







## Focus on the activity of European factory outlet centres during the first half-year 2008

### Methodology of the inquiry:

An economic inquiry was realized with the directions of factory outlet centres in Europe in July 2008. On 160 equipments listed in Europe, the Observatory collected the balance sheet of activity of 25 centres for the first half of the year 2008. These last ones represent 452.000 m<sup>2</sup> of sales area and 1/5 of the total commercial floor dedicated to this distribution method in Europe.

	Balance sheet first half-year 2008			Forecasts second half-year 2008		
						
<b>Evolution of turnover</b>	71 %	25 %	4 %	77 %	14 %	9 %
<b>Evolution of frequenting</b>	53 %	33 %	14 %	/	/	/

### To remember :

- For the fourth consecutive half-year, European factory outlet centres questioned show an **increase of their turnover**: they are more than 70 % at the first half-year 2008. **This tendency** seems to set up **durably** since more than three quarters of centres count on a new **increase of their turnover** for the next half-year.
- The **frequenting** registered a **positive evolution** over the first half-year 2008.
- In Europe, the **average marketed surface level** of factory outlet centres questioned is particularly high: **98,5 %**.

## European factory outlet centres take advantage of the bad economic climate

During the first half-year 2008, **french factory outlet centres** questioned registered **average results**, with a stability of their turnover and of their frequenting. Concerning their turnover, this one shouldn't suffer any evolution during the next 6 months. In spite of these results, managers of french centres seem yet to be content with the **current economic situation** that they qualified as **good**. Maybe they more dreaded the period which has just elapsed. Finally, the ratio employment / m<sup>2</sup> is sharply lower in France (1 employee for 62 sqm) than those the other studied geographical zones, the Southern Europe and the CEEC, which show a relatively similar coefficient (respectively 1 employee for 28 and 21 sqm).

### France

Marketed surface rate	97,8 %
Average yearly turnover per sqm of sales area	3 200 €
Evolution of turnover at first half-year 2008	
Outlook of turnover at second half-year 2008	
Evolution of frequenting at first half-year 2008	
Average basket at first half-year 2008	120 €
Jobs per sqm of sales area	1 for 62 m <sup>2</sup>
Current economic situation	Good

#### Verbatim :

*« There is manifestly a forward purchase on factory outlet centres. The price being the first purchase criteria, followed by the brand bonding (last Ipsos survey) »*

*« The economic situation is difficult for the commerce as a whole, and customers look more and more for little prices (this criteria becomes a priority). The outlet is considered as an answer to the drop of purchasing power »*

Outside of France, **the other European outlet centres** questioned **have the wind in their sails, following the example of those located in CEEC and in Southern Europe**. Indeed, these one all show an upward turnover at the first half-year 2008 and count on a new increase for the next 6 months. Given their remarkable performance, directors of these centres consider the **current economic situation** as **very good**.

### CEEC (Poland, Czech Republic, Hungary)

Marketed surface rate	98,5 %
Evolution of turnover at first half-year 2008	↑
Outlook of turnover at second half-year 2008	↑
Evolution of frequenting at first half-year 2008	↑
Jobs per sqm of sales area	1 for 21 m <sup>2</sup>
Current economic situation	Very good

#### Verbatim :

« The polish market progressively comes to maturity with regard to the concept : there is a stronger sudden awareness with regard to the the brands awareness which spreads through the whole country »

« Customers appreciate the possibility of getting good brand with price discounts »

### Southern Europe

Marketed surface rate	98,8 %
Average basket at first half-year 2008	160 €
Average yearly turnover per sqm of sales area	5 800 €
Evolution of turnover at first half-year 2008	↑
Outlook of turnover at second half-year 2008	↑
Evolution of frequenting at first half-year 2008	↑
Jobs per sqm of sales area	1 for 28 m <sup>2</sup>
Current economic situation	Very good

#### Verbatim :

« Current economic situation in Italy (decreasing purchasing power, rising of petrol cost, inflation) does not seem to be suitable for the traditional retail environment. It can be understood : concepts like the outlets' one are favourable for customers since they sell products belonging to previous seasons at convenient prices with significant reductions on retail prices »

« The economic crisis which happens in Spain (increase of interest rates, inflation recovery) encourage the frequenting of outlets »