

LENS 3: FINANCIAL PROFITABILITY

Problem Statement: Which parts of Bharat Kart's business truly create economic value, and which dilute profitability?

Industry & Data Understanding

Indian E-commerce Landscape

The Indian e-commerce market is experiencing rapid growth, driven by increasing internet penetration and digital adoption. Bharat Kart operates within this dynamic online retail space, focusing on personal care and consumer goods.

Key Data Insights from Bharat Kart

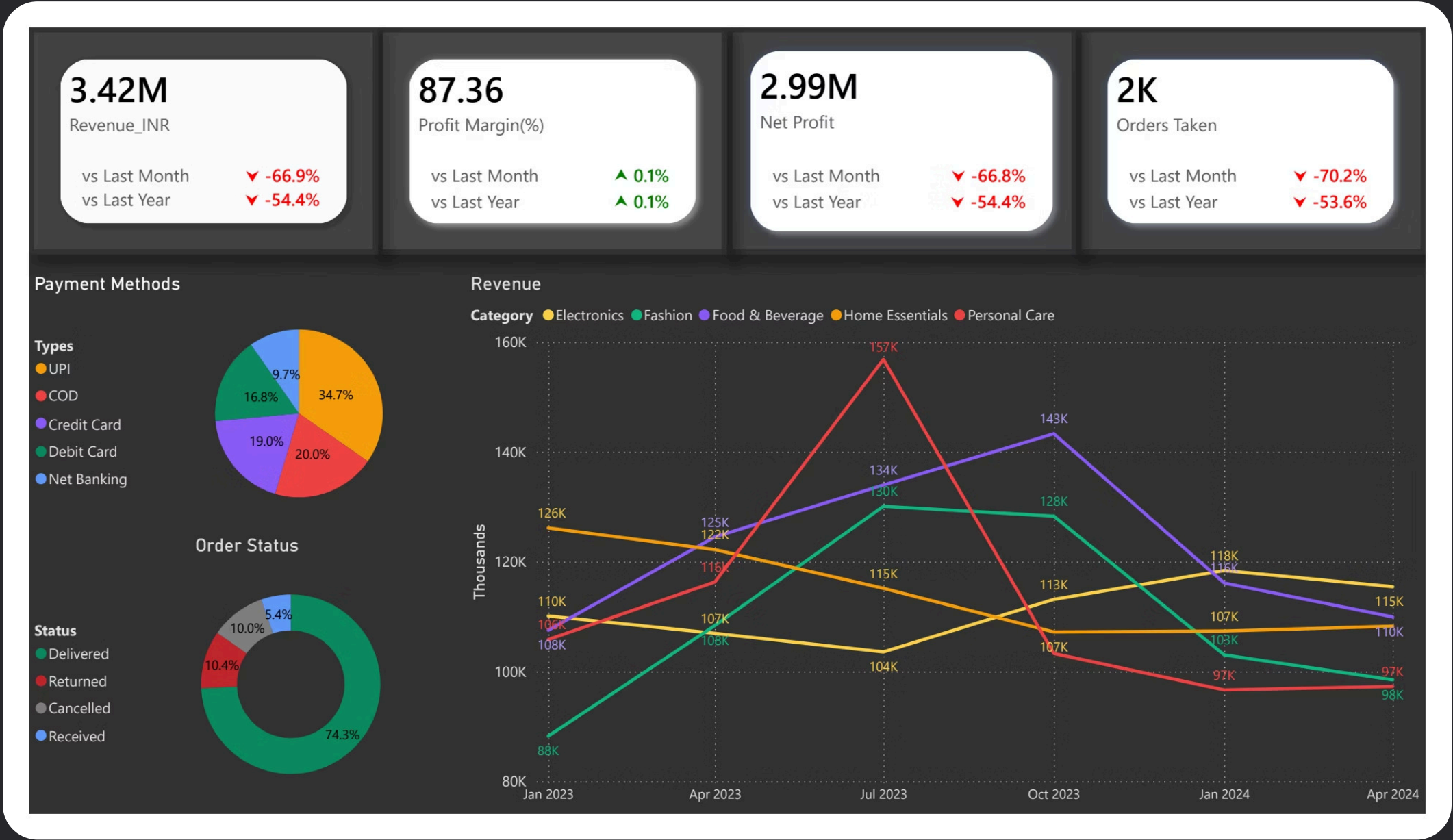
- **Revenue Trends:** A significant year-over-year decline suggests market saturation or intensified competition.
- **Profitability:** A high profit margin (87.36%) indicates strong unit economics, balancing lower sales volumes.
- **Payment Preference:** UPI's dominance highlights India's rapid shift towards digital payment methods.

