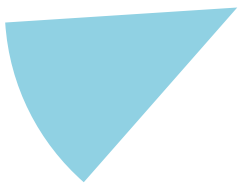# Boosting Performance Marketing with Transaction Data

Future Retail Series

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Helping people lead better financial lives

Summary

Marketers in the retail and food & hospitality sectors are under growing pressure to prove return on investment (ROI) on marketing spend. Against a backdrop of an ever-growing number of marketing channels, from email marketing to SEO marketing, social media to traditional print and broadcast channels, it is becoming increasingly challenging to attribute sales to individual marketing activities.
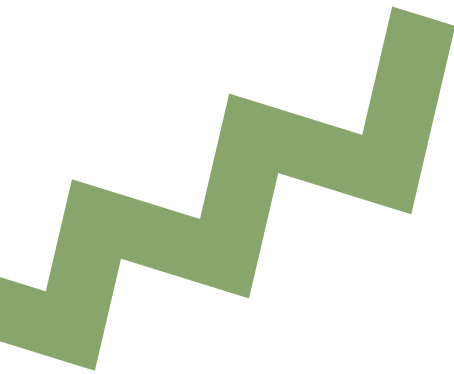
But with transaction data, collected - with consent - through consumers' actual spending activities, it becomes simple to prove which marketing activity is working and which isn't. It is possible once more to reach those hard-to-reach consumers. Transaction data reveals insights that can underpin data-driven performance marketing, providing provable ROI.

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The retail marketing challenge
– which marketing activities are working?

Did someone buy your product or visit your restaurant because they saw a post on Facebook or Instagram? Did they act on a special offer by email or did your SEO activity lead them to you? Or perhaps they saw an advert on TV? Or a combination of all of the above?

Marketers in online and bricks and mortar retail and food & hospitality sectors are struggling to answer these basic questions, determining to what degree expensive campaigns are effective.

When asked by Hubspot what were their greatest marketing challenges in 2018, 61% of marketers said 'generating leads', but second, at 39%, was proving the return on investment (ROI) of marketing activities[1]. Of course, not every marketing activity leads directly to a sale.

Social media marketing may be very effective as top-of-the funnel marketing, getting potential customers interested in the brand, while a Google Ad might lead directly to a sale.

As a result, there are a number of 'attribution models' available, all of which attempt to credit the consumer's ultimate purchase to the marketing activity that led to the sale, with the intention of providing a clear picture of the ROI of marketing activities. These attribution models range from 'first click' and 'last click' attribution, through to models such as 'position attribution' and 'linear attribution', which seek to assign credit for a sale across the different channels that ultimately led to the purchase. However, each one of these attribution models provides a very specific snapshot that does not take account of the complexity of real-world events. They are simply not robust enough to base a marketing spend on.

Looking beyond a one-off sale

Even supposing it is possible to link a specific piece of marketing with a sale, there are other equally important metrics that go beyond a successful one-off sale. Is the customer a new customer, with lots of potential sales ahead? Or is this an existing high-value customer who must be looked after? Is this a returning customer who has been spending money with your competitors?

Online marketers have been tapping into Google Analytics, which details the complex decision path followed by a consumer preceding a sale. Google Attribution integrates with Google Analytics, Google AdWords and DoubleClick Search to try to solve many of these issues, by mapping user touch points before the sale was made. However, one of the many limitations of this solution is that it only works with high numbers of click-throughs.

> ## "Half the money I spend on advertising is wasted; the trouble is I don't know which half. "
>
> John Wanamaker

The challenges facing marketers

At the same time, tech savvy consumers are leaving social media platforms (after the Cambridge Analytica data breach, 41% of millennials claimed to use Facebook less as a direct result)[2]. Many are also electing to ignore email marketing, with inboxes bombarded daily with irrelevant offers. People are getting tired of adverts following them around and are turning to ad blocking software. News stories about fake followers are impacting trust in social media platforms and their advertising metrics. Click- farms that artificially boost the status of a website, app, product or service have plagued social media, where likes and followers can be bought cheaply by businesses and individuals that want to appear to have more following than they really do.[3]. One report estimates that fake followers are costing advertisers $1.3bn this year[4].

