



**South San Francisco
Public Library**

**Market Segmentation
Planning Workshops,
August 11 and 12, 2015**

Briefing Book

CIVICTechnologies



Table of Contents

1.0	Background Presentation	2
2.0	Workshop Process Presentation	31
3.0	Analytics Findings	58
4.0	Segment Descriptions	91
5.0	Frequently Asked Questions.....	99



Market Segmentation Planning Workshops

August 11 and 12, 2015

1.0 Background Presentation

File name: Background Presentation.pptx

Market Segmentation Planning Workshop, August 11 and 12, 2015

Background



South San Francisco
Public Library

CIVICTechnologies

www.civicttechnologies.com

Toll free: 888.606.7600

Moving public libraries to a demand based approach

**Half the money I spend on advertising is wasted;
the trouble is, I don't know which half.**

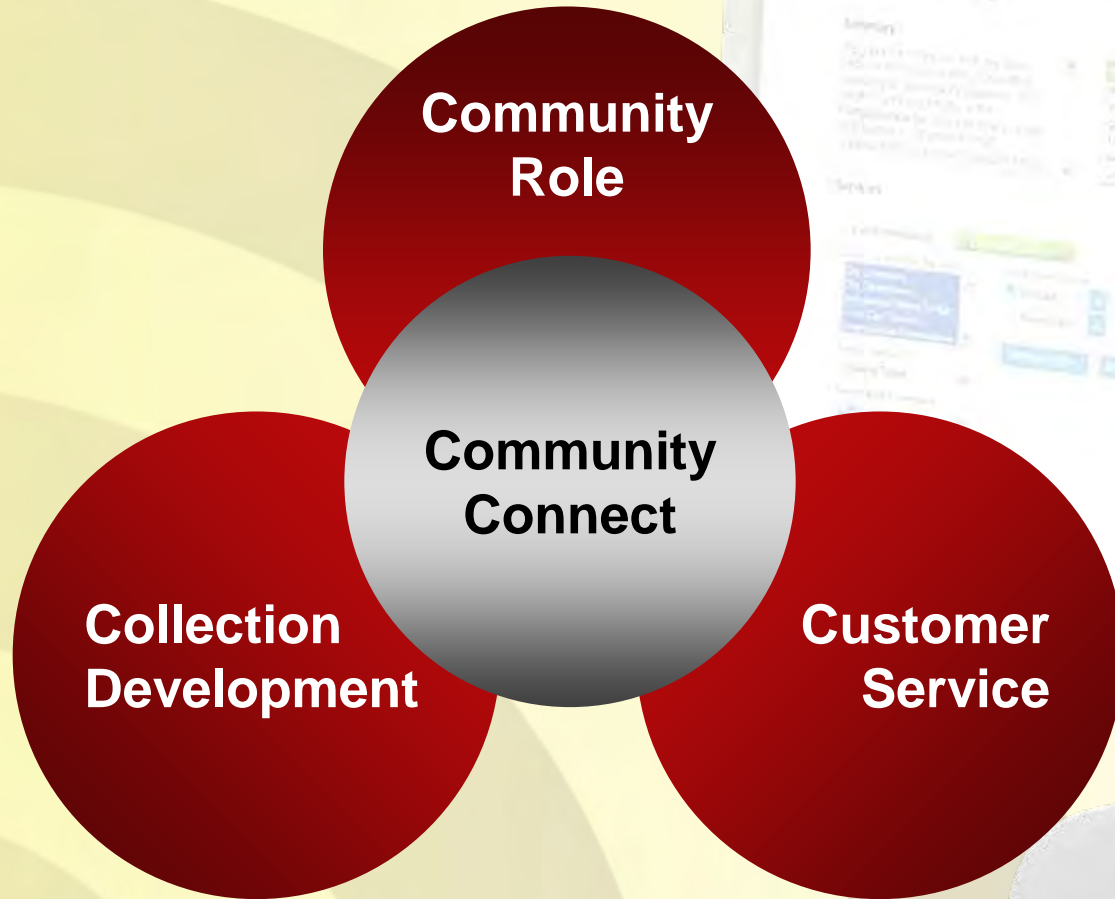
- John Wanamaker

- Library have historically taken a supply based approach...
- Using data and online software tools, we are helping public libraries nationally move to a demand based approach
- Demand based is market driven
- Market driven means being customer-driven...tailoring services for their needs, interests, and concerns
- We take a page out of the private sector book

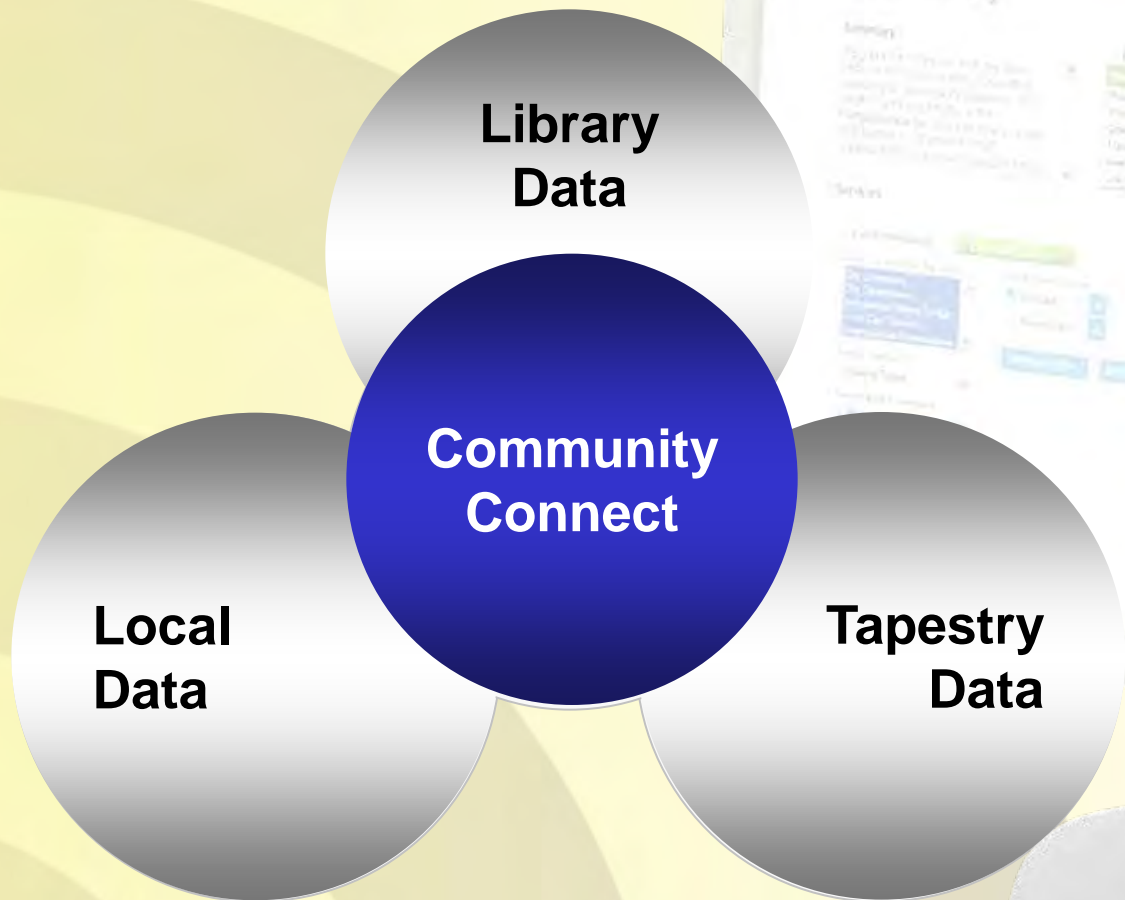
Answer three questions

- Who are we serving and not serving
- Are there any surprises
- What are service implications with respect to:
 - Patron development
 - Checkouts and collection development
 - Programs
 - Staff alignment
 - Use of facilities
 - Marketing and communications
 - Partnerships
 - Consumer technologies

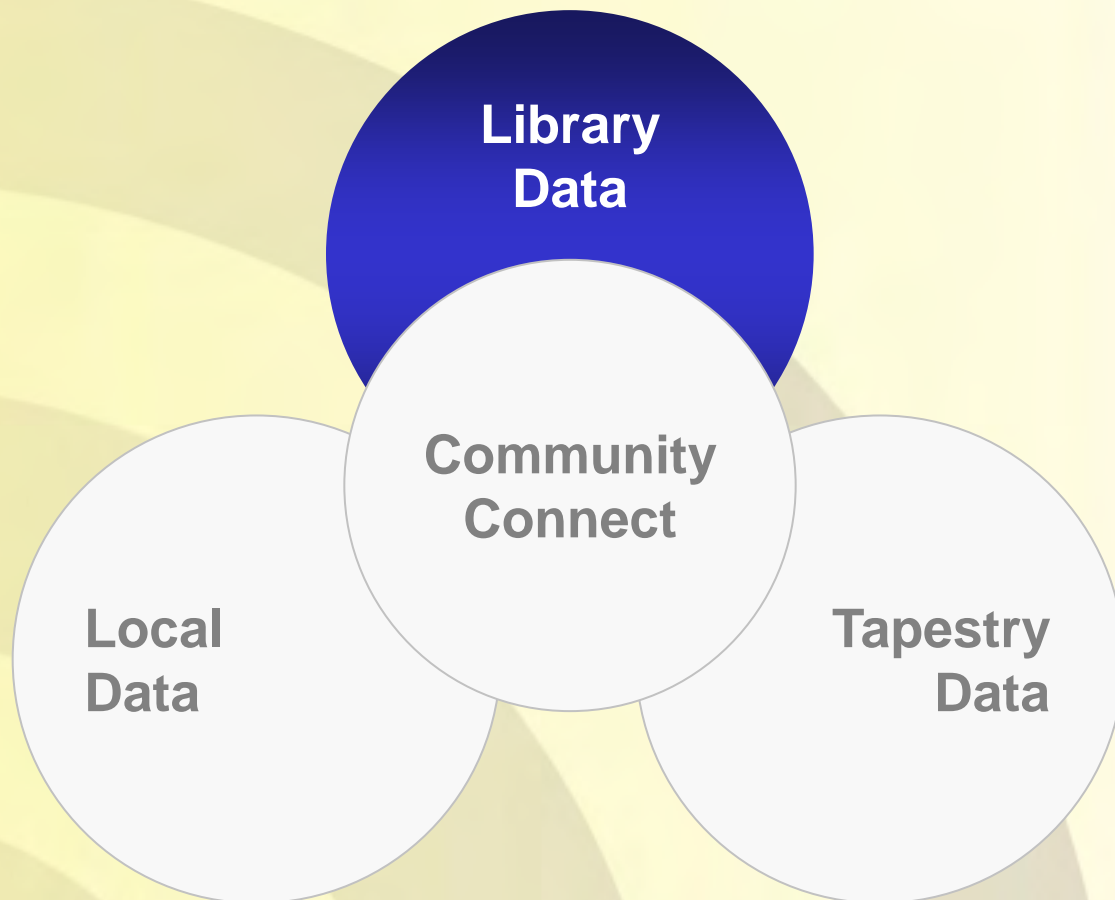
Align community role, collections, customer service



Data rules



Library data



➤ Pull data from your ILS

➤ Types of data

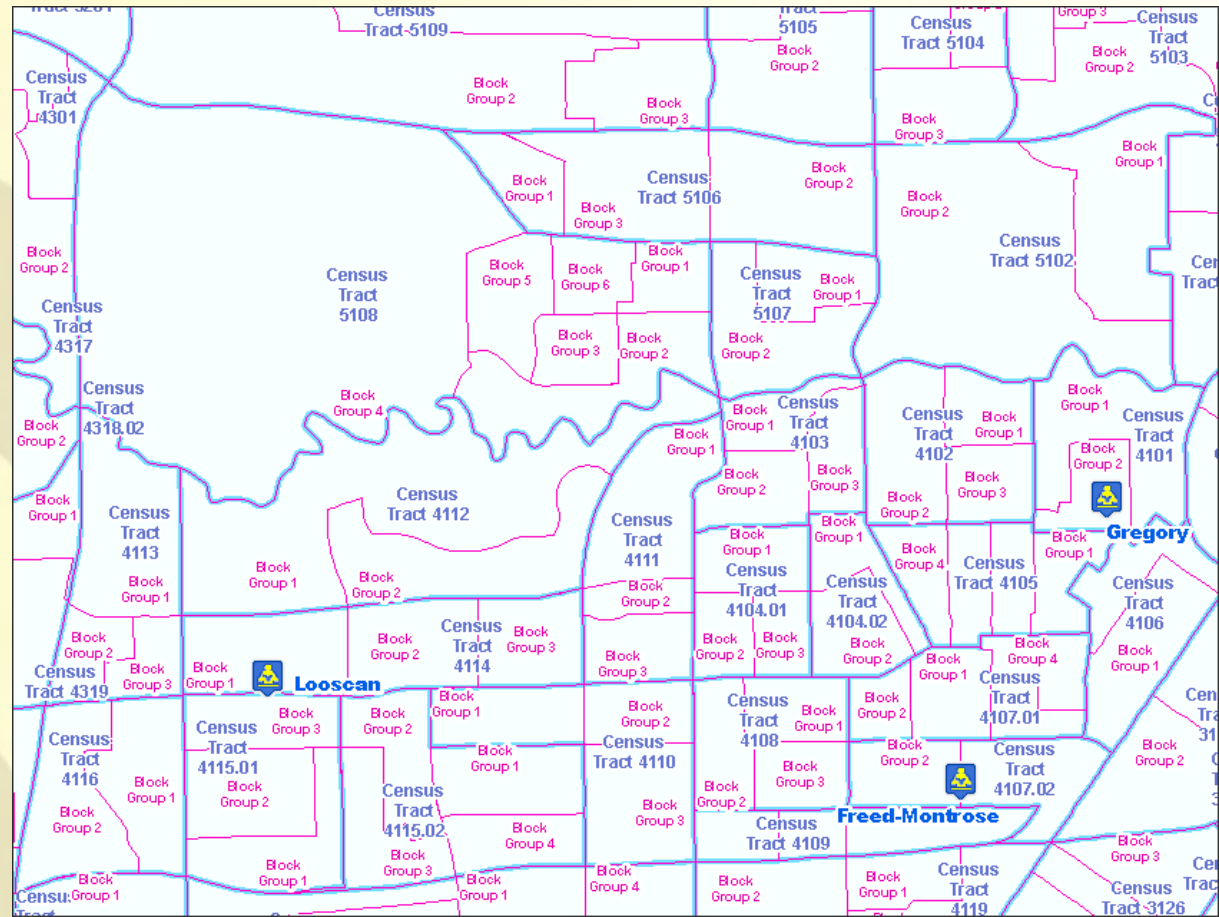
- Patrons
 - Collected and updated monthly
- Checkouts
 - Collected daily, updated monthly

➤ Data aggregated by block group and service area

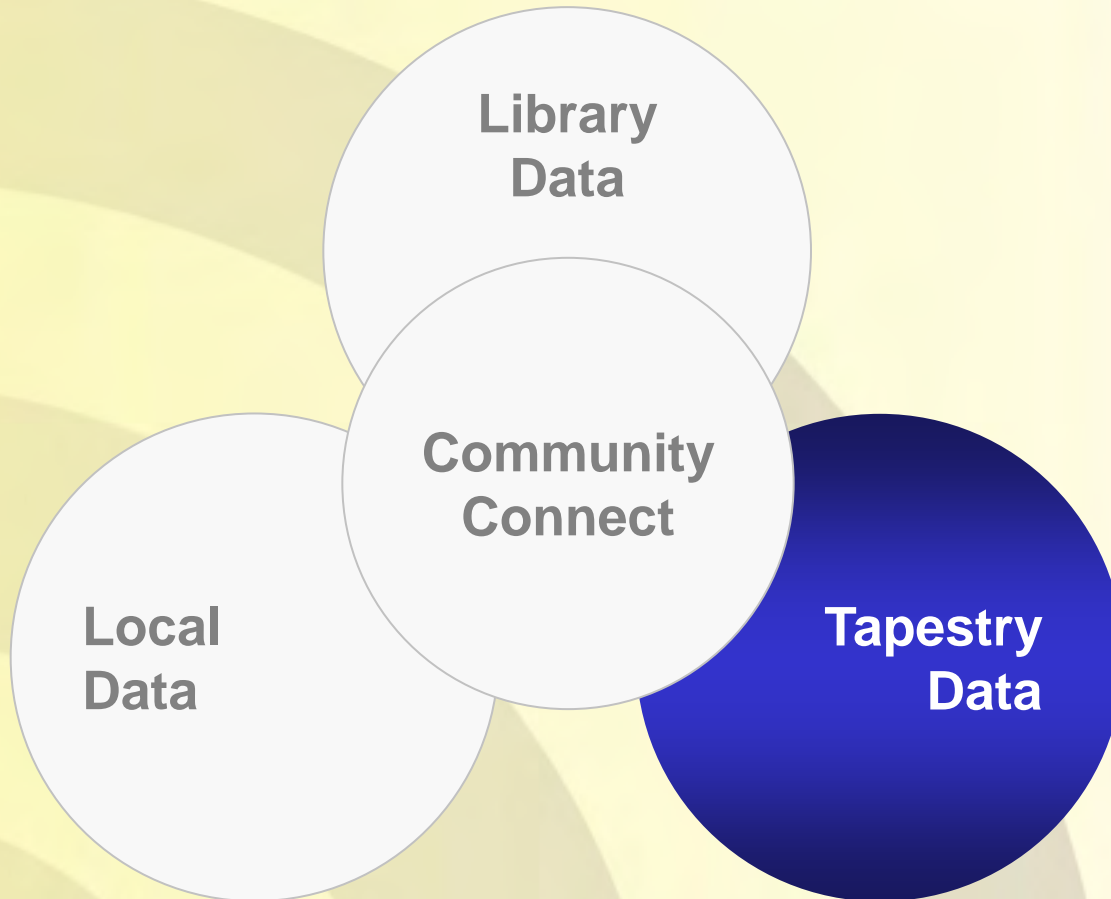
- Alleviates privacy concerns

Key concepts

- Block groups
- Smaller than census tracts
- Smallest geographic level for Tapestry
- Data consistency between demographic and Tapestry data sets
- Don't necessarily align with city boundaries
- Size and shape varies to balance population within the tract



Segmentation data



➤ Market segmentation discerns the difference between how customers appear vs. how they act

- Who are my best customers?
- What are they like?
- How do they communicate?
- Where can I find more like them?

EXAMPLES

Business plans
Marketing plans

PLANNING

How to write a
business plan
Business plan
outline
Planning videos
and webinars
Business plan
software
Business plan

BUSINESS PLAN
HELP & SMALL BUSINESS
ARTICLES

Home | Write a plan | Start a business | Grow a business | Financing | Buy a business | Legal issues | Online business

Business Definitions – M

Search all articles:

To search, type and hit enter

market segmentation – The categorization of potential buyers into groups based on common characteristics such as age, gender, income, and geography or other attributes relating to purchase or consumption behavior.

business

Buying a business

RESOURCES

Biz calculators
Business glossary
SBDC offices
SCORE offices
Business plan
coaching service
Market research
reports
Marketing plan

market development strategy – A product-market strategy whereby an organization introduces its offerings to markets other than those it is currently serving. In global marketing, this strategy can be implemented through exportation licensing, joint ventures or direct investment.

market evolution – Changes in primary demand for a product class and changes in technology.

market penetration strategy – A product market strategy whereby an organization seeks to gain greater dominance in a market in which it already has an offering. This strategy often focuses on capturing a larger share of an existing market.

market plan: its purpose and components – Often found within the business plan, the market plan provides details regarding the overall marketing strategy, pricing, sales tactics, service and warranty policies, advertising and promotion and distribution plans for the venture.





"Best business plan software"
-BusinessWeek

Learn More

Market research
data for your

Market segmentation: simple but real example

	Demographics	Lifestage	Needs	Attitudes
	Married couple Household income \$125,000	Two kids under 10 Both parents work	Looks for new menu ideas Value oriented menus Cooking club member	Value shopper Prefers low fat products Enjoys cooking
	Married couple Household income \$125,000	Two kids under 10 Both parents work	Ready-to-eat products Pre-cooked entrees Home grocery deliver services	Convenience shopper Prefers organic foods Doesn't enjoy cooking

They look the same but act differently

Currently using Tapestry 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
- 65 segments nationally...some subset are in your library's service area
- These segments capture the subtlety and vibrancy of the U.S. marketplace and your community

The 65 Tapestry market segments

35 International Marketplace



- L8 Global Roots
- U1 Principal Urban Centers / Family Mix
- 30.3 Middle
- Prof/Mgmt/Skilled/Srvc
- No HS Diploma; HS Grad
- Multiunit Rentals
- White; Asian; 2+ Races; Hisp.
- Travel abroad to visit family
- Own Discover card
- Visit Six Flags
- Listen to Hispanic radio
- Own/Lease Toyota

04 Boomburbs



- L1 High Society
- U5 Urban Outskirts I
- Married Couples w/Kids
- 33.8 High
- Prof/Mgmt
- Some College; Bach/Grad
- Single Family
- White
- Make purchases online
- Have 2nd mortgage (equity loan)
- Visit Disney World (FL)
- Listen to sports on radio
- Own/Lease SUV

26 Midland Crowd



- L12 American Quilt
- U10 Rural I
- Married-Couple Families
- 37.0 Middle
- Skilled/Prof/Mgmt
- HS Grad; Some College
- Single Family; Mobile Home
- White
- Own pets
- Have personal line of credit
- Go hunting, fishing
- Read hunting/fishing magazines
- Own/Lease truck

17 Green Acres



- L2 Upscale Avenues
- U10 Rural I
- Married-Couple Families
- 40.7 Upper Middle
- Prof/Mgmt/Skilled
- Some College
- Single Family
- White
- Do gardening, woodworking
- Have home equity credit line
- Attend country music shows
- Watch auto racing on TV
- Drive 20,000+ miles annually



Detailed segment descriptions

- One page narrative descriptions for each segment
- Comprised of four elements
 - Demographics
 - Socio-economics
 - Housing
 - Consumer preferences
 - Take it literally and read between the lines
 - Find local retailers like the ones mentioned in the descriptions

Examples of segment descriptions

www.communityconnect.com
(888) 616-7810

4815

80 A1 86 66 1000

Community Connect

Tapestry Segment: Inner City Tenants

Segment Name: Inner City Tenants
LifeMode Summary Group: L8 Global Roots

About Me: Demographic
Inner City Tenants residents are a microcosm of urban diversity; their population is represented primarily by white, black, and Hispanic cultures. Nationally, three in ten residents are Hispanic. This multicultural market is younger than average, with a national median age of 28.8 years. The household composition also reflects their youth. Nationally, household types are mixed: 34 percent are singles, 28 percent are married-couple families, 21 percent are single parents, and 10 percent share housing. Turnover is high in these neighborhoods because many are enrolled in nearby colleges and work part-time. These neighborhoods are also a stepping-stone for recent immigrants, with an annual national population growth of 0.6 percent.

