

## A. Situation

The online store operates three branches in Ho Chi Minh City, Da Nang and Ha Noi, with sales across these locations being evenly distributed.

- It offers 6 product lines, each contributing a similar proportion to total revenue.
- Customers use 3 payment methods, each accounting for a comparable share of overall sales.
- The product prices range from \$10 to \$100, with items priced above \$40 contributing more than 80% of the total revenue.

Revenue trends in Q1 showed fluctuations.

- January started strong but February saw a decline before rebounding in March.
- This drop was largely due to February's shorter duration which reduced the total number of sales days.
- Additionally, the Vietnamese holiday season influenced product demand. Food and Beverage sales peaked in February due to increased holiday consumption, while Home products experienced a decline as consumer spending shifted away from this category.

## B. Complication

Beyond total revenue, breaking down the data by city revealed an uneven trend. Hanoi and Ho Chi Minh followed the same pattern as the overall trend while Danang differed. After declining in February, it did not rebound in March. This indicates a city-specific challenge that requires targeted solutions.

### 1. Da Nang

Da Nang faced distinct challenges, primarily driven by supply issues.

- Sales in Electronics accessories, Fashion accessories and Food and beverages declined compared to January and the \$60-\$100 price range saw the sharpest drop.
- Stock shortages were a major concern—Electronics accessories and Fashion accessories had no sales in the \$60-\$80 range in March, while Food and beverages products in the \$80-\$100 range experienced a 90% decline.

### 2. Ho Chi Minh City:

Although not showing a heavy decline trend, the Ho Chi Minh City branch still encountered challenges related to marketing and payment.

- Sales in the Home and lifestyles and Fashion accessories categories declined. Sales in the \$40-\$100 price range dropped significantly.
- A closer look revealed that purchases from members fell by 64%.
- Additionally, payment issues contributed to the decline. Cash transactions decreased in the Home and lifestyle category, while e-wallet payments declined in Fashion accessories.

### **3. Ha Noi**

Ha Noi performed well, however it can be improved in Marketing.

- Some product lines had an upward trend, while others struggled, particularly Health and beauty as well as Sports and travel.
- The root cause of these issues was linked to marketing challenges. Both categories faced lower demand, especially for products priced \$60-\$100.
- Specifically, Health and beauty sales declined among normal customers, especially females, while the Sports and travel category saw a drop in purchases from members.

## **C. Key Question: How to Improve Overall Performance**

To determine the best course of action, the store needed to identify the key factors affecting sales and prioritize interventions accordingly. The most critical considerations included each product line's contribution to revenue, the significance of specific price ranges, and the severity of sales declines.

## **D. Recommendations**

### **Prioritization: Focus on Da Nang First**

- Since overall performance in Ha Noi & Ho Chi Minh City was stronger, the immediate focus should be on addressing the more pressing challenges in Da Nang.
- By stabilizing this market first, the business can then shift attention to optimizing the other two's growth potential.

### **Da Nang: Fixing Supply Chain Issues**

- Addressing supply shortages is the top priority in Da Nang.
- Ensuring adequate stock levels for Electronics accessories, Fashion accessories and Food and beverages is critical, particularly in price ranges where demand exists but inventory is unavailable.

### **Ho Chi Minh City: Retention & Payment Solutions**

- Retention marketing efforts should be intensified, particularly in the Home and lifestyles and Fashion accessories categories, to re-engage past customers.
- Additionally, resolving payment-related issues—such as cash transaction declines in Home and lifestyles and e-wallet payment drops in Fashion accessories —will improve the shopping experience and help stabilize sales.

### **Ha Noi: Conversion & Retention Strategies**

- Ha Noi requires a combined focus on conversion and retention, with particular attention to the Health and Beauty and Sports and travel categories.
- Efforts should be directed at acquiring new customers while re-engaging existing ones, especially female customers in Health and beauty and members in Sports and travel.

## **Leveraging External Events**

- Seasonal trends and holidays should be used strategically.
- For product lines that experience increased demand during peak seasons, ensuring sufficient stock is crucial.
- Meanwhile, categories that typically see a decline during holidays can benefit from targeted discounts and promotions to sustain engagement and drive sales.