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PRESENTATION

**PORTFOLIO
PROJECT**

**GLOBAL
SUPERSTORE**



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CASE SUMMARY

Company Profile

A multinational company
Headquartered in the US
Office equipments business

Data Source

Time : 2012-2015
1 Excel Files, 4 Worksheets
Date, Orders, Returns, People

Information

Online transactions worldwide
and in the US: consumer, product
type, returned orders...

Description

Product Performance
and Customer values



Insights & actions recommendations

- Existing Issues
- Suggestions on
improving business

OVERVIEW

=> Revenue, Profit and Profit Margin fluctuated with an upward trend

12,64M
Revenue

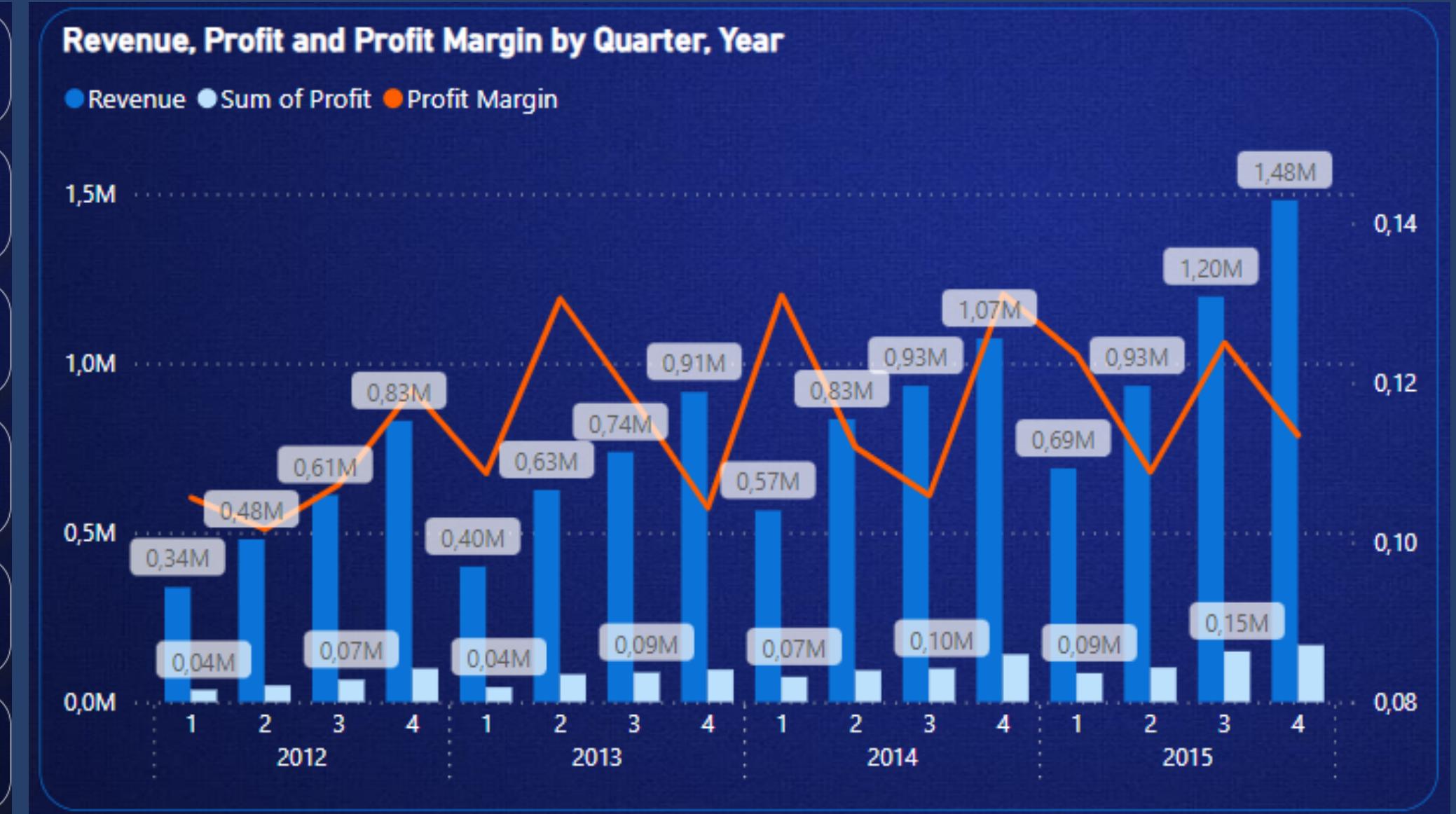
1,47M
Profit

17,42K
Customers

178K
Quantity

25,73K
Orders

1079
Returned Orders

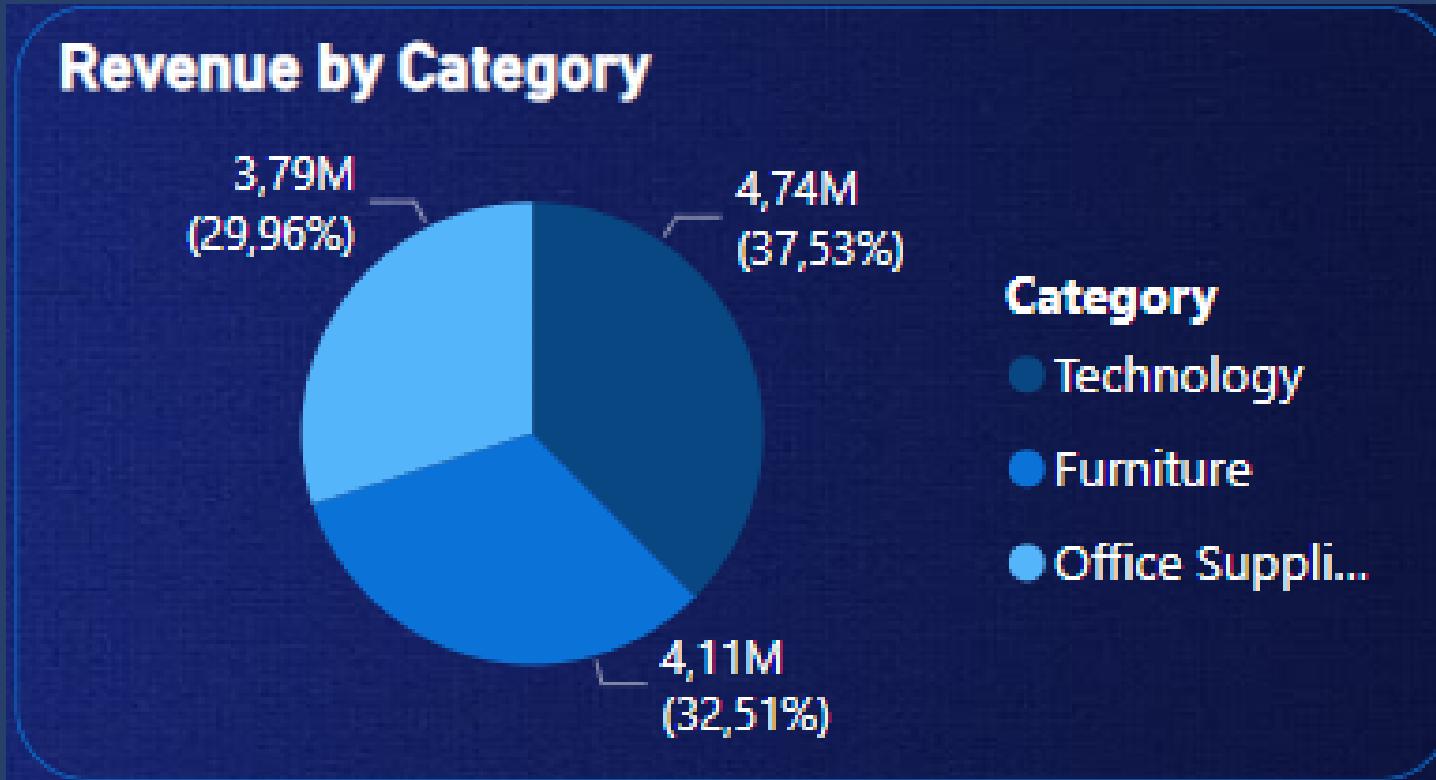


Applied filters:

