

# CLARITAS PRIZM® PREMIER ZIP+4 DIRECTORIES RELEASE NOTES

## DATA VINTAGE

2021

## BASE LEVEL GEOGRAPHY

ZIP+4

## UPDATE FREQUENCY

Annually

## VARIABLES

Segments: 68  
Assignment flags

## WHAT IT IS

Claritas PRIZM® Premier combines consumer behavior, demographics and geographic data to help you understand and engage your customers and prospects. PRIZM Premier classifies every U.S. household into one of 68 unique segments to help you discern consumer lifestyles and purchase behaviors. By segmenting consumer households, you can identify, reach and retain your most profitable customers and tailor messages and products that resonate with them. Any customer list or survey can be coded with PRIZM Premier to identify profitable and sustainable opportunities.

These PRIZM Premier external links allow for company-wide integration of a single customer concept. Beyond coding records for analysis, you can also find estimates of markets and trade areas for location analytics or site location. There

are ancillary profile databases for behaviors ranging from leisure time preferences and shopping, to eating and consuming favorite magazines and TV shows, which can help you craft ad messaging and media strategy.

## WHAT'S NEW

This year's release includes improvements in urbanicity classifications. Claritas applied a combination of manual reviews and new techniques to assess the fringe areas as more similar to a city or a suburb. As a result, the "Metro Mix" classification is no longer available, and "Town" & "Rural" classifications have been grouped together. The four urbanicity classifications for this release are, "Urban", "Suburban", "Second City", and "Town & Rural".

## GEOGRAPHIC LEVELS

PRIZM Premier Single Assignments are created for the following geographic levels:

GEOGRAPHIC LEVEL	AVERAGE HOUSEHOLD COUNT
ZIP+4	4
Block Group	550
ZIP Code	3,300

## USING SEGMENTATION DIRECTORIES

Segmentation Directory files are used to apply segmentation codes to client and/or prospect records that have the required, associated geographic codes.

The ZIP+4 codes are made up of three Match Key fields combined to result in the 9-digit ZIP+4 code. The three components of a ZIP+4 code are the 5-digit ZIP code and the two-digit sector code combined with the two-digit segment code (also known as the ZIP+4 extension).

Use the PRIZM Premier ZIP+4 directory file to match the nine-digit ZIP+4 from the directory to a 9-digit ZIP+4 code in your client or prospect file. When the ZIP+4 codes match, append the two-digit segmentation code to your client or prospect file.

The next step is to get segmentation assignments for records that were not matched at the ZIP+4 level. This is done by using the PRIZM Premier ZIP code directory file to get assignments by matching to the five-digit ZIP code to your client file. When the ZIP codes match, append the two-digit segmentation code to the client file.

The block group directory can also be used for filling in segment assignments for ZIP+4 client codes with no match to the ZIP+4 directory. In these cases, the block group code in the directory will be matched with a block group geographic code on the client file. This will populate the segment assignment in the same way as ZIP+4 coding. If you use block group directories, then block group segment assignments should be made after the ZIP+4 code assignment and before the ZIP code assignment.

Your client files must contain full addresses for best performance. In addition, some data hygiene should be performed before using customer files. For example, making sure all ZIP codes are in the ZIP code column and that they all contain 5 digits. We recommend using the Import Customers Geocode tool in ENVISION to first standardize your addresses and append geography levels including ZIP+4, and then to append segment codes to each client record. The tool simply requires a full address: Street address, city, state, ZIP code. You may want to add some additional fields such as customer number to the file as well.

If using the directories as a data file, be sure to use the segmentation directory files in order from smallest geographic level to largest: ZIP+4, then block group (optional), then ZIP Code for best results.

## 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 evaluated 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 PRIZM Premier segments.

MADA is used for assessing national distributions, which begins with the demographic update, and is informed by additional data from Claritas 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 the 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 source for all segment assignment processes.

To produce the count of households for each level of geography, initial estimates are created using the MADA process and then balanced against an annual demographic update, which is informed by estimates produced by the Census Bureau and other data providers. 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.

By building a stable roster of addresses and associated mailing characteristics against which analysts can consistently assess national distributions, the PRIZM Premier model provides the most detailed assignments available.

The segmentation solution uses a broad spectrum of demographic and lifestyle information to describe households and geography, enabling companies to better understand and anticipate customer buying behaviors. PRIZM Premier places 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.

One set of factors that Claritas specifically chose not to use as drivers in analysis or models are race and ethnicity. However, research has found that, much as patterns of purchasing and other behaviors appear for these segments, patterns of race and ethnicity sometimes emerge as well. For this reason, and due to client demand, Claritas sometimes include references to race and ethnicity in its descriptions for product marketers, even though they are not drivers of household segment assignment. PRIZM Premier segment assignments also rely on technology use and household liquid assets as driving factors in the classification of households. These two factors join the list of other demographic factors that have been a part of classifying households in earlier versions of PRIZM.

## ASSESSING CHANGE

Claritas PRIZM Premier Directories capture and reflect any changes in demographic data at the household level that have occurred. Organic fluctuations in segment assignments are reflected in the percent agreement of segment assignments in a year-over-year comparison. Overall, many ZIP+4 codes in the 2020 PRIZM Premier ZIP+4 Directory have the same PRIZM® Premier assignment in the 2021 update—a measure referred to as “percent agreement.” The table below lists the 2021 percent agreement for the ZIP+4 geography level:

CLARITAS PRIZM PREMIER 2021 VS. 2020 PERCENT AGREEMENT			
GEOGRAPHIC LEVEL	OVERALL AGREEMENT	SOCIAL GROUP AGREEMENT	LIFESTAGE GROUP AGREEMENT
ZIP+4	69.6%	80.1%	76.4%

The table below shows the distribution of ZIP+4s that have a valid PRIZM Premier assignment (Segments 01 through 68), non-residential segments, and unassigned segment 99 assignments.

SEGMENT VALUE	PRIZM PREMIER SEGMENTS	ZIP+4 COUNTS
Valid Segment	01-68	32,038,312
Non-Residential Fill	01-68	20,208,963
Unassigned	99	118
Total	ALL	52,247,393

## HOW IT'S USED



To append segment codes to customer files and enable the use of PRIZM Premier Distributions and profile databases.



Retailers can identify trade areas for potential expansion based on where target PRIZM Premier segments are present.



By using profile products such as Consumer Profiles to understand how households 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?
- Which PRIZM Premier segments are found within my trade area?
- Where can I find trade areas with the most households in my PRIZM Premier target groups?
- What will my trade areas look like in five years in terms of PRIZM Premier?
- Which segments have the best response rates to my mail campaigns?

## FOR DIRECT DATA DELIVERIES ONLY

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