



**Fusing Digital and  
Trade Strategies  
to Drive  
Mutual Growth**

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***“Taking your TPM TPO  
and Advanced Analytics  
Capabilities to the Next Level”***

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## **Converting Data Into Wisdom**

### **What to Know Now to Thrive in a Changing World**

**RICK DAVIS, VICE PRESIDENT,  
GLOBAL LEAD**

**OFFICE OF DATA ACQUISITION  
& GOVERNANCE**

**KELLOGG COMPANY**

# Kellogg's

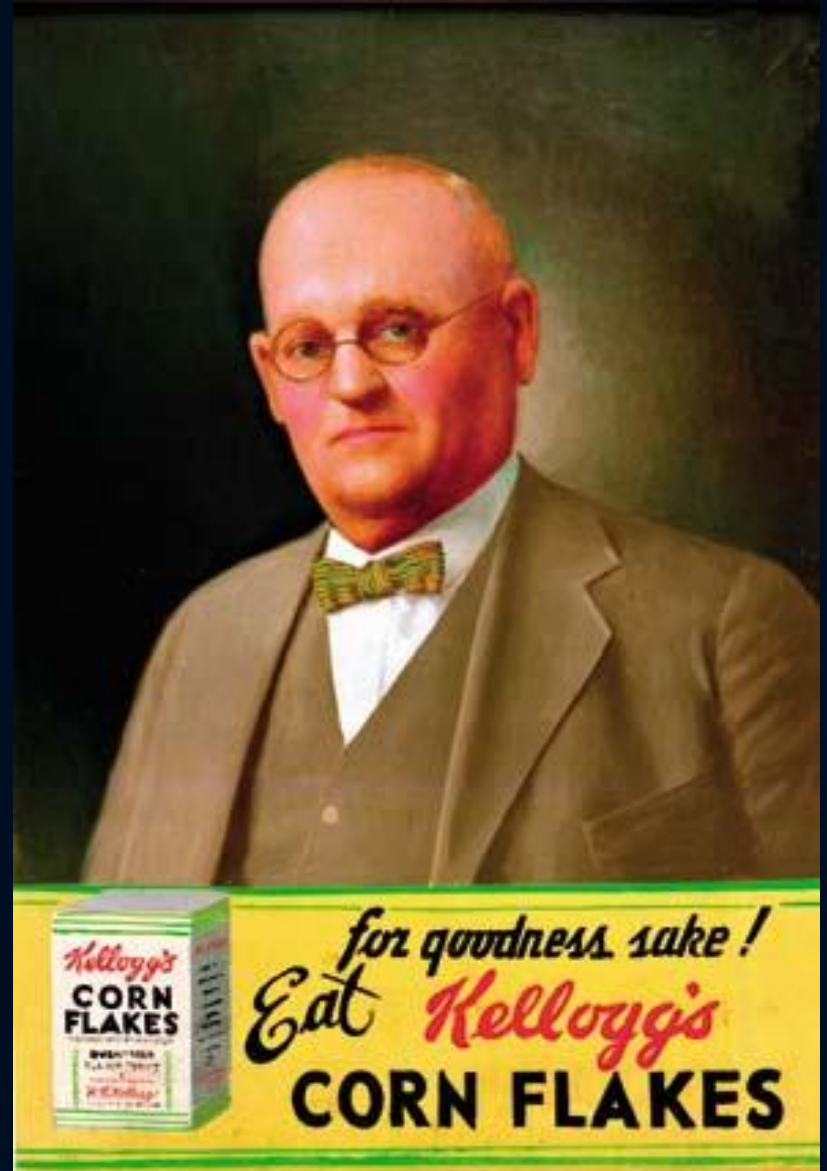
W K Kellogg – Founder –  
February 19, 1906  
Battle Creek, Michigan

Kellogg Still Globally Known as  
a Cereal Company

His Signature is Still the  
Company Logo

W K Kellogg Was a Brilliant  
Business Man

Growth Through Brand Building  
– Marketing, Innovation, and  
Acquisition





We've weathered several periods when times weren't so good, and so I don't think we'll cancel our advertising now. In fact, we might even increase it.

