



THE BEAUTY OF DATA

SOFTSHEEN-CARSON, A DIVISION OF L'ORÉAL, DRIVES ANALYTIC PRACTICES THROUGH THE COMPANY

Owning the market in your category sounds like nirvana. SoftSheen-Carson is the No. 1 manufacturer of ethnic hair and skin care products in the world with a 20 share of its category in the United States, and No. 1 in the category in South Africa and key European markets. The unique story behind SoftSheen-Carson is that 45 percent of its products are sold in barber shops, beauty salons and beauty supply stores — frequently mom-and-pop shops — and only 55 percent is sold at traditional consumer goods (CG) channels. The former is known for being a difficult locale to collect point-of-sale (POS) data — leading to challenges for the brand.

SoftSheen-Carson is now a division of L'Oréal USA, but its oldest brand, Magic, dates back to 1901. Soft Sheen Products Inc., a leader in the black hair care industry, was founded in 1964 and acquired in 1998. In 2000, L'Oréal USA acquired Carson Products, another successful manufacturer of ethnic hair and skin care products. The two companies were successfully merged in that year to become SoftSheen-Carson.

Sister companies in the division are Maybelline New York, Garnier and L'Oréal Paris — all reporting in to the president of the Consumer Products Division. “SoftSheen-Carson’s mission is to inspire beauty through innovation (*see sidebar*) for people of color, and that permeates everything we do. From product development to how we go to market to how we deal with consumer complaints,” says Yvette Russell, assistant vice president of business development. Russell’s team includes category management, customer marketing and sales planning, and is responsible for “best to market” retail execution and for providing consumer insights and category solutions to both internal and external customers.

SoftSheen-Carson is unique within L'Oréal because it specifically markets products to African Americans. Russell explains, “Who we target drives much of how we operate, and then beyond that, we also have a unique position in the market place because being part of L'Oréal we get the best of both worlds.”

In fact, having the L'Oréal product technology behind the brand is one of the things that sets the company apart from its competitors. SoftSheen-Carson has access to all that same technology as the much larger L'Oréal, and boasts the only research facility that specifically works on ethnic hair and skin care products — the L'Oréal Institute for Ethnic Hair and Skincare Research in Chicago.

“The balancing act we play is that we know our consumer wants a product that works. She doesn’t care if it’s got Ceramide in it [an ingredient L'Oréal uses] or a bottle of olive oil. We often find ourselves balancing how we communicate to this consumer that this product will work and make her hair beautiful, while at the same time capitalizing on the access we have to technology,” says Russell.

GETTING TO THE SHELF

The distribution of products between retail chains versus the barber and beauty channel is only slight, and both are supplied by distributors — often the same ones. “We also have distributors that sell to our national retail chain accounts, and then we have national retail chain accounts that purchase direct from us,” she explains.

And while it might seem logical to sell direct — especially with the backing of L'Oréal processes and resources — actually the entire category is sold this way. Many of SoftSheen-Carson’s competitors are

small, independent companies and cannot support a full-service sales force.

DATA SOURCES

The ultimate challenges SoftSheen-Carson must face — because of its distinctive category characteristics — is getting desired data and processing it efficiently.

Russell says, “The amount of data we receive varies by source. We get the most data from a syndicated data provider and from our largest retailers. We’ve found that because the data we receive is dependent upon each retailer’s IT capabilities, we have little control over the format of the data before it is sent to us.”

Understanding that syndicated data is covering most of the big chains and that some, like Wal-Mart and Target, directly send data, the question remains: How does the company get data from those smaller retailers and distributors? Where does that lower end of the data come from?

Bill Rogers, senior category manager and a key member of Russell’s team, responds, “It’s a tricky answer because the distributors supply mostly to the larger retail chains — the majority of which give us POS data. More specifically just for our products; we don’t necessarily get category information.” As far as distributors supplying to the barber and beauty channels, SoftSheen-Carson mainly gets a read on the shipments to those stores.

