

Smart Data Discovery in Retail: Smart People Sell More



Point of contact:
Jayaprakash Nair

Author:
Shreyasee Ghosh

aspire 
SYSTEMS
attention. always.





Every time a customer walks into your store, he/she leaves behind some amount of data. Now, how you use this data is what sets you apart from your competitors. With time and growing digitization of the industry the sources of data along with volume and velocity have increased, the dependency on real-time customer analytics data has also reached an all-time high. How will then simple data analytics help keep you ahead of others? It's just not enough anymore. In today's rapidly changing and growing market scenario mainstream business users need to be constantly aware of their changing customer preferences. To have a sustainable digital strategy for the retail industry to thrive, a real time based 360 view of customer is a major driver. A Smart data discovery model gives you actionable insights from real time data that helps maximize your returns on digital strategies. So instead of looking at smart data discovery as another IT investment, it should be looked upon as a business strategy. According to a survey by Gartner,

by 2017, most data discovery tools will have incorporated smart data discovery capabilities to expand the reach of interactive analysis.

A Smart data discovery model gives you actionable insights from real time data that helps maximize your returns on digital strategies.

Some of the major retailers like MasterCard and MacDonald's have already implemented smart data analytics to their businesses to optimize customer analytics.

MasterCard has applied advanced analytics to analyze customer behavior for not only their services but also in other retail stores.

MacDonald's has implemented the same for getting insights into customer preferences and boost customer experience.



SMART DATA DISCOVERY IN RETAIL: OLD PROBLEM NEW SOLUTION

Mainstream business users are more open to digitization now as Omni-channel retail has made its mark on the market scenario.

According to a 2015 survey by Gartner, 73% of the retail organizations plan to invest in big data analytics in the next two years. Gartner also states that by 2018, data discovery and predictive analytics offerings will converge, with most of the leading vendors of each capability offering both. Making on time decision based on real time data holds the future of retail. Using smart data discovery retailers can plan strategies on the go, predict and prevent customer churn and provide a better shopping experience to customers.



According to a 2015 survey by Gartner, 73% of the retail organizations plan to invest in big data analytics in the next two years.



WHY DOES RETAIL NEED SMART DATA DISCOVERY?

Since a while the retail industry has been struggling with numerous digital setbacks which can be eased by smart data discovery.

Challenges in retail sector:

1. High volume of data from various sources.
2. Lack of individualized services because of absence of customer 360 view.
3. Lack of business insights from accumulated data which leads to
 - a) Inability to prevent customer churn.
 - b) Incapacity to build accurate customer profiles
 - c) Lack of proper customer segmentation
 - d) Inability to retain customers
 - e) No development in customer engagement
 - f) No predictive view of changing market scenario resulting in loss of opportunities.
 - g) Unable to detect fraudulent behavior among real customers.
4. Unavailability of the right tools for visualizing predictive scenarios.
5. Unused data leading to competitors gaining strength in the market.
6. Delay in decision making due to dependency on data scientists.
7. Lack of real time analytics.



