



BUSINESS DATA MANAGEMENT

Capstone Project Proposal

Optimizing Sales and Problems faced by Ethnic Fashion Brand

Submitted By

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Declaration Statement:

I am working on a Project titled "**Optimizing Sales and Problems Faced by Ethnic Fashion Brand**". I extend my appreciation to **Adornia** , for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered from primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the principles of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I affirm that this project is my own individual work, completed without any collaboration with others. I fully understand that if plagiarism is detected at any stage, I will be subject to disciplinary actions as determined by the relevant authority..

I understand that all recommendations made in this project report are within the context of the academic project taken up towards course fulfillment in the BS Degree Program offered by IIT Madras. The institution does not endorse any of the claims or comments.

Kushal Tiwari

Signature of Candidate: (Digital Signature)

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Date: 01-02-2025

Executive Summary :

The project focuses on Adornia, an ethnic fashion brand based at Noida. Currently, it works as a B2C e-commerce enterprise which sells clothes and accessories using the traditional artistry and unique designs in the products.

Adornia is currently facing a variety of issues, which include unstable sales patterns, high return rates, and intense competition in the market. Unstable sales patterns make it difficult to generate consistent revenue, while high return rates have a negative impact on profitability. In addition, the stiff competition from other ethnic fashion brands adds more pressure to the pricing policies and customer retention.

In the solutions of the above-mentioned problems, this project will make use of several types of analytical methods like trend analysis, customer segmentation, and predictive modeling. Market research would be equally important for finding the competitive strategies of Adornia and gaps in the present practice. Recommendations in streamlining the process of inventory planning, raising customer satisfaction, and improving marketing strategies will be derived from the findings mentioned above.

The expected outcome of this project will be to make Adornia achieve a more stable sales curve, decreased return rates, and, above all, a strong position in a competitive marketplace. With the proposed strategies, the brand can expect increased profitability along with lasting and significant customer loyalty.

Organization Background :

Adornia is an ethnic fashion brand that supports the cause of cultural diversity and artisanality through its elegant designs and quality clothes. The brand is all about inclusivity and the dignified representation of different heritages through unique offerings and designs.

Founded in 2023 by Gaurav Dwivedi, with turnover of 25 lakhs. Adornia has positioned itself in the fashion industry with the emphasis on superior craftsmanship and contemporary design principles. The organization functions 24/7 through its digital platform, catering to a diverse range of customers interested in luxury trends as well as ethnic fashion.

Adornia is based on the purpose of making people look good, providing quality products at reasonably accessible price points, long-lasting, and comfortable due to the use of quality materials. It desires to be recognized within the fashion industry based on distinctive designs and customer satisfaction. The variety within Adornia includes a wide range of women's ethnic wear: kurta sets, suits, lehengas, fusion wear, coordinated sets, and various dresses using traditional techniques such as bagru, bandhej, ajrakh, leheriya, and banarasi. Future Developments: Western wear will comprise a line introducing coordinated outfits, dresses, and tops.

Problem Statement :

- **Sales Irregularities:** Adornia experiences variations in sales due to seasonal demand fluctuations and inconsistent market trends, impacting revenue stability.
- **High Return Rate:** High return rates are primarily due to sizing issues, quality concerns, and customer dissatisfaction, resulting in increased operational costs and logistical challenges.
- **Intense Market Competition:** Adornia contends with fierce competition in the ethnic fashion industry, necessitating efforts to scale operations, expand market reach, and innovate to maintain a competitive edge.

Background of the Problem:

Adornia is struggling much in operation due to the main issues it faces: sale irregularities, return issues, and market competition. These are brought about by internal and external factors affecting the entire fashion industry.

The issue of sales irregularities arises from aggressive discounting by the brand, with some products available for sale at up to 60% off. This may be part of the strategy to attract customers, but is not feasible for a long period of time and may be eating into profit margins. External factors such as seasonality, market trends, and economic uncertainties also play a role in destabilizing sales.