Will Keith Kellogg

@atofelancy



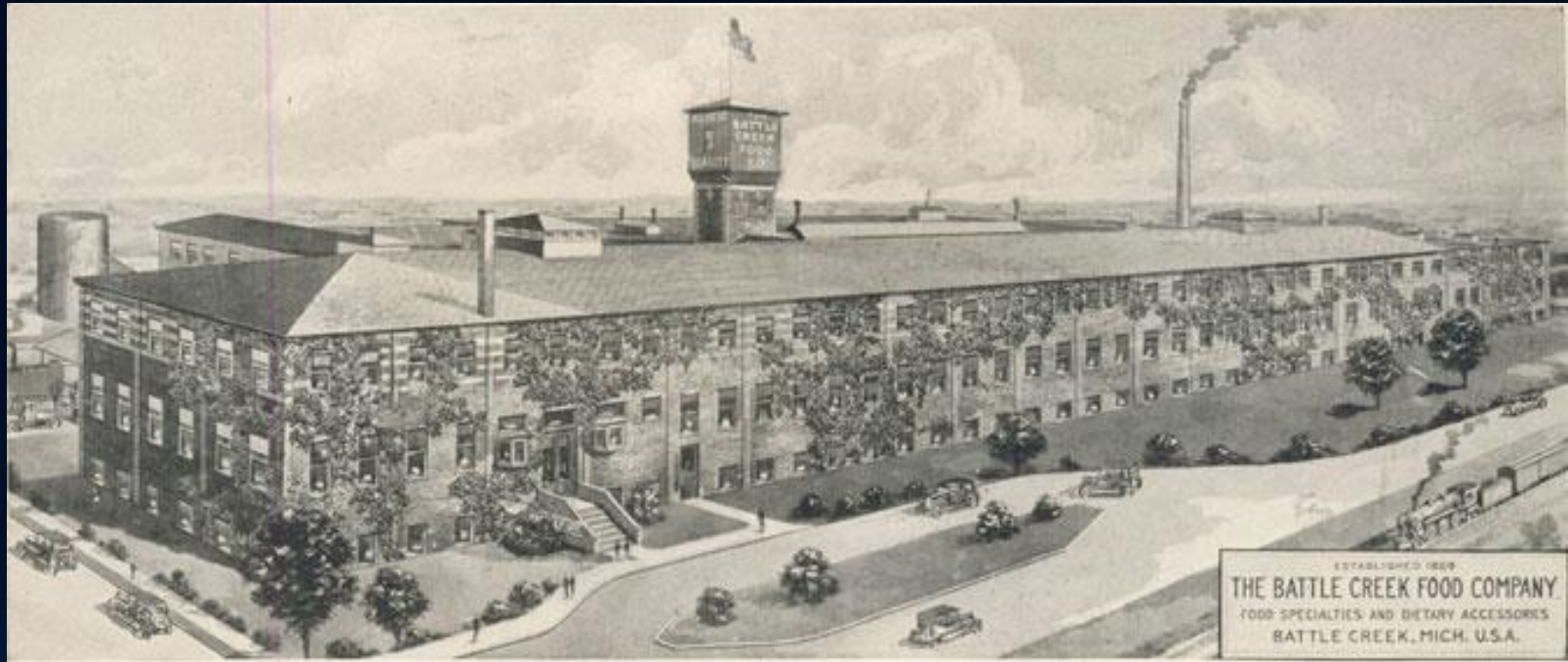
Kellogg's original inventor of the cereal.



