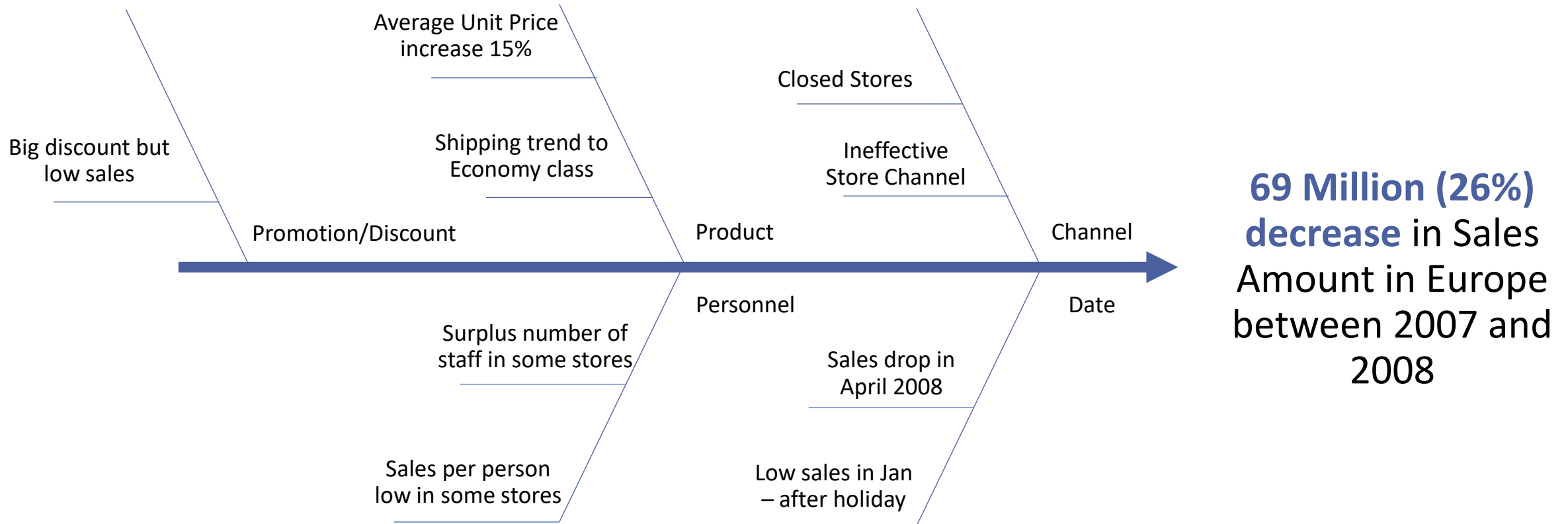


Significant decrease in sales in Europe Market in 2008

Insight of Contoso Data



Sales Growth in Europe market in 2008 decreased sharply by 26%

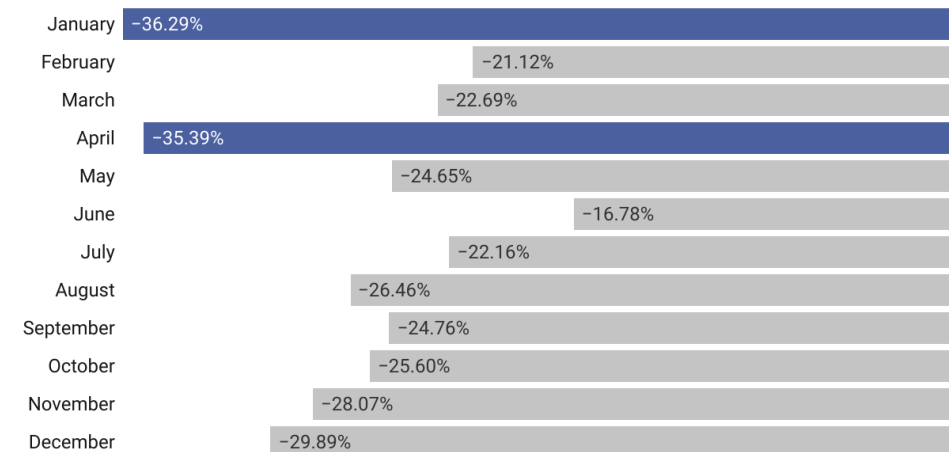
Sales Amount YOY% in 2008



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In 2008, Europe market faced a sharp decrease in its sales growth rate compared to other markets Asia and North America

