

Press release

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Germans spend proportionally less than other Europeans on brick-and-mortar retail

GfK study on European retail 2019

Nuremberg, June 4, 2020 – In 2019 the retail turnover share of private consumption decreased by 1.0 percent in the EU-27 countries. As such, EU consumers spend on average 29.9 percent of their money on brick-and-mortar retail. Last place in this regard goes to Germany, where consumers devote only 23.7 percent of their funds to brick-and-mortar retail. These findings are from GfK’s just released free study on European retail.

Online trade has emerged as a strong force in many European countries, which is reflected in the declining share of consumer spending on brick-and-mortar retail.

“Brick-and-mortar retail faces new challenges in Europe,” **explains GfK retail expert Dr. Johannes Schamel.** “A new environmental awareness is emerging among consumers and the issue of sustainability is playing an ever more important role. Brick-and-mortar retailers must respond to this expectation in a way that allows them to secure a competitive advantage over online retail.”

Against this backdrop, GfK’s Geomarketing solution area evaluated key market indicators for 2019 and their impact on European retail. In addition to an assessment of the retail impact of COVID-19, GfK’s [retail study](#) also includes a comprehensive analysis of trends in 32 European countries, offering a valuable point of reference for retailers, investors and project developers.

Overview of the study’s most important insights

Purchasing power: Consumers in the EU-27 countries had an average 2019 purchasing power of €16,888, which equates to a nominal increase of 3.4 percent compared to the previous year. Driven in part by strong

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economic growth, tax reductions and a minimum wage increase, the largest purchasing power increases in the EU occurred in Latvia (+8.5 percent), Lithuania (+7.6 percent) and Estonia (+6.0 percent).

Inflation: Prices rose somewhat faster at the end of last year due to cost increases in services. But taking into account all of 2019, inflation across the EU-27 countries was just 1.4 percent and as such significantly below the 2 percent target of the European Central Bank.

Brick-and-mortar retail turnover: Brick-and-mortar retail in the EU-27 nations achieved a nominal 2019 turnover growth of 2.1 percent, which was slightly above the rate of inflation. The most dynamic markets were once again in Eastern Europe and the Baltics. Romania (+9.5 percent) maintained its high growth rate, which was almost twice that of neighboring Bulgaria (+5.4 percent). Retail in Estonia (+6.6 percent) and Lithuania (+6.5 percent) benefited from long-standing increases in purchasing power.

Retail turnover share of private consumption: Competition posed by online retail along with fundamental changes to consumer habits in favor of greater spending on services resulted in a one percent decline in the EU-27 retail turnover share of private consumption to 29.9 percent. Germans devoted the smallest share (23.7 percent) of their spending to brick-and-mortar retail, which is partly explained by the comparatively strong position of online retail.

FMCG retail: FMCG retail was responsible for 55 percent of the 2019 brick-and-mortar retail turnover in the EU-27 countries. This segment comprises 60.4 percent of the total brick-and-mortar retail turnover in Croatia, which puts it in first place among the countries considered by the study. FMCG retail is also very strong in Romania (59.7 percent), Cyprus (58.5 percent) and Greece (58.3 percent).

About the study

GfK analyzed purchasing power, retail turnover and the retail share of consumers' total expenditures for 2019 in 32 European countries. In view of the currently volatile conditions and the study's copy deadline in April, a 2020 prognosis for brick-and-mortar retail turnover was not included in this year's study. As a replacement for this content, the study features an evaluation of the retail impact of COVID-19, FMCG retail in Europe, Black Friday's emergence as the most important annual shopping event, the retail significance of the capitals of the Visegrád nations and the performance of furniture retail in the Czech Republic. GfK's calculations of turnover and purchasing power were carried out in euros and reflect the values as of the copy deadline of April 2020.

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The study is available as a free 22-page PDF in English at <http://www.gfk-geomarketing.com/european-retail> and in German at www.gfk-geomarketing.de/handel-europa.

Print-quality illustrations can be found [here](#).

Visit [GfK's resource center](#) for the latest insights on the impact of COVID-19 on supply chains, point of sales, consumer behavior and consumer mood.

GfK – extracting the signals from the noise

In a world of data overflow, disruption and misuse, picking up the right “signal from noise” is key to win. We at GfK are the trusted partner with more than 85 years of experience in combining data and science to help you make the right business decisions. Together with our attention to detail and advanced Augmented Intelligence, we provide you with world-class analytics that delivers not just descriptive data but actionable recommendations always-on at your fingertips. As a result, you can make key business decisions with confidence which help you drive sales, organizational and marketing effectiveness. That’s why we promise to you “Growth from Knowledge”. For more information, please visit www.gfk.com or follow GfK on Twitter www.twitter.com/GfK.