

Off Black Report

Team 20

Christina Pham

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Executive Summary

Off Black is a global shop and clothing brand that focuses on streetwear. They have 7 stores across 3 countries including the United States, selling a wide array of footwear, clothing, perfumes, accessories, and houseware. Off Black's muted color palette embodied classic streetwear. The brand mixes the busy city lives and somber moments of nature.

Off Black wants to continue to grow its brand and market share in the clothing and streetwear market.

Introduction

We sought to advise Off Black to bring insight to sales' order data and recommend to better achieve their goals and have a better position in the market. The current operations collect and store sales order data; there is 2016 - 2018 sales order data that has not been analysed.

Findings

Order Product Breakdown

Off Black sells a wide variety of products: footwear, clothing, perfumes, accessories, and houseware.

Between 2016 and 2018, footwear is by far the highest selling product with approximately 9,000 pairs of shoes. Houseware and accessories are the least popular product type among all stores with 73 items and 98 items respectively, figure 1a.



Figure 1a: Off Black Sales Order Product Breakdown During 2016-2018

Return Rates

Based on Apriss Retail, “provides artificial intelligence-based solutions “, the median return rate of retail stores is 10.00%. Apparel return rate is 12.78%; footwear is 9.41%.

Among the stores, the return rate is above the retail median return rate, figure 2a. Noticeably, store 6 has 100% return rate; store 6 has two orders of which the items were returned. Among Off Black products, the return rate is above the median retail return rate, figure 2b.

Return rate was derived from acquired order data by creating a DAX measure dividing item’s refunded by quantity ordered.



Figure 2a: Off Black Return Rate by Store During 2016-2018

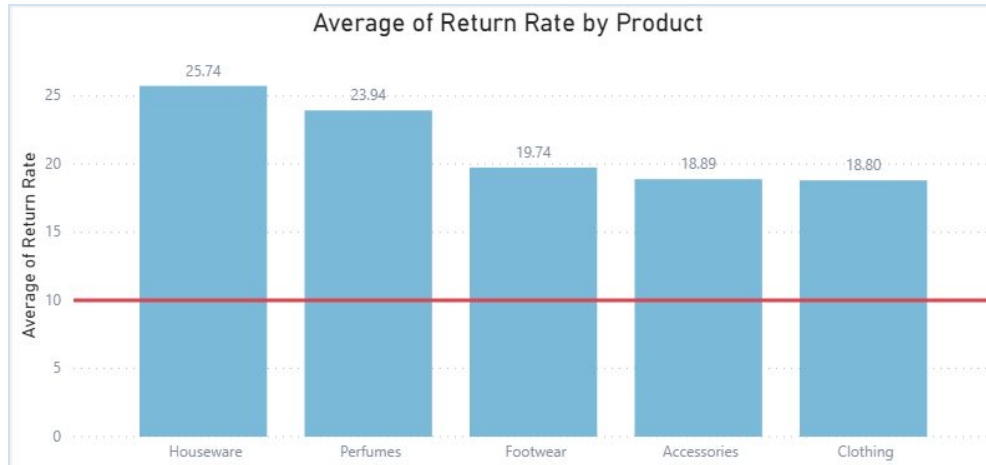


Figure 2b: Off Black Return Rate by Product During 2016-2018

New Customer Acquisition

Many of the stores have a 100% new customer rate for orders: store 1, store 2, store 3, and store 4. Store 1, store 2, and store 6 have low amount orders, totaling 36 orders. Their respective new customer must be observed in the future and with more order data to determine the exact trend. Overall, Off Black's stores have high new customer rates, which shows increased consumer reach.

New customer rate was derived from acquired order data by creating a DAX measure dividing item's refunded by quantity ordered.



Figure 3a: Off Black New Customer Rate by Store During 2016-2018

Sales Order

Off Black has nearly 10,000 orders over 2016 - 2018 totaling to \$1.16 million. The average order gross sales USD is **\$135.66**; the median order gross sales USD is **\$90,00**.

The median gross sales USD is indicative of customer behavior. The median order sale value accounts for skew distributions and outliers sales to represent the data more accurately to the average.

Recommendations

Many of the stores have little orders, such as store 1, store 2, and store 6; this may skew the data and insights drawn from them. These stores may be monitored carefully.

Expand Product Mix

Off Black has 5 varied product categories; the distribution of the product lines, figure 1a, accounts for over 80% of items ordered and 88% of gross sales USD. Having a good product mix will reduce risk and reliance on a single product type.

Strategies :

1. Increase promotions of non-footwear products
2. Provide sample or free gift of non-footwear to purchases
3. Execute customer research

Reduce Return Rate

Off Black's return rate is nearly double the median retail rate. Returns are extremely costly and resource extensive. Off Black should reduce their return rates.

Strategies :

1. Provide a high level of information for items
2. Encourage customer reviews
3. Provide after-sale customer service

Increase Customer Retention

New customer rates are high, which indicates increased reach to the market. Parted with the figure 4a, Off Black has experienced a large amount of growth in gross sales USD and this trend appears to continue. Balance new customer rates will be critical to

Off Black and maintain customer retainment rate. Acquiring new customers is expensive and resource extensive. Maintaining customer retention rate is a signal to a stable customer base that is more likely to make repeat purchases, buy new products, and have more brand loyalty.

Strategies :

1. Create customer interactions and engagements
2. Increase personalization
3. Incentivize return purchases

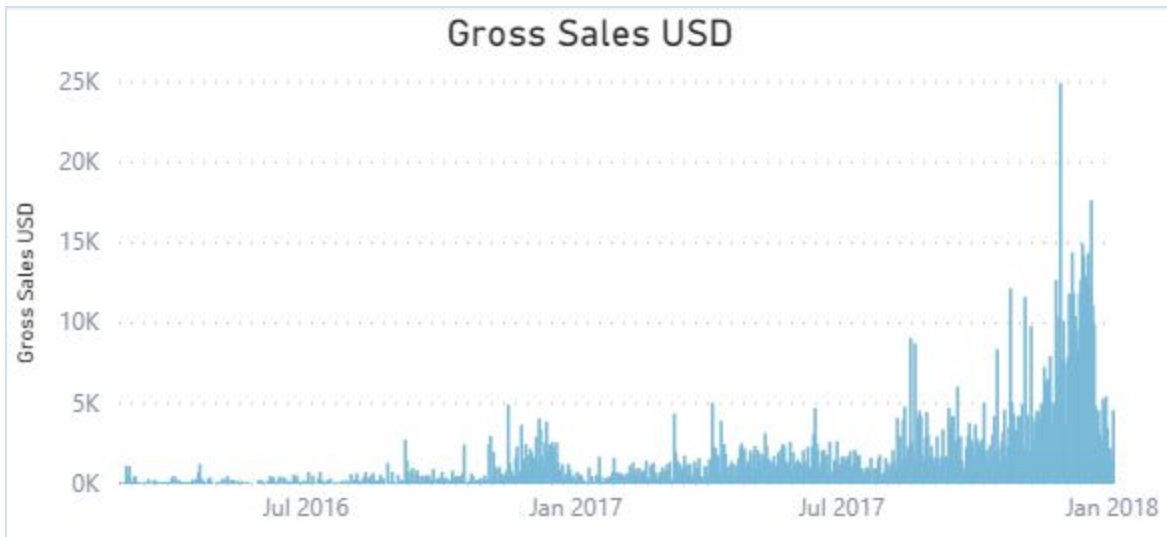


Figure 4a: Off Black Gross Sales USD During 2016-2018