

# The Value of Data for the Retail and Commerce Business

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## Abstract

The Retail industry is one of the most affected by the constant changes and challenges it faces, in a scenario defined by:

- The need to respond quickly to changes in consumer habits in new digital customers, highly informed, hyperconnected and very demanding
- The convergence of traditional channels with new on-line commerce channels
- The emergence of a new digital competition derived from new e-commerce players
- The high price pressure with its impact on margins and the need to reduce costs.

In order to face the challenges of this scenario, it is necessary to carry out a digital transformation of the business in which one of the main strategic objectives must be to take advantage of the value that can be provided by the increasing amount of internal and external data that are produced in the retail business. Retailers have been using data analytics to generate business intelligence for years, however the high complexity of the data that is currently generated in business needs new solutions and tools.

As retailers include multiple channels of sales and communication with their customers, digital advertising and social media, the amount of information both internal and external increases exponentially. Extracting the value that such data can bring to the business can be the key to competing in this complex and dynamic scenario. Big Data Analytics applications in this sector have to focus on four complementary lines of action:

1. Customer engagement based on the customer's knowledge, preferences and behavior analysis to be able to provide a satisfactory purchase experience through all possible channels and engage in effective digital marketing and promotions.
2. Configuration of the offer, through the selection of products and services that are adapted at all times to the preferences of customers, with price optimization techniques that guarantee competitiveness and a suitable design of both physical and online stores
3. Efficiency in operations, particularly in the supply chain and inventory management, making predictions based on stock data in stores and improving logistics.
4. Strategic planning, management and sales forecasts that allow a comprehensive optimization of operations and management for a more appropriate design of the "go-to-market" strategy.

In short, Retail is a data-driven business in which extracting the value of the huge amount of data generated in commercial activity and its application to all business processes is a key strategy towards competitiveness and growth.

**Keywords:** Retail, e-commerce, Analytics, Customer experience, Customer engagement, Inventory management, digital marketing, Supply Chain, Sales Forecasting.