The Power of Shared Data
Consortiums

INFORMS New York
April 14, 2010

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www.ixicorp.com
Summary

• Through the pooling of data, data consortia or exchanges, can yield new data elements and insights.

• These new elements have proven to be extremely powerful in a wide range of marketing and analytic applications.

• IXI’s data consortium provides a great example of the potential value add to data sharing participants.
Agenda

- Defining & Describing Data Consortiums
  - Benefits & Challenges

- The IXI Consortium
  - About IXI
  - Data Collection, Manipulation & Delivery
  - Applying the Data

- Questions
Defining and Describing Data Consortiums

• A data consortium is simply the participation of many firms or individuals in the sharing of information.

• Consortia are found across many industries:
  - Healthcare
  - Environmental Sciences
  - Human Services
  - Education
  - Telecommunications
  - Financial Services
  - Internet Behavior

• Consortia are created in a variety of ways:
  - Compilation of publicly available information
  - Deliberate participation from members
Benefits & Challenges of Building a Consortium

• **Benefits:**
  
  - Effective
    - Supplements individual contributor data
    - Competitive advantage for those inside the consortium
  
  - Efficient
    - One type of data standardization
    - One stop shop for data, reports, and solutions
  
  - Low-Cost
    - No need to complete costly data collection (i.e. survey data)

• **Challenges:**

  - Coverage or “buy in”
  
  - Exposure of information and maintenance of privacy
  
  - Consistency of data across contributors
  
  - User needs to leverage in unique ways since all members get same information
The Power of Consortium Data for Financial Targeting

Survey-Based Solutions

- Base of 4,000-200,000 surveys over three years
  - Don’t reflect local actual financial behavior
  - On average, fewer than 20 people per county are surveyed. Coverage is inconsistent in rural and suburban areas.
  - Survey data from several hundred thousand households represents less than 1% of the total households in the country. Models built from this data are likely to be statistically inaccurate
- Census demographics, sometimes dating back to 2000 – Census taken every 10 years
- Can be unreliable – do consumers tell the truth?
- Updated at best annually

IXI Direct-Measured Data

- Direct measurement of over 42% of nation’s assets
  - Data collected from over 94% of all residential ZIP+4s
  - Foundation of direct-measured data used to project the entire market
- Gathered from 95+ leading financial services firms
- Over 300 million accounts
- Over 800 million records
- All products updated at least 2x per year

*Misses large populations, only captures what consumers say they have*  
*Captures actual money “on the ground” as reported by leading financial service firms*
Agenda

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  – Benefits & Challenges

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• Questions
# About IXI Corporation

<table>
<thead>
<tr>
<th>Who We Are</th>
<th>What We Do</th>
<th>How Members Work With IXI</th>
</tr>
</thead>
</table>
| • Founded in 1993 and headquartered in McLean, Virginia, IXI is a marketing information services firm that hosts the largest consortium of U.S. financial institutions.  
• In late 2009, IXI was acquired by Equifax Corporation. The acquisition joins the market leaders in asset data and credit data, enabling clients to access a comprehensive view of their households and markets. | • IXI collects account level asset and sales information from the consortia then uses this information to create datasets available to member firms.  
• During 2010, IXI, as part of Equifax, IXI will build out solutions that describe both assets and liabilities for both households and markets. | • Using IXI information and solutions, member firms identify, size and target households and markets. IXI information is also used to assess performance and build strategies that increase marketing efficiency and improve customer experience. |
IXI Collects & Processes Consortium Data

Data Collection

- Firm A
- Firm B
- Firm C
- Firm D

Anonymous position-level and account-level financial data

Data Processing

- Valid ZIP+4s
- Product standardization (classify & aggregate)
- Modeling base
- Projected totals

Data Consortium

Datasets Created

“Household” Data
Scores and variables that describe a household’s assets, asset allocation, income, spending and behaviors. This information is appended to a household for use in segmentation, profiling and targeting.

Market Data
Scores, variables that are aggregated to describe the market place. This information is used in branch planning, reporting (market share and size) and marketing strategy.

Only available to IXI Net member firms
Granular Input Data is the Key

• IXI’s founders leveraged two commonly available and relatively stable metrics to create a highly detailed dataset.