“We get data on a quarterly basis. It’s not going to be weekly or monthly because the distributor themselves may not be in a position technology wise to provide us weekly movement data. A lot of our



“Magic” is Softsheen-Carson’s oldest brand, dating back to 1901. It is a depilatory formulated especially for black men to help fight razor bumps.



This new line, “Dark & Lovely Kids Beautiful Beginnings” makes styling easier and leaves children’s hair more manageable.



PHOTOGRAPH BY JULIANA THOMAS

PART OF L'ORÉAL USA'S GROWTH STRATEGY ARE ACQUISITIONS, ALLOWING THE COMPANY TO PENETRATE NEW MARKETS RAPIDLY.

distributors are focusing their efforts on servicing their customers and, as such, they don't share consistent data with us," explains Rogers.

Consequently, for 50 percent of the business there is potentially a huge data gap. There exists a type of balancing act between getting updates as frequently and often as they can handle them and getting information quarterly. "We've become very good at estimating the market," comments Russell.

Rogers elaborates, "Once we have our estimates, we meet with our distributors and share these. The distributors provide feedback about the estimation from what they are seeing in their business. It's a give and take and a constantly evolving model."

Often when companies sell through distributors, they don't have a good relationship with the retailer directly, but in SoftSheen-Carson's case it is getting POS data from the retailer which encourages a more impactful relationship. Russell says, "This was the vision for the new category management team put into place a couple of years ago. The concept is that it's important for us as a manufacturer — and a leading manufacturer in the industry — to have a relationship and have a say about what happens at the shelf with our key retailers. We have actively forged relationships and penetrated the accounts so we have data access and can provide strategy directly to the retailer to maximize business in this category."

INTEGRATING DATA

As the division began to take more of a proactive approach to analyzing consumption shipment data, the need for an efficient tool to aid in the process became apparent.

Internal reporting would have to include syndicated data plus the various accounts that make up other channels, and so the company had to find a way to easily and quickly consolidate the disparate sources to create accurate reports. The solution needed to enable end users to manipulate and consolidate multiple hierarchies and raw data formats.

In mulling over the need for a solution, Rogers says, "I remember seeing a sales pitch and a light bulb went off in my head at that time." "That time" was before the companies were acquired and became one entity. Remembering how the DataAlchemy solution was presented by **Kenosia**, Rogers took another look at the product. "When you're working with building a database from the ground up, you have to have some special skills, but DataAlchemy allowed us to easily do this."



Rogers was even able to implement the tool himself. He attended a two-day training session at Kenosia headquarters in Connecticut and, upon his return, “played around” with the solution for a week, deciding what it could do — making his own “mistakes” until he mastered the tool. It did not take long for him to become what Russell terms, “a DataAlchemy guru.”

She says, “It is user-friendly enough for somebody outside of headquarters to be the expert and that says a lot for the software, as well as for the support they offer.” In fact, the support team at Kenosia was key in helping SoftSheen-Carson design filters and tools within the software to streamline the update process. The functions of segmentation and segmentation hierarchies provide end-users with a convenient way to see data in multiple ways — something the old systems did not allow.

HOW IT WORKS

Each data source goes into its own database and then DataAlchemy pulls the data together. Rogers says, “We’re taking several different individual data sources within DataAlchemy and they all feed into one where we get a single total number. However, we are still able to view all of the numbers that contribute to the bottom line so we can accurately track each aspect of our sales.”

The normalization process occurs around normalizing time frames — some retailers end their week on a Friday, some on Monday or Saturday, and still others provide data quarterly or once a month. The cleansing and normalizing goes on the individual account data source. A key feature of DataAlchemy is that the disparate points of data can be put into the tool and worked with — it really doesn’t matter where the data comes from.

The obvious uses by sales and marketing are only a part of the picture, Russell notes. “The insights that we are able to provide to our division are relevant across all functional areas. We are able to offer more accurate forecasts of the business based on historical results, which enables better business decisions at all levels. We provide both short and long term projections of the industry, as well as our own business,” she says.

