

# Collaborative Marketing Driven by Advanced Analytics Summit

Ensuring Your Successful TPM-TPO  
Retail Execution Journey



## Is Your Data Ready for Business-Changing Trade Analytics?



# Agenda



**Introduction**



**Data Today**



**State of CPG Trade Data**



**Data Quality & Analytics Methodology**



**CPG Business Process & Decision-making**

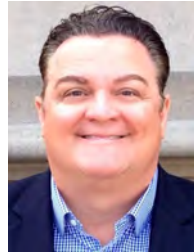


**Wrap Up/Q&A**



## Introduction – Speaker Bios

**Daniel Maxwell**



### **Global Director, Client Development, CPG Practice**

- Saama's CPG industry lead, develops/leads CPG client base
- Both CPG industry and CPG/Retail-facing technology-
- DemandTec (IBM), Sequoya, MEI (AFS), CAS
- Sales management, trade marketing, category management for companies like Gillette, Borden, Helene Curtis

**Steven Barkin**



### **Director of Business Consulting**

- Leading Saama's Business Program Management Practice
- 20+ years of experience managing client engagements and leading corporate analytics / Business Intelligence teams
- Decision Focus, Charles Schwab & Co., PayPal



## About Saama

- Data & advanced analytics solutions company since 1997
- Multi-vertical solutions – High Tech, Insurance, Life Science/Pharma, CPG
- Data scientists, “Big Data” engineers, consultants drive advanced analytics with business insights ... Transitioned from Services to Unique, Hybrid Solution
- Global – offices in San Jose, Phoenix, Columbus, London, Basel, & Pune



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# Data Today ... and Tomorrow

***“Data is the new oil!”*** Clive Humby, dunnhumby ...

***“Data is the new oil? No: Data is the new soil.”*** David McCandless



## Data Today ... in Your Life

### Email

- Multiple accounts?
- 100-150 emails day ... and growing?
- Know more and more ... and more ... tailored just for you?

### Social sites

### Shopping

### Dining

### Entertainment







## Data Today

*“Regardless of what you do professionally,  
our world is becoming flooded with data-  
the more we use it,  
the more we depend on it,  
the more we seem to generate it”*

