

Customer data - the powerful competitive tool brand owners are overlooking



By [Gareth Pearson](#), issued by [BMi Research](#)

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Necessity is the mother of all invention, Plato said. Never has this sentiment been more relevant than right now, when brand owners, manufacturers and retailers are being forced to innovate to remain competitive in an increasingly difficult business environment. But how do companies innovate when budgets are tight and there's little wiggle room to implement high-impact processes that deliver exceptional bottom line results?

They use what they've got, that's how. Tough financial times don't call for grand gestures, they call for meaningful ones. The one resource that every business has access to, no matter its size or sector, is customer data.

There's no cost involved in generating this data; every invoice, delivery note and sales receipt produced as well as loyalty programmes in all their guises, inherently hold valuable customer information. However, it's what businesses do with this data that matters. Simply leaving all this information untouched is a missed opportunity. Gathering it and mining it for insights into customer behaviour, though, empowers businesses to make more informed strategic decisions, increasing their competitive edge.

Despite the potential that data offers, there are challenges to accessing and using it correctly. The three most common roadblocks are disparate data sets that come from different departments in all corners of the organisation; company silos, where staff don't, or can't, openly share their data with other departments; and different – and sometimes incompatible – software systems across the business.

Overcoming these obstacles is as simple as implementing a cost-effective data dashboard. We like to call these powerful data tools 'the single source of truth', as they unite all data from across the company on a single, easy-to-use platform that is trusted by all staff and can be accessed at any time.

Data dashboards plug into companies' existing business intelligence (BI) tools, reducing the need to further invest in costly systems. Some dashboard creators are even able to host these systems on their own servers or in the cloud. This reduces the reliance on BI products, and opens up even greater access to data dashboards beyond just those companies that can afford BI platforms.

Once a company has seen the wealth of potential that exists in the dashboard analytics system and committed to implementing one, the process is relatively straight forward.

The team creating the dashboard engages the company's executive, unpacking the business strategy and assessing the data landscape (including the nature, source and structure of its data). Next a data hierarchy is designed, which informs the frequency with which the dashboard will update incoming data. Finally, all the income data streams are connected and homogenised according to a single identification system. The resulting dashboard is then installed, allowing everyone from the CEO to sales reps to access the data they need in real time, at any time.

At BMi Research we have been customising data dashboards to our retail and brand owner clients' needs for several years. During this time we have consistently noted that dashboards allow companies to respond to issues much quicker than the normal two to three days it would take for information to filter from the floor to the right person.

For example, you could see if a store was running low on stock at a certain point (visible on the dashboard, but also highlighted through a 'red alert' automated email sent to the relevant employee) and immediately contact the merchandiser to get more stock in store. You could also see if you had too much stock in a particular region, and instantly notify clients

of an imminent promotion to move excess stock.

In both situations, companies are able to quickly and efficiently respond to prevailing conditions and how these have manifested at store level. This allows brand owners to make better, more informed decisions, which at a strategic level could translate into identifying new ways to increase the basket size of existing customers through cross-sell opportunities, and identifying untapped markets and new opportunities for growth.

This is a potent tool for brand owners to have at their disposal, particularly during the peak seasonal shopping periods or around special occasions. In this way data dashboards deliver significant benefits, as actionable information is undeniably one of the greatest competitive advantages for businesses at this time.

From our years of experience it has become apparent that many South African brand owners, retailers and manufacturers have not yet realised the full potential of how their customer data may deliver value to their business. This is without doubt a situation that has to change, because data is more than just information; it is capital from which businesses can derive significant returns. And in this economic climate, that is a necessity.

ABOUT GARETH PEARSON

Gareth Pearson, CEO and shareholder of BM Research (www.bmi.co.za), is a market research specialist with particular focus in the industrial and FMCG markets in various sectors, including the retail market. He serves as a member of the South African Institute of Packaging's Regional Committee and is involved with the South African Packaging Council. Gareth was responsible for the merger of BM Foodpack and Adcheck Research during 2008. Contact Gareth on tel +27 (0)11 615 7000.

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