Calling a Grade a Grade

Simplification of Social Grade in Location Analysis

Louis Jones

Somerfield

650 SF stores

550 KS stores

24 PFS stores

New Franchise Stores

Largest 40,000sqft

Smallest 855sqft

Total 10,000,000 sqft

> 6,000 Postal Sectors

> 200,000 OAs

> 25m Households
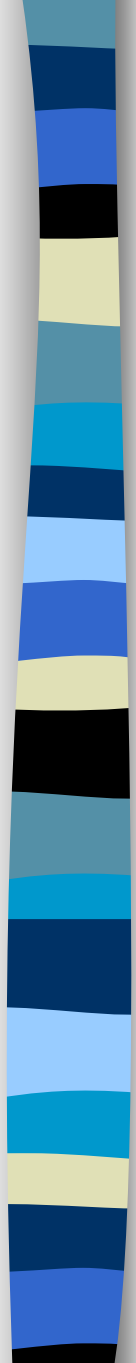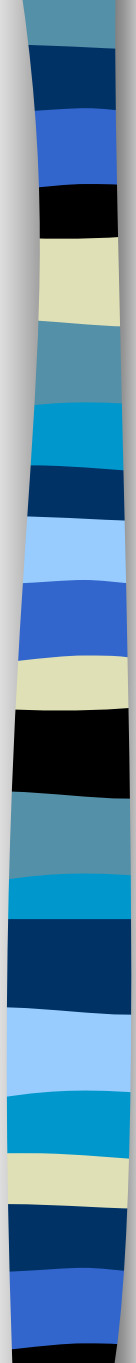
> 3.5m Loyalty cards

>10,000,000 Transactions a week.

… 2 Analysts

Board Request

"…Segment the group's estate to show which stores should trade as Somerfield and which as Kwik Save…."

Geodemographics

Mosaic

Acorn

Atomic Cube

Used to segment the population based on financial and lifestyle data collected at a household level.

Somerfield utilises Mosaic

Somerfield have been a long term subscriber to MOSAIC a lifestyle based Geodemographic set produced by Experian.

- 12 Basic Mosaic Groups

- 62 Detailed Mosaic Types

Including:

White Van Culture, Dinky Developments, Bungalow Retirement, Pastoral Symphony

Pros

Modelled on huge data sets

Constantly updated

Very Complex

Cons

Modelled on huge data sets

Constantly updated

Very Complex

Methodology

- Using Mosaic as a corner store we constructed several complex regression models.

- A couple of complex algorithms

- Held several complex briefing sessions

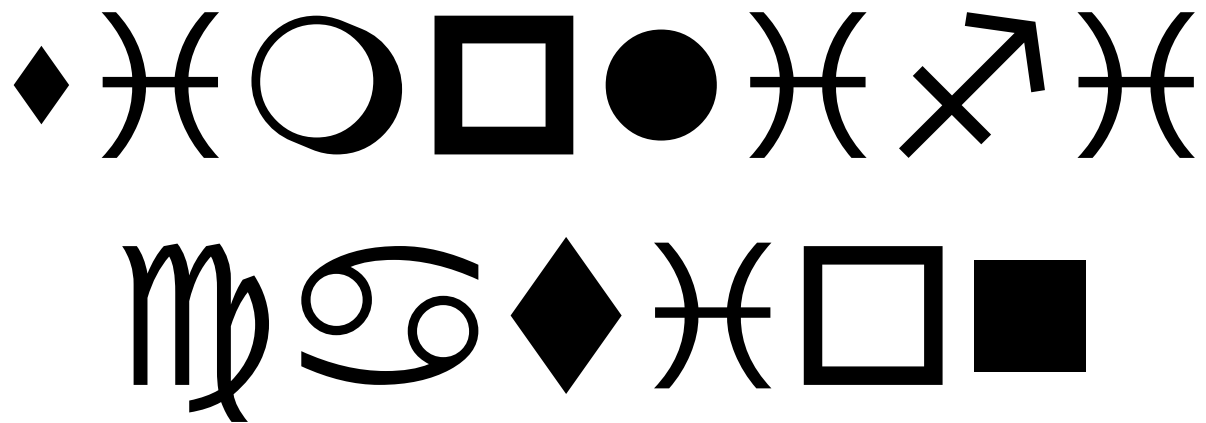- Presented our complex findings to the board

Results

"…Based on the inherent geo-demographic composition of the core customer's mosaic types store 'X' is fundamentally better suited to a Somerfield fascia. However the abundance of Mosaic Types F35 through F40 suggest a latent undertone of impoverished underclass in the vicinity..."

"Thank you"

"How Posh is it?"

Census OAs and Social Grade

In 2001 the census board replaced it's Enumeration Districts (EDs) with Output Areas (OAs).

These areas split the UK into approximately 200,000 small zones based on an approximate 150 households so as to be untraceable to the individual.

At the same time a new variable appeared on the Census

- Social Grade.

Social Grade

The commonly accepted social Grade scale A-E was applied for the first time to individual households in 2001 and is available to all of us at OA level.

- Easy to understand

- Compliments Market Research methods

- Very cheap

The JSGI

The JSGI (Jones Social Grade Index)

Uses a relatively simple formula to turn a pool of potential customers into a single number which represents the overall "poshness" of any given catchment.

$$AB\% \times 200 + C_1\% \times 125 + C_2\% \times 75 + DE\% \times 25$$

UK Average = 100

Low "Poshness":

Hull - Craven Park	60
Liverpool - Gt Homer Street	58
Middlesbrough - North Ormesby	54
Easterhouse - Glasgow	52

High "Poshness":

Crowthorne	137
Harpenden	137
Alderley Edge	136
Surbiton	136

Summary

- Keep things simple

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