

DATA-DRIVEN ADVANTAGE: HOW GROCERY AND RETAIL MERCHANTS CAN ACCELERATE GROWTH

January 2025 Report

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DATA-DRIVEN ADVANTAGE: HOW GROCERY AND RETAIL MERCHANTS CAN ACCELERATE GROWTH

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Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth was produced in collaboration with Carat from Fiserv, and PYMNTS Intelligence is grateful for the company's support and insight. [PYMNTS Intelligence](#) retains full editorial control over the following findings, methodology and data analysis.

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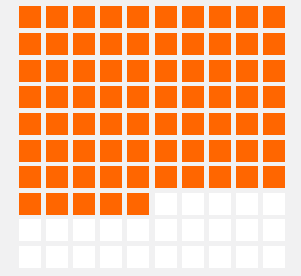
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WHAT'S AT STAKE

In today's dynamic retail landscape, data has emerged as a critical asset for driving growth and maintaining a competitive edge. Retailers and grocery merchants are under mounting pressures to optimize their operations, cater to customer preferences and adapt to changing market dynamics. However, those actions require a readiness and ability to process and analyze data, and many businesses lack this. Struggling with data readiness can hinder a merchant's ability to make informed decisions and keep them from capitalizing on valuable opportunities.

Business-critical data can have many forms — from customer, marketing and sales data to payment, supply chain and performance data — with all affecting whether grocery and retail merchants are successful. Getting this data in real time can provide timely insights that can help drive the best business decisions. Yet, few firms have access to real-time sales or supply chain data — even though about 7 in 10 say having it would be highly impactful on their decision making. Too many merchants are missing opportunities to gain insights such as these that help drive growth.

75%



Share of non-grocery retailers that **consider access to real-time data very or extremely important**

Findings show that firms with higher data readiness are more apt to rely on companywide data analytics teams for decision making. Merchants surveyed also view data readiness as the ability to access data that is accurate, timely, secure and in a format that supports decision making. Businesses without companywide data access report negative consequences, such as errors, delays and poorer decision making. In fact, data-ready grocery and non-grocery retailers are both more likely to have seen increased revenue in the past year, reporting more than five times more revenue growth than those that are less data ready.

These are just some of the findings detailed in *Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth*, a PYMNTS Intelligence and Carat from Fiserv collaboration. This report explores the data readiness of U.S. grocery and non-grocery retailers when tracking internal and external sales data. Between June 12, 2024, and Aug. 7, 2024, we surveyed 390 executives working at retailers generating at least \$500 million in revenue in 2023 to determine how access to real-time sales data impacts their businesses.

This is what we learned.



KEY FINDINGS

More than half of retail and grocery merchants have limited data sharing across departments, missing out on revenue growth boosts of up to 5%.

While most grocery and non-grocery retailers have access to data and analytics, a lack of data sharing across departments remains a significant challenge for many. One in 5 operate in silos, with data confined within individual departments rather than being shared companywide. This lack of companywide integration prevents decision-makers from taking a holistic view, making it more difficult to identify trends, optimize processes and make informed strategic decisions.

42%

Share of grocery merchants that have dedicated analytics teams that can analyze companywide data

