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GfK GeoMarketing

News

04 | 2008



Compare market potential with GfK Purchasing Power Europe 2008/2009

The newly updated purchasing power dataset reveals the disposable income for 41 European countries, providing companies with a precise, reliable tool for planning and maintaining their boundary-crossing operations.

Additional topics:

GfK Purchasing Power for Retail Product Lines, new GfK Europe Map Edition, user reports...

Trade fairs

Visit us from Nov. 5-6, 2008, at the CRM-expo in Nuremberg. You'll find us at stand C46 in hall 10. Details on other trade fairs on page 18.

Free poster inside

This issue contains a free map illustrating GfK Purchasing Power Europe and GfK Purchasing Power for Frozen Foods and Ice Cream.

Welcome to GfK GeoMarketing News!



Dear Readers,

The last several weeks have been dominated by concerns about the major and rapid decline of world-wide financial markets. Anxieties over slowing growth and the prospect of a recession are widespread. Amidst this climate, sound, level-headed business decisions are more important than ever.

Making the right moves and concentrating resources on essential areas are vital courses of action in today's unstable markets. This is precisely what our geomarketing products and services allow companies to do. For example, the efficiency and effectiveness of sales and marketing activities can be substantially boosted through a competent analysis of the relevant variables. What has always been a fundamental principle of geomarketing is now more than ever the business approach that makes the most sense: Concentrate business operations and activities in the countries, markets and regions that are most likely to generate profit.

Despite the current economic situation, our consultancy services in location research and commercial real estate allow many companies to prosper. Even in better times, our focus was always on the fundamental success factors in real estate – namely, economic sustainability. Our experts and market researchers have consistently produced reliable analyses and clear recommendations for real estate ventures and investment portfolios. In short, we tell you when to be careful, where you need to improve and how to achieve this.

The current market crisis offers at least one advantage: There is renewed appreciation for the fallacy of irresponsible speculations and exaggerated results across all markets (finance, oil, raw materials, real estate) as well as the importance of well-founded and responsible business practices.

We wish you a pleasant read and – despite everything – a successful close to 2008!

Sincerely, Dr. Eberhard Stegner
Management Board, GfK GeoMarketing

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New at GfK GeoMarketing

i GfK Profile and Distribution of Businesses

The region-specific GfK Profile and Distribution of Businesses dataset gives you valuable information on potential levels for 14 distinct business branches in Germany. Newly updated, this 2008 dataset is the ideal basis for your B2B analyses and planning.

For more information, visit www.gfk-geomarketing.com/business or call Alexandra Deutsch at +49 (0)7251 92 95170 or a.deutsch@gfk-geomarketing.com.

i GfK Demographics – at the level of street segments!

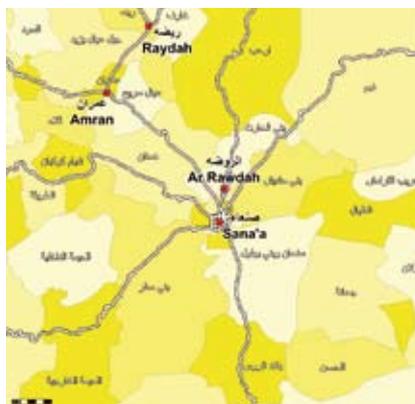
The GfK Demographics dataset now offers detailed demographic data for Germany's 2.5 million street segments. This allows you to more precisely hone in on target groups such as families, singles and immigrant households as well as region-specific residential architecture types. This data gives businesses a solid foundation for gauging potential and improving efficiency – for example, for enhancing marketing actions such as mailings or advertising campaigns. The anticipated release date for this dataset is December.

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

m New Yemen Map Edition 2008

In updating our digital map collection for Asia, GfK GeoMarketing has completed a new version of the Yemen Map Edition. The update includes a new addition: an administrative map featuring Yemen's 333 districts (muderiah). These 333 districts constitute Yemen's 21 governorate regions: 20 muhafazah regions and the San'a' greater metropolitan area. Maps include Latin and Arabic place-name attributions.

For more information, visit www.gfk-geomarketing.com/yemen or contact Nicole Lahr at +49 (0)7251 9295160 or n.lahr@gfk-geomarketing.com.



d Discussion panel on the retail situation in Nuremberg

Wilfried Weisenberger, head of the Retail and Public Authorities division, will participate in a discussion panel on November 25. This gathering of high-level experts in the retail and real estate sectors in Nuremberg will address future development possibilities for the Nuremberg metropolitan region. Weisenberger will moderate a panel discussion on "The future of retail and business locations in middle Franconia".

More information at www.heuer-dialog.de/events.

Olaf Petersen on the administrative board of the GCSC



The German Council of Shopping Centers e.V. (GCSC) is the Germany-wide advocacy group of the retail real estate market. Key players from the fields of urban development and analysis, financing, urban management, architecture, retail real estate, consulting and marketing will meet to discuss relevant issues. The GCSC administrative board serves as the link between the members and the council's leadership; as such, the administrative board contains representatives from all areas in which GCSC is active.



Olaf Petersen was re-elected as representative of Real Estate Consulting on the seven-member administrative board on September 18 at the annual members' convention in Berlin.

He has been a member of the board since 2001. His responsibilities include the organization of GCSC discussion forums and regional meetings. Petersen is a member of GfK GeoMarketing's Management Board and head of the Real Estate Consulting division.

Job vacancies

GfK GeoMarketing continues to grow and is currently seeking to fill positions in the Sales, Market Data & Research, Real Estate Consulting and Software Development divisions. Interested applicants can access job descriptions online at

www.gfk-geomarketing.com/career

Compare market potential with GfK Purchasing Power Europe 2008/2009

The newly updated purchasing power data allows companies to compare purchasing power levels across 41 European countries, providing an ideal tool for border-crossing sales territory planning and optimizations.

Before entering a new market, it's vital to determine the locations in which it is worth investing. In the absence of objective, fact-based analyses, strategic decisions involving expansions, new locations, changes to product offerings and marketing campaigns pose significant financial risks to companies.

GfK Purchasing Power provides this much-needed objective foundation for making sound business decisions across 41 European countries at a variety of administrative levels, from municipalities to postcodes. Thanks to the comparability of the data, companies that sell directly or indirectly to end-consumers have a powerful tool for locating the areas of greatest market potential.

GfK Purchasing Power Europe 2008/2009 dataset (available in November) reveals the market situation and growth opportunities in Europe's countries, regions and key metropolitan areas. This issue of GfK GeoMarketing News includes a detailed interpretation by our experts of the data for several of these countries.

Sweden

Sweden boasts 40.4% more purchasing power per inhabitant than the European average. Within Sweden itself, there is little regional variation between purchasing power levels. With €20,319 per person, Stockholm boasts the highest purchasing power among Sweden's metropolitan areas, followed by Gothenburg with €18,231 per person. At the other end of the spectrum are locations in the central northern regions, which have a purchasing power level of around €15,000 per person. The purchasing power of Norbottens Län – a region located at the extreme northern end of Sweden – climbed an impressive 3.4% this year, a rate significantly higher than the 1.9% national average increase. With €38,872 of disposable income per person, the Stockholm suburb of Danderyd is the municipality with the country's highest purchasing power.

