Need for Informatics/Analytics in Retail

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A little bit about Belk…

Charlotte, N.C. based Belk is the nation’s largest privately owned mainline department store company, with 303 Belk stores located in 16 Southern states. The company was founded in 1888 by William Henry Belk in Monroe, N.C., and is in its third generation of Belk family leadership. Its belk.com web site offers a wide assortment of fashion apparel, shoes and accessories for the entire family along with top name cosmetics, a wedding registry and a large selection of quality merchandise for the home.

Belk seeks to satisfy the modern Southern lifestyle like no one else, so that our customers get the fashion they desire and the value they deserve. Our vision is for the modern Southern woman to count on Belk first – for her, for her family, for life.
Analytical Maturity Model

- **Stage 5** organizations are full-blown analytical competitors, with high degrees of distinctive capability, enterprise-wide analytics, senior management commitment and large-scale ambition.
- **Stage 4** organizations are analytical companies; they are on the verge of analytical competition but still face a few minor hurdles to get there in full measure.
- **Stage 3** organizations grasp the value and promise of analytical competition, but they face major capability hurdles and are a long way from overcoming them.
- **Stage 2** organizations exhibit the typical localized analytics approach to ‘business intelligence’ of the past – an emphasis on reporting with pockets of analytical activity – but they don’t measure up to the standard of competing on analytics. Analytics have not transformed the way they do business.
- **Stage 1** organizations may need a single definition of the customer. Or they can’t connect demand and supply information, so they can’t optimize their supply chains.

Source: Tom Davenport: *Competing on Analytics*
Informatics/ Analytics in Retail

**Merchandise Planning**
- Demand forecasting
- Merchandise allocation
- Attribute correlations
- Store Clustering

**Marketing**
- Advertising Performance
- Sales Analysis
- Coupon Performance
- Direct Mail Effectiveness
- Marketing Mix Analysis
- Media Attribution Analysis

**Real Estate**
- Store Performance
- Store Sales Forecasting Models
- Store Space Analysis

**Finance**
- Financial Analysis/ Correlations
- Inventory Analysis
- Store Performance Analysis
- Pricing Analysis

**Customer Analytics**
- Demographic Analysis
- Scorecards/ Dashboards
- Cross-shop Analysis
- Marketing Response Models
- Propensity Models
- Customer Segmentation

**Information Technology**
- Business Systems Analysis
- Workflow Documentation
- Enterprise Business Intelligence Support
Future Importance of Analytics

• Retail companies have always had a lot of data, but not enough analytics

• In the new Omni-Channel Retail Environment, retailers are recognizing the need for analytics

• Customers are increasingly open to providing their information provided it is utilized to make their shopping easier

• Retailers are being challenged with using customer information to personalize their shopping experience

• Analytics is increasingly being perceived as a retailer’s competitive advantage!