



USING PREDICTIVE ANALYTICS TO MAXIMISE SALES & ROI



PREDICTIVE ANALYTICS

Predictive analytics is the branch of advanced analytics which is used to make predictions about unknown future events. Predictive analytics uses many techniques from data mining, statistics, modelling, machine learning, and artificial intelligence (AI) to analyse current data to make predictions about the future. Therefore predictive analytics encompasses both machine learning and artificial intelligence.

MACHINE LEARNING

Machine learning is a form of AI that enables a system to learn from data rather than through explicit programming. However, machine learning is not a fully artificial intelligence controlled process. Human experts set the outcome required to solve a business problem and the machine then analyses all variables to create the best hypothesis (and algorithm), and as new data is added the system learns and increases accuracy.

For example, consider what drives sales in stores (outcome), machine learning will look at all variables including consumer density to create a predicted algorithm. As more data is added over time the algorithm adapts and increases in accuracy.

ARTIFICIAL INTELLIGENCE

Put simply AI is the ability of a machine to simulate human behaviour without the need for human input. This differs from machine learning by not requiring a human to intervene once set up. The machine thinks like a human by setting the business problem, building the machine learning models and then rolling them out.

This means that AI becomes your 'analyst', learning from data and making recommendations that can help to improve activity to grow your sales.



FIELD SALES TEAMS TODAY, AT BEST, ARE REACTING.

Even the industry leading teams are gathering data today, analysing it overnight, to drive actions and resource deployment the following day. But if you are reacting, you're never fully optimised

To be truly optimised, to drive the highest returns possible, you need to predict the future. Predictive analytics is nothing new, but with the data that's now available and the technology that can support in analysing that data - the opportunity has never been better to use predictive analytics to drive optimal resource deployment for our clients.

At CPM Group, we're leading the way by combining leading analytics software, machine learning and a team of data scientists to deploy the power of predictive analytics through our tool PREDICT.

We predict the future with pin-point accuracy, and have increased ROI for some clients by up to 23%. PREDICT is not a channel solution for grocery, or convenience or B2B - it's a business solution, for every business who wants to optimise their sales performance.

The ability to predict all of this means that no longer will segmentation be based on 'buckets' of data, segmenting by attributes such as store size, location, demographics. We will now have sales strategies, by individual outlet.

WE CAN PREDICT:

- On which day, in which outlet your availability issues will occur - and fix them before they happen
- Which outlets are most likely to take a particular deal - and only deploy your resources to those outlets
- On which day your team are most likely to see the decision maker, and only deploy resource at that time to that outlet
- What will happen to your sales when a competitor changes their price
- Which channel/sectors and outlet will be the most profitable for you, and focus your resources there
- How likely you are to achieve a sale in each individual outlet, and let that form your callfile creation

BIG DATA

PREDICT cuts through BIG DATA for brands and directs the right resource to make PROFITABLE interventions that grow sales.

We harness the power of artificial intelligence (AI) through machine learning (ML) algorithms to accurately predict future events. We then deploy resources before issues occur and / or where the biggest opportunities exist. This delivers a truly optimised approach driving significant ROI gains for clients.

IBM predicts that machine learning revenue is set to grow by 455% (53.5% CAGR) from last year to 2021 as companies embed into their operations. It's clear this is an area of huge growth and one where you can quickly maximise opportunities, with the help of PREDICT.

- Many companies now live in a data rich, low growth world
- 90% of the world's data has been captured in the last two years, and it's set to double every year (Domo 2017 'Data never sleeps' report)
- Growth is increasingly difficult for many businesses to achieve as consumers are less loyal and more discerning than ever
- With access to so much data, businesses don't always know how best to bring together, analyse and utilise it to drive better decisions and actions
- Companies that embrace and exploit this data revolution will gain a competitive advantage



MACHINE LEARNING IS ALREADY ALL AROUND US IN OUR DAILY LIVES, FOR EXAMPLE...



Source: www.wired.co.uk

More than 80 per cent of the TV shows people watch on Netflix are discovered through the platform's recommendation system. That means the majority of what you decide to watch on Netflix is the result of decisions made by a mysterious, black box of an algorithm.

Netflix uses machine learning and algorithms to help break viewers' preconceived notions and find shows that they might not have initially chosen. To do this, it looks at nuanced threads within the content, rather than relying on broad genres to make its predictions. This explains how, for example, one in eight people who watch one of Netflix's Marvel shows are completely new to comic book-based stuff on Netflix.



Source: StatWolf

It's worth noting that:

Netflix saved \$1 billion this year as a result of its machine learning algorithm which recommends personalised TV shows and movies to subscribers.

