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THE RETAIL HIVE: **Breaking Down Data Silos to** **Enable Critical Decisions** **Through Enriched Insights**



Introduction

precisely

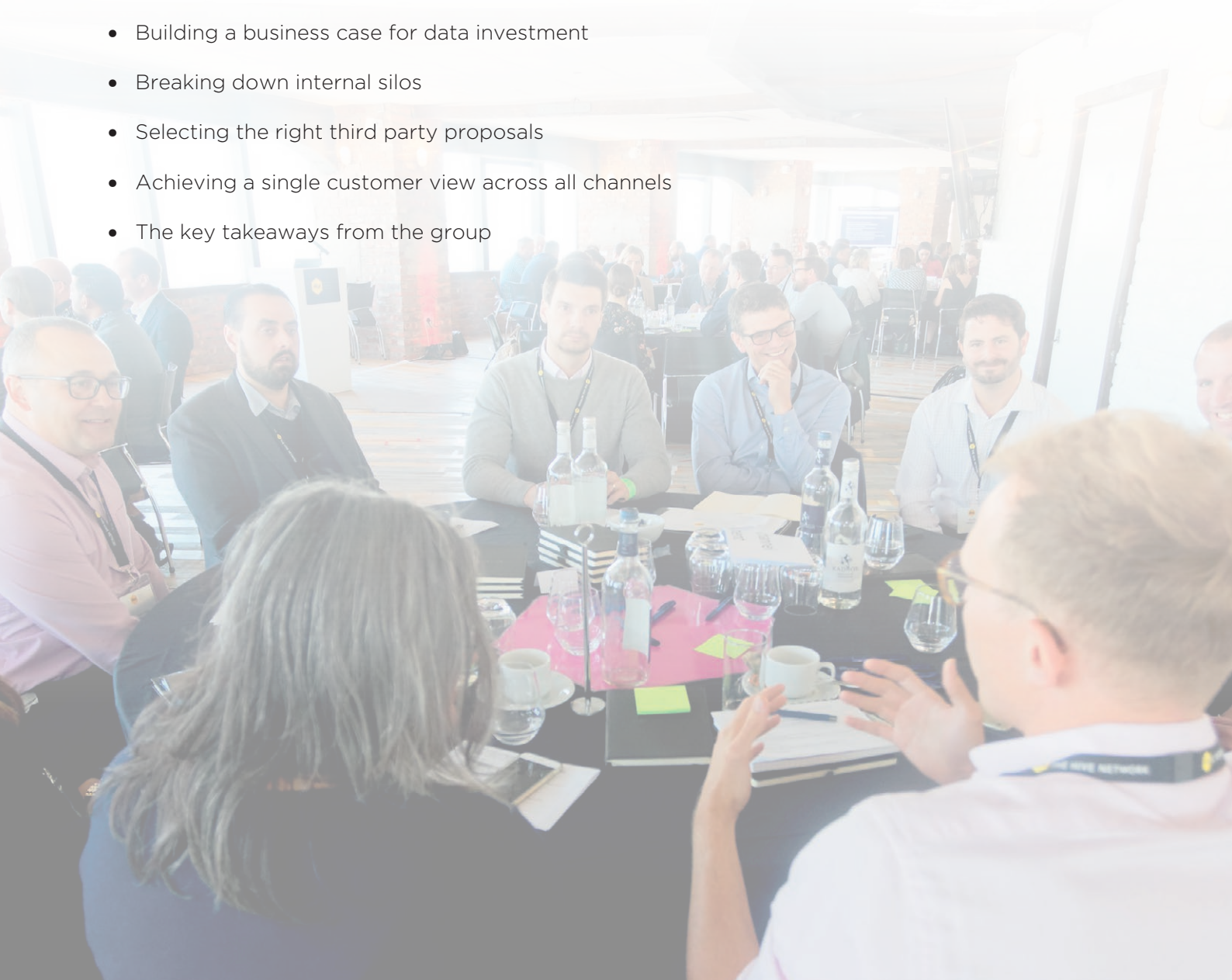


Customer data is so important to the retail industry that this ninety-minute Retail Hive digital boardroom discussion could have gone on for hours. Although everyone was at a different stage of their journey, all eight participating retailers shared common challenges, including data ownership, optimisation of data insights, best practices for building a business case for data investment, and the journey to data integrity through trusted data that has accuracy, consistency, and context.

