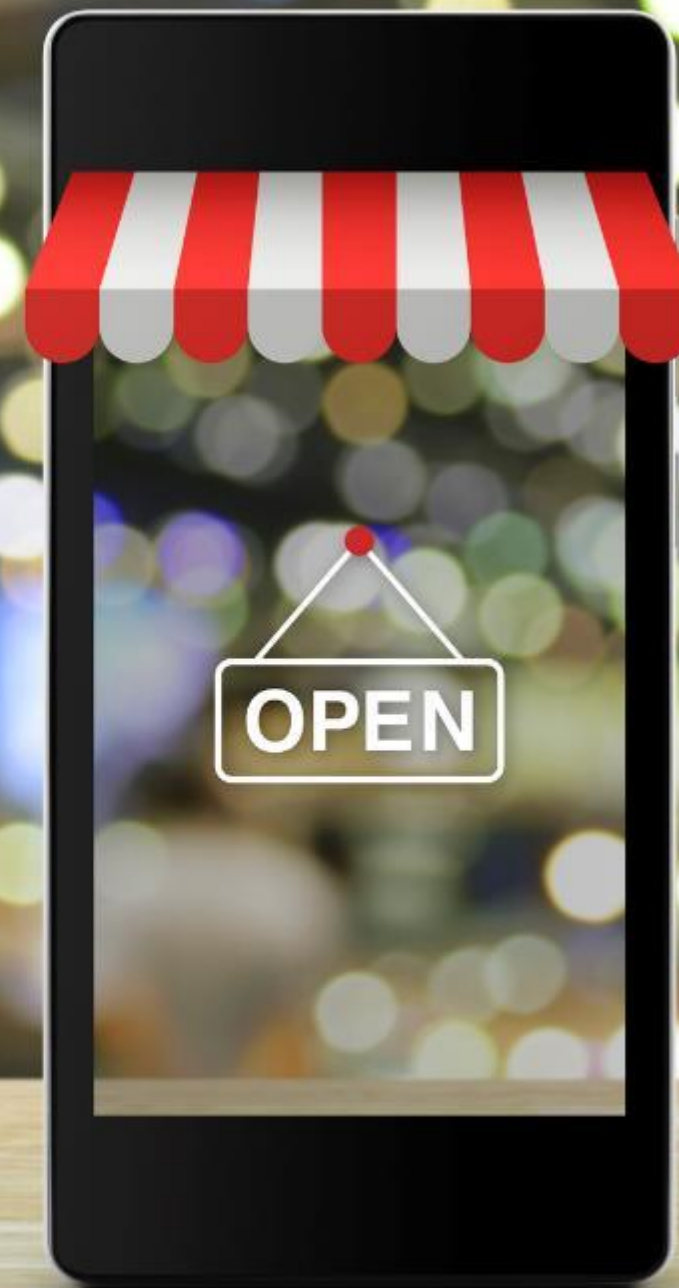# Data and retail transformation

Data and analytics at the heart of retail digital transformation

Getting more from data

Introduction

Australian online shopping reached an all-time high in 2020 with online purchasing growing 57 percent year-on-year: an average of a million additional households shopping online every month compared to 2019 – reaching AU$50.46 billion in total spend at the online checkout[1].

The rise of online shopping has changed consumer behaviours, from how people shop for everyday goods to how they pay for them.

Now, more than ever, retailers are becoming more data-driven as they realise the importance of analytics when it comes to gaining business insight and being able to make smarter decisions in the face of the ever changing industry.

Data and analytics sit at the heart of retail and digital transformation. According to Gartner, the global market for business intelligence (BI) software grew by 10.4 per cent to US$24.8 billion in 2019, with modern BI platforms being the fastest growing segment at 17.9 per cent[2].

Retail organisations are looking for ways to get greater insights from a growing and diverse set of digital data sources, and to create business value through a deeper understanding and insight into their data.

As the majority of consumers have increased their use of digital and omni-channel shopping, retailers now have access to more data than ever before - thanks to this rise in digital interactions. For example, in Australia, eCommerce growth was up 45 percent year-on year to 30 April 2021[3]. All this online activity leaves a trail that retailers can follow and discover what customers want. By doing so, retailers can respond directly to customer demand, increase market share and build a resilient retail operation.

