

Part 2: P&L

1. Recreate a simplified P&L for Winter Sports at the weekly level. How much profit or burn is Winter Sports creating for Curated?
- Contribution Margin 1 (CM1) = Revenue - COGS - CC Transaction Fee - Expert Costs

• Contribution Margin 2 (CM2) = Contribution Margin 1 - Marketing Costs
2. What insights do you have on the performance of the category? Given more time, what might you want to dive further into, and what data would you need to do so?
- Observations

◦ CM1 Rate is steady for the period.

◦ CM2 Rate is steadily increasing for the period.

▪ CM2 is inflated since Marketing Costs impact all categories, not just Winter Sports.

◦ We see the largest profit but the smallest revenue in the last week.

▪ See the first point in Future work.

◦ Order size (monetarily) is consistent.

• Future work

◦ Although CM2 provides a snapshot of the current spend/cost, marketing spend is unlikely to be realized in the same week.

▪ I.e. revenue is lagged with marketing spend.

▪ Investigate costs for previous periods to identify the lagging time of marketing spend to revenue.

▪ Using our attribution model, we can estimate the marketing spend for each order using the user's journey of touchpoints.

◦ Aside from marketing spend, the 5-week period we're investigating is Black Friday/Christmas, and there's seasonality.

▪ Are there discounts/sales impacting revenue?

◦ Investigate other non-fixed costs (e.g. Expert Costs) and room for optimizations.

◦ Compare Winter Sports to other categories.

▪ Do we see similar trends in other categories?

◦ \*If CM2 and marketing ROI are positive, we can optimize spending.
- CM1 Rate and CM2 Rate and CM1 and CM2 by Day of Week
- | Date       | CM1    | CM1 Rate | CM2    | CM2 Rate |
|------------|--------|----------|--------|----------|
| 2022-11-28 | \$331k | 18%      | \$82k  | 5%       |
| 2022-12-05 | \$220k | 20%      | \$68k  | 6%       |
| 2022-12-12 | \$243k | 23%      | \$94k  | 9%       |
| 2022-12-19 | \$178k | 22%      | \$57k  | 7%       |
| 2022-12-26 | \$177k | 21%      | \$100k | 12%      |
- Revenue and COGS and Marketing Costs and CC Transaction Fee and Expert Costs and Order Count by Day of Week
- | Date       | Revenue | COGS   | Marketing Costs | CC Transaction Fee | Expert Costs | Order Count |
|------------|---------|--------|-----------------|--------------------|--------------|-------------|
| 2022-11-28 | \$1.8M  | \$1.3M | \$249k          | \$55k              | \$126k       | 3.7k        |
| 2022-12-05 | \$1.1M  | \$752k | \$153k          | \$32k              | \$73k        | 2.1k        |
| 2022-12-12 | \$1.1M  | \$704k | \$149k          | \$32k              | \$73k        | 2k          |
| 2022-12-19 | \$802k  | \$545k | \$121k          | \$24k              | \$55k        | 1.6k        |
| 2022-12-26 | \$831k  | \$572k | \$77k           | \$25k              | \$57k        | 1.6k        |
- Weekly P&L for Winter Sports
- | Week                | Revenue | CC Transaction Fee | COGS   | Expert Costs | CM1    | CM1 Rate | Marketing Costs | CM2    | CM2 Rate | Order Count |
|---------------------|---------|--------------------|--------|--------------|--------|----------|-----------------|--------|----------|-------------|
| 2022-12-26 00:00:00 | \$831k  | \$25k              | \$572k | \$57k        | \$177k | 21%      | \$77k           | \$100k | 12%      | 1.6k        |
| 2022-12-19 00:00:00 | \$802k  | \$24k              | \$545k | \$55k        | \$178k | 22%      | \$121k          | \$57k  | 7%       | 1.6k        |
| 2022-11-28 00:00:00 | \$1.8M  | \$55k              | \$1.3M | \$126k       | \$331k | 18%      | \$249k          | \$82k  | 5%       | 3.7k        |
| 2022-12-12 00:00:00 | \$1.1M  | \$32k              | \$704k | \$73k        | \$243k | 23%      | \$149k          | \$94k  | 9%       | 2k          |
| 2022-12-05 00:00:00 | \$1.1M  | \$32k              | \$752k | \$73k        | \$220k | 20%      | \$153k          | \$68k  | 6%       | 2.1k        |

