

GBI Europe Launch Presentation

SEPTEMBER 2017



Global
Business
Influencers





Welcome

In this presentation we will be talking about the Global Business Influencer survey, looking at the latest findings.

But, before we start, a quick recap on GBI...

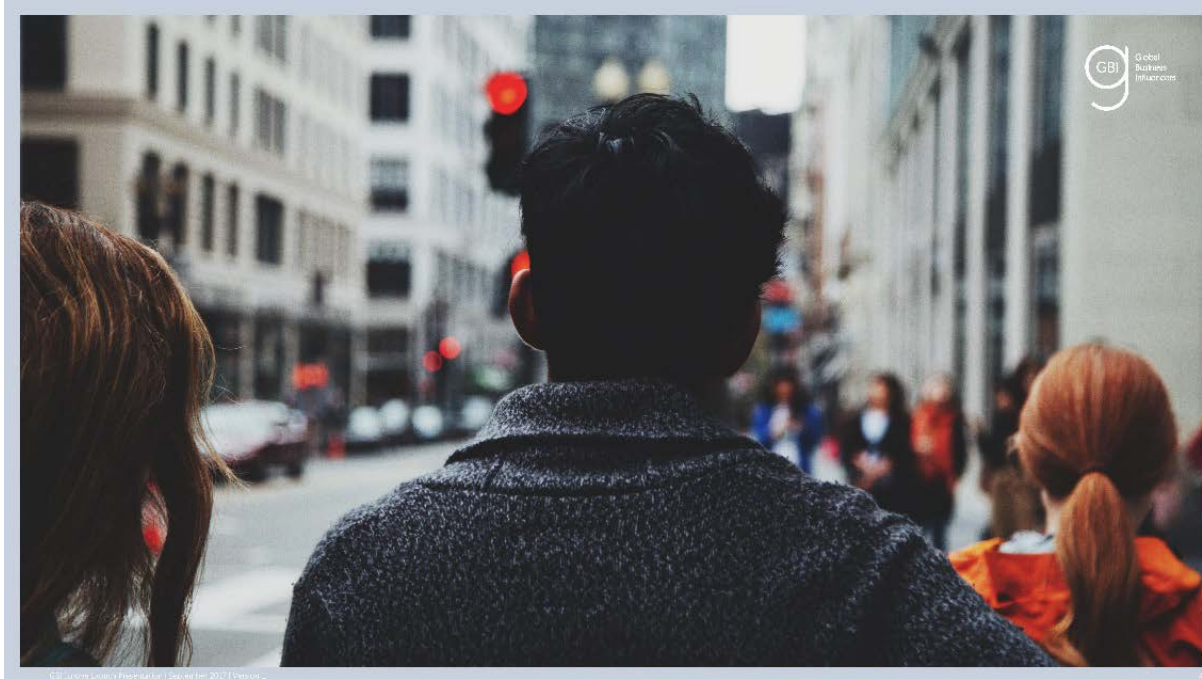


Who are the Global Business Influencers?

By definition the Global Business Influencers are a very niche group representing less than 1% of the population.

But as we'll see, taking into account their influence, spending power and the corporate budgets they control, they are a disproportionately important audience for B2B marketers and represent the key to profitability for sectors such as: finance, luxury goods and cars, airlines, and hotels.

And we speak to them across Asia, Europe, the US, China, and for 2017 we added Japan, taking the total number of countries covered to 17.

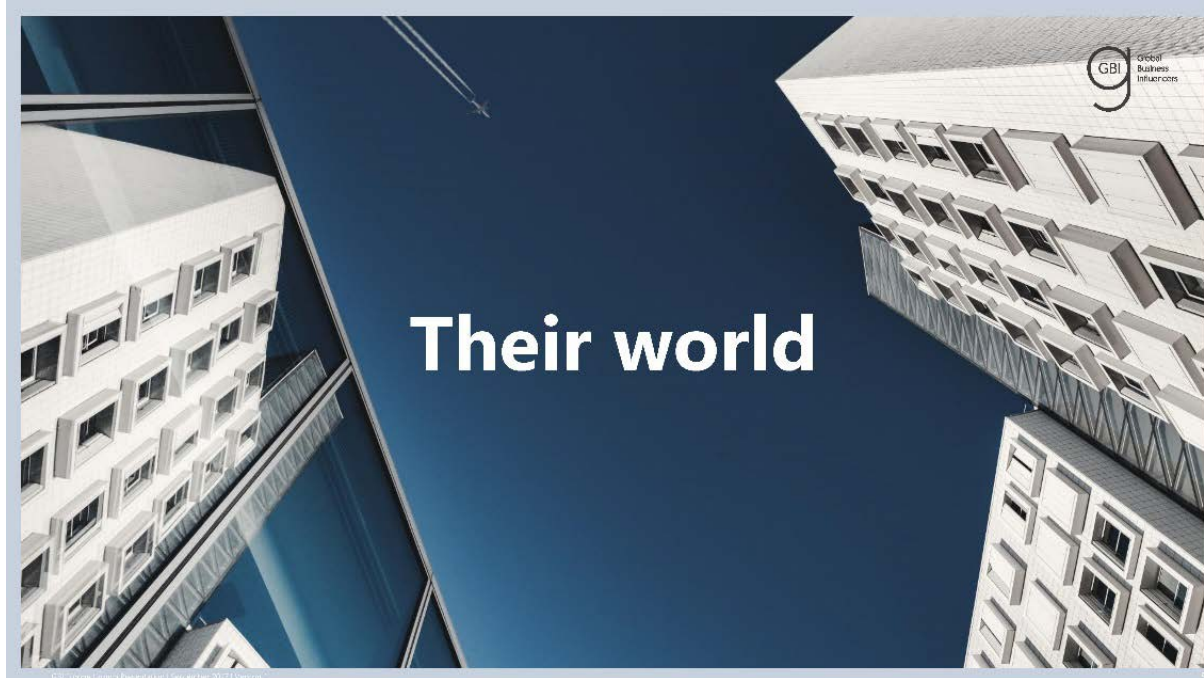


GBI content created by Ipsos MORI in May 2017. Ipsos MORI

Who are the Global Business Influencers?

As you'd expect with a unique audience such as this they're incredibly difficult to speak with. You can't reach them via general population surveys; they're just too small to pick up. For instance the proportion of the population who are c-suite is tiny.

And this is where GBI comes in. It focuses on senior business people in medium and large companies. It's used extensively by the media industry globally, to understand this vital audience.



Their world

So, now let's look at what's been going on in the world this year when we conducted the survey and see how the business influencers are reacting to this.

It's worth noting during the presentation we'll draw on some global data from our GBI Barometer survey which surveyed over 600 business influencers globally and then we'll also focus on the main European GBI dataset which has a sample of over 3,000.

“May you live in
interesting times”

Disruption and Uncertainty...

There's an old Chinese curse, which I'm sure many of you have heard about. It says: 'may you live in interesting times'. It's a curse, because of course business thrives when there is minimal disruption in the political arena and this certainly hasn't been the case in the past year...



...Brexit

Brexit continues to rumble on with the outcome seemingly no more clear...