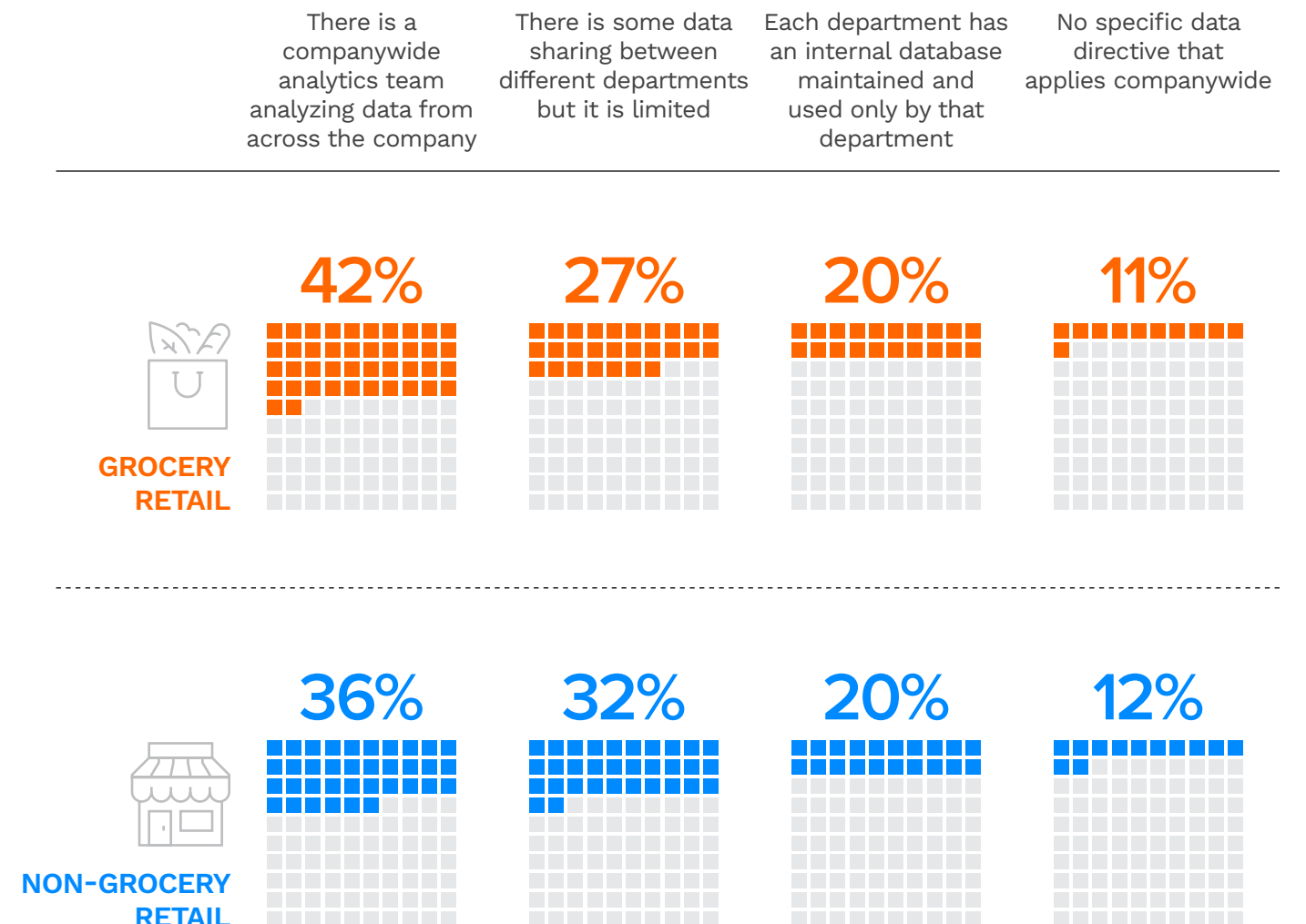


Data also shows that the absence of dedicated analytics teams exacerbates this data-sharing problem. Fewer than half of studied businesses (42% of grocery merchants and 36% of non-grocery retailers) have dedicated analytics teams that can analyze companywide data. This means that even when data is accessible, organizations may not be setting themselves up to derive meaningful insights.

FIGURE 1

Retailers' data procurement and usage approaches

Share of merchants in the grocery and non-grocery retail sectors citing select data procurement and usage approaches, by firm type

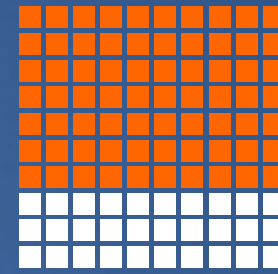


Source: PYMNTS Intelligence

Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, January 2025
 N = 390: Responses from businesses that primarily operate in retail trade — grocery and non-grocery products, fielded June 12, 2024 – Aug. 7, 2024

The most successful retailers act differently. In fact, merchants capable of relying on data for most of their decision making are more likely to report having seen revenue increases in the past year than those with low data reliance. More data-ready grocery merchants are 36% more likely to see revenue growth; for retailers, the gap is 15%.

