

A topographic map of the Mount Rainier region in Washington state. The map shows contour lines, peaks, and glaciers. Key features include Observation Rock, Mineral Mt., and various glaciers like Russell Glacier, Taylor Glacier, and Fryberg Glacier. The text 'MOUNT RAINIER' is visible across the map.

# Customer Analysis, Prospecting, and Segmentation

Using Tapestry Clusters to Drive Customer  
Prospecting Decisions

by

Kevin Burgess – [kburgess@galyans.com](mailto:kburgess@galyans.com)

Galyans

June 29, 2004

# Agenda

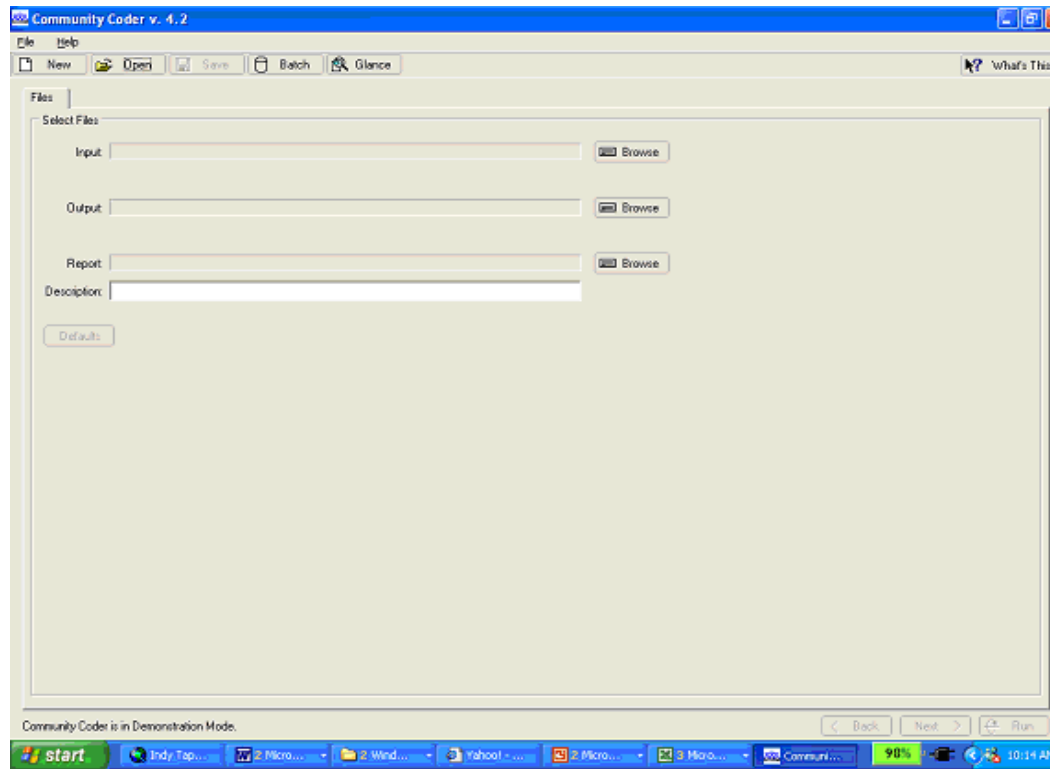
- Community Coder vs. Geocoding internally in ArcGIS
- Discuss clustering examples
  - Corporate database changes
  - Store level customer insight using clusters
- Prospecting in Business Analyst in conjunction with Tapestry Clusters to determine customer prospecting (site selection if time allows)
- Adding Household Data to your existing file via Business Analyst

# Community Coder vs Geocoding internally in ArcGIS

- Community Coder is a valuable tool
  - Geocoding is more efficient outside of ArcGIS with large files (50meg + or 200,000 records with 6 fields)
  - Benefits are based on what you purchase depending on your business needs
    - append demographic data
    - create reports for sales/marketing
    - create files that can be used to make business decisions
    - use output file as geocoded input to a map
- Centrus geocoding within ArcGIS
  - Great for geocoding stores and small customer files (25,000 or less records)

# Coder Demonstration

- Demonstration for the ease of use for coder – we will use a file containing customers from an Indianapolis market database.



