Client: Personalized inventory management using analytics

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We used analytics to personalize seller management on a large scale

Client

Situation 🔍

- **Context**: Large **e-commerce player** with business across various verticals and categories for B2C as well as C2C

- **Objective**: **sales push** for **B2C segment**

- **Complication**: Although abundance of analytics and different dashboards available, **no structured analytical inventory approach on SKU level**

What we did ⚙️

- By bringing in **advanced analytics** expertise we:
- Developed **holistic and personalized inventory management approach** on single SKU and seller level
- **Identified target inventory** to focus on an developed **levers and recommended actions**
- Used **structured approach** to **select sellers** to **contact** and created **materials for outreach**
- Made **SKUs competitively priced SKUs visible** to **customers**
- Piloted pragmatically using simple Excel sheets and 2 outreach campaigns

Impact 📊

- **Pilot** in 2 weeks
- **13,000 SKUs identified** as prioritized target inventory
- About **200 sellers contacted** in 2 weeks
- More than **5,000 competitively priced SKUs** identified and **uploaded into Deals** in a few days
- **~12%+ revenue impact** in first few weeks

Our objective was to test and learn end to end inventory cycle approach for best-selling SKUs

Inventory pyramid

Best Selling

Strategic Propositions

Emerging categories

Long tail

Identify → Source → Surface → Market

Objectives

- **Test and learn end to end inventory cycle** approach **for best-selling SKUs**

- **Target top SKUs** to ensure and promote **right stock at right prices**

In the pilot, we pragmatically used a simple Excel to provide personalised seller reports with SKU recommendations to target sellers

Child_Account	EAN	Titel	Vertical	L2_Kategorie	Ebay_Preis	Listing_Preis inkl. Versandkosten	Empfohlener_Wettbewerbspreis	Verfügbare_Artikel
vida-xl	_8718475862277	Deckenleuchte Kronleuchter Deckenlampe Kristall Design Chrom Lampe leuchte	Home & Garden	Beleuchtung	24,48	21,99	18,99	16,00
vida-xl	_8718475828211	12x 3w LED Spot Einbauleuchte Warmweiß Einbau Strahler set decken leuchte Lampe	Home & Garden	Beleuchtung	24,92	22,99	19,09	26,00
vida-xl	_9002759492588	EGLO "vintage" Pendelleuchte Pendellampe Deckenleuchte 1-flammig 49258	Home & Garden	Beleuchtung	39,96	42,16	37,79	336,00
vida-xl	_4006825602593	Einhell Akku Winkelschleifer Te-ag 18 Li Solo	Home & Garden	Elektrowerkzeuge	40,41	51,81	42,49	56,00
vida-xl	_4006825585292	Einhell Th-ap 650 E 4326141	Home & Garden	Elektrowerkzeuge	65,71	58,49	49,99	56,00
vida-xl	_4006825603811	Einhell Tc-rs 38 E Exzenterschleifer 4462165	Home & Garden	Elektrowerkzeuge	30,88	40,00	31,99	69,00
vida-xl	_4006825573169	Einhell RED RT-OS 13 130 W Multischleifermaschine	Home & Garden	Elektrowerkzeuge	37,69	34,95	29,99	105,00
vida-xl	_4006825680686	Einhell Deltaschleifer Te-ds 20 E 200 watt	Home & Garden	Elektrowerkzeuge	53,81	52,99	46,97	12,00
vida-xl	_400784660014	Steinel Is 130-2 Infrarot-bewegungsmelder weiß	Home & Garden	Sicherheitstechnik	24,12	22,89	17,50	611,00
vida-xl	_5028735500232	Rampage Single Mini RC und Skate Rampe	Lifestyle	Funsport	24,36	23,94	13,94	21,00
vida-xl	_5024167150106	Rampage Sprungschanze Rampe für BMX Skater Skateboard Inliner Scooter Ramp #s	Lifestyle	Funsport	57,83	57,99	44,61	21,00
vidaxl_de	_8718475862277	Deck	industrial	Büromöbel	24,48	21,99	18,99	16,00
vidaxl_de	_6943478004535	Hape E3400 Haustiere für die Ganze Familie	Collectibles	Puppenstuben & -häuser	12,25	15,58	12,99	27,00
vidaxl_de	_8718475877561	Badablage Eckregal Badregal Regal Duschablage Eckablage Duschregal Duschkorb	Home & Garden	Badzubehör & -textilien	13,37	13,99	9,99	8,00
vidaxl_de	_8718475828211	12x 3w LED Spot Einbauleuchte Warmweiß Einbau Strahler set decken leuchte Lampe	Home & Garden	Beleuchtung	24,92	22,99	19,09	26,00
vidaxl_de	_9002759492588	EGLO "vintage" Pendelleuchte Pendellampe Deckenleuchte 1-flammig 49258	Home & Garden	Beleuchtung	39,96	42,16	37,79	336,00
vidaxl_de	_4008996220201	wolfcraft pyramo CE Schraft 5 Mm	Home & Garden	Bewässerung	12,52	12,51	9,90	496,00

