

Media Alert

Can Data Help Retailers to Understand the Modern Consumer?

With multiple different issues driving purchase and shoppers using different technologies to buy products, Uwe Weiss, CEO at Blue Yonder asks how retailers can ever predict customer behavior?

Blue Yonder, 14 March 2018 – Back in the golden age of the industry, retailers had a much easier time of predicting the behavior of their customers. Shopping cycles were seasonal, replenishment was standardized, and pricing was easier to manage. However, shopping habits are changing. According to [research from Accenture](#), just 19% of Gen Z consumers buy from a single brand for health and beauty items, compared to 34% of Millennials, and fewer than 38% of Gen Z's shop at a single place for groceries, compared with 55% of older Millennials. Uwe Weiss, CEO at Blue Yonder, argues that, as factors like a retailer's environmental credentials and YouTube influencers become ever more important in the buying process, retailers need to think much more carefully about how they respond to fluctuating customer demand.

Weiss suggests that data and technology, such as artificial intelligence and machine learning, will help retailers to transform their operations to serve customers for whom price is no longer the key motivating factor:

"Retailers are really struggling with the problem of unpredictable consumers. According to the [latest report](#) from research firm RSR, unpredictable consumer demand is the top business challenge among retailers. Of course, consumers are less predictable, because there are far more variables on the table. However, failure to identify consumer preferences and buying patterns is not purely down to consumer unpredictability; it's a case of un insightful data. Retailers need to access granular data, in detail, to analyze buying patterns and predict customer demand, and therefore make the right decisions on replenishment and pricing.

"Ubiquitous modern technology and social networking has meant consumers are talking back to their retailers, sharing candid opinions with each other, and presenting themselves as self-appointed brand ambassadors. Retailers are now dealing with knowledgeable customers who have researched what they want to buy before they

arrive in-store. Each consumer movement, web visit, conversation, and opinion forms a 360 degree digital footprint of data. This consumer data, when unlocked with artificial intelligence, offers the high-level insight that can give retailers a competitive edge.

Weiss concluded: "By analyzing and exploiting data effectively, and using micro-location-based beacon technology, retailers can share personalized deals or suggestions to their customers. Retailers that dedicate resources to either an in-house or third-party data science specialist will discover the secret behind modern customers' predictability and enhanced user experiences; the cornerstones to successful modern retailing. Combining insightful consumer information with existing circumstantial data, product information and seasonal trends, meanwhile, gives retailers enhanced replenishment decisions and a more loyal consumer base, as well as significantly boosting profits."

About Blue Yonder

Blue Yonder enables retailers to take a transformative approach to their core processes, automating complex decisions that deliver higher profits and customer value using artificial intelligence (AI).

With AI embedded into their supply chain and merchandising processes, retailers can respond quicker to changing market conditions and customer dynamics, boosting revenues and increasing margins.

Developed by one of the largest teams of PhD-level data scientists in retail, our solution delivers 600 million decisions daily to international grocery, fashion and general merchandise retailers.

Blue Yonder was founded in 2008 in Karlsruhe, Germany, by former CERN scientist Professor Michael Feindt. The company has been awarded the Gartner Cool Vendor Award 2015, the Experton Big Data Leader Award 2016 and the BT Retail Week Technology Award.

Blue Yonder solutions are available through Microsoft Azure.

Blue Yonder. Best Decisions, Delivered Daily.

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