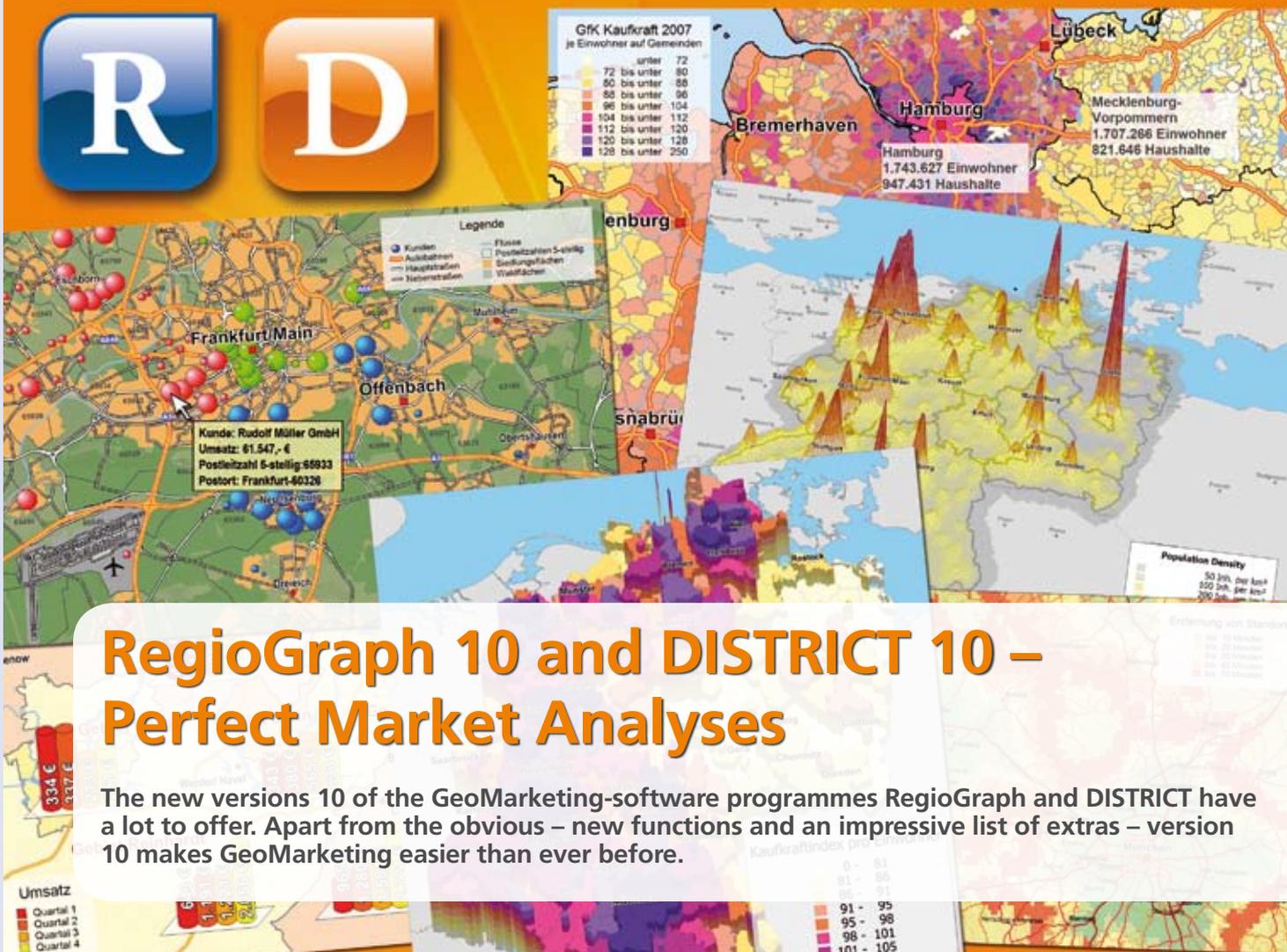


GfK

GfK GeoMarketing

# News

02|2007



## RegioGraph 10 and DISTRICT 10 – Perfect Market Analyses

The new versions 10 of the GeoMarketing-software programmes RegioGraph and DISTRICT have a lot to offer. Apart from the obvious – new functions and an impressive list of extras – version 10 makes GeoMarketing easier than ever before.

### Fairs

Come meet us on June 13 and 14 at the marketing fair "Marketingtage" in Nuremberg and on June 20 and 21 at the "SalesProf"-fair in Mainz.

# Welcome to GfK GeoMarketing News!

Dear Readers,

We knew that our new software RegioGraph and DISTRICT was great, but no one would have guessed just how hugely successful the start of sales would be! In the first few weeks of delivery, we sent out over 2,000 version 10 packages in Germany alone.

The jury of "Initiative Mittelstand", the German panel for small to medium sized businesses, liked the new DISTRICT 10 so much that they gave our software an innovation award in the Business Intelligence Category. What a great confirmation that our geomarketing solutions are true success factors in sales and marketing.

The English-language versions are in the making, so get ready for a new dimension of possibilities in your international marketing and sales activities!

