

# Europe is it for me?

## Helping answer key business decisions

prepared by  
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April 2009  
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# Evidence as well as Instinct

- Who are Experian?
- What questions
- Case studies
  - Canada Tourism
  - Eurostar
  - Those we can not name
- How this might help you



# Experian who are we?



- A publically listed company
- World head office in Nottingham UK
- Helps public and private sector organisations round the world
- Specialise in measuring social and geographic patterns, classifying things and simulating change.
- Helping make better informed decisions



# Your Key business questions

- Should I enter a new country? Will I make enough money?
- Where are the best locations?
- How will they trade compared to my existing elsewhere?
- How many outlets are there room for?
- Who are my competition and what is the risk?
- What does the optimal network look like?
- Who are my type of customer locally but described in a common way between countries?
- How should I market to the best people for me in each country?

# Putting things on a common basis between countries

- Economic performance
- Geographic units
- Geocoding
- Mapping
- Demographics
- Segmentation of people and places
  
- What we need are “ common currencies”

# What is Mosaic? A shorthand description of what neighbourhoods are like



Municipal Dependency



Urban Intelligence



Twilight Subsistence



Happy Families

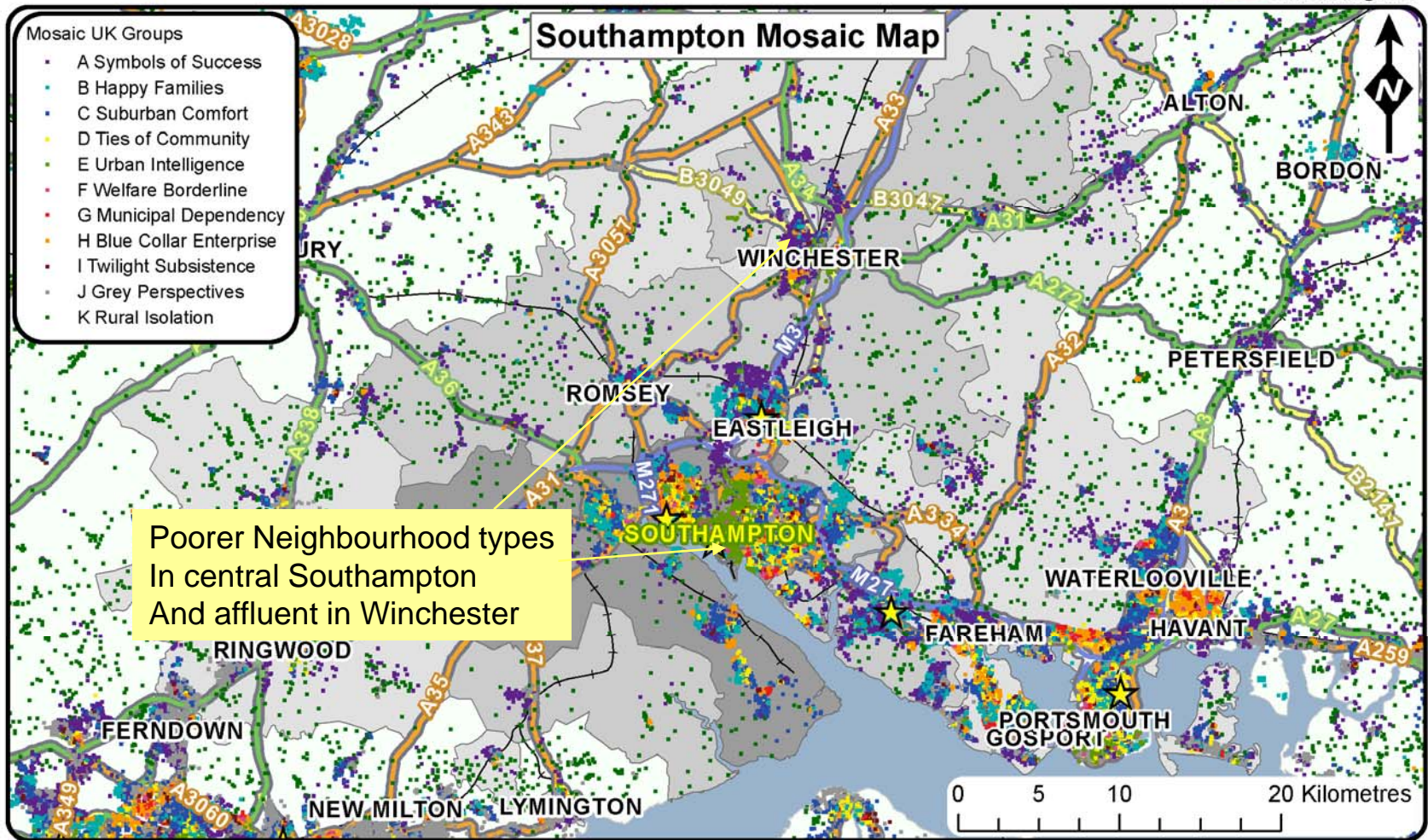


Imagery of 4 of the 11 Mosaic Groups

a wealth of information, distilled down into 61 Mosaic types (and further combined into 11 groups) can be directly linked to every household, postcode, retail catchment, and local area in the entire country



# Understand consumer/customer distributions anywhere

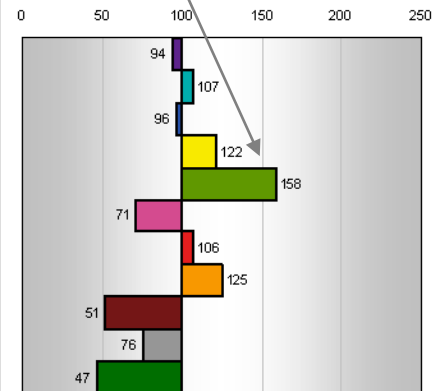


## Mosaic lets us see which types of people are more likely to buy something



Starbucks coffee customers most likely to be a group E  
Young urban and affluent

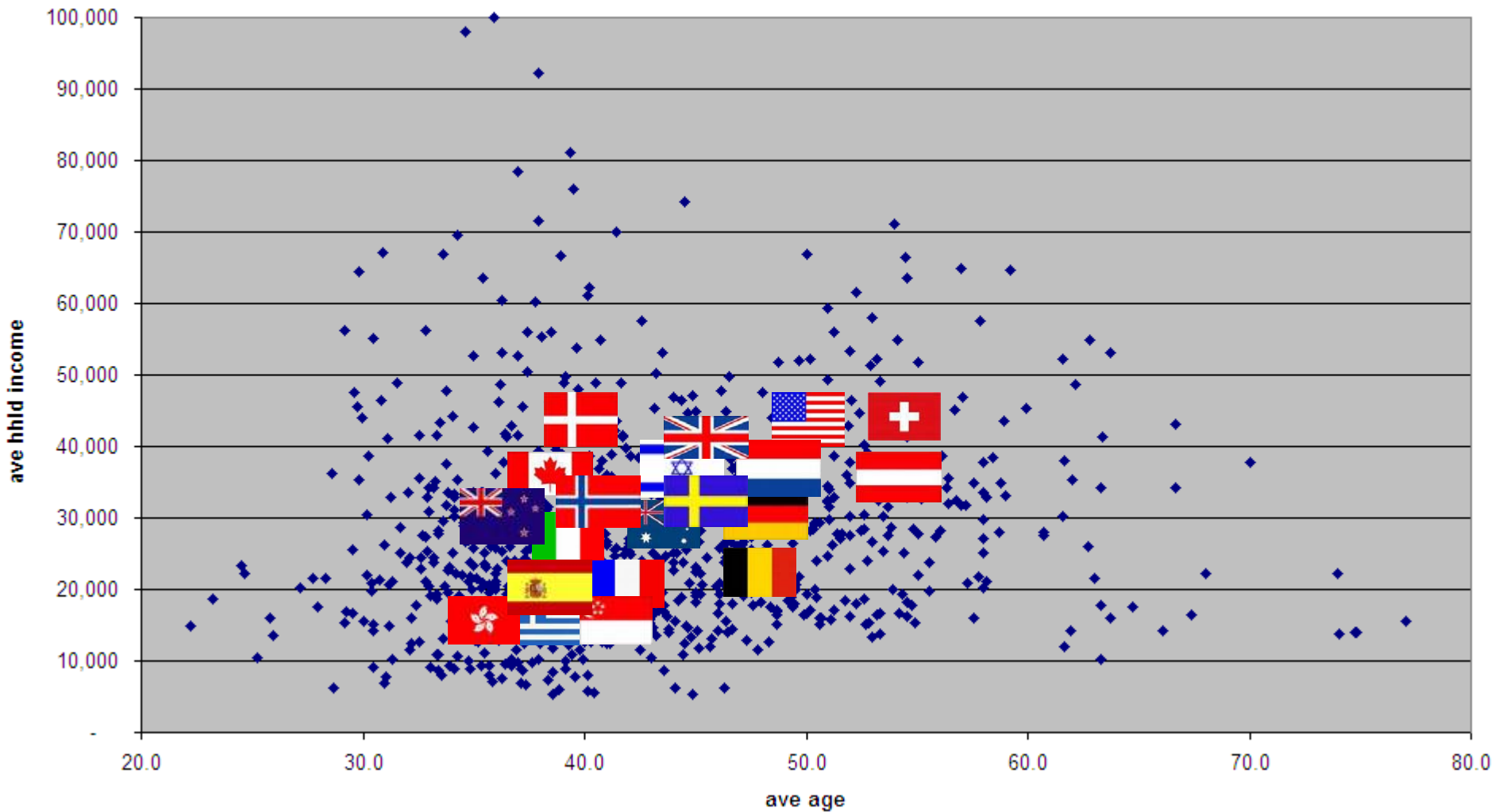
| Mosaic Lifestyle Groups  | Starbucks - Coffee Shops - Companies - Most Often | %          | UK                | %          | Index |
|--------------------------|---|------------|-------------------|------------|-------|
| A Symbols of Success     | 528   | 9.25       | 2,155,859         | 9.86       | 94    |
| B Happy Families         | 708   | 12.41      | 2,544,958         | 11.64      | 107   |
| C Suburban Comfort       | 863   | 15.12      | 3,452,706         | 15.80      | 96    |
| D Ties of Community      | 1,116   | 19.56      | 3,509,989         | 16.06      | 122   |
| E Urban Intelligence     | 505   | 8.85       | 1,220,997         | 5.59       | 158   |
| F Welfare Borderline     | 237   | 4.15       | 1,286,406         | 5.89       | 71    |
| G Municipal Dependency   | 436   | 7.64       | 1,568,630         | 7.18       | 106   |
| H Blue Collar Enterprise | 694   | 12.16      | 2,129,259         | 9.74       | 125   |
| I Twilight Subsistence   | 118   | 2.07       | 878,090           | 4.02       | 51    |
| J Grey Perspectives      | 313   | 5.49       | 1,571,452         | 7.19       | 76    |
| K Rural Isolation        | 188   | 3.29       | 1,537,430         | 7.03       | 47    |
| <b>Total</b>             | <b>5,706</b>                                      | <b>100</b> | <b>21,855,776</b> | <b>100</b> |       |



Source TGI survey BMRB



### Local Mosaics compared

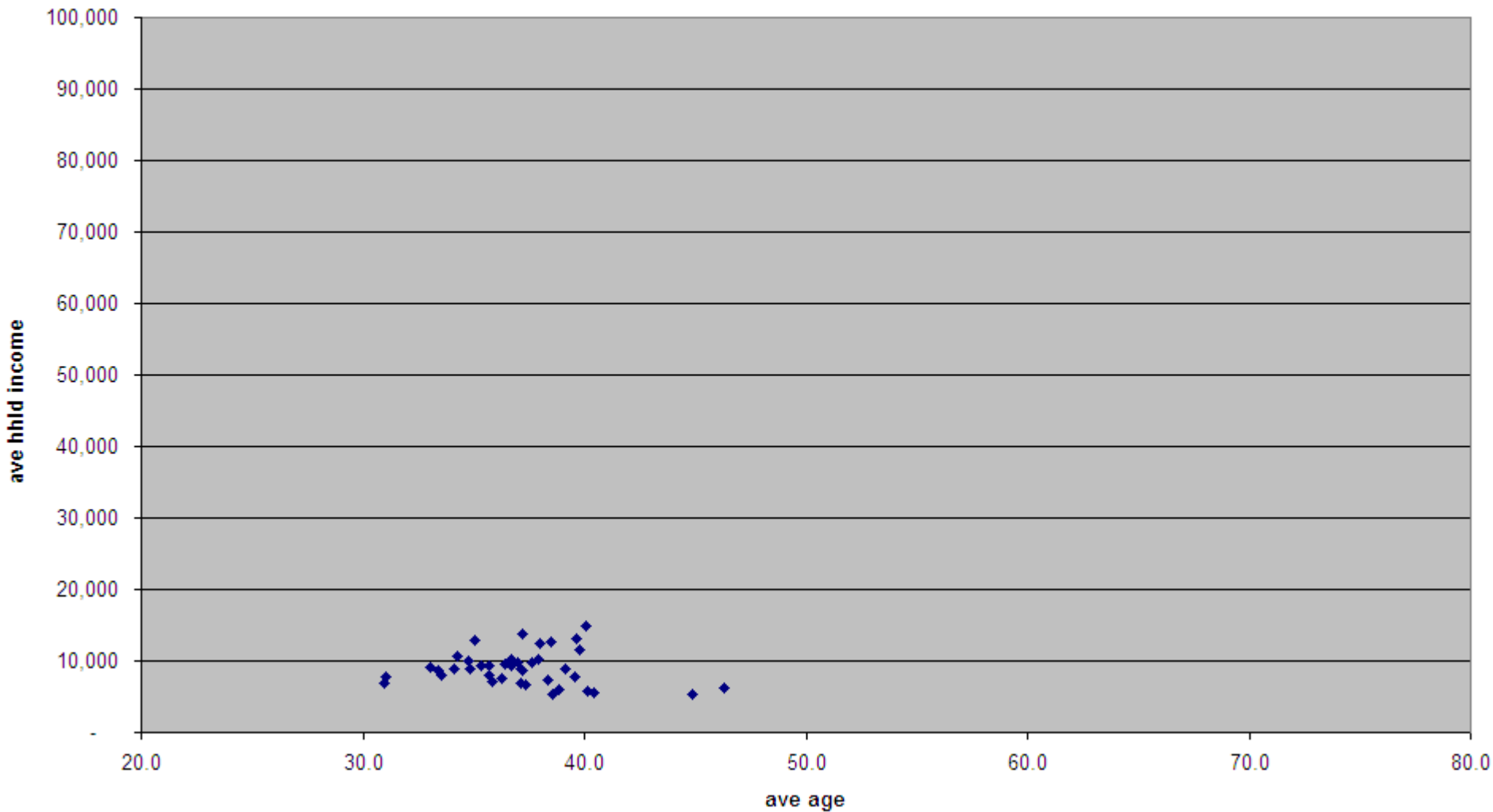


NOTE: hhd incomes are in £ pa  
A few very high income Mosaic types are excluded<sup>9</sup>

