

Press release

Germans spend more on vacations than cars

GfK study on regional purchasing power for holiday travel

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Bruchsal, Germany, March 9, 2017 – Germans spend almost five percent of their purchasing power on holiday travel. At €1,020 per person, Germans' expenditures on holiday travel exceed even what they spend on automobile purchases. Sea cruises are especially popular in northern Germany, while sport, activity and wellness-related travel is a favorite in southern Germany. These insights are from GfK's first-ever study on regional purchasing power for holiday travel and are being presented at the 2017 ITB tourism trade fair in Berlin.

Germans have on average €1,020 per person available for holiday travel in 2017. This equates to almost five percent of Germans' total 2017 purchasing power of €22,239 per person. As such, Germans' average annual expenditures for holiday travel significantly surpass spending on automobile purchases (€835 per person in 2016).

Of the five types of holiday travel considered by the study, Mediterranean beach holidays represent the highest per-capita potential at €161 per person, followed by sea cruises (€60), city trips (€57), long-haul beach holidays (€40) and sport, wellness and activity-related travel (€34). The remaining purchasing power for holiday travel is spent on other types of vacations such as tours, camping trips, countryside vacations and holiday home vacations.

Per-capita purchasing power reflects the average available spending potential at consumers' places of residence and applies to all inhabitants of a given region. As such, the average per-capita value for the various types of holiday travel is modest compared to the total travel price, such as for a sea cruise. Even so, the per-capita values make it possible to directly compare the purchasing power potential for each travel type and region.

The GfK study reveals a very uneven distribution of potential for the various types of travel at the level of Germany's municipalities and postcodes. There are also many unexpected findings at the level of Germany's 402 districts. "The new study demonstrates clear differences in potential based on region type, which really caught our attention," explains Dörte Nordbeck, head of travel & logistics at GfK in Germany. "For most types of holiday travel, the potential in cities is completely different from that in more rural regions. The contrasts between southern and northern Germany as well as eastern and western Germany show that travel providers can tap significant potential if they take a more region-sensitive approach to their marketing."

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Holiday travel potential highest in cities

The total potential for holiday travel is relatively evenly distributed from the standpoint of values per inhabitant. But cities are indisputable hot spots: Germany's top 30 districts in terms of per-capita purchasing power for holiday travel are exclusively urban districts.

Top three districts for per-capita purchasing power for holiday travel

urban/rural district	inhabitants	2017 purchasing power for holiday travel per inhabitant in €	purchasing power index* for holiday travel
Regensburg UD	142,292	1,285	126.0
Berlin UD	3,469,849	1,219	119.5
Munich UD	1,429,584	1,208	118.5

source: GfK Purchasing Power for Holiday Travel, Germany 2017

*index: 100 = national average

The study shows that while regional potential for holiday travel is connected to demographic factors and general purchasing power levels, the relationship between these elements is not linear. For example, despite having below-average general purchasing power, inhabitants of Berlin have a travel-related purchasing power approximately 20 percent above the national average. This puts them in second place behind inhabitants of Regensburg and ahead of Munich inhabitants, who have substantially higher incomes. Both Regensburg and Berlin have young populations with many single-person households.

The rural district of Cloppenburg has significantly below-average travel-related purchasing power along with one of Germany's highest shares of families with children. This demonstrates a clear association between larger household size and lower purchasing power for holiday travel.

Rhineland beach fanatics and Nordic sea cruise lovers

Düsseldorf is Germany's mecca for Mediterranean beach lovers according to the GfK study. Inhabitants of this city spend 28 percent more than the national average on this type of travel.

