



Retail Science from CBRE

# HOW ACTIVE ARE RETAILERS GLOBALLY?

*In this 7th edition we examine the global  
expansion ambitions of retailers based in  
EMEA, the Americas and Asia Pacific.*



This seventh edition of *How Active Are Retailers Globally?* looks at the target markets for over 150 international brands based in the Americas, Asia Pacific and Europe, Middle East and Africa (EMEA).

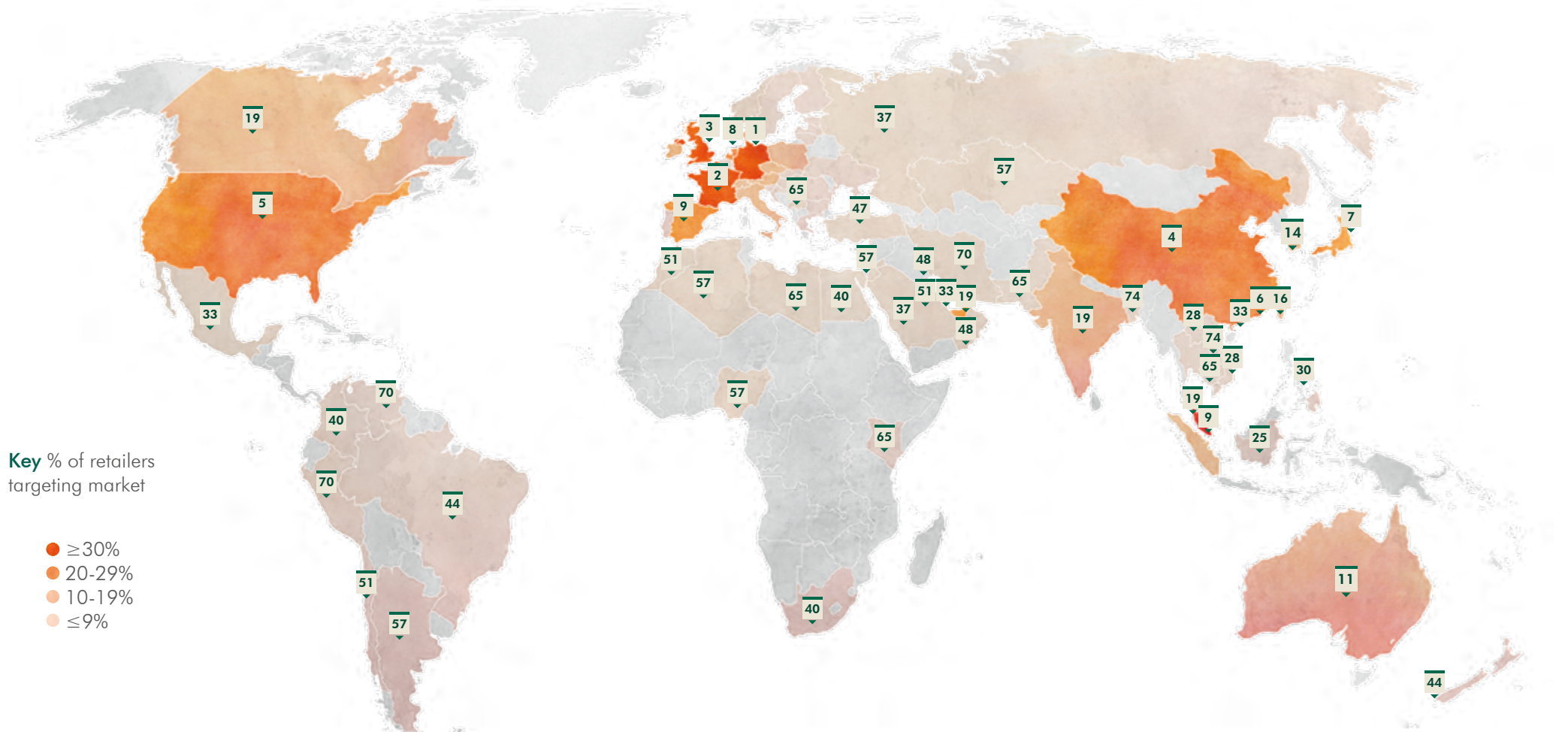
In 2016 we expect to see global economic recovery continue at a steady pace, with modestly improving growth in many mature markets. However, there are potential headwinds on the horizon: interest rising rates in the U.S., a depreciation of the Chinese Yuan and a financial crisis in one or more emerging markets.

