Segmentation Data for Community and Market Analysis

Catherine Spisszak, Lucy Guerra
Customer Intelligence
What is Customer Intelligence?

“Customer Intelligence (CI) is the process of gathering and analysing information regarding customers; their details and their activities, in order to build deeper and more effective customer relationships and improve strategic decision making. “

…Wikipedia
4 Fundamental Marketing Questions...

Who?

What?

Where?

How?
The Marketing Process

Plan

Evaluate

Execute
The Marketing Process

Plan

Who are my current customers? What do they like to do?

Evaluate

Execute
Plan

Where can I find more of them?

How do I reach them?

Evaluate

Execute
The Marketing Process

Plan

Evaluate

Execute

Validate...

Refine...
Goals of this presentation…

Use Tapestry Segmentation to:

• **Understand** our consumers and constituents

• **Supply** them with the right products and services

• **Reach** them through the most effective channels
What is Target Marketing?
116,761,140 households
311,212,863 people
66 neighborhood types
Why Segment Your Customers?

Market to everybody
Why Segment Your Customers?

Or market to individuals
Why Segment Your Customers?

Or market to target groups
Types of Segmentation Systems

**Demographic**
- Age, gender, income, family type, education, employment
- Descriptive only

**Geographic**
- Markets, cities, counties, census tracts, block groups
- Simple to use, can be mapped

**Geodemographic**
- Combines the “WHO” with the “WHERE”
- Actionable
- Descriptive, can be mapped, easy to implement
Esri Tapestry Segmentation System

65 Distinctive Neighborhood Segments

12 LifeMode Summary Groups
• Based on Lifestyle and Lifestage

11 Urbanization Summary Groups
• Based on Density and Affluence

Built with proven segmentation methodologies
How was Tapestry Segmentation Built?

Based on the premise that people with similar tastes seek others like them – “Like Seeks Like.”
Address Record without Tapestry

John Smith
1201 South Main Street
Fairfax, VA 22031

Male
Lives in Fairfax, VA
John Smith
1201 South Main St.
Fairfax, VA 22031

Segment: Enterprising Professionals
LifeMode Group L2: Upscale Avenues
Urbanization Group U3: Metro Cities 1

- Median age: 32.4 Years
- Employment: Prof/Mgmt
- Median income: $69,779
- Housing: Townhouse
- Median Home Value: $223,479
- Listens to talk and public radio
- Shops and banks online
- Relies on email
- Has education loan
- Eats out at steakhouses
- Reads computer and technology magazines
- Owns/leases Honda
- Watches Seinfeld reruns
## What Value Does Tapestry Add?

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Area A</th>
<th>Area B</th>
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<tbody>
<tr>
<td>2010 Median Household Income</td>
<td>$67,295</td>
<td>$69,779</td>
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<tr>
<td>2010 Median Age</td>
<td>48.9 Years</td>
<td>32.4 Years</td>
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<tr>
<td>2010 % Homeowners</td>
<td>85%</td>
<td>45%</td>
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<table>
<thead>
<tr>
<th>Add Segmentation</th>
<th>Area A</th>
<th>Area B</th>
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</thead>
<tbody>
<tr>
<td>Car</td>
<td>Own or Lease a Honda</td>
<td>Own or Lease a Lexus</td>
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<tr>
<td>Media</td>
<td>Read Newspapers</td>
<td>Read Online Magazines</td>
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<tr>
<td>Recreation</td>
<td>Attend Golf Tournaments</td>
<td>Likely to join a gym</td>
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<tr>
<td>Banking</td>
<td>Own a US Savings Bond</td>
<td>Bank Online</td>
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<tr>
<td>Television</td>
<td>Watch the History Channel</td>
<td>Watch MTV</td>
</tr>
<tr>
<td>Urban/Rural</td>
<td>Rural</td>
<td>Urban</td>
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</table>
Tapestry Segmentation

- How can Tapestry answer the bank’s four fundamental marketing questions?
  - **WHO** are their customers and prospects?
  - **WHAT** do they demand?
  - **WHERE** are they located?
  - **HOW** can they reach them?