About Me: Socioeconomic
The national median household income is \$30,873. Because few own their homes, most of their net worth comes from savings. Nationally, 83 percent earn income from wages and salaries; 7 percent receive public assistance. Nationally, 45 percent of the population aged 25 and older has attended college; 5 percent hold a graduate or professional degree. Earning a college degree is at the forefront of their goals, so many work part- and full-time to fund their college education. Nationally, approximately half of the employed residents work in white-collar occupations. This national market has twice the US level of residents who work in the accommodation/food services industry.

About Me: Residential
These neighborhoods are located primarily in the South and West. Most Inner City Tenants residents rent economical apartments in mid- or high-rise buildings. Nationally, one-fifth of the housing is owner-occupied. Most of the housing units, nationally, were built in the 1960s, 1970s, and 1980s. For their average commute to work of 25 minutes, many residents drive their vehicle or depend on other modes of transportation. Nationally, 17 percent of the households do not own a vehicle.

My Preferences
With their busy lifestyle, Inner City Tenants residents frequently eat at fast-food restaurants and shop for groceries at nearby stores such as Albertson's. They prefer easy-to-prepare frozen and canned foods. Internet access at home is not typical in this market, but those who have no access at home will surf the Internet at school or at the library. Playing games and checking e-mail are typical online activities. Households have recently bought video game systems and baby items such as food, products, furniture, and equipment. They prefer to shop at Target and Walgreens.

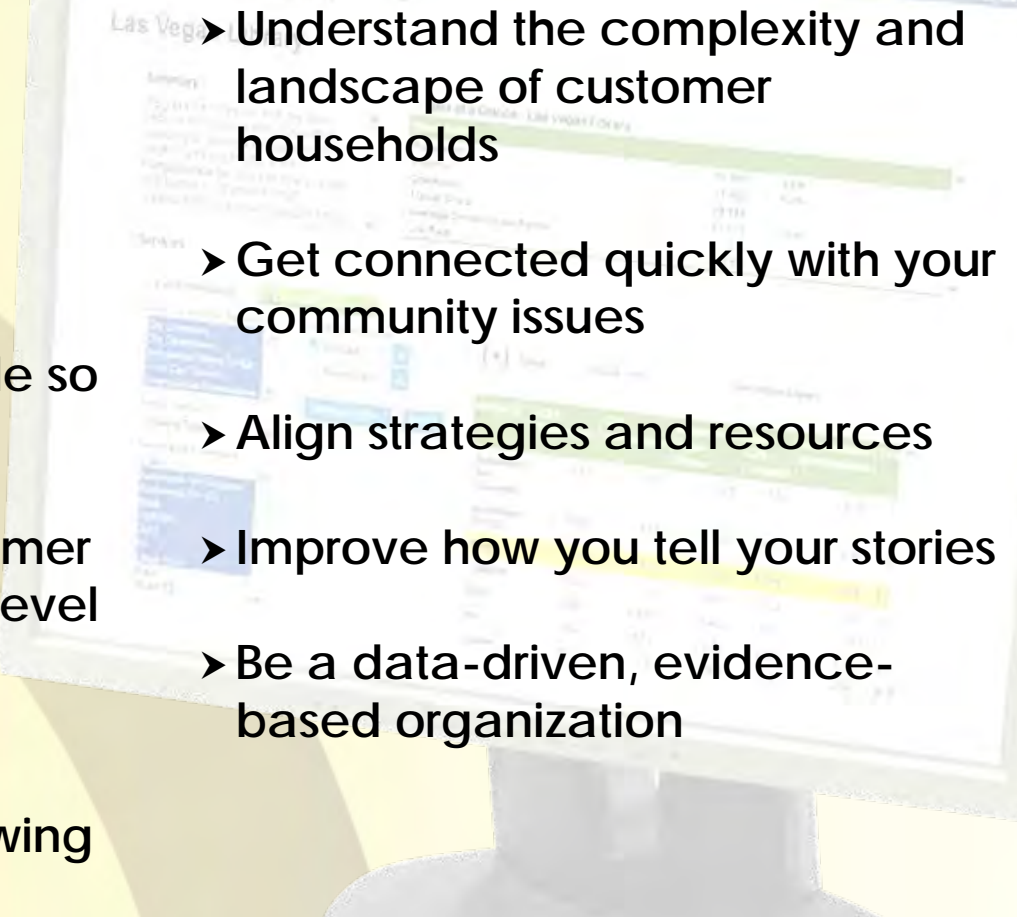
They go to the movies and professional football and basketball games, play football and basketball, and go bowling. They read magazines, particularly news and Entertainment Weekly, and listen to urban or contemporary hits radio. Some enjoy the nightlife, visiting bars and going dancing at nightclubs.

Contact With Me:
Automated phone reminders
Catalog packets
E-mail communication solutions
Radio advertising
Text messages
TV advertising

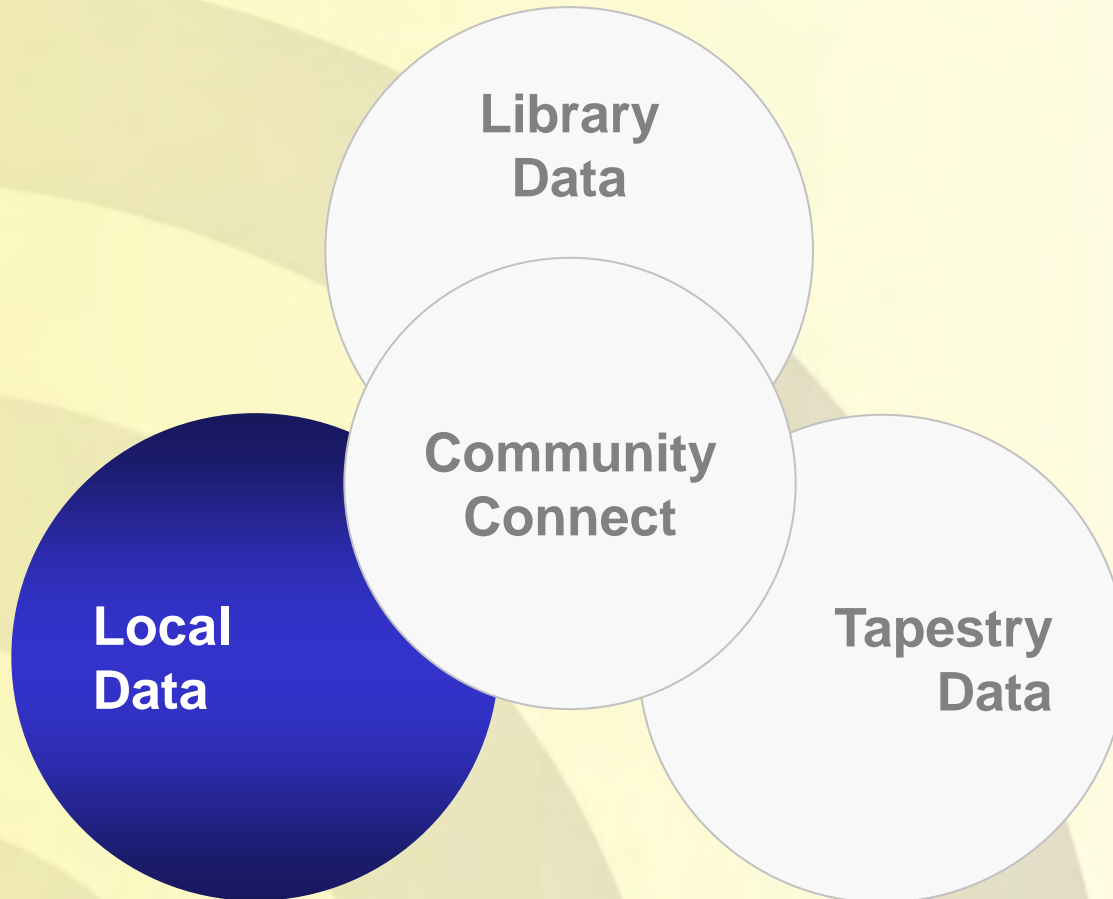
Page 22.

Briefing Book Page No. 16

How it helps libraries

- ▶ Robust to reveal customer differences
 - ▶ Nationally scaled to reveal trends
 - ▶ Dynamic, current, and stable so it is reliable and predictive
 - ▶ Paints a picture of the customer that informs organizational level decisions
 - ▶ Enables an organization to manage a diverse and growing portfolio of customers
- 
- ▶ Understand the complexity and landscape of customer households
 - ▶ Get connected quickly with your community issues
 - ▶ Align strategies and resources
 - ▶ Improve how you tell your stories
 - ▶ Be a data-driven, evidence-based organization

Data rules



➤ Geographic data

- Local geographic features are viewed on the map

➤ Demographic data

- Census 2010
- Current year estimate (CYE) of population
- Esri CYE based on Census CYE

Terms...see the FAQ document in the Briefing Book

- Population
- Customers
- Non Customers
- Checkouts
- Market share
- Market potential
- Customer potential
- Population share
- Customer share
- Non customer share
- Checkout share
- Checkouts per patron
- Checkouts per capita

Basics

› Population

- The total number of people in the jurisdiction, service area, block group, or segment

› Customers

- The total number of current cardholders

› Non customers

- The total number of people in the jurisdiction, service area, block group, or segment who are not cardholders

› Checkouts

- The total number of checkouts in the jurisdiction, service area, block group, or segment during the data collection period

Population, customer, non customer, and checkout share

► Definition

- Share measures the percentage of the “value” (e.g., population, customers, etc.) against the total

► Examples

- Population share of the segment
 - Up and Coming Families is 30% of the total jurisdictional population
- Population share of the service area
 - Branch Service Area A is 40% of the total jurisdictional population

► What does “total” mean?

- The entire jurisdiction
- A single service area
- A single segment
- A group of segments

Pop, customer, non customer, and checkout share...read down

No.	Segment	Population	Population Share	Population Cumulative Share	Population Cumulative Number
1	Aspiring Young Families	71,924	16.2%	16.2%	71,924
2	Up and Coming Families	41,985	9.5%	25.7%	113,909
3	Sophisticated Squires	41,954	9.5%	35.2%	155,863
4	Young and Restless	40,298	9.1%	44.3%	196,161
5	Cozy and Comfortable	38,157	8.6%	52.9%	234,318
6	Milk and Cookies	32,292	7.3%	60.2%	266,610
7	Exurbanites	25,432	5.7%	66.0%	292,042
8	In Style	21,563	4.9%	70.9%	313,605
9	Boomburbs	14,010	3.2%	74.0%	327,615
10	Prosperous Empty Nesters	12,851	2.9%	76.9%	340,466
11	Connoisseurs	12,239	2.8%	79.7%	352,705
12	Old and Newcomers	11,355	2.6%	82.2%	364,060
13	Military Proximity	11,211	2.5%	84.8%	375,271
14	Inner City Tenants	10,407	2.4%	87.1%	385,678
15	Main Street, USA	8,814	2.0%	89.1%	394,492
16	Urban Chic	7,613	1.7%	90.8%	402,105
17	Silver and Gold	6,809	1.5%	92.4%	408,914
18	Metropolitans	6,561	1.5%	93.9%	415,475
19	Suburban Splendor	5,654	1.3%	95.1%	421,129
20	Wealthy Seaboard Suburbs	5,536	1.3%	96.4%	426,665
21	Retirement Communities	3,692	0.8%	97.2%	430,357
22	Top Rung	3,528	0.8%	98.0%	433,885
23	Green Acres	2,226	0.5%	98.5%	436,111
24	Crossroads	1,747	0.4%	98.9%	437,858
25	Pleasant-Ville	1,446	0.3%	99.2%	439,304
26	Great Expectations	934	0.2%	99.5%	440,238
27	Enterprising Professionals	887	0.2%	99.7%	441,125
28	Trendsetters	828	0.2%	99.8%	441,953
29	Rustbelt Retirees	679	0.2%	100.0%	442,632
Grand Total		442,632	100.0%		

➤ 71,924 / 442,632 = 16.2%

Market Share

► Definition

- The percent of population that are library cardholders
- Market Share is the inverse of Market Potential
- Market Share + Market Potential always add to 100% of the population

► Examples

- Let's say there are 4,000 people in a census block group of which 2,400 people are patrons, the Market Share of that census block group is 60.0 percent ($2,400 / 4,000$)
- Let's say there are 2,550 people in Inner City Tenants segment of which 1,350 people are patrons, the Market Share of this segment is 52.9 percent ($1,350 / 2,550$)
- Let's say there are 23,000 people in a service area of which 12,500 people are patrons, the Market Share of this service area is 54.4 percent ($12,500 / 23,000$)

Market Share...read across

No.	Segment	Population	Customers	Non Customers	Market Share	Market Potential	Market Performance (see note)
1	Aspiring Young Families	71,924	33,960	37,964	47.2%	52.8%	High market performance
2	Up and Coming Families	41,985	17,568	24,417	41.8%	58.2%	Low market performance
3	Sophisticated Squires	41,954	18,915	23,039	45.1%	54.9%	Low market performance
4	Young and Restless	40,298	20,612	19,686	51.1%	48.9%	High market performance
5	Cozy and Comfortable	38,157	17,235	20,921	45.2%	54.8%	Low market performance
6	Milk and Cookies	32,472	15,315	17,157	47.2%	52.8%	Low market performance
7	Exurbanites	25,432	12,161	13,271	47.8%	52.2%	High market performance
8	In Style	21,563	9,849	11,714	45.7%	54.3%	Low market performance
9	Boomburbs	14,010	5,929	8,081	42.3%	57.7%	Low market performance
10	Prosperous Empty Nesters	12,851	5,516	7,335	42.9%	57.1%	Low market performance
11	Connoisseurs	12,239	5,481	6,758	44.8%	55.2%	Low market performance
12	Old and Newcomers	11,355	6,638	4,717	58.5%	41.5%	High market performance
13	Military Proximity	11,211	3,324	7,887	29.6%	70.4%	Low market performance
14	Inner City Tenants	10,407	6,157	4,250	59.2%	40.8%	High market performance
15	Main Street, USA	8,814	3,653	5,161	41.4%	58.6%	Low market performance
16	Urban Chic	7,613	3,096	4,517	40.7%	59.3%	Low market performance
17	Silver and Gold	6,809	2,780	4,029	40.8%	59.2%	Low market performance
18	Metropolitans	6,561	3,375	3,186	51.4%	48.6%	High market performance
19	Suburban Splendor	5,654	2,599	3,055	46.0%	54.0%	Low market performance
20	Wealthy Seaboard Suburbs	5,536	2,846	2,690	51.4%	48.6%	High market performance
21	Retirement Communities	3,692	1,479	2,213	40.1%	59.9%	Low market performance
22	Top Rung	3,528	1,623	1,905	46.0%	54.0%	Low market performance
23	Green Acres	2,226	1,021	1,205	45.9%	54.1%	Low market performance
24	Crossroads	1,747	927	820	53.1%	46.9%	High market performance
25	Pleasant-Ville	1,446	589	857	40.7%	59.3%	Low market performance
26	Great Expectations	934	552	382	59.1%	40.9%	High market performance
27	Enterprising Professionals	887	361	526	40.7%	59.3%	Low market performance
28	Trendsetters	828	485	343	58.6%	41.4%	High market performance
29	Rustbelt Retirees	679	311	368	47.3%	52.7%	High market performance
Grand Total		442,632	203,904	238,728	46.1%	53.9%	Average

33,930 / 71,294 = 47.2% market share

Market Potential

► Definition

- The percent of population that are NOT library cardholders (non-cardholders)
- Market Potential is the inverse of Market Share
- Market Share + Market Potential always add to 100% of the population

► Examples

- Let's say there are 4,000 people in a census block group of which 1,600 people are non-patrons; the Market Potential of that census block group is 40.0 percent ($1,600 / 4,000$)
- Let's say there are 2,550 people in Inner City Tenants of which 1,200 people are non-patrons, the Market Potential of this segment is 47.1 percent ($1,200 / 2,550$)
- Let's say there are 23,000 people in a service area of which 10,500 people are non-patrons, the Market Potential of this service area is 45.6 percent ($10,500 / 23,000$).

Market potential: read across

No.	Segment	Population	Customers	Non Customers	Market Share	Market Potential	Market Performance (see note)
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3	Sophisticated Squires	41,954	18,915	23,039	45.1%	54.9%	Low market performance
4	Young and Restless	40,298	20,612	19,686	51.1%	48.9%	High market performance
5	Cozy and Comfortable	38,157	17,235	20,921	45.2%	54.8%	Low market performance
6	Milk and Cookies	32,410	15,100	17,310	46.9%	53.1%	Low market performance
7	Exurbanites	25,432	12,161	13,271	47.8%	52.2%	High market performance
8	In Style	21,563	9,849	11,714	45.7%	54.3%	Low market performance
9	Boomburbs	14,010	5,929	8,081	42.3%	57.7%	Low market performance
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19	Suburban Splendor	5,654	2,599	3,055	46.0%	54.0%	Low market performance
20	Wealthy Seaboard Suburbs	5,536	2,846	2,690	51.4%	48.6%	High market performance
21	Retirement Communities	3,692	1,479	2,213	40.1%	59.9%	Low market performance
22	Top Rung	3,528	1,623	1,905	46.0%	54.0%	Low market performance
23	Green Acres	2,226	1,021	1,205	45.9%	54.1%	Low market performance
24	Crossroads	1,747	927	820	53.1%	46.9%	High market performance
25	Pleasant-Ville	1,446	589	857	40.7%	59.3%	Low market performance
26	Great Expectations	934	552	382	59.1%	40.9%	High market performance
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28	Trendsetters	828	485	343	58.6%	41.4%	High market performance
29	Rustbelt Retirees	679	311	368	47.3%	52.7%	High market performance
Grand Total		442,632	203,904	238,728	46.1%	53.9%	Average

37,964 / 71,294 = 52.8% market potential

Customer Potential

- An index that is a relative strength index that identifies the segment, block group, or service area 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 growth Customer Potential

➤ Formula:

- $((\text{service area or segment population} / \text{total population}) * (\text{non-customers} / \text{total population})) * 1,000$

➤ Example

- Let's take the segment "Metropolitans" in a given city. There are 91,264 population, 38,974 customers, and 52,290 non-customers. And, the total city population is 621,845.
- $((91,264 / 621,845) * (52,290 / 621,845)) * 1,000 = 62.7$

Customer potential...across and down

No.	Segment	Population	Customers	Non Customers	Customer Potential	Customer Potential Performance	Customer Potential Rank
1	Aspiring Young Families	71,924	33,960	37,964	85.8	High customer potential	1
2	Up and Coming Families	41,985	17,568	24,417	55.2	High customer potential	2
3	Sophisticated Squires	41,954	18,915	23,039	52.1	High customer potential	3
4	Young and Restless	40,298	20,612	19,686	44.5	High customer potential	5
5	Cozy and Comfortable	38,157	17,235	20,921	47.3	High customer potential	4
6	Milk and Cookies	25,432	12,161	13,271	30.0	High customer potential	7
7	Exurbanites	21,563	9,849	11,714	26.5	High customer potential	8
9	Boomburbs	14,010	5,929	8,081	18.3	High customer potential	9
10	Prosperous Empty Nesters	12,851	5,516	7,335	16.6	High customer potential	11
11	Connoisseurs	12,239	5,481	6,758	15.3	High customer potential	12
12	Old and Newcomers	11,355	6,638	4,717	10.7	High customer potential	14
13	Military Proximity	11,211	3,324	7,887	17.8	High customer potential	10
14	Inner City Tenants	10,407	6,157	4,250	9.6	Low customer potential	16
15	Main Street, USA	8,814	3,653	5,161	11.7	High customer potential	13
16	Urban Chic	7,613	3,096	4,517	10.2	Low customer potential	15
17	Silver and Gold	6,809	2,780	4,029	9.1	Low customer potential	17
18	Metropolitans	6,561	3,375	3,186	7.2	Low customer potential	18
19	Suburban Splendor	5,654	2,599	3,055	6.9	Low customer potential	19
20	Wealthy Seaboard Suburbs	5,536	2,846	2,690	6.1	Low customer potential	20
21	Retirement Communities	3,692	1,479	2,213	5.0	Low customer potential	21
22	Top Rung	3,528	1,623	1,905	4.3	Low customer potential	22
23	Green Acres	2,226	1,021	1,205	2.7	Low customer potential	23
24	Crossroads	1,747	927	820	1.9	Low customer potential	25
25	Pleasant-Ville	1,446	589	857	1.9	Low customer potential	24
26	Great Expectations	934	552	382	0.9	Low customer potential	27
27	Enterprising Professionals	887	361	526	1.2	Low customer potential	26
28	Trendsetters	828	485	343	0.8	Low customer potential	29
29	Rustbelt Retirees	679	379	358	0.8	Low customer potential	28
Grand Total		442,632	203,904	238,728	10.2	Median	

$(71,924 / 442,632) \times (37,964 / 71,924) \times 1000 = \text{customer potential}$

Average checkouts per customer

► Definition

- For a given element (jurisdiction, service area, block group, or segment), the total number of checkouts divided by the number of customers in the same area.

► Formula

- $\text{Checkouts} / \text{customers}$

► Example

- Let's say there are 10,206 people in the Aspiring Young Families segment of which 3,885 are customers; they made 53,680 checkouts. The Average Checkouts per Customer are 13.82.

Average checkouts per capita

➤ Definition

- For a given value (jurisdiction, service area, block group, or segment), the total number of checkouts in that area divided by the total population who live in the same area.

➤ Formula

- $\text{Checkouts} / \text{population}$

➤ Example

- Let's say there are 10,206 people in the Aspiring Young Families segment of which 3,885 are customers; they made 53,680 checkouts. The Average Population Checkouts are 5.26.



