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Management Report
Consumer expenditure in Europe
A study comparing European markets

Contents

Executive Summary

In 2015 no less than 504 million EU citizens spent EUR 111 billion on the types of goods exhibited at Ambiente such as glass, porcelain, ceramics and household goods, small electrical appliances, small furniture, garden furnishings and decoration, leather goods and accessories, and jewellery.

The tableware and household-goods sector is enjoying a renaissance:
In 2015 the EU markets in this sector grew by a full 5 percent.

Giving presents is a popular trend: gift items accounted for sales of some EUR 8 billion across the EU at the last count.

Shavers, coffee machines, epilators – on which electrical appliances is most money spent in the EU? – The answer is: vacuum cleaners! In 2015 the Germans spent a total of EUR 932 million on them. In second place come the British, at EUR 666 million.

Shoe cupboards, shelving, wardrobes: particularly in the Eastern European countries involved in the second stage of EU expansion the small furniture market grew strongly (+3.6 percent between 2010 and 2015.

Three cheers for good weather: on an EU comparison it is the Southern Europeans who dig deepest into their pockets for garden furniture, spending EUR 72.99 per household. When it comes to garden decoration, though, the Germans are the European champions.

Women's handbags are a market segment which is booming: this practical accessory produces sales of EUR 6 billion in the EU. Northern Europeans spend considerably more on handbags, at EUR 54.95 per head, than Southern Europeans, at EUR 40.90 per head.

Jewellery is as popular among shoppers as ever: Northern and Central Europeans spent EUR 43.46 per head on jewellery, both genuine and costume, at the last count. That is three times as much as the Eastern Europeans. But the latter have the highest market dynamism, scoring growth of some 5 percent.

The study

Do Italians and Spaniards really invest more in garden furniture than, say, the Germans? Do the French spend a particularly large amount of money on women's handbags or jewellery? And which country likes to put its savings into automatic coffee or tea-making machines? Italy perhaps? Or the United Kingdom?
The following study, from the series of Management Reports, takes a closer look at consumer expenditure in European countries between 2010 and 2015. Messe Frankfurt commissioned the retail research institute IFH Retail Consultants of Cologne to carry it out.
The study investigates market volumes and trends in sales of consumer goods which are typical for Ambiente: glass, porcelain, ceramics and household goods, small electrical appliances, small furniture, garden furnishings and decoration, leather goods and accessories, and jewellery.

It also compares market structures and expenditure per head or per household with regard to the various categories of goods and countries of the European Union. The focus lies particularly on an analysis of eight of the biggest national markets in the European Economic Area: Germany, France, the United Kingdom, Italy, the Netherlands, Austria, Poland and Spain.
Thus the Report gives an overview of market trends in the EU and shows which sales markets could be attractive in future, and for which goods categories.
In its analysis the study distinguishes between the mature markets of Central and Eastern Europe, the fully developed Southern European market economies with traditional retail structures, and the Eastern European countries of the first and second EU expansion stage.

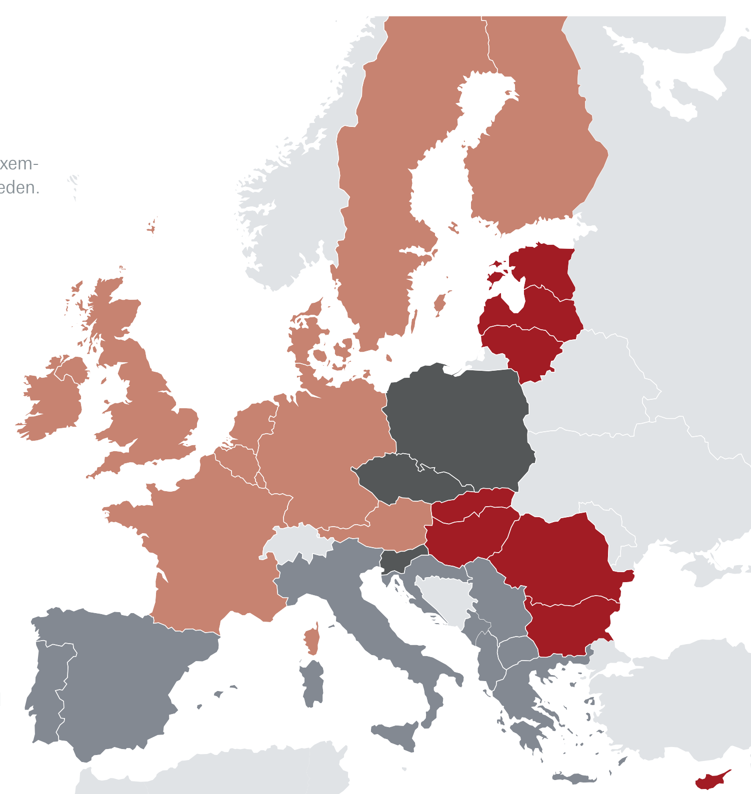
Mature markets of Central and Northern Europe[1]
Belgium, Denmark, Germany, Finland, France, the United Kingdom, Ireland, Luxembourg, the Netherlands, Austria and Sweden.

Southern developed countries
Greece, Italy, Malta, Portugal, Spain

Eastern European countries of the first (EU) expansion stage
Poland, Slovenia, Czech Republic

Eastern European countries of the second (EU) expansion stage
Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Hungary, Cyprus

[1] The maturity of a market is defined by the nature of its retail landscape. Criteria include for example the variety of sales channels, the proportion of chain stores, the general coverage of the retail trade, and the status of e-commerce, but also including sales per head.