A Brilliant Marketer

Increased His Advertising Budget During the Great Depression

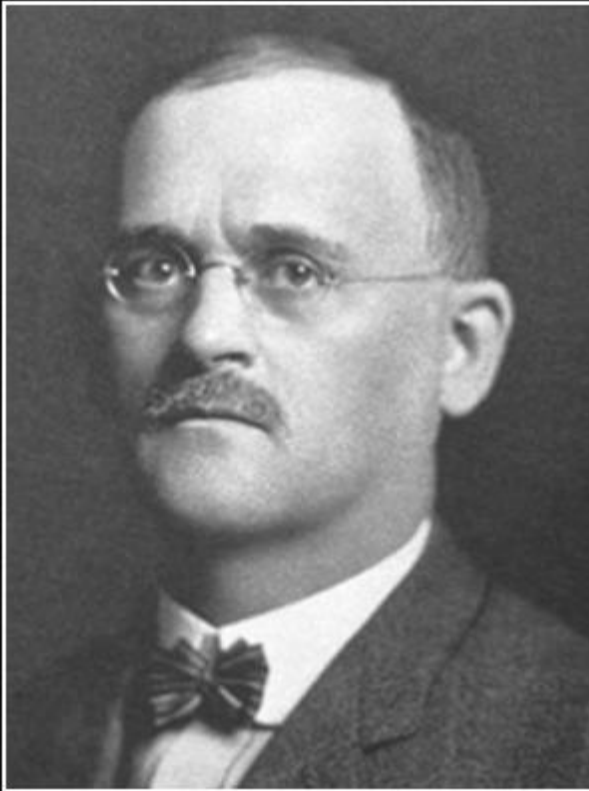




He Understood  
Manufacturing  
And He Understood  
Scale

Expanded Globally  
Very Early





I'll invest my money in people.

