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# Trended Data 101

Everything you need  
to know about trended  
data but did not want  
to ask





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## Introducing:

- **Jason Dietrich**  
Experian
- **Paul DeSaulniers**  
Experian



“ Yesterday’s home runs don’t win today’s games. ”

— Babe Ruth



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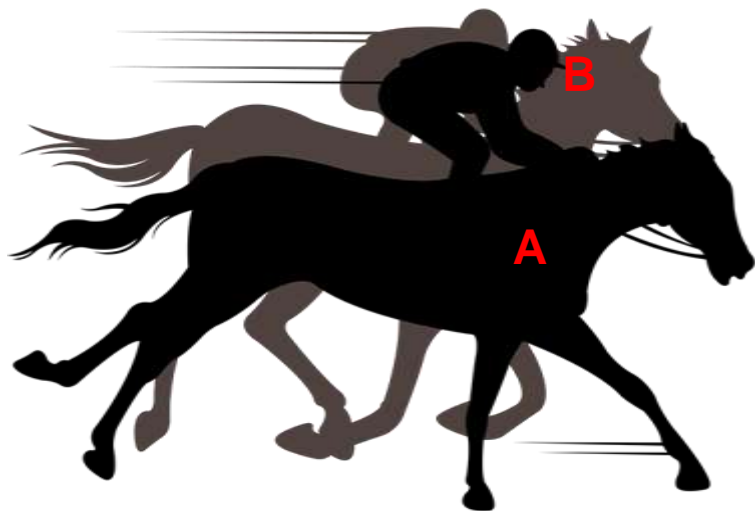
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# Who is going to win?



Finish line



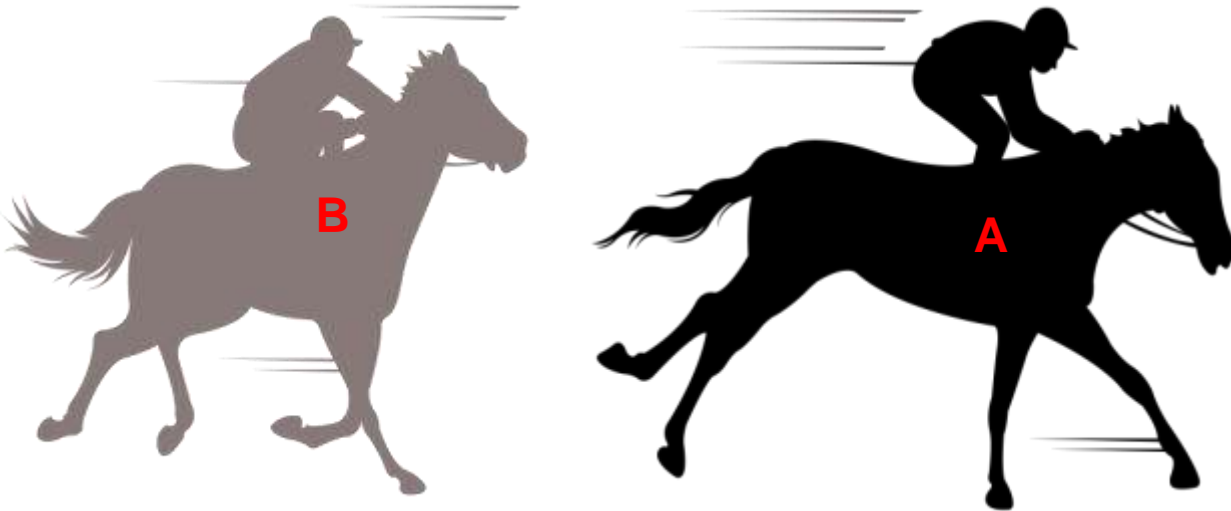


# What if I showed you an additional snap shot?





# What if I showed you two additional snap shots?



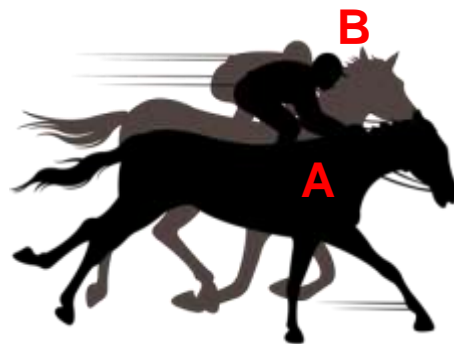


# Or all three together?

Time O-2



Time O-1





# Who would you bet on?



Image source: [www.sport-it.net](http://www.sport-it.net)





