

# Background

**CIVIC**Technologies

[civictechnologies.com](http://civictechnologies.com)

Toll free: 888.606.7600

*“Half the money I spend on advertising is wasted. The trouble is I don’t know which half.”*

-- John Wanamaker

# Moving public libraries to a demand based approach

Libraries have historically taken a supply based approach

Using data and online software tools, we are helping libraries move to a demand based approach

Demand based is market oriented and customer driven

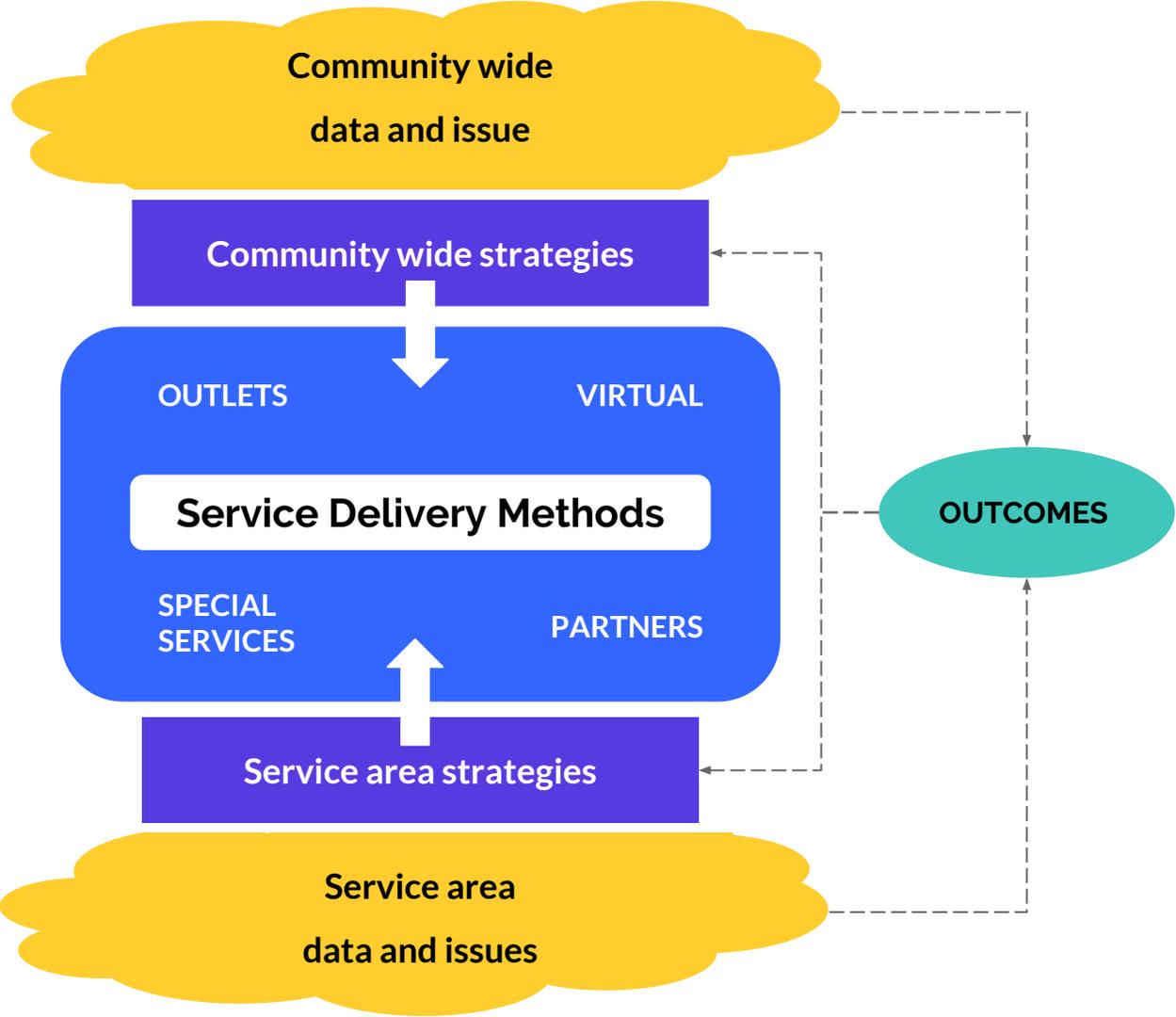
**Customer driven = tailoring services for your customer's needs, interests, and concerns**

We take a page out of the private sector book

# Four components of a customer driven approach



# We take a top down and bottom up approach



# We start by asking three questions

*...this is a really good place to start...*

1. Who are we serving and not serving?
2. Are there any surprises?
3. What are the service implications with respect to eight domains of service?

