



DISCOVER



Brazil
Russia
India &
China



DISCOVER BRIC

Brazil, Russia, India & China

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Introduction



Pedro Ros,
Chief Executive Officer

BRIC was conceived in a paper by Goldman Sachs in 2001 paper entitled 'The World Needs

Better Economic BRICs'. Over the years the BRIC acronym has become a symbol of the power and growth potential of the world's largest rapid growth and emerging markets. Increasingly BRIC is quoted to demonstrate the shift of economic power towards emerging markets and away from developed markets such as the United States, Germany, Britain and even Japan.

Having come out of the global financial crisis better than their developed counterparts, it appears that the four BRIC markets are going to become even stronger players on the world stage... and they are beginning to flex their muscle. A perfect illustration of this is the 2010 BRIC Summit which took place in Brasilia, Brazil on April 16, 2010. This was the second formal meeting of BRIC heads of government and the agenda focused on a range of issues including closer cooperation around energy, food production, trade, investment, science, technology and infrastructure.

The BRIC markets will certainly provide much growth opportunity for TNS' multi-national clients over the coming years.

It is for this reason TNS has produced this Discover BRIC Source Book. We've drawn from our collective knowledge around Brazil, Russia, India & China to provide you with a more up-close view of these markets. As you read on, you will find a range of fresh perspectives from snapshots about everyday life, to points of view on what is driving high growth categories like technology as well as insights on priority consumer segments.

The future of our industry in the BRIC countries is very exciting. As that unfolds, I hope you find the insights that follow to be both interesting and useful.

Regards,
Pedro Ros



James Fergusson,
Global Director
Rapid Growth &
Emerging Markets

**Over the years
much has been
written about BRIC**

with people often talking about these markets collectively despite each of Brazil, Russia, India and China obtaining their rapid rise from different sources. In fact, apart from vast geographic size, huge populations with growing consumption needs leading to an emerging middle class (yet growing disparity between haves and have nots) and, of course, rapid economic development these markets have little in common.

China's economic growth has been based on its export focused manufacturing industry taking advantage of inexpensive labor resources to produce low cost yet decent quality products, whereas India's economic growth comes mainly from domestic demand and is further fueled by its world leading IT service industry. Brazil's economy is driven by agriculture and also more and more by natural resources – incidentally exporting much of its iron ore output to China. Meanwhile energy has been Russia's growth engine with the country having huge oil, natural gas and coal resources.

From a demographic perspective the BRIC markets are extremely diverse – take age for example. Both Russia and Brazil are considered to be aging markets whilst the majority of India's population is well under 30 years. Whereas China's population is somewhat polarized containing both one of the world's largest youth markets and the largest population of over 65s.

But the diversity of the BRICs goes well beyond their economic and demographic make up – these are all large and distinct cultural universes in their own right, with India and China being particularly diverse and complex. Success in these markets must necessarily also include an understanding of the cultural and psychosocial forces fuelling their consumer potential.

These factors combine to make achieving success across BRIC a huge challenge. To a certain extent using the BRIC acronym over-simplifies the challenges of penetrating these markets as really when it gets down to it there are very few synergies or economies to leverage across all four markets.

We hope that this fact book helps move your organization a step closer to optimizing its success within the BRIC economies.

Regards,
James Fergusson

Psychologies in emerging markets



Poonam Kumar,
Regional Director Brand
Strategy, TNS APMEA
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East and Africa)

Emerging Asian markets continue

to dazzle big global brands. Success has always been difficult in Asia and will depend on how well marketers understand the often contradictory motivations and ambitions of consumers.

Everybody is talking about the emerging markets of Asia today. Asia has been the engine driving growth and fortunes of marketers around the world for over a decade now. And after the global financial crisis, interest in these markets has increased multi-fold. Not surprising as, despite the downturn, the factors that drove the boom continue to exist.

Consumers in this region have had their breathtaking taste of consumerism and are unwilling to revert back to the closed conservative economic practices of the pre-liberalisation years. As a result, brands continue to see Asia in terms of an opportunity with millions of new consumers. They picture the huge potential. They listen closely to research that tells them about different economic models. It's still about extrapolating dazzling growth rates from huge population figures. Somehow, the understanding seems to go no further than numbers. There is something very important here that brands are missing and to which they need to pay very close attention – that is the psychology of consumers in the different cultures of Asia.

Success is elusive

Despite exciting numbers and buzzing new marketplaces, success in Asia has never been easy. The Chinese phrase 'Wei Ji' perhaps describes the emerging market situation most appropriately. 'Wei Ji' means crisis and is formed by the combination of *Wei* meaning opportunity and *Ji* meaning danger.

A large proportion of Coca-Cola's sales in India are still attributed to successful home-grown brands, purchased from a local competitor that the company initially planned to phase out. Ford's entry with the outdated Escort did not entice the 'unevolved' Indian auto consumer to queue up for the American brand. Baidu in China continues to be the lead Search Engine. Taobao, not eBay, leads e-commerce in China, one of the world's most vibrant internet communities.

Different cultures need different approaches

Marketers the world over now know all about the 'big picture' signifiers of what makes these emerging Asian markets different from their Western counterparts. However, a superficial look can be misleading. The growth of the global middle class, having similar needs, buying similar products, behaving in a similar way; increased affluence and connectedness, rapid urbanisation, adoption of technology and open market economies – all these are tempting indicators. They make these markets seem deceptively easy to target, implying that global (Western) paradigms can be easily transplanted. However, Asian emerging markets are not exactly identical to developed markets as they are not following the same trajectory for development. Put simply, different cultural structures require different treatment.

Discordant Harmonies



The real differences emerge

Drill down below the external signifiers and the real differences begin to emerge. Most emerging markets are still transitioning from being dominantly agrarian, which impacts on consumption patterns – seasonality, food habits and food culture, notions of security, attitude to nutrition and health as well as community structures.

With the exception of China, emerging markets are overwhelmingly young. Most of these markets are influenced by Eastern religions and karmic acceptance still underpins the emerging drive for success. There is huge disparity in wealth distribution, with large pockets of incredible wealth coexisting with heart-wrenching poverty, making average per capita measures less than indicative. Family is still an interdependent collective unit rather than a unit of individuals, making the family brand proposition still a profitable opportunity.

The differences extend beyond the social structures and are intensified at a deeper, psychological level. First and

foremost, an unapologetic materialism and pursuit of wealth. This pursuit of material success paradoxically coexists with Eastern spiritualism. There is the fervent desire to integrate and catch up with the affluent West and an equally fierce need to guard and preserve tradition and heritage. We see the definite emergence of individualism, but collective order continues to take precedence in all important decisions.

Put all these together and brands are faced with interpreting a series of paradoxes, polarisations and seeming contradictions best described as discordant harmonies or a ‘Harmony of Opposites’.

The brand challenge

The real opportunity for brands that wish to compete and connect in these markets, therefore, is to help resolve this tension and harmonise the opposites. This means that marketers must first understand that bipolar opposites coexist, evaluate how different consumers deal with them and align the brand proposition to the

Resolution to conflicting pulls



strategy used by consumers to resolve this tension. Does that mean that global ideas will not travel? Certainly not. Global ideas based on human truths work across cultures. However the local execution has to be sensitive to the local nuances.

