**HANGMY CARGO**

**PROMOTION REPORT FROM 05/25/2022 – 06/14/2022**

**BACKGROUND**

Hang My Cargo LLC is a local business that offers shipping services from the USA to Vietnam.

**BUSINESS CONTEXT**

The company provides shipping services as below:

* International shipping servicer from the USA to Vietnam and to Cambodia.
* Domestic shipping with UPS carrier.

The project will measure the success or failure of a short promotion from May 25 to June 14, 2022.

Graphical user interface, text, application, email

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**BUSINESS PROBLEM**

* Financial problems: expenses and profit do not match, in general, the company is facing losses as the owner informed.
* Customers churn: the company is facing high customer rate churn, especially retail customers which caused a dramatic downfall in the volume of orders.

**BUSINESS OBJECTIVE (PURPOSE)**

To conclude if the reason for losses falls into one of those following:

* Overstaffed and un-well trained
* Unknown forecast for a promotion
* Losing retail customers

**PART 2: METHODOLOGY**

**1/ Making Pricing Model by statistics:**

I had proven the formula where the company could get profit if they apply promotion price as below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Call |  | X is non-taxed goods (cloths, snacks…) |  | Y is taxed goods | |  |
|  |  |  |  |  |  |  |
| (1) |  | X | <= | Y |  |  |
| (2) | promotion price | (X + Y) \*2.65 + (Y-Z) | >= | (X+Y) \* 2.95 | regular price with profit | |
| (3) |  | Z | >= | 0 |  |  |
| (4) |  | X | >= | 10 |  |  |
| (5) |  | Y | = | 1/5 \* X |  |  |
| (6) |  | Z | = | -0.2\*X | from | (2) |
|  |  |  |  |  |  |  |
|  |  | **Infer that** |  |  |  |  |
|  |  | 7Y >= 5X | to gain profit | |  |  |

However, generally, as I crossed-checked manually, 90% of bills had 7Y – 5X < 0 after first week. The trend that customers brought items with non-taxed goods was higher than taxed goods because the customers started to know about the promotion and splitted their packages to take advantages of the promotion.

**2/ Making DATA VISUALIZATION report based on the results weekly.**





Figure 1

**3/ Making DATA REPORT based on customer’s geography to see the effectiveness of this promotion.**





Figure 2

**4/ DATA VISUALIZATION on Weekday Effectiveness:**

|  |  |
| --- | --- |
| **R codes:** | setwd("D:/UTD COURSE/EXCEL/HANGMY - PROMOTION REPORT")  cat("\014")  rm(list=ls())  data = read.csv("R running for Outlier.csv")  a = c("Mon","Tue","Wed","Thu","Fri","Sat","Sun")  colnames(data) = a  set.seed(123)  boxplot(data) |

Chart, box and whisker chart

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Figure 3

**PART 3: RECOMMENDATION**

* In term of Marketing: The promotion did not reach as many customers as expected. Mostly they used Facebook to upload their promotion. They also ran the Facebook ads; however, it was not successful but burn their budget. They spent money without gaining success. They need someone who can take care of this part and follow up on the results or choose another channel which is more effective.
* In term of operation: The promotion was changed week by week, and customers cannot have enough time to adapt with the promotion. The reason they changed the price of the promotion, is because they did not measure how much they will loss at the price of $2.65. At first, the management said they can bear the loss, but they changed the conditions of applying the price after the first week I showed the result of how much they lost the potential gain. The number changed their mind.
* In term of HR: The financial situation was bad when they lost a lot of retail customers because of raising the price and lack of customer service training to new employees. They were overstaffed with wrong forecasting. They need to forecast better the peak and low days to have a better work schedule (figure 3).
* In term of customers: Based on the customer’s geography report, I can see most of the customers came from local places such as Dallas, and Garland…which are close to the physical store. To attract more customers from all over the country, the company should combine some more promotion that attracts inter-state customers. However, in order to have this success, the company should guarantee the union in providing information to customers. It requires the company to train the staff with this knowledge.