

A person is sitting at a desk, viewed from behind, with their arms resting on their knees. Two large computer monitors are positioned on either side of the person. A semi-transparent grey rectangular box is overlaid across the center of the image, containing the title text. Below this box is a solid brown rectangular box containing the author's name.

TITE SALES PERFORMANCE ANALYSIS

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PROBLEM STATEMENT

TITE is a growing retailer specializing in electronic gadgets and accessories. Recently, the company has been experiencing a trend where sales continue to grow steadily, yet profitability is declining. They seek to understand the underlying factors causing this discrepancy and to optimize their operations to improve profitability without compromising sales growth.

OBJECTIVES:

Sales Analysis

- Understand overall sales trends.
- Identify geographical variations in sales.
- Analyze sales patterns by product category and subcategory.

Profit Review

- Assess profitability across different product categories and segments.
- Understand the impact of discounts on profitability.
- Evaluate the effectiveness of different shipping modes on profitability.

PROBLEM STATEMENT (Cont.)

Customer Shopping Habits

- Identify high-value and low-value customers.
- Understand customer preferences across different segments.

Product Performance Check

- Evaluate the profitability of different product categories and subcategories.
- Identify products that contribute positively or negatively to overall profitability.

Tips to Improve

- Recommend strategies to increase sales revenue.
- Propose ways to optimize discount strategies.

PROCESS

- Data Collection
- Data Description
- Data Cleaning
- Data Modeling
- Data Analysis
- Insights
- Recommendations

