

Four A's Model

Multivariate Solutions

June 2005

Background and Objectives

- To examine four key measures in the study to determine key segments
 - Satisfaction with The Company
 - Would Recommend The Company
 - Likelihood to Remain with The Company
 - Magazine Purchase Intent
- To Determine key discriminators for each segment within the Orange (The Company) and Blue (Triple Artists) groups.

The Key Segments Model - Snapshot

- Adorer
 - High scores on all measures and will recommend The Company
- Adopter
 - High scores or will recommend The Company on most, but not all, key measures
- Acceptor
 - High scores on half or fewer key measures
- Rejectors
 - No high scores on any key measures

The Key Segments Model - Frequencies

Percentage	Total	Recipients	Non-Replicants	Orange Database	Blue Database
Adorer	21	23	19	22	20
Adapters	36	34	37	38	33
Acceptors	31	31	30	30	32
Rejectors	13	12	14	10	15

The Key Segments Model - Frequencies

Key Measures	Adorer	Adopter	Acceptor	Rejector
The Company Satisfaction	9.0	8.5	6.5	4.1
Would Recommend to a Friend	100%	94%	68%	0%
Will Not Leave The Company	100%	93%	54%	0%
Purchase/Read Interest Magazine	9.1	4.3	3.7	1.8
Purchase a Cell Phone	27%	21%	19%	23%
Use Text Messaging	50%	29%	29%	29%
Browse the Wireless Internet	25%	15%	14%	15%
Set Up International Calling Services	12%	9%	9%	8%
Download a Ringtone	39%	23%	22%	15%
Subscribe to Roadside Assistance	18%	10%	9%	4%
Purchase a The Company Gift Card	15%	4%	2%	1%
Total Purchases	1.9	1.1	1.1	0.9

The Key Segments Model - Frequencies

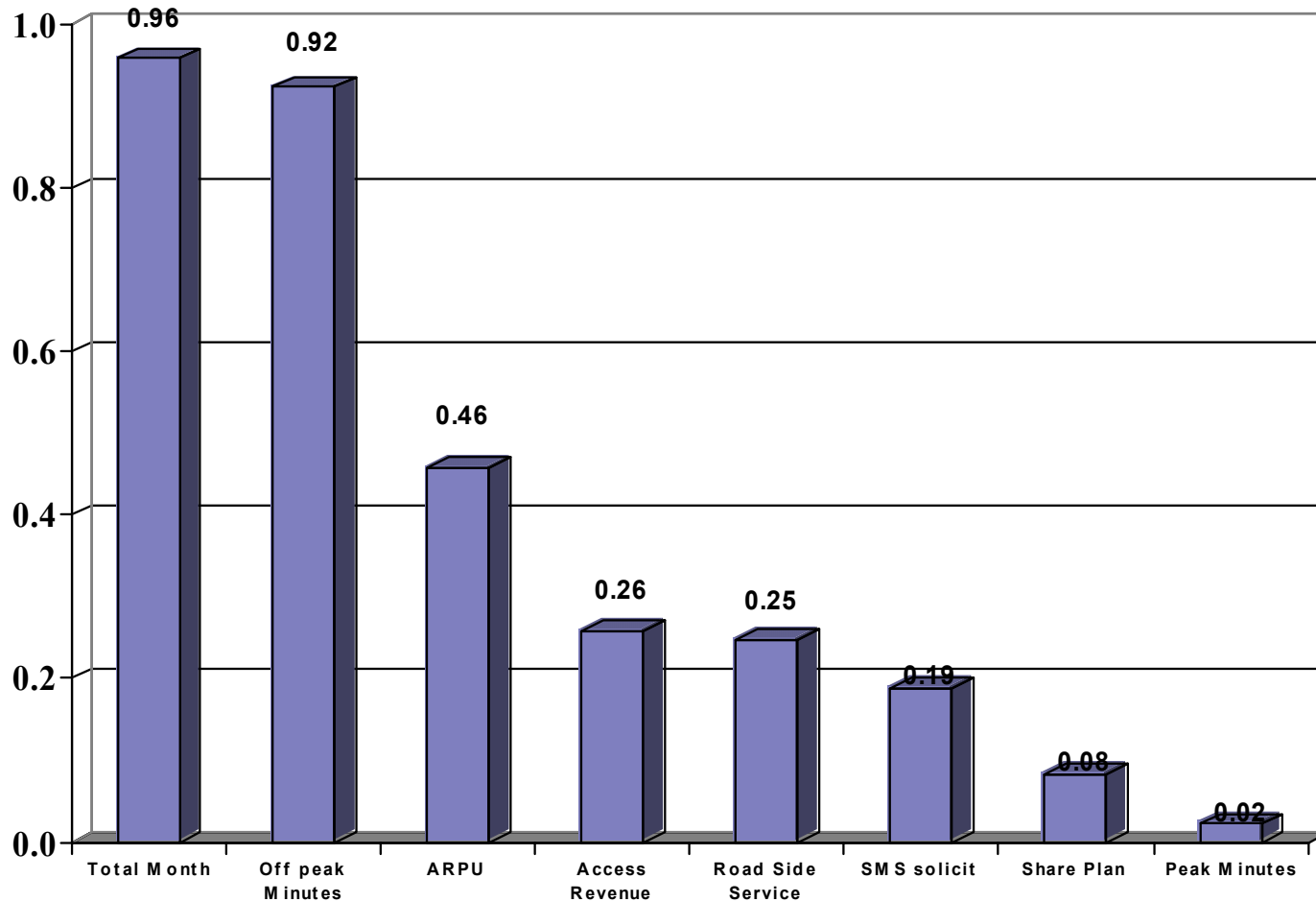
Key Measures	Adorer		Adopter		Acceptor		Rejector	
	Orange	Blue	Orange	Blue	Orange	Blue	Orange	Blue
The Company Satisfaction	9.0	9.1	8.6	8.4	6.5	6.4	4.5	3.8
Would Recommend to a Friend	100%	100%	97%	90%	72%	65%	0%	0%
Will Not Leave The Company	100%	100%	92%	94%	54%	54%	0%	0%
Purchase/Read Interest Magazine	9.1	9.2	4.1	4.4	3.4	3.9	2.2	1.6
Purchase a Cell Phone	25%	29%	21%	21%	21%	18%	26%	21%
Use Text Messaging	43%	58%	28%	31%	23%	35%	32%	28%
Browse the Wireless Internet	25%	26%	13%	17%	14%	15%	16%	13%
Set Up International Calling Services	6%	18%	6%	13%	7%	10%	8%	8%
Download a Ringtone	35%	44%	24%	23%	21%	23%	20%	12%
Subscribe to Roadside Assistance	19%	17%	10%	9%	11%	8%	7%	3%
Purchase a The Company Gift Card	14%	16%	3%	6%	1%	3%	0%	1%
Total Purchases	1.7	2.1	1.1	1.2	1.0	1.1	1.1	0.9

