

7-Eleven Indonesia Cuts Campaign Lead Times by 80 Percent, Optimizes Customer Experience



Executive summary

7-Eleven is the world's largest operator, franchiser and licensor of convenience stores, with a network of nearly 55,000 branches in 16 countries. In 2009, 7-Eleven entered the Indonesian market, which it saw as a potentially lucrative opportunity that would nevertheless offer some challenges. To succeed in Indonesia, 7-Eleven needed to offer an attractive alternative to the “warung”—the country’s ubiquitous casual café/store—and tap into demand for “affordable luxury” driven by Indonesians’ rising disposable income. Since deploying Splunk Enterprise, 7-Eleven Indonesia has seen benefits including:

- Real-time insights into business processes
- Significant cost and time savings
- Improved time-to-market for promotional campaigns

Why Splunk

7-Eleven branches in Indonesia offer local dishes and snacks alongside its signature fast food and drinks. By providing free wireless hotspots, outside seating and thumping techno music, the stores have become a trendy hangout for young urbanites. In order to maintain its competitive advantage, 7-Eleven developed a technologically savvy approach to marketing and capacity planning. Specifically, the convenience store giant established an information analysis environment to gather valuable business insights from point-of-sale data, including sales reports—as a derivative system from the group’s legacy IT infrastructure.

7-Eleven’s original business analytics system was built around pre-defined templates that restricted point-of-sale data analysis and were not capable of generating real-time insights for informed decision making. A typical data processing cycle involved several rounds of manual analysis of sales reports generated from discrete systems and usually took three to six working days to complete. As a result, it was taking around three months to plan promotional campaigns, severely hampering marketing efforts.

Industry

- Retail

Splunk Use Cases

- Business analytics

Challenges

- Previous business analytics solution was inflexible and unable to generate real-time insights
- Cumbersome manual analysis of data slowed down marketing efforts
- Lack of operational visibility
- Maintaining competitive advantage over local markets

Business Impact

- Real-time insights into business processes for better informed decisions
- Data analysis cycle reduced from days to minutes, leading to significant cost and time savings
- Lead time for promotional campaigns reduced by 80 percent
- Continued high level of customer service and optimized customer experience
- Operational resources freed up for greater overall productivity and efficiency

Data Sources

- 10 types of self-developed point-of-sale data:
 - Product pricing
 - Product categorization
 - Product inventory
 - Statistics about best sellers
 - Seasonal trends
 - Promotional campaign data
 - CRM data
 - Sales tax data
 - Store financials
 - Employee work schedules
- Yahoo! Weather

Splunk Products

- Splunk Enterprise

After a comprehensive assessment of a number of business analytics solutions in the market, 7-Eleven recognized that the Splunk platform was its best option in terms of flexibility, cost-effectiveness and the ability to integrate external data. Consequently, all 190+ 7-Eleven stores in Indonesia have been operating on the Splunk platform since October 2014.

Valuable business insights, in real time

With the Splunk platform in place, 7-Eleven was able to dynamically organize its data assets, delivering a comprehensive overview of all internal data and analyzing the performance at every point-of-sale in multiple perspectives. The system can also pull in data from external sources for correlation with the point-of-sale data to deliver additional business insights. For example, by integrating with Yahoo! Weather, 7-Eleven can accurately forecast the market demand of different products according to the predicted weather. Looking ahead, 7-Eleven is also planning to integrate the information from major telecom carriers to ensure it provides the most appealing mobile communication services in every district.

Dramatically improved business efficiencies

The Splunk platform's high degree of automation and intuitive interface allows 7-Eleven's system administrators to generate a comprehensive view of all data in only a few minutes, just by triggering a single function on the pull-down menu. It also gives mobile users access to the same information, providing them with operational visibility on the road. Data analysis and reporting is now seamless, with the processing cycle reduced from days to minutes, representing more than a thousand-fold improvement in efficiency. It results in improved time-to-market for new campaigns and services, enhanced labor effectiveness, faster operation and, of course, faster profits in less time.

“The Splunk platform delivers great value for our money and generates plenty of tangible benefits for us through flexible data analytics and real-time business insights. It removes the hassles of manual data analysis, accelerates data processing and shrinks promotional lead time while minimizing business risks. It also enables us to implement a whole bunch of creative business ideas to catch up with lifestyle trends and sustain our competitive advantage as the most popular convenience store chain in Indonesia.”

Budiasto Kusuma, Head of Marketing
7-Eleven Indonesia

Time taken to plan promotions slashed by 80 percent

To step up its marketing momentum, 7-Eleven now rolls out five new promotional campaigns every quarter, ranging from discounted tickets for coffee and bread to mobile phone service packages. Riding on the operational insights generated from the Splunk platform, it only takes the company two weeks to prepare the launch of a new campaign—an 80 percent reduction compared to the previous system. The flexibility of the Splunk platform also allows 7-Eleven to be more ambitious in its marketing, while real-time analysis enables it to rapidly evaluate the success of each campaign.

A prosperous future empowered by innovation

With its advanced analytical power, the Splunk platform enables 7-Eleven to keep rolling out creative initiatives to attract local customers. For instance, the chain store giant has plans to start screening football matches outside its stores in order to add excitement and draw in more business. Splunk will continue to be a reliable partner in the future.

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