

European Geodemographics Conference 1st April 2009

Report by Peter Furness

Introducing The Wider Europe

This was the first-ever conference to take a pan-European view of geodemographics and brought together speakers and delegates from the UK and continental Europe. The conference chair, Peter Furness, pointed out that the organising committee (from the Census and Geodemographics Group of the Market Research Society) had been quite challenged in deciding what 'Europe' should be. The 27 members of the EU was one possible definition, but then what about Switzerland and Norway, and of course increasingly important markets such as Ukraine, Croatia, Turkey etc. It was decided in the end to keep the definition vague! As a target market, the wider Europe is vast, with more than 350 million consumers in the EU states alone.

The European Data Landscape

In the first session of the day, Hilary Beedham and Jack Kneeshaw of the UK Data Archive gave an introduction to cross-European data sharing, particularly for the social sciences and humanities. There are already microdata (censuses, surveys, registers) and macrodata (mainly country-level data) available for coordinated public access across Europe. However, there are limits to the geographical detail available and access restrictions and charges for commercial use need to be considered. Gaining access to Europe-wide data at a fine geographical level is still not possible without going directly to the source organisations.

The Council for European Social Science Data Archives (CESSDA) is currently an informal group of data archives in 20 member states with the goal of facilitating pan-European data discovery and sharing. There are already 25000 separate datasets available through CESSDA members. A recent survey of members by the UK Data Archive showed that a very high proportion distribute census or register-based demographic and population data, with around 30-40% distributing transport and mobility data and housing land use and planning data.

CESSDA is being put onto a more formal legal footing with a central coordinating body and governance structure with sustainable funding and contractual

agreements with data providers. It is likely that CESSDA will provide dissemination support services in the future.

Understanding the European Consumer Market

Andy Bell of Eurodirect told us about the changing political, economic and cultural faces of Europe and the opportunities these are bringing for global businesses. Companies can now access a variety of public datasets (censuses and social surveys for example) as well as market research and list broking resources, many of which are moving East into the wider Europe. The number of national marketing associations is increasing and there are pan-European organisations such as FEDMA to provide support to businesses operating across the region.

There are many obstacles, however, such as patchy data availability and quality, as well as differing data protection and privacy regulation. Geodemographics can help overcome these obstacles and provide a uniform view of customers across borders which maintain national subtleties whilst identifying international similarities. Andy illustrated this with case studies from financial services, manufacturing and retailing.

Purpose Dictates the Design of a European Segmentation

In the next session, John Rae of CACI spoke about the design issues for a European geodemographic segmentation. He began by noting that location planning and consumer targeting may require different forms of geodemographics, because optimising for one purpose may be sub-optimal for the other.

Countries in Europe have widely differing per capita incomes and in creating a European segmentation it is important to capture both absolute and relative differences between areas – to avoid, for example, all areas of the poorest countries being classified into the poorest segment. Also, pictorial representations of segments, whilst popular in national systems, can be confusing or misleading if applied on a pan-European basis.

He illustrated the key points by reference to EuroACORN, CACI's proprietary geodemographic system, and its application to exploring 'North/South' divides and to European retail markets, especially the modelling and ranking of retail centres.

Europe – Is it for me?

Next up was Richard Jenkins of Experian and he began by listing the key business questions to be answered when planning expansion in Europe – will I make enough money in the country? Where are the best locations and how will they trade compared with other countries? Etc.

Geodemographics provide a 'common currency' for comparing markets and can help address these questions. His first case study was Canada Tourism, which had already identified 9 types of visitor to Canada and used Global Mosaic (one of Experian's proprietary geodemographic systems) to research these types across Europe.

His second case study was Eurostar, which used Global Mosaic in conjunction with station proximity analysis to simulate the impact of changes to major termini (e.g. the move to St Pancras) as well as other European marketing activities. The third case study involved performance modelling for a company offering auto parts and fitting through a network of 2000 outlets across the UK, France, Germany and Holland.

The INSPIRE Directive

In the morning panel session, Ian Greenwood of DEFRA, gave a brief outline of the INSPIRE (Infrastructure for Spatial Information in the European Community) directive. The aim is to improve consistency of data and encourage greater interoperability by creating a pan-European spatial data infrastructure. INSPIRE transposition is currently at the consultation stage and regulations are expected to be in place by September 2009. Full implementation across all EU states is expected by 2019.