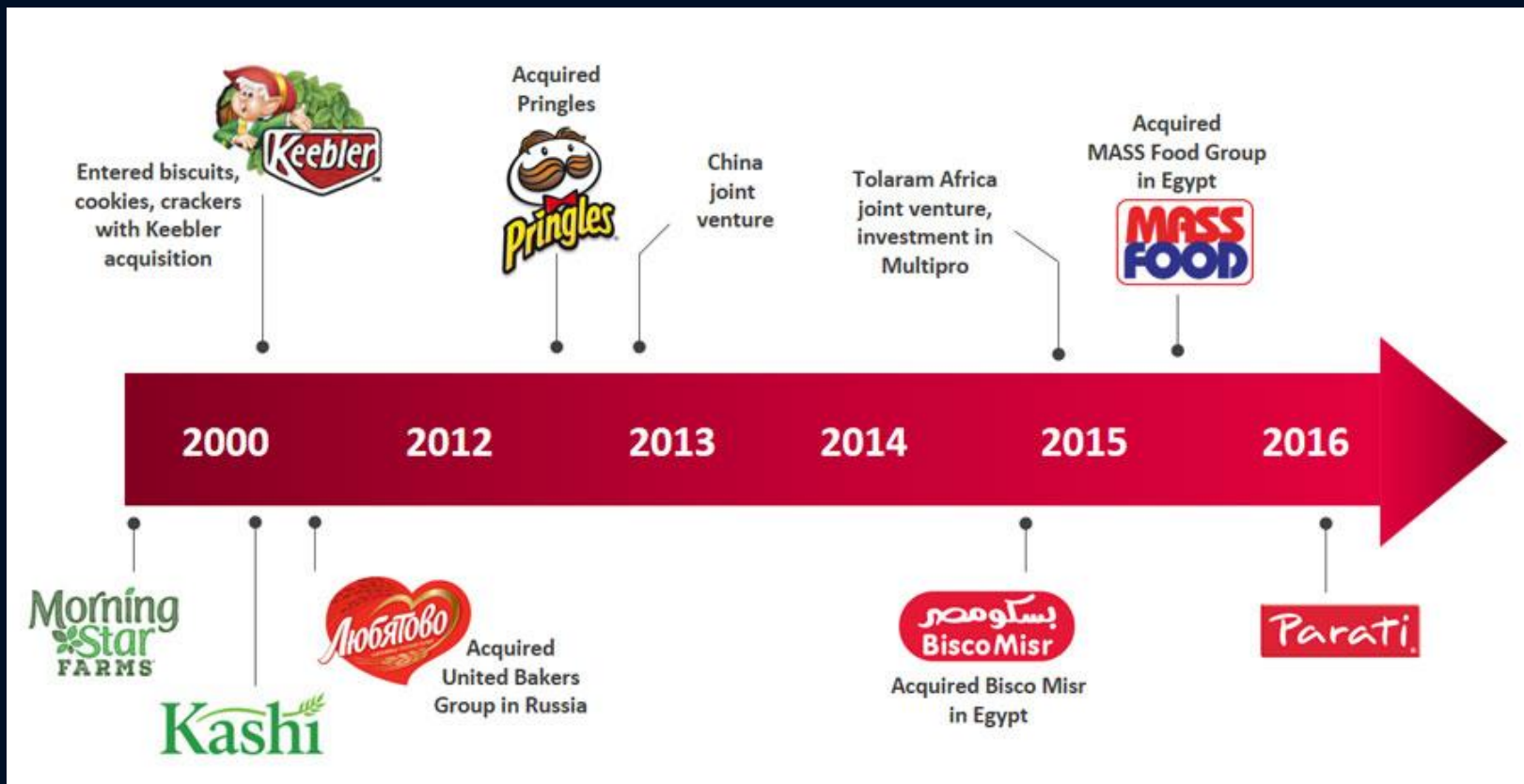
— *Will Keith Kellogg* —

AZ QUOTES



*Kellogg's*  
GROW WITH US

# Kellogg Recent Acquisitions







# Kellogg's®

- Consumer Packaged Goods - Food
- ~ \$ 15 Billion in Revenue
- Global Company
  - Regional Operations
- 30,000+ Distinguished Associates
- 16 Food Categories
- Have Paid 368 Dividends Since 1925



Today Is Different.....

The World Has Been  
Changing

While We Were Busy  
Focusing on Today....

