



Market Segmentation

In addition to the significant engagement of community members in conversations and through the surveys (memorandums and survey responses are included in the Addendum), SSFPL included in this planning process a quantitative data solution that provides insight and either corroborates or provides another perspective on community perceptions. Market segmentation offers demographic, lifestyle, and consumer behavior data on preferences that reveal who lives where in SSF, how they spend their time and money, what they value, and how (or whether) they use the library.

Brief descriptions of the market segments in SSF, as well as a map of where they are located, follow this introduction. Please note that segment 'names' were developed by ESRI. This technology company uses nationally normed data segments. The segment names are described at a national level and do not completely reflect local neighborhoods or areas.

The quick explanation of what we learned:

- **The top two segments (Pacific Heights and International Marketplace) account for nearly 8 in 10 people.**
- **The remaining five segments comprise 20% of the total population of 64,600.**

1. Pacific Heights: 43,032 or 66.6%
2. International Marketplace: 9,073 or 14%
3. Trendsetters: 5,092 or 7.9%
4. Pleasant-Ville: 3,233 or 5.0%
5. Urban Chic: 2,042 or 3.2%
6. Las Casas: 1,268 or 2.0%
7. Wealthy Seaboard Suburbs: 860 or 1.3%

Key elements of Market Segmentation

- Neighborhood based
- Data sources
 - ◆ U.S. Census Bureau
 - ◆ ESRI's own demographic updates and projections
 - ◆ Population updates from cities, counties, states
 - ◆ Real estate transactions and housing starts
 - ◆ USPS delivery statistics

- Validation
 - ◆ Consumer market surveys
- Technique
 - ◆ Combines cluster analysis with latest data mining techniques to provide a robust and compelling segmentation of U.S. neighborhoods

The Purpose of Market Segmentation

- Reveals customer differences
- Scales to reveal national trends
- Provides data-driven, reliable and predictive information
- Paints a picture of customers that informs organizational level decisions
- Enables an organization to manage a diverse and growing portfolio of customers
- Identifies the complexity and landscape of customer households
- Helps to align strategies and resources

MARKET SEGMENT DESCRIPTIONS

Brief segment descriptions follow (more information is included in the Briefing Book, a url link is provided in the Resource Section) – please note all information reflects the segment at a nationally aggregate level; demographic information for residents in SSF is available further on in this section.

Pacific Heights

More than three fourths of households include families, primarily married couples with or without children; the average family size is 3.61. Less than 1 percent of all US households, this segment includes the highest percentages of Asian and Pacific Islander populations with a median age of 39.8 years. At 60.6 percent, the labor force is slightly below national average, with most households including more than one worker. Education is a priority for these first and second generation Americans, with more than 65 percent over 25 years old having attended college and more than one third holding a bachelor's or graduate degree. College and graduate school enrollment is slightly higher than the national average.

Home ownership is at 68 percent, with residents preferring single family homes or townhomes. Most live in densely populated urban or suburban centers near their jobs.

Residents take entertainment and/or family oriented vacations to places like Las Vegas and Disneyland during the year, read mystery books and listen to music on devices, and watch foreign films, movies and comedies on giant screen TVs. They read general editorial and entertainment magazines and listen to contemporary, hit, all news and urban radio – usually during their commute.

Pacific Heights families invest in home improvement and remodeling projects. Most households own an imported vehicle that they drive for several years, and shop regularly at Costco and Target for essentials but also shop at upscale retailers. Health conscious, this segment exercises regularly and eats healthy foods. The best ways to reach them are through emails, multi-media including print, cable and digital, social media and text messages, and fliers at community locations.

International Marketplace

Located in 'gateway' cities, International Marketplace neighborhoods are developing urban markets with a rich blend of cultures and household types. This segment is young, with a median age of 32 years. 70 percent of the households are families, 44 percent are married couples with children and single parents, and the average family size is 3.7. The second most diverse of all segments, more than half are Hispanic, 11.6 percent are Asian, and 7 percent represent two or more races. A high proportion of immigrants, including recent arrivals, live in these neighborhoods. One or more in the family has difficulty speaking English, and most of those employed work in service industry sectors such as manufacturing, retail, or health care. College and graduate school enrollment is similar to the US average; educational attainment is below the US average.

