



# **Business Analytics Report: Strategic Insights for Canadian Market**

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## **Executive Summary**

This business analytics report employs Tableau's data visualization tools to extract commercially important insights from a given dataset to provide valuable and strategic decision-making insights. This report focuses on Canadian market sales growth, with a focus comparison with the US market. Analysis uncovers significant sales differences, emphasizing the need for strategic improvements. The report also identifies areas for enhancement in profit margins, shipping costs, and discounts. Recommendations include loyalty programs, product bundling, profit margin adjustments, discounts offer, and shipping cost optimization.

### **1. Introduction**

#### **1.1 Dataset**

The dataset provided consists of 51,229 rows including title and 24 columns, offering information of four-year period, from 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2022.

#### **1.2 Methodology**

This report examines the dataset and the key insights being visualized using Tableau, revealing patterns and relationships within the data.

#### **1.3 Purpose**

This report aims to discuss the possible causes of Canada's low sales and providing actionable insights and strategic recommendations through an in-depth analysis of the data to increase the sales in Canadian market.

#### **1.4 Rationale for Canadian Market Focus**

The decision to focus my analysis on the Canadian market was due to contrasting sales numbers between the US and Canada. However, due to their close geographical location along with comparable lifestyles, and given the similar characteristics and target consumer profiles, both Canada and the US have a high level of cultural similarities. Canada is very transparent and adaptable market for goods and services from the US. Thus, as an analyst, I see that Canada has the potential for sales growth.

## 2. Analysis

### 2.1 Canada Market Overview

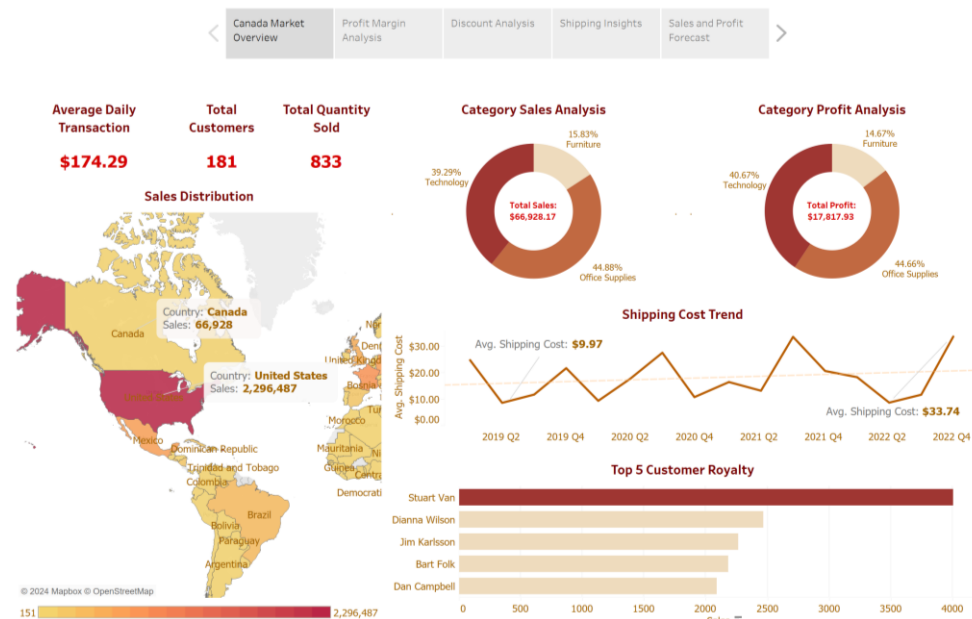


Figure 1: Canada Market Overview

The 'Sales Distribution' map in the dashboard illustrates that Canada has total sales of \$66,928, while the US has total sales of \$2,296,487, presenting more than 2 million USD difference between the two countries' sales. Delving into category analysis, office supplies have the highest sales and profit, meanwhile furniture is the least in both sales and profit. This is an opportunity to enhance the combination of products. Our company may offer promotions or bundle products from other categories.

