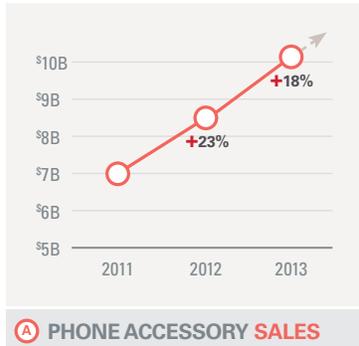


Painting the Big Data Picture

DISTRIBUTION BY THE NUMBERS: Data Drives

by Carrie Adams and Jeremy Bergmann

For businesses to stay ahead of the competitive field, identifying market opportunity cannot be a responsive reaction. Predictive analytics merges actionable data streams to construct the “big picture”, allowing clients to proactively focus on maximizing profit and reducing risk.



A PHONE ACCESSORY SALES



B TECH ACCESSORY SALES



C HOLIDAY CASE SALES

To illustrate the need for constructing the “big picture” using “big data”, consider the following facts about the Phone accessory industry:

- A** From 2011 to 2012, cell phone accessory sales increased by 23% from \$7 billion to \$8.6 billion.
- A** Sales rose again 2012 to 2013 to the tune of 18%, a \$1.6 billion increase. That trend continues to be a healthy one.
- B** Phone Accessories and Audio sales are still viable areas of growth and drive similar volumes in the tech sales industry.
- C** During the holiday sales week alone, cell phone case sales rose by 88%, clearly quantifying the buying behavior during critical buying times.
- C** The timing of the release of the iPhone 5S and iPhone 5C no doubt were delivered to the public in anticipation of an increased sales opportunity.

As illustrated above, the use of internal and external data sources (including consumer behavior, buying holidays, phone launches, etc.) allows for an alignment of market opportunity with the right arsenal of sales, marketing planning, support and internal processes that alleviate risk associated with the business.

This idea can be applied to sales agents in the mobile accessory marketplace. Assisted sales agents cannot afford to guess on how their customers will behave; they must look at available data streams to find the facts that will allow them to make optimal business decisions.

Brightstar is able to access several data streams to construct the real picture of what is happening in the market, in the industry and in the doors of clients. This ensures that they are leveraging their strengths, mitigating their weaknesses, capitalizing on new market opportunities, and avoiding potential risks and threats.



Source: The NPD Group/Retail Tracking Service. Includes Cell Phone Device Protection, Cell Phone Screen Protection, Stereo Headphones, Bluetooth Cellular Headsets & Hands Free, Micro SD Memory Cards, Cell Phone Battery, Streaming and Docking Speakers, Cell Phone Holders/Stands, and Chargers

Source: The NPD Group/Retail Tracking Service. Cases includes cases for phones, tablets, and e-readers.

DATA STREAMS: A RIVER OF INFORMATION

The “River of Information” is constructed using a combination of VMI and Purchasing insight, sales team feedback, and the due diligence of strategic market research. Combined with the power of



iQmetrix, we are able to leverage dealer inventory levels, dealer sell-through, and transfer and adjustment data to craft a well-rounded view.

Once the data stream is created, it's fed to various business units through reports information dashboards, and analytical projects. This information is used to make better sales, demand and purchasing, marketing and managed inventory decisions.

WHAT DOES THE DATA TELL US?

The data river can become too deep and too wide to find meaningful actionable responses without strategic analysis. Where do I find myself in the data? How do I apply this to my business? By looking at the data with a critical eye and with the business objectives in mind, we can identify business opportunities and trends that can lead to sales opportunities, and adjustments to sales and inventory strategies.

Beyond the analysis and adjustment of sales and inventory, the data lends itself to predictive analytics by way of identifying business trends. Using historical results, market research, and consumer behavior analysis, the trends are unveiled that indicate the direction of current business and how that will unfold into the future.

Knowing the current and future direction of the business allows businesses to minimize risk, by knowing key assumptions that decrease the uncertainty of business results. This information enable clients to make key business decisions that will result in additional opportunities for sales by having the “right products”, at the “right time”, for the “right audience”, in the “right place”.

SLICING & DICING THE DATA USING ANALYTICS

Analytics is the discipline of synthesizing multiple data sources to create information that's applicable to multiple facets of a business. This information is created as a result of analytical projects that identify business opportunities, key market trends and/or predict unknown future events.

The goal of one analytics project was to “forecast iPhone 5S/5C accessory sales, upon launch of the iPhone 6 handset”. In this project, the Business Intelligence & Analytics (BI&A) team at Brightstar used historical sell-thru data from iQMetrix.

Using a combination of trend analysis and forecasting, BI&A determined that the demand for older generation iPhones would drop approximately 40% in September 2014, but increase approximately 25% in November 2014 (from the August 2014 baseline). This provided Brightstar's business stakeholders the information they needed to answer the following questions:

How much iPhone 5S/5C phone specific (cases & screen protectors) accessory inventory should we carry in our distribution center?

Where does accessory demand exist within our customer base?

Who should we focus our marketing campaigns on, based on historical launch results?



This information led to improved decision-making by business stakeholders that reduced inventory risk, while improving marketing and sales results.

IN SUMMARY

When data streams are aligned with our internal Analytics system and external market research, the potential suddenly becomes the actionable. This is how the data streams become a “unified river” of knowledge that opens the floodgates to better business decisions.



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