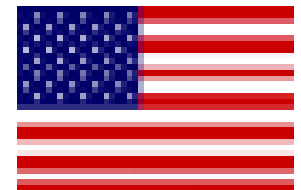


Synovate Hotspots USA





Bringing
The USA
to life



Bringing USA to life

- This document is designed to give you an overview of the USA, its people, and some of the key issues and trends Synovate is observing.
- The core source of information is 'LifeWorlds' (Synovate's ethnographic approach) but it is complemented with Synovate's broader understanding of this country's culture.
- Our discussion has three main parts:
 - "Big Ideas": insights into American culture and consumers
 - Implications for research
 - Data



Section I: Big Ideas

Bringing the USA to life: “Big Ideas”

Insights into American culture and consumers

- **Celebrity Obsession:** Americans have an intense fascination with celebrities, their beauty, and their extravagant lifestyles
- **It's All About Me:** All kinds of products / purchases are seen as an opportunity for personal expression driving a widespread desire for customized products
- **Melting Pot vs. Racial Divide:** While America is one of the world's most ethnically diverse societies, racial tensions continue to exert tremendous influence
- **The 24/7 Society:** Americans work hard – and advances in technology and connectivity have added fuel to the fire
- **Going Green:** Environmental concerns are emerging as a major priority for the American consumer

Bringing the USA to life: “Big Ideas”

Insights into American culture and consumers

- Celebrity Obsession: Americans have an intense fascination with celebrities and celebrities' beauty and extravagant lifestyles
- It's All About Me
- Melting Pot vs. Racial Divide
- The 24/7 Society
- Going Green

Big Idea: Celebrity obsession

- The US has a fascination with celebrities - where Brad and Angelina had dinner or if they're adopting another child often competes with the top news stories of the day. Celebrity blogger Perez Hilton has become a celebrity in his own right.
- Americans don't just idolize celebrities -- they identify with them and aspire to their lifestyle: Celebrity fragrances and clothing lines have been wildly successful.

"Why do I know more about what Britney is having for lunch than world news?" (Chicago)

"It's clothing by Sarah Jessica Parker. I don't even love it, but I had to buy something just because it's her." (NYC)



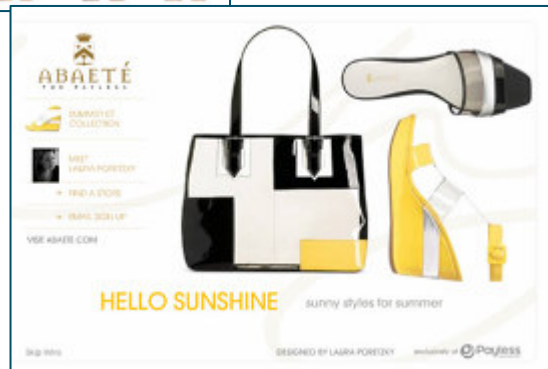
Celebrity obsession and the search for eternal youth



"I'm getting a mini lift at 55. Why get old?"
(NYC)

- The obsession with celebrities and their flawless looks feeds into Americans' desire to stay young and beautiful
- Aging baby boomers drive a growing market in products and services designed to improve / maintain physical appearance
 - Number of Botox and cosmetic surgical procedures has increased 7% since 2006
 - In 2006 almost 11 million cosmetic plastic surgery procedures were performed, breast augmentation is the most popular surgical procedure since statistics have been collected (source: Amer. Society of Plastic Surgeons)
 - Countless skin care products promise to counter aging and even mimic the effect of surgical procedures
 - TV shows like Nip/Tuck and reality shows like the Swan reflect society's fascination with transforming oneself into the "best you can be".
 - Further, the abundance of plastic surgery offerings are possibly driving younger women to go under the knife. Asking for breast implants or a nose job as a high school graduation gift is not uncommon.

Masstige: I'm not a celebrity, I just dress like one...



"I never would have gone to Target if not for their clothing line from Luella. Where can you get Luella for \$15?" (NYC)

"I like to mix for myself things that are high-end and low-end. You can get something from Fendi and mix it with something from H&M and make it look fabulous." Lucy Liu, Actress

- **Americans are the ultimate aspirational consumers and businesses have responded by offering "Luxury for all"**
- People of all incomes aspire to luxury and "Masstige" products, brands and services (e.g. Target's and Payless' shoes collaborations with high end designer brands, BagBorroworSteal.com, luxuriously packaged mass cosmetic brands such as Be Fine) and "luxe-lite" brands such as Coach handbags proves it. Some call this "the democratisation of luxury."
- **Mixing it up** -- Shoppers are also combining lower end brands such as H&M and luxury lines such as Prada into one outfit.

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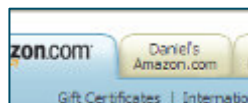
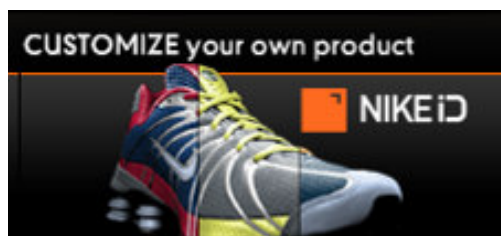
- Celebrity Obsession
- It's All About Me: All kinds of products / purchases are seen as an opportunity for personal expression driving a widespread desire for customized products
- Melting Pot vs. Racial Divide
- The 24/7 Society
- Going Green

It's all about me: Product personalization

"People want every aspect of their lives to say something about themselves." Deborah Needleman, Editor-in-Chief of Domino, Condé Nast shelter magazine



Want to engrave your iPod? It's free.

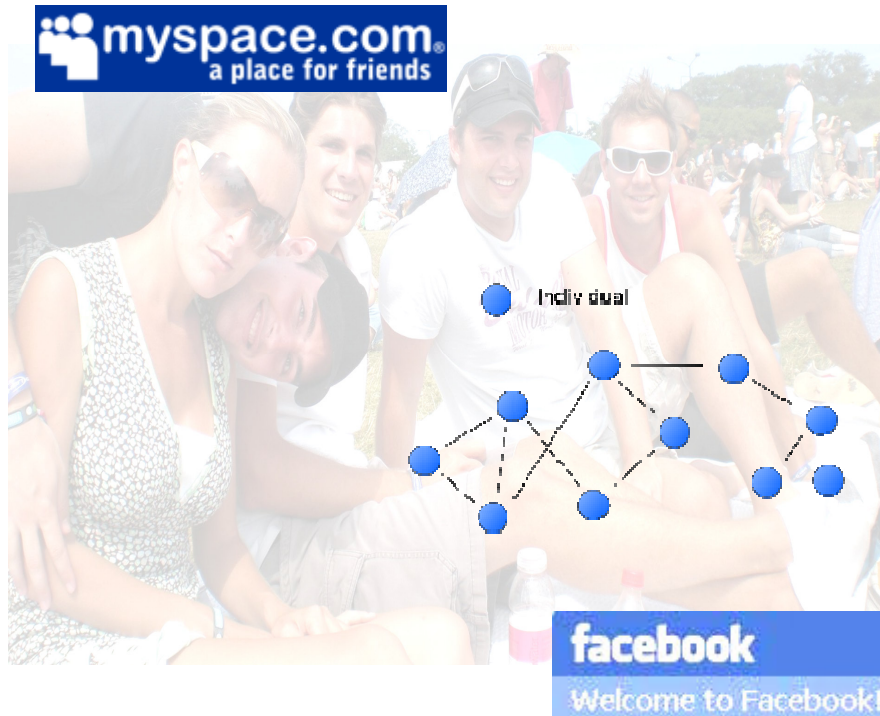


Welcome to AA.com, DANIEL

- *"You are what you wear / carry / buy..."*
 - Customization lets consumers tell the world who they are and what they like, or that they are unique. This is exemplified by products such as tricked out mobile phones covered in crystals or band logos.
 - Custom products lend an air of uniqueness, specialness and even exclusivity - Custom sneakers or bespoke fragrances; items that are "one of a kind" and designed by or for the owner speak to this trend.
 - Customized products and communications can make a consumer feel like providers and companies care about them as people, not just as numbers. "Everyone is important."