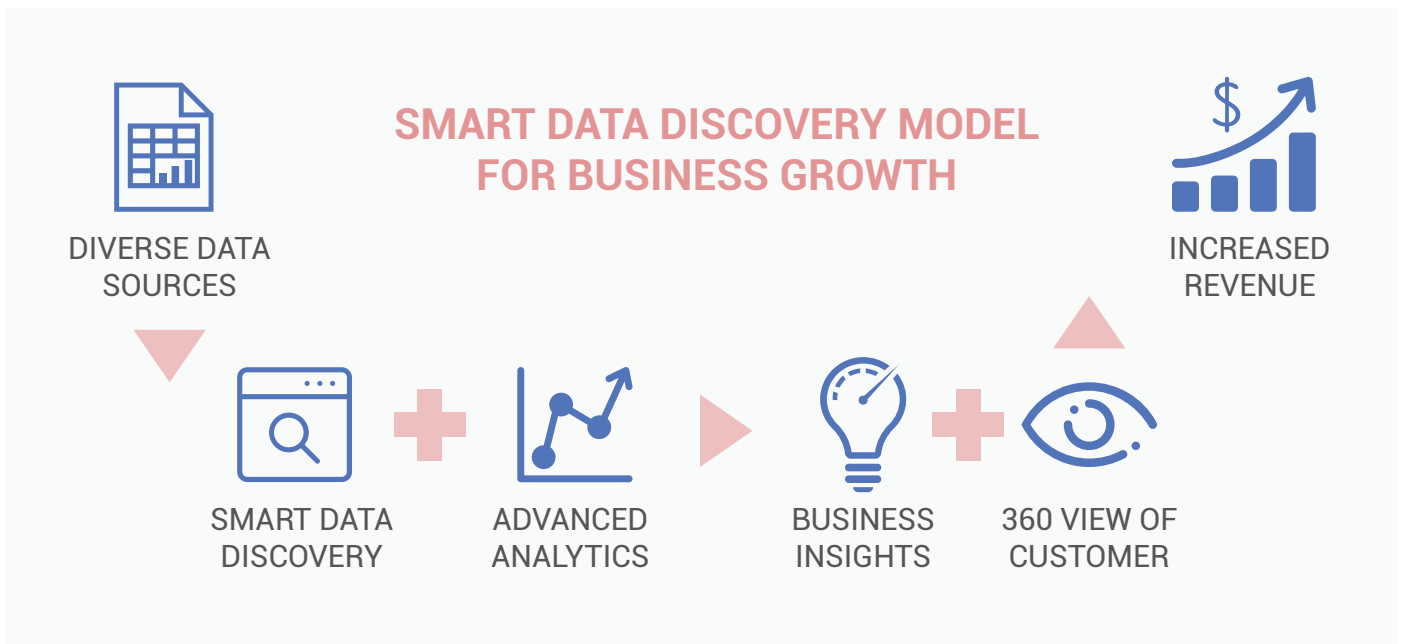
HOW CAN SMART DATA DISCOVERY HELP THE SCENARIO:

Advanced analytics can find out patterns in seemingly unrelated events and give you a clearer picture of what might be. From relating a customer's buying patterns you can understand what and why they buy, during what time and from which channel (e.g. retail store, online, catalogue). How about giving them a personalized offer the next time they visit your store? You can increase sales if you know what stops your customers from picking up more items in their carts and devise marketing strategies accordingly.

Since smart data discovery can help you build a likely scenario such as the above, with hidden patterns and one view of customer, you can easily strategize and apply them to different scenarios to find out which gives you the best results. For example, you can use visualization

and predictive tools for prevention of customer churn, detect frauds and making personalized seasonal offers.

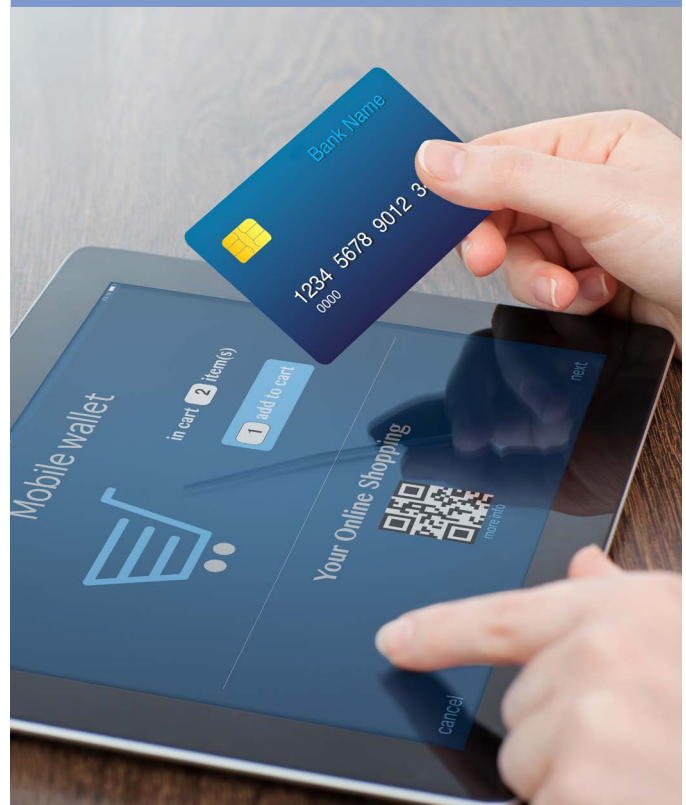
Application of smart data discovery to certain areas of business will yield better results than simple analytics. What is most important for mainstream business users is ease of use while digging out useful data themselves, without the help of data experts. Marrying advanced data analytics and data self-service, smart data discovery can be used with voice commands. Business users can take advantage of the natural language processing, interactive reports with data visualization and 'explorable' data from multiple sources. Any results come from trusted data as all the data sources are in sync, making you able to draw accurate conclusions and develop concrete scenarios backed by authentic data.



