



# Bussiness Analysis Report

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Part I: Overall view of sales and profit of the company  
Part 2: Analysis of Customer Behavior



## Overall view of sales and profit of the company

### Pro and Con

- Pro: The business is gradually becoming stable in an increasing trend.
- Con: Low profit due to discounts.
- Solutions for Con: The best discount to give out is 20% and the worst is any discount greater than 30%. Also, fewer discounts should be offered next year, only to the most essential type of customers.

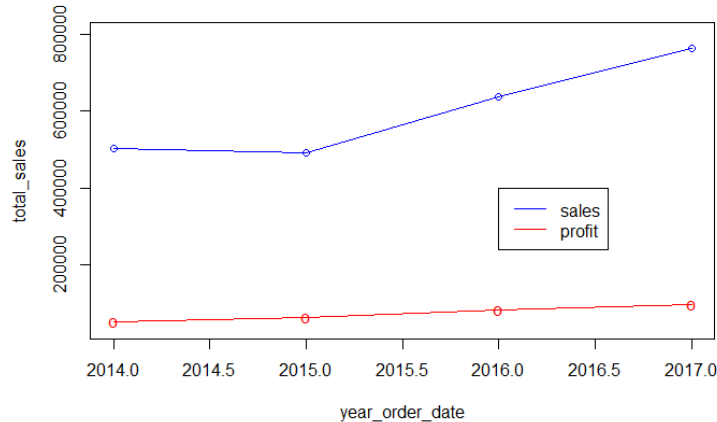


Fig.1 Line graph of annual Sales and Profit

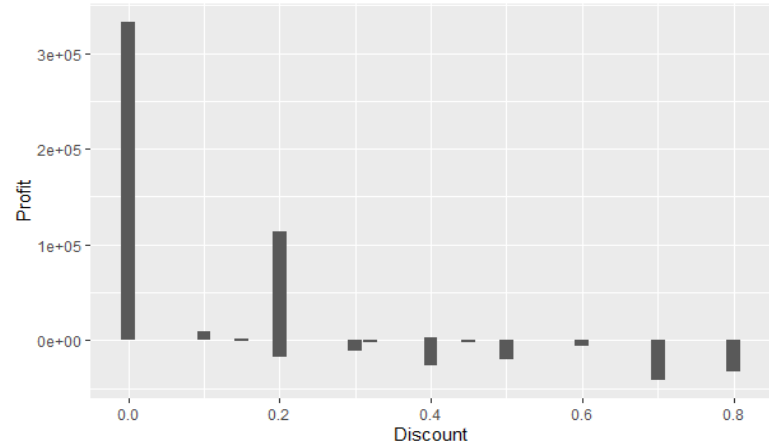


Fig.2 Bar graph of profit in different amount of discounts

## Overall view of sales and profit of the company

### Potential Problem

- The first half of year always has lower the sales and profits than the second half of year.
- Why? The customers usually returned to shop again in the second half-year.
- Customer Behavior seems important and need more investigation.

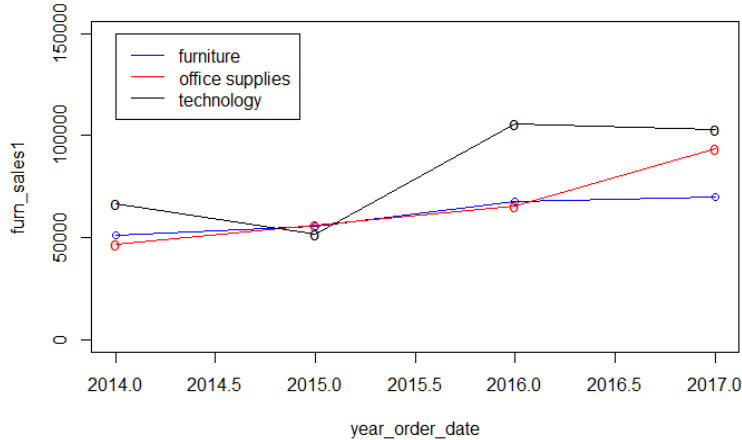


Fig.3 First half year profit with each category

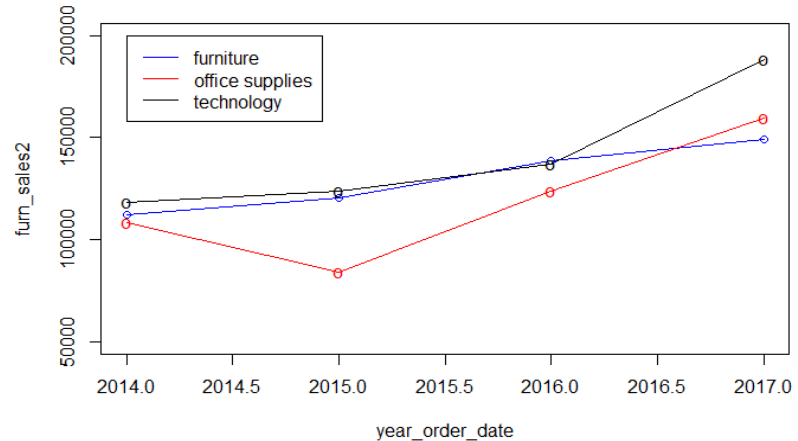
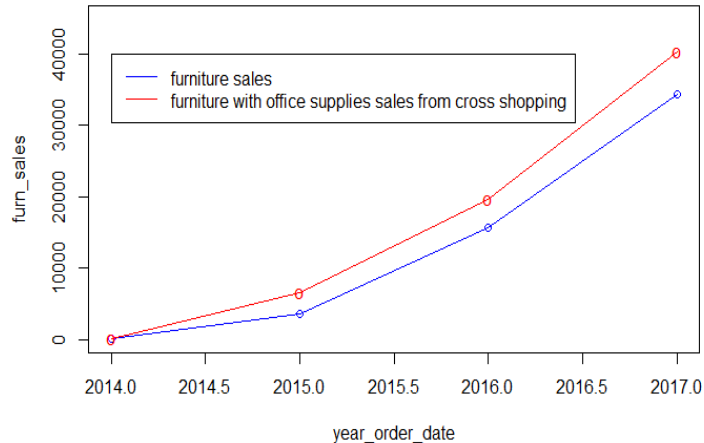


