

PURCHASING POWER FOR RETAIL PRODUCT LINES 2018

Germany

1 Introduction

The Purchasing Power for Retail Product Lines dataset reveals the purchasing power potential for approximately 60 food- and non-food product lines. The data is based on various surveys and analyses of consumer shopping behavior as well as analyses carried out by GfK Consumer Panels.

GfK GeoMarketing uses this consumer information along with socio-demographic household data to create regionalized profiles with Point Plus®, a microgeographic database. This market dataset provides detailed insights to support numerous types of analyses and planning endeavors.

This method makes it possible to combine the information tools of GfK GeoMarketing and the GfK Consumer Panels and produce data at a very detailed geographic level. We provide purchasing power data in a consistently high quality for approximately 60 product groups for all of Germany, from the level of federal states and municipalities to postcode areas and approximately 2.7 million street segments.

Purchasing Power for Retail Product lines offers

- up-to-date purchasing power data on food and non-food product lines, prepared using a unique and representative basis of calculation
- detailed data on potential that offers comprehensive coverage, from the level of Germany's federal states down to municipalities and postcodes

2 Applications

Purchasing Power for Retail Product Lines reveals the regional sales potential for many individual product lines. This allows you to tailor your sales and marketing endeavors according to the consumer preferences of particular regions. The resulting insights give you a decisive competitive advantage for all location-related decisions.

Purchasing Power for Retail Product Lines brings clarity and objectivity to your decisions, from planning and evaluating locations to optimizing your direct marketing and managing your sales operations.

Local category management

Purchasing Power for Retail Product Lines is available for approximately 60 food- and non-food product lines and is the ideal instrument for optimizing your retail operations. Use the dataset to compare your product-line specific turnover for your catchment area to the corresponding data on purchasing power potential. This reveals your market penetration for the product line(s) in question, allowing you to better plan, evaluate and manage your local product offering.

External sales force management and sales controlling

Our purchasing power data provides a reliable foundation for managing your external sales force. Use the data on regional purchasing power potential to create external sales territories with comparable levels of potential. Compare the turnover generated by your external sales force staff to the available potential in these regions to objectively gauge employee performance. This also

reveals your strengths and weaknesses in your market, allowing you to focus your activities on areas where they will make a difference.

Location planning and evaluation

Use Purchasing Power for Retail Product Lines to identify optimal sites for new business locations. Decide whether to enter a new market or expand existing operations based on the available purchasing power potential in the regions in question. You can also quickly and efficiently evaluate your existing locations.

Direct marketing

You can better target your marketing actions and save time and money by knowing the locations of the households with the highest purchasing power for a specific product group in Germany. For example, boost your response rate by concentrating your mailings in areas with particularly high levels of purchasing power.

Upon request, GfK GeoMarketing also calculates purchasing power data for about 200 product lines, specifically tailored to your range of goods. This allows you to determine your precise potential and use your resources more effectively and efficiently. We'd be happy to advise you further!

3 Example of use

Suppose that the branch manager of a grocery store wants to increase his offering and sale of fish products.

He therefore plans to distribute mailings that highlight his fish products. Unfortunately, he lacks the following information in order to be successful in this endeavor:

- What is the purchasing power absorption at the branch location?
- How high is the potential among the population for fish products?
- How much sales area should be devoted to the fish products?
- Where are the most promising areas in which to advertise fish products?

