Why is having current maps a “must”?  

Every year, GfK GeoMarketing updates its digital administrative and postal code maps for all European countries. Read about how important current maps are for successful GeoMarketing and discover the qualities that a “good” digital map should have.
Welcome to the first issue of GfK GeoMarketing News!

Dear Readers,

I’m very pleased to present the first issue of our new customer magazine, GfK GeoMarketing News. We’ve changed and updated more than just our company name and design - our new topics reflect the updated, expanded profile of GfK GeoMarketing.

For example, take a look at our digital maps of Europe. Every year, our cartography department updates all existing maps to reflect the newest territorial status. In 2006, new and even more detailed maps became available for many countries, for instance the 5-digit postal code map for Finland. Our maps cover all of Europe with no exceptions and offer the highest quality standards. Read how you as a customer can benefit from these new and updated products.

Our topics, as you can see, are the same tried and proven mix of specialty articles, user reports, expert tips and tutorials. I hope that our new readers will like our selection of topics and find the read inspiring. In case you have any questions or comments about our newsletter or GeoMarketing in general, we’d like to hear from you. A list of our contact persons can be found on our website: www.gfk-geomarketing.com.

Wolfram Scholz
Member of the Managing Board, GfK GeoMarketing

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What’s New at GfK GeoMarketing

GfK Population Structure Data 2006

GfK Population Structure Data describe the make-up of a region’s demographics in terms of age, size of household, type of housing and income conditions. The main goal of GfK Population Structure Data is to make it easier to identify and localize target groups. This allows a well directed approach to potential customers. Stefan Perleth, Head of the Market Data & Research Department at GfK GeoMarketing, explains: “Our demographic structure data is updated every year. This provides customers with a reliable basis for their analyses and planning activities in sales, marketing and controlling. By using this information, they can optimize their direct marketing activities – for example, by distributing flyers only where their target groups are concentrated”. GfK Population Structure Data 2006 is available immediately from GfK GeoMarketing.

Please contact Ms. Katja Sporer for questions about the data package and its application at your company:
Tel. +49 (0) 911 / 395-2241 or E-Mail k.sporer@gfk-geomarketing.com

Digital Maps for Finland 2006

For the first time, the Finland edition offers a map containing 5-digit postal codes, which are the smallest postal code units in Finland. Breaking down the former 2-digit postal code map with 100 units into 3,034 5-digit postal codes was an extensive and complex project for the cartographers at GfK GeoMarketing. Now, the whole of Scandinavia - Norway, Sweden, Denmark, Iceland and even Finland – is completely covered on a postal code basis. Also at the administrative level in Finland, GfK GeoMarketing offers maps ranging from the broadest levels - provinces (“Lääni”) - to the smallest municipal levels (“Kunnat”). This level of precision is equivalent to paper maps on a 1:10,000 scale for urban areas and up to 1:100,000 for coastlines. Finland’s interior is also very precisely presented, with over 15,000 lakes shown. One of the special features of GfK GeoMarketing’s digital maps is the labeling of place names with Finnish and international descriptions.

The new 5-digit postal code map for Finland is now available.

The new Finland Edition including all postal code and administrative districts is available immediately.
Ms. Friedlind Dürr is happy to answer your questions:
Tel. +49 (0)7254 1983-230 oder E-Mail f.duerr@gfk-geomarketing.com

Consulting on Location Issues: Feasibility and Compatibility Studies

GfK GeoMarketing’s location research team produces more than 400 studies each year. A majority of these studies focus on the economic and urban development feasibility of large-scale retail building projects. Before a large-scale retail project can be approved, it is necessary to carefully check the possible impact the project can have. For example, the effects on downtown cores and innercity centers and on supplying the population with “close to home” shopping. A high value is placed on the “legal strength” of these expert reports. GfK GeoMarketing has in-depth knowledge of the corresponding legal basis. We are well acquainted with the respective legal issues, be it German building law (BauGB), the Federal Land Utilization Ordinance or the numerous rules and regulations of individual German states. The legal strength of GfK GeoMarketing’s feasibility and compatibility studies are the result of proven building blocks: excellent knowledge of trading structures, expert on-site activities, sound practices and the necessary sensitivity in dealing with urban development issues.

