Sales Report

“ Analysis on sales of "Oracal" products in the last 5 months “

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Dear [Recipient],

Here is a more in-depth breakdown of our sales data for adhesive products from the last five months:

Top and Bottom Products

Our best-selling product is 'Adhesive Product 1', which has sold approximately 6900 units, while our least-selling product is the 'Reflective White Adhesive Product 2', with only around 0.7 units sold. This data highlights products that have high demand in the market and those that aren't performing as well. Such information could help us focus on promoting high-demand products while re-evaluating our strategies or discontinuing low-performing products.

Statistics:

<u>Top</u>

Adhesive Product 1   ~6900 units

Adhesive Product 3   ~4300 units

Adhesive Product 4   ~3900 units

Adhesive Product 5   ~3500 units

Adhesive Product 6   ~3500 units

Adhesive Product 7   ~2800 units

Adhesive Product 8   ~2600 units

Adhesive Product 9   ~2200 units

Adhesive Product 10 ~2000 units

Adhesive Product 11 ~1800 units

Adhesive Product 12 ~1500 units

Bottom

Reflective White Adhesive Product 2 ~0.7 units

Adhesive Product 13 ~2.5 units

Adhesive Product 14 ~3 units

Adhesive Product 15 ~3 units

Reflective Blue Adhesive Product 16 ~3 units

Adhesive Product 17 ~4 units

Adhesive Product 18 ~4 units

Adhesive Product 19 ~6 units

Adhesive Product 20 ~13 units

Adhesive Product 21 ~15 units

Adhesive Product 22 ~15 units

Solution:

Promoting High-Demand Products to Bigger Clients (Sign-makers or Resellers)

Personalized demonstrations and training sessions could be very effective. By tailoring the sessions to the client's needs, we can directly showcase the value, versatility, and cost-effectiveness of our products.

Volume discounts could be a great incentive. By offering discounts for bulk purchases, we can not only increase sales but also assure that our products gain more visibility in the market.

Let's not overlook the power of B2B marketing. Strategies such as LinkedIn advertising, email marketing, and SEO could reach these larger clients effectively. Even traditional marketing strategies like trade shows and industry events could be quite beneficial.

We should consider establishing partnership programs, offering exclusive deals, priority shipping, or early access to new products. It could also be advantageous to consider collaborative marketing efforts.

I propose we assign dedicated account managers to these larger clients to provide personalized service, understand their specific needs, and build relationships.

Strategy to Sell Lower Performing Products:

We could bundle these products with high-performing ones. This might increase their perceived value.

Targeted marketing could be used to reach potential customers or industries that might find these products useful.

Promotions or discounts could be offered to attract price-sensitive customers.

Educating customers about the benefits of these products might increase demand.

It would be beneficial to understand why these products are low-performing. Is it due to price, quality, or lack of demand? Feedback from customers could be invaluable here.

These strategies are just suggestions, and we should monitor their effectiveness and adjust accordingly as every market is unique.

Sales Concentration

Around 69% of our total sales are contributed by the top 10 products. Such a high sales concentration suggests that our product range may be too narrow. We could benefit from diversifying our product line to reduce risk and dependence on a small selection of products.

Statistics:

- Top 10 products account for 68.77375250025895% of total sales.

Solution:

- Same as the first problem.

Sales Statistics

The average (mean) sales per product is about 44 m², with a median of 25 m². The high standard deviation of 59, however, suggests a significant variation in sales between products. In business, a high standard deviation could mean that there's a significant opportunity for improvement, or that we're not yet meeting consumer demands effectively.

Statistics:

- Mean Sales: 43.84416744473918
- Median Sales: 25.0
- Mode Sales: 63.0
- Standard Deviation of Sales: 59.00689501044831
- Variance of Sales: 3481.8136587740696

There's a pretty wide range in our sales figures, showing that we might have a bit of inconsistency in how well our products are doing. This could be because of varying demand, or it could mean that some products are simply outperforming others. Either way, it's clear we need a game plan to iron out these kinks. Here are a few ideas:

Demand Forecasting: Let's dive into our past sales data, industry trends, and other relevant details to predict what demand might look like in the future. This could help us manage our inventory better, so we're not stuck with overstock or scrambling to fill orders.

