Data Exchange Platform for Digital Economy Applications

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Abstract—This paper describes an experience of the Data exchange software platform practical use supporting the modern trends of Digital Economy. The platform was initially designed for the suppliers and customers of data sources providing the up-to-date technologies of big data processing as an online service. The platform is also open for software developers to upload new algorithms and technologies in order to help them to find new areas of application. There is presented architecture and its software implementation for an intermediary online platform capable of collecting, processing and analysis of various datasets. Modern companies being the members of digital economy can use this platform to process their data and produce business analytics. They can become both suppliers and providers of data, as well as develop and upload new customized algorithms. First results were achieved in the area of retail and social media analysis.

Keywords—data exchange, digital economy, big data

I. INTRODUCTION

Data exchange platform is a new concept to organize an efficient cooperation between the providers and customers of various data sets and algorithms based on implementing the software solution of open service provider [1 – 2]. Considering the results of open service software providers’ practical use [3], there was developed and probated new software architecture capable of solving the actual problems of business analytics in the different spheres of digital economy.

Such a solution is presented below with an illustration of Data exchange platform application in network retail. Data exchange platform implements the modern technologies of big data analysis and capable of providing business analytics and decision-making support in real time. The proposed solution architecture and case study intended for processing network retail data, predicting the processes, managing the placement of big data, and planning the computing load balancing.

II. PROBLEM DOMAIN OVERVIEW

Retail is a popular way to organize distributive trades. Modern retail industry becomes a promising area of development of network organizations that provide distributed services for a large amount of consumers and therefore processing the concerned flows of big data.

The logic of this information processing is mainly influenced by the processes of retail service. The following areas of retail are distinguished:

- street retail – organization of retail trade in the most visited places: on pedestrian streets, ground floors of buildings;
- non-food retail – organization of trade in non-food products, which in grocery stores, as a rule, are called related. Such products include clothing, cosmetics, household chemicals, stationery and other categories of goods;
- food retail – organization of food trade. This category of goods is the most demanded and relates to everyday goods;
- network retail – organization with several stores of the same chain united by one concept;
- electronic retail – organization of trade through the Internet;
- cellular retail – organization of trade between mobile operators.

Retail industry gains significant benefits of being adaptive to customer changing demands. Understanding the trends and prediction of changes helps reducing costs and increasing competitiveness. Application of modern technologies for data collecting and processing can solve this problem.

Retailers use the following mechanisms to successfully organize business processes that form the main requirements for a data processing toolset:

- calculation of the most optimal locations for placement of outlets;
- use of modern commercial equipment;
- work with categories of clients;
- work with methods of attraction;
- development of self-service and reduction of personnel due to this;
- optimization of logistics, work with wholesale suppliers;
- automation of all stages of trade.

Depending on the specifics of retail problem domain and other factors, a retail development strategy is determined. The strategy operates with critical factors, by solving the
problems of determining the selling price of goods sold, managing the assortment of outlets, and determining their location.

A comparison of the most frequently used business intelligence systems in the retail sector for a number of the most important criteria is shown in Table 1.

### TABLE I. PLATFORMS COMPARATIVE ANALYSIS

<table>
<thead>
<tr>
<th>Feature</th>
<th>Qlik View</th>
<th>Klipfolio</th>
<th>Tableau</th>
<th>Power BI</th>
<th>Data Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQL and software development skills</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Own programming language</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Connectivity to heterogeneous data sources</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Data storage</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Data aggregation</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>A variety of dashboards for visualization</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Graphical programming language</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Intelligent algorithms and data processing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Specialization in retail analytics</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Possibility of monetization of data, analytics and algorithms</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
</tbody>
</table>

Currently, electronic retail is popular and its popularity is growing according to the main trends of digital economy development. Electronic retail includes trade in both food and non-food products, which leads to serious competition among retailers. Price is the main factor that allows companies to stand out among their competitors and attract buyers, so pricing strategies should be the most flexible.