External Factors


- Rising logistics costs and fierce competition from larger players.
- Seasonal demand patterns influencing sales fluctuations.
- Evolving regulatory landscape for online retail.

Performance Overview


3.42M	87.36%	2.99M	2K
Revenue (INR)	Profit Margin	Net Profit	Orders Taken
▼ -66.9% vs Last Month	▲ 0.1% vs Last Month	▼ -66.8% vs Last Month	▼ -70.2% vs Last Month
▼ -54.4% vs Last Year	▲ 0.1% vs Last Year	▼ -54.4% vs Last Year	▼ -53.6% vs Last Year



Dashboard link(for more insights):

 Google Docs

powerbi dashboard.pdf



Key Financial Insights

- Margin Resilience

Despite 66.9% revenue decline and 70.2% order decline, profit margin had a mild increase and remains resilient at 87.36%, indicating successful shift to higher-margin orders and strong operational efficiency.
- Marketing Advantage

The Organic Search channel shows the highest profitability and ROI. This suggests a need to prioritize efficiency and high-margin customer acquisition over sheer volume in other less profitable channels.
- High-Value Market Concentration

Delhi, Chennai, and Mumbai are leading among the 8 cities in terms of profitability, making up approximately 40% of overall profit.
- Operational Strength

74.3% delivery success rate is a competitive advantage in logistics-heavy e-commerce.
- Payment Infrastructure Strength

UPI dominance at 34.7% of transactions reflects successful digital payment adoption and reduces payment friction, supporting seamless customer transactions and lower payment processing costs.

Strategic Insights & Recommendations

Key Strategic Takeaways:

Margin Resilience

Despite **66.9% revenue decline and 70.2% order decline**, profit margin remains resilient at **87.36%**, indicating successful shift to higher-margin orders and strong operational efficiency.

Marketing Insights

Organic Search channel shows the **highest profitability at 91.93% with 1,139.63% ROI**, while Paid Ads **underperforms with only 81.41% profit margin and 437.85% ROI**, suggesting need to prioritize efficiency and high-margin customer acquisition over paid channels.

High-Value Market Concentration

Delhi, Chennai, Hyderabad, and Mumbai generate **~52% of total profit**, highlighting key markets while revealing expansion opportunities.

Operational Strength & Weakness

74.3% delivery success rate is a competitive advantage in logistics-heavy e-commerce. However, cities like Bengaluru show weakness with approximately **1 out of 4 orders being cancelled or returned (25.2)**, which contributes to lower profitability in this region.

Actionable Recommendations:

01

Shift to Margin-Driven Strategy

Optimize product mix towards high-margin categories and SKUs, rather than pursuing unprofitable volume growth.

02

Expand Organic Search Marketing

Increase investment in SEO and content strategies to capture more profitable customer segments.

03

Diversify Geographic Presence

Strategically expand beyond top cities to mitigate concentration risk and tap into new growth markets.

04

Investigate Personal Care Decline

Conduct deep dive into factors contributing to Personal Care category decline and reposition offerings.

Future Roadmap:

Q1-Q2: Product Portfolio Optimization

Refine product mix to align with high-margin items

Next Year: Strategic Partnerships

Explore collaborations to enhance logistics and reduce costs

1

2

3

Q3-Q4: Tier-2 City Expansion

Initiate phased geographic expansion into promising tier-2 cities

Risks & Next Steps:

Monitor competitive landscape

Monitor competitive landscape for pricing pressure

Implement customer retention analysis

Implement customer retention analysis to understand churn drivers

Regularly evaluate supply chain efficiency

Regularly evaluate supply chain efficiency to maintain margin advantage