Ukraine

With just €1,688 of disposable income per person, the Ukraine occupies the next-to-last position in Europe with regard to purchasing power. Ukrainians can spend just nine percent of the amount that Germans have available for consumer expenditures. Purchasing power levels within the Ukraine vary significantly, with 155 index points separating the highest and lowest index values. By way of comparison, 98 index points separate the highest and lowest purchasing power levels in the neighboring country of Poland.

The purchasing power distribution varies quite starkly between rural and urban areas. The top 20 counties (with a pur-

chasing power index over 162) are, without exception, cities. For example, those living in Ukraine's capital region are the most well-off with €3,110 of disposable income per person (purchasing power index: 184). Kiev's high purchasing power is distributed among the various neighboring suburbs and municipalities that comprise the greater metropolitan area and serve as the city's prime industrial and retail locations. Two of these communities actually surpass Kiev's purchasing power: Ugledar, the urban community with the country's highest purchasing power index (204) and the site of various significant coal mines; second place belongs to the harbor city of Yzhnoye, an important retail center located on the Black Sea.

Hungary

Hungarians have on average €5,549 per year at their disposal, a figure that places the country 55% below the European average. Budapest is by far Hungary's most affluent city with an average per person disposable income of €7,503, an amount around €1,000 more than the neighboring metropolitan area of "Budaors", whose inhabitants have a purchasing power of €6,568. Despite Budapest's high-ranking position within Hungary, its inhabitants still only have half as much money at their disposal as Germany's poorest county. Even so, 21 of Budapest's 23 communities belong to the 40 most affluent municipalities in Hungary.

There is a significant gap between the purchasing power of Hungary's wealthiest and poorest municipalities. The most affluent municipality – "Budapest 12" – boasts a purchasing power of €8,988 per person and, as such, is not far behind the level of disposal income enjoyed by Germany's poorest municipalities. By



Region-specific turnover potential for 64 retail product lines

The GfK Purchasing Power for Retail Product Lines dataset provides information on market potential for 64 food and non-food product lines. Thanks to newly available data, the 2008 dataset now includes information on seven additional product lines.

How much money do residents of Berlin have for baby food or women's outer garments? How does a product line have to be structured to achieve success in the Munich greater metropolitan area? GfK Purchasing Power for Retail Product Lines helps you answer these and many other product line-specific questions. The dataset contains information on purchasing power levels for 64 food and non-food product lines. The dataset is based on regular surveys and analyses of consumer behavior carried out by GfK panels. GfK GeoMarketing annually calculates the data for all German municipalities, postcodes and 2.5 million street segments.

Important retail benchmark and planning tool

Product line-specific purchasing power figures comprise a powerful tool for business planning and analyses. "The distribution of purchasing power according to different product lines is an important way for businesses to measure potential and plan accordingly," explains Simone Baecker-Neuchl, head of GfK GeoMarketing's Market Data & Research division. "Using this data – for example, in the area of product line management, companies can carry out location planning and controlling exercises that take regional characteristics into account." By adjusting one's marketing, sales and product line strategies based on the profile of a given region, the needs and desires of the consumers living there can be better tailored too. This results in a decisive competitive advantage, a more efficient use of resources, better market exploitation and a more focused external sales force.

Product line-specific purchasing power data now available for frozen foods, conserves and baby items

As a result of splitting several product groups into new groups in the 2008 dataset, users now benefit from a new main product group category and seven new product lines. Companies can therefore access more specific product categories, allowing them to gauge potential even more precisely. Most of the changes are in the food category. For the first time, the 2008 dataset includes the following product lines: frozen foods/ice cream, conserves, convenience/ready meals and sauces, baby food, breakfast products and fresh fish. New non-food product lines include baby and children's items as well as bicycles and related accessories.

In addition to these new categories, several existing product groups have been expanded: the former "cola" product line now includes other carbonated beverages, such as sparkling lemonade. The popular alcoholic mixed drinks known as "alco-pops" are now included in the "liquor and spirits" product line. The "cereals" product line has also been expanded and is now part of the "breakfast products" category.

Preferences for different product lines vary significantly according to region

Germans spent approximately one-third of their purchasing power – around 461 billion euros – on retail purchases. This equates to a national average retail purchasing power of €5,602 for 2008. The types of purchases for which these funds are used varies according to region. Inhabitants of urban areas tend to spend more on IT-related items. Especially relevant in this regard are the economic urban centers

of Munich, Erlangen and Frankfurt, all of which have a high purchasing power for computers, PDAs and accessories. By contrast, residents of more rural areas tend to spend less on this product line.

Women spend twice as much on clothing as men

In Germany, €109 per person is spent each year on men's clothing (excluding underwear and accessories) compared to €236 per person for women's clothing. There are also significant regional variations in expenditures related to items belonging to the food product line. For example, Germans spend an average of €85 per person on fruit and €90 per person for vegetables. This corresponds to 8.6% of the total expenditure for food items. City dwellers spend more on fruit and vegetables than those who live in rural areas, where these products can often be grown nearby.

GfK Purchasing Power for Retail Product Lines 2008 is available immediately.

If you have any questions, please contact Alexandra Deutsch at +49 (0)7251 9295170 or a.deutsch@gfk-geomarketing.com.

More information is available at www.gfk-geomarketing.com/pp_retail

GfK Purchasing Power Europe 2008/2009



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GfK GeoMarketing

Media planning with RegioGraph: Advertise more efficiently

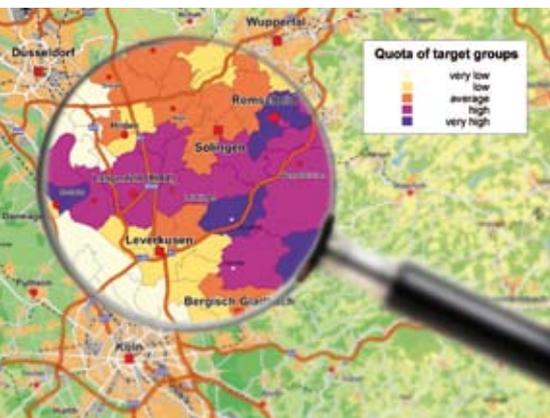
Companies that frequently advertise must allocate their budgets with great care. The key is to focus advertising and marketing campaigns in those areas where the greatest concentrations of the relevant target groups reside. Geomarketing helps companies achieve this aim more efficiently and with greater precision.

A geomarketing approach allows companies to uncover more areas of potential and target their marketing campaigns more effectively. With the help of a geomarketing software application such as RegioGraph 10 and relevant digital maps and market data, answers to the following media-planning questions can be easily found:

- Who should be targeted by the marketing campaign?
- Where are the most promising areas in which to concentrate marketing efforts?
Where do members of the key target groups live?
- Does the chosen advertising medium suit the company's sales structure?
- Was the marketing campaign a success?
- How can future campaigns be made more effective based on an analysis of regional responses?

