

# Management Report

## How Germany shops



# Executive Summary

## **More than two-thirds of consumers spent more or as much in 2011**

More than two-thirds (68 percent) of those polled spent as much or more money on furnishings and decorations in 2011 than they had in the previous year. When people want to “treat themselves”, they often buy books and clothes, or they travel. Furnishing items are a further favourite: roughly one in five people (22 percent) will spend money on decorative items for their homes in order to lift their mood.

## **Germans enjoy spur-of-the-moment purchasing**

The survey also reveals that Germans are great spur-of-the-moment shoppers. According to the findings, 58 percent of Germans made purchases that they had not planned in advance – mostly clothes and books. However, furnishing items came in a close third in the list of spontaneous purchases, ahead of consumer electronics, CDs, DVDs, jewellery and other products. In 41 percent of cases, consumers bought items worth up to € 99.

## **Crisis-resistant furnishing items: consumers only rarely put off purchases**

Purchases of furnishings and decorative items remain relatively stable, as consumers rarely put these off – if at all. Only one-fifth of respondents temporarily goes without buying furnishings or decorative items if they need to save money.

## **One in five spend Christmas bonuses on furnishing items**

More than half of the respondents (57 percent) had received a Christmas bonus. Of those, 60 percent had already spent most of it at the time of the survey. Approximately every fifth person (22 percent) reported having bought furnishing items with the money, placing such products up there with consumer electronics (24 percent) and travel (21 percent) in the statistics.

**Survey conducted by:** forsa Gesellschaft für Sozialforschung und statistische Analysen mbH

**Commissioned by:** Messe Frankfurt Exhibition GmbH

**Date of survey:** 11 to 13 January 2012

**Sample:** 1,007 respondents over 18 years of age

**Data collection:** telephone interviews

In the study entitled “So kauft Deutschland” (How Germany shops), respondents were asked about their financial situation as well as their consumer behaviours in general, with particular reference to furnishings and decorative items.

# Preface

*The financial and economic crisis has been – and remains – one of the central issues in Germany. Yet, Germans were able to enjoy a period of stable economic conditions in 2011. Consumers themselves made a significant contribution to this through their purchasing habits. The German nation, for instance, spends some € 27 billion every year on gifts, according to a GfK study commissioned by Messe Frankfurt in autumn 2011. The study shows that giving presents is not only an emotional act, but also an important economic factor.*

This is also true for private consumption overall. It contributes to the stability of a country's domestic economy and overall economic success. In 2011, private consumer spending rose in real terms by 1.5 percent, showing stronger-than-average growth compared to the previous ten years (see the Annual Report of the German Federal Ministry of Economics – BMWi – published in January 2012). According to the German Federal Office of Statistics, typical Ambiente products such as furnishings, accessories for the home, and household equipment have even managed an increase of 3 percent in real terms. But what sort of consumer goods do people spend their money on? What do they buy to treat themselves? And how much are they prepared to spend?

*"Germans actively enjoy buying things. Often quite spontaneously – maybe to lift their mood or simply to treat themselves."*



## **Germans are extremely spontaneous shoppers**

Messe Frankfurt wanted to know more and commissioned forsa to find the answers to these questions. The highly esteemed market and social research company surveyed 1,007 randomly selected people in mid-January of this year. The results of the "So kauft Deutschland" survey (How Germany shops) are surprising: Germans

actively enjoy buying things. Moreover, they often spend quite spontaneously – to lift their mood or simply to treat themselves. Businesses can profit from Germans' buying behaviour. The study also indicates what they need to sell to do so.

## **Positive outlook for 2012**

The forecast for 2012 is encouraging: more than two thirds of those interviewed (69 percent) feel able to spend as much or more money than they could twelve months ago. At the same time, consumers continue to place great value on furnishings and decorative items. For example, 22 percent of those who received a Christmas bonus have already spent it on such products. We are therefore looking towards the future with confidence and wish you interesting reading.

A handwritten signature in black ink, consisting of stylized initials and a surname, likely 'SK Kurzawski'.

Stephan Kurzawski  
Senior Vice President  
Messe Frankfurt Exhibition GmbH

# Money spent on furnishings and decorative items in 2011

*The majority of German consumers – 68 percent – spent as much, or even more, in 2011 as in the previous year on furnishings and decorative items. That, at least, is the average figure. Closer inspection reveals a number of differences – household income and age play an important role.*

About a fifth (19 percent) of respondents from the Eastern Federal States of Germany report having spent more money in 2011. In the West of Germany, this figure was just 12 percent. Only around a quarter (24 percent) of consumers in both Western and Eastern German States spent less money on relevant products.

## Money spent on furnishings and decorative items in 2011



	More money in %	Less money in %	The same amount of money *) in %	Index **)
Total (1,007)	13	24	55	-11
East (165)	19	24	50	-5
West (842)	12	24	56	-12
18 to 29 year-olds (149)	21	23	46	-2
30 to 44 year-olds (265)	19	23	52	-4
45 to 59 year-olds (277)	12	25	54	-13
60 years and older (317)	6	24	62	-18
Blue-collar workers (39)	14	36	38	-22
White-collar workers (357)	19	21	53	-2
Civil servants (53)	13	21	66	-8
Self-employed (83)	10	19	58	-9
Net monthly household income:				
under € 1,000 (70)	7	48	41	-41
€ 1,000 to below € 2,000 (191)	13	29	51	-16
€ 2,000 to below € 3,000 (186)	14	23	58	-9
€ 3,000 and more (340)	17	16	58	+1

\*) Responses do not add up to 100 percent – those missing = “Don’t know” or “No response”.

\*\*\*) Index: proportion of “more money” minus proportion of “less money”



*As far as spending on furnishings and decorative items is concerned, the trade can increasingly count on younger consumers. Young people have been inclined to particularly large hikes in spending in recent years: in the 18 to 29 age group, 21 percent of respondents spent more money on relevant products. Amongst the 45 to 59 group, this figure was 12 percent – and for respondents over 60, it dropped to just 6 percent.*

#### **White-collar workers lead the way with furnishings and decorative items**

Differences in consumer behaviour can also be observed amongst respondents in various types of employment. Of the white-collar workers interviewed, 19 percent spent more money on furnishings and decorative items than in the previous year. Blue-collar workers followed (14 percent) just ahead of civil servants (13 percent). Among the self-employed, just one in ten reported having spent more on furnishings and decorative items.

#### **Consumption increases with net household income**

Measured in terms of net income, the shift is mostly positive in households with a monthly income of € 3,000 or more. In this group, 17 percent indicated that they had spent more money in 2011 on relevant items. The proportion of spending on furnishings and decorative items decreases in the statistics with declining incomes.

#### **Two-thirds expect to spend as much or more in 2012**

Almost two-thirds of respondents (65 percent) intend to spend as much or more money on furnishings and decorative items this year. In this regard, young adults seem particularly optimistic. Accordingly, 17 percent of the 18 to 29 year-olds are planning to spend more money on consumer goods of this kind. Willingness to do this declines with increasing age, so that just 7 percent of respondents over the age of 60 are planning to earmark additional money for furnishings and decorative items in 2012.

When additionally divided according to the type of employment, the respondents differ somewhat on this issue. While around one-sixth (17 percent) of white-collar workers are prepared to increase their spending in 2012, only around one-tenth (9 percent) of blue-collar workers are looking to do the same. Meanwhile, this figure is 12 percent amongst civil servants and 11 percent amongst the self-employed. Only a quarter (26 percent) of all respondents expect to spend less.

#### **Purchase of furnishing items is rarely delayed**

In total, only 21 per cent of respondents put off or scrapped planned purchases of furnishings or decorative items for their homes if they needed to save money. This applies particularly to younger consumers and to a significantly above-average extent to households with a net monthly income of less than € 1,000 (36 percent). Some people did, however, avoid purchases - primarily of general decorative items (15 percent), of shelves and cupboards (11 percent), of sofas (10 percent) as well as of cutlery and furniture in general (9 percent respectively). To that extent, manufacturers and retailers operate in a relatively stable segment.

