



About Claritas' Unique Metrics

Claritas SmartScores: A series of indices that can be appended to your customer file to help identify your best target customers and prospects. Claritas SmartScores™ have been developed from the proprietary primary research datasets collected from Claritas' Market, Insurance, and Convergence Audit® products. The models that generate the SmartScores are based on household level data from Equifax's Total Source® file. For a description of the SmartScores currently available, please contact your Claritas representative.

PRIZM® NE (ZIP+4 & HH): A geo-demographic and household-level segmentation system consisting of 66 consumer segments. These segments are further grouped into 14 social groups and 11 lifestage groups. The system captures demographics such as income, age, education, household composition, tenure and housing type, employment, ethnicity and urbanization to help you understand your customers and prospects.

IPA: Income Producing Assets measure a household's financial assets to further help your targeting efforts. It includes information on checking accounts, savings accounts, certificates of deposit, IRA's, mutual funds, retirement accounts, stocks, bonds and securities.

Net Worth: Net Worth measures a household's net financial position and includes a household's entire assets minus its liabilities (debts), which include outstanding mortgage amounts, other loans and balances on lines of credit. This is valuable in assessing your target's ability to afford products and services.

ACE-Indicators: ACE is summarized and aggregated ZIP+4 level economic and financial data calculated as averages of individual credit records. ACE includes 166 total variables describing credit seeking, credit usage, credit diversity and credit performance behaviors. This information enables you to develop a better understanding of your customers' actual spending behavior.

Debt-to-Equity Score: By using ACE-Indicators, the Debt-to-Equity score ranks and scores every ZIP+4 in the U.S. based on the amount of high interest debt currently outstanding vs. the average home equity. The result allows lenders to target households that have the need to consolidate their debt into a home equity loan or second mortgage.

P\$YCLE®: This system segments U.S. households into one of eight socio-economic groups and 42 household types that have distinct usage patterns for financial products and services. The P\$YCLE model is created from America's largest financial behavior survey, Claritas' Market Audit®. By evaluating responses from nearly 300,000 U.S. households, this model determines the economic and demographic factors that have the greatest effect on a household's financial behaviors. Key factors include total household income, age of household head, home ownership and Claritas' proprietary measure of Income Producing Assets.

ConneXions: A segmentation schema designed to predict demand for, and use of, communications products and services. ConneXions classifies households into 59 consumer segments based upon characteristics such as age of head of householder, household income, presence of children, PRIZM segment, monthly bill expenditures and home ownership. ConneXions captures the relationship between a household's lifestage, neighborhood, lifestyle, home ownership and relative expenditures for communications products and services.

Custom Modeling & Segmentation

For information about testing these metrics in combination with each other, or in combination with your company internal metrics, please contact your Claritas Consultant.

AiM Analytics in Motion

Increase the Performance of Your Target Marketing Campaigns



Introducing Analytics in Motion

Before investing in analysis, you need to know the value it will deliver. Analytics in Motion (AiM) is a fast, easy and affordable way to determine if Claritas' unique metrics can impact the performance of your target marketing campaigns. The metrics are highly predictive and descriptive for a wide variety of applications. AiM analyzes your data in terms of these metrics and provides a quick and easy-to-understand snapshot analysis. You provide us with a sample campaign or random customer dataset and we do the rest.

How AiM works

Step One: Set-Up

- You choose a behavior. Examples might be response, activation, conversion, attrition, etc. Or, choose a product or service.
- You provide Claritas Analytical Consulting with a sample file of up to 100,000 customers who reflect that behavior or product and its appropriate marketing universe. For example, if your chosen behavior was response, the file would contain a sample of mailed customers as your universe and flagged responses as your behavior. For a product, such as "Subscribers to Digital Cable," the file would contain a sample of subscriber households from your universe and flagged records for those who have digital cable as your product. We will work with you to select an appropriate behavior/product and universe based upon your specific goals and objectives.
- Claritas will match up to three of the Claritas metrics to your file for analysis. The metrics will be used for analysis purposes only and not be returned on your file.

Step Two: Analysis & Results

- We will perform lift analysis on each of the Claritas metrics appended to your file in Step One.
- We will create profile tables for each of the Claritas metrics appended to your file in Step One.
- We will deliver a lift chart, profile tables and an executive summary of findings.

Step Three: List Recommendation

- Based upon the results of Steps One and Two, Claritas will recommend a list select criteria. A 10% discount will apply to your first list order.*

* Must be executed within three months of delivery of analysis.



Learn more about increasing your campaign performance. Call us today at (800) 234-5973 or visit www.claritas.com.



