

A Report

**To make an investment decision in the US market based on
Amazon orders in the United States
Over years 2014- 2017 Dataset**

Goal:

The aim of this report is the following:

- A. Obtaining the full report summarizing the sales trends over years.
- B. And the answer to the question is whether we can move forward with investing in the US market or not.

In order to answer the questions, we will analyze some small basic points that help us answer the question above.

These points can be summarized as follows:

- 1. Market shares for each state and each city in terms of size and value.
- 2. Top categories by region and state.
- 3. Categories, sub-categories, and promising sites to invest in.

Finally, we make some recommendations.

- C. Some Recommendations

A. The full report summarizing the sales trends.

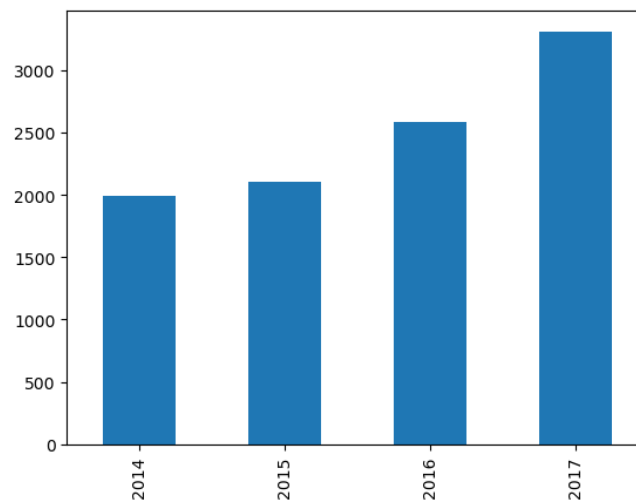


Figure (1) the relationship between the year and the number of sales.

The relationship between the year and the number of sales. We notice a general increase in the number of sales from 2014 to 2017, but we commend the strategies that were taken in late 2016 and applied in early 2017, as the results were very good and led to a significant increase in the volume of sales compared to the rest of the years.

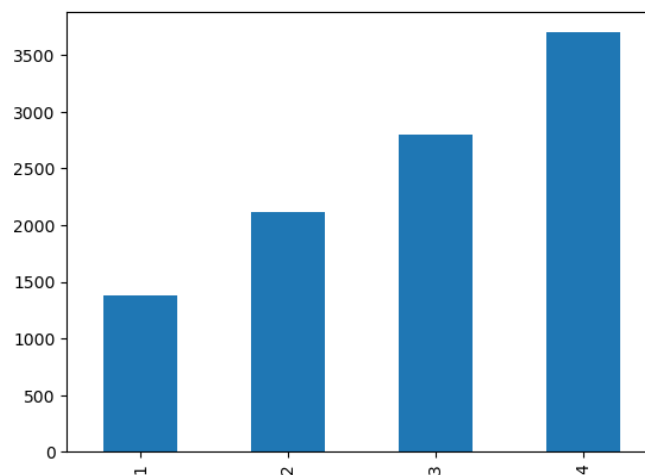


Figure (2) the relationship between annual quarters and the number of sales

We notice a steady rise in sales volume starting from the first quarter of the year up to the last quarter of it. However, we notice a significant increase in the volume of sales in the fourth quarter compared to the rest of the year. This may be due to the presence of social events in the United States of America or the like, which prompted people to intensify purchases of various products.

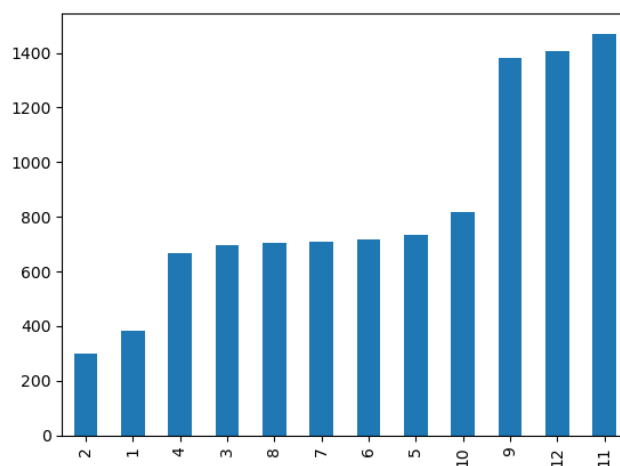


Figure (3) the relationship between sales volume and months of the year.

By observing the number of sales in the months during the previous period, we notice some very important things as follows: In the first and second month, the number of sales is small compared to the rest of the months, and this is for a simple reason because the number of sales is in a large increase at the end of the preceding year, in addition to the presence of discounts on most products, and therefore people work to buy many products at the end of the year and store them, and therefore people do not need To many commodities other than basic or daily commodities, and in the third, fourth, fifth, sixth, seventh and eighth months, sales rates increase by more than the beginning of the year Therefore, it is likely that the shops will record a noticeable decrease in the first quarter of the year, but the second quarter will be more improved, but it will be stable. In the third quarter of the year, the sales rate increases, especially in the last month, which is the month of 9, and this may be for many reasons. In the last quarter of the year, sales return to a very large decline during the month of 10 or the beginning of the quarter, and this may be for reasons, which is the increase in the sales rate in the month of 9. Very few again in the month of 12. This may be because people prefer to sit in their homes in the month of 12 because of the extreme cold, but what maintains the sales rate in this month is the great social event that takes place in the United States at this time, such as the end of the year celebration and others.

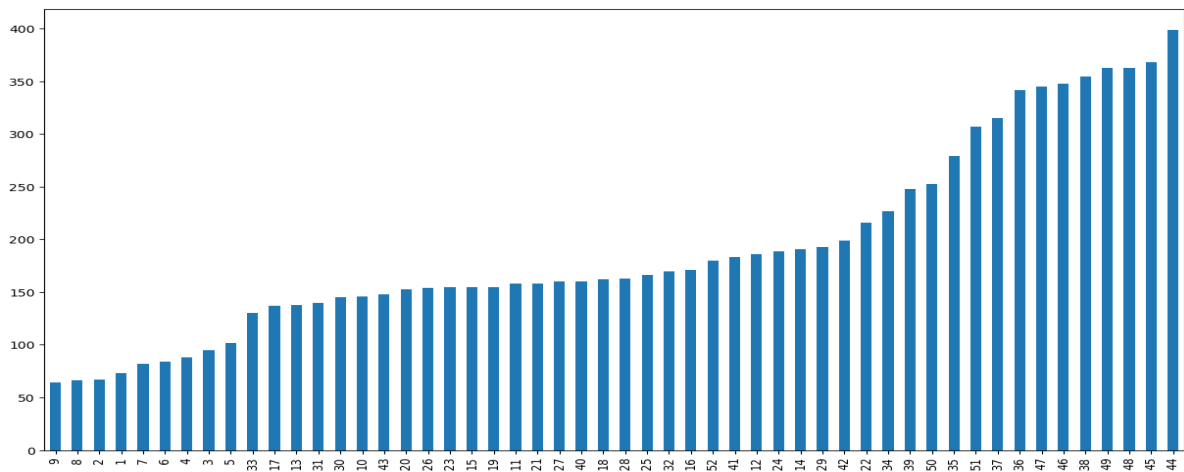


Figure (4) the relationship between weeks and sales volume in a year.

