

Looker Solutions for Retail

Use your data to increase customer lifetime value and boost efficiency.



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Introduction

Trend forecasting, inventory control, marketing strategy, customer behaviour—perhaps no industry relies more heavily on data than retail. This has only become truer over the past decade, as brick and mortar retailers invest more in their digital offerings and ecommerce sites grow in sophistication and reach.

Today's biggest retail trends are all driven by data:

Smart merchandising: using multiple channels to meet customers in the moment; anticipating what they want to buy, when, and where.

Hyper-personalization: understanding who your customers are and how they like to shop to help you generate tailor-made offers, and increase engagement and spending.

Real-time inventory and supply chain management: leveraging smart applications and platforms and data analytics to manage complex supply chains and reduce costs.

Retail-as-a-platform: recognizing that data is an asset with value; data can be monetized by leveraging it to create additional revenue streams.

How well retailers use their data has a direct correlation to customer lifetime value and overall financial success. Especially in tumultuous economic times, data can be key to understanding, navigating, and solving new challenges.



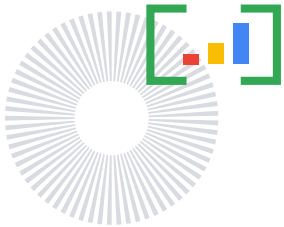
Looker: Moving Beyond Insight

Offering much more than the dashboards and reports of traditional business intelligence, Looker delivers a powerful data platform that lets you get the right data to the right people when they need it.

Looker's wide range of features empower you to deliver data experiences to improve customer lifetime value, optimize store operations, and increase retail margins. Using Looker to build data experiences can mean:

- Integrating insights and analytics with the applications you use every day
- Building a 360-view of the customer and their journey
- Using AI to craft recommendations and deliver better customer service
- Analyzing customer interactions to pinpoint supply chain issues
- Having near real-time visibility into inventory levels and product movement
- Tearing down data silos and putting accurate data in everyone's hands

This white paper digs deeper into the biggest trends in retail today. We'll give you key points to consider as you develop new data experiences, and offer recommendations for ways you can leverage your Looker instance to increase profitability and performance. And thanks to Looker Blocks—pre-built pieces of code for everything from optimized SQL patterns to fully built-out data models—you can deploy new Looker use cases quickly and simply.



Use Case I: Smart Merchandising

In addition to ecommerce and brick-and-mortar stores, many retailers also sell products through third-party sites such as Amazon. Where some retailers truly shine—and others fall behind—is in following the customer journey across these deeply related channels.

Considerations

Anticipating where and what your customers are likely to buy requires integrating sales data from all sources. With proper analysis, that information can show how activity or marketing spend on one channel affects sales across others. It can also offer insight into which products are frequently purchased together, helping you develop bundling and upsell strategies.

Use Looker to compile and analyze data from multiple sources, and:

- Evaluate conversion rates and campaign success by implementing a marketing attribution model
- Run tests to understand how marketing spend impacts sales across channels
- Apply affinity analysis to see which products drive repeat and add-on purchases
- Adjust product positioning and marketing investment to maximize sales across channels
- Offer personalized in-store service and recommendations

Bringing together data from in-store, online, and mobile sources will give you the insight you need to develop your omnichannel merchandising strategy.

Retailers that understand customer behavior and product preferences are able to:

- Build a 360-view of customers to create a unified shopping experience
- Optimize marketing spend to attract new customers and inspire return visits
- Increase revenue by driving higher margin baskets and strategically bundling products

Smart merchandising requires an effective omnichannel strategy and a comprehensive view of customer purchasing patterns.

Recommendations

You don't need to create a data model from scratch. A variety of Looker Blocks are ready and available to help you get started with new use cases. For merchandising:

Marketing Attribution by Segment Block

Uncover which channels bring in the most conversions, and which campaigns most effectively encourage users to act. This block also provides in-depth analysis on first-touch and last-touch revenue attribution, and evaluates customer acquisition cost against revenue gained for each channel. Together, these analyses help you elevate your digital marketing strategy by making the most of omnichannel merchandising opportunities. This block specifically leverages sessionization built on the tracks and pages tables in Segment—but even if you aren't using Segment, you can set up this block using the existing tracks and pages tables in your database.