# Coder Output – Example 1

- Various file format are available for exporting the appended data
  - Choose a format according to what you plan on doing with the output
    - Bring it into ArcGIS for further analysis
    - Manipulate in excel
    - Manipulate in other software – data mining etc.
- Example 1 – Output from Coder
  - See excel spreadsheet for the example we just created (indy\_out.csv)

# Coder Output – Example 2

- Cluster Penetration for Corporate data

Coder Output	DESCRIPTION	CUSTOMERS	CUST_PCT	Penetration per 1000	BASE_HHS	BASE_PCT	INDEX
1 1	Top Rung	6642	2.6%	8.42%	788,558	0.7%	357
2 2	Suburban Splendor	15289	5.9%	8.39%	1,823,136	1.7%	355
3 3	Connoisseurs	11587	4.5%	7.69%	1,507,097	1.4%	326
4 4	Boomburbs	17916	6.9%	8.80%	2,036,957	1.9%	373
5 5	Wealthy Seaboard Suburbs	12813	5.0%	8.15%	1,571,478	1.4%	345
6 6	Sophisticated Squires	15693	6.1%	5.22%	3,006,738	2.7%	221
7 7	Exurbanites	10724	4.2%	4.20%	2,553,581	2.3%	178
8 8	Laptops and Lattes	1894	0.7%	1.88%	1,009,782	0.9%	79
9 9	Urban Chic	4332	1.7%	2.91%	1,490,935	1.4%	123
10 10	Pleasant-ville	9172	3.6%	5.86%	1,564,107	1.4%	248

# Coder Output – Example 3

- Problem –How is your customer database changing over?

Look at your active customer base and compare time two time periods (or even better – the change in two time periods over time)

- The next slide shows an example of a report to track change in spend patterns by cluster over two time periods

(Note: The marketer needs to consider changes in market/advertising as well as new store openings when tracking spend by cluster over time)

