Data are the gist of matter: Using microm Geo Milieus® to understand neighbourhoods

IMAGINE Session 9B1
Berlin 10/09/2014
Agenda

• Introduction microm

• Why to use Geoinformation for the real estate industry?

• microm Geo® Milieus - from data to knowledge

• Benefits – customer focused residential knowledge
microm Business profile

- Established in 1992
- Headoffice Neuss
- 100 % Subsidiary of Creditreform
- 34 Employees

Branch Offices:
- microm AG, St. Gallen
- microm GmbH, Wien
- MapChart, Dresden
Market leader for 15 years transferring market research into Geoinformation (e.g. VA, TdW, Best4Planning) Nielsen Panel, individual mr studies)

20 years of analytical and microgeographic Know-How

Exclusive provider of the Sinus-Milieus® and Limbic® Types with a spatial approach

More than 150 microgeographic data bundles, „Bottom Up“ summable to any spatial hierarchies

Online Tools: MapChart (GIS), microm best4planning Online, MicroCoder

Wide Range of technical data/Geoinformation for any spatial hierarchies
Geoinformation allow comprehensive insights

Customer Knowledge is the basis for strategic and operational decisions during the whole marketing process.

- **Acquisition of new customers**: Efficient acquisition of profitable and maintainable customers.
- **Customer retention**: Maintaining profitable customers.
- **Increase of customer value**: ...and improve the relationship.
- **Customer recovery**: Optimised recovery of lost customers.
Microgeographic approach

Scientific background:

Birds of the same feather flock together

Neighbourhood principle

By the principle of the social segregation we developed microgeographic, homogeneous neighbourhoods.

Speciality of microm data:

microgeographic, comprehensive and representative

Bottom Up

For this neighbourhoods data were collected and merged to a representative picture.
microm Data Germany

**Strategic Segmentation Models**
- microm Geo Milieus®
- microm Geo Milieus® Migrants
- microm Digital User Groups
- microm Limbic® Types
- microm Life Periods
- microm LoHaS
- microm Typology
- Milieu-Regio-Trend

**Consumer Behavior**
- Mail-order Targets
- Sector Targets: Fund raising, Communications, Hobby & Leisure, Health & Wellness, Printmedia, Smartphone, Tablet PC
- Finance
- Insurance
- Automotive
- Media
- Ad Denier Rate

**Sociodemographics & – economics**
- Basis, Socio & House -building
- Mobility
- Payment Index
- Ethno
- Upper Class
- Tenure
- Population, Gender & Age
- Unemployment Rate
- Denomination

**Area- & Site Planning**
- Purchasing Power (Common, Retail & by Product Groups)
- Retail Turnover
- Retail Centrality
- Center Typology
- Locational- & Structure Data
- Habitation Site classes
- PLZ8-Typology
- Gemeindetyp, Ortsgrößenklasse
Further microm Geo levels

**administrative**
- Urban quarter
- Building blocks

**grid**
- 1 km side length
- 2 km side length
- XX any at order

**street nets**
- HERE (Navteq)
- TomTom
- Open Street Map

**individual**
- Individual Areas
  - Sales areas
  - Markets
  - Catchments

**for “bottom up“ microm data**
Building blocks: example Düsseldorf
Residential site classes: definition

The model differs between four main and three crossing classes

- **Ordinary site**
  - Abgelegene Gebiete mit unzureichender Infrastruktur (= mangelnde Einkaufsmöglichkeiten, Dienstleistungsangebote, schulische, soziale, sportliche, kulturelle Einrichtungen, Verkehrsanbindung, Grünanlagen, Baumbestand) und/oder ihre Nähe zu größeren Gewerbegebieten und Industriegebieten geprägte Wohngebiete.