The European Union – one market, many markets

The European Union is a community of states comprising a total population of more than half a billion. From what was originally six countries, which joined together in the 1950s to form the European Economic Community (EEC), a union of 28 countries has now developed. The last country to have joined the EU is Croatia in July 2013. Since Croatia was added in the middle of the period under review, 2010 to 2015, the present study considers the 27 EU countries which were members of the Union over the complete period under examination.
Measured by its member countries' gross domestic product, the EU internal market is the largest common economic area in the world.[2]

The markets investigated here – glass, porcelain, ceramics and household goods, small electrical appliances, small furniture, jewellery, garden furnishings and decoration, and leather goods and accessories – represent a sales revenue in the 27 member countries of EUR 111.1 billion. Behind this demand are 504.2 million consumers or, to put it another way, 221.1 million households. They currently ensure a flourishing trend in sales: from 2010 to 2015 expenditure by consumers on the markets examined here rose on average by 1.58 percent annually, with just one exception: the weak-consumption year of 2013, which saw stagnation or very little growth in the major EU economies. The generally positive trends reflect EU-wide expenditure on private consumption, which since the crisis year of 2009 has become a central plank in the business economy.

Ambiente markets in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU-27							
EUR million	102,740	104,131	103,755	102,168	104,861	111,138	
EUR per head	210.07	207.28	207.10	203.76	209.44	220.41	**+1.58 %**
EUR per household	489.43	492.39	488.29	478.38	479.02	496.59	
Mature markets of Central and Northern Europe							
EUR million	64,353	65,709	67,259	66,645	68,861	73,117	
EUR per head	249.94	242.68	248.41	244.92	253.70	265.60	**+2.59 %**
EUR per household	528.86	535.59	543.66	534.84	547.14	568.99	
Developed Southern European countries with traditional retail structures							
EUR million	28,978	28,706	27,276	25,923	25,926	27,331	
EUR per head	225.19	222.39	213.36	201.92	200.90	212.02	**–1.16 %**
EUR per household	573.14	562.73	537.43	506.17	482.40	497.19	
Eastern European countries of the first expansion stage							
EUR million	5,658	5,875	5,431	5,695	6,013	6,225	
EUR per head	111.54	115.04	106.27	111.42	118.86	123.00	**+1.93 %**
EUR per household	303.80	311.52	286.04	298.23	308.20	313.10	
Eastern European countries of the second expansion stage							
EUR million	3,751	3,842	3,789	3,906	4,061	4,465	
EUR per head	71.86	74.64	73.87	78.43	81.86	90.36	**+3.55 %**
EUR per household	196.90	203.00	199.06	209.38	205.13	218.41	

[2] German Central Office of Political Education, http://www.bpb.de/internationales/europa/europaeische-union/

Glass, porcelain, ceramics and household goods – signs indicate growth

Whether glass, china or cooking pans – the high-sale sector comprising glass, porcelain and ceramics (GPC), plus household goods, is a major market in the 27 EU countries. In 2015 the sector recorded total sales of EUR 31.3 billion. Following declining sales which bottomed out in 2013, the GPC sector is currently enjoying a sort of renaissance: in 2014 the EU markets grew by an average of 2.4 percent. In 2015 this result was considerably exceeded, with figures up by 5.1 percent.

Apart from the countries of the South, the signs in all other EU countries indicate growth, some of it very strong. The Eastern European countries of the first expansion stage in particular saw an increase of 3.3 percent between 2010 and 2015. Here the market volume stands at EUR 1.9 billion. The sales heavyweights in the core EU with a market volume of EUR 20.2 billion have also seen some growth.

Also of interest are the different levels of expenditure in individual households when compared regionally. Private households in the mature EU markets spent an average of EUR 157.20 for glass, porcelain, ceramics and household goods. Way at the top comes the United Kingdom: the British invested the equivalent of EUR 177.66 per household in this sector. In the newer EU countries of the second expansion stage, by contrast, it is just EUR 62.60. In these countries there is considerable pent-up retail demand, which the more mature EU countries have already been exploiting for years by trading up, i.e. expanding such factors as consultancy, customer care and business equipment, with the aim of generating higher sales revenues.

i EUR 31.1 billion market volume in EU 27

Expenditure per household in core EU: EUR 157.20 i

Glass, porcelain, ceramics and household goods in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU 27							
EUR million	30,476	30,318	29,564	29,109	29,809	31,342	**+0.56 %**
EUR per household	145.18	143.36	139.13	136.29	136.17	140.05	
Mature markets of Central and Northern Europe							
EUR million	19,012	19,276	19,023	18,751	19,175	20,201	**+1.22 %**
EUR per household	156.25	157.12	153.77	150.48	152.36	157.20	
Developed Southern European countries with traditional retail structures							
EUR million	8,681	8,164	7,690	7,502	7,564	7,967	**–1.70 %**
EUR per household	171.68	160.04	151.51	146.49	140.74	144.93	
Eastern European countries of the first expansion stage							
EUR million	1,608	1,727	1,691	1,722	1,857	1,894	**+3.32 %**
EUR per household	86.37	91.55	89.09	90.20	95.20	95.26	
Eastern European countries of the second expansion stage							
EUR million	1,175	1,151	1,160	1,134	1,212	1,280	**+1.73 %**
EUR per household	61.67	60.83	60.96	60.75	61.24	62.60	

Poland leads the way

If we look at the trend in market volume among the individual EU countries, it will be seen that in 2015 Poland comes top, with an index value of 121.0. Poland's share in the GPC and household-goods market is modest, at 4.3 percent. Germany comes top of the league here, with a market share of 20.2 percent. In the Eastern European markets, compared with Germany or the United Kingdom, i.e. the mature core EU markets, there is considerable pent-up demand, opening up opportunities for growth in the sector long-term.