Stock erhöhen (1)   **Preisempfehlung (2)**   **Lagerbestand sicherstellen (3)**   **Trending SKUs (4)**

READY   70 %

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1 Increase stock
- Lists topselling items for which stock is 0.
- ACTION Seller should increase stock

2 Reduce Price
- Shows topselling items which are overpriced
- ACTION Seller should try to decrease prices

3 Ensure stock
- These items are particularly strong
- ACTION Seller should make sure to have enough stock

4 Trending SKUs
- Hot items for most relevant L2 categories on child account level
- ACTION Seller should use list to find potential gaps in his portfolio

# We reached out via email and calls to 172 unmanaged sellers that cover 7,000 SKUs

Reached 172 VIP and High Value sellers, # of SKUs covered

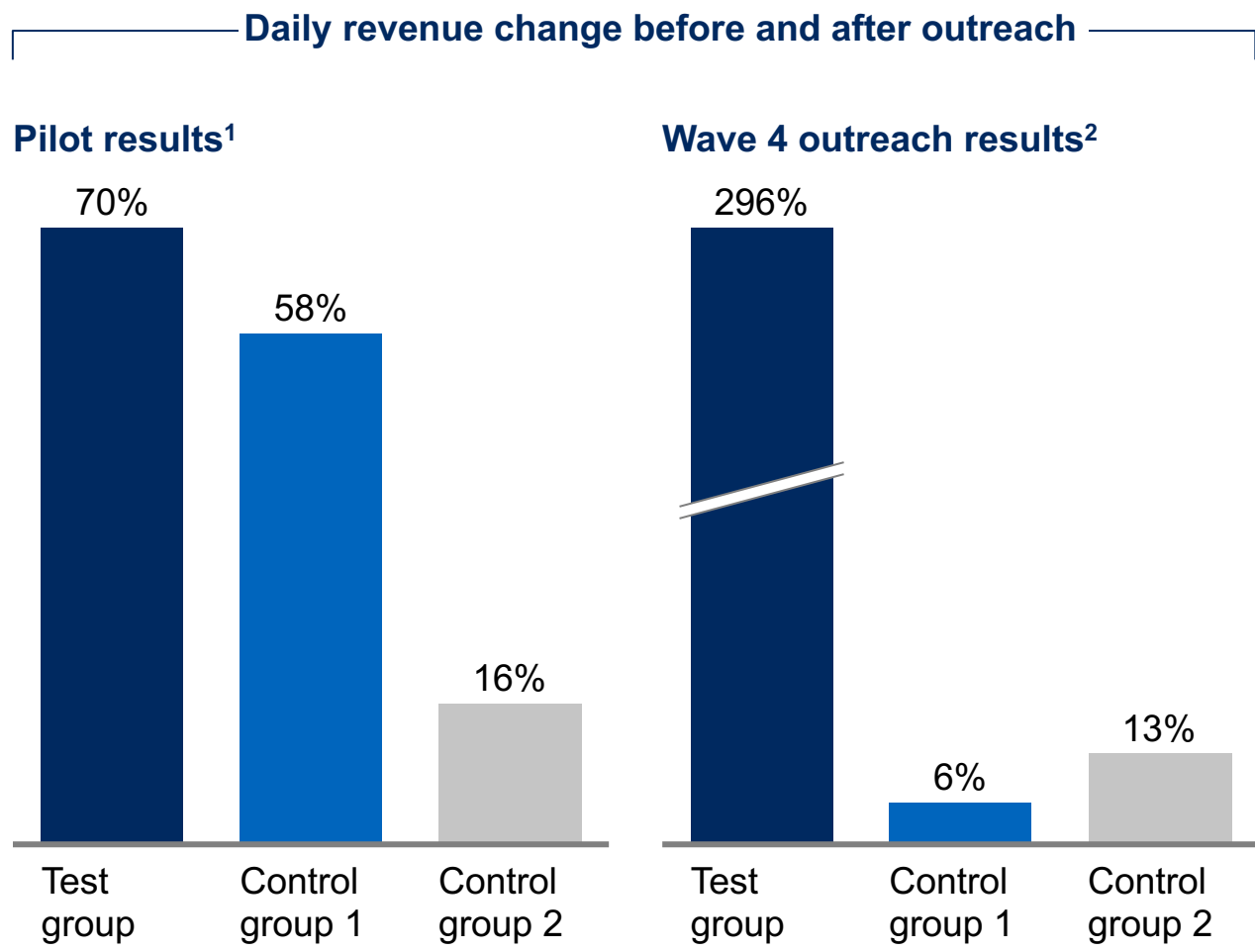|	
Increase stock	143
Reduce price	2,970
Ensure stock	3,134
Total[1]	**6,187**

Sellers receive individualized Email with seller specific report and explanation

1 Download link to PDF which explains seller report

2 Download link to individual seller report