(1) Australia Post: 2021 Inside Australian Online Shopping Report eCommerce report
(2) Gartner Research: Market Share – Analytics and Business Intelligence Worldwide, 2019, published 20 May 2020
(3) Australia Post: 2021 Inside Australian Online Shopping Report eCommerce report

"One of the first things we did was to use Microsoft Power BI to empower our business units by giving them new insights into their data in various ways, such as dashboards.

And we've opened up opportunities to run AI and machine learning on top of our cloud environment to add predictive analytics and features such as personalised product recommendations.

With Dynamics 365, we can map great technology to outstanding business processes that will help us continue to expand our markets and adopt new business models. Everyone benefits from that. The company benefits, the customer benefits—it's a win-win for all."

Matt Keays
Chief Operating Officer
Michael Hill

On the one hand, gaining insights from data should be easy, since organisations now have access to more data than ever. Information is flowing through from existing, internal operational systems, ecommerce systems, and external data sets such as the Internet of Things (IoT), which can include data from beacons in retail, customer foot traffic, sensors in manufacturing, and much more. Social media platforms are also providing in-depth customer sentiment feedback at unprecedented levels of detail and volume.

On the other hand, bringing this data together in a way that the business can access, absorb and action easily is proving to be a challenge, which is not helped by the fact that these data sources are in a state of constant change. To be able to analyse this data in a meaningful way, it needs to be accessible at any time, from any location, and in a context that makes sense to the user and to the business.

In a nutshell, this means that, while organisations have more data than ever, the challenge remains how to extract business insight that will serve the business's goals. For businesses to be truly data-driven, this means using the data to make predictions that can result in more effective marketing, nurturing, merchandising and engagement strategies.

By painting a picture of what is likely to happen in the future, retailers can chart an appropriate course to maximise opportunities and efficiencies, while avoiding traps or errors. Effective data analytics provides the key to unlocking and realising true success. And data analytics can only be effective if all data sources come together to provide a complete overview.

To make the most of the advantages offered by the increasing volume of data, businesses must put in place a solid data strategy. They should work with a partner that understands the business and can provide strategic input on the right approach and platform, delivering insights that achieve a sustained competitive advantage.
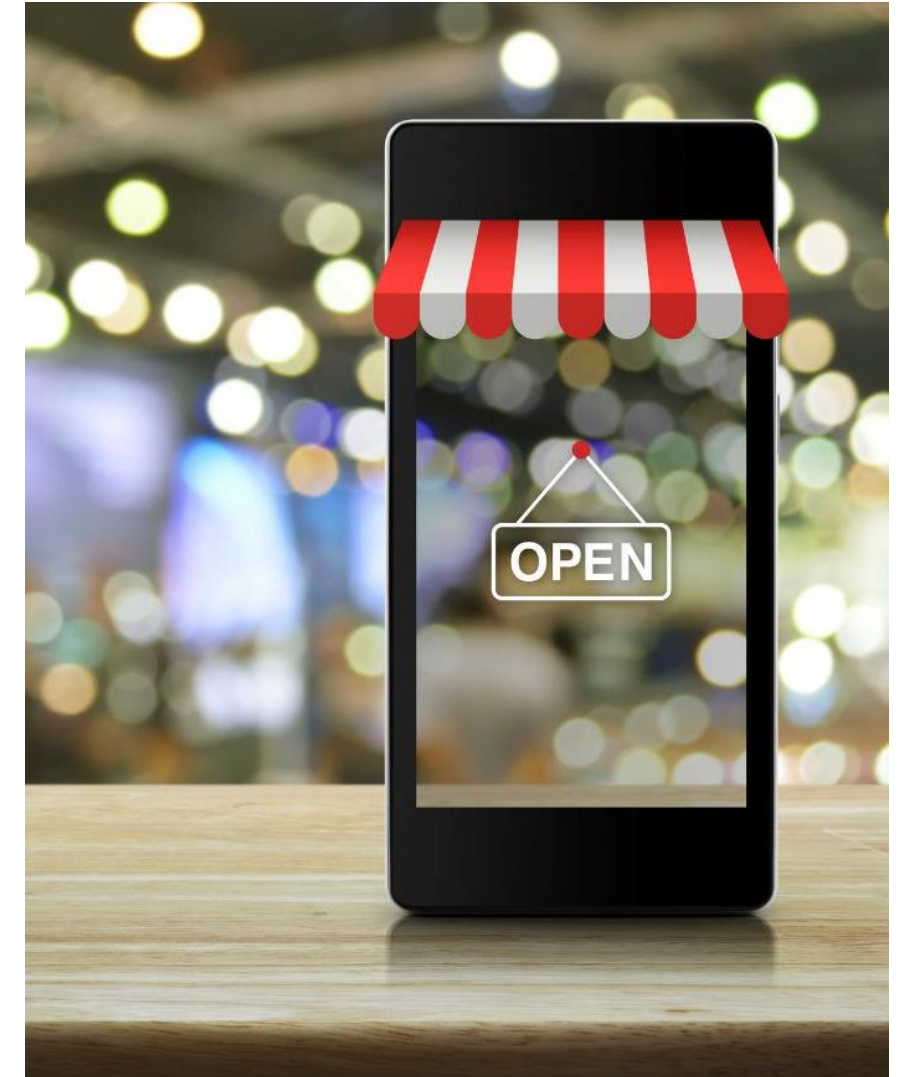
Smart data solutions

