

LEADERS OF THE PACK

In this, the second of our annual UK Research Industry League Tables, we outline the turnover giants and offer a snapshot of their progress over the past few years. Though having to come to terms with sluggish growth, it's still a market that represents one of the world's most active, inventive and prosperous research hubs. Here's where things stand...

Company	2007	2006	2005
1 TNS	149,999	147,824	153,338
2 Ipsos Mori	115,409	110,011	103,500
3 Millward Brown	n/a	113,057	115,428
4 Datamonitor	96,900	70,392	55,645
5 GfK NOP	88,626	90,692	85,010
6 AC Nielsen	n/a	66,971	70,304
7 Synovate	65,361	64,296	54,700
8 IMS Health Group	n/a	61,114	37,675
9 Research International	n/a	53,122	62,148
10 BMRB	n/a	48,203	47,826
11 Dunnhumby	47,800	n/a	n/a
12 Mintel International Group	43,753	39,741	35,986
13 Cello Research & Consultancy	40,063	30,965	n/a
14 IRI Infoscan	33,451	34,161	34,497
15 NatCen	31,265	29,959	32,459
16 Euromonitor	25,890	22,517	17,522
17 Harris Interactive	22,583	22,679	19,886
18 GfK Marketing Services	20,295	18,863	17,860
19 ICM Group	17,789	17,464	14,802
20 Ebiquity	17,200	16,100	n/a

Turnover in £m

* Estimated

The UK is the world's second-largest market for market research. In relation to the size of the UK economy and population it is very highly developed indeed, although MRS Director General David Barr (compiler of the league tables) believes it may still be significantly under-measured.

The purpose of researching and publishing league tables is to identify and record the largest businesses in the sector, and to contribute towards measurement of the total market. It is also to place organisations in a wider industry context alongside one another, indicating market share. Beneath the numerical surface lie some compelling commercial stories.

Equally, tables are not statements on either the performance or profitability of these businesses. There are many successful and reputable enterprises whose turnover is below the threshold for inclusion in the Top 100.

Total turnover of the Top 100 research businesses is just over £1.7 bn. To place this in context, it is only slightly higher than the combined turnover in 2007 of

The Top 100 had a combined turnover in 2007 slightly above England's 20 Premier League clubs, and about twice the total turnover of London's West End theatres

HOW THE TABLE WAS COMPILED

Many information sources have been used, including the financial and business press and related websites.

- Companies House has been the principal source of comparative data in the public domain but reporting dates vary within the year.
- Annual reports of public companies, and their websites, continue to vary between the financially informative and the ingeniously opaque.
- Private companies have in many cases supplied their turnover data directly to us, particularly if they file only modified accounts at Companies House. In a few cases, these are 'round numbers' rather than precise figures.
- For a small number of companies, turnover has been estimated, based on known turnover ranges in the *Research Buyer's Guide*.
- Some groups of companies are happy to divulge and publish the revenues of their divisions and subsidiaries; others publish only consolidated financial data. Following acquisition, some well-known brands disappear each year from the table.
- Most participants in the MRS Annual Survey of the Industry agreed to the publication of their turnover, with all other responses appearing only in aggregate.
- This table contains consolidated and individual company turnover data. The table on page 20 illustrates how the rankings are affected for the top 30 positions if only consolidated turnover data is used, and records the names of individual companies which have been absorbed.
- Both tables seek to identify the volume of business derived from a UK base, including international projects. Although a few inconsistencies remain, the tables are important components in estimating the overall size of the UK market for market research, as they represent the majority of the industry's turnover.

