

Case study: Hitachi Capital Consumer Finance

Experian helps Hitachi Capital to improve its customer management business processes



Client

Hitachi Capital Consumer Finance is one of the UK's leading finance providers, offering a comprehensive range of point of sale credit products on a range of goods and services from furniture to laser eye treatment. It is the chosen finance partner for many of the UK's most respected high street names.

Hitachi Capital

Challenge

Hitachi Capital recognised a requirement to improve their class leading, customer management business processes and to reduce its exposure to bad debt. In order to start facing these issues, the company needed more accessible, up-to-date information about its customers and their credit behaviour.

Solution

Hitachi Capital chose Experian to supply its Delphi for Customer Management (DCM) product. DCM analyses Hitachi Capital's customer records to identify patterns and insights to help improve all elements of the customer relationship process – from billing to marketing – in order to improve the profitability of each customer.

Results

Hitachi Capital Consumer Finance's credit team has used the resulting analysis to develop an improved collections scorecard. This means that Hitachi Capital can better prioritise customers in collections by their likelihood of repayment. Scorecard discrimination has increased by 33% as a result. The company is also using DCM to help identify unusual patterns of behaviour that may indicate fraudulent activity, in order to reduce risk as well as provide insights to support new product development. Fraud management capability has increased, with a number of exposures mitigated as a result.

The implementation has enabled Hitachi Capital to divide customers into sub-groups to better focus its marketing, by helping to identify customers with an acceptable risk profile who are most likely to respond to mailing campaigns. Response rates and applicant quality increased by 20% as a result.

Riverleen House
Electric Avenue
Nottingham
NG80 1RH
T 0115 941 0888
F 0115 992 2296
www.experian.co.uk

“Undoubtedly, Delphi for Customer Management is directly improving our bottom line. By helping us to fully realise the value of the information provided by our customers, we have achieved a return on our investment within 12 months. Tools such as DCM are critical for ensuring that we can continue to lend responsibly, to treat our customers fairly and to minimise our bad debt charge.

With a strong track record in helping lenders drive business value from customer information and a reputation for innovation, Experian was the natural partner for us.”

**Andrew Davies
Head of Risk Management
Hitachi Capital Consumer Finance**

For further information please contact us:

**T 0115 901 6016
F 0115 992 2296
consumerinformation@uk.experian.com**

© Experian 2008.

The word “EXPERIAN” and the graphical device are trade marks of Experian and/or its associated companies and may be registered in the EU, USA and other countries. The graphical device is a registered Community design in the EU.

All rights reserved.