In China, concerns about privacy are driving users to leave WeChat[5]. Meanwhile, Instagram is starting to lose its shine. Controversy over influencers blurring advertising lines and Facebook's questionable data deals that led to it being hit with a $5bn fine, has contributed to a shift from public social media platforms to closed channels. These conscious consumers are aware of the value of their data and are intentionally removing themselves from the marketer's radar. Marketing to these consumers through the usual digital routes is no longer an easy win[6].

The customer base is becoming increasingly difficult and expensive to reach. Bricks and mortar retailer marketers face the task of driving people to come and shop in-store, competing with online retailers, and using data to drive real-world sales. Applying attribution analytics to purchases made through multiple channels – apps, websites and in real life – is a real challenge. Traditional market research is costly and expensive analytics are soon obsolete.

Marketers urgently need a new and different approach.

The future of retail marketing

Transaction data, most often collected through consumers' payment cards, holds the key to successful data-driven marketing across all channels.

A person may 'like' a healthy smoothie on Facebook, while in real life they are ordering up a cheeseburger. Too often social media reflects the person we would like to be. Transaction data of what and where we are actually spending – in real time – reveals our true persona.

> **Facebook and Instagram have likes and hearts, but transaction data deals in cold hard facts**

In return for allowing access to their valuable transaction data, the consumer receives cashback and rewards that actually reflect their brand preferences. This is achieved through intelligent algorithms that, after being fed enough historical purchasing data, can provide statistically validated predictions of brand preferences and upcoming buying behaviour. The declining use of cash in a digitising world is also aiding the collection of valuable purchasing data. A win for marketers – but also customers who feel valued as they are offered discounts at their preferred shops and restaurants, while the amount of irrelevant and unwanted marketing decreases.
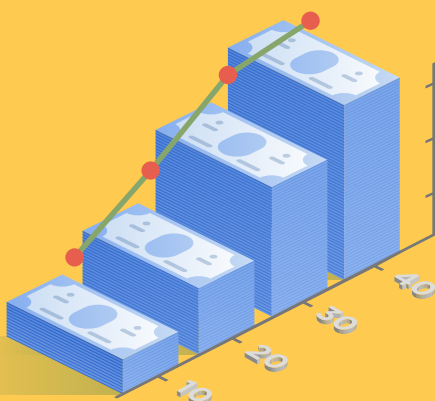
Through performance-driven marketing, marketers are able to reach difficult-to-reach personas through their payment cards, enabling true performance-driven marketing. Using transaction data, marketers can discover previously hidden potential in their customer base and attract new customers, realising growth potential.

The demand for a new data-driven marketing is especially high among businesses with physical stores. In recent years, online stores have been winning market share at the expense of bricks and mortar shops. One key factor has been that

> **In fact, only about one fifth of all sales are made online, yet all analytics efforts have gone into measuring this specific share of total sales.**

online businesses have been proactively data-driven, while physical stores have generally lagged behind, due to their limited capacity to collect real-time purchasing data. The full potential of transaction driven marketing will only be realised when marketers are measuring the performance of ongoing sales and campaigns, enabling bricks and mortar stores to drive their businesses forward through smarter decisions based on real-time data, just like online stores.

Not only do consumers want to buy products and follow trends, they also want to be able to express their individuality and personality. Transaction data will allow you to know who your customers are so you can personalise offers and communications. You will know when a marketing campaign is not working so that you can stop spending money on it and when to innovate to meet customer expectations for new products.

> In Nordic countries, e-commerce sales grew 11% year on year. In Sweden, e-commerce accounts for 9.8% of total retail sales[7]. Marketers are responding by reinventing instore retail, according to Deloitte [8].

The modern consumer is looking for meaning and value. They want to put their trust in a brand they can relate to, that shares their values and takes responsibility for the supply chain. There is a return to the idea of branding encompassing corporate values. Conscious consumers are driving the emergence of conscious retailers that have a positive effect on their supply chain. Transaction driven 'marketing for good' that taps into this desire is the most effective marketing of all.

A good example of this is Meniga's Rewards scheme, where consumers can elect to donate cashback to important environmental projects. To cut through the noise of advertising, successful campaigns need to build communities with shared values, while personalising communications to individuals. Transaction data-driven marketing helps marketers do this much more effectively, resulting in enhanced ROI.