Microsoft and Retail

DXC Technology delivers Microsoft retail services and solutions to help retailers get transformational results from Microsoft technology and deliver seamless experiences across the shopper journey.

Microsoft Cloud for Retail is a modular framework for retailers that is designed to give retailers the flexibility to adopt the capabilities they need to address their most important business needs as it suits them. Depending on the retailer this may be demand generation, stores and operations purchasing, fulfilment and service, post-purchase, and/or merchandising and distribution.

Importantly, the Microsoft Cloud for Retail solution avoids the need for expensive, monolithic, legacy applications that are resource intensive. Instead, retailers can start small, then add to their solution as appropriate; driving accelerated time to value by unlocking the power of Microsoft Azure, Microsoft Power Platform, Microsoft 365, Microsoft Dynamics 365, and Microsoft Advertising. All brought together by a common data model and built on a platform of security and compliance.

At the centre of Microsoft Cloud for Retail is data; retailers should plan to implement solutions that let them fully leverage the power of data, intelligence, and analytics.

Image courtesy of Microsoft

Capturing business intelligence

1. Conduct a data audit

The first step for organisations is to understand what data they already have access to and what data they want to access. This can include everything from social data and online sales, to store data, operational and financial data, supply chain data, and merchandising data.

The data audit process will let retailers see where the data gaps and duplicates are, as well as identifying silos. Using different solutions for different operational requirements inevitably results in silos forming, which makes it practically impossible for the organisation to be confident that everyone is working from the same data.

Removing silos results in what's commonly known as a 'single source of truth', which is crucial for effective decision-making. Combining solutions from the Microsoft Cloud for Retail prevents silos from forming because the solutions integrate tightly with each other, sharing information seamlessly.