Take motherhood, for example. Research tells us that Asian motherhood epitomises devotion and unconditional sacrifice. So, what is the contradiction? Asian motherhood also embraces powerful ambition. The Asian mother expects and strives for a better future for her child than she had. A campaign that has effectively executed a global idea on a local level is the Unilever 'Dirt is good' campaign. It works in the West with the thought that 'every child should play and be normal'. The brand enables the homemaker to nurture a natural childhood with love and without constraints. The same execution in Indonesia is adapted and underpinned with purpose. Childhood is about play and this is necessary for the child to acquire the

strength to survive, compete and be better equipped for the future. The campaign subtly uses a soft spoken supportive teacher (an authority figure) watching the children playing on the soccer field. She provides the reassurance and permission that the Asian homemaker needs to spend the premium.

Insights of this nature seem obvious when explained. Although over the years, the mystery quality of these exciting markets is partially unravelled, the Chinese term Wei Ji still applies and marketers must target these markets with sensitivity.

TNS is proving to a range of clients across many sectors that, while investment plans look at the promise of the numbers, it is also important to pay attention to the underlying sociology and psychology of these markets.

Ten things you should know about China

1

China's urban and rural population. With ubiquitous pictures of China's modern development it is easy to overlook the fact that more than 700 million Chinese live in rural areas where per capita income is a little over 700 dollars a year. This means that the products and services for these markets need to be different from those in large cities. However rapid urbanization is on the way. Over the coming years 10 million will move to urban areas every year, and half of China's population will live in cities and towns by 2015.

2

A grey population. It is a common perception that Asian populations are a lot younger than in the West. Asians do make more babies, but lower standards of health care have, in the past, meant Asians die a lot younger. However this is changing. The Chinese market is no longer driven only by youth but also by the 'greying' consumer. While older people's incomes may be limited on an individual basis, collectively they offer a sizable target market with relatively unique physical and emotional needs. For example visits to supermarkets are not just for shopping but are also a leisure activity in China.

3

China is inventing its own product cycles rather than following the West. The traditional purchasing model of moving up the product chain is not relevant in China. In other developing countries, like India, a consumer would start with a small car and buy a bigger car when they could afford to. In China consumers move from owning nothing to buying a big car. This is due to a rapid and recent acquisition of wealth. Manufacturers should not assume that the traditional product development cycle of the West will apply to China.

4

Proud to be Chinese but admire others. In recent years there has been a huge shift in the global balance of power with China becoming a key player. The Chinese are fiercely proud of this. From spectacular economic growth to staging the Olympic Games – the list of achievements is long. The Chinese often feel that China provides more opportunities than the West but that the world does not understand its culture and values. Despite this strong and often overt patriotism the Chinese have been open to the influence of other countries. While rediscovering the power of their own feng shui, they also enjoy Korean opera, Japanese cartoons and practice Indian yoga.

5

Web 2.0. It is well known that internet users are growing exponentially in China and this is likely to continue. However, what is less well understood is that internet adoption in China is not following the Western model but is establishing its own unique pattern. Western

consumers regularly use the internet for e-mail and e-commerce; Chinese consumers, in the main, use it for information gathering, social networking and entertainment. Internet in China is a means of expression and interaction. The reliance on internet is further magnified in the context that many Chinese people are consuming products and services for the first time. For instance 70% of car buyers are first time buyers and tend to use the internet for information on which to base a purchase decision.

6

Online commerce. While as a proportion of total trade in China, online trade is still small, in absolute terms it's extremely large. Contrary to expectations, e-commerce is not just a big city phenomenon. Young consumers in smaller towns and cities often buy apparel and fashion products from websites such as Taobao as the physical distribution lags behind significantly when compared to the large metros.

7

Going green. A recent report suggested that China has now overtaken the US as the largest energy consumer in the world. However, it also a fact that consumers in China are becoming more concerned about the environment and global warming. They are increasingly willing to pay a premium for environmentally-friendly products and services from companies that take their social responsibility seriously.

8

Chinese people are creative and love design. After years of collective uniformity, Chinese consumers are eager to express their creativity. Design has always been important in certain categories, such as clothing and consumer electronics, but is now finding its way in almost every product category in China.

9

Chinese consumers are questioning and demanding. While on one hand, Chinese consumers are widely embracing modern products and services, they are also becoming more assertive, even militant. One of the reasons is that branding has a limited history in China. As a result the attachment that the consumers have with a brand is often not very strong and they can be unforgiving about any lapse that they see in a product's performance.

10

Up trade and down trade. It is not uncommon to see an office worker with a mobile phone that costs one month's salary to buy. Chinese consumers are willing to pay above the odds for two things – status and the protection of their children's health – while conversely using cheaper products in the privacy of their own homes.

Social media in China – great expectations



Ashok Sethi,
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TNS China

No other recent phenomenon has generated as much anticipation and excitement among marketers as social media. Phased by increasing clutter and deteriorating ROI from conventional media, marketers are salivating at the thought of social media providing them with more opportunities to bond with the increasingly elusive consumer. Research conducted by TNS among marketers in China found that social media is viewed as one of the most effective marketing tools available today.

There is a common perception that social media is on its way to carve out a sizeable share for itself at the expense of conventional media.

However marketers are also clear that the potential offered by social media is far from realised – in fact they feel that only a fraction of its potential is being tapped into today. TNS research revealed that:

- very few companies understand social media
- the social media scene changes so fast that it is difficult to keep up
- there are so many options to choose from
- we are not able to find the right agency partners or vendors to work with

Vibrant social media in China

There is no denying the fact that social media has been rapidly growing in China. Specialist social networking sites such as renren.com, kaixin001.com, qzone.com

and 51.com have gathered a huge following in the last few years. Taking into account other components of social media such as blogs, bulletin board systems and video sharing, there is a lot at stake in this increasingly powerful social media landscape.

Much can be attributed to the fact that Chinese consumers view the internet differently to their Western counterparts. In developed economies, consumers consider the internet as a work tool, to increase efficiency or provide information. However, Asian countries, such as China and India, also look at it as a tool for self-expression.

The fact that traditional forums for discussion and airing your views are scarce gives a further boost to social media in China.

Most young people in China don't have a sibling to argue with so it is not surprising that Chinese consumers are among the most active bloggers and social media users in the world.

What has marketing got to do with it?

While it is interesting to acknowledge that people in China are fond of interacting socially with their friends and colleagues online – for example discussing how well dressed Xili Ge is, the latest exploits of internet celebrity Furong Jie or the spicy details of the Shoushou Men – we need to go further and evaluate the relevance of this for brands.

Research indicates that in addition to such popular topics, there is a lot of discussion about products and brands online. According to a TNS survey, 86% of social networking users have come across a negative comment about a brand online. Marketers have got to be there to defend themselves, but it is not just



about crisis management. 90% of consumers have come across a positive comment online about a brand – pointing to the tremendous opportunity that online media offers to existing and new brands. Marketers have the choice to either ignore this space or they can attempt to monitor, moderate and veer conversation in a positive direction.

Why do people talk?

The reason marketers are excited about social media is that it provides an environment to engineer positive dialogue between consumers about their brands. The major trigger for positive word of mouth is a high degree of consumer satisfaction. The best way to encourage positive opinion about a brand is to delight consumers. Another interesting trigger for online chatter is the launch of a new brand or advertising campaign. Every time marketing has something new to talk about there is an opportunity.

Triggering positive conversations can only be based on sound product performance or genuine newness – it can not emerge out of nothing.