It is clear that the volume of sales, given the number of weeks, seems random, but if we look, we will find that the volume of sales is lumpy, starting from the 42nd week up to the 51st week. There are certainly many exceptions, such as week 22, week 35, 38, and others, due to the difference in activity from one region to another. Others in the United States of America.

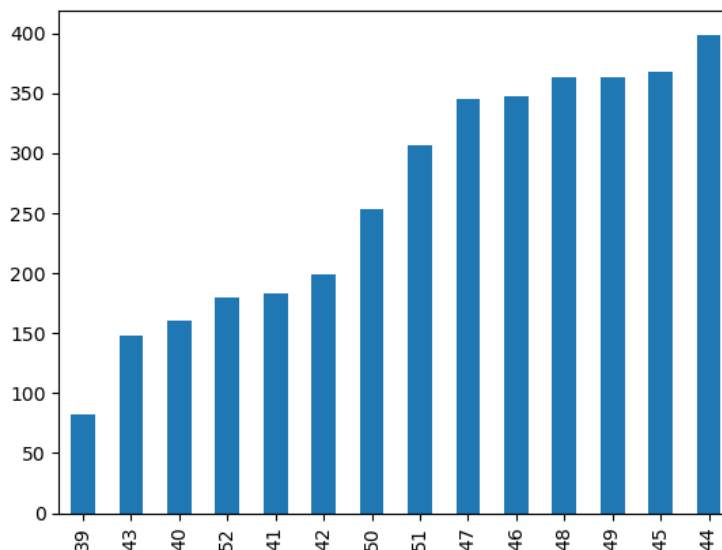


Figure (5) the relationship between the volumes of sales, given the information of the weeks in the last quarter of the year specifically.

In general, sales increase from the 40th week to the 51st week, and this supports what we said above regarding the sales bloc, with the exception of some cases.

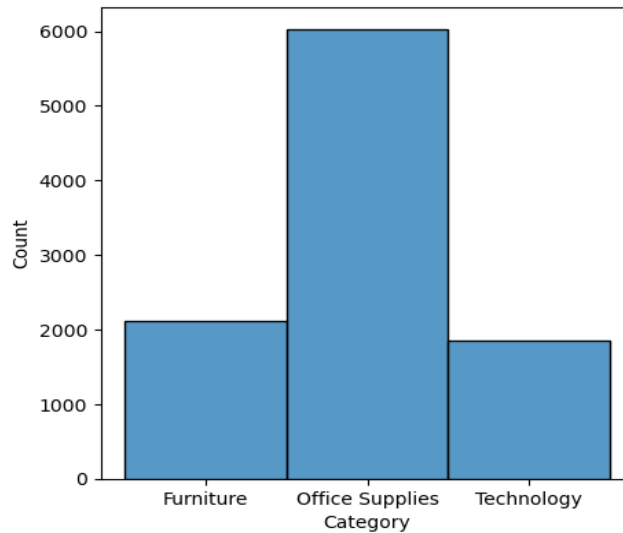


Figure (6) the best-selling categories during the previous years.

Here we note that the main selling category is Office Supplies, which is the highest medically among all, followed by Furniture, then Technology. However, we notice a big difference in sales volume between the main categories, and therefore we have to explore the reason for this big difference in sales volume.

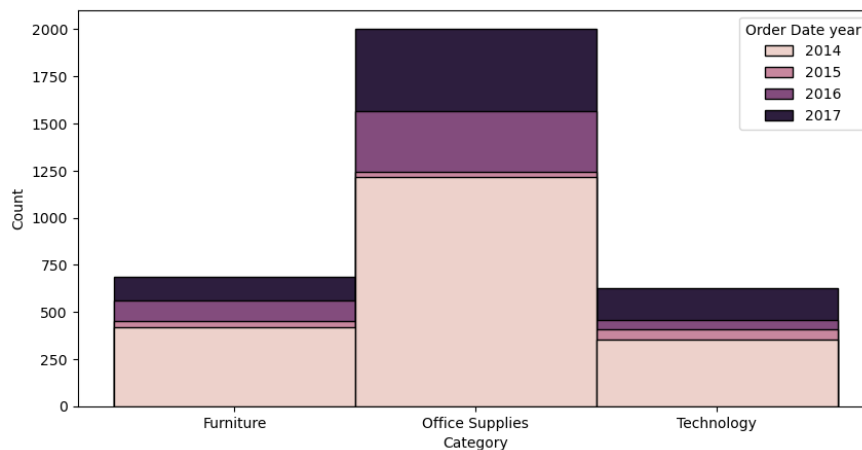


Figure (7) Sales volume for each of the main categories each year.

We can notice the very slow growth rate for the year 2015 compared to the year before in the volume of sales, but the volume of sales returns to increase strongly in 2016 and break the barrier in 2017, and therefore there are many decisions or reasons that we can consider for the year 2015 in order to avoid them.

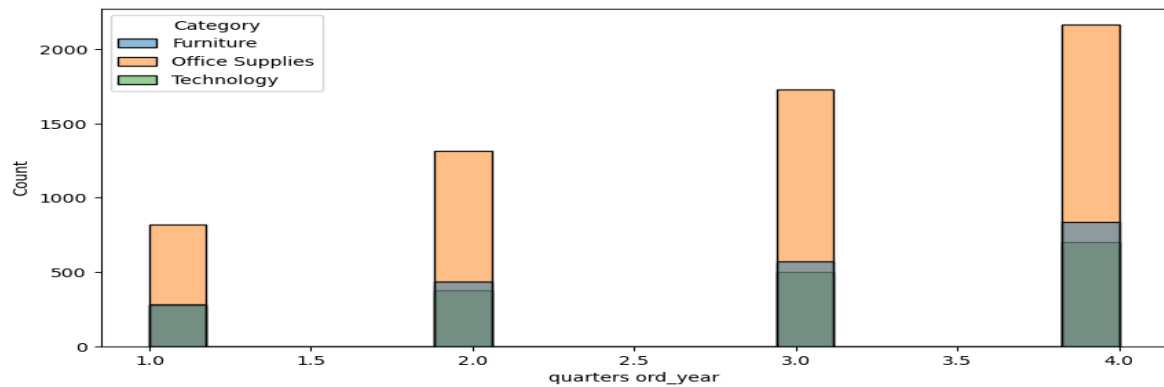


Figure (8) the volume of sales for each of the main categories, with the information of the annual quarters

We notice a significant increase in the sales volume for each quarter of the year in previous years, and the demand for office supplies has increased dramatically every year.

The year 2017 recorded the highest rate of sales for all major categories.