Data readiness does not seem to only impact the presence of revenue growth but its extent as well. Grocery firms with companywide analytics teams reported a 5.3% average revenue increase — nearly double the 2.7% for those without. The impact is even more striking for non-grocery retailers. Non-grocery retailers with companywide analytics teams showed 3.5% growth, while those without actually experienced a 0.4% revenue decline, on average. This data highlights a key finding: Access to analytics capabilities and the ability to share data are essential to help drive revenue growth and stability.



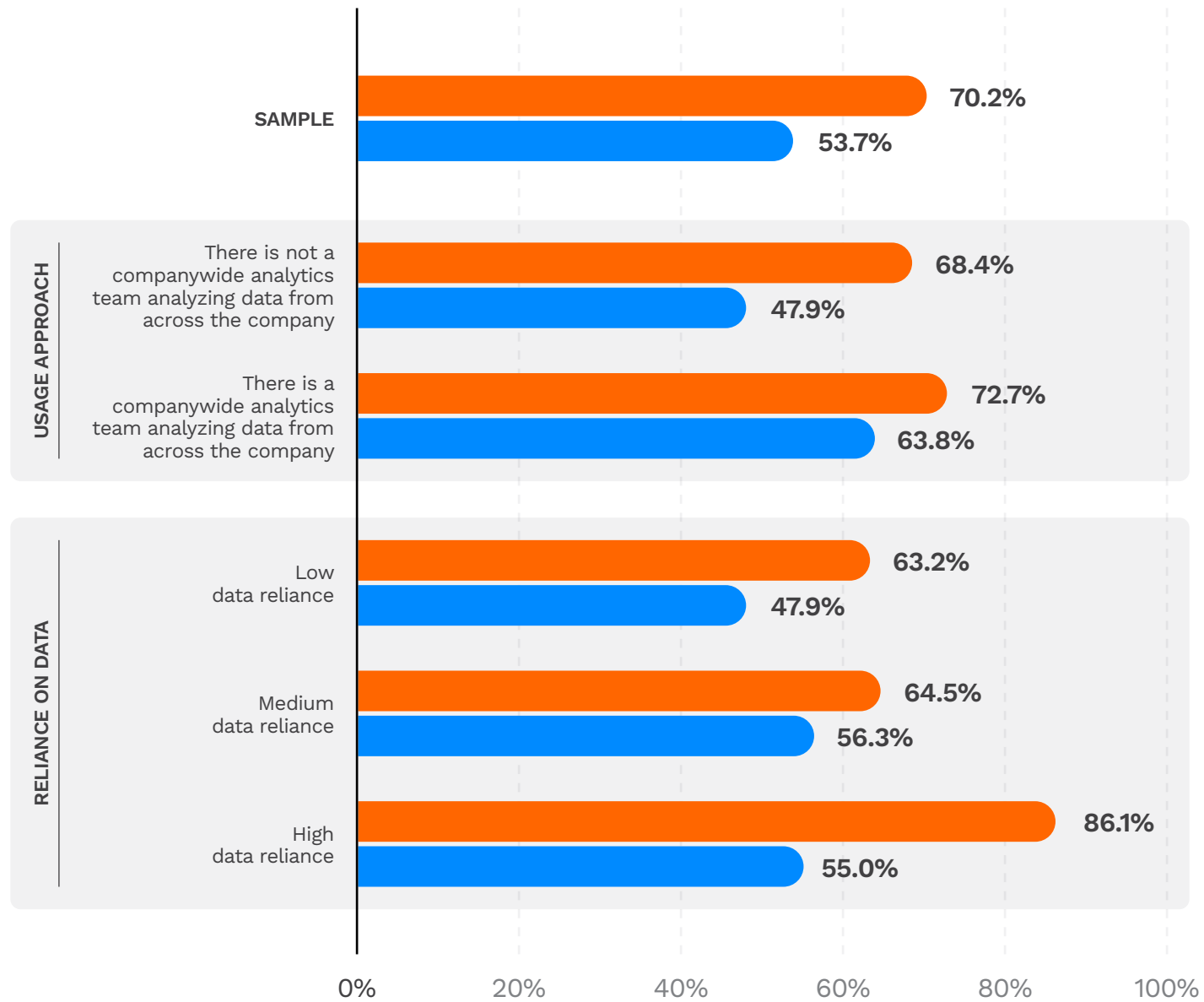
70%

Share of data-ready
**grocery merchants that
report revenue growth**
in the last year

FIGURE 2A

Merchants' data procurement and usage approaches

Share of merchants in grocery retail and non-grocery retail citing revenue growth in the last year, by data procurement and usage approaches



