

GO WHERE THE MONEY IS! – LOCATING PURCHASING POWER HOTSPOTS IN D-A-CH

Studies on 2018 purchasing power distribution in Germany, Austria and Switzerland point the way to sales potential

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About the study

GfK Purchasing Power is defined as the sum of the net income of the population according to place of residence. These purchasing power figures take into account income related to self- and non-self employment as well as capital gains and government subsidies, such as unemployment assistance, child benefit and pension contributions.

Not included in these calculations are expenditures related to living expenses, insurance, rent and associated costs such as utilities (gas and/or electricity), clothing and savings plans. Calculations are carried out on the basis of reported income and earnings, statistics on state taxes and deductions as well as economic forecasts provided by leading economic institutes.

GfK calculates purchasing power data for more than 60 countries worldwide.

Special studies are also available for the purchasing power of individual product-lines such as consumer electronics.

1 D-A-CH region comparison: Switzerland far ahead

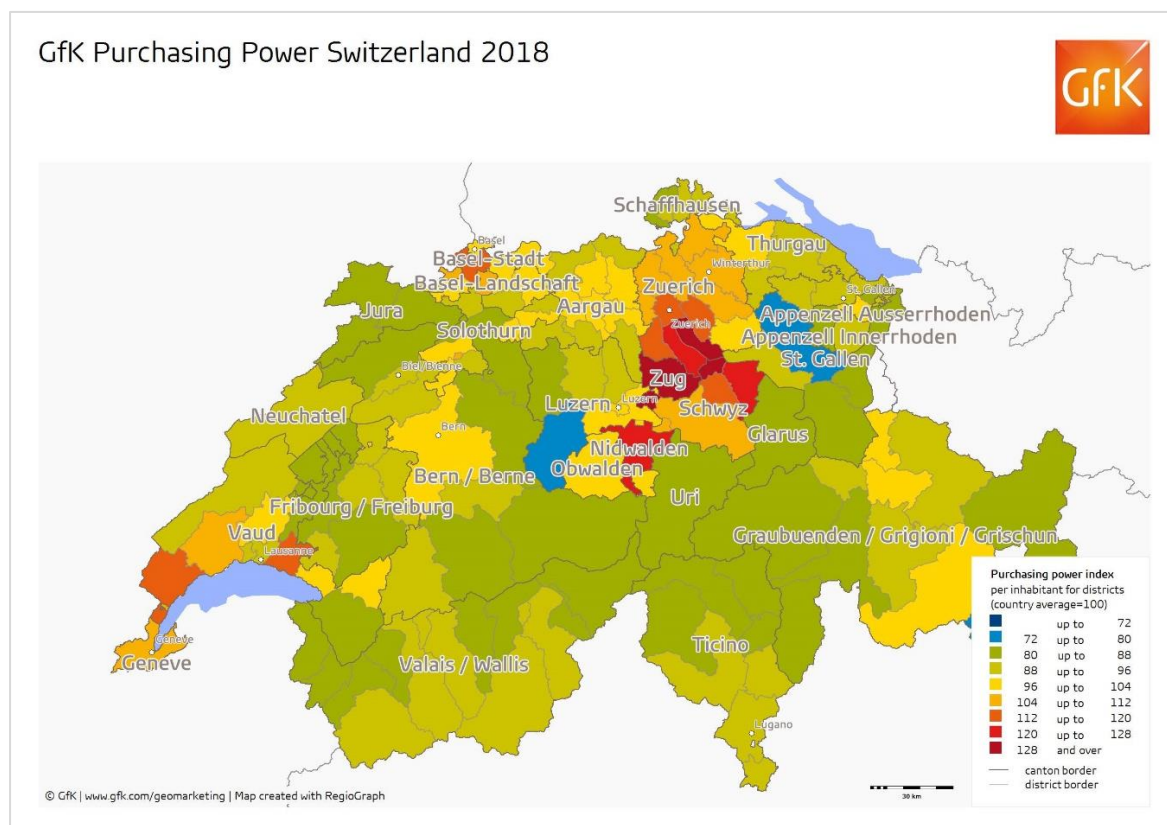
The Swiss once again surpass the Germans and Austrians when it comes to purchasing power. But the available net income within each of these countries also varies markedly. None of the federal states or cantons encompassing the countries' capital top the national rankings: The purchasing power hotspots are elsewhere. However, at the more detailed district level, multiple capital city districts dominate Austria's purchasing power rankings.