*83% of brands suggest their physical store expansion plans will not be affected by the growth in e-commerce in 2016.*

Within this setting, albeit cautiously, retailers continue to expand their physical store networks despite the ongoing challenges of increasing costs, unsteady economies in some markets and the challenges and opportunities that come with technology.

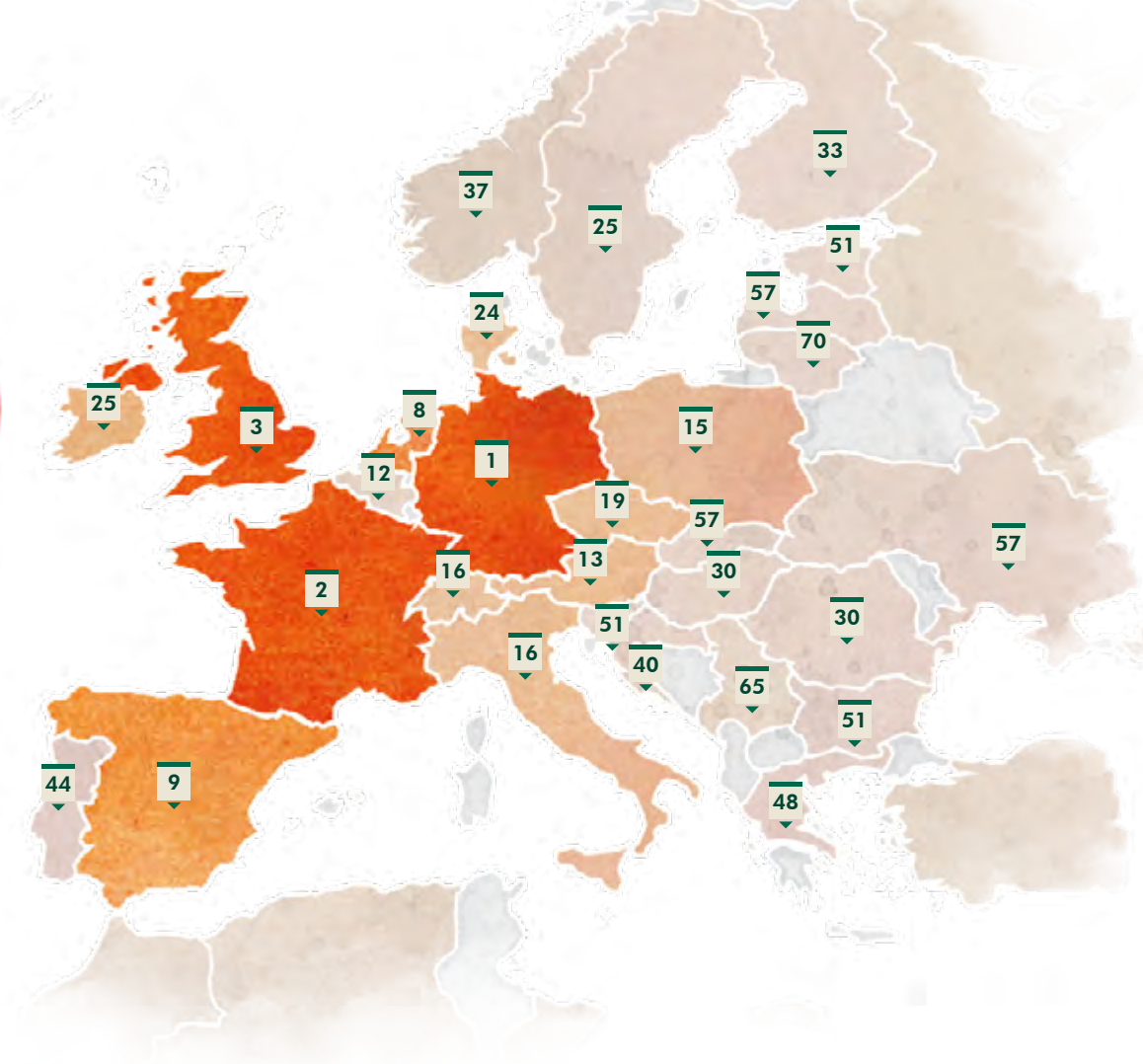


# TOP TARGET MARKETS GLOBALLY FOR 2016



1	Germany	35%	11	Australia	19%	19	India	10%	30	Philippines	8%
2	France	33%	12	Belgium	16%	19	Malaysia	10%	30	Romania	8%
3	United Kingdom	29%	13	Austria	15%	19	United Arab Emirates	10%	33	Finland	7%
4	China	27%	14	South Korea	14%	24	Denmark	10%	33	Macau	7%
5	United States	25%	15	Poland	12%	25	Indonesia	9%	33	Mexico	7%
6	Hong Kong	24%	16	Italy	11%	25	Ireland	9%	33	Qatar	7%
7	Japan	22%	16	Switzerland	11%	25	Sweden	9%	37	Russia	7%
8	Netherlands	22%	16	Taiwan	11%	28	Thailand	8%	37	Norway	7%
9	Spain	21%	19	Canada	10%	28	Vietnam	8%	37	Saudi Arabia	7%
9	Singapore	21%	19	Czech Republic	10%	30	Hungary	8%	40	Colombia	6%

*Core Western Europe still at the top of retailers' agenda in 2016*



Retailers are targeting a wide and diverse range of markets in 2016, with core Western Europe at the top of the agenda.

Despite worries about the Chinese and U.S. economies, retailers still see potential in these markets and are looking to make inroads there in the coming year.

Brands are also looking further afield this year to try and gain market share, with markets such as Colombia, Egypt and the Philippines being targeted.

40	Croatia	6%
40	Egypt	6%
40	South Africa	6%
44	Brazil	5%
44	New Zealand	5%
44	Portugal	5%
47	Turkey	5%
48	Greece	4%
48	Kuwait	4%
48	Oman	4%

51	Bahrain	3%
51	Bulgaria	3%
51	Chile	3%
51	Estonia	3%
51	Morocco	3%
51	Slovenia	3%
57	Algeria	3%
57	Argentina	3%
57	Israel	3%
57	Kazakhstan	3%

