PSYTE® Advantage

Today's most powerful and accurate neighborhood segmentation solution for marketing analysis and planning

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MapInfo®
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MapInfo® PSYTE® Advantage creates vivid, precise profiles of your core customers, then literally maps out the precise neighborhoods where you'll find others like them—consumers already inclined to respond favorably to your products and services.

[1] Identify your best customers,

[2] learn how to win more like them,

[3] keep them coming back.

Make fast, accurate, cost-effective decisions using the most comprehensive consumer segmentation system ever developed.

Today's business environment demands marketing strategies that maximize results. Every enterprise, whatever the industry, requires a significant return on every promotional dollar it invests—and untargeted mass marketing techniques are no longer viable.

To succeed, organizations need more intelligent, affordable alternatives that let them analyze consumer behavior and develop sharply targeted predictive marketing models and programs to win new customers and bring back former and current patrons. Today, the most proven comprehensive solution to achieve these results is the MapInfo® PSYTE® Advantage neighborhood segmentation system.

MapInfo PSYTE® Advantage fine-tunes your sales and marketing campaigns for optimal outcomes, delivering the highest possible ROI. PSYTE Advantage creates vivid, precise profiles of your core customers, then literally maps out the precise neighborhoods where you'll find others like them—consumers already inclined to respond favorably to your products and services

Built on the broadest and most statistically reliable datasets of consumer and demographic information available, PSYTE Advantage classifies every neighborhood in the United States into 72 mutually exclusive categories called clusters. Descriptive names and capsule summaries capture each cluster's distinct demographic and neighbor-hood flavor. For example, Cluster 27, Retirement Horizons, consists of dual-income married couples with empty nests who are college-educated homeowners planning a post-work life. PSYTE Advantage enables the targeting of each cluster, linking them directly to a physical location by indicating exactly where it can be found nationwide.

By linking the PSYTE Advantage clusters to other consumer databases and internal records, your company can reveal the lifestyles and consumer behavior of the households it serves: the magazines they read, the TV shows they watch, the cars they drive, the sports they play, the hobbies they pursue—even their preferred brands of shampoo and breakfast cereal. This unequalled insight gives your company the power to locate and understand your key customers, tailor your marketing messages to them more effectively, and reap more profitable responses to your campaigns than ever before.

Grasp each cluster's character intuitively with Cluster Images, such as the mansion that symbolizes the six-figure incomes and country-club lifestyle of Cluster 1, "Tuxedo Park."
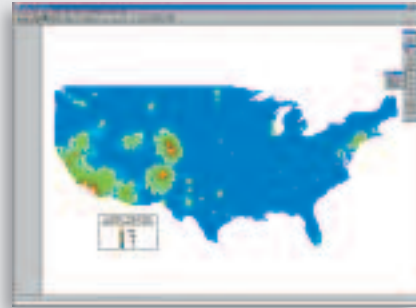
Then use the Cluster Distribution map to quickly spot the geographic areas where that cluster is most likely to be found. "Tuxedo Park" dwellers, for example, are concentrated in exclusive enclaves in California, Colorado, and Arizona—but they also have a significant presence in Chicago, Miami, Dallas, and the Northeast Corridor.
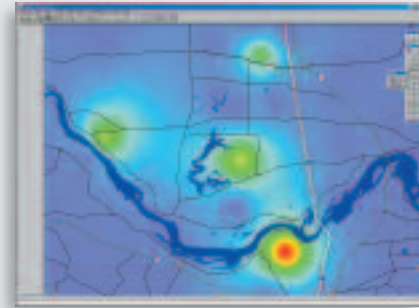
Here, a store located at the major intersection in the northeast part of the map would target its site location, direct mail campaigns and other marketing and operations decisions to the hot spots shown in red.

PSYTE Alerts Specialty Furniture Maker to Untapped Markets

The Company: Ekornes USA is the American subsidiary of a Norwegian manufacturer of ergonomic chairs and sofas. Based in New Jersey, the company distributes its products through 350 dealers across North America.

The Challenge: Ekornes USA needed to establish which locations held the highest sales potential in order to direct its marketing efforts for maximum revenue. Previously, the company lacked data about the markets in each dealer's geographic region and had only a vague sense of its customer base.

