

Actionable Sales Performance Review: Revenue, Leakage & Growth Strategy

Date: December 11, 2025

Subject: Q4 Readiness & Operational Optimization Plan

1. Executive Summary

The business is currently in a healthy revenue position with **₹8.9M in Net Delivered Revenue** and a robust volume of ~22,000 orders. However, profitability is being eroded by a **6.41% revenue leakage** (cancellations/returns) and a heavy reliance on Q4 seasonality.

To scale effectively, the business must shift from passive sales accumulation to active optimization. The immediate priorities are plugging the ₹6.11L revenue leak, capitalizing on mid-week purchasing behaviors to boost conversion, and restructuring the "Miscellaneous" category to drive higher Average Order Value (AOV).

2. KPI Snapshot

Metric	Performance	Status
Gross Revenue	₹95,35,696	☑ Strong
Net Revenue	₹89,24,354	☑ Healthy
Revenue Lost (Leakage)	₹6,11,342 (6.41%)	⚠ Action Required
Avg. Order Value (AOV)	₹402.18	⚠ Room for Growth
Total Orders	~22,000	☑ High Volume
Active Customer Base	~4,000	☑ Solid Base

3. Critical Findings & Action Plans

A. Revenue Leakage Analysis (The 6.41% Loss)

Finding: ₹6.11 Lakhs was lost to cancellations and returns. While 6.4% is not catastrophic, it represents a significant amount of wasted operational effort (shipping, handling, restocking).

Actionable Steps:

- **Audit Top 10 Returned SKUs:** Identify if specific products in *Kitchen & Dining* or *Home Décor* have disproportionate return rates due to poor descriptions or fragility.
- **Post-Purchase Survey:** Implement an automated email for cancelled orders asking a single question: "Why did you cancel?" to identify friction points (e.g., shipping costs, delivery time).

B. Timing & Marketing Optimization

Finding: Sales peak on Thursdays and hover between 10:00 AM – 2:00 PM.

Actionable Steps:

- **Email Scheduling:** Shift marketing email blasts to **Thursday at 9:45 AM**. This ensures the email hits the inbox just before the peak purchasing window (12 PM).
- **Ad Spend Allocation:** Increase bid caps on Google/Facebook Ads specifically for Mon–Thu between 10 AM and 2 PM. Reduce spend on weekends when conversion is lower.

C. Category & Product Strategy

Finding: "Miscellaneous" is the top revenue category (33%), followed by "Kitchen" (19%). The Paper Craft item drives volume (80k units), while the Regency Cakestand drives value.

Actionable Steps:

- **Re-categorize "Miscellaneous":** A third of revenue is sitting in a vague category. Analyze these items and move them into specific niches (e.g., "Gifts," "Office," "DIY") to improve SEO and targeted advertising.
- **The "Volume + Value" Bundle:** Create a bundle offering the high-volume *Paper Craft* items with the high-ticket *Regency Cakestand*. This leverages the popularity of the cheap item to upsell the expensive one, increasing AOV above the current ₹402.

D. Seasonal Preparedness

Finding: Q4 is the dominant sales period; September shows the highest spike (early holiday shopping).

Actionable Steps:

- **Inventory Loading:** Stock levels for *Home Décor* and *Kitchen* must be maximized by **August 15th** to prevent stockouts during the September surge.
 - **"Early Bird" Campaign:** Launch a specific campaign in the first week of September to capture the early surge demonstrated in the 2011 data.
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4. Strategic Roadmap

Phase 1: Immediate Optimization (Weeks 1-4)

1. **Stop the Bleeding:** Review the top 50 returned orders to identify a pattern (damaged in transit vs. wrong item).
2. **Optimize Ads:** Adjust ad schedulers to prioritize the Mon-Thu 10 AM-2 PM window.
3. **Fix AOV:** Introduce a "Free Shipping on Orders over ₹600" threshold to push the ₹402 average up by ~50%.

Phase 2: Retention & Segmentation (Weeks 5-8)

1. **Segment the Database:** Split the 4,000 customers into VIPs (High Spend) and Occasional shoppers.
2. **Target the "Paper Craft" Buyers:** Since 80k units were sold, this is a massive list of leads. Cross-sell *Home Décor* items to this specific audience using email marketing.

Phase 3: Seasonal Scaling (Q3 Pre-Planning)

1. **September Sprint:** Prepare marketing assets for a "Holiday Kickoff" sale in September to match historical highs.
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5. Conclusion

The business has a winning product mix and strong peak-season performance. The current challenge is not generating *more* traffic, but optimizing the traffic we have. By reducing the 6.4% leakage and raising the AOV from ₹402 to ₹600 through bundling, net revenue can increase significantly without additional ad spend.