Market					Year			
Africa	Asia Pacific	Europe	LATAM	USCA	2012	2013	2014	2015



OVERVIEW



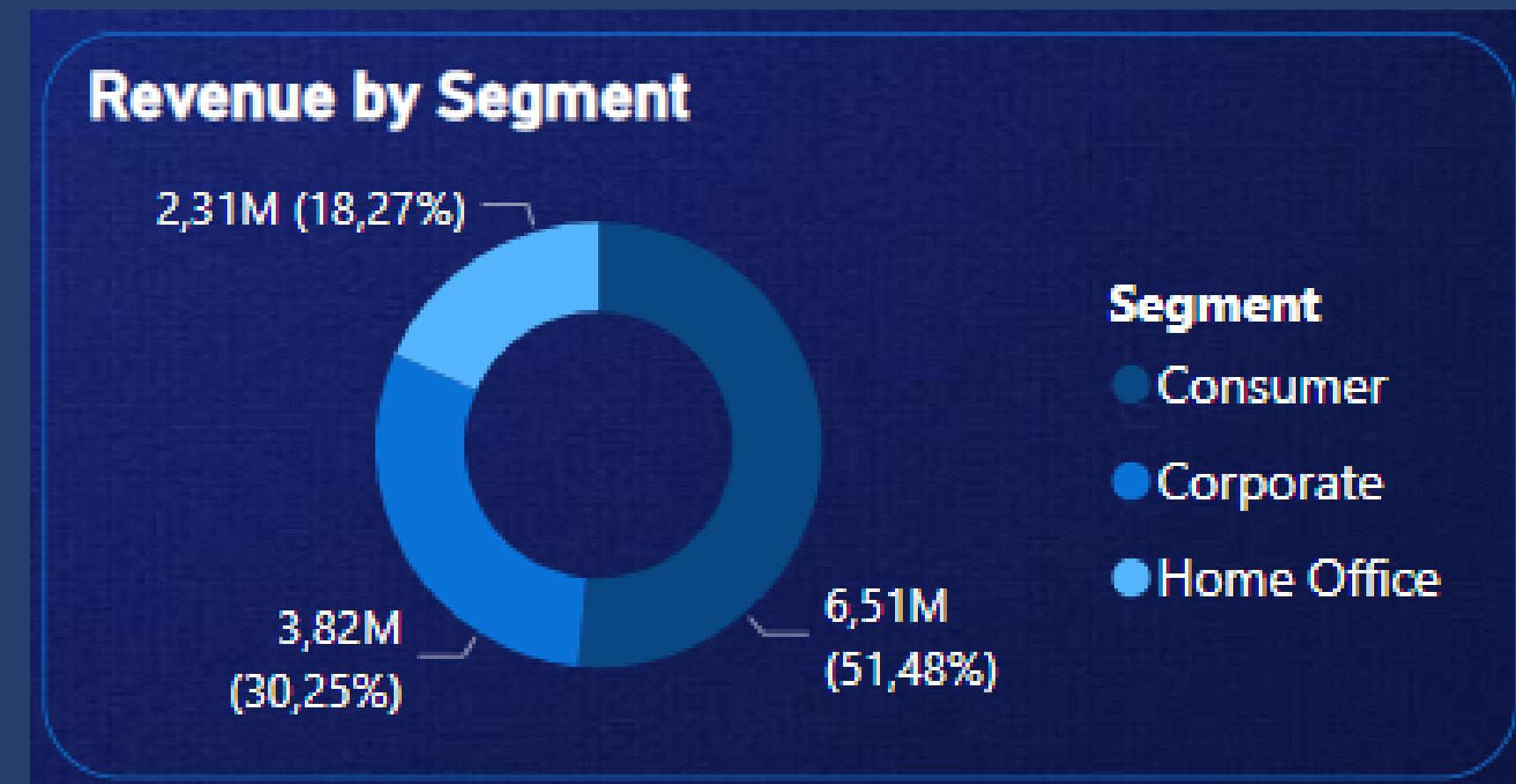
- Technology contributes the most (37,53%), followed by Furniture (32,51%) and Office Supplies
- Durable goods are more expensive

- 4/5 products belong to Technology and Furniture category

OVERVIEW

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- The largest group was Consumer (51,48%), the lowest is Home Office (18,27%)

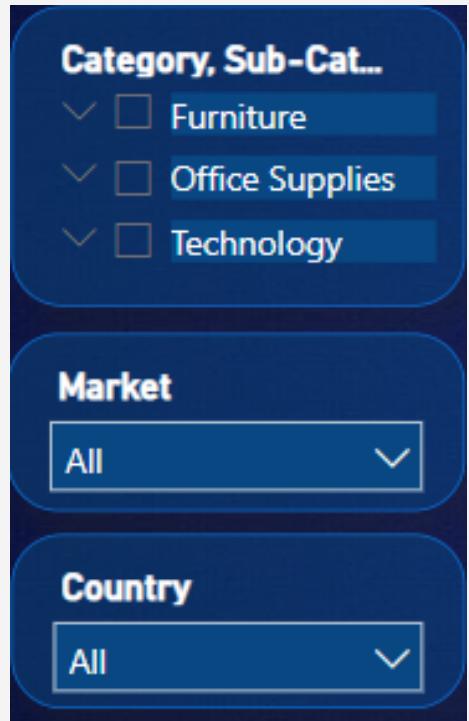


- Revenue contribution: US ranked first (home country) with over \$2M, follower by Australia, France, China, Germany

