Big Data: A Roadmap to Success
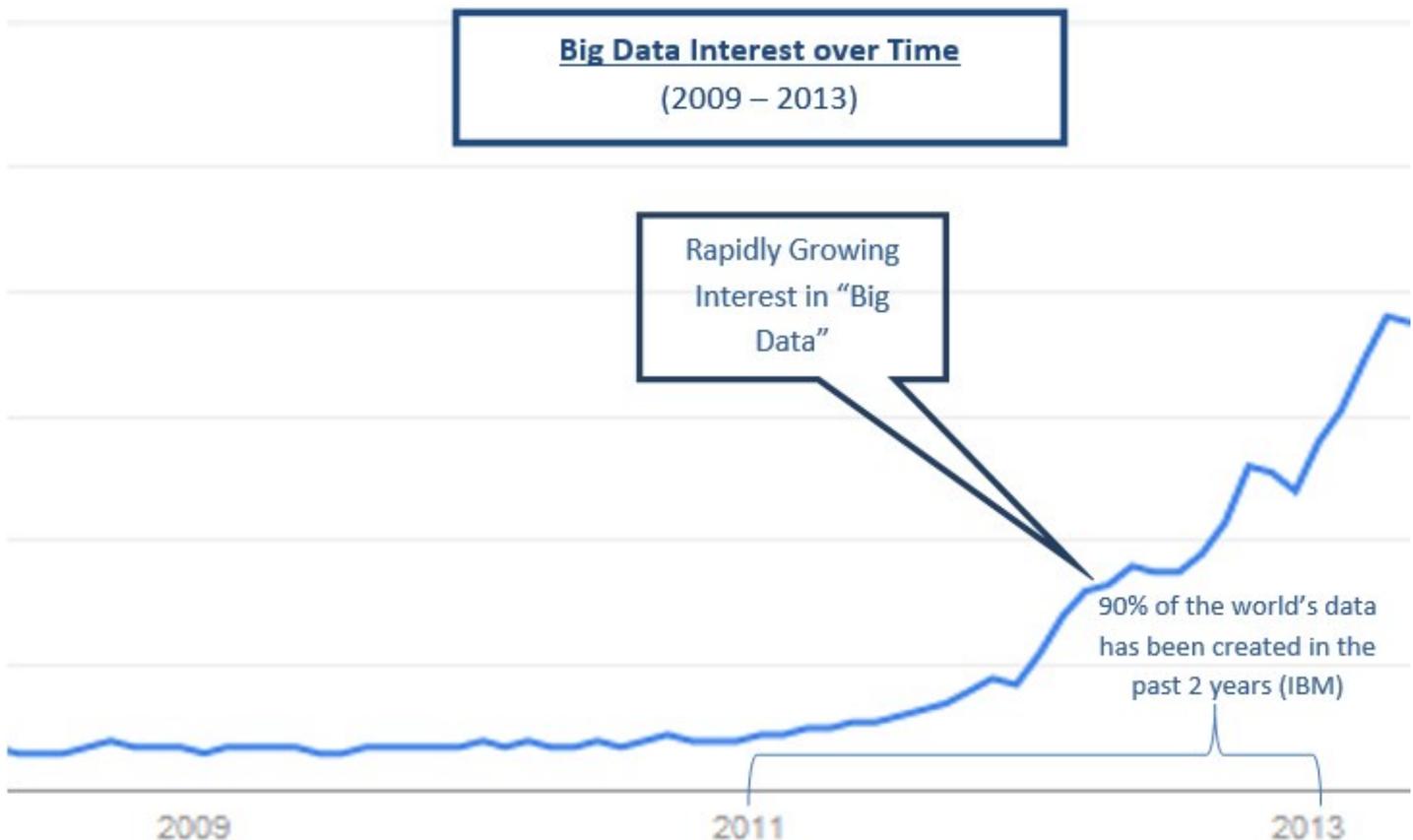
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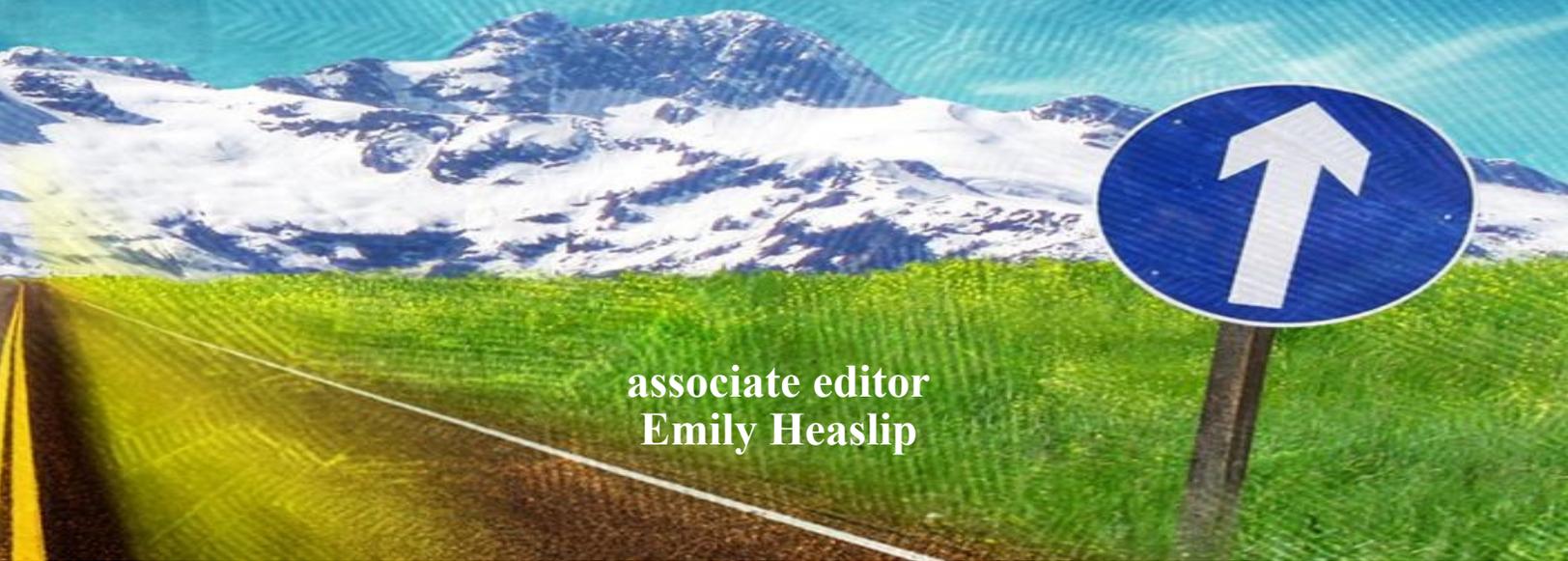**Tara Oberg and Natalie Bader**

