



EQUIFAX

7 ways to uncover hidden opportunity in a volatile economy

Leverage consumer financial insights to grow your customer portfolio — even during uncertain times

Focus on
forward

Forward. The only way to go.

In uncertain times, businesses are inclined to pause and may miss opportunities or fail to uncover hidden risks — while waiting for the perfect picture to emerge. But you must keep momentum to move through changing and difficult economic conditions.

Equifax is an empowerment engine. We help businesses plan so your operation is resilient and prepared for whatever is next. We help you adapt with confidence and focus on moving forward.

To discover the latest data-backed insights on navigating risk and finding opportunity in an uncertain economy, visit equifax.com/focusonforward

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Some consumers sail through inflationary periods. The trick is to find them.

Even as the economy continues along a bumpy path, some consumers can continue to spend money on their desired goods and services — while at the same time saving for the future and meeting their debt commitments. Plus, other consumers may be hidden due to lack of a credit history.

The opportunity is there — but finding and building relationships with these financially resilient and hidden consumers is a challenge.

By gaining advanced insight on consumers' overall financial picture, marketers and lenders can uncover opportunities to identify new and current customers that can:



Spend: Expensive food and gas, plus luxury vehicles, travel, dining out, second homes, hobbies, education, tech, communications



Invest: Stocks, bonds, funds, annuities



Pay on time: Mortgages, credit card bills, auto loans, and other debts



Save: Deposits, grow equity in home



Donate: Charitable giving

Spot hidden opportunity:



- About 20% of households hold **over 84%** of the nation's wealth*
- **Over 77 million** consumers have little to no credit history — but some are good candidates for new lending accounts**

Here are 7 ways that marketers and lenders can use consumer financial insights to better spot hidden opportunity.

What are consumer financial insights?

Before we review the 7 strategies to uncover hidden opportunity, let's explore what we mean by consumer financial insights.

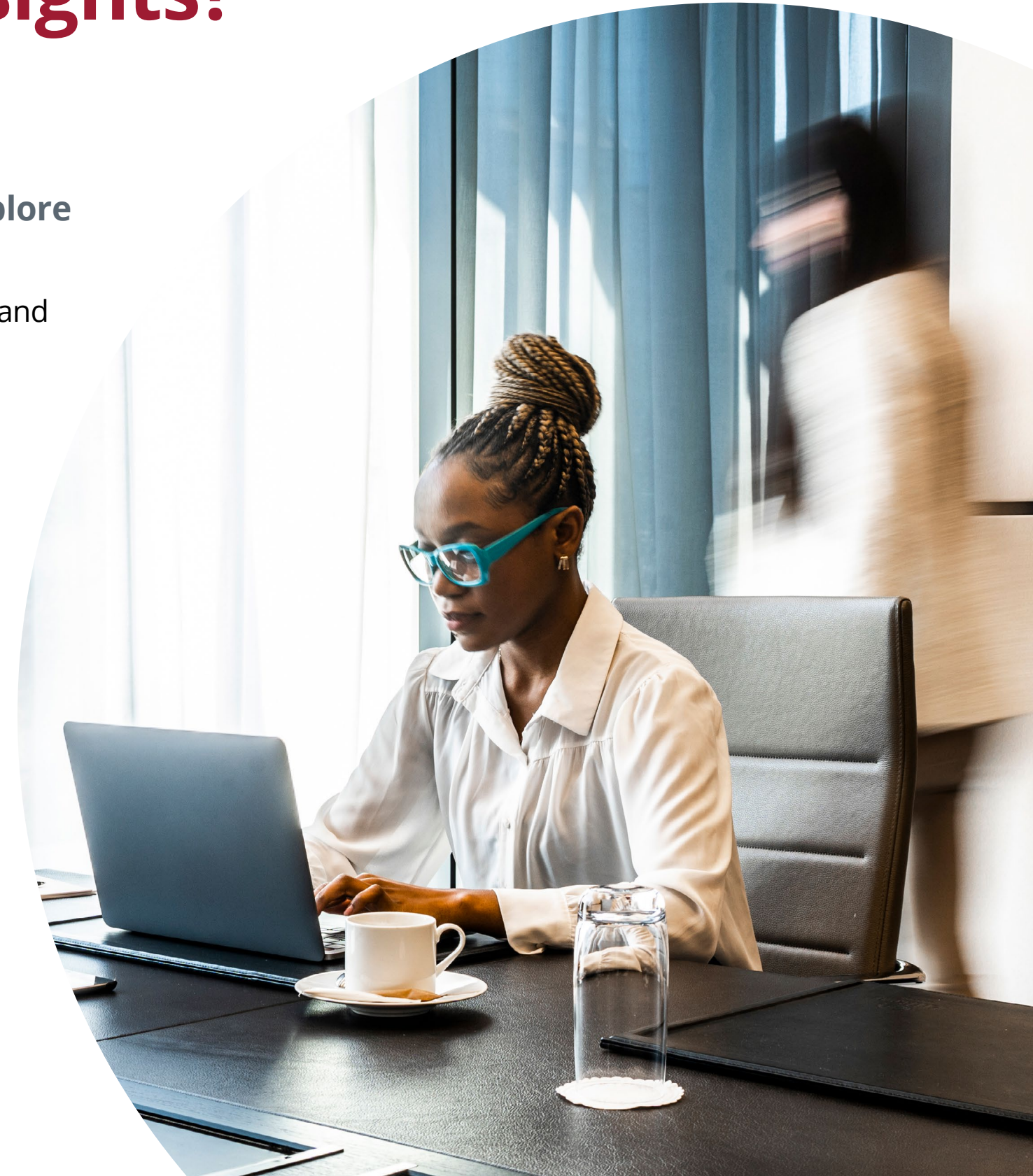
Consumer financial insights are the key ingredients that businesses need to better understand consumers' financial health and their ability to successfully manage their finances.

