

Harnessing the Power of WealthScapes

Use Cases & Applications

Thursday, November 9, 2023

ENVIRONICS
ANALYTICS

Today's Presenters



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ENVIRONICS
ANALYTICS

Housekeeping Items

- Throughout the entire webinar, all participants will be in listen-only mode
- However, you can submit a question at any time via the Q&A window at the bottom of the Zoom window
- Your questions may be viewable by other attendees so if you do not wish to have your name attached to a question, please select the “Anonymous” option.
- I’d also like to mention that we are recording this presentation and the recording will be available on our website within the next day or so.



Agenda

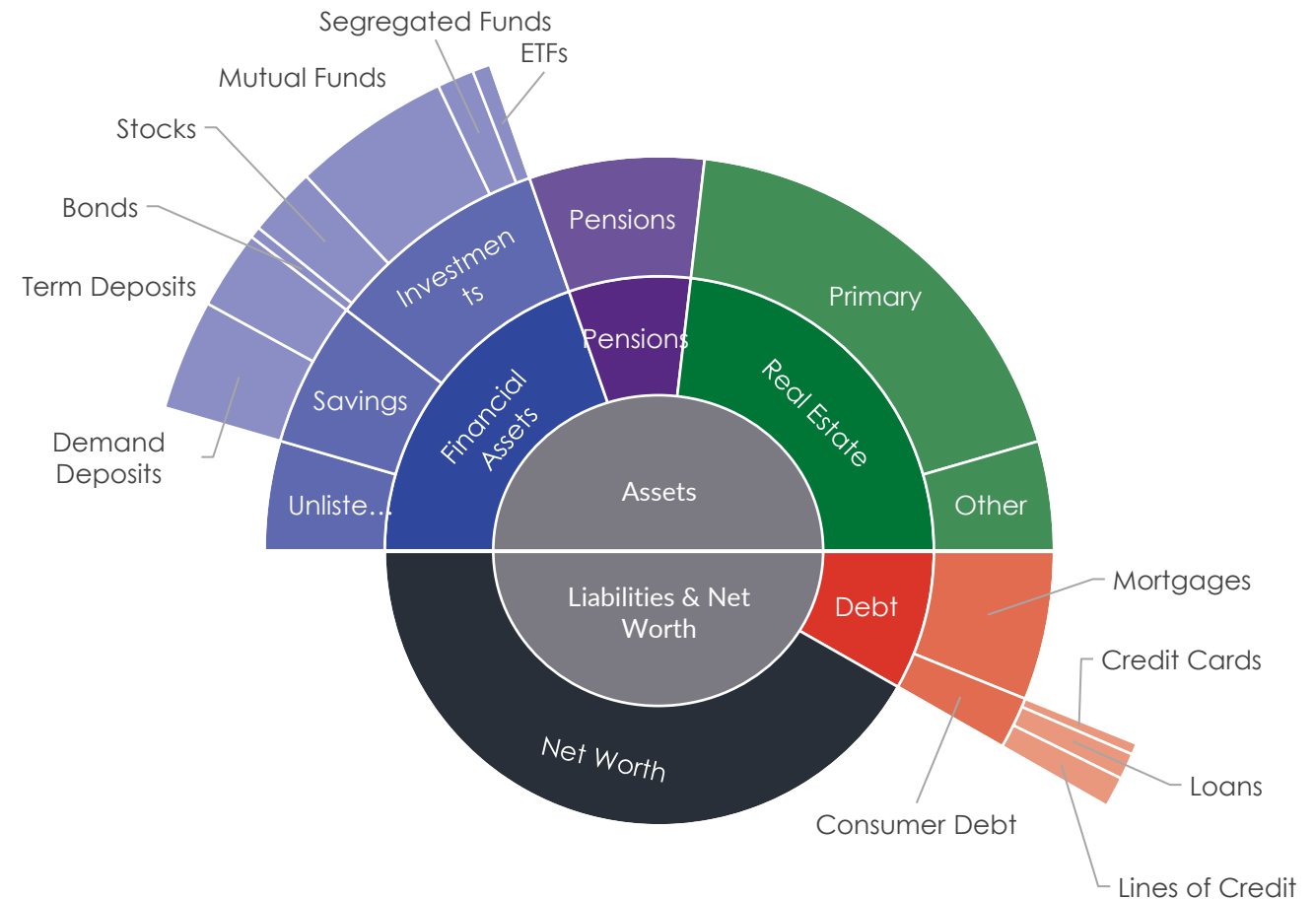
- 1 Recap of EA's Financial Suite of Products
- 2 Use Cases, Applications & Approaches

WealthScapes Suite of Products - Overview

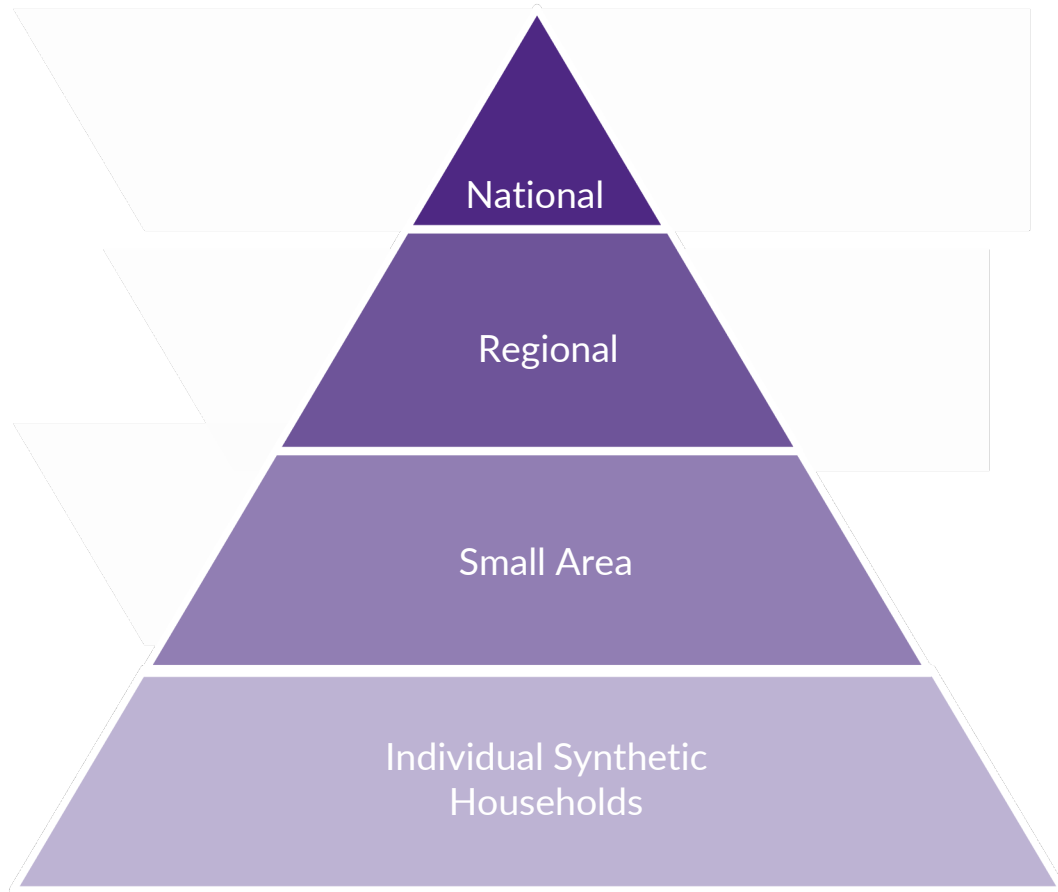


WealthScapes | Overview

- Detailed measures of assets, debt and wealth of **Canadian Households**
- Over 200 financial statistics including both incidence and balances, covering 7 dimensions of household wealth
- Developed using over 30 different data sources including **privacy-friendly** aggregated data from Bank of Canada, Canada Revenue Agency, Equifax, Statistics Canada
- 100% Canadian coverage
- Built at the **Dissemination Area** level, linked to the 6-digit postal code



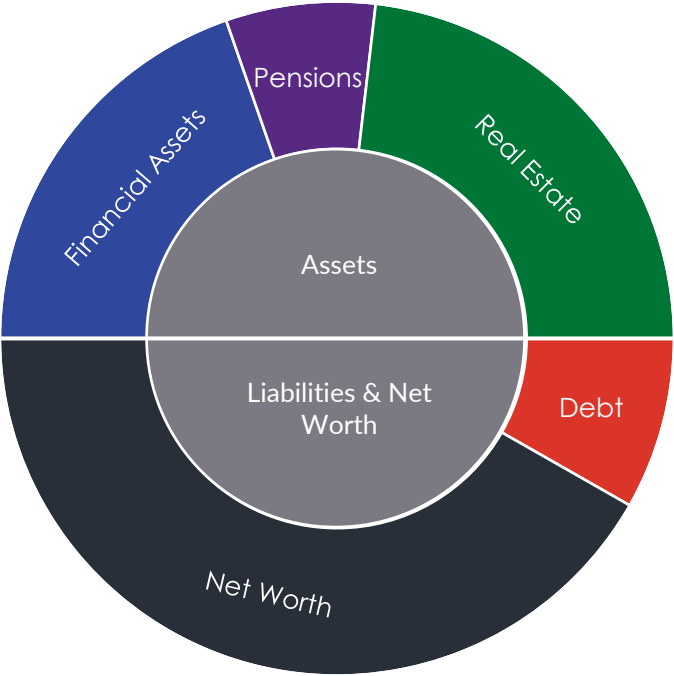
WealthScapes - Built on a Geodemographic Base



- Statistics Canada National Balance Sheet Accounts
 - Pension Satellite Account
 - Bank of Canada
 - CANSIM
-
- Teranet HPI
 - CREA HPI
-
- Equifax
 - CRA Income Tax Data & Longitudinal Administrative Data
 - CensusPlus
 - Census
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- Demostats Hypercube
 - Statistics Canada Survey of Financial Security
 - Canadian Financial Monitor
 - Statistics Canada Canadian Income Survey

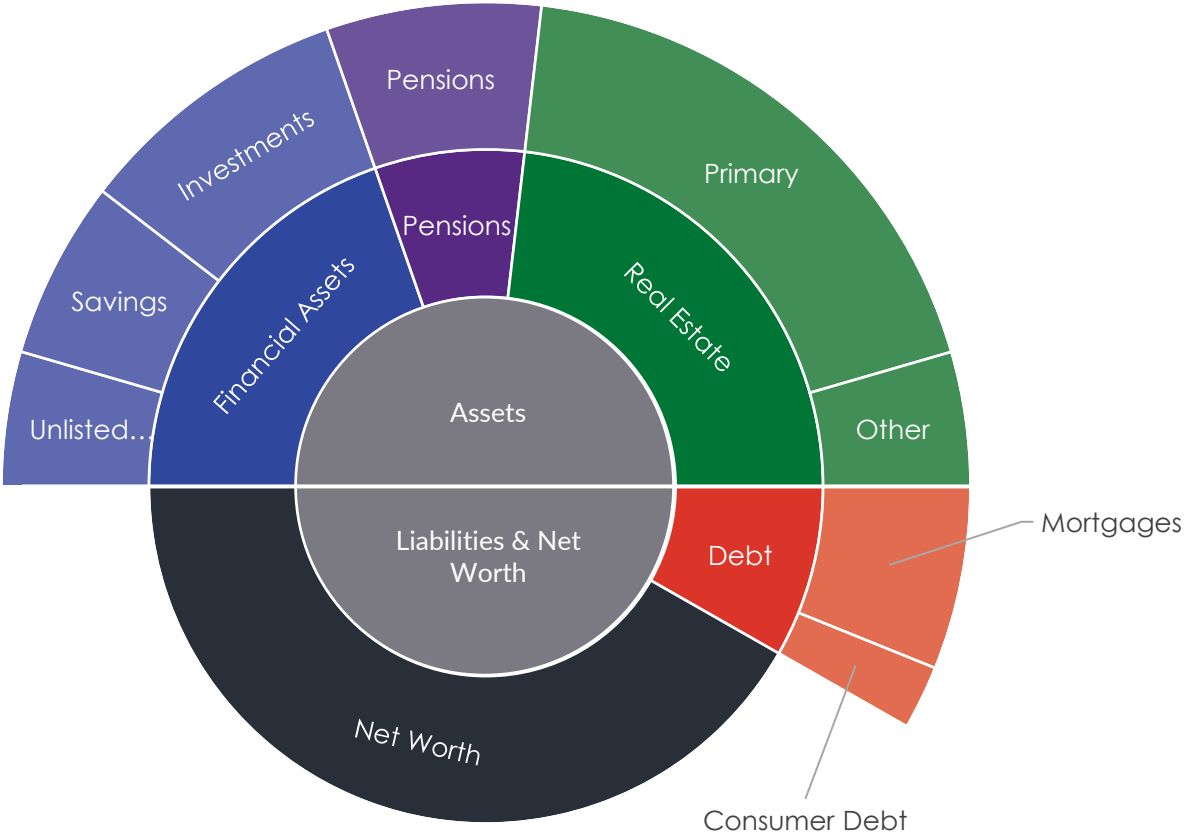
WealthScapes' View of the Household Balance Sheet 2022 Q4