This segment typically rents their homes, with less than 30 percent home ownership. Family is top priority; most expenditures are baby products and children's clothing with shopping done at Marshall's or Costco and drop ins at convenience stores for quick purchases like milk.

They watch TV and listen to language oriented, urban, and contemporary radio rather than reading newspapers and magazines. The best ways to reach them are through radio and TV advertising, text messages, and with fliers at stores and family oriented restaurants.

Trendsetters

Cutting edge of urban style best describes Trendsetters, who are young, diverse, and mobile. More than half are singles who live alone or with a roommate. Families comprise the remainder. At a median age of 34.8 years, and ethnically diverse with 23 percent Hispanic and 13.7 percent Asian, these residents are educated professionals who work in substantive jobs. 18 percent of those 25 and older hold a graduate degree, 30 percent have a bachelor's, and 72 percent have attended college. Beyond wages, other income includes interest, dividends, rental properties and self employment business ventures.

68 percent of Trendsetters rent in upscale, multiunit housing in older urban districts. The national average gross rent is one-third higher than the US average; single family homes and townhomes house the remainder of the segment. 18 percent of households don't own a vehicle as this segment tends to live near readily available public transportation. This segments spends, shopping online, in stores and by phone. They are fashion conscious who also buy essentials at discount warehouse stores and branded clothing from Banana Republic, Nordstrom, and Macy's. They stay current on trends and read fashion and epicurean magazines and listen to classical, alternative, public and all news radio. They are politically liberal and use the latest technological devices and apps to stay connected and get work done. They're frequently online for transactions, research, and entertainment, and are beginning to invest.

Health conscious, these residents buy natural/organic, exercise regularly, and engage in sports and yoga. They travel, go to movies, attend concerts and read – especially nonfiction and biographies. They prefer movie channels when watching TV. The best ways to reach them include email, social media, professional social networking sites, and multi-media channels.

Pleasant-Ville

Prosperous domesticity defines this segment. Nearly 40 percent of households have children, and 13 percent have adult children – the national average family size is 3.3. The national median age of 40.5 years is slightly older than the US median of 37.2, and the diversity index of this segment is slightly lower than the national average. Employed residents work in a variety of occupations in diverse industry sectors, similar to the national distributions. One in five households receives retirement income, a ratio expected to increase. 44 percent of households earn additional income from interest, dividends, or rental properties.

These residents live in single family homes, often still living in the same residence since 1995. Home ownership is high at 82 percent nationally. To maintain a comfortable lifestyle, workers often commute an hour or more. Two thirds of families maintain two or more vehicles. As older homes require maintenance, home improvement is a priority. Not DIY oriented, most projects are contracted out, although families tend to do their own yard work. They shop at warehouse stores for value and at department stores for upscale items.

Residents spend time with their families, dine out, visit theme parks, and take sightseeing vacations. They own and use PCs to shop online, check email, and read the news. They listen to contemporary hit, all news, all talk, and sports radio and watch a variety of sports on TV. They often read two or more daily newspapers. The best ways to reach them are through email, monthly magazines and newspaper advertising, social media, professional networking sites like LinkedIn, text messaging and TV and radio advertising, and fliers at community locations.

Urban Chic

Urban Chic residents are professional who live a sophisticated, exclusive lifestyle. More than half are married-couple families, with fewer than half of those with children. The national median age of 42.7 is older than the US median of 37 years, and their diversity index is 13 points lower than the national average. Well educated, more than half aged 25 or older hold a bachelor's or graduate degree; 80 percent have attended college. They work in a variety of occupations, especially professional, management and sales positions in scientific, technical, and educational services as well as the health care industry. 55 percent of this segment receive income from investments.

Home ownership is 65 percent, with 63 percent of housing for the segment in single family homes and the rest in apartments or multiunit housing. The focus is on lifestyle, with extensive travel, arts and culture, upscale shopping, and volunteering. Staying fit and eating healthy, natural and organic foods is a priority, as is imported wine and great coffee. They are busy, tech savvy, and tend to own Apple products. They go online to take care of much of life's details such as purchases, event tickets, and investments.

