W|E | Brands in *Motion*

Germany | 2018

A country in motion

- Issues like Dieselgate and Facebook/Cambridge Analytica have made Germans even more conscious of data protection, data privacy and brands' ethical use of technology

- Anxieties over a post-Brexit EU are driving cynicism

- Enthusiasm for tech dampened by
  - Privacy scandals
  - Slower pace of innovation from, and adaptation of disruptive tech by, German companies
  - Delayed digitalization compared to other established markets

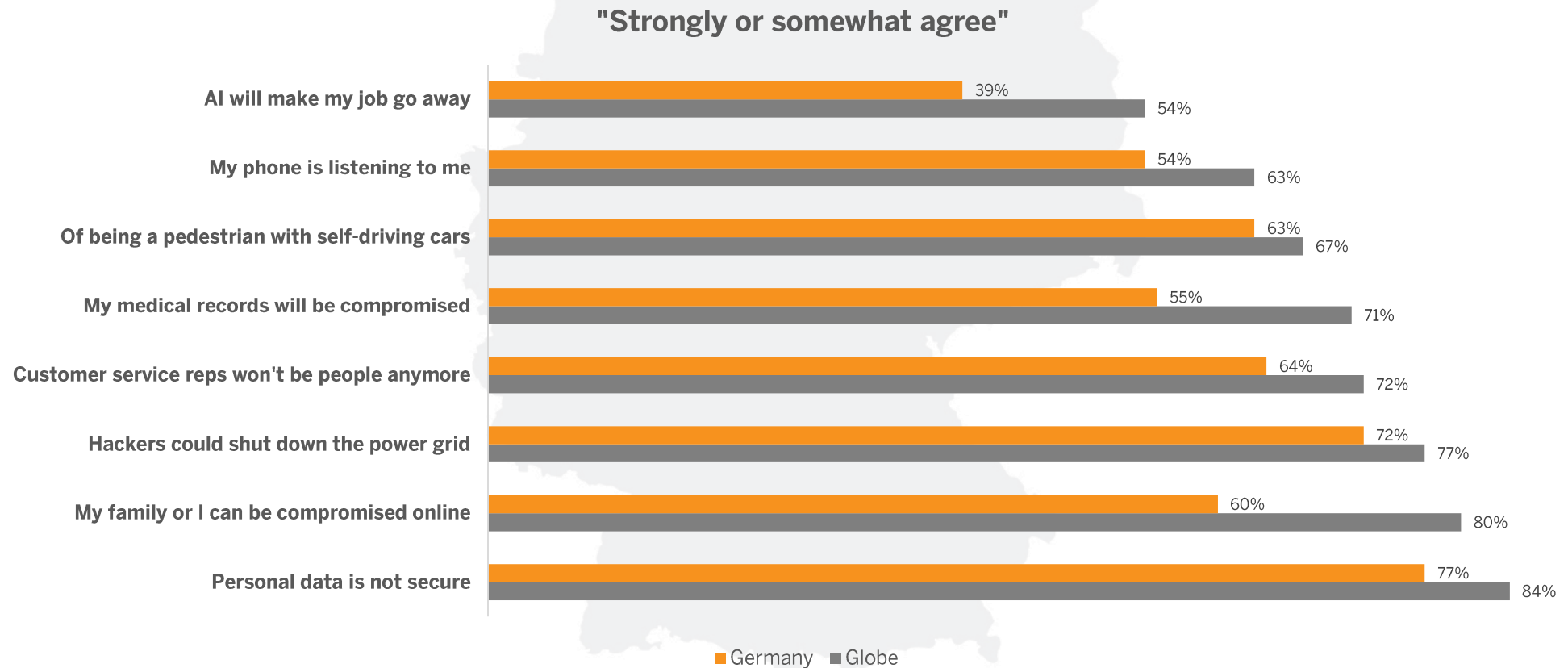# German expectations for tech lagging

German consumers aren't as optimistic as their global peers when it comes to expectations for how technology will empower brands. We asked "over the next few years, to what extent do you think technology will allow companies and their products/services to...?"

