

ai.RETAIL: Introduction

Stage Zero Deck



The battle for customers has intensified, with accelerated market shifts and the blurring of industry boundaries

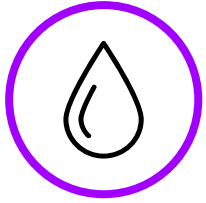
The changing retail landscape requires new Data & AI capabilities

THE RETAIL INDUSTRY HAS LONG BEEN AT THE FOREFRONT OF DIGITAL DISRUPTION AND CHANGE. PRE-EXISTING MARKET TRENDS HAVE BEEN ACCELERATED BY THE PANDEMIC.

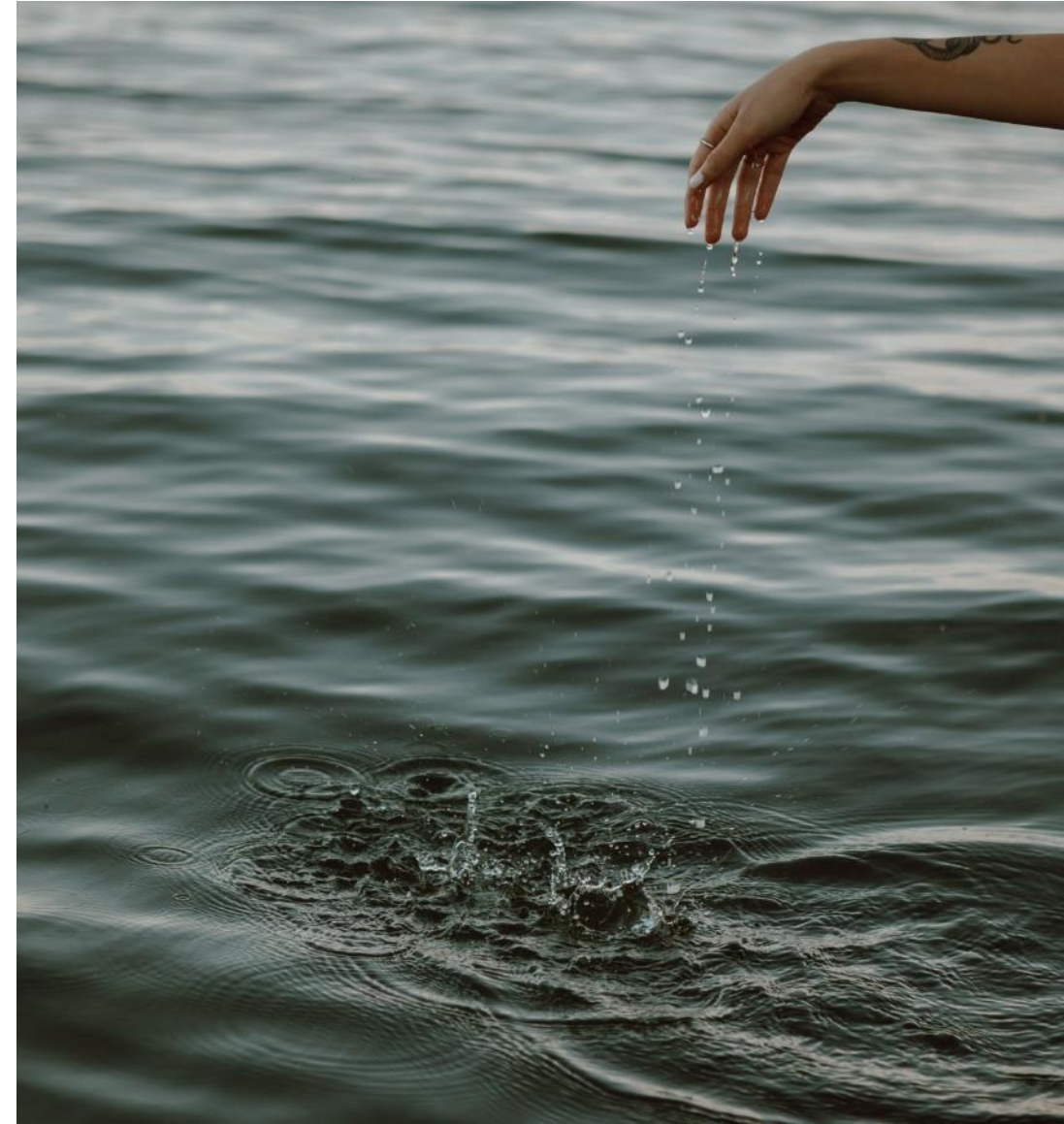
- › **Digital commerce has increased** significantly across all sectors
- › Populations have **acclimatized to online shopping**
- › **Curbside pickup became a priority** when face-to-face transactions represented a health risk
- › **Fashion and food purchases shifted** as work and socialization patterns changed
- › **Communities sought to support small local businesses** as they suffered to keep their doors open

THE PARADIGM SHIFT IN CONSUMER BEHAVIOR AND MARKET DYNAMICS HAS ACCELERATED PRIORITISATION AND ADOPTION OF DATA AND AI CAPABILITIES TO TRANSFORM AT SCALE.

- › **Clear data & AI strategy** with focus on business outcomes
- › **Real-time personalization** across online and offline channels
- › **Data management** and governance to improve access and quality
- › **Democratization of insights** through intuitive user experiences
- › **Data monetization** to unlock new revenue streams and growth
- › **ESG performance and impact** embedded in key decisions