- **Average site**
  - Areas without deficits of the ordinary sites and with advantage of good and proper sites

- **Proper site**
  - Traditional demanded innercity and outskirts with mainlylagen mit überwiegend gewachsener Gebietsstruktur und überdurchschnittlichem Anteil denkmoutskirtsalgeschützter Gebäude, urbane "In-Viertel", ruhige Wohngegenden mit Gartenstadtcharakter, ausreichender bis guter Infrastruktur und positivem Image

- **Wealthy site**
  - Besonders imageträchtige Innenstadtrandlagen und Villengegenden, sowie besonders begehrte Wohnlagen
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Changes in frame conditions: estate industry

- Demographic challenges
- Growing regional disparity
- New demanding structures
- Growing disparity between offer and demand
- Changes offering landscape – return oriented business models

Precise knowledge about the residential customer and his spatial attitudes becoming a main criteria for a sustainable success
Residential site classes: benefits

- Clear influence on regional rents and prices
- Instrument to derive price deduction or surcharges
- Reliable decisions are possible just for regions where low pricing information is available
- Allows comprehensive analyses of the German estate market up to rural area units and gives a differentiated view on innercity textures
- Available on micro level of building blocks (2.2 Mio.)
Residential site classes
Why to use GI in the real estate industry?

Case wahrZeichen® Marketing Network – Prima Colonia

Mr. Frank Kirsch, Owner of wahrZeichen® Marketing Network:

**Challenge**
- Marketing/Sale of an 136ha area
- former agricultural use
- developed building site for ca. 3,500 new residents
- Suboptimal transport connection

**Aim**
- Demand corresponding differentiation of the Estate and accommodation service to win different target groups
- Efficient sale of the estate with a sustainable value enhancement for the investor AMAND

**Solution**
- Analysis of the neighbourhood structure and the potentials within the catchment area using GI, especially microm Geo Milieus®
- Creation of a molded locational brand and 9 theme quarters by strictly considering milieu specific demands to residential properties including Life- and Designstyles
- Milieus have been accessible in architecture and experienced in neighbourhood behaviour

„Through the analyses by microm we knew very clearly which Milieus we needed to focus on and as well as we got an idea about the demands they make to their residential property. “

Success just after 3 years:
- 10% reserved
- 5% outstanding
- 85% sold

Get more information: [www.prima-colonia.de](http://www.prima-colonia.de) und [www.wahrZeichen.com](http://www.wahrZeichen.com)
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microm Geo Milieus® - Introduction

The application of the microm Geo Milieus® can open up new ways to analyse and address your customers.

microm Geo Milieus® combine the microm data system with the successful targeting model of the Sinus-Milieus®. Whereas microm data explain the residential area where customers probably live, microm Geo Milieus® focus on the basic attitudes and the possible buying behaviour of those people. With the help of the microm Geo Milieus® one is able to see which Milieu one’s customer probably belong to.

You could use this information for an optimised acquisition as well. It enables you to find and to use the most suitable communication channels to reach your customers.
microm Geo Milieus® – Description

Basis: Sinus-Milieus® - a psychographic 'currency' in targeting

- more than two decades of socio-scientific research by Sinus Institut, Heidelberg
- Grouping of people after subjective view of life and living
  - similar orientation, values and attitudes
  - similar lifestyles, likings
  - similar consumption behaviour

Identification of groups of like-minded people
The two dimensions of the Milieu-Model

- **Basic Values**
  - Everyday-life
  - Lifestyle
  - Aim in life

- **Social Status**
  - Income
  - Profession
  - Education

© Sinus Sociovision, Heidelberg
Who is my customer?

Sample: An exclusive gentlemen's outfitter specifies its potential as follows:

- male
- above 60 years old
- very high income
- professional achiever
- opinion leader

Viele formale Gemeinsamkeiten… aber unterschiedliche Grundorientierung und Lebenswelt

Not every identified person matches up to the target group desired.
Where do I find my potential?

Charles, Prince of Wales

Otto von Weiden
63 Jahre
Unternehmer

Dr. Gustav Mahler
65 Jahre
Privatier
microm Geo Milieus® – development

- microm and Sinus developed the microm Geo Milieus® to use market research in direct marketing and for spatial use.