Market volume of glass, porcelain, ceramics and household goods in development (index)

	2010	2011	2012	2013	2014	2015
PL	100.0	109.9	105.4	110.9	120.0	121.0
UK	100.0	101.5	103.9	107.4	110.3	117.8
NL	100.0	100.5	101.9	95.8	105.3	107.8
AT	100.0	96.8	99.8	98.3	99.8	107.1
DE	100.0	99.6	94.7	94.1	96.3	103.8
EU 27	100.0	99.5	97.0	95.5	97.8	102.8
Rest of EU	100.0	96.3	94.2	92.7	99.6	102.3
ES	100.0	99.2	93.4	88.6	95.9	100.8
FR	100.0	105.5	104.0	98.0	96.9	100.5
IT	100.0	94.6	90.2	87.9	83.8	88.6

Glass, porcelain, ceramics and household goods by main goods categories EU 27

	2010	2015
Glass	9.2 %	8.9 %
Tableware	11.0 %	10.7 %
Decorative china	2.8 %	2.3 %
Earthenware	1.9 %	1.4 %
Cutlery and silverware	9.2 %	9.1 %
Knives and cutting equipment	2.6 %	2.9 %
Cooking, frying and baking pans	14.3 %	13.3 %
Decorative items and gifts	23.2 %	25.5 %
Other household articles	25.9 %	25.9 %
Total	100 %	100 %

Giving presents is on trend

The goods categories belonging to the glass, porcelain, ceramics and household goods segment are extremely diverse: the range extends from high-quality champagne glasses and table services to cooking pans, bread knives, gift items and decorative products. The manufacturers are as varied as the products: from handicraft producers to industrial mass production.

General household goods, such as scales, rubbish bins or storage tins, plus gifts and decorative items, account for more than 50 percent of sales. Then come cooking, frying and baking pans, with a value of 13.3 percent. What can be seen here is presumably the trend in cooking which for years has led to numerous special promotions among retailers and is also to be found frequently in the media.

As the diagram below shows, household goods and gift items are on the way up, while the GPC segment is in slight decline. In the mature markets of Central and Northern Europe, in particular, this is the consequence of a change in consumer behaviour. High-quality glass and china goods are no longer valued as highly, particularly by the younger generation.

Giving presents, on the other hand, is fully in fashion. For three years fine gift items have increased their sales disproportionately in the EU countries. Overall in 2015 gift items and decorative products enjoyed sales of some EUR 8 billion in the EU 27. Of this figure, EUR 1.8 billion came from Germany alone, and EUR 1.5 billion from the United Kingdom.

Small electrical appliances – sales well up

The sale of vacuum cleaners, kitchen equipment and coffee machines promises good returns in the EU. In 2015 the 27 countries, taken together, earned EUR 17.6 billion from small electrical appliances. This meant that European consumers spent EUR 3.3 billion more than in 2010. Year on year this market has grown by an average of 4.2 percent.

Even in the markets of Southern Europe, where conditions can be difficult, sales of small electrical appliances are well up, at 2.3 percent. At the top of the growth league come the Eastern European markets, which are characterised by significant pent-up demand.

Growth is not a new factor in this market segment as some of the appliance markets have shown a clear dynamic tendency for some years. Absolutely top of the league come the countries from the core of Europe: here consumers spend double the amount per household (EUR 99.87) than those in the Eastern European countries of the second expansion stage (around EUR 40).

British small appliance market growing fastest!

In a comparison of individual countries the United Kingdom is way ahead when it comes to small electrical appliances, with an index value of 144.4. Not only has the volume of the British appliance market been on an upward trend, but between 2010 and 2015 the United Kingdom increased its market share by 2.5 percentage points to 16.8 percent. With sales at the last count of EUR 3 billion, the United Kingdom is behind the German market – which, with a sales volume of EUR 4.7 billion and a market share of 26.9 percent, represents the most important single entity. The upward trend in the electrical appliance market has been underway in Germany since 2004 and, according to initial forecasts, will be unaltered in 2016.

EUR 17.6 billion market volume in EU 27

Expenditure per household in core EU: EUR 99.87

Small electrical appliances in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU 27							
EUR million	14,335	14,757	15,222	15,641	16,187	17,628	+4.22 %
EUR per household	68.29	69.78	71.64	73.23	73.94	78.77	
Mature markets of Central and Northern Europe							
EUR million	10,291	10,547	11,006	11,400	11,648	12,833	+4.51 %
EUR per household	84.57	85.97	88.96	91.49	92.55	99.87	
Developed Southern European countries with traditional retail structures							
EUR million	2,554	2,637	2,611	2,522	2,742	2,855	+2.26 %
EUR per household	50.50	51.69	51.45	49.23	51.02	51.93	
Eastern European countries of the first expansion stage							
EUR million	777	826	822	939	956	1,033	+5.87 %
EUR per household	41.73	43.77	43.29	49.19	48.97	51.98	
Eastern European countries of the second expansion stage							
EUR million	714	748	783	780	841	907	+4.91 %
EUR per household	37.46	39.52	41.14	41.79	42.47	44.36	

Trend towards Mediterranean coffee drinking

Vacuum cleaners, kitchen machinery, razors – on which electrical appliances do consumers in Europe spend the most money? On average, consumers in all 27 EU countries spend one-fifth of the sector volume on floor care, i.e. vacuum cleaners, and increasingly on robot vacuum cleaners. In 2015 the Germans spent EUR 932 million on floor care. In 2010, by comparison, it was only EUR 710 million. The British, too, dug deep into their pockets to keep their floors clean: electrical appliances covering every aspect of floor care cost the island's inhabitants EUR 666 million in 2015. In Spain, by contrast, personal care products come top among appliances. These include razors, epilators and hair dryers. At the last count the Spaniards spent EUR 174 million a year on these products. Then come floor care products, at EUR 140 million, and automatic coffee and tea-making machines, at EUR 131 million.

Likewise among French consumers, vacuum cleaners take first place in the expenditure mix for 2015, at EUR 556 million. Kitchen equipment comes in second place here, though, at EUR 408 million. By comparison, the French spend significantly less on automatic coffee and tea-making machines: over the same period these occupy only fifth place, with a market volume of EUR 261 million. That is about 10 percent of total expenditure on electrical appliances. The British spend even less on their tea or coffee, at 9 percent. In Bella Italia, the country known worldwide for its speciality coffees, 16.3 percent of expenditure (EUR 264 million), by contrast, goes on automatic coffee machines. In relation to the total market volume for electrical appliances, however, countries such as Austria and Germany spend considerably more on automated coffee and tea preparation. Right at the top come the Austrians, who devote 27 percent of the volume of their electrical-appliance market (or EUR 107 million) to coffee and tea machines. Next comes Germany, with 20 percent of market volume, amounting to EUR 939 million. One reason for this is the continuing trend towards specialist Mediterranean coffees such as cappuccino, latte macchiato or espresso, which are enjoyed not just in the Italian bar round the corner but at home with a perfect cream from a fully automatic coffee machine.

