

EPSILON®



Custom research shows marketers why people are moving, what they're buying and how to take action

2015 New Mover Report

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We understand what moves people.

For more than two decades, Epsilon has compiled and analyzed the trends of movers. Our research is a valuable resource for businesses seeking to make lasting connections between people and brands. A household that moves typically spends \$9,000 on goods, services and financial and insurance products.¹ This presents a unique, time-sensitive and lucrative opportunity for companies and providers across many industries. With 11.7% of Americans moving last year, totaling nearly 36 million people,² new movers are a critical population for brands to understand in order to engage effectively.



For our custom research, we surveyed 963 households that had recently moved to gain deeper insight into their reasons for moving and associated purchases. **We uncovered several themes essential to every marketer's strategic plan to target new movers:**

- > Demographics, especially age and household income, play a critical role in shaping movers' motivations, likelihood of ownership (versus renting), and associated purchase behavior.
- > Most movers are stressed out about the moving process. In their messaging, marketers should emphasize how they can alleviate the burden.
- > Movers expect to spend money when they move. They spend less in certain categories in order to make household related retail purchases and change or acquire new service providers.
- > Although movers plan the majority of their purchases before the move, they don't execute on most of them until after the move. Marketers have a window of opportunity and need to see the moving cycle through end-to-end.
- > There are fundamental differences between owners and renters. Overall, owners make more move-related purchases than renters and therefore present a greater opportunity for marketers.

Top reasons for moving

There are many motivations for a household to move. Out of the provided options, the most popular reasons for moving were: to have more space (22%), to be closer to family (18%) and to be in a different neighborhood (18%). Other top reasons included changing jobs or relocating, buying a newer home and downsizing.



Demographic differences

- > Younger movers (ages 18-39) were more likely to want more space, relocate to a different neighborhood or move because of a major life change (i.e. buying a home, getting married, etc.).
- > Older movers (ages 60+) were more likely to want less space, move closer to family or specify 'other' reasons such as retirement.
- > High-income earners (>\$100K) were more likely to cite work-related reasons such as changing jobs or relocating to be closer to work.



Marketing tip:

Age and income offer deeper insight into the reasons behind moving. Make your marketing more relevant and effective by acknowledging these reasons in your messaging.

For example, if movers appear to be buying their first home, give them a first homebuyer's discount. You will be more likely to win their business and loyalty.

Owners vs. renters

New movers were almost equally split between owners (49%) and renters (51%) for their current (new) home. Twenty percent of the owners were first-time buyers. Nearly half of them (49%) owned previously, slightly fewer rented (45%) and the difference lived with family or friends or reported another situation.

In comparing owners and renters, it quickly became clear that owners present a far greater opportunity for marketers. **Seventy five percent of owners made purchases related to the move, compared to only 57% of renters.** Because they are fully committed to their purchase, owners invest more money than renters in remodeling and doing work on their new homes. Although the majority of new movers did not do any remodeling work, a fair amount did. Specifically, 28% painted, 23% did landscaping and 12% changed flooring since moving into their current home.

In general, renters are less satisfied with their current (new) home; 72% of owners were very satisfied versus only 41% of renters. Renters also plan to stay in their current (new) home for a shorter time and therefore may present a moving opportunity in the not-too-distant future.



Demographic differences

- > Home ownership increases as income increases. Seventy three percent of households with income greater than \$100,000 own homes vs. 40% of households with income less than \$50,000.
- > Home ownership varies by age; it is higher among those over 60. Furthermore of those under 50, 44% were first time buyers, while only 11% were first time owners if older than 50.
- > The trend that owners spend more money on the moving process than renters is related to household income. The average income for owners (\$77K) was significantly higher than that of renters (\$49K). Not only do owners have more money to purchase a home, but they also have more discretionary income for spending on move-related purchases.