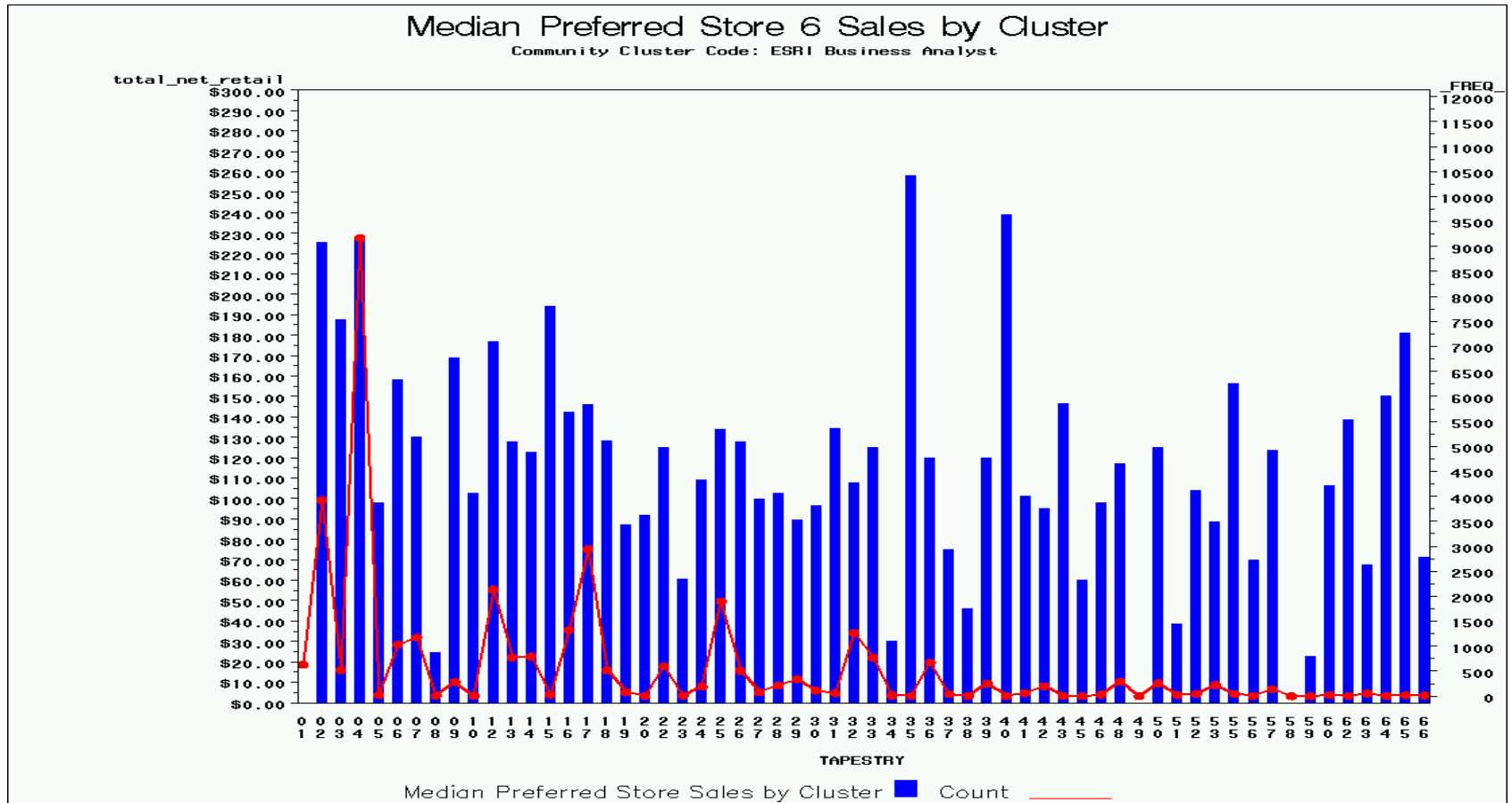
# cont – Example 3

- Change in active customers report:

Tapestry Code	Median sales FY 2002	Active Customers 2002	Median sales FY 2003	Active Customers 2003	\$ Diff 03 over 02	Active Cust Diff 03 over 02
01						
02						
03						
04						
.						
.						
.						
64						
65						
66	\$xx.xx	300	\$xx.xx	400	\$xx.xx	100
Grand Median	\$xx.xx					
Average	\$xx.xx					
Total Active Customers		150,000		300,000		