Market volume of small electrical appliances (index)

	2010	2011	2012	2013	2014	2015
UK	100.0	103.1	114.1	122.3	130.6	144.4
PL	100.0	109.0	103.0	126.3	135.6	142.4
DE	100.0	102.9	107.7	112.8	116.8	133.9
EU 27	100.0	102.9	106.2	109.1	112.9	123.0
NL	100.0	103.0	96.8	109.2	106.4	117.6
IT	100.0	108.0	112.8	102.4	111.1	115.7
REST of EU	100.0	103.2	101.5	104.6	106.5	115.4
ES	100.0	102.2	98.2	99.3	107.7	113.5
AT	100.0	105.6	111.9	112.9	112.0	110.8
FR	100.0	98.4	103.4	101.1	100.4	104.5

Market structure of small electrical appliances by main goods categories EU 27

	2010	2015
Floor care	21.0 %	20.8 %
Kitchen machinery	9.8 %	11.5 %
Toasters, fryers, grills	7.8 %	6.6 %
Automatic tea and coffee machines	17.1 %	15.2 %
Kettles and other water heaters	14.4 %	14.4 %
Irons	6.7 %	5.3 %
Personal care	12.3 %	13.2 %
Other appliances	10.9 %	13.1 %
Total	100 %	100 %

Small furniture – Eastern European markets catching up

Small furniture includes tables, shelves, shoe cupboards, wardrobes – in other words, anything that can basically be transported without a removal van. In all 27 EU countries investigated the small furniture market had a total volume of EUR 8.8 billion. The core countries of the EU account for a market share of 64 percent or EUR 5.6 billion. Much further down the line come the southern EU countries, with 19 percent, and Eastern Europe, at 11 or 6 percent. These figures reflect the relation-ship of the EU's mature core markets to the crisis-ridden Southern European countries and the Eastern European markets which are only just developing.
In themselves small items of furniture are less prone to swings in the economy, since they are not high-cost acquisitions. Nevertheless, they cannot completely escape the overall economic situation in the EU countries. Particularly in the southern countries, such as Italy, Spain or Greece, the trend in sales is consistently weak.

Between 2010 and 2015, in absolute terms, these countries suffered a loss of nearly half a billion in sales. Over the same period, by contrast, core Europe at a higher sales level added EUR 779 million, which represented an increase of 3 percent. In the countries of Eastern Europe, too, the indicators suggest growth: in the small furniture market sales in the countries of the first expansion stage are up and in those of the second stage they have even grown strongly – by a whole 3.6 percent.

EUR 8.8 billion market volume in EU 27

Expenditure per household in Eastern Europe I: EUR 48.26

Small furniture in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU 27							
EUR million	8,295	8,150	8,483	8,013	8,132	8,764	+1.11 %
EUR per household	39.51	38.54	39.92	37.52	37.15	39.16	
Mature markets of Central and Northern Europe							
EUR million	4,820	5,012	5,372	5,040	5,220	5,599	+3.04 %
EUR per household	39.61	40.86	43.43	40.45	41.48	43.57	
Developed Southern European countries with traditional retail structures							
EUR million	2,067	1,767	1,794	1,655	1,531	1,666	–4.23 %
EUR per household	40.89	34.63	35.34	32.31	28.48	30.30	
Eastern European countries of the first expansion stage							
EUR million	954	907	899	837	875	959	+0.11 %
EUR per household	51.24	48.09	47.36	43.85	44.83	48.26	
Eastern European countries of the second expansion stage							
EUR million	453	465	418	481	507	541	+3.60 %
EUR per household	23.78	24.55	21.96	25.76	25.59	26.45	

Expenditure per household does not vary in the individual regions as strongly as for other goods categories. At the top come the Eastern Europeans of the first expansion stage – who, at EUR 48.26 per household, invest the most in small furniture. The Eastern Europeans of the second expansion stage spend the least on small furniture – here it is just EUR 26.45 per household.

Up and down

Analysis of the trend in sales among the individual EU countries reveals no uniform picture. Even the essentially strong markets such as Germany, United Kingdom, Italy or France, see their sales volumes go up and down. Poland, the only Eastern European country to have been studied more closely, is no exception here. Only the heterogeneous block of the remaining EU countries, such as Sweden, Romania or Portugal, are – except for 2013 – on course for growth.
In the league table of individual countries the remaining states pf the EU come in first place, with 23 percent of market share. Closely followed by Germany with 20 percent, the United Kingdom with about 15 percent, and Italy with 12 percent. In concrete figures that makes EUR 1.8 billion which the Germans spent in 2015 on small furnishings of all kinds. In the United Kingdom it was EUR 1.3 billion. The Italians spent EUR 1.05 billion on these practical additions. In Poland EUR 826 million was spent on shelving, shoe cupboards and similar products; this represents an EU 27 market share of 9 percent (cf. diagrams on pp. 16 and 17).

Market structure in the individual EU countries:

As an exception to the usual practice, due to the heterogeneous nature of the products, when it comes to small furniture the products are not divided into goods categories. Sales figures here are not shown for the individual products, such as shelves, shoe cupboards or similar items, but for the whole market in small furniture.
Because only a modest area is needed at point of sale, and given the supplementary nature of small furniture in the general scheme of furnishings, they play a major role both for the major furniture stores and for providers of furnishings outside the sector.