There are a variety of approaches to pricing:

- personalized approach to customers with the formation of individual offers; this approach is based on the analysis of the consumer behavior of each specific buyer, the determination of his needs, financial capabilities and, ultimately, the formation of individual price offers for him;
- promotion management: the approach is aimed at the formation of special price offers for goods or groups of goods according to certain criteria in order to attract customers. In applying this approach, it is important not to create a reputation as a discounter, which can negatively affect the perception of the retailer by customers, so promotions should be temporary;
- psychological techniques that affect the perception of price. This approach is common for the retail industry as a whole and is quite popular, due to the ease and low cost of its application. For example, to sell an expensive product, you need to put it next to an even more expensive product. Another fact that has been studied is that the customer has a high probability that he or she will not have a single price, so a small difference in price should be left for similar products. Psychological techniques include managing delivery prices. It is very often necessary to arrange delivery. Modern research shows that most shoppers leave the store basket. The offer of free delivery or promotional goods when making delivery positively affects the customer;
- predictive pricing is a fairly effective approach, the main task of which is to determine how price affects demand. The approach allows you to model changes in demand depending on the price, taking into account various factors, including other methods involved in pricing: psychological pricing, the influence of competitors, behavioral models and categories of current retailer customers, current trends (in the fashion industry or global trends in lifestyle changes).

III. STATE OF THE ART

The results of [3] show that retailers are moving to more innovative strategies to offer modern consumer solutions based on technological advances. The high level of property rights, due to the enormous number of patents, forces retailers to invest more in the acquisition of patented technologies to achieve advantages over competitors or to introduce new management methods.

The need to analyze retail data in a highly competitive environment is shown in [4]. Advances in machine learning and big data lead to the use of data analytics management systems in many organizations and industries.

As a rule, large organizations can devote more resources to this, and the software used is more suitable for large enterprises. However, the growing business pressure is forcing small and medium-sized enterprises to implement data analytics, which is new to them and leads to a number of problems considered in [5].

Social networks have become a part of life for most people around the world. Retailers (and not only) are actively using them to share information about their products with customers. As a result of the growth of social networks, the need for monitoring, data mining and analysis is increasing. So, in determining the tasks and opportunities of network retail, the issues of integration with social networks, determining a development strategy and studying the life cycle of clients are relevant [6, 7]. The study of customer behavior models requires taking into account completely diverse data and improving their analysis.

In [8], the questions of creating a body of knowledge are considered, the concept and key methods of data analysis are studied in the field of retail network, the creation of data exchange methods [9], such as shopping basket analysis [10] and sales analysis in general using business intelligence tools.

Analysis of factors of customer satisfaction and loyalty, the image of retailers and the relationships between them lead to the emergence of models for creating a satisfactory experience for consumers, which is a priority for retailers.
According to the commission of the Code of good practices, it is known that retailers do not want to share sales data of individual outlets with suppliers, which leads to an inaccurate assessment of their activities, loss of productivity, and, consequently, loss of income.

IV. SOLUTION ARCHITECTURE

Having considered the tasks and problems of network retail, strategies for solving them, we can conclude that the creation of a data exchange platform is a necessary step for the business development, and its intellectualization is an integral part of the process.

Intellectualization includes the introduction of the following technologies into the data exchange:

1. Face recognition. Biometric assessment systems can optimize salary costs, allow you to calculate the costs of non-staff employees and minimize the risks of dishonest actions and counteractions. The introduction of face recognition can also significantly increase understanding of the characteristics of the average buyer. Indeed, many algorithms allow you to evaluate gender, age, race, and thereby form a portrait of the buyer. To solve such problems, a camera is used, aimed close-up at incoming visitors, with a face detection function. Additionally, such algorithms in combination with the display of advertising can give an understanding of the effectiveness of advertising on visitors.

2. Creating smart baskets. Built-in cameras that can recognize and scan products, sensors that detect the detection of an object in the basket, as well as scales that allow you to get rid of additional weighing of fruits and vegetables. On the trolley screen, the buyer will be able to see all the products taken, as well as their total amount. The data that carts collect (on routes through stores, on the frequency of purchases of goods from certain shelves, where customers are, etc.) would help company partners optimize their stores.

3. Analysis of social networks. Analysis of data from social networks will allow you to analyze customer complaints in real time and track user requests and wishes. Location and shopping data will allow you to compile the most complete portrait of a specific retailer buyer.