Furthermore, the shipping cost trend is going upwards slowly over time. The highest shipping cost is \$33.74 around the end of 2022 and the cheapest is \$9.97 during the second quarter of 2019. The nuances of shipping cost can significantly impact customer satisfaction and market competitiveness because customers expect not only product quality, but also cost-effective delivery services. This can be overcome by collaborating with logistics partners or optimizing delivery routes. Moreover, among 181 customers based in Canada, five people have spent more than \$2000 for our products. We can create loyalty programs just for those who meet a minimum spending. This includes exclusive offers or additional discounts. Additionally, by offering incentives, our company can foster strong relationships with Canadian customers. This could ultimately impact customer loyalty, which increases the chances for them to make repeat purchases in the future and the overall positive image of our company.

## 2.2 Profit Margin Analysis

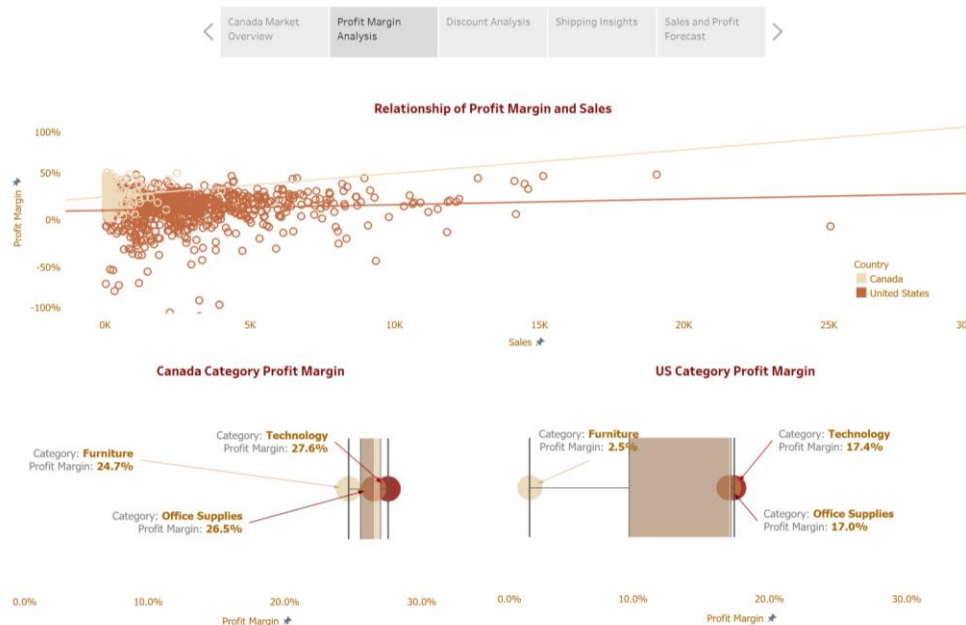
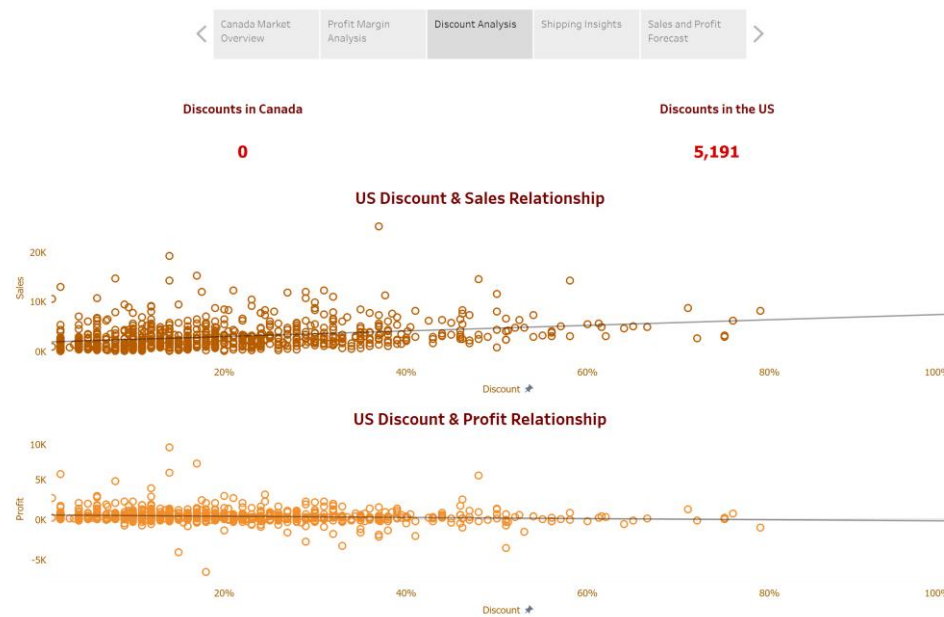