the league tables

Company	2007	2006	2005
21 Adelphi International Research	16.734	15.432	14.667
22 BDRC Group	15.375	6.924	4.798
23 Added Value	n/a	15.081	13.692
24 Hay Group Insight	*15.000	n/a	n/a
25 Lightspeed Research	14.804	12.231	8.195
26 ORC International	13.680	12.742	12.812
27 Hall & Partners (Europe)	13.347	12.176	10.190
28 MMR Group	12.528	11.060	8.124
29 ICC Information	11.637	12.841	13.474
30 Optimisa	11.415	5.894	2.263
31 AGB Nielsen Media Research	n/a	10.798	9.534
32 HPI Research	10.018	8.023	9.579
33 Illuminas	9.995	12.141	12.296
34 Flamingo International	9.465	8.516	7.441
35 Gallup Organisation	9.400	8.700	8.481
36 Footfall	9.388	9.160	n/a
37 BMG Research	9.022	6.989	7.660
38 Marketing Sciences	8.846	6.796	7.246
39 CSW Research	8.481	5.821	5.293
40 Double Helix Development	8.450	7.000	5.000

Turnover in £m

* Estimated

SCOPE

- The tables record turnover by UK-based organisations regardless of the location of their ultimate ownership or of their clients.
- The tables include companies engaged in the collection, processing, analysis and interpretation of information about markets and social issues. The diversity of the companies reflects the diversity of the industry.
- Even those companies whose origins lie in conventional survey research (the 'traditional' market research industry) are remarkably different from one another. Many years ago, the industry embraced extension into a huge variety of qualitative techniques. Now there is widespread acceptance of the essential added value of advisory and consulting skills as part of the core mix of skills and services offered to clients.
- Definition of the 'industry boundaries' is therefore more blurred than before, and certainly more than some traditionalists would prefer. Just as few professionals in any sector can any longer work effectively in single-discipline silos, so too the services of agencies are broadening and diversifying, as are the backgrounds and experience of people employed in agencies.
- Client demand for insight and intelligence certainly now draws on many sources of information. It is notable how many organisations with origins in traditional survey research now position themselves more broadly as market information groups.
- The pace of change will continue to accelerate. Remember Darwin's outlook on evolution: "it is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change."

England's 20 Premier League clubs, and about twice the total turnover of London's West End theatres.

As was the case last year, the turnover threshold for gaining entry to the top 100 is about £3m, to the top 50 about £7m, and for the top 25 about £15m. The turnover of the top ten companies spans from £50m to £150m. The top 10 account for about half the total turnover of the top 100, and the top 30 account for about two-thirds. As more data becomes available, the tables will be updated on www.research-live.com.

GROWTH

As a very mature market the UK does not apparently offer the attractive rates of growth available (albeit from much lower bases) in other parts of the world. Nonetheless, with a strong indigenous core, it remains important for UK-based companies (regardless of the location of ultimate ownership), to develop and retain a significant share of a large 'home' market. Indeed, in the lower half of the table there are some impressive growth and development stories, but huge

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Company	2007	2006	2005
41 The Research Partnership	8,236	7,571	5,296
42 ESA	8,053	5,882	6,534
43 Holden Pearmain Research	*8,000	7,100	5,700
44 Maritz	7,927	11,500	10,242
45 YouGov	7,900	4,750	2,942
46 Worldone Research	7,815	6,778	2,564
47 BASES	*7,800	n/a	n/a
48 Oxford Research Agency	*7,580	n/a	n/a
49 Lorien Research	*7,500	n/a	n/a
50 PWC International Survey Unit	*7,500	n/a	n/a
51 Research Now	7,365	n/a	3,639
52 All Global	n/a	7,328	5,605
53 Simpson Carpenter	7,202	6,775	7,398
54 Henley Centre HeadlightVision	n/a	7,175	4,460
55 SPA	6,755	6,017	5,599
56 Nunwood	n/a	6,651	6,400
57 Opinion Leader	n/a	6,613	5,815
58 Brainjuicer	6,600	4,610	2,936
59 RONIN	n/a	n/a	6,218
60 Conquest Research	6,182	5,580	5,187

Turnover in £m

* Estimated

numbers of these are needed to offset the slow or negative growth of some of the largest players. The overall turnover growth rate is therefore low, and likely to remain so for the foreseeable future. Not only is there no sign of a return to the double-digit growth rate of the 1990s, there is every indication that the overall growth rate for the sector in the UK will remain at levels below the rate of inflation.

