



Building your portfolio requires a careful balance between managing risk and retaining profitable customers, all while maximizing your marketing investment. To acquire and retain the most valuable customers, it's critical that you have a clear picture of the total annual spend that they generate so that you can focus your dollars on better service, superior rewards and higher credit lines for the customers who are likely to use them.

With Experian TAPS<sup>SM</sup> (Experian Total Annual Plastic Spend) it's now possible to identify accounts that generate the most spend as well as discover areas of anticipated growth. You'll ensure retention of accounts with the greatest wallet share while also enhancing cross-sell efforts among customers with the potential for greater spend opportunities.

Experian TAPS can help you:

- Target higher-spending customers or prospects
- Prioritize your marketing investment
- Assign credit lines based on actual credit need
- Gain a sharper understanding of what drives spend
- Retain customers who contribute to your bottom line

#### Get information at the individual account level

As the industry's first commercially available spend algorithm built from Fair Credit Reporting Act – compliant credit data, Experian TAPS uses longitudinal credit data to estimate the past 12 months of spend on credit and charge cards and calculates spend separately on each tradeline. It then aggregates those tradelines to provide a snapshot view of an individual customer's annual spend.

The result is a comprehensive view of five types of data:

- **Total spend** — The sum of a consumer's total spend over the past 12 months for an individual
- **Pay rate** — The proportion of a consumer's average monthly balance that is spend

- **Client spend** — The total spend over the past 12 months for an individual on the client's tradelines only, aka "on us" spend
- **Other spend** — Total spend minus client spend, aka "off us" spend
- **Wallet share** — Experian TAPS also can calculate a lender's wallet share for each consumer through the use of Experian subcodes

#### Offer the right products to the right customers

The Dodd-Frank Act has greatly restricted lenders' ability to generate income from fees and Annual Percentage Rate changes. Consequently, generating interchange revenue is more important than ever for card issuers to offset their reduction in income. With Experian TAPS, you can target prescreened consumers who have a propensity to spend and therefore generate the highest interchange fees.

With this enhanced insight into consumers' spending habits, you'll also optimize your marketing dollars by offering enhanced value propositions to the right spending segments. For instance, you can offer customized reward programs to select customers who meet your annual spend requirements.

Moreover, Experian TAPS can help you retain your best customers. You'll identify areas where existing value propositions are not working, so you can react quickly to adjust your marketing strategies and meet profitable customers' needs.

#### Assign appropriate credit lines and prices

Risk alone is not enough to determine the appropriate credit line assignments. By combining risk prediction with Experian TAPS, issuers can identify customers who present not only low risk, but also the potential for greater annual spend. Therefore, you can maximize your profitability by offering larger lines to those customers who will use them.

In addition, Experian TAPS can help improve your risk-based pricing strategies by assigning the right price at the time of acquisition. You'll maximize revenue by assigning a lower price to customers who will generate more interchange income while assigning a higher price to customers who are likely to generate more fee- and interest-based income.

To find out more about Experian TAPS, contact your local Experian sales representative or call 1 888 414 1120.