



## Country of traditions.

An era is drawing to a close in soccer-crazy Spain: The name of a sponsor will soon be emblazoned for the first time on the shirts of the top Spanish club FC Barcelona. Of course, it is obvious that this change is met with split opinions in tradition-conscious Spain.

**Barca looks ahead.** For the first time in its 105-year history, the traditional Spanish club FC Barcelona is set to take to the pitch with advertising on its shirts and will make huge amounts of money. The sponsor and contractual partner could be the Chinese government, which wants to advertise for the 2008 Olympic Games and for China as a holiday destination. Barca will secure billions in revenue in the coming years because of this decision. With an offer like that, who could resist any longer?

**FC Catalonia.** Up to now, FC Barcelona had always refused to advertise on its shirts out of tradition and Catalanian regional pride, as did the top Italian club AC Milan for a many years. The only other team in Spain willing to afford this luxury is the Basque club Atletico Bilbao.



**Did you know?** Over 50 million people visited Spain in 2003, making tourism the most important source of revenue for its economy. The country is currently the world's most popular holiday destination after France.

# 1. Facts + Figures



## The autonomous regions of Spain



- |                          |                       |                         |
|--------------------------|-----------------------|-------------------------|
| 1 Galicia                | 7 Aragón              | 13 Comunidad Valenciana |
| 2 Principado de Asturias | 8 Catalonia           | 14 Andalucía            |
| 3 Cantabria              | 9 Castilla y León     | 15 Región de Murcia     |
| 4 País Vasco             | 10 Extremadura        | 16 Balearic Islands     |
| 5 Navarra                | 11 Castilla-La Mancha | 17 Canary Islands       |
| 6 La Rioja               | 12 Madrid             |                         |

## Demographic data

Area	504,782 square kilometers
Population	42.9 million
Number of households	14.2 million
Average household size	2.9 persons
Number of internet connections	3.5 million
Major cities/metropolitan areas (residents)	Madrid (3,016,788), Barcelona (1,527,190), Valencia (791,871), Seville (704,114), Saragossa (620,419), Malaga (535,686)
Age 0-14 (population)	6.2 million
Age 15-64 (population)	29.7 million
Age 65 and up (population)	7.2 million

(Source: Fischer Weltalmanach 2005, Bundesagentur für Außenwirtschaft 2005)

## 2. Economic data



### Current business climate

**Spain's economy is buoyant:** It demonstrated its dynamism again in 2005 with a 2.9% rise in GDP. Prospects were also favorable as of the spring of 2005, with a boost expected to begin in the 2<sup>nd</sup> half of the year in particular. The investment climate has changed significantly in the past months and strong domestic demand from investment is anticipated in the next two years.

**Private consumption forecast:** Consumption is expected to rise 3.1 % in 2005 and by a further 3 % in 2006.

(Source: Bundesagentur für Außenwirtschaft 2005)

Number of businesses	2.9 million
Economic growth	Real growth of 2.6% in GDP (over previous year)
Gross Domestic Product	GDP per capita: US \$23,627 (in terms of purchasing power parity)
Unemployment rate	10.8%
Sales tax	16%
Inflation rate	3.1%

(Source: Bundesagentur für Außenwirtschaft 2005)

### Imports and exports



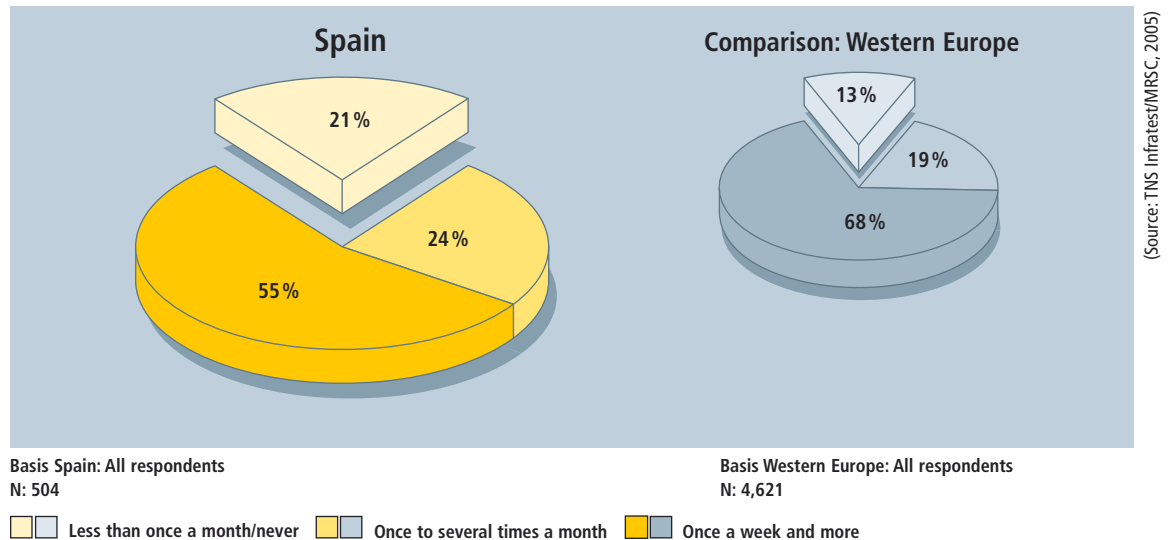
(Source: Bundesagentur für Außenwirtschaft 2005)