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# The power of trended data





# Big headlines



Fannie Mae to mandate use of broader credit-profiling data



**Trended data:** the new way credit bureaus rate you





# Credit Profile Report

**G** ----- PUBLIC RECORD -----<sup>13</sup>

\*80 CALIF DISTRICT COURT 6-21-03 7-01-04 3011111 \$12,450 CO LIEN REL  
 C#: 45078321 <sup>17</sup> <sup>11</sup> <sup>18</sup> <sup>12</sup> 1 BP: B476P2109 <sup>19</sup> <sup>14</sup> <sup>15</sup> <sup>16</sup>

\*COUNTY SPR CT SANTA ANA 9-19-03 3019999 \$1,200 CIV CL JUDG  
 D#: 7505853 1 BP: B1234P50987 PLAINTIFF: ALLIED COMPANY <sup>20</sup>

\*U S BANKRUPTCY COURT 6-12-00 1-11-01 3009999 \$129,803-L BK 7-PETIT <sup>21</sup> <sup>22</sup>  
 D#: 350545399062345612 \$85,500-A VOLUN

**H** ----- TRADES -----

SUBSCRIBER	OPEN	AMT-TYP1	AMT-TYP2	ACCTCOND	PYMT STATUS
SUB# KOB TYP TRM ECOA BALDATE	BALANCE	PYMT LEVEL	MOS REV	PYMT HISTORY	
ACCOUNT #	LAST PD MONTH PAY	PAST DUE	MAXIMUM	BY MONTH	
*CREDIT AND COLLECTION	10-03	\$1,590-0			COLLACCT
3980999 YC COL 1	12-25-06	\$1,590	11-03	(28)	GGGG-GGGG-GG
98E543182136			\$1,590	11-03/G	GGGGGGGG-G--
<sup>a</sup> ORIGINAL CREDITOR: MEDICAL PAYMENT DATA					
ACCOUNT INFORMATION DISPUTED BY CONSUMER**					
**DEBT BEING PAID THROUGH INSURANCE**					<sup>23</sup> <sup>24</sup>
*ISLAND SAVINGS	3-03	\$500-L	\$775-H	PAID	CUR WAS 30
1211248 BC CRC REV 2	4-20-05		4-05	(26)	BCCCCCCCCCCC
405855254820	4-05				CCC1CCCCCCCC
**ACCOUNT CLOSED AT CONSUMER'S REQUEST**					
HEMLOCKS	<sup>25</sup> 2-05	\$2,000-L		OPEN	CURR ACCT
2313849 DV ISC 024-D 3	6-10-06	\$2,000	2-05	(17)	NNNNNNNNNNNN
8285103111261					NNNN
DEFERRED PAYMENT START DATE: 03/01/2007					

## Point-in-time information

- Trade lines
- Inquiries
- Public records





## Trended data

### Five historical fields for each trade line are used to create Experian's trended data

- Balance
- Credit limit
- Minimum payment due
- Account payment
- Date of payment





# Trended data

## Trade line example

Trade #1	Balance	Credit limit	Minimum payment due	Account payment	Date of payment
Month 0	\$13,300	\$25,800	\$275	\$1,000	Aug
Month 1	\$14,680	\$25,800	\$280	\$1,000	July
Month 2	\$16,060	\$25,800	\$286	\$1,000	June
Month 3	\$17,440	\$25,800	\$297	\$1,000	May
Month 4	\$18,820	\$25,800	\$310	\$1,000	April
Month 5	\$20,200	\$25,800	\$330	\$1,000	March
Month 6	\$21,580	\$25,800	\$343	\$1,000	February
Month 7	\$22,960	\$25,800	\$350	\$1,000	January



# Inferred fields

**By combining the credit profile and the trended data you unlock a wealth of knowledge that a single credit snap shot does not provide:**

- Which consumers carry balances (revolvers), consolidate, or pay off their balances each month?
  - ▶ Trend View<sup>SM</sup> segment ID
- What behavior is an early indicator of increased risk?
  - ▶ Payment Stress Attributes<sup>SM</sup> and Short-Term Attributes<sup>SM</sup>
- Who is more likely to conduct a balance transfer?
  - ▶ Balance Transfer Index<sup>SM</sup>
- How do I find consumers that are in the market for a new home equity loan, bankcard, personal loan or mortgage?
  - ▶ In the Market Models<sup>SM</sup>



# Inferred fields

**By combining the credit profile and the trended data you unlock a wealth of knowledge that a single credit snap shot does not provide:**

- What is the total spend on all plastic a consumer has in their wallet
  - ▶ Experian TAPS<sup>SM</sup> (Total Annual Plastic Spend)
- What is the spend on a specific trade line?
  - ▶ Extended Trade Data
- How profitable is a consumer? What is the yield of their top two credit cards? What rates are they paying on these loans?
  - ▶ EIRC for Revolving<sup>SM</sup> (Estimated Interest Rate Calculator)
- What is the yield, interest generated, pay rate and revolving balance at the trade level?
  - ▶ Extended Trade Data