Sales Growth% Breakdown by Month



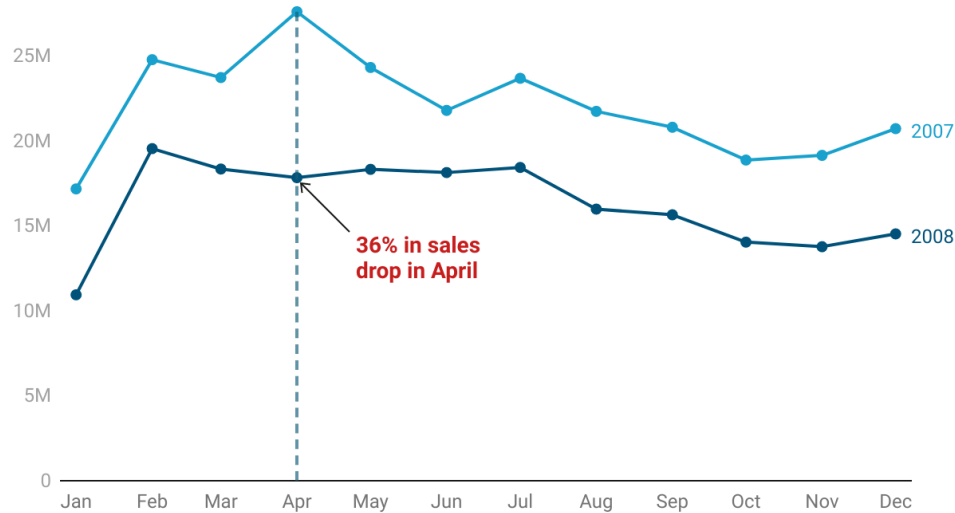
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Especially among 12 months, January and April had the most significant decrease (more than 35%) compared to 2007.

January sales remained the lowest every year and this slowdown is due to the low shopping demand of European consumers after Christmas/New Year holiday

Unusual decrease of sales amount in April

Sales Amount by Month & Year



Created with Datawrapper

Cameras and Computers contributed the most to the plunge in sales 2008

Even though they were in top 3 most popular products in 2007, these two products were accounted for 48M out of 69M decrease in sales



Created with Datawrapper

Average Unit Price by Month

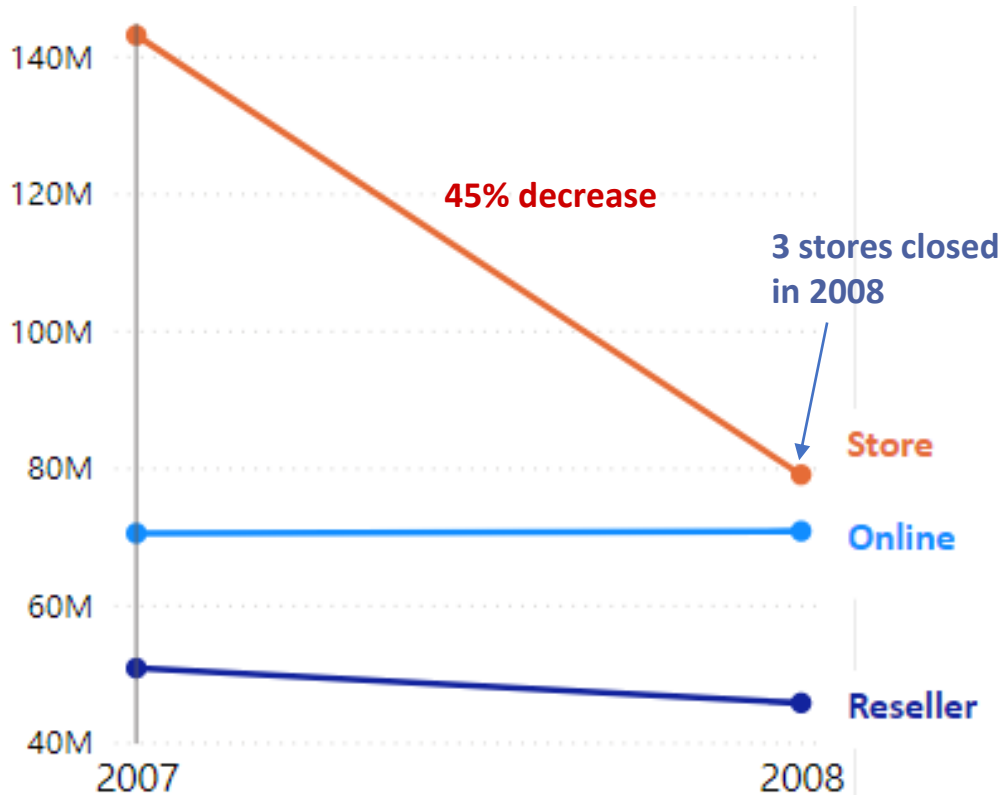


Unlike January, April didn't affect by seasonality, so the plummet of sales in April was because of

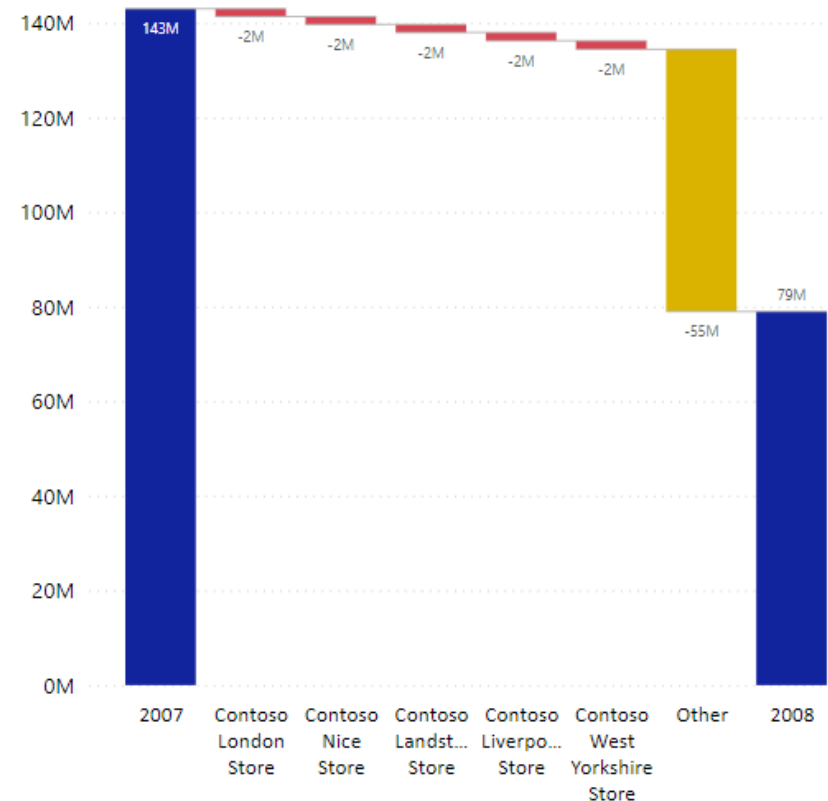
- **Average unit price increase by 20%** in March and April
- **Projectors, Screens & Camera** had really bad performance in 2008, accounted for 48M out of 69M decrease, even though they were popular in 2007