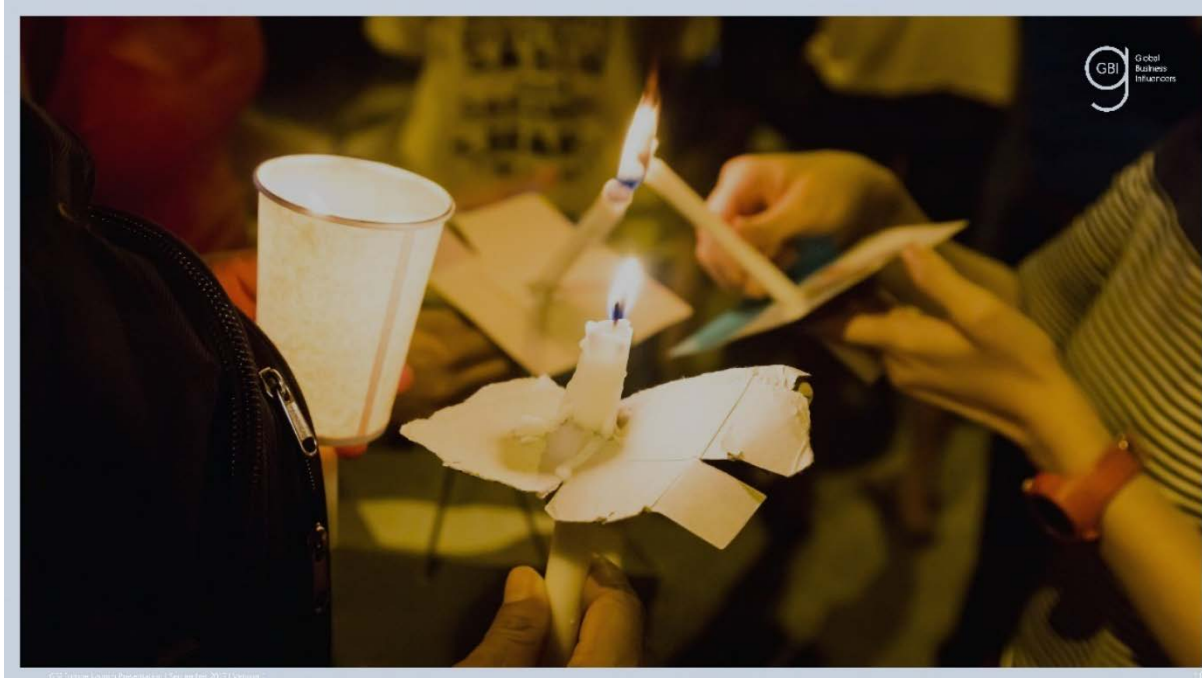
...American Politics

Trump's presidential decision making continues to be unpredictable...



...Global Tensions

And who knows what Kim Jong-Un will be getting up to next...



...Terrorism

The threat of terrorism also adds to the uncertainty, nobody knows when it will next rear its ugly head.



...Technological Disruption

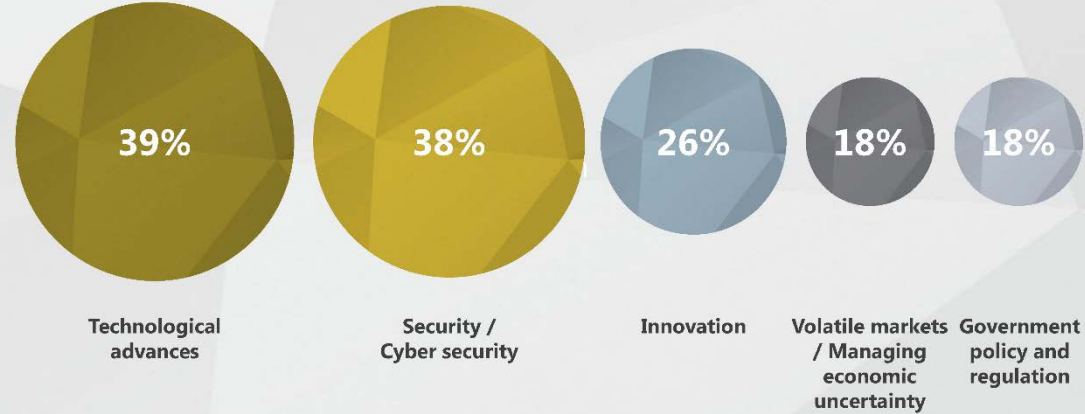
And who knows, how quickly - and by how much - technology will change the world we live in.



The New Norm

So, we're living in a world where uncertainty is becoming the norm. But, how's all this affecting the Global Business Influencers, those most senior people in the world's biggest companies, and what are their priorities in all this uncertainty?

Tech is the biggest challenge facing their company



Source: GBI 2017 Barometer, Three biggest challenges facing your company at the moment

The Challenge of Tech

It's fairly clear from looking at the biggest challenges they cite as facing their companies that technology dominates the top three. We've seen the global economy stabilising, which is reflected in the reduced number of those who cite managing volatile markets and economic uncertainty as a challenge.

While there's lots of uncertainty around government policies, what's evident from this is that there are more important challenges ahead for the Global Business Influencers and the companies they lead.



Technological Revolution

Let me introduce you to Jeremy Howard. Jeremy's been described as somewhat of tech genius. While still a 19 year old student he was earning US\$200,000 a year at McKinsey. It's now said that the artificial intelligence he's developed will one day replace doctors.

Referring to tech disruption, Jeremy said: 'The industrial revolution was nothing compared to what is coming'.



Technological Revolution

It maybe that Jeremy's a little too far ahead of the curve; but, what we do know is that looking at the areas of focus for the Global Business Influencers companies, we see that in 5 years time technology is by far the most important focus.

So, tech is the biggest challenge and the biggest focus both now and in the future. Whilst uncertainty exists about how it will shape the future, the Global Business Influencers are certainly grabbing the bull by the horns when it comes to tech.



Changing With The Times

And I'm sure this quote from the ex General Electric CEO, Jack Welch, rings true for many.

Tech priorities for the future

51%	IT infrastructure / modernisation
45%	Cybersecurity
35%	Big data
35%	E-commerce / M-commerce
34%	Data compliance
33%	Internet of things / Wireless products
31%	Customer relationship management (CRM)
30%	Mobile / App economy
25%	Collaboration / Virtualisation platforms
25%	Automation / Robotics
24%	Artificial intelligence

Source: GBI 2017 Barometer, Your organisation's technology priorities for the future

Tech Priorities For The Future

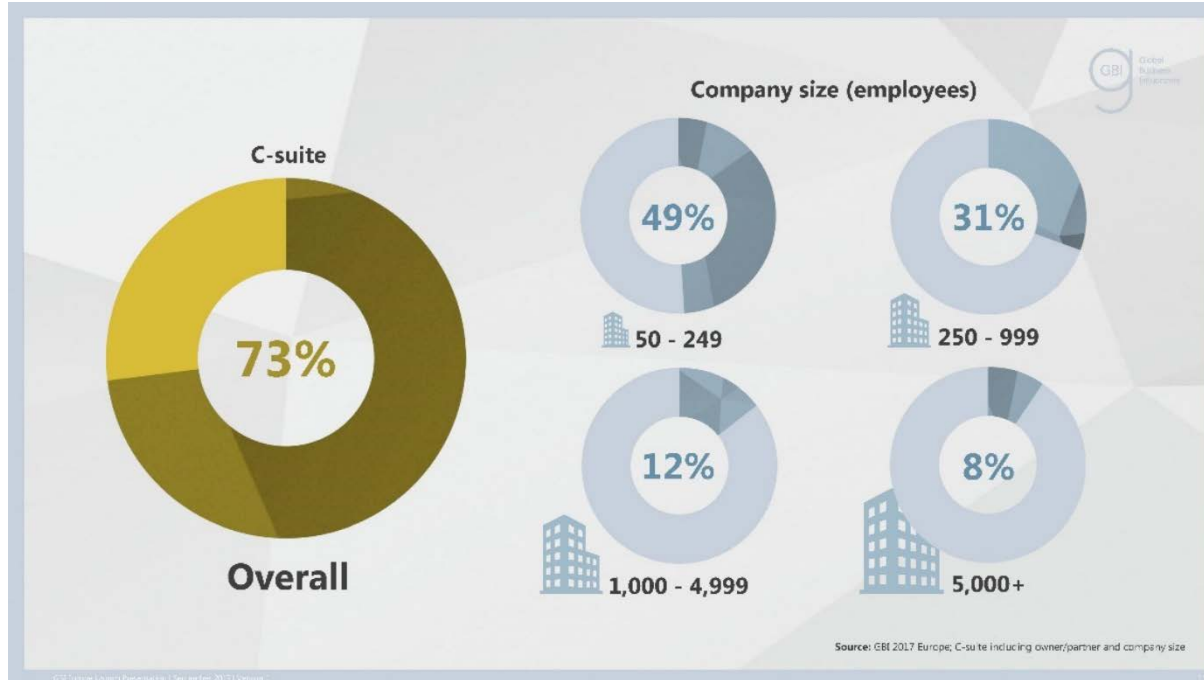
With so much going on, what are the tech priorities for their organisations? There's a huge amount of diversity here. What comes through most prominently is that new innovations such as: robotics, AI, and VR are all very nice, but you need to get the basics right first. IT infrastructure, and legacy modernisation are the top priorities.

