

GfK

Association

GfK Consumption Trend Sensor 2010

**Expansion in Poland –
Stability in Germany, France and Austria –
Downturn in Russia, Spain and the UK**



By

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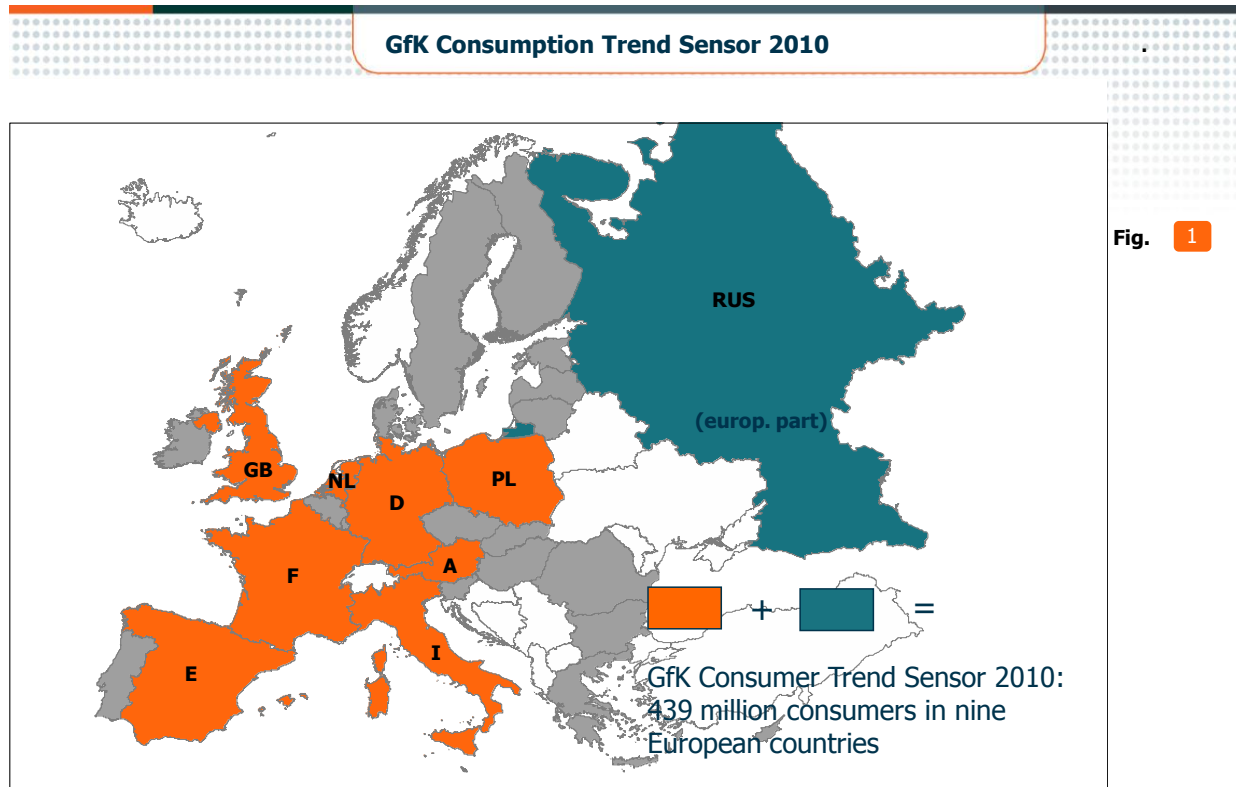
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1 Introduction



GfK Association

The GfK Consumption Trend Sensor produced by the GfK Association provides information on the basic trends in selected markets regarding individual consumption within the European Union and Russia with its 142 million inhabitants. The eight EU countries included in this study account for roughly 75% of consumers in the 27 EU member states, which have a total population of 495 million inhabitants (cf. *Eurostat 2010a*). Together, the groups of people aged 14, 15 or 16 years and above, and of relevance to representative empirical investigations of this kind in these eight EU countries and in Russia, make up a market of 439 million individual consumers.

The GfK Consumption Trend Sensor was developed in conjunction with the Institut für Wirtschafts- und Sozialpsychologie (Institute for Business and Social Psychology) at Cologne University and has been compiled in Germany at two-year intervals since 1995 (cf. *The GfK Association 1996*). In 2001, the survey was broadened to include five more European countries: France, Italy, Poland, Spain and the UK (cf. *The GfK Association 2002a*). Since 2005, the GfK Consumption Trend Sensor has formed an integral part of the European Consumer Study conducted by the GfK Association. Within this framework, central developments in consumer behavior are now also being monitored in Austria, the Netherlands and Russia.

The GfK Consumption Trend Sensor, which is a standardized longitudinal measuring instrument, focuses on dimensions of social change relevant to consumption. In the process, it traces the

sociological background by using a variety of theoretical approaches to describing and explaining value changes observed in advanced industrial societies since the 1960s. Initial pride of place here goes to the approach developed by Ronald Inglehart in the 1970s and continuously expanded since, which concerns post-materialism, social modernization and cultural change (cf. *Inglehart 1977; Inglehart/Welzel 2005*). Second, there is the theory, formulated by Ulrich Beck in the 1980s, involving individualization (cf. *Beck 1986*), the starting premise of which is that people's own biographies are becoming an increasingly powerful function of the individual. This approach was refined by Stefan Hradil on the basis of empirical analyses in respect of the concept of a "singles society" (cf. *Hradil 1995*). Under this approach, single persons are virtually the spearhead of social individualization processes. Third, there is the increasing significance, as recorded by the sociologist Helmut Klages, of the values of self-expression in all developed countries (cf. *Klages 1985*). Fourth, we have the picture outlined by Gerhard Schulze in the early 1990s of the "experience society" (cf. *Schulze 1992; Schulze 2003*), the central leitmotif of which is "live one's life". Here, the value of experiencing a car, item of clothing or semi-luxury item is deemed more significant than the value of using them. However, in the meanwhile, the limitations of this experience-led orientation are becoming increasingly clear, since during times of economic crisis, the spotlight once again returns to the concrete uses of products and a balanced price/performance ratio for a wide variety of products (cf. *The GfK Association 2010x*).

By contrast, trend researchers like Faith Popcorn and Matthias Horx, for example, focus on qualitative and heuristic aspects. However, their social diagnoses often have no verifiable underlying empirical basis. The sociologist and author Holger Rust represents a position showing something of an empirical slant within trend research by advocating ".....quiet argumentation using available data on demographic development, contemplation of the cultural and economic legacies with which different age groups have grown up, their careers as consumers, and their entrenched desires" (cf. *Rust 1996*).

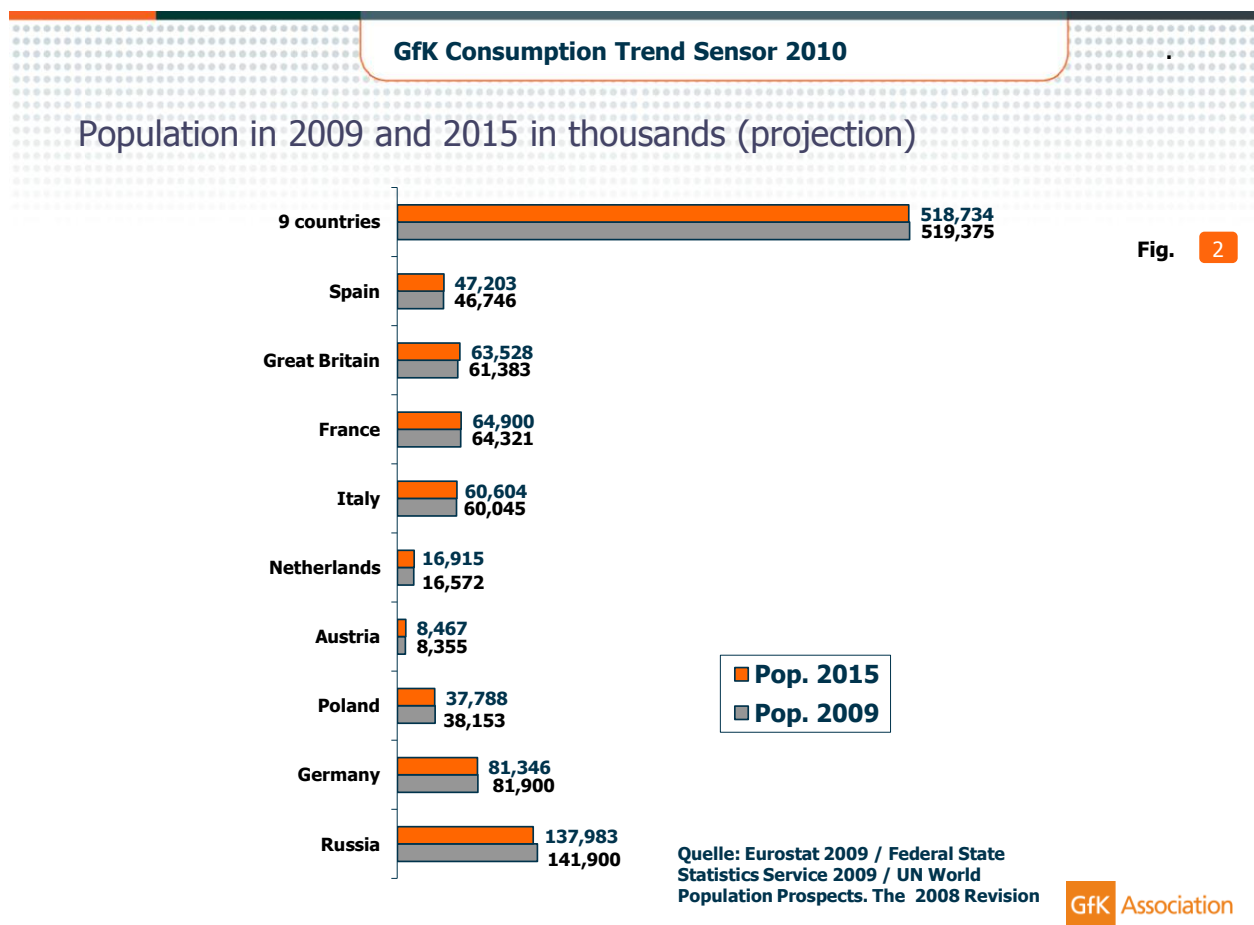
The following depiction of empirically compiled trends relevant to consumption focuses chiefly on the structural differences between individual countries. In instances where significant differences are apparent within the respective countries, separate reference will be made to these. In addition, for Germany, France, Italy, Poland, Spain and the UK, the current results for trend dimensions will be investigated in terms of their temporal development. Minor variations from one hundred, which occur for some of the represented percentages, are produced in cases where individual answers are missing.

For all nine countries, the current results are also analyzed in terms of differences within biographical lifeworlds (cf. *The GfK Association 2005a; cf. Chapter 10*). The development of consumption-related attitudes within the middle class alone is of key importance for private consumption in all developed societies. Across all nine countries investigated, the proportion accounted for by the lower, middle and upper middle classes amounts to 48%. The Netherlands records the highest proportion at 66%, with Poland and Russia the lowest at 33% and 34% respectively (cf. *Kleining 2007a*). In general terms, the middle classes across the globe can be denoted as the engine of social change, and this also applies to consumer behavior (cf. *The GfK Association 2008a*).

2. Structural indicators for private consumption

2.1 Demographic trends

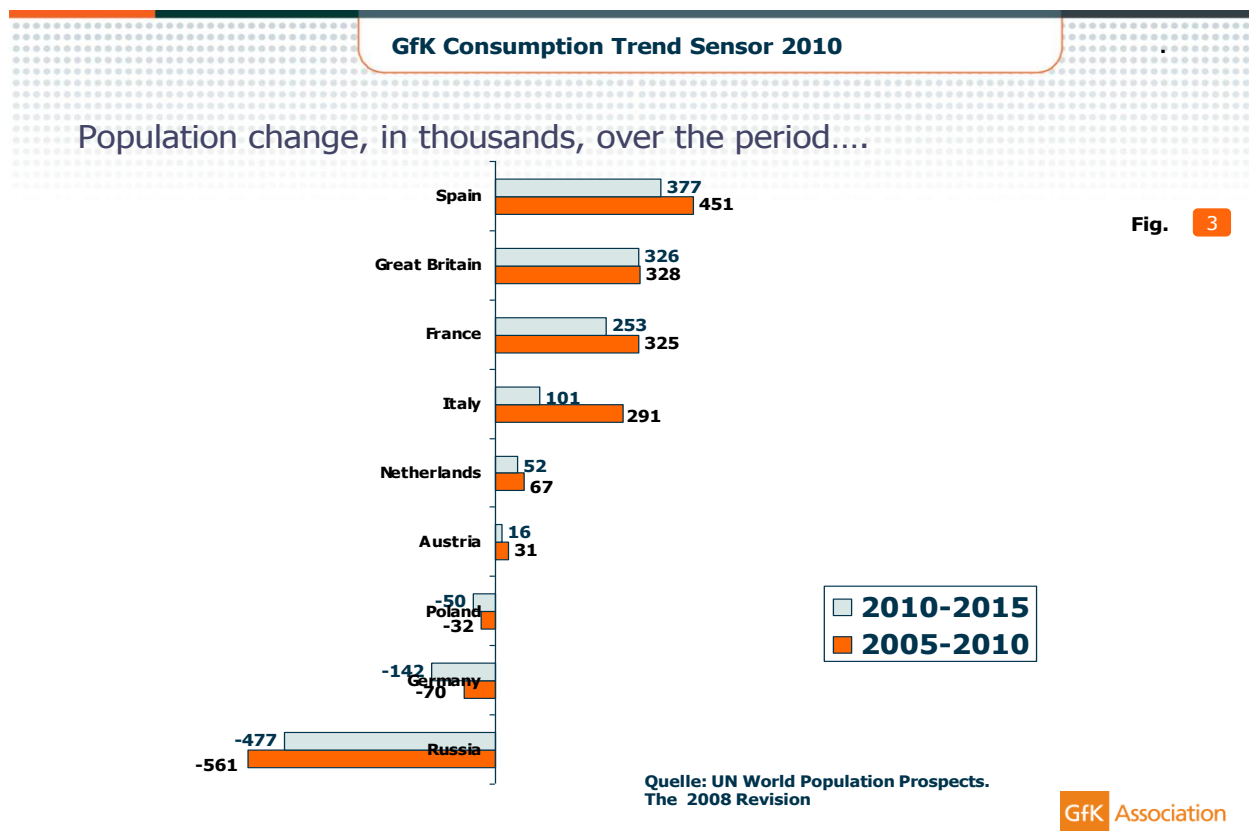
According to a forecast by the United Nations, by 2015, the population in the nine countries of the GfK Consumption Trend Sensor is likely to decline slightly from the current 519.4 million to 518.7 million. However, while Spain, the UK, France, Austria and the Netherlands can expect their populations to increase, the respective populations of Russia and Poland, as well as Germany, will continue to fall.



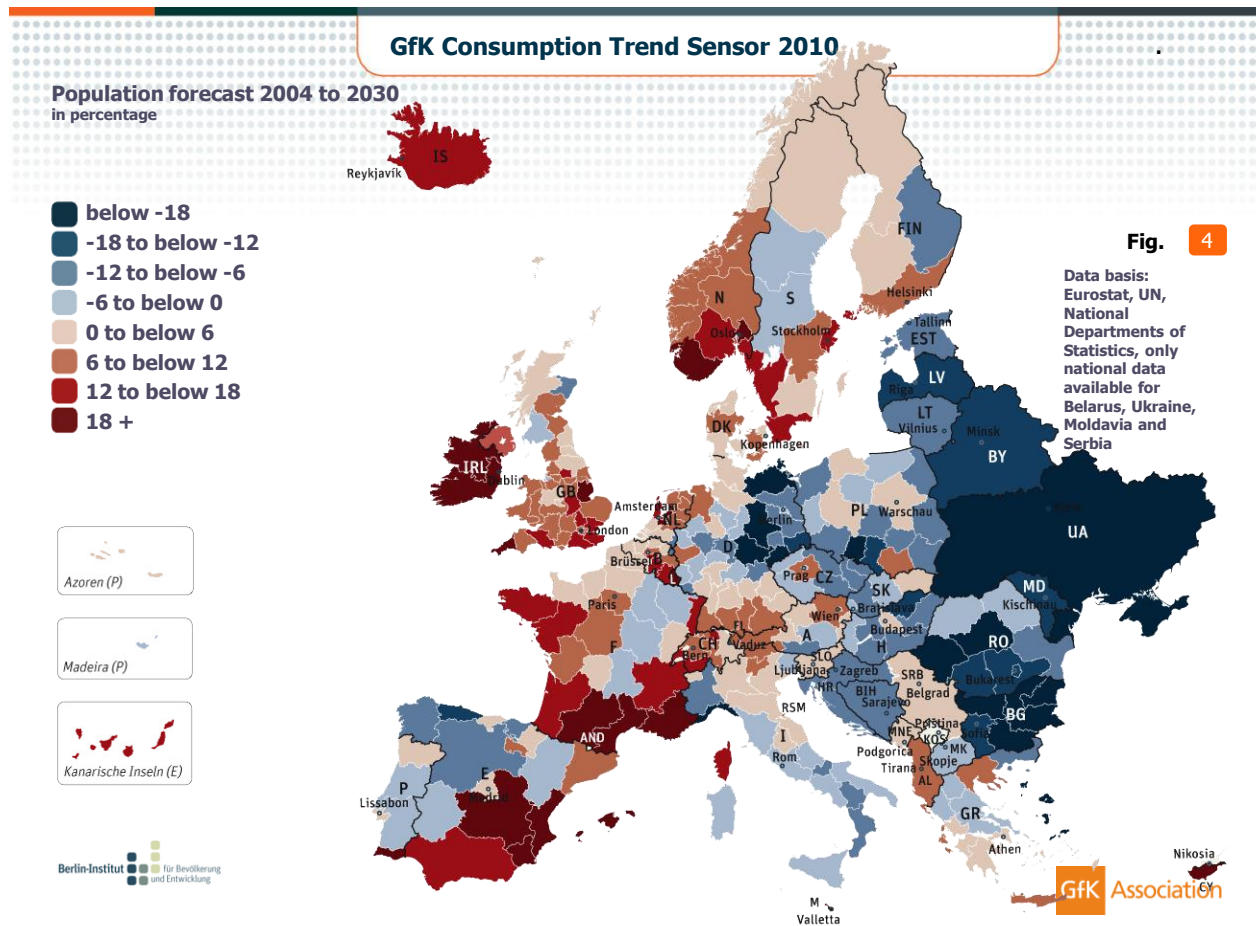
Important factors influencing this development are birth dynamics, current and future age structure, life expectancy in the individual age groups and of course, projected net migration (cf. *Birg 2003*).

Figure 3 shows the anticipated scale of annual demographic change for the respective individual countries in the years ahead. Above-average birth rates and positive net migration characterize the situation in the UK, France and the Netherlands. By contrast, population growth in Spain and (as yet) Italy remains attributable solely to migration. In comparative terms, below-average birth rates and negative net migration, particularly in the two East European countries of Russia and

Poland, and also in Germany, are leading to population shrinkage (cf. *UN 2010*). This is expected to have corresponding repercussions on private consumption, the labor market and the demand for infrastructural installations (cf. *Berlin-Institut 2009/Manager Magazin 2007*).

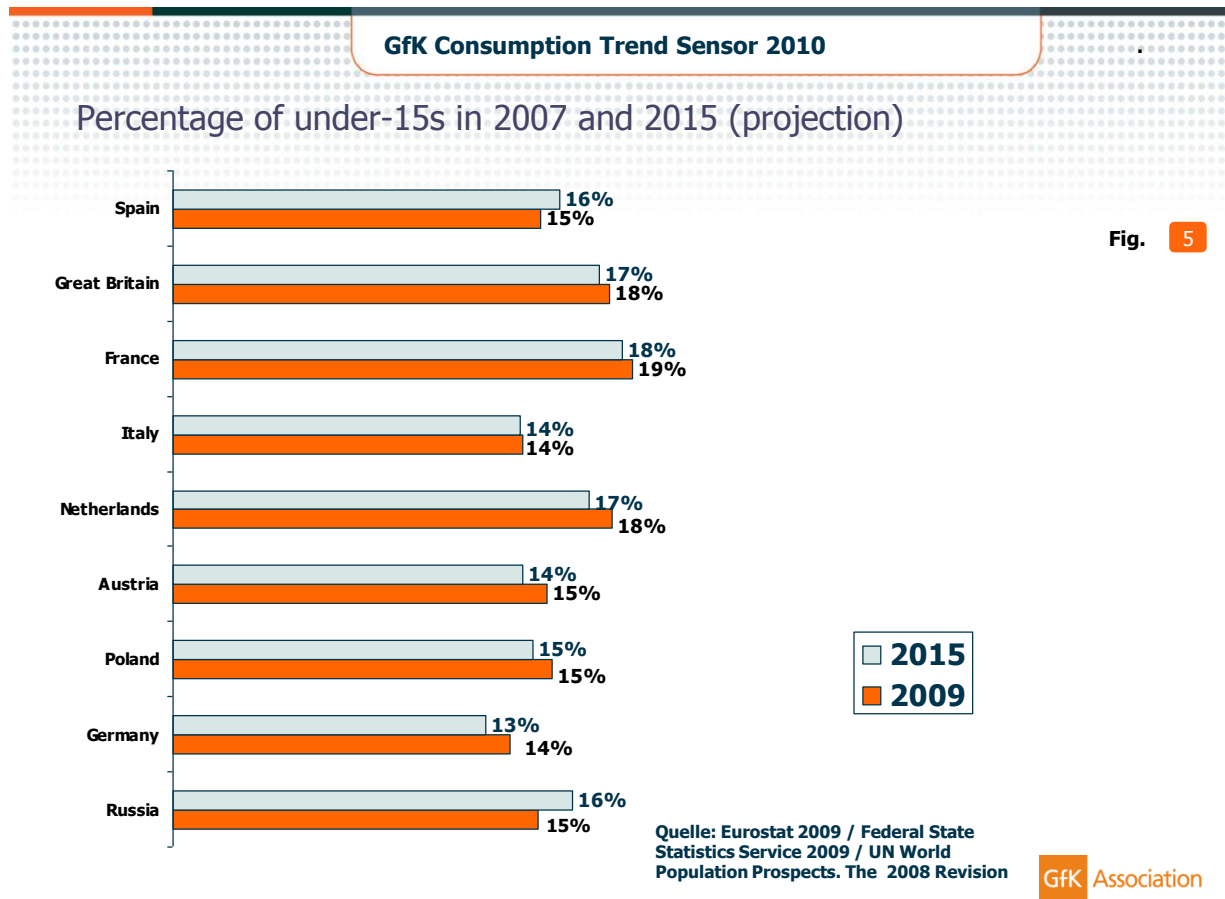


As is evident from *Figure 4*, over the coming two decades, the anticipated changes in population are likely to be very disparate across the individual European regions. While the majority of French regions, the South of England, the southern areas of Sweden, Norway and South Germany, the North-East of Italy and southern Spain can anticipate a rise in their populations and consequently, an increase in consumption, over large tracts of central and eastern Europe, East Germany and South Italy, the population will shrink. Only a process of continuous migration could reverse this situation in the medium term (cf. *Berlin-Institut 2008*). In West Germany in particular, only the number of single and two person households in the older age-groups is likely to rise (cf. *German Departments of National and Länder Statistics 2007*).



2.2 Trends regarding age structure

In the medium term, the under-15 age group, that is, the potential consumers of tomorrow, look set to become proportionately less significant in most European countries. This age group will decline on average by 1% to 2% in the years to come. This should be considered in light of the fact that between 1970 and 2010, the proportion of under-15s in Europe overall has already dropped from 25% to its current level of 15%, or to express it another way, by one-third. Only Spain and Russia are expected to show a minor relative increase by 2015. Spain is benefiting from the arrival of younger migrants, while the age structure in Russia is shifting in the medium term, due to the fall in life expectancy among Russian men which has been evident since the 1980s (cf. *UN 2010*). However, as far as the younger generations in Russia are concerned, life expectancy is again anticipated to rise slightly.



In contrast, the group comprising older people is gaining further in importance, both as voters and as consumers, in all the survey countries. In Germany and Italy, one in five inhabitants is already 65 or older and by 2025, the figure will be one in four. However, because of the further increase in life expectancy, the over-65s group in France, the UK and the Netherlands will soon account for approximately one-fifth of the population, in spite of the comparatively high birth rates in these countries. As already indicated, the lower proportion of over-65s in Russia in a cross-national comparison results from the appreciably lower life expectancy among men, which today stands at just 60, placing it 17 years below male life expectancy for Germany (cf. *UN 2010/BpB 2003*).

