

Personalization in Retail

Credit:

Level: PG (MBA)/UG)

Prerequisites- Basics of Statistics, Quantitative Methods.

Course Objective: To familiarize students with the application of big data in providing retailer competitive advantage through personalization. Students will learn how to capture consumer needs and trends from data and will get exposed to the types of analytical predictions which form the foundation for data-driven personalization strategies. According to Forrester research, personalization is now a top priority for most retail organizations with over 70% of large retailers trying to personalize customer experience. The results are compelling, with 75% of consumers being more likely to buy products from retailers who know their preferences and provide personal recommendations.

With this introductory course, students will become familiar with terminology, techniques and approaches used in the fast-growing career band of data science. Most of techniques can also be applied to many other industries beyond retail. Future business leaders will be equipped with an understanding of not only how to build personalization strategies, but also how to measure and effectively communicate success criteria.

Course Contents:

Role of personalization in retail and brand marketing
Customer behaviors, trends, demands
Technologies powering personalization
The art and science of personalization
Measuring impact of personalization

Suggested Reference Books:

- 1) **Scoring Points: How Tesco Continues to Win Customer Loyalty** by Clive Humby, Terry Hunt and Tim Phillips
- 2) **Big Data: A Revolution That Will Transform How We Live, Work, and Think** by Victor Mayer-Schonberger and Kenneth Cukier
- 3) **Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie, or Die** by Eric Siegel

SESSION PLAN

1. **Introduction: Importance of Personalization**
 - a. Basics of retail
 - b. Personalization, the secret weapon for successful retailers and brands
2. **Technologies powering personalization**
 - a. Understanding types of data in retail
 - i. Transactional Data
 - ii. Product Data
 - iii. Promotions Data
 - iv. Clickstream Data

- b. Brief overview of big data technologies
 - i. Data storage and processing systems
 - ii. Data capture, enrichment and enhancement
- 3. Journey from segmentation to 1:1 Personalization**
 - i. Understanding customer needs through high-level customer dimensions
 - 1. Customer journeys and customer life cycle
 - 2. Customer behaviours, influences and motivations
 - ii. The science of personalization: Role of Artificial Intelligence in personalization
 - 1. The analytics value chain
 - 2. Introductory Machine Learning
 - a. Supervised learning – Predicting behaviour
 - b. Unsupervised learning – Segmenting products and customers
 - 3. Recommender systems
 - a. Linking products to customers and vice versa
 - b. Collaborative Filtering (for cross-sell, upsell, new product launch)
 - iii. Bringing Personalization to life
 - 1. Guiding principles: Putting the customer first
 - 2. Understanding activation channels (Direct Mail, Email, Web, Till)
 - 3. Building activation programs and contact strategies
 - 4. Consumer privacy concerns
 - 5. Success stories; Failure Stories
 - iv. Ultra-Personalization: The Future of Retail Personalization
 - 1. Fashion and Apparel retail examples
 - 2. Web content personalization (food recipes, articles and stories)
 - 3. Social Media personalization (what's on my Facebook page?)
 - 4. TV – Addressable Television
 - 5. Adserving (digital advertising)
 - v. Measuring success: Understanding the impact of personalization
 - 1. Measuring Campaign effectiveness
 - 2. A/B testing: Setting up test & learn programs
 - 3. Story telling with data
 - 4. Closing the loop: Using results to optimize future strategies

Case Studies and Projects:

- 1. Understanding transactional data – the customer receipt
- 2. Creating customer DNA and actionable customer segments
- 3. Using data to create customer contact strategy