With the IPA Bellwether Report revealing record cuts in clientside marketing budgets the reputation of market research for showing resilience in the face of economic adversity is about to be tested again. However, market development and diversification may offer excellent prospects of future market growth and industry expansion.

Changing composition and future development

At a meeting earlier this year of the World Industry Network (WIN), Tony Cowling (President of TNS) argued that the industry was understating its true scale and could consequently be missing development opportunities.

No matter how they style themselves, he said that market research agencies and market information businesses perform three core functions.

1. Collect data on customers, markets, issues.
2. Collate, organise, analyse the data and report on it.
3. Draw conclusions, make recommendations, and provide 'insights'.

DEVELOPING THE TABLES

Our thanks go to all those organisations who participated in the preparation of these tables, and to Merlin Scott Associates for its help.

The league tables are now an annual feature within *Research*. Naturally we want them to be as comprehensive, authoritative and informative as possible. Your comments will always be welcome.

The tables will also appear on www.research-live.com, and will be

subject to a mid-year update (which may of course affect some rankings). If you believe your own business should have been included in the table, do let us have the data. We are conscious too that there are many excellent businesses with turnover below £3m, and intend to undertake compilation of a table covering the £1m-£3m turnover range. So also let us have the data if you would like your business to appear there.

the league tables

Company	2007	2006	2005
61 The Planning Shop International	*6.100	n/a	6.296
62 FDS	6.050	5.958	5.871
63 ISR: International Survey Research	*6.000	n/a	n/a
64 BPRI	n/a	5.701	6.269
65 IFF	5.511	5.565	5.039
66 RDSi	*5.500	n/a	4.992
67 Incomes Data Services	n/a	5.388	5.337
68 Business Research Group	4.858	5.104	4.636
69 Grass Roots Group	4.858	3.920	3.362
70 Accent	4.720	3.893	3.735
71 Retail Eyes	4.568	3.084	n/a
72 MARKIT Economics	*4.500	n/a	n/a
73 The Leadership Factor	4.300	n/a	n/a
74 Market Probe Europe	*4.300	4.017	3.658
75 Independent Fieldwork Company	4.285	3.800	3.700
76 Network Research & Marketing	4.058	4.631	4.932
77 Arnold & Bolingbroke	*4.000	n/a	3.950
78 Jigsaw Research	3.929	n/a	3.015
79 Firefish	3.869	3.775	3.032
80 Oxford Outcomes	3.850	2.400	2.200

Turnover in £m

* Estimated

With the IPA Bellwether Report revealing record cuts in clientside marketing budgets the reputation of market research for showing resilience in the face of economic adversity is about to be tested again. However, market development and diversification may offer excellent prospects of future market growth and industry expansion.

Cowling argued that the industry should be measured from that wider perspective, and that the consequences of failure to do so could be serious. New growth opportunities could be missed, the developing needs of clients would not be tracked, and non-traditional firms could be excluded or underrepresented in industry bodies where best practices are often developed and promoted.

David Barr broadly agrees with this analysis, and sees the published year-on-year 'internal' industry growth measurements as greatly understating the true 'external' market opportunity, indeed the scale of changing activity already taking place.

Barr is tempted to compare the compilation of the tables with the never-ending task of re-painting the Forth Bridge. He sees a better analogy in the process of seeking out acquisition targets – also never-ending, but the discovery of one interesting business always leads to offers and then to their competitors. The boundary is constantly pushed back and the surge of potential opportunities becomes much greater.

The league tables already include a wide range of types of organisations from the so-called 'full service agency' to the data collection and online panel specialists. And among the sector-specific businesses, pharmaceutical /healthcare, media, retail, employment/labour market specialists are prominent.

However, the market is also very complex and sophisticated, and future growth opportunities may be derived from new types of business opportunity.