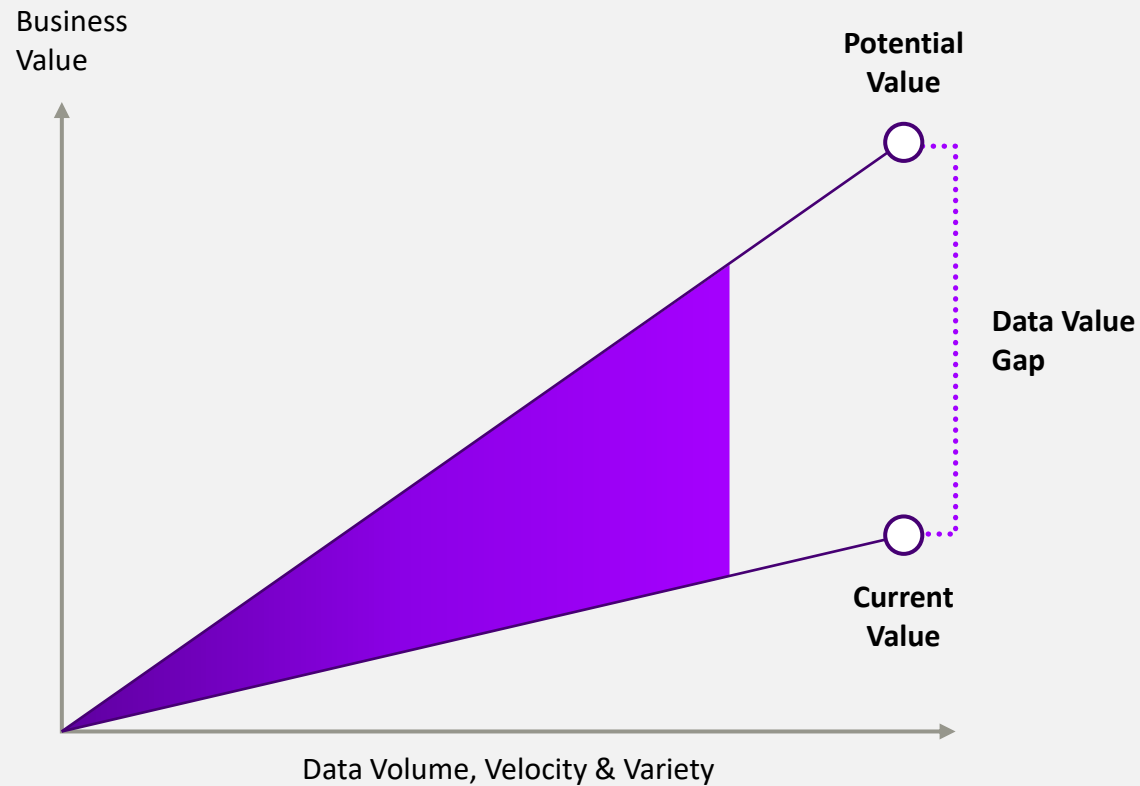


During times of change,
data is the life blood that
can transform any retailer

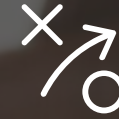


However, the value being realized from data is far below its potential

Most retailers are finding it challenging to convert their data into value, leaving a large gap between access to data and the ability to derive meaningful insights from it.



KEY CHALLENGES



Identifying Business Priorities



Accessing Critical Data Elements



Improving Data Quality & Veracity



Implementing Priority Use Cases



Driving Business Adoption



Measuring Business Outcomes



Digital transformation is no longer enough

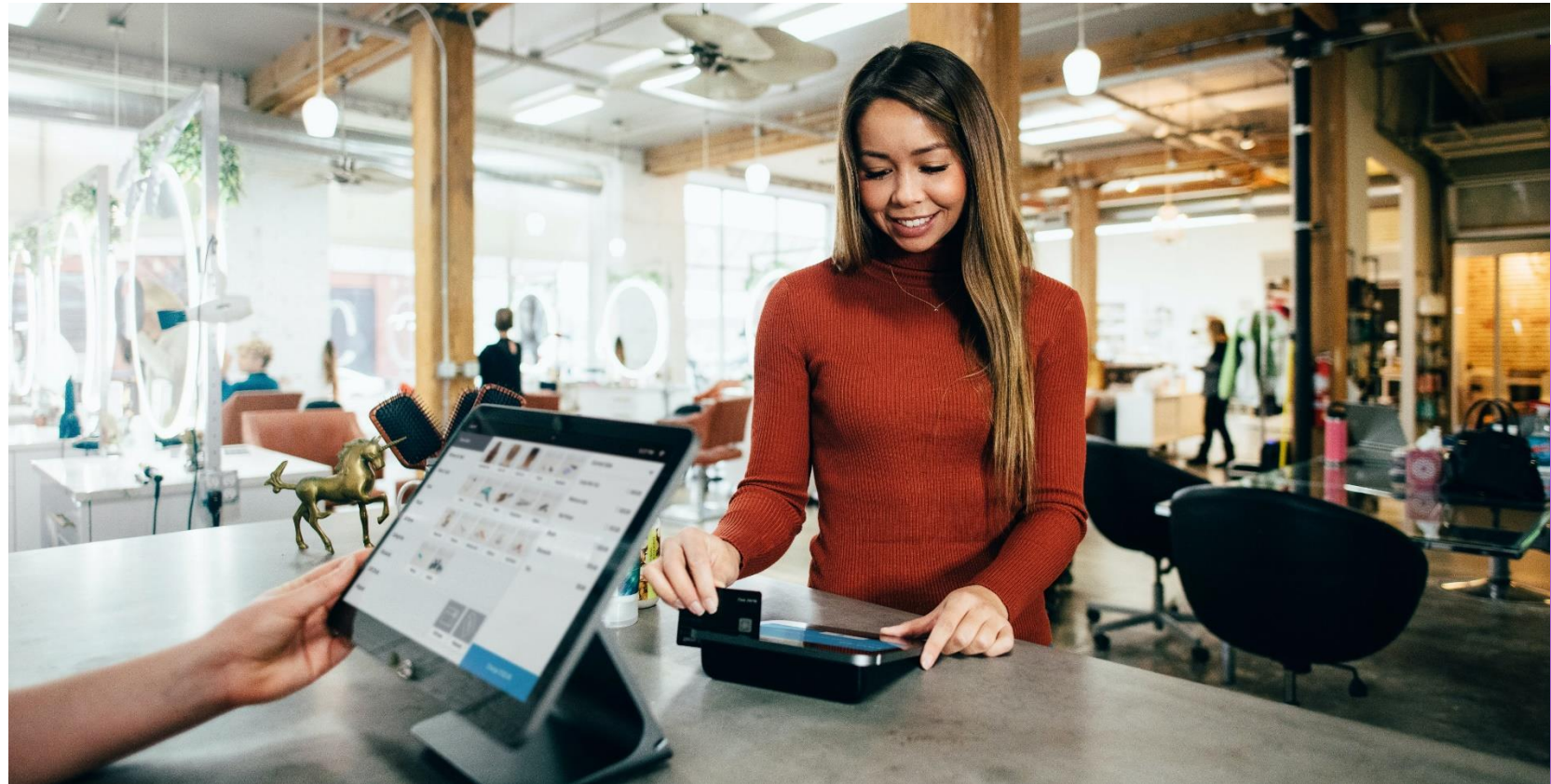
It's important to extract value from Data & AI by applying it in a real business context

80% of the effort is put into cloud infrastructure, data management and applying intelligence.

Retailers have primarily focused on developing their core technology capabilities, which has incrementally improved their operations, but hasn't enabled them to transform into nimble, data-native organizations.

But 80% of the value comes from transforming business functions, processes and culture.

To maximize business value, retailers need to align their digital transformation efforts with changes to their core business functions, culture, processes, and the way data fuels innovation, new business models and partnerships in our post-digital world.



Retail leaders are focused on delivering business outcomes from their data to drive growth and profit



Chief
Executive
Officer

Data-driven reinvention

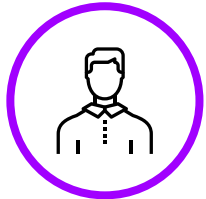
How do I transform my business to be data driven to achieve my growth objectives while mitigating against potential risks?



