

Release News

September 2015

Geo Strategies & Experian have released the 2015 Update of Mosaic, Micromarketer and the Wealth Index

Data is how a modern company understands and serves its customers better

Mosaic is Experian's market leading people classification and is used by thousands of commercial, governmental and not-for-profit organisations world-wide to gain insight into markets, behaviours and lifestyles. Mosaic Romania is used in the commercial sector to segment, analyse and target markets at street segment and postcode level. It is used as a key tool for site selection and in targeted marketing e.g. for relevant communication with customers and prospects, prospect recruitment, local marketing and branch network planning.

Micromarketer Romania 2015 provides access to the very latest in integrated geographical analysis technology built on Geo Strategies' most comprehensive and detailed information on the Romanian market. This includes consumer demographics, local area data, retail information, analysis areas and granular digital mapping. Micromarketer is being used by brands to broaden and deepen their business intelligence and targeting capabilities. It has also under-pinned the audit, re-planning, optimisation and deployment of major retail chains.

Wealth Index is a data model for calculating the distribution of declared (official) earned income, unearned income, state benefits, remittances from abroad (the grey economy) and undeclared income (the black economy) at granular level for the adults in Romania over the age of 20. The data is dynamically linked to the official statistics for income calculation. It is also connected to the updated Mosaic segmentation; this is an important model to use in business planning as the distributions change only rather slowly, whereas actual incomes change on a regular basis.

This new release reveals deep insights on major trends in the Romanian society:

- The de-population of key groups and increase of dependency
- Links between new house build and population segments
- Income re-distribution outside Bucharest and Ilfov
- Shift in money vs shift in behaviour
- Impact of reducing tax evasion on wealth indices
- Losing and gaining: urban vs rural

The most significant fact revealed by this latest update is the substantial reduction in the national population. This is affecting primarily Mosaic Groups C (Regional Prosperity) & D (Backbone of Romania and is a direct effect of low birth rates and emigration. This has a long-term impact for welfare dependency which is going to be carried by progressively less people of working age.

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Mosaic tracks and reports on demographic trends at postcode (street segment) level: this almost means for individual blocks in e.g. Bucharest and other major urban areas. House-building continues at record levels but the swing from building projects in the Bucharest/Ifov area and, e.g. Cluj, Iasi and Brasov, to some of the smaller cities in Romania highlights the increasing purchasing power of the middle segments.

Spending power has changed as a result of the government's regional development policies which begin to have an impact. It is notable that agricultural incomes in counties such as Galati, Salaj, Dambovita and Arges have increased by between 20 and 26%; this is shaping certain socio-demographic types and their lifestyle. It is still too early to categorise the new structure of consumer behaviour in these areas.

What is, perhaps, more surprising is the clear emergence of a newly wealthy group of (mainly young) artisans from Mosaic Groups E and F (Blue and Brown collar).

The reduction in tax evasion in e.g. the food and related industries is reflected in the Wealth Index for certain Mosaic Groups and Types.

Mosaic, together with Geo Strategies' Financial Segmentation, allows users to pinpoint both pockets of high wealth and also deprivation across the whole of Romania at a granular (6-digit postcode level).

What do the 2016 Updates mean for government and for brands?

It is first important to remember that Mosaic is not based on market research of a selected group: it is based on the census and other variables (300 in all) and covers the stable population in every locality in the whole country.

The de-populated areas vs those which are buzzing

This year's updates highlight the clusters of de-population but equally those where most digitally savvy consumers live. The penetration data provides an understanding of individual socio-economic segments in those clusters at county, locality and street level.

There is important local data on new build, also internal and external migration, to strengthen the insight.

Understanding the two sides of the coin in an integrated manner enables brands to reach their targets in a more relevant and measurable manner: fundamentally, with Mosaic and Micromarketer, these clusters are identified and measured accurately.

Understanding the geo-demographics of wealth and risk

'Birds of a feather flock together'.

Prior to 1989, Romanian society was really jumbled-up with respect to housing. People of all types, professions, inclinations and social standing were mixed together. However, and especially with the ever-growing stock of new-build housing, society is re-aligning itself

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along 'spatial' lines: increasingly, where people live is an indication of their education, social standing and wealth (also disposable income).