"Check out my sidekick, all the pink crystals. I'm a rock princess." (NYC)

It's all about me: Social networking



Social networks were previously defined by immediate geographic location. With the mass adoption of the Internet, the world is shrinking and new online networks are emerging based upon common interests. This creates new spheres of influence and powerful buzz potential that may have more impact than traditional marketing information.

Joining social networks with people of similar interests / tastes is another form of self expression. On sites like MySpace and Facebook, any commonality is an opportunity to form a group of like-minded individuals.

Social Networking sites are evolving to meet niche needs. LinkedIn is a business networking site. BlackPlanet serves the African American community.

Q&A from your network:

Questions from friends of friends:

ask your ne

You have 344 friends.

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Big Idea : The melting pot...

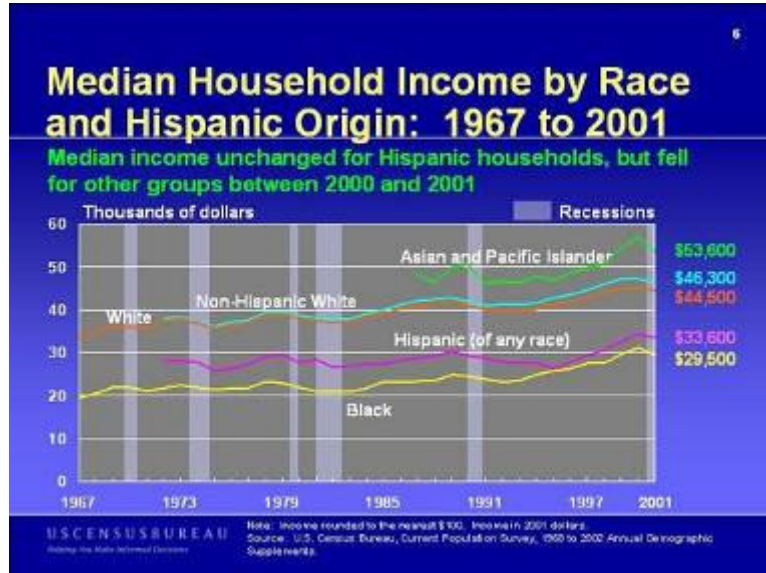


- American culture; World culture – One true stereotype: America is a melting pot of cultures and traditions. The variety of nationalities in America has both exclusive and inclusive aspects.
 - Exclusive: ethnic neighborhoods and specialty products/stores.
 - Inclusive: But international products, foods and culture are not only for those of the respective country; these cultures also impact American culture as a whole, exemplified by ethnic restaurants everywhere from cities to and small Midwest suburbs, and Japan's pop culture influencing everything from entertainment to design.

...and the continuing racial divide

"There's still too much prejudice. We haven't learned to be a big happy family, to all get along, to value other people's opinions." (Philadelphia)

- **Despite all the advances towards equal rights, there is still a racial divide in America** - Beyond the every day tensions in inner cities, it is also captured in the media, when celebrities lose their jobs over racial slurs.



"Racism is still a problem. The only time that race doesn't matter in America is when it comes to sports. No one cares if the quarterback is black or white, as long as the team wins!" (Philadelphia)

2008 election: A watershed in racial attitudes?

"I think there is extreme dissatisfaction with the current government...I hope people get out and vote, but I am afraid that those who are already apathetic are not going to get involved."
(Chicago)



- The election of Barack Obama as the 44th President of the United States represents a major watershed in the history of race relations in America
- The election, however, should be seen as much as an expression of the population's dissatisfaction with the status quo and desire for change as a signal of "colour blindness"

"The single most important right that we have as Americans is the opportunity to vote...of course, most people can't tell you what the difference is between the Republican and Democratic parties is!"
(Philadelphia)

Bringing the USA to life: “Big Ideas”

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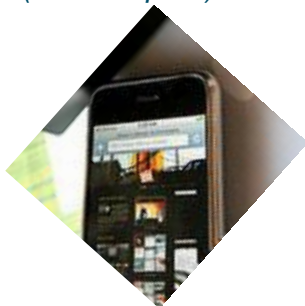
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- The 24/7 Society: Americans work hard – and advances in technology and connectivity have added fuel to the fire.
- Going Green

The 24/7 society: Constant connection; Busy lives

"I feel like I live in an open marriage – me, my husband, and our BlackBerries." (Chicago)



"Technology is taking over...I saw someone using a pay phone today and it was weird, I thought everyone had a cell phone!" (Philadelphia)



"It's tricky...if someone wants to get a hold of you, there is always a way...there is no time to relax when everything is always at your fingertips." (NYC)

- **There is a love/hate relationship with connectivity.** We love the safety, security and instant access to information it provides us yet we hate the lack of privacy it has brought into our lives. We imagine our BlackBerry vibrate when it does not, relationships are put on hold when we see the flashing red light, we take pictures of experiences rather than live them, we text message dangerously while driving.
- This constant connection adds stress to Americans' already busy lives, feeding into **another trend; the desire for balance, to slow down, re-focus priorities and pay attention to the things that are truly important – family, friends, enjoying life and maintaining a healthier lifestyle.** Some Americans are trying to put down the cell phone, leave the BlackBerry in their work bag, spend time with family and friends, in general, have a simpler life. But for many this seems easier said than done!
- Because everything is so instantly attainable — you can get what you want, when you want, the next trend may be placing a premium on waiting, on thinking twice before you click 'buy.' Custom-made and one-of-kind are rising above the mass-produced din of 'now.'

Bringing the USA to life: “Big Ideas” Insights into American culture and consumers

- Celebrity Obsession
- It's All About Me
- Melting Pot vs. Racial Divide
- The 24/7 Society
- Going Green: Environmental concerns are emerging as a major priority for the American consumer



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Big Idea : Going green

"I want to do more than I have but it's so expensive to be green. I do what I can without breaking my budget."
(NYC)

"The environment is one of the most important issues...although I guess I don't personally do anything to help the environment." (Philadelphia)



Please don't print this e-mail unless you really need to.

- Green issues are gaining momentum -- American consumers are beginning to weigh the social and environmental impact of their spending decisions. Concerns for conserving global resources, reducing waste, and being more socially responsible are key attributes that will seem to help companies attract and maintain customers. However, US consumers may not be at the point where they are willing to pay more for "green" products, or trade off important attributes for the environmental. And, there has to be something "in it for them"
 - Successful brands such as Whole Foods market are not only health and "green" related, they also have an upscale, superior feel for some.
- Natural and man-made environmental disasters are having a major impact on US society, causing a growing interest in resource preservation. As energy costs climb and have a direct effect on consumer expenditure, it is no longer a social statement to be environmentally conscious, and there is a growing expectation of corporate responsibility



Section II: Implications for research

Regional differences: Market selection



Doing research in the US? Some things to keep in mind...

- Research is conducted Monday – Thursdays; research on Friday has typically resulted in poor show rates and is more expensive. Similarly, weekend research is avoided.
- For B2B professionals, research is typically conducted over the telephone or in a market research facility. Rarely, if ever, do we go to their office as this is seen as an invasion of privacy for them and their coworkers.
- The US is one of the most expensive markets to conduct research. Incentives are high and continue to grow.
- Don't limit yourself to one city – NY or LA is not representative of the whole country!
- Trends often begin on the coasts – New York and Los Angeles and then move towards the middle of the country. Looking for trend setters and early adopters? Start here.
- Objectives help determine markets, for example:
 - Looking for consumers who are extremely environmentally friendly, health-conscious, and trying to better the environment? Try San Francisco.
 - Curious how pickup truck owners truly use their vehicle? Head to the South, especially Texas.
 - Needing to understand the active, outdoors consumer lifestyle? Denver is the place to be.
 - Seeking 65+ consumers? Consider Florida as this is a popular place to retire because of the warm weather.

Launching products in the US

- There is greater opportunity for new products in the USA if they ...
 - Have an aspirational quality.
 - Offer an opportunity for people to express their individuality.
 - Allow consumers to help the environment in an affordable, easy way.
 - Help people find balance and wellness.



