

Compose to launch in the US



KMR Inc. is excited to announce that Compose will be launched in the United States this year.

Compose is the new channel planning service which debuted in the UK recently. Following considerable interest in the concept in the US, five media agencies have signed up as 2005 charter subscribers. Carat, Initiative Media, Mediaedge:cia, Mindshare and PHD have all participated in the initial development meetings. Fieldwork was carried out in May and June, with data delivery anticipated for October 2005.

Compose is a truly innovative concept. Through a combination of survey research, modelling and software it enables users to keep pace with the needs of channel planning, allowing the choice of channel mix to be made confidently dependent on campaign objectives.

The survey data cover consumer decision-making drivers across a range of product

sectors, and secondly the ability of different communications channels to deliver the traits that an agency or advertiser might want to convey. The respondent source will be the MARS national sample. Additionally an expert panel contributes information to help differentiate when planning against campaign goals.

These inputs are combined with the reach and frequency potential and costs of all the channels included, and modeled into a full channel planning software system.

Compose has been constructed by KMR in partnership with PointLogic. It is a genuinely new service which represents the next phase of channel planning.

For more information please contact Hugh White in the US (hugh.white@us.kantarmedia.com) or Geoff Wicken in the UK (geoff.wicken@tgisurveys.com).



TGI launches in East Africa

I am delighted to announce the release of our first TGI data from East Africa. The TGI studies in Kenya, Uganda and Tanzania, which are being conducted under licence by Nairobi-based Consumer Insight, will give clients a better understanding of consumers in the region than ever before. More on this in the next issue.

The TGI network now provides single-source research from more than 50 countries, representing over a billion consumers. You'll find details of our global coverage on the back page of this newsletter. Our website, www.tgisurveys.com, will keep you up to date with the latest TGI network developments.

Andy Brown, CEO, KMR Group



MARS issues 2005 results of largest annual US consumer healthcare survey

Data just released from the fifth annual nationwide MARS (Multimedia Audience Research Systems) pharmaceutical OTC/DTC survey reveal consumers' most current healthcare behavior and attitudes, including their opinions regarding healthcare advertising.

After a turbulent year for pharmaceutical marketers and their customers, the 2005 MARS data (from fieldwork conducted during the 1st quarter of 2005) offers the most up-to-date picture of how consumers have reacted in light of recent events. Several key highlights include:

- 40% of adults surveyed look for healthcare information to make actual treatment choices.

- Nearly 40% took medication as a result of seeing or hearing healthcare advertising.
- Over 34% of Americans often discuss new Rx drugs with their doctors.
- 30% would be comfortable ordering prescription drugs from outside U.S.
- 83% of adults surveyed have some form of health insurance but 17% have none.
- Almost one-third of U.S. adults feel their medical conditions limit their lifestyles.
- Almost one-quarter of Americans purchased 10 or more prescription drug products in the past 12 months.

On page 2: more key findings from the latest MARS survey and details of our data fusion product, Nielsen-MARS Target Ratings.

MARS 2005 results

(continued from page 1)

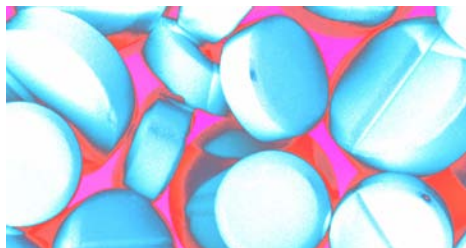
According to Hugh White, Managing Director of MARS, the latest study also points to de nitive consumer trends:

- Significant increases over the past 3 years in professionally diagnosed conditions for noteworthy ailments including: 10-15% increases in asthma, year-round allergies, acid reflux and backache; and 20+ % increases for depression, hypertension/high blood pressure and high cholesterol.
- Increase from 36% (2002) to 42% (2005) of adults making an appointment to see a doctor as a result of healthcare advertising.
- Finding health/treatment information on the Internet to be very helpful increased from 26% (2002) to 32% in 2005.
- The purchase of medications over the internet across the past 5 years grew by over 62%. Over the same period purchases by mail order increased 46% and were up over 42% in club stores.

The MARS study is the only source that links media, ailments, brands, actions, and attitudes in the consumer healthcare market – reporting data for 54 specific disease states and product usage down to a brand level for nearly 500 OTC and DTC brands. The results of this study allow media planners to develop highly targeted media selections, agencies to create messages that will garner greater effectiveness for their advertising, and marketers to gain insight into consumer behavior and attitudes not available through any other sources.