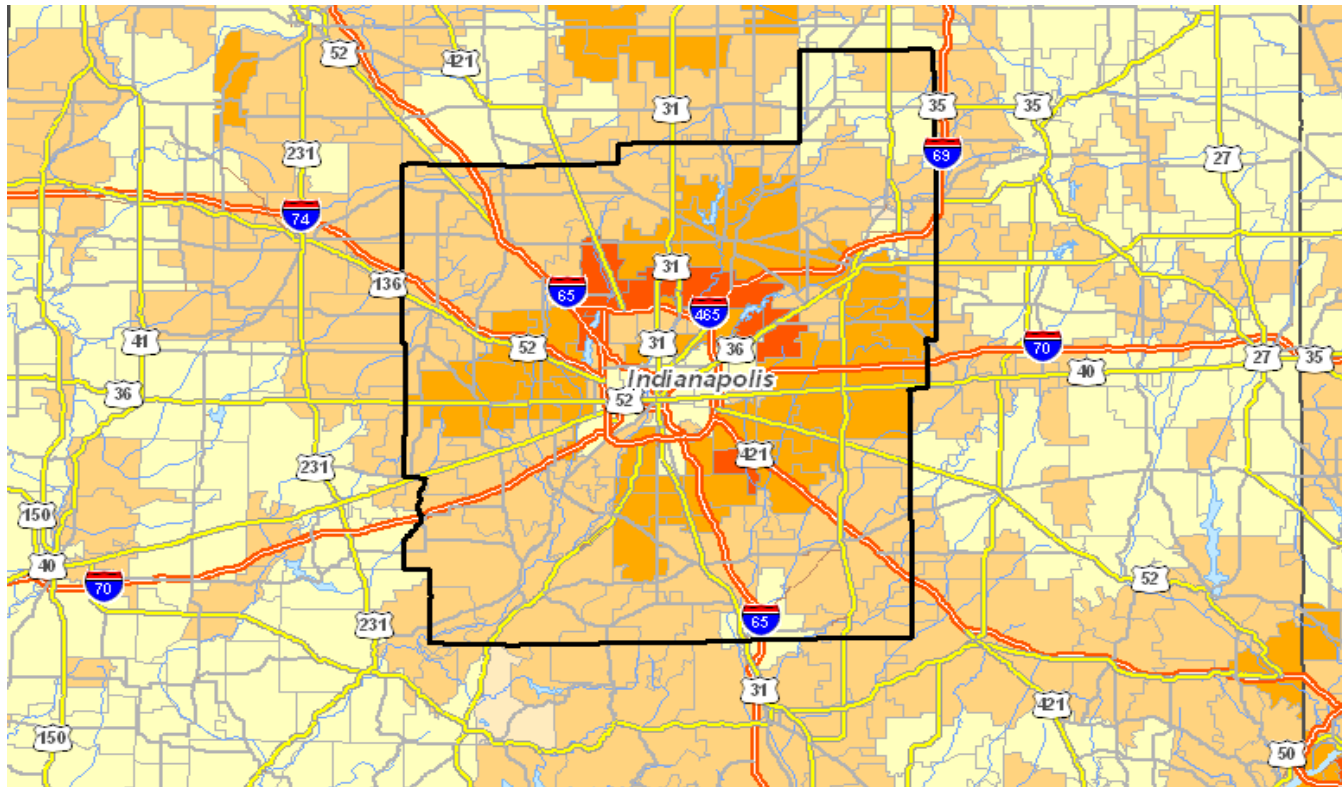
# Coder Output – Example 4

- Store level data for customer spend by cluster



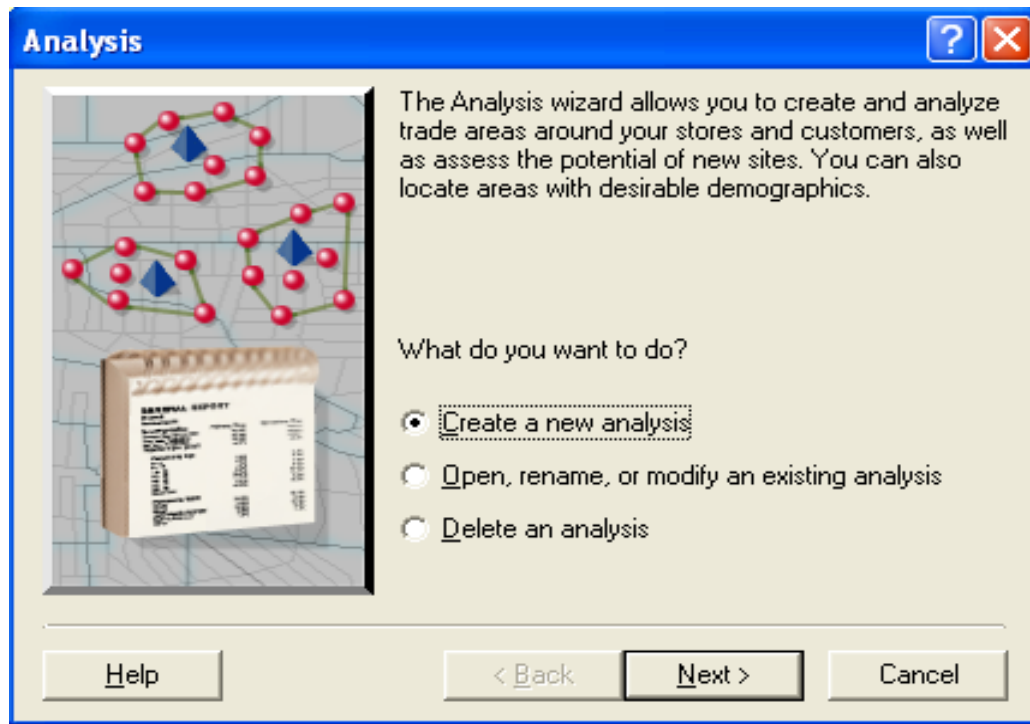
# Customer Prospecting

- Step 1 - Create a study area, we will use the Indianapolis MSA



# Customer Prospecting

- Step 2 – Create a new Analysis using Business Analyst



# Customer Prospecting

- Step 3 – Select Customer Prospecting, choose the household radial button and first time use - register for Hyphos360 to get username and password