Wolfram Scholz  
Management Board, GfK GeoMarketing



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# What's New at GfK GeoMarketing

## **D** DISTRICT 10 wins the "Initiative Mittelstand" Innovation

The new geomarketing and territory planning software DISTRICT 10 by GfK GeoMarketing won an innovation award from Initiative Mittelstand, a German organization for helping small and medium sized businesses select IT solutions. In the category of Business Intelligence Solutions, DISTRICT 10 came out ahead of numerous competitors with its new territory planning functions, its great user-friendliness and its unique overall scope with maps and market data such as GfK Purchasing Power.



Says Managing Director Wolfram Scholz: "We are very proud of this award. DISTRICT 10 was found to be particularly innovative and value-creating compared to hundreds of other interesting software solutions, not just in the area of GeoMarketing. This demonstrates that for medium-sized companies in particular, DISTRICT 10 is one of the most worthwhile investments they can make to effectively and sustainably increase their company's success!"

## Digital Maps for Germany, Austria and Switzerland Now Available for 2007

The new digital municipal and postal code maps, as well as many additional maps of the German-speaking countries, are now available in their newest official territory versions for 2007. Each year, numerous municipal and postal code boundaries change due to reforms, dissolutions or reallocations. There have been several thousand changes over the past few years in Germany alone. GfK GeoMarketing records all changes and publishes maps with the latest territorial boundaries each year to provide companies with a reliable, precise basis for their analyses and planning activities.

See p. 8 for more information.

## GfK GeoMarketing Headquarter Relocate From Waghäusel to Bruchsal

In early May, GfK GeoMarketing has relocated to new, larger company headquarters in Bruchsal. Bruchsal is located in the Karlsruhe Technology Region and has excellent accessibility via plane, car or train. Our new offices within the modern Siemens Technology Park offer customers, visitors and employees ideal working and business surroundings. Our first software training session for DISTRICT 10 has already taken place in Bruchsal.

### Our new postal and billing address is:

GfK GeoMarketing GmbH  
Werner-von-Siemens-Str. 9  
Gebäude 6508  
76646 Bruchsal  
Germany  
Tel: +49(0) 72 51/92 95 - 100  
Fax: +49(0) 72 51/92 95 - 290

Directions can be found at:

[www.gfk-geomarketing.com/directions](http://www.gfk-geomarketing.com/directions)

## GfK Retail Purchasing Power in Germany 2007

GfK Retail Purchasing Power in Germany, which shows the population's buying potential for retail, is now available on status 2007. The data covers all regional levels, from federal states, districts, municipalities to the postal code level.



Data on sales potential for retail locations, GfK POS Sales Indices, and GfK Purchasing Power for Retail Product Lines (featuring 64 product lines) for 2007 will be out soon.

For more information on GfK market data, please contact Ms. Doris Hardt-Beischl: Tel +49 (0) 72 51 / 92 95-140 or [d.hardt-beischl@gfk-geomarketing.com](mailto:d.hardt-beischl@gfk-geomarketing.com)

## Retail Location Guide Germany 2007

The GfK GeoMarketing Retail Location Guide Germany features catchment areas for more than 600 urban retail centers in Germany and the retail relevant power for each territory. The study shows the differences in market potential for retail and investors with regard to market territories for larger cities and economic centers across Germany.

More information on the study is available from Wilfried Reinhardt: Call +49 (0) 40/ 227 112 -27 or e-mail [w.reinhardt@gfk-geomarketing.com](mailto:w.reinhardt@gfk-geomarketing.com)

## RegioGraph 10 and DISTRICT 10 – Perfect Market Analyses

The new versions 10 of the GeoMarketing-software programmes RegioGraph and DISTRICT have a lot to offer. Apart from the obvious – new functions and an impressive list of extras – version 10 makes GeoMarketing easier than ever before.

“My three favorite features of DISTRICT 10?” Doris Steffen, sales manager at GfK GeoMarketing, starts to rave: “One would be that you can visualize company data such as customer addresses on a map using the Import Wizard and can see the customer distribution immediately. Another feature would be that GfK Purchasing Power is already integrated and you can compare sales revenue directly with potential. Of course, there is also the Analysis Wizard that you can use to automatically find the perfect market analysis methods. Optimizing sales territories based on accessibility. Then there are also the territory reports... Was that already more than three?”

Choosing a favourite feature is indeed not easy, as the choice is plentiful. RegioGraph 10 and DISTRICT 10 simply offer a new dimension in terms of contents and performance. Users are impressed by the quality of the components and the outstanding performance of the software in solving highly complex tasks. Many customers have already gone on to upgrade to Version 10. DISTRICT 10 has also received an award already: the “Initiative Mittelstand” awarded it an innovation prize in the Business Intelligence Category.

### **Quality feature No. 1: All components are top quality and are included in the software without extra charge.**

For instance, version 10 comes with the complete GfK Purchasing Power for all of Germany, Austria and Switzerland. It perfectly matches the digital maps of these countries, which are also included as a standard. These maps and market data would cost over 8,000 euros if purchased separately. Why do we do this? It is GfK GeoMarketing’s philosophy to provide one-source geomarketing services and offer customers ready-to-use solutions.

### **Quality feature No. 2: New and enhanced functions offer the highest standards in flexibility**

Innovation is based on experience and vision. Version 10 combines the options of the previous version with the advantages of the new – Microsoft .NET technology. Many new functions supplement previous ones - for example, the new ABC ranking and trend analysis functions: These can be ideally combined with further developments in ABC analysis and diagram presentation. The new territory report functions in DISTRICT 10 are an ideal supplement to the territory planning functions and expand your presentation options. Also, with format templates and color palettes that can be saved, the options in customizing RegioGraph 10 and DISTRICT 10 have increased. In addition, a sensationally easy data import, a quick format toolbar and bookmarks add to the overall flexibility of RegioGraph 10 and DISTRICT 10.