The boundaries of market research are becoming progressively more difficult to define. Even the largest

Company	2007	2006	2005
81 Snap Surveys	3,811	3,198	3,065
82 Promar International	3,805	4,855	4,835
83 ECHO Research	3,775	3,304	3,009
84 First Research International	3,626	2,689	1,838
85 Steer Davies Gleave	*3,567	3,057	2,395
86 National Readership Surveys	n/a	3,538	n/a
87 Swift Research	3,512	3,163	2,929
88 Flow Interactive	3,500	3,000	2,600
89 Intrepid	*3,500	n/a	n/a
90 ABA Market Research	3,409	2,390	n/a
91 Facts International	3,376	2,925	3,004
92 Freshminds	3,340	2,395	n/a
93 Gillian Kenny Associates	3,328	3,109	n/a
94 Incite Marketing Planning	3,275	2,474	2,553
95 RSMB Television Research	3,223	3,084	2,940
96 Field Facts Worldwide	n/a	3,192	4,006
97 Link Consumer Strategies	n/a	3,145	2,654
98 Northstar Research Partners	3,059	3,142	4,090
99 Quadrangle	*3,050	n/a	n/a
100 Kadence UK	*3,000	2,932	2,483

Turnover in £m

* Estimated

players use vocabulary in their straplines and mission statements that either avoid the implied limitation and narrowness of the term 'market research' and adopt phrases that imply positioning in a much wider market information, intelligence, insight market. Not only is a wider non-research activity indicated, but also the acceptance of the fusion of data from many different internal and external sources to yield broader, but still evidence-based, advice.

The added value

Advice and consultancy generate higher margins rather than mere technical process which has become commoditised in pricing. In seeking to reposition themselves higher up the value chain, research agencies encounter other organisations seeking to occupy the same business space which some regard as *their* space. Competition takes on new forms, as indeed do the opportunities for acquisitions and alliances.

The competitor landscape is changing, largely driven by clients and buyers, who do not themselves always make a clear fine distinction between 'traditional' and non-traditional. They do see consultants, online companies and new entrants of various kinds making contributions to the generation of consumer insight.

Barr believes the opportunity is far greater than the threat, the strengths far greater than the weaknesses and that the prizes will go to those who focus less on the size of the 'old' industry and its nominal growth rate and more on the changing shape and composition of the market. The pace of change is certainly accelerating.

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SOME CHIEF CONCERNS

With business braced for a rocky ride, we spoke to some research captains to gauge their feelings on the journey ahead. They offer their views on the competitive pressures bearing down on the industry, the economic outlook, the nature of customer demand and the prospect of organisational change

COMPETITIVE PRESSURES



RICHARD GILMORE
CHAIRMAN
CELLO

The industry is more competitive than it was a few years ago, or even a year ago. You just have to look at the thickness of the *Research Buyer's Guide* – there are a lot more set-ups offering research, and that's a good thing.

But in a downturn clients become more risk-averse and they don't want to try new suppliers, so they fall back on the tried and trusted relationships they have.

The differentiator between agencies is interpreting information and providing actionable results – the straightforward reportage and data collection cancels themselves out. The most important thing is to make sure you know exactly what your customers need the research for, and make sure it drives their thinking forward.



MARTIN HAYWARD
DIRECTOR OF CONSUMER STRATEGY
DUNNHUMBY

Like most industries today, research is pretty much a buyer's market given the pressures most businesses are under. Those agencies

who are selling what is effectively a commoditised product will be feeling the downward price pressure pretty keenly, I would have thought. The more actionable your output the better the place you are in.

I think there is a certain indulgence in some parts of the industry where we work at our own pace and will take a few months to get results back to you. This really isn't good enough any more, and clients are looking for much faster results and responses to questions.



RICHARD HEPBURN
CEO
FDS

It is certainly becoming more competitive. There isn't a shortage of briefs coming through but there are definitely more people on tender lists going after things – that has been very noticeable in the last three to six months.

Some sectors have agencies that specialise in certain work and if those sectors start to get squeezed, those agencies will have to start looking at other areas they haven't traditionally worked in and find a new pond to fish in. That's the real area of competitive pressure we're seeing.