Chief
Merchant

Tailored assortments

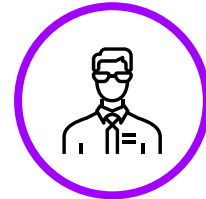
What product ranges should I carry across which channels? What products are driving unique sales for my highest value customers?



Chief
Information
Officer

Business-led journey to cloud

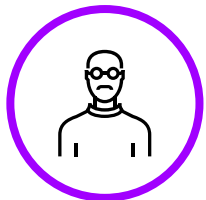
How do I maximise the business value and impact from migrating core systems to the cloud? How can I generate more value from our data?



Supply Chain
Director

Customer-centric supply chain

How can I create tailored supply chain strategies to maximize sales and profitability while enhancing the customer experience?



Chief
Marketing
Officer

Personalised experiences

How do I create a personalised experience for my customers to increase customer acquisition, improve brand engagement and unlock profitable growth?



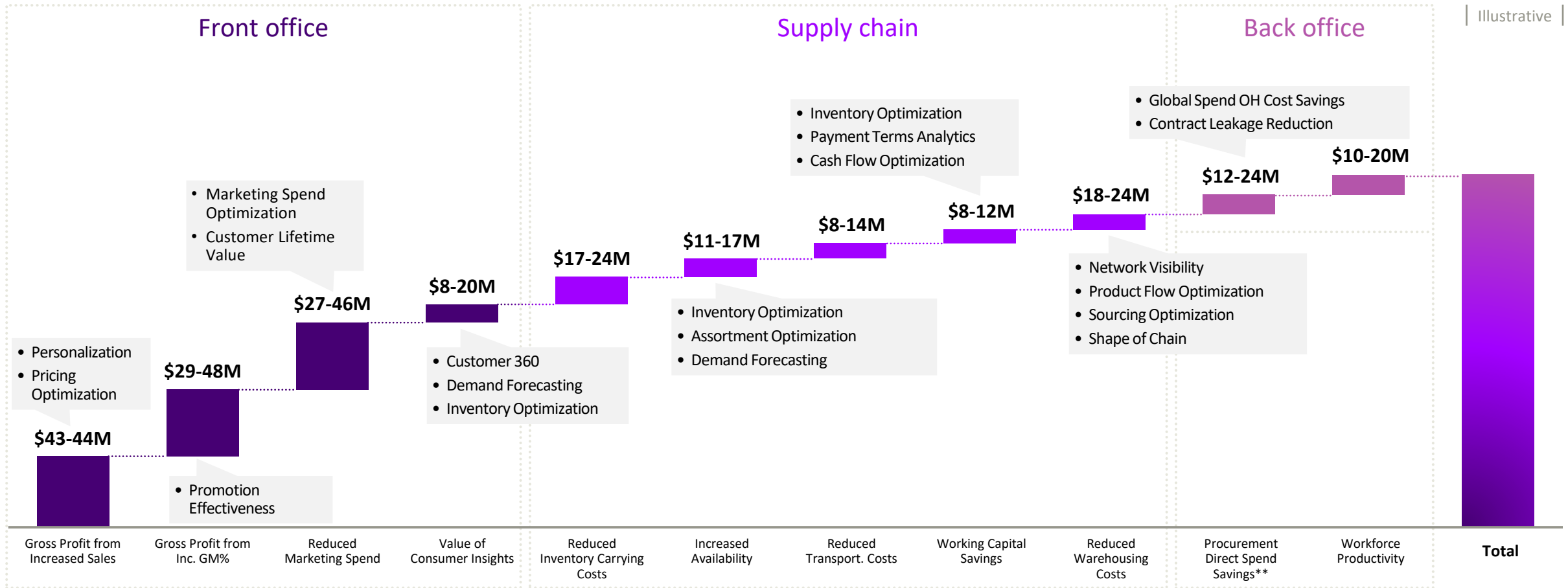
Chief
Finance
Officer

New revenue streams

How do I effectively allocate spend to maximise profit, revenue, and ROI? How can I leverage data to unlock new revenue streams?

Retailers that focus on leveraging Data & AI to deliver business outcomes are experiencing strong results

Rapidly validating and scaling AI-powered solutions unlocks value across the entire retail enterprise and has resulted in 2–3% EBITDA margin expansion at major retailers over a ~2-year period



| Illustrative |

*Typical areas and benefits at a retailer with a \$10B turnover.

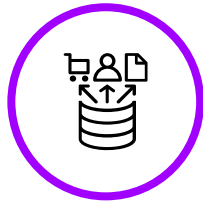
Becoming a data-driven retailer

There are four key steps to successfully generating actionable insights from data



Data Platform Foundation

Integrate data sets across the business with a cloud-enabled data platform to create a **single source of truth** that drives insights and real-time decisions.



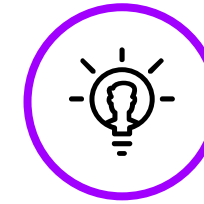
Data Management & Governance

Identify, control and manage **critical data elements** at scale in the cloud to transform them into an enterprise-wide strategic asset.



Data Tribe

Build a **multi-disciplinary team** of retail experts, data scientists and technologist that develop Data & AI solutions with a 'product' mindset.



Actionable Insights

Identify, prioritise and build **cross-functional AI-powered use cases** with an intuitive user experience to turn data into business outcomes.

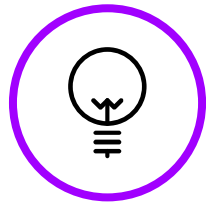
ai.RETAIL provides the AI-powered insights required to transform marketing, merchandising and supply chain



Marketing

Customer experience

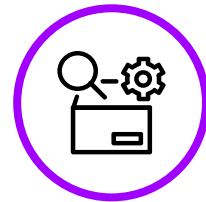
Better understand customer needs and behavior with data for every customer interaction and personalize the customer experience in real-time.



Merchandising

Localized assortments

Use AI to analyze category and product performance, optimize product ranges, maximize space and spot opportunities for new offerings.



Supply Chain

Operational excellence

Improve transparency, agility and resilience across operations and make better, faster decisions while becoming more efficient and reducing cost.



Innovation

New business models

Utilize data to drive continuous innovation through the entire organization to outpace the competition and generate new revenue streams (e.g., data monetization and retail media).