OVERVIEW

SALES PERFORMANCE DASHBOARD

Sales

Products

Customers

Total-Sales

\$11.49M

Total-Profit

\$1.43M

Net Profit Margin

12.45%

Quantity Sold

37873

Total Orders

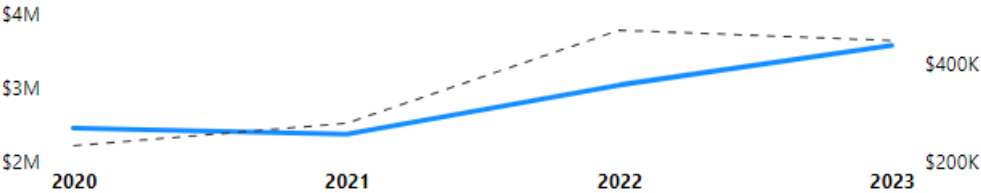
9994

No of States

49

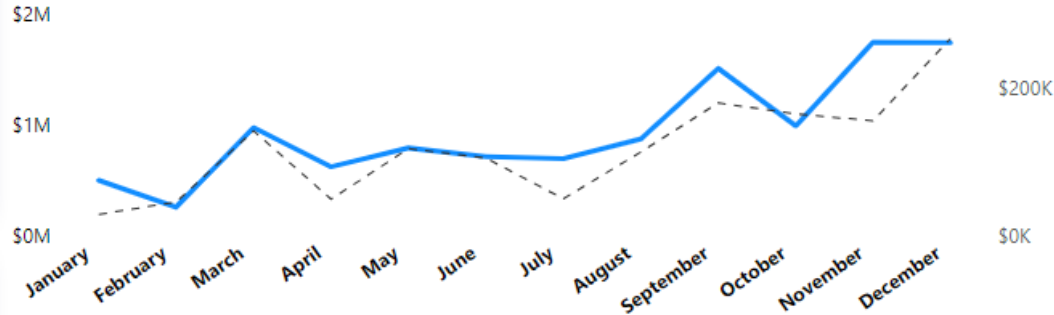
Yearly Trend

Total-Sales Total-Profit

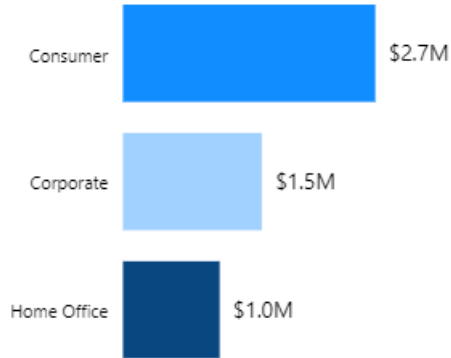


Monthly Trend

Total-Sales Total-Profit



Sales by Segment

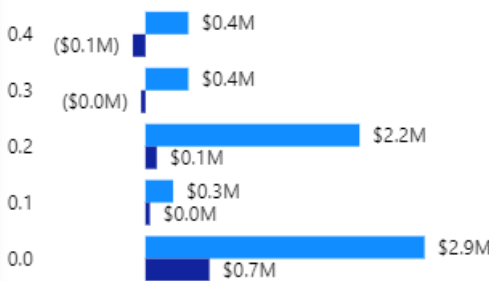


Sales by State

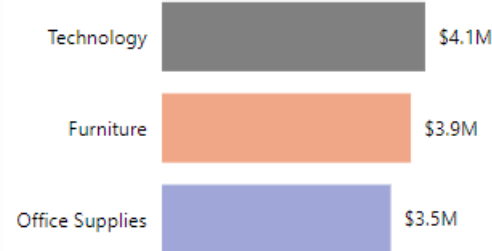


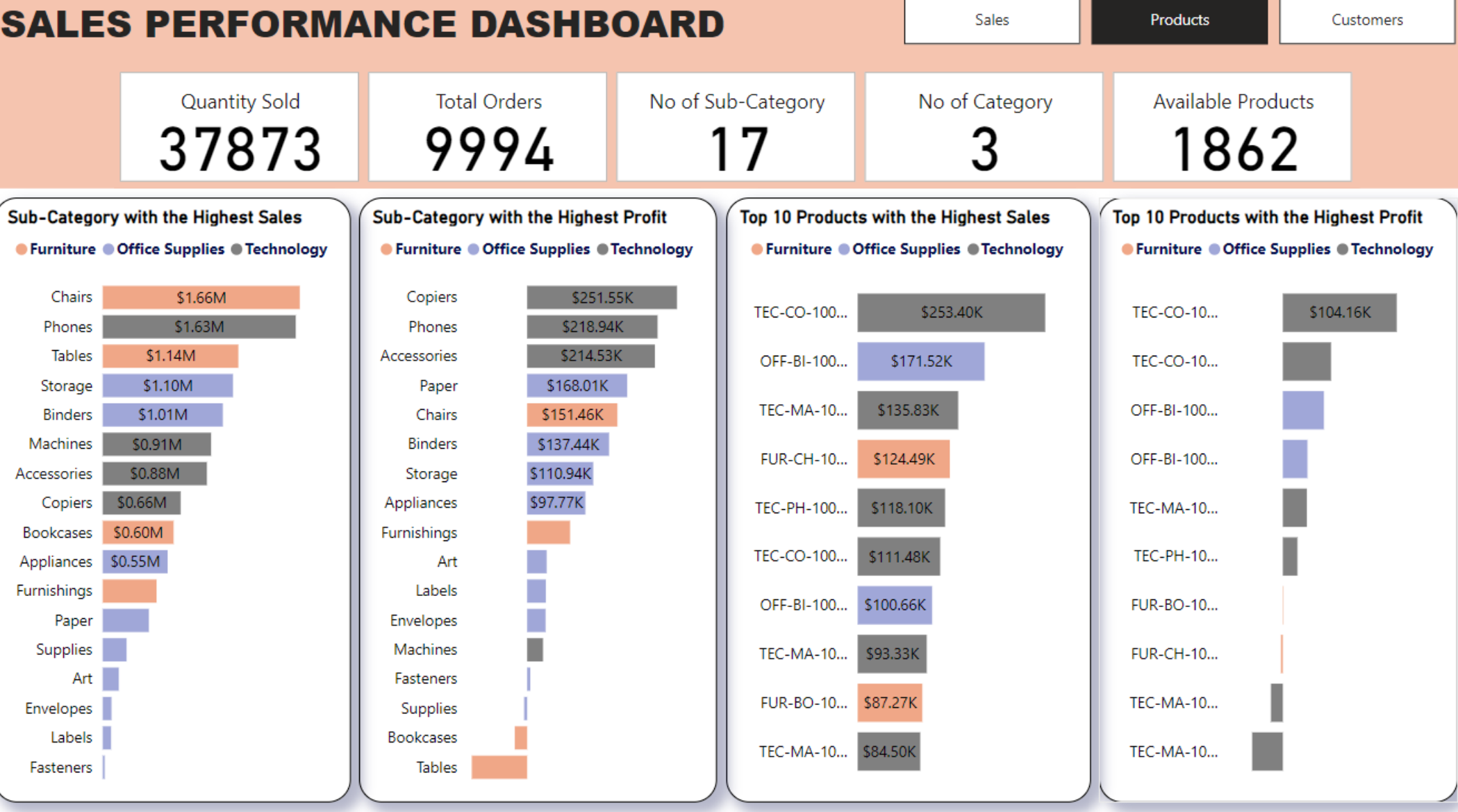
R/ship Between Discount, Sales and Profit