Ineffective Store Channel in 2008

Sales Amount by Channel



Sales Amount Breakdown in Store Name



In 2008, **Store Channel**' Sales Amount **went down** rapidly by **45%** and accounted for EUR 64M which represents

93% of Sales drop in Europe market.

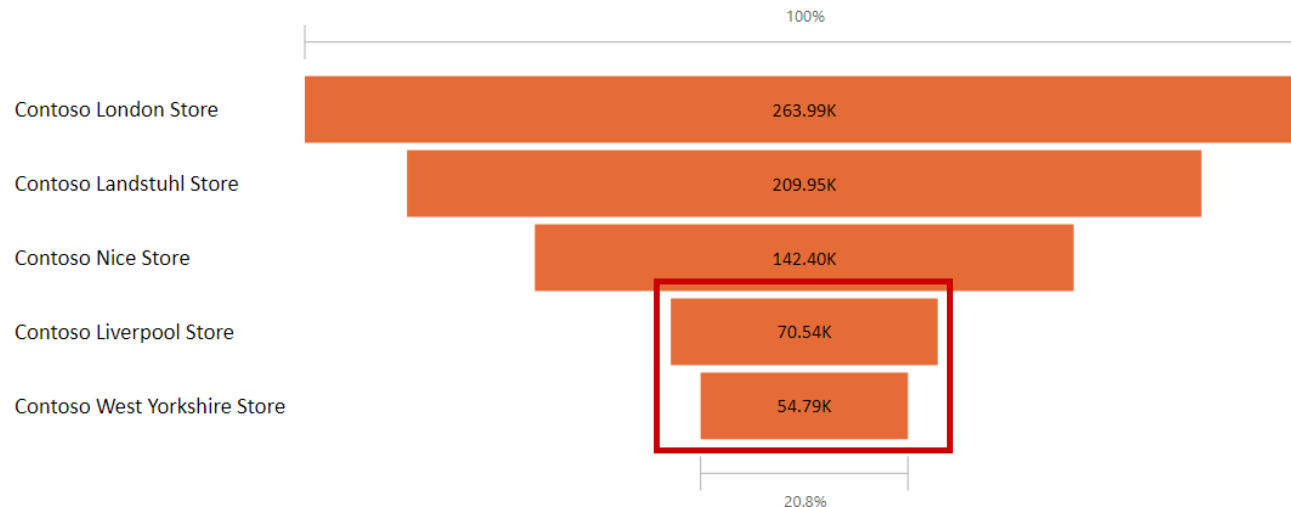
Specifically, **Top 5 Stores** had bad performance in 2008 are West Yorkshire, Liverpool, Landstuhl, Nice and London

Performance of Top 5 Stores with Highest decrease

Even though, Store Contoso West Yorkshire and Liverpool had considerable number of employees (up to 90 people), they had relatively **low Sales per employee**, only **55K to 70K** per person.

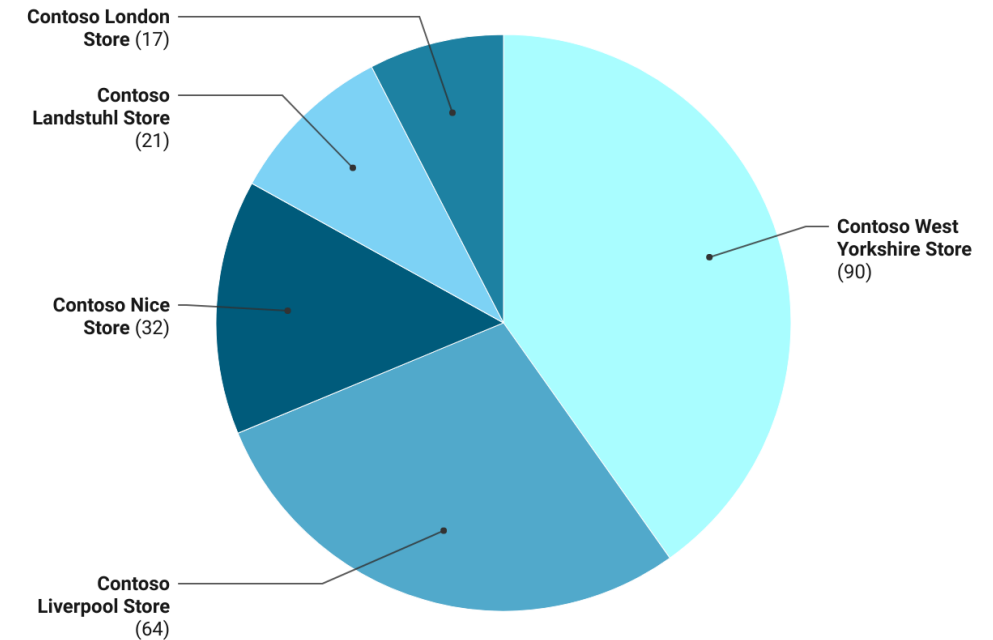
This is less than the average sales per employee which is **102K**