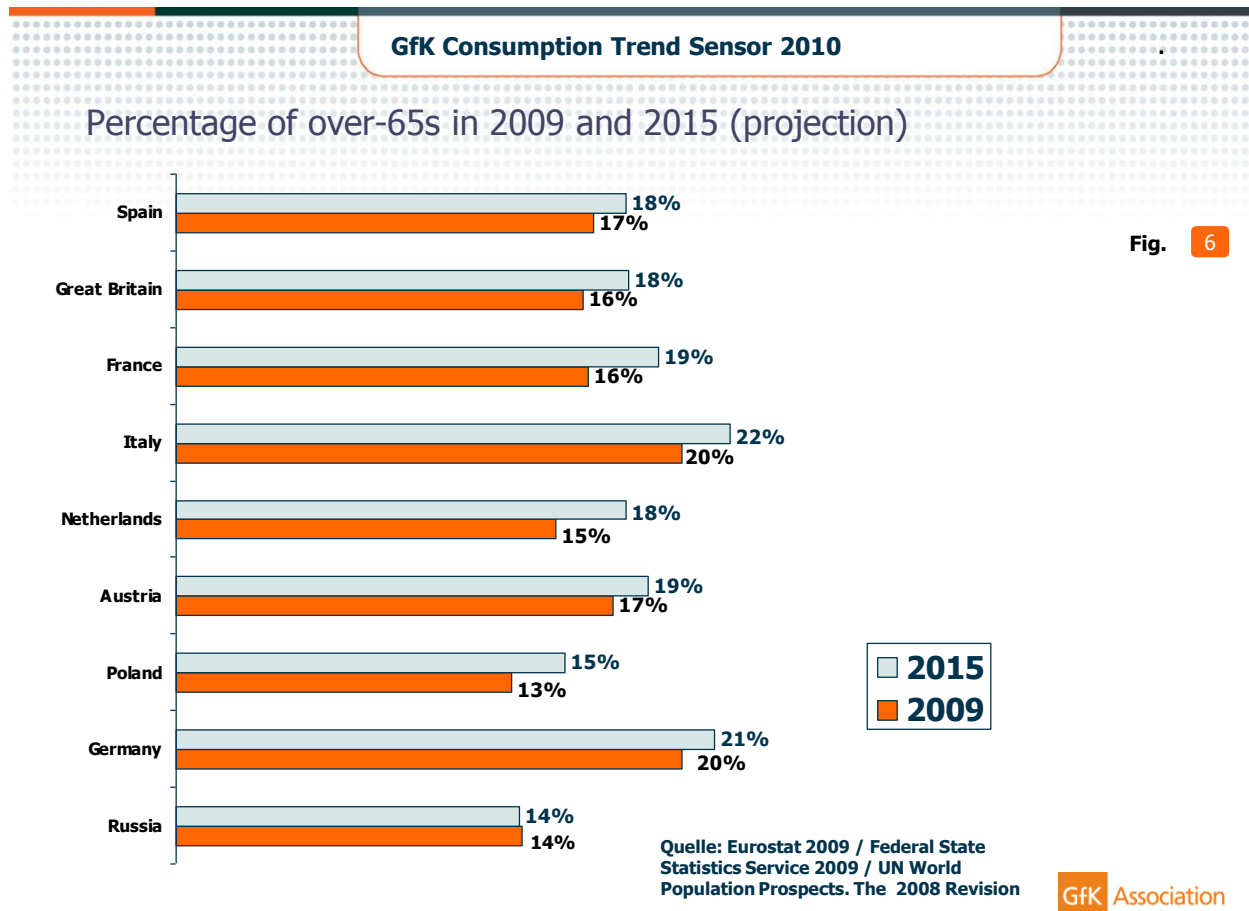


Fig. 6

2.3 GfK purchasing power® and inflation in the nine survey countries

In the nine survey countries, the rankings in terms of current GfK purchasing power for 2009/2010 are led by Austria, Germany and France. Among European countries, Denmark, Norway and Switzerland boast even higher purchasing power and both Italy and the Netherlands have per capita purchasing power of just under EUR 16,000, which is now slightly above the average for the 27 EU member states. Conversely, the per capita purchasing power of the British recorded a marked decline of 30% compared with 2008. This was attributable to the economic and financial crisis, and above all, to the weakness of the pound sterling. However, a weak zloty also meant that Polish consumers had around 5% less disposable income in 2009 (cf. *GfK GeoMarketing 2009*).

In Spain, at EUR 13,115, per capita purchasing power remained largely stable, despite unemployment running at a considerably higher level and a hefty downturn in tourism and the building industry (cf. *DIW 2010a*). In fact, although Russian consumers have just under one-fifth of German purchasing power at their disposal, lower prices for energy and food resulted in a slight increase in Russian per capita purchasing power for 2009 (cf. *Federal State Statistics Service 2009b/GfK GeoMarketing 2009*).

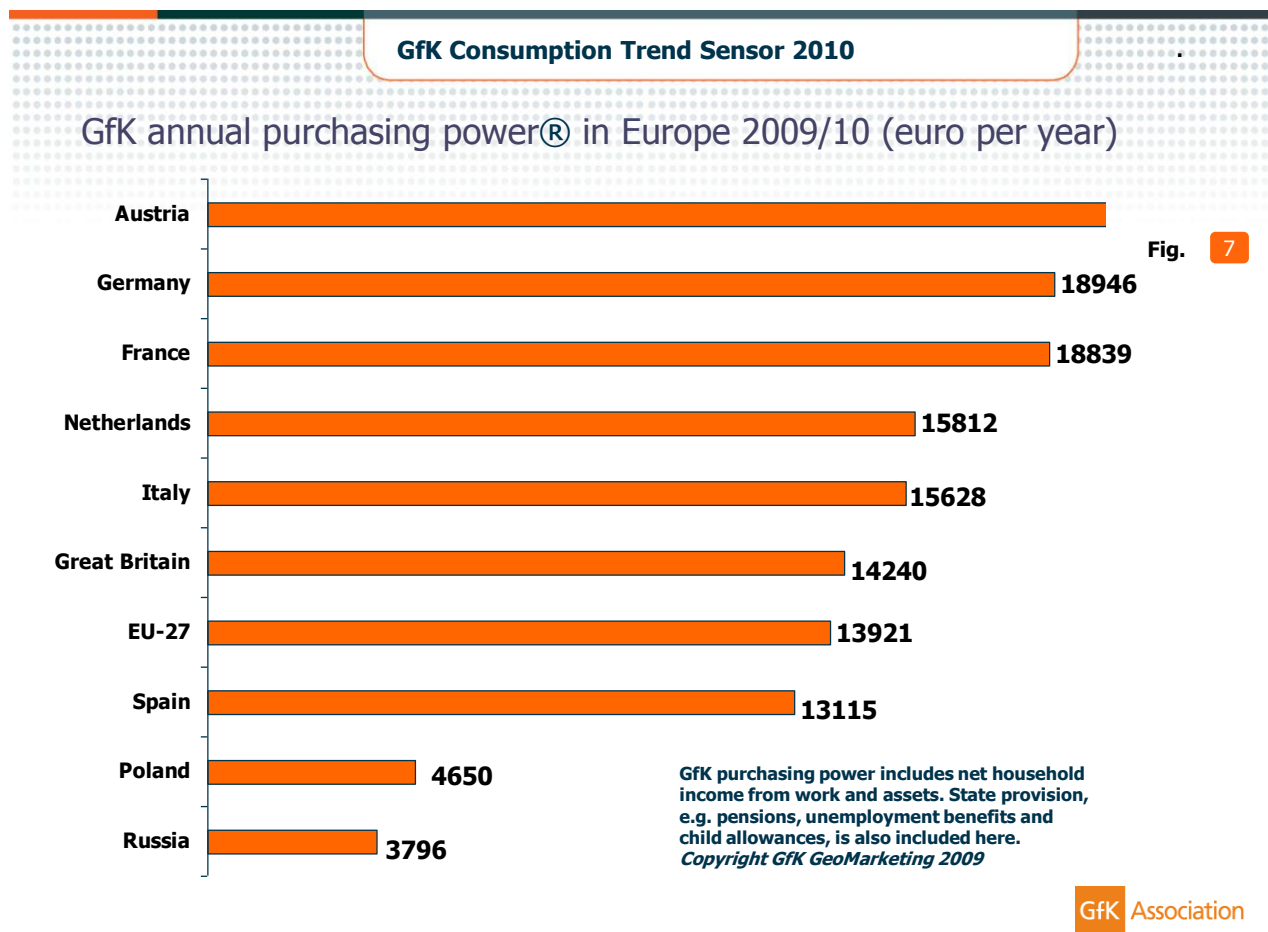


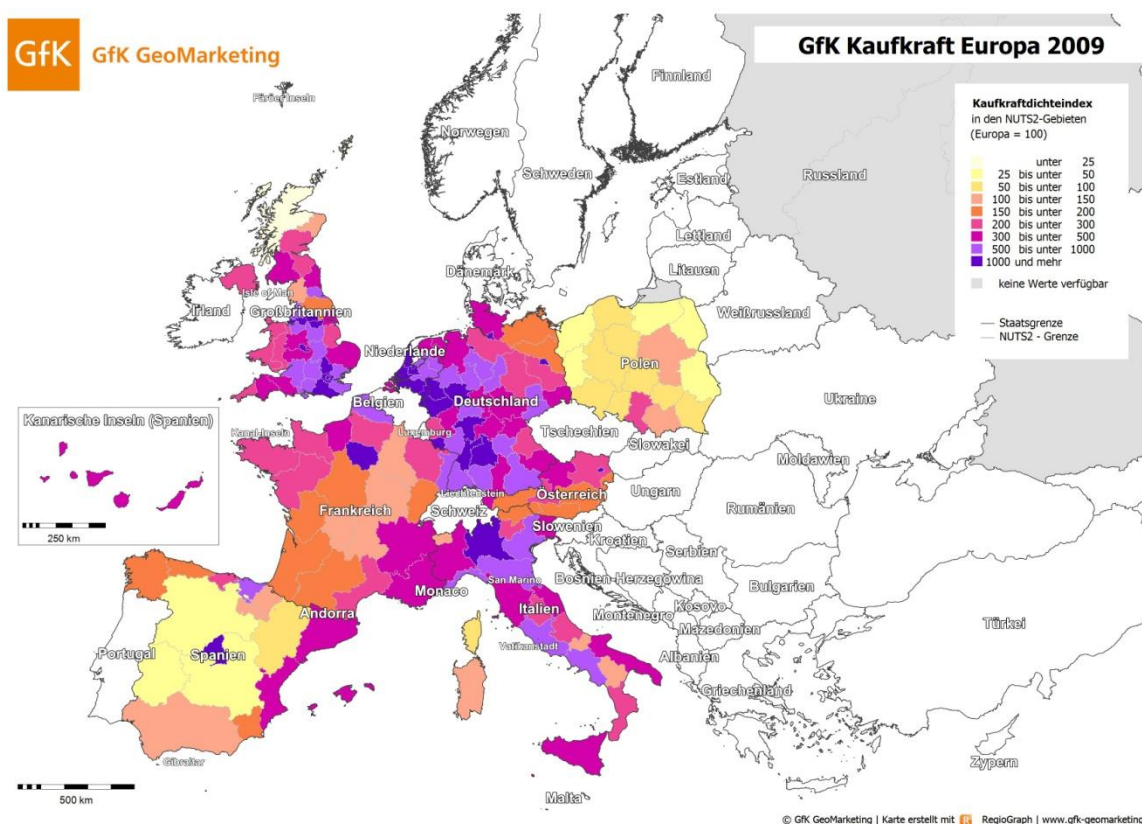
Table 1 shows the range of GfK purchasing power within the individual countries for 2009/2010 on the basis of NUTS-2 regions (median regions or areas). The leaders in terms of purchasing power in the nine countries represented here are Upper Bavaria and the Île de France, which is the Greater Paris area. Inner London, on the other hand, suffered a marked decline in purchasing power. In Poland and Russia, consumers in the regions around both capital cities had the most disposable income, with the Basque country in Spain also enjoying a marked improvement. Also interesting to note is the huge disparity between the regions of individual countries: while in the Russian Federation, Spain and Italy there is a vast North/South divide between rich and poor, in the Netherlands and Austria there is a far more even distribution of purchasing power.

Table 1: Range of GfK purchasing power 2009/2010 in individual countries (figures in euros)

Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Upper Bavaria: 23,212	Île de France: 22,826	Basque country: 15,938	Salzburg: 22,070	Mazowieckie: 5,807	Provincia Autonoma Bolzano: 19,045	Utrecht: 17,008	Inner London: 19,093	Moscow (Greater): 11,052
Saxony-Anhalt: 15,548	Nord-Pas-De-Calais: 15,750	Extremadura: 9,583	Burgenland: 17,963	Podkarpackie: 3,639	Campania: 11,305	Groningen: 14,280	Midlands: 12,070	Ingushetia: 1,220

Source: GfK GeoMarketing 2009

The actual purchasing power density in the nine countries of the survey is explained in greater detail below. The density of purchasing power reveals how many million euros of disposable income for consumption there are per square kilometer. In addition to the known bandwidth extending from southern England through the Benelux regions to the Ruhr area, the Rhine-Neckar region down to Lombardy, there are further areas in the nine countries surveyed where the purchase price density is also high. These include Latium and Campania in Italy, the autonomous regions of Catalonia and Valencia along the eastern coast of Spain and the two metropolitan areas of greater Madrid and Paris (cf. *The GfK Association 2009a*). By comparison, the density of purchasing power is markedly lower across numerous regions of central France, the South and West of the Iberian Peninsula and North East Germany.



GfK Purchasing Power in Europe, 2009 / Purchasing power density index in NUTS2 areas (Europe = 100)

Whereas inflation averaging 3% had curbed the development of purchasing power in Europe in 2008, inflation running at a rate of 1.4% in the EU 27 is currently boosting purchasing power and therefore producing a stabilizing effect on domestic demand (cf. *GfK GeoMarketing 2009*). Private consumption is able to benefit from this, particularly in the eurozone countries of the Netherlands, Germany and Spain.

However, in a European comparison, inflation continues to run at an above-average rate in Russia, where it is just under 9%, in Poland, where it is around 4% and the UK, where it stands at almost 2%. The main reason for this is the weakness of the rouble, zloty and pound sterling, which has made imports more expensive for consumers in these countries and also made

holidays abroad in eurozone countries relatively costly (cf. *DIW 2010a*). For example, holiday bookings made by Britons dropped back considerably in Spain, Italy and Greece in 2009 (cf. *FAZ 2009a*).

A marked contribution to the very low rate of inflation in Europe was accounted for by falling prices of fuel, tobacco products, package tours and airline tickets, although these have meanwhile risen again, while the price of gas, food and telecommunications, which in some cases dropped back considerably, had the effect of curbing the devaluation of currency (cf. *Eurostat 2009a*). In Russia, the increase in the price of food, fossil fuels and building materials in particular proved far lower in 2009 than in previous years (cf. *Federal States Statistics Service 2009b*). However, as a result of sustained growing global demand for high-quality foods and fossil fuels, particularly in the emerging economies, the price of food and energy is anticipated to rise again in the medium term (cf. *FAZ 2008b/IEA 2009*).

Table 2: Inflation rates in the nine countries (in %)

	EU-27	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Inflation rate in % based on HVPI (harmonized consumer price index)										
Dec. 2009/ Dec. 2008)	1.4	0.8	1.0	0.9	1.1	3.8	1.1	0.7	1.9	*8.8
Comparison: Dec.2007/ Dec.2006	3.2	3.1	2.8	4.3	3.5	4.2	2.8	1.6	2.1	**11.9

Source: Eurostat 2008b/2009a/ * * Federal States Statistics Services 2007/*IMF 2010

3 The economic situation facing European consumers

The subjective assessments of private consumers in Europe are the result of cognitive processes fashioning and adapting exterior economic parameters in the respective country (cf. *The GfK Association 1996*), across Europe and, in connection with the process of economic globalization, increasingly in other eastern European and Asian countries as well (cf. *The GfK Association 2002b*). The economic and financial crisis has shown how the strongly integrated global economy affects consumer behavior in various aspects, including the price of energy and food, the job market and the financial investment market. The typology of biographical lifeworlds performs a segmenting function here, in order to connect individual consumer behavior with society's structure and dynamics. The typology presently reflects the distinctly different degrees to which European consumers feel themselves impacted by the current crisis (cf. *Kleining/Prester/Frank 2006*).

3.1 Estimations of the current financial situation facing households

Today, one in six consumers in the nine survey countries feels at least comfortably off and able to afford a fair amount. This positive assessment continues to be by far the most pronounced in the Netherlands (51%), despite the economic crisis. However, it is apparent that aspirations of material affluence in this distinctly post-materialistic country are far lower than, say, in Russia or Italy (cf. *Chapter 3.3 / Inglehart/Welzel 2005*). In a cross-national comparison, consumers in Austria and Germany also express above-average satisfaction with their own finances.

By contrast, the increasingly weak economy in the UK and Spain, which was already evident in 2008, has deteriorated even further, and only 18% of Britons and 22% of Spaniards still say that they are at least comfortably off (compared with 26% in both cases in 2008). Similarly, the proportion of those saying they are able to afford a fair amount has also declined in France (from 16% to 12%), Italy (from 19% to 15%), Poland (from 18% to 15%), and Russia, where there was a slight decline (from 9% to 7%). However, compared with 2008, the group of consumers indicating that they are only just making ends meet has risen in Spain (from 20% to 26%), Italy (from 27% to 31%) and France (from 20% to 24%). In the UK, the number of those saying that they are just about managing has also risen (from 60% to 65%).

Beyond this, 21% of Russian consumers report that their financial means are already insufficient at times when it comes to buying food and also that buying clothes is often a problem. In the group comprising senior citizens aged over 60 in Russia, as many as over 40% (cf. *Erlor 2005*) said that this applied to them. Reports about conspicuous consumption of luxury goods within a tiny class of super-rich Russians cannot disguise the fact that in Russia, purchasing power is currently just 80% of the figure for Poland and only one-fifth of that for Germany (cf. *Chapter 2.3*).

Table 3: Current financial situation (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
I've no need at all to control my spending	2.7	2.9	3.7	1.1	3.0	1.3	0.5	21.6	4.1	1.2
I am comfortably off and can afford a few things	14.6	27.5	8.7	20.4	30.6	13.6	14.3	29.0	13.4	5.8
I mostly get by	58.4	46.7	64.3	52.6	48.2	69.0	51.4	38.2	65.3	65.1
I can just about keep my head above water	17.6	17.7	17.2	19.2	15.5	11.9	22.7	7.5	11.3	20.5
I simply can't make ends meet	5.0	5.1	6.1	6.7	2.6	3.5	8.2	3.1	5.3	3.1

In respect of Germany, it should be added that, since the first GfK Consumption Trend Sensor survey in 1995, the proportion of consumers who admit to being well off has remained stable, although it has always stayed significantly below the 1995 figure of 37%. The discrepancies between East and West Germany (31% compared with 27%) continue to exist. For Germany, just taking into consideration the group which says it is just about managing and that at times, financial means are inadequate (West: 22%; East: 28%), shows that assessments of personal financial circumstances still vary greatly. A survey carried out by the GfK Association on the consumer climate in the different regions of Germany twenty years after the fall of the wall confirms these disparate assessments (cf. *The GfK Association 2009b*).

The relevance to consumption of the question involving the assessment of the current financial situation is shown by a current analysis by the GfK ConsumerScan household panel in Germany: people who are comfortably off or do not need to tighten their belts account for a share of discount store purchases of Fast Moving Consumer Goods (FMCG) which, at 34%, is appreciably lower than in the case of consumers who are just about keeping their heads above water or

cannot make ends meet (43%). And while full range outlets and drugstore purchases account for a similar proportion of the daily spend in both groups, the better off consumers spend almost double in bakeries, butchers and at weekly markets than their comparatively less well off counterparts. (21% compared with 13%; cf. *GfK ConsumerScan 2010*).

If this financial assessment is examined in accordance with lifeworlds in the nine countries, top-ranking young persons (32%), top-ranking middle-class persons (33%) top-ranking housewives (28%) and middle-class older men (27%) are most likely today to rank themselves as comfortably off. In contrast, the actual economic situation for older working-class women and men (33% and 26% respectively), older people living alone (29%), mid-ranking housewives (32%) and consumers on a low income (26%) tends to be characterized by the fact that they are just about keeping their heads above water or unable to make ends meet at times.

3.2 Estimations of individual job security

Alongside an individual's financial situation, individual perceptions about possible job loss provide an additional micro-level indicator of the consumption mentality among private consumers. This is because anyone who entertains the possibility of losing their job will adapt their consumer spending in anticipation of lower future income, (cf. *GfK ConsumerScan 2009*). In the nine survey countries, 53% of consumers by their own reckoning are currently in full-time or part-time employment, while in Austria, the Netherlands, the UK and Russia, six out of ten respondents surveyed claimed to be in paid employment. However, thus far, despite the current economic crisis, the differences in the rates of employment across Europe have not varied a great deal (cf. *OECD 2010b*).

Whereas the rate of unemployment declined in 2007 and 2008 compared to the prior year, an annual comparison shows that in 2009, except in Germany and Poland, it rose in every country of Europe. In Italy, the UK and even more so in Spain, the deterioration on the labor market was even evident a year earlier (cf. *OECD 2010a*). In Spain, a massive decline in residential home construction, a drop in tourism and the erosion of the automotive sector led to a doubling of the rate of unemployment within just two years (cf. *FAZ 2009a/Foreign Office 2009a*), while in the UK, the country most affected by the financial crisis, the rise in unemployment since 2007 accounted for just under half as many again.

Just under one in five people currently in employment in the survey's nine European countries regards his or her job, or that of another member of the household, as under threat. Whereas in the Netherlands and Austria, at around 70%, the subjectively perceived threat is running highest, it is lowest in France, the UK and Russia. Just under one in five working people said they were unable to assess the threat to their job security: this applied above all to younger Europeans in education.

Table 4a: Estimations of job security (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
My <u>own</u> job might come under threat:										
Yes	20.8	13.7	28.3	19.0	8.9	15.8	16.2	14.1	21.8	26.5
Probably /definitely not	61.5	65.0	61.0	57.6	70.9	63.4	66.1	77.8	57.3	58.3
Can't say at the moment	17.6	21.3	10.6	23.4	20.2	20.8	17.7	8.1	20.3	15.3
Jobs of <u>other</u> members of the household										
Yes	22.3	14.5	21.7	16.3	8.5	17.2	16.6	13.5	21.4	32.1
Probably/definitely not	58.6	63.3	65.6	60.2	68.9	62.3	67.1	75.4	59.3	47.7
Can't say at the Moment	18.2	22.3	12.7	23.5	21.3	20.4	14.9	11.1	16.9	18.5
Table 4b: Unemployment rate (in %)	EU-27	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Unemployment rate in 2009	↑8.9	↓7.5	↑9.4	↑18.1	↑5.0	↓8.2	↑7.8	3.5	↑*7.8	**↑8.1
Unemployment rate in 2007	7.1	8.4	8.3	8.3	4.4	9.6	6.2	3.2	↑*5.3	**6.2

Source: OECD 2010a / * 3rd quarter 2009; **Labor Force Survey: November 2009 (ILO 2009)

N.B. The question on job security is broken down to concerns about own job or that of other members of the household from Consumption Trend Sensor 2010

Overall, working people among top-ranking young persons (17%) and top-ranking mid-lifers (16%) subjectively regard their professional life as somewhat less endangered than the group comprising women and men on a low income (23% and 26% respectively) and the young middle ranking group (22%). The same is true of employees (19%) and self-employed persons (16%) compared to blue-collar workers (26%).

Economic analyses based on the example of Germany reveal that, since the beginning of the 1980s, skills-specific jobless quotas among low-skilled and highly-skilled workers during the transition over to a knowledge-based economy have continuously headed in opposite directions. Thus, in 2005 only 4.1% of employees with a Higher Education degree were affected by unemployment (1980: 1.8%). In the group comprising workers with no vocational qualifications on the other hand, the unemployment rate stood at 26% (1980: 5.9%). Based on demographic developments and the trend towards higher levels of qualification, a lack of academics is likely to become more probable in the medium term (cf. *IAB 2008*). Many other – above all southern European – EU countries and Russia paint a similar picture. In the process, the repercussions on purchasing power relating to the individual consumer lifeworlds and consumption trends must be viewed as significant.

3.3 The economic crisis facing European consumers

This consumer typology combines the assessment of personal financial circumstances with the threat to at least one job in the household of the survey respondents. GfK Consumer Climate reports also incorporate this typology, which attempts to measure the susceptibility of private consumers to the impact of the economic crisis (cf. *GfK Marktforschung 2009*). Only those indicating that they are coping well and in whose households nobody is threatened with job losses are characterized as "crisis-resistant". Alternatively, "crisis-prone" denotes consumers who are just about keeping their heads above water or who are not making ends meet, or who are threatened by a member of the household losing a job. Those indicating that they are managing in general terms are predominantly described in Europe as consumers "in a constrained financial situation".

Overall, consumers in Poland, the Netherlands, Austria and Germany are currently least threatened by the crisis. On the other hand, private consumers in Russia, the UK, France, Spain and Italy are the most susceptible to the impact of the economic crisis.

In Europe, men regard themselves as markedly more crisis-resistant than women (31% compared with 24%), particularly if they are in the lifeworld groups of young and mid-life top-ranking individuals (29% each). The most crisis threatened among those surveyed were those in the income-earning phase of life aged between 20 and 60 years. In this group, 36% of Europeans should be categorized as under threat from the crisis. In Russia, the UK, France, Spain and Italy, this even affects four out of ten consumers. Among the over-60s, while the proportion of crisis-resistant individuals dominates at 60% across the board in Europe, in Russia (60%), Spain (41%), Poland (39%) and Italy (44%) decidedly more pensioners are financially constrained or under threat from the crisis than in Germany, France or the UK, where the corresponding proportion is just one-quarter.

A high level of crisis-resistance was also observed in European older middle class and working class men (76% and 64% respectively), as well as in young and mid-life top-ranking men. Conversely, it is women and men in lower income situations (44% and 43% respectively) and mid-ranking housewives (40%) that are most susceptible to the impact of the crisis in Europe.

Table 5: Consumer crisis types (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Crisis-prone	28.5	23.4	29.3	29.2	16.5	17.6	27.2	19.8	29.4	35.7
Constrained financial situation	44.3	23.4	44.3	41.1	39.5	51.0	46.5	27.0	42.3	51.5
Crisis-resistant	27.2	41.2	26.3	29.7	44.0	31.4	27.3	53.2	28.3	12.8

3.4 Development of the financial situation facing households over the past 12 months

Against the background of the economic crisis, the development of personal financial circumstances in 2009 is now retrospectively regarded by around one in three consumers as having deteriorated. In 2008, a quarter of Europeans surveyed were still reporting an improvement over the previous 12 months. The most striking feature is the rise in the number reporting a deterioration in personal financial circumstances in Russia (up from 20% to 44%), Spain (up from 22% to 35%), the UK (up from 18% to 31%) and Poland (up from 15% to 32%). The weakness of the zloty and rouble have made imported goods massively more expensive, and the cost of credit, often taken up in foreign currencies, has risen so much that any leeway for spending that private households may have had previously, has shrunk (cf. *DIW 2009a*).

In Germany (down from 19% to 15%), Austria (down from 25% to 21%) and the Netherlands (down from 31% to 29%), the deterioration in personal financial circumstances looks rather more moderate and mirrors assessments of the current financial situation. Overall, however, one in two respondents retrospectively report no noteworthy change in their personal finances. Consumers still undergoing training (57%) and pensioners (61%) also report no change in their financial circumstances last year. In Germany, pensioners were able to benefit in 2009 from an unscheduled increase in pensions (cf. *DIW 2009a*).

