

Adidas Sales

Title	Key Takeaways	West Vs. South Sales	Time Series	Revenues Broken Down by State	Volatility in Sales	Methods of Sales	Time Series of 3 Main Retailers in the Respe...	Costs	Cost per Retailer	Profit
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Adidas Sales 2021:
Aggregating Data for investment insight
Presentation By Camden Nix





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Although the South Region only represents a 16.6% of 2021's national sales (\$119.2M), the Region's operating margin of 45.7% (~7 points higher then the West) and reduced expenditures of \$67.91M should lead to reallocation of 2022 investments. Particular focus should be on the outlet sales from the Sports Direct South division that yielded an average profit per item sold of \$10.16.

Key Takeaways:

Regional Disparities in Sales and Outlets:

The West region dominates U.S. sales with \$193.05M, significantly surpassing the South's \$119.21M despite a smaller population.
In the West, outlet sales lead, with \$88.24M, while the South's outlet sales (~96%) are predominantly driven by Sports Direct.

Retailer Dominance and Trends:

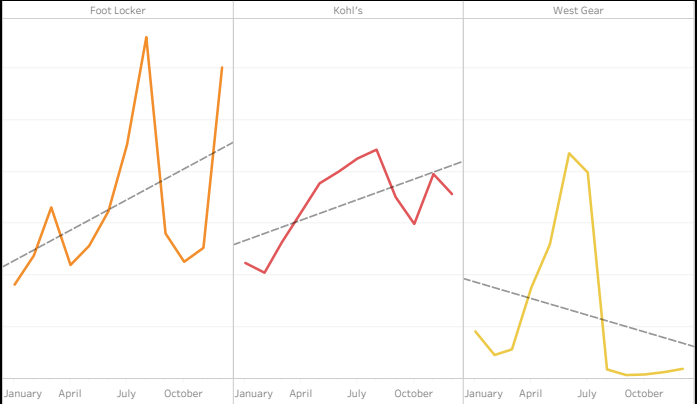
West's outlets see declining 2021 sales, with Sports Direct in the South showing positive growth.
Online sales trends are optimistic in the West, particularly for Foot Locker and Kohl's, while the South sees positive growth for Walmart and West Gear.

Cost and Profit Analysis:

West outlet costs (\$61.43M) are double the South's (\$30.33M), but online costs are comparable.
Profit margins favor the South, with Sports Direct achieving 45.7% compared to the West's 36.51%, influenced by higher per-unit profits.

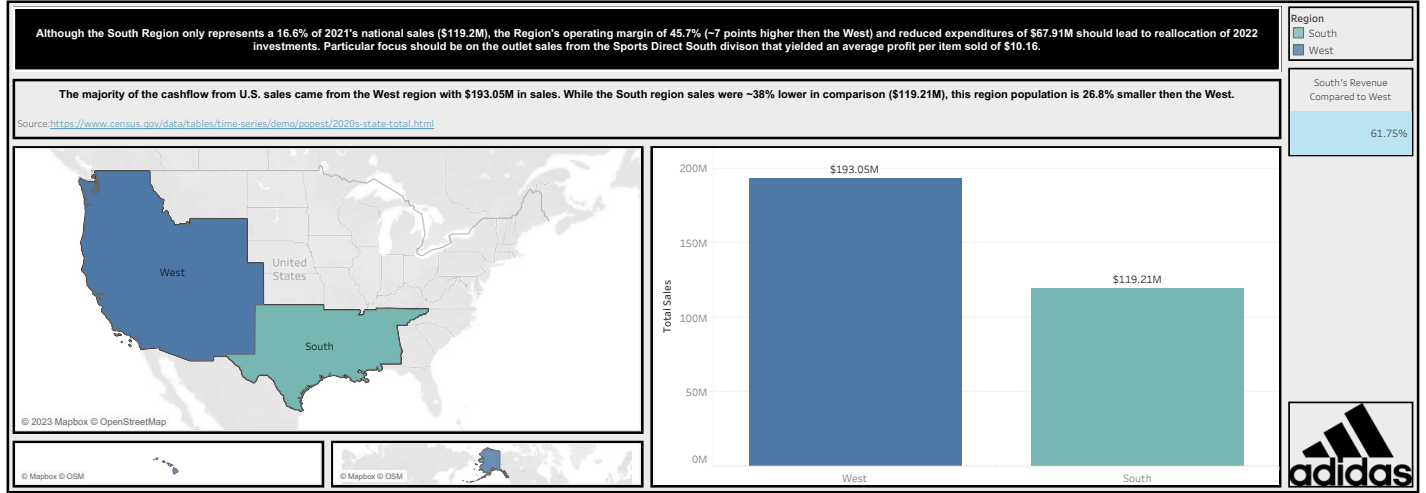
Retailer-Specific Profit Patterns:

Sports Direct in the South consistently maintains high outlet profit margins (42-51%), peaking during sales seasons...



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When further examining shopper trends, national sales experience a 5-week cycle in sales with peak months being July & December for in-store & Online sales; while Outlet's see highest sales in April. The preferred day of the week to shop also varies by sales method with Outlet sales peaking on Tuesday while the other methods fall closer to the weekend.

Sales by Week of the Year

Total Sales

Invoice Date

Week	Total Sales (M)
1	2.0
10	7.0
20	4.0
30	6.0
40	7.5
50	2.0
52	2.5

Sales by Day of the Week

Total Sal..

Invoice Date

Day	Total Sales (M)
Sunday	30.0
Monday	29.5
Tuesday	31.0
Wednesday	30.0
Thursday	30.5
Friday	30.2
Saturday	30.0

Sales Method

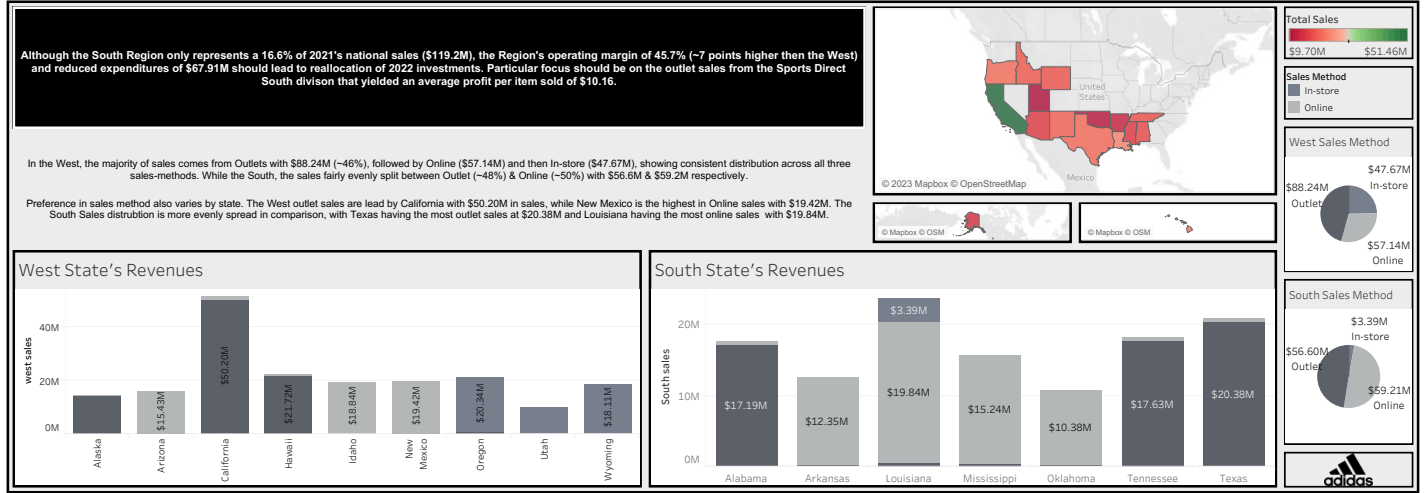
☐ In-store

☐ Online

☒ Outlet

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The States with majority of sales from outlets (i.e. California, Texas, Tennessee, Hawaii, etc.) experience higher volatility on a month to month basis in comparison to States with majority of online sales (i.e. Louisiana, New Mexico).