3-15%

Revenue uplift across core business

2-5%

EBITDA uplift over ~2-years

30%

MROI Increase using targeted campaigns

50%

Conversion increase through next best offer

4-6%

Reduction in supply chain operating costs

15%

Churn reduction through better loyalty

2-5%

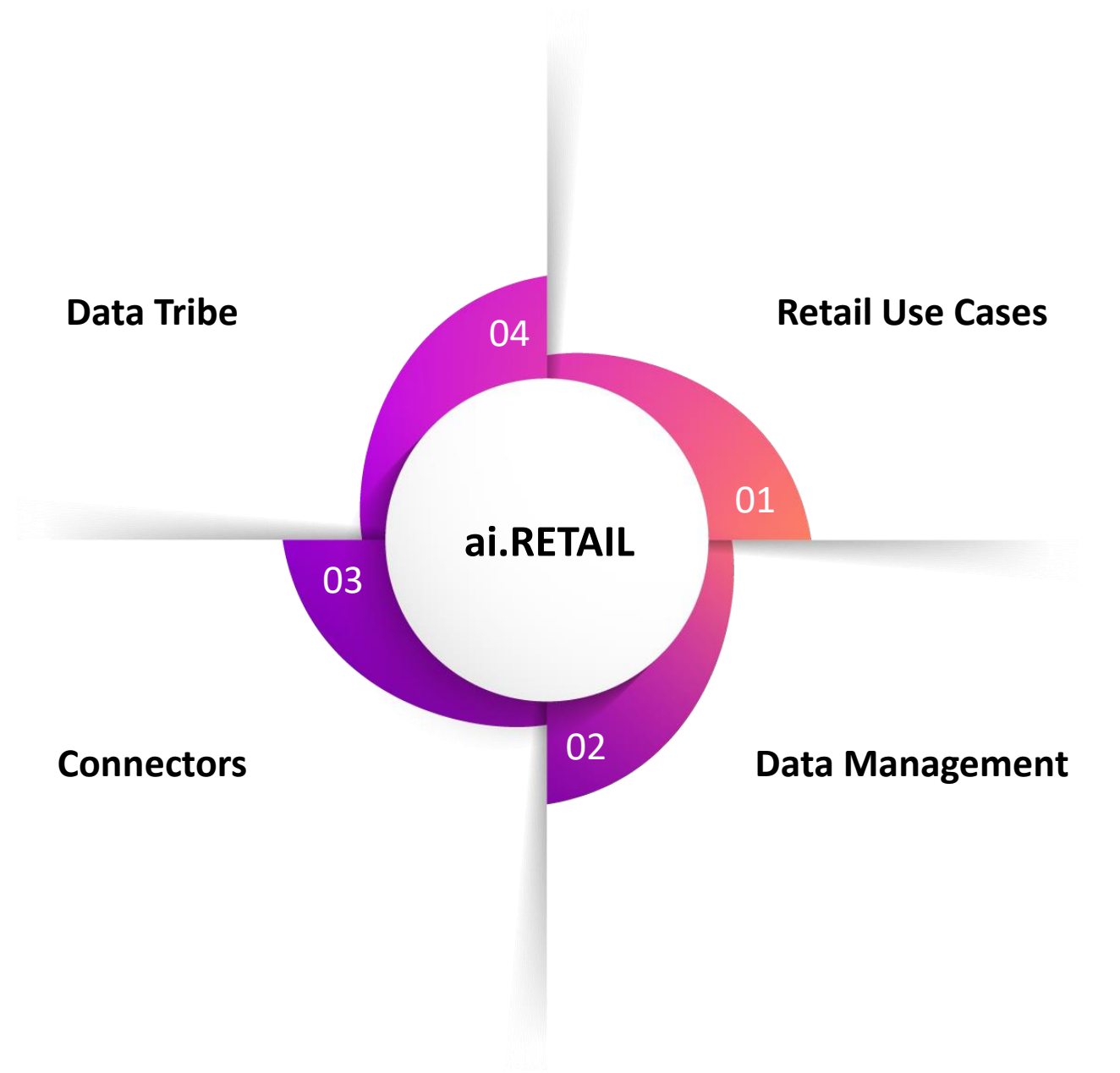
Revenue lift from new business models



What is ai.RETAIL?

ai.RETAIL is an AI-powered insights solution, purpose built for retail, that brings together data management with proven use cases to accelerate speed to value.

Customer	Product	Channel
Price	Promotion	Inventory



ai.RETAIL

Deliver profitable growth using leading AI, purpose built for retail, to gain a deep understanding of your customers, scale personalization, tailor your product offerings, optimize your supply chain, and manage risk and sustainability across your business.

Connectors



Data platform



Platform-as-a-Service



Primary users



Marketing



Merchandising



Supply chain

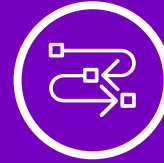
Data & AI applications



Customer Profit & Revenue (CPR)



Dynamic Merchandising & Assortment (DMA)



Supply Network Analytics & Profitability (SNAP)



Ingest

Data



Model

Insights



Serve

Action & Optimize



CPR

Create a granular Customer 360 view to better understand customer profitability, loyalty and buying behaviours for every customer interaction. Enhance marketing, product and channel strategies and enable real-time personalization to create a unique customer experience.

Connectors



Primary users



Marketing



Merchandising



Supply chain



Customer Profit & Revenue (CPR)

- Customer Segmentation & Lifetime Value
- Customer Acquisition, Engagement & Churn
- Basket Missions & Product Recommendations
- Intelligent Pricing & Promotions
- Intelligent Marketing & Personalization
- Multi-Touch Attribution
- Marketing Mix Optimization
- Data Monetization & Retail Media

Data platform



Data



Ingest



Insights

Model



Action & Optimize

Serve

Platform-as-a-Service



DMA

Take a customer-centric approach to optimize assortments, channels and space to more effectively meet customer expectations while driving sales growth, increasing margins and reducing working capital requirements.

Connectors



Data platform

Platform-as-a-Service



Marketing



Merchandising



Supply chain



Dynamic Merchandising & Assortment (DMA)

- Category Performance Analysis
- Product List Optimization
- Macro Space Optimization
- Micro Space Optimization
- New Product Introduction
- Vendor Negotiation Analytics
- Demand Forecasting & Sensing



Data



Ingest



Insights

Model



Action & Optimize

Serve



Microsoft Azure



SNAP

Combine internal and external data sources to gain end-to-end visibility across the supply chain. Create a digital twin of the supply network to run 'What-If' scenario simulations to optimize performance taking into account cost, lead times and risk factors.