Please contact Mr. Wilfried Weisenberger for questions about our feasibility and compatibility studies.
Tel. +49 (0)911/395-3476 or E-Mail w.weisenberger@gfk-geomarketing.com

In our own affairs: Job vacancies looking to be filled

GfK GeoMarketing continues to expand and is currently looking for new team members for the Sales and Market Data & Research Departments. Interested candidates can view our job postings at www.gfk-geomarketing.com/career.
Why is having current maps a “must”?

Every year, GfK GeoMarketing updates its digital administrative and postal code maps for all European countries. Read about how important current maps are for successful GeoMarketing and discover the qualities that a “good” digital map should have.

“Europe’s maps must be re-drawn every year”. No, this is not a quote from a European Union politician, but a statement by Klaus Dittmann, Head of the Cartography Department at GfK GeoMarketing. Even though Europe luckily has not been affected with political upheavals leading to re-vamped borders, environmental catastrophes or similar events in the past few years, there are still many boundaries and territorial structures that change each year. These changes mainly involve municipal restructuring or new postal systems. These modifications rarely make headlines anywhere except within the country in question, yet they are very important for companies who do business in Europe. Current maps are the basis of working with GeoMarketing software such as RegioGraph or DISTRICT. Digital maps that include administrative boundaries such as municipalities are used in GeoMarketing and CRM software to present statistical data such as demographic figures. Postal units such as postal codes are needed to present and analyze customer locations and other company data that are address-based.

Klaus Dittmann explains: “Without a current map basis, many problems can develop during sales territory planning, market analysis or controlling activities. As a result, we keep close track of all changes in the postal systems and administrative districts across Europe and update our maps for all countries once a year.”

But which maps exactly become outdated? How fast and why? There are few, if any, changes to topographical aspects such as cities, highways, rivers or mountains. When it comes to postal or administrative districts, however, things are different. These districts are set by the postal service or municipalities and can change dramatically within a year due to territorial restructuring, for example.

Producing “good” digital maps is a complex task for cartography. There are very high requirements regarding precision, completeness and actuality. The final maps are based on several sources, including official announcements on municipal restructuring, postal code directories from postal services across Europe, satellite images and other geo-data sources, e.g. data relating to locations. Based on these sources, GfK GeoMarketing create maps for each country that include territories (postal codes and municipalities), provinces and postal code regions.

The boundaries of postal code districts, for example, are a geographic summary of addresses that the postal service of a country defines as a logistical unit. The number and structure of postal code districts is always changing. This is because the transportation volume in delivering letters and parcels is constantly changing due to migration, construction activities or changes in the local businesses structure. What happens when old postal code maps are used as the basis in planning? If a customer’s postal code changes, it may be displayed in the wrong territory, if an old map is used as a reference. In a worst case scenario, the customer can be included in the “wrong” sales territory. This can lead to an incorrect presentation of results in sales and service territories. In other words: the more current your maps are, the more precisely the imported data can be displayed. E.g. this applies to using the GfK GeoMarketing Purchasing Power Data for all of Europe that has also been updated to reflect the latest 2006 territorial status.

In addition, municipal boundaries also continually change. What does this mean for use in sales, marketing or controlling activities? Importing data is no problem as long as municipal reference numbers and names do not change. However, the boundaries for administrative units are no longer correct. There is a more serious problem when municipalities have merged with others and your map is not up-to-date. The corresponding municipal code number that was used no longer exists, and it is possible that your sales figures, customer figures and revenues for the municipality in question disappear. As a result, you will receive error messages when importing data.
Digital maps must be as up-to-date as the customer information and external market data that is to be imported and displayed on the maps.

Another advantage of updated maps is that the map sets are continually being supplemented with new, more detailed maps. The new Europe Edition will include more maps than ever. Some of these are maps that are not available anywhere else – they are the only ones in the world to depict a specific territorial unit of a particular country. For example, GfK GeoMarketing recently produced a map for the 6-digit postal code regions of Belarus – the first map of this kind ever seen for this area. As of 2006, Belarus has over 3,900 postal code regions. This allows customers to conduct a very detailed location-based analysis of customer data, especially in urban areas. In 2006, the maps for Scandinavia also included some major updates. All Scandinavian countries are now available down to the very smallest postal code unit. In cities, the level of detail is equivalent to a paper map scale of 1:10,000. Users can benefit tremendously from this, because more detailed the maps are, the more precise the analysis can be.