- How can Business Analyst help?
The Power of Tapestry Segmentation

- Accurately captures the diversity of U.S. markets
- Reveals new market trends
  - Age diversity
  - Income diversity
  - Hispanic market emergence
Tapestry’s View of Seniors

*LifeMode Summary Group L5: Senior Styles*

- #14 Prosperous Empty Nesters
- #15 Silver and Gold
- #29 Rustbelt Retirees
- #30 Retirement Communities
- #43 The Elders
- #49 Senior Sun Seekers
- #50 Heartland Communities
- #57 Simple Living
- #65 Social Security Set
How Tapestry Sees Immigrants

Ethnically and Culturally Diverse Families

#35 International Marketplace

#38 Industrious Urban Fringe

#44 Urban Melting Pot

#47 Las Casas

#52 Inner City Tenants

#58 NeWest Residents

#59 Southwestern Families

#60 City Dimensions

#61 High Rise Renters
Tapestry’s View of Income

Wide Disparity

#01 Top Rung
#25 Salt of the Earth
#47 Las Casas

#08 Laptops & Lattes
#40 Military Proximity
#64 City Commons
Tapestry’s View of Singles

LifeMode Summary Group L4: Solo Acts

#08 Laptops & Lattes
#23 Trendsetters
#27 Metro Renters
#36 Old and Newcomers
#39 Young and Restless
Why Use Tapestry and Business Analyst?

*There's a connection between human behaviors and neighborhood structure.*

- Describe your current customers
- Identify locations of your best prospects
- Select profitable sites for expansion
- Design campaigns to build customer loyalty
- Save marketing campaign dollars
- Understand neighborhood variations
- Pinpoint marketing opportunities
Esri Business Analyst
Esri Business Analyst

Enterprise:
- BA API & BA Server

Professional Analysts:
- BA Desktop

Business Professionals:
- BA Web App

Field Users:
- BA Mobile App
Enterprise Deployments: Eliminating Silos
Typical Deployments

- Centrally Managed Location Data
- Market & Demographic Data
- Reports & Report Templates
- Workflow Templates

Desktop Client
- Analyst
  - Ad Hoc Analyses
  - Custom Report Development

Web/Mobile Clients
- Manager @ Office 1
- Manager @ Office 2
- Executive Dashboard
- Admin

Server
BAO App

- Get Demographic Data by Location
- Compare Locations
- See if the Location Meets Required Criteria

FREE!
BAO App

- Analyze 1-mile area around a location
  - Your current location
  - Search for an address
  - Search for one of your contacts
BAO App

- Included Demographic Facts:
  - Tapestry Segment
  - Population
  - Median Age
  - Median Household Income
  - Percent College Educated
  - Unemployment Rate
  - Average Household Size
  - Percent Home Owners
  - Retail Spending
  - Restaurant Spending
  - Entertainment Spending
• Includes details on the dominant Tapestry Segment in the area
BAO App

- Allows you to compare one location against another:
  - Rest of the county
  - Rest of the state
  - Rest of the country
  - Or another site
Turn “Smart Map” On …  
Define Your Criteria for Population, Age, Income  
Set Desired Range for each…
GREEN: All Criteria Match

ORANGE: Some Criteria Match

RED: No Criteria Match
BAO App – Added Value for Users

Sign In to Access More Features

Register for Free Trial
BAO App – Added Value for Users

• When you are signed in you can:
  - Adjust Study Area from:
    - 1 to 100 miles
    - 1 to 60 Minute Drive Times
  - Generate and View Esri Reports
ArcGIS Online Demographic Maps

• FREE!

• 20 different maps

• Includes:
  • Tapestry
  • Esri Updated Demographics
  • Consumer Spending Data
  • Daytime Population
  • Social Vulnerability Index
Where to Learn More
<table>
<thead>
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<th>Time</th>
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<tr>
<td>8.30</td>
<td>Best Practices for App Development: A Case Study of User Centered Design</td>
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<td>10.15</td>
<td>Community &amp; Demographic Analysis – Build Your Own Apps and Web Sites</td>
<td>32A</td>
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