



Ethno Marketing in Germany

Presentation given by Bernd Waldeck
at the
1st International Conference on Strategic
Development of the Baltic Sea Region
26 February 2007



Ethnic Minority :

Subculture in another culture (or country).

Ethnic :

Belonging to a language and culturally uniform group.

Ethno Marketing :

Differentiated marketing with respect to the cultural origin of the target groups.

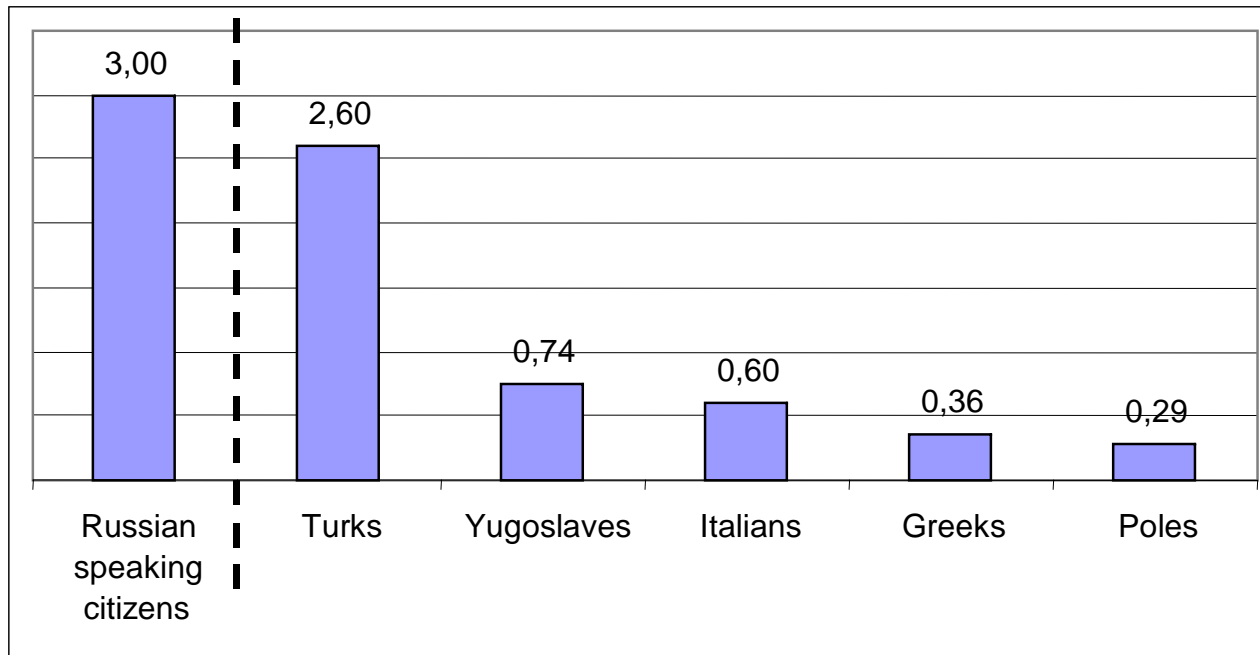
Why Ethno Marketing in Germany?

- heavily growing segments of ethnic minorities**
- increasing spending power**
- aging society with young immigrants**



2006: 82.5 m. people in Germany, 6.76 m. foreigners (8.2%) ???

Ethnic target groups in Germany 2006 (in million)





Target Group 1: Turks living in Germany

 2.6 m. in 2005 (> 3% of total population). Estimate 2010: 9.5 m.