2.0 Workshop Process Presentation

File name: Workshop Process Presentation.pptx

Market Segmentation Planning Workshop, August 11 and 12, 2015

Workshop Process



South San Francisco
Public Library

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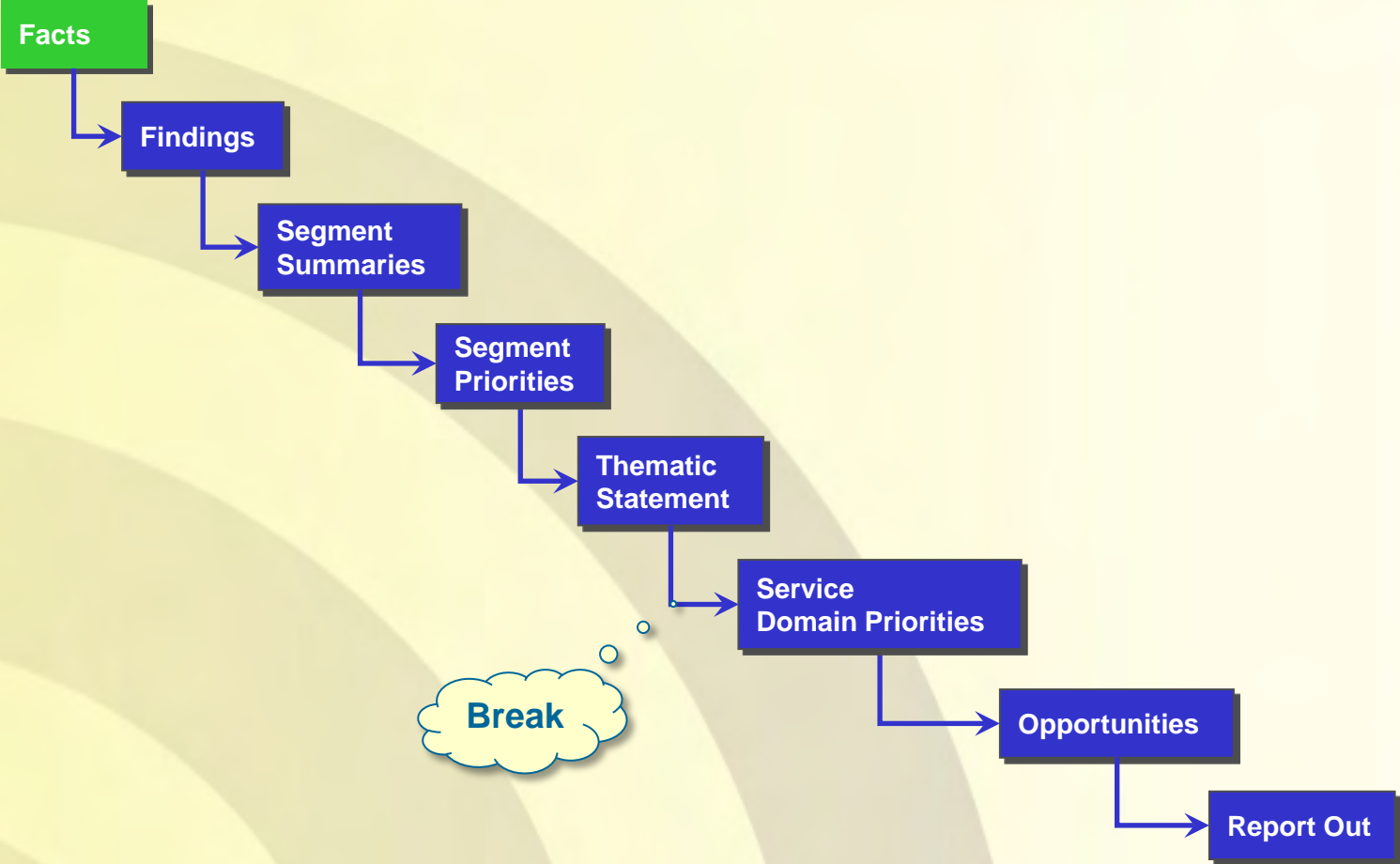
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Set up

- Break out into service area tables
- Select a scribe before you start
- Select someone to report out at the end (not the scribe)
- Resources
 - Briefing Book and digital files
 - Large format paper and pens
 - Write stuff down as you discuss it on large format paper
 - Stick each sheet to the wall so you can use it for reference
 - Write the down service area name and sheet number in the upper right hand corner
 - At the end, I'll photograph each page before you take them down

Service area planning process



Facts: 30 minutes

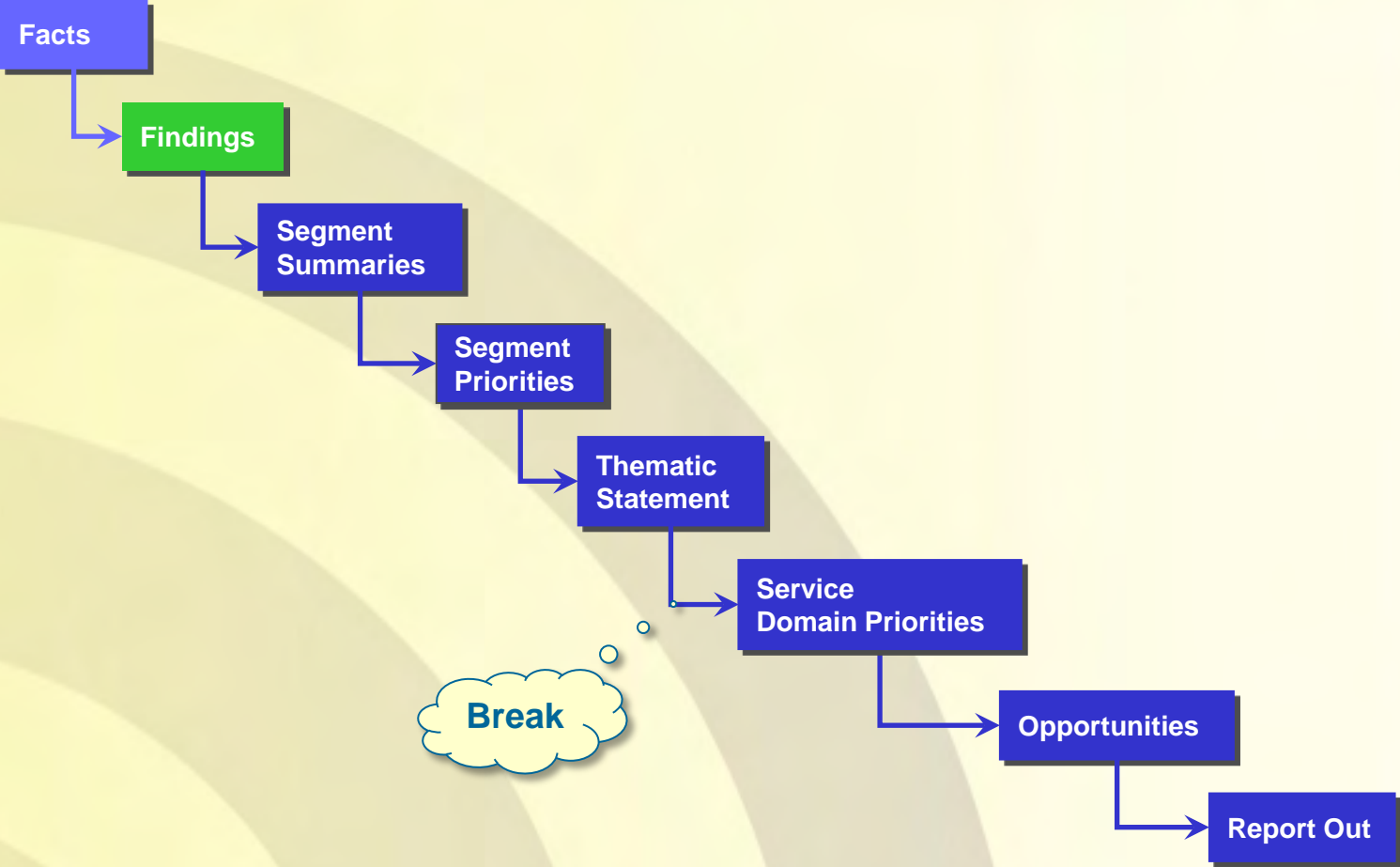
► Purpose: high level statistics review

- Jurisdiction
 - Numbers: population, customers, non customers, and checkouts
 - Market share and market potential
- Your service area
 - Numbers: population, customers, non customers , and checkouts
 - Share: population, customers, non customers, and checkouts
 - Market share and market potential
- Your service area segments
 - Number of segments
 - List of segments
 - Numbers: population, customers, and non customers
 - Share: population, customers, and non customers
 - Market share, market potential, and customer potential

► What to do

- Identify the facts
- Write down key things on large format paper...needs to be shared

Service area planning process



Findings: 20 minutes

► Purpose: answer what is the data telling you?

- Findings are different than facts...they're what you make of the data
 - What stands out?
 - What's important?
 - What gets your attention and why?
 - What meaning does it have?

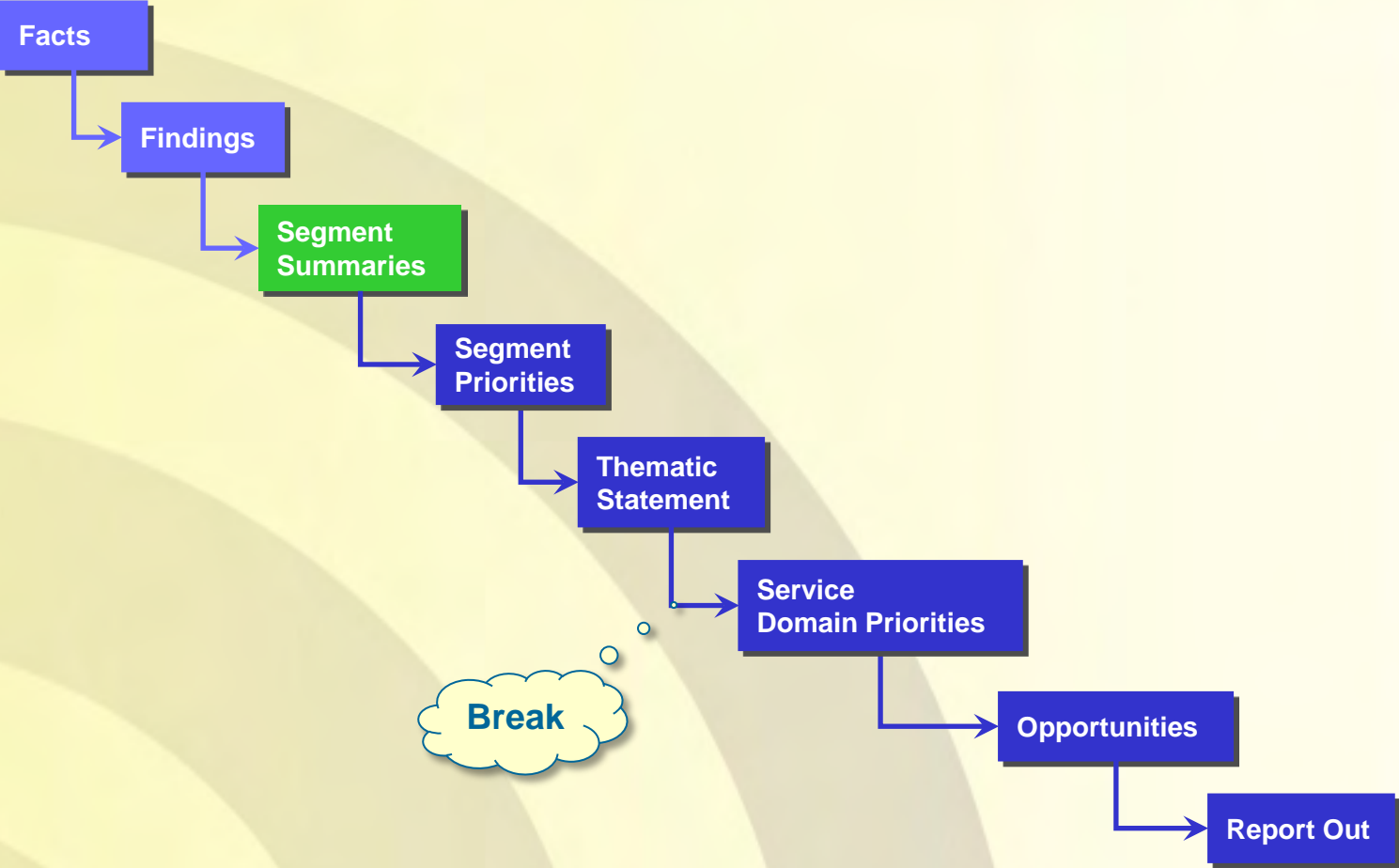
► What to do

- Write down findings on large format paper

► Process

- Each person gets to state their own take on the data
- Share the obvious
- Clarify divergent points...don't argue them...everyone gets their say
- Discuss without convincing

Service area planning process



Segment summaries: 30 minutes

› Purpose: get to know the segments

› Facts

- Write down only key information on top population segments
- Demographics
- Socio-economics
- Housing
- Consumer preferences
- *Suggestion: one person takes each segment and reports out*

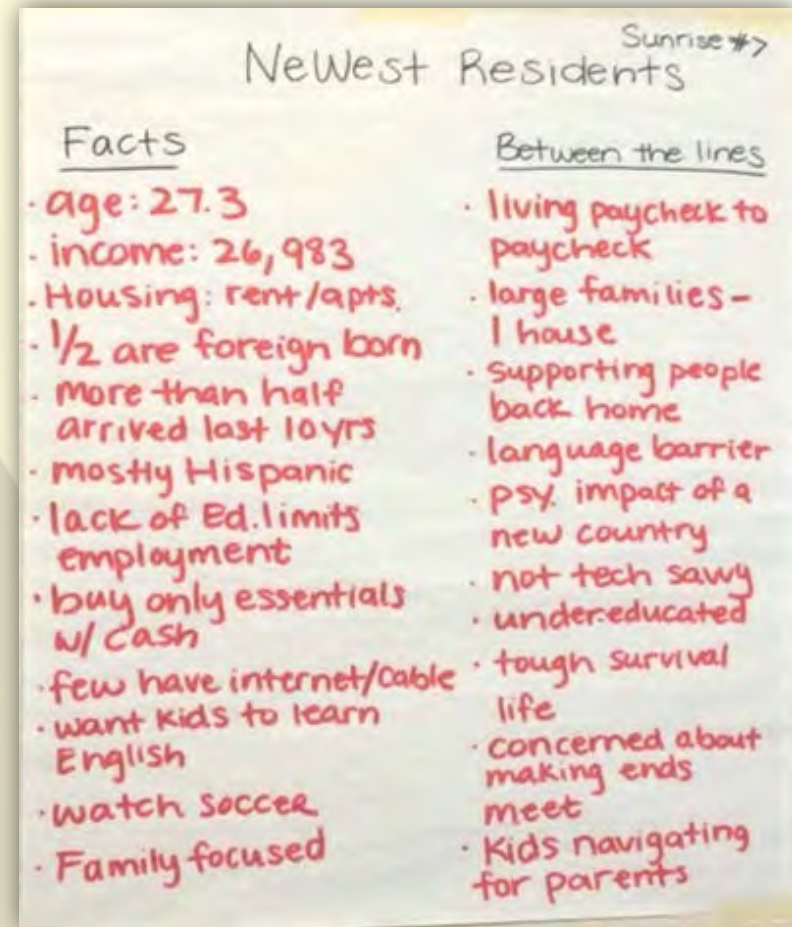
› Read between the lines...what makes each segment tick?

- What are they worried about when they go to bed at night and wake up in the morning?
- What would they spend their money on if they won the lottery?
- What is memorable about each segment?

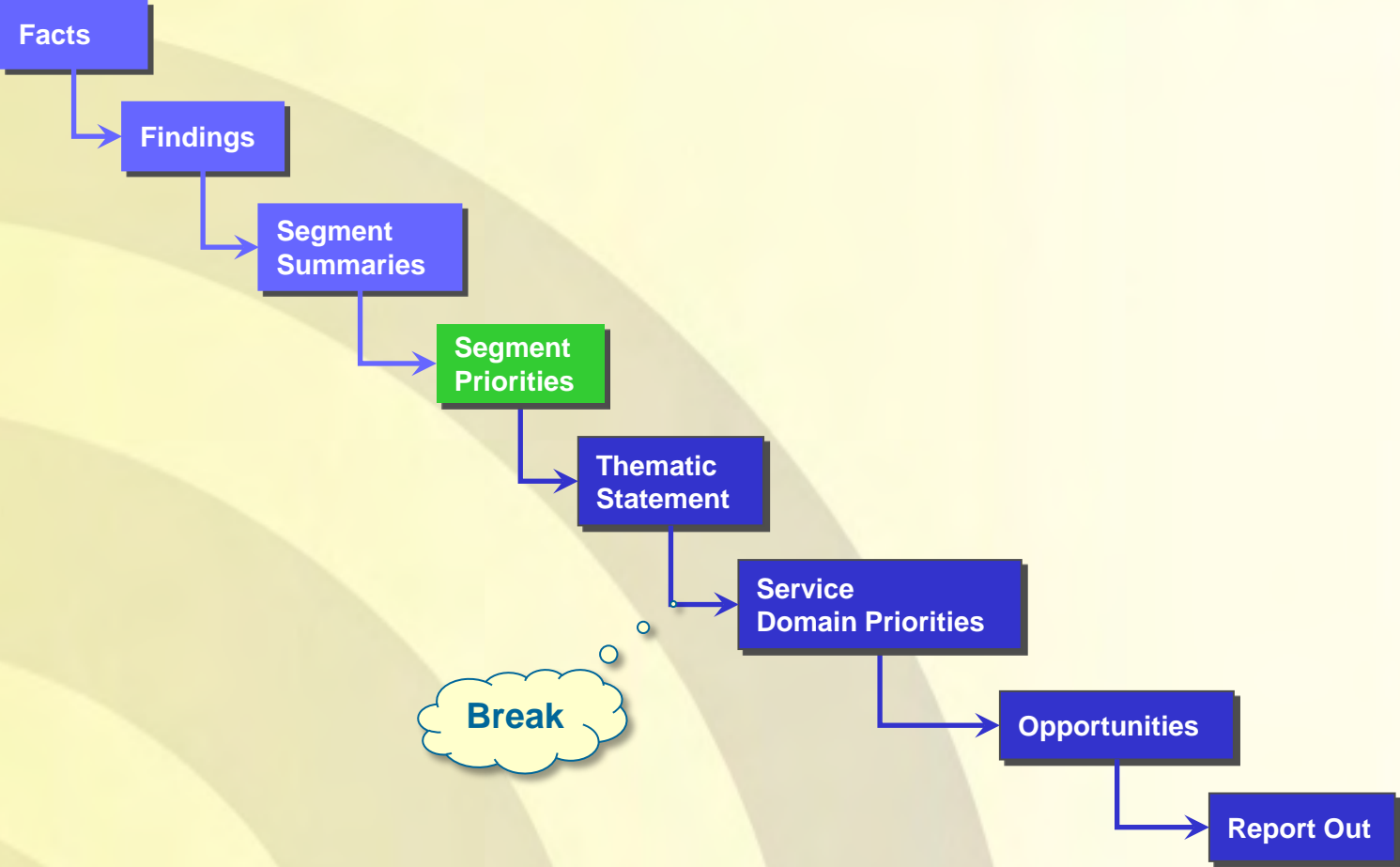
Segment summaries: 30 minutes

► Organize each segment page into two parts, vertically

- Left side: **FACTS**
- Right side: **READ BETWEEN THE LINES**



Service area planning process



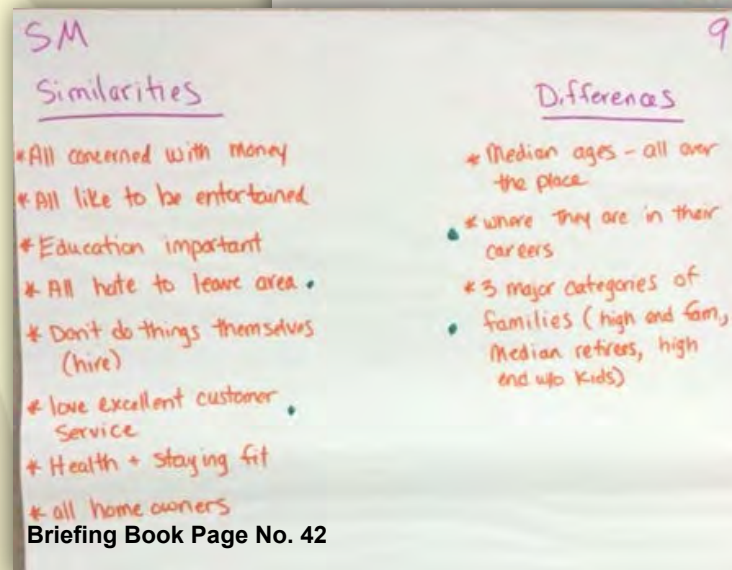
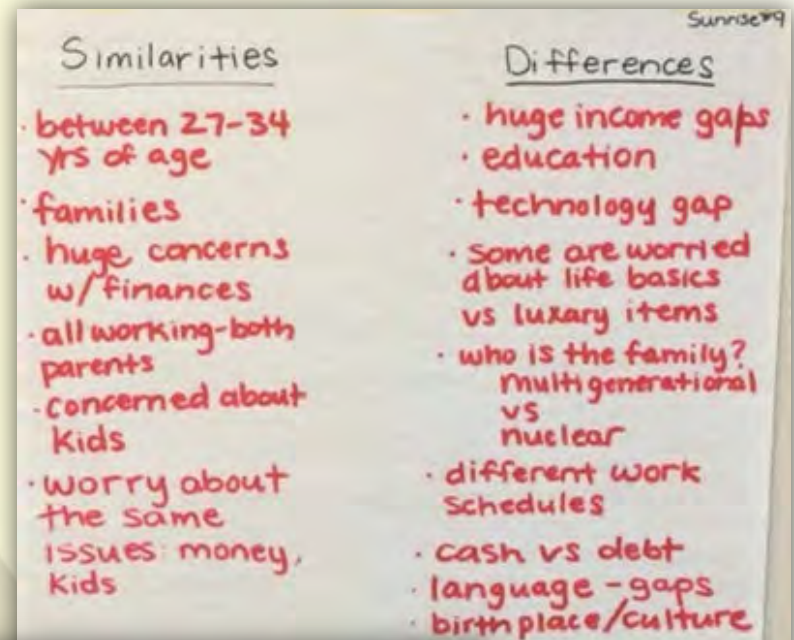
Segment priorities: 20 minutes

► Describe similarities and differences between segments

- What characteristics and traits do segments share?
- What characteristics and traits are different?