The Results: Using PSYTE Advantage to analyze past sales data, Ekornes USA created a detailed demographic and socio-economic profile of its ideal customers. These customers were predominantly affluent, active married couples between 45 and 65 whose children are grown. They travel, read, and participate in cultural activities more than the average person. PSYTE Advantage also showed these patrons are in such robust health they feel and act 10 years younger than they are.

Most importantly, the MapInfo solution quickly identified that these customers live in suburbia.

With this information, Ekornes USA promptly shifted its sales and marketing resources from its urban dealers to its suburban distributors and increased its advertising in publications read by its primary market. As a result, the company expects to double its annual sales from $50 million to $100 million in three years or less.

What can you use PSYTE Advantage for?

PSYTE Advantage is based on the simple fact that people with similar incomes, backgrounds, lifestyles, and tastes gravitate toward one another in neighborhoods. As a result, a business can sort its sales database by PSYTE Advantage clusters to create a profile of various customer types, then correlate it with lifestyle and consumer data to craft targeted campaigns that focus on the intended audience. For example, a company with many profitable customers in neighborhoods classified as PSYTE Advantage Cluster 8, Suburban Establishment, can create a marketing campaign aimed specifically at these wealthy, sophisticated doctors, lawyers, and other professionals residing in the leafy suburbs.

By including more sources and types of statistically reliable information than any other customer segmentation system, PSYTE Advantage also reveals small but critical variations between neighborhoods that may otherwise seem alike. A specialty clothing retailer may see its core clientele simply as "urban twentysomethings." However, analyzing its mailing list with PSYTE Advantage might indicate that most of the company's profits come from one of two "urban twentysomethings" clusters: the slightly older, more ethnically and occupationally diverse Urban Villagers, rather than upwardly mobile recent college graduates who fall into the Life's A Peach cluster.

Armed with this knowledge, a savvy retailer is able to craft a more ethnically in-tune message, reduce direct mail to non-target households, or augment its outdoor advertising in certain neighborhoods.

Sample Cluster

Residents of *Cluster 44, Middleburgh,* enjoy the best of two worlds: suburban convenience and small-town charm. Close enough to central cities for a robust economy, yet retaining their own distinct character,

communities in this cluster attract a higher-than-average number of two-career couples with average incomes of $52,000. More than a third of the cluster's residents commute to work in nearby metropolitan areas, then retreat in the evening to older homes near town squares and village shopping districts.

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Transform market insight into market leadership quickly and simply

PSYTE Advantage allows your organization to maximize the potential of raw consumer and demographic data. Although translating in-store surveys and point-of-sale data into actionable information is usually a lengthy, complex process requiring both database and statistical expertise, PSYTE Advantage's built-in, ready-to-use business intelligence allows analysts to take full advantage of their data investments. The MapInfo solution streamlines the ability to move from planning to implementation without having to purchase and support complex analytical software or systems. With PSYTE Advantage, businesses can quickly spot and act on the following strategic opportunities:

Raise campaign response rates

PSYTE Advantage pinpoints the sources of information your key customers are most likely to watch, read, hear, and see. After a coupon mailing elicited only a 5 percent response rate, one direct mailer used PSYTE Advantage and discovered the majority of households that responded fell into three specific clusters. When the direct marketer sent its second mailing to neighborhoods consisting of these three clusters, the response rate doubled to 10 percent. With PSYTE Advantage, you can readily apply lessons learned from previous marketing efforts to develop new, more intelligent campaigns that increase both ROI and profitability.

Guarantee successful product launches

PSYTE Advantage helps you develop new products and services based on what your target market is already buying. You can even use your own data to drive your decisions. When a development firm turned to PSYTE Advantage to introduce its new ski resort condominiums, it analyzed its own sales records to discover a major customer characteristic: almost all the wealthy, athletic consumers who previously purchased its high-end time-shares lived in a single cluster. By sending an exclusive mailing only to neighborhoods in this cluster, the firm sold more units in its new development in the first day than it ever had during past launches—with significantly lower direct mail costs.

Select new sites with high sales potential

PSYTE Advantage spotlights neighborhoods that offer the best potential ratio of income to overhead and can guide companies looking to expand their operations to the optimal locations for new business. A supermarket chain with a frequent buyer program can use PSYTE Advantage to analyze data such as how far customers travel to shop, how much they spend per visit, what products they buy, whether they use coupons, and more. After determining which clusters contain its best shoppers, the chain can identify those clusters in other markets, enabling it to spot the most profitable areas to open new stores.

