An NIQ Company

GfK Retail Purchasing Power

International

Applications

GfK Retail Purchasing Power is particularly indispensable for all companies who sell directly to end consumers. Key areas of application include:

- **Media planning**

Concentrate advertising campaigns in areas with high purchasing power. For example, areas with low purchasing power can be avoided when distributing brochures and flyers. Locations for posters and placards can be chosen based on purchasing power levels..

- **Direct marketing**

Focus direct marketing campaigns in regions with particularly high purchasing power.

- **Sales controlling**

GfK Retail Purchasing Power allows you to determine where sales representatives are generating the most turnover, given the potential of the areas in question. By comparing GfK Retail Purchasing Power figures with actual turnover figures, companies have an objective point of reference for determining their relative strengths and weaknesses. This comparison also makes it possible to objectively evaluate the performance of individual sales representatives.

- **Sales territory optimization**

Purchasing power figures allow you to create sales territories with equal turnover potential for your external sales force.

- **Sales planning**

Concentrate your external sales force in the most profitable areas.

- **Location planning**

Based on the distribution of purchasing power in your market, you can determine the best areas for establishing a new location or expanding an existing location.

Upon request, GfK GeoMarketing also calculates purchasing power for client-specified branches and products. This allows companies to determine their precise potential and use their resources more effectively and efficiently. We'd be happy to advise you further!

© GfK

Basis of calculation

GfK Retail Purchasing Power is the amount of general purchasing power available for retail spending. Put simply, GfK Purchasing Power is the sum of the disposable income by region. Consumers spend this disposable income in a variety of ways, including retail purchases, rent, mortgages, insurance, automobiles, travel and services.

Information regarding the amount of disposable income available for retail expenditures is acquired from various data sources. The data basis thus varies significantly from country to country and is the product of intensive research by GfK GeoMarketing. Frequently the census data calculated by a given country's official bureau of statistics is consulted. This data provides very detailed information on the consumer behavior of the population.

Thanks to the GfK's worldwide network, GfK GeoMarketing has access to colleagues' on-site data sources in countries of interest. Depending on availability, additional up-to-date data sources from official bureaus of statistics are used in the calculation of GfK Retail Purchasing Power.

The following stationary retail product groups are taken into account when calculating.

GfK Retail Purchasing Power:

- Food and luxury items
- Clothing, shoes
- Household-related products (including furniture, flooring items, electronics, textiles, garden supplies, cleaning items)
- Medicinal products as well as health and body-care items
- Education and entertainment items (e.g., TVs, radios, books, photography supplies, magazines, toys, sports equipment)
- Personal items (watches, jewelry, etc.)

Automobile accessory purchases are taken into account, but automobile replacement part and fuel purchases are not considered by the study. GfK Retail Purchasing Power reveals the share of the population's total purchasing power that is spent on retail-related purchases.

© GfK

Data structure

Regional code (e.g., regional identifier, postcode, etc.)

Regional designator (e.g., municipality name, postcode name)

Inhabitants and households

GfK Retail Purchasing Power – sum in millions €
The available retail purchasing power of the population of a given region is provided in millions of euros.

GfK Retail Purchasing Power – per inhabitant in €

GfK Retail Purchasing Power – per mill as a ‰
GfK Purchasing Power in per mill values reveals the retail purchasing power of the inhabitants of a specific region in comparison to the nationwide retail purchasing power. Per mill values thus express a given region‘s retail purchasing power with respect to the nationwide retail purchasing power, multiplied by 1,000. The sum of all per mill values equals 1,000.

GfK Retail Purchasing Power – index per inhabitant (country = 100)
The index per inhabitant is based on the national average (index = 100. An index of 110 or 90 means that the retail purchasing power of the inhabitants of the area in question lies 10% over or below the national average.

© GfK

Regional levels

We provide the GfK Retail Purchasing Power dataset in a consistently high quality for all municipalities and postcodes (where available).

GfK Retail Purchasing Power can also be obtained for specific areas of your choice, such as your company's catchment areas or external sales regions.

1

Administrative regions

- federal states
- counties
- urban/rural districts
- municipalities

2

Postal regions

- 1-digit postcodes
- 2-digit postcodes
- 5-digit postcodes

3

Client-specific regions

- sales regions
- catchment areas

© GfK

Time series comparisons

Our high-quality data allow you to make precise regional comparisons. However, we advise against using our data for time series comparisons due to ongoing methodological refinements that have been implemented over the years. These refinements mean that results can vary from year to year – for example, due to changes in data sources and the statistical methods used to compile and calculate our data.

GfK GeoMarketing places great emphasis on providing data that represent 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. This would be a mistake in our view. Moreover, frequent administrative changes hinder the ability to carry out accurate time series comparisons.

© GfK

Questions?

Contact us at any time.

Your Geomarketing team

+49 911 395 2600

geomarketing@gfk.com

www.gfk.com/geomarketing

More about our solutions:

PRODUCT CATALOG

WEBSHOP