



# SAS Demand Driven Forecasting Solves the Demand and Forecasting Problem For a Home Goods Retailer

SAS Case Studies



Today's retail marketplace is increasingly competitive. In order to win, retailers must be able to respond to seasonal swings, pricing, merchandising changes, and promotions in almost real-time. Consumers have many choices and are increasingly savvy shoppers, unwilling to forfeit a better deal they can find elsewhere on identical or similar products.

To meet this customer satisfaction, merchants can no longer depend on a supply-focused model - bring in lots of inventory and worry about selling the excess later. To remain competitive, they must now rely on analytical forecasts which accurately predict customer demand.

This was the need for a large home goods store chain that came to CT Global Solutions seeking a better way to predict customer demand, the effect of promotions on sales, and an intuitive interface their whole team could understand.

*"We needed a more analytical and automated approach to predict what merchandise needs to be where and the ability to integrate those forecasts across our planning and execution functions. We selected SAS as the analytics platform to move our company forward. We piloted the software and were impressed with its forecast accuracy." - Vice President of Planning, Inventory, and Pricing*

## Predicting trends, sales, seasonal swings, and more for 25,000 products

This home goods retailer sells roughly 25,000 products in 1,200 company-owned retail stores. Accurately predicting product trends, stock trends, sales, seasonal swings, local trends, and promotional impacts were imperative for them to stay competitive. Additionally, this data needed to be integrated into their current supply chain logistics software to ensure that sufficient product would be in stores ready for customer purchase at the correct times.

Using advanced analytics to optimize performance throughout every step of the supply chain and every department is a tremendous opportunity to increase efficiency and profitability. The ability to analyze and measure demand signals allows merchants to develop scenarios to determine the impact of different pricing, promotional, and merchandising scenarios to predict demand. Small adjustments to pricing, changes in advertising, and targeted promotions can distinctly lift sales when implemented correctly. This technology can ultimately move a retailer closer to a true omnichannel goal.

In the "good old days" of retail, a merchant would be focused on shipments and replenishments, rather than demand. They would load up inventory to meet annual sales and profit targets and then find creative ways to sell overordered products. These products were considered loss leaders, moved from store to store and sold at dramatically reduced margins.

That system worked for many years, as consumer demand was relatively stable and no e-commerce existed with instant "Buy Now" buttons. Today's retail market requires demand-driven processes that use predictive analytics rather than the supply-centric approach. An advanced optimization solution can not only sense and shape consumer demand, but can also shape supply based on supplier costs, lead time, order fill rates, stockout rates, and many other factors. When a retailer utilizes a technology solution to optimize their inventory and supply chain, they typically see cost reductions of up to 30% while still meeting demand at 90-99% customer service levels.

## The solution delivered more accurate forecasts and better product availability.

CT Global built a solution for this retailer on SAS® Demand-Driven Forecasting and SAS® Visual Analytics.

- [SAS Demand-Driven Forecasting](#) drives the development of consensus forecasting across all departments to generate the most unbiased and accurate consensus forecast on a large-scale basis.
- [SAS Visual Analytics](#) offers a single in-memory environment that any team member can use for self-service analytics, visual discovery, interactive reporting, scalability, and governance.

The solution delivered better and more accurate forecasts for the retailer. Performance improved for standard merchandise as well as promotional merchandise through improved inventory placement. Customer satisfaction and loyalty also improved due to better product availability.

A modern forecasting and planning solution is critical for success. It not only allows retailers to determine the right moment at which to change prices and update promotions, but they can also accurately forecast how much inventory should be delivered to specific stores at exactly the right time, and sold at the optimum price.

SAS Demand Planning and optimization is now [SAS Intelligent Planning Suite](#).

## 1 Comment



AffiliateLabz on February 16, 2020 at 2:55 am

Great content! Super high-quality! Keep it up! 😊

Reply

## Submit a Comment

Your email address will not be published. Required fields are marked \*

Comment

Name \*

Email \*

Website

Save my name, email, and website in this browser for the next time I comment.

Submit Comment

Search

### Contact Us

First

Last

Email Address

### Phone

(201) 555-0123

Select your industry: \* Banking

How Can We Help?

I'm not a robot reCAPTCHA

Submit

### Recent Articles

- Retail Demand Planning
- Pinpoint Customer Demand Peaks & Valleys With Accurate Forecasting
- The Bullwhip Effect: Managing Demand Spikes
- SAS Demand Driven Forecasting Solves the Demand and Forecasting Problem For a Home Goods Retailer

- Home
- Easy Demand Planning
- About Us Management
- SAS Solutions
- Success Stories
- Blog
- Contact

5100 Tilghman St Suite #110 Allentown, PA 18104 United States Of America

Stay up-to-date on business solutions and subscribe to CT Global newsletter below.

First \*

Last \*

Email Address \*

Select your interest \*

I'm not a robot reCAPTCHA

Submit