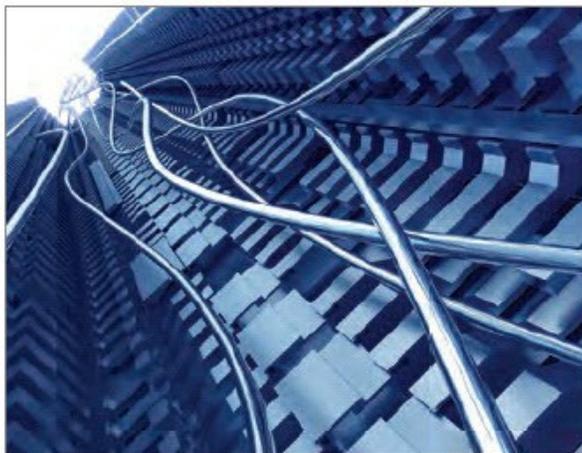


One of the Largest U.S. Cable Companies Cuts Bad Debt and Improves ROI with Neustar® Risk Management

The Challenge

U.S. Communications Service Providers (CSPs) are losing close to 13% of revenue annually, largely due to inadequate credit management and fraud detection. Such fraud losses from leaks represent a \$50 billion recovery opportunity. Identifying potential bad debt risks early in the customer acquisition cycle is critical to stopping the leaks. This is especially true for Multi System Cable Operators (MSOs) due to the heavy investments in customer premise equipment required for “triple-play” services combining TV programming, broadband, and voice services.

In 2009, one of the largest cable operators in the U.S., realized bad debt was on the rise just as they were launching a new voice service. Concerned the new product would reach the bad debt levels traditionally seen in the voice provider community, the Company was also watching the cost of the equipment used to deliver video services increase, and was experiencing higher than expected Cost of Goods Sold (COGS) due to subscriber losses. It needed a way to quickly identify potential and current “at risk” subscribers and reduce their exposure to additional bad debt.



The Solution

The large cable operator turned to Neustar, experts in solving complex communications problems. They decided to implement three components of Neustar's suite of Risk Management Services — the Aliasing Module, and the Fingerprinting and Rules Engines — to proactively reduce subscriber acquisition risks, thwart fraudulent activity, and deliver increased Return on Investment (ROI) across the board.

The Benefits

Thanks to the powerful analytics capabilities provided by Neustar's Risk Management Services, in the past year alone, the cable company has collected approximately \$7million in prior outstanding balances during the customer acquisition stage. And, the Company has been able to avoid additional bad debt accumulation in excess of \$14million due to the accelerated pace at which they can now identify and manage “at risk” accounts. Utilizing Neustar's RMS, the firm has also met a significant portion of their FTC Red Flag obligations — with minimal capital expense — by leveraging Neustar's Risk Management capabilities. Today, with the solution implemented nationally, the Company continues to experience triple digit return on investment (ROI) as they identify credit and fraud risks earlier in the subscriber lifecycle.

Challenge

- Quickly identify potential and current “at risk” subscribers
- Reduce exposure to bad debt

Neustar's Solution

- Aliasing Module
- Fingerprinting Engine
- Rules Engine

Results

- Enabled recovery of \$7 million in prior outstanding balances
- Identified additional potential bad debt risks, averting \$14 million in potential losses
- Implemented a critical component of the FTC's Red Flag Identity Theft Compliance

To find out more:

Visit us at www.Neustar.biz, or send an email to SolutionsTeam@Neustar.biz.

Neustar Risk Management Solutions

Neustar helps reduce acquisition costs, manage risk, and control fraud by enabling CSPs, like this large cable company to dynamically manage subscribers across their entire lifecycle.

Neustar RMS Components

Neustar offers a comprehensive set of risk management services, including:

Aliasing Module

Analyzes key descriptive attributes of new subscribers and lets operators know in an instant whether a potential customer has had prior experiences with identity theft, bad debt or fraud.

Risk Modeler

Authenticates subscribers via multi-dimensional attributes and determines the probability of future bad debt events.

Fingerprinting Engine

Correlates subscriber purchases to patterns of historical fraud cases.

Rules Engine

Flags definite patterns of high fraud probability and manages spending limits assigned at group or individual customer levels.

Profiler

Establishes a unique profile per subscriber and alerts when purchasing deviations occur.

“Neustar’s Risk Management Solutions not only help our company mitigate bad debt risk, they represent an integral component of our overall identity theft, fraud, and Federal Trade Commission (FTC) Red Flag Compliance Programs.”

–Senior Director of Corporate Security, Large U.S. Cable Company

Customer at a Glance

Company: One of the largest U.S. cable companies.

Headquarters: Eastern U.S.

Employees: Over 30,000+.

Customers: More than 10 million+ across 20+ states.

Mission: Connect people and businesses with information, entertainment and each other. Give customers control in ways that are simple and easy.

About: Provides video, high-speed data, and voice services and leverages its leadership in innovation and high quality customer care to deliver advanced products and services such as video on demand, high definition television, and digital video recorders.

About Neustar, Inc.

Neustar, Inc. (NYSE: NSR) solves complex communications challenges by providing market-leading, innovative solutions and directory services that enable trusted communication across networks, applications and enterprises around the world. Visit Neustar online at www.neustar.biz.

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