

New Movers are
"Super Buyers"



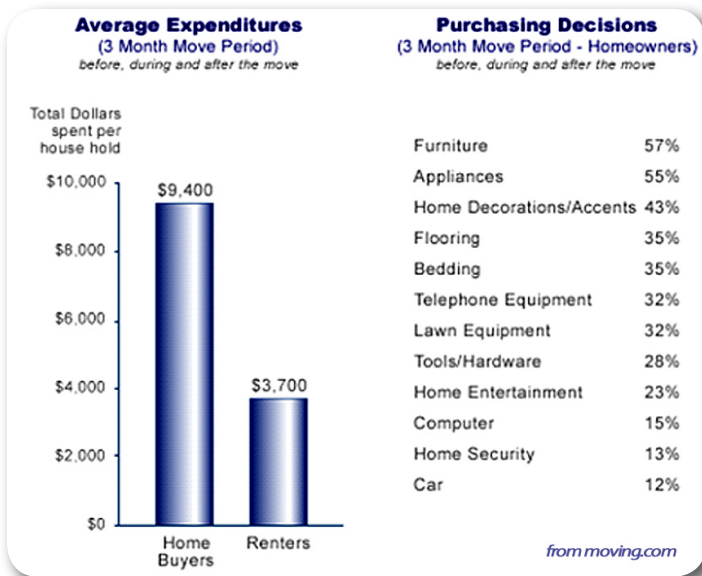
LSSiDATA 

***Why New Movers for Direct Marketing
& what to look for when acquiring lists.***

An LSSiDATA White Paper

INTRODUCTION

New movers are ideal targets for Direct Marketers. New homeowners and renters invariably purchase a wide range of products and services. According to moving.com "People who are moving spend more during the 3 months surrounding their move than non-movers spend in 5 years." Homeowners and renters increase their spending relative to a move as indicated below:



New homeowners in particular may have held back on purchases just prior to closing their mortgage to protect credit ratings. Upon move-in purchasing increases, creating what some have referred to as "super consumers". The initial 4-6 month spike in spending can easily exceed cash outlays over the next few years.

What better targets for Direct Marketing organizations than a New Mover? Whether renter or buyer, these consumers represent a group that is more willing to spend than the general population.

BUSINESS NEW MOVERS

Businesses that move have slightly different requirements. There are certainly basic services and décor requirements similar to renters and homeowner, but they also need to advertise. Business new mover requirements typically include:

- **Printing** – Letterhead, business cards and other customer facing copy with an address
- **Graphic design** – A move can prompt internal demand for a new look on signage and even website design.

- **Promotion** – Advertising across a variety of media depending upon the importance of location will drive spending. Hiring needs in the new location can also drive advertising.

Identifying residential and business movers allows Direct Marketers to more specifically target their audience.

NEW CUSTOMER ACQUISITION

Attracting new customers is not an easy task. Research indicates that it costs businesses up to 5 times more to attract a new customer over spending to retain an existing client. Most business however need new customers for growth. For Direct Marketers, New Movers are ideal targets for new customer acquisition. Their propensity to purchase helps to reduce typical sales barriers and loyalty to an existing vendor.

New movers are different breed of prospects due in part to the physical process of moving, breaking the reluctance by many to change. It has been speculated that new movers are four to eight times more likely to respond to direct mail offers than are established residents. "Welcome" coupons and special "New Neighbor" offers can be especially effective as a first step toward converting a new mover into a valuable customer.

NEW MOVERS AND LIFETIME VALUE

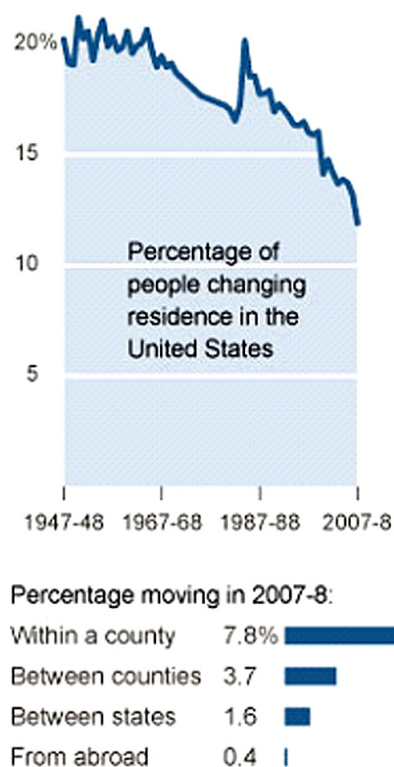
Businesses struggle with how to balance costs between customer retention and acquisition. The value of a customer for many is quite clear, defined primarily by repeat purchases and perhaps other contributors including referral value. Customer Lifetime Value (CLV) can be exponentially greater than the initial purchase as revenue multiplies over months or years. This works for small businesses such as the local pizza joint that counts on a family purchase every Friday night as well as for larger ticket items and business to business sales.

