

Byline by Banyan CMO Bart Sichel, on how retailers can monetize their data assets, published by Retail Touchpoints

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It's time to empower consumers with access to their receipts whenever and wherever they choose."

Bart Sichel, Banyan CMO

As seen here:

<https://www.retailtouchpoints.com/topics/data-analytics/monetizing-data-assets-is-the-lifeline-retailers-need-to-restore-growth>

Monetizing Data Assets is the Lifeline Retailers Need to Restore Growth

By Bart Sichel, CMO, Banyan

These past years have seen an unprecedented number of retail store closures as retailers face mounting pressure from online competition, changing weather patterns, crazy supply chain disruptions, global frictions on trade, and now the uncertainty of long-lasting COVID-related shopping behaviors, shortages and restrictions. And since retail is a relatively low-margin business to begin with, there is little wiggle room for the financial impact of these disruptions. So how can retailers fend off this mounting list of challenges and restore growth? The answer lies in finding new sources of operating margin relief.

Most retailers already tapped the traditional path of cutting costs and streamlining operations. The difference for many retailers between having to throw in the towel and reigniting growth is finding an additional class of assets to monetize to create new revenue streams. Because retail is such a leveraged business, even small increases in margins can make a significant impact.

While there are various assets retailers can monetize (including real estate and inventory), the most talked-about but under-tapped is data. In fact, most retailers are sitting on a mountain of data, but because of concerns over competition, privacy and the lack of a clear market, only small pockets of retail data have been converted into cash flow.

With the increasing availability of cloud data, new markets and new players in this space, now is an ideal time for retailers to take stock of their data assets and create new cash flows that can sustain — and even ignite — growth in their business. This data monetization can be that lifeline retailers need right now.

While this is not a new concept — because data is already monetized in some industries — it has been very difficult to capture value from retail data. As a result, marketing and operations teams are often paralyzed by the amount of data and the difficulty of matching data to the retailer's objectives.

For example, grocery stores are currently monetizing data through syndicated partners such as IRI and Nielsen, and this has worked well for many years. However, that strategy only covers one category within retail and only uses aggregated data.

So what about first-party consumer data? Who is helping consumers access and use their own data? And who is making sure their privacy is protected along the way? Therein lies the untapped opportunity.

Consumers Want Control of Their Data

Consumers are seeking access, privacy and control over their data. In addition, they are becoming less tolerant of others using personal data for marketing. In fact, a 2020 Statista survey found that 38% of consumers surveyed said they would share their spending and behavioral data with a company only if it improved their experience. However, 30% said they did not want to share more data than they already are sharing, and 16% said they wanted to share less data.

However, the more of their own behavioral data that consumers can access, the more interested they are in understanding how that data can be applied to improve their finances and other aspects of their lives. Consumers are comfortable with data if they have access and if it proves its value.

The Value in Receipt Data

The way to meet consumer demand and create value through merchants is by leveraging receipt data. Historically, paper receipts were handed to a consumer, who either saved the receipt in their wallet until it was unreadable or tossed it into the wastebbin on their way out the door. But digital receipts that offer SKU-level receipt data can bring much value to merchants and offer consumers a detailed overview of their spending and habits. A digital receipt differs from the e-receipt programs in that the receipt is automatically available to the consumer without needing to opt-in at POS with their email. And retailers get paid for letting the consumer access their receipts.

From the consumer perspective, consider the experience of logging into a bank account or credit

card portal. Consumers often see a high-level pie chart illustrating the categories in which purchases were made and a view of their overall spending. However, these are large bucket categories that only offer a snapshot of spending patterns. Banks that don't use digital receipt data can only offer a transaction-level view. For example, they know someone shopped at the grocery store, but not which items they purchased. They also know someone went to a discount club store, but they can't tell if they bought clothing or auto supplies.

So what if a consumer could see category spending and then view specific product purchase information within each category? Or what if they could see a transaction on their statement and expand the view to see which items were included in the transaction?

This data can help consumers avoid chargeback disputes and what the industry refers to as "friendly fraud." This could also lead the consumer to more informed spending and making better financial decisions. And one more scenario to consider. What happens when a consumer purchases a product that is later recalled? That data is not always readily available to consumers and it leaves them thinking, "Did I buy that recalled branded bagged salad? Should I throw this out? Will this make me sick?"

Merchants are often not directly responsible for contacting customers in case of a recall, but manufacturers are accountable. However, manufacturers cannot always obtain the level of data needed to notify consumers in a timely manner. This is not just about convenience — it's about protecting the health and safety of consumers.

In general, banks and consumer apps are increasingly interested in using digital receipts and leveraging the data from those receipts to enhance the customer experience, but they don't always know how to do it.

How to Get That Lifeline and Monetize Data

So how can merchants get started and monetize data to create a much-needed lifeline and, as a byproduct, improve the customer experience? Here are a few tips:

- **Build a transaction profile:** Build a multi-year view of how many transactions by tender type flow through your POS. This data will be the easiest to monetize, because receipt data does not contain PII, and it has a low IT burden because it can be transmitted through T-logs.
- **Take stock of other data assets:** Document what data currently exists and the associated permissions. Ensure the data was collected through a compliant process, and mine it as well as you can to identify the types of data and how complete the sets are in each segment.
- **Review methods for monetization:** There is more than one way to monetize data; using SKU-level data is just one option. Based on a company's goals and ability to collect and use data, determine which monetization methods create the best results.

- Lean into customer preferences for data access: Ask customers what they want. Do they want more data? Are they asking for digital receipts? How will they access it — and do they understand the benefits? Can their bank offer them access today? Ultimately, the quality of the data will depend on consumers asking their banks to provide it, so clearly communicating the benefits and aligning with customer wants and needs will be the best fuel for a successful monetization strategy

It's time to empower consumers with access to their receipts whenever and wherever they choose. And it's time to slow the rate of store closures and get retailers back into growth mode by creating new data and receipt-driven revenue streams that will fill the P&L gaps that so many retailers are facing. Digital receipts and the resulting data are ways to get there.

Bart Sichel is Chief Marketing Officer at Banyan, a fast-growing financial technology company dedicated to helping retailers monetize receipt data and consumers to access that data from the banks and apps that they choose. Sichel is a retail industry veteran, former CMO of a Fortune 500 retailer and a former McKinsey partner.

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