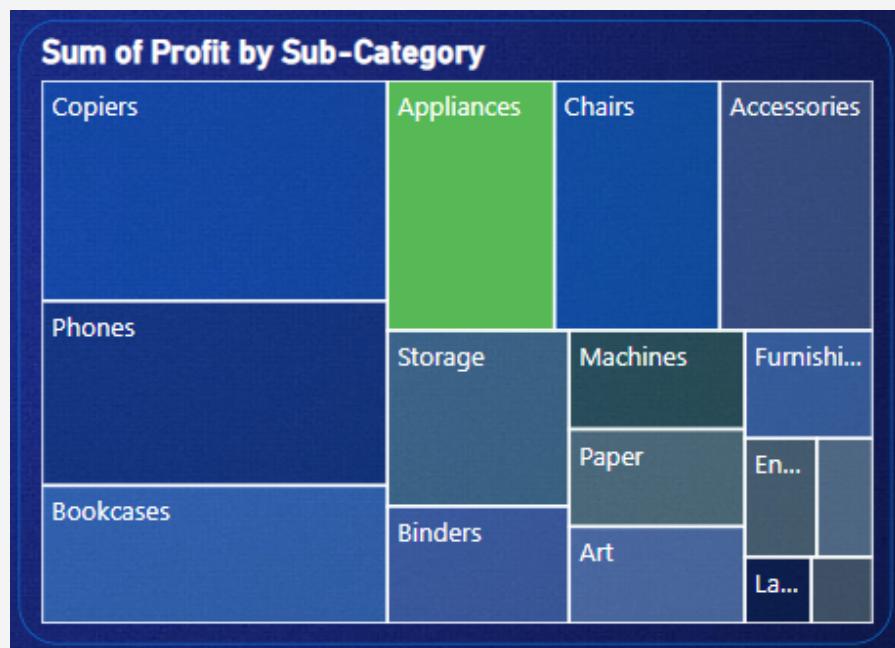


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PRODUCTS ANALYSIS



- Analyzing product performance in each category



- Using heatmap to compare profit volumes



- Technology dominated the list



- Tables - biggest lost
- Poor performance in Office Supplies

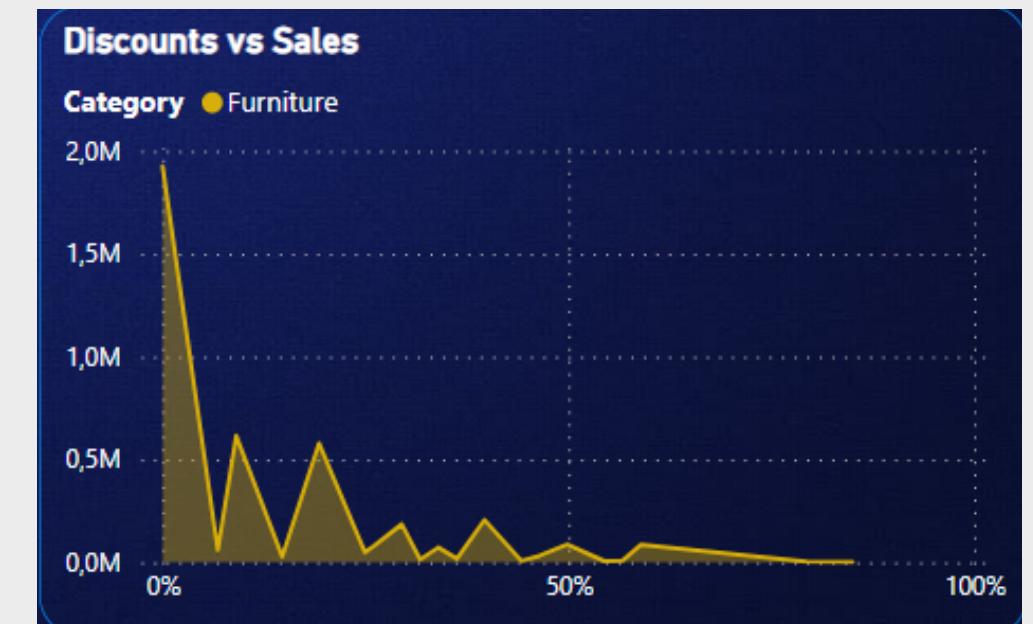
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PRODUCTS ANALYSIS

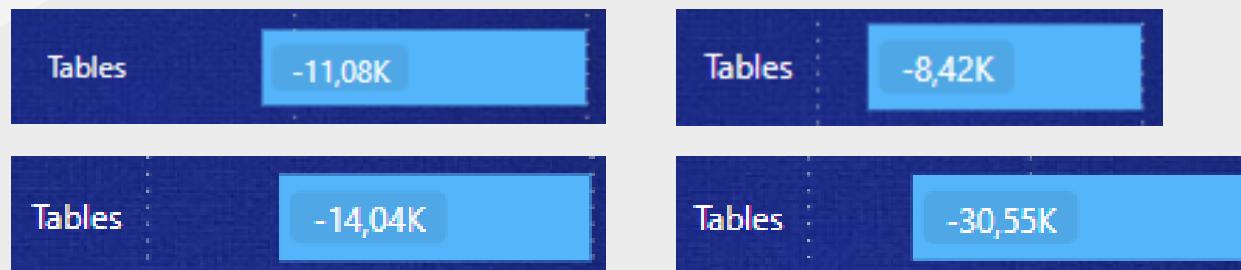
Furniture



- Bookcase and Chairs were most profitable
- Tables face the largest lost (-64,083)



- Tables' profit loss happened every year



Suggestions:

- Stop selling Tables
- Adjust sales strategy & market research

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PRODUCTS ANALYSIS

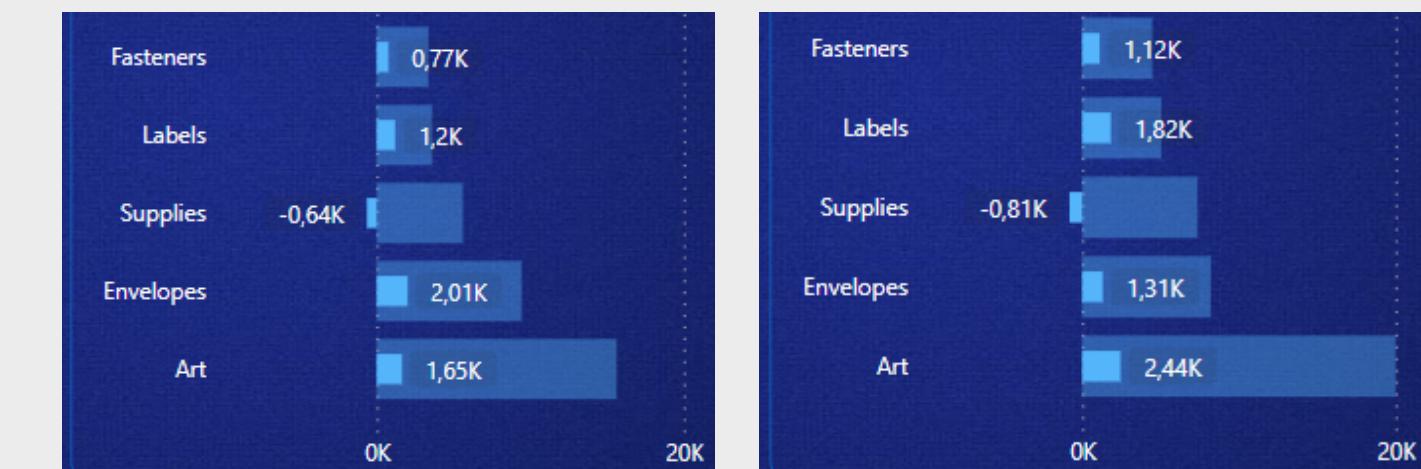
Office Supplies

- Highest profit: Appliances, Storage, Binders,...
- Loss: Fasteners, labels Supplies, Envelopes
- Loss product: Supplies only appeared in the US, 2014 & 2015 - *Possibly testing a new product in the market*



Suggestions:

- Sales promotion for high profit products
- Stop selling loss product/ Do more Marketing research



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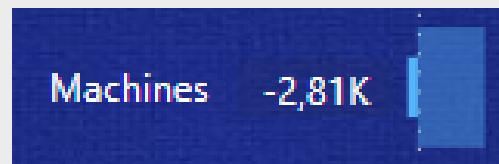
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PRODUCTS ANALYSIS

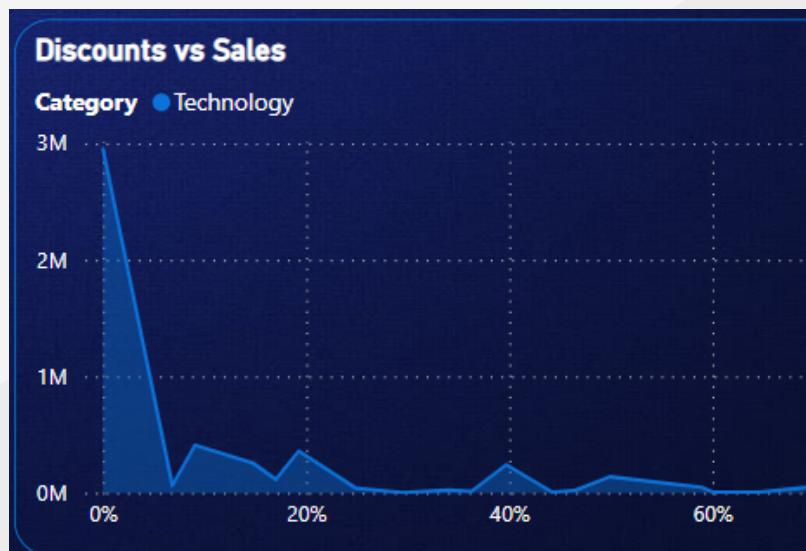
Technology



- No loss profit



- Loss product: Machines only appeared in the US, 2015 - *might be an experiment*



Suggestions:

- Sales promotion for high profit products
- Focus on researching in the US market

