

Press release

GfK GeoMarketing publishes study on European retail

GfK GeoMarketing recently completed an analysis of Europe's retail scene. Compiled on behalf of the European Shopping Center Trust (ESCT), the study was presented at the ICSC European Conference in Paris on June 15 and 16.

GfK GeoMarketing has conducted a new study on European retail in 2011. The data was compiled and evaluated on behalf of the European Shopping Center Trust (ESCT). The study provides a Europe-wide overview of retail-relevant data and features evaluations of the following GfK data for all European countries, including Russia and Turkey: GfK Purchasing Power, retail turnover, retail expenditures as a share of the population's total expenditures, 2011 turnover prognosis, inflation rates as well as sales area provision and productivity for each European country.

"Numerous changes have occurred in Europe over the past year: Many countries are beginning to recover from the effects of the financial, real estate and economic crisis, as seen in the positive purchasing power developments and retail results in many locations," comments Manuel Jahn, GfK retail expert and author of the study. "Even so, significant differences exist among the individual European countries and regions. Despite the overall climate of recovery, some negative trends are apparent, particularly in countries that continue to be strongly impacted by cost-reduction measures."

Some results from the study:

- Purchasing power in Europe is generally climbing again - on average, each European had €11,945 available in 2010. This was a 2.1 percent increase over the previous year. There are, however, enormous variations among the individual countries and regions under review: The gap between Europeans with the highest purchasing power - inhabitants of Liechtenstein - and those with the least purchasing power - inhabitants of Moldova - stands at around €48,200.
- Retail turnover in 2010 has risen by a nominal, euro-based amount of 4.8 percent compared to the previous year. The greatest increases occurred in Turkey and Russia, at 22.4 percent and 16.3 percent, respectively. However, these increases must be read against the high inflation in these countries (more than 6 percent). This increase is also a result of the volatile exchange rates against the euro.

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- GfK GeoMarketing forecasts a turnover growth of 2.8 percent for Europe in 2011. However, the price-adjusted growth could turn out to be lower in many countries due to inflation. Countries for which negative turnover growth is predicated are Portugal, Ireland, Greece and Spain.
- Retail spending as a proportion of private consumption-related spending declined Europe-wide in 2010. Reasons for this include increases in energy costs and continuing high levels of unemployment in many areas of Europe.
- Sales area provision has grown by 2 percent in Europe since 2010, a clear indication that the momentum of the upward trend has significantly lessened.

"The results of the study show that one can once again be cautiously optimistic about the future of European retail," says Sebastian Müller, co-author of the study. "The striking regional variations do, however, indicate that there are no foolproof retail locations or guaranteed successes. A thorough knowledge of regional market relationships and the associated potential are essential preconditions of success for all retail decisions and endeavors. As a company with long-standing expertise in retail and location decisions, GfK GeoMarketing offers consultancy services to retailers, investors and real estate developers that promote sustained success."

About the study

GfK GeoMarketing's calculations of turnover and purchasing power are carried out in euros based on the average 2010 exchange rate for the related currency (as reported by the ECB). Information and data status correspond to May 2011 (meaning that the EU Commission's "Interim Forecast May 2011" was taken into account). The study was commissioned by the European Shopping Center Trust (ESCT) and presented in mid-June 2011 at the ICSC European Conference in Paris. The study is available upon request from GfK GeoMarketing as a 12-page, English-language compendium.





Additional information on the study can be obtained from Cornelia Lichtner, public relations: +49 (0)7251 9295270 or c.lichtner@gfk-geomarketing.com.

Print-quality illustrations

can be found at www.gfk-geomarketing.com/ESCT-2011.

About GfK GeoMarketing

GfK GeoMarketing is one of the largest providers of geomarketing services in Europe for customers and users from all branches of trade. Key business areas include:

-  Consultancy
-  Market data
-  Digital maps
-  Geomarketing software RegioGraph

GfK GeoMarketing is a subsidiary of the globally active GfK Group. Ranked fourth among the world's market research institutes, the GfK is represented by approximately 10,000 employees belonging to more than 150 subsidiaries located in 100 countries.