenges you had faced in setting up the Society?

**KP:** It was very frustrating to maintain the momentum of the first few months in the development stages of the Constitution, to then to wait over a year for formal approval from the regulatory body.

However, the biggest challenge faced, and one that successive committees will continue to face - at least until there is a guaranteed income to afford a Secretariat that will undertake to effect all marketing and administrative functions - is that the committee is made up of volunteers. All are usually established researchers in a very senior position within their organisation. To be able to devote some significant time outside of their own sizeable work responsibilities is not always possible, especially during a tough business year such as 2009.

It had not been easy during 2009. There were abortive efforts made and poor turn-outs for some planned events. I was very conscious of the need to ensure that Members' needs were being met. I really felt that the committee had not delivered in a number of areas.

## MRSM: Why do you think this is so?

**KP:** To some extent, Malaysia's progress in marketing research matches its economic, educational, social and political progress over the years. An examination of trends here reveal certain insights into how things have developed as they have. But that is another story.

## MRSM: How do you see things changing in Malaysia?

**KP:** Well, Malaysia does have a longer history of marketing research (than most other Asia-Pacific countries), and the needs of its principal proponents (mainly MNC's) have grown and become more sophisticated with it. Clients have also become more demanding and more marketing savvy too.

In old times, apart from Unilever and a few others, just about the only marketing research professionals came from research agencies. Now we see a very different picture. The marketing research function is well established in many MNC's and a number of the larger more enlightened local companies.

There is also a fundamental shift occurring in the way marketing research is viewed. I look at marketing research as a generic term to refer to ways in which marketing (and business) intelligence is gathered, analysed and disseminated to assist organisations in the decision-making processes for the betterment of their image, their revenue (sales & profit), their market impact, their product performance, their customer base, etc.

All the above needs to be assessed in the ever-changing technological world we are living in today, to keep abreast of the impact and influences of the social media, not only as a means to collect information but also in the ways the media itself shapes the opinion and views of the audiences it attempts to influence.

## MRSM: Is marketing research keeping pace with all these changes?

**KP:** The functions of marketing research have now many sub-areas. People used to think of quantitative and qualitative research, but now we think in terms of business intelligence, information analysis, insight groups, sales forecasting, product planning, and many more.

So, what 'extras' does the marketing research provide the clients. With many clients developing its own internal marketing and business resources, some clients want 'less', saying 'give me the data and I will do the rest', whereas others want the detached impartial yet market-savvy external experienced researcher to provide the much-needed 'value-added' extra, the business insights, which are not available elsewhere.

Are we simply data providers or consultants with market and business insights which the client needs to possess for its own to gain commercial advantage over the competition? There is a need for both, obviously. However, we do need to get to know our clients better, to get to understand their commercial contexts. This is a function of respect that is earned over time through demonstration of insightful experience and personable interactive skills.

Marketing researchers often provide insights to their clients on how best to promote their products or business, but often do a poor job in promoting itself. The term 'agency' is, in my view, an outdated term, positioning the profession to a position below what it should be. A re-think is necessary, especially in this time of rapid technological change.

Marketing research, as the generic as I have described it, is an essential yet dynamic professional skill that all organisations need, at least on a par with our advertising colleagues. As yet, our voice has not been loud enough and not convincing enough. Maybe, this is an activity which the MRSM might be willing to embrace?!

## MRSM: How can we best position ourselves to propel forward?

**KP:** We are fortunate in Malaysia to have many, many very capable and experienced researchers. Not only are they genuine researchers, but they have the marketing and business insight and the know-how to positively interact with clients to yield excellent results.

We have many stalwarts in the profession. But we need new blood – Malaysian new blood! Recruitment of talented fresh graduates is one very necessary way. Another way is to recruit experienced successful marketers from industry (commercial & non-commercial) – those who have business industry insights and an understanding of how to apply marketing good practice.