Market structure of small furniture by countries (market share)

	2010	2011	2012	2013	2014	2015
Rest of EU	19.0%	21.7%	23.0%	22.3%	23.8%	23.4%
Germany	19.3%	20.1%	20.0%	20.9%	20.6%	20.3%
United Kingdom	13.2%	12.3%	13.6%	14.6%	14.3%	14.7%
Italy	13.9%	11.8%	11.9%	12.1%	11.1%	12.0%
France	12.7%	13.0%	12.6%	11.6%	12.0%	11.7%
Poland	10.1%	9.8%	9.4%	9.4%	9.4%	9.4%
Spain	7.6%	6.8%	5.1%	4.6%	4.4%	4.0%
Netherlands	2.2%	2.5%	2.1%	2.0%	2.1%	2.4%
Austria	2.0%	2.0%	2.2%	2.4%	2.3%	2.1%

Garden furnishings and decoration – the South leads

Breakfast on the terrace with a view of greenery – who could fail to like it? The equipment for the purpose, i.e. garden furniture, ceramic bowls and decoration for the exterior, costs EU citizens dear. In 2015 consumers in the 27 EU countries spent EUR 12.4 billion on such products. That is almost as much as in 2010. In the interim the total EU volume fell slightly, to pick up until it again reached its starting level. The reason for the sales fluctuations in this sector is not the economy but the weather. When the sun is beaming down, new garden chairs or attractive terracotta bowls for the balcony come right at the top of the shopping list.
On a regional comparison the developed Southern European EU countries occupy a special position, for here the weather is of course more reliable than in the other EU countries. This can also be seen in the expenditure per household: the Southern Europeans are in the lead, with EUR 72.99 per household at the last count. By contrast, consumers in the Eastern European countries of the second expansion stage spend only EUR 16.79 on furnishings amid the greenery. In the more northerly EU countries the weather can have a very rapid impact on expenditure on outdoor furniture and decoration. Here nevertheless expenditure is relatively high, at EUR 57.58 per household.

i *EUR 12.4 billion market volume in EU 27*

Expenditure per household in Southern Europe: EUR 72.99 *i*

Garden furnishings in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU 27							
EUR million	12,423	12,586	12,283	11,650	11,786	12,396	–0.04 %
EUR per household	59.18	59.52	57.81	54.54	53.84	55.39	
Mature markets of Central and Northern Europe							
EUR million	7,467	7,215	7,266	6,840	7,068	7,399	–0.18 %
EUR per household	61.36	58.81	58.73	54.89	56.16	57.58	
Developed Southern European countries with traditional retail structures							
EUR million	3,873	4,343	4,074	3,860	3,757	4,013	+0.71 %
EUR per household	76.60	85.14	80.28	75.37	69.90	72.99	
Eastern European countries of the first expansion stage							
EUR million	765	750	693	679	704	641	–3.48 %
EUR per household	41.08	39.79	36.50	35.55	36.09	32.23	
Eastern European countries of the second expansion stage							
EUR million	318	278	250	271	257	343	+1.52 %
EUR per household	16.71	14.69	13.12	14.52	12.98	16.79	

Here's to good weather!
When it comes to market share, Italy, France and Germany are out ahead. Almost 50 percent of garden furnishing sales in the EU 27 are earned in these three countries. Austria occupies a special position in the country league: this alpine republic is ahead of all other EU countries in terms of growth in sales but has a market volume of just 2 percent, at EUR 274 million. Between 2010 and 2015 the Austrians increased their expenditure on garden furnishings and decoration by 21 percent. In Austria this may well be due less to climatic conditions than to tourism. Thus in Spain too (up 9 percent) and Italy, one of the biggest markets in this segment (up 7 percent), sales rose disproportionately in comparison with the other EU markets. There a combination of fine weather and tourism may well be the cause.

Germany is Number 1 for garden decoration
Garden tables, parasols or plant pots for the balcony – living out of doors is fashionable, especially in Germany. And the Germans want to make themselves comfortable on their balcony or terrace. This is reflected in their expenditure: some 40 percent of sales in Germany are earned from outdoor furnishings, i.e. decorations, flower pots, garden ceramics etc. The remainder comes from garden and balcony furniture. By contrast, on average in the EU some 77 percent comes from outdoor furniture and just 23 percent from garden furnishings. In Italy, the EU-wide Number One for sales in this segment, the ratio of garden furniture to furnishings is 70 to 30. In France it is 84 to 16. In Spain more than 90 percent is spent on garden furniture. As in Italy and France, decoration does not play a significant role in Spain.

Market volume of garden furnishings (index)

	2010	2011	2012	2013	2014	2015
Austria	100.0	102.6	118.0	115.1	113.7	121.4
Spain	100.0	137.8	112.2	96.2	94.0	108.6
United Kingdom	100.0	87.6	91.4	90.7	97.7	106.9
Italy	100.0	107.8	107.5	105.8	101.1	103.5
EU 27	100.0	101.3	98.9	93.8	94.9	99.8
Rest of EU	100.0	92.5	91.3	89.3	89.8	96.6
France	100.0	100.6	102.8	92.6	92.2	96.4
Germany	100.0	95.1	90.0	84.5	93.0	95.6
Poland	100.0	99.7	94.6	92.0	97.7	93.6
Netherlands	100.0	94.9	93.9	94.6	89.9	91.5

Market structure of garden furnishings by main goods categories EU 27

	2010	2011	2012	2013	2014	2015
Garden and balcony furniture	75.7 %	77.7 %	78.0 %	78.1 %	78.1 %	76.7 %
Garden furnishings	24.3 %	22.3 %	22.0 %	21.9 %	21.9 %	23.3 %
Total	100 %	100 %	100 %	100 %	100 %	100 %

Leather goods and accessories – handbags are booming!