Fig.4 Second half year profit with each category

## Analysis of Customer Behavior

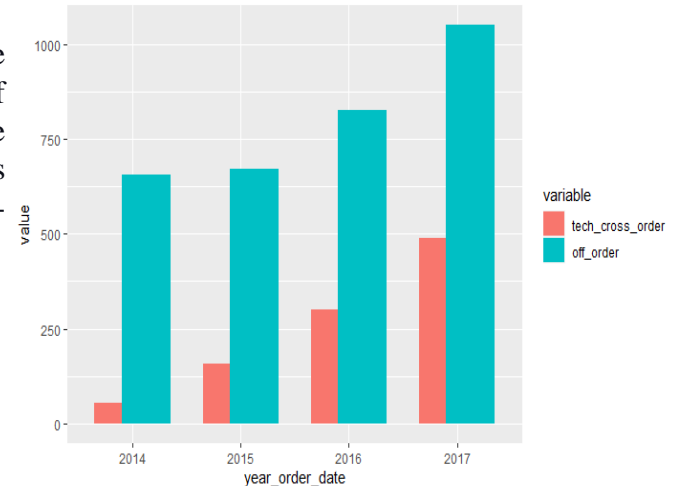
# Cross Category Shopping

- Office supplies is the best, furniture category has a low sales and profit, and technology category has the least orders.
- The customers crossed category and shopped again in office supplies.
- Without furniture and technology categories, the office supplies would not have a good sales and profit. These two categories are important to keep.



← Fig.5 Line graph of the sales of furniture itself and the total of furniture and office supplies sales from furniture cross-shopping

Fig 6 Bar graph of orders that cross to office supplies from technology. →



## Analysis of Customer Behavior

# Office Supplies Category: Group by Number of Orders

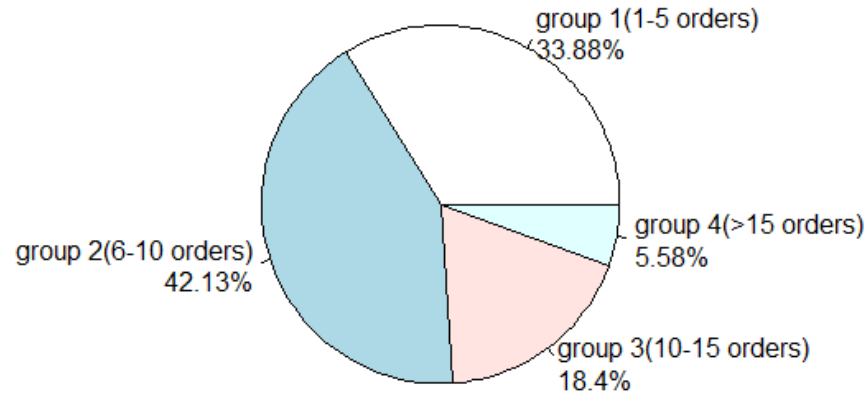


Fig.7 Pie graph that grouped by number of orders the customers ordered.

- The customers who ordered 6-10 orders is generally better than other groups in most of the aspects.
- They are good in shape and the company does not need to pay any more attention them.
- The customers that ordered greater than 15 orders have the worst performance out of all groups.
- Their average sales and profit for each customer is higher than other group.
- It might be beneficial if the company could find more customers like that.

## Analysis of Customer Behavior

# Office Supplies Category: RFM Analysis

Type of customers	Needed actions for the company
Low spending inactive old customers	Shopped more than 5 orders or last order is during 2016 and 2017: keep in touch, others: ignore.
High spending inactive old customers	Re-engage based on their preferences from previous and give discounts.
Low spending active old customers	Incentivize to increase spending, such as giving out discounts.
High spending active old customers	Re-engage based on their preferences from previous and give discounts.
Low spending inactive new customers	Encourage them to spend more and shop more by introduce other products in another category.
High spending inactive new customers	Entertain with products or introduce them to another categories.
Low spending active new customers	Incentivize to increase spending, such as giving out discounts.
High spending active new customers	Maintain and make them feel they are the top priority.

Table 1. Types of customers and the actions for company.