Using a customized approach that hones in on specific target groups, agencies, marketing divisions and publishers can more fully exploit areas of untapped potential in their markets through region-specific advertising.

Region-focused advertising boosts response rates



In order to optimize a large advertising campaign, the customer distribution can be illustrated on digital maps using the geomarketing software application RegioGraph. Customer characteristics such as sales volume and information from online order forms are associated with each point on the map. The next step is to associate regional characteristics with the customer data – this includes target group factors such as GfK Purchasing Power, income levels, household profiles, etc. Afterwards, the typical customer profile for each of a company's active regions becomes clear. This yields

significant insights. For example, this process might reveal that turnover is highest in regions with mid-level incomes, a high percentage of older residents and a majority of apartment blocks housing 5 or more families. This profile can then be used to find other areas in the country that share these characteristics. By targeting marketing and advertising campaigns in these areas, companies can use their budget to maximum benefit while generating the highest number of positive responses.

Companies must decide for themselves which advertising approach is best suited to their needs, whether this be printed materials, outdoor advertising, radio spots, online or cross-media. A geomarketing approach can also be of assistance in this regard, mostly notable through the strategic use of GfK market data. One can assume, for instance, that different target groups respond to different types of advertising media. By using the GfK Age Groups and GfK Roper Consumer Styles datasets together with

a geomarketing software application, companies can identify where specific target groups live and then select advertising approaches for these areas that are most likely to generate a response.

A geomarketing approach provides benefits for media planning and marketing divisions across a wide spectrum of activities, from the preparation of a strategic marketing campaign to the measuring and analysis of customer responses. The geomarketing software application RegioGraph is the optimal work companion in this regard, offering users a wide variety of powerful analyses, user-friendliness (even for geomarketing beginners) as well as high-quality supplements such as digital maps and GfK purchasing power data. Up-to-date, detailed and seamlessly fitting GfK market data can be incorporated into RegioGraph at any time, giving companies a customer-tailored instrument for all of their business needs.

Learn more about RegioGraph at www.gfk-geomarketing.com/regiograph_en

Questions? Contact Thorsten Lauszus at +49 (0)7251 9295145 or t.lauszus@gfk-geomarketing.com.

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GfK GeoMarketing

All of Europe at a glance with the new GfK Europe Map Edition

Up-to-date maps comprise the most important component of successful geomarketing. With this in mind, GfK GeoMarketing is offering map updates for 42 European countries this autumn, all of which are available in the standard data formats.

The redrawn county boundaries of the German federal state of Saxony-Anhalt, the postcode reform in Malta and the newly established independence of Kosovo are but a few of the many additions in the newly updated digital maps of Europe. As is the case every year, much has changed in Europe from 2007 to 2008. There have been significant changes in boundaries and names of postcode districts and administrative areas. The new GfK Europe Map Edition 2008/2009 gives users a precise and up-to-date cartographic basis for their business planning needs.

With more than 1,000 maps of all available administrative levels, postcodes and municipalities as well as a large number of topographic maps, this newly updated map edition is an indispensable foundation for your geomarketing activities. The applications of the maps are numerous, ranging from the optimization of sales and delivery regions to planning expansions and analyzing catchment areas. Only up-to-date maps allow you to easily incorporate company and market data into your geomarketing software application and then perform precision analyses. If out-of-date maps are used, incorporated data often cannot be correctly associated, resulting in errors in analyses and a lack of comprehensive coverage of your sales or service territories.

It's clear that it makes sense to get the latest updates. One need look no further than the fact that our in-house cartographers have researched and carried out thousands of updates to the previous year's maps of European countries. Here are just a handful of these changes: Latvia now has 167 fewer four-digit postcodes than it did in the previous year; Lithuania has 106 additional five-digit postcodes and Sweden has 109 new five-digit postcodes; as a result of the redrawing of county boundaries in the German state of Saxony Anhalt, 1,014 municipalities now have new identification numbers; after the recent postcode reform, the number of three-digit postcodes in Malta has gone from 28 to 68. Additional updates include the new digitalization of Turkey, Malta, Kosovo, Slovenia and Poland's administrative levels 1-4. One of the highlights of the 2008 update is the ultra-fine rendering of Turkey's five-digit postcodes – a level of detail and quality that is unrivalled.



There's yet another reason why it makes sense for RegioGraph and DISTRICT users to purchase the updated Europe Map Edition. For the first time, maps in *.lay format (GfK GeoMarketing) contain comprehensive Tele Atlas street maps, including valuable infrastructure data for almost all countries. The data on infrastructure is indispensable for companies wishing to carry out Europe-wide sales territory planning in DISTRICT. This data aids planning by automatically taking natural barriers such as rivers and mountains into account, as well as traffic flow and customer accessibility. With the