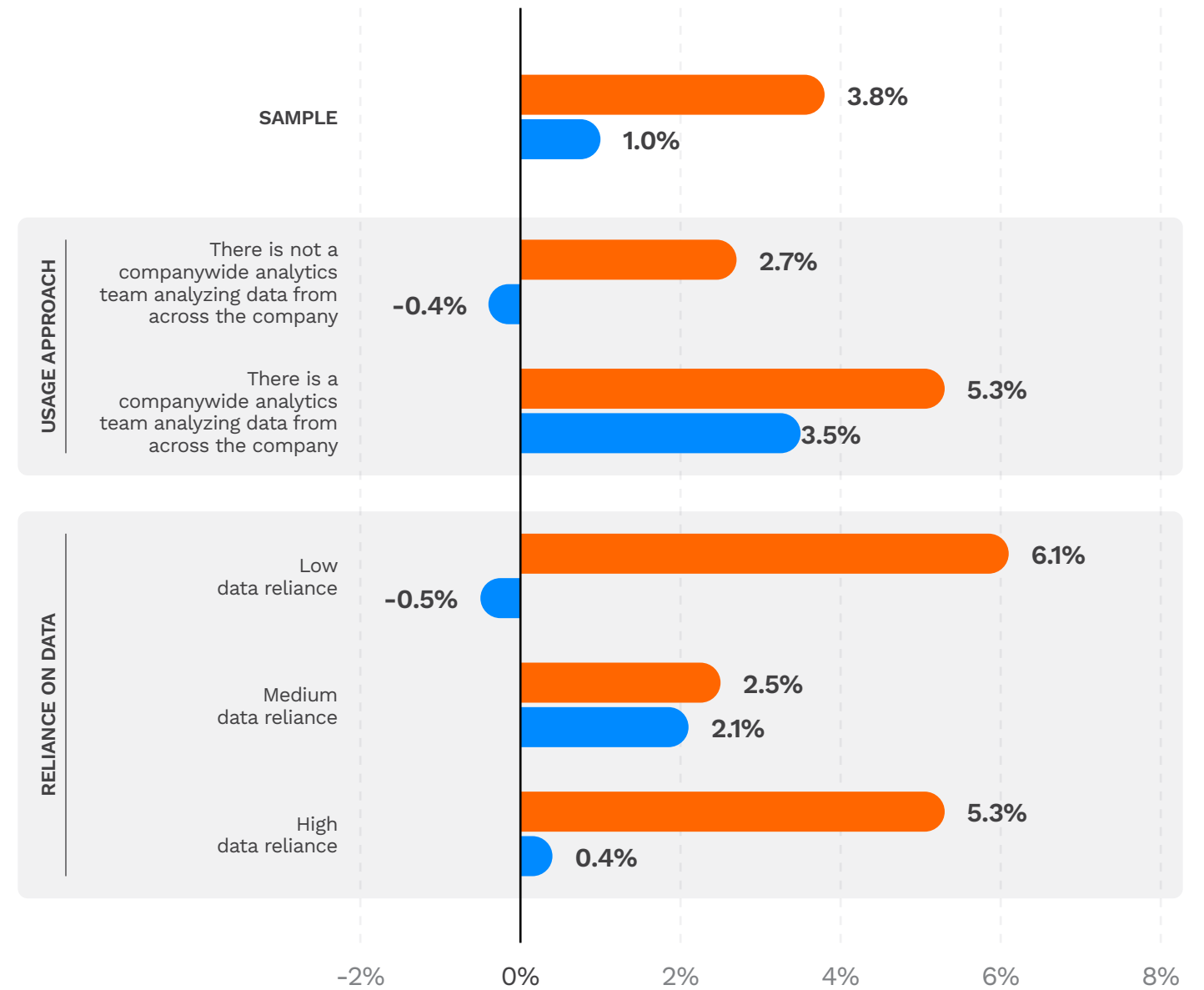
- Grocery retail
- Non-grocery retail

Source: PYMNTS Intelligence
 Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, January 2025
 N = 390: Responses from businesses that primarily operate in retail trade — grocery and non-grocery products, fielded June 12, 2024 – Aug. 7, 2024

FIGURE 2B

Merchants' data procurement and usage approaches

Share of merchants in grocery retail and non-grocery retail citing the percent increase in revenue between 2022 and 2023, by data procurement and usage approaches



- Grocery retail
- Non-grocery retail

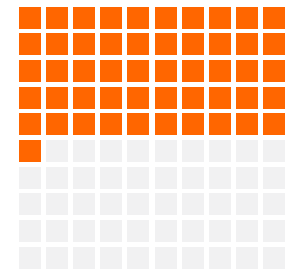
Source: PYMNTS Intelligence
 Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, January 2025
 N = 390: Responses from businesses that primarily operate in retail trade — grocery and non-grocery products, fielded June 12, 2024 – Aug. 7, 2024

More than 65% of grocery and retail merchants cannot access real-time supply chain data, yet more than 70% say it is crucial to business decision making.