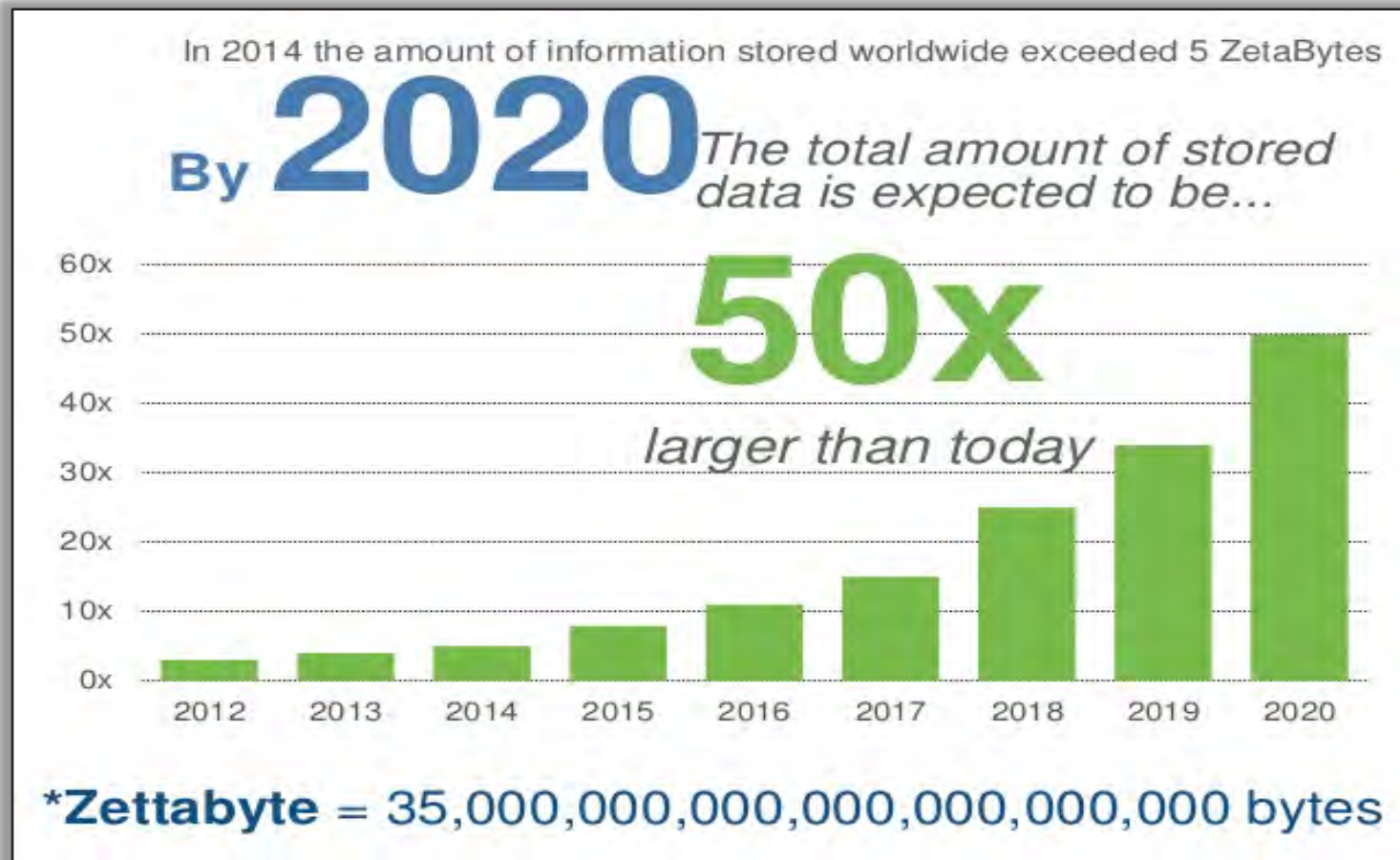
Chris Surdak, Author, Data Crush

*4.5 billion people owned a mobile phone...  
4.2 billion people owned a toothbrush*





# Data Explosion ... Today ... and “Tomorrow”



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## Overwhelming Data?









*“Without big data analytics,  
companies are blind and deaf ...  
like deer in the middle of a freeway”*



Geoffrey Moore, Author, Crossing the Chasm & Inside the Tornado







# What is Big Data?

*"Big data is a term for data sets that are so large or complex that traditional data processing applications are inadequate.*

*Challenges include analysis, capture, data curation, search, sharing, storage, transfer, visualization, querying and information privacy.*

*The term often refers simply to the use of predictive analytics or certain other advanced methods to extract value from data, and seldom to a particular size of data set.*

*Accuracy in big data may lead to more confident decision making, and better decisions can result in greater operational efficiency, cost reduction and reduced risk."*