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## Using trended data across the customer life cycle

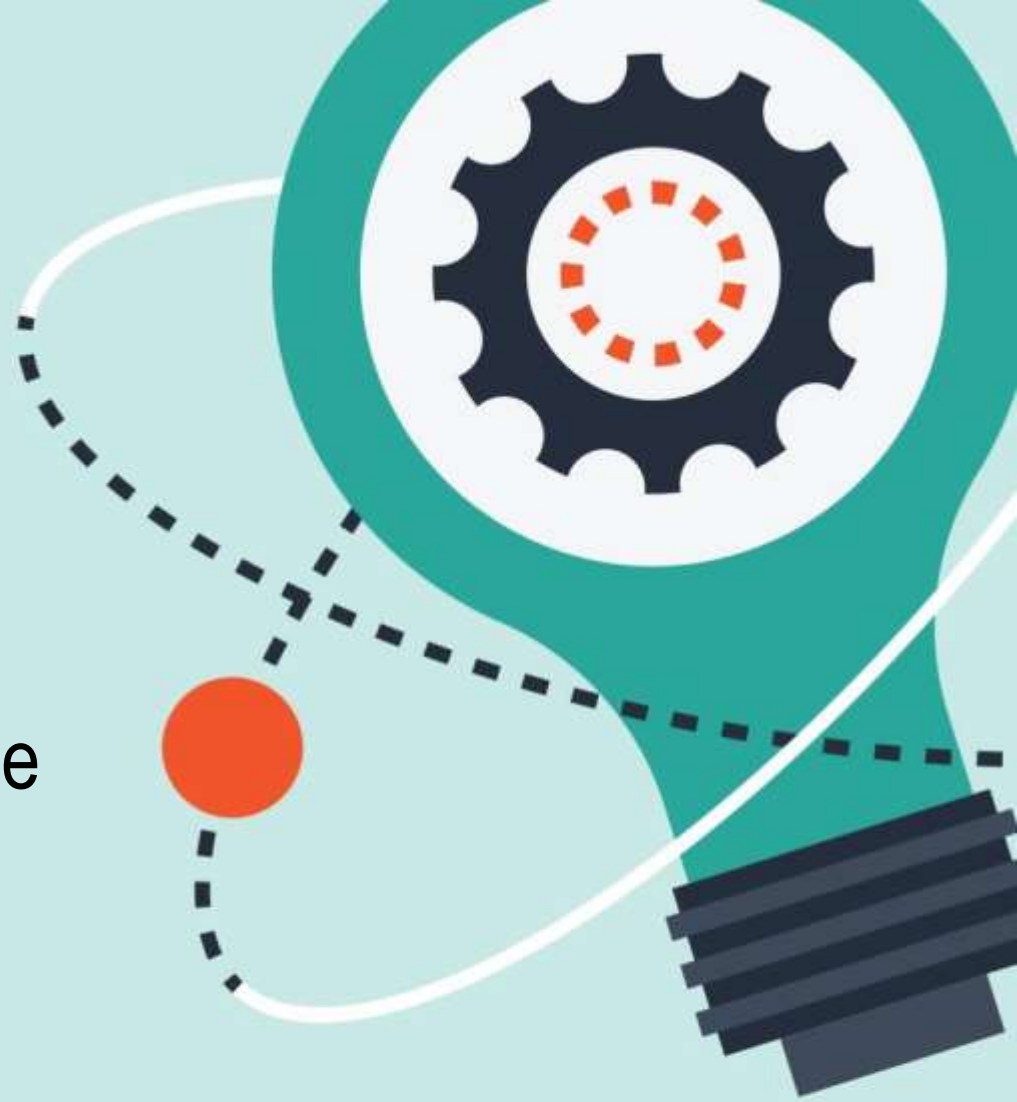




# Customers may appear similar, but are they?

“ The shoe that fits one person, pinches another; there is no recipe for living that suits all cases. ”

