

Big Data for Small Business

How AIB Merchant Services helps the high street

by Orla Bowers

Change is inevitable, and a major part of business success lies in the ability to be adaptable and flexible, whether that relates to new technologies, evolving customer expectations, altered supply chains or regulatory changes. The last two years have presented a radical shift in many areas of business, driven by an inescapable need to adapt quickly to unexpected circumstances and, ultimately, ensure survival.

Despite this, there is much to be said for the positive technological advances that were accelerated in the last two years, particularly in the context of facilitating the movement of money into your business. From innovations in big data, driving cashflow, enabling omni-channel commerce and preventing fraud, these developments offer great potential to boost business growth and aid recovery in the coming months and years.

As CPA members, you have experienced these developments every day with your own business, whether it be in practice or industry, and in the businesses of the clients that you serve. Shepherding firms through these changes is no mean feat and having useful tools and services at your disposal can only aid in this transition. Businesses in the bricks and mortar sector can really benefit from these types of tools.

Unlocking Hidden Value

One great strength that a business can have is a deep and thorough understanding of its customers, and its competitive landscape. As trusted business advisors, you know this can help your clients make important decisions; how their business can expand, where to best to spend on marketing investment and how to grow loyalty amongst those who shop regularly with them. While getting this information can be time-consuming, maintaining it is an even greater challenge, never mind having

to crunch data and glean insights from it. Businesses that trade online can use analytic tools to gather these insights, but it is not a straightforward process for those who operate 'bricks and mortar' businesses. However, there are solutions available that will enable you and your clients to access this information and unlock its hidden value.

Main Street Insights is an online tool from AIB Merchant Services designed to help you to understand more about your customers and competitors, providing local analysis that is not otherwise easily available to you. Derived from card data, and using your precise business location, Main Street Insights provides anonymised approximations for where customers live and spend, how far they travel to your store and how often. It indicates customer demographic information in relation to spend trends, such as the age and gender of customers who spent the most in your store during a specific period. And with historic data available from our own anonymised customer base, you can draw comparisons against previous trading periods for transaction volumes, average spend and total revenue. What's more, there is also the ability to compare your business against groups of similar businesses, by analysing your store in relation to those in the same industry and vicinity and understanding how you fare against them. Data is aggregated and no individual customer or individual business can be identified when using the tool.

So, what can you do with all of this data?

With social media acting as the primary marketing tool for many small businesses, Main Street Insights can help you ensure that you get the maximum return on ad spend by helping you narrow down your target audience precisely by age, gender and location.

With approximate information on where customers live, you can determine where the best places are to do leaflet drops – either by seeing where your existing customers live, or by seeing where you have an opportunity to find new customers.

Multi-outlet chains can benefit from using the tool to get on-the-ground information about individual stores and use this information to plan and chart marketing activity across the chain.

Comparisons against similar businesses help you to gauge where you stand against the competition in relation to transaction volumes, average spend and total card revenues. For example, you can see if your competitors are generating more revenue per customer and understand if that occurs more prevalently at certain times of the week, month or year. This may, in turn, help you to re-assess your pricing models or the product combinations on offer.

Because Main Street Insights gives you a constantly evolving view of new and returning customers and using average customer spend, you can easily assess the effectiveness of any marketing campaigns, promotions, or product line changes.

For existing customers of AIB Merchant Services, the two-year view of data provides an illustration of business pre- and post-pandemic and can help chart the course to recovery.

And with historic data available to view, you can use Main Street Insights to inform strategic business decisions such as expansion, and investment.

Main Street Insights is a web-based platform that is accessible from any browser, and available on desktop, tablet and mobile. The data is collated for you and presented clearly, so there is no need for experience in report

building or data analysis. Main Street Insights is available free of charge to all AIB Merchant Services customers in the Republic of Ireland.

The power of Omni Channel

As a concept, Omni Channel means connecting your in-store and online purchasing experiences together, fusing all the relevant digital touchpoints and synchronising data in such a way that provides a fluid experience for your customers. For many years, the concept was reserved primarily for large retailers, but in recent times has expanded to many sectors and business sizes, from butchers to café's, hairdressers to hardware stores.

The tumult of the pandemic caused many businesses with physical stores who had previously not ventured online to do so at pace. For many, this was out of necessity to ensure continuity of trading and in some cases, not borne of a broader omni-channel strategy, but rather to ensure that they could still drive purchasing decisions from consumers at a distance.