4. Internet of things. When it comes to retail, the IoT infrastructure includes RFID tags, infrared traffic meters in stores, satellite and Wi-Fi tracking systems, digital signatures, kiosks or even mobile devices of the customers themselves. The Internet of things makes it possible to implement predictive maintenance of equipment, transportation, keeping a warehouse on the basis of demand, tracking the activity of buyers, creating a smart store, behavioral analytics, personalized marketing and real-time advertising based on location and purchase history.

5. Adaptive Acquiring. The sources of such a data exchange are intelligent systems. Data processing can give conflicting results in different contexts and in the absence of data, but the results obtained should provide decision-making support. Technologies without data will not give the desired result, as well as data without applying the necessary technologies to them. So, the data exchange can be presented as a platform for interfacing digital intelligent services.

The proposed software solution for a data exchange platform is presented in Fig. 1. It was implemented using Java (IntelliJ IDEA 15.0.3 Integrated Software Development
Additional libraries and frameworks include Apache Hadoop, Apache Spark, and Django. Apache Hadoop (HDFS) is a file system designed to store large files, block-by-block distributed between nodes of a computing cluster. Apache Spark is an open source framework for implementing distributed processing of unstructured and weakly structured data, which is part of the Hadoop project ecosystem.

The developed data exchange platform provides the functionality for pre-processing and analysis of network retail data. As a part of data pre-processing the system implements the methods of data structuring, omission processing, and data dimension reduction, trend highlighting, and correlation analysis.

To solve the problems of network retail analysis, there is a possibility to use the following:

- Apriori, FPG (Frequent-Pattern Tree) methods help solving the problem of analysing a shopping cart;
- Linear regression methods are used to solve the forecasting problem;
- The Mean method is used to calculate average values;
- K_means method is used for various kinds of clustering.

Besides, a wide range of methods such as ARIMA, FB Prophet and others are used to analyse time series.

V. IMPLEMENTATION AND TESTS

The following example illustrates the results of Data exchange platform development. We create a project for personal offers on selected categories of goods formed by a retailer for users of a social network with loyalty cards. Forming this request is useful if you need to increase sales for certain categories of goods available to the retailer.

The result of this query is a list of users who are interested in purchasing goods for selected groups of goods with an indication of the group. By analyzing the results obtained, the retailer can formulate personal offers for the groups of goods chosen by him for the most suitable customers.

In the considered example, users were searched for the following product groups: 3 (energy granola bars), 4 (instant foods), 5 (marinades meat preparation). As can be seen from Figure 2, for the buyer with the number 141848112, you can create an offer for goods from group 3 (energy granola bars), and for the buyer with the number 78310286 – 4 (instant foods).
Fig. 3. Predictive analysis project.

The result of this project is the forecasted revenue values of the selected store, taking into account the seasonality period with a sales horizon.

The proposed approach opens new perspectives for online services providers and buyers cooperation in common information space. According to the current trends of economy digital transformation most services migrate to web platforms transporting all negotiations between the business parties to virtual reality.

Therefore social media become a substantial part of business relations. The resulting effect forms the economy of ultra-low expenditures. On the one hand, the members on such relations can swiftly change their mind by getting better options, producing the contract agreements that are easy to enter and easy to leave. On the other hand, all the games are being fixed, and the members agree to play open.

Under these conditions a new class of intermediary open service platforms starts playing the general role. Using the existing IT infrastructure they allow building a new virtual world powered by business analytics. In this sphere decision-making can no longer be done by humans themselves. All the decisions need a support from data analysis and machine learning, which makes the access to them even more important than economy resources available in real life.

VI. CONCLUSION

The developed solution based on the data exchange platform allows predicting the processes of network retail manage the placement of big data and plan the computing load based on the info logical model, which will increase the sales efficiency.

Next steps are related to extending the area of intermediary open service application including the problem domains of social analysis and services automation. Positive results were also achieved in banking acquiring, which can be extended in business sphere making the data processing an effective tool of economy digital transformation.

Main research results include the following deliverables: big data management methodology (O. Surnin), and its implementation by Open code platform architecture (P. Satnikov), analysis of its perspective for digital economy (A. Ivaschenko) based on implementation of data exchange model (A. Stolbova) and algorithms of semantic (A. Khorina) and statistics (N. Ilyasova) analysis.

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