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A ROADMAP FOR **GROWTH**



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# Choosing the best consumers in the telecommunications, energy and cable industries





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## Introducing:

- **Christopher Magnotti**  
Experian
- **Beth Bayer**  
Experian





# Why does this industry need a custom score?





# Why does this industry need a custom score?



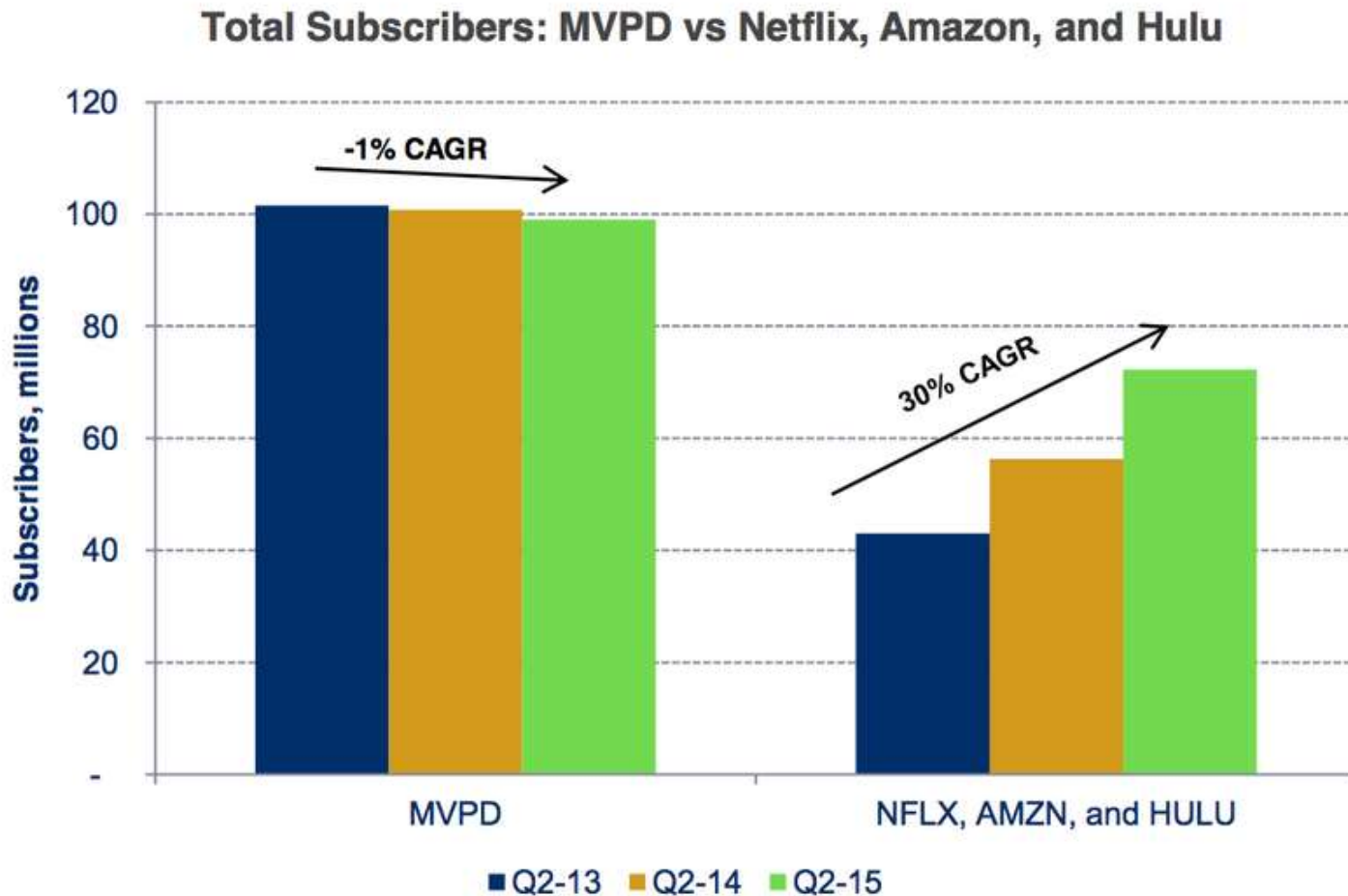


# Why does this industry need a custom score?





# More choices than ever before in consuming content

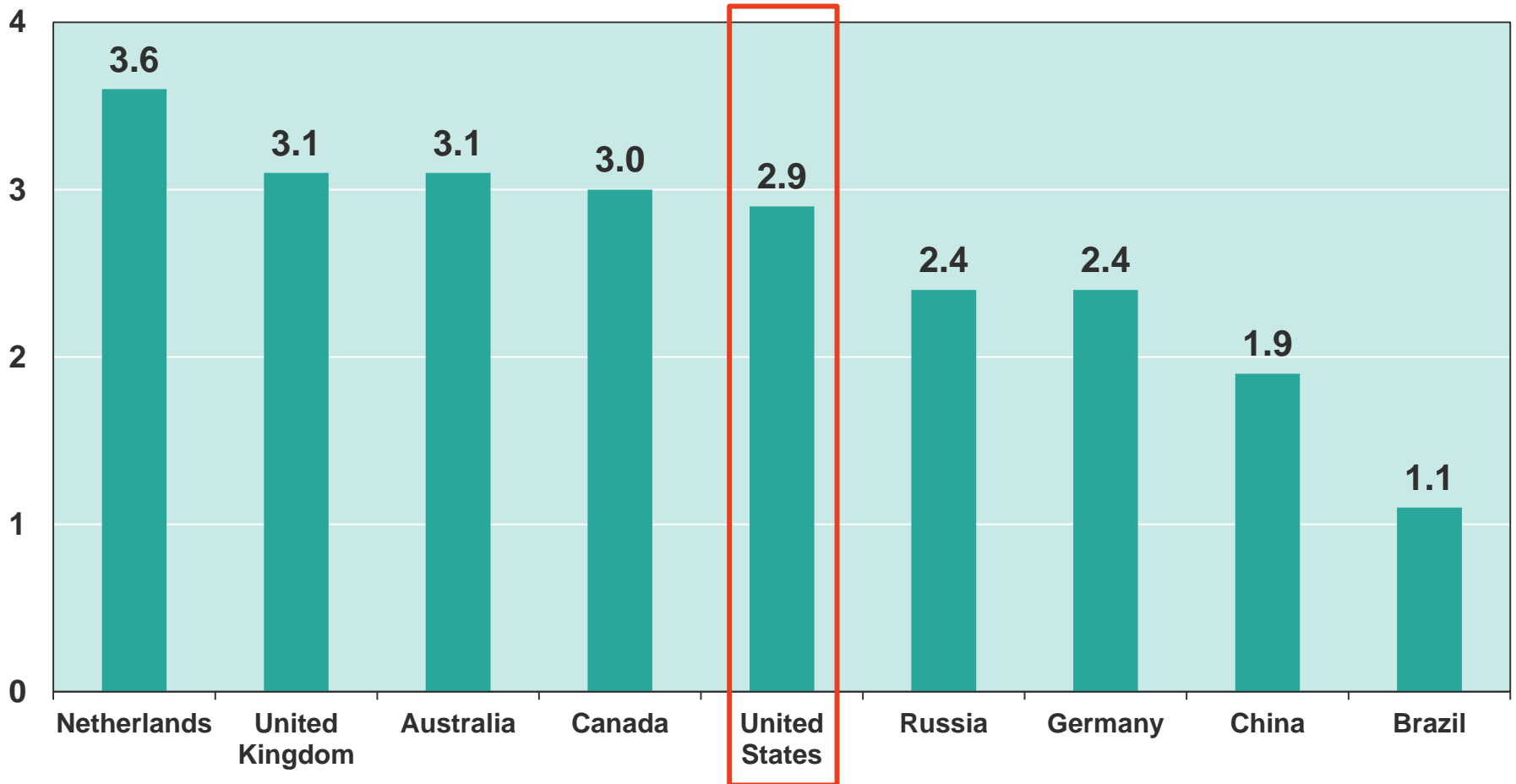