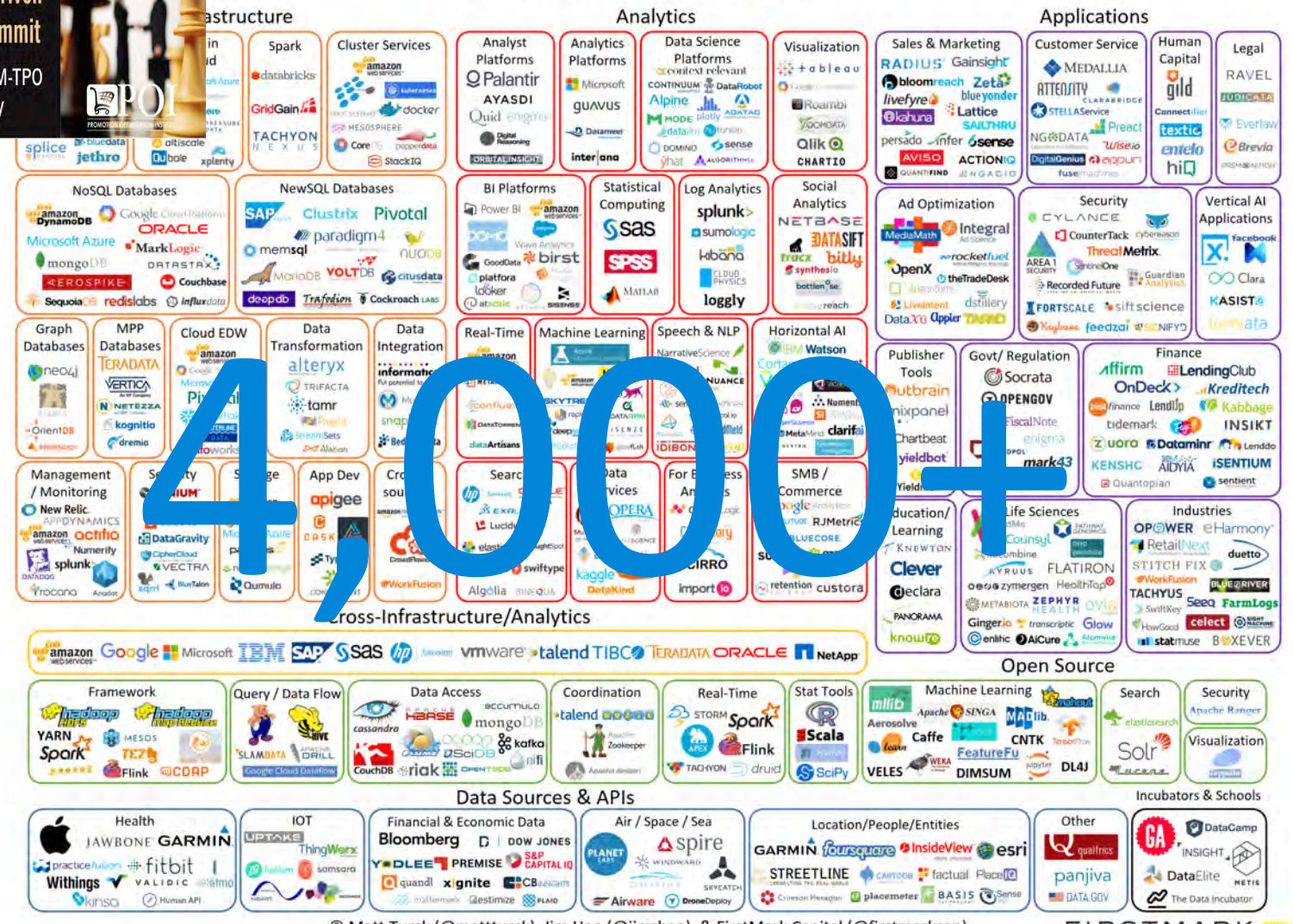
*Source- Wikipedia, April 8, 2016*



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# Big Data Landscape 2016



© Matt Turck (@matrturck), Jim Hao (@jimhao), & FirstMark Capital (@firstmarkcap)

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# So Now What?





# Old Ways ... or ... New? A Musical Analogy

Old Methods are Limited



thepodcasterstudio.com

Newer Methods Offer Great Opportunity



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## “Unrealized” Data & Analytics





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# “Realized” Data & Analytics



# Data for CPG Trade

*“In God we trust. All others must bring data.” –*

W. Edwards Deming, statistician, professor, author, lecturer, and consultant

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## New POI Whitepaper



Promotion Optimization Institute, LLC

# Four Critical Capabilities for Improving Promotional Outcomes



## CPG Data/Analytics Stats ... Same Old Story?

“Only 21% of manufacturers are satisfied with their ability to manage trade promotions”

“Only 4% of CPGs disagree that they have challenges moving capabilities from transactional to being more analytical”





## CPG Data & Analytics Stats; Not ... the Same Old Story?

100% stated the “ability of analytics to show an aspect of the business in an insightful way or KPI?” is important” ... while ...  
95% stated “appeal of data visualization or graphical representation” is important.

