

Using real transaction data to transform customer strategy

Raj Pattni looks at how bespoke analysis of transaction data from Barclays debit and credit cards in the UK can help retailers face their unique challenges and discover opportunities

Data analysis is nothing new in retail. Information gathered at the point of sale and from market research surveys has long been used to improve the customer experience and inform marketing campaigns. But the quality and sophistication of this kind of data is variable and clearly has its limits.

Understanding your customer base

Most retailers will be familiar with the value of the personal information provided by online customers at the point of purchase such as name, address and email.

Combined with their sales data, online retailers can build decent profiles of their customers and target and tweak their offering accordingly.

In comparison, bricks-and-mortar stores may find it a bit more difficult to capture demographic data and gain a true picture of who their customers are.

Even online retailers are unlikely to know how their share of customers' spending compares with the industry – both online and in-store. And some multichannel retailers may not even know when their online customers are also purchasing from them in-store.

While market research can give some useful indicators of customer behaviour, survey samples are usually relatively small. And what people say they do and how they actually behave are often very different.

Depending on potentially unreliable survey findings when tackling major business challenges can mean an expensive leap of faith.

A clearer picture

Retailers of all types are often in the dark as to why they are gaining or losing customers.

Let's say one of your stores is suddenly doing well. Imagine having a picture of the spending patterns of your customers in that location to help create a strategy to sustain momentum.

On the other hand, if you know that a drop



in sales is due to customers spending more online, it can help inform a better marketing campaign to increase your retention rate or attract new shoppers.

If you're looking to expand or reduce your footprint, a picture of regional customer spending can help you decide where best to open new stores or identify the locations to scale down.

A fresh approach

Barclays' Market and Customer Insights service can help retailers to shape and transform their customer and location strategy.

We can provide insights from the transactions of 17 million UK customers across our debit cards and Barclaycard credit cards. We can match transactions down to postcodes across the UK.

This depth of data, combined with the expertise of our analytics team, can create impactful insights into how customers

interact with your brand and your share of spend.

Every business is different and faces its own challenges. We work with retailers to understand the unique questions they need to answer by utilising their sales data. We can then analyse aggregated data to provide bespoke insights including market trends, high-growth locations, your performance relative to the industry and in-depth customer profiles for specific locations.

Retailers can combine their existing data with ours to create a more accurate and timely picture of their customers.

Truly knowing your customers is critical to retail success. Our insights into changing customer behavior and their impact on actual spending can help retailers establish a unique competitive edge.

A word on data protection

Barclays takes customer confidentiality very seriously, which is why we only divulge aggregated transaction data and never provide information about individual customers and our competitor analysis is always anonymous.

Raj Pattni is head of insight platforms at Barclays.

Email: contact-MCI@barclays.com

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