Financial Assets	\$ 430,993
Pensions	\$ 157,147
Real Estate	\$ 507,624
Debt	\$ 180,726
Net Worth	\$ 915,037



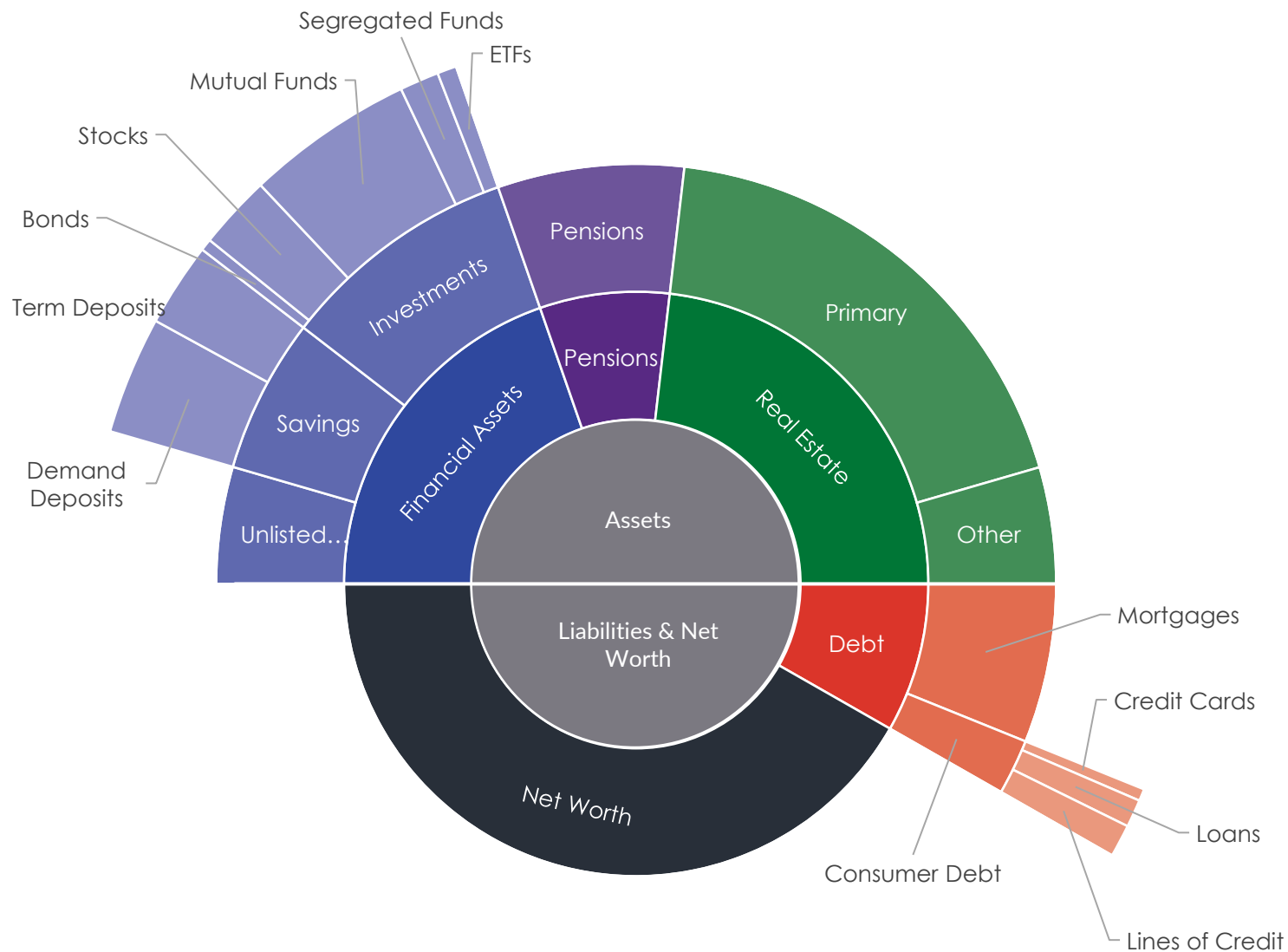
WealthScapes' View of the Household Balance Sheet 2022 Q4

Financial Assets	\$ 430,993
Unlisted Shares	\$ 98,503
Savings	\$ 130,419
Investments	\$ 202,070
Pensions	\$ 157,147
Real Estate	\$ 507,624
Primary	\$ 409,409
Other	\$ 98,215
Debt	\$ 180,726
Mortgages	\$ 134,000
Consumer Debt	\$ 46,726
Net Worth	\$ 915,037



WealthScapes' View of the Household Balance Sheet 2022 Q4

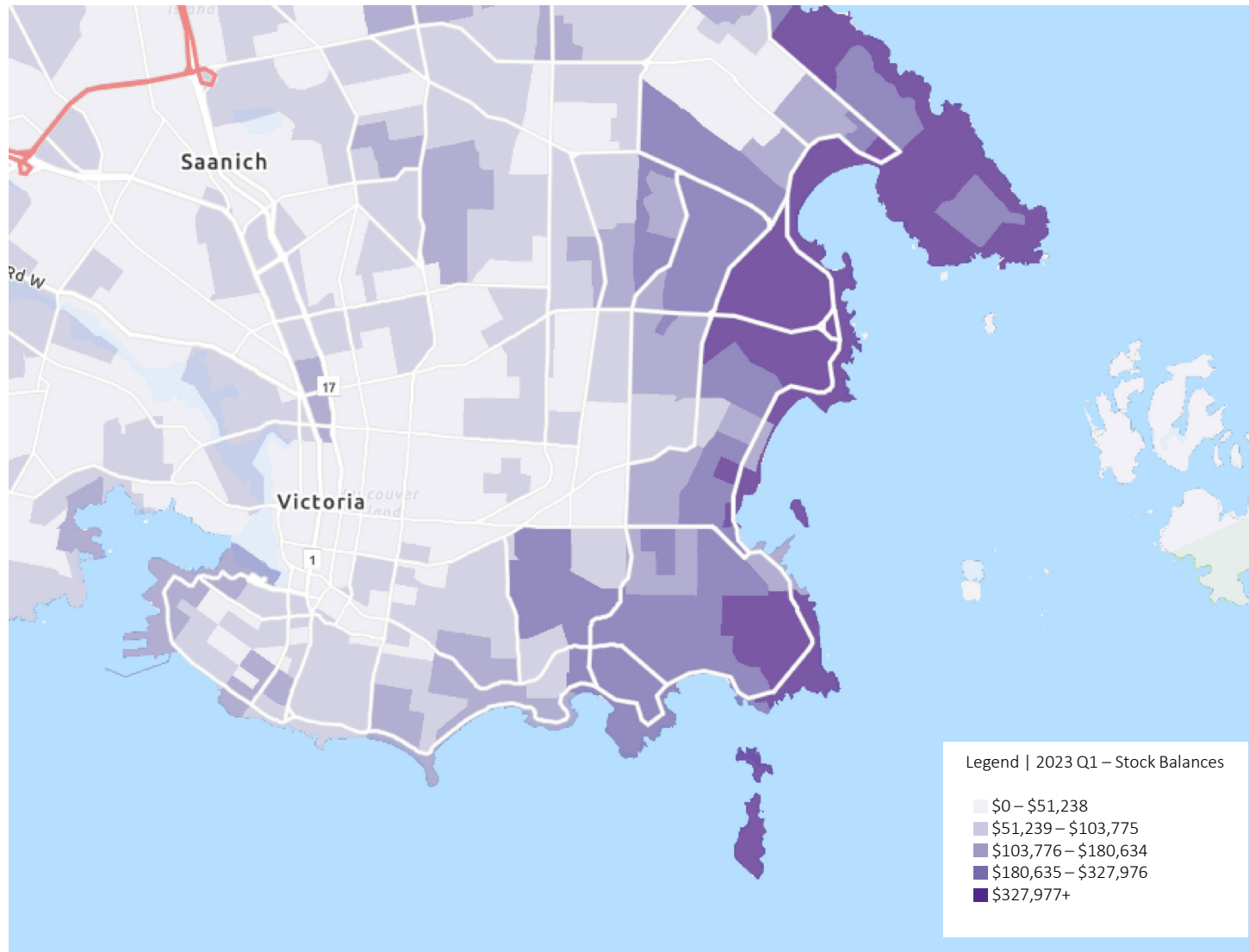
Financial Assets	\$ 430,993
Unlisted Shares	\$ 98,503
Savings	\$ 130,419
Demand Deposits	\$ 76,173
Term Deposits	\$ 54,246
Investments	\$ 202,070
Bonds	\$ 7,665
Stocks	\$ 47,753
Mutual Funds	\$ 108,819
Segregated Funds	\$ 25,377
ETFs	\$ 12,456
Pensions	\$ 157,147
Real Estate	\$ 507,624
Primary	\$ 409,409
Other	\$ 98,215
Debt	\$ 180,726
Mortgages	\$ 134,000
Consumer Debt	\$ 46,726
Credit Cards	\$ 7,786
Loans	\$ 17,938
Lines of Credit	\$ 21,003
Net Worth	\$ 915,037



Other Products in the WealthScapes Suite



WealthTrends | Overview



WealthTrends

- Quarterly updates of 33 key financial variables from WealthScapes at the dissemination-area level
- Allows for financial institutions, retailers, and governments to adjust strategies to reflect the most recent economic conditions

LiquidAssets | Overview

Ontario HH's		Liquid Assets			
Household Income		\$500,000-\$749,999	\$750,000-\$999,999	\$1,000,000-\$1,999,999	\$2,000,000+
	\$0-\$19,999	3,361	1,079	1,167	265
	\$20,000-\$39,999	10,229	3,556	4,875	2,027
	\$40,000-\$59,999	21,635	7,175	9,852	9,108
	\$60,000-\$79,999	31,386	11,314	18,090	12,204
	\$80,000-\$99,999	34,841	17,083	27,300	11,110
	\$100,000-\$124,999	39,035	23,159	36,005	17,345
	\$125,000-\$149,999	31,794	19,434	30,543	19,038
	\$150,000-\$199,999	47,116	30,486	42,574	29,545
	\$200,000-\$300,000	54,172	32,217	46,342	43,557
	\$300,000+	31,543	20,696	35,675	49,879

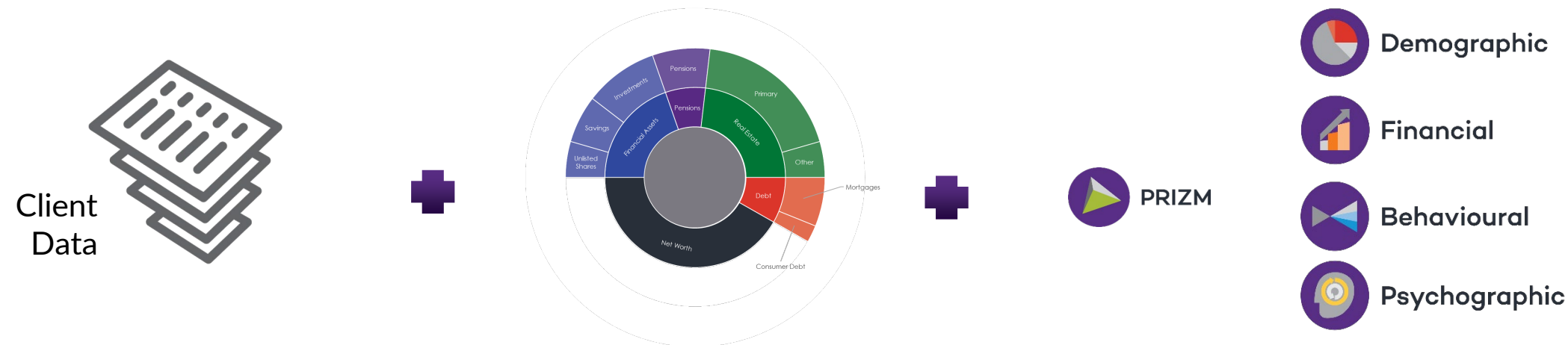
LiquidAssets

- Measures the distribution of households by liquid asset holdings and further classifies the distribution by maintainer age or household income
- Provides a detailed view of the liquid asset value of Canadian households as well as their overall financial position down to the dissemination area level