Turkish citizenship only

dual citizenship

Turks with Germany passport only

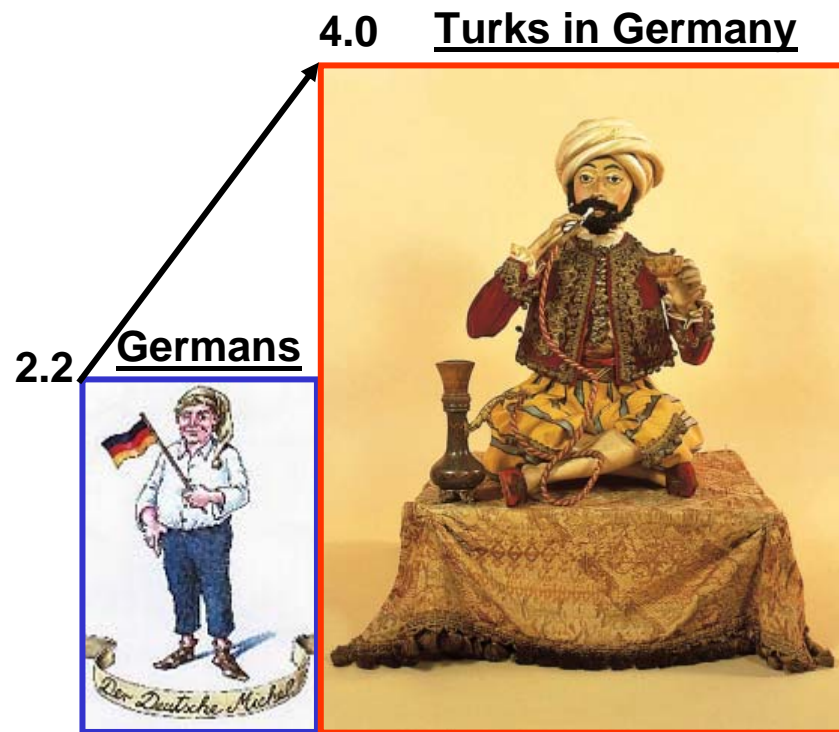


sharing the same
cultural background

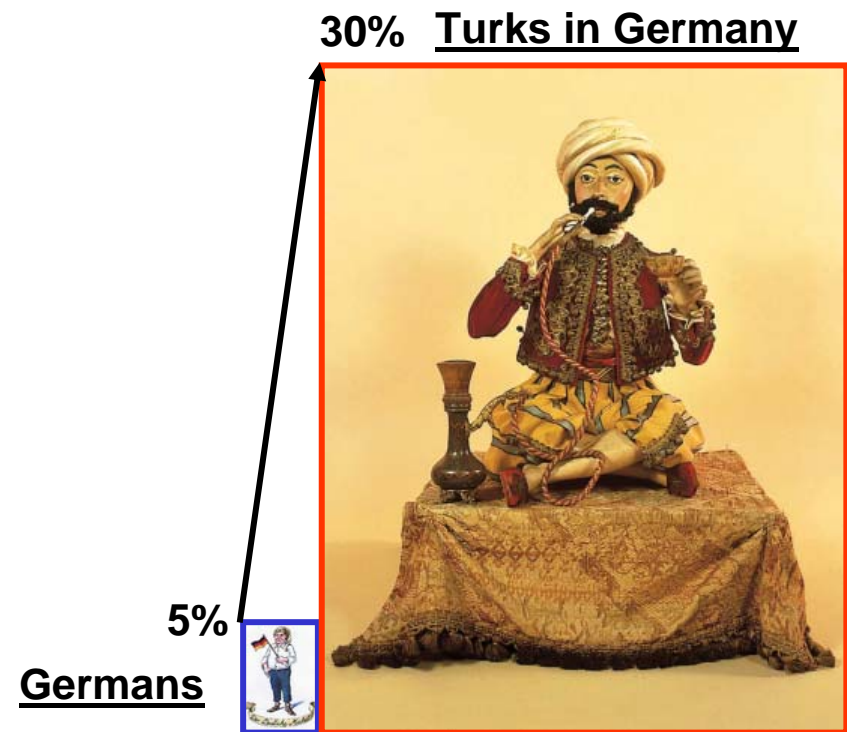
 Spending power €16.9 billions



Average size of households (persons per household)