Top three districts for per-capita purchasing power for Mediterranean beach holidays

urban/rural district	inhabitants	purchasing power for Mediterranean beach holidays per inhabitant in €	purchasing power index* for Mediterranean beach holidays	purchasing power index* for total holiday-related travel
Düsseldorf UD	604,527	206	128.2	115.5
Dortmund UD	580,511	205	127.2	106.8
Essen UD	573,784	203	126.2	107.6

source: GfK Purchasing Power for Holiday Travel, Germany 2017

*index: 100 = national average

The study confirms what many German travel agencies already suspected: Inhabitants of Rhineland are Germany's true beach fanatics. Among the nation's top 30 districts for per-capita purchasing power for Mediterranean beach holidays are 21 districts from the federal state of North Rhine-Westphalia. Also among the top 30 list are the cities of Braunschweig, Bremerhaven, Kiel, Hamburg, Berlin and Leipzig. Mid-level income groups and families with children prefer this type of holiday travel because it offers a favorable mix of familiarity, variety and affordability. Regions with high shares of these consumer groups consequently feature high potential for Mediterranean beach holidays.

In addition to family type and income situation, age breakdown also plays an important role in terms of the regional potential for specific types of holiday travel. The potential for sea cruises is significantly above the average in northern and eastern Germany, which on the whole are also lower income areas. These regions have a higher share of older inhabitants, which is a group particularly drawn to this type of holiday travel. Higher income groups in these areas boost the potential for sea cruises substantially above the national average.

Top five districts for per-capita purchasing power for sea cruises

urban/rural district	inhabitants	2017 purchasing power for sea cruises per inhabitant in €	purchasing power index* for sea cruises	purchasing power index* for total holiday-related travel
Cottbus UD	99,491	99	166.1	110.0
Oldenburg UD	160,907	96	161.4	112.9
Potsdam UD	164,042	93	155.3	108.6
Braunschweig UD	248,502	93	155.1	114.9
Rostock UD	204,167	91	151.8	107.8

source: GfK Purchasing Power for Holiday Travel, Germany 2017

*index: 100 = national average

"In recent years, sea cruises have also been growing in popularity among younger consumer groups," explains Nordbeck. "But this alone doesn't offer a guaranty of future growth, at least not at present and anywhere."

Purchasing power for sea cruises among Berlin inhabitants is 46 percent above the national average, while much wealthier Munich is at just five percent for this travel type. In equally affluent Baden-Baden, purchasing power for sea cruises is even ten percent below the national average.

Proximity an important factor in choice of travel type

GfK's study also underscores the importance of proximity and accessibility when it comes to the favored travel types among the population: Germany's northeastern regions have high purchasing power for sea cruises not just for the already stated reasons, but also because key ports of departure are located nearby, such as Hamburg, Kiel and Rostock. By the same token, the popularity of sport, wellness and activity-related travel in southern Ger-

many is a product of the close proximity of the Alps, which offer a large variety of winter sports and hiking opportunities.

About the study

The study "GfK Purchasing Power for Holiday Travel, Germany 2017" is based on a representative sample ("GfK Mobility Monitor") of around 19,000 households in Germany and the associated (anonymized) travel-related expenditures. The sample takes into account private, pre-booked travel that includes at least one overnight stay. On the basis of this consumer information, GfK's Geomarketing solution area calculates the regional purchasing power for various types of holiday travel using geostatistical modeling. In addition to general purchasing power for holiday travel, the new study quantifies the potential for Mediterranean beach holidays, long-haul beach holidays, sea cruises, city trips as well as sport, wellness and activity-related travel.

GfK's data provides comprehensive coverage of Germany's administrative and postal levels, from the country's federal states and municipalities to five-digit postcodes and street segments.

Purchasing power is provided in the form of forecasted nominal values, meaning that they have not been adjusted for inflation. The values are based on consumers' places of residence and comprise averages for all inhabitants or households of a given region.

Applications

The data offers an objective basis for the estimation of potential among travel companies and agencies. Both large and small travel agencies can use these insights to determine where they should distribute travel brochures and carry out other marketing activities as well as the particular types of holiday travel preferred by inhabitants of a given area. The data also makes it possible to assess which local travel agencies are the most attractive partners. The purchasing power data allows travel companies to directly compare the performance of their client-facing locations based on the available market potential. GfK's data also plays an important role in outside sales force optimization by providing an objective basis for creating well-balanced, high-potential sales rep. regions.

The purchasing power data forms a component of GfK's consultancy services for the tourism industry, which include branch network optimization, target group communications and retailer evaluation.

Additional information

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

Print-quality illustrations can be found [here](#).



About GfK

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

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