

FAQs

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What is Community Connect?

CommunityConnect is a software-as-a-service application that uses data and maps to understand customers, neighborhoods, service areas, and community conditions that impact library service strategies related to customer development, collection development, programs, staff alignment, use of facilities, partnerships, marketing and communications, and technology, neighborhood by neighborhood and across your entire library's jurisdiction

What is market segmentation?

According to www.bplans.com, a free resource to help entrepreneurs plan better businesses, market segmentation is “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.” Put simply, market segmentation discerns the difference between how customers appear vs. how they act.

What makes for good market segmentation system?

Successful market segmentation systems are based upon a solid foundation of data. They are robust in order to reveal customer differences. They are nationally scaled to reveal national and regional trends. They are up to date and stable so that they are reliable and predictive. They paint a picture of the customer that informs organizational level decisions. And they are dynamic so that an organization can successfully manage a diverse and growing portfolio of customers. LandScape, the nation's leading neighborhood-based market segmentation system, is a vital tool in the drive for public library's to be customer centric.

What is the LandScape market segmentation system?

The LandScape segmentation system operates at a national scale at the most detailed level of data available. LandScape is organized into 15 groups with 72 segments with between three and seven segments per group. LandScape clusters consumers at the U.S. Census block group level who share similar “geodemographic” characteristics such as family status, affluence, age, ethnicity, and level of urbanization, and who are statistically different from other consumer segments

How is the LandScape segmentation system built?

Neighborhood segmentation is fundamentally the science of differences. While it groups households together in a general “birds-of-a-feather” philosophy, it also separates consumers who are dissimilar. Along with the traditional socio- economic attributes that distinguish every household, each household also has a set of lifestyle attitudes that influence its residents’ buying habits.

LandScape groups and segments are created using a combination of two mathematical techniques:

Factor Analysis, which is the process used to identify the primary factors that characterize neighborhoods

Recursive Partitioning, which is the process used to refine those factors into smaller and more meaningful groups

What is factor analysis?

In most cases, only a handful of factors describe the majority of discrepancies between groups or events. Therefore, as LandScape's segmentation models progressed through their analysis, the models constantly evaluated which factors are the keys to describing and, more importantly, differentiating market segments. For example, they found the following demographic categories have the greatest impact on distinguishing neighborhood segments: age, income, ethnicity, education, marital status, dwelling type, and presence of children. In addition, factor analysis allows for many other demographic characteristics to enter into the neighborhood segmentation analysis.

What is recursive partitioning?

In data analysis, recursive partitioning means to split a dataset into two or more subgroups to improve the homogeneity of each subgroup. The partitioning process recurs until a desired outcome is achieved which, in the case of LandScape, was when a reasonable size and number of market segments were created. The LandScape model was constructed by first identifying the factors that best subdivided the data into a set of groups. Then each subgroup was evaluated again with factor analysis to determine the best way to subdivide it, and so forth and so on. To insure that certain highly specialized sub-groups did not influence the factoring process, they were first removed from the equation (e.g., group quarters).

Do neighborhoods have personalities?

In every market, there are distinct neighborhoods with specific “personalities,” which are based on the combined characteristics of the people who live in them. Neighborhoods typically form for one of three reasons: tradition, environment, and development. Understanding how neighborhoods form can lead to a better understanding of lifestyle market segmentation.

What drives neighborhood personalities?

Tradition. Specific neighborhoods have traditionally attracted certain personality types, so the people who live in them tend to share similar lifestyles.

Environment. Similar types of consumers are attracted to similar environmental factors, including cultural mores, school quality, work proximity, and natural features, such as water access and views.

Development. When developers develop specific tracts of land, they have certain demographic characteristics in mind, such as “single professionals” or “married with children.” Each group prefers a specific type of domicile, and the developers build homes according to the consumers’ preferences and needs.

It is important to note that typically there is a level of crossover between these three primary neighborhood formation factors. For example, a single person may move into a development designed for families, because the area is close to his or her workplace. But segmentation is based on probabilities. So, just because 5% of the homes in a specific area are “single households,” does not negate the fact that the other 95% are “married with children.” Every segmentation system is created around an economies-of-scale rule, which dictates that each market segment has a significant enough base of similar customers to make the market worth targeting.

What library data is included?

Currently we are presenting data on registered cardholders (customers) and their checkouts of physical materials. In the near future we'll be adding other data sets. Checkouts will include ebooks, eaudio downloads, Freegal, Zinio, and others. We'll also include program attendance, gate count, summer reading participation, computer usage, database usage, holds and deliveries, and state reporting data.

What is a service area?

A service area is the geographic area served by an outlet. In CommunityConnect it is comprised of census block groups, the smallest census designated area with statistically valid sample survey data. Service areas are created in consultation with the library. Service area populations do not overlap. While service areas don't constrain the end-users actual behavior, they are useful to measure customer behavior and to track usage patterns.

What is the difference between data calculated by branch and data calculated by 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.