31% has “trade promotion optimization (TPO), which is to say, the use of predictive models to determine promotional outcomes, in the hands of your field users today.”







# CPG data sources – Wealth of Potential ... & Challenges

## Traditional Data Sources

- Syndicated
- POS
- Shipments
- Spending

## Re-purposed Data Sources

- Panel
- COGs
- Weather

## Emerging

- Crowd-sourced
  - Panel
  - Retail Conditions
- Digital Promo Test
- Social Listening
- Social Sentiment



# Data Quality & Comprehensiveness

*“If we have data, let’s look at data. If all we have are opinions, let’s go with mine.”*

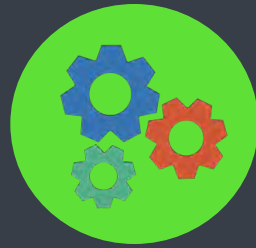
Jim Barksdale, former Netscape CEO



## Data Stages



Acquisition



Integration



Storage



Analytics



Decisions



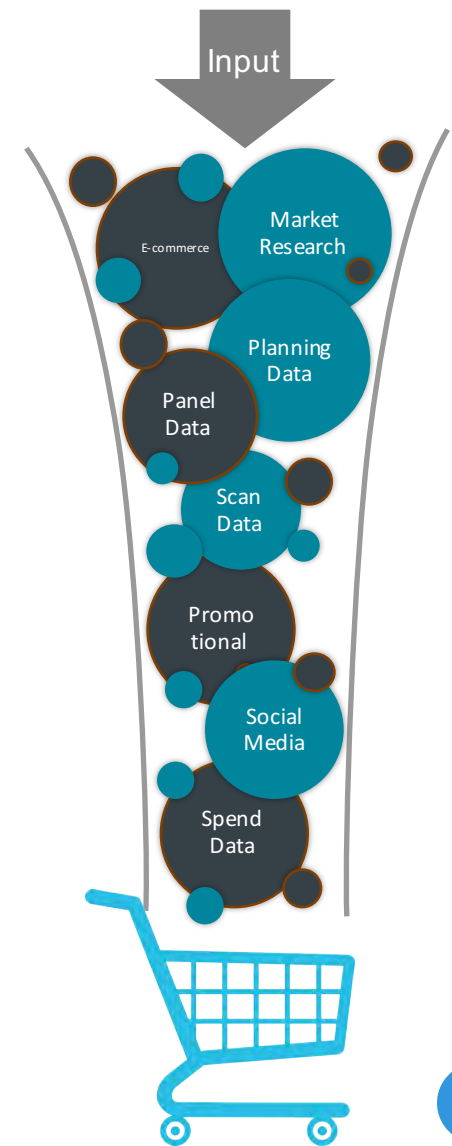
## Data Acquisition ... Getting the Right Data

### Quality

- Expectations of upstream data providers
- Missing, erroneous, incomplete, inconsistent values
- Master data management

### Coverage

- Advanced data – In-store experience data, clicks and mortar
- Promotional tactics
- Financial characteristics, other “qualitative attributes”
- Manufacturer and Retailer tactic, Geography, Weather, Execution quality





