claritas

Why It Pays To Segment Your Audience

A Guide To Finding More and Better Prospects

"Everybody has their own segmentation these days. What makes yours any different than anyone else's, and can I actually use it outside of work I do with you?" Those words came from a company who was evaluating what Claritas has to offer as a data partner, in comparison to other providers. That question is an important one to ask, especially when looking to make a data investment that will both stand the test of time and grow alongside your business. In fact, Claritas has had clients come to us in the past because they'd previously worked with other providers who did a custom segmentation analysis for them, yet they couldn't activate the learnings outside of the work they did with that company, making their investment wasted and rendering their data essentially useless.

First-party data is increasingly being used with third-party indentity resolution solutions (37.7%) to provide advertisers with better accuracy, reach, and scale, to create audience segments, deliver targeted campaigns, and gain data-driven insights, all with privacy considered.
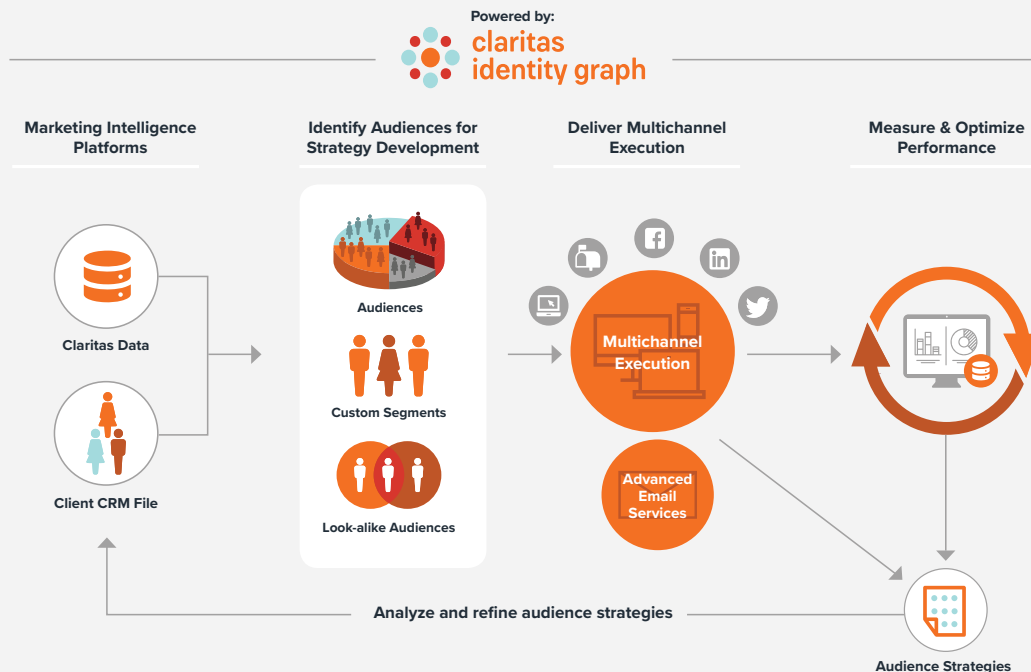
Source: IAB

37%
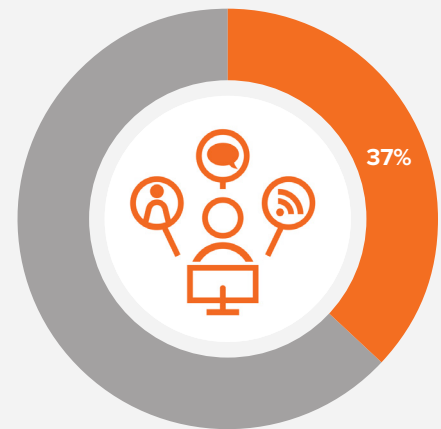
Let's start at the beginning though. What is segmentation, why is it important for a company to use segmentation, and how does it fit into a closed-loop marketing approach, which is defined as a marketing strategy that executes across the full spectrum of the consumer journey. The first step in developing a marketing strategy is identifying the right consumers to target. Segmentation is an accurate and scalable way to achieve that. How this fits into a closed-loop marketing strategy goes a little something like this:

1. Your customer data from your CRM is appended with segmentation codes to identify and personify your best customers which, in turn, helps you understand who they really are and what they prefer. With this knowledge, you can...

2. Identify consumer prospects who have a high likelihood of converting to paying customers because they share similar attributes as the segments you have already defined as your current best customers. Once these prospects have been identified, campaigns can be delivered with the right messages to drive higher engagements and, ultimately, conversions. With the ability to monitor the reach of your segments, you can...

3. Measure and optimize your campaigns based on what works and what doesn't, for a closed-loop marketing approach that will allow you to further improve every aspect of your marketing strategy. Closing the loop on your campaigns provides you with the intelligence you need to take your marketing to the next level.

