

THE EVOLUTION OF THE MARKETING RESEARCH MARKET ON THE LEVEL OF THE EUROPEAN UNION COUNTRIES, AFTER 2000

Laura Cătălina Țimirăș
University "Vasile Alecsandri" of Bacău
timiras.laura@ub.ro

Abstract

The purpose of this paper is to identify how the marketing research market evolved after 2000 as a whole and by categories of the EU countries (the old and the new states respectively) as well as the impact of the general economic development on this evolution of the market. Since 2000 the marketing research market registered a spectacular evolution in the new EU members, which certifies that it is in the growth stage. In the old member states the marketing research market reached maturity, the dynamics being slightly positive or even stationary. Regardless of the marketing research market trends registered in the old or in the new EU members, the development levels attained in the two categories of states are different. Thus, approximately 90% of the marketing research market of the EU belongs to the old states and only about 10% to the new members. Similarly to the markets of other products, the market studied here was also affected by the economic crisis, so all the EU countries registered involutions (followed by recoveries) along with the onset of recession. In the countries analyzed, the relationship between the size of the marketing research market and the general economic development expressed by the GDP was a strong and direct one (both in the EU as a whole and by categories of EU countries), higher values of GDP being associated with larger (in terms of value) marketing research markets.

Keywords

marketing research market; economic development; turnover; EU member states

JEL Classification

M41; C10

According to American Marketing Association (2004) "marketing research is the function that links the consumer, customer, and public to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications".

The marketing research is definitely an indispensable process for any organization, the need for it growing along with the market development, the higher competition, the increased consumer requirements which become more diverse and sophisticated.

This paper tries to notice both how the marketing research market developed in the EU countries after 2000 and the impact of the general economic development of the member states on its evolution. The analysis is based on the latest official data from Eurostat.

In order to estimate the size of the marketing research market we have used data regarding the turnover in the field of "market research" and the number of organizations working in this area.

The marketing research market on the EU level after 2000

The marketing research market on the EU level is more than 19 billion euros (according to the data for 2011), in terms of turnover. The number of organizations which operate on this market was in 2010 above 37 thousands. The both indicators registered an growth after 2000 – year when the values were under 16 million euros turnover and under 32 thousand organizations respectively.

Table 1 The turnover and the number of enterprises in the market research activity on level of the EU countries

Countries	Turnover in 2011 (Millions of euros)	Number of enterprises in 2010	Turnover per enterprise in 2010 (Millions of euros per organization)
European Union (27 countries)	18947.2	37,611	0.48
Bulgaria	53.6	409	0.13
Romania	225.6	890	0.23
Latvia	74.9	397	0.19
Lithuania	49	101	0.46
Poland	577.5	2,888	0.16
Croatia	115.6	779	0.16
Hungary	263.1	2,049	0.14
Estonia	17.7	57	0.28
Slovakia	176.3	779	0.21
Czech Republic	340.1	880	0.39
Malta*	7.8	51	0.15
Portugal	89.9	352	0.29
Slovenia	55.1	279	0.19
Greece**	132.9	767	0.17
Cyprus	31	32	0.95
Spain	1192	3,871	0.31
Italy	1501.5	4,105	0.36
France	2608.1	5,359	0.55
Belgium	2061.4	2,718	0.58
Germany	2081.4	1,576	1.36
United Kingdom	4357.8	3,144	1.18
Finland	113	139	0.79
Austria	151.4	266	0.54
Netherlands	1857	5,568	0.33
Sweden	345.6	557	0.56
Ireland**	197.7	149	1.33
Denmark	369.5	172	2.16
Luxembourg	25.4	33	0.92

* data for 2007

** data for 2009

*** Turnover for 2010

(Source: personal processing from Eurostat, 2013)