Sales per Employee by Store



The number of employees varies in each store

Store Contoso West Yorkshire and Liverpool had considerable number of employees working, approximately 7 to 9 times compared to the rest of the stores

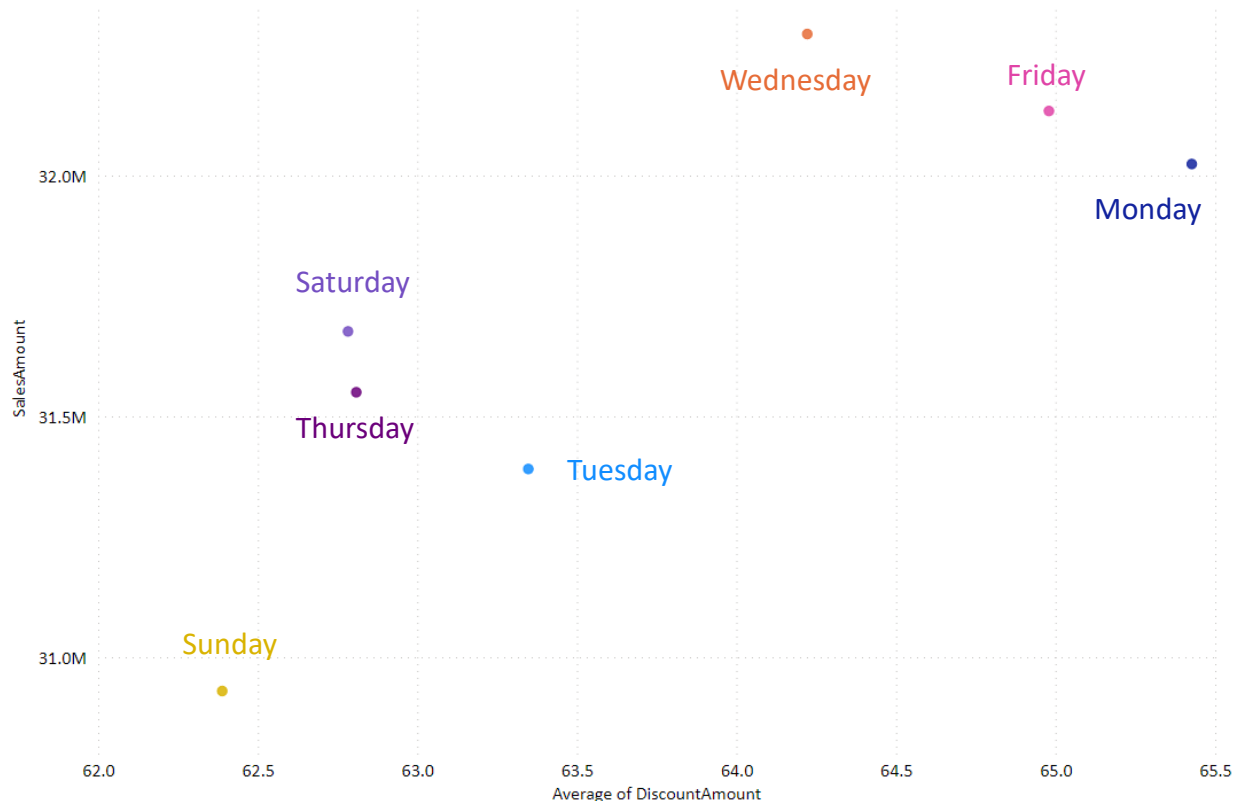


Created with Datawrapper

This showed **poor productivity level** of employees and a **lack of professional training** for the staffs. For these 2 stores, we need to either change the staff or invest more in employee training

How Discount/Promotion perform in Store Channel during the week? Rethinking the Discount Strategy?

