

Walmart Superstore Sales Analysis

Capstone- 2

MBT 7

-By Janardhan

Overview

This report provides an analysis of Walmart's sales performance, key revenue drivers, and growth opportunities. The findings are based on data from 2011 to 2014, with a focus on category performance, regional revenue distribution, and customer segmentation. The objective is to identify key trends, challenges, and opportunities for revenue optimization and business expansion.

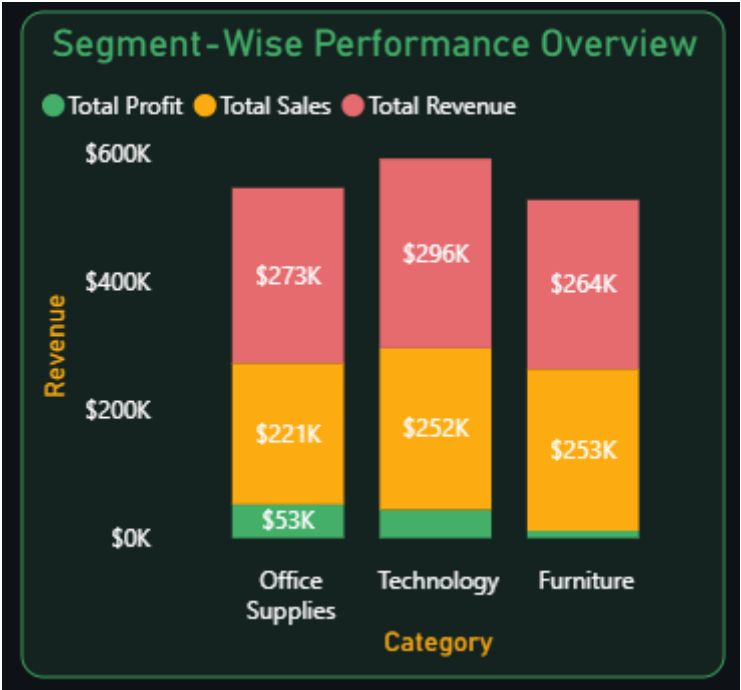
Key Findings and Insights

1. Sales, Revenue & Profit Performance

- **Total Sales:** \$725K
- **Total Quantity Sold:** 12,000 units
- **Total Profit:** \$108,000 (**Profit Margin:** 14.89%)
- **Total Customers Gained:** 686
- **Revenue Growth:** Increased from \$167,949 in 2011 to \$294,533 in 2014
- **Profit Growth:** Jumped from \$20,066 in 2011 to \$43,901 in 2014
- **Peak Year:** 2014 saw a **39% increase in revenue** and **84% rise in profit** compared to 2013

Conclusion: Walmart's overall sales and profit trajectory indicate strong year-over-year growth. Continued investment in high-performing product categories and customer retention strategies will sustain this momentum.

2. Product Category Performance



Revenue Breakdown by Category

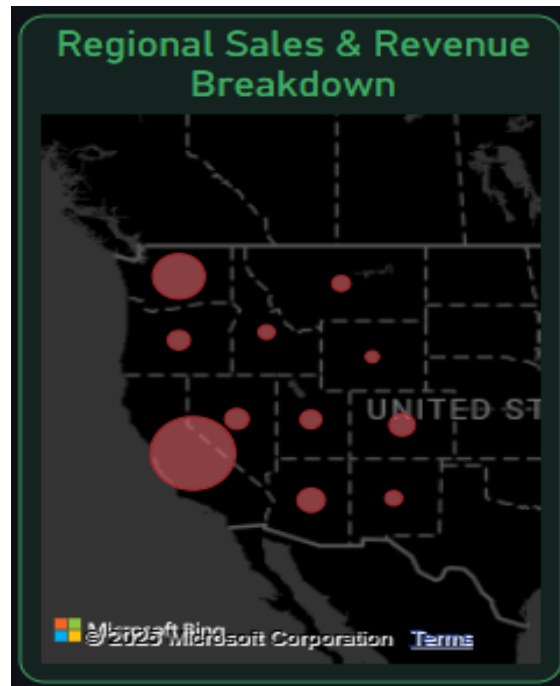
Category	Revenue	Contribution (%)	Growth Rate (%)
Technology	\$296K	39%	91%
Office Supplies	\$273K	34%	87%
Furniture	\$264K	25%	18%

- **Technology** is the fastest-growing category and accounts for the largest share of revenue.
- **Office Supplies** follows closely, driven by strong demand for workplace essentials.
- **Furniture** has shown steady growth but at a slower pace.

Opportunities:

- Further investments in Technology and Office Supplies to capitalize on high-growth potential.
- Enhancing marketing and inventory for Furniture to improve its growth rate.