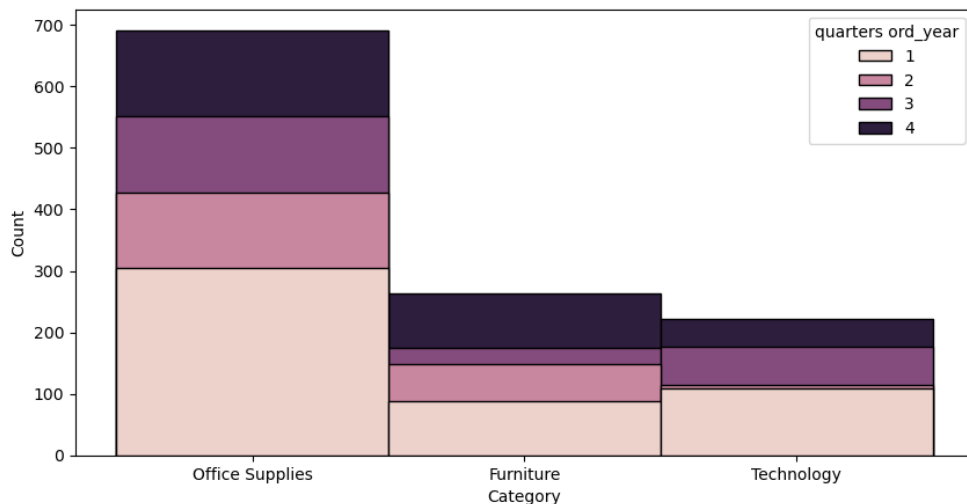


Figure (9) sales volume for each category in 2017 only with the information of the quarters of the year.

In the first quarter of the year, the sales volume in technology was higher than the sales volume in furniture, but in the second quarter, the sales volume of technology shrank very dramatically compared to furniture, which increased by a large percentage. In the third quarter, the sales volume returned to increase in technology and shrank a lot in the furniture, but in the fourth quarter, the sales volume decreased significantly in the technology and increased in the furniture. We can say that the sales of both technology and furniture were interchangeable or seasonal. Whereas, Office Supplies maintained a steady rise in each of the quarters.

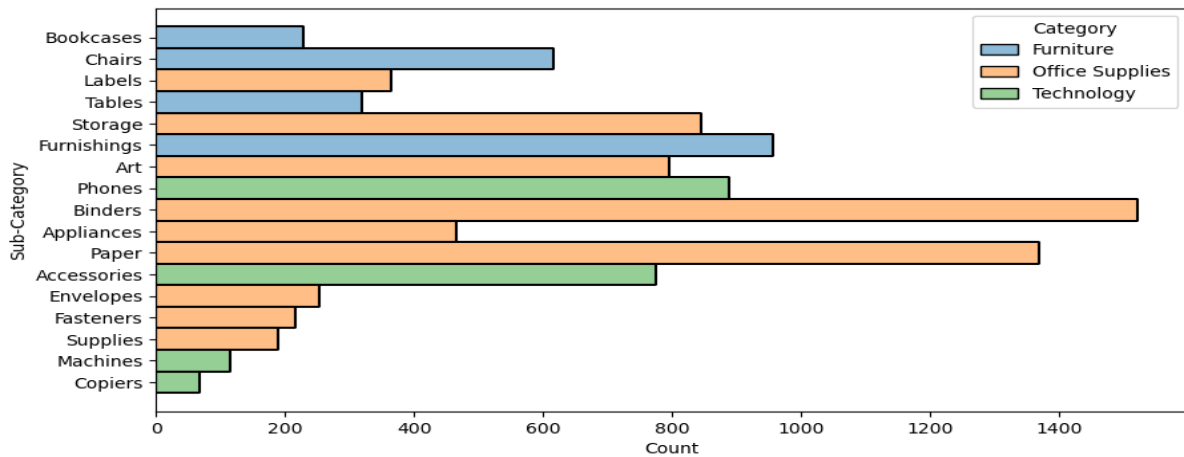


Figure (10) distribution of sub-categories with the information of the main categories.

From the figure, we notice the many subcategories that belong to the Office Supplies category, and therefore this explains the reason for the large sales volume of Office Supplies compared to the rest of the categories.

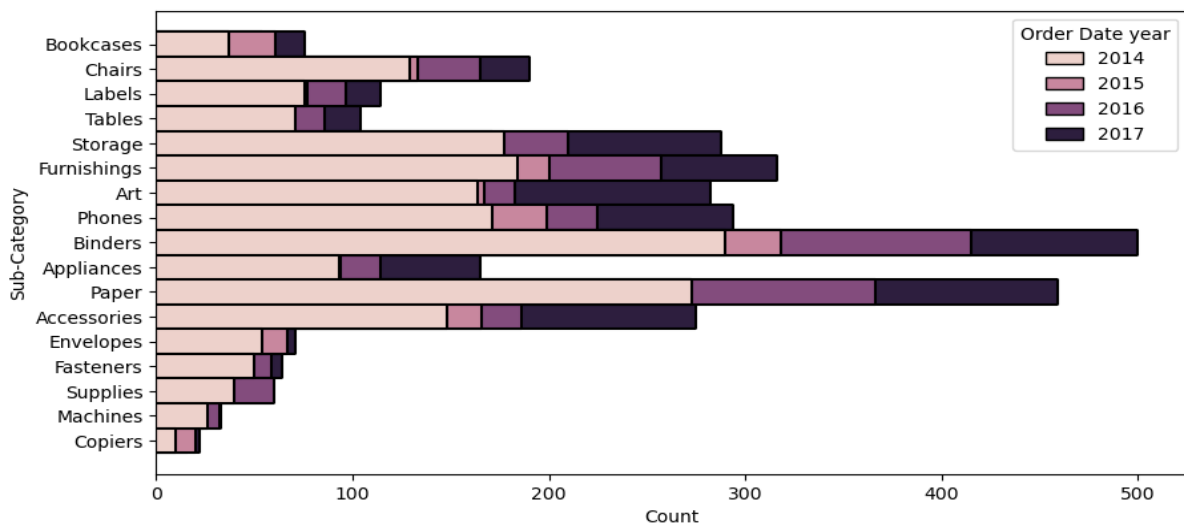


Figure (11) annual demand rate for each sub-category.

In general, we notice high sales rates on both paper and binders, compared to the rest of the products from the basic category Office Supplies, and also compared to other categories. I will extract sub-categories for each main category and study their status.

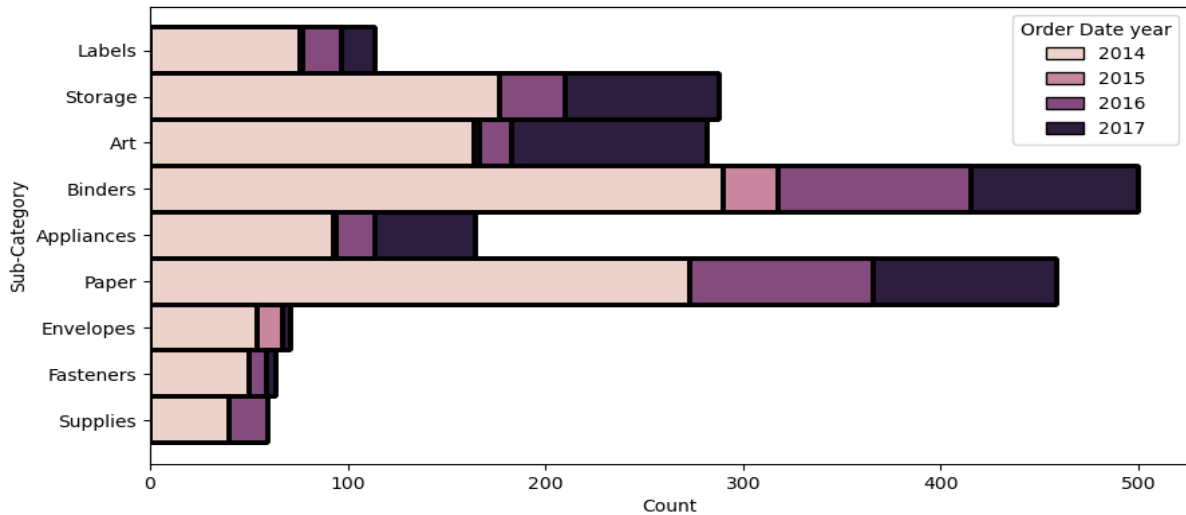


Figure (12) sales volume for sub-categories in the main category Office Supplies over previous years.

