

DataCRUX

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DataCRUX project report submitted by

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Key Insight 1: Retailer and Product Category Performance

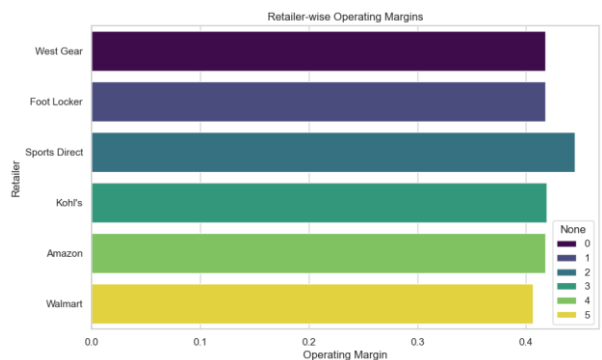
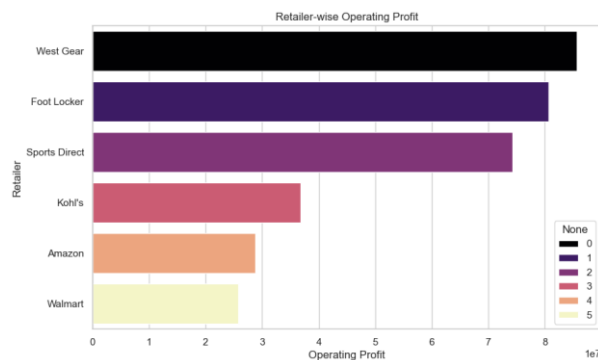
Retailer Performance Analysis :

(Key findings):

- ❖ **West Gear** achieved the highest performance, generating **\$242.96 million** in total sales and an operating profit of **\$85.67 million**, supported by a strong operating margin of **41.8%**.
- ❖ **Foot Locker** followed closely with **\$220.09 million** in total sales and **\$80.72 million** in operating profit, maintaining an operating margin similar to West Gear.
- ❖ **Sports Direct** recorded the **highest operating margin** among all retailers at **44.5%**, reflecting superior profitability despite lower total sales compared to West Gear and Foot Locker.
- ❖ **Kohl's**, **Amazon**, and **Walmart** displayed relatively stable operating margins (around 41–42%), although their overall contribution to total sales and profit was moderate compared to the leading retailers.

(Observations):

- ❖ **West Gear** and **Foot Locker** dominate in terms of both sales and profit generation.
- ❖ **Sports Direct** stands out for its exceptional profitability, indicating efficient operations despite lower sales volumes.
- ❖ Retailers like **Amazon** and **Walmart** demonstrate consistent profitability but contribute less significantly to overall sales performance.



Explanation:

West Gear and Foot Locker lead in total sales and operating profit, with strong margins around 41–42%. Sports Direct stands out with the highest operating margin of 44.5%, reflecting superior profitability despite lower sales. Kohl's, Amazon, and Walmart show stable margins but contribute less to total sales and profits. Overall, West Gear and Foot Locker dominate in performance, while Sports Direct excels in efficiency.