Figure 2: Canada and the US Profit Margin Analysis

With the objective of increasing sales in Canada, it is important to consider profit margin carefully. The scatter plot implies that in Canada, profit margin and sales is positively correlated. This means that as sales increase, the profit margin is also increasing, which suggests effective cost management. Subsequently, through the two boxplots, it can be observed that the profit margin percentage for products sold in the Canadian market differ significantly from those in the US, especially in furniture category which has more than 20% difference. However, considering the lower sales in Canada compared to the US, Canada could possibly adjust its profit margins to remain competitive and drive sales growth. This strategy might involve price adjustments, operational efficiency enhancements, or providing incentives to customers such as special discounts.

It is important to consider the potential impact on overall profitability when lowering profit margins. Another alternative is to enhance operational efficiency to cut down production costs, such as automating manual processes, optimizing the supply chain, and investing in technology. Also, investing in employee training can foster skill development, ensuring optimal and efficient performance while elevating overall quality.

## 2.3 Discount Analysis



*Figure 3: Sales, Discount and Profit Relationship*

During the period spanning from early 2019 to late 2022, customers based in Canada never received a single discount offer. In contrast to the US, in total, there are 5,191 discount offers. This certainly has a positive impact on increasing sales in the US. This is proven by the 'US Discount & Sales Relationship' scatter plot. The graph shows an upward trend, which means the higher the discount offered, the higher the number of sales obtained. However, examining the 'US Discount & Profit Relationship' scatter plot, we notice a subtle decline in the trend line. This implies that as the amount of discount increases, profits may decrease. It is important to acknowledge that the presence of discount offers correlates with a decline in profits. Therefore, while implementing a discount strategy in Canada can be a boost in sales, we need to carefully consider its impact on overall profitability. If the discount strategy in Canada results in overly reduced profits, our company can explore strategic steps such as a more in-depth analysis is required to determine whether the drop in profitability justifies the increase in sales. Alternatively, we can do a reassessment of the amount of discounts offered to specific customer segments. Subsequently, our company can consider more targeted discount strategies, such as offering discounts based on the volume of purchases.

## 2.4 Shipping Insights

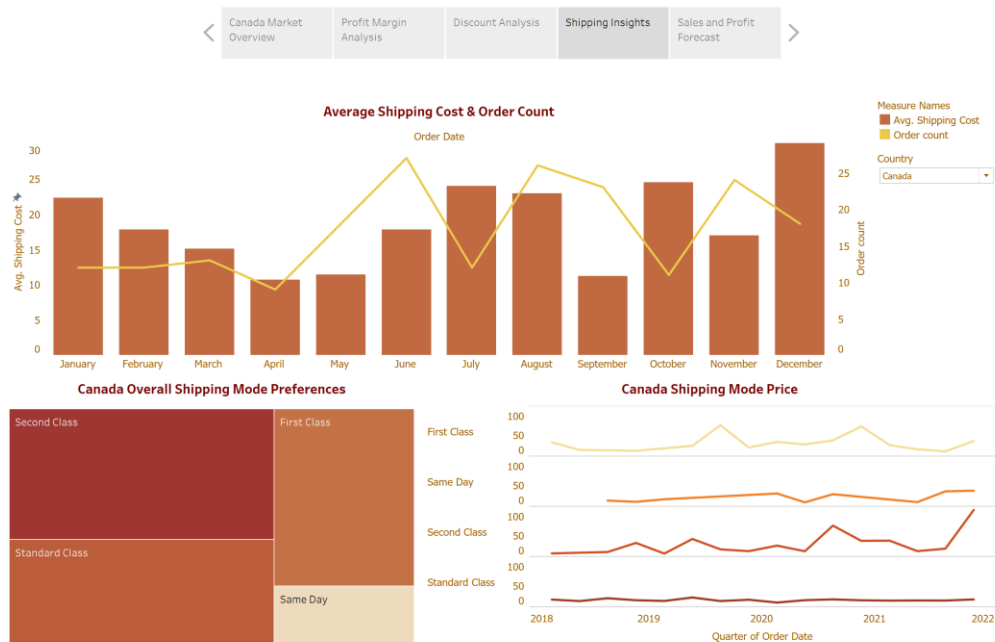


Figure 4: Shipping Insights 1 (Canada)