WHY CHOOSE A SMART DATA DISCOVERY MODEL?

1. Take advantage of the predictive analytics to form hypothesis and further probe and investigate into the more important and evolving scenarios.
2. Get results faster.
3. Decide and develop strategies on the go.
4. Decrease reliance on third party.
5. Available both on premise and on cloud.
6. Predictive scenarios help build strategies to solve problems which may arise in future. Helps to focus on a scenario and find a solution on one platform.
7. Deflect crisis before it reaches you.
8. Flexible enough for mainstream business users to apply.
9. Smart enough to delve into social, internal and external data sources to form predictive scenarios.
10. Highlights and visualized important data automatically. Particularly helpful to prevent frauds and customer churn.
11. Mobility to operate from any device.
12. More interactive platform. Make a point with visualizations, storytelling with infographics and improve business insight interactions.
13. Generates better customer experience.

Marrying advanced data analytics and data self-service, smart data discovery can be used with voice commands.



APPLICATION AREAS OF SMART DATA DISCOVERY MODEL FOR CUSTOMERS

CUSTOMER PROFILE AND SEGMENTATION:

Customer identification and segmentation of targeted market are the two most important focus areas for retailers. The whole business revolves around a sound knowledge of targeted customers, their changing needs and demands. The integrated data can provide your organization with business determining factors like demographic, age, location, preferences and buying habits, smart data discovery model, when applied can give you insights into the customer metrics. Giving you an in-depth look into the customer base, that is the stepping stone for personalization of services and targeted marketing.

The application of the smart data discovery model will answer queries like:

- What percentage of your total customers are newlyweds?
- How many are elderly? How many buy sports gear?
- Which is the most catered brand of a particular age group in the area?

Helping you build an accurate customer profile. Smart data discovery combines advanced analytics of both historical and real time data to predict accurate customer profiles at any given point of time.

Spotify uses user profile data, playlist information and historical data to build customer profiles and cater to them accordingly.

BUILDING CUSTOMER LOYALTY:

Advanced analytics forms predictions of customer behavior like what they'll buy, when they'll buy and where they'll buy from. This 360 view of customers in this day and age of 'one store one customer' gives you the perfect oneness with your customers building stronger brand loyalty. Predictive analytics will enable you to visualize scenarios and take appropriate measures using customer data from internal and external sources. For example if it's Christmas season and your analytics is showing that there will be high demands of Santa caps in the market, then you can check your stocks and fill up accordingly. Also smart data analytics model will tell you what others products are people most likely to buy with the Santa caps. This enables you to increase cross sales by offering your customers gloves, stockings or other related products with offers. You also get an

idea about what percentage of your customers will buy online and what percent will walk into store and keep your inventories updated accordingly.

Food giant Nestle takes the help of social media analytics for monitoring all that is said about the company on social networks. The brand also engages with consumers directly to build customer loyalty.



Predictive analytics will enable you to visualize scenarios and take appropriate measures using customer data from internal and external sources.