Customer Segmentation: We've got a wide variety of customers, so why not split them up based on how they shop, what they want, and what they're interested in? This can give us a clearer picture of the demand in each segment, making our sales more consistent.

Product Promotion: We could ramp up marketing for the products that aren't selling as well. If we can get more products to be top sellers, we're not so reliant on just a few all-stars, and we'll see less variability in our sales figures.

Regular Customer Feedback: We should keep our finger on the pulse of what our customers are thinking. Regular feedback will clue us in on shifting customer preferences, so we can adjust our strategy and make our sales more consistent.

Inventory Management: Let's get our inventory system in tip-top shape. If we always have the right products on hand when customers want them, we're less likely to overstock or run out of items, leading to more consistent sales.

With these strategies in place, we can work on getting our sales figures to be more steady and predictable. This not only helps us meet our customers' needs better but also sets us up for more sustainable success.

Sales Variability

I noticed that a handful of our products, such as "Product A," show quite a bit of sales variability. This means that demand for these items fluctuates pretty dramatically. There could be a number of reasons for this - perhaps it's a seasonal effect, or our marketing efforts aren't landing as expected, or even other external factors we haven't accounted for. We need to dig a little deeper to understand what's going on here.

Statistics:

Products with High Sales Variability

Product A - 2.033497

Product B - 1.849310

Product C - 1.793923

Product D - 1.744634

Product E - 1.656805

In order to manage these fluctuations, we may need to adjust our strategies. This could involve modifying our marketing efforts, accounting for seasonality, or perhaps even rethinking how we manage these specific products. We're in this together, so let's figure out our next steps.

Solution:

It seems that we're seeing quite a bit of sales variability with some of our products. Sales variability refers to the changes in the amount of these products sold over a certain period. If there's high variability, it implies that the sales numbers for these products are changing significantly from one month to the next.

In order to understand why this is happening, we need to dig a little deeper. Here's how we can go about it:

Seasonality: We need to look at whether there's a seasonal pattern to these sales. For instance, are these products more popular during certain times of the year due to holidays, seasons, or events?

Marketing and Promotions: It might be worth considering if our marketing campaigns or sales promotions coincide with sales peaks. If we see a spike every time we run a promotion, it could be a contributing factor.

Stock Availability: We should also check if these sales fluctuations are tied to stock availability. If we're frequently running out of these products, it might look like sales are fluctuating when it's actually a supply issue.

Competitor Activity: Keeping an eye on the competition is always a good idea. If competitors are launching similar products or undercutting us on price, it could affect our sales.

Once we've identified the potential causes, we can then think about what adjustments we need to make:

For Seasonality: If we find that some products have a seasonal demand, we might want to start ramping up our advertising before these peak periods. Additionally, we should also manage our inventory to meet this increased demand.

For Marketing and Promotions: If promotions seem to be driving these peaks, we could think about running these more regularly or adjusting our pricing strategy.

For Stock Availability: If stock availability is an issue, we need to reassess our supply chain and consider increasing our safety stock for these products.

For Competitor Activity: If we find that competitor activity is having an impact, we'll need to think about how we can adjust our strategy, whether that's through price, quality, or marketing.

Please keep in mind that we're not necessarily trying to eliminate sales variability, but rather to understand and manage it better. This will allow us to plan more effectively and make sure our business strategy is as robust as possible.

Skewness and Kurtosis

In order to better understand our sales data, we've been looking at two important statistical measures – skewness and kurtosis. These measures help us describe the shape of our sales data distribution. Let's break down what our specific values mean:

Skewness: Skewness looks at the symmetry, or lack thereof, in our data. When the skewness is 0, it means our data is perfectly balanced, or symmetrical. However, our skewness value is 3.69, which tells us our data is skewed to the right. In other words, a handful of our products are selling at much higher volumes compared to others. This is pulling up our average sales and indicating that a relatively small portion of our product line is responsible for a significant chunk of our sales volume.

Kurtosis: Kurtosis, on the other hand, measures how extreme the outliers are in our data set. Our kurtosis value is 21.79, which is quite high. This means that we're seeing more extreme values – both high and low – than we'd expect in a normal distribution. Essentially, we have some products that are massive hits, selling much better than the rest, and possibly a few that aren't doing well at all.