MARKET SEGMENTATION is the process of dividing a market of potential customers into groups, or segments, based on different characteristics and preferences. The segments created are composed of consumers who will respond similarly to marketing strategies and who share traits such as similar interests and needs, income, age, household make-up or locations.

Powered by:

**claritas
identity graph**

| Marketing Intelligence Platforms | Identify Audiences for Strategy Development | Deliver Multichannel Execution | Measure & Optimize Performance |

Claritas Data

Client CRM File

Audiences

Custom Segments

Look-alike Audiences

Multichannel Execution

Advanced Email Services

Analyze and refine audience strategies
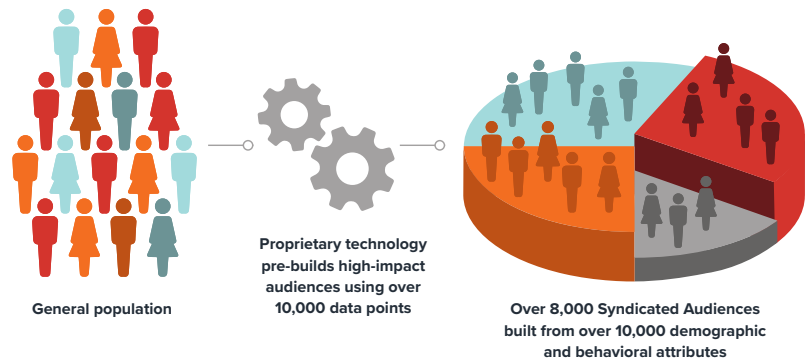
Audience Strategies

Now that you know what segmentation is and how it should fit in your marketing strategy, let's talk about how to choose the best segmentation and provider for your business and why. When choosing a partner for your segmentation needs, consider a few things: *do they have a solution that fits the industries I service? Is their data privacy-safe and regulatory compliant? What is the data breadth and quality like? If a syndicated or "off-the-shelf" solution doesn't fit my needs, is there a custom audience option? Can I connect households to their devices so I can execute seamless multichannel campaigns, whether on my own or through a provider? Is an Identity Graph used and if so, how robust and accurate is it?*

PRE-BUILT AUDIENCES TO FIT YOUR NEEDS

General population

Proprietary technology pre-builds high-impact audiences using over 10,000 data points

Over 8,000 Syndicated Audiences built from over 10,000 demographic and behavioral attributes

Claritas has five syndicated segmentation models that serve various industries, and our data is built to ensure privacy compliance. There is no personally identifiable information (PII) ever provided with our segmentation solutions, and race/ethnicity are not drivers of the models. In addition to offering the widest collection of unique and proprietary data sources, including data from real people, we manage 100% of our sourcing and compilation internally, to ensure the best data quality. Plus, if our syndicated solutions don't quite fit your needs, we are able to build custom audiences specific to your goals, complete with audience profiles, storyboards, geographic distributions and more.

A look at our segmentation solutions.

Claritas PRIZM® Premier is the industry's most widely adopted segmentation solution. It provides rich insights for every household in the U.S. including demographics, lifestyle and media preferences, shopping behaviors and technology usage. What can PRIZM® Premier do for marketers?

Know more about existing customers. By appending PRIZM Premier to your CRM files, you'll know more about your customer's lifestyle, media consumption and purchasing preferences and be able to engage with them in more meaningful and individualized ways.

Find new customers, faster. With detailed analyses of consumers and markets, down to the household level, you'll be able to find new prospects that match your existing customers faster and more accurately.

Significantly improve ROI. Executing multichannel campaigns with PRIZM Premier segments have averaged 4-6X greater ROI for marketers. We can also handle the campaign execution for you, or you can find our segments across all major industry platforms and channels.

TARGET SMARTER: Claritas has over 72 million high quality, active emails in our database that are tied to our 68 PRIZM Premier segments.

PRIZM® PREMIER

The Seattle Times

Insights Tell A Story That Leads To Increased Sales

THE CHALLENGE

The Seattle Times is a Pulitzer Prize winning news media company founded in 1896. With a reach of 1.8 million, they act as a full-service marketing agency for their clients. Using Claritas PRIZM® Premier, they regularly perform segmentation analyses on their clients' customer files to help them identify the highest opportunity audiences for their marketing efforts, including the best channels to deliver their messaging.

HOW WE DID IT

The Seattle Times is a long standing Claritas client that accesses PRIZM Premier through the self-service consumer insights platform, Claritas 360. One of their clients, a donation driven company, was looking to increase their highest-level donor base. After determining which segments to target, The Seattle Times ran a two-week banner ad campaign that helped the company increase their new donors by 10%, at a donation level of $100,000 or more.

Additionally, they performed a segmentation analysis on a high-end jewelry store's CRM. They recommended the jewelry store up their ad spend but target more qualified buyers, instead of their typical mass marketing efforts. After a year of campaigns, the jewelry store raised their ad budget by half, after measuring a 50% monthly increase in sales over the previous year.

