

Leading Global Retailer uses DynamicAction to uncover a \$3.28 million discrepancy– the difference between missing plan and making it

An international retailer, with a physical and online presence throughout EMEA, has cultivated a diverse breadth of product offerings that include technology, toys, books, clothing, home and more. With a focus on bolstering customer benefits in the new reality of the on-demand economy, this retailer offers a variety of delivery options, from the ability to collect orders at any of their almost 7,000 stores, to selecting a home delivery date ranging from 3 to 28 days post order. Specifically, the home business has continued to be a notable source of profit. It has quickly led to the merchants requiring complete autonomy over the category and subsequent subcategories in order to achieve aggressively set goals.



With DynamicAction the retailer was able to:

- Determine the exact number of days it took for a placed order to turn into actualized revenue in each subcategory.
- Discern that the ratio between the Net Order Value and Placed Order Value (Demand) for the furniture category did not align with the overall business.
- Confirm the longer ship time accounted for the \$3.28 million discrepancy that was affecting the retailer's ability to make plan.

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Instead of reacting to the outcome of retail operations, DynamicAction places decision-makers in merchandising and throughout the executive suite at a competitive advantage, with a true understanding and actionable solutions to the business problems directly affecting profitability.

Research Firm
Frost & Sullivan

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The Challenge:

Merchants overseeing the home furniture category were left confused and frustrated when, despite having eCommerce reports showing the contrary, they consistently missed making plan. The Online Web Trading Manager needed to dive into the cause for the disconnect. While much of the team had various theories, there was no method to definitively measure the real impact at a product or category level. Understanding (in detail) the time lapse between a customer's purchase in multiple indoor furnishing subcategories and their corresponding ship date proved vital to forecasting, hitting financial targets and making plan.

The Solution:

Empowered with DynamicAction's advanced analytics for merchandising teams, the trading manager confirmed that customers were choosing the extended-time shipping options for furniture at an increased rate as compared with other categories. Additionally, she was able to chart the time between a placed order and payment collection for furniture subcategories - such as mattresses, sofas and coffee tables.

RESULTS: Using the Order Waterfall view in DynamicAction, the international retailer was able to:

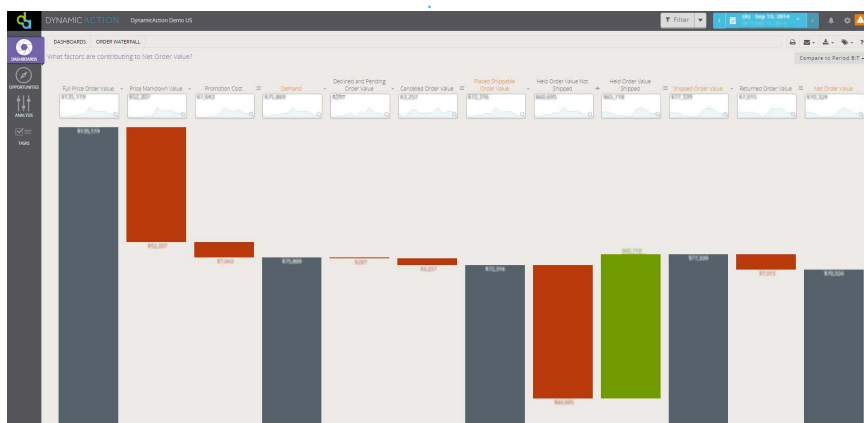
- See how Full-Price Order Value was discounted down to Net Order Value, then focused in on the furniture subcategories.
- Understand the ratio at which orders placed for products resulted in revenue (gaining insight into inventory issues), while also determining the exact number of days it took for a placed order to turn into actualized revenue.
- Discern the Net Order Value (product has not yet shipped) for the indoor furniture category was 15 percent greater than Placed Order Value (product has shipped), when the difference for the overall business was only 7.15 percent.
- Confirm the financial impact of this shipping nuance in measurable detail. Annually, the longer ship time accounted for a £2.3 million (\$3.28 million) discrepancy between Net Order Value and Placed Order Value that was affecting the retailer's ability to make plan.

The trading manager used this information to advocate for additional marketing and promotions, such as discounted expedited shipping and marketing for products that most often shipped quickly to ensure payment collection occurred in the time-frame needed to make plan.



Without DynamicAction, my advocacy for promotions to ensure timely payment collections would not have been effective, because I would not have been armed with the detailed data and analysis to prove the benefit to our business.

Web Trading Manager
at Leading International Retailer



Learn more

To learn more about how DynamicAction is enabling retailers across the globe, including Brooks Brothers, Sur la Table, El Corte Ingles, Tesco and Cole Haan to make accurate decisions and get to fast profitable action on more than \$15B of consumer transactions each year, connect with us at DynamicAction.com and [@Retail_DnA](https://twitter.com/Retail_DnA) on Twitter.