MARS is a niche market study designed for and in consultation with major pharmaceutical and advertising industry sponsors. As Hugh White says, “the continued and growing support of the large agencies and the pharmaceutical clients they represent, as well as major media subscribers to the study, confirms the importance of the category and the value of the MARS data to marketers”.

For further information, please contact Hugh White: hugh.white@us.kantarmedia.com



Nielsen-MARS Target Group Ratings release new data

MARS and Nielsen Media Research have recently released 2005 data from the fusion product, Nielsen-MARS Target Ratings.

Nielsen NTI and MARS databases have been “fused” or merged into a single database to provide a single source of highly targeted information matching television viewing behavior with consumer use of pharmaceutical products.

Industry leaders using Nielsen-MARS Target Ratings include CBS Television and P zer, Inc.

“Data fused into a single, accessible source is a great marketing and research tool,” said Thomas F. Delaney, VP Director of Market Resources, CBS Television Network. “It is exactly the efficient, time-saving, seamless mechanism that the industry has needed to enable smart media evaluations in the

healthcare category.”

“We believe that with the MARS fusion study there are opportunities to dig a little deeper. We think this is really going to help us in terms of getting different advice that will help us with our execution.” Donna Campanella, Director of Media, P zer.

Nielsen-MARS Target Ratings is the next step in the evolution of advertising media research for media planning. It provides media planners with a tool to develop a more realistic media mix by going beyond demographics, and an opportunity to study targeting media by consumer habits through the more efficient, single database.

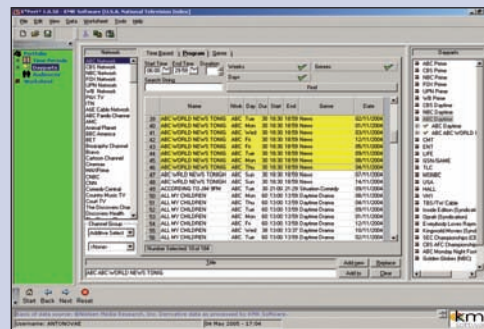
For further information, please contact Hugh White: hugh.white@us.kantarmedia.com

KMR Software launches X*Pert2

its latest Television Optimizer/Reach & Frequency Tool

KMR Software has started rolling out its newly developed television optimizer and reach & frequency tool, X*Pert2. The new product offers innovative ways to work with TV data. Its new-look user interface means easy navigation throughout the system, a learning mode to help new users, simplified saving and retrieval facilities, the ability to re-order dayparts and schedules within a worksheet, to list a few.

In addition to its new look and feel, the new product offers the utmost flexibility. The system allows users to create any number of dayparts, combining time-based and program-based information for various stations within the same daypart, with an option to include or exclude components by choice. Stations may be selected with a focus on specific genres. The analysis can be based on any time period up to 53 weeks in total, and include up to ten different demographic targets or ViewerGraphics™ audiences at a time. Furthermore, a panel unification option has been introduced into the system to smooth the effect of panel rotation on R&F calculations. Within the main worksheet, users can work with GRPs or budget to produce, generate and optimize schedules for different reach goals as well as different GRP levels or budgets. Reach guides for a desired GRP distribution can be calculated using base or



target audience steps. Alternatively, optimized reach guides or instant reach guides can be produced by the system.

Over the course of the next 12 months, X*Pert2 will be rolled out globally. KMR Software will continue to develop new functionality within the product in order to provide even greater flexibility and insight into TAM data. This will ensure that X*Pert2 remains the global tool of choice for TV planning.

For more information, please contact Caryn Cherlin or Emma Holden: Caryn.Cherlin@us.kantarmedia.com or Emma.Holden@kmrsoftware.com and visit www.kmrsoftware.com

Health Zones: targeting health propositions to consumers internationally

In recent years, consumer health awareness has undoubtedly increased around the world. We have seen a growing focus on health issues in the media, and an increasing investment in health initiatives on the part of governments. This has significant repercussions for the global food and drinks industries, creating new opportunities and driving innovation.

The Health Zone Groups:

Compensators (10%)

Dieting and weight-loss are key. Although they enjoy 'unhealthy' foods, they make up for it by eating healthier alternatives. They understand the 'calories in, calories out' message and apply it'.

Traditionalists (17%)

Feel that they are generally very healthy. Their diets consist of fresh and wholesome staple foods, and they tend not snack in between meals. Sport and exercise does not feature very strongly though.