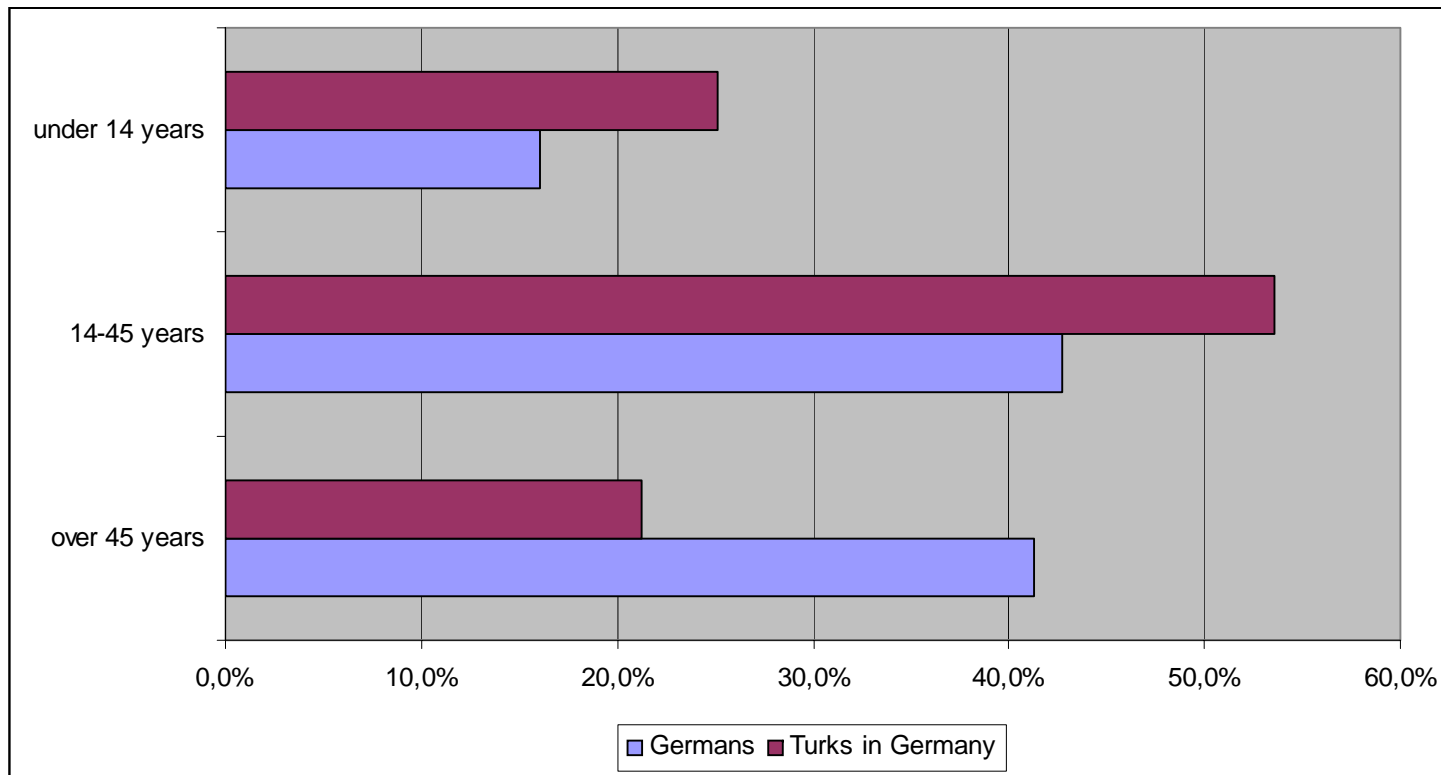


Households with 5 and more persons



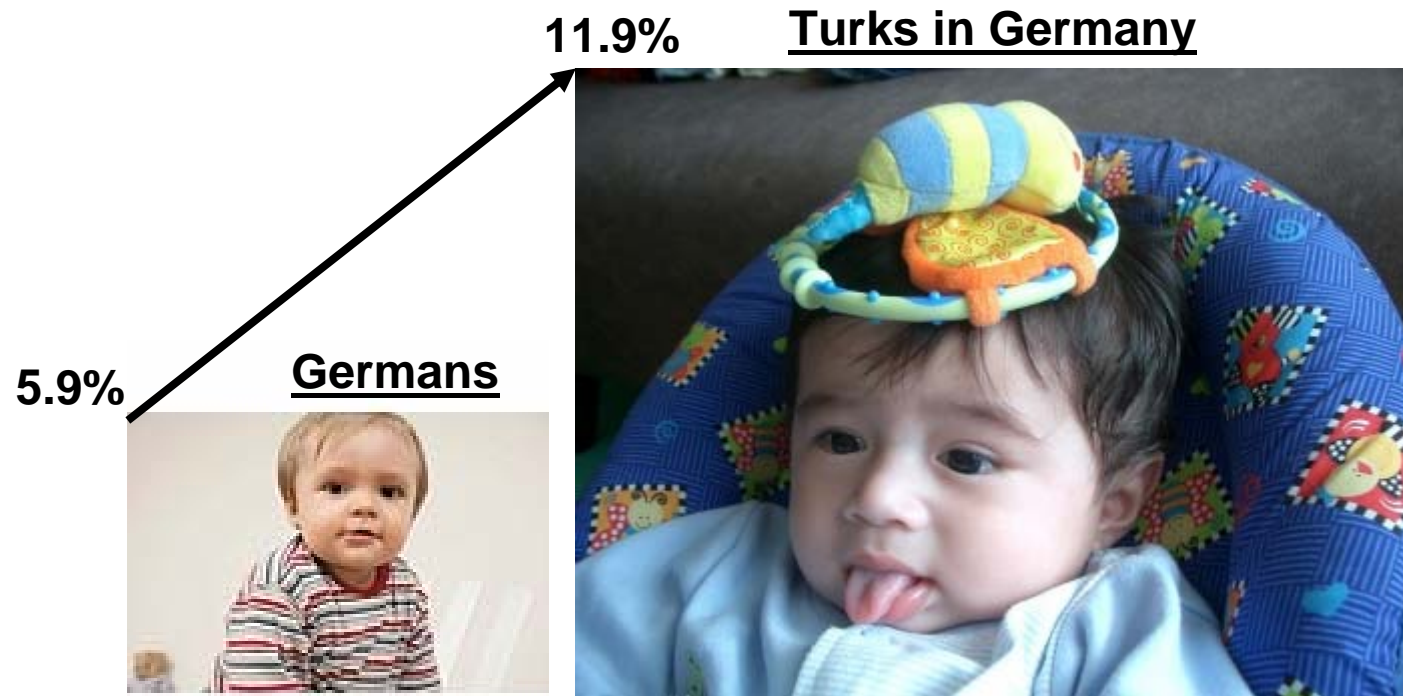


Comparison of the German Turkish and German age structures (2006)





Children less than 6 years





Three generations of Turks in Germany (TIGs)

	1. Generation	2. Generation	3. Generation
Age	> 45 years	20 - 45 years	< 20 years
Integration Level	low	high	high
German language proficiency	bad	medium	good
Education Level	low	high	high
Bonds with Turkey	close	medium	loose
Consumer Behavior	economical	critical	consumption-driven



Which communication channels should be used to reach the TIGs?