# Germans make more spontaneous purchases than expected

*Disciplined, organised and accurate – these are the attributes that come to mind throughout the world when people think of typical German characteristics. But “spontaneous”? Not too many people would think of that first. And yet: Germans are spontaneous. At least as far as their consumer behaviour is concerned, the study shows. In total, 58 percent of those interviewed admitted to having spent money on an unplanned purchase at least once during the previous year.*

Women are more spontaneous than men when it comes to shopping. Half the female respondents (49 percent) spent money on a whim more than once in 2011. Amongst men, this figure was only 39 percent, according to the survey. Young people are most likely to make ad-hoc purchases. Spontaneity when shopping tends to decline with age, however. Moreover, there is also a correlation between net household income and the inclination to spontaneously treat oneself – people who earn more tend to make more spur-of-the-moment purchases when out shopping, as the statistics show. Accordingly, 57 percent of respondents with net monthly household incomes between € 1,000 and € 2,000 make impulse purchases from time to time. In the € 2,000 to € 3,000 income group, the figure rises to 61 percent. And of those interviewed with a net household income of over € 3,000, 64 percent spent money off-the-cuff during the course of last year.

## Spontaneous purchasers mean opportunities for the retail trade

Consumers’ spontaneous purchasing behaviour is a real golden opportunity for retailers. Those retailers that can offer particularly popular product categories to impulse buyers will be able to profit from unscheduled purchases. Once again, clothes are particularly in demand (46 percent). A full 28 percent of those asked admitted

to having bought books on a whim. And, with a figure of 21 percent, furnishing items came in a comfortable third. At 27 percent, women dominate the statistics, compared to 14 percent for men. Restaurant visits and consumer electronics follow on the list. Men are the main candidates for unscheduled purchases of television sets, MP3 players and similar products (29 percent). For women, the figure drops to just 11 percent.

Another important finding for the retail trade: relatively modestly priced items are most in demand when it comes to spur-of-the-moment purchases. In total, 41 percent spent a maximum of € 99. In the € 100 to € 199, € 200 to € 499, and € 500 and more brackets, the figure was 16 percent in each case. The younger a consumer is, the more likely it becomes that he or she will spend a maximum of € 99 on impulse buys.

## Spontaneous spending

	Yes, once in %	Yes, several times in %	No *) in %
Total (1,007)	14	44	39
East (165)	19	33	44
West (842)	13	46	38
Men (490)	15	39	42
Women (517)	12	49	36
18 to 29 year-olds (149)	14	54	28
30 to 44 year-olds (265)	11	53	33
45 to 59 year-olds (277)	17	43	38
60 years and older (317)	13	34	51
Blue-collar workers (39)	24	37	33
White-collar workers (357)	13	48	36
Civil servants (53)	8	61	31
Self-employed (83)	12	49	37
Net monthly household income:			
under € 1,000 (70)	19	27	53
€ 1,000 to below € 2,000 (191)	16	41	42
€ 2,000 to below € 3,000 (186)	12	49	37
€ 3,000 and more (340)	12	52	33

\*) Responses do not add up to 100 percent – those missing = “Don’t know”



# Buying things makes people happy

*People do not always spend money for purely pragmatic reasons. Sometimes it is just about treating oneself: shopping with the aim of making oneself feel good, lifting one's spirits. But what exactly do consumers buy to put them in a good mood? "Furnishing items" is the answer given by 22 percent of those polled.*

That puts this product group in 6th place, ahead of CDs, DVDs, consumer electronics, cosmetics, jewellery, hobbies and leisure activities. A total of 46 percent of consumers spend their money on clothes when they want to treat themselves. While more than half of women (54 percent) get pleasure from buying new apparel items, shopping for clothes makes barely one-third of men (36 percent) happy. Travel, at 43 percent, occupies second place. Books come third, with women (47 percent) also dominating these statistics well ahead of men (26 percent), followed by restaurant visits and shopping for food and gourmet items.

## What do people spend money on in order to treat themselves

	Overall *) in % (1,007)	Men in % (490)	Women in % (517)	18 to 29 years old in % (149)	30 to 44 years old in % (265)	45 to 59 years old in % (277)	60 years and older in % (317)
Clothing	46	36	54	51	46	44	44
Travel	43	42	43	25	40	47	50
Books	42	26	47	31	42	41	47
Restaurant visits	39	41	37	35	37	43	38
Food and gourmet items	34	37	32	34	41	32	31
Furnishing items	22	21	23	11	26	27	19
CDs, DVDs	21	25	17	27	23	24	15
Consumer electronics	21	31	12	34	23	20	15
Cosmetics, toiletries	17	7	26	23	15	15	18
Jewellery	10	6	14	12	11	9	10
Hobbies, leisure	2	3	1	3	2	1	1
Have no spare money / never treat myself	4	4	3	2	4	1	6

\*) Total percentage greater than 100 as multiple responses possible.



