

Taking Stock of Retail Analytics

1010data and Information Builders Deliver Powerful Analytics to Retailers


Operating in a highly segmented consumer market, retailers rely heavily on intelligence gained via customer analysis. The data warehouses that typically drive analytics processes are being pushed to their limit in both capacity and performance as data volumes expand into the tens of terabytes.

Retailers face major challenges when marketing to and managing increasingly diverse and fickle shoppers. They must oversee complex store activities, track inventory and distribution, manage supply chains that include multiple third parties, leverage petabytes of data, and stay on top of the latest buying trends so they can develop the most effective merchandising plans. Retailers that have always focused intensely on improving return on investment for assets such as real estate and inventory are now turning to their information assets to gain competitive advantage.

Tapping into transaction data strengthens sales promotions, improves merchandise assortments with store and vendor tracking, and streamlines budgeting and sourcing of new store locations. Some retailers are tying their risk, fraud, and predictive analytic management applications into item and transactional data to transform their informational performance. Successful data warehouse efforts have increased sales, boosted productivity, decreased inventories, and improved customer loyalty.

Populating a retail data warehouse begins at the cash register. Item-level information and pricing are an accepted part of the retail transaction, but harried consumers have very little patience for providing personal information, such as an address or telephone number. As a result, retailers must focus on other data collection techniques – like store-branded credit cards and Web promotions.

It's not unusual for a mid-size, 100-store specialty hard-lines retailer, such as an arts and crafts chain, to have upward of 100,000 SKUs and process nearly 30,000 sales each day. Department stores track closer to 1,000,000 SKUs on sales transactions. Variables such as seasonal sales, promotions, multi-sourced inventory, and a commissioned sales staff create large numbers that need to be managed.



Retailers that focus solely on fundamental business processes may not be doing enough to overcome the many challenges they face. They are susceptible to price erosion, decreasing basket sizes, lower response rates, and private label encroachment – all threats to profitability and sustenance.

Retailers need a tool that gives them a singular view of their entire organization and fosters smarter decisions in near real time. The ability to model and predict the impact of merchandising decisions could result in tenfold improvement to the speed, intelligence, simplicity, and cost-effectiveness of business processes.

Combining the ease of use and flexibility of Information Builders WebFOCUS business intelligence (BI) platform on the front end with 1010data's unmatched data warehousing power at the back end redefines the potential impact of analytics in the retail industry. This innovative solution gives retailers a transparent view of their entire enterprise and the ability to answer any and all questions about the business – enabling better customer awareness, complete market basket analysis, operations support, vendor portal visibility, loss prevention support, supply-chain visibility, and improved profitability.

The largest discount retailer in the U.S. – based on number of stores – currently generates more than five billion data records each year and has accumulated more than 70 billion records of historical and operational data. The company's rapidly growing volumes of data have exhausted its existing data warehouse infrastructure, so it has turned to 1010data and Information Builders for access to a “single version of the truth” at the most granular level of detail possible. 1010data delivers and supports the company's business requirements from raw source data with no preparation required. The solution instantly executes concurrent and complex queries to enable double-digit ROI on all fronts with cost reductions in IT that exceed management objectives.

Ultimately, 1010data and Information Builders helped this retailer analyze the efficacy of market basket productivity, determining that keeping the stores open just 30 minutes more per day could generate more than \$500 million in additional revenue.

Retailers can optimize efficiency and maximize productivity by seamlessly tying together all information assets, enhancing key processes, and making strategic use of corporate data to fulfill corporate mandates such as:

- Reduce imminent out-of-stocks
- Reduce overstocks and stale inventory

- Develop shopper segmentation
- Reduce new hire training
- Make decisions based on data not instinct
- View cross-channel inventory and demand
- Identify sales swings at the store level

Together, Information Builders and 1010data empower retailers to make timely, relevant, and complete information readily available to anyone who impacts their business, including executives, line-of-business directors, merchandising managers, warehouse and store staff, suppliers, customers, and external partners. With powerful information management solutions, retailers can collect and consolidate information from a variety of sources, including point-of-sale, inventory, and customer relationship management (CRM) systems to improve the tracking, execution, and management of such vital activities. 🌐