"Absolutely will"

Category	Germany	Globe
Make mistakes	40%	31%
Do more amazing things in less time	30%	48%
Provide more for less money	23%	39%
Customize my experience	24%	47%
Be more environmentally friendly/sustainable	33%	47%
Develop products and services I haven't dreamed of yet	38%	49%
Provide me the ability to touch and see products before buying them	35%	41%
Deliver an online experience to assess products and services	33%	52%

■ Germany ■ Globe

Respondents were able to choose "Absolutely," "Maybe," or "Not at all".
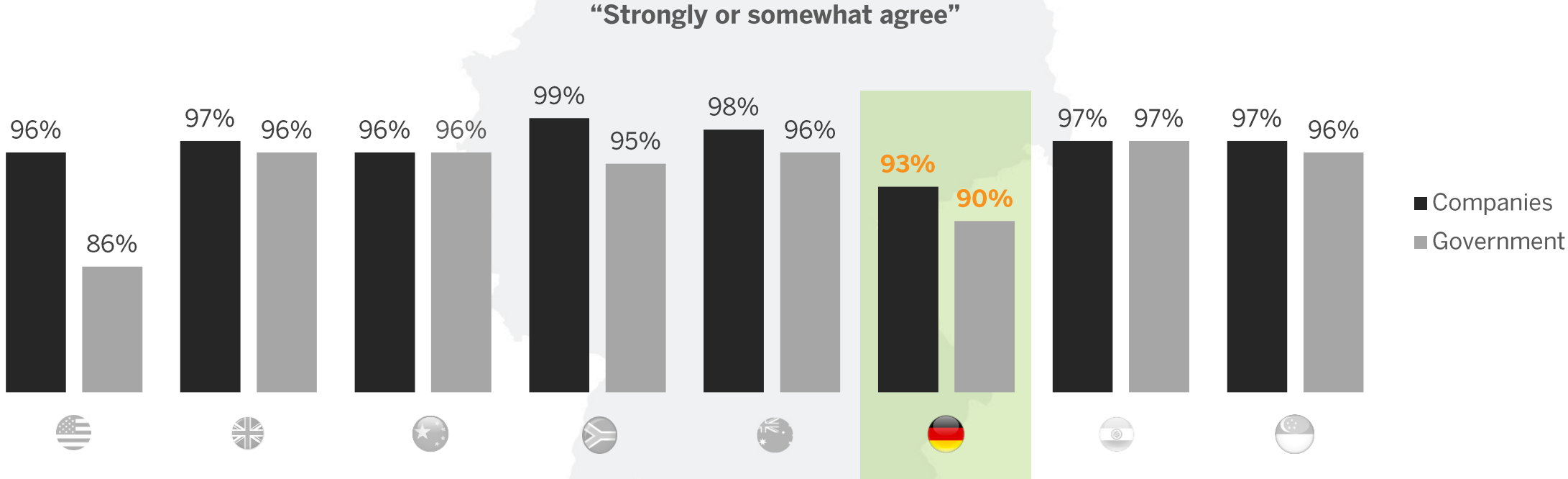
Fear of technology

Germans fear the possibilities of disruptive tech, but not as much as other markets. We asked to what extent do respondents agree they are fearful of several scenarios.

"Strongly or somewhat agree"

Scenario	Germany	Globe
AI will make my job go away	39%	54%
My phone is listening to me	54%	63%
Of being a pedestrian with self-driving cars	63%	67%
My medical records will be compromised	55%	71%
Customer service reps won't be people anymore	64%	72%
Hackers could shut down the power grid	72%	77%
My family or I can be compromised online	60%	80%
Personal data is not secure	77%	84%

■ Germany ■ Globe

Respondents were able to "Strongly agree", "Somewhat agree", "Strongly disagree" or "Somewhat disagree".

Innovation meets ethics

We asked to what extent respondents agree that companies have a responsibility to use technology ethically, and to what extent the government has a responsibility to ensure companies use technology ethically.

