

Report

Mountain Equipment Co-op-Case Study

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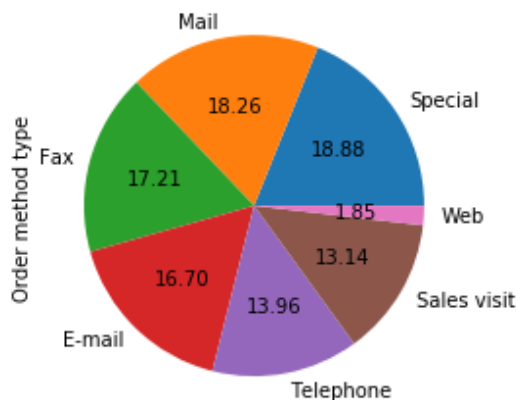
Metro College of Technology

EXECUTIVE SUMMARY

Mountain Equipment Co-op is a Canadian consumers' cooperative that sells outdoor recreation gear and clothing exclusively to its members. The analysis of MEC dataset of the period 2015 to 2018 shows that it is a dying industry. Every order didn't end up in a sale, the causes and trends of this is analyzed and need of improved packing is found. During the initial stage it has introduced product development, market development, market penetration and diversification. By the end of 2018 it has lost huge market especially in United States. Not much modification to the products and services are in cooperated after 2017 which caused the decline of revenue of the cooperate.

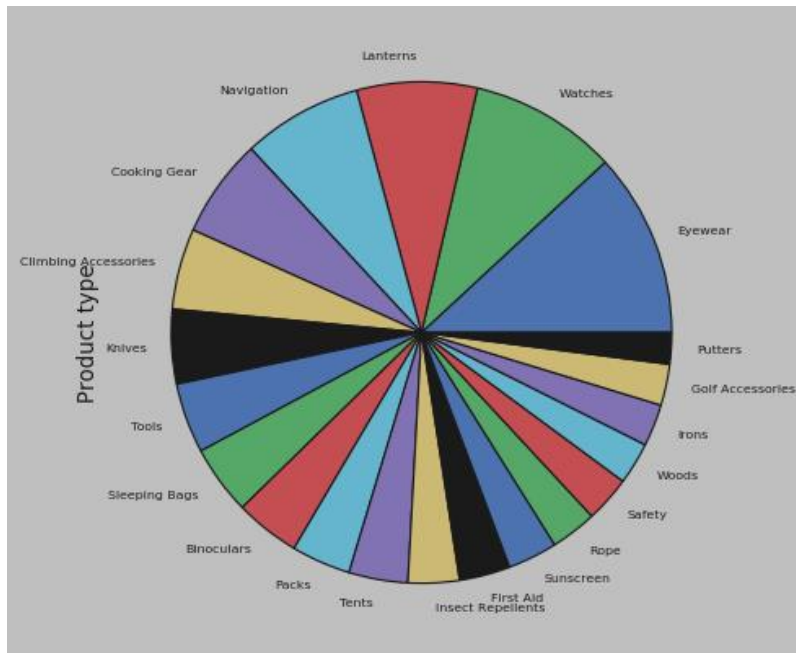
Orders which did not end up in sale

By analysis the dataset there are many missing values for revenue, but the order method is given. This could probably be the possible sales which could have happened with proper marketing and sales techniques.



Looking at the above chart the sales orders made through Web are most likely to end up in sale.

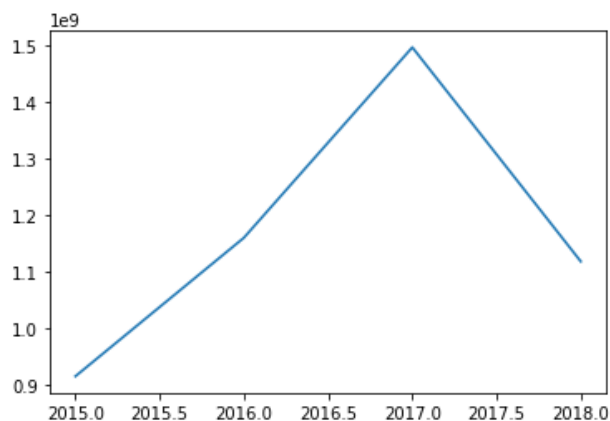
So penetrating market through web services are the best way to increase the number of sales.



