

# 'Think...'

Precise Insights for European growth

## Fastest growth sectors: where should European companies and governments invest first to retrieve lost growth?

European Union Member States are still struggling to find a way out of the financial crisis. Which sectors will bring growth and employment in the near future? What types of company are the best able to perform in those sectors?

### Growth insight

Companies viewed by the public as the most important for national growth and development give us some indications about the most effective tools to create growth.

Europeans are convinced that 'small is beautiful': half say that local small and medium-sized enterprises (SMEs) are the most important for a country's growth and development. More than two-thirds of respondents in Finland (68%) and three-quarters in Sweden (75%) share this opinion. Overall it is the most widespread in all EU Member States, except in Cyprus and Lithuania.

Mentioned less often are big local companies active solely in the domestic market (24%), or in a wider region (30%), as are international companies (28%).

Local micro-businesses complete the list (21%), but are cited by three in ten respondents or more in the Netherlands (38%), Sweden (32%), Greece (31%), Cyprus (30%), and Luxembourg (30%).

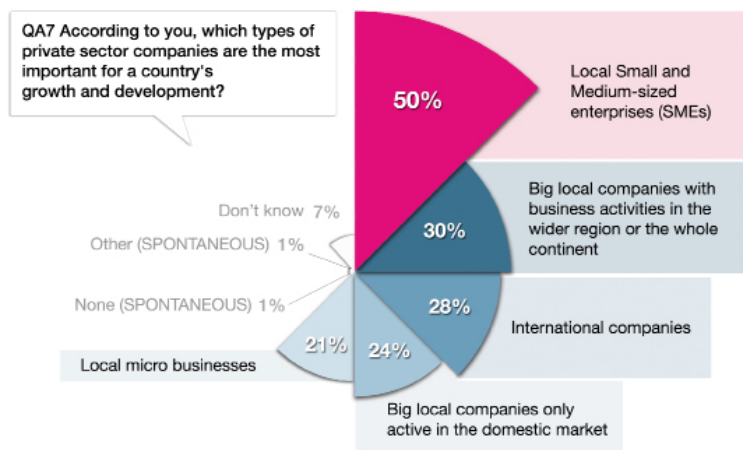
### 'Think ...' lessons for business:

Entrepreneurs often try to develop their business to grow as quickly as possible. But if growing fast is good, growing too fast can bring problems – especially when facing issues that were easier to deal with on a smaller scale (management, adaptability, ability to change). To avoid a growth crisis, some companies would be better moderating their pace.

Europeans seem to trust local and medium-sized companies as engines of growth and development in their country. This public trust could have a positive impact on their behaviour as consumers.

EU governments should take decisions that will encourage, promote and foster the activities of local SMEs in their country: tax policies, simplifying administrative procedures, etc.

European initiatives such as the "[Small Business Act](#)" promoting the 'Think Small First' principle in EU policies, are moves in the right direction.



Source: Special Eurobarometer (EB), Future of Europe, for the European Commission, EB76.4, December 2011, conducted by TNS.

# To create a strategy for sustainable growth, businesses and governments must listen to the voice of youth!

## Growth insight

To discover the most dynamic sectors of the near future, let's ask tomorrow's workforce. We asked young people across the world which sectors they would like to work in. The answers vary from one country to another. Here are the highlights.

Research is one of the top three sectors in seven of the twelve European Union countries surveyed. It's mentioned by young people in Germany, as well as Spain and Greece, two other Member States that have been hit hard by the crisis (25% across all three countries).