The other area to pull out is cyber security – second in the priority list. The first 6 months of 2017 have seen an inordinate number of cyber security melt downs. WannaCry was the 'biggest ransomware' offensive in history; it infected 300,000 computers. For the Global Business Influencers it's all about making sure things are safe.



Data Security

And with 85% saying data security threats will increase in the coming years, it's only going to become more of a challenge.



C-suite Employees

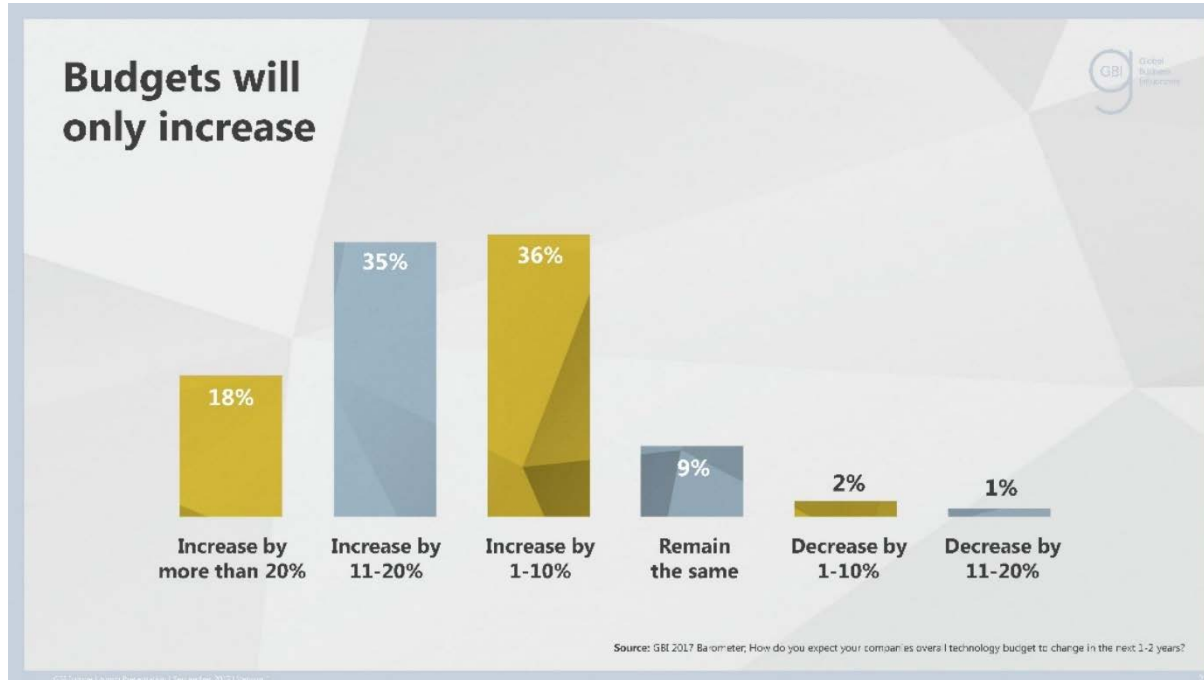
I'm going to come back to tech in a moment, but first wanted to remind you when we talk about senior business people on GBI – they really are the most senior! In Europe almost three quarters are c-suite and they exist in companies with an average of almost 1,200 employees.



The Big Budgets

A by-product of being in these positions, in big companies, is that they control the biggest budgets – almost US\$2 trillion in total in Europe.

And their budgets in tech are over US\$400 billion. Spend areas range from cloud services, to data centres, to software services.



Even Bigger Budgets

And looking ahead at how they envisage their tech budget changing in the next 1 to 2 years, many see it increasing. The budgets they control are only going to get bigger.

They're certainly the key audience you want to be speaking with when it comes to b2b marketing and communications. But, while we know they're involved in all stages of the decision making process, the big question is how can you influence them?

Media is a key influencer

64%

Articles and information in media related to your industry sector

49%

Peer recommendation

49%

Articles and information found on general news sites

38%

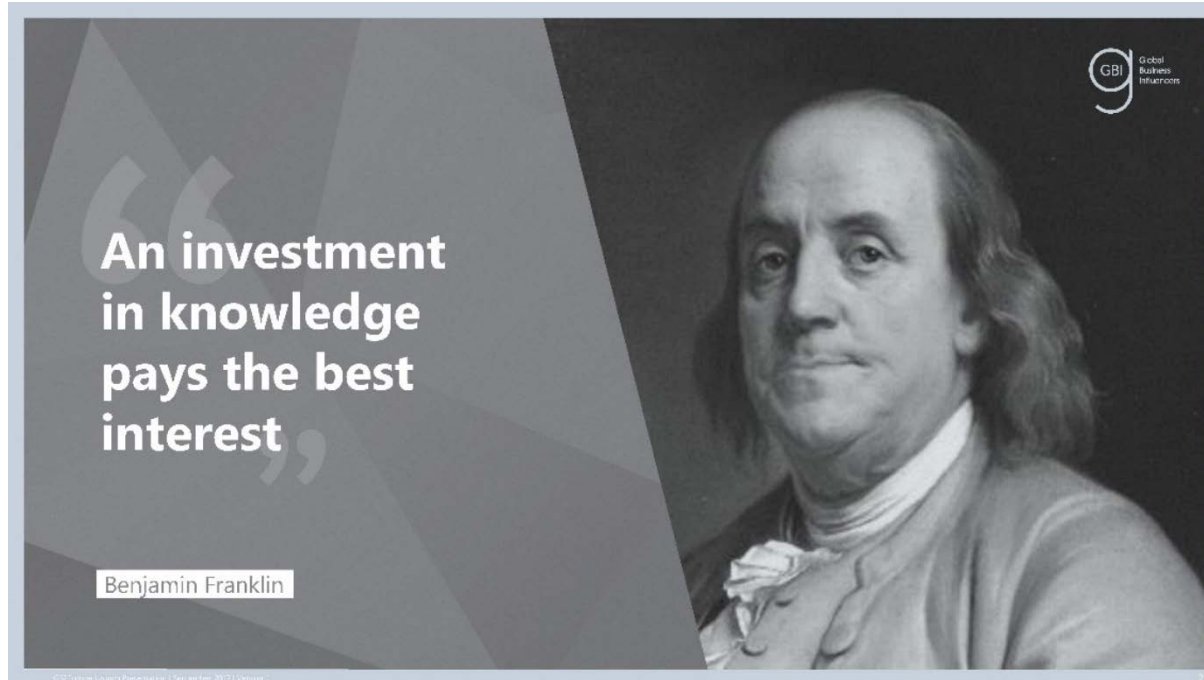
Articles and information found on social media

Source: GBI 2017 Barometer: What would be the most likely to influence your decisions concerning technology and IT in your company?