The group, hosted by Retail Hive recommended partner Precisely, comprised of a mixture of digital leaders, omnichannel specialists, customer experience experts, BI developers and data scientists, representing a diverse group of brands, from heritage consumer electronics to luxury beverages, homeware and fashion. Whilst some of the group are in the early stages of building new data warehouses and data lakes, others were more heavily focused on investing in customer data platforms to provide a truly omnichannel experience for their customers and use the data to drive better engagement.

This report summarises the discussion and focuses on:

- Making sense of data
- Building a business case for data investment
- Breaking down internal silos
- Selecting the right third party proposals
- Achieving a single customer view across all channels
- The key takeaways from the group



Making sense of data

When it comes to customer data, legacy systems can cause huge problems, especially for brands holding years and years of insight. Trying to understand where data is being held, what makes sense, what can be trusted, and how to get different data sets and teams talking together were massive hurdles for the group. Additionally, with data coming through multiple channels such as eCommerce sites, mobile apps, and franchise partnerships, not to mention the different silos of data ownership that can be experienced across organisations; successfully managing data has proven to be hugely challenging.

One retailer shared their experience: "It's been a real battle to get our data to a point where we feel we can negotiate ownership, especially when there's a lack of data knowledge from the senior leadership - made up of marketers and salespeople who are not data experts. Getting them to understand the complexity of these problems and achieving their buy-in for investment has been really difficult."

Another contributed their journey: "We used to think our data was pretty clean, but then we started to share that data with externals to get a better insight and we actually realised that it wasn't quite as clean as we'd have liked. So, we spent 18 months going through all the data that we capture and working to clean it up to ensure it's rigid and fit for purpose so that we can join it easily."

PARTNER PERSPECTIVE

"The velocity and variety of data that is going to be coming into businesses now is going to massively increase. In order to manage this, brands should focus on going back to the very beginning and making sure that any data coming in is fit for purpose. It's then about getting the data into the hands of the right people who can really use it."

**Martin James, Senior Account Director
- UK Retail, Precisely**



Building a business case for data investment

When it comes to getting buy-in for investment, most traditional businesses see data collection as a financial cost, rather than an opportunity to drive revenue. In order to overcome this, retailers agreed there is a need to establish a case for change yet, trying to do too much at once could result in paralysis by analysis.

As a starting point, retailers should build out where the opportunities are and create a roadmap for how they want to get there so that it's very clear for all across the business - this should help to result in getting buy-in, rather than resistance. Breaking each journey down into small, bite-sized chunks that can be incrementally stacked up to get into a really good place is a great strategy for avoiding a crash and burn scenario.

Taking stakeholders on a journey which allows them to understand the true value of data is a sure way to get their buy-in. For stakeholders, it can be very easy to underestimate how much potential there is from a data standpoint, but by bringing data to life and demonstrating how it can deliver benefits to a business, stakeholders are much more likely to believe in the opportunities and agree to investment. Simple examples of how this can be achieved include sharing how data can help to understand customer behaviour on websites and showing how bringing disparate data sets together and producing a unified view of the customer can positively impact sales.

When asked what their top tip would be for gaining buy-in from senior management, one retailer shared their thoughts: "I think it's in having the ability to demonstrate the capability and competence in everything we've done with data so far. After two years of managing with a messy data foundation, we've been able to deliver critically important insights and show the value of those insights. This has led to the leadership team screaming for more, putting us in a great position to secure investment in our customer data platform".

RETAILER SPOTLIGHT

"We already had a lot of data and have been using it effectively; we still send catalogues out to our customers and we're always looking at how we can use data to drive more effective marketing campaigns - so we were on a journey anyway, but it's about how we can add a lot more sophistication into the mix. We've got over two and a half million active customers that have shopped with us in the last 12 months. They're from a really diverse base - with ages ranging from 18 to 80 - and we have a really diverse product range. Our ambition is to be able to get the most relevant products and messages out to customers across all of our touchpoints - be that our website or our email comms - and to ensure that we're getting the most out of our customers through an effective use of data. So, we are already on our journey. I would say for anyone who's looking to start that journey, it's about breaking it up into those bite-sized chunks and getting buy-in that way."