Sales Amount & Discount Amount in Store by Calendar Day



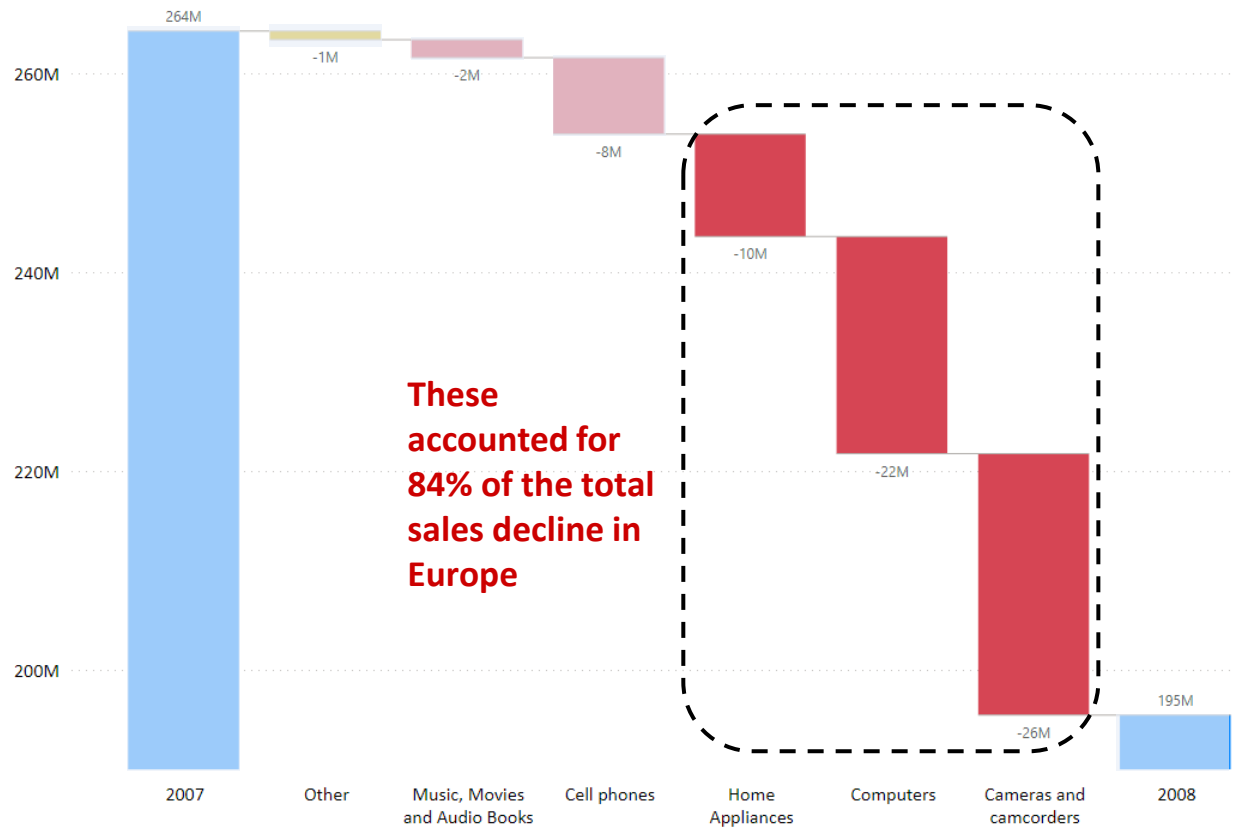
Low Sales Amount in **Store Channel** often happened during the **weekend**. Consumers in Europe market seem to prefer shopping our product during weekday.

The **Discount Amount** is directly proportional to the **Sales Amount**. Except **Monday** which had highest amount of discount but the return was less than Friday and Wednesday. The same applied to **Tuesday and Friday**

There were small Discount Amount on **Sunday** which explained the relatively **low Sales** Amount

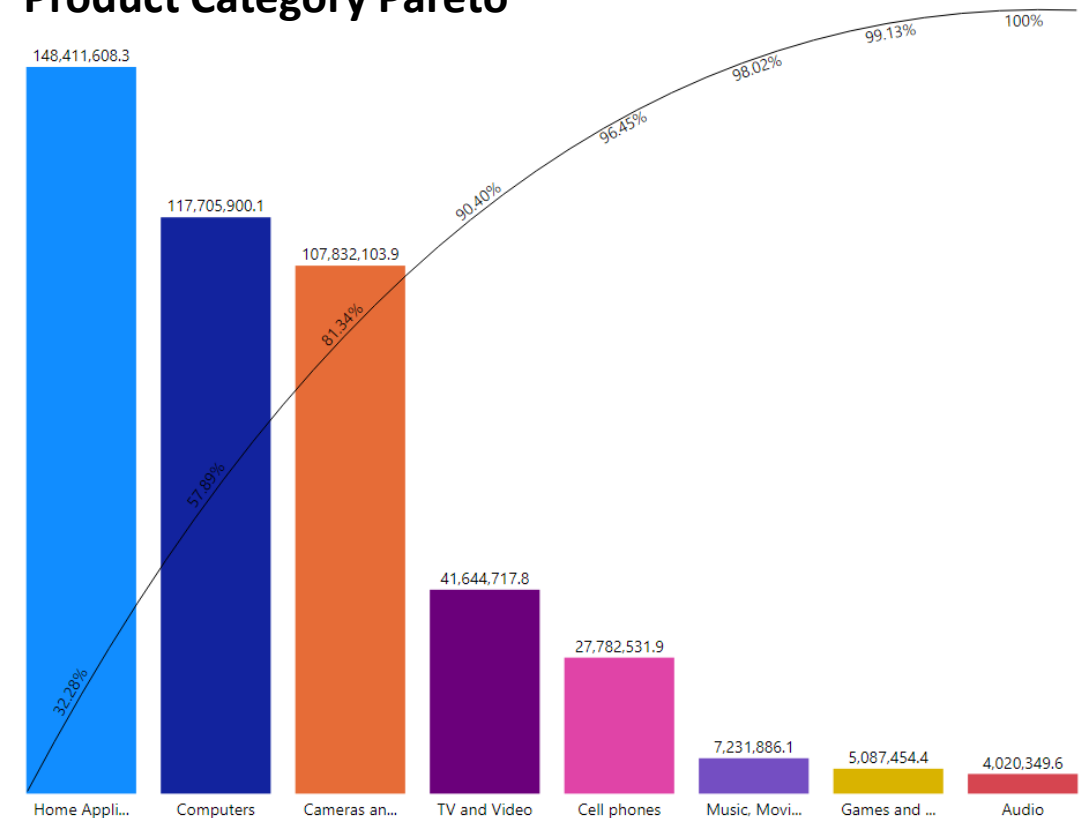
Which Products cause the plunge in Sales Performance in Europe market?

