

Cross-Selling Performance Report — Pet Shop Business (Q4/2020 – Q4/2021)

Executive Summary

This report looks at cross-selling performance in a pet shop business over five quarters.

It explains how different product combinations affect sales, profit, and customer buying behavior.

The results show steady growth and highlight product pairs that are useful for bundling and marketing strategies.

Key Insights – Business Impact

- Cross-selling revenue grew from \$202.8K in Q4 2020 to \$1.0M in Q4 2021.
- Profit increased to \$616K in Q4 2021.
- Profit margins stayed strong at around 50–60%.

Key Insights – Customer Behaviour

- Highest cross-selling rate: 46.3% in Q3 2021.
- Average confidence rate: 12%.
- Lift values were above 1.0, showing positive relationships between products.

Top Product Combinations (by Sales)

- 22386-85099B — Milk-Bone Treats + Dog Poop Bags — \$54.5K
- 22423-85123A — Taste of the Wild Food + Puppy Pads — \$45.1K
- 22197-85123A — Sheba Cat Food + Puppy Pads — \$21.5K

→ Meaning: high sales, strong buying link, good for bundle promotions.

Strategic Applications

Find profitable product pairs

- Create product bundle and recommendation offers
- Track performance over time
- Support pricing and assortment decisions

Cross-Selling KPIs Explained

- Support — share of transactions where product A or B appears
- Pair Support — share of transactions where A and B appear together
- Confidence — chance that product B is bought when product A is bought
- Lift — strength of the buying link above random behavior

Interpretation:

- Lift > 1 = positive cross-sell effect
- Confidence > 0.5 = strong relationship

Quarterly Trend Overview

- Cross-selling volume grew from 1.05K to 5.13K transactions.
- Q4 2021 shows the highest volume — likely seasonal peak.
- Profitability stayed strong — cross-selling is efficient and valuable.

Conclusion & Recommendation

Cross-selling is an important driver of revenue and profit for the pet shop.

Product bundles (e.g., snacks + cleaning items / food + pads) should be promoted.

Monitoring trends over time helps plan proactive campaigns.