

To media agency executives, media directors and all media committees.

Business Elite Study

The following Executive Summary was supplied exclusively to the 4A's by Ipsos MediaCT, and we thank James Torr of Ipsos MediaCT for coordinating this project with us. This is part of a series of reports for our members, and it is our intention to publish others. If you are aware of a research company that would be willing to prepare a summary of its recently released study, please contact us.

Donna G. Campbell
Senior Vice President
Media Services Division

Executive Summary

BE:USA is one of a series of surveys which have been running successfully in Europe and Asia for more than 35 years and also more recently in Japan, Australia and the Middle East. The surveys combine to create a global database which contains the harmonized variables. They are the only surveys that provide media, business and consumption habits of the most senior business executives in the world's largest companies.

While the Business Elite represent a small percentage (0.2%) of the general population, they are influential out of all proportion to their size, and are certainly not a homogenous group. Being the most senior executives in the world's largest companies, they adapt to the economic ebb and flow in both their personal and business lives. They thus represent the key to profitability for many industries.

We've seen digital usage among them grow disproportionately compared to the general population. However, this is not at the expense of traditional media consumption which remains high. The Business Elite consume more information from more sources than ever before.

About the 2011 BE: USA survey

The 2011 BE: USA survey is the latest in the annual series of media surveys of the United States' Business Elite. The survey sample of 1,948 represents an audience universe of almost 590,000 executives at 71,830 business establishments. The objectives of the survey remain as they were originally set:

1. To estimate the size and scope of the business elite audience in every country.
2. To measure both their media consumption and their business decision-making influence.
3. To support campaign planning targeted at the most senior business executives.

To achieve the first objective, fieldwork starts by identifying all the establishments where the kinds of people required for the survey are likely to be found. Criteria include a minimum size of establishment, the turnover of the company and the type of industry it is in. Business directories and other sources are used to create the initial listing in each country. Next, this information is verified and updated by contacting a large selection of the companies on the list. During the call, the names of senior executives and the existence of certain senior functions are established — all of which is used to help estimate the universe of such decision-makers accurately. No other source is available for making these estimates.

Finally, executives are contacted by name and title and invited to take part in a short survey of their media consumption habits and other behaviors — either by mail or online. Questions are asked about media consumption, business decision-making, travel and other consumption and behavior. Unless otherwise noted, the data in this paper is from the 2011 BE: USA survey.

The Business Elite represent the key to profitability for many industries

The Business Elite represent the most senior people in the largest companies. Even though they only represent 0.2% of the American population, they are disproportionately important. The Business Elite are not just affluent. They are influential out of all proportion to their size.

As well as being a key audience for business-to-business marketing, holding budgets totaling almost \$12 trillion, they also represent the key to profitability for sectors such as finance, luxury goods and cars, airlines and hotels.

Digital use is flourishing, but not at the expense of traditional media

The advancement of technology is facilitating the growth and availability of information. The long tail of media content is becoming ever more pronounced. And, for the Business Elite digital continues to grow with importance.

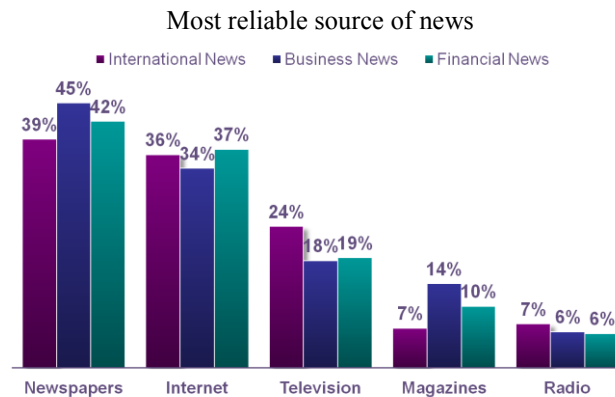
As of 2011, tablet adoption in the U.S. barely reached double digits. The Business Elite are bucking the trend with 49% already owning a tablet. In addition to this, three quarters own a smartphone. They engage with their devices too. Almost a third access news via an app on either a smartphone or tablet computer.

| Daily activities | |
|--|-----|
| Access content via smartphone | 56% |
| Access news via an app on either a smartphone or tablet computer | 31% |
| Access content via a tablet computer | 29% |

The Business Elite embrace new technology. It allows them to keep informed of real time news 24/7. However, their digital use is not replacing their consumption of traditional media, which remains high.