By fully covering the whole of Europe with standardized, high resolution, overlap-free territorial maps, GfK GeoMarketing can meet the needs of company’s sales, controlling and marketing departments. An increasing number of companies are choosing to plan strategies and sales territories across borders. With the European map sets, it is possible to combine standard maps to create customized solutions. For example, the standard postal code maps for Austria, Slovakia, the Czech Republic and Hungary found in the Europe Edition can be seamlessly combined to create a large customized sales territory map. If you add the European-wide Purchasing Power, your company will have the current market potential for the whole of Europe available at a glance!

The Europe Edition including all current postal code and administrative districts for all European countries, including Turkey, is available from GfK GeoMarketing. The territories can be supplemented by a wide selection of topographical map features such as roads, railway lines, residential areas and elevations. For more information on the Europe Edition, please visit: www.gfk-geomarketing.com/europe. Please contact Ms. Friedlind Dürr for more information: Tel +49 (0)7254/983-230 or f.duerr@gfk-geomarketing.com

The Classic Map Set: Germany
- 8,244 5-digit postal codes (“PLZ”) (the smallest postal unit)
- 12,404 municipalities
- More than 600 territorial changes alone in 2005 due to boundary modifications, dissolutions or other changes
The Germany Edition has over 40 maps: All postal and administrative units, topographical maps (e.g.: cities, roads, elevations) and special maps such as Nielsen districts, natural barriers such as rivers and mountain ranges, health insurance districts, Chamber of Commerce and Industry (“IHK”) districts and many more.

The Newcomer Map Set: Moldova
- 1,250 5-digit postal codes (“PLZ”) (the smallest postal unit)
- Around 1,000 “municipii” (similar to urban and administrative districts)
- New for 2006: Including government district restructuring, completely new digitalization, around 1,700 city dots,
- Resolution is equivalent to paper map scale of up to 1: 10,000.
The Moldova Edition contains numerous additional postal, administrative and topographical maps.

The quality features of GfK GeoMarketing’s digital maps are:
- Complete coverage of all postal codes and municipalities
- Complete digitalization with any overlaps
- High resolution, vector-based (limitless zoom)
- WGS84 standard: Each object has an exact geographic coordinate
- Available in all standard formats for GIS and CRM software (.shp, .tab, .rg5)
- Fully labeled with names and official identification
- Regularly updated
Sales territory planning: How to avoid the obstacles

It is time to plan your territories. You know that planning well in advance is necessary before sending field staff into new territories. Michael Büttcher, Expert for Territory Planning at GfK GeoMarketing, can advise you on how to avoid other obstacles in sales territory planning.

On order to be successful in sales, companies should regularly optimize and update their sales territories. Those who plan regularly will definitely win. But how do you plan without taking “the long way around”, or ending up continually “under construction” or finding yourself on dead end streets? In my many years of working for GfK GeoMarketing, I always encounter the same “mistakes” when it comes to planning sales territories. In many cases, it’s actually quite easy to avoid these mistakes.

Obstacle Number 1: No Analysis of Current Conditions
Not knowing where you stand makes it hard to find the right way. As simple as this may sound, many companies often forget to perform a thorough analysis of the status quo before starting with their new planning. This analysis should include, for example, a precise breakdown of sales for each sales territory or even each postal code. It’s also important to make a general analysis of the territory structure: Are there any territories being cared for twice or territories that nobody is responsible for? Are the territories similar and fair in terms of workload, size or customer potential? Here it helps to use a planning tool such as GfK GeoMarketing’s territory planning software DISTRICT. DISTRICT can quickly show you any gaps or imbalanced territory structures. It displays your locations and those of your competitors and compares sales revenues for individual territories. This makes it much easier to get an objective assessment of a territory’s success.

Obstacle Number 2: Unclear Targets
You also have to define targets precisely and in cooperation with all decision-makers in your company. Do you want the frequency of customer visits to be increased, do you want to beat a competitor in the market or introduce a new product, or merge several sales lines? If you don’t have a clear discussion of targets, your entire planning scheme is in danger of becoming a series of contradictory targets or not being accepted in the end.