Another key challenge facing many retailers is the lack of access to real-time data, particularly concerning sales and supply chain information. Data shows that, overall, 51% of retailers and 39% of grocery merchants lack access to real-time data. These businesses are most likely to have access to real-time data on customers and the market and less likely to have real-time supply chain, sales or performance data.

Supply chain real-time data access is still not the norm: Just 34% of grocery retailers and 25% of non-grocery retailers have access to real-time supply chain data. Inventory matters significantly for retailers, so lacking this data can cause meaningful issues, especially when coupled with the lack of real-time sales data. Only 22% of grocery retailers and 15% of non-grocery retailers have access to real-time sales data.

51%



Share of non-grocery retailers that **lack access to real-time data**

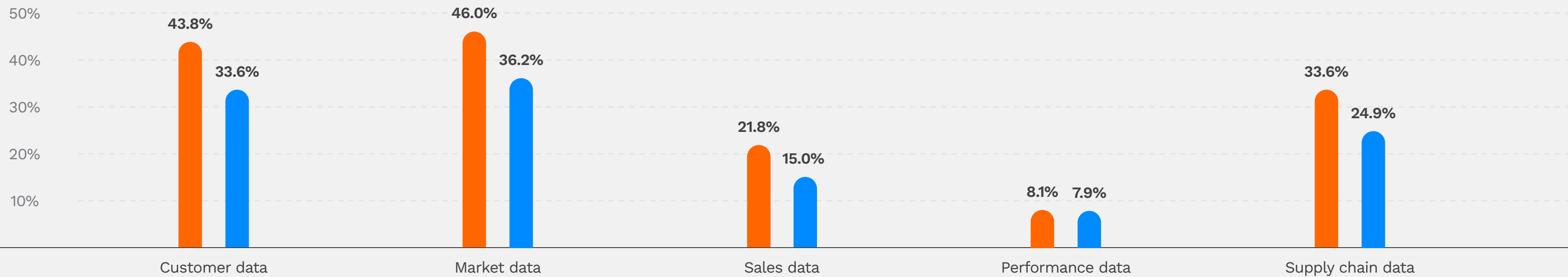
Without real-time data, retailers lose the ability to make the most informed and timely decisions, and this can lead to errors, delays and missed opportunities. Without up-to-the-minute information on what is selling and how distribution is tracking, it is difficult to adjust orders with suppliers and meet customer demand, for instance.

