

About the Retail Data-Forwardness Index (RDI)

“RETAIL DATA-FORWARDNESS” DEFINED

We define “Retail Data-Forwardness” as the degree to which retailers dedicate portions of their budgets to employing specialized professionals in the areas such as data science, **data analysis, and artificial intelligence**.


These professionals are thought to empower brands to better interpret data and work with advanced tech across the organization to capture the full potential of retailer data and beyond, ultimately providing a better customer experience.

Thus, we argue that the more willing a retailer is to prioritize such talent acquisition, the more the organization is embracing **an overall culture of data-driven decision-making**.

WHAT THE RDI MEASURES

By studying the number of these new profiles beginning to appear within fashion organizations and their relation to business metrics, we are able to track retailer progress in data-forwardness over time.

Retail data-forwardness (RD) is measured by the total number of data-related professionals divided by the revenue of each retailer, such that:


$$\text{Retail Data-Forwardness (RD)} = \frac{\text{Data-related employees (\#)}}{\text{Latest end-of-year revenue (US\$ Billion)}}$$

The RDI measures data professionals that are **currently and directly employed within fashion organizations**, though it does not account for outsourced professionals and solutions or reskilling initiatives of current staff.

That being said, we believe the RDI is able to capture the data-forward reality of fashion retailers, as the hiring of these professionals indicates a general tendency towards a culture operating under more innovative philosophies. Additionally, these types of investments generally occur after a first contact with data science and decision automation via third-party providers.

METHODOLOGY & DATA COLLECTION

INDEXED RETAILER SELECTION

The list of indexed retailers was originally inspired by the “Super Winners”, or the top 20 players in 2018 by economic profit (\$US million) identified by the Business of Fashion and McKinsey & Company “The State of Fashion 2020” Report.

Fashion retailers in bold represent those that were additions to the “Super Winners” list: Adidas, Burberry, **Chanel**, Fast Retailing, **Foot Locker**, GAP, H&M, Hanes, Hermès, Inditex, Kering, L Brands*, **Levi Strauss & Co**, Lululemon, LVMH, Nike, **PVH**, **Ralph Lauren**, Ross, TJX Companies, VF Corporation.

The following retailers from the “Super Winners” list were not included in our report: Pandora, Anta Sports, Next, and HLA Corporation.

RESEARCH OF DATA-RELATED ROLES

To produce our findings, we retrieved data using LinkedIn Recruiter to search the 22 major retailers and their brands for individuals currently employed with any of the following job titles as of August - September of the year of study:

Artificial Intelligence: AI Consultant, AI Engineer, AI Intern, AI Researcher, AI Specialist, Head of AI, Manager of AI, VP of AI, Director of AI.

Data/Data Science: Big Data Developer, Business Data Analyst, Chief Data Officer, Data Analyst, Data Architect, Data Consultant, Data Engineer, Data Integrity Analyst, Data Management Analyst, Data Management Consultant, Data Management Coordinator, Data Management Specialist, Data Management Team Lead, Data Manager, Data Migration Analyst, Data Specialist, Data Quality Analyst, Data Reporting Analyst, Data Research Analyst, Data Technician, Director Data Management, Director Data Science, Enterprise Data Architect, Head of Data Management, Lead Data Analyst, Lead Data Architect, Manager Data Management, Master Data Analyst, Senior Data Analyst, Senior Data Architect, Senior Data Engineer, Senior Data Manager, Chief Data Scientist, Data Science Intern, Data Science Manager, Data Science Researcher, Data Science Specialist, Data Science VP, Data Scientist, Head of Data Science, Lead Data Scientist, Senior Data Scientist.

Machine Learning: Director of Machine Learning, Head of Machine Learning, Machine Learning Consultant, Machine Learning Engineer, Machine Learning Intern, Machine Learning Researcher, Machine Learning Specialist, Manager of Machine Learning, VP of Machine Learning.

ADDITIONAL FASHION RETAILER INFORMATION

In addition to searching for the aforementioned professional titles, we also used publicly available information to compile the revenue and profit at the end of each retailer’s fiscal year, as well as the official headcount of each retailer according to its last annual report. We used this information to calculate their profit margins, revenue/employee, and data-related employees weight over total headcount.