### **Quality feature No. 3: Maximum user-friendliness despite increased complexity and options**

As a software’s complexity and function range increases, so does the risk of the software becoming too complex or slow. However, not so in RegioGraph 10 and DISTRICT 10. Despite the many new functions, both programs are faster and simpler to use than all previous versions. One example of this are the new Software Wizards that guide users in just a few steps through difficult tasks such as data import, analysis or territory planning. Even without prior knowledge of cartography, it’s easy to select the right type of analysis from among over 100 methods.

Doris Steffen summarizes: “The amount of knowledge that’s contained in RegioGraph 10 and DISTRICT 10 is enormous. But you can make use of the knowledge without understanding the technical background. This makes perfect market analyses easy, even for new users.”

*Read the feature article by Professor Freckmann to learn about the scientific background of the software’s Analysis Wizard.*

# Feature Article: Thematic Cartography in GeoMarketing

Professor Dr. Freckmann (Polytechnic University of Sciences and Technology, Karlsruhe / Germany) explains how the basic rules of thematic cartography help RegioGraph 10 and DISTRICT 10 users to automatically find the right presentation method for their company data.

A map is not just a means of communication that visualizes regional data. It also serves as a reliable and objective base in decision-making processes. The importance of regional data and its presentation on business maps is growing rapidly. Companies are looking for solutions for making the right strategic decisions that come with complex networks between the company, the customer, suppliers and the competition. Affordable and high performance desktop mapping systems, also known as geomarketing software, help support quick visualization of company data.

Since there is often a lack of basic cartographical skills, the result may be maps that do not fully harness the communication potential with target groups. To avoid this, the scientific discipline "thematic cartography" clearly defines which methods of visualization for regional data must be used in order to create a correct map. These fundamental principles can be transferred to the field of geomarketing.

Thematic cartography provides various methods of transforming regional data which can be largely used for geomarketing purposes as well. Software products to create business maps offer libraries, diagrams and color palettes. In thematic cartography, these tools can be used in a system of graphic variables to correctly use size, shape, brightness, patterns, alignment and color. But which variable is the most suitable, and how can it be used correctly to create a good result? Here thematic cartography provides a procedure model that leads to selecting a suitable map type (Figure 1).

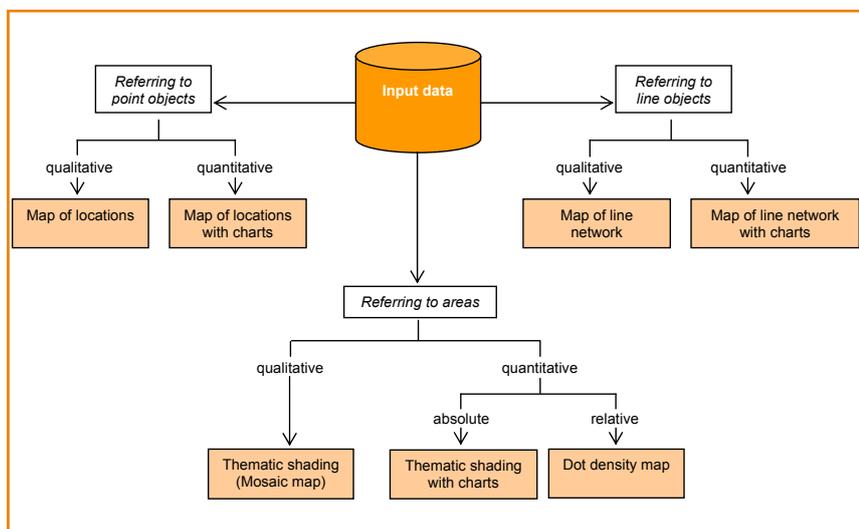
In simple terms, the approach consists of two steps. First, you have to decide what kind of regional information is used. This could be points (e.g. city lo-

*Cartography can be defined as the science and technology of communication of location related information through the use of maps. Thematic cartography is a sub-discipline of cartography. The term "thematic map" was already introduced in the 1930s (Arnberger, 1977). A thematic map is a map that presents a special theme, and which is targeted to a specific purpose and for a specific target group. This definition also applies to business maps.*

cations), lines (e.g. road networks) or areas (e.g. territorial units). In the second step you can decide whether your data are qualitative or quantitative. For quantitative data relating to areas, you must consider that depending on whether the data are absolute or relative values, different map types must be used.

So, how can thematic cartography methods can be made available to geomarketing and map-makers who do not have cartography training? One option is integrating the procedure model via Software wizards to support users in finding the ideal method for analyzing and displaying their data on maps.