You simply can’t have too many handbags – the market segment for ladies’ handbags is truly booming: consumers in the 27 EU countries investigated spent EUR 6.3 billion on this practical accessory. This represents a share of 29 percent of the whole market for leather goods and accessories. At the last count, EU citizens spent a total of EUR 22 billion in leather goods and accessories, i.e. bags, cases, gloves and scarves.
In 2010 sales in the sector were already EUR 18 billion. Since then consumers have spent more on leather goods year after year. To be more precise, the annual growth rate was an average of 6 percent. All indications suggest that the sector remains on course for growth in 2016, too. The only area in which EU consumers spend more than on leather goods is in the GPC segment.
On a regional comparison the mature markets of Central and Northern Europe are way ahead. Their share of sales within the EU 27 is an outstanding 69 percent, and expenditure per head stood at EUR 54.95 in 2015. The essentially fashion-conscious consumers in the Southern EU countries spend significantly less on leather goods, at EUR 40.90 per head. Considerable sales fluctuations have been seen here since 2010. Obviously the partial weakness of these countries’ economies has also made itself felt in people’s willingness to spend on leather goods.
Considerable pent-up demand is evident in Eastern Europe. Here in both Eastern European regions, expenditure has grown by around 5 percent.

i *EUR 22 billion market volume in EU 27*

Expenditure per household in Central and Northern Europe: EUR 54.95 *i*

Leather goods in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU 27							
EUR million	18,089	19,155	19,235	19,319	20,412	22,007	+4.00 %
EUR per household	36.10	38.13	38.39	38.53	40.77	43.64	
Mature markets of Central and Northern Europe							
EUR million	11,400	12,062	12,689	13,110	14,000	15,129	+5.82 %
EUR per household	42.30	44.55	46.87	48.18	51.58	54.95	
Developed Southern European countries with traditional retail structures							
EUR million	5,427	5,670	5,192	4,848	4,881	5,273	–0.58 %
EUR per household	42.17	43.93	40.61	37.76	37.82	40.90	
Eastern European countries of the first expansion stage							
EUR million	735	835	768	745	854	918	+4.54 %
EUR per household	14.49	16.34	15.03	14.57	16.88	18.14	
Eastern European countries of the second expansion stage							
EUR million	526	589	586	617	676	688	+5.49 %
EUR per household	10.08	11.45	11.43	12.40	13.63	13.91	

British market shows strongest growth

In terms of its dynamism, the British market cannot be beaten: since 2010 its market volume has grown from EUR 2.9 billion to EUR 4.6 billion in 2015. This represents growth of 54 percentage points. The British leather goods market is not only growing strongly; its market share of around 21 percent is very respectable. In the league table of countries the British are followed by the Germans in second place, with a market share of 19 percent and a market volume of EUR 4.2 billion. Only then come the fashion-conscious countries of France and Italy, with market shares of 14 and 12 percent respectively. On average, for all 27 EU countries, a constant upward trend is underway overall. Given the sensitivity of products such as ladies' handbags, scarves and hats to fluctuations in the economy, this suggests very stable consumer demand.

Fashion trends boost sales!

The leather goods market is dominated by three main categories: women's handbags; cases and bags; and gloves, scarves and headwear. These segments account for 83 percent of total sales, amounting to EUR 18.4 billion. The retail trade earns the remaining EUR 3.6 billion from other accessories and small leather goods, such as purses and key fobs.

In general the leather goods market is heavily dependent on fashion: the constant variation in shapes, colours and material composition ensures that the consumers spend money on handbags or purses although those they have been using so far as still serviceable. Thus fashion creates desire, which boosts sales in this segment.

Market structure of leather goods by countries (market share)

	2010	2011	2012	2013	2014	2015
United Kingdom	16.4%	16.6%	18.4%	18.7%	20.0%	20.8%
Germany	17.4%	17.9%	18.1%	19.5%	19.0%	19.2%
Rest of EU	16.4%	16.1%	16.0%	15.9%	16,2%	16.1%
France	14.4%	14.0%	14.3%	14.8%	14.8%	14.0%
Italy	15.8%	16.1%	14.7%	14.1%	12.9%	12.1%
Spain	10.6%	10.5%	9.6%	8.4%	8.2%	9.1%
Austria	3.5%	3.6%	3.7%	3.7%	3.6%	3.7%
Netherlands	2.6%	2.4%	2.6%	2.7%	2.6%	2.6%
Poland	2.7%	2.8%	2.5%	2.4%	2.6%	2.5%

Market structure of leather goods by main goods categories EU 27

	2010	2011	2012	2013	2014	2015
Women's handbags	26.2%	26.6%	28.8%	28.8%	28.4%	28.8%
Cases, travelling bags, sports bags and similar products	26.8%	26.5%	26.1%	24.8%	25.9%	27.1%
Small leather goods and pocket items	9.3%	9.0%	9.2%	9.5%	8.7%	8.4%
Gloves, scarves, headwear	27.2%	28.2%	26.9%	28.3%	28.2%	27.5%
Other accessories (belts, umbrellas, ties)	10.5%	9.7%	9.0%	8.6%	8.8%	8.1%
Total	100%	100%	100%	100%	100%	100%

Jewellery – Central and Northern Europeans spend the most

With a total volume of EUR 19 billion in 2015, the jewellery market is one of the sales-generating heavyweights in the markets studied. A high-value market that is displaying little momentum across the 27 EU countries as a whole.
A glance at the four European regions shows that the mature markets of Central and Northern Europe are supplying a marked contribution to growth and account for an overwhelming market share. Consumers from these countries spend around EUR 12 billion Euros on both genuine and costume jewellery; that is just under two thirds of the whole EU market volume.
With growth of around 5 percent, the Eastern European countries of the second expansion stage show the highest growth, though still at a relatively low level of EUR 707 million.