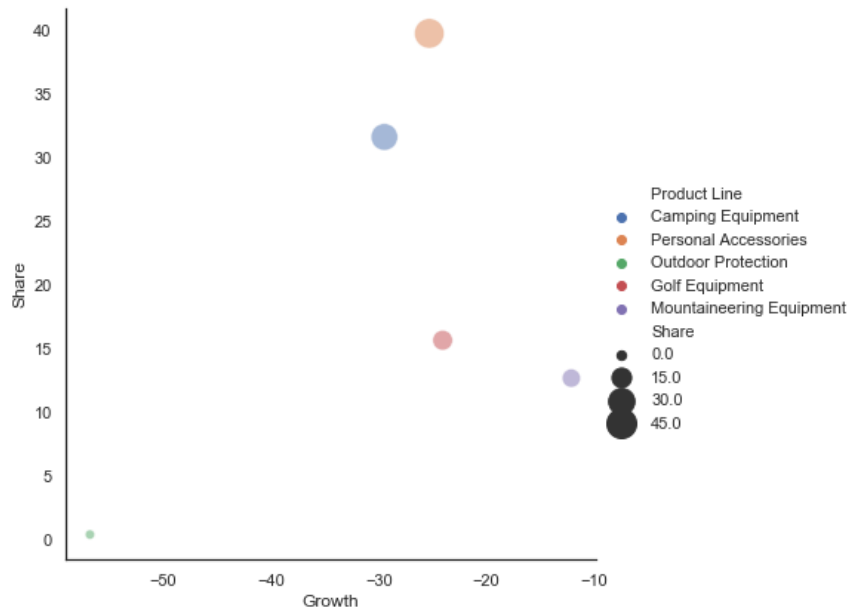
The products Eyewear, Watches, Lantern, Navigation and cooking gear are most likely to produce zero revenue. These are items might get daamged while shipping as they are fragile. So improved packing must be done to avoid this loss.

Growth Trends

The company is dying after 2017. The reasons for its growth for the initial period and decline after 2017 is analyzed. The following figure shows the Revenue to Time graph of the cooperate.



Looking deeper to the market shares with the BCG Matrix all the product is having negative growth from 15% to 45%.

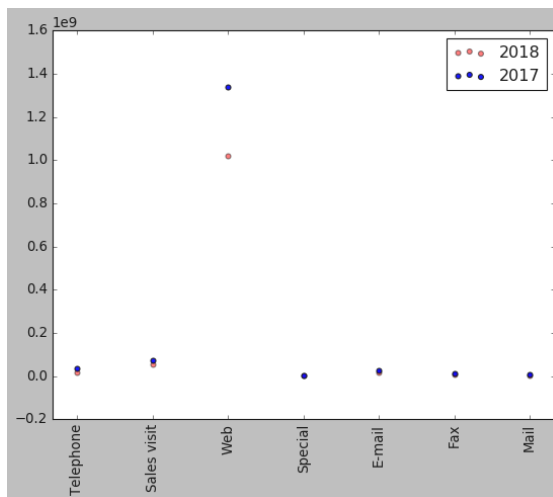


The highest share is taken by 'Personal accessories' with a negative growth rate of 30 %.

This is an alarming situation for the existence of the company

Finding the reasons for the huge fall.

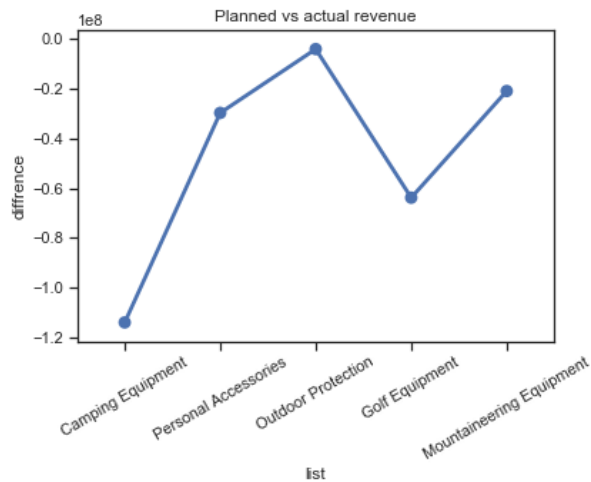
Order type?



