

THE GENERATION GAP IN POLAND



INTRODUCTION: WHY DO BUSINESS IN POLAND?



If you have preconceived ideas about Poland that are rooted in the past, it may be time for a fresh perspective. Rapid, uninterrupted growth in the post-Soviet era has seen Poland rise to become the sixth-largest economy in the EU and a true regional powerhouse. By 2018, 175 of the top 500 companies in Central & Eastern Europe were Polish. Last year, Poland became the first country in almost ten years to officially switch from “emerging market” to “developed market” status in the FTSE Russell indices. This and an increase in GDP per capita from USD 1,731 in 1990 to USD 15,424 today means that individuals’ spending power has risen significantly in real terms.

The reasons for Poland’s success are numerous and complex, but geography is undoubtedly one piece of the picture. The country shares borders with six other nations, plus the Russian enclave of Kaliningrad, and boasts historic ties to the Eastern Bloc as well as membership of NATO and the European Union. The many waves of migration that have occurred throughout the history of the modern State have resulted in a thriving diaspora community around the world and the unusual demographic structure. In short, Poland is a dynamic, outward-looking country with a lot to offer as a potential target market.

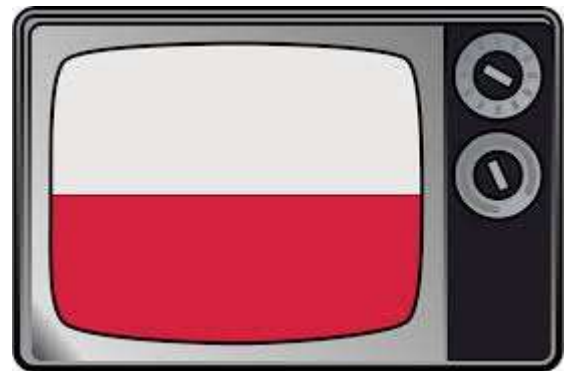
Before entering any new market, though, it is important for businesses to assess the existing economic landscape and understand the specific factors and trends that shape consumer behaviour in the country in question. As we will see in this White Paper, traditional advertising channels including TV and print continue to hold greater sway in Poland than in comparable nations. Internet penetration and usage are increasing, however, and the digital sphere will inevitably come to dominate in the future as it does elsewhere. European and global ad agencies have a presence in the country but face fierce competition from homegrown firms staffed by a new generation of digital natives.

One factor that brands considering expanding into Poland need to be aware of is Polish demography and its influence on consumer behaviour. The most recent spike in Polish emigration was triggered by the country’s accession to the European Union in 2004. At present, around 7.5% of Polish nationals are “mobile citizens of working age” employed abroad either seasonally or permanently. As a result of this trend, Poland has a smaller proportion of people aged under 30 than other nations, but larger cohorts of citizens in their thirties and sixties. The final section of this White Paper explores how these groups differ and what their divergent preferences and experiences mean for the companies seeking to connect with them.



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THE MARKETING AND ADVERTISING LANDSCAPE



Traditional marketing and advertising channels are still highly influential in Poland. First of all, it is worth briefly mentioning radio, which is a key force. In 2016, three-quarters of the population listened at least once a week and half tuned in every day. There is a State-owned broadcaster called Polskie Radio and Poles have over 200 licensed private broadcasters to choose from.

Television remains the main advertising medium, with the average Pole watching 4 hours 20 minutes per day via public television (TVP) and private channels such as TVN and Polsat. Broadcasters rely on advertising as a key income stream, and total television ad spend has increased at a faster rate than the equivalent digital figure in recent years. A decisive factor to bear in mind in relation to television is the role of the ruling right-wing Law and Justice Party (PiS). Elected in 2015, PiS immediately introduced legislation (referred to as the “small media law”) authorising it to effectively take control of State-owned television and radio stations by placing their staff in positions of power. Brands looking to advertise on Polish television should bear in mind that this effort has entailed funnelling advertising for State-owned companies – and the associated revenue – to pro-regime outlets, which therefore have a financial advantage over those with a more neutral or critical tone.



FROM PRINT TO DIGITAL

A similar dynamic is at play when it comes to print media. Poland has a diverse ecosystem of newspapers and magazines that vary in terms of their geographical scope, readership, frequency and political inclinations. There are publications focused on business (e.g. Dziennik Gazeta Prawna and Puls Biznesu) as well as tabloids such as Fakt and Super Express. Despite this, print media is under pressure in Poland as a result of competition from online outlets and dwindling readership: the same forces that are at play in many other markets. Falling sales revenue has prompted publishers to rely more heavily on advertising income in recent years. At the same time, political pressure is being brought to bear in an apparent effort to limit negative press coverage (230 journalists have been fired or left their posts since the law limiting press freedom was passed in 2016).



