

Geomarketing



GfK GeoMarketing Magazine | edition 1-2016

NEW

Automotive

The shortest route to the target group page 4

Healthcare

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Consumer goods

Successful location concepts page 12

ALWAYS AT THE
RIGHT PLACE

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Dear reader,

All industries must confront the challenge of bringing their products and services to the intended target groups, whether those be end consumers or retail partners.

This new edition of GfK GeoMarketing Magazine provides inspiration for how you can achieve this in the automotive, healthcare and consumer goods industries.

As always, the magazine is packed with interesting interviews, news and infographics on GfK GeoMarketing's latest studies.

We wish you an inspiring read!
Don't hesitate to contact us if you have any questions.

Your
GfK GeoMarketing team

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NEWS & IMPORTANT DATES

GERMANS' 2016 PURCHASING POWER CLIMBS TWO PERCENT

We forecast a total purchasing power of €1,776.5 bil. for Germany in 2016. This equates to €21,879 per person. However, there are significant regional variations: With €31,850 per person, inhabitants of the district of Starnberg have around 46 percent more purchasing power than the national average. The rural district of Görlitz is in last place with €17,194 per person. The rural district of Oldenburg comes in right at the national average.

More information at www.gfk-geomarketing.com/purchasing_power-2016

FIVE-DIGIT POSTCODES FOR BRAZIL AND MEXICO

Up-to-date maps are available for all of Brazil's administrative regions, including 27 federal states, 137 mesoregions, 558 microregions and 5,570 municipalities. Postal boundaries are available in two levels of detail, which include coverage of the 98 two-digit postcodes and a special layer with coverage of the 3,543 five-digit postcodes in São Paulo and Rio de Janeiro, as well as coverage of the two-digit postcodes in rural regions.

Up-to-date administrative maps offer coverage of Mexico's 32 federal states and 2,457 municipalities. Postcode maps provide coverage of the country's 96 two-digit postcodes, and a special layer offers coverage of more than 3,000 five-digit postcodes in the nation's three largest cities - Mexico City, Guadalajara and Monterrey.

Both country editions feature important topographic information for reinsurance users, including maps of riverways and bodies of water.

More information at www.gfk-geomarketing.com/brazil-mexico

DEMOGRAPHIC DATA

The newly calculated GfK Demographics 2015 gives users up-to-date and highly detailed insights into the socio-demographic profile of the population on a region-by-region basis. The study includes information on family type, age group, income levels and accommodation type. Use the data to identify and locate your target groups and better tailor your sales and marketing endeavors.

More information at www.gfk-geomarketing.com/demographics



THE SHORTEST ROUTE TO THE TARGET GROUP

Unfortunately, untapped potential isn't in plain view on the open road. A geomarketing approach shows manufacturers and retailers how to access hidden regional potential when planning locations and retailer networks or optimizing marketing and sales activities. Interview with Markus Frank, automotive industry expert in GfK's geomarketing solution area.

What are the great challenges in the automotive industry?

The challenges are multifaceted due to the many groups that make up the industry: automobile manufacturers, retailers and suppliers, as well as tire manufacturers and retailers, accessory retailers and many others.

But taking into account just automobile manufacturers and retailers, the greatest challenge is the complexity involved with evaluating locations and their potential in the context of expansion, sales and marketing endeavors. These companies often have little or no idea who comprises their regional and local customers and target groups, the extent of their purchasing power and willingness to spend, or which automobile models they prefer based on their consumer behavior.

How can geomarketing help with these challenges?

We deliver numerous customer-specific insights through our geomarketing consultancy services on retail network optimization, target group analysis and sales territory optimization.

Geomarketing offers automobile retailers an analysis of their own customer data as well as data on potential purchasers broken down by region and location. This reveals gaps in their current market coverage, where demand is especially high and where new sales opportunities can be realized. Particularly valuable are insights on the size of the catchment area of automobile dealerships and how successful these dealerships can be in these areas with respect to their competitors.

For example, a regional analysis of a company's dealerships reveals regional preferences for specific automobile models. Retailers often sell certain models to business customers. Using business data from our partner Bisnode, these retailers can then locate additional potential customers.