In spite of the generally poor financial situation, with an average of 23%, consumers belonging to lifeworlds young top-ranking, mid-life top-ranking, top-ranking housewives and young mid-ranking reported a positive change in their financial circumstances when surveyed this time. In addition to the Netherlands (38%) and Austria (30%), these four lifeworld groups also reported an above-average improvement in their finances in the UK (32%).

By contrast, women (41%) and men (40%) in lower income brackets and mid-ranking housewives (45%) gave a negative retrospective assessment of their financial situation. In Russia (47%), Spain (46%) and France (42%) in particular, the financial circumstances of these three lifeworld groups was eroded. The finances of lower qualified employed individuals were also hit to an above-average degree by the decline in the energy sector in Russia, the building industry and tourism in Spain and the automotive sector in France (cf. *DIW 2010a/Foreign Office 2009a/b/c*).

Pensioners in Russia (50%), Poland (42%) and France (42%) also reported a marked deterioration in their finances during the past year. In the case of Russia, it is particularly noteworthy that while pensions rose by around a quarter in 2009, their average level continues to be below the subsistence level of EUR 113 per month (cf. *Russland Aktuell 2009a/b*).

In general, the current lower cost of housing, energy and food is having a markedly positive effect on the purchasing power of those older consumers whose livelihood predominantly depends on state transfer payments. In the case of France, however, in comparative terms, there has also been an above-average rise in the cost of housing (cf. *INSEE 2010a*).

Table 3: Development of the financial situation facing households over the past 12 months (% figures)

The financial situation has ...	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
improved appreciably	2.6	1.9	4.1	0.8	3.6	1.7	0.3	11.2	6.2	1.6
improved somewhat	11.8	13	13.2	7.8	16.9	13.2	7.7	18.1	15.5	10.1
remained the same	50.5	59.5	45.3	56.5	60.9	52.2	61.3	47.3	47.2	41.5
worsened somewhat	25.8	20	27.6	27.6	15.5	27.7	23.1	14.4	23.4	31.7
worsened appreciably	8.1	5.1	9.6	7.2	3.2	4.6	6.2	7	7.1	12.2

3.5 Estimations of the financial situation facing households in the next 12 months

The subjective financial expectations of private consumers provide a good indicator of the impact consumers expect to see from impending changes that will influence the development of private incomes, the tax burden, social security contributions and interest-rate levels. Inflation expectations for 2010 for the eurozone and for the UK have remained moderate at 1.3% and 2.2% respectively, while at 8.3%, the figure for Russia remains disproportionately high (cf. *DIW 2010a*). Around a third of Russian consumers are also no longer anticipating a better financial future (down from 32% to 23%) for themselves. Along with the Russians, the Spanish (down from 34% to 18%), the British (down from 36% to 30%) and the Poles (down from 25% to 18%) respondents are also distinctly more pessimistic about the future than they were two years ago. However, seven out of ten consumers in Germany, Austria and Italy are still not expecting any marked change in their personal financial circumstances and in these three countries, the proportion of those anticipating an improvement has also remained unchanged for two years.

Beyond this, individual events specific to certain phases in a person's life, for example leaving school or college or entering retirement, will determine the expectations of consumers to a certain extent, regardless even of their respective overall economic situation. Thus, it is apparent in all nine survey countries that even in difficult economic times, financial optimism is most heavily pronounced (33%) among the under-30s. Of the 30 to 49 year olds, 23% expect an improvement and in the group of European respondents over 50 years of age, only one in ten currently remain optimistic about the financial situation, with just under two-thirds anticipating no change, but one in five is now worried about a deterioration. Even more pessimistic are the over- 50s in the Netherlands (34%), France (30%), Poland (27%) and Russia (24%).

Overwhelmingly, pensioners and those living on low incomes in Europe regard the financial outlook for the immediate future as poor, and this is particularly evident in the Netherlands (46%), France (30%), Poland (26%) and Russia (28%).

A proportion of current – and future – senior citizens in Europe see a higher *de facto* retirement age resulting from demographic developments, pension adjustments below the rate of inflation rate and/or wage growth and higher spending on health (health insurance contributions and top-up payments) as likely to result in an appreciable deterioration in their financial situation (cf. *DIA 2009/DFI 2009*). Earlier, reference has already been made to the continuing economic difficulties facing the majority of Russian senior citizens (cf. *Chapter 3.3*).

Table 4: Development of the financial situation facing households in the next 12 months (% figures)

The financial situation will ...	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
improve appreciably	2.9	1.6	6.7	0.9	4.1	1.1	0.6	6.5	6.7	2.1
improve somewhat	17.8	12.4	20.6	17.1	18.6	16.9	11.0	19.9	22.8	20.9
remain the same	57.0	73.8	50.6	65.6	68.2	54.1	70.4	51.8	53.9	42.9
worsen somewhat	13.2	8.8	17.8	14.4	7.7	16.1	12.8	17.2	12.2	13.3
worsen appreciably	2.8	1.7	3.3	1.9	1.4	3.1	2.6	1.2	2.6	3.9

4. Housing and the purchase of major items

Growth in the value of houses and apartments and the propensity to purchase major items, such as real estate or a car, provide good indicators for assessment of the development of purchasing power, as well as for the consumer climate in general (cf. *The GfK Association 2004c/2009a*). Since the beginning of the millennium, real estate prices have virtually doubled, particularly in Spain and the UK. Many consumers have used this gain to take up credit for other consumer items or to acquire further real estate. In general, rising asset values are impacting positively on private consumption, since the incentive to save is dwindling. However, since house and apartment prices started to fall in 2008, the potential for credit-financed consumption has become increasingly limited (cf. *IWD 2009a/b/Immobilienzeitung 2010*).

4.1 Housing and the development of real estate values

In simple terms, where accommodation is concerned, Europeans living in rural areas often live in their own houses, while urban dwellers usually live in rented apartments (cf. *The GfK Association 2005e*). Half of the consumers in Germany, France and the Netherlands say they are in rented accommodation and while in most other countries, the majority live in their own houses, in Spain, Italy and Russia, consumers tend to live in apartments which they own. In the case of Russia, it is worth noting that during the course of the 1990s, the majority of state-owned accommodation was transferred to the sole ownership of the existing tenants. In addition, many of the apartments in Russia are shared by several families, so that each occupant has just 20 square meters of living space, which is half that of western Europeans, (cf. *Mieterecho 2007*).

It comes as no surprise that in the UK, four out of ten and in Spain, one in three respondents said that the value of their property had fallen in the past 1 to 2 years (cf. *RICS 2010*). In France, which has also recorded an above-average rise in the price of houses and apartments since the mid-1990s, one in five respondents said that their property was now worth less. A disproportionately high number of young and mid-life top-ranking individuals in the three above countries reported having experienced a drop in the value of their houses and apartments.

In Germany, Austria and Italy, the real estate markets were less characterized by speculative overheating, so that just under one in two home owners surveyed did not believe that they had experienced any great loss in value. In Germany, the price of houses and apartments has remained stable since the mid-1990s or – depending on location – it may even be in decline (cf. *IWD 2009b/Immobilienzeitung 2010*). An increase in value, however, has been recorded mainly in France (Greater Paris and the Mediterranean coast) and Poland (with the exception of in the

South East), as well as in the Netherlands and throughout Russia, as property owners among the consumers surveyed indicated.

Table 5: Housing and real estate development (in %)

I live....	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
In my own one family house/ semi/ terraced house	34.1	39.7	42.9	14.6	43.7	49.7	20.6	44.0	59.6	22.5
In my own multi-family home	6.0	6.0	1.1	0.8	6.3	5.6	12.4	0.8	0.6	10.0
In an apartment I own	32.5	6.2	9.1	64.5	7.4	31.2	46.2	4.6	2.3	59.7
In a rented one family house/ semi/ terraced house	8.2	7.4	16.2	2.1	4.0	1.6	1.6	20.3	28.6	2.0
In a rented apartment in a multi-family house	18.3	40.7	30.2	18.0	38.6	9.7	17.2	28.7	8.4	4.3
Subgroup:live in my own property										
In the past 1-2 years, the value of the property has...										
Risen	39.3	19.5	37.1	17.2	22.9	35.6	26.9	38.2	19.1	65.2
Fallen	16.1	11.6	21.6	33.1	9.9	9.2	6.7	16.0	41.6	9.2
Remained more or less stable	27.7	45.6	34.7	26.8	49.5	36.9	41.9	33.3	23.2	12.7
Can't say at the moment	17.0	23.3	6.6	23.0	17.7	18.3	24.5	12.6	16.2	13.0

4.2 The real estate market in the next two years

A concrete intention to buy a house or apartment within the coming two years is at its most pronounced across the whole of Europe in the 20-40 year old age group, that is, consumers at the stage of establishing a household. Just under one in five in this age group has the intention of buying a property in the immediate future. In France and in the UK, the desire for a house of one's own dominates (17% and 18% respectively), while in Spain (15%), Poland (10%), Italy and Russia (both 9%), the preferred choice is to own an apartment. Conversely, in Germany and Austria, with 10% and 15% respectively, in a cross-national comparison, interest in owning a property is significantly lower overall, including in this age group.

In contrast to a survey of eight European countries carried out in 2005, the wish to buy a property has declined greatly, particularly in Spain, (down from 22% to 12%) and the UK (down from 25% to the current 14%). In Germany, the intention to build or buy property has remained more or less stable at between 7% and 8% at private household level since the beginning of the 1980s, and is only subject to economic fluctuations to a very minor degree (cf. *The GfK Association 2005e*).

Taking the lifeworlds across all the survey countries and asking consumers if they intend to buy a property shows that it is young top-ranking (23%), young middle ranking (19%) individuals and top-ranking housewives (18%) who are most likely to express a willingness to buy a house or apartment.

Table 6: Acquisition of a property (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
A one family house/ semi/ terraced house	5.0	2.4	9.7	2.0	4.8	10.3	1.7	6.0	11.2	2.5
A multi-family house	0.8	0.7	0.2	0.4	2.3	4.2	0.5	2.0	0.8	0.4
An apartment	4.6	1.2	4.8	9.1	3.2	6.8	6.0	3.3	1.5	5.3
A plot of land	1.3	0.4	2.2	0.3	3.0	0.6	1.2	0.5	0.4	2.3
None of these	84.2	94.4	82.5	88.1	87.9	58.4	83.4	86.5	86.5	83.5

4.3 Car purchases over the next two years

Alongside the purchase of property, buying a car, particularly a new one, is by far the biggest purchase for the majority of consumers in terms of value. Purchases of this nature can be far better planned with a sound assessment of the future financial situation. Therefore, one in three consumers anticipating an improvement in the financial situation is planning to buy a car soon, while only 12% of consumers expecting the situation to deteriorate said they were planning on buying a car. In light of the economic crisis, several European countries, including Germany,

France, Italy and Spain introduced scrappage schemes to boost new car sales, all of which have differing terms to run and diverse ecological criteria. In Russia, a similar scheme with a premium of around EUR 1,250 is scheduled to begin in March 2010; however, it is conditional on the car – irrespective of make – being completely or mainly manufactured in Russia (cf. *Lenta.Ru 2010*).

Whereas in France, Spain and Austria, the preference is for diesel engines, in Germany, the UK and Russia, petrol engines dominate new car sales. Natural gas is currently only significant in Italy and the Netherlands (cf. *ACEA 2008*), while one in five French and British consumers is currently thinking about buying a used car.

Taking Europe overall, at 14%, the intention to buy a new car is most prevalent across the board in the lifeworld groups of young mid-ranking individuals, young top-ranking individuals and mid-life top-ranking individuals, and this applies in particular to Austria (23%), Italy (21%) and the Netherlands (17%), as well as to the UK and Russia (both 15%).

Table 7: New car purchase in the next 2 years (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Yes, new petrol engine car	3.9	3.2	1.6	1.5	3.6	1.6	3.8	3.0	6.0	6.1
Yes, new diesel engine car	3.0	2.7	6.4	5.4	6.7	1.3	3.7	2.3	3.4	0.8
Yes, new natural gas engine car	0.8	0.3	0.2	0.2	0.8	0.3	4.3	2.7	0.3	0.3
Yes, new electric, solar powered or hybrid engine car	0.4	0.6	1.2	0.0	0.9	0.1	0.3	1.1	0.2	0.1
Yes, a used car	10.2	10.8	20.4	5.3	14.9	9.4	4.4	13.4	19.4	5.3
Not planning to buy a car	78.3	80.0	69.0	87.7	74.7	81.2	75.9	77.5	71.7	81.6

4.4 Moving home and establishing new households

Moving home and establishing a new household triggers a series of demand impulses for goods and domestic services: there are rooms to be renovated, furniture, new household appliances, lights, soft furnishings and accessories to be purchased and balconies and gardens to be given a make-over. Particularly when (married) couples move in together and then have children, the demand generated by private households rises.

A total of around 34 million people in the nine survey countries indicated that they had moved in the past 12 months. In France and the UK, around one in seven or one in eight consumers respectively moved home, while in Italy and Poland, the figure is only 5% and 3% of those surveyed. Moves mainly take place when the individuals concerned are aged between 20 and 40. In total, over the nine countries surveyed, one in seven consumers between 20 and 40 years of age had moved within the past year, and in France and the UK, the figure is as high as one in four.

In addition to mid-ranking housewives and students (12% each), throughout the whole of Europe it is the young top-ranking (17%) and young mid-ranking (13%) individuals who reported having moved in the past year. Students and young top-ranking individuals (2% to 3% respectively) more frequently established a new household, because they moved away from home, while young top-ranking individuals (5%), mid-ranking housewives (4%) and young mid-ranking individuals (3%) moved in with a (marriage) partner. And 2% of consumers in the lower income bracket, young mid-ranking individuals and older singletons returned to living alone again after a separation. Those establishing a new household for other reasons (6% of young top-ranking individuals), did so mainly because they moved to a newly built apartment or house.

In the 20 to 40 year old group of consumers, a country comparison shows that it is predominantly the French (7%) and the British (5%), who entered into marriage or a partnership, whilst the younger Germans, Spaniards and Italians (all at 4%) and younger Russians (2%) more rarely established a new household on account of a partnership.

In a European comparison, the higher proportion of 20 to 40 year olds making up the population, the earlier age at which individuals move out of their parents' home, a higher number of people living together with a (marriage) partner and a higher number of children per woman have fuelled dynamic movement in the establishment of private households and consequently, greater demand for goods and services on the home markets (cf. *Berlin Institut 2009a/Eurostat 2009b/cf. Chapter 2.2/Chapter 9*)

Table 8: Moving home and establishment of new households (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Moved in the past 12 months										
Yes	7.8	7.0	14.3	7.3	6.3	3.0	5.3	6.4	12.9	6.0
No	91.8	93.0	85.4	92.7	93.7	96.3	94.4	92.6	86.7	93.0
Established a new household in the past 12 months										
Yes, I left home (parents) and live on my own now	1.1	0.8	0.7	0.7	0.4	0.7	0.8	4.0	1.1	1.5
Yes, I moved in with a (marriage) partner	1.7	1.6	3.1	1.8	0.3	1.7	2.1	0.9	2.3	1.1
Yes, I'm living alone after separating from my partner	0.9	1.5	1.5	0.7	1.0	0.3	0.7	0.8	1.3	0.3
Yes, because my career, training or other reasons demand that I have a second home	0.3	0.5	0.2	0.2	0.8	0.8	0.3	0.0	0.6	0.1
Yes, for other reasons	2.9	1.0	2.3	3.9	3.7	0.6	2.1	1.5	5.6	3.6
No, I have not established a new household in the past 12 months	91.3	94.6	92.1	92.7	93.8	94.4	88.5	91.1	86.7	90.8

5 Developments within individual trend dimensions

The following table provides an overview of the consumption trends taken into consideration. The respective individual trend dimensions are compiled via statements and then compared. Each statement is representative of the main trend dimension. Since the 2008 Trend Sensor, the media sector has been broadened to include internet use. The internet has now established itself in Europe as the fourth everyday media outlet alongside television, radio and the printed media, having taken on an entertainment, information and transaction function (cf. *Media Perspektiven 2008/GfK Association 2010a*).

Trend dimensions		
Shopping as pleasure	1	Shopping as a chore
Basic benefits	2	Additional benefits
Escapism	3	Reality
Family orientation	4	Single orientation
Orientation towards the present	5	Orientation towards the future
Hedonism	6	Puritanism
Conspicuous consumption	7	Less conspicuous consumption
Materialism	8	Post-materialism
Leisure orientation	9	Career orientation
Fashion consciousness	10	Fashion indifference
Levelling-off	11	Selectiveness
Price orientation	12	Quality orientation
Risk-taking	13	Safety consciousness
Activeness (prosumption)	14	Passiveness
Environmental awareness	15	Environmental indifference
Lifestyle	16	Standard of living
Community orientation	17	Cocooning
Digital escapism	18	Selective internet use

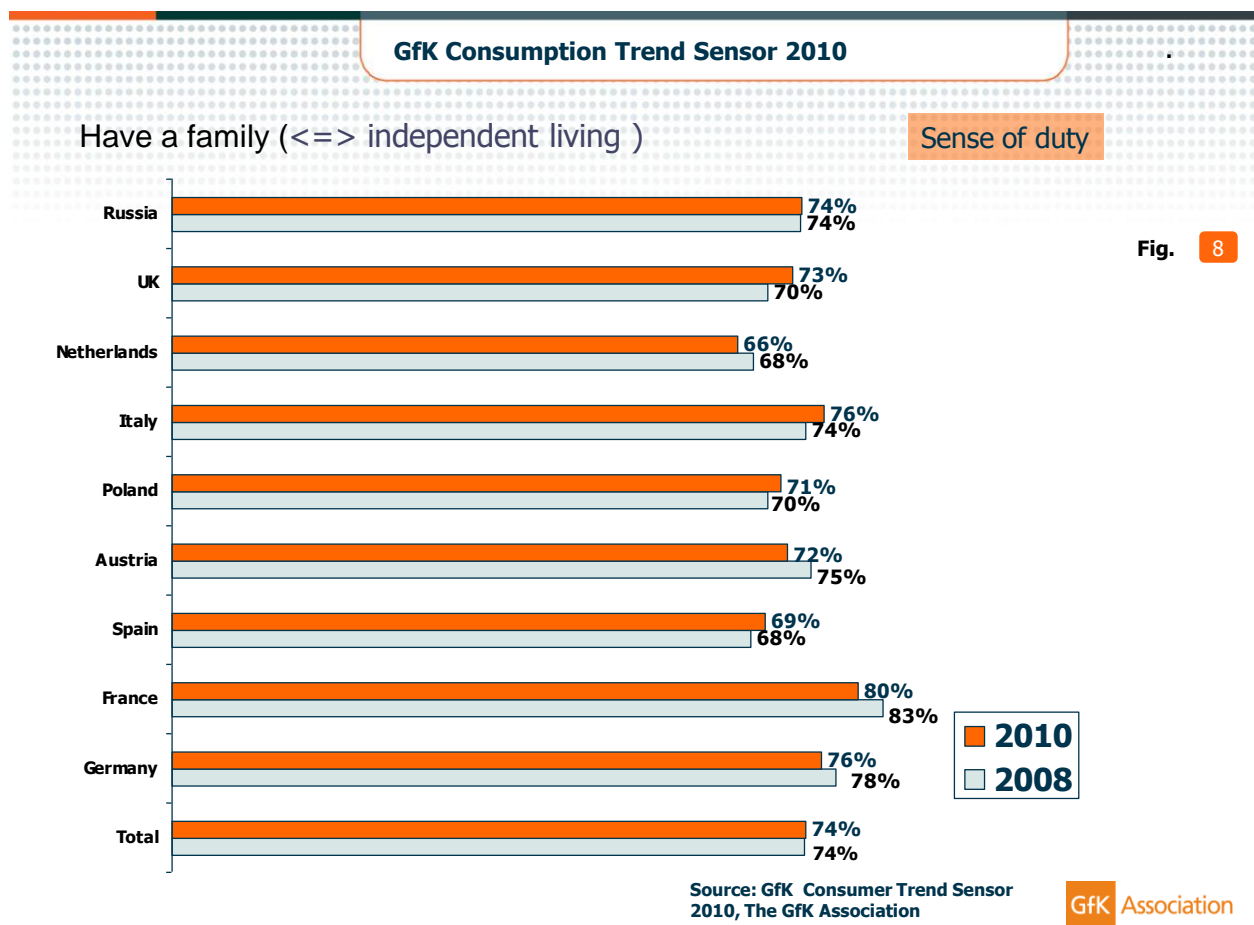
Below, the 18 different trend dimensions affecting consumer behavior will be illustrated in the context of their respective trend sphere. To this end, these bipolar items, which now number 18, have been researched with the help of factor analysis involving their structure. For the nine countries currently under investigation, five trend spheres continue to be produced. Compared with the 2008 Consumption Trend Sensor, a shift in the individual trend items is evident. For instance, safety consciousness now correlates more strongly with the sense of duty, whereas consumer waste has entered reality consciousness. Consumer-relevant attitudes continue to be contrasting, with the Netherlands at one end of the scale (expression of personality and orientation towards the present) and Russia at the other (materialism and work orientation). The values for these two countries are positioned along an axis of "self-expression versus survival", as is further reflected in the results of the current GfK Consumption Trend Sensor (cf. *Inglehart/Welzel 2005*).

The individual trend dimensions for consumption can be condensed into the following five trend spheres:

Trend sphere:	Trend dimension:
Sense of duty	Future orientation Family orientation Cocooning Puritanism Selective internet use Safety consciousness
Pleasure consciousness	Shopping as pleasure Fashion consciousness Passivity Exclusivity
Wealth consciousness	Work orientation Materialism
Spending consciousness	Price orientation Escapism (TV) Basic benefits
Reality consciousness	Environmental awareness Lifestyle Less conspicuous consumption

5.1 Sense of duty

Starting a family is an important goal in life for three out of four Europeans. People in highly-developed societies aspire to two things: dependable relationships and the expression of personal fulfillment (cf. *Inglehart/Welzel 2005*). In order to realize these desires in the individual countries it is necessary to overcome assorted objective barriers (economic situation, striking a balance between work and family) and subjective barriers (finding a partner who matches one’s own ideas). However, this has only a limited bearing on subscribing to this outlook on life. While in the UK and Italy orientation towards family has again risen, for France, Austria, Germany and the Netherlands, a slight decline in this trend dimension is evident. The importance of family grows with age, so that four out of five over-50s ascribe great value to the family. Across all the countries, the desire to be independent is a need that tends to be felt among younger consumers: school pupils (47%), students (50%) and mid-ranking young people (30%) cite this desire most often. However, 33% of older people living alone (again) also appreciate this freedom.



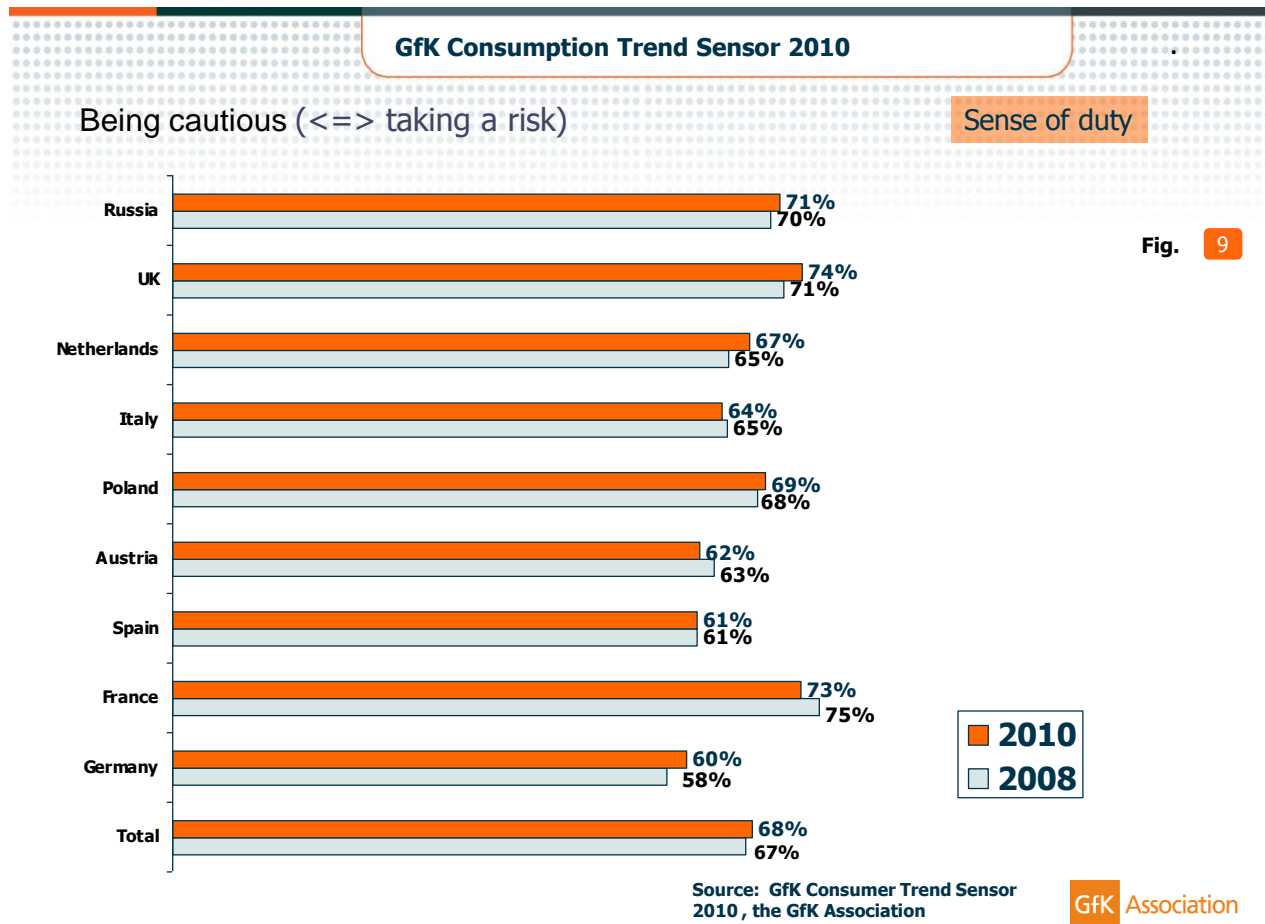
Reading the table: 74 % of all survey respondents would like a family

When it comes to the trend dimension relating to taking a risk, trying something new, or being cautious, waiting and seeing and sticking with the familiar, young men and older women are virtually at opposite ends of the scale. Young men aged under 30 (54%) are very likely to take a risk. Particularly in Austria (73%), Italy (67%), Spain (65%) and Germany (63%), by their own admission, young men are willing to take risks. From around the age of 30, caution begins to dominate to escalating degree: just under two-thirds of 30 to 49 year olds are cautious and among the over-50s, four out of five consumers say that they would prefer not to take risks.