**MRSM:** What are the greatest achievements during your time as the president?

**KP:** This is a very difficult question to answer. Two matters come to mind. I feel my greatest achievement was to actually mobilise and coordinate efforts to get the society established. In doing so, we actually got 100 Members signed up just prior to starting the Inaugural AGM.

The second principal achievement was to see the successful transition of authority from the first committee to the current committee at this year's AGM held in March.

**MRSM:** Where do you think we are in achieving the mission and vision and MRSM in Malaysia?

**KP:** We still have a long way to go. We are officially less than 3 years old. I am not sure what the committee is involved in at the moment. So I cannot really comment with any certainty.

There is much within the society's key objectives that has not yet been seriously touched. But the immediate is to ensure members are satisfied with what is being provided in the way of activities and events – training, socialising and networking.

In addition, it is necessary to ensure that two-way communication lines are formally established through the

web-site, through on-line forums and surveys, through blog-spots, etc.

The extension of membership to reach out to our clients needs to be a priority too. This will not only provide a touch of realism into the industry and the society. It will, in addition, of course, provide a much needed source of funds!

**MRSM:** Going forward, how can we make MRSM more successful, especially the low-hanging fruits?

**KP:** Making MRSM more successful will, in my view, depend on two things: the willingness & commitment of individuals (not necessarily committee members) to undergo and complete specific projects for the betterment of the society; and the injection of finances, maybe through sponsorships, appropriately targeted training courses or increased memberships.

The not-so-low hanging fruits cannot and should not be ignored. Many of these 'fruits' need a longer lead-in time with a little tweaking and pruning now, (and not put off until later because it is deemed a little difficult), then later you will suddenly see that the fruits are worth tackling. I am thinking of issues here relating to interviewer training/ certification/ standards/ errancy, codes of conduct, links with government, stronger ties with academia, setting-up of special interest groups.

I am sure that there is more that I can add. But this is what comes to mind at the moment.

**MRSM:** Any special message that you have for the new committee in particular and the society in general?

**KP:** As far as the new committee in concerned, this is not for me to say, but for the current President and Vice-President. Of course, I have ideas and suggestions as has any other member. I am ever willing to be of whatever assistance I can to the society.

**MRSM:** Are there any other points you would like to raise?

**KP:** Well, I am in the process of downsizing my personal library. Within it, I have a sizeable marketing research/statistics section which I was thinking of donating to a noble cause. Various university libraries might want to utilise it. But I thought it might be an idea to develop an MRSM library, available to members. The problem here is where to locate it. It may be possible to utilise space in one of KL/PJ's universities, where not only do university students gain access but also MRSM members, if that can be negotiated. Anyone interested in following up on this? If so, please let me know.

**MRSM:** Finally, now that you have stepped down as President, what do you do in the extra hours?

**KP:** Catching up on the work I should have done whilst President!

Name:	JOHN SMURTHWAITE
Company name:	TNS MALAYSIA
Nationality:	Australian
Designation	Chairman
Title/role In Mrs m	Trustee
Duration Held Title	Since Establishment Of MRS M
Career History	39 Years With TNS-which Was Previously FRANK SMALL & ASSOCIATES
Marital Status	Married To A Malaysian With 4 Children
Hobby Or Pastime	Some Sailing, Some Golf



**MRS M:** Your name is synonymous with the market research industry in Malaysia. What lead you to Malaysia and decide to practice market research here?

**John Smurthwaite:** I knew that I was destined to come to Malaysia when I was at boarding school. I had many Malaysian friends at the school and they used to tell wonderful stories about bomohs, ghosts and other spiritual happenings, which of course was really very intriguing! I was also an avid stamp collector and had a wonderful collection of Malaysian stamps which also fascinated me and I vowed to come to Malaysia to see the animals and birds for myself. So, it wasn't a difficult decision for me to apply for the post of managing director when it became available in 1977.