GfK GeoMarketing has invented such a software wizard for the new RegioGraph 10 and DISTRICT 10. The following examples illustrate how the wizard works:



Simplified model for creating thematic maps



Abb. 1: Icon analysis

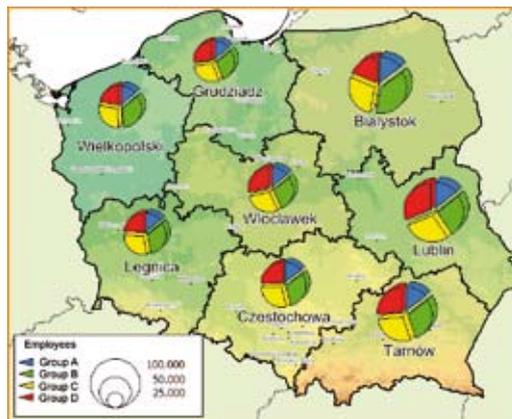


Abb. 2: Chart analysis

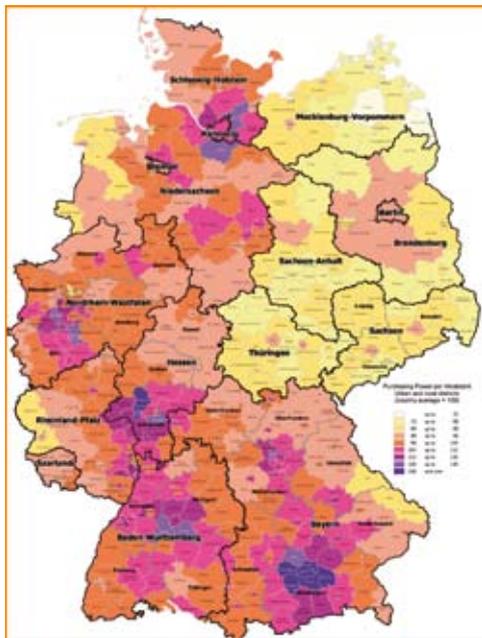


Abb. 3: GfK Purchasing Power Index per inhabitant 2007

1) "Points of interest" are a typical topic to display on a map. The data refer to point objects and the icons used describe qualitative locations, e.g. the location of hotels, restaurants, gas stations etc.

2) Another typical thematic map topic is displaying quantities per area with charts, such as the number of employees at the various locations of a company. You would see charts, e.g. pie charts, that vary in colour or size in accordance to the data of the location they represent. A similar method of analysis would be used if values were based on territorial units such as municipalities or postal code territories. Since these are absolute values, you would use diagrams positioned on areas, i.e. an area diagram map (Figure 2).

3) Yet another case is if there are relative values for an area, such as purchasing power index per inhabitant. Here, you would not use charts as in the case of absolute values, but one or more colors to color the territorial units. The colors on such a value density map would reflect a classification of the data, e.g. by creating categories with assigned colour-shades from dark to light (Figure 3).

4) It is not unusual to use a combination of methods of analysis, e.g. charts and color-coded value density maps (Figure 4), or location and public transport line network maps such as in route planners and navigation systems.

All these examples go to show that business maps are nothing else than thematic maps in a classic cartographical sense, the procedure model of which can also be applied to geomarketing. A suitable map type for visualizing regional company data can be automatically selected with the help of Software Wizards.

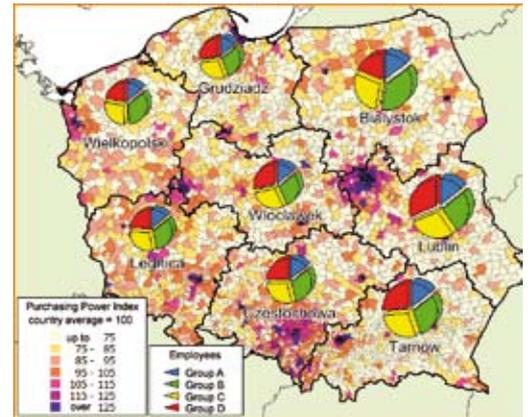


Abb. 4: Combination of charts and color-coded value density map

**Author:** Prof. Dr. Peter Freckmann, Applied University of Sciences and Technology, Karlsruhe, Faculty of Geomatics.

**Teaching Subjects:** Thematic Cartography, Geographic Information Systems and Location-based Services.

**Research:** Location-based Visualization, Map-based Information Systems on the Internet and in Mobile Communication, GIS Technology in Geomarketing

# Need a boost?



## Advanced-Training New Features of RegioGraph and DISTRICT

Are you a user of an older RegioGraph or DISTRICT version? Do you feel you could do with some brushing up? Get to know the new functions of RegioGraph and DISTRICT in only one day in one of our trainings for advanced users!

### Our software training gives you

- many exercises from practice for all kinds of geomarketing sales tasks
- complementary hand-outs including a CD-ROM with all exercises
- good learning environment in small groups (max. 7 participants)

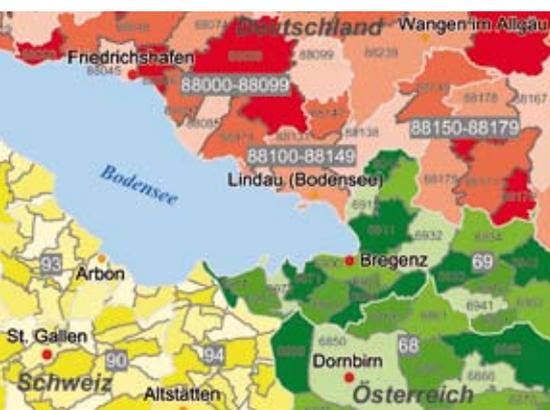
## Stay Up-To-Date With Maps of Germany, Austria and Switzerland 2007

The 2007 map sets of the three countries contain over 100 postal code and municipal maps as well as other administrative and topographical details. The updates for 2007 include all territorial changes and are a perfect match to GfK GeoMarketing's current market data.