"Strongly or somewhat agree"

	USA	UK	China	South Africa	Australia	Germany	India	Singapore
Companies	96%	97%	96%	99%	98%	93%	97%	97%
Government	86%	96%	96%	95%	96%	90%	97%	96%

■ Companies
■ Government

2017 realities: Truer than ever

REALITY #1

Stability is an element of motion

REALITY #2

Cutting-edge is transcendent

REALITY #3

Good product, good purpose

REALITY #4

Love you today, shame you tomorrow

Reality 1: Stability is an element of motion

Can brands provide stability?

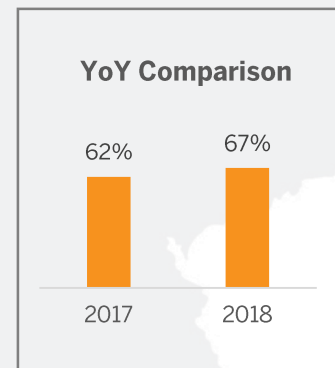We asked "in a climate of uncertainty, do brands/businesses have the capability to provide stability?"

YoY Comparison

38%	39%
2017	2018

50% 42% 69% 65% 50% 39% 59% 56%
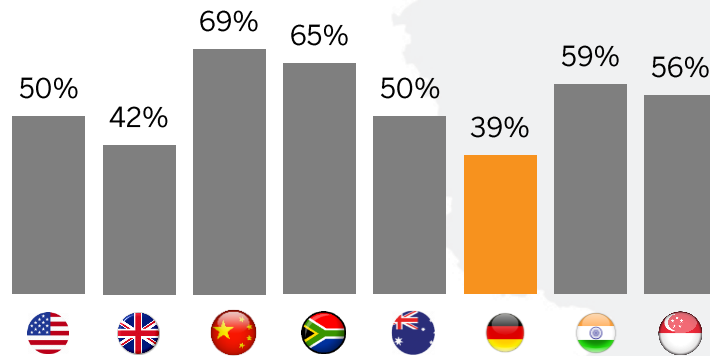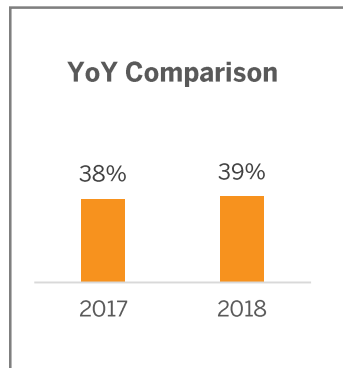
39% of respondents believe brands can.

Should brands take a stand?

We asked "How much do you agree with the statement 'I expect brands to take a stand on important issues.'"

