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Provincial areas score over large conurbations when it comes to retail coverage

Findings of the *GfK Retail Location Guide Germany 2008*

Berlin, Hamburg and Munich are the three dominant retail centers with the highest net retail purchasing power in Germany. However, the drawing power of retail trade in the smaller and mid-sized German towns in particular is often disproportionately strong when compared to their actual population. These are some of the findings of the *GfK Retail Location Guide* for Germany for 2008.

This year, Berlin, Hamburg, Munich and Stuttgart again feature at the top of the list of cities with the highest demand in their catchment areas. With retail purchasing power of just below 24 billion euros, Berlin ranks first, followed by Hamburg with 17.6 billion euros, which is just ahead of Munich at 17.2 billion euros. Some way down in fourth place with 15.2 billion euros retail purchasing power is another South German city: Stuttgart.

GfK Retail Purchasing Power in total

	Retail purchasing power volume (in billions of euros)
Berlin	23.9
Hamburg	17.6
Munich	17.2
Stuttgart	15.2

Source: *GfK Retail Location Guide Germany 2008*, GfK GeoMarketing

However, the top ten German locations with the highest retail coverage relative to population reveal that it is often the smaller towns in more sparsely populated regions that attract proportionately more of their inhabitants as retail customers. The catchment or market area of a town includes all the surrounding communities whose inhabitants travel to the town in question for

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a significant portion of their retail purchases. Offenburg, Gießen and Bad Oeynhausen are good examples of this phenomenon.

For instance, Offenburg not only services the shopping needs of its just under 60,000 inhabitants, but is also the shopping destination of choice for residents of the Black Forest as well as some communities in neighboring France, including the Strasbourg region. This means that the number of potential customers of the catchment area is around 13 times higher than the actual number of people living in the town. The same applies to Gießen, which, despite being a relatively small town, functions as a retail hub for the otherwise relatively sparsely populated region of central Hesse. This goes to show that the size of a town says little about its actual importance as a retail location.

Comparative population statistics for towns and catchment areas

Ranking	Community	Population of community	Population of catchment area	Coverage coefficient *
1	**Offenburg**	58,811	767,933	13.1
2	**Gießen**	73,958	870,405	11.8
3	**Bad Oeynhausen**	49,194	551,126	11.2
4	**Passau**	50,644	500,836	9.9
5	**Koblenz**	105,888	981,436	9.3
6	**Siegburg**	39,192	334,614	8.5
7	**Limburg/ Lahn**	33,832	279,803	8.3
8	**Würzburg**	134,913	1,074,996	8.0
9	**Schweinfurt**	53,970	428,484	7.9
10	**Ulm**	120,925	907,291	7.5

* The coverage coefficient compares the population of a town with the number of people in the entire catchment area. It is therefore the factor by which the population of the entire catchment area exceeds that of the population of the town. As such, this coefficient is a measure of the drawing power of a town as a retail location.

Source: *GfK Retail Location Guide Germany 2008*, GfK GeoMarketing

The survey

For its annual publication, *GfK Retail Location Guide Germany*, GfK GeoMarketing defines the catchment areas of more than 450 urban retail locations with 20,000 inhabitants or more and analyzes the retail-relevant purchasing power for these regions. The study also provides a breakdown of retail purchasing power for twelve product groups. The survey thus indicates the available market potential for the retail trade and project developers in the catchment areas of the relevant towns and economic centers across Germany. In addition, market indices such as "GfK Retail Sales" and "GfK Retail Centrality" provide performance data on the local retail trade.

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About GfK GeoMarketing

GfK GeoMarketing is one of Europe's largest providers of geomarketing solutions for customers from all branches of trade. Its services include:

- Consultancy and reports
- Market Data
- Digital Maps
- RegioGraph and DISTRICT geomarketing software solutions

The company is a subsidiary of the international GfK network. Ranked among the world's top 5 market research organizations, the GfK Group consists of 115 subsidiaries and more than 9,000 employees, with operations in 100 countries.