GUIDE TO:
GROWING CPG SALES
BY LEVERAGING DATA:
THREE SIMPLE WAYS

INSIDE YOU’LL FIND OUT:
- Why it’s crucial to have a 360° view of business performance
- How to use data to launch more effective and efficient promotions
- Which types of data can help a company be more responsive to consumer trends
Leading CPG companies leverage many sources of data to enable account teams, brand and marketing teams, as well as consumer insights analysts with a more comprehensive view of what’s happening in the market around them.

**INTRODUCTION**

As a CPG professional, you are constantly challenged to drive incremental sales, better promote your products and category to targeted consumers, and drive stronger relationships with your retail partners so they come to view you as a source of insights, growth, and category captainship.

When done effectively, having a full picture of their business - and of the market - allows CPG companies to drive incremental sales. They can unlock the power of their brands with the strategies that make the most sense for each channel and market level, while reaching and engaging the right consumers.

**Too Much Data, Not Enough Insight**

The challenge faced by many CPG companies, however, is that they have a lot of data but are not always able to fully leverage it all. The data sets at their disposal include enterprise, POS, shipment, inventory, loyalty, panel, ecommerce, and even weather or census data. It’s all organized differently, comes into different parts of the organization, and often remains in silos. Aside from the challenge of unifying all this data to provide a truly complete picture of the business and the market, the opportunity for CPG companies lies in being able to turn data into insightful nuggets that can drive growth.

Many CPG professionals fall short of taking advantage of this opportunity. Instead, they rely on what they know best, taking a chance that what has worked in the past will continue to work into the future.

**Gaining an Edge Using Data**

But leading CPGs are beginning to take chance out of the equation. Rather than conducting “business as usual” when it comes to many key decisions, they are tapping into powerful, unified views across their enterprise, retailers and the market, gaining an edge in a dynamic retail landscape.

Within these organizations, account teams, brand and marketing teams, as well as consumer insights analysts are benefiting from a more comprehensive view of what’s happening in the market around them, and how they can partner with retailers on initiatives that grow the business for all.

Three of the key areas where a unified view of data is helping CPG companies grow their lead in the marketplace include:

1. **Gaining a 360° view of business performance**
2. **Getting more out of marketing and promotional efforts**
3. **Being nimble and responsive to consumer-driven trends**

The opportunity for CPG companies lies in being able to turn data into insightful nuggets that can drive growth.
1. GAINING A 360° VIEW OF BUSINESS PERFORMANCE

If you’re like most CPG professionals, you have a very good understanding of your own historical sales data. You know, for instance, exactly how many units of any given UPC you’ve shipped to your retail partners. The resultant revenue from these shipments is, of course, your company’s most direct measure of your brand’s success.

In terms of decision-making, however, your shipped sales are only a summary-level lagging indicator. Even if you have visibility into which item sold at which retailer, it is a whole other ballgame to try to understand whether key household segments bought that item – unless you have direct consumer data on specific transactions. You could get such information from shopper card data if you have access to it. But much of the time, this isn’t readily available at a large enough scale to drive your business accordingly.

EXAMPLE: SEEING BEYOND YOUR FOUR WALLS

To understand what’s truly happening with the consumer experience, you need to bring in data from outside your four walls.

Suppose you’re a national manufacturer of healthy snack foods. You want to analyze POS data against a national consumer panel that has merchant-level information — down to the date and time of purchase, by line item. You might then want to use that POS data, matched with consumer panel and weather data, to answer questions such as:

♦ Did purchases of my best selling healthy snack products among sports-enthusiasts grow or decline at mass merchandising retailers in the North Atlantic region last quarter?
♦ Is there a correlation between warm weather trends and sales of my healthy snack food products?
♦ Was there cannibalization across my variants and sizes in last month’s promotion?

You learn that sales of the family packs are up – but sales of smaller sizes are down. Naturally, you want to dig deeper:

♦ When the family pack is on sale, are consumers trading up from the smaller sizes?
♦ If so, do they continue to buy that size 6 months later?
♦ Or do they go back to the smaller sizes?

With data trapped in different silos, it’s nearly impossible to ask and answer these questions quickly enough for the results to be useful. In this example, it may turn out that consumers are indeed trading up from smaller sizes to larger sizes, thereby keeping their pantries better stocked and meeting their households’ needs – but for a limited time. Six months later, consumers start to use smaller sizes again. That may be the perfect time to run another promotion of the family pack.
Unifying Data to Unlock Insights

For leading CPG companies committed to bringing together data sets that are traditionally siloed, the insights become obvious. Decisions about the optimal consumer segments, channels, pricing and product positioning can be made quickly – opening up the opportunity for increased sales and more satisfied consumers. These CPG companies experience gains in efficiency throughout the organization. Their business teams benefit from new insights that make them a better partner to retailers and a more valuable brand to consumers.

