Are you prepared to make the decisions that matter most?
Decision making in retail
“Showrooming” and mobile search. Omnichannel integration. Digital cross-sell. Retailers can no longer rely on historical shopping behaviors as consumers increasingly expect more personalized, digital experiences. Are your analytics set up to help you quickly spot and evaluate new possibilities and impacts?

Source: PwC’s Global Data & Analytics Survey 2014
Big decisions in retail

Big decisions change strategy and long-term course. Few feel fully prepared to make big decisions.

Should we...

- Rethink which markets are right for us?
- Organise our teams by segment rather than channel?
- Outsource elements of our supply chain for omnichannel fulfilment?

Few see their senior management as fully prepared to make the most important decision they need to make in the next 12 months.

Source: PwC's Global Data & Analytics Survey 2014
Where speed and sophistication count

Among retail executives

**Top goals for big decisions, next 12 months**

- Corporate restructuring: 54%
- Collaborate with competitors: 51%
- Enter a new industry or start a new business: 44%
- Corporate financing: 34%
- Grow an existing business: 29%
- Negotiating major contract(s): 29%
- Brand positioning: 24%
- A major investment in the business: 22%

**Source:** PwC's Global Data & Analytics Survey 2014
No time for indecisiveness
Among retail executives, next 12 months

44% expect to make a big decision at least once per month

32% say their most important decision will be based on a new opportunity they simply can’t ignore

56% plan to revisit their most important big decision within 3-6 months to adjust for new information

18% estimate the value of their most important big decision as US$1 billion or more in future profitability

Source: PwC’s Global Data & Analytics Survey 2014
Both intuition and analytics matter

It’s no longer good enough to make decisions based on intuition alone.

Among retail executives

Which did you rely on most for the last big decision you made?

- My own experience and intuition: 44%
- Relevant experience of others: 34%
- Data and analytics inputs: 22%

Source: PwC’s Global Data & Analytics Survey 2014
What prevents you from making greater use of data and data analysis when making big decisions?

Senior management lacks the necessary skills or expertise

Seeing limits: Retailers want more insight into the experiences that long-time and would-be consumers value. Yet they might not be getting enough new insight from the information they already receive, or they may be unfamiliar with advanced analytics and what they can do with it.

There is a limited direct benefit to my kind of role

It’s difficult to assess which data is truly useful

The quality, accuracy or completeness of the data isn’t high enough

Why it matters: In a world of overwhelming inputs, it’s a skill to learn what not to react to.

Think instead: Imperfection isn’t always bad. Retailers can gain unique insights from incomplete or imperfect data sets, provided they are triangulated with other information.

Source: PwC’s Global Data & Analytics Survey 2014
Where change in decision making is starting to happen

Among retail executives

We’ve changed the way we approach big decision making as a result of big data or analytics

Top three changes, last 24 months

- Employed a dedicated data insights team to inform strategic decisions
- Relied on enhanced data analytics such as simulation, optimisation, or predictive analytics
- Changed the way data or analytics is presented to management

66% Yes
32% No, but plan to do so
2% No, or don’t know

Source: PwC’s Global Data & Analytics Survey 2014
Some decisions you need to make are big enough to change the course for your business. And your past experiences may not be good predictors of the future. More data are within your reach to understand what was previously unknown. Sophisticated analytical tools are available to you to ‘see’ a wider range of possibilities and evaluate them quickly. Now is a good time for an upgrade in your decision making capabilities. Where should you start?

Source: PwC’s Global Data & Analytics Survey 2014
To explore the data and more: www.pwc.com/bigdecisions