

Team London Bridge: Understanding customer spending habits to guide future retail and leisure strategy

Team London Bridge is a Business Improvement District (BID) dedicated to providing services, projects and events to benefit the businesses and employees located in and around London Bridge. Funded by rate-paying organisations in its area, Team London Bridge was created in 2005 and is a fully independent and not-for-profit Limited Company.

Challenge

Charged with looking after the interests of businesses in the local area, Team London Bridge required a thorough knowledge of the behaviours and demographics of its customers in order to understand where there are gaps and where future opportunities may lie.

Based on anecdotal knowledge and some preliminary work by an external consultant, Team London Bridge believed that the majority of their customers came to the BID area in order to go to bars and restaurants rather than retail outlets.

In order to confirm these suspicions the team required a concise, accurate and reliable understanding of consumer spending habits in the London Bridge area, including what visitors spent their money on and where they spent it. With this knowledge it would then be possible to see where there were gaps and if there was opportunity to expand their retail offerings, where they could expand it and the types of retail outlets that would be the most suitable.

To help with the gap analysis Team London Bridge also wanted to understand the demographics and performance of competitor shopping areas in London to see how they compared.

Solution

Experian Marketing Services was able to provide all the insights Team London Bridge required using its Card Data Insight (CDI) and Mosaic consumer classification.

CDI is a record of anonymous transactions carried out by UK consumers using payment cards supplied by one of the world's largest providers. It allows Experian to understand card spending behaviour at street level including, in this instance, what was spent on retail and what was spent on leisure in the London Bridge area.

Experian's CDI data was then used to approximate the geographical origin of visitors and, in conjunction with Experian's Mosaic segmentation tool, to build a robust understanding of the types of people visiting the BID area, where they live and their likely preferences.

Finally, the same exercise was repeated for two competing retail and leisure centres – Victoria and Cheapside – in order to reveal the relative strengths and weaknesses of the London Bridge BID and provide guidance on future investment and expansion.

This work would confirm whether there was indeed a lack of retail spend in London Bridge compared to other areas and if so the types of shops and outlets the area's key audience would be interested in.

Team London Bridge: Understanding customer spending habits to guide future retail and leisure strategy

Retail versus leisure spend

The analysis of the CDI data revealed that considerably more money is spent on leisure than retail:

- Leisure spend is more than twice the spend of retail
- 54% of leisure spend occurs between 6pm and 12am – reflecting the performance of bars and restaurants
- Retail is the weakest spend category in the BID.

Demographic insight

The data indicated that London Bridge has a vast catchment area covering all of Greater London, and large areas of South-East England with a skew towards Kent; this indicates that the majority of the consumers are commuters. Using the Mosaic consumer classification it was possible to create a clear picture of the types of people the customers are.

- Over one quarter of consumers in the BID hail from one Mosaic group – City Prosperity
- Municipal Challenge and Rental Hubs are also highly represented.

City Prosperity

High status city dwellers living in central locations and pursuing careers with high rewards.

- 26-35
- No children
- £150k+ household income
- Rented flats

Municipal Challenge

Urban renters of social housing facing an array of challenges.

- 46-35
- No children
- <£15k household income
- Council/HA flats

Rental Hubs

Educated young people renting privately in urban neighbourhoods.

- 26-35
- No children
- £20k-29k household income
- Rented flats

Results

The project provided the data the BID required to understand where its customers spent their money and what on. It showed who the types of people their customers are and where they live. The benchmark exercise showed how those results compared to the nearest competitors and successfully highlighted the potential gaps in the current offering.

Competitor benchmarking and gap analysis

- Compared to Cheapside and Victoria, less is spent on retail in London Bridge
- Retail spend is the dominant category in Victoria, accounting for 53% of all spend
- Places to eat account for 56% of all spend at London Bridge compared to just 13% in Victoria
- There is a lack of fashion and household goods outlets in the London Bridge area.

These results indicate there are some clear gaps in the current offer at London Bridge, including department stores, home furnishings and fashion outlets. While the area is well stocked with restaurants, pubs and bars there is a lack of hotels.