SUCCESSES

The technology has significantly improved SoftSheen-Carson’s business process, providing an easy and efficient way to not only capture data, but to provide regular reports and conduct analysis. In one example, a standardized report used to provide insight and information on trends to marketing was cut down from five business processing days to one. This enables best-in-market actionable insights and helps the company sustain its position as category and industry leader.

Rogers asserts, “The success in this project is really coming down to how quickly and easily we can get to a point where we’re not processing data but making decisions. DataAlchemy has allowed us to quickly

INNOVATION MISSION

SoftSheen-Carson’s mission is to “inspire beauty through innovation for people of color.” Innovation here is unique. Bill Rogers, senior category manager, says, “A big thing about our innovation — in the relaxer segment for example — we’re manufacturing products for one purpose, which is to straighten hair. A lot of companies have a product technology specific to them and they may produce different variations on that same technology — marketing under a different brand name, different strength or a more coarse or milder type of relaxer. Innovation at Soft-Sheen Carson means actually coming up with something new and different.” For example, “Carson” launched the first retail relaxer kit in 1978 called Dark & Lovely and Rogers says there had been no major innovations since. Companies simply came out with their own version. But, six months ago SoftSheen-Carson came out with the biggest relaxer innovation in 20 years — Optimum Care Relaxer— bringing an entirely new technology to the shelf.



SOFTSHEEN-CARSON IS DEDICATED TO SUPPORTING WOMEN, CHILDREN AND EDUCATION THROUGH THE L’ORÉAL/SOFTSHEEN-CARSON SCHOLARSHIP PROGRAM

move from data managers to analysis managers.” These results include increased distribution on a lot of the products, the ability to identify opportunity gaps and grow the POS. The company has already seen a steady increase.

“Because we are now able to correlate demographic data and consumption data together and look at sales on a store level in a much easier and time efficient manner, we can make suggestions to enable the retailer to have the right product in the right store,” he adds.

There have been a number of incremental doors SoftSheen-Carson has secured in its top retail chain accounts for 2007. Russell says that most of this is driven by the outcome in the analysis they were able to do because of the new DataAlchemy system. On the store level, the company is matching up the DataAlchemy data with demographics of its retailers and the individual stores do some of this analysis.

In turn, the category captainship they have gained has been instrumental in pushing the business forward in that channel. Russell comments, “The reason we have been able to secure those captaincies

in many cases is because we have the ability to provide the analysis and the information needed to grow the category. Some retail chain accounts didn’t even have a captain for ethnic hair care and just left it to whoever they had on general market hair care. You can imagine how much attention the category lacked.”

DRIVING UP

The learnings from SoftSheen-Carson’s implementation of DataAlchemy have been key transferables to the rest of L’Oréal. Other departments within the company are able to consolidate and analyze multiple areas of data with greater ease and efficiency while reducing processing time.

Rogers explains, “As we began to get more involved with our sister divisions within L’Oréal they took notice of the unique position of our business and our use of DataAlchemy.” Their processes were manual using Excel and these divisions had to combine similar data such as IRI and Wal-Mart information and even some smaller chain accounts for which they had POS data. The divisions saw it was taking SoftSheen-Carson less time to come up with its numbers from exponentially more sources and estimations.

Part of the marketing and sales information team from L’Oréal USA including the assistant vice president, went to SoftSheen-Carson (located in Chicago at the time) to see exactly what the company was doing — they wanted to see the tool in action. Rogers says, “I put my laptop on a projector and showed them what the tool does, how we use it and then the light bulbs went off their heads.” Senior management is now able to look at numbers across all three consumer divisions, combining to get one big number. **CG**



“Let’s Jam” conditions hair as you style.



Optimum care uses patented “Oleo Ceramide” technology, which improves the strength of the hair by 100 percent after only one use of the line.