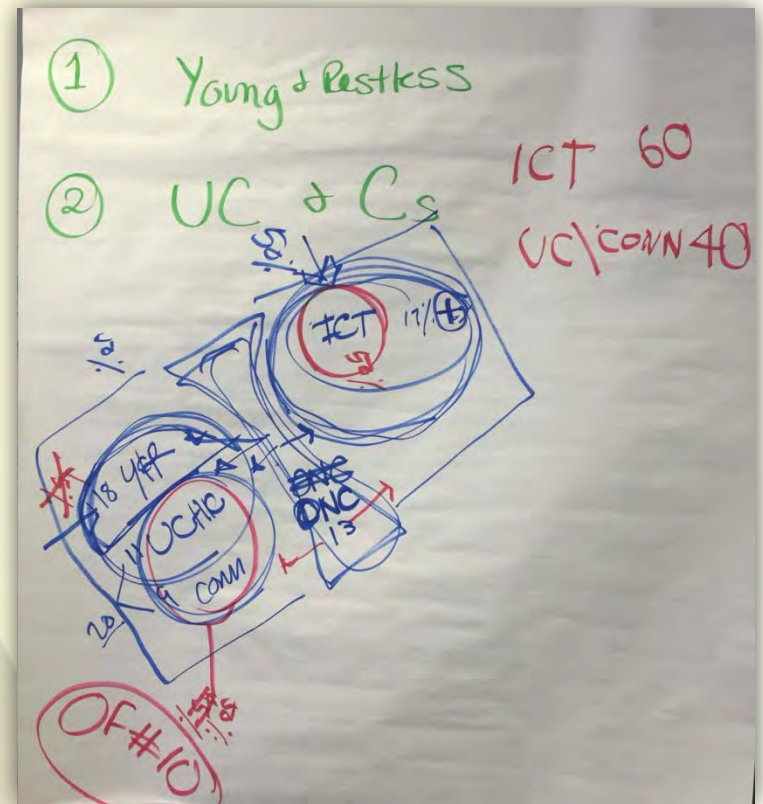
► Organize each segment page into two parts, vertically

- Left side: **SIMILARITIES**
- Right side: **DIFFERENCES**



Segment priorities: 20 minutes

- **Purpose: prioritize which segments to focus services on**
 - Select one or more segments
 - If there are similarities between segments, group them and focus on the groups
- **Segments can be selected for a number of reasons**
 - **Quantitative:** the number of people in one segment, or some combination of segments, is overwhelmingly large; you can't ignore the size of the population
 - **Qualitative:** some segments are under privileged, have lower socio-economic status, have high unemployment, or other life challenges
 - **Combination:** the Market Potential and/or Customer Potential of a segment or some number of segments is high. Their existing performance may be low and you want to improve it.

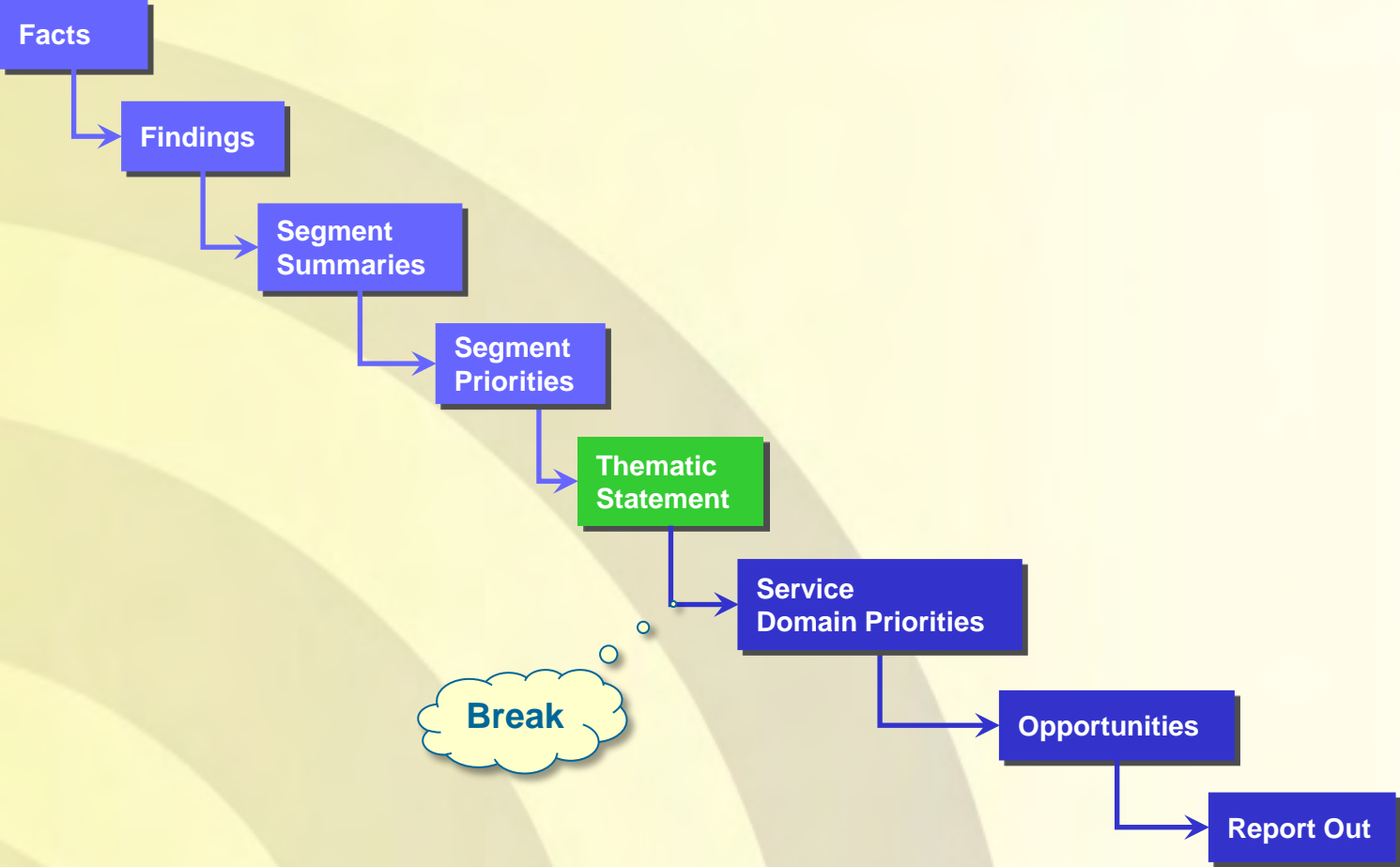


Segment priorities: 20 minutes

► Examples

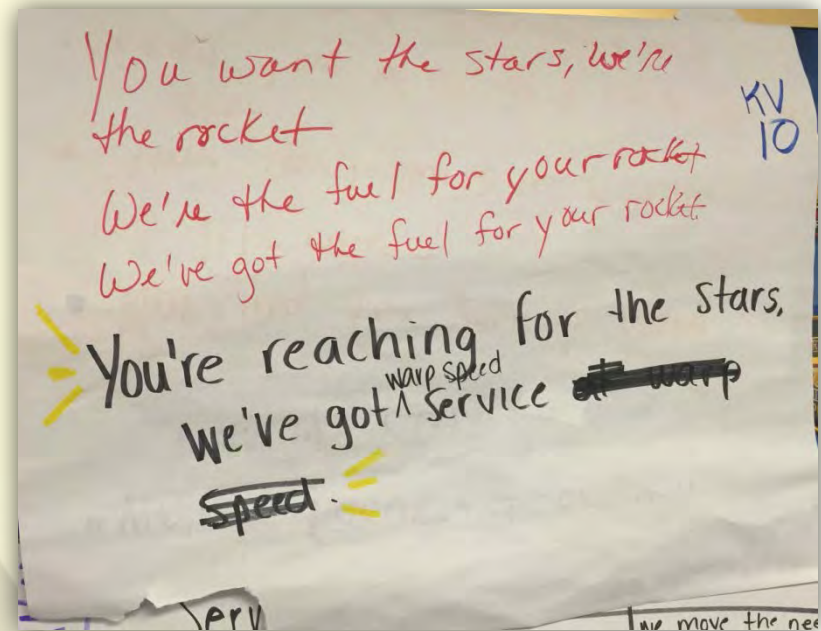
- 90% of population is captured in two segments:
"We need to focus on those two segments above others"
- Customer Potential is three times higher in Segment X than in Segment Y
"We need to focus on increasing customers in Segment X than in Segment Y"
- Half of the population are in young family segments
"We need to focus on young family segments"
- Only 20% of the population are very low income
"We need to focus on very low income because the need is great"
- Half of the population speaks English as a second language
"We need to focus on literacy programs"

Service area planning process



Thematic statement: 35 minutes

- Purpose: high level idea or theme that sums up the service area as a whole
 - **This is an internal positioning statement**
 - This strives to do two things at once:
 - Describes in a nutshell what makes your service area tick
 - Clarifies your service intentions
- This is stated as an elevator pitch
 - It's not a mission, vision, goals, objectives, or thesis statement
 - It should be:
 - Interpretive...action oriented...pithy...accurate...clever...fun ... catchy...memorable
- It combines all of the data abstractions you've been developing in this planning process plus your anecdotal and other experiences



Thematic statement: Denver examples

➤ Byers

- Small library, big world...we will get you there

➤ Central: Books and Borrowing

- Making it easy to connect with the unexpected

➤ Eugene Field

- Timeless services for a cultured, connected community of readers

➤ Hadley

- Help Achieve Diversity and Learning Experiences for You

➤ Ross-University Hills

- 80222: Platinum Service for All

➤ Sam Gary

- The Sam Gary Library guides self-sufficient, tech-savvy young families to connect with stories and experiences that enhance life in the Stapleton community

➤ Montbello

- Our village library: we're here to help, we speak your language, we respect your culture, we keep you connected

➤ Robinson

- Continuing Pauline Robinson's heartfelt commitment to our proud, engaged community

Thematic statement: assorted examples

› Lakewood Library, Pierce

- Learn for success, discover for fun!

› Bonney Lake, Pierce

- Families on the go, in the now and in the know

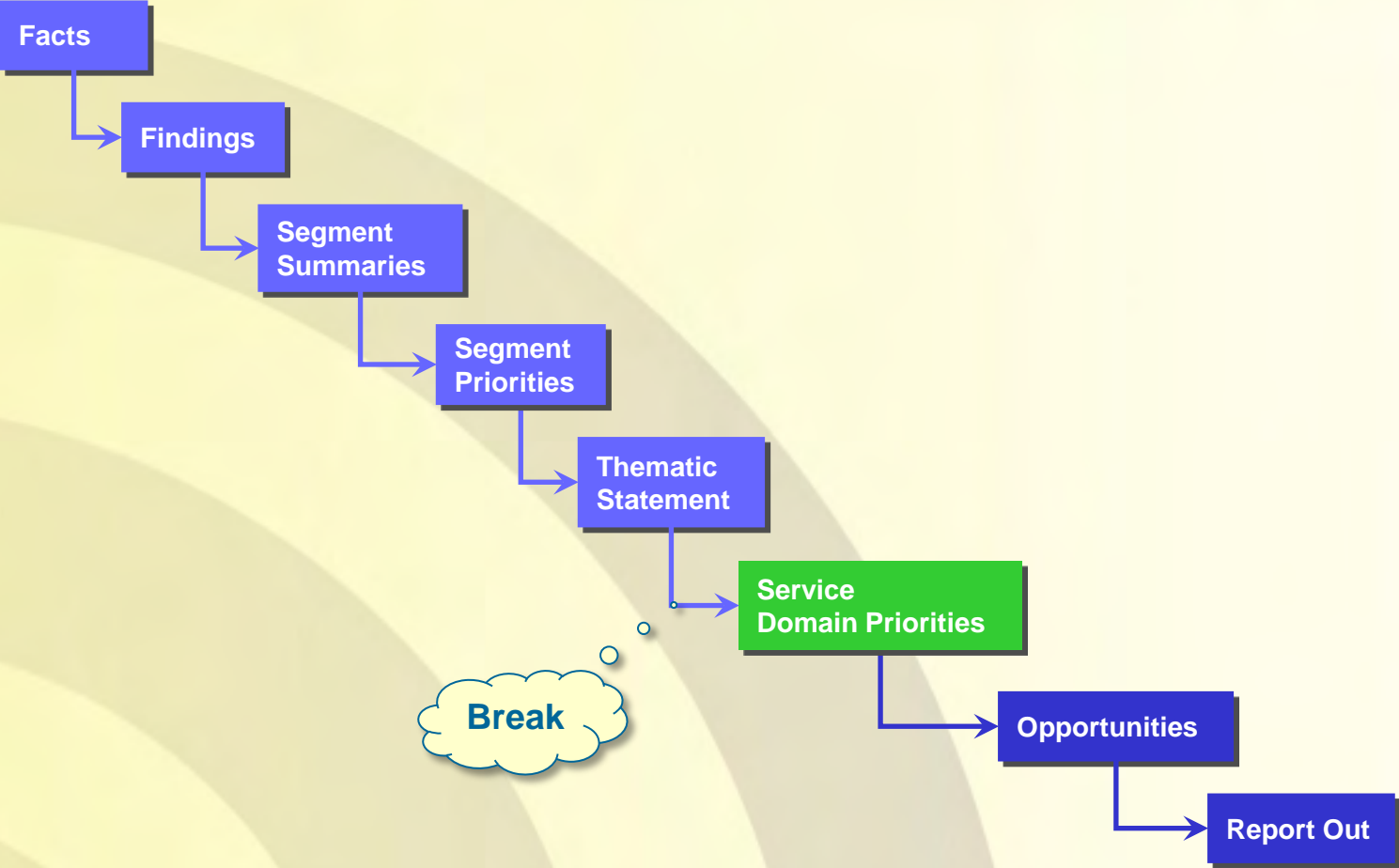
› Atkinson Library, Milwaukee

- We are raising economic status and sustaining family life by focusing on partnerships and delivering consumer technologies and related services

› Benson Library, Omaha

- The Equalizer...providing digital inclusion, career development, keeping people plugged in
 - Offering traditional services
 - Family oriented, checkout books, DVDs, book club, volunteers, and traditional help
- Providing an early warning system
 - Observing gentrification, library use changes, growth/change in Metropolitan/other segments

Service area planning process



Service domain priorities: 25 minutes

➤ Looking forward, prioritize services across eight service domains

➤ Customer development

- Build the customer base

➤ Checkouts/collection development

- Increase checkouts, better target collection development

➤ Staff alignment

- Professional development and training to meet and implement service priorities

➤ Programs

- Develop programs including activities, events, classes, seminars, and so forth

➤ Use of facilities

- Interior design changes in the building or changes in space usage to meet service objectives

➤ Partnerships

- Formal and informal relationships with local organizations

➤ Marketing/communications

- Outreach and communication through various channels to inform target markets

➤ Consumer technology

- Customer access to computers, Internet, eBooks, and other digital resources and training to use them

Service domain priorities: 25 minutes

- Make actionable the implementation of your Thematic Statement in relation to the market segments
- Think about the services you want to provide in the future and rank those domains accordingly
- Actions
 - **DO:** fill out what you plan to focus on going forward as a results of this planning process
 - **DON'T:** fill out what you're currently doing

Service Domain	Ranking	Reason
Facilities	High	<ul style="list-style-type: none"> • Facilities don't match consumer patterns. Recommend moving to where they are - Hilltop Boutique Library - Convenience
Collections	High	<ul style="list-style-type: none"> - Voracious readers - Collection is well used - Floating / Shared Collection is hindering use patterns of customers - This customer base is looking for "luck-day" collection, travel, best sellers, exercise
Staff Alignment	Moderate / Support	<ul style="list-style-type: none"> - Continue relationship based personalized service, staff comfortable w/ reader advisory and tech training for one-on-one (daves) Align marketing to support new services, customer base + partnerships - If in Hilltop partner with local businesses (Tahiti wine, Whole Foods, etc) for events
Customer Dev	Moderate / Support	
Marketing	Moderate / Support	
Partnerships	Moderate / Support	
Programs	Low	<ul style="list-style-type: none"> - Have \$ for private lessons, clubs, travel, museums - they aren't looking for programs from US Children's / program low demand tech
Consumer Tech	Low	<ul style="list-style-type: none"> Customers own devices Already tech savvy using internet at home

Service domain priorities: 25 minutes

Service Dom	Priorities	Reasons
Customer Develop	Moderate	potential to grow in top 2 segments but won't close to city mt-shail avg.
Staff Alignment	High	- in order to get out to even more institutions/events to help build cost base, need more staff. We have extra src pt of DCU - seek seek assistance from neighboring libraries like PBSJAL
Checkouts/Collect	low	avg #4 behind JTL every month private use of lots display
Programs	moderate	- more advanced pc classes & digital classes/no terminations - need more staff to grow these & outreach APPS - Build on success of adult BM - Inc. # of storytime sessions based on wait lists - curtail teen focus because they are into Tpe but also engaged lots other
Use of Facilities	High	Current floor plan not adequate for ^{body mass} usage patterns + children's area too small. ^{heavily used} Provide spaces to accommodate customer device + study use. ^{place} ^{space}
Partnerships	moderate	- already don't lots preschool outreach - need some improvement of middle + high - already participating in joint events w/ neighbor rec ctr + in community Festivals
Marketing/Com.	low	- still some confusion by src area cust to where we are but should improve w/ kiosks opening
Consumer Tech	low moderate	- desktops rarely used all at once - need more space for device use, which needs access to wireless printing (being lots of cost of devices, books, studying) (P1 12)

➤ Rank each service domain one of the following:

- High or primary focus
 - This service domain will help the library best meet segment needs
 - Maximum of two

- Moderate or support primary focus
 - This service domain will support the primary service domains
- Low
 - This service domain will least help the library meet segment needs
 - Minimum of two
 - Ranking low doesn't mean you don't care about that service domain. You're not throwing it under the bus. It just means its not a priority. If you're already providing a service that fits this domain, you may keep providing that service, but it's a lower priority in future resource allocation decisions.

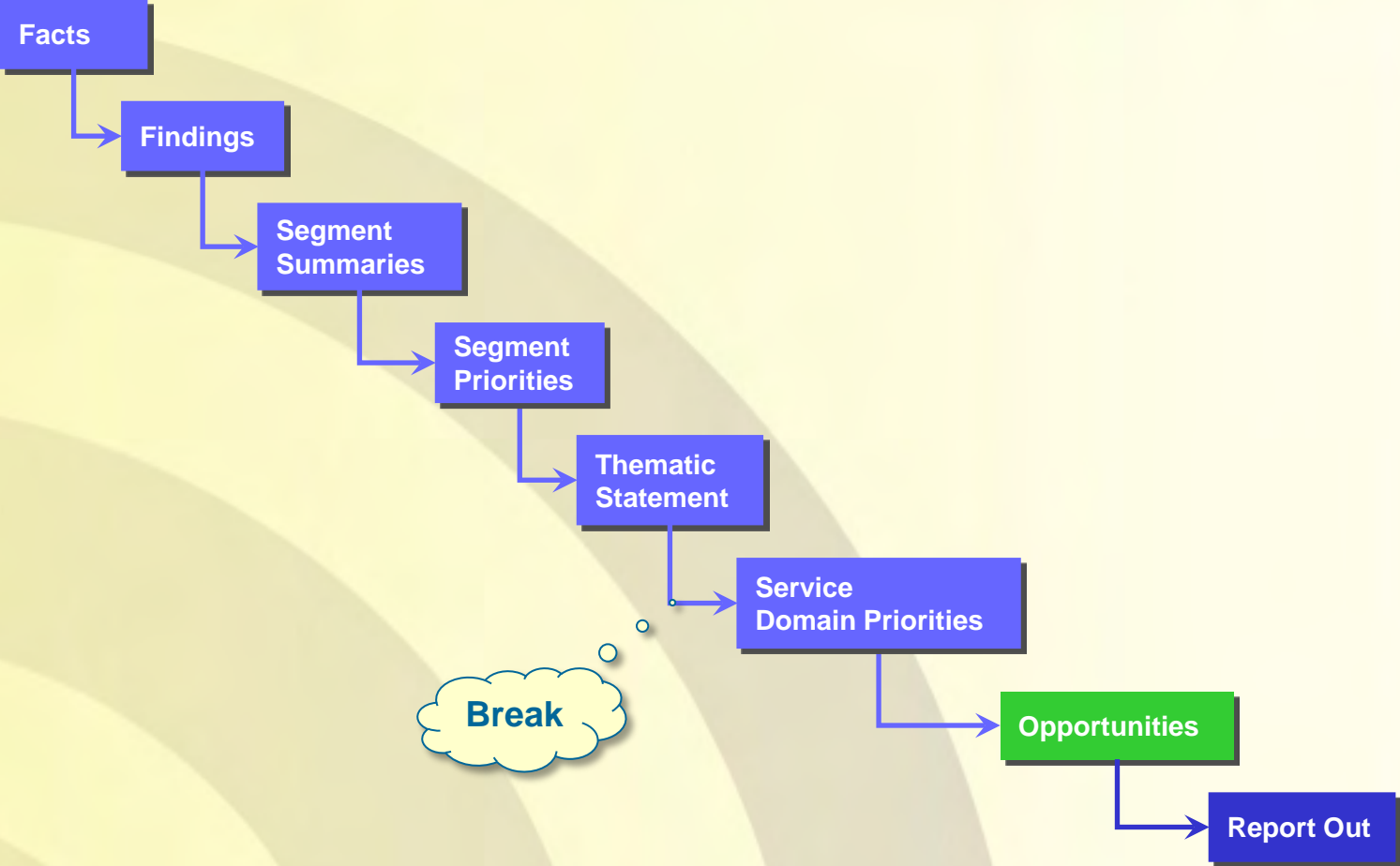
➤ Provide a couple of bullet points giving your reasons and/or justifying why high, moderate, or low

Service domain priorities: 25 minutes

- **Action:** fill out a table with each service domain ranked as either high, moderate, or low
- *Remember: this is a road map for services you'll be focusing on going forward to meet segment needs, not where you are today*

