

# "Greed is good!" - mega trend with a happy ending?

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The results of a GfK survey on consumer trends carried out in six European countries

Nuremberg, 5 March 2004 - A while back, retailers and industry started to worry about the bogeyman of bargain-fixated consumers. This phenomenon remains as present in Germany today as it has been in previous years. However, this is not the story in other European countries, where consumers are not so concerned about prices as they were. Only the Italians are more price-driven than ever before.

According to a GfK survey, bargain hunters constitute a clearly definable, but at the same time heterogeneous target group, which, if correctly addressed, has huge economic potential.

Bargain hunting is not a new sport in Germany, or for that matter, in France, the UK, Italy, Poland and Spain, the other five countries surveyed. But it is evident that the price is by far more important to Germans and Poles than it is to their European neighbours. As early as the economic boom times of the mid-nineties, more than fifty per cent of Germans were already keeping an eye on the price of consumer goods. With the disillusionment of the New Economy hype and the growing economic weakness, the number of price-sensitive consumers rose further in Germany: in 1999, the figure totalled 55 per cent and two years later, it had peaked at 56 per cent, to remain there during 2003.

By contrast, in Poland, where at 62 per cent, consumers are even more price sensitive than in Germany, the figure has already dropped by 4 percentage points since 2001.

Consumers in the four other European countries surveyed proved to be far less price sensitive than in Germany and Poland. However, Italy is a notable exception here with respect to the change in attitude to price orientation: it is the only country where the proportion of price-sensitive consumers rose by six percentage points to total 44 per cent in the period from 2001 to 2003. Of course, compared with its other European neighbours, the proportion of price-sensitive Italian consumers still remains low. For the British, the French and the Spaniards, it would seem that the importance of the price factor is continuing to fall.

## Bargain hunting in Europe

One aspect of this price orientation is accounted for by the compulsion to save in the light of financial problems relating to income circumstances. However, price awareness caused by economic necessity is not in the forefront of the much quoted advertising slogan: "Greed is good!" The main focus is not on day-to-day consumer goods, but on high-priced products. Even in times where saving is encouraged across the board, the consumer still feels the need to treat himself to something exquisite.

## The new target group: consumer hedonists

So what do these particular bargain hunters look like, who look for deals not out of economic necessity, but out of the desire to find advantageous and therefore legitimate opportunities for conspicuous consumption? According to the survey, three attractive, but very different target groups form the basis for the new consumer movement, which includes 32 per cent of Europeans.

The first two groups are the dreamers and adventurers. These are mostly younger, fashion-conscious singles willing to take a risk, imbued with a strongly materialistic value system, which is evident through consumption of appropriate brands and who feel that their behaviour is absolutely legitimized by the advertising messages. They are most prevalent in Italy, where they account for 28 per cent of consumers, in Poland, where the figure is 23 per cent and England, where they make up 22 per cent, whereas in Germany, the proportion is just around 18 per cent.

The third group in the consumer hedonists' club is the "globally aware" group. This group, predominantly females in the best years of their life, which accounts for 12 per cent of the population in Germany, enjoys a superior lifestyle and is very open to high quality innovations. This group is significantly less well represented in other countries, apart from in England and Spain, where the proportion is 12 per cent. In Italy, the group totals 10 per cent and in Poland, 4 per cent.

It can therefore be concluded that there are precisely defined target groups, to whom consumption means more than simply comparing prices, throughout the whole of Europe. Triggering a constant downward spiral of prices, equally

worrying for the consumer goods industry as for classic retail, would be counter-productive for this group. A keen price may well provide a purchasing criterion on one occasion. However, on a permanent basis, it is no substitute for the pursuit of a distinctive marketing strategy, where factors such as design, quality and innovation are all important considerations in their own right.

#### The survey

The results are taken from a survey carried out by GfK-Nürnberg e.V. in association with Euro-Socio-Styles lifestyle typology. A random sample of around 7,000 selected subjects in six European countries (Germany, France, the UK, Italy, Poland and Spain) were surveyed at the end of 2003. For more information on the survey, contact: GfK Lifestyle Research, Tel. +49 911 395-3638 or +49 911 395-2700, or e-mail: [lifestyleresearch@gfk.com](mailto:lifestyleresearch@gfk.com).

#### Euro-Socio-Styles

Euro-Socio-Styles represent a standardized research basis for consumer segmentation at national as well as international level. They provide a platform for consistent strategic target group orientation for the marketing process. Potential applications extend from positioning, through concept and product development to communication and direct marketing.

#### The GfK Group

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