

MESSAGE FROM OUR CHAIR DAVID SOMERS

Gearing up for a new and exciting 2009

2008 was an interesting and sometimes challenging year for business in East Africa. Clearly the least we can say is that 2008 was definitely not a boring year;

- At the start of 2008 the political turmoil in Kenya unfortunately affected many of us either directly or indirectly, however in the long run the democratic system prevailed and calm was restored quickly after the formation of a multi-partied government
- Kenyan inflation peaking at 30%
- a global turn down of the financial systems in the latter part of 2008 with major impacts on the business world and of which we still are to grasp the full extent of what the impact is going to be on the developing economies in general and Africa in particular
- and then there was of course the election of Barak Obama, who brought a breath of fresh air to US politics and of which even we here in Kenya felt the immediate joyful effect by way of an extra public holiday

Focussing specifically on the East African market research industry, there were also a couple of interesting developments; we all welcomed a couple of the global market research players to East Africa. First there was Millward Brown setting up offices in Nairobi, followed by the announcement of the acquisition of The Steadman Group by Synovate.

In our December newsletter we received a brief overview of the MSRA accomplishments for 2008, which under the strong leadership of Roger Steadman, our outgoing Chair, was a very active MSRA year. There were a number of professional initiatives, i.e. the MSRA Segmentation Study (currently in the analysis stage), the MSRA Visual Research Study and the MSRA ID Cards, but also of course the variety of activities for the individual members, which we are planning to continue and even increase where possible.

MSRA's main aim - besides ensuring our corporate members adhere to professional standards in all types of research and a Code of Practice to which each corporate member subscribes - is to be there for its members. MSRA does this by:

- promoting and creating interest in market and social research activities,
- providing educational information and social platforms where its members can discuss and develop their professions
- organising social events where members are able to mingle, share

We will try to reflect these objectives in a diverse 2009 activity calendar. However since MSRA is there for you, the members, I would welcome any comments or suggestions that could increase your satisfaction and to ensure you get out of MSRA what you want.

MSRA will continue to support "The Peace Village Children's Home" as part of our corporate responsibility, some events will be organised with the aim of raising funds for this cause, one we are currently considering is a Mount Kenya climb. Additionally our Annual Convention will be closed with a Charity Dinner.

I wish to all of you an exciting 2009 with lots of fun, laughter and of course some very good research work.

DEBUNKING MYTHS

The moment of truth is finally with us. Take what you've heard over the years plus your gut feeling and chuck them out the nearest window. Research has revealed how Africa's changing lifestyles are reversing commonly held perceptions. Many mouths have been kept wide open as myths about who Kenyans are were torn to bits with factual data gathered from more than 10,000 Kenyans across the country.

10 shattered myths:

1. Did you know that as many women watch soccer on TV as men? Research shows that 38% of women watch soccer on television, a figure that is equivalent to the number of men who do the same. It might just turn out that women are just as crazy about football as their men are!
2. Talking of television, it appears that as more women turn to watching soccer, men themselves are turning to soap operas, with 43% of men admitting to a liking of soaps.
3. Meanwhile, the family, once a bastion of African society, is fast losing its hallowed place. Spending time with family ranks only 5th as a favorite pass-time among the married, who similarly rank the family as only the 3rd most important thing in their lives. While relegating the role of the family, 84% of respondents deem it important to have a lasting relationship with one partner and 70% consider themselves to be spiritual.
4. Contrary to their well known penchant for beer and "nyama choma" (roast meat), Kenyans appear to be very health conscious, with 70% of Kenyans reporting that they try to eat healthy food, 64% consider their diet to be healthy and another 40% report that they try to follow a strict diet.
5. And while still on beer, it appears that it is not just young men who love to visit bars and pubs. Our findings reveal that almost similar percentages of men between the ages of 18 and 54 say that they very much enjoy a night out at the pub.
6. Media is not fragmented. News anchors do not attract viewership and as many men read True Love and Eve magazines as the numbers of women who do.
7. Internet penetration is not as low as we think, with more than 860,000 users in Kenya alone.
8. Consumers don't generally avoid adverts. On the contrary, 67% do actually like advertising with 54% relying on advertising to help them make the best purchases. 51% of consumers do take notice of advertisements on radio while 49% regularly make conversations around television adverts.
9. Consumers are not price driven. 71% of consumers in the C1 demographic group say that it's worth paying extra for quality goods. The average total for consumers who share that sentiment across all demographic groups is a telling 64%. So be careful before you roll out those massive price discounts!
10. It will pay off, if once in a while, you rolled out some new product or other. 51% of consumers like to try out new food products and 50% like to buy new gadgets and appliances, busting the myth that consumers are conservative.

