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Information Services

WHITE PAPER

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UNIVERSE EXPANSION STRATEGIES...

How to Leverage Multiple Bureau Prescreen Files to Maximize Your Marketing Universe

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Introduction

The ultimate goal of any direct marketing campaign is to deliver the right offer to the right candidate at the right time. Choosing the right *list* is paramount to a marketer's ability to meet this goal as it can account for up to 60% of a campaign's success.

Prescreen credit lists are one of the most powerful marketing tools available to financial services organizations. However, none of the three major credit bureaus have 100% coverage in the market. As a result, a multi-bureau list can play an instrumental role in maximizing the success of prescreen marketing campaigns. Multi-sourced campaigns offer marketers the following important benefits:

- Increased marketing universe, resulting from evaluating the same criteria across multiple credit bureaus.
- Reduced costs associated with processing multiple bureau files.
- Improved risk assessment by evaluating criteria across multiple credit bureaus and geography.

Incremental Qualified Prospects

Each of the bureaus has a different reporting and aggregation technique. Historically, each has had a "geographic strength". While technology has mitigated some of these differences, none of the bureaus have 100% coverage in the marketplace today.

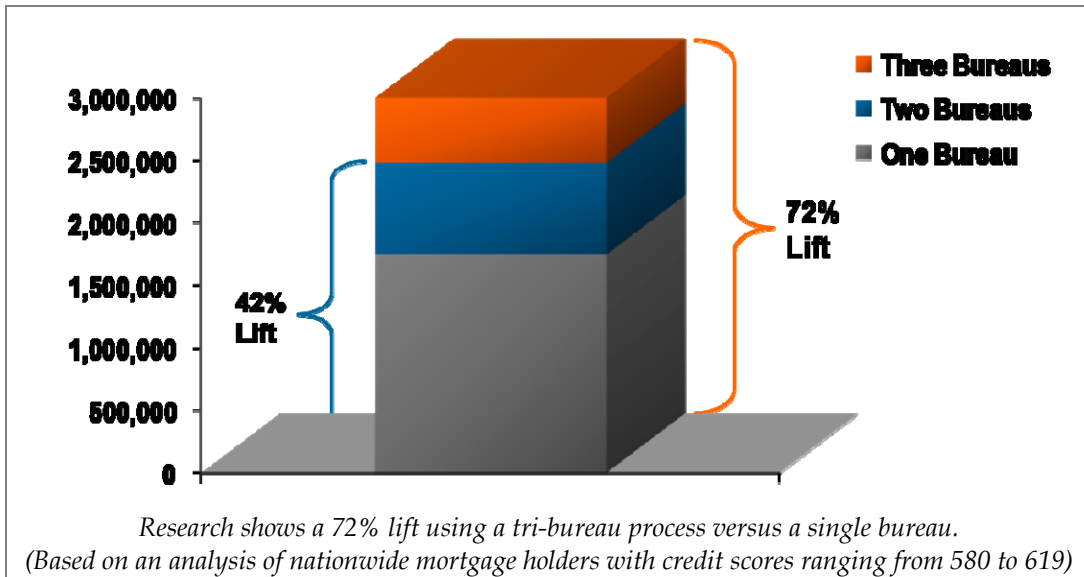
The generally-accepted geographic bias for each of the bureaus is outlined below:

- Equifax: East Coast
- Experian: West Coast
- TransUnion: Midwest

The single biggest benefit of leveraging multiple credit sources is the ability to identify incremental qualified prospects. By generating lists from multiple bureaus, marketers can also be more targeted in reaching their qualified marketing universe. This enhanced targeting capability enables marketers to be more precise with their criteria while maintaining campaign metric requirements.

Universe Expansion Strategies

The chart below reflects the “lift” achieved by leveraging three bureaus for the same criteria nationwide. The addition of a single bureau provides a 42% lift in universe, and a second provides a 72% lift over a single-bureau universe.



What About Triggers?

When purchasing inquiries or trigger data, the addition of a second or third bureau provides marketers with *incremental* prospects by giving them access to activity that is sometimes only reported to a single bureau. In an effort to save money, some finance companies do not pull a multi-bureau credit report when qualifying a customer. As a result, this activity is often missed when only a single bureau is being leveraged.

Prioritizing Bureaus

When leveraging a multi-bureau program, marketers should look for a solution that enables them to select the order in which each of the bureaus are prioritized when duplicate records are eliminated.

Tranzact Information Services consolidates credit information from all three bureaus into a single portal and allows marketers to select the priority in which each of the bureau’s data is pulled:

Suppliers:	<input checked="" type="checkbox"/> Experian <input checked="" type="checkbox"/> TransUnion <input checked="" type="checkbox"/> Equifax
Supplier priority:	(1) Experian (2) TransUnion (3) Equifax

Compliance

When leveraging multiple credit bureaus for prescreen marketing, marketers should partner with a list provider that is well-versed in the compliance requirements surrounding the use of this data. While most financial services organizations are familiar with the mandates set forth by the Fair Credit Reporting Act, *few* are aware of the additional requirements imposed by each of the bureaus.

Case Study

Tranzact Information Services LLC (Tranzact IS) increases marketable universe and improves conversion rates for a nationwide mortgage lender.

Challenge

In the face of a challenging marketing environment, a national business-to-consumer marketer was looking for new ideas to support their acquisition strategy. Program response rates were falling and the company's marketing universe was limited. Leveraging only a single bureau, the company pulled data once a month and mailed periodically.

Solution

Tranzact IS introduced a multi-bureau solution that provided:

- A 20% increase in universe.
- Superior targeting capabilities, as criteria did not have to be compromised to accommodate the additional mail volume.
- Better timing for data extract and mail drop.
- More flexibility in program execution.

Tranzact IS also handled all of the general on-boarding and data processing activities for the program.

Results

Using multi-bureau data from Tranzact IS, the company was able to achieve a 25% increase in both response and conversion rates. By prioritizing bureaus based on program and geography, the marketer was also able to gain greater control for targeting and test programs.

The multi-bureau program offered the following additional benefits:

- Facilitation of additional model and criteria testing.
- Provision of a more deeply populated and accurate prospect universe.

The company believes that Tranzact IS' data resources and processing capabilities will ensure the long-term success of the program.

Summary

To optimize a marketing universe in this market, multi-bureau data is essential. The benefits of multi-sourced prescreen programs are:

- Increased marketing universe, resulting from evaluating the same criteria across multiple credit bureaus.
- Reduced costs associated with processing multiple bureau files.
- Improved risk assessment by evaluating criteria across multiple credit bureaus and geography.

Contact Information

Tranzact Information Services LLC helps marketers improve their acquisition, cross-sell and retention programs by optimizing their marketing data. The Company provides easy and flexible access to an extensive universe of multi-sourced data, including credit information from all three credit bureaus, public and property records, home valuations, and demographic and behavioral information. Tranzact Information Services LLC leverages this information to provide unique prospect data sets, universe lift, and optimization techniques that help marketers improve ROI.

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