According to GfK's new study, inhabitants of the Swiss canton of Bern, where the country's government resides, have a 2018 per-capita purchasing power of €37,270. Inhabitants of the Austrian capital federal state of Vienna have €22,817 per person. Inhabitants of Germany's capital federal state of Berlin have a 2018 per-capita purchasing power of €21,033. As such, all three capital regions fall below their respective national averages. While the gap is only around two percent for Vienna, Bern and Berlin are both approximately eight percent below their countries' national averages.

Purchasing power measures the available net income of the population, including government subsidies such as unemployment assistance, child benefit and pension contributions. GfK's study illuminates the regional differences both within and between the evaluated countries.

GfK forecasts a 2018 per-capita purchasing power of €40,456 for Switzerland. According to the study, the total purchasing power for Switzerland in 2018 is €340.6 bil. (excluding Liechtenstein). In 2018, Austrians have on average €23,282 per person, with a total purchasing power of approximately €204.2 bil. By way of comparison, Germany's approximately 82.5 million inhabitants command a total purchasing power of €1,893.8 bil. This corresponds to a per-capita purchasing power of €22,992.

2 Switzerland



As in the previous year, the highest per-capita purchasing power is the cantons of Zug, Schwyz and Nidwalden. Due to the relatively small number of inhabitants, the purchasing power in these three cantons equates to only around five percent of Switzerland's total purchasing power. The most populous canton of Zurich – which is home to around 18 percent of Switzerland's population – has more than €68 bil. purchasing power, which is almost 20 percent of the country's total purchasing power. Zurich also has a high average per-capita purchasing power, coming in at fourth place.

Inhabitants of the second-most populous canton of Bern have almost €38 bil. at their disposal, which comprises around 11 percent of Switzerland's total purchasing power. Even so, the canton ranks only fifteenth out of 26 in the nation's per-capita purchasing power rankings.

Top ten cantons in Switzerland in 2018

ranking	canton	inhabitants	purchasing power in mil. €	per-capita purchasing power in €	per-capita purchasing power index*
1	Zug	123,948	7,437	60,003	148.3
2	Schwyz	155,863	8,636	55,411	137.0
3	Nidwalden	42,556	2,189	51,449	127.2
4	Zurich	1,487,969	68,474	46,019	113.8
5	Geneva	489,524	21,410	43,737	108.1
6	Basel-Landschaft	285,631	12,337	43,195	106.8
7	Basel-Stadt	193,063	8,107	41,995	103.8
8	Aargau	663,461	26,483	39,917	98.7
9	Vaud	784,822	31,314	39,900	98.6
10	Solothurn	269,441	10,623	39,429	97.5

source: GfK Purchasing Power Switzerland 2018

*index per inhabitant; 100 = national average

Aargau passes up Vaud to take eighth place in this year's top-ten rankings for per-capita purchasing power in Switzerland's cantons.

Districts

At the more detailed district level, half of the top-ten districts in terms of per-capita purchasing power are located in the canton of Schwyz. Far surpassing all others is the district of Höfe, which has an average per-capita purchasing power of €87,853. This is more than twice the national average. Zurich's district of Meilen takes second place with 1.5 times the national average, which equates to €62,431 per person. Also located in the canton of Schwyz, Einsiedeln is a new addition to the top-ten districts, pushing Zurich's district of Uster to eleventh place. Nidwalden and Horgen trade places, with Horgen dropping to seventh place, while Nidwalden moves to fifth place.

The most populous district (Genève) comes in at eighteenth place among Switzerland's 143 districts. At €43,737 per person, its purchasing power is eight percent above the national average.