Pacific Crest



# Connectivity extends beyond a cell phone

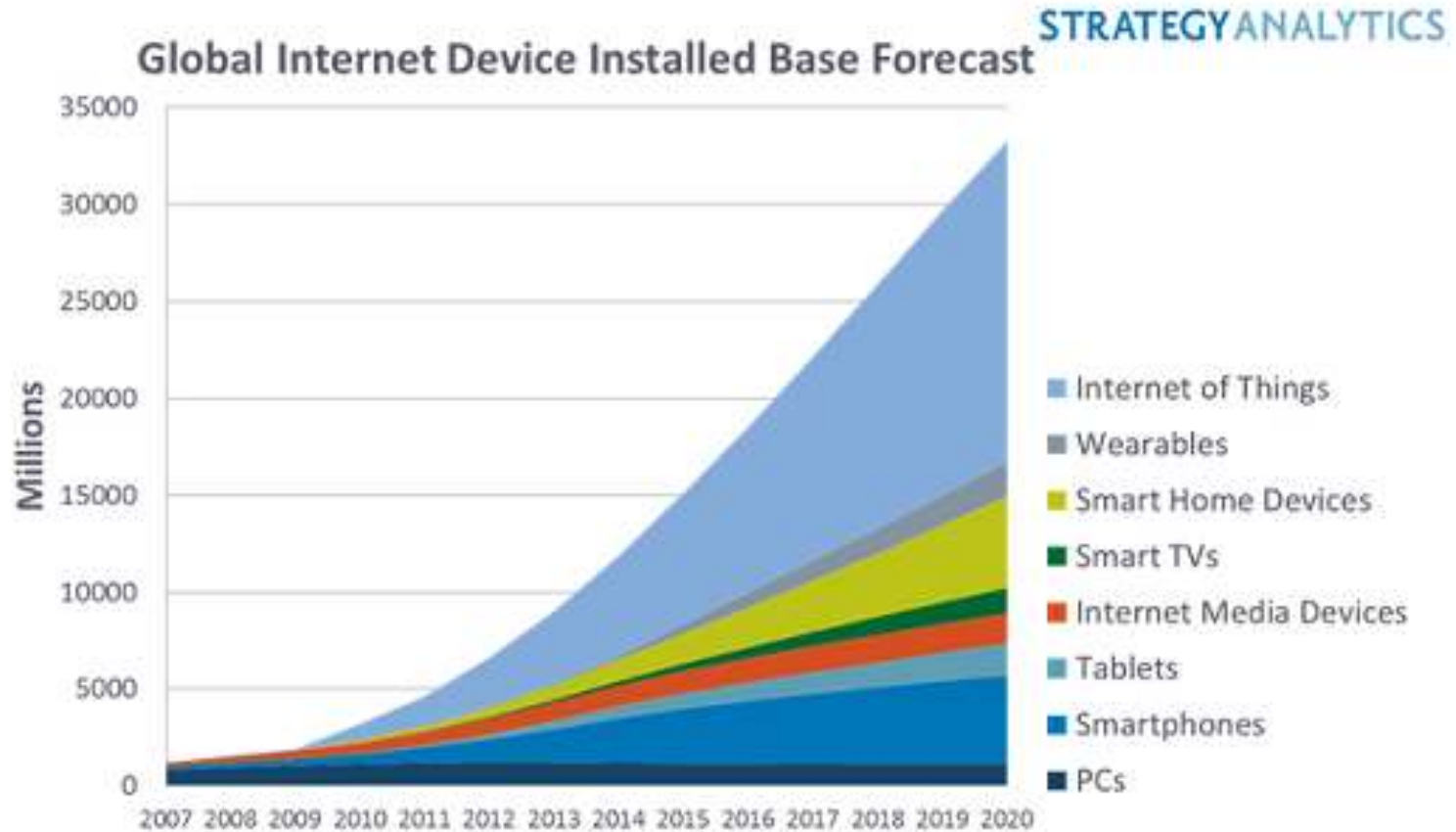
## Average number of connected devices in 2014



Source: Statista 2016



# Growth of connected devices creates new markets of opportunity for the TEC industries



Source: Strategy Analytics, October 2014

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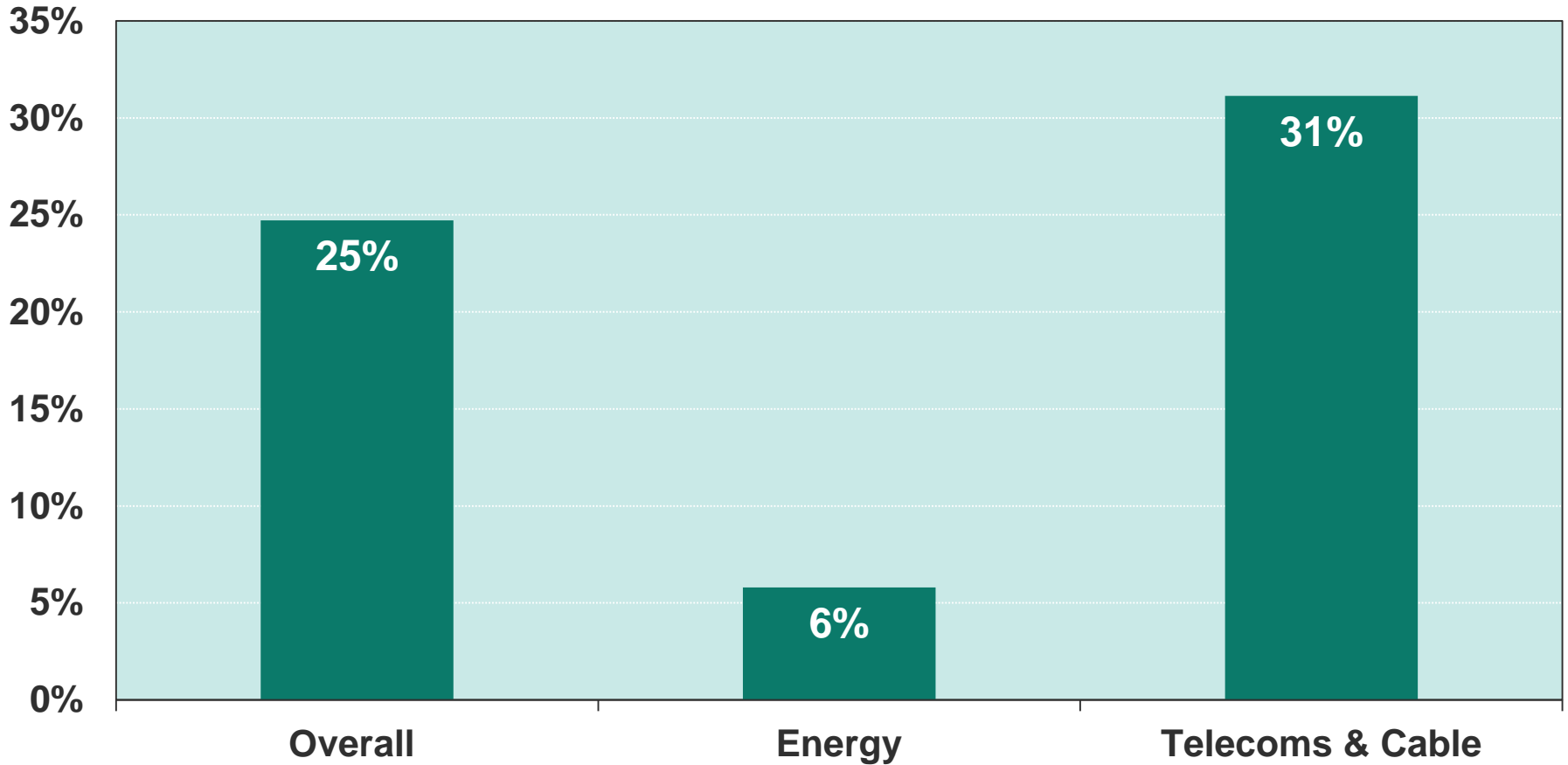


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# Disconnect due to non-payment rates





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# Introducing the new TEC Score 2.0

