

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

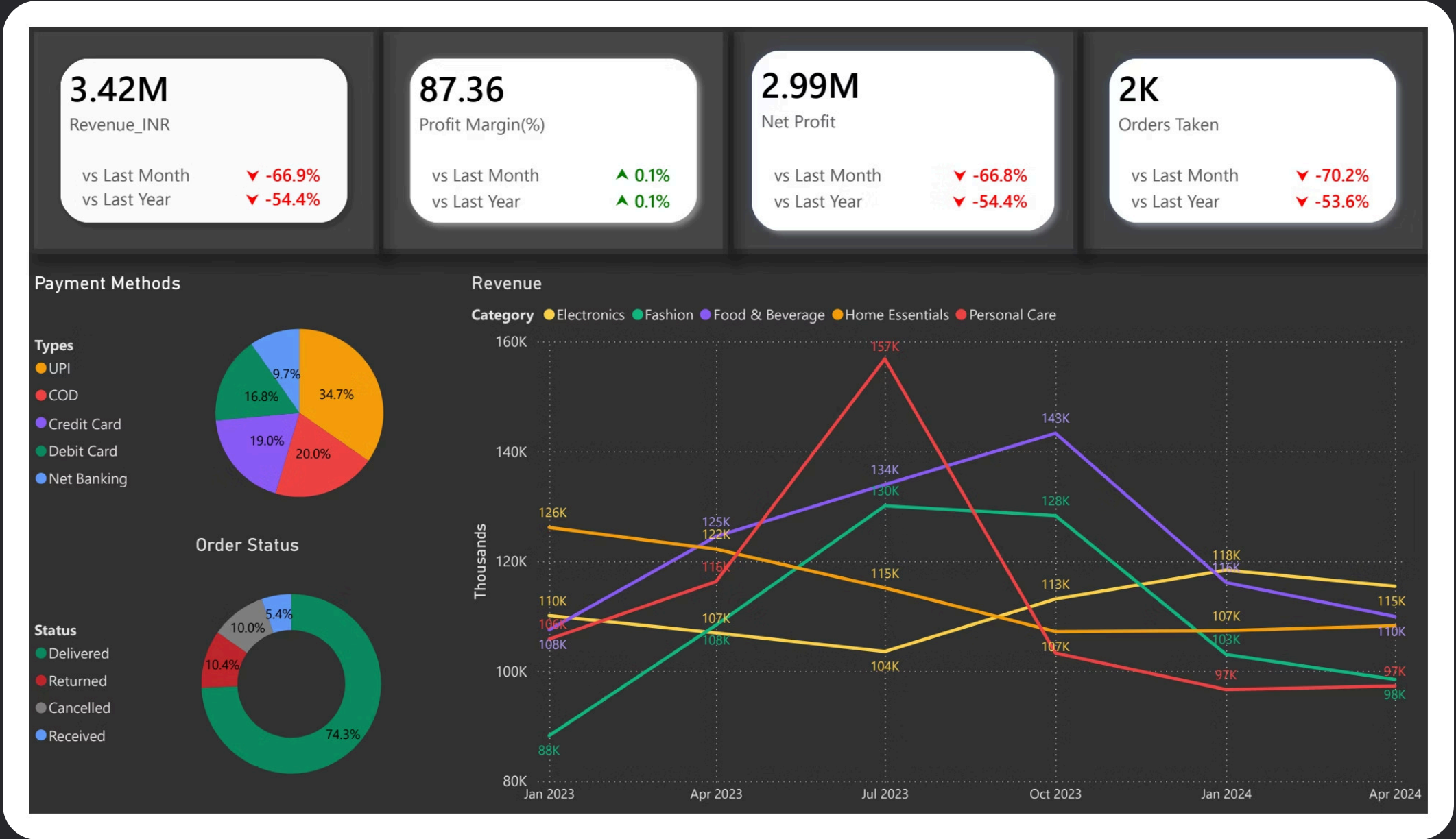
- **Revenue Trends:** A significant year-over-year decline suggests market saturation or intensified competition.
- **Profitability:** A high profit margin (87.36%) indicates strong unit economics, balancing lower sales volumes.
- **Payment Preference:** UPI's dominance highlights India's rapid shift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



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.

Organic Search Advantage

Organic Search channel shows the highest profitability at 91.93%, suggesting need to prioritize efficiency and high-margin customer acquisition.

High-Value Market Concentration

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

Operational Strength

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

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