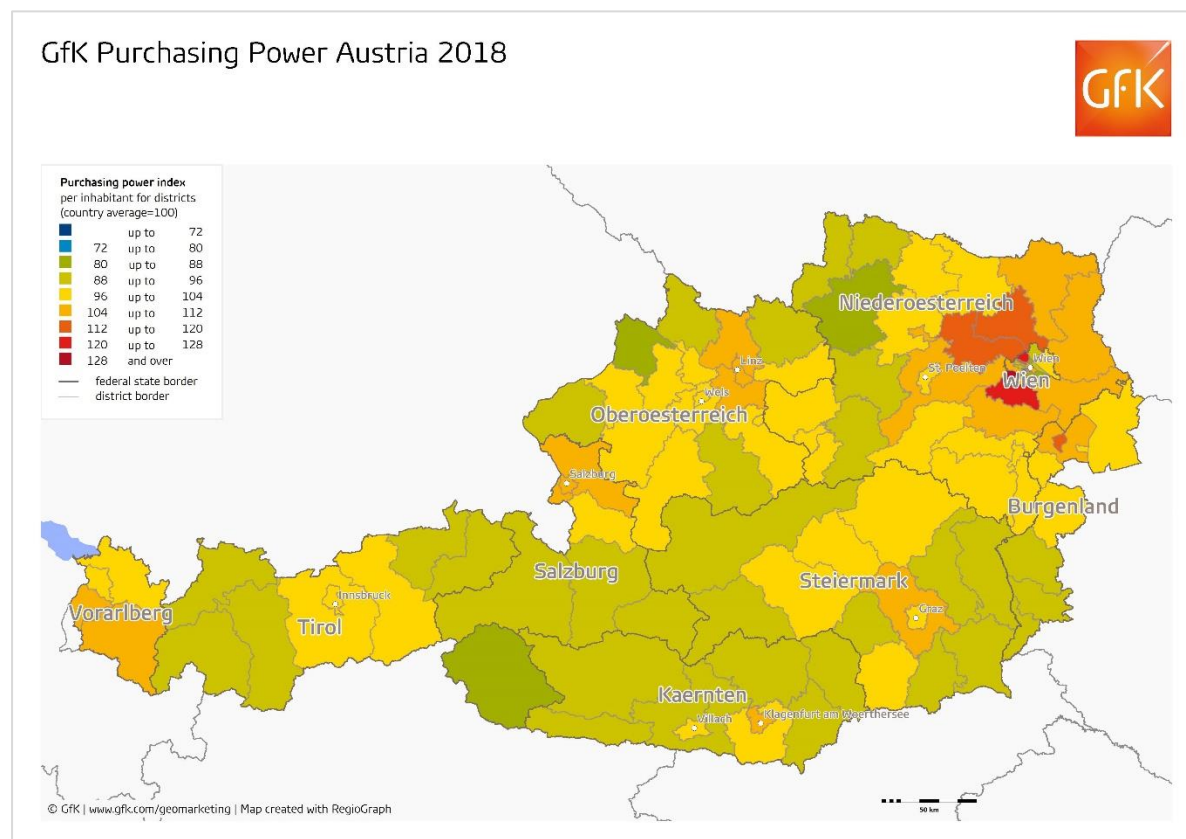
Top ten districts in Switzerland in 2018

ranking	district	inhabitants	per-capita purchasing power €	per-capita purchasing power index*
1	Höfe district	28,535	87,853	217.2
2	Meilen district	102,280	61,431	151.8
3	Zug canton	123,948	60,003	148.3
4	Küssnacht (SZ) district	12,512	58,156	143.8
5	Nidwalden canton	42,556	51,449	127.2
6	March district	42,781	51,308	126.8
7	Horgen district	123,566	50,579	125.0
8	Nyon district	98,625	47,298	116.9
9	Lavaux-Oron district	61,002	46,878	115.9
10	Einsiedeln district	15,361	46,562	115.1

source: GfK Purchasing Power Switzerland 2018

*index per inhabitant; 100 = national average

3 Austria



With more than €24,000 per person, Lower Austria and Vorarlberg are Austria's only federal states whose per-capita purchasing power exceeds the national average of €23,282 by more than three percent. Salzburg is in third place, followed closely by Upper Austria, whose per-capita purchasing power index is just above the national average. The remaining federal states are somewhat below Austria's average, with the federal state of Tyrol in last place, as was the case in the previous year.

Ranking of Austria's federal states in 2018

ranking	federal state	inhabitants	per-capita purchasing power in €	per-capita purchasing power index*
1	Lower Austria	1,665,753	24,338	104.5
2	Vorarlberg	388,752	24,093	103.5
3	Salzburg	549,263	23,590	101.3
4	Upper Austria	1,465,045	23,424	100.6
5	Burgenland	291,942	23,231	99.8
6	Vienna	1,867,582	22,817	98.0
7	Styria	1,237,298	22,735	97.7
8	Carinthia	561,077	22,612	97.1
9	Tyrol	746,153	22,586	97.0

source: GfK Purchasing Power Austria 2018

*index per inhabitant; 100 = national average

Districts

More than half of Austria's districts in the top-ten purchasing power rankings belong to Vienna, although six of Vienna's districts are also among Austria's ten lowest ranking districts. This shows how heterogeneously purchasing power is distributed across the various city districts. The district "Vienna 1, Innere Stadt" has a per-capita purchasing power of €38,881, which is 67 percent higher than the Austrian average. With an average per-capita purchasing power of €30,557, the district of "Vienna 13, Hietzing" follows in second place.

