

Executive Performance Report: E-Commerce Sales Analysis (FY 2020-2021)

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1. Executive Summary

The business demonstrated strong overall performance during the fiscal period, generating **\$233.6 million in total revenue**. With an **Average Order Value (AOV) of \$1,158**, the data indicates a customer base willing to make high-value purchases. However, the analysis reveals significant revenue concentration in the South region and extreme seasonality, with a massive performance peak in December. There is a strategic opportunity to stabilize revenue by addressing under-penetrated regions and optimizing operational inefficiencies related to order cancellations.

2. Key Performance Indicators (KPIs)

The following metrics represent the core health of the business:

- **Total Revenue:** \$233,650,194.40
- **Total Orders:** 201,718
- **Total Quantity Sold:** 862,411
- **Average Order Value (AOV):** \$1,158.30
- **Average Discount Rate:** 6.07%

3. Detailed Business Insights

3.1 Sales Seasonality and Velocity

- **Finding:** Revenue is heavily influenced by year-end seasonality, with **December revenue peaking at nearly \$60 million**.
- **Impact:** December alone accounts for approximately **25% of the total annual revenue**.
- **Recommendation:** Q4 staffing and supply chain resources should be optimized to handle a volume increase of 300% compared to the rest of the year.

3.2 Regional Performance

- **Finding:** The **South Region** serves as the primary revenue engine, contributing nearly **50% of total sales**.
- **Observation:** Regions such as the Midwest and Northeast are significantly under-penetrated.

- **Recommendation:** Conduct a market gap analysis in the Northeast and Midwest to identify if low performance is driven by shipping costs, marketing reach, or product-market fit.

3.3 Operational Health (Order Status)

- **Finding:** A significant volume of orders (from a total of over 201,000) results in **cancellations or refunds**.
- **Opportunity:** Reducing current cancellation rates by even **5%** could recover millions in potential revenue.
- **Recommendation:** Analyze the correlation between cancellations and factors such as payment methods (e.g., Easypay) or shipping delays to identify and fix technical or logistical friction points.

3.4 Product Mix and Value

- **Finding:** Revenue is concentrated within a small group of high-value SKUs, particularly those with the "**MATSAM**" prefix.
- **Impact:** These products are the primary drivers of the high \$1,158 AOV.
- **Recommendation:** Prioritize margin protection and inventory availability for these top 10 SKUs as they are vital to the company's profitability.

4. Strategic Recommendations

- **Retention Marketing:** Utilize the flexibility offered by the low 6.07% average discount rate to apply **targeted 10% discounts** during slower periods (February and March) to re-engage the customer base.
- **Payment Optimization:** Given that **Easypay** is a major driver, the checkout experience must be monitored and optimized to reduce friction and lower cancellation rates.
- **Customer Segmentation:** Leverage demographic insights, specifically the high-spending **adult female segment** identified in the age/gender chart to tailor personalized holiday marketing campaigns.

Conclusion: By leveraging the existing dominance in the South and the high value of core product lines while simultaneously addressing the high cancellation rates and off-peak slumps, the business is well-positioned for sustainable year-round growth.