

Walmart

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In this report about Business Intelligence, we decided to focus on the world of retail. This general topic is very practical since it is very much linked to the themes of massive data analysis, and consumer need prediction, which are themselves included in Business Intelligence.

Retail is the activity of selling products in limited quantities to the end consumer. It is the last stage of the marketing process which begins with the supply, storage and distribution to the various points of sale.

As a representative of the retail industry, we chose Walmart, since it is the number one in this field, and their use of Business Intelligence is intensive and well documented.

Walmart is an American retail company founded in 1962. With sales amounting to \$476 billion, Walmart became the world's largest company in terms of income in 2013.

First of all, what we extracted from the reading of the articles we found is the answer to the question "What does a retailer expect from Business Intelligence ?".

The main objective of retail being to bring to consumers what they want, at the right place, at the right time, Business Intelligence is a powerful tool to use. By analyzing the datas extracted from the sales, BI allows retailers such as Walmart to fit their supply chain to the demand.

But from a more detailed perspective, by using the information collected from store cameras, as well as from the different sales channels, Business intelligence aims to help retailers improve their communication means, as well as the way they use these channels.

Walmart has developed an effective strategy to expand its market, anticipate consumer trends and optimize its sales;

To do this, Walmart uses store sales data that allows them to manage inventory individually, On the other hand, they collect a large amount of unstructured data such as trends on twitter, results of sports events..., it's almost 2.5 petabytes of raw data that they are able to exploit through an intelligent and fast analysis. It's with this analysis that they make the most of leveraging statistics to provide an extraordinary user experience by being able to predict customer needs by proposing products that they would like to buy

In addition, they have strong decision-making power in negotiating with suppliers.

In the end, Walmart stands as the leader in the retail industry, not only in terms of sales, but also in terms of business intelligence innovations. The ability of Walmart's management to make intelligent use of the statistics derived from the previously collected data has allowed Walmart to maintain its leadership position, but also, for example, to increase their online sales by at least 10% from one year to the next.

Conversely, KMart, a Walmart competitor, has failed to follow this trend. Its managers were unable to take advantage of the business intelligence proposals in time, and so they fell behind, which eventually led to a major decline. And when they did try to align themselves with the new challenges (they did, according to the learning.qlik article, create their own business intelligence platform in 2003), their use of the recovered data was not enough to make them emerge again: "Kmart is a great example of why simply implementing a new business intelligence system alone is not enough to succeed in business analytics".

Our opinion on the subject is that one way or another, Business Intelligence seems to have become more of an obligation than a simple tool. Any retailer that wants to “stay in the game”, has to face the problems of modernity. It has been the case when online sales became a thing. It is even more the case, now that data is becoming increasingly important to business strategy.

Nevertheless, we remain quite suspicious of the way BI is used. Indeed, we have seen through our research that new tools using artificial intelligence are coming out every day, allowing to make strategic decisions in place of the decision makers, which makes us think about the real impact that actual humans are having on the evolution of retail.

More broadly, it made us think about our choices, we wonder if they are really predictable and when will be the breaking point where we won't even have the power to make those choices anymore, with a growing concern about how we consume what we see and not what we really need.

By the way, it can be beneficial to use BI, to waste less or consume responsibly in short and local circuits, on a large scale and used with kindness it can be a solution to encourage people to become aware of their daily choices and the impact they can have on the planet. However, we are the 2.0 generation, especially in the IT field, and BI is part of our daily life, both in our personal and professional lives. It is therefore up to us to tame it and lead it in the right direction.

Articles choisis :

<https://anywhere.epam.com/business/retail-business-intelligence>

<https://www.ictsd.org/how-does-walmart-use-business-intelligence/>