The Seattle Times continues to drive success for clients and looks forward to new innovations in targeting methods to increase their effectiveness.

INTELLIGENCE YOU CAN USE

PRIZM Premier is the industry's most widely adopted segmentation solution. It provides rich insights into every U.S. household, including their demographics, lifestyle and media preferences, shopping behaviors and technology use.

Claritas 360 is a web-based platform used to analyze customer and market potential, helping marketers know more about their ideal audiences and the geographies they live in.

THE CLARITAS EFFECT

10% new donors at the $100,000 level for a donation driven company

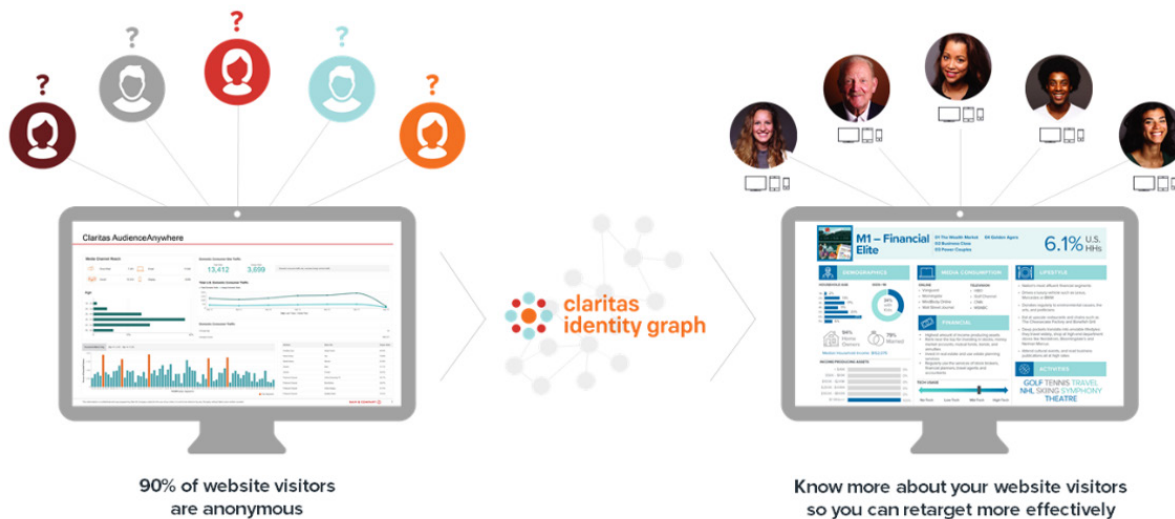**50%** increase in monthly sales for jewelry store, over prior year

Claritas P\$YCLE® Premier was built specifically for marketers in the financial and insurance industries. It provides comprehensive consumer insights concerning financial wealth, insurance and investment products held, home value, technology behaviors and media preferences. What can P\$YCLE® Premier do for marketers?

1. **Know more about existing customers and members.** By appending P\$YCLE Premier to your CRM files, you'll learn more about your current customer and member's assets, credit card use, banking and insurance behaviors, plus product preferences. You'll know what products they have, what they need now, and predict what they'll need in the future. You can even resolve the anonymous traffic to your website and quickly align them with a specific segment based on our ability to identify their financial-specific attributes.

2. **Find new customers and members in a privacy-safe manner.** As with all of Claritas' segmentation solutions, no information about a unique individual or household is published or reported within segment assignments.

3. **Identify gaps in the market.** P\$YCLE Premier gives you the power to understand your customers and members, and your competitor's customers and members, to identify new opportunities for products and services that others may be missing or not even aware of.

4. **Develop more personalized messaging.** By creating a more complete picture of current customers, members and prospects, P\$YCLE Premier opens the door to more personalized messaging based on a segment's specific needs.

5. **Understand where to engage** customers, members and prospects across offline and online channels, based on their preferences and what influences them.

90% of website visitors are anonymous

Know more about your website visitors so you can retarget more effectively

TARGET SMARTER: Claritas has over 72 million high quality, active emails in our database that are tied to our 60 P\$YCLE Premier segments.

P$YCLE® PREMIER
Webster First

Identifying Highest Potential Audience is Money in the Bank

THE CHALLENGE
Webster First Federal Credit Union, one of the largest member-owned credit unions in Massachusetts, was opening two new branches. They wanted to bring new members in and set an ambitious goal of $20 million in deposit growth for the year. Claritas helped them identify high potential audiences and build an effective multi-channel campaign to acquire new money market and CD accounts.

HOW WE DID IT
Claritas' proprietary P$YCLE® Premier segmentation was used to identify the audiences with the greatest potential. After cross-referencing current credit union members, they learned that their best prospects were 50+, fiscally conservative and travelled locally, among other things. Armed with this intelligence, Webster First Federal, together with their agencies, launched a ZIP Code specific, TV, digital and direct mail marketing effort focusing on the security of their financial products.

