Insight

A.S. Watson Group
A member of CK Hutchison Holdings

Better customer promotions with modernized A.S. Watson data platform

A.S. Watson Group, the world's largest international health and beauty retailer, wanted to continue to build upon its reputation of delivering a seamless online and offline customer journey to its clients. Becoming more innovative, faster and maintaining reliability are key focus areas for A.S. Watson Group as part of their digital acceleration journey. A key differentiator for the A. S. Watson Group is their smooth offline and online retail ecosystem (O+O). In order to keep pace with the needs of their business, Insight advised on the technology changes and successfully modernized the data platform to enable this.

Offline Plus Online (O+O)

O+O is the offline and online retail ecosystem of A.S. Watson. A customer has the option to buy in a local store, as well as online from that same store. Gerrit Jan Steenbergen, Group Technology Director at A.S. Watson, "Indeed, we have seen this behaviour growing over time. However, the last few years and with the onset of COVID-19 we have seen a steep increase in online shopping. Now the world is slowly opening up, customers are going back to the stores, but still buy online. This is exactly the reason why we embraced the O+O retail model a long time ago." According to Gerrit Jan it is important to give customers a personalized experience, regardless of whether they buy in an offline or online store.

Data is key

To be able to give this customer this personalized experience and tailor made individual offerings and promotions, retailers cannot just rely on employees' experiences. Instead, they must make use of the data available to them to inform future buying habits.

A.S. Watson realized this many years ago. Their data platform, built on a data lake and using Azure HD Insights, gave them the ability to manage retail stores based on this data. However, data was mostly saved in silo and sometimes there was a lack of integration of data sources. It was hard to determine if the provided data analysis was the single source of truth.

Quick Overview

- A.S. Watson Group is the world's largest health and beauty group, with over 16,200 stores in more than 30 markets.

- The retailer needed a new platform that could combine all data and use AI and machine learning to give the client a personalized experience and tailor-made individual offerings and promotions.

- It wanted assurance that any new platform would deliver the benefits it required before committing, and that the upgrade would not interrupt business operations.

- Insight provided a proof of concept of the new platform, Azure Databricks. Insight helped A.S. Watson Group to build the platform, migrate users and train them in the new system. Today almost 30 business units are live – and no disruption has occurred.

"We needed to modernize our data platform to stay ahead of the competition while also being able to focus on our strategy."

Francesco Cannistra
Big Data Technology Leader, A.S. Watson Group

Modernize

Francesco Cannistra, Big Data Technology Leader at A.S. Watson, "We have been profiting from big data as an early adopter. However, as a result of being in the cloud early, we had to learn during our journey. Over time, we realized that the 'old' cloud was slowing us down. We needed to modernize, to innovate our data platform to stay ahead of the competition and be able to focus on our strategy."

A.S. Watson did their research and with advice of Insight they decided that adopting the new Azure Databricks was their way into modernizing their data platform. At the same time, they did not have the knowledge nor the time to implement Azure Databricks.

Insight was already partnering with A.S. Watson on a number of digital innovation initiatives when they approached Insight to produce a Proof of Concept (POC) for their new data platform, without interrupting business.

Francesco continues, "We wanted to start with one business unit, just to see how it went. Insight always wants to make sure that new technology brings all the expected benefits before a broad implementation is performed." Insight Enterprises helped A.S. Watson build the platform, migrate users to the new platform and provided training for users on this new platform. Today, almost 30 business units are live.

> "By providing us with an initial proof of concept, Insight demonstrated that the new data platform would bring all benefits we were looking for before we committed, allowing us to upgrade our data platform without the risk or interruption to business."
>
> **Gerrit Jan Steenbergen**
> Group Technology Director, A.S. Watson Group

Fast forward

A.S. Watson is into fast forward mode with use of data. Francesco, "We have built the platform using the raw data so we could not forget anything. Besides that, we needed all the details on customer behaviour. In addition, Insight was able to cross-reference with other data, like stock, finance and commerce as an example."

Machine learning

With the new 'Enterprise Data Platform', A.S. Watson is now also able to apply artificial intelligence and machine learning solutions. By combining customer buying behaviour in both online and offline stores and analyzing patterns, they are offering tailor made all offerings and promotions.

Optimizing business

The new platform also optimizes business processes. Where in the past it could take up to 40 minutes to just start up a computation engine, now a data analyst can get a cluster ready for inquiries in only two minutes and execute calculations much faster, because the data analyst doesn't have to worry anymore about the contention of computational resources with other users. The modernized dashboards are providing better data insights to the analysts as well. Other optimizations are possible due to the earlier mentioned machine learning capabilities built into the platform such as demand forecasting so a store is never out of stock.

Better together

Francesco summarizes, "Insight Enterprises showed us how to jump into Azure Databricks and take advantage of this modern cloud data solution in relation to our Offline plus Online strategy." Insight believes that knowlegde is key and with providing their knowlegde on modern data solutions to A.S. Watson they were able to help them stay relevant in their market.

The Results Highlights

A.S. Watson Group has a new data platform that can fully support its business ambitions.

The new data platform can integrate data from across the business and is compatible with AI and machine learning.

The time taken to get a data cluster ready for analysis has been reduced from over 40 minutes to just two minutes.

A.S. Watson Group can now create individual, tailor-made offers and promotions based on both online and offline customer buying behaviour.

nl.insight.com • +31 (0)55 5 38 2382