Sales Amount Fall Breakdown in Product Category



80% of the total sales amount of the company is driven by 3 highest value products: **Home Appliance**, **Camera** and **Computer** from 3 biggest brands: **Contoso**, **Fabrikam** and **Proseware** respectively → The plummet in sales growth in Europe in 2008 was caused by the dramatic decline sales amount of these product categories (approximately EUR 58M)

Product Category Pareto

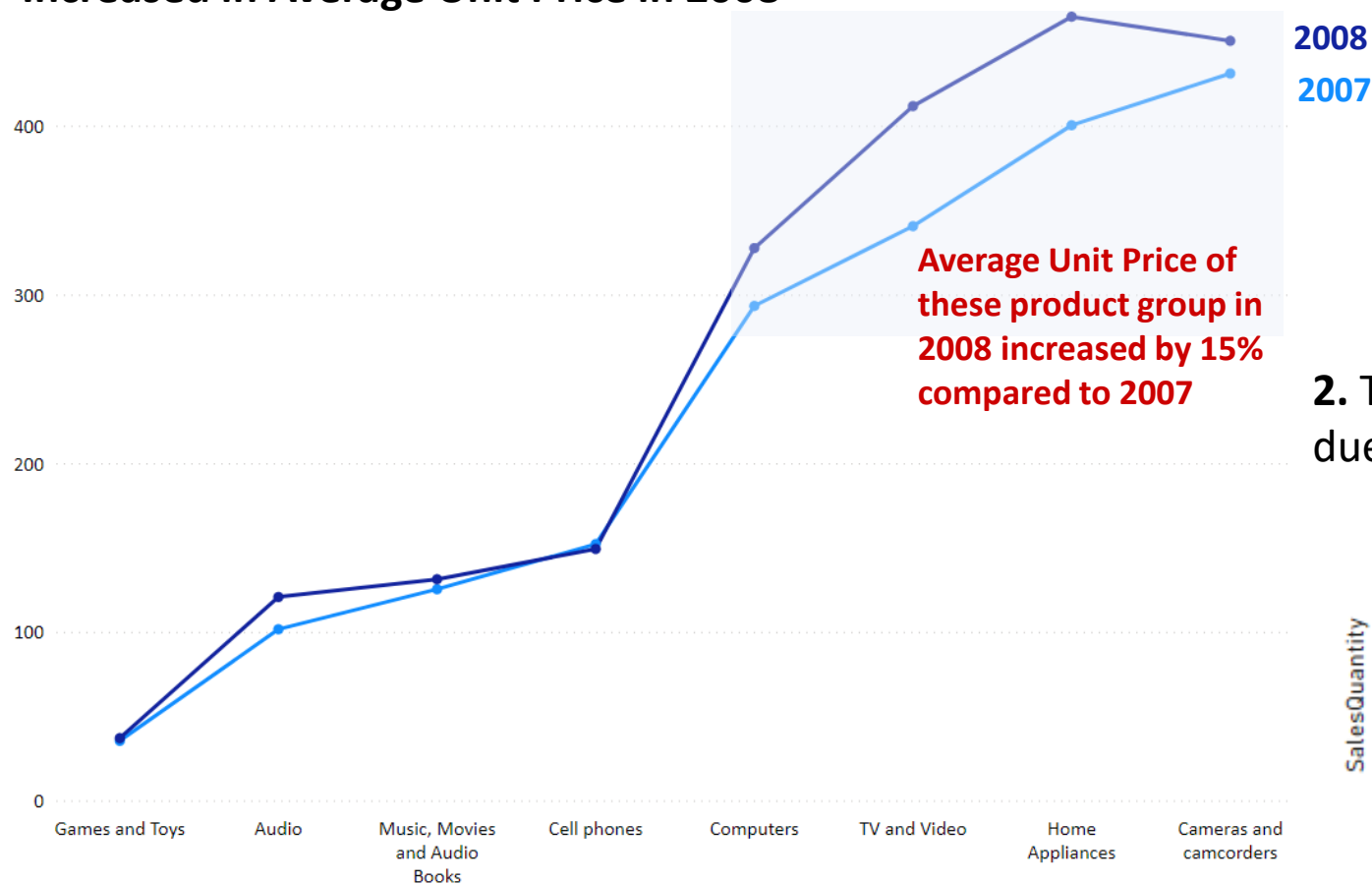


Unusual drop of sales in 3 highest value products

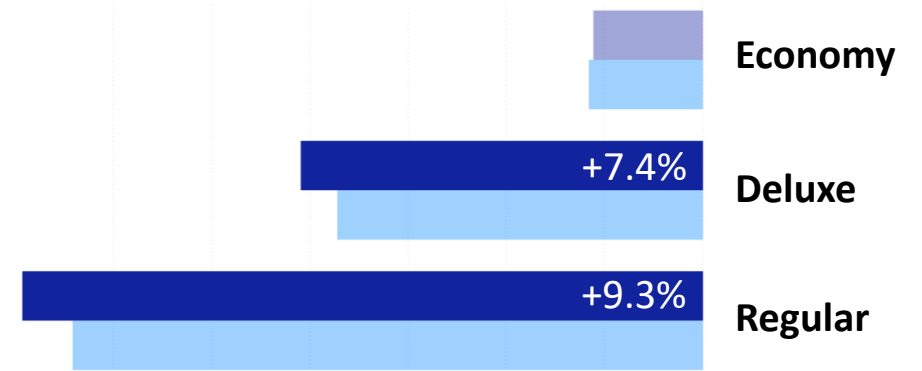
The plummet of sales in 3 highest value products was because of:

1. **Average unit price of these group increase by 15%** compared to 2007, out of that products in Regular class and Deluxe class contributed the most with 7.4% and 9.3% respectively

