BIG DATA ANALYSIS POTENTIAL TO ACHIEVE BUSINESS SUCCESS IN RETAIL INDUSTRY

Dr. Murlidhar Chandekar
Vice-chancellor, Gondwana University, India
Email: murlidhar.chandekar@gmail.com

Hemant Rajhansa
Research Scholar, Reliance Industries Ltd., India
Email: hrajhansa@yahoo.com

ABSTRACT

In the recent years Customer Insights are driving the whole lot of Retail Trends into a new business excellence by unleashing the hidden potential in a Big Data with the help of analytical tools. New technological tools are essentially aligned to update business standards by introducing new protocol on business floor. By leveraging big data analytics, businesses create the potential to better understand, manage, and strategically exploiting the complex dynamics of customer behavior. Analytics in a Big Data World reveals how to tap into the powerful tool of data analytics to create a strategic advantage and identify new business opportunities. Big data can generate value in each. For example, a retailer using big data could increase its operating margin to a greater and amazing percentage. Harnessing big data in the public sector has enormous potential, too. Retailers using big data creatively and effectively to drive efficiency and quality, could create a huge value every year. To address the hidden values in a Big data various activities need to be planned and the requisite talent is required to be established.

Keywords: Big Data; Values; Analytics; Consumer

INTRODUCTION

Retail Sector today is maintaining a data at various levels. More and more information is recorded and the same is growing at a pace consuming more storage space, with a difficulty to manage the same as and when required. The data stored is indifferent forms may be like consumer talks, their pictures, a kind of product oriented seminars, Consumer inputs about the existing market strategies etc. However recording & preserving this data has always been a tough task and creates a challenge before management. Changes in the technology have helped a mankind to reproduce the data at times needed. It has widely been observed that, such technology is developing and is nothing but a Big Data Analytics.

Effective utilization of the collected big data and the successful implementation of analytics enables organizations to analyze a mix of structured, semi-structured and unstructured data in search of valuable business information and insights. Big data analytics is the process of examining large data sets containing a variety of data types i.e. to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful business information. The analytical findings can lead to more effective marketing, new revenue opportunities, better customer service, improved operational efficiency, competitive advantages over rival organizations and other business benefits.
OBJECTIVES OF STUDY

1. To study the growth and development trends of retail sector in India.
2. To look at the applicability and benefits of analytics in retail, with emphasis on predictive analysis.
3. To identify on the basis of data analysis the key areas and shortcomings to focus in order to improve the performance of organized retail business.
4. To analyse impact of Insights and Customer values in generating Competitive Advantage.

The competitive environment has forced the retail industries to employ technology in order to improve ways of targeting consumers and retaining increasing market share. Retail Industry is one of the fastest growing industries in India. The total growth expected is from US$330 billion to US$620 billion by 2015. The exploration of ever increasing retail Organisations information needs to be predicted & analysed effectively by way of robust and scalable tools to identify market trends and new patterns, opportunity and threats, forecast future performance, streamline operations and optimize decisions. This metadata gathered is analysed to implement the sustainable and effectively implementable policies to achieve superiority. Collecting the Customers huge data is not an easy task. To have loyal customers with defined satisfaction can only be possible only after doing the necessary data analytics. This analysis will guide how to create a loyal customer base to enhance business transactions on a longer run. Customers play a decisive role in directing a future of Retail Organisations. Retail Organisations are consistently developing the capacity to gain an accurate and deep understanding of customers about the products. Customer insight and its impact on changing market conditions decide the company strategy. It is always preferred to have repeat customer than to develop a new customer.

Big Data Is the New Competitive Advantage

The use of Big Data is becoming a crucial way for leading companies to outperform their peers. In most industries, established competitors and new entrants alike will leverage data-driven strategies to innovate, compete, and capture value. Big Data will help to create new growth opportunities and entirely new categories of companies, such as those that aggregate and analyse industry data. Many of these will be companies that sit in the middle of large information flows where data about products and services, buyers and suppliers, consumer preferences and intent can be captured and analysed. Forward thinking leaders across Retail sectors should begin aggressively to build their organization’s Big Data capabilities.

Widely used new tools in Retail analytics can help retailers break-down and assimilate information collected and provide better insights into customer tastes and preferences as well as back-end processes. Big data refers to the huge and increasing volume of the data available and the ways it can be processed. Big data which admittedly means many things to many people is no longer confined to the realm of technology. While big data is the convergence of more data from more sources than we have ever seen, it also represents a cultural shift in the way retailers connect with consumers in a meaningful way. This bottom-line impact of big data is what makes it a business imperative and why retailers around the world are leveraging it to transform their processes, their organizations and, soon, the entire industry.