**MRS M:** What has been the most hilarious and memorable moment as a research practitioner in Malaysia?

**JS:** I am not sure that we have many hilarious moments in market research but we have plenty of strange moments and odd happenings. I can't tell of

some stories that would embarrass our clients

**MRS M:** What were the challenges you faced in Malaysia as a researcher?

**JS:** There were many challenges facing any market researcher in Malaysia but of course additional ones facing a foreigner. The biggest issue in Malaysia is to understand the complexity of the country. Every part of the country is different with different ethnic groups, languages and beliefs. There are huge differences between urban and rural communities, and between the Peninsular and the states of Sabah and Sarawak. Coming from Australia where the population is more homogeneous despite significant immigrant populations, it was a huge challenge for me.

Another big problem which existed up until about 1990 was that population maps were not available to the public or even market research companies. This was due to an old regulation going back to the days of the Emergency when the Government was concerned about such maps falling into the hands of the communists.

**MRS M:** Trend wise, what changes have you seen in the market research community in Malaysia during the years you have worked here?

**JS:** For all the challenges faced in Malaysia there were many more positives. The availability of English speakers made it easy for the big market research companies like Nielsen (SRM) and TNS (Frank Small & Associates) to manage their Asia Region out of Malaysia in the early days. Both these companies and others were able to import their techniques into Malaysia quite easily and these were then exported to other countries in Asia.

The trend then was for these techniques to come here first and then be adapted for local use and for Asia.

The use of these techniques has significantly helped in understanding the complexity of the Malaysian.

consumer. The other big trend has been the change from most of the MR business being from the MNCs like Unilever to a large proportion coming from Malaysian companies such as Petronas or Maxis. There are of course many other trends such as the change in the way MR data is collected. Previously, virtually all data was collected via home interviews but this has moved to telephone and now, online methods.

**MRSM:** Another trend question: How have the clients changed over the years? Do you see any difference between the local and MNC clients?

**JS:** There is a big difference between MNCs and local clients. MNC clients tend to be quite rigid in their requests, while local clients tend to be more open to suggestions about how their MR should be conducted. Local clients are also less concerned about the costs while MNC clients tend to have a procurement officer looking very closely at MR costs. The latter trend has been significant and causes considerable stress among MR companies without necessarily improving quality.

**MRSM:** Where is Malaysia now in terms of maturity vs other countries in the region? How can we best position ourselves to propel forward?

**JS:** The market is smaller than many other countries and Malaysia needs to find ways to compensate. There are still many opportunities available in competing for high-end outsourced work from high cost countries which could help compensate.

**MRSM:** How can we make the industry more attractive to young talents?

**JS:** Of course training is key but introducing the young people to the client at an early stage is exciting for

them. TNS has introduced a training for young people called Knowledge Box — around 90 young people from countries across the region are brought together for an intensive 6-day course with a follow up for another 6 months, to obtain a UK MRS qualification. This has had a big impact on our company.

**MRSM:** Let's now talk about MRSM which is Market Research Society Malaysia. Can you tell us your role in the development of this society?

**JS:** I tried to get the society moving many years ago but without success. This time I have played a minor role behind the scenes in encouraging companies to participate and helping to raise the initial money for the launch.

**MRSM:** Where do you think MRSM is now, in terms of achieving its mission and vision within Malaysia?

**JS:** Societies such as this take time to develop and the MRSM is only in its infancy but is gradually strengthening. It does have the major MR companies on board but probably now needs to look to the client side for support. I think that it is very hard for any MR Society to be successful but if MRSM can offer training that will lead to a qualification then this will make it very attractive. I would suggest that MRSM works with the MRS of the UK to have young researchers take the UK MRS exams. The training leading up to the exams can be done via MRSM. ESOMAR can also provide assistance to MRSM in such training.

**MRSM:** How would you rate the quality of the market research practice in Malaysia vis-à-vis other countries and regions?

**JS:** Because MR was established early in Malaysia compared to many other Asian countries and because Nielsen

and TNS had their early offices in Malaysia the practice here has always been of a high standard. However other countries now have much bigger MR businesses because of their size and now tend to be leaders in new practices but not necessarily quality.