— Carl Jung



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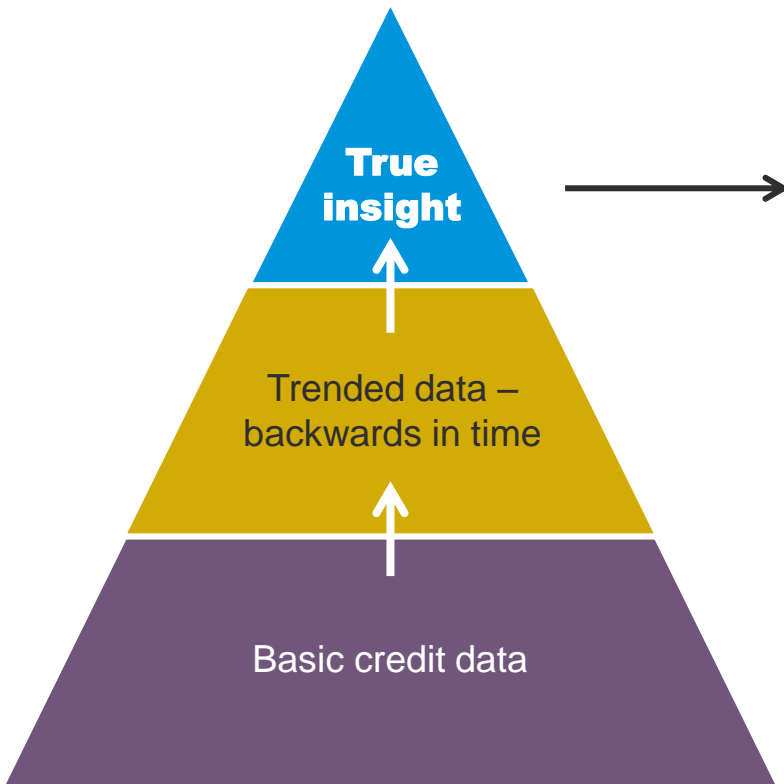
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# Taking a step back

## From trended data to insight



- Plastic spend levels
- Transactor vs. revolver segmentation
- Revolving balance
- Effective APR
- Effective yield
- Product-opening propensity models
- Balance-transfer models (propensity and rate-surfer models)
  - ▶ Product alignment
  - ▶ Growth



# Customers may appear similar, but are they?

## Customer A

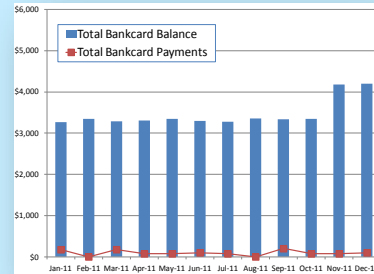
Average monthly balance:

**\$3,462**

VantageScore®:

**740**

Monthly balance and payments:



Average percentage of balance paid:

**2.6%**

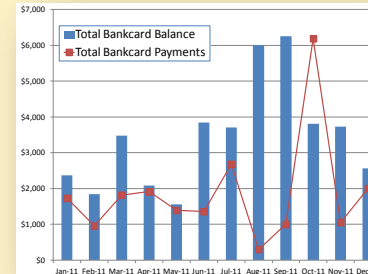
Total annual payments:

**\$1,126**

## Customer B

**\$3,435**

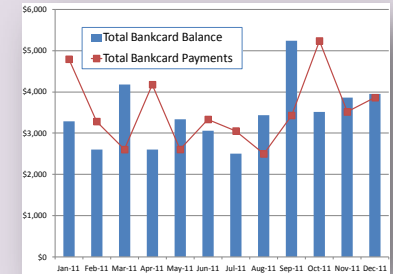
**736**



## Customer C

**\$3,465**

**744**



**100.0%**

**\$42,429**

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# Behavior drives needs

Across the lifecycle

Who has balance elsewhere?

How much does the customer spend on their credit cards??

Who is looking elsewhere for a similar product?

**Prospecting**

**Underwriting**

**Retention**

What APR is the customer revolving at elsewhere?

