

Consumer Classification and Lifestyle Segmentation

An analysis of demographics can provide basic information about consumers in the trade area. However, the trade area residents can be examined in detail by examining lifestyle segmentation information. Lifestyle segmentation systems examine the buying habits and preferences of consumers in the trade area. One specific lifestyle segmentation system, Community Tapestry™, was purchased from ESRI Business Information Solutions to provide useful information about households in the trade area. Tapestry data is available for individual neighborhoods for the entire country. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on types of neighborhoods (urban, suburban, rural); the residents' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors and preferences. Tapestry data is updated annually using various national and local data sources.

Table 5.10 reports the Community Tapestry segments found in the Sauk Prairie trade area. The trade area's predominant lifestyle segment is *Main Street USA*, which comprises a third of all trade area households. The trade area's second and third largest lifestyle segments are *Green Acres* and *Rural Resort Dwellers* respectively. When combined, the three largest lifestyle segments comprise almost 75 percent of the trade area. Each of these three segments is described in further detail on the following pages. Note that these descriptions (as written by ESRI Business Information Systems) reflect the typical national household in each category. Local consumer characteristics will likely vary somewhat from these descriptions.

In addition to the broad category descriptions presented in this section, a database describing detailed consumer purchasing patterns is available on the Community Tapestry CD that accompanies this report. Spending patterns on the CD are expressed using a market potential index (MPI). The MPI's examine a wide range of retail, service, entertainment and psychographic categories to determine a household's propensity for purchasing products or participating in activities. A market potential index is based on a U.S. average of 100. For each consumer category, a value above 100 shows that a Tapestry segment is more likely than average to purchase a product. Conversely, a value below 100 suggests that a Tapestry segment is less likely than average to purchase a product. This information will be utilized throughout the remainder of this report. *Given the value of this information, it is suggested that the Sauk Prairie Area Chamber of Commerce make the MPI information readily available to existing and prospective businesses in Sauk Prairie.*

Table 5.10 – Community Tapestry Segments in the Sauk Prairie Trade Area

Tapestry Category	Sauk Prairie Trade Area Households	Sauk Prairie Trade Area Household Percentage	Sauk/Dane County Household Percentage	State of Wisconsin Household Percentage
L10-24 Main Street USA	2,596	32.4%	6.6%	5.6%
L2-17, Green Acres	2,160	27.0%	7.5%	9.5%
L12-31 Rural Resort Dwellers	1,199	15.0%	0.3%	3.3%
L10-33 Midlife Junction	790	9.9%	2.3%	3.4%
L11-42 Southern Satellites	395	4.9%	0.2%	0.8%
L11-37 Prairie Living	356	4.4%	1.1%	3.2%
L11-25 Salt of the Earth	258	3.2%	1.7%	7.9%
L10-32 Rustbelt Traditions	249	3.1%	1.2%	7.9%
Other		0.1%	79.1%	58.4%
Total	8,003	100.0%	100.0%	100.0%

Source: ESRI Business Information Solutions

Life Mode Group, L10-24 Main Street USA

Demographic: This group is comprised of a mix of household types, similar to the U.S. distribution, with a median age of 35.8 years, also similar to the U.S. Almost half of the households are married couple families (with and without children); 27 percent, single-person households; and the remainder, shared or other families. Most residents are white (80 percent).

Socioeconomic: Residents earn a comfortable median household income of \$50,400, with income mainly derived from wages (80 percent of households). A fourth of the households receive Social Security benefits. Median net worth is \$114,500. *Main Street, USA* residents primarily work in services and manufacturing industries, with another 30 percent employed in professional and management occupations. Almost a fifth of *Main Street, USA* residents have earned a bachelor's or graduate degree, while 30 percent have some college credits.

Residential: This group contains a mix of single-family homes and multi-unit dwellings, similar to the U.S. These neighborhoods are found in the suburbs of smaller metropolitan cities, primarily in the Northeast and Midwest. Almost two-thirds of the housing was built before 1970. About 64 percent of the householders are homeowners, with a median home value of \$165,000.

Preferences: Individuals in this grouping are active members of their communities, taking part in fundraisers and volunteer programs. They take day trips to the beach, theme park or the zoo and occasionally go on domestic vacations. For evening leisure time, they enjoy dinner and a movie or play billiards at their favorite bar. Applebees, Outback Steakhouse and Red Lobster are their favorite family restaurants. Many residents prefer to cook at home and play board games or rent a movie.

They use the Internet to play games or search for employment, but shopping online is growing in popularity. If they do not have access at home, they may access the Internet at work, school or the public library. They rely extensively on the Yellow Pages for restaurants, stores, contractors and more.