# Christmas bonuses – or the pleasures of consumerism

*Germans enjoy shopping – and they are carrying this positive attitude to consumption forward into 2012. This is shown by what happens to Christmas bonuses. People who were lucky enough to enjoy this additional income at the end of 2011 had already spent most of it by the start of this year.*



More specifically: 57 percent of the people interviewed received a Christmas bonus. In western parts of Germany, more employees (58 percent) fell into this category than in the eastern parts of the country (50 percent). The 30 to 44 age group (62 percent) and white-collar workers (67 percent) were most likely to have received this financial blessing.

Six out of ten consumers with a Christmas bonus ploughed most of it straight back into the market. According to the survey, respondents over 60 were in a particularly free-spending mood – almost three quarters (72 percent) of consumers in this age group had already spent it on items relevant to the survey. Younger respondents were only just a trace more hesitant: 55 percent of 18 to 29 year-olds and 57 percent of 30 to 44 year-olds had already spent the major portion of their Christmas bonus by the start of the year. The drive to spend this additional money shortly after receiving it was somewhat more marked amongst people in western German states (61 percent) than in eastern German states (55 percent).

## Spending the Christmas bonus \*)

	In %
Total (322)	60
East (49)	55
West (274)	61
18 to 29 year-olds (48)	55
30 to 44 year-olds (129)	57
45 to 59 year-olds (115)	63
60 years and older (30)	72

\*) Sample: employed persons who received a Christmas bonus (322 respondents).

## Consumer ranking: furnishings in the top group

When we look at what Christmas bonuses were spontaneously spent on, we see consumers' enormous need to improve the look and comfort of their homes. While people most frequently bought clothes (41 percent), books (29 percent), food and gourmet items (25 percent) or consumer electronics (24 percent), furnishings still came in fifth place (22 percent). As such, furnishings were more popular than travel (21 percent) and other categories such as CDs, car accessories, cosmetics and sporting goods. Gifts and jewellery were also popular.

# Prospects for 2012: positive mood carried forward into the new year

*As the first signs indicate, 2012 will be another positive year for the consumer goods sector. The liberal way in which people spent the Christmas bonuses they received at the end of 2011 gives us a clue: many consumers are willing to continue spending money on furnishings and decorative items. This positive mood was carried over into this year, as January's GfK study indicates. According to this study, both economic expectations and people's willingness to spend show signs of growth. There is a high degree of stability in people's income expectations. And the overall economic forecast has improved for the second time in a row.*

The figures from the German Federal Ministry of Economics and Technology fit this picture. In its Annual Report for 2012, the Ministry assumes that the Gross Domestic Product (GDP) will continue to grow, albeit slower than in the previous year. Furthermore, higher levels of employment and increased wage levels are expected to spur consumer spending in 2012. As a result, the Federal Ministry of Economics is predicting a 1.2 percent increase in consumer spending. Domestic demand will thus once again become a driver for positive overall economic growth.

In 2011, the German consumer-goods sector also had considerable success outside Germany. It showed itself to be eminently capable of expanding its position in world markets, especially within the EU. Elsewhere, particularly in Asia, the "Made in Germany" label continues to enjoy great popularity (survey of leading brand manufacturers). There are plenty of good reasons to expect a successful year – both nationally and internationally. Moreover, the European Central Bank sees first signs that the European economy is stabilising. All in all, this amounts to a favourable basis for continued healthy demand.



# Messe Frankfurt: Expertise in the consumer-goods sector

Messe Frankfurt is Germany's leading trade fair organiser with a turnover of € 457\* million and 1,769\* employees worldwide. The Messe Frankfurt Group has a global network of 28 subsidiaries, five branch offices and 52 international Sales Partners, giving it a presence for its customers in more than 150 countries. Events 'made by Messe Frankfurt' take place at more than 30 locations around the globe. In 2011, Messe Frankfurt organised 101 trade fairs, of which more than half took place outside Germany.

