



## CLIENT MEMO: USING CLASSIFIERS FOR LIST SEGMENTATION

Many of you have discovered that **DART** can be quite accurate in forecasting future list response performance using the List Group Ranking module. The key to accurate forecasting, however, depends on segmenting list selections into sub groups with like characteristics.

We use the Selection, Category and Classifier fields to segment lists in the following manner:

- A. **Selection** is a free form descriptive field used to describe lists selects in detail, for instance, “*Dogs: 3 legged, w/mange, neutered, blind, named Lucky*”.
- B. **Category** is a Master Table field often used for describing major market categories such as Magazine, Catalog, Donor, etc.
- C. **Classifiers** (10 are available in the master tables) can be used to denote precise selection criteria such as recency, gender, sales source (DTP, agent, etc.), interest, lifestyle, spending, list status, etc. Applied to lists across your total database, Classifiers can help determine which market selections are profitable and eliminate surcharges for those that are not.

The difficulty in assigning Classifier fields to list selections, of course, is often lack of sufficient or consistent information about selects ordered at the time of mailing. Some Classifiers may apply to some lists but not to others and it can be difficult to group lists consistently in a List Ranking analysis.

To get around this problem we recommend assigning an Segmentation Classifier (using a simple numbering or lettering system) to group lists according selections with similar characteristics. We’ll use the following example to show how you can easily segment lists into like groups and improve your **DART** forecasting accuracy.

The list Mr. Fixit is shown in a Master Performance report (A-1) with 22 mailings over ten campaigns. This list produced an average 7.18% gross and 3.14% net response rates. On surface this average response may qualify this list for inclusion in a future campaign. If, however, we filter this list group as a whole through the Group Ranking analysis and apply weights to mail quantities and campaign timing, the projected future results are lower: 6.35/2.67% response (B-1). With these results Mr. Fixit may not make the cut in a future list selection by the **DART** Projection program.

If a Segmentation Classifier filter is assigned to individual selections, the sub group rankings will produce some list segments that are expected to perform better than others. The results (C-1):

Method	List Segment	Gross% / Net%
Simple Average	All Groups	7.18/3.14
Trend Filter	All Groups	6.35/2.67
Trend Filter	Trend Classifier A	10.39/4.27
	Trend Classifier B	8.08/3.42
	Trend Classifier D	6.40/2.52
	Trend Classifier C	5.41/2.30
	Trend Classifier F	5.41/2.08
	Trend Classifier E	4.80/1.95

**Conclusion: Applying a Segmentation Classifier to list selection groups during a Group Ranking analysis will enhance DART’s forecasting accuracy and result in more profitable list selections for future campaigns with less risk.**