Mismatch of expectations and reality

The views of marketers are clear. They see a distinct role for social media, expecting it to create word of mouth or buzz, and to strengthen the emotional bond and loyalty to a brand. Conventional online advertising, in contrast, is seen to merely create awareness and be informative. Hence there is an expectation that because marketing communication works in an environment of social interaction, it will have a more profound effect on consumer psyche than conventional advertising. But is this really the case?

Consumers say brand exposure through social media makes them aware of the brand – putting it into the consideration set; nudging them to try it – but generating loyalty and bond with the brand is unlikely.

There is a gap between marketers' expectations from social media and reality.

Often marketing communication tactics aimed at social media are actually conventional advertising methods that make little attempt to engage the consumer or generate dialogue. It is clear that if the great expectations from social media are to be realised, marketers need to work harder at ensuring their brands' online presence connects with consumers.

China fact:

In China, 54% of internet users are highly engaged compared to 48% in Brazil, 43% in Russia and 43% in India. Source: TNS Digital Life.

Sustainable capitalism in Brazil



Elizabeth Salmeirão,
Head of the Retail
Sector, TNS Brazil

The earth has reached the apex of its population with over six billion people.

There is increasing evidence, both scientific and empirical, that this is severely impacting on our environment and wellbeing through ecosystems depletion, greenhouse gas emissions and natural capital degradation (ie water). A shift towards conscientious, sustainable consumption is long overdue.

Sustainability, in its broadest form, is the subject of a long, drawn-out debate in global society between environmentalists, politicians, community leaders and businesses. Despite global progress towards a sustainable existence there are many barriers to the development of sustainable capitalism.



Economic growth

We can start by looking at the very definition of capitalism: production, consumption and profitability. This is in direct opposition to the concept of conscientious consumption. While capitalism encourages unbridled consumption, sustainability prioritises a balanced consumption.

This conflict is very evident in Brazil as the country is experiencing a period of economic stability, with purchasing power increasing which, in turn, generates a significant increase in consumption. While this is favourable to the growth of the country's economy, it doesn't lend itself to a sustainable existence.

In a recent survey, TNS found that 67% of Brazilians are more concerned with sustainability, but there is still a portion of people (8%) that have never heard about it.

Social awareness

At a time of economic boom, are Brazilians willing to become conscientious consumers for the wellbeing of the entire planet?

Curiously, the segment that shows a greater level of involvement with the issue is not the young, but people over 45, especially women from lower social classes – demonstrating that concern for the environment is not restricted to the educated classes.

Only 4% of Brazilians are engaged in sustainable practices. Half (51%) of Brazilian consumers have indirectly adopted some sustainable practices in their daily lives, but this has been driven by economic interests rather than awareness of society's wellbeing.



Environmental responsibility

In Brazil, each person creates an average of 1 kg of waste per day, with around 130 tons of rubbish recycled every day. Government, private sector and NGOs have joined forces in seeking improvements in this segment. For example recycling by urban businesses is supported by the government. A knock-on effect of this is that social programmes, created to support the recycling schemes, have generated jobs for an informal workforce, which has also involved workers' families, creating over 500,000 jobs.

There is increasing global pressure for sustainable products and services, including green energy, organic food and biodegradable products. Society, it seems, is increasingly willing to pay a higher price for sustainable products that contribute to its wellbeing. This provides a great opportunity for large businesses and entrepreneurs to assess and improve the environmental impact of the whole life cycle of their product or service – from design to disposal. Brazilian companies need to review their concepts and processes in a creative way to better deliver sustainable products and services.

Ten things you should know about Brazil

1

Water into wine. The Brazilian economy is growing, bringing development to the country and its population. The situation is so good that we have almost forgotten what it was like 15 years ago, when inflation reached 1000% in a single year. The turning point was 1994, when a bold set of economic changes saw the creation of the Brazilian currency – the Real.

2

All eyes on Brazil. Brazil is centre stage with the discovery of one of the largest oil reserves in the world and its hosting of the 2014 FIFA World Cup and 2016 Olympic Games. Huge investments have been made in the country to provide the required infrastructure.

3

Social development. Consumer purchasing power is increasing. This allows people to climb the social ladder, migrating from lower to higher social classes. The middle class now represents more than 50% of the 185 million Brazilian population. These are the consumers shaping purchasing behaviour and trends and consequently forcing brands to review their strategies and offers.

4

The Brazilian way. There's the right way, the wrong way, and then the Brazilian way. This represents the creativity and flexibility Brazilians have to overcome difficult situations and look for alternative ways to satisfy their needs.

5

5 regions in 1 country. Brazil, the 5th biggest country in the world, is divided into five macro regions, each with unique characteristics and backgrounds, from the biggest Japanese population outside Japan in São Paulo to the remarkable German heritage in the South. Culture, economy and behaviours also vary, meaning a generic approach to marketing is no longer enough.

6

Family is key. Family is at the heart of Brazilian life. It is a core value of society. Even though the family structure is changing (fewer children and more divorces), it still plays an important role in society. Eating dinner together is one of the most important moments of the day for a family and Sunday barbecues bring together other more distant relatives.

7

When just a few means a lot. Internet penetration in Brazil is about 40% of the population, still low compared to developed countries. However, those Brazilians using the internet have helped to place Brazil in the top three countries that spend the most amount of time online.

8

A class with a plus. A section of Brazilian society is obtaining high levels of wealth. These people justify the increasingly important luxury goods industry in Brazil, helping the country to become known for having the largest private helicopter fleet in the world and the largest top-selling Ferrari dealership outside of Italy.

9

Mobile entertainment. With 84% of the population living in urban areas, and a lack of well developed public transportation systems, Brazil has considerable traffic problems. Many hours are spent commuting which has led to trends such as the desire for inbuilt FM Radio when purchasing a new mobile phone.

10

Yellow light to green products. Brazil is known for its rain forests yet when it comes to engagement with environmental issues it lags far behind other countries. Only 14% of all consumers usually buy green products. This indicates that there is an opportunity for companies to trigger genuine green attitudes in Brazilian consumers and unlock a latent and untapped market.

An insight in to BRIC teens – TRU Report



TRU team

One might assume that a group of teenagers from Brazil, Russia, India, and China would have little in common. Besides

the language barrier, this assumption would be based on cultural disparities and geographical distance (9,000 miles alone between Brazil and India).

However, in reality, BRIC teens have significantly more in common. As part of what TRU calls *The & Generation™*, like most, BRIC teens are adept at toeing the line between perspectives, disciplines, behaviours, or mediums that appear staggered or contradictory.

As prescribed by The & Generation™ theme, duality is paramount for BRIC teens and local and global affinities co-exist.

Two-thirds of BRIC teens love their homeland and are just as interested in the cultures, attitudes, and lifestyles of other countries. *Conscience & consumption*, too, assume similar priority: Two-thirds believe success comes from earning money yet pursuing one's interests is more important than making a lot of money. With regard to the importance of living in the now versus preparing for the later, the answer is typically oblique: BRIC teens spend considerable time planning their future, but most also believe in living for today. BRIC teens are truly a 'have it all' generation.

Another commonality is BRIC teens' emphasis on 'family.' Clearly, this is a cohort beholden to old-school values, (religion = good; homosexuality = bad) where



elders uniformly demand, and get, respect. BRIC teens' family bond flourishes outside the homestead (except in India) thanks to new media, but does not replace close-bonding – more than three-quarters of BRIC teens enjoy family activities and nine out of 10 say family is the most important thing in their life.

