

# CLARITAS P\$YCLE PREMIER® ZIP+4 DIRECTORIES RELEASE NOTES

## DATA VINTAGE

2022

## BASE LEVEL GEOGRAPHY

ZIP+4

## UPDATE FREQUENCY

Annually

## VARIABLES

Segments 60

## 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. 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, P\$YCLE Premier 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

## USING SEGMENTATION DIRECTORIES IN ENVISION

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 ENVISION user, you can append segmentation codes to your customer file in two steps:

### Step 1: Import customer file to ENVISION

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

## **Step 2: Export customer file with segmentation codes appended**

Once you have geocoded a customer file in ENVISION, 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. Once the code is on your customer file you can use other ENVISION tools to profile your customers, create target groups and much more.

## **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.

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.

## HOW IT'S USED



Assign P\$YCLE Premier segment codes to your customer file to know your customers through the lens of P\$YCLE Premier.



Improve customer retention rates and cross-sell opportunities by analyzing thousands of behavioral, psychographic and demographic variables to understand your customers and develop service, product and advertising strategies.



To lower customer acquisition costs by assigning P\$YCLE Premier codes to prospect files and discover the best service and products to reach them.

## SAMPLE QUESTIONS IT CAN ANSWER

- Which P\$YCLE Premier segments represent my best customers?
- Do customer prospects look like our existing customers?
- How different are customers that use different products and services?

## FOR DIRECT DATA DELIVERIES ONLY

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