Success Story - Merchandise Analytics

Ripley, Peru, successfully utilizes voluminous data with intelligent decision-making abilities

Ripley Corporation is a leading department store chain, real estate and financial company in South America, headquartered in Santiago, Republic of Chile. The company also deals with building and managing shopping malls. Ripley Corporation conducts its financial business through Banco Ripley and offers direct loans to its clients using the Ripley Credit Card.

Ripley, Peru, a branch of Ripley Corporation, owns and operates 17 department stores in the city and engages in the business of apparel, accessories, home furnishing, household appliances, furniture, beauty products, sports and recreational equipment, among others, through these stores. Ripley Peru runs traditional stores, as well as express format stores and self service stores all over Peru.

The Business Model of the company in Peru is focused on giving clients a superior purchase experience with modern layouts, wide selling space and an offer of vanguard products. The granting of loans through the Ripley credit card is a very important engine to boost sales and enhance the value offer for clients. The market share of Ripley in Peru was 46%.

Business Context

The department store business in Peru is much less developed than it is in Chile in terms of geographic presence and as a selling channel. However, with resurgence in the economy, implying lasting growth, the retail industry is beginning to expand in the city. Ripley Peru, after entering to Trujillo and Chiclayo in 2007, gradually expanded its base in Peru, building more outlets and offering more products. The company started offering seasonal sales, and great discount packages. These enhanced sales and popularity, and Ripley Peru expanded further. Now the company is gearing up to spread out to other important cities of Peru and enhance its customer experience and service.

On its journey to expansion and progress, Ripley Peru was looking for a strong technology backbone to support its voluminous data and facilitate intelligent decision-making. A versatile reporting system with sophisticated Business Intelligence (BI) and analytical capabilities was the requirement of the company.

Manthan's solution

Ripley Peru needed a robust, sophisticated and scalable BI environment that would serve as the common analytical platform for all users across the organization.

Merchandise Analytics was chosen as the preferred option by the selection team at Ripley Peru due to the strong reporting capabilities and superior analytical abilities of the solution.

With a pre-built approach and best-practice-based analytical capabilities, Merchandise Analytics is a comprehensive performance management solution to analyze retail performance from every angle –supply chain to store level.

Merchandise Analytics has provided Ripley Peru with a single platform for its entire spectrum of decision-making needs across the enterprise.
Role-based centralised analytics: Merchandise Analytics provides specific analytic configurations for strategic as well as operational needs of all roles and levels of decision-makers at Ripley Peru. Chief planning and logistics officer, chief operations officer, chief merchandise officer, division manager for electronics, division manager for youth cloths, chief finance officer, chief marketing officer, chief customer relationship management officer as well as assortment planners, allocators and buyers at Ripley Peru now have a role-based access to the system with functionalities to view and obtain daily, periodic, pre-built and ad-hoc reports and data specific to their roles.

End-of-day reports are centrally generated and sent via email to all designated personnel based on roles and requirements. Visual stock dashboards help the stocking department to get a quick and accurate picture of stocks based on seasons and other parameters. This helps them plan ahead and replenish the supply much before it actually gets out of stock.

Self-service BI architecture: The architecture of Manthan's solution includes superior data visualizations, smart utilities, and a highly intuitive user interface design which make the system user-friendly and easy to access and use. Business users at Ripley are no longer dependent on the IT department to obtain the required data or reports. With easy access to information required for each role, business users at Ripley are now equipped to take well-informed decisions.

Pre-built analyses: Apart from on-request, customized analyses, Merchandise Analytics provides the decision-makers at Ripley a multitude of pre-built analyses in the areas of sales, merchandise, inventory, promotion and markdown, supplier, among others.

Using the pre-built analyses, various teams at Ripley are able to manage tasks such as tracking store/department performance based on key metrics, identifying potential cross-sell and up-sell opportunities using Market Basket Analysis (MBA), streamlining retail distribution to minimize inventory carrying costs, stock-outs and markdowns, tracking stock availability and buying needs based on rate of sale during promotion period, comparing suppliers of similar products on performance metrics like sales contribution, margin percentage, stock contribution and rebates, compare sales from Ripley credit cardholders to non-cardholders, comparing sales based on seasons.

Benefits discovered

- Management and utilization of large data: Ripley Peru had over 350 GB of unused data in its data warehouse. With Merchandise Analytics, this data is managed and utilized to generate reports, track inventory and sales based on season, perform comparisons and trend analyses.

- Efficient reporting: With more than 500 users accessing the system, reporting system at Ripley has been centralized across organization. The company can now acquire accurate, automated and detailed reports including: product code level reporting, SKU level reporting, strategy reporting, and daily analysis. Report scheduling process has been streamlined with automatic report generation at regular intervals.

- Collaboration with vendors: With Merchandise Analytics, Ripley is able to share data such as stock on hand, sales and purchases with vendors and suppliers. This has increased the vendors and suppliers contribution to business objectives and led to improved overall performance.

- Cost savings: Manthan's pre-built approach and a faster deployment have saved Ripley a significant amount of time and money. With Manthan platform's low administration and affordable scalability, Ripley has saved considerable operating and maintenance costs as well.

Challenges faced

Ripley, Peru, experienced the following challenges in its existing reporting environment:

- Large volumes of unexplored data: Though Ripley Peru had an existing data warehouse, the legacy application did not possess adequate BI functionalities. Therefore, analysis requirements were handled using Microsoft Excel. This limited the reporting and analytical capabilities of the company and large volumes of valuable business data remained unexplored.
- Lack of scalability: The existing reporting system at Ripley Peru was not scalable to be used by over 500 users who required an access to the reporting system. This limited the use of the system and led to insufficient reporting and information accessibility.
- Inferior data quality and inconsistency: The reports created by the legacy application depicted inferior data quality as well as inconsistencies in data across various levels, such as mismatches between stores and their categories.
- Insufficient reporting: Ripley Peru was not able to obtain the SKU level reporting using the existing system. This was hampering the decision-making at the store level.
- IT dependency for report generation: With the legacy reporting system, the task of generating reports required programming skills and good knowledge of Microsoft Excel macros. Hence, all users were dependent on the IT department for obtaining any reports that they needed.

Why Manthan

Ripley Peru selected Manthan for this engagement based on the fact that Manthan's core competency is in the understanding of retail and all associated technology and statistical sciences. Manthan adopts an end-to-end, full-lifecycle approach with fast deployment within 3-6 months. Manthan's data model includes over 150 standard reports that help merchandise analysis at various levels.

In today's highly competitive retail market Ripley needs a Merchandising Analytics solution that helps us make the right decisions, quickly and with the right data. With its ability to drill down and across to the level of detail required by our business users, ARC Merchandise Analytics allows us to manage our business better as well as serve our customers better

- Marco Carrion, Director of Merchandise Planning and Logistics, Ripley, Peru

MANTHAN

About Manthan

Manthan is the Chief Analytics Officer for consumer industries worldwide. Manthan's portfolio of analytics-enabled business applications, advanced analytics platforms and solutions are architected to help users across industries walk the complete data-to-result path - analyze, take guided decisions and execute these decisions real-time. Sophisticated, yet intuitive analytical capability coupled with the power of big data, mobility and cloud computing, brings users business-ready applications that provide on-demand access and real-time execution - the only path to profit in a contemporary, on-demand and connected economy. Manthan is one of the most awarded analytics innovators among analysts and customers alike - with over 170 customers across 21 countries. To see how your business can gain from analytics, visit www.manthan.com.