Customer Prospecting

Hyphos360 Login Information

Username:  
gburgess

Password:  
xxxxxxx

You will need to register at the Hyphos360 site in order to get household consumer counts. Click below to register.

Register at Hyphos360

Help < Back Next > Cancel

# Customer Prospecting

- Step 4 – Select the categories that interest you in the study area or based on previous knowledge about your customers in other MSA's

**Customer Prospecting**

What is the minimum household target per ZIP Code?

Minimum target:

Are you targeting a number or a percentage of households?

Numbers  
 Percentages

Are you going to wait for results of your query or do you want to download results later?

Wait for results  
 Don't wait for results

Which categories do you want to target?

- Property Type
- Estimated Home Value
- Household Composition
- Mail Deliverable
- Computer Owner
- Home Business
- Household Income(Experian)
- Household Income(NCDB)
- Telephone Number
- Wealth Rating
- Head of Household Age
- Person Type
- Gender

Which values do you want to target?

- 15k
- 15k-25k
- 25k-35k
- 35k-50k
- 50k-75k
- 75k-100k
- 100k-120k
- 120k-150k
- 150k+
- Unknown

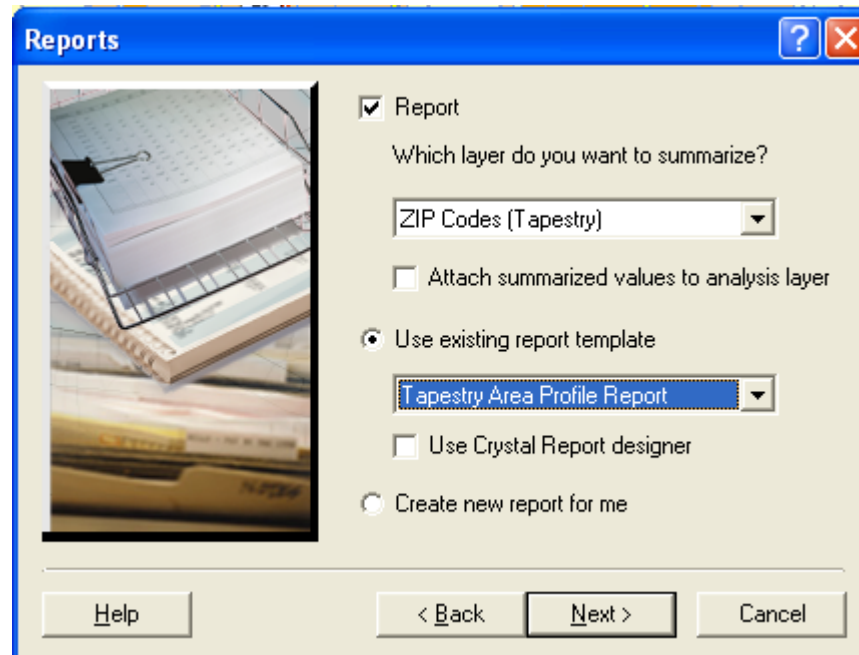
Buttons: Help, File..., Show..., < Back, Next >, Hyphos360..., Cancel

# Customer Prospecting

- Note: When running this analysis, take caution on what you select and how big your study area is from step1 – the file running against your selection in Experian's household file of approx. 112MM records.
- Select wait for results unless you have chosen a large geography (higher than county level).
- Give the system 5 to 15 minutes to provide results if you choose to wait.