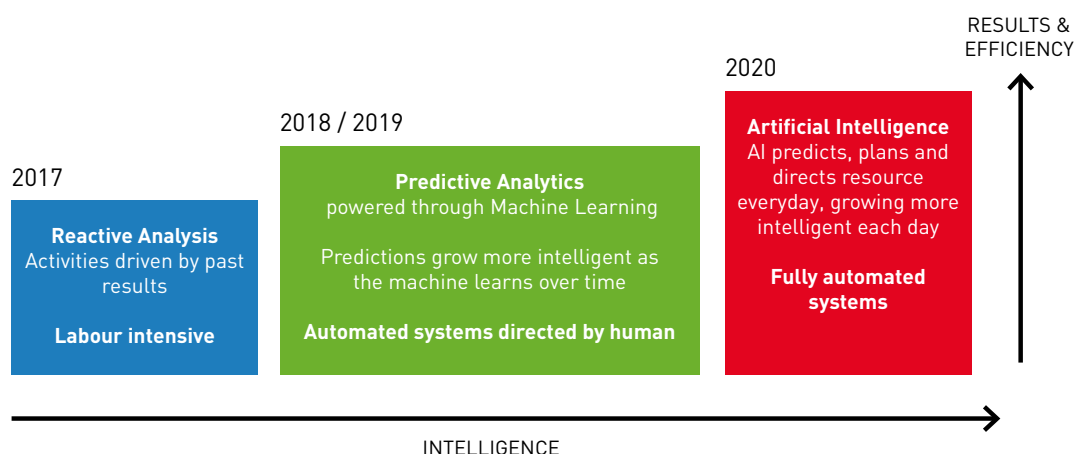
The breakthrough now needs to come in retail, with early adopters already seeing enhanced results...



Source: McKinsey
Global Institute
Artificial
intelligence:
The next digital
frontier?

The impact of AI-enabled forecasting is already being demonstrated. German e-commerce merchant Otto has cut surplus stock by 20 percent and reduced product returns by more than two million items a year, using deep learning to analyse billions of transactions and predict what customers will buy before they place an order. The system is 90 percent accurate in forecasting what the firm will sell over the next 30 days, so Otto allows it to order 200,000 items a month from vendors with no human intervention. Early adopters of AI in retail enjoyed profit margins 8% greater than the industry average.

OUR JOURNEY



Intelligent resource deployment should be a given. **Understanding where, when and how to service a customer is key to unlocking their potential, and driving higher returns for our clients.**

In 2017, we were already leading the way with best in class data analysis using daily data reads, analysing more than 2 million data points that delivered actionable insight within 24 hours. Sending alerts to our teams to ensure the right interventions were made to deliver the highest return from each outlet.

This year, PREDICT has seen us take this one step further, with the ability to send predictive alerts to the teams; an alert that says there is going to be an availability issue in a particular outlet tomorrow.

This means we are fixing issues before they happen, or as they are happening - before they affect your sales.

LEADERS IN OUR INDUSTRY

Because PREDICT is founded on machine learning, it will therefore continue to grow ever more intelligent as we feed the machine with more and more data. Due to our size and scale, every day we capture more data than anyone else, allowing us to predict future events more accurately than any of our competitors.

OUR VISION

Our vision will see us move to a fully automated system, directing resource every day, without the need for human intervention. No longer will our field teams work from set callfiles and journey plans – they will work day to day, hour by hour to be deployed to the right place to drive the greatest impact for our clients.

Already, Gartner researchers are predicting that by as soon as 2020, 85% of customer interactions will be managed without a human and in the future, our resource may be human, but it may also be digital, or “Phygital”. We call this our Liquid Workforce.

REVOLUTIONISING OUR GROCERY OPERATIONS

For our Grocery operations, we feed sales data, call data and outlet attributes into our predictive engine. The output is that every visit is maximised.

We predict the ROI of every possible visit by identifying:

- Where the greatest opportunities are
- Predicting out of stocks
- Predicting promotional/NPD lost sales
- Predicting levels of influence and return by store
- Seasonality

All of this insight will trigger the visit to where there is the best possible return.

DRIVING HIGHER RETURNS IN CONVENIENCE WITH *shopt

Our convenience model will also work on similar data feeds to our grocery model, with the added feed from our *shopt app.

WHAT IS *shopt?

*shopt has been built to connect brands with convenience retailers. Providing a low cost to serve opportunity to engage and influence convenience retail, brands provide details of offers, promotions and NPD – all of which is shared with the community via the app. This functionality allows them visibility and access to the best deals. The data and information from *shopt will form a crucial part in our understanding of convenience retailers and their engagement levels.

By using the *shopt app as a method of contact with the convenience channel, we can deploy resource either in a physical or digital form, depending on the predictions behind the potential returns from the visit.