PARTNER PERSPECTIVE

"L'Occitane selected the Precisely solution when they set up a Data Lake and Master Data Management system to improve customer data management and analysis. They can now integrate 19 standalone systems, easily manage GDPR compliance, and understand the relationships between the data sets. L'Occitane reduced deduplication time (from 150 min to under 5 min) and marketing and customer service interactions are now tailored based on buying history, location, and preferences. This single implementation breaks down data silos and enables to build real-time, personalised, and frictionless omnichannel customer experience from the moment a prospect subscribes."

Martin James, Senior Account Director - UK Retail, Precisely

Breaking down internal silos

When it comes to breaking down internal silos, Precisely believe that there are a lot of misconceptions that this requires a big transformational change, taking 18 months to two years to deliver. But it doesn't have to be complex, nor does it have to be expensive. It's all about working with different teams. They shared how they're seeing more and more organisations providing a self-service analytics environment for their marketers, enabling them to have an area of data that's completely relevant to them, which they can slice and dice how they see fit and then use those outputs in whichever fashion works best for them. One way to do this is by creating a data lake – something that many retailers are working towards using more modern cloud technologies to be able to host their data.

Whilst it's the eCommerce platforms that are generating a lot of this information, it's actually the marketers and the data owners driving the algorithms using it. Having these groups actually sitting together and working together to contextualise the data to get to understand the end result is key. This will enable all to understand where that journey needs to be, because if there isn't that conversation going on internally, the business will end up just delivering things that never quite hit the mark and miss out on achieving that ROI, which will ultimately affect future buy in. When there is that level of communication between teams is where retailers can really do well.

Retailers shared their experience in overcoming friction across teams. “We are starting to get more aligned with our marketing colleagues. Rather than everyone working in our own little bubble, we've got our marketing team working with our commercial team. By showing the business what we can do with our customer data, we managed to engage our marketing team who now want to use the data to target customers more effectively in order to support their lifetime value. This also enabled us to justify the expense of investing in a data warehouse.”

RETAILER SPOTLIGHT

“We have a lot of data so we're looking at how we can use it in a more sophisticated way to drive more effective marketing campaigns. We've got over two and a half million active customers, who have shopped in the past 12 months, all from really diverse demographics, in line with our diverse product range. Our ambition is to be able to get the most relevant products and messages out to the right customers across all of our touch points. To make this journey more palatable, we're breaking it up into bite sized chunks and tackling one part at a time. But we're doing this as a team across digital, marketing and data”.



Selecting the right third party proposals

As businesses collect more and more data, there is an inevitable need to build a dedicated data warehouse to house these assets. With so many third-party solutions available on the market, cost and scalability tend to be the deciding factors when selecting partners.

Many of the retailers shared that their software decisions are based on their legacy systems and current data stack. Those from a Microsoft stack house tend to favour Azure for easy integration.

One retailer shared their journey: “The main factor for us was scalability. At the moment, we are building in a sequel database, not as a data warehouse, so our initial cost is lower. As we build up the data over the next few years, we can transition it to higher service levels. The ability to slowly increase the cost, which can be built into the P&L, was far more appealing to the business than having to pay out a large sum straight off the bat.

SPOTLIGHT ON LA PERLA

Simon Clarke, Digital and Technology

Transformation Director at La Perla commented that for them, it is all about the vision and knowing what’s at the end of the tunnel. By having a clear vision, they are able to really scope out where they want to get to without ending up down any rabbit holes.

Key for Simon at the moment is to understand what their digital data hub looks like and what it contains; this enables them to make sure that when they work backwards to where they are today, they can have the appropriate solutions in place, maintained at a reasonable cost. At the same time, it doesn’t restrict them being able to do something different in the future, in terms of adding more data to it or using it in a slightly different way.