Microsoft's Common Data Model provides the unified view retailers need. It's an out-of-the-box business database for storing data such as sales, purchase, customer service, and productivity. Retailers can then use the Common Data Model to unify data for a growing collection of Microsoft solutions including Power BI, Dynamics 365, Power Apps and Azure.
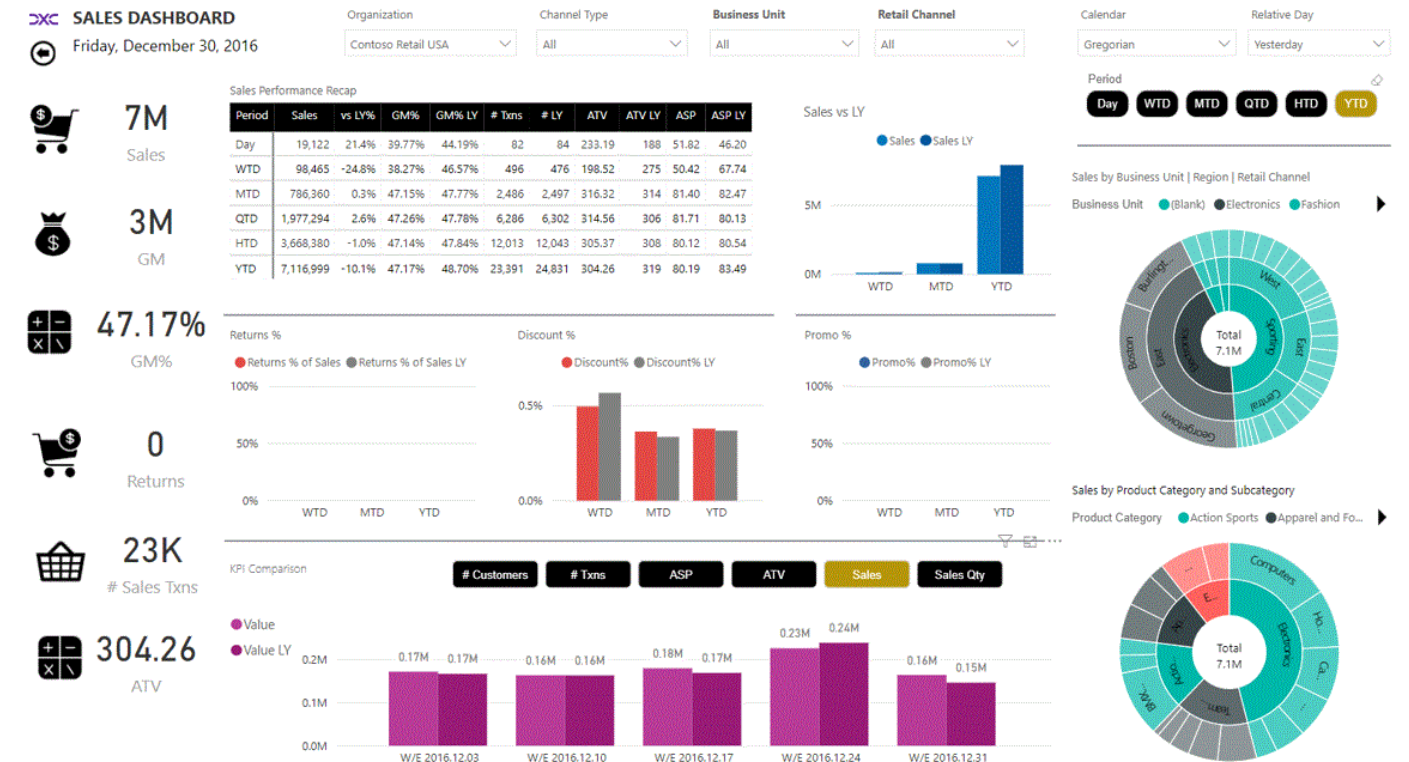
The Sales Dashboard allows corporate and channel sales leaders get a near real-time view over sales performance for the selected period. This dashboard shows sales, returns, discounts as well as key retail stats. Easy to select period slicers allow to quickly change the perspective from day to week, month and year. KPI selectors also allow different metrics to be quickly reviewed within the same dashboard.

Capturing business intelligence

2. Choose solutions that simplify data analytics

In the past, some retailers have found their data projects stymied by a lack of access to IT and data experts who can extract and analyse the information they need. Even something as seemingly-simple as creating management reports and dashboards often required intervention by the IT team. It is far more effective to let business users determine what reports and dashboards they need to be more effective, then automatically serve up that information to them. This saves time and resources, and helps retailers make sense of data in business terms.

Similarly, a solution that offers 'plug-and-play' functionality will deliver faster time to value - so retailers can get on with extracting insights from data instead of integrating disparate systems.

DXC Action Analytics for Retail is a next-generation BI and analytics solution that combines Azure Machine Learning solutions with Power BI models, reports, dashboards, and insights. DXC Action Analytics packages industry best-practice metrics and customisable dashboards to give near real-time insight to decision-makers. Importantly, DXC Action Analytics is built for simplicity, so decision-makers can answer the right questions at the right time.

Using the power of the Common Data Model, retailers can bring all their data together in one place, then overlay DXC Action Analytics solution (based on Power BI) to get exactly the information they need.

DXC Action Analytics takes the complexity out of reporting. It empowers your users to rapidly build any report or dashboard they need to improve decision-making across your business. The solution eliminates complex setups, long learning curves and high upfront investments. It translates complexity into simplicity, delivering immediate outcomes with actionable insights. With low latency of less than five minutes, DXC Action Analytics offers near real-time information, enabling true agility for your business.

DXC Action Analytics supports all your data, regardless of size or type, without the limitations that other third-party BI tools face. Rapid access is available to all your data, including business data and non-relational data, in near real-time: without the need to build complex data cubes that are notoriously hard to manage and difficult for users to access.

You can automate and predict your business processes with machine intelligence to evolve from simple descriptive analytics to prescriptive recommendations. Covering retail, retail supply chain and manufacturing scenarios, the solution models deliver measurable bottom line results driving real business innovation.