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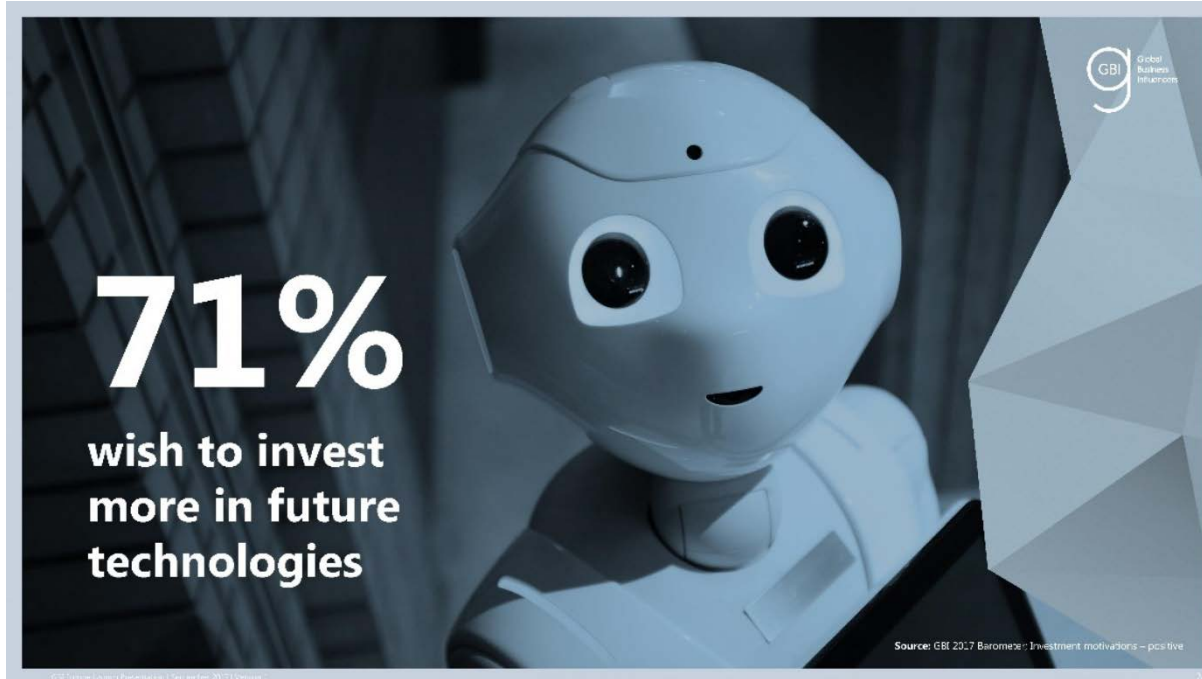
Influencing IT and Tech Decisions

Well, when it comes to what influences their decisions in IT and technology, recommendation from peers is a strong motivator. But, media is the strongest influencer.



An Investment In Knowledge

So, we've seen tech is a big part of their business lives. And, with almost 8 in 10 (78%) agreeing that their business environment allows them to learn more about how to invest their private assets they're certainly aligned with Benjamin Franklin's view that "An investment in knowledge pays the best interest."



Further Investment In Tech

And, they want to invest more in future technologies. They're incredibly financially savvy and they know that disruptive tech has the potential to create enormous profits.



A Big Deal For Banks

And with an average net worth in Europe of over US\$1m, they're certainly the people who banks and financial institutions want to be speaking with.

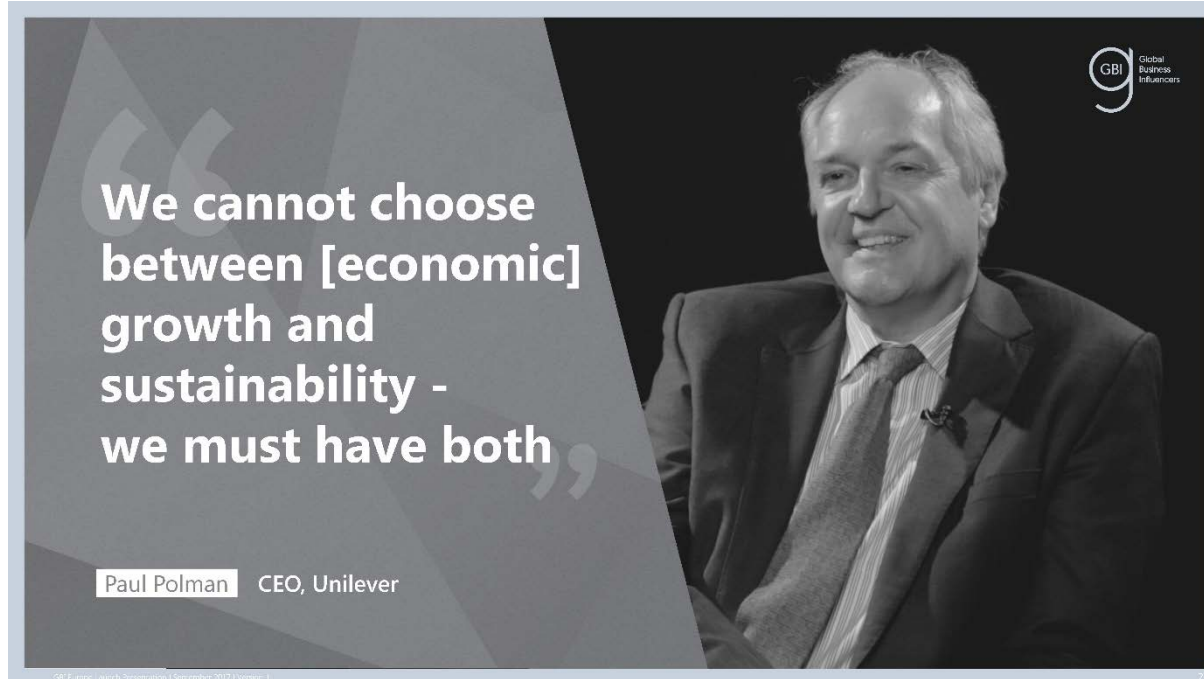
So, we've seen that tech is important, but it's interesting to also understand what their other investment motivations and objectives are.



Long Term Investment

Long term investment, the reputation of a company, and the fact they actively enjoy making their own investment decisions – they're all big motivators. What's also coming through very strongly is a major focus on sustainability.

This very much mirrors what's going on in their companies. CSR is the new black.



Giving Back

As Paul Polman, the CEO of Unilever said, “We cannot choose between [economic] growth and sustainability - we must have both”.

They get a lot from the world so it's about giving back as well. As part of this they really are global citizens and travel extensively.



Global Travelers

And, talking of saving the environment and reducing that carbon footprint, they take a few flights every year... On average they take 20, with almost a fifth (19%) taking 40 or more.