34%

Share of grocery retailers that **have access to real-time supply chain data**

Despite having limited access to real-time data, both grocery and non-grocery retailers recognize its importance. In fact, 75% of non-grocery retailers and nearly 70% of grocery retailers consider access to real-time data very or extremely important. This disconnect between recognized importance and access highlights the reality that accessing data in real time is far from automatic. It requires specialized solutions integrated across various operations and may depend on not only their data readiness but also that of their suppliers.

FIGURE 3
Real-time data access
 Share of grocery and non-grocery retailers with access to real-time data, by data type



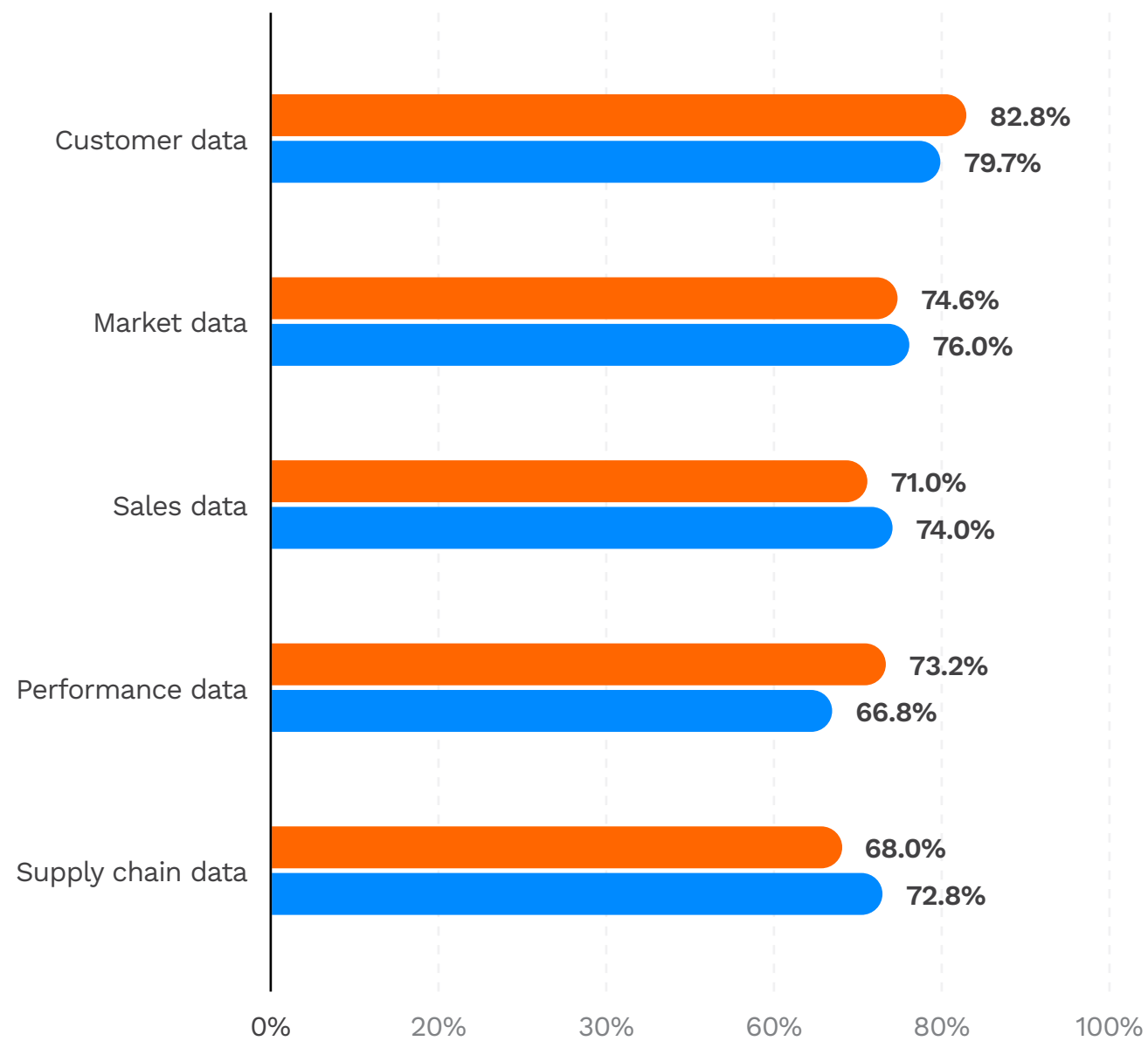
- Grocery retail
- Non-grocery retail

Source: PYMNTS Intelligence
 Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, January 2025
 N = 390: Responses from businesses that primarily operate in retail trade — grocery and non-grocery products, fielded June 12, 2024 – Aug. 7, 2024

FIGURE 4

Importance of real-time data access

Share of grocery and non-grocery retailers that say access to real-time data is very or extremely important, by data type



● Grocery retail
● Non-grocery retail

Source: PYMNTS Intelligence
Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, January 2025

N = 390: Responses from businesses that primarily operate in retail trade — grocery and non-grocery products, fielded June 12, 2024 – Aug. 7, 2024

Retailers on the importance of data readiness:

“

The data-readiness level of an organization plays a critical role in its capacity to utilize data for gaining a competitive edge.

— Grocery merchant

”

“

The accuracy and integrity of data are crucial for effective decision making, as any errors can cause delays and potentially result in inaccurate decisions.

— Retail merchant

”

Nearly all retailers and grocery merchants report errors and missed business opportunities from a lack of timely data on sales and inventory availability.

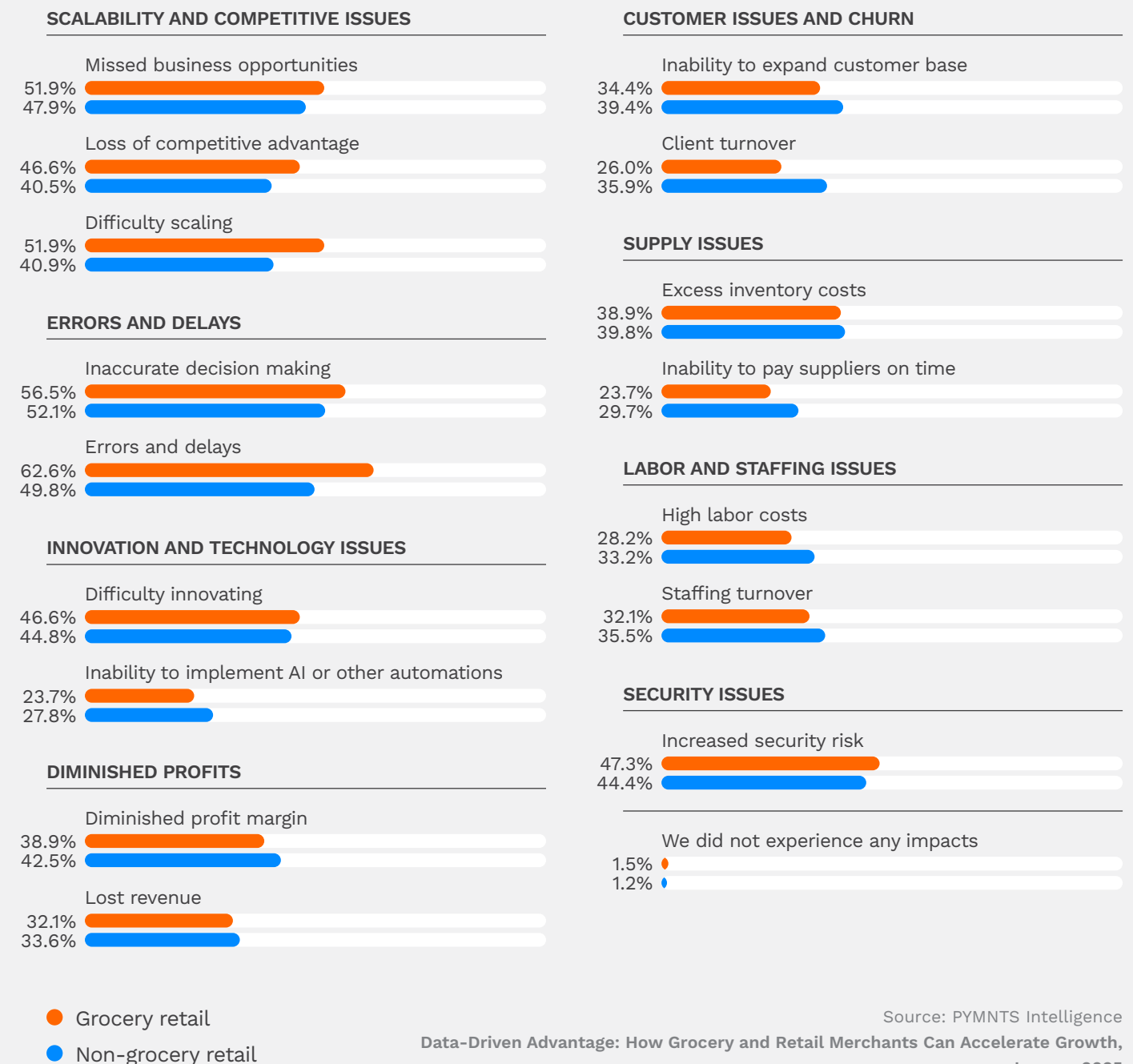
Data readiness encompasses not just data access but also its accuracy, integrity and timeliness. Grocery and non-grocery retailers report significant operational challenges when they lack complete, timely or usable data. Over the past 12 months, nearly all executives surveyed (99%) experienced the negative consequences of not having the complete, timely or ready-to-consume data their company needs. These can make their businesses less opportunistic — and ultimately less competitive.

