PRISM

Claritas Inc. developed a geo-clustering system PRIZM that provides marketing information on the households. PRIZM is useful because it provides an analysis of customer markets and market segmentation. The scale relies on the assumption that households in one neighborhood share similar characteristics such as age, race, education, and preferences. It also suggests that the lifestyle patterns, shopping trends, and attitudes of customers are also similar. The scale is useful for determining the census data that can be used by organizations for targeting specific markets. It is an effective tool for determining customer needs and preferences (Claritas, 2019).

Use of PRIZM in a neighborhood with small geography reveals statistically consistent and reliable data. The site uses the zip code for retrieving the data on market segmentation. This will allow the firms to identify the preferences of the customer that gives opportunities for maximizing sales and profits. However, when the neighborhood includes large populations, it is difficult to make accurate estimations of customer preferences. The zip code for Miami reveals the preferences of the people in this neighborhood. It indicates that the cosmopolitan comprise of upscale younger family mix. The neighborhood constitutes the population of 16,536 people, and the median age is 43 years. The average household income is $63,701. The average incomes will be used for marketing (Kunz, 2018). The findings depict that the youth spend more on shopping and consumer goods. The firm can use these statistics for targeting the relevant consumer groups. The scale has estimated that the majority of the households will be capable of spending on the purchase of commodities. The scale can be used for the companies to formulate marketing strategies for targeting the customers across the entire neighborhood. Geo-Demographic segmentation is an effective tool for targeting relevant markets.

References

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