YoY Comparison

62%	67%
2017	2018

55% 68% 85% 87% 72% 67% 86% 76%
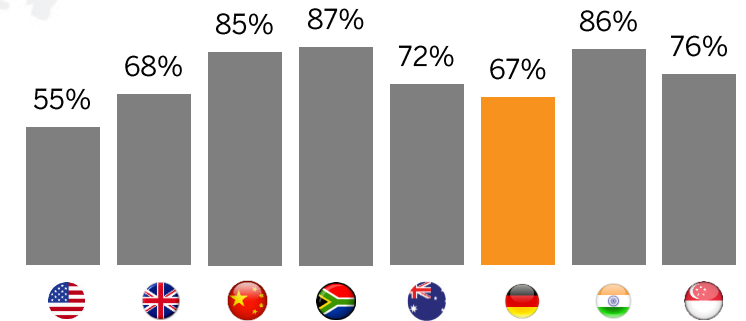
67% of respondents have an expectation.
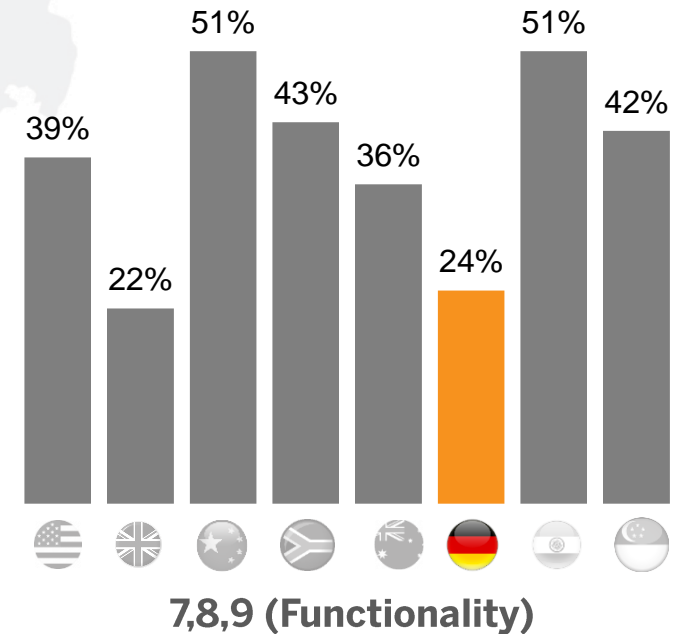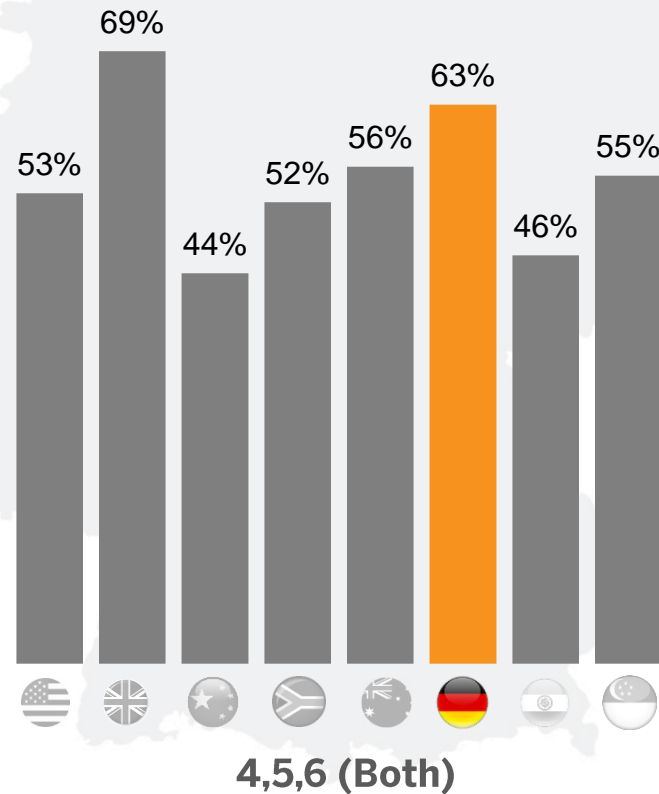
(agree or somewhat agree)

Reality 2: Cutting-edge is transcendent

Being viewed as cutting edge, whether enabled by technology or inspired by it, leads to positive brand outcomes in areas that transcend product. In Germany, the correlations were slightly weaker year-over-year.

How they correlate with innovation

	Common good OR Does harm		It's a pleasure OR Completely miserable		Love OR Hate	
🇺🇸		0.63		0.61		0.67
🇬🇧		0.59		0.57		0.61
		0.65		0.69		0.69
		0.52		0.61		0.62
		0.63		0.64		0.68
🇩🇪	2017 0.5	**0.52**	2017 0.6	**0.54**	2017 0.6	**0.58**
	4	0.56	1	0.64	1	0.62
		0.62		0.69		0.68

Reality 3: Good product, good purpose

We asked the question "Are you more likely to support a brand that has a high level of purpose or a high level of functionality?"