Be it dissolutions, name changes, amalgamations, apportionment of city sections or creation of new districts: Over the last few years there has been a lot of activity within administrative districts, municipalities and postal code territories in Germany, Austria and Switzerland. This has resulted in numerous changes in the maps of these three countries which had to be considered during updates for the 2007 editions. These maps with the newest territory boundaries and descriptions are now all available in the 2007 map sets. GfK GeoMarketing publishes updates of the maps for administrative and postal code territories for Germany, Austria and Switzerland each year.

can discover new potential, gaps in the sales network or plan new locations.

The maps for Germany, Austria and Switzerland contain the full national or local descriptions for territories, rivers and cities. Whether a city name or municipal code, you can find all the information on the maps. The maps do not overlap and are fully digitalized without any gaps. This means that sales territory planning can also take place across country borders. Thanks to the vector format, the maps can be infinitely zoomed and printed in any size. This makes them ideal for internal and external presentations on new marketing strategies.



Deutschland, Österreich und die Schweiz 2007

Digital maps serve to visualize or analyze a company's location-related questions. The maps are used as part of geomarketing software solutions or CRM systems. Here, as with the analysis of company or market data or sales territory planning, the maps offer a reliable and precise foundation. However, only the use of current and precise digital maps can ensure that data is imported accurately into your maps. During analysis and planning activities, it is always important to have the latest territory information as your map basis. Basically, the more finely-detailed your territorial

divisions are and the more current the map, the more precise your analysis will be. As a result, GfK GeoMarketing gives quality, completeness and high level of detail top priority when creating maps.

All maps objects are anchored at precise and official geographical coordinates. This allows you to import data into the maps which contain geographical information such as postal codes. Five-digit postal code maps, for example, can be used for an analysis of company data that is city-related. Once the data has been imported to the map, you can perform various analyses and evaluations – from displaying customer locations on the map, to ABC analyses based on sales revenues. You can also compare a territory's sales potential, i.e. Purchasing Power, with the region's actual performance. This way, companies

*The new 2007 maps sets of Germany, Austria and Switzerland are available from GfK GeoMarketing in common GIS formats Shape (ESRI), .tab (MapInfo) and RegioGraph (maps in RegioGraph format also contain GfK Purchasing Power).*

*For more information or matching purchasing power data, please contact Friedlind Dürr:*

*Tel +49 (0)7251 / 9295 - 230 or e-mail [f.duerr@gfk-geomarketing.com](mailto:f.duerr@gfk-geomarketing.com)*

### Maps included:

- TeleAtlas roads, Level 0-5 (only in RegioGraph format)
- Government health insurance regions, Chamber of Trade and Commerce (IHK) districts
- Nielsen territories

### Special maps available:

- IMS territories
- Xponent structure
- AVON
- Grosso



# GfK GeoMarketing – The Institute for Location and Real Estate Research in Europe

## Internationally recognized GfK PRISMA Expert Reports

- Market and Location Analyses
- Concepts for Real Estate Use
- Due Diligence & Portfolio Analyses
- Store Network Planning and Optimization
- Feasibility Studies
- Municipal Consulting

# Light on European Markets – Identifying Potential with GfK Purchasing Power

Your company is planning to expand in a European country, but you aren't sure where to find your customers? Purchasing Power figures for all of Europe can help you to realistically estimate sales potential or establish sales structures in your target country.

Your company is planning to expand in a European country, but you aren't sure where to find your customers? Purchasing Power figures for all of Europe can help you to realistically estimate sales potential or establish sales structures in your target country.

With around 493 million consumers, the EU is on its way to becoming one of the world's largest economic regions. Since the entry of many Central and Eastern European countries, companies have recognized even more sales opportunities. Many companies see their future not just in their own country, but in foreign sales markets in Europe. But entering new markets also comes with a certain risk. As a result, expansion and investment decisions should always be based on solid information about market conditions and existing potential in the respective target country and its regions.

GfK Purchasing Power is an important basis in decision-making for companies who sell directly or indirectly to consumers. GfK Purchasing Power now has been updated for the whole of Europe. It is available for 39 European countries including Turkey all the way to the smallest territorial level – such as municipalities and postal codes. GfK Purchasing Power identifies the disposable income of all private households within a country. GfK Purchasing Power measures the total of all income, e.g. the entire consumer potential of the population living within a region. This income is used by private households partly for consumer purposes (travel, retail spending), partly for rent, saving and old age savings.



In general, Europe is a rich continent, yet among individual countries there are great differences with regard to purchasing power. The average purchasing power in European countries is around 14,000 euros per capita. The region surrounding a country's capital has above-average values on the whole, yet the capital region is not always the strongest area in terms of purchasing power. Examples of this are Germany and Italy, where other financial centers have been established.

Many countries with a below-average purchasing power – e.g. Poland with 3,500 euros per person per year – have much higher growth rates and higher retail sales than countries with strong purchasing power, and therefore are quickly moving in the direction of Western levels.

In comparing GfK Purchasing Power among European countries, living expenses must also be taken into account, as they influence the actual consumer potential available for retail considerably. With 26,600 euros per inhabitant per year, the Swiss have the highest purchasing power, yet for people living in Bulgaria – who

have 1,700 euros per person – living expenses are much lower. The Czechs may have only 4,300 euros for purchases compared to 18,000 euros for Germans, but the costs for their food or rent is considerably lower.