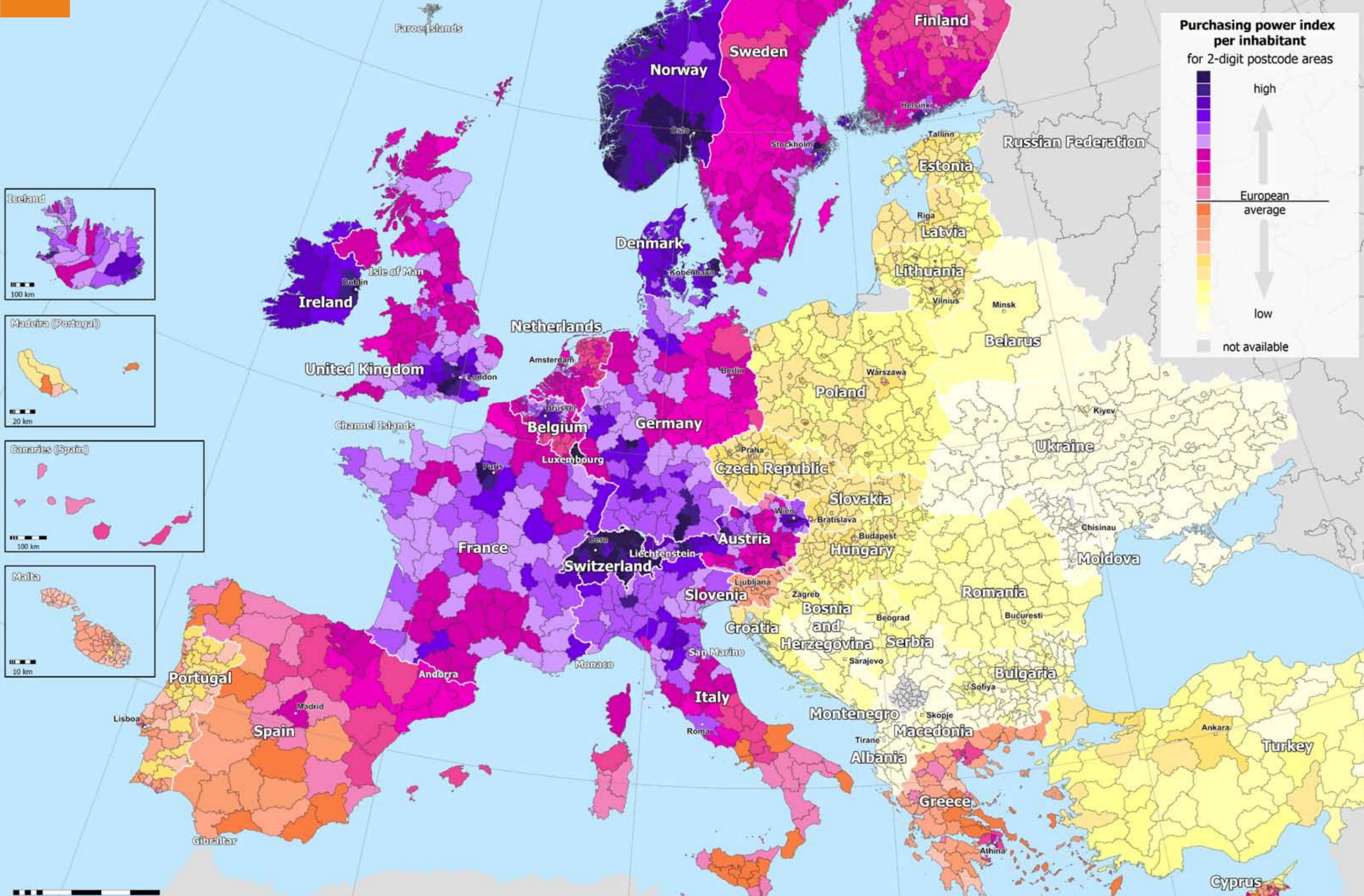


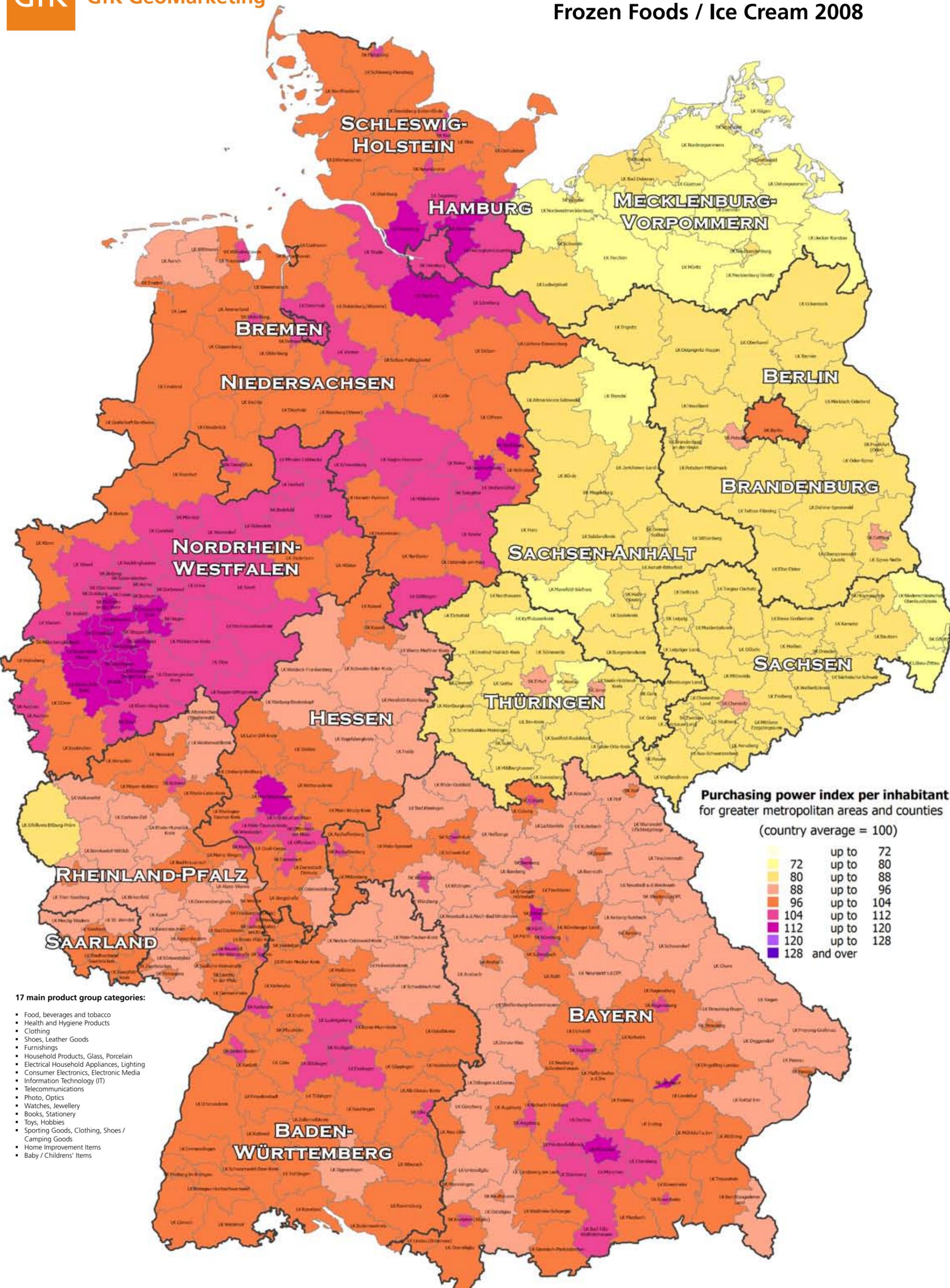
new Europe Map Edition and DISTRICT's professional sales territory planning functions, companies can create an optimally structured and easily accessible Europe-wide sales network that can be extended across multiple national boundaries.

Like all of the digital maps sold by GfK GeoMarketing, the new GfK Europe Map Edition is available in all standard digital map formats. Comprehensive coverage, seamlessly fitting and overlap-free boundaries, national and local place-name attributions and infinite zoom capability are but a handful of the many high-quality features that characterize this impressive new map edition.

GfK GeoMarketing offers the new digital maps for 42 European countries as stand-alone country sets and as part of a western Europe, eastern Europe or comprehensive Europe package.

Addition information on the GfK Europe Map Edition can be found online at www.gfk-geomarketing.com/europe-edition. If you have any questions, please contact Nicole Lahr at +49 (0)7251 9295160 or n.lahr@gfk-geomarketing.com.