Germany - YoY Comparison

	Purpose	Both	Functionality
2017	4%	74%	21%
2018	13%	63%	24%

■ 2017 ■ 2018

1,2,3 (Purpose)
9% 9% 5% 4% 7% 13% 3% 3%

4,5,6 (Both)
53% 69% 44% 52% 56% 63% 46% 55%

7,8,9 (Functionality)
39% 22% 51% 43% 36% 24% 51% 42%
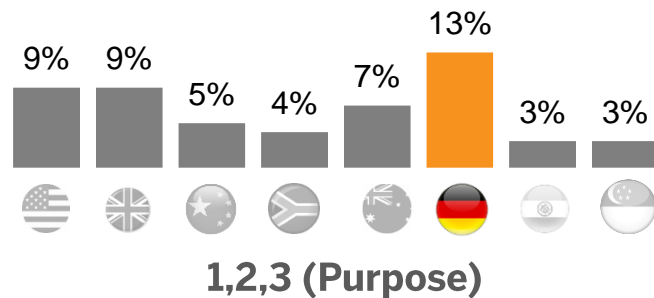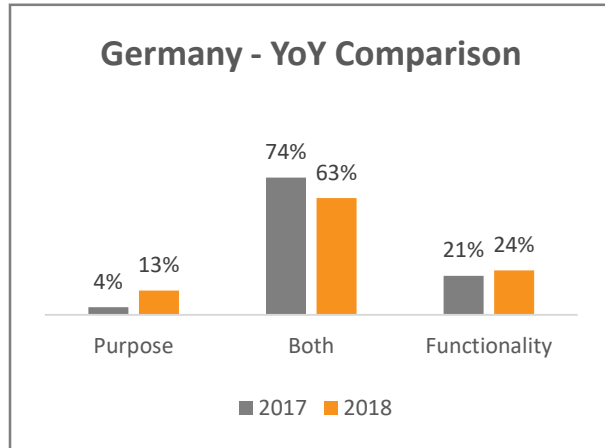
Reality 4: Love you today, shame you tomorrow

No matter how much consumers say they love a brand, or a category, if they step out of line they will gladly shame them. (6 of 6 categories would be shamed in Germany.)
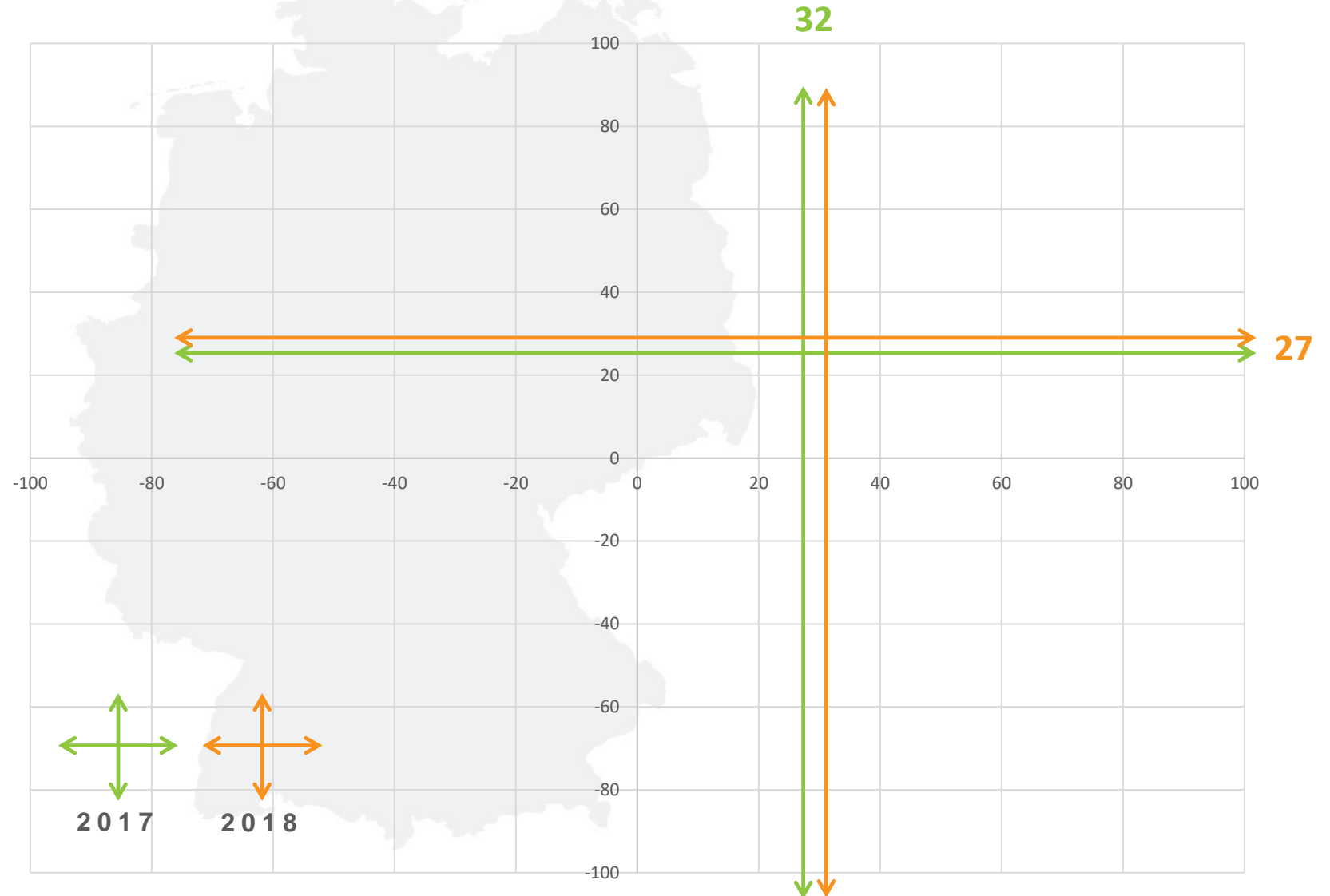
DEFEND VS. SHAME

