Press release

Poland's top five cities boast above-average product-line potential

GfK study on product-line purchasing power in Poland

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Bruchsal, Germany, February 21, 2017 – Poland's 2016 retail purchasing power was approximately €89 bil. Around 43 percent of these funds were spent on food, beverages and tobacco products. Basic supply items – food, clothing, health/hygiene – comprised just under two-thirds of Poland's retail purchasing power. But according to GfK's new study, the amount and distribution of this purchasing power varies substantially from region to region.

The GfK study reveals that Poles had an average per-capita retail purchasing power of €2,326 in 2016. This refers to the average amount available for retail purchases, as measured at consumers' places of residence.

The GfK study on 2016 product-line purchasing power breaks down retail purchasing power into specific product groups. The top three product groups – food, clothing, health/hygiene – comprise more than 64 percent of Poland's retail purchasing power. The other product groups included in the study are responsible for the remaining third.

product group	share as a %	product-line purchasing power per inhabitant in 2016
retail purchasing power	100.0	2,326
food products	43.1	1,003
clothing	11.1	258
health and hygiene	9.9	230
DIY products	9.3	216
furniture and furnishings	6.1	141
consumer electronics, information- and communications technologies and photography equipment	5.1	118
electrical household appliances	4.5	105
sports, hobbies and recreational items	2.7	62
shoes, leather goods	2.6	61
books, stationery	2.3	54
household products	1.9	44
watches, jewelry	1.5	35

source: GfK Purchasing Power for Retail Product Lines, Poland 2016

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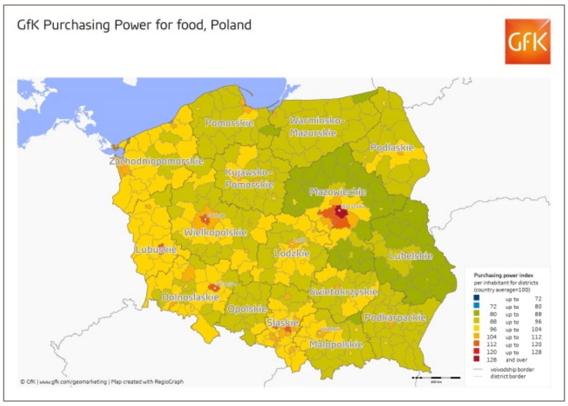
Groceries and hygiene items

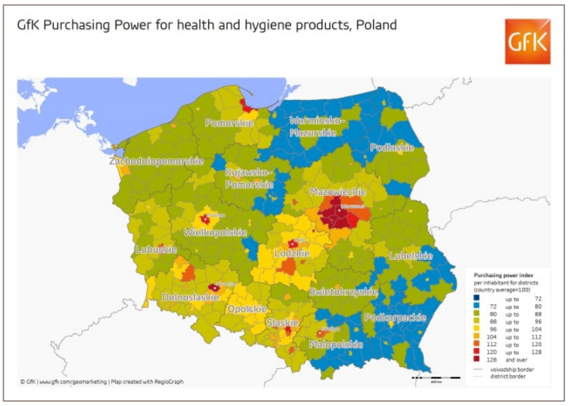
One might assume that purchasing power for basic needs such as eating, drinking and health would be evenly distributed. But this is not the case according to the GfK study.

For example, the capital city district of Warszawa has a per-capita purchasing power for food product lines of €1,347, which is 34 percent above the national average. By contrast, inhabitants of the district of Przysuski in central Poland have only €807 per person to spend on these product lines, which is around 20 percent below the national average.

The purchasing power gap for health and hygiene product lines is even larger, with inhabitants of the Polish capital once again at the top of the list. With €419 per person, these inhabitants have 82 percent more than the national average. At the other end of the spectrum are inhabitants of the district of Nowomiejski in northern Poland: With just €172 per person, these individuals have around 25 percent less for these product lines than the national average.