If these differences are considered, then companies who export may profit considerably from GfK Purchasing Power as an instrument in sales planning. The higher the purchasing power of a population, the better the chances for sales and exports are. Reversely, regions with low purchasing power are affordable production locations due to low wages.

GfK Purchasing Power for Europe can be used in many company areas. For example, it can be used for market and potential analysis, for sales territory planning, controlling or advertising planning. GfK Purchasing Power can also be used to determine ideal locations and sales territory structure across Europe. GfK GeoMarketing provides companies with current GfK Purchasing Power data for 39 European countries. This allows companies to perform cross-border sales territory planning or compare market potential across all of Europe.

*Do you have questions about GfK Purchasing Power for Europe? Please contact Doris Hardt-Beischl.*

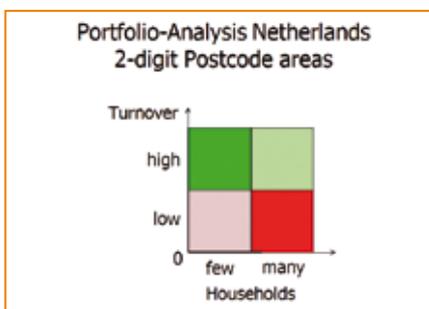
*Tel: +49 (0) 72 51 / 92 95-140 or e-mail [d.hardt-beischl@gfk-geomarketing.com](mailto:d.hardt-beischl@gfk-geomarketing.com)*

# Uncover Market Potential With the Portfolio Analysis

For presenting company data objectively, the portfolio analysis plays an important role in many company reporting activities. Using RegioGraph and DISTRICT, you can easily add this analysis method to your maps. Here we show you how.

## Portfolio Analysis – What is it?

Basic portfolio analyses compare a company's actual sales with a company's market potential. A two-axis coordination system is used to present values. To make interpretation easier, the coordination system is divided further into 4, 9 or 16 sectors (see Figure). Now you have an **analysis matrix**. This type of analysis is therefore also known as "Matrix Analysis".



### Follow these steps:

#### Step 1:

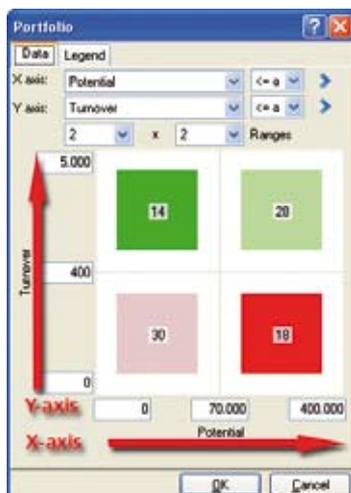
Make sure that you have 2 columns with numerical information in your layer table. These are the columns you want to compare. For example, you can use current sales data and a potential value such as purchasing power or industrial density. This layer should appear on the current worksheet and be the active layer.

#### Step 2:

From the **Analyses** menu, select the option **Portfolio....** You can also choose the option **Icon portfolio ....** Here instead of a thematic shading, you will see the result in the form of icons.

#### Step 3:

In the dialogue box that opens, you can make the settings you require. The color field which appears standardly as a 4-field matrix, symbolizes a coordinate system for which you can set the range of values.



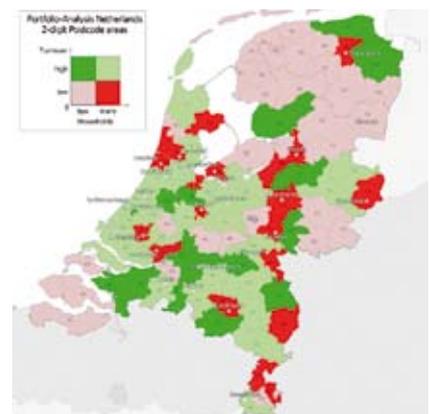
- For the **X-axis** (horizontal) select one of two data columns, e.g. the potential.
- For the **Y-axis** (vertical), add the second column's variables, e.g. your current sales.
- To the left and below the color field, set the **range of values** for the x and y axis. Important here is the middle value, which sets the threshold value – e.g. the value starting at which a postal code territory will fall into the "high" or "low" category (sales or potential)
- Finally you can set the **colors** by clicking

on the matrix fields.

To apply the analysis on your worksheet, click **OK**.

### It's even easier using the Analysis Wizard:

- In the **Analyses** menu, click on **Analysis Wizard**.
- Set the layer you want to work on, here e. g. "5-digit postal codes". ➤ Click **Next**.
- Select the option: "I want to use several columns simultaneously". ➤ Click **Continue**.
- When selecting the columns, you will determine the two values you want to compare (here: "Sales" and "Potential Customers") ➤ Click **Next**.
- Finally, set the presentation method to "Portfolio" and click **Finish**.



## HERMES Pharmaceuticals: A Successful Sales Territory Makeover With DISTRICT

Creating a new sales structure in just eight weeks is quite a benchmark. HERMES was able to implement a successful new sales territory structure in that time span with the help of the territory planning software DISTRICT and targeted software training in advance.



HERMES Pharmaceuticals – one of the leading providers and manufacturers of high-quality products for self-medication in Germany – stands for expertise through top technology and tradition. This year the company will be celebrating its 100th anniversary.