When looking at sales trends for 2021, the West's outlet sales are indicating a downward projectory, while the South is showing positive growth for the year. Both regions show positive growth for online sales going into 2022.

Monthly Sales: West

State	Min	Q1	Median	Q3	Max
Alaska	0.5M	0.8M	1.0M	1.2M	1.5M
Arizona	0.5M	0.8M	1.0M	1.2M	1.5M
California	2.0M	5.0M	8.0M	12.0M	15.0M
Hawaii	0.5M	0.8M	1.0M	1.2M	1.5M
Idaho	0.5M	0.8M	1.0M	1.2M	1.5M
New Mexico	0.5M	0.8M	1.0M	1.2M	1.5M
Oregon	0.5M	0.8M	1.0M	1.2M	1.5M
Utah	0.5M	0.8M	1.0M	1.2M	1.5M
Wyoming	0.5M	0.8M	1.0M	1.2M	1.5M

Monthly Sales: South

State	Min	Q1	Median	Q3	Max
Alabama	2.0M	3.0M	4.0M	5.0M	6.0M
Arkansas	0.5M	0.8M	1.0M	1.2M	1.5M
Louisiana	0.5M	0.8M	1.0M	1.2M	1.5M
Mississippi	0.5M	0.8M	1.0M	1.2M	1.5M
Oklahoma	0.5M	0.8M	1.0M	1.2M	1.5M
Tennessee	2.0M	3.0M	4.0M	5.0M	6.0M
Texas	2.0M	3.0M	4.0M	5.0M	6.0M

West Sales

Month	Sales
January	15M
February	12M
March	10M
April	18M
May	15M
June	12M
July	10M
August	12M
September	10M
October	12M
November	15M

South Sales

Month	Sales
January	5M
February	8M
March	10M
April	12M
May	10M
June	8M
July	10M
August	12M
September	15M
October	10M
November	12M

Sales Method

☒ In-store

☒ Online

☒ Outlet

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The vast majority of the South's outlet sales (~96%) come from Sports Direct with \$54.19M in sales, while the West's outlets are more evenly split between Kohl's (\$26.1M), West Gear (\$24.89M), and Footlocker (\$13.99M). Similar with online sales, the South is dominated by West Gear with \$27.53M in sales with the next closes being Walmart with \$13.56M. While Kohl's and Footlocker are the main retailers for Online sales in the West with \$20.31M & \$20.13M respectively.

**With the top 3 retailers representing more then 88% of their regions sales, further analysis will focus on this group. **

West Sales By Retailer

Retailer	Outlet (%)	Online (%)	In-store (%)
Kohl's	13.52%	10.52%	8.23%
West Gear	12.89%	3.97%	15.32%
Foot Locker	7.25%	10.43%	
Amazon	6.75%		
Sports Direct	4.41%		
Walmart	3.43%		

South Sales By Retailer

Retailer	Outlet (%)	Online (%)	In-store (%)
Sports Direct	45.46%		5.24%
West Gear	23.09%		
Walmart	11.38%		
Foot Locker	7.04%		
Kohl's			
Amazon			

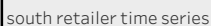
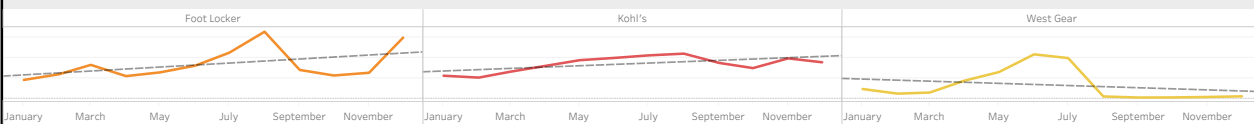
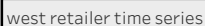
Top 3 South... 91.52%
Top 3 West... 88.58%

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When aggregating the regions sales, noticeable trends for 2021 can be distinguished. The west shows declining sales for all 3 main outlets for 2021, while Sports Direct's South outlet sales show positive growth for the year. Online sales show more optimism for the West, with Foot Locker and Kohl's exhibiting positive growth for the year; while both Walmart and West Gear in the South also showed a positive growth trend for 2021.



