

How to unlock the mind of the non-linear shopper

Data diversity, interactive analytics and cloud computing are the keys.

Q With the number and types of new data sources (everything from Twitter feeds to the traffic patterns around in-store digital signage) expanding so rapidly, what are the key criteria retailers should use to decide which sources are most valuable for their business?

Retailers should be wary of the hype around social media analytics. Such solutions are in their infancy and have a long way to go before they will routinely produce accurate, actionable results. Instead, retailers should do deeper analysis of readily available business data, like t-logs, traffic patterns, etc., and look for ways to combine that data with external data, like weather, census, and employment data, to reveal a more complete picture of actual shopper behavior.

Given the increasingly non-linear nature of consumer shopping patterns today, what are some of the ways retailers need to adjust or update their overall approach to BI?

Shopper behavior and the data it generates have become extremely complex and variable. Business decision making in this environment requires tools that enable retailers to analyze huge amounts of data as fast as technology will allow. Traditional analytical solutions depend on batch processing and sampling and are hard to set up and use. Retailers should look for new solutions that enable fast, interactive analysis of whole data, with minimal assistance from IT.

Are there some specific things they should be doing to improve their understanding of demand pattern changes generated by non-linear purchase paths?

Nonlinear shoppers generate many different kinds of information in many different places. Analyzing demand trends requires "Three Cs" - combination, correlation, and calculation of data of all types and origins. Retailers can only understand today's shopper if they also understand her or his tastes, interests,

opinions, influences, and so forth. Applying the Three Cs to retail data plus data from web statistics, weather, government statistics, social networks, and more is the key to the minds and hearts of non-linear shoppers.

Is the retail "audience" for BI insights expanding within the retail enterprise, and if so, how can retailers most effectively manage their distribution and usage?

Yes, as the retail business changes and information analysis technology evolves, it is both necessary and possible to share data and insights more widely than ever across the enterprise with different departments and beyond it with stakeholders, suppliers, and maybe even shoppers. Unfortunately, conventional datacenter-based BI software, and appliance solutions can make it difficult and expensive to share data and insights. Thankfully, there are cloud-based data analytics solutions like 1010data emerging that can dramatically lower the cost and complexity of sharing analytical information. Embracing these solutions will require a shift in IT best practices from forcefully and tightly limiting data access to making it as easy as possible for authorized users to have all the data and tools they need at their fingertips.

What are some ways that cloud-based solutions can facilitate improved data-gathering and distribution of BI insights within a retail enterprise?

The power of the cloud is that, in addition to offering cheaper data storage and processing, it is easy to put things into it, to find them within it, and take them out of it. That goes for music and photos, and it goes for data and analysis, too. With the cloud, retailers can easily gather and analyze massive amounts of highly detailed data, like t-logs and weather data, from everywhere and they can rapidly share actionable insights, like basket affinities and category trends, anywhere - from a PC in the office to a tablet on a train.

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