Purchasing power index per inhabitant for greater metropolitan areas and counties

(country average = 100)

72	up to 72
80	up to 80
88	up to 88
96	up to 96
104	up to 104
112	up to 112
120	up to 120
128	and over

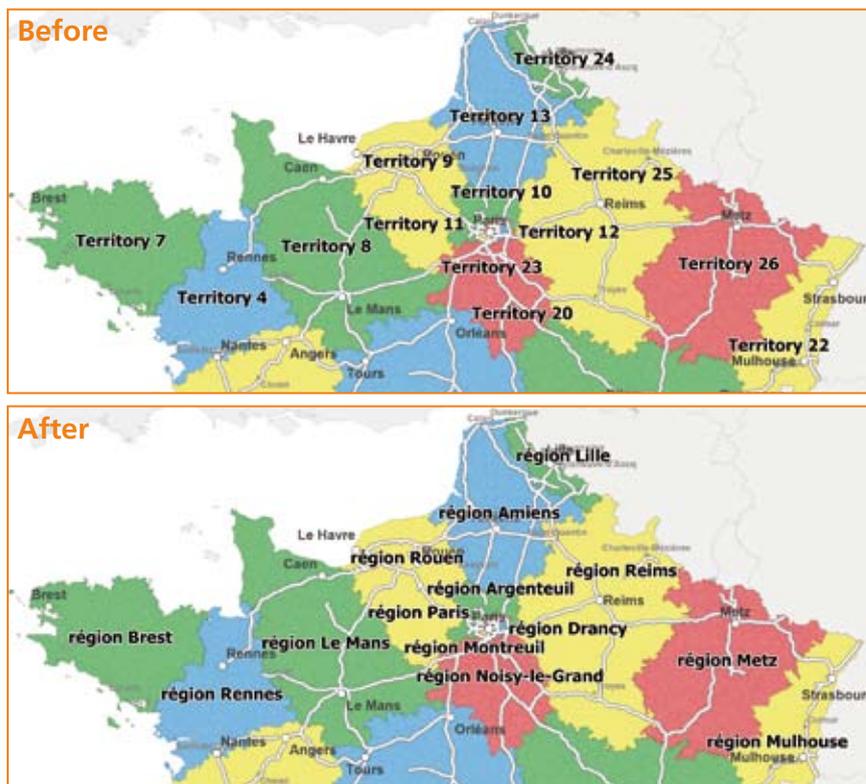
17 main product group categories:

- Food, beverages and tobacco
- Health and Hygiene Products
- Clothing
- Shoes, Leather Goods
- Furnishings
- Household Products, Glass, Porcelain
- Electrical Household Appliances, Lighting
- Consumer Electronics, Electronic Media
- Information Technology (IT)
- Telecommunications
- Photo, Optics
- Watches, Jewellery
- Books, Stationery
- Toys, Hobbies
- Sporting Goods, Clothing, Shoes / Camping Goods
- Home Improvement Items
- Baby / Childrens' Items

Tutorial: Automatically rename sales or service territories

Using DISTRICT, you can easily assign your service and sales territories suitable names. For example, you can rename all of your territories according to the main business location with which they are associated or the largest – or most centrally located – city in the vicinity.

This tool is useful to all DISTRICT users with their own user-created territories – for example, sales, external sales force or service regions that have been grouped into a new territory layer (the default name for this kind of layer is “Territory structure level 1”). As a basis for assigning names, you can use any available location or point layers, such as cities, business locations or the residences of sales representations.



In the **column** field determine which column in the corresponding layer table contains the data for the city names. In the case of city layers, the correct column from the layer table is already pre-selected. Should you wish to use your own point layer for the purpose of assigning the new names, select the corresponding column here – for example, the column containing the location or name of your key business sites.

The **naming pattern** option allows users to designate a unified naming system. The “#” symbol serves as a place-holder for the territory names. For example, the designator “territory #” will yield the names “territory Kiel”, “territory Berlin” and so on.

Step 4:

Click **OK**. The territories will then be renamed immediately. The corresponding entries in the layer table of the layer in question – **Territory structure level 1** – have also been renamed.

As a basis for assigning the new names, DISTRICT used the name of the most centrally located city in each territory that also has more than 100,000 inhabitants.

Step 1:

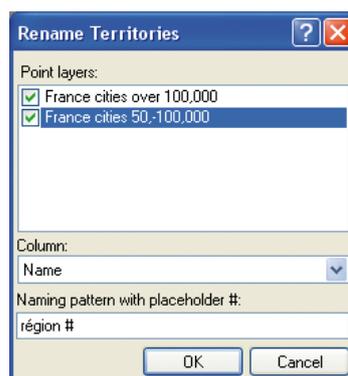
Click on the layer that contains the territory structure whose components you’d like to rename.

Step 2:

From the **Districing** menu, select **Rename territories...**

Step 3:

Place a checkmark next to all of the **point** layers that should be used for renaming the territories. In this example, the territories should be renamed using the names of cities with more than 100,000 inhabitants. Mark these cities with a checkmark.



Additional RegioGraph and DISTRICT tutorials can be found in video form at www.gfk-geomarketing.com/tutorials_en

Optimizing car dealership locations based on potential levels

A mid-sized car dealership ordered a feasibility study on the turnover potential of existing and potential locations. GfK GeoMarketing's analyses and scenarios provided a strategic roadmap for an important business decision of the customer.

In order to strategically position their sales centers, the automotive industry prepares five-year plans that make concrete recommendations regarding local dealership locations and practices. Our customer, the manager of a sports car dealership, received a central directive aimed at improving the market share of his location. He was advised by central management to relocate the current dealership location and establish a second in a more promising area. However, the manager's bank wanted more assurances than those provided by the strategic plan generated by the company headquarters before it would agree to finance the second location. The manager therefore decided to arrange for an analysis of the economic sustainability of the proposal. He wanted an objective assessment of how much sales will increase with a second location.

This is the scenario with which GfK GeoMarketing was presented. GfK GeoMarketing's task was to demonstrate through detailed analyses of the relevant criteria the overall viability of the new location proposal. The goal of the study was to establish the maximum possible turnover potential for new cars resulting from an additional car dealership location and the associated greater market coverage.



In order to illustrate the turnover density by region and the corresponding customer origins, the car sales reported by the German Federal Motor Transport Authority and their corresponding postcodes were compared against the turnover data of the car dealership. This led to some initial insights. Next, in order to determine the extent to which the car dealership was tapping into the available potential of the region, the sales numbers were compared with the total number of new cars on the market. This made it possible to visually identify the core sales region and, more importantly, the postcode districts in which elevated numbers of new cars had entered the market despite no increase in purchases from the car dealership under study.