There have always been people who try and play on price but a lot of research buyers know what they are paying for and that undertaking decent research has a level of cost associated with it.

PHYLLIS MACFARLANE
MD, CUSTOM RESEARCH
GFK NOP

Clients are getting better at buying – using procurement people and getting more competitive pitches, mainly because they're under pressure to reduce spending. On the agency side we all know that MR is supposed to be recession-proof but we want to make



sure that we are. In a state of uncertainty, everyone's going to be that little more eager.

The most important thing is the team, the insight, what the client believes you can deliver in terms of real actionable recommendations. Once they've decided who they prefer they tend to negotiate on price to get the best deal.

At times like this having a good broad portfolio is the best protection. If you have a major client who does stop spending then you'll be affected.

THE ECONOMIC OUTLOOK



CARA BERRY
MANAGING DIRECTOR
BPRI

It would be prudent to expect research to be affected and it is up to agencies to anticipate clients' needs. This is a time when it is more important than ever to be close to clients and understand the pressures they are under, and it would be sensible for agencies to be thinking about cost-effective solutions.

There is also an opportunity for the industry over time, as we're always talking about being better and more efficient – maybe this is the ideal stimulus to make some of these things happen. The biggest risk to the industry is if we all dither and don't take any action at all.

the interviews



DAVID DAY

CEO

LIGHTSPEED

It's true that research tends to be more stable than advertising, for example, but the magnitude of the economic uncertainty is going to make clients think about the discretionary work. They're waiting to see how the first few months of the next financial year shape up before they start to make commitments.

Some clients are cutting back but it's certainly not the rule at the moment. On one hand you could argue you should spend more money on research in a downturn, but that's going to be mitigated by the general concern and uncertainty. I think the net effect is that research will come through relatively well.



JOHN KEARON

CHIEF JUICER

BRAINJUICER

It's going to come to a point where CEOs are going to wake up and have to start asking heads of departments to do the same or more for slightly less. My gut feeling says that even if people would like to think something different, surely the word is going to go out that you've got to do the same amount of research but for 10% less money.

MR budgets in the last few years have come

under more scrutiny – and that's without the credit crunch – because there was an increasing sense of inefficiency [of established research techniques] before, probably prompted by the online revolution.



DAVID PARMA

GLOBAL HEAD OF CONSUMER RESEARCH,
NIELSEN

Many clients, especially packaged goods companies, are really feeling the economic downturn – cutting back on research budgets, advertising, marketing spend. But there are also companies that are very keen to find out more about changing consumer behaviour. They're reacting in different ways.

Usually in this situation there are a lot of opportunities for research. There is strong growth at the moment in pricing and shopper research, for example, and brand health research. The qualitative side might suffer a little more. Companies need to take quick action and make quick decisions on how to proceed and cope with the situation, and I think quant provides more of that than qual.

CUSTOMER DEMANDS

JUDITH PASSINGHAM

EUROPEAN MANAGING DIRECTOR
TNS

I think good quality will win out in the downturn, because of the risk of taking wrong decisions based on inaccurate data. Quality needs to be a more important topic for the research industry and the customer base. Twenty years ago there was a lot more discussion about real accuracy and measured evaluation of what quality actually was, but I think the word is misused at the moment.

Clients are asking about Web 2.0 tools more



and more, and I think agencies have a navigation responsibility here. They need us as an industry to tell them how to use these tools and how to understand them. We need to make the digital opportunity easier for our customers to manipulate and exploit.



DAVID PENN

MANAGING DIRECTOR
CONQUEST

I think we are getting more pressure on margins and people wanting more for their money, but I think it is more about people wanting more value rather than wanting things done cheaply.

There is a lot of interest in new technologies and I think something that clients are picking up on is that online surveys are becoming harder to do – respondent engagement is becoming a really big issue. Techniques that engage respondents and make them enjoy the process of being interviewed are really coming to the fore.