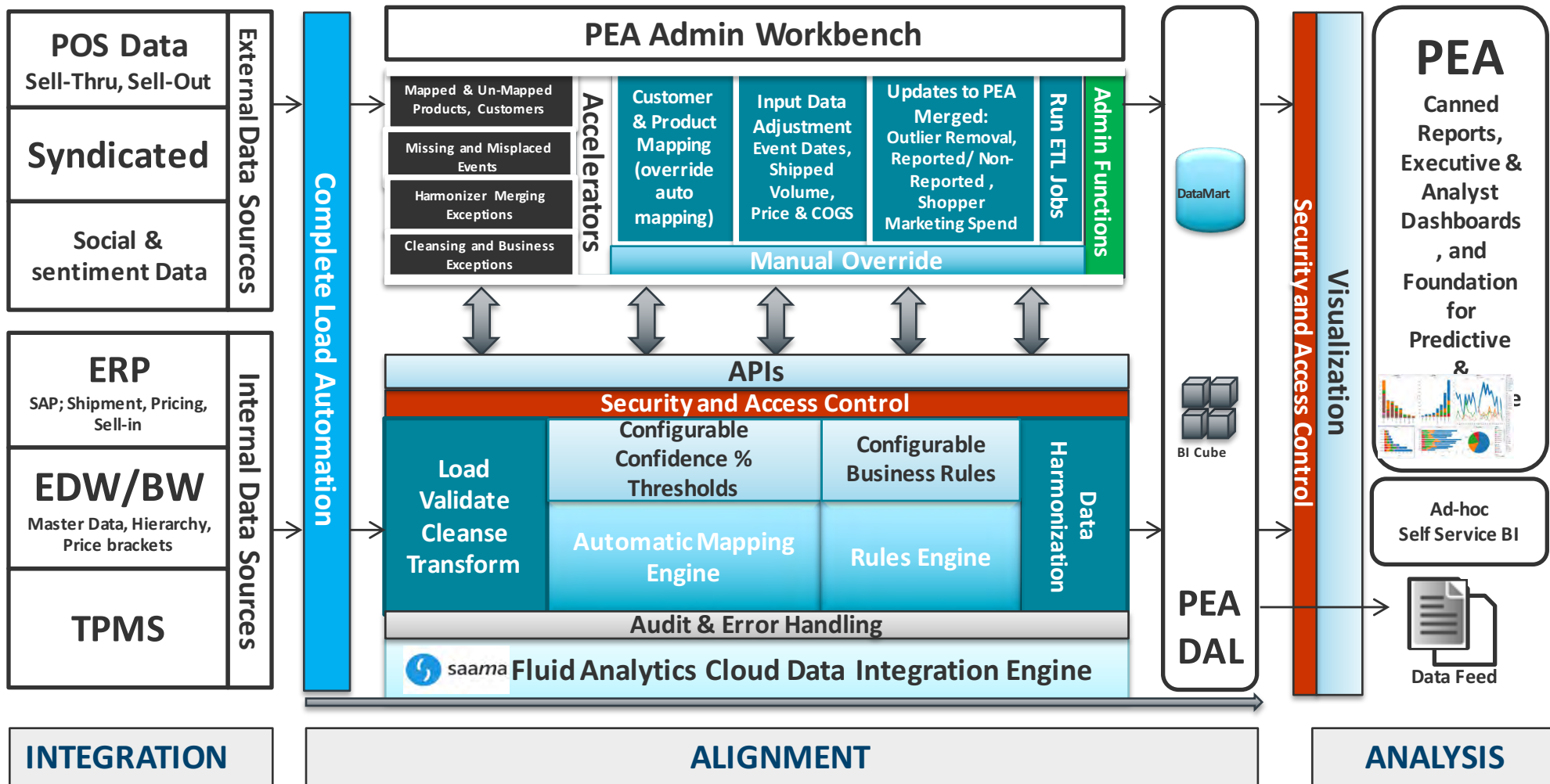
# Data Integration/Workflow Automation

Harmonized Data (customer identifiers, product identifiers, event identifiers, time)





# Data Architecture





## Data Storage and Access





# Data Storage and Access



Flexible  
Extensible  
Navigable  
Performant



Security  
Automation



Syndicated  
Structured  
Unstructured  
data



API  
facilitating  
downstream  
access and  
usage





# Analytics Methodology / Data Exploration

*“If your analysis findings aren’t capturing your audience’s attention,  
you either have the wrong numbers or the wrong audience”*

Brent Dykes, Author of Web Analytics Action Hero



# Analytical Methodology



## Descriptive Analytics

- Effectiveness and efficiency of promotional events
- Effectiveness and efficiency of EDLP spend
- Drill-down based on customer, product and event hierarchies



## Diagnostic Analytics

- Under performing and over performing customers, products, deal structures, promotional tactics, times of year etc.
- Link between Strategic Pricing and Promotional Strategy
- Financial Driver Analysis



## Predictive Analytics / Test and Learn

- Structured variety of Data
- Different price levels, confounding factors
- What-if Analysis based on predictive Models



## Advanced Analytics

- Cannibalization of sales of other products vs. truly incremental sales
- Retailer forward buy / Pantry Loading
- The right baselines (“What would have been”, “business as usual forecast”, etc.)