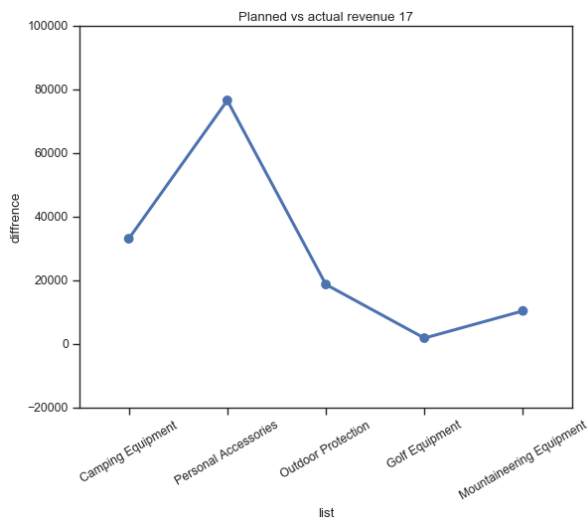
There is fall of order through web services in the year 2018, This is definitely a marketing failure as globally the trend of sales is mostly through web, This can also be the result of emerging of competitors in web platform.

Forecast failures?

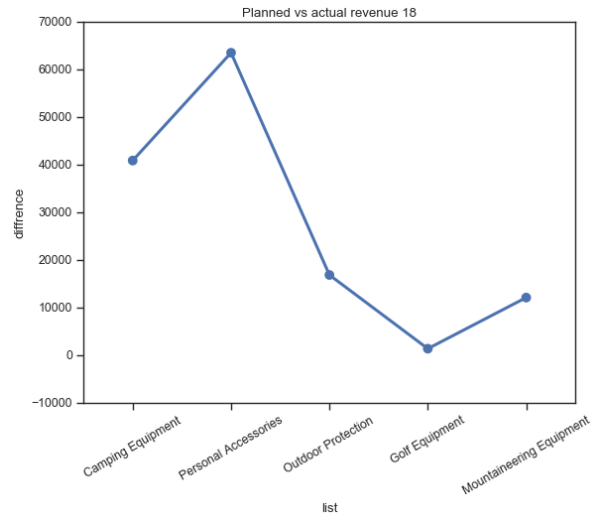
Throughout the period no product has reached the planned revenue.



Trend for the year 2017 forecast and results:

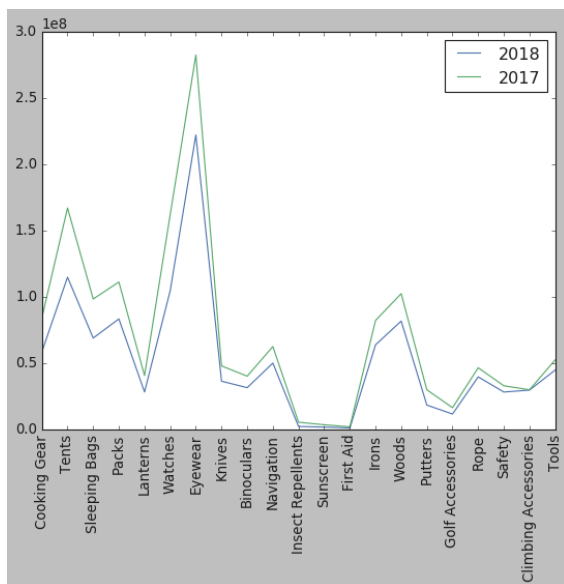


Trend for the year 2018 forecast and results:



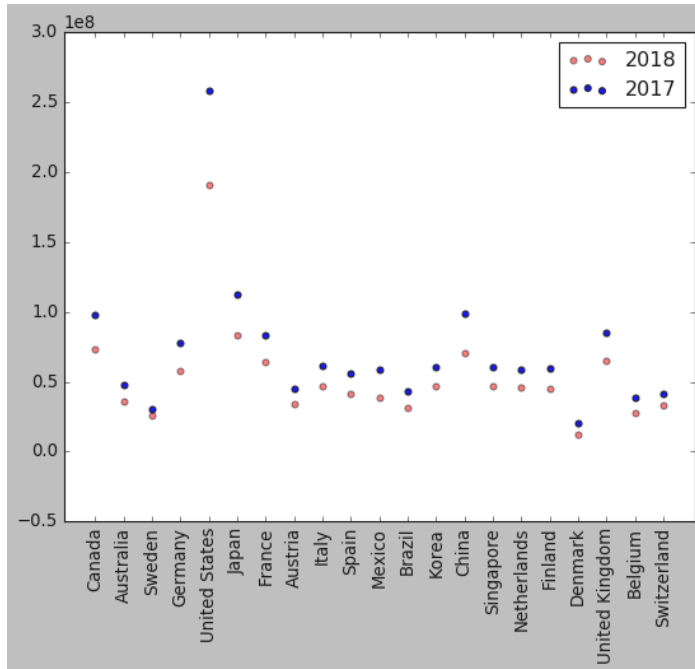
For the year 2018 as well market value and sales forecast failed and didn't changed a bit.