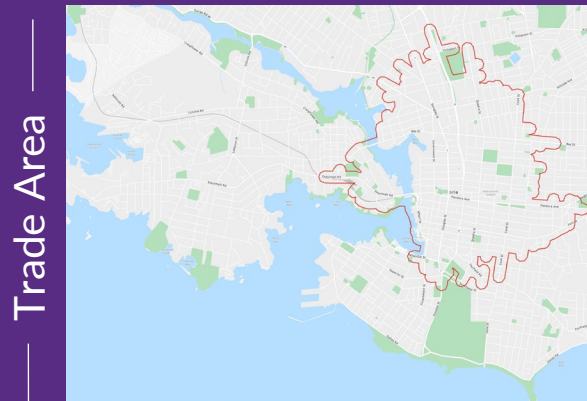
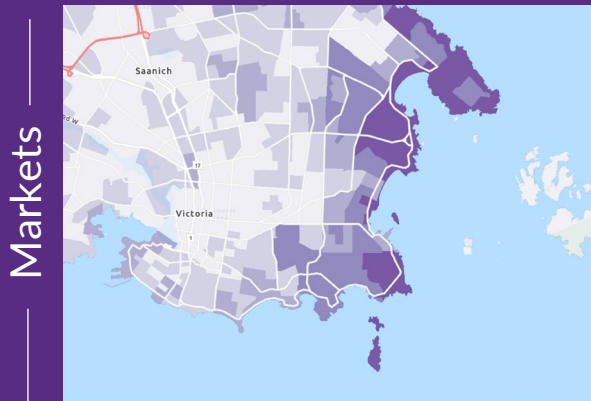
Use Cases



The Power of WealthScapes



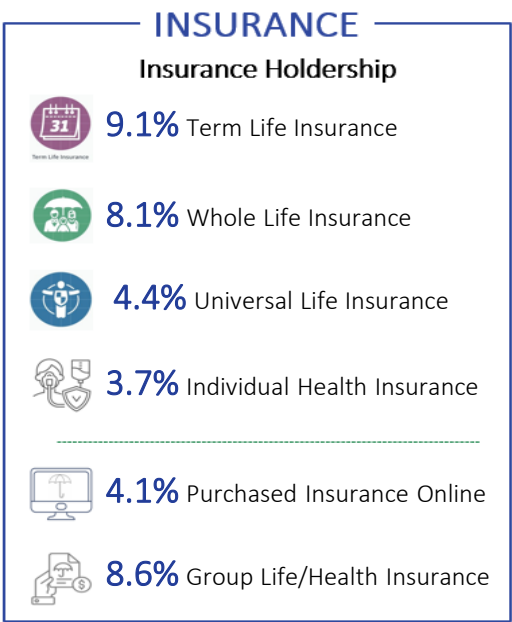
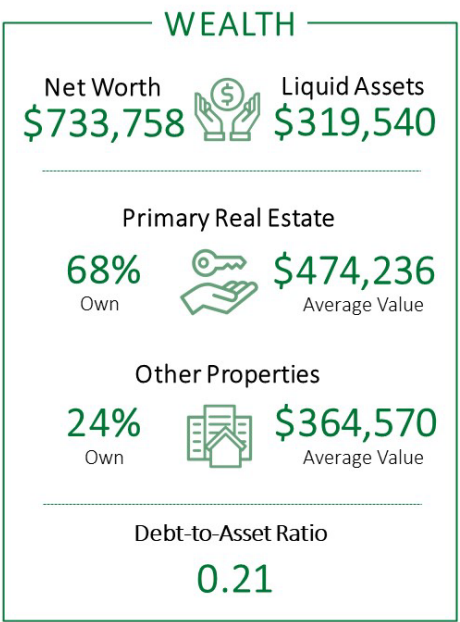
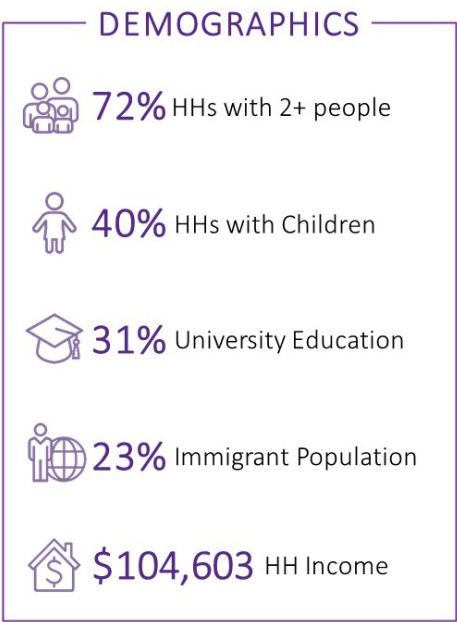
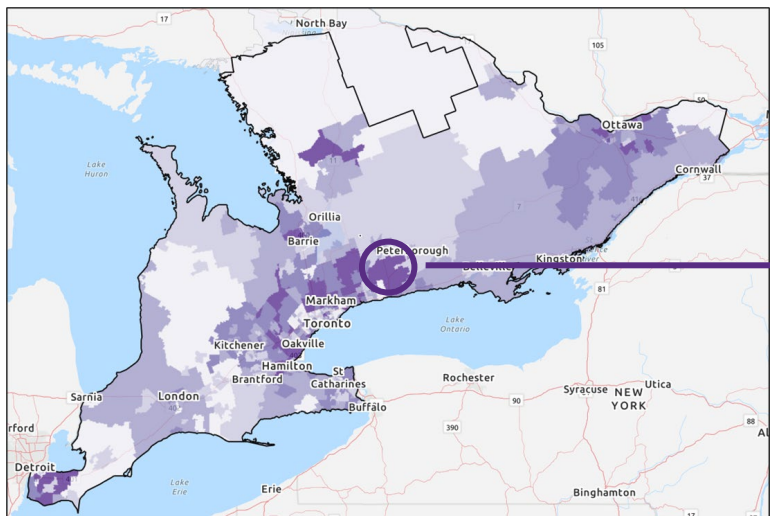
Provides Insights to Grow & Inform Strategy



Understand Markets Using Many Different Metrics

Ability to drill down into small areas of geography to compare & contrast markets

Sample Metrics for **L&H Insurance**



EA data provides base (denominator) which can be used to calculate penetration

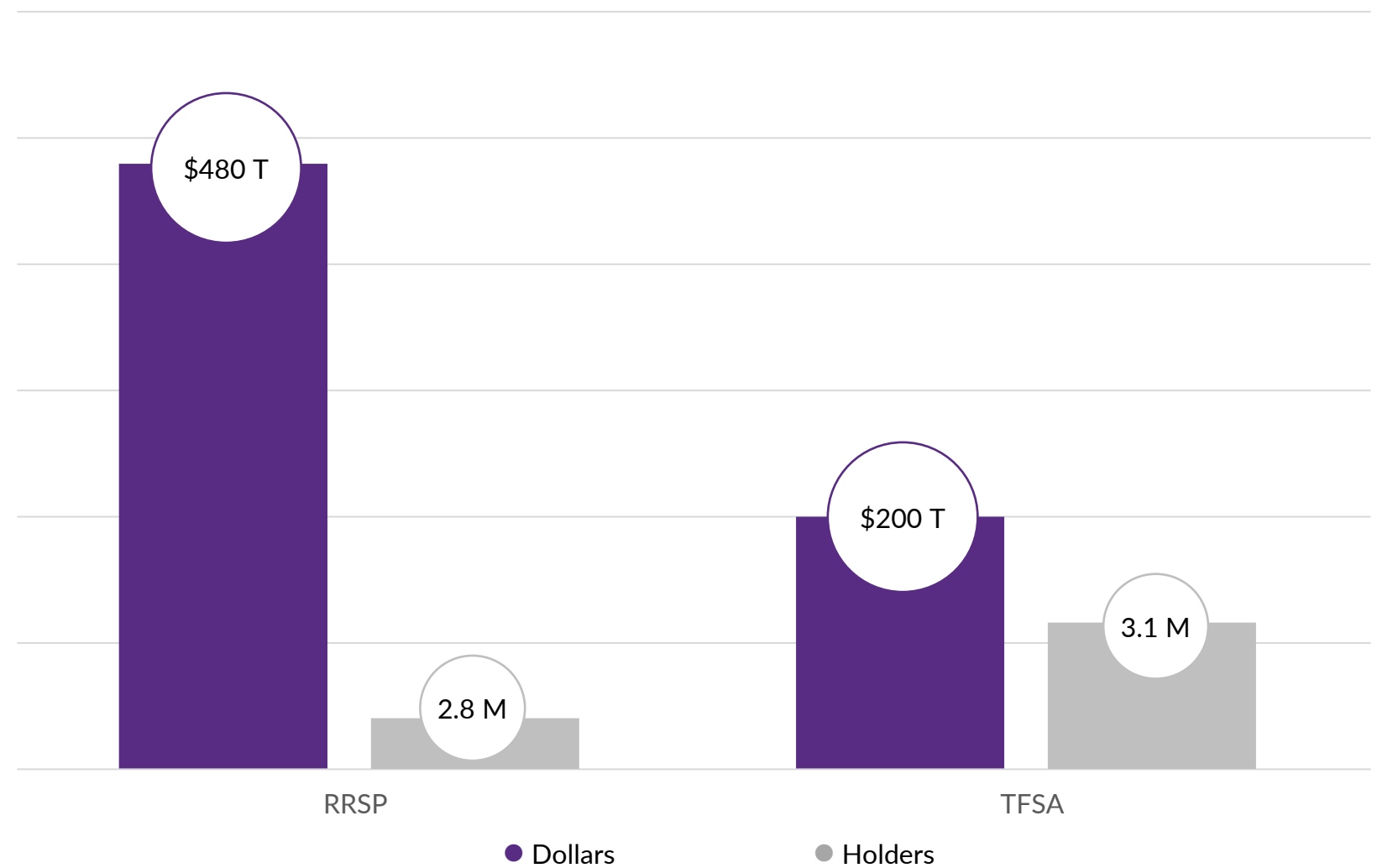
Product Campaign

A Financial Institution would like to increase its share of RRSPs and TFSAs

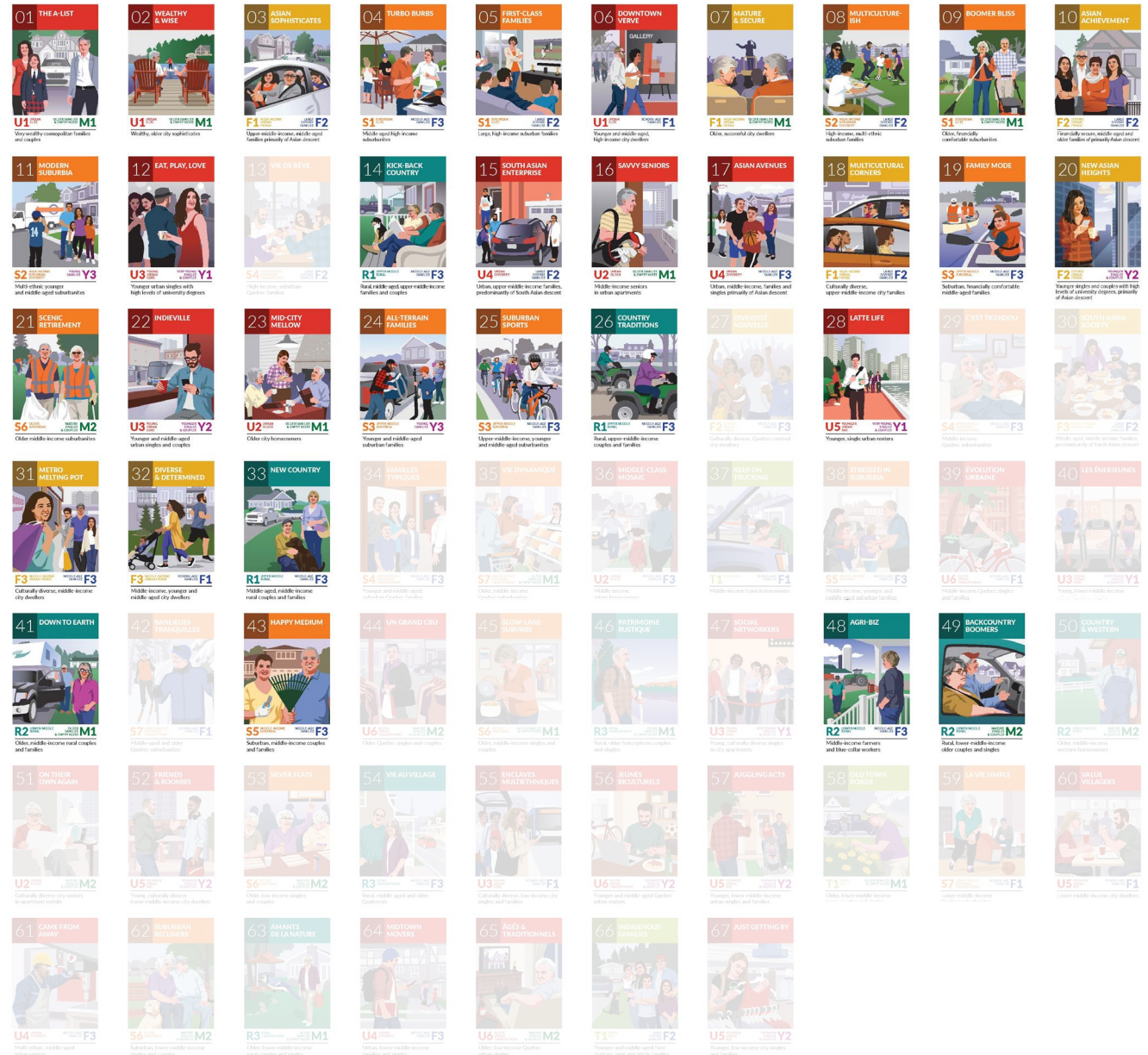
Understand how WealthScapes and other EA products can assist in achieving these objectives