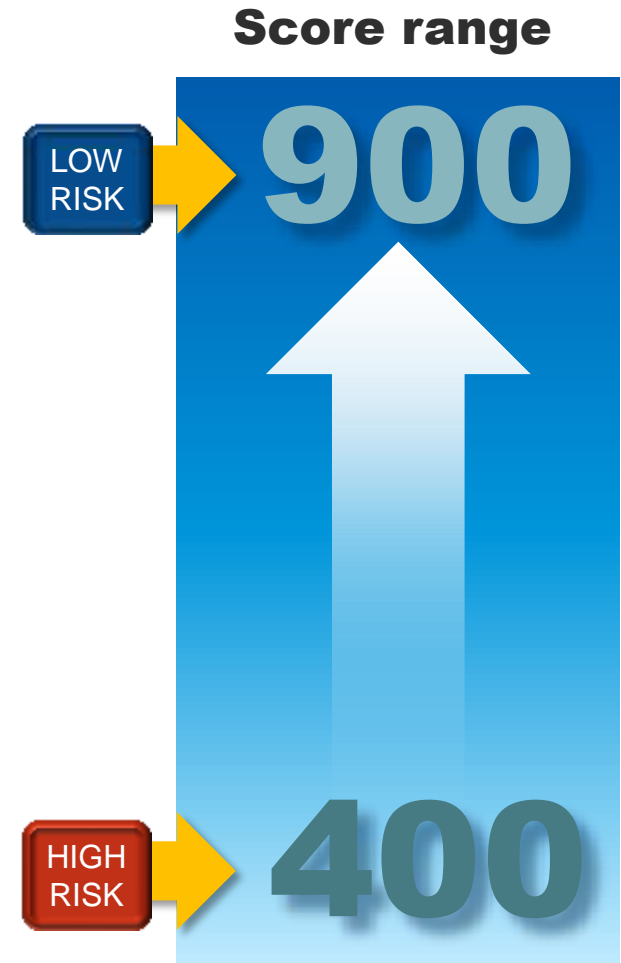




# What is the TEC Score 2.0?



- Developed by utilizing **consumer telecommunications, energy and cable data**
- Predicts the likelihood of a consumer becoming seriously delinquent or 90+ days beyond terms and eventually disconnected
- Scored on multiple scorecards, over a 12 month performance period
  - ▶ Includes up to four score factor codes + inquiry code
- Larger scoreable population





# TEC Score 2.0

Experian's brand new risk model

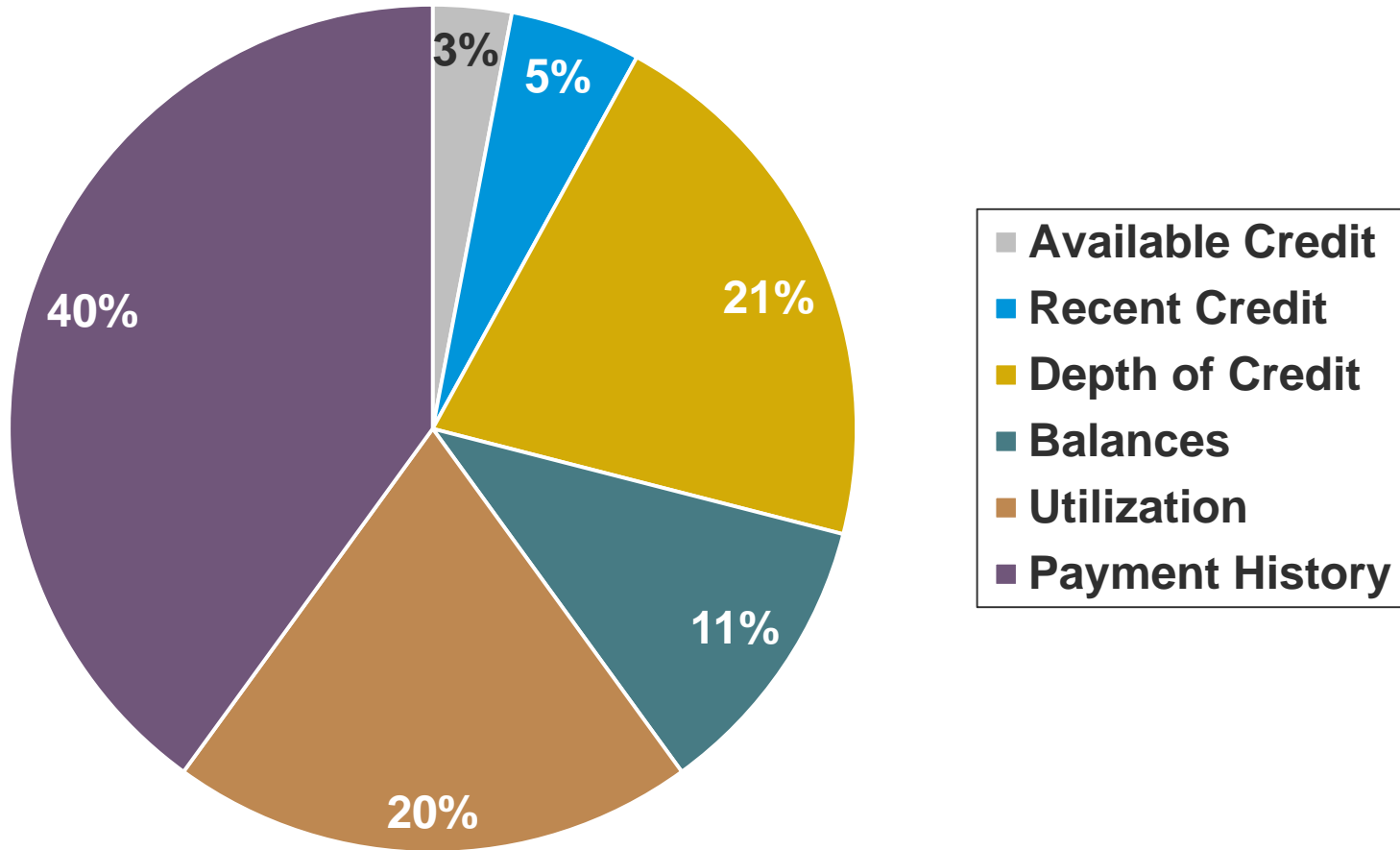


## Features:

- Incorporates fresher data
- Utilize best-in-class Premier Attributes<sup>SM</sup>
- Tri-bureau capabilities
- Large development sample covering telecommunications, energy and cable
- Score range more consistent with other credit scores – new range 400-900
- Advanced modeling practices – uses newer modeling practices and solid documentation and model governance
- Stringent model governance standards