### 3. Direct marketing trends (1)



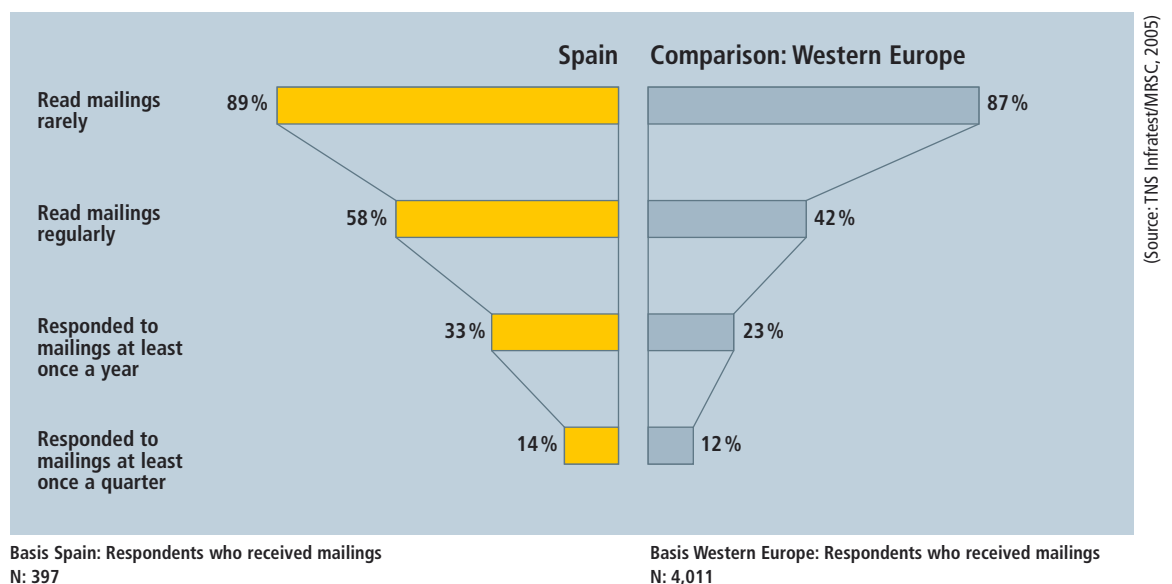
#### Receipt of mailings

More than half of all Spanish surveyed (55%) receive direct mail at least once a week, above the average for Western Europe. 21% state they almost never receive mailings.



#### Response to mailings

The Spanish surveyed who read mailings – a pleasing 58% do so regularly – respond to them more often than their neighbors in Western Europe: 33% at least once a year (Western Europe: 23%) and 14% more frequently (Western Europe: 12%).

