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What's better than a crystal ball?

IRI uses decades of purchases to predict tomorrow's sales

BY BRIGID SWEENEY

Information Resources Inc. got its start as a big data company—decades before the term existed. The company, which goes by IRI, was founded in Chicago in 1979 by market researcher John Malec and Gerald Eskin, a University of Iowa marketing professor. Spurred by the recent introduction of bar codes into grocery stores, the duo purchased scanners for supermarkets to gather point-of-sale data that could be sold to the likes of Kraft Foods and Quaker Oats.

Today, CEO Andrew Appel is ushering IRI through another mind-bending era of change. A former consulting exec, he was intrigued when IRI's private-equity owners, New Mountain Capital of New York, approached him in 2012 about taking over.

"I was attracted by the world of possibility," Appel, 51, says in an interview at IRI's loft-style headquarters near Ogilvie Transportation Center. "In a data business, there are many, many directions you can take the company."

He's settled on this one: mining data to help packaged-food companies and other clients see how they can boost sales in the future and not just explain how consumers behaved in the past.

IRI didn't lack for data. The company had



MANUEL MARTINEZ

Andrew Appel is ushering IRI through a new era of change.

decades of sales figures gleaned from scanners at thousands of supermarkets, drugstores and other merchants around the country. Appel was less thrilled that it took more than a minute to run a report—and that was before the information was exported to PowerPoint.

To speed things along, IRI created a platform called Liquid Data that functions in real time and is accessed through an app built to each client's specifications. Liquid Data also increased the number of sales variables that IRI tracks, expanding to include weather, gas prices, information from retailers' loyalty cards and social media data.

Todd Siwak, CEO of Ferrara Candy in Oakbrook Terrace, says the tool is critical to his mission of doubling Ferrara's revenue to \$2 billion by 2020. Liquid Data lets him see in real time how, say, the

company's Black Forest sour gummies or Atomic Fireballs are selling at Kroger or Wal-Mart, and overlay that with info on in-store displays and Twitter activity to quickly tweak its marketing tactics. "We'd be hard-pressed to grow as aggressively as we are without it," Siwak says. "We'd be flying blind."

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Liquid Data's launch helped propel IRI's own revenue from \$764 million in 2012 to \$981 million in 2015.

In 2014, Appel inked a deal with ComScore in Reston, Va., the leading online traffic analytics company, and Rentrak, which tracks television viewership from headquarters in Portland, Ore. "We decided to put our data sets together and act like one company," Appel says.

TARGETING

The partnership should allow clients to be much smarter about their marketing outlays. Based on its storehouse of information, IRI can identify likely consumers of any given product. Now it can target a 35-year-old mother of two who's been buying Pampers and com-

bine her shopping behavior with her viewing habits, including on mobile devices. Clients could then put ads in front of her at the most opportune time.

In addition, Appel is pushing IRI into new markets, including Australia and China, as well as expanding its reach to a new customer base by licensing the Liquid Data platform. Companies can now implement Liquid Data into their own systems; that appeals to clients like credit card companies that want to keep their customer data in-house but don't want the expense of building their own proprietary analytics systems.

Appel might be an unlikely guy to run IRI. He has an MBA from the University of Chicago Booth School of Business and came to IRI from Accretive Health, where he was senior vice president of operations. Before that, he had been at Aon and McKinsey. He didn't have any experience in market research or the consumer packaged-goods industry.

But he understands what his customers need, and that, he says, is to figure out new ways to make these huge swaths of information understandable and useful. "Our clients' markets are only getting more fragmented, more competitive and more complex," he says.

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