Section III: Data

Sources



This data is assembled from a Synovate telephone survey of a representative sample of adults conducted in April 2006. It is supplemented with some basic country facts, as well as economic population and communications data from the Central Intelligence Agency World Factbook.

Demographic overview

- Total Population : 303,596,511 (December, 2007)
- Top 5 cities and populations
 - New York City: 8,214,426
 - Los Angeles: 3,849,378
 - Chicago: 2,833,321
 - Houston: 2,144,491
 - Phoenix: 1,512,986
- Racial mix (US Census Defined):
 - White alone: 74.7% or about 215.3 million
 - Black or African American alone: 12.1% or 35.0 million
 - Asian American alone: 4.3% or 12.5 million,
 - American Indian or Alaska Native alone: 0.8% or 2.4 million
 - Native Hawaiian or other Pacific Islander alone: 0.1% or 0.4 million
 - Some other race alone: 6% or 17.3 million
 - Two or more races 1.9% or 5.6 million
- Age profile
 - Under 20: 26.9%
 - 20 – 44: 33.8%
 - 45 – 64: 26.2%
 - 65+: 13%
- Median household income (2004 est.)
 - \$44,334

America is indelibly changing. Far from being an ethnically homogeneous consumer market, American consumers are becoming ever more diverse. This ethnic and cultural diversity is unprecedented and will continue to evolve and have implications for marketers.

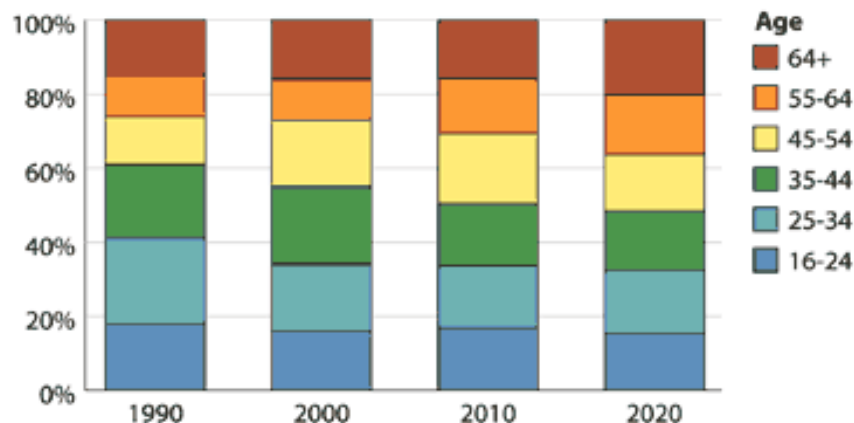
The Hispanic population as of July 1, 2006 is 44.3 million, making people of Hispanic origin the nation's largest ethnic minority. Hispanics constituted 15% of the nation's total population. **102.6 million** is the projected Hispanic population of the United States as of July 1, 2050. According to this projection, Hispanics will constitute 24% of the nation's total population by that date.

Demographic shift: the aging of America

- America is getting older - Political, economic, and social issues will soon be greatly influenced by America's aging population.
 - These consumers on fixed incomes will likely have more frugal tastes but they also have their own needs and preferences.
 - This group controls a proportion of wealth. Don't forget about them.
- Consider researching this generation.

"The biggest negative implication of an aging population is related to age-associated chronic illnesses, which will place increasing amounts of emotional and financial strain on family caregivers, health care providers, and public and private sector health insurance programs."

Richard H. Fortinsky, Ph.D., Professor of Medicine, Physicians Health Services Endowed Chair in Geriatrics and Gerontology, Center on Aging and Department of Medicine, University of Connecticut Health Center

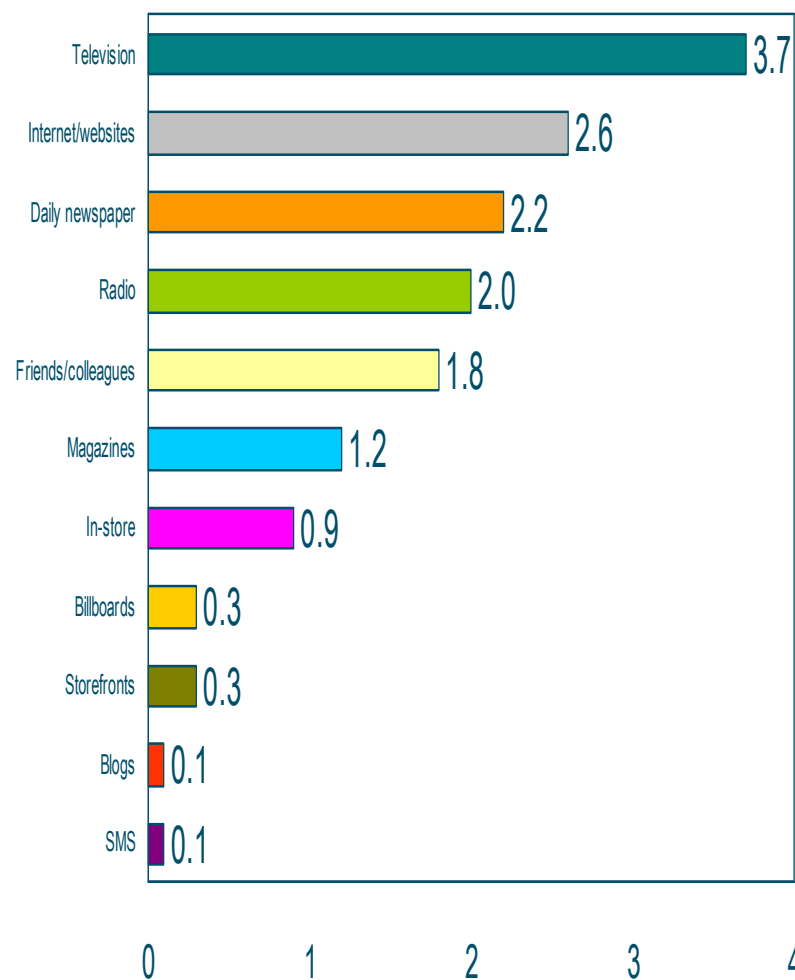




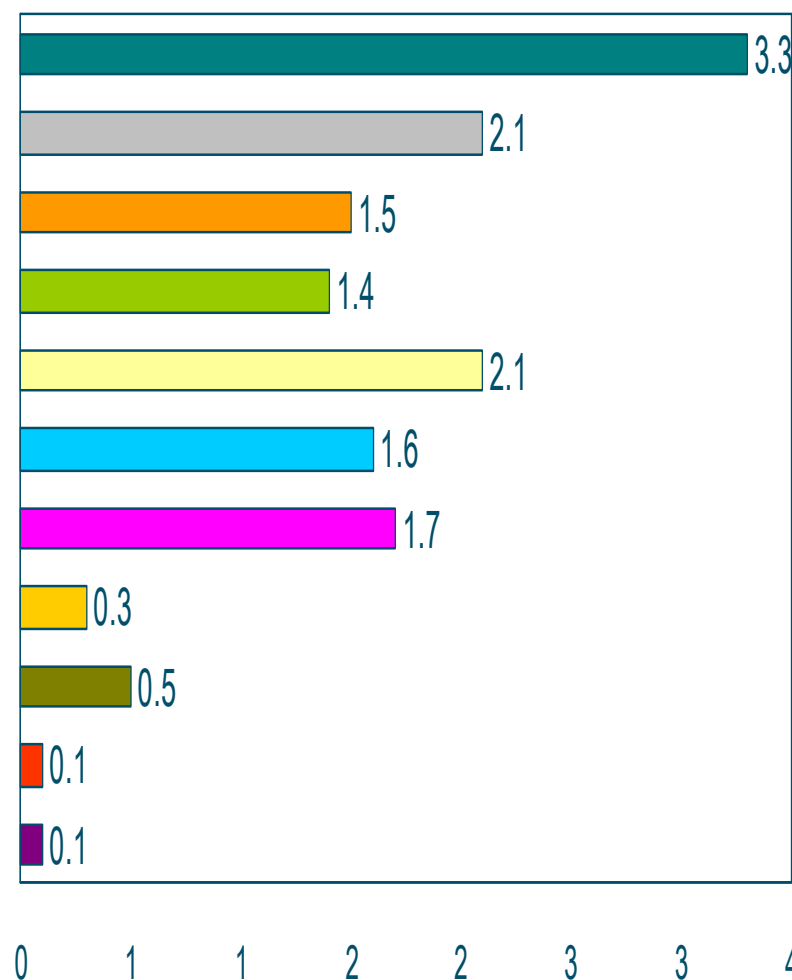
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Most important media sources (5= Most important)