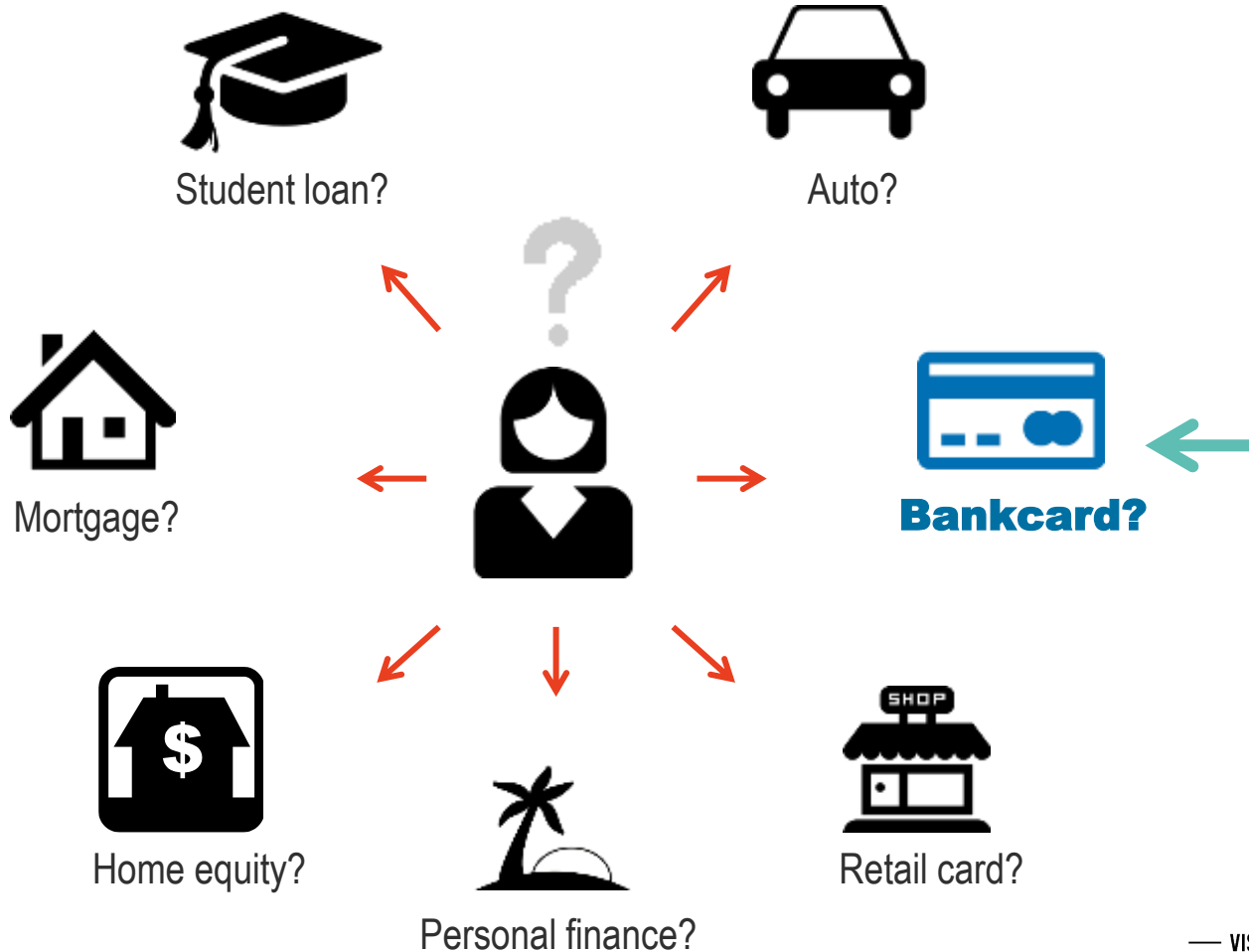
Who is interested in moving a balance?

Is the customer a revolver or a transactor (or both)?





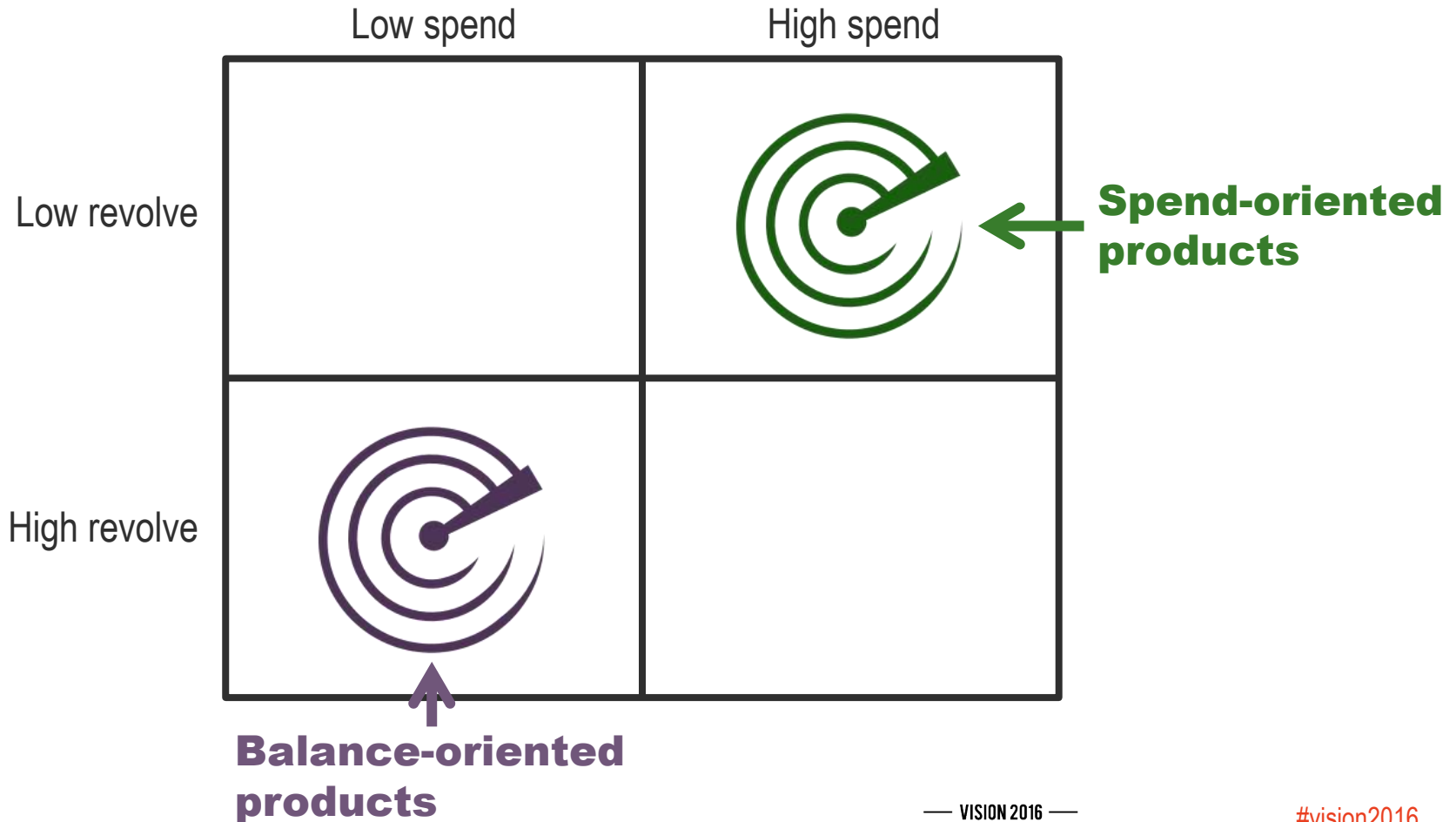
# Improving marketing efficiency with propensity models



