

Harnessing big data in retail through analytics

As retailers engage in omnichannel distribution, the amount of incoming data offers them an opportunity to understand consumer behaviour and needs through select analytical tools.



A key challenge facing retail is how to make sense of huge multiple data sources, without ignoring any of the data flowing into the business. “Every piece of information gathered means something – but its meaning must be correctly interpreted through reliable, timeous and effective analytics if it is to be of any use,” states Jane Thomson, MD at South Africa Qlik Master Reseller.

The ability to integrate these multiple data sources offers indispensable insights. According to Paul Winsor, director of retail and services market development for Qlik, “This data allows you to understand new behaviours, new customer insights, the way that customers are shopping and the way that stock is being managed inside your organisation. The key to achieving this is integrating the information and being able to draw visual analytics to reach a greater understanding.”

Understanding customers’ journeys

Three data aspects are critical to success in a retail business. The key performance indicators of sales, stock and waste are standard and have been measured for as long as retailers have been trading. However, Winsor believes that, today, the customer journey must be understood.

“Customer behaviour illustrates the entire customer journey (from their interactions to their consideration of buying something, their decision-making process, their purchasing decision, and what they do after they’ve purchased), which is a key component to understanding any retail business today.” The third component is outside influences, including micro and macro environmental factors affecting business success.

As innovation in technology continues to offer business benefits, retailers have the potential to achieve significant value from analytics. Numerous datasets can now be captured, stored and analysed offering valuable insights and progressive competitive advantage.

“The advancement of mobile is enabling us to put analytics into everyone’s hands,” confirms Winsor. “With the application of the right software, retailers are starting to use analytics right up to the outer edges of their organisation, from customer facing employees to supply chain staff. It’s important that it’s a platform that allows you to feel that you can access that information and make proactive decisions, and Qlik is doing that with many of its customers today.”

The four keys to overcoming the data challenges in retail businesses include: integration; the association of multiple data sources; the visualisation of the results; and effectively sharing the information.

To Winsor, data analytics and sharing should not be confined to management functions. He believes the further the data goes throughout an organisation, the greater the positive momentum will be. “This is something that all employees should be involved in. When it comes to analytics, when it comes to information, the wider you spread the data inside your organisation, the better decisions are going to be made.”

Retail predictions

In late July, Qlik held a conference featuring analytical solutions for the retail industry. Winsor delivered the keynote address and put forward his prediction for retail’s new frontier. This prediction hinges on three key data-driven elements: understanding everything about the empowered consumer; facilitating the modern supply chain, complete with home deliveries and extended returns policies; and the changing role of the store, where employees are better able to deliver excellent service through intelligent data insights.

“These are the three fundamental retail focus areas that are fundamental to retail business. It is still about the customer, but it is all about understanding everything about their behaviour as well as their transactions. It is still about supply chain, but it is now going right to the outside with the product going out of the business, and back to the returns with products coming into the business. It is still about the store, but it is focussing on how the employee role is changing with the power of data in their hands,” concludes Winsor.

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