

Claritas PRIZM Premier Segment Descriptors Release Notes 2020

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OVERVIEW

Claritas Segment Descriptors provide a convenient, quick overview of the demographic makeup of each segment. They can be used to develop groups of your ideal customers that you can then use for customer acquisition; cross-sell and retention (CACR); media strategy; and channel management.

It is important to note that Claritas Segment Descriptors do not define the segments, but rather describe them. As a result, there will be descriptor changes from year to year. The goal of Claritas Segment Descriptors is to help clients create groups of their best customers based on demographic traits. They are most effective when combined with other data such as behavioral profiles.

Claritas Segment Descriptors can be found in Claritas 360 and in the Core Demographic spreadsheet files available for download in the same application. Claritas Segment Descriptors are created for Claritas PRIZM Premier. Claritas Segment Descriptors are also created for Claritas P\$YCLE and Claritas ConneXions and are covered by a separate release notes document.

WHAT'S NEW

The 2020 release of the PRIZM® Premier Descriptors represents an update to the demographic and profile source data, which may result in changes to the descriptors associated with each PRIZM Premier segment. With each update, the demographic and profile data is carefully reviewed to ensure that the descriptors precisely reflect the associated segment. With this update, slight changes have been made to the heuristics for Household Composition, Tenure, Education, and Employment to ensure accuracy and balance, as reflected in the sections that follow.

DATA DESCRIPTION

Claritas Segment Descriptors are created from three sources: household demographic data collected from the Claritas Financial Track survey; income-producing assets data generated using a proprietary Claritas model with data from the Claritas Financial Track survey; and neighborhood demographic data from the annual Claritas demographic update.

Demographic categories include:

DEMOGRAPHIC CATEGORIES	
Urbanicity	Tenure (Homeownership)
Income	Education
Age	Employment
Household Composition (Presence of Children)	Technology Use

METHODOLOGY

This section contains data source information as well as information about how the data was derived.

Data Sources

Claritas Segment Descriptors are developed using these data sources:

1. Claritas Household Demographic Profiles (created from Claritas Financial Track respondent data)
 - Income Descriptors
 - Age Descriptors
 - Household Composition Descriptor
 - Tenure Descriptor
 - Education Descriptor
 - Employment Descriptor
 - Household Median Income Values
2. Claritas Neighborhood Demographic Profiles (created from Claritas Pop-Facts)
 - Urbanicity Descriptors
 - Current Year Household Median and Average Income Values
 - Current Year Householder Median Age in Years
 - Current Year Owner Occupied Housing Units Median Home Values
 - Household Average Income Values
3. Claritas Income Producing Assets & Claritas Net Worth Profiles (created from the Claritas Financial Track survey)
 - Claritas Income Producing Assets Descriptor
 - Claritas Income Producing Assets Median and Average Values
 - Claritas Net Worth Median and Average Values
4. Claritas Income Producing Assets & Claritas Net Worth Profiles (created from the Claritas Financial Track survey) is used for the “Technology Use Descriptor”

Segment lifestyles and narratives are created using multiple Claritas and non-Claritas sources. Segment lifestyles aim to present seven profiles that paint a broad picture of the behavioral propensities of each segment. These lifestyles can be found on marketing collateral such as posters. Segment narratives also aim to provide a broad picture of each segment in a paragraph or two.

Claritas Segment Descriptors Methodology

First, all respondents to the Claritas Financial Track survey are assigned a segment code based on self-reported demographic data and address. Independently of that assignment, each self-reported demographic data point is then placed into one of several groupings for respondent classification. For example, the income category is divided into the following groupings:

INCOME GROUPINGS	
HH Income <\$10,000	HH Income \$50,000 - \$74,999
HH Income \$10,000 - \$19,999	HH Income \$75,00 - \$99,999
HH Income \$20,000 - \$29,999	HH Income \$100,000 - \$149,999
HH Income \$30,000 - \$39,999	HH Income \$150,000 - \$200,000
HH Income \$40,000 - \$49,999	HH Income >\$200,000

The answers from each respondent are then tabulated to arrive at household counts by segment by income range, which create the profiles you can access in Claritas 360.

Based on the heuristics governing a particular category, each segment is then assigned a descriptor. For example, in the “Predominant Income Class” category, these descriptors are:

PREDOMINANT INCOME CLASS	
Wealthy	Lower Midscale
Upscale	Downscale
Upper Midscale	Low Income
Midscale	

The descriptors are then used to generate the Demographic Caption in the Core Demographic spreadsheet files, Claritas 360, and other marketing collateral. Segment narratives are also derived to some extent from the Claritas Segment Descriptors.

A wide variety of attributes are chosen to provide a broad picture of each segment. Attributes listed for each segment are chosen based on high indexes of that particular behavior for that particular segment. While not necessarily the highest indexing attributes, they do present a good overall “feel” for the segment.

HEURISTICS

Claritas Segment Descriptors serve to classify the segments across core demographic dimensions. While demographics form the basis for every segment assignment, not every segment falls neatly into only one

category for each demographic trait, as not every demographic trait is used in the assignment of every segment.