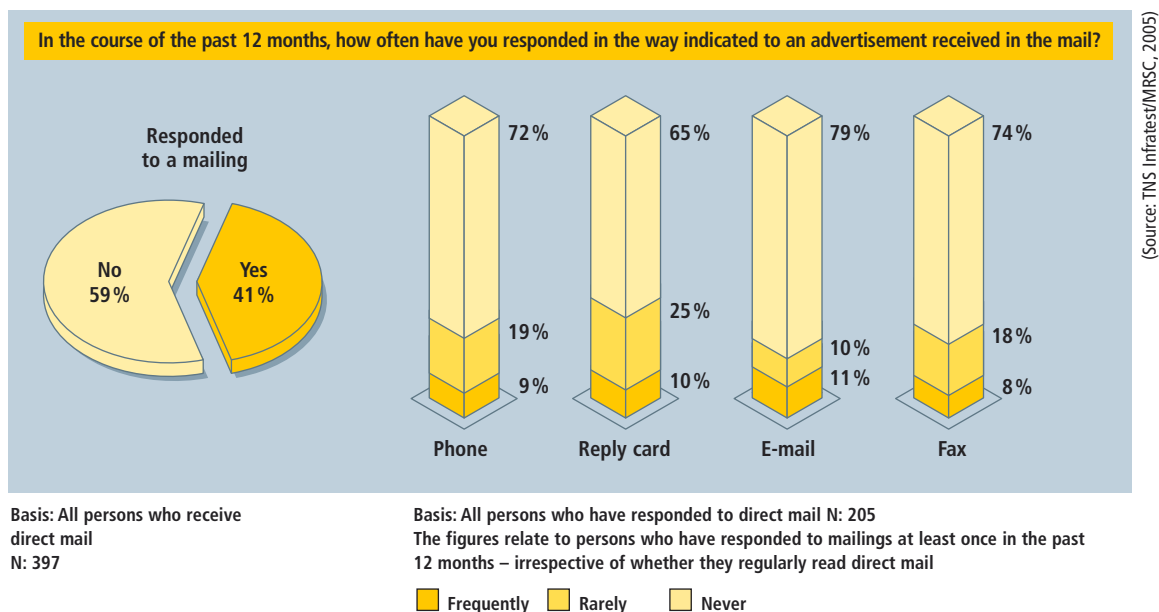




## 3. Direct marketing trends (2)

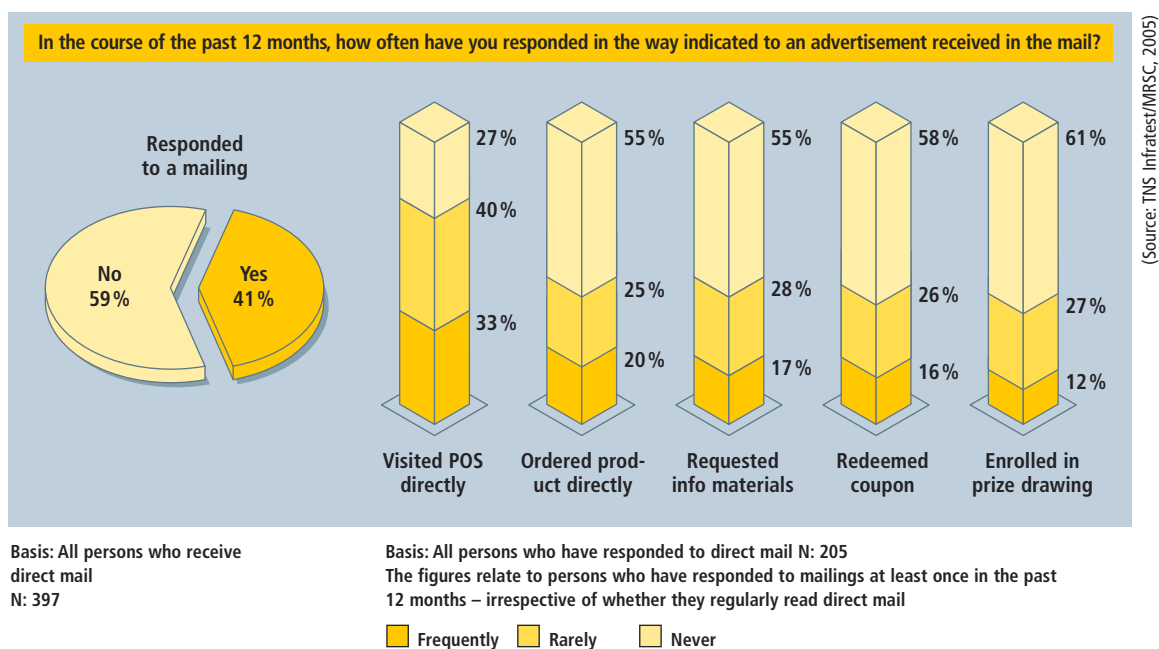
### Response channels

41 % of Spanish surveyed responded to direct mail last year. Most of them (35 %) prefer to respond using the reply card. E-mail (21 %) still trails the fax (26 %).



### Concrete response behavior

Of the 41 % who respond to mailings, a 73 % majority check out the advertised product at the POS, while 45 % order it directly or first request info materials. Coupons (42 %) and prize drawings (39 %) are also popular.