Sales Method

☐ In-store

☒ Online

☐ Outlet

Retailer

- Foot Locker
- Kohl's
- West Gear

Sports Direct

- Walmart
- West Gear



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When analyzing Costs, the West outlets (\$61.43M) have twice the Costs in comparison to the South (\$30.33M), while also experiencing a larger amount of volatility on a monthly basis. But online costs actually roughly equal between the West & South (\$35.9M & \$ 35.54M respectively), with the West actually having less volatility in comparison.

The distribution of costs is also more evenly distributed throughout the region when examining online sales, compared to outlet sales.

Sheet 125

Region	Min	Q1	Median	Q3	Max
South	0.5M	1.5M	2.5M	4.5M	10M
West	1.5M	3M	4M	7M	10M

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\$17.47 California Los Angeles	\$23.32 California San Francisco	\$14.13 Texas Dallas	\$10.87 Alabama Birmingham	\$41.85 Alaska Anchorage		
		\$11.76 Tennessee Knoxville		\$2.56	\$1.24	\$2.36
			\$49.15 Hawaii Honolulu	\$2.64	\$1.56	\$1.59

Avg. Cost per Unit

\$1.24 \$49.15

Standard Deviation Comparison

Region	Avg. Cost per Unit
South	\$69.64K
West	\$124.98K

Sales Method

☐ In-store

☐ Online

☒ Outlet

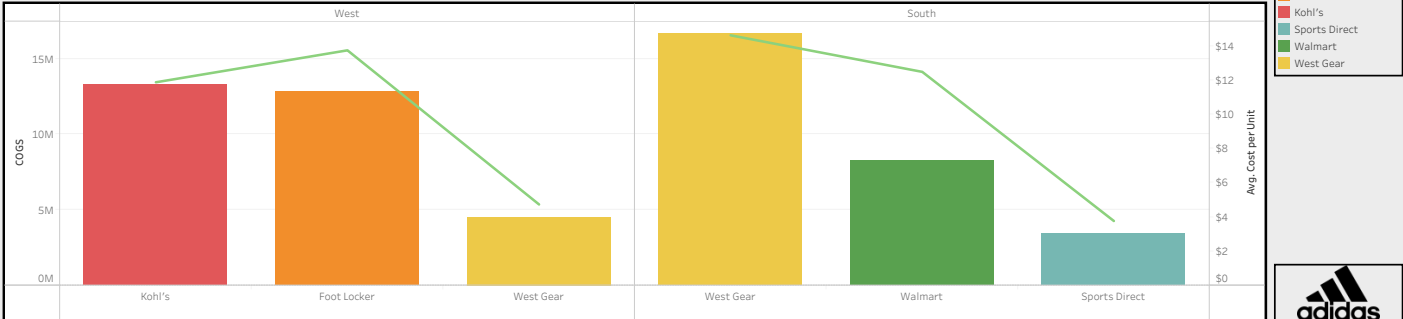
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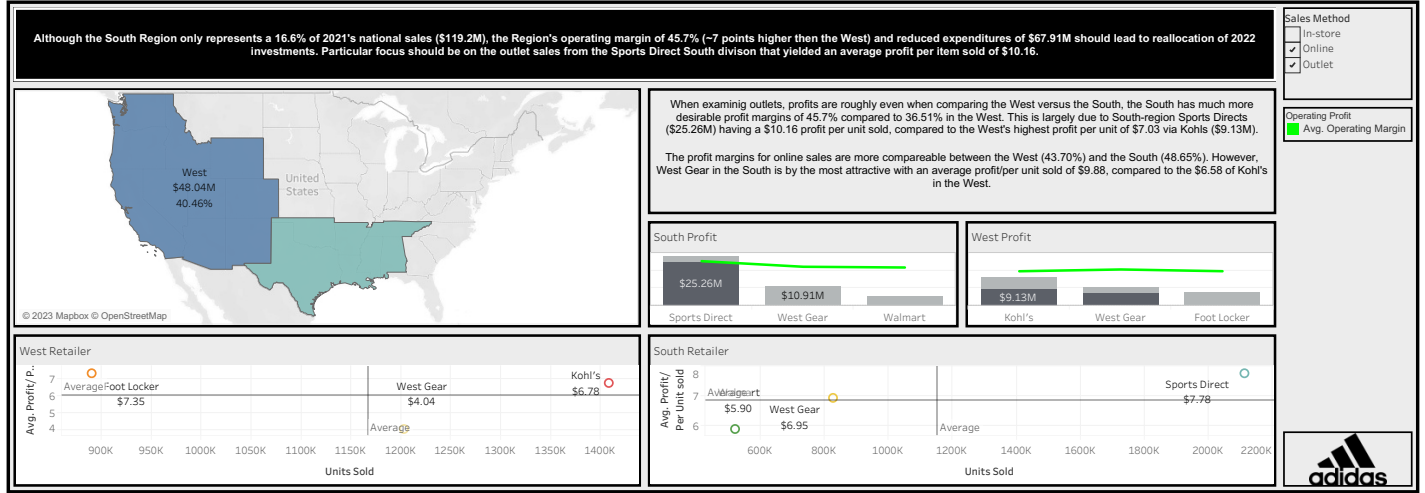
Drilling down further into Costs, outlet from Foot Locker's in the west have an average cost per unit of \$18, compared to \$10 & \$13 from West Gear And Kohl's respectively. In comparison to the \$12 average cost per unit of Sports Direct outlets in the south, with roughly twice as many units sold.

