Executive Summary

Competitive Advantage is an area that has been researched over many years and with evolving times, firms have adopted new strategies to survive and sustain their positions in the market. It started with Supply Chain Management (SCM) thinking that involved integration of flow of materials between the trading partners viz. vendors, manufacturers, and customers.

An extension of SCM thinking paved way for performance measurement that formed the basis of goal setting and benchmarking metrics. Going by the famous adage, ‘what you measure is what you manage’, across all functions, organizations started defining KPIs (Key Performance Metrics), allocating roles and responsibilities and started the review and feedback process.

Greater and more intense competition and global value chains are leading to dynamic shifts towards innovation and finding new techniques for competing. With the advent of any new technique or framework comes massive adoption leading to such techniques becoming a ‘New Normal’.

In the late 1980s onwards, Business Information Systems (BIS) like ERP (Enterprise Resource Planning), CRM (Customer Relationship Management) started playing a key role in integrating process flows for a firm. They added a tremendous value in getting all transaction data of an organization together in one repository that could be used for MIS purposes. With every other organization having such systems in place, this was no more a critical source of competitive advantage but a minimum required threshold for competing with peers.

In the Indian consumer goods segment, there are a variety of firms competing for their share of pie using various techniques but the overall business model of distribution remains the same. With several levels in the distribution network, the manufacturer of the product misses out on the opportunity to know their end-consumers better. Knowing your customer better and tailoring offers to individual customers has become the new mantra of competitive advantage. This was possible for the first time due to Internet and Big Data.

The Internet revolution in the late 90s changed the dynamics of the game between competition across industries. Internet enabled multiple players to come up
with various business models to transact with consumers. With multiple devices like laptops, mobile phones, tablets gaining an exponential adoption globally, volume and variety of information being created thus was massive. This information explosion was termed Big Data which was explained by 3V measures, volume, variety and velocity. Companies started making their presence on web for trading purposes. Platforms like Amazon and Flipkart had started making a foray into the Indian market that propelled the growth of online retailing in India. With increasing data volumes, managers in large companies started with using Business Analytics for data-driven decision making around all their processes.

Theory has enough evidences that Internet driven businesses are more advantaged than their traditional counterparts as the former have tremendous access to granular consumer information like attitudes, behaviour, purchases etc. that they can make use of to tailor their offerings using business analytics. In fact, the Internet intermediaries exploit this information asymmetry to the extent of performing first degree price discrimination. While there is much research done around online intermediaries on how information rich they are and their capability in using analytics to drive competitive advantage, there is very little research done on Indian traditional consumer goods segment on this subject.

Existing literature in business analytics and information as a source for competitive advantage was used to develop the research questions and formulate the survey and interview questions. This research took a pragmatic stance and used mixed methodology to study the research objective.

Both qualitative case studies and a survey driven quantitative descriptive study was used to answer the research questions. The outcome of the research clearly indicates that traditional consumer product companies in India fall very short on the research themes viz. customer knowledge measure and analytics measure. The thesis contributes to the discussion on organizing the way forward for traditional businesses and sets them on the path towards competing on analytics and further contributes a framework called ‘Analytics Edge’ that lays the structure for gaining on both customer knowledge measure and becoming an analytics competitor. The framework is also in alignment with the “Digital India” initiatives being taken by Government of India.
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List of Abbreviations

3V- Volume, Variety, and Velocity
APICS - Association for Operations Management
BI- Business Intelligence
CII- The Confederation of Indian Industry
CRM - Customer Relationship Management
CSCMP - Council of Supply Chain Management Professionals
DCA- Dynamic Capability Approach
ERP - Enterprise Resource Planning
HiPPO - The Highest-Paid Person’s Opinion
FMCG- Fast-Moving Consumer Foods
ICT- Information and Communications Technology
IS - Information System
IT - Information Technology
KPI- Key Performance Indicator
MIS - Management of Information Systems
OLAP- Online Analytical Processing
POS - Point of Sales
RBV- Resource Based View
SCA- Sustainable Competitive Advantage
SCM - Supply Chain Management
SCOR - Supply Chain Operations Reference
SKU - Stock Keeping Unit
SQL- Structured Query Language