

Fashion E-commerce Company Analysis (2022-2023)

Overview

- The company is a Fashion e-commerce business hosted on Shopify.
- The company offers a range of ethnic wear products including sarees, blouses, scarves, as well as running and unstitched materials.
- The company not only sells in India but also in US, Australia, UK, UAE etc.

Problem Statement

To get insights to drive strategies to boost sales by focusing on products, customers and geographies.

Customer Segmentation

The customers are segmented into **New** and **Existing** customers. The primary target audience comprises individuals aged 30 and above, particularly small business owners.

Company Performance Overview

KPI	2022	2023
Sales		
% Increase in Sales (YoY)	14.86 %	10.82 %
Orders		
% Increase in Order Count	11.12 %	3.4 %
% Decrease in Cancelled Orders	-7.49 %	-12.24 %
Customers		
%Change in New Customers	-3.248 %	3.67 %
%Customer Retention (YoY)	38.68 %	37.77 %
%Customer Retention (Existing / Old Customers) *	46.24 %	47.94 %

Positive Indicators

- The company has shown positive performance in a few areas, including higher sales, more orders, and fewer cancelled orders. This shows growth in business.

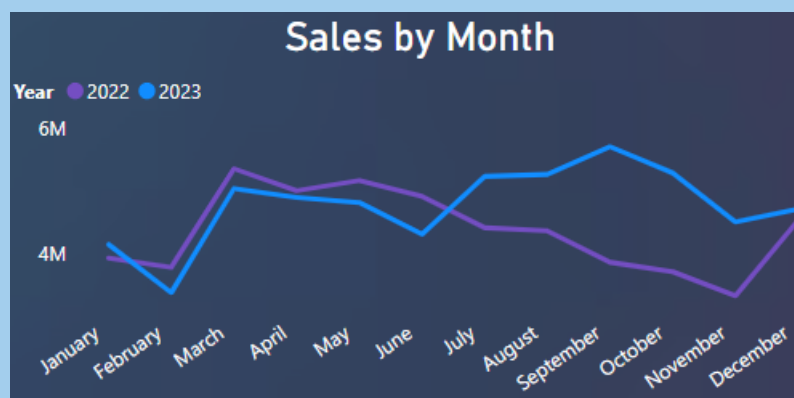
Areas of Concern

- Customer retention is currently low, which means many customers are not returning after their first purchase.
- The ratio of existing to new customers is around 1:1. This means about half of the customers each year are new. New customer acquisition is high. If more of these new customers can be retained, the company's sales could increase significantly.

Further Analysis and Considerations

- Regularly collecting customer feedback can help identify why many customers don't return.
- Since the business sells sarees and other ethnic wear, many customers may only buy occasionally.
- Most returning customers seem to be small business owners who purchase running and unstitched material.

Sales by Month



- Sales from July to November showed a significant increase in 2023 compared to 2022, showing a strong upward trend, and it is a positive indicator of the company's growth.
- September and October recorded the highest sales in 2023, driven by peak festival season demand, and a similar performance is anticipated during that period moving forward.

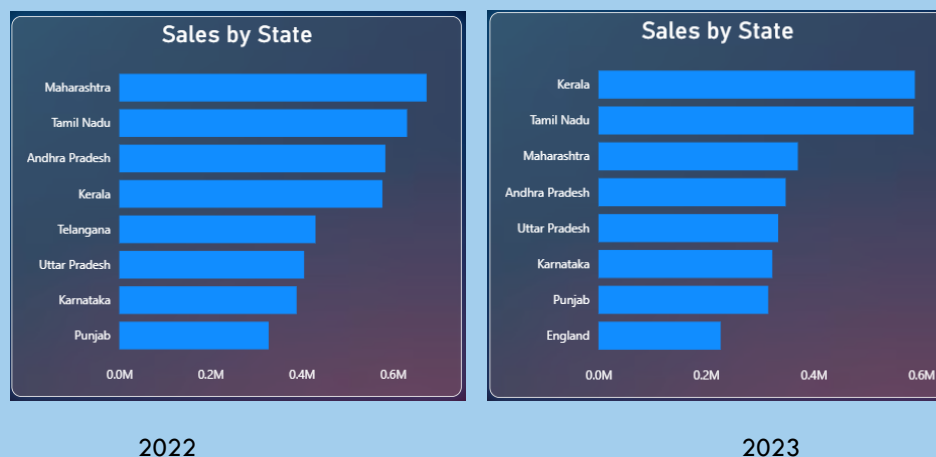
Insights and strategy

1. Geography

- As seen in the years 2022 and 2023, the **sales** were **maximum** in the **southern Indian states**, where Kerala contributed to maximum sales.
- The sales in North India are significantly less.