The very complex mix of the society also meant that there was more pressure brought to bear on the Malaysian MR companies that wasn't so intense in more homogeneous markets.

**MRSM:** Going forward, how can we make MRSM more successful, especially the low-hanging fruits?

**JS:** While we don't want to see the big companies dominating the MRSM, it is vital that they are all represented especially on the Committee and to assist financially so that the society can hold functions and trainings. MDs of the MR companies need to ensure that their committee members get time off to attend MRSM meetings.

**MRSM:** Any special message that you have for the new committee in particular and the society in general?

**JS:** I know that this requires considerable work for which there is little thanks but I would like to thank the committee for being hard working. When they get the time, I suggest that the committee looks into my suggestion about working closely with ESOMAR and taking a step towards offering qualifications by working with the MRS of the UK.

**MRSM:** How do you think the society will benefit new members who come from the provider (agency) and user (client)?

**JS:** If the society can conduct more training programs and possibly offer a certificate through the UK MRS, then new members will have plenty to gain.

## Safeguarding The Industry Standards

MALAYSIA is a Johnny-come-lately in terms of having a body representing the marketing research profession.

Most countries in South-East Asia and many countries across the globe already had a market research society by the time the Marketing Research Society of Malaysia (MRS M) made its debut three years ago.

But better late than never. It has a strong role to play now due to recent changes in the industry such as the emergence of smaller market research companies that are seeking training and guidance.

Yazid Jamian, who was elected president for a two-year term in January, says the initial discussions to set up a society in Malaysia happened back in 1997-98.

In 2006-2007 a few individuals, out of their own initiative and goodwill, wanted to give back to the industry and enthusiastically pushed for the formation of MRS M.

They included Research & Information Solutions Sdn Bhd owner Ken Ponder, who later became the MRS M's first president, and TNS Malaysia managing director John Smurthwaite.

Yazid, who also heads TNS Research International Malaysia, says the industry has changed much in the last 10 to 12 years.

"Initially, you could count the big boys with one hand. Most of these global

companies have their own infrastructure, support network for training, systems and processes so there was really no strong need then for them to become a part of the society," he tells StarBizWeek in his first media interview as president.



Yazid Jamian (left) and Barry Ooi. MRS M will also conduct seminars that would appeal to the non-agent research people.

"But with time, a lot of other players coming in, from one-man companies to a medium-sized companies, that may not have the backing of a global or regional network. And they were asking about what sort of training was available to tell them of the latest trends in research."

MRS M has conducted various education and training-related activities. It has organised seminars on topics such as ethnography, applied marketing research and fundamentals of market research.

Yazid estimates that there are about 35 market research players doing work in Malaysia (inclusive of the few coming in from overseas).

The big three – Nielsen, Synovate and TNS – control more than half of the

market, believed to be worth about RM300mil annually.

"It's a relatively small industry with 35 to 36 players all clamouring for the same pie. The only way that people can come out ahead would be to differentiate themselves in various ways and manners. However, the fundamentals are there; it's all very much facts-based consultancy, and there's still some market research involved. So we feel that if we were to advance ourselves as an industry, we must get the fundamentals right," Yazid says.

"In the absence of any other governing or policing body, we take it upon ourselves to make that happen. It's really about conducting training. Maybe one day we'll come up with some form of standardisation or accreditation for someone to practice market research in Malaysia, but that's the long-term plan. So it's really about safeguarding the standards."

He notes that clients are also more sophisticated and are demanding for services such as analytic modelling that they have heard about.

"So we've come to a stage where we have to grow up very fast to meet their demands. It's less of an issue with the bigger research companies because they have the network and resources; it's the remaining 30-odd companies which the society would really help up," he says.

MRS M vice-president Barry Ooi, who is also present at the interview, says there has been good response from market research practitioners to belong to the society, whose individual and corporate members now total more than 70.

Corporate members can be either market research agencies or their clients, while individual members can include students, who are encouraged to join to get knowledge of real market research practice.