Our geomarketing solutions also provide information on the extent of the target group, turnover and purchasing power potential in a given catchment area for a given retailer. For example, we can compare retailers' customer data with our data on regional income levels and socio-demographic profiles to provide more textured insights on regional target groups. This allows us to identify regions for automobile retailers with high concentrations of their target groups. This in turn enables these retailers to better focus their marketing and advertising campaigns in these areas.

Manufacturers can also use this information to more optimally steer their sales based on the existing regional potential for their retailers. Our calculations of regional market potential provide a basis for evaluating the degree of market exploitation and the success of campaigns.

What distinguishes GfK's automotive expertise?

We provide everything from one trusted source: objective industry expertise, detailed data and our proven and continually evolving geomarketing methods.

For market and location analyses, we and our customers use our geomarketing software RegioGraph. And we leverage insights by combining GfK's data on automotive potential with geomarketing data as well as data from Bisnode and other sources.

All of these components inform our automotive expertise and allow us to offer valuable market insights along with clear recommendations for our customers.



QUESTIONS? DON'T HESITATE TO CONTACT ME!

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CHANGING SALES TRENDS IN HEALTHCARE

Doctors, drugstores and retailers are the focus of today's sales divisions in the pharmaceutical industry and healthcare industry more generally. But end consumers promise to play an ever greater role in the future. Geomarketing offers various ways to classify drugstores, doctors and other sales locations in order to put sales divisions in touch with the most promising customers. An article by Nicole Lahr, GfK healthcare industry expert.

Cost pressures faced by healthcare entities, reductions in insurance benefits and increased opportunities to self-diagnose using Internet resources are catalysts for consumers' growing willingness to assume a more proactive part in managing their health. End consumers are playing an ever more important role, especially in markets that don't revolve around severely ill individuals.

This means that manufacturing companies in the healthcare industry must figure out whom they should target with their marketing and sales activities in order to make the best use of their resources. These com-

panies need a basis for determining which customers offer the most turnover potential.

Sales optimization for manufacturers

We offer manufacturers a basis for identifying their highest potential customers within their vast data universe. This approach takes into account doctors, competitors and retailers as well as the regional demand for the product in question.

By linking GfK consumer data and information from various healthcare panels, our geomarketing experts can use a geostatistical model to classify these locations types and

evaluate turnover potential in the corresponding catchment areas.

As part of this process, we take into account location factors, retail surroundings and the product-specific demand potential.

This delivers valuable insights to support more informed decisions for heads of sale. For example, this information can help determine the optimal frequency for customer visits as well as the most cost-effective form of customer management, whether inside sales, telesales or alternative sales forms, such as hybrid outside sales.

This gives companies everything they need to focus their sales on the most relevant customers. The insights also help create a fair and balanced sales structure that can be managed not just on the basis of past values such as turnover data, but also on the existing market potential.

Marketing and communications for individual sales locations

The role of drugstores and other "retail locations" in the healthcare market is also changing. Entrepreneurial approaches are

increasingly required to be successful in the industry. This requires knowing one's own target group in the catchment area in order to determine the appropriate marketing and sales activities for individual locations.

It's important to remember that end consumer potential is not equally distributed across the market: Demographic traits, income levels, consumer behavior and consumer lifestyles vary significantly from region to region. Our analysis of the target group distribution in a given catchment area allows drugstores, doctors and healthcare retailers to align their advertising and customer communications with the local potential. This makes it possible to optimize decision processes with respect to advertising, marketing and positioning.



