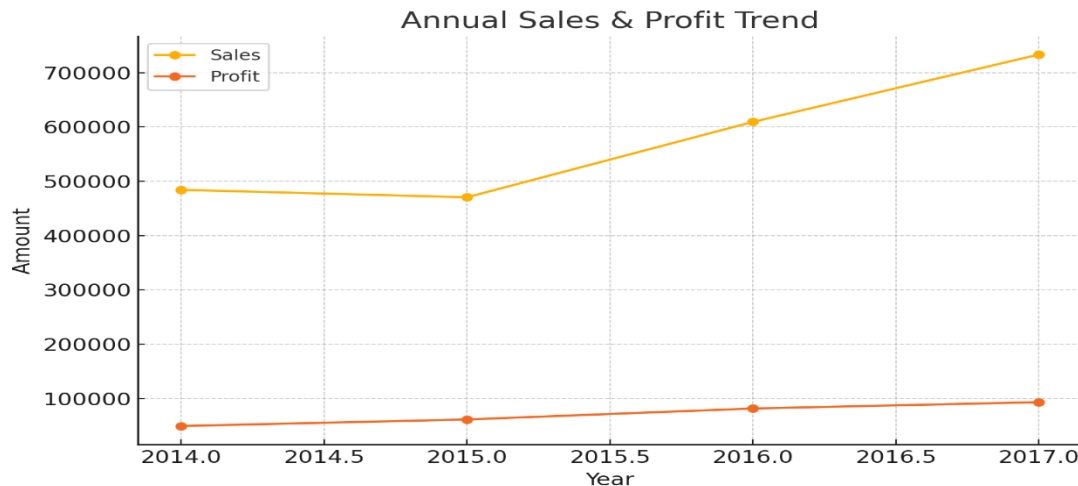


# ANALYTICAL INSIGHTS:

## Trend Analysis: Sales & Profit Are



## Growing Every Year:

- Sales and profit increase consistently from 2014 to 2017.
- 2017 shows the highest sales (733K) and highest profit (93K)

### Why is it happening?

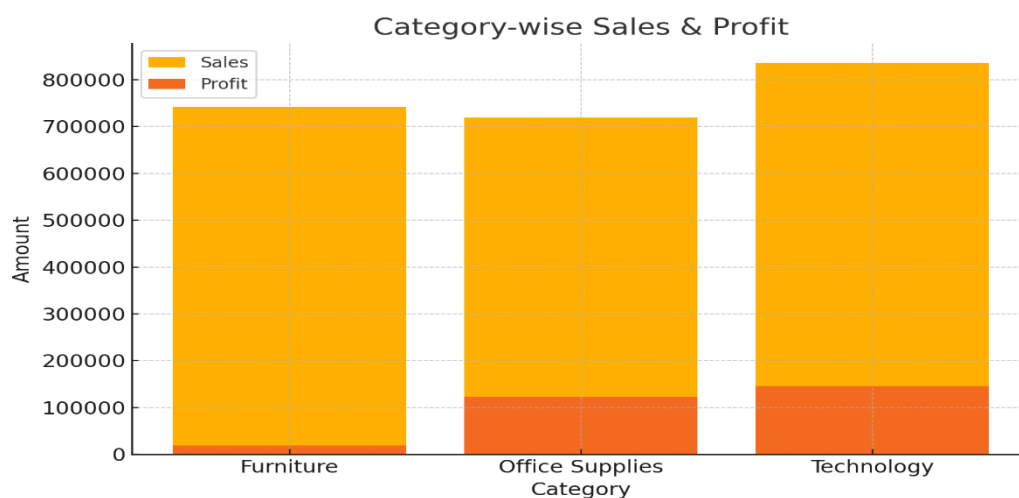
- Larger product assortment and better customer reach.
- Higher spend in later years due to returning customers.
- Growth in high-value categories (Technology & Office Supplies).

### Actions to take:

- Increase marketing investment in high-performing months/quarters.
- Forecast inventory and staffing based on this steady growth.
- Support high-value customers through loyalty programs.

# Profitability: Some Categories Drive Sales but Not Profit:

- Technology is the most profitable category (145K profit).
- Office Supplies also performs well with (122K) profit.
- Furniture has very low profit (18K) despite high sales (742K).



## Why is it happening?

- Heavy discounts on tables, chairs, and bookcases.
- High shipping cost for bulky furniture.
- Profit-negative products (e.g., tables) reduce overall margins.