Customer relationship management

Checkouts and collection development

Programs

Staff alignment

Use of facilities

Marketing and communications

Partnerships

Consumer technologies

# Data rules

*We use three types of data*

1. LIBRARY DATA
2. SEGMENTATION DATA
3. LOCAL DATA

# 1 Library data

Pull data from your ILS and other internal sources

Customers

Checkouts (physical and electronic)

Other data...summer reading, program attendance, computer use, database use, and more)

Checkouts and other usage data are attributes of the customer

Geocode customer location -- an address becomes a latitude and longitude

Data is available at the household level

Data is aggregated by block group and service area to protect individual privacy

# About block groups

Smaller than tracts

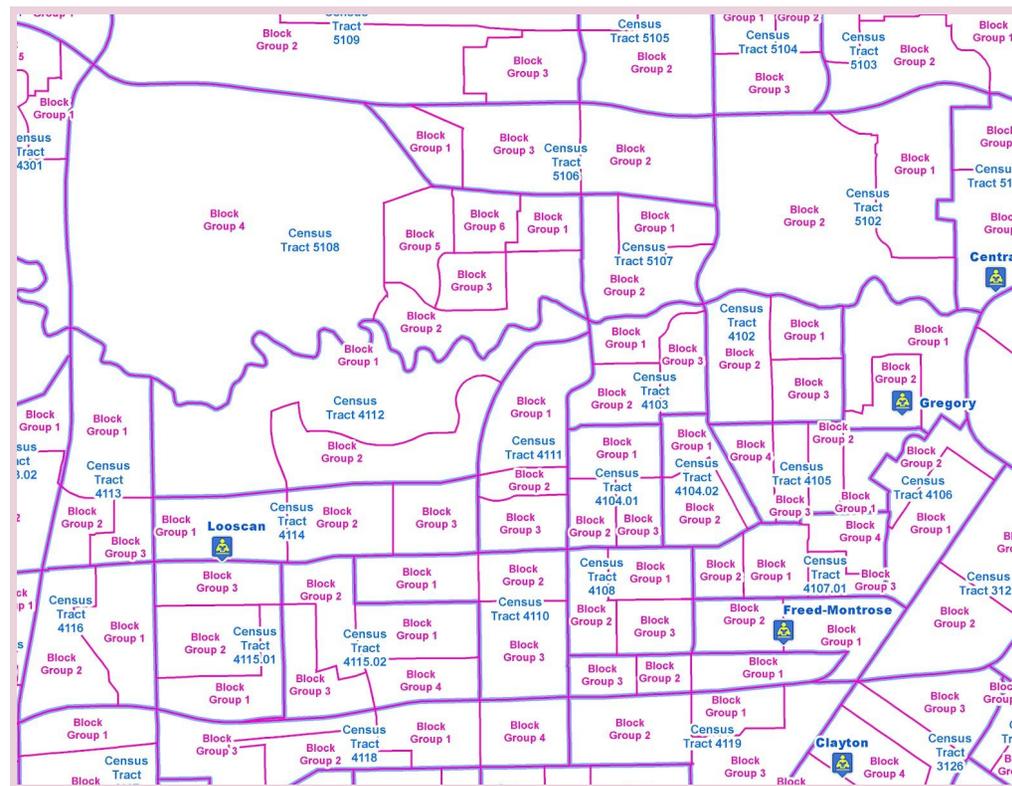
Smallest level for Census statistically valid  
sample survey data

