

Food and bodycare products: riding high

Contributed by GfK Group
Wednesday, 08 August 2007
Last Updated Monday, 20 August 2007

GfK purchasing power survey for 61 retail ranges

Nuremberg, August 9, 2007 – When making retail purchases, German consumers spend most on food and healthcare products, with jewelry and telecomms coming at the very bottom of the list. These are findings of the GfK GeoMarketing – GfK Kaufkraft 2007 for 61 retail ranges – purchasing power survey.

In 2007, German consumers had disposable income of around EUR 1,488 billion to spend on purchases. Of this, they spent approximately EUR 451 billion or a third of their total purchasing power on retail buying, which represents a national average of around EUR 5,500 per capita. With figures like this, there is certainly no sign of any decline in German retail.

Food products and luxury goods are the most popular

According to the findings of the GfK survey, food and luxury goods are by far the most popular product type ranges. With annual national purchasing power totaling EUR 160,700 million, these products account for 35.6% of the 16 top product ranges included in the survey. This equates to each consumer spending an average of EUR 1,949 on these products per year. Ranked second are the health and body care products accounting for a 14.3% share and national per capita spend of EUR 785 per annum. This group is followed by D-I-Y products at 10.6% and home furnishings with 8.9%. Far less popular are luxury goods such as jewelry and watches, with 1%, and the telecomms industry with 0.6%.

The people of Starnberg , Bavaria , come top with sports and camping equipment

In many of the product groups, generally high purchasing power goes hand in hand with a high level of spending on a particular product range. In Starnberg, near Munich, the inhabitants have not only the highest purchasing power, but they are also at the top of the table when it comes to sport and camping equipment. Conversely, other product ranges are more popular in less affluent regions, and this applies, for example, to mobile telephones and other electronic entertainment products. Consequently, the purchasing power for the telecoms segment in Mannheim is around 1.2% above the national average, whereas general purchasing power there is more than 3% below average. Overall, however, it is true to say that more affluent consumers do not necessarily spend more money on retail purchases than their less fortunate, lower-earning compatriots. After all, above average income can also be spent on rents, real estate and luxury goods.

Regional preferences evident for different ranges

What consumers spend on individual retail ranges varies from region to region. For example, the inhabitants of Rhineland-Palatinate dig deeper into their pockets than Berliners when they are buying toys and games. There are also some significant differences within the regions at municipal and even parochial level. For instance, those who live in Blankenese, a district of Hamburg, spend almost twice as much on spectacles than those who live in Charlottenburg, a district of Berlin. On the other hand, those who live in the capital city, Berlin, spend a total which is in excess of EUR 300 million on domestic appliances, whereas Hamburgers do not even spend half this amount on the same product group. Frequently, the differences between neighbouring communities are quite striking. The inhabitants of Bavaria's Unterhaching spend an average of more than one and a half times on audio and video products than their Bavarian compatriots living a mere 20 kilometers in Tutenhausen.

The survey

Purchasing power was calculated for the first time by GfK as early as 1937. It reflects the disposable income excluding taxes and social contributions, including national contributions and is recorded on a per capita annual basis in euros in the form of an index (German average = 100). In addition to statistics on wages and salaries, the calculations are based on the statistics used to calculate national contributions and the forecasts given by the financial institutions. In the case of the current GfK purchasing power survey, the amount spent for 16 product groups is also given. The survey is available for all German urban and rural areas, as well as all communities and postal districts and 2.4 million road sections.

Printable downloads of the graphics are available at:
www.gfk-geomarketing.de/presse/zip/SBK.zip

Examples of selected product ranges and illustrations can be downloaded at: www.gfk-geomarketing.de/sbk

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GfK GeoMarketing

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