More importantly, with the data they need available at their fingertips, the account teams and other businesspeople within the CPG company are freed up to tackle additional challenges – such as how to get the most out of their increasingly limited advertising or promotion resources.

2. GETTING MORE OUT OF MARKETING AND PROMOTIONAL EFFORTS

Marketing and promotions are two of your most powerful tools for drawing shoppers to your brands, and moving the needle on sales. Through your marketing efforts, you have direct control over how your brand is perceived by consumers. And through your trade promotion efforts with retail partners, you can have direct influence over the pricing and offers that are presented to shoppers.

To understand the success of your marketing and promotion efforts, you likely rely on two key sources of data: sales in-market and advertising & promotional spend. But bringing these two sources together for a unified picture of performance is often a challenging modeling exercise that can take months to complete. It’s an expense that’s difficult to justify for anything other than the largest campaigns.

EXAMPLE: ENABLING EFFICIENT LOCAL-MARKET CAMPAIGNS

A brand manager can use expanded insights to identify micro-trends that represent important sales and marketing opportunities.

Let’s say a brand manager uses total sales lift data to determine that a recent national ad campaign helped the company’s total skincare product line grow.

To repeat the same growth once again, the brand manager might conclude that the same level of investment in an identical national ad campaign is required – a costly proposition. But by looking at all relevant data together – including sales lift by region, penetration and buy rate by consumer segment, and incrementality by channel – the same brand manager could identify that the biggest single source of growth came from millennials in mid-sized urban markets shopping on mobile devices and in chain drug stores.

Now, the brand team has data-driven justification for a targeted ad campaign that will better leverage the budget and yield maximum ROI. What’s more, they can further boost performance by partnering with account teams to develop regionally-focused trade promotions, and shopper marketing campaigns with chain drug retailers.
Growing CPG Sales by Leveraging Data: Three Simple Ways

POS, direct retailer data and traditional panel data are just the tip of the iceberg when it comes to maximizing marketing and promotional performance.

**EXAMPLE: DRIVING PROMOTIONAL SUCCESS AT THE ITEM LEVEL**

With access to 360° data about your business performance, you can enlist every aspect of your operations to play a role in the success of promotions.

Suppose an account team has found that a multi-SKU promotion in the Midwest drove a 30% lift in sales. Based on this metric alone, the regional account team may recommend to their supply chain counterparts a total inventory increase of 30% in preparation for the next running of the promotion.

But, by combining POS, supply chain data and retailer data, the account team discovers that one of the promoted SKUs sold out in 40% of stores on the second day of the promotion. The temporary out-of-stocks led to dissatisfied consumers and major missed sales opportunities.

With these extended insights, the account team can now make sure that inventory (and the corresponding sales to the retailer) is increased by the additional amount needed to fully support the promotion and recover any previously-lost sales.

Similarly, you may want to understand promotional performance by asking questions about the granularity of your variants, sizes or promotional groups. Such a task can be challenging, because the data available is delivered in very different ways. Syndicated POS data is available in one format, but retailers provide enriched direct data in their own format. Having both sets of data can give you an edge – but only if you’re able to bring them together seamlessly.

In CPG companies that struggle with unifying external data sources, business teams are required to put in significant manual effort – and do a lot of guesswork – to bring these data sources together to help determine whether a marketing or promotional campaign is effective.

Maximizing Promotional ROI

In today’s CPG industry, smaller, more nimble consumer goods manufacturers are able to grow rapidly on shoestring budgets. To compete, established CPG companies need to understand the effectiveness of their marketing campaigns and promotional programs from every angle, at the most granular levels possible.

For CPG companies that have developed repeatable processes for unifying data and making actionable decisions, POS, direct retailer data and traditional panel data are just the tip of the iceberg when it comes to maximizing marketing and promotional performance. These leading CPG companies are further able to integrate data about ecommerce, mobile and regional or store-specific performance, and then slice and dice by demographic attributes. Being able to assess programs across different tactics, channels, and segments is the key to making budgets and resources stretch further and deliver stronger returns.
Growing CPG Sales by Leveraging Data: Three Simple Ways

3. BEING NIMBLE AND RESPONSIVE TO CONSUMER-DRIVEN TRENDS

Not many manufacturing industries have seen as much disruption as the CPG industry, in the past few years, as a result of consumer trends such as:

- Digital access to product information, which has expanded consumer choice
- Health and wellness trends, which have led to a new crop of niche players offering organic, natural and artisanal products
- Mobile devices, smart TVs and connected appliances, which have enabled more users to access information in more ways than before
- Social media’s emergence as a platform for consumers and brands to engage directly

With the increase in access and connectivity comes increased pressure to innovate, adapt and become more efficient. There has also been a corresponding increase in the absolute volume of data. But not all CPG companies are currently equipped to respond proactively or flexibly to the opportunities – and challenges – posed by these disruptive changes.