Sample deliverable

Executive Summary

ABC Company provided Claritas Analytical Consulting with a single file of 87,938 records, representing the mailing universe for a recent acquisition campaign. Claritas was able to match and append 98.2 percent of the file with Income Producing Assets™ (IPA), ACE-Indicators™ and ConneXions™ codes, resulting in an analysis file of 86,355 records. Analysis was performed on both response and dollar value of response (relative to cost of response).

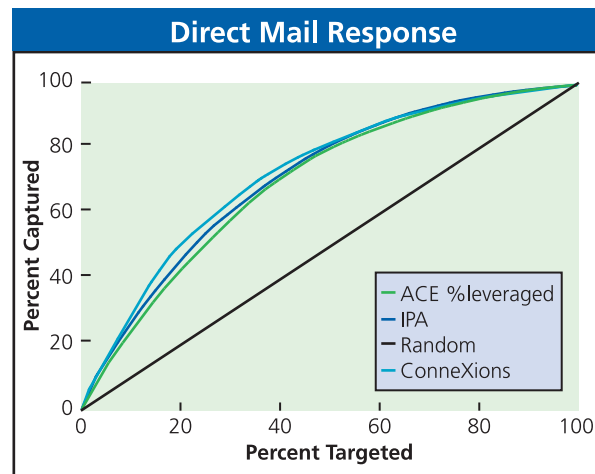
All three metrics proved to provide significant lift for ABC Company's mailing campaign. Topping the list for response was ConneXions, where 19 segments representing roughly 41% of the mailing universe explained 67% of the response. The top responding segment was *High-Speed Homeowners*, representing less than 1% of the mailing and roughly 4% of the response, for an overall response rate of 8.76%. *High-Speed Homeowners* are consumers who earn high incomes and choose communication products that keep the family online and in touch. They are often on the lookout for a better deal and sometimes willing to switch providers at no discount.

ABC Company had responders with a wide range of IPA. While ConneXions offered the highest lift in terms of response, IPA proved to do a better job of identifying high value responders (albeit fewer) and hence would provide a more profitable return on investment. Specifically, 75% of the total dollars can be acquired by targeting 35% of the universe. Lower wealth households were the most mail responsive for ABC Company. The largest percentage responding, and those with the highest overall response rate, had IPA's between \$25,000 and \$50,000 (ten times more likely to respond).

ABC Company's responders use more credit than the average household. Specifically, they have more accounts, older accounts, more active accounts, higher balances, higher credit limits, higher unused limits, more revolving accounts, higher balances on those revolving accounts and higher limits on their revolving accounts than the national averages. ABC Company's responders have an average credit card account balance of \$10,003 and an average credit limit of \$25,903, which are above the national averages of \$9,196 and \$21,567 respectively. Their number of mortgage accounts, mortgage account balances and original mortgage amounts are below the national averages by roughly 20%.

List Recommendation

With any list pull, there are a variety of factors that must be considered. In terms of response, Claritas recommends ABC Company test the top three ConneXions segments (all of which index highly). In terms of total dollars captured, rather than pure response rate, IPA is a better select. The \$25,000 to \$50,000 IPA range offers ABC Company the greatest potential return on investment.



AiM provides variable-by-variable lift charts/correlations in order to determine each variable's contribution to performance. For segmentation variables, such as PRIZM® NE, the analysis is straightforward. For a variable such as IPA, ranges would be treated as segment codes for the production of lift charts/reports. For ACE-Indicators, simple summary statistics are created.

Income Producing Assets (IPA)					
IPA	% Mail Universe	% Responders	Response Index	2004 HH's	% U.S.
less than \$25k	0	0	0	45,642,721	41.51
\$25k to \$50k	1.89	22.23	1,176	12,476,450	11.35
\$50k to \$75k	2.74	15.24	556	9,110,977	8.29
\$75k to \$100k	5.78	18.59	322	6,298,641	5.73
\$100k to \$250k	13.55	12.67	94	20,314,908	18.48
\$250k to \$500k	14.94	16.28	109	9,630,680	8.76
\$500k to \$750k	15.31	9.34	61	2,506,367	2.28
\$750k to \$1M	17.45	2.95	17	864,194	0.79
\$1M to \$2M	19.56	1.92	10	2,781,157	2.53
\$2M plus	8.78	0.78	9	323,133	0.29
Total	100	100	100	109,949,228	100

IPA measure a household's financial assets. In this example, ABC Company's mail universe is compared to the responders for each IPA dollar range. A response index compares the % of responders to the % mailed. An index of 100 indicates ABC Company is doing an average job of attracting responders within a given IPA range. In this example, ABC Company is roughly 5.5 times more likely to have responders with IPA between \$50 and \$75k. Lastly, ABC Company is able to compare their response measures to the national distributions for each of the IPA dollar ranges.