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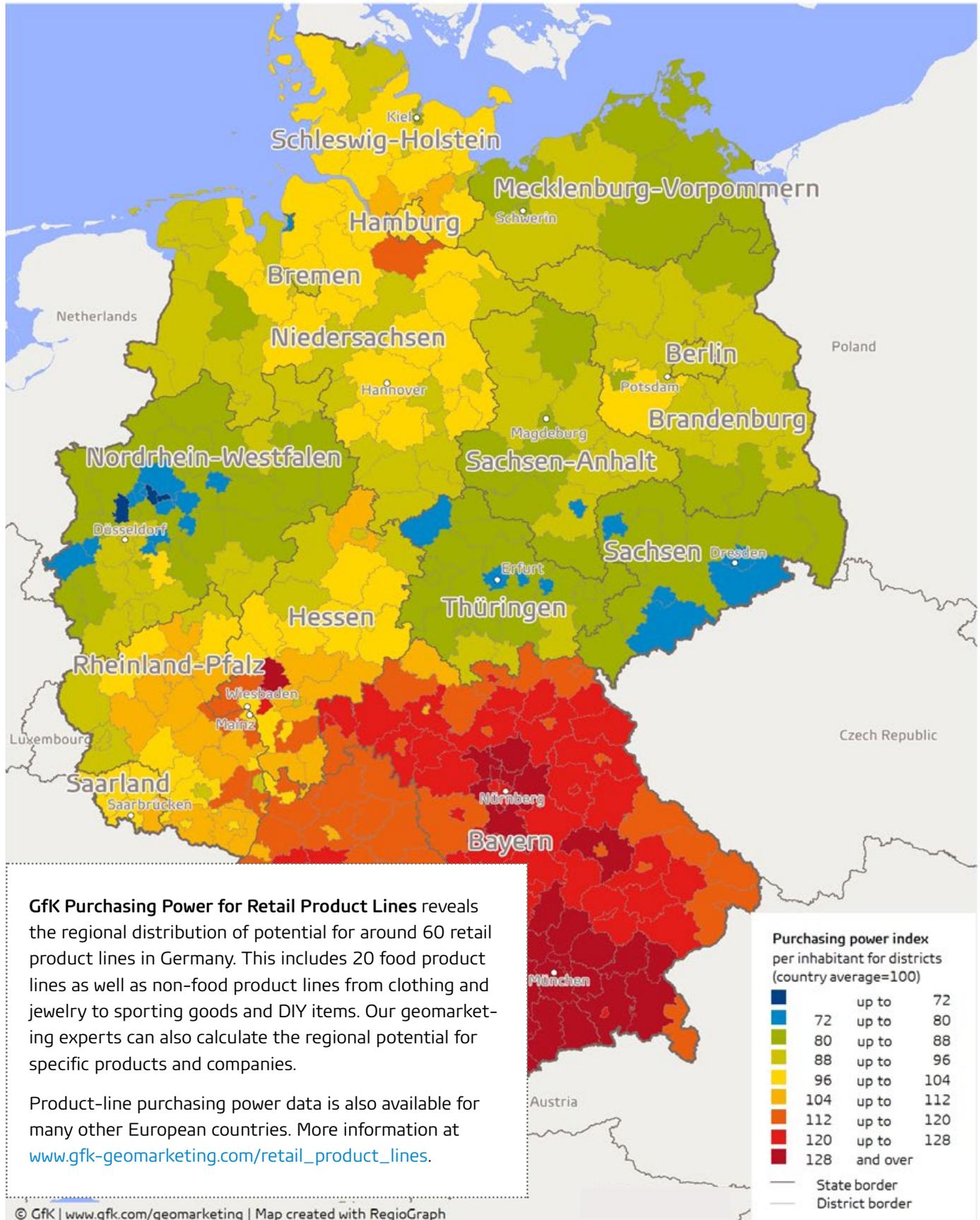
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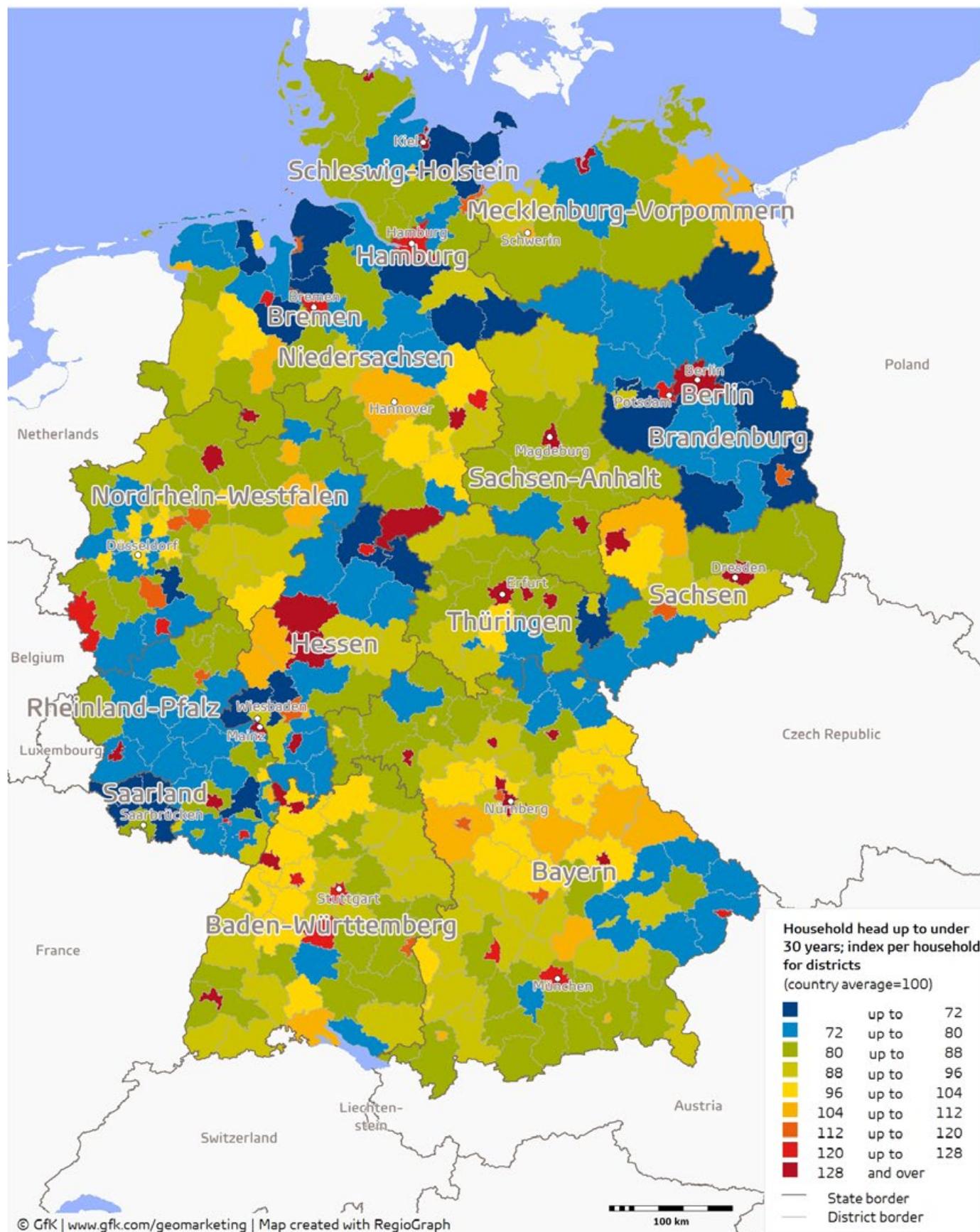
www.gfk-regiograph.com/training

