
Tackling Declining Order Value While Sustaining Growth

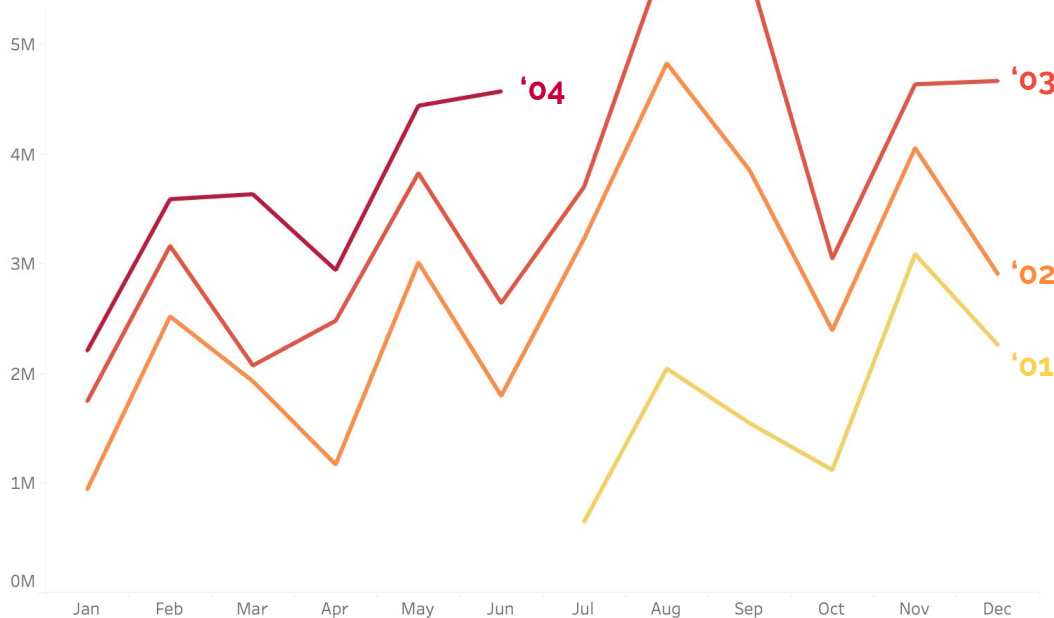
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Overview

	Total Sales	Number of Orders	Avg. Order Value
Overall	\$140.707.585 USD	31.465	\$4.472 USD
Last Year (2003)	\$54.307.615 USD	12.443	\$4.365 USD
Current Year (2004-1)	\$32.196.912 USD	13.951	\$2.308 USD