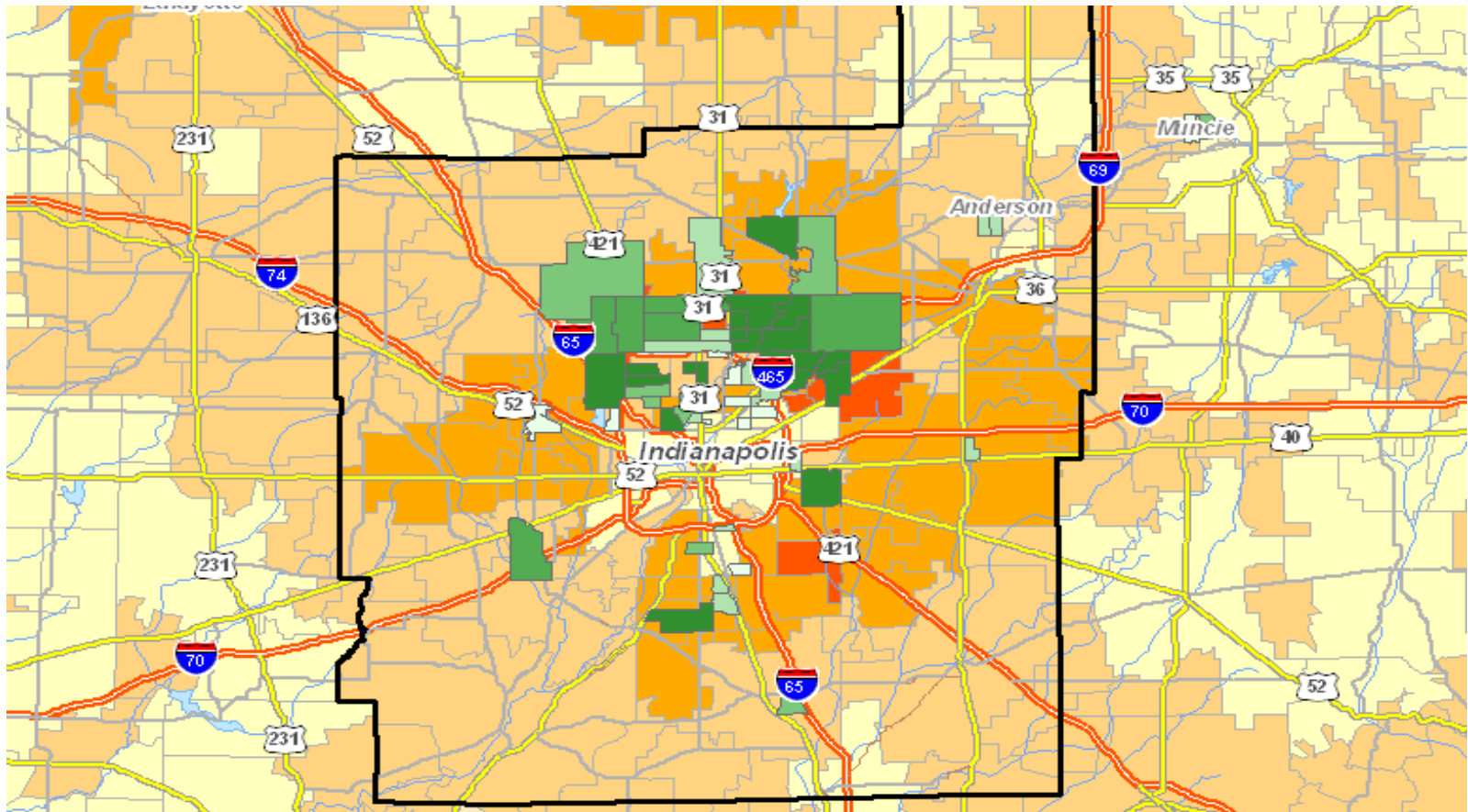
# Customer Prospecting

- Select the type of report you would like to see for a preliminary analysis – make sure you selection level makes sense so as to avoid a 500 page report and long processing time



# Customer Prospecting

- A shapefile is returned and added to your map



# Prospecting

- Adding Household Data to your existing file via Business Analyst
  - Can purchase the data from Hyphos360 that is returned on the map during the analysis phase or you can go back and narrow down your selection to trim down the number of records.