By its very nature, the internet is less vulnerable to political influence than traditional media. EU figures suggest that the percentage of Polish households with internet access rose from 72.0% in 2013 to 84.0% in 2018 (for comparison, the figures for the UK were 88% and 95% whereas those for Bulgaria were 54% and 72%). The Pew Research Center found that 63% of Polish adults owned a smartphone in 2018. Many Poles use social media; in December 2018, the most popular websites were Facebook (21.5 million visitors per month), onet.pl/społeczności (8.4 million per month) and blogspot.com (7.5 million per month). However, one factor to bear in mind is that ad blockers are particularly prevalent in Poland. A 2016 survey by Digital News Report found that 38% of respondents had such software installed on their devices.



KEY ISSUES THAT IMPACT POLISH ADS

Political polarisation and how brands can bridge divides

As we have seen, Poland has media outlets catering to the full spectrum of political preferences and content has become more polarised since the election of PiS in 2015. These political leanings are intertwined with a broader cultural division between those with more liberal and those with more conservative social attitudes on issues such as immigration and marriage equality. For brands seeking to navigate through this fraught landscape, it is important to bear these tensions in mind and ensure that any political or social messaging is intentional and appropriate for the outlet's likely consumers. Successful ads include those that manage to bridge the divides in society by producing upbeat, non-partisan, digital-friendly content. Examples include a T-MobilePL campaign featuring Polish actor Tomasz Kot and footballer Robert Lewandowski dancing to the tune of Blurred Lines by Robin Thicke. <https://bit.ly/2DekrU3>



LOCAL VS. INTERNATIONAL OPPORTUNITIES

Localism

Another key trend across the Polish advertising landscape is localism, meaning the marked preference among Polish shoppers for products made in Poland. As in-country expert Annabelle Chapman notes, “consumers are keen to buy Polish products, whether that means Polish vegetables (which people think of as natural and fresh) or, among more affluent urban shoppers, buying from independent Polish brands that produce clothing and accessories in Poland.”

Many brands have responded by creating products with branding that imitates that of Polish equivalents, although this practice may backfire if consumers interpret it as an attempt to mislead or manipulate them. This picture is taken from an article published at onet.pl that asks readers whether they can tell the difference between Polish and foreign products.

Wine

Younger Poles returning home after working abroad with new experiences and tastes represent a potential market for products that were not part of the Polish consumer landscape in the past. For example, wine consumption is traditionally a lot lower in Poland than in nations further west. Poles who have spent time in countries such as the UK or France are far more likely to drink wine than older generations, who see it as a luxury good. This fact, coupled with the increase in disposable income mentioned above, means that wine producers have a valuable opportunity to market their products in Poland.