Pan-European Geocoding and Address Matching

In the first afternoon session Uwe Rupp of Pitney Bowes Bowes Insight, Germany gave a presentation on geocoding and address matching. Geocoding is one of the key steps in enabling Location Intelligence (LI) and Uwe illustrated the importance of LI in applications such as storm path readiness within the insurance and emergency domains, and customer analysis through geodemographics.

Pan-European geocoding has many challenges, including different address formats across countries, different character sets and languages even in one country, different address standardisation and different address quality. He showed how these challenges can be met by reference to a case study for Mastercard.

MasterCard had the problem of locating ATMs for customers on a global basis. Pitney Bowes implemented the MapInfo Envinsa Location Intelligence platform to support its ATM locator web site, then integrate this with its phone-based ATM locator to yield major benefits for customer service as well as large cost savings and revenue gains.

Market Data for Europe-wide Location and Sales Planning

Simone Baecker-Neuchl of GfK GeoMarketing Germany then explained how, and which, market data can be used to support many geomarketing applications, including location analysis, sales territory planning, retail modelling, branch network optimisation, risk analysis and customer location analysis.

Market data are based on official sources (Eurostat, national bureaux, UN etc.), private-sector sources, on-site surveys and evaluations (e.g. by GfK), data from marketing partners and in-house data. Reliable local data sources are essential but not readily available. Next, it is important to have basic regional data sources for calculating regional purchasing power, as well as socio-demographic and economic data, retail location data and information about legal requirements. However, in all cases it is mandatory to verify these sources with the local expertise. The GfK international network, supported by current local project teams, helps with gauging the accuracy and reliability of the existing data sources.

There are big opportunities for location and sales planning projects in the eastern states and she illustrated this with a location planning case study from Bulgaria. The client required investment decision support for the purchasing and financing of a commercial real estate opportunity. This required analysis at the country level, macro area and micro area levels; and retail catchment demand and competitor analysis.

Linking Spatial Data from the Web

Christian Becker of the Free University of Berlin introduced the 'Semantic Web' and, in particular, Linked Data. This enables cross-database, cross organisational, and

cross domain links on a global scale. Its development is led by the W3C (the World Wide Web Consortium, with strong endorsement by its director, web inventor Tim Berners-Lee) – through the Linking Open Data (LOD) project – which is a community effort to create approved standards and publish open-licence datasets as Linked Data on the web and interlinks them. The LOD cloud has grown rapidly since 2007 and now encompasses more than 180 million data links.

The Free University of Berlin is involved through the DBpedia project which is extracting spatial and other data from Wikipedia to make this available as part of LOD. DBpedia encompasses more than 270 million pieces of information and 4.9 million links to other LOD datasets. Christian gave examples of the application of DBpedia to local searching (through DBpedia Mobile which presents data on a mobile phone browser), and complex spatial queries; as well as ‘passive’ applications such as silencing a phone in a museum.

Linked Data has many potential applications in geodemographics. Spatially referenced sources now include Wikipedia, OpenStreetMap, GeoNames (administrative hierarchies), US Census, Eurostat and the World Factbook.

What are Users’ Priorities for Developing Geodemographics Across Europe?

The final panel session of the day, chaired by Keith Dugmore of Demographic Decisions, focused on getting the audience’s views. Priorities emerged under the following main headings:

- **Statistics**: The need for greater consistency; for specific topics (age, income etc); also, statistics for small areas. All for action by Eurostat.
- **Map Data and Address Referencing**: The need for boundary data for Census small areas (e.g. for NUTS 5 level); also map background and road network data. This would require action by INSPIRE and member governments. Also the need for national address files to be georeferenced (e.g. using postcodes if they exist), where commercial firms may also play a role.
- **Access to the Data**: Users are seeking easy access to such data, for example from the Web, and, not surprisingly, would like all or most of it to be free at the point of delivery. This would require action by all official data sources.

Further information about the conference, including speakers' presentations, is available from the Market Research Society via the following link:

http://www.mrs.org.uk/networking/cgg/euro_conference.htm

Also via the Geodemographics Knowledge Base:

<http://www.geodemographics.org.uk>



Speakers, from left to right: Simone Baecker-Neuchl, Richard Jenkins, Keith Dugmore, Christian Becker, Hilary Beedham, John Rae, Peter Furness (Conference Chair), Uwe Rupp, Andy Bell, Barry Leventhal (CGG Chair)