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|---|-----|
| Print | 87% |
| Television | 82% |
| Web sites | 80% |
| Total media consumption based on brands measured in survey; AIR, daily TV and monthly Web sites reach | |

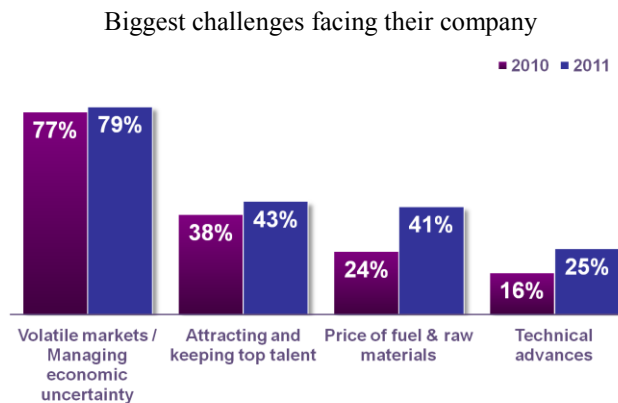
The Business Elite continue to consume huge volumes of traditional media. Daily print and television consumption remains high, while internet use is growing year on year. This trend continues when looking at which media they regard as the most reliable source of international news, business news and financial news.



The Business Elite have the foresight

Given the fragile economic situation and uncertain times ahead, the Business Elite, those closest to their industries and markets, are most likely to know what will happen. These are the people who will return the largest companies to profitability and lead us out of these difficult times. Our Ipsos Business Elite Barometer, an annual global re-contact survey of the Business Elite, gives us a greater understanding of this important group.

Volatile markets and managing economic uncertainty remains the key issue for many of the Business Elite's companies. The price of fuel and raw materials remains under pressure and this will have been further compounded by political instability in the Middle East. It's therefore no surprise that this represents the fastest growing concern among the Business Elite increasing by 71%.



Over half the Global Business Elite now view China as leading the world economy. China is also the country that sees the highest year-on-year growth of business involvement for the American Business Elite, up by over a quarter. It's now only second to Canada for countries where they do business internationally.

Their presence and importance is unwavering

While the world economy continues to shift and change, what isn't changing is the presence of the Business Elite. With 69% c-suite, and looking after the interests of 1.7 billion employees around the world, they remain as important as they always have. They continue to control the biggest budgets, totaling \$11.9 trillion and are involved in decision-making across a wide variety of areas.

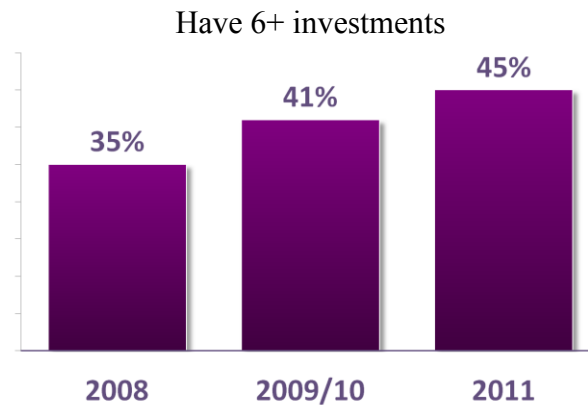
Almost half (47%) conduct business internationally and with the growing importance of China, India and Latin America and the importance of relationships at the highest level, it is imperative for them to travel.

They take over 6 million flights for business every year. While we have seen the number travelling in business and first class shift over recent years, due to the economic conditions in 2011, 44% travel at the front of the plane.

The richest continue to spend

While the Business Elite are not immune from the global economic downturn they tend to be less affected than those less wealthy. Their salaries have continued to grow, up from \$510,000 in 2008 to \$551,000 in 2011. As is often the case, the rich get richer.

They've maintained their overall wealth with the average Business Elite having disposable assets of \$3.2 million. They are doing this through an increasing diversification of their investments. The proportion owning 6+ investment types has increased by 29% between 2008 and 2011.