**MR. FIXIT: TOTAL LIST RESPONSE ANALYSIS**

Database: SAMPLE

Date: 10/11/2000

Report Name: List Forecaster: Mr. Fixit

Time: 12:21:00

<u>Rank</u>	<u>Campaign Name</u>	<u>Selection</u>	<u>Trend Cls</u>	<u>Names Mailed</u>	<u>Gross Orders</u>	<u>Gross Resp%</u>	<u>GResp Index</u>	<u>Net Orders</u>	<u>Payup/GOOrder</u>	<u>Net Resp%</u>	<u>NResp Index</u>	<u>Loaded Prf/Ord</u>	<u>Weight Factor</u>	<u>Notes</u>
<u>List Group 1: Mister Fixit</u>														
1	199709MF	L 3 MO AGENT DTP PAID	F	4.640	318	6.85%	103	95	29.9%	2.05%	82	\$-11.06	0.2%	
2	199801MF	ACTIVE PD DTP NEW NON-AGT	B	270.985	23,765	8.77%	112	10,979	46.2%	4.05%	119	\$-2.80	12.3%	
3	199801MF	QUARTERLY COA	D	9.476	866	9.14%	116	373	43.1%	3.94%	116	\$-2.92	0.4%	
4	199801MF	L3MO DTP NON-AGT	A	32.813	3,714	11.32%	144	1,848	49.8%	5.63%	165	\$0.14	1.5%	
5	199801MF	ACTIVE PD RENEW TO PUB	C	242.056	21,180	8.75%	111	10,399	49.1%	4.30%	126	\$-1.28	11.0%	
6	199802HL	30DAY COA	D	22.320	1,734	7.77%	102	773	44.6%	3.46%	106	\$-3.96	1.0%	
7	199802HL	3MO DTP SUBS NON-AGT	A	21.301	2,211	10.38%	136	788	35.6%	3.70%	114	\$-4.99	1.0%	
8	199807MF	L 3MO DTP NON-AGT SUB	A	24.280	2,605	10.73%	178	1,021	39.2%	4.21%	202	\$-1.86	2.2%	
9	199807MF	L 6MO COA SUB	D	35.511	1,992	5.61%	93	723	36.3%	2.04%	98	\$-9.89	3.2%	
10	199807MF	ACTIVE PD RENEW TO PUB-N	C	42.094	2,846	6.76%	112	1,219	42.8%	2.90%	139	\$-5.11	3.8%	
11	199807MF	ACTIVE PD RENEW TO PUB-P	C	188.449	9,404	4.99%	83	3,919	41.7%	2.08%	100	\$-8.58	17.1%	
12	199807MF	ZIP MATCHES	E	65.874	3,169	4.81%	80	1,309	41.3%	1.99%	96	\$-9.20	6.0%	
13	199807MF	ACTIVE PD DTP NEW NON-AGT	B	102.903	7,388	7.18%	119	2,664	36.1%	2.59%	125	\$-7.55	9.3%	
14	199809MF	L 3MO MEN DMS AGT	F	18.453	1,139	6.17%	88	434	38.1%	2.35%	114	\$-5.87	0.8%	
15	199809MF	L 3MO WOMEN DMS AGT	F	26.626	1,233	4.63%	66	505	40.9%	1.90%	92	\$-7.04	1.2%	
16	199901MF	ZIP MATCHES	E	4.576	215	4.70%	149	60	27.9%	1.31%	130	\$-23.12	0.4%	
17	199907MF	ACTIVE PD DTP RENEWS	C	72.053	2,428	3.37%	76	882	36.3%	1.22%	94	\$-20.34	13.1%	
18	199907MF	ACTIVE PD REN PUB HL	C	67.643	3,172	4.69%	106	1,196	37.7%	1.77%	136	\$-13.43	12.3%	
19	199907MF	L 3MO DTP NON-AGT	A	5.030	480	9.54%	216	155	32.3%	3.08%	237	\$-7.33	0.9%	
20	199910MF	10/99 DTP NON-AGT NEW	A	15.022	1,493	9.94%	129	624	41.8%	4.15%	150	\$-1.26	0.7%	
21	199910MF	10/95 RENEW NPU	C	14.502	960	6.62%	86	396	41.3%	2.73%	99	\$-3.77	0.7%	
22	200001MF	L 3MO DTP NON-AGT	A	3.561	332	9.32%	147	145	43.7%	4.07%	158	\$-7.64	1.0%	
				<b>1,290.168</b>	<b>92,644</b>	<b>7.18%</b>	<b>116</b>	<b>40,507</b>	<b>43.7%</b>	<b>3.14%</b>	<b>127</b>	<b>\$-4.44</b>	<b>100.0%</b>	

ojected Gross%: 6.35% (Lo/Hi 6.06% / 6.65% ) Falloff: 4.6% REV/PO - LTO: \$11.97 AVG: \$11.34 WFA: \$11.70 Trend - Gross%: None Index: None  
 Net %: 2.67% (Lo/Hi 2.48% / 2.86% ) Term - LTO: 9.0 AVG: 8.9 WFA: 9.0 Net %: None Index: Up



