

PRESIDENT'S REPORT, 2006-'07

June 13, 2007

Dear MRSI Corporate Members,

I am very happy to present the review of financial performance and the activities of the Society for the year 2006-'07.

FINANCIAL REVIEW

During the period under review, our income was Rs 12.2 lakhs and we incurred expenses, including the write-offs of long-overdue membership fees of about Rs 3.35 lakhs, of about the same level. In order to meet the objects of the Society we also utilised Rs 3.86 lakhs from the Library Fund to bring out the Socio-economic classification system and subscribe to the World Advertising Research Centre (WARC). The online subscription to WARC Library is a great benefit to members as they can, at nominal cost, access a wide array of management, marketing and marketing research journals. I would encourage all members to utilise the service fully. A summary of the income and expenditure statement for the current and previous year is attached to this report.

OVERVIEW OF ACTIVITIES

Size of the MR Industry

We now have a reasonably good estimate of the size of the MR industry in India. For the years 2004 and 2005, we have had 14 research agencies participating in this exercise. And for 2006, 13 agencies provided their returns to Price Waterhouse Coopers. PwC then aggregated these returns and provided the results to the MRSI.

Our best estimate of the size of the industry is:

2004 – Rs 376 crores
2005 – Rs 492 crores
2006 – Rs 590 crores

Using the common set of companies who have provided data for two successive years, we have computed the growth in the industry as follows:

	The Overall Growth	Growth excluding Outsourcing
2005	31%	26%
2006	30%	25%

I must record the appreciation of the Industry to all participating members for providing this data. The detailed report will be available to all members participating in this exercise. I am sure that the additional insights provided by the report will be very useful in working out sectoral business strategy, manpower and other investments, helping in the sustained growth of the Industry. There are still a few research agencies who are not participating in this exercise for one reason or the other and we hope that we can have a fully comprehensive estimate in future years.

Talent Management

Talent has been identified as the key determinant of the success of our industry. As a Society, there are two initiatives that we have taken in this area. The first addresses the issues of retaining the people who are part of the industry (the attrition issue) and the other deals with the problem of creating a cadre of professionals with an interest and qualification in market research (the hiring or acquisition issue).

Talent Attrition/ Retention

In order to understand the dimensions of the attrition issues facing the industry, the industry agreed to provide data by function to PwC who has then prepared an aggregated report for the Industry. We now have data for two years and by function. The overall attrition within the industry in these years is given below:

2005 – 24.5%
2006 – 27.3%

The detailed report will be made available to all participating members. The magnitude of the problem is clearly evidenced by the statistic that the industry loses close to 1000 executives a year! As an industry we need to have a clear view on how we can address these issues, be able to provide rewards to those who contribute to growth and create a leadership pool that will help the business grow in future years.

Talent Acquisition - Post-Graduate Programme in Market Research

The MRSI along with the Bhavan's College of Interdisciplinary Studies, in academic partnership with SP Jain Institute of Management and Research, Mumbai, is planning to conduct a one-year full-time course in market research. This course is expected to begin in August 2007 and we are hoping to have about 50 students enrolling for this course. The MRSI members have agreed on the course outline and the course coordinators, who will then arrange for faculty for specific sessions. MRSI research agencies have also guaranteed placement for a minimum of 60% of those successfully completing the course. The students will be first given grounding in Business Policy, Behavioural Sciences, Quantitative Methods, Finance, Business Intelligence Systems, Business Environment and Business Communication. This would be followed by research methods- both qualitative and quantitative, analysis including multivariate analysis, research applications, industry as well as ethical issues, as also an internship programme with a research agency or in the insight function of a marketing company. This course is custom-built by academicians as well as industry practitioners to suit the needs of the clients and the research industry in India. We are confident that this initiative will help in expanding the hiring pool of research staff.

Seminars

The next Research Works! Seminar on the theme "Connecting to a High-growth Future" is scheduled to be held on July 26 and 27 in Bangalore at Leela Palace. I must congratulate the Bangalore Chapter, J Rajaretnam, Rajan Samanta, Seshagiri Gudipudi, Vivek Gupta, Muthukumaran and others who have worked hard, at very short notice, to arrange for this seminar. We had received 86 synopses, of which 18 have been short-listed for the seminar. These papers will go through one additional round of judging before the paper is finally accepted for presentation. We have already received confirmation of sponsorship of Rs 4 lakhs from Clients for the Seminar

New Socio-economic Classification System

Another major project on which the Society has been working is the New Socio-Economic Classification System. Working with the MRUC, MRSI has progressed through many rounds of evaluation, starting with a very long list of over 30 candidate systems and short-listing those that need to be carried forward for more work on the basis of their suitability for urban and rural areas, the level of discrimination, stability over time and ease of administration during an interview, especially a screening interview. Both the MRUC and MRSI have commissioned a validation exercise where we will be revisiting a sample of urban and rural household panel members and checking whether improvements can be obtained in discrimination especially at the lower socio-economic levels in rural areas. We have already tested the system for stability over time and the results are very encouraging. We are targeting to launch the New SEC system in July at the time of the MRSI Seminar.

I would like to thank Ashutosh Sinha, Paul Abraham, Satish Belani and their teams who have worked on the development of this system as also Ashok Das, Praveen Tripathi and Ganesh Kanhere who worked on the project previously. Thanks are also due to Roda Mehta and the MRUC for providing the data for this analysis and supporting this initiative wholeheartedly.

Field Certification

The Field Certification Programme is aimed at creating a pool of certified freelance professional interviewers who will look at interviewing as a longer-term career, invest in training and enhance the quality of the fieldwork done. I am very happy to inform you that today over 7,300 freelance professionals have been so certified. The not-so-good story is that one research agency accounts for over 60% of this number. May I urge all research agencies to cascade this programme through all their offices and field staff. We will now commence a programme of PR to raise the level of awareness of this programme among our Clients and potential freelance professional staff.

Future Plans

Perhaps no report on the past is complete without a peep into the future. We have identified a couple of projects that would be worthwhile to pursue in the future. An Index of MR Prices, a study on Field

Freelance Professional payment rates, a revamp of the MRSI website and perhaps even a longer-term project – a Brief History of the MR Industry in India.

Our Thanks

I would like to record our thanks to the Managing Committee members as well as the others co-opted on the several committees, who have provided their unstinting support for the programmes of your Society. We have had eleven managing committee meetings last year and through the use of audio conferencing facilities have been able to keep in touch with the members. Thank you for your active participation and contribution.

Thomas Puliyeel
President