3. Regional Sales Performance

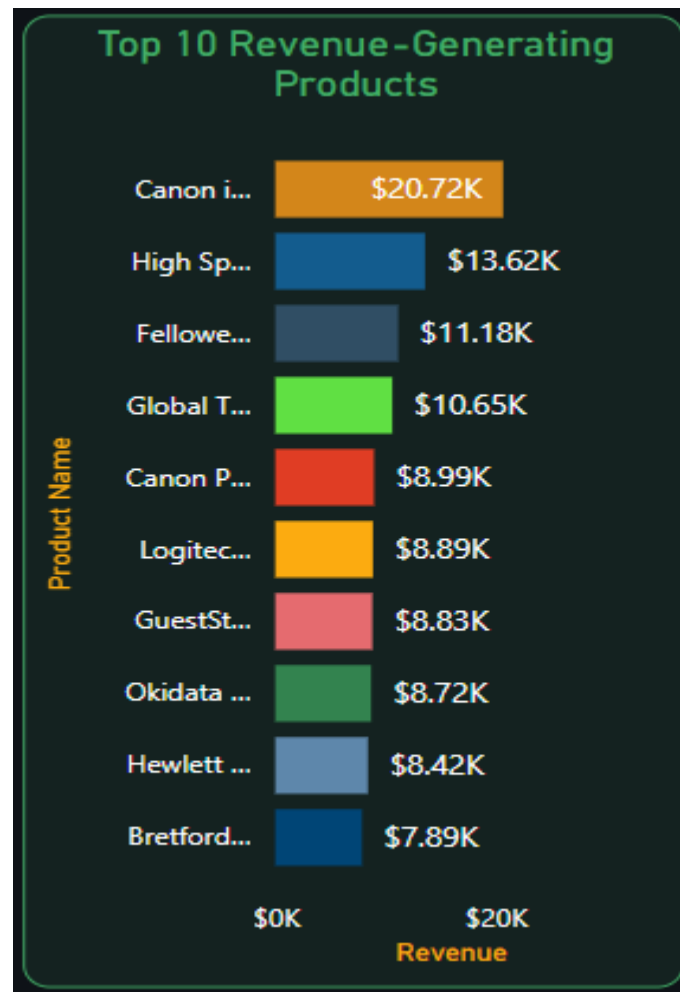


- **California** leads in revenue (\$534K), accounting for **33% of total sales**.
- **Washington** follows with \$172K, benefiting from a strong tech industry presence.
- **States with lower revenue** (Oregon, Utah, Idaho, Wyoming) show opportunities for market penetration.

Challenges & Solutions:

- **Negative profit in states like Colorado, Arizona, and Nevada** suggests operational inefficiencies.
- **Solution:** Optimizing pricing strategies, reducing shipping costs, and improving product demand forecasting in underperforming regions.