How to Leverage Big Data

Big data is new technological tool that is widely being used in the last decade for improved business performance and customer satisfaction. Big Data can unlock significant value by making information transparent. s organizations create and store more transactional data in digital form, they can collect more accurate and detailed performance information on everything from product inventories to sick days and therefore expose variability and boost performance. In fact, some leading companies are using their ability to collect and analyse big data to conduct controlled experiments to make better management decisions.
It plays a major role in today’s business, simply not utilizing information technology techniques. But it helps and allows ever-narrower segmentation of customers and therefore much more precisely tailored products or services. Sophisticated analytics can substantially improve decision-making, minimise risks, and unearth valuable insights that would otherwise remain hidden. As long as companies and governments understand the power of Big Data to deliver higher productivity, better value for consumers, and the next wave of growth in the global economy, there should be a strong enough incentive for them to act robustly to overcome the barriers to its use. By doing so they will unleash avenues to new competitiveness among companies, higher efficiency in the public sector that will enable better services, even in constrained fiscal times, and enable firms and even whole economies to be more productive. In the business world Big Data is all about the opportunity. Retail organisations are managing to collect huge data and leverage Big data technologies on a daily basis to extract value from them.

**Building an Analytics Foundation**

Big data and analytics are making retailers more customer-centric than ever. Technology is big data and analytics are making retailers more customer-centric than ever. Technology is playing a major role to provide the retailers data profiling and visualization. Retailers can easily identify their business needs from the data available with the help of analytics. For ages retailers across the globe have been focused on their customer base, aiming to satisfy them with their products and services. Retailers today have to face a new breed of empowered customers who are always connected and have more information on products than sometimes even the retailers do. Being customer-centric is the new competitive differentiation for retailers today. Retailer should understand the principle of changing the culture as per changing time, i.e. wearing different hats in different seasons or occasions. Every retailer is required to adopt new technology and change the business culture so as to enhance customer centricity. A retailer is required to become flexible to accept that market is growing with a customer centric approach. Every organisation has to take a step ahead to gather necessary big data, understand the risks involved. Organisation should know what they want and what is needed to get it. But as stated above one needs to be flexible because adventure will undoubtedly take some unforeseeable turns.

**Benefits of Customer Data Integration**

- Complete Customer real time view, across business channels
- Variety products and Customer approach.
- Repetitive customer behavior and business orientation.
- Integrity and Customer business satisfaction
- Successive Business data maintenance and integrity
- Improvisation in business costs and customer satisfaction.
- Scalability and new data inclusion.
- Web services and effective customer utilization

**Big Data Key Retail Applications**

- Improved business performance and revenue.
- Support to develop Private label sales improving benchmarking & product scoring etc.
- Increased customer performance, adopting customer centric business modules.
- Improved product life cycle suitable to local marketing conditions.
- Adopting Customer driven marketing strategies.
Retail Big Data Challenges

Even though in a developed competitive scenario retailers are facing challenges in delivering the reporting functionality that business users need to enable data-driven decision making, they are optimistic about big data’s ability to provide breakthroughs in analysis capabilities across a number of retail processes.

- Managements approach on Big Data collection and its implementation to be augmented.
- Conservative approach of the organisations to adopt new business strategies, state of the art infrastructure, analytical capabilities, skilled manpower, changing market conditions etc.
- Poor implementation & execution of data analytics technique to sustain competitive advantage.
- Hesitation to adopt new techniques adhering to old business styles in the developed marketing conditions.
- Poor data integration to achieve business goals.
- Employee resistance to upgrade their knowledge as deemed feet to adopt new theologies.
- Solutions Cost The cost of implementation of new technology to collect Big Data is comparatively high. Managements are not ready to share their profit to procure new systems.
- Unwilling to create and maintain Data ware houses required for Big data

CONCLUSION

Big data has an enormous potential to unleash the poor business issues, those were becoming an hindrance in the successful growth of the industry. Appropriate implementation of the data analytics has shown a remarkable growth in the Retail Industry on global basis. Retailers are able to use data to effectively reach consumers through a variety of effective means and are able to generate a more sophisticated class of new customers and finding it easy to retain them. As the technology is new and availability of skilled manpower is comparatively low, some of the organisations still are unable to reach the success as desired. This is mainly due to conservative approach and poor partnering to adopt new technological trends to achieve business success.

REFERENCES


10. Vincenzo Morabito, Big Data and Analytics: Strategic and Organizational Impacts (2015) - Department of Management and Technology, Bocconi University, Milan Italy. Pages 125-142