Affinity Analysis Block

This block is used in market basket analysis to determine how often items are purchased together, but its applications are far wider. Any transaction-based business can implement this block to understand how items or events relate to each other and to inform strategic decisions around pricing, bundling, and upselling. Is a product attracting the purchase of high-value complementary goods? Should an under-performing product be removed from your offering? Will you sell more high-margin items by bundling them with discounted customer favorites? When you pinpoint products with high association, this block will let you drill down for a comprehensive view of the products' storewide effects.

Webhooks for automated email

Webhooks help you put data where it's needed, when it's needed. This includes sending automated emails to customers based on certain triggers. For example, purchasing a specific item could trigger an email offer for a related product.

Customer Story 1

Tuft and Needle

Quantifying how Amazon sales affect other channels

Tuft & Needle sells mattresses and bedding through brick-and-mortar stores, their online shop, and Amazon. All three channels were successful, but Tuft & Needle wanted to be certain that investing in Amazon marketing wasn't detracting from their business-to-consumer (B2C) site.

The company used Looker to centralize sales data from all channels and run a series of experiments looking at how additional investment in Amazon would affect in-store and B2C sales. The data was clear: their Amazon spend did not deflect sales from other channels—in fact it complimented the other channels in terms of sales and awareness building. Further analysis showed that even running sales campaigns through Amazon didn't affect the company's baseline sales, giving Tuft & Needle the green light to invest more in Amazon promotion.



Customer Story 2

Dollar Shave Club

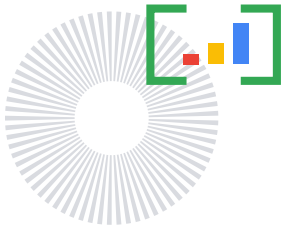
Using affinity analysis to uncover trends and target marketing efforts

Dollar Shave Club's strategy of sending new product samples to all customers was expensive and of questionable benefit. The company wanted to target its effort to reduce cost outlay and improve results.

By using Looker to analyze their sales data, the company noted some valuable trends. For one, affinity analysis showed that customers who purchased Dollar Shave Club Shave Butter were more likely to buy other products as well. Using this insight, Dollar Shave Club began sending samples only to Shave Butter customers—and has since experienced a 100% ROI on its sampling program.



DOLLAR SHAVE CLUB



Use Case II: Driving Customer Lifetime Value through Personalized Customer Experiences

In the retail world, customer retention is everything. It's more cost-effective to keep current customers than to constantly attract new ones: long-term customers buy more often, and generally spend more money each time, than one-and-done, single-deal customers. They're also more likely to buy new products or take advantage of up-sell opportunities than those who are not as familiar with your offerings.

Considerations

Customers want to feel welcome, understood, and catered to, both online and in-store. Those who do are more likely to stick with a brand. Boost retention through:

- Upsell opportunities and offers tailored to the customer's purchasing habits
- Timely and informed response to questions or complaints
- Proactively predicting and preventing potential issues

Data is crucial to understanding how and why to deliver a tailored service. To effectively analyze your client base, you have to develop a 360-view of your customer, and that means:

- Segmenting your customers into logical cohorts
- Identifying where you are losing customers
- Seeing what trends appeal to your customers

In many cases, retailers already have the customer data required to perform customer retention analysis. Looker has ready-to-deploy solutions that will help you get started quickly.

Efforts to retain customers fall into three main categories:

- Customer satisfaction: consistently meeting or exceeding expectations
- Customer engagement: effective promotional emails and offers
- Customer loyalty: brand loyalty or incentive programs

Mastering all three of these areas requires knowing who your customers are, what they're looking for, and their behavior and purchasing patterns—and then tailoring the customer experience to match.

Recommendations

Deploy Looker blocks and features for comprehensive data analysis. Get to know your customers, build better personalized offerings, and boost retention.

Retention Analysis Block

Use this block for insight into the factors that influence customer retention. Evaluate each cohort by total cumulative spend, number of purchases, or any other characteristic; determine exactly how well you are retaining each customer cohort. Identify the most valuable customer cohorts and how to reach them. Drill into specific users and pinpoint trends that might inform marketing efforts and strategy. This flexible block has many extensions to fit your specific data and requirements.