So, what does this all mean? Our skewness and kurtosis values suggest we're heavily reliant on a few high-performing products for our revenue. While this isn't necessarily a bad thing, it does pose a risk should demand for these products fall. Additionally, it highlights an opportunity for us. We need to understand why these products are performing so well and if we can apply those insights to boost sales of other products.

Let's keep this in mind as we move forward and strategize how best to leverage our product line to optimize sales and minimize risk.

<u>Statistics:</u>

- Skewness = 3.6882745380259028
- Kurtosis = 21.78744077454376

Pareto Principle (80/20 rule)

The Pareto Principle, or the 80/20 rule, which states that in a business context, 80% of sales come from 20% of products. About 17% of our products are responsible for 80% of our sales. These high-performing products are crucial to our business, and we should prioritize maintaining adequate stock levels of these items to meet demand.

Statistics:

- ‘Product L’ pushed sales over 80%.
- 17.02127659574468% of products make up 80% of sales.

Solution:

If we aim to broaden the number of our products that make up the majority of our sales, there are a few strategies we should consider employing:

Highlight Our Best Sellers: Marketing and promotional strategies can spotlight our best selling products. This might involve offering discounts, creating attractive bundles, or showcasing them prominently in our advertising efforts.

Customer Behavior Analysis: We should strive to understand why our customers gravitate towards our top performers. By leveraging customer feedback, surveys, and sales data, we can get a clearer picture of what makes these products resonate with our clientele (be it price, quality, functionality, etc.). From there, we can attempt to replicate these qualities in our other products.

Enhance Product Visibility: It's crucial that our star performers are readily visible to customers. This could be achieved through strategic placement on our website or in our physical stores. If our products are more searchable, they'll likely sell better.

Expansion of Distribution Channels: We might consider diversifying the platforms on which our top sellers are available. If our sales are primarily in-store, it may be worth exploring e-commerce options. If we're already selling online, it could be advantageous to expand to additional online marketplaces.

Remember, our focus should be on optimizing what's already working for us and looking for opportunities to replicate that success across our product range.

Sales Velocity

Please take note that our product "Product B" is showing the fastest monthly sales rate, with an impressive average of 122 units sold per month. Sales velocity is an important metric, giving us an idea of how quickly a product is being snapped up once it hits our shelves. This kind of information is crucial for forecasting demand and fine-tuning our inventory management.

Let's keep an eye on the sales trends of this product, as its high performance can offer valuable insights for other product strategies.

Statistics:

Sales Velocity Monthly (distributed equally to 5 months)

1. Product A - 122.0
2. Product B - 105.0
3. Product C - 100.0
4. Product D - 88.2
5. Product E - 88.2
6. Product F - 75.6
7. Product G - 73.5
8. Product H - 73.2
9. Product I - 70.0
10. Product J - 61.0

Solution:

Based on our data analysis, I've outlined a few strategies to help enhance our sales performance.

Product Portfolio Re-evaluation: We should place more emphasis on our top-selling products, but let's also consider expanding our product range to reduce the dependency on a small selection of items. For low-performing products, it might be time to consider either discontinuing them or brainstorming ways to boost their sales.

Inventory Management Enhancement: For products showing high sales variability, we might need to adopt a more flexible inventory strategy. Techniques such as 'Just-In-Time' inventory management or drop shipping could be suitable options to help prevent overstocking or understocking situations.

Demand Forecasting Improvement: We can use our sales velocity data to anticipate future demand with greater accuracy. By ensuring optimal stock levels, we not only satisfy customer needs promptly but also reduce the risk of stockouts.

Lead Time Reduction: For high-velocity products, we should negotiate with suppliers to decrease lead times. This would allow us to maintain lower inventory levels, save on holding costs, and still meet customer demand effectively.

Sales Variability Investigation: It's important to identify the root causes behind the high sales variability of certain products. If we're dealing with seasonal demand, enhanced forecasting could be our answer. However, if the fluctuations stem from inconsistent marketing efforts, we might need to maintain steadier marketing strategies.

Implementing these steps will position us to improve our inventory management, reduce costs, and increase customer satisfaction. Ultimately, this should also give our profits a significant boost.

Let's touch base soon to discuss these strategies in more detail.

Best Regards,

Mert Jusufi