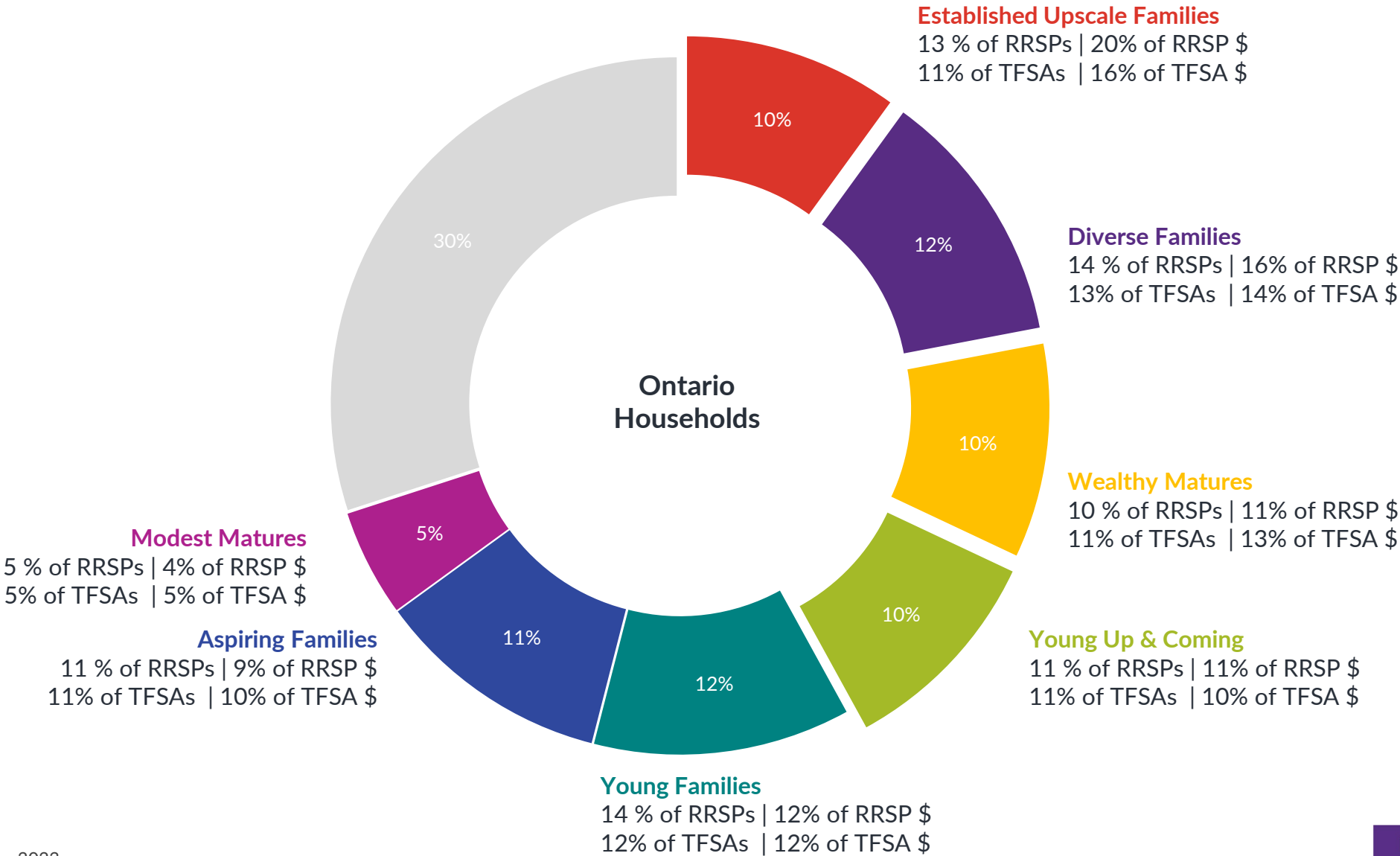
Sizing the pie RRSPs & TFSAs in Ontario



Leveraging WealthSapes, we identified 33 PRIZM segments in Ontario that over-index and have high potential for RRSP/TFSA contributions

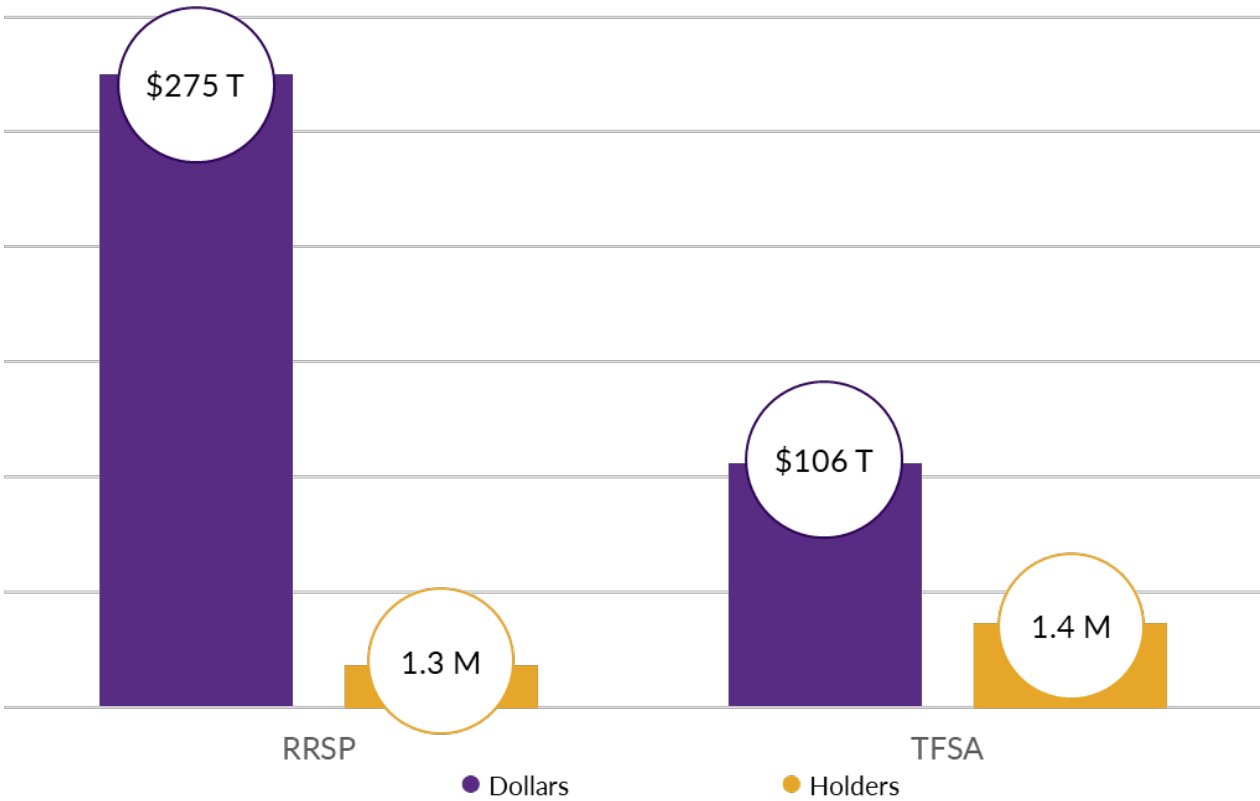
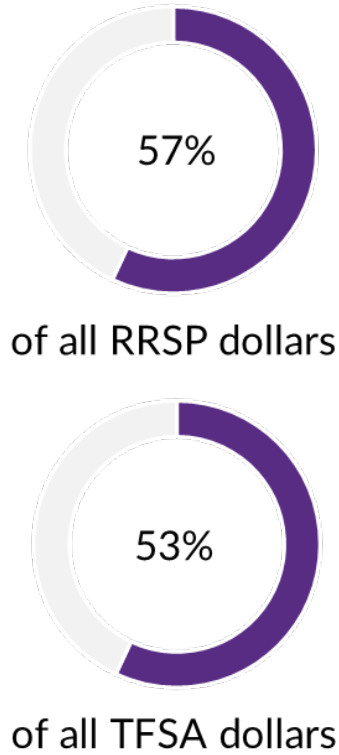


Segmenting the Target Population & Identifying Opportunity



Breakdown of the 4 Priority Segments – 42% of all Households

Established Upscale Families, Diverse Families, Wealthy Matures and Young Up & Coming proportion of the pie



Understanding Target Audiences | Highlights



Established Upscale Families

- Older families with teenage & young adult children at home
- Highly educated homeowners
- Lower levels of diversity
- Very high incomes & financial holdings



Diverse Families

- Middle-aged families with pre-teens and teenagers
- Highly educated homeowners
- Diverse
- Above average incomes & growing net worth



Wealthy Matures

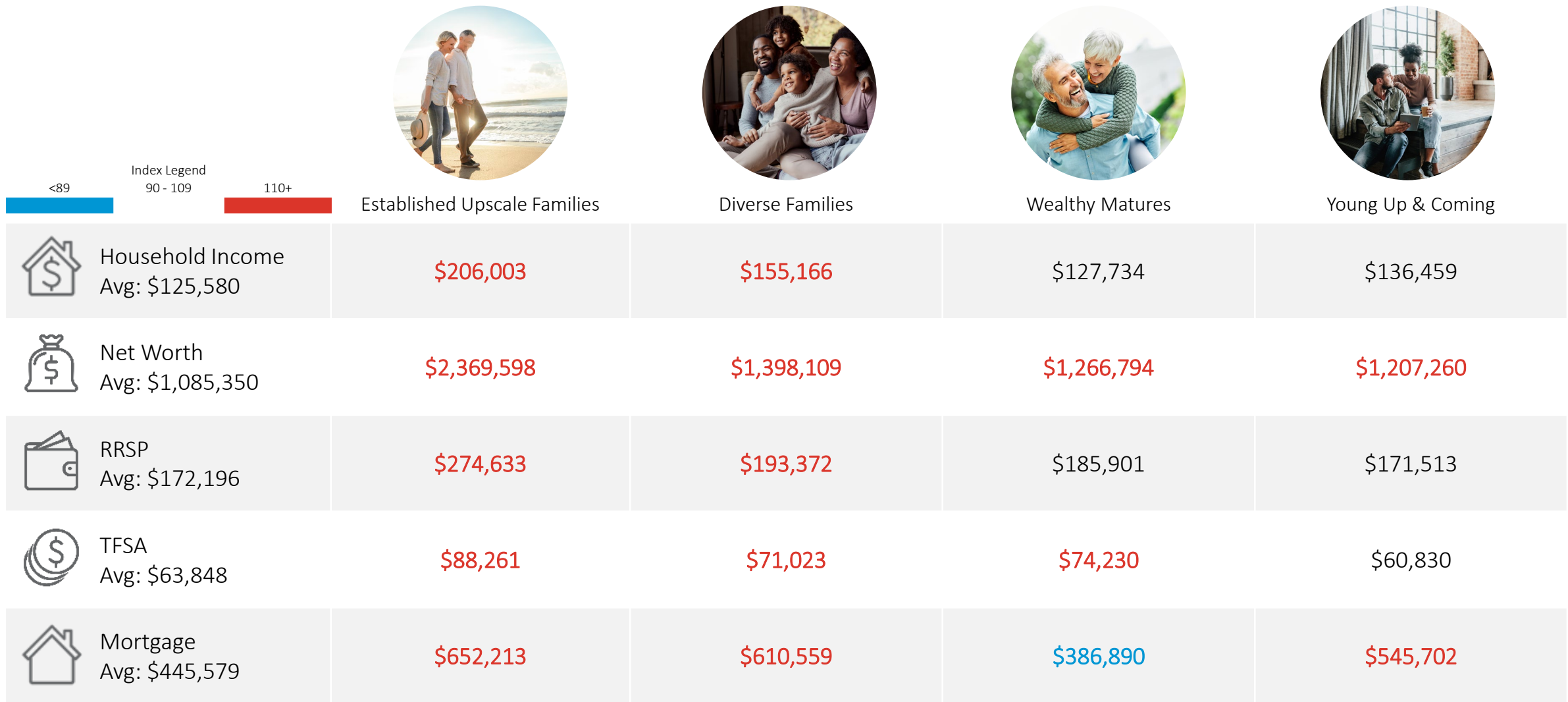
- Older singles & couple retirees
- Lower levels of education
- Lower levels of diversity
- Above average net worth and lower levels of debt