The second big issue is the high return rate of an estimated 25-35%, which might even reach 40% during sale periods. This is mainly due to customers ordering the wrong size or receiving products that are different from what they had expected. Externally, competitive pressure could force Adornia to over promise or cut corners, leading to customer dissatisfaction.

With e-commerce on the rise and new players in the fashion industry, market competition is getting stiffer. Adornia feels the pressure to offer free and fast shipping options, which puts additional pressure on profitability. Operating in a digital marketplace, the brand is expected to seamlessly offer shopping and easy returns-an expectation from customers that is very high. New market dynamics, new competitors and pricing pressures, make it harder to gain market share.

Problem Solving Approach:

Data Collected:

Mr Dwivedi is currently facing some issues which include uneven sales trends, greater product return rates, and strong market competition, which will be addressed using a comprehensive, data-driven strategy. This begins with collection of critical data, such as **sales performance by region, product category, seasonality, and sales channels**, to identify the return issues.

Additionally, an analysis of customer complaints-including **reason of returns, ratings, and feedback**-will be done to highlight recurring quality issues or consumer dissatisfaction. for intense market competition data will be analyzed about **competitive markets' price strategies, promotions, and new product introductions** to understand what external pressures have arisen.

And an equal amount of operational data over production quality and level of inventory will help to identify internal inefficiencies.

Methods Used:

1. Trend Analysis: This is the analysis of past sales data on seasonality, high demand periods, and irregular behavior. This will help improve forecasting and inventory control.
2. Customer Segmentation: Segments the customers based on their demographics, buying behavior, and return history, thus targeting a specific group of customers with proper marketing and improvement in products.
3. Predictive modeling: helps in estimating the sales, which can predict probable returns, forecast competitive changes, through machine learning algorithms. This thus enables proactive decisions.
4. Root cause analysis: Determine the return reasons in detail so that repeated quality issues, product mismatches, or communication gaps could be identified.

Tools Used:

Excel will be our main tool for organizing and doing basic calculations on sales data. For more advanced data cleaning and analysis, we will use **Python**, specifically the **Pandas** library for handling data and **NumPy** for calculations. Also some **Machine Learning models** will be used, We will Implement **(CRM) Systems Customer Relationship Management** tools to track customer interactions, feedback, and purchasing patterns. To create easy-to-understand visuals, we will utilize **Datawrapper** and other related tools in producing charts and graphs describing trends and patterns. Lastly, we will use **Google Docs** for documentation.

By integrating these strategies and tools, Adornia will address its challenges holistically, ensuring improved sales consistency, reduced returns, and a competitive edge in the market.

Expected Timeline :

