

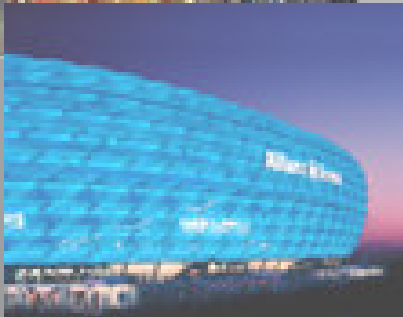
Synovate Hotspots Germany



lifeto life



Bringing Germany to life



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- This document is designed to give you an overview of Germany, its people and some of the key issues and trends Synovate is observing.
- The core source of information is ‘LifeWorlds’ (Synovate’s ethnographic approach) supplemented by Synovate’s broader understanding of this country’s culture.
- Following a brief introduction, our discussion has two main parts:
 - “Big Ideas”: insights into German culture and consumers
 - Implications for research

Background: demographics

- Total Population: ca. 82.5 Million
- Top 4 cities and populations
 - Berlin: 3,400,000
 - Hamburg: 1,750,000
 - Munich: 1,300,000
 - Cologne: 980,000
- Ethnic mix
 - 8.9 % non native German
 - Most of them from countries of the European Union or other European countries (26% from Turkey, 8% from Italy, 5% from Poland and Greece respectively)
- Age profile
 - 15 % Under 25
 - 40 % 25 – 50
 - 45 % 50+
- Average household income/ expenditure
 - Approx. 33,700 € (about 43,136 \$) net income



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Background: Brand landscape

- Nivea (body care)
- BMW, Mercedes, VW (automotive)
- Apple (consumer electronics)
- Coca Cola (soft drinks)
- Langnese (food)
- Nokia (telecommunication)
- Nike (sports)
- Smart shopping (Aldi, Lidl, ebay, Ryanair)



The background is a solid teal color. On the left side, there are several abstract, overlapping shapes in a lighter shade of teal. These include a large, curved shape that resembles a stylized 'P' or a question mark, and a smaller circle at the bottom left.

Section I: Big Ideas

Bringing Germany to life: “Big Ideas”

- High anxiety
- Scheduled spontaneity
- Car as calling card
- Which city – which Germany?
- An aging and increasingly single nation

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Big Idea: High anxiety

- People are under tremendous pressure to achieve and to conform
 - Pressure in both professional and personal arenas
 - Women are increasingly expected to balance both the traditional tasks of housewife / mother and the demands of a career
- This pressure contributes to a national mood of insecurity and skepticism
 - Consumer behavior reflects a striving for security, e.g. strong loyalty to known brands, demand for product guarantees
 - The global economic crisis, caused by the collapse of the financial markets (2008) resulted in cautious and defensive consumption behaviour, currently German consumers are adopting a wait-and-see policy
- Widespread yearning for a more carefree existence
 - Germans' traditionally utilitarian attitude towards food (food=fuel) has changed as people increasingly look for pleasure and a casual flare in their dining – Mediterranean cuisine has become very popular because it is associated with a “balanced” approach to nutrition and relaxed meal-times

Stress and anxiety are part of daily life



'The glass is perceived half-empty instead of half full'.

Germany is a rather controlled and formalistic country

- Life is regulated by norms and regulations which **offers security** (anchor point) but also **sets limits and boundaries**.

Focus in society is on performance and achievement,

- putting pressure on people to perform to keep up with expectations.
- Yet, people strive for security in many aspects of life.
 - Today's life, which is perceived as **fast-moving**, causes **insecurities** and fears.
 - Germans have a **less unconstrained**, easy going attitude towards life.
 - They display a more **skeptical** and **doubtful outlook** on life



High expectations for German women

- There are many possibilities for women these days, yet this does not mean that making choices is an easy path:
 - Either being a mother and housewife in a traditional sense, though this is less and less accepted by society,
 - or combining this role with a part-time or even full-time job, following a career outside home.
- Being conscious and efficient in their own role(s) is very important to women in Germany.
 - Bearing social responsibility is still regarded as an obligation. Traditional understanding of what is right or wrong.
 - However, women long for a more relaxed and unconcerned gender role, they aspire towards a spontaneous and carefree attitude, without feelings of guilt.