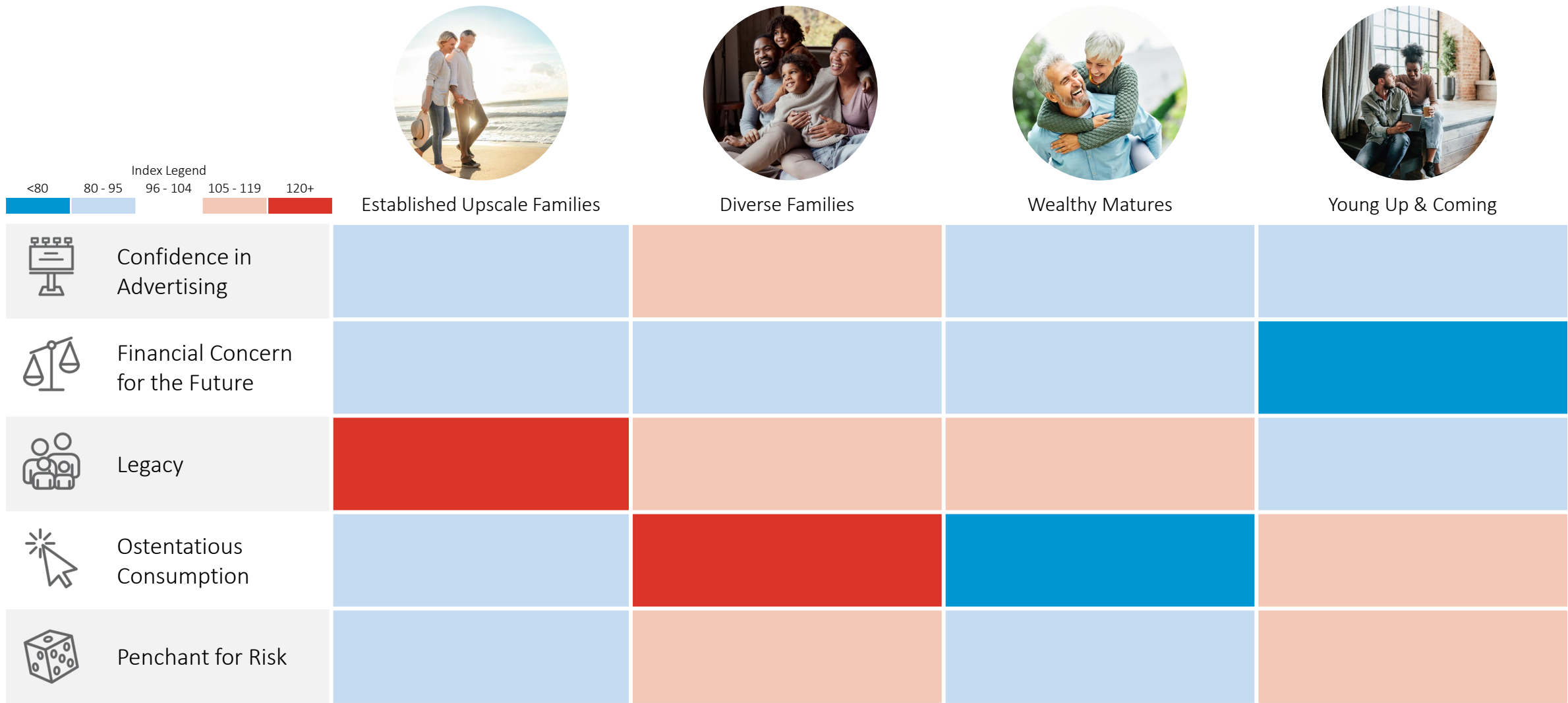
Young Up & Coming

- Young single and couples
- Highly educated renters
- Moderately diverse
- Upwardly mobile, with healthy incomes

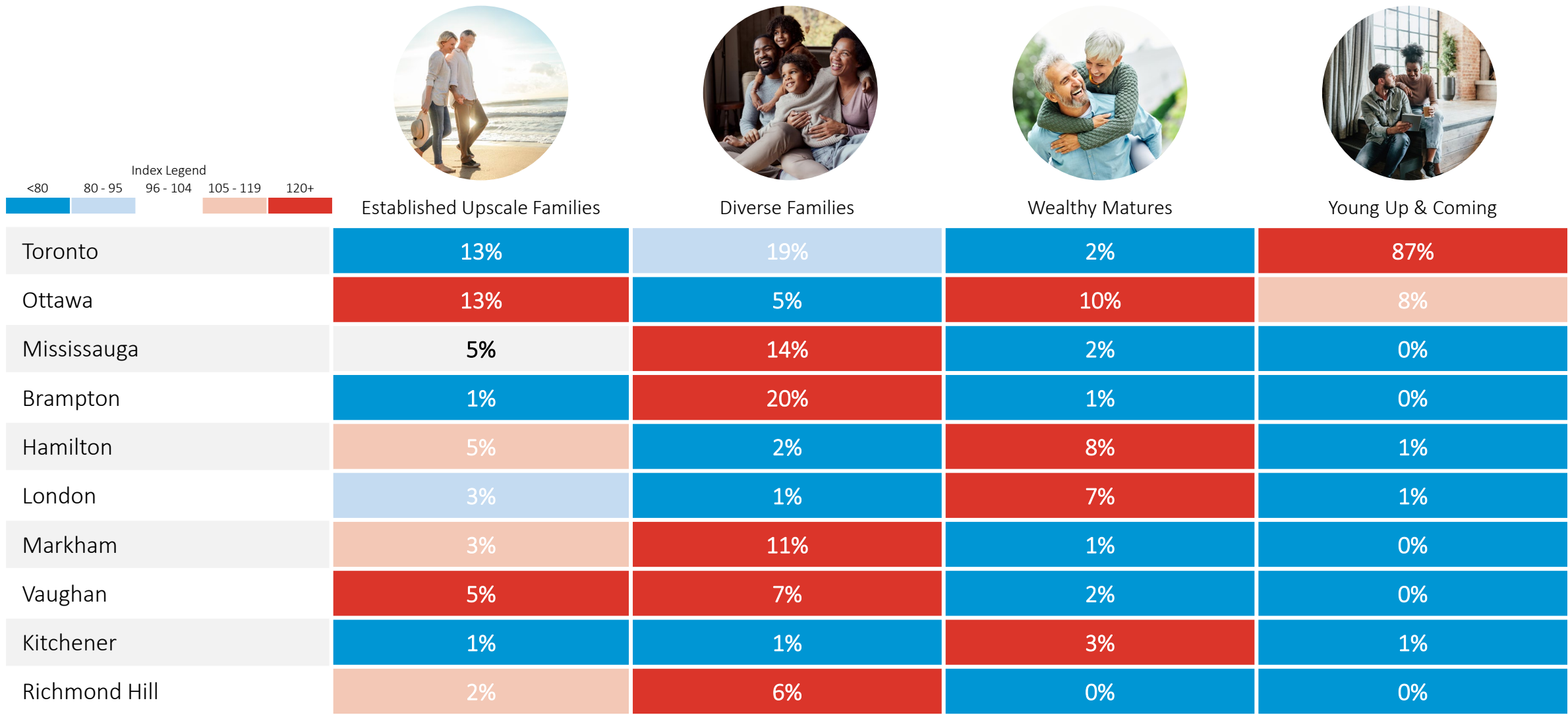
Understanding Target Audiences | Wealth



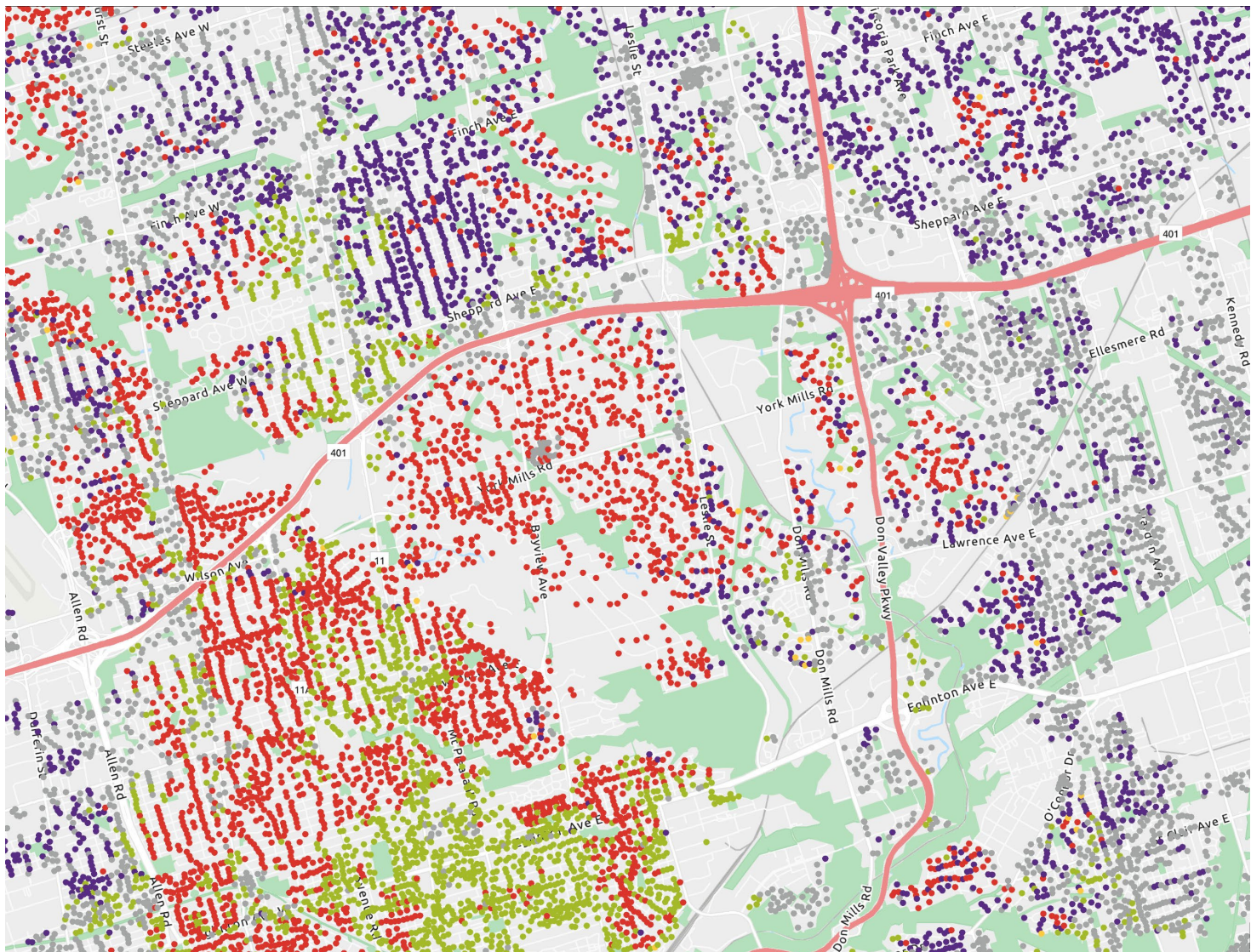
Understanding Target Audiences | Mindsets & Psychographics



Understanding Target Audiences | Where to Find Them



Understanding Target Audiences | Where to Find Them



- Established Upscale Families
- Diverse Families
- Wealthy Matures
- Young Up & Coming
- Non – Priority/Target

Understanding Target Audiences | Media & Social



Established
Upscale
Families
Currently Use



74%
97



39%
94



25%
95



44%
106



70%
99



Wealthy
Matures
Currently Use



78%
103



36%
87



24%
89



37%
89



68%
96



Diverse
Families
Currently Use



71%
94



47%
113



29%
108



49%
117



74%
105



Young Up
& Coming
Currently Use



71%
94



52%
123



35%
130



54%
129



76%
107

Gap Analysis & Market Opportunity Analysis

Market Focus

✓ Goal Setting & Measurement

Setting performance goals by market

Adjusting branch targets based on current success and opportunities within a local trade area/market

Understanding which products to emphasize in which markets

✓ Overall Marketing Strategy

Acquisition vs. Cross-sell/Upsell vs. Retention as well as product specific strategies

