

Top Locations In Germany Grow At The Expense Of Economically Weak Regions

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GfK forecast for retail turnover in 2012

Despite continued discussions about the European economic and financial crisis, GfK predicts that retail turnover in Germany will increase by around 1% this year. Growth potential is much stronger in those retail locations which already have significant retail drawing power. This also means that economically weak locations will continue to lose sales to the top locations.

According to GfK calculations, in 2012 German high street retail sales will increase nominally by around 1% year-on-year to EUR 410.1 billion. Despite the impact of the economic and financial crisis, an optimistic consumer mood predominates among the German population. Due to the stabilizing role this plays, retailers will be unable to fully pass increased raw material costs and purchasing prices on to consumers.

Top retail locations continue to grow

A comparison with 2011 shows which locations will profit this year. Retailers' success and even survival depends not only on a good range of products but also on a strong overall retail environment. Companies that plan their expansions well and strengthen their branch network intelligently can secure their share of the market, especially in times of low economic growth.

The most populous districts register the highest sales figures. Berlin, Hamburg and Munich therefore top the list in the sales figure rankings. Cumulatively, the 15 districts with the highest sales figures account for 21.3% of Germany's entire high street retail sales.

Retail magnets in Bavaria

A different picture emerges when retail sales are assessed in relation to the number of inhabitants.

In this case, locations with high regional drawing power top the rankings. Straubling, Weiden, Passau, Schweinfurt and Rosenheim, which are all in Bavaria, fetch per capita sales equivalent to twice the national average. Retail in these cities attracts consumers from well beyond the city limits, so that sales are significantly higher than the retail purchasing power of the inhabitants alone.

The study

The "GfK Retail Turnover" study reflects the regional distribution of point-of-sale retail turnover. In comparison to GfK Purchasing Power, which is recorded at consumers' places of residence, GfK Retail Turnover is carried out at the retail location. GfK Retail Sales is defined as retail sales (excluding automotive, fuels and heating fuels), not including mail-order retail but including retail sales in bakeries, confectioners and butchers' shops.

GfK calculates GfK Retail Turnover annually; it is calculated for all of Germany's regional levels as a total sum, as well as per inhabitant in euros and as an index (German average = 100). The calculation is made for every German urban and rural district, for all municipalities and postcode areas with more than 10,000 inhabitants.

The values for each inhabitant are purely mathematical figures, as retail sales at a specific location are not generated solely by its inhabitants. However, by comparing retail sales with the number of inhabitants, a first point of reference is obtained about the attraction of retail in the given region.

Print-resolution images are available at www.gfk-geomarketing.com/graphics_retail-turnover2012

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