When it comes to expenditure per head among the EU population, considerable differences are found in the regional split: consumers from Central and Northern Europe spend almost three times as much – EUR 43.46 – as Eastern Europeans. In the Eastern European countries of the second expansion stage, however, expenditure per head is rising disproportionately. Here consumer behaviour is approaching that of the core EU. Market data further show that this is the very segment in which the Southern Europeans, with their considerable penchant for jewellery, have not cut back on their spending, despite crises in the economy. Here relative expenditure per head has declined only marginally.

i *EUR 19 billion market volume in EU 27*

Expenditure per household in Southern Europe: EUR 43.19 i

Jewellery in EU 27 regional split

	2010	2011	2012	2013	2014	2015	CAGR 2010/15
EU 27							
EUR million	19,131	19,176	19,207	18,526	18,626	19,019	–0.12 %
EUR per household	38.18	38.17	38.34	36.95	37.20	37.72	
Mature markets of Central and Northern Europe							
EUR million	11,362	11,596	11,903	11,505	11,749	11,965	+1.04 %
EUR per household	42.16	42.83	43.96	42.28	43.29	43.46	
Developed Southern European countries with traditional retail structures							
EUR million	6,377	6,138	5,915	5,626	5,451	5,568	–2.68 %
EUR per household	49.55	47.55	46.27	43.82	42.24	43.19	
Eastern European countries of the first expansion stage							
EUR million	827	831	797	772	767	780	–1.17 %
EUR per household	16.30	16.27	15.60	15.11	15.17	15.41	
Eastern European countries of the second expansion stage							
EUR million	565	611	592	623	658	707	+4.59 %
EUR per household	10.82	11.87	11.53	12.50	13.26	14.31	

Germans spend most on jewellery
Even if the market in the Netherlands has grown the most dynamically over the last few years, Germany, Italy, France and the United Kingdom continue in the lead when it comes to market share in the league table of countries. In 2015 the Germans spent some EUR 4 billion on jewellery; in Italy it was EUR 3.4 billion; and the French and British come next in the league with sales of around EUR 2.7 billion each. In these four countries alone a total of EUR 12.7 billion is earned from genuine and costume jewellery. By comparison, in the Netherlands only EUR 762 million was spent on jewellery in 2015, which represents a market share of 4 percent.

It is noteworthy that the core EU countries have tended to show above-average growth since 2010.

Real jewellery makes the running
The EU jewellery market is divided into two goods categories: real jewellery, i.e. gold, platinum or silver, and costume jewellery. It can be seen clearly that expenditure on the "genuine" article is considerably higher than that on costume jewellery. Consumers devote some two-thirds of their jewellery expenditure to genuine products, while the remaining third goes to costume jewellery. It should be noted, of course, that costume jewellery is usually very cheap compared with real jewellery.
From a strategic point of view, costume jewellery also serves to introduce young target groups to the real jewellery segment.

Market structure of jewellery by countries (market share)

	2010	2011	2012	2013	2014	2015
Germany	18.9 %	20.4 %	21.2 %	20.5 %	21.0 %	20.7 %
Italy	19.7 %	20.2 %	20.1 %	20.0 %	18.2 %	17.7 %
Rest of EU	15.6 %	15.8 %	15.6 %	16.6 %	16.9 %	17.0 %
France	13.8 %	13.6 %	13.7 %	14.4 %	14.2 %	14.3 %
United Kingdom	13.8 %	13.7 %	14.3 %	13.2 %	13.6 %	14.2 %
Spain	10,7 %	8.7 %	8.0 %	7.7 %	8.2 %	8.4 %
Netherlands	3.5 %	3.5 %	3.5 %	4.1 %	4.1 %	4.0 %
Poland	2.3 %	2.3 %	2.0 %	2.1 %	2.1 %	2.2 %
Austria	1.5 %	1.6 %	1.4 %	1.5 %	1.6 %	1.7 %

Market structure of jewellery by main goods categories EU 27

	2010	2011	2012	2013	2014	2015
Real jewellery	67.3 %	67.4 %	68.3 %	68.3 %	67.7 %	67.6 %
Costume jewellery	32.7 %	32.6 %	31.7 %	31.7 %	32.3 %	32.4 %
Total	100 %	100 %	100 %	100 %	100 %	100 %

Ambiente markets in the 27 EU countries
Nominal development of sales

Glass, porcelain, ceramics and household goods

Market volume in EUR million	2010	2011	2012	2013	2014	2015
Germany	6,101	6,079	5,779	5,740	5,873	6,330
Spain	2,045	2,028	1,909	1,812	1,962	2,061
France	4,263	4,498	4,432	4,179	4,132	4,283
Italy	5,549	5,250	5,007	4,878	4,651	4,916
Netherlands	845	850	862	810	890	911
Austria	934	904	932	918	932	1,000
Poland	1,107	1,217	1,167	1,228	1,329	1,340
United Kingdom	4,180	4,244	4,344	4,490	4,610	4,925

Market share in EU 27	2010	2011	2012	2013	2014	2015
Germany	20.0%	20.1%	19.5%	19.7%	19.7%	20.2%
Spain	6.7%	6.7%	6.5%	6.2%	6.6%	6.6%
France	14.0%	14.8%	15.0%	14.4%	13.9%	13.7%
Italy	18.2%	17.3%	16.9%	16.8%	15.6%	15.7%
Netherlands	2.8%	2.8%	2.9%	2.8%	3.0%	2.9%
Austria	3.1%	3.0%	3.2%	3.2%	3.1%	3.2%
Poland	3.6%	4.0%	3.9%	4.2%	4.5%	4.3%
United Kingdom	13.7%	14.0%	14.7%	15.4%	15.5%	15.7%

Small electrical appliances

Market volume in EUR million	2010	2011	2012	2013	2014	2015
Germany	3,537	3,638	3,809	3,988	4,130	4,736
Spain	729	745	716	724	785	828
France	2,404	2,367	2,487	2,431	2,413	2,512
Italy	1,399	1,512	1,579	1,433	1,555	1,619
Netherlands	644	664	624	704	686	757
Austria	359	379	401	405	402	398
Poland	413	450	426	522	560	588
United Kingdom	2,046	2,108	2,335	2,503	2,671	2,955

Market share in EU 27	2010	2011	2012	2013	2014	2015
Germany	24.7%	24.7%	25.0%	25.5%	25.5%	26.9%
Spain	5.1%	5.0%	4.7%	4.6%	4.9%	4.7%
France	16.8%	16.0%	16.3%	15.5%	14.9%	14.3%
Italy	9.8%	10.2%	10.4%	9.2%	9.6%	9.2%
Netherlands	4.5%	4.5%	4.1%	4.5%	4.2%	4.3%
Austria	2.5%	2.6%	2.6%	2.6%	2.5%	2.3%
Poland	2.9%	3.1%	2.8%	3.3%	3.5%	3.3%
United Kingdom	14.3%	14.3%	15.3%	16.0%	16.5%	16.8%

