



Generation Luxe Analysis

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Alert! ANALYTICS

Agenda



The Process



Business Goal



Questions We Can
Answer



Potential Challenges

The Process



Business Goal

What question can data analytics answer?

Analysis

Analyze, create models and evaluate

Step 1

Step 2

Step 3

Step 4

Data Collection

Gather, evaluate and prepare data

Insights

Recommendations
Monitor/Revise as appropriate

Business Goal



Generation Luxe is a retailer of high-end, fashionable apparel targeting young, affluent women.

Alert Analytics is tasked to explore how sentiment analysis of web data can enable Generation Luxe to make better purchasing and marketing decisions for some emerging brands to add to next season's collection.

Sentiment Analysis



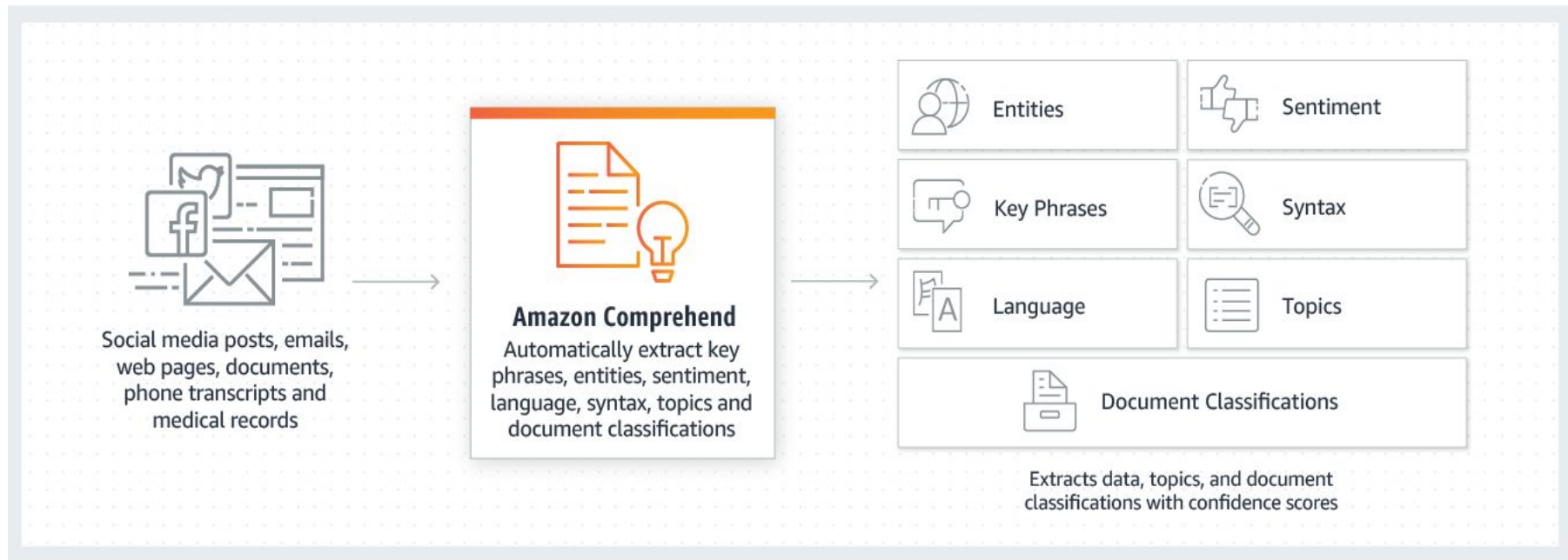
Customers increasingly express their desires, opinions, preferences and dislikes online.

Relies on natural language processing, text mining, and data mining to uncover information on customer demand by using machine learning to analyze millions of posts uploaded to social media sites like Facebook, Twitter, Instagram and Pinterest, etc.

Can also be used in concert with webscraping content of online magazines, blogs and other digital publishers for editorial shopping data on apparel colors, brands and categories.

Can be used to test sentiment **before** the collection is launched by releasing photos to social media channels and studying the customer feedback so changes can be made to collection before launch.