Increasing Transparency

One area of opportunity for manufacturers – whether across the food, consumer electronics or apparel industries – is the ability to leverage the data they have about their products to improve communications with an increasingly health-conscious, socially-conscious or sustainability-conscious consumer base. More and more, consumers and advocacy groups are demanding that companies be forthcoming about the provenance of the products they make, or the environmental impact of their production practices. Many consumer goods companies might hesitate to share information that could potentially reveal trade secrets, paint their products in an unflattering light, or pose a significant logistical challenge. Additionally, the technology and processes at many CPG companies for gathering, storing and utilizing this information isn’t seamless or quick.

At CPG companies, data about source materials and packaging exists within many disparate sources: from spec sheets, certifications, and documents of origin, to traceability data such as lot codes and production codes.

As such, CPG companies often cobble together different data repositories in order to meet internal needs for record keeping and business purposes, as well as the needs of increasingly savvy consumers. The process is onerous, and often requires the hiring of temps or other outside resources to tackle this data challenge. Or, the job falls to in-house supply chain and product development teams who are already stretched for time.

But for CPG companies that can integrate this data and bring it together seamlessly in a single location, the ability to increase internal transparency and share this data with consumers becomes a competitive differentiator. A wholly integrated view of raw material data, specifications, certifications and other data that links to a consumer good can provide CPG companies the agility and flexibility to quickly respond to changing market dynamics. Especially when combined with the right marketing and communication initiatives.

With the right technology, and the right processes for sourcing and integrating data, achieving these powerful new insights is within reach for nearly every consumer goods manufacturer. And it can be done quickly, without expensive, custom IT solutions.
EXAMPLE: IMPROVING MATERIAL MANAGEMENT AND EFFICIENCY

For companies looking to improve efficiencies and reduce complexity, the ability to easily centralize and analyze internal supply chain data can be a crucial differentiator versus the competition.

Companies can quickly conduct analysis of materials used and costs associated with those materials. A confectionery manufacturer might have 12 different semi-sweet chocolate variegates but they may not be aware that seven of these variegates generate 90% of their sales. By having this information at their fingertips, the manufacturer could decide to reduce the number of semi-sweet chocolate variegates from 12 to seven. This would reduce complexity and cost without risking a significant impact to the business.

In other words, across the candy bars that make up only 10% of sales, the lower volume variegates can be substituted with any of the remaining seven higher volume ones.

BRINGING DATA TOGETHER FOR A UNIFIED VIEW

Throughout this guide, you’ve seen examples of how leading CPG companies are bringing together disparate sources of data – both from within their organizations and outside their four walls – to enable better business decisions that drive increased sales, profitability, customer satisfaction and market differentiation.

For an increasing number of CPG companies, 1010data is providing the cutting-edge technology, relevant external data sets, and analytical capabilities that allow business users to have access to all the data and insights they need to succeed. The 1010data platform enables CPG companies to blend together internal data with relevant external data sets to gain a more complete picture of the market and generate improved insights. Best of all, these tools are available in an agile environment that gives business users the flexibility to make changes on the fly and conduct ad-hoc analysis of their data.
GETTING MORE FROM YOUR DATA WITH 1010DATA

1010data gives you the power to make data more meaningful, so you make even better decisions about marketing products and increase collaboration with retailers. The 1010data platform enables you to unify your enterprise data, industry data, data that retailers share with you, and other relevant external data sets to conduct powerful analysis with ease, so you can act on insights fast.

With 1010data, you can:

- Increase demand among retailers for your products and expertise
- Discover and improve how product categories are performing
- Enhance brand and marketing strategies leveraging the insights from your data
- Gain a deeper understanding of consumer behavior with external data sets
- Streamline your multi-channel supply chain with valuable analytics
- Unburden scarce IT resources with the simplicity of 1010data’s platform

ABOUT 1010DATA

Gaining actionable insight requires the best analytical tools and access to all relevant data. 1010data is a complete solution that provides both. We provide the only out-of-the-box, self-service, cross-enterprise insights platform. More than 750 of the world’s largest companies trust 1010data to manage, share and analyze over 27 trillion rows of data because of our proven ability to deliver results more quickly, easily and accurately than any other solution. Please visit www.1010data.com for more information.

TO GET STARTED, CONTACT 1010DATA TODAY.

+1 212.405.1010
info@1010data.com
www.1010data.com