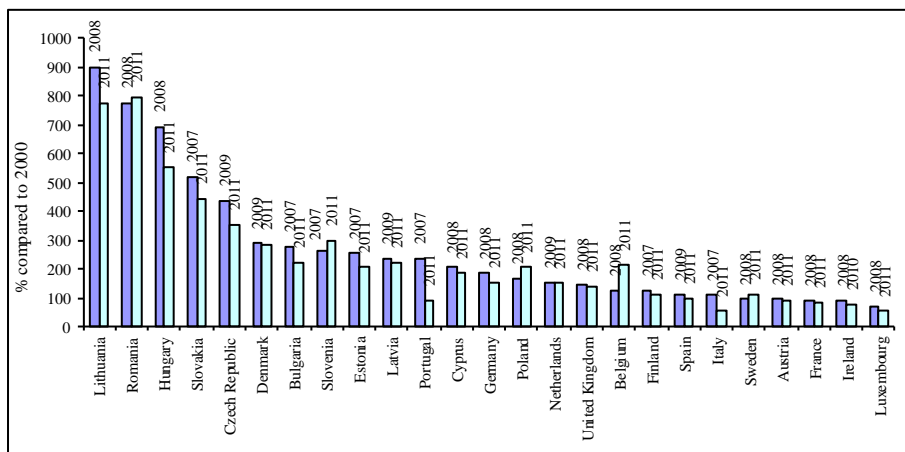
Referring to the main features, we can actually consider that the EU marketing research market is divided in two parts - the market of the old (richer) countries and the market of the new (poorer) members of the EU.

Thus, in the old member states (EU-15), the market is characterized by maturity, its dynamics being relatively stationary or, respectively, slightly increasing since 2000. Approximately 90% of the market (according to the data for 2011) belongs to the old EU member states (over 17 billion euros). The average turnover per organization involved in marketing research is, in most of the old states, much more above the EU average - 48 thousand euros in 2010 respectively.

On the other hand, in the new EU member states (Poland, Slovenia, Hungary, Malta, Cyprus, Latvia, Estonia, Lithuania, Czech Republic, Slovakia, Romania, Bulgaria, Croatia) the marketing research market after 2000 was characterized by an accelerated evolution, in some of these states increasing even 5 times its size.

The upward trend emphasizes that the market is in its growth phase, but the average turnover per organization is in all the new members states under the EU average. Although the market development after 2000 was very fast in these countries, they have just about 10% in the total of the EU market (according to the data for 2011).

As expected, the onset of the economic crisis in Europe made its mark on the dynamics of marketing research market in all the countries, so that it registered involutions from this point of view. We can notice that after a fall that began in the period of time 2007-2009 (earlier or later in each country respectively), in the member states the marketing research market regained an upward trend, in some cases even exceeding the level achieved before the onset of the crisis (Sweden, Belgium, Poland, Slovenia and Romania). On the other hand, in the rest of the EU countries the market research market has not reached the level registered before the economic crisis, some of them being even under half the level achieved prior to the onset of recession (Italy, Portugal).



Note: The turnover dynamics has been calculated for the last year for which we have data (2011), as well as for year before the fall of marketing research market caused by the onset of the economic crisis.

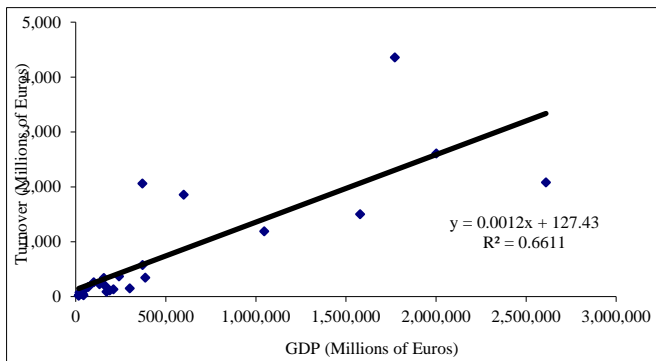
Figure 1 The dynamics of turnover in marketing research in some of the EU countries (% compared to 2000)

(Source: personal processing from Eurostat, 2013)

The relationship between the economic development and the evolution of the marketing research market in the EU countries in 2011