Smallest level to use segmentation data

Consistency between Census and segment data

Don't necessarily align with city boundaries

Size and shape varies to balance population  
within the tract



# About service areas

One service area per outlet

Covers the entire population and geography

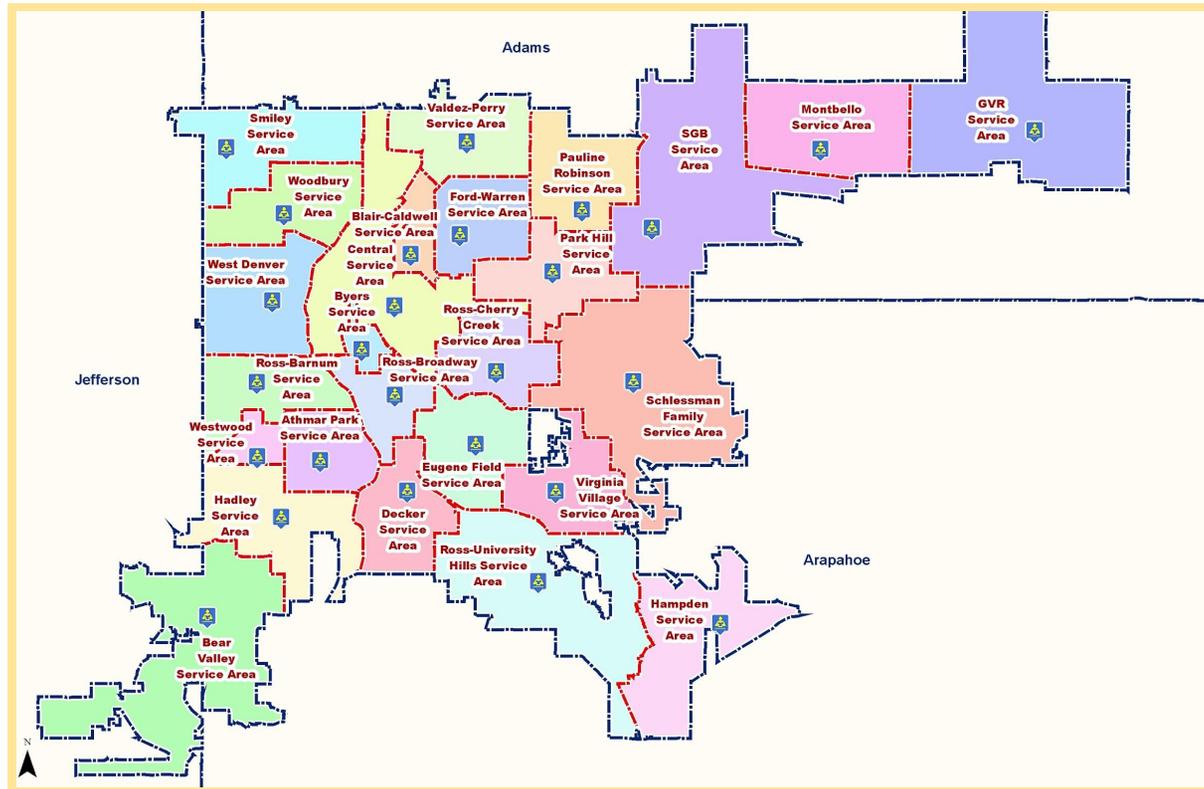
Comprised of block groups

Boundaries set by library administration

Takes into account cultural features, natural and built boundaries, topography and landform, travel patterns, and so forth

Measurement tool

Doesn't prescribe user behavior



# 2

## Segmentation data

*Market segmentation is a model of reality*

Market segmentation is the categorization of existing or potential customers into groups based upon common characteristics such as age, gender, income, and geography or other attributes relating to consumption behavior

Data sources include U.S. Census Bureau, STI demographic updates and projections, real estate transactions and housing starts, and consumer market surveys

Methodology combines factor analysis, recursive partitioning, and data mining techniques

*Who are our best customers?*

*What are they like?*

*How do we communicate with them?*

*Where can we find more like them?*

# Market segmentation discerns the difference between how people appear vs how they behave

## How people look

## How people act

	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 delivery services	Convenience shopper Prefers organic foods Doesn't enjoy cooking

# Important things about segmentation

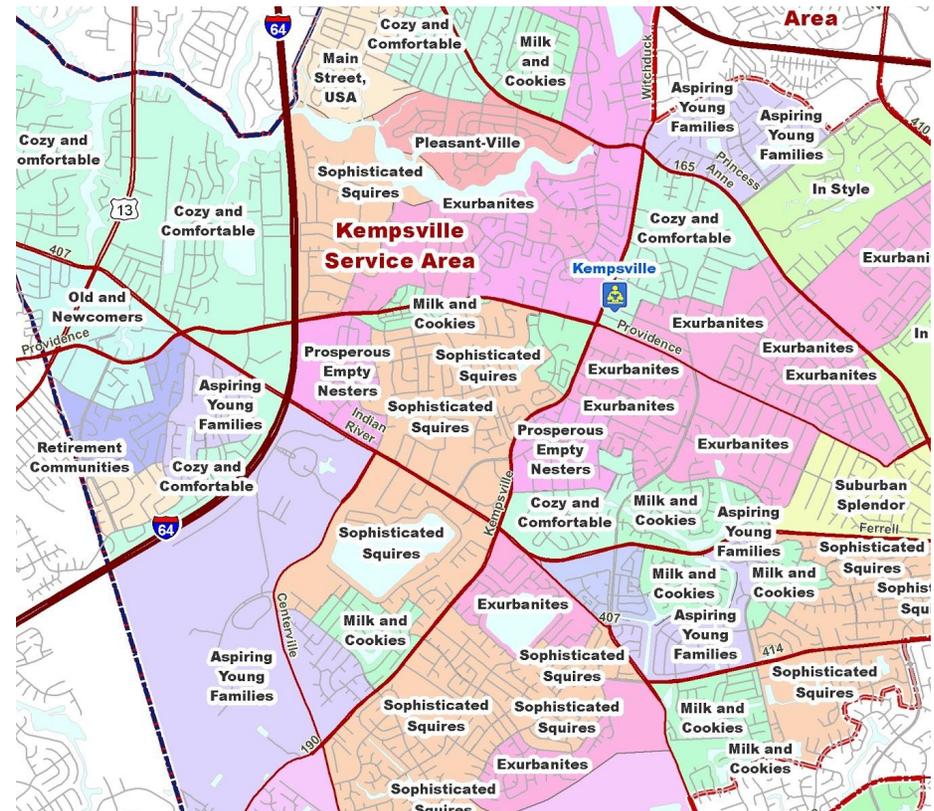
Remember -- segmentation is a model of reality