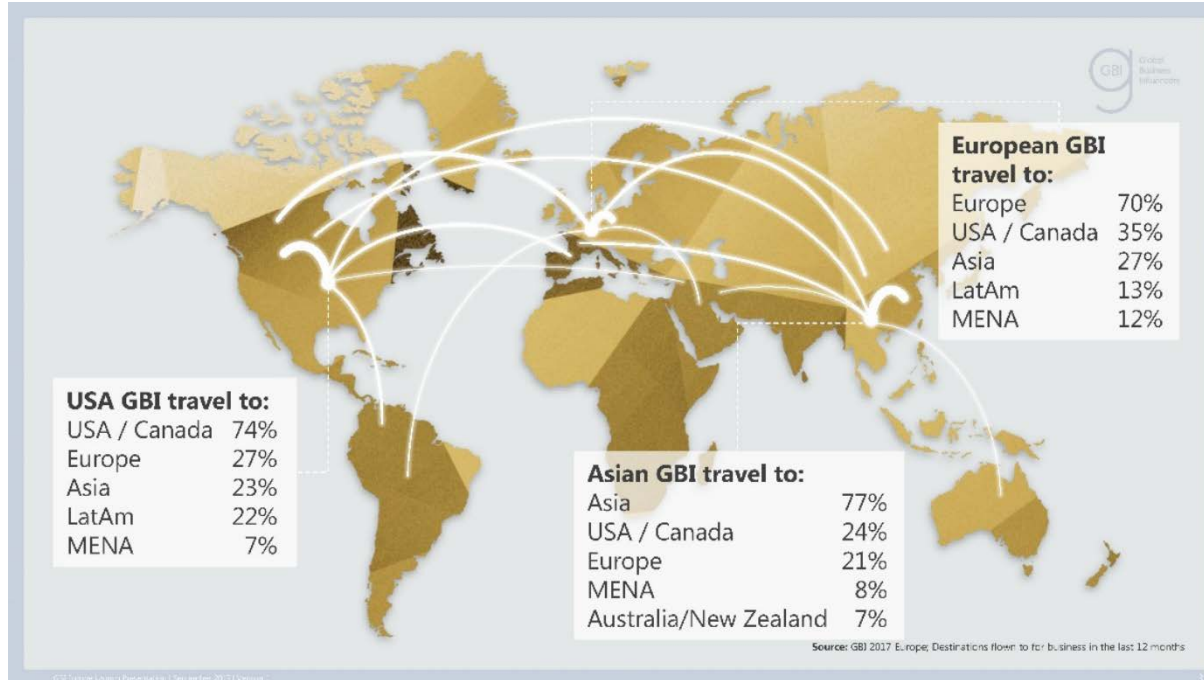
Private Global Travelers

But, thankfully not all of them travel by private jet or helicopter.



That First Class Feeling

The majority use commercial airlines, but they sit at the front in business and first class. These are the people who are key to an airline's profitability.



The G In GBI

Note the G, of GBI – these people travel extensively and widely.



Personal Travel

And it's not just for business, they spend an estimated US\$2.5 billion on personal travel every year.

However, what they look for in travel is changing...



Luxury Leisure

Many stay in luxury hotels when travelling for leisure, but in lots of ways travellers want something that's rare and unique. They're defining their own luxury.

It's taking personalisation to the next level, and as part of this hotels go to great lengths, assembling dossiers on individuals' interests and preferences. Technology's being used to help identify what guests want.



Something Unique

There's a travel company called Black Tomato that offers the opportunity to venture through the Pirrit Hills in Antarctica by ski, sled, and snow-kite. It costs a fortune, at almost £70,000 per person. But, it's a place where only a handful of people have travelled. It offers something unique, life enriching experiences, and a sense of adventure.

Of course – snow kiting across Antarctica isn't going to be for everyone. But, what we know with the Global Business Influencers is that they have big budgets for travel and are, therefore, a key target market for luxury travel.



Experience

Experience is also big in luxury goods – 75% agree that high quality experiences are more important to them than possessions.

It's important for brands to be able to deliver on this. It's all about the rare and shareable experiences and storied products.



Heritage

And heritage continues to be something that allows brands to leverage stories which consumers can buy into. Burberry did this very well last year. They released the short film – The Tale of Thomas Burberry – to celebrate their 160th anniversary.



Innovative and Unique

The watch you're looking at now, will set you back just short, of US\$1 million. It's a very nice watch, created by Richard Mille (REE-shard MEEHL) and the car manufacturer McLaren. The other remarkable thing (apart from the price) is what it's made from. It uses a new material called graphene which is 6 times lighter than steel, but 200 times stronger. It earned the professors who discovered it the 2010 Noble Prize for Physics.

So, what might attract someone to a watch like this? Well apart from it hopefully being pretty good at telling the time, there's a couple of other things. Firstly, it's incredibly innovative. Secondly, it's unique; only 75 pieces have been made. But, only those with a lot of money, will be able to afford it.



Building A Collection

This is a picture of Jayce Zhao who I read about a couple of weeks ago. He works for Morgan Stanley in New York, and while I'm not sure he's in the market for the watch we've just seen, he's certainly a bit of watch enthusiast.

He's at the Hublot boutique in Hong Kong purchasing a watch worth around US\$25,000. The fascinating thing is, that when they were speaking with him, he said this watch would complement the other 24 watches in his collection. Each of those other watches is worth around US\$50,000. And he's just 26...

Purchasing intent of owners of a watch worth US\$10,000+

23%	Fine jewellery worth US\$10,000+
20%	Yacht
19%	Clothing worth US\$5,000+
18%	Bags worth US\$5,000+
17%	Plane / Jet incl. part share
17%	Premium car worth US\$80,000
16%	Art / antiques worth US\$10,000
13%	Watch worth US\$10,000+
12%	Fine wine worth US\$5,000+

Source: GBI 2017 Europe; Ownership and intention to purchase luxury goods

Purchase Intent

And this is what we see on GBI. Of those owning a watch worth US\$10,000 or more – 40% are intending on buying another in the next 12 months (watch worth US\$2,500+).

And, it doesn't just stop at watches as you can see here. 23% of these watch owners intend to buy a piece of fine jewellery worth US\$10,000+, and almost a fifth plan on buying a luxury car worth US\$80,000+ in the next year.