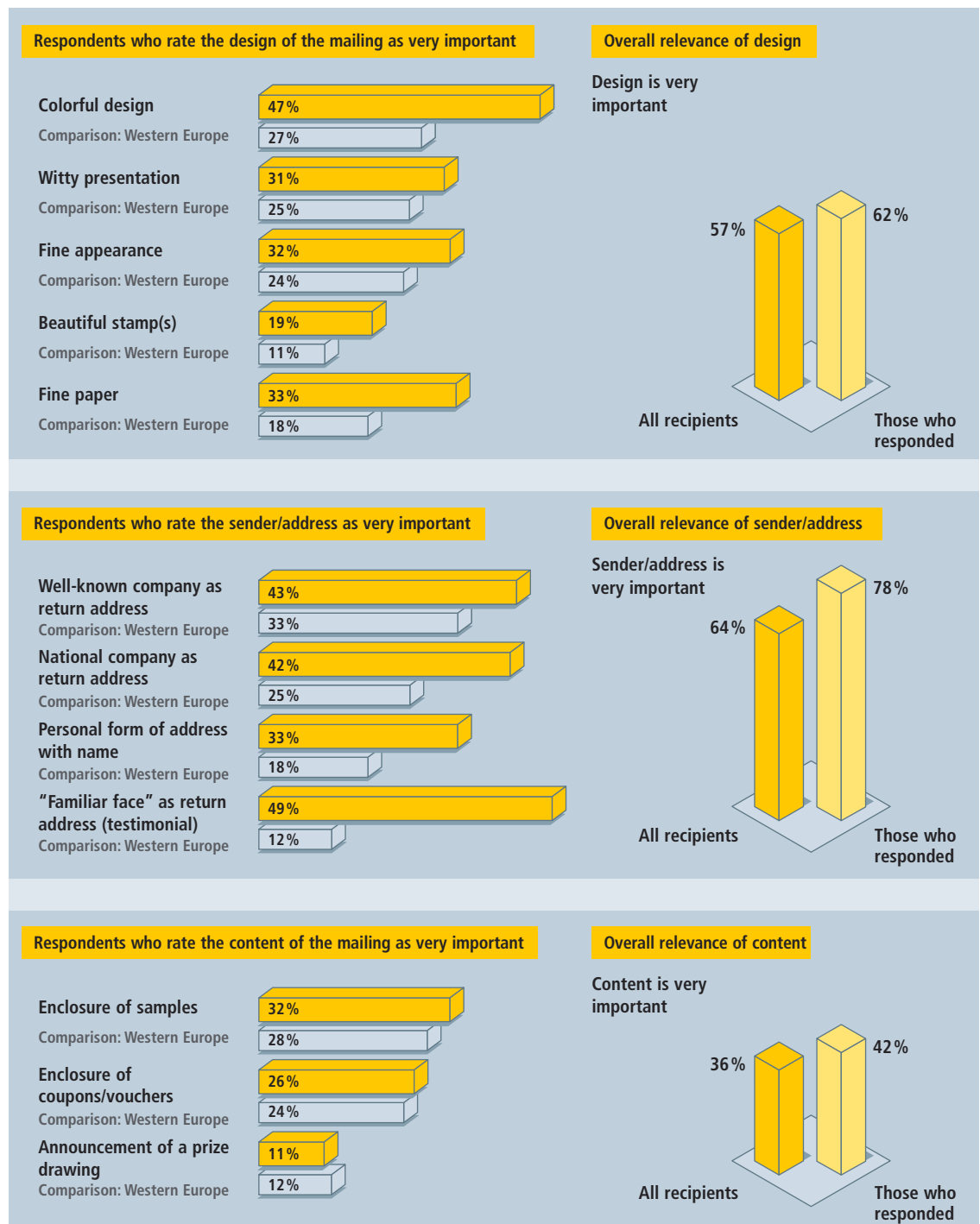


### 3. Direct marketing trends (3)



#### Relevance of design, sender/address and content

You can score points with Spanish consumers by means of the right sender and a suitable form of address – top priorities for 78% of respondents. A well-known testimonial persuades 49%, compared with an average of 12% in Western Europe. Design is also important to most Spanish (62% of respondents): A colorful mailing (47%) goes over far better with them compared with their neighbors (27%).



(Source: TNS Infratest/MRSC, 2005)

Basis Spain: Respondents who received mailings  
N: 397

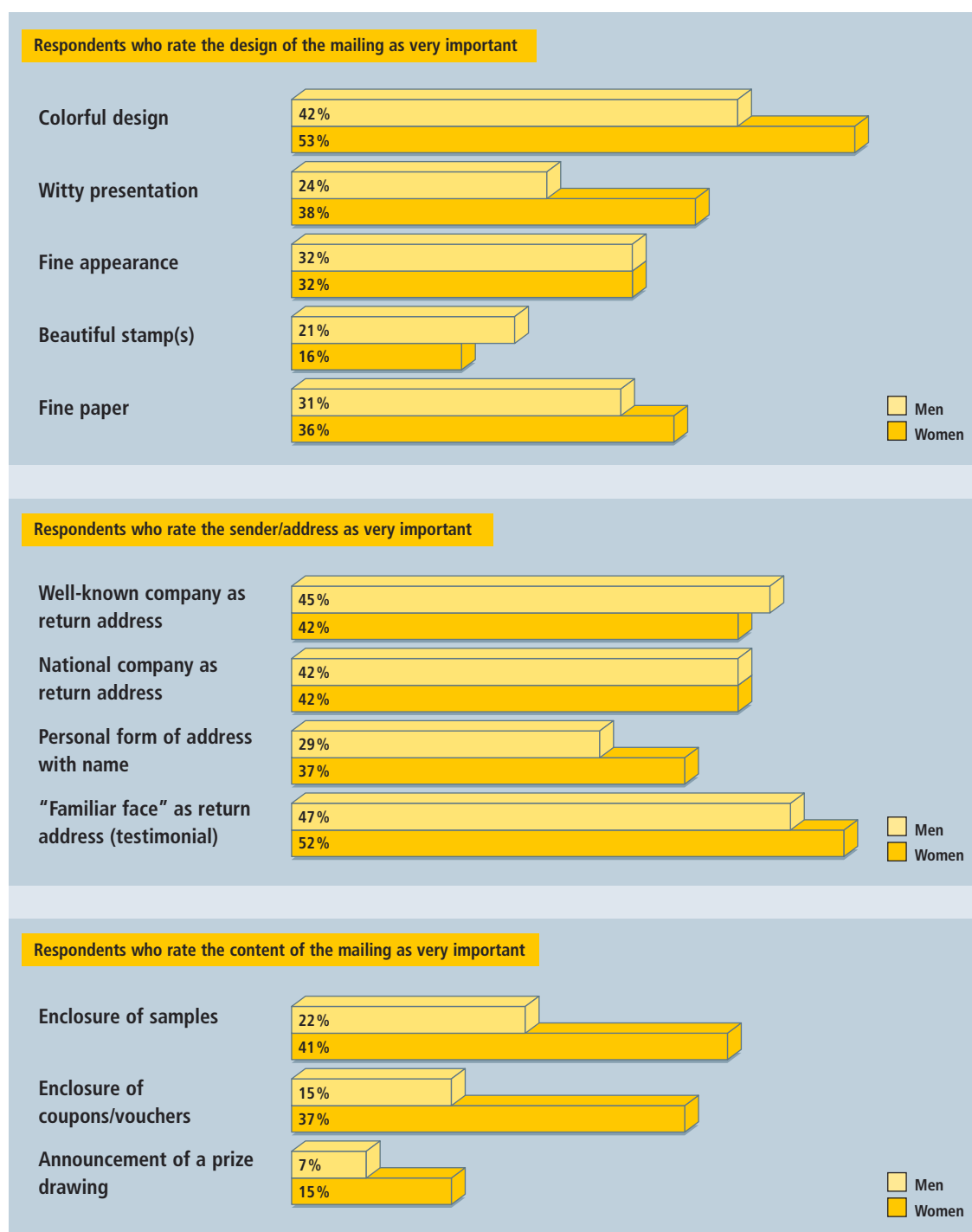
Basis Western Europe: Respondents who received mailings  
N: 4,011



### 3. Direct marketing trends (4)

#### Women vs. men: Relevance of design, sender/address and content

More than half of all Spanish women surveyed (53%) attach importance to the mailing's design, a figure that is 42% among men, who like bright colors. The sender and form of address are important to both target groups; a testimonial is valued by 52% of the female and 47% of the male target group. Female Spanish consumers can be enticed above all with samples (41%) and coupons (37%).



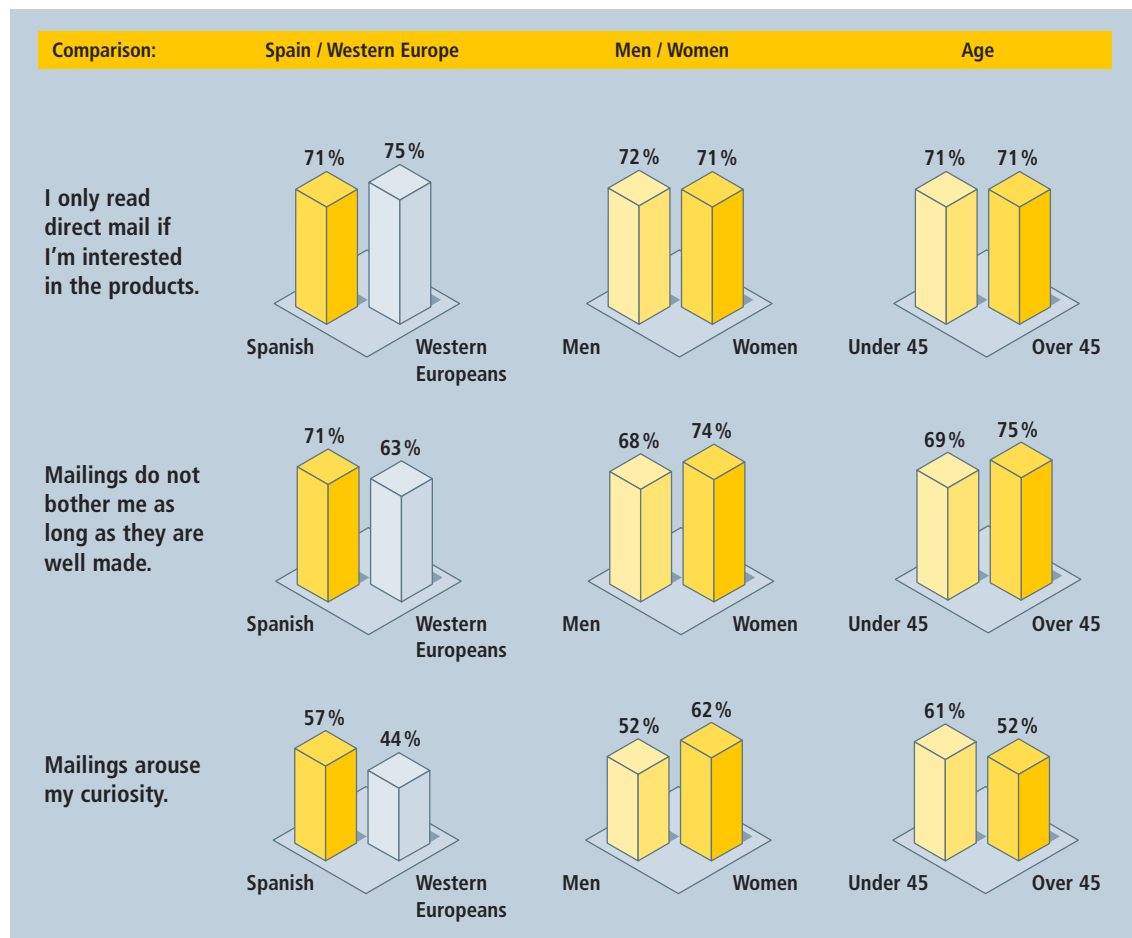
Basis: Respondents who received mailings  
N: 397



### 3. Direct marketing trends (5)

#### Attitude to mailings

71 % of Spanish consumers find a mailing's esthetics very important. The figure among the female target group is 74%, reaching 75% among the over-45s. That means the Spanish attach greater value to design than their neighbors in Western Europe. They are also curious about mailings – in particular women (62%) and younger consumers (61%).



Basis Spain: All respondents  
N: 504

Basis Western Europe: All respondents  
N: 4,621

(Source: TNS Infratest/MRSC, 2005)

### 3. Direct marketing trends (6)



#### Advertising media affinity

Overall, the Spanish have a greater affinity for advertising media than the average for Western Europe: For example, mailing meets with greater approval when it comes to informational content (16%) and entertainment value (16%). TV advertising also has an above-average following in Spain.



(Source: TNS Infratest/MRC, 2005)

