

Optimizing Retail Store Operations with Advanced Analytics to Increase Revenue

A leading global footwear and apparel company wanted to streamline the way they use reporting to manage and operate the business in order to take full advantage of the vast amounts of data from their stores and online channels. Primarily focused on reporting, the organization was spending many hours each week going through dense, tabular reports to operate the business and lacked advanced analytical capabilities.

Clarkston partnered with the business to consolidate the client's complex IT reporting and analytics technology landscape and build a strategy for analytics and reporting architecture and capabilities. To ensure that the strategy would be sustainable and growth-oriented, data engineering and global business insights team were also established as part of the endeavor.

Coming out of the data strategy, Clarkston led the company to activate their new analytics organization through a pilot project to quantify the organizational levers of in-store conversion and tie conversion rates to revenue.

Consumer Products Case Study

PROJECT OVERVIEW

COMPANY:



A global footwear and apparel company

INDUSTRY:



Retail

EMPLOYEES:



11,800

REVENUE:



\$4.6 B

PRIMARY OBJECTIVES:

- Identify and prioritize leading analytics use cases based on value to the business in the language of success metrics like incremental revenue
- Establish and formalize a sustainable platform and process for analytics
- Test the new analytics organization, processes, and suite of tools to identify any gaps in productionizing analytical solutions
- Gather, clean, explore, and analyze data sets relevant to conversion, including point of sale data, customer foot traffic, employee staffing records, cash register utilization, inventory, weather, and seasonality

RESOLUTION:

- Created a roadmap aligning data engineering, data visualization, reporting, and analytics to productionize solutions
- Conducted analyst workshops to demonstrate analytical processes and tools for data preparation, data visualization, and machine learning
- Created Tableau templates and established the underlying data structure for the organization to move toward more nimble analytics
- Recommended the migration of many reports to a BI tool for better visibility into different views of the data and trends

KEY BENEFITS:

- Quantified previously unknown impact of key factors on conversion and revenue within stores
- Identified employee count and register count as significant levers to increase conversion, resulting in an A/B test methodology to validate findings and revenue impacts
- Enabled localized conversion targets by store accounting for seasonality and foot traffic to replace nationwide targets
- Built a Tableau dashboard providing a top-line view of performance to sales plan, as well as a drill down into store-level performance, embedding new metrics and predictive capabilities in an easy-to-use format
- Prepared several data sources for instant use in BI and data science platforms, enabling a transformation from reporting to more advanced analytics
- Created a machine learning model as a prototype to predict store revenue using RapidMiner

CLARKSTON
CONSULTING

\$7.5M

Identified staffing optimization opportunity that could increase revenues up to \$7.5M

5%

Proposed A/B test to increase conversion by 5%

5

Created 5 new KPIs to measure store performance through conversion