We notice a significant increase in sales volume in Paper and Binders compared to the rest of the sub-categories, but we notice in 2017 that sales started to increase significantly in some sub-categories such as Appliances, Art, and Storage, so they may be a good market to invest in.

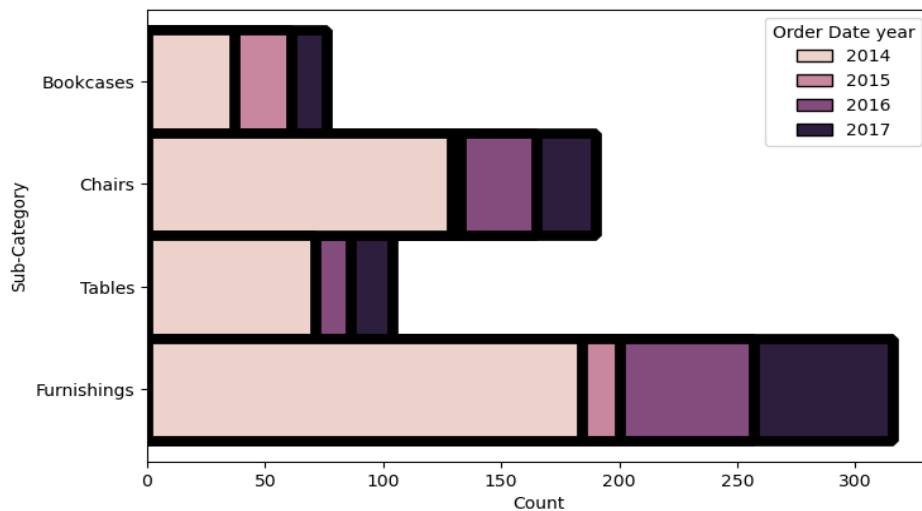


Figure (13) sales volume for sub-categories in the main category Office Supplies over previous years.

We note that the sales rate in Furnishings is very large, followed by chairs, and the rest of the other sub-categories are few.

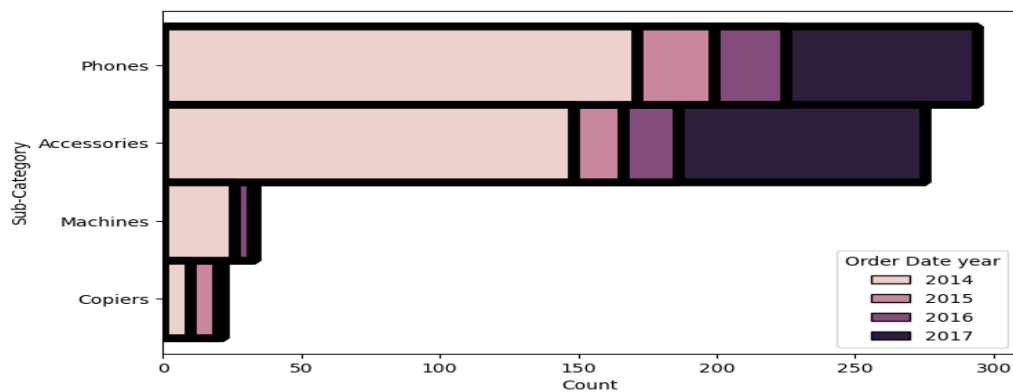


Figure (14) Sales volume for sub-categories in the main category, Technology, over previous years.

We notice a high rate of sales of phones and accessories, but in 2017 the rate of sales of accessories recorded a higher number than phones by a small difference, but in 2016 we notice a reversal of the ratio and also by a slight difference in favour of phones, and therefore we can conclude that in 2018 the sales rate will increase for both phones and accessories but it will be The rate of selling phones is slightly higher than accessories.

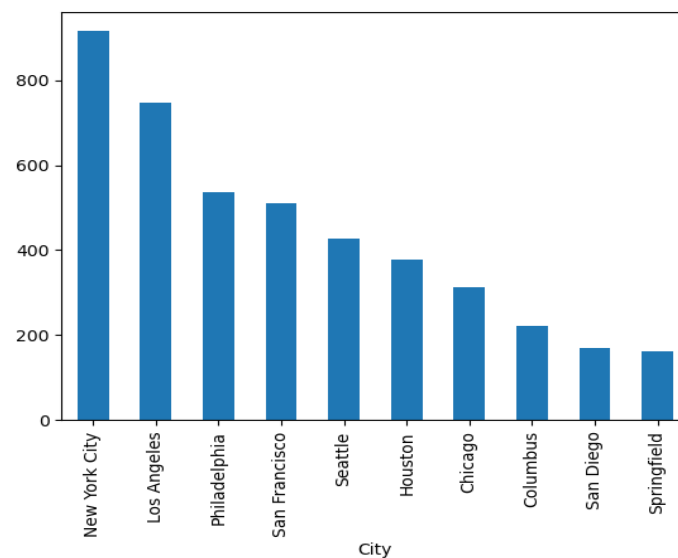


Figure (15) the relationship between sales volume and cities

We note that New York City records the highest cities in sales, followed by Los Angeles.

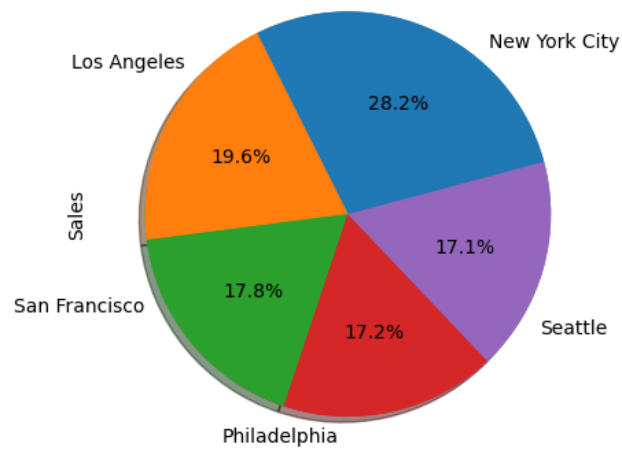


Figure (16) the relationship between cities and sales volume for 2017 only.