Myślisz, że to polskie produkty? Zdziwisz się

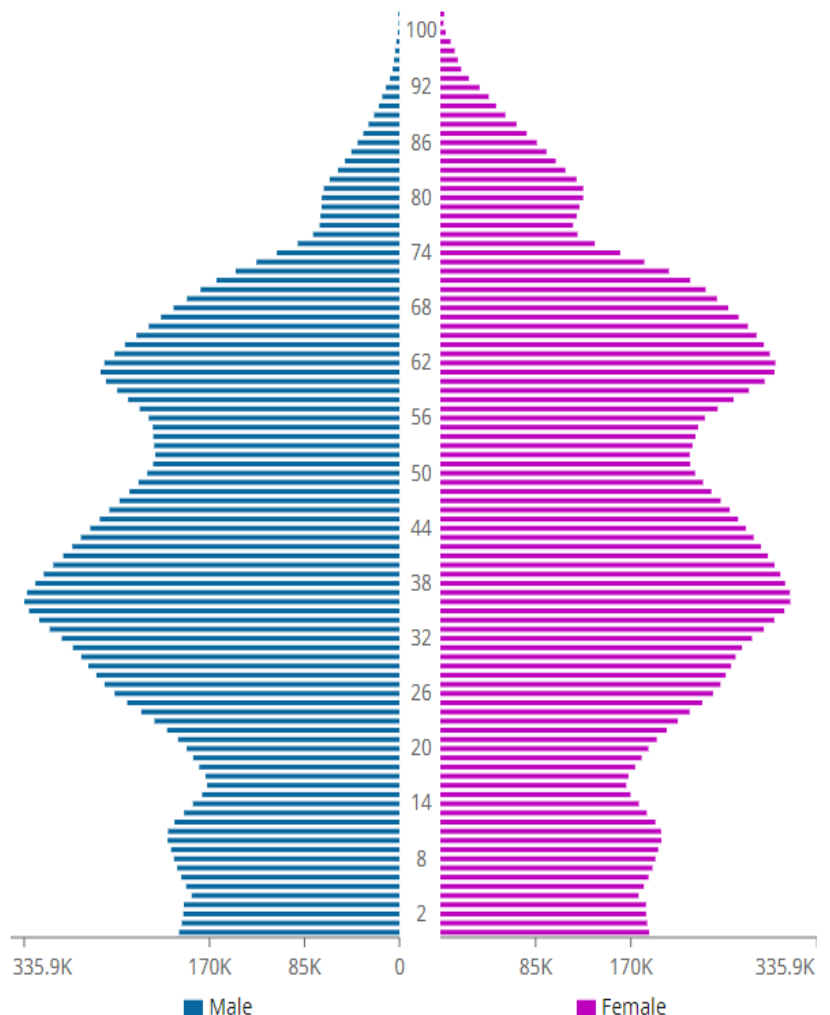


HOW DEMOGRAPHY AFFECTS CONSUMER BEHAVIOUR

In the previous section, we considered how Poland's media and advertising landscape are affected by its political divisions. While these divisions are important, they are best understood as one aspect of a broader social divide fuelled by the country's unique demographic structure. Throughout Polish history, successive spikes in emigration have seen large swathes of society leave the country to settle elsewhere in the world. Many of these movements were fuelled by violence (including the horrors of the Holocaust in the middle of the last century) but the people who have left Poland since it gained EU membership in 2004 have largely done so for economic reasons.

Right now, Poland has the eighth-highest rate of emigration in Europe as 7.5% of its citizens are working abroad either temporarily or permanently. This has led to the state of affairs outlined in the introduction: lower-than-average numbers of Poles in their twenties and higher-than-expected numbers of Poles in their thirties and sixties (living in Poland). Broadly speaking, these two large groups have very different life experiences, with the older remembering the Soviet Union and being more likely to speak Russian as a second language, whereas their younger counterparts are more likely to speak English and feel a greater affinity with the EU. Poland's younger generation are also highly educated and digitally literate, e.g. there are 20 STEM graduates per 1,000 citizens aged between 20 and 30. They are more at ease with digital marketing and e-commerce than their older peers. It is vital that brands carefully consider the profile of their target customer in this landscape.

Poland Population Pyramid 2019



ADS THAT BRIDGE GENERATIONS

Allegro

Online marketplace Allegro is a major player in the Polish market, where it has historically performed better than international rivals such as Amazon and eBay. In 2016, the company's "English for beginners/Czego szukasz w Święta?" campaign (by ad agency Bardzo) tapped into the generational divide in a positive way with the heart-warming story of an older man learning English in order to connect with his English-speaking granddaughter in another country. <https://bit.ly/37BcMqg>



UNDERSTANDING GENERATIONAL NEEDS

Biedronka

Biedronka is one of Poland's leading supermarket chains. Its website is a good example of a company marketing products in different ways to appeal to different segments of its client base. Specifically, they have a [page](#) of organic products that appears to target younger consumers with on-trend goods such as kefir, agave, coconut oil and avocados. The same page features foods from other culinary traditions that younger people may have experienced abroad, including olive oil, passata and a range of pasta from Italy as well as basmati rice and hummus. By contrast, bread, which is more likely to be a staple for older consumers, is marketed on a [page](#) emphasising continuity with tradition (with product names such as "family bread", "Slavic bread" and "bread of an ancient wheat variety"). Similarly, dairy products are [promoted](#) through imagery denoting an idealised Polish landscape. <https://bit.ly/34o5A58>



CONCLUSION

As a flourishing European economy, Poland makes an excellent target market for a variety of companies. The country benefits from strong links to both the east and the west, a rapid pace of growth and digitisation, and a seat at the table at NATO and the EU. Poland's thriving diaspora community means that there are plenty of opportunities to connect with Poles and speakers of Polish at home and abroad.

Brands looking to enter the Polish market will need to be fully aware of its complexities. While there is a wide array of advertising channels and media available, political developments and societal polarisation affect which products should be promoted on which channel, in what way and to whom.

Marketing in Poland is further complicated by the fact that different generations of Polish consumers have very different life experiences. Specifically, older Poles remember life under Soviet rule and are more likely to speak Russian whereas their younger compatriots are increasingly likely to speak English and have spent time living in another EU Member State. As our case studies demonstrate, brands have chosen to respond by producing content that reflects this new reality, by tailoring their messaging to specific target groups, by harnessing the power of the diaspora and by identifying products that now have greater potential to do well on the Polish market. Above all, it is clear that Poland offers immense potential for companies that are prepared to take the time to understand the market.

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