

Changing Markets

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Scope & Objectives

Scope

- Contoso is a global commerce corporation specialized in electronic consumer goods.
- We will look at Contoso revenue and its' products within 2008 and 2009.

Objectives

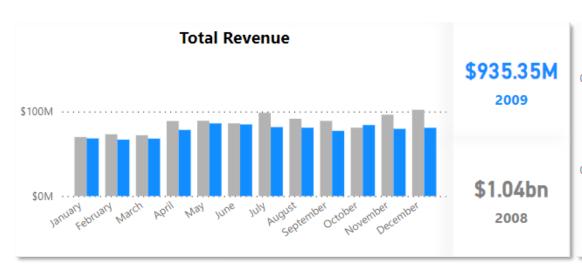
- 1. Compare Contoso performance in 2009 to 2008.
- 2. Identify winning products and new market trends.

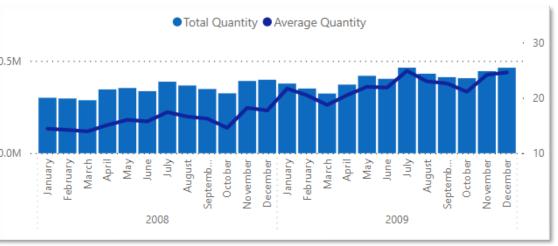


Analysis



Analysis



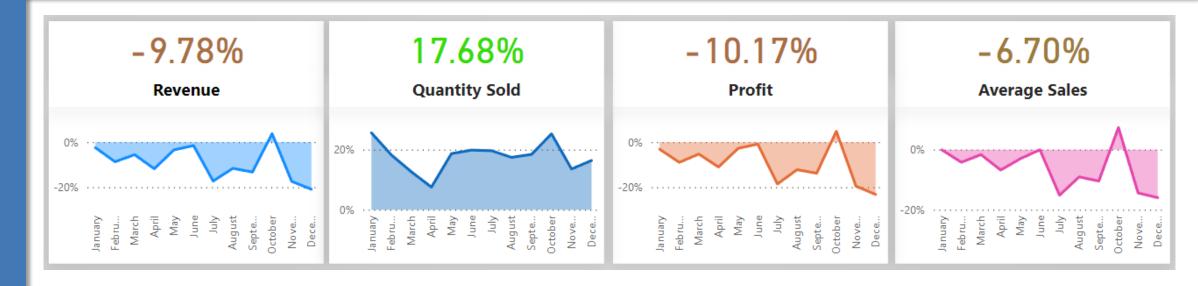


- Overall decrease in revenue compares to 2008.
- ⇒ People are recovering from the Financial Crisis.
- Revenue dips 8.86% in October 2008.
- ⇒Stock market crash see Appendix 1.
- Revenue increase around 25% at the end of 2008.
- ⇒Black Friday and Christmas.

- Overall gradual increase in quantity sold.
- During 2008, people buys more variety of goods.
 While 2009, some products dominate the market.
- ⇒Low-value products are bought more (large quantity + low revenue)



Overall Performance



- Total revenue dropped 9.78% and Profit decrease 10.17%.
- While Quantity sold spiked by 17.68%.
- Average Sales fell 6.7% overall.
- People are still reeling from the Financial Crisis. Buying more low-value products and less premium products.



Top Category



Cell phones

- Around 6% of Total Revenue.
- Top growing product.
- ⇒Smartphones become mainstream see Appendix 2



Computers

- Around 26.5% of Total Revenue.
- Increasing demand for cheaper products.



TV and Video

- Around 11.5% of Total Revenue.
- Slow and stable growth.

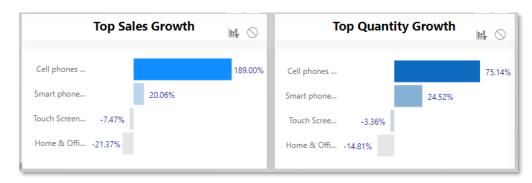


Home Appliance

- Around 32% of Total Revenue.
- High demand for cheaper options.

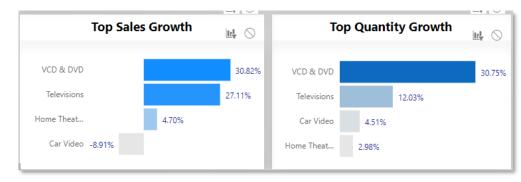


Top Sub-Category



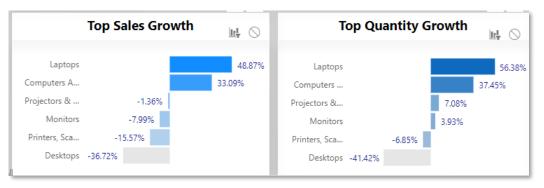
Cell phones

 Fast growth in sales and demand for cell phones and smart phones.



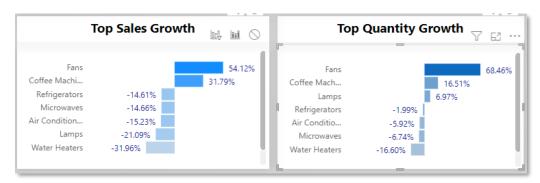
TV and Video

DVD players and TVs are still growing steadily.



