

## Consumer Products & Retail

# Big & Fast Data: The Rise of Insight-Driven Business



**Lack of self-service options leaves IT with a backlog of requests, delaying the production of insights.**

### Capgemini view

Big data is still largely viewed in terms of discrete IT projects and pilots, rather than being integrated across the organization.

On the business side, current interest focuses on consumer-centric tactical functions such as targeted promotions and offers, demand forecasting, merchandising, and loyalty program execution. In marketing & sales, there is considerable interest in using big data techniques to get control of social media interactions.

In terms of IT initiatives, some larger businesses have embraced big data for data capture storage, adopting centralized repositories to support analytics. However, lack of self-service options leaves IT with a backlog of requests, delaying the production of insights.

Reasons for delaying strategic enterprise-wide integration include the need to better understand how big data can help with business challenges, the perceived cost and complexity of solutions, a lack of intuitive interfaces for business users, challenges with current business reporting (e.g. problems integrating enterprise and third-party data, and lack of data reliability), a belief that traditional tools and databases can handle big data, and a lack of the right resources.

## Perception of big data as a disruptor

Disruption is thought to be very likely – overall, only 28% (versus an average of 38%) of Consumer Products & Retail (CPR) respondents expected no disruption. The CPR representatives were particularly concerned about disruption from existing competitors developing new products and services (40% of CPR respondents expected this compared with an average of just 34%). Interestingly, respondents were also somewhat more likely to have experienced, and to be expecting, disruption from start-ups and from new competitors moving into their industry.

This apprehension about competition of all kinds may reflect a recognition that social media is breaking down barriers in retail, with consumer attention shifting away from TV and web to social and mobile. Any company that knows how to get control of this new type of consumer conversation – whether it is a start-up or an industry player – is in a strong position to take market share away from established players. Price transparency is high and consumers are increasingly empowered to make the buying decision through many channels.

## Awareness of big data opportunities

While awareness of the competitive threats is high, it is key to note that CPR respondents in this industry were below average in their awareness of opportunities arising from big data. For example, only 22% strongly agreed that big data is enabling new revenue streams (versus an average of 27%). This may reflect the piecemeal and perhaps rather tentative stance that most CPR companies have adopted to date.

## Implementation approach

Many companies acknowledge that they will need to invest in big data technology across the business to compete effectively and deliver on their desired consumer-centric vision for growth. At present our survey suggests that they were still slightly behind the curve, with 67% (versus 71% average) saying their organizations are at some phase of implementing big data technology.

However, further into the future we can expect CPR to forge ahead, since 61% (versus 56% average) will increase investment in big data over the next three years. This reflects our observation that companies are just testing the waters at present but will rapidly scale to strategic initiatives once they have the confidence to do so.

Respondents were most likely to mention IT as a driver for their big data agenda, with business strategy some way behind. The prevalence of IT as a driver was less marked in this industry than most others, however. Marketing & sales was the third most commonly mentioned driver, which confirms our experience that brand marketing is an emphasis for CPR companies' big data activities – with companies setting up social media event command centers and the like to help them get ahead with this new type of customer conversation.

**28%**  
*of Consumer Products & Retail (CPR) respondents expected no disruption, versus 38% average*



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