Conversely, older female consumers aged 50+ (82%) are by far the most cautious. This attitude is particularly prevalent in older women in Russia and Poland (88% and 85% respectively). In eastern Europe, in particular, the sweeping changes in society taking place since the end of the 1980s as a result of the transition from a socialistic planned economy to a market economy have led to massive insecurities, especially among older people, and not just in respect of financial circumstances (cf. *BpB 2003*).

In all the countries surveyed, consumers in lifeworld groups school pupils (53%), students (47%), young mid-rankers and young top-rankers (50% and 43% respectively), top mid-lifers (39%) and men in the lower income bracket (39%), were by far the most prone to risk-taking.

In total, compared with 2008, safety consciousness has remained virtually the same. Only in the UK, the Netherlands and Germany has a slight upturn in this dimension become evident, with a small drop also apparent in France.



In most survey countries, a puritan attitude in relation to shopping dominated in two-thirds of the respondents. Even in the UK, Poland and the Netherlands, where previously, a cross-national comparison revealed a more pronounced hedonistic attitude to shopping, the current economic crisis has resulted in a growing trend towards consumers buying only what is necessary. Consequently, attitudes towards shopping are currently moving closer together throughout the whole of Europe.

As in the case of caution, puritan attitudes towards shopping increase with age. Only the majority of consumers making up the lifeworld groups of school pupils (66%), students (51%), young top-ranking (51%) and young mid-ranking (51%) individuals prove to be hedonistic in terms of shopping, while three out of four consumers in the older lifeworlds tend to limit themselves to life's necessities when shopping.

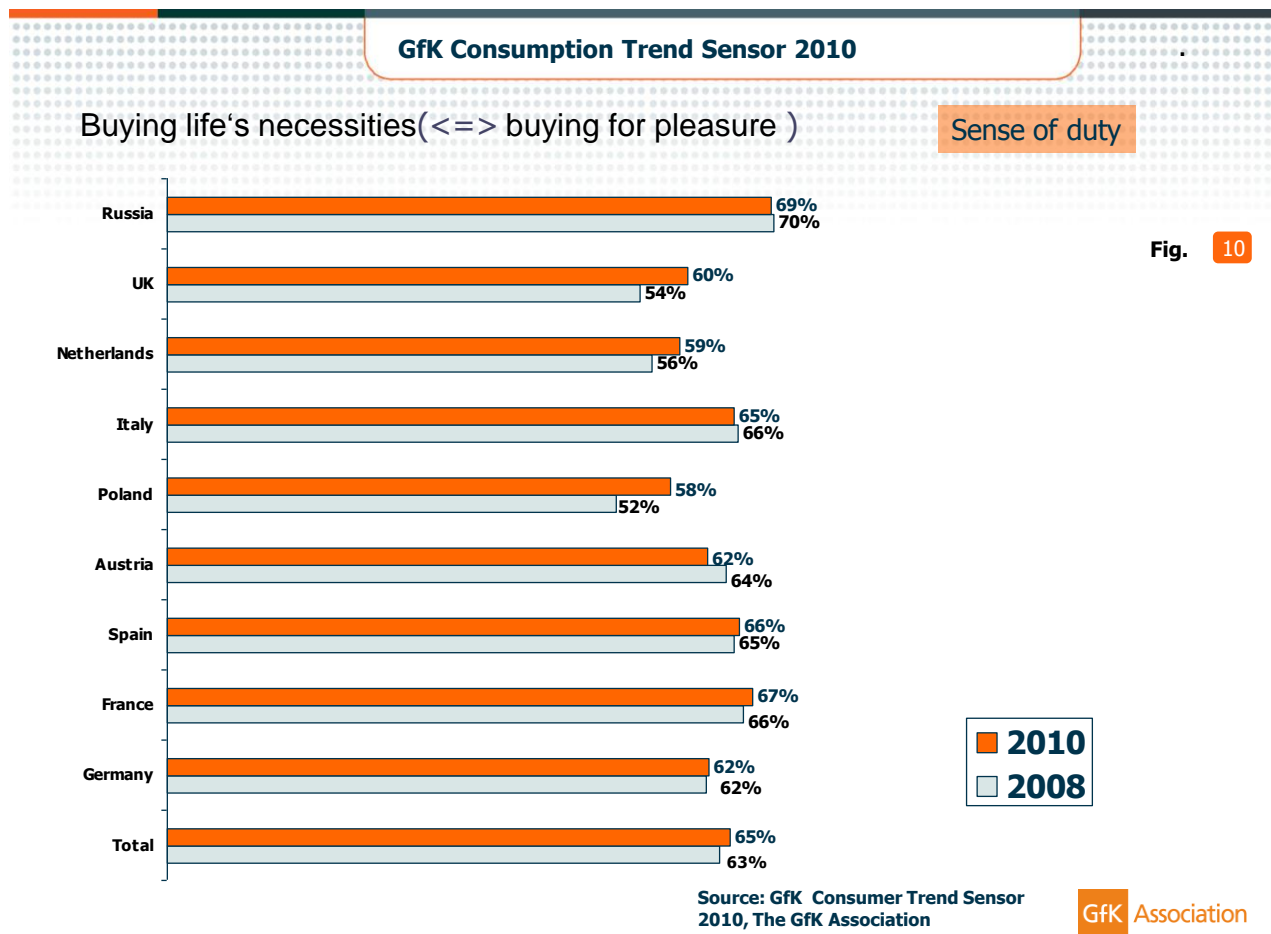
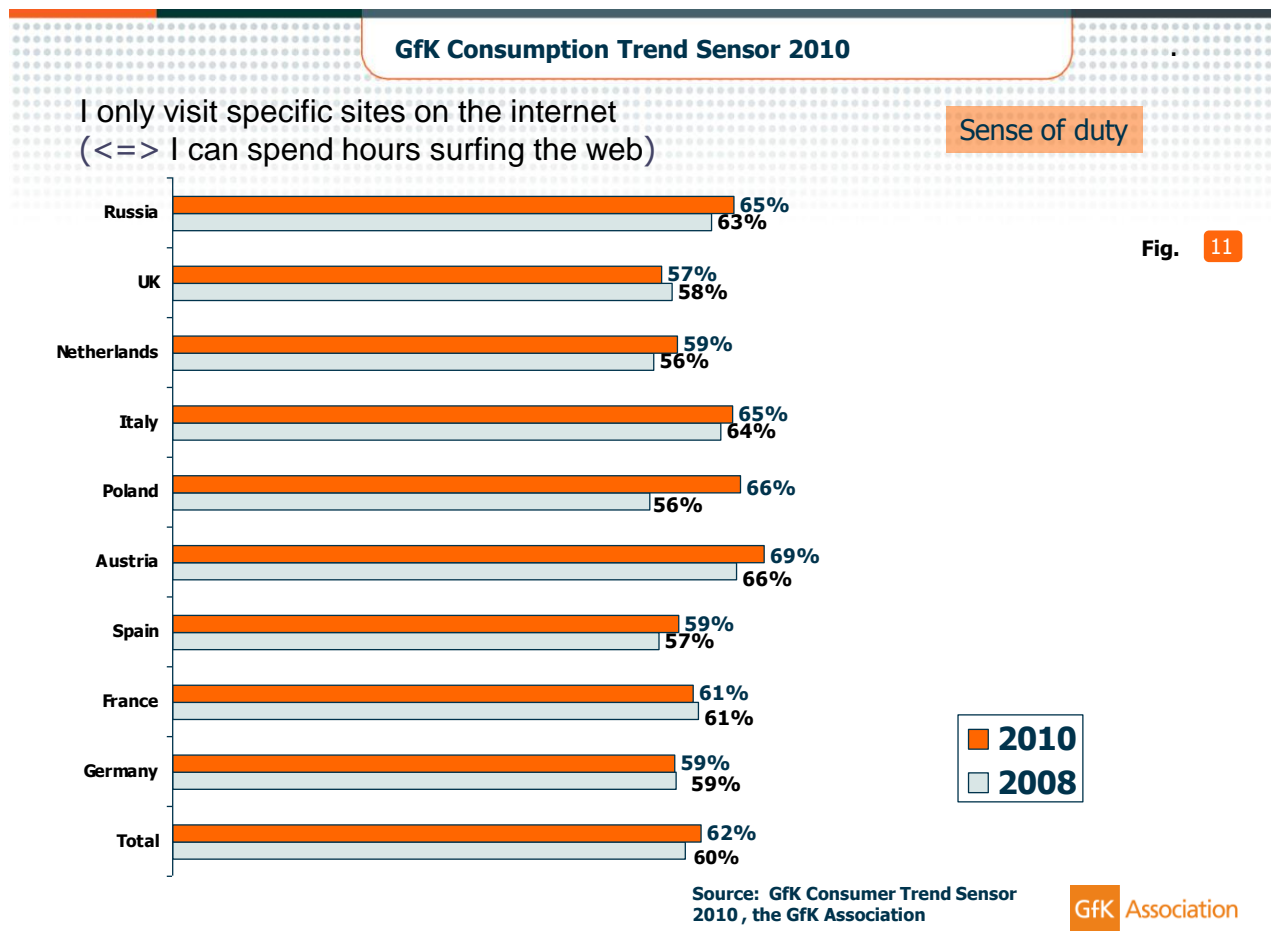


Fig. 10

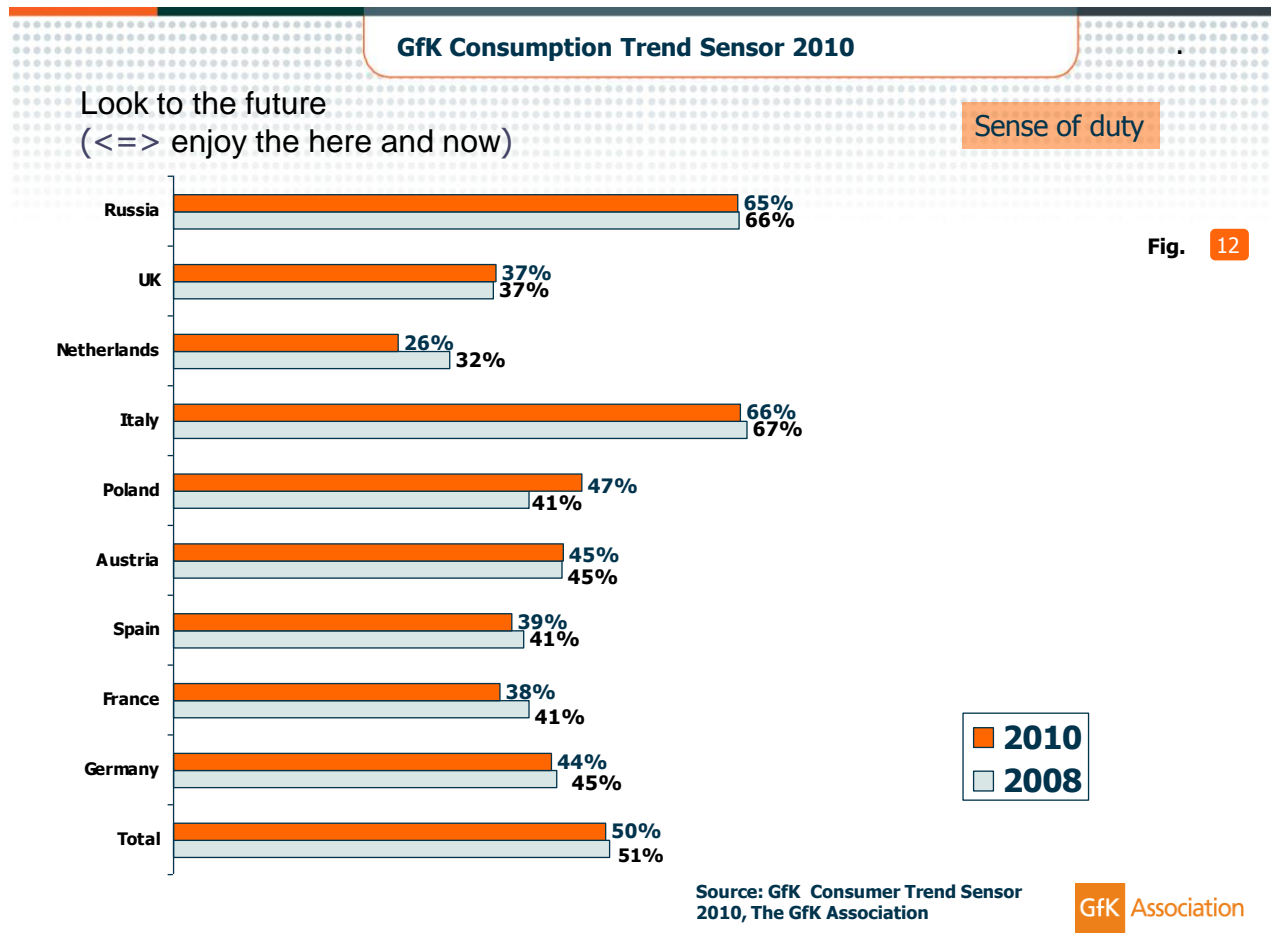
Six out of ten internet users describe their online behavior primarily as visiting specific sites and services, rather than randomly surfing the web and often losing track of time. Only in the UK (43%) do online users tend to state more often that they randomly surf the internet for hours on end.

On the whole, spending hours surfing the web is more commonplace only among school pupils and students (63%), and young mid-ranking and top-ranking persons (39%) (cf. *The GfK Association 2010a*). The decisive factor here is the age of the person: the proportion of those spending hours on the internet tails off from around two-thirds among 14 to 19 year olds to 30% in the 30 to 49 year olds and just one-fifth of internet users aged 50+. Current studies plotting actual periods of online use confirm these findings. For example, while 14 to 29 year olds spend an average of 159 minutes on the web every day, the over-50s are only online for just under 84 minutes a day (cf. *Media Perspektiven 2008*).



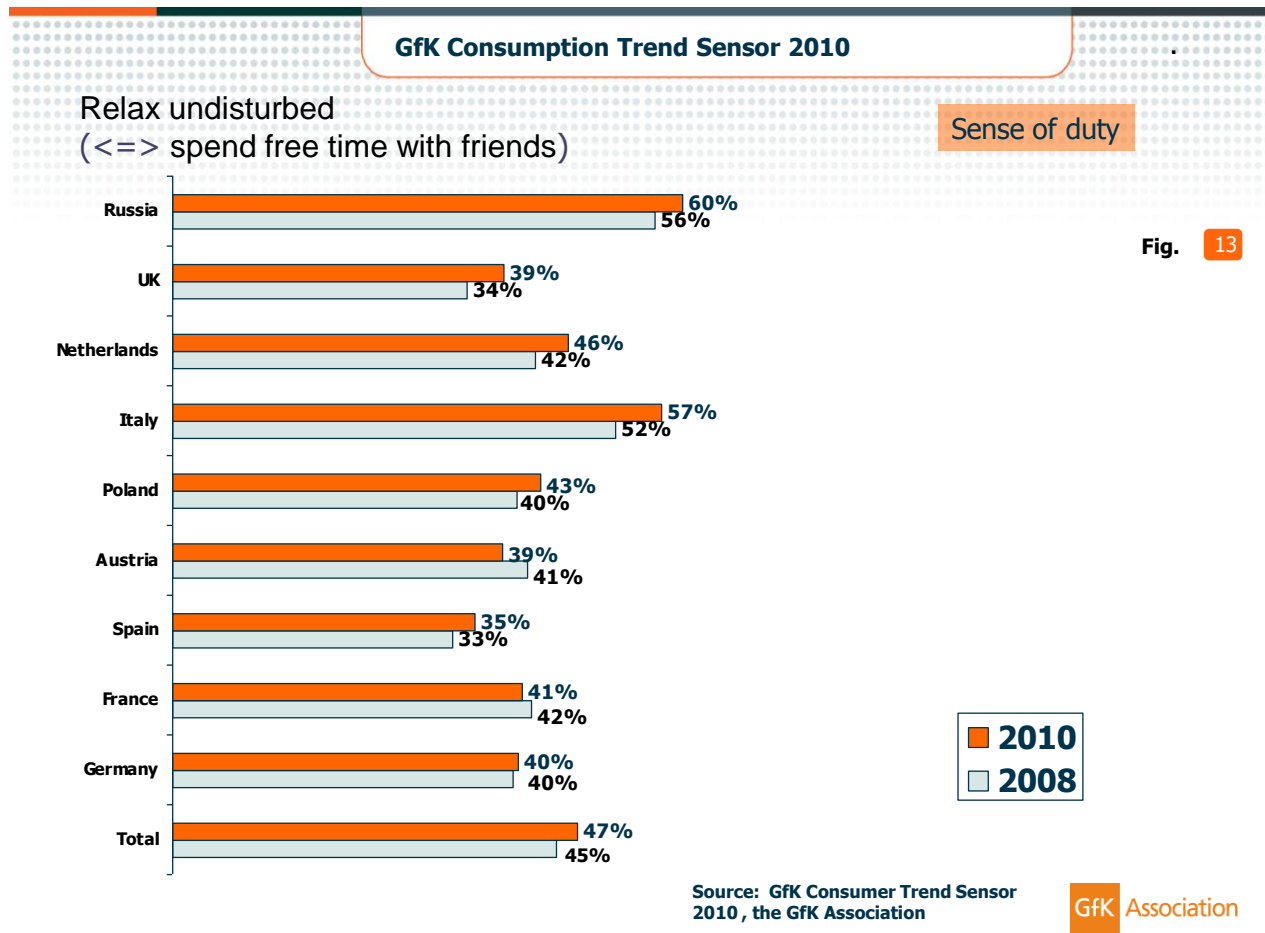
“Thinking more about the future or living for the moment” – this question divides consumers in the nine survey countries into two camps. Future orientation clearly predominates in Russia and Italy, while Dutch, British and French respondents display by far the most pronounced orientation towards the present. Compared with 2008, a decline in future orientation in France, Spain and the Netherlands contrasts with an increase in Poland.

Living for the moment is a desire felt above all among consumers in the lifeworlds comprising school pupils (67%), students (59%), older middle and working-class men (54% and 56% respectively) and older people living alone (56%), who are back in a position where they have more time and money for their personal needs and tend to live for today. On the other hand, above all, young top-ranking and middle-ranking individuals (53% and 55% respectively), mid-ranking housewives (55%) as well as consumers on a lower income (54%) and older middle and working-class women (56% and 52% respectively) tend to look more firmly to the future.



Sociability or cocooning? One in two European consumers prefers to spend leisure time with friends, relatives or acquaintances. Only six out of ten respondents in Russia and Italy said they would prefer to spend their leisure time relaxing on their own. In the first instance, whether consumers would rather spend their leisure time socializing with others or spend the time relaxing on their own is a question of age-specific needs: more than three out of four respondents below 30 years of age stated that they were happy to be with friends. Among consumers aged 30 to 60, half chose sociability and half chose cocooning, whereas 60% of over-60s tended to want to spend their leisure time on their own. However, for older singletons, sociability again seems to become more important (44%), particularly in the Netherlands (71%), Austria (63%) and Germany (56%).

Overall, the trend towards a decline in leisure time has grown during an era of economic hardship. In Italy, the UK, the Netherlands and Russia in particular, and in Poland and Spain to lesser degree, more consumers are again preferring to spend their free time or weekends on their own.

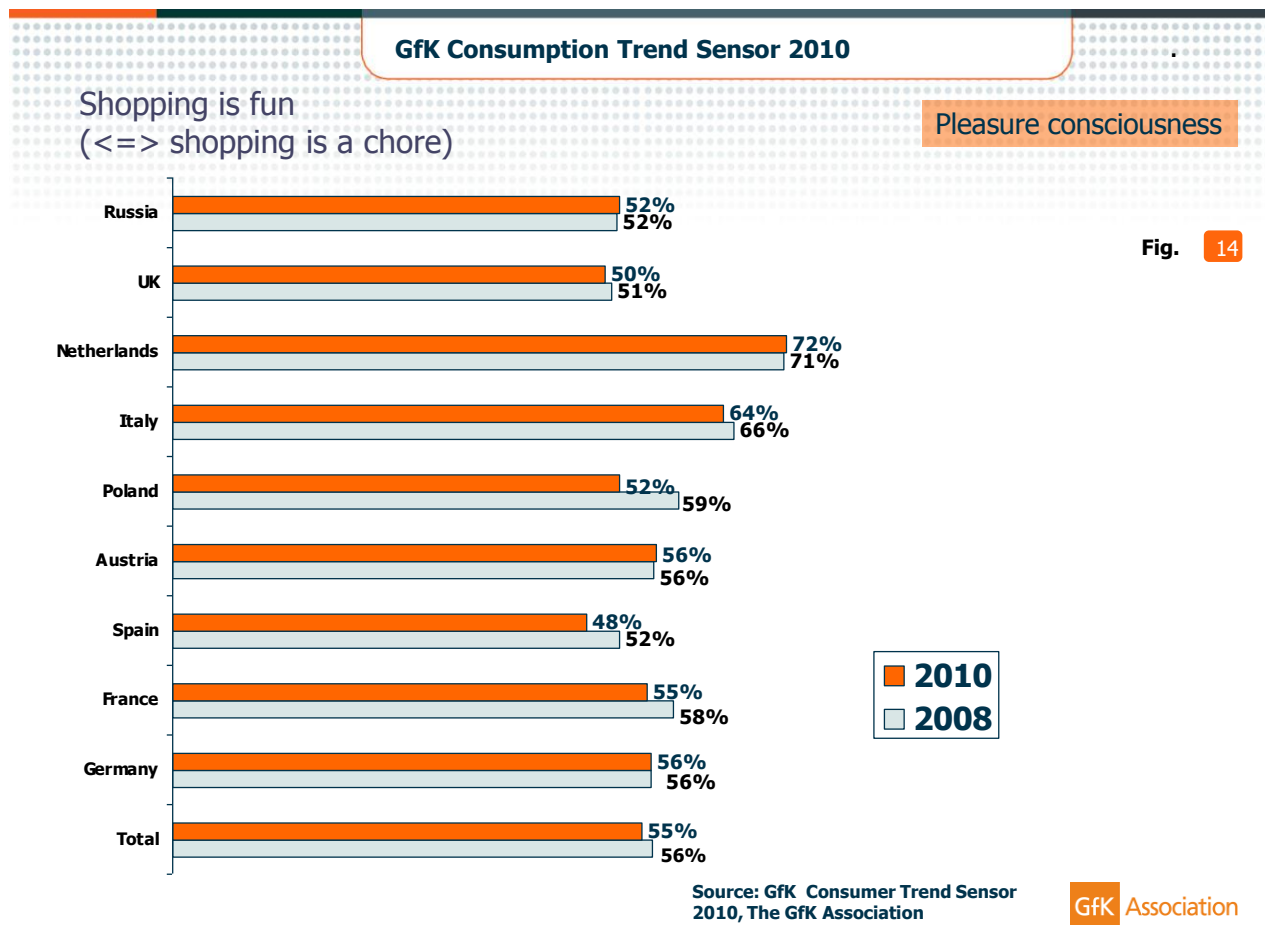


5.2 Pleasure consciousness

Shopping as an experience, as an escape from everyday life, or perhaps also as a personal reward – for more than one in every two European consumers, shopping continues to rank as more than just an everyday necessity. Yet no other trend dimension is split so sharply between younger women and older men: whereas 78% of women aged under 40 stress the “fun” factor in relation to shopping, 64% of men aged over 40 regard shopping merely as a chore. Younger Dutch women (89%), Italian women (83%), German women (82%) and French women (80%) come top in terms of shopping pleasure in the cross-national comparison, whereas older Spanish men (80%), Russian men (69%), Polish men (68%) and German men (64%) regard themselves as steadfastly “anti-shopping”. Only in the Netherlands do a majority of male consumers (60%) aged over 40 state that they enjoy shopping.

In particular, consumers in the lifeworlds comprising school pupils (72%), students (69%), mid-ranking and top-ranking housewives (70% and 76% respectively), women on a low income and older middle-class women (68% and 58% respectively) mention “fun” in relation to shopping. Conversely, middle-class and working-class older men (63% and 70%) and men on a low income (61%) show the strongest aversion to shopping. Other surveys, for example involving Germany, attest in addition to the fact that shopping for clothes, particularly for men among older consumers, tends to constitute a necessary evil and – if possible – is something they would rather delegate to the wife or partner (cf. *The GfK Association 2005d*).

A look at the development over time of the trend dimension for shopping pleasure in the countries investigated since 2008 reveals that in Poland and Spain in particular, and to a lesser degree in France, shopping pleasure has declined somewhat. Only consumers in the Netherlands (72%) have sustained a high level of shopping pleasure.



In the UK, Austria, Spain, Italy and Germany, the majority of consumers opt to have repairs and maintenance work carried out by a trained specialist. Women are the ones who tend to delegate – dependent on whether the woman concerned is (still or once again) living alone: two out of three women consumers aged under 30 or aged over 70 report that they prefer to have repairs carried out for them. In particular women in Austria and Germany (28% each), Italy (32%) and Poland (33%) show very little inclination to fix a faulty item themselves, preferring to fall back on help from men. Having repairs carried out by someone else is a trend which is more pronounced in the larger metropolitan areas such as Vienna, Paris, Milan, Barcelona, Madrid, Warsaw and Moscow.