Connectors



Primary users



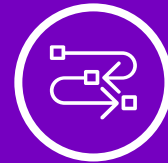
Marketing



Merchandising



Supply chain



Supply Network Analytics & Profitability (SNAP)

- Supply Chain Control Tower
- Supply Chain Segmentation
- Inventory Allocation & Replenishment
- Product Flow
- Optimal Source
- Supply Planning
- Shape of Chain/Real-Estate Analytics
- Predicting Returns

Data platform



Ingest

Data



Model

Insights




Serve

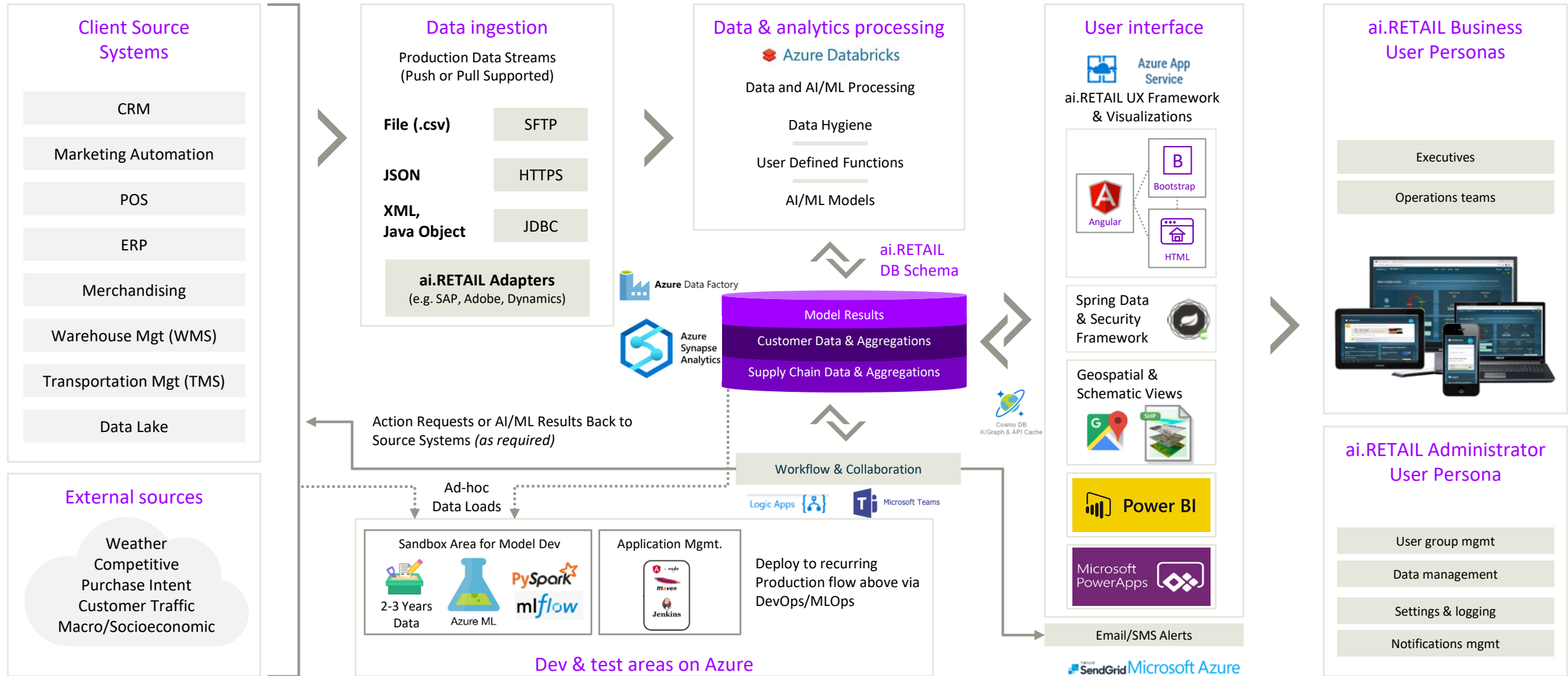
Action & Optimize

Platform-as-a-Service



ai.RETAIL Architecture

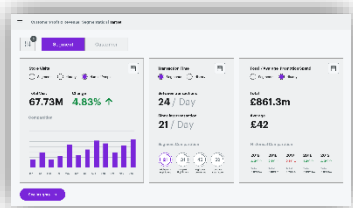
Powered by
 Microsoft Azure



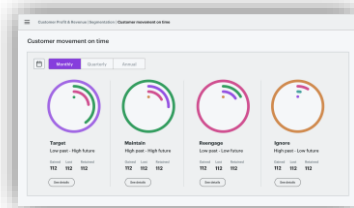
Selected use case accelerators

Selected assets

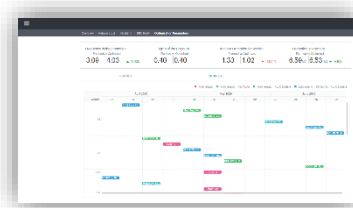
Customer 360 & Segmentation



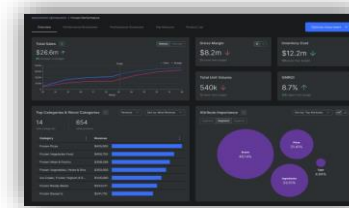
Intelligent Marketing & Personalization



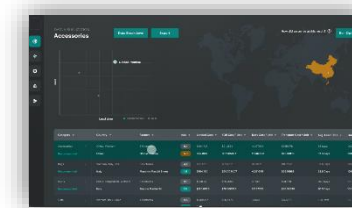
Intelligent Pricing & Promotions



Assortment & Space Optimization



Supply Chain Control Tower



Description

Create an integrated view of the customer by combining 1P, 2P and 3P data sources to create value-based micro-segments, analyze customer migration, predict CLTV and reduce churn.

AI-powered marketing solutions that including next best experience, real-time personalization engines and multi-touch attribution to provide targeted content, offers and product recommendations to improve MROI.

Identify how promotions are utilized with the business and their effect on sales and customer profitability. Optimize promotions and pricing using simulations and advanced customer insights.

Take a localized approach to optimize assortments, channels and space to more effectively meet customer expectations while driving sales growth, increasing margins and reducing working capital requirements.

Combine internal and external data sources to gain end-to-end visibility across the supply chain. Create a digital twin of the supply network to run 'What-If' scenario simulations to optimize performance taking into account cost, lead times and risk factors.

Value Drivers

- ✓ Increase Customer Profitability
- ✓ Optimize Campaign Targeting
- ✓ Reduce Churn
- ✓ Enhance Customer Experience

- ✓ Increase Sales & Basket Size
- ✓ Improve CTR & Conversion
- ✓ Enhance Brand Experience
- ✓ Optimize Marketing Spend & ROI