Marketing tip:

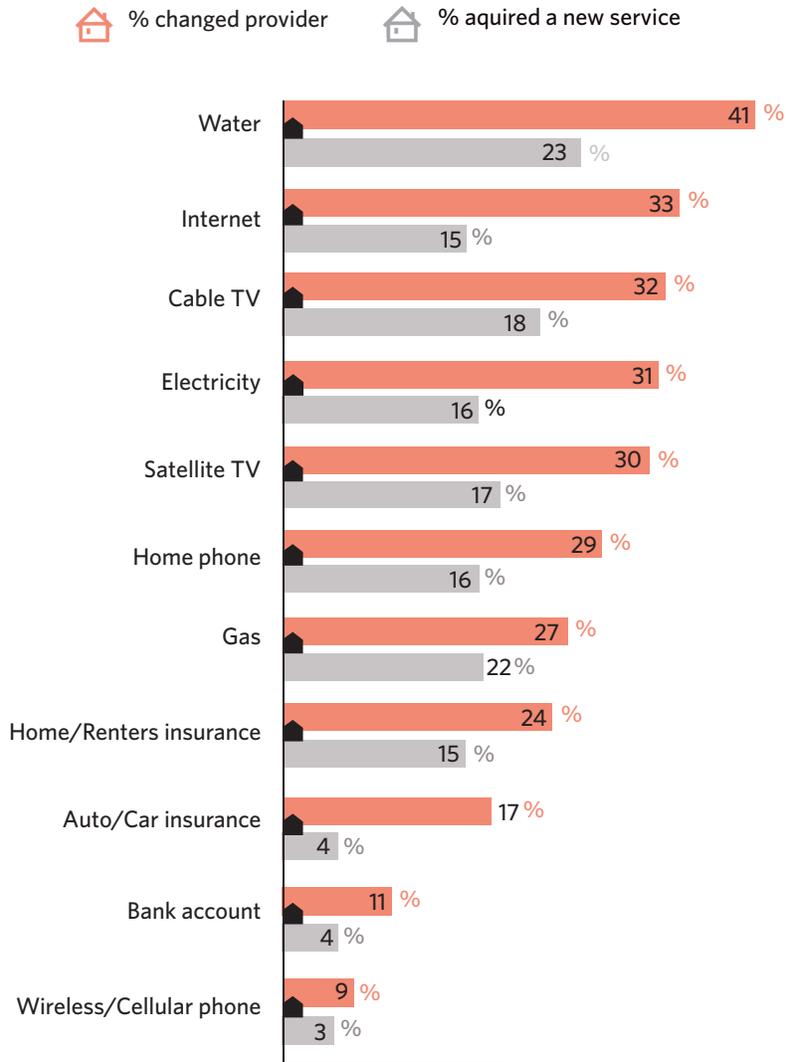
Demographics such as age and income are also key influencers of home ownership and, by extension, spending patterns related to moving. Segmenting your audience on these attributes and then personalizing your message to that segment will be more impactful.

For example, if you know the household earns less than \$50,000, offer discounts or more affordable service plans.

Alternatively, if you know the household occupants are high-income earners, you can market higher-end luxury household items and introduce additional services.

Depending on where they relocate, movers often change service providers or acquire new services altogether. The service with the highest results for both 'changed provider' and 'acquired as a new service' was water. Internet and cable TV were other popular choices. For a complete breakdown of results, please refer to the chart below.