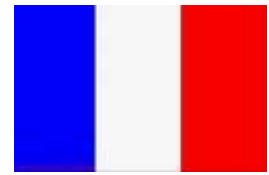
# Greece



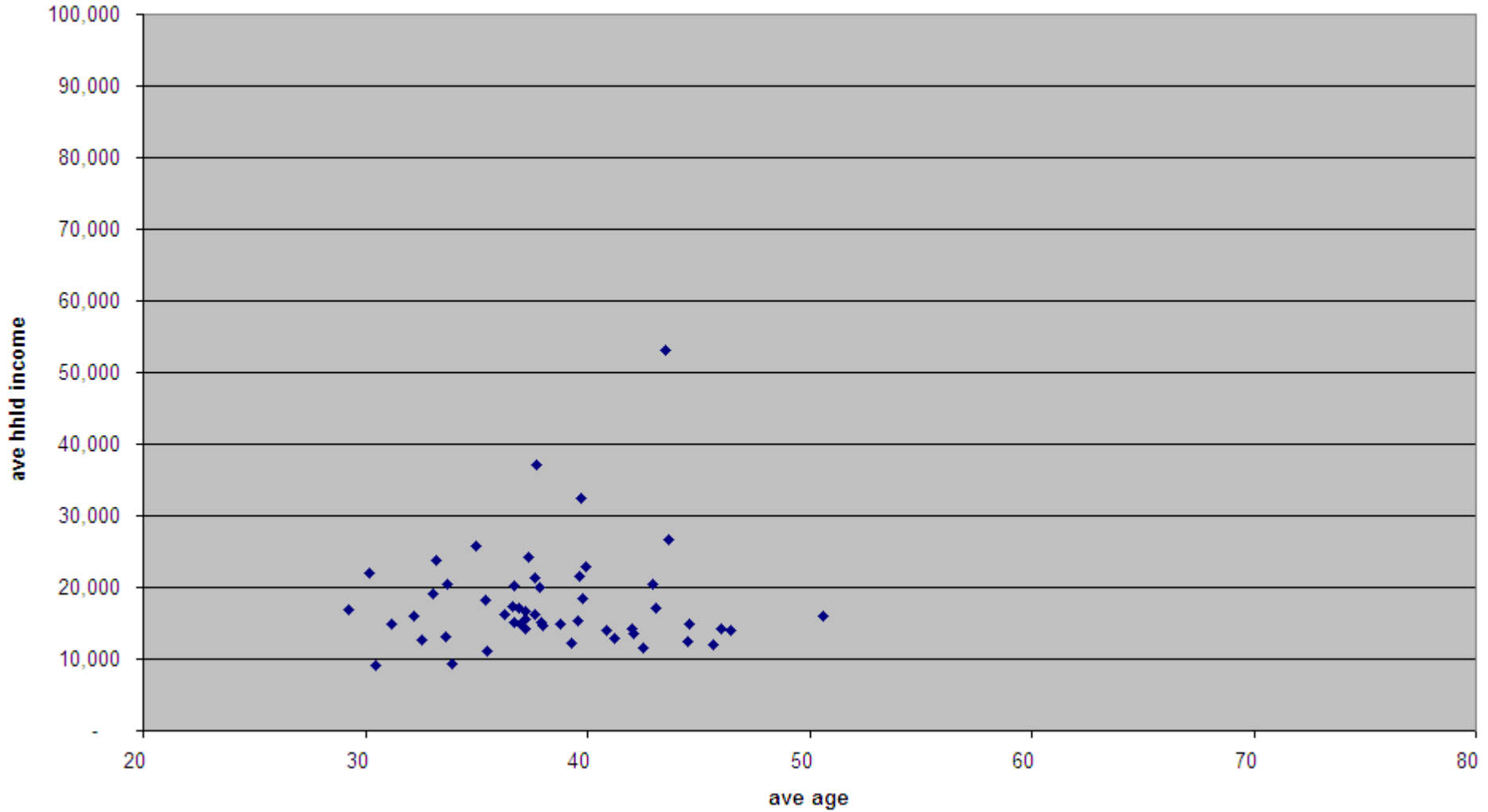
## Local Mosaics compared



# France



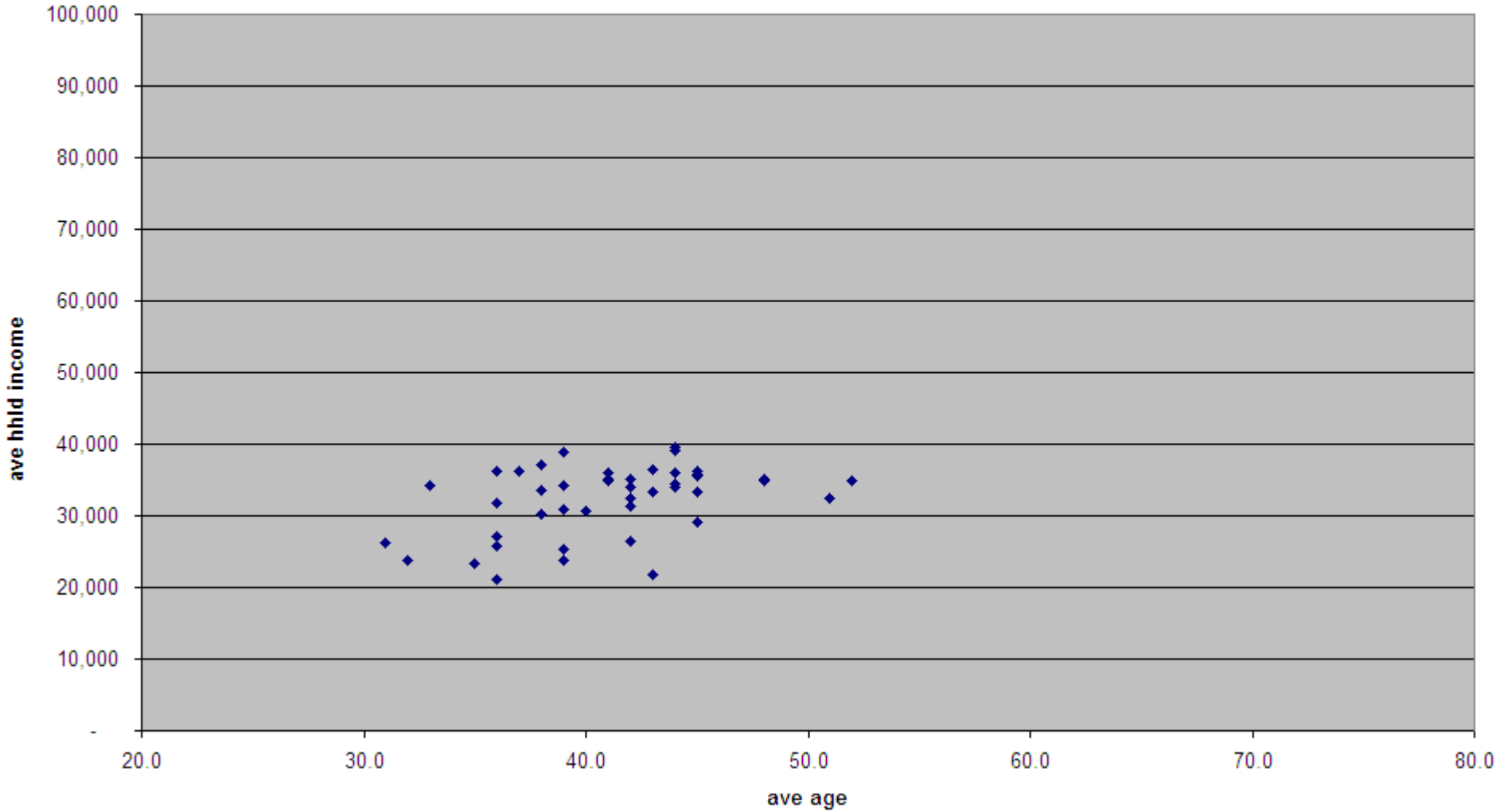
## Local Mosaics compared



# Italy

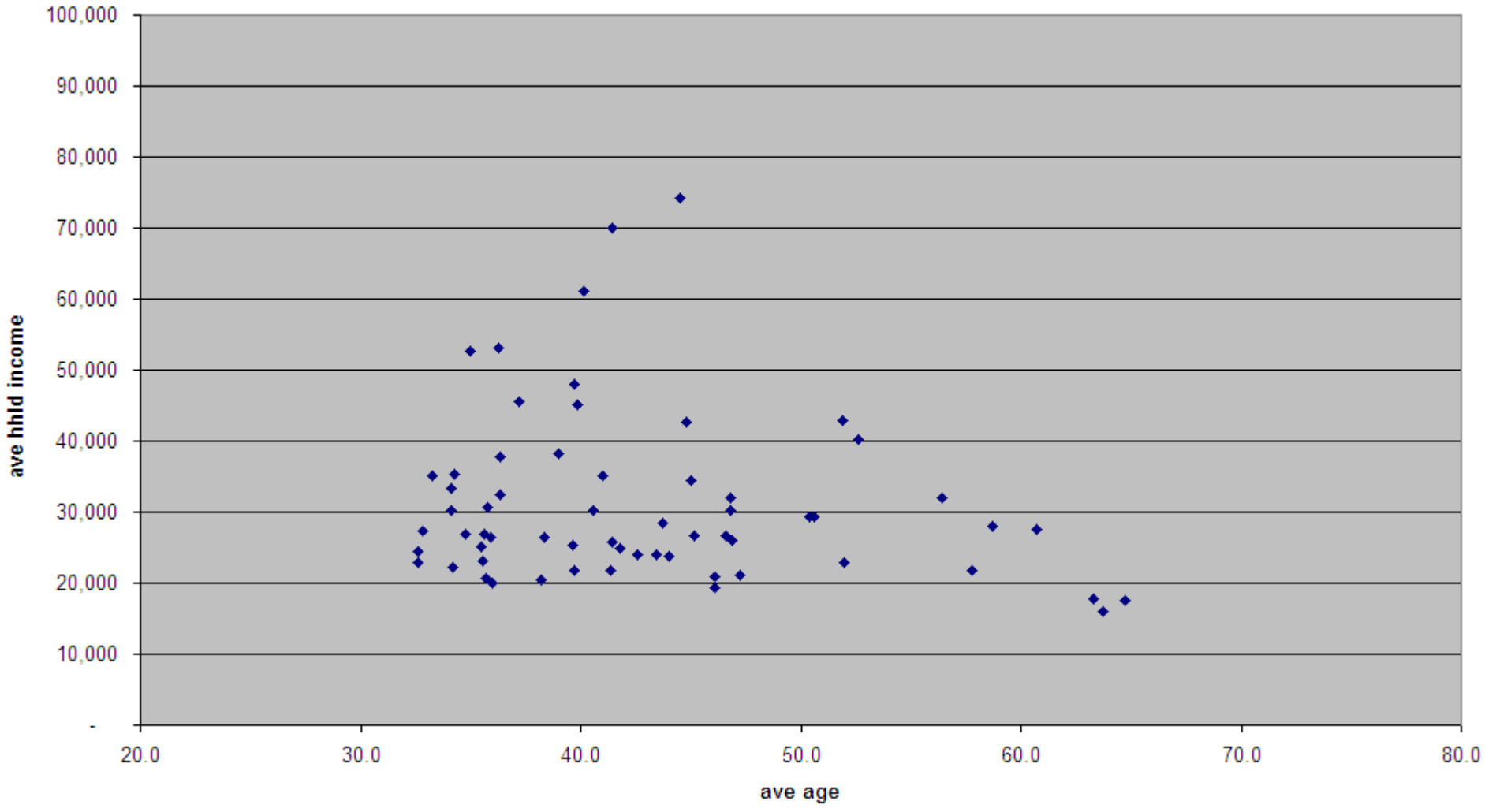


## Local Mosaics compared





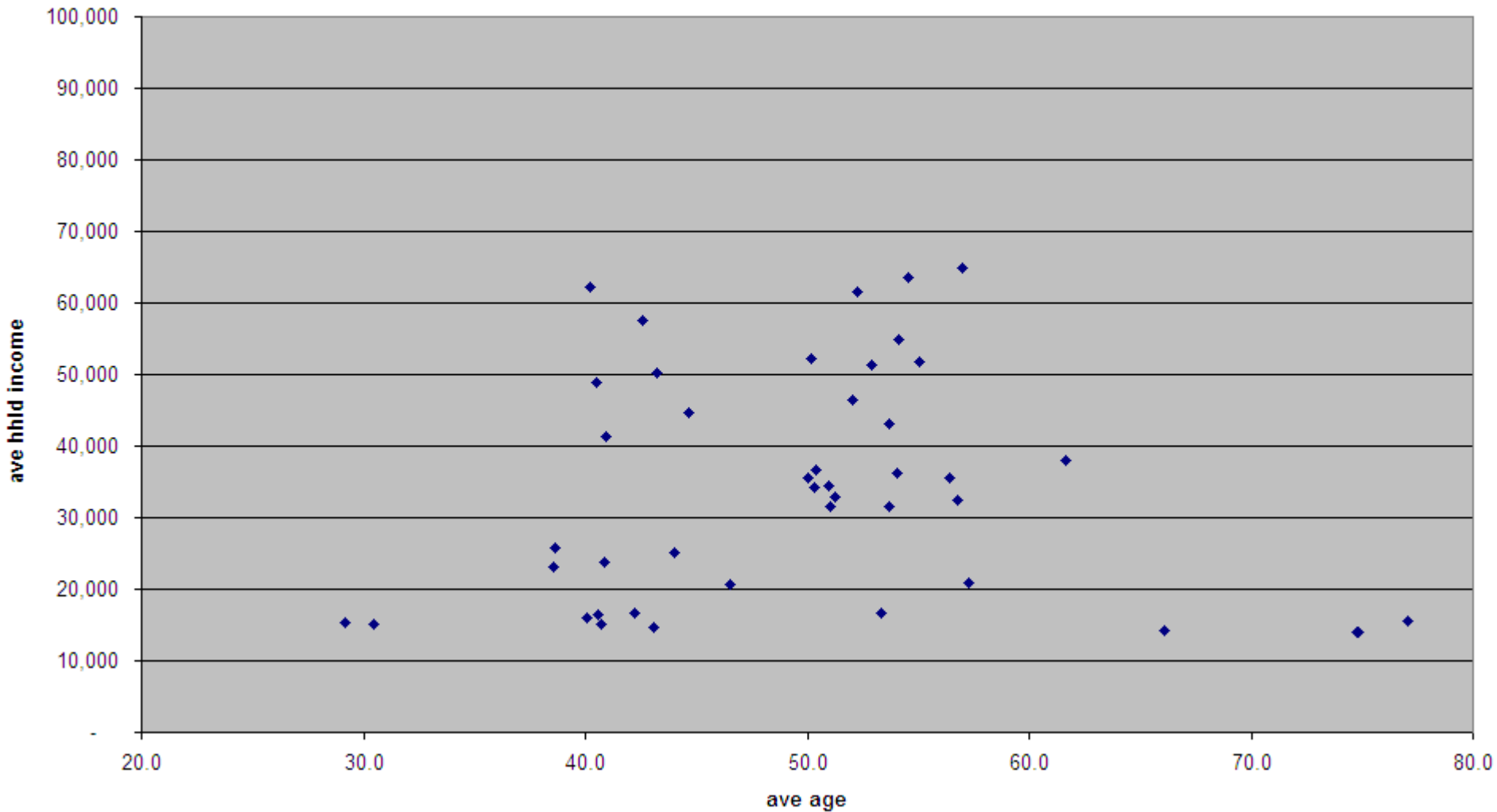
Local Mosaics compared



# Netherlands



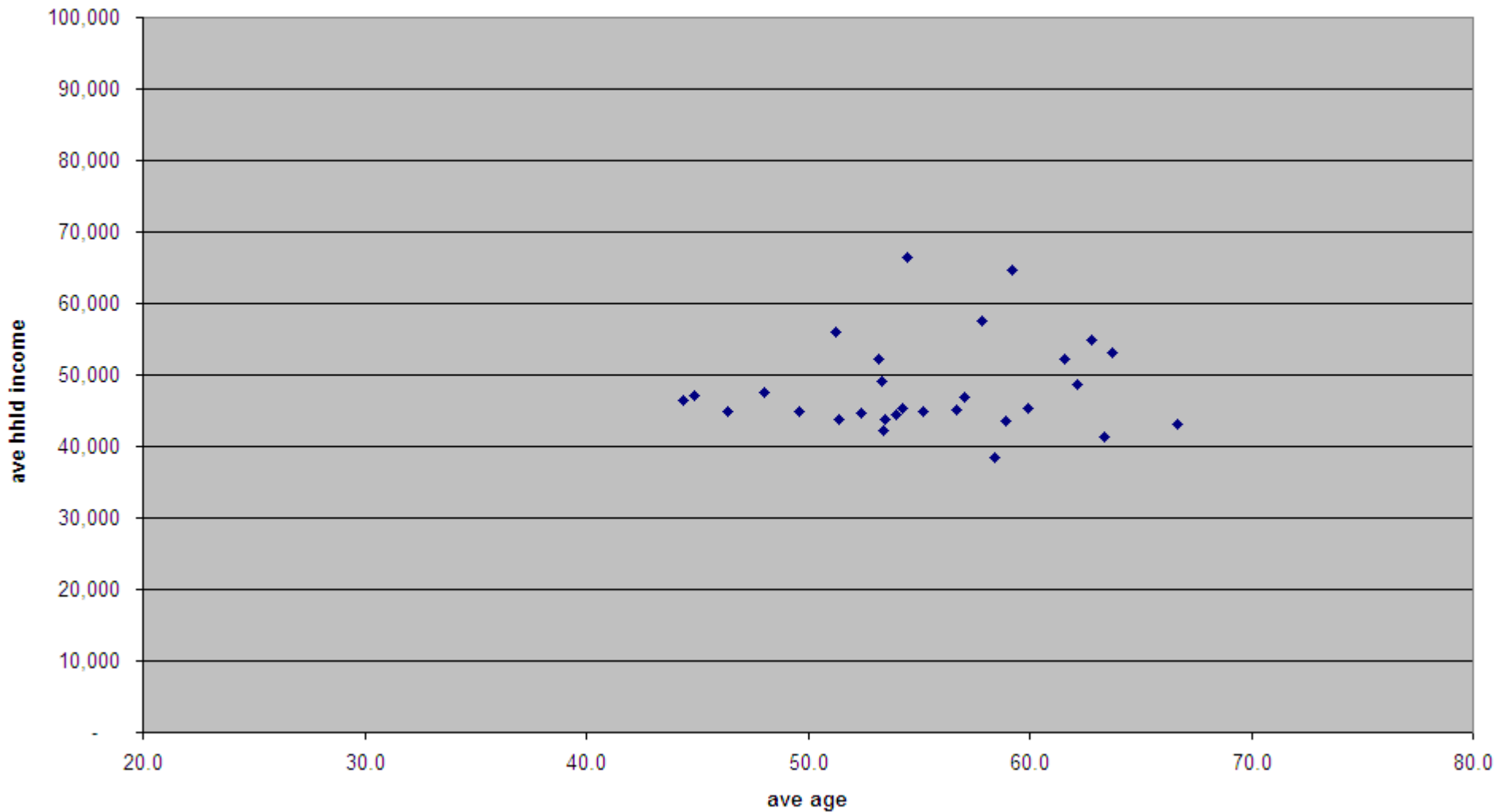
## Local Mosaics compared



# Switzerland



## Local Mosaics compared



# The Canada Tourist Commission



## Applying the EQ segments to local markets: A common global currency





# Experian “mapping out” EQ types to each country

- Objectives
- MATCH –the segments to the population of each country
- DESCRIBE – each EQ segment in terms of each country
- LOCATE – find where the segments are and quantify them
- DISSEMINATE – spread the results within CTC
- APPLY – start using the results to help focus marketing activity

MATCH

DESCRIBE

LOCATE

DISSEMINATE

APPLY

# The countries

## Original EQ



Canada



USA

## Experian EQ project



Australia



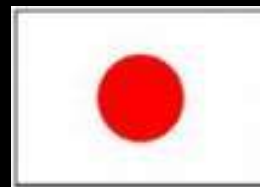
France



Germany



UK



Japan

# Canada Tourist Board



- Already built 9 segments of types of visitor
- To apply them to countries round the world
  - What does the local equivalent look like?
  - How does each country differ?
  - Where are each sort of visitor?
  - How many are there?
  - What media do they consume?
  - Where are the best places to put exhibitions?
  - What images best motivate each EQ segment?

# Global Mosaic



|                                  |  |   |   |                                       |
|----------------------------------|--|---|---|---------------------------------------|
| High<br>Affluence<br><br><br>Low | <b>A</b><br>Sophisticated<br>Singles   | <b>B</b><br>Bourgeois<br>Prosperity     | <b>C</b><br>Career<br>and Family            | <b>D</b><br>Comfortable<br>Retirement |
|                                  | <b>E</b><br>Routine Service<br>Workers | <b>F</b><br>Hard Working<br>Blue Collar | <b>I</b><br>Post<br>Industrial<br>Survivors | <b>J</b><br>Rural<br>Inheritance      |
|                                  | <b>G</b><br>Metropolitan<br>Strugglers | <b>H</b><br>Low Income<br>Elders        |   |                                       |
|                                  | Urban                                  |   |   | Rural                                 |