Discriminant Analysis

- Discriminant analysis generates a function based on linear combinations of the predictor variables (e.g. Off Peak Minutes or Shared Plan) that provide the best explanation between known groups. Specifically, the functions are generated from the key measures clusters.
- The following graphs display the relative impact of each of the included variables had on the segments. Values shown are coefficients that explain the descriptive impact each variable had on the segment. They are relative.
 - That is, if 'Total Month' has a coefficient of, say, .96, and ARPU had a coefficient of .46, 'Total Month' has twice the impact on the equation.
 - Variables displayed showed a discernible impact.
- These are interpreted as key discriminators for the segments.
- Predictive Value
 - It is used in situations where you want to build a predictive model of segment membership based on observed data — off-peak minutes, share plan, etc.
 - The analysis produces a linear equation of included variables that can be used to forecast group membership for future respondents.
 - For example, The Company would like to find 'Adorers' from their main database. Using the discriminant function they can calculate a scores for each mobile number, then sort the scores from high to low. Those scores at the top are far more likely to be the target group, 'Adorers'.

Key Segments – Discriminant Analysis

ORANGE DATABASE



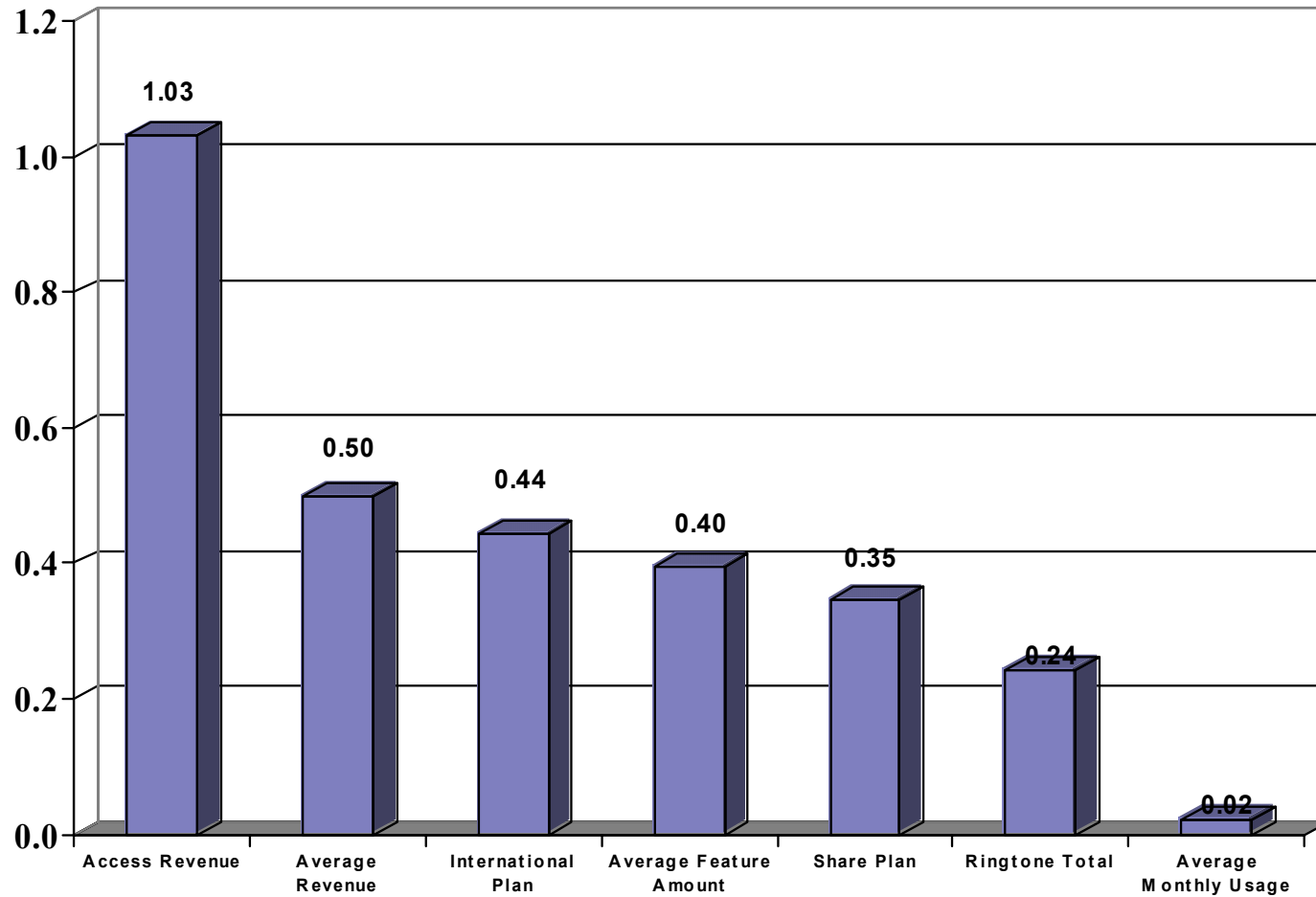
The Key Segments Model – Discriminant Variables

ORANGE DATABASE

Discriminant Measures	Adorer	Adopter	Acceptor	Rejector
Share Plan	49%	48%	49%	62%
Roadside Assistance	22%	22%	18%	26%
SMS Solicitation	59%	65%	61%	58%
Total Month	740.1	724.1	699.8	708.1
ARPU	46.7	48.2	50.2	49.9
Offpeak Minutes	239.0	209.4	202.2	200.7
Peak Minutes	375.9	375.7	375.6	421.1
Access Revenue	33.2	32.9	35.4	35.8

Key Segments – Discriminant Analysis

BLUE DATABASE



The Key Segments Model – Discriminant Variables

BLUE DATABASE

Discriminant Measures	Adorer	Adopter	Acceptor	Rejector
Share Plan	47%	44%	45%	42%
International Plan	9%	14%	11%	9%
Average Revenue	52.9	56.1	57.0	61.0
Average Feature Amount	3.7	4.1	3.1	3.4
Ringtone Total	2.5	2.9	3.3	4.7
Access Revenue	39.3	41.5	42.3	42.4
Average Monthly Usage	810.5	772.3	775.1	809.6