

BIKE SALES ANALYSIS REPORT

1. Current State of Affairs

Sales & Geography

- The **United States** is the strongest market, contributing the highest share of overall revenue and profit.
- **Canada and Australia** remain the weakest-performing markets, driven by lower demand concentration and inconsistent category performance.
- Within countries, certain states consistently underperform (e.g., Tasmania in Australia, Ontario in Canada), indicating regional demand gaps or weaker distribution.
- Market stability varies across geographies—**Australia shows cyclical fluctuations**, whereas countries like the US show more stable upward trends.

Profitability

- **2014** recorded the lowest profit, while **2015** delivered the highest, indicating operational improvements or stronger product mix in later years.
- **Bikes** remain the dominant profit-generating category across all markets.
- Among accessories and clothing, **helmets, jerseys, and bike-related gear** perform better than smaller items.
- Certain subcategories, such as **socks**, show consistently weak margins and low contribution to total profit.

Product-Level Insights

- Road and Mountain bikes remain the most preferred categories across all countries.
- High-order-quantity models (e.g., Road-150, Mountain-200) drive a significant portion of total revenue.
- Accessories show strong volume-driven sales, with items like **water bottles and helmets** consistently ranking highest.
- Some products generate high revenue but comparatively low profit margins (e.g., AWC Logo Cap), reflecting cost inefficiencies or poor pricing strategy.

Customer Insights

- **Adults aged 35–64** represent the largest purchasing segment and contribute the highest revenue across all categories.

- Gender-based patterns vary by product category:
 - **Males** dominate accessories and clothing purchases.
 - **Females** slightly lead in bike purchases, indicating potential for targeted campaigns.
- Customers consistently show greater interest in Road and Mountain bikes compared to Touring bikes.

Time Trends

- Seasonal patterns are not fully consistent across countries and years.
 - Some months exhibit recurring highs (e.g., December in multiple years), while others fluctuate depending on product category performance and market dynamics.
 - Market expansion occurred from 2013 onward as **accessories and clothing were introduced**, contributing to a significant increase in overall profit between 2012 and 2013.
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2. Business Objective

To increase total revenue and improve profitability by optimizing product mix, targeting high-value customer segments, and strengthening performance in underperforming regions.

This includes:

- Enhancing category contribution
 - Improving inventory and pricing efficiency
 - Increasing market reach and customer engagement
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3. Hypothesis

1. **Promoting high-demand, high-margin categories (Road Bikes, Accessories like Helmets and Jerseys) will improve both revenue and profit performance.**
 2. **Introducing bundled offerings (Bike + Accessory combinations) will increase average order value and drive higher attachment rates.**
 3. **Focusing targeted marketing efforts on adults aged 35–64 and on countries with cyclic growth (e.g., Australia) will stabilize year-over-year sales.**
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4. Opportunity Sizing

(This section mirrors the structure of your old project.)

- Increasing accessory attachment rates by even **5%** can generate significant incremental revenue due to the high sales volume and strong margin of items such as helmets, bottles, and jerseys.
 - Converting low-margin customers to high-margin categories (e.g., from socks or caps to jerseys or helmets) can improve total profit substantially.
 - Improving performance in underperforming states and countries can expand market share. Even a **5–7% improvement** in these regions can generate meaningful uplift in total sales given the large contribution of major markets like the US, UK, and Germany.
 - Bundling strategies could raise **average order value** by 10–15%, depending on market adoption rates.
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5. Actionable Insights

A. Sales & Market Growth

- Focus expansion efforts on **high-performing countries** such as the US and UK while developing tailored strategies for improving demand in Australia and Canada.
 - Strengthen distribution and marketing in weaker states within high-potential markets to rebalance geographic performance.
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B. Product Strategy

- Prioritize inventory and marketing for **top-performing bike models** (Road and Mountain categories).
 - Expand accessory bundles to increase profitable add-on purchases.
 - Reevaluate pricing and cost structure for low-margin products (e.g., Caps, Socks), or consider reducing their shelf presence.
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C. Customer Segmentation Strategy

- Target the **35–64 age group** with personalized messaging emphasizing bike performance and durability.
 - Create category-specific campaigns:
 - Accessories & Clothing → male audience
 - Bikes → slightly leaning towards female customers
 - Use demographic insights to increase campaign efficiency and engagement.
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D. Profitability Optimization

- Promote high-margin items and evaluate opportunities to adjust prices on low-margin items.

- Improve sourcing efficiencies or negotiate supplier terms for underperforming categories.
 - Optimize basket composition by incentivizing customers to add accessories to bike purchases.
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E. Operational Improvements

- Standardize product pricing across regions with fluctuating performance.
 - Reduce operational gaps by improving demand forecasting using category and seasonal trends.
 - Enhance the supply chain for fast-moving products such as water bottles, helmets, and jerseys.
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Summary

The bike business shows strong growth potential driven by high-demand bike models, accessory purchases, and a clear demographic profile. Challenges remain in low-performing regions, seasonal inconsistencies, and certain low-margin product lines. By strategically focusing on product mix optimization, targeted marketing, and profitability improvements, the business can unlock significant revenue and margin growth.