Computers

 Trends in both Laptops and Computers Accessories sales.



Home Appliance

- Increase in fans sales but it only accounts for 1.96% of Total Revenue.
- Most high value products sales are decreased.



Conclusion



Conclusion

Conclusion

- Consumers are spending less on premium products.
- Economy-class product market expands.
- Cutting edge technology becoming mainstream. Personal phones, Personal laptop sees fast upward trend.
- DVDs are growing steadily for Contoso.
- Increase in fans sales maybe due to heat waves see Appendix 5
- But other high-value products such as dishwasher sees major down trend.

Recommendation

- Considers upping prices for personal products such as phones and laptops to take advantage of rise in demands.
- With new technology such as Blu-ray, DVDs may not last – See Appendix 4.
- Considers discount campaigns or installment options for high-value products to increase demands.



Appendix



A1 – Stock Market Crash

On Friday, October 10, stock markets crashed across Europe and Asia. London, Paris and Frankfurt dropped 10% within an hour of trading and again when Wall Street opened for trading. Global markets have experienced their worst weeks since 1987 and some indices, S&P 500, since the Wall Street Crash of 1929.

https://en.wikipedia.org/wiki/Global_financial_crisis_in_October_2008#:~:text=On %20Friday%2C%20October%2010%2C%20stock,Wall%20Street%20Crash%20of%20 1929.



A2 – Rise of Smartphones

On the go, yet still connected: Smartphones and portable gaming devices entered the mainstream in 2009. (CNN) -- Engineers didn't make huge improvements to technology in 2009. The year's big tech names -- Twitter, Facebook, Google, Apple, Amazon -- all existed before January.

Dec 23, 2009

https://edition.cnn.com/2009/TECH/12/22/top.tech.trend s.2009/index.html#:~:text=On%20the%20go%2C%20yet% 20still,entered%20the%20mainstream%20in%202009.&te xt=(CNN)%20%2D%2D%20Engineers%20didn',%2D%2D%2 Oall%20existed%20before%20January.



A3 – And Wireless Headphone

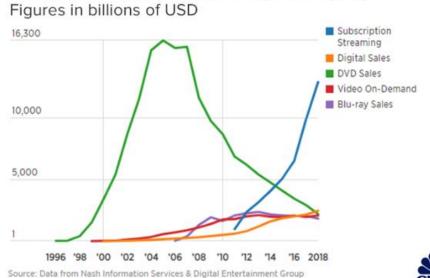
The very first wireless headphones were out on the market in 2004, but they became more popular in the 2010s as an alternative to the widespread wired headphones.

https://powerlocus.com/es/blog1/evolution-of-headphones#:~:text=The%20very%20first%20wireless%20 headphones,to%20the%20widespread%20wired%20head phones.



A4 – Death of DVD

US home video market by category



https://www.cnbc.com/2019/11/08/the-death-of-the-dvd-why-sales-dropped-more-than-86percent-in-13-years.html



A5 – Need More Fans

- In early 2009, Adelaide, South Australia was hit by a heat wave with temperatures exceeding 40 °C (104 °F) for six days in a row, while many rural areas experienced temperatures hovering around 45 °C (113 °F). Kyancutta on the Eyre Peninsula endured at least one day at 48 °C (118 °F), with 46 and 47 being common in the hottest parts of the state. Melbourne, in neighbouring Victoria recorded 3 consecutive days over 43 °C (109 °F), and also recorded its highest ever temperature 8 days later in a secondary heatwave, with temperatures peaking at 46.4 °C (115.5 °F). During this heat wave Victoria suffered from large bushfires which killed 173 people and destroyed more than 2,500 homes. There were also over half a million people without power as the heatwave blew transformers and the power grid was overloaded.
- In August 2009, Argentina experienced a period of unusual and exceptionally hot weather during 24–30 August, during the Southern Hemisphere winter, just a month before Spring, [30] when an unusual and unrecorded winter heat wave hit the country. A shot of tropical heat drawn unusually far southward hiked temperatures 22 °C (72 °F) above normal in the city of Buenos Aires and across the northern-centre regions of the country. Several records were broken. Even though normal high temperatures for late August are in the lower 15 °C (59 °F), readings topped 30 °C (86 °F) degrees at midweek, then topped out above 32 °C (90 °F) degrees during the weekend. [31] Temperatures hit 33.8 °C (92.8 °F) on 29 August and finally 34.6 °C (94.3 °F) on 30 August in Buenos Aires, making it the hottest day ever recorded in winter breaking the 1996 winter record of 33.7 °C (92.7 °F). In the city of Santa Fe, 38.3 °C (100.9 °F) degrees on 30 August were registered, well above the normal highs of around 15 °C (59 °F). As per the Meteorological Office of Argentina, August 2009 has been the warmest month during winter since official measurements began. [32]

https://en.wikipedia.org/wiki/List_of_heat_waves