This is one of the top segments for radio listening, primarily classical, all talk and public programming. They are avid readers of newspapers, books, and general editorial, entertainment, and business magazines. They seldom watch TV; however favorite channels include broadcast news and documentaries. The best ways to reach Urban Chic are through emails, multi-media channels including print, cable and digital, and social media and text messaging.

Las Casas

Nearly half of Las Casas residents were born outside the US, and nationally 84 percent are Hispanic. Dominated by families, 42 percent are married couples with children and 21 percent are single parent families. Their median age is 27.7 years, with about 50 percent younger than 30. The national household average size of 4.32 is the highest of all segments. Service and manufacturing sectors provide most of the jobs for these residents, with many working part time.

Educational attainment is much lower than national levels with a majority aged over 25 without a high school degree and only 23 percent college graduates.

Nationally, 60 percent of households rent, usually in older apartment buildings, single family dwellings and townhomes. Limited discretionary income and the presence of children results in modest spending habits and driving older vehicles, with most purchases for baby and children's products. They shop at large grocery chains and often eat fast food.

This segment typically owns one TV per home, and doesn't subscribe to cable. They watch daytime or sports programs and listen to primarily to Hispanic radio, supplemented by variety and contemporary hit programs. They play soccer and basketball and go to movies. The best ways to reach them are through coupon packets, Radio and TV advertising, text messages, and fliers at stores and family oriented restaurants.

Wealthy Seaboard Suburbs

This segment represents the smallest share of the entire SSF population. These neighborhoods are older, established, and affluent with two-thirds of the population older than 15, married with more than half without children. The media age is 42.9, with low ethnic diversity. This segment is made up of predominately white residents. Income is from diverse sources, with about 60 percent receiving supplemental income from interest, dividends, and rental properties. 23 percent collect retirement income and more than half of those that work hold professional or management positions. 87.9 percent of these residents live in single family homes and this segment is the least likely to have moved in the last five years. The segment also ranks in the top five for residents who commute out of state to work.

Not do it yourselves, these residents hire lawn and maintenance services and contract out remodeling projects. This is the top market for remodeling expenditures, spending more than \$5,000 per year on home improvement. They typically own life insurance policies at greater than 1/2 million, love to shop in both upscale and warehouse stores in person, online and by phone. They visit coffee houses and grind their own beans at home. They spend their time on nice vacations such as all inclusive packages and cruises both in the US and abroad, individual outdoor sports, and at the theater. They read two or more daily newspapers and biographical, epicurean, travel, business and finance books and magazines. On TV, cable movie channels and drama series are preferred, as are home shopping channels. The best ways to reach these residents are emails, fliers at community locations, multi-media channels including print, broadcast, cable, and digital, and through social media and text messages.

SERVICE IMPLICATIONS

Information gleaned from the market segmentation study and community engagement and survey responses points the library in specific program and service directions, the implications of which are indicated below.

Dominant Characteristics

The dominant characteristic across all segments is the presence of families with children. Within this larger group is a range of family conditions, in terms of age, income, race and ethnicity. Strip away all of the differences – demographic, socio-economic, and consumer preferences – they share the same values: hard work, ingenuity, economic security, quality of education for their children, safety, engaging leisure time, quality of life, and a sense of community. Further, most of the middle and upper middle class parents are slightly older, in their late 30s and 40s. While these parents may be a mix of digital natives and digital migrants, they are sophisticated in using technology and provide their children with access to these technologies from a young age.

Gateway

South San Francisco has a wonderful history as a place where immigrants have thrived as new Americans while cherishing their native cultures, proud of their hard work and ability to adapt. South San Francisco provided, and still provides, economic and social mobility. As in the past, the shared values of hard work, education and opportunity for families attract people to the community.

Growing Customer Base

The market segmentation data shows that the Library has a great opportunity to grow its customer base. In doing so, the Library will need to sustain some services and consider eliminating others while building the capacity to meet the changing needs of a growing community. The Library should explore using technology to offer increased virtual collections and services and to achieve faster, manageable growth.