Is data calculated by branch or by service area?

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.

Is data calculated by branch or by service area, continued?

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 are the basic data points?

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.

What is the definition of population?

Population is defined as the total number of people in the jurisdiction, service area, block group, or segment. We use current year estimate of population.

What is the definition of current year estimate of population?

Current year estimate (CYE) of population is an annual population update.

This update is usually issued by our data provider in July for the previous calendar year. Our CYE is based upon the U.S. Census Bureau's CYE. The Census CYE is released at the county, city, and metro area levels. Our data provider takes that data and using proprietary methodologies applies it to smaller geographical units such as the census block groups

Example: CYE 2016 is for the calendar year 2015; CYE 2017 will be for calendar year 2016.

What is the definition of a customer?

A customer is a current library cardholder. The currency depends upon the last time your library purged the cardholder database. Customer data is obtained from the library's ILS database.

How are customers added to a map?

Customers are added to a map through a process called geocoding. Just like when you type an address into Google maps and a marker appears on the map, the process running in the background that connects the street address to a latitude and longitude is geocoding.

When we apply geocoding to library customers, not all of them are successfully located (the geocoding industry average match rate is about 90%). That's because we can't geocode post office boxes, general delivery, or postal routes. And sometimes, data entry into the library's customer database gets botched and important information is not available (e.g., street direction such as north, south, east, or west; or street suffix such as avenue, boulevard, street, place, etc.). Once the customer's address has been successfully geocoded, we can spatially analyze a range of data.

What is the definition of non customers?

Non customers are the population minus the customers (the geocoded customers).

What is the definition of checkouts?

Checkouts are physical items (e.g., books and DVDs) borrowed by a cardholder (customer) through the library's ILS. In the future we'll expand the range of checkout materials to include ebooks, eaudio downloads, and more.

Are customers combined by household?

In a word, no.

We don't combine customers by household. We don't do this because there are some inherent inaccuracies that are very challenging and expensive to overcome.

What is 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.

Are there examples of market share?

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 ($12,500 / 23,000$).

What is 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.

Are there examples of market potential?

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 ($10,500 / 23,000$).

How are market share and market potential related?

Market share and market potential are like opposite sides of the same coin.

Market share is the percent of population that are cardholders; market potential is the percent of population that are non cardholders. These two percentages have to add to 100% of the population.

Here's an example. Let's say there are 4,000 people in a census block group of which 2,400 people are customers and the remaining 1,600 people are non customers. The market share of that census block group is 60 percent ($2,400 / 4,000$); the market potential is 40.0 percent ($1,600 / 4,000$).

What is customer growth potential?

Customer growth potential is an index and is commonly referred to as a relative strength measure.

Customer growth potential identifies the segment, census block group, or service area with the highest potential for customer growth.

The higher the customer growth potential value, the higher the customer growth potential. The lower the customer growth potential value, the lower the customer growth potential.

How is customer growth potential calculated?

Customer growth potential is calculated as the result of the non customers (of a segment or block group or service area) divided by the total population of that area (e.g., jurisdiction or service area). The formula for calculating customer growth potential is:

Formula: (non customers / total population) * 1,000.

Notes

- Total population = the total population of the jurisdiction or service area
- Non customers = total population minus customers
- The constant 1,000 is provided so the result is not stated as a fraction
- Example: Let's take the segment "Metropolitans" in a given city. The population of the Metropolitans is 91,264 people, of which 38,974 are customers and 52,290 are non customers. The city's total population is 621,845.
- Formula: $(52,290 / 621,845) * 1,000 = 62.7$

What is average checkouts per customer?

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

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 is 13.82.

What is average checkouts per capita?

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

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 checkouts per capita are 5.26.

What is “share”?

Share is the percentage of one thing in a class to the total of that same class.

Are there some examples of “share”?

Population share measures the percentage of the population in a population group. If there is a total population of 30,000 people, and there are 10,000 people in “Segment A,” then that segment has a 30% population share. If another segment, “Segment B” has 3,000 people, then that segment has a 10% population share. The population share for all segments must total 100% of the population.

The same principle holds for customer share, non customer share, and checkout share.

It also holds for other categories of data such as service areas. Let’s say there is a total population of 30,000 people, and a service area has 15,000 people in it, its service area population share is 50%. The population share for each service area must total 100% of the population.

These principles of share – population share, customer share, non customer share, and checkout share – can be applied in a number of ways: across the library’s entire jurisdiction, by service areas, by a single segment, and by a group of segments.

It’s important to note that share, as described here, has a different definition than market share.

What information is provided specifically about children and teens?

We provide a range of information specifically about children and teens. Demographic data is displayed by age group.

For example, children are shown in such age groups as 0 to 5, 5 to 9, and 10 to 12. Teens are shown in one age group 13 to 17.

In addition, children and teens are included in family and household descriptions in the market segmentation data.

The market segmentation data provides a wealth of contextual information, both quantitative and qualitative, in which children and teens live.