THE CLARITAS EFFECT

| **$52 million** in deposit growth | **250%** over yearly deposit goal, before Q4 |

INTELLIGENCE YOU CAN USE
The smarter your data, the bigger your wins. Claritas offers proprietary segmentation systems specific to the financial industry, the tech and telecom industries, and the multicultural market, as well as the most widely used lifestyle segmentation, PRIZM® Premier.

Claritas ConneXions® was designed for the technology and telecommunications industry, to help them know more about the technology behaviors of today's connected consumers and predict adoption rates for all major tech categories, including smart tech. What can ConneXions® do for marketers?

1. **Know more about existing customers.** Use ConneXions to understand your customers' technology behaviors. See who is likely to be an early adopter, switch carriers frequently, or use smart technologies in their home. Know how they consume media and on what device, plus predict what products or services they'll need in the future.

2. **Find new customers in a privacy-safe manner.** ConneXions is a privacy-compliant solution that helps you understand demand for products and services by market and find new customers. Data used to build this segmentation model is acquired from original research and third-party providers who have a legal right to provide us such information. The data is voluntarily given and is either self-reported or modeled, with resulting segments free from PII or Personally Identifiable Information

High-Tech Society

- HH w/ Kids
- Postgraduate
- Older
- High-Tech
- Wealthy
- Urbanicity Mix
- Management and Professional
- Mostly Owners

WHO I AM

WHAT I CHOOSE

- Trades Stocks Online
- Heavy User of Pay-Per View
- Has 5+ TVs in Home
- Vehicle has Wireless Capability
- Telecommutes Frequently
- Has Solar Panels

3. **Identify gaps in the market.** ConneXions gives you the power to understand your customers and your competitor's customers to identify unmet needs. Device and carrier preference data can be used to uncover new opportunities for switching providers or adopting new smart technologies.

4. **Develop more personalized messaging.** By creating a more complete picture of current customers and prospects, ConneXions opens the door to more personalized messaging based on a segment's specific needs.

5. **Execute multichannel campaigns.** Leveraging the intelligence of the Claritas Identity Graph leads to a better understanding of which channels and devices your ideal audiences prefer to engage with.
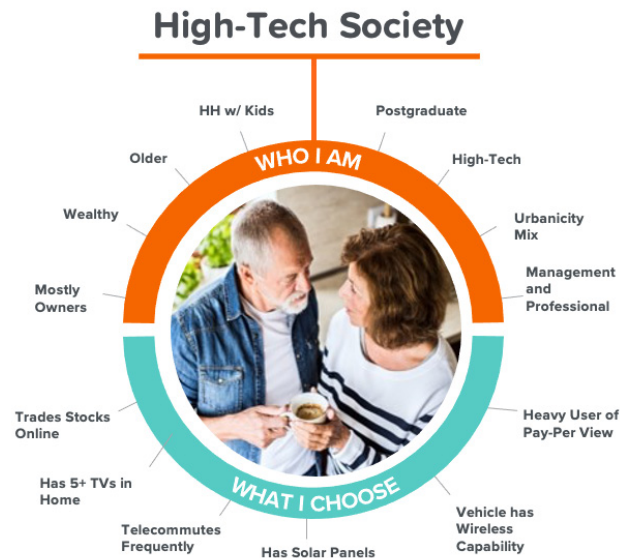
TARGET SMARTER: Claritas has over 72 million high quality, active emails in our database that are tied to our 53 ConneXions segments.

CONNEXIONS®

Telco Company

Decreasing Ad Spend While Increasing Activations

THE CHALLENGE

A long-time Claritas telco client wanted to encourage non-customers to bring in their current device and sign up for an unlimited talk, text, and data plan. Using proprietary segmentation for the telecom industry, Claritas helped them find and engage their best prospects with a mobile and online campaign.

HOW WE DID IT

The telco company had years of experience using Claritas ConneXions, our syndicated segmentation solution for technology and telecom companies, to successfully identify their best customers and market to them offline. For this effort, they used ConneXions and Claritas Digital, to find and target similar new prospects who would be the most responsive to a mobile-first ad campaign.

INTELLIGENCE YOU CAN USE

Delivering the right advertising to the right prospects in the right place is essential to overall marketing effectiveness. Claritas Digital is just one of the many tools Claritas offers to significantly improve your online efforts.

THE CLARITAS EFFECT

11MM+
ad impressions

94% decrease
in CPM

45% increase
in activations

Claritas CultureCode® allows marketers to gain insight into over 130 million multicultural consumers by acculturation, country of origin, preferred language, lifestyle preferences and more. What can Culture-Code® do for marketers?

