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# Unlock the Power of Your Data with Market Basket Analysis

Gain insights into shoppers' preferences, buying patterns and purchasing decisions and create tailored offers using Market Basket Analysis

When retailers can **collect insights** from their loyalty-based data to refine pricing, promotions, assortment and marketing to customer preferences, there is a consistent **1% to 4% increase in sales** and a **4% to 7% increase in profits**

– Boston Retail Partners

## Solution Overview

With the rise of technologies, retailers are being flooded with data that contains key information such as sales patterns and customers' preferences. If leveraged correctly, transactional data can be a goldmine for retail organizations. However, the ever-increasing volume of data makes it hard for retailers to consolidate, analyze and transform this overwhelming pile of information into actionable insights.

A Market Basket Analysis solution, based on smart algoritams, enables retail organizations to analyze large quantities of transaction and customer data to uncover various buying patterns. As a result, companies can align their products and promotions with buyers' preferences and deliver targeted offers to maximize sales.

**4 in 5 retailers**
currently use an enterprise-grade analytics tool

EKN Future of Retail Analytics Study, 2013

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## Solution Benefits

**Increased Revenue per Customer**

Delivery of timely and customized offers will push customers toward products they are likely to be interested in, enticing them to spend more. Besides better targeting your customers, you can also predict the likelihood of making a sale related to a particular offer. As a result, you can strengthen your cross-selling and up-selling efforts, and increase conversion rates.

**Assortment Optimization**

By analyzing purchasing patterns, you are able to improve product allocation, merchandising and pricing strategies. Shopping behaviors tell you which products to display together, which sales channels work best for certain products and how to optimize store layouts to bolster sales. You can act on real-time data to tweak prices and change product assortment – stock more of your best-selling items and cut out poor performers to reduce wastage.

**Better Marketing ROI**

The solution helps you derive the most value from your marketing initiatives. It allows the marketing executive to cater to the individual customer by analyzing data such as browsing habits, demographics and preferred communication channels. You'll be able to select the most appropriate offers for each shopper, curate promotions, in-store and web offers, improve the efficiency of loyalty programs and identify new opportunities.

## The Technology Behind the Solution

With an advanced analytics solution such as IBM BA's Market Basket Analysis, you'll be able to put your Point-of-sale (POS) data to good use. SPSS algorithms analyze vast quantities of transaction and customer data, relate it to historical sales and build predictive models. Thanks to IBM Cognos 8 BI, users can derive meaningful insights from dashboards and reports, and obtain the bigger picture of their retail business.

## The People Behind the Solution

If you would like to find out more about Market Basket Analysis and the ways of incorporating this solution into your business, do not hesitate to contact our experts. They will provide strategic advice on how you can use these type of solutions to fulfill your business objectives, helping you gain the maximum value from your technology investment.