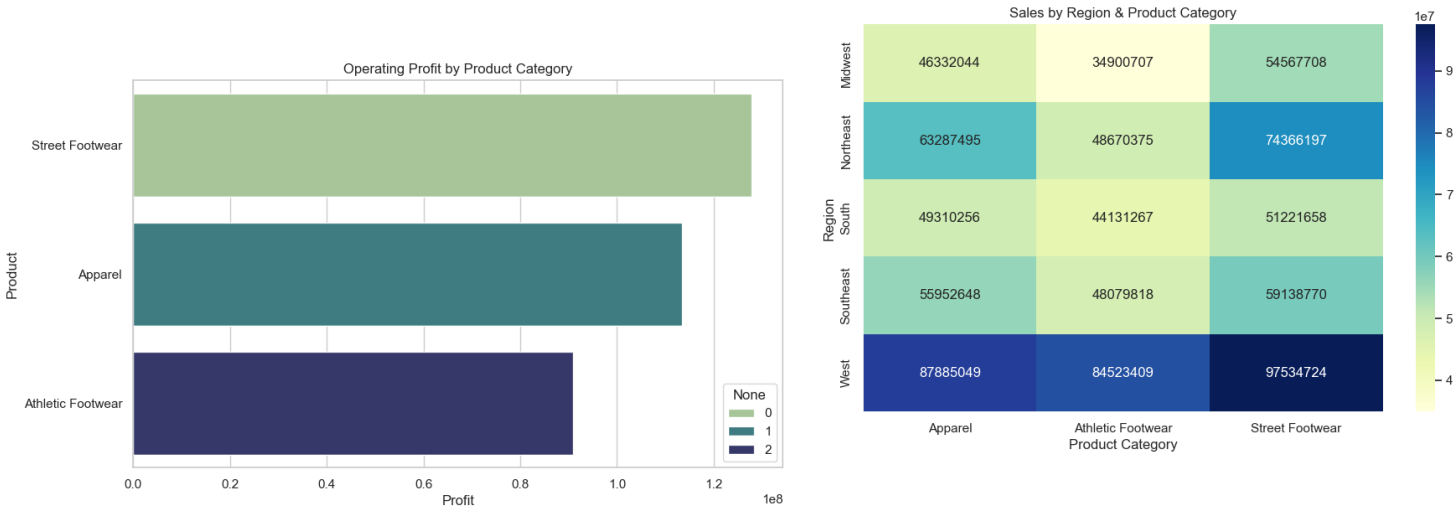
Product Performance Analysis :

(Key findings):

- ❖ **Street Footwear** and **Apparel** are the top-performing categories, each achieving operating margins around 42.7–42.8%, reflecting strong profitability.
- ❖ **Athletic Footwear**, although slightly lower in sales and operating profit, maintained a solid operating margin of 41.4%, indicating consistent product strength across categories.
- ❖ **Street Footwear** leads in terms of both units sold and total sales, confirming its dominant position in consumer preference and demand.

(Observations):

- ❖ The **West region** emerged as the strongest performer, particularly for **Street Footwear**, with sales reaching approximately **\$97.53 million**.
- ❖ **Northeast** consistently ranked second across product categories.
- ❖ **Midwest** exhibited the lowest sales performance across all categories, suggesting potential areas for growth.
- ❖ Sales performance in the **South** and **Southeast** regions remained relatively balanced, with the Southeast slightly outperforming the South.



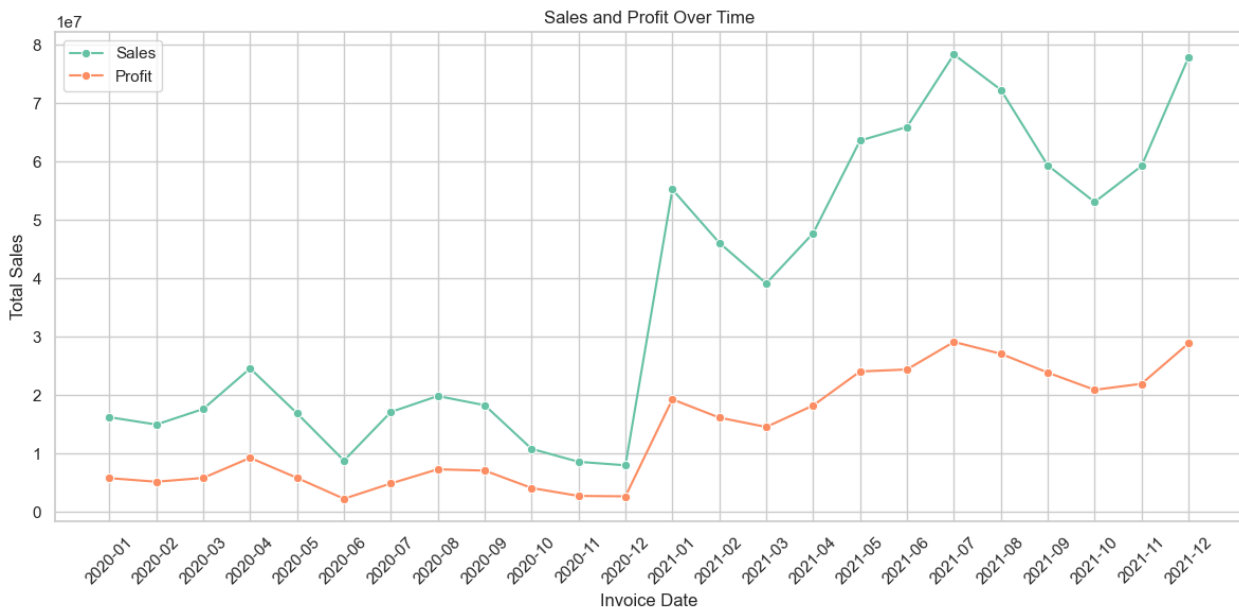
Explanation:

Street Footwear and Apparel are the top performers in terms of sales and profitability, with operating margins near 42.7–42.8%. While Athletic Footwear generates lower sales, its operating margin of 41.4% shows consistent strength. Street Footwear, in particular, dominates both in terms of units sold and total sales, indicating high consumer demand. Regionally, the West is the strongest performer, especially for Street Footwear, while the Midwest underperforms, suggesting room for growth in this area. The Southeast slightly outperforms the South, and the Northeast consistently performs well across product categories.

Key Insight 2: Sales and Profit Trends Over Time

Important Insights:

- ❖ **Significant Growth in 2021:** Both total sales and operating profit witnessed a sharp increase starting January 2021, nearly tripling compared to late 2020.
- ❖ **Peak Month in July 2021:** Total sales peaked at **\$78.3 million** and operating profit at **\$29.1 million** in July 2021 — the highest performance in the two-year period.
- ❖ **Pandemic Disruption in 2020:** June 2020 recorded the lowest sales (**\$8.8 million**), likely reflecting pandemic-related operational challenges.
- ❖ **Consistent Mid-Year Strength:** From **April to September 2021**, the company maintained robust performance, indicating strong market recovery and customer demand.
- ❖ **Holiday Seasonality:** Sales and profit showed noticeable increases in November and December of both 2020 and 2021, suggesting strong holiday season impact.



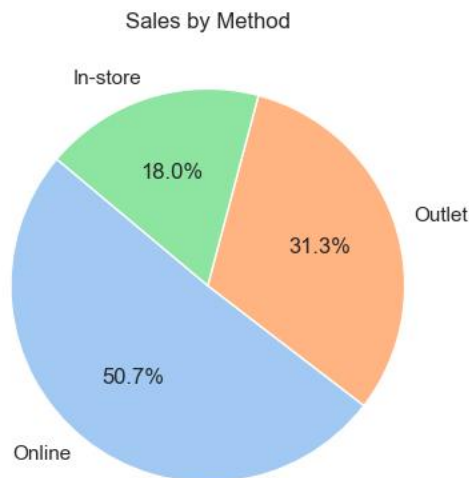
Explanation:

The time series analysis highlights the company's strong post-pandemic recovery throughout 2021, marked by a significant rise in both total sales and operating profit compared to 2020. Mid-year months (April to September) showed particularly strong and sustained growth, while consistent spikes during the year-end (November and December) periods reflect effective seasonal sales strategies and robust consumer demand. This performance trend underscores opportunities for the company to further strengthen marketing efforts during mid-year and festive seasons to maximize revenue and profitability.

Key Insight 3: Sales Method and Top Cities Performance

Sales Method Insights:

- ❖ **Online Sales** outperform other sales methods in **operating margin**, achieving an impressive **46.4%**. Despite contributing less to total revenue compared to in-store sales, **online sales** are significantly more **profitable**.
- ❖ **Outlet Sales** also show strong profitability, with a **39.5% operating margin**, which is higher than in-store sales at **35.6%**. This suggests that outlet stores are an effective channel for maximizing profit.
- ❖ **In-store Sales**, while generating the highest revenue at **\$356.6M**, have the lowest operating margin of **35.6%**, indicating potential opportunities for improving profitability through cost management and operational optimization.

