Consumer products analytics
The three-minute guide
Don’t squint. Select the full-screen option to view at full size.
Why it matters now
Category captains are no longer enough. Retailers are looking for insight captains.

Traditionally, retailers looked to their consumer products (CP) partners to provide merchandising advice to increase sales. Where should a product be placed on the shelf? How should these products be priced? Which promotion is likely to attract customers?

Today, retailers expect much deeper insights from their manufacturers. They want detailed answers to questions that get very specific: “Where should sunscreen be displayed given the buying behaviors of Millennials in the Chicago metro area in July?”

In the future, there are likely to be fundamental shifts that CP companies will need to address. Many may rely less on point-of-sale data. Some may gain capabilities to anticipate events that could affect company performance. And some may leverage sensor technology to support an agile supply chain. Any of these could result in competitive advantage.

CP companies that are able to evolve and meet the needs of their consumers, employees, retail partners, and shareholders have an opportunity to help shape the industry if they move quickly.
Why consumer products analytics?
Upgrade from dabbling to embedding

Until recent years, the consumer products industry has been able to depend on the existing, relatively consistent data sources within their businesses because of a fairly linear pace of change. Today, there is exponential growth in digital innovation driving the need for a strong analytical foundation. Mobile and social technologies are transforming how people shop and buy. Consumers are generating a wealth of digital information for companies that know how to interpret these “signals.”

A handful of CP companies have leapt ahead of their competition by embedding an analytic culture within their organizations. They are using advanced predictive and prescriptive analytic models to shape decisions that span functional areas from marketing to supply chain to manufacturing. Others have clearly defined the decisions and KPIs that matter most to their businesses.

Many of these industry leaders are using new data sources to increase revenues and improve productivity. They track GPS data to deliver mobile coupons based on an individual consumer’s location and buying behaviors. They tap social media to gain insights into how and why customers choose and use products. And they are managing their supply chains based on anticipated demand indicators to become more responsive.
The benefits
Mine untapped data sources
While analysis of transactional data continues to provide valuable information, CP companies can also use data mining and advanced analytics to access new and emerging data sources as well as unstructured data—from social media, mobile payments, sensors, and more—to gain actionable insights even before a purchase is made.

Attract and retain consumers
Brand loyalty is no longer enough to retain today’s consumers. Their loyalty must be won by organizations that can provide highly personalized offerings based on what data says about individual preferences and purchase history.

Enhance retailer relationships
CP companies may create stronger bonds with their retail partners by providing them with actionable, highly specific consumer insights.

Enhance decision-making
Advanced analytics and data visualization can be used to help improve decision-making, providing access to insights and answers across the organization for the people who matter at the point of decision.
What to do now
Begin with the end in mind
CP leaders who stand to gain more value from analytics reimagine how people across their enterprises could access and use information to improve decision-making and achieve strategic goals.

Focus on questions first—then tools and talent
Analytics is about asking—and answering—smarter questions to get higher quality results. What questions should you be asking? What information is needed to answer these questions? Which tools can efficiently deliver the answers? What talent will be needed to make it happen?

Plant the seeds of an analytics culture
Start with a small pilot project—perhaps in supply chain or manufacturing—to demonstrate value and feasibility of adopting advanced analytics. Use these findings to gain support in other areas of the organization.

Have a plan
Understand how different projects may be executed by using similar data sets or talent, enabled by consistent governance and standards.
Time’s up
Enter the express line

Analytics isn’t a technology or a process so much as it is a commitment. Without the rigor, discipline, and focus that come from commitment, it’s just data. To explore how your organization could move forward with analytics, please contact us.

Contributors

Ben Stiller
Principal, Consumer Products Big Data, Analytics, and Disruption Lead
Deloitte Consulting LLP
bstiller@deloitte.com

Ben Shirley
Senior Manager
Deloitte Consulting LLP
bshirley@deloitte.com

Oliver Page
Senior Manager
Deloitte Consulting LLP
opage@deloitte.com

Contacts

Forrest Danson
Principal
US Leader, Deloitte Analytics
Deloitte Consulting LLP
fdanson@deloitte.com

Nick Gonnella
Partner
Deloitte Tax LLP
ngonnella@deloitte.com

Vivek Katyal
Principal
Deloitte & Touche LLP
vkatyal@deloitte.com

Greg Swinehart
Partner
Deloitte Financial Advisory Services LLP
gswinehart@deloitte.com
This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

As used in this document, “Deloitte” means Deloitte & Touche LLP, which provides audit and enterprise risk services; Deloitte Consulting LLP, which provides strategy, operations, technology, systems, outsourcing, and human capital consulting services; Deloitte Tax LLP, which provides tax services; Deloitte Financial Advisory Services LLP, which provides forensic, dispute, and other consulting services; and its affiliate, Deloitte Transactions and Business Analytics LLP, which provides a wide range of advisory and analytics services. Deloitte Transactions and Business Analytics LLP and Deloitte Consulting LLP are not certified public accounting firms. These entities are separate subsidiaries of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2015 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited