

SUSTAINABILITY IN TECHNOLOGY – GERMANY – 2023

As Germans are particularly willing to pay more for sustainability-related smartphone factors that can extend the device's life, longevity is a way for brands to position devices as investments good for the planet and people's wallets.



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Sustainability In Technology - Germany - 2023

This report looks at the following areas:

- German consumers' uptake and interest in sustainability-related activities involving technology, including using apps to keep track of their carbon footprint and buying refurbished devices
- Barriers to buying refurbished devices
- Sustainability-related smartphone factors consumers are most willing to pay more for
- Associations with technology brands, including 'sustainable', 'trustworthy' and 'overpriced'
- Attitudes regarding sustainability in technology, including the trustworthiness of tech brands' sustainability claims

Overview

While **69% of Germans** want tech brands to develop more 'green' products, their willingness to pay more for the various eco-related device factors varies.

Germans are **by far most willing to pay more for sustainability-related smartphone factors that can extend the device's life**, such as being made to be long-lasting (**55%**) or easy to repair (**45%**). **Underpinning longevity is thus a great way for brands to meet consumer demand**, with the potential to move them to opt for higher-priced devices. Brands can highlight the robust design of their smartphones or offer extended warranties.



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49% of Germans aged 16-24 say that showing that you care about the environment makes you look good (vs 25% of over-65s), clearly highlighting the power a green image can have for brands. **Turning a brand into a tool for younger consumers to 'look green'**, for example by shaping a green image or by offering special-edition accessories, **can** give an edge over the competition.

60% of Germans find it hard to trust tech companies' sustainability claims, making **trust a key prerequisite for brands to effectively 'go green'**. Brands can communicate challenges, explain why devices are only partially made out of recycled materials, or provide proof of eco ambitions through documentary-style videos on YouTube (eg as in the case of Samsung).

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Report Content

EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview
- The five-year outlook for sustainability in technology

Market context

- EU pushes for more sustainability in tech
- Sustainable lifestyles are here to stay
- Germans want more 'green tech' – but not at any cost

Opportunities

- Resonate with consumers via eco factors that also offer value in return
 - Graph 1: factors most willing to pay more for when buying a smartphone, ranked 1 to 3 (any rank), 2022
- Use longevity for 'green premiumisation'
- Huge potential for digital eco assistance in Germany
- Help consumers with sustainable grocery shopping
- Turn your brand into a 'green signal' for younger consumers
- Quick download resources

MARKET DRIVERS

The German economy

- The cost of living crisis is holding back post-COVID-19 recovery
 - Graph 2: key economic data, in real terms, 2019-24
- Inflation continues to be the key concern in 2023 for consumers, brands and the economy...
- ...impacting financial wellbeing and consumer expenditure

Impact of the economy on technology

- Inflation could widen the income-ownership gap with tech devices
 - Graph 3: technology devices personally owned, by net monthly household income, 2022
 - Graph 4: technology devices in the household, by net monthly household income, 2022
- Address Germans' prioritisation of value
- Apple advertises the robustness of its Apple Watch 7

Sustainability

- Sustainable lifestyles are here to stay

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- Cost as a barrier for green tech
- High inflation drives saving behaviours...
 - Graph 5: expected changes in behaviour due to rising prices, 2022
- ...and challenges Germans' eco commitment

Regulations

- EU proposing energy labels for smartphones
- EU further pushes for reparability of devices

Recycling

- Recycling advances in Germany, but with bottlenecks
- Electrical devices continue to accumulate in Germany
 - Graph 6: quantity of electrical devices put on the market & collected for recycling, 2010-20
- Incentivise consumers to increase recycling engagement

WHAT CONSUMERS WANT AND WHY

Sustainable technology activities

- Resonate with German consumers via eco-focused assistance and business models
 - Graph 7: activities involving technology devices/apps, 2022
- Help consumers to put their eco ambitions into practice
- Huge potential for digital eco assistance across all age groups
 - Graph 8: usage and interest in apps to optimise energy consumption at home, 2022
 - Graph 9: usage and interest in apps to keep track of carbon footprint, 2022
- Seek ways to assist German consumers with an eco-friendly lifestyle
- Get inspired by Google on how to help consumers to make eco-friendly decisions
- Assist consumers in their endeavor to save energy
- Get inspired by CHOOOSE to help German consumers shrink their carbon footprint
- Support consumers with sustainable grocery shopping
- Highlight the environmental benefits of renting devices...
 - ...and position it as a way to weather times of crisis
- Capitalise on refurbished devices as a tool to save money
- Don't overlook middle-aged-and-older Germans with refurbished devices
- Target younger Germans with refurbished devices by using lifestyle-focused nuances
- Target middle-aged-and-older Germans with refurbished devices, focusing on technical features
- Target mid-to-older-aged Germans with refurbished devices, focusing on technical features

Barriers to buying refurbished devices

- Act on longevity concerns with refurbished devices

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- Prove the economical value of buying a refurbished device
- Like new, only better – refurbished blends eco benefits with quality assurances
- Be careful with influencer marketing for refurbished devices
- Get creative to promote trust with refurbished devices
- Back Market repairs broken smartphones at PAROOKAVILLE Festival 2022
- Explore refer-a-friend programs to amend concerns...
- ...by using added goods or services

Sustainability-related smartphone factors

- Focus on eco factors that also offer value in return
 - Graph 10: factors most willing to pay more for when buying a smartphone, ranked 1 to 3, 2022
- Use longevity for 'green premiumisation'
- Apple advertises longevity and reduced uncertainty
- Consumer demand for longevity offers opportunities for intensified ingredient branding
- Don't fear massive decreases in upgrading frequency when innovating longevity
- Don't fear massive decreases in upgrading frequency when pushing longevity
- Mind design conflicts when shaping eco-friendly devices
- Ways for other device categories to capitalise on longevity...
- Use 'eco-altruistic' factors as nuances to resonate with younger Germans
 - Graph 11: factors most willing to pay more for when buying a smartphone, selected factors, any rank from 1 to 3, by age, 2022
- Leverage eco-altruistic factors for differentiation
- Samsung goes beyond negating the bad by saving the oceans

Associations with technology brands

- Tech brands capitalise on their brand strategies – except in terms of sustainability
- Tech brands overall lack a green image
- Apple lacks trust among its key target group
- Leverage sustainability to maintain fashionable appeal among youngsters

Attitudes regarding sustainability in technology

- German consumers struggle to trust tech devices to be sustainable
 - Graph 12: attitudes towards sustainability in technology, 2022
- Sustainable credentials can offer competitive advantages on the tech market
- Push for trustworthiness to build a green image
- Ways for brands to build trustworthy eco commitment
- Turn your brand into a 'green signal' for younger consumers
- Offer accessories as tools to look green
- The metaverse: turning sustainability into a badge of honour

- Go beyond educating to up recycling engagement...
- ...by reducing its barriers and offering incentives
- Allow consumers to look good by recycling devices

LAUNCH ACTIVITY AND INNOVATION

- Fairphone well positioned to grow in Germany
- Focus on mid-to-older-aged Germans with the Fairphone 4
- Fairphone advertises a breadth of longevity-related features
- Apple launches self-repair services in Germany
- Samsung leverages AI to help consumers save energy
- Get inspired by the green innovations of other tech brands when striving for sustainable credentials

Advertising and marketing activity

- Apple promotes its environmental commitment
- Samsung advertises its eco innovations
- Nokia Circular: smartphone subscription service for circular economy
- Dell further develops the self-repairable laptop series Concept Luna

APPENDIX

Appendix – abbreviations, consumer research methodology and language usage

- Abbreviations
- Consumer research methodology
- A note on language

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