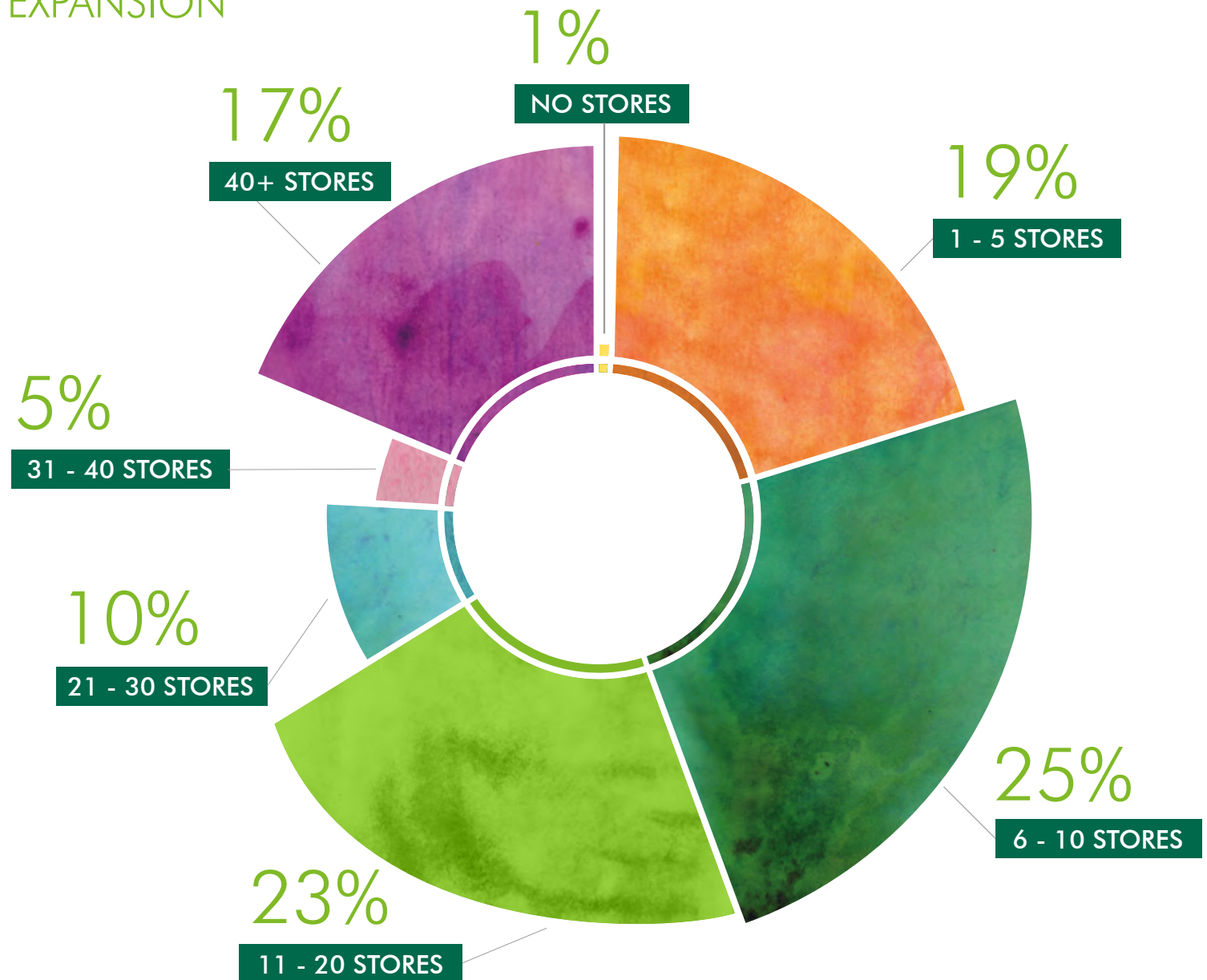
57	Latvia	3%
57	Nigeria	3%
57	Slovakia	3%
57	Ukraine	3%
65	Cambodia	2%
65	Kenya	2%
65	Libya	2%
65	Pakistan	2%
65	Serbia	2%
70	Iran	1%

70	Lithuania	1%
70	Peru	1%
70	Venezuela	1%
74	Bangladesh	1%
74	Laos	1%

## WHAT ARE RETAILERS' EXPANSION AMBITIONS IN 2016?

Cautiously optimistic seems to be the trend, with the vast majority of retailers (67%) looking to open no more than 20 stores this year.