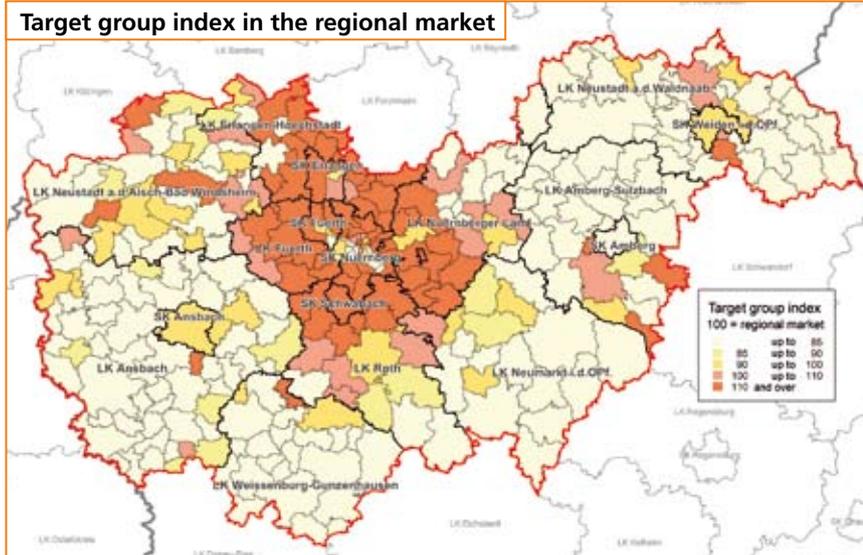
The next step was to establish the extent to which car dealerships outside of the core sales area were affecting sales within the sales area. Using its in-house sales territory planning software application DISTRICT, GfK GeoMarketing then analyzed the sales reach of neighboring car dealerships, revealing areas of overlap with regard to the boundaries of the

sales area under study. Using drive-time analyses of the various postcode areas under review, GfK GeoMarketing determined that the residents of some regions of the sales area could more quickly and inexpensively access competitor car dealerships. Additionally, a GfK survey revealed that loyalty to local vendors plays an important role in consumers' choices and that the purchase of sports cars over the Internet is a growing phenomenon.

The next step was to establish the potential for sports car purchases in the region in question and the various factors affecting decisions to buy. In addition to locating particularly affluent households, postcode districts with a high number of luxury-class automobiles were identified and illustrated on a map of the sales region. With the help of DISTRICT, it was possible to then reveal the precise postcode areas in which a high number of potential sports car buyers resided.

The often-used marketing tool of the portfolio analysis was then employed to illustrate the postcode areas with the highest untapped turnover potential. A two-dimensional model was generated in order to compare the turnover density and turnover potential – i.e., the so-called target group index – and reveal the current market situation.

A concrete identification of the potential turnover level could not be determined with the portfolio analysis alone. Consequently, a technique of analyzing turnover potential based on the methods underpinning a specialized regression analysis was developed. This approach identified the postcode areas with both high and low sales potential. The sales area was then split in order to make it possible to associate the correct turnover



potential with each of the two sales locations. This division was carried out in a way that ensured that the sales area locations minimized customer travel distance. Market penetration predictions were made for each location based on numerous factors, including customer loyalty to local businesses, the existing level of market penetration and anticipated future turnover increases due to the forthcoming introduction of a new car model. The resulting annual projected turnover volume for each location

was lower than that predicted by the central automotive headquarters, which called into question the soundness of the proposal to open a new location and resulted in advising the client to re-examine the merits of the directive from central management.

Thanks to the thorough analysis provided by GfK GeoMarketing, the bank, central management and manager of the local car dealership were presented with an objective basis from which to make an informed business decision.

Author: *Stefanie Torge,*
s.torge@gfk-geomarketing.com,
Real Estate Consulting
Retail and public authority division,
GfK GeoMarketing

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 - helpful handouts, including a CD containing all exercises
 - a good learning environment with small groups (max. 7 participants)

ZEW study on the economic performance of European metropolitan areas

A recent study carried out by Center for European Economic Research (ZEW) compared the economic performance of the Rhine Neckar region with selected European metropolitan areas. GfK GeoMarketing provided the data used as the objective basis for the analysis.

An increasing trend toward globalization in recent years has led to ever more competition among economic locations. As part of a study for BASF AG, ZEW/Mannheim examined the growth and innovation potential of 15 comparable European metropolitan regions. A particular aim of the study was to assess the economic performance and potential of the Rhine Neckar metropolitan area and compare it with other competing regions.

The study's parameters required that cities with similar traits be compared – for example, areas with similar settlement patterns and economic structures. As a result, particularly unique and dynamic economic metropolises that serve as capitals – e.g., Berlin, London, Paris – were excluded from the study.

The key indicators of the study revealed three sub-areas of economic activity. The study provided an objective basis for making economic predictions regarding the financial performance and relative dynamic of the regions considered with respect to both internal and external factors.

Economic performance capability	Relative dynamic	Future growth possibilities
<ul style="list-style-type: none"> Per capita GDP Income per inhabitant Unemployment rate 	<ul style="list-style-type: none"> BDP services share Percentage of employed F&E-intensiven Sektoren GDP growth Share of research and development-intensive sectors 	<ul style="list-style-type: none"> Patents per submitter Private economic Forschungsausgaben Public research BIP Students per 1,000 inhabitants

Overview of key factors

The comparison of the Rhine Neckar metropolitan region with other German metropolitan regions revealed, on the basis of numerous economic factors, that it occupies neither a leading nor an inferior position. The study also revealed that there has been significant economic development in these areas in recent years, with the Rhine Neckar region posting some of the most impressive growth figures among the studied German regions. The Rhine Neckar region showed particular promise with regard to external potential, particularly in a knowledge-based economy. The region occupies a leading position with regard to public research, a result of the presence of many scientific institutions and bodies in the area. Even so, there are weak points within this sector – most notably, this area's research competency in the technical disciplines.

In comparison to non-German metropolitan regions, the Rhine Neckar region dominates in the area of public research. With regard to gross domestic product growth and the research-related expenditures of local companies, the Rhine Neckar area lags behind some of its European competitors. Even so, the region ranks highly in terms of the submission of patents.

The study concluded that the Rhine Neckar region occupies a favorable position

among the other selected European metropolitan regions. It is important to consider that had the study taken the major capital cities into account, some adjustment of the results would be necessary. In conclusion, the various factors considered by the study yielded some concrete recommendations with regard to how successful urban development can be promoted and maximized in this area.



Authors:

Dr. Christoph Grimpe,
Marc Scheufen

This study was published by Nomos-Verlag and can be obtained via your local bookstore:

Die Rhein-Neckar-Region im Vergleich zu ausgewählten deutschen und europäischen Metropolregionen (A comparison of the Rhine Neckar region with selected German and European metropolitan regions). Von Dipl.-Vw. Jürgen Egel, Dr. Christoph Grimpe, Dr. Oliver Heneric, Dr. Michaela Niefert, Dipl.-Hdl. Thomas Eckert und Dipl.-Geograph Rüdiger Meng 2008, ca. 200 S., ISBN 978-3-8329-3997-7 (ZEW Wirtschaftsanalysen - Schriftenreihe des ZEW).

Russia's rampant retail growth: A study of 39 Russian retail locations

GfK GeoMarketing analyzed the retail situation of 39 Russian cities. Unsurprisingly, Moscow is the unrivalled leader. Much more newsworthy is the fact that it is closely followed by comparatively little-known cities such as Tyumen and Ufa.