These, and many other findings, are available in the TGI study, conducted every quarter by Consumer Insight. For further information contact Githinji Njogu, email address gnjogu@ciafrica.com or visit www.ciafrica.com



LSM (Living Standard Measurement) by Steve Greenland

Refining the Commercial Application of LSM Studies in Sub Saharan Africa

LSM background

Historically Living Standard Measurement Studies (LSMS) have been commonplace in the development / aid sector since the 1980s. As illustration please check out the following link for details of the World Bank's extensive LSM related work...

Commercial LSM research

World Bank and donor LSM research tends to focus on population segments suffering acute poverty. However, market research agencies and commercial businesses are by their nature more interested in understanding the broader spectrum of society. Consequently in the 1990s an LSM framework oriented more toward the commercial sector was developed by Research International. Since then MSRA (Africa's Marketing and Social Research Association) corporate members have helped champion the LSM cause. These members comprise the key East African based market research agencies and account for over \$16 million of Sub Saharan Africa research revenues. (They include Consumer Insight, Nielsen, Research & Marketing Services, Research International (EA), Research Solutions, Strategic Business Options Research and Steadman-Synovate). The MSRA members therefore bring a formidable knowledge pool to furthering LSM understanding.

Since the initial commercial LSM applications, Living Standard Measures have become a widely accepted research industry segmentation technique. The classification system adds value to previous segmentation methods by combining household product ownership with other key life quality indicators. The assumption is that certain products will only be found in households of certain income levels.

The LSM system took some time to be accepted by market research clients but is now regarded as an insightful system that complements other more traditional methods such as socio-economic classification (SEC), income, etc.

MSRA's commitment to improving the commercial application of LSM

The dynamism that characterizes SSA's consumer markets means that lifestyle indicators such as product ownership change very rapidly. Consequently back in 2006 MSRA, in its commitment to championing the interests of Market Research in Africa, pledged to review LSMs on an annual basis. As part of its 2008 initiatives MSRA (corporate members) unanimously agreed to sponsor two LSM focused projects and members have shown tremendous commitment in supporting both. Following a sizeable qualitative study, exploring factors affecting Kenyan consumers' living standards and also collecting substantial visual / photographic data (conducted in August 2008), an extensive living standards questionnaire was developed. This is currently being fielded with MSRA corporate members providing data collection input at cost and MSRA footing the bill for the direct field costs.

By mid December a national database of over 3000 Kenyan households from both urban and rural areas will be complete. To ensure the project is cost efficient and not least to add to the credibility of the projects, academics from London's Metropolitan University have agreed to assist in the analysis of the data.

These include Professor John Coshall, Professor of Business Statistics and Mathematics (assisting in analyzing the survey data), as well as Dr. Lez Rayman-Bacchus, Senior Lecturer in Global Business Strategy and Corporate Social Responsibility (who is helping analyze the qualitative component). No fee will be charged for analysis, but it has been agreed that papers can be published on the basis of the findings, provided of course any output cites the MSRA as sponsor of the project.

Obviously there is a tremendous amount of work still to be done in terms of analyzing and writing up both the qualitative and survey components of the MSRA LSM research. However, the research is well underway and with the combined efforts of MSRA members and stakeholders the research will no doubt provide valuable knowledge expansion in the LSM area. The findings and subsequent publication thereof will not only develop the commercially oriented understanding and use of LSMs in SSA, but will also promote the MSRA and help it achieve the Pan-Africa recognition that it deserves.

QUARTER 1 - 2009
JANUARY/FEBRUARY/MARCH
CALENDAR OF ACTIVITIES
TO PARTICIPATE CONTACT SECRETARIAT
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EVENT INTRODUCTION TO RESEARCH
MSRA BASIC TRAINING COURSE
VENUE NAIROBI
TIMING 6/7 FEBRUARY 2009

EVENT UNMASKING THE AFRICAN CONSUMER
MSRA ANNUAL CONFERENCE
VENUE NAIROBI
TIMING 27 MARCH 2009

If you would like to comment on the contents of this newsletter or contribute an article, please contact:
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