**MR. FIXIT: LIST SELECTION RANKING ANALYSIS**

Database: SAMPLE

Date: 10/11/2000

Report Name: List Forecaster: Mr. Fixit plus Trend

Time: 12:22:02

<u>Rank</u>	<u>Campaign Name</u>	<u>Selection</u>	<u>Trend Cls</u>	<u>Universe</u>	<u>Names Mailed</u>	<u>Gross Orders</u>	<u>Gross Resp%</u>	<u>GResp Index</u>	<u>Net Orders</u>	<u>Payup/ GOrder</u>	<u>Net Resp%</u>	<u>NResp Index</u>	<u>Loaded Prf/Ord</u>	<u>Weight Factor</u>	<u>Notes</u>
<u>List Group 1: Mister Fixit / A</u>															
1	199801MF	L3MO DTP NON-AGT	A	42.7	32.813	3,714	11.32%	144	1,848	49.8%	5.63%	165	\$0.14	20.6%	
2	199802HL	3MO DTP SUBS NON-AGT	A	27.7	21.301	2,211	10.38%	136	788	35.6%	3.70%	114	\$-4.99	13.4%	
3	199807MF	L 3MO DTP NON-AGT SUB	A	31.6	24.280	2,605	10.73%	178	1,021	39.2%	4.21%	202	\$-1.86	30.5%	
4	199907MF	L 3MO DTP NON-AGT	A	6.5	5.030	480	9.54%	216	155	32.3%	3.08%	237	\$-7.33	12.6%	
5	199910MF	10/99 DTP NON-AGT NEW	A	19.5	15.022	1,493	9.94%	129	624	41.8%	4.15%	150	\$-1.26	9.4%	
6	200001MF	L 3MO DTP NON-AGT	A	5.2	3.561	332	9.32%	147	145	43.7%	4.07%	158	\$-7.64	13.4%	
			<b>A (6)</b>	<b>133.2</b>	<b>102.007</b>	<b>10,835</b>	<b>10.62%</b>	<b>158</b>	<b>4,581</b>	<b>42.3%</b>	<b>4.49%</b>	<b>171</b>	<b>\$-1.88</b>	<b>100.0%</b>	

Projected Gross%: 10.39% (Lo/Hi 9.65% / 11.14% )    Falloff: 13.8%    REV/PO - LTO: \$11.97    AVG: \$11.38    WFA: \$11.60    Trend - Gross%: Down    Index: None  
 Net %: 4.27% (Lo/Hi 3.78% / 4.75% )    Term - LTO: 9.0    AVG: 8.6    WFA: 8.7    Net %: None    Index: None

List Group 2: Mister Fixit / B

7	199801MF	ACTIVE PD DTP NEW NON-AGT	B	352.3	270.985	23,765	8.77%	112	10,979	46.2%	4.05%	119	\$-2.80	56.8%	
8	199807MF	ACTIVE PD DTP NEW NON-AGT	B	133.8	102.903	7,388	7.18%	119	2,664	36.1%	2.59%	125	\$-7.55	43.2%	
			<b>B (2)</b>	<b>486.1</b>	<b>373.888</b>	<b>31,153</b>	<b>8.33%</b>	<b>116</b>	<b>13,643</b>	<b>43.8%</b>	<b>3.65%</b>	<b>122</b>	<b>\$-3.73</b>	<b>100.0%</b>	

Projected Gross%: 8.08% (Lo/Hi 7.91% / 8.26% )    Falloff: 11.2%    REV/PO - LTO: \$11.95    AVG: \$11.16    WFA: \$11.39    Trend - Gross%: None    Index: None  
 Net %: 3.42% (Lo/Hi 3.31% / 3.53% )    Term - LTO: 9.0    AVG: 9.0    WFA: 9.0    Net %: None    Index: None