# Canada Visitors EQ Types

## What will your holiday pictures look like?



- Authentic Experience

- Natural scenery
- Not people
- No where like it



- Free Spirits

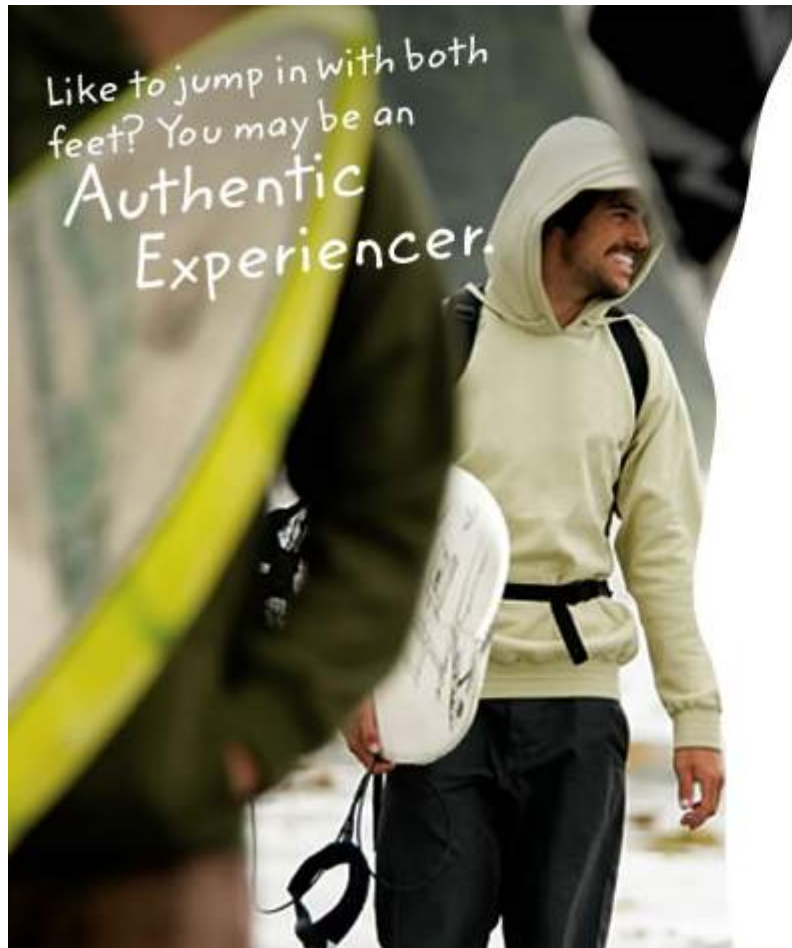
- Excitement and Risk
- Me
- Fun



- Cultural History Buffs

- Local culture
- History
- Local people





## what kind of traveller are you?

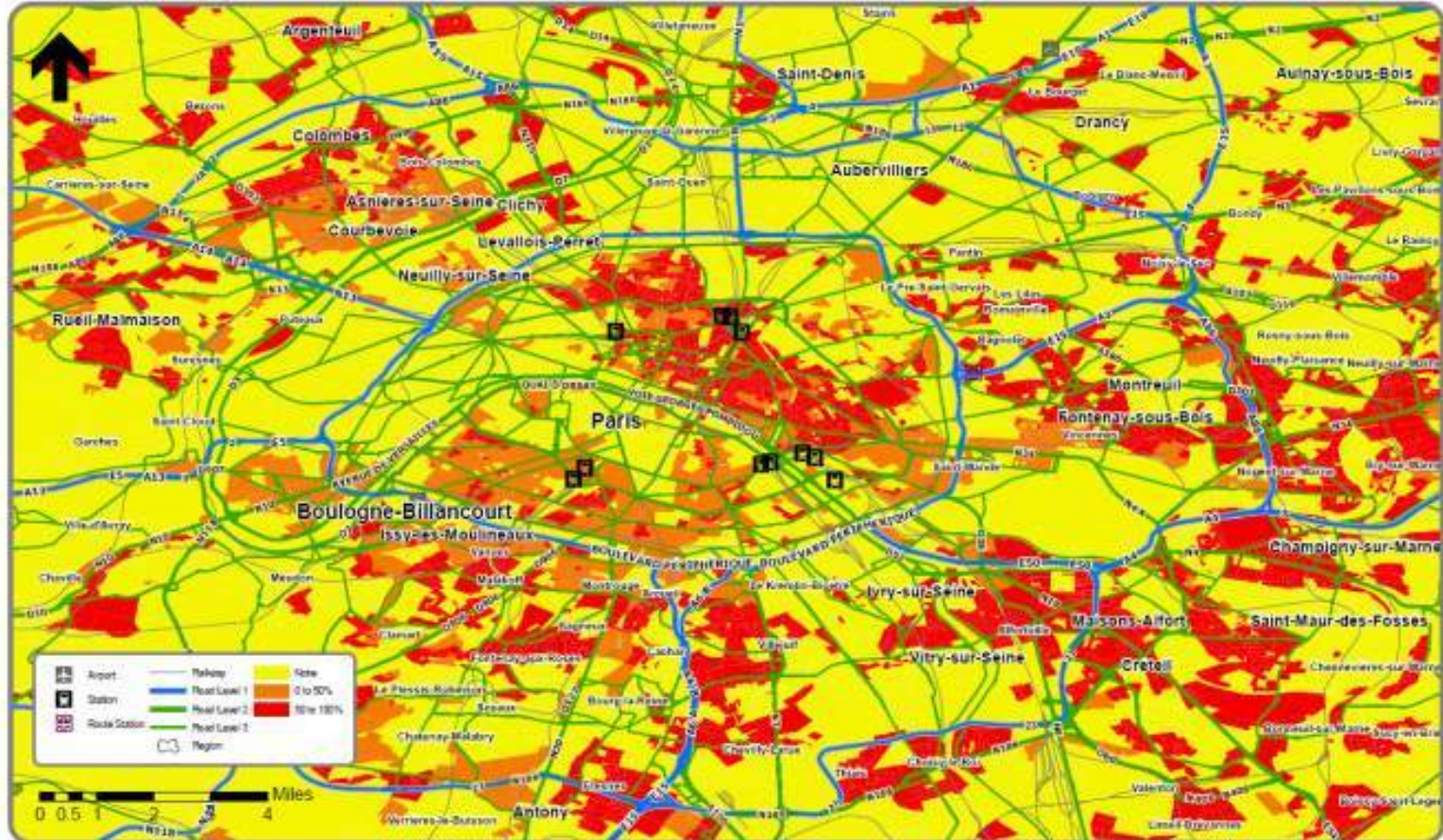
Discover your explorer type and plan a trip you'll love.

[take the quiz](#)

# Mapping Output

## Free Spirits in Paris

Canadian Tourism Commission Segmentation Mapping - Paris



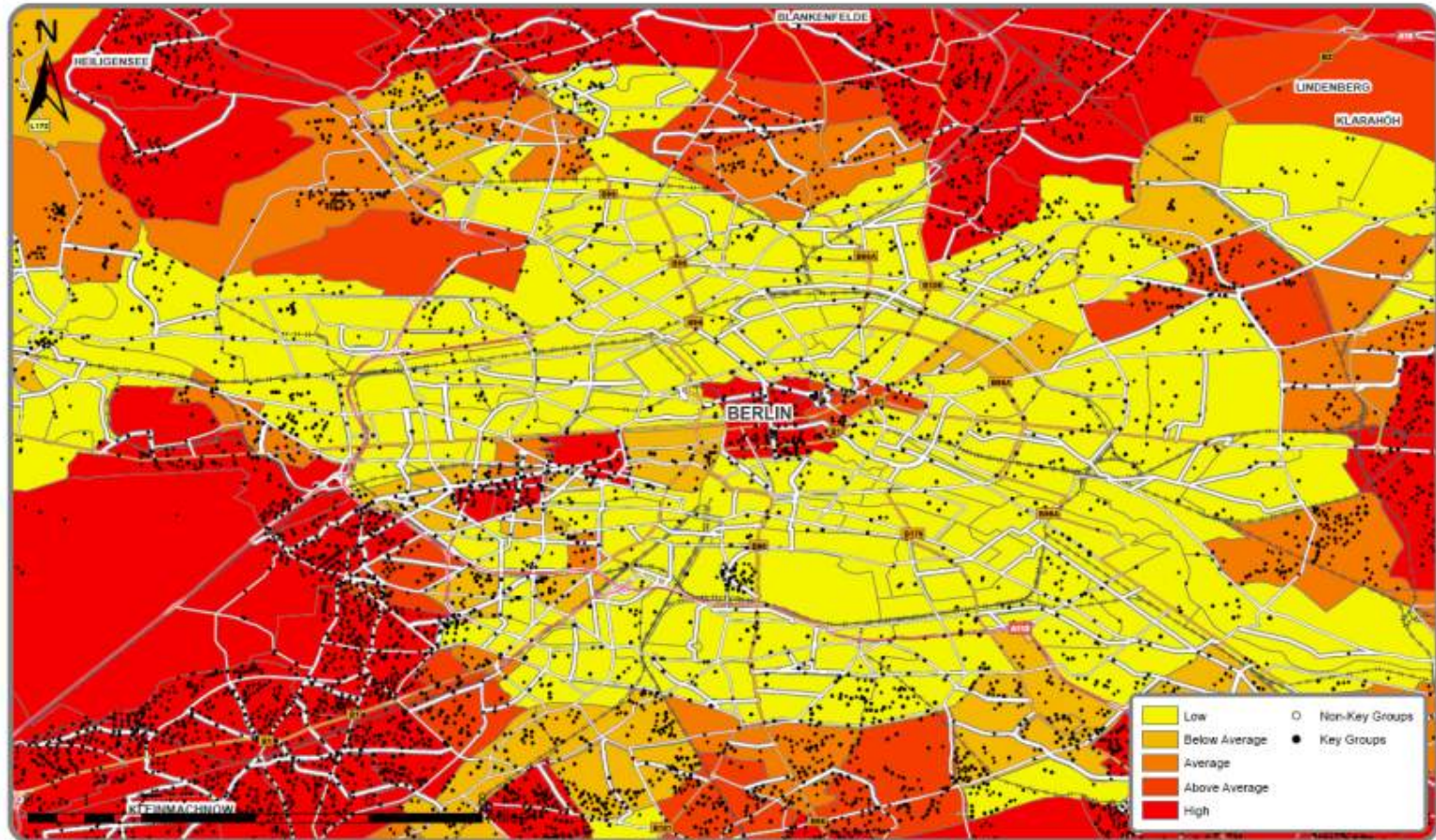
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# Mapping Output

## Key Types in Berlin

Canadian Tourism Segmentation Mapping - Berlin



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# Where to best put exhibitions?



- Canary Wharf
- Central London
- Where best outside London?



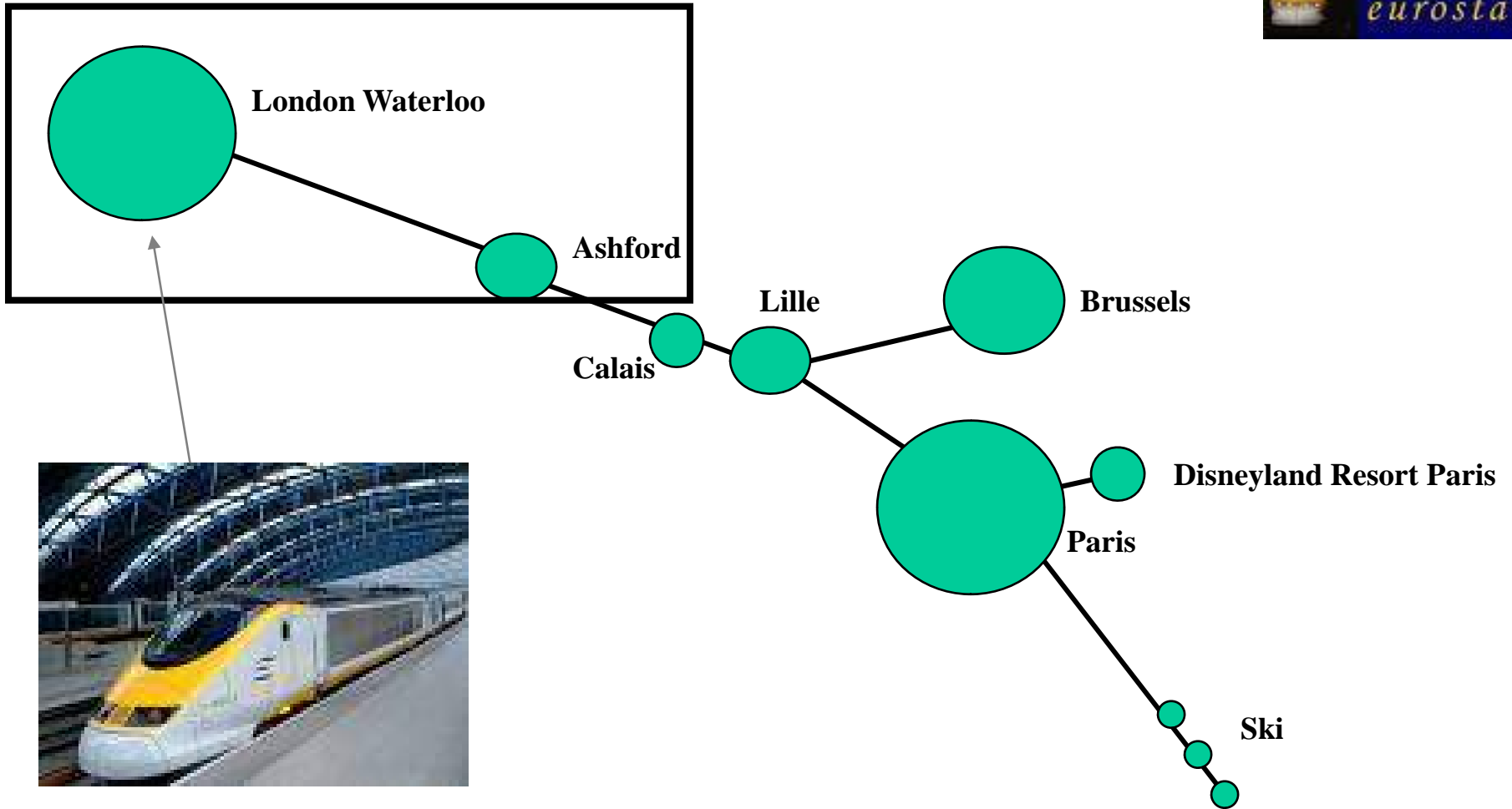
# Eurostar :Objectives



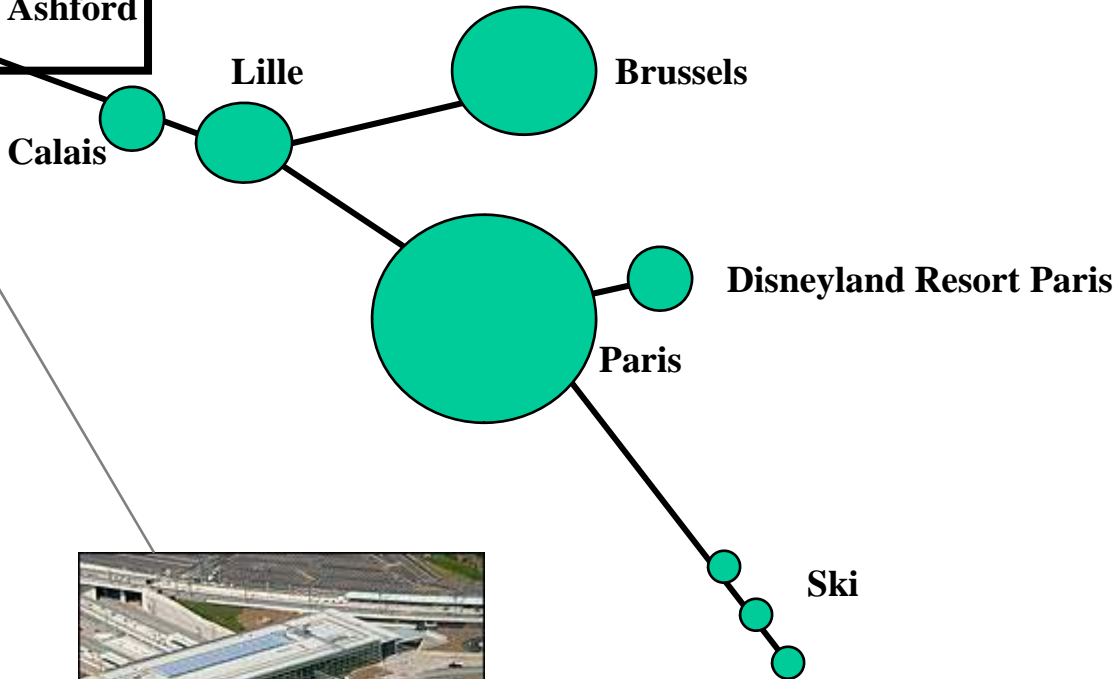
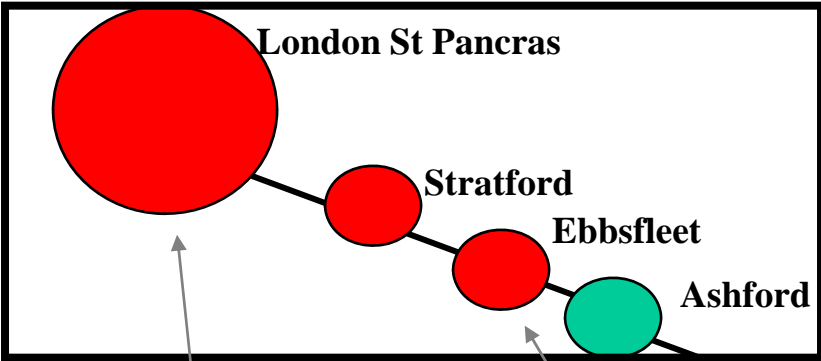
- Measured the existing social and geographic patterns of the existing Eurostar customers
- Set them in the context of the existing airline competition
- Simulated the likely impacts of the move to St Pancras and opening of Stratford and Ebbsfleet in 2007
- Identify where the gains and losses may occur and where marketing activity should be concentrated
- Patterns since the move were very like those predicted
- To promote through ticketing between Europe and the Midlands
- Affinity marketing: Eurostar took shops in Bluewater and Nottingham



# Eurostar: Main Stations in 2005

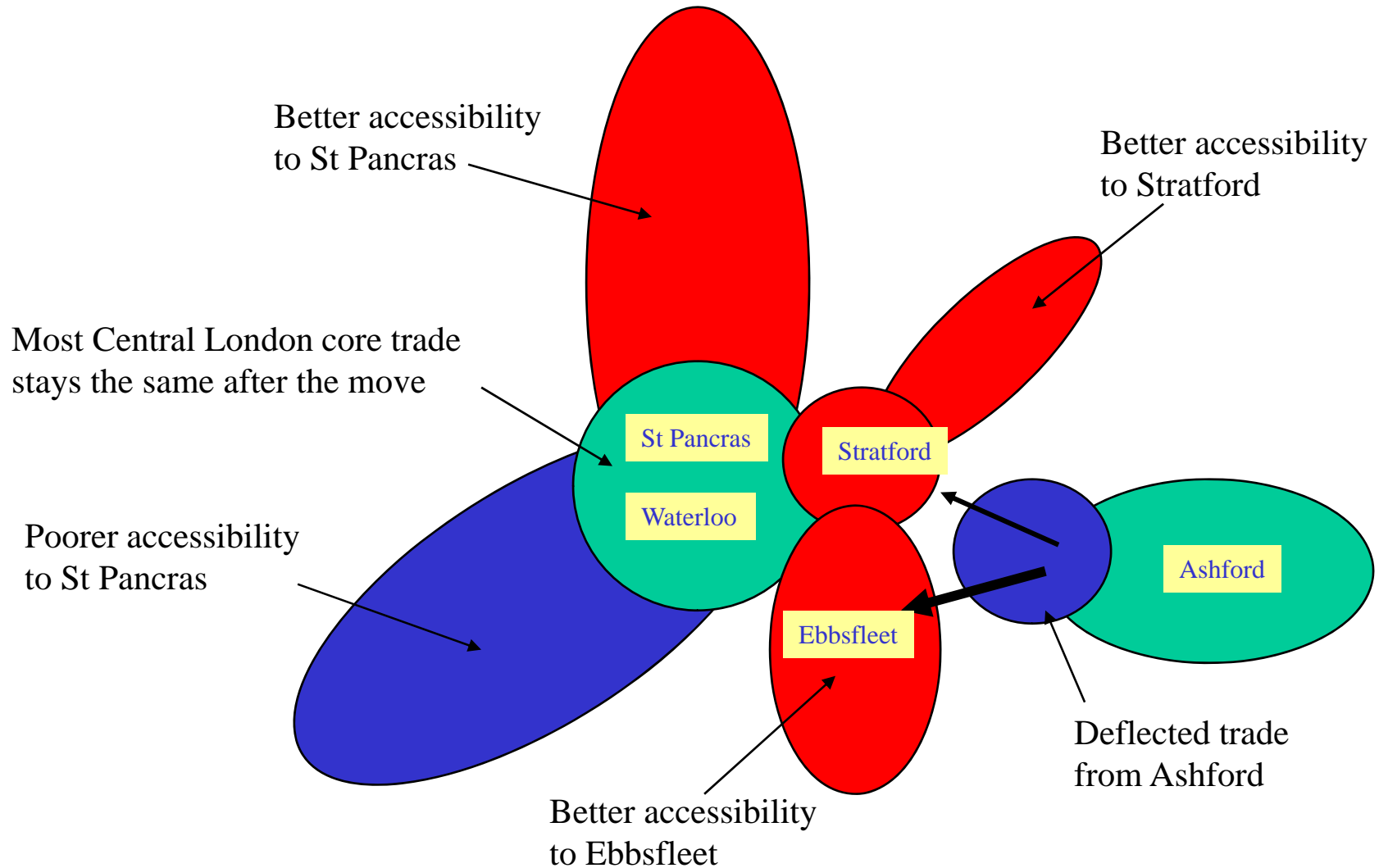


# Eurostar: Main Stations **expected** in 2007

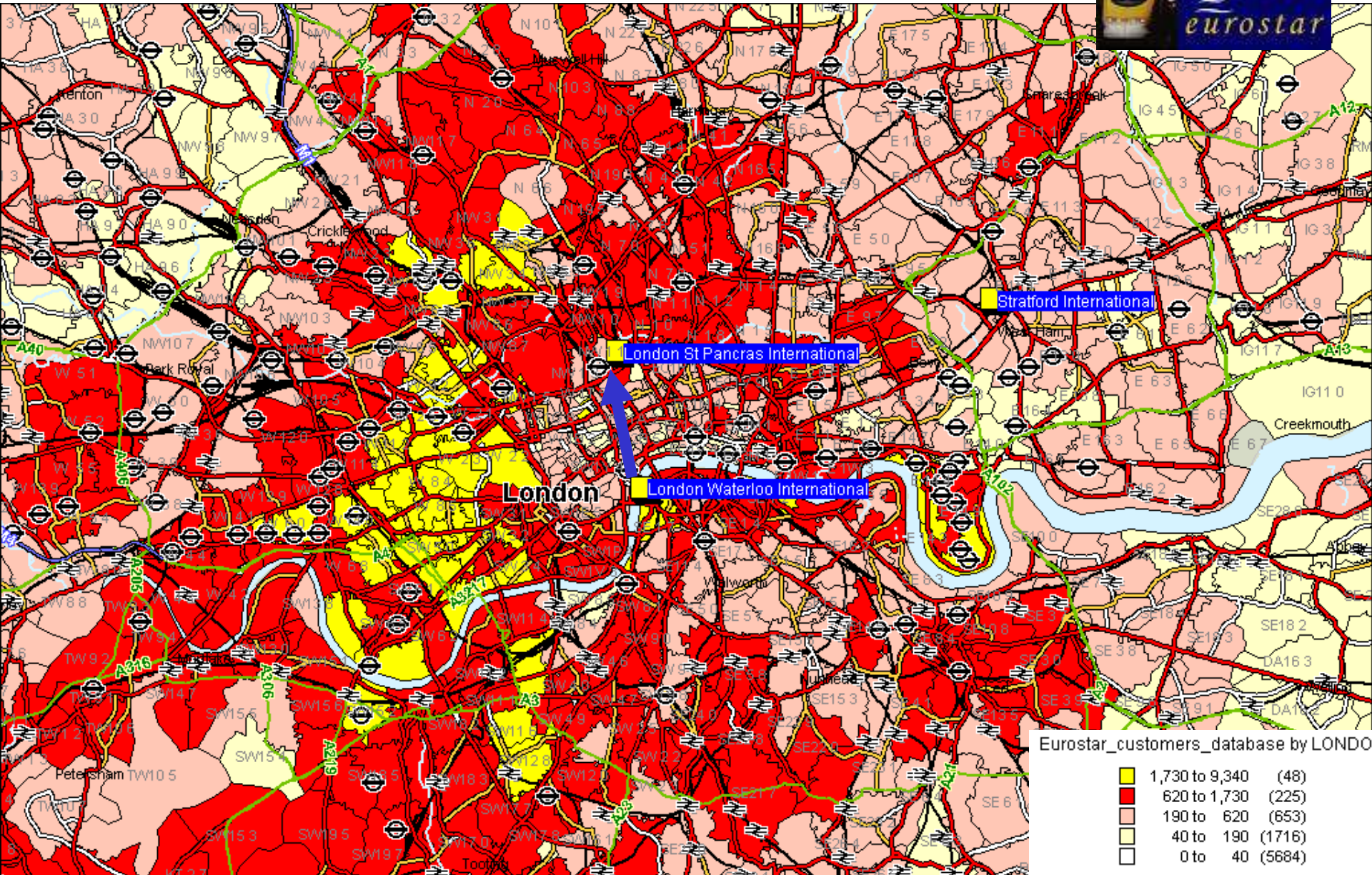




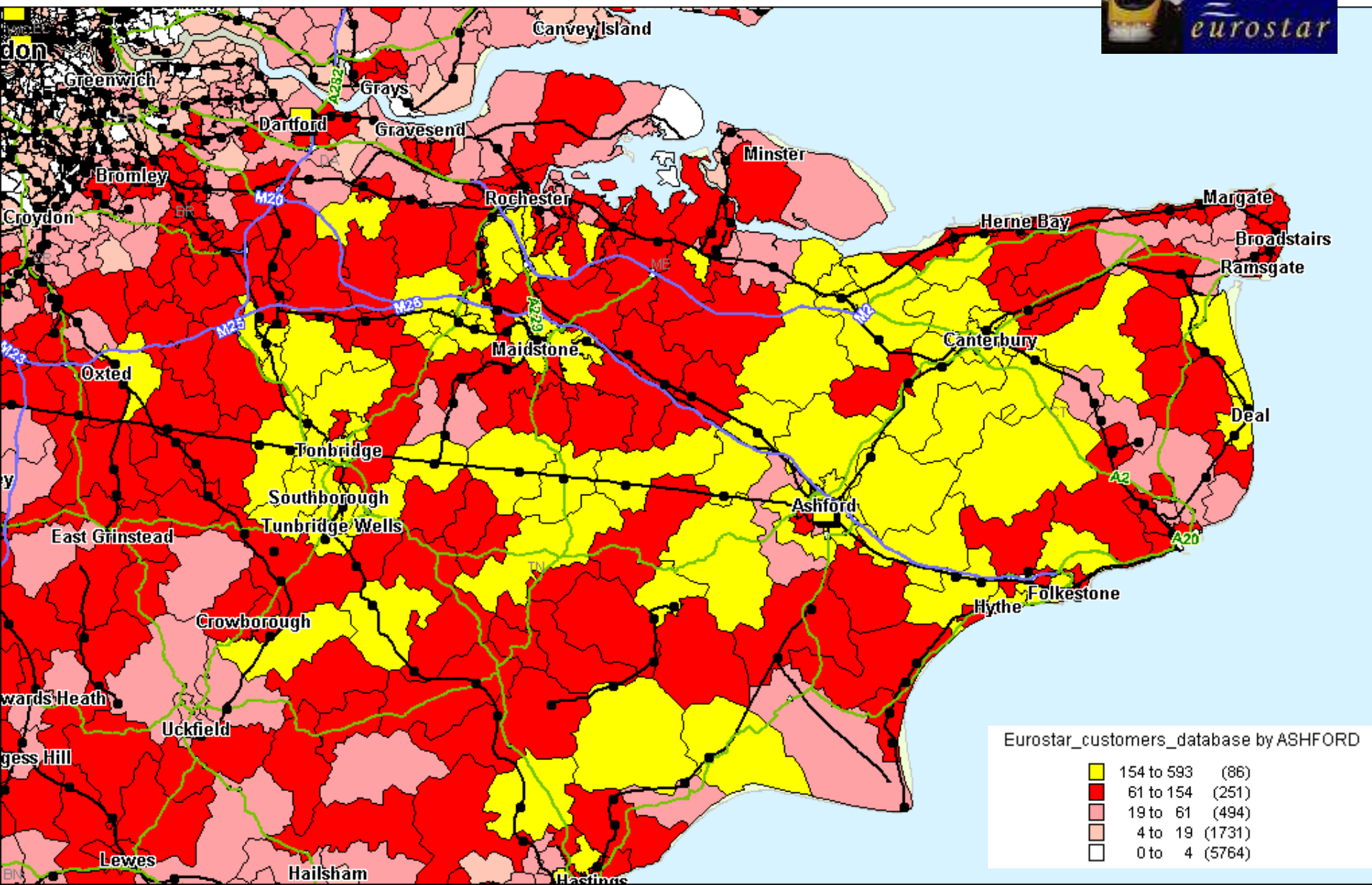
# Eurostar :GEOGRAPHICAL SUMMARY OF FINDINGS