81% of TIGs read daily newspapers

67% of news papers readers prefer Turkish papers

98% of TIGs watch TV daily

40% of these watch Turkish TV channels only

53% of these predominately watch Turkish TV channels



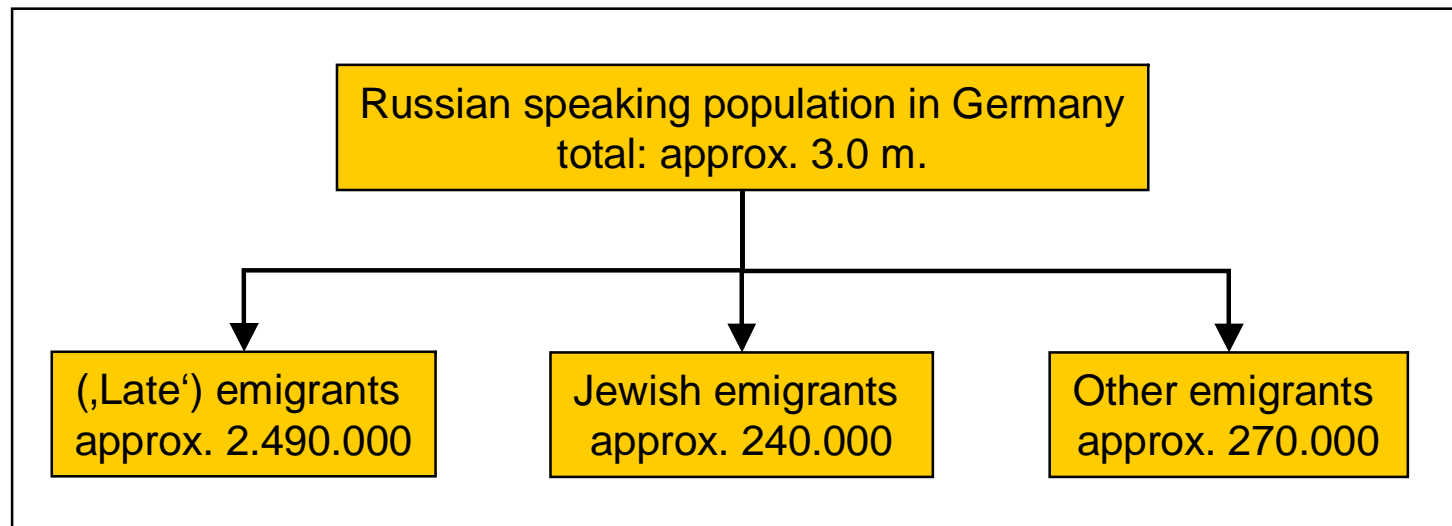
Target Group 2: Russian speaking citizens (RSCs)



Many with German citizenship but Russian culture



3.0 m. approximately



35% of RSCs in the age group 20 - 40 years



Spending power €18 billions



Which communication channels should be used to reach the RSCs?

RSCs prefer newspapers to TV

→ 40 Russian newspapers and magazines



Market Segmentation

- **Ethno Marketing** : target ethnic or cultural minorities in a country by a marketing specifically tailored to their needs.
- **Ethno marketing** : target group marketing, based on market segmentation.
- **Problem** : necessary size of a segment required for economic reasons.
- **With ethno marketing consumer profiling may represent a risk.**



Ethno Marketing Examples in Germany

- **Thomae**
- **Mercedes Benz**
- **o.tel.o**
- **Maggi**
- **Siemens**



Ethno Marketing in Germany: Opportunities and Threats

- **Ethnic minorities represent heavily growing target groups**
- **The families of ethnic minorities are larger and younger than their German counterparts**
- **Ethnic minorities demonstrate**
 - high awareness
 - susceptibility to advertising messages
 - high spending power
- **TIGs and RSCs have access to fully developed media networks**