Don't mail everyone your card offer – **focus here!**

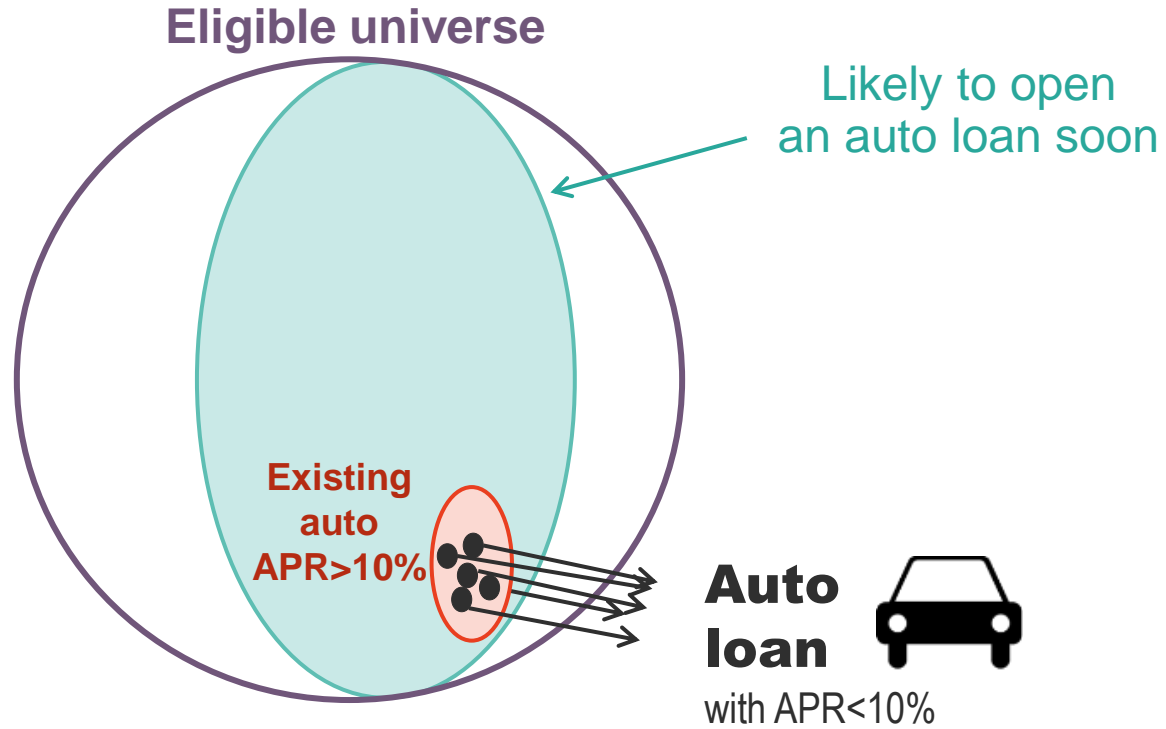


# Product alignment via behavioral segmentation





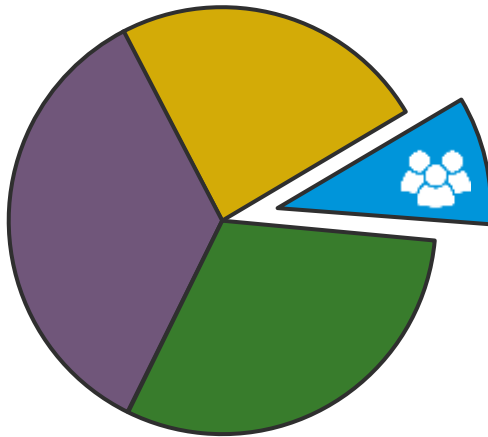
# Increased efficiency, while meeting the customer's needs