Yazid says the MRS M has three priorities this year: to drive membership (getting people together to have a platform where people can share), give life to its website (to ensure it can be used as a portal where people can share knowledge and ideas) and line up a calendar of events, such as seminars and conferences, over the next 12 months to excite the members.

MRS M will also conduct seminars that would appeal to the non-agency research people too.

“MRS M has a high number of the market research practitioners as members so our next goal is to encourage the non-research organisations to join as members,” Ooi explains.

The seminars will cover topics related to business, marketing/ branding and leadership issues, not confined to purely market research.

Yazid says one issue faced by the industry is the shallow and shrinking talent pool. “I think the society at large does not see market research as a sexy industry. So one of the challenges for

us is how do we go to the universities and colleges and tell the students there is a future in market research.”

MRS M is considering some roadshows, which involve the society’s members going to institutions of higher learning and talking about the industry.

There is also a demand from members for MRS M to look into the issue of professionalism of field enumerators, as the industry relies more and more on freelancers. (Malaysia relies heavily on the face-to-face interviews while in markets like Australia and the United States, most data collection is done online.)

“In Malaysia it’s very difficult for us to get full-time interviewers so there’s a higher tendency to rely on freelancers,” Yazid says.

“What’s hurting the industry are those who come in and take fraudulent ways of doing things; they may take short cuts. The industry as a whole is taking a very serious view on this. We encourage people to undertake a more rigorous quality management programme within their companies. Thus we try to minimise the impact of these rogue interviewers on the quality of our deliverables.”

MRS M plans to tackle the problem via education and training, teaching interviewers on interviewing techniques and maintaining confidentiality, among others.

The other issue, he adds, is that there are companies that try to do sales using the pretext of doing a survey.

“I wouldn’t say it’s very rampant, but it’s making the life of our enumerators more difficult. It’s already difficult for people to open their doors to interviewers,” Yazid says.

On the industry’s financial performance, he says that for 10 years up to 2008, the industry had been growing by double digits. Even during the Asian financial crisis, it did not stop growing.

But last year the brakes were slammed due to the global crisis, and there was either a flat growth or a low single-digit contraction.

However, the industry has bounced back this year. “In the first half of this year there has been tremendous growth. There may be a slowdown towards the end of the year as people are still cautious going into 2011, but we project a 5% to 7% growth this year,” Yazid says.

On where he wants to take MRS M by the end of his two-year term, Yazid says he would like members to feel that they’re part of a very active society.

“People are given a chance to give back to the industry and being able to benefit from it in terms of upgrading their skill sets. And of course, being self-sustaining and having a large number of members.”



## MRSM adopts ESOMAR codes

As of September 2010, Market Research Society Malaysia (MRSM) has successfully adopted ESOMAR /ICC (European Society of Opinion and Market Research/ International Chamber of Commerce) International Code on Market and Social Research.



The code's objectives are as follows:

- To set out ethical rules which market researchers shall follow.
- To enhance the public's confidence in market research by safeguarding their rights for which they are entitled under this code.
- To emphasise the need to practise a special code of ethics and engage responsibly when seeking the opinions of children and young people.
- To safeguard freedom for market researchers to seek, receive and impart information (as embodied in article 19 of the United Nations International Covenant on Political Rights).
- To minimise the need for governmental and/or intergovernmental legislation or regulation.

With this, MRSM members are obliged to follow the key fundamentals in conducting marketing and social research in Malaysia.

The key fundamentals of the code are as follows:

1. Market researchers shall conform to all relevant national and international laws.

2. Market researchers shall behave ethically and shall not do anything which might damage the reputation of market research.

3. Market researchers shall take special care when carrying out research among children and young people.

4. Respondents' cooperation are voluntary and

must be based on adequate, and not misleading, information about the general purpose and nature of the project when their agreement to participate is being obtained and all such statements shall be honoured.

5. The rights of respondents as private individuals shall be respected by market researchers and they shall not be harmed or adversely affected as the direct result of cooperating in a market research project.