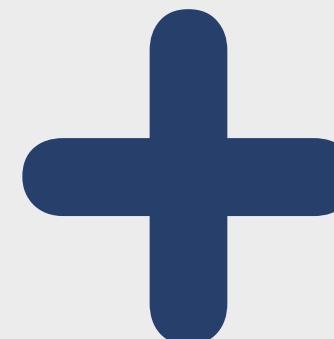
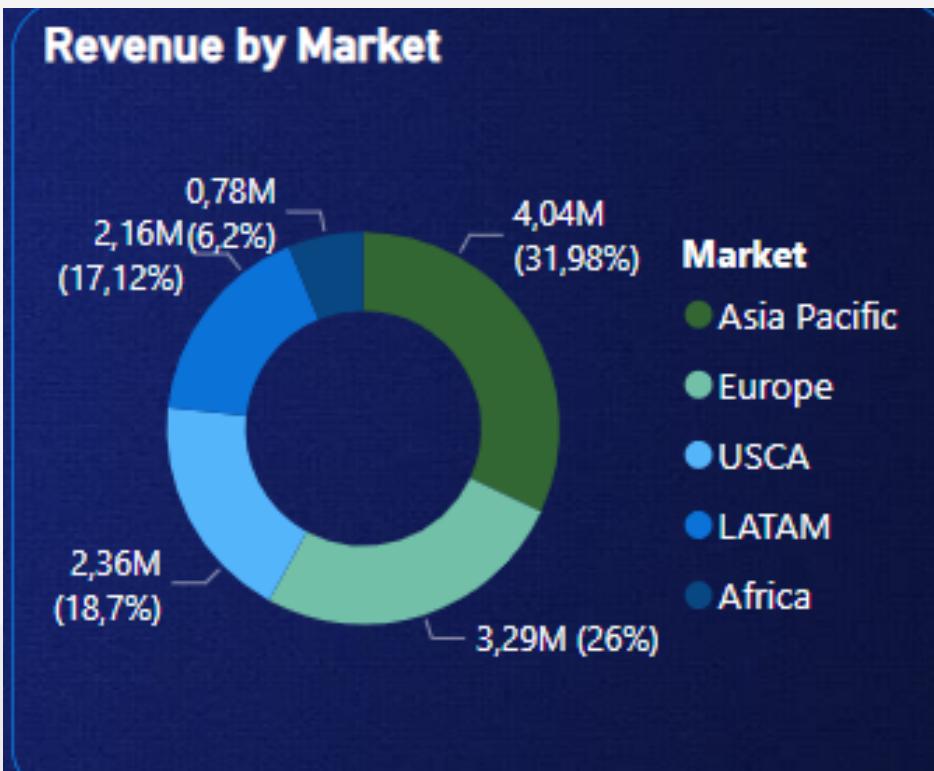
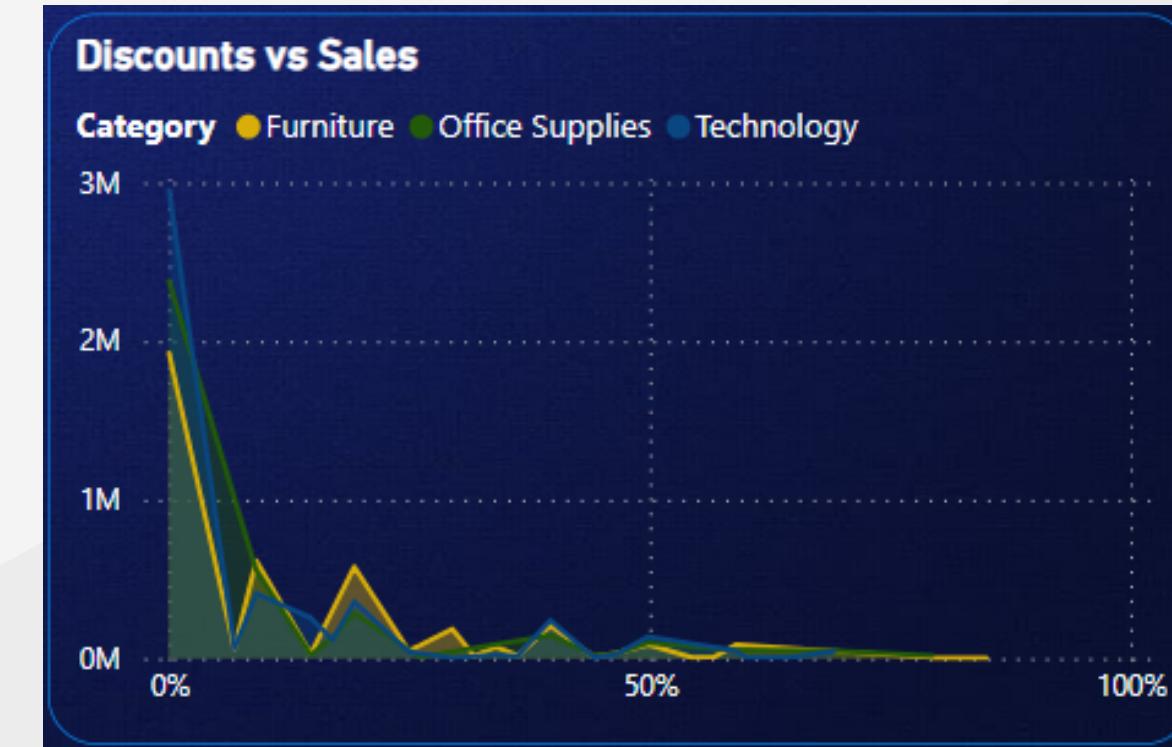
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PRODUCT ANALYSIS



Discount vs Sales

At 10% and 20%: bring higher revenues
=> More discount at these 2 levels



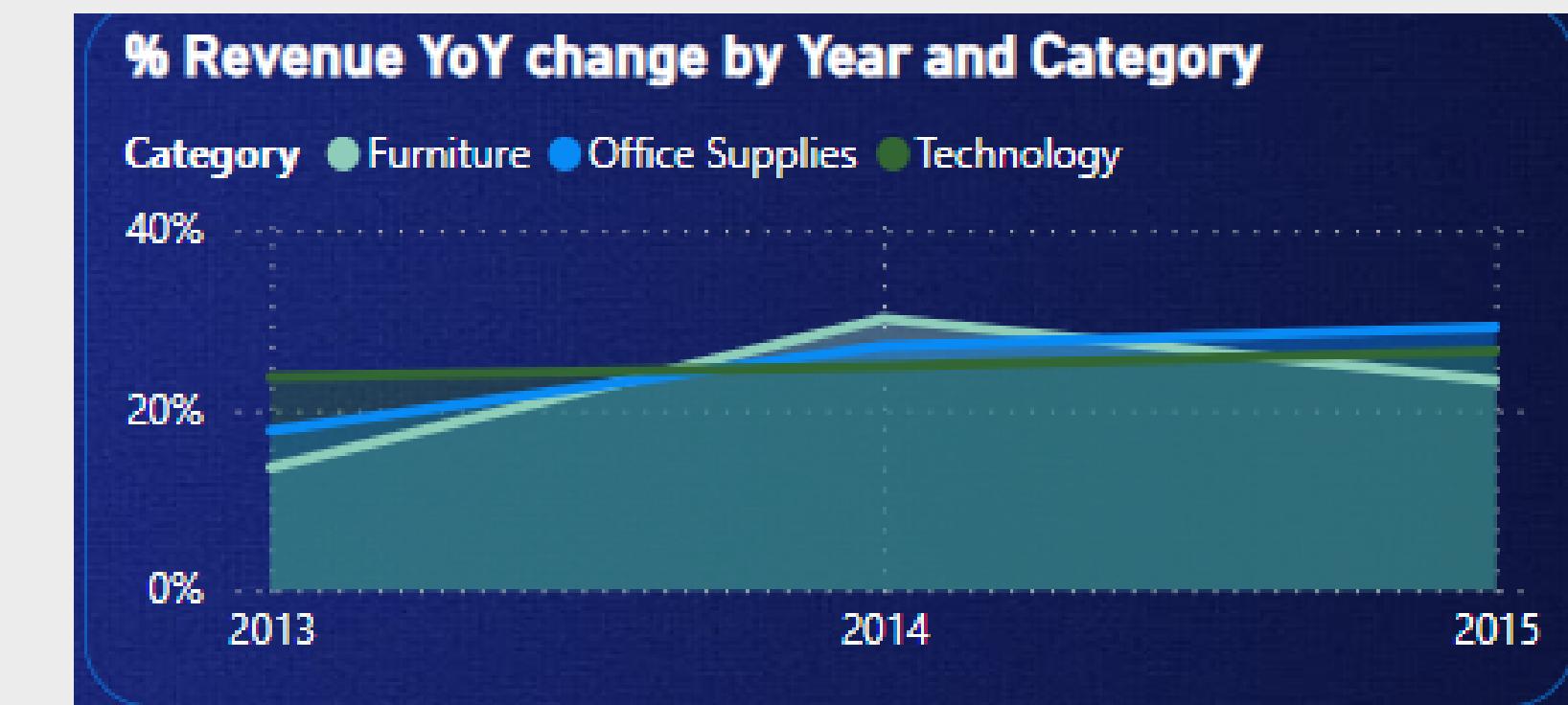
Revenue by Market

- Asia pacific - the highest (31,98%) followed by Europe & USCA (18,7%)
- Africa - lowest revenue (due to poor economic conditions)