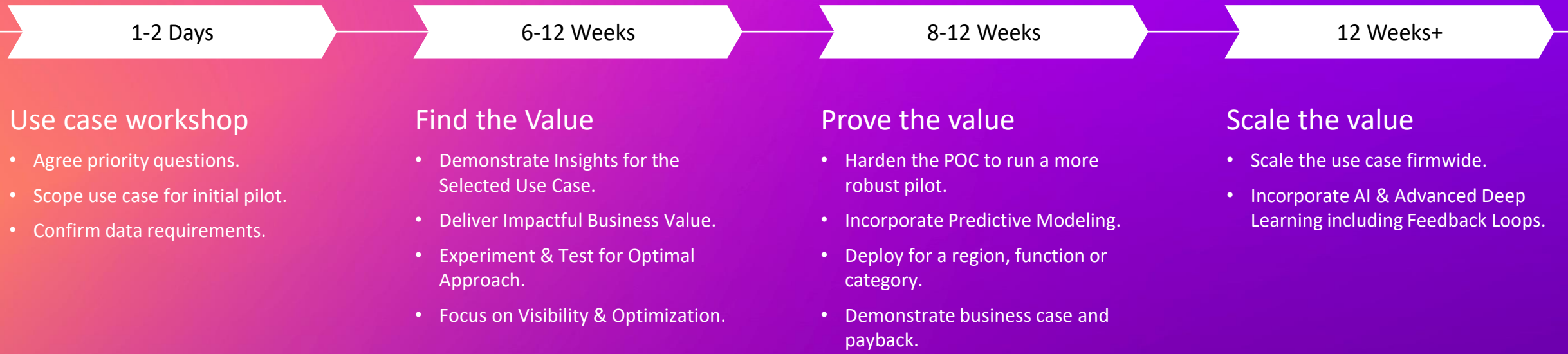
- ✓ Increase Full Price Sales
- ✓ Expand Gross Margins
- ✓ Improve Customer Experience
- ✓ Reduce Stock-Outs

- ✓ Increase Traffic & Sales
- ✓ Improve Product Margins
- ✓ Increase Stock Turnover
- ✓ Improve Customer Experience

- ✓ Reduce Network Costs
- ✓ Improve Inventory Productivity
- ✓ Improve Speed & Service Levels
- ✓ Mitigate Key Risks



Getting started: Our use case approach



ai.RETAIL Innovation services

Our Innovation Services team brings together the right people with diverse skill-sets and innovation mindsets across retail strategy, Data & AI and technology to identify and co-create tailored use cases

- Identify key business questions and pain points.
- Ideate relevant use cases for tackling priority business challenges.
- Co-create use case to define priority functional, data and technology requirements.
- Define business objectives and value case for each use case.
- Prioritise use case backlog based on value and required effort.
- Identify ai.RETAIL accelerators to fast-track pilot and delivery.

FJORD™
Design and Innovation from
Accenture Interactive

boomerang

KARMARAMA
GOOD WORKS

?WHAT IF!
part of **accenture**

Imagine The Future

We co-create new and shape proven use cases together to differentiate your business in-market.

Unlock Growth

We dig deep to unearth hidden opportunities for data-driven growth and shared success.

Build New Realities

We bring ideas to life and make them real— through experimentation and rapid iteration.

Embed Innovation

We infuse an enterprise-wide innovation mindset and culture to drive long-term growth.

Prioritise critical data elements (CDES)

ai.RETAIL identifies and prioritizes the Critical Data Elements (CDEs) that are the crucial link to defining the KPIs that will power a retailer's data-driven transformation. Focusing on CDEs greatly accelerates time to business outcomes.

Benefits

Faster Journey

Reduce the time to identify, curate, and remediate your data landscape by **75%**

Reduced Scope, Time & Effort

...by defining and investing in the **10-20%** data elements that are critical...

Transformational

...which will unlock **80-90%** of business value

The Bottom Line

From Years to Months

From Curating 2,000-5,000 to 100 Data Elements

From Marginal (20-30%) to Transformational (80-90%)

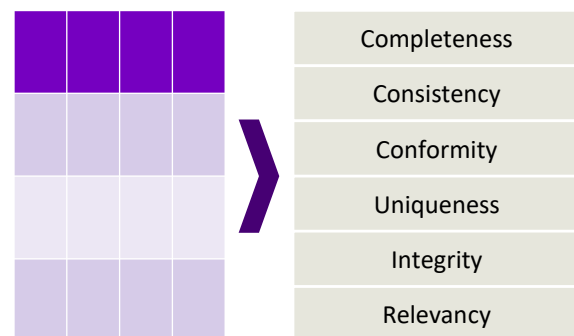
Block out the noise to maximize your data's potential, **5-10% of data typically drives 90% of the business value**



Selected assets to improve data quality

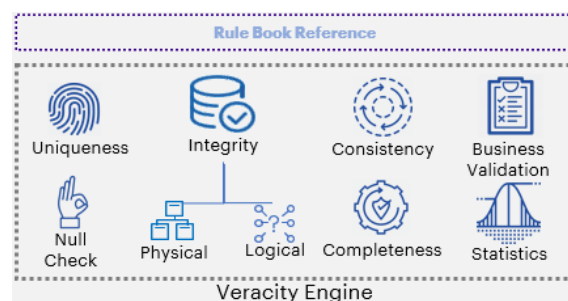
Intelligent profiling

Examines source data to assess how data values differ from expected/approved values. Utilises ML/AI engine to suggest industry specific business rules to cleanse data using internal master data sets and external retail data sources.



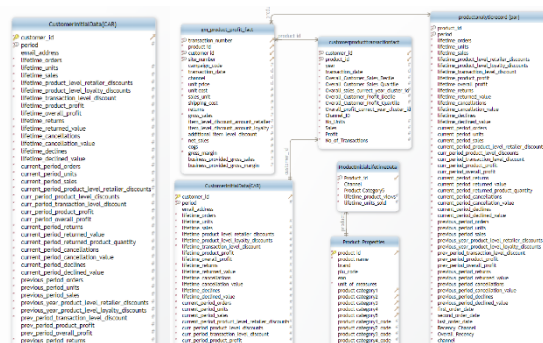
Retail data veracity engine

Data Veracity engine uses approved rules to check and cleanse the source data to support the business objectives. It uses ML/AI to suggest correct values for identified issues based on data patterns.



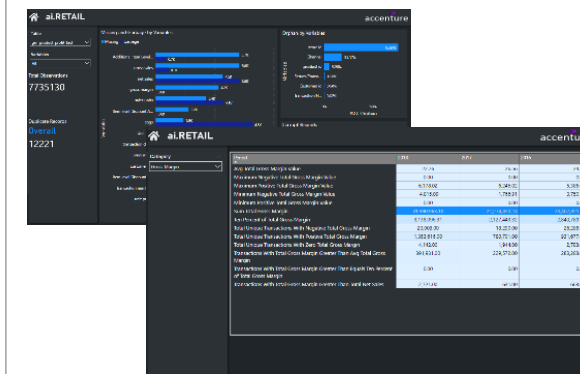
Retail data Model

ai.RETAIL Data Model including CAR, SAR and PAR tables. Retail Data Dictionary and Industry Business Rules to accelerate verification, cleansing, standardisation and enrichment of the source data.



Data veracity dashboards

Data Quality Dashboards provide summary and detailed quality reports, along with capability to support root cause analysis. Enables analysis of failed rules and monitors impact of remediation efforts, and degree of cleansing applied.