Build and sustain profitable customer relationships

PSYTE Advantage enhances customer loyalty by alerting sales departments to cross-selling and upselling opportunities. A cellular phone carrier determined that many subscribers who frequently used text messaging on their mobile phones fell into a cluster of gadget-lovers who spend money on computers. The company then created a special offer on text-messaging plans in neighborhoods in its service area matching that cluster. Customers responded positively, giving the provider significant incremental revenue and enhancing its reputation for value-added service.

Create rewarding partnerships

PSYTE Advantage reveals prime opportunities for co-marketing and joint projects with other companies and organizations. Once a premium barbecue manufacturer discovers its primary market is on-the-go, dual-income families who entertain on weekends—found in Cluster 6, "Balancing Acts"—it can team up with niche outdoor retailers or big box chains that also cater to Cluster 6 shoppers to create special offers and targeted mailings. It can also spotlight its products in flyers or newsletters, and even craft in-store displays with a cluster-specific message. Working together to reach their shared target market can help both the vendor and retailer drive sales, traffic, loyalty, and customer satisfaction.

Cut costs and increase revenue for an exponential return on investment

More powerful, flexible, and comprehensive than ever before, PSYTE Advantage delivers an extraordinarily high return on investment. Many MapInfo clients have recouped their investment in PSYTE Advantage several times over in the course of a single marketing campaign.

**With PSYTE Advantage, your company can**

- cut printing and postage costs with smaller, more precisely targeted mailings
- plan media buys in advance for negotiating leverage
- reap additional value from investing in focus groups
- measure and improve market penetration
- identify opportunities to improve performance
- recognize prime areas for expansion
- make a compelling bid for niche markets

—all for a remarkably affordable annual licensing fee.

PSYTE Helps Direct Marketer Create More Effective Campaigns Faster

The Company: Datamark, Inc., of Salt Lake City is the nation's largest developer of marketing solutions for post-secondary trade schools and other for-profit education programs. The company's success depends on its ability to boost clients' student enrollment and retention.

The Challenge: In 2000, Datamark launched a research services division to analyze its clients' growth opportunities and generate more accurate, cost-effective marketing initiatives to exploit them. The company soon realized that the mapping and demographic analysis applications it used for direct mail and lead generation was not sufficiently robust to efficiently handle the complex data sets it needed to process.
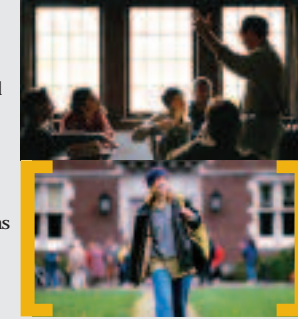
The Results: Using PSYTE Advantage, Datamark now delivers detailed reports on student demographics, consumer behavior, and lifestyle preferences 25 percent faster, identifying clusters most likely to enroll, take particular courses, or attend classes in specific locations. Its clients benefit from the company's enhanced ability to sharply target direct mail, suggest additional course offerings, and calculate the best sites for satellite campuses. In just five years, Datamark's annual sales of research services have risen from $100,000 to $800,000—a tenfold return on investment.

Who can use PSYTE Advantage?

Optimize industry-specific marketing strategies using the broadest array of consumer data available

PSYTE Advantage lays the foundation for accurate, reliable customer and market analysis for a wide range of businesses, particularly those with large customer bases spread out across large geographic regions. These companies are typically found in four vertical markets, each with their own promotional challenges.

Finance

When a bank, brokerage, or insurance company has multiple locations in diverse communities, it needs an intimate understanding of the neighborhoods it serves in order to offer the most locally appropriate mix of products and services. PSYTE Advantage delivers this level of understanding, improving customer acquisition and retention by enabling these organizations to focus, for example, on no-minimum checking accounts in college neighborhoods or whole-life insurance in affluent suburbs. PSYTE Advantage also helps financial institutions locate the clusters containing high numbers of preferred account holders and pursue new customers in those markets. It allows them to identify best practices by comparing how branches serve the same clusters in different neighborhoods. It suggests the most profitable combinations of services to offer new customers based on successful cross-sales to existing customers in the same clusters. Finally, PSYTE Advantage enables financial service firms to make decisions based on aggregate consumer information rather than groups of individual financial records, enhancing customer privacy.