Obstacle Number 3: Focusing on Past Values and Figures only
When planning territories that are to be “fair and balanced”, many companies rely on comparing past sales figures. Each sales representative is supposed to have the same number of sales in his or her territory. However, orienting yourself to past figures may lead to errors and unfairness, because not every sales representative can successfully turn existing potential into actual sales. Instead, your planning should match the values and figures that reflect actual potential. These figures are special industrial sales figures, demographic figures or the GfK Purchasing Power data which is available from GfK GeoMarketing for Europe right down to the countries’ lowest territorial level.

Obstacle Number 4: Lack of an Objective Decision-Making Basis
The use of software tools is a “must” when you are planning with multiple criteria such as territory size, number of customers and potential, and if these criteria should be weighted differently. Very long tables full of data simply cannot be visualized adequately by using a pocket calculator or a wall map with stick pins to divide up the sales territories. Coming up with alternative scenarios is out of question without a tool for visualization. By using software such as DISTRICT, however, getting an overview of all the data is easy and so is presenting and processing it further. Even the territory planning professionals at GfK GeoMarketing develop the basis of a new territorial structure with the help of DISTRICT, because this type of tool provides you with an objective decision-making basis.

Obstacle Number 5: Lack of Transparency and Integration of Sales Representatives
It is essential to keep in mind that having “the right sensitivity” in sales is also very important. This is especially true in field sales when discussing difficult topics such as relocations, merging sales lines or calculating fair bonus commissions. Companies should always be for promoting transparency and integration when
dealing with their sales representatives. After all, the know-how and existing customer relationships developed by your outside sales force are vital for your company. Experience shows that new sales structures are more readily accepted, if they are created based on simple-to-follow, objective criteria. For field staff, it is often even easier to accept changes in sales territory structure if an external consultant is on-board during territory planning.

What makes a territory planning project successful varies from case to case. Remember, it’s always important to revise territory structures regularly – at least once a year. Companies should make use of all know-how available, whether from internal or external sources. And last but not least: Make sure to give yourself enough time: Optimizing or creating new territories needs at least 6 months from planning to the implementation stage!

For more information on how to use DISTRICT for your territory planning or how our consultants can support you in territory planning, please contact Ms. Doris Steffen.
Tel: +49 (0)7254/983-180 or E-Mail d.steffen@gfk-geomarketing.com
More than ever, today’s retail business is based on centralization. Consumers are looking for diversity and variety in the retail, gastronomy and the services sector. They are also looking for an attractive ambiance, pleasant surroundings and communication with other people. In other words: People need lively and dynamic marketplaces and shopping locations. Even in the Internet Age, these social meeting-places still have their importance.

Shopping centers are a modern form of marketplace. They have the interior and exterior appearance of being an “integrated whole” and the right store/branch mix to suit customers. This is easier to achieve within shopping centers than on regular city streets. Because, among other things, in shopping centers the level of rent varies with the product range offered. At shopping centers, there is a central shopping center management responsible for security and maintenance, for standardized opening hours and for marketing. The “totally carefree-package” is rounded out by generous parking availability and good public transport connections.

The interests of owners and tenants at shopping centers are targeted and very effectively bundled. Rent is mainly set depending on the merchants’ revenues at the shopping center. In this way, owners and tenants have the same central interest: The highest sales revenues possible. As a result, shopping centers are very successful retail locations – not just in Germany.

The current GfK GeoMarketing study covers the entire European Union and the upcoming retail market of Turkey. All shopping centers with at least 40,000 sqm of GLA (GLA = lease space including circulation space) were analyzed in detail.

For each shopping center, extensive data was gathered: Lease space, tenant occupancy, year of opening, expansions, owners, center operators, number of parking spaces, postal code and city, number of visitors, purchasing power, center revenues, trading territory and demographic potential.

This information is currently available for 464 shopping centers with a total GLA area of 27.6 million sqm and around 51,000 shops. It presents the spectrum of the European shopping center industry comprehensively and is a treasure chest for investors, lenders, project developers and operators. It is a unique and complete source of information, an assessment tool and decision-making instrument for the entire European Union and Turkey.