GfK Purchasing Power Germany 2015 for automobile accessories



GfK Demographics Germany 2015

Young households





LOCATING REGIONAL TARGET GROUPS

Successful marketing requires precisely defining target groups and their socio-demographic traits. But this knowledge alone often isn't sufficient when it comes to campaign planning. Dr. Daniel Krüger, geostatistician at GfK, discusses how the "where" questions determine whether advertising will efficiently reach the intended recipients.

Spatial precision is of fundamental importance in marketing: Knowing where the target group is located directly impacts the return on investment in media planning, online advertising and direct marketing and placard campaigns.

A detailed regional target group score that illuminates the most promising geographic areas is an ideal basis for planning and evaluating campaigns. Simply put, success depends upon knowing the precise geographic distribution of the target group, and then managing operations accordingly.

We offer custom-tailored geomarketing solutions for identifying relevant target groups and locating them at the granular level: Our data experts can determine the demand potential for numerous product groups. This can be done at very detailed levels such as municipalities and postcodes, or in the case of Germany, at the level of street segments. This product-specific potential is based on a unique combination of the micro-geographic database Point Plus with information on household purchasing behavior calculated by GfK's consumer panels.

This detailed consumer information is fully anonymized and aggregated. We then calculate potential for all market areas from this data using multivariate geostatistical analyses. This allows us to determine specific regional values for the product line in question and even individual brands or price segments.