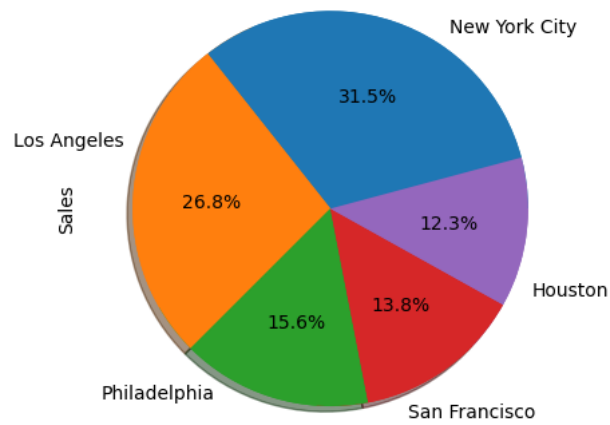


Figure (17) the relationship between cities and sales volume for 2016 only.

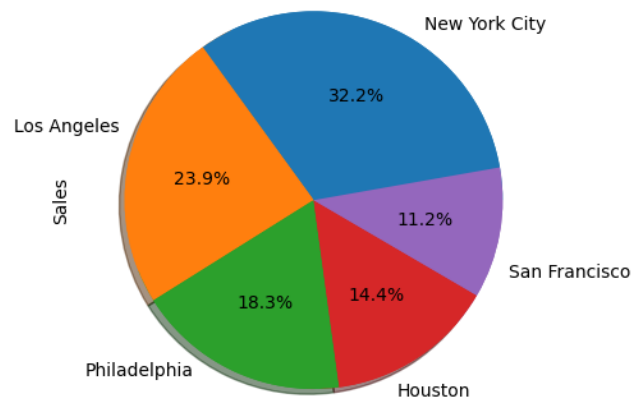


Figure (18) the relationship between cities and sales volume for 2015 only.

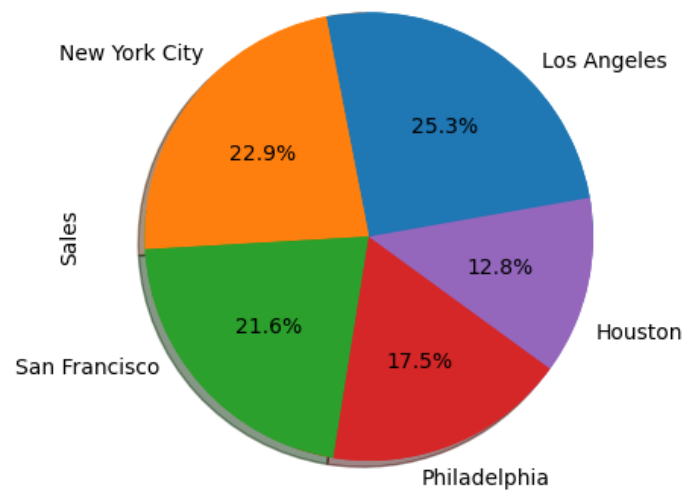


Figure (19) the relationship between cities and sales volume for 2014 only.

From the previous figures, we note that from the beginning of 2014, Los Angeles was the highest city in terms of the number of sales, followed by New York City, but in 2015 New York occupied the first place in the volume of sales at the market level, followed by Los Angeles, and so on in 2016 as well. However, in 2017, New York City began to lose its sales rate, not in favour of Los Angeles, but in favour of other cities that rose strongly, such as San Francisco, which in 2017 achieved a growth rate in sales that placed it in third place compared to 2016. But in the aggregate all cities suffer with many strong fluctuations.

However, there are two important factors that determine the decision of the best city in which investments can be increased, namely the profit rate and the discount.

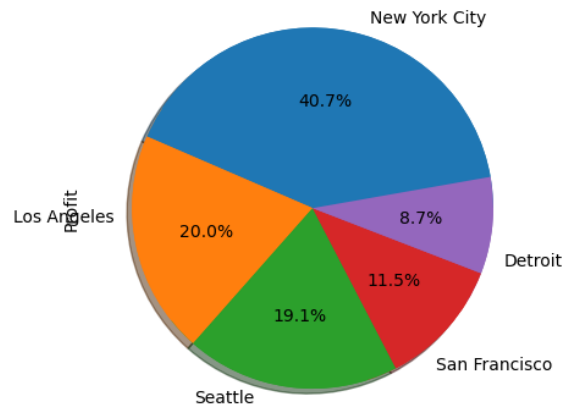


Figure (20) the relationship between cities and the amount of profits in previous years.

We note that New York City has achieved the highest profit rate over the past years, beating Los Angeles and San Francisco.

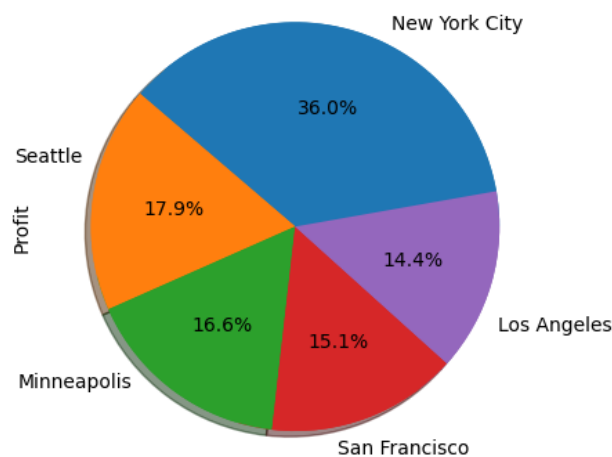


Figure (21) the relationship between sales volume of profits and cities during 2014.

We note that New York City strongly controls the volume of revenues / profits for the year 2014, although the city of San Francisco in this year was the highest in the number of sales. Thus, New York City has many features that work to raise the value of its revenues. We can say that it is an upscale city that includes many of the world's wealthy and rich people at a higher rate than any other city on that list. But the evidence that supports our saying is the distribution of the discount to the cities, because this will help us to know which cities need discounts on prices in order to contribute to the number of sales. Because it is possible that a city contributes to a lot of re-sales while it consumes a lot of discount on products.

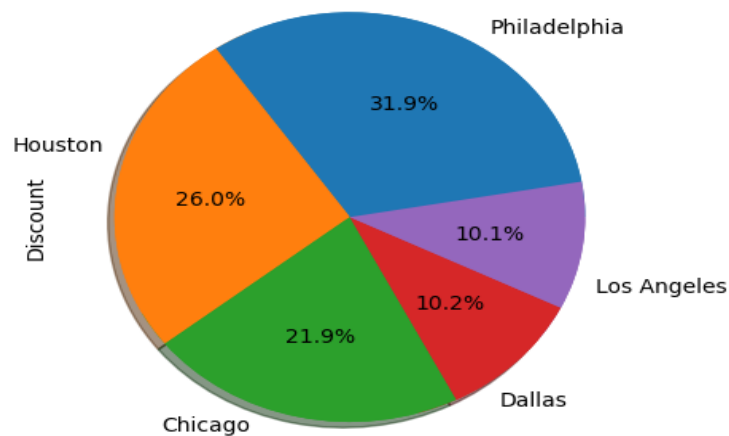


Figure (22) the relationship between cities and Discount.

We note that the city of Philadelphia is the highest consumption of discounts, while New York City and Los Angeles did not come in the list.