  • ZIP+4 – managed by the USPS with an average of about 3 households. All firms need this information to reduce mail costs.
  
  • CUSIP – managed by Standard & Poors and used across the industry

• This unique combination has made the value proposition so clear that contributors include 95 financial services firms.
Access to IXI Datasets

• IXI Principles of Operation

  – Protection of Member Firm Data
    • All directly-measured data are blended into a common database.
    • Databases are created so as to not be reverse-engineered to reveal member-firm assets in any area.
    • Network information is only available to IXI Net member firms.

  – Protection of consumer privacy
    • With the exception of special projects, IXI does not receive any non-public personal information from any network member.
      – Name, address, phone, account, social security or tax id numbers etc.
    • IXI continuously monitors the evolution federal and state standards on information sharing.
    • IXI aggregates it's data in those ZIP+4s that contain less than 7 HHs to ensure no individual is exposed
IXI solutions enable firms to better understand their customers and prospects:

- Whom should I target?
- What should I offer?
- How should I communicate with them?
- Can they afford/do they need my products and services?
- Can they pay their financial obligations?

Applications: IXI Provides Targeting, Scoring, and Segmentation Solutions Based on the Full Financial Wallet

Income
Credit
Assets and Investment Style
Spending
Demographics, Behaviors, and Attitudes
Applications: IXI Offers Market Analysis Solutions Based on a Complete View of the Market

IXI solutions help firms understand their target markets:

- What geographies are hot?
- What is my firm’s share?
- What should I offer?
- Where should I advertise?
- How should I communicate?
- How is my sales team performing?

Market Dynamics and Competition
Market Wealth and Investment Style
Market Size and Share
Market Level Income, Spending, and Credit
Market Level Demographics, Behaviors, and Attitudes
# Applying IXI Data Across an Entire Firm

## Asset and Deposit Gathering
- Customer financial potential and opportunity analysis
- Share of wallet
- Financial preferences and needs
- Product and service up-sell/cross-sell

## Customer Management
- Tiered customer service model
- Channel management
- Customer LTV
- Customer loyalty and attrition

## Marketing Campaign Planning and Communications
- Define target audience based on full financial profile (assets, income, spending, credit)
- Send the right message to the right customer via financial and economic based segmentation systems

## Consumer Credit Strategies
- Identify consumers with ability to spend
- Create relevant offers and terms
- Supplement thin files

## Loss Mitigation, Collections, and Portfolio Valuation
- Alter collections treatment groups based on ability to pay
- Improve refinance and revenue cycle management
- Mortgage and A/R portfolio review and valuation

## Merger Integration Planning
- Optimize branch/territory management for combined firm
- Understand needs and determine appropriate message for new firm’s combined customer base

## Customer Acquisition
- Acquire new customers that resemble best existing customers
- Customer on-boarding

## Capturing Retirement and Rollover Dollars
- Identification of customer segments and type of product/service needed
- Effective communications

## Brand Management
- Brand building
- Category development
- Firm loyalty

## Market Metrics
- Identify growing and declining markets and products by geography
- Market sizing and opportunity
- Market share by product line
- Trending

## Branch, Territory and Sales Management
- Branch site location
- Sales force allocation
- Territory performance and goal setting

## FA and Wholesaler Performance
- Identify top performers based on opportunity
- Track performance in capturing new sales
- Resource alignment and goal setting
Example: Applying One of IXI’s Datasets

- As illustrated, IXI collects detailed information from its consortia members and builds a variety of datasets. We will step through the creation, at a very high level, of one dataset and how that information can be leveraged by a using firm.