List Group 3: Mister Fixit / D

9	199801MF	QUARTERLY COA	D	12.3	9.476	866	9.14%	116	373	43.1%	3.94%	116	\$-2.92	9.2%	
10	199802HL	30DAY COA	D	29.0	22.320	1,734	7.77%	102	773	44.6%	3.46%	106	\$-3.96	21.7%	
11	199807MF	L 6MO COA SUB	D	46.2	35.511	1,992	5.61%	93	723	36.3%	2.04%	98	\$-9.89	69.1%	
			<b>D (3)</b>	<b>87.5</b>	<b>67.307</b>	<b>4,592</b>	<b>6.82%</b>	<b>104</b>	<b>1,869</b>	<b>40.7%</b>	<b>2.78%</b>	<b>107</b>	<b>\$-6.04</b>	<b>100.0%</b>	

Projected Gross%: 6.40% (Lo/Hi 5.99% / 6.82% )    Falloff: 37.9%    REV/PO - LTO: \$11.95    AVG: \$11.35    WFA: \$11.64    Trend - Gross%: Down    Index: Down  
 Net %: 2.52% (Lo/Hi 2.26% / 2.79% )    Term - LTO: 9.0    AVG: 9.0    WFA: 9.0    Net %: Down    Index: Down

List Group 4: Mister Fixit / C

12	199801MF	ACTIVE PD RENEW TO PUB	C	314.7	242.056	21,180	8.75%	111	10,399	49.1%	4.30%	126	\$-1.28	19.0%	
13	199807MF	ACTIVE PD RENEW TO PUB-N	C	54.7	42.094	2,846	6.76%	112	1,219	42.8%	2.90%	139	\$-5.11	6.6%	
14	199807MF	ACTIVE PD RENEW TO PUB-P	C	245.0	188.449	9,404	4.99%	83	3,919	41.7%	2.08%	100	\$-8.58	29.5%	

**MR. FIXIT: LIST SELECTION RANKING ANALYSIS**

Database: SAMPLE

Date: 10/11/2000

Report Name: List Forecaster: Mr. Fixit plus Trend

Time: 12:22:02

<u>Rank</u>	<u>Campaign Name</u>	<u>Selection</u>	<u>Trend CIs</u>	<u>Names Universe</u>	<u>Gross Mailed</u>	<u>Gross Orders</u>	<u>Gross Resp%</u>	<u>GResp Index</u>	<u>Net Orders</u>	<u>Payup/GOrder</u>	<u>Net Resp%</u>	<u>NResp Index</u>	<u>Loaded Prf/Ord</u>	<u>Weight Factor</u>	<u>Notes</u>
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List Group 4: Mister Fixit / C

15	199907MF	ACTIVE PD DTP RENEWS	C	93.7	72.053	2,428	3.37%	76	882	36.3%	1.22%	94	\$-20.34	22.6%	
16	199907MF	ACTIVE PD REN PUB HL	C	87.9	67.643	3,172	4.69%	106	1,196	37.7%	1.77%	136	\$-13.43	21.2%	
17	199910MF	10/95 RENEW NPU	C	18.9	14.502	960	6.62%	86	396	41.3%	2.73%	99	\$-3.77	1.1%	
			<b>C (6)</b>	<b>814.9</b>	<b>626.797</b>	<b>39,990</b>	<b>6.38%</b>	<b>96</b>	<b>18,011</b>	<b>45.0%</b>	<b>2.87%</b>	<b>116</b>	<b>\$-4.92</b>	<b>100.0%</b>	