Enrich data with 3rd Party ecosystem

50
Partners

+40
in pipeline

3B+
Data Records

20TB+ Data

1036 Benchmarks

21
Countries

700+ Banking
336 SC&O

Learn more from [Data Marketplace](#)

Vendor	Data Type	Industries	Functions
affinity solutions	Consumer spend & transaction	C&M, CGS, BNK, LS, Energy,	CFO & EV
APQC	Benchmarking data	Cross Industry	Cross Functions
arabesque	ESG	Cross Industry	CEO & ES
audience ACUITY	Identity Linkage & Verification	C&M, BNK, LS	CS&S
Benchmark Portal	Benchmarking data	Cross Industry	CS&S
cfpb	Consumer complaints	BNK, INS	CS&S
clickagy	Web browsing, ID Linkage & Verification	C&M, CGS, BNK, RET	CS&S
Edison Trends	Consumer spend & transaction	CGS, RET	CS&S
embee	Mobile App Ownership	C&M, CGS, BNK, RET	CS&S, SC&O
EQUIFAX	Firmographics, Credit Bureau	BNK, INS, High Tech, Software's & Platform	CFO & EV, CS&S
experian	Firmographics, Census Spend, Credit Bureau	BNK	CFO & EV, CS&S
FDIC	Firmographics, Industry Trends	BNK	CFO & EV
FREIGHTWAVES	Transport & Logistics	CGS, Automotive, CHEM, RET, Aerospace	CS&S, SC&O
GlobalData	Industry Trends	C&M, CGS, RET, Energy	CFO & EV, SC&O
KBM Group	Consumer POS Data	CGS	CS&S
lifesight	Geo-Location, Mobile App Ownership	C&M, CGS, BNK, LS, Energy, RET	CS&S, SC&O
LIGHTHOUSE LIST COMPANY	Demographics, LifeStage, Intent	C&M	CS&S
LocalBlox	Firmographics, Demographics, ID Linkage	C&M, BNK, LS	CS&S
Longitude	Consumer survey	BNK	CS&S
MAILINGLISTS XPRESS	Firmographics	C&M, BNK	CFO & EV, CS&S
MB-International	Demographics, Consumer Spend	CGS, RET	CS&S
MERITDIRECT	Demographics, LifeStage	C&M, CGS, BNK, LS, Energy, RET	CFO & EV, CS&S
crunchbase	Firmographics, Contact, Technographics, App	Comms, BNK, INS, C&M, Hi-Tech, Software	CFO & EV, Tech
US DOL	Employment, Labor Market Data	Cross Industries	SC&O

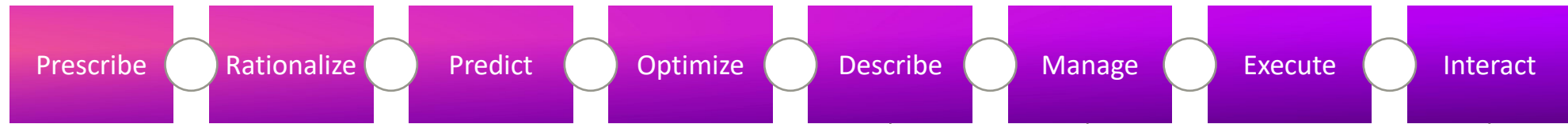
Vendor	Data Type	Industries	Functions
mobilenuovo	Geo-Location & Mobile Visitation	C&M, CGS, BNK, LS, Energy, RET	CS&S, SC&O
OnSpot	Geo-Location & Mobile Visitation	Cross Industry	CS&S
pekkd	Consumer POS	C&M, CGS, BNK, INS, RET, TRL,	CS&S
People Data Labs	Demographics, LifeStage	Cross Industry	T&O
precisely	Firmographics, Geo location, Demographics	C&M, BNK, Energy	CFO & EV, SC&O
PredictHQ	Events	CSG, Energy, RET	SC&O
Quid	News/Blogs	C&M, CGS, BNK, RET	CS&S, SC&O
sharethis	Firmographics	Cross Industry	CFO & EV
sharethis	Web browsing	C&M, CGS, BNK, LS, Energy, RET	CS&S
SIGNALS ANALYTICS	Consumer goods Market Intelligence	CGS, RET	CS&S
SimilarWeb	Web browsing, Mobile App	Cross industry	TS&A, CS&S
Smarte	Firmographics	C&M, BNK	CFO & EV, CS&S
STATSOCHIL	Social Affinities	C&M, CGS, BNK, LS, RET, Energy	CS&S
STIRISTA	Firmographics, Technographics	C&M, BNK, Energy	CFO & EV, CS&S, TS&A
STIRISTA	Firmographics	C&M, BNK, Energy	CFO & EV, CS&S, TS&A
Talkwalker	Social Media Listening	C&M, CGS, BNK, RET	CS&S, SC&O
Thinknum	Job listing data	C&M, CGS, BNK, LS, Energy, RET	T&O
THROTLE	Identity Linkage	C&M, BNK, LS	CS&S
TrueData	Geolocation, Mobile App	C&M, CGS, BNK, LS, RET	CS&S, SC&O
UberMedia	Geolocation, Mobile App	C&M, CGS, BNK, LS, Energy, RET	CS&S, SC&O
V12 DATA	Firmographics, Demographics	C&M, CGS, BNK, LS, Energy, RET	CS&S
ZEOTAP	Geolocation, Mobile App	C&M, CGS, BNK, LS, Energy, RET	CFO & EV, CS&S
Everest Group	Benchmarking Data	Cross Industry	SC&O
Our World in Data	Macro-Economic Data	Cross Industry	SC&O



Pre-built adaptors & integrations

ai.RETAIL focus area within Customer, Supply Chain & Merchandising

Insight APIs that allow for brains to be bolted-on top of retail systems.



Next Best Action
Personalization

Assortments
Product Flow

Demand Forecast
Supply Chain Control
Tower

Price/Promo
Inventory
Optimization
Network Visibility

Reporting/BI
Customer Insights

Core Merch
ERP, Finance
Order Management
Warehouse Mgmt

Marketing
Price/Promotions
Loyalty

ECommerce
POS
Mobile
Social

Pre-Built Integrations



API level integration for customer activation & personalization



ODATA API level integration for CPR & SNAP



CDM level integration for Customer Insights



Exploring integrations with Facebook Audience, Instagram, RELEX



ai.RETAIL enables a business-led journey to cloud

To maximise return on investment, retailers must combine the cloud with data-driven insights to unlock new opportunities for profitable growth in parallel to migrating their existing core systems to the cloud.

IT-Led Journey to Cloud

The predominant Journey to Cloud approach is IT-led. It focuses on migrating enterprise systems and accelerating automation in Horizon I and II, prior to unlocking new growth in Horizon III.