Vienna's surroundings also have an above-average per-capita purchasing power. This is most pronounced in the districts of Mödling, Korneuburg, Eisenstadt (city) and Tulln, all of which take top spots in the national rankings. These districts have average per-capita purchasing power levels ranging from €26,122 to €29,643, which are 14 to 27 percent higher than the national average.

Top ten districts in Austria

ranking	district	inhabitants	per-capita purchasing power in €	per-capita purchasing power index*
1	Vienna 1, Innere Stadt	16,465	38,881	167.0
2	Vienna 13, Hietzing	54,171	30,557	131.3
3	Mödling	118,088	29,643	127.3
4	Vienna 19, Döbling	72,107	28,381	121.9
5	Korneuburg	89,481	26,955	115.8
6	Vienna 18, Währing	51,128	26,800	115.1
7	Eisenstadt (city)	14,339	26,685	114.6
8	Vienna 4, Wieden	33,035	26,554	114.1
9	Tulln	101,727	26,432	113.5
10	Vienna 7, Neubau	32,197	26,122	112.2

source: GfK Purchasing Power Austria 2018

*index per inhabitant; 100 = national average

4 Germany

There are few changes to the 2018 distribution of purchasing power at the level of Germany's federal states. An exception is Berlin's overtaking of Bremen to assume tenth place. The other eastern federal states are also developing positively, with purchasing power index increases between 0.7 and 1.1 percent compared to the previous year. Even so, they are still significantly below the level of the western federal states. North Rhine-Westphalia, Schleswig-Holstein and Bremen have the largest decreases, with index losses between 0.7 and 0.8 percent. But this is only a relative decline, because the index represents deviations from the national average. Nominal per-capita purchasing power will rise in all of Germany's federal states.

Purchasing power in Germany's federal states

2018 ranking (2017)	federal state	inhabitants	GfK Purchasing Power 2018 per inhabitant in €	purchasing power index*
1	Hamburg	1,798,654	25,242	109.8
2	Bavaria	12,884,983	25,107	109.2
3	Baden-Württemberg	10,925,081	24,732	107.6
4	Hesse	6,193,150	24,329	105.8
5	Schleswig-Holstein	2,876,873	23,020	100.1
6	North Rhine-Westphalia	17,875,813	22,777	99.1
7	Rhineland-Palatinate	4,062,075	22,587	98.2
8	Lower Saxony	7,948,507	22,475	97.8
9	Saarland	997,754	21,620	94.0
10 (11)	Berlin	3,550,948	21,033	91.5
11 (10)	Bremen	676,256	20,969	91.2
12	Brandenburg	2,487,511	20,938	91.1
13	Saxony	4,078,397	19,727	85.8
14	Thuringia	2,160,943	19,669	85.5
15	Saxony-Anhalt	2,239,428	19,456	84.6
16	Mecklenburg-Western Pomerania	1,612,585	19,356	84.2

source: GfK Purchasing Power Germany 2018 *index per inhabitant; 100 = national average
Population figures for Mecklenburg-Western Pomerania and Hesse are GfK projections of official statistics.

Districts

As in previous years, Germany's highest purchasing power average can be found in the Bavarian rural district of Starnberg: With €33,102 per person, inhabitants of this district have around 44 percent more purchasing power than the national average. There are three changes to the rankings of Germany's top ten urban and rural districts. Erlangen falls one spot to ninth place, switching positions with Dachau, while the rural district of Miesbach moves into the top ten, up from twelfth place. Miesbach ousts the district of Stormarn, which drops from tenth to seventeenth place.

