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Consumer product and retail organizations must accelerate their data maturity to become more resilient post-COVID-19

Capgemini finds that leading CPR organizations are using data to gain a competitive advantage and drive sustainability goals, but skills gap and data silos still need to be addressed

Paris, June 1, 2021 – Strong data maturity is helping 62% of consumer product and retail data masters achieve scale with their AI and analytics proofs of concept, and 73% derive quantifiable business value from their data. This is according to the latest Capgemini Research Institute report, '*The age of insight: How consumer product and retail organizations can accelerate value capture from data',* which signals that data masters in the sector – those organizations which can create, process, and leverage data proactively to fulfil their corporate purpose, achieve their business objectives and drive innovation – enjoy 30% higher operating profit margins than the industry average.

Consumer product and retail (CPR) organizations that entered the pandemic with strong data foundations were able to thrive in response to the new digital-first environment, as compared to those who didn't have a data mindset. Consequently, they were able to add new revenue streams through new products, services and business models, stay relevant for their customers and pivot offers as per market needs – all powered by data – gaining an important competitive advantage.

Only 16% of consumer product (CP) organizations qualify as data masters, in line with the cross-industry average of data masters, but only 6% of retail organizations clear the benchmark. These leaders show the way forward for the industry to tackle challenges in achieving data mastery.

More importantly, CPR data masters enjoy 30% higher operating profit margins compared to the industry average. They do so by implementing better data hygiene or superior data management practices – such as automating data collection, combining external data for analysis, and considering data quality from design, among others.

Data masters are also able to work through key obstacles faced by most CPR organizations. They are able to spot gaps in their data and quickly make changes when required by having full visibility of both consumers and operations, cites the report. This lens is more acute for retailers who are at the forefront of consumer interaction.

Tim Bridges, Global Head of Consumer Goods and Retail at Capgemini explains, *"There's clear evidence that in today's fast-changing environment, being data powered is fundamental to the success of consumer product and retail organizations. As competitive intensity increases both from within and outside the sector, companies need to foster a culture that enables them to gain insight and act fast.*

CPR organizations need to modernize their data platforms, strengthen trust, and empower data-driven decision making to progress towards data mastery and drive sustainable competitive edge."

Enhancing sustainability initiatives through data
Leading CPR organizations are using data and analytics to implement circular economy business models as 79% of consumers pivot[1] services. A further 77% of organizations revealed that sustainability approaches increased consumer loyalty and 63% said it led to increased revenues.

The report highlights data and analytics as pivotal sustainability enablers. Close to half of the organizations (47%) surveyed by the Capgemini Research Institute are investing in AI, machine learning, and Industrial Internet of Things (IIoT) sensors to drive their sustainability goals.

Benjamin Alleau, Group Sustainability Offer Lead and Business Technology Practice Global Lead, Capgemini Invent said, "*It's not enough to simply react to change; consumer product and retail organizations need to sense changes in consumer behavior before they emerge as trends. This is particularly relevant when it comes to sustainability. We're seeing data masters optimize their data insights to challenge traditional ways of working in favor of circular economy business models – from supply chains and logistics to manufacturing and product lifecycle.*"

Overcoming data obstacles to become future-ready
The report reveals a variety of challenges standing in the way of CPR organizations on the road to data mastery. The most prevalent include data silos, a skills shortage, and a lack of trust.

Functionality and integration were found to be the most critical obstacles, with most CPR organizations (57%) stating they are still trying to work around legacy systems that innately prevent the use of automation and AI.

CPR companies trail behind other sectors in data-powered decision making. They are 31% less likely to use data in their decision making when compared with banking businesses, and over 10% less likely compared with life sciences and healthcare organizations.

For CPR organizations looking to unlock business value from their data, the report recommends four focus areas:

1. Foster a data-powered culture and empower teams with data at the point of need.
2. Modernize the data platform for faster implementation of insights.
3. Strengthen trust in data with right data governance and data ethics.
4. Plug into external data ecosystems to enable new business models and deeply understand consumers and operations.

Report methodology
This report by Capgemini Research Institute studied over 200 CPR organizations, exploring their data maturity, practices, and behaviors. It complements last year's [Data Powered Enterprise report](#), which

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[1] Capgemini Research Institute, "How Sustainability is fundamentally changing consumer preferences," 2020.

tracked over 1,000 organizations using the same metrics and revealed how data-powered enterprises vastly outperform their peers on multiple financial measures.

Further information is available in the full report, which can be downloaded here.

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