5 Rows – 11 Columns

fact_pu...	fact_pu...	fact_pu...	dim_us...	dim_us...	fact_pu...	dim_u...	fact_pu...	fact_pur...
<a href="#">https://...</a>	52074...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$7,719...	\$4,510.09
<a href="#">https://...</a>	16040...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$4,751...	\$4,464.11
<a href="#">https://...</a>	94714...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$4,318...	\$2,505.79
<a href="#">https://...</a>	32380...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$4,148...	\$3,117.77
<a href="#">https://...</a>	33063...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$3,834...	\$2,026.03
<a href="#">https://...</a>	58070...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$3,356...	\$2,387.54
<a href="#">https://...</a>	41871...	urn:ord...	<a href="#">https://...</a>	urn:use...	2022-1...	2022-...	\$3,353...	\$2,170.18

11,071 Rows – 9 Columns

Week	Revenue	CC Transaction F...	COGS	Experts Costs	Ch...
2022-11-28 00:00:00	\$1,818,470.56	\$54,554.12	\$1,306,728.52	\$125,834.93	\$332,7...
2022-12-05 00:00:00	\$1,077,310.06	\$32,319.30	\$751,861.70	\$73,081.12	\$220,0...
2022-12-12 00:00:00	\$1,051,059.70	\$31,531.79	\$703,930.06	\$72,928.79	\$243,2...
2022-12-19 00:00:00	\$801,663.82	\$24,049.91	\$545,086.18	\$54,575.43	\$178,1...
2022-12-26 00:00:00	\$830,574.20	\$24,917.23	\$571,780.85	\$56,968.16	\$177,5...
5 Rows – 17 Columns					

Week		Sum of spend	attributed_at_date	attributed_at_date 1	source_group	source	spend_usd	spend_usd 2	Replaced
2022-12-26 00:00:00		\$76,701.97							
2022-12-19 00:00:00		\$120,966.24							
2022-12-12 00:00:00		\$149,058.84							
2022-12-05 00:00:00		\$152,546.43							
52 Rows – 9 Columns									

fact_purcha...	fact_purcha...	Sum of fact...	dim_business...	dim_business...	fact_purchas...
00016-33718	<a href="https://ops...">https://ops...</a>	\$18.00			
00020-57729	<a href="https://ops...">https://ops...</a>	\$0.00			
00021-04582	<a href="https://ops...">https://ops...</a>	\$41.59			
00036-09134	<a href="https://ops...">https://ops...</a>	\$15.00			
00041-00411	<a href="https://ops...">https://ops...</a>	\$8.40			

11,071 Rows – 6 Columns

Week	Revenue	CC Transaction F...	COGS	Experts Costs	CM
2022-11-28 00:00:00	\$1,818,470.56	\$54,554.12	\$1,306,728.52	\$125,834.93	\$331,3
2022-12-05 00:00:00	\$1,077,310.06	\$32,319.30	\$751,861.70	\$73,081.12	\$220,
2022-12-12 00:00:00	\$1,051,059.70	\$31,531.79	\$703,930.06	\$72,928.79	\$242,
2022-12-19 00:00:00	\$801,663.82	\$24,049.91	\$545,086.18	\$54,575.43	\$177,
2022-12-26 00:00:00	\$830,574.20	\$24,917.23	\$571,780.85	\$56,968.16	\$176,
5 Rows – 25 Columns					