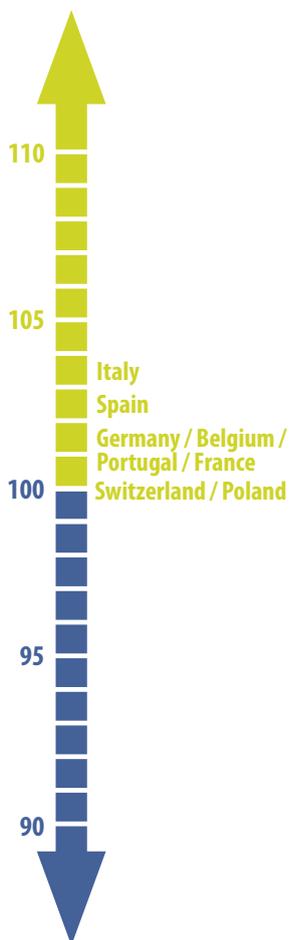


The Eurelia «Barometer» survey

The 8-month cumulative total for 2014 shows a slight improvement in all markets combined with increasingly visible signs of maturity



The barometer survey reveals performance figures which all fall within a tight band (i.e. between 0% and +3%) for the 8 countries observed.

The key highlight is the recovery of sales in Spain, in an improving economic situation (with the stop in rising unemployment, a record year for tourism, the end of the economic stability plan and a slight recovery in domestic consumption, etc.), but one which is nevertheless fragile (due to a lack of bank liquidity, struggling exports, no improvement where creation of new employment contracts is concerned, etc.)

Another noteworthy factor is to be found in Italy, where the cumulative total reaches +3%. Although it should not be forgotten that this is based on effective marketing measures used by the distributors, it can perhaps be seen as a positive sign that after a difficult year in 2013 the country has avoided finding itself faced with the «Spanish scenario» involving a fall in sales.

Generally, the other six markets have continued to maintain.

To conclude, what is particularly enlightened when observing these cumulative figures for the eight markets observed is the increasing visibility of signs of maturity. The first came with the arrival of mall bankruptcies, which after hitting the USA went on to become a reality in Europe.

The second is the fierce battle in the «mass-market ready-to-wear» sector, where the thunderous entry of the most recent new comer in the market (Primark) suddenly appears to have shattered the relative equilibrium which had set in among numerous players, faced with shrinking market shares.

> [Methodological note](#)

The Eurelia «Barometer» survey includes turnover trends for 90 member store chains, with a comparable perimeter, comparing the year in question with the previous year. According to the level of maturity of the retail structure for the countries involved, between 12 and 30+ leading sale sites (streets, shopping centres, etc.) were included in the Barometer survey for each country. The performance data of these sites is collected each month, analysed and accompanied by comments from members.

The Eurelia Barometer will be published twice a year.

Founded more than 20 years ago by Michel Pazoumian (CEO of Eurelia) and Emmanuel de Labarre (Managing Director of Procos), Eurelia is a unique support structure where retail chains can be provided with data exchange and strategic advice to set up an international strategy on 20 countries+ (Italy, Poland, Belgium, Spain, Portugal ...). In 2014, our memberships includes 90 retail chains that are expanding internationally and over 25,000 stores worldwide.

Press contact : Eurelia
31, rue du 4 septembre - 75002 Paris - France
Tel.: +33 1 44 88 56 90 - Fax.: +33 1 40 13 76 44 e-mail : europe@eurelia.com
www.eurelia.com

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Italy	103	After a difficult year in 2013, the signs in 2014 are rather more optimistic, including the summer with its three months of positive figures (+2% each). This figure should not lead us to forget other realities however. Firstly, some of the growth in sales in 2014 is based on promotions rather than a renewed purchasing power for consumers. Next, performance varies significantly from one sector to another, with the «mass-market» textile sector facing a particularly fragile situation in 2014 (even for local actors) due to intense competition. Finally, the situation also varies from one region to another: Milan is faring well (is it enjoying a «pre-Expo» bounce?) while some others deal with tougher times (Rome, Mestre, etc.).
Spain ⁽¹⁾	102	After having hit rock bottom, Spain is clearly showing signs of recovery since late 2013. The economic crisis has been a devastating one, sweeping away (the weakest) store chains, hypermarkets and shopping centres. Other bankruptcies are expected for 2015 as a result of a retail environment which became excessively dense during the years when the economy "overheated". The period therefore remains a tense one, with reduced salaries favouring the rise of discount/low price concept stores and a depressed banking system. The general trends during this convalescence period are as a result towards rationalisation and attention to concepts/formats.
Germany	101	As often the case in this country, the cumulative total manages to ending up with a slight positive after having passed «zigzag» periods, as the case in summer with a good August (+5%) after two lacklustre months of June and July at 0% and -1%. But globally, the market seems to be experiencing a slowdown. The sharp rise in Internet sales proves as challenging for «bricks and mortar» stores, in addition to a relative stagnation of wages, which is probably not encouraging customers to spend more.
Belgium	101	The Belgium summer sales operations were far less successful than in 2013, with July at +3% (compared to +14% in 2013). Consequently, the 8-month cumulative total loses one point compared to the previous 5-month one (+2%). As a matter of fact, apart from the good month of January (+8%) it cannot be denied that the country has not seen a decent upturn since.
Portugal ⁽¹⁾	101	The cumulative total is slightly up, spurred on by a mall footfall similar to 2013 (and better than 2012). The trend in 2014 seems nonetheless to be slowing, under a context of an economy which is recovering favourably (i.e. rectified budget 2014 with no tax increases; slight fall in unemployment) but slowly.
France ⁽²⁾	101	Though getting off to a bad start in July (-1.1%), the summer season recovered in August (+2.2%) with the upturn benefiting the outskirts more than the city centres.
Switzerland	100	After ending the year 2013 at 0%, the country has not developed a clear, positive trend in 2014. Geneva is still suffering from shopper migration in its cross-border areas, and sales in medium/small-sized towns appear more dynamic than in the other two main cities (Lausanne and Zurich).
Poland ⁽³⁾	100	Despite a decline (a double-digit one in some cases) in mall footfall in 2014, sales are holding up thanks to promotions. Competition is more especially intense in the «mass-market» ready-to-wear sector where almost all of the major European groups are present, in addition to powerful local operators (LPP RESERVED, etc.); other retail sectors with less competition are enjoying better trends even growth. The high volume of project in the major cities (Warsaw, Wroclaw, Cracow...) as well as in the regions raises the issue of possible shopping mall bankruptcies in 2015 since most towns are now fully equipped; at the same time the rise in «prime» rents is also changing the business model, leading the top sites to become image-enhancing showcases rather than real sources of margin for the retail networks.

⁽¹⁾ Analysed in partnership with the Retail & Trade Marketing agency of Barcelona, the co-founder with Eurelia of the Eurelia Spain/Portugal - Retail & Trade Marketing retailers' federation

⁽²⁾ Source panel Procos

⁽³⁾ In local currency (zloty)