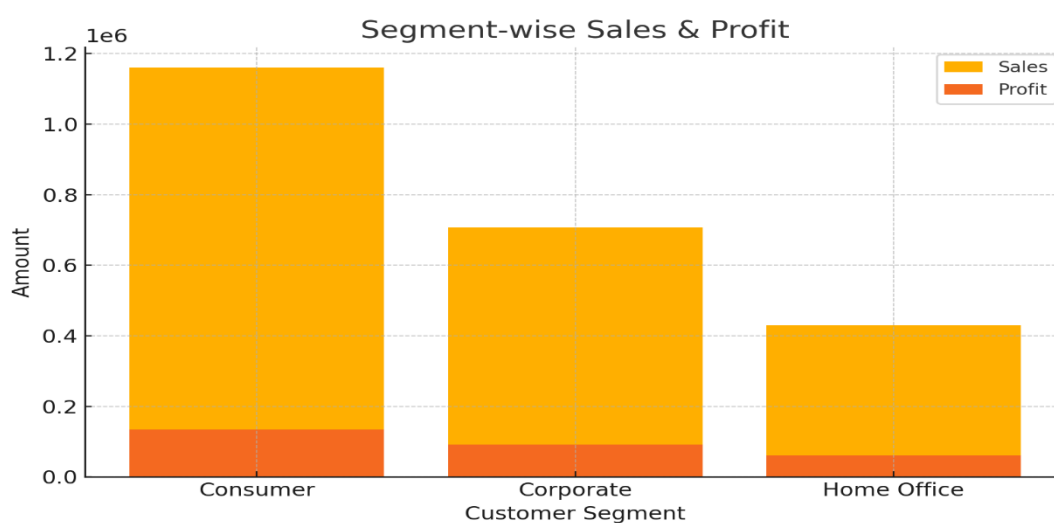
## Actions to take:

- Reduce discounting on Furniture.
- Increase shipping fee for bulky items.

- Promote high-margin Technology products more aggressively.
- Introduce bundle pricing for Office Supplies (profitable category).

## Customer / Segment Behavior: Consumers Drive the Business

- Consumer segment generates the highest revenue (1.16M) and profit (134K).
- Corporate and Home Office segments show steady but smaller contributions.



### Why is it happening?

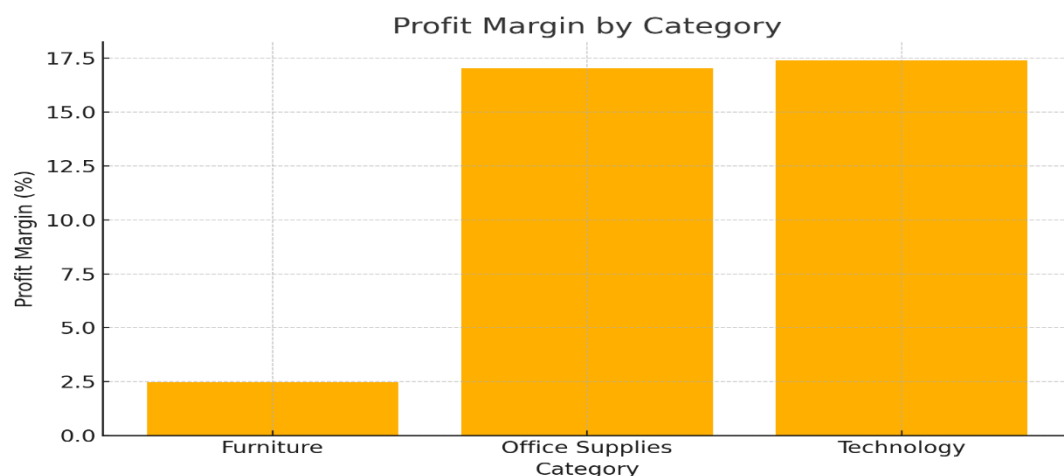
- High transaction volume from consumer purchases.
- Broader appeal across all categories.
- Higher frequency of repeat orders.

## Actions to take

- Offer loyalty points & referral schemes for Consumers.
- Target Corporate segment with bulk-order discounts.
- Create subscription/auto-replenish plans for Home Office segment.

## Category Performance: Technology Dominates Profitability

- Technology is the top-performing category in both sales and profitability.
- Office Supplies is stable, consistent, and profitable.
- Furniture shows high sales but very low profit



## **Why is it happening?**

- Technology items (phones, accessories) have:
  - Higher margins
  - Lower shipping cost
  - Strong demand trends
- Furniture is loss-making mainly due to:
  - High return rates
  - High delivery cost
  - Deep discounting

## **Actions to take**

- Invest heavily in Technology marketing.
- Reduce low-margin furniture SKUs.
- Identify top Office Supply items to scale (e.g., paper, labels)

## **Business Risks & Opportunities:**

### **Risk 1 — Discounting is hurting profits**

- Several furniture categories show negative or near-zero profit.

- High discount levels cause profit loss (e.g., –383 profit for one table order).

#### Opportunity

- Implement data-driven pricing.
- Limit discounts for historically unprofitable items.

### **Risk 2 — Heavy dependency on the Consumer segment**

- 52–55% of sales come from Consumers.
- If consumer demand drops, revenue will be heavily impacted.

#### Opportunity

- Strengthen corporate accounts.
- Introduce B2B bundles for Office Supplies (profitable).

### **Risk 3 — Furniture category returns & logistics cost**

- Bulky items reduce overall profit due to high shipping and return rates.

#### Opportunity

- Introduce regional warehouses to reduce delivery cost.
- Partner with logistics firms for reduced bulky-item shipping rates.

## **SUMMARY OF RECOMMENDED ACTIONS**

### **Grow Profit**

- Push Technology category (high profit).
- Reduce discounts on Furniture.
- Improve shipping cost control.

### **Grow Sales**

- Strengthen consumer loyalty programs.
- Expand corporate bulk-sales programs.
- Promote bundled Office Supplies.

### **Reduce Risks**

- Review loss-making products.
- Optimize furniture logistics.
- Diversify customer base beyond Consumers.