For more data- (rather than category-) based review of segment demographics, it is recommended that users review the profile of demographic representation, rather than exclusively use the broad categories. For example, some segments identified as “without kids” may still have a small percentage of households with children in them due to the manner in which segments are assigned based on household-level data. In these cases, though there is a clear predominance of not having children, leading to a descriptor of “without kids,” some children may still exist in these households. Review of segment-by-segment profiles enables review of these demographic characteristics at a much more granular level than text descriptions can provide.

The following sections provide the broad range of predominant values for each of these segment descriptors. These values were created with household-level demographics, which provide the greatest possible detail due to a purer distribution. This is especially true for variables such as age and presence of children, which vary the most between households living in the same neighborhoods.

To further assist comprehension of the Claritas Segment Descriptors, the set of rules used to place each segment into one of the categories is provided below. Please note that there are situations, as with Predominant Income Class, where groups are subdivided until a point is reached where the “least common denominator” for the remaining segments is simply “not anything else.”

The Claritas PRIZM Premier Segment Descriptors are presented in the tables that follow. The numbers in the order column denote the sequence in which the rules are applied; this is important since the order in which the groups are formed impacts how a segment is classified. Please keep in mind that PRIZM Premier has 68 segments. Not all of the classifiers provide mutually-exclusive ranges. Please also note that Claritas P\$YCLE and Claritas ConneXions use different heuristics than those outlined below; these heuristics are covered in the Segment Descriptor release notes.

Demographic Captions

The demographic caption covers three essential dimensions: income, age, and family composition. These are sometimes used as demographic “shorthand” or as a substitute for the segment nickname. The demographic caption can be found on the **Essentials** tab of the Core Demographic Spreadsheets and other marketing collateral.

Interpreting Heuristics

When reading the heuristics tables that follow, note that the definitions of each category are hierarchical. The key is that the ranges are non-exclusive, so the rules must be followed in a specific order for a segment to be categorized. The order in which heuristics are applied is thus very important to arrive at the final descriptor for the segment. The heuristics below are presented in the order in which they are applied, which is in many cases different from a straightforward highest-to-lowest (or lowest-to-highest) order in the case of values associated with a number such as income or age.

Predominant Urbanicity Class

Urbanicity Class has six categories ranging from Urban to Mix. Urbanicity was classified according to the following criteria:

PREDOMINANT URBANICITY CLASS		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Urban	Where Urban > 70%
2	2 Suburban	Where Suburban > 70%
3	3 Second City	Where Second City > 70%
4	4 Town	Where Town > 70%
5	5 Rural	Where Rural > 70%
6	6 Metro Mix	Where Urban + Suburban + Second City is greater than 70%

Predominant Income Class

Income Class is divided into seven categories from Wealthy to Low Income. Income was classified using the range of household income by each segment according to the following criteria:

PREDOMINANT HOUSEHOLD INCOME CLASS		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Wealthy	Where Income \$100k+ is greater than 55%.
2	2 Upscale	Where Income \$75k+ is greater than 55% and not "Wealthy"
3	7 Low Income	Where Income <\$10k is greater than 20%
4	6 Downscale	Where Income <\$30k is greater than 65% and not "Low Income"
5	5 Lower Midscale	Where Income <\$50k is greater than 75% and not anything else
6	3 Upper Midscale	Where Income \$50k+ is greater than 70% and not anything else
7	4 Midscale	Where not anything else

Predominant Age Range

Age Range uses six non-exclusive classes to describe the dominant age range of a segment's head of household. Predominant age was classified using the distribution, or range of population age by each segment according to the following criteria:

PREDOMINANT AGE RANGE – HEAD OF HOUSEHOLD		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	6 Age 65+	Where Age 65+ is greater than 70%
2	4 Age 45-64	Where Age 45-64 is greater than 60% and not "Age 65+"
3	3 Age 35-54	Where Age 35-54 is greater than 65% and not "Age 45-64"
4	2 Age 25-44	Where Age 25-44 is greater than 50% and not "Age 35-54"
5	5 Age 55+	Where Age 55+ is greater than 50% and not anything else
6	1 Age <55	Where not anything else

Predominant Age Class

Age Class uses four exclusive ranges: from Younger, who are mostly under age 45, to Mature, who are largely over 65 years of age. Age Class was classified using the distribution, or range of population age by each segment, according to the following criteria:

PREDOMINANT AGE CLASS – HEAD OF HOUSEHOLD		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Younger	Where Age Range = "2 Age 25-44".
2	2 Middle Age	Where Age Range = "1 Age <55" or "3 Age 35-54".
3	3 Older	Where Age Range = "4 Age 45-64" or "5 Age 55+".
4	4 Mature	Where Age Range = "6 Age 65+".

Predominant Household Composition (Presence of Children) Class

Five categories indicate the likelihood of children under age 18 living at home. Segments defined by either the presence or absence of children will be described as 1 Household with Kids, or 5 Households without Kids.