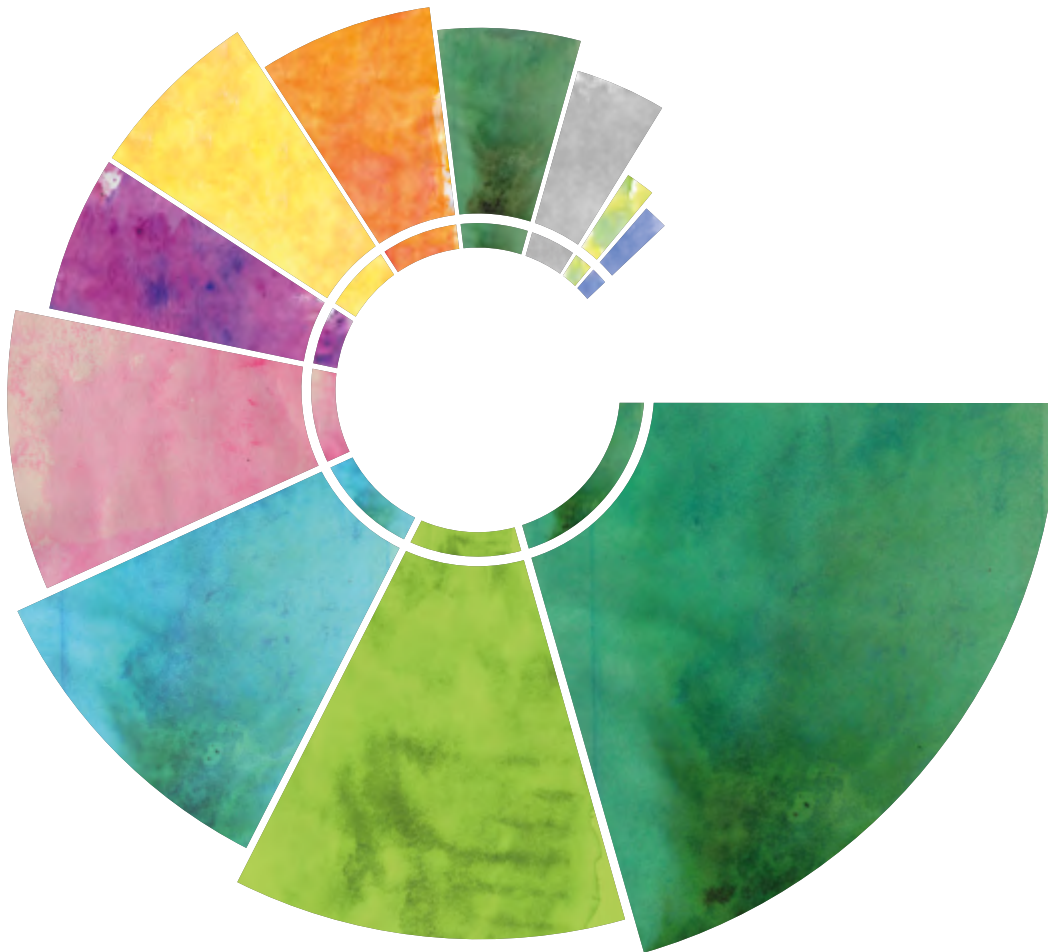
However, 17% have large scale ambitions, with more than 40 stores on the radar for 2016. Largely this tends to be driven by North American or European brands.





# WHAT ARE RETAILERS MOST CONCERNED ABOUT IN 2016?

The two biggest risk factors for brands in 2016 are escalating costs of occupation and operation and unclear economic prospects. Lack of quality space was also significant especially for F&B retailers. Brands from Asia Pacific were particularly concerned about changes in consumer behaviour.



56%  
REAL ESTATE COST  
ESCALATION

42%  
UNCLEAR ECONOMIC  
PROSPECTS

37%  
LACK OF QUALITY  
RETAIL SPACE

31%  
CHANGES IN  
CONSUMER  
BEHAVIOUR

24%  
CURRENCY  
FLUCTUATIONS

22%  
COMPETITION FROM  
NEW MARKET PLAYERS

22%  
STIFF COMPETITION  
FROM ONLINE  
RETAILING

17%  
LABOUR/ SKILL  
SHORTAGES

13%  
LACK OF RELIABLE  
PARTNERS IN MARKETS

5%  
REGULATION OR  
LEGISLATION CHANGES

4%  
INSUFFICIENT  
LOGISTICS NETWORK

*Only 22% of the  
brands are concerned  
about stiff competition  
from online retailing as  
a threat to the market  
in 2016*