<b>Projected Gross%:</b>	<b>5.41% (Lo/Hi</b>	<b>5.22% /</b>	<b>5.60% )</b>	<b>Falloff:</b>	<b>3.5%</b>	<b>REV/PO - LTO:</b>	<b>\$11.99</b>	<b>AVG:</b>	<b>\$11.38</b>	<b>WFA:</b>	<b>\$11.77</b>	<b>Trend - Gross%:</b>	<b>None</b>	<b>Index:</b>	<b>Down</b>
<b>Net %:</b>	<b>2.30% (Lo/Hi</b>	<b>2.18% /</b>	<b>2.42% )</b>			<b>Term - LTO:</b>	<b>6.0</b>	<b>AVG:</b>	<b>8.9</b>	<b>WFA:</b>	<b>9.0</b>	<b>Trend - Net%:</b>	<b>None</b>	<b>Index:</b>	<b>Down</b>

List Group 5: Mister Fixit / F

18	199709MF	L 3 MO AGENT DTP PAID	F	6.0	4.640	318	6.85%	103	95	29.9%	2.05%	82	\$-11.06	9.3%	
19	199809MF	L 3MO MEN DMS AGT	F	24.0	18.453	1,139	6.17%	88	434	38.1%	2.35%	114	\$-5.87	37.1%	
20	199809MF	L 3MO WOMEN DMS AGT	F	34.6	26.626	1,233	4.63%	66	505	40.9%	1.90%	92	\$-7.04	53.6%	
			<b>F (3)</b>	<b>64.6</b>	<b>49.719</b>	<b>2,690</b>	<b>5.41%</b>	<b>86</b>	<b>1,034</b>	<b>38.4%</b>	<b>2.08%</b>	<b>96</b>	<b>\$-6.92</b>	<b>100.0%</b>	

<b>Projected Gross%:</b>	<b>5.41% (Lo/Hi</b>	<b>4.94% /</b>	<b>5.88% )</b>	<b>Falloff:</b>	<b>9.0%</b>	<b>REV/PO - LTO:</b>	<b>\$11.97</b>	<b>AVG:</b>	<b>\$11.85</b>	<b>WFA:</b>	<b>\$11.85</b>	<b>Trend - Gross%:</b>	<b>None</b>	<b>Index:</b>	<b>None</b>
<b>Net %:</b>	<b>2.08% (Lo/Hi</b>	<b>1.79% /</b>	<b>2.37% )</b>			<b>Term - LTO:</b>	<b>9.0</b>	<b>AVG:</b>	<b>9.0</b>	<b>WFA:</b>	<b>9.0</b>	<b>Trend - Net%:</b>	<b>None</b>	<b>Index:</b>	<b>None</b>

List Group 6: Mister Fixit / E

21	199807MF	ZIP MATCHES	E	85.6	65.874	3,169	4.81%	80	1,309	41.3%	1.99%	96	\$-9.20	93.5%	
22	199901MF	ZIP MATCHES	E	59.0	4.576	215	4.70%	149	60	27.9%	1.31%	130	\$-23.12	6.5%	
			<b>E (2)</b>	<b>144.6</b>	<b>70.450</b>	<b>3,384</b>	<b>4.80%</b>	<b>115</b>	<b>1,369</b>	<b>40.5%</b>	<b>1.94%</b>	<b>113</b>	<b>\$-9.81</b>	<b>100.0%</b>	

<b>Projected Gross%:</b>	<b>4.80% (Lo/Hi</b>	<b>4.51% /</b>	<b>5.10% )</b>	<b>Falloff:</b>	<b>6.2%</b>	<b>REV/PO - LTO:</b>	<b>\$14.97</b>	<b>AVG:</b>	<b>\$12.08</b>	<b>WFA:</b>	<b>\$12.15</b>	<b>Trend - Gross%:</b>	<b>None</b>	<b>Index:</b>	<b>None</b>
<b>Net %:</b>	<b>1.95% (Lo/Hi</b>	<b>1.77% /</b>	<b>2.12% )</b>			<b>Term - LTO:</b>	<b>9.0</b>	<b>AVG:</b>	<b>9.0</b>	<b>WFA:</b>	<b>9.0</b>	<b>Trend - Net%:</b>	<b>None</b>	<b>Index:</b>	<b>None</b>