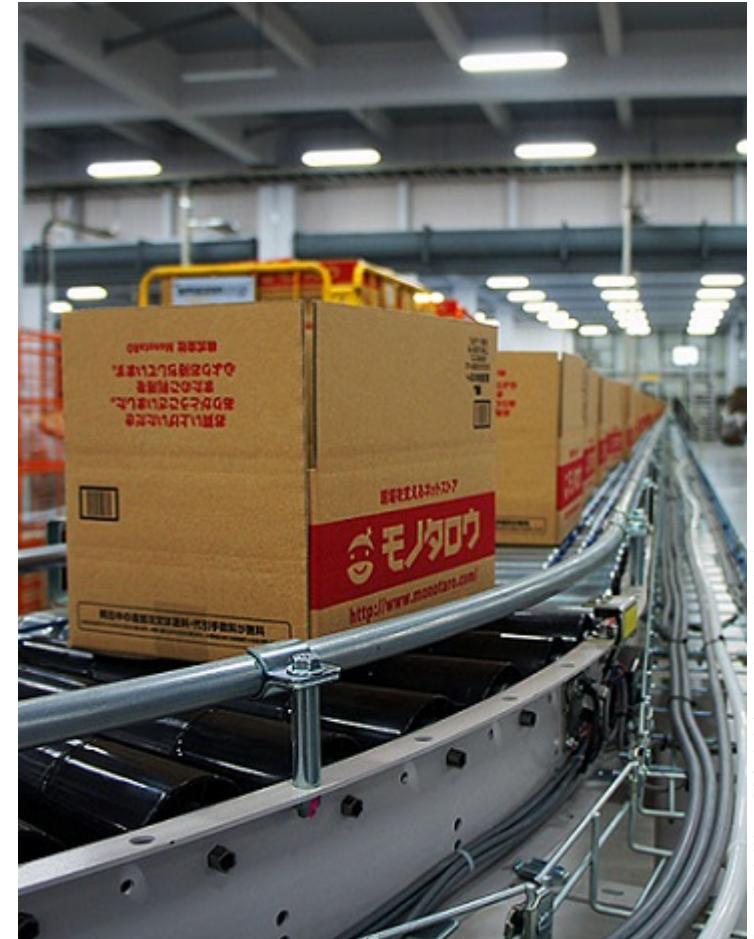


# MonotaRO: Targeting the Right Customers with the Right Offers and Increasing Revenue Using SAP® InfiniteInsight®

When they need maintenance, repair, and operations (MRO) products quickly and at a fair price, small businesses and midsize manufacturing companies across Japan turn to MonotaRO. Established in 2000, MonotaRO started as a joint venture between Grainger and Sumitomo Corporation. Since then, it has become a leader in the Japanese MRO market – the second largest industrial market in the world.

Offering more than 8 million products to more than 1.3 million customers, MonotaRO needed to improve the targeting accuracy of its catalogs and online recommendations. This led the company to start innovating in the area of predictive analytics. Today, the SAP® InFiniteInsight® solution helps MonotaRO gain deeper insight into its customer base and buying behaviors, leading to a 200% increase in sales for campaigns backed with predictive analytics.



Picture Credit | MonotaRO Co. Ltd., Amagasaki, Japan. Used with permission.

# Executive overview

## Company

MonotaRO Co. Ltd.

## Headquarters

Amagasaki, Japan

## Industry

Retail

## Products and Services

Online and catalog sales of maintenance, repair, and operations products targeting small and midsize manufacturing companies

## Employees

Approximately 230

## Revenue

¥34.55 billion (FY 2013)  
(US\$339.46 million)

## Web Site

www.monotaro.com

## BUSINESS TRANSFORMATION

### Top objectives

- Better match and market 8 million products and gain insight into roughly 1.3 million customers
- Enable flexible predictive analytics that can scale to meet rapid growth
- Improve the targeting accuracy of catalogs, pamphlets, and online offers

### Resolution

- Deployed the SAP® InfiniteInsight® solution to analyze data, discover rules and patterns, and create predictive models
- Sped preparation with predictive modeling's first-ever semantic layer
- Automated predictive modeling to eliminate manual, time-consuming, and error-prone processes

### Key benefits

- Superior ability to accurately address rapidly changing market conditions and customer preferences
- Campaign support across a wide range of sales channels including fax, e-mail, catalogs, pamphlets, and the corporate Web site
- Vast improvement in product assortment and offerings by identifying actionable trends and patterns

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“Sales are up nearly 200% thanks to SAP InfiniteInsight.”

Masaya Suzuki, President and CEO, MonotaRO Co. Ltd.

## TOP BENEFITS ACHIEVED

### >2,500

Variables and aggregates from over 12 million transactions and 1.3 million customer records included in automatically generated data sets

### Up to 200%

Increase in sales with campaigns backed by predictive analytics, making predictive modeling a contributing factor to 5% of annual revenue

### >500

Marketing campaigns optimized annually for customer acquisitions and cross-sell and up-sell activities

### 1,000%

Boost in predictive model productivity, compared to previous tool, which took a month for data preparation and another 2 to 3 weeks to build a single model

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