

ECO 32500, Spring 2024, Final Project Proposal

Team Members:

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Research Question:

The VP of Sales has tasked us with the following question to help improve the firm's performance. How can we improve this firm's performance in terms of sales for FY 2024? What are some suggestions we can provide to boost the firm's success?

Reframe the Question:

What are the most efficient ways we can boost this firm's sales, in a way that improves our performance? We need to know which products in our firm sell the most, and during which times there is a huge volume of sales. We have to find out whether we make more sales in stores or online. Also, find a correlation between discounted items and non discounted items compared to their respective sales.

Justification:

Improving sales performance is crucial for the firm's growth and sustainability. With the increasing trend of online shopping, leveraging online platforms could be a strategic move to capitalize on this market shift. Additionally, optimizing product pricing and cost management could enhance competitiveness and profitability. We need to look at the store data and find the numbers respective to item sales, yearly sales, and total store sales. We can also use outside data that shows the correlation between in person sales and online sales across most companies to get an estimated answer on which option sells more.

Data Collection / Study / Source:

To address this research question, we will require data from various sources:

Sales Data: Obtain historical sales data for the firm, including product-wise sales figures, revenue trends, and sales channels (online vs. offline).

- Source: Internal sales records and databases.

Market Research Data: Gather insights into online shopping trends, consumer behavior, and competitor analysis.

- Source: Market research reports, industry publications, and online analytics tools.

Product Cost Data: Collect data on production costs, overhead expenses, and pricing strategies for different product lines.

- Source: Internal accounting records and cost management systems.

Online Platform Data: Explore data related to online sales platforms, including user traffic, conversion rates, and customer feedback.

- Source: E-commerce platform analytics, website performance metrics.

Data Preparation:

- Clean and preprocess sales data to ensure accuracy and consistency.
- Merge and analyze market research data to identify key trends and opportunities.
- Calculate product profitability metrics based on cost and revenue data.
- Evaluate online platform metrics to assess performance and user engagement.

Proposed Strategies:

Shift Towards Online Platforms: Develop a comprehensive online sales strategy to capitalize on the growing trend of online shopping. This could involve:

- Enhancing the firm's e-commerce website with user-friendly interfaces and seamless checkout processes.
- Expanding presence on third-party online marketplaces to reach a wider audience.
- Implementing targeted digital marketing campaigns to drive traffic and conversions.

Optimize Product Pricing: Analyze pricing strategies for different product categories to ensure competitiveness and profitability. This may involve:

- Conducting pricing analyses to identify pricing elasticity and optimal price points.
- Implementing dynamic pricing strategies to respond to market fluctuations and demand changes.
- Offering discounts and promotions strategically to incentivize purchases and increase sales volume.

Cost Management Initiatives: Identify opportunities to reduce production costs and overhead expenses without compromising product quality. Potential initiatives include:

- Negotiating favorable terms with suppliers and vendors to secure cost-effective sourcing.
- Streamlining operational processes to improve efficiency and reduce wastage.
- Exploring outsourcing options for non-core activities to minimize overhead costs.

Project Outline:

Data Collection and Preparation: Gather relevant data sources and perform data cleaning and preprocessing.

Data Analysis: Analyze sales data, market trends, and cost structures to identify insights and opportunities.

Strategy Development: Formulate actionable strategies based on data-driven insights and market research findings.

Implementation Plan: Outline the steps and timeline for implementing proposed strategies, including resource allocation and stakeholder engagement.

Performance Monitoring: Establish key performance indicators (KPIs) to track the effectiveness of implemented strategies and iterate as necessary.

By following this structured approach, we aim to provide actionable recommendations to improve the firm's sales performance and drive sustainable growth in FY 2024.