Ongoing business with existing relationships might indicate that customer retention efforts should be optimized over all else. However, other factors come into play such as natural customer attrition and costs required via discounts or services to encourage repeat purchases. As a result, most businesses cannot afford to exclusively focus on existing customers.

New movers change the course of Lifetime Customer Valuation to a certain extent by reducing the costs and effort to establish a new relationship. Lifetime value within the specific business will likely remain constant, with additional considerations such as cross-sell opportunities making new customer acquisition potentially even more lucrative. The result is that New Movers by virtue of their immediate need or modified propensity to purchase become a more attractive target for marketing efforts.

HOW MANY NEW MOVERS ARE THERE?

Fewer Are Moving



Source: W.H. Frey, Brookings Institution
The New York Times

There are quite a few. The United States Census bureau counted 35.3 million people who change the residence in 2008. Renters were five times more likely to move than homeowners. More than one-in-four people (27.7 percent) living in renter-occupied housing units lived in a different residence one year earlier. These numbers indicate a significant base of potential prospects.

It is a base that is decreasing. Many blame economic conditions on a decrease in mobility. In 2009 The New York Times posted the above graphic showing a decreased trend in mobility. Important to note is that the overall volume of movers remains as a very significant number. From a Direct Marketing perspective, a decreasing percentage of new movers means increasing value for each new mover targeted for a marketing effort.

Also, moving is usually far from a one-time event. According to moving.com the individuals move an average of 11.7 times in their lifetime.

WINDOW OF OPPORTUNITY

Timing is everything, especially when considering a marketing program targeted at New Movers. According to noted Direct Marketing author Lester Wunderman, suspects and prospects are 2 different groups. "Prospects" are customers who are able, ready and willing to buy; "suspects" are merely eligible to do so. Communication with prospects reduces the cost of sales; communicating with suspects raises the cost of advertising.

New Movers are ready AND willing to buy. But, what makes a New Mover "New"? For Direct Marketing purposes "New" is the shortest period of time between identifying via list acquisition when someone moved into a new home or rental unit and when they actually moved in. Seems obvious, but the source of the list can cause this timeframe to vary dramatically. For example, a list sourced from deed filings could be months old, while a change of address notice from the U.S. Postal Service would provide a list of movers that are much more "fresh".

Freshness is critical. A 2 to 4 month window of opportunity exists when new movers become "super buyers", spending an average of \$9,400 for homeowners. Identifying prospects during this period and providing a relevant offer will likely yield success.

One of the most reliable sources of New Mover data are change of telephone numbers. When people and businesses move one of the first actions taken is to change the telephone number. Despite cell phone popularity, more than 79% of residences in 2009 continue to utilize a landline according to a Nielsen survey. New mover data covering traditional telecommunication providers as well as VoIP, Cable and CLEC's can provide excellent coverage for the majority of homeowners and renters.

WHAT ABOUT ACCURACY?

Data Certification - New movers are usually identified within lists that contain names, addresses and other pertinent information. There are literally thousands of organizations sourcing data and selling lists. In some cases list sources can be questionable at best, resulting in records that are highly inaccurate and/or too old to be useful. Many organizations employ their own processes that might include cross reference efforts and other forms of list hygiene.

There are list certifications available that assist in providing at least some degree of list accuracy confidence (and to qualify for postal discounts). One of the most commonly referenced is the US Postal Service **CASS** (Coding Accuracy Support System). CASS certification means that a list vendor has verified that an address is actually deliverable in three areas: ZIP+4 delivery point coding, carrier route coding and five-digit coding. CASS certification requires participants to pass with a minimum accuracy score of 98.5%.

DPV (Delivery Point Validation) is a supporting US Postal Service standard that goes a step further than the originally conceived CASS certification. DPV helps to ensure that the numbers listed for address are actually deliverable. For example, ZIP+4 codes typically represent a range of 100 or fewer house numbers on a given street. While 15300-15399 Oak St. may be assigned to ZIP+4 code 33556-5629, not all those house numbers represent actual delivery points. DPV identifies those addresses that may be in a valid ZIP+4 range but are not valid addresses.

NCOA (National Change of Address) is a process that compares the customer's data to the National Change of Address database in order to identify individuals or companies who may have moved in order to update their file. There is a significant lag time in updating the USPS file and approximately 15% to 20% population moves without filing a Change of Address with the Post Office.

Comprehensive - Many list providers source data that is regionally limited. Or, New Mover listings may be sourced from specific niches such as new construction permits that are not always updated quickly.

Frequency of Update - New Mover lists grow stale quickly if updates are not made extremely frequently. Some vendors seem to offer sporadic updates while others have implemented process to execute daily updates for exceptionally useful New Mover Lists.