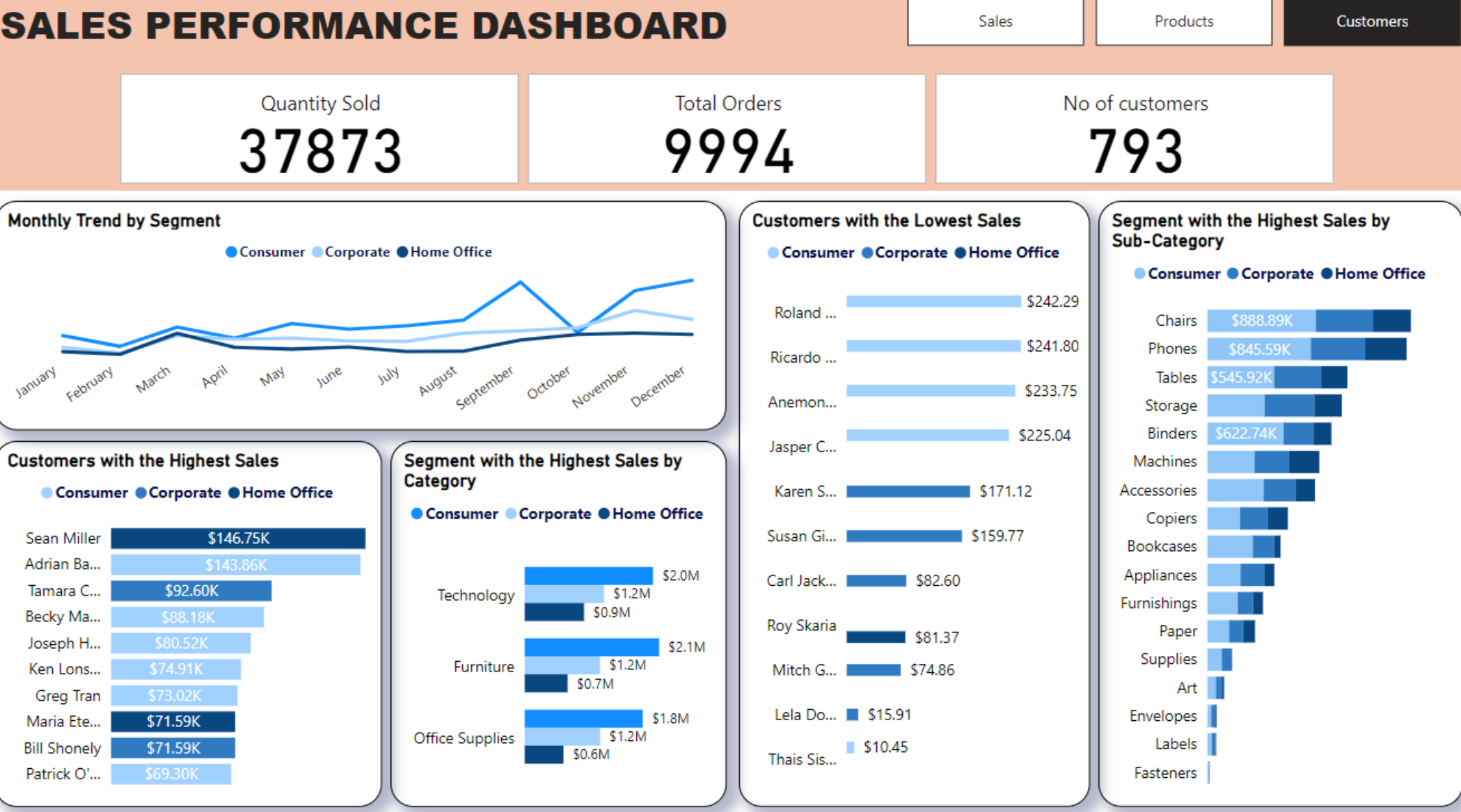
Total-Sales Total-Profit



Sales by Category







INSIGHTS

Sales Trend Insights

___ Annual Revenue Trends:

- 2023 witnessed the highest revenue, likely driven by an increase in the quantity sold year over year (Y/Y).