PARTNER PERSPECTIVE

“It’s about having the vision but also knowing where that technology works. We’ve seen clients selecting a few different technologies which are not designed to communicate with one another, which tends to result in problems for them. For retailers walking into businesses with legacy tech, you’ll probably be committed for the next 12 to 24 months to these technologies but you want to move over to a more modern environment. You need to get what you’ve got working as well as you can, whilst simultaneously keeping that long-term vision.”

“There are a few things that you can put in and deploy quite quickly that will get you those quick returns. Having type-head embedded improves data quality and reduces basket abandonment by anywhere between 3 to 6%. Ultimately, it’s about the quick wins. You should ask yourselves questions like: where can I prove that this data is massively important to our organisation? Where can I drive the most revenue? Where can I promote the best service?”

**Martin James, Senior Account Director
- UK Retail, Precisely**



Achieving a single customer view across all channels

A common objective that retailers share is working toward creating a single customer view (SCV), bridging the gap between online and offline to provide a truly omnichannel experience for their customers.

One retailer shared how, whilst they've grown so big, so quickly, part of that growth has been in silos of bricks and mortar and their online world. This means that in order to achieve a SCV, a lot of consolidation is needed to try to marry up all their customer data from across both worlds. They are interested to find out which stores their customers buy from, and what they purchase in store, versus online. Understanding this can help them to optimise their segmentation strategies. The group explored when mapping the online to offline experience, how they can go about identifying those customers.

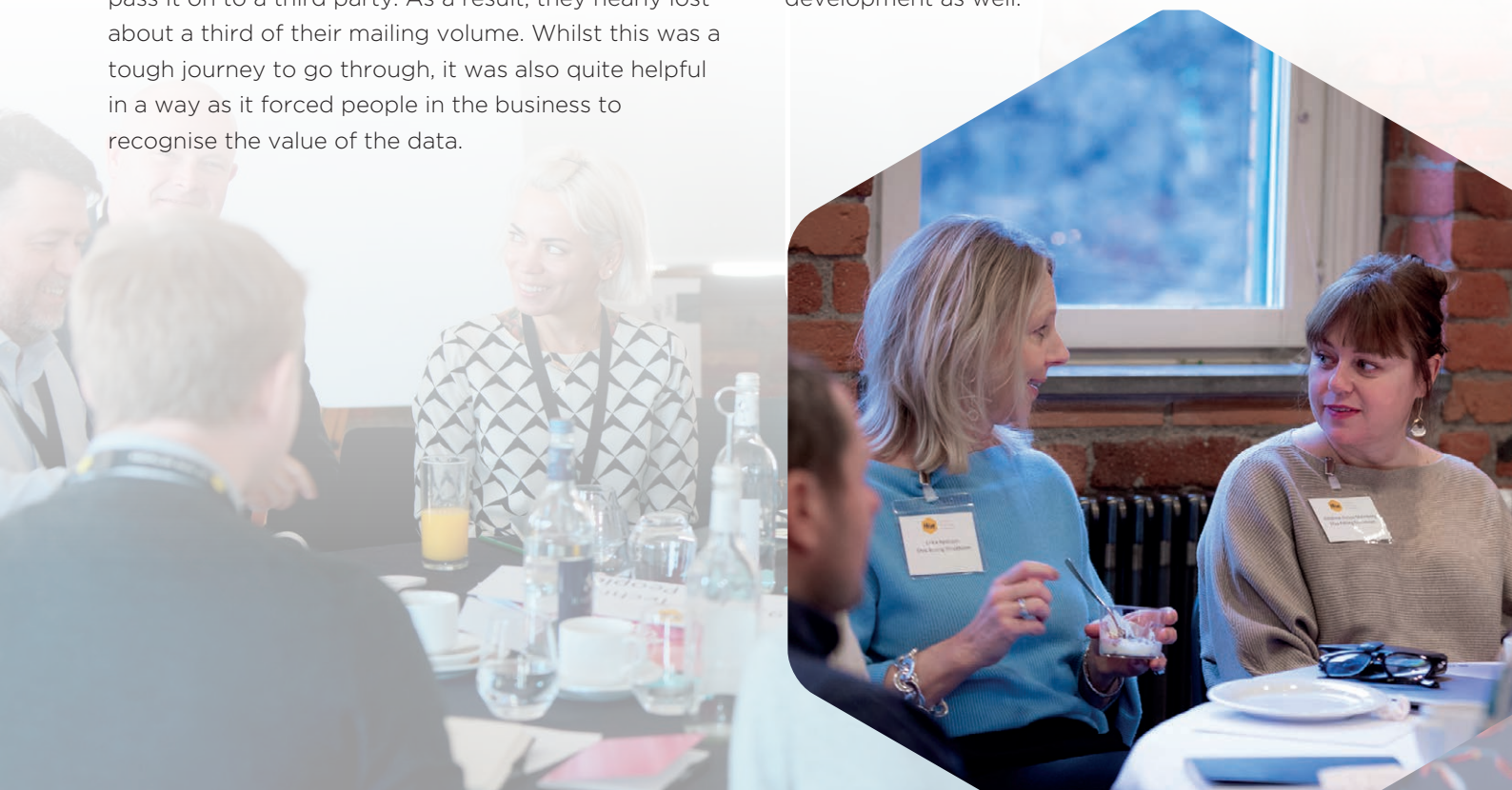
One participant shared how they introduced a free delivery service - similar to an Amazon Prime subscription - and an in store QR code scanner, which enabled them to capture customer data, both online and in store to interact with customers and capture their data - creating quite a rich data set for them.