Among grocery retailers, the most common negative impacts include errors and delays, followed by inaccurate decision making and missed business opportunities (cited by 63%, 57% and 52%, respectively). Non-grocery retailers also face similar challenges: About half report that errors and delays as well as inaccurate decision making are significant issues affecting their operations. These findings highlight data readiness’s importance in enabling retailers to leverage data and garner all its benefits.

FIGURE 5

Consequences of lacking real-time data access

Share of grocery and non-grocery retailers that cite negative or unintended consequences of not having the complete, timely or ready-to-consume data the company needed in the last 12 months



Source: PYMNTS Intelligence
 Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, January 2025
 N = 390: Responses from businesses that primarily operate in retail trade — grocery and non-grocery products, fielded June 12, 2024 – Aug. 7, 2024

CONCLUSION

The ability to collect, analyze and leverage data is no longer a luxury in the retail sector — it has become table stakes. Retail businesses that can share data across departments, access real-time insights and ensure data accuracy are best positioned to make informed decisions, optimize operations and stay ahead of the competition. This is more than conjecture, as businesses that prioritize data readiness are more likely to report increased revenues and avoid the negative consequences of data inefficiencies.

To fully leverage data's potential, grocery and non-grocery retailers need to address their operational limitations, such as barriers to sharing data companywide, as well as the technical limitations, such as real-time data access. By becoming data ready, organizations can do more than survive in a competitive environment — they empower themselves to thrive.

METHODOLOGY

Data-Driven Advantage: How Grocery and Retail Merchants Can Accelerate Growth, a PYMNTS Intelligence and Carat from Fiserv collaboration, explores the data readiness of U.S. grocery and non-grocery retailers when tracking internal and external sales data. Between June 12, 2024, and Aug. 7, 2024, we surveyed 390 executives working at retailers generating at least \$500 million in revenue in 2023 to determine how access to real-time sales data impacts their businesses.

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ABOUT

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