

# Illuminating Value

Retail Analytics

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### **Meet The POS Zoom Team**



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### A New Vision

### Questions towards a revenue growth business

- What if Splunk didn't just monitor transactions, but also created them?
  - What if Splunk was selected based on value generation, not just consumption?
- What if Splunk could disrupt and displace traditional business operations solutions?
- What if Splunk could automate processes that have been manual since the beginning of time?

#### **PIVOTAL QUESTION**

What if Splunk was a <u>key driver</u> in generating hundreds of millions of dollars in new revenue across an industry?



### **An Industry Ripe For Change**

The more you know

#### Did you know?

- ► There IS an industry with segments of its business still operating as they did in the previous century.
- Every company in this industry had at least four distinct operations centers fighting for access to the same data.
- Previous solutions insist the only answer is to process every transaction sequentially – hours, days and even weeks after the fact.

"Real-time insights into product sales unlock hundreds of millions in revenue currently being lost due to traditional, time latent solutions."



### **Conventional Wisdom**

Invest in better ETL capabilities

Build better data models

Put more data in memory for faster inquiries

"Doing more of the same thing is a very expensive way to get the same results"

Add more compute to operational solutions



### We See It Differently

ROI in months

- Retail and
  Consumer
  Goods sales
  data should be
  easily accessible
  across the
  enterprise
- Store operations
  should have real-time
  visibility into on-hand
  inventory, sales
  velocity, delivery
  schedules, and
  safety stock
- DC operations, supply chain, merchandising, and marketing should have a robust set of predictive capabilities to drive efficiencies and sales lift

Better, Faster, Leaner



### **Industry Research**

- Our research indicates that retailers as a whole lose billions in revenue each year due to operational inefficiencies and lack of visibility into critical consumer buying patterns
- Conservative estimates suggest that



can capture...

- Stock-out Reduction
- Fresh Food Waste Mitigation
- Suppress Return Leakage
- Fraud Detection & Remediation





### **Industry Challenges**

- Legacy fulfillment forecasting engines lack
  - Recent sales activity (up to a week)
  - Limited visibility into demand influencing factors
    - Promotions / Advertisements
    - Social events (Sports, Entertainment, etc.)
    - Weather
- Customer habits change sporadically
- Customer channel preferences are tied to technological change and market trends

- Store operations are primarily reactive rather than proactive
- Customers are resistant to change as change management is uncertain
- Supply chain operations and store operations can vary by retailor or by vendor
- Supply chain operations and store operations can vary in real time



### Illuminating Value Through Real-time POS Analytics



Loyalty & Marketing

Store Inventory

**POS** 





Waste



**Fraud** 



Returns



**Real-time Cart Expansion (Incentives & Increasing Store Traffic)** 



**PCI Compliance** 



### What Is It?



- Eliminates sales data silos across the enterprise
- Mitigates product fulfillment disruptions to increase sales
- Identifies inventory anomalies and triggers revenue protecting actions
  - Expediting deliveries for low product inventory balances
  - Real-time customer segmented promotions through email, text and mobile app
  - Real-time demand forecasting leveraging predictive models
- Segments customers and products to incentivize revenue lift
- Delivers Regression & Predictive Analytics (Machine Learning)



### **How It Works**

Big data analytics accelerates the ingestion to insight process by collapsing the model, map, transform, write, query paradigm

#### Disparate Data

Ingests volumes of data across silos in native formats

Loyalty

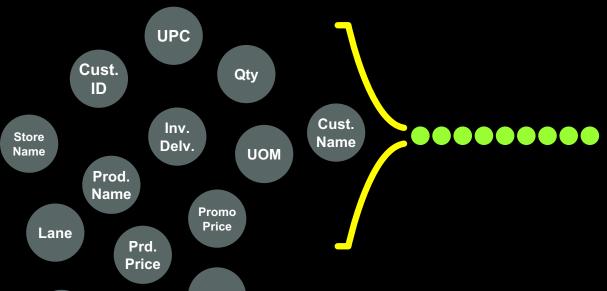
Sales Amt

#### Schema @ Read

Applies a logical index to data "as-is" at inquiry, enabling robust correlations in real-time at scale

#### Insights

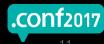
Rapidly visualize queries, correlations and KPIs on one platform





- Real-time Replenishment Forecasting
- Customer Sales

- Return Win/Win Propositions & Incentives
- Fraud Detection



### **Marketing Lift**

### Additional Analytics on New Data

#### **MARKET BASKET ANALYTICS**



Aims to generate a set of rules that link two or more products together helping the organization to identify frequent purchase pattern, designing upsell/cross-sell strategies and incremental revenue growth opportunities. Will aid in bundling of products as well

#### **CUSTOMER SEGMENTATION**



Segmentation divides the customer base into heterogeneous groups basis various attributes like purchasing behavior, demographics etc. creating opportunities for business for targeted customer

#### **CAMPAIGN ANALYTICS**



Campaign Analytics Platform is an end-to-end pre/post marketing campaign performance assessment process that encompasses all the steps pre/post the Marketing Campaign launch to analyze whether the campaign was successful or not

#### **DIGITAL CONSUMER ANALYTICS**



We can perform all the analytics services on the online data which we are proposing on the transactional customer level data. Primarily to start with Customer segmentation



