



# MARKET ANALYSIS

Team: Seven

# Market Overview of the Year 2015

**26.2%**



Revenue  
Growth Rate

**23.8%**



Profit Growth  
Rate

**27.1%**



Market Size

**100%**

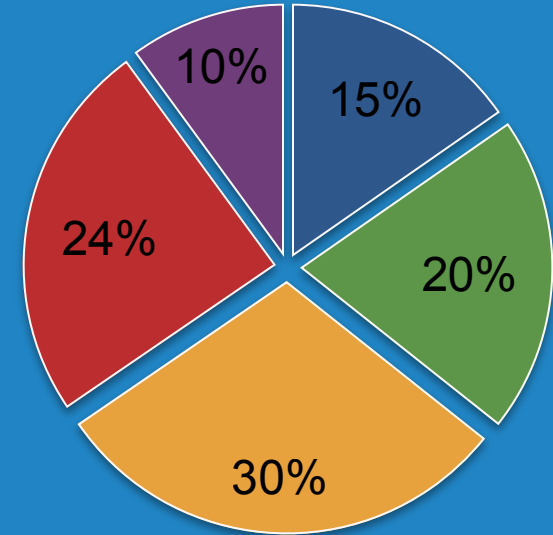
Customer  
Retention



# Customer Segmentation with RFM Analysis



- Loyal Customers
- Potential Loyalist
- Needs Attention
- Price Sensitive and low frequency
- Lost





# How to convert customers into loyalists?

We must make the five senses of the customers delighted to capture their interests and influence which in return effects their buying behavior. To do this we must make the product presentation more personal and relevant. We can do this by engaging the senses through images, compelling copies, demonstrative videos, making them experience the products.

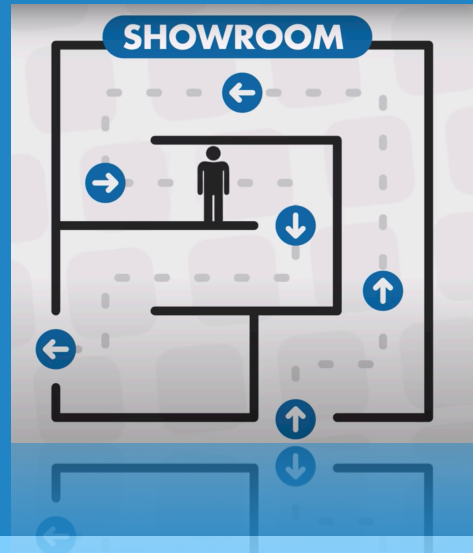
If we want loyal customers, an amazing customer service is a must. A customer evaluates every interaction he or she has with the staff and makes a judgment call about our services. Customers always keeps count of things like waiting in line, making a return, calls about a low quality product after a purchase. One person can effect the behaviour of many potential customers in this social media times.

(The Starbucks is successful despite their high prices mainly due to their incredible personalization. A barista is always trained to greet a regular customer with name. This simple behaviour make the customers feel welcome).

One of the other important component to keep customers coming back is to reward them for their loyalty. use loyalty programs that gives customers discounts, gifts and exclusive offers. Not only you the customers also wants to be appreciated. We have to do it since, the customers can choose to spend their money anywhere, but still they've chosen you.

## ► What is the world-renowned furniture brand strategy to success

Most retailers design their stores to maximize the time spend inside by spreading staples like bread, milk and bananas. But “IKEA” the well known furniture brand takes this step to the extreme. By arranging the stores like a transit lines, the company takes control over our shopping experience and makes us look through all the departments. There are restaurants and kids play areas which helps to the customers to stay longer. The IKEA also communicates the low prices and values effectively, which spill over into the brand as a whole.

