

SPECTRUM DATA

Personal. Professional. Precise.

Analytical Services

Statistical Modeling

A statistical model is a set of mathematical algorithms which describe the behavior of an object of study in terms of random variables and their associated probability distributions.

In direct marketing applications, there is normally just one algorithm that attempts to predict a future event (individual response or purchase) based on previous behavior of a similar event. Variables used to build the model usually range from behavioral characteristics such as recent purchase history, amount previously spent, and frequency of purchases to demographic characteristics of the individual and/or household.

At Spectrum, we have over 150 different demographic variables that we analyze in our statistical modeling procedures. Data such as household income, age, presence of children, types of credit used, length of residence, lifestyle characteristics and much more are simultaneously analyzed for statistical significance in predicting a future outcome (such as direct mail response or purchase) based on a similar previous outcome.

Statistical modeling techniques are most commonly used for:

- New Customer Acquisition (prospecting)
- Existing Customer Purchasing
- Existing Customer Retention
- Customer Cross-Selling

Normal response or purchase “lifts” by using modeling as opposed to traditional list selection methods range from 15% to 50% depending on the application and the quality and characteristics of the data analyzed.

Let Spectrum and our experienced statisticians model your direct marketing campaigns for better response and reduced cost.

Call David Murray today:
800-733-6567 or visit
www.spectrumdata.org

Data Analytics

Data Analytics is a general term that covers many types of mathematical techniques to summarize data and gain insight on behavior. Some common data analytical methods are experimental design, segmentation (CHAID), ANOVA (Analysis of Variance), times series, statistical profiling and statistical modeling.