A quick glance at the purchasing power maps for both product groups shows that the distribution of purchasing power for food product lines is significantly more homogenous than is the case for health/hygiene product lines.





Clothing

The geographic distribution of purchasing power for men's, women's and children's clothing varies widely.

A stark difference between the capital district of Warszawa and rural regions is once again apparent: Inhabitants of the district of Kolnenski in northeastern Poland have €197 per person for this product line, which does not even amount to half of what is available to inhabitants of Warsaw.

Top five districts in Poland for clothing-related purchasing power

2016 ranking	district (Powiaty)	inhabitants	GfK Purchasing Power 2016 for clothing, per inhab-itant in €	purchasing power index*
1	Warszawa	1,744,351	465	180.5
2	Piaseczynski	177,007	394	153.2
3	Warszawski Zachodni	112,957	379	147.2
4	Pruszkowski	160,776	376	145.9
5	Grodziski	90,656	352	136,8

*source: GfK Purchasing Power for Retail Product Lines Poland * index per inhab.; 100 = national avg.

All Polish cities with more than 500,000 inhabitants have above-average purchasing power for retail product lines, including for the three most important product groups of food, clothing and health/hygiene. Even so, significant contrasts are apparent within these top five regions.

district	inhabitants	purchasing power index* for food	purchasing power index* for health/hygiene	purchasing power index* for clothing
Warszawa	1,744,351	134.4	181.7	180.5
Krakow	761,069	107.8	114.9	115.4
Lodz	700,982	104.8	124.1	115.7
Wroclaw	635,759	116.8	134.1	118.0
Poznan	542,348	114.0	121.1	114.9

* source: GfK Purchasing Power for Retail Product Lines Poland * index per inhab.; 100 = national avg.

These differences are even more pronounced when comparing the 20 most populous districts. In some areas, there is significantly below-average per-capita potential for a couple of the three main product lines. Even so, the populated nature of these regions make them an overall attractive prospect for certain retailers.

DIY products

A look at the regional potential for DIY products demonstrates how much of a difference is made by sheer population size. Some less populous districts such as Sopot and Grodziski are among the ten districts with the most per-capita purchasing power for DIY products. But the second-highest amount of purchasing power (behind Warszawa) can be found in the district of Wroclaw, which ranks only seventh in terms of per-capita purchasing power.

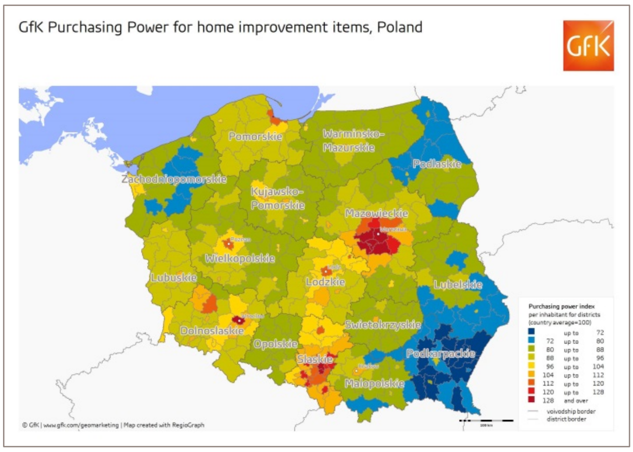
Top five districts for DIY products per inhabitant

2016 ranking	district	inhabitants	total purchasing power for DIY products in mil. €	GfK Purchasing Power 2016 for DIY products, per inhabitant in €	purchasing power index*
1	Warszawa	1,744,351	637.9	366	169.6
2	Piaseczynski	177,007	54.5	308	142.8
3	Warszawski Zachodni	112,957	33.6	297	137.7
4	Pruszkowski	160,776	47.6	296	137.2
5	Katowice	299,910	88.4	295	136.7

* source: GfK Purchasing Power for Retail Product Lines Poland * index per inhab.; 100 = national avg.