Market segmentation strives to balance between similarities and differences

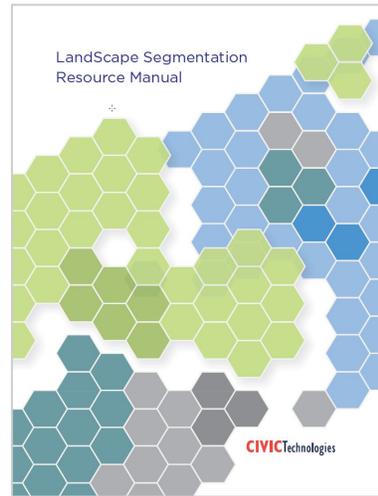
For each block group there is one dominant segment and one subdominant segment

Even when people live in the block group who don't fit the dominant profile, they still share most of data points (age, income, race/ethnicity, etc.)

There will always be pockets of people who don't match up to the dominant segment (e. g., assisted living facility of 100 people in a block group of 1,500 people)



# LandScape segmentation system by STI



*STI's data is used by companies from a wide range of industries: retail, real estate, healthcare, telecom, utilities, and finance. As diverse as they are, customers share one common denominator: they all want to make more informed, accurate, and profitable business decisions.*

*Clients include Kroger, Walgreens, Family Dollar, Del Taco, Crosland, Centris, and many others.*

***72 segments are organized into 15 groups***

*Some subset of these segments are in your library's jurisdiction*

# LandScape Groups and Segments Overview

## LandScape's 15 Groups and 72 Segments

**A**

### Crème de la Crème

Urban neighborhoods with residents that measure far above average in all traditional classifications, including income and education.

- A1 Empire Builders
- A2 Grand Masters
- A3 Marquis Class
- A4 American Knights
- A5 Urban Squires
- A6 Regents

**B**

### Urban Cliff Climbers

Urban neighborhoods with residents that represent the definitive "working class," and are young and in pursuit of their individual American dreams.

- B1 Charmed Life
- B2 Sitting Pretty
- B3 Kindred Spirits
- B4 Middle of the Road
- B5 White-Collar Status
- B6 Blue-Collar Starts

**C**

### Urban Cliff Dwellers

Urban neighborhoods with 30-somethings pursuing a comfortable, classically American, working-class lifestyle.

- C1 Social Whirls
- C2 Managing Business
- C3 Nest Builders
- C4 Gainfully Employed
- C5 Strapped

**D**

### Seasoned Urban Dwellers

Urban neighborhoods predominately home to working-class, mid-to-late-40-somethings, plus a high percent of residents who are 65-plus.

- D1 Gray Eminence
- D2 Fall Years
- D3 Still in the Game

# Urban Cliff Climbers

Urban neighborhoods with residents that represent the definitive “working class,” and are young and in pursuit of their individual American dreams.

## Defining Characteristics

Median Age  
**20s/low 30s**

Urbanization  
**Urban**

Family Status  
**Married**

## Segments

### **B1** Charmed Life

The Charmed Life segment represents young, married families with children, working in white-collar jobs, solidly middle class.

### **B2** Sitting Pretty

Sitting Pretty are young, married families, some with children, working in white-collar jobs enjoying good income levels.

### **B3** Kindred Spirits

Kindred Spirits share similarities with other Urban Cliff Climbers—young, married with children. They are middle class, earning a little less than similar segments.

### **B4** Middle of the Road

Middle of the Road residents are young, married with children, working in blue-collar occupations.

### **B5** White-Collar Status

The White-Collar Status segment is made up of young people, married with children, working in white-collar occupations with room for advancement.

### **B6** Blue-Collar Starts

Blue-Collar Starts are young singles, some with children, struggling financially in blue-collar positions.

## Family Status, Age, and Location

Segment Name	Urbanization	Marriage	Children	Median Age
<i>Charmed Life</i>	Urban	Married	Most households have children	20s/low 30s
<i>Sitting Pretty</i>	Urban	Married	Children present, very small families	20s/low 30s
<i>Kindred Spirits</i>	Urban	Married	Children present, very small families	20s/low 30s
<i>Middle of the Road</i>	Urban	Married	Children present, very small families	20s/low 30s
<i>White-Collar Status</i>	Urban	Married	Children present, very small families	20s/low 30s
<i>Blue-Collar Starts</i>	Urban	Married	Children present, very small families	20s/low 30s

## Education and Occupation

Segment Name	Education	Occupation
<i>Charmed Life</i>	Some college, many with a 4-year or 2-year degree	White collar
<i>Sitting Pretty</i>	Some college, many with a 4-year or 2-year degree	White collar
<i>Kindred Spirits</i>	Some college, many with a 4-year or 2-year degree	White collar
<i>Middle of the Road</i>	Vast majority have a high school degree	Blue collar
<i>White-Collar Status</i>	Vast majority have a high school degree	White collar
<i>Blue-Collar Starts</i>	Most have a high school degree	Blue collar

