



Rightsize your ROI with business credit prequalification and prescreen:

The right offer at the right time for ROI now



An Experian perspective

This e-book is designed to guide businesses through the intricate process of leveraging credit data for strategic customer targeting, offering a blend of foundational knowledge, practical strategies, and actionable insights for achieving growth and maximizing ROI.

Business credit precision targeting: elevating ROI with prequalification and prescreen

Business credit data plays a pivotal role in the strategic targeting of customers, particularly in the B2B (business to business) sector. Its critical role can be dissected into several key areas, demonstrating how it underpins targeted marketing strategies, risk management, and customer relationship enhancement. Business credit data allows firms to segment their market more effectively. By analyzing credit scores, financial stability, payment history, and industry-specific risks, companies can identify their ideal customer profiles. This segmentation enables the creation of tailored marketing campaigns that are more likely to resonate with the targeted audience. For example, a company offering high-value solutions can target businesses with strong credit histories, indicating both a potential need and the financial capacity to engage with the offer.

Strategically targeting customers isn't just about finding new leads; it's also about avoiding undue risk. Business credit data provides insight into the financial health and creditworthiness of potential clients. By prioritizing businesses with solid credit profiles, firms can reduce the risk of late payments or defaults. This risk mitigation is crucial in managing cash flow and ensuring the profitability of B2B transactions. Furthermore, it helps in customizing credit terms for different customers based on their risk profile, thereby protecting the firm's financial interests.

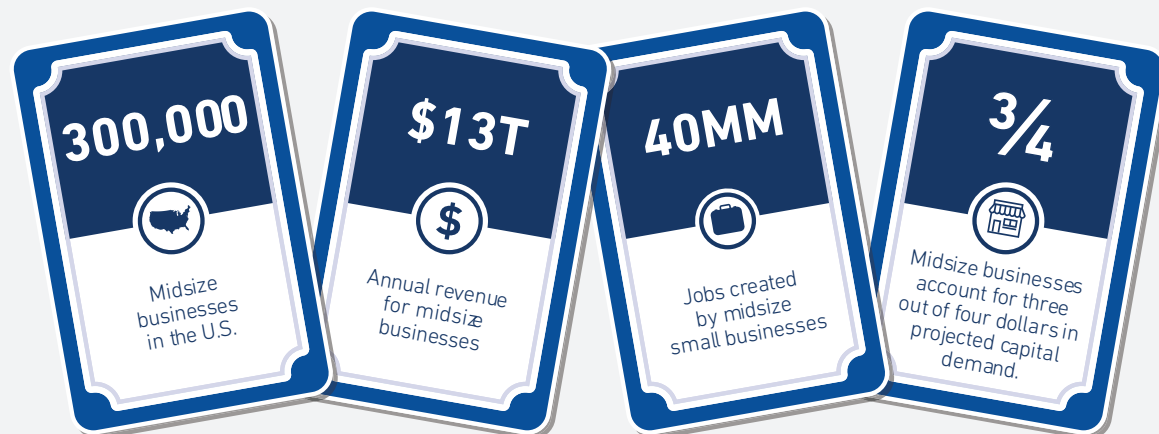
One of the most powerful applications of business credit data is in the customization of credit offers. Understanding a business's credit situation allows a firm to offer credit terms that are both attractive to the customer and aligned with the firm's risk management strategies. A business with a strong credit profile might be offered more favorable terms, encouraging them to take up the offer, while a business with a weaker profile might still be extended credit but on terms that mitigate potential risks for the provider.

Business credit data can be instrumental in optimizing lifetime customer value by identifying upselling or cross-selling opportunities with existing clients. By understanding the financial growth trajectory of existing customers, firms can offer additional products or services that align with the expanding customer needs. This strategic targeting not only increases revenue but also enhances customer satisfaction and loyalty by providing value-aligned solutions.

The insights derived from business credit data enable strategic decision-making. Firms can identify emerging market trends, assess the creditworthiness of sectors or geographic regions, and make informed decisions about where to focus their marketing efforts. This strategic approach to customer targeting can lead to higher conversion rates, improved ROI on marketing spend, and a stronger market position.

The strategic use of business credit data in customer targeting is multifaceted, touching on aspects of risk management, marketing efficiency, and customer relationship development. It enables firms to move beyond broad, generic marketing strategies to embrace a more nuanced, informed approach that aligns with both the firm's objectives and the customers' needs. In the rapidly evolving B2B landscape, leveraging business credit data for strategic customer targeting is not just an advantage but a necessity for sustained growth and competitiveness.