# Travellers from London Waterloo



# Travellers from Ashford





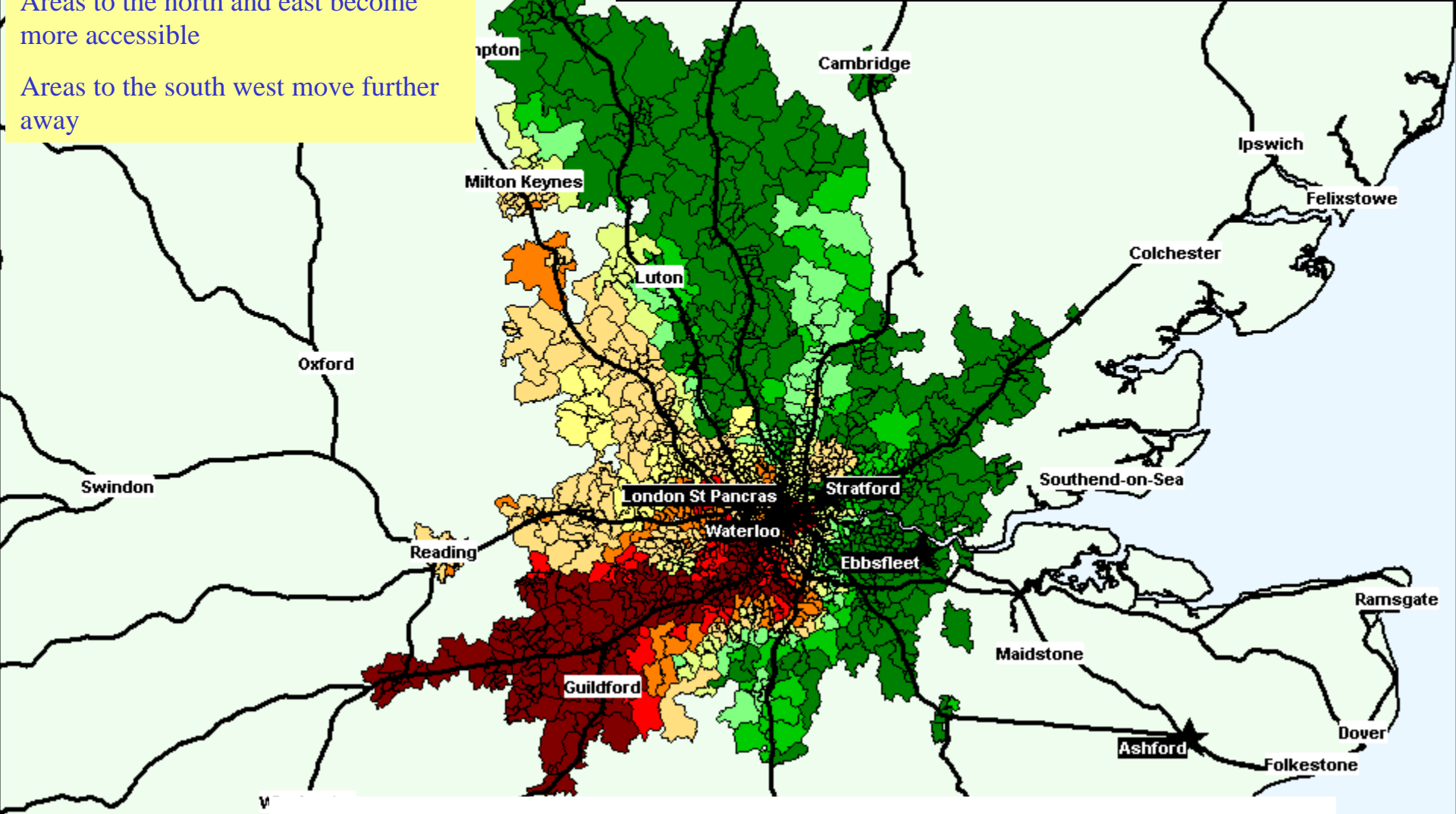
Includes all Eurostar stations before & after 2007

Areas to the north and east become more accessible

Areas to the south west move further away

- Decrease of Over 15 Minutes
- Decrease of 10 to 15 Minutes
- Decrease of 5 to 10 Minutes
- Decrease of 5 Minutes or Less
- No Change
- Increase of 5 Minutes or Less
- Increase of Over 15 Minutes

Drawn with centre (521351,210462) at scale 1:1000000  
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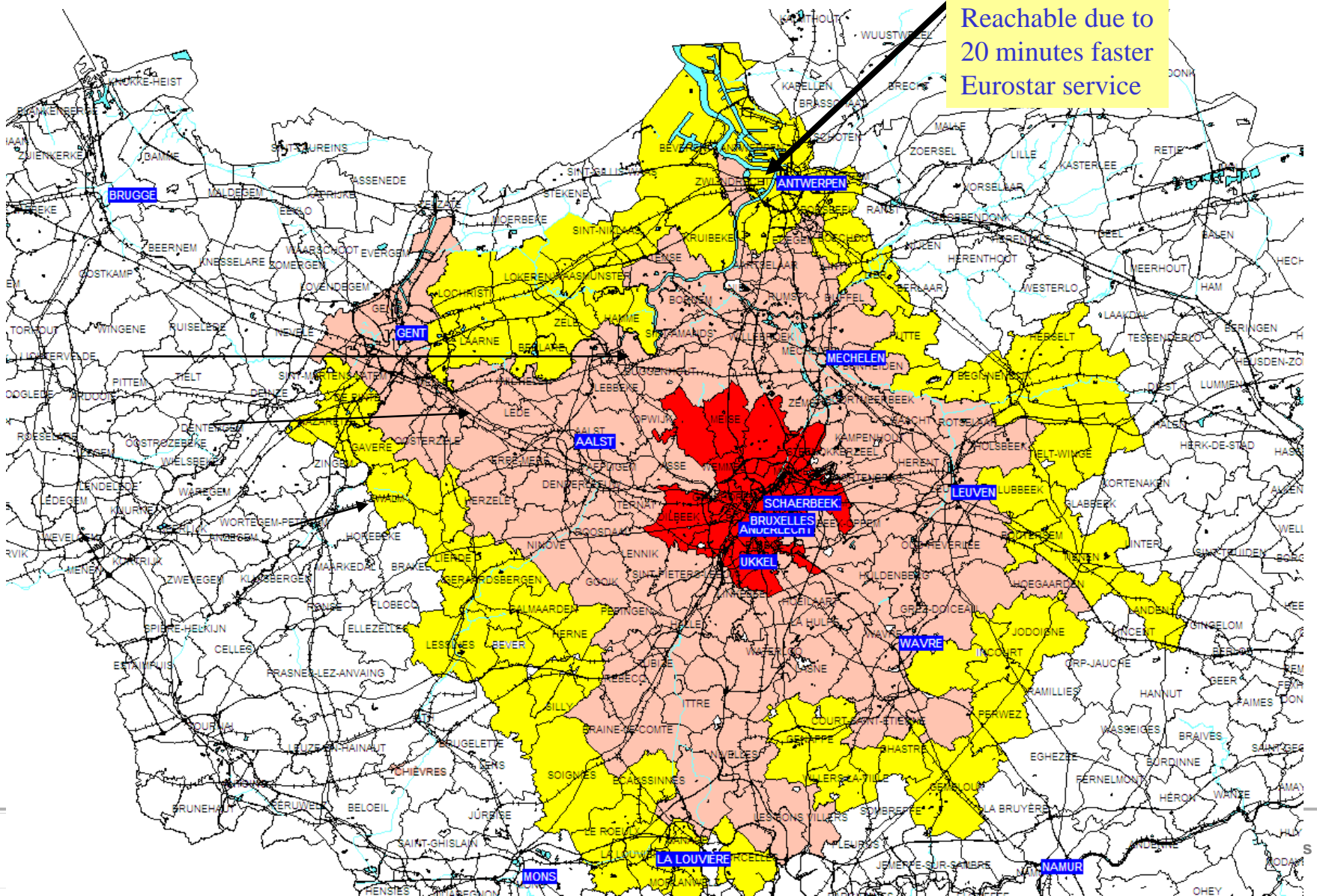




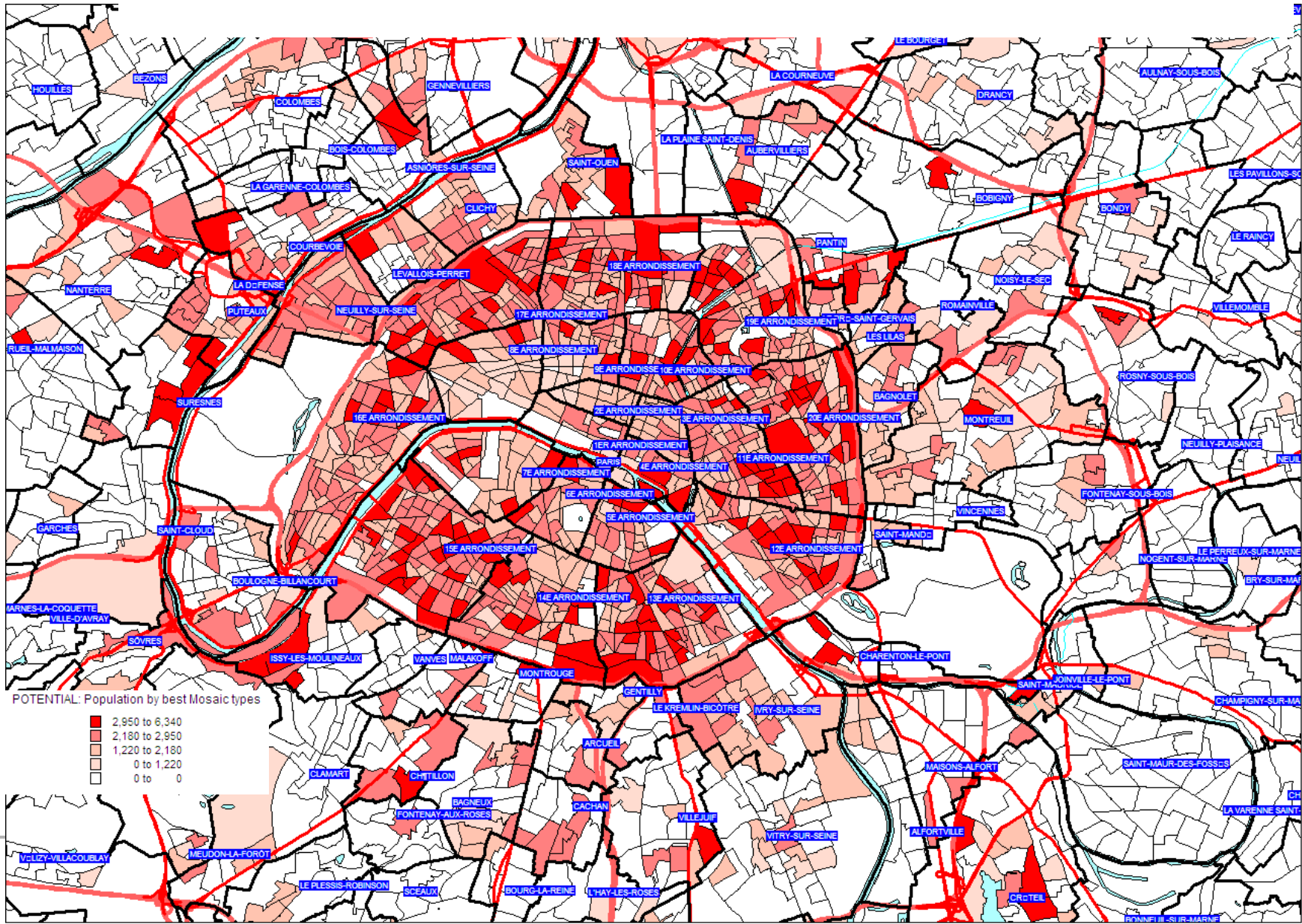
# Belgium: accessibility to Brussels by car