Basis Spain: All respondents  
N: 504

■ Spain

Basis Western Europe: All respondents  
N: 4,621

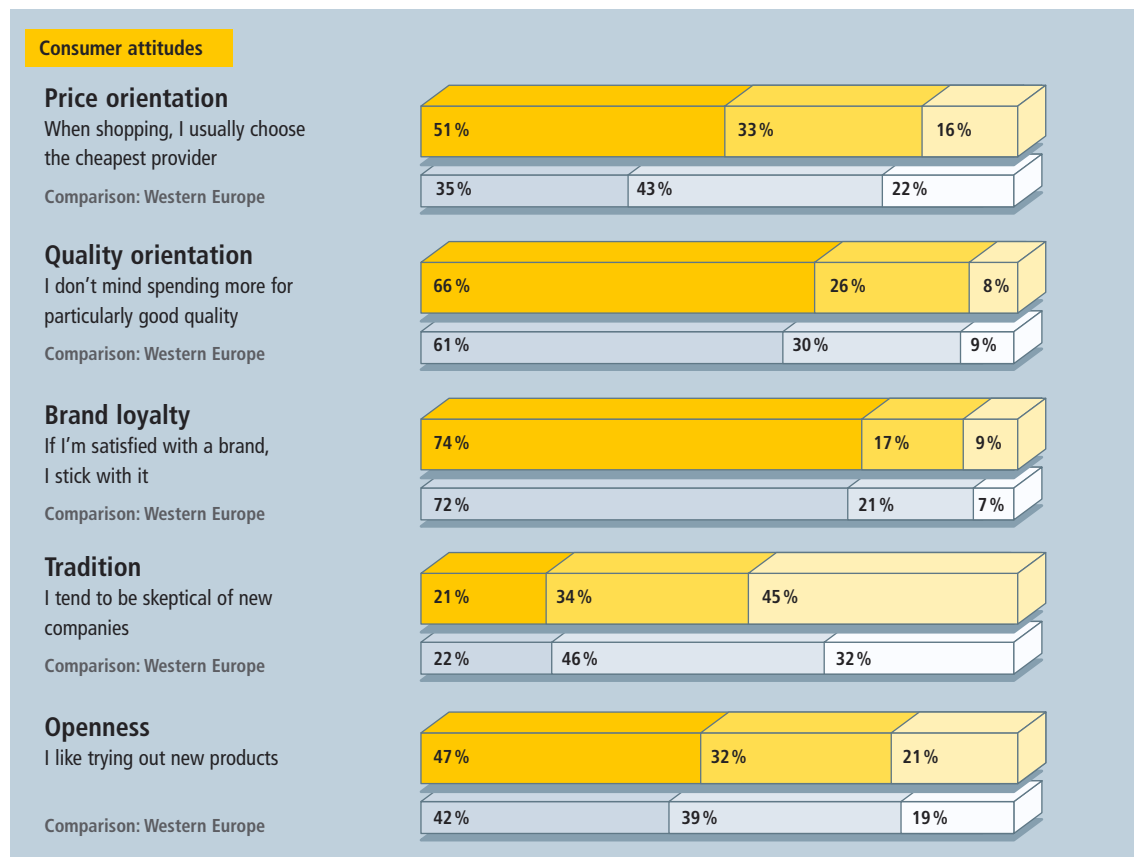
■ Comparison: Western Europe

# 4. Consumer trends

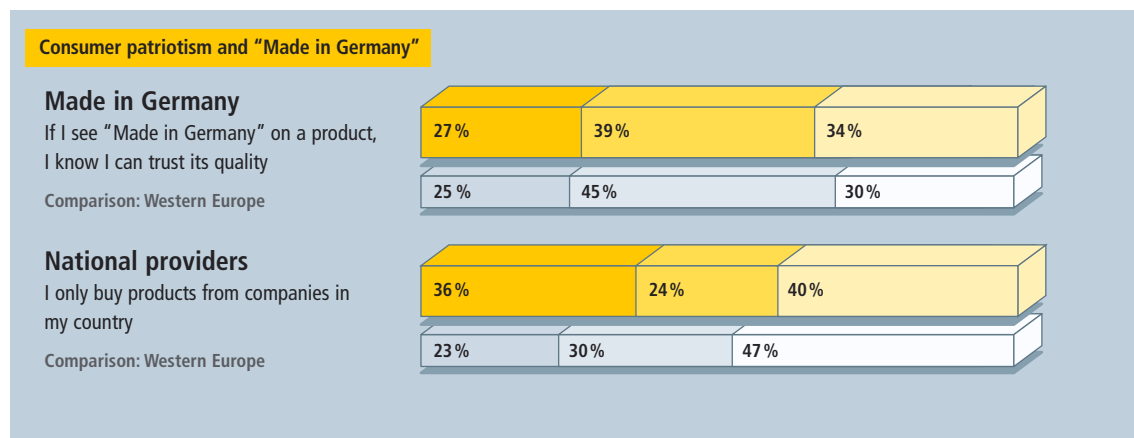


## General attitude towards purchasing

The brand (74%) and quality (66%) decisively shape the behavior of Spanish consumers. Price (51%) plays a greater role than among their Western European neighbors (35%). However, new providers also have good opportunities: Almost half of those surveyed (47%) like trying out new products, despite the fact that consumer patriotism (36%) is more prevalent than in the rest of Western Europe (23%).



(Source: TNS Infratest/MRSC, 2005)