  - Database contains estimates of a household's personal investable assets for 13 product categories (see below)

![Dataset Diagram](chart)

<table>
<thead>
<tr>
<th>ZIP+4</th>
<th>Age</th>
<th>Total Deposits</th>
<th>Interest Checking</th>
<th>Non-Interest Checking</th>
<th>Savings</th>
<th>CDs</th>
<th>MMDAs</th>
<th>Cash &amp; Equivalents</th>
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<td>$50,040</td>
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Example: Applying One of IXI’s Datasets

Directory

<table>
<thead>
<tr>
<th>ZIP+4</th>
<th>Age</th>
<th>Total Assets</th>
<th>Stocks</th>
<th>Bonds</th>
<th>Mutual Funds</th>
<th>Deposits</th>
<th>Annuities</th>
<th>Other Securities</th>
</tr>
</thead>
<tbody>
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<td>$0</td>
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<tr>
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<td>$48,022</td>
<td>$25,008</td>
<td>$28,015</td>
<td>$14,015</td>
</tr>
</tbody>
</table>

Firm Customer Table

<table>
<thead>
<tr>
<th>Name</th>
<th>ZIP+4</th>
<th>Age</th>
<th>Total Assets</th>
<th>Stocks</th>
<th>Bonds</th>
<th>Mutual Funds</th>
<th>Deposits</th>
<th>Annuities</th>
<th>Other Securities</th>
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<tbody>
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<td>$0</td>
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<td>$4,565</td>
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<tr>
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<td>$2,563</td>
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<tr>
<td>N. Doe</td>
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<td>72</td>
<td>$35,966</td>
<td>$11,012</td>
<td>$10,232</td>
<td>$12,510</td>
<td>$1,200</td>
<td>$12,510</td>
<td>$0</td>
</tr>
<tr>
<td>A. Doe</td>
<td>12345-5481</td>
<td>64</td>
<td>$119,985</td>
<td>$16,254</td>
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<td>$13,210</td>
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<td>$30,210</td>
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<tr>
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<tr>
<td>Q. Doe</td>
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</tr>
</tbody>
</table>

Marrying of the Directory with your tables on the basis of ZIP+4 and age yields a unified table containing “household” asset projections along with Firm customer file.

Appended Firm/WealthComplete Table

<table>
<thead>
<tr>
<th>Name</th>
<th>ZIP+4</th>
<th>Age</th>
<th>Total Assets</th>
<th>Stocks</th>
<th>Bonds</th>
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<td>$0</td>
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<tr>
<td>A. Doe</td>
<td>12345-5481</td>
<td>64</td>
<td>$325,455</td>
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</tr>
</tbody>
</table>
Example: Applying One of IXI’s Datasets

“Total wallet” – IXI provides insight into the full financial wallet of your customers

Complete Picture:
- You only know the deposit dollars held by customers at your firm.
- IXI knows the total balance of your customers (and non-customers) held outside of your firm.

Implication – Enhanced Targeting:
- Without IXI data, segment A & B look identical through the lens of internal firm balance data.
- In reality, Segment A has $180k in up-sell opportunity while Segment B only has $5k left in un-captured deposit dollars.

Without IXI data, you would be wasting marketing spend on limited potential customers.

Data is for illustrative purposes only. “Total wallet” estimates available through license of IXI’s data.
Example: Applying One of IXI’s Datasets

**Product preference – IXI can describe product holdings & propensities**

Granular Insight:
- IXI data provides insight into a customer’s total holdings by product.
- These can be combined with existing product propensity information:
  - Investment Risk Tendency
  - Advice Oriented vs. Self Directed
  - Banking Complexity
  - Retirement Tendency (IRA & Annuity)

Understand which product is right for each Segment

Segment deposit wallet allocation

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks</td>
<td>$55.0</td>
</tr>
<tr>
<td>Bonds</td>
<td>$20.0</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$70.0</td>
</tr>
<tr>
<td>Annuities</td>
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<tr>
<td>Deposits</td>
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<tr>
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</tr>
<tr>
<td>Non-Interest Checking</td>
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</tr>
<tr>
<td>Savings</td>
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</tr>
<tr>
<td>CDs</td>
<td>$13.2</td>
</tr>
<tr>
<td>MMDAs</td>
<td>$9.6</td>
</tr>
</tbody>
</table>

*This customer prefers to keep more money in CDs than a standard savings account*

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Summary

• Through the pooling of data, data consortiums or exchanges, can yield new data elements and insights.

• These new elements have proven to be extremely powerful in a wide range of marketing and analytic applications.

• IXI’s data consortium provides a great example of the potential value add to data sharing participants.
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