Motion Matrix: Understanding the axis points

In Germany, average emotional responses are up 2 and average rational responses are up 6 year-over-year, indicating that the need for reason is outpacing the need to feel emotionally connected to a brand or industry.

Category	2017 Emotional	Rational
Computing Devices	34	35
Smart Home	23	22
Automobile	23	24
Health and Wellness	18	18
Technology B2B	32	33
Healthcare Solutions for Business	20	25
MATRIX AXIS POINTS (AVERAGE)	25	26

Category	2018 Emotional	Rational
Computing Devices	33	34
Smart Home	33	31
Automobile	16	24
Health and Wellness	24	35
Technology B2B	32	32
Prescription Health	22	35
MATRIX AXIS POINTS (AVERAGE)	27	32

32

27

2017   2018

Motion Matrix: Year-over-year comparison

2017

Provider

Mover

Healthcare
Solutions for
Business

Computing
Devices

Technology B2B

Automobile

Emotional Axis (25)

Health and
Wellness

Smart Home

Defender

Agitator

Rational Axis (26)

2018

Provider

Mover

Technology
B2B

Health and
Wellness

Computing Devices

Prescription
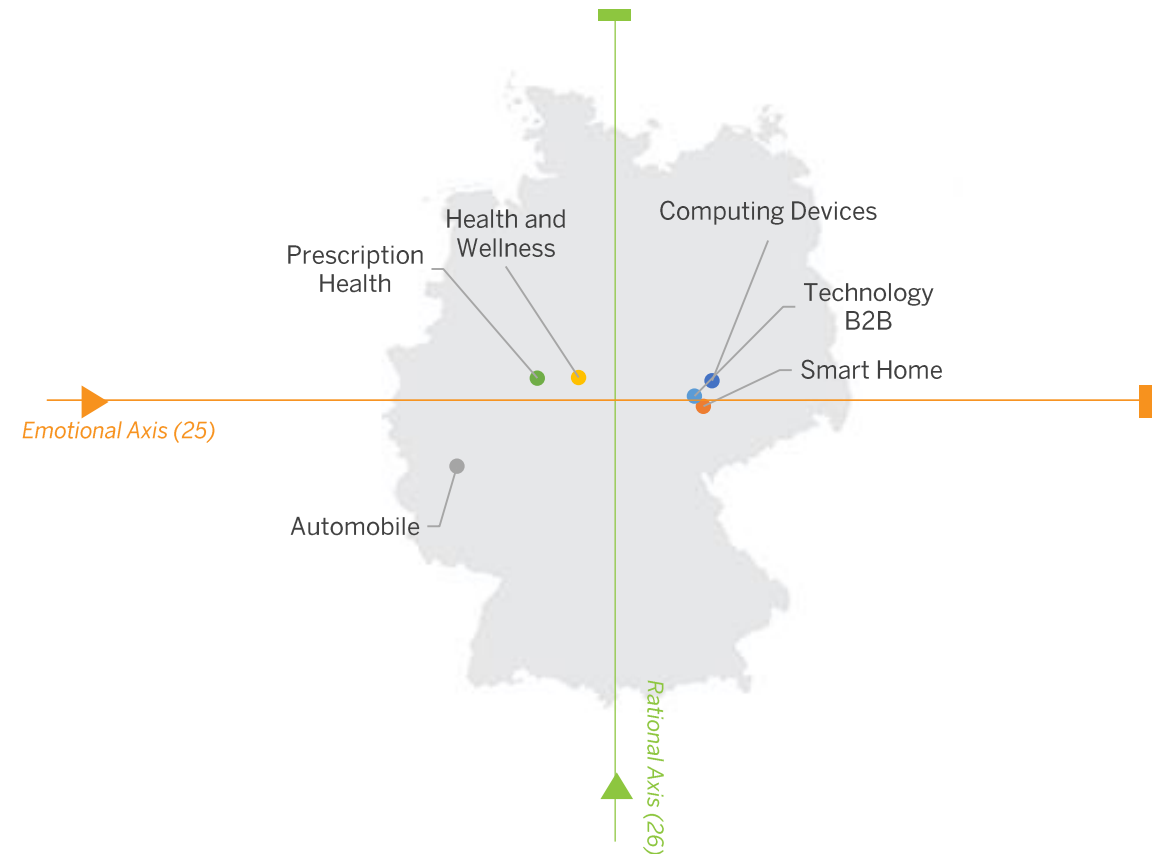Health

Smart Home

Emotional Axis (27)

Automobile

Defender

Agitator

Rational Axis (32)

Motion Matrix: Key observations

With both rational and emotional averages up year-over-year, it's harder to be a mover in Germany in 2018.

- **Automotive** saw large decreases in emotional scores due to Dieselgate and its fallout.