While Kohl's online costs per unit are smaller (\$12/unit) than Foot Lockers (\$14/unit) in the West, while Walmart (\$12/unit) has considerably lower costs than West Gear (\$15/unit) in South online sales.



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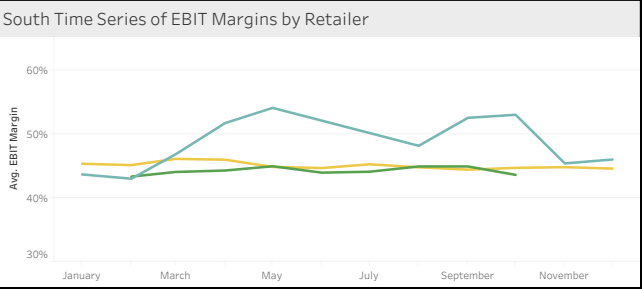
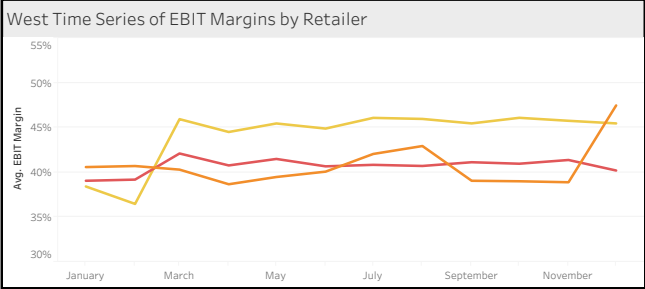
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Examining outlet profits over 2021 illustrates that Sports Directs in the South have consistent margins between 42-51%, with the highest profit coming during the peak sale seasons (April/May & September/October). While in the West, profits dip considerably during the start of the year when sales are the highest. By removing Alaska & Hawaii, the profit margins for FootLocker are much more consistent throughout the year.

Online sales in the South see very consistent margins throughout the entire year, while Kohl's in the West experiences peak margins during the early spring compared to FootLocker and West-Gear that experience peaks near Christmas.



Sales Method

☐ In-store

☒ Online

☒ Outlet

State (group) 2

☐ Alaska & Haw...