# The Three Great Revolutions of Modern Times

Industrial Revolution

Technology Revolution

YOU ARE HERE → Digital Revolution



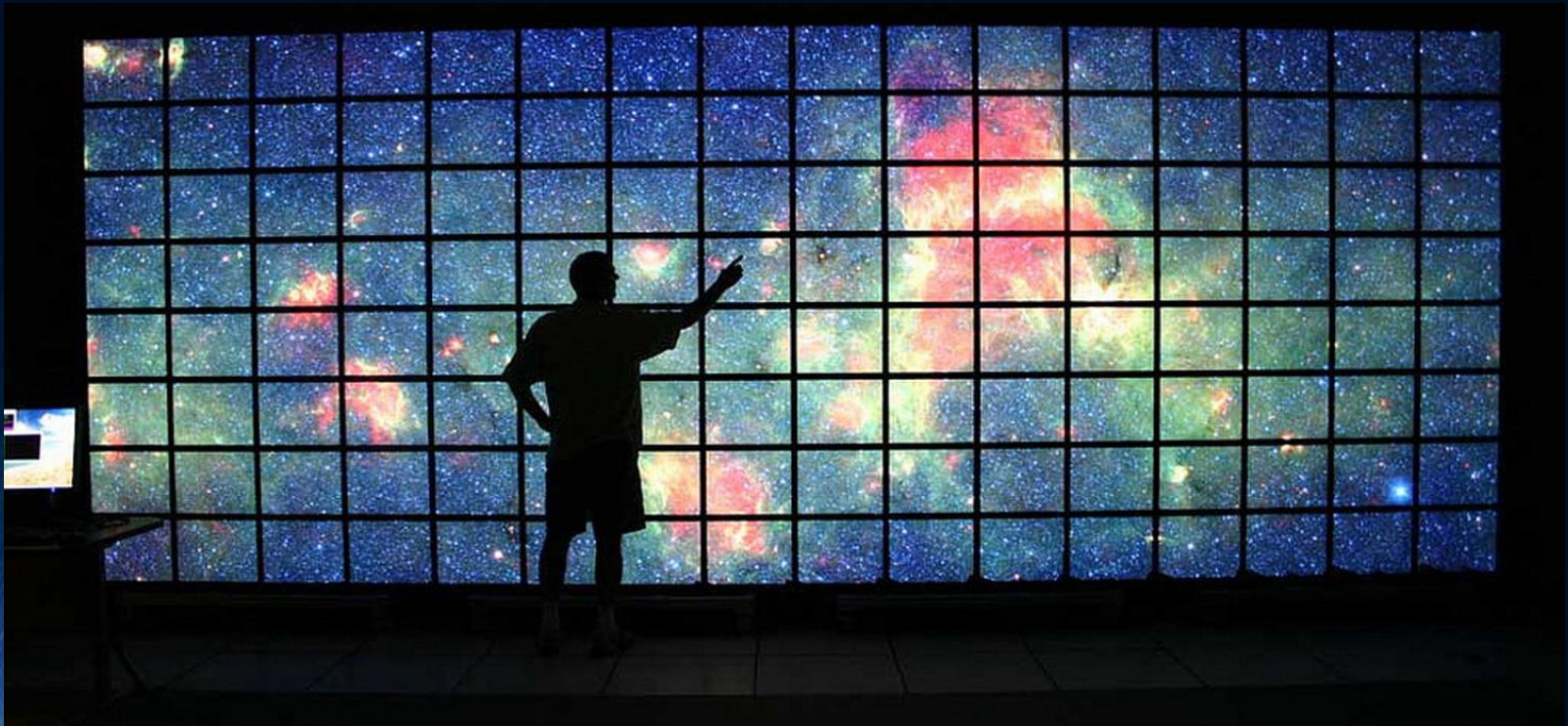


## What is the Digital Revolution?

The Convergence of Massive Quantities of Data, Acceleration of Technology, Mobility – Ubiquity, Resulting in an Information Explosion and Unprecedented Transparency



# Data Is Running the World.....



And it has been doing it far longer than we realized

The Transparency, the Massive  
Acceleration of Change, The  
Availability of Information,

It is Disruptive and the  
Old Rules Don't Apply





The Old Rules Are Being Challenged:

***Scale***

***Advertise and They Will Buy***

***1 Up – 1 Down is Good Enough***

***ROI Rules the Day***

***And Yes..... Trade Promotion***

# Scale



The Trend Toward Individual and Unique Offerings Has Significantly Diminished Scale....

# *Advertise and They Will Buy*



Scale in Advertising Has Been Affected  
Too, Where, When, How Personal.....



# *1 Up – 1 Down is Good Enough*



There is a Duty to Know....