The current landscape of business formation and the opportunity it presents for B2B solutions.



Source: Next Street, The Middle Matters: Exploring the Diverse Middle Market Business Landscape, 2023

Midsize businesses represent a significant and influential segment of the economy. With 300,000 businesses in the U.S. falling into this category, generating an annual revenue of \$13 trillion and creating 40 million jobs, the economic footprint of midsize businesses is undeniable. These businesses account for three out of four dollars in projected capital demand, underscoring their pivotal role in economic growth and stability. Being accountable for three-quarters of the projected capital demand, midsize businesses are at the forefront of investment and expansion initiatives. This demand indicates their role in driving forward economic activity, whether through infrastructure development, technological advancements, or expanding workforce capabilities. Given their significant contributions and the projected growth, midsize businesses present a ripe opportunity for firms that offer B2B solutions. Midsize businesses are in a phase of their lifecycle where strategic investments in technology, services, and partnerships can catalyze further growth and efficiency improvements. Solutions that offer operational efficiencies, cost savings, or market expansion opportunities are particularly valuable to midsize businesses as they look to scale and compete in an increasingly global marketplace.

The financial needs of midsize businesses are complex and evolving. The statistics presented from Next Street's The Middle Matters Report underscore the need for personalized credit offers that cater to this segment's unique requirements. Firms that serve businesses can leverage this opportunity by curating tailored credit offers and offering value-added benefits to keep

B2B customers interacting with their brand. Understanding the growth trajectory and industry-specific challenges of midsize business customers allows for the creation of customized offers that are both attractive and beneficial, fostering long-term relationships and account growth.

Midsize businesses are often at the cusp of significant technological transformation due to their size being ideal in terms of scaling innovation. Investing in new technologies can streamline operations, open new markets, and create competitive advantages for these businesses. B2B tech solutions providers have a golden opportunity to support midsize businesses through this transition with products and services that drive efficiency, scalability, and innovation. Business credit prescreen and prequalification can help to reduce the risk associated with this opportunity to extend products and services to midsize businesses that are needing a catalyst for growth while maximizing ROI.

The potential for growth in midsize businesses is not only tied to their financial capabilities but also to their ability to form strategic partnerships that create lifetime customer value. Collaborations with larger corporations, technology providers, and international partners can open new avenues for expansion, diversification, and access to new markets. These partnerships can be mutually beneficial, with midsize businesses offering agility and innovation while gaining scale and reach.

Midsize businesses stand as a powerhouse in the economy, with their substantial contributions to revenue, employment, and capital demand highlighting the vast potential for growth and opportunity. For B2B service providers, financial institutions, and technology firms, understanding the unique needs and challenges of these businesses can unlock significant opportunities. By offering midsize businesses customized credit offers as the gateway to growth via access to business solutions, innovative products, and strategic partnerships, providers can tap into the business's lifetime customer value.

Defining prequalification versus prescreening: two separate paths for growth

Business credit prescreening and business credit prequalification are two distinct approaches used to identify potential customers for credit offers and to build customer relationships. Both methods are integral to the type of strategic customer outreach that leads to profitable growth but serve different purposes and offer unique benefits.

Business credit prescreening

Prescreening is a method used by firms to identify potential customers based on certain criteria before making a credit offer, leading to more effective targeting with credit-based decisions made on fresh data. Firms can use prescreening for better offer customization and credit decisioning flexibility to maximize their marketing campaign performance for customers who are closer to buying.

Strategic benefits of business credit prescreening:



Targeted marketing efforts: Prescreening allows firms to conduct outbound marketing efforts more effectively by **identifying businesses that are likely to be interested in and qualify for credit terms,** or products. This targeted approach can improve the efficiency of marketing ROI and reduce wasted resources.



Cross-sell and upsell opportunities: For existing customers, prescreen data can reveal opportunities for cross-selling and upselling additional services or products, enhancing customer value and deepening the relationship.



Positive brand experience: **By targeting businesses that meet specific credit criteria, firms can reduce the likelihood of rejection.** This helps in maintaining a positive brand experience and customer perception.



Better risk management: Prescreening helps manage risk by allowing firms to focus their efforts on businesses that are financially stable and less likely to default on credit obligations.



Did you know: Inbound marketing tactics versus outbound marketing tactics

Inbound marketing is how firms attract new customers to their brand via scaling their web presence with webpages that rank in search results for highly relevant content like blogs, e-books, news articles, press releases and more.