## Income

Segment Name	Employment Status	Other Assets	Household Income
<i>Charmed Life</i>	Majority are employed	Some income generating assets	\$50k - \$60k
<i>Sitting Pretty</i>	Majority are employed	None	\$50k - \$60k
<i>Kindred Spirits</i>	Majority are employed	None	\$30k - \$50k
<i>Middle of the Road</i>	Majority are employed	None	\$30k - \$50k
<i>White-Collar Status</i>	Majority are employed	Heavily dependent on Social Security or assistance	\$30k or less
<i>Blue-Collar Starts</i>	Majority are employed	Heavily dependent on Social Security or assistance	\$30k or less

## Demographic Overview

Good old America — where you don't have to be rich or have a college education to live a relatively good life. This truism fully characterizes residents of neighborhoods in the Urban Cliff Climbers category, which represent the definitive “working class” — where residents are still young and in pursuit of their individual dreams. Most of these citizens enjoy much of what American has to offer in terms of a comfortable middle-class urban lifestyle, without necessarily having college educations, although the majority of people have graduated from high school. While some may have gone to two-year or four-year college, others are just as likely to have attained their ability to earn a good income from on-the-job-training in a wide spectrum of the nation's middle-class, white- and blue-collar occupations.

Urban Cliff Climbers neighborhoods are home to 20- to 30-something residents whose income is generated mainly from wages and salaries. They are employed in a cross-section of America's white- and blue-collar professions, including management, protective services, sales, office administration, construction, maintenance, and healthcare. The income of residents living in these six segments also spans a wide range, from below \$30,000 to the \$60,000s. Some residents in the lower income levels may supplement their salaries with public assistance.

Besides their urban residence, the Urban Cliff Climbers segments share two other main qualities: They are married with some children under 13 years old. But that's where their similarities end. Although they are all in the same stage of life, each neighborhood segment has taken its own approach to life, making different educational and career choices — which also helps explain their diverse income levels.

While differences among the six Urban Cliff Climbers segments are most obvious in the area of income, other variations also occur including: Charmed Life, Sitting Pretty, and Kindred Spirits have more residents with some level of college education, while Blue-Collar Starts contain some residents without high school degrees. Four of the segments are home to a fair share of white-collar workers, but Middle of the Road and Blue-Collar Starts employ more blue-collar workers. Only one segment has any level of income from interest/dividends: Charmed Life. The two segments with median incomes below \$30,000 rely on some public assistance income to get by: White-Collar Status and Blue-Collar Starts.

## Preference Overview

While Urban Cliff Climbers share several demographic similarities, their differences are glaringly obvious once you start looking at their purchasing patterns. In fact, this six-segment category is divided evenly into two consumer types: the high-purchase-high-activity group and the low-purchase-low-activity group. The first group includes: Charmed Life (the biggest spenders), Sitting Pretty, and Kindred

Spirits. The second group includes: Middle of the Road, White-Collar Status, and Blue-Collar Starts.

### **B1 Charmed Life**

Among the three high-purchase-high-activity segments in this category, Charmed Life residents have the income and youth to enjoy life to the fullest, including many trips domestically and abroad, a wide range of computer equipment, a variety of home care projects, and participating in activities such as skiing and mountain biking.

### **B2 Sitting Pretty**

These segments enjoy above-the-national-average spending in many areas, including eating out at family restaurants, computer equipment and software, and watching or participating in sports.

### **B3 Kindred Spirits**

These segments have the time and energy to pursue a wide range of sports watching, attendance, and participation; buy computer equipment and surf the Internet; and maintain their homes and bodies with lots of physical activity.

### **B4 Middle of the Road**

Among the three low-purchase-low-activity segments in this category, Middle of the Road residents lean towards a convenient and sedentary lifestyle including: television watching, radio listening, and pre-packaged food consumption.

### **B5 White-Collar Status**

After long hours at work and little money, White-Collar Status high-ranking items are fast food, pre-packaged food, video games, and day-time television programs.

### **B6 Blue-Collar Starts**

Owing to their paycheck-to-paycheck economic status, Blue-Collar Starts segments does not rank highly on most items, including restaurants, groceries, travel, or home care.

Media selections are all over the map among Urban Cliff Climbers six segments, with few high-ranking similarities among the residents. For example, Charmed Life residents enjoy news websites, airline magazines, and sports radio. Sitting Pretty inhabitants lean towards news websites, classic TV programming, and religious radio stations. Kindred Spirits typically read parenting magazines, watch the military channel, and listen to country music radio stations.

Middle of the Road residents' media choices include: fishing and hunting magazines, Court TV, and current-hits radio stations. White-Collar Status' media choices are likely to be automotive magazines, the Nick at Nite channel, and urban radio stations. Blue-Collar Starts' preferences include the sci-fi channel and country radio.