However, there are some method-related limitations of the base data from GfK's consumer panels: The data basis is not always sufficient for a detailed market analysis in the case of special niche products with a very limited distribution. In these instances, we can still model potential at a detailed level by integrating customer data. Ideal in this regard is anonymized data on potential or existing customers.

Using this information in conjunction with our micro-geographic database Point Plus, we can create detailed target group profiles consisting of numerous socio-demographic traits.

Once our comprehensive data analysis has identified the actual target group profile, this serves as a basis for identifying additional high-potential regions at the level of street segments. Our customers receive the results in the form of a regional target group score that offers comprehensive coverage of their markets and can be seamlessly integrated into their databases.

This regional target group score then serves as the basis for focusing marketing and media planning on the most promising geographic areas. This ensures the efficient allocation of resources and boosts success thanks to a better alignment with the local target group.

The target group distribution data also improves the planning of media endeavors and the subsequent evaluation of these activities.



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1

Definition of target group in consultation with client basis:

GfK panel data, anonymized customer data and, in some cases, secondary statistics

2

Derivation of market potential

calculation of target group score and demand potential (in some cases also using differentiated profiles)

3

Regionalization of score on detailed levels

(such as postcodes)



SUCCESSFUL LOCATION CONCEPTS FOR CONSUMER GOODS

The market for consumer goods and consumer electronics is very dynamic and hotly contested. Geomarketing helps manufacturers select the best retail partners. This allows these companies to position themselves at the right locations and align their brand with consumer needs and expectations.

Manufacturers of consumer goods face the double challenge of needing to know both their retail partners and their customers, the end consumers.

Which criteria offer an objective and reliable basis for evaluating retailers? How can manufacturers identify promising and sustainable retail locations or partners? How should product lines be regionally structured to align with consumers' preferences and budgets at the place of sale?

At which locations, in which markets and at which location types can new products be

successfully positioned? Where is it worth investing in regional advertising and sales activities?

Manufacturers must answer these and similar questions to navigate the difficult and costly decisions they face. Geomarketing solutions offer a transparent and concrete means of minimizing risk and exploiting the available potential.

We complement our proven geomarketing methodology with our comprehensive data on regional and total market potential. These components are informed by our decades of

industry experience and seamless integration with other GfK solutions and market insights for the consumer goods sector.

An objective on-site evaluation of retail locations and partners is crucial to the success of manufacturers. Our geomarketing solutions allow manufacturers to construct retailer networks consisting of the most attractive retailers and most suitable target group.

Using geostatistical methods, we provide target group and purchasing power potential at a comprehensive level and even for specific brands, product groups and manufacturers. We combine this information with data from our manufacturing clients to analyze existing locations with respect to the existing regional potential. This lets us pinpoint prospective new locations and retailers that meet

the required success parameters. And when clients wish to consolidate, we can quickly and objectively identify candidates for closure.

Geomarketing also allows manufacturers to optimize their outside sales such that visitation frequency is increased for promising regions and retailers. Knowing the regional variations in market potential and suitable target regions also comprises the basis for planning POS campaigns, product launches as well as advertising and media campaigns.

Manufacturers can pursue regionally optimized market strategies by knowing the locations of untapped regional potential associated with both retailers and end consumers.



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GfK RETAIL PARK PERFORMANCE REPORT



This GfK report provides a valuable assessment of Germany's retail park scene, including information on tenant mix, sales area, turnover and refurbishment potential.

Growth from Knowledge

For more information, contact us at +49 40 5701 325 20
or visit www.gfk-geomarketing.com/retail_center_report





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» shop.gfk-geomarketing.de

TAP MORE MARKET POTENTIAL WITH GEODATA

Digital maps of postcodes and municipalities are the basis of geographic analyses. Determine your actual market potential with our regionalized market data, such as the latest **GfK purchasing power studies for 60 countries around the world**. We also offer detailed digital maps that fit seamlessly with our market data.

Growth from Knowledge

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Please recommend us to your contacts and colleagues:

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Find us at

www.linkedin.com/company/gfk.

IMPRESSUM

GfK GeoMarketing Magazine 1-2016

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