



OTTO

Customer reference

How OTTO reduced its return quotas with Blue Yonder predictions

“The essential advantage of incorporating Blue Yonder into the return predictions is that for the first time, structured and unstructured data relating to the topic of returns can be linked to one another. The resulting analysis possibilities offer great potential.”

Alexander Pompös, Project Manager Offer and Category Control at OTTO

The task

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. Together with Blue Yonder the company set up a department-spanning project in order to identify return drivers systematically. Using the Blue Yonder prediction software, the goal was to check the company's own hypotheses using various data sources and thus to create a good basis for measures to reduce the return quota.

blue yonder

Forward looking. Forward thinking.

The project

In order to search for return drivers systematically, OTTO set up the department-spanning "Return Project Blue Yonder". In November 2011, the participants met for a workshop. There, the known reasons for returns were summarized again and new measures were identified. The working hypotheses that arose in this context were checked with the Blue Yonder software. For this, it was necessary to link large data quantities from various separate sources to one another and to reveal the relationships among them.

The result

The ten most important hypotheses from the return workshop were analyzed with the Blue Yonder software and in some cases confirmed. For example, customers are ordering ever more goods for selection. This can mean items in different sizes or different colors. Frequently, customers also order an item such as blue jeans in different styles or from several manufacturers. Furthermore, the company determined that the return quota increases with the delivery time. Another factor: the way an item is advertised has an immediate effect on the return quota.

The benefits

OTTO can now take purposeful measures to reduce the return quota:

Reduce selection orders

Provide better explanations and optimal order support to reduce the selection shipments.

Evaluate investments in delivery times

On the basis of the Blue Yonder predictions, it is possible to estimate which investments in reducing the delivery times make business sense.

Individual customer advising in the online shop

An individualization, virtual fitting rooms, as well as an increase in the number of pictures cause customers to make fewer "wrong decisions" when they are ordering.

Would you also like to reduce your return quota? Talk to us!

Dunja Riehemann

Tel: +49 (0)721 383 117 36

E-Mail: dunja.riehemann@blue-yonder.com

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.

Blue Yonder GmbH & Co. KG
Karlsruher Straße 88
D-76139 Karlsruhe

Phone +49 (0)721 383 117 0
Fax +49 (0)721 383 117 69

info@blue-yonder.com
www.blue-yonder.com