GfK GeoMarketing

Press Release

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German retail sales to remain stable in 2009

GfK GeoMarketing publishes forecast for sales in regional retail in Germany

Nuremberg, January 28, 2009 – Despite the financial crisis and the threat of recession in Germany, retail will see stable sales this year. The current "GfK POS Turnover for the Retail Trade 2009" study from GfK GeoMarketing shows that some regions will achieve sales far in excess of the local purchasing power in 2009.

According to the study's findings, sales are expected to remain stable for over-the-counter retail in 2009, reaching a volume of €399 billion. GfK's CEO Professor Klaus L. Wübbenhorst reads these findings as a positive signal for retail: "In light of the expected low inflation rate, retailers will be able to achieve satisfactory results in spite of the currently difficult economic environment." The "GfK POS Turnover 2009" study forecasts sales at the point of sale, reflecting the regional distribution of retail sales (not including car dealerships, fuel and gas stations).

Retail sales volume: Berlin is the clear forerunner

Looking at POS turnover volumes at the level of counties and metropolitan areas, the major conurbations are predictably leading the field. In addition to the major cities, only three rural and populous counties made it into the list of the top 15 locations, which together account for more than €83.6 billion or 20% of total POS sales in Germany.

Table 1: Germany's top 15 POS turnover locations

Rank in 2009	County	POS turnover in 2009 in EUR m
1	Berlin (urban)	17,240
2	Hamburg (urban)	10,461
3	Munich (urban)	9,639
4	Cologne (urban)	6,574
5	Hanover region (rural)	6,296
6	Düsseldorf (urban)	4,117
7	Stuttgart (urban)	4,060
8	Frankfurt am Main (urban)	4,002
9	Nuremberg (urban)	3,489
10	Essen (urban)	3,453
11	Bremen (urban)	3,269
12	Dortmund (urban)	3,074
13	Recklinghausen (rural)	2,945
14	Dresden (urban)	2,557
15	Mettmann (urban)	2,458

Retail turnover per capita: smaller cities pull ahead

Rankings change, however, when calculating sales per inhabitant. The smaller cities – especially in Bavaria – have a clear lead here. In more rural areas they often act as retail hubs – draw shoppers from outlying regions. As a result, they are achieving significantly higher retail sales.

Based on these figures, the Bavarian city of Straubing ranks at the top of the table and is generating €11,830 per inhabitant – almost two-and-a-half times the national average of €4,850. Berlin, the leader in terms of absolute POS turnover, ranks only 122nd, but is still above the national average. In the German capital, per capita retail sales are around €5,000. In last place is the rural area of Kaiserslautern, which generates per capita sales of only €2,630 according to the study.

However, it should be noted that these figures are primarily mathematical benchmarks. Retail trade at any given retail location is not generated by the local inhabitants alone. Nonetheless, the figures do provide an indication of the retail drawing power of individual areas.

Table 2: Top 15 counties according to retail sales per inhabitant

Rank in 2009	County	POS turnover in 2009 per inhabitant in EUR	POS sales in 2009 index per inhabitant (national average=100)
1	Straubing (urban)	11,828	243.7
2	Weiden i. d. Opf. (urban)	11,306	233.0
3	Passau (urban)	11,265	232.1
4	Kempten (Allgäu) (urban)	10,216	210.5
5	Rosenheim (urban)	10,060	207.3
6	Memmingen (urban)	9,617	198.2
7	Schweinfurt (urban)	9,508	195.9
8	Landshut (urban)	9,092	187.3
9	Hof (urban)	8,916	183.7
10	Regensburg (urban)	8,882	183.0
11	Trier (urban)	8,858	182.5
12	Würzburg (urban)	8,763	180.6
13	Aschaffenburg (urban)	8,708	179.4
14	Zweibrücken (urban)	8,626	177.7
15	Amberg (urban)	8,057	166.0

Large variations at municipal level

While per capita sales in the 429 counties surveyed fluctuated between around €2,600 and approximately €11,800, the amounts among municipalities vary even more. On the one hand, there are municipalities – usually in the vicinity of major cities – where retail operations or shopping centers with high sales are located. On the other hand, there are municipalities where retail is now almost non-existent. This explains why the low-ranking Schkopau in Saxony-Anhalt (around €800 per inhabitant) and the top-ranked Mülheim-Kärlich in Rhineland-Palatinate (around €25,600 per inhabitant) really are "retail worlds" apart: The Rhein-Mosel shopping mall in Mülheim-Kärlich pulls in up to 25,000 customers from all over the region every day.

About the study

The "GfK POS Turnover for the Retail Trade" study is a prognosis of the regional distribution of retail sales. This is defined as over-the-counter retail sales, not including car dealerships, fuels, gas stations or mail order. It does include sales by bakeries, confectionaries and butchers. GfK POS turnover figures are calculated annually.

In contrast to GfK purchasing power, which measures the consumers´ net incomes at their place of residence, GfK POS turnover figures are measured at the point of sale.

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About GfK GeoMarketing

GfK GeoMarketing, a wholly owned subsidiary of the GfK Group, is one of Europe's leading providers of geomarketing solutions. The company's core areas are consulting, market data, digital maps and geomarketing software.

The GfK Group

The GfK Group is the No. 4 market research organization worldwide. Its activities cover the three business sectors of Custom Research, Retail and Technology and Media. The Group has 115 companies covering over 100 countries. Of a total of around 10,000 employees (as of September 30, 2008), more than 80% are based outside Germany. For further information, visit our website: www.gfk.com.