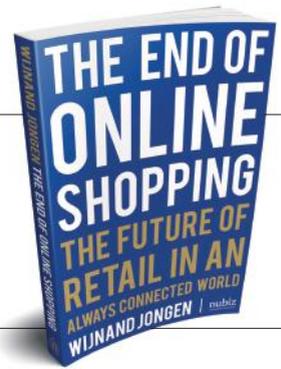


COLUMN



BIG DATA, THE CORNERSTONE OF THE SMART RETAIL ECONOMY

New technology has always been the catalyst of social and economic transitions. New energy sources, technologies and means of communication during the industrial revolutions brought true upheaval to society, the economy and individuals. The present day is no different. The new economic paradigm of the 'smart economy' now provides the foundation for onlife retail. We are witnessing the dawn of a new age of technology. This new 'smart economy' has unprecedented impact, something which is daunting and exhilarating at the same time.

Big data is making everything smart

Big data is the lifeblood behind all this technology. Kenneth Cuker, the data expert for The Economist, and Viktor Mayer-Schönberg, Professor of Internet Governance and Regulation at the Oxford Internet Institute wrote that "big data refers to our burgeoning ability to crunch vast collections of information, analyses it instantly, and draw sometimes profoundly surprising conclusions from it."

The retail sector has much to benefit from big data, with producers improving their analysis of production methods, and retailers discovering better ways to serve their customers. The ultimate strength of big data is to use the analysis of consumer information to benefit individual customers. Any retailer will like the sound of that, right?

Intelligent algorithms, founded in big data, can now translate individual consumer preferences into the production of goods and services. Using machine and deep learning techniques, retailers can predict what consumers will be interested in next. Personality traits combined with recent buying patterns can provide useful information. It is nothing new in the world of retail. Google uses techniques like this to display its ads in the very best spot. Similarly, Amazon taps into algorithms to show consumers relevant items and Booking.com and Spotify do the same for hotel rooms and music, respectively. Ultimately, the individual consumer benefits from this analysis.

Onlife retail

There are advocates of internet privacy, or critical voices out there, not in the least in the wake of the Facebook's recent privacy scandal, where the data of 87 million users was shared without consent. Regardless of these valid worries, the world will move on. We are seeing the dawn of a new revolution, of a data explosion. It will allow patterns and trends to be deduced for a whole range of business sectors, with retail as one of the most important ones. It will be up to the retail sector to earn and keep consumer's confidence and loyalty in the twenty-first century's big data battle. ••



In 'The end of online shopping', Wijnand Jongen describes the future of retail in a world that is always connected. This is the first of a series of columns for Cross-Border Magazine in 2018, where Wijnand will describe four global retail trends.

Wijnand Jongen (1959) is one of world's foremost authors, speakers and futurists on retail and e-commerce. His book was nominated best management (2016) and best marketing book (2017). He is founder and CEO of Thuiswinkel.org and Chairman of the Executive Committee of E-commerce Europe.