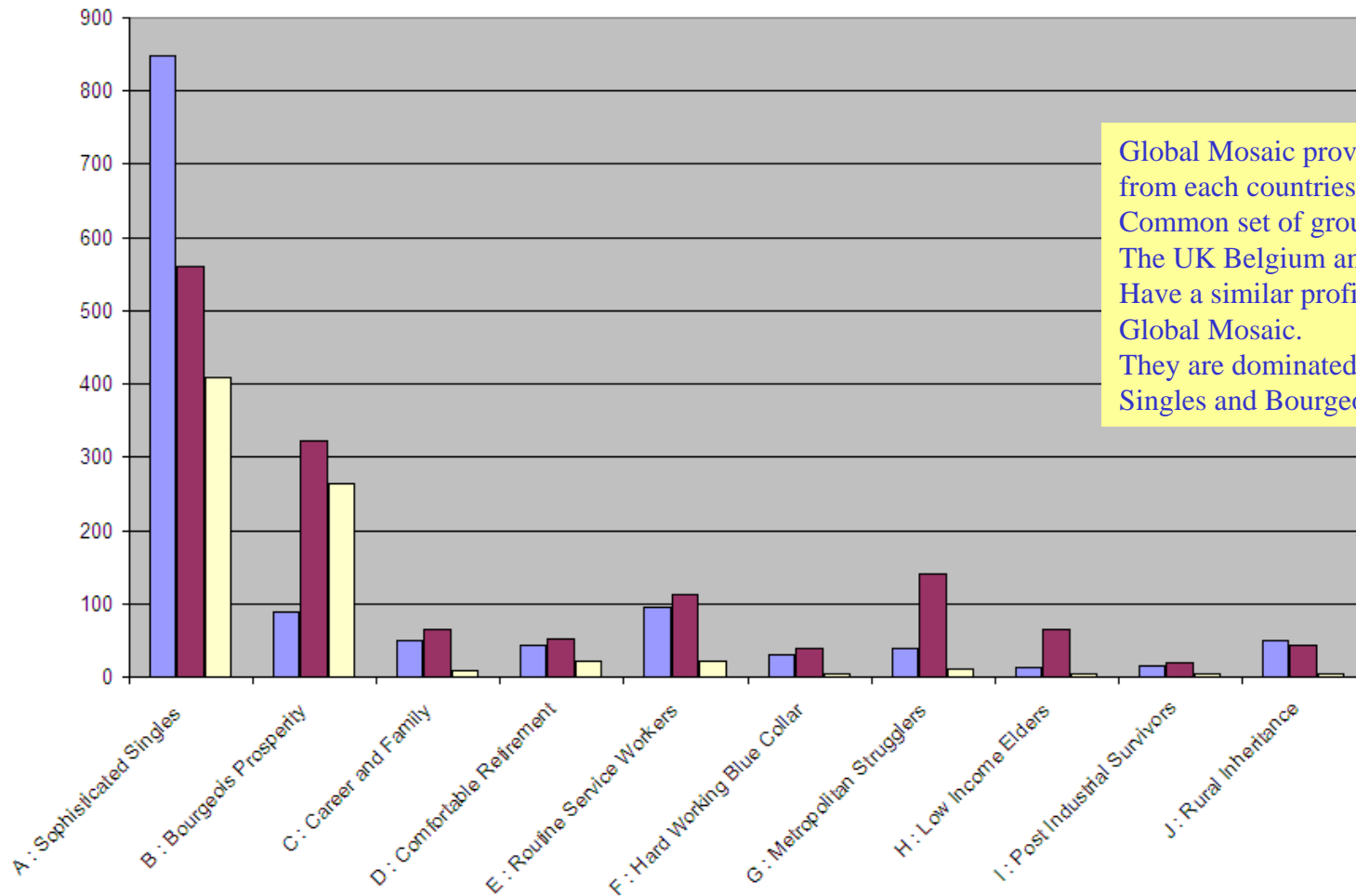
Additional area  
In yellow  
Reachable due to  
20 minutes faster  
Eurostar service



# Eurostar Potential Central Paris (population by best Mosaic types)



# Similar customer profiles in UK France and Belgium




Global Mosaic provides a translation from each countries Mosaic to a Common set of groups. The UK Belgium and France all Have a similar profile in terms of Global Mosaic. They are dominated by Sophisticated Singles and Bourgeois Prosperity

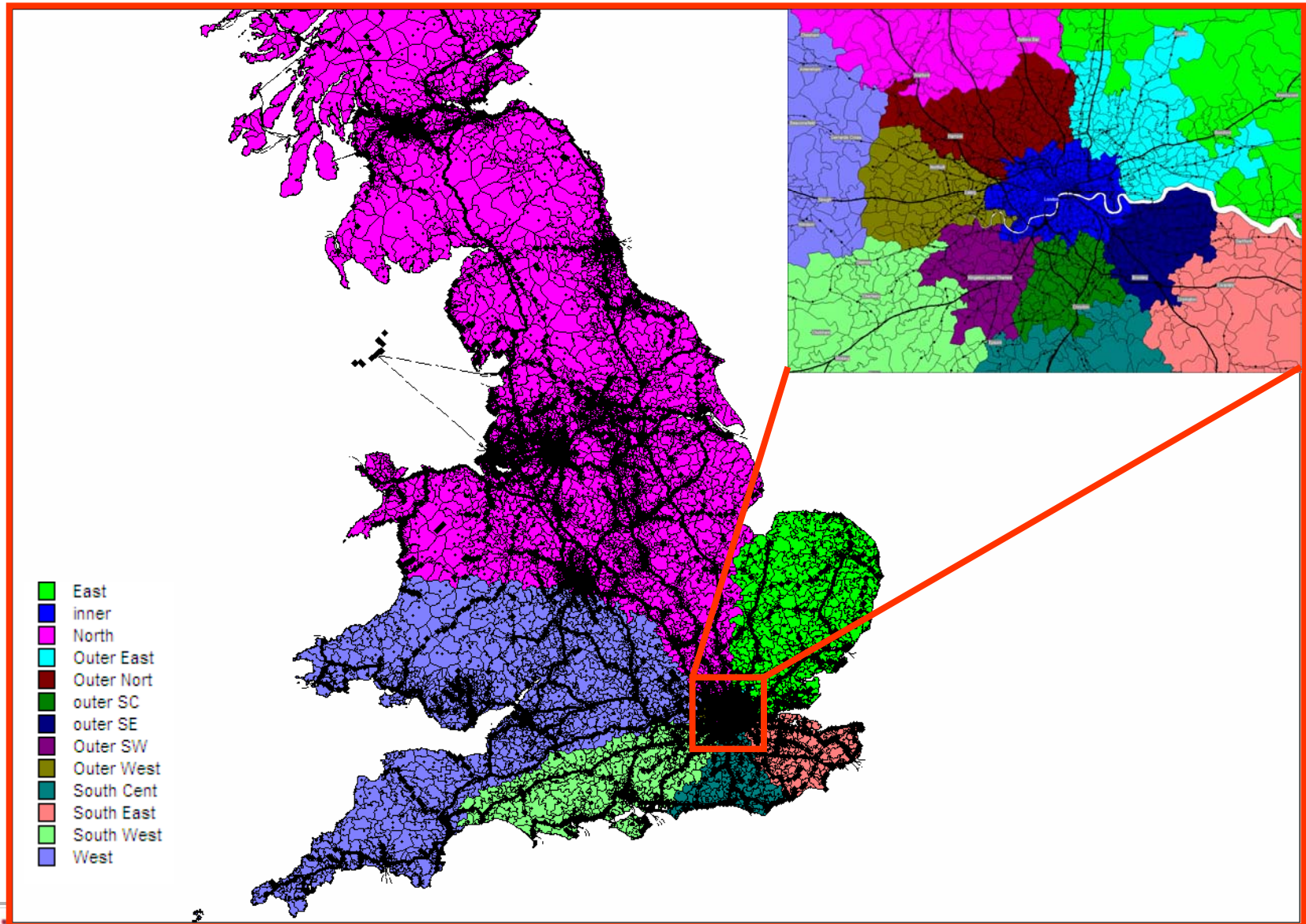
# Simulation: Eurostar new station

Front : Form

| Goad Centre Name    | Open?                               | GM Score | New GM Score |
|---------------------|-------------------------------------|----------|--------------|
| Heathrow            | <input checked="" type="checkbox"/> | 17800    |              |
| Gatwick             | <input checked="" type="checkbox"/> | 3000     |              |
| Luton               | <input checked="" type="checkbox"/> | 2450     |              |
| Stansted            | <input checked="" type="checkbox"/> | 580      |              |
| London City         | <input checked="" type="checkbox"/> | 34       |              |
| Manchester          | <input checked="" type="checkbox"/> | 720      |              |
| Birmingham          | <input checked="" type="checkbox"/> | 5200     |              |
| Glasgow (Prestwick) | <input checked="" type="checkbox"/> | 60       |              |
| Edinburgh           | <input checked="" type="checkbox"/> | 100      |              |
| Bristol             | <input checked="" type="checkbox"/> | 2800     |              |
| Newcastle           | <input checked="" type="checkbox"/> | 70       |              |
| East Midlands       | <input checked="" type="checkbox"/> | 920      |              |
| Leeds Bradford      | <input checked="" type="checkbox"/> | 45       |              |
| Southampton         | <input checked="" type="checkbox"/> | 4100     |              |
| Cardiff             | <input checked="" type="checkbox"/> | 1000     |              |
| Liverpool           | <input checked="" type="checkbox"/> | 500      |              |
| Aberdeen            | <input checked="" type="checkbox"/> | 95       |              |
| Ashford             | <input checked="" type="checkbox"/> | 390      | 170          |
| Dartford            | <input checked="" type="checkbox"/> | 390      |              |
| London St Pancras   | <input checked="" type="checkbox"/> | 9000000  |              |
| Stratford           | <input type="checkbox"/>            | 450000   |              |



# Simulation: monitoring the customers



# Recent business questions answered

- What sort of place is this? Tell me about it. How does it compare with the countries/places I already trade in?  
USA Supermarket expanding into Russia and Eastern Europe
- What is the ideal network of shops in Germany?  
UK Shoe company
- How do I keep most of my sales but with fewer car dealers in Spain and Germany? Japanese Car Manufacturer
- How do I locate my workshops in Germany France and the Netherlands where I will get the highest levels of sales and minimise cannibalisation? Car Servicing and Parts
- How do I most efficiently roll out into a new country?  
Car Manufacturer into Romania

# Example Client – Auto Parts and Fitting

## Pan European Site Performance Modelling

- Large centre network – **nearly 2,000 outlets** across **UK, France, Germany, Holland**
- **Network planning project** – just some of issues we addressed were:
  - What is the customer profile like?
  - How far do customers travel?
  - How do competitors affect our business?
  - What are key “drivers” for the existing business? Can we build a model to predict sales at locations?
  - How can we improve what we’ve already got?
  - How can we use this knowledge to look for additional sites/acquisitions?
  - Can we empower country offices to use this knowledge within easy to use GIS systems?
- Uses a wide range of our **market planning skills** – data sourcing, modelling, software design & supply, ongoing consultancy support.
- Had direct impact on both their **operational & strategic** thinking e.g. manager quality, fleet mix & merchandise mix to business growth strategy & acquisitions and mergers policy.