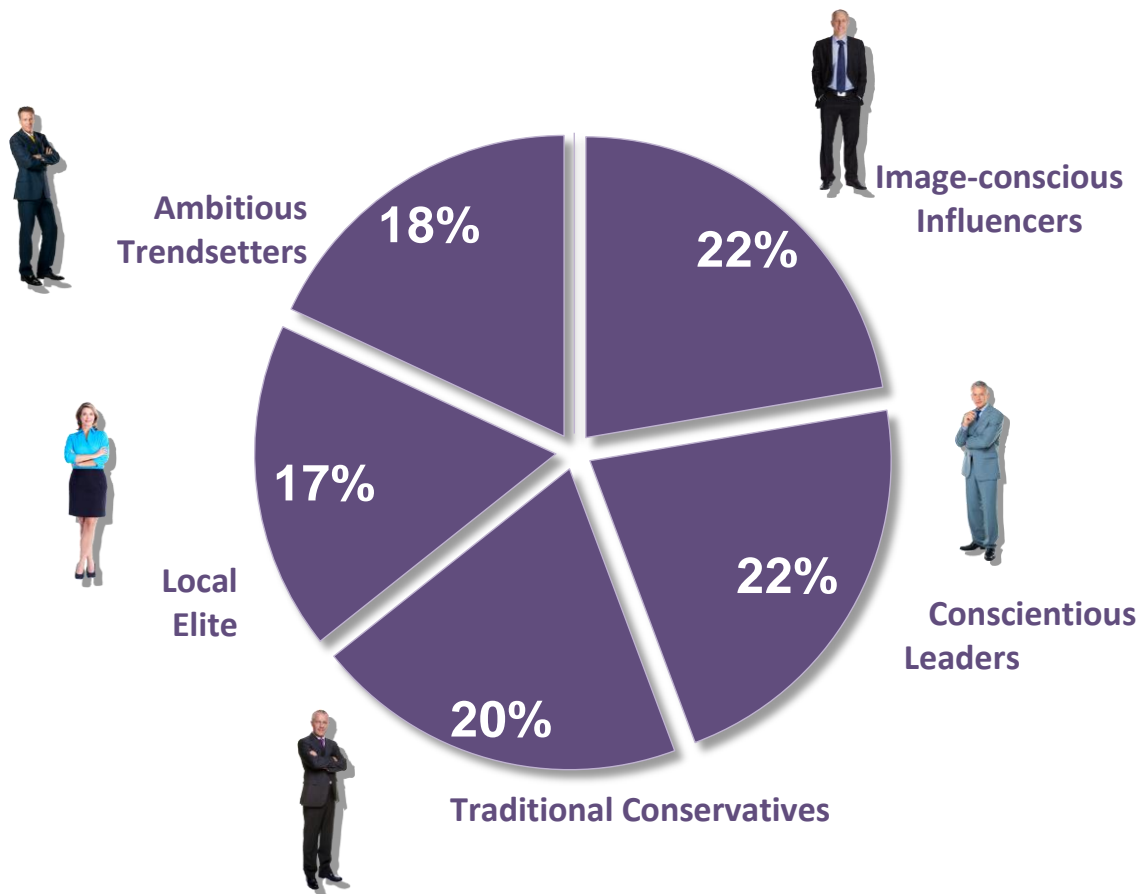


Over half (54%) of the Business Elite are millionaires and most continue to spend as they have previously. Between 2008 and 2011 the number owning:

- A boat or yacht has increased by 42%
- Fine wine and champagne up by 26%
- A vacation home up by 29%

The Business Elite are not a homogenous group

Although small in size, the Business Elite is not a homogenous group, as our recent attitudinal segmentation shows. The segmentation was based on 27 new attitudinal statements, which ranged from statements to do with morality and ethics, the environment, adoption of technology, to status and appearance. Using these statements we conducted a factor and cluster analysis which produced five distinct segments, all roughly equal in size.



How Image-Conscious Influencers are viewed by others is key to them. Classic luxury goods and services such as art, fine wines and luxury brands enable them to demonstrate their wealth and status. They are more likely than any other segment to work in sales, marketing and advertising and have strong opinions which they are not afraid to voice.

Traditional Conservatives are risk-averse and guarded: for them, the bottom line is always top of mind. Possibly not surprisingly they are more likely to work in finance and legal. And, while they may not follow the latest trends, they are most likely to own a watch worth \$5,000 or more, something they probably view as a long term investment.

Conscientious Leaders have a strong moral compass with ethics coming before money. However, with a large number of CEOs present they represent one of the wealthiest segments and have varied investments. Interests exist around the environment and they actively volunteer. Travel is a key part of their life and with this comes an appreciation of other cultures.

Ambitious Trendsetters have the most money and are not afraid to spend it. They view themselves as innovators, embracing change and adopting the latest technology. Working for the largest companies they are influential and people look to them for advice. When it comes to travel, whether business or personal, it is always done in luxury; they travel by first class or private jets and own the most expensive cars.

For the Local Elite, status within their local community is important and they thus actively volunteer. They are less likely to work in large international organizations and travel less than the other segments. It's all about being closer to home for them.

What next

This paper reveals some key findings from the latest BE:USA and BE:Barometer surveys. It acts as a starting point for those with an interest in learning more about the Business Elite. The full study allows a complete understanding of specific target groups and how best to reach and communicate with them.

Media usage:

- Readership of 39 printed publications
- Viewership of 5 networks and 13 cable channels
- Visitation of 39 Web sites
- 14 digital activities
- Most reliable sources of media platforms

Business activities

- The main business activity of their company
- Size of company
- Job title / position
- Main areas of responsibility
- Areas of involvement in business decision making
- Total value of expenditures

Travel

- Number of business and personal trips by air
- Class travelled in most often
- Number of nights spent in hotels for business and personal

About yourself

- Age
- Education
- Personal income
- Net worth
- Financial investments held
- Credit card ownership
- Price of primary automobile
- Items personally owned
- 27 lifestyle statements

About the author

James Torr

James Torr is Director of Sales and Marketing at Ipsos MediaCT, having overall responsibility for the Business Elite surveys and their global development as well as the British Business Survey.