An NIQ Company

GfK Retail Centrality

International

Applications

GfK Retail Centrality reveals the purchasing power in- and outflow to and from a given region. GfK Retail Centrality is a valuable source of reference for a wide range of groups and sectors.

All retail-oriented business branches:

- Service providers
- Wholesalers/distributors
- Manufacturers of consumer goods
- Retailers
- City planners

- **Location research**

The GfK Retail Centrality ratings allow companies to determine where it makes sense to set up or expand a retail location.

The dataset allows companies to draw inferences regarding potential competitors. However, a high GfK Retail Centrality rating can also indicate that there are agglomeration advantages.

- **City marketing**

By comparing GfK Retail Purchasing Power values with GfK Retail Turnover values, it can be determined whether a given region is under- or overused as a retail destination. This comparison yields insights into how a municipality's retail draw can be increased.

GfK Retail Centrality ratings provide a helpful reference point for evaluating the extent to which the establishment of new retail venues in competing municipalities will influence the retail demand for a given region.

© GfK

Basis of calculation I

The GfK Retail Centrality ratings are the product of the quotient of the GfK Retail Turnover index per inhabitant and GfK Retail Purchasing Power index per inhabitant values multiplied by 100.

Basis of calculation for GfK Retail Purchasing Power

GfK Retail Purchasing Power is the amount of general purchasing power available for retail spending. Put simply, GfK Purchasing Power is the sum of the disposable income by region. Consumers spend this disposable income in a variety of ways, including retail purchases, rent, mortgages, insurance, automobiles, travel and services.

Information regarding the amount of disposable income available for retail expenditures is acquired from various data sources. The data basis thus varies significantly from country to country and is the product of intensive research by GfK GeoMarketing. Frequently the census data calculated by a given country's official bureau of statistics is consulted. This data provides very detailed information on the consumer behavior of the population.

Thanks to the GfK's worldwide network, GfK GeoMarketing has access to colleagues' on-site data sources in countries of interest. Depending on availability, additional up-to-date data sources from official bureaus of statistics are used in the calculation of GfK Retail Purchasing Power.

The following stationary retail product groups are taken into account when calculating

GfK Retail Purchasing Power:

- Food and luxury items
- Clothing, shoes
- Household-related products (including furniture, flooring items, electronics, textiles, garden supplies, cleaning items)
- Medicinal products as well as health and body-care items
- Education and entertainment items (e.g., TVs, radios, books, photography supplies, magazines, toys, sports equipment)
- Personal items (watches, jewelry, etc.)

Automobile accessory purchases are taken into account, but automobile replacement part and fuel purchases are not considered by the study. GfK Retail Purchasing Power reveals the share of the population's total purchasing power that is spent on retail-related purchases.

© GfK

Basis of calculation II

Basis of calculation for GfK Retail Turnover

Information on a given region's retail-related turnover is obtained from various data sources. The data basis thus varies significantly from country to country and is the product of intensive research by GfK GeoMarketing. Frequently official and business statistics are consulted. Statistics from relevant trade associations are also used. Thanks to the GfK's worldwide network, GfK GeoMarketing has access to colleagues' on-site data sources in the countries of interest. Finally, GfK GeoMarketing draws on data obtained from its own location research activities.

Turnover related to the following stationary retail product groups is taken into account when calculating GfK Retail Turnover:

- Food and luxury items
- Clothing, shoes
- Household-related products (including furniture, flooring items, electronics, textiles, garden supplies, cleaning items)
- Medicinal products such as health and body care items
- Education and entertainment items (e.g., TVs, radios, books, photography supplies, magazines, toys, sports equipment)
- Personal items (watches, jewelry, etc.)

Automobile accessory purchases are taken into account, but automobile replacement part and fuel purchases are not considered by the study.

Retail turnover figures are calculated through a comprehensive regional comparison that employs supra-regionally comparable data sources in the context of desk research. However, these figures are not meant to replace those acquired through on-site location reports and appraisals of individual cities or city areas. This is because these latter assessments are carried out individually according to geographically distinct compilation regions.

© GfK

Data structure

Regional code (e.g., regional identifier, postcode, etc.)

Regional designator (e.g., municipality name, postcode name)

Inhabitants and households

GfK Retail Purchasing Power – sum in millions €
The available retail purchasing power of the population of a given region is provided in millions of euros.

GfK Retail Purchasing Power – per mill as a ‰
GfK Purchasing Power in per mill values reveals the retail purchasing power of the inhabitants of a specific region in comparison to the nationwide retail purchasing power. Per mill values thus express a given region‘s retail purchasing power with respect to the nationwide retail purchasing power, multiplied by 1,000. The sum of all per mill values equals 1,000.

GfK Retail Purchasing Power – per inhabitant in €

GfK Retail Purchasing Power – index per inhabitant (country = 100)
The index per inhabitant is based on the national average (index = 100). An index of 110 or 90 means that the purchasing power of the inhabitants of the area in question lies 10% over or below the national average.

GfK Retail Turnover – sum in millions €
This dataset calculates the turnover (in millions of euros) for which the retailers of a given area are responsible.

GfK Retail Turnover – per mill as a ‰
GfK Retail Turnover in per mill values reveals the retail turnover that retailers of a given region contribute to the nationwide retail turnover. Per mill values thus express a given region's retail turnover with respect to the nationwide retail turnover, multiplied by 1,000. The sum of all per mill values equals 1,000.

GfK Retail Turnover – per inhabitant in €

GfK Retail Turnover - index per inhabitant (country = 100)
The index per inhabitant is based on the national average (index = 100). For example, an index value of 110 would indicate that the retailers of the region in question generate 10% more turnover per inhabitant than the national average.

GfK Retail Centrality
A retail centrality rating above 100 indicates an influx of purchasing power in the region in question. In other words, such a region generates more retail turnover than the retail purchasing power available to the local population. Conversely, a retail centrality rating below 100 means that there is an outflow of purchasing power from the region in question. In other words, such a region generates less retail turnover than the retail purchasing power available to the local population.

© GfK

Regional levels

We provide the GfK Retail Centrality dataset in a consistently high quality for all municipalities and postcodes with a certain minimum number of establishments and turnover (this figure varies according to the available data for the country in question).

GfK Retail Centrality can also be obtained for specific areas of your choice, such as your company's catchment areas or external sales regions.

1

Administrative regions

- federal states
- counties
- urban/rural districts
- municipalities

2

Postal regions

- 1-digit postcodes
- 2-digit postcodes
- 5-digit postcodes

3

Client-specific regions

- sales regions
- catchment areas

© GfK

Time series comparisons

Our high-quality data allow you to make precise regional comparisons. However, we advise against using our data for time series comparisons due to ongoing methodological refinements that have been implemented over the years. These refinements mean that results can vary from year to year – for example, due to changes in data sources and the statistical methods used to compile and calculate our data.

GfK GeoMarketing places great emphasis on providing data that represent regional differences as accurately as possible. This commitment to accuracy means that we are regularly adopting improved methods as well as newer and more detailed data sources. As a result, time series comparisons are not advisable, because they will not be comparing like with like.

Stated in a different way, if we were to place our primary emphasis on ensuring that clients can carry out meaningful time series comparisons, we would have to ignore the discovery and emergence of improved methods and data sources. This would be a mistake in our view. Moreover, frequent administrative changes hinder the ability to carry out accurate time series comparisons.

© GfK

Questions?

Contact us at any time.

Your Geomarketing team

+49 911 395 2600

geomarketing@gfk.com

www.gfk.com/geomarketing

More about our solutions:

PRODUCT CATALOG

WEBSHOP