- Keep spending, even with rising prices
- Build wealth, even with rising expenses
- Meet financial commitments, even when under financial stress

With an advanced understanding of consumers' credit, wealth, income, and spending power, we can help you leverage consumer financial insights to uncover hidden opportunities across your business.

Apply consumer financial insights to identify hidden opportunity across the customer lifecycle:

- **Acquire new customers**
- **Deepen relationships with current customers**
- **Plan for future growth strategies**



1 Target affluent consumers for new investment and banking relationships

Whether you are seeking to grow your wealth management or deposit business, we can help you boost your prospect targeting efforts with a more complete view of consumers' asset potential.

Use our unique **asset insights*** — based on measured financial data — to identify, reach, and develop new profitable relationships with high-wealth consumers and those with specific product needs.

Find asset opportunity:

- **Target by assets:** Differentiate prospective households that are likely to hold significant **assets**
For example, target prospects that are likely to hold:
 - over \$1,000,000 in assets, or
 - over \$250,000 in deposits, or
 - over \$750,000 in investments
- **Target by growth in assets:** Reach households with high expected **growth in assets** in the next 3 years
- **Fuel digital asset-gathering campaigns:** Use asset-based **digital targeting segments** to reach likely high-asset online audiences



Bank identified over **\$5.6 billion in potential new assets** for its prospecting campaign by segmenting households by estimated deposit opportunity instead of using survey-based segmentation.**



*For IXI™ Network members only

**Results for scenarios may vary based on actual data and situation.

2 Go beyond credit scores to confidently expand your lending prospect audience

Traditional credit scores are just one piece of a consumer's financial picture. Plus, over 77 million consumers¹ have thin files or are unscored. However, many consumers have other financial characteristics that can be used to uncover additional creditworthy applicants for acquisition campaigns.

Explore fresh data and capabilities to boost your prescreen and ITA efforts:

Deepen your view of consumer finances to grow your target audience:

- Differentiate consumers before prescreen with insight on **likely credit needs** and **financial durability**
- Gain insight on everyday finances with **alternative data** such as **telecom, pay TV, and utility** payment history or **employment and income data**

Use updated scores:

- Explore optimized credit risk scores for **credit cards, personal loans,** or **insurance**
- Update your model with the most recent **consumer credit attributes**

Find likely borrowers:

- Market to households likely seeking short-term or specialty finance loans
- Target in-market credit seekers with **triggers,** propensity models, and **propensity scores**
- Promote refinance services by highlighting new payment amounts as part of your offer

Expand campaign reach:

- Deliver ITA and prescreen messages with **mobile,** social, **display,** and **email**
- Fuel online targeting with credit-based **digital targeting segments**



Did you know...?

18% of thin/invisible consumers could qualify for prime/near prime offers by using alternative data and NeuroDecision[®] AI-based technology.*

¹ Data and analytics from Equifax
* Equifax analysis

3 Focus prospecting on households that have the ability to spend

Spenders often need help managing their finances — and periods of economic volatility are the perfect time to promote your company's products and services to this group of consumers.

How can your company find spenders?

With financial insights, marketers and lenders can segment and target consumers by likely spending power or a combination of income, spending, and credit behaviors. Or you can profile your best customers to determine what ranges of these measures are prevalent, and then develop prospect target audiences using the same criteria.

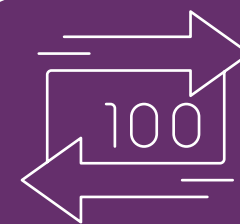
Sample spender segments that may hold new opportunities for your business:



Households with high
spending capacity
(e.g., \$75,000+)



Charge-it champs: Young
consumers with \$100K–\$200K
in income, and a high
number of cards that they
use frequently



Executive spenders:
Mid-career families with over
\$200K in income, with
over 60% used for
discretionary purposes

Marketers can make their list selections 'smarter' by reallocating spend — sometimes as much as **60-80%** — toward consumers that are likely to have the economic attributes to drive conversion.*

4 Uncover wealthy current customers to capture assets and grow wallet share

Many consumers have several financial relationships, allowing for significant assets to be held at other companies.