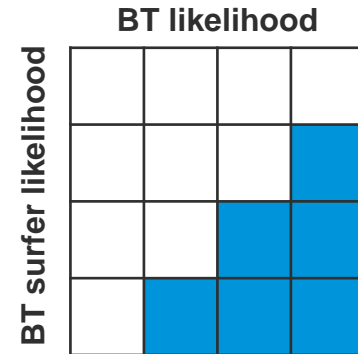


# Capturing and retaining balances

Customers with low balances on your card



Likely to balance transfer (BT), but **NOT** to surf



Revolving at APRs 8%+



“ **Transfer your balance to your Rewards card now and get 6.99% for 12 months.** ”

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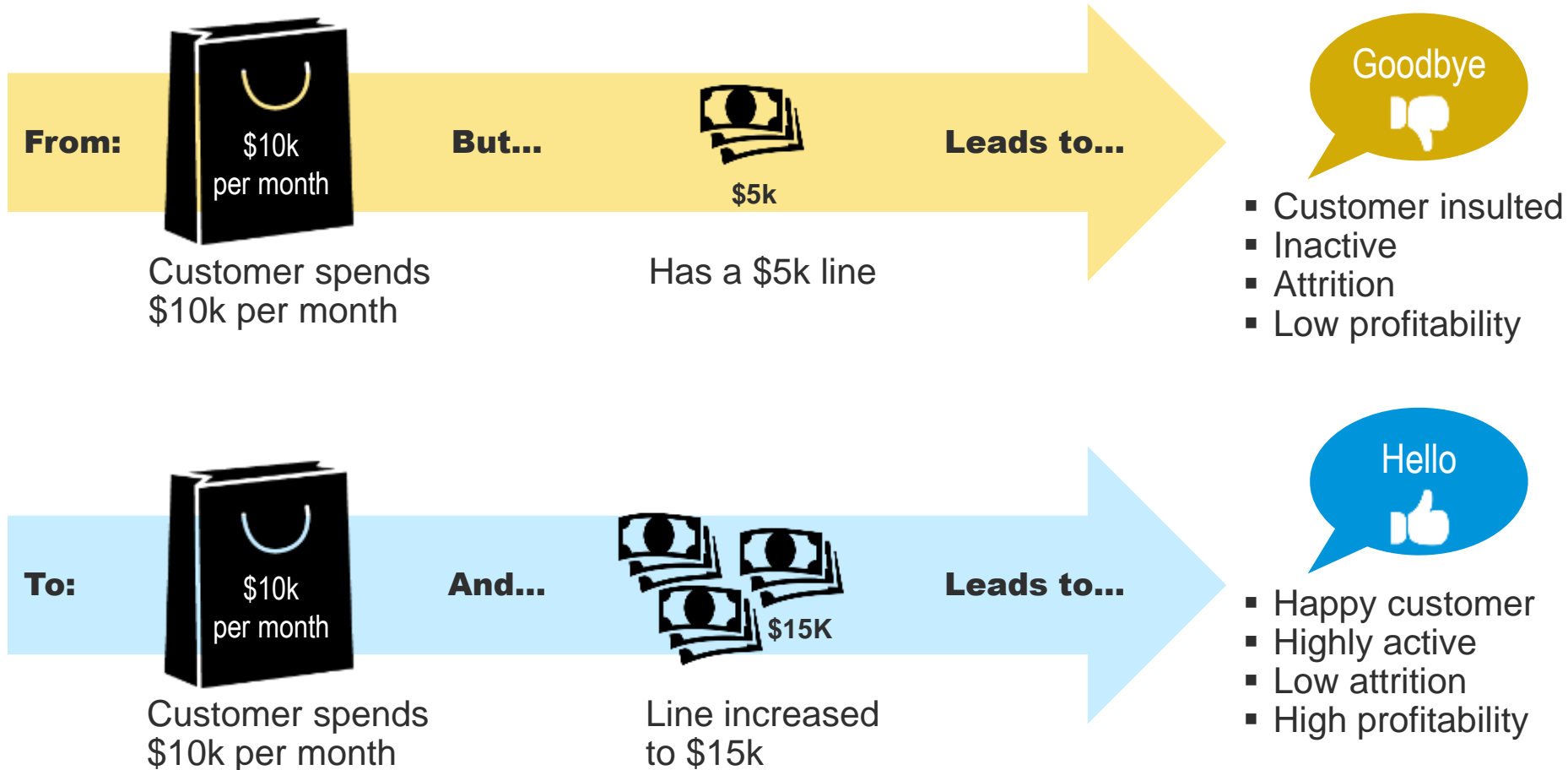


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# Line management using spend levels





# Cross-sell

“  
**Open a points card and get an extra 1,000 points!**  
”



Customer has a mortgage, but no other products...