A general analysis of the current situation of shopping centers in all European countries provides us with some very interesting findings: The most populous and economically-strong core EU countries have the most shopping center space. A total of eight countries are represented in the 1 million sqm GLA “league”. Great Britain (around 5.4 million sqm), Spain (just under 4 million) and France (around 3.7 million) hold the Top 3 positions. With around 3.6 million sqm of shopping centre space, Germany only comes 4th. With GLA space between 1.5 million to 1 million sqm, Italy, the Netherlands, Sweden and Poland are some way behind. However, only when we look at the amount of shopping centre space per capita do we really see the importance of shopping centers for each country. Here Luxembourg
– one of Europe’s smallest countries – has a value of almost 200 sqm GLA per 1,000 inhabitants. A similar value can only be found in Sweden (around 170 sqm GLA/1,000 inhabitants). Austria holds the 3rd position here (just over 110 sqm/1,000 inhabitants). This is followed by Great Britain and Spain (with around 90 sqm/1,000 inhabitants) – which are also the countries with the most shopping center space in Europe in absolute terms.

The average with the EU and Turkey is 52 sqm per 1,000 inhabitants. With 44 sqm of GLA space per 1,000 inhabitants, Germany is clearly below this average. By contrast, several “emerging markets”, i.e. strongly growing markets such as Lithuania, Latvia and the Czech Republic, each have around 60 sqm per 1,000 inhabitants and are thus clearly above the average.

This is a “snapshot” of the situation at the middle of the year 2006. Overall, the shopping center market is advancing strongly. Within EU countries, much more shopping center space is in the pipeline: More than 10 million sqm GLA is in the planning; this includes shopping centers smaller than 40,000 sqm. The importance of shopping centers as a type of real estate continues to increase - and not just as a location to shop or as a magnet for sales revenues. Shopping centers are also highly valued for their capital investment potential. They are currently highly sought-after by institutional investors, big private investors and by private equity funds. Three-digit million Euro amounts are regularly being paid for shopping centers. However, investments still need to be checked critically by due diligence. In many cases, this will be a market due diligence by GfK GeoMarketing.

Please contact the authors if you have any questions about the study or wish to order a copy.
Localizing Target Groups using GfK Population Structure Data

Success in any sales or marketing activity depends on knowing the customer as well as possible. What are the customer's age, marital status and place of residence? GfK Population Structure Data contain detailed answers to all these questions.

Today, a marketing strategy that attempts to target an “average consumer” with all-embracing advertising would not create great response or sales – it’s simply out-of-date and ineffective. Marketing concepts that are selective and differentiated and customized to respective target groups convince consumers more effectively and are more successful as a result. Each year, GfK GeoMarketing publishes special consumer information for Germany – GfK Population Structure Data – which help you identify and localize target groups precisely.

The GfK Population Structure Data offer a unique source of information for all households within Germany. This data package provides you with statistical information on the demographic structure (e.g. age, income, family structure and type of housing) for households within a specific region.

The data is available for street sections, city districts, 5-digit postal code areas, municipalities and provinces, all in the same high quality.

Possible Areas of Application:

Target Group Quantification
It is possible to quantify target groups by selecting certain criteria and then counting the households that meet these criteria. The data show how much market potential is available within a specific area. For example, you may wish to identify the target group of people under 30 years of age, singles or people with above-average incomes. The GfK Population Structure Data can show the amount of market potential there is for these target groups within each region in Germany.

Target Group Localization
At the same time, the geographical distribution of these target groups can be shown. How strongly are these target groups represented in regional markets? Which are the postal code areas, municipalities and streets with the best opportunities for sales?

Sales Territory Planning, Controlling and Assessment
Sales planning, controlling and assessment that is oriented towards the end consumer is only possible with the help of demographic data. The data can show you the areas where there are above-average or below-average sales opportunities. This allows you to develop a sales structure with consistent potential and where every field staff sales person or each location has equal sales opportunities.

Expansion and Location Planning
Identifying areas with above-average potential for sales success is a prerequisite in expansion planning. Planning a new location and drawing its catchment areas is much easier when knowing the regional distribution of a company's target groups. GfK Population Structure Data provide you with this knowledge. For example, a furniture cash and carry store can target the location of its new store near residential areas with an above-average number of families with children.

Advertising and Media Planning
Flyers or direct mailing campaigns can be distributed in a precisely targeted manner by selecting regions with above-average target group potential. This helps you minimize losses due to untargeted bulk mailing and increases the response rate.

GfK Population Structure Data® 2006 are now available from GfK GeoMarketing. Please contact Ms. Katja Sporer for more information.