Serving Existing Customers

The Library has a strong customer base, making the maintenance of current, valued services of primary importance. The data shows that two-thirds of the Library's customers and non-users, like the population, are from the Pacific Heights segment. Significant percentages of customers and non-users also reside in the International Marketplace segment – 14.8% and 13.4%, respectively. A 48.6% market share of International Marketplace indicates the Library is successfully reaching new immigrants. Notably, nearly two-thirds of those in the smaller Las Casas segment are active current cardholders, the highest market share of all segments.

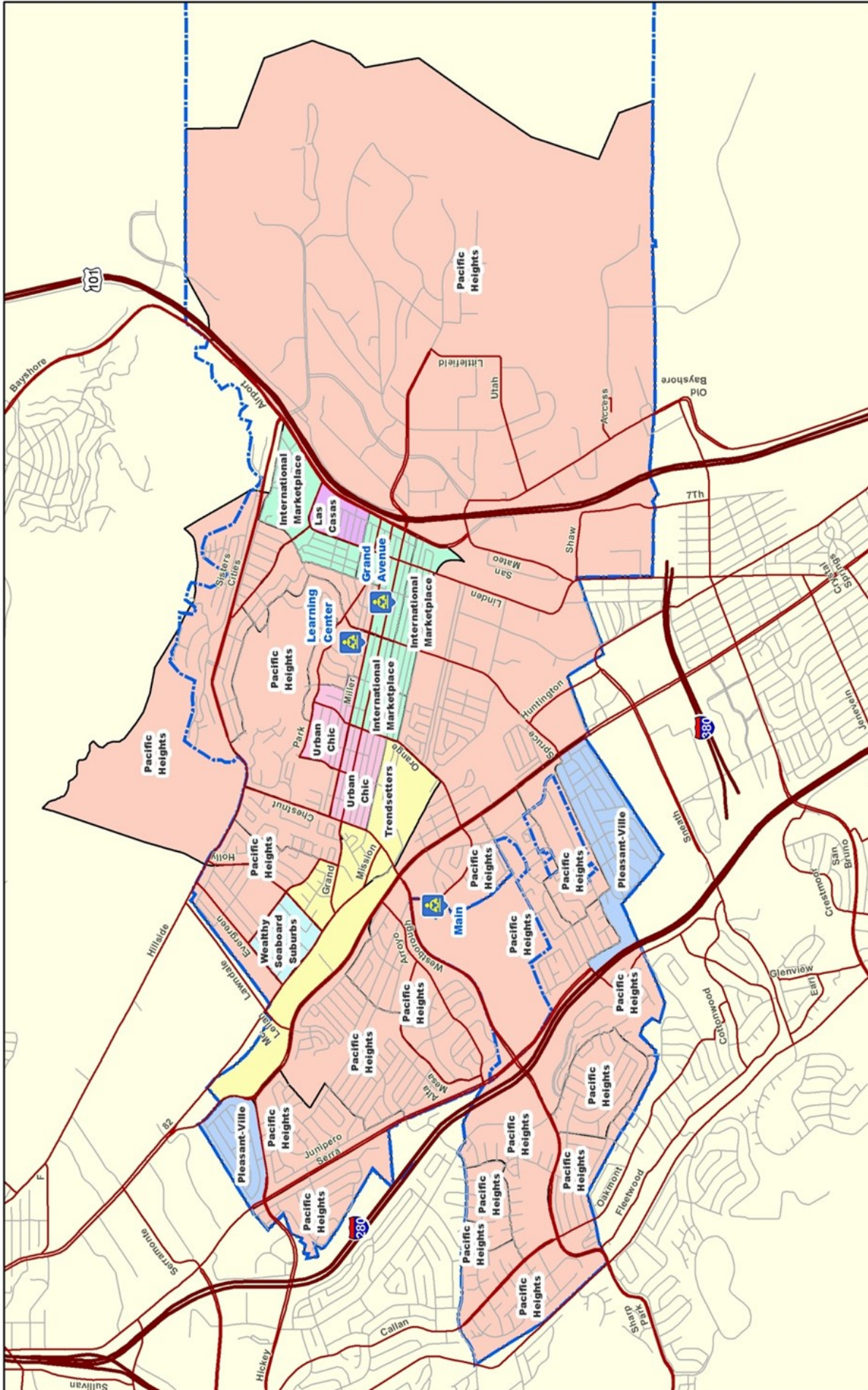
How should the Library proceed to ensure growth and success? Maintenance of current resources and careful selection of new programs and services, along with creativity in outreach activities is recommended to grow participation by the Pacific Heights segment population. For the Las Casas and International Marketplace segments, the Library can look to deepen relationships with individual customers and to put in place timely responses to the arrival of new residents.