Brazilian and Indian teens are distinctly more optimistic, family-oriented, education-focused, philanthropic, and style-conscious than Russian and Chinese teens.

Consumers

A simple glance at GDP reveals those living in BRIC regions don't have much money to spend – teens included. The average BRIC teen spends just over \$12 per week, nearly one-third less than the typical global teen. However, four-fifths believe they'll be spending at least as much, if not more, per week in the next year, which is nearly in line with youth around the world. Furthermore, BRIC teens value the same things in the brands they buy as teens elsewhere, which are (in order): quality, intelligent design, and stylishness (for example, BRIC teens' top-two brands are Nike and Adidas).

Crucially, despite tight budgets, 'affordability' is only the seventh-most desired attribute by BRIC teens.

BRIC teens' pocket money comes from parents (although Brazilian and Indian teens don't tend to get an allowance). BRIC teens have about half as many debit cards and bank accounts as other global teens. BRIC teens' overall interest in, and ownership of, credit cards is similar to global teens (although still very low). Brazilian teens are among the most eager to join the world of revolving debt and ownership of credit

cards. Naturally, with low credit card ownership, online shopping is uncommon across all BRIC countries, with two-thirds of teens saying they don't shop on the internet.

Media

When it comes to media consumption, BRIC teens want it all – even if they can't have it all. BRIC teens watch TV a lot (especially Brazilian teens) and – save for internet-bereft Indian teens – go online nearly as often. Most listen to MP3s and (except Chinese teens who are more mobile phone reliant) the radio. BRIC teens use mobile phones mainly to talk and text with friends and family.

However, in another sign of the attitudinal disparity, while Russian and Chinese teens can't live without the internet, Brazilian and Indian teens have limited online access, but can't live without TV.

The divide applies to mobile phone usage as well. Russian and Chinese teens are savvy about most mobile features (ranging from texting and taking photos to listening to MP3s and accessing the internet), while Brazilian and Indian teens focus on primitive mobile functions, like talking and texting. This is mainly because ownership of smartphones in both Brazil and India is significantly lower.

Life

Like all teens, the BRIC teen's life is busy. School? Check. Hang out with friends? Check. Talk on the phone? Check. Chores? Check. BRIC teens experience all normal adolescent activities and obligations. However, in their own time, BRIC teens (save for obsessively family-oriented Indian teens) don't spend nearly the same amount of time with family as previous generations did. BRIC teens would rather be on the

web/computer or watching TV than be with friends. Chinese and Russian teens, for example, spend more time on the computer than friends and family combined. This lack of traditional social interaction can be attributed to the proliferation of technology that enables teens to communicate with friends and family without actually being physically near them.

Socially, we see BRIC splinter into familiar offshoots. While all BRIC teens do things with friends, such as eat out, go online, shop, go to movies, and work out, Russian and Chinese index higher than Brazilian and Indian teens do in this capacity especially when it comes to more 'adult' activities, such as hanging with significant others, partying, going to concerts, and attending sporting events.

The only sport where at least one in 10 teens from all four BRIC nations participate and consider it a favourite is dance, thanks almost entirely to teenage girls. Yet, overall, no single sport fully resonates with BRIC teens. If there is a sport that epitomises BRIC teens, it's basketball, thanks primarily to the NBA's concerted effort to globalise the league.

Overall, two soccer leagues – the European Champions League (UEFA) and the English Premier League – hold the most appeal for BRIC teens, with the FIFA World Cup serving as their favourite sporting event (especially among Brazilian and Russian teens).

TRU, a TNS global team specialising in the youth market, reveals key differences between BRIC teens

	Brazil	Russia	India	China
Living in single parent homes (%)	34	28	2	4
Working mothers (%)	51	72	10	70
Time spent studying per day (hours)	4.8	5.7	7.3	7.8
Time spent with friends per day (hours)	2.6	2.1	1	1.4
Spending per week (USD)	18	20	3	22
Hangouts (%)	Streets 59% Friends home 45% -	Streets 70% Friends home 40% Own home 28%	Streets 24% Friends home 70% Own home 75%	Streets 30% - Own home 27%

Source – The TRU Study: 2010 Global Teen Edition

Technology in India – looking beyond



Anjali Puri,
Executive Director,
Qualitative Research,
TNS India

The telecoms boom is a well-documented story about modern

India, and has been a lens through which much of the change in Indian society has been viewed in recent years.

The evolution of telecoms in India has magnified the ambition and aspirations of an increasingly empowered middle class, telling a tale of outward-directed energy and dynamism, purposeful interaction and profitable exchange. Much of the telecom discourse has centred on the role of technology as an enabler and connector, a transformational force that pulls people out of their disconnected shells and propels them towards social and economic growth.

However the other side of this technology tale is that of a disconnecter or virtual wall, that allows people to turn inwards, to retreat into personal spaces, and to spend time on things less purposeful and profitable.

Role of technology

	Global average %	India %
Maximise new opportunities	14	12
Perform at my peak	19	17
Get a competitive edge	15	14
Enhance private moments	14	16
Share special moments	13	17

Source – TNS Global Telecom Insights study

The 2010 TNS Global Telecom Insights study (GTI) points to a high need for personal entertainment from mobile devices – this is among the top future needs from the category in India and is higher than any other country at 31%. The need for personal entertainment also seems to exist across age bands and is prevalent in men as well as women, albeit in different forms (with the younger users and men more focused on music and gaming, and older users and women desiring other forms of personal entertainment).

Global research into emotional needs that can be fulfilled by communications technology tells a similar story. If we compare work and achievement-focused needs with those that revolve around enhancing personal time, we find a slightly higher emphasis on the latter.

What is significant is not just the heavy focus on entertainment, but also the shift towards activities that allow people to retreat into personal spaces. With the exception of sharing pictures, we find that most of the top entertainment needs in the GTI study are in individual domains.

empowerment

What technology is used for

Social activities	%
Take and share pictures with friends and family	33
Send SMS messages to friends / family	20
Take and share videos with friends / family	18
See what friends are doing and where they are on a map	7
Check and update social network sites	5

Individual activities	%
Easily download music, games and apps	34
Have access to my own personal entertainment	31
Store / listen to music	30
Get access to / listen to radio	22
Easily navigate the options on my phone	18
Play games on a break	13

Source – TNS Global Telecom Insights study

The dominant images of India in marketing communication are, at one level, about drive and achievement, and at another level about a highly affiliative culture known for its close-knit families and porous personal boundaries.

However, as India gets more wired, mobile phones don't just eliminate distance but sometimes facilitate distance and space – drawing boundaries between home and work, between family and self, and acting as a barrier to social interaction. Evidence from ethnographic studies on technology suggests a growing need for personal downtime – a need for disconnection from work and the 'world out there' as well as the chaos of social and family obligations. This need becomes all the more stark if we consider the realities of the physical environment in which middle class India lives and works – the density of people on an average street, commuters in an average bus, or shoppers in an average marketplace.



We see traces of the same need in research across other categories, not just technology. For example:

- Women speak of the early morning hours before anyone wakes up as their most precious time in the day. Or the mid-morning hour when everyone has left the family home and they turn to their phone – to connect with a friend, but equally to disconnect from the chaos of their own household.
- Men and women from lower socio-economic groups often seek out a quiet spot in a temple, not for spiritual reasons but just for some quiet time. Religious or spiritual music downloads on mobile phones are hugely popular among lower socio-economic groups, being easy to justify both with respect to the expense involved and with respect to ‘tuning-out’ of a social space. They become a virtual cocoon in the absence of a physical one.
- Men talk about the need for ‘winding down’ or ‘calming energy’, where a few years ago we used to hear primarily about the need for energy to ‘go on’. Talking about and openly acknowledging the need for individual activities that help to unwind and calm (distinct from the need for rest) is a relatively new phenomenon in middle class India.