DXC Action Analytics in action
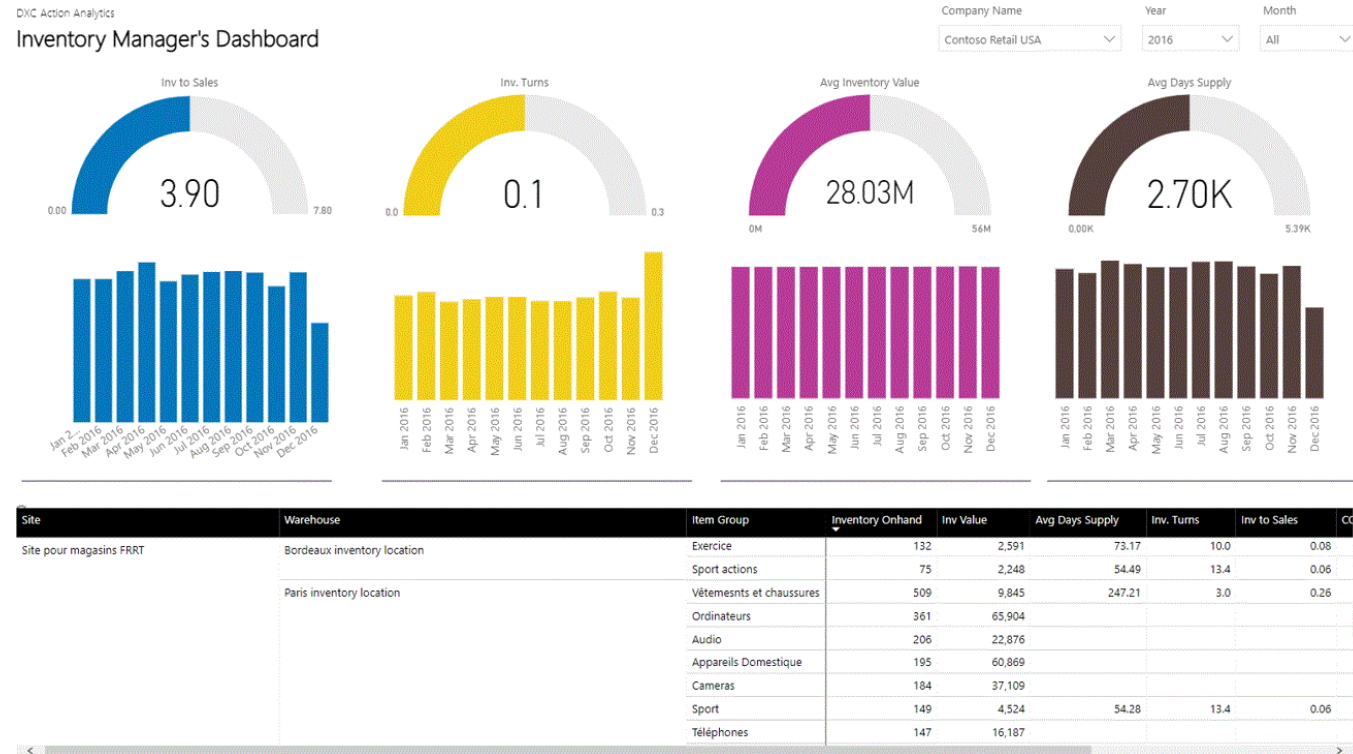
The inventory dashboard is used to manage inventory allocations and stock on hand. Analysis in this dashboard includes inventory value, turns and days supply. This also shows where inventory is located allowing organisation across warehouses. Other dashboards in this group show key metrics such as slow-moving stock, helping to optimise inventory placement.
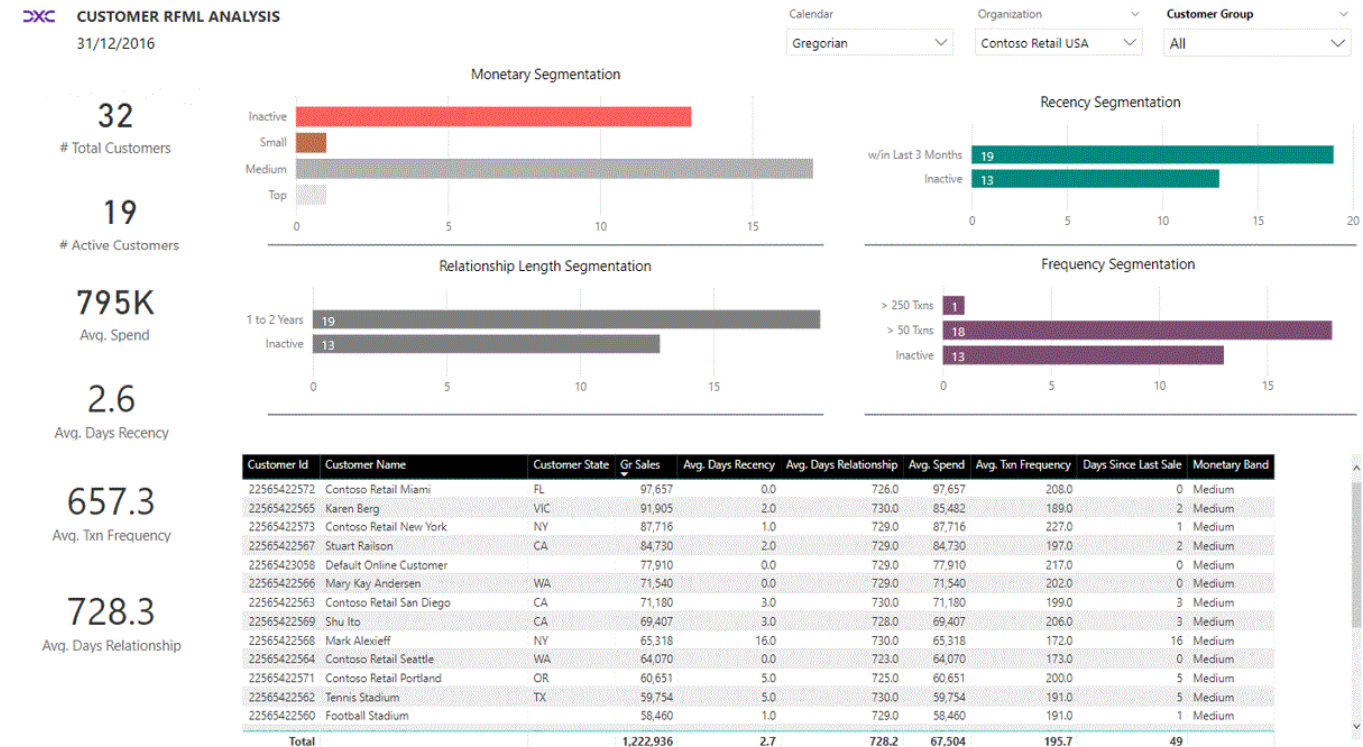
The Customer RFML Dashboard shows key sales details, but customer with automatic segmentation across using standard metrics including recency, frequency, monetary and length of relationship. The interactive nature of this dashboard allows customers to be easily filter and identify key customers based on value and engagement history.

