

Case study

Luminate Demand Edge

THE
SOURCETM

The Source Achieves a 98% Sell-Through Rate on Black Friday with Luminate Demand Edge

- Achieved 98% sell-through on key promoted items
- Improved post-promotion in-stock rates to 95%
- Reduced inventory by 19% over two years

A forward-looking forecast supports high sell-through during peak periods:

“Luminate Demand Edge allows us to allocate inventory using a data-driven forecast instead of historic sales. As a result, items with limited quantities have experienced much higher sell-through rates during peak demand periods, with less residual inventory. For example, our key promotional offer on Black Friday experienced a 98% sell-through. We sent every unit to the right location in the right quantity. That’s unheard of in our industry.” — **Senior Manager, Supply Chain**

The Source is Canada’s largest tech retailer, with over 300 retail locations nationwide and an online sales channel. The company helps customers discover the latest tech for all their needs, including smartphones, smart home, headphones, home entertainment, home office and audio products.

Business challenge:

The Source offers a large, diverse product portfolio in-store and online, including low-frequency purchases such as TVs, trendy offerings like gaming consoles and fast-moving convenience items including chargers. Forecasting demand for this range of products is challenging. The retailer needed a data-driven way to forecast demand based on a range of factors, both internal and external, that shape consumer behaviors.

The Blue Yonder solution:

Powered by artificial intelligence (AI) and machine learning (ML), Luminate Demand Edge enables The Source to incorporate hundreds of demand variables as it creates a single, unbiased forecast that calculates both business risk and likely impacts. Enabled by the Luminate Platform, this powerful, automated solution translates huge data volumes into actionable insights that lead to positive outcomes in terms of both service and profitability.





A post-Black Friday in-stock rate of 95% ensures satisfaction:

“The day our Black Friday ad ended, our in-stock rate across all departments was 95%. In previous years, it had been as low as 82%. That means we’re not leaving sales on the table as we head into December. It also means high levels of shopper satisfaction. Luminate Demand Edge creates a dynamic, extremely granular and fully automated forecast. That allows us to dynamically replenish inventory and deliver high availability, even during peak sales periods.”

An accurate forecast leads to a 19% working capital improvement:

“Despite our incredibly favorable in-stock rates, we’ve also been able to substantially reduce our working capital. We’re now able to accurately service all our channels with a more efficient use of inventory. We reduced our inventory investments by 19% over the course of two years. That’s a significant win!”

AI, ML and automation exceed the accuracy of manual processes:

“Previously The Source relied on manual analysis and sales history — which, as we all know, is a limiting factor when you’re trying to drive incremental revenue and win in a volatile marketplace. I’ll admit the level of comfort among the team was initially low; we had many conversations around ‘trusting Luminate Demand Edge.’ We were extremely nervous about the volumes we were sending to some stores. But we trusted in the solution’s capabilities — and it paid off.”

Solution benefits:

- A cloud solution delivered on Microsoft Azure, Luminate Demand Edge enables The Source to respond strategically and profitably to demand fluctuations. Planners can leverage prescriptive recommendations to enable more accurate decisions, from staging inventory to minimizing stock-outs and maximizing turns.
- Luminate Demand Edge enhances forecast accuracy by combining internal data with external, complex and interrelated variables like weather patterns, pricing and promos, holidays, product characteristics and events.
- Delivered on the Luminate Platform and accessed through Luminate Portal, Luminate Demand Edge is a user-friendly solution that combines robust behind-the-scenes functionality and advanced security features with an easy, accessible interface.

Blue Yonder’s expertise:

“Planning for and forecasting demand can be challenging in the consumer electronics sector, so we’re excited by the results we’ve seen thanks to Blue Yonder’s Luminate Demand Edge solution. The implementation team worked diligently to gather quality data inputs, which resulted in the delivery of a new forecasting process that allows us to better service our customers, while profitably managing our business, both in stores and online.” — **Vice President, Merchandising and Supply Chain**

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