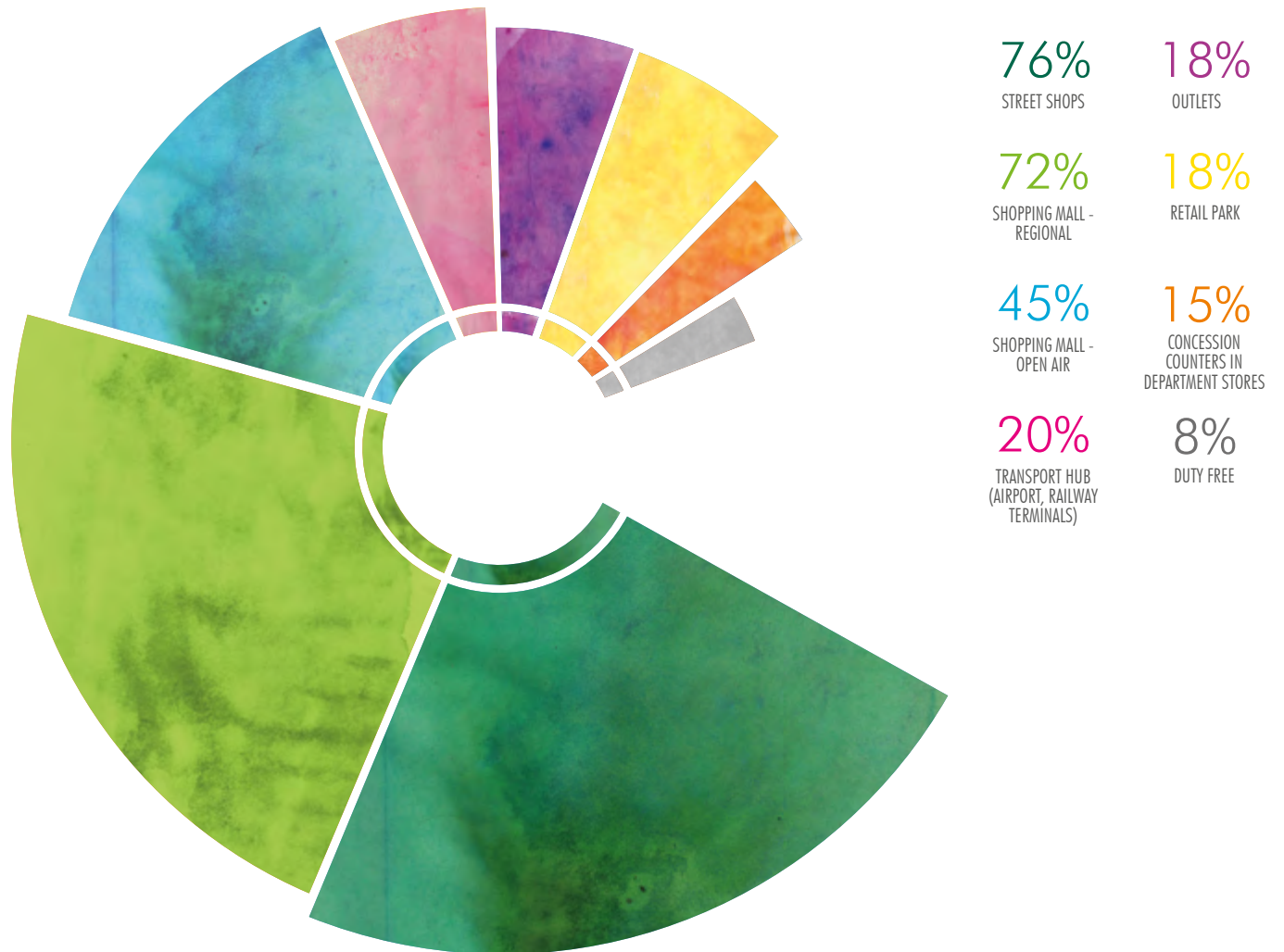
## WHAT ARE THE MOST POPULAR FORMATS FOR EXPANSION IN 2016?