A complete territory makeover had become necessary due to restructuring plans for our outside sales force. The task was clear: The new structure was to achieve optimal use of existing resources and efficiently sell the products. The timeframe for implementation was tight, however: The new sales territory structured had to be defined, planned, coordinated and implemented within just 8 weeks!

For this major and urgent project, we used DISTRICT, the territory planning software from GfK GeoMarketing. In a 2-day DISTRICT training session before starting our work, our team was trained in the program's key functions in a very efficient, concentrated and thoroughly expert manner. The well-selected examples from practice helped us in quickly anchoring our knowledge.

As a result, the territory planning process went extremely smoothly and quickly. Prior to the restructuring, we set the goal that sales potential and workloads within our sales representatives' territories should be distributed equally. The sales potential of each of our customers was assessed. Finally, they were classified as ABC customers, and from this we derived how frequently each customer should be visited.



Now it was clear how much time or "workload" should be invested in each customer. This allowed us to balance the entire workload evenly among sales territories and sales staff.

Developing our new territory structure with the help of DISTRICT's territory planning functions always provided us with maximum objectivity, transparency and planning control.

GfK GeoMarketing's user hotline always gave us expert advice on all our questions. Thanks to the prior software training, we were also able to complete the in-house territory planning round with regional sales mana-

gers quickly and on-target.

With DISTRICT, implementing our sophisticated task was easy and a complete success.

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Head of OTC Controlling  
[fischbeck@hermes-arzneimittel.com](mailto:fischbeck@hermes-arzneimittel.com)*



New product lines can also be easily integrated into planning.

# Your partner for territory planning



*“Territory planning ensures the optimal supply of  
your market with sales and services.”*

Michael Büttcher, Senior Consultant at GfK GeoMarketing

Balanced sales territories are an important prerequisite of your company's success!

GfK GeoMarketing has optimized the sales and service territories for over 2,000 companies, in Germany and internationally. Use the knowledge of GfK GeoMarketing's experienced consultants to make your sales territories a complete success!

- We will visualize and analyze your sales data
- We will develop alternative territorial structures and sales scenarios
- We will support you throughout the implementation of your new sales strategy

# Who's Afraid of Hamburg? Study Examines Trade and Cash Flows in Germany's North

The district of Harburg which neighbors Hamburg to the south assigned GfK GeoMarketing with the task of studying the consumer habits of its population. The reason? Harburg inhabitants spend over one-third of their money outside the Harburg district.

*"What links Hamburg with the district of Harburg?" – "The chronically jammed Elb Tunnel and the overloaded Elb Bridges!"* is what many people in and around Hamburg spontaneously respond when you ask them about the relationship between the Hanseatic city and Harburg. Even to a question about what separates them, respondents will most likely mention the harbor, and not the large gap in retail trade centrality.

It is precisely this centrality gap that is one of the most important characteristics that has long marked the district of Harburg from its northern neighbour, Hamburg. The inhabitants of Harburg with a high amount of purchasing power not only work in Hamburg, but spend a large portion of their money

there. The affluent Harburg District thus has one of the strongest purchasing power outflows in Germany. This observation is not new. What was missing, however, was a reliable basis of facts about the retail situation in the Harburg District and the spending habits of its population.

This gap in knowledge was closed by GfK GeoMarketing's study on the retail trade situation in Harburg. Contracted by the Association for Economic Growth in the

wishes for future retail in Harburg.

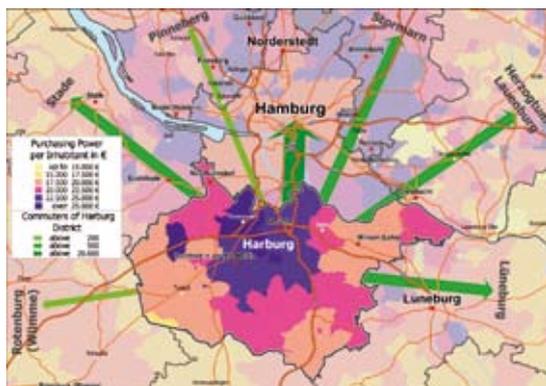
During numerous expert discussions, the views and objectives of municipal politicians and representatives were heard.

- Finally, comprehensive quantitative assessments were made based on the GfK GeoMarketing data-pool: Population structure data and purchasing power were played together with commuter data.

On-site visits, telephone interviews, qualitative analysis, quantitative data processing – this kind of multi-layered investigation requires a broad spectrum of expertise and personnel. It was thus an easy choice to assign GfK GeoMarketing with this task. There is hardly any other company in the position to even perform such a wide-reaching study alone: it had to be GfK GeoMarketing.

One data basis involving households, purchasing power, commuter behaviour and sales revenue from larger retail companies was available right from the start for all sections of the city. The surveys and on-site visits were carried out personally by experts from GfK GeoMarketing. "The registration of store locations alone meant our collection team had to travel over 2,000 km," reports Udo Radtke, who led the study. Even activities requiring a high level of personnel, such as telephone surveys, could not be outsourced, but could only be conducted by interview professionals within the GfK Group in Nuremberg.

All the work paid off. Guess-work and estimations were replaced by measurable facts. There were quite a



Puchasing Power in district of Harburg

District of Harburg (Wirtschaftsförderungsgesellschaft im Landkreis Harburg) and supported by the savings bank Sparkasse Harburg-Buxtehude, the last three months witnessed the most comprehensive collection of data on the current situation ever performed in the district. The target was clear: the population's private income should increasingly stay within the district. "It's time to end the complaining and do something concrete about the purchasing power outflow from the District of Harburg", declared District Representative Joachim Bordt in January 2007 to the newspaper Hamburger Abendblatt. In developing suitable measures to do so, the current conditions first had to be precisely collected and analyzed.