Racial and Ethnic Diversity

South San Francisco is diverse both racially and ethnically, as evidenced across a range of data points in our market segmentation study. This diversity is emphatically displayed throughout most of the population in all income levels and market segments, including middle and upper-middle class. These diverse racial and ethnic populations are fully integrated into American society. For these library customers, native language books and DVDs serve entertainment and cultural purposes, not social or economic need. Low income and recently arrived immigrants who have strong social and economic needs to transition to American culture and learn English are frequent users of library services, and are especially present at the Community Learning Center, Grand Avenue Branch Library, and Project Read's tutoring, financial and family literacy programs.

Geography of Segments

The Pacific Heights segment dominates South San Francisco's geography. Pacific Heights is present in almost every part of the City, the exception being the area along the Grand Avenue corridor running from the city's eastern boundary to Hwy 101. In this corridor all of the other segments reside: Pleasant-Ville, Wealthy Seaboard Suburbs, Trendsetters, Urban Chic, International Marketplace, and Las Casas, creating a rich tapestry in the center of town. Both the Grand Avenue branch and Community Learning Center serve this area, which from an outreach perspective will require new thinking in how to increase participation from these segments. The link in the Resource Section provides further information about South San Francisco market segmentation.



MARKET SEGMENT POPULATION SHARE

Please note that the Segment names, such as “Pacific Heights”, were developed by ESRI, the data provider, and do not reflect any local places or people. The segment descriptions were also developed by ESRI and describe the national characteristics of each segment.

A short description of each segment in South San Francisco is provided on the following pages, with additional information included via the link in the Resource Section about each segment’s life stage, lifestyle, values, and how they spend their money and time.

The following chart shows the market segments in South San Francisco, and each segment’s share of the total population. A few facts about South San Francisco stand out relative to other cities:

- South San Francisco has significantly fewer segments than comparable communities across America
- South San Francisco has one segment that significantly dominates the community (Pacific Heights at almost 70%)
- Most segments are family-oriented

| No. | Segment | Population | Population Share | Population Cumulative Share | Population Cumulative Number |
|--------------------|---------------------------|---------------|------------------|-----------------------------|------------------------------|
| 1 | Pacific Heights | 43,032 | 66.6% | 66.6% | 43,032 |
| 2 | International Marketplace | 9,073 | 14.0% | 80.7% | 52,105 |
| 3 | Trendsetters | 5,092 | 7.9% | 88.5% | 57,197 |
| 4 | Pleasant-Ville | 3,233 | 5.0% | 93.5% | 60,430 |
| 5 | Urban Chic | 2,042 | 3.2% | 96.7% | 62,472 |
| 6 | Las Casas | 1,268 | 2.0% | 98.7% | 63,740 |
| 7 | Wealthy Seaboard Suburbs | 860 | 1.3% | 100.0% | 64,600 |
| Grand Total | | 64,600 | 100.0% | | |
| Average | | 9,229 | | | |
| Median | | 3,233 | | | |

- Population: The number of people in the segment
- Population Share: The percentage of the total population the segment represents

This market segmentation study provides the Library with a unique tool for analyzing the community. All other City departments are also welcome to use this insightful resource.

Market Share for Segments

More than two-thirds of the Library’s patrons are in one segment, Pacific Heights. What Pacific Heights shares with other family-oriented segments (International Marketplace, PleasantVille, and Las Casas) is an appreciation for education and the opportunities it provides. The implications for the library are that modifications to services or the introduction of new services are applicable beyond Pacific Heights and can be leveraged across other segments without additional investment. These modifications can also be used to gain new market share in multiple segments.