Data Resources Include

Financial Services
Retail Trade Area
Geographic Location
Generational Cohorts
Lifestyles & Psychographics
Business Locations and Contacts
Workday/Daytime Counts
LGBT Counts
Religion Counts

Race/Ethnicity
Country of Origin
Acculturation by SES/Country of Origin/Lifestage
Multicultural Consumer Spending
Media, Shopping, Online Behavior, Product Usage
Age, Income, Education
Socioeconomic Status by Race/Ethnicity
Hispanic and Asian Language Usage

1. **Understand more about existing multicultural customers.** How you engage with a multicultural consumer and in what language depends on each person's degree of assimilation. By segmenting with CultureCode, you'll increase engagement, loyalty, and results, while communicating in a culturally sensitive way.

2. **Expand your reach and find new multicultural customers.** Determine the best multicultural prospects with the most long-term potential. Analyze growth across product categories, then create messaging that resonates based on how much they identify with their country of origin.

3. **Deepen your CRM and strengthen your multicultural marketing.** Append CultureCode segments to your consumer and business lists and develop targeted direct marketing via post and email, as well as digital campaigns to your best prospect's favorite channels.

4. **Develop more personalized messaging.** By creating a more complete picture of current customers and prospects, ConneXions opens the door to more personalized messaging based on a segment's specific needs.

5. **Execute multichannel campaigns** based on a granular level understanding of the offline and online channels that influence multicultural segments.

MULTICHANNEL

Multicultural Telecom

Large media company helps Telecom client connect with the right bi-cultural Asian consumers across digital channels

THE CHALLENGE

A large media company, acting on behalf of their telecommunications client, wanted to reach bi-cultural Asian consumers and reach them across the right digital channels. Identifying Asian consumers based on basic demographics is easy, but to get their campaign to scale, they needed to understand their audience's acculturation and country of origin to develop the right mix of messages and creative (in language), to resonate with specific Asian audiences.

HOW WE DID IT

Using Claritas Asianicity™ CultureCodes®, the media company was able to understand the acculturation, country of origin, language preference and lifestyle behaviors of the bi-cultural Asian segment AA3, a segment characterized as being bi-lingual; immigrant as a child; and having many Asian cultural practices. In focusing in on this audience, our client was able to deploy digital display ads that performed 2-3x above the industry average of 0.06%, with an overall CTR of 0.13% with a high of 0.32%. Findings from this campaign showed the top performing creatives with the highest engagements depended greatly on the country of origin, as well as the acculturation of the audience. This knowledge helped inform future creative development, along with optimization of other campaign elements to maximize ROI.

INTELLIGENCE YOU CAN USE

The more precisely and accurately you build your audiences, the more effective your online and offline marketing can be. Claritas' proprietary segmentations can add an unrivalled depth and detail so you can have the most complete picture of your best customers and prospects.

THE CLARITAS EFFECT

3-4x above the industry average CTR's of 0.2%

4-7x increase in engagements through conversions

Claritas PRIZM® Premier Hispanicity™ is our newest segmentation and merges Claritas' flagship segmentation system PRIZM® Premier, with Claritas CultureCode® Hispanicity™ for a unique assimilation of syndicated segmentation and Hispanic acculturation groupings, for unprecedented refinement of market segment. Each of PRIZM Premier's 68 segments is classified into one of four Hispanicity groups. Leveraging PRIZM Premier Hispanicity provides a framework that helps marketers understand the Hispanic/Latino population by country of origin, life stage, socioeconomic strata, and a variety of shopping and media behaviors.

A - Acculturated

PRIZM® PREMIER HISPANICITY™ SEGMENTS

ACCULTURATED

HA1 - Americanizado

17.1% OF U.S. HISPANIC POPULATION

HA1 Acculturation Traits

English Dominant (nearly no Spanish)

Born in U.S.; 3rd+ generation

Few Hispanic cultural practices

HA2 – Nueva Latina

29.2% OF U.S. HISPANIC POPULATION

HA2 Acculturation Traits

English preferred (some Spanish)

Born in U.S.; 2nd generation

Some Hispanic cultural practices; often, "retro-acculturate"

MEDIA CONSUMPTION

- MTV, CareerBuilder and NBA team were the top internet site visited in the past 30 days
- MTV Video Music Awards (VMAs) was the highest indexing special TV program watched for this segment in the past 12 months
- UFC and U.S. Soccer were the highest indexing sports program watched on TV in the past 12 months

FINANCIAL

- Likely to have a student loan, a checking account, debit card, credit card, savings account and use mobile banking with their primary bank
- Likely to do their primary banking for the household at U.S. Bank, CitiBank, or Wells Fargo or Internet Banks, such as EtradeBank
- Likely to have auto insurance with Farmers and homeowners/renters insurance with GEICO or AAA, or none at all