### **Marketing Lift**

### Additional Analytics on New Data

#### **REAL ESTATE OPTIMIZATION**



It is a framework which groups stores into networks basis the customer sales behavior and the geography. Among the entire stores in the networks, it rank the stores based on store's ability to transfer sale (maximize), acquire new customer (minimize) and profit margin (minimize). Then identifies the low performing stores and then measures the impact of its closure on the remaining open stores

#### INVENTORY MANAGEMENT



It aims to improve the sales forecast by incorporating the inventory data and hence aligning the supply and demand

#### **CROSS SELL AND UPSELL ANALYTICS**



It optimizes cross sell offer for a customer, using response propensity model, channel strategy and customer segment

Upselling is the practice of encouraging customers to purchase a comparable higher-end product than the one desired using response propensity model

#### **CHURN MANAGEMENT**



It helps to identify customers who are more likely to churn, identify root causes, enhances the customer lifecycle value, and drive positive customer experience. Predictive statistical models are used to create customer churn propensity score including logistic regression/random forest, decision tree, etc.



### **POS Zoom Analytics Roadmap**

Land in Store Ops and Expand to Marketing or Vise Versa

OR

Value Achieved in Weeks

5-10 Weeks ---- 12-16 Weeks --- 12-16 Weeks --- Ongoing

#### Land in Store Ops Use Cases

- Stock-out Reduction
- Waste Reduction
- Fraud Mitigation
- Return

TIMELINE

**PHASES** 

- Refine KPIs & correlations
- Create Change Management Plan
- Define architecture
- Identify, translate, ingest data
- Refine KPIs & correlations
- Create Change Management Plan
- 1 Use Case 1 Pilot

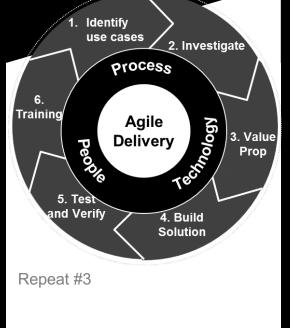
- Use case #2
- Define deployment plan
- Develop scripts & automation
- Obtain governance approvals
- Execute Change Management
- Deploy
- 2 Deploy to stores

Prioritize use cases

**Expand to Marketing** 

- Identify data sources
- Ingest & enrich data
- Refine correlations & dashboards
- Deploy





4 Additional Use Cases

### **Accenture Lift**

Accenture and Splunk Combine to Multiply Value to Our Retail Clients

#### **Results Matter**



90+ Accounts 9+ Countries

2.3k Certified Resources

**6.3k** Trained Resources

**85+** Additional Splunk Engagements

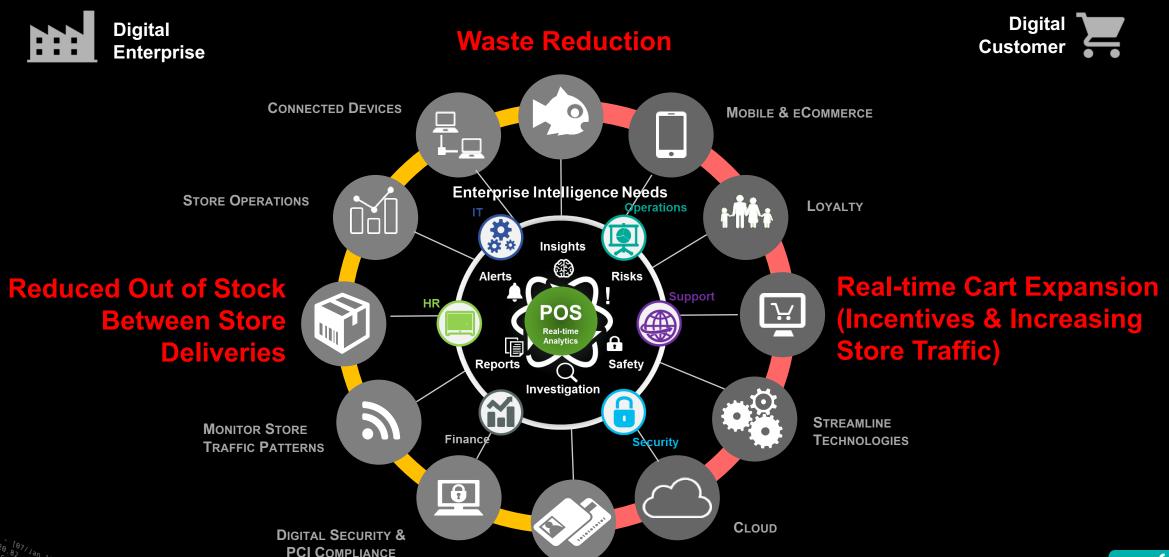
**Projects Delivered in All 5 Vertical Markets** 

Accenture Honored as Splunk's 2017 Partner of the Year

- ► C-Level Trusted Advisor Relationships
- Supply Chain Domain Subject Matter Advisors
- Inventory Subject Matter Advisors
- Marketing Domain Subject Matter Advisors
- Remote Data Sciences Team Expertise in Predictive Modelling and Machine Learning



### **COE / Adoption Enablement**





## **Any Questions?**

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