

Financial Spectrum, Exclusively for IXI Network Members



Asset-based customer segmentation for the financial services industry

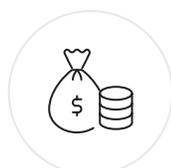
Better predictive value. Less compliance risk.

Customers want us to see them, understand them and connect with them. Our job as marketers is to motivate the right audience to act — while providing an exceptional customer experience.

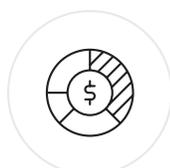
That's easier said than done in Financial Services. Compliance risk has made sophisticated personalization efforts more complex. And segmentation models built upon protected class variables, like age and household composition, are problematic — hindering marketing efforts.

That's why Equifax and Neustar have come together to deliver a powerful way to segment customers based on estimated measures of consumer financial capacity, investment style, behaviors, and characteristics — reducing possible compliance risk.

More accurately segment and target customers based on estimated assets, investment style, spending capacity and credit — not on demographics.



Estimated assets



Investment style



Spending capacity



Credit

Segmentation challenges for today's financial services marketers

| | | | | |
|--|---|---|--|---|
| Customers have specific financial preferences that can be difficult to discern or discover | Marketers have strong demographic-based insights, but have concerns about compliance risk | Difficulties in forming a complete view of customer behavior, including persistent behavior and financial preferences | Challenges with audience segmentation that result in poor campaign performance or measurement issues | Increasing privacy concerns raise the compliance risk associated with personalized marketing offers |
|--|---|---|--|---|

Asset-based segmentation can help you better connect with your customers

Using multi-dimensional financial and economic insights, we have identified the persistent characteristics that are most predictive for financial services marketing, enabling you to serve your customers, and your business, better.

Leveraging proprietary IXI™ Network direct-measured™ asset data, Neustar built a segmentation schema across all US households that is stable over time, and links to syndicated data sources — providing a better understanding of the likely financial profile of U.S. consumers, such as financial affluence level, asset allocation, investment style, channel preference, media usage, and other lifestyle preferences.

The development of **Financial Spectrum™** relies on direct-measured assets from Equifax, additional data gathered from leading data providers, and more than 20 years of shared segmentation expertise.

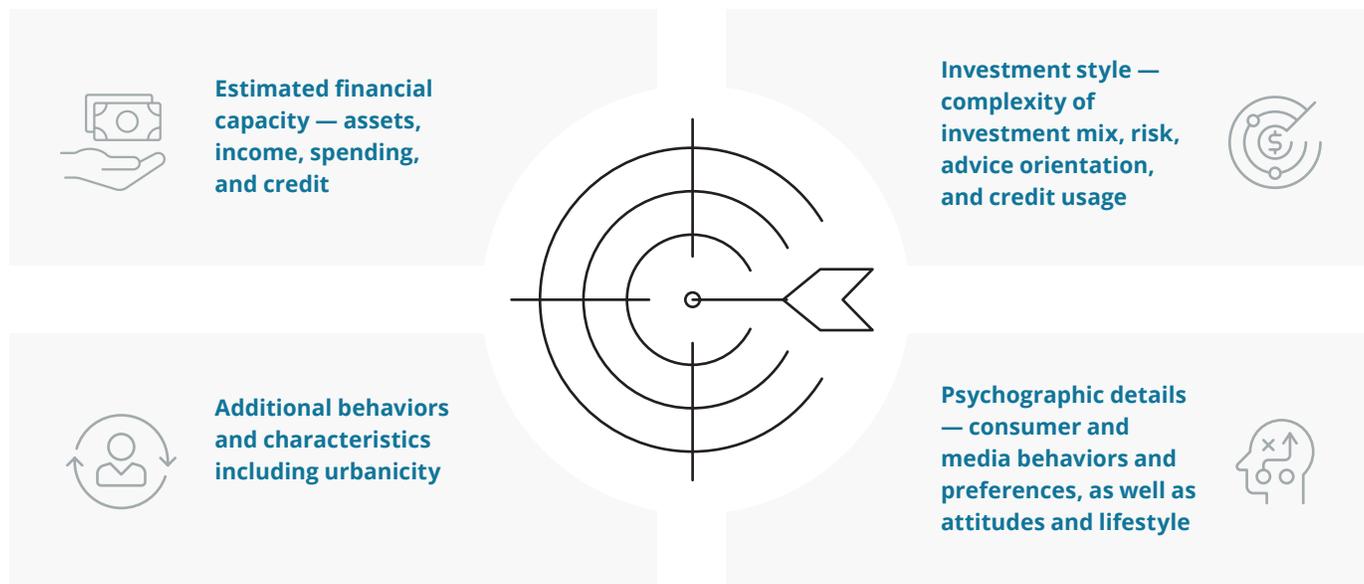


Financial Spectrum leverages the Equifax proprietary direct measurement of consumer financial assets, providing segmentation capabilities based first and foremost on estimated measures of consumer financial capacity, investment style, behaviors, and characteristics. Its unique features include:

- ~ \$20 trillion of direct-measured assets — about 45% of all U.S. consumer invested assets
- Evaluated over 100 input variables to build the most predictive household-level segments
- Framework created using only financial data, with survey data subsequently incorporated to consolidate and help define the final segments
- No bias against affluent households; several clusters have greater than \$1 million median assets
- Ability to integrate with all Equifax wealth-based solutions
- Delivery in both an online and an offline version

Target the right customers with the right offers and products — improving the customer experience

Intrinsic. Persistent. Meaningful. Distinct. Measurable. The segmentation criteria used in Financial Spectrum focus on statistical separation, simplicity, stability and actionability. Using proven agglomerative clustering and non-protected class data, we created a non-FCRA financial segmentation schema of fifty-eight (58) clusters that maintains financial and demographic similarity, including:

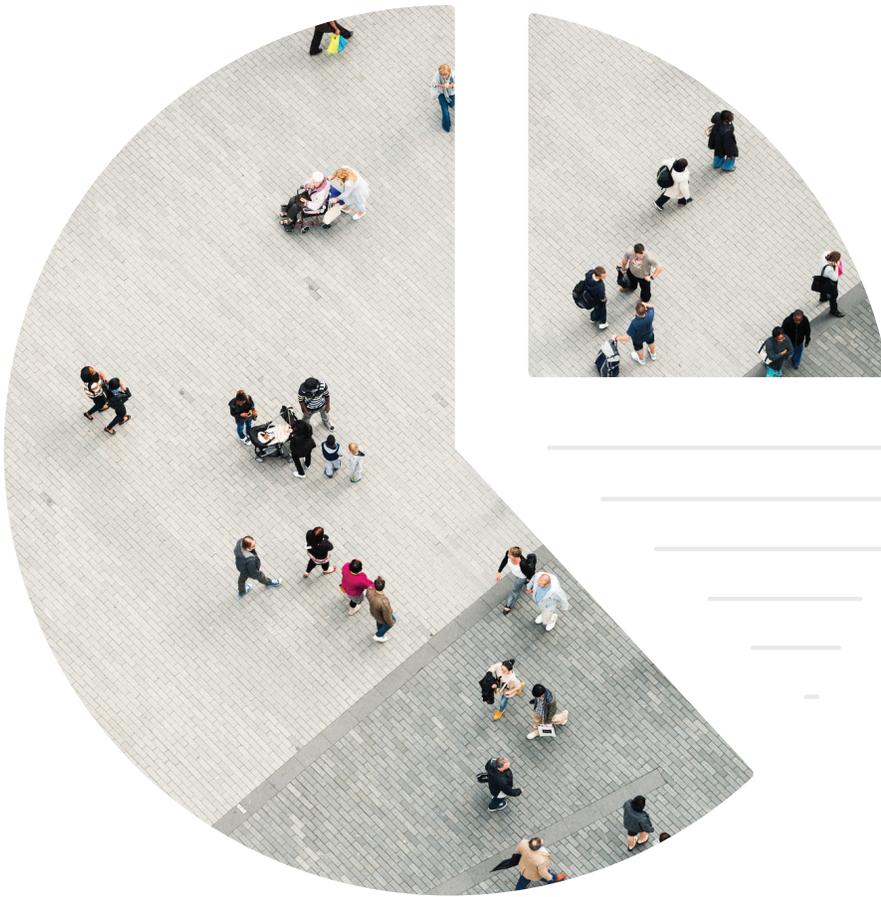


With substantially better performance — especially when it comes to identifying households in higher asset categories — we give marketers the opportunity to target the right customers for each offer.

Now, even Financial Services marketers can accurately segment and target customers based on criteria that make sense — income, investment style, spending capacity, credit, share-of-wallet and share of market — not on demographics.

Now you can:

- Increase campaign engagement and improve performance with better segment separation and enhanced views into behavior, such as channel preference
- Improve audience targeting efforts, leading to higher conversion rates and activation
- Understand the persistent characteristics that are predictive of financial behaviors, especially the financial behaviors relevant to your specific marketing efforts and improving offer optimization efforts
- Enable better planning and market sizing, as well as subsequent measurement and attribution by customer segment
- Utilize accurate segmentation without relying on protected demographic identity elements, reducing your privacy and compliance risk
- Give your Risk and Compliance teams more confidence in your data and marketing efforts



Financial Spectrum can be used in a range of applications, including your efforts to:

- Profile customers
- Conduct market analyses
- Define product strategy and distribution
- Prospect for new customers
- Appropriately cross-sell/upsell
- Improve CRM and loyalty efforts
- Tailor positioning and messaging
- Choose marketing channels and media placement
- Perform online ad targeting and site optimization

Commitment to privacy

We are committed to the responsible use of personal information to help businesses make better decisions and deliver personalized content without sacrificing individual privacy.

info.ddm@equifax.com
800.210.4323
equifax.com/DDM

855.898.0036
www.home.neustar/customer-intelligence/customer-segmentation-for-financial-services