## *ROI Rules the Day*

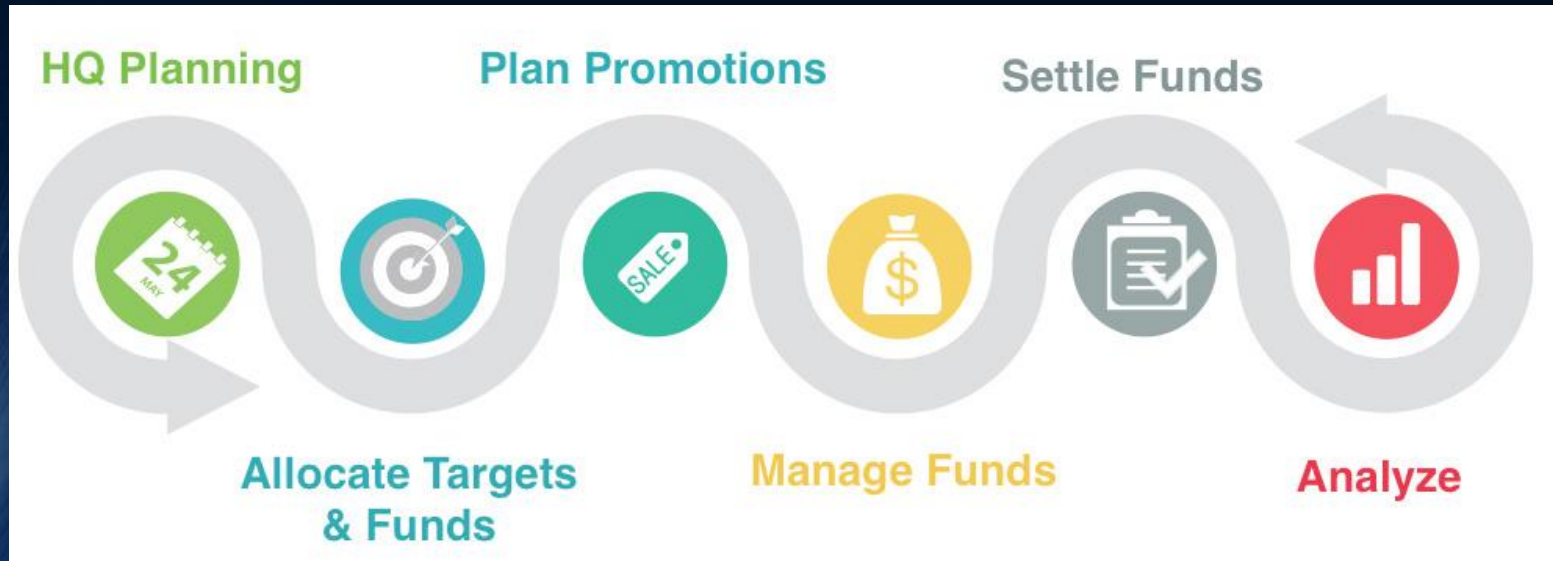


You Have to Place a Few Bets, If You  
Spend a Week Working Up the Business  
Case to Predict the ROI...  
You Are Probably Too Late!

# Trade Promotion Management

## 6 Primary Ingredients!

Customer, product, timing  
Merchandising, volume/lift, investment



## Where is the Consumer?



What got you here.....



Won't get you there!

When Nokia Was Acquired by  
Microsoft, Their CEO, Stephen Elop,  
Ended His Speech by Saying:



“We didn’t do anything wrong, but  
somehow we lost.....”

# Leaders Trained & Groomed Under a Different Set of Rules





# Is Your Company or Product Trying to Be Better.....

## Imagine This Conversation:

*The upholstery should be leather....*

*Let's make it available in more colors....*

*What if we tinted the windows....*

*Let's shorten the order lead time....*

*How about a rebate....*



The  
Stagecoach  
would still be a  
Stagecoach!

Winners Today Are the Disruptors

World's Largest Taxi Company Owns  
No Taxis!

Uber

World's Most Popular Media Owner  
Creates No Content!

Facebook

World's Largest Accommodation  
Provider Owns No Real Estate!

Air BNB

Largest Phone Companies Own No  
Telecom Infrastructure!

Skype, WeChat

World's Most Valuable Retailer Has No  
Inventory!

Alibaba

Fastest Growing Banks Have NO  
Actual Money!

SocietyOne, Atom Bank

The World's Largest Movie House  
Owns No Cinemas!

Netflix



ALL-NEW  
**amazon**dash

Say it. Scan it.  
It's in your cart.



And How Could  
We Forget  
This.....

Disruption

IS

All Around You



THIS IS A VERY  
UNCOMFORTABLE  
PLACE...

So Companies Today are Caught in  
a Tough Place.....

Chasing Margin, Desiring Growth,

Playing It Safe!

We Have to Embrace Change  
and  
Aggressively Find Our Way Forward



In Our Industry.....