Sales Growth is Strong, But Average Order Value Is Declining Significantly

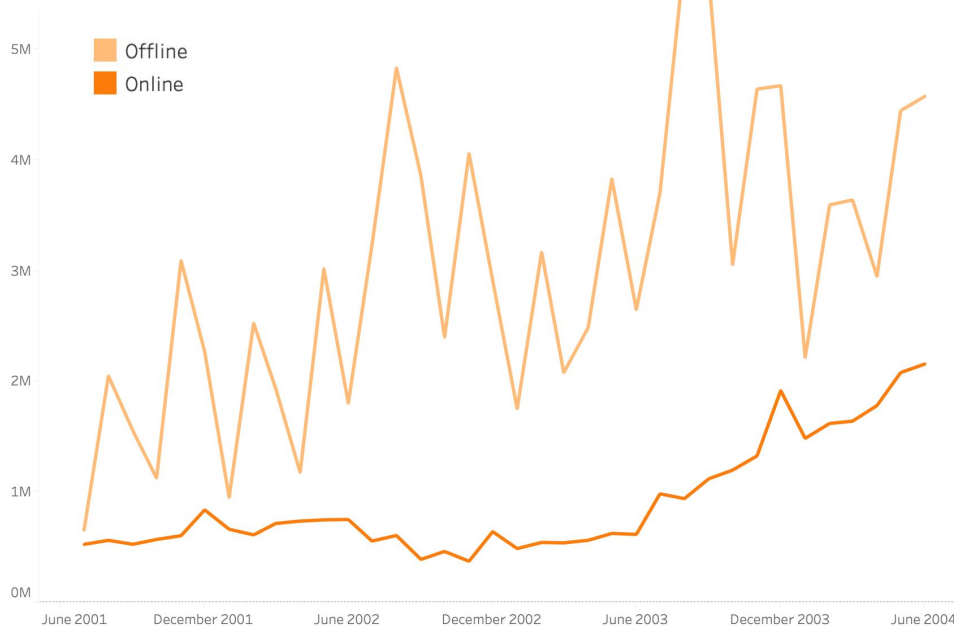
Monthly Sales



- Sales have grown by **125%**, and orders have increased by **912%** since the beginning of operations.
 - However, average order value has decreased by **78%**, impacting profitability.
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Online Sales Are Now Crucial, But Declining Order Value is Undermining Their Impact

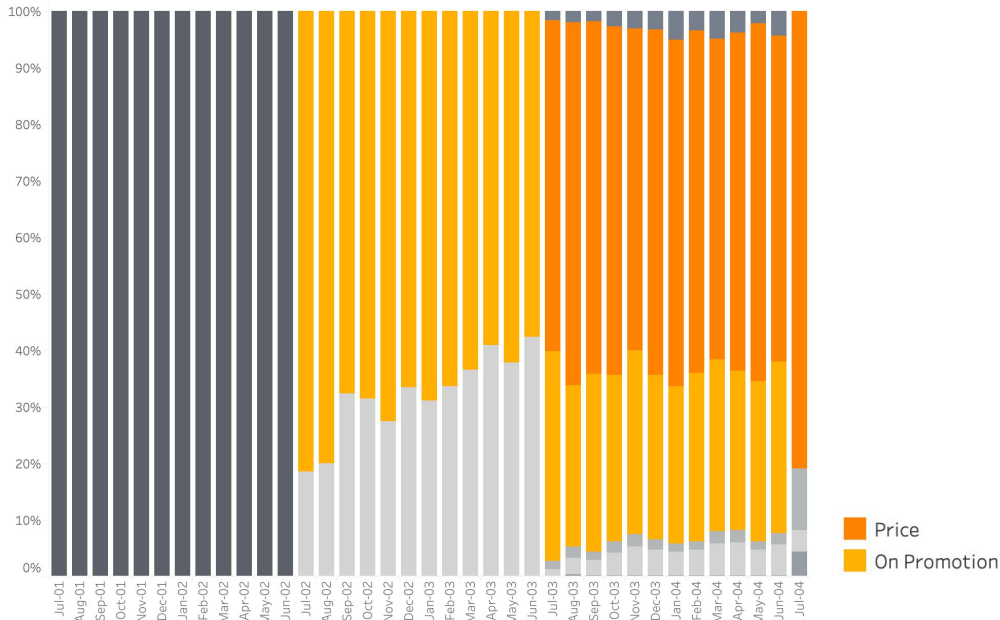
Sales by Channel



- **Online sales** are becoming an increasingly important revenue stream, with sales growing **251%** June 2003 to June 2004.
 - Despite the growth in online sales, **average order value** has **dropped** by **63.26%** from 2002 to 2003, reducing potential profits.
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Price Sensitivity and Poor Product Categorization Are Limiting Online Sales Growth