The Russian market still has some catching up to do with its Western European counterparts. Despite or partly even due to this fact, it offers enormous opportunities to expanding and enterprising companies and investors. These opportunities have thus far usually been associated with the world-class metropolis of Moscow. There, such premier venues as the Triumph-Palace (Europe's tallest residential building), Crystal Island (upon completion, one of the largest buildings in the world in terms of floor space), the vast shopping centers of the Inter IKEA Group and numerous luxury malls are indicative of a Russia that views itself as an international trendsetter in culture, architecture and fashion. But now Russia's second- and third-tier cities have also attracted the attention of internationally active chains and investors.



Problematic for companies wishing to take advantage of this situation is the difficulty in accessing reliable data sources. Some attempts to expand into this dynamic market falter due to choosing a location with low customer frequency and/or potential. The Russian retail market thus poses certain risks, even amidst the enormous opportunities that undeniably exist. Without expert, on-the-ground knowledge of the country's retail locations, language and legal requirements, it's extremely difficult or even impossible to gauge the accuracy and reliability of existing sources of official and/or commercial data on market potential, infrastructure conditions and projects currently being implemented.

GfK GeoMarketing offers an up-to-date collection of market data on Russia's major cities. This information was compiled via on-site studies and its own calculations from statistical data. The gathered information and validated data give companies and investors detailed information on the retail environment in Russia's 39 most promising cities.

Profile of Russia's retail climate

With 10 million and 4.5 million inhabitants respectively, Moscow and St. Petersburg are in a league of their own with respect to total consumer potential. Russia's enormous retail potential becomes apparent when one considers that the country boasts an additional nine cities with more than one million inhabitants. The potential for (international) retailers in these locations is especially high.

Of particular interest are the Russian cities whose inhabitants possess a high per person purchasing power, which serves as a magnet for international retailers.

Moscow tops the GfK purchasing power per inhabitant rankings, followed by the much less familiar west Siberian city of Tyumen. Other cities with significantly above-average purchasing power indices are those heavily influenced by the oil industry or other major commercial sectors, such as Ufa, Krasnodar, St. Petersburg, Perm, Yekaterinburg and Tolyatti. The high purchasing power index scores of these cities are indicative of the stark disparities in disposable income in Russia. The national average purchasing power is much lower than in these few urban locations. Due to the uneven economic development of Russia's industries and regions, the wealthier segments of the population have clustered together in relatively few areas.

You can read more at www.gfk-geomarketing.com/retail_russia_08 and learn more about shopping centers and growth rates in Russia.

If you have any questions about profiles of European locations, you can contact Gerrit Schreiber at g.schreiber@gfk-geomarketing.com.

GfK GeoMarketing offers economic and retail information on 430 locations throughout Europe

Professional sales territory planning – Efficiency guaranteed

An optimized sales or service territory structure is essential for all companies with external sales forces. Many companies use external consultants to save time and implement any required changes more efficiently and effectively. There are numerous advantages to this approach.

There aren't many who can claim that they have planned and optimized hundreds of sales territory structures. Most companies do this just once a year. Michael Büttcher and his colleagues in GfK GeoMarketing's training and consultancy division have, by contrast, successfully completed 2,000 sales territory optimizations over the last 15 years. This accumulated experience and specialized knowledge regarding optimum territory structures, realistic regional divisions, strategic locations and key factors for success together comprise an invaluable resource for companies of all sizes and branches of trade. Hiring an external consultant to assist with sales territory planning and optimization is often the quickest, most efficient approach to introducing new, profit-enhancing perspectives into a company's business plans.

Solid planning and rapid implementation

An external consultant often can better coordinate the various negotiation partners within a given company, providing objective and neutral advice that can steer the company through the entire process. External consultants can also offer the option of carrying out analyses of company data or presenting relevant data on market potential to supplement a company's existing information. GfK GeoMarketing consultants can help sales and controlling divisions locate areas of untapped potential through the use of GfK market data.

Experienced consultants can also present companies with alternative scenarios so that a comprehensive array of plans and approaches can be drawn up within a short space of time and then taken under consideration. This results in enhanced transparency, which contributes to the likelihood that the proposed changes will be enthusiastically accepted by company employees.

Objectivity and transparency

Consultants comprehensively analyze the existing state of the company's activities as well as the planned changes, presenting both in the form of insightful reports to every employee. These easy-to-comprehend regional market reports, complete with illuminating map illustrations, provide sales staff with a precise overview of the restructuring process. The reports give employees the ability to compare the currently utilized market potential with the projected available market potential, providing an excellent benchmark and basis for making decisions.

An external consultant is often the person best placed to provide an objective and fully neutral assessment of the merit of any proposed changes. Thanks to many years of experience working with companies from all sectors, consultants can quickly identify the risks and opportunities for growth associated with a proposed restructuring. A confident recommendation from a professional consultant supported by an analysis that reveals areas of untapped potential is often enough to convince skeptics.

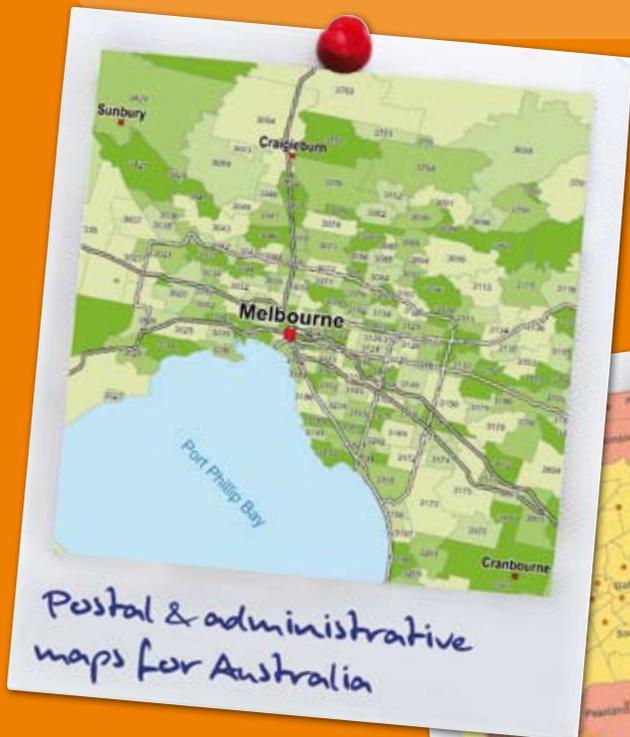
Components of a GfK GeoMarketing professional sales territory planning:

- Preparation of your customer base
- Illustration and analysis of customer data
- Illustration of existing sales and/or service networks
- Preparation of economic and/or socio-economic data
- Evaluation of existing sales territory structure
- Optimization of sales and service territories
- Design of new regional structures
- Implementation of regional reforms
- Reduction or expansion of external sales forces
- Consolidation of numerous external sales force lines
- Determination of alternate sales/service territory networks
- Preparation of results in region-specific maps and reports

A highly experienced consultant with many years of experience is particularly indispensable in the case of companies wishing to enter new markets, introduce new product lines into complex existing structures or adjust to changing market conditions. GfK GeoMarketing's consultants offer not only support and advice for the planning and implementation stages of a restructuring, but also significant peace of mind through concrete suggestions about how to minimize risk, enhance transparency, increase efficiency and improve the use of company resources. As an added benefit, bringing in a consultant significantly speeds up the planning process.

You can find out more about sales territory planning and GfK GeoMarketing's comprehensive array of consultancy services online at www.gfk-geomarketing.com/sales_territory_planning

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Have a look at www.gfk-geomarketing.com/tutorials_en

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Take advantage of the numerous opportunities to get to know GfK GeoMarketing's products and services in person at one of the following upcoming trade fairs:



From **November 5-6**, GfK GeoMarketing will be at the **CRM-expo in Nuremberg**. The CRM-expo is the leading trade fair for the customer relations management sector. You can find us at stand C46 in hall 10, where you can learn about how geomarketing enhances CRM.



From **November 19-21**, we'll be in **Cannes** at **Mapic**, the international real estate trade fair. We'll be presenting our consultancy services that relate to the theme of real estate consulting.



Mark your calendar now for next year's **EuroCIS in Düsseldorf** from **February 10-12, 2009**. EuroCIS is a specialty trade fair for the IT and retail security sector – you'll find us in hall 14 at stand C28.

Questions?
Contact Nicole Lahr at +49(0)725 9295160 or n.lahr@gfk-geomarketing.com.

Presentations by GfK GeoMarketing experts

**CRM-expo, November 6, 2008,
14:00, Nuremberg Messe**



Simone Baecker-Neuchl, head of the market data & research division, will deliver a paper entitled, "Identify interest and acquire customers: A case study from the growing seniors' market".

Discussion panel on the Nuremberg metropolitan region Nuremberg, November 25, 2008, 16:15, Südwestpark Nuremberg



Wilfried Weisenberger, head of the real estate and public authorities division, will moderate a panel entitled, "The future of retail and business locations in middle Franconia".

RegioGraph 10 competition

Answer the following questions about purchasing power in Europe (hint: all answers are contained in this edition of GfK GeoMarketing News) and you'll be entered into a drawing for a free full version of RegioGraph 10!

In which city do the wealthiest Hungarians live?

Answer: _____

What is the name of the Swedish municipality with the highest purchasing power?

Answer: _____

In which Polish city has the purchasing power grown most since 2007?

Answer: _____

Which group of Ukrainian inhabitants has more disposable income – the inhabitants of Kiev or Ugedar?

Answer: _____

Do Icelanders have more or less purchasing power than the European average?

Answer: _____

Photocopy this page, complete the address fields below and **fax it to +49 (0)7251 9295290 by December 15, 2008**. Why not make a few extra copies and distribute them amongst your colleagues – this will give your company a better chance of winning!

You can also complete the form online at www.gfk-geomarketing.com/competition.

The winner will be selected at random. Only one entry per person. All decisions are final and cannot be legally challenged.

Imprint:

GfK GeoMarketing GmbH
 Werner-von-Siemens-Str. 9
 Building 6508
 76646 Bruchsal
 Germany
 Phone: +49(0)7251 92950
 Telefax: +49(0)7251 9295290
www.gfk-geomarketing.com
info@gfk-geomarketing.com

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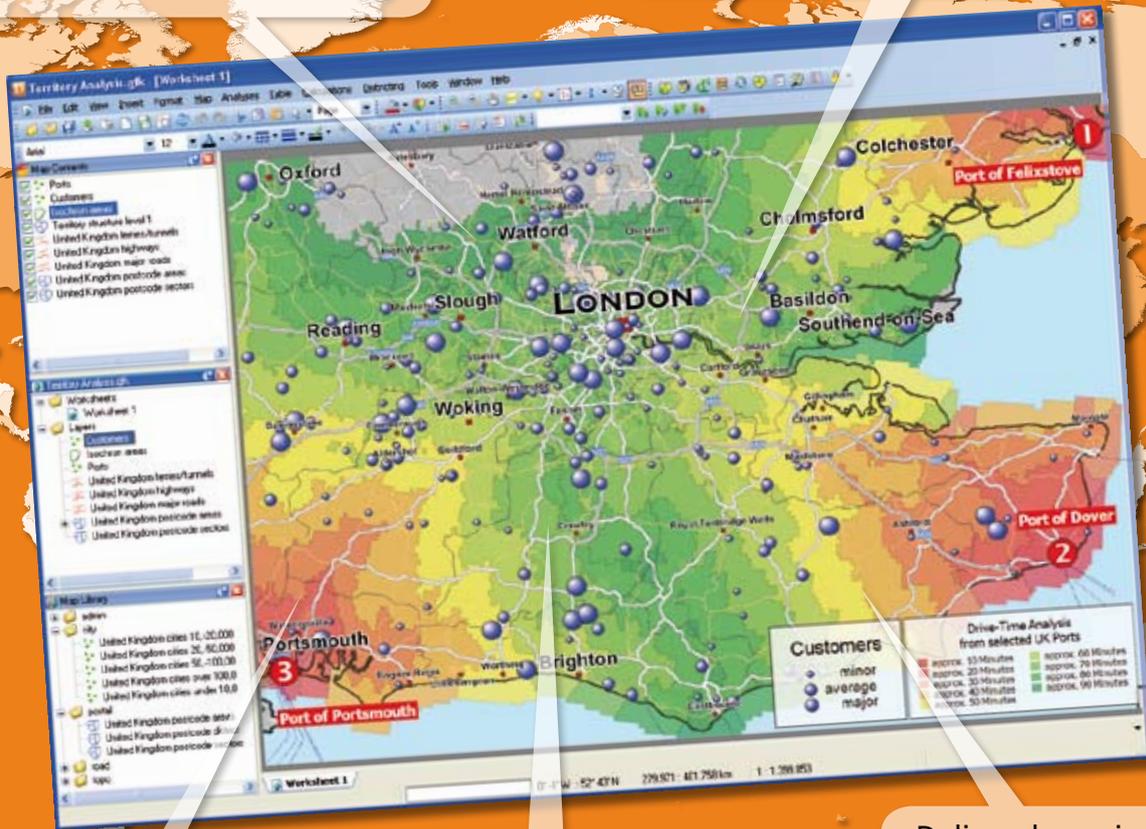
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R RegioGraph 10

The new update allows you to access RegioGraph from directly within Office 2007!

Visualize your customers' locations

Recognize market potential



Locate your target groups

Evaluate your sales territories

Deliver dynamic reports and presentations

R 2008 update for RegioGraph: Success through the latest technology and data

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- GfK Purchasing Power 2008 for Europe at the country and GfK regions levels
- Microsoft Office 2007 Plug-In for quicker and more efficient geomarketing

RegioGraph 10 is also available as part of a discounted bundle that includes Microsoft Office Small Business Edition 2007!

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