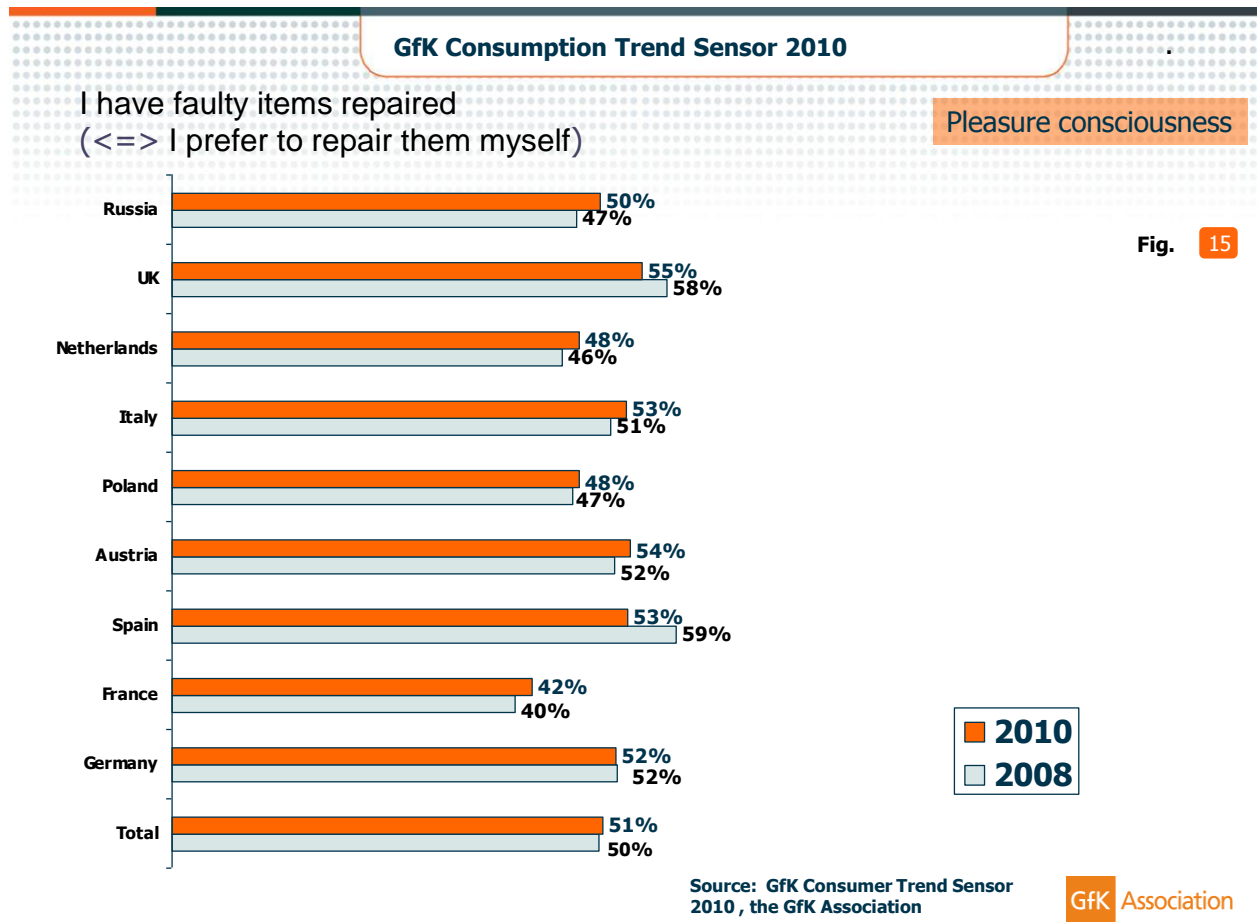
Doing one’s own repairs eases the strain on the household budget and also provides consumers, who are turned into “producers” by such activities, with a feeling of subjective satisfaction. What

is more, a German consumer for example has to work on average for two hours in order to be able to afford one hour's work performed by a specialist. DIY remains the preserve above all of middle-aged men (67%) aged between 40 and 69, who, whenever possible, prefer to "do it themselves". Only a majority of men aged 40 to 70 in the UK (51%) say they prefer to employ someone else to repair faulty items. DIY dominates in all survey countries overall in the male lifeworlds of older workers (67%), men on a low income (63%) and older middle-class male consumers (66%).

Older middle-class women (61%), top-ranking and mid-ranking housewives (60% and 59% respectively), older women living alone and women consumers on a low income (57% and 60% respectively) easily show the greatest propensity for engaging the services of specialists across the nine countries. The process of ageing among European consumers coupled with the simultaneous increase in one-person and two-person households are fuelling expectations of a rise in demand for the services of specialists in many regions of Europe over the coming years (cf. *Berlin-Institut 2008/The GfK Association 2009a/b*).

Compared to 2008, the willingness to "do-it-yourself" has increased in the UK and Spain, but on the other hand, has declined slightly in Austria, France, Italy, the Netherlands and Russia.

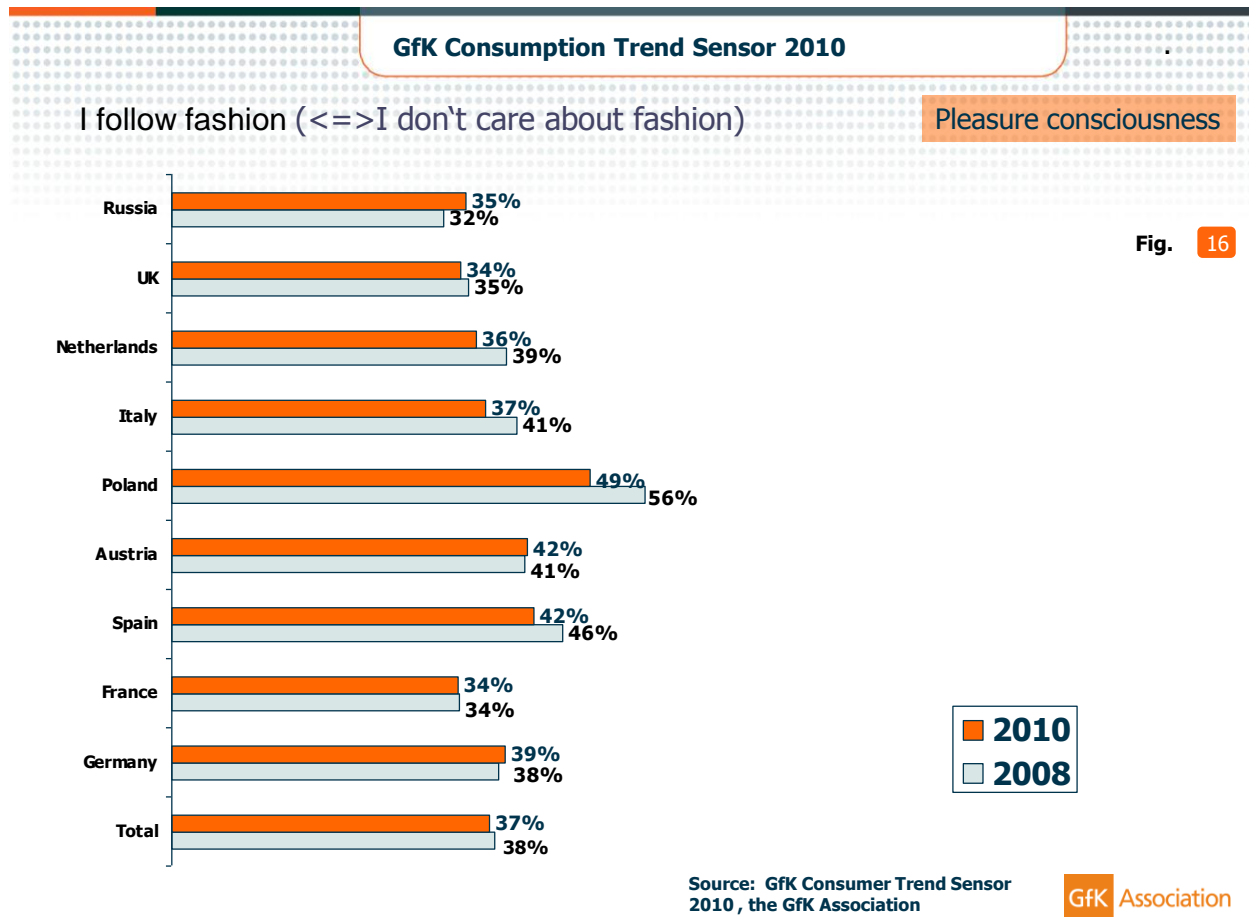
In Germany, the willingness to call in a specialist has remained virtually unchanged at the same level since the 2006 GfK Consumption Trend Sensor. Nevertheless, sales recorded by specialists in the period 2006 to 2008 grew positively compared to the previous year. For 2009, however, a decline in sales of approximately 3.5% in real terms (cf. *ZDH 2009*) is anticipated. Private building renovations and energy saving measures, along with state investment programs in the infrastructure, will continue to provide support. On the other hand, stagnation in the private home-building market is curbing demand (cf. *Immobilienzeitung 2010*). Moreover, lower taxation applied to the provision of specialist services since 2006 has so far failed to fulfill its promise (cf. *ZDH 2010*).



Dressing fashionably as a means of signifying one's own personality is expressed more often by younger consumers and by women. Whereas 56% of women aged under 40 regard it as important to be fashion-conscious, around four out of five men aged over 40 are clearly indifferent to fashion, particularly in Germany and Russia (82% each). Above-average fashion consciousness is apparent today, particularly among younger women in Poland (63%), Austria and Germany (65% and 67% respectively) and Spain (61%) – and among older women aged 40 and over in Poland and Spain (42% and 36% respectively) as well as in Germany (35%).

Schoolgirls (77%), female students and top-ranking young females (61% and 56% respectively) as well as mid-ranking young females (52%) lead the way in all European countries when it comes to accentuating fashion in their appearance.

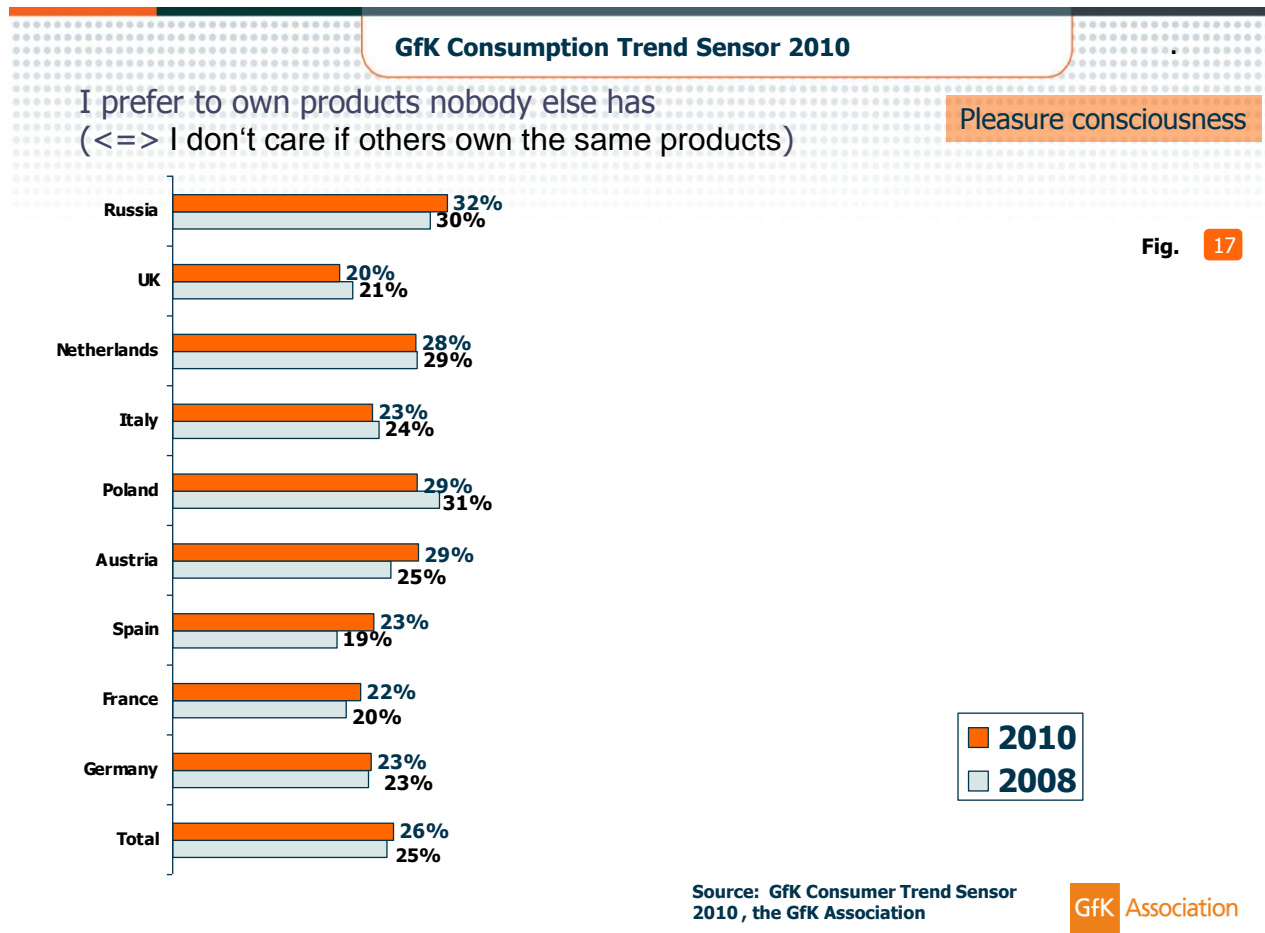
Compared with 2008, fashion orientation is in particularly marked decline in Poland, Spain, Italy and the Netherlands. Only in Russia has fashion style become more important, and this applies particularly to women living in metropolitan centers such as Moscow and St. Petersburg.



Buying things on the grounds of social distinction, i.e. in order to stand out from the crowd, continues to be more important for only one in four consumers in Europe. In the process, exclusivity is particularly important above all for younger women under 40 years of age (38%). In the two East European countries of Russia (52%) and Poland (42%) and in Austria (41%), younger female consumers state with particular frequency that they like to buy merchandise which no one else owns. This contrasts with European male consumers aged over 40, 85% of whom place no value at all on exclusivity in relation to shopping.

Just around one in two European school pupils and students places a high value on expressing their personality by buying specifically targeted products, while nine out of ten consumers in the older middle class group say they are completely indifferent to whether other consumers buy the same items as they do.

Since the last GfK Consumption Trend Sensor in 2008, there has been a decrease in selective attitudes among Polish consumers, whereas a slight rise is evident in Austria, Spain, France and Russia.



5.3 Wealth consciousness

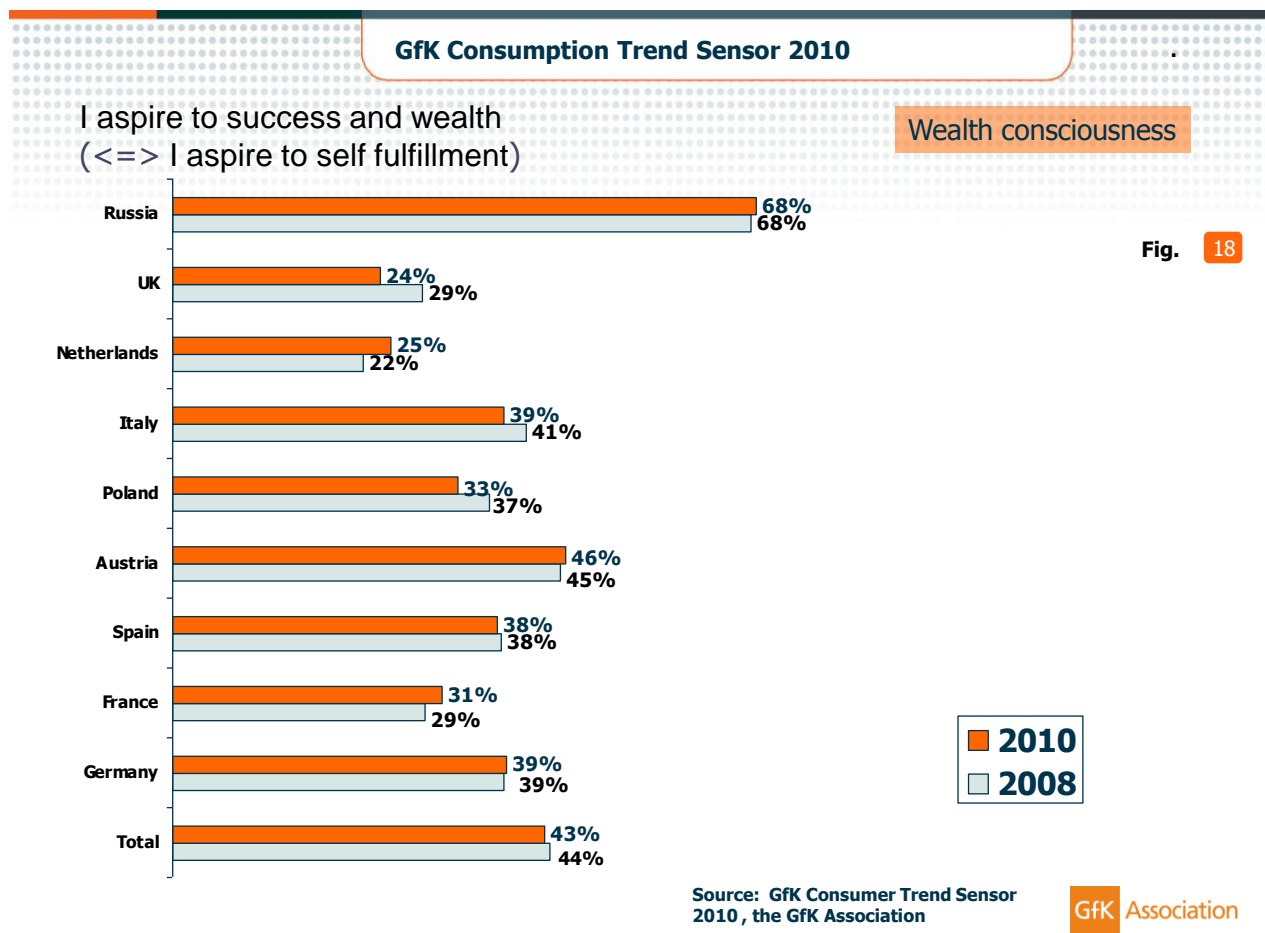
Aspiring to professional or economic success, or the pursuit of “self-fulfillment” – this trend dimension, together with the issue of work orientation, is at the heart of developments away from traditional and materialistic values and towards post-materialistic attitudes (cf. *Inglehart/Welzel 2005*). This development has been taking place in the economically highly-developed industrial societies since the 1960s/1970s. In these countries, the material survival of the majority of people is guaranteed. As a result, within the meaning of Maslow’s hierarchy of needs, there is economic and temporal room for self-fulfillment and/or for a personal lifestyle that goes hand in hand with the consumption of goods and services which should also make this lifestyle outwardly visible.

The form of wealth consciousness depends very heavily on the social situations in which Europeans find themselves living and on their age: consequently, in the biographical lifeworlds of middle-class older men and women (66%), older people living alone (66%), mid-ranking and top-ranking housewives (59% and 65% respectively), and mid-ranking mid-lifers (60%), the desire for self-fulfillment is far more strongly pronounced than among men and women on a low income (42% and 51% respectively) or top-ranking young persons (52%), who continue to regard aspiring to (professional) success and (material) wealth as far more important.

A clear dominance of traditional and materialistic attitudes in the nine European countries investigated is still discernible only in Russia (68%). More than seven out of ten younger Russian consumers in work express a pronounced desire for wealth. Even in Poland, which is steeped in Catholicism, but also a former Communist country, just under two-thirds of respondents have tended to value a capacity for self-fulfillment since the turn of the millennium. To that extent, Poland now has more in common with Italy or Spain than with Russia. These findings are also confirmed by the research work of Ronald Inglehart’s World Values Survey group (cf. *Inglehart/Welzel 2005*).

The counterpoint to this is provided by the Netherlands, which has a clearly post-materialistic attitude throughout its population categories (75%). Somewhat higher aspirations towards material wealth are evident only in the Dutch lifeworlds of young and mid-life middle ranking individuals (41%), and consumers on a lower income (55%).

Compared to the 2008 Trend Sensor, a slight increase in the desire for self-fulfillment is apparent in France and the Netherlands. By contrast, in the UK, Italy and Poland, an increase in aspirations for success and wealth is discernible.



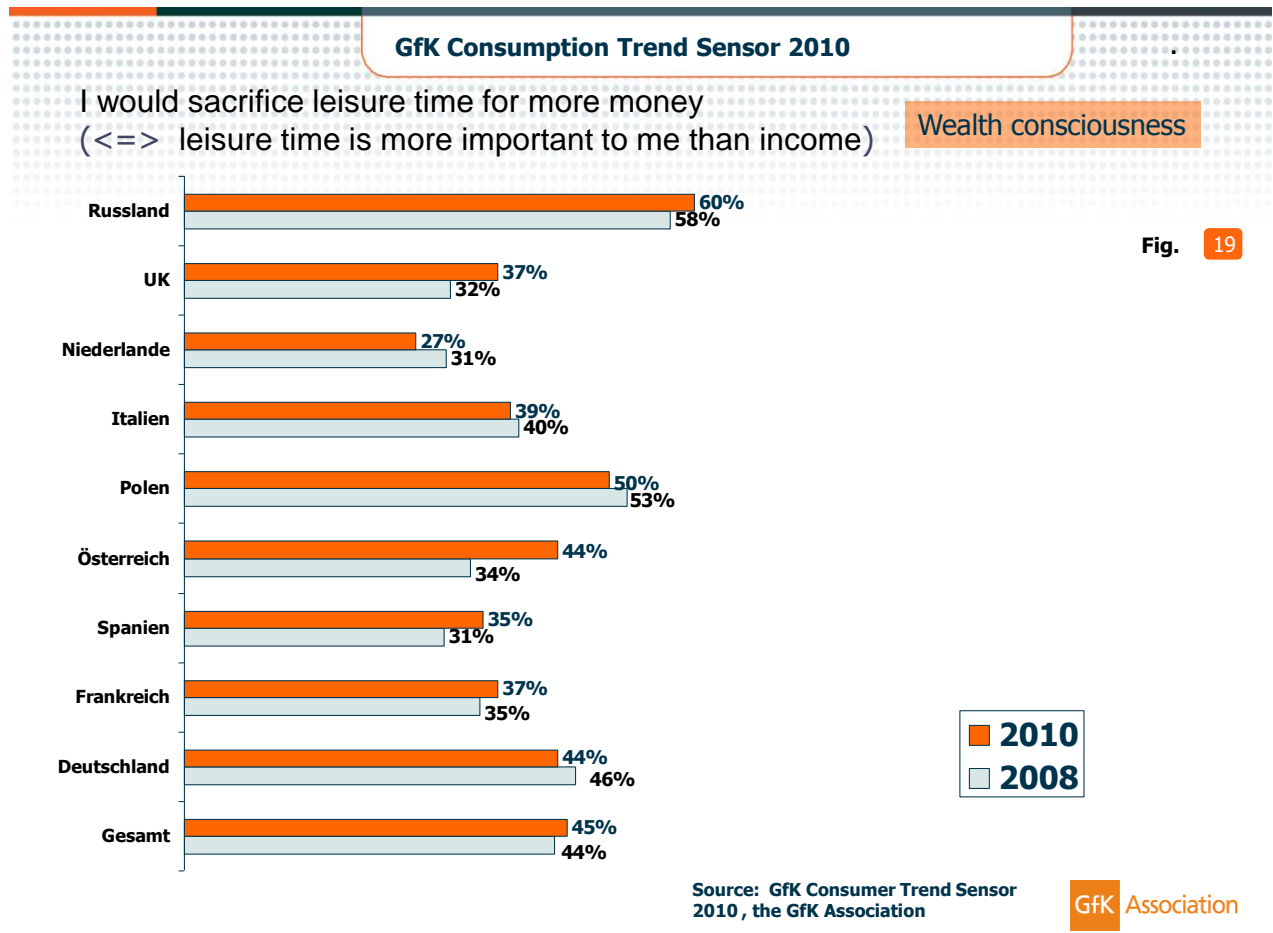
Personal self-fulfillment naturally requires a sufficient mass of freely available time. There is therefore a strong correlation between personality development and a pronounced leisure orientation. 55% of consumers in the nine survey countries now prioritize leisure time over the possibility of more income. Women (57%) and older consumers over 60 years of age (67%) emphasize this most strongly. It comes as no great surprise that consumers in Russia (60%) and in Poland (50%) are most often prepared to sacrifice their leisure time for more money in order to be able to broaden their consumption. This is particularly true of consumers on a low income in both these East European countries (66% and 53% respectively).

In contrast to Russia and Poland, consumers in the Netherlands (73%), France (63%), Spain (65%) and the UK (61%) are currently those who by their own reckoning are particularly unprepared to cut back on their leisure time in exchange for more money.

In Germany, a majority favoring more income over less leisure time is found only in the lifeworlds of aspirational mid-ranking young persons and top-ranking young persons (55% and 51% respectively), consumers on lower incomes (55%) and school pupils and students (50%), for whom money is always hard to come by. The decline in the level of orientation towards work among German consumers on a low income (+6%) could be attributable to the fact that compared with the period 2006/2007, there was an appreciable upturn in employment on the German labor market in the period 2008/2009, particularly for the lesser skilled activities; however, no further growth of job security is evident as yet (cf. *IAB 2010a*).

Clearly, however, across the whole of Europe, leisure orientation dominates, particularly in the biographical lifeworlds of older middle and working-class consumers (66%), well-situated top and middle ranking housewives (63%) and mid-ranking mid-lifers (58%). In Spain (80%), the Netherlands (78%) and the UK (74%), as well as in Italy (70%) and France (69%), successful consumers who have achieved "top-ranking mid-lifer" lifeworld status, albeit from a healthy income position, are avowedly leisure-orientated. This value change, which emerged in western countries in the 1960s and 1970s, now characterizes people and consumers in virtually all biographical lifeworlds, including the younger members of today's senior generation (cf. *The GfK Association 2005b/2008*).

