Aaum's "Analytical process modeling" (APM) for Retail

Retail is an industry that is in a constant state of change. Competition, multiple product offerings, changing customer requirements, various selling mechanisms, and consumer complexity are typical characteristics of this environment that demands a dynamic and constant state of change in the retail arena.

Retail analytical solutions are formulated using sophisticated data mining technologies that use complex statistical models to discover hidden patterns and apply them to predict future trends and behaviors.

Analytical visionary Prof. Thomas Davenport in his recent research work quotes that "Industry experts and retailers themselves agree that most retail companies have not yet realized the full potential of the breadth of analytics available to them today." He has constructed a list of 18 analytics applications that are observed common in many retail companies.

Widely Adopted Analytics Processes

1. Assortment Optimization and Shelf Space Allocation
2. Customer-Driven Marketing
3. Fraud Detection and Prevention
4. Integrated Forecasting
5. Localization and Clustering
6. Marketing Mix Modeling
7. Pricing Optimization
8. Product Recommendation
9. Real Estate Optimization
10. Supply Chain Analytics
11. Test and Learn
12. Workforce Analytics

Organizational Trends

13. Adoption and Use of Analytics
14. Analytical Ecosystems
15. Centralizing Analytics
16. Store-Level Empowerment

Strategic Initiatives

17. Analytical Performance Management
18. Multi-Channel Analytics

Davenport's analytical classification for Retail

Analytical maturity in customer analytics can be achieved by looking at the requirements of end customer. Aaum has custom developed **A**nalytical **P**rocess **M**odel (APM) framework to accomplish a solution framework for addressing the entire analytical requirements of the client. This is an embryonic model and has incorporated Prof Davenport's list of 18 common factors. There are totally five phases in this framework (refer the below figure) and each higher discipline builds on the inner analytical capability. This analytical capability is additive, not exclusive, in

practice. The below picture demonstrates the information flow to achieve predictive analytics.
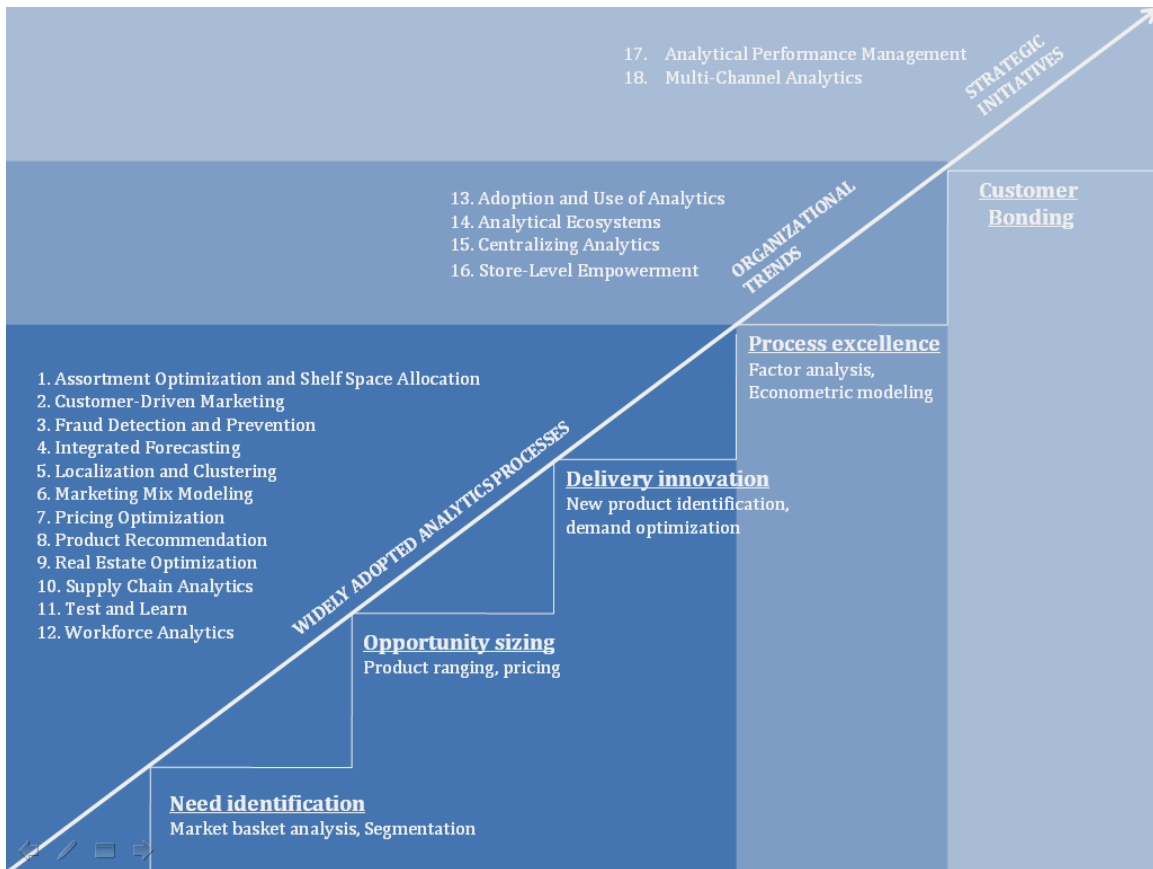
Aaum's **A**nalytical **P**rocess **M**odeling (APM framework)

Need further information about our APM framework? Please write us at info@aaumanalytics.com