# Sales Prediction Models: General Factors Included

- **Demographics** – size and mix of catchment
- **Centre segmentation** – what kind of place, retail environment
- **Competition** – nationals vs. independents
- **Centre attributes** – manager quality, site visibility, bays
- **Interaction of rurality** with type of area – what is the draw of the centre
- **Urban-ness/rurality** of the micro location

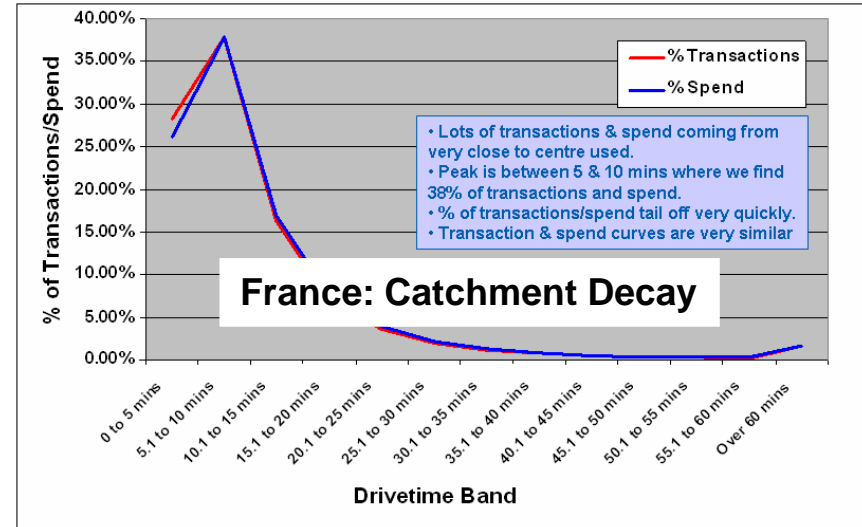
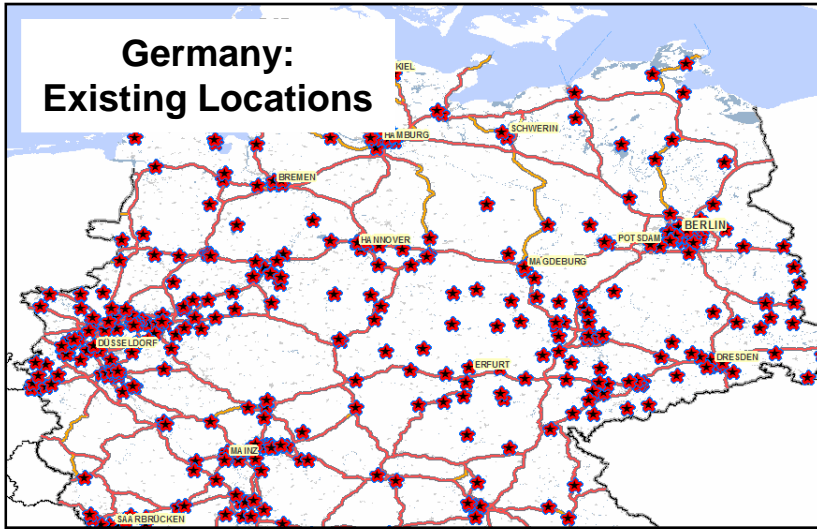
**Balance of inputs varies by country to reflect market conditions**



# Analysis & Modelling used for both strategic & operational planning

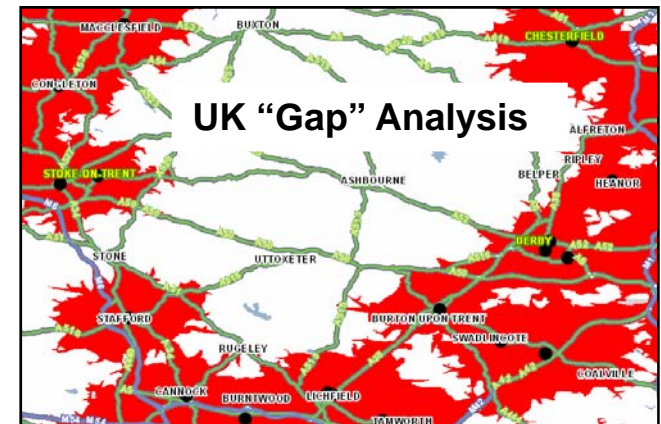
- **Who are our Customers and Where do they come from.** Understanding the customer profile & catchment sizes and challenging traditional “gut feel” about target consumers.
- **What makes the business tick.** Understanding the key drivers of sales
- **Improving Existing Site Performance.** Assessing performance of existing sites – over/under performance. What can we do about this? Manager performance, visibility etc
- **Allocating Marketing Support.** Identifying sites needing additional marketing support/offers/price support
- **New Site Opportunities.** Assessing viability of new site locations
- **Strategic Growth.** Looking at feasibility of various acquisitions and mergers
- **Making a Difference.** Empowering business managers to make operational changes to the individual businesses in light of strategic business aims.

# Example European Location Planning: Key Outputs

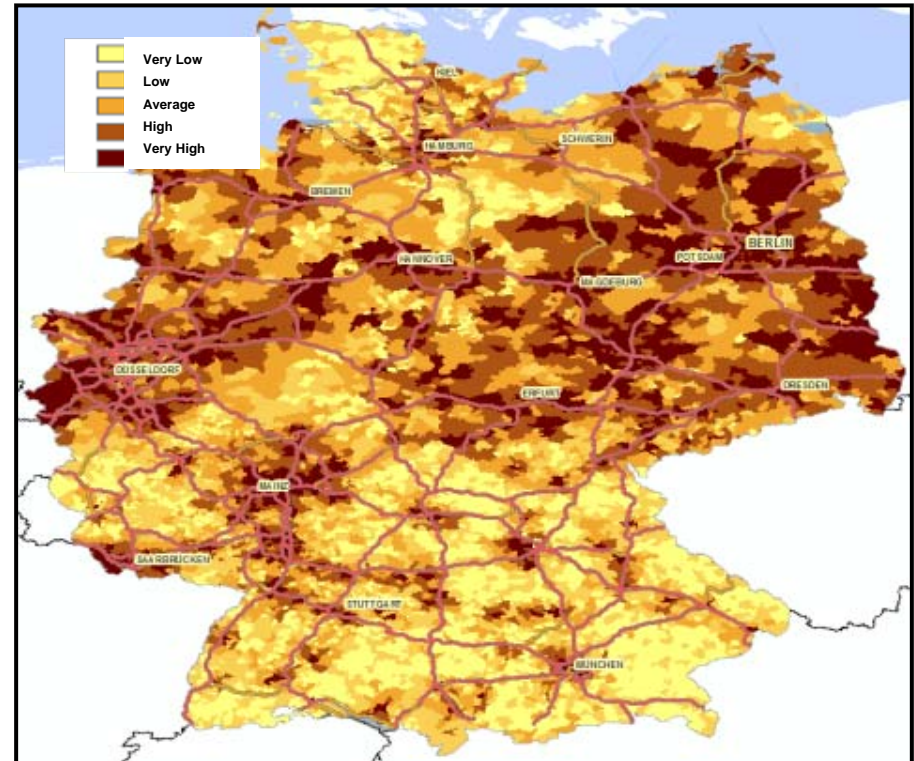


| MOSAIC Groups            | Transactions % | Popn %  | Index |
|--------------------------|----------------|---------|-------|
| A Free Spirits           | 5.91%          | 3.78%   | 156   |
| B Educated City Dwellers | 9.80%          | 6.15%   | 160   |
| C Strugglers             | 7.6%           | 5.0%    | 152   |
| D Dynamic Families       | 4.1%           | 3.0%    | 136   |
| E Average Citizens       | 16.7%          | 10.0%   | 167   |
| F Successful Families    | 18.7%          | 19.0%   | 99    |
| G Traditionalists        | 18.04%         | 19.45%  | 93    |
| H Rural Life             | 8.02%          | 13.38%  | 60    |
| I Wealthy People         | 7.06%          | 7.46%   | 95    |
| J Elderly People         | 3.91%          | 4.72%   | 83    |
| Total                    | 100.00%        | 100.00% | 100   |

## Netherlands: Customer Profiling



# Example European Location Planning: Key Outputs

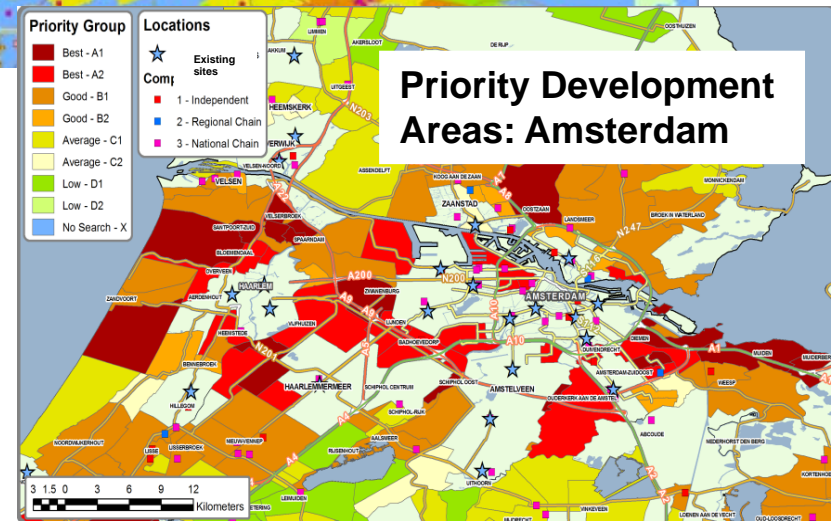
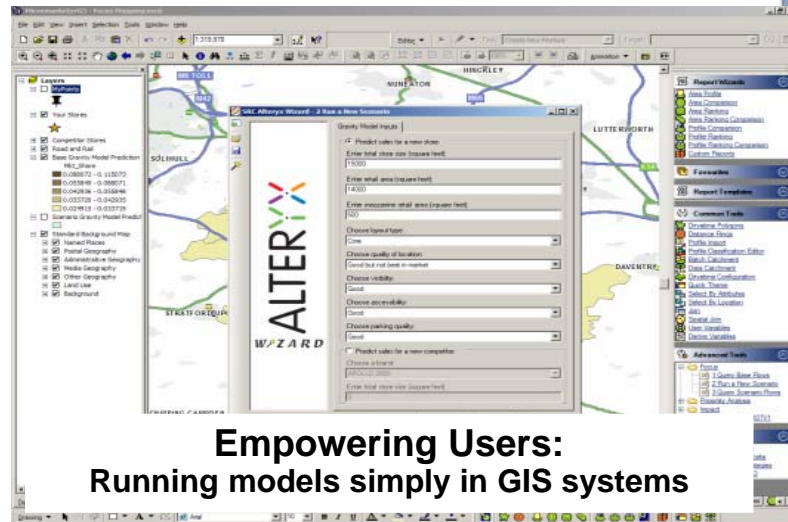
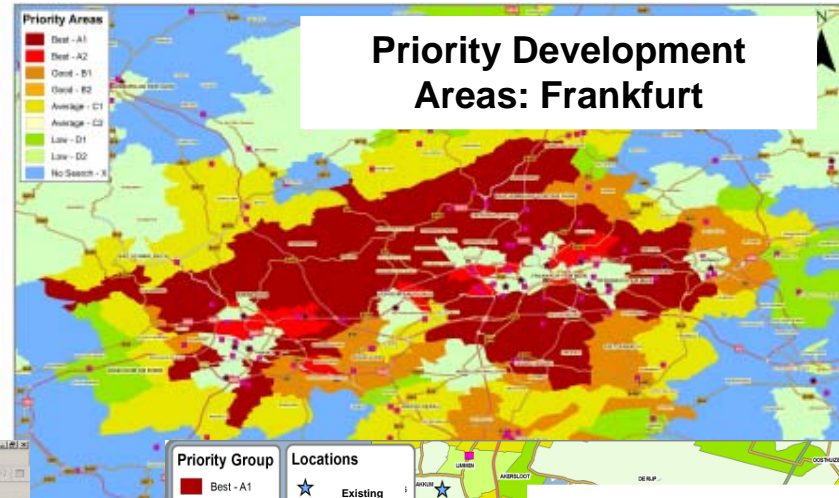
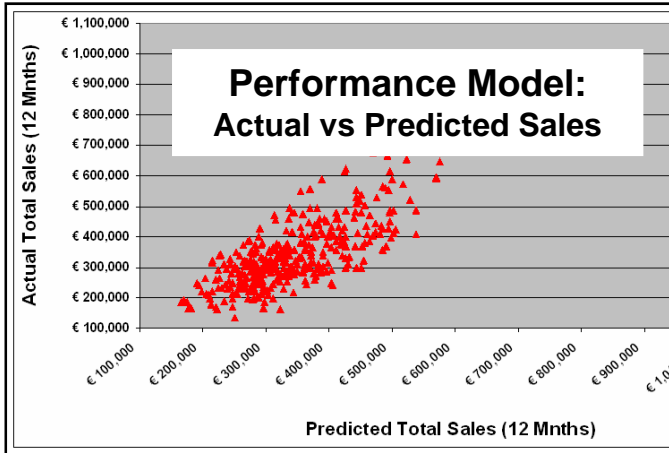


**Germany: Customer Transaction Penetration**

| Competitor Category      | Sales              |
|--------------------------|--------------------|
| <b>Total Competitors</b> | <b>Correlation</b> |
| Number: 0.5km            | <b>-0.105(**)</b>  |
| Number: 1km              | <b>-0.135(**)</b>  |
| Number: 10 mins          | <b>-0.077(*)</b>   |
| Number: 80% Catchment    | <b>-0.177(**)</b>  |

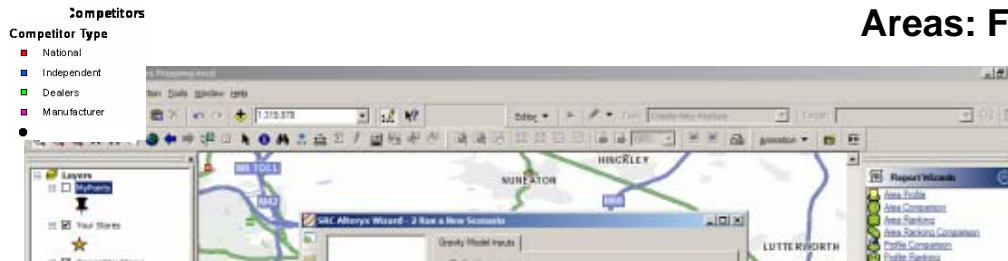
**Key Drivers Correlation Analysis**

# Example European Location Planning: Key Outputs



# Example European Location Planning: Key Outputs

Priority Development Areas: Frankfurt



Performance Model: Actual vs Predicted Sales



“Gap” Analysis

Potential

Europe is it for me?  
Thank You

prepared by  
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Experian Market Planning Group  
April 2009

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