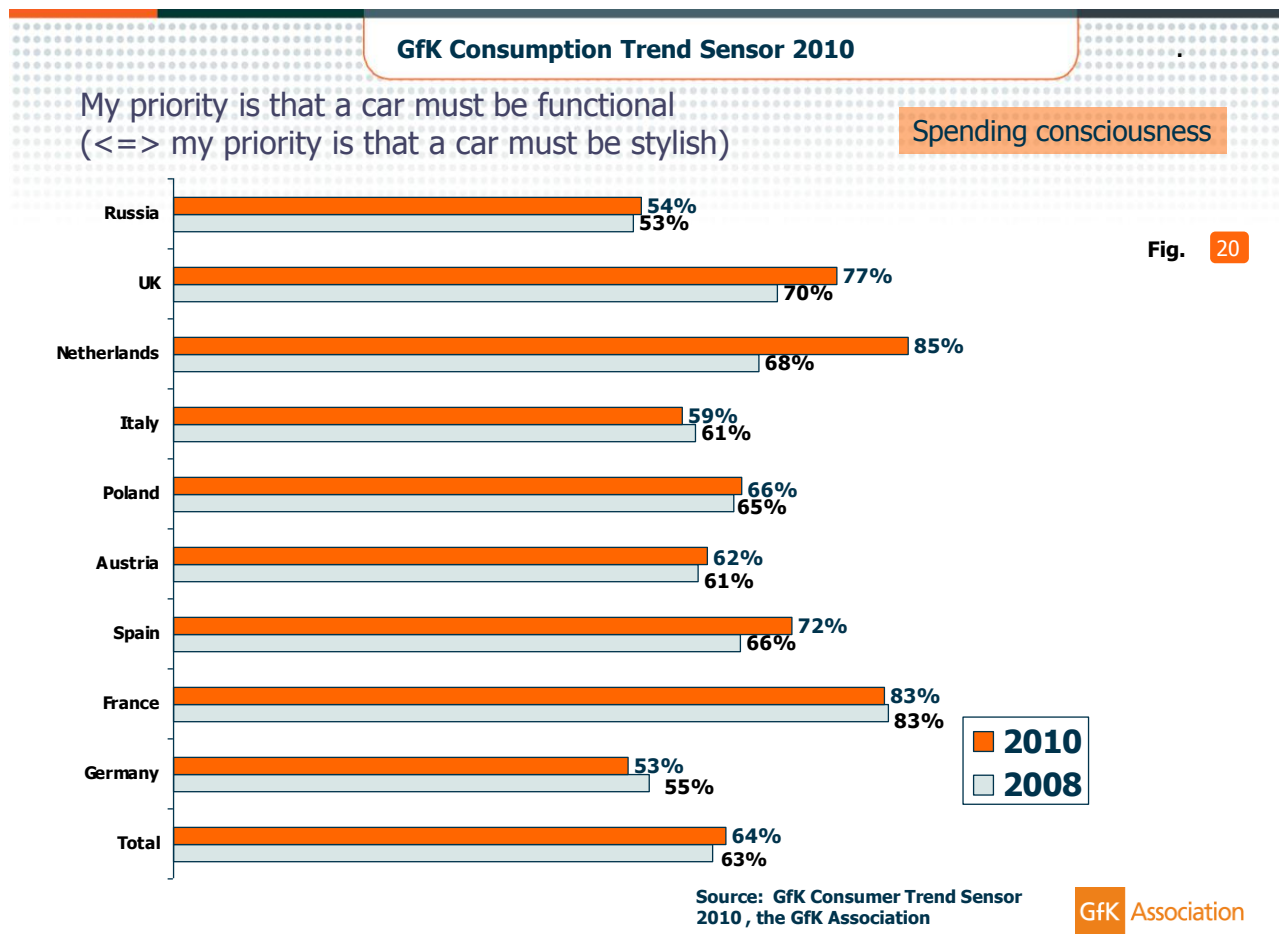
In the course of the past two years, in light of the rise in unemployment, the increase in willingness to sacrifice a proportion of leisure time for more money is discernible among consumers in the UK, Spain and Austria, as well as respondents in France and Russia. By contrast, leisure orientation has risen slightly in the Netherlands, Poland and Germany.



5.4 Spending consciousness

Should a car simply offer reliability for everyday motoring, or should it also sport an appealing design in order to also satisfy aesthetic needs? A majority of young men aged under 30 in Germany and Austria (68%), Italy (66%), and Russia (56%) set great store by how a car looks. On the other hand, seven out of ten women consumers aged over 30 tend to take a more functional view when it comes to motoring; the vast majority of women consumers in France (88%), Spain (80%), the Netherlands (84%) and the UK (82%) take this pragmatic attitude towards the car.

Despite just over six out of ten consumers in all nine countries continuing to stress a car's functional side, the value estimation of how a car looks has still increased slightly in Germany and Italy compared to 2008. Italy, in particular, is famous for car design and names like Pinin Farina, Flaminio Bertoni, Pietro Frua and Bertone are internationally synonymous with automobile design. In the UK and Spain, as well as in the Netherlands, more value is again being placed on basic features than it was two years ago.

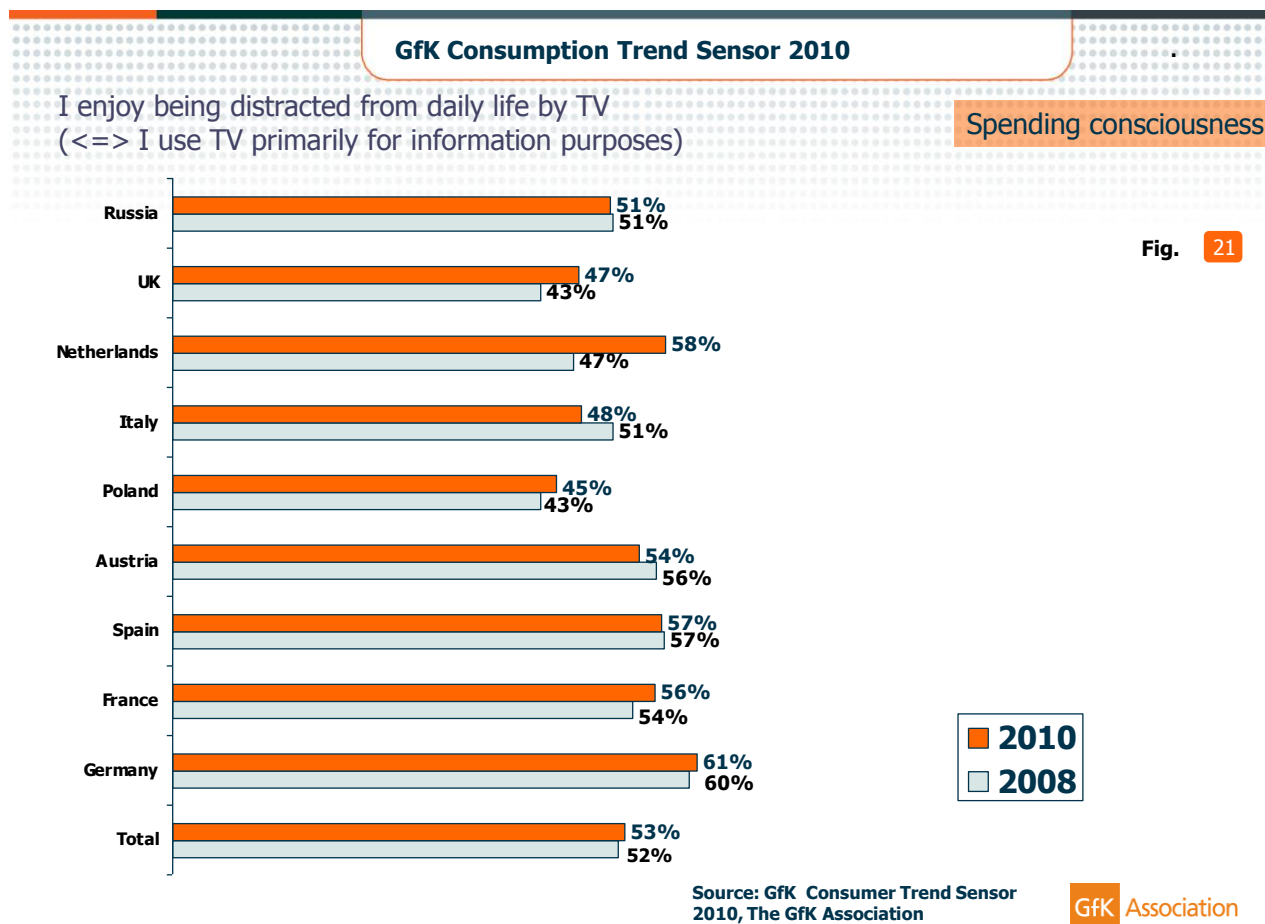


The medium of television specifically offers an abundant variety of fictional and non-fictional entertainment, allowing viewers to escape the concerns of everyday life. As a result, television performs an important compensatory experience function for consumers (cf. *Dehm/ Storll/ Beeske 2005*). Overall, in all nine countries just over one in two consumers reports using television as a diversion from everyday life. Similar to shopping for fun, the tendency towards escapism is predominantly female and also younger, i.e. under 30 years of age, or older, i.e. over 70 years of age: thus, women aged under 30 in Germany (74%), Austria (67%), France (65%), Italy (64%) and the Netherlands (65%) show a particularly pronounced liking for escapism. Likewise in Germany and France (70% and 69% respectively), Spain (71%), Austria (63%) and Italy (61%), a majority of women aged over 70 watch TV as a means of escaping everyday life.

The success of a host of daily soaps and, more recently, of *telenovelas* – a format that originated in South America – in this specific target group confirms these findings. Only younger female consumers in Poland (50%) use television by their own reckoning primarily as an information medium.

Across all nine countries, however, it is mostly male consumers over 30 years of age (54%) who tend to use television as a source of information. Above all, in Italy and Poland (63% each), the UK (59%), Russia (55%) and France (52%) this consumer group shows an above-average information orientation in relation to television. Across Europe, it is mid-life top-ranking individuals and older men (58%) who are most strongly information-oriented.

In the individual European countries investigated, once again a highly disparate development pattern is apparent for this trend dimension: whereas in France, Poland, the UK and in the Netherlands to a slightly higher degree, there has been a rise in the proportion of those whose TV habits are more motivated by escapism in the past two years, in Italy and Austria, the number of more information-orientated media users has increased somewhat.



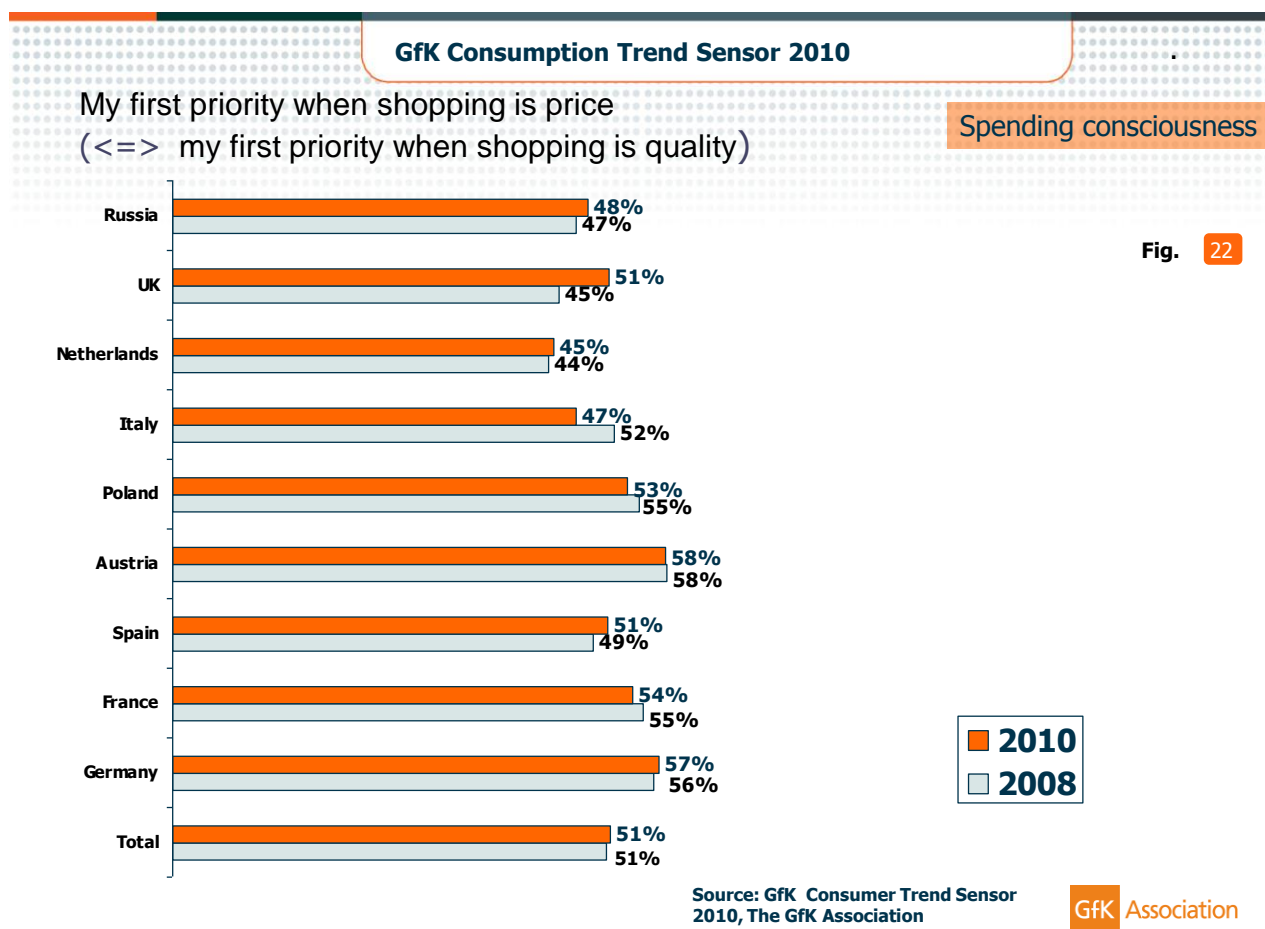
The question as to what the main shopping criterion is, that is to say product price or quality, appears to split consumers in Europe down the middle. In particular, this central dimension of the GfK Consumption Trend Sensor noticeably divides up according to a consumer’s social lifeworld. Older working class consumers (60%), female consumers on a low income (56%), mid-ranking housewives (58%) and school pupils and students (54% and 52% respectively) pay more attention to price. On the other hand, consumers in the lifeworlds made up of top-ranking mid-lifers and top-ranking young persons (63% and 59% respectively), mid-life middle ranking persons (53%) and middle-class older men (56%) can mostly afford to consider quality when shopping.

On the whole, an orientation towards quality dominates in Europe in the group comprising male consumers between 20 and 50 years of age (54%). Particularly in Poland (60%), Russia (58%),

Italy (56%), Spain (54%) and Germany (53%), this younger consumer subgroup is above all quality-conscious when shopping. In the UK, however, (45%), male consumers in this category who place greater value on quality are now in the minority.

An above-average level of price orientation is apparent among women consumers (54%). In Germany (63%), Austria (61%), France (58%), and Spain and Poland (55% each), women consumers by their own reckoning are eminently price-sensitive. This comes as no surprise, bearing in mind that in many households, it is the women who continue to be responsible in the main for the purchase of daily needs. This applies particularly to women on a lower income and middle-ranking housewives, who have to watch every euro, zloty or rouble while shopping. A survey on the brand orientation for selected products also confirms that European male and female consumers on lower incomes and middle-ranking housewives are primarily looking for the cheapest prices (by necessity) when shopping. (cf. *The GfK Association 2009c*).

Notable changes in price orientation compared to the 2008 Trend Sensor can be seen above all in the UK and Spain: in fact, when it comes to shopping, British and Spanish consumers again seem to be more price-orientated, whereas consumers in Italy and Poland by their own reckoning are again paying more attention to quality when shopping. In the other five countries, the price/quality orientation ratio has remained virtually unchanged since the last survey in 2008.



5.5 Reality consciousness

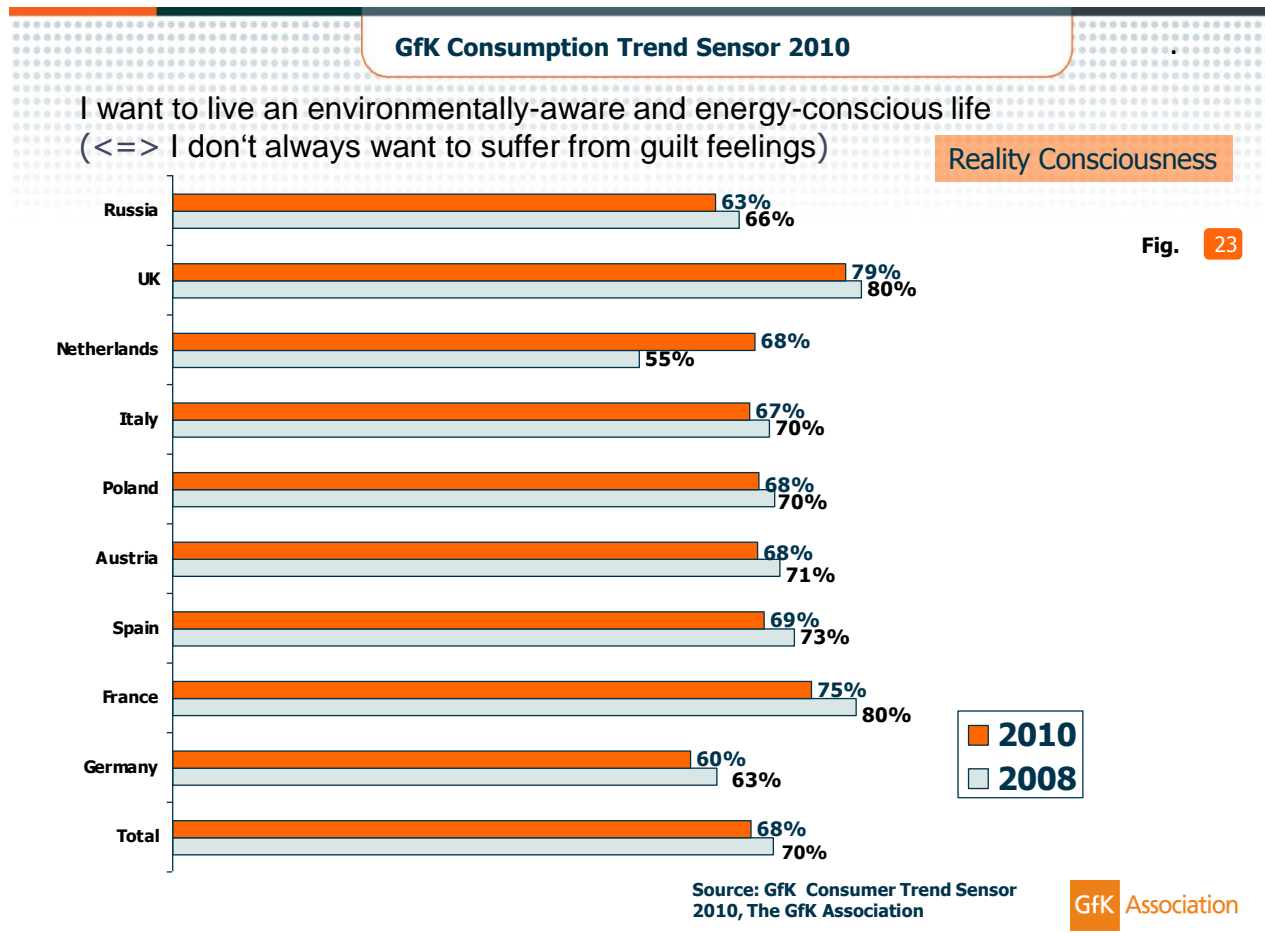
Living an environmentally-aware and energy-conscious life – above all, the term “energy-conscious” clearly has become more relevant for consumers in the industrial countries. For instance, although the second half of 2008 saw a massive collapse in the price of crude oil, energy prices have still risen significantly in the longer term. For example, at the beginning of 2010, the price of heating oil in Germany was approx. 50% higher than in 2002. Over the same period natural gas has become 30% dearer and electricity costs have gone up by a good third (cf. *German Dept. of Statistics 2010b*). Current price trends on commodity markets in spring 2010 make it likely that consumers worldwide will have to resign themselves to further energy price rises (cf. *German Dept. of Statistics 2010a/IEA 2009*). This is accompanied by burgeoning public awareness of global climate change resulting from the steady rise in consumption of fossil fuels (cf. *IPCC 2007*).

Around seven out of ten European consumers now claim that they behave in an environmentally-aware and energy-conscious manner. This assertion is pronounced to an above-average level among women consumers aged over 40 in the UK (85%), France (78%), Poland (76%) and Russia (73%).

Conversely, only the relatively small group comprising younger male consumers aged under 30 is somewhat less environmentally aware in comparative terms in the Netherlands (43%), Italy (45%), Austria (48%) and Russia (49%). Overall, at 58%, the group made up of school pupils and students tends to express the lowest environmental and energy awareness in relative terms. In Germany’s case, these findings are in line with those from the current Shell Youth Study 2006, which points to the younger generation – above all men – continuing to rank values such as “drive and ambition” ahead of “environment awareness” (cf. *Deutsche Shell 2006*).

Overall, in all the survey countries, the lifeworlds made up of older middle-class women (74%), older working-class men and women (75%), mid-ranking housewives and top-ranking housewives (73% and 69% respectively) emerged as being environmentally orientated to an above average degree.

Compared with 2008, and this is hardly surprising given the economic crisis, environmental awareness has declined somewhat throughout Europe. Only in the Netherlands (+13%) has there been any appreciable growth in environmental and energy awareness among those surveyed. In all other countries surveyed in the context of the present study, the proportion of those admitting that they do not always want to suffer from feelings of guilt has risen. In particular, in France, Spain, Austria, Italy, Germany and Russia fewer consumers are currently reporting that they pay attention to energy and natural resource usage.



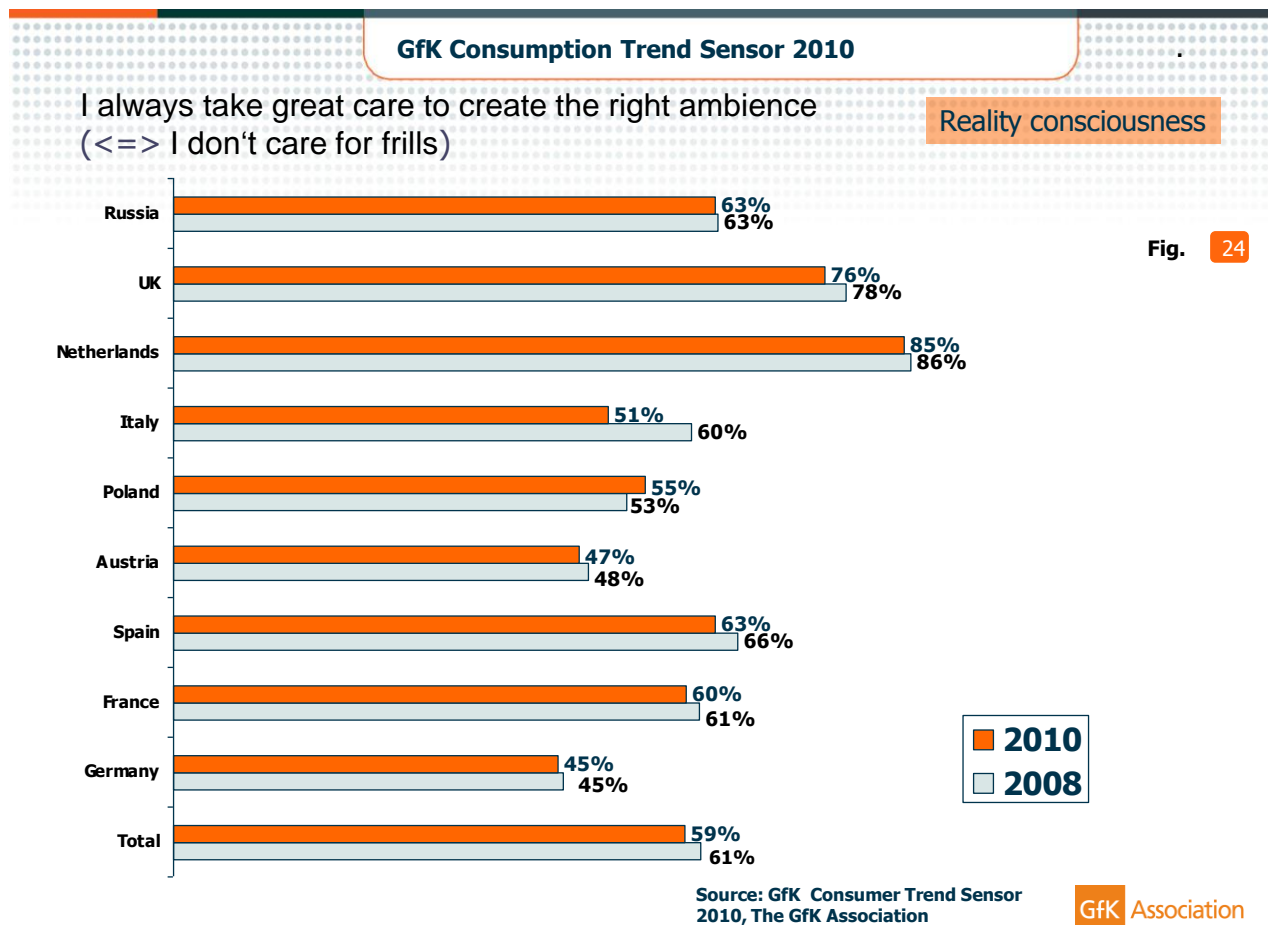
A stylishly furnished room, whether at home, in a hotel or even at the office, a beautifully arranged table, the right clothes for different occasions, or a tasteful gift – ambience comes in many shapes and forms. Paying attention to ambience, the right atmosphere or the appropriate setting is another trend dimension which tends to be female (66%) and is strongly pronounced across all age groups in equal measure. In particular, female consumers in the Netherlands (88%), the UK (79%), Spain (73%) and Russia (69%) show a predilection for the right ambience. For female consumers in these nine countries, moreover, environmental awareness and the right ambience go together: 75% of those women who pay attention to ambience also stress that they live an environmentally-aware and energy-conscious life.