Is a pure-transactor with \$10k / month in total plastic spend...

And is likely to open a new bankcard soon...



# Spend retention

“ Spend \$1000 in the next 30 days on your Rewards card and get triple points. ”



Customer has your rewards card...

But has suddenly stopped spending on the card...

... and continues to have spend elsewhere



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# Trended data in action

Selected best practice examples using Trended Data





# Prospecting

**A regional credit union wanted to launch a low-rate credit card with a balance transfer check attached...**

## Target audience:

- Who has sufficient balance available elsewhere?
- Who is likely to transfer that balance?
- Who is NOT likely to surf that balance (“sticky balances”)?
- Ensure that their existing rate is higher than my promo and go-to rates

**A member segment with these characteristics was offered the card through a batch prescreen, leading to significantly higher response rates than past campaigns**



# Account management / retention

**A credit union hadn't increased credit lines on their existing travel points card portfolio in a while...**

## Target audience:

- ▶ Which members have low spend with me?
- ▶ But have high spend elsewhere (low spend-share with me)?
- ▶ And are “transactors,” rather than “revolvers”?

**These, and other trended data elements were used as the backbone for a “CLIP” (Credit Line Increase Program), designed specifically to regain spend share on current card members, leading to improved usage and retention**



# Conclusion

## The power of combining credit profile data and trended data can help you solve your most pressing business challenges

- Plastic spend levels
- Transactor vs. revolver segmentation
- Revolving balance
- Effective APR
- Effective yield
- Product-opening propensity models
- Balance-transfer models (propensity and rate-surfer models)
  - ▶ Product alignment
  - ▶ Growth

**Experian can show you how to deploy these tools to improve your business**



# Questions



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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

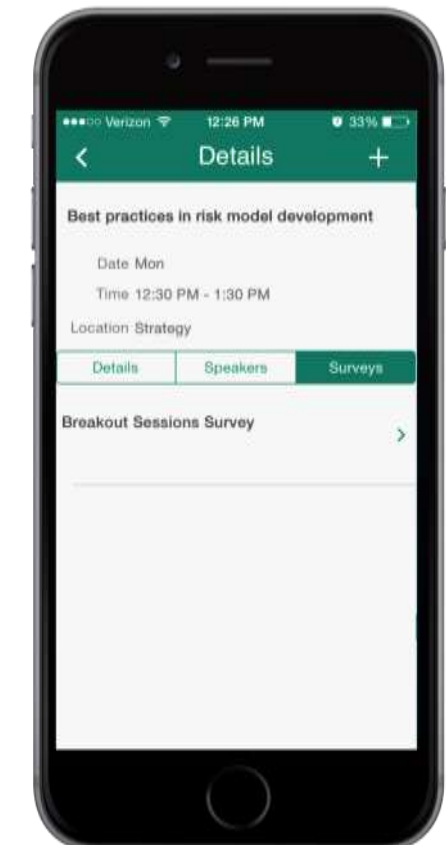
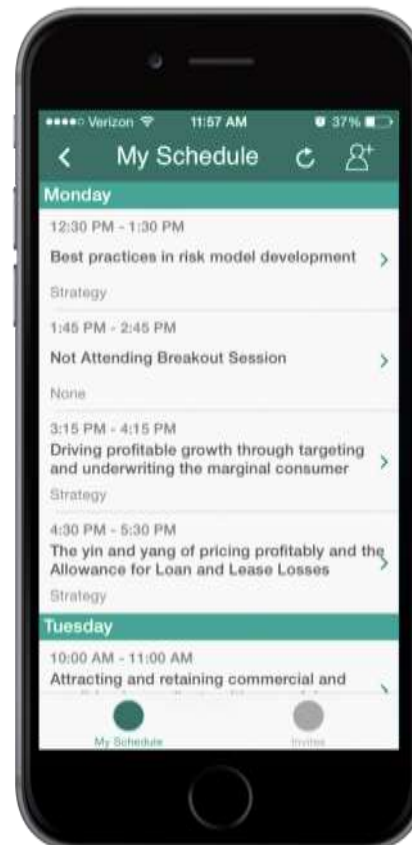
5. How would you rate the session on being current?  
 Very current  Somewhat current  Neutral  
 Somewhat not current  Not current

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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