

# 5 questions about payment card analytics

Using analytics is critical for effective, efficient card portfolio management and profitability. The performance differences between card portfolios supported with data analytics and those that are not are measurable and significant. The data gained enables institutions to use historical data to segment cardholders, view trends, and extrapolate needs. It informs strategic decision-making.

While most institutions agree that good data and analytics are important, they often face obstacles when trying to access and use the information they need.

We encourage you to look at your current payment card analytics and ask these five questions. The answers will help determine if you have the data tools you need to maximize the value of your portfolios.

## 1. do you fully understand cardholder behavior so you can design effective promotions?

It should be a simple task to look at card usage statistics and merchant categories such as retail, grocery, wholesale, and so on. This enables you to develop meaningful and popular promotions and offerings.



- **Use case example:** You find that interchange income at wholesale grocery outlets is better than at retail grocers. A review of your cardholder transaction statistics shows more retail purchases than wholesale. You respond by creating a targeted incentive campaign to get cardholders to wholesale merchants.

## 2. if there was a card information breach, could you immediately and simply create a compromised account list?

Some institutions must wait until their network provides a compromised account report, which can be weeks or even months after the actual breach. Others must rely on hard-to-use templates to build an actionable list. Your processor should make it easy to accumulate this data and protect your cardholders and your institution.

- **Use case example:** You see media reports of yet another security breach at a national retailer. Rather than waiting for the card networks to provide a list of affected cards, you can use your analytics solution to create a list of all cardholders and their transactions at the merchant during the breach time frame. You can now monitor these cardholders more closely, and if needed, reissue their cards.

## 3. can you create a detailed, inactive or low-use cardholder report?

A modern card processing partner puts you in command of your data and provides the support needed to define the criteria necessary to quickly and easily retrieve actionable information. You should be able to immediately see which cardholders have



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not used their cards, which cardholders use their cards only once or twice a month, and so on. Activity and usage reports should be available by portfolio and product, such as debit, credit, and ATM. Monitoring this data provides the only way to know where to focus your activation efforts and usage incentives.

- **Use case example:** Reviewing dashboard data enables you to see a trend of cardholders who are becoming inactive. Using your processor's analytics, you quickly create a list of cardholders who haven't used their card in the last 30, 60, or 90 days, or had very few transactions in those time frames. Now you can prepare a marketing and incentive plan to motivate increased card usage.

## 4. how easy is it to see fraud trends and other critical fraud data?

Institutions need to know how their fraud rules are performing, what transactions were blocked, and how much money their anti-fraud efforts are saving them. You need data on all your fraud key performance indicators (KPIs) in a simple dashboard.

- **Use case example:** Your management team wants data on how your card fraud program is performing. You can quickly access dashboard reports that show, both graphically and with details, what your fraud losses have been, your recoveries, and savings based on how your fraud rules are performing. You can also share which merchants and merchant categories are impacting your fraud claims the most.

## 5. do you receive peer and benchmark data for strategic planning?

You can make the best decisions about your card programs when you know where you stand in comparison to similar institutions.



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Your processor needs to provide peer comparisons and benchmarks.

- **Use case example:** You're preparing for a management team presentation and you want to compare your card program results to those of like-sized institutions. With easy access to KPIs for your card programs as well as peer data, you can immediately identify areas where you are excelling and where there are growth opportunities.

## know your cardholders

These five questions are good starting points when considering the value of a card processor. You need actionable data to optimize marketing campaigns, influence cardholder behavior, and grow your interchange revenue. Even with access to data analytics, you may want assistance prioritizing opportunities, creating growth targets, and understanding how best to use your data. A modern processor provides expert advisory services, training, and best practices to help you exceed your cardholder expectations while growing revenue.

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