# Business Process / Decision Making Coherence

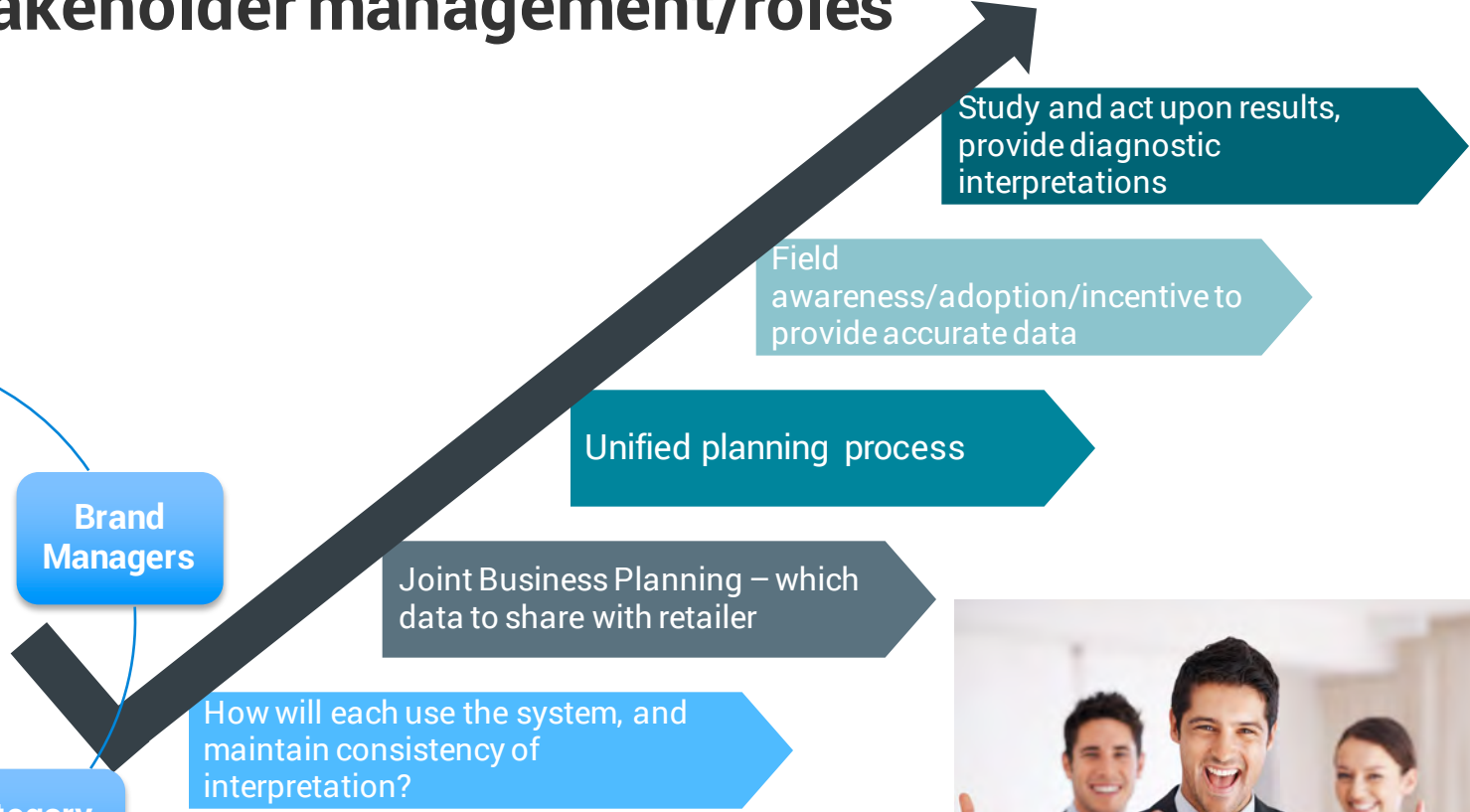
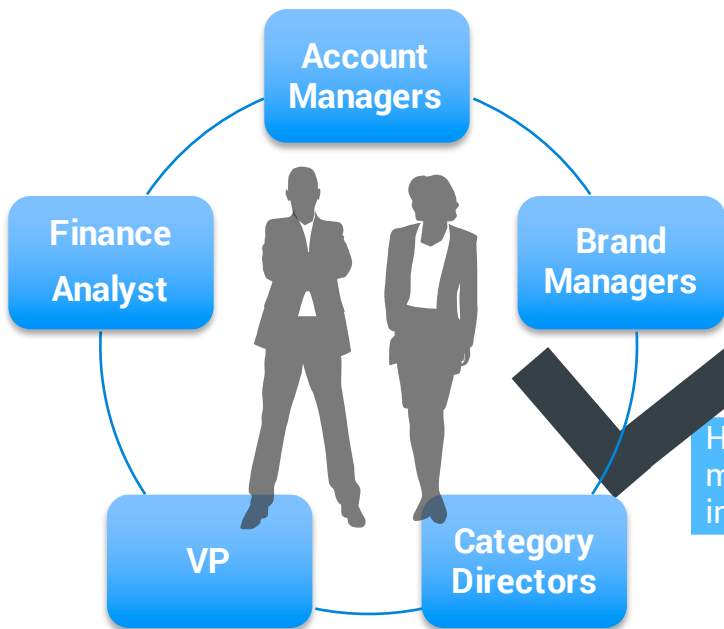
***“The temptation to form premature theories upon insufficient data is the bane of our profession.”***

