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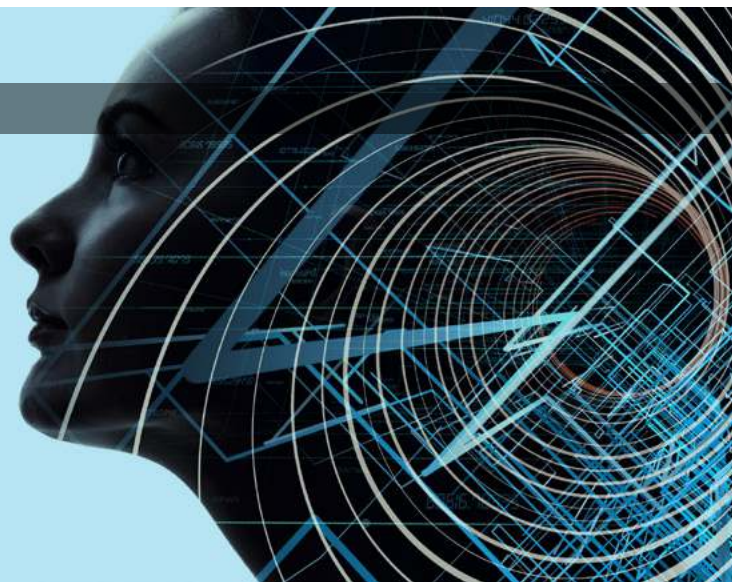
# Hybrid Data Will Change the Face of Your Business

Beauty is big business. Annual revenues in the U.S. cosmetics industry are nearly $57 billion. Certain demographics spend far more heavily; millennials ages 18 to 34 are twice as likely to be heavy buyers and account for nearly half of all heavy buyers.

And trends are moving faster than ever, with social media influencers and celebrities driving a strong impact and creating flash trends that retail cosmetics must follow to satisfy their customers. Trends drive opportunities, and challenges for retailers: how can you ensure you have enough stock, fast enough, in the right locations, while at the same time selling all of that stock and avoiding excess inventory that has to be written off? The goal is to sell the last product on the day it goes out of fashion.

Fast moving trends require smart marketing spend. And in the beauty industry, the free sample reigns as a premier marketing technique to get customers into the store, showcase new products, and keep them coming back for more.

## THE PAIN POINT

Manufacturers spend millions of dollars each year on free samples with the goal that a woman handed a free high-end lotion or eye shadow sample in a retail store or receiving one in the mail will switch brands. For retail beauty stores, free samples represent a partnership between the manufacturer and the store. And manufacturers want to know if those pricey samples are worth the investment.

A cosmetics retailer had no way to quickly and easily determine the impact the sample program had on future purchasing decisions, that is, how many customers who received samples actually bought that product or another product in the brand.

Despite being awash in data, the retailer did not have visibility into individual customers, particular stores or uptake of certain brands.

The retailer had to wait two weeks to get results, but the manufacturers wanted the data in real time. For a detailed report, the retailer had to wait 30 to 60 days. If the retailer wanted to add, subtract or otherwise change the data in that report, it wasn't always doable, and it definitely was not fast.

## THE DATA PROBLEM

Lack of data wasn't the problem. The cosmetics retailer had 4.5 terabytes of data in 3.77 billion rows and in 45 different tables. This was hybrid data, flowing from 10 different sources and stored in three separate databases. In addition to product, sales, and customer data, the retailer had data from email campaigns, clickstream results from web sessions, as well as data from Twitter and other social media buzz.

Despite being awash in data, the retailer did not have visibility into individual customers, particular stores or uptake of certain brands. And business users had to rely on IT staff to create reports, reports that may or may not meet their needs, another time-consuming process standing between marketers and answers to key questions about the effectiveness of marketing spend.

## ANALYZING HYBRID DATA FOR THE SOLUTION

Then the cosmetic retailer adopted a hybrid data solution that analyzes and parses customer data for both a broad and a deep view. In the past, all women over 40 who bought any eye makeup products in the last year received the latest greatest eye serum from an established manufacturer. Based on the hybrid data solution, the retailer knows that women who have recently bought an eye serum from an aggressive new manufacturer are likely to buy the new product from the established company as well. The retailer also can accurately and easily determine whether its prediction is accurate.

The retailer can track this information store by store based on demographics in each area. For example, some stores might be in more affluent areas. Customer bases also vary in terms of age and ethnicity. Store managers can then stock products based on local trends and demographics.

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Using the hybrid data solution, the retailer now has cross channel customer views tracking every interaction. The retailer can measure the percentage of conversion-to-sales and customer drop-offs based on whether the customer was on the company website, came in via a Facebook ad or a link in an email. The retailer also can track the impact of different social media influencers and how they affect customer buying decisions.

Speaking of influencers, the retailer can now quickly track specific brands that trend on social media based on what one of the trendsetting celebrities is wearing to an awards show. With the hybrid data solution, the retailer can use historical data to figure out how impactful a trend might be and then reach out to its supply chain to quickly get the desired product in stock in hot markets while interest is at its peak.

All of this is possible without developers writing a single line of code. Marketers and store managers alike are empowered to ask their own questions and dig into the data.

## BEYOND BEAUTY

More than beauty companies need answers to tough questions about marketing spend. Are marketing dollars having the desired impact? Are joint marketing campaigns with partners effective? Are marketing initiatives driving revenue, increasing customer loyalty, attracting new business?

Marketing attribution is a thorny problem across industries, and a hybrid data solution can provide detailed visibility into all the data companies have, whether they're selling tractors, medical supplies, insurance, running shoes, or hot new services via an app. By bringing all the data into a single view, it's possible to get a micro-view of an individual customer as well as a wide angle view of trends, all while keeping an eye on competitors. At the same time, analyzing hybrid data can help gauge sentiment toward competitors and uncover opportunities to win new business and effectively market innovative products and services.

In an era where it's critical to be heard above the noise, companies need data to determine where to put their marketing and advertising spend so they can figure out who is playing their games, test-driving their cars, and using their free samples. Is the investment capturing high value customers or are marketing funds swirling down the drain?

The hybrid data solution enables highly effective marketing, with real-time visibility for manufacturers.

# RESULTS

The cosmetics retailer with terabytes of data in billions of rows now drives additional revenue and is able to track exactly which social media outlet drives sales of which brands. The hybrid data solution enables highly effective marketing, with real-time visibility for manufacturers into sample programs. The retailer now performs microsegmentation, helping them get to a segment of one, and qualifies customers via their previous 6 months spend before sending a sample. They then track that sample to see whether it drives a purchase of that brand, or another brand carried by the store. And if sales don't flow, expensive freebies stop flowing too.

All marketers and business users have a point-and-click solution to explore data as they see fit, from brand managers to store managers.

Imagine the ways a hybrid data solution could bring all of your data together to drive more effective marketing for you, providing real-time visibility into the impact of your marketing spend.

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