Seeking a carefree life: Impact on food culture



- Food culture in Germany has evolved over the years from a rich and fat cuisine to a controlled food culture, recently resulting in a holistic approach, where pleasure and health concerns meet.
 - **Traditionally**, food need to be **filling. Functional** approach towards nutrition, no need to cook twice a day, 'Abendbrot' = fine as well.
 - **Evolution** to a **managed/ controlled** approach:
 - **Awareness** of health impacts of food.
 - Boom of **organic food**, critical towards meat.
 - **Inhibitions** towards self-indulgence.
 - Knowledge of nutrients = **justification**.
 - **Longing for pleasure** instead of managing health.
 - Due to scandals concerning (organic) food **people feel lost**, don't know what's 'good' anymore.
 - **Fed up** with always managing food and health.
 - High appeal of Mediterranean food: **unwind, balance**.

Implications for product / brand design

There is greater opportunity for new products in Germany if they...

- Reflect the German striving for certainty and security by means of guarantors, supporting quality of products.
- However, on an aspirational level provide a more light-hearted and easy going feeling.

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Big Idea: Scheduled spontaneity

- Rigid standards create pressure, but they also provide comfort
 - Germans hold tight to norms and constraints, e.g. a national obsession with punctuality and sticking to schedule
- Germans need to “blow off steam” – but they tend to express exuberance in specific foreseen events
 - E.g. Carnival, Oktoberfest
 - Focus on creating specific opportunities where people can be liberated from normal standards of behavior
 - “Scheduled” spontaneity
- Football is one of the select acceptable ways for Germans’ to express intense emotions including national pride

Fun needs to take place in an acceptable framework / situation



- People can't bear responsibility and thoroughness all of the time ... there is a time for exuberance and fun as well.
- In a performance driven society like Germany there is a pronounced need to compensate feelings of control and restraint with (excessive) fun.
 - However, not so much in a spontaneous and open manner.
 - Linked to '**foreseen**' moments, enabling and allowing people to lose control (e.g. Carnival, Oktoberfest) = traditional and established.
 - Letting one's hair down within an **accepted societal frame**, where one can feel liberated and carefree without being judged by society.

Football: Outlet for exuberance and national pride



- Football is deeply rooted in German culture
 - long tradition, part of the collective history and **cultural heritage** in sports.
 - A means to show emotions, to be more **exuberant** than one can normally be in daily life.
 - **Uniting effect**, evoking a bonding experience, helping to overcome social differences.
- World cup (2006) provided a platform to show national pride in a positive and carefree manner.
 - Symbol of **national recovery** and pride, added to self-awareness of Germany as a nation.
 - Brought to German society a **renewed spirit**, to face the future with optimism.

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Big Idea: Car as calling card



- Germany is a car-minded, technical nation
 - Automotive industry is a source of national pride
- In this environment, one's car is an extremely important symbol of prosperity, status, personality
 - Cars function as gateway to social acceptance
 - Hold strong demonstrative value, reflecting prosperity of the owner
- 'People in Germany reflect on the purchase of a new car twice as long as for old-age pension'
- Motoring is one area in life where Germans chafe against restrictions – the potential introduction of speed limits on the Autobahn is causing highly emotional debates

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Big Idea: Which city, which Germany?

- Cultural norms and consumer preferences vary widely between major cities and regions
 - Berlin: centre of innovation, extremely open and diverse
 - But outside of Berlin society is much more conservative and homogenous
- Each major city is a distinct market with its own preferences
 - Frankfurt vs. Hamburg vs. Munich
- In addition, there remain significant differences in socioeconomic conditions and attitudes in Eastern vs. Western Germany
 - Widespread feelings of frustration and exclusion in the East

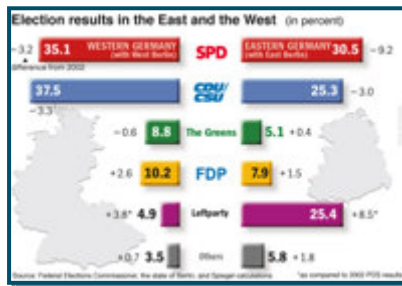
Cultural influences:

Berlin – The new capital, combining historical heritage with new dynamics



- Berlin reflects the new ‘openness’ of Germany in a most impressive manner.
- The city offers an attractive mix of a rich historical heritage and a progressive life-style.
 - Cosmopolitan, international, progressive city (attracting many foreign visitors).
 - People characterize themselves as direct, independent, also sociable and outgoing.
 - Being at the pulse of developments, many modern innovations take place here (music, fashion, etc.)
 - Multi-layered population: A mix of very different societal levels, religions, ethnic groups and lifestyles.
- However, not representative of the rest of Germany in terms of income, lifestyles, etc.

Mainstream lifestyle: East and West – An exhausting approach, not completed yet



- Since the 'Wende' (re-unification) in 1989, the former eastern part of Germany has gone through major political, economical and social changes:
- From a system of state control into a free market economy with great opportunities but unpredictable pitfalls.
 - Free access to all kinds of products was embraced at first, but the realisation that one is lacking the means to consume produces frustration.
 - Many people have problems to adopt a faster pace of life and to deal with the competitive demands of economy.
 - Eastern Germans are less contented and optimistic compared to their western fellow citizens.
 - They often feel excluded from prosperity and societal progression (-> higher unemployment rate compared to western part).



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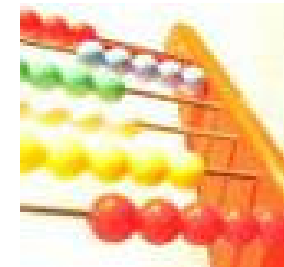
Big Idea: An aging and single nation

- Like many Western European countries, the face of Germany is aging
 - 19% of the population today is 65+ years of age
 - Projected that 33% of the population will be 65+ year of age by 2050
 - Graying of population continues despite counter-balancing effects of immigration
 - Overall population is shrinking
- Size of household is also shrinking
 - The most common household type in Germany is a one-person household
- These demographic shifts have important implications for consumer behavior and consumer research



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Contemporary trends: Declining and ageing population

The Facts!

- Birth rate in Germany is declining.
- German population is expected to decrease from 82 mio. (at present) to the range of 74 - 69 mio. people in 2050.
- At the same time, the number of older people in the total population is increasing. Share of 65 year olds will climb from 19% to approx. 33% in 2050.

So what?

- Shift in population, balance between young and old people is reversing.
- Yet, immigration is counteracting this effect a little.

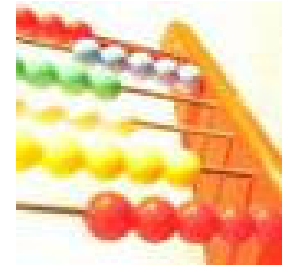
Implications:

- Prospectively, older generation will be much more in the focus of consumer research.
- Representing a numerically important and solvent group of consumers.



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Contemporary trends: Changes in household types

The Facts!

- Size of German households is continuously shrinking.
- Number of one-person households is continuously increasing, since 2004 this represents the most common household in Germany (including older, widowed people).
- Next to this, two-person household is most prevailing type of household in Germany.

So what?

- Leading to different consumer behaviour with regard to food, leisure-time activities, travelling, spending etc.

Implications:

- Increasing request for specific products and services, addressing the particular needs of this group of people.



**Section II:
Implications for
research**

Implications for research

1. Be aware of the city you are choosing – it may not be representative of the whole country!
 - This is especially true for Berlin, which is also due to the former special status of the city (divided into a western and eastern part).
 - Frankfurt (Central, Financial hub), Hamburg (North, affluent), Munich (South, traditional) will all give a good representation of German consumers.

2. In Germany, people have a distinct sense of accuracy.
 - Keep to agreed schedules and timelines.
 - Don't change settings spontaneously, this can cause reluctance amongst respondents.
 - Don't go over the time limit when conducting focus groups.

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Thank you