Also, financial risk is prevalent in all areas of society – ranging from investment risk for the more affluent, through excessive debt for the feckless, to risks associated with poverty for many.

Correlating data from the typical areas where 'at risk' segments live enables both government and brands to engage in a sustainable dialogue with them. The benefit of a unique currency to measure risk and opportunity across the country, i.e. in both urban and rural areas, is an unrivalled facility for any research or focus groups.

Note: normal types of risk assessment are based on a combination of internal and external data: internal to a bank, commercial organisation or credit agency and external based on demographics, psychographics or other ranking as available on a granular (local) scale.

Location and behaviour go hand in hand, online and off-line

Data-driven insight is more important than ever as it is more stable and objective.

Mosaic, Micromarketer and Geo Strategies' Wealth Index support brands to identify vital clusters for growth and investment. When combined with internal data (including online transactions), more accurate customer profiles can be generated and targeted and further cost-efficiencies are realised.

Data and analytics are the only game in town for genuine customer centricity

Mosaic coding, segmentation, Micromarketer heat-mapping and Wealth Indexing of internal data enable brands to achieve a more structured and comprehensive understanding of the socio-economic 'fabric' of the working age population who represent the economic power, especially as this is declining in numbers and shifting in the areas in which they live.

The result of an integrated enrichment and analytical approach offers an objective image of the potential for development for each brand, irrespective of the industry they belong to. Not all localities with high numbers of working age population should be desired, at all costs, by every brand; certain segments must be retained at all costs, others are excellent for cross-sell and up-sell. The 2015 Data updates help with the fine tuning of a customer strategy.

Summary

Our own customers are characterised by a an increasingly changing attitude towards data driven insight based on the use of internal data (i.e. of their own brand) when they are enriched and operationalised with external data (Mosaic, Micromarketer, Wealth Index) These organisations adjust more responsively in terms of their product developments and offerings to the changing spatial, socio-demographic and localised economic trends.

This year's updates are drawn from an extended range of data sources and proprietary information for the population of Romania to generate a fresh understanding of the value

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of both customer segments and the local areas in Romania. This supports customer engagement programs and better business results.

Romania is changing and we have the data to prove it!

Further, value-added developments

Financial Segmentation. The first segmentation of this kind for Romania, defines 7 recognisable financial Groups, and 16 sub-Types driven by socio-demographics, financial behaviours and specific financial product up-take. It provides an actionable view on the new money in Romania and provides in-depth insight for up-sell and cross-sell. It also shows the power of bespoke segmentations for specific sectors.

SMARTaddress A contact address data cleansing and geocoding service to standardise and geocode corporate address databases; the results contribute to adding value in CRM, Data Warehouses and the generation of Single Customer View for Business Intelligence applications and related activities.

Cross-channel marketing. CCMP is a cloud-based software platform for brands to manage customer communication, irrespective of the channel they prefer. This is used for campaign management and real-time communication.

Daniela Florea, CEO Geo Strategies (also Experian Marketing Services for Romania) says:

“Data are a new natural resource, the key commodity in today’s knowledge based economy.

Our 9th annual update re-confirms the strategic role these information tools have for our customers – from a better understanding of their own clients, to selecting the relevant communication channels and identifying potential areas using a unique ‘currency’.

The 2015 updates are the product of a continuous development programme and represent a major investment by our company.

Intelligent Romanian businesses who make the most of both internal and external data have truly unlocked the potential for enhanced business analysis and creating value for those consumers they serve and with whom they develop stronger relationships.

For over 22 years we have been working with organisations to help them use data which is fit for their business objectives purposes: we help them analyse it and generate insight for their new products and services. Organisations’ ability to engage with data will set the winners from the losers in this very modern world of cheap computing power”.

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For more information, please contact:

Daniela Florea

CEO, Geo Strategies Ltd, St John’s Innovation Centre Cowley Road, Cambridge CB4 0WS, UK.

T. +44 (0)1223 205080

M +40 (0)722 244 940 +44 (0)778 0660 763

E. daniela.florea@geo-strategies.com