Outbound marketing is how firms approach their existing contacts who are closer to the buying stage within the customer lifecycle, with a targeted marketing activity, like personalized offers, to convert them into customers or build deeper relationships.

Business credit prequalification

Business credit prequalification is a process where businesses express interest in gaining access to credit, often through inbound marketing channels like a company website, and provide information to assess their creditworthiness. It gives potential customers an indication of whether they might qualify for credit, often without a hard credit check that would impact their credit score.

Strategic benefits of business credit prequalification:



Customer initiated activity: Prequalification is typically initiated by the customer, via an inbound marketing channel like a website, which points to a high level of brand engagement. The process is usually self-serve and respects the customer's interest and timing, potentially leading to stronger customer relationships with good brand experiences.



Real-time credit decisioning: Customers receive immediate feedback on their potential qualification for credit, as a credit decision is usually returned quickly with automated web-based credit applications via API, enhancing the customer experience with the brand and building trust.



Flexibility: There's no obligation to extend a firm offer of credit to every applicant, allowing businesses to be more flexible in their credit offerings based on the customer's qualifications.



Relationship building and lifetime customer value: Prequalification can be a first step in establishing a new customer relationship and the experience with a firm's website often foreshadows future customer experiences with a firm's brand. It offers a nonintrusive way to introduce potential customers to the company's offerings, laying the groundwork for future brand engagement via web or mobile experiences.

A comparison and contrast of prescreening versus prequalification

Offer initiation: Prescreening is more often associated with outbound marketing efforts and is initiated by the firm, while prequalification is usually a result of inbound marketing that elicited a response via a customer-initiated inquiry.

Customer experience: Prequalification provides an immediate, personalized interaction that can enhance customer experience and satisfaction, whereas prescreening targets a broader audience without immediate individual interaction.

Offer flexibility and reduced risk: Both methods offer flexibility in terms of credit offers, but prescreening focuses more on targeting based on existing criteria to manage risk, while prequalification assesses individual customer data in real-time, allowing for more personalized risk assessment.

More opportunities to build relationships: Prequalification is particularly effective at establishing new customer relationships through a direct, interactive process. In contrast, prescreening can strengthen existing relationships by identifying opportunities for additional offers that suit the customer's profile.

Both business credit prescreening and prequalification serve to improve the targeting of credit offers and enhance customer relationships, they do so in different ways. Prescreening is valuable for efficiently targeting and managing risk across a broader audience, whereas prequalification offers a personalized approach that can immediately engage customers and build new relationships.

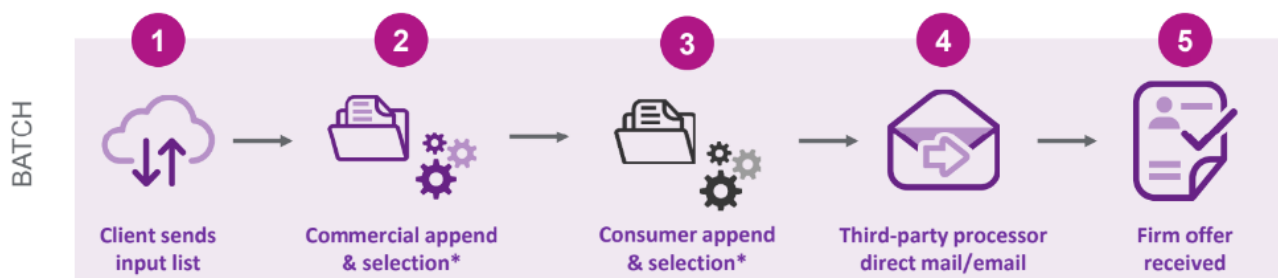
There are some legal nuances and operational flexibilities associated with prequalification and prescreening that should be vetted with the authorities holding jurisdiction within a given industry. Both business credit prescreening and prequalification typically do not require a firm offer of credit to the end customer unless business and consumer data is used to make the decision or form the offer.

Blended data: the catalyst to laser precise personal credit offers

The good news is that firms can now leverage business and consumer data for business credit prescreen and prequalification. This is a significant update for firms that are looking to serve the large population of newly formed businesses that has arisen post-pandemic. Also firms that have a large concentration of consumer customers and are looking to break into the B2B market can now use consumer to business linkages to offer business credit or business solutions to their existing customer base.