| No. | Segment | Total Customers | Customer Share | Customer Cumulative Share | Customer Cumulative Number | Total Non Customers | Non Customer Share | Non Customer Cumulative Share | Non Customer Cumulative Number |
|--------------------|---------------------------|-----------------|----------------|---------------------------|----------------------------|---------------------|--------------------|-------------------------------|--------------------------------|
| 1 | Pacific Heights | 19,983 | 67.0% | 67.0% | 19,983 | 23,049 | 66.3% | 66.3% | 23,049 |
| 2 | International Marketplace | 4,411 | 14.8% | 81.7% | 24,394 | 4,662 | 13.4% | 79.7% | 27,711 |
| 3 | Trendsetters | 1,828 | 6.1% | 87.9% | 26,222 | 3,264 | 9.4% | 89.1% | 30,975 |
| 4 | Pleasant-Ville | 1,566 | 5.2% | 93.1% | 27,788 | 1,667 | 4.8% | 93.9% | 32,642 |
| 5 | Urban Chic | 906 | 3.0% | 96.1% | 28,694 | 1,136 | 3.3% | 97.2% | 33,778 |
| 6 | Las Casas | 796 | 2.7% | 98.8% | 29,490 | 472 | 1.4% | 98.6% | 34,250 |
| 7 | Wealthy Seaboard Suburbs | 357 | 1.2% | 100.0% | 29,847 | 503 | 1.4% | 100.0% | 34,753 |
| Grand Total | | 29,847 | 100.0% | | | 34,753 | 100.0% | | |
| Average | | 4,264 | | | | 4,965 | | | |
| Median | | 1,566 | | | | 1,667 | | | |

- Customers : The total number of people in the segment who are active cardholders
- Non-customers : The total number of people in the segment who are not active cardholders

Market Potential of Each Segment

The market potential is the percentage of each segment that are not current library patrons.

| No. | Segment | Market Share | Market Potential | Market Performance (see note) |
|-----|---------------------------|--------------|------------------|-------------------------------|
| 1 | Pacific Heights | 46.4% | 53.6% | High market performance |
| 2 | International Marketplace | 48.6% | 51.4% | High market performance |
| 3 | Trendsetters | 35.9% | 64.1% | Low market performance |
| 4 | Pleasant-Ville | 48.4% | 51.6% | High market performance |
| 5 | Urban Chic | 44.4% | 55.6% | Low market performance |
| 6 | Las Casas | 62.8% | 37.2% | High market performance |
| 7 | Wealthy Seaboard Suburbs | 41.5% | 58.5% | Low market performance |
| | | 46.2% | 53.8% | Average |

Note: "low" market performance is when the segment's market share is below the District's average market share.

- Market Potential is the inverse of Market Share
- Market Share + Market Potential always add to 100% of the population

Customer Potential

Customer potential reflects the highest opportunities to grow market share, which clearly exists in the top segment.

| No. | Segment | Customer Potential | Customer Potential Performance | Customer Potential Rank |
|-----|---------------------------|--------------------|--------------------------------|-------------------------|
| 1 | Pacific Heights | 356.8 | High customer potential | 1 |
| 2 | International Marketplace | 72.2 | High customer potential | 2 |
| 3 | Trendsetters | 50.5 | High customer potential | 3 |
| 4 | Pleasant-Ville | 25.8 | Low customer potential | 4 |
| 5 | Urban Chic | 17.6 | Low customer potential | 5 |
| 6 | Las Casas | 7.3 | Low customer potential | 7 |
| 7 | Wealthy Seaboard Suburbs | 7.8 | Low customer potential | 6 |
| | | 25.8 | Median | |

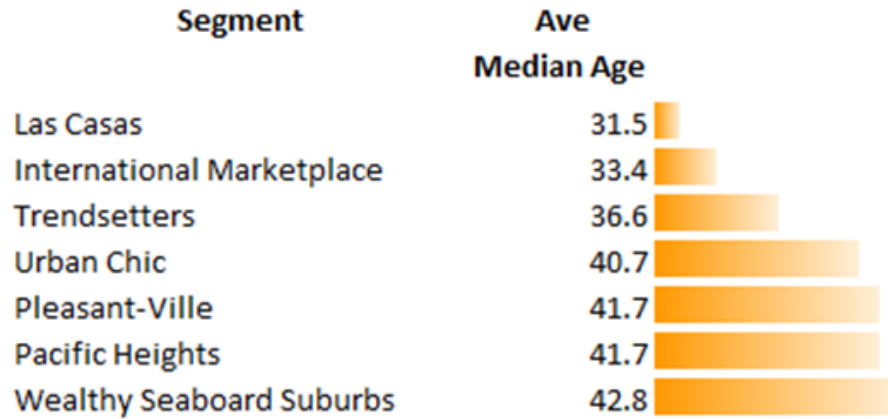
Note: "low" customer potential is when the segment's customer potential is below the District's median customer potential.