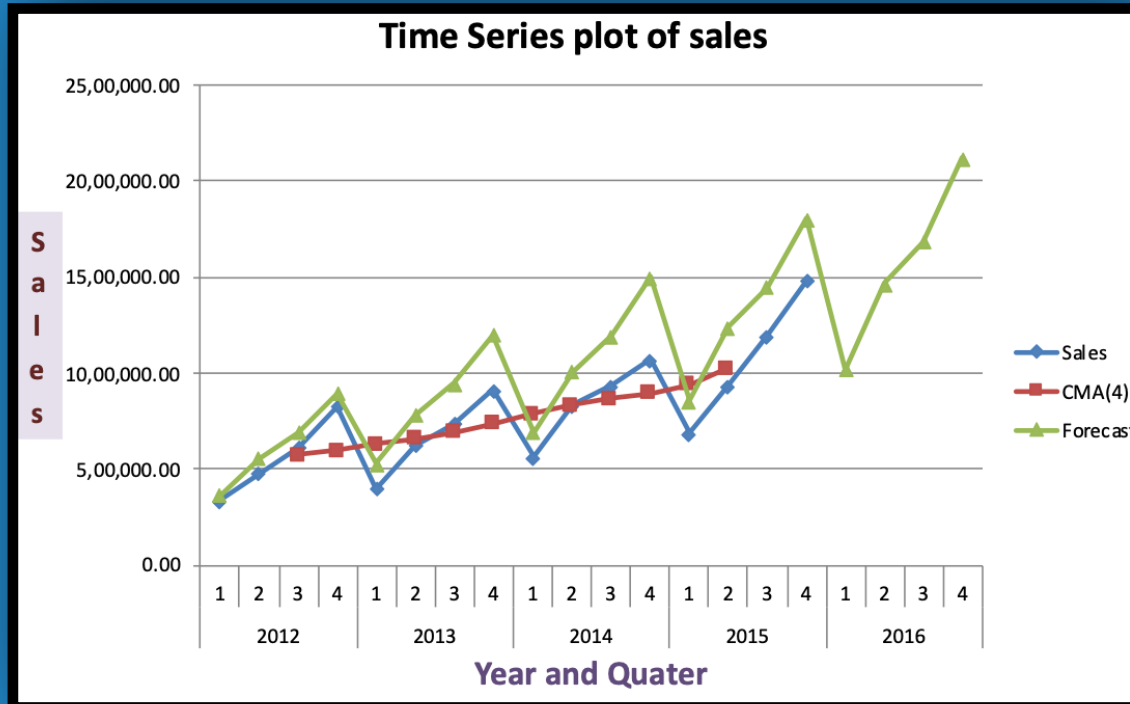


**IKEA's Transit System**

## ► The IKEA effect

An average visit lasts a whole hour and half at most of their stores and one estimate states that 60% of the items purchased at IKEA are unplanned. The IKEA effect – research conducted by Harvard Business School suggests that we attach more value to the things we help make ourselves turning IKEA's self assembly into a feature that develops customer loyalty. Assuming the business model has physical stores, adopting to product self assemble will reduce costs and transit systems helps in increasing revenue.

# ▶ What can we expect from 2016?



Year and Quarter

2015				2013				2014				2012				2011			
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
0.00																			

- The Sales are following a specific trend every year.
  - The year always starts low and end in a high note and almost follows a linear path.
  - So, according to the forecast model there will be a 17.6% increase in sales rate in the year 2016, and it will end at \$21,26,760 in quarter 4.
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- The sales performance ratio of all the segments almost remained same in all the seasons.
  - The demand and performance of consumer segment is the highest in all the seasons followed by corporate and home office segments.
  - B2B market strategies are lagging a bit compared to B2C.
  - Both home office and corporate segments can be worked up on.
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- The sales ratio of product categories remained same similar to that of market segment.
  - The technological products are performing the best followed by Furniture and office supplies.
  - The sales of each and every segments and product categories are increasing every year.



# ► How is the Market performance ?

## ● Segment Performance

The Consumer Sales are the highest counting up to 51 % of the total sales followed by Corporate segment which count unto 30% of total followed by home office segment with 19% .

## ● Product Performance

Technological products such as phones, copiers, and other machines have very high demand compared to that of other sectors. Furniture takes the second place with Book cases and chairs being the stars. Other office supplies takes the last position being the Low Price, High Volume products.

## ● Geographic Performance

The Sales performance is well off in all the states in India. The highest sales is recored in Kerala with \$750,550 to the lowest being Delhi with a sales of \$360,714. The brand is yet to be found in 3 other states.

# BCG Matrix



1. Phones
2. Copiers
3. Book cases
4. Technological Accessories
5. Machinery

**STAR**

1. Art
2. Furnishings
3. Supplies

**?**

1. Chairs
2. Tabela
3. Binders
4. Storage

**Cow**

**DOG**

1. Envelopes
2. Fasteners
3. Labels
4. Paper

# Thank You