PREDOMINANT HOUSEHOLD COMPOSITION CLASS – PRESENCE OF CHILDREN		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 w/ Kids	Where segment definition = Presence of Children, or households with children represent 94.5% or more
2	2 Mostly w/ Kids	Where households with children represent 60% or more and are not "w/ Kids"
3	5 w/o Kids	Where segment definition = Absence of Children, or 94.5% or more of the households in the segment do not have children
4	4 Mostly w/o Kids	Where 60% or more of the households in the segment do not have children, and the segment is not "w/o Kids"
5	3 Family Mix	Where not anything else

Predominant Tenure (Homeownership) Class

Five categories describe whether households for a segment own or rent homes. Segments defined by home ownership or renters will be described as 1 Homeowners, or 5 Renters.

PREDOMINANT HOUSEHOLD TENURE CLASS – HOMEOWNERSHIP		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Homeowners	Where segment definition = Owners, or 94.5% or more of the segment is Own
2	5 Renters	Where 85% or more of the segment is Rent
3	2 Mostly Owners	Where 64.5% or more of the segment is owner, and the segment is not defined as "Homeowners"
4	4 Mostly, Renters	Where 50% or more of the segment is renters and is not anything else

PREDOMINANT HOUSEHOLD TENURE CLASS – HOMEOWNERSHIP

5	3 Mix	Where not anything else
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Predominant Education Class

Educational attainment is placed into four categories that range from attending high school through post-graduate work. Note that a category for “Some Post Grad” has been added into “1 Graduate Plus” with this release of segmentation descriptors, to represent the aggregate of any post graduate credits or degree attained. The overall distribution of education remains relatively consistent with previous releases; only the categories used to describe this data has changed. Education was classified using the distribution of educational categories for each segment and should not be interpreted as a majority because few, if any, segments have penetration rates above 50% in any one category.

PREDOMINANT EDUCATION CLASS

ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Graduate Plus	Where Grad Plus is greater than 25%
2	2 College Graduate	Where College Grad is greater than or equal to 25% and not "Grad Plus"
3	4 High School	Where Some High School + High School Grad is greater than 30%
4	3 Some College	Where not anything else

Predominant Employment Class

A broad range of occupational classes are collapsed to the five categories below. Employment was classified primarily using the distribution of occupational categories for each segment, supplemented by the index scores.

PREDOMINANT EMPLOYMENT CLASS

ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Management and Professional	Where Management + Professional is greater than or equal to 40%
2	5 Mostly Retired	Where Retired is greater than 60% and not anything else
3	4 Blue Collar Mix	Where Blue Collar is greater than 15% and not anything else
4	3 Service Mix	Where Service is greater than 20% and not anything else
5	2 Mix	Where no single category predominates and is not anything else

Claritas Income Producing Assets Class

This measure uses a proprietary Claritas model that estimates the liquid asset base for Claritas Financial Track respondent households and subsequently, the average within a given segment. Strongly correlated to income and age, this measure of wealth focuses on cash, demand deposits, money markets, stock and mutual funds, and other asset classes that are relatively easy to liquidate. Therefore, it does not include the value of the household's personal residences or other properties, but does account for retirement products such as IRAs and 401k plans since these can easily be reallocated or even liquidated pre-retirement. The segments were placed into one of seven classes based on the average income producing assets value for all households within the segment. This category is presented for PRIZM Premier and P\$YCLE® only.

PREDOMINANT INCOME PRODUCING ASSETS CLASS		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Millionaires	Where Average Income Producing Assets is >\$1 Million
2	2 Elite	Where Average Income Producing Assets is >\$450K and not "Millionaires"
3	3 High	Where Average Income Producing Assets is within \$250K-\$450K
4	4 Above Avg.	Where Average Income Producing Assets is within \$100K-\$250K
5	5 Moderate	Where Average Income Producing Assets is within \$50K-\$100K
6	6 Below Avg.	Where Average Income Producing Assets is within \$25K-\$50K
7	7 Low	Where Average Income Producing Assets is <\$25K

Technology Use Class

This technology score uses a proprietary Claritas model that measures a household's use of technology in their daily activities. This technology model was developed utilizing more than 100 technology related behaviors from several Claritas and third-party surveys. These behaviors included use of specific devices as well as specific activities engaged in by the household across various devices and channels. The technology use of each segment within the PRIZM Premier system is described in terms of how the households within the segment scored relative to the average technology score. PRIZM Premier segments are described as Highest, Above Average, Average, Below Average, or Lowest in terms of their use of technology. This category is unique to PRIZM Premier.

TECHNOLOGY USE CLASS		
ORDER	SEGMENT DESCRIPTOR	HEURISTIC
1	1 Highest	Where technology score is greater than or equal to 31% above average
2	2 Above Average	Where technology score is between 30% and 9.2% above average
3	3 Average	Where technology score is 9.1% above average to 7% below average
4	4 Below Average	Where technology score is between 8% and 24% below average

5	5 Lowest	Where technology score is less than or equal to 25% below average
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TECHNICAL SUPPORT

If you require further assistance, please contact the Environics Analytics support team between 9:00 a.m. and 8:00 p.m. (Monday through Friday, EST) at support@environicsanalytics.com or 888.339.3304.

LEGAL NOTIFICATIONS

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