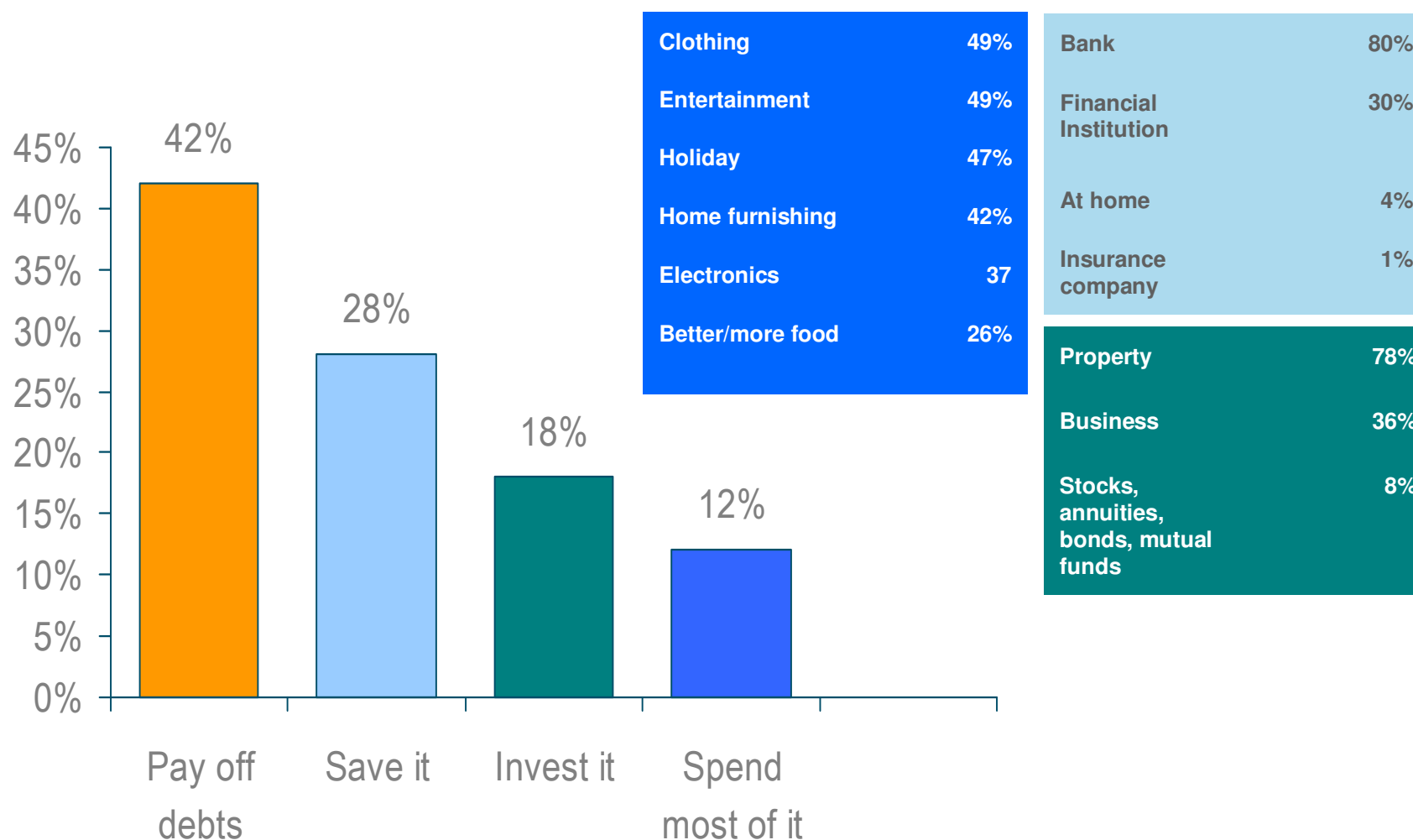
Most Important For News



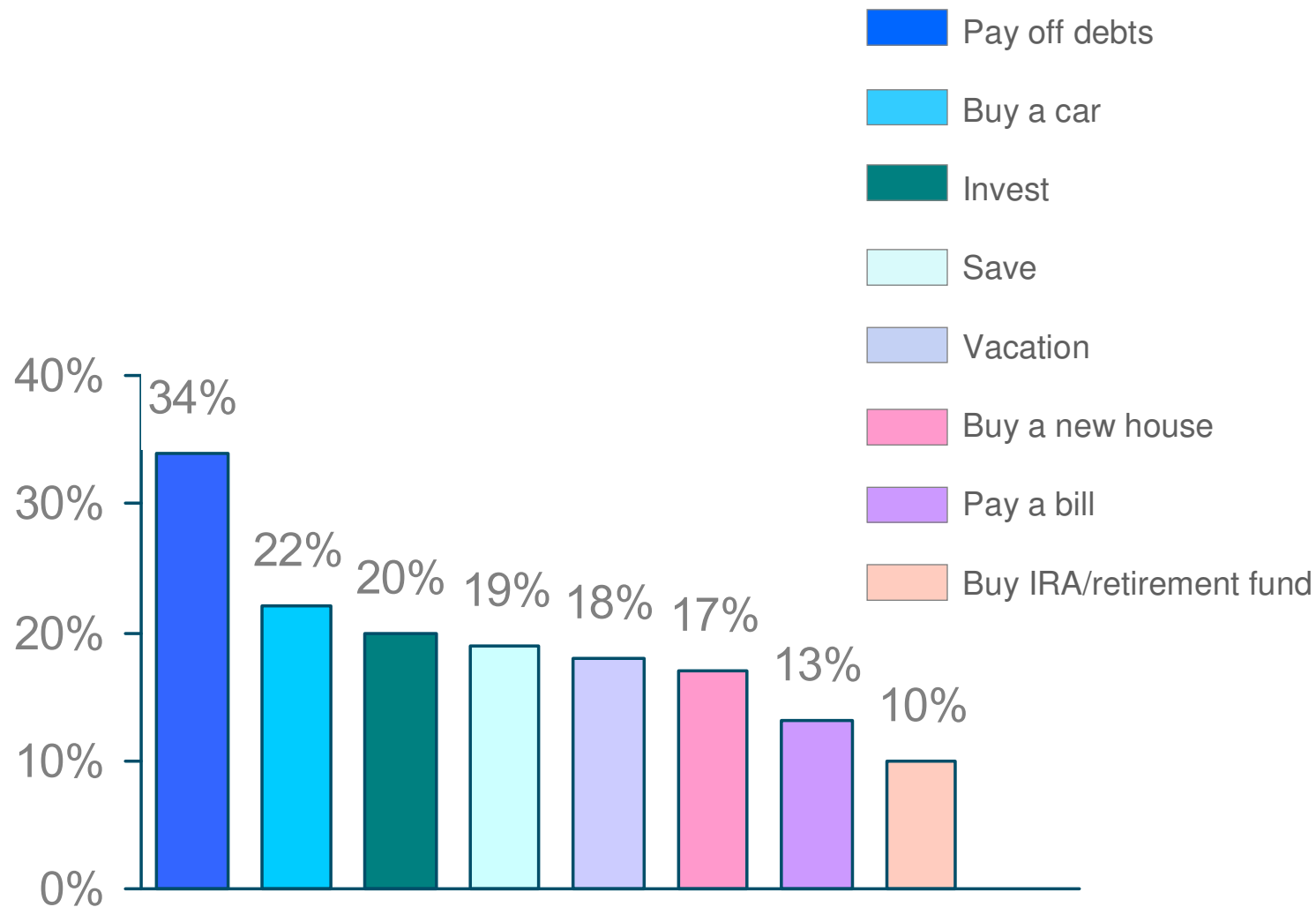
Most Important For Product Information



What would you do with 20% more household income?