Retail

With PSYTE Advantage, a retail outlet can select its inventory based on the known consumer habits of the nearby clusters, then attract residents of those clusters with promotions sharply focused on their media habits, leisure activities, and brand associations. PSYTE Advantage also lets retailers create versioned flyers and coupon packages by cluster to maximize the response rate in every area of their geographic market. Moreover, PSYTE

Advantage helps manufacturers allocate merchandise placement dollars and capture shelf space by identifying the stores located in clusters that represent high sales potential. In short, PSYTE Advantage ensures a profitable fit between the products retailers carry and the consumers they serve.

Media

At a time when advertising dollars are down and people increasingly get their news and entertainment from television and the Internet, PSYTE Advantage allows newspapers and other traditional media outlets to maximize both subscription and advertising revenues. By sorting their current and past subscriber lists into PSYTE Advantage clusters, publishers know where to find their most loyal and profitable readers. They use this information both to pursue similar subscribers and to persuade advertisers that exposure in a specific section, page, or zoned edition will capture the attention of their target market. Outdoor media companies fine-tune their ad sales with PSYTE Advantage as well, using it to match billboard space with potential advertisers based on the clusters that live and work near specific highway exits. Even Internet service providers use PSYTE Advantage to fine-tune messages, offers, and content on their landing pages according to customer location and cluster.

Telecom

PSYTE Advantage makes it easy for telecommunications providers with multiple products and services to determine which of its offerings are most popular in the various neighborhoods they serve. They then use this information to cross-sell services and expand market share through carefully targeted package plans and special promotions. For example, one telecom company uses PSYTE Advantage to identify clusters containing the greatest number of customers likely to use broadband service. It then offers customers in that cluster a special rate on premium cable television when they subscribe to a mobile phone plan including text messaging, Internet connectivity, and other advanced features.

How does PSYTE Advantage work?

Cutting-edge clustering methodology melds U.S. demographic, socioeconomic and lifestyle data into 72 distinct, statistically significant lifestyle categories

While PSYTE Advantage incorporates data about individual households or postal-defined areas, which can contain as few as a dozen homes, it does not rely solely on street-level information as conventional systems do. In today's mobile society, people move so often that the demographic complexion of such a small area can change overnight. Similarly, the characteristics of a single household change more quickly than any third-party data set can track. Instead, PSYTE Advantage's basic building block is the neighborhood, which varies in geographic area, but is stable in population size, and is defined by the most accurate source of demographic information available: the U.S. Census. While individuals may come and go, a neighborhood's underlying character tends to remain stable for years.

MapInfo combines Census records with additional socioeconomic and geographic data drawn from a wide range of reliable sources and covering hundreds of critical variables such as:

• income	• occupation
• education	• place of work
• age	• mode of travel to work
• ethnicity and race	• type of dwelling
• home language	• population density
• employment	• climate
• family structure	• and many others.

MapInfo uses sophisticated neural net technology to find patterns in this data. The neural net sorts the country's 208,000 neighborhoods into more than 400 "atoms," or mutually exclusive groups with similar characteristics. By adding further consumer data such as vehicle ownership, product purchases, number and

type of shopping centers per square mile, proximity of medical centers, and other lifestyle data, MapInfo organizes these atoms into PSYTE Advantage's 72 discrete clusters, each no larger than 3 percent of the overall population.

The clusters are given evocative, descriptive names—such as "Moos and Modems" or "Outback USA"—with narrative descriptions that capture their unique defining characteristics.

Advances in technology now enable PSYTE Advantage to include twice as many variables as previous releases, for more nuanced and precise differentiation between neighborhoods. No other segmentation system includes this type or level of detail.

Extract more value from customer data using our exclusive custom clustering techniques

PSYTE Advantage affordably and scalably links your customer data to our other geo-demographic and behavioral sources, allowing you to understand your customers at a level of detail no other segmentation system can deliver.

Customizing PSYTE Advantage is uniquely easy because we add your customer data at the atom level, after the initial processing of demographic information. Adding these further variables changes the way atoms group into clusters. MapInfo then consults closely with you to ensure the resulting custom clusters are as detailed, differentiated, and statistically relevant as our 72 standard clusters. Finally, we help you name and describe your custom clusters in the most accurate, industry-appropriate terms possible.

Custom Clusters
At last, it's possible to identify key customer groups by neighborhood using criteria specific to your internal requirements or industry vertical—turning your organization's proprietary customer records into powerful tools for conquering a market.