Segment code

Group name and segment name

A1

### Crème de la Crème Empire Builders

#### Consumption Examples

##### Household

Espresso makers  
Scotch whiskey  
Imported tableware  
Convection ovens  
Housekeeping services

##### Personal Life

Personal computers  
Clothing: over \$2,000  
Dermatologist  
Vehicles: \$40,000+  
Charitable organizations

##### Leisure Activities

Country club memberships  
Museum visits  
Foreign travel: \$3,000 - \$6,000  
Downhill skiing  
Golf

##### Media Selections

2+ Sunday newspapers  
Airline magazines  
Golf channel  
Classical radio  
History books

Examples of common consumer choices

#### Demographic Overview

Empire Builders are the upper echelon segments of the nation's top-ranking urban neighborhood category — Crème de la Crème. These areas are home to the leading income earners in several categories, including management and professional salaries (for those who have to work), self-employment earnings, and interest/dividend proceeds. In fact, Empire Builders neighborhoods contain over two-times-the-national-average in white-collar professionals, two-times-the-average in self-employed business people, and two-times-the-average in interest/dividend income earners. All this adds up to a median annual income of \$90,000. With these credentials, it's no surprise these areas also home to three-times-the-average in educated adults.

Empire Builders residents tend to be in their 40s, but are also home to a slightly-above-average number of 65-plus-year-olds. Empire Builders neighborhoods are typically populated by traditional families who are married-with-children; although many of the families may have fewer children than the national norm.

#### Preference Overview

You are likely to find Empire Builders enjoying the fruits of their wealth in a range of activities, such as drinking espresso with friends, lounging in their hot tubs, skiing at resorts, visiting France or Italy, or hobnobbing at their local country clubs. Whatever they are doing, they are likely to be well dressed, based on their above-average consumption of big-ticket items such as suits and evening gowns. Indicators show they are likely to travel to their activities in high-end vehicles, while listening to classical music on the radio. As the wealthiest segment in the wealthiest category, Empire Builders enjoy one of the highest rates of investment in a wide range of securities. For example, they are nine-times more likely to invest over \$150,000 in a variety of stocks. They also regularly track their investments over the Internet, more often than not on their Apple computers. Their media selections tend to the highbrow, such as the BBC America channel, biographies, and public radio. Watching daytime television ranks exceptionally low with these active, well-heeled residents.

Narrative description

Median Age  
40s

Family Status  
Married

Household Income  
\$90k+

Urbanization  
Urban

Education  
College

Occupation  
White Collar

Key characteristics

**B1**

Urban Cliff Climbers

**Charmed Life****Consumption Examples****Household**

Automatic thermostats  
Water softeners  
Fireplaces  
Ceramic tile floors  
Hardwood floors

**Personal Life**

Clothing: \$2,000+  
Volkswagens  
Baby clothing  
Personal computers  
Vacation/weekend homes

**Leisure Activities**

Downhill skiing  
Mountain biking  
Bowling  
Backpacking/hiking  
Flew Delta domestic

**Media Selections**

CNET.com  
FOXnews.com  
Disney.com  
Sports radio  
Alternative radio

**Demographic Overview**

Married. 20- to 30-something-years-old. Children of all ages. Some college education. Incomes between \$50,000 and \$60,000. White-collar jobs in management, sales, and personal care industries. Based on these fundamental demographics, it's clear that the residents of Charmed Life neighborhood segments are a cross-section of young, working Americana. It's easy to imagine these neighborhoods filled with middle-class cars, toys, and home furnishings—all of the merchandise that helps keep commerce humming at a pleasant pace across the United States. Positioned at the high-end of the Urban Cliff Climbers category, Charmed Life areas are home to Norman Rockwell-esque family images—hard-working citizens, who are in the full swing of their children-rearing years: housing, schooling, and entertaining children ranging from babies to teenagers.

Median Age  
**20s/low 30s**

Family Status  
**Married**

Household Income  
**\$50k - \$60k**

Urbanization  
**Urban**

Education  
**Some College**

Occupation  
**White Collar**

**Preference Overview**

From traveling widely to playing video games at home, this Urban Cliff Climber segment is indeed living a charmed life. They are home to the biggest above-average spenders and most active segments in this category. They have the income and youth to enjoy life to the fullest, including affording many trips domestically and abroad, a wide range of computer equipment. Their above-the-national-average spending in many categories directly reflects these Charmed Life segments' higher-than-average earning capacity. Since they are also relatively young and in the prime of their lives, they are also above-the-national-average in many leisure activities—from flying kites, to visiting museums, to picnicking. Above-average purchases of business clothing speak to their white-collar-job status. Meanwhile above-average purchases of children's items show that there are kids at home. The highest-ranking item of the Charmed Life segment, at two-and-three-quarters-time-the-national-average, is shopping at the Cub Foods grocery store. Their media choices represent a cross-section of culture, including Disney.com, FOX Sports News, and alternative radio. Most daytime TV segments rank low for these active members of society.

