LexisNexis®
RISK SOLUTIONS

Enhance pre-screen performance outcomes and expand market share with LexisNexis® RiskView™ Attributes

At A Glance

A leading provider of second-look credit for U.S. retailers was evaluating pre-screen strategies to increase their marketable universe and book more accounts. Competitive pressures and stagnant prospecting lists meant outreach campaigns were losing performance efficacy and cost effectiveness.

Industry

Secondary offer retail credit provider

Challenge

- Approve creditworthy thin-file and underbanked applicants
- Expand addressable market utilizing swap-in/swap-out models
- Identify lower-risk prospects more likely to respond
- Strengthen segmentation within score bands

Solution

LexisNexis® RiskView™ Attributes

Overview

A secondary offer retail credit program provider was interested in expanding their addressable market and boosting response rates by improving pre-screening risk assessments. The company tested custom-built RiskView™ pre-screen models to enhance insight into credit riskiness and creditworthiness to identify thin-file and underbanked audiences. Booking more loans by using pre-screen models to understand look-alike prospects and inform swap-in/swap-out strategies were critical goals.

85% Rank-order risk for 85% of no-hit, unscoreable responders from a recent marketing outreach

Optimize thin- and no-file opportunities by enhancing consumer visibility with alternative data

RiskView Attributes provides predictive perspective into credit opportunities and risks that enables businesses to confidently and competitively build market share in thin-file and underbanked populations. The proof of concept shows RiskView Attributes can help the secondary credit provider:

- Expand addressable market by identifying one million potential swap-ins
- Rank-order risk for 85% of no-hit, unscoreable responders from a recent marketing outreach
- Target a look-a-like segment that is 12 times more likely to respond
- Uncover potential opportunities in consumer segments falling outside initial risk thresholds
- Define a wider and younger demographic using look-alike models to augment existing pre-screen efforts

Staying competitive by identifying more creditworthy underbanked applicants

The credit provider, committed to increasing financial inclusion, looked to expand their addressable market by identifying and engaging creditworthy thin- and no-file consumers. As a partner with the nation's leading retailers, they also looked to growth their retail customer base while increasing marketing campaign effectiveness. Our proof of concept evaluated whether a combination of prescreen and response modeling with a focused swap-in/swap-out strategy could enable the company to go deeper into the credit spectrum while maintaining confidence in their risk thresholds.

How we solve main challenges

LexisNexis® Risk Solutions designed a proof of concept[1] for the retail credit provider leveraging RiskView Attributes to create logistic regression models for response and look-alike modeling and swap-in/swap-out approaches and test their efficacy. Starting from an initial file of 28 million consumers, the credit provider netted down to a file of 8 million consumers fitting their pre-screen risk profile. Our proof of concept utilized this file of 8 million consumers to inform and validate response modeling and look-alike modeling and to further segment risky applicants within scoring bands. RiskView Attributes was also applied to the file of 20 million consumers initially falling outside the pre-screen risk profile to help identify one million potential swap-ins showing attributes of being creditworthy and likely to respond.

The proof of concept demonstrates the benefits of layering alternative data insights into pre-screen models to help expand addressable audiences and raise the effectiveness of marketing initiatives.

- Customize and refine pre-screen models to support more responsive marketing outreach
- Leverage predictive attributes to inform look-alike modeling across additional demographics to identify creditworthy consumers more likely to respond
- Pinpoint additional opportunities in emerging consumer populations with a confident swap-in/swap-out strategy
- Balance dynamics between risk and response to drive more booked accounts

Features to focus on

RiskView Attributes provide insights into multiple dimensions of alternative credit data, such as consumer life events including mode of living, personal characteristics, general reputation and character to provide more precise predictive insights for credit decisions.

RiskView Attributes delivers powerful insights for nearly every U.S. consumer, including scoring over 90% of applicants without a traditional credit score with a high degree of predictive strength.[2]

Enhance pre-screen strategies to expand your marketing universe:

- Identify more addressable opportunities
- Improve response rates
- Maximize acceptance rates while managing risk exposure
- Increase financial inclusion for thin and no-file consumers

Customize pre-screen offers for consumers with refined predictive insights and raise the effectiveness and cost efficiency of your marketing program.

Visit risk.lexisnexis.com/riskviewattributes to learn more.

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