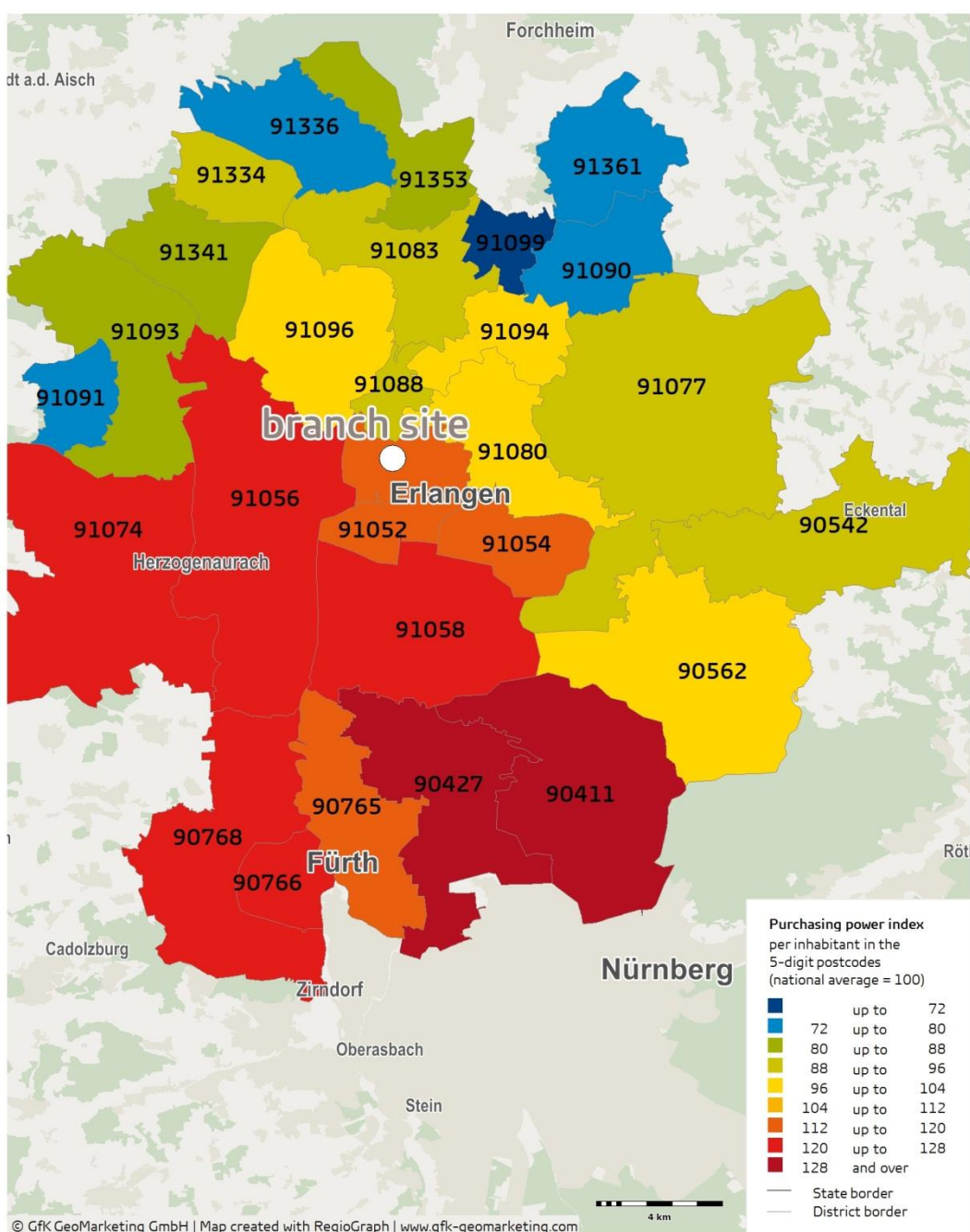
With the geomarketing software RegioGraph from GfK GeoMarketing, it's quick and easy to answer these and similar questions down to the level of municipalities and postcodes.

Example catchment area analysis for a targeted mailing distribution

The manager selects all five-digit postcodes in the catchment area around his store within a radius of 10 km and then uses purchasing power data on the fish product line to color-code these postcodes according to the average amount of money spent on this product line. These illustrated values reveal that inhabitants of the southern portion of the catchment area spend significantly more on fish products than those living in the northern portion. By restricting the distribution of flyers to the southern portion of the catchment area with an above-average demand, the manager is able to

halve his expenditures while still exploiting approximately 70% of the available potential and avoiding wasted resources.

GfK Purchasing Power for fish



4 Overview of GfK purchasing power products

GfK GeoMarketing annually calculates purchasing power at varying levels of detail. This data on potential reveals the regional distribution of disposable income among Germany's population.

The Retail Purchasing Power dataset reveals the share of general purchasing power available for stationary and mail-order retail expenditures.

This value varies significantly from year to year as a result of changes in consumer behavior; for 2018, this value amounted to €480,700 mil. There are also substantial regional differences in the retail-specific demand potential throughout Germany.

Retail Purchasing Power can be obtained in a product-line specific format for a more detailed portrait of regional consumer potential.

The Purchasing Power for Retail Product Lines dataset shows how much consumers in given region have available for spending on various food- and non-food product lines. The total of these product-line specific values yields the retail purchasing power.

Purchasing Power 2018

Germany's total purchasing power amounts to €1,893.8 bil., or €22,992 per inhabitant.

GfK Purchasing Power is the sum of the disposable net income of the population in a given region, in a given year. As such, GfK Purchasing Power is the most important indicator of consumer potential for the region in question.

Retail Purchasing Power 2018

... is the share of GfK Purchasing Power available for retail expenditures. Germany's total retail purchasing power amounts to €480.7 bil., or €5,825 per inhabitant.

Purchasing Power for Retail Product Lines 2018

... is the share of GfK Purchasing Power available for a specific retail product line.

5 Basis of calculation

Purchasing Power for Retail Product Lines is calculated from regular compilation and analysis of consumer behavior carried out by GfK Consumer panels.

The GfK ConsumerScan panel regularly registers all private household purchases of non-durable/consumer goods (food product lines). The GfK ConsumerScope household panel compiles all purchases of durable goods (non-food product lines) of all household members as reported by household heads.