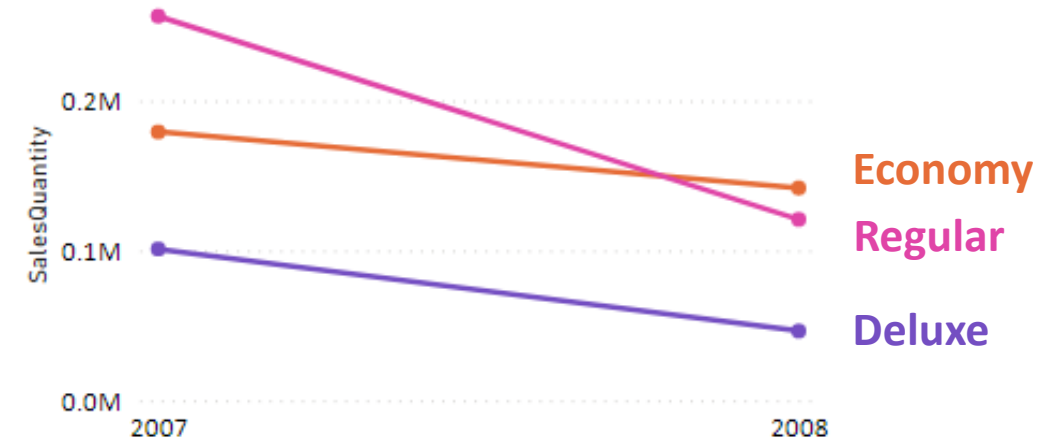
Increased in Average Unit Price in 2008



Average Unit Price by Class



2. There is a **Downward Trend** in **Deluxe & Regular** class due to the economy crisis in 2008

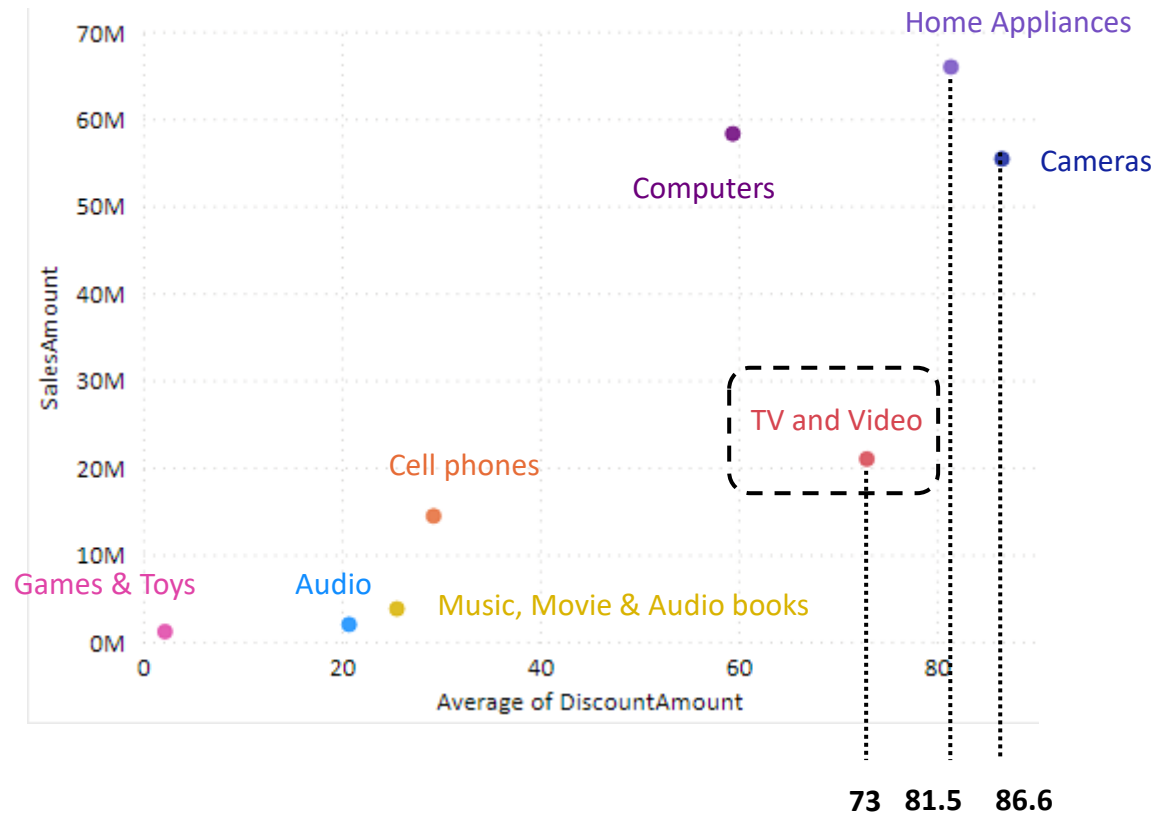


Unusual drop of sales in 3 highest value products

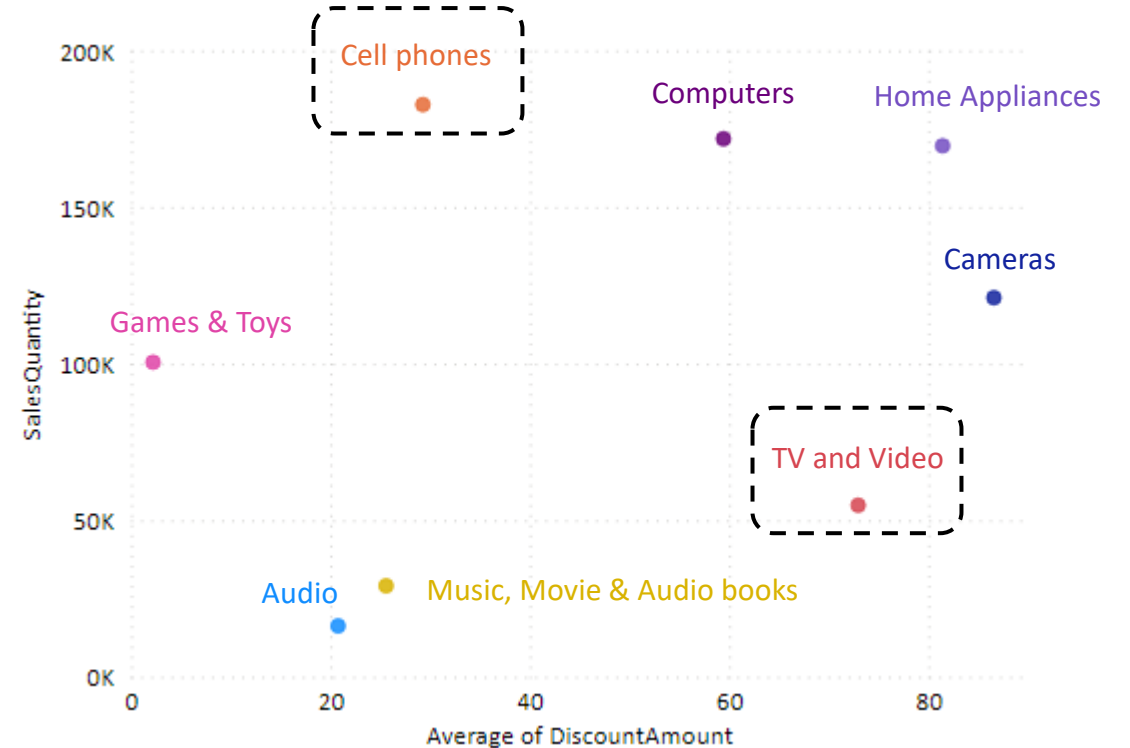
3. **Large Discount Amount** in TV and Video **EUR 73** (only behind Home Appliances and Cameras) but resulted in quite **low** Sales Amount compared to Computers. **Cameras** also brought less sales than **Computers** but had higher Discount Amount.

Surprisingly, **Cell phones** which had low Discount but it remained the **most popular products** among other Category.

Sales Amount & Discount Amount by Product Category



Sales Quantity & Discount Amount by Product Category



Summary & Recommendation

Summary

Sales Decrease by EUR 69M in Europe due to:

- Unusual fall in Sales Amount in April and frequently low shopping demand in January – after Holiday
- 3 stores closed in 2008 and ineffective Store Channel, especially in UK market
- There was surplus number of staffs in some stores but the sales performance per employee was below average
- Very low discount price during the weekend
- The increase in Unit Price of the Product Category in 2008
- There was a downward trend of 2 popular product classes: Deluxe and Regular
- High amount of Discount in poor performing Products

Recommendation

How to increase Sales Amount?

- Investigate why Projectors, Screens and Cameras had bad performance in 2008.
- Implement and expand different channels such as online and reseller in other countries in Europe, avoid sales depending mainly on Store.
- Re-evaluate Staff performance to replace or invest more in professional training to enhance employee skills and productivity level.
- Negotiate the Unit Price with vendors and suppliers to minimize cost and stimulate consumption
- More advertising campaigns focusing on the quality over price in 2 classes: Deluxe and Regular
- Rethinking the Discount Amount in poor performing Products to be lower to cut cost.