

# Press release

## European retail in 2016: Slow but real-value growth

April 19, 2016

Cornelia Lichtner  
Public relations  
T +49 7251 9295 270  
F +49 7251 9295 290  
cornelia.lichtner@gfk.com

### GfK study on retail conditions in 33 European countries

**Bruchsal, Germany, April 19, 2016 – GfK has carried out a comprehensive analysis of the European retail scene in 33 European countries. The study examines purchasing power, the retail share of the population's total expenditures, inflation, sales area productivity as well as a turnover prognosis for 2016. The study is part of the new edition of ACROSS Magazine, which is being launched at the 2016 ICSC European conference in Milano, Italy.**

- **Purchasing power in 2015:** The economy grew and unemployment fell in most countries in 2015. This development is reflected in the nominal purchasing power figures, which increased in the European Union by an average of 3.7 percent compared to the previous year. This gave each EU citizen an average of €15,948 for consumption, rent, savings and retirement contributions.
- **2016 turnover prognosis:** The solid store retail business from last year will continue in 2016. For the EU-28 countries, GfK forecasts somewhat decelerated progress, with a growth of 1.1 percent (based on nominal euro values). There will be especially positive developments in Romania (+7.2 percent) as well as continued progress in the Baltic States (+3.8 percent to +4.9 percent), which are gradually catching up with the more mature markets. We expect a robust dynamic in store retail in Sweden (+4.8 percent) and Spain (+3.7 percent).
- **Retail share of private consumption:** In 2015, European consumers enjoyed low energy and fuel costs as well as a good economic situation and an increase in private wealth in many European countries. Even so, the main beneficiaries of these positive conditions were areas other than retail. Consequently, the trend of retail's declining share of private consumption also continued in 2015. The average quota for the EU28 is 30.4 percent. While consumers have more money for purchases, they predominantly spend these funds on services, traveling and recreational activities rather than on retail. These expenditures translate to less money available for retail consumption.
- **Inflation:** Consumer prices remained constant (+0.0 percent) in 2015. This is a rare situation for industry and retail as well as consumers. In February 2016, the European Commission forecasted a 2016 price increase of 0.5 percent, driven by a more expansive central bank policy

GfK GeoMarketing GmbH  
www.gfk-geomarketing.com  
geomarketing@gfk.com

Bruchsal branch:  
Werner-von-Siemens-Str. 9  
Gebäude 6508  
76646 Bruchsal; Germany  
T +49 7251 9295 100  
F +49 7251 9295 290

Hamburg branch:  
Herrengaben 5  
20459 Hamburg

Nuremberg branch:  
Nordwestring 101  
90419 Nuremberg; Germany

Managing directors:  
Friedrich Fleischmann  
Hans-Peter Klotzbücher

Amtsgericht Mannheim  
HRB 250872  
Ust-ID: DE 143585033

and an economic upswing. But the inflation expectations are dampened by the low prices for crude materials. A price deflation actually occurred in many European countries in 2015. But for 2016, the European Commission forecasts declining consumer prices only in Slovenia (-0.3 percent), Romania (-0.2 percent), Lithuania (-0.1 percent) and Bulgaria (-0.1 percent).

- **Sales area provision:** Sales area in the EU-28 last year climbed by 0.3 percent. With a per-capita sales area of 1.17 m<sup>2</sup>, sales area provision in the EU-28 stagnated in comparison to 2014 due to the simultaneous slight increase in the number of inhabitants. Despite a difficult retail situation, Portugal increased its per-capita sales area to 0.98 m<sup>2</sup>. In contrast to saturated retail markets such as Austria (1.74 m<sup>2</sup>), the Netherlands (1.62 m<sup>2</sup>) and Switzerland (1.49 m<sup>2</sup>), markets such as the Czech Republic (1.03 m<sup>2</sup>), Poland (0.93 m<sup>2</sup>) and Turkey (0.66 m<sup>2</sup>) still offer strong development potential for retail real estate.
- **Sales area productivity:** Over the past year, sales area productivity in the EU-28 increased by 2.7 percent to just under €4,200 per m<sup>2</sup> of sales area. This is good news for stationary retail, which was able to make gains for two years in a row after years of declining performance. The online dynamic slowed in more mature markets, and store retail is gradually adjusting to the new conditions. Unprofitable shops were closed as part of retailers' digitization of their offering and pursuit of omni-channel solutions. The highest sales area productivity values are traditionally in Northern Europe, Switzerland and Luxembourg, while the lowest are in Eastern and Southeastern Europe. But the latter countries are continually gaining ground.

"Overall, 2015 was a good year for European consumers," says Dr. Gerold Doplbauer, GfK retail expert and study lead. "The economy of the European Union grew nominally by 4.7 percent and unemployment fell in most countries. Private consumption increased significantly: The low interest rate made traditional saving less attractive, with the result that many consumers chose to spend their money, which benefited retail. But there are large differences between the individual regions in Europe. And political and economic uncertainties exist alongside the positive developments. It remains to be seen how the willingness to invest among European companies and consumers will be impacted by Europe's refugee crisis and terror threat as well as the economic weaknesses in emerging economies."

Reinhard Winiwarter, publisher of ACROSS Magazine, which partnered with GfK on the study, comments: "The GfK study offers valuable insights into the current market climate for the retail and retail real estate sectors. We're happy that thanks to our collaboration with GfK, we're able to offer our readers greater transparency and peace of mind for their European retail endeavors."

### **About the study**

The following GfK market indicators were evaluated for a total of 33 European countries: purchasing power, retail turnover and the retail share of the population's total expenditures. GfK also offers a forecast for retail turnover in 2016 and analyzes consumer price trends. The study examines sales area provision and productivity in the European countries under review and includes a four-page analysis of the Netherlands' retail market.

GfK's calculations of turnover and purchasing power were carried out in euros based on the average 2015 exchange rate for the national currencies in question (as reported by the European Commission). The deadline for the information and data was February 2016.

The study can be obtained as a PDF at [www.gfk-geomarketing.com/european-retail](http://www.gfk-geomarketing.com/european-retail) and [www.across-magazine.com](http://www.across-magazine.com).

**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.

Additional information can be found at [www.gfk.com](http://www.gfk.com).  
Follow us on Twitter: [www.twitter.com/gfk](http://www.twitter.com/gfk).

Responsible under press legislation / V.i.S.d.P.  
GfK GeoMarketing GmbH  
Public Relations  
Cornelia Lichtner  
Werner-von-Siemens-Str. 9  
Gebäude 6508  
76646 Bruchsal; Germany  
T+49 7251 9295 270  
[cornelia.lichtner@gfk.com](mailto:cornelia.lichtner@gfk.com)