

## How Much is a Picture Worth?

May 2010 newsletter

We have been inundated with information about the causes and effects of the sub-prime housing crises. But sometimes too much information can make it make it more difficult to understand a situation.

This is not an uncommon problem in business: How to explain complicated data so that stakeholders truly understand and can act on it. It would be a lot easier if we had a good picture, like this, to tell the story:



Obviously this picture needs additional text to help explain it, but it clearly shows that homeownership rates had been relatively stable up until about 15 years ago. In fact, the percentage of all U.S. housing units that were owner-occupied was nearly the same in 1995 (64.2%) as it was 27 years earlier - in 1968 (63.8%).

A lot happened during this time: three recessions and three strong economic rebounds. But in the end, the only expansion in home ownership came from the growth in the population and not an increase in the percentage of Americans owning their homes.

**This is a monthly newsletter from Prell Organization.**

**Prell Organization** is a marketing research firm that uses qualitative and quantitative methods to help our clients and their agencies see their brands more clearly.

**Brand Clarity** is a process by which consumers reveal the essence of a brand to make sure that the products and services being offered are closely aligned to their needs.

Home ownership epitomizes the American Dream and it would be hard to get an argument (at least until recently) that increasing homeownership would not be a very desirable public policy. Liberals, conservatives, Democrats and Republicans would have supported almost any plan that would more allow people to own this part of the American Dream.

And they did. Over a period of about nine years, homeownership rates shot up five percentage points, a move well outside the trend line, which has been rising at less than one percent per decade.

This represents more than five million housing units that were previously rented, but now owned by its occupants. The problem is that some of people who owned these 5MM homes were not well-suited financially to own a home or not capable of understanding the complexities of adjustable mortgage rates.

The results: Over the past three years, 40 percent of these homeowners (about 2MM households) have gone back to renting and homeownership rates have returned to the trajectory of the long-term trend line.

Think about the type of pictures that you can use to tell your story (such the trends in customer satisfaction, your retention rate or your brand's share of mind). In next month's e-newsletter, we will show how to develop an internal dashboard that keeps your stakeholders informed, involved and engaged.

While pictures may be only a starting point in this discussion, their value, as MasterCard likes to say, can be "priceless."

Rick Weitzer  
Principal

636-728-1557  
rweitzer@prellorg.com  
www.prellorg.com