Street shops and shopping malls are unsurprisingly the most common formats for expansion. Interestingly, travel hubs are also being targeted by a fifth of brands from the Americas and EMEA as an emerging format.

83% of brands felt that the growth in online would not directly impact their need for physical stores in 2016, although the most commonly quoted reason for those who suggested it was changes in consumer behaviour.

A small proportion of retailers also felt that they would be able to generate the same level of sales from fewer stores or that their online capability was such that they needed fewer physical stores.

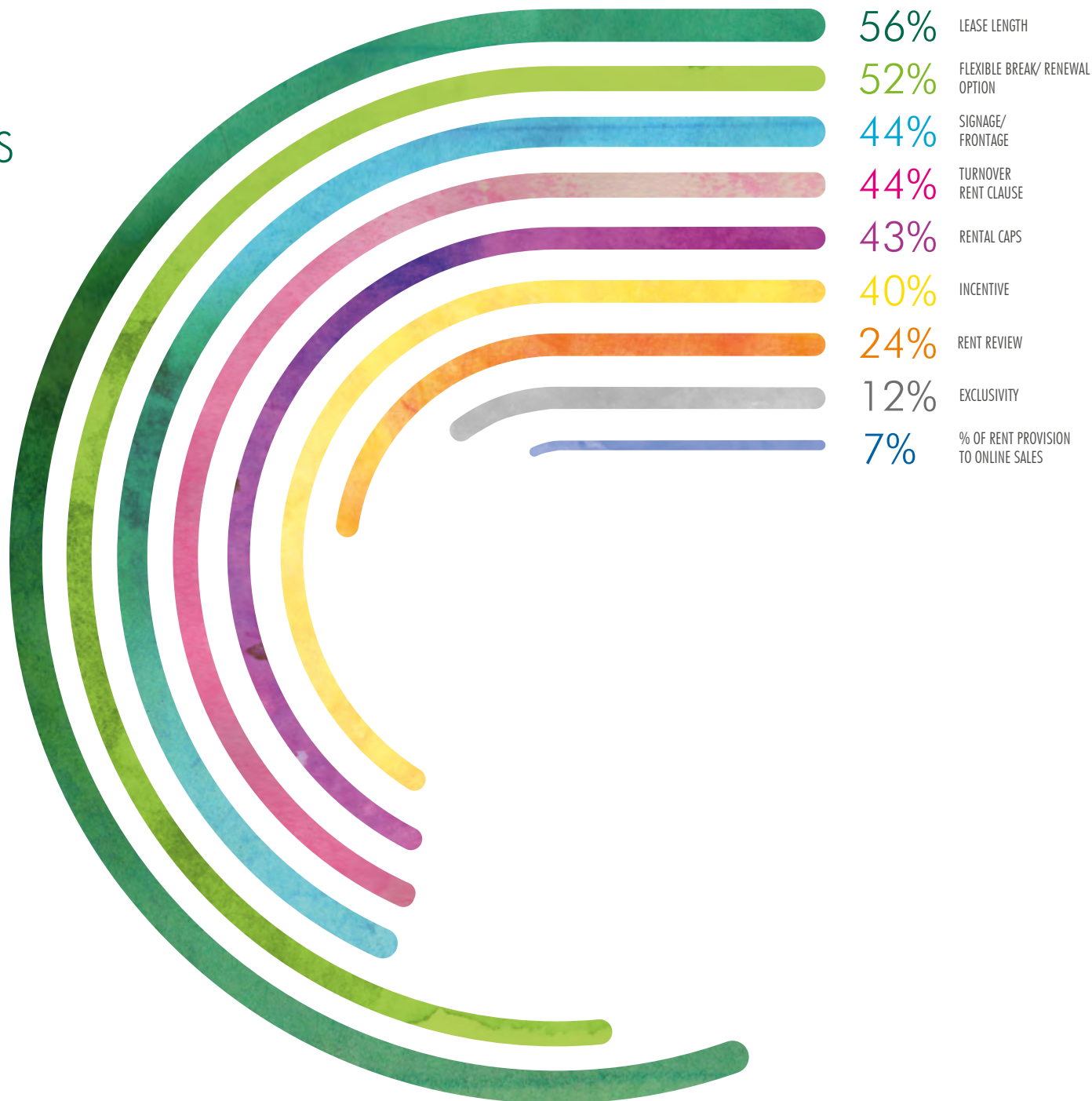
*83% of brands suggest their physical store expansion plans will not be affected by the growth in e-commerce in 2016*