- Teenagers, trapped within the confines of the home, use technology not just to connect with the outside world but to ‘zone out’ of their immediate surroundings. Teens in India rarely have their own rooms to withdraw into – for privacy, to sulk, or to dream. However a simple combination of a phone and earphones can turn any corner of a crowded house into a private zone.
- The phenomenon is observable beyond the upwardly mobile urban middle class. At the internet kiosks set up in Indian villages to assist farmers with education and agriculture related information, users download movie trivia, music from the internet and of course look at cricket-related news.

Marketers tend to focus exclusively on the achievement-driven and outward-oriented needs in India. While these are undoubtedly still the dominant themes in the Indian story, it is important to acknowledge the other side of the story. In an economically tiered and even divided market, this new narrative has the potential to be more unified and provide opportunities on an unimaginable scale.

India fact:

In India, social networking usage is around 2 hours per week. Source: TNS Digital Life.

India fact:

Users of social networks in India have an average of 72 friends in their social network. Source: TNS Digital Life.

Ten things you should know about India

1

There are many Indias. Not only are the different regions in India distinct in terms of language, cuisine, attire, festivals and interpretations of religion, we also find huge variations in consumer mindsets as a result of socio-economic background – from an upmarket, educated, English-speaking, global sensibility at one extreme to a rooted-in-tradition, often illiterate, local-language speaking parochial world view at the other.

2

Class distinctions rule. India has always been a highly class-driven society. A mix of income, education and occupation define your 'place' in society, and your place in society in turn defines who your friends are, who you sit down at the table with, who you would think of marrying, and what sorts of jobs are open to you. It is critical to signal clearly who you are and where you belong, and one of the most overt symbols of status in India is speaking English.

3

Noise levels are astonishing! The average Indian lives with (and often seems oblivious to) an extraordinary amount of noise in his environment. Ordinary conversations are carried out at much higher decibels than elsewhere, rising over loud honking on the streets, music from cars, buses and temples, loud noises from the kitchen and loud street vendors.

4

India is bursting with colour. One of the things that strikes a first-time visitor to India is the amount of colour in everyday life – from the clothes people wear to the way they do up their homes, to the everyday rituals of flowers and *rangoli* – India really is bursting with colour. It is important for brands, particularly in categories that are meant for display, to recognise the importance of colour in product design and packaging.

5

Infrastructure is as much an urban, upper class problem as a rural one. More than 80% of urban India deals with power cuts on a near-daily basis, and running water is available to even the most affluent localities only for a couple of hours a day. Affluent homes typically have their own back-ups for electricity and water supply, but for middle

class India dealing with infrastructure challenges is an everyday reality.

6

Red tape thrives. Getting things done is a huge challenge in India, particularly when it involves dealing with bureaucracy. Red tape lines every process, from getting a phone connection, to getting a passport renewed, to making a complaint about a traffic offence. This has been a springboard for much humour as well as empowering messages in communication over the years.

7

Achievement and competitiveness kicks in early. Indians tend to be innately competitive, and are encouraged to be this way from a young age. The supply of good schools and good jobs falls way short of the demand created by the huge population – which means that Indians compete with hundreds of others for every opportunity, big or small. Achievement and performance are among the biggest drivers of brands across categories.

8

Personal boundaries are porous. Indians have few personal boundaries, and are as comfortable throwing open their homes and hearts to near-strangers as they are asking fairly personal questions of people they have just met. It is not uncommon to get into a conversation on a train or bus and be asked why you are not married, how much you earn, whether you plan to have kids and what you want your yet-to-be-born kids to be when they grow up!

9

The Indian family sticks together. The family is still very important in India. Although the joint family has given way to nuclear families, the family is at the centre of most activity even though we talk of rising individualism among the young. Family opinion and influence also continues to be high in all 'serious' decisions like careers and marriage.

10

The young are finally in control. Indian society has traditionally revered age, but a distinct shift is now visible. Over 50% of India is under 30, and this statistic is becoming apparent in the average age of politicians, film stars and cricket heroes. Today's youth are a distinctly different generation and are driving change in the country.

Russia – consumer attitudes to brands



Natalya Mogutnova,
Qualitative Research
Director, TNS Russia

Foreign travellers who come to Russia for the first time are often surprised at how much

Russian cities look like European or American ones. While the architecture and people vary enormously, the ubiquity of international brands remains consistent. You'll find brands like McDonald's, Samsung and Pepsi on every corner of Russia's major cities, just as you do in London, Paris or New York.

70 years of Soviet Union rule has led to Russian audiences having a sizable appetite for big brands: we don't just want to have them, we want to have lots of them and be able to choose between them. Almost 20 years of the 'new Russian state' has not fulfilled our hunger for consumption. In most sectors, foreign brands are more appealing to Russians than home grown ones



as they represent a way to communicate social identity and, most importantly, social status.

To buy a well-known, international brand shows off your social identity to other people.

Russian consumers are bored with unbranded bulk goods. Russian brands do not have social status, mainly due to a lack of heritage, definition or positioning. International brands help to clearly signal 'who you are', or rather 'who you want to appear to be'.

Showing off is a common Russian characteristic. There is a need to impress others through material items such as cars, mobile phones and jewellery. Russian women wear cosmetics and high heels even when they go out to buy a loaf of bread.

Niche brands are largely unsuccessful. The majority of Russians are not interested in small, unknown brands, as these don't provide an opportunity to express social status. In fact it could result in quite the opposite with social standing being underestimated.

Reasons for Russia's love of international brands:

- Our mentality of associating success and beauty with outer symbolic brightness. For example, gold jewellery is popular as it is expensive, shines and clearly declares that the owner can afford it.
- People still remember the Soviet times, when often an individual would have to 'make do' with the same grey coat for many years, and they are now trying to compensate for this.

The main features that contribute to a brand's appeal and trustworthiness are 'fame, an international reputation and a long history in the market'.

Russian consumers have an unusual attitude towards life in Europe and the USA. While they reject political actions and the lifestyle of the West – 'Life in the West is so good that it is unbearably boring to live there!' – they also believe that foreigners are superior in many ways. The perception is that in Europe and the USA consumers know how to manage their own finances, they live in nice houses, work on their fitness and know which wine should be drunk with which food. It is also generally believed that there is a better quality of life and that their governments provide them with stability and protection. Hence why international brands become the symbol of a 'better life' that belongs to 'those who can afford it'.

The brands in the main business sectors (FMCG, automotive, technology and finance) can be divided into three groups according to consumer perception:

1. 'Basic, traditional categories' including products that are produced in Russia These are connected with Russian history and culture, and can be grown and produced with the country's resources. These include bread, vegetables, some fruit (non-exotic), curd, kvass (a traditional Russian drink), meat, chicken, eggs, flour, vodka, corn, rye and wheat.

In these categories consumers trust well-known producers from the appropriate regions, for example watermelons from Astrahan, as well as products from their own region. There are premium segments in these categories but they cater for only a small percentage of the market.



2. 'Migratory categories' where consumers might choose from both foreign and domestic brands

These are beer, yogurts, 'advanced' dairy products like Actimel, cheese, chocolate and, more recently, banks.