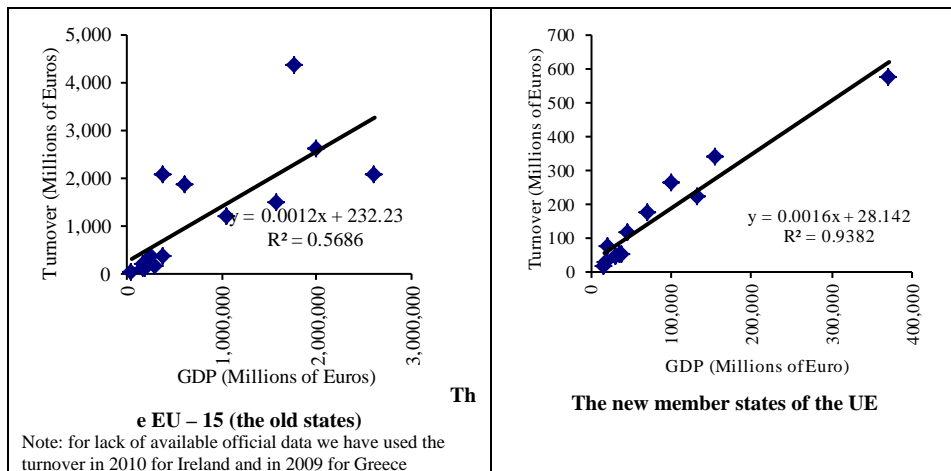
The impact of the economic crisis on the evolution of marketing research markets is justified precisely by the relationship between the economic development and the level achieved by the studied market. Thus, studying the relationship between the gross domestic product and the turnover in marketing research registered in the EU countries (except Malta), we can notice the existence of a strong and direct connection between the analyzed variables (the correlation coefficient is 0.81).

Also, applying the statistical significance T-test we have got a calculated t value of 6.983, which for a significance level α of 0.05 and 25 degrees of freedom shows that there is a significant correlation coefficient (the corresponding theoretical t value is of 2.060).



Note: for lack of available official data we have used the turnover in 2010 for Ireland and in 2009 for Greece

Figure 2 The relationship between the gross domestic product and the turnover in marketing research registered in the EU countries (except Malta) in 2011
(Source: personal processing from Eurostat, 2013)



Note: for lack of available official data we have used the turnover in 2010 for Ireland and in 2009 for Greece

Figure 3 The relationship between the gross domestic product and the turnover in marketing research registered in the old members (the EU - 15) as well as in the new members (except Malta) of the EU in 2011
(Source: personal processing from Eurostat, 2013)

Studying the relationship between the variables investigated by categories of countries - the old (EU-15) and the new EU member states - we have noticed a stronger connection between the level of economic development and the level achieved by the markets in the new states.

Thus, on the level of the 15 old members of the EU, we have obtained a direct correlation, the calculated coefficient being 0.754.

In the case of the new EU members, the strength of the studied relationship (the correlation coefficient) is of 0.9686 which attests a deterministic connection between the two variables.

In both cases, using the T-test for testing the correlation coefficients we have noticed that these are significant for a significance level $\alpha = 0.05$. So, we have obtained for the values of the indicators registered in the old EU members a calculated t value of 3.992 (the corresponding number of degrees of freedom being 13) and on the level of the new EU members a calculated t value of 12.321 (for 10 degrees of freedom).

Conclusions

In conclusion, the marketing research market of the EU has developed differently in the old and in the new member states. Thus, in the new EU member states, the evolution has registered an accelerated dynamic, in fact, the market being in the growth period. In the old member states where the marketing research market has got to the maturity stage, the dynamics has been either positive but with low growth rates or stationary. Approximately 90% of the marketing research market of the EU belongs to the old states and about only 10% to the new members. The economic crisis has left its mark on the evolution of the marketing researches market, in all countries of the EU, so that there was involution along with the onset of recession. The relationship between the size of the marketing research markets and the general economic development is a strong and direct one, both on the level of the EU market as a whole as well as by types of EU countries, a stronger connection between the turnover in marketing research and the GDP being registered in the new member states.

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