Analyzing Consumer Data for Insights and Trends

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Acknowledging the New World Reality
We are in a more challenging time for acquisition and loyalty marketing

- Fewer resources to drive higher returns
  - Proliferation of noise at consumer level

- More choices and channels than ever
  - More devices (research and buying)
  - New global options
  - More retail options
  - More ways to access (social, etc.)
Demographics are Dead
Insights from near real-time purchasing data are changing the face of marketing

A rich source of consumer insight...

<table>
<thead>
<tr>
<th>Reference Number</th>
<th>Sort</th>
<th>Period</th>
<th>Activity Since Last Statement</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>45210387</td>
<td>01-03</td>
<td>01-13</td>
<td>Health Store X</td>
<td>$37.50</td>
</tr>
<tr>
<td>01234997</td>
<td>01-12</td>
<td>01-13</td>
<td>Music Store A</td>
<td>$210.30</td>
</tr>
<tr>
<td>75667234</td>
<td>01-14</td>
<td>01-17</td>
<td>Insurance Company 7</td>
<td>$321.76</td>
</tr>
<tr>
<td>46578091</td>
<td>01-14</td>
<td>01-17</td>
<td>Public Radio Station 5</td>
<td>$46.57</td>
</tr>
<tr>
<td>3210987</td>
<td>01-23</td>
<td>01-23</td>
<td>Electronics Store Y</td>
<td>$12.30</td>
</tr>
<tr>
<td>76543215</td>
<td>01-29</td>
<td>01-30</td>
<td>Bookstore C</td>
<td>$34.97</td>
</tr>
<tr>
<td>23456798</td>
<td>01-30</td>
<td>01-30</td>
<td>Restaurant B</td>
<td>$112.85</td>
</tr>
</tbody>
</table>

Rate Summary

<table>
<thead>
<tr>
<th>Finance Charge Summary</th>
<th>Purchases</th>
<th>Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodic Rate</td>
<td>20.45%</td>
<td>20.45%</td>
</tr>
<tr>
<td>Annual Percentage Rate</td>
<td>19.90%</td>
<td>19.90%</td>
</tr>
</tbody>
</table>

For account information and customer service, please call 1-800-555-5555

For transactions and/or balances due, call (800) 622-8508

On Air listener

Public radio listener

Computer equipment

Children in school

Love dining out and good wine

Health conscious

Musician

Pet insurance
Data Isn’t Enough
Consumer and market insights come from much more…

Warehoused transaction data
- Meticulous data aggregation and cleansing for unparalleled accuracy
- 1.7 petabytes, with 5+ year historic global view
- Rapid retrieval plus above-and-beyond privacy protection and security

Massive and multi-sourced
- 1.8 billion cards
- 160 million transactions/hour
- 32+ million merchants
- 22,000 issuers

Analytics on longitudinal data structures into actionable insights
- Behavioral variables
- Models, scores, forecasting
- Econometrics
Data to Insight
Purchase Sequence Analytics

Key Points
• Purchase sequence information by merchant industry category, channel, geography, day part, season, and merchant calendar

Potential Benefits
• Relevant offers and cross-sell opportunities based on purchase sequences

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Data to Insight
Acquisition Intelligence

Key Points

- Ability to pin-point sales origin and determine trade area

Potential Benefits

- Measure changes in spend behavior, for example, in response to store format changes or competitive landscape effects

Identify areas of opportunity to reach category shoppers by...

Understanding Share of Spend, Visits or potential of Category Spend by competitors in underserved markets

Understanding hotspots of account activity in a particular postal area
Data to Insight
Customer Loyalty Analytics

Key Points
- Understand customer segment spending with merchant vs. customer segment spending in the merchant’s industry category

Potential Benefits
- Assess changes in customer loyalty over time. Evaluate program impacts on loyalty

Loyalty Segmentation

<table>
<thead>
<tr>
<th>Category Spend</th>
<th>Hi</th>
<th>Lo</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Merchant Loyalty</td>
<td>B</td>
<td>D</td>
</tr>
<tr>
<td>Low Merchant Loyalty</td>
<td>A</td>
<td>C</td>
</tr>
</tbody>
</table>

Migrate
Retain
Build Basket
Data to Insight
Spend Density Analytics

Key Points
• Understand concentration of spending across target geographic areas – at a macro level or by category

Potential Benefits
• Identify key ZIP Codes for new store locations, promotions or targeted marketing

Sorted by Total Spend

Columbus Circle (#1) 4.8%
Madison & Fifth avenue (#3) 3.2%
Herald Square (#2) 3.5%
Time Square (#4) 2.9%
JFK (#5) 2.8%
Data to Insight
Affluent Spending Opportunity

Selected Merchants = Discretionary

Gasoline
Grocery Stores
Apparel
Department Stores
Home Improvement
Consumer Electronics
Cruise Lines
Jewelry

Entire Category = Discretionary

Selected Merchants = Discretionary

NON-DISCRETIONARY
MIXED
DISCRETIONARY
Data in Action
Identifying Discretionary Spend

Spend per Account: Discretionary vs Non-Discretionary (USA)