Another retailer shared how in the past they really struggled with their customer data and so decided to pass it on to a third party. As a result, they nearly lost about a third of their mailing volume. Whilst this was a tough journey to go through, it was also quite helpful in a way as it forced people in the business to recognise the value of the data.

Today, they are working to rebuild a single customer view, whether with their current third party or with a new partner. They shared how they have been really inspired by a streetwear brand who built a geo targeted segmentation basis on findings that their customer would buy a certain type of product in one area of the country, and a different product in another.

They felt this was a really powerful message which was reflected across both online and offline sales, breaking down those silos between stores and eCommerce.

Being quite a small business, their end goal is to gain these powerful insights to enable them to merchandise their store in the same way that they would be merchandising their site. Hearing how other brands have achieved it is really inspiring and makes them want to build a roadmap of what the biggest wins could be, and create a focus group, where participants can catch up on data on a monthly basis with the key members of the different teams and see what they can do to support the different areas of the business, because it's not just about the website, or about what catalogue they send; it's about how to merchandise the stores and support the product development as well.



Key takeaways

“It’s great to hear feedback on third parties that others have used as this helps with our own due diligence and decision making.”

“It’s been a big focal point of mine to wrestle some control over what’s going on in China, because we just don’t have the expertise there – this conversation has helped me to understand that I may have to rethink my strategy a little bit on the basis of what I’ve heard today.”

“It’s great to hear that we all have similar issues and today has helped me to realise that it doesn’t matter how long you’ve been on the journey, there’s always more that we can be doing.”

“I hate it when people say that the high-street is dead because there’s tons that we can be doing to figure it out and it’s forums like these that can help to inject some life into it – which is what we all want.”

“My biggest takeaway is to focus on making sure our data is clean. This is going to be hugely vital to our success over the next few years.”

“I think it’s so important to break down the silos and get different departments to take responsibility for their own data. Rather than us cleaning up data centrally, everyone should take some responsibility to make sure that it’s cleaner and nicer before it’s allowed to enter systems.”

“My takeaway is: go back to basics! We all need to make sure that we’ve got good data to start with, otherwise there’s no point in investing further in it.”

“I think it’s more important today that marketers understand the technologies, because as tech is getting more and more expensive, and a bit more complicated, we need people that can wear both a marketing hat but also understand technology at the same time.”

ABOUT PRECISELY

Precisely are architects behind the accuracy and consistency of retail data. Their approach gives customers the confidence and context to reach beyond today’s performance. They move and help process data with integrity, giving tomorrow’s market leaders the ability to make better decisions and, ultimately, build new possibilities. With unmatched expertise across data domains, disciplines and platforms, Precisely equip their customers with high quality, enriched insights that fuel innovation and power decision-making at scale. Simply put, they build trust in your data.

For more information, please visit www.precisely.com

