The Situation

A leading European “Do-It-Yourself” (DIY) specialty retailer, based in the Benelux region, is dedicated to using innovative technologies to deliver outstanding services to its customers.

The retailer conducts regular marketing campaigns to encourage customers to visit its stores. This includes a widespread distribution of advertising flyers to promote their latest offers, which are mass-mailed to homes across the region every two weeks. This approach is costly, and it is impossible to measure the correlation between these postal offers and in-store purchases.

The retailer wanted to better target its communications to ensure that the advertising flyers contained the most compelling messages and offers and were sent to the people most likely to respond. To do this, the retailer needed to improve its ability to process and analyze point of sale (POS) data at its stores to identify connections between promotions and sales.
The Solution

Having outsourced all of its application development projects to Capgemini, the retailer shared an excellent working relationship with the company. The solution to the retailer’s challenge involved the implementation of a new application that could conduct a review and analysis of its POS data. It also required Capgemini to build an ecosystem of technologies that included the SAP HANA database, running on servers powered by Intel® Xeon® processors, to capture and process sales data. New POS devices powered by Intel® Core™ vPro™ processors were also implemented.

The Market Basket Analysis module of Capgemini Extreme Apps for Retail, powered by SAP HANA, was installed to track the POS data that the marketing team needed to develop and deliver effective promotional campaigns. Using Business Objects, the POS data was further analyzed, and the information gathered included insight into:

- Which items are on promotion at any given time
- How many of them are sold
- What assumptions were made in creating offers
- Whether those assumptions were valid

Capgemini also developed an executive dashboard application with the same technology used for the Extreme Apps for Retail, which enables company managers to track the performance of these sales and marketing efforts.

The Result

The retailer’s marketing team can now view the buying trends identified in the POS data, before creating their next campaign. With the executive dashboards, multiple stakeholders are now able to access the very latest business data quickly and leverage it to develop more effective campaigns.

With the solution in place, the retailer can now support end-to-end marketing campaign management. The advanced analytical algorithms and business-user friendly interface provided by the combination of SAP BW on HANA and Capgemini Extreme Apps for Retail are underpinned by advanced performance from Intel technology at the hardware level. The new solution stack has a lower TCO (total cost of ownership) than the previous system, and the retailer has reported a substantial increase in performance.

With faster access into deeper insights, the company is now equipped to make better informed decisions about its marketing strategies. More importantly, the retailer estimates that this will result in savings worth millions of Euros per year.

As a next step, the DIY specialty retailer is evaluating the Next Best Action module of Capgemini Extreme Apps for Retail, which it plans to make available to store personnel on mobile devices. These devices will enable the sales team to make better recommendations to their in-store customers. The Next Best Action engine may also be used to power the retailer’s consumer phone app, providing relevant and personalized recommendations, directly to the consumers.
How the Retailer, Intel, and Capgemini Worked Together

Capgemini was selected by the retailer as a trusted partner for this project, thanks in a large part to the long-standing relationship the two shared. Intel was invited to provide the hardware elements of the solution based on its strong relationship with Capgemini and the retailer’s strategic demand for industry leading technology. For example, it was critical that the new POS units, deployed in approximately 400 stores across the Benelux region, were all equipped with Intel® vPro Technology to enable easy and cost-effective remote management.

Standardizing on the same platform across the organization was another compelling reason to reach the company’s goal of simplifying and centralizing its IT management, which historically has been quite fragmented. The retailer was able to work with a team of IT and retail domain experts from both Capgemini and Intel, who thoroughly understood the retailer’s business requirements as well as each other’s offerings, capabilities, and expertise. In collaboration with the retailer, Capgemini and Intel were able to achieve the company’s goals and objectives with minimal complexity, while delivering strong results.

About Capgemini

With more than 130,000 people in over 40 countries, Capgemini is one of the world’s foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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