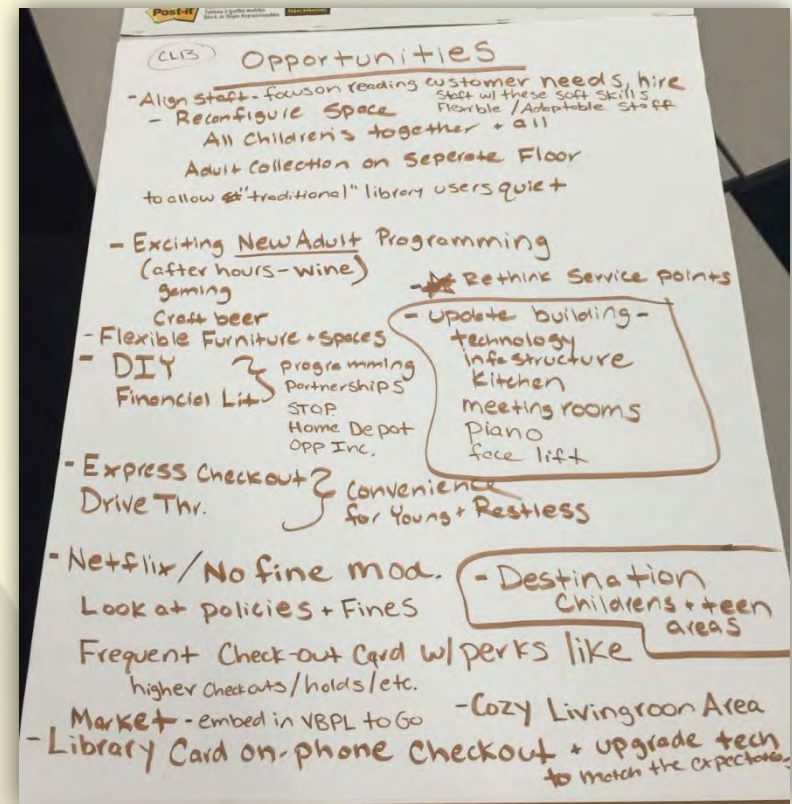
Service Domains	Ranking	Bullet Point Reasons
Customer development	High or primary	• Reasoning
Checkouts/collection development	Moderate or support	• Reasoning
Staff alignment	Low or hold	• Reasoning
Programs	Moderate or support	• Reasoning
Use of facilities	Moderate or support	• Reasoning
Partnerships	Low or hold	• Reasoning
Marketing/communications	High or primary	• Reasoning
Consumer technology	Moderate or support	• Reasoning

Service area planning process

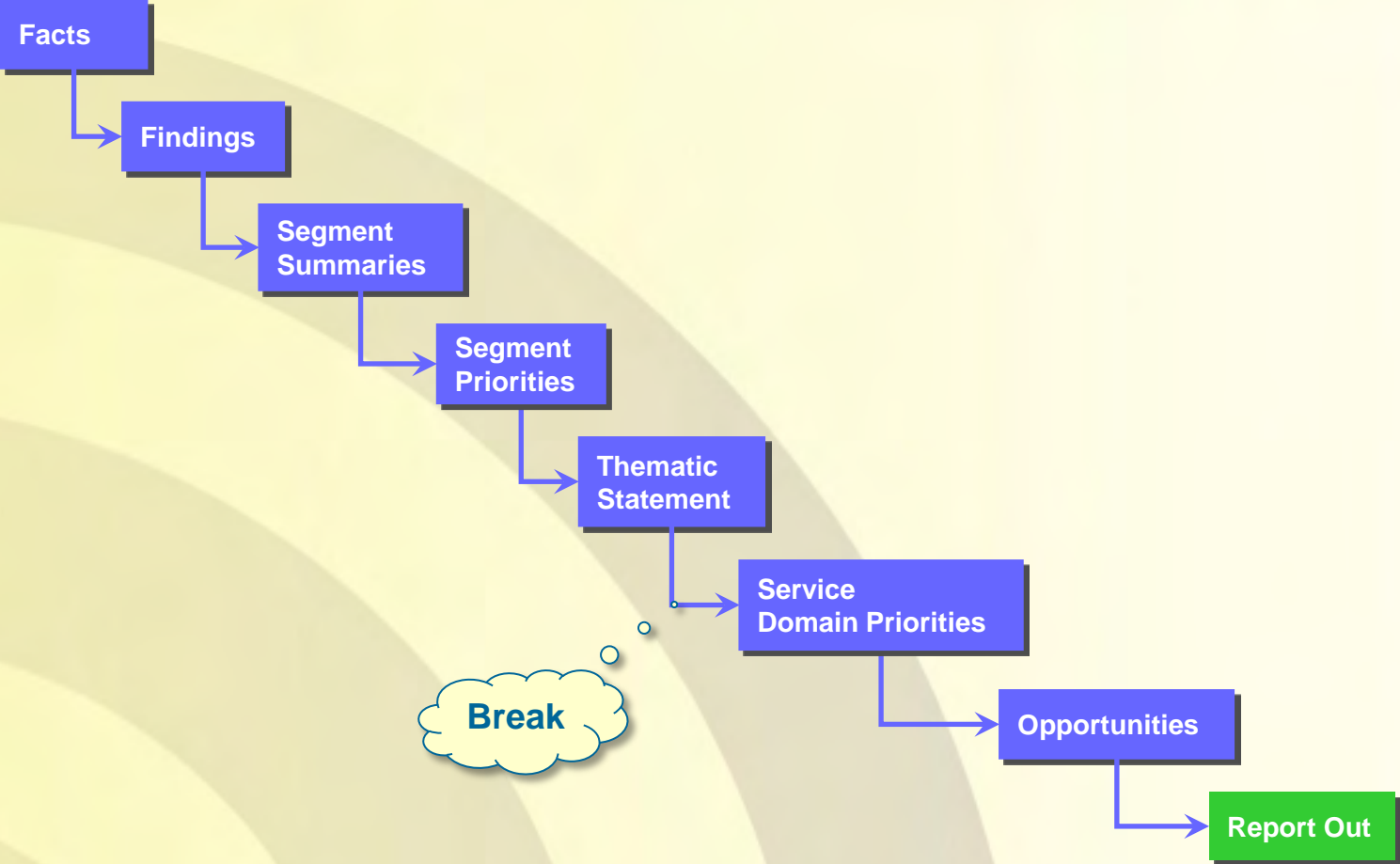


Opportunities: 10 minutes

- Brainstorming and ideas
- Purpose: brainstorm ideas for future services that will support your service domain priorities
 - Here's where you can suggest creative, innovative, out of the box ideas and solutions
 - But they should be based upon and have some connection to your thematic statement and high service domain priorities
 - Go for as many as you'd like!
 - Prioritize them if you'd like
- Action: write them down on large format paper



Service area planning process



Report Out: 15 minutes

► Three minutes to report out each service area !

- *Be direct*
- *Don't repeat...say it once and move on*
- *Pause for impact*

► What to present...model the process you went through

- Top three facts
- Top three findings
- What makes segments tick
- Similarities and differences/segment priorities
- Thematic statement
- Service domain ranking
- Rank existing service performance
- Rank existing service fit with future service domains
- Brainstorming ideas





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Market Segmentation Planning Workshops

August 11 and 12, 2015

3.0 Analytics Findings

File name: Analytics Findings.pptx

File name: Analysis.xlsx

Market Segmentation Planning Workshop, August 11 and 12, 2015

Analytics Findings



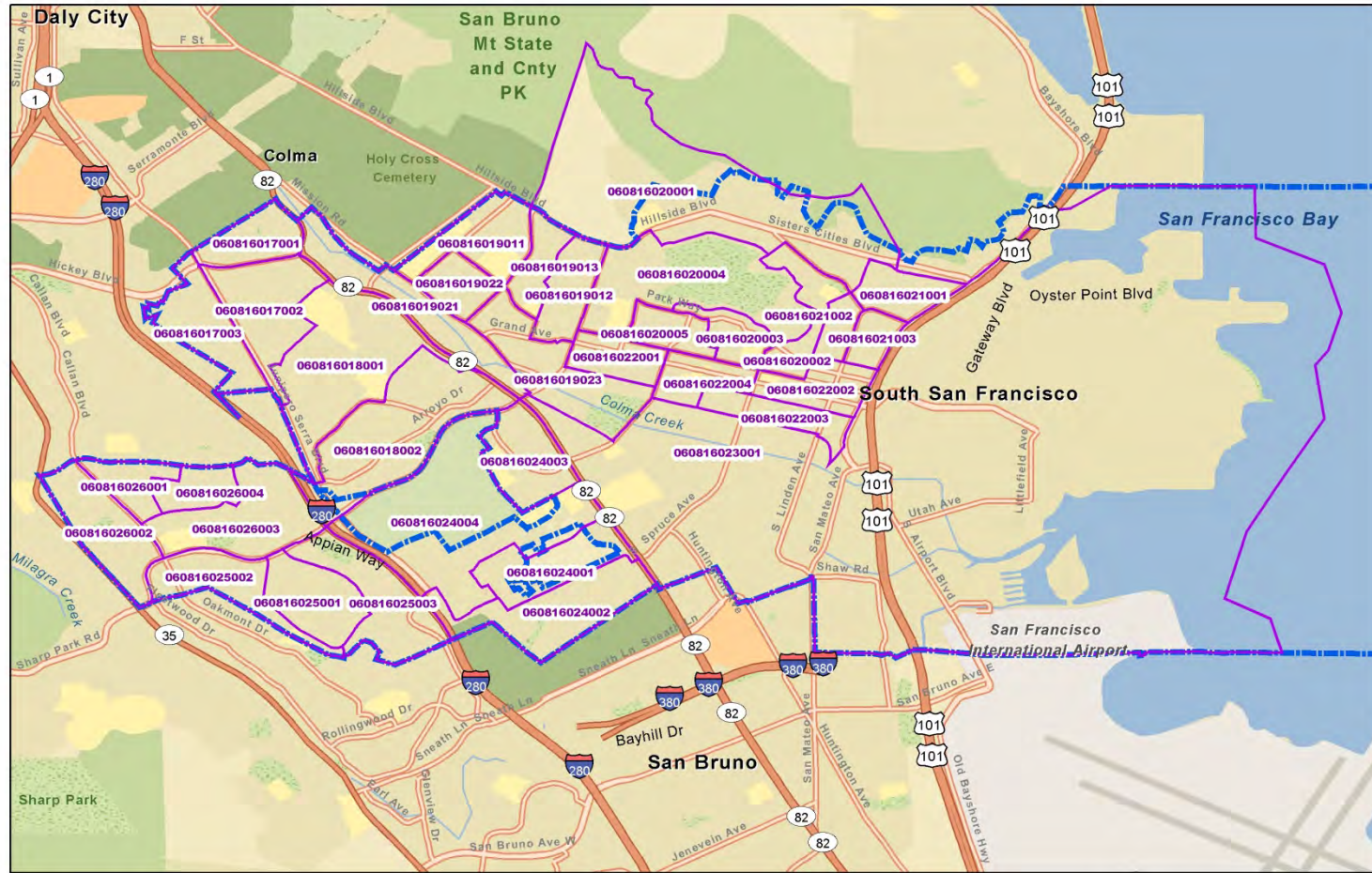
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Map: block groups in the study area



Selected Block Groups

- Block Groups
- City Boundary

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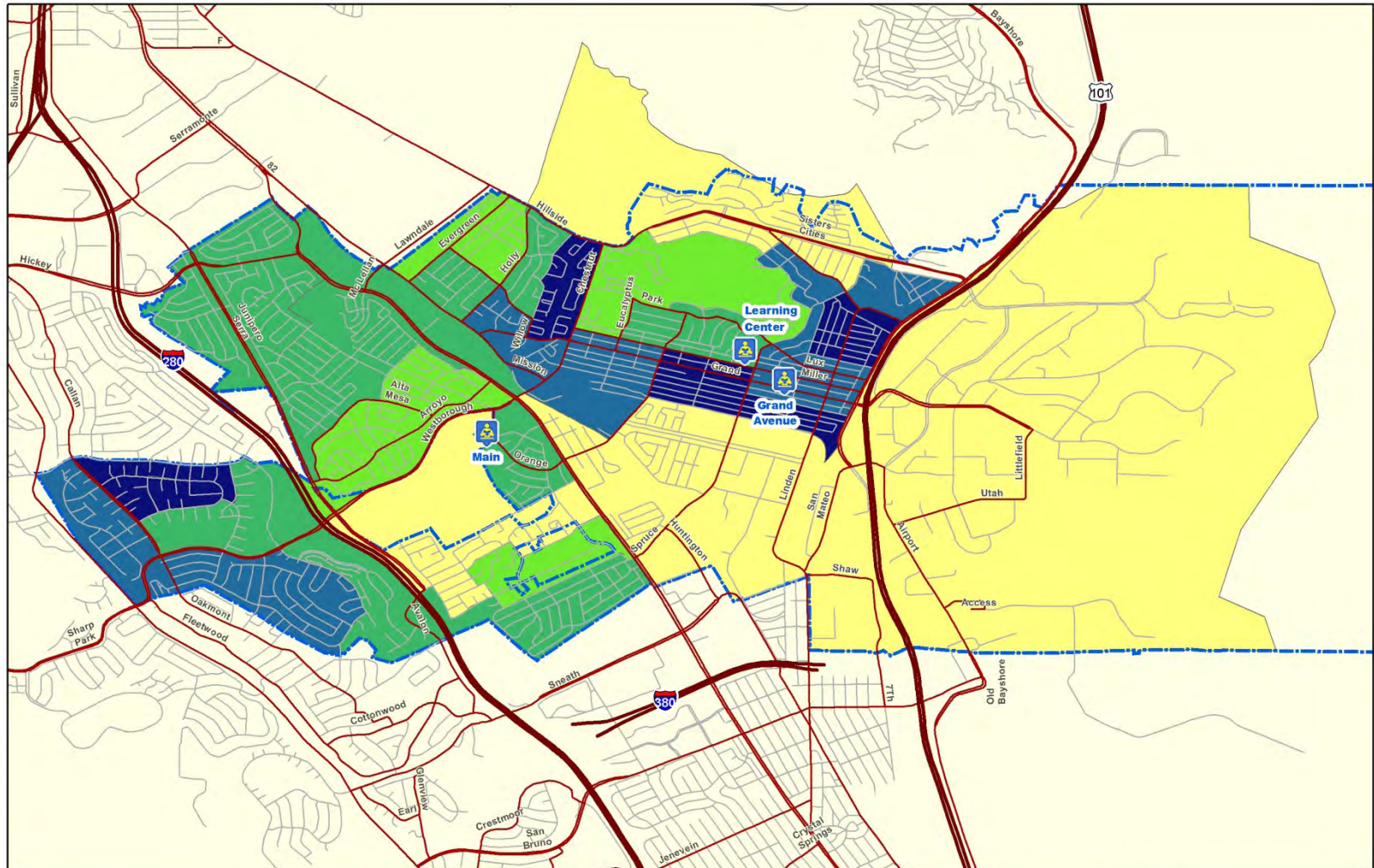
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Data: population by segment

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			

Map: population density



Population Density



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Market Segmentation Workshop

Findings: population by segment

➤ 7 total segments

➤ Population: largest, smallest, and in between

- Largest = Pacific Heights with 43,032 people or 67% population share
- Smallest = Wealthy Seaboard Suburbs with 860 people
- Average size = 9,229 people
- Median (half above/half below) = 3,233 people

Assumptions

► South San Francisco block groups

- Some don't align with city boundaries
- Selected based upon inclusion rather than exclusion

Findings: population distribution by segment

► Top segment – Pacific Heights

- Enormously larger than any other segment
- Accounts for 2/3's of the population... 43,032 out of 64,600 people

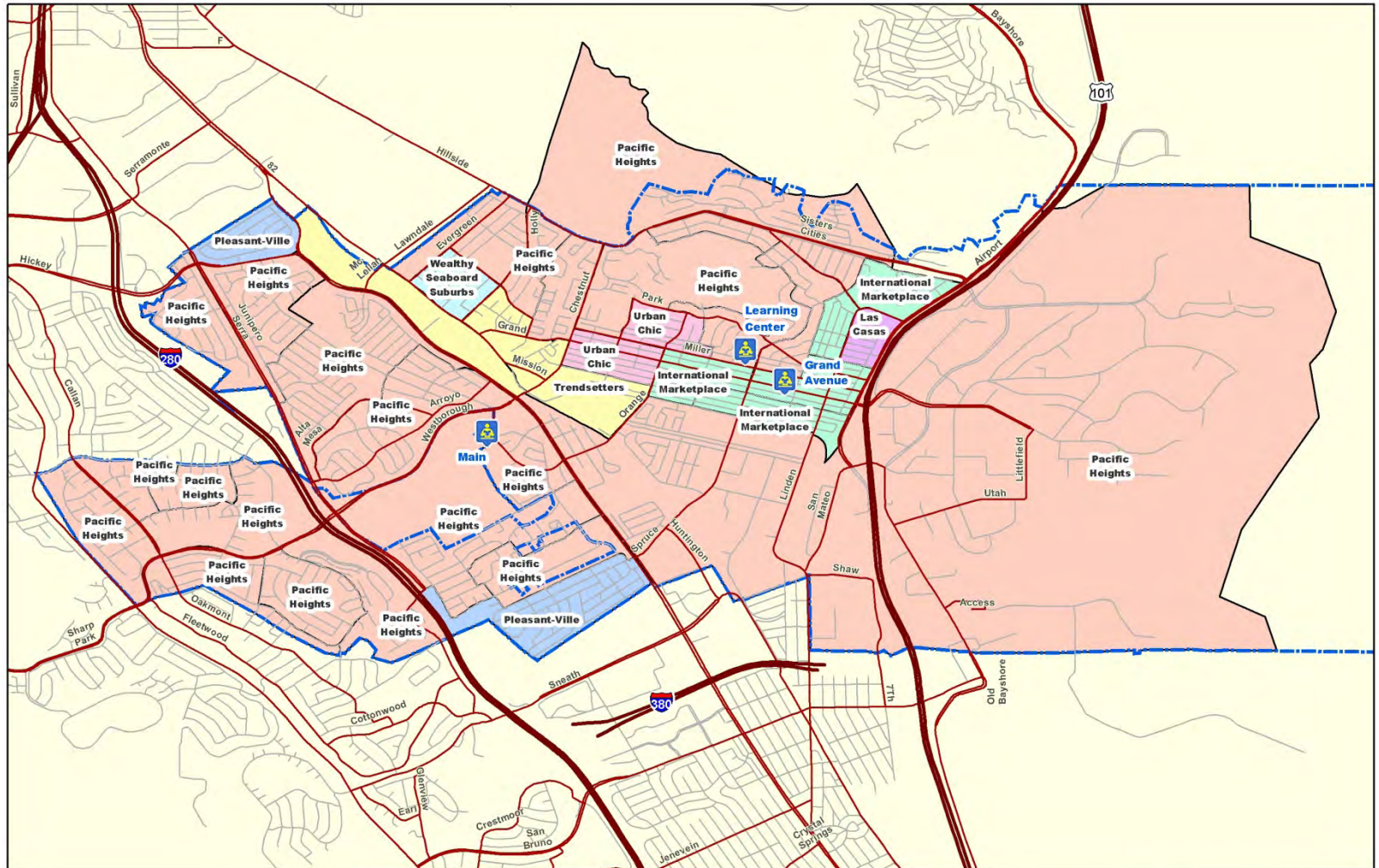
► The next segments account for:

- International Marketplace: 9,073 or 14%
- Trendsetters: 5,092 or 7.9%
- Pleasant-Ville: 3,233 or 5.0%
- Urban Chic: 2,042 or 3.2%
- Las Casas: 1,268 or 2.0%
- Wealthy Seaboard Suburbs: 860 or 1.3%

► Top two segments account for nearly 8 in 10 people

► The bottom 20% of population are in five segments with 12,495 people or about 2.5% each

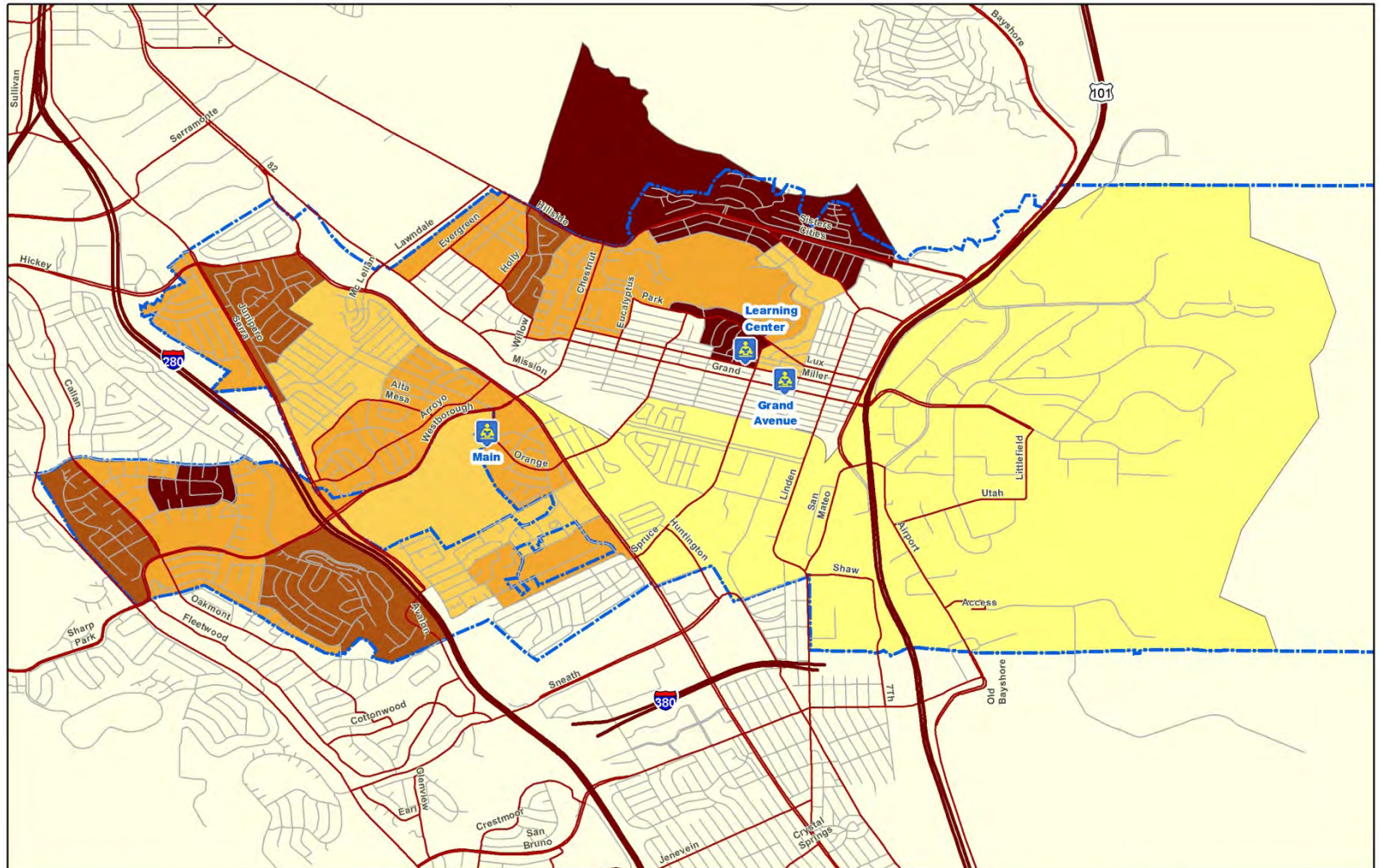
Map: all segments



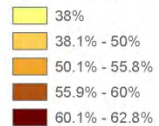
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Map: Pacific Heights market potential



Pacific Heights Market Potential



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Market Segmentation Workshop

Map: International Marketplace market potential



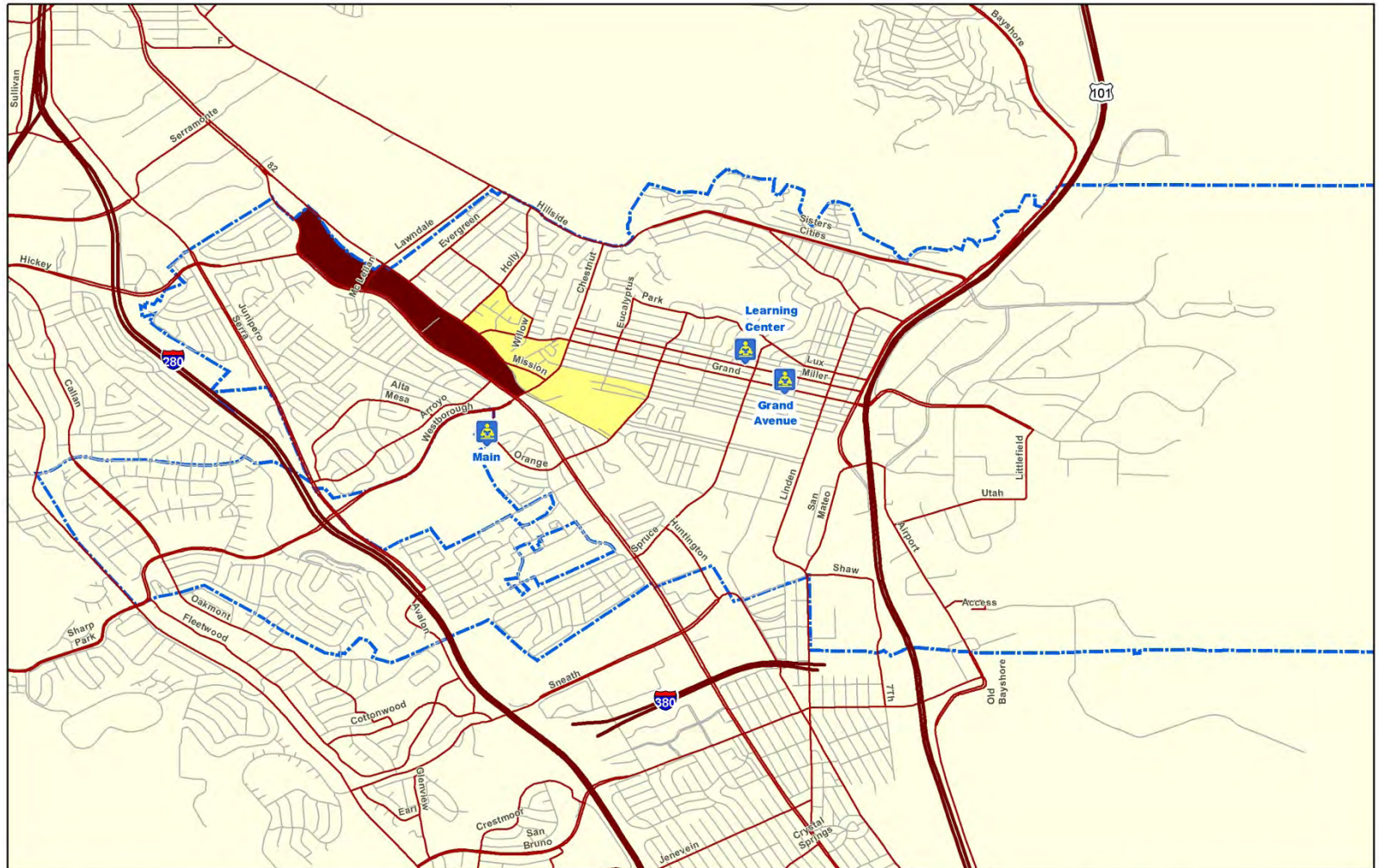
International Marketplace Market Potential

- 44.6%
- 44.7% - 46.1%
- 46.2% - 52.6%
- 52.7% - 53.3%
- 53.4% - 57.7%

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Map: Trendsetters market potential



Trendsetters Market Potential

- 58.7%
- 58.8% - 73.2%

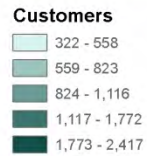
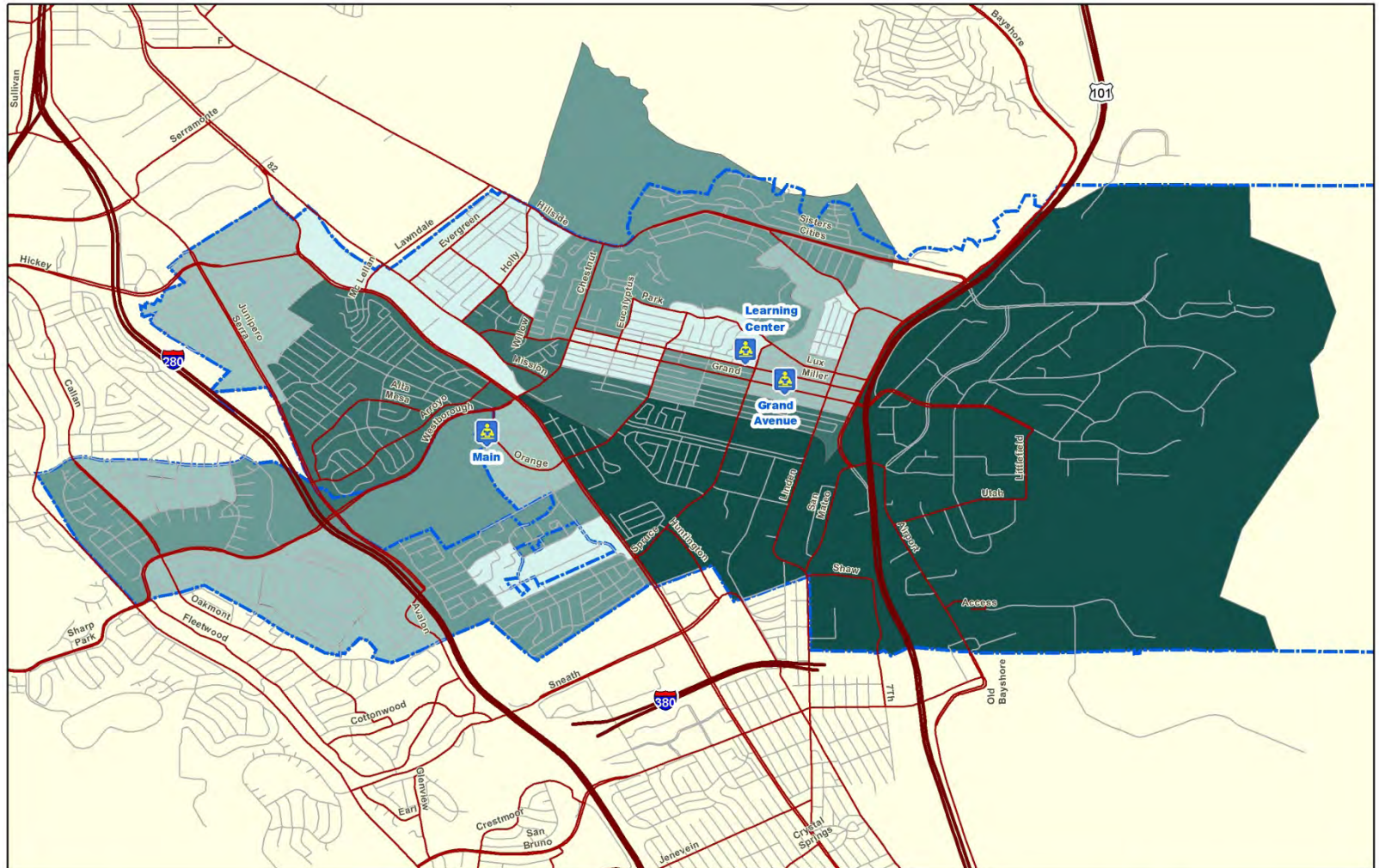
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Data: customers and non-customers by segments

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			

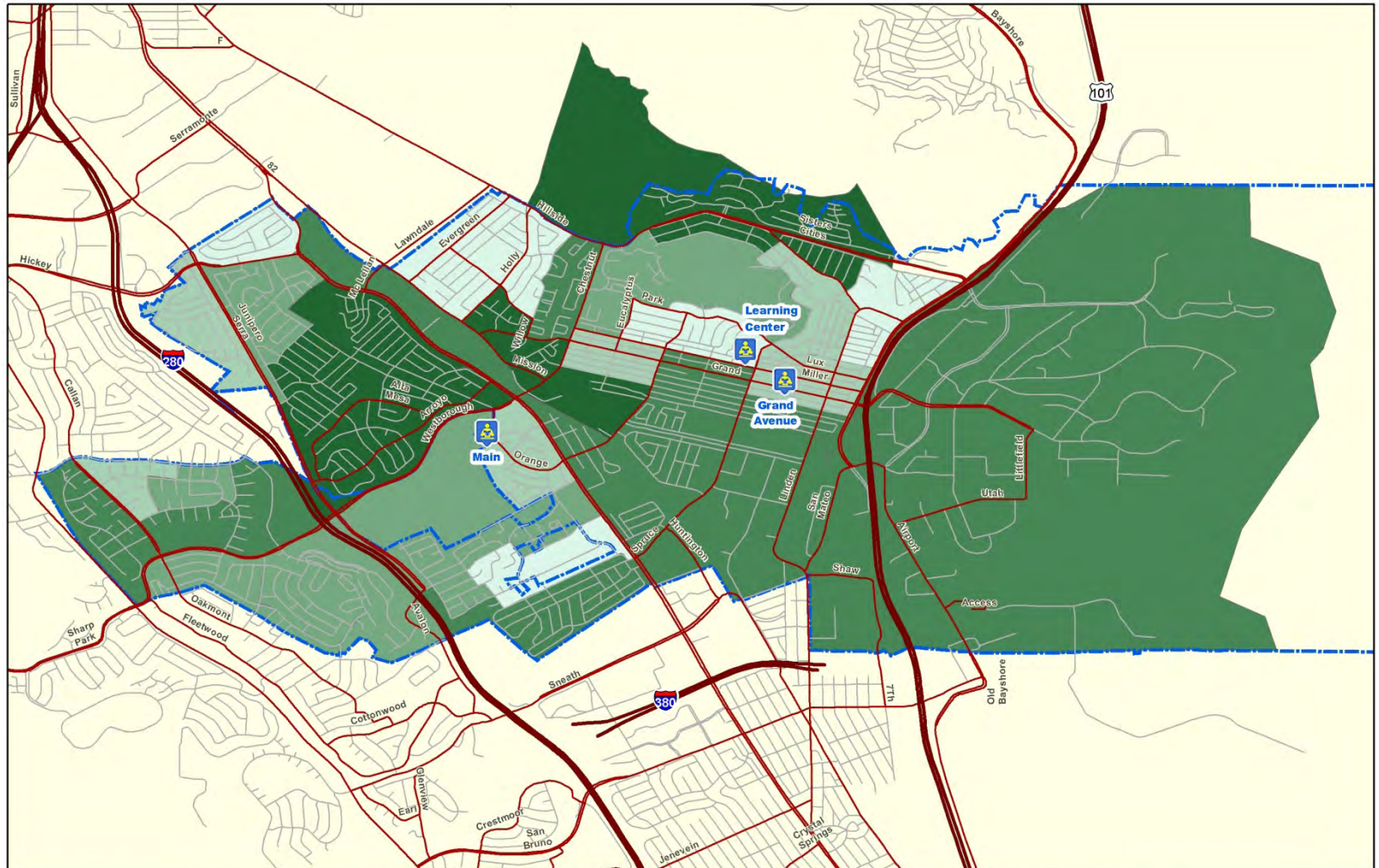
Map: customers



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Map: non customers



Non Customers

- 365 - 609
- 610 - 848
- 849 - 1,108
- 1,109 - 1,501
- 1,502 - 1,881

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Market Segmentation Workshop

customers and non customers by segment

► There are 29,847 customers and 34,753 non customers

- Customers are cardholders
- Customers are geocoded...very high sample rate
- Non customers include all others (e.g., children without cards)
- Homeless are not included

► Market share and potential

- Market Share: 46.2% (percent of population are customers)
- Market Potential: 53.8% (percent of population are non customers)

► Customers

- Largest = Pacific Heights 19,983 people or 67.0% customer share

► Non customers

- Largest = Pacific Heights with 23,049 people or 66.3% non customer share

Findings: customers and non customers by segment

➤ Customer distribution by segment

- Top 2 segments account for 82% of customers or 24,394 customers
- Top 4 segments account for 93% of customers or 27,788 customers

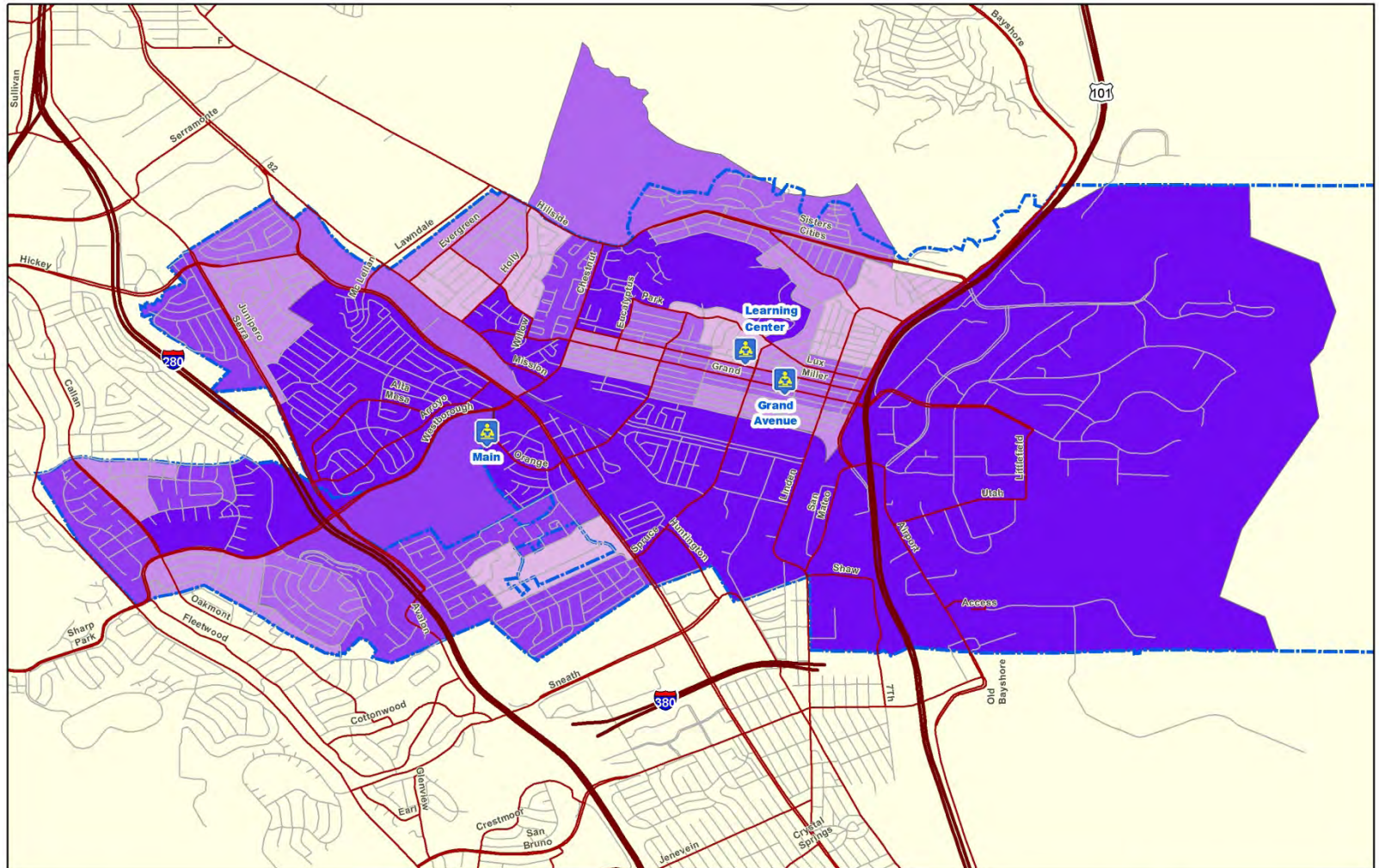
➤ Non-customer distribution by segment

- Top 2 segments account for 80% of non customers or 27,711 non customers
- Top 4 segments account for 94% of non customers or 32,642

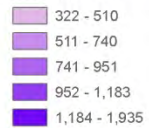
Data: checkouts by segment

No.	Segment	Total Checkouts	Checkout Share	Checkout Cumulative Share	Checkout Cumulative Number
1	Pacific Heights	22,302	68.7%	68.7%	22,302
2	International Marketplace	3,487	10.7%	79.5%	25,789
3	Trendsetters	2,391	7.4%	86.8%	28,180
4	Pleasant-Ville	2,047	6.3%	93.2%	30,227
5	Urban Chic	1,464	4.5%	97.7%	31,691
6	Las Casas	427	1.3%	99.0%	32,118
7	Wealthy Seaboard Suburbs	329	1.0%	100.0%	32,447
Grand Total		32,447	100.0%		
Average		4,635			
Median		2,047			

Map: checkouts



Checkouts



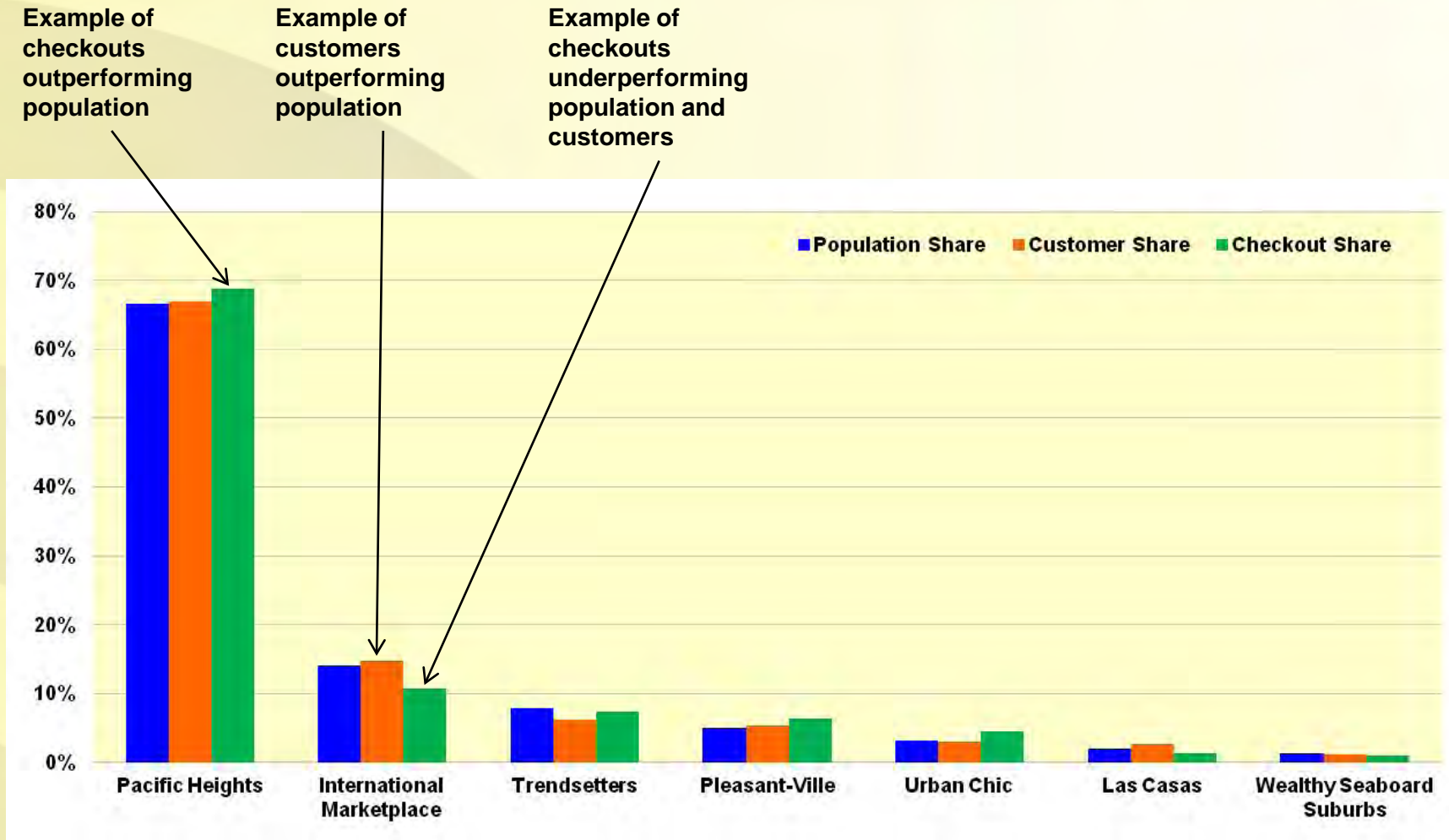
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Findings: checkouts by segments