The study was designed to be as multi-faceted as retail trade itself. This meant that various methodologies and sources of information had to be included to bring about a scientifically valid result. All location analysis instruments at hand were used:

A registration of all existing retail shops through on-site visits took place, classified by branch, product line and sales floor area.

Over 1,000 households in the district were identified as representative and were surveyed by telephone about their consumer habits. Households could report on their currently-preferred buying destinations and express their

few surprises. The around 1,500 shops covering 350,000 m<sup>2</sup> had a retail sales turnover of nearly 870 million €. This means that from the 1.33 billion € available retail purchasing power, Harburgers consume 450 million € - more than one-third of their money – in neighbouring districts. Not only in Hamburg, as had been expected, but also in Lüneburg to the East and down the Elb to the District of Stade. Some Harburg residents even venture as far as Hanover to meet their need for “aperiodic” consumables. This aperiodic demand – that is, all items that are not included in daily requirements such as food, hygiene and luxury foodstuffs (coffee, tea, alcohol, tobacco) – is also a critical point for Harburg. For bigger purchases, for clothes or simply to “go shopping”, there is a lack of availability, product lines and, as a result, identification, for Harburg residents to the retail locations within their district.

The study also looked at the local differentiations within the district. Here clear differences were revealed. The “space-based performance” (sales revenue per square meter of sales space) for retail shops for periodic demand was decidedly good in many locations – up to 4,800 €. This matches the results of the telephone survey of Harburg inhabitants, who regard the nearby retail supply as good. In contrast, GfK GeoMarketing experts were critical of many of the old established, often owner-run shops. Although many of them featured high competency and potential, there was often a lack of modernization to create an attractive, contemporary offering of merchandise, says Udo Radke. He can supplement his estimation immediately with several concrete suggestions for action:

Since the District of Harburg is an area characterized by people who commute to work, an effective immediate action would be to adjust store opening hours. Many merchants close their shops at 6 pm. Extending the opening hours – with coordination among the storeowners – could make shopping at

the commuters’ home location a real alternative to shopping in Hamburg.

In addition to this, Harburg is experiencing an aging population. The number of people retiring from work will lead to increasing demand for shopping alternatives that are attractive and close by. This demographic development should be considered by all actors involved in business and municipal politics, and form the basis for a long-term retail planning scheme for all municipalities within the District of Harburg.

Perhaps given an attractive and varied retail trade south of the Elbe river, the stream of commuters from and in the direction of Hamburg may change in the long-term. Perhaps then the inhabitants of Hamburg and Harburg will think of more than just the Elb Tunnel traffic jams when they are asked about their common links.

*Information about the study and international location consulting service is available from Udo Radtke. Tel +49 (0) 40/ 227 112 -17 or e-mail [u.radtke@gfk-geomarketing.com](mailto:u.radtke@gfk-geomarketing.com)*



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Visitors to the Location Intelligence Conference in San Francisco, USA, on April 17 and 18, 2007, received interesting insights into postal code systems around the world. In his presentation, GfK GeoMarketing's managing director Wolfram Scholz spoke on postal code systems, key quality features and differences among the world's many postal code systems. If you would like to share the insights, you can download the corresponding PowerPoint presentation from our website:

[www.gfk-geomarketing.de/postcodes.ppt](http://www.gfk-geomarketing.de/postcodes.ppt)

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Learn more about GfK GeoMarketing's geomarketing solutions live and visit us at one of the following fairs:

## Mailingtage – June 13-14, 2007, Nuremberg

The Mailingtage congress and trade show on June 13 and 14 in Nuremberg is an event for those who work in direct marketing and dialogue marketing. Visit us at Hall 12, Stand G87

## SalesProf – June 20-21, 2007, Mainz

SalesProf takes place June 20 and 21 in the Rheingoldhalle in Mainz. SalesProf is a tradeshow for sales professionals - sales managers, sales representatives and service providers. GfK GeoMarketing is located at Stand C8.

We'll be presenting our products and services live. We are looking forward to answering your questions on the use of GeoMarketing at your company!

- Get to know the new GeoMarketing software RegioGraph 10 and DISTRICT 10
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- Be impressed by our global maps and our current market data
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## A CeBIT 2007 Review

At this year's CeBIT fair from March 15-21, 2007 GfK GeoMarketing again broke its visitor records. Nearly 600 prospects and customers visited our two stands. At the Microsoft Partner Stand, GfK GeoMarketing was once more awarded as the partner with the most customer contacts.

Murat Ayranci, Member of the Management Board and Sales Director of GfK GeoMarketing, is highly satisfied with this result: "The great success and numerous conversations with our customers show us that our products and our tradeshow concept are right on. Unlike many others, we don't just show bright graphics and PowerPoint presentations, but present our software live to customers and prospective customers. Customers appreciate this, because they see that -RegioGraph and DISTRICT are truly easy-to-use software programs. As well, they can ask our experienced consultants about their specific issues and feel that they are getting good advice on complex tasks."



Stand of GfK GeoMarketing at CeBIT 2007 in Public Sector Parc

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