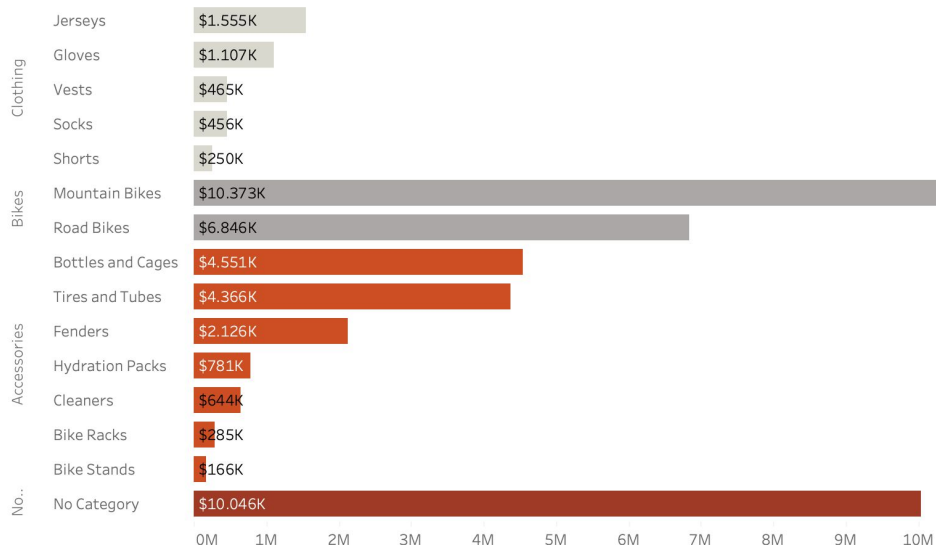
Sales Reason



- **95.8%** of online purchases are driven by price or promotions, indicating strong **price sensitivity**.
- A significant **23% of online products** are uncategorized, limiting data-driven insights and strategies for improving sales

Addressing Key Gaps in Online Strategy Will Boost Order Value and Profitability

Online Sales by Subcategory



- In 2003, **Accessories** accounted for **48.82%** of online sales, with **Tires and Tubes** contributing **33.4%**, making them key revenue drivers.
 - **Cleaners** and **Hydration**, currently at **4.8%** and **6%** of accessory sales, offer strong growth potential as recurring purchases for bikers.
 - Better product categorization will enhance targeting and pricing strategies, helping to reverse the decline in order value.
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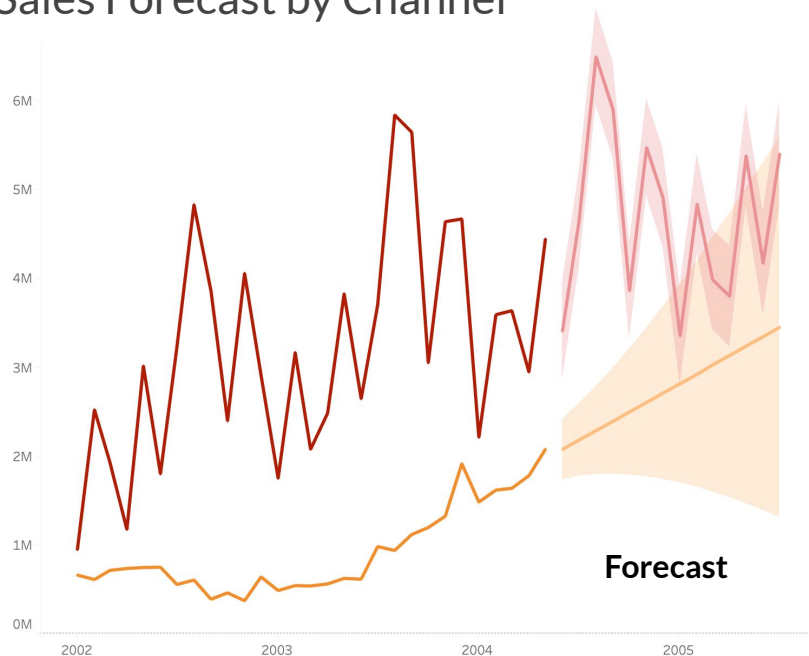
Summary

- **Online Sales Growth vs. Declining Order Value:** Despite online sales growth, average order value has dropped by **76.79%** since the first year, presenting a key profitability challenge.
 - **Price Sensitivity:** **95.8%** of online purchases are driven by price or promotions, making profitability highly dependent on discounting strategies.
 - **Product Categorization Gaps:** **23%** of online products remain uncategorized, limiting data-driven sales and marketing strategies.
 - **Seasonal Trends:** Online sales spike during **December**, presenting opportunities for targeted promotions and inventory management.
 - **Tires and Tubes Leading:** **Tires and Tubes** drive **33.4%** of accessory sales, but underdeveloped subcategories like **Cleaners** and **Hydration** (4.8% and 6%) present growth potential.
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Conclusions

Strategic Action in Online Sales Is Key to Future Profitability, With Further Analysis of Offline Needed

Sales Forecast by Channel



- Immediate action is needed to **target high-value recurring products** and **address uncategorized items** online.
 - As online sales play a larger role, maximizing order value through **bundling and promotions** is crucial.
 - A **further analysis of offline sales** is recommended, given the current focus on online sales.
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Conclusions