Consumer's Don't Believe  
Everything You Tell Them,  
And..... They Are All Special  
And..... They are Informed

## How Consumers Are Using Their Smartphones In Stores

**42%** of in-store consumers  
conduct research online while in stores using:



**64%**  
Search engines



**46%**  
Retailer's site/app



**30%**  
A different  
retailer's site/app



**26%**  
Another type of  
site/app (e.g.,  
coupon review)

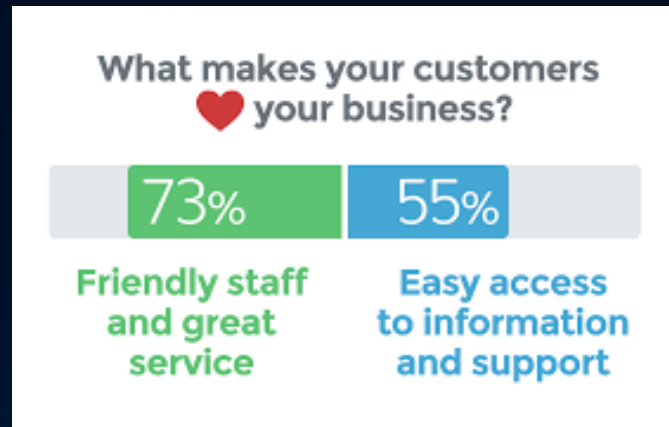
# What is your Strategy?

**Product comes first.**

**If people love your product,  
the tiniest announcements will  
get attention. If people don't love  
your product, no amount  
of marketing effort will help.**

## Winners Are Consumer Centric!

# Consumer/Customer First



## SERVICE

## PRICE



### Pick One!



*Here is the Great Irony....*

**The Company You Work For  
Probably Started as a  
Disruptor!**

**But Complacency is the Enemy  
of Success**

# *How Do We Break This Cycle....*

*We Innovate!*

**4 Forms of Innovation**

**Product  
Customer Experience  
Operational  
Business Model**

# *Leverage the Data at Our Disposal Break Down Silos and Embed*

## DATA SCIENCE & ANALYTICS

The Intersection of  
Data, Technology, &  
People to  
Yield Insights



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**"What very few people understand is that the most important skills in analytics are not technical skills at all. They're thinking skills."**



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**Florian Zettelmeyer**  
Professor of Marketing, Kellogg School of Management  
in Kellogg Magazine Spring/Summer 2014





Data Science: Intersection of  
Data, Technology, & People to  
Yield Insights

But Organizations Cannot Arm Themselves  
With an Army of Data Scientists.....



The Analytics Mindset Has to be  
Ubiquitous in the Organization



We Cannot Execute Our Way Out of the  
Challenge This New World Brings.....

We Have to Think Our Way Out Of It!

Intellectual Curiosity

Statistics – Math Skills

Economics / Business

Technical Skills





*Big Picture Thinking ....*

*But Also the Ability to Connect Seemingly  
Unrelated Objects – Understand the Detail*

*Fit a Square Peg Into a Round Hole*

*Ask Excellent Questions*

*Take Risk*

*Explore, Unbound by Bias*

# The Demand for These Skills Will Grow Exponentially!



The Demand for Deep Analytical Talent in the United States Could be 50 to 60 Percent Greater than It's Projected Supply by 2018!

# What is Next?





Data Will Continue to Grow Exponentially

IOT, Autonomous Transportation

Customers/Consumers Will Become More Informed – Expectations Will Be Great

Analytics Talent Will Be In Short Supply

Capability Will Allow More Granularity and Detail Analysis Than Ever Before

Artificial Intelligence is Here....



# Summary

*What Got You Here, Will Not Get You There*

*Leaders Need Our Help – Speak Up*

*Don't Fall Into the CI Trap*

*Better to be a Disruptor, Than Disrupted*

*Leverage the 4 Forms of Innovation*

*Think Our Way Forward*

*The World Will Change Faster Over the  
Next 10 Years Than it did the Last 10*

Thank You!