- ▶ **There were 32,447 checkouts during the data collection period**
- ▶ **Largest, smallest, and in between**
 - Largest is Pacific Heights 22,302 checkouts or 68.7%
 - Average is 4,635 checkouts
 - Median is 2,047 checkouts
- ▶ **Checkout distribution by segment**
 - Top 2 segments account for 80% of checkouts or 25,789 checkouts
 - Top 4 segments account for 93% of checkouts or 30,227 checkouts

Figure: population, customer, and checkout share by segments



► Market share

- Customers divided by population
- Indicator of how well your connecting with people as customers
- Inverse of market potential
- $\text{Market share} + \text{market potential} = \text{population}$

► Market potential

- Non-customers divided by population
- Indicator of how well your not connecting with people as customers
- Inverse of market share
- $\text{Market share} + \text{market potential} = \text{population}$

► Customer potential

- This is an index, not a percentage
- This indicator weights market potential by the number of non-customers
- Better indicator of the relative share of non-customers
- The higher the index number, the stronger the growth potential

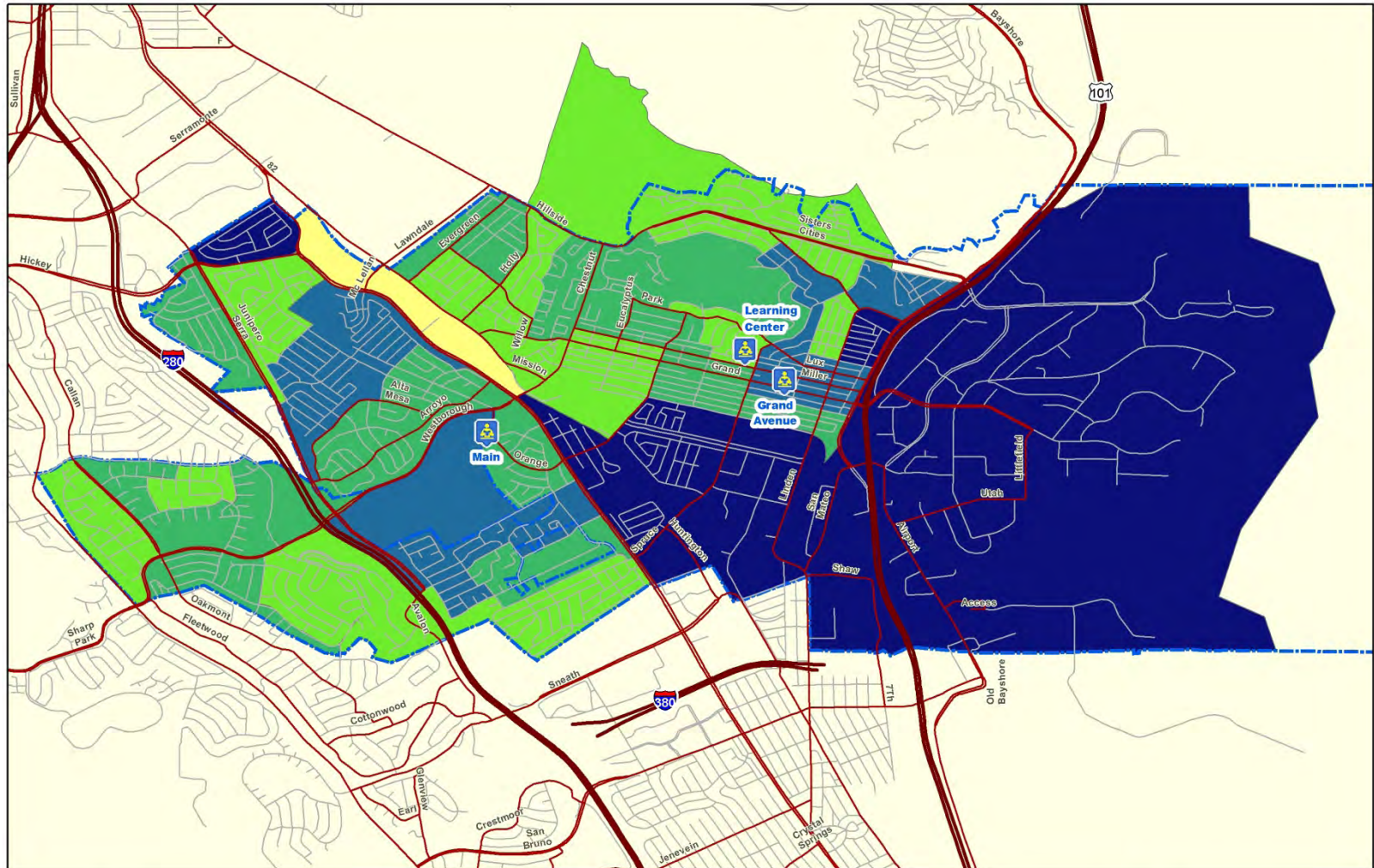
Data: market share and market potential by segment

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

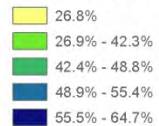
Note: "low" market performance is when the segment's market share is below the District's average market share.

- City wide market share is 46.2%, city wide market potential is 53.8%
- Top segment Pacific Heights has 46.4% market share and 53.6% market potential
 - As Pacific Heights goes, so goes the city wide market share

Map: market potential



Market Potential



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Market Segmentation Workshop

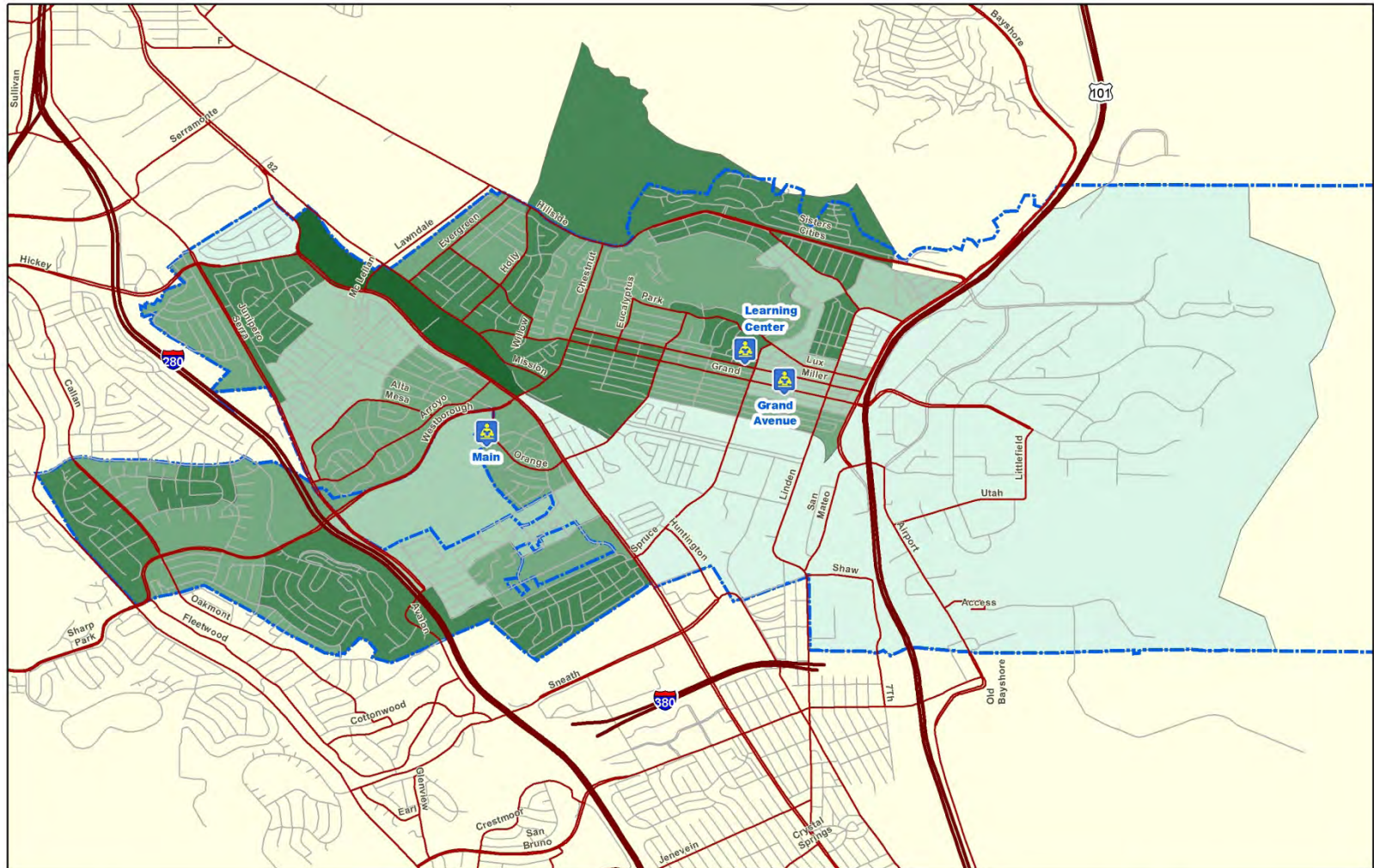
Data: customer potential by segment

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.

- Top city wide customer potential segment is Pacific Heights at 356.2
 - As Pacific Heights goes, so goes the city wide market share

Map: customer potential



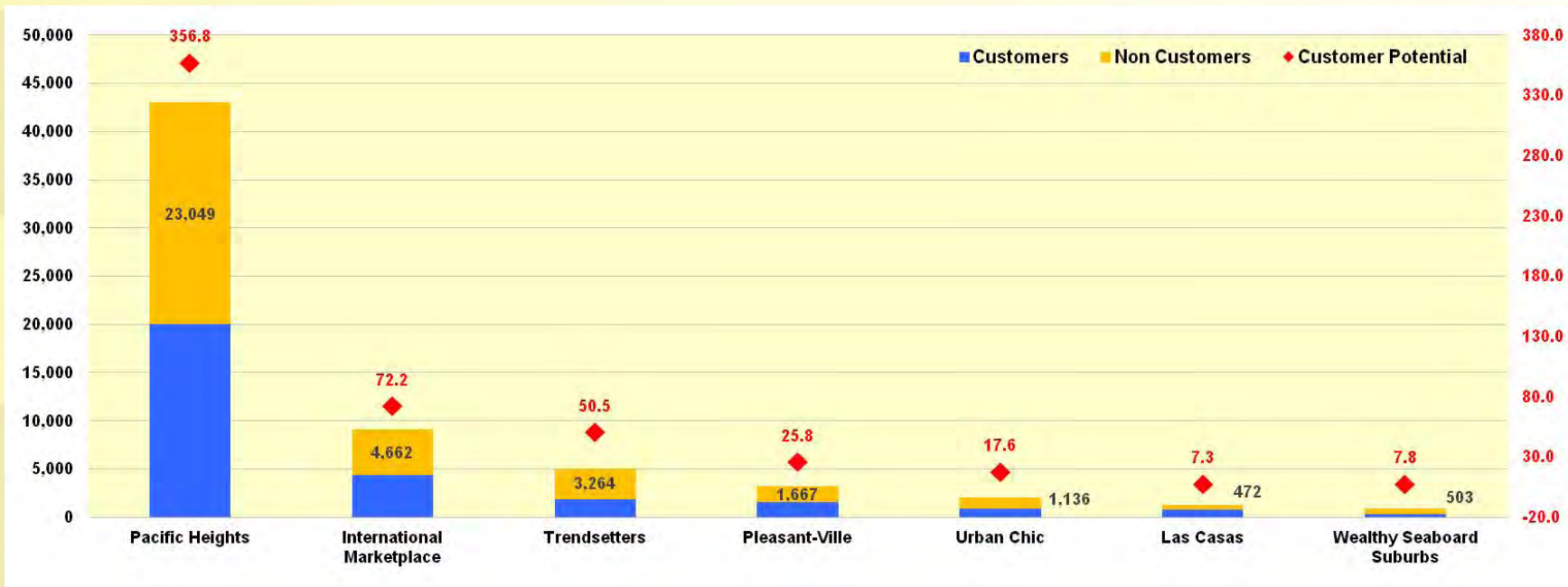
Customer Potential

- 353 - 380
- 381 - 500
- 501 - 558
- 559 - 628
- 629 - 732

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Market Segmentation Workshop

Figure: market share/potential & customer potential by segment



Data: checkouts measures

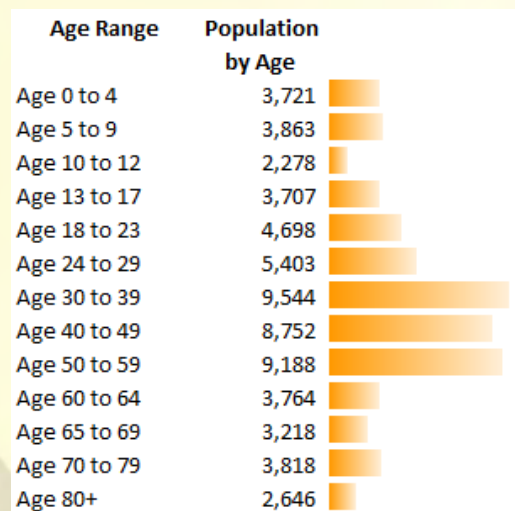
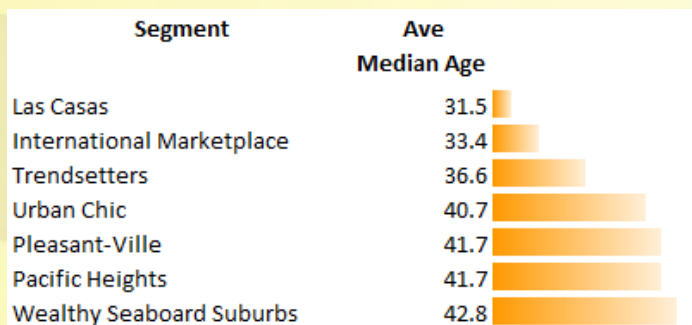
No.	Segment	Checkouts per Customer	Checkouts per Capita
1	Pacific Heights	1.12	0.52
2	International Marketplace	0.79	0.38
3	Trendsetters	1.31	0.47
4	Pleasant-Ville	1.57	0.39
5	Urban Chic	1.31	0.63
6	Las Casas	0.54	0.34
7	Wealthy Seaboard Suburbs	0.92	0.38
Average		2.17	1.00



Findings: checkouts/customer & checkouts/capita by segment

- ▶ Checkouts per customer: 1.09
- ▶ Checkouts per capita: 0.50
- ▶ Highest average checkouts per customer
 - Urban Chic: 1.62
 - Trendsetters: 1.31
 - Pleasant-Ville: 1.31

Age distribution by segment



Segment	Age 0 to 4	Age 5 to 9	Age 10 to 12	Age 13 to 17	Age 18 to 23	Age 24 to 29	Age 30 to 39	Age 40 to 49	Age 50 to 59	Age 60 to 64	Age 65 to 69	Age 70 to 79	Age 80+
International Marketplace	691	681	396	570	712	922	1,655	1,261	1,033	399	291	287	175
Las Casas	105	107	53	99	115	119	235	196	107	36	34	51	11
Pacific Heights	2,254	2,411	1,457	2,473	3,077	3,420	5,804	5,752	6,452	2,715	2,337	2,890	1,990
Pleasant-Ville	192	218	134	164	189	185	439	469	518	190	173	201	161
Trendsetters	315	311	155	235	376	510	1,014	683	638	241	236	232	146
Urban Chic	132	99	55	115	164	161	292	282	291	129	106	104	112
Wealthy Seaboard Suburbs	32	36	28	51	65	86	105	109	149	54	41	53	51
Grand Total	3,721	3,863	2,278	3,707	4,698	5,403	9,544	8,752	9,188	3,764	3,218	3,818	2,646

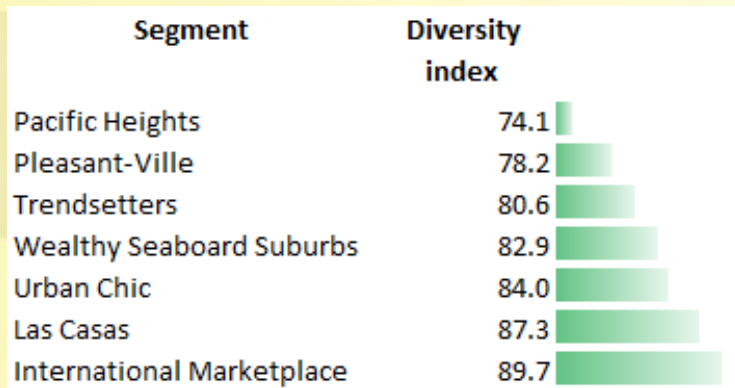
Networth and income distribution by segment

Segment	Ave Net Worth
International Marketplace	\$ 30,216
Trendsetters	\$ 31,371
Las Casas	\$ 41,748
Urban Chic	\$ 142,286
Pacific Heights	\$ 253,720
Pleasant-Ville	\$ 265,092
Wealthy Seaboard Suburbs	\$ 275,621

Income	Households
HH Inc \$0 to \$15k	1,502
HH Inc \$15k to \$25k	1,596
HH Inc \$25k to \$35k	1,438
HH Inc \$35k to \$50k	2,221
HH Inc \$50k to \$75k	3,702
HH Inc \$75k to \$100k	3,041
HH Inc \$100k to \$150k	4,896
HH Inc \$150k to \$200k	1,372
HH Inc \$200k+	1,439

Segment	HH Inc \$0 to \$15k	HH Inc \$15k to \$25k	HH Inc \$25k to \$35k	HH Inc \$35k to \$50k	HH Inc \$50k to \$75k	HH Inc \$75k to \$100k	HH Inc \$100k to \$150k	HH Inc \$150k to \$200k	HH Inc \$200k+
International Marketplace	225	360	357	467	533	286	335	124	63
Las Casas	7	31	42	39	106	18	41	13	2
Pacific Heights	875	814	813	1,332	2,291	2,070	3,710	1,016	1,072
Pleasant-Ville	34	57	48	130	222	184	302	69	72
Trendsetters	286	252	139	136	437	259	370	71	128
Urban Chic	64	67	26	64	87	135	92	66	84
Wealthy Seaboard Suburbs	11	15	13	53	26	89	46	13	18
Grand Total	1,502	1,596	1,438	2,221	3,702	3,041	4,896	1,372	1,439

Diversity index by segment



► Diversity index is the probability of two or more people being from different racial or ethnic backgrounds

Race and Hispanic ethnicity distribution by segment

Segment	White	Black	Asian	All Other Races
International Marketplace	3,612	254	1,307	3,900
Las Casas	510	14	60	684
Pacific Heights	13,790	971	20,302	7,969
Pleasant-Ville	1,833	66	794	540
Trendsetters	1,613	135	2,144	1,200
Urban Chic	993	34	365	650
Wealthy Seaboard Suburb	438	9	191	222
Grand Total	22,789	1,483	25,163	15,165

Segment	Hispanic Ethnicity	Share by Segment	Total Population	Share by Population
International Marketplace	6,186	68.2%	9,073	9.6%
Las Casas	1,100	86.8%	1,268	1.7%
Pacific Heights	10,712	24.9%	43,032	16.6%
Pleasant-Ville	902	27.9%	3,233	1.4%
Trendsetters	1,630	32.0%	5,092	2.5%
Urban Chic	887	43.4%	2,042	1.4%
Wealthy Seaboard Suburbs	289	33.6%	860	0.4%
Grand Total	21,706		64,600	33.6%



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Market Segmentation Planning Workshops

August 11 and 12, 2015

4.0 Segment Descriptions

File name: Segment Descriptions.pdf

Tapestry Segment: International Marketplace

Segment Name: International Marketplace

LifeMode Summary Group: L8 Global Roots

Connect With Me:

Automated phone messages

Coupon packets

Fliers at community locations, including family dining establishments

Radio advertising, especially local language stations

Text messages

TV advertising

About Me: Demographic

Located primarily in cities in “gateway” states on both US coasts, International Marketplace neighborhoods are developing urban markets with a rich blend of cultures and household types. The national population is young, with a median age of 32 years. Nationally, approximately 70 percent of the households are families; 44 percent are married couples with children and single parents. The national average family size is 3.7. International Marketplace is the second most diverse of the Tapestry segments. Nationally, more than half of the total population is Hispanic; 11.6 percent is Asian, and 7 percent is of two or more races. A high proportion of immigrants, including recent arrivals, live in these neighborhoods.

About Me: Socioeconomic

Nationally, a fifth of International Marketplace households has one or more persons who has difficulty speaking English. Residents who work have jobs in the manufacturing, retail trade, health care, and other services industry sectors. Nationally, 82 percent of the households earn income from wages; some receive Supplemental Security Income or public assistance. The national median household income is \$42,725. College and graduate school enrollment is similar to the US average; educational attainment levels are below the US level.

About Me: Residential

These densely settled, older urban neighborhoods are found in California and the northeast, around the largest US cities such as New York City and Los Angeles. Nationally, a typical family rents an apartment in an older, multiunit building; because renters are dominant, home ownership is only 30 percent. Nationally, most housing is in the

My Preferences

Because family is a top priority, “home and hearth” products aren’t important to these folks. They buy groceries, diapers, and children’s clothes. They keep in touch with overseas relatives by long-distance calls or traveling to visit. They shop at Marshalls and Costco. Their favorite drug store is Rite Aid. They pop in to 7-Eleven or am/pm for quick purchases such as a gallon of milk.

They watch TV and listen to Hispanic, urban, and contemporary radio instead of reading newspapers and magazines. They drink domestic or imported beer. They show no brand preference between foreign or domestic cars.

Tapestry Segment: Las Casas

Connect With Me:

Automated phone messages

Coupon packets

Fliers at community locations, including family dining establishments

Radio advertising, especially local language stations

Text messages

TV advertising

Segment Name: Las Casas

LifeMode Summary Group: L8 Global Roots

About Me: Demographic

Las Casas residents are the latest wave of western "pioneers." Nearly half were born outside the United States; nationally, 84 percent are Hispanic. Nationally, these households are dominated by families, mainly married couples with children (42 percent) and single-parent families (21 percent). The national median age is 27.7 years; approximately 50 percent are younger than age 30. The national average household size of 4.32 is the highest of the Tapestry segments.

About Me: Socioeconomic

The national median household income is \$35,867. Most households derive their income from wages and salaries; some receive Supplemental Security Income or public assistance income. The service and manufacturing industry sectors provide most of the jobs for these residents. Many work part-time. Educational attainment levels are much lower than national levels. Nationally, 52 percent of the population aged 25-plus haven't graduated from high school; only 23 percent have attended college.