And while businesses adapted to this dynamic, as did consumers, who suddenly had a strong need to purchase from a distance and became acquainted with the different ways of doing so. In addition to that, the toolset available to small and medium sized businesses to quickly stand-up their distance-selling models was readily available. The result: a significant and rapid rise in distance selling by businesses who had traditionally been "bricks and mortar" only.

So, as the dust settles on the pandemic and as businesses emerge from the chaos, much can be said for the agility displayed in creating new sales channels. And this accelerated move online has provided businesses with good opportunity to expand on what they've built to connect the different aspects of their ecosystem together.

An omni-channel solution promotes higher customer conversion, because you make it easier for customers to do business with you. But it also helps to manage seasonal trading peaks, by allowing customers to make use of online channels to pre-order products

for in-store collection and making it easier for you to handle demand.

So where do payments come in? When you advertise your products and services online, via social media or in store, the payment method available at the point of advertising is what converts demand to trade. It is the catalyst that turns a prospect to a customer.

Therefore, having a diverse range of payment methods available to fit each scenario will drive greater customer conversion. Having payments integrated to your website is key, as is ensuring that customers can pay using accustomed digital wallets like Apple Pay and Google Pay. If your business has a mobile app, making it simple for customers to pay from within, and allowing returning customers to save their details for

future payment helps reduce friction and increase the likelihood of that customer buying from you again. When a customer calls you to order something by phone, the ability to send a secure payment link by SMS or email is also a powerful way of ensuring that you never miss a sale.

When it comes to in-store payments, you should enable a customer to purchase an item in store for home delivery. All of these payment mechanisms are there to ensure that you have the best possible chance of converting every sale. AIB Merchant Services offers solutions to cater for every payment need, with Authipay Gateway, the Clover suite of POS solutions and PaybyLink.



The movement of money

The movement of money is central to the success of all businesses. Making it simple and convenient for customers to pay you remains a crucial part of how a business is set up to succeed. Having a diverse range of payment methods available for customers to utilise is important in increasing chances of conversion, and a crucial step thereafter is in ensuring that cashflow is optimised to maximise availability of funds.

The speed and traceability of funds settlement is imperative. With traditional acquirers like AIB Merchant Services, funds are settled in full to your bank account next business day, making 100% of your takings available without unnecessary delay.

Advancements in fraud management

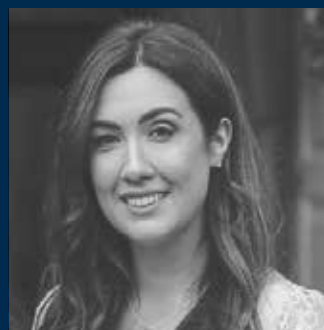
Card-related fraud has long been a challenge for businesses, particularly for online payments. And with many businesses transitioning to trade online for the first time during the pandemic, there was potential for greater exploitation by fraudsters, with the net result being costly chargebacks and fraud events.

The Second Payment Services Directive (PSD2) which came into effect on 31st December 2020 forced the implementation of Secure Customer Authentication (SCA) for every card payment, aimed at increasing the security of electronic payment services in the EU and the UK. In simple terms,

Secure Customer Authentication means that transactions must be authenticated by at least two out of three possible forms of identification.

And while there may be apprehension amongst some businesses over the potential impact to sales conversion, the fraud prevention benefits are tangible. Plus, as consumers become acquainted with the new normal in paying for goods and services online, the presence of Strong Customer Authentication will give consumers greater confidence to shop online. You can find out more about how to prevent fraud at <https://www.aibms.com/help/chargebacks-fraud/dealing-with-suspected-fraud>.

We live in the age of data, and as outlined above, using that data effectively can help drive business to new levels of growth and success. The pace of change is faster than ever and the challenge for you as accountants is to keep abreast of these developments and ensure you and your clients are enabled by and protected from these currents of change. We know promoting digitilisation and maximising the tools available is very much at the forefront of CPA Ireland's agenda and AIB Merchant Services are here to support this endeavour. You and your clients have a variety of solutions that are only a click or phone call away. Some businesses will need more encouragement than others to go down the route of increased digitisation, but wherever they are at on that journey, now is the time to act. There is a world of opportunity waiting to be unlocked, and as CPA members working in practice and industry, you hold the keys to unlocking that potential for those who trust you to guide their businesses.



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