



## Customer reference

# OTTO improves its forecast quality by up to 40 percent with Blue Yonder

*"A self-learning system like Blue Yonder's forecasting software fits our dynamic business model. The quality of our forecasts is increasing constantly and the sales quantities predicted are becoming more precise.*

*Blue Yonder help us adjust early to future developments."*

Michael Sinn, Director Offer and Category Management Support, OTTO

## The challenge

OTTO, the largest online fashion and lifestyle retailer in Germany, offers more than 1.8 million items and 3600 brands every day on otto.de. It is critical for the purchasing department to predict sales on the individual item level as exactly as possible. With Blue Yonder, OTTO has improved the quality of its sales forecasts significantly. This is how the market leader avoids delivery bottlenecks and reduces leftover merchandise at the end of the season. Each year, OTTO creates over a billion individual forecasts from approximately 300 million data records a week.

**blue yonder**

Forward looking. Forward thinking.

## The project

Previously, Otto developed all applications for the analysis of Big Data, including forecasting tools, in-house. To increase the forecast quality, OTTO examined external providers' software. Even in the selection phase, the retailer was convinced of the superiority of the Blue Yonder software, in comparison to other products, due to its ability to detect relationships between data from internal sources and external factors.

## The results

Since Otto started using the Blue Yonder software, sales of individual items can be predicted more precisely. Here the primary concern is the approximately 40,000 items per catalog in the print sector. Annually, one billion individual forecasts are created. Approximately 200 factors flow into the forecast. Here the solution differentiates and evaluates only the necessary incoming data. Each day, the online shop and print orders add approximately 135 megabytes or 300 million data records to the system. The analysis tool also determines which data should be considered.

## The benefits

The forecasts based on Blue Yonder helped OTTO achieve savings in the double-digit million range.

### Leftover merchandise

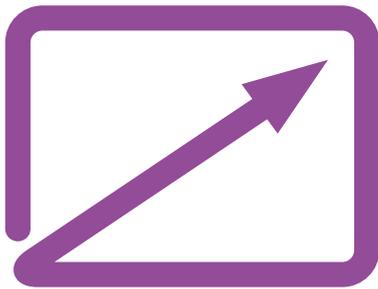
The amount of leftover merchandise at the end of the season was reduced by more than 20 percent.

### Forecast quality

The quality of the forecasts is increasing constantly and the sales quantities predicted are becoming ever more precise. Depending on the source of the offers, forecasts can be improved by up to 40 percent.

### Return forecast

The return forecasts have become more precise. Together with Blue Yonder, OTTO determines return drivers and, based on this information, reduces return quotas.



Forecast quality  
improved by up to  
**40%**

Would you also like to improve the quality of your forecasts? Talk to us!

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Software for data analysis and accurate forecasting

## About Blue Yonder

Blue Yonder is a leading provider in the fields of forecasting and data pattern recognition or 'predictive analytics' for short. Thus, valuable insights for company control can be gained from Big Data. Precise trends and developments can be predicted in real time using cloud-based technology. Companies use Blue Yonder solutions to great effect for purchasing, marketing, material planning, sales, and production control.

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