Because *Main Street, USA* Homes are older, householders invest in small home remodeling and improvement projects. Residents are more likely to complete work by themselves than hire an outside contractor. To complete the job, they purchase tools and supplies from Home Depot or Lowe's. Residents keep up their gardens by planting new bulbs, fertilizing their lawns and using insecticide regularly. They treat their pets with dog biscuits, but prefer the convenience of dry cat or dog food to canned foods.

Life Mode Group, L2-17, Green Acres

Demographic: Married couples with and without children make up 70 percent of the households in *Green Acres*. Most of the families are blue collar Baby Boomers, many with children aged 6-17 years. With 9.5 million people, *Green Acres* represents one of the largest markets, currently over three percent of the U.S. population and growing by two percent annually. The median age for *Green Acres* residents is 39 years. This segment is not ethnically diverse; over 90 percent are white.

Socioeconomic: The labor force of *Green Acres* is college educated and hard working. Over half have completed some college or a degree program. Labor force participation is about 70 percent, with employment concentrated in skilled labor and farming occupations in agriculture, manufacturing, or construction industries. Over 12 percent of households earn income from self-employment ventures. Median household income is \$61,000; median net worth is over \$130,000.

Residential: A little bit country, *Green Acres* residents live in pastoral settings of developing suburban fringe areas. Development has been consistent—single family homes. Excepting a few mobile homes and some seasonal housing, over 90 percent of the housing inventory is owner-occupied, single family dwellings. (Home ownership is also consistent in *Green Acres*.) These newer homes carry a median value of \$168,000. *Green Acres* are located throughout the country, but very common in Indiana, Michigan, Ohio and Pennsylvania. Typical of rural residents, *Green Acres*' homeowners own multiple

vehicles. Almost 80 percent own two or more vehicles in addition to their lawn or garden tractors. They favor domestic models with four-wheel drive, four-door sedans and trucks.

Preferences: Country living describes the lifestyle of *Green Acres* residents. They are do-it-yourselfers, maintaining and remodeling their homes with paint, decks and patios and spas. Of course, they own all the necessary power tools to accomplish their projects, power saws, drill presses, and welders. Gardening, especially vegetables, is also a priority, again with the right tools—tillers, tractors, riding mowers, edgers, and even separate home freezers for the harvest.

Leisure in *Green Acres* includes hiking, backpacking, hunting and bicycling. They also own motorcycles, watch motorcycle events on TV and read motorcycle magazines. Accommodating the country lifestyle, many households employ satellite dishes in lieu of cable TV. Favorite programming includes Home & Garden Television, sports, especially pro football and NASCAR races, and the Speed Channel. They listen to news/talk radio and read fishing, hunting and boating magazines. Living in the country does not preclude connection to the rest of world. *Green Acres'* residents own and use PCs, probably purchased by catalog. They own a variety of software packages, including education software for their children. They also use the Internet, primarily to purchase consumer goods like videos, clothing and CDs, or to track investments.

Life Mode Group, L12-31 Rural Resort Dwellers

Demographic: Favoring milder climates and pastoral settings, *Rural Resort Dwellers* live in rural nonfarm areas throughout the United States. About 40 percent of *Rural Resort Dwellers* are married with no children living at home. They are older than most Tapestry segments, with a median age of 46 years. Half of the householders are 55 or older. There is little diversity in these communities; residents are predominantly white.

Socioeconomic: Although retirement officially looms for many, most *Rural Resort Dwellers* are still working. Their median household income is \$43,400. With a higher than average presence of 65 or older, income from retirement and Social Security benefits is common. Nineteen percent are self-employed, nearly twice the national level. More than half have gone beyond high school, comparable to the U.S. in general. Their median net worth is \$95,300.

Residential: These low-density communities are small, but growing at over two percent annually. Most own their homes. Typical of areas with rustic appeal, the housing inventory features single-family homes and mobile homes. Three-quarters of the households live in single family homes and one-sixth in mobile homes. The median value of \$155,000 is slightly above the national figure. A significant inventory of seasonal housing is available in these communities.

Preferences: Simple living and consumer tastes describe the *Rural Resort Dwellers*. Gardening tools and equipment are an integral part of maintaining their properties. Home improvements are common projects in this market segment. Their simple living also includes baking and home-cooked meals. Many households have pets, particularly dogs.

The rural settings mean higher than average numbers of riding lawnmowers and satellite dishes. Additionally, many households own multiple vehicles, and they much prefer domestic to import. Four-wheel drive trucks are popular. *Rural Resort Dwellers* actively participate in local civic issues. They read magazines related to fishing, hunting and home improvement; listen to country music; go hunting and zoom around in powerboats.

With the aging population, general healthcare and prescription medications for age-related issues take on a significant role, and so do financial and retirement related matters. Many *Rural Resort Dwellers* are actively managing or planning their investments and retirement savings. With the high proportion of self-employed, IRA accounts are more popular than 401K plans.