



News release

Enhancing business using data, analytics and decisioning

New Expanded Experian Consumer Default Index (CDIx) Launched at DigiCADA Conference

Johannesburg, 08 September 2022 – Experian South Africa hosted its annual client conference in Johannesburg today which brought together experts and industry guests to discuss the latest credit trends and highlight how business and consumer behaviour has evolved since the onset of Covid. Attendees were given insights into how to achieve more in their businesses by improving decisions and strategies, reducing risk and fraud, and enhancing data, analytics, software, and technology.

“Accelerating the use of technology has prompted companies to adapt and transform the way they operate. After a year characterised by re-evaluating how we do business, now is the time for individuals, businesses and economies to build on the fundamentals and amplify their activities and successes through data and technology,” said Mark Wells, Chief Customer Officer at Experian Africa.

Enhancing Business through Digital Transformation

Jaco van Jaarsveldt, Head of Commercial Strategy & Innovation at Experian Africa, provided insights into what digital transformation looks like for Experian clients and how they have enhanced their businesses by using data, analytics and decisioning.

“Decisioning is entering a new era. With the rise of alternative data, there are more data sources available than ever before, with new analytical techniques creating opportunity to extract greater value from this data to deliver significant performance gains for businesses. Machine Learning is transforming the way analysts develop scores and strategies. There is a race to make better use of automation to drive faster, more accurate decisions,” said van Jaarsveldt.

“Businesses require software that is ready to support this rapidly changing environment. They need tools that drive more accurate decisions with incremental improvements that lead to better commercial performance. Every percentage improvement can make a difference. There are several marginal gains that businesses can implement to improve performance and get the most from their decisioning software.”

Similarly, ever-changing consumer needs require companies that engage with consumers to ensure that they provide true end-to-end digital journeys that deliver against these demands.

“True digital engagement journeys should provide a consumer a one-stop shop that addresses their needs and provides a hyper-personalised user experience that leverages consented data provided by them. Digital engagement journeys should bring together advanced technology, data, and analytics ecosystems into a singular user engagement that delivers quickly, efficiently and seamlessly,” adds van Jaarsveldt.

Consumer Behaviour has Evolved

The Experian CDiX report, which expands on the original CDI that provides a quarterly overview of the credit landscape in South Africa, gives an overview on the latest macro-economic trends that have a direct bearing on consumers; the market appetite for credit; the



qualification and take-up of new credit and the performance of credit consumers, i.e., arrears/defaults.

The cost of living has increased considerably in the aftermath of Covid lockdown restrictions. Consumers have seen a very steep consumer price inflation, prolonged increasing trend in fuel prices, an interest rate upcycle with significantly shorter periods between increases and the highest unemployment rate globally.

“This gives cause for concern as to the general cost of living of consumers in South Africa and their ability to qualify for and afford credit. Unsurprisingly, there is an increasing appetite for credit as consumers are under immense pressure to make ends meet. However, many lenders have opted for a more conservative approach to the approval of credit lending. This, coupled with the increasing rate of unemployment, has seen lowering acceptance rates by lenders – a trend that has continued after the pandemic,” said Ans Gerber, Head of Consumer Insights at Experian Africa.

Consumers are still in for a tough time with further increases in interest rates by the South African Reserve Bank likely. However, there is some relief with the recent decrease in fuel costs which have been putting significant pressures on the consumer – not only at the fuel pump, but also in terms of general living expenses. In this climate, we advise consumers to manage their budgets carefully and use credit responsibly.

With consumers under pressure, it’s important for businesses to leverage analytics and software to better understand their consumers so that they can lend responsibly to them.

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We have 20,600 people operating across 43 countries and every day we’re investing in new technologies, talented people, and innovation to help all our clients maximise every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.



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