ANALYTICS FOR RETAIL - BIG DATA

Data, data everywhere, nor any Bit to make me think†

Andrew Jabbitt, Analytics Solutions Architect for UCS Solutions talks big data.

"The volume of data collected globally has soared, and there is no end in sight. Not only that, but Volume is just one element of the 'Big Data' mega-trend. The others are Velocity, the rate at which data is refined into actionable insight, and Variety, the range of sources from which data is collected, including structured and unstructured sources... and all of these dimensions are increasing at an accelerated rate!

Until recently, building an information asset by collecting and storing data was seen as the most important task in Information Management. Business Intelligence was seen as a necessary evil at best. Today, however, these information assets are being used to unlock powerful and profitable insights. Enterprise information is finally having its day and starting to deliver real return on its historical investment.

While this has presented a minefield of challenges for some companies, the benefits are simply too great to ignore. As data collection efficiencies increase and cheap storage becomes ubiquitous, the differentiator is now how effective you are at deploying your data for business benefit. The more effective you become at this task, the bigger the competitive advantage that will accrue, and the greater return you will realise. It's a virtuous cycle. In addition, significant cost reductions are also being enabled by 'Big Data' as these new insights begin to identify more efficient ways of doing business.

'Big Data' technologies, including concepts such as in-memory, columnar databases, event stream and signal processing, and even 'the data fabric' concept, give your company the ability to be more agile because they enable quicker analysis - even in real time. This allows you to know what your customers want, when they want it, and, in some cases, even before they know they want it! Some companies have even developed new customer offerings based exclusively on these insights.

Retail is one of the most data-rich industries because Retailers are able to collect vast amounts of data from their points of sale, as well as data related to customer behaviour and preferences, and other environmental data. Examples of where Big Data initiatives are adding value in Retail are the refinement of customer promotions to target greater online sales in near real-time, and the fine-tuning of category plans where vast amounts of sales history can be analysed in new, unencumbered ways, to identify optimal product offerings.

The trick is figuring out how to leverage this vast dataset and couple it with proprietary knowledge so that it becomes enriched insight in support of profitable action. The act of gathering of data alone will not give a company a competitive advantage, although it is an important prerequisite. The benefit to your business will come from the interpretation of this data, especially when it is performed by employees empowered with the right skills and tools."

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† With apologies to Samuel Taylor Coleridge, whose quote: "Water, water, everywhere, Nor any drop to drink." appears in the The Rime of the Ancient Mariner

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