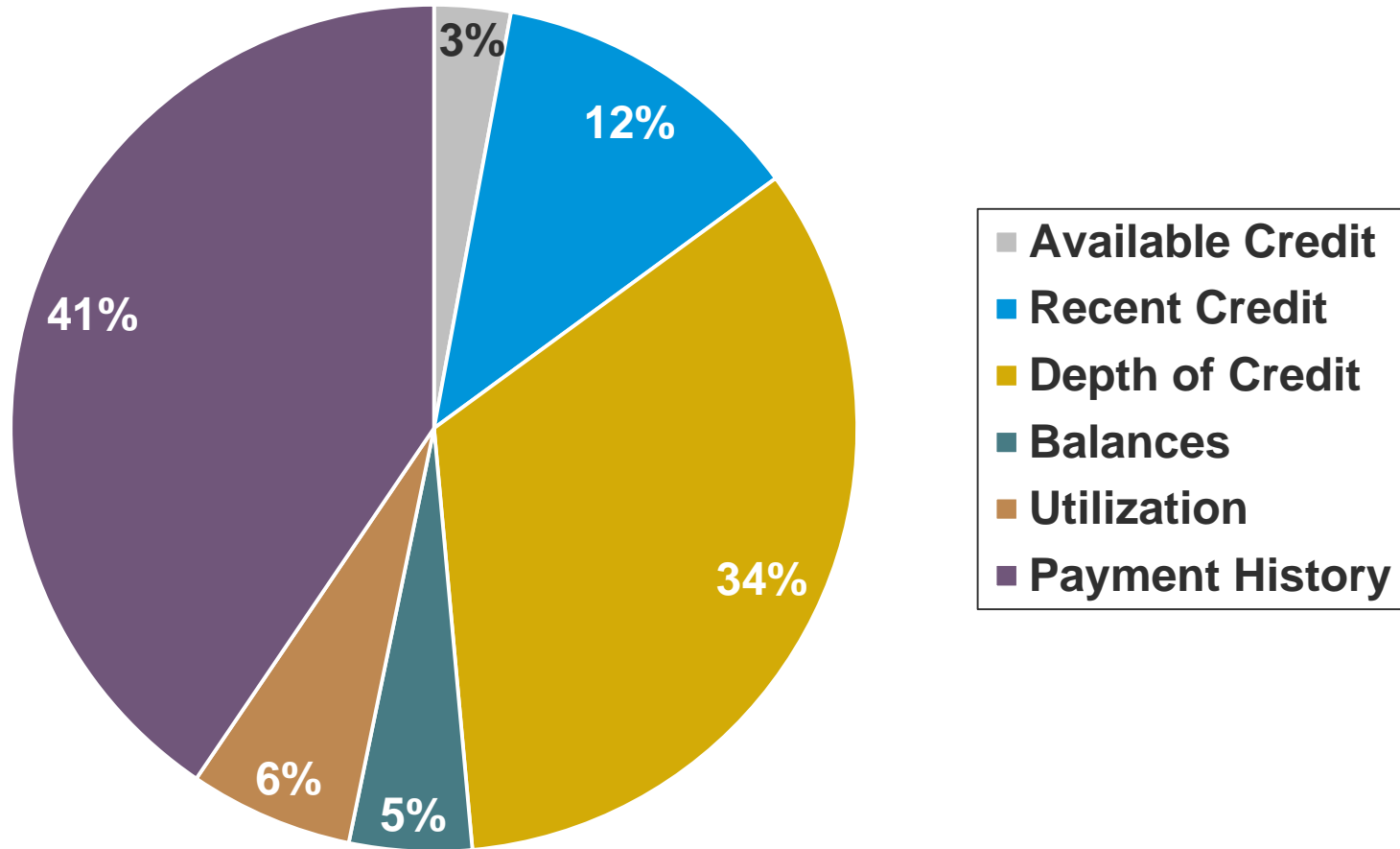


# Attribute contributions for VantageScore® 3.0





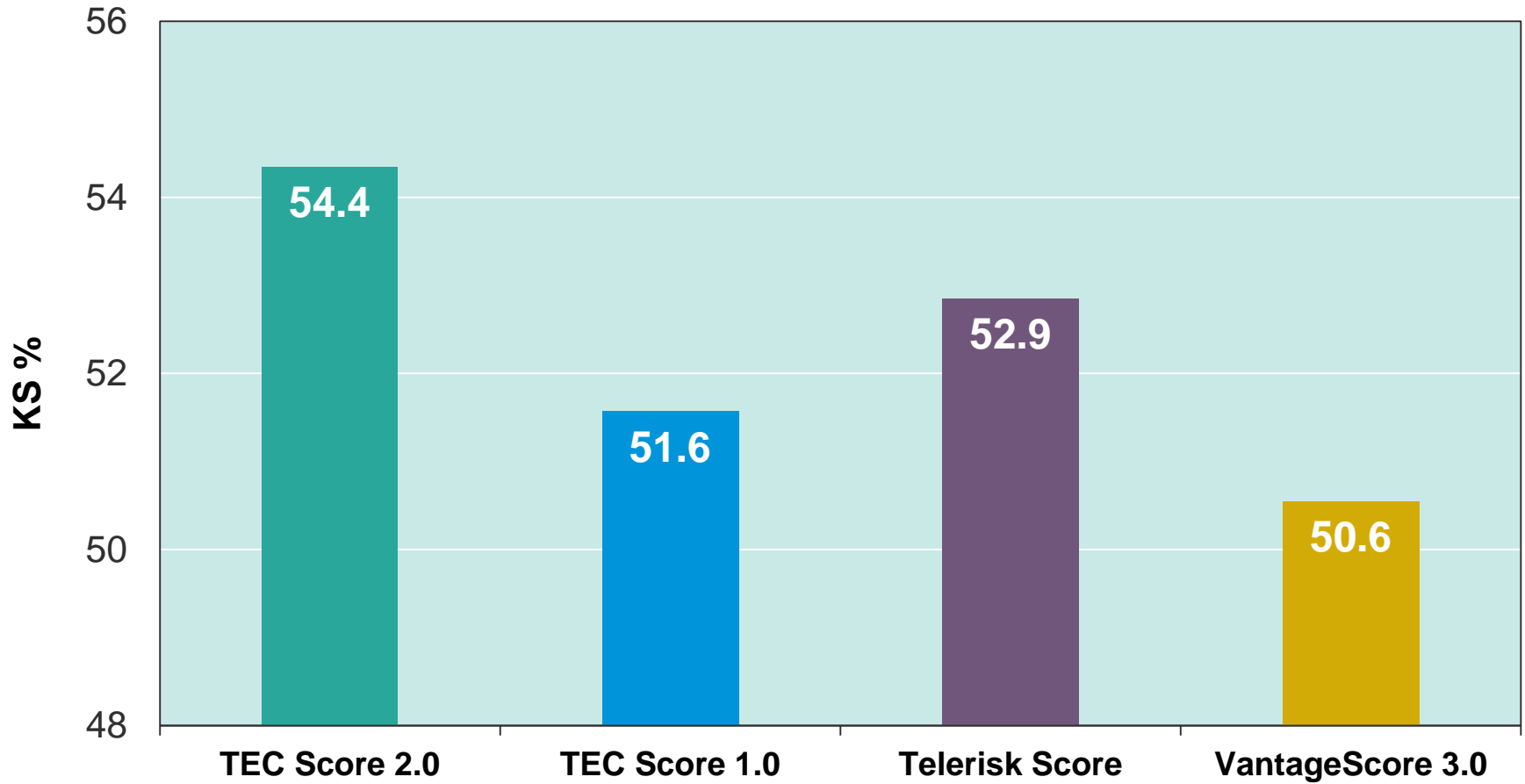
# Attribute contributions for TEC Score 2.0





# Model performance compare

## KS values



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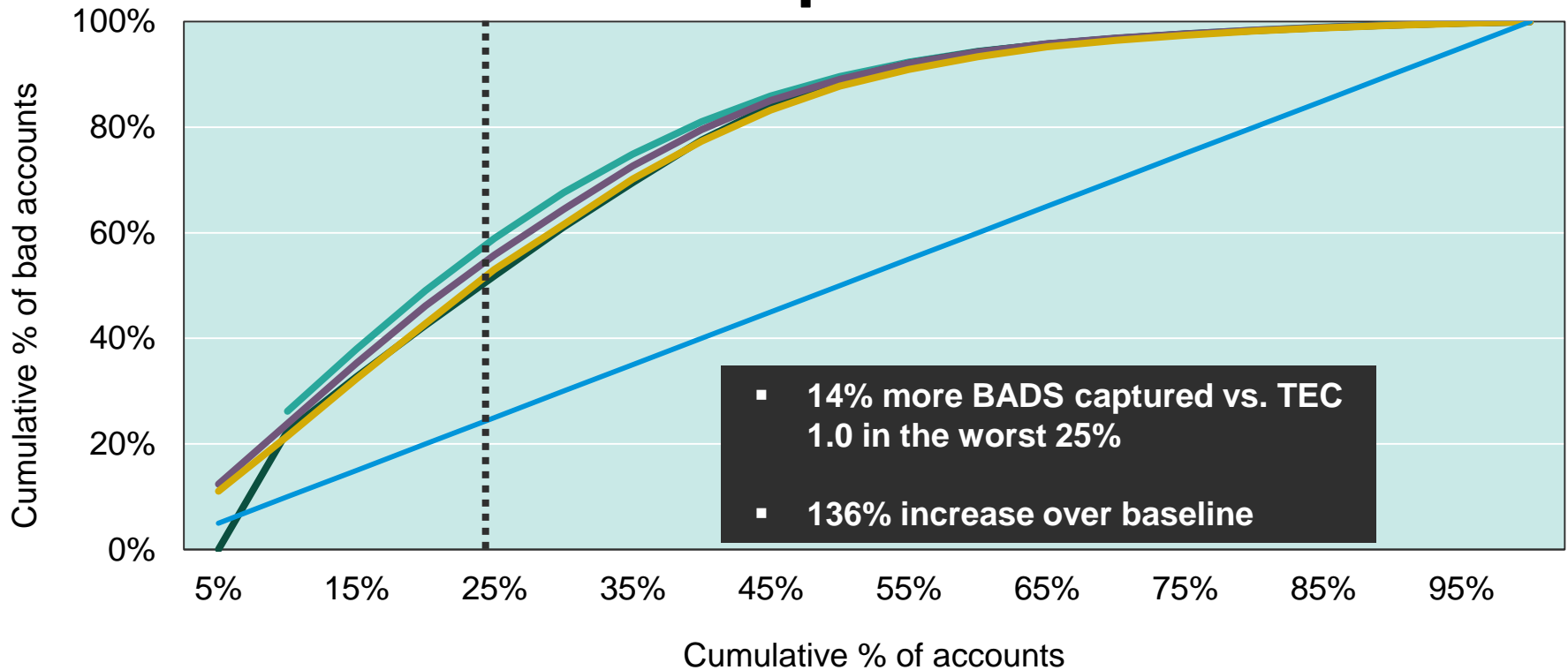
# Model performance