Global luxury goods market by sector

Retail value US\$ (million) constant 2016 prices

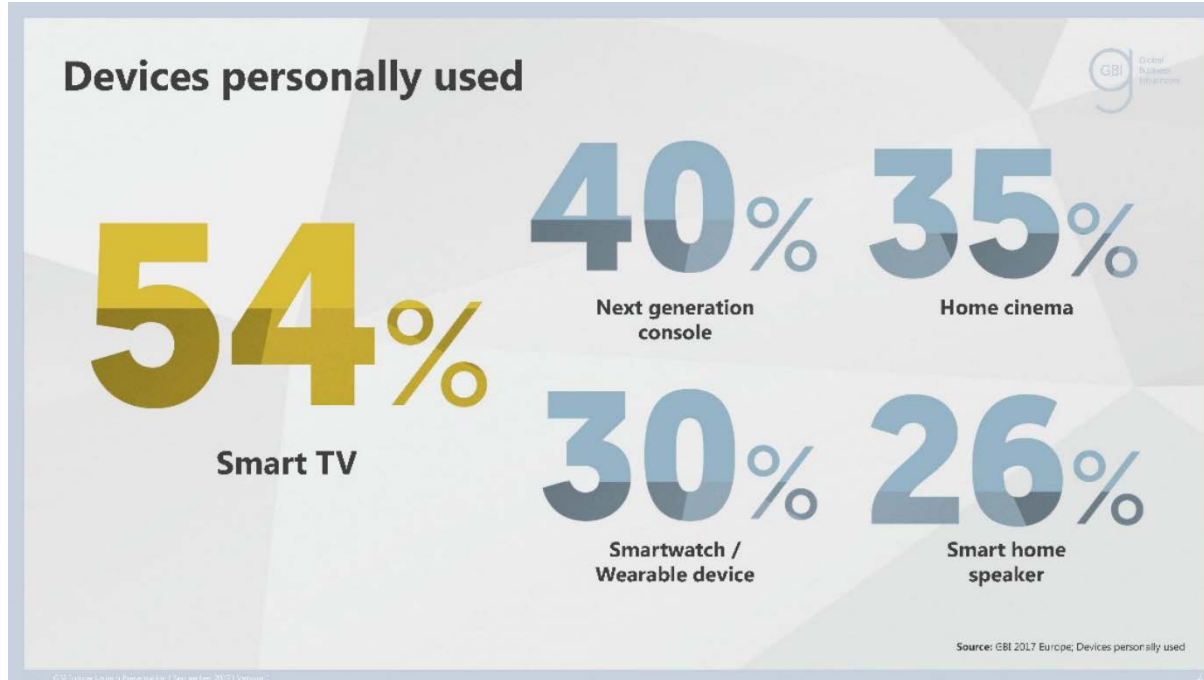
Luxury jewellery **\$41,606**

Luxury timepieces **\$30,583**

Source: Euromonitor International / Bloomberg

Key Targets For Luxury

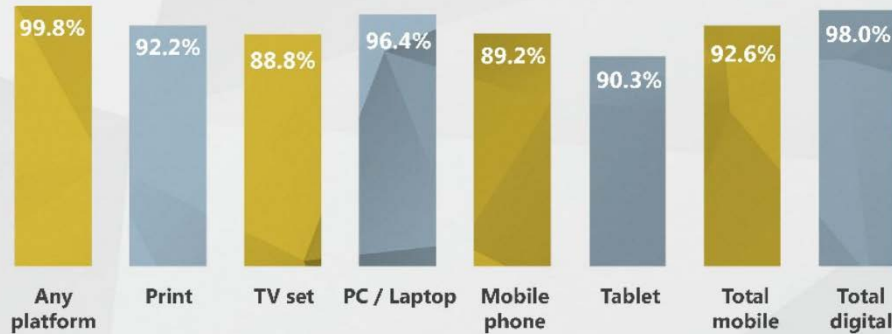
And with the global luxury jewellery and watch market worth over US\$72 billion, it's the Global Business Influencers who are driving this; they are a key target market for luxury.



Personal Tech

Their purchasing habits spread into technology too. They're clearly early adopters of personal tech.

Total brand reach across platforms – past 30 days



Example: 92.2% of Global Business Influencers accessed printed content from any media brand in the past 30 days

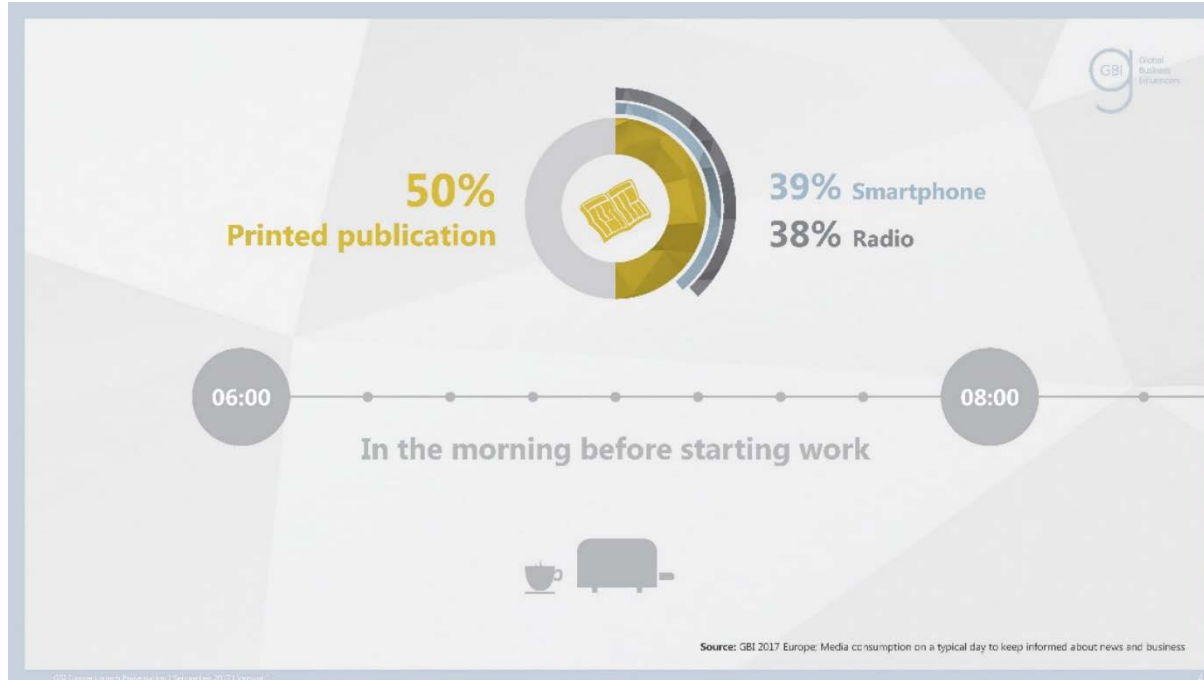
Source: GBI 2017 Europe; Media brands measured on GBI accessed in the last 30 days

Consuming Content

The abundance of technology across all areas of their lives is also offering them new ways to consume content.

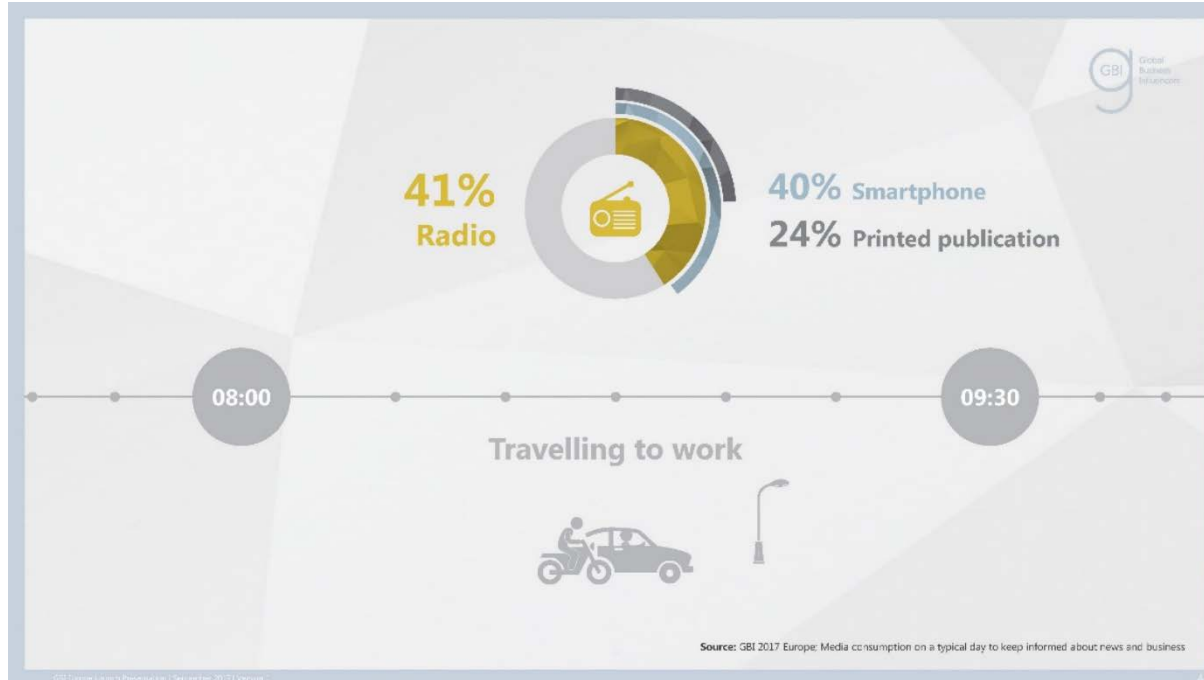
Given who the Global Business Influencers are, keeping up to date with what is happening is critical to them. To do this, they're consuming lots of content across multiple platforms. What's interesting here is the resilience of those more established platforms, such as print and television.

