

Industry

Online Marketplace

Objective

Forecast the Gross Merchandize Value of the mid-size merchants on the marketplace.

Manthan's Approach

- ▶ Multiple time series modeling approaches
- ▶ Weekly sales forecast for each merchant
- ▶ Impact of Daily Deals & Non-Deals included.

Benefits Achieved

Before: Poor forecasting capability limiting the profitability of the merchants

After: Better forecasting capability and improve profitability

“FORECASTING TO HELP ONE OF THE LARGEST ONLINE MARKETPLACE TO IMPROVE THE PROFITABILITY OF THE MERCHANTS”

Accuracy in demand forecasting is key in any financial planning in the marketplace.

Leading online market place

Client is one of the largest online marketplace in the world, providing consumer-to-consumer& business-to-consumer sales services via Internet. it is a multi-billion dollar business with operations localized in over thirty countries. It is headquartered in San Jose, California ,USA.

Business Context

Client has several sellers accounts and based on the revenue generated, some of the key sellers are under the Managed Account Program. For the managed account, client had some key business challenges and wishes to develop some analytic capabilities around this.

- Inability to forecast accurately the Gross Merchandize Value of the mid-size merchants on the marketplace
- Poor forecasting capability limiting the profitability of the merchants
- Desire to build forecasting tool to support business planning
- Looking for a tool that can be used for baseline forecast at Seller-category-week level with an option to manually correct / update forecast due to promotional activities

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Solution

Manthan in partnership with the client evaluated developed a statistically data driven forecasting approach. Manthan diligently utilized client's historical transaction and promotions data input to come up with a robust forecasting model. The methodology used was Unobserved Component Models (UCM)

Following are the key analytics results provided to the client

- Different opportunities for growth for MD team identified
- Provided custom recommendation at account manager level to facilitate high growth
 - Recommendation related to right inventory
 - Recommendation related to new category an account manager should enter

Benefits

Win-win situation as merchants are able to improve profitability, and the customer is able to retain and nurture its merchant ecosystem.

About Manthan



We are a high-end Analytics and Information Management Solutions company headquartered in Bangalore, India. We are a team of domain experts working round the clock to providing cutting-edge solutions to some of the biggest names in the Retail / CPG industry.

Analyze, Decide & Do