

## Report

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Technological, Methodological, Economic & Business Changes Impacting MR

### One-Stop Shop Cinches U.S. MR Abroad

American MR agencies without international capabilities are at a serious competitive disadvantage if their clients are going global. Emerging markets in Asia and South America offer tasty expansion opportunities that can be cautiously explored. But the pressing requirement for American MR has been to get into Europe fast, which can be complicated and expensive--prohibitively so for small to mid-sized firms. Enter New York, NY-based EFG, the U.S. branch of EFG (European Field Group) International (Paris, France), which is efficiently, inexpensively and expertly knocking down imposing European research barriers for American MR firms.

U.S. MR firms serious about conducting research in Europe formerly had three basic options: outright expansion, acquisitions or partnering/outsourcing. Even with funding, the former rarely works because Europe has plenty of established, formidable research firms, plus there is the logistical challenge of maintaining foreign presences in multiple countries and acquiring the international expertise to properly execute projects on the Continent. The acquisition route is also, obviously, costly. Finally, partnering/outsourcing introduces methodological concerns and eats up already slim margins (unless the research assigner and research conductor both mark up the project, which can mean loss of the job). EFG says it offers a way around all of those problems.

EFG, whose U.S. office opened in 2001, uses its parent, EFG International, to coordinate and manage MR projects throughout the continent of Europe. It is exclusively dedicated to fieldwork, offering the full range of qualitative and quantitative capabilities: phone work, CAPI, Internet surveys (somewhat less prevalent in Europe), focus groups, mystery shopping, etc. EFG International's privately-held owner, MV2, has more than 25 years of global experience, 135 fulltime employees and about \$27 million in revenues last year. MV2 ranks among France's top five full-service MR firms.

Fernand Wiesenfeld, Partner and Principal for both companies, reports the U.S. EFG operation (managed by his son, Michael) is on plan, profitable and growing--even in the face of the American MR market's lackluster 2002 performance. The reason is EFG's unique niche. EFG expects to double its business this year and is targeting consulting firms and large advertising agencies that conduct their own primary MR. "I don't know of any companies in the U.S. selling the capability to conduct fieldwork in multiple European countries," he told RBR. "U.S. companies previously went through UK firms,

which subcontract throughout Europe, but they've become very expensive. We've found that every time we bid against them, we have a price edge."

EFG sub-contracts, too, but with a significant advantage thanks to MV2, explained Wiesenfeld. "Outside of France, 95% of our work is sub-contracted to two or three partners within each European country because it's rare to find one company that does everything. Many have been MV2 partners for 10 or 20 years," he

noted. "These partnerships set common, homogeneous procedures internationally and rein in costs. We understand our clients' need for room for their mark-ups."

Besides, EFG's U.S. clients, it works with other European companies and even some Japanese firms. EFG only serves MR agencies, though they have been approached by large end users with internal MR functions. "We've refused their business so that we don't compete with our MR company clients," remarked Wiesenfeld.

When EFG initially launched in the U.S., business was expected to come from small- to mid-sized MR firms just dipping their toes in international MR. That has come to pass (two-thirds of EFG's client base), but there has been unexpected work from some very large MR agencies with existing internal international resources and capabilities. "It's been a matter of pricing, coordination of services, or timing and schedules," Wiesenfeld elaborated. "Our service proved better than what they could get internally, even though most of these companies have offices in each of the European countries involved in the research." Two of the large firms became defacto partners after using EFG. "Recently, we spent a day at one's headquarters, training their sales team about differences between countries like France and Germany and so on, so that they could sell better to their own clients," he disclosed.

Other reported EFG advantages are the company's recommendations for fields projects based on decades of MV2 European experience. "American

companies frequently come to us with a method that may not be ideal for a particular country or target, and we advise them on alternatives to best suit their needs," he detailed. "That advice proves quite valuable because they can then return to their own clients with some very knowledgeable, sound recommendations."

Most projects are concentrated in France, the UK, Germany, Spain and Italy, but EFG operates throughout all of Western and Eastern Europe. Amazingly, it has even fielded studies in the United States for American agencies. "Twice in the last 12 months, we've been asked to include the U.S. and Canada in our fieldwork, alongside five or six countries in Europe. Both clients wanted one contact,



Fernand Wiesenfeld



Michael Wiesenfeld



EFG: so compelling that it does MR projects for U.S. MRers already doing European work

so they figured EFG might as well do it all,” reasoned Wiesenfeld.

The advent of the European Union has simplified business, especially in countries that have the euro. “It helps very much to have a common currency for price comparisons and quotes. The common market has increased the flow of business between all of these countries. Still, there are cultural differences.

“In the UK, focus groups are in private homes. And in southern European countries, they can last hours longer than in say, Germany, because the people tend to speak more,” noted Wiesenfeld. “The lengthier the group, the more potential solutions.” Privacy sensitivities, too, vary by country. Germany is especially rigid. “Due to their concerns about confidentiality, you can’t have contact lists. You must start from scratch every time with fresh, ad hoc sampling,” he shared. Pricing also fluctuates geographically; Sweden and Switzerland are especially costly. Perhaps the most underestimated area of difference, contends Wiesenfeld, is linguistic. “Questionnaire translation is not like translating a book,” he emphasized. “There is wording and grammar and the technique of asking questions. Asking a question in America versus Spain versus France is not exactly the same.” **RBR**

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