Worst Scoring



Best Scoring

## Model performance



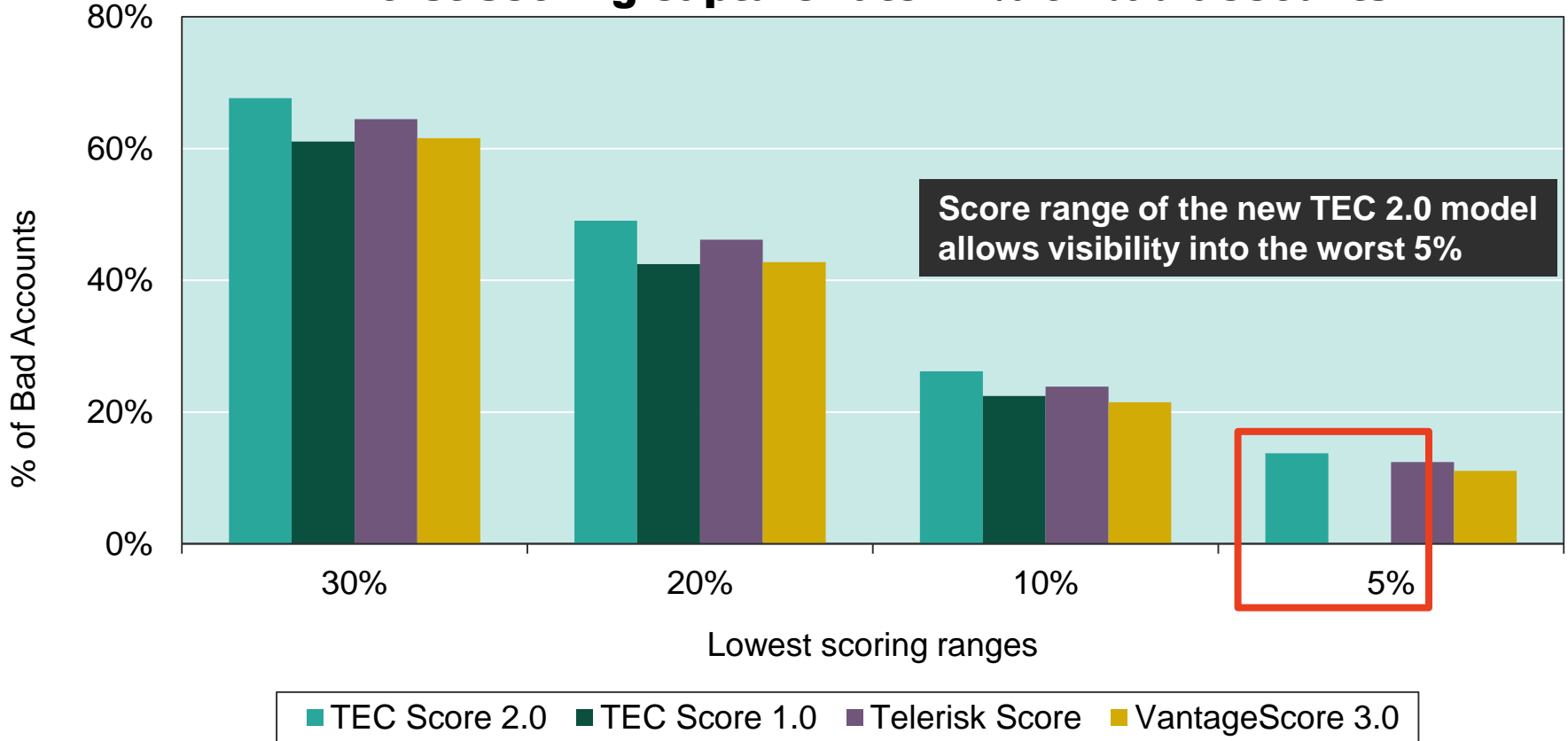
— TEC Score 2.0 — TEC Score 1.0 — Telerisk Score — VantageScore 3.0 — Baseline





# Model performance

## Worst scoring capture rate — % of bad accounts

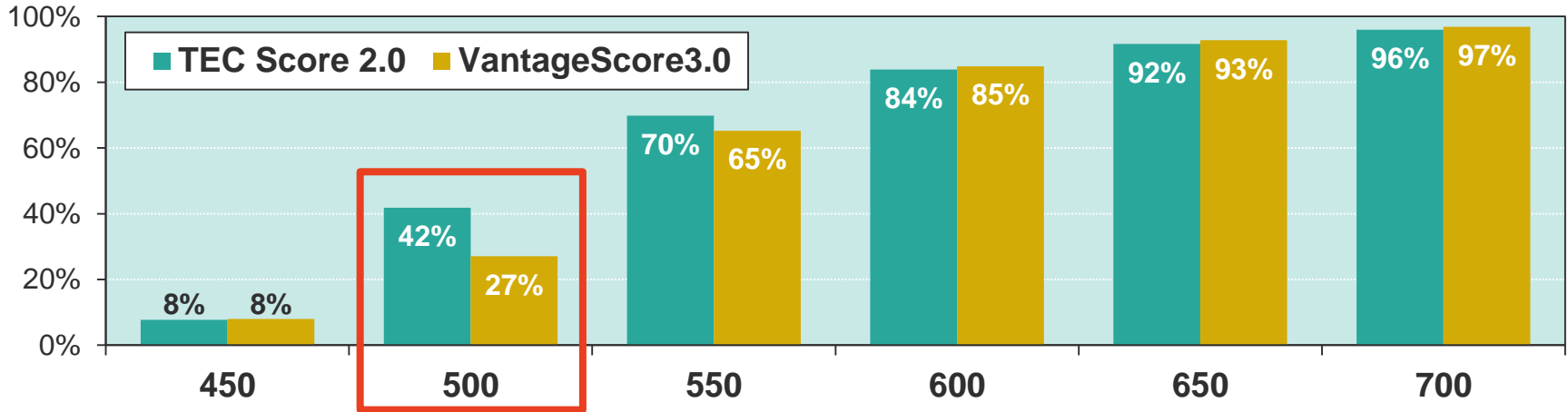




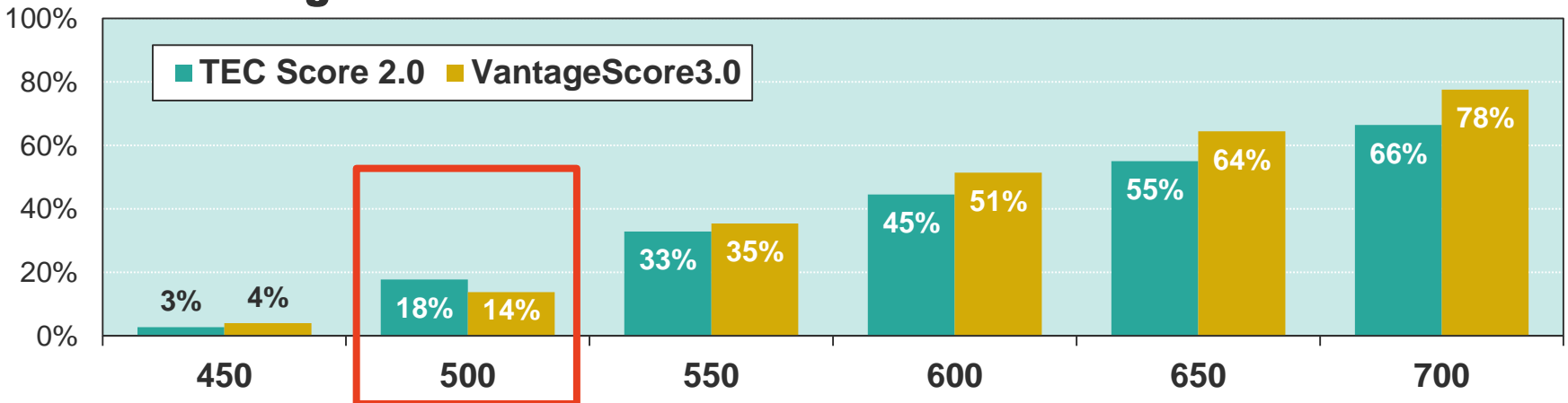
# Score cut offs

Bad = 90+ or Disconnect, TEC 2.0 model's performance definition is customized to fit the TEC industry

