

Germany's Retail Turnover To Rise By Two Percent

Contributed by GfK NOP
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GfK Retail Turnover 2011 study by GfK GeoMarketing

According to calculations by GfK GeoMarketing, retail sales are likely to be two percent higher this year than in 2010 and reach a total volume of EUR 406 billion.

However, if prices climb relatively steeply this year, this could dampen consumers'™ willingness to spend and consequently impact retail sales.

The survey conducted by GfK GeoMarketing is focused on calculating regional retail turnover for all cities and municipalities with more than 10,000 inhabitants.

Predictably, cities with a large number of inhabitants are showing the highest retail turnover levels in absolute terms. However, in relation to the number of inhabitants in the retail location, the following urban districts stand out with significantly above-average turnover levels: In a comparison of major cities according to per capita sales, Munich is out in front, followed by Dusseldorf, Nuremberg, Stuttgart and Cologne.

However, medium-sized cities rank even higher in a comparison of relative sales according to the size of cities: The retail sector in these urban districts proportionally attracts even a more purchasing power than the major cities.

The top 5 medium-sized cities – Straubing, Weiden, Passau, Schweinfurt and Rosenheim, which are all located in Bavaria – are recording per-capita turnover of around twice the national average.

The retail sector in these cities is drawing purchasing power from far beyond the borders of the urban district, with the result that sales are significantly higher than the retail purchasing power of the city's™ inhabitants alone.

The retail sector in medium-sized cities has a particularly high drawing power because these cities service the surrounding, often rural, regions. In many locations, efforts made by urban developers to stem the flow of purchasing power into the major cities by creating an attractive retail landscape are also bearing fruit. Conversely, the potential of the retail industry in many of the major cities has already been exhausted.

Note

The per capita values are a purely mathematical benchmark, because the retail facilities of a given location are not only accessed by local inhabitants.

However, by studying the retail sales in relation to the population figures, it is possible to obtain an initial indication of the drawing power of the retail sector in the region in question.

The survey

The "GfK Retail Turnover 2011" study forecasts sales at the point of sale and is an important indicator for retail companies in terms of branch network and expansion planning, as well as controlling. In contrast to GfK Purchasing Power, which is recorded at consumers'™ places of residence, GfK Retail Turn-over is recorded at the retail location, excluding automotive and fuel sales and mail-order retail but including retail sales in bakeries, confectioneries and butchers'™ shops.

GfK GeoMarketing annually calculates GfK Retail Turnover for all of Germany's™ regional levels as a total sum, per inhabitant in euros and as an index (German average = 100). The calculation is made for all German urban and rural districts, municipalities and postcodes with more than 10,000 inhabitants.

The GfK Group

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