- **Tech B2B** and **computing devices** are still movers, but they've both fallen within the quadrant—tech B2B is sitting right on the emotional line, in fact, just a fraction of a point away from being an agitator. This is likely due to fears over privacy and data security and a slower pace of innovation.

- **Smart home** saw the largest increases in both rational and emotional drivers. It jumped from the defender quadrant to agitator, indicating that it's close to proving its staying power in Germany.

Emotional Axis (25)

Rational Axis (26)

Prescription Health

Health and Wellness

Computing Devices

Technology B2B

Smart Home

Automobile

APPENDIX

ABOUT BRANDS IN MOTION

8 MARKETS
CHINA, UK, US, SOUTH AFRICA, GERMANY, AUSTRALIA, SINGAPORE*, INDIA*

26,897 consumers and B2B decision makers

WE | Brands in *Motion*

2018 STUDY

8 CATEGORIES

1. Business Technology Solutions
2. Computing Devices
3. Smart Home
4. Automobile
5. Finance and/or Banking Products
6. Health & Wellness
7. Prescription Health*
8. Food & Beverage*

What WE Measured

RATIONAL DRIVERS

1. Executive behavior*
2. Innovative*
3. Intent to purchase*
4. Necessary*
5. Financial performance
6. Industry leader
7. Quality
8. Responsible
9. Value
10. Easy to work with

EMOTIONAL DRIVERS

1. Customer experience*
2. Defend or shame*
3. Disappeared*
4. Love/hate*
5. Overall impression*
6. Social impact*
7. Buzz
8. Forgive/not forget
9. Life impact
10. Shared values