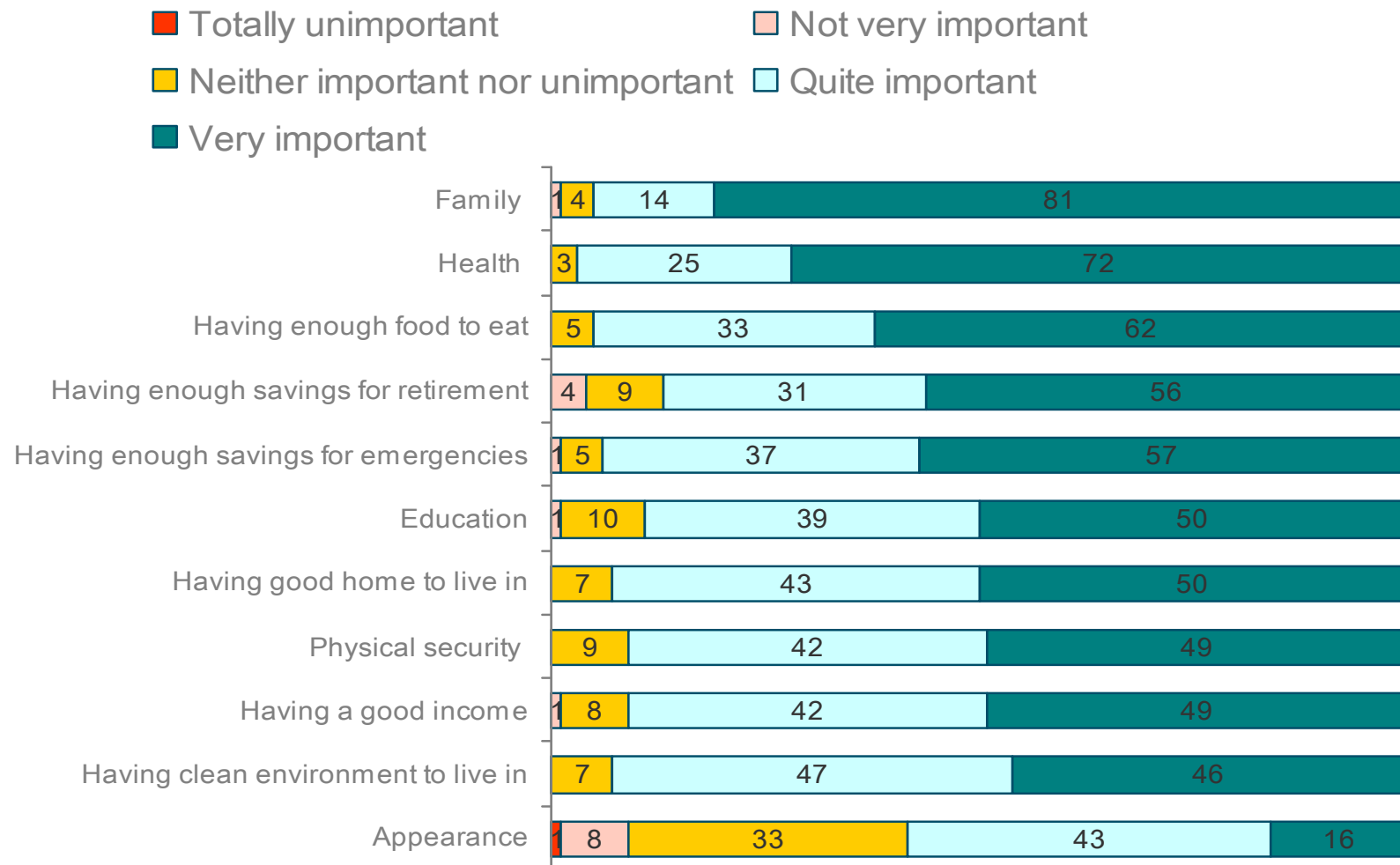


What would you do if you won US\$100,000 in a lottery?



Lifestyle personal importance






(Numbers in percent)





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Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Travel		
Hotel group	 21%	Marriott
Airline	 24%	American Airlines
Alcohol		
Beer	 41%	Budweiser
Whiskey/Scotch	 11%	Jim Beam
Brandy/Cognac	 6%	Christian Brothers






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Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Soft Drinks		
Cola	 79%	Coca-cola
Fruit Juice	No data	-
RTD Coffee	No data	-
RTD Tea	No data	-
Auto		
Fuel for your car/ motorcycle	 90%	Shell
Car/Pick-up Truck/ SUV	 68%	Ford
Motorcycle	 5%	Harley Davidson





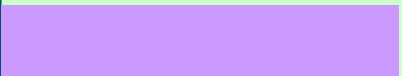
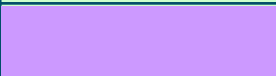
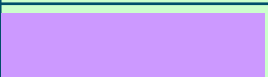
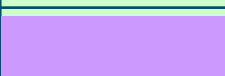
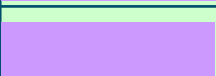
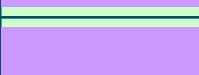
Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Retail		
Everyday clothing store	No data	-
Designer clothing store	No data	-
Fast food chain	 84%	McDonald's
Technology		
Mobile phones	 74%	Motorola
MP3 player	 21%	Apple iPod