Small furniture

Market volume in EUR million	2010	2011	2012	2013	2014	2015
Germany	1,604	1,635	1,693	1,672	1,675	1,776
Spain	628	554	437	369	359	348
France	1,057	1,062	1,067	932	978	1,029
Italy	1,149	961	1,012	970	900	1,049
Netherlands	183	207	180	161	172	208
Austria	162	163	188	195	184	187
Poland	840	795	800	753	768	826
United Kingdom	1,091	1,003	1,156	1,172	1,162	1,290

Market share in EU 27	2010	2011	2012	2013	2014	2015
Germany	19.3%	20.1%	20.0%	20.9%	20.6%	20.3%
Spain	7.6%	6.8%	5.1%	4.6%	4.4%	4.0%
France	12.7%	13.0%	12.6%	11.6%	12.0%	11.7%
Italy	13.9%	11.8%	11.9%	12.1%	11.1%	12.0%
Netherlands	2.2%	2.5%	2.1%	2.0%	2.1%	2.4%
Austria	2.0%	2.0%	2.2%	2.4%	2.3%	2.1%
Poland	10.1%	9.8%	9.4%	9.4%	9.4%	9.4%
United Kingdom	13.2%	12.3%	13.6%	14.6%	14.3%	14.7%

Garden furnishings and decoration

Market volume in EUR million

	2010	2011	2012	2013	2014	2015
Germany	2,184	2,078	1,966	1,847	2,031	2,088
Spain	1,017	1,401	1,140	978	956	1,104
France	2,409	2,424	2,478	2,230	2,220	2,321
Italy	2,381	2,567	2,560	2,519	2,408	2,463
Netherlands	511	485	479	483	459	467
Austria	226	232	266	260	257	274
Poland	531	530	503	489	519	497
United Kingdom	1,182	1,036	1,080	1,072	1,154	1,264

Market share in EU 27

	2010	2011	2012	2013	2014	2015
Germany	17.6%	16.5%	16.0%	15.9%	17.2%	16.8%
Spain	8.2%	11.1%	9.3%	8.4%	8.1%	8.9%
France	19.4%	19.3%	20.2%	19.1%	18.8%	18.7%
Italy	19.2%	20.4%	20.8%	21.6%	20.4%	19.9%
Netherlands	4.1%	3.9%	3.9%	4.1%	3.9%	3.8%
Austria	1.8%	1.8%	2.2%	2.2%	2.2%	2.2%
Poland	4.3%	4.2%	4.1%	4.2%	4.4%	4.0%
United Kingdom	9.5%	8.2%	8.8%	9.2%	9.8%	10.2%

Leather goods and accessories

Market volume in EUR million

	2010	2011	2012	2013	2014	2015
Germany	3,152	3,434	3,483	3,760	3,872	4,217
Spain	1,926	2,007	1,853	1,626	1,676	1,994
France	2,611	2,682	2,756	2,858	3,016	3,073
Italy	2,856	3,089	2,830	2,715	2,638	2,665
Netherlands	471	457	507	513	537	576
Austria	641	694	713	706	745	820
Poland	488	535	471	469	535	540
United Kingdom	2,975	3,182	3,548	3,604	4,076	4,568

Market share in EU 27

	2010	2011	2012	2013	2014	2015
Germany	17.4%	17.9%	18.1%	19.5%	19.0%	19.2%
Spain	10.6%	10.5%	9.6%	8.4%	8.2%	9.1%
France	14.4%	14.0%	14.3%	14.8%	14.8%	14.0%
Italy	15.8%	16.1%	14.7%	14.1%	12.9%	12.1%
Netherlands	2.6%	2.4%	2.6%	2.7%	2.6%	2.6%
Austria	3.5%	3.6%	3.7%	3.7%	3.6%	3.7%
Poland	2.7%	2.8%	2.5%	2.4%	2.6%	2.5%
United Kingdom	16.4%	16.6%	18.4%	18.7%	20.0%	20.8%

Jewellery

Market volume in EUR million

	2010	2011	2012	2013	2014	2015
Germany	3,621	3,907	4,081	3,792	3,908	3,928
Spain	2,048	1,677	1,542	1,421	1,522	1,600
France	2,639	2,616	2,637	2,675	2,653	2,716
Italy	3,777	3,881	3,869	3,707	3,394	3,358
Netherlands	679	679	669	757	770	762
Austria	290	299	272	276	290	315
Poland	447	450	389	382	395	417
United Kingdom	2,645	2,633	2,744	2,441	2,539	2,696

Market share in EU 27

	2010	2011	2012	2013	2014	2015
Germany	18.9%	20.4%	21.2%	20.5%	21.0%	20.7%
Spain	10.7%	8.7%	8.0%	7.7%	8.2%	8.4%
France	13.8%	13.6%	13.7%	14.4%	14.2%	14.3%
Italy	19.7%	20.2%	20.1%	20.0%	18.2%	17.7%
Netherlands	3.5%	3.5%	3.5%	4.1%	4.1%	4.0%
Austria	1.5%	1.6%	1.4%	1.5%	1.6%	1.7%
Poland	2.3%	2.3%	2.0%	2.1%	2.1%	2.2%
United Kingdom	13.8%	13.7%	14.3%	13.2%	13.6%	14.2%

Which European country spends most on fashion accessories? The French? Who digs into their pockets the deepest for coffee machines? The homeland of the barista – Italy? Or perhaps, quite unexpectedly, the Austrians or the Germans? To find answers to these questions, Messe Frankfurt has commissioned the Institute of Retail Research – IFH Retail Consultants – of Cologne. The resulting study has compared consumer expenditure for individual goods categories in 27 EU countries. The results indicate not only the current state of consumption in Europe but also show the trends over the last five years, thus providing an insight into future trends within the EU markets under investigation.

ambiente tendence

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