Tel +49 (0)911/ 395 -2241 or E-Mail k.sporer@gfk-geomarketing.com
Tutorial: Hiding City Labels on a Map

If too many city names are shown on a map, you can achieve a better overview by hiding some cities on the map. You can also use RegioGraph and DISTRICT software to reduce the amount of information shown for densely populated areas.

**Step 1: Setup worksheet**
Create a map by dragging the layer Cities > 100,000 + inhabitants from the map library onto your worksheet. City names initially will appear huddled as shown here on the map. Names overlap and some city names will be hard or even impossible to read in densely populated areas.

**Step 2: Mark the cities you are interested in**
Open the data table of your layer Cities > 100,000 + inhabitants by clicking the layer control with the right mouse key while on the city layer and select the option Open Layertable. In the layertable, mark off the cities that you want to see displayed on the map by clicking on the corresponding number in the left column. Then switch back to the map window.

**Step 3: Hiding cities on the map**
After you have marked your selected cities in the layer chart, go to the menu Mapping and select the tool Show/Hide and select the option Hide Everything Except...

As a result, your map will provide you an overview with fewer city dots. Repeat the above steps for other city layers if necessary.

**Tips for creating easy-to-read maps:**
- Ensure readability. Labels should not overlap and should be located in the areas they belong.

- For a balanced map appearance, consistently place names above or below each layer object. In the Mapping menu select the Labels option and set the lettering position in the right field. It’s also possible to move the font directly on the map by holding down the Control key and the left mouse key.

- For dense urban areas such as the Ruhr region in Germany, it’s a good idea to limit your selection to display 3 or 4 cities.

**Note:**
Hiding points on the map also works with other point layers. For example, use this to display or hide customers depending on their importance.

**Step 4: Alternatives**
You can also mark off the cities you don’t want to see displayed directly on the map by using the tool Select Element > by Clicking in the mapping menu.

Then you can directly mark off the city dots on your map. Then use the Show/Hide tool again (see above).
Today, companies across all branches rely on GeoMarketing and manage their markets based on regional factors. Using special GeoMarketing tools such as GfK GeoMarketing’s software RegioGraph or DISTRICT in sales, marketing or controlling makes sense irrespective of whether a company targets mass markets or exclusive markets, end consumers or business customers or regional, national or international markets. With the help of GeoMarketing software, companies can easily identify lucrative areas, target customers personally, optimize sales territories and even discover unused sales potential.

Here is one classic example: A company wishes to revise its sales territories in order to guarantee optimal customer care and avoid wasting resources. However, before the actual territory planning can be undertaken, an in-depth analysis of current conditions should be conducted with DISTRICT, GfK GeoMarketing’s software for territory planning.

The first step is to display the customers on a map and analyze them according to their share in overall sales. This provides a better picture of how customers are distributed, identifies the regions which are the company’s core markets with many customers as well as regions where the company is not so well represented. It also shows where the most important customers are. The entire customer database is simply imported into DISTRICT where it is displayed on a map. Then an ABC analysis is performed – e.g. an analysis of customers according to their share in overall sales. You can instantly recognize how much individual customers contribute to over all sales. Now, the company can see whether its sales are based on many smaller customers or a few major customers. The analysis also provides the basis for deciding on how to target customers: Should the company invest more visit time or advertising budget only in important customers in the future?

You can answer this question more easily following a second analysis that looks at the company’s entire market environment. Let’s look at market shares per sales territory - DISTRICT offers pie charts to do this. First, sales territory regions and company locations are displayed on the map via a simple address data import. Then, you read in your company’s sales figures and those of important competitors and present your market share per region with pie charts. The charts can be automatically scaled according to the total sum of sales per region. This allows you to see who has which market share at each location, and at the same time presents a comparison of sales figures for the territories as a whole. At this point at the latest, you will see which regions are weakest in sales – something which can be easily fixed by targeted market cultivation.

However, before the final direction for optimizing the company’s sales structure is set, you should perform an analysis of the entire market.
potential for each region. This can be done with the help of purchasing power data which can be compared to the regional sales figures on the maps. To do this, DISTRICT provides a portfolio analysis. This analysis compares two factors – sales and potential – and divides regions into four categories.