To get more granular on their media consumption, we added a question this year asking about which platforms they use to keep informed about news and business during the day.



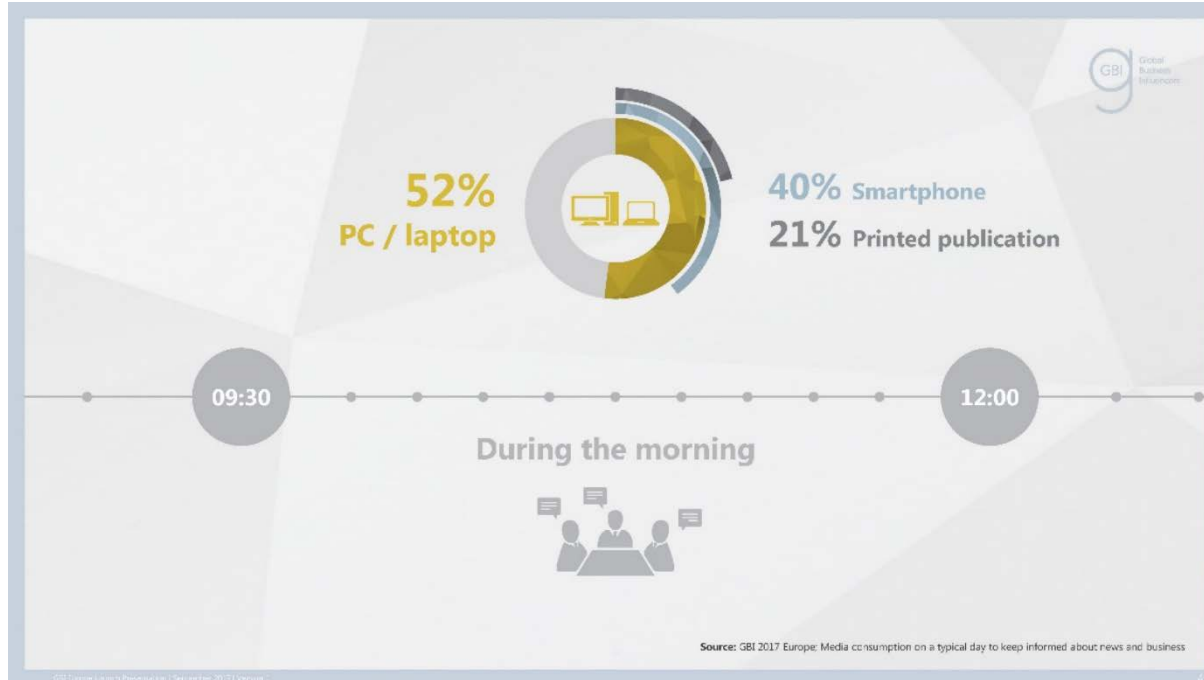
06:00 – 08:00

First thing in the morning it's all about print. Smartphone and radio help supplement this.



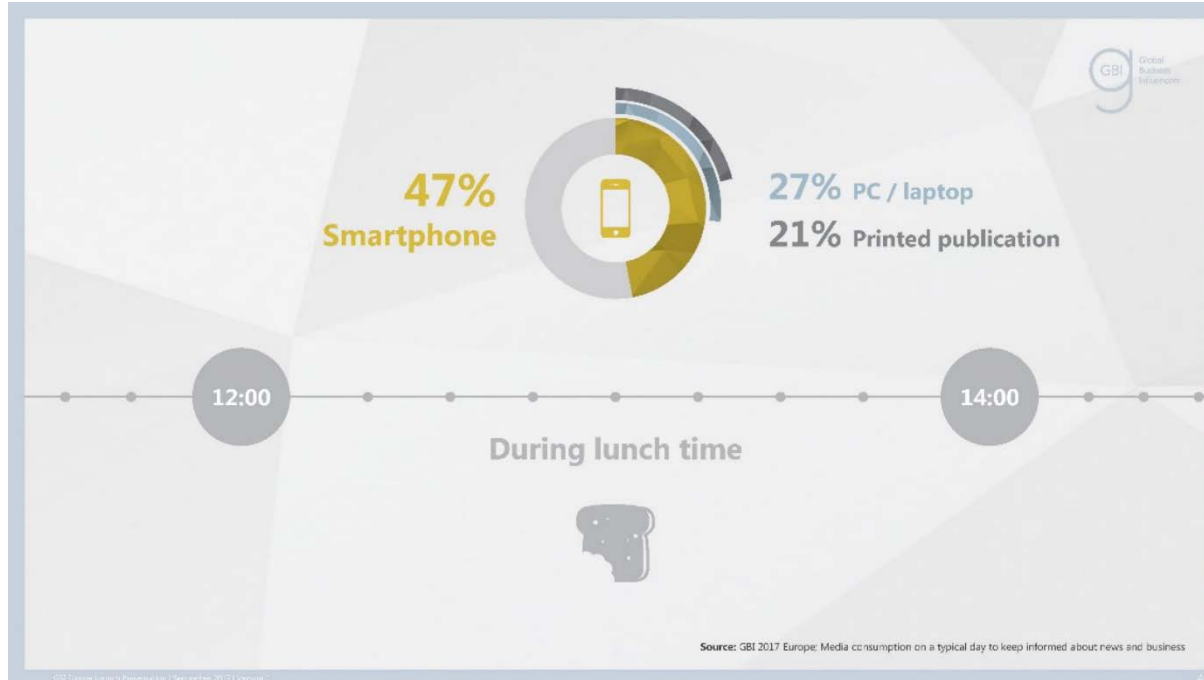
08:00 – 09:30

When travelling to work, radio and smartphone become dominant.



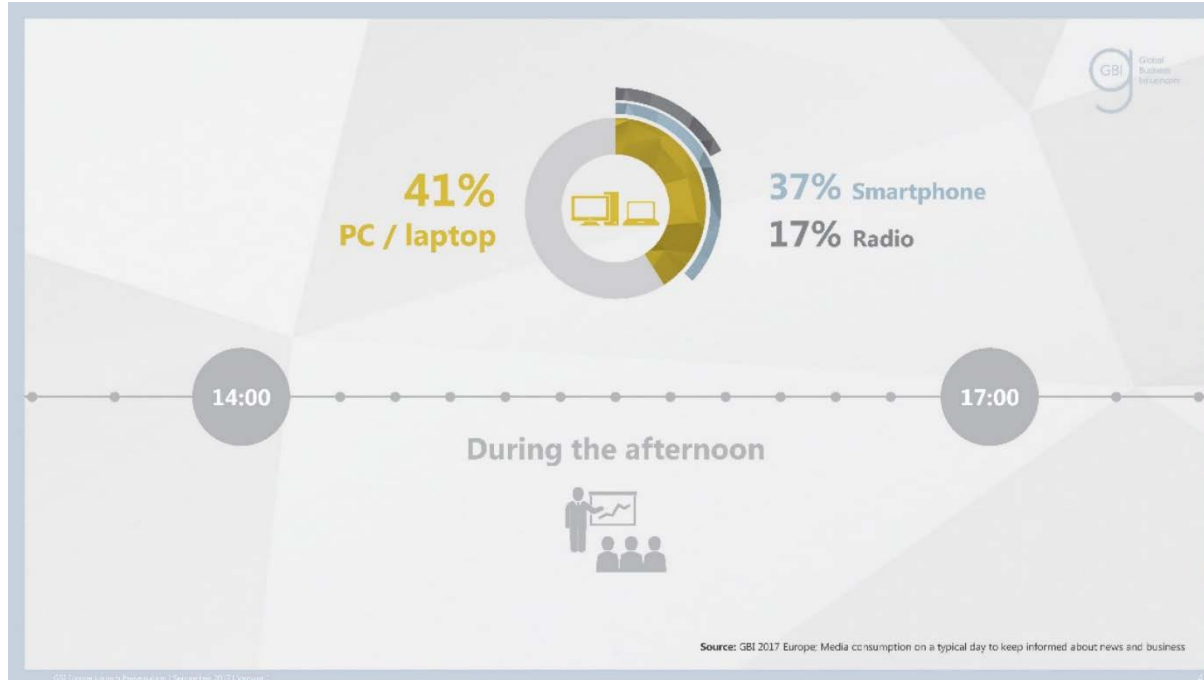
09:30 – 12:00

At work in the morning most use pc/laptops as part of their every day working life – so it follows that this platform presides.