# How market segmentation 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 to manage a diverse and growing portfolio of customers

# 3

## Local data

Local geographic and neighborhood data

Local (block group level) demographic and socio-economic data

# Case Studies

*Leading public libraries nationally using market segmentation*

Denver Public Library

Las Vegas-Clark County Public Library

Virginia Beach Public Library

There are more examples, but not enough time...

Anythink Libraries

Dallas Public Library

Gail Borden Public Library

Huntsville Madison County Public Library

Milwaukee Public Library

Nevada State Library

Omaha Public Library

Pierce County Public Library

Skokie Public Library

Topeka Shawnee County Public Library

# Denver Public Library

CommunityConnect Case Study  
**Denver Public Library**

**Denver Public Library at a Glance**

**Population** 621,845  
**Customers** 291,726 (47 percent market share)  
**Segments** 47  
**Service areas** 26

**Service area with the highest population**  
Schlessman Family with 48,565 people

**Segment with the largest population**  
Metropolitans with 91,264 people

**Segment with most customers**  
Metro Renters with 46,492 people

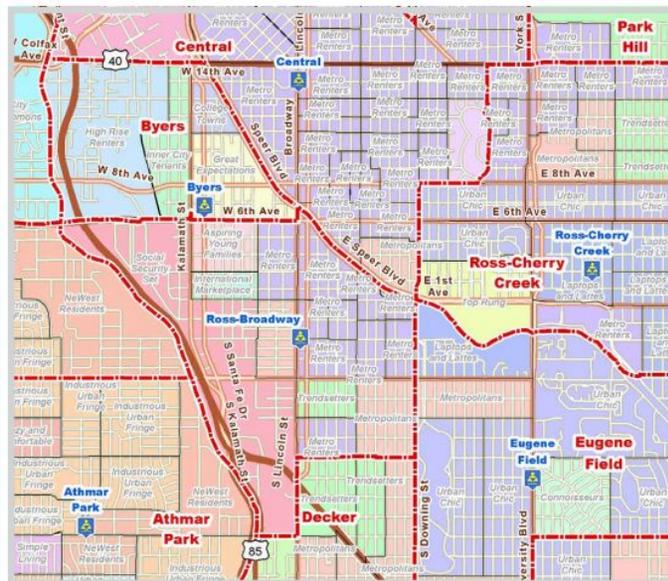
**Segment with the highest customer potential**  
Industrious Urban Fringe with 45,730 non-customers

Michelle Jeske  
Director, Collections, Technology and Innovation

Elaine Langeberg  
Project Coordinator

Denver Public Library (DPL) began working with CIVICTechnologies in 2012 as part of their strategic planning process: *Service Delivery—the Next Evolution*. The market segmentation data combined with ILS data provided by CIVIC was used to help the branch and department supervisors get to know their customers better.

DPL has forty-six Tapestry market segments. Eleven branches have from eight to seventeen segments in their service areas. The three largest segments—Metro Renters, Metropolitan and Industrious Urban Fringe—account for more than two out of five people in the City of Denver.



One example from DPL’s strategic plan

Combining market segmentation and library data we found that 33% of the population is in two segments (called “Metropolitans” and “Metro Renters”) that account for 38% of total checkouts

**Service implication:** lots of checkout eggs in one basket

**Service approach:** develop a customer loyalty program for high checkout segments and fast track virtual services

# Las Vegas Clark County Library District



Segment Name	Population	Patrons	Market Share (%)	Market Potential (%)	Patron Potential
Up and Coming Families	285,853	76,983	26.9	73.1	106
In Style	178,977	65,150	36.4	63.6	57.7
Enterprising Professionals	123,844	42,668	34.5	65.5	41.1
Inner City Tenants	125,668	46,020	36.6	63.4	40.4
Industrious Urban Fringe	97,624	24,451	25.0	75.0	37.1
Exurbanites	112,962	40,864	36.2	63.8	36.5
NeWest Residents	74,299	14,194	19.1	80.9	30.5
Prairie Living	56,843	2,307	4.1	95.9	27.6

System wide:

39% market share

Top family segments:

Up and Coming Families: 285,000 people / 77,000 patrons = 27% market share

Industrious Urban Fringe: 97,000 people / 25,000 patrons = 25% market share



# Virginia Beach Public Library

# SuperGroup summary with segments

SUPERGROUP	POPULATION	PERCENT
<b>Families with children</b>	<b>238,508</b>	<b>54%</b>
SEGMENTS		
Aspiring Young Families	Metropolitans	
Boomburbs	Milk and Cookies	
Crossroads	Sophisticated Squires	
Great Expectations	Suburban Splendor	
Green Acres	Up and Coming Families	
Inner City Tenants		
Main Street, USA		

SUPERGROUP	POPULATION	PERCENT
<b>Professionals</b>	<b>93,755</b>	<b>21%</b>
SEGMENTS		
Enterprising Professionals		
In Style		
Military Proximity		
Old and Newcomers		
Trendsetters		
Urban Chic		
Young and Restless		