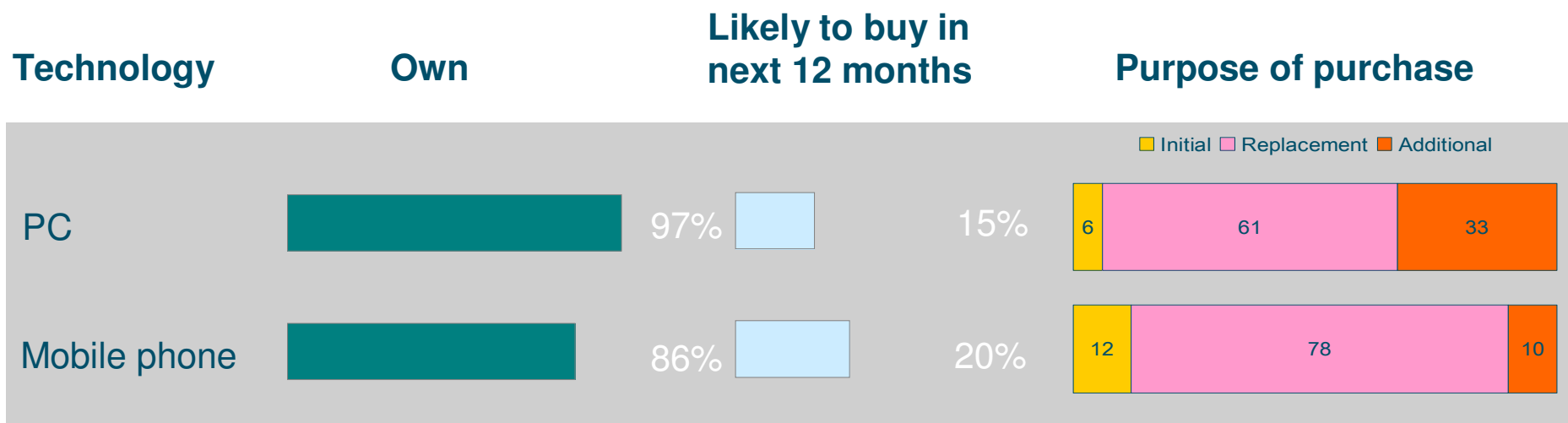


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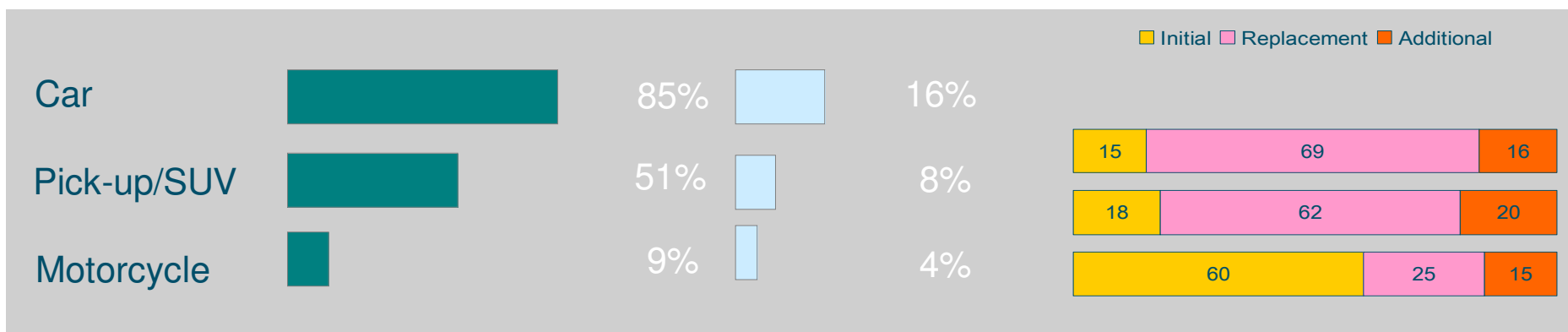
Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Personal Care		
Shampoo	 94%	Pantene
Soap	 93%	Dove
Conditioner	 67%	Pantene
Facial Moisturiser	 43%	Olay
Facial Cleansers	 40%	Oil of Olay
Eye make-up	 35%	Maybelline
Lipstick	 33%	Cover Girl
Face make-up	 31%	Cover Girl
Shower Gel	No data	-

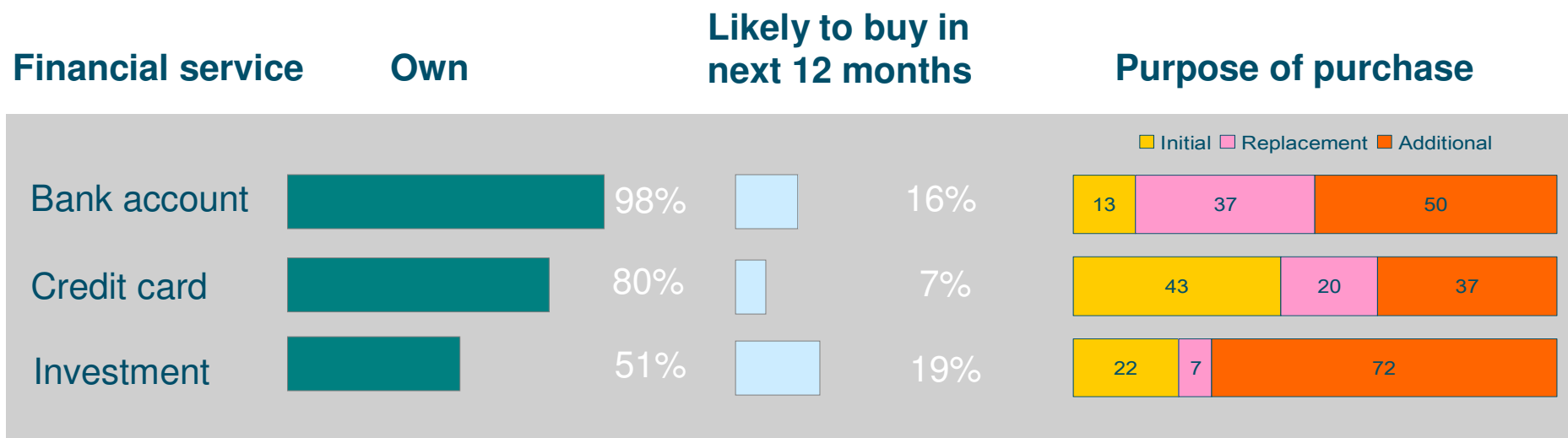
Product ownership



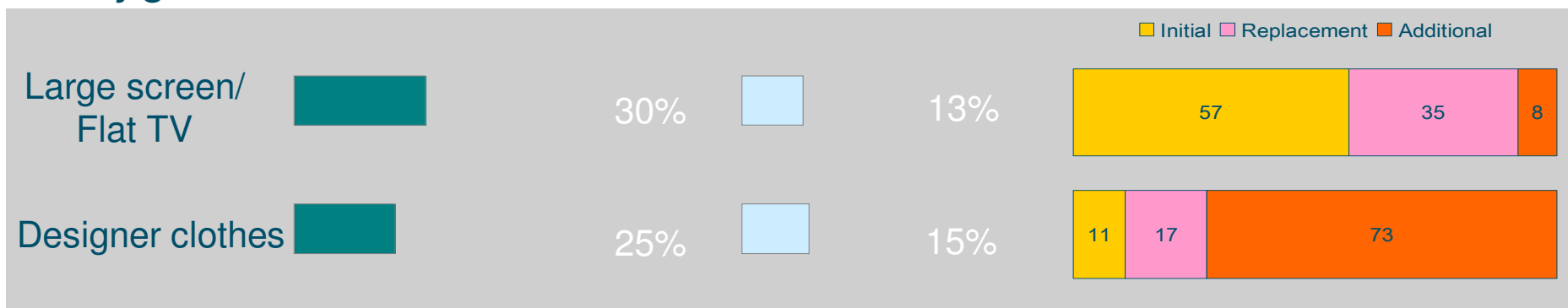
Vehicle



Product ownership



Luxury goods



Global retailers' image

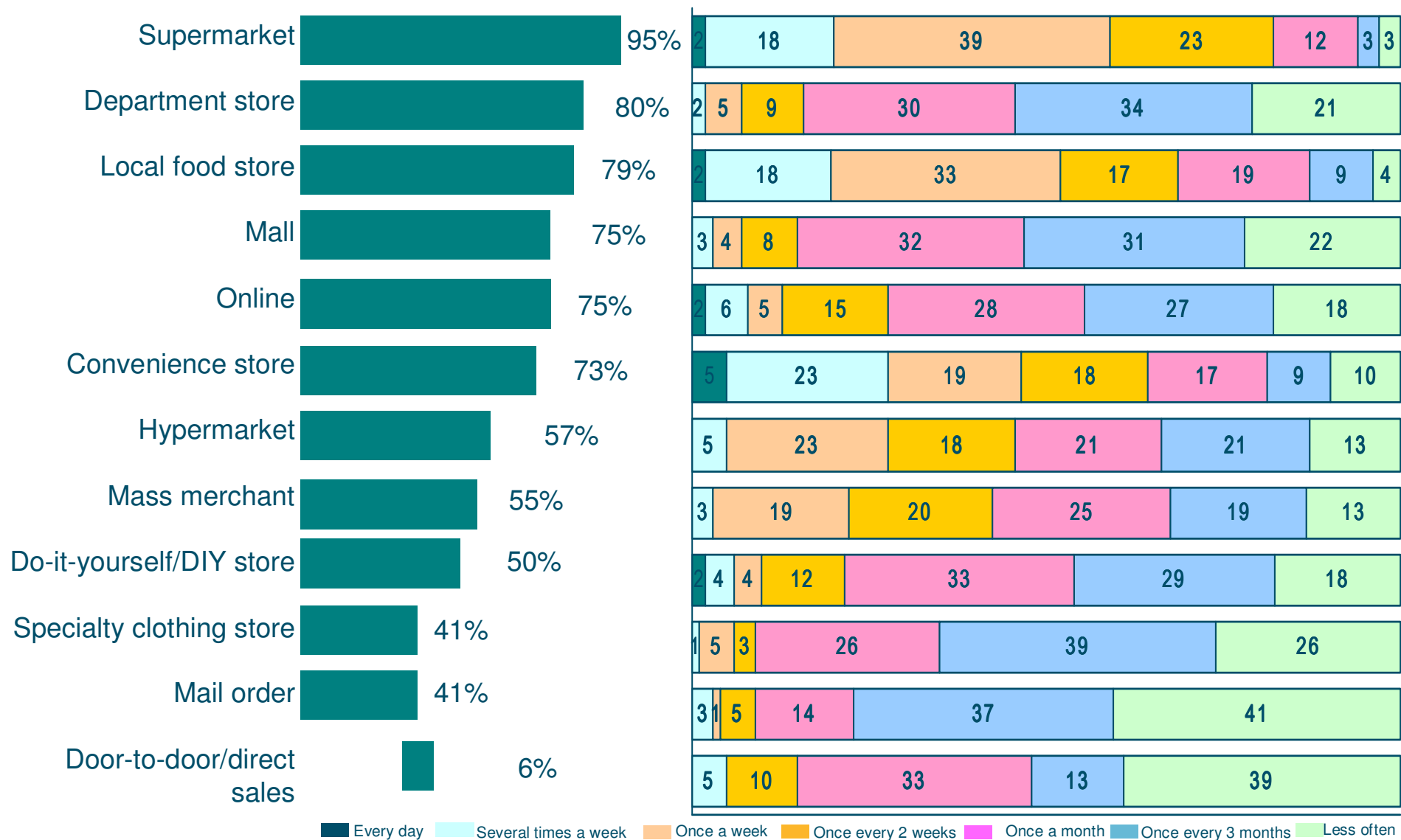
	Awareness	Very positive	Positive	Neutral	Negative	Very Negative
Carrefour	12	0	18	82	0	0
Wal-Mart	99	24	36	28	7	5
Tesco	3	2	3	82	13	0