Top ten urban and rural districts in 2018

2018 ranking (2017)	urban/rural district (UD/RD)	inhabitants	GfK Purchasing Power 2018 per inhabitant in €	purchasing power index*
1	Starnberg RD	134,308	33,102	144.0
2	Hochtaunuskreis RD	234,574	32,137	139.8
3	Munich RD	341,747	31,687	137.8
4	Munich UD	1,452,826	30,998	134.8
5	Main-Taunus-Kreis RD	234,424	30,537	132.8
6	Ebersberg RD	138,523	30,179	131.3
7	Fürstfeldbruck RD	215,178	28,574	124.3
8 (9)	Dachau RD	149,952	28,156	122.5
9 (8)	Erlangen UD	109,501	27,875	121.2
10 (12)	Miesbach RD	98,753	27,553	119.8

source: GfK Purchasing Power Germany 2018

*index per inhabitant; 100 = national average

Germany's most populous urban districts

The nation's 25 most populous urban districts alone comprise a fifth of Germany's total purchasing power. But not all the country's large cities have above-average purchasing power: When it comes to per-capita purchasing power, the capital city of Berlin lies eight percent below the national average, with Dortmund and Dresden coming in at a similar level. Even further behind is the city of Leipzig, which has 12 percent less than the national average.

Urban districts with more than 500,000 inhabitants

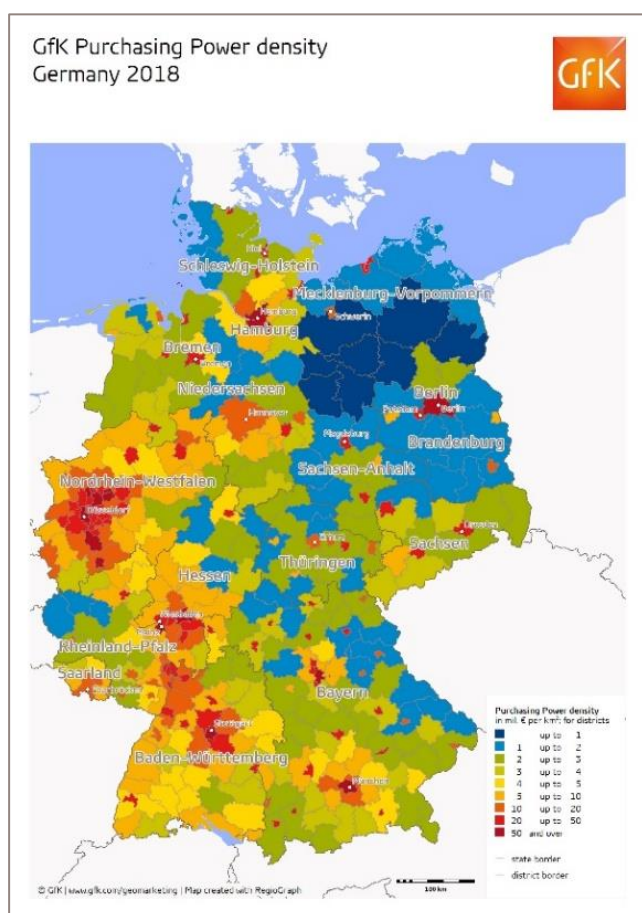
2018 ranking	urban district (UD)	inhabitants	total 2018 purchasing power in mil. €	per-capita 2018 purchasing power in €	purchasing power index*
286	Berlin UD	3,550,948	74,686.4	21,033	91.5
52	Hamburg UD	1,798,654	45,401.6	25,242	109.8
4	Munich UD	1,452,826	45,035.3	30,998	134.8
79	Cologne UD	1,070,357	26,221.1	24,498	106.5
31	Frankfurt am Main UD	731,009	19,199.8	26,265	114.2
39	Stuttgart UD	626,144	16,197.5	25,869	112.5
18	Düsseldorf UD	611,302	16,546.0	27,067	117.7
279	Dortmund UD	585,352	12,345.3	21,090	91.7
192	Essen UD	583,768	13,042.6	22,342	97.2
334	Leipzig UD	564,305	11,356.8	20,125	87.5
259	Bremen UD	563,257	12,067.8	21,425	93.2
296	Dresden UD	543,501	11,385.1	20,948	91.1
110	Nuremberg UD	510,405	12,189.1	23,881	103.9

source: GfK Purchasing Power Germany 2018

*index per inhabitant; 100 = national average

5 Purchasing power density as indicator of retail potential

The purchasing power totals demonstrate that Germany's most populous cities and particularly the large metropolitan regions are indispensable target markets for retailers and service providers. Purchasing power density – the available purchasing power in millions of euros per square kilometer – is very high in metropolises such as Berlin, Hamburg and Munich, but also in the Ruhr region, the greater metropolitan area of Stuttgart and Frankfurt/Main. A high purchasing power density indicates that companies can tap significant purchasing power potential within a small geographic area even just among their residential target group.



Additional information on GfK's regional market data can be found [here](#).

About GfK

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