Look-alike modeling

What is it?

You often tend to let your gut instinct guide you in your efforts to recruit new customers, whereas scientific methods exist that enable you to select the very target group that is statistically most likely to deliver customers. In doing so, you get maximum return on investment from the budget you are investing in customer acquisition.

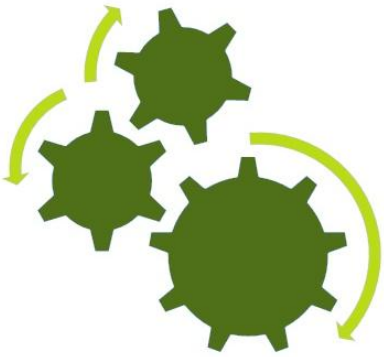
Bisnode is on hand to assist you in this respect by building a statistical model, geared to your specific situation, whereby we set out to identify prospects that are most similar to your (best) customers.

Benefits

- Identify the prospects most likely to become customers
- Maximise the ROI of your campaigns
- Optimise the way you spend your marketing budget by investing in the right prospects

How does it work?

In all cases, the statistical model is built setting out from the perspective: "*Your best prospects are similar to your best customers".* We distinguish a number of steps that are important in order to arrive at a qualitative result:



Step 1: "What you sample is what you get"

The customer population you use as a basis to build the model is crucial and is contingent on your objectives. Ask yourself questions such as: What am I looking to achieve with this exercise? Do all my customers meet the profile I am aiming for, or am I looking to rejuvenate my customer portfolio, etc.? As part of this step, it can be helpful to have the profile of your customers analysed first.

Step 2: Establishing the reference population

The reference population is the target group in which you are looking to scout for new prospects. Usually, the reference population corresponds to the entire Belgian private consumer or business population (= our CONSU Matrix or Spectron database), or a prospecting file you already have in place. In other cases, for instance when your operational territory only covers a specific part of Belgium, you may need to confine yourself to a specific area or language region in your reference population.

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Step 3: Your objectives

Look-alike models are used first and foremost to boost sales of one specific product. In some cases however, it may be relevant to build a more advanced model that sets out from the prospects themselves and for each of these prospects seeks out the most appropriate product you can present them with.

In every case, we propose the most suitable method, taking into consideration your aims and your available budget.

Step 4: Building the statistical model

First, your customer file is matched against our references and 'virtually' enriched with all available criteria (*).

The model is subsequently built up by comparing the sample (step 1) with the selected reference population (step 2) and by attributing a score to the prospects within the reference population that reflects their degree of similarity with the sample. The more similar the prospects are to your best customers, the higher the score assigned to them.

Step 5: Results

The output result is a summary overview of the number of available prospects and their degree of similarity with your best customers. In addition, the report also includes warning signs that draw your attention to potential irregularities within your selection.

Step 6: Time for action!

Once you have examined the results, you make the final selection of the desired prospects. All that remains for you to do is to decide how you wish to contact these prospects: by postal mail, by telephone or by e-mail?

(*) Criteria adopted

In all cases, the statistical models are built using our exhaustive reference files:

- Private consumers: socio-demographic data (geographical information, family composition, purchasing power information, professional information, relocation behaviour, etc.) and lifestyle clusters (57 clusters built around the clusters hobbies & fields of interest, media preferences, purchasing habits, eating and drinking habits, financial matters, etc.)
- Businesses and other entities: business information (business size, legal form, date of incorporation, etc.), financial information (legal status, turnover, solvency ratios, etc.) and activities