How do I spend my weekday/weekend (Hours)

	Media/Information			Sleeping
	Reading newspapers/magazines	Surfing the Internet	Watching TV	
Weekday	0.80	2.20	3.20	6.70
Weekend	0.90	2.10	4.10	7.60

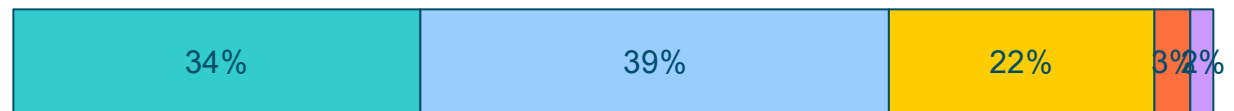
	Working/school			Exercising/ Playing sports	Staying at home
	Commuting	Housework	Work/school		
Weekday	0.80	1.20	4.30	0.70	7.60
Weekend	0.20	1.50	1.05	0.90	8.40

Retail penetration and frequency (Past year)

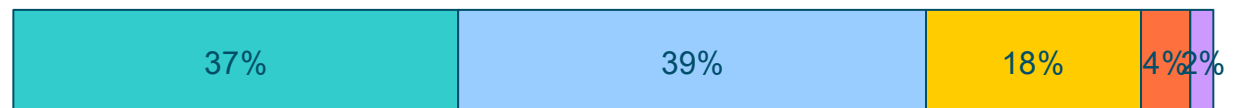


Local or international

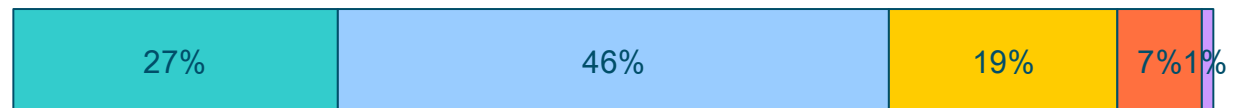
Locally manufactured brands are just as good as international brands



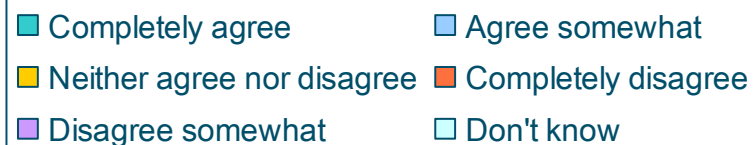
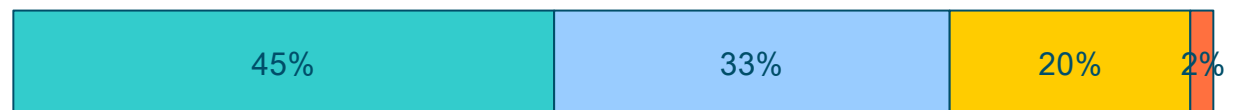
Local retailers are just as good as international retailers



Most people don't know the difference



If a local and international brand are of equal quality and price, I would prefer the local brand

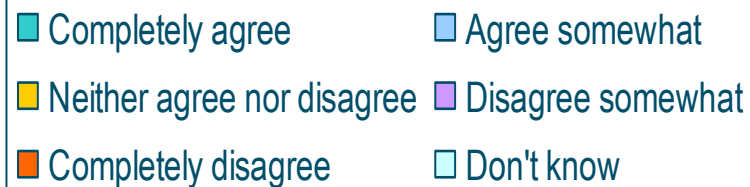
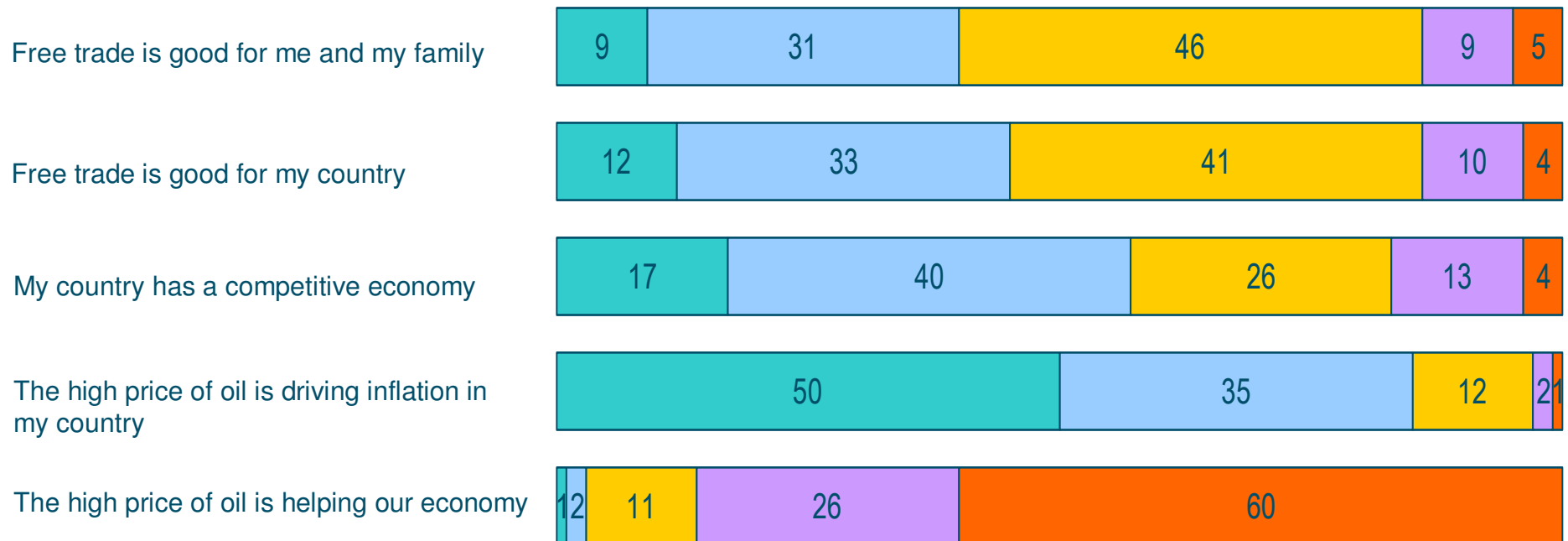


Have you experienced any of these distressing situations in the past year? (Figures in per cent)

	Total
Been sick and could not get medical attention	15
Had to accept a pay cut	14
Lost your primary job	13
Had to skip a meal because you did not have money for food	12
Been a victim of discrimination	11
Been the victim of a crime	11
Been sick and could not afford medical attention	N/A

Attitudes (Figures in percent)