The breadth and depth of data that has become readily available within today's retail landscape is nothing short of thrilling. Big Data has become a buzzword that packs behind it the potential to transform business models for the better and positively disrupt the retail industry as a whole. At Seurat Group, we have explored the topic of Big Data application in the consumer goods industry specifically. To support our mission of helping our clients sell more, more profitably, in more places, to more people by challenging convention, we focus on how our CPG partners can *better* leverage the data that is available to them. Given the skyrocketing interest in Big Data, the rise of insights-based selling, and our experience working with CPG groups, we would expect the CPG industry to be celebrating unparalleled growth. The industry, however, is not thriving.

CPG manufacturers have experienced stalled growth since 2007, including a three-point decline in revenue growth, falling margins, and diminishing returns to shareholders. This slow-down is especially surprising given the momentum that had been established in prior decades. Between the late 1960s and the late 1980s, the consumer goods sector experienced a double-digit golden age of growth and even outperformed the S&P. The late 1980s and 1990s were witness to continued advances in the form of global expansion and rising margins. The CPG industry was booming, even without modern technology and data analytics as we now know them. But now the tables have turned – or something like that.

Today's marketing teams benefit from decades of innovation around point-of-sale technology, general population research, and advanced data analytics; yet they are not able to keep up with the business performance of their data-limited predecessors.