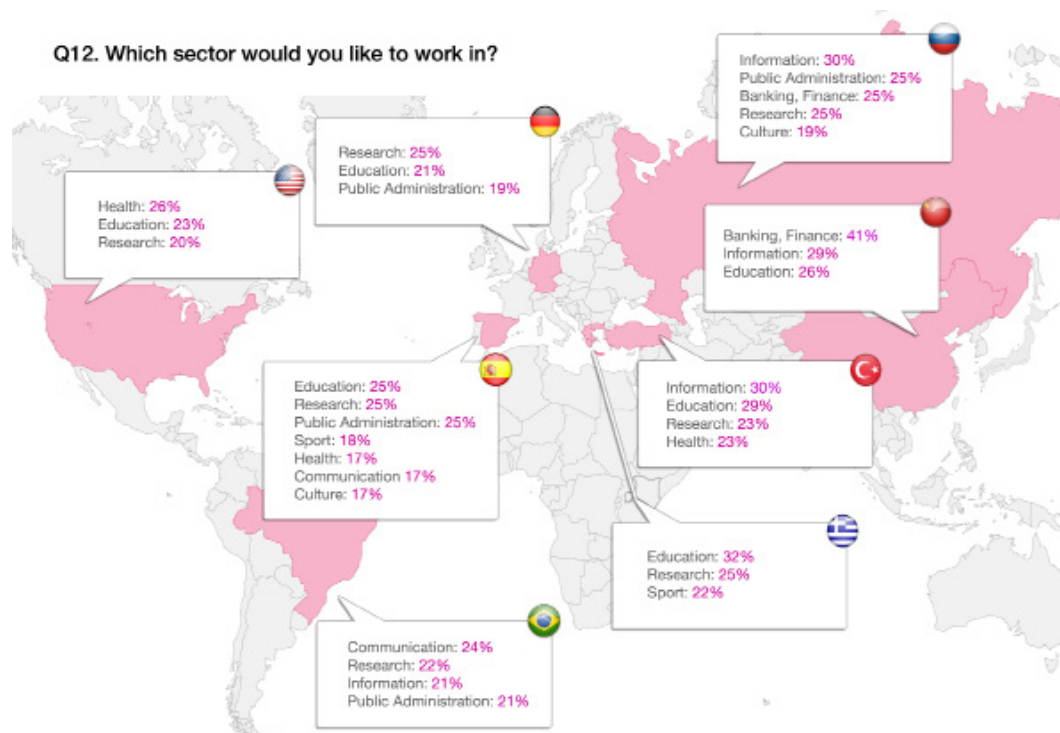
Education is in the top three sectors in six EU countries. Four other sectors are mentioned in five of the twelve Member States: health, banking finance, communication and culture. In other western economic powers, the results are quite similar: in the US, health, education and research top the list. In the emerging economies, one sector enjoys much more popularity than in the EU: information is among the top three sectors mentioned by young people in China, Brazil, Russia, and Turkey.

### 'Think ...' lessons for business:

When deciding their strategy, European businesses need to listen to the voice of youth and take note of the sectors that attract young people. Without changing their core business or sector, businesses could develop in ways that appeal to the young. Research is a good example, as many companies could develop their R&D department to reflect this new focus.

Entrepreneurs also need to bear these results in mind when starting a business. Creating an enterprise in a sector that appeals to young people in Europe and the emerging economies is likely to boost chances of success.

The governments of EU Member States should also take these preferences into account when making decisions on prioritising sectors for support as this could have a positive impact on their image amongst the younger population.



Source: Survey ScenaRio: Youth and sustainable development, for Fondapol, February-April 2012, conducted by TNS.

# To bring growth, create jobs and support struggling sectors, decision-makers must promote e-commerce and social media.

## Growth insight

The world is now perceived as a “**global village**”: the Internet has brought together the world as one big community. This is having a dramatic impact on the economies of the world. Many sectors have been turned upside down by this revolution. Trade, for example, has changed almost beyond recognition in recent years. The emergence and exponential growth of e-commerce illustrates this ‘economic new deal’ well. By 2006, just over a quarter of Europeans had purchased goods or services on the Internet (in their country or elsewhere). By 2011, almost half had done so - after an almost continuous rise (33% in 2008, 38% in 2009, 37% in 2010 and 46% in 2011).

Meanwhile, the proportion of Europeans who have recently bought goods or services over the phone (down from 15% in 2006 to 13% in 2011) or by post (from 27% down to 20%) has decreased. The reluctance and distrust of the early e-commerce years are disappearing. It is likely that this sector will continue to grow rapidly in the coming years.