Suggestion:

- Promoting sales in the Northern States by showing advertisements.
- Focused marketing in the northern states.



2. Order Cancellations

- In 2022, **1558** orders were cancelled, and in 2023, **1398** orders were cancelled.
- The main reason for cancellation is the customer, who, after placing an order, cancels the order.
- In 2022, **1548** orders and in 2023, **1345** orders were cancelled by customers.

	2021	2022	2023
%Orders cancelled by customer with COD as payment Method	58.6%	60.67%	81%

- An increase in the trend can be observed, which implies that the number of customers opting for COD as a payment method and later cancelling orders has increased. This is a loss for the company as the orders are cancelled after the package has been shipped. More such orders, more is the loss.

Suggestion:

- Collect feedback from customers on why they are cancelling orders.
- Customers who frequently cancel Cash on Delivery (COD) orders should be evaluated for blacklisting based on the total number of orders placed and the frequency of COD cancellations.

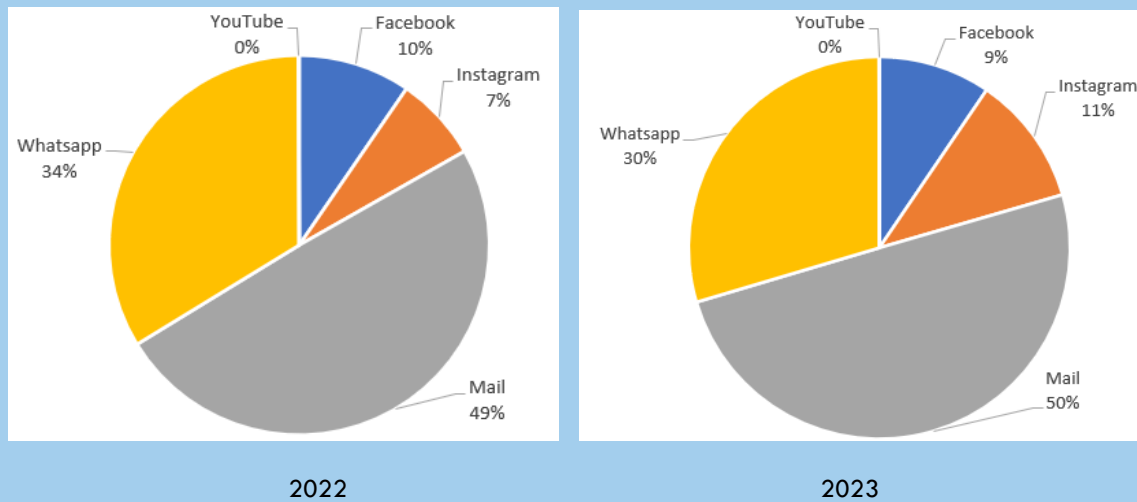
3. Advertisement campaign

- Digital marketing is done on various platforms such as Google, Facebook, Instagram, YouTube and a few other websites that are often visited by customers.
- The target audience of this company, as mentioned above, is 30+. The majority of the buyers are in the 40+ age group.

The advertisement campaign is implemented via the following platforms:

WhatsApp, Mail, Facebook, Instagram and YouTube.

	2022	2023
%Orders received through the platforms	30.89%	36.7%
%Customers who have placed orders	3.02%	2.25%
%Sales contributed by the platforms	31.5%	40.91%



Contribution to sales by each app

Email is the most widely used platform for promoting the company's products, followed by WhatsApp, Instagram, Facebook, and YouTube.

Suggestions:

- Research indicates that YouTube is the most widely used platform in India, with approximately 1.2 billion monthly visits.
- Among social media platforms like Facebook, Instagram, and Pinterest, YouTube sees the highest usage among users aged 35 and above.
- Therefore, posting ads on YouTube can attract more customers who are interested in the company's products.

Conclusion

The company is performing well. By implementing the above strategies, it can substantially boost sales and scale its business.

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