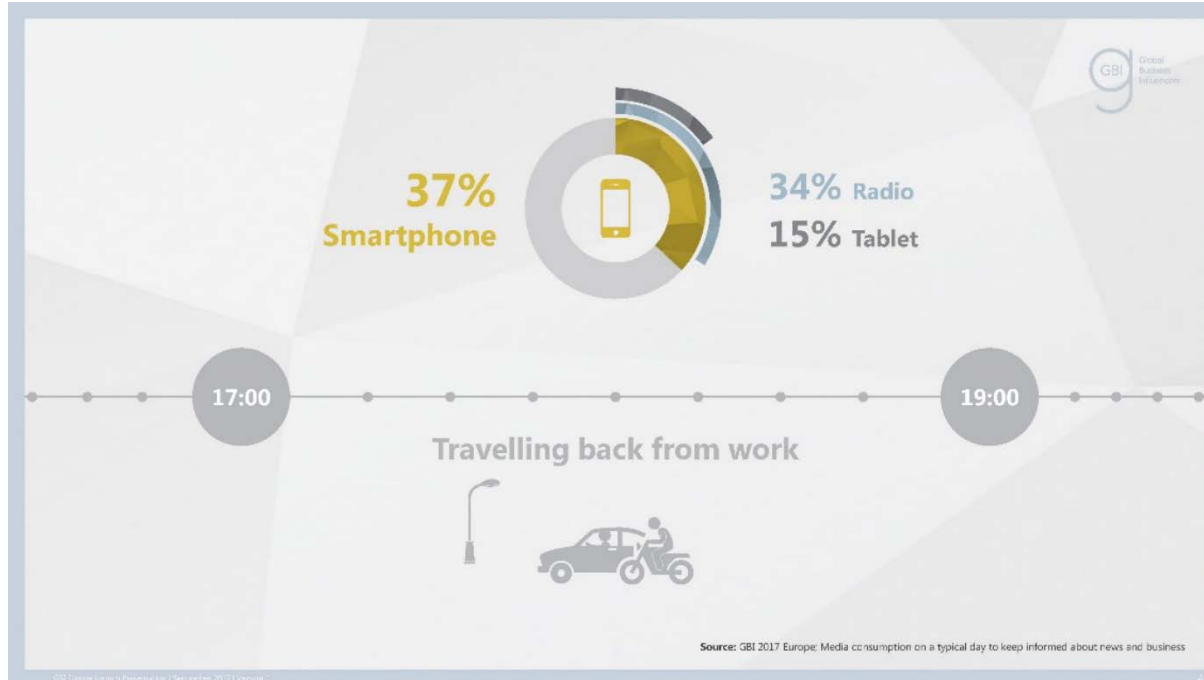
12:00 – 14:00

During lunch, when out and about, smartphone moves into top position.



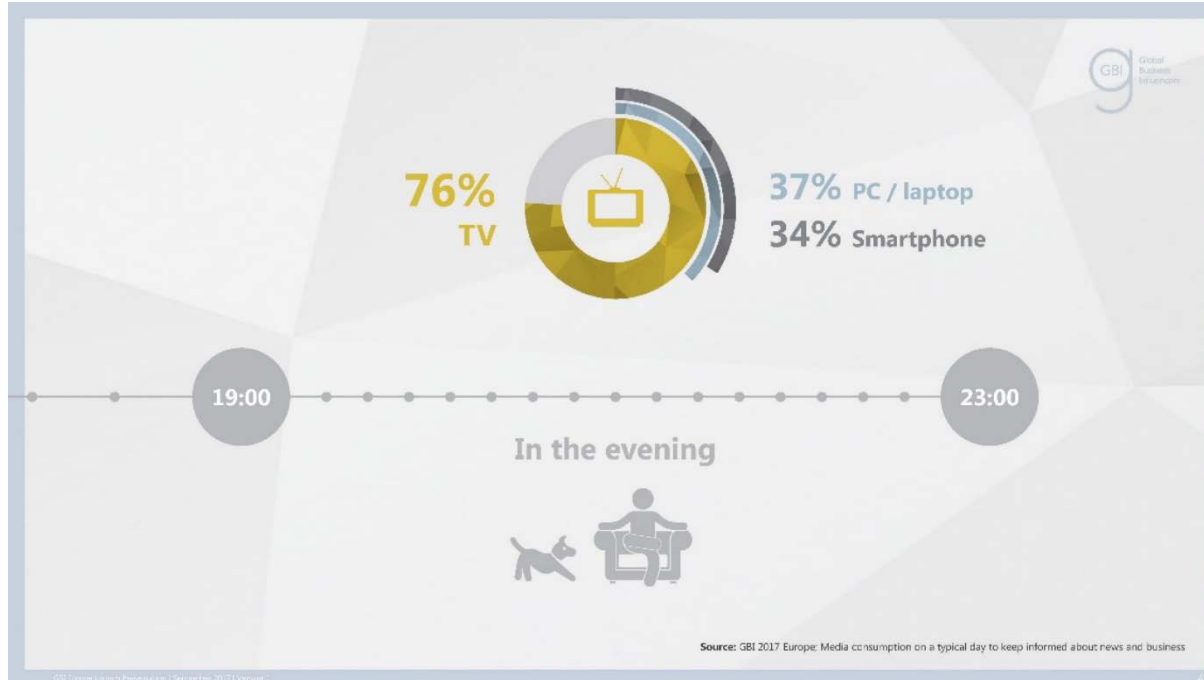
14:00 – 17:00

And back at work in the afternoon we see a similar pattern to that of the morning; it's the turn of pc/laptop again.



17:00 – 19:00

I think what's worth noting here is the sheer dominance of smartphones, never being out of reach throughout the whole day. It always features in the top 3. Apart, from when they're driving of course and they've got the radio on.



19:00 – 23:00

And as we move into the evening television reigns. And, with over a third each using a pc/laptop and a smartphone – and 3 in 10 a tablet, there's clearly some significant multi-screening.

3 key takeaways

- 1.**
**Uncertainty and disruption:
the new norm**
- 2.**
Technology...
- 3.**
**Key customers
for B2B, finance,
luxury & travel**

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3 Key Takeaways

If there's just three things you take away from this presentation – make sure it's these:

Uncertainty and disruption have become the new norm

At the top of their agenda is technology. Amidst all the disruption, the focus is on getting the fundamentals right and ensuring everything is safe and secure

GBI remains the only survey that reaches this critically important senior business audience on a global basis across Asia, Europe, the US, China, and Japan. While they represent less than 1% of the population, their influence, spending power, and the budgets they control make them the best customers for many sectors including: B2B, finance, luxury goods and cars, airlines, and hotels.

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