Capturing business intelligence

3. Choose a retail-centric Microsoft Gold Partner

DXC Technology has a world-leading Practice for Microsoft and is the partner of choice for retailers looking to leverage Microsoft Power Platform and analytics tools for improved performance. The DXC Microsoft Data and Analytics team is uniquely qualified across the full Microsoft applications stack, with a depth of industry experience to maximise the time to value of near real-time business intelligence and help your business make data-driven decisions in this rapidly changing environment.

DXC can also demonstrate how DXC Action Analytics has helped other retailers, providing the environment to facilitate and support internal customisations, or develop more complex analytics solutions in consultation with business stakeholders.

"Città continues to invest year on year with technology.

We believe it's at the forefront of everything we can do as a business. So, I think we'll continue to evolve and develop alongside DXC as well as Microsoft, as long as we possibly can.

DXC really understand what we do fundamentally as a business. They enable us, they really ensure that our end-to-end systems are considered whenever putting any new implementations in. They really work alongside of us to make sure that the solution is accurate."

Emmett Vallander
Chief Operating Officer
Città

DXC Action Analytics

A compelling reason for action

About DXC Technology
DXC Technology (NYSE: DXC) helps global companies run their mission-critical systems and operations while modernizing IT, optimizing data architectures, and ensuring security and scalability across public, private and hybrid clouds. The world's largest companies and public sector organizations trust DXC to deploy services across the Enterprise Technology Stack to drive new levels of performance, competitiveness, and customer experience. Learn more about how we deliver excellence for our customers and colleagues at www.dxc.com.

For more information visit dxc.com/au/en/practices/microsoft
Contact: AU 1300 660 471

DELIVERING EXCELLENCE FOR OUR CUSTOMERS AND COLLEAGUES