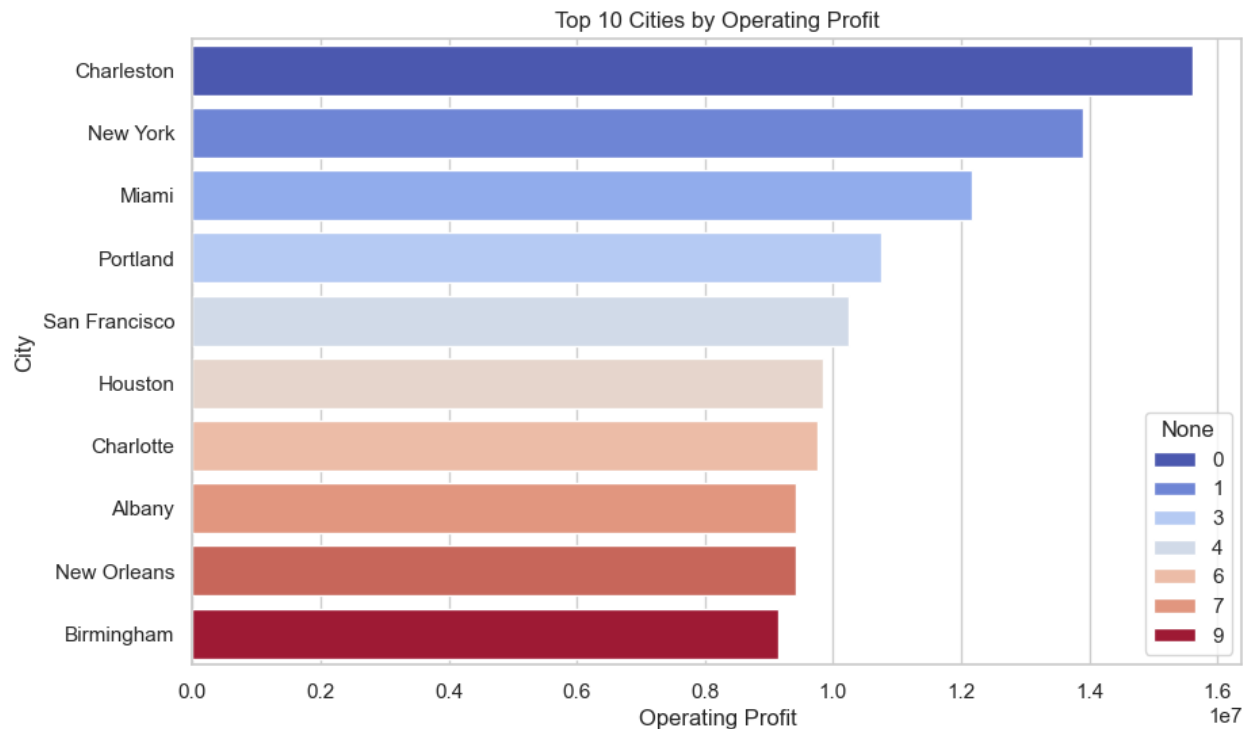


Explanation:

Online sales, though contributing less to total revenue, are the most profitable with the highest operating margin of **46.4%**, indicating efficient profit generation. Outlet sales follow closely, showing a **39.5% margin**, which is higher than in-store sales at **35.6%**, making outlet stores a strong channel for profitability. While in-store sales generate the highest revenue (**\$356.6M**), their lower margin suggests opportunities for enhancing profitability through improved cost management and operational efficiency.

Top Cities Performance:

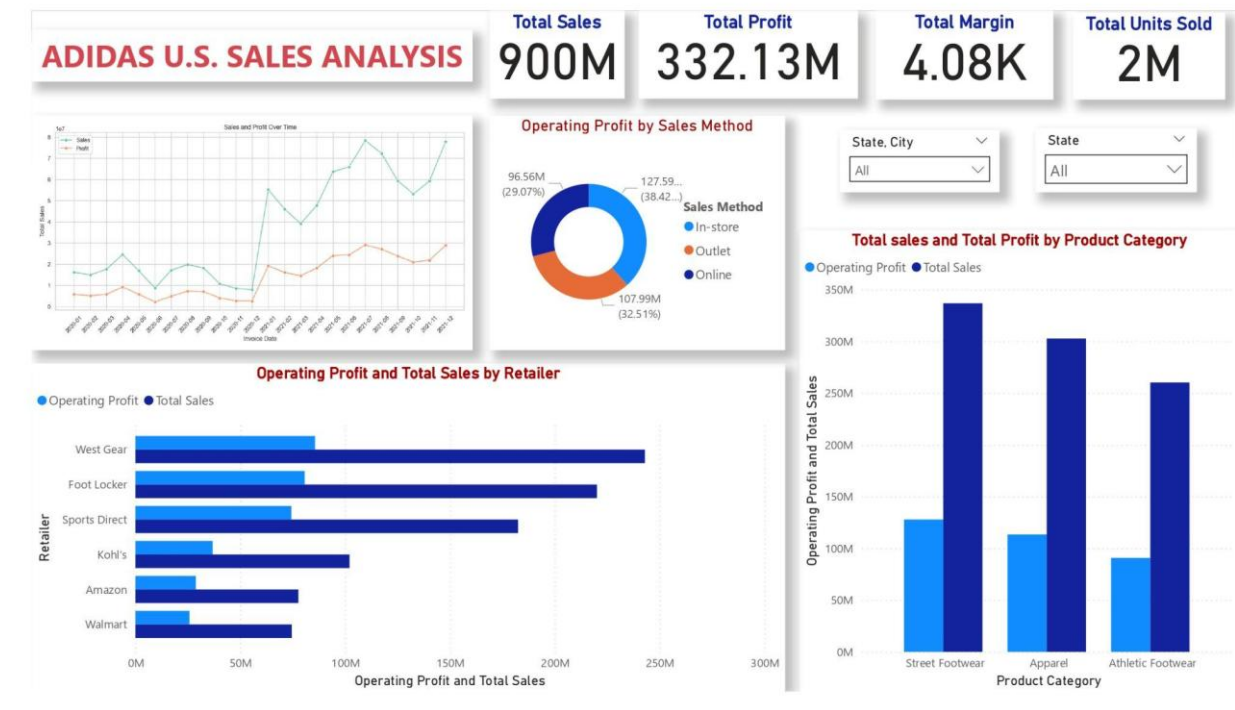
- ❖ **Charleston** leads the cities with the **highest profit-to-sales ratio**, generating a strong **operating profit** of **\$15.6M** from total sales of **\$39.97M**, making it the most **efficient city** in terms of profitability.
- ❖ **New York** and **Miami** follow closely, with significant **operating profits** of **\$13.9M** and **\$12.2M**, respectively. These cities also rank among the **top performers**, demonstrating their importance as **high-profit markets** for the business.
- ❖ **Portland** and **San Francisco** also demonstrate strong sales and profitability, reflecting their growing importance as key cities for growth and profitability in the market.



Explanation:

Charleston is the most profitable city, with a strong profit-to-sales ratio, followed by New York and Miami, which also show high profitability. While Portland and San Francisco demonstrate solid sales and profits, the data emphasizes Charleston as the most efficient city, and New York and Miami as key high-profit markets. These cities are crucial for business growth due to their strong performance.

Visualization: Dashboards and Unique Visual Insights



Unique insights:

- ❖ Adidas made total sales of 900M, profit of 332M between the years of 2020 and 2021 with 2M total units sold.
- ❖ Total sales of 2021 increased to 4 times when compared with 2020.
- ❖ There is a high percentage of increase in sales between 2020 quarter 4 and 2021 quarter 1 happened mainly because of an 189% increase of sales in Outlet method and Retailers like West Gear and Kohl's high number of contributions towards sales.
- ❖ In Spite of having a good number of increase in sales, there is a decrease in sales in 2021 Quarter 4. This was mainly due to decrease of sales in Online mode and products like Men's street footwear and Athletic wears are failed to show up.
- ❖ West Gear Retailer holds the highest number of Sales, Profit and Units sold among all the retailers.
- ❖ In-store sales method made the highest contribution of 38% in total profit.
- ❖ 16th July 2021 achieved the highest number of sales between 2020 and 2021.
- ❖ Among all the products, Women's Athletic Footwear holds the last rank in both sales and profit wise. So new strategies and marketing ideas need to be implemented to increase the sales.

Business Recommendations:

To capitalize on key insights, Adidas should focus on expanding the **Street Footwear** and **Apparel** categories, as they are the most profitable and best-selling. With **Athletic Footwear** maintaining strong margins, exploring pricing strategies or targeted promotions could help increase its sales. Given the strong seasonal demand, especially in **July, August, and December**, focusing marketing efforts and promotions around these months could boost revenue. **Online sales** should be further optimized due to their high operating margin, while **Outlet sales** should be leveraged to improve profitability. Expanding focus in **Charleston, New York, and Miami** could maximize profitability in key regions.