

CJ O Shopping Improves Operational Efficiencies With Real-Time Data Analytics



Executive summary

CJ O Shopping is a global home shopping operator with over 800 employees and \$2.4 billion dollars in annual sales. In the mobile and new media segment, CJO Shopping has become the first Korean home shopping company to launch apps for iPhones and Android-based smartphones. With a 50 percent share in the local mobile shopping market, CJ O Shopping needed a solution that could provide real-time data analysis. Since deploying Splunk Enterprise, CJ O Shopping has seen benefits including:

- Improved operational efficiencies
- Cost savings of 50 percent over prior solution
- Real-time insights into customer behavior

Why Splunk

Prior to Splunk, CJ O Shopping relied on a data warehouse solution along with a system that analyzed weblogger data. However, since the data warehouse system did not have any real-time analysis capability, CJ O Shopping was only able to get the data it wanted the next day—a big setback to a company in the online shopping business where one second can make the difference between a sale and an abandoned shopping cart.

In addition, as CJ O Shopping developed its new mobile platform, getting information in real time became even more mission critical for the retailer. Although the weblogger system provided the company with access to information regarding its web-based online shopping—such as banner clicks—the system was too slow and unwieldy to mesh with the mobile platform. Once the mobile platform launched, discussion on the trend analysis of real-time traffic and customer log-in status became widespread across CJ O Shopping, triggering interest in big data and cementing the need for a comprehensive solution that could efficiently analyze all of the company's disparate data sources in real time. This resulted in the deployment of Splunk Enterprise.

Industry

- Retail
- Online services

Splunk Use Cases

- Business analytics
- IT operations

Challenges

- Inability to get real-time data analysis
- Needed scalable solution for new mobile platform
- Required insights into customer behavior for strategic marketing planning

Business Impact

- Improved operational efficiencies
- Integrated results from both web and mobile data sources
- ROI—cost savings of 50 percent over prior solution
- Time savings of 24 hours over previous weblogger data analysis solution
- Maximized marketing efforts from real-time insights into customer behavior
- Faster incident response times
- Reduced departmental silos
- DevOps collaboration

Data Sources

- Online shopping/e-commerce web logs and web application server logs
- Shopping TV CTR log
- Mobile service web application logs
- Mobile device local application logs
- Internal lookup databases (products, customers)

Splunk Products

- Splunk Enterprise

Fifty percent cost reduction and a full day of time savings over previous solution

When it comes to online shopping, real-time data analysis is critical to successful sales. “We need to do real-time analysis on the ways customers click on product reviews to determine whether this behavior is leading to actual purchases,” says Jin-Hyuk Ahn, managing director for smart IT in the business division at CJ O Shopping. According to Chul-Hyun Cho, team manager for e-commerce development at CJ O Shopping, “Thanks to Splunk software, we are now able to collect unstructured data, something that was not possible previously. We also can collect this data on-the-fly—another impossibility if we had continued to rely on trend analysis via the previous system.” Since the Splunk deployment, CJ O Shopping has reduced its costs by 50 percent and saved up to 24 hours on log data analysis compared to what it spent with the weblogger analysis system.

Real-time data analysis utilized for strategic promotions and social networking

CJ O Shopping is collecting and analyzing data in Splunk software to use for strategic promotions. According to Mr. Ahn, “We offer a real-time video streaming service via the Internet. Using Splunk Enterprise, we are now able to extract real-time data for the customers who watch the preview but decide not to purchase the content. We offer targeted promotions to those particular customers that have proved to be much more effective than random promotions.”

Splunk software’s ability to collect real-time data is also applied to some social networking services at CJ O Shopping. Customers checking specific products in real time on O’ Clock, CJ O Shopping’s social commerce site, can see how many other people are interested in the items, which can boost interest and item desirability.

“The real-time analysis function of Splunk software makes it a very valuable solution in a mobile society. Regardless of the size of the data, Splunk enables our company to make informed decisions on what to do next.”

**Jin-Hyuk Ahn, Managing Director for Smart IT
Business Division
CJ O Shopping**

Operational Intelligence across the organization

Before deploying Splunk Enterprise, the IT department was in charge of extracting data at CJ O Shopping. Since the deployment, the operations department can also easily access and analyze data. As a result, response times have gotten much faster when a new requirement emerges, because operations can quickly process data statistics and engage in analysis without needing to rely on IT.

Mr. Ahn concludes, “The real-time analysis function of Splunk software makes it a very valuable solution in a mobile society. Regardless of the size of the data, Splunk enables our company to make informed decisions on what to do next.” Discussion is underway as to how CJ O Shopping can incorporate the Splunk platform into a wide-range of its services, including deployment on its overseas site.

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