6. Market researchers shall never allow personal data they collect in a market research project to be used for any purpose other than market research.

7. Market researchers shall ensure that projects and activities are designed, carried out, reported and documented accurately, transparently and objectively.

8. Market researchers shall conform to the accepted principles of fair competition.

Therefore, MRSM has officially joined more than 50 associations worldwide that have adopted ICC/ESOMAR International Code of Market and Social Research. For more details of the code, please go [www.mrsm.org.my](http://www.mrsm.org.my)

## The Asian Consumer Confidence Index

Insight Asia in their quarterly publication of Asian Consumer Confidence Index reported that in Q2 2010, consumer confidence has decreased in China and South East Asia by 11 and 15 points respectively from Q1 2010. Consumer confidence is still strong in some markets, but consumers have lowered their expectations somewhat. Zooming into Malaysia, it registered lower consumer confidence than in the previous quarter after the economic growth had slowed down. The index dropped from 125 to 118.

## Ipsos making inroads in Malaysia

Ipsos, the top 5 Market Research Company in the world is in the process of opening an office in Kuala Lumpur. The company in Malaysia is led by country manager, Steve Murphy, Synovate Malaysia's former managing director. The office in Kuala Lumpur is at A-38-11 & A-39-11, Level 38 & 39, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur, Malaysia and will be fully operational by 2011. Malaysia welcomes another formidable player in measuring public opinion trends and perceptions, bridging the gap between clients and their customers.

Quarter	Month	Date	Events	Venue/ Location
<b>Q4, 2010</b>	Nov-10	25th, 26th	APRC Seminar in Tokyo, Japan	Tokyo, Japan
	Dec-10-	-	First publication of MRSM-Whiz	-
<b>Q1, 2011</b>	Jan-11	13 Jan'11	New Year high tea with guest speakers	Borneo Rainforest Cafe @ Sunway
	Jan-11	21 Jan'11	Seminar on Consumer Segmentation	Petaling Jaya
	Feb-11	-	MRSM Sports events - Bowling	TBC
	Mar-11-	TBC	First MRSM Conference	TBC
<b>Q2, 2011</b>	Apr-11	TBC	Executive Training Programme – Introduction to Marketing Research	TBC
	May-11	TBC	Treasure Hunt	TBC
	Jun-11	TBC	2nd Publication of MRSM-Whiz	TBC
<b>Q3, 2011</b>	Jul-11	TBC	Seminar (topic yet to be determined)	TBC
	Aug-11	TBC	Networking event	TBC
	Sep-11	TBC	-	TBC
<b>Q4, 2011</b>	Oct-11	TBC	Executive Training Programme	TBC
	Nov-11	TBC	-	TBC
	Dec-11	TBC	Christmas party	TBC

## On The Move

1. Ben Llewellyn is promoted to Managing Director of Synovate Malaysia.
2. Steve Murphy is appointed Managing Director for Ipsos Malaysia.
3. LiLi Chan has moved from Metrix Research to Synovate M'sia as Project Director.
4. Nestle has appointed Siew Yin Heng as the Consumer Insights Manager replacing Rumaizon Malik.
5. Nielsen has appointed Mukund Tripathi as Director of its retail measurement services division.
6. MC Lai is appointed Regional Director, Head of Qualitative for Ipsos Malaysia.
7. Sita Subramony joins Sunway Holdings Berhad, as General Manager - Strategic Corporate Marketing and Branding.
8. Geraldine Song is appointed Consumer Insights Manager at F&N Malaysia.
9. Chia Ying Sun has joined Synovate as Project Director from Nielsen.
10. Lim Keat Long has joined Synovate as Project Director from TNS-RI
11. Malaysia Airlines has named YM Raja Zamalia Raja Dato' Seri Mansur to the role of executive Vice President of communications to handle all PR duties, branding, advertising & promotions for MAS.
12. Karen Sandhu joins AMP as General Manager of marketing.