✓ Resource Allocation

Identifying where to put more feet on the street

Determining where to open new branches

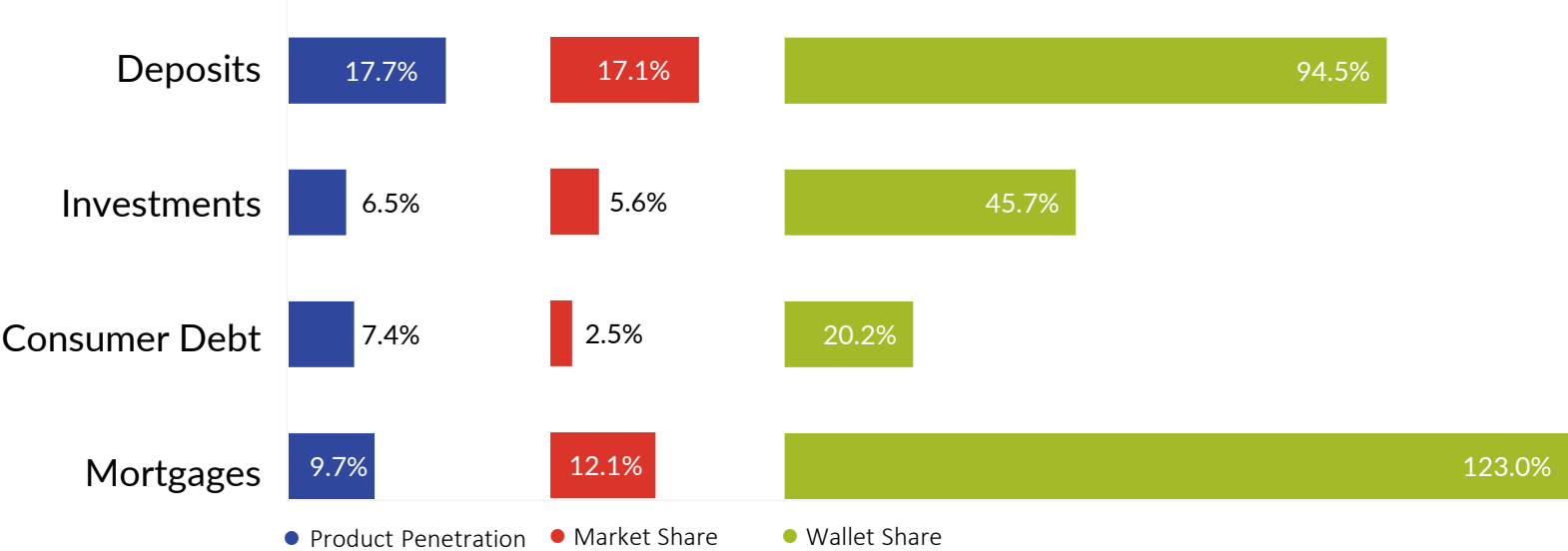
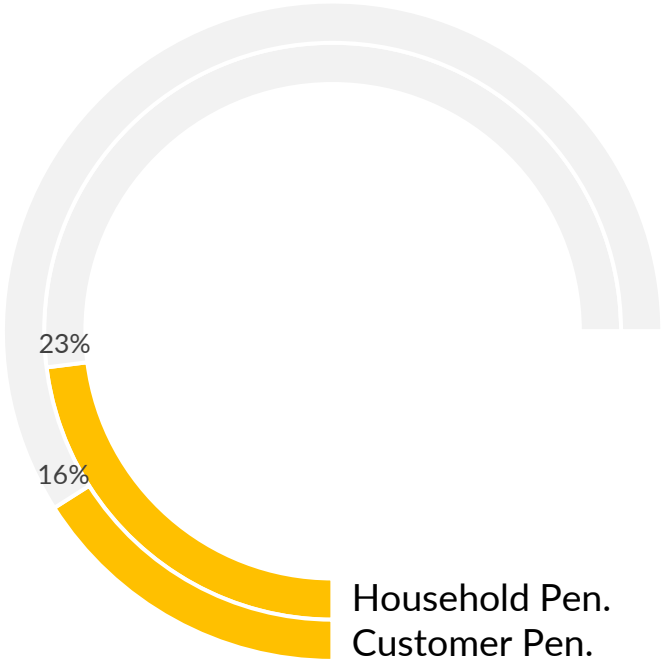
Uncovering where to provide more head office support, staff training & product specific support

Gap Analysis Metrics

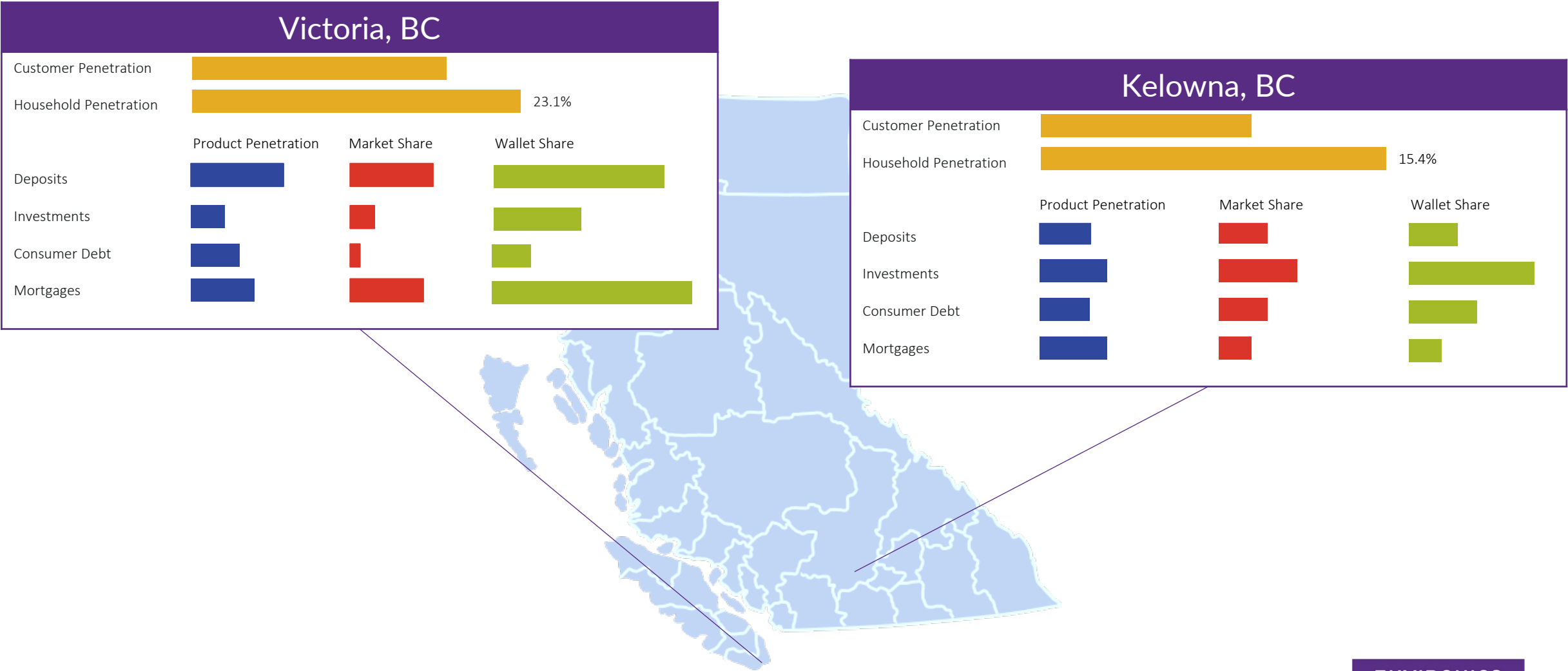
Completed at the household level for various tiers of geography (e.g., Province, Census Metropolitan Area, Census Subdivision, Branch Trade Area)

5 Key Metrics	
Product Penetration	# Customers' Products/ Market Products Held
Market Share	Total Customers' \$ / Total Market \$
Share of Wallet	Average Customer \$ / Average Market \$
Household Penetration	Customer Households / Market Households
Customer Penetration	Customers / Market Population

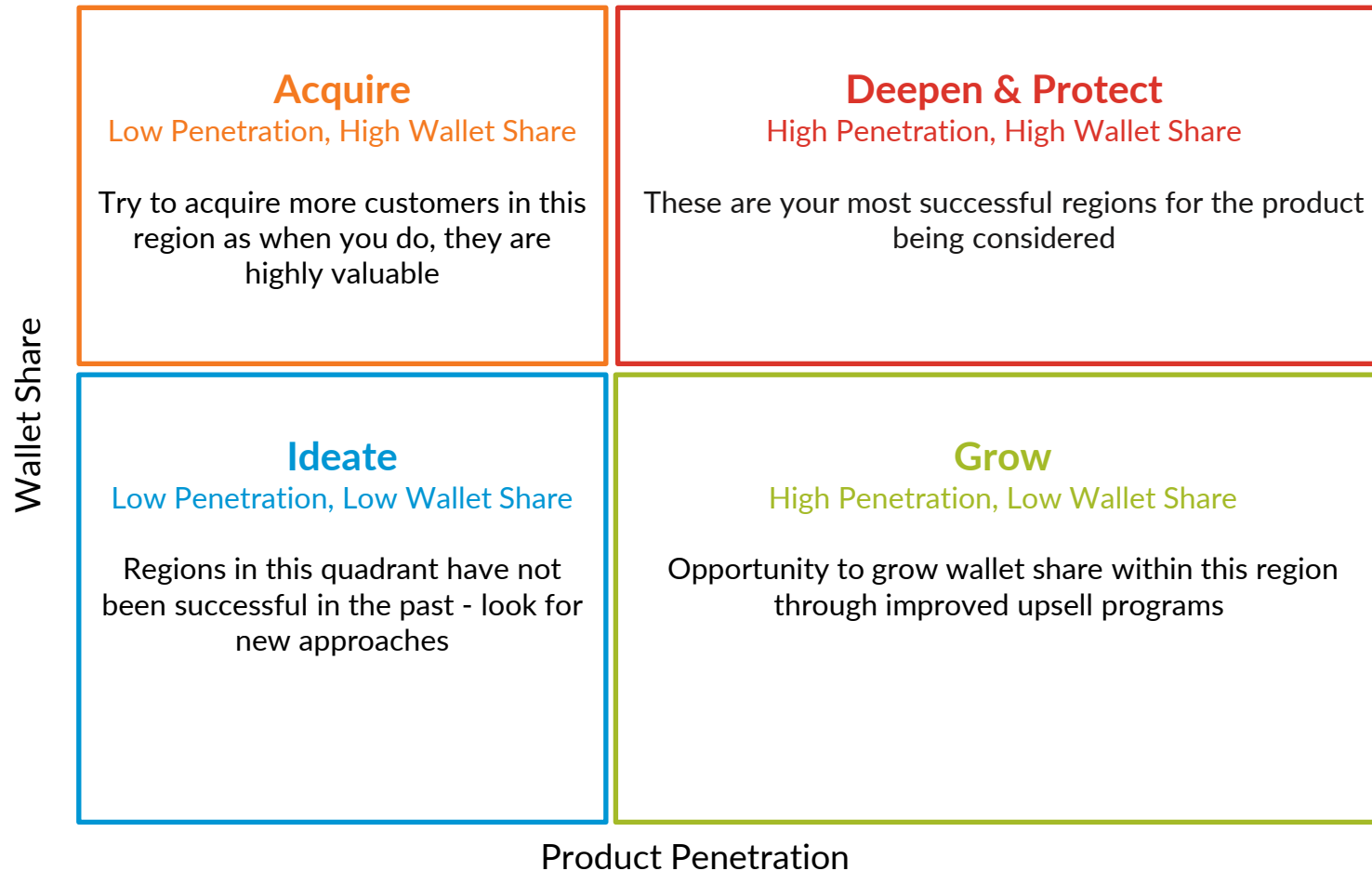
Opportunities by Region & Product - Victoria



