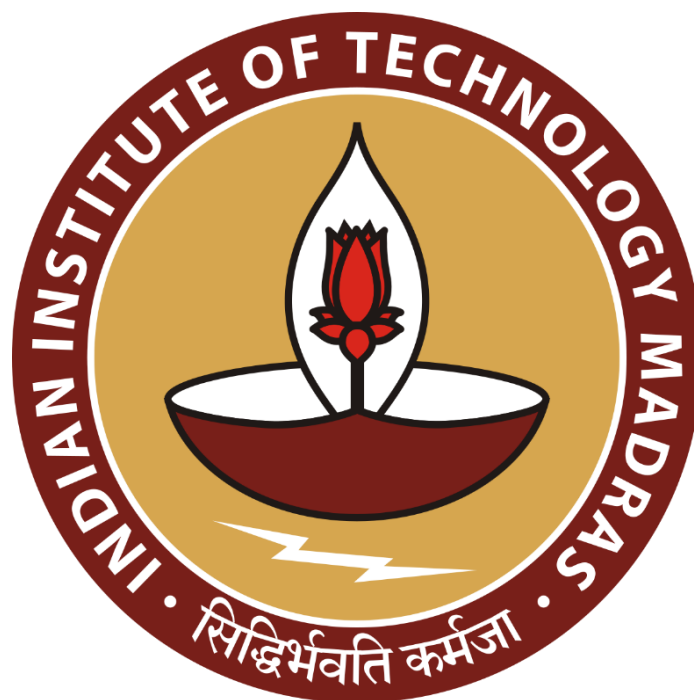# Sales Performance Analysis and Marketing Optimization for a Retail Home Decor Business

A Proposal for the BDM Capstone Project

Submitted by

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Content

Declaration Statement

I am working on a Project Title **"Sales Performance Analysis and Marketing Optimization for a Retail Home Decor Business"**. I extend my appreciation to **Noble Homes Decor**, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the information of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

Signature of Candidate:

Name: Saransh Saini

Date: 28 September 2024

1. Executive Summary and Title

The project focuses on a Handloom and Home Décor shop based in Neb Sarai, Delhi, India, specializing in a range of home décor products, including bedsheets, mattresses, carpets, and curtains. The shop began operations in February 2024, targeting local customers with premium-quality items.

Despite its promising start, the business is grappling with low sales and insufficient marketing, which has resulted in limited brand visibility. The founder has expressed concerns about the sustainability of the shop, with potential plans for relocation or even shutting down if the situation doesn't improve.

To address these challenges, I will conduct an in-depth analysis of the shop's sales data to uncover trends and actionable insights. By leveraging data-driven strategies, we aim to provide the business with recommendations for enhancing sales performance and improving marketing efforts, ultimately building a stronger brand presence in the local market.

2. Organization Background

Noble Homes Décor is a retail business dealing in handloom and home décor products. The shop was founded by **Mr. Radha Krishnam** in **February 2024**, the shop is located in **Neb Sarai, Delhi**. Before starting this venture, Mr. Krishnam owned a computer repair and reselling shop in Nehru Place, Delhi, but had to close it down due to declining profits and increasing competition, leading him to explore the home décor market.

They operate mainly under a B2C model, Noble Homes Décor aims to offer high-quality, premium products that combine luxury and durability. The shop's best-selling items include mattresses, carpets, and curtains.

Currently, the shop employs three staff members who manage customer interactions along with the founder. Moreover, the founder's son **Mr. Keshav Krishnam** is actively involved in the business, trying to establish an online presence for the business. Keshav is also my college friend who actually helped me getting in contact with his father and get the project started.

Noble Homes Décor, Neb Sarai, Delhi, India [Go to Map]

3. Problem Statement (Listed as objectives)

i.   **Sales Performance Analysis**

The business has faced challenges in increasing its sales since its inception in February 2024, despite providing high-quality products. To address this issue, a comprehensive analysis of historical sales data is necessary to uncover underlying trends, seasonal demand, and customer purchasing patterns. This will enable the business to make data-driven decisions to improve sales and increase profits.

ii. **Marketing Optimization and Brand Visibility**

Noble Homes Décor lacks a strong marketing presence, both offline and online, which has contributed to its limited brand visibility in a competitive market. By leveraging sales insights and customer behavior data, effective marketing strategies need to be developed to improve brand recognition and attract more customers.

4. Background of the Problem

Since its inception in February 2024, Noble Homes Décor has faced significant challenges in growing sales and establishing a strong marketing strategy to build brand value. Despite offering premium products such as mattresses, carpets, and curtains, the shop has struggled to attract consistent customer traffic and increase revenue. Several internal and external factors contribute to these issues.

Internal Factors: The business lacks a data-driven approach to understanding customer preferences and sales trends. Without actionable insights, it struggles to focus on high-demand products, leading to suboptimal inventory management and ineffective marketing efforts.

External Factors: The shop faces stiff competition from well-established local brands, particularly from a nearby Vishal Mega Mart, which offers cheaper home décor products, albeit at a lower quality. Additionally, the rise of e-commerce platforms like Amazon and Flipkart has shifted consumer behaviour post-pandemic, with many customers opting for the convenience of online shopping. This further diminishes foot traffic and sales at Noble Homes Décor.

These combined factors internal inefficiencies and external competitive pressures are hindering the business's ability to grow and maintain a sustainable customer base.

5. Problem Solving Approach

To tackle these problems, a proper analysis of the sales data is needed.

    i.   **Methods to be used with Justification**

- **Time Series Analysis:** A thorough time series analysis of the sales data needs to be conducted to uncover any existing seasonality or monthly patterns.

