



Revenue Forecast

A PE-owned premium jewelry brand in the U.S

- Provided day-level business performance visibility by forecasting revenue and included business levers like marketing spend, discounts etc. to understand revenue sensitivity
- Facilitated efficient benchmarking of actual business performance against the forecast by developing an interactive Power BI dashboard

Revenue forecasting for a premium jewelry brand

Situation

- Client had limited visibility into the projected business performance in the forthcoming months and the factors impacting it . There was an opportunity to assist the leadership in developing marketing strategy by forecasting revenue incorporating various business factors and scenarios
- Partnered with the client to develop a customer-based revenue forecasting model by incorporating key customer metrics such as lifetime value, repeat rates etc., business trend, seasonality, discounts to better manage revenue trends

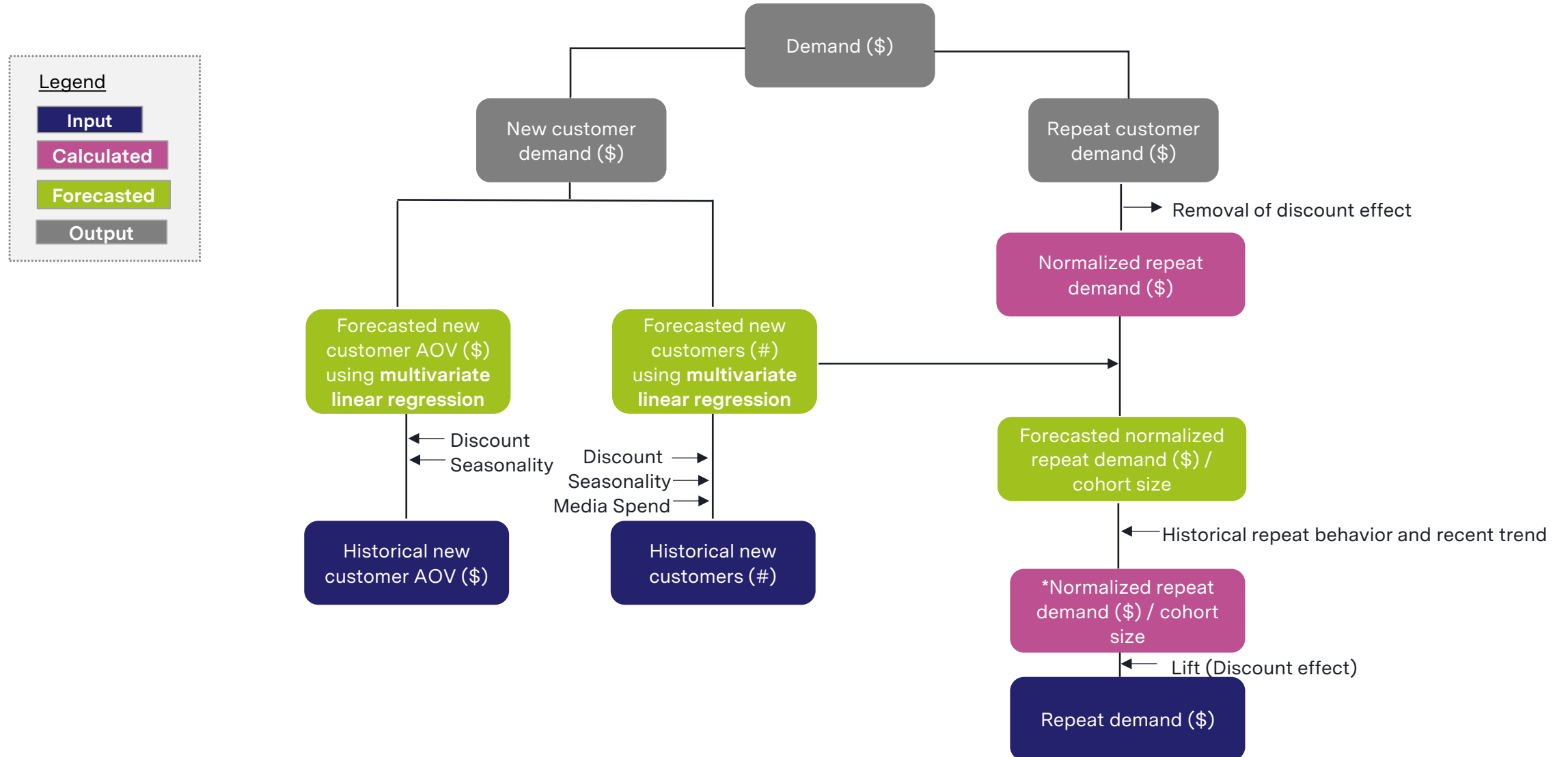
Accordion Value Add

- Provided visibility into day and month level revenue forecast by leveraging budgeted marketing spends, historical customer behavior, business seasonality and discounts.
- Assisted the business team in assessing the impact of promotional activities , change in customer purchasing patterns and macro economic conditions by providing levers to include and adjust a variety of parameters.
- Facilitated efficient and user-friendly benchmarking of actual business performance against the forecast by developing an interactive Power BI dashboard