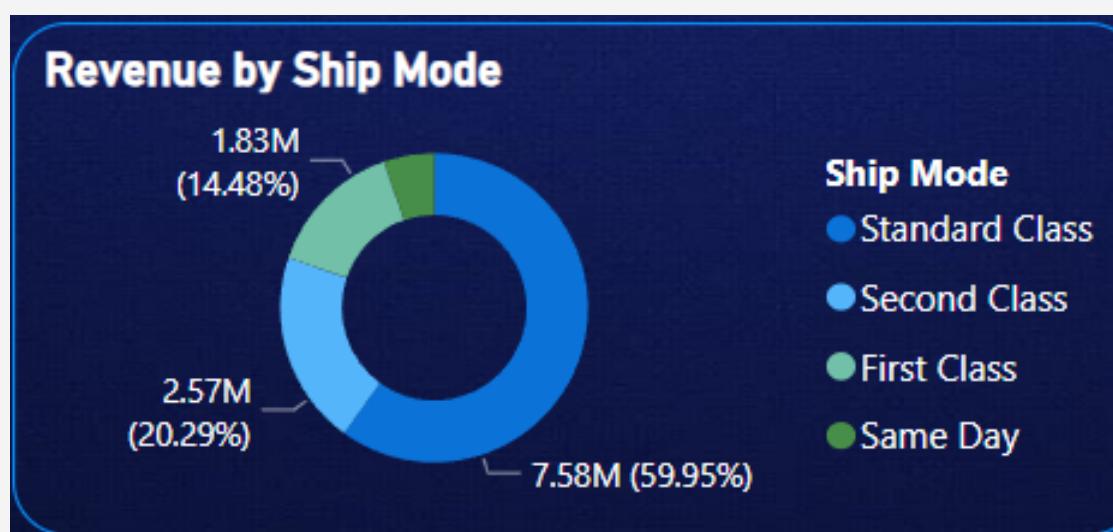
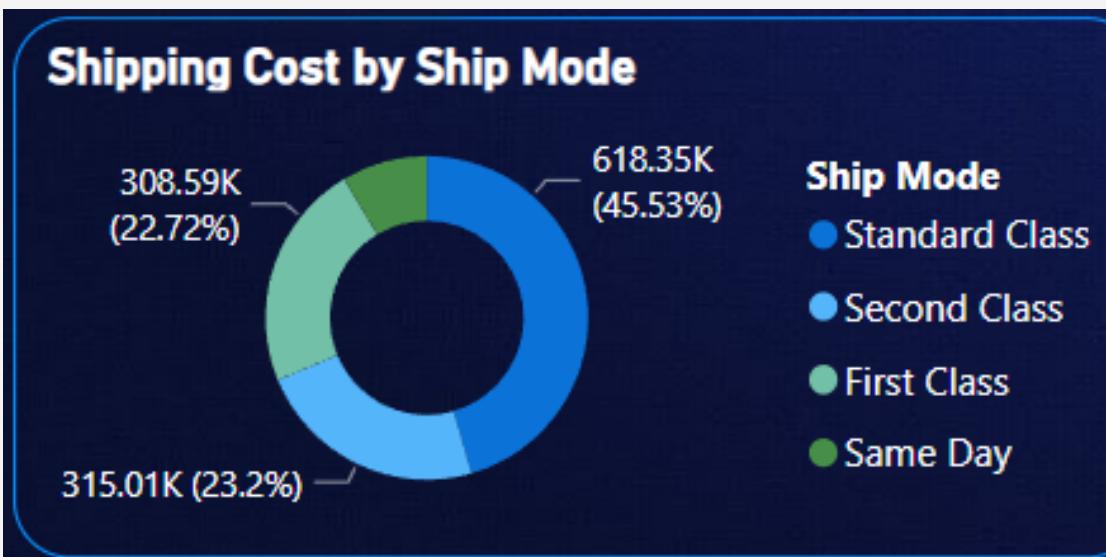
PRODUCT DELIVERY

- Shipping Cost opposite trend compared to others (but not so clear)
=> No significant impact revenue and profit's fluctuations
- Profit growth goes with general trend: increasing from 2012 to 2015. There is a slight decrease in the transition between 4 quarter and 1 quarter of each year.
- Furniture has the most volatile decreased between 2014-2015 explained the wild fluctuation of profit and profit margin this time



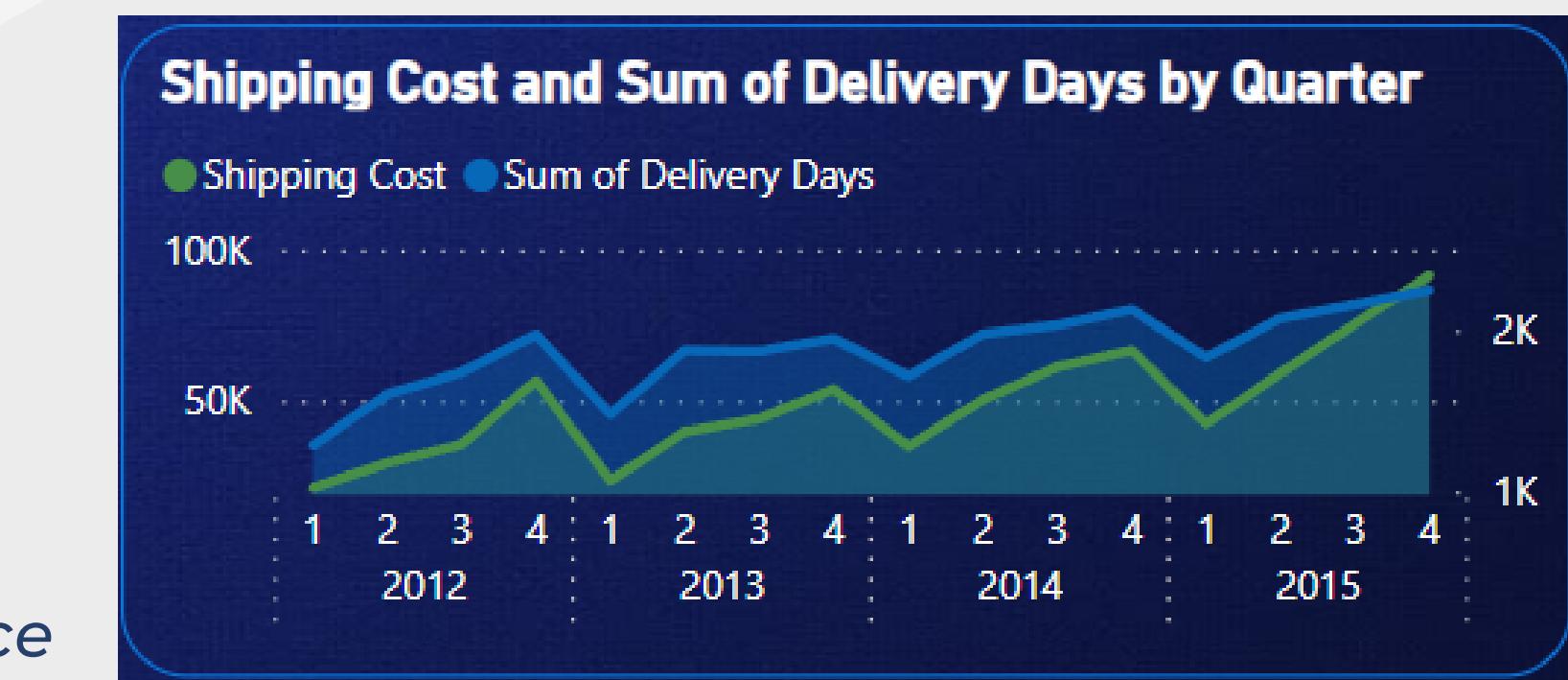
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PRODUCT DELIVERY