Go-for-it Guys (11%)

Predominantly active, young men. They stay healthy through sport and exercise, and don't worry too much about what they eat. Physical appearance is important to them.

Carefree (15%)

Mainly young adults of both sexes. They watch a lot of television and do little exercise. Although they are aware of calories and that they don't take care of themselves, it does not affect their diet.

Sports, Beers & BBQs (13%)

Generally older males. They play sports on a regular basis but do not eat a well balanced diet and are not concerned about looking young.

Indulggers (15%)

Do little sport and spend lots of time in front of the television. Many have children, the effect of which is reflected in their diet. Many put their families first, but also think it's important to be attractive and look young.

Disengaged (19%)

Do little physical activity and spend a lot of time watching television. They show little interest in their health or physical appearance. Their diets consist of basic products.

But when considering health-related marketing, it is less straightforward than simply classifying people as either 'healthy' or 'unhealthy'. A complex balance of components informs consumer behaviour in this area, and this should be taken into account when developing new communication strategies.

It is therefore vital to understand the motivations behind diet and behaviour and there are many factors at play. An interest in healthy eating is likely to be more pronounced in some groups than others, whereas for some, weight-loss will be a key driver. Looking at the international picture complicates matters further. A key question for brand owners is whether it is possible to identify and target health-conscious groups of consumers that exist internationally.

Segmenting the market

To help answer this question TGI has developed a multi-country segmentation based on food and health related behaviour and attitudes. 'Health Zones' analyses consumers in 17 major markets around the world* and divides them into seven discrete segments (see left).

Three major elements that emerge in terms of consumer behaviour and healthy lifestyle are healthy eating, exercise and dieting. By analysing and understanding the balance of elements within these groups you can identify the most promising segments for targeting by brands offering a health and wellness proposition. And it is possible to target consumers in this way on an international basis.

For example, the Compensators can be seen as a key target for healthy product messages and exhibit similar behavioural patterns globally. Compensators around the world are more likely than average to treat themselves to 'unhealthy' products such as wine, fizzy soft drinks, fast food and potato crisps. But they are also more likely to compensate for this in other areas of their diet and lifestyle (see below).

| Compensators | Index | | | |
|-----------------------------|-------|-----------|---------|-----|
| | GB | S. Africa | Hungary | USA |
| Belong to a gym | 120 | 194 | 158 | 141 |
| Take vitamins | 105 | 212 | 145 | 123 |
| Use artificial sweeteners | 152 | 270 | 267 | 163 |
| Drink bottled mineral water | 124 | 164 | 120 | 106 |

Source: Global TGI

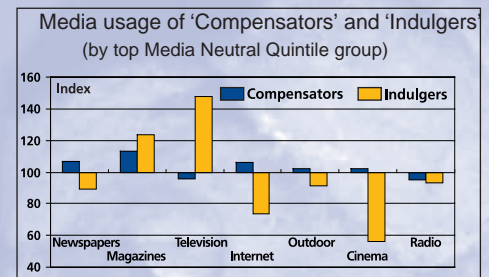
Targeted communications

Once you have identified the sectors where greatest opportunities exist, you can design a message to that target and then determine the most effective means of communication. In this example, we have focused on the Compensators and Indulggers segments in Great Britain. The segments behave quite differently in terms of eating habits, but share some common characteristics in terms of media receptivity.

| | Index | |
|---|--------------|------------|
| | Compensators | Indulggers |
| I'm tempted to buy products I've seen advertised | 117 | 138 |
| When I see a new brand I often buy it to see what it's like | 114 | 128 |
| I often enter competitions featured on packets or labels | 118 | 118 |

Source: GB TGI

Both groups are open to being communicated with, and are particularly responsive to advertising and sales promotions.



Television is clearly the most efficient medium for speaking to the Indulggers, and cinema the least efficient. And although the Compensators and Indulggers are generally quite dissimilar in their media consumption habits, they are both more likely than average to be heavy magazine users, so it may be possible to communicate with both segments using a single print campaign.

In conclusion, it is useful to divide consumers into groups based on their attitudes towards food and health. A clear and thorough understanding of these groups will help you successfully develop an international product and marketing strategy that fits with the shifting consumer landscape.

For more information contact Polly Carter: polly.carter@tgisurveys.com

* Argentina, Australia, Brazil, China, France, GB, Germany, Hungary, India, Italy, Mexico, Poland, Russia, Saudi Arabia, South Africa, Spain and the US