* Measured at the category level
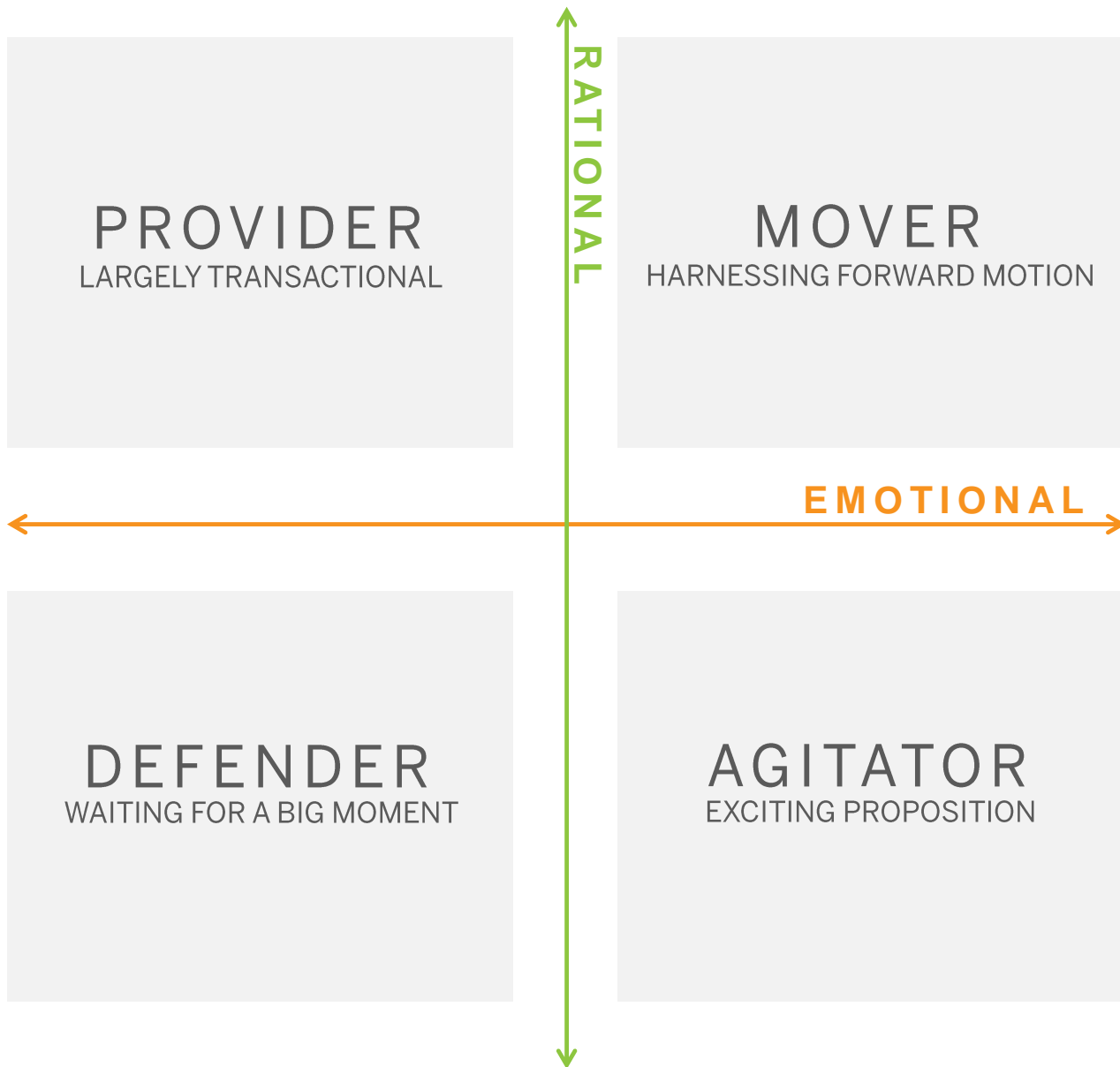
Defining the Quadrants

MOTION MATRIX QUADRANTS

1. Movers: Harnessing forward motion
2. Agitators: Exciting proposition
3. Providers: Largely transactional
4. Defenders: Waiting for a big moment