Impact

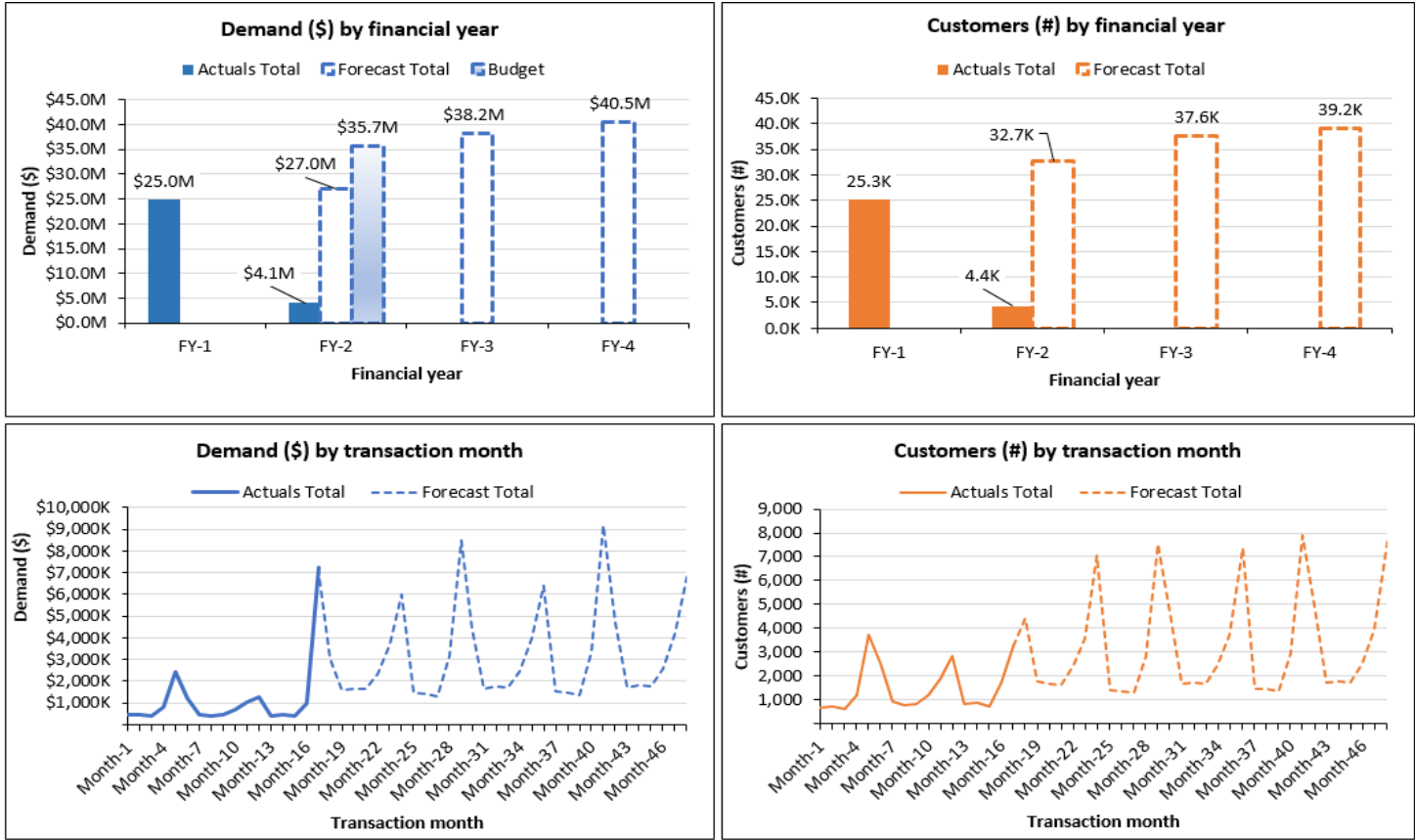
- The revenue forecast model provided better visibility into the projected business performance with <10% mean average error and enabled the client to devise data-driven business strategies by pre-evaluating the impact of planned promotional activities and business trend.
- Enabled the client to shift from high discount to low discount strategy by providing scenario modelling levers to assess the revenue impact

Methodology/ Approach



Forecast outputs

Actual Data
Forecast Data



Gross Demand* (\$) - by Day									
	1	2	3	4	5	6	7	8	9
Adjustment (%)									
New Customers	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Repeat Customers	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Gross Demand* (\$) - Cumulative for Month									
	1	2	3	4	5	6	7	8	9
Cumulative	\$20,000	\$40,000	\$60,000	\$80,000	\$1,00,000	\$1,20,000	\$1,40,000	\$1,60,000	\$1,80,000
Gross Demand* (%) - by Day									
	1	2	3	4	5	6	7	8	9
New Customers	50%	50%	50%	50%	50%	50%	50%	50%	50%
Repeat Customers	50%	50%	50%	50%	50%	50%	50%	50%	50%
Orders (#) - by Day									
	1	2	3	4	5	6	7	8	9
New Customers	110	110	110	110	110	110	110	110	110
Repeat Customers	110	110	110	110	110	110	110	110	110
Total	220	220	220	220	220	220	220	220	220

Output summary shows acquisition and retention revenue, customers, orders, gross demand per customer at a yearly, monthly and daily granularity

Forecast inputs

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Δ AOV%	1%	1%	1%	1%			

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Δ OPC%	1%	1%	1%	1%			

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Δ Retention%	1%	1%	1%	1%			

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Δ CAC%	-1%	-1%	-1%	-1%			

User inputs-
Change in AOV,
OPC, Retention and
CAC

Media Spend (\$) - Monthly			
Month	Month 1	Month 2	Month 3
Total	\$1,00,000	\$1,00,000	\$1,50,000
Media Spend (\$) - Daily			
Date	1	2	3
Total	\$10,000	\$10,000	\$10,000

Media spend data
input for monthly
and daily forecast

Sales Calendar	
Day	Discount
Day 1	High
Day 2	High
Day 3	High
Day 4	High
Day 5	No
Day 6	No
Day 7	No
Day 8	Low
Day 9	No
Day 10	No
Day 11	Medium
Day 12	No
Day 13	No

Discount category
input on daily basis