## MOST IMPORTANT LEASE CHARACTERISTICS FOR BRANDS

Over half of the brands surveyed felt that shorter leases and flexible break/renewal options were particularly important characteristics.

Provision of rent to online sales was only important to 7% of brands, turnover rent clauses are key for Asia Pacific brands, whilst American brands consider signage a more relevant issue





# FOR MORE INFORMATION ABOUT THIS REPORT, PLEASE CONTACT:

## GLOBAL RETAIL RESEARCH

**Andrew Phipps**  
Executive Director  
EMEA Research  
t: +44 207 182 2116  
e: andrew.phipps2@cbre.com

**Natasha Patel**  
Associate Director  
EMEA Research  
t: +44 207 182 3166  
e: natasha.patel@cbre.com

**Melina Cordero**  
Director  
Americas Research  
t: +1 202 585 5532  
e: melina.cordero@cbre.com

**Liz Hung**  
Manager  
Asia Pacific Research  
t: +852 2820 6557  
e: liz.hung@cbre.com.hk

## GLOBAL RETAIL OCCUPIER LEADERSHIP

**Anthony Buono**  
Chairman Retail Executive Committee  
t: +1 619 6968302  
e: anthony.buono@cbre.com

**Mark Burlton**  
EMEA  
t: +44 20 7182 220  
e: mark.burlton@cbre.com

**David Close**  
EMEA  
t: +44 20 7182 2272  
e: david.close@cbre.com

**Brandon Famous**  
The Americas  
t: +1 2 215 279 9780  
e: brandon.famous@cbre.com

**Tim Starling**  
Pacific  
t: +61 2 9333 3382  
e: tim.starling@cbre.com.au

**Joel Stephen**  
Asia  
t: +852 2820 2803  
e: joel.stephen@cbre.com.hk

## GLOBAL RESEARCH LEADERSHIP

**Nick Axford, Ph.D**  
Global Head of Research  
t: +44 207 182 2876  
e: nick.axford@cbre.com

**Richard Barkham Ph.D**  
Global Chief Economist  
t: +44 207 182 2665  
e: richard.barkham@cbre.com

**Neil Blake, Ph.D**  
Head of Research, EMEA  
t: +44 207 182 2133  
e: neil.blake@cbre.com

**Henry Chin, Ph.D**  
Head of Research, Asia Pacific  
t: +852 2820 8160  
e: henry.chin@cbre.com.hk

**Spencer Levy**  
Head of Research, Americas  
t: +1 617 9125236  
e: spencer.levy@cbre.com

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# What is Retail Science?

At the heart of the retail environment,  
lies the intersection of data and the consumer experience.

Where information and analytics come together to reveal market trends.  
Where a deep understanding of consumer behaviour  
informs the physical experience.  
Where ideas become actions that directly impact business success.

At CBRE, we are passionate retail experts.

We know how to leverage this powerful combination  
of data and consumer insight, unifying and mobilising  
them into outcomes that build true business advantage.

We call this **Retail Science**.



