

Press Release

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GfK GeoMarketing publishes European Retail Location Guide

The GfK-study on retail conditions in 20 European countries for over 180 cities shows positive trends for Central and Eastern Europe.

Purchasing power gap between Eastern and Western Europe narrows

Two Norwegian cities are among the top 5 purchasing power metropolitan areas in Europe: Oslo leads the list with retail purchasing power of about 8,600 euros per capita and year, followed by Geneva with around 8,100 euros and Stavanger with around 8,000. Denmark's capital Copenhagen follows with around 7,800 euros and Zurich is also among the leaders with 7,700 euros. Simultaneously, Stavanger is the city with the largest share of young population: 20% of residents are below the age of 14.

Cities with the highest retail purchasing power per capita and year
(city and catchment area)

Western Europe		Eastern	
Oslo (Norway)	8,552 €	Ljubljana (Slovenia)	3,238 €
Geneva (Switzerland)	8,081 €	Praha (Czech Republic)	2,824 €
Stavanger (Norway)	8,001 €	Maribor (Slovenia)	2,819 €
Copenhagen (Denmark)	7,804 €	Budapest (Hungary)	2,526 €
Zurich (Switzerland)	7,745 €	Tallinn (Estonia)	2,551 €

The gap between Eastern and Western Europe has been dropping due to considerable growth in purchasing power in Eastern European countries in recent years. However, Eastern Europe still lags behind Western European levels. The consumer potential per person in Ljubljana, the strongest urban region in terms of purchasing power within Eastern Europe, is around 3,200 euros, while the average level for all countries included in the study is around 4,200 euros.

Among the countries looked at, the Baltic States and Romania are growing fastest in terms of urban prosperity – in 2005, Bucharest demonstrated double-digit growth rates in purchasing power. As a result, Eastern Europe is quickly catching up to Western levels. The study also shows that retail business for all product groups is profiting from

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the rise in Eastern European purchasing power. This effect is most obvious in countries which have recently entered the EU, such as the Baltic States.

Competition among a country’s cities is reflected in retail centrality

Retail centrality fluctuates heavily within a country, and this applies to all European countries. Retail centrality weighs the purchasing power on location against the retail sales at that location. Cities generally have a large “drawing power” – that is, an above-average level of retail centrality. However, this level mostly does not grow proportionately with a city’s size. For example, Poland’s capital Warsaw has an above-average level of retail centrality. Yet this level is greatly surpassed by Rzeszów, a smaller city in the Southeast. Similar trends can be seen in all European countries: the retail centrality of smaller cities surpasses capital cities on the whole. Among other factors, a city’s “drawing power” is influenced by the size of its catchment area and its location. A city’s retail centrality may be diminished if its urban area is sprawling and there are competing urban areas nearby. For example, Switzerland has only few cities which are relatively small compared to other European cities in general. But their retail centrality levels are considerably above average.

Ljubljana is the city with the most shopping center space per person

A further indicator for a city’s attractiveness and its retail sales potential is the amount of shopping centre space available. This modern form of marketplace is becoming increasingly important across Europe. In 2006, there were around 53,5 million m² of shopping center space in Europe, and additional shopping center space of several million m² are in the planning. However, the real significance of shopping centers can only be recognized if space per person is considered. Again, it is an Eastern European city – Ljubljana – that holds the top position in Europe, with shopping center space of 1,667 m² per person. Other cities in the **Czech Republic, Poland and Lithuania** also come out far ahead when compared with other European cities.

Cities with the highest shopping center space per 1,000 inhabitants

Western Europe *		Eastern Europe	
Leonding (Austria)	1,558 m ²	Ljubljana (Slovenia)	1,667 m ²
Sankt Pölten (Austria)	1,444 m ²	Karlovy Vary (Czech Republic)	1,343 m ²
Wiener Neustadt (Austria)	1,406 m ²	Hradec Kralove (Czech Republic)	1,040 m ²
Stockholm (Sweden)	1,165 m ²	Plzen (Czech Republic)	922 m ²
Geneva (Switzerland)	891 m ²	Olomouc (Czech Republic)	899 m ²

** (Germany and France are not included in the statistics. Germany is available separately as "GfK GeoMarketing Retail Location Guide Germany". The guide for France is currently under way. All retail location studies are updated annually.)*

About the Study

The publication of the study *GfK GeoMarketing Retail Location Guide Europe* is a premiere. The guide includes important facts about the retail business in more than 180 cities and metropolitan areas in 20 European countries:

Western Europe	Eastern Europe
Belgium	Estonia
Denmark	Croatia
Great Britain	Latvia
Italy	Lithuania
Netherlands	Poland
Norway	Slovakia
Austria	Slovenia
Sweden	Czech Republic
Switzerland	Romania
Spain	Hungary

The retail location guide contains a variety of market data for each city, including statistics on population density, sociodemographics and unemployment rates, all in comparison with country averages. As well, retail centrality – a city's attractiveness as a retail location and its "drawing power" on surrounding areas – is calculated and double-checked with extensive data collected by on-site research. Shopping centre space per inhabitant is quoted to provide an overview of the competitive conditions for shopping centres.

The market data is supplemented by a map displaying three belts around each location with population numbers, data on households and purchasing power. Purchasing power data demonstrate the consumer potential of the inhabitants at their place of residence. Six main product groups are included: periodic goods, clothing/shoes, technology, personal goods, do-it-yourself and gardening products as well as furniture/home furnishings products.

GfK GeoMarketing collects these data for the European-wide location and real estate research projects conducted by the GfK PRISMA Institute. They serve as a basis for

making location-related business decisions for retail companies and real estate investors across Europe.

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More information on location research is available online at www.gfk-geomarketing.com.

About GfK GeoMarketing

GfK GeoMarketing is one of the biggest providers of GeoMarketing services in Europe and has more than 100,000 users from all branches of trade. The business areas are:

- Consulting
- Market Data
- Digital Maps
- RegioGraph and DISTRICT

GfK GeoMarketing was formed in 2006 by the merger of GfK MACON, GfK PRISMA and GfK Regionalforschung and is a part of the international GfK network. Currently, GfK is represented in 70 countries with over 130 subsidiaries and 7,800 employees. GfK is the world's number 4 market research institute.