



## Executive Summary

# Unlocking financial services innovation with grocery data

Ethical, privacy-preserving, and high-impact strategies for credit scoring, precision marketing, and customer acquisition and retention.



The financial services industry is undergoing a transformation as banks, insurers, and lenders explore new ways to assess creditworthiness, acquire customers, and retain existing ones.

Traditional data sources like credit bureau reports are often insufficient, leaving millions of consumers underserved.

Grocery shopping data is emerging as a powerful, privacy-compliant alternative that provides real-time insights into consumer behavior.

This executive summary highlights the key points and findings from our series of articles originally published on Forbes.com, where we explored the transformative role of grocery data in financial services.

The insights presented here consolidate key themes from those articles into a quick guide for financial institutions looking to leverage privacy-preserving data collaboration for risk assessment, marketing, and customer growth.



## The rise of alternative data in financial services

For decades, financial institutions have relied on traditional credit data to assess risk and market their products. However, the limitations of this approach are becoming increasingly clear:



- 28 million adult Americans are credit invisible, and another 21 million are unscorable.
- New immigrants, young people, and gig workers often lack the formal credit history required for financial services.
- Digital marketing challenges in the post-cookie era are making it harder to reach and engage the right consumers.

## Grocery data offers a solution.

As a universal, recent, and granular dataset, it provides a real-time view of consumer behavior that can be leveraged for credit scoring, customer acquisition, and retention while maintaining privacy through advanced privacy-preserving data collaboration technology.



# 1. "How Shopping Habits Can Reveal Credit Risk to Banks and Insurers"

## Executive Summary

### Understanding consumer financial responsibility through shopping habits

Grocery data serves as a reliable indicator of financial behavior. [A study "Using Grocery Data for Credit Decisions"](#) by the University of Notre Dame, Rice University, and Northwestern University Kellogg School of Management found that shopping habits can predict loan repayment capability. Key insights include:

- Consumers who regularly purchase healthy foods over cigarettes or alcohol tend to be more financially responsible.
- Spending consistency and basket size correlate with loan repayment behavior.

#### Case Study

### How banks are using grocery data for credit scoring

One of Africa's largest grocery retailers partnered with a leading bank to **score 8 million individuals** using grocery shopping patterns. The results:

- **3.2 million consumers** who were previously unscorable were now eligible for credit.
- A bank predicted a **29% increase in credit revenue** by targeting these newly eligible consumers.

By using privacy-preserving data collaboration, financial institutions can assess creditworthiness without exposing or exchanging raw consumer data. [Read the full case study here.](#)

Forbes

### Read the full article on Forbes.com

Want to dive deeper into how grocery data is transforming credit risk assessment? Read our full article in Forbes.com:

["How Shopping Habits Can Reveal Credit Risk to Banks and Insurers"](#)



## 2. “Why Grocery Data is a Gold Mine for Digital Marketers in Financial Services”

### Executive Summary

#### Overcoming marketing challenges in a cookieless world

With third-party cookies fading, digital marketing is becoming more expensive and less precise. Financial services marketers need high-quality first-party data to enhance customer acquisition and engagement.

#### How grocery data powers precision marketing

Grocery data enables financial marketers to:

- **Target high-potential customers** based on lifestyle, shopping frequency, and brand preferences.
- **Reduce acquisition costs** by focusing on high-converting segments.
- **Leverage retail media networks** to place personalized offers directly in front of engaged shoppers.

#### Case Study

#### How banks are using grocery data for precision marketing

Africa's largest bank and largest supermarket chain partnered to target **non-banked customers** using grocery data. The campaign:

- Achieved a **74% reduction in cost per applicant**.
- Delivered a **728% return on investment (ROI)**.

Retail media networks present a massive opportunity for financial services to reach and convert the right consumers efficiently. [Read the full case study here.](#)

**Forbes**

#### Read the full article on Forbes.com

Discover more insights on how grocery data is revolutionizing financial services marketing in the full article in Forbes.com:

[“Why Grocery Data Is A Gold Mine for Digital Marketers in Financial Services”](#)



### 3. “How Grocery Data can Transform Growth and Retention for Banks and Insurers”

#### Executive Summary

#### Hyper-personalization and product relevance

Grocery data provides insights into household composition, lifestyle, and purchasing power, enabling:

- **Tailored financial products:** Families buying baby products may need education savings plans; pet owners may be interested in pet insurance.
- **Wellness-linked rewards:** Health insurers can incentivize healthy purchases with cashback offers.
- **Early detection of financial distress:** Banks can spot financial struggles by detecting shifts to lower-cost brands and offer proactive financial solutions.

#### Enhancing retention strategies

Banks and insurers can use grocery data to:

- **Reward positive financial behaviors** with discounts and incentives.
- **Identify life transitions** and offer relevant financial solutions.
- **Strengthen customer engagement** through loyalty programs linked to real-world spending habits.

**Forbes**

#### Read the full article on Forbes.com

Explore real-world examples of how banks and insurers are using grocery data to enhance customer retention in the full article in Forbes.com:

["How Grocery Data Can Transform Growth and Retention for Banks and Insurers"](#)

## 4. “The Ethics of Consumer Data: Avoiding Pitfalls and Building Trust”

### Executive Summary

#### Regulatory risks and case studies

The improper use of consumer data can lead to significant reputational and legal consequences. Examples include:

- **General Motors** collected driving data without proper disclosure, which led to higher insurance premiums.
- **Allstate’s Arity Subsidiary** gathered location and driving behavior data without explicit consumer consent, resulting in legal challenges.

#### Best practices for ethical data use in financial services

Financial institutions can harness grocery data responsibly by:

1. **Using it as a complementary data source:** Not replacing traditional credit data but enhancing it.
2. **Focusing on positive consumer outcomes:** Rewarding behavior rather than penalizing consumers.
3. **Ensuring transparency and control:** Obtaining clear, informed consumer consent where required.
4. **Preventing bias:** Avoiding assumptions that could disadvantage lower-income consumers.

Forbes

#### Read the full article on Omnisient.com

Learn more about the ethical considerations and best practices in consumer data usage in the full article in Forbes.com:

[“The Ethics of Consumer Data: Avoiding Pitfalls and Building Trust”](#)

Grocery data presents a game-changing opportunity for financial institutions to expand access to credit, optimize marketing, and enhance customer retention.

However, success depends on:

- Adopting privacy-preserving data collaboration technologies.
- Aligning with ethical best practices to build trust and comply with regulations.
- Leveraging first-party grocery data to gain a competitive edge in credit risk assessment and customer acquisition.

By using grocery data responsibly, banks, insurers, and lenders can drive financial inclusion, business growth, and long-term customer loyalty.

**Financial institutions interested in exploring privacy-preserving data collaboration with new sources of alternative data – such as grocery data – can contact Omnisient for a consultation.**



## Contact Us

Learn more about how data partnerships can drive your growth, acquisition, and credit innovation strategies.

Email [info@omnisient.com](mailto:info@omnisient.com)

## Backed by TransUnion

Learn about TransUnion's investment and global partnership with Omnisient to gain access to a broader range of alternative data sources and privacy preservation capabilities.

[Read about it here.](#)

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