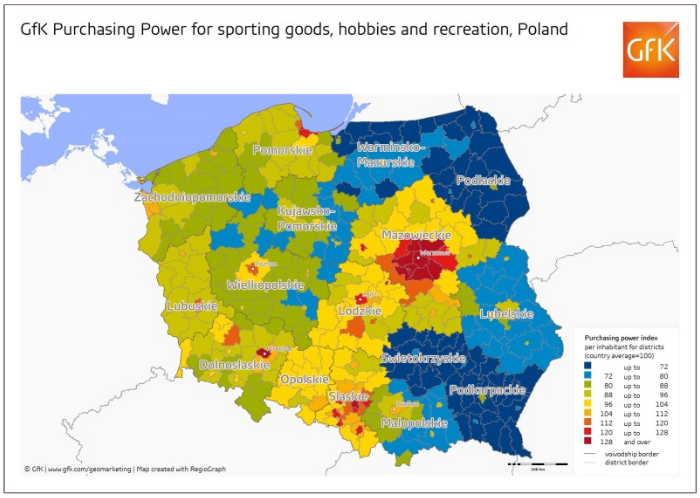
DIY products include not only indoor items such as tiles, table tops, carpets and bathroom fittings, but also outdoor items such bricks, automobile accessories, garden appliances and plants.

The potential for DIY products is usually higher in rural rather than urban areas due to the larger living and garden spaces available to inhabitants of rural regions. But this effect is countered in Poland by the stark urban-rural divide in available income levels, which means that cities in Poland still have more purchasing power for this product line than rural areas.



Hobbies, sports and recreation

Inhabitants of Warsaw have the highest absolute and per-capita purchasing power for hobby and recreational product lines, including board and card games, stuffed animals, crafts and drawing supplies, musical instruments, bicycles, skis, boats, tents, sleeping bags, etc. With €128 per person, inhabitants of Warsaw have more than twice the national average for these products. With €62 per person, the around 50,000 inhabitants of the district of Laski near Łódź come in right at the national average. A very different picture characterizes the situation in the district of Kazimierski in southern Poland: Only €35 per person is available to these inhabitants for this product line, which does not even amount to 60 percent of the national average. Even so, the total purchasing power in this district for hobbies, sports and recreation is still €1.2 mil.



About the study

The study "GfK Purchasing Power for Retail Product Lines" is calculated on the basis of various surveys and analyses of retail-related consumer behavior. On the basis of this consumer information, GfK's Geomarketing solution area and market experts from GfK Polonia determine the regional purchasing power for the various evaluated product lines.

Purchasing power is provided in the form of forecasted nominal values, meaning that they have not been adjusted for inflation. These values are based on consumers' places of residence rather than on points of sale. The data comprises average values for all inhabitants of a region. It is therefore incorrect to use these figures to make assumptions about the financial assets of individuals.

The data offers comprehensive coverage and is available for all of Poland's administrative and postal levels, from districts, municipalities and urban and rural cities ("Gminy," "Miasta") down to five-digit postcodes. GfK studies on purchasing power for retail product lines are also available for many additional European countries, including Germany, the Czech Republic, Slovakia, Austria and Switzerland.

Applications
GfK's regional purchasing power for retail product lines serves as an important planning basis for sales and marketing endeavors among companies across many industries. These applications require a realistic determination of the regional distribution of purchasing power. The focus of the study is consequently not on tracking data trends over the years, but rather on providing a prognosis that reflects this regional distribution. It is therefore not advisable to compare current figures with data from previous years.

GfK Purchasing Power for Retail Product Lines gives retailers and manufacturers insights into the regional sales potential for various product lines. This allows users of the data to tailor sales and marketing endeavors according to regional consumer preferences. The data also provides an objective basis for decisions related to location planning and evaluation, category management and sales controlling.

Additional information on GfK's regional market data can be found at www.gfk.com/marketdata.

Print-quality illustrations can be found here.

About GfK
GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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