

CLARITAS CONNEXIONS® CY FY DISTRIBUTIONS RELEASE NOTES

DATA VINTAGE

2021
2026

BASE LEVEL GEOGRAPHY

ZIP+4 aggregated to Block
Group

VARIABLES

Segments 53
Lifestages 10

UPDATE FREQUENCY

Annually

To view the complete list of
variables please visit:
environicsanalytics.com/en-us/variables

WHAT IT IS

Claritas ConneXions® is the premiere household segmentation system for marketers of technology and communications products and services—including voice, video and data services. ConneXions classifies every U.S. household into one of 53 consumer segments based on the technology and communications purchasing and usage preferences of a household according to the Claritas Technology Behavior Track survey.

ConneXions offers the most extensive set of supplementary market research databases and links to partner data of any household segmentation system in the industry. It can be used to pinpoint the products and services that their best customers are most likely to use. ConneXions allows marketers to construct a complete portrait of their customers, answering these important questions:

- Who are my ideal customers?
- What are they like?
- Where can I find them?
- How can I best reach them?

A distinguishing feature of ConneXions is its use of Technodoption, a proprietary model developed by Claritas that measures the willingness of a household to adopt new technology early in its lifecycle. Technology adopters are described as follows:

- **High Tech**—Segments classified as High Tech are the technology trendsetters. They are the most likely of all ConneXions segments to be the first to try any and every new technology.
- **Mid Tech**—Segments classified as Mid Tech are a bit more selective about the new technologies they will try, although it is unclear if savvy or salary is driving the difficult choices. They are frequently heavy users of one particular product or service while lagging in other products.
- **Low Tech**—Segments classified as Low Tech are best described as those with big dreams and low budgets. Many of these segments would adopt more technology products if they could afford them.
- **No Tech**—Segments classified as No Tech not only pass on trying new technology, they are also lagging in adopting well-established technology. Their philosophy is “Why pay for cable when you have an antenna?”

Beyond coding customer records for applications geared toward identifying and reaching consumers, ConneXions can also provide estimates of markets and trade areas for location analytics, as well as profile databases for behaviors including leisure time preferences, shopping,

eating, favorite magazines and TV shows, all of which can help to craft ad messaging and media strategy.

Block group household distributions are created from ZIP+4 ConneXions assignments within each block group. The segment distributions can then be rolled up from block group to other geographies, using cross reference files where necessary. Clients access the segment distributions for purposes, such as determining market potential, creating profile bases and identifying ideal segments within markets.

WHAT'S NEW

Five-year Connexions segment distributions are now available in ENVISION. You can now see how the segment composition of any trade area is projected to change in five years. A new dashboard and mapping capabilities will help you understand which segments are growing and inform your location strategy.

METHODOLOGY

The goal of model development is to offer the best predictive value for a behavior or characteristic for which the actual data is unknown or otherwise unavailable. New methods and data are constantly being searched in the landscape to improve statistical model performance. To that end, Claritas developed a proprietary methodology called Multi-source Aggregation and Distributional Alignment (MADA), which changed the way households are measured and assigned to ConneXions segments.

MADA is used for assessing national distributions, which begins with the demographic update, and is informed by additional data from Financial Track, Epsilon Targeting, Valassis Direct Mail Inc., Infogroup Inc. and TomTom North America Inc. Such data include, but are not limited to, age, income and presence of children. This information is acquired from third-party providers who have a legal right to provide such information and is either self-reported or modeled. This combination of data sources provides a unique competitive advantage in its segmentation assignment methodology, due to the unparalleled breadth and depth of address-level information. The result of the MADA process is the creation of the Claritas Master Address File—a file of all households in the country (based on the U.S. Census Bureau's standard of counting)—which serves as the benchmark for all coding processes.

To produce the count of households for each level of geography, initial estimates are created via the MADA process and then balanced against an annual demographic update (which is informed by estimates produced by the Census Bureau and, in some cases, various state demographers). At the block group level, change is estimated based on sources including local estimates, trends in U.S. Postal Service deliverable address counts from Valassis and trends in consumer counts from the Epsilon Targeting TotalSource Plus™ database.

The ConneXions model provides detailed assignments by building a stable roster of addresses and associated mailing characteristics against which analysts can consistently assess national distributions.

The segmentation solutions use a broad spectrum of demographic and lifestyle information to describe households and geography, enabling companies to better understand and anticipate

customer buying behaviors. Claritas' segmentation systems place each U.S. household into segments based on general consumer behavior and demographic characteristics. The segments are based on aggregated or modeled information that represent millions of households. No information about a unique individual or household is published or reported within segment assignments.

Industry standard modeling practices are used along with a minimum number of demographic factors to assign households to a segment. ConneXions was designed to classify households based on consumer purchasing behaviors. Thus, Claritas' uses data that describe overall life stage such as presence of children and household size. Race and ethnicity were not factors in Claritas' analysis or models.

USING SEGMENTATION TO ESTIMATE DEMOGRAPHICS

ConneXions segmentation provides a high-level overview of segment demographics, allowing you to identify what messages will speak most powerfully to your best customers. This broad picture is populated by first creating segments like Generation WiFi (07) and You & I Tunes (05), and then identifying the average or most common characteristics of these segments overall.

These averages are nationwide averages. Therefore, regional or population differences in how these segments express themselves may lead to variance in individual demographics. For example, let's say that, nationwide, Generation WiFi (07) tends to be approximately 12 percent Hispanic or Latino. Using this, you can estimate the number of Hispanic or Latino potential customers that may exist in any given area. But this is still an estimate based on nationwide averages—in Miami, Generation WiFi households will probably have a higher presence of Hispanics than the nationwide average due to the demographic makeup of that particular area. This same relationship exists for other demographics, such as households with children and age.

Generally speaking, however, most geographic areas should vary in proportion. So, for example, while the percentage of Hispanic Generation WiFi households in Miami will likely be higher than average, it will still be proportionally more Hispanic/Latino than You & I Tunes (05) households. Generally, the smaller the population being examined, the more pronounced these variances can be.

HOW IT'S USED



To create target groups based on the segments present in existing or potential new trade areas or based on the segment assignment of existing customers.



Technology providers can identify trade areas for potential expansion based on where target ConneXions segments are present.



By using profile products such as Technology Behavior Profiles to understand how consumers behave in the marketplace; what they buy, where they buy, and how they spend their time.

SAMPLE QUESTIONS IT CAN ANSWER

- Who are my best customers by ConneXions segments?
- Which ConneXions segments are found within my trade area?
- Where can I find trade areas with the most households in my ConneXions target groups?

FOR DIRECT DATA DELIVERIES ONLY

Standard data are delivered in the comma-separated values (.csv) format. For a detailed list of ConneXions segments, consult the metadata file with your data delivery.