LIFESTYLE

- Likely to pay more for eco-friendly products, buy organic food at Whole Foods, and drive less/use alternative transportation
- Most rely on their smartphones, and beyond search and social, uses the internet for watching & downloading movies and TV programs, job searching and taking college courses
- Most frequently purchased item on the internet was music downloads (iTunes), movie tickets, and wine.
- Most likely to use the internet service provider XFINITY, Charter Spectrum, and Cox
- Most likely to use Sprint or Verizon as their wireless/cell phone carrier
- Likely to eat at Auntie Anne's, Jimmy John's, Taco Bell, or Church's Chicken
- Shopped at Safeway, Walmart Supercenter, or Sam's Club for groceries in the past week
- Imported beers drank most often are Sol, Dos Equis, Modelo Especial, and Tecate
- Domestic regular beer drank most often is Goose Island and Pabst Blue Ribbon
- Domestic light beer drank most often is Bud Light Platinum and Michelob Light

Every business has different marketing objectives. Meeting those objectives sometimes requires addressing a very specific audience. Using Claritas data, you can build proprietary audiences based on your goals. What can a custom segmentation solution do for marketers?

Unleash the potential of your 1st-party data by combining it with our robust demographic and behavioral insights. Using our proprietary modeling process, these custom-built audiences include extensive details like audience profiles, storyboards, geographic distributions and directories.

Already know what your best customer looks like? Based on their known attributes and behaviors, Claritas can find more customers that look exactly like them.

With our Claritas AudienceAnywhere®️ online platform, you've got the ultimate in customization. Select from thousands of attributes to build your own audience to meet your business goals. In addition, you can tag your website and build a custom audience from the anonymous visitors – which are estimated at 90% of website traffic – that visit your site.

Activate your custom segments by launching effective multichannel campaigns based on knowing where, when and how they engage with devices and channels.

SEGMENTATION ON DEMAND
Telco Provider

Helping Small Businesses Turn Potential Buyers Into Their Best Customers

THE CHALLENGE
A provider of high-speed broadband Internet, phone and digital TV packages for residential customers, businesses and government agencies was having trouble growing their small business sector. After working with a market insights company who returned a multi-slide PowerPoint presentation devoid of actionable recommendations, they came to Claritas to help them acquire new customers and increase their current customers' average monthly spend.

HOW WE DID IT
After several exploratory conversations, it became clear that the provider would benefit from Claritas Segmentation on Demand, as they could customize the returned segmentation model based on the drivers important to their specific business needs. The model included 100+ descriptive variables appended to their own CRM for smarter targeting and activation across media. With the data provided, the telco provider was easily able to execute a three-pronged plan of attack for growth: target the highest potential small business prospects for their products and services using their new insights, optimize their acquisition strategy and maximize the cost efficiency of targeting through direct and digital channels, and drive content development for offers through their website, social media, and more.
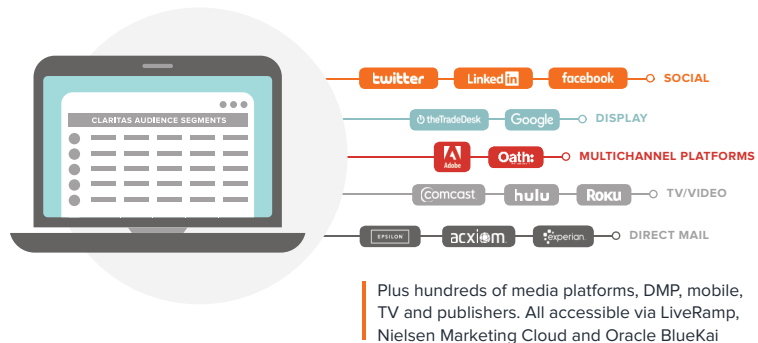
INTELLIGENCE YOU CAN USE
The telco provider valued being able to reach small businesses via their preferred channels with a marketing message that spoke to what they look for in a service provider. Going forward, Claritas will continue to assist them in finding new customers for their services using new, smart targeting methods.

THE CLARITAS EFFECT

Target high potential small business prospects

Optimize acquisition strategy and maximize cost efficiencies

Drive Multichannel content development

Knowing the fundamentals of how segmentation works is one thing, but how can you act on the insight segmentation provides, so you can deliver relevant messaging through the right channels, at the right time to your best customers and prospects?

Near Real-Time Data Delivery
Through our partnerships with all major industry data, platform and channels, you have access to Claritas data anywhere you need, almost instantly.


Plus hundreds of media platforms, DMP, mobile, TV and publishers. All accessible via LiveRamp, Nielsen Marketing Cloud and Oracle BlueKai

Let your segmentation analysis be your guide.

Here's an example: ABC Retailer has been operating on an ecommerce platform for the past 2 years, and now they want to expand with physical locations near their distribution center in Charlottesville, VA. After appending Claritas PRIZM® Premier segmentation to their current customer files, they uncovered that 80% of their customers fall within three segments – Upward Bound, Up-and-Comers, and Fast-Track Families. Diving in deeper into their data, they can see that these segments are tech savvy, use apps like Spotify, eat at quick service restaurants like Jimmy John's, and are big into sports. ABC Retailer takes this data to their creative team who creates ads promoting their plans for physical expansion that Claritas will then help them deliver through various channels, like sports themed podcasts, the local rock radio station, Facebook and Instagram, and even email.