ACE-Indicators

ACE-Indicator	ABC Company Average	U.S. Average	Index
Age of Oldest Account (months)	177.06	156.48	113
Age of Newest Account (months)	26.89	30.83	87
Time Since Last Activity (months)	2.19	2.40	91
Time Since Last Activity on Bankcard Revolving Accounts (months)	2.62	3.04	86
Time Since Last Activity on Department Store Accounts (months)	8.58	7.20	119
Time Since Last Activity on Sales Financing Accounts (months)	25.02	22.90	109
Number of Accounts	5.47	4.38	125
Number of Accounts with a Balance Greater Than Zero	3.23	2.71	119
Number of Accounts Three Months Old or Less	0.17	0.13	130
Number of Accounts Six Months Old or Less	0.42	0.32	132
Account Balances	\$10,003	\$9,196	109
Credit Limit	\$25,903	\$21,567	120
Number of Accounts with at Least 50% of Limit Used	1.70	1.74	98
Number of Bankcard Revolving Accounts	2.42	1.82	133
Balance for Bankcard Revolving Accounts	\$4,398	\$4,049	109
Limit for Bankcard Revolving Accounts	\$17,640	\$14,986	118
Number of Bankcard Revolving Accounts with at Least 50% of Limit Used	0.90	0.93	97
Number of Mortgage Accounts	0.43	0.29	147
Account Balance on Mortgages	\$84,615	\$97,540	87
Original Mortgage Amount	\$94,769	\$109,199	87
Number of Bank Installment Accounts	0.32	0.26	122
Number of Automotive Accounts	0.04	0.04	96
Number of Other Retail Accounts	0.33	0.29	115
Number of Auto Financing Accounts	0.09	0.10	88
Number of Personal Finance Company Loans	0.28	0.25	113
Number of Credit Union Loan Accounts	0.53	0.37	144
Number of Oil Company Card Accounts	0.09	0.08	110

ACE-Indicators includes 166 total variables describing credit seeking, credit usage, credit diversity and credit performance behaviors. Analytics in Motion compares the average for each ACE variable from ABC Company's file to the national average. From this analysis, an index is created that helps ABC Company determine which ACE variables will be most helpful in targeting prospects.

ConneXions

CX Segment	Name	Index	# Mailed	Cumulative Mailed	Cumulative % Mailed	# Responders	Cumulative Responders	Cumulative % Responders	Response Rate
4	High-Speed Homeowners	394	15,213	15,213	0.93	1,332	1,332	3.65	8.76%
13	Online Families	386	14,421	29,634	1.81	1,238	2,570	7.05	8.58%
7	Less-Connected Freelancers	321	21,522	51,156	3.12	1,533	4,103	11.26	7.12%
24	SuperSize Communicators	288	8,710	59,866	3.65	557	4,660	12.78	6.39%
23	Constant Callers	240	1,295	61,161	3.73	69	4,729	12.97	5.33%
25	Midscale Switchers	217	4,122	65,283	3.98	199	4,928	13.52	4.83%
1	Affluent Families	205	115,034	180,317	10.99	5,246	10,174	27.91	4.56%
5	Telecommuting Techies	187	83,687	264,004	16.09	3,480	13,654	37.46	4.16%
26	Empty-Nest Economy	177	24,457	288,461	17.58	960	14,614	40.09	3.93%
41	Conservative Communicators	158	7,110	295,571	18.01	249	14,863	40.78	3.50%
29	Tuned-In Seniors	142	11,790	307,361	18.73	371	15,234	41.79	3.15%
52	Cable Working Class	139	6,815	314,176	19.15	210	15,444	42.37	3.08%
49	Struggling Spenders	134	4,441	318,617	19.42	132	15,576	42.73	2.97%
6	Empty-Nest Entrepreneurs	129	78,650	397,267	24.21	2,248	17,824	48.90	2.86%
3	Wireless Home Businesses	113	17,756	415,023	25.29	447	18,271	50.13	2.52%
11	Online Singles	112	72,743	487,766	29.73	1,816	20,087	55.11	2.50%
9	Prosperous & Protective	111	61,838	549,604	33.50	1,529	21,616	59.30	2.47%
36	Cable Cinema	105	12,374	561,978	34.25	289	21,905	60.10	2.34%
16	Trekking Techies	104	106,022	668,000	40.71	2,453	24,358	66.83	2.31%

Segmentation metrics presented in a cumulative format allow ABC Company to explore efficiencies at different depths of the file. In the example above, 66.83 percent of the response came from a 40.71 percent depth of the mail file. ABC Company could save money in future mailings by using ConneXions and mailing, first and foremost, to the most responsive segments (highest indices).