

Amanda, a working mom, spotted a summer skirt on the website of a top clothing brand and ordered it. When the skirt arrived it was the wrong color. Instead of sending it back by courier and having to exchange endless mails over the return, Amanda took time off from her work and visited the brand's store to have the skirt exchanged. But the store was unable to assist. Returns and exchanges which had to happen over the same channel that the purchase was made, said the store manager. "Why can't you refund me and send the skirt back to your warehouse?" asked a miffed Amanda. It is a natural question for a customer – one you must have asked several times yourself. The answer is simple: retailers have been happily adding sales channels without unifying data across them. As a result, one part of the business is blind to the other. And who pays the price? Well, the customer certainly but so does the brand – in dropping customer satisfaction levels. While the growing volume of customer data is good for business, it is only so when managed well.

The growth in digital and Big Data technologies is bringing a deluge of opportunities for retailers. But with it comes operational difficulties.

Amanda makes a good example of a customer who has several needs – none of which are managed well by most retailers. For example, Amanda wants to know why she has to repeat her complaint on the phone to the customer service agent when she has already written a mail to the retailer listing and documenting every detail of her transaction. "Last week, I wanted to buy a bluetooth speaker and found that the price at the retailer's online store was different from the price on their mobile shopping app. I wonder if I am being taken for a ride." Of course Amanda is not being taken for a ride. What is happening is this: there is a lack of uniform and coherent omni-channel customer experience due to poor data management.

The chaos from growing channel proliferation can be damaging. There have been many such damaging instances in the retail industry. Poor data management is leading to several hiccups: pricing errors and discrepancies across channels, shipment and delivery errors, lack of visibility into inventory, damaging legal action from customers and regulators with serious cost implications. Conflicts in promotions across channels and inadequate customer knowledge are adding to customer dissatisfaction. The question is: how can omni-channel experience be improved?



Master data management (MDM) is the key. MDM put in place tools that processes and controls reducing errors, improve data usability, enhance the quality and reliability of master data (core information about the business – customer, product, supplier, etc.), offering a “single version of the truth”. A study commissioned by Wipro and conducted by the Economist Intelligence Unit, called The Data Storm – Retail and the Big Data Revolution (see Figure 1), found that only about one-third of retail CXOs admitted to having a well-defined data management strategy. They want data to enable better product pricing. They want it to enable demand forecasting. They know it can shape merchandizing strategy that results in brisk sales. In addition, with adequate customer data, they know it is possible to reward customers and grow loyalty, cross-sell and upsell with a high degree of success, shape promotions and improve customer engagement. But the problem they face is quite frustrating.

In your business, in which of the following areas do you see big data analytics yielding the biggest gains? Select the top three (% respondents)

Source: The Economist Intelligence Unit study commissioned by Wipro, "The Data Storm – Retail and Big Data Revolution"