New Movers



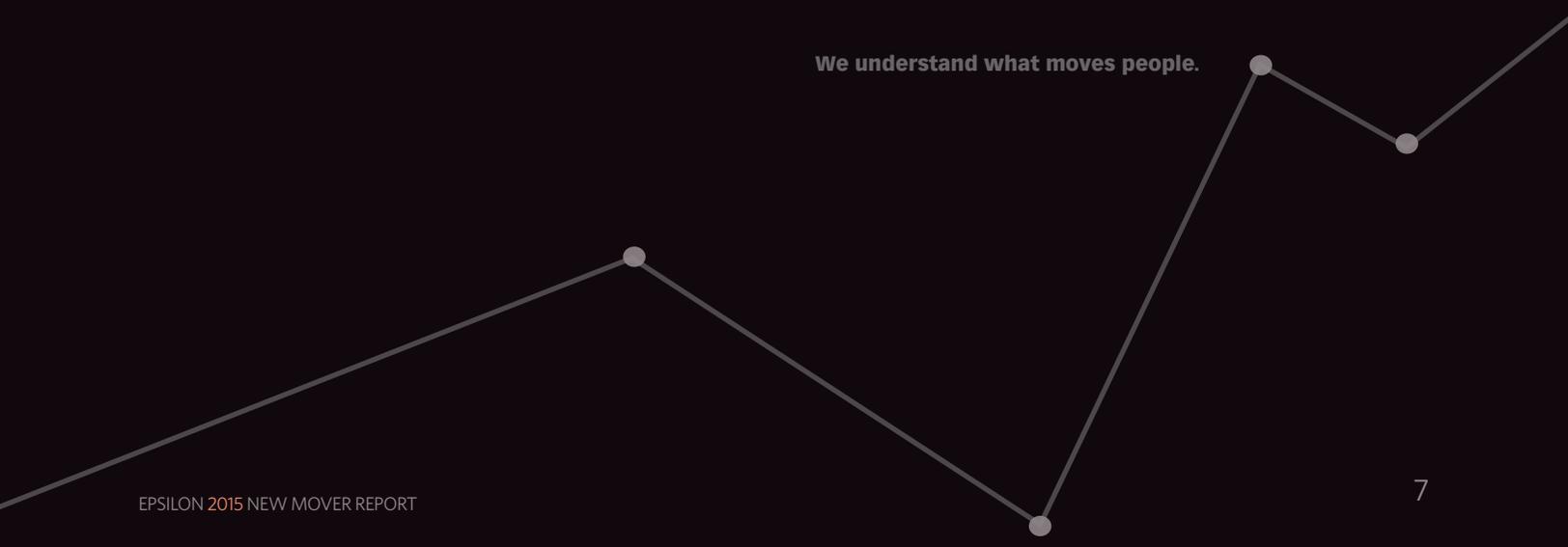
* Percentages among those with the service

Conclusion

To engage new movers effectively, marketers need to get back to basics and understand the reasons behind the move and what movers are buying. When developing your new mover marketing strategy, keep the following framework in mind:

1. **Take a data-driven approach** by building a demographic profile of your audience and segmenting on powerful attributes like age and income. Demographics provide key insight into the reasons behind moving and associated spending patterns.
2. Next, **personalize your messaging** to each segment. In general, movers tend to perceive the moving process as stressful and exhausting. Also tap into these expectations to establish even deeper customer connections.
3. Finally, **don't lose sight of the bigger picture**. While owners present a greater spending opportunity overall, both owners and renters expect to spend money when moving and make the bulk of their purchases after the move.

As with any successful marketing strategy, effective new mover marketing starts with understanding your audience and establishing a meaningful connection. Moving is not an easy process, but marketers should be there for new movers during the transition and see the opportunity through from beginning to end.



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Appendix: Methodology

Epsilon's Target New Mover file was used to select U.S. households whose move was reported in the October 2013 to October 2014 timeframe. Epsilon's proprietary consumer panel was used to invite households to complete a custom survey on the topic of moving experiences. The data was collected from 963 households from October 29 – November 4, 2014. Results are shown for the total sample and/or by demographic groups.

Responders were split in their role of purchasing household products and services, with about half being the sole decision-maker on household purchases and the other half sharing the decision with someone else. Responders also had lived in their current home for various lengths of time: 43% had lived in their current home for fewer than 6 months, 31% for 7-11 months and 26% for 1-2 years. The responders were mostly female (78%), 50+ years of age (66%) and married (61%).

1 2012 Movers Report: New Study Shows Moving Sparks Consumption, Challenges Brand Loyalty and Identifies How Marketers Can Get in on the Spree, Epsilon, 2012.

2 Ihrke, David. Reason for Moving: 2012 to 2013, U.S. Census Bureau Current Population Survey Annual Social and Economic Supplement, 2014. <http://www.census.gov/>



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About Epsilon

Epsilon is the global leader in creating connections between people and brands. An all-encompassing global marketing company, we harness the power of rich data, groundbreaking technologies, engaging creative and transformative ideas to get the results our clients require. Recognized by Ad Age as the #1 World CRM/Direct Marketing Network and #1 U.S. Agency from All Disciplines, Epsilon employs over 7,000 associates in 70 offices worldwide. Epsilon is an Alliance Data company. For more information, visit epsilon.com, follow us on Twitter @EpsilonMktg or call 1 800 309 0505.