4. Top Revenue-Generating Products

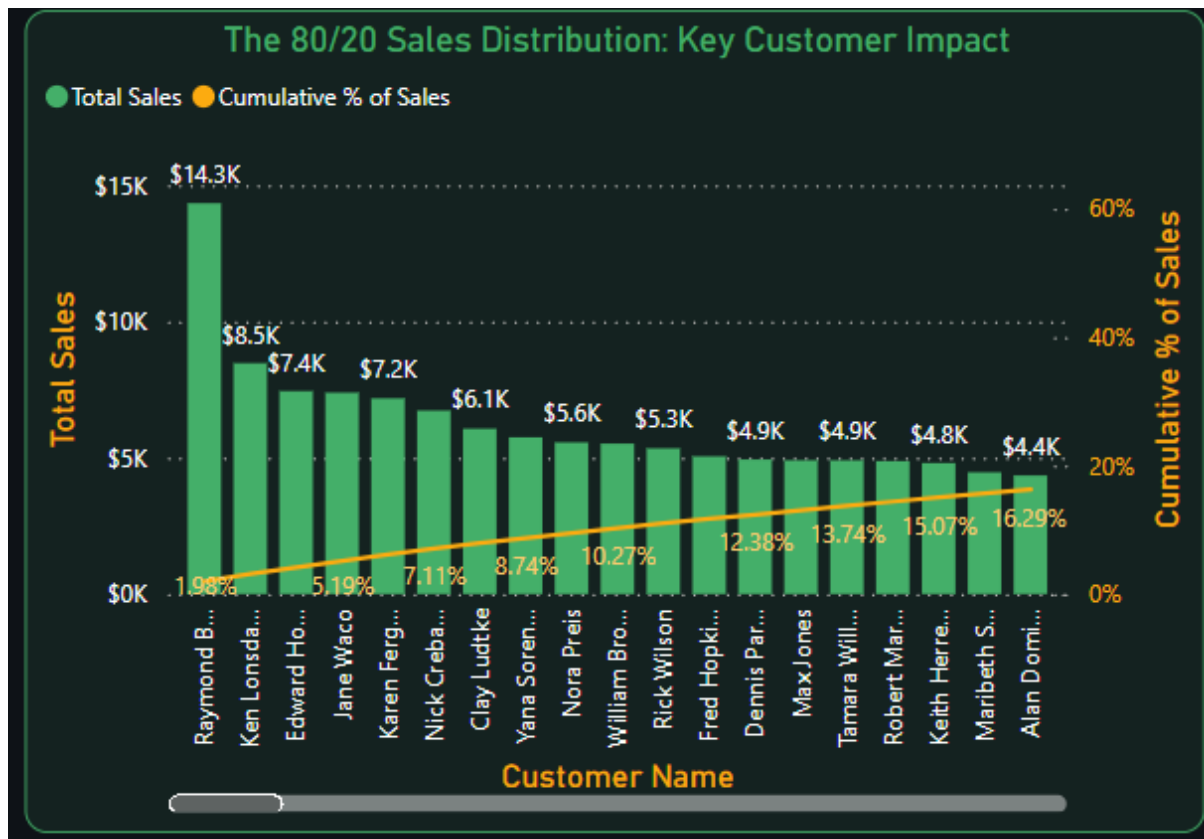


- Canon ImageCLASS 2200 Copier: \$20,720
- Logitech High-Speed Mouse: \$13,620
- Fellowes Binding Machine: \$11,180
- Chairs and Office Equipment are consistently among the bestsellers.

Opportunity:

- Expanding inventory for top-performing products to maximize sales.
- Identifying new high-demand products based on market trends.

5. Customer Segmentation – The 80/20 Rule

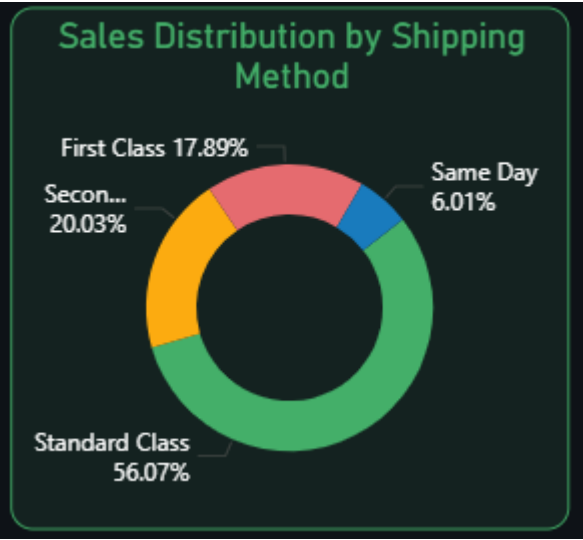


- **Top 20% of customers account for 76% of total revenue.**
- **Remaining 80% contribute only 24%.**
- **High-value customers** spend significantly more, presenting an opportunity for targeted engagement.

Recommendations:

- Loyalty programs and personalized marketing for top customers.
- Targeted promotions to encourage higher spending from low-value customers.
- Improved customer segmentation strategies to convert mid-tier customers into top spenders.

6. Shipping Mode Analysis



Shipping Mode	Revenue	Contribution (%)
Standard Class	\$462K	55%
Second Class	\$168K	20%
First Class	\$152K	18%
Same-Day	\$51K	6%

- **Standard Class dominates shipping**, balancing cost and efficiency.
- **Same-Day shipping contributes the least revenue**, indicating limited consumer demand.

Optimization Strategy:

- Encouraging **First-Class shipping for premium customers** for increased revenue.
- Cost-reduction strategies for **Same-Day shipping** to improve its profitability.

Root Cause Analysis (RCA)

Problem	Root Cause	Solution
Declining profit margins in specific states	High operational costs, inefficient logistics	Optimize pricing, reduce overhead costs, improve shipping strategies
Slow growth in Furniture sales	Lower market demand, lack of promotions	Targeted marketing, bundling options, better positioning
Limited revenue from Same-Day shipping	High costs, lack of customer interest	Reduce costs, improve delivery efficiency, introduce incentives
Uneven revenue distribution across states	Limited market penetration, regional competition	Expand marketing in low-revenue areas, optimize distribution channels

Strategic Recommendations & Next Steps

1. Enhance High-Growth Product Categories

- Expand inventory and targeted promotions for Technology and Office Supplies.
- Improve product visibility and demand forecasting for Furniture.

2. Strengthen Customer Engagement

- Offer personalized promotions and rewards programs for high-value customers.
- Improve customer conversion strategies to increase spending among low-tier buyers.

3. Geographic Expansion & Profitability Optimization

- Expand marketing and distribution efforts in low-revenue states.
- Address operational inefficiencies in low-profit regions (Colorado, Arizona, Nevada).

4. Improve Shipping Strategy

- Promote First-Class shipping for faster deliveries at a premium price.
- Reduce costs for Same-Day shipping to make it more competitive.

5. Seasonal Demand Optimization

- Use historical sales patterns to anticipate seasonal spikes (e.g., back-to-school, holiday shopping).
- Plan inventory stocking and discount strategies accordingly.

Conclusion

Walmart's strong revenue and profit growth, high-performing product categories, and dominant market presence provide a solid foundation for continued expansion. By leveraging data-driven strategies in customer segmentation, product optimization, and regional expansion, Walmart can further enhance its sales performance and profitability.