Big Data Interest over Time
(2009 – 2013)

Rapidly Growing Interest in "Big Data"

90% of the world's data has been created in the past 2 years (IBM)

2009   2011   2013

**associate editor
Emily Heaslip**

The disconnect – it would seem – is lack of guidance; Big Data does not come with a how-to manual. Hindered by low confidence and comfort around what information to access and how to use it, CPG manufacturers have not taken full advantage of the data that have emerged. In fact, over half (56 percent) of CPG companies report that they struggle to know how to get value from their data. Big Data appears to be nebulous and fragmented, but we know it is ripe with the potential to add value to our businesses.

It's easy to get lost in the vast amount of readily available data. The following is a sample of some of the data sources we have at our fingertips.

- Demographic
- Psychographic
- Social media
- Loyalty card
- Syndicated data
- Customer service feedback
- Consumer panels

- Geo-location data
- Mobile shopping/Ecommerce
- Online tracking panels
- Weather data
- Survey data
- Mobile apps
- Manufacturer and CRM data

Having navigated the murky waters of Big Data and having studied best-in-class applications within the CPG industry, we've become well-versed in managing Big Data challenges and opportunities. We've developed a seven step **Big Data Roadmap** to guide industry partners toward effective engagement with Big Data via the development of an embedded company capability.

Setting Up For Success:

Beginning with an end goal in mind is an important first step. It would, otherwise, be easy to become overwhelmed or acquire expensive and unnecessary data. From here, the team can determine what data is needed, what is currently accessible, and where any gaps lie.

1. Start with a plan – determine if and how Big Data can help address your biggest business issues and opportunities; this will help narrow your analytical focus.
2. Ensure actionability – research and data mining is useless unless it can influence your strategy.
3. Decide the best and most efficient data source – conduct an internal audit of what you already have; then decide what other sources you need to answer your business questions.

Best Practices:

Once the right tools for the job are determined, the right team and environment is needed to manage the process. This is not always easy, but it is a necessary investment to ensure success.

4. Create a dedicated analytics team – internal or external partner who:
   - Can distinguish between meaningful and irrelevant data
   - Can manipulate data so it can be integrated across sources
   - Knows the best data source for the job
   - Can explain findings in a simple way
   - Can work closely with the business team to avoid creating information silos

5.   Foster an environment of speed and adaptability – rapid test and learn is crucial to keep up with innovation; you must be able to adapt quickly.

Case Study: Proctor & Gamble Takes Speed and Adaptability to a New Level

Procter & Gamble set up their Business Sphere as a visually immersive data environment. It harnesses real-time business information from around the globe and allows for rapid decision-making. The sphere analyzes point-of-sale (POS), inventory, spending, and shipment data visually to aid managers in understanding the most important issues quickly.

Moving Forward:

Big Data is not a one-time project to be completed, but an ongoing practice that will evolve over time. Therefore, it is important to measure the effects of Big Data so that sources, processes, and applications can be continually refined.

6.   Ensure results are measureable so they can be tracked and benchmarked moving forward.

7.   Establish ongoing data maintenance practices – make sure files are up-to-date and complete and that you are researching consistently to ensure you are storing these large data sets in the most efficient manner.

Case Study: Proctor & Gamble Takes Speed and Adaptability to a New Level

Unilever's data analysis illuminated two key areas of opportunity: emerging markets and mobile credit as currency. As a result, the company ran a mobile campaign in South Africa for its OMO detergent. The team was able to effectively measure the results, highlighting a future opportunity for mobile marketing elsewhere.

- Response rate of 30%
- Detergent sales spiked 20%
- ROI of 3.5x the original estimates

Big Data poses huge opportunities to better understand the end consumer, lead with insights, and, ultimately, build competitive advantages. What has not yet been clarified is that Big Data can be highly manageable with the right approach. We hope that the **Big Data Roadmap** highlighted here will be helpful in overcoming the confusion and intimidation surrounding Big Data, allowing those entering CPG or related industries to arrive prepared. The future is bright for those who can understand how to leverage Big Data and, ultimately, lead CPG manufacturers to a new era of unprecedented growth. ∎