OWETHU SITYATA (LCA 15062)

M4 CORE PROJECT

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OT SYSTEM: BUSINESS INSIGHTS REPORT

Introduction

This report is based on the OT-system data and presents an analysis of sales

performance, inventory management, customer behavior, and revenue. These areas

are important for the company to make informed decisions to enhance its operations.

The company can work towards higher efficiency, more profits, and better customer

satisfaction by knowing how different product categories are doing and who the top

salespeople are, as well as where the products are being distributed.

1. Sales Performance Insights

The report gives useful information on the sales and orders of different product

categories.

Total Sales by Product Category:

CPUs have the highest sales, with Storage following closely. Video Cards and

Motherboards have lower sales, with Motherboards having the least. This means that

marketing and stocking should be directed at CPUs and Storage, but there is room for

improvement in Video Cards and Motherboards. Storage leads with 93 total orders,

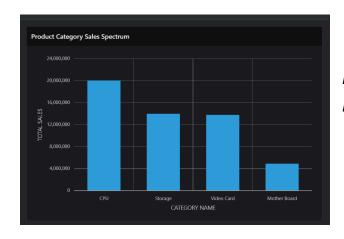
Video Cards have 59, and CPUs have 76 despite their high sales. This means that

although CPUs are the highest selling, other categories have lower order volumes.

Strategy: To increase sales, the company should focus on the underperforming

categories of Video Cards and Motherboards through the use of special promotions or

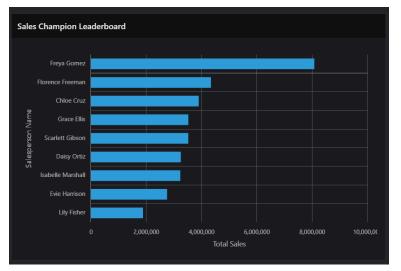
better inventory management. Also, selling items like CPUs with Motherboards could help increase sales in these less successful categories.



Product Category Sales Spectrum
BarGraph

Top-Performing Salespeople:

The report shows which salespeople have the best performance. These are the key players that management should be able to identify and reward and learn from.



Sales Champion Leaderboard

Strategy: The company can enhance the performance of other salespeople through the development of training programs that are based on the best practices of top

performers. Also, incentives and recognition can be used to encourage all the salespeople to improve their performance.

Regional Sales Distribution:

The data shows the sales distribution by region. The US is the market leader in sales, followed by areas in Asia, with Australia, China, and India also having high sales. The US has the highest total sales volume, but Australia has the highest number of orders, followed by China and the US.

Strategy: Each region requires its own specific strategy. The US may require campaigns to sustain its position, while areas such as Australia and China may require more focused marketing and product adaptation to increase sales. Also, it is important to assess supply chain adjustments in countries with low sales to be able to meet demand when it increases.

2. Inventory Management Insights

These insights are critical for understanding stock levels, turnover rates, and optimizing replenishment strategies.

Current Stock Levels across Warehouse:

The data gives an idea of the stock distribution across warehouses, which helps in identifying overstock or understock positions. This is crucial in the reduction of carrying costs and in the availability of the product.

Strategy: It is crucial to conduct regular stock audits to guarantee that the distribution of the products is even across the warehouses and that there is no overstocking or

stockouts. Systems should also be in place to quickly replenish fast moving items and to prevent low turnover products from building up in stock.

Product Inventory Turnover Rates:

Turnover rates are the rates at which products are sold. Low rate means underperformance or too much stock, high rates mean that there is a need to quickly restock.

Strategy: Review low turnover products to determine the reasons for underperformance, whether it is due to pricing, marketing efforts, or demand levels. Changes made based on these insights can help enhance sales performance.

Low Stock and Overstocked Items:

When the business finds out that some products are running low, it is advisable to produce or order for more of those products. For products that are accumulating in the shelves, the company may lower the prices, provide special offers or pair them with other popular products to get rid of the excess stock.

Strategy for Low Stock Items: It is important to ensure that these items are reordered and produced in order to meet customer demand.

Strategy for Overstocked Items: Price reductions, promotions, or pairing with popular products can be used to help clear out excess stock. Customer Insights

The company needs to know what customers prefer and how they shop in order to increase sales and get them to return. The company can improve its marketing approach by examining customer segmentation and retention.

Customer Segmentation by Purchase Volume:

The analysis divides customers into different categories according to their purchase frequency. The company should provide special deals to its high-spending customers while developing strategies to increase the purchasing frequency of its low-spending customers.

Strategy: High-value customers should receive loyalty programs and exclusive deals as part of their benefits. The company should use specific email promotions and loyalty incentives to increase the purchase frequency of its smaller spending customers.

Customer Retention Analysis:

The retention table reveals which customers return to shop and which customers make single purchases and demonstrate potential loyalty. The current lack of loyal customers presents an opportunity to enhance customer retention rates.



Strategy: A loyalty program should be established to give rewards to customers who make repeat purchases. The marketing should emphasize the rewards of frequent buying through discount offers. The company needs to determine why certain customers do not return and must resolve these problems.

Geographic Customer Distribution

The geographic distribution of customers enables businesses to customize their marketing approach and sales strategies per region. The analysis shows which geographic areas influence customer purchasing patterns.

Strategy: Marketing strategies need to be modified according to the data from specific regions. Companies should provide region-specific promotional offers and discounts that match local consumer preferences. The company should evaluate its product range for potential changes to better serve local market demands.

Revenue Analytics

This section of the report uses profit margin and pricing analysis to identify which products generate the most revenue.

Profit Margins by Product Category:

The analysis reveals which product categories produce the highest profits. The company needs to focus more marketing efforts on these products while studying pricing and cost structures of unprofitable categories.

Strategy: Promote products with high profit margins. The company needs to check pricing levels for products with low margins to guarantee profitability. The company should examine its costs to discover methods that will enhance profit margins through cost reduction.

Product Pricing Analysis:

The assessment of product prices together with costs and profit margins enables the identification of optimal profit-enhancing strategies.

The company should implement price adjustments for unprofitable products while exploring pricing strategies that include tiered plans and product bundles. The company should set prices that compete in the market while maintaining profitability to achieve maximum revenue.

Conclusion

The OT-system dataset provides the company with better insights into sales performance, stock levels, customer actions and profit generation. The gained insights enable operational enhancement through product performance optimization and inventory management improvement and customer retention and pricing optimization. The company should analyze this information frequently to develop strategies that will maintain its competitive position. The company achieves growth together with operational efficiency through data-based decision making.