Consumers 'migrate' within the categories depending on their financial ability at the point of purchase. A good example is beer. Consumers may buy so called 'License' beer (eg Heineken, Miller, Kronenbourg 1664) when they have more money, even though they know that this beer is produced in Russia. When they don't need to manifest their success, such as when they are consuming at home alone or if they have less money, they readily switch to local or pseudo-license brands, including Zhateckiy Gus which was successfully launched last year.

Conversely Russians are loyal to their own chocolate. Russia is perceived as a reliable producer of quality chocolate. While there is a wide range of western chocolate brands (Kraft, Cadbury and Lindt) consumers nevertheless buy Russian chocolate by Babaevsky or Krasny Octyabr.

Ambivalent consumer perceptions exist in the Russian finance sector. On one hand there is high trust in financial institutions that are supported by the state, or connected to it in the past. For example Sberbank is a large institution with branches all over the country and the highest penetration rate with consumers. Even knowing about the 'dark' chapters in the bank's history

Russia fact:

Average everyday TV audience is 44.7 million. Average everyday web audience is 24.9 million.

Source: TNS TV Index, TNS Web Index, September 2010

doesn't deter consumers from using its services. On the other hand, there is a trend for younger consumers to use Western-based financial institutions, from Germany, Austria, Switzerland and Great Britain, as the perception is they have accumulated financial skills and reliability over centuries. This has resulted in foreign brands entering the list of the top 10 banks in Russia, for example Raiffeisen bank.

3. 'Status categories' including products that, without doubt, communicate status

These include clothing, cosmetics, technology (mobile phones, TVs and laptops) and cars.

In the 'status category' foreign brands dominate. Local hygiene products, cosmetics and household chemical goods brands were successfully swept away by Henkel, Procter & Gamble and Unilever. Consumers firmly believe that foreign producers know how to treat, groom and clean. When it comes to fashion, local brands use foreign names that sound Italian, French or English to be more appealing.

Russian-made cars are purchased, but are known for their poor quality. When you pass your driving test you are undoubtedly advised to buy a domestic car – 'You'll only crash it and be sorry!'. However when that Russian trait to show off influences the purchasing decision, then it inevitably leads to a German, Japanese or American car.

Social status and national pride

In Russia, if a person wants to show off, they will buy an internationally branded product, while at the same time they are protective of local products and brands that they perceive to be part of their culture – including a bottle of locally branded kvass with the Coke and Lipton in their shopping baskets.

Ten things you should know about Russia

1

Russia is very diverse. Geographically, Russia is the biggest country in the world with climatic conditions ranging from -50° to + 30°C both throughout the year and across the country. Socio-culture is just as varied as the weather with inhabitants in the Far East feeling closer to Japan and China, while the people of Kaliningrad believe themselves to be European. Therefore research carried out in Moscow alone is not representative of Russia as a whole.

2

Demographic decline in the 1990s. 15-20 years ago the complex political and economic situation in Russia led to a significant decline in the birth rate. As a result, the next 10-15 years will see a reduction in the population, particularly among the most active age bracket of consumers.

3

Ethnic migration. Since the collapse of the USSR, migrants from former Soviet republics have moved to Russia. Pre-2000 the migrants were mainly Caucasians and Ukrainians who moved into the main cities of Russia. Now they come from the Eastern republics, including Uzbeks and Tajiks. They often work and live illegally in the country, occupying the lowest paid jobs in the construction and service industries, and have a poor knowledge of the Russian language – a target group for cheaper products and brands.

4

No life after retirement. The level of state pension is so low that it is impossible to live without working or getting financial support from the family. The majority of pensioners live on limited means, spending very little money.

5

In most regions infrastructure is very poor. There is no one single road that spans the whole of the country. Russia does not maintain a long distance road system like the US Highways or German Autobahns, nor does it have many roadside amenities such as restaurants or hotels.

6

Identity is contradictory. There are several factors that define success in Russian life, for example cars, mobile phones and watches. It is not uncommon for a person to live in a small, badly maintained flat but drive a very expensive car.

'On one of my first trips to Moscow, I was walking down the street and saw two Bentleys parked in front of a very old and run down looking Soviet apartment block. The thought that someone who drives a Bentley would live in a flat like that was shocking'. (Quote by an American expat who lived in Moscow for two years).

7

Paradoxes are part of daily routine. The Russian mentality is full of contradictions. Russians can be simultaneously patriotic and yet kneel in front of foreigners. They complain about strangers and visitors from other countries yet will be impeccable hosts when a visitor is in their own home.

8

Russians do not like rich people. Russians have a strong desire to become rich, but also believe that wealth can't be achieved honestly through hard work or saving.

9

The great Russian belief in all will be ok. Russian people generally live for 'Авоось'. Literally translated it means maybe or perhaps. This is the belief that when faced with a problem it is better not to do anything at all but wait because – 'Авоось' – everything will be fine and misfortune will not come my way. For example a student may not study before an exam because 'Авоось' the questions will be on what he already knows.

10

A love of freebies. The Russian dream is to be successful and rich without any effort. 'Халява' is when you find luck out of the blue, for example by winning the lottery.

The Street Corner – virtually absent or



Poonam Kumar,
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The Street Corner is where youth trends are created and disseminated. It is characterised by the beginnings of separation from parental values, peer group perspectives, emergence of sexuality and individuality. It's an essential life stage that helps a child become an independent and autonomous adult.

In India the Street Corner culture is not as visible as data from TRU's global study on teens seems to indicate. Indian teens spend time mostly at home or at school, rather than hanging out. It is almost like childhood transitions into responsible adulthood without the Street Corner in between.

Unlike peers in Brazil, Russia and China, Indian teens live quite willingly in a stable family environment with an involved and 'present' mother, they happily admit that they like doing things with the family and welcome the guiding parental influence and involvement in their lives.



in the virtual space?

Undoubtedly, India's teens value the security, structure and harmony the system provides. This enables them to leverage the emerging opportunities and affluence in the marketplace. They are ambitious and optimistic about the future and seem to avoid the conflict and rebellion that tends to define youth and youth brands across the world. What's more, they are happy doing this. Indian teens score the highest in the world on MTV's global wellbeing index, indicating that they are contented with their lives.

A targetable market?

So do we have a Street Corner in India? And more importantly do teens in India represent a profitable target at all? At first glance, the average spending level is modest, making the Indian youth seem like a less attractive target than peers in other markets. However when converted into total numbers and rescaled into a PPP value the number is not as easy to ignore, especially given that it is likely to increase substantially in the next decade.

Finding the invisible – The virtual Street Corner

The absence of conflict and spatial separation means that the Street Corner is less visible, but it is certainly present. Indian teenagers do not wish to upset the applecart and so find alternative ways to live their teenage years.

One of the most powerful enablers has been the mobile phone. Texting has empowered Indian teens to create a space they can call their own. Within the safety of their homes, around unsuspecting parents, the mobile enables them to connect with peers (known and unknown) of the same and opposite sex, create communities, engage in conversation, use language that is exclusively their own and explore the edges of uncharted and forbidden territories. Mobile technology has also enabled surrogate physical intimacy – deeply frowned upon in Indian society. It is a virtual Street Corner where teens find time for self expression, peer group perspectives and the sharing of secrets.