### Database Sinus
- 24,000 Interviews with Milieu Code
- Result: 10 Sinus-Milieus

### Inputdata microm
- Building level: all microm Variables
- Street segment level: purchasing power
- PLZ8 level: Mobility
- Municipality level: Mun. Type, Ortsgrößenklasse, share of party votes

microm Geo Milieus® for every building in nationwide*

- Hier wohnt das „Traditionelle Milieu“
- Hier wohnt das „Konservativ-Etablierte Milieu“
- Hier wohnt das „Hedonistische Milieu“
microm Geo Milieus® in Germany

**Konservativ-Etablierte**
- 10%

**Liberal-Intellektuelle**
- 7%

**Adaptiv-Pragmatische**
- 9%

**Hedonisten**
- 15%

**Prekäre**
- 9%

**Bürgerliche Mitte**
- 14%

**Expeditve**
- 6%

**Traditionelle**
- 15%

**Traditionsverwurzelung**
- Tradition

**Moderнизierung / Individualisierung**
- Lebensstandard, Status, Besitz
- Selbstverwirklichung, Emanzipation, Authentizität
- Multioptionalität, Beschleunigung, Pragmatismus
- Exploration, Refokussierung, neue Synthesen

© Sinus und microm 2010
Spatial application

» Potential analyses
» Locational and site planning
» Optimisation of sales regions

Address-oriented application

» Data Enrichment
» Customer analyses
  ▪ Profiling
  ▪ Scoring
  ▪ ´Mailing addresses
Dominant Milieu: Hamburg-Blankenese

Building level
Dominant Milieu: Hamburg-Altona

Building level
Area profiles after Milieus: Frankfurt
microm Geo Milieus® – different sites, different profiles

Standort A (Eschersheim)

Standort B (Ostend)

Standort C (Riederwald)

Standort D (Westend)
Recognise middle-term and longlasting development chances with regard to:

- Demographic changes
- Migration movement
- Changes in household structures
- Demands to estate
- Anticipated work potential
- Chances and risks of the economic growth of industries
- Demands for education
- Family orientation
- Chances in globalisation
- Development of land utilisation

For every German Municipality
Zukunftskompass Germany

- Prognoses up to 2025 includes
  - 6 different spatial development cluster
  - Target Group changes on Milieu-Regio-Trend®
  - Number of households
  - Appropriate maps
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Sinus Geo Milieus® Switzerland

© Sinus Sociovision und microm
ARRIVIERTE
Sinus Geo Milieus® Switzerland

- **Sinus AB1 (Arrivierte)**
  - 9%
  - The self-confident social elite: cultivation of a highly demanding and distinguished lifestyle; combination of a modern efficiency mentality and an appreciative way of living

- **Sinus B12 (Postmaterielle)**
  - 11%
  - The discerning intellectuals: pronounced awareness of social justice and sustainability; tolerant and cosmopolitan basic attitude; manifold cultural interests

- **Sinus C12 (Moderne Performer)**
  - 10%
  - The young experience- and performance-oriented: striving for autonomy and self-actualization; combination of professional success and intensive life; early adopters as to techno-logical innovations
Leading Milieus
Sinus AB1 „Arrivierte“ 9%

Potential ca. 550.000

Deutschschweiz 11%
Westschweiz 2%
Tessin 4%

The self-confident social elite: cultivation of a highly demanding and distinguished lifestyle; combination of a modern efficiency mentality and an appreciative way of living
### Leisure interests