About Me: Residential

Las Casas neighborhoods are located primarily in California. Nationally, six in ten households rent. There is strong demand for housing in these neighborhoods; vacancy rates are lower than average. Housing is a mix of older apartment buildings, single-family dwellings, and townhomes. Nationally, most of the housing units were built before 1970.

My Preferences

The large size of Las Casas households limits their discretionary income. The presence of children influences their spending habits. They live modest lifestyles. Many drive older vehicles. This is a strong market for purchases of baby and children's products. They typically shop for groceries at Ralphs, Vons, and the am/pm convenience store. They eat fast food at Carl's Jr., Del Taco, or Jack in the Box. Improving or remodeling their homes isn't important to them.

Typically, households own one TV set and do not subscribe to cable. They watch daytime or sports programs on TV, particularly soccer and weight lifting. Hispanic radio is, by far, their favorite radio format; however, they also listen to variety and contemporary hit radio programs. They play soccer and baseball or go to the movies.

Tapestry Segment: Pacific Heights

Connect With Me:

Automated phone messages

Direct mail

E-mail

Fliers at community locations

Monthly magazine mailed to my home

Newspaper advertising

Other social media (e.g., Facebook and Twitter)

Professional social networking sites (e.g., LinkedIn)

RSS feeds

Radio advertising

Text messages

TV advertising

YouTube videos

Segment Name: Pacific Heights

LifeMode Summary Group: L2 Upscale Avenues

About Me: Demographic

Upscale neighborhoods in Pacific coastal cities best describe Pacific Heights. More than three fourths of the households include families, primarily married couples with or without children. The average family size for this market is 3.61. Less than 1 percent of US households, this segment has the highest percentages of Asian and Pacific Islander populations. The median age is 39.8 years.

About Me: Socioeconomic

At 60.6 percent, labor force participation is slightly below the national average, as is unemployment, at 10.5 percent. Most Pacific Heights households include more than one worker. The median household income is \$78,595. Education remains a priority for these first- and second-generation Americans. More than 60 percent of the residents aged 25 years and older have attended college; more than one in three hold a bachelor's or graduate degree. College and graduate school enrollment is slightly higher than the national average. Most households earn income from wages or salaries; 44 percent receive income from investments.

About Me: Residential

Pacific Heights households are found in the highest districts of California and Hawaii. The home ownership rate is 68 percent. Residents prefer single-family homes or townhomes. Most live in densely populated urban centers near their jobs in homes built before 1980.

My Preferences

Pacific Heights residents keep in touch with family living overseas; they call frequently and travel abroad to visit. Residents will usually go to Las Vegas or visit Disneyland during the year. They read mystery books and listen to music on their MP3 players. They also rent foreign films, movies, comedies, and dramas on DVD to watch on their giant-screen TVs. Their favorite TV shows are detective dramas. They read general editorial and entertainment magazines. They listen to contemporary hit, adult contemporary, all-news, or urban radio, usually during their commutes. Baseball is their favorite sport to watch, listen to, and play.

To keep their homes looking first-rate, Pacific Heights residents spend for home improvement and remodeling projects. Most households own an imported vehicle, usually a Toyota or Honda that they will drive for several years. They belong to an auto club and rent cars when they travel. They shop regularly at Wal-Mart, Target, JCPenney, and wholesalers for essentials but will also often shop at upscale retailers. These residents are health conscious; they take vitamins and exercise regularly at a health club. When grocery shopping, they buy organic, low-sodium, and low cholesterol products. They eat nutrition bars as a healthy snack.

Tapestry Segment: Pleasant-Ville

Segment Name: Pleasant-Ville

LifeMode Summary Group: L2 Upscale Avenues

Connect With Me:

Automated phone messages

Direct mail

E-mail

Fliers at community locations

Monthly magazine mailed to my home

Newspaper advertising

Other social media (e.g., Facebook and Twitter)

Professional social networking sites (e.g., LinkedIn)

RSS feeds

Radio advertising

Text messages

TV advertising

YouTube videos

About Me: Demographic

Prosperous domesticity distinguishes the settled lives of Pleasant-Ville residents. Families, especially middle-aged married couples, characterize Pleasant-Ville neighborhoods. Nationally, the average family size is 3.3; nearly 40 percent of the households include children. Nationally, 13 percent of the households have adult children. The national median age of 40.5 years is slightly older than the US median of 37.2 years. The diversity index of 60 for the Pleasant-Ville population is slightly below the US figure of 61.

About Me: Socioeconomic

Prosperous domesticity distinguishes the settled lives of Pleasant-Ville neighborhoods. Among Tapestry Segmentation's upscale segments, these residents have a national median household income of \$76,642. Employed residents work in a variety of occupations in diverse industry sectors, similar to the US distributions. Nationally, approximately one in five households receives retirement income, a ratio that is expected to increase. Nationally, 44 percent of households earn additional income from interest, dividends, or rental properties.

About Me: Residential

Residents of Pleasant-Ville neighborhoods live in single-family homes; nationally, nearly half were built between 1950 and 1970. Because these neighborhoods are concentrated in the Northeast and California, home values increased dramatically in this decade, but have begun to decline. These settled residents enjoy where they live; nationally, two-thirds have lived in the same house since 1995, when they bought their homes

for much lower prices. Despite the fluctuation in value, home ownership remains high at 82 percent nationally. To maintain their comfortable lifestyle, 12 percent, nationally, commute an hour or more to work. Transportation is important; nationally, two-thirds maintain two or more vehicles.

My Preferences

Because older homes require maintenance and renovation, home improvement projects are a priority in Pleasant-Ville neighborhoods. Not do-it-yourselfers, residents hire contractors for remodeling projects; however, they would probably do their own yard work instead of hiring a lawn service. They shop at warehouse stores for value and use coupons for discounts. For more upscale items, they shop at department stores. Those who are union members contract for health insurance through the union.

Pleasant-Ville residents spend time with their families, dine out, play cards and board games, attend baseball games, and visit theme parks. They take sightseeing vacations and beach trips in the United States or cruise to foreign ports. They own and use older PCs to shop online for small items, check e-mail, and read the news.

These residents listen to contemporary hit, all-news, all-talk, and sports radio, particularly during their commute times. The sports fanatics listen to ball games on the radio and watch a variety of major sports on TV. For exercise, they usually work out on the treadmill at home, walk, and swim. To keep abreast of current events, they would probably read two or more daily newspapers.

Tapestry Segment: Trendsetters

Segment Name: Trendsetters

LifeMode Summary Group: L4 Solo Acts

Connect With Me:

Automated phone messages

Direct mail

E-mail

Fliers at community locations

Monthly magazine mailed to my home

Newspaper advertising

Other social media (e.g., Facebook and Twitter)

Professional social networking sites (e.g., LinkedIn)

RSS feeds

Radio advertising

Text messages

TV advertising

YouTube videos

About Me: Demographic

On the cutting edge of urban style, Trendsetters residents are young, diverse, and mobile. More than half the national households are singles who live alone or share the rent with a roommate. Families comprise the remainder. With a national median age of 34.8 years, this segment is slightly younger than the US median. Ethnically diverse, nationally, 13.7 percent of the residents are Asian and 23 percent are Hispanic; both percentages are well above those of the United States.

About Me: Socioeconomic

These residents are educated professionals who work in substantive jobs. Nationally, 18 percent of the residents who are aged 25 years and older hold a graduate degree, 30 percent have earned a bachelor's degree, and 72 percent have attended college. The national median household income is \$53,423. Wages account for most of the earned income; however, other sources include interest, dividends, rental properties, and self-employment business ventures.

About Me: Residential

Seventy-five percent of these neighborhoods are located on the West Coast; the other 25 percent are in the Northeast. Not ready for homeowner responsibilities, nationally, sixty-eight percent rent apartments in upscale, multiunit settlements in older urban districts. The national average gross rent is one-third higher than the US average. Single-family homes and townhouses comprise the remainder of the housing types. Most of the housing was built before 1960. Because public transportation is so readily available, nationally, 18 percent of the households don't own a vehicle.

My Preferences

Trendsetters residents are spenders; they shop in stores, online, and by phone. Fashion-conscious residents buy essentials at discount warehouse stores and branded clothing from stores such as Banana Republic, Gap, Nordstrom, and Macy's. To stay current on trends, they read fashion and epicurean magazines. They listen to classical, alternative music, public, and all-news radio. They are politically liberal.

To keep in touch, Trendsetters residents are never far from their electronic gadgets and computers. They own the latest and greatest laptop computers, PDAs, and iPods. They go online frequently to shop, make travel reservations, research real estate or investment information, and watch videos. Many young residents are beginning to invest, especially in bonds or CDs.

Health-conscious residents buy natural/organic foods, take vitamins, and exercise regularly. They go downhill skiing and practice yoga. They also travel, go to the movies, attend rock concerts, and read—especially nonfiction and biographies. When they watch TV, they prefer movie channels or MTV.

Tapestry Segment: Urban Chic

Segment Name: Urban Chic

LifeMode Summary Group: L2 Upscale Avenues

Connect With Me:

Automated phone messages

Direct mail

E-mail

Fliers at community locations

Monthly magazine mailed to my home

Newspaper advertising

Other social media (e.g., Facebook and Twitter)

Professional social networking sites (e.g., LinkedIn)

RSS feeds

Radio advertising

Text messages

TV advertising

YouTube videos

About Me: Demographic

Urban Chic residents are professionals who live a sophisticated, exclusive lifestyle. More than half of these households are married-couple families, similar to the US proportion. Nationally, fewer than half of them have children. Unlike the United States, there is a smaller proportion of single parents and a higher proportion of singles and shared households. The national median age of 42.7 years is older than the US median of 37 years, while the diversity index of 48 is lower than the US figure of 61.

About Me: Socioeconomic

Their national median household income is \$82,524. They are well-educated; nationally, more than half of residents aged 25 years and 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 the scientific and technical services, educational services, and health care industry sectors. Nationally, 20 percent of these households earn income from self-employment ventures; 55 percent receive additional income from investments.

About Me: Residential

Major concentrations of Urban Chic neighborhoods are found in urban areas on the northern and southern California coasts and along the east coast. These neighborhoods parallel the United States for housing type and home ownership. Homes range in age from pre-World War II to post-2000, and types from high-rises to single-family houses. Nationally, 63 percent of the housing is single-family; 27 percent is apartments in multiunit buildings. The national rate of home ownership is 65 percent.

My Preferences

Urban Chic residents focus more on their lifestyle than ambience. They travel extensively, visit museums, attend dance performances, shop at upscale stores, and do volunteer work. To stay fit, they downhill ski; go backpacking, hiking, and biking; practice yoga; do aerobics; play tennis; and lift weights. They buy natural or organic food and take a multitude of vitamins and dietary supplements. They drink imported wine and truly appreciate a good cup of coffee.

These busy, tech-savvy residents use PCs extensively. This is a top segment to own an Apple computer. They go online to arrange travel; get the latest news; check their investment portfolios; trade stocks; and buy books, clothes, flowers, and tickets to concerts and sports events. Nationally, they use credit cards, often charging more than \$700 a month. They also own shares in stocks, tax-exempt funds, mutual funds, and money market funds. They will occasionally use a financial planner or brokerage firm.

Urban Chic is one of Tapestry Segmentation's top segments for radio listening; these residents tune in to classical music, all-talk, and public radio. They are also avid readers of newspapers; books; and general editorial, news and entertainment, business, and home service magazines. They seldom watch TV; however, their favorite channels broadcast news programs and documentaries.

Tapestry Segment: Wealthy Seaboard Suburbs

Segment Name: Wealthy Seaboard Suburbs **LifeMode Summary Group: L1 High Society**

Connect With Me:

Automated phone messages

Direct mail

E-mail

Fliers at community locations

Monthly magazine mailed to my home

Newspaper advertising

Other social media (e.g., Facebook and Twitter)

Professional social networking sites (e.g., LinkedIn)

RSS feeds

Radio advertising

Text messages

TV advertising

YouTube videos

About Me: Demographic

Wealthy Seaboard Suburbs are older, established, affluent neighborhoods characteristic of US coastal metropolitan areas. Two-thirds of the population aged 15+ years is married; more than half of the married couples have no children. The median age is 42.9 years. Ethnic diversity is low; most residents are white.

About Me: Socioeconomic

Wealthy Seaboard Suburbs neighborhoods are affluent; the median household income is \$98,031. Income is derived from a variety of sources; approximately 60 percent of the households receive supplemental income from interest, dividends, and rental properties; 23 percent collect retirement income. More than half of those who work hold professional or management positions.

About Me: Socioeconomic

Wealthy Seaboard Suburbs neighborhoods are located primarily along the California, New York, New Jersey, and New England coasts. Three-fourths of the housing units were built before 1970. Single-family structures comprise 87.9 percent of the households. Slow to change, Wealthy Seaboard Suburbs homeowners are the least likely to have moved in the last five years. This segment ranks in the top five for residents who commute out of state to work.

My Preferences

Not do-it-yourselfers, these residents hire lawn and maintenance services to care for their property and contractors to remodel their homes. The top market for remodeling expenditures, this

segment spends more than \$5,000 a year on home improvements. A typical resident holds a home equity line of credit, holds life insurance policies worth \$500,000 or more, uses a brokerage firm, owns stocks, and donates to charities or nonprofits. They love to shop, especially at Macy's, Nordstrom, and warehouse stores. They also shop online and by phone from high-end catalogs. They drink coffee at home and on the road. They shop for milk and coffee at convenience stores, grind their own coffee beans, and visit coffee houses as well as Dunkin' Donuts and Starbucks.

Wealthy Seaboard Suburbs residents take nice vacations such as all-inclusive international packages, cruises, and beach trips in the United States or abroad. They also go to Las Vegas and Atlantic City. They go saltwater fishing, skiing, and ice skating and attend the theater. They read two or more daily newspapers; biographies; and epicurean, travel, business, and finance magazines. They listen to classical music, jazz, all-news, and sports radio programs. Cable movie channels are favorites, but residents will watch one or two drama series shows each week. This is a top segment for watching home shopping channels.



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Market Segmentation Planning Workshops

August 11 and 12, 2015

5.0 Frequently Asked Questions

File name: FAQ.pdf

What is Tapestry market segmentation?

Introduction

A cornerstone of success for a public library is a thorough knowledge of its existing and prospective customers. Market segmentation is an empirically-based method that accurately characterizes populations and neighborhoods.

What is market segmentation?

Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes—“like seeks like.” These behaviors can be measured, predicted, and targeted. Esri’s Tapestry Segmentation system combines the “who” of lifestyle demography with the “where” of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses—distinct behavioral market segments.

How are segments created?

Tapestry classifies all U.S. census block groups into one of 65 distinct market segments. Denver has 46 segments. Block groups with the most similar characteristics are grouped together in a segment, while block groups with divergent characteristics are made in separate segments.

The key to developing a powerful market segmentation system lies in the selection of the variables used to classify consumers. U.S. consumer markets are multidimensional and diverse. Using a large, well-selected array of attributes captures this diversity with the most powerful data available. Data sources include Census 2010 data; Esri’s Updated Demographics; and consumer surveys such as the Survey of the American Consumer from GfK MRI, to capture the subtlety and vibrancy of the US marketplace.

Tapestry combines the traditional and latest data mining techniques to provide a robust and compelling segmentation of US neighborhoods. Esri developed and incorporated the data mining techniques to complement and strengthen traditional methods to work with large geodemographic databases. Robust methods are less susceptible to extreme values, or outliers, and are therefore crucial to small-area analysis. Complementary use of data mining techniques and implementation of robust methods enhance the effectiveness of traditional statistical methodology in developing Tapestry Segmentation.

What verification steps are taken?

Verification procedures follow the creation of the segments to ensure their stability and validity. Replicating the segments with independent samples confirms stability. Validity is checked through the use of characteristics not used to generate the segments. Linking the Tapestry segmentation system to the latest consumer survey data is the critical test. A market segmentation system must be able to distinguish consumer behavior—spending patterns and lifestyle choices—as expected.

How can Tapestry be used by our library?

Market segmentation helps libraries answer the questions: who are we serving and not serving? Are there any surprises? What are the service implications of these findings with respect to marketing campaigns, customer development, collection development, program development, partnerships, use of existing facilities, staff alignment, election campaigns, customer loyalty programs, media relations, siting new facilities, and building public awareness, among others.

Library segmentation data reveals the demographic, lifestyle, and interest preferences of the library's customers. If a library knows who its customers are, it can better respond to their needs and improve communications, products, and services. Market segmentation can add tremendous value to a public library especially in terms of collection development, outreach and advocacy, patron development campaigns, and development of library services to meet local and unique community needs from teen programs to literacy.

What is CommunityConnect?

CommunityConnect is a software-as-a-service application from CIVICTechnologies that uses data and maps to understand customers, neighborhoods and service areas, and community conditions that impact library service strategies. CommunityConnect will be employed by the Library either during or at the conclusion of the strategic planning process.

What is Current Year Estimate (CYE) of population?

Current year estimates (CYE) of population are an annual population update. This update is usually issued by our data provider in July for the previous calendar year. Example: CYE 2014 is for the calendar year 2013; CYE 2015 will be for calendar year 2014. The CYE is based upon the U.S. Census Bureau's CYE. The Census CYE is released for counties and metro areas. Our data provider takes that data and using proprietary methodologies applies it to smaller geographical units like the census block group.

Can we collect other library data such as program attendance, database usage, computer usage, and gate count?

These other data sets will eventually be provided including program attendance, summer reading participation, computer usage, database usage, e books, e audio books, and others.

Does Tapestry provide more information about children and teens?

Tapestry provides information about families and households, providing substantial quantitative and qualitative data on context in which young people live. Demographic and socio-economic data, like population by age and population by race or ethnicity, provides detailed data on children and teens. Using Tapestry data to understand the demographic and socio-economic context which condition children across age ranges is instrumental to understanding their needs, interests, and concerns and in turn developing relevant services.

Are population, customer, and checkout data calculated in terms of the branch or the service area?

Libraries usually calculate data, such as the number of customers or checkouts, by the branch the customer frequents or is registered at, or at which they check out items.

We use a different approach. We calculate customer and checkout data in terms of the branch service area in which the customer lives. This approach to measuring things isn't comparable with the traditional way libraries measure things by branch. Our numbers are therefore going to be different because the methods are different.

We calculate the number of customers and their library use behavior by the census block group they live in (everyone in the U.S. lives in one census block group, which is the smallest geographical area for which there is valid Census sample survey data). We assign a set of block groups to each outlet and call that the outlet service area. There is one service area for each outlet, and the service area is named for the outlet. The data for a given outlet service area derives from the customers that live in the block groups that configure that outlet service area.

Here's an example. Let's say that the Lincoln Service Area has 10 block groups in it. Those block groups each have a unique number of people in each of them. Let's say that in total, those block groups add up to a total of 5,001 people. In this case, the Lincoln Service Area has a total population of 5,001 people.

We do a similar thing counting customers. We count the number of customers in the block groups that comprise the Lincoln Service Area. So, let's say that a total of 2,500 customers live in those blocks groups. They are counted as the number of customers in the Lincoln Service Area.

With respect to checkouts, we count the number of checkouts from customers who live in the service area block groups regardless of which branch an item is checked out from. So, if the 2,500 customers living in the Lincoln Service Area have a total of 10,111 checkouts, ALL of those 10,111 checkouts are credited to the Lincoln Service Area regardless of which branch they are checked out from. Those 10,111 checkouts are not necessarily from the Lincoln Branch, but they are from people who live in block groups that comprise the Lincoln Service Area.

What is the definition of Market Share and Market Potential?

Market Share

Market Share is the percent of population that are library cardholders (customers). Market Share is the inverse of Market Potential. Market Share and Market Potential always add to 100% of the population.

Example 1: Let's say there are 4,000 people in a census block group of which 2,400 people are customers. The Market Share of that census block group is 60.0 percent ($2,400 / 4,000$).

Example 2: Let's say there are 2,550 people in Inner City Tenants segment of which 1,350 people are customers. The Market Share of this segment is 52.9 percent ($1,350 / 2,550$).

Example 3: Let's say there are 23,000 people in a service area of which 12,500 people are customers. The Market Share of this service area is 54.4 percent ($12,500 / 23,000$).

Market Potential

Market Potential is the percent of population that are NOT library cardholders (non-cardholders or non customers). Market Potential is the inverse of Market Share. Market Share and Market Potential always add to 100% of the population.

Example 1: Let's say there are 4,000 people in a census block group of which 1,600 people are non customers. The Market Potential of that census block group is 40.0 percent ($1,600 / 4,000$).

Example 2: Let's say there are 2,550 people in Inner City Tenants of which 1,200 people are non customers. The Market Potential of this segment is 47.1 percent ($1,200 / 2,550$).

Example 3: Let's say there are 23,000 people in a service area of which 10,500 people are non customers. The Market Potential of this service area is 45.6 percent ($10,500 / 23,000$).

What is the definition of Customer Potential?

Customer Potential

Customer Potential is an index and is commonly referred to as a relative strength measure. Customer Potential identifies the segment, census block group, or service area 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 customer growth potential.

Generally, Customer Potential is calculated as the product of the population share (of a segment or block group or service area) times the Market Potential of that same segment or block group or service area. The formula for calculating Customer Potential is generally:

Formula: $((\text{local population} / \text{total population}) * (\text{non-customers} / \text{total population})) * 1,000$.

Notes

Local population = the population of the segment, block group or service area

Total population = the total population of the city

Non-customers = total population minus customers

Example: Let's take the segment "Metropolitans" in a given city. There are 91,264 population, 38,974 customers, and 52,290 non-customers. And, the total city population is 621,845.

Formula: $((91,264 / 621,845) * (52,290 / 621,845)) * 1,000 = 62.7$

What is the definition of Average Checkouts per Customer and Average Checkouts per Capita?

Average Checkouts per Customer

For a given area (e.g., jurisdiction, service area, block groups, or segment), the total number of checkouts in that area divided by the number of patrons in that same area.

Formula: Checkouts / customers

Example: Let's say there are 10,206 people in the Aspiring Young Families segment of which 3,885 are customers; they made 53,680 checkouts. The Average Checkouts per customer are 13.82.

Average Checkouts per capita

For a given area (e.g., jurisdiction, service area, block groups, or segment), the total number of checkouts in that area divided by the number of people who live in the same area.

Formula: Checkouts / population

Example: Let's say there are 10,206 people in the Aspiring Young Families segment of which 3,885 are customers; they made 53,680 checkouts. The Average Checkouts per Capita are 5.26.