Transaction data – the Meniga approach

Meniga offers two complementary platforms that help marketers use real-time transaction data to drive marketing performance. We analyse a vast amount of consumers' transaction data, always with their consent, containing valuable information including location, demographics, mobility, brand preferences and spending behaviour.

> **You pay for performance. We only charge on conversion – when a customer makes a purchase – so marketing based on guesswork is avoided and ROI is almost guaranteed.**

Armed with this detailed market intelligence, Meniga Consumer Analytics gives retail marketers a deep awareness of competitors' performance. Meniga Consumer Analytics allows you to benchmark against competitors to see where there is room for improvement in your performance, while Meniga Campaign Manager helps you manage marketing campaigns that are underpinned by consumer transaction data.

Meniga purchase-based analytics vs Traditional market survey:

Traditional market survey

- High cost, time consuming
- Based on intent
- Small sample size
- Based on biased answers (e.g. "I think I visited the store maybe two weeks ago?"), hence inaccurate data which leads to higher risk of mistakes when taking strategic decisions

Meniga purchase-based analytics:

- ✓ Cost efficient, automated (collected in real time)
- ✓ Based on actual purchases Massive sample size
- ✓ Enables an optimal use of marketing money over time since it leads to informed data-driven decisions
- ✓ Massive sample size

Meniga Consumer Analytics

Meniga Consumer Analytics provides the transactional data, insight and knowledge that gives you a clear picture of your customers – how they behave, where they shop or eat. A monthly report deep dives into consumer spending data by brand, also including all the competitor brands you choose. Due to the ever-growing sample size of Meniga users and as more banks join our network – we have so far collected more than 136 million card-transactions and are currently collecting on average two transactions every second – the resulting analysis is increasingly precise. The data is broad, based on a large number of customers, while enabling you to delve into individual consumer purchasing behaviour. Meniga Consumer Analytics reveals customer demographics, market share, average receipt amount, dates and times trades occurred, market reach, cross sales and market mobility.

Based on real-time, real-world transactional data, you will be able to see, with very little effort, where you stand in relation to competitors in

your market sector. The platform will highlight if you are underperforming against competitors and will also reveal whether customers are giving you repeat business or going to a competitor instead. You will be able to see if you are spending marketing money wisely, achieving high impact and seeing the expected ROI.

> Marketers can react and respond to this data by designing and tweaking campaigns to be more effective because they now have a much better understanding of their consumers.
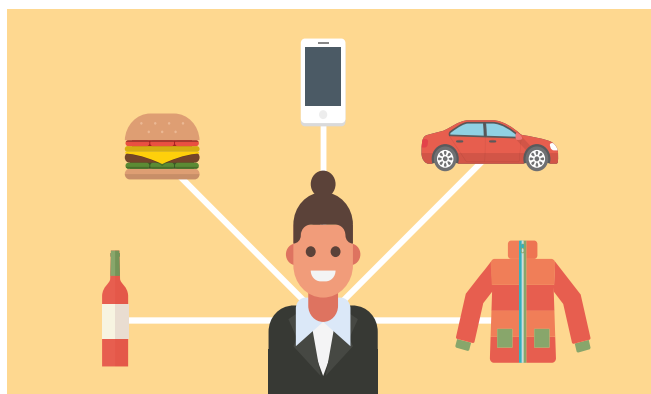
Meniga Consumer Analytics bridges the gap between online and offline data analytics and delivers immensely valuable information to retail marketers who have been taking decisions almost blindfolded due to the limited availability of relevant data.

How it works

Meniga's core business is founded on open banking. We work with banking and retailer partners to accumulate and consolidate a 360-degree view of consumers' transaction data – all with their permission, of course. We get explicit consent from every customer and transaction data enrolment is approved by partner banks' legal teams.

We then offer rewards and cashback based on consumers' day-to-day card transactions. By adding intelligence to the transactions, the consumer will receive highly targeted rewards matching their spending behaviour, including time and location of spend. By analysing transactions, we help businesses understand current performance and help benchmark against competitors to understand where there is room for improvement. We are continuously developing our rewards platform to help businesses reach out to new customers, increase visiting frequency or reward long-term loyalty.