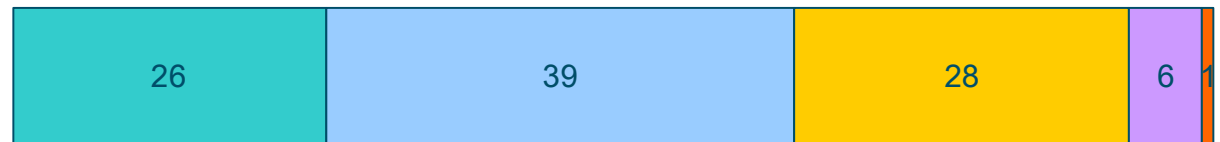
Economy



Attitudes

Environment

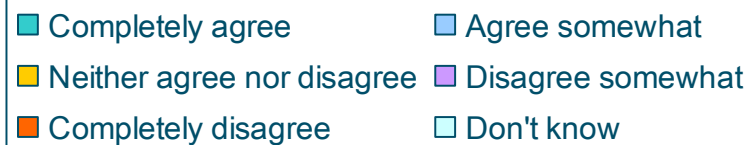
Environment degradation is a major issue in my country



The environment in my country is too polluted today



There is a good chance that my country will suffer a major natural disaster in the next 12 months



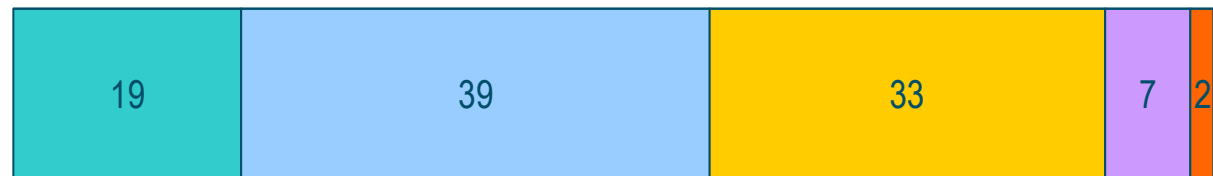
Attitudes

Personal

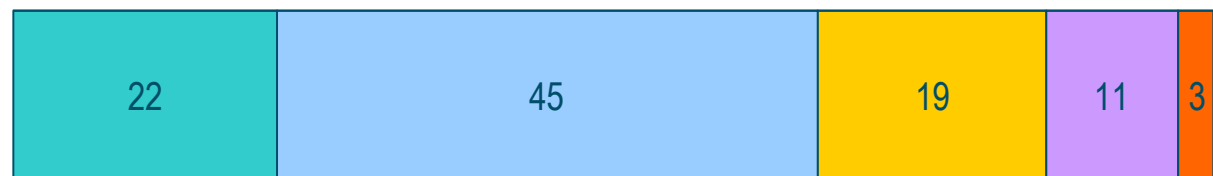
Five years ago things were better for me



In five years time things will have improved for me



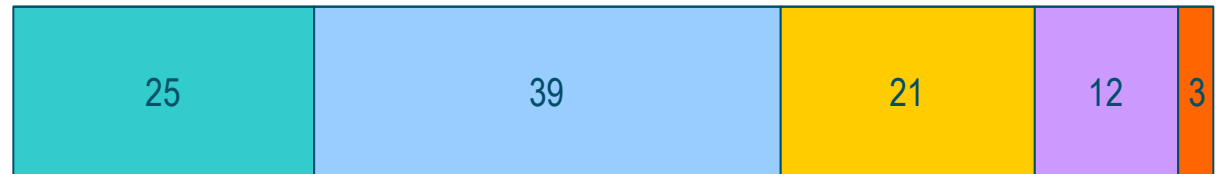
Today life is good to me and my family



Attitudes

Social

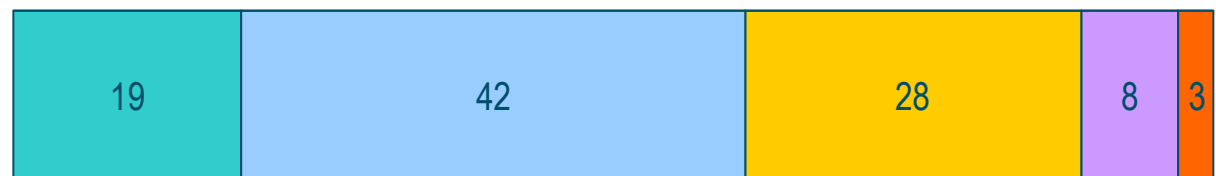
I am proud of what my country has achieved

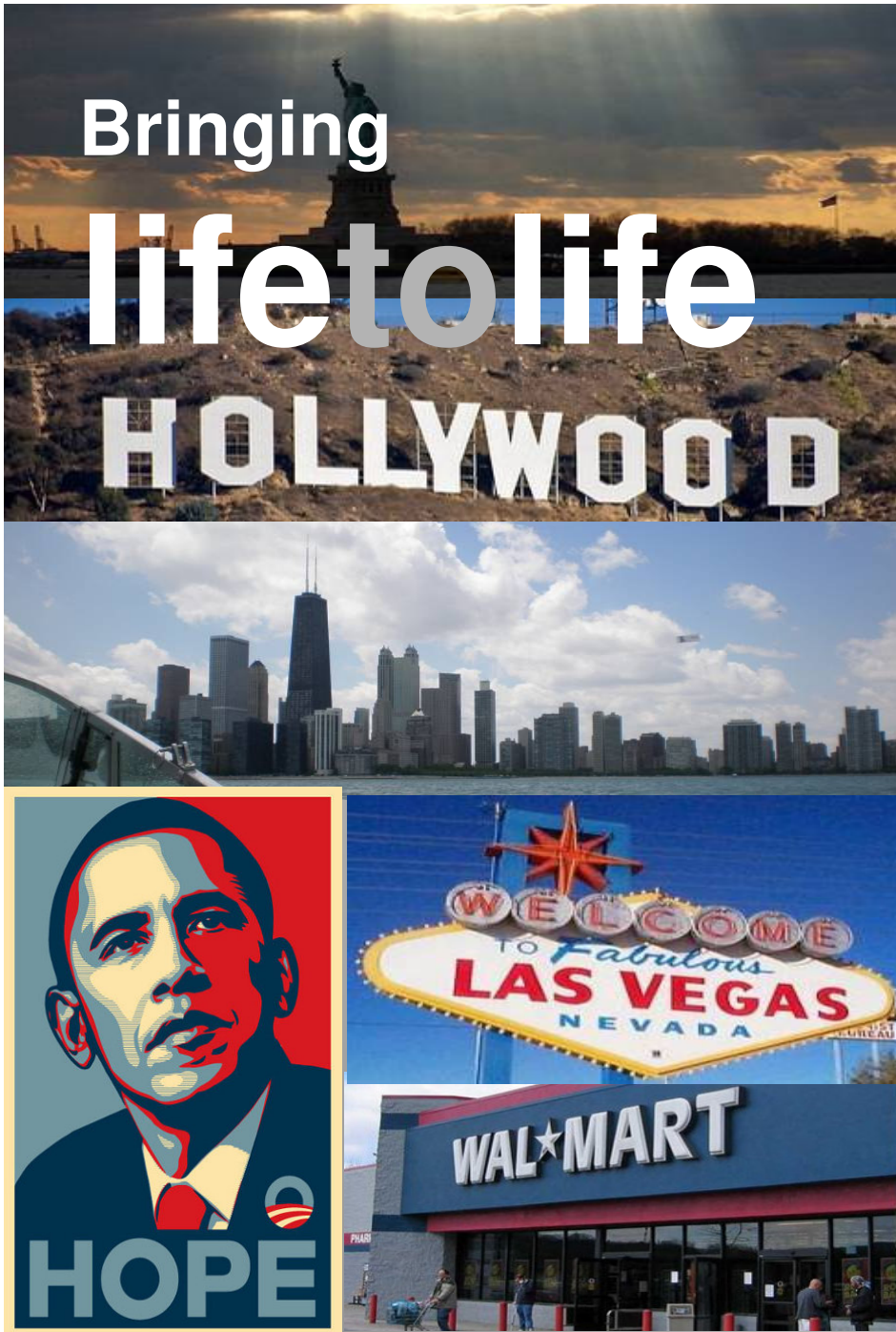


My country has a bright future



My country is innovative





Thank you