- Standard Class: both highest revenue and Shipping cost
- Second Class and First Class almost the same, but Second Class contributes more to revenue

=> Use Second Class mode more to minimize Shipping Cost



- Shipping Cost and Delivery days shared the same pattern

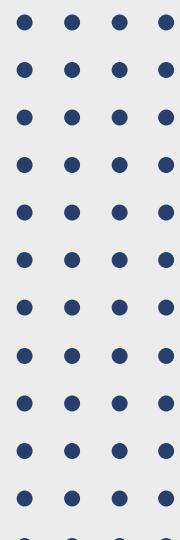
=> Reduce delivery days will reduce shipping cost

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PRODUCT DELIVERY

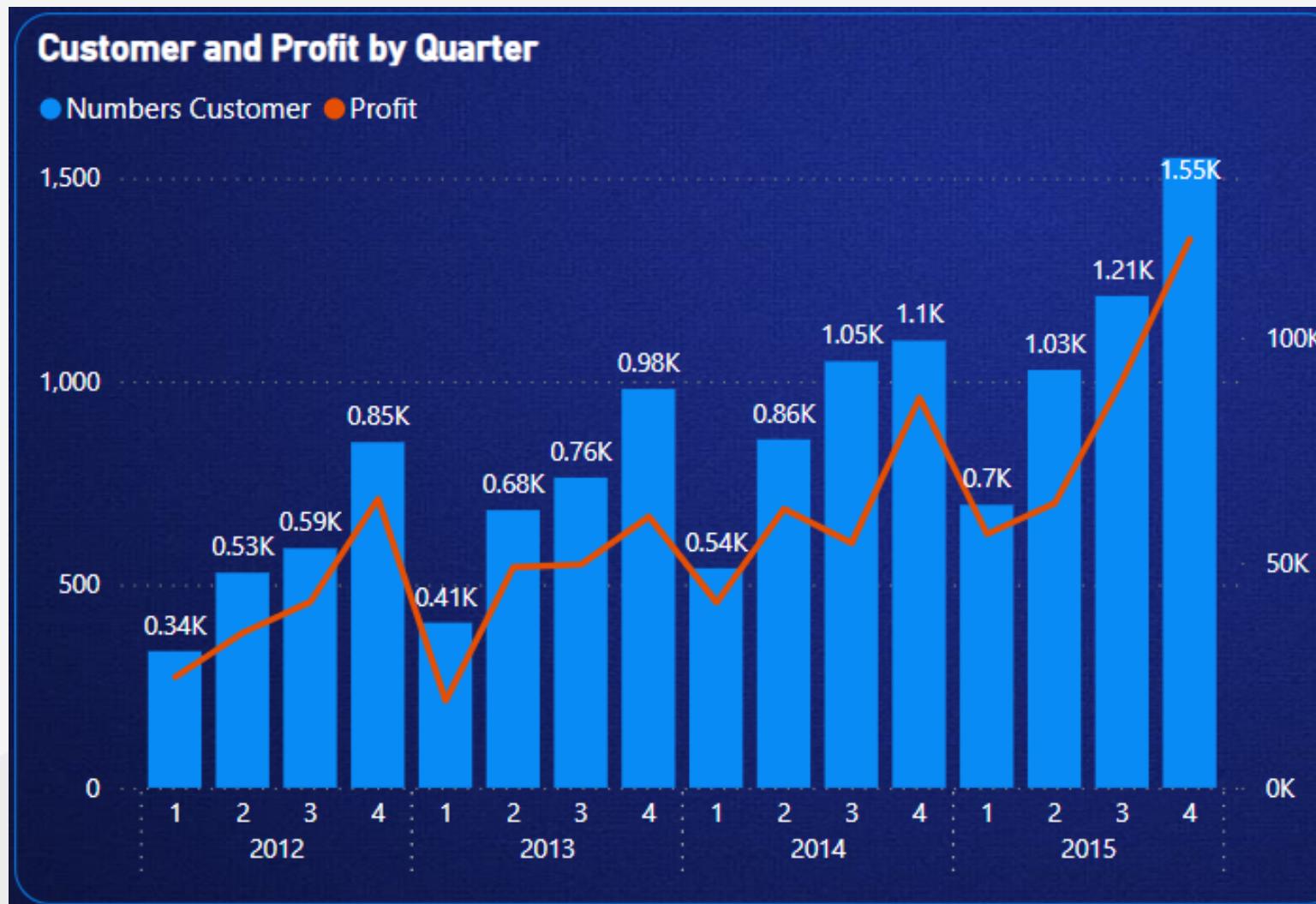
- Average delivery days: fastest in Africa (3.68), longest in Asia Pacific (3.74), though LATAM is closer to the headquarters, Africa still has fewer delivery days.