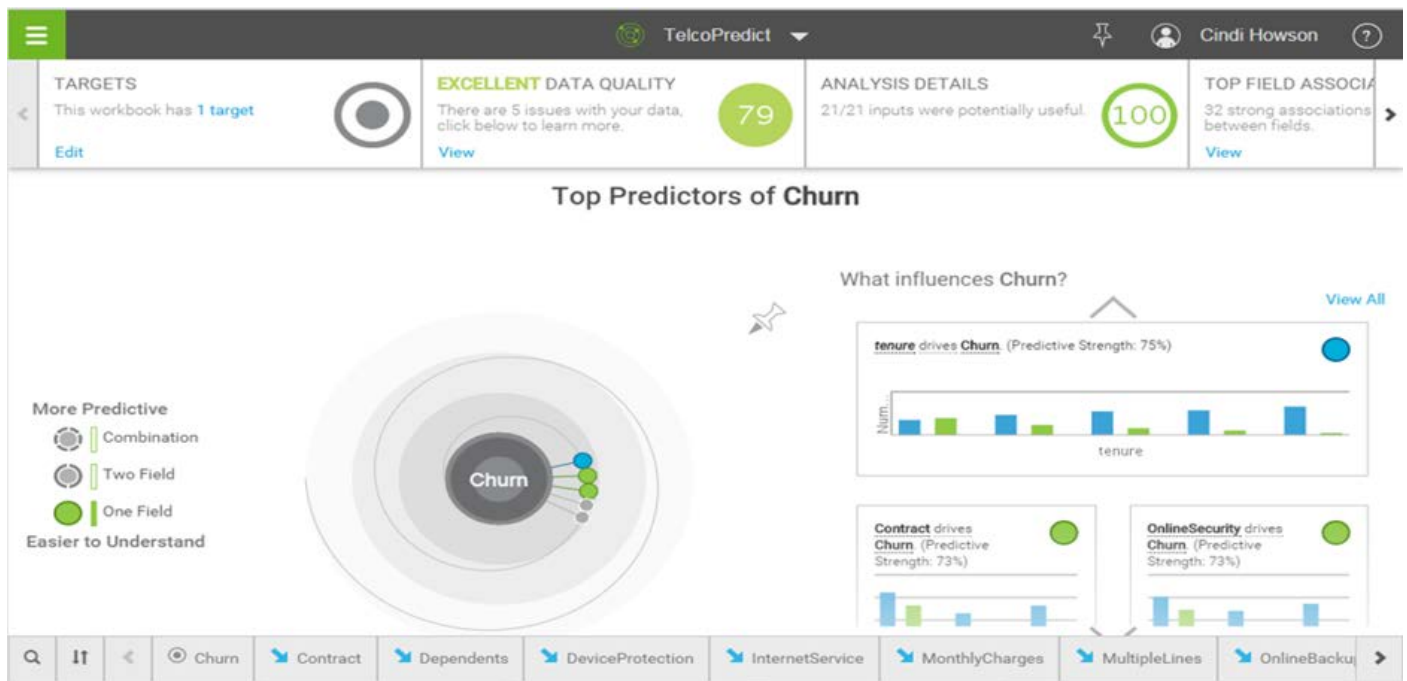
CUSTOMER PROFILE AND SEGMENTATION:

With the help of data self-service calculating customer participation in promotional activities is now just a click away. The figures and stats of customer polls, sales variations of before and after promotional activities and predictive visualizations of customer participation are all at your palms now with smart data discovery model. See how much sales has been driven in the existing customer base via the new engagement strategies. Analyze overall

customer experience and sentiment around the initiative. You can also analyze the discounts and offer by other retailers in your area and devise your own special offers driving in more sales.

Time Warner Cable uses advanced analytics to find out customer behavior and customer engagement rates.

PREVENTION OF CUSTOMER CHURN:



Source – Sensis, May 2015

To devise a workable churn prevention strategy, your organization needs to find out the causes which churn. Advanced analytics can answer questions like who are the customers on the verge of churning and why? Smart data analytics model will combine churn history and delve into customer churn patterns to give you likely scenarios about customer churn. This will provide your organization with frameworks for customer centric actions to be taken. With the help of smart data discovery model companies can find out customer segments which are losing interest in their services. They can devise offers and strategize marketing in order to win them back. Advanced analytics will delve into customer behavior and customer preferences in order to provide insights into customer retention practices and help prevent churn.



With the help of data self-service calculating customer participation in promotional activities is now just a click away.

T-Mobile uses advanced analytics to retain valuable customers, find out customers who could use upgraded services and analyze customer lifetime value. The team then puts their efforts to retain customers with greater lifetime value.

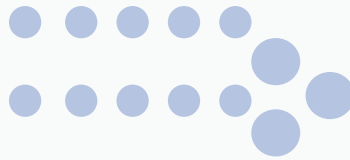


Predicting customer Churn-Analyzing Customer Churn-preventing Customer Churn

CUSTOMER BEHAVIOUR

CUSTOMER RETAINMENT

CUSTOMER PREFERENCES



CUSTOMER CHUM
PREVENTION

DETECT FRAUD:

Retail industry among various other predicaments is plagued with frauds. These frauds include false return claims, credit and debit card information misuse and theft. Online retailers are heavily affected by credit and debit card frauds. Smart data discovery model can uncover related events hidden in seemingly unrelated data. Has the customer often returned products claiming returns? Was the online purchase made using authentic information? These answers could not only prevent fraud but also you to strategize forward to deflect such frauds covering any loopholes there might have been in the existing processes.