Thus, from 2014 to 2017, Philadelphia was the city that consumed the most discounts, although it was not among the 5 most influential cities in sales.

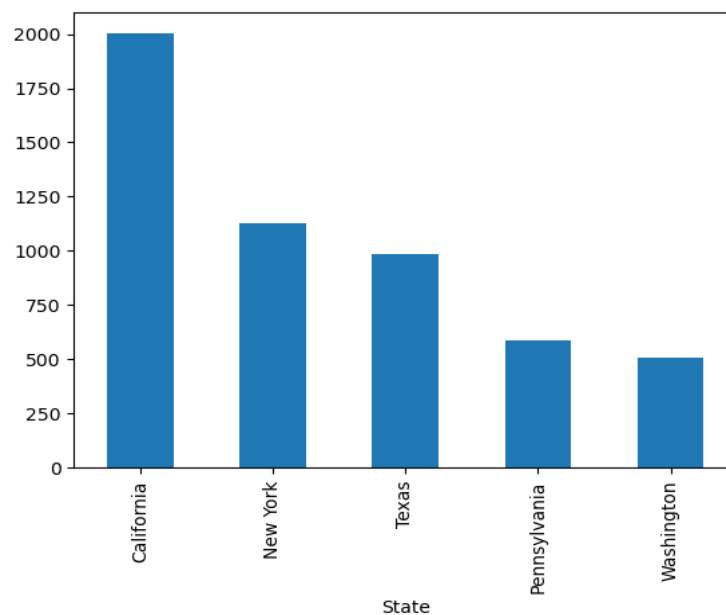


Figure (23) relationship between states and sales volume for previous years.

The state of California occupies the first place in terms of the number of sales, followed by the state of New York, by a very large difference.

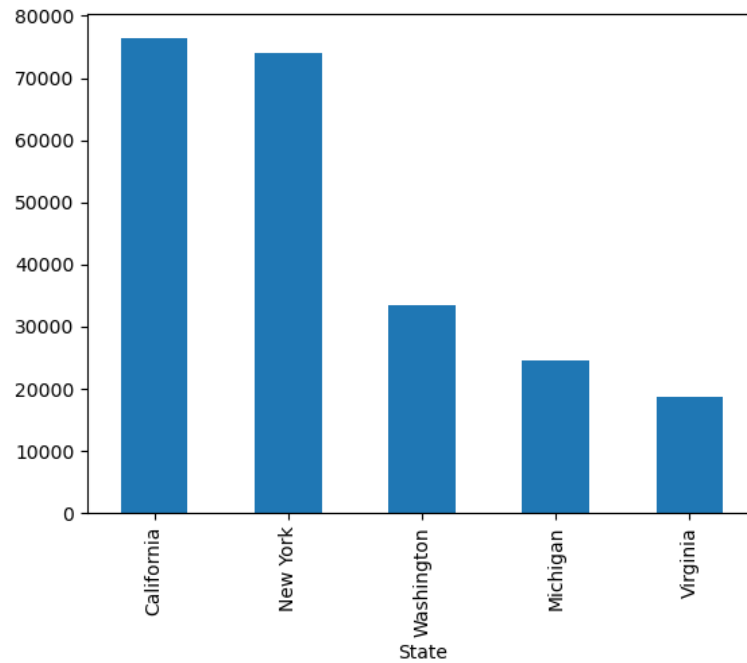


Figure (24) the relationship between states and profits for previous years.

Here, the state of California records the highest rate of profits, followed by the state of New York, by a very small difference, then the state of Washington.

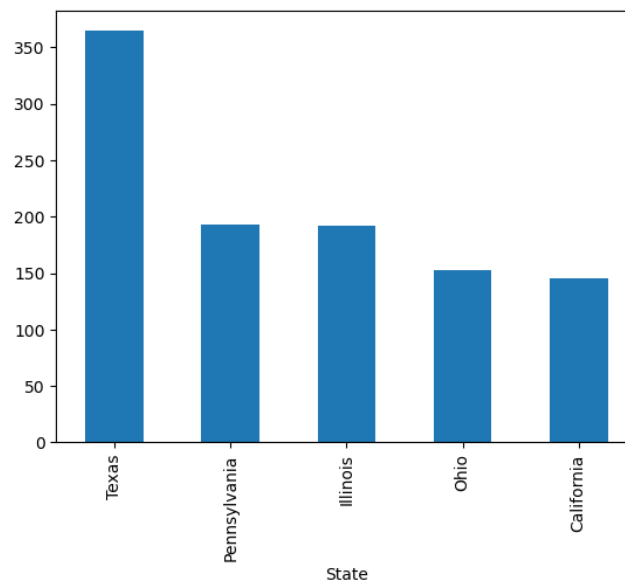


Figure (25) the share of each state from the discount.

The state of Texas comes in the first place in the size of the discount by a large difference from other states.

