SPSS

Increase Retail Customer Value and Improve Performance

Retailers today face many obstacles to achieving growth and revenue targets. Customers have more options than ever when deciding what to buy, when to buy it, how to buy it—and how much to pay. As markets become increasingly saturated, retailers are looking inward to reduce operational costs and derive greater value from brands, customers, and employees. Most importantly, retailers want to find new ways to differentiate themselves from their competitors.

SPSS Inc. is the leader in providing predictive analytics solutions that help retailers make better decisions throughout their organizations—improving everything from marketing and product development to customer retention and site selection. For years, retailers have relied on SPSS to provide the customer and operational insight that keeps them ahead of the competition. From regional chains to global online companies, retailers across categories look to SPSS for the technologies we've pioneered and the business expertise we've refined during our 37-year history.

SPSS solutions enable retailers to:

- Increase customer value and overall revenues
- Reduce costs and increase operational efficiency
- Develop successful new products and services
- Determine profitable sites for new stores and improve existing stores
- Communicate effectively between departments for better decision making

Increase customer value and overall revenues

In the midst of fierce competition, retailers need ways to stand out to consumers. Some slash prices, which can increase sales in the short term, but damage profitability in the long run. Using SPSS solutions, retailers drive sales and increase customer value by better understanding their customers' needs, preferences, and habits. For example, retailers can:

- Increase sales to existing customers by knowing which cross-sell and up-sell offers they're most likely to accept—and which will bring the most revenue to the company
- Improve inbound and outbound call center revenue by analyzing customer data and conversations in real time, and making targeted offers
- Provide consistent, coordinated interactions across all channels to improve customer satisfaction and promote loyalty

How do these capabilities translate into real-world results? Sofmap, a top personal computer and software retailer in Japan, tripled the profits of its online operation and increased monthly page views from 16 million to 30 million by offering targeted recommendations. A major U.S. office supply retailer is using SPSS solutions to improve its direct mail, online, and call center campaigns by creating a unified view of its customers across all channels.

Reduce costs and increase operational efficiency

Retailers are under constant pressure to produce better results without increasing operational costs. Predictive analytics, however, enables many retailers to improve results while actually decreasing costs. The key is knowing where to focus resources for the greatest impact.

Rather than marketing a product to all customers, for example, market to only those customers that are most likely to buy the product. With SPSS software, retailers determine the right offer, channel, and timing for each customer, achieving maximum results without wasting resources.

With SPSS predictive analytics, retailers can:

- Reduce costs by moving from large, unfocused marketing campaigns to smaller, more targeted—and more cost-effective—marketing campaigns
- Increase operational efficiency by enabling business users to find the answers they need to take effective action quickly

For example, U.S. home-improvement chain Chase-Pitkin Home and Garden reduced inventory shrink and improved its supply-chain practices using a centralized reporting system. A leading U.S. marketer of fine leather gifts and accessories reduced costs by developing more targeted, cost-effective marketing campaigns and conducting data analysis in-house.

Twenty-one of the top 25 retailers worldwide use SPSS products
– *"2005 Global Powers of Retailing,"*
Deloitte Touche Tohmatsu and STORES *Magazine*

Develop successful new products and services

The key to keeping a company, brand, or product line profitable is to continually introduce new or updated offerings that resonate with customers. Customer understanding is therefore critical to successful product development. SPSS offers many ways for retailers to learn about their customers' needs, concerns, and desires. For example, retailers can:

- Gather customer information at every touch point using survey research applications
- Analyze call center transcripts, customer e-mails, and open-ended survey responses for opinions and suggestions
- Predict which product concepts will have the most success with actual customers

These capabilities enable companies like Whitbread, one of the U.K.'s leading leisure companies, to build marketing and advertising strategies around customer perceptions of product attributes and brand personalities.

Determine profitable store sites and layouts

Retailers know that store location and design are critical to success. Population demographics, trends in shopping patterns, and many other criteria must be considered. After a period of explosive growth, many retailers are developing more cautious expansion strategies that put increased emphasis on the profitability of each new store. Using SPSS software, retailers can:

- Determine how to design interior store space to maximize sales and deliver a compelling shopping experience
- Predict the best new store locations, so as to avoid entering saturated or nearly saturated markets
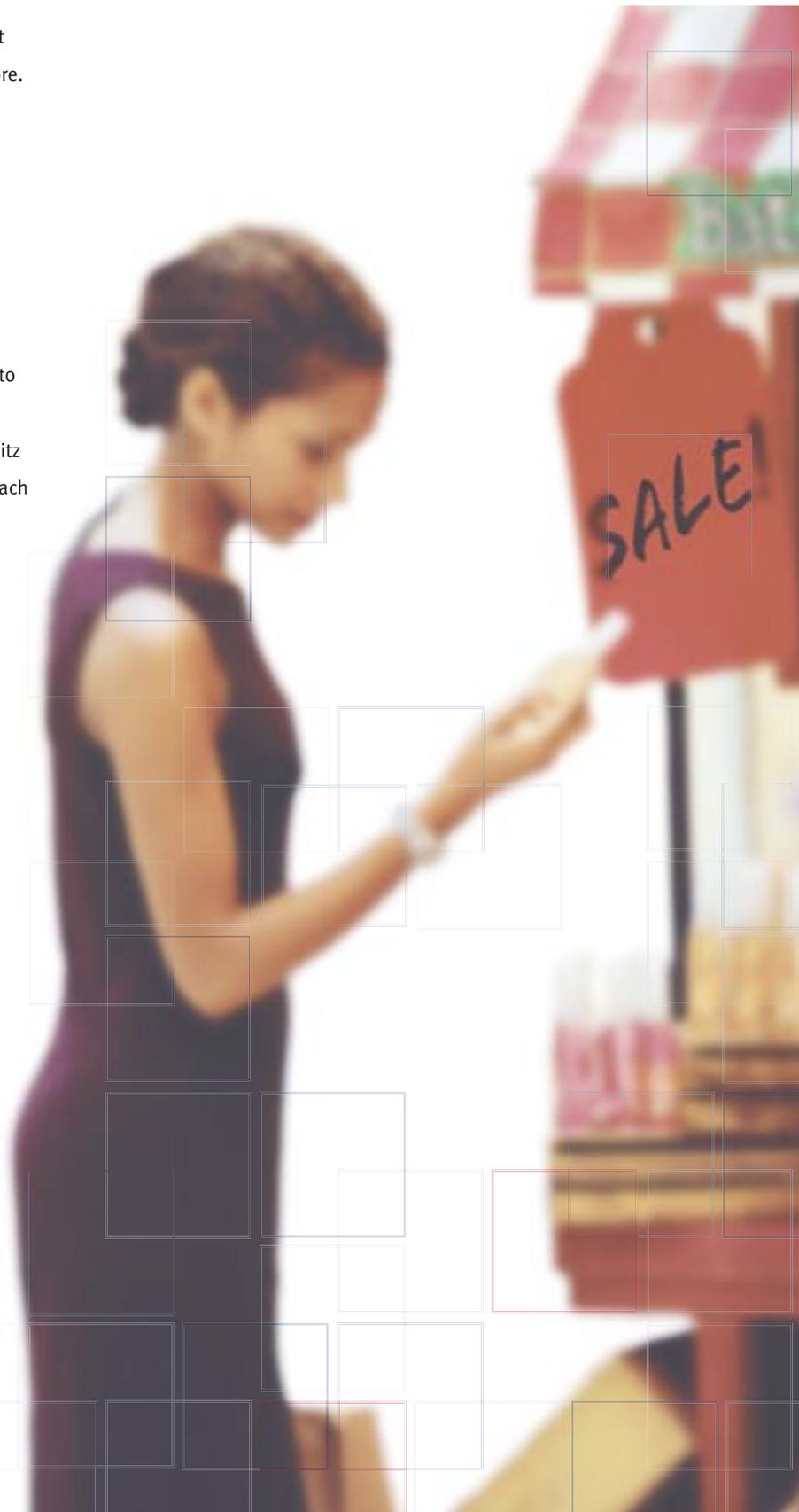
Retailers around the world are using these capabilities to make better decisions about store location and design. For example, German office products manufacturer Herlitz AG determined the best products and store layout for each of its stores and regions by analyzing a combination of point-of-sale, demographic, and competitor data.

U.K. auto parts supplier Halfords identified the most profitable sites for its new stores using historical and store-specific sales data, site-quality criteria, and census information. And a major U.S. fabric and crafts supplier redesigned its store layouts according to which products were likely to be purchased together.

Eight of the top 10 U.S. specialty retailers are SPSS customers
  – *2004 "Top 100 Specialty Store Retailers,"*
    STORES *Magazine*

Improve communication for better decision making

To maintain a competitive edge, retailers have to make critical decisions quickly. To do so, up-to-date information must be readily available to everyone from executives to front-line staff. With SPSS reporting and deployment solutions, decision makers throughout an organization have fast, secure access to useful data. Retailers use these solutions to:

- Consolidate data from multiple sources and platforms
- Create high-quality, interactive tables and charts
- Distribute reports quickly through secure online portals
- Integrate reporting solutions with popular ERP systems

For example, PUMA North America, a major producer of athletic footwear and apparel, improved management reporting time and reduced its reliance on internal database analysts by implementing an online reporting system.

Meet specific needs with flexible solutions

SPSS offers flexible solutions that enable retailers to address specific business issues or meet larger organizational goals. SPSS technologies are designed to integrate with existing systems, including legacy systems, and to manage large volumes of complex data. Retailers can implement solutions as they need them, rather than replacing entire systems.

With SPSS solutions, retailers gain the capabilities they need to address business problems and achieve measurable results quickly.

For more information on SPSS solutions for retailers, visit **www.spss.com** or call your local SPSS office.

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**To learn more, please visit www.spss.com.
For SPSS office locations and telephone
numbers, go to www.spss.com/worldwide.**