How can financial managers discover which of their current customers hold the most opportunity for asset capture or growth, even during an economic downturn?



Find hidden assets and grow share of wallet: Use **asset-based measures** to better segment current customers that hold high balances at other firms and thus offer the most potential for asset growth and LTV.

You know	We estimate	Your opportunity
\$100,000 at your firm	\$900,000 held at other firms*	Target for asset transfer



Target by growth in assets: Reach households with high expected **growth in assets** in the next 3 years.



Spot wealthy young customers: **Young affluent households** hold 20x higher assets as young non-affluent consumers.

Discover hidden opportunity:



A credit union analyzed its customers' likely total deposits to discover **\$14 billion in assets held at other firms** and expected to generate **\$70 million in new deposits** from targeted savings campaign.*

5 Deliver the right next investment, banking, or credit offer to deepen the relationship

You probably have a segment of customers that only use one of your products or that is striving to build better credit. But in a tough economy, consumers' financial needs and management strategies may change.

To help uncover new opportunities to expand relationships, financial marketers can leverage data that provides insight on customers' likely investments and deposits, as well as their credit needs, preferences, and goals.



Consider these strategies to boost your cross-sell and deepen customer engagement:

- **Gauge asset product preferences:** Explore **portfolio allocation** for investment and deposit products at your firm and other firms
- **Mix up your audience targeting:** Use consumer financial insights to gain a broader picture of financial needs
 - **Promote deposit products** to brokerage-customer base (and vice versa)
 - Promote credit services to deposit-only customers (and vice versa)
- **Empower point-of-sale representatives to make the right offer:** Deliver **pre-approved credit offers** to deposit customers at the point of sale — in person and via call centers
- **Enable consumers to reach their credit goals:** Provide **pathways** for consumers to better understand their credit, improve their credit over time, and gain the potential to qualify for more offers



One financial institution used consumer financial insights to segment customers for a growth campaign and achieved an over **100% lift** in deposit, investment, and loan balances.*

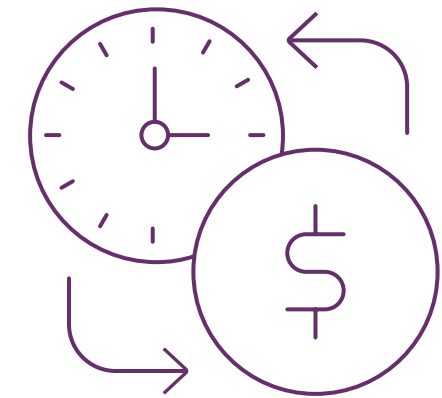
6 Segment lower risk lending customers with credit growth potential

Even in tough times, some customers present a low risk opportunity for lenders to offer additional credit products or services.

To help find these customers, lenders can incorporate data that sheds light on consumers' financial durability — namely, their financial resources and resilience to meet credit obligations, even when under financial stresses such as inflation.

Here's how to spot credit growth opportunities, without changing risk:

Start with...	Segment audiences by financial durability	Your opportunity to capture incremental credit
A segment of your current borrowers	Apply a financial durability measure before prescreen and as part of account reviews	Identify borrowers that are likely to be able to meet credit obligations and may be a good fit for: <ul style="list-style-type: none"> • Credit increase offer • Balance transfer offer • Debt consolidation offer



Consumers with very high financial durability scores are **5x less likely** to go 60+ days past due than those with low durability scores.*

* Equifax analysis

7 Identify audiences for top-tier treatment groups, service levels, and loyalty program benefits

Especially during tough times, customers may be more likely to grow their business with your firm when you show your appreciation and express that you value them as a client.

But which customers warrant the most attention?

Here are our recommendations:

- Segment households by likely financial capacity to better identify customers that offer the most growth potential
- Then, deliver premium service, automatic loyalty program membership, invitations to exclusive events, and top-tier offers — all opportunities to drive revenue and deepen customer relationships

Segment customers based on financial capacity measures:



Assets



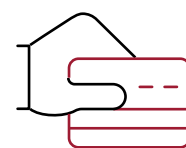
Income



Affluence



Spending power



Credit capacity



Financial durability

Bank generated \$700 million in new revenue by identifying and **reassigning** high asset customers to a premium service channel instead of relying on internal data*



*Results for scenarios may vary based on actual data and situation.



Focus on forward

In an uncertain economy, it can be hard to find your opportunities or know where hidden risks lie.

Equifax is here to help you move through changing and difficult dynamics. **Adapt with confidence and focus on moving forward.**

Visit equifax.com/focusonforward or contact your representative for more information.