LSSiDATA NEW MOVER LISTINGS

LSSiDATA is a primary source for listings sourced directly from the telecommunications industry. New Mover records available within the LSSiDATA FirstConnex Plus product for the United States and Puerto Rico include names, addresses, phone numbers and other associated data. FirstConnex Plus is sourced, verified and compiled with great frequency.

A key LSSiDATA New Mover differentiator results from granularity of classification. Beyond residential and business, LSSiDATA's FirstConnex data resources capture a variety of reported activity, associating names and addresses with activities that the residence or business is involved with. Examples of FirstConnex classification enabling more effective Direct Marketing include:

- **New Mover** - A listing that has never had the name, address and telephone number previously combined, indicating a new residence or business
- **Local Mover** - A name or business name and telephone number have been paired before, but never with the new address indicating a move within the local exchange. Campaigns associated with flooring might be appropriate while "new to the neighborhood" offers would be less effective.
- **Additional Line** - Identifies consumers or businesses that have added lines to their existing service. For families this might indicate a live-in relative. An additional line for businesses can be an indicator of growth.
- **Line Removal** - These listings consist of consumers or businesses that have removed one or more lines but still maintain telephone service. Residential listing may be relying more on cell service, presenting an opportunity for cellular plan marketing. Business line removal may indicate a decline in revenue or a change in the way business is being conducted such as use of more field reps.
- **Move Out** - These are consumers or businesses no longer associated with an address and phone number. Typically they have moved or have ported their landline number to wireless. 'Move out' provides the ultimate 'first in the box' opportunity by sending to an expected incoming resident at the address.

- **Previous Address** - High probability previous addresses are available for approximately 35% of consumer new movers. Why would you need a previous address? It can assist in discovering previous business relationships. It can also contribute toward increasing the rate of positive credit prescreens as a hit is more likely on the old address.
- **Changes** - Consists of consumers or businesses that have changed some aspect of their directory listing but have not changed the number of listings. These changes are typically the addition or removal of name and/or address information.

Additional detail for new movers is available with FirstConnex Plus Gold. Detail such as Credit score Predictor, House Value, and Renter / Owner indicator enable additional fine tuning of Direct Marketing offers and messages.

LSSiDATA VALUE

Only an extremely limited number of vendors that provide New Mover information are capable of sourcing listing data for the United States and Puerto Rico directly from Telecommunication providers. LSSiDATA is the only provider to have data agreements with all telephone service providers in North America as data resources. As the provider of the National Directory Assistance database, LSSiDATA (a VoltDelta business unit), aggregates data from these telecommunication, CLEC and VoIP providers. New Mover details derived from these sources provide Direct Marketers with a unique combination of benefits:

- **Comprehensive** – LSSiDATA New Mover records cover all new connects in the United States and Puerto Rico. Sources include the growing use of VoIP/cable provider for telephone use cover the broadest range of New Movers who must change their home telephone number.
- **Enhanced** – LSSiData's FirstConnex Gold Plus adds Credit score Predictor, House Value, and Renter / Owner indicator.
- **Frequency of Updates** – Over 2 million daily updates to the National Directory Assistance database provide the foundation for up to date New Mover detail from LSSiDATA. An infrastructure tuned for high volume data management utilizes proprietary algorithms and established processes

to optimize New Mover listings. New Mover listings can be provided as a daily feed from most recent to six months back or weekly from most recent Sunday to back six months.

- **Accuracy** – LSSiDATA applies CASS and DPV standards to support accurate New Mover listings. Additionally, the National Directory Assistance database was recently audited by the Paisley Group. The accuracy mark of 99.75% achieved exceeds industry standards.
- **Web-based Access** – Direct Marketers can access the LSSiDATA FirstConnex Plus web-based user interface to select data ranges, geographies, delivery schedules, and many other self-service parameters accessible 24 hours a day.
- **Financial Stability** – LSSiDATA is part of Volt Information Sciences (NYSE:VOL), a globally diversified company established in 1950.

ABOUT LSSiDATA

LSSiDATA was created as the VoltDelta business unit DataServ in 2002. The goal was to provide the comprehensive data derived from Directory Assistance and infrastructure in place for maintaining hundreds of millions of records and daily updates to Direct Marketing, Credit and Collections, Risk Management, Retail, and Call Center organizations throughout the world.

In 2007 VoltDelta acquired LSSI Corporation, providing additional Directory Assistance data resources as well as an international presence in Ireland and the United Kingdom. The company was renamed LSSiDATA. As a wholly owned subsidiary of VoltDelta Resources, LLC, LSSiDATA provides residential and business listings for New Movers, Data append, CRM, contact center, skip tracing and for markets in North America and throughout the world.

LSSiDATA today is a tier 1 supplier of business and consumer contact information for a wide range of listings. Customers range from the largest telecommunication providers to list vendors that utilize LSSiDATA information within their offerings to end users in the Direct Marketing, Credit and Collections, Retail, and many other fields. Find out more at www.lssidata.com