Basis Spain: All respondents  
N: 504

Basis Western Europe: All respondents  
N: 4,621

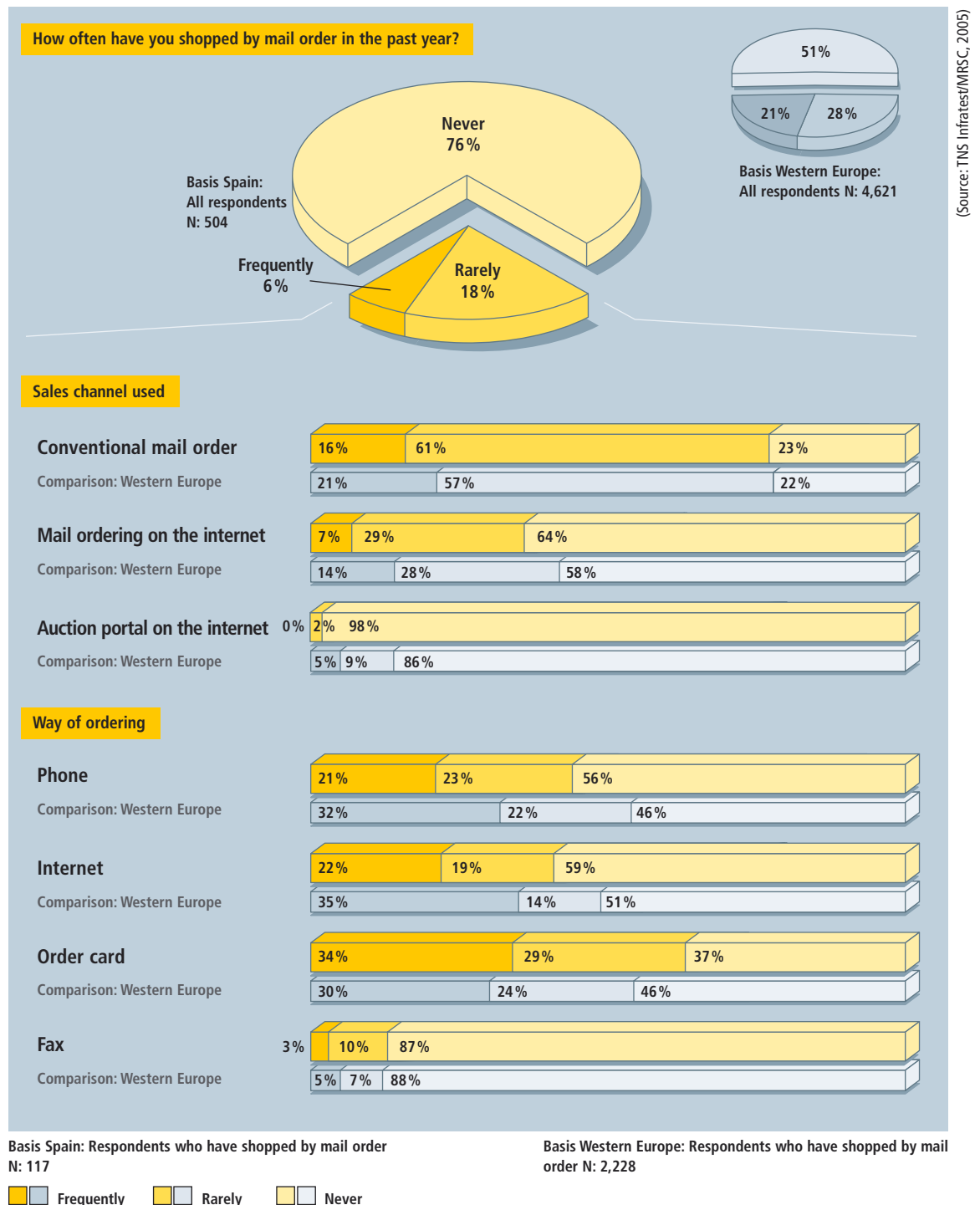
■ ■ Applies to me   
 ■ ■ Indifferent   
 ■ ■ Does not apply to me



## 5. Mail order affinity

### Buying and ordering behavior

Compared with Western Europe, far fewer Spanish shop by mail order: Only 6% frequently (Western Europe: 21%) and 76% never (Western Europe: 51%). 77% of users prefer conventional mail order. The most popular way of ordering is the reply card (63%).





## 6. What the experts say

Spain's consumers are open to advertising media in general and online measures in particular. Combined use of different tools is growing in popularity.

### Marketing trends and tonalities

**Spain goes online.** The Spanish tend to have a great affinity for advertising media, and especially TV spots. Increasingly, companies are beginning to display their web address on screen, as a means of enticing more and more consumers to use the internet as a response channel. "Drive to the Web" appears to be very popular, especially among the young target group, and offers immense growth potential for the future.

### Target groups in focus

**Consumers are welcome.** Since the online arena specifically is booming, the target group that is coming under increasing focus is pretty young. In addition, immigrants to Spain are now being discovered as consumers, which should come as no surprise given that Spain – once a country from which people emigrated – has watched over the largest period of immigration in its history in recent years: Nearly 800,000 foreigners illegally working in Spain have been able to obtain official residence permits.

### Direct marketing in Spain

**Direct goes online.** Spain's consumers are open to mailings – at least if they are interesting and consumer-friendly and reflect the preferences of the target group. Interplay between online and direct mailings is in particular demand: A young recipient of a mailing is more likely to respond via the internet than using the traditional reply card.

### Topical news

**Farewell to the siesta.** The net hours worked by the Spanish still top the European league: 38 to 40 hours a week and just 20 days of vacation. However, actual productivity suffers from the extended midday break: Between two and five o'clock, economic life takes a timeout and holds a siesta. The Spanish Commission on Working Hours now aims to put an end to this "anachronistic" daily rhythm.

(Source: Expert opinion from Spain)

¡Buenos días! Hello!

¿Cómo está usted? How are you?

¡Gracias! Thank you!

¡De nada! You are welcome!

¡Adiós! Goodbye!



**Tip:** A presentation or seminar for Spanish business partners should not be cluttered with data and facts. In general, a likeable manner is more important than perfect execution.