Case Study: LIF Universe Coverage Study - US Major Credit Card Company

PAIN POINTS

- As part of a global effort by this major US Credit Card firm to optimize their merchant network, they wish to measure both their own and their competitors' merchant presence - Locations In Force (LIF) - for key countries and industries around the world using a consistent and robust methodology. This information will be used to support strategic sales and marketing decisions in business planning and issuer alignment.

RESEARCH METHODOLOGY

- In order to estimate the total population of LIFs, it was essential to obtain values for the following variables (The LIF number was calculated by extrapolation of the data into the entire population):
    1. Demographics: Total number of outlets in each DMA, split by industry
    2. Proportion that accept cards
- Business demographics were compiled through secondary (desk) research. This was based on structural business statistics published by the US (County Business Patterns – US Census) and Canadian governments.
- Card acceptance percentages came from a program of primary research. SIS directly **contacted a random sample of outlets** and asked about:
    1. The client card acceptance
    2. Card acceptance in general
- **25-30 different industries** across each of **223 Designated Market Areas**– **210 in the USA** and **13 in Canada** were interviewed to estimate the LIF universe.

SELECTED FINDINGS

- **Estimation of LIF universe by market, by industry and sub-industry**
- Details of data sources used by market, by industry
- Estimation of metrics 12 months out, including details of supporting assumptions and methodology
- A list of prospects, including details of information that would be included
- Additional City-specific research

STRATEGIC DECISIONS MADE

- As a result of the insights SIS collected from interviewing outlets, the client was able to identify the latest card acceptance. The client made strategic decisions to improve services based on the resulting strategic implications.