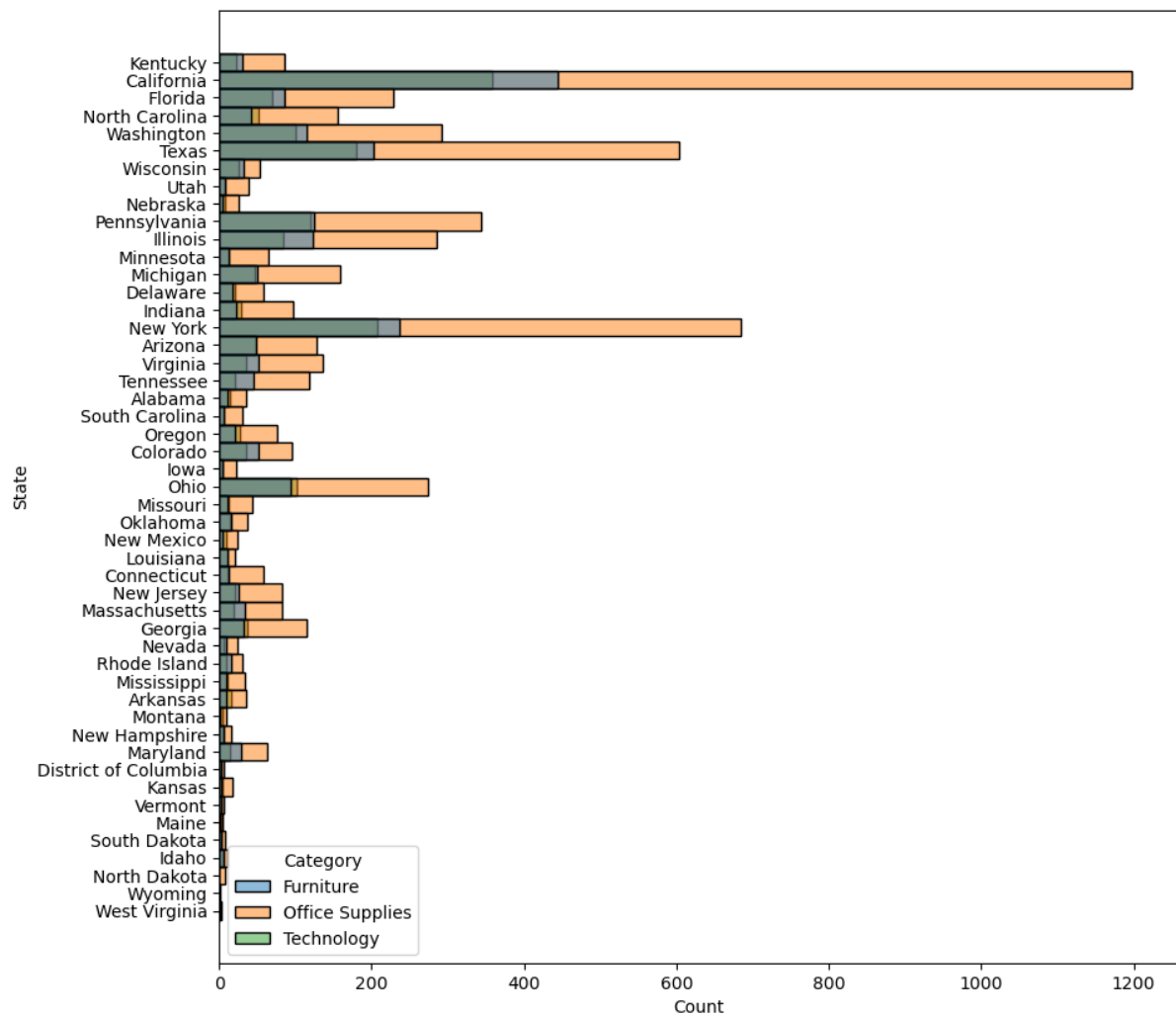


Figure (26) the distribution of sales of the main categories to the different states.

We note that the states of California, Texas and New York have the highest sales rates for the office supplies category, especially California.

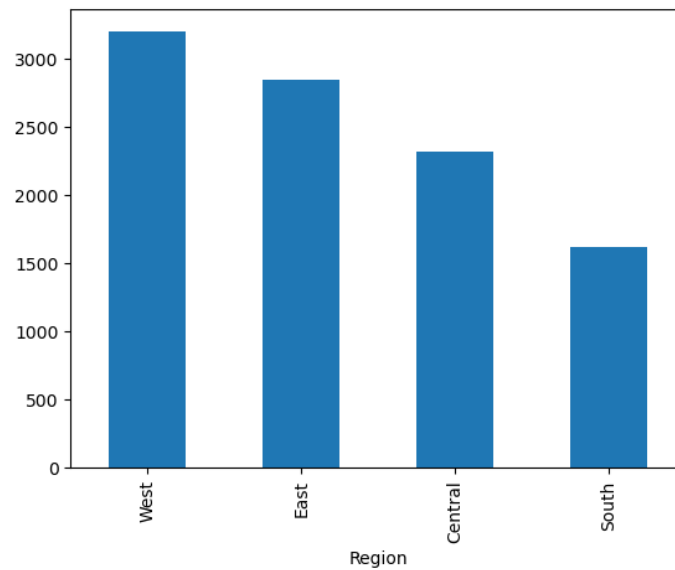


Figure (27) the relationship between the number of sales and the Region.

The western region comes in the first place in terms of the number of sales, followed by the eastern region by a small margin.

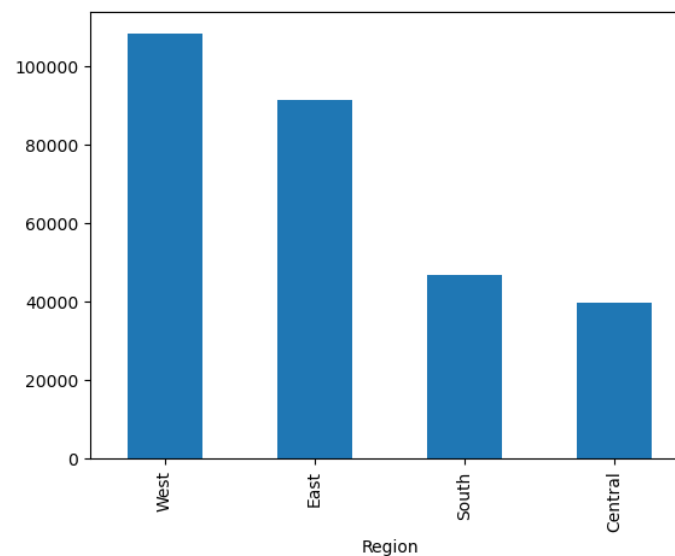


Figure (28) the relationship between the region and the volume of profits.

The western region comes in the first place in terms of the volume of profits, followed by the eastern region.

What is interesting is that the southern region has more influence in the volume of profits than the central region, although the central region has the highest number of sales from the southern region.

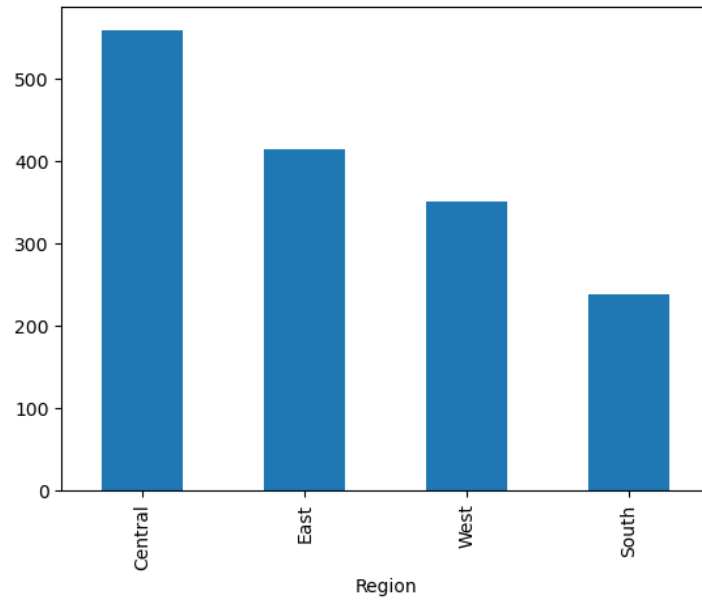


Figure (29) the relationship between the Region and the Discount.

Here, the central region comes first in consuming discounts, followed by the eastern region.

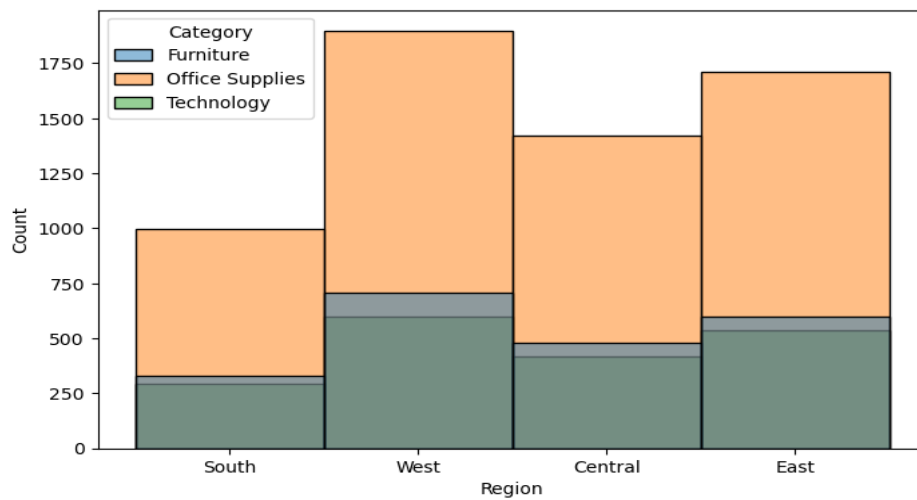


Figure (30) Distribution of consumption of the main categories of products on the Region.