People are not coming in and asking for a Web 2.0 survey, but when you give them a survey with that capability it definitely gives you an advantage.

GEORGE TERHANIAN

PRESIDENT, EUROPEAN OPERATIONS
HARRIS INTERACTIVE

The stakes are much higher than they've ever



been for our clients, and they will continue to sharpen their requirements. They're going to have to increasingly justify all major expenditures, and because of that they have to be very clear on what the ROI's going to be.

The economic situation is a huge opportunity for companies offering online research. Clients who have resisted online will be far more open to considering it – because they have to be. And that might be good for the entire research industry. But I think the industry has overhyped Web 2.0. From our clients' perspective it's a customer engagement tool – not a tool for objective, credible market research.



ANDREW THARME
MANAGING DIRECTOR
THE OXFORD RESEARCH AGENCY

People still want the same level of speed and an increasing amount of value and insight. Clients want to tick all the boxes, but not at the detriment of quality. I certainly think that in the current climate they are going to want to know the research they are commissioning is giving them something tangible and can do something effective within their business. There is going to be increasing need to justify research from an ROI point of view and it's increasingly likely that clients will have to justify to the finance department and the board that improving a product is going to have a profit return.

PRACTICE CHANGES



JOHN CONNAUGHTON
CEO
ILLUMINAS

People are slowly accepting new methods, but like everything they want to see proof the concept works. So Web 2.0 is being accepted, albeit a little slowly and with a few reservations. I don't think any of these things mean that other techniques will die.

To a degree, in difficult situations people want to reduce risk and may not want to take a punt on new things, but at the same time people want to spend more wisely so there is room to come up with more creative, cost-effective techniques. In fact in some senses tough times like this drive people into thinking more laterally and wondering if there are other things that could be more effective.



RICHARD CORNELIUS
UK MANAGING DIRECTOR
ORC INTERNATIONAL

The industry is still in the relatively early stages of adopting Web 2.0 techniques, but there's definite interest. We certainly expect the approach to research and the use of research to change significantly in the next five to ten years.

There's an increased use of community forums. I can't see a big business in research agencies setting up forums and just selling those, but I see them as a useful tool to enhance the value of the projects we already do.

At the moment web 2.0 techniques are being pushed maybe slightly more by the agencies than by the clients – but that's likely to lead to more client requests.



VANELLA JACKSON
CEO
HALL & PARTNERS

Web 2.0 isn't just talk – every pitch we go to, clients are interested in what innovations we have in that area. Some of our more advanced tech clients are pushing us to use those techniques, and with others we're taking our experience to them.

At the same time the economic conditions mean clients are looking to more robust analytics, to get harder ROI data for their integrated communications.

It's important to not just be asking people what they think about brands but also observing their behaviour – it's about what is not said as well as what is said. It's about making sure we get the whole picture and understand everything that's influencing purchase behaviour.

NADHIM ZAHAWI
CEO
YUOVO

We believe that the data you capture in quantitative research by telephone is hugely flawed because of overrepresentation of certain demographics and people not giving good quality information, because the medium itself doesn't lend itself to being able to present complex issues.

Online data, on the other hand, has consistently proved itself to be reliable – the last test was the mayoral elections in London



where the phone agencies all said that Ken Livingstone was slightly ahead or it was neck and neck. YouGov was the only one that said that Boris Johnson would win and win by six points, which is exactly what happened in the real world.

ORGANISATIONAL CHANGE IN THE INDUSTRY



DAVID BURROWS
DIRECTOR
FLAMINGO INTERNATIONAL

It's too early to say how things are going to change over the next year but all of us have a sense that over the last six to nine months it has been an increasingly tricky environment and I think that clients are certainly looking for more of an incisive consultancy service rather than just research.

Clients are wanting agencies to deliver excellent thinking rather than just telling them facts that they can arguably get somewhere else. Excellent thinking becomes the hard currency in hard times.

I can envisage people saying, "Can we do a little less research but actually pay a little bit more for your thinking time?" which may cost more per day but actually still comes out cheaper.