1. High sales (blue) with high potential: Here everything is at optimum levels and the available market potential is well-utilized.
2. High sales despite low potential (green): These areas are also positive.
3. Low sales and low potential (yellow): Not much can be done here. It’s probably not worthwhile to invest more efforts than before.
4. Low sales and high potential (red): Here is the starting-off point for promising changes and good gains in sales, if the company creates structures that allow better use of existing market potential – e.g. more precise or frequent targeting of customers.

To actually optimize a sales territory structure, your company must decide which criteria should be used to balance territories: e.g. size of territory, number of customers, workload or market potential. Balancing these factors evenly between sales territories is the real prerequisite for the success (and motivation) of your company’s field staff. If you want to include multiple criteria simultaneously and weigh these factors based on priority (see Figure 4), using GeoMarketing software such as DISTRICT is indispensable. Complex calculations that would take ages if they were conducted in Excel take only a few moments and are reliably objective. By balancing territories and concentrating on the most important aspects – that is, key account management – your company can save valuable resources and even uncover new potential.

The results of working with GeoMarketing software RegioGraph or DISTRICT are not only valuable in themselves, but can also be easily shared across departments or even country borders in international companies. By exporting the maps to graphic, text or presentation programs, companies can gain internal transparency and an objective basis of information. The visually appealing map-based analyses also offer many possibilities for establishing customer loyalty: e.g. when presenting your company on a website, an interactive map showing your locations and containing links to the corresponding customer service per region is a valuable customer service element.

GfK GeoMarketing’s software is especially designed to meet the needs of companies. With more than 100 methods of analysis and presentation, RegioGraph and DISTRICT provide solutions and decision-making tools for all branches.

Last but not least, the software offers you all the advantages of working with standard software programs: it speeds and supports complex tasks and processes, the information is easy to share and easy to keep up-to-date and it can be used without any special expert knowledge.

Please contact Ms. Nicole Lahr on how to apply RegioGraph or DISTRICT at your company. Tel +49 (0)7254 / 983-160.
E-Mail n.lahr@gfk-geomarketing.com
ZEW Mannheim – A Study of High-Tech-Company Start-Ups in Germany

Georg Metzger of the ZEW, German Centre for European Economic Research, uses GfK GeoMarketing maps to record the regional distribution of company start-ups in the high-tech industry.

The ZEW is a non-profit economic research institute founded in 1990 on the initiative of the German federal state of Baden-Württemberg, business companies and the University of Mannheim. The ZEW is active in the field of applied empirical business research. Its central tasks are business research, political economic consulting and knowledge transfer.

The ZEW start-up report is representative of numerous reports available from the ZEW. The ZEW start-up report covers the start-up situation in Germany every 6 months and presents new ZEW results in start-up research. ZEW regularly uses map material by GfK GeoMarketing to illustrate regional differences in the start-up situation. With the help of cartographical presentation, regional differences in the levels of start-ups can be shown in a detailed and impressive manner.

Map presentations were also used for the latest ZEW study “High-Tech Start-ups in Germany“. The study was conducted by ZEW at the request of the business magazine “impulse“ and Microsoft Germany. One part of the study concerned the progress of start-up activity in technology and science-intensive sectors of business between 1995 and 2005; here the regional distribution of new companies also was observed.

The incidence of start-ups across Germany varies greatly by region. In the high-tech sector in particular, there are so-called cluster formations, e.g. a concentration of start-ups in certain regions. Clusters often develop in areas of agglomeration where major companies are located; this favors the establishment of supplier companies. In Germany, an especially high concentration of technology-oriented start-ups can be found in the regions of Hamburg, Berlin, Rhine/Ruhr, Rhine/Main, Rhine/Neckar, Stuttgart and Munich.

Observing the incidence of start-ups based on the absolute number of start-ups ignores the fact that the potential for start-ups in these cluster areas is higher as a rule simply because more people live and work there. In order to abstract from the population size, a standardized measure of start-up activity must be included. A suitable indicator is the intensity of start-ups (start-ups per 10,000 workers). This allows a regional comparison of start-ups independent of the number of potential founders, i.e. inhabitants of a region; thus, it is a measure of the inhabitants’ tendency to establish a company.

There is a south-north slope and a west-east slope when observing the technology and science-intensive sectors of industry. The number of all high-tech areas has an above-average level in Bavaria and Baden-Württemberg. With the exception of high-value technology, this also applies for Hesse and for Thuringia with respect to technology-intensive sectors in the processing industries.