Purchasing Power for Retail Product Lines encompasses approximately 60 product lines. Two of these product lines are not included in the GfK consumer panel (1.26. tobacco products and 13.2. newspapers, magazines). The basis of calculation for these product lines is the income and consumer sampling (Einkommens- und Verbraucherstichprobe, EVS), which is collaboratively compiled on a regular basis by Germany's Federal Statistical Office and the statistical offices of the federal states. The EVS delivers insight into the consumer behavior of around 60,000 private households in Germany.

This consumer information is then used in conjunction with socio-demographic descriptions provided by the GfK Consumer Panel participant households in order to incorporate it into the residential zones of the micrographic databank, Point Plus®. All of this data on the most detailed level – the so-called micro-cell (containing at least 5 households) – can then be aggregated to 2.7 million street segments as well as all administrative and postcode levels. The final step is to cross-reference the results with the latest numbers provided by the official bureau of statistics. Germany's retail purchasing power for all product lines amounts to €480.7 bil.

This methodology reveals regional variations in the demand potential for the various retail product lines.

6 Overview of product lines

Below you'll find an overview of the various product groups.

Individual product lines can be found as subcategories of the 17 main product groups.

1. Food items

- 1.1. bread and baked goods
- 1.2. meat
- 1.3. sausage
- 1.4. fish
- 1.5. cheese
- 1.6. dairy products and eggs
- 1.7. fruit
- 1.8. vegetables
- 1.9. sweets
- 1.10. frozen foods
- 1.11. baby food
- 1.12. breakfast products
- 1.13. conserves
- 1.14. convenience / ready-made meals
- 1.15. other food
- 1.16. coffee
- 1.17. tea
- 1.18. water
- 1.19. carbonated beverages
- 1.20. other alcohol-free beverages

- 1.21. beer
- 1.22. wine
- 1.23. sparkling wine / champagne
- 1.24. spirits / liquor
- 1.25. other alcoholic beverages
- 1.26. tobacco products

2. Health and hygiene products

medicinal and orthopedic articles, pharmaceutical items, body-care and cosmetic items, hygiene products and paper goods as well as washing and cleaning products

3. Clothing

- 3.1. women's outerwear (excluding sportswear)
dresses, outfits, skirts, trousers, blouses, t-shirts, knitwear, sweatshirts, jackets, coats, evening wear
- 3.2. men's outerwear (excluding sportswear)
trousers, jackets, sports coats, suits, coats, shirts, t-shirts, knitwear, sweatshirts
- 3.3. children's outerwear (excluding sportswear)
trousers, jackets, coats, knitwear, t-shirts; girls' dresses, outfits, skirts, blouses; boys' outfits, shirts; baby clothing
- 3.4. underwear
daywear, nightwear, bathwear, dressing gowns and bathrobes
- 3.5. hosiery / knitwear
stockings and tights for women, men and children
- 3.6. other clothing products
ties, scarves, handkerchiefs, hats, caps, gloves/mittens

4. Shoes, leather goods

- 4.1. shoes (excluding sports shoes)
outdoor shoes, slippers, rubber boots, bath shoes/sandals, insoles
- 4.2. leather goods
suitcases, travel bags, handbags/purses, bags, backpacks, accessories, belts

5. Furnishings

- 5.1. furniture
- 5.2. household textiles
carpets, flooring, drapes, mattresses, bedding, linen, bathroom textiles and drapery, etc.

6. Household products, glass, porcelain

cookware, cutlery, flatware, glass, porcelain, ceramics, plastic items, home accessories, etc.

7. Electrical household appliances

- 7.1. large electrical appliances
refrigerators and freezers, cooking appliances, washing machines, dryers, dishwashers, etc.
- 7.2. small electrical appliances
toasters, coffee makers, blenders and mixers, vacuum cleaners, irons, sewing and knitting machines, lamps and lighting, etc.

8. Consumer electronics, electronic media

- 8.1. audio and (audio-)visual media
- 8.2. consumer electronics
televisions, radios, record players, video recorders, automobile hi-fi systems, navigation devices, satellite equipment, video games and consoles, etc.

9. Information technology

personal computers, software, peripheral devices, etc.

10. Telecommunications

mobile telephones, telephones and fax machines, etc.

11. Photo, optics

- 11.1. photography
cameras and lenses, digital cameras, camcorders, video cameras, tripods, film, etc.
- 11.2. optics
glasses, sunglasses, contact lenses and related cleaning/care products, optical devices, etc.

12. Watches, jewelry

watches and jewelry made from precious metals and/or other materials

13. Books, stationery

- 13.1. books
- 13.2. newspapers, magazines, etc.
- 13.3. stationery
stationery, school and office supplies, paper products, etc.