The flexibility to analyze who your best customers and prospects are is a game changer for marketers. Choose from options like a Fast Analytics project, where Claritas' team does the work for you, complete with storyboards and marketing guides for activation. Or, have your research team analyze both consumer and market opportunity using one of our platforms, like Claritas 360.

Once campaigns have left the creative house and have been delivered through their respective channels, many companies think they're done, and they should just sit back and watch their efforts convert to sales until it's time to come up with the next campaign. WRONG! Surface level metrics like clicks on an ad or opens of an email don't tell you what you need to know to optimize, and they certainly don't give you the full picture for attribution purposes. You won't even know if human eyes saw your message or if a bot did. To understand what channels are working best, and what series of engagements drove the most conversions, you need to go beyond a "cross device" analysis with your multichannel measurement and attribution solutions. At Claritas, we unify devices, conversion environments and precise measurement indicators to truly analyze the effectiveness of your media. You'll be able to track all marketing exposures across online and offline channels, and know more about which channels are most effective at converting. You'll have the accurate and transparent information you need to track and react in near-real time. Most importantly, you'll have the insight you need to improve performance, so that every marketing dollar you spend is well spent. How does it all work?
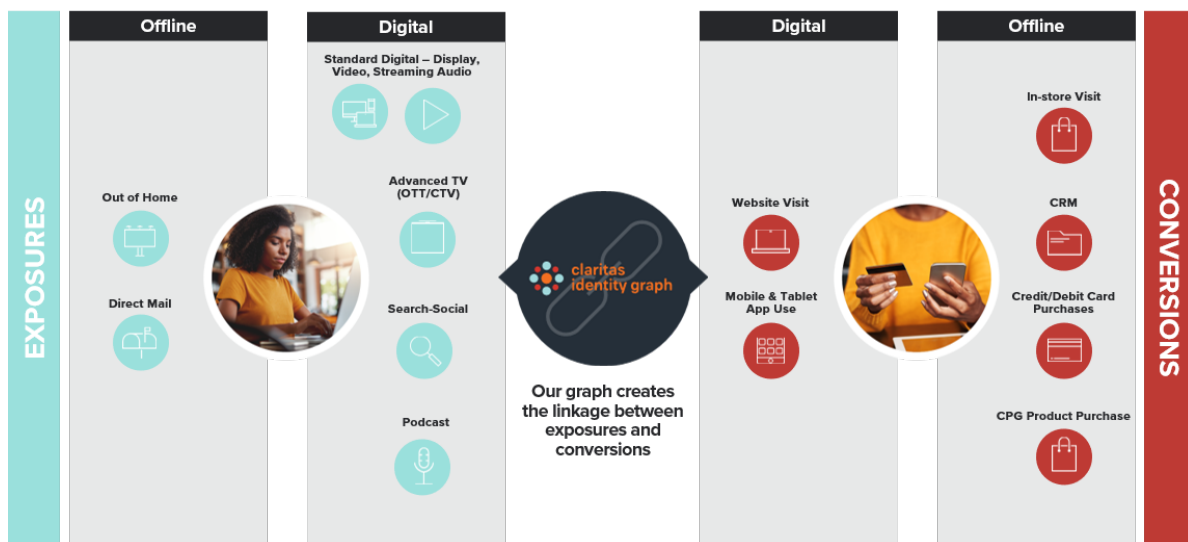
Consumer Purchasing Path

Awareness: Target groups are exposed to messages across channels and engagements begin. Decisions are made on level of engagement and research moving forward. Claritas collects that engagement data through our Claritas AudienceAnywhere® platform.

Interest & Consideration: Target groups actively research products and services using a variety of tools, including offline and online platforms. Claritas attributes those engagements and conversions to exposure types and evaluates incremental lift in engagements and conversions by channel.

Action: Target groups decide to take action across online and offline channels. These actions span from in-store sales conversions at a new physical location to opting in for specific promotions — like a new athleisure line our example company ABC Retailer is launching in-store only — or ongoing marketing efforts. Claritas leverages learnings from these campaigns to optimize future ones on your behalf.

Identity Graphs: The Antidote to Spray-and-Pray Marketing

Segmentation on its own is powerful but add in the intelligence of an identity graph and you can suddenly link critical physical insights of your ideal audience segments to their digital behaviors in a way that even more accurately lets you understand how real customers are taking real actions. Not all identity graphs are made equal though, so in your partner evaluation process, there are seven questions you should ask, and while we're at it, here's how we would answer:

1. **Where do you get the identity graph data?**
   Claritas has 50 years of experience providing insight into the American consumer. We also have over 15 years developing one of the industry's most comprehensive identity graphs. The Claritas Identity Graph uses proprietary and independently verified data sourced from publicly available data and trusted partners.