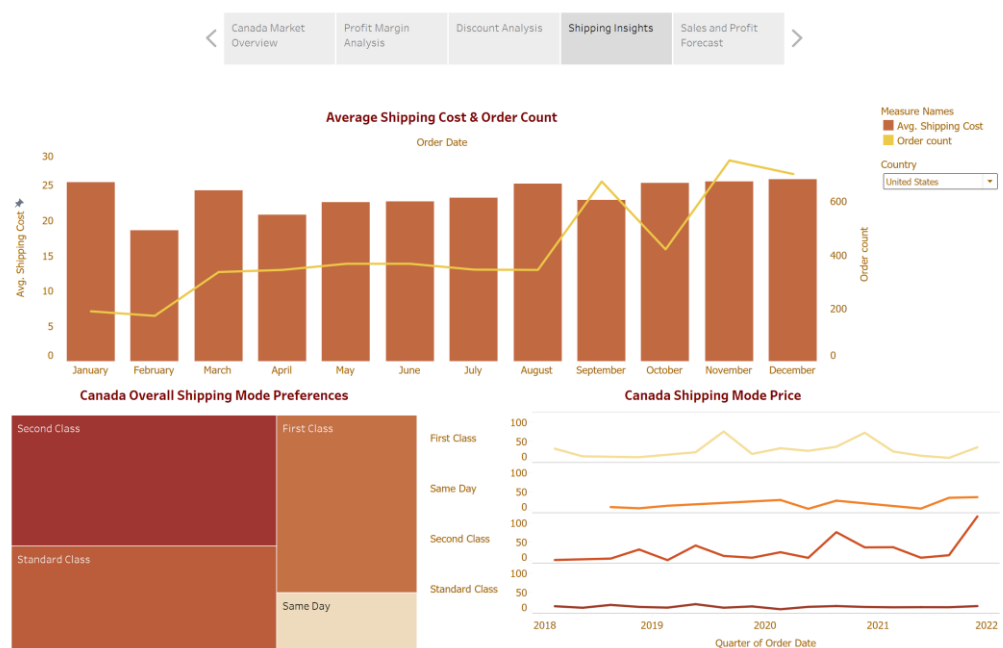


Figure 5: Shipping Insights 2 (US)

The graph 'Average Shipping Cost & Order Count' in both *Figure 4* and *Figure 5*, it is evident that the highest shipping costs in both countries (Canada and the US) occur in December, likely due to seasonal factors or increased demand towards the end of the year. In Canada, there is no clear trend or behavior between the average shipping cost and order count. A reasonable interpretation is that buyers from Canada may continue

ordering our products despite the high shipping costs, indicating a high level of loyalty to our products. However, it is crucial to note a less visible potential negative impact of this, namely that there is a possibility that customers from Canada are fewer due to this unstable shipping cost. Meanwhile in the US, the average shipping cost tends to be stable, and the number of orders remains relatively steady from January to August, resulting in a high number of customers. When customers can predict and rely on consistent shipping costs, they may be more motivated to place orders without concerns about fluctuating expenses.

Moreover, the tree map illustrates that the most preferred shipping method by Canadian consumers is second class, followed by standard class, first class, and lastly, same day. Additionally, adjacent to it, there is an observable price change for each available shipping mode. The second-class mode experiences a significant increase since early 2022. Meanwhile, the standard class mode appears to have the most stable pricing among the available options. Due to the high demand for second-class shipping modes, our company could enhance its efficiency by mitigating cost increase. This can be done by forming partnership with logistic providers for cost-effective solutions. Meanwhile, to ensure price stability, our company can use a pricing strategy that maintains consistency and minimizes fluctuations. This entails establishing a standardized pricing model that considers aspects such as shipping distance, package weight, and delivery speed.