Teen opportunity in BRIC markets

	Brazil	Russia	India	China
Population (million)	32	6	202	162
% of total	17	6	18	12
Growth in next decade	-7%	-14%	+10%	-5%
Spending (USD Billion)	30	6	32	186
Spending (USD Billion) – PPP (purchasing power parity)**	38	13	91	331

**Source – IMF 2009

Youthfulness is not just about the youth

Targeting youth space can be divided into two distinct zones.

Firstly, the virtual Street Corner is not unlike the youth space all over the world – permitting exploration, edginess, new dialogues and dialects, avenues for self exploration and legitimising their need to be different. The privacy of the virtual space allows brands to push the limits of propriety without causing offence. It exists and can be targeted, but cautiously and differently from mainstream marketing. An example of this is the Virgin Mobile campaign in India, which mildly nudges the boundaries of impropriety in mass media, but has the much more in-your-face 'Indian Panga League' blitz in the online world.

The second, much larger space is targeting the youthful spirit. With new found affordability, optimism

and avenues of consumption, everybody in India is young today. A society that was held back for so long by scarcity and self restraint is suddenly opening up to the pangs of desire and experiencing youthfulness for the first time. The older generation is looking to the younger generation to provide a bridge to new experiences. The lack of real spatial distance and the absence of discord and tension between generations make it possible for brands to target the youthful spirit without isolating any demographic.

India clearly is a country that's young in more ways than one. 40% of India is under 19 (the median age is 24), but there is an entire generation beyond this at a virtual Street Corner of its own, breaking away from the handed-down values of restraint and launching itself into an adolescence of new experiences. Fertile ground indeed for marketers targeting both the youth and the youthful spirit.



What the Street Corner means to youth

The Street Corner represents a spatial and emotional separation from the security of home and parental values. It is where teens experiment with the new, the edgy and sometimes even the forbidden. The nursery and playground are left behind as they discover peer group perspectives, emerging sexuality and make individual choices. Physically it could be a few minutes away from home; emotionally it is worlds apart.



Are you ready to play the offensive on



Jorge Kodja,
Commercial Director,
TNS Brazil

Brazil will be in the spotlight over the next few years as it prepares to host two of the world's most important sporting events – the 2014 World Cup and the 2016 Olympic Games. This article examines the opportunities this offers to marketers.

How many people will be watching?

These events will draw attention to Brazil from all over the world. The audience during the finals of the 2010 World Cup between Spain and The Netherlands surpassed 700 million, reportedly the most watched world event ever. During the 2016 Olympic Games in Rio de Janeiro it is estimated that four billion spectators will watch an average of 25 hours of media coverage each.

Who will be watching?

One of the reasons for these huge audience figures is the inclusion of people from the lower socio-economic groups as key consumers of media and goods. However audience figures are not the only reason why marketers see these events as great business opportunities. These sporting occasions evoke strong feelings of pride, excitement and collectiveness that represent the perfect terrain for brand building. The level of excitement generated by the World Cup and the Olympic Games is hard to rival.

Brazil is a key country in the emerging world. It offers a strong internal market with an increasingly affluent population that can also serve as a platform to other emerging markets.

the upcoming Games in Brazil?

Nike

According to a recent article from *The Economist* Nike increased its sales by 39% in the three months up to May 2010, before the World Cup in South Africa. The company invested in campaigns with football players and made references to humble places across the world as a way to connect with developing countries – a key market that saw Nike achieve annual sales of 4.8 billion dollars.

What can marketers do?

Those willing to seize this opportunity must have a clear view of the brand's strategy and how to align (or not) with the events and their hosting countries. A sporting event, or a specific sport, can be thought of as a brand with specific functionalities, features, emotional equities and social values. Therefore, when you 'co-brand' your product with an event, it is important to analyse how well the two fit together. Let's take football, for instance. It is a collective and cooperative game, in most countries geared towards men. Football stars, particularly in South America, come from humble backgrounds and sometimes battle against adversity to achieve their dream. It is a simple game demanding just a ball and some open space.

Before associating a brand with a particular sport, it is important to understand how it will benefit from the association. The same is true about a hosting country. Brazil is seen as sensual, dynamic, energetic, friendly and diverse, as well as a thriving country and glamorous travel destination. Which of these characteristics are you willing to associate with your brand? Which ones would you like to leverage?

It can help to keep an eye on how Brazil, as the host country, is promoting itself for the upcoming events. For example its new campaign titled 'Brazil is calling you! Celebrate life here' consists of movies, images and social media elements to encourage the world to visit and take advantage of the opportunities that Brazil offers as the host of two of the world's greatest sporting events.

Anything else?

Besides sponsoring the events, it is important to think about how to activate the brand in order to fully benefit from the communication efforts. In other words, it is important to raise the profile of a product in people's minds and also to plan appropriate call-to-action activities – tackling distribution, pricing and promotional activities.

Finally the Games provide an important opportunity to increase investment in online advertising. At a recent event in Brazil, Martin Sorrel, WPP Chairman highlighted that marketing budgets for new media (7-8% of the total marketing budget) are disproportionate to the time consumers spend online (20% of their media time) – an imbalance that needs addressing.



BOP – Bottom of the Pyramid: The Bottom of the Pyramid in Brazil represents 47% of the total population. 95 million people that spend 20 billion dollars per year.

Source: IBGE.

Automotive sector in Russia – now sh



Yaroslav Zaitsev,
Business Development
Director, TNS Russia

Russian consumers have a unique attitude towards cars – it is one of the main status symbols in which people define each others social status, other symbols being mobile phones, laptops, purses, shoes and watches.

The results of many TNS studies conducted this year indicate that the Russian automotive market is improving. The most successful years for the Russian automotive market were 2007 and 2008. From a total of 14 million cars sold in the last ten years, 5.3 million were sold in this time. One of the most important factors for these sales was the availability of car loans. Every second car in 2007 was bought on credit.

However, the current economic crisis has caused a dramatic reduction in sales, by almost 50%, as the volume of car loans has been severely cut.

With the economic climate now stabilising, the results of 2010 car sales are looking promising.

In spring 2010 every owner of a second car predicted recovery of the Russian economy and improvement of his or her personal wellbeing over the coming twelve months. As a result, car manufacturers expected a rise in demand for cars and car loans.

37% of car owners plan to purchase a new car this year. 76% of these car owners aim to buy new cars whilst 18% plan to buy second-hand cars and 6% have not yet made a decision. Like in the past, 51% of all these purchases are planned to be financed with car loans.



owing fast growth again

The brand choice of Russian consumers is an interesting issue. The most appealing in terms of image and value for money are Toyota, Nissan, Ford, Volkswagen and Mitsubishi. Over 20% of people would choose these brands:

- 31% of potential customers view **Toyota** among the most desirable brands although it is not characterised as 'affordable by price' or 'not expensive to maintain'. Toyota is perceived as a prestigious brand that produces 'technically advanced' and 'reliable' cars.
- **Nissan** cars are of interest to 26% of car owners. For the audience this is the 'wide-spread' brand which is 'value for money'.
- **Ford** is viewed as 'affordable', 'wide-spread', 'value for money' and 'adjusted to Russian roads' (25% of engaged customers).
- The key features of **Volkswagen** (which is appealing to 25% of car owners) are 'the respectable brand for respectable people', 'reliable', 'with high level of safety'.
- **Mitsubishi** is considered to be 'the reliable brand with sporty character' and 'value for money' (22% of potential customers).
- Interestingly, only 13% of customers would consider buying the Russian car brand **VAZ**, even though it claims the greatest market share (25%). One of the main reasons for buying a VAZ is affordability and the fact that it is designed for Russian roads. When asked to rate which features were important; safety, appearance and premiumness did not come top of the list.