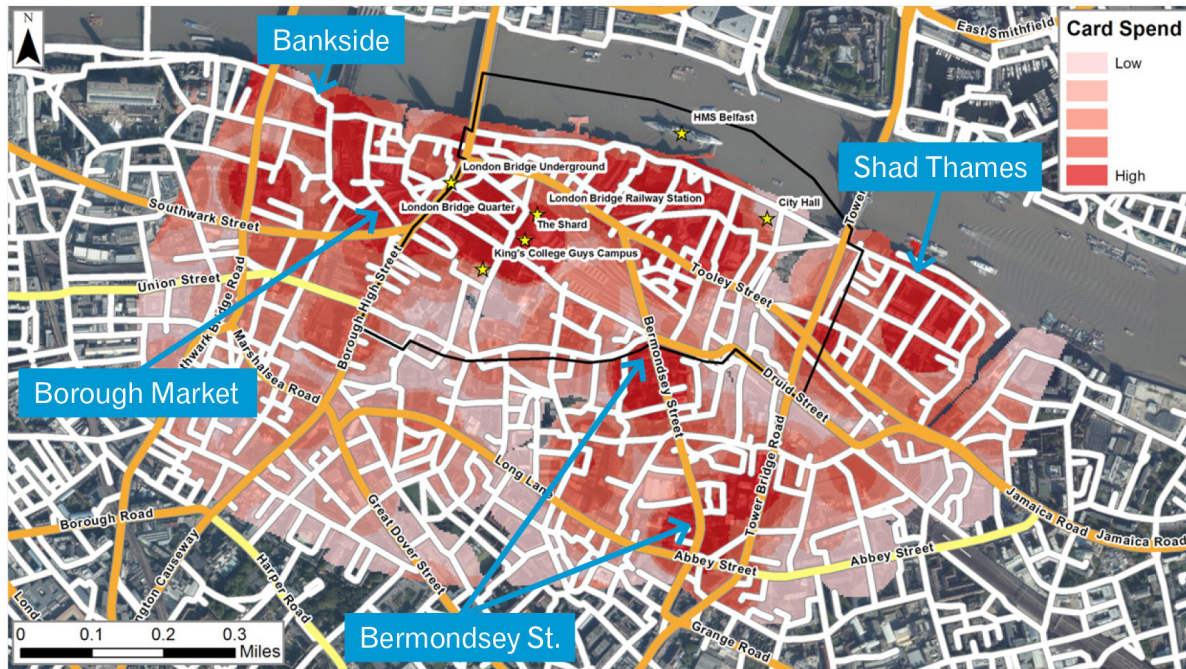
“The work with Experian Marketing Services gave us a much clearer view of the types of people who visit the London Bridge area and what they spend their money on. This valuable insight will help us to understand the opportunities and challenges we face as we continue to work hard to benefit the businesses and workers.”

– Donald Campbell, Place Marketing Manager, Team London Bridge

Case study

Team London Bridge: Understanding customer spending habits to guide future retail and leisure strategy

Card data insight: Total spend



Recommendations

Combining the insights provided by the CDI data with the Mosaic profiling, a list of the types of retailers most suited to the area's audience was created and delivered to Team London Bridge.

- The affluent City Prosperity consumer group is the largest in the area. This group typically favours high-end retail and leisure establishments and is particularly keen on independent outlets.

Team London Bridge can now focus on encouraging more up-market chains and independent operators knowing these are the types of retailers most attractive to their customers.

This insight will be used to provide evidence for driving retail and leisure focused strategies aimed at exploiting opportunities, and driving meaningful change.

“Armed with this information, we can create tangible strategies and recommendations which we know are based on fact and robust data, rather than anecdotal insinuation and gut instinct.”

– Donald Campbell, Place Marketing Manager, Team London Bridge

For more information please contact us

0845 234 0391

marketing.services@uk.experian.com

www.experian.co.uk/markingservices

Registered office address:
The Sir John Peace Building, Experian Way,
NG2 Business Park, Nottingham, NG80 1ZZ

T: 0845 234 0391
www.experian.co.uk/markingservices

© 2017 Experian Information Solutions, Inc. • All rights reserved

Experian and the Experian marks used herein are trademarks or registered trademarks of Experian Information Solutions, Inc. Other product and company names mentioned herein are the property of their respective owners.

01/17 • NB-117-3274