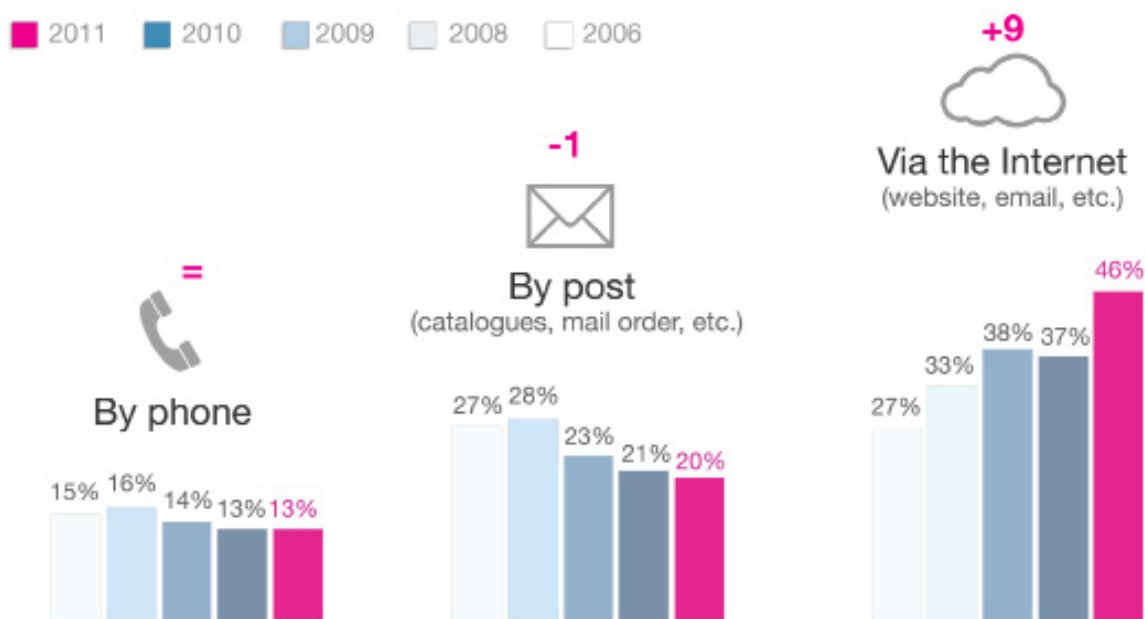
### ‘Think ...’ lessons for business:

Regardless of their sector of activity, all European businesses have the chance to take advantage of this development. The Internet can play an essential part in accelerating growth, not just for selling products or services online, but also for finding raw materials and external providers at the best price.

A social media presence is key to this. Over 900 million people use social media today. Companies and brands have a great opportunity to reach them in innovative ways.

For European governments, these figures are a call to action: to promote and participate in the development of the e-commerce sector - bringing growth and creating jobs, but also supporting sectors in decline, such as mail order. Finally, EU governments must continue to develop e-administration services: e-consumers are turning into e-citizens who will sooner or later be ready to make use of these e-services.

**Q1.1 In the past 12 months, have you purchased any goods or services, by Internet, phone or post in (OUR COUNTRY) or elsewhere in any of the following ways...? (MULTIPLE ANSWERS POSSIBLE)**



Source: For 2011: Flash Eurobarometer 332, for the European Commission, conducted by TNS / For 2010: Flash EB 299, for the EC, conducted by Gallup / For 2009: Flash EB 282, for the EC, conducted by Gallup / For 2008: Special EB 298, for the EC, conducted by TNS / For 2006: Special EB 252, for the EC, conducted by TNS. EU27 average in 2008-2011 / EU25 in 2006.

# Precise plans for Growth

## Business Growth

### ■ Steady growth for SMEs

Small and medium-sized enterprises are seen as the most important for a country's growth and development: some companies need to develop at a steadier pace. A company that grows too quickly might face a growth crisis.

### ■ Strategies to attract young people

When deciding their strategy, companies should try to develop in the sectors that young people would like to work in, such as research and education. This will make them more attractive to young people in Europe, as well as young talent in emerging economies.

### ■ Adapt for e-commerce

Companies need to be aware of the exponential development of e-commerce. They should adapt their business to attract the increasing number of consumers purchasing goods and services on the Internet.

### ■ Using social media

Social media platforms offer innovative and efficient opportunities for companies to attract business.

## Government Growth

### ■ Supporting local SMEs

European governments should take measures to promote and encourage the activities of local small and medium-sized enterprises, all potential future job creators.

### ■ Prioritising research and education

EU governments should give priority support to those sectors in which young people would like to work, such as research and education. This would have a positive impact on the government's image and help to limit the 'brain drain' towards US and emerging economies.

### ■ Helping e-commerce and mail order

EU governments need to support e-commerce companies - a sector able to provide growth and create jobs. They should also anticipate problems in existing distance sales sectors.

### ■ Developing e-administration services

The fact that more and more people are using the Internet to buy goods and products might suggest that e-administration services will become increasingly popular in the near future. This offers an effective way for governments to reduce public spending.

## About TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world.

TNS is part of Kantar, one of the world's largest insight, information and consultancy groups.

## TNS

Web: [www.tnsglobal.com](http://www.tnsglobal.com)  
Email: [enquiries@tnsglobal.com](mailto:enquiries@tnsglobal.com)  
Twitter: @TNS\_Global

TNS owns all copyright in this paper (including all data contained herein). No person may reproduce or use any information contained in this paper in whole or in part, without express prior written approval.