Current trends involving the finer things in life in Europe can be monitored in February each year at "Ambiente" in Frankfurt am Main, the international trade fair for consumer goods in the areas of home, furnishings, decor, tableware, kitchens, household effects and the world of gifts. In all countries, women consumers in the lifeworld groups constituting top-ranking housewives (72%), young top-rankers (69%) and schoolgirls (70%) show the most pronounced liking for a pleasing ambience.

By contrast, men (47%) tend to place no value on so-called frills. This extends to a majority of males in Germany (68%), Austria (60%), Italy (52%) and Poland (50%). In all nine countries overall, the lifeworlds of older consumers living alone (55%), older working-class men (54%),

men on a low income (49%) and middle-class mid-life men (50%) attach the least importance to what they consider (unnecessary) frills.

Compared to the 2008 Consumption Trend Sensor, attention to the right ambience has become more important only in Poland, whereas the trend in Italy, Spain and the UK is again moving away somewhat from excessive frills.



The suggestion that a little more modesty would do us all good continues to be represented by a majority of two-thirds of Europeans in the older 50+ age group (69%). People belonging to this age group spent their childhood or youth under the constrained circumstances of the aftermath of the war in the 1940s and 1950s and therefore have an experience which differs from that of the younger generation. Added to this, many older consumers have already been able to fulfill countless consumption desires during the course of their lives, and as a result, the demand for more modesty is easier to formulate. A very pronounced desire for greater modesty among older Italians (84%), Spaniards (79%), French (73%) and Austrians (74%) is currently only contrasted by a more conspicuous wish to afford things among older consumers in the Netherlands (45%).

The trend towards more expansive consumption, however, is represented in more than one in two male European consumers aged under 40 (54%). It is younger consumers, in particular, in the two East European countries of Russia and Poland (65% and 61% respectively) who continue to display the need to catch up and who have a desire for conspicuous consumption. However, a

majority of men aged under 40 in Germany and the Netherlands (63% and 62% respectively) also emphasize more expansive consumption. Overall, the highest pride of place is given to expanded consumption in the lifeworlds of European school pupils (62%), students (49%), young top-ranking individuals (47%), young middle-ranking individuals (52%) and men in the lower income bracket (47%).

Compared with the GfK Trend Sensor for 2008, the desire for greater modesty is evident in France, Austria, the Netherlands and the UK, whereas by contrast, in Poland, there has been a slight upturn in the number of (younger) consumers expressing the wish to afford more. In this trend dimension, there has been no change in attitudes in France and Austria in the past two years.

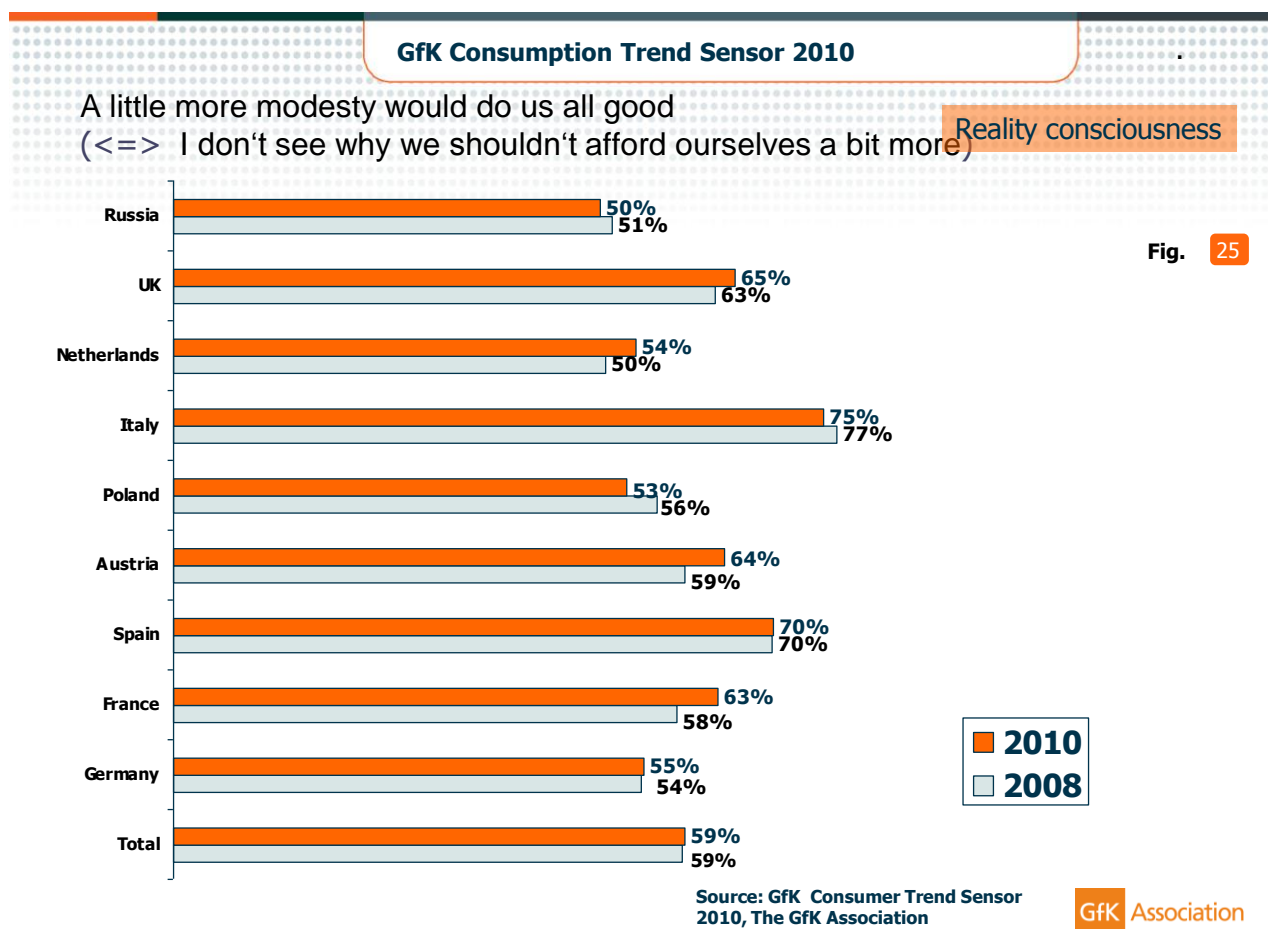
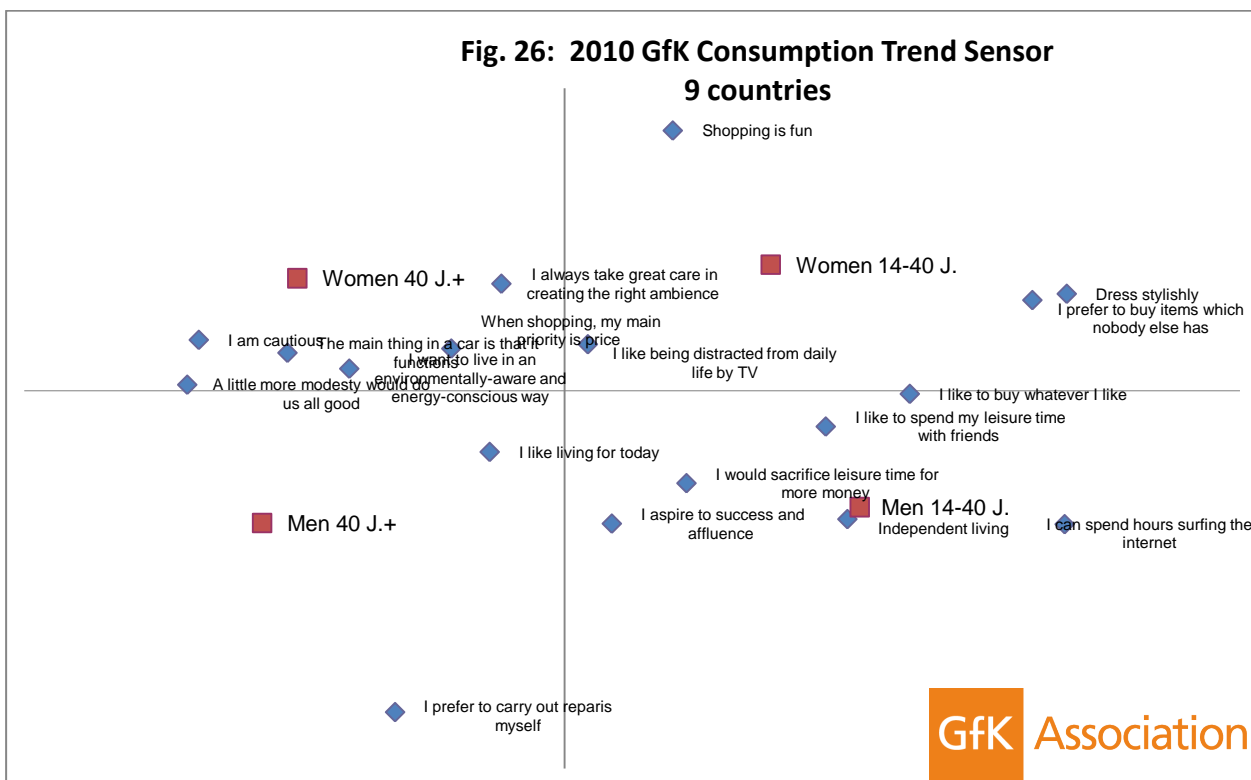


Figure 26 maps out the structure of the 18 trend dimensions in consumption in summary form (correspondence analysis). Consumption is broken down by age and gender, and the fashion orientation of younger individuals and the caution of older persons shown across the horizontal axis is contrasted with the pleasure of women in shopping and men in DIY shown along the vertical axis. These basic dimensions in private consumption have remained largely stable across Europe over the period – even at times of crisis.

While younger men – particularly in Russia and Austria – are mainly concerned with earning more money and older men – in Poland and France in particular – prefer to repair faulty items themselves, younger women in the Netherlands, Germany and France treat themselves to the luxury of going shopping wherever and whenever they please. On the other hand, older women consumers – and this is more evident in Poland and Russia – are more given to caution. It is the monetary, cultural and social resources which shape the needs of consumers during the different phases of life, and at the same time, govern the possibility of satisfying these needs. (cf. *Kleining/Prester/Frank 2006*).



6 Consumer spending patterns over the past 12 months

The question regarding the evolution of spending over the past 12 months compared to the preceding 12 months provides a subjective assessment from the consumers themselves of how private demand has developed. This assessment is influenced by various factors, for example a person's evaluation of how their own income has changed or even perceptions of inflation. Perceptions of inflation are heavily influenced by developments affecting the prices of daily staples (cf. *German Dept. of Statistics 2007a*). By the end of 2009, real inflation in the EU countries was averaging just 1.0%, compared with 3.7% in 2008. In a European comparison, Spain especially reported above-average consumer price increases in 2009, at -0.3% (cf. *OECD 2010b*). Only in Poland (+3.8%) and the UK (+2.2%) did prices also rise at an above-average rate in 2009. For 2010, the German Institute for Economic Research (DIW) continues to forecast an inflation rate of 1.3% for the eurozone and just under 7% for Russia (cf. *DIW 2010b*). Rising energy costs, in particular – and some foods – have been driving prices up further in Europe since the beginning of 2010 (cf. *OECD 2010b*).

The **economic and financial crisis** fundamentally altered consumer spending habits in 2009. Although the majority of European consumers retrospectively estimated that they were still spending around the same amount on various aspects of life (55% on holidays, up to around two-thirds on daily necessities and luxuries and the car), in 2008 37% were still responding that they had spent more overall in the past 12 months, whereas this statement is currently expressed by only one in four consumers. The reverse is true comparing the same periods in terms of those retrospectively estimating that by their own reckoning, they had reduced their expenditure, whose number had massively risen from 12% to 20% over the period in question. Across Europe, in general, savings account for reduced household expenditure: in 2010, 44% said that they had limited their spending because they wanted or had to save (see Table 9c), whereas in 2008, only 35% had given this reason (cf. *The GfK Association 2008b*).

Overall, to a large extent, it is the younger under-40s who say that on the contrary, they spent more, in particular French (47%), Polish (35%), British (33%) and Russian (34%) consumers, with young top-ranking individuals and school pupils (35% and 34% respectively) leading the league table.

Just under two-thirds of consumers by their own reckoning have not altered their spending on food and soft drinks, but the proportion of those who have spent more varies considerably: from 8% in Germany and Spain to 28% and 29% in Poland and the UK respectively, and as high as 44% of consumers in Russia. In all nine countries, additional spending on food is discernible with above-average frequency in the lifeworlds comprising top-ranking young persons (28%), consumers on a low income (30%) and also older working-class women (29%).

In total, one in five respondent consumers report having spent more money on telecommunications. Again, it is consumers in Russia and the UK (33% and 23% respectively) as well as France (23%) whose spending on telecommunications has registered an above-average rise. Consumers in the lifeworlds comprising school pupils and students (38% and 26% respectively), mid-ranking young and top-ranking young persons (24% and 25% respectively) and consumers on a low income (25%) seem particularly happy to spend money on phone calls. Noteworthy here is that prices for equipment and call charges are among those areas in Europe that fell steadily between 2001 and 2005, on average by 43%, and are continuing to fall (cf. *Eurostat 2007a*). This naturally creates leeway for more spending, including on other areas.

More money on clothes was spent with above-average frequency by consumers in Russia (28%) and just under one in five female consumers in France, the UK and Poland. In the case of additional spending on fashion, it is predominantly the younger female consumers who lead the way: schoolgirls (44%), female students (26%), mid-ranking and top-ranking young women (28% and 30% respectively), as well as women on lower incomes (23%) all increased their budget for textiles and shoes.

It is predominantly male mid-lifers aged between 20 and 50 who are spending more on cars and car maintenance. This applies particularly to France (34%), Austria (27%), the UK (28%), Poland (25%) and Russia (23%).

Alongside French (27%) and British (25%) consumers, Austrians (20%), Germans and Italians (both 19%) under 40 years of age have also markedly increased their spending on holidays in the past year. Accordingly, spending on what are regarded as best weeks of the year in all nine countries reveals growth most often in the lifeworlds comprising top-ranking young persons (25%) and top-ranking mid-lifers (24%).

It is also male consumers under 40 years of age (22%) who reported spending more on computers, notebooks and internet connections. In Austria (29%), Germany (26%), France and the UK (25% each) and Russia (24%) in most cases, it was this younger male consumer group that, by its own admission, had increased its expenditure on computers and the internet.

Table 9a: Increased spending on individual areas in the past 12 months (% figures)

In the past 12 months ... I have tended to spend more on	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Food and soft drinks	23.8	8.1	20.4	7.7	18.7	28.3	11.9	13.7	28.7	43.6
Telephony, mobile telephony, call charges	20.3	8.7	22.6	11.7	13.9	16.9	14.1	15.7	23.4	32.6
Clothes and shoes	18.3	11.3	20.1	10.3	17.5	19.6	11.4	18.0	20.2	26.3
Cars (also repair services and accessories)	16.3	15.0	28.0	9.0	20.7	16.9	11.3	15.7	21.6	14.1
Holidays	15.6	17.8	21.8	9.5	19.5	14.9	13.3	15.3	21.4	12.2
Computers, notebooks, internet	14.0	11.2	19.2	9.4	15.7	9.8	10.6	15.0	18.2	15.6
Consumer electronics (e.g. TVs, DVD players, mp3 players)	13.2	10.6	17.4	10.6	14.7	12.0	9.7	17.4	22.5	11.2
Furnishings (e.g. items of furniture)	12.4	9.8	15.1	7.0	13.4	14.8	8.0	13.1	21.2	11.8
Going out to eat or to the pub	11.4	8.4	16.0	7.9	14.4	10.0	8.5	15.5	18.8	10.0
Household appliances (e.g. washing machines)	10.6	5.9	15.3	6.5	8.7	10.9	8.0	11.1	18.2	10.8
Semi-luxury items (e.g. cigarettes, beer, wine, spirits)	9.4	6.3	10.8	5.9	13.5	14.9	5.0	8.6	11.3	11.3
Cultural events	8.9	8.2	12.2	6.8	8.4	10.8	5.4	11.0	11.6	8.4

(e.g. cinema, theatre, concerts)										
Overall	24.9	16.1	38.0	12.4	24.3	31.8	14.9	22.2	29.4	29.8

Male consumers under 40 years of age (21%) also report higher spending on consumer electronics. In France and the UK, as many as just under one in three male consumers in this group reported having spent more on TVs or DVD players. Across the whole of Europe, it is male top-ranking young people and school pupils (27% and 25% respectively) who like to spend more on this type of equipment.

Around the age of thirty, the interests and needs of many European consumers undergo a shift owing to a change in life situation: for instance, consumers aged between 20 and below 50 in particular are the ones who have increased their spending in the past year on furnishings and household appliances (15% and 13% respectively). Higher spending on furnishings is reported above all by consumers aged between 20 and below 50 in the Netherlands (21%), the UK (22%), France (21%) and Poland (19%).

In turn, this age group spends appreciably more money on household appliances in the UK and France (20% and 18% respectively), the Netherlands and Poland (14% each). Consumers among top-ranking young persons (25%), top-ranking housewives (19%) and mid-ranking housewives (15%) lead the way in terms of expenditure on furnishings and household appliances. However, along with young top-ranking individuals (17%) and middle-ranking housewives (14%), top-ranking mid-lifers (14%) also spent more on domestic appliances in 2009.

Slightly more than one in five younger male consumers aged under 30 in the nine survey countries state that they have spent more money on visiting the pub or eating out in a restaurant or other type of eatery. In this respect, younger men in the UK (40%), France (36%), Austria (31%), and the Netherlands (26%) appear happy to spend more on an above-average basis. Not wholly surprisingly, the lifeworlds comprising students and school pupils (26% and 22% respectively) and young top-ranking individuals (20%) occupy pole position here in overall terms. In Spain and Poland (12% and 15% respectively) on the other hand, younger men are more reserved when it comes to visiting the pub and eating out.

Similarly men aged under 30 have spent more money on semi-luxury goods, e.g. cigarettes, wine and spirits (18%). Younger Dutch (28%), French (26%) and Austrian consumers (21%) lead the way here. For instance, alongside school pupils (17%), students and top-ranking young persons (13% and 14% respectively), men on a low income (16%) have also increased their spending on cigarettes and alcoholic drinks.

Consumers aged under 30 tend to spend more money on attending cultural events, e.g. the cinema or a concert, and this applies on an equal basis to men and women (16% each). In particular, younger British (21%), French (23%), and Russian (19%) consumers record noteworthy scores in this regard. Additional spending of this kind is therefore again more frequent among consumers in the lifeworlds comprising school pupils and students (23% and 17% respectively) and among top-ranking young persons (17%). Conversely, the Spanish and Italians (11% and 10% respectively) and Dutch (8%), currently spend comparatively less on culture.

Individual areas of expenditure naturally account for a highly variable proportion of all spending by private consumers. For instance, in Germany today around 50% of all household spending goes on staples like food, clothes and housing. At the beginning of the 1960s, consumers were still having to spend two-thirds of their income on these items (cf. *ISI 2005*). Domestic appliances and furnishings account for an annual proportion of just 6% of spending, while consumers spend 5% of their annual budget on visits to public houses and hotel stays (cf. *German Dept. of Statistics 2006*). Single parents and couples with children in Germany, at 16%, spend virtually one-third more on food and drink than consumers living alone. Conversely, above all men living alone (6%) spend a considerably higher percentage of their money on catering than families with children (4%).

The proportions of the different areas of expenditure within Europe also vary considerably in places: whereas German consumers spend an above-average amount on housing (33%), consumers in Spain (18%), Italy (19%) and Poland (32%) spend appreciably more money on food and soft drinks (cf. *Eurostat 2005a*). When it comes to visits to restaurants and hotels as well, above all Spanish and British consumers (9% and 8% respectively) spend appreciably more money than their German or Italian counterparts (5% each). Beyond these national differences in consumer behavior, further price rises for energy and food in the future will also drive up the proportions of all spending by European consumers in the areas of food, housing and mobility, presumably to the detriment of other areas of expenditure (cf. *FR 2010a*).

To summarize, compared with 2008, the proportion of consumers who have increased their expenditure has declined by an average of around one-third. This drop is most marked in Spain (down from 51% to the current 12%), Italy (down from 30% to 15%) and Russia (down from 46% to just 30%), while in the UK and Poland (29% and 32% respectively), the group which retrospectively records increased expenditure has remained at virtually the same level.

Compared to the 2008 Consumption Trend Sensor, however, it is noticeable in all nine countries that the proportion of those consumers who have cut their overall spending has risen from 12% to 20%. This applies especially to Spain (from 3% to 22%), Russia (from 8% to 17%), the UK (from 10% to 19%), Italy (from 17% to 26%), Poland (from 7% to 13%) and France (from 14% to the current 20%). In Germany, Austria and the Netherlands, however, the group which recorded a reduction in expenditure remained at virtually the same level.

The strongest reduction in consumption in relative terms overall was reported by mid-ranking housewives (27%), consumers on lower incomes (22%), working-class pensioners (21%) and older people living alone (23%).

According to consumer estimates, the following areas were worst hit by the decline in expenditure: restaurant, pub or cafe visits (from 24% to 31%), holidays (from 24% to 30%), purchases of clothes and shoes (from 14% to 23%) and the purchase of foods and soft beverages (from 7% to 11%).

In every area of life, on average, consumers in Germany and France (30% and 31% respectively), Italy (29%), Austria and the Netherlands (both 26%) reduced their expenditure most. Here, mid-ranking housewives proved particularly frugal: this consumer group cut its expenditure, in particular, on holidays (41%), gastronomy and culture (both 43%), furniture (35%), consumer electronics and domestic appliances (35% and 36% respectively) and computers (27%). Consumers in the mid-life top ranking and top-ranking housewives (both

36%) are currently cutting their expenditure on furniture even more, while older working-class women (14%) and older singletons (19%) are spending less on food most often.

Table 9b: Reduced spending on individual areas in the past 12 months (% figures)

In the past 12 months ... I have tended to spend less on	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Furnishings (e.g. items of furniture)	31.1	46.8	40.2	16.9	35.9	20.5	35.9	28.5	28.2	24.5
Eating out, going to the pub	31.0	34.2	35.4	33.6	27.4	22.7	36.7	27.5	31.6	26.5
Cultural events (e.g. cinema, theatre, concerts)	30.6	33.2	39.1	20.8	33.6	24.0	34.0	34.1	32.4	27.6
Holidays	30.2	35.1	36.2	26.6	31.9	21.0	35.1	32.3	34.1	24.3
Household appliances (e.g. washing machines)	29.2	43.3	37.5	10.6	34.3	23.0	31.9	27.9	24.0	26.0
Consumer electronics (e.g. televisions, DVD players, mp3 players)	27.8	37.9	38.3	11.4	28.6	20.5	28.8	35.6	26.0	24.2
Semi-luxury goods (e.g. cigarettes, beer, wine, spirits)	23.3	25.4	30.3	17.8	21.6	18.7	30.5	28.4	22.0	19.1
Clothing and shoes	23.0	18.2	23.7	22.6	17.7	12.0	31.0	23.7	22.5	25.8
Computers, notebooks, internet	21.5	34.7	28.4	11.4	32.2	20.1	27.1	22.1	17.9	12.7
Cars (also repair services and accessories)	19.1	27.2	24.4	12.1	24.4	14.6	27.0	23.9	15.4	12.7
Telephony, mobile telephony, call charges	16.2	16.5	20.4	15.8	18.6	13.7	19.8	16.7	17.4	12.7
Food and soft drinks	11.3	7.3	15.6	10.1	10.3	7.4	14.8	9.7	13.7	11.1
Overall	19.7	24.8	20.0	21.5	14.8	12.6	25.8	14.5	18.6	16.5

The highest rise in savings given as the reason for reduced expenditure is currently evident in the following areas: cigarettes and alcohol (from 18% to 25%), gastronomy (from 29% to 39%), computers (from 17% to 23%), cinema and concert visits (from 21% to 28%) and holidays (from 29% to 38%). Overall, 43% (compared with 35% in 2008) of consumers now say that they are spending less because they want or need to save. The highest saving consumers are in Spain, Italy and France in overall terms, as well as in the individual areas. Conversely, in Russia, fewer consumers said that they were saving (23%), but that altered circumstances were the reason for lower consumer expenditure overall (56%), as well as for specific areas, such as holidays (61%).

Saving is now the dominant reason for lower consumer spending given by European consumers up to the age of 60 (47%), while among the over-60s, the reason given is more frequently waning interest (40%) or altered circumstances (24%), such as the loss of a partner.

Table 9c: Saving as a motive for reduced spending in individual areas (% figures)

Subgroup: In the past 12 months ... I have tended to spend less	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
... on account of the desire and/or necessity to save										
Telephony, mobile telephony, call charges	42.9	50.5	44.3	62.2	48.7	42.9	50.2	44.6	39.7	24.0
Clothes and shoes	40.4	41.7	46.0	66.9	38.1	39.9	61.5	13.5	40.9	21.3
Eating out, going to the pub	39.3	45.8	44.0	59.2	43.9	28.0	53.0	23.6	35.5	21.0
Holidays	38.1	41.1	46.1	50.6	33.6	29.1	49.5	13.6	38.8	24.2
Food and soft drinks	37.4	26.9	45.5	46.3	31.4	42.1	60.0	48.8	41.4	17.1
Cultural events (e.g. cinema, theatre, concerts)	27.8	27.8	31.0	41.4	23.8	24.2	36.9	30.9	27.3	18.4
Consumer electronics (e.g. televisions, DVD players, mp3 players)	26.6	27.0	27.6	40.3	18.7	20.1	34.5	22.6	31.3	19.9
Cars (also repair services and accessories)	26.2	24.3	35.8	31.1	28.9	21.7	32.1	30.2	27.6	12.8
Furnishings (e.g. items of furniture)	25.4	22.9	23.3	40.1	21.3	19.1	27.8	27.8	30.5	23.7
Semi-luxury goods (e.g. cigarettes, beer, wine, spirits)	24.9	26.4	29.8	43.3	26.7	21.9	35.3	35.7	17.6	9.8
Household appliances (e.g. washing machines)	23.9	21.9	20.4	43.2	18.0	12.8	28.6	34.0	26.0	24.0
Computers, notebooks, internet	22.6	21.6	24.9	37.0	16.0	19.3	27.4	25.7	25.5	13.2
Overall	43.9	43.1	51.7	62.7	39.0	41.0	62.2	31.2	41.2	22.9

Changes in personal circumstances owing to specific events, e.g. a new job, starting a family, retiring from working life, children leaving home or separation from a partner, as a motive for a change in spending are cited in virtually all biographical lifeworlds. Saving as the reason for reduced household spending is currently no longer the preserve of women, but also men (44% and 43% respectively) (cf. *The GfK Association 2008b*). Thus, consumers in the lifeworlds of school pupils and students (56% and 52% respectively), young mid-ranking and young top-ranking individuals (both 52%) mention saving as a reason for their lower overall consumer spending with above-average frequency. On the other hand, waning interest in consumption is reported most often by older middle and working-class men (24% and 27% respectively) as the reason behind reduced spending across all countries.