☒ Remaining

☒ Sports Direct

☒ Walmart

☒ West Gear

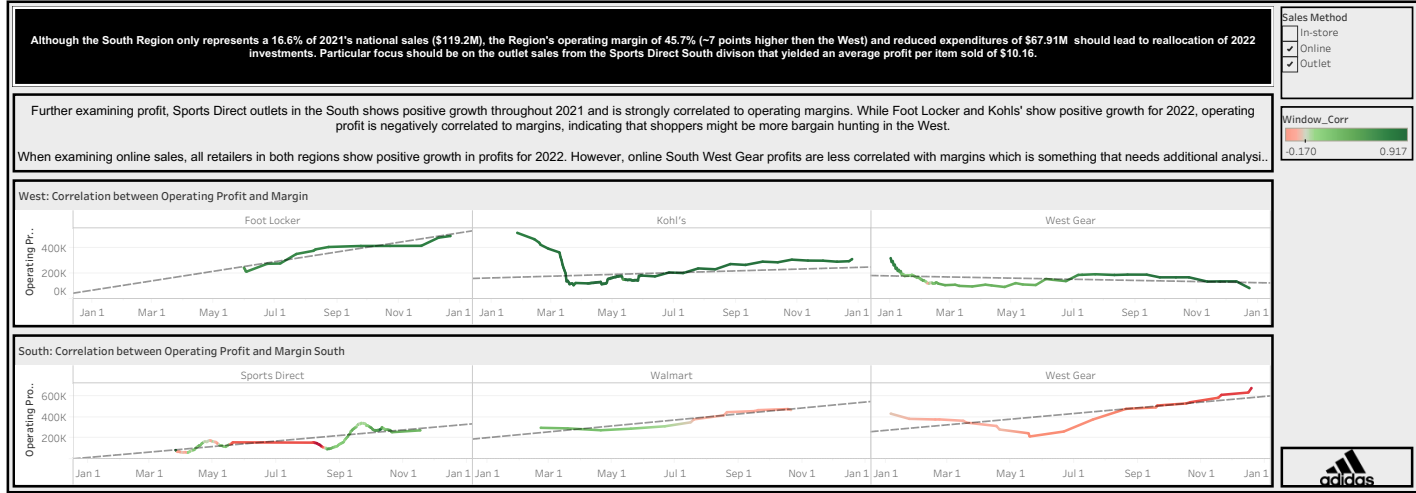
☒ Foot Locker

☒ Kohl's

☒ West Gear

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Recap:

Regional Disparities in Sales:
The West region dominates in U.S. sales, contributing \$193.05M, while the South lags behind at \$119.21M, despite having a 26.8% smaller population.

Sales Channel Breakdown:
In the West, outlets are the primary sales channel, led by Outlets (\$88.24M), followed by Online (\$57.14M) and In-store (\$47.67M). Sports Direct dominates South's outlet sales (~96%), while West's outlets are more evenly distributed between Kohl's, West Gear, and Footlocker.

Sales Trends in 2021:
West's outlet sales decline, while Sports Direct's South outlet sales show positive growth.
Optimistic growth trends in West's online sales, with Foot Locker and Kohl's leading, and positive growth for Walmart and West Gear in the South.

Cost and Profit Analysis:
West outlets have higher costs (\$61.43M) and volatility compared to the South (\$30.33M).
Outlet profits are roughly even, but South has more desirable profit margins (45.7% vs. 36.51%), driven by Sports Direct's high profit per unit.
Online profit margins are comparable between regions (West: 43.70%, South: 48.65%), with West Gear being the most attractive in the South.

Profit Margins Over Time:
Sports Direct in the South maintains consistent profit margins (42-51%) in 2021, peaking during sales seasons.
West experiences fluctuating profit margins, especially in Foot Locker; excluding Alaska & Hawaii stabilizes Foot Locker's margins.
Online sales in the South maintain consistent margins, while Kohl's in the West peaks in early spring, contrasting with Foot Locker and West Gear peaking around Christmas.

