



GLOBAL TRANSACTION ANALYTICS (GTA)

CONSUMER INDUSTRY INSIGHTS

THE KEY TO BUSINESS GROWTH AND PROFITABILITY:
LEVERAGING DATA AND ANALYTICS

“Understanding how to leverage internal and external data sources is a key component of a successful customer-focused data strategy.”

Part 2: The Key to Business Growth and Profitability: Leveraging Data and Analytics

Customers are the core of any business and to exceed customer expectations companies must utilize tools that allow management teams to make data-driven, insight-based decisions that improve the customer experience. Understanding how to leverage internal and external data sources is a key component of a successful customer-focused data strategy that drives business growth and profitability.

The Power of Sentiment and Geo-Targeting

Third party data, including demographics, social media and geo-location can help “connect the dots” about a customer and generate new insights. A combination of demographic and sales location data provide information on what demographic profiles your sales and marketing strategy should be targeting.

For example:

- Are your products most popular amongst lower income families or middle income families?
- Should your marketing budgets be targeted to suburban dwellers or city dwellers?
- What neighborhoods have the highest concentrations of your customer profiles?

The answers to these questions enable more micro-targeted marketing and sales strategies that can reduce your marketing spend while boosting sales.

Social media also provides a powerful platform for engaging and better understanding your customers. Consumers are increasingly using social media, and analysis of blogs, posts and engineering strategies should be a critical element of your customer engagement channel. Importantly, social media now provides unsolicited consumer feedback and product sentiment insights at extremely low costs and can replace many traditional consumer surveys that were performed on small samples of consumers that often took months to complete.

Geo-tagging data is another rich data source for better understanding customers and positioning product offerings to win their loyalty. With 77 percent of Americans now owning a smart phone, likely with built-in GPS capabilities, **companies can assess the location of consumers** every minute of the day, leading to highly impactful location and time-based marketing strategies.

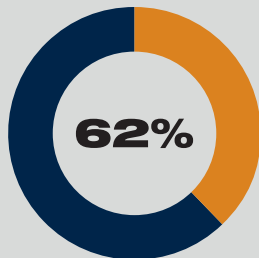
This wealth of data across multiple sources creates the potential to leverage real time, closed loop insights for actionable sales and marketing strategies. Companies such as China’s Tencent are leading the way. The “ecosystem of connected businesses enables **Tencent** to learn more completely about consumer beliefs, behavior and preferences, enabling them to connect consumer behavior across channels.” Tencent is able to “label individual behavior with over 5,000 discreet tags..[and]..these tags then enable a more detailed understanding of a consumer’s entire life. Unlike survey-based data which is based on what consumers say, this first-party data enables companies to understand actual behavior.”

Studies have shown that “customers who had the best past experiences spend 140 percent more compared to those who had the poorest experience.” Given the necessary omni-channel sales strategy today, providing a cohesive and personalized customer experience is a key driver for customer retention and growth.

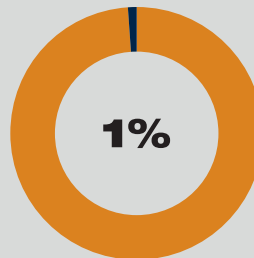
Gaining a Holistic View of Your Customer

Leading companies make data and analytics a key competitive advantage. **Research shows** that “Consumer products and retail marketing leaders understand the value of integrating systems and data from across the organization to create a single view of the customer. Sixty-two percent of high performers agree they’ve integrated systems to create a single view of the customer compared to only 1 percent of underperformers.”

Many companies utilize advanced data analytics techniques such as data science and machine learning algorithms due to the large volumes and complex varieties of data which make up “big data” sets. Machine learning algorithms such as customer clustering algorithms and natural language processing enables companies to efficiently parse through and contextualize seemingly disparate data sets by analyzing correlations and key sales drivers. A comprehensive strategy to capture, analyze and execute on customer behavioral data will put your company on the path to profitable growth.



62% of high performers agree they've integrated systems to create a single view of the customer



1% of underperformers agree they've integrated systems to create a single view of the customer

Conclusion

The importance of data in understanding customers, operating the company effectively and driving sales and profitability is undeniable. Yet, many companies are still struggling to implement a robust data strategy and realize the value of their own data. Some companies recognize the need for more advanced data analytics, but do not have the resources or management buy-in to implement the necessary data strategy and analytics. Knowing, understanding and leveraging the behavior of your customers is core to driving growth and profitability of businesses and data is at the core of understanding your customers. To compete in the modern age of digitalization, companies must leverage data effectively to make decisions based on operational insights. More insights mean better decisions.

FOR MORE INFORMATION, CONTACT:



Steven Lee
Managing Director
Global Transaction Analytics,
Transaction Advisory Group
slee@alvarezandmarsal.com
+1 415 490 2292



Caitlin Dealy
Consultant
Corporate Performance Improvement
cdealy@alvarezandmarsal.com
+1 347 514 1523

ABOUT ALVAREZ & MARSAL GLOBAL TRANSACTION ADVISORY GROUP

A&M's Global Transaction Advisory Group provides investors and lenders the answers needed to get the deal done. We combine our firm's deep operational, industry and functional resources with Big Four-quality financial accounting and tax expertise to assess key deal drivers and focus on the root cause of any critical deal issues. As the largest transaction advisory practice outside the Big Four, our global integrated teams help private equity, sovereign wealth funds, family offices and hedge funds as well as corporate acquirers unlock value across the investment lifecycle.

The firm's Global Transaction Advisory Group includes over 600 professionals in 27 offices throughout the U.S., Latin America, Europe, Middle East, India and Asia. Our global team has extensive industry knowledge across multiple sectors including, but not limited to, dedicated industry verticals in health-care, software & technology, energy and financial services.

Follow us on:



© Copyright 2021 Alvarez & Marsal Holdings, LLC.
All Rights Reserved. 399152

To learn more, visit: [AlvarezandMarsal.com](https://www.alvarezandmarsal.com)

ALVAREZ & MARSAL