

Why data technology can take FMCG marketing to the next level

If we consider how the FMCG market is moving, the only way manufacturers will be able to differentiate themselves will be to become extremely efficient and customise their marketing efforts.

 By [Andrew Dawson](#) 28 Jan 2020



Retailers have huge amounts of extremely granular data available at their fingertips through sales information and loyalty programmes. The key to unlocking opportunity in the distribution channel lies herein.

By analysing data on rate of sale at a regional or store level, manufacturers can leverage the ability to optimise both manufacturing and delivery to meet actual needs – not predicted needs – based on a best guess estimation. However, this can be taken a lot further. With technology that is available today, it is entirely possible to customise a purchasing experience down to the individual customer and their needs and preferences.

Social media provides a plethora of information about individuals that they willingly share. This can be harnessed for accurate sentiment analysis, and combined with sales data about the individual which is gathered by store cards and loyalty programmes.

Using this information, retailers and manufacturers can gain an incredibly detailed picture of their customer: their buying patterns, their spending habits, what products they purchase together, how often and so on. The data and the insight that can be garnered is hugely valuable.



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The end goal should be the 'universe of one' concept. When a customer enters a store, the retailer's app can use geofencing technology to push customised offers directly to the customer through the data available. Marketing can be delivered based on what they like and buy, with messages tailored to their specific preferences.

This can even be taken a step further, by offering customers recipes that can be made with ingredients they typically buy and other value adds. Retailers could even offer a customer a complimentary coffee in their coffee shop while a personal shopper fills their basket based on data that determines their typical basket, and with mobile payment options this can also be completed in-app.

Loyalty rewards can also be customised with what people actually want, based on analysis driven by actual behavioural data. The possibilities are endless thanks to technology and enhanced data analytics capabilities. The key is to create real personalised marketing, and the detail in the data is what makes this possible.

Collaboration is key

Personalised marketing is entirely possible because the data already exists and technology can facilitate this. It is already being done overseas and offers potential for differentiation and increased margins in South Africa. However, the traditionally siloed and segmented approach needs to fall away.

Success in the FMCG space now relies on becoming personal and satisfying individual customer needs as well as regular, customised communication. Both retailers and manufacturers need to buy into greater social awareness and collaborate in order to drive insight based on all available information.



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Granular data is essential to understand purchasing patterns, rate of sale, even information such as what products people buy on what day of the week and at what time of day. Armed with this information, stock holding on shelves and in store can be optimised, and taking this down the value chain, manufacturing and distribution can move to a more efficient model.

There is a vast amount of science that can be applied to data that can be used to optimise marketing and distribution throughout the value chain.

A data-driven approach for a digital world

The current challenge the FMCG space faces is that there is a disconnect between the various areas and between the value chain and the customer. Data analytics drives intelligence which is required to make marketing more meaningful and decisions more accurate. The key to success in a pressured economic environment is to understand the data and the dynamics and specifics of each aspect of the value chain, including individual customers.

Ultimately, driving optimisation and consumer engagement both require data, which has fast become the ultimate differentiator in a digital world.

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