=> Improve the current logistics strategy



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CUSTOMER ANALYSIS



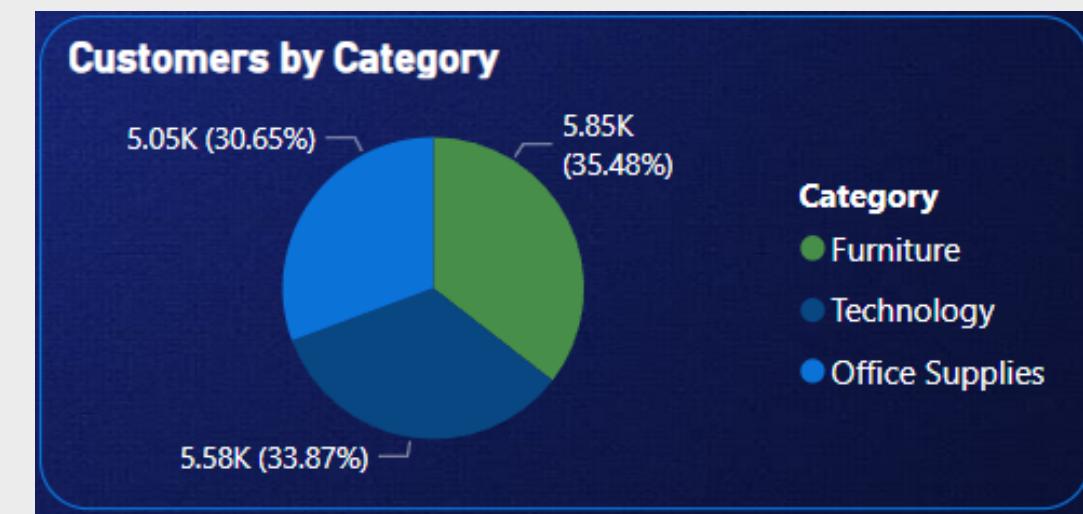
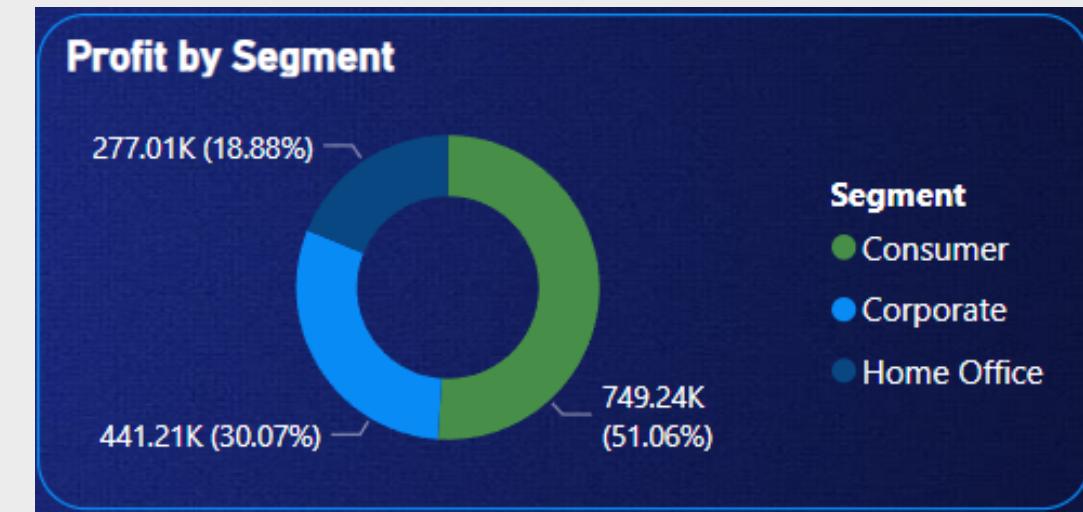
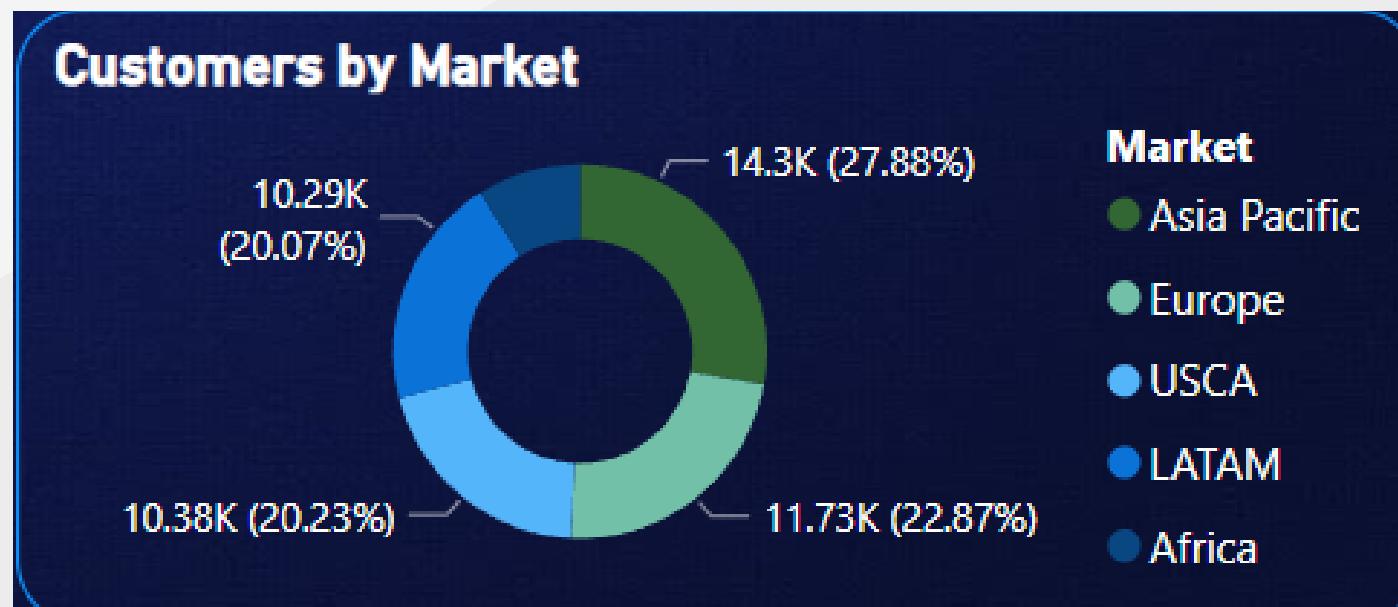
- The number of customers *increased over time*, along with the profit
- Profit per Customer rose with *the same general trend*

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CUSTOMER ANALYSIS

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- Consumer accounted for 51%, followed by Corporate and Home Office
- The volume of customer buying Furniture, Technology and Office Supplies accounted for about 30% each



- Customer per market: Asia Pacific ranks first, as the most populous continent

CUSTOMER SEGMENTATION

RFM model

- A model used in marketing analysis that segments a company's consumer base by their purchasing patterns or habits.
- Analyzing spending habits to improve low-scoring customers and maintain high-scoring ones
- A 1-to-4 scale for each value



Recency

How long ago they made a purchase

Frequency

How often they make purchases

Monetary

How much money they spend

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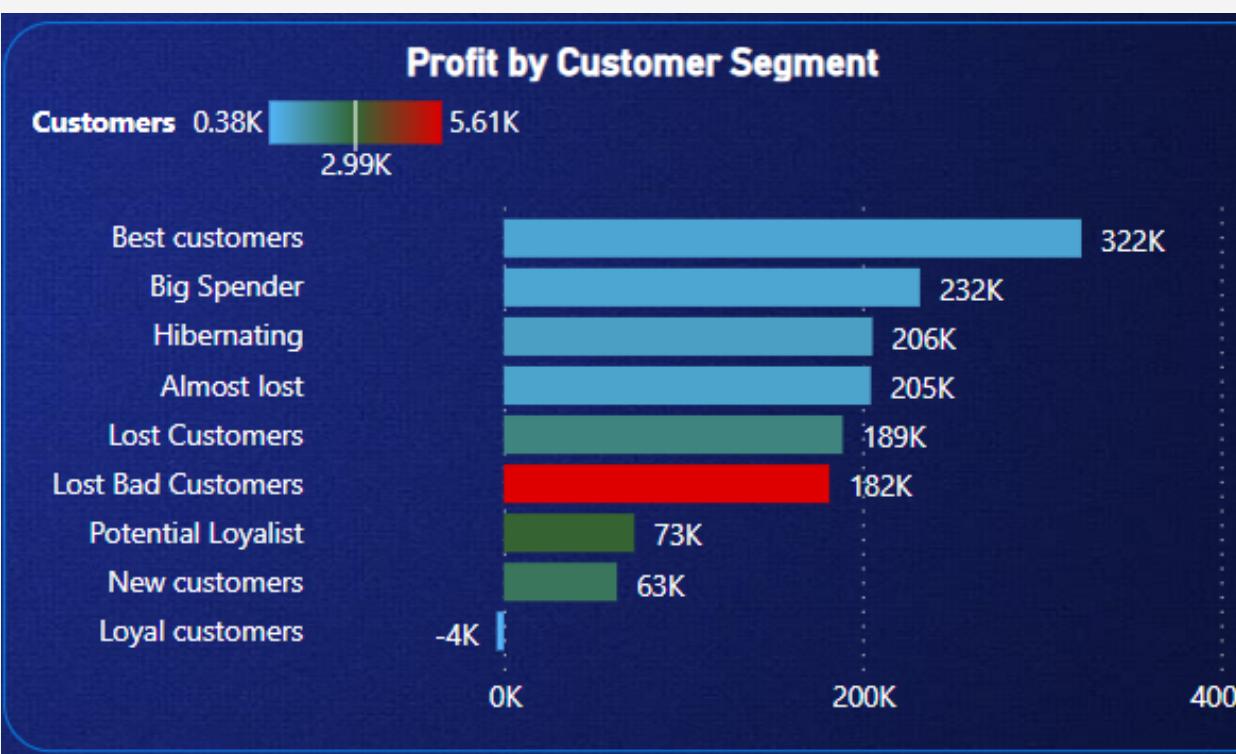
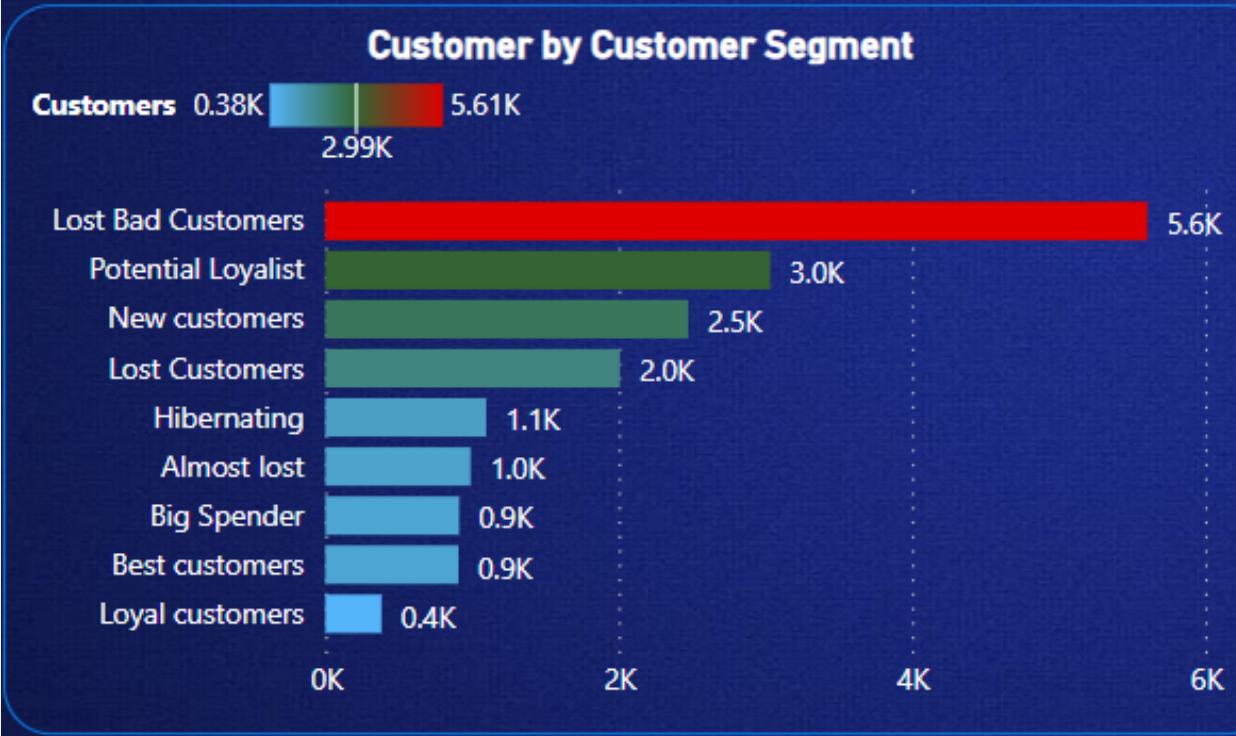
KEY CUSTOMER SEGMENT