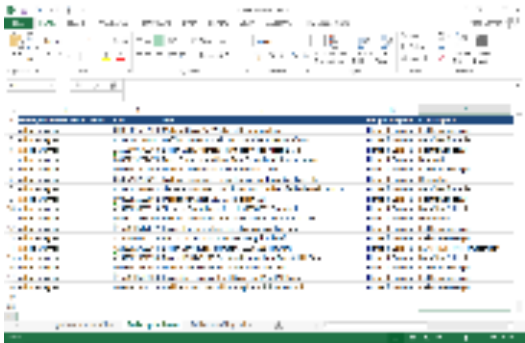
First results
Open rate: 40% (equal to >10pp more than average)

Targeting sellers with clearly prioritized SKUs and clear recommendations proved to be very effective

Daily revenue change before and after outreach

Pilot results[1]

70% — Test group
58% — Control group 1
16% — Control group 2

Wave 4 outreach results[2]

296% — Test group
6% — Control group 1
13% — Control group 2

Test group
- Contacted sellers
- Prioritized SKUs that changed

Control group 1
- Contacted sellers
- Other non-prioritized SKUs

Control group 2
- Non-contacted sellers
- Prioritized SKUs that changed

- Since the pilot there have been **8 further waves** of outreach
- They contacted **2000 sellers** (now increasing to 4000) **via emails and calls**
- This has **strengthened the results** for the test group

1 Before = Oct 18-Oct 25 2016, and after = Oct 26-Nov 22 2016
2 Before = Oct 18-Oct 25 2016, and after = Feb 16-Feb 22 2017
3 Control group based on same SKUs as test group, however, only for 137 out of 194 SKUs transactions have been made in control group 2