Our predicted ROI in convenience is built from:

- Predicting where the decision maker will be seen
- Predicting distribution gains and losses
- Predicting if a deal will be sold
- Seasonality

A NEW APPROACH TO DRIVE B2B SUCCESS

Across multiple B2B operations ranging from logistics, financial services to automotive we have a consistent focus of identifying and targeting the businesses that are most likely to lead to the highest value sale.

Our new PREDICT models which are created for each specific client are built using a multitude of factors, such as business type, location, how other businesses in that area are performing, their place in the buying cycle and the time of year.

These detailed models then predict how likely a sale is and how much that sale will be worth. We can then individually target each business that will drive the maximum ROI from the operation.

AND THE RESULTS FROM PREDICT SO FAR?

Predictions with pinpoint accuracy that have increased ROI by up to 23%.

Through PREDICT and the power of machine learning and artificial intelligence, the full capability of your data is unlocked.

CPM can help you to understand the future so we can always be in the right place at the right time to drive maximum sales with the greatest efficiency

Those who are looking at the past will always be one step behind.

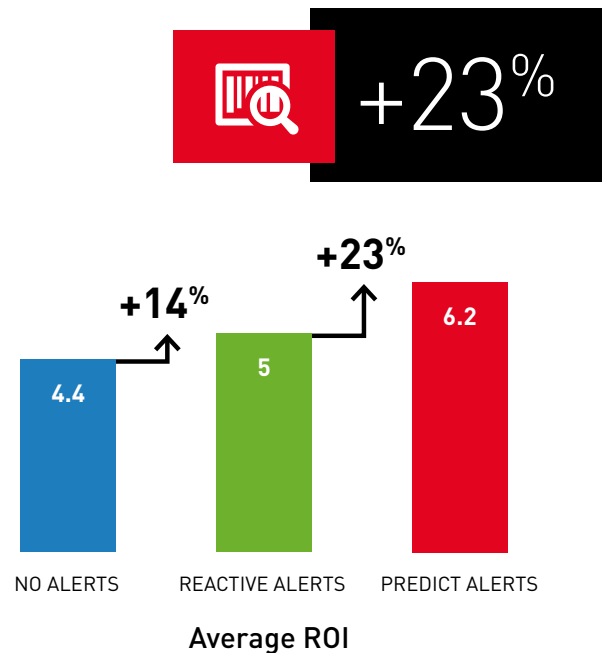
If you're not using PREDICT then you're likely missing out on sales and efficiency in your operations.

Don't let your competitors steal the advantage.

CASE STUDIES

GROCERY

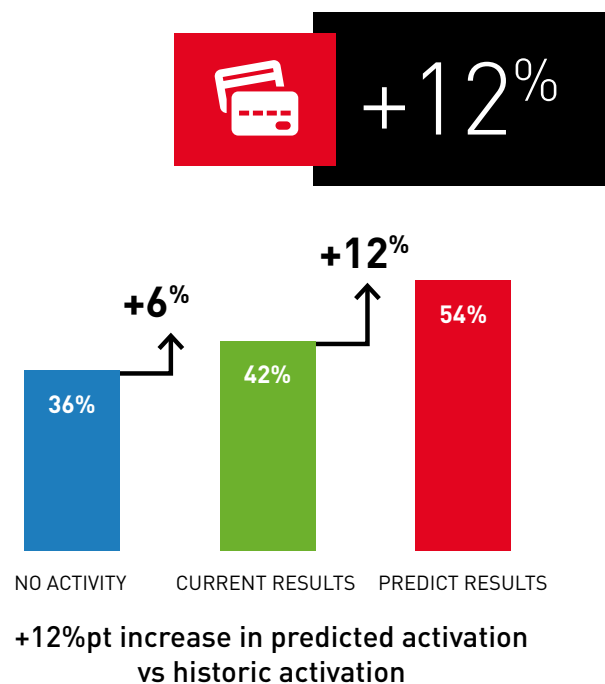
In the grocery channel we have implemented PREDICT alerts, flagging SKU issues before they happen. Field teams are then deployed to where the largest opportunity and return will be generated. To date, these alerts have resulted in an average of 23% increase in return.



FINANCIAL SERVICES BRAND IN UK

Deployed for 'welcome activation' contact centre sales programme for leading credit card company.

Enables optimised outlet prioritisation by evaluating which attributes have greater influence on activation.





With our considerable investment in PREDICT we can help brands, retailers and any business harness the vast amount of data to hand to create true insight in the form of predictive analytics. If you imagine a world where you can accurately predict when and where your next biggest opportunity (or risk) is going to occur and then deploy the right resource, be it human, digital or phygital to optimise that opportunity in the most efficient way, then you have imagined CPM's new predictive analytics and liquid workforce solution. This ground-breaking solution will transform how businesses sell now and into the future.



Andy Buck, Commercial Director



To find out how PREDICT can maximise your sales and return on investment, please contact us at hello@uk.cpm-int.com