

Digilytics: Harnessing your data assets for business gain



What is Digilytics?

Digilytics is the organisational capability to harness data, generated internally and externally, to improve revenue and efficiency.

Traditionally, capability development focuses on improving planning and control within organisations. Digilytics, on the other hand, leverages significant improvements in the ability to generate, capture, store and analyse data, and focuses on co-relating data generated in different parts of the organisation, to make serendipity repeatable. It creates an enterprise-wide capability to act on rigorous insights generated in near real time.

Organisations that inject analyses of data into their operations are 5-6% more productive and profitable than their peers. Digilytics helps your organisation leverage this opportunity by building the capability to harness best use of your data assets.

What drives revenue growth in CPG companies?

The key drivers of revenue growth in the CPG sector are based mainly on consumer retention, loyalty building and consumer acquisition from competitors or new consumers.

One of the key influencers of consumer attitude and behaviour, which leads to increased retention, loyalty and acquisition, is the marketing mix activity.

Digilytics was introduced in a global beverage manufacturing company. The use of Digilytics improved the company's understanding of the impact of cannibalisation within its business significantly, leading to over \$12 million saved in annual inventory costs in a single region.

Amazon reported 35% of its sales came from cross-sells. Its introduction of 'Customers who bought this item also bought' and 'Frequently bought together' is nothing short of cross-selling genius.

Consumer and marketplace insights drive the understanding of consumers, competitors and marketing activities, which form the basis of revenue planning and strategy implementation. This is one of the areas that significantly benefits from leveraging Digilytics.

How can Digilytics help?

Digilytics helps deliver holistic insights, improves return on investment of marketing activities and saves costs on insight-generation activity.

How does it do that? For a start, by inter-linking data generated from various sources such as retail audit data, consumption panel data, brand equity data and advertising tracking data, which tend to remain in silos. As a second step, Digilytics extends the co-relation to data generated externally, such as macro-economic data, weather and social trends data. New insights are then derived to answer key questions such as:

A major European retailer was able to improve sales forecast accuracy for over 5,000 product categories at over 3,000 stores by improving co-relation in near real-time between weather patterns, holidays and promotions.

- Which segment is driving sales and consumption growth?
- Which measures of brand equity are best indicators of retail sales/usage?
- Which innovation or retail activity makes the most impact on consumer moments?
- Which consumer moments impact brand equity the most?

What can CPG companies do?

Business practices within CPG organisations need to focus on Digilytics.

Seventy-five per cent of companies surveyed globally say they will increase investments in data analytics within the next year!

- Business leaders need to rely on rigorous data analysis as well as their intuition and organisational experience.
- Organisations need to break down silos of data and analytics in a way that can survive organisation structures and multiple re-drawing of boundaries.
- Insights are frequently detailed and technical, and need to be translated into executive mandates for action.
- Organisations need to invest in, upgrade to and leverage the latest advances in technology, to shift from enabling planning and control to enabling Digilytics.
- Organisations need to set up centres for upgrading and re-purposing Digilytics talent that is often fragmented, so as to make use of the newest developments in analytical techniques.

Digilytics Transformation Framework

This framework allows organisations to take a structured approach to developing an enterprise-wide Digilytics capability and improving business performance.

Digilytics Transformation is based on the core principles of:

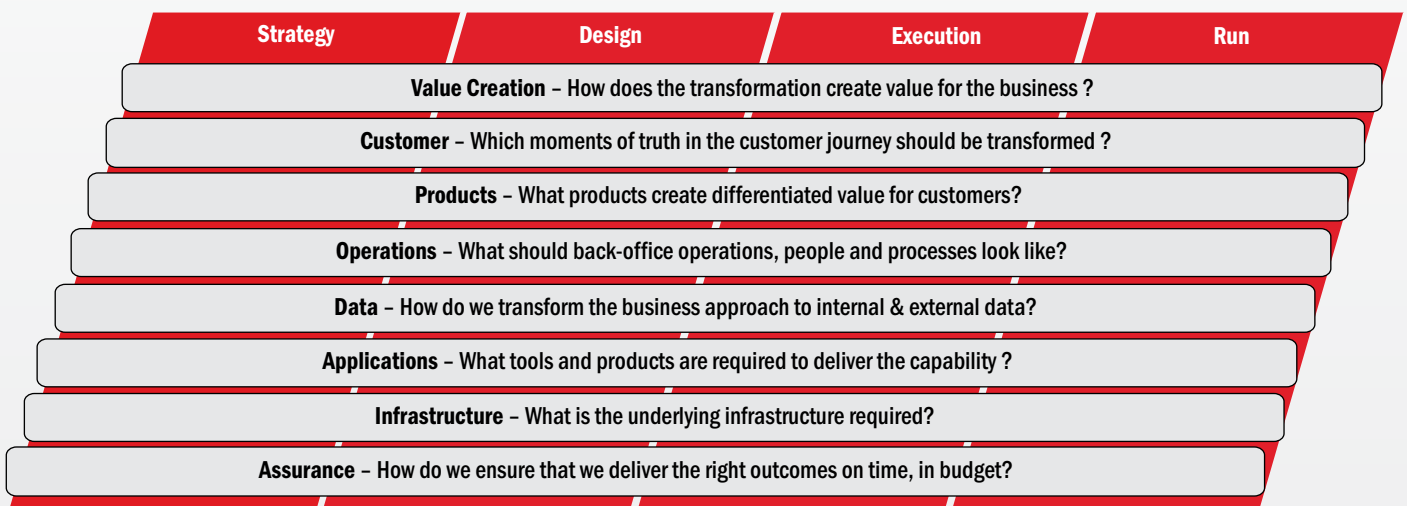
1. Establishing a clear link between Digilytics and business gains.
2. Establishing leadership vision and generating leadership momentum around Digilytics.

P&G has announced a four-fold increase in its analytics workforce, making a fundamental shift in the way it uses information and data.

3. Working around organisational structures and processes, to harness data across silos.
4. Leveraging recent advances in Digilytics technology, to underpin Digilytics capability.
5. Upgrading and re-purposing Digilytics talent to leverage latest analytical techniques.

Towards transformation through Digilytics

Baselining where you are on the Digilytics maturity curve and establishing a vision for Digilytics are, typically, sound ways to begin. Identifying quick wins through which Digilytics can deliver near-term business gains helps build momentum.



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