## 2.5 Forecasts

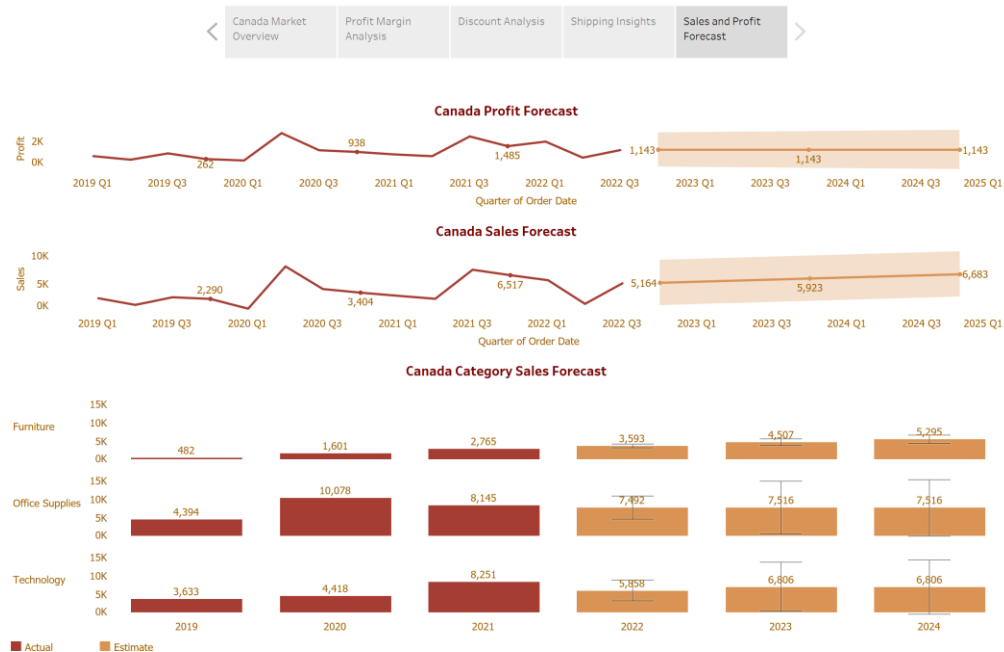


Figure 6: Sales and Profit Forecasts

In this section, the provided insight is the forecast for profit and sales over the next two years until 2024. It is essential to note that this forecast assumes no changes in the current conditions or factors affecting it, such as the profit margin. Looking at the top graph, there is an indication that profit is expected to remain stable, hovering around \$1,143,000 until the end of 2024. Meanwhile, sales in Canada are projected to increase by approximately \$1,500,000, reaching \$6 million by the end of 2023, which represents a positive growth. In the category sales forecast, it is evident that office supplies will maintain their lead, followed by technology and furniture. However, sales in office supplies and technology are expected to decline compared to 2021. On the other hand, furniture sales are expected to continue steadily rising, reaching \$5 million. This presents an opportunity for our company to capitalize on this trend by investing in marketing efforts, ensuring product availability, and maintaining high product quality.

### 3. Recommendations

The following recommendations are proposed to strategically boost sales and profit:

1. *Loyalty Programs*: Implement exclusive loyalty program for high spenders.
2. *Product Combination and Promotion*: Explore bundling opportunities and implement targeted promotions.
3. *Profit Margin Adjustment*: Evaluate pricing strategies to balance sales growth and profitability.
4. *Discount Strategy*: Implement strategic discounts based on relevant factors.
5. *Shipping Cost Optimization*: Collaborate with logistics partners to optimize shipping routes and reduce costs.

### 4. Conclusion

The analysis conducted has provided actionable information to enhance sales and profits in Canadian market. The contrasts in sales and profit margins have explained potential areas for improvement. The given recommendations are not just strategic moves but represent an opportunity to contribute to our company's success in Canadian market. It highlights the significance of adapting to market nuances and keep improving strategies to align with current trends.

## **Bibliography**

International Trade Administration (2021). Market Overview | International Trade Administration. [online] www.trade.gov. Available at: <https://www.trade.gov/knowledge-product/canada-market-overview>. [Accessed 21 Feb. 2024].