Business Report
Pimkarn Mekpruksawong
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The report provides information concerning the sales performance over sub-categories across the US market in 2019. The analysis aimed to better understand sales performance which will be used to allocate an advertising budget.

Sales overview

Overall, it can be seen that the majority of sales recorded was in the west, particularly in California and Washington with a total of $146K and $66K, respectively followed by the east mainly from New York with a total of $94K. To begin with the west, in California, San Francisco and Los Angeles make up a large proportion of technology sales over office supplies and furniture, similarly with Seattle in Washington. Moving to the east, New York City also has a large proportion of technology sales, amounting to $41K, which was the highest in the US market. In Pennsylvania, Philadelphia represented the second highest sales in the east with total sales of $42K.

In terms of sales trends by category, despite some fluctuations, over the period