PETER HAIGH
CEO
MINTEL

The exciting thing about these conglomerates picking up big research agencies is that it shows a recognition of the fundamental requirement for quality research to drive business decisions.

I think some of these mega mergers will dry up as capital markets dry up – there's not going to be the money for it. But I don't think it's the size of companies that creates winners and losers, it's more a function of the ways they drive the insight. Do they provide the client with a succinct way of understanding what's going on in the marketplace and recommendations of what they should do about it? It's not easy, but it's what clients are looking for.



BART MICHELS
MANAGING DIRECTOR
ADDED VALUE

The industry seems to be really polarising and creating a bit of a divide. There's the more strategic quantitative-driven research, which is becoming increasingly long-term focused and has a need for robustness and rigour. The other end of the scale is the fast, pragmatic practical and tactical insight, which is more

about testing propositions that are driven by the economic climate.

People who are buying research are looking for bigger trusted agencies, not dissimilar to the way consumers buy brands. When they have less money they have to make choices and they want to make sure those choices are based on secure, trustworthy information. Data-centric businesses on their own are not going to deliver what clients need and as far as I'm concerned the age of the research report is dead.



GED PARTON
GLOBAL CEO OF BRAND AND COMMUNICATIONS
SYNOVATE

Once the consolidation train leaves the station it tends to accelerate. Six months ago I was very confident that consolidation would continue apace but my thought at the moment is that it will have to slow down because there's this crisis in liquidity.

The boutique, specialised firms are on very strong ground. The tricky ground is in the middle – folks who aspire to be something that they're not are going to be in an interesting position. I see the industry polarising in that sense – there'll be a more obvious dichotomy between big agencies and smaller boutiques.

The prospect of consolidation between TNS and Kantar means inevitably there'll be high quality people thinking about start-ups.

We've examined how individual research agencies fare in our UK Research Industry League Tables. But what of their owners? These are the real power brokers in the research business. They are playing an influential role in shaping the destiny of the provision of research and insight. Here's where they stand...

GROUP DYNAMICS

Ranking World	UK	Owner	Country	UK Turnover £m	Year	Operating Companies
5	1	WPP plc	UK	257.143	2006	Kantar Group - Millward Brown, Research International, BMRB, BPRI, Lightspeed, Added Vaue, Henley Centre Headlightvision
3	2	Taylor Nelson Sofres plc	UK	149.999	2007	TNS UK
6	3	Ipsos Group SA	France	115.409	2007	Ipsos MORI
4	4	GfK AG	Germany	112.931	2007	GfK NOP, GfK Marketing Services, GfK Animal Health, IMR, GfK Tracker
-	5	Informa plc	UK	96.900	2007	Datamonitor
1	6	The Nielsen Company	USA	*86.500	2006	ACNielsen, Bases, Netratings
7	7	Aegis plc	UK	65.361	2007	Synovate
2	8	IMS Health Inc	USA	61.114	2006	IMS Health Group
-	9	Tesco plc	UK	47.800	2007	Dunnhumby
-	10	Mintel International Group	UK	43.753	2007	Private ownership
21	11	Cello Group plc	UK	40.063	2007	Cello Research & Consultancy - RS Consulting, Consensus Research, Insight Research Group, Leapfrog Research & Planning, The Value Engineers (part), MRUK Research, 2CV
8	12	Information Resources Inc	US	33.451	2007	IRI Infoscan
-	13	National Centre for Social Research	UK	31.265	2007	NatCen, registered charity, company limited by guarantee
-	14	Creston plc	UK	30.745	2007	Creston Insight Group - ICM Group, Marketing Sciences, MSTs, CML
-	15	Euromonitor plc	UK	25.890	2007	Euromonitor
-	16	Omnicom Inc	USA	22.812	2007	Hall & Partners (Europe), Flamingo
13	17	Harris Interactive	USA	22.583	2007	Harris Interactive
-	18	Ebiquity plc	UK	17.200	2007	Ebiquity Media & Marketing Analytics (formerly Thomson Intermedia)
-	19	Adelphi International Research	UK	16.734	2007	Private ownership
-	20	BDRC Group	UK	15.375	2007	BDRC, Perspective, Continental Research
-	21	Hay Group plc	UK	*15.000	2007	Hay Group Insight
16	22	Info Group Inc	USA	13.680	2007	ORC International
-	23	Bonnier Group	Sweden	13.393	2007	ICC Information, Keynote
-	24	MMR Group	UK	12.528	2007	Healthcare Research Worldwide, UK Fieldwork Services, MMR Food & Drink Research Worldwide
-	25	Optimisa plc	UK	11.415	2007	KAE Marketing Intelligence, Next Move, Andrew Irving Associates, Report Int., Quaestor, Buckingham Research, Summit Studios
-	26	Chime plc	UK	10.803	2006	Opinion Leader, Facts International, Ledbury Research
-	27	WPP/Nielson (joint venture)	UK/USA	10.798	2006	AGB Nielson Media Research
-	28	Munro Global Ltd	UK	10.212	2007	FDS International, Maven Research, Ace Fieldwork, M-Lab, 3000ft
-	29	HPI	UK	10.018	2007	Private ownership
-	30	Media Square plc	UK	9.995	2007	Illuminas