Revenue share by each product?



The product share remains unchanged and no decisions regarding the loss creating products were made prior to the year 2018.

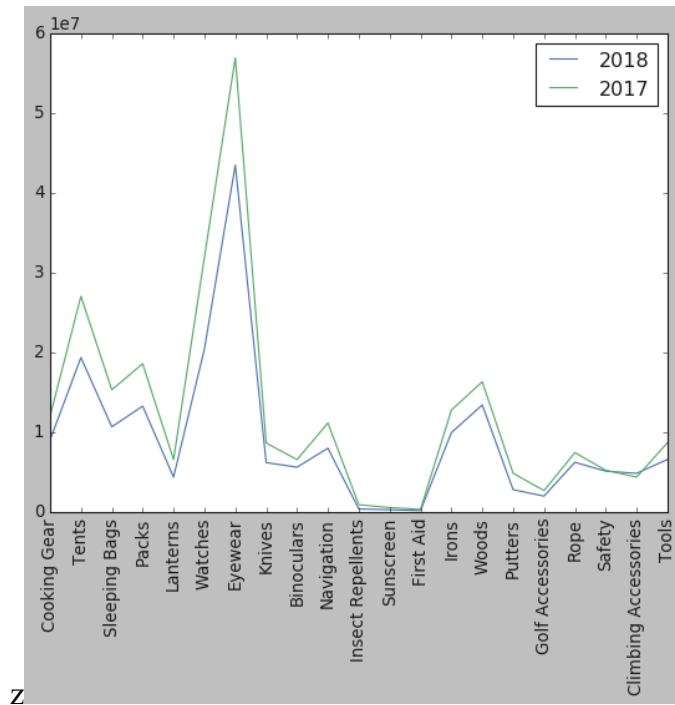
Market?



Looking at the market share there has been a huge loss of market in United States which had the highest share in the revenue. This loss of market could be the main reason for the decline of the company's growth.

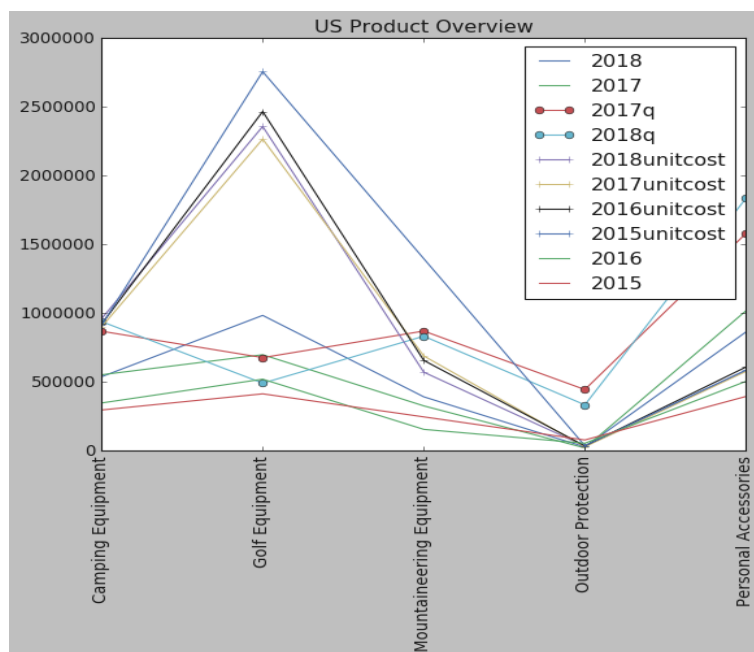
The United States Market

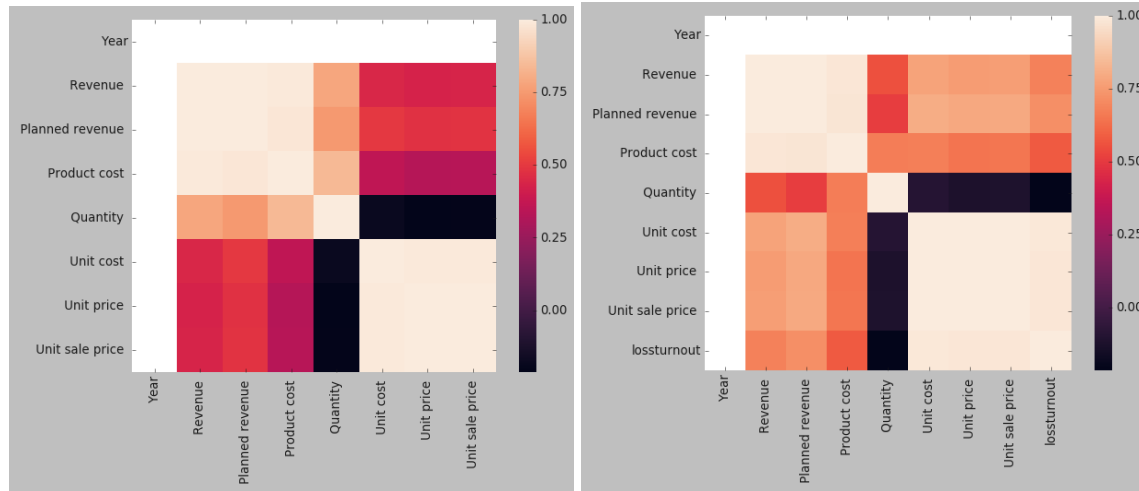
The huge loss of market and consumers at the United States caused to the negative growth and unpredicted loss to the company. So, US market has to be considered first to resolve the company's growth.



Irrespective of the product type the market declined in US.

The revenue in US markets grew with the year 2015 to 2017 along with all other markets. Along with the revenue the quantity of sales also dropped in this duration. The unit cost of production has increased gradually in the initial stage but there is a step increase by 2018 and 2017





The correlation between the attributes and revenue reduced with the year 2018.

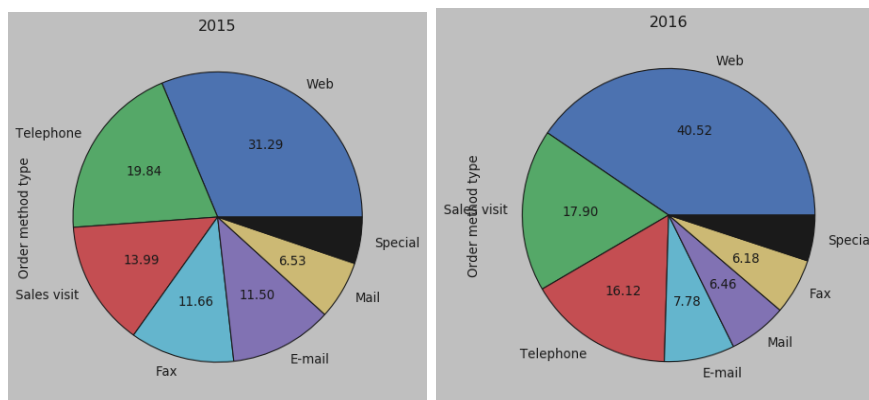
The change in demographics and political trend towards moving to US products than foreign products along with rise of competitors resulted in loss of customers and sales in US.

The growth of company in 2015 to 2017

During the initial period between the 2015 and 2016 there were measures product development, market development, market penetration and diversification of the market and sales of the MEC group.

product development in year 2016 : {'Safety', 'Rope', 'Tools', 'Climbing Accessories'}

market development in year 2016 : {'Switzerland', 'Australia'}



There is a shift of sales channel through web in the years from 2015 to 2018. This shift has caused easy market penetration and more sales were made within the same market as a result.

The market expanded to Switzerland and Australia along with the introduction of new products such as safety, rope, tools and climbing accessories.

This steps which lead to the flourishing of the cooperate should have continued with proper innovation as the time progressed.

CONCLUSION

Urgent steps must be taken in the marketing and sales strategy of the company for the existence of the company. Packing and shipment must be improved to reduce damage and loss through shipment of products. Proper planning of market and product development need to be invented as the years 2015 to 2016. The US markets are dying, thus in order to increase the growth the new markets must found and expanded along with measures to increase the sales in US.