Press Release

Retail's share of EU consumer spending falls for the fourth consecutive year

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NIQ Geomarketing releases new study on European retail in 2025 and 2026

Bruchsal, Germany, August 26, 2026 – The share of private consumption allocated to retail continues to decline across the European Union as consumers devote an increasing portion of their budgets to services, leisure, and other non-retail categories. In 2025, retail accounted for just 31.9 percent of total private consumption, marking the fourth consecutive annual decline. Croatia recorded the highest retail share in the EU, with nearly every second euro of consumer spending flowing into retail. These findings are part of a new, free study published today by NIQ Geomarketing, providing a comprehensive overview of retail trends across Europe.

Although purchasing power and retail turnover continued to increase at the European level, the proportion of consumer spending directed toward retail has been declining for four consecutive years. In 2025, retail's share of total private consumption fell to 31.9 percent, underscoring this ongoing trend. The decline does not reflect weaker overall consumption, but consumers are increasingly allocating a larger share of their budgets to services such as travel, leisure, and hospitality, reducing retail's relative importance within total household expenditure. However, regional differences remain significant. Consumers in Eastern and Southeastern European countries, in particular, allocate a considerably larger share of their household budgets to retail.

Among the 27 EU member states, Croatia leads with a retail share of 48.3 percent, followed by Lithuania at 45.7 percent, Bulgaria at 44.0 percent, and Hungary at 43.2 percent. At the other end of the spectrum, Germany reported the lowest retail share in the EU, marking another decrease compared to 2024. In Germany, less than one in four euros of total consumer spending was allocated to retail purchases, with retail accounting for just 22.2 percent of private consumption.

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“The key finding is not that Europeans are spending less, but that they are spending differently,” **explains study lead Philipp Willroth from NIQ’s Geomarketing department**. “Retail turnover continues to grow, yet an increasing share of consumer budgets is flowing into services and experiences. This points to a structural shift in spending priorities across Europe. Rising purchasing power no longer translates automatically into higher retail spending.”

In the free European retail study, NIQ’s Geomarketing department examined the key indicators of the European retail sector for the year 2025. The study offers trend analyses for numerous European countries and serves as a valuable point of reference for retailers, investors, and project developers.

Additional key results at a glance

Purchasing power: In 2025, purchasing power across the EU continued to grow despite ongoing geopolitical uncertainty and elevated inflation in parts of Europe. Average per capita purchasing power reached 22,425 euros, representing a nominal increase of 3.3 percent compared to the revised 2024 figure. In total, residents of the 27 member states had approximately 10.1 trillion euros at their disposal for expenses such as food, retail purchases, housing, services, energy costs, private pensions, insurance, vacations, and mobility. The strongest increases were recorded in Poland (+8.8 percent), Lithuania (+8.3 percent), Romania (+7.7 percent), and Bulgaria (+7.3 percent), reflecting the continued economic convergence of Southern and Eastern European markets.

Retail turnover: After a robust 5.5 percent increase in 2023 and growth of 3.0 percent in 2024, the growth rate of retail turnover in the EU slowed further to 2.1 percent in 2025, reflecting the continued normalization of consumer spending patterns beyond the post-pandemic recovery. The strongest gains were recorded in Northern and Eastern Europe, led by Norway (+13.1 percent) and Lithuania (+10.5 percent), followed by Sweden (+8.9 percent), Bulgaria (+8.2 percent), and Slovakia (+8.0 percent). Rising wages and improving purchasing power supported retail spending across these markets. By contrast, large Western European markets remain weak and continue to hold back overall growth, with the United Kingdom even recording a decline of -0.6 percent.

Inflation: After the sharp price increases seen in the years following the 2022 energy crisis, inflation across the EU stabilized further in 2025, averaging 2.5 percent and coming close to the European Central Bank's target. The highest rates were recorded in Romania (6.8 percent), followed by Estonia (4.8 percent), Hungary (4.4 percent), Croatia (4.4 percent), and Slovakia (4.2 percent), reflecting continued wage growth and labor market pressures in parts of Eastern Europe. By contrast, France reported one of the lowest inflation rates in Europe, at just 0.9 percent, supported by weaker domestic demand and a favorable energy mix. In 2026, inflation in the EU-27 is expected to rise again to 3.1 percent, driven primarily by renewed pressure on energy markets.

About the study

For the year 2025, NIQ Geomarketing analyzed key retail and market indicators across Europe, including NIQ purchasing power, retail turnover, the retail share of consumers' total expenditures, and price trends for both 2025 and 2026. All calculations related to turnover and purchasing power were conducted in euros. The editorial deadline for the study was July 2026.

The PDF version of the study is available free of charge in German at www.nielseniq.com/studie-einzelhandel-europa or in English at www.nielseniq.com/european-retail-study.

Images
Print-quality images can be found here.

Additional information
on NIQ Geomarketing's regional market data can be found here.

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About NIQ

NielsenIQ (NYSE: NIQ) is a leading consumer intelligence company, delivering the most complete and trusted understanding of consumer buying behavior and revealing new pathways to growth. By combining an unmatched global data footprint and granular consumer and retail measurement with decades of AI modeling expertise, NIQ builds decision systems that help companies turn complex data into confident action.

With operations in more than 90 countries, NIQ covers approximately 82% of the world's population and more than $7.4 trillion in global consumer spend. Through cloud-based platforms, advanced analytics and AI-driven insights, NIQ delivers The Full View™—helping brands and retailers understand what consumers buy, why they buy it, and what to do next.

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