

## Press release

### **GfK to sharpen customer focus and accelerate digitization with a comprehensive transformation and investment program**

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**Kai Hummel**  
Corporate Communications  
T +49 911 395 4440  
[public.relations@gfk.com](mailto:public.relations@gfk.com)

- **New strategy for strengthening competitiveness: GfK plans to concentrate more closely on clients and fuel digital innovations**
- **Transformation into an agile, client-centric organization is designed to improve the company's ability to rapidly adapt to new market conditions**
- **Investment of about €100 million is planned**
- **GfK intends to finance the program by generating about €200 million in cost synergies globally over the next two years**
- **Peter Feld, CEO of GfK SE: “With this comprehensive transformation and investment program, we will digitize GfK and get the company back on track. From now on, everything we do will be carried out with a relentless focus on our clients.”**

**Nuremberg, August 31, 2017 – The Management Board and Supervisory Board of GfK SE have approved a comprehensive transformation and investment program that will enable GfK to get back on a sustainable growth path. In the past, the company has been unable to adequately meet new client expectations in a dynamic market environment. The main aspect of the strategy is to transform the company from a recognized data authority to a provider of analytic and forward-thinking product solutions. In the future, the company will sharpen the focus of its activities on its clients’ needs, accelerate digitization and strengthen its competitiveness by offering innovative services.**

GfK SE  
Nordwestring 101  
90419 Nuremberg  
Germany

T +49 911 395 0

Management Board:  
Peter Feld (CEO)  
Christian Bigatà Joseph (CFO)  
David Krajcicek

Supervisory Board Chairman:  
Ralf Klein-Bölting

Commercial register:  
Nuremberg HRB 25014

“GfK has become too complex and has missed key trends – particularly in

terms of digitization. Over the years, these trends have also resulted in changes and new requirements among its clients. To get the company back on track, we have to strengthen our competitiveness and digitize GfK. From now on, everything we do will be carried out with a relentless focus on our clients”, said Peter Feld, CEO of GfK.

### **Systematic focus on client needs**

The main objective of the new strategy is to help clients make better decisions for their own businesses by drawing on GfK’s unique database and future digital solutions. GfK will relentlessly focus on satisfying the needs and expectations of its clients. To achieve this, the company plans to create a clear sales structure in which more responsibility is assigned to the company’s individual regions. In addition, GfK plans to move away from the previous set-up of Consumer Experiences and Consumer Choices business units. In the future, two teams will drive the business of GfK: GfK Digital and GfK Research. At GfK Digital, new innovation concepts will be developed in the team led by Chief Marketing and Innovation Officer Christoph D. Erbenich. These ideas will be implemented by the team led by the Chief Technology Officer, Benjamin Jones. GfK Research will be led by David Krajicek as CEO and will focus on the company’s core competencies. Peter Feld will take on responsibility for the global business of GfK in the regions in addition to his role as CEO. By taking these steps, the Management Board is about to make the company ready for facing the changing markets in the future and partnering trustfully with its clients.

### **Significant investments in digital innovations**

In order to improve the company’s competitiveness and organizational agility as well as to generate the funds needed to carry out the strategy, the Management Board plans to invest about €100 million globally into the future of GfK. The focus will be on directly providing GfK data that had previously been available only decentrally. Restructuring costs are not included in the investment total. The comprehensive investment program is designed to enable GfK to provide its clients with valuable data translated into insights and recommendations of what to do (“Predictive Analytics”) in the future as well as to accelerate speed to market and foster digital innovations. For this process, the company will draw on its vast database and methodological expertise it has developed over more than 80 years.

### **Agile organizational structures and cultural change**

Another objective of the transformation and investment program will be to simplify the historic complex structure of GfK and to create an organizational structure that will enable the company to react rapidly to changes in the market. In this context, GfK plans to move away from the highly dispersed office footprint globally and in principle move to one office per country. In its domestic market Germany, GfK will bundle most of its expertise in its Nuremberg headquarters and move into

a new and modern building in 2019, as announced previously. From here, the headquarters will serve GfK's units around the world most effectively. As a result of the consolidated but much more flexible organizational structure and increased automation of processes, the company anticipates cost synergies in the amount of about €200 million worldwide over the next two years. GfK will reduce its costs by optimizing its operating costs, centralizing business processes, focusing the organization more closely on its clients and concentrating on new target segments. In Germany, cost reductions of about 20 percent are expected to be achieved. The Management Board will immediately discuss the impacts on the workforce and possibilities for socially responsible solutions with the employee representative bodies.

Peter Feld said: "We are aware of the fact that our transformation into a digital, agile, innovative and client-centric company will take time and will not be easy, particularly in terms of the necessary change in our corporate culture. However, the planned changes are inevitable to be able to invest in the digital transformation and to be successful in the market in a few years from now. We will bring our employees closer together, eliminate hierarchies and provide our clients with our expertise across regions. These measures will create the structure and the culture that we urgently need to become truly client-centric and to create a sustainable growth trajectory."

On July 21, 2017, GfK's Annual General Meeting approved a plan initiated by the majority shareholders GfK Verein and KKR to squeeze out the company's minority shareholders. This step will take effect when the transfer resolution is entered into the Commercial Register. The Management Board and Supervisory Board welcome this step because it enables GfK as a private company to act in a more focused and decisive manner. This approach is necessary in order to urgently address the challenging situation that the company faces. The two principal shareholders of GfK – GfK Verein and KKR – completely support the transformation and investment program.

### **About GfK**

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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