14. Toys, hobbies

Board-, dice- and card games; puppets, stuffed animals, toy cars, models, handicrafts and painting supplies, musical instruments, coins, stamps and other collectibles, antiques, etc.

15. Sporting goods

- 15.1. bicycles
- 15.2. other sports products, camping items
skiing items, skates, fitness equipment, tennis racquets, boats, balls, tents, sleeping bags, etc., sweat suits, jogging suits/track suits (top and bottom), unitards, gym shorts, gym shirts, leggings, biking shorts; tennis, ski and hiking clothing, etc. football (soccer) cleats, tennis shoes, jogging shoes, gym shoes, ski boots, riding boots, mountain and hiking boots, etc.

16. Home improvement items

- 16.1. gardening items
plants, seeds, fertilizer, soil, motorized gardening equipment, garden lumber and fencing, gardening tools, garden supplies, playground equipment, garden furniture, etc.
- 16.2. automobile accessories
accessories, tires, upholstery/seat covers, etc.
- 16.3. pet supplies and accessories
- 16.4. other building supplies
 - building materials, building components:
stones, bricks, insulation, doors, gates, windows, plaster, mortar, sheeting/films, etc.
 - paints/dyes, varnish, wallpaper:
painting supplies, tapes, wallpaper, pastes/glues, etc.
 - indoor fittings (tiles, wood, plastics): flagstones, custom wood cuttings, moldings, prefabricated panels, parquetry, plastics, paneling, etc.
 - bathrooms:
bathroom furniture and equipment, sanitary ware, sinks, toilets, mountings/fittings, shower partitions, etc.
 - appliances, machines, tools, accessories:
ladders, wheelbarrows, drills, high-pressure cleaners, hammers, work clothes, ironware/household hardware, etc.

17. Infant and children's items

Strollers, bag carriages, child car seats, traveling bags, diaper bags, playpens, travel beds, baby and toddler toys

7 Times series comparisons

Our high-quality data allows you to make precise regional comparisons. However, we advise against using our data for time series comparisons, because our methodology has been refined and perfected numerous times over the course of the years. For example, changes often occur in the sources and statistical methods used to compile and calculate our data.

GfK GeoMarketing places great emphasis on providing data that represents regional differences as accurately as possible. This commitment to accuracy means that we are regularly adopting improved methods as well as newer and more detailed data sources. As a result, time series comparisons are not advisable, because they will not be comparing like with like.

Stated in a different way, if we were to place our primary emphasis on ensuring that clients can carry out meaningful time series comparisons, we would have to ignore the discovery and emergence of improved methods and data sources. We feel strongly that this would be a mistake. Moreover, frequent changes to administrative boundaries make it difficult or impossible to carry out meaningful time series comparisons.

8 Regional data details

We provide Purchasing Power for Retail Product Lines for approximately 60 product groups at a consistently high quality for all of Germany, from federal states down to municipalities and postcodes.

Purchasing Power for Retail Product Lines can be aggregated for specific areas of your choice, such as the catchment areas of your branch locations or your external sales regions.

Administrative regions	Postal regions	Microgeographic regions	Client-defined regions
<ul style="list-style-type: none"> • federal states (16) • counties (31) • urban and rural districts (401) • municipalities (11,119) 	<ul style="list-style-type: none"> • 1-digit postcode areas (10) • 2-digit postcode areas (95) • postal directing areas (714) • 5-digit postcode areas (8,183) 	<ul style="list-style-type: none"> • boroughs (ca. 88,000) • streets (ca. 1.2 m) • street segments (ca. 2.7 m) 	<ul style="list-style-type: none"> • sales regions • catchment areas

9 Data structure

Regional identifiers

(e.g., municipal identifiers, postcodes, etc.)

Regional designations

(e.g., municipality name, postcode name, street name)

Inhabitants and households

Number of inhabitants and households within a given region, provided in absolute and per mill values.

Purchasing Power for a specific product line in millions of euros

This dataset provides the amount of disposable income available for a specific product line (in millions of euros) among the population of a given region.

Purchasing Power for a specific product line in per mill values

This dataset indicates how the purchasing power for a specific product line (in per mill values) in a given region compares to the nationwide purchasing power for this product line. The sum of all per mill values equals 1000.

Purchasing Power for a specific product line in euros per inhabitant

This dataset provides the average annual per person expenditure in a given region for a specific product line. Values are listed in euros.

Purchasing Power for a specific product line as an index per inhabitant

This dataset reveals the index value per inhabitant, a figure based on the national average of 100.0 per inhabitant. Thus, an index value of 110.0 means that the inhabitants of the region in question spend 10% more of their net income on the product line in question than the national average. By the same token, an index value of 90.0 means that the purchasing power for the region and product line in question is 10% less than the national average.

Questions?
Don't hesitate to contact us

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