## Percentage of bad accounts

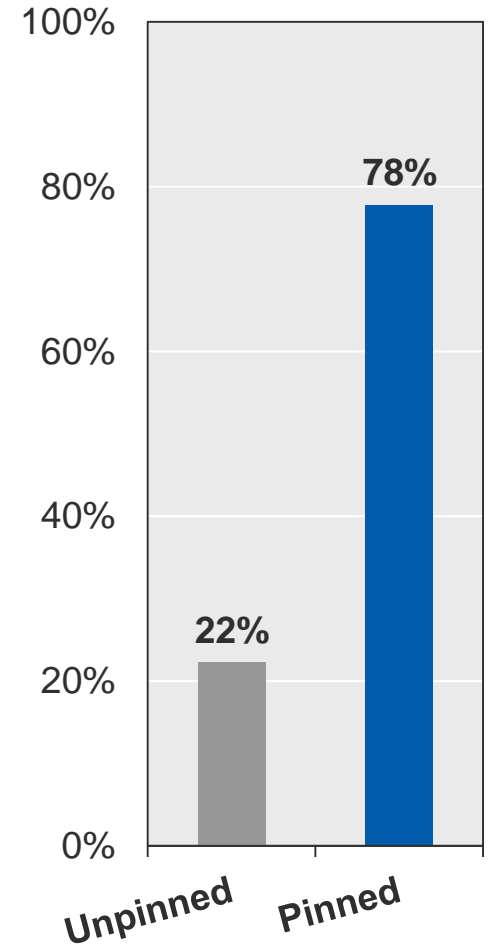
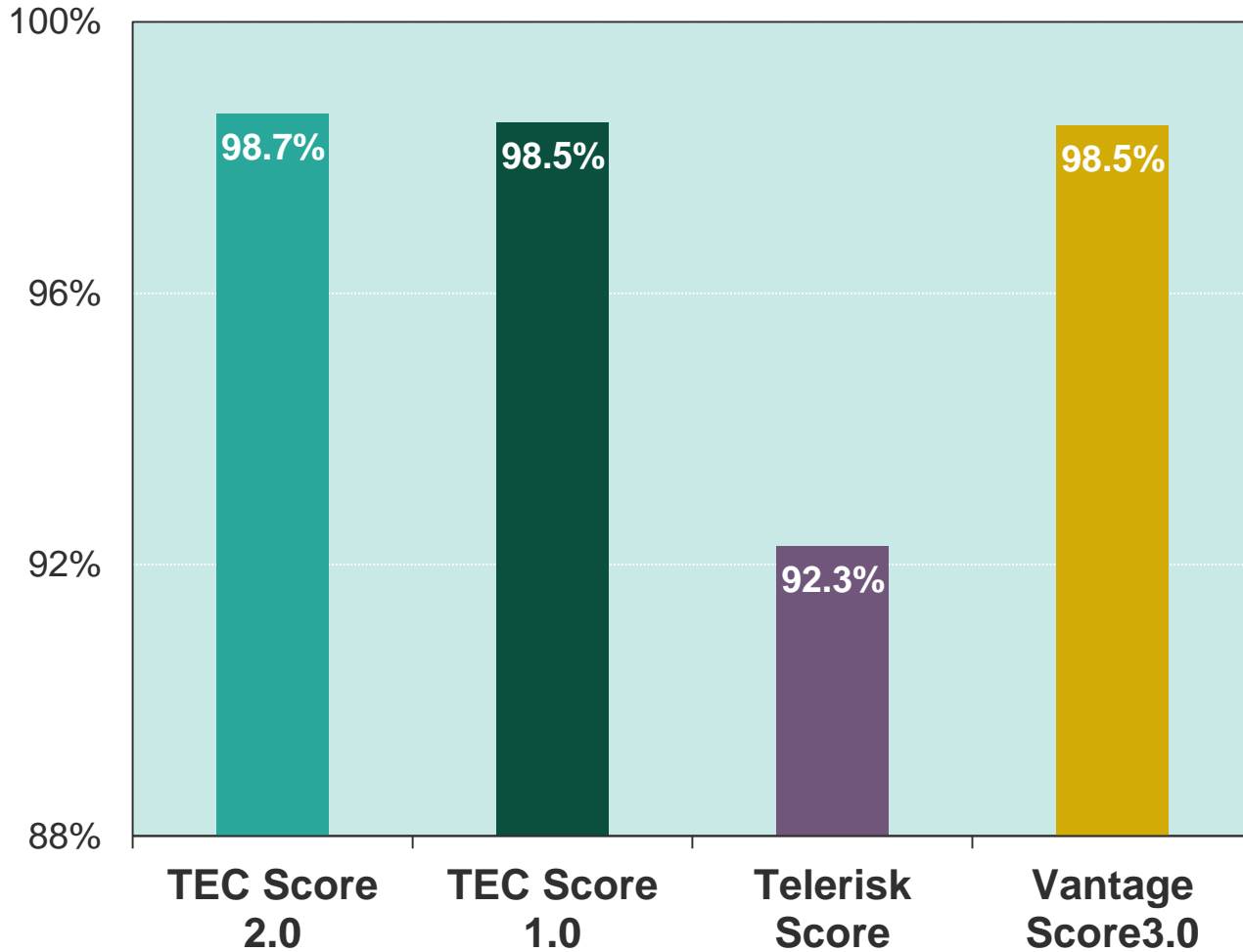


## Percentage of accounts





# Percent scorable





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**What if a customer  
cannot be scored  
with the new  
TEC 2.0 score?**





# Extended View<sup>SM</sup> score

## Move beyond the traditional credit score and segment underserved consumers for meaningful assessment

Experian is committed to helping consumers establish and build credit. Experian's Extended View<sup>SM</sup> score can help clients with the following:

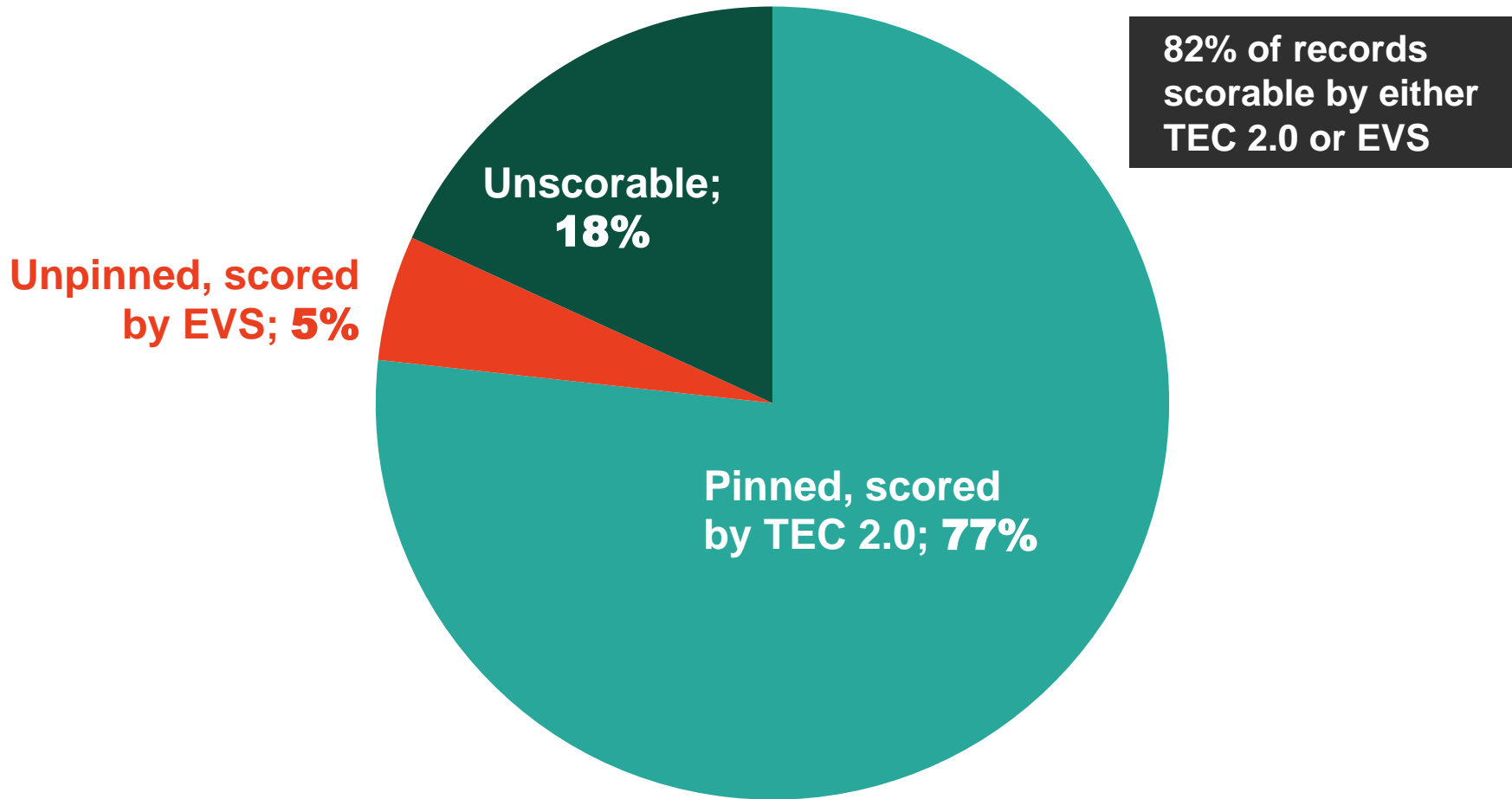


- Gives a complete view of the consumer's payment behavior
- Enables you to expand marketable population
- Gives underserved consumers better access and choices