Between 2007 and 2010 there was significant growth of SUV sales in Russia. This was due to SUVs being able to cope with the poor quality of Russian roads, as well as their size making them appear prestigious – appealing to the Russian consumer's need to 'show off'.

In Russia drivers tend to change their cars every 3-5 years so 2010-2012 is the time when they start to replace the cars they bought in the 'boom year' of 2007. The next few years will be interesting to watch in the Russian automotive market, with fierce fights between the manufacturers for the hearts, minds and money of Russian customers.



Social and multi-media strategies in



James Fergusson,
Global Director –
Rapid Growth and
Emerging Markets

This article is based on the TNS Digital Life study, covering

46 markets and interviewing almost 50,000 consumers. The study looks to provide guidance on what consumers are doing online, what is driving that behaviour, and what they will be doing more of in the future.

Visit www.discoverdigitallife.com to view some of the results.

The different drivers of social networking

The growth of social networking is a global phenomenon affecting each and every market. When we look at the emotive drivers of social networking we see that more than any other activity, social networking fulfils a plethora of consumers needs from sociability to entertainment. This is true across each of the BRIC markets. This said, there are however, a number of unique facets about the development and evolution of social networking in the BRIC markets.

Chinese consumers for example are voracious social networkers, with 54% of online users accessing social networks on a daily basis – often via mobile devices as opposed to PCs. For many in China social networking fulfils a strong need for self-expression which is also evidenced by the high proportion of Chinese participating in online forums and blogs.

Heavy social network usage in China, does not translate into having a high number of friends. Chinese consumers have on average 67 friends on social networks compared to 231 in Brazil where social networking has a more entertainment-driven emotive profile. China's online population appear more wary of who they permit to be online friends when compared to the other BRIC markets.

In terms of volume of social networking usage, it is the Russian consumer that leads the BRIC markets, however, with 8.1 hours of use compared to only 2.0 hours on average for Indian consumers. The main barrier to usage in India is a lack of infrastructure as opposed to consumer demand, with a lot of online internet usage being confined to iCafes. As the telecommunications infrastructure strengthens we will see India's online population become more dedicated social networkers – with many following China's example and accessing via mobile devices. This is evidenced by the finding that brands already play a big part in online conversations in India where 42% of social networkers have posted comments about a brand on their network compared to only 27% globally. This indicates that, similar to China, Russia and Brazil, social networks in India will become a key driver in how consumers form their opinions and evolve their purchasing behaviour.

Multi-media as a driver of growth

While there are many differences across the BRIC markets, one commonality is the massive importance of multi-media integration in digital. While globally consumers spend 3.7 hours a week on multi-media activities online, eg watching video, listening to music, radio streaming or watching on-demand TV programmes, Brazilian consumers spend



5.2 hours, Chinese consumers spend 5.5 hours and Russian consumers spend 6.9 hours per week. Only Indian consumers spend less time at 1.7 hours, but this will rapidly change as the telecommunications infrastructure evolves in that country.

Actions

So how can this knowledge help brands to engage with consumers in these channels? First, marketers and brand custodians need to recognise and accept the importance of the internet as a two-way communications channel in the BRIC and other rapid growth emerging markets. People in these markets are more likely to embrace social networking than more traditional forms of online communication such as email – as social networking provides a more enjoyable and tailored user experience and there is no inertia holding them back to legacy technologies.

When it comes to social networking, look to how you can become part of the conversation, but ensure your contact aligns with the differing role of social networks in the different markets. In China, for example, how can you help consumers express themselves? In Brazil, look to entertain consumers through social media. Multi-media integration will be critical for engaging consumers and using consumers as a media channel themselves.



About TNS experts

Pedro Ros, CEO, TNS

Pedro was appointed CEO of TNS when WPP acquired TNS in October 2008. Prior to this role, Pedro was Managing Director of Global Clients and Sectors at TNS from January 2006 where he also oversaw the Global Account Programme. Pedro has been with TNS since 1985, working in a range of roles including Country Manager in Spain and Head of Consumer Panels, Worldwide. He has a degree in Economics from the Universidad Autonoma de Barcelona.

James Fergusson, Global Director – Rapid Growth and Emerging Markets

James is based in Singapore and is responsible for ensuring TNS provides a high level of research solutions to clients investing in the world's rapid growth markets. James leads a team of Emerging Markets Insight Directors representing the BRIC markets along with South East Asia, Sub Saharan Africa and Latin America. He has 17 years experience in market research, across several agencies and is experienced in both advanced qualitative and quantitative research design and implementation.

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Jorge has over 18 years of experience in the research industry and is a specialist in the area of consumer goods, with an emphasis on strategic issues of innovation. Jorge has a post-graduate degree in marketing from Insper, São Paulo.

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Natalya joined TNS Russia in 2008. She holds a PhD in sociology and has extensive research experience in FMCG, finance, technology, media, mobile communication, automotive and B2B.

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Yaroslav has nearly 10 years market research experience, specialising in the media, telecommunications and automotive sectors. His clients include some of the leading global car manufacturers including Mitsubishi, Toyota, VW and Nissan.

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Poonam is a brand strategy expert with over 20 years experience working with global clients across a variety of sectors. She has extensive experience in brand development and strategy planning, ethnography and innovative consumer insight activation methods. Her expertise includes marketing to 'the base of the pyramid', motivational research and market segmentation.

**Anjali Puri, Executive Director,
Qualitative Research, TNS India**

Anjali heads up the Qualitative Research, Shopper Consulting and Digital Media services in TNS India and Sri Lanka. With nearly two decades of experience in the industry, Anjali has been active in the development of new qualitative methodologies and responsible for shaping contemporary thinking in qualitative research globally.

**Ashok Sethi, Head of Consumer Insights,
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Ashok has over 25 years experience in market research in India, Hong Kong, China and other emerging markets. Prior to his current role, Ashok held other senior positions at TNS, including Managing Director for TNS China and Regional Director for Methodology and Best Practice for Asia, Latin America and Middle-East. He is a graduate in mathematics and has a Master's degree in business administration. He writes a regular blog on China and India at <http://blogs.tnsglobal.com/china>.

TRU

TRU is the global leader in youth research and insights. For more than 25 years, TRU has provided an unparalleled expertise in the youth market and offered clients virtually unlimited methods for thoroughly researching and understanding tweens, teens, and twenty-somethings. Notably, TRU's approach is unflinchingly strategic, delivering insight that drives clients' understanding as it builds their businesses. Consistent with this approach, TRU is frequently called in to be strategic consultants on, and architects of, clients' youth-marketing efforts.

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About TNS

TNS is the global leader in custom market research delivering actionable insights and research-based business advice to clients around the globe so they can make more effective business decisions. TNS offers comprehensive industry knowledge within the Consumer, Technology, Finance, Automotive and Political & Social sectors, supported by a unique product offering that stretches across the entire range of marketing and business issues, specializing in product development & innovation, brand & communication, stakeholder management, retail & shopper, and qualitative research. Delivering best-in-class service across more than 80 countries, TNS is dedicated to discovering growth opportunities for its clients in an ever-changing world. Through its pioneering and innovative culture, TNS understands the latest marketing challenges and research techniques, being the first to discover and solve new marketing issues for clients.

Discover – A changing world: New territories, new media, new opportunities.

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