Customer potential is a relative strength index that identifies the segment with the highest potential for customer growth

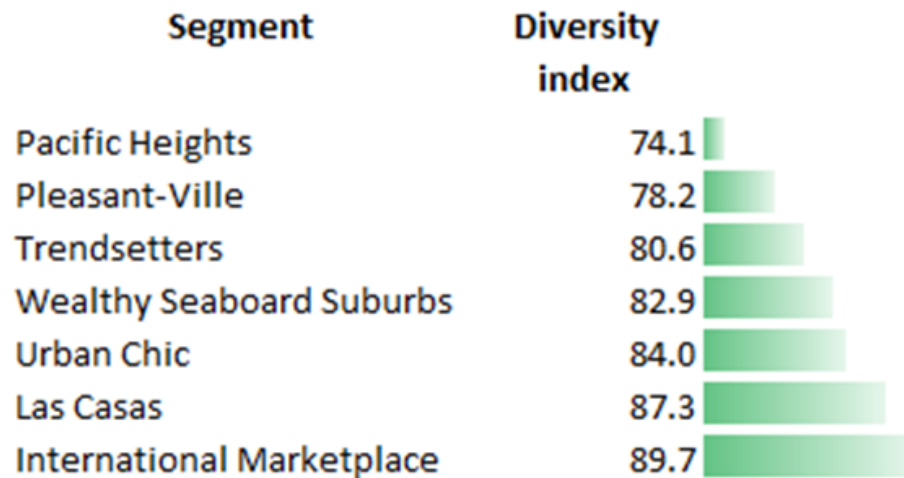
- The higher the Customer Potential value, the higher the patron growth potential
- The lower the Customer Potential value, the lower the patron growth potential
- The formula is: $((\text{segment population} / \text{total population}) * (\text{non-customers} / \text{total population})) * 1,000$

SYNTHESIZING DATA

The quantitative data generated by demographic analysis supplements the qualitative data gathered through community outreach. For example, the report includes the median age of each of our segments.

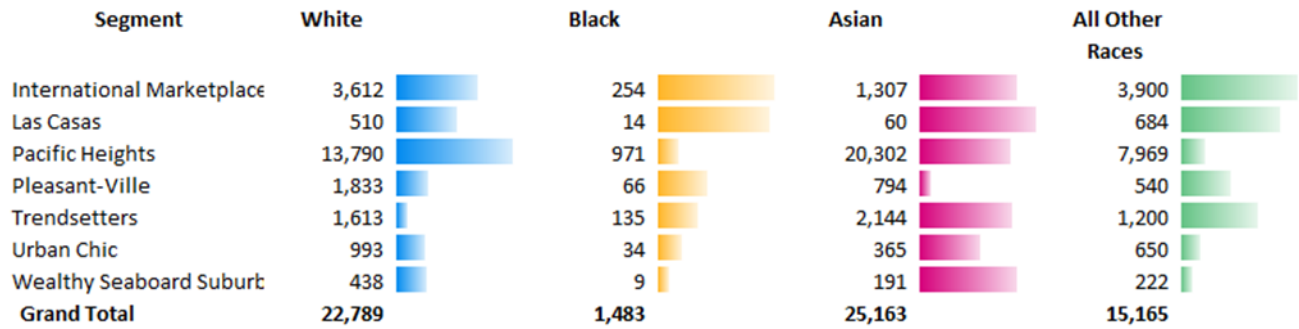


South San Francisco is proud of its diversity, and the next chart illustrates just how diverse the community is. A diversity index indicates the probability of two or more people being from different racial or ethnic backgrounds; the national average is 50.



The two charts below tell us race and Hispanic ethnicity are distributed across all segments in South San Francisco.

Race Distribution by Segment



Hispanic Ethnicity by Segment