<table>
<thead>
<tr>
<th>Activity</th>
<th>Share</th>
<th>Index</th>
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<tbody>
<tr>
<td>Tennis</td>
<td>14%</td>
<td>156</td>
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<tr>
<td>Theater, Opera, Museum</td>
<td>41%</td>
<td>146</td>
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<tr>
<td>Education</td>
<td>55%</td>
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<tr>
<td>Mental Training, Yoga, Meditation</td>
<td>19%</td>
<td>128</td>
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<tr>
<td>Surfing internet, Using online offers</td>
<td>44%</td>
<td>127</td>
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<tr>
<td>Water sports</td>
<td>43%</td>
<td>125</td>
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<tr>
<td>Gymnastic</td>
<td>34%</td>
<td>121</td>
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<tr>
<td>Photography</td>
<td>51%</td>
<td>118</td>
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<tr>
<td>Cooking, Baking</td>
<td>76%</td>
<td>115</td>
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### Newspapers/ Magazines

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<tr>
<th>Newspaper/ Magazine</th>
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<td>Wirtschaftszeitungen</td>
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<td>Basler Zeitung</td>
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<td>Finanz &amp; Wirtschaft</td>
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<tr>
<td>Tele</td>
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<tr>
<td>Neue Zürcher Zeitung</td>
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<tr>
<td>Cash</td>
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<td>Facts</td>
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<tr>
<td>Beobachter</td>
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<td>139</td>
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<tr>
<td>Tagesanzeiger</td>
<td>24%</td>
<td>138</td>
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<tr>
<td>Schweizer Illustrierte</td>
<td>24%</td>
<td>133</td>
</tr>
</tbody>
</table>
Milieu structure Winterthur

Arrivierte | Post-materielle | Moderne Performer | Status-orientierte | Bürgerliche Mitte | Konsum-orientierte Arbeiter | Traditionell-Bürgerliche | Genügsame Traditionelle | Eskapisten | Experimentalisten
---|---|---|---|---|---|---|---|---|---
Winterthur | 3103 | 8045 | 7718 | 4594 | 302 | 4760 | 4256 | 646 | 6214 | 2425
Winterthur (Bezirk) | 8044 | 8163 | 9649 | 10692 | 3389 | 5180 | 6063 | 651 | 7089 | 2464

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<tr>
<th></th>
<th>Winterthur %</th>
<th>Winterthur (Bezirk) %</th>
<th>Deutschschweiz %</th>
<th>Schweiz %</th>
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<tr>
<td>Arrivierte</td>
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<td>9%</td>
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<tr>
<td>Post-materielle</td>
<td>19%</td>
<td>13%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Moderne Performer</td>
<td>18%</td>
<td>16%</td>
<td>11%</td>
<td>10%</td>
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<td>Status-orientierte</td>
<td>11%</td>
<td>17%</td>
<td>12%</td>
<td>10%</td>
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<tr>
<td>Bürgerliche Mitte</td>
<td>1%</td>
<td>6%</td>
<td>17%</td>
<td>16%</td>
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<tr>
<td>Konsum-orientierte Arbeiter</td>
<td>11%</td>
<td>8%</td>
<td>6%</td>
<td>8%</td>
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<tr>
<td>Traditionell-Bürgerliche</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Genügsame Traditionelle</td>
<td>2%</td>
<td>1%</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Eskapisten</td>
<td>15%</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Experimentalisten</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
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</table>
Milieu focus Winterthur

<table>
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<tr>
<th>Soziale Lage</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grund-orientierung</td>
<td>Tradition</td>
<td>Modernisierung</td>
<td>Neuorientierung</td>
</tr>
<tr>
<td>Pflicht, Ordnung</td>
<td>Individualisierung, Selbstverwirklichung, Genuss</td>
<td>Multioptionalität, Experimentierfreude, Leben in Paradoxien</td>
<td></td>
</tr>
</tbody>
</table>

Oberschicht / Obere Mittelschicht

1. Sinus AB1 Arrivierte
2. Sinus AB12 Statusorientierte

Mittlere Mittelschicht

2. Sinus A2 Traditionell Bürgerliche
3. Sinus A23 Genügsame Traditionelle
4. Sinus B2 Bürgerliche Mitte
5. Sinus B2 Postmaterielle

Untere Mittelschicht / Unterschicht

3. Sinus B3 Konsumorientierte Arbeiter
4. Sinus BC23 Eskapisten

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Milieu landscape Winterthur-Seen

Microm Geo Milieus®
- Arrivierte
- Postmaterielle
- Moderne Performer
- Statusorientierte
- Bürgerliche Mitte
- Konsumorientierte Arbeiter
- Traditionell Bürgerliche
- Genügsame Traditionelle
- Eskapisten
- Experimentalisten
Customer research
Representative surveys (Sinus Milieu-Modell)
- Res. habitation
- attitudes
- Preferences
- Mobilliy
- ...