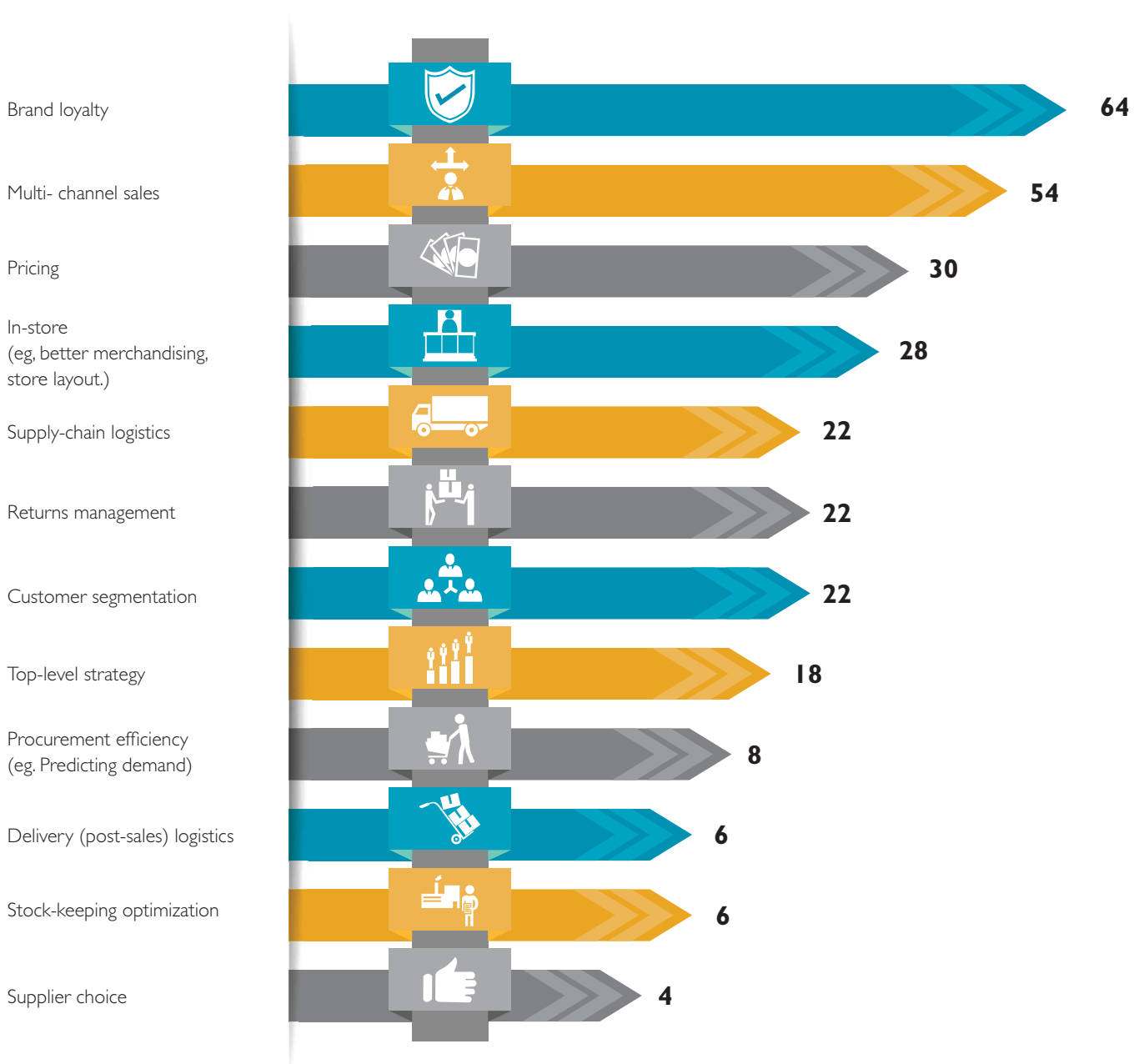


Figure 1 : Areas in Retail that hold potential for strategic gains from Big Data

Historically, the systems to manage these processes were designed in isolation. As a consequence, today, product and customer data is tucked away in various parts of the business. The challenge is to create a “single version of the truth” that aids Business Intelligence (BI) across the enterprise.

MDM in an enterprise enables the business processes' access reliable data (customer, product, location and others). This is acquired from enterprise applications, legacy systems and third parties. It is then transformed using data models, governance policies, etc. and synchronized across the enterprise for analytics, reporting, decision making and improving customer interactions.

Smart retailers know that adopting MDM is not an IT decision – it is a strategic business decision. It means integrating data from various enterprise systems (ERP, CRM, SCM, warehouse management solutions, ecommerce solutions, legacy apps and others) and external sources (demographic, web, social, mobile, locational), and allowing different business teams to extract real-time customer insights (see Figure 2).

Omni-channel retailing hinges on creating a unified view of the customer and delivering a seamless experience across channels. This means the retailer must be able to integrate all channel data, and leverage it to hyper personalize the experience (see Figure 2).

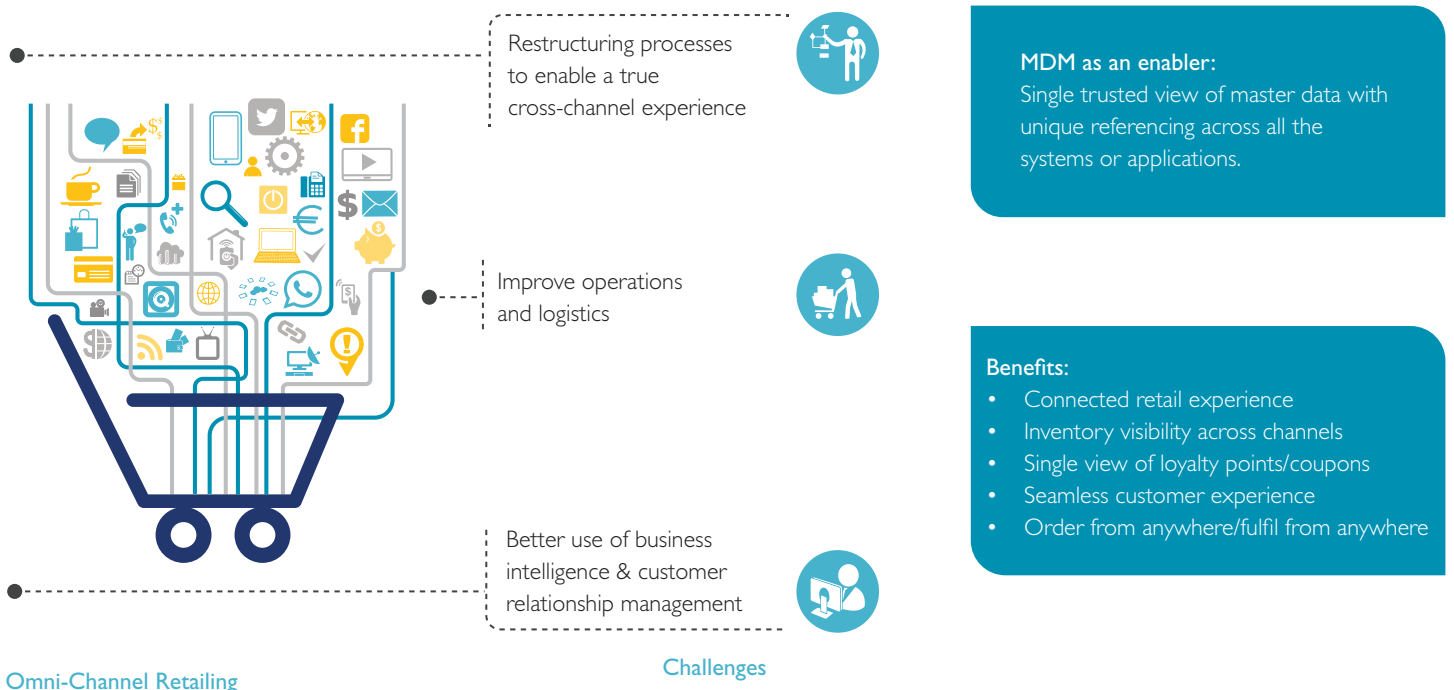


Figure 2: Success Factors for Omni-Channel Retailing

As the retail industry continues to witness a surge of data, MDM has become a strategic business imperative. MDM can ultimately improve the satisfactions levels of Amanda and other customers. But it can also guide buying decisions and become a unique way to drive down operational costs. Not surprisingly, MDM is one of the most talked-about initiatives in retail. Is your business talking about it?

References

- i She is fictional, of course; her purpose here is to help us understand consumers
- ii The Data Storm – Retail and the Big Data Revolution: <http://www.wipro.com/microsite/retail-big-data-revolution/>

About the Author

Venkataraman Ramanathan has 14 years of experience in the areas of CRM, BI and MDM. He has been involved in various consulting and delivery engagements across geographies for a variety of Fortune 500 companies. He is involved in the areas of customer re-engineering, data quality, data governance, sales and service efficiency, business strategy and business analytics/intelligence.

About Wipro Ltd.

Wipro Ltd. (NYSE:WIT) is a leading Information Technology, Consulting and Business Process Services company that delivers solutions to enable its clients do business better. Wipro delivers winning business outcomes through its deep industry experience and a 360 degree view of "Business through Technology" - helping clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, a practitioner's approach to delivering innovation, and an organization wide commitment to sustainability, Wipro has a workforce of over 150,000, serving clients in 175+ cities across 6 continents.

For more information, please visit www.wipro.com



DO BUSINESS BETTER

CONSULTING | SYSTEM INTEGRATION | BUSINESS PROCESS SERVICES

WIPRO LIMITED, DODDAKANNELLI, SARJAPUR ROAD, BANGALORE - 560 035, INDIA. TEL : +91 (80) 2844 0011, FAX : +91 (80) 2844 0256, Email: info@wipro.com
North America Canada Brazil Mexico Argentina United Kingdom Germany France Switzerland Nordic Region Poland Austria Benelux Portugal Romania Africa Middle East India China Japan Philippines Singapore Malaysia South Korea Australia New Zealand

© WIPRO LTD 2015

"No part of this booklet may be reproduced in any form by any electronic or mechanical means (including photocopying, recording and printing) without permission in writing from the publisher, except for reading and browsing via the world wide web. Users are not permitted to mount this booklet on any network server."