Comparing Opportunities by Regions



Market Opportunity Strategies

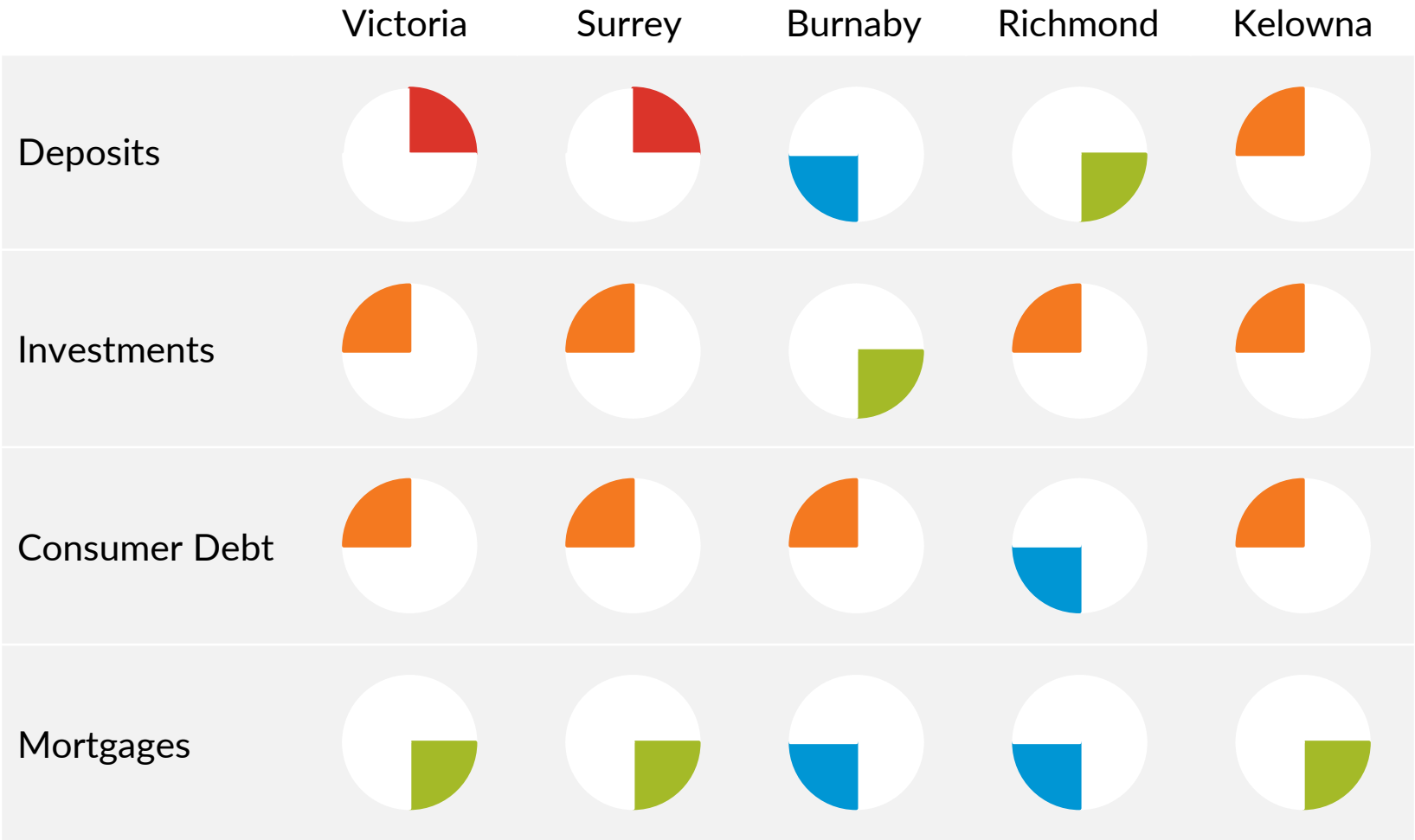


Understand opportunity by product and dollars at a regional level and develop strategy and set goals.

Things that must be considered:

- What is the actual/potential value?
- Do I have the right products?
- What is the competition?
- Are we marketing effectively?

Build out strategies
by market, region or
trade area



Economic Segmentation & Change Analysis

Customer Focus

✓ Goal Setting & Measurement

Establish growth, engagement and retention targets for your customer base nationally and locally

Track progress over time to understand who has grown/declined in value and what products are driving growth

✓ Resource Allocation & Strategy Development

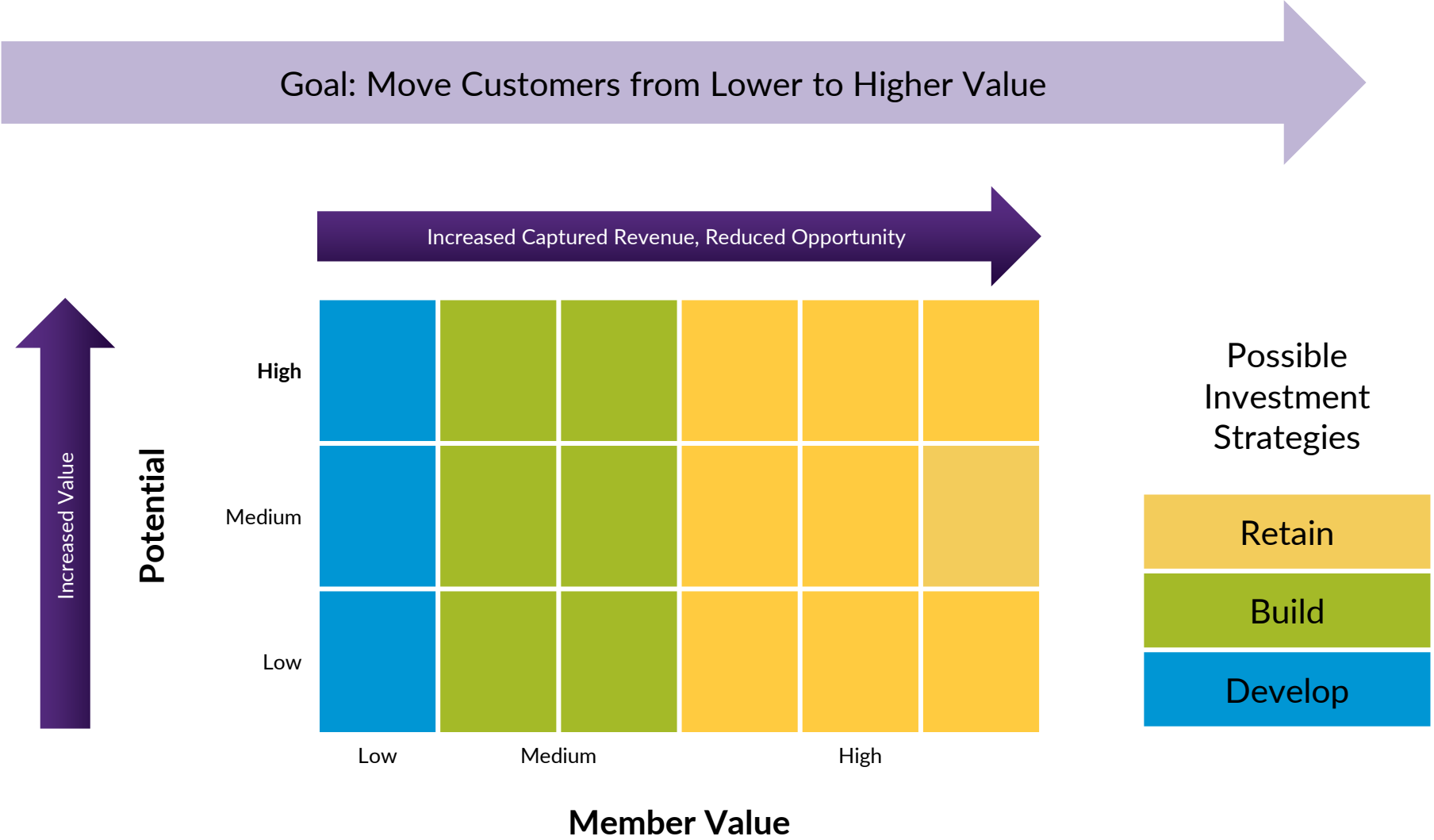
Identify which customers have the strongest growth potential and who requires more targeted retention efforts

Maximize resources by identifying which customers will have the greatest ROI, by product

Prioritize product offerings by customer behavior and value

Understand acquisition priorities

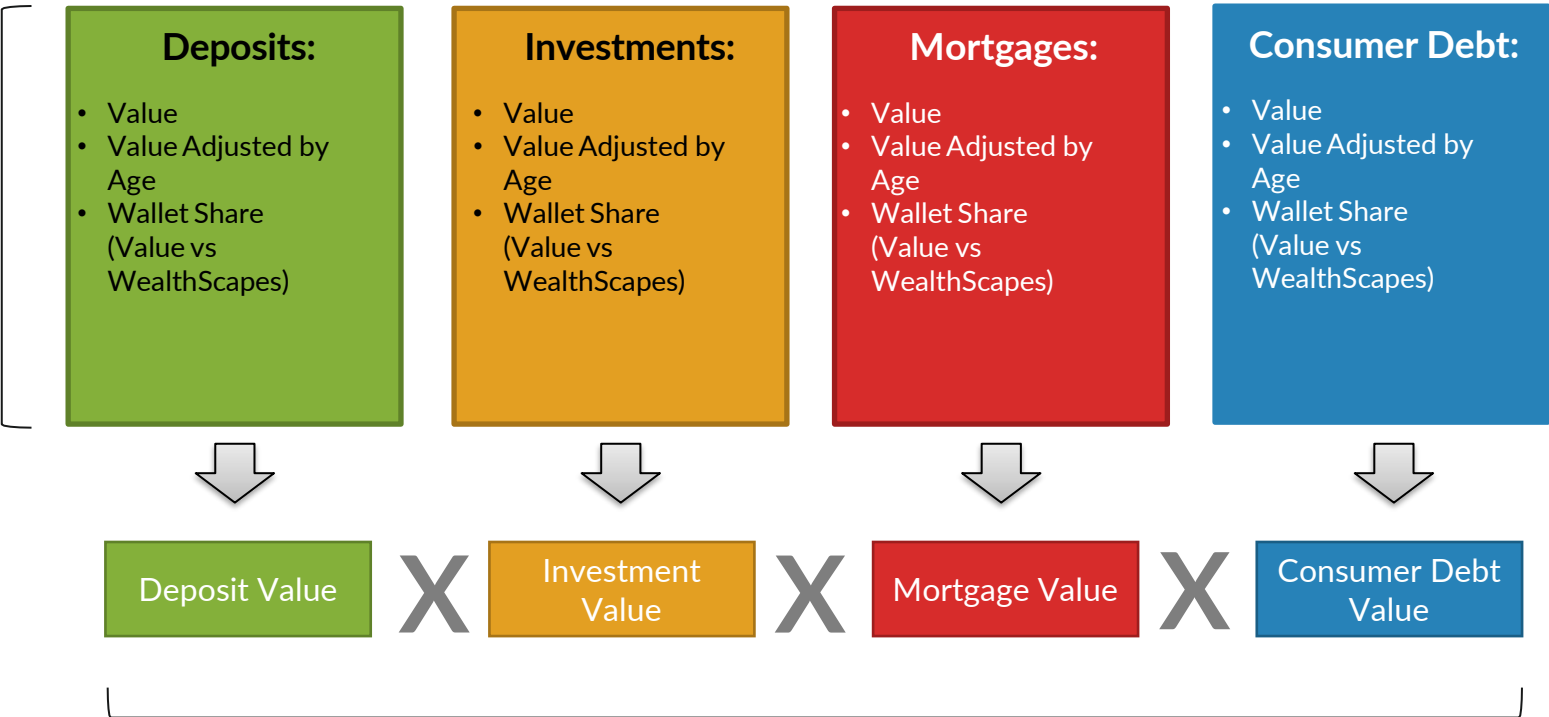
Economic Segmentation Facilitates Intentional Growth



By Determining Member Value

EA's base calculation contains 4 product components, each with 3 variables. These can be expanded or reduced to align with the organization's definition for Customer Value:

1. Determine the optimal weighting of variables within a component

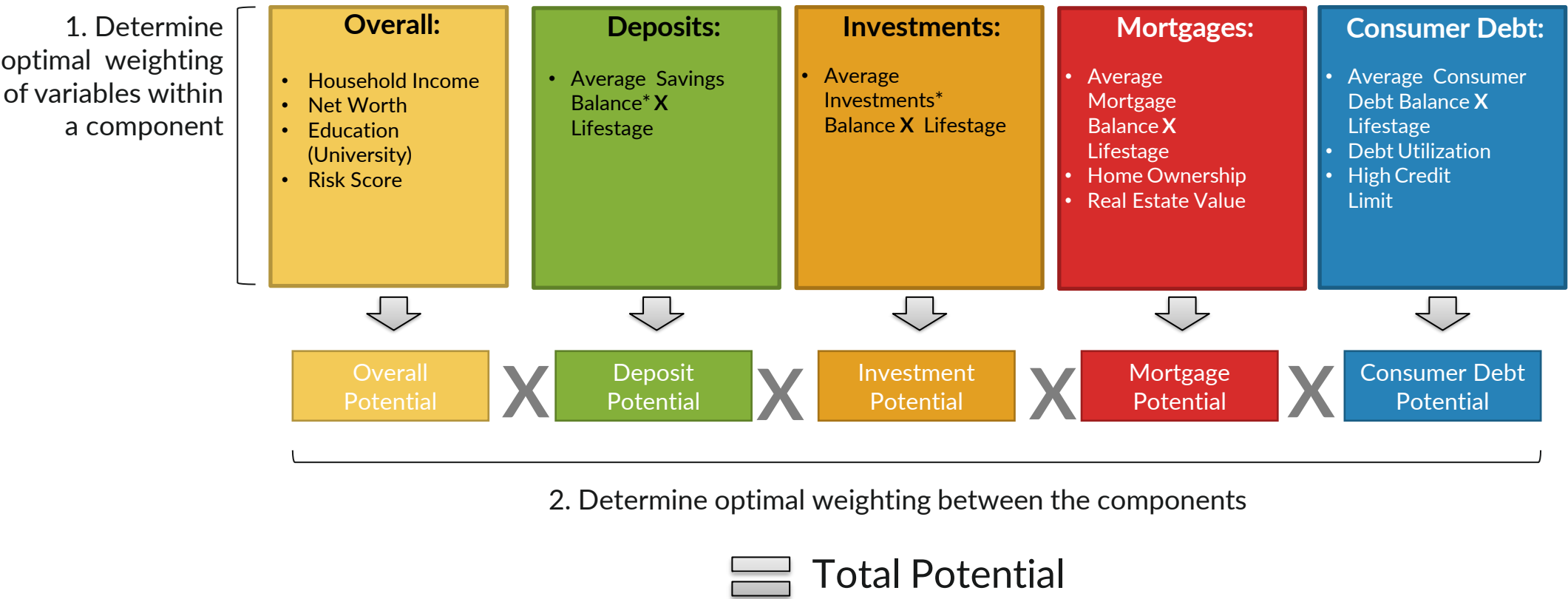


2. Determine optimal weighting between the components

= Total Value

And Determining Member Potential

EA's base calculation contains 4 Product components and 1 Overall component, with a different number of variables each. These can be expanded or reduced to align with the organizations desired definition for Customer Potential:



Tag Each Customer with Their Current and Potential Value

Customers	982K (39%)
Avg. Funds Managed	\$89,828
Total Funds Managed	\$88,195M (22%)
Average Tenure	16
Average Age	46
Product Categories/Customer	1.77

Customers	403K (16%)
Avg. Funds Managed	\$452,453
Total Funds Managed	\$182,249M (47%)
Average Tenure	19
Average Age	55
Product Categories/Customer	3.21

Customers	780K (31%)
Avg. Funds Managed	\$34,809
Total Funds Managed	\$27,167M (7%)
Average Tenure	8
Average Age	45
Product Categories/Customer	1.09

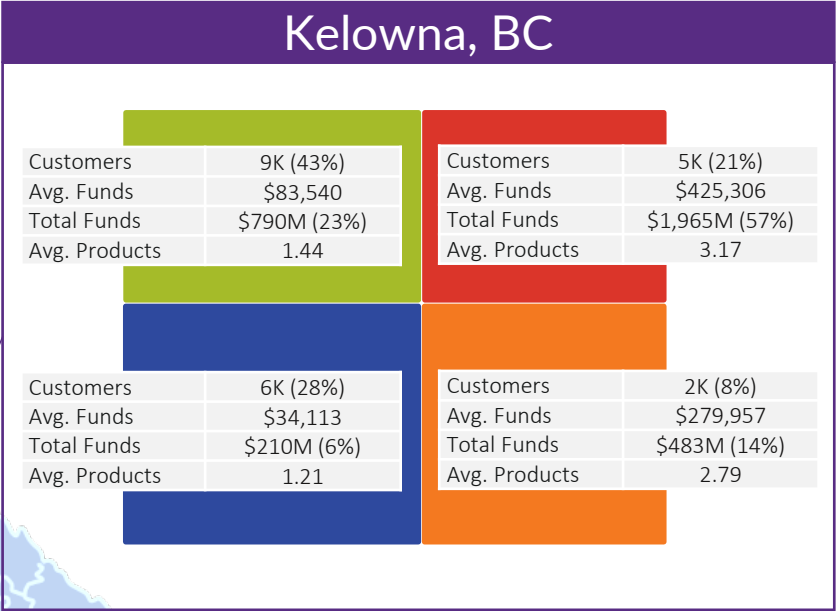
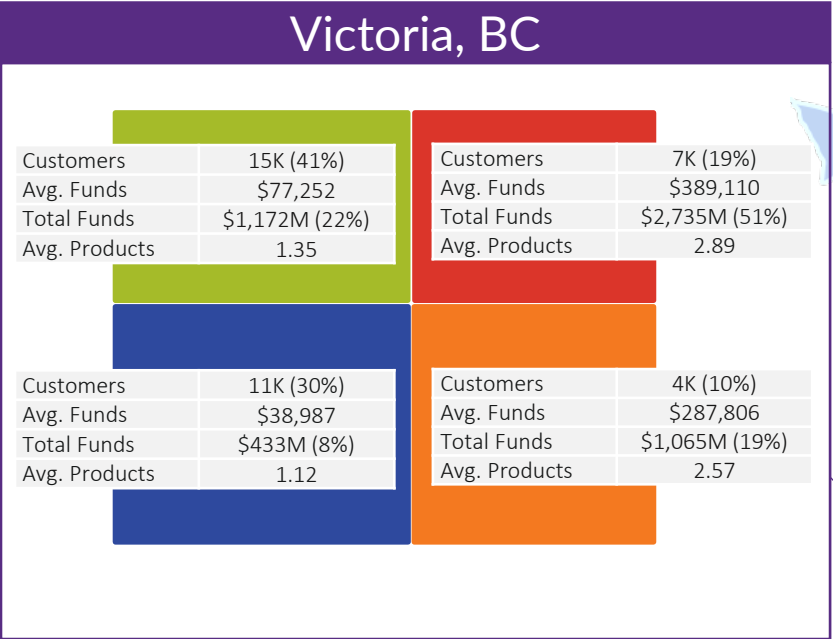
Customers	352K (14%)
Avg. Funds Managed	\$261,642
Total Funds Managed	\$92,216M (24%)
Average Tenure	17
Average Age	50
Product Categories/Customer	2.67

Differentiate Service Levels Through Economic Segments

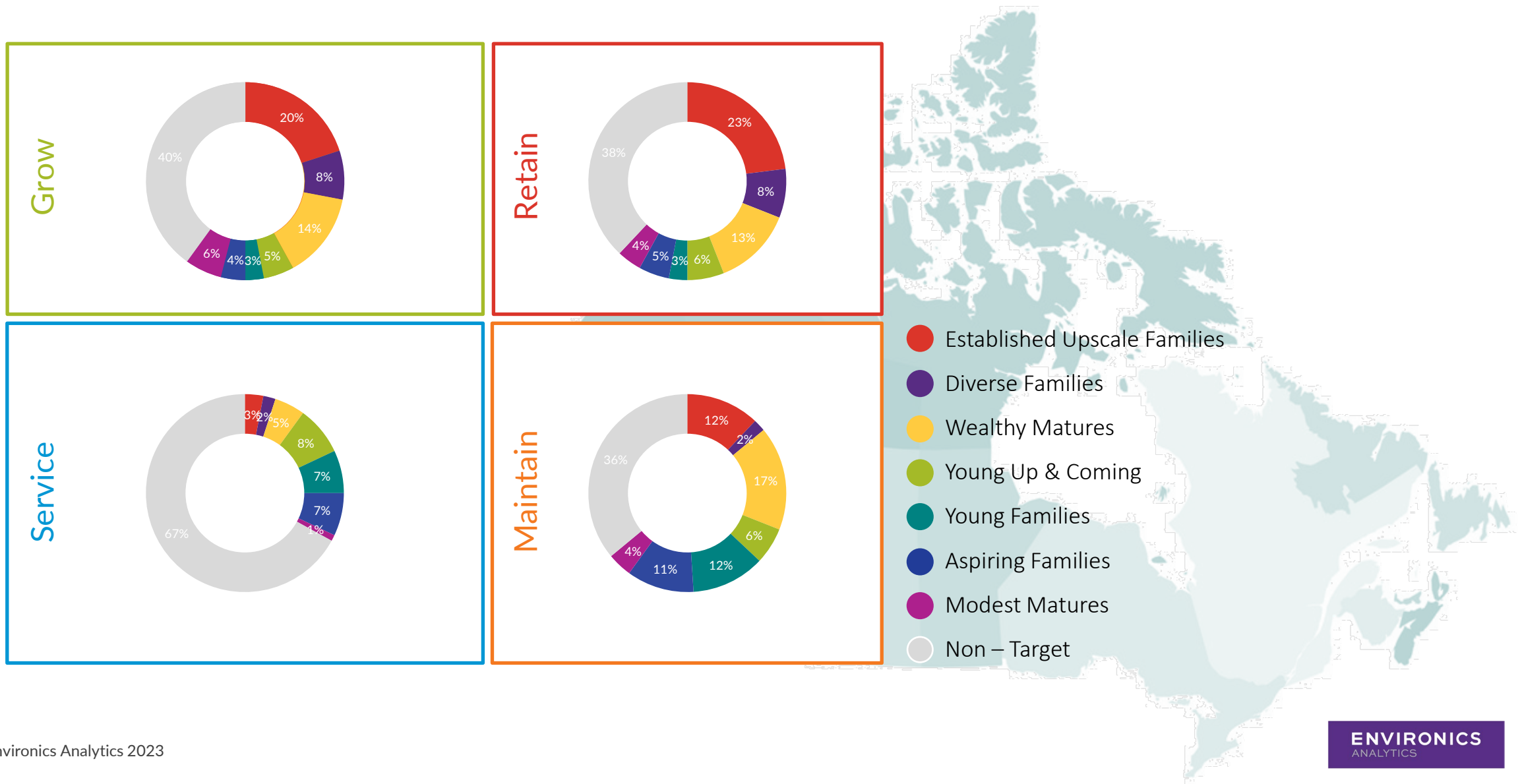
Create corporate strategies derived from current & potential value and regional priorities which is also adjusted for age/life stage



Ability to Drill Down at the Local Level



Looking at Your Customers Through the Lens of Economic & Marketing Segments

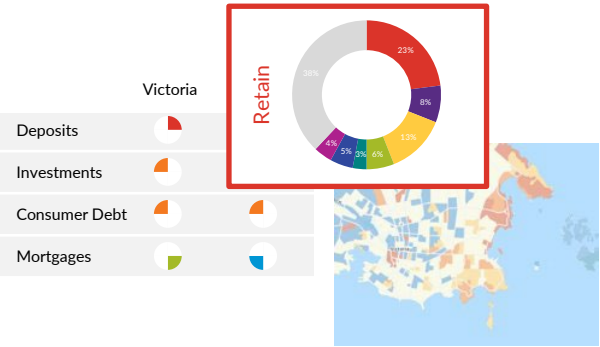


Understand how successful you have been at growing and retaining your customers corporately and where customers are leaving from

	# Customers	% Customers	Avg. Portfolio Change	Total Portfolio Change	
No Change	1,754,702	69.7%	\$ 1.1K	\$ 1,930 M	<div>\$11,795 M</div> <div>\$11,520 M</div>
Increase	317,206	12.6%	\$ 31.1K	\$ 9,865 M	
Decrease	254,268	10.1%	(\$ 13.0 K)	(\$ 3,305 M)	
Defectors	113,288	4.5%	(\$ 16.5K)	(\$ 1,869 M)	
Deceased	78,043	3.1%	(\$ 81.3K)	(\$ 6,345 M)	
Grand Total	2,517,506	100.0%	-	-	
New	171,425	-	\$ 21.3 K	\$ 3,651 M	

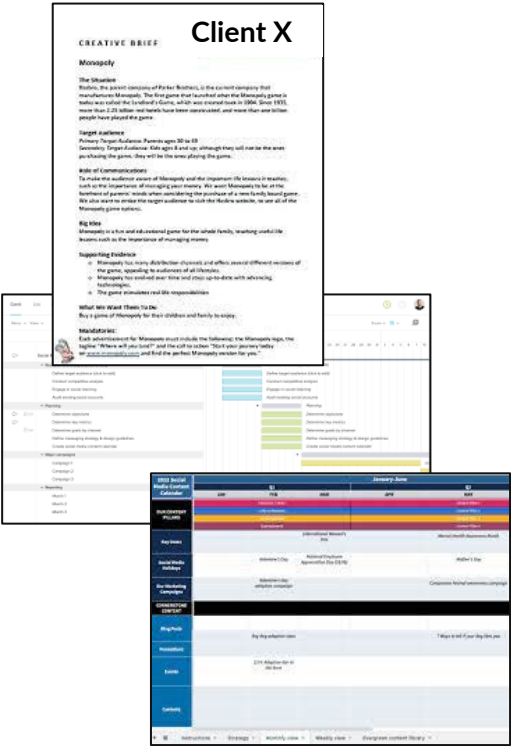
The Path from Insights to Activation and Measurement

Analysis and Insights



Young Up & Coming

Strategy and Planning



Activation and Measurement



Thank You



Larry Filler

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