# Extended View<sup>SM</sup> score

Percentage scorable

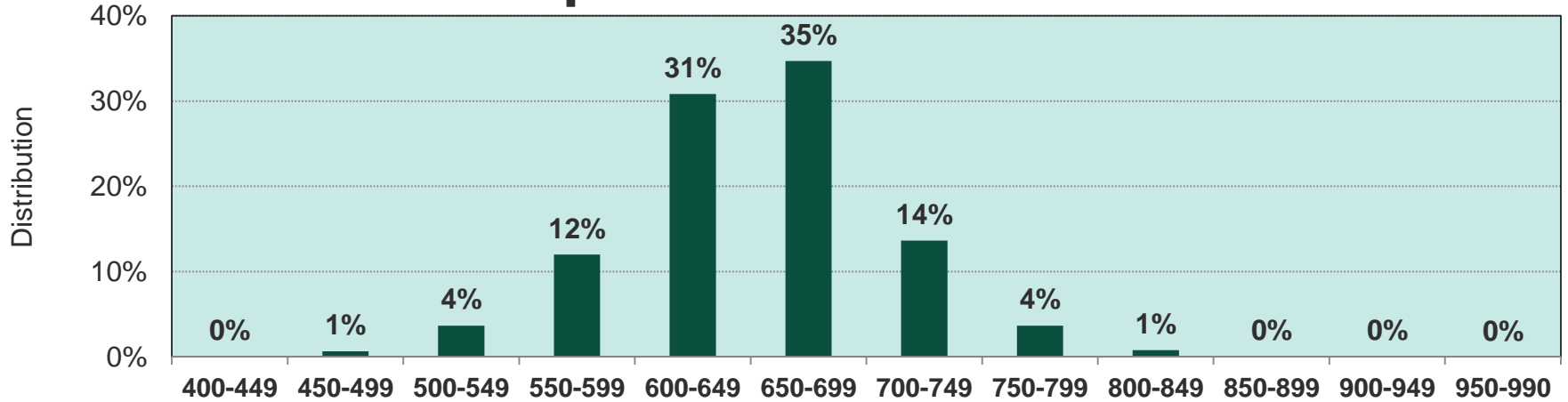


EVS = Extended View<sup>SM</sup> score

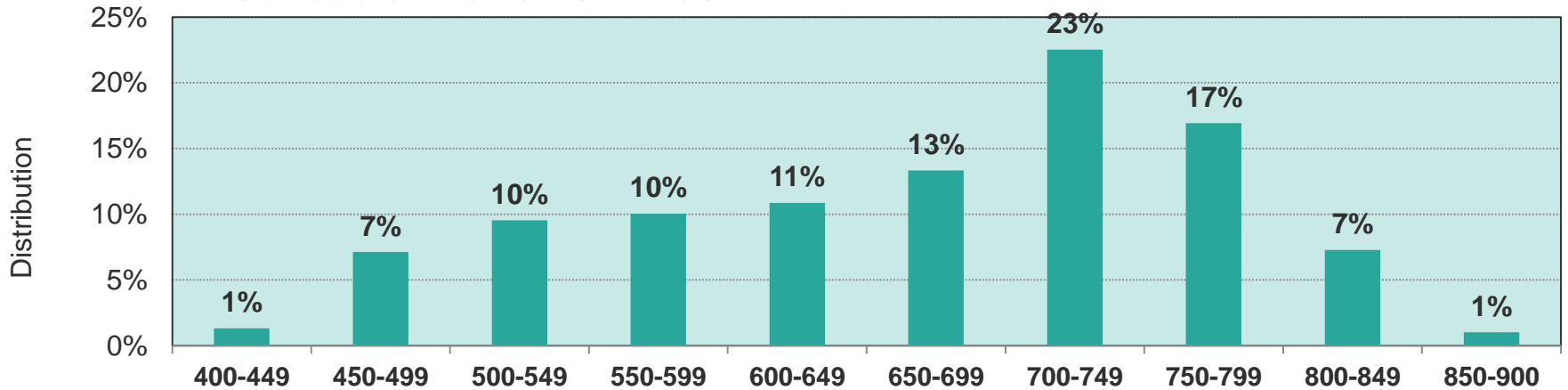


# Unscorable distributions

## Extended View<sup>SM</sup> score Distribution for unpinned accounts



## TEC Score 2.0 Distribution for thick files

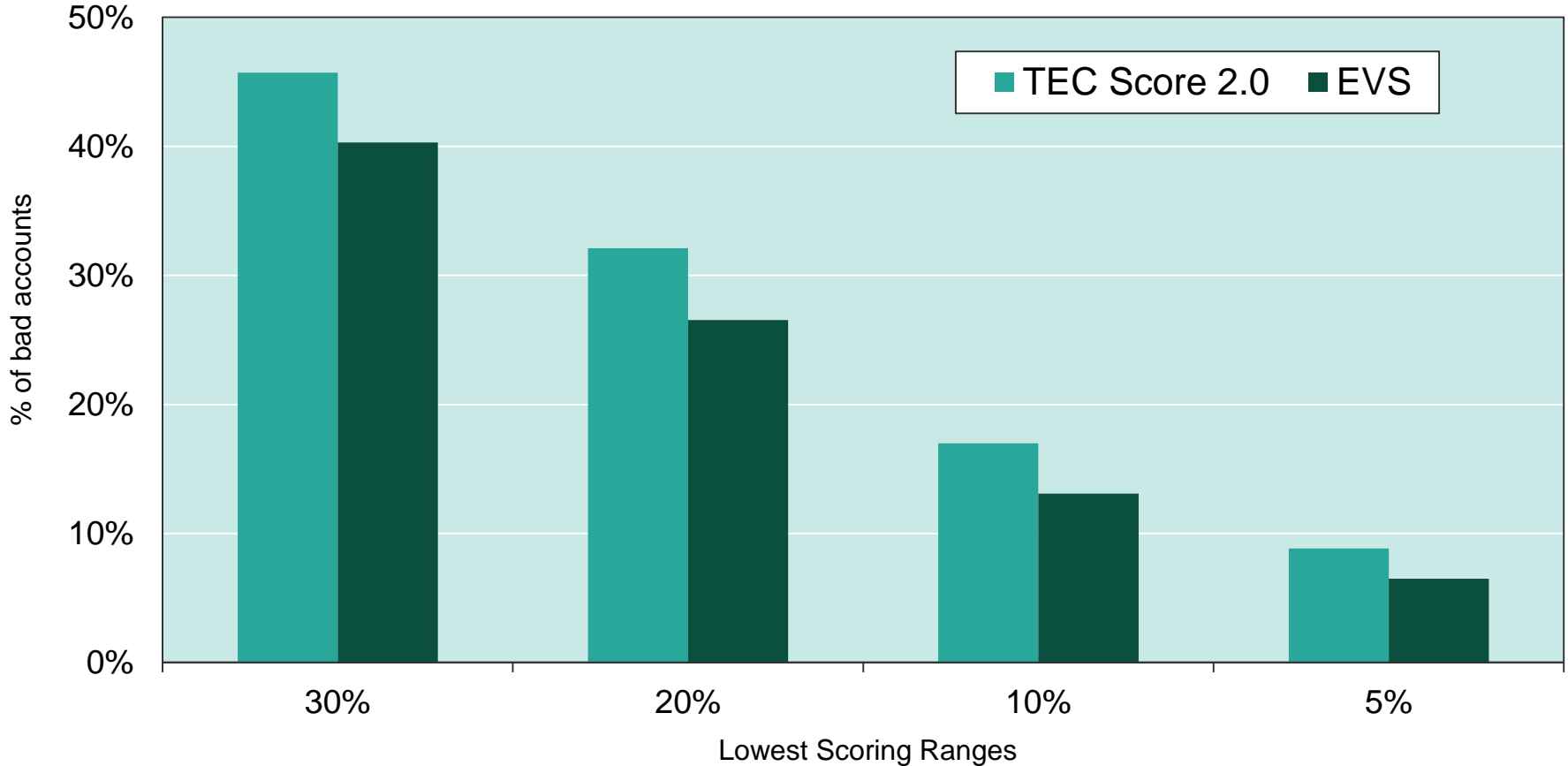




# Extended View<sup>SM</sup> score model performance

Apples-to-apples compare

### Worst scoring capture rate — percentage of bad accounts



EVS = Extended View<sup>SM</sup> score

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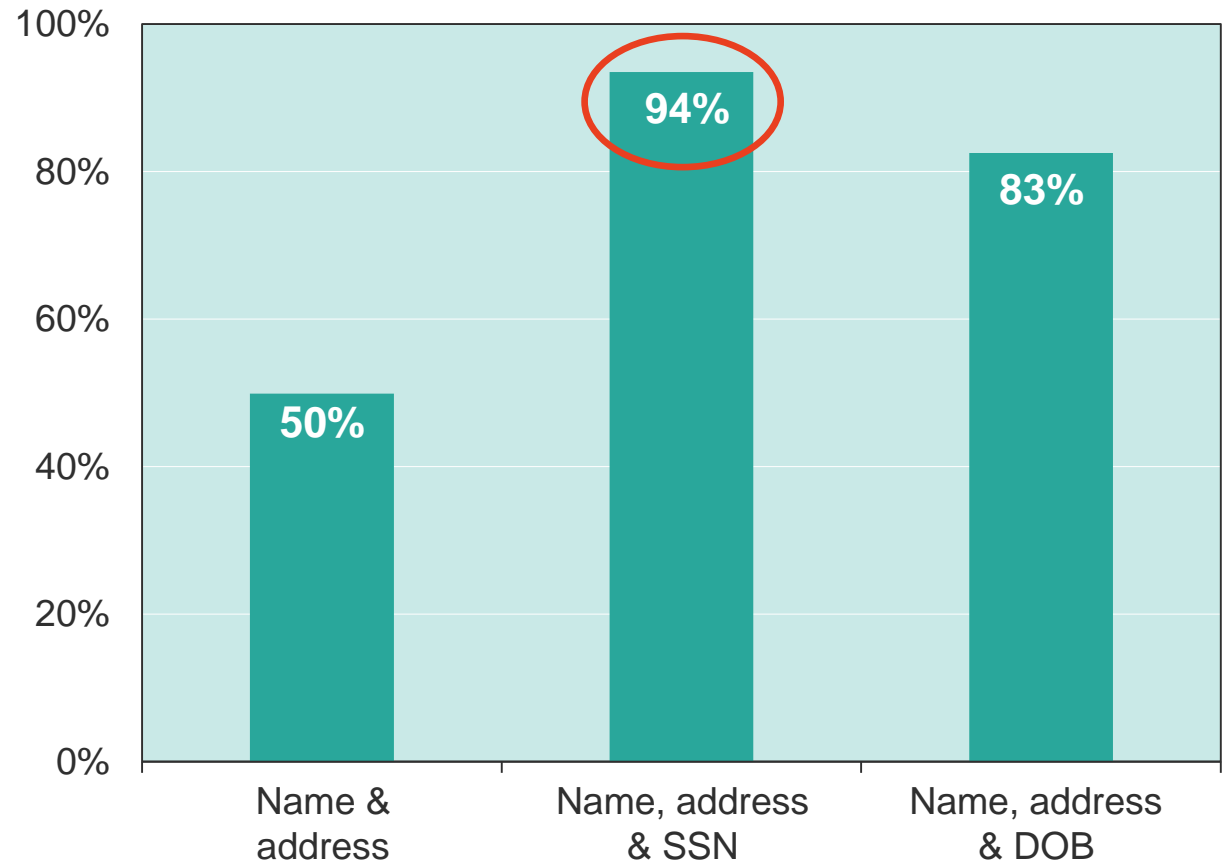
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# Data that provides a better hit rate

**~88% increase  
in the hit rate  
for consumers  
that had SSN  
included in the  
PII inquiry  
submission data**



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# What's next?





## Now what?

### Continuous improvement to customer acquisition waterfall

Data quality improvements for best hit rates



**TEC 2.0**



Extended View<sup>SM</sup> score

**Validate and start using TEC 2.0**  
through your existing Experian interface today!



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1 Select the Survey button and complete

2 Select the breakout session you attended

Vision Conference  
Breakout Session Survey

Experian

1. How would you rate the presenters' knowledge?  
 Excellent  Above average  Average  Below average  Poor

2. How would you rate the presenters' delivery?  
 Excellent  Above average  Average  Below average  Poor

3. How would you rate the presenters' time management?  
 Excellent  Above average  Average  Below average  Poor

4. How useful was the session information?  
 Very useful  Somewhat useful  Neutral  
 Somewhat not useful  Not useful

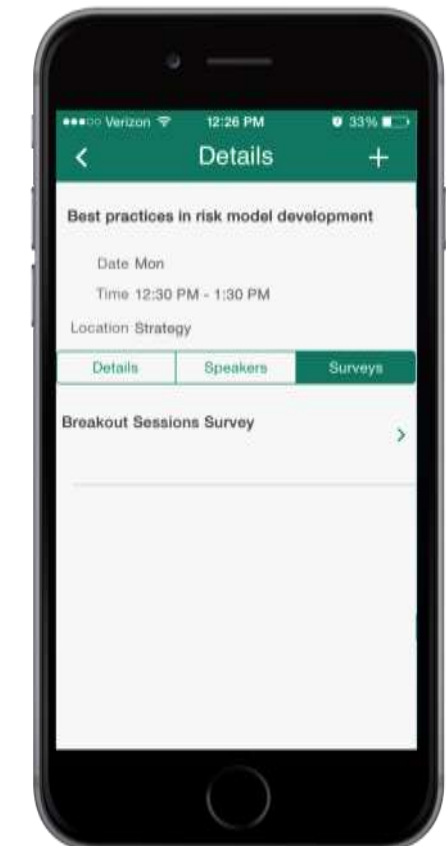
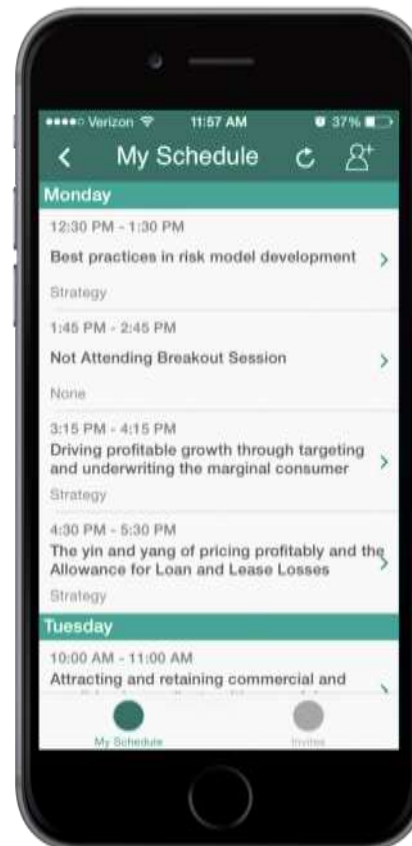
5. How would you rate the session on being current?  
 Very current  Somewhat current  Neutral  
 Somewhat not current  Not current

6. How relevant was the session content to the title and description?  
 Very relevant  Somewhat relevant  Neutral  
 Somewhat not relevant  Not relevant

7. How would you rate the level of content?  
 Too advanced  Just right  Too basic

8. Why did you attend this session? (Check all that apply)  
 Relates to my business  The presenter(s)  Interest in new product  
 Compelling session description  Increase product knowledge

9. Do you have any additional comments?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





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