___ Monthly Revenue Trends:

- November, December, and September recorded the highest revenue and quantity sold, contributing to 43.6% of the annual revenue.
- Historically, there is a **consistent dip** in sales every February and October.
- From 2020 to 2022, revenue typically increased from November to December. **However, in 2023, revenue started to decline in December.**

___ Regional Revenue Insights:

- Top Regions: The West and East regions of the United States account for 60.2% of the total revenue.
- Leading States: California (West) and New York (East) are the top-performing states, contributing to 33.62% of the total revenue.

___ Segment Analysis:

- The consumer segment leads in revenue contribution with 50.65% of the total revenue, consistently showing high sales and purchase quantities both Y/Y and month over month (M/M).

___ Product Category Insights:

- Technology: Despite not having the highest quantity sold, technology products consistently generate the highest revenue Y/Y, except in 2021. This suggests a higher unit price for technology items.
- Office Supplies: Office supplies lead in quantity sold both Y/Y and M/M.

Profit Review Insights

___ **Quantity vs. Profit Correlation:** There is no direct correlation between the quantity sold and the total profit or profit margin.

___ Profit Determinants:

- Gain and Loss Impact: Total profit is influenced by the balance between gain and loss. An increase in losses directly reduces profit.
- Discount Effect: Offering **higher discounts** on products, above their profit margins, **leads to lower profits** and incurs losses.

INSIGHTS

Customer Shopping Habits

__ Client Distribution:

- **51.58% of clients are consumers**, making this the largest segment.
- 29.76% of clients come from corporate entities.
- 18.66% of clients are from home offices.
- The distribution influences the quantity sold and orders, with consumers having the highest impact.
- The consumer segment leads in both orders and quantity sold, contributing to slightly **over 51%** of each.
- The corporate segment follows in terms of orders and quantity sold.

__ Shipping Preferences:

- The standard class is the preferred shipping mode across all segments.

__ Product Category Preferences:

- Highest Purchased Category: Office supplies are the highest purchased product category by quantity across all segments.
- Top Products by Sales: Chairs and phones are the highest purchased products by sales across each segment.
- Top Products by Quantity: Binders and papers are the highest purchased products by quantity across each segment.

Product Performance

__ Sub-category Insights:

- Tables: Third highest in sales but lowest in profit.
- Bookcases: Among the top 10 in sales but second least in profit.
- Top Profitable Sub-categories: Mostly in the Technology category.
- Top Individual Products: Majority are technology products.

__ Category Insights:

- Furniture: Second highest in sales but lowest in profit with the highest total loss.
- Technology: Highest in sales, profit, and lowest loss, likely due to high-profit margins and less impact from discounts.

RECOMMENDATIONS

Sales Trend and Customer Shopping Habits

— Investigate December 2023:

- Conduct research to understand what activities were done differently in December 2023 that led to changes in sales trends.

— Boost Sales in Peak Months:

- Increase marketing efforts in September, November, and December to take advantage of high sales periods.
- Make sure there is enough stock to meet increased demand during these peak months, especially for popular items like chairs, phones, binders, and papers.

— Address October Sales Dip:

- Introduce special promotions or discounts in October to counteract the usual drop in sales.
- Offer loyalty programs or special incentives for repeat customers to boost sales in October.

— Leverage Regional Strength:

- Focus marketing efforts on high-revenue regions like California and New York.
- Create promotions tailored to the preferences of customers in these regions.

— Engage the Consumer Segment:

- Create personalized marketing campaigns for the consumer segment, which is the largest and most impactful group.
- Offer bundles that combine popular items like chairs and phones with office supplies to attract consumers.

— Enhance Corporate and Home Office Segments:

- Develop special packages for corporate clients that include bulk purchase discounts and premium services.
- Promote user friendly and essential office supplies for home office clients, highlighting the benefits for remote work setups.

Product Performance and Profit Optimization

— Improve Table Profitability:

- Find ways to reduce the procurement costs for tables to improve profit margins.
- Add features or create premium versions of tables to justify higher prices and increase profitability.

— Optimize Discount Strategies:

- **Limit Discounts:** Ensure that discounts on products, especially furniture, do not exceed 15%. Most products become unprofitable if discounted more than 20%.
- **Analyze Before Discounting:** Before applying any discounts, analyze the profit margin of each product to determine a discount percentage that will not harm the company's profit.

THANK YOU