Amazon has a strict fraud detection filter based on data analytics. They use customer location, IP address, browsing pattern and purchasing history to fish out frauds.

REAL TIME PERSONALIZATION:

From services to promotions, individualization is the key word now to bring and retain customers. On the spot offers, discounts on favorite brands and seasonal offers should be in sync with what the customer is expecting from their retailers. Increase up-sale and cross-sale with real time offers when a customer walks in. Smart data discovery models builds "real time retailers".

So if a customer picks out a pair of Nike shoes, real time retailers will ping his mobile with a discount offer on a pair of Nike socks. Multiplying the chances of cross sales.

SEAMLESS CUSTOMER EXPERIENCE:

From online to brick and mortar, all channel seamless experience to your customers. Possible only by keeping in sync all customer related data from all available sources across the organization. Understanding your customers' behavior over time using advanced analytics model will provide in depth insights that will help maintain seamless customer experience across channels.

Customer Sentiment Analytics:

Advanced analytics applied for opinion mining will deliver insights into your customers' changing sentiments about your services. Are they happy with the retailer's offers and services? Have they complained lately? What improvements do they require?

Smart data discovery model includes advanced analytics which will delve into social media and other communication channels through which customers' opinions are found best. With the help of data self-discovery you'll be able to find out what your customers are thinking about specific products and services and act accordingly.

Advanced analytics applied for opinion mining will deliver insights into your customers' changing sentiments about your services.



SMART DATA ANALYTICS IS THE FUTURE

Leaving behind the traditional BI practice of data analytics, implementation of smart data analytics model will not only improve business practices it will also allow for a modern, flexible and seamless digital architecture in retail.

Sources:

<http://www.mckinsey.com/industries/retail/how-we-help-clients/big-data-and-advanced-analytics>

<http://timoelliott.com/blog/2014/02/the-future-of-customer-analytics.html>

<http://www.datameer.com/pdf/eBook-Top-Five-High-Impact-UseCases-for-Big-Data-Analytics.pdf>

<http://xmpro.com/10-predictive-analytics-use-cases-by-industry/>

http://www.nomi.com/wp-content/uploads/2014/05/In-Store_Analytics_Survey_Report_06-02-14.pdf

<http://www.gartner.com/document/3084217?ref=unauthreader>

http://www.slideshare.net/Dell/big-data-use-cases-36019892/5-TYPECelcom_Axiata_Berhad_adopted_a

<https://www.dezyre.com/article/5-big-data-and-hadoop-use-cases-in-retail-analytics/91>

<http://searchbusinessanalytics.techtarget.com/analyticsinaction/Three-Use-Cases-for-Interactive-Data-Discovery-and-Predictive-Analytics#4575533703001>

<http://www.gartner.com/>

[document/3068217?ref=solrAll&refval=163851917&qid=6e6f9bb94a88cd300674055155c79624](http://www.gartner.com/document/3068217?ref=solrAll&refval=163851917&qid=6e6f9bb94a88cd300674055155c79624)

<http://www.gartner.com/document/code/253035?ref=ggrec&refval=3068217>

<https://www.gartner.com/doc/reprints?id=1-2AELNBP&ct=150223&st=sb>

<http://www-01.ibm.com/software/analytics/rte/an/customer-analytics/index.html>



Aspire Systems is a global technology service firm serving as a trusted technology partner for its customers. The company works with some of the world's most innovative enterprises and independent software vendors, helping them leverage technology and outsourcing in Aspire's specific areas of expertise. Aspire System's services include Product Engineering, Enterprise Solutions, Independent Testing Services, Oracle Application Services and IT infrastructure & Application Support Services. The company currently has over 1,400 employees and over 100 customers globally. The company has a growing presence in the US, UK, Middle East and Europe. For the sixth time in a row, Aspire has been selected as one of India's "Best Companies to Work For" by the the Great Place to Work® Institute, in partnership with The Economic Times.

NORTH AMERICA | UK | SINGAPORE | BENELUX | NORDIC | MIDDLE EAST | INDIA
+91 - 044 - 67404000, +1 - 630 - 368 - 0970, +44 - 203 170 6115, +65 31633050

For more info contact
info@aspiresys.com or visit www.aspiresys.com