Spatial research
Mikro- und Makroanalyses
of estate markets
- Dev. population
- Offering structures
- Milieustructures
- Movements
- ...

VHW Germany: demand oriented Estate analyses
Increased information value by Sinus Milieus®

**Objektive Merkmale (Auswahl)**

- Alter Haushaltsvorstand: 38
- Haushaltstyp: 4-Pers.HH
- Haushaltseinkommen: 2-3.000 Euro
- Wohngeld: nein
- Wohnung: 4 Zi, 110qm

**Soziodemographische Zwillinge**

**Familie A**
- Alter Haushaltsvorstand: 38
- Haushaltstyp: 4-Pers.HH
- Haushaltseinkommen: 2-3.000 Euro
- Wohngeld: nein
- Wohnung: 4 Zi, 110qm

**Familie B**
- Alter Haushaltsvorstand: 38
- Haushaltstyp: 4-Pers.HH
- Haushaltseinkommen: 2-3.000 Euro
- Wohngeld: nein
- Wohnung: 4 Zi, 110qm

**Milieuprofil (Beispielhaft)**

- Mobilität: Gering
- Ortspräferenz: Offen
- Bedeutung Wohnen: Normal
- Wohnstatus-Absicht: Eigentum

**Wohnraum-nachfrage (Beispielhaft)**

- „Eigentum im Stadtumland“
- „Stadtwohnung/ urbanes Flair“
Residential profile of Sinus Milieus®

Empiric proven knowledge about living behaviour

- Postmaterielle 10%
- nature vs. culture
- sceptical consumer
- Low environmental pollution
- High-grade flats
- Family households
- Grown quarter

Empirically proven knowledge about living behaviour, highlighting different residential profiles such as sceptical consumers, low environmental pollution, and high-grade flats.
Residential profile of Sinus Milieus®

Empiric proven knowledge about living behaviour

Sinus C2
Experimentalisten
8%

High fluctuation
urbanists
Flexible hh-structures
Wide range of flat sizes
No ready-made flats preferred
Customer focused activities

Zielgruppe
• Kaufkraft
• Milieus
• Haushaltsform
• Potenzial
• Herkunft
• …

Objekt
• Bautyp
• Gestaltung
• Ausstattung
• Absoluter Preis
• Preis/Leistung
• …

Standort
• Makrolage
• Mikrolage
• Wohnumfeld
• Soziales Umfeld
• Infrastruktur
• …

WohnWissen
Design for a target group oriented object?

Existing

Looking for

- Building dev. type/ design
- area offer
- Price policy
- Important interieure texture
- competition situation
- ...

Match with WohnWissen

Praxis sample

1) Optimisation of project development, target: competition advantage
2) City development aims: e.g. innercity family oriented living
Target group for a existent object?

**Existing**
- Existing object
- Map of the area

**Looking for**
- Group of people

**Match with WohnWissen**

**Praxisbeispiele**
1) Nachträgliches „Rettungs-Marketing“ bei Absatzschwierigkeiten
2) Prüfung von Projektentwicklungsideen

- Wer kommt als Käufer/ Mieter in Frage?
- Welches Kundenpotenzial besteht?
- Wo findet man die Zielgruppe?
- Wie kommuniziert man mit der Zielgruppe?
- Bestehen Alternativzielgruppen?
- Wie können diese erreicht werden?
- …
Summary of the Milieu-approach

Portfolio management, Asset management or Projects/Planning not only to look at your objects…

… as well as have a look on your customer!
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