Meniga Campaign Manager

Meniga Campaign Manager transforms insights from real-time customer transaction data into marketing action. It enables transaction data-driven performance marketing that helps close the marketing gap between where you are now and where you would like to be. Precise targeted campaigns help you reach the consumers you need to reach. Do you want to be better at customer retention? Do you want to achieve better sales figures than your nearest rivals? Do you want to reach more new customers? Transaction data, revealing where a consumer shops, how much they spend and how often they make a purchase, can inform proactive marketing that engages consumers with your brand.

Meniga Campaign Manager can support marketing on a campaign-by-campaign basis, offering cashback rewards reflecting the consumer's actual spend. Precise, targeted marketing will help win back previous customers and attract new ones.

> You only pay us when the customer makes a purchase, unlike pay per click models.

The two Meniga platforms work best together – data provided by Meniga Consumer Analytics feeds Meniga Campaign Manager, enabling data-driven marketing activities that grow the business. Meniga Consumer Analytics and Meniga Campaign Manager are also available separately. Marketers can subscribe to Meniga Consumer Analytics, receiving a monthly data report with insights that can help drive more effective marketing. Meniga Campaign Manager is also available standalone to support campaign management and measurably increases loyalty and engagement. Meniga offers tailored support to help you leverage insights from Meniga Consumer Analytics and get the best from Meniga Campaign Manager.

Finding a path out of the marketing metrics jungle

A new paradigm is emerging in marketing, enabling retailers to connect with customers on a personal level, bypassing expensive media advertising. Transaction data-based performance marketing gives marketers clarity about what is working and what is not. By connecting with hard-to-reach customers who really care about products and services they choose, through 'marketing for good', marketers can help consumers feel better about their consumption and win loyal customers.

There is no requirement for an expensive technology refresh. It is easy to start small and at a low cost, and see if you get traction with an individual marketing campaign before scaling up. Doing nothing is not an option. Transaction data is the only data that enables a true understanding of a consumer and a market. It shows actual preferences and consumption patterns, not just buying intentions.

Transaction data based marketing offers a path out of the confusing jungle of metrics and ROI is clear.

For more information visit www.meniga.com

or book a meeting today by emailing rewards.sales@meniga.com.

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Meniga is helping leading banks worldwide build meaningful customer engagement and develop new revenue streams.

Meniga is a global leader in white-label digital banking solutions. Its award-winning products enable the world's largest financial institutions, such as Unicredit, Santander, Swedbank, BPCE, Commerzbank, Intesa, UOB and ING Direct to personalise and dramatically improve their online and mobile digital environment, enriching the user experience of over 65 million digital banking users across 30 countries. Meniga has developed a framework for next-generation digital banking around advanced data consolidation and enrichment, meaningful customer engagement and new revenue opportunities.

In January 2019, Wrapp Operations AB announced that it had been acquired by Meniga ltd, in a merging of business operations, to offer a new unified product for performance marketing solutions, Meniga Rewards.

With Meniga effectively acquiring Wrapp's assets, people and customer contracts the merged businesses will operate solely under the Meniga brand from September 2019. With Wrapp and Meniga merging their respective technology and teams into one streamlined solution under the Meniga banner, the objective is to create one all-encompassing transaction-driven rewards platform that will feed on the banks' transaction data.

Meniga sits at the center of an ecosystem that involves banks, merchants and consumers. Through the Meniga Rewards app for consumers and its Performance Marketing tools for retailers, Meniga adds value to the chain by helping each actor maximise the benefits from their transactions. Consumers find a way to monetize their transaction data, retailers gain a new channel to engage and reward their customers and banks stay relevant by supporting the exchange of value.

Meniga's offices are in London, Reykjavik, Stockholm, Helsinki, Warsaw and Barcelona.

Meniga was awarded "Best of Show" at Finovate Europe in 2011, 2013, 2015 and 2018, "Best Company" at European Fintech Awards 2017 and was featured on Fintech50 in 2014, 2016 and 2017.

Meniga was founded in 2009 and is headquartered in London, UK.

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