- **Product Performance Evaluation:** The shop deals in quite a large range of different SKUs, which makes it crucial to evaluate which products are performing well and getting well received whereas which of them are underperforming.

- **Marketing Strategy Development:** Based on the insights derived from sales time series analyses and product performance, a set of marketing strategies will be proposed.

ii. Intended data collection with Justification

The business has agreed to provide copies of purchase bills for data collection. While digital data exists, the company has expressed concerns about sharing potentially sensitive information. Additionally, they are hesitant to disclose their purchase records, which limits the insights that can be drawn solely from the available sales data. The collected sales bills will be gathered over time and entered into Excel sheets using manual data entry or Optical Character Recognition (OCR) techniques. The timeframe for the data spans from February 2024 to September 2024.

iii. Analysis tools with Justification

- **MS Excel:** MS Excel will be utilized for basic descriptive analysis tasks and primarily for data storage. It's user-friendly interface along with robust functions would be suitable for non-exhaustive analysis.

- **Python:** Python along with its libraries such as Pandas and NumPy would be extensively used to perform both descriptive and time series analysis on the data. These libraries provide powerful tools for data manipulation, analysis, and modeling,

- **Tableau:** Tableau would be used to create attractive yet informative visualizations, which will help in understanding trends and patterns.

6. Expected Timeline
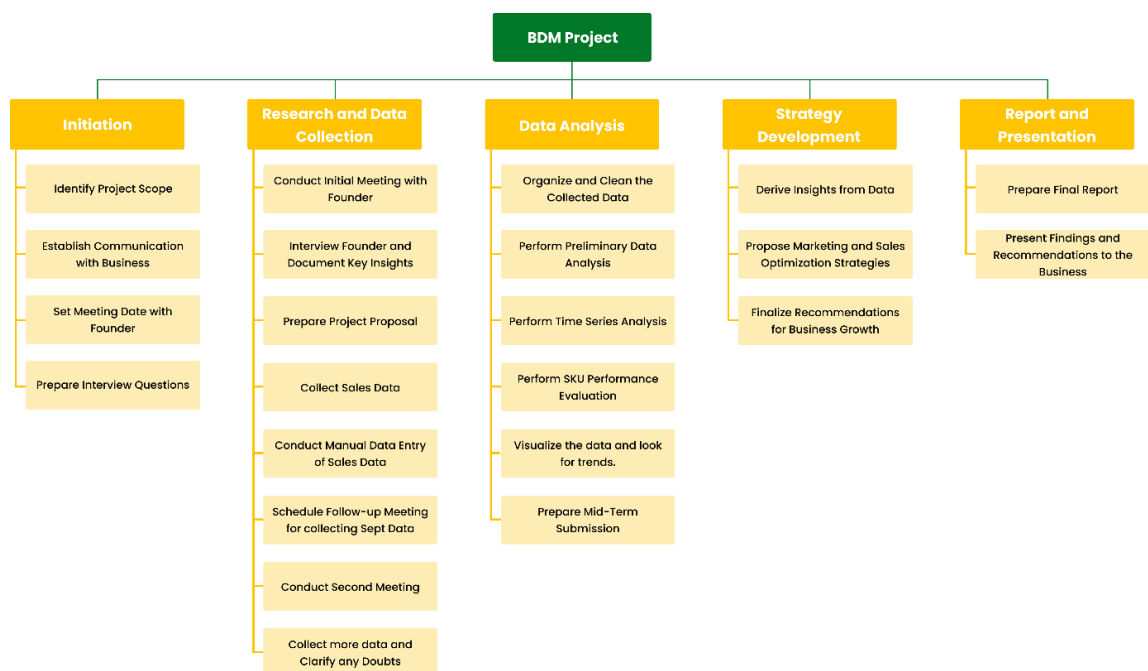
Work Breakdown Structure [WBS Chart]

ID	Tasks	Start Date	End Date	Duration	August 2024			September 2024					October 2024	
					12-18 Aug	19-25 Aug	26-01 Sep	02-08 Sep	09-15 Sep	16-22 Sep	23-29 Sep	30-06 Oct	07-13 Oct	14-20 Oct
1	Contact business	13-08-2024	13-08-2024	1	▓									
2	Meeting with Founder	26-08-2024	26-08-2024	1		▓								
3	Data Collection	26-08-2024	23-09-2024	29			▓	▓	▓	▓				
4	Followup meeting	23-09-2024	23-09-2024	1							▓			
5	Manual Data Entry	24-09-2024	27-09-2024	4							▓			
6	Data Cleaning and Preprocessing	27-09-2024	27-09-2024	1							▓			
7	Preparing Proposal	27-09-2024	30-09-2024	4								▓		
8	Data Analysis	30-09-2024	04-10-2024	5								▓		
9	Drawing Insights	04-10-2024	04-10-2024	1								▓		
10	Preparing Mid Term Submission	05-10-2024	08-10-2024	4									▓	
11	Preparing Final Submission	09-10-2024	13-10-2024	5									▓	
12	Preparing Presentation	14-10-2024	14-10-2024	1										▓
13	Share Findings with Business	20-10-2024	20-10-2024	1										▓

Gantt Chart [Gantt Chart Spreadsheet]

7. Expected Outcome

i.   Improved Inventory Management

The analysis will provide a clearer understanding of sales trends, enabling better inventory planning. By identifying which products sell best during specific seasons or months, the business can optimize stock levels to meet customer demand effectively.

ii.   Insights into Product Performance

A detailed evaluation of SKU performance would allow the business to make guided decisions of promotions, restoking, or discontinuing.

iii.   Marketing Strategy Optimization

Based on sales data analysis, actionable marketing strategies could be formulated leading to better sales and revenue. This will also enhance promotional efforts and increase customer retention.