

Revealing Hidden Sales Trends and Management Practice from Supermarket Loyalty Card Technologies

Principle Investigator: Dr Mark Palmer, Birmingham Business School

Collaborators: Dr Geoff Simmons, University of Ulster | Professor Andrew Fearn, University of Kent.

Dr Mark Palmer is leading a new research project which aims to investigate the role of loyalty card programme workshop insights in the practice of market strategising. Over the next two years the project, in conjunction with Dr Geoff Simmons from the University of Ulster and Professor Andrew Fearn from the University of Kent, will seek to understand how database insights – Tesco's loyalty Clubcard data – informs and ascribes meaning to the market strategies of producers and suppliers across the UK.

The shopping habits of Tesco consumers are continually analysed by Dunnhumby, one of the world's leading data mining firms. Every purchase scanned at Tesco checkouts using their loyalty card sends real-time purchasing information to Dunnhumby, providing raw information for analysts to tell the retailing giant what's selling and by whom – and, just as importantly, what's not selling. Dunnhumby captures Tesco's loyalty Clubcards data from over 1.4 million supermarket shoppers, representing 40% of UK households.

The market intelligence data provides analysis of supermarket shopper behaviour for individual products that will reveal detailed insights into which products are growing the fastest, who is buying them, where they are buying them and what else they are buying. The service is made available free of charge to farmers and food producers with an annual turnover of less than £10 million.

Dr Mark Palmer reports that studies associated with institutional practice around such large databases in the marketing as well as the strategy fields is rather limited.

Dr Mark Palmer - Existing research has defined and investigated retailer-supplier relations and associated power primarily by market share, with a share between 40% and 50% used as the threshold for dominance which is typically measured with the Herfindahl-Hirschman index. This study is a new way of considering how a technology – the loyalty card programme database – informs, ascribes and shapes supplier-retailer relations and the faces of power. Most of the work of the strategist is done in the background spaces and we want to cast a light and understand management rhetoric in those spaces.