The western region comes with the highest consumption of office supplies and furniture, followed by the eastern region.

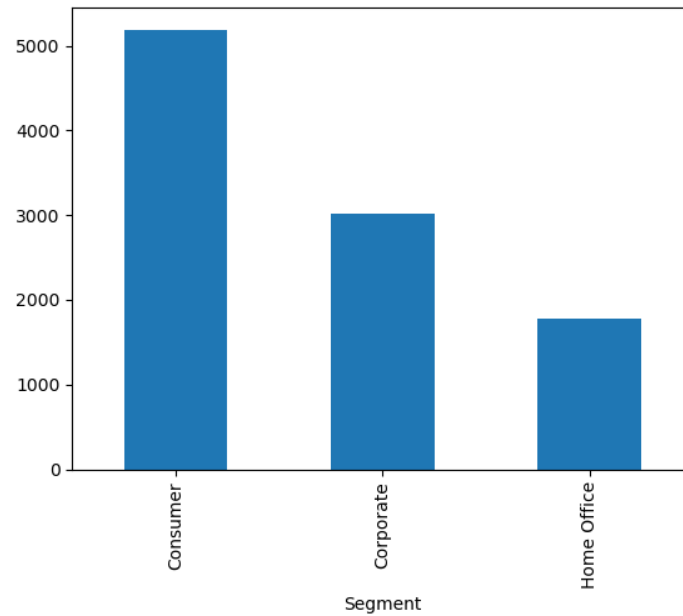


Figure (31) the relationship between the segment and the sales rate.

The Consumer comes in the first place, affecting the sales rates by a large percentage compared to the rest of the Segment.

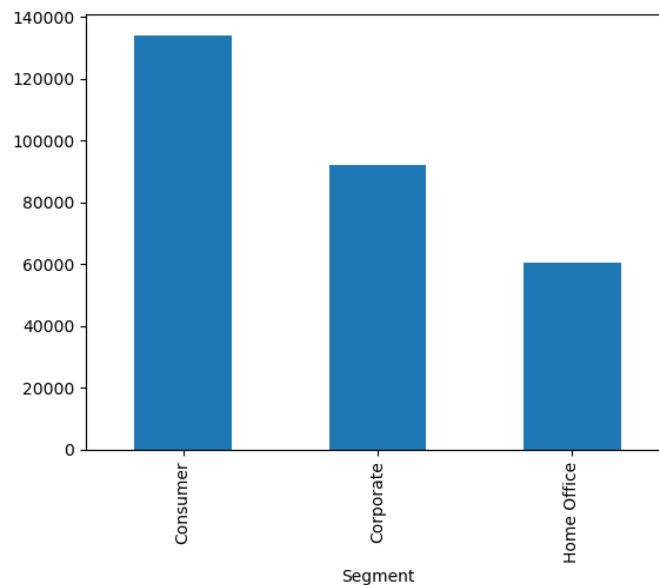


Figure (32) the relationship between the segment and the profit.

The Consumer comes in the first place in terms of impact on the volume of profits, as it is the highest percentage of profits that we can get from the Consumer and it is far from the rest of the Segment.

B. The answer to the question is whether we can move forward with investing in the US market or not.

After examining the market situation through many analyzes, I shed light on many important points and aspects, such as the market situation during the past years, as well as the sales rates during the previous years, given the information of the annual quarters, as well as the status of the main and sub-categories or products, in addition to many other points.

We can answer yes, we can move forward in the US market.

The American market has witnessed great growth over the past few years, and there are certainly some preferences in products, places, and segments that can be exploited, and therefore I will explain many points based on previous analyses.

Based on the previous analyses,

There are many products to invest in.

In the Office Supplies:

It is possible to invest in papers as a by-product and also in binders, but it is preferable to invest in storage, art, and appliances, as they are witnessing great leaps during the last year, or we can say that the rate of sale of these products is increasing every period.

For the main category of Furniture:

Its market growth is somewhat weak, but in 2017 the sales rate began to increase significantly for Furnishings compared to the rest of the sub-categories, and therefore it is possible to invest in Furnishings at a higher rate than in Chairs.

For the main category Technology:

By looking at the sales rates during the previous years, we can notice that the growth rate of its by-products is weak and seasonal, and therefore the analysis indicate that there is no investment in them.

According to the analysis of the western regions then the eastern regions are the best places for investment.

According to the analysis, there are many good states to invest in, such as:

The first state: New York State, comes in second place in terms of the number of sales and second place in terms of total profits.

The second state: the state of California, tops first place in terms of the number of sales during the previous survey, and it also tops first place in terms of the volume of profits.

The third state is Washington State.

According to the analysis, there are many cities that can be invested in, such as:

The first city: New York City, whose sales have the most impact on profits, although in some years it may occupy the second place in terms of the number of sales, and also that city where the discount is not consumed.

The second city: is Los Angeles, a good city for investment and also where the discount is not consumed.

The third city: Seattle, is a promising city and the market in it also accepts investments, and the discount is not consumed.

C. Some Recommendations.

* Starting from the first year up to the last year, sales are increasing steadily, but there was a clear difference between 2016 and 2017 where there was a big jump in the sales rate, and therefore here I recommend looking at the measures that were taken in late 2016 and that were applied In the year 2017 because the results are very good.

* By looking at the sales rate in the annual quarters of each year, we notice that at the beginning of the first quarter, the sales rate is at its highest level, and therefore I recommend that we take advantage of the discounts on products at the beginning of the year in a limited percentage so that we can push people to spend money.

Because spending money in the last quarter of the year is a must because of the many social events.

* I recommend increasing the number of stores that sell various office supplies, investing in products such as paper and binders, and focusing on the following products: Storage, Art, and Appliances, because they are witnessing a significant/noticeable increase in recent years, especially in 2017.

* The western regions, then the eastern regions, are the best places for investment, and therefore we focus on them in the study.

* There are a number of states that it is better to focus on while making an investment decision, as follows:

The first state: New York State, comes in second place in terms of the number of sales and second place in terms of total profits.

The second state: the state of California, tops first place in terms of the number of sales during the previous survey, and it also tops first place in terms of the volume of profits. The third state is Washington State.

* While making the investment decision, there are many cities that we should focus on, as follows:

The first city: New York City, whose sales have the most impact on profits, although in some years it may occupy the second place in terms of the number of sales, and also that city where the discount is not consumed.

The second city: is Los Angeles, a good city for investment and also where the discount is not consumed.

The third city: Seattle, is a promising city and the market in it also accepts investments, and the discount is not consumed.

* Stay away from cities and states that consume a lot of discounts, because they do not contribute much to profits.

The report is over until now.