SUPERGROUP	POPULATION	PERCENT
<b>Married couples</b>	<b>86,338</b>	<b>20%</b>
SEGMENTS		
Connoisseurs		
Cozy and Comfortable		
Exurbanites		
Pleasant-Ville		
Top Rung		
Wealthy Seaboard Suburbs		

SUPERGROUP	POPULATION	PERCENT
<b>Seniors</b>	<b>24,031</b>	<b>5%</b>
SEGMENTS		
Prosperous Empty Nesters		
Retirement Communities		
Rustbelt Retirees		
Silver and Gold		

# SuperGroups by service area

SUPERGROUP POPULATION  
**Families with children 238,508**

SERVICE AREAS	POPULATION	SHARE
Kempsville	66,305	28%
Joint-Use	52,439	22%
Princess Anne	49,300	21%
Central	22,631	9%
Bayside	13,879	6%
Windsor Woods	13,819	6%
Oceanfront	10,946	5%
Great Neck	6,963	3%
Pungo Blackwater	2,226	1%

SUPERGROUP POPULATION  
**Professionals 93,755**

SERVICE AREAS	POPULATION	SHARE
Bayside	24,707	26%
Central	16,992	18%
Oceanfront	16,791	18%
Great Neck	15,054	16%
Kempsville	8,631	9%
Princess Anne	7,297	8%
Joint-Use	2,781	3%
Windsor Woods	1,502	2%

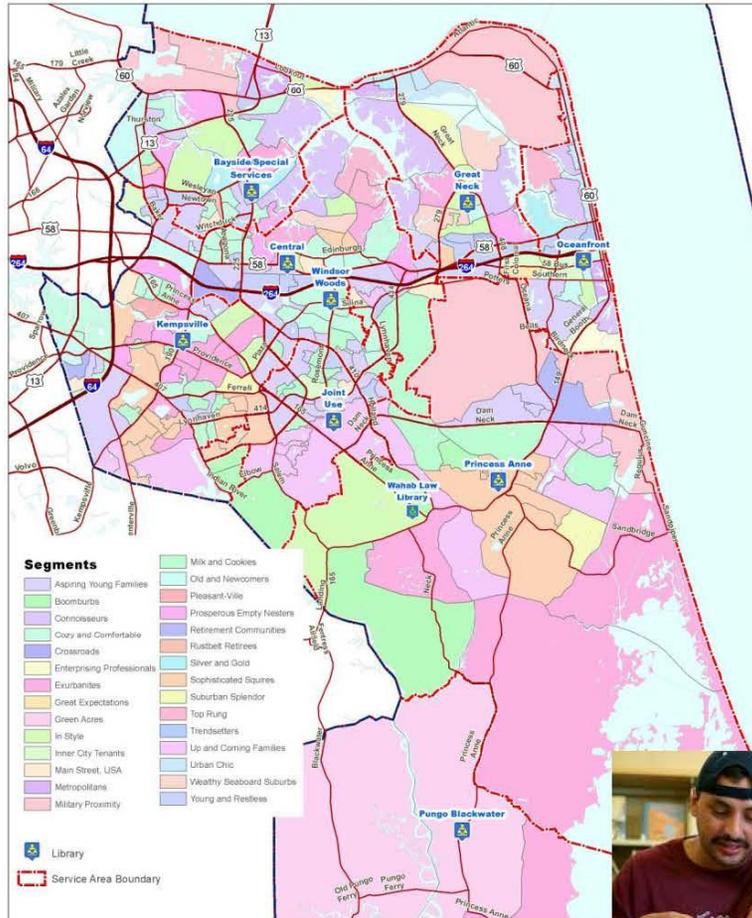
SUPERGROUP POPULATION  
**Married Couples 86,338**

SERVICE AREAS	POPULATION	SHARE
Kempsville	22,094	26%
Central	18,030	21%
Bayside	11,210	13%
Windsor Woods	10,874	13%
Great Neck	10,253	12%
Princess Anne	8,304	10%
Oceanfront	4,504	5%
Pungo Blackwater	1,069	1%

SUPERGROUP POPULATION  
**Seniors 24,031**

SERVICE AREAS	POPULATION	SHARE
Bayside	8,098	34%
Kempsville	5,715	24%
Great Neck	5,538	23%
Central	1,711	7%
Oceanfront	1,573	7%
Princess Anne	1,396	6%

# Our customers and priority markets



VIRGINIA BEACH  
PUBLIC LIBRARY  
discover the world

CIVIC Technologies  
www.civicttechnologies.com

## Target groups

- Young families with children 240,000 people (54%)
- Professionals 94,000 people (21%)
- Married couples 86,000 people (20%)
- Seniors 24,000 people (5%)



Virginia Beach  
Public Library

# Strategy framework



Virginia Beach  
Public Library