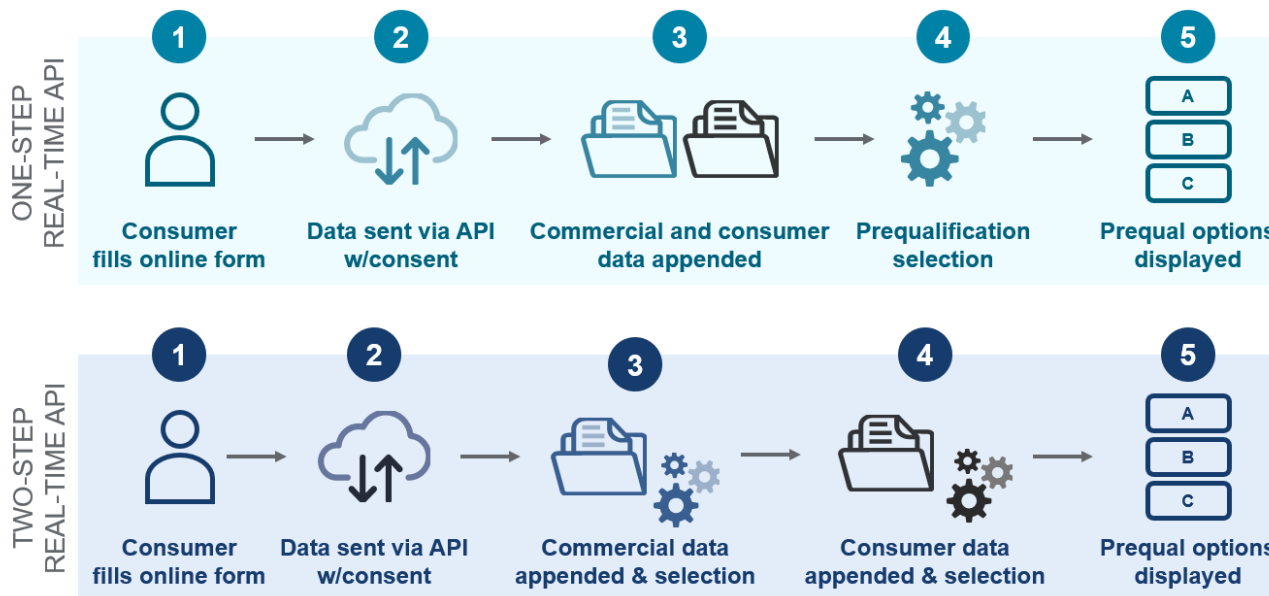
How blended prescreen works within a batch process

Premium Blended Prescreen™ is the only product that allows a firm to access consumer records prior to consumer consent with the only legally permissible purpose for use as an extension of a firm offer of credit



* Either the firm or Experian can execute the selection

How blended prequalification works within an API process





There is an art and science to creating personalized credit offers and delivering them to the right customer at the right time with laser-precise targeting. Creating maximum impact in this manner lies at the intersection of insightful data analysis to inform creative marketing strategies. Robust, blended consumer and business data can help firms in addressing the unique needs and circumstances of each potential customer. Business credit prescreening and prequalification tactics enable firms to finely tune their credit offers, enhancing customer experiences while minimizing rejection rates.

Firms can leverage Experian's comprehensive suite of commercial marketing solutions to identify new business opportunities within their existing customer base. By leveraging the right data to understand customer needs, firms can better engage and easily upsell existing customers.

[Discover the ways that Experian can help you](#) with blended data for custom prescreen or prequalification offers that can help you better engage and easily upsell your existing customers.

About Experian Business Information Services

Experian's Business Information Services is a leader in providing data and predictive insights to organizations, helping them mitigate risk and improve profitability. The company's business database provides comprehensive, third-party verified information on 99.9 percent of all U.S. companies, as well as on millions of companies worldwide. We provide market leading tools that assist clients of all sizes in making real-time decisions, processing new applications, managing customer relationships and collections on delinquent accounts.

For more than 125 years, Experian® Experian has used the power of data to help unlock opportunities for businesses and consumers. With 20,000 employees in 44 different countries, Experian proudly offers blended data assets, giving you access to hard-to-find small and micro businesses.

Funneling numerous data sources — including BizSourceSM, member trade, non-traditional and consumer — our breadth and depth of information helps you fine-tune marketing efforts, identify new profitable customers, assess risk, improve data modeling, and conduct market research to break into new market segments.

