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International Institute for Analytics (IIA) Convenes Analytics Research Council for the Retail Industry; Led by Experts Tom Davenport, Marshall Fisher and Ananth Raman

Peer-sourced research project uncovers the most compelling uses of analytics in the retail industry today; benchmarks retailers on analytical capabilities

CHESTNUT HILL, Massachusetts, February 11, 2011 – [The International Institute for Analytics \(IIA\)](#), a technology and market research organization focused exclusively on serving the business analytics industry, today announced its first Retail Analytics Research Council (RARC), a six-month research project designed to provide a practitioner-sourced evaluation and review of the most promising applications of analytics in the retail industry today, and establish analytics benchmarks for retailers.

The project, launching in April 2011, will bring together approximately 20 global organizations from the largest retail categories for a peer-sourced investigation of retail analytics. The Retail ARC will be led by [Tom Davenport](#), Babson College Distinguished Professor, IIA research/faculty leader and author of *Competing on Analytics*, [Marshall L. Fisher](#), UPS professor of operation and information management, The Wharton School, University of Pennsylvania, and [Ananth Raman](#), UPS Foundation professor of business logistics, Harvard Business School. Fisher and Raman are co-authors of the recently published book *The New Science of Retailing: How Analytics are Transforming the Supply Chain and Improving Performance*.

“Analytics has been around in retail for a long time. Now the most successful retailers are exploiting analytics in very creative ways across online & offline channels to gain a true competitive edge. Through our peer-sourced research approach, we will document these new ideas, and help participating retailers understand how they rank against key analytics benchmarks.” said Jack Phillips, CEO, IIA.

Across the world, the retailing industry is poised to continue its analytics-led transformation. The RARC, which will serve leaders or members of analytics, business intelligence, planning and merchandising, customer insights, and IT groups in retail and related organizations, is designed to help organizations capitalize on retail analytics. Online and specialty retailers will collaborate around the most promising analytical techniques currently implemented throughout the industry. Participating organizations will gain a deeper understanding of:

- The newest applications of retail analytics today across various retail categories, such as social media analytics

- Whether or not various segments of the industry can collaborate using analytics
- What constitutes effective use of analytics, and which organizations are early adopters
- How an organization can prepare for a more analytical future
- The privacy and/or regulatory roadblocks likely to impede progress toward analytics-based decisions and actions in the industry
- The prerequisites for analytical activity
- Specific and emerging analytical trends, including examples of organizations adopting them
- The overall barriers to taking advantage of analytical opportunities

RARC Deliverables and Proposed Research Topics

Participating organization will receive a set of written research reports, a custom report card benchmarking their organization's ranking across critical analytical maturity measurements, confidential discussions with other council members, and a one-day gathering of all participants in Boston, Mass. at the conclusion of the project.

During the six-month duration of the RARC, Davenport will moderate a private discussion board open only to RARC members. Output from the discussion board will be extracted for use in the *RARC Insights Report* – a published summary of all proceedings, audio and online discussions, during the council with significant conclusions from those discussions. Additionally, IIA will maintain a private, confidential website to assist with document distribution, scheduling, agenda distribution, and other administrative tasks. Research topics to be addressed in the RARC include:

- Assortment optimization and shelf space allocation: using analytics to determine what products to offer in what quantities.
- Customer-driven marketing: use of customer data to segment, target and personalize offerings
- Social media analytics for retailers: the implications and approaches to analyzing online sentiment and influence in the retail context
- Fraud detection and prevention: the use of analytics to detect and prevent online and offline fraud
- Integrated forecasting: the use of statistical forecasting to support multiple functions
- Localization & clustering: tailoring multiple aspects of retailing to local stores or similar clusters
- Marketing mix modeling: determining which marketing investments work, and which are less effective
- Pricing optimization: using analytics to determine the optimal pricing of products and services through their lifecycles
- Product recommendation: using analytical approaches to recommend product offerings for particular customers
- Real estate optimization: using analytics to optimize real estate sites and formats
- Supply chain analytics: optimizing inventory, replenishment, and transportation costs with analytics
- Test and learn: the use of randomized testing to experiment with retail innovations on a small scale
- Workforce analytics: optimization of staffing with regard to cost, customer shopping patterns and locations
- Adoption and use of analytics: attempts to increase the adoption and effective use of analytics by managers and employees

- Analytical ecosystems: structuring collaborations with external partners to increase analytical maturity
- Centralizing analytics: centralizing analytical resources to support the entire enterprise
- Store level empowerment: giving store managers and employees the ability to analyze their businesses
- Analytical performance management: predicting financial performance from nonfinancial and intangible performance factors
- Multi-channel analytics and data integration: integration of data and analytics across multiple customer channels or touch points

Research Leads

Tom Davenport co-founder of The International Institute for Analytics (IIA) is currently the President's Distinguished Professor of Information Technology and Management at Babson College. He is the former director of research centers at SAS, Ernst & Young, and McKinsey, and has taught at Harvard Business School, Dartmouth's Tuck School of Business, and the University of Texas at Austin. Davenport is a frequent contributor to *Harvard Business Review* and other leading journals. His recent article, "Competing on Analytics," was *Harvard Business Review's* most requested article reprint of 2006. He is the author or co-author of twelve books, including the bestsellers *Working Knowledge: How Organizations Manage What They Know* and *Process Innovation: Reengineering Work through Information Technology*. His latest book – *Competing on Analytics: The New Science of Winning* – has become a best-seller and is being translated into 10 languages.

Marshall L. Fisher is UPS Professor, Professor of Operations and Information Management, and Co-director, Fishman-Davidson Center for Service and Operations Management at The Wharton School, University of Pennsylvania, where he has held a number of academic positions since 1975. Fisher also serves as a member of the Harvard Business School Visiting Committee, a position he has held since 2006. Fisher has consulted on issues related to transportation optimization, supply chain strategy, manufacturing strategy, and inventory optimization for companies including Air Products and Chemicals, Dupont, Exxon, Frito Lay, Scott Paper, London Fog, Campbell Soup, Lutron, Motorola, Nokia, General Motors, IBM, Spiegel, American Pacific Enterprises.

Ananth Raman is UPS Foundation Professor of Business Administration at the Harvard Business School and specializes in supply chain management. He teaches courses in supply chain management, service operations, and the investor's perspective on operations to MBA students and executive participants. He also teaches a doctoral course on operations management and serves as primary thesis advisor to multiple doctoral students. Raman has consulted with, and been responsible for management education programs for executives in, a number of companies. His research on forecasting and inventory planning has been implemented at multiple companies.

To receive information about participating in the Retail Analytics Research Council, please direct an email to Linda Gilbert at lgilbert@iianalytics.com.

About IIA

The International Institute for Analytics (IIA) was created to bring a common organizing language and 'experienced-based' research to the growing business analytics industry. Research is organized by vertical industry, organizational role, and analytics competencies. IIA's mission is to meet the research



and decision-support needs of business and analytics leaders and their teams as the focus on analytics as a competitive differentiator increases.

IIA's offerings include annual research subscriptions for individuals and enterprises, faculty-moderated analytics research councils, executive roundtables and phone conversations, and advisory services for both analytics teams and vendor companies. To drive the organization's insights, curriculum, and dialogues, IIA serves its clients through a unique 'experience-based' research methodology that uses a combination of world-class faculty and a closed community of end-users.

SAS, Accenture, Intel, Teradata and SAP have jointly supported IIA's initial operations, and help IIA set its original research agenda and focus. For more information about IIA visit <http://iianalytics.com/>.

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