Turnover in £m

* Estimated

The ownership league table illustrates the extent of industry consolidation. However, it also shows the extent of continuing competition within the UK-based market. It may also indicate scope for further consolidation in the future, but that will no doubt have to await a more stable financial environment.

Here are some of the highlights from this year's audit:

- No corporate group is in a position of market dominance, and new players are on the rise to challenge the larger owners.

- Even when the top two become one in the next few months, Kantar will have slightly over 20% of the total UK market. Although this will be significantly larger than their nearest rivals (Ipsos and GfK) who have about 5% each, it will still represent leadership rather than dominance of the total UK market.

- Real industry consolidation is sometimes defined as when the big businesses buy other big businesses rather than those further down the food chain – the quantum leap rather than incremental path to growth.

ownership

A bunching at the top of the table is certainly occurring, but a long tail of many small and medium-sized enterprises is a very healthy characteristic of the UK market. Many of those smaller companies are in rude health and growing their revenue much faster than the big companies.

- Consolidation certainly creates larger companies. It is less clear that it is producing better companies. Where are the examples of big gains in post-acquisition market share achieved through external synergies? They may tend to be more visible outside the UK than within. The concern remains that the main synergies are derived mainly from back-office cost savings rather than business development and accelerated growth.

- Without the payback from synergy, some balance sheets must be under strain, particularly those supporting highly leveraged purchases. Could the credit crunch even lead to some distress sales and disposals? Equally, large-scale deals in the media and marketing sector are under constant threat of derailment amid the crisis in the financial markets. Private-equity acquisition of Informa and the auction of Reed Business Information have both encountered blockage. The same could happen on smaller scale leveraged deals where execution certainty is decreasing.

- Eleven of the companies in the 'ownership league table' appear in the Honomichl Global Top 25, with Cello Research & Consultancy entering the table for the first time. However, Datamonitor, Dunnhumby and Mintel should also qualify for inclusion as they have turnover larger than the No 25 entry in that table.

- Conversely, many of those who do appear in the Global Top 25 are heavily focused on their own domestic market (the USA) rather than operating internationally to any significant extent. They do not therefore feature in our table as they have insufficient or no presence in the UK-based market.

- 20 of these companies are UK-owned (£923.6m of turnover), 6 from USA, one UK/US joint venture and one each from France, Germany and Sweden.

- Although foreign ownership via acquisition is now prominent, the underlying strength of the indigenous British market research industry remains much in evidence. Few foreign companies have brought their business template to the UK and achieved significant growth organically.

- The total UK-based turnover of this Top 30 is £1.41bn, which represents about 70 % of the total UK-based market.

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