**9 types of customers
identified in this dataset:**

- 1.Best customers
- 2.Lost Bad Customers
- 3.Lost Customers
- 4.Almost lost
- 5.Loyal customers
- 6.Big Spender
- 7.New customers
- 8.Hibernating
- 9.Potential Loyalist



CUSTOMER SEGMENTATION



- **Lost bad customers** were largest segment

=> The company should devise a *strategy to attract new customers.*

- Segments that contributed the most to revenue: **Best customers, Big Spender, Hibernating and Almost lost**

• **Loyal customers** have negative profitability. According to the survey, they *tend to use a lot of discount* when making purchases.

- The lowest profit segments: **Loyal customers, New customers, Potential Loyalist**

=> We need to allocate resources and incentives more effectively, engage relationships with these 3 segments

CUSTOMER SEGMENTATION

Action Recommendations





CUSTOMER SEGMENTATION



Segment	Customers	Customers % by segment	Revenue	Revenue % by segment	Profit	Profit % by segment
Best customers	908	5.21%	2,219,522.46	17.56%	322,209.78	21.96%
Hibernating	1097	6.30%	1,808,753.67	14.31%	205,685.54	14.02%
Lost Bad Customers	5605	32.18%	1,793,909.28	14.19%	181,547.82	12.37%
Almost lost	991	5.69%	1,721,958.23	13.62%	204,740.35	13.95%
Big Spender	913	5.24%	1,671,491.36	13.22%	232,158.07	15.82%
Lost Customers	2009	11.54%	1,621,104.48	12.82%	189,034.50	12.88%
Potential Loyalist	3034	17.42%	1,045,460.88	8.27%	72,800.38	4.96%
New customers	2475	14.21%	556,721.73	4.40%	63,118.67	4.30%
Loyal customers	383	2.20%	203,579.82	1.61%	-3,837.82	-0.26%
Total	17415	100.00%	12,642,501.91	100.00%	1,467,457.29	100.00%

Lost Bad Customers and Lost Customers

- Account for 12% of profit same alarming
- Customer from previous year didn't come back to buy anymore

Recommendations

- Pay attention to current customer retention strategy, especially with Lost Customers segment
- Find ways to enhance the value of products or services. Implement upselling strategies specifically for the Loyal segment.



COHORT ANALYSIS

2015

2014

acquisition_month	original_users	0	1	2	3	4	5	6	7	8	9	10
1	447	100.00%	0.67%	2.24%	1.57%	2.01%	3.58%	1.57%	3.36%	2.68%	2.46%	3.80%
2	381	100.00%	1.05%	1.84%	3.67%	2.89%	1.31%	2.62%	3.41%	3.41%	2.89%	3.41%
3	514	100.00%	0.39%	3.11%	2.92%	1.75%	3.50%	4.09%	3.89%	3.70%	4.86%	NULL
4	504	100.00%	2.38%	4.56%	2.38%	3.37%	3.77%	2.58%	4.17%	4.17%	NULL	NULL
5	611	100.00%	3.11%	1.80%	2.13%	4.26%	2.95%	5.56%	2.62%	NULL	NULL	NULL
6	805	100.00%	1.49%	2.61%	3.48%	2.11%	2.98%	3.98%	NULL	NULL	NULL	NULL
7	479	100.00%	2.30%	2.71%	1.67%	3.97%	2.92%	NULL	NULL	NULL	NULL	NULL
8	732	100.00%	4.51%	3.01%	3.14%	4.23%	NULL	NULL	NULL	NULL	NULL	NULL
9	837	100.00%	2.75%	4.06%	3.35%	NULL						
10	651	100.00%	3.69%	2.61%	NULL							
11	831	100.00%	2.89%	NULL								
12	832	100.00%	NULL									
acquisition_month	original_users	0	1	2	3	4	5	6	7	8	9	10
1	343	100.00%	0.58%	0.87%	1.75%	1.46%	1.46%	2.33%	1.75%	3.21%	2.04%	3.21%
2	303	100.00%	1.98%	0.66%	1.65%	0.99%	2.31%	2.64%	1.98%	2.97%	2.31%	1.98%
3	402	100.00%	1.00%	2.24%	2.24%	1.74%	2.49%	4.23%	2.24%	3.73%	4.73%	NULL
4	377	100.00%	0.80%	2.39%	0.53%	2.39%	1.33%	2.39%	2.39%	3.71%	NULL	NULL
5	498	100.00%	2.61%	2.01%	3.82%	2.81%	2.61%	2.61%	4.42%	NULL	NULL	NULL
6	680	100.00%	1.76%	3.09%	2.79%	1.76%	2.06%	3.24%	NULL	NULL	NULL	NULL
7	398	100.00%	2.76%	3.77%	1.26%	2.26%	4.52%	NULL	NULL	NULL	NULL	NULL
8	605	100.00%	2.31%	1.98%	1.49%	2.48%	NULL	NULL	NULL	NULL	NULL	NULL
9	722	100.00%	1.80%	3.88%	3.05%	NULL						
10	482	100.00%	2.90%	2.28%	NULL							
11	655	100.00%	2.44%	NULL								
12	648	100.00%	NULL									

Cohort Month	0	1	2	3	4	5	6	7	8	9	10	11	Total
1	1277	42	61	59	74	112	61	106	129	112	132	151	2316
2	1074	58	46	82	75	64	107	93	96	118	119		1932
3	1427	72	118	141	74	129	156	133	192	175			2617
4	1321	72	124	65	107	140	106	155	151				2241
5	1575	120	77	128	156	107	174	169					2506
6	2082	98	155	177	140	195	195						3042
7	1132	71	109	81	104	123							1620
8	1709	158	107	144	150								2268
9	1894	108	156	168									2326
10	1321	113	115										1549
11	1660	110											1770
12	1532												1532
Total	18004	1022	1068	1045	880	870	799	656	568	405	251	151	25719

- The customer retention rate is low, partly due to the product life cycle.

- In the initial months, the retention rate is low. Customers tend to come back to make purchases in the following months.

=> It is necessary to reconsider the customer incentive policies, focusing on enhancing user experience and product quality.



CONCLUSION

- The company is not performing well, as many customers are starting to leave, and the rate of acquiring new customers is also quite low. This is a concerning situation, despite the growth in profitability.
- Needs adjusting market research, logistics, customer services... to further promote their business efficiency