How It Works



Questions Sentiment Analysis Can Answer



Which five brands should Generation Luxe include in next season's collection?

Which brands are the most popular?

We can key on a brand name and words that indicate some opinion whether positive negative or neutral. For example, we can create a feature that is a numerical positive sentiment index by counting number of positive words associated with a brand in a given page.

Which brands are trending upward/downward in popularity?

Similarly, we can use the approach above and segment the data collected by time period to uncover trends in sentiment scores over time.

Questions Sentiment Analysis Can Answer



Which five brands should Generation Luxe include in next season's collection?

Which brands look best on Generation Luxe customers?

Attributes should include brand name, and at least one word that expresses sentiment. Additionally, it might contain keywords such as “contemporary”, “couture”, etc. to refine results to the target customer demographic.

Better question: Which brands do our target customers prefer?

Questions Sentiment Analysis Can Answer



For each product category, which brands carry the most popular items?

Should mention brand name, name or category of item and word expressing positive sentiment. As above, a sentiment score can then be assigned based on number of positive mentions.

What qualities do customers like/dislike about each brand?

What are the specific brand qualities that Generation Luxe would like to measure?

Questions Sentiment Analysis Can Answer



Which of the brands are popular because they are well liked by celebrities, fashion bloggers and other influencers? Which brands are the most popular among fashion critics?

We can either use brand name, expression of sentiment and a mention of a celebrity, fashion blogger, critic or other influencer from a predefined list or we can restrict data collection to a predefined list of sites associated with key influencers of contemporary fashion.

The following slides are examples...

Fashion Blog/Influencer Keywords



The Sartorialist

Hello Fashion

Cheetah is the New Black

Refinery

Sincerely Jules

The Cut

Kerrently

Olivia Palermo

We Wore What

Pop Sugar Fashions

Online Retailer Keywords

Net-a-Porte

Intermix

Asos

The Outnet

Revolver

ShopBop

Traditional Fashion Media

Vogue

Elle

Harpers

New York Times

Marie Claire



Questions Sentiment Analysis Cannot Answer



Which brands are influenced by customer attitudes about the economy?

Sentiment analysis is not suitable for this question. Given that Generation Luxe is a retailer of high-end, fashionable apparel targeting young, affluent women, the customer base is somewhat insensitive to cost and economic cycles when it comes to fashion (the old myth that hemlines rise and fall with the stock market notwithstanding).

Generation Luxe customers do not look at shrinking quarterly GDP numbers to decide between a \$1500 Gucci bag vs. a \$1500 Dior bag. Likewise, the target customer does not substitute Gucci for Kmart in more austere economic times. An economic downturn would affect all the luxury brands under consideration.

Better question: “What is customer attitude about cost of a given brand?” using words or expressions like overpriced, too expensive, good value, etc.

Questions Sentiment Analysis Cannot Answer



Which retailer will be carrying the most exciting color combinations next season?

While sentiment analysis can certainly key on color as an attribute and measure customer attitudes toward a given color combination, it is not the best method to answer the above question. It is assumed that all brands will be carrying the colors of the season and the on-trend color of the year as defined by fashion industry forecasters like WGSN and Pantone.

Potential Challenges



New product introductions are risky, even with actionable insights sentiment analysis can provide.

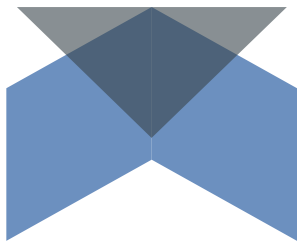
Bots can greatly inflate the perceived following/popularity of influencers on social media platforms like Instagram rendering ROI on marketing dollars spent on influencers difficult to measure.

While data can be scraped through APIs and the web in real time, most data is raw and unstructured and needs to be cleaned and transformed.

Has Generation Luxe collected data on existing customers and has any analysis been done on that data?

What are the data analytics capabilities of Generation Luxe's prospective brand partners and what data can we get from them?

Can we narrow the focus of the the sentiment analysis by restricting search universe to specific websites, blogs, and social media fashion influencers to access more targeted sentiment?



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