

ZIP+4 DIRECTORIES RELEASE NOTES FOR ENVISION5

DATA VINTAGE

2019

BASE LEVEL GEOGRAPHY

ZIP+4

UPDATE FREQUENCY

Annually

VARIABLES

Segments 60

Lifestages 12

WHAT IT IS

Claritas P\$YCLE® Premier represents the next generation of P\$YCLE®, the premiere segmentation system for marketers of financial services and luxury items. This is the first new P\$YCLE model in more than a decade. The new system includes additional inputs and drivers to improve the way it assigns households to a particular segment. The new approach is necessary to reflect changes in the demographic and financial composition of the United States over the past decade.

P\$YCLE Premier classifies every U.S. household into one of 60 consumer segments based, in part, on the income producing assets (IPA) of that household. P\$YCLE Premier gives marketers the ability 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?

Beyond coding customer records for analysis, users can also get estimates of markets and trade areas for location analytics, as well as profile databases for behaviors ranging from leisure time preferences and shopping to eating and media consumption habits, all of which can help craft ad messaging and media strategy.

P\$YCLE 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

WHAT'S NEW

In addition to the geodemographic and behavioral data that was used in the development of the previous version of P\$YCLE, there are new, innovative features playing key roles in the new P\$YCLE Premier model. The new system introduces additional property-level home value and property characteristics from a third-party provider that covers more than 99 percent of U.S. properties. This database is sourced from tax assessor databases and includes various property-level attributes such as sales price, tax amount, total value, and the outstanding mortgage attached to the property (loan amount and duration).

The Claritas Income Producing Assets model, a key driver of household segment assignment, now features a new high-end class. With this change Income Producing Assets now has 11 classes that go up to \$3 million+; previously the database offered 10 classes that went up to \$2 million+. The decision to expand the number of classes allows for greater distinction and definition of high wealth segments in P\$YCLE Premier.

P\$YCLE Premier also offers a new measure of technology used to identify the extent to which a household embraces technology in their everyday lives. This new feature is based on a model that utilizes more than 100 technology related behaviors from several Claritas and third-party surveys. These behaviors include use of specific devices and how they are being used by the household to consume content and media. The technology use of each segment within the P\$YCLE Premier is described in terms of how the households within the segment scored relative to the national average technology score. P\$YCLE Premier segments are described as High, Above Average, Average, Below Average or Low in terms of their use of technology.

USING SEGMENTATION DIRECTORIES IN ENVISION5

Segmentation directories are used to apply segmentation codes to customer and/or prospect records that have the required geographic codes.

The ZIP+4 codes are made up of three match key fields combined to result in the nine-digit ZIP+4 code. The three components of a ZIP+4 code are the five-digit ZIP code and the two-digit sector code combined with the two-digit segment code (also known as the ZIP+4 extension). As an ENVISION5 user, you can append segmentation codes to your customer file in two steps:

Step 1: Import customer file to ENVISION5

When importing your customer file with address information into ENVISION5, the file should include, a street address, city, state and a five digit ZIP Code for each customer record. A full address will ensure the best possible geocoding and segment code append for each customer record. To import a customer file with coordinate information into ENVISION5, the file needs at minimum, both a longitude and latitude coordinate. You can learn how to import customer files to ENVISION5 by reading [QuickStart](#) document available on the [Community](#) page of our [website](#).

Step 2: Export customer file with segmentation codes appended

Once you have geocoded a customer file in ENVISION5, you can export it with a segmentation code for each record, as well as additional geocoding data such as county, core-based statistical areas and more. The segmentation code indicates which segment each customer household is assigned to. For more information about the step-by-step procedure to append segmentation codes to your customer file, please consult our [QuickStart](#) guide.

METHODOLOGY

To create P\$YCLE Premier, instead of using a traditional clustering algorithm technique, Claritas embraced Multivariate Divisive Partitioning (MDP) technology that yields better segmentation results. The MDP process borrows and extends a tree partitioning method that creates the segments based on demographics that matter most to households' behaviors. This technique extends the simple classification and regression trees (CART) process to simultaneously optimize

across 250 distinct behaviors at once. This advancement allowed Claritas to take advantage of the nearly 10,000 behaviors and hundreds of demographic predictor variables at different geographic levels.

An important feature of P\$YCLE Premier is its use of the Claritas Income Producing Assets Indicators model, a proprietary Claritas model that estimates the liquid assets of a household based on responses to the Claritas Financial Track survey of financial behaviors. The survey, which is the largest financial survey of its kind in the industry, provides actual dollar measures from each survey respondent. Respondents have granted Claritas permission to use these data for market research purposes. From the survey base, information for nearly 250,000 households (rolling three years of quarterly surveys) is anonymized, summarized and used to construct balance information for a variety of financial products and services that are core to income-producing assets. No individual respondent survey data is released with the P\$YCLE Premier model.

P\$YCLE Premier uses a broad spectrum of demographic and lifestyle information to describe households and geography, enabling companies to better understand and anticipate customer buying behaviors. P\$YCLE Premier places each U.S. household into segments based on general consumer behavior and demographic characteristics. The segments are based on aggregate or modeled information that represent millions of households. No information about a unique individual or household is reported within segment assignments, making this a privacy safe solution.

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.



Banks and other financial institutions can identify trade areas for potential expansion, based on where target P\$YCLE Premier segments are present.



By using profile products such as Financial Product Profiles to understand how households behave in the marketplace; which savings products they use, average balances and how they acquire them.

SAMPLE QUESTIONS IT CAN ANSWER

- Who are my best customers by P\$YCLE Premier segment?
- Which P\$YCLE Premier segments are found within my trade area?
- Where can I find trade areas with the most households in my P\$YCLE Premier target groups?