7 Trends in private consumption, 2004 to 2009

Figure 27, in addition to showing subjective assessments at micro level, reveals actual consumption trends among private consumers according to the respective official statistics. Annual growth rates for private demand in Russia up to 2008 were more than five times higher than the average for the EU-25. The economic and financial crisis then led to a massive erosion of consumption in private Russian households, which was further exacerbated by the fall in the value of the rouble. However, the continuing demand from households caused by the Russian need to catch up will ensure that when the price of raw materials rises again, private consumption will mirror this. The reason for this is the continued unilateral dependency of the Russian economy on the climate prevailing on the commodities markets (cf. *DIW 2010b*). With growth rates still on a slight upward trend of between 0.2% and 2.2% in 2009 in spite of the crisis, Germany, Austria, France and Poland, in particular, were far above the EU average of -1.6%, while the Spanish, British and Dutch had to confront a hefty decline after recording significant growth rates in the years up to 2008.

With the exception of Russia, the majority of European countries saw a slight increase in private consumption from the third quarter of 2009 onwards (cf. *OECD 2010b*). Overall, however, the forecasts for private consumption in the EU-27 and in Russia for 2010 remain somewhat modest. Economic stimuli are only expected to come from external trade in 2010, which will benefit the export-oriented European countries to a greater extent (cf. *DIW 2010b*).

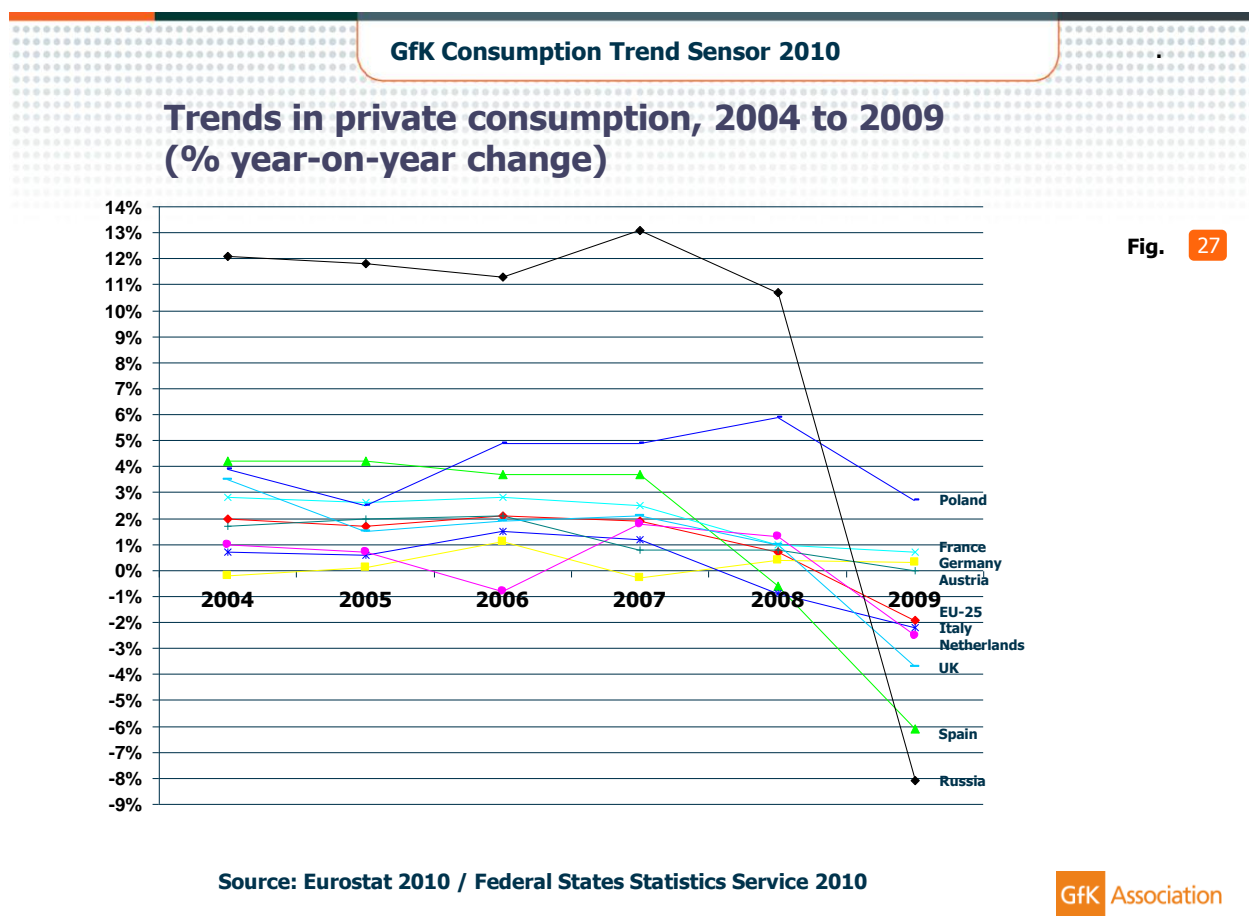


Fig. 27

Source: Eurostat 2010 / Federal States Statistics Service 2010

8 Results and outlook

The current results of the GfK Consumption Trend Sensor compiled within the framework of the "European Consumer Study" in eight EU Member States plus Russia paint a disparate picture of male and female European consumers, particularly at times of economic crisis. Despite looming convergence of the desires and expectations of private consumers in the various countries of Europe, significant differences exist between individual countries with regard to the fundamental trend dimensions of consumption.

The mood among consumers in Europe is determined primarily by national social and economic framework conditions. The levels of wage and salary increases, tax legislation, healthcare systems and retirement provisions continue to be subject to decisions taken by national politicians. As a result, the economic area of the European Union does not correspond (as yet) to any sort of "European attitudes area" of private consumers, although younger and more mobile consumer lifeworlds show appreciably stronger convergence between behavior and attitudes than older lifeworlds.

Gender-specific preferences (fashion versus DIY), age-contingent needs (sociability versus withdrawal) and necessities dependent on a person's life situation (personal independence versus family and children), together with available finances and future expectations, shape the consumption aspirations of consumers and the possibilities of fulfilling these.

Consumers in the different biographical lifeworlds in Europe, despite showing similar attitudes and behavior patterns across the various borders, definitely do so to varying degrees from country to country: for instance, consumers in the lifeworlds of young people and top-ranking mid-lifers in western EU Member States enjoy *in real terms* a far higher income than Polish and Russian consumers; however, the latter in turn certainly occupy a comparable social and economic position within the social fabric of their particular country (cf. *Kleining/Prester/Frank 2006*).

Overall, compared to the GfK 2008 Consumption Trend Sensor both retrospective as well as prospective assessments of the financial situation facing consumers have shown a marked deterioration. Another associated factor here is a rise in the number of people regarding themselves as comfortably off or as not obliged to tighten their belts. In the majority of EU countries, consumer confidence remained at a low level for the first six months of 2010, with only **Austria**, the **Netherlands**, **Germany** and **Poland** recording a slight improvement in the consumer climate (cf. *European Commission 2010*).

In **Spain** and the **UK**, the forecast of a growing downturn in private demand has regrettably been confirmed: "The real estate market, which has been flourishing for more than a decade, is threatened by a slow cooling down, with the price of houses and apartments likely to fall as a result. Since many private households are highly indebted with mortgages, the negative impact of this on consumption can be anticipated in the medium term" and "as in Spain, a strongly overheated real estate market combined with a high level of indebtedness on the part of private households and the significant drop in the value of the pound sterling compared with the euro recorded since autumn 2007 are creating a scenario which could negatively affect private consumption in the medium term". (cf. *The GfK Association 2008b*). In addition, VAT has again risen in these two countries. Conversely, the continuing weakness of the pound sterling is likely to stimulate exports.

In **Spain**, the high EU subsidies, which are set to continue (2007 to 2013: EUR 35 billion), will continue to underpin private demand in structurally weak areas. The pronounced sociability compared with the rest of Europe and associated above-average spending in bars and restaurants by the Spanish themselves, as well as by tourists traveling there, is stimulating domestic demand (cf. *Eurostat 2005a*). In a European comparison, the comparatively high rate of unemployment of 40% among under-25s is not (yet) a social problem, since in Spain – as is the case in general in southern European countries – families tend to stick together more and try to support those in need at difficult times (cf. *FAZ 2010/a/b*).

In **France**, in a European comparison, domestic demand has proved robust despite the economic crisis (cf. *Chapter 6*). The tourism balance of payment is also positive and worth significantly in excess of some EUR 10 billion per annum (cf. *WTO 2005*). A sustained very high birth rate and a positive migration balance combined with the high number of new families and households established compared with the rest of Europe will also have a positive impact on private consumption demand in the longer term (cf. *Chapters 2 and 4.4*). On the other hand, the restricted range of products exported by the aviation and space, automotive, luxury goods and agrarian sectors is having a negative impact and in spring 2010, unemployment was running at 10%, with 28% of those in employment concerned that their jobs were under threat (cf. *Chapter 3.2*).

In **Italy**, consumer confidence is markedly below the European average. Structural economic difficulties, such as too little spent on research and development, the inadequate proportion of skilled workers, and the very high share accounted for by the black economy compared with the rest of Europe, continue to prevail. Added to this is the downturn in exports caused by specialization on certain business sectors, such as clothing, which face tough competition from the emerging economies (cf. *DIW 2008a*). Furthermore, high state indebtedness leaves little room for urgently required investments in infrastructure (cf. *DIW 2008a*). Positive stimuli are expected from the 2015 world exhibition taking place in Milan (cf. *FAZ 2008b*). However, a more positive example is the development of the Fiat motor company, which, after buying a stake in Chrysler and introducing its new Fiat 500, has successfully repositioned itself on the market.

Even in crisis year 2009, private consumption in **Poland** has shown above-average development (see Fig. 27), with unemployment up just one percentage point to 8.2%. The building sector and new car registrations stagnated; however, unlike in other EU countries in 2009, they did not decline (cf. *OECD 2010b*). As a member of the European Union, Poland – alongside Spain – will also benefit in the coming years from very high structural subsidies from Brussels for agriculture and infrastructure (2007 to 2013: EUR 67 billion). On the other hand, negative demographic development and the resultant increase in the shortage of skilled workers are having a dampening effect on the economic outlook (cf. *Chapter 2.1*). The next European football championships, which Poland will be co-hosting with Ukraine in 2012, will also generate momentum for new property and infrastructure projects (cf. *FAZ 2008k*).

The massive erosion of raw materials prices has had by far the worst effect on the Russian economy in general and private demand in particular and resulted in a decline of 8% in **Russia**. In conjunction with the fall in the value of the rouble, which dropped by 30% over a short period of time, a very tight credit situation including for private consumers, the scope for expenditure by private households has become significantly reduced (cf. *DIW 2010b*). Beyond this, just under one in three Russian consumers is now regarded as under threat from the crisis (cf. *Chapter 3.3*). However, the price increase rate, which still stood at around 7% in spring 2010, is likely to bring some leeway for consumption on the part of the majority of Russian consumers.

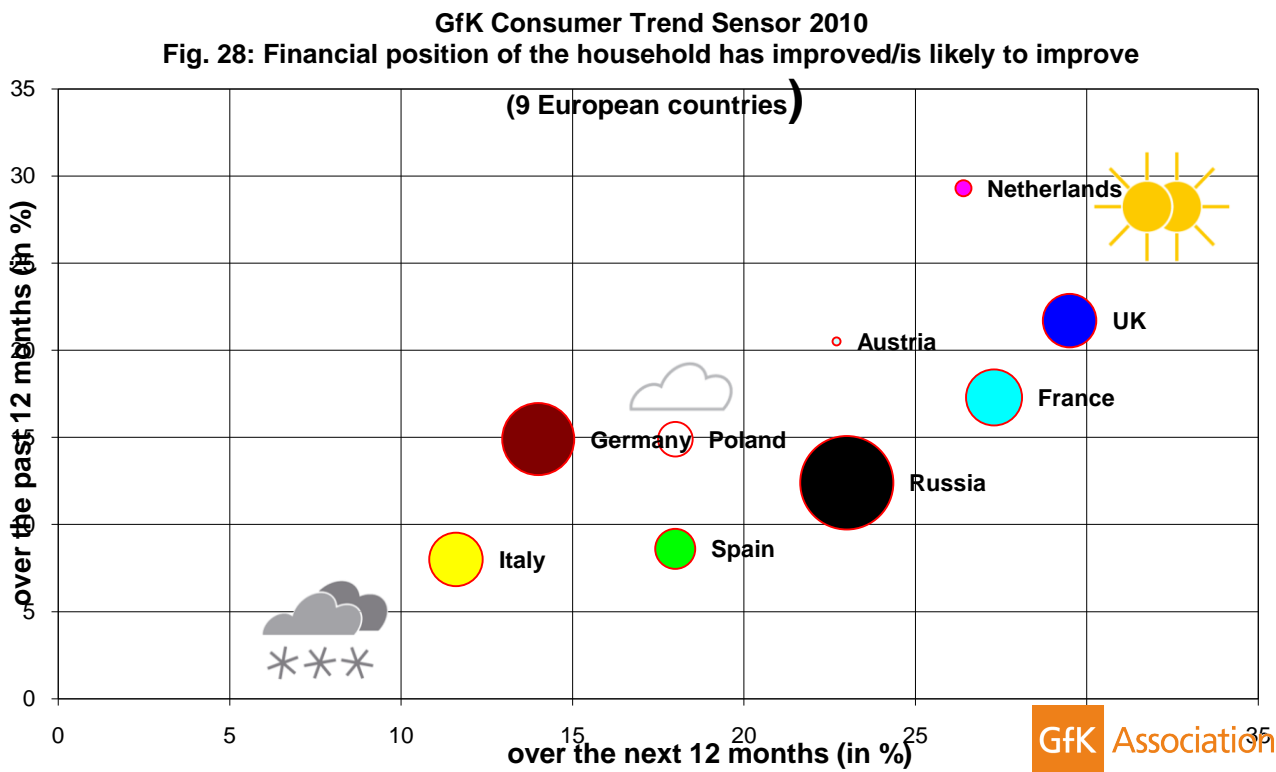
The **Netherlands** is where people's comparative satisfaction with their own financial situation is easily at its most positive. One in two consumers is regarded as crisis-resistant and the focal point of value preferences clearly falls on leisure time and self-fulfillment (cf. *Chapters 3 and 5*). However, in 2009, for the first time in three years, private consumption once again dropped down by 2.5% - against a background of a decline in overall economic output of 4%. Above all, the further decline in hotel and restaurant sales of 6% compared with the first quarter of 2009 was dramatic (cf. *Statistics Netherlands 2010a*). The nation's still relatively high proportion of people under 15 years of age (18%), coupled with a surplus of births over deaths and a positive migration balance, is allowing the Dutch population to grow, thereby creating positive parameters for further development in terms of domestic demand (cf. *Chapter 2*). In addition, at 4%, the Netherlands have the lowest rate of unemployment in Europe (cf. *OECD 2010a*), and Dutch consumers lead Europe in all age groups in the use of the internet and online purchases (cf. *The GfK Association/Statistics Netherlands 2009a*).

In **Germany** – and Austria – four out of ten consumers are regarded as crisis-resistant (cf. *Chapter 3.3*). Private consumption has remained stable and has benefited from a stable market – due to short time work – and the momentum generated by growth acceleration legislation (deductibility of health insurance contributions, increase in child benefit and child allowances). Conversely, in the medium term, the demographically driven growth in the category made up of older, retired consumers in Germany means that, despite nominal increases in 2008 and 2009 of 1.1% and 2.5% respectively, they can expect a further decrease in their purchasing power in real terms (cf. *DIA 2010*) as a result of the escalating cost of homes, health and care. This older group of consumers will then be expected to dig more deeply into their assets and savings by way of compensation.

Overall, the savings rate in Germany has risen from 9.9% in 2002 to 11.3% in crisis year 2009. For 2010, the debt crisis-induced high level of uncertainty on the part of private consumers is likely to generate a further rise in the rate of savings to 12% (cf. *DIW 2010b/Bundesbank 2010a*). Consequently, the forecast for domestic demand for 2010 has remained stable.

The surprising revaluation of the Chinese yuan and its simultaneous decoupling from the US dollar is ultimately highly likely to result in an increase in the price of imported consumer goods, such as consumer electronics, textiles and toys and games in **Europe** (cf. *FAZ 2010c/FR 2010b*).

In conclusion, *Figure 28* again shows the retrospective views expressed by European consumers for 2009 and their forecasts for 2010. The relative optimism expressed by the Dutch on the right-hand side is diametrically opposed to the more pessimistic views of Italian consumers at the bottom on the left of the graphic. German consumers are comparatively restrained, despite the fact that in Germany, four out of ten consumers are regarded as crisis-resistant.



9 Research methods

The *GfK Consumption Trend Sensor 2010* was conducted by GfK Marktforschung on behalf of The GfK Association in the winter of 2009/2010.

The following European countries were included in this survey: Germany (n=2,000 Interviews), France, Spain, Poland, Italy and UK (n=1,000 interviews each), Austria and Netherlands (n=500 interviews each) and Russia (n=2,000 interviews).

Field research, data preparation and data analysis were carried out by GfK network institutes in the individual European countries.

Interviews were conducted in the form of Computer-Assisted Personal Interviews (CAPI). The Paper & Pencil method was used in Russia only.

The choice of potential respondents was made using the quota procedure by specifying the following characteristics, in each case on the basis of current official statistical data in the respective countries:

- region
- household size
- gender
- age
- occupation

Data were weighted separately per country in accordance with the predetermined specifications of these quota characteristics, so as to present a representative sample of members of the population in private households aged 14, 15 or 16 years old and over.

Definition: level of education and monthly net income

For these two characteristics, three groups were created respectively for each country which took appropriate account of the different levels of education and income in the respective country, thus making the results comparable within a European context.

A **low** formal level of education corresponds roughly to a basic school-leaving certificate, the **interim** level is orientated more towards leaving school after the equivalent of Year 10 in Germany, and a **higher** level of education denotes at least a Higher Education technical or general entrance qualification.

10 Socio-demographic characteristics

Gender (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Male	47.5	48.6	48.0	48.6	48.2	47.9	48.1	49.2	48.0	45.3
Female	52.5	51.4	52.0	51.4	51.8	52.1	51.9	50.8	52.0	54.7

Age groups (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
14-19 years of age	7.8	7.9	9.8	8.2	7.2	9.0	7.3	7.4	7.0	7.2
20-29 years of age	16.7	13.1	15.9	18.9	15.0	20.0	13.0	14.8	15.0	20.3
30-39 years of age	17.4	14.9	18.1	18.7	18.8	15.9	17.5	17.6	21.0	16.9
40-49 years of age	17.7	19.0	16.4	15.9	19.0	17.1	18.1	18.8	17.0	18.2
50-59 years of age	15.6	15.2	15.9	13.1	14.4	17.3	14.3	17.0	15.0	16.7
60-69 years of age	12.0	14.5	10.2	11.2	12.6	10.8	12.6	12.4	11.0	11.9
70+ years of age	12.8	15.4	13.8	14.0	13.0	9.9	17.2	12.0	14.0	18.8

Occupations (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
In work	52.5	48.7	42.4	49.2	58.5	47.7	46.5	60.8	59.0	60.2
Not in work	6.9	6.6	9.6	10.4	3.1	8.8	5.1	1.1	7.7	5.4
Senior citizens	23.0	27.6	24.6	19.2	25.5	24.9	25.4	19.7	21.2	20.2
School pupils/ college students	8.9	10.8	11.3	8.4	6.9	10.8	10.8	6.4	5.0	7.7
Housewives/ househusbands	8.5	6.3	12.2	12.8	6.0	7.2	11.6	10.7	6.6	6.4

Education (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Low	30.5	42.2	24.1	12.2	23.1	49.4	44.0	37.6	49.7	12.7
Interim	47.7	39.0	48.3	66.9	56.8	37.3	45.4	40.4	29.0	58.5
Higher	21.0	18.3	27.6	20.8	20.1	13.3	9.5	22.0	21.3	27.0

Household size (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
1 person	14.2	21.4	15.4	15.7	17.6	8.5	13.3	19.0	18.7	8.2
2 people	27.2	37.3	30.7	26.9	28.4	16.3	28.2	34.8	29.3	20.3
3 people	22.7	18.6	21.8	23.8	20.6	20.9	24.8	16.6	21.3	26.3
4 people	21.9	16.2	18.7	23.6	19.6	25.2	26.9	19.4	18.1	25.1
5 or more people	13.9	6.5	13.5	10.0	13.8	29.1	6.9	10.2	12.6	20.0

Children under 16 in survey households (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
1 child	20.9	12.6	18.1	19.0	20.2	22.0	16.2	21.3	16.9	31.3
2 children	11.1	9.9	16.6	7.6	14.9	14.7	9.2	13.5	12.9	9.2
3 children	3.1	1.8	6.3	1.3	2.7	3.6	1.5	4.1	5.6	2.5
4 children or more	0.6	0.1	0.9	0.2	-	0.5	0.3	1.6	1.8	0.4
None	64.3	75.6	58.1	71.9	62.2	59.3	72.9	59.5	62.8	56.5

Children aged 16 – 19 in survey households (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
1 child	12.1	10.3	11.7	12.4	13.9	16.7	10.3	4.4	9.4	14.6
2 children	1.8	1.4	1.1	1.7	4.3	5.6	1.0	4.5	0.8	1.6
3 children	0.2	0.1	0.2	-	0.2	0.7	-	0.0	0.2	0.2
4 children or more	0.0	-	-	-	-	0.2	-	-	-	-
None	86.0	88.2	87.0	85.9	81.5	76.9	88.8	91.0	89.7	83.6

Status (in %)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
Unmarried, no partner	21.4	22.6	20.9	21.7	19.9	25.5	27.3	29.8	20.2	16.9
Unmarried, with partner	10.3	10.6	16.2	13.9	13.5	3.7	10.2	7.1	16.6	5.5
Married	52.1	48.7	45.9	48.0	49.0	59.9	49.6	56.0	46.7	59.3
Widowed/ divorced/ separated, no partner	13.2	14.2	14.7	15.3	13.6	9.3	10.4	4.2	14.4	14.1
Widowed/ divorced/ separated, with partner	2.4	4.0	2.3	1.0	4.0	1.2	2.0	1.2	1.8	2.6

11 Biographical lifeworlds

The following table summarizes and briefly describes the individual biographical lifeworlds. It also denotes the commonly used German abbreviations, e.g. MTO, which is short for "*Mittleres Alter Top*", or "top-ranking middle-aged persons".

Biographical lifeworlds

Abbreviation	Description
SCH	School pupils: development of the social side. Adaptation and protest. Youth culture.
STU	Students: the future elite. Lofty goals, tight budgets.
JTO	Top-ranking young persons: the optimum chance of self-expression. Activity and striving for success.
MTO	Top-ranking mid-lifers: the executive elite. Performance and privilege.
HTO	Top-ranking housewives: upper-level women. Self-fulfillment.
JMI	Mid-ranking young persons: the young middle class. On the road to success.
MMI	Mid-ranking mid-lifers: the established middle class. Safeguarding and expanding achievements.
HMI	Mid-ranking housewives: middle-class women. Individuality and duty.
MEI	Basic life situation men: Men in basic life situations. Practicality at work and at play. Traditional masculinity.
FEI	Basic life situation women: Women living in basic life situations. Practicality at work and at play. Traditional woman's role.
ALM/MS ALM/AS	Middle-class/working-class elderly men: the lifeworld of the post-occupational phase. New freedoms and activities.
ALF/MS ALF/AS	Middle-class/working-class elderly women: the lifeworld of older women. New self-consciousness and devotion to the emotional side.
ALL	Elderly people living alone (separate household): Self-determined life in old age.

Source: Kleining (2003)

Distribution of biographical lifeworlds (% figures)

	All 9 countries	Germany	France	Spain	Austria	Poland	Italy	Netherlands	UK	Russia
SCH	6.2	7.2	8.6	5.7	5.5	8.2	6.7	4.9	3.3	5.2
STU	3.2	3.7	3.0	3.0	4.2	3.2	4.3	1.6	2.5	2.9
JTO	6.1	5.5	10.0	6.3	8.4	1.9	5.6	7.5	10.5	4.0
MTO	6.8	7.4	10.0	5.0	11.5	1.8	8.8	6.8	9.7	4.5
HTO	4.5	6.6	5.9	3.7	8.7	2.1	5.3	11.5	6.2	1.5
JMI	5.7	4.5	5.2	9.2	6.1	6.2	5.3	5.5	6.8	5.1
MMI	7.2	9.1	7.4	7.0	6.4	7.3	8.4	7.3	7.4	5.2
HMI	8.8	8.7	10.8	7.7	4.2	4.9	8.7	16.6	9.2	8.5
MEI	13.6	8.6	7.1	12.7	8.7	20.3	9.6	8.1	9.0	22.6
FEI	12.0	8.2	6.3	12.8	7.3	15.4	6.0	6.6	11.9	19.1
ALM/MS	4.6	7.5	5.2	4.9	4.8	4.2	4.4	6.6	3.6	3.0
ALF/MS	4.9	3.7	4.7	8.6	3.6	4.6	6.5	3.4	2.4	5.1
ALM/AS	4.6	4.3	4.9	4.9	5.6	6.4	7.8	3.0	4.7	2.8
ALF/MS	5.1	5.5	4.2	2.8	6.9	8.1	6.3	2.3	3.8	5.4
ALL	6.8	9.5	6.9	5.8	8.2	5.3	6.4	8.4	9.0	4.9

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