2. **How accurate and scalable is that data?**
   The Claritas Identity Graph contains a proprietary data set that spans 120 million households and more than 600 million devices, using a probabilistic and deterministic-focused, privacy-compliant approach that relies on a combination of digital signatures to identify and reach the largest volume of in-market audiences.

3. **Can the identity graph help me identify different customer segments?**
   Working with Claritas, you can combine identity graph data with detailed segmentation data to provide you with the highest-def portrait of your customers and prospects. This allows you to not only market to existing customers more effectively – but also to create profiles of customers who are more likely to buy. The Claritas Identity Graph is the engine behind all of this intelligence.

4. **Can I upload customer profile data to multiple campaign channel partners directly from the identity graph?**
   Claritas makes it easy for you to onboard your existing CRM data into our identity graph. You can easily build robust customer profiles and see data matches in near real-time to determine exactly how many customers you can reach across different channels, such as: email, online display and social media. Once those customer profiles are complete, simply onboard your customer profile data directly to your preferred channel marketing partners through our custom-built application programming interfaces.

The Claritas Identity Graph ties over 5 billion data points monthly to digital behaviors and devices.

5. **Can you make adjustments to those segments and channels in real-time?**
   Claritas uses a rigorous proprietary process that involves continually refreshing data to ensure our industry-leading accuracy is never jeopardized. This provides you the ability to optimize your data, your messages and your delivery channels as your campaigns run for maximum ROI.

6. **What kind of transparency do I have into the data – and who owns it?**
   Claritas gives you transparency into every piece of data we collect and every analysis we run. We also believe you have the right to own your own data, so you can understand exactly what your best customers look like – and how they've engaged with you during every piece of your marketing campaign.

7. **How do you ensure the segmentation adheres to privacy and compliance standards?**
   Claritas' segmentation solutions are built with responsibly sourced data. All data used (owned or acquired) through 3rd party partners is opt-in only or aggregated and anonymized to ensure privacy.

   Behavioral segments are modeled or aggregated with no personal information used or transmitted. Claritas does not target an individual specifically based on their actual purchase behavior or any PII. A segment is modeled as a predictor or likelihood scores are applied based on consumer behavior or relevant consumer data attributes.

   A given assignment of a consumer household to a segment is determined based on a probabilistic model that picks the closest segment based on the characteristics Claritas has or determines from a 3rd party reputable source. A household may or may not fit in a specific range for a given variable for a given descriptor of a segment, but overall fits into a given segment better than any other.

The U.S. Privacy Law Landscape

For 50 years, Claritas has provided clients with solutions built with accurate, privacy-compliant consumer data that helps them find and win their best customers.

We have taken a leadership role in the privacy compliance area and continue to participate in a collaborative work group, comprised of many data providers in our industry. In our role as a trusted partner and data provider to businesses across all industries, Claritas remains committed to having a leadership role in shaping the changing privacy landscape. Further, we have been proactively watching the new developments in other states and on the Federal level, allowing us to quickly adapt as other privacy laws are passed.

Since the California Consumer Privacy Act of 2018 (CCPA) was first introduced, Claritas has worked closely with other marketing industry leaders to address guidelines that help define what CCPA compliance looks like. We are doing the same with respect to the CPRA, the Virginia CDPA and other state activity, as well as the changes that have been made by Google and Apple. Our clients have the added benefit of knowing that Claritas is committed to providing insight into the evolving privacy landscape and understand how Claritas will serve them as a trusted partner during the changing world of privacy compliance.

Going back to the original question that kicked off this report, while many providers may offer various segmentation solutions, that does not mean they all offer what you need to help your business grow to meet its goals or even survive in times of economic crisis.

One of the key differentiators of Claritas' segmentation models has really stood out in the unprecedented times we find ourselves in with the COVID-19 global pandemic. You can use Claritas segmentation with confidence knowing that it is built for the long term. The structures of our models are built on a foundation that accommodates changes, such as inflation on an annual basis. Any downturn in the market, like what is expected from COVID-19, is handled by our segmentation models in the same way. Therefore, our segmentation models and segment definitions will not change to accommodate the pandemic. Regardless of how individual households are affected, all Claritas segmentation solutions will still put the most affluent people in the first few segments. You can absolutely use this information to find the customers or prospects that are most in need of your assistance at this or any time in their lives, or most likely to respond to specific product or service offers.

ABOUT CLARITAS

For nearly 50 years, Claritas' unparalleled knowledge of the American consumers has yielded the most adopted segmentation in the industry, helping marketers identify their best customers. Through key acquisitions, the company has transformed into a marketing leader, now offering a single-source suite of solutions that give marketers the ability to identify their ideal audiences, deliver multichannel marketing engagements with precision and leverage measurement tools to optimize their media spend across online and offline channels and thus drive better marketing ROI. With an accuracy-first foundation, the robust Claritas Identity Graph serves as the engine that drives these powerful solutions, reaching 120 million households and over 800 million devices.

More information can be found by visiting www.claritas.com.