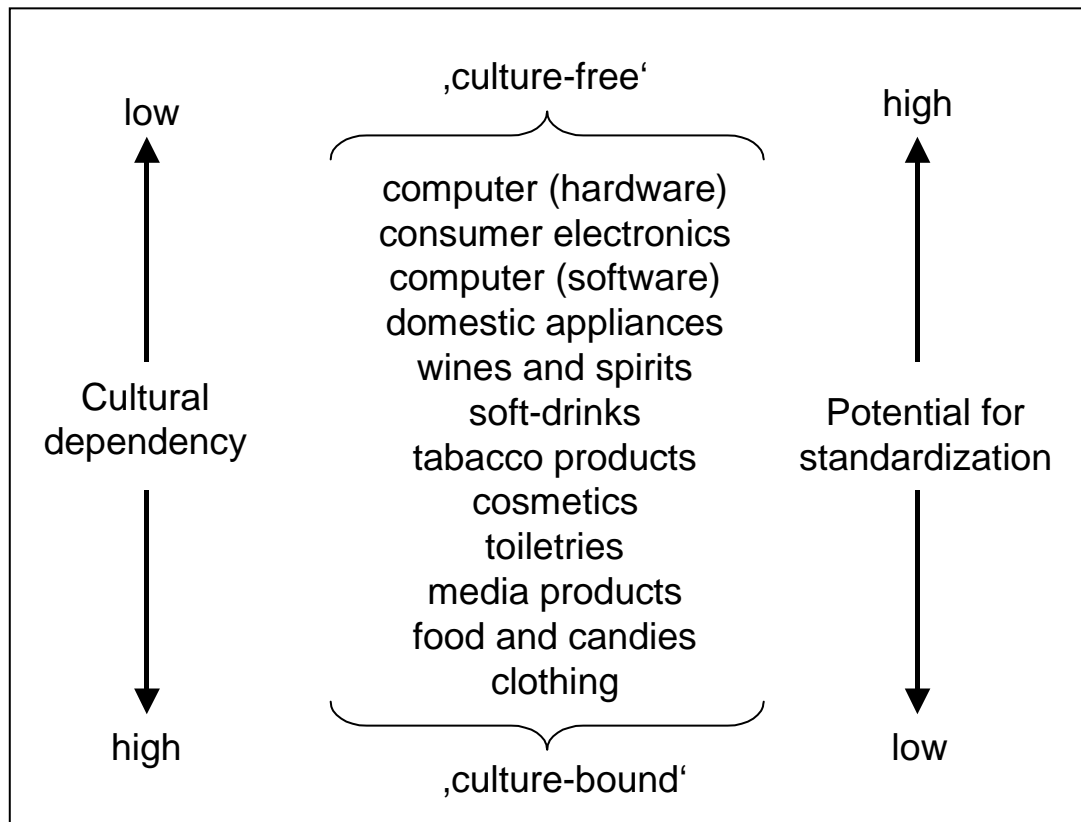
Ethno Marketing in Germany: Opportunities and Threats

- **Target groups must be sufficiently large**
- **Geographical distribution of ethnic groups in Germany**
- **Insufficient knowledge about cultural peculiarities**
- **Ethnic groups may be heterogeneous**

Some Recommendations

Product Policy

- Check cultural suitability of products and services



**Cultural
dependency
of products**

Source: Meffert and Bolz (1998)



Some Recommendations

Product Policy cont.

- **Cultural influences on brand names and design**

Brand names should

- be easily pronounceable
- have a positive meaning
- sound well

Product and packaging design

→ colors and symbols should not trigger negative associations

- **Service: Information in mother tongue**



Some Recommendations

Communication Policy

- Campaign should be tailored to the needs of the ethnic target group
→ language, symbols, colors, music
- Ads in native language shows that the company cares
- No “overloading“



Some Recommendations

Distribution Policy

- ... is especially important in the area of services, e.g. bank, insurances
→ bilingual employees
- For ethnic minorities the store where they shop is important
- Own distribution channels of ethnic minorities („ethno stores“)
- Employ shop assistants who speak the language of the ethnic target group



Some Recommendations

Pricing Policy

- Role of money in a society
- Price as a key stimulus
- Price acceptance



Thank you very much !