Sherlock Holmes, fictional detective





# Stakeholder management/roles





# Drive strategic agreement on business objective(s)





## Decisions Supported



**Change Promotional Tactics**

**Shift spend among Products,  
Categories & Brands**

**Shift spend among Retailers**

**Identify & Expand best  
Practices**



**Reduce / Eliminate unprofitable  
Spend**

**Increase Retailer Alignment**

**Quarterly / Annual Planning  
Process**

**Quarterly / Annual Planning  
Budgets**

**Wrap Up**



## CPG ... State of the Data

- Overwhelming & Challenging
- Exciting opportunity
- Data Foundation & Methods ... Critical
- Game Changing?
- Beware ... the Tipping Point(s)





# Inability to effectively manage promotions, and benefit from them, stems from four key factors:

## 1. Complexity

- Amount of resources/time required to analyze volume of trade promotions, given current systems, is unsustainable

## 2. Fidelity:

- The fidelity of financial metrics within trade promotion analytics are highly suspect; end users trust output

## 3. Data utilization:

- Much of the data that might help better inform trade analytics does not end up being used for analytics due to the difficulty in collecting, normalizing, and analyzing it

## 4. Data overload:

- Increasingly more data is being collected each day, but most of it is not being utilized.
- If anything, it tends to further cloak the problem because of the lack of resources and inability to get to the data that is most relevant.





## 4 Key Capabilities Required for CPG Data & Analytics Excellence

- 1) Pre-built Analytics
- 2) Utilizing Advanced Modeling and Data Science
- 3) Merging Disparate Data
- 4) Expertise for Data Enrichment and Cleansing





## Key Questions You Should Ask Yourself and Your Company

- Where are you now?
- Where should you be now?
- Where do you need to be pointed at?
- How do you figure all this out?
- Win ... or Lose?



*"I skate to where the puck is going to be, not where it has been"*



"After careful consideration of all 437 charts, graphs, and metrics, I've decided to throw up my hands, hit the liquor store, and get snocked. Who's with me?!"



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**April 10-12, 2016**

Intercontinental Hotel, Chicago



**Questions?**



**saama**  
*analytics advantage*

***THANK YOU!***