With 578,000 square metres of exhibition space, Frankfurt Fair and Exhibition Centre is currently home to ten exhibition halls and an adjacent Congress Centre. The company is publicly owned, with the City of Frankfurt holding 60 percent and the State of Hesse 40 percent. Further information: [www.messefrankfurt.com](http://www.messefrankfurt.com)

*\* Provisional figures (2011).*

## ambiente

**Ambiente** is the leading international trade fair for products for the table, kitchen, household, giving and decorating, as well as for home and furnishing accessories. For five days, around 4,500 exhibitors from 87 countries on some 330,000 square metres of exhibition space (gross) showed what consumers will be able to see in shops around the world in 2012. The world's leading consumer-goods fair attracted around 140,000 trade visitors from over 160 countries earlier this year. Ambiente is a must, not only for the unparalleled range of products on show, but also for the wide variety of events, promotional programmes for young designers, trend presentations and awards ceremonies.

## paperworld

**Paperworld** – The World of Office and Stationery – is the leading international trade fair for paper, stationery and office supplies. Embracing both the commercial and private spheres, around 1,800 exhibitors present an unrivalled spectrum of products and numerous innovations and trends. Paperworld is the ideal place to make new contacts to around 50,000 trade visitors from all around the world.

## christmasworld

**Christmasworld** – The World of Seasonal Decoration – is the leading international trade fair for festive decorations where around 1,000 exhibitors from all over the world present the latest trends and products for all festive occasions of the year, including Christmas, family celebrations and Mother's Day. Attracting more than

## tendence

**Tendence** (24 to 28 August 2012) is the biggest and most important order platform and trend barometer in the second half of the year. It is distinguished by a comprehensive range of products for all sales channels. For the retail trade, it is a decisive order venue for the Christmas business. For quantity buyers, it offers an initial overview of the coming 2013 spring and summer season. With 2,063 exhibitors from 67 countries and more than 52,000 trade buyers, last year's Tendence occupied the entire western section of Frankfurt Fair and Exhibition Centre or 130,000 square metres of exhibition space (gross).

## creativeworld

**Creativeworld** – The World of Art and Craft Supplies – is the international trade fair for hobby, handicrafts and artists' requisites. In addition to the new products shown by approx. 200 exhibitors from around the world, numerous product demonstrations and participatory exhibitions generate inspiration and new ideas for creative assortments.

31,000 international buyers from the retail and wholesale trades as well as department stores, Christmasworld represents an outstanding opportunity for them to find the attractive products needed to give their seasonal business a sustained boost.

*Private consumption is an important cornerstone of domestic business activity and, therefore, the German economy as a whole. But what do Germans spend their money on? Messe Frankfurt wanted to know in detail and asked the renowned forsa market-research institute to find out by conducting a representative survey. According to the results, the Germans are a nation of impulse buyers who like to treat themselves by adding to their home furnishings. All in all, the survey results indicate that 2012 will be a good year for the sector and the retail trade.*

## ambiente tendence

### **Erdmann Kilian**

Tel. +49 69 75 75-58 71

Fax +49 69 75 75-67 57

erdmann.kilian@messefrankfurt.com

[www.ambiente.messefrankfurt.com](http://www.ambiente.messefrankfurt.com)

[www.tendence.messefrankfurt.com](http://www.tendence.messefrankfurt.com)

## christmasworld paperworld creativeworld

### **Julia Krell**

Tel. +49 69 75 75-68 03

Fax +49 69 75 75-968 03

julia.krell@messefrankfurt.com

[www.christmasworld.messefrankfurt.com](http://www.christmasworld.messefrankfurt.com)

[www.paperworld.messefrankfurt.com](http://www.paperworld.messefrankfurt.com)

[www.creativeworld.messefrankfurt.com](http://www.creativeworld.messefrankfurt.com)



### **Markus Quint**

Tel. +49 69 75 75-59 05

Fax +49 69 75 75-58 83

markus.quint@messefrankfurt.com

[www.messefrankfurt.com](http://www.messefrankfurt.com)

Messe Frankfurt Exhibition GmbH

Ludwig-Erhard-Anlage 1

60327 Frankfurt am Main

Tel. +49 69 75 75-0

Fax +49 69 75 75-57 27