Custom Cohorting Block

This pre-built cohort analysis data tool segments customers and helps identify patterns in their behaviour right from within Looker. Explore and understand customer behavior over time for insight into purchasing, retention, and engagement patterns. Customize metrics, date ranges, and timeframes to get a comprehensive view of actions that trigger user spend and behaviour.

Feature: Conditional Alert Notifications

This Looker feature allows you to set alerts based on thresholds so you never miss an important data change or event. Real-time notifications allow fast action—read how Vivino used the Looker alert system to engage with unhappy customers and improve retention.

Customer Story 1

Vivino

Fast engagement turns poor ratings into customer loyalty

Dissatisfied customers don't usually tell online merchants what went wrong—they just walk away, never to be heard from again. But online wine retailer Vivino used Looker to dig deeper, reach out quickly, and turn unhappy customers into loyal ones.

Vivino uses a Looker dashboard to trace how users rate their wine after receiving a shipment. If a negative rating for a wine is posted, a custom alert notifies the Vivino operations and customer service team. A Vivino representative immediately follows up with the individual, addresses their concern, and/or makes a tailor-made offer. Through this fast action, Vivino has substantially increased customer satisfaction and, as a result, retention.



Customer Story 2

Glossier

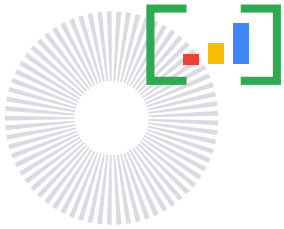
Zeroing in on details to improve customer satisfaction

Fast-growing cosmetics ecommerce company Glossier has built its brand around offering personalized products to its customers. So when the company noted that a particular lipstick product was being frequently returned—and that the unhappy buyers would never make another purchase—it was crucial to understand why.

Using Looker to dive into the data, Glossier noted that many of the people who returned that lipstick actually exchanged it for a slightly lighter shade. A look at the website revealed that the product image was displaying darker than it should have. Glossier adjusted the image and, in doing so, reduced the rate of returns and, more importantly, eliminated that negative customer experience.



Identifying details that are virtually undetectable by humans without an advanced alerting system enable retailers to spot a trend, find the source, and ultimately alleviate customer churn.



Use Case III: Operations and Logistics

Retailers have a long history of using data for inventory and supply chain management, but the way that data is used—and the pace at which it is generated—has changed radically. Weekly or monthly inventory counts and analysis have been replaced by minute-by-minute tracking of inventory and responsive supply chain management.

Considerations

Effectively managing complex supply chains and optimizing inventory levels drives operational efficiency and profitability. Looker connects directly to your database, tracking real-time movement of products, from source to customer and every stop in between. Use your Looker instance to:

- Plan inventory purchasing and warehousing to ensure availability
- Send automatic alerts when stock is high or low
- Improve workflows by keeping warehouse and floor managers up-to-date on inventory numbers
- Trace customer feedback and pinpoint supply chain issues quickly

By integrating with the applications you're already using, Looker offers ongoing visibility into inventory and the entire supply chain without requiring the intervention of an analyst. You'll have the tools you need for nimble decision-making, fast response, and more efficient flow of goods and services.

Savvy retailers are turning to smart applications and platforms, ushering in a new era of operations and logistics, including:

- Accurate tracking of the movement of merchandise across channels
- Improved accuracy and near real-time inventory control
- Insight into the exact source of customer issues

Improved handling of operations and logistics means fewer stockouts, lower risk of overstocking, and better margins.

Recommendations

Build a better data picture of your inventory and supply chain with ready-to-deploy Looker Blocks and flexible features.

Retail Block

Within this block you have the ability to transform existing stock data into a real-time inventory management system. It can also help you analyze over and under stocked items to improve future orders. If you are already using Google BigQuery as a data warehouse, Looker's Retail Block offers the opportunity to run predictive analysis for smarter forecasting.

Zendesk Block

Pull customer data from Zendesk into your Looker instance quickly using the Zendesk Block by Fivetran. This block lets you track and analyze customer experiences by monitoring the number and severity of service requests. You can also enable email alerts triggered by a custom word or event, identify common customer concerns, aggregate and compare issues and resolutions, and understand peak customer interaction times.

Feature: Scheduling Data Deliveries

Help your team keep the right items in stock at all times. Use scheduling to automatically send custom inventory reports to store managers or partners daily (or as often as you'd like). Data can be delivered via email or webhook, or to Google Drive, Slack, or another integrated service.

Customer Story

Blue Apron

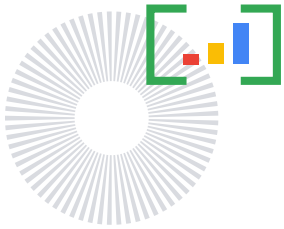
Making the connection between customer concerns and logistics

Meal-kit delivery pioneer Blue Apron relies on Looker to help them act on customer feedback and quickly pinpoint the source of any issue that arises.

Blue Apron used Looker to drill into their Zendesk (customer service software) data, allowing the company to act quickly if a complaint is logged. Because Looker is integrated into the company's workflow, Blue Apron employees can easily access the data they need to trace the problem back to a specific shipment, recipe, supplier, ingredient, or partner.

If multiple complaints come in about recipes that contain carrots, for example, Blue Apron can trace those carrots back through the supply chain to understand what may have happened to make customers react.





Use Case IV: Retail-as-a-Platform

Retailers, both in brick-and-mortar stores and in the online space, sit on a large swath of extremely valuable sales and marketing data. Valuable, not only for the retailer’s own business operations—though that is of course the primary application—but also to their partners, vendors, and suppliers.

A growing trend in the retail landscape is the evolution of retail-as-a-platform: not only can retailers sell to customers, but they can also sell data to other businesses who are hungry to understand how their products are performing.

Considerations

It’s critical to be rigorous in planning and executing the technology and go-to-market strategies of your data offerings. With sufficient care, you can deliver a highly in-demand, reliable customer experience your suppliers will be happy to pay for. Important considerations for monetizing data include:

- Providing accurate real-time data
- Meeting all security requirements
- Maintaining tight control over what the supplier can and can’t see
- Allowing suppliers to drill down into their data while shielding competitors’ information

Monetizing data must be done according to best practices, and it must be executed and planned properly. You’ll need to:

- Develop a go-to-market strategy
- Understand and design for the user
- Recognize all privacy and data control regulations
- Define and price your offering

Data products are often customized platforms or portals that allow a supplier access to real-time data about how their products are performing and interacting with others.

Recommendations

Powered by Looker (PBL) enables retailers to embed Looker analytics in any website, portal, or app and expose it externally (i.e., to suppliers paying for data access). PBL lets retailers create a branded, external-facing data discovery environment with the same flexibility, power, and rapid deployment as all Looker instances.

Customer Story

Vivino

Embedded dashboards cater to wine merchant partners



Online wine retailer Vivino is developing a data product to sell to its wine merchant partners. The idea is that the merchants will use Looker dashboards embedded within Vivino to analyze and identify market fluctuations and trends. Using the dashboard, merchants will be able to check their pricing against competitors, compare their stock to gauge the uniqueness of their offerings, and spot trends in their region early to help them adjust inventory accordingly.

“Essentially, we’re offering a portal page for wineries to get timely data on how users are interacting with their wines. From a marketing perspective, they will be able to understand their wine ratings and how they stack up against the competition,” explains William Moor, Vivino’s Director of business intelligence. “For instance, if a winery makes a Napa Valley cabernet and sells it for a certain price, they can determine if the price is in line with what the market will bear for that type of product.”

The Takeaway

As a retailer, you hold an immense amount of data, from sales records to marketing metrics, inventory movement to financial statements. And Looker sits on top of it all, integrating information from multiple platforms and channels to give you deep, actionable insight into all aspects of your operations.

Get the most value possible from your Looker instance by employing new, innovative use cases. Discover new ways to use the data you collect: attract and retain customers, optimize your marketing spend across channels, monitor inventory in real-time, and better manage complex supply chains. Consider monetizing proprietary data while always meeting best practices. Incorporating ready-to-deploy Looker Blocks and other powerful features will get you started quickly—and help you thrive in today's fast-moving retail landscape.