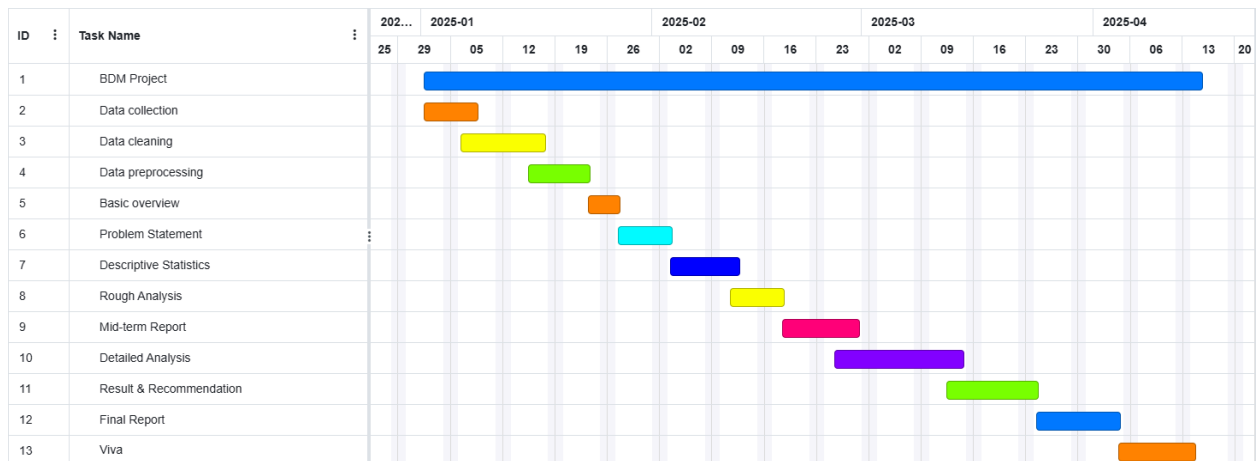


Figure 1 : A Gantt Chart

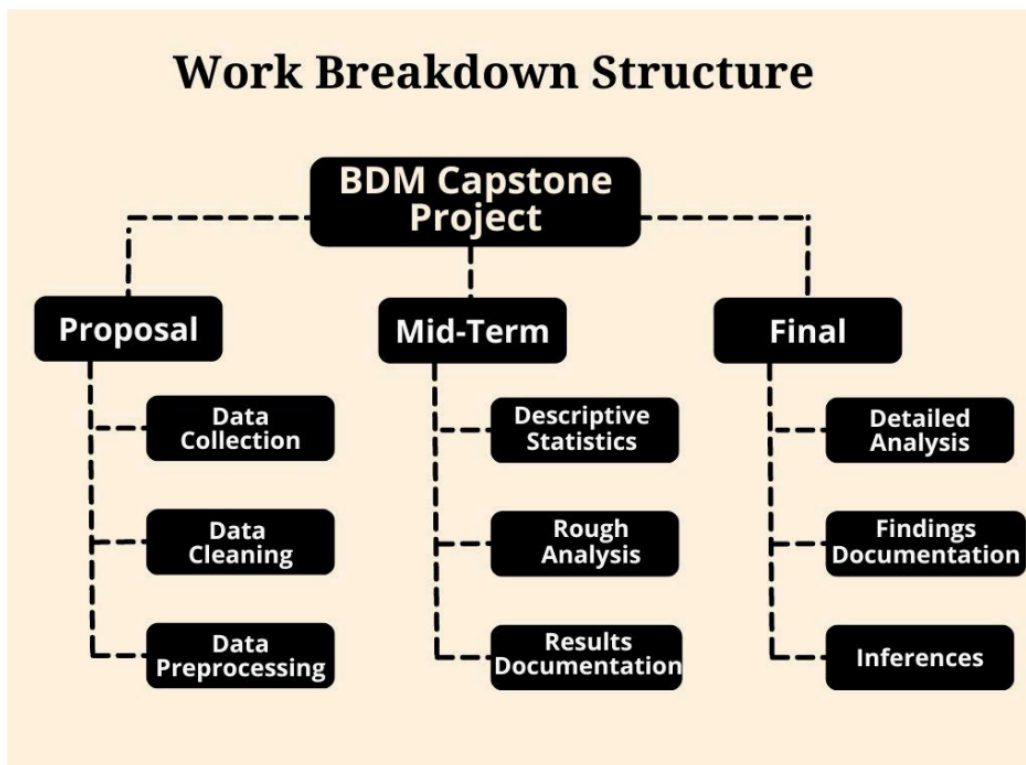


Figure 2 : A Work Breakdown Structure

Expected Outcomes :

- Identification of Sales Patterns: Trend analysis will show seasonal fluctuations in demand, identify high-performing regions, and define the top product categories sold so that more precise forecasting and planning can be carried out.
- Reduction in Product Returns: Analysis of why returns are occurring and customer feedback will reveal recurring problems with specific products, leading to better quality products, accurate descriptions, and better match to customer needs.
- Competitive Edge: With a combination of market research and predictive modeling, Adornia can identify emerging market trends and make appropriate strategy changes in advance of competitors.
- Sustainable Growth: A data-driven approach to sales, returns, and competition will set a strong basis for scaling the business effectively and achieving long-term success.