Figure 1: Company start-ups in technology-intensive processing sectors of industry at the municipal district level (2001-2004).
Source: Map basis of GfK GeoMarketing; Data from ZEW Start-Up Panel.
Below-average start-up intensity in the high-tech sector can be seen primarily in Mecklenburg-Vorpommern and Saxony-Anhalt.

As can be seen by comparing the figures, regions with a high concentration of start-ups are not necessarily identical with regions that demonstrate a high number of start-ups in absolute terms. Regarding top technology, areas such as Berlin and the Rhine/Ruhr appear less as clusters, if the level of concentration instead of the number of start-ups in a region is observed. By contrast, an above-average level of start-up concentration can be found in the Lake Constance region and the technology region of Karlsruhe in Southwest Germany. For the high quality technology sector there are similar findings.

Figure 2: Concentration of company start-ups in technology-intensive processing sectors of industry at the municipal district level (2001-2004).
This map depicts diversions from the national average of start-up concentration (start-ups per 10,000 workers) for each district. The lighter the color, the more below-average; the darker the color, the more above-average. Source: Map basis of GfK GeoMarketing; Data from ZEW Start-Up Panel.
Storm damage predictions for insurance companies - an analysis

Silke Peine, a student of applied environmental studies at the University of Trier, analyzed storm damage in Germany for her degree thesis. Based on postal code maps from GfK GeoMarketing, she identified regions with especially high storm risk.

The storm “Lothar”, on December 26, 1999, lashed out with wind speeds never seen before in Germany and left a lasting impression not only on the slopes of the Black Forest, but also on insurance companies. Insurance companies have a great interest in predicting storm damage and identifying prone areas as precisely as possible. As a master student of Applied Environmental Studies at the University of Trier, I analyzed storm damage over the past 15 years in Germany, combining scientific and insurance interests. The title of my thesis is: “Spatial analysis of storms in Germany and effects of damage on a direct insurance company”. In addition, I researched the time trends for very windy days and their location distribution. In large part, my research involved a spatial analysis of insurance damages caused by storms. I used a geographic information system to help me. There was data available on insurance damages at the 3-digit postal code level, so that digital postal code maps of Germany were needed as starting-point material. GfK GeoMarketing kindly provided me with 2-digit and 3-digit postal code maps for my research. This map basis made it possible for me to perform a spatial analysis of the available data.

Autumn is stormiest season in Germany

Thanks to the 3-digit postal code maps, I could identify different focal points with above-average storm damage in Germany. In investigating the distribution of storm damage across seasons, it became clear that March is the main time for storms in northern Germany and in the Rhineland-Palatinate. There is less storm damage in the southern part of Germany. During summer months, a higher storm frequency can be found in Eastern Germany, in the “Mittelgebirge” region and in the eastern areas of the Alps. In October there is a higher incidence of storm damage for the whole of Germany. The statistics of storm damages over the period from 1991 to 2005 were strongly influenced by the storm “Lothar” in December 1999. Without “Lothar”, the average distribution of storms would show a higher incidence of storm damage in the northern part of Germany (see Figure 1).

The 12 largest storm events of the last 15 years show a clear relationship between the extent of damage and the top wind speeds measured. The wind fields measured directly correlate to the damages identified by insurance company (see Figure 2).

Maximal damage scenario – if there were “Lothars” across Germany

In order to provide insurance companies with an orientation for the scope of damages by a possible major storm event, a model for calculating the possible damage rate was created. The storm model was based on the relationship between the 98th
percentile of maximum wind speeds experienced in the “Lothar” storm and the ensuing damages in the agricultural class of insurances. The basis of the scenario presents the top winds speeds measured in southern Germany during “Lothar”, distributed across the whole of Germany. Figure 3 shows the possible damage distribution for the insurance class agriculture based on 2-digit postal code regions.

On the digital postal code maps, it was possible to provide an overview of the spatial distribution of storm damage. Based on a comparison of values collected over the years, it was possible to make general predictions on the probability of storm events in terms of time and region. Analyses and findings like those from my thesis are interesting for insurance companies in calculating insurance amounts. In the end, all insurance holders can profit from fair premiums and appropriate damage payments.

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