Horizon I

Legacy Modernization & Cloud Enablement

Plan and execute rapid migration of workloads to the cloud reducing cost and optimizing performance.

Value:

- 10%-30% Savings
- >Resilience

Horizon II

Transformation & Automation

Leverage the cloud to grow the business by improving capabilities, increasing automation and enhancing agility.

Value:

- +10%-20% Savings
- >Agility

Horizon III

New Cloud-Enabled Business Models

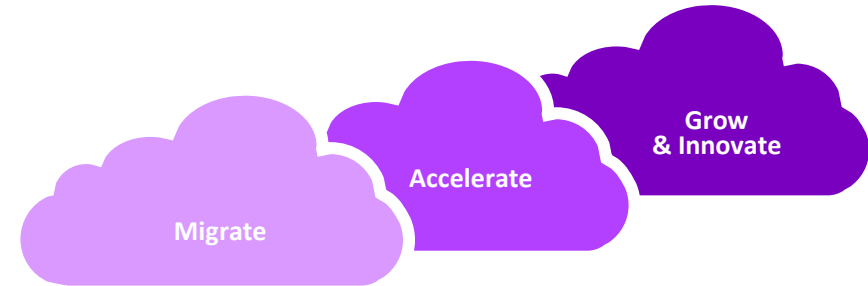
Unleash innovation and new business models using data-driven insights to unlock profitable growth.

Value:

- >Growth
- >Innovation

Business-led Journey to Cloud

In addition to cost reduction, the ai.RETAIL platform enables retailers to drive business outcomes in Horizon I and II using AI-powered analytics to identify new growth opportunities and optimize core operations.



Horizon I

ai.RETAIL

Realise H1 Value

- ✓ 10%-30% Savings
- ✓ >Resilience

Horizon II

+ Business Outcomes

- ✓ >Growth
- ✓ >Innovation
- ✓ >Agility

Horizon III

Accelerate
Speed to Value

Intermarché data factory as a service

The ai.RETAIL Data Factory at Intermarché is developing data use cases to generate business value and accelerate data transformation putting in place both human and technology capabilities.

Business goal

Enterprise-Wide Value Creation

The data factory is identifying and developing business use cases to support the Intermarché strategy: “better production, better consumption, eating better” and enhance customer experience, while also increasing productivity and growth.

Continuous Innovation

The data factory is developed in partnership with Microsoft to integrate their latest technologies. We are working in an open ecosystem to accelerate the development of the business use cases.

Grow People and Culture

We believe the data challenge is human before being technological. Therefore the data factory is supporting the transformation of individual and collective behaviors towards data, and integrating data at the heart of the decision making processes. We are supporting the client to adopt each use case to embed a data-driven culture across the enterprise.

Projects and results

Data Factory, structured into 3 teams:

- **Cockpit:** The cockpit defines the data vision, supports value creation and diffuses data culture and behavioral transformation.
- **Feature team:** This team helps to drive the transformation by exploring and delivering high value data solutions and services.
- **Platform:** This team builds the technological foundations to sustain long-term value creation.

Two business metrics will be monitored during the project

- Business value generated by the use cases.
- Adoption of the data mindset across the enterprise.



Market leading auto parts store promotion effectiveness

\$8B Retailer – Promotion effectiveness POC to improve customer profitability

Challenges

Client engaged with Accenture to identify the most and least profitable customers and improve promotion effectiveness.

Most of the client's targeted campaigns/ promotions are not driven by the purchase behavior of the customers and are not attributed to the most loyal and profitable segment.

The client is plagued with unorganized and inconsistent data.

Approach

Ingested 3 years worth of customer transactions (approximately 1 billion rows of data) to enable insights into profitable customers' spending habits

Organized messy customer data into a clean, structured and usable data set, with the help of Microsoft and their Customer Insights technology.

Enabled insights into more targeted customer acquisition, as well as to align and activate customer relevant promotions.

Insights & Values

8.7%

Analysis revealed that 8.7% of customers contribute to 40% of profit.

\$75M

Identified \$30M-\$75M promotion optimization opportunity.

74%

Identified a 74% customer churn translating to \$15M in lost profit.

-41%

Revealed a 41% decline in the highest profitable customers along with a 4% increase in low profit customers.



Global fashion retailer personalization

AI-Powered personalized customer journeys

Challenges

A global fashion retailer wanted to use AI-powered marketing capabilities to deliver a personalized customer experience across all channels.

The client's goal was to increase brand engagement, conversion and sales by providing customers with a tailored end-to-end experience.

Approach

Delivered a real-time, AI-Powered Personalization Engine to tailor the customer engagements for millions of omnichannel customers.

Utilized machine learning, reinforcement learning, NLP, image recognition and deep learning to power the real-time personalization engine.

Insights & Values

+35% CTR and +18% CR uplift across email marketing campaigns.

+29% increase in eCommerce Average Basket Revenue and +25% CR uplift.

AI-algorithms re-trained twice per day to optimize performance.

Leading apparel retailer Multi-Echelon Inventory Optimization (MEIO)

Minimizing inventory while maintaining service

Challenges

Client was undergoing supply chain transformation and wanted to reduce inventory by centralizing their planning capability while maintaining current high service levels.

They wanted to apply advanced analytics and visualization techniques to rapidly identify and act on opportunities to optimize inventory across a complex multi-echelon network.

A key client challenge was safety stock calculations. They currently used independent tools to calculate safety stock at each node of the network without considering overall supply chain costs resulting in higher inventory levels.

Insights & Values

The client was able to reduce their carrying costs a 8% while simultaneously increase service levels from 90% to 95%.

Continuous improvement processes were set-up to minimize excess inventory by identifying slow movers across the network.

Approach

Accenture provided an analytics as a service capability to run a complete multi-echelon inventory optimization (MEIO) on a monthly basis.

As part of the MEIO service, Accenture determined and optimized where inventory should be held in within the supply chain and in what quantity to achieve the required availability at end node.

On a monthly basis we performed sensitivity analysis to suggest alternative inventory scenarios for consideration.

Meet the ai.RETAIL team



Steven Dunk
ai.RETAIL Lead
steven.dunk@accenture.com



Ben Dunne
ai.RETAIL GTM Lead
ben.dunne@accenture.com



Seth Cooper
ai.RETAIL CPR Lead
seth.cooper@accenture.com



Delmary Salcedo
NA GTM Lead
delmary.m.salcedo@accenture.com



Cesare Rigato
Europe GTM Lead
cesare.rigato@accenture.com



Karan Kapoor
GM GTM Lead
karan.a.kapoor@accenture.com



Anoop Gopinatha
ai.RETAIL Product Owner
anoop.k.gopinatha@accenture.com



Stephen Morse
ai.RETAIL APP BU Lead
stephen.morse@accenture.com



Manish Pasrija
ai.Retail Data Science Lead
m.pasrija@accenture.com