

# CONTENTS

*Contributors' biographies* ix  
*Foreword* xv  
*Preface and acknowledgements* xviii  
*List of abbreviations* xxi

## **Introduction** 1

### **01 An overview of geodemographics** 5

Introduction 5  
Definitions and principles 6  
How neighbourhood classifications work 8  
Key strengths and weaknesses of geodemographics 10  
Origins of modern geodemographics 13  
Other methods of market segmentation 15  
Can geodemographics actually predict purchasing behaviour? 19  
Conclusion 20  
Notes 20

### **02 Big data and geodemographics** 21

Introduction 21  
The trend towards big data 22  
Why geodemographics is relevant in an age of big data 23  
How big data and geodemographics can work together 28  
Conclusion 29

### **03 Key data sources** 30

Introduction 30  
Sources required for building geodemographic discriminators 31  
Sources that geodemographic discriminators are linked to 43  
Conclusion 44

- 04 Geodemographic classification systems** 45
- Introduction 45
  - What is a neighbourhood classification? 46
  - How neighbourhood classifications are built 46
  - Current neighbourhood classifications in the UK 57
  - Market-specific classifications 61
  - How classifications are updated 63
  - Choosing a classification 64
  - Conclusion 65
- 05 Other types of geodemographic discriminators** 66
- Introduction 66
  - Census raw variables 67
  - Derived indicators 76
  - Fuzzy classifications 78
  - Sub-postcode discriminators 79
  - Conclusion 79
  - Notes 81
- 06 The mechanics of using geodemographics** 82
- Introduction 82
  - Tools and techniques 83
  - Accessing geodemographic information 95
  - Visual presentation of results 97
  - Potential pitfalls and how to avoid them 100
  - Conclusion 102
- 07 Applications in various industry sectors** 103
- Introduction 103
  - General applications 104
  - Marketing applications 106
  - Retail applications 108
  - Financial services applications 112
  - Media applications 115

Market research applications	119
Public sector applications	125
Applications in academia	126
Conclusion	130
Note	130

## **08 Choosing a geodemographic classification** 131

Introduction	131
Steps in the selection process	132
Issues in comparing geodemographic products	135
Measuring discrimination	136
Comparing geodemographic classifications	139
Conclusion	143

## **09 The international perspective** 144

Introduction	144
Prerequisites for geodemographics to operate in a country	145
Differences between national censuses	146
Differences in small-area output geographies between countries	156
International classification systems	161
Obtaining international data	162
Country case study – the United States	163
Conclusion	166
Notes	167

## **10 Creating your own information products** 168

Introduction	168
Why build a customized solution?	169
Building a bespoke discriminator	169
Small-area estimation	173
Conclusion	176

**11 Looking to the future** 177

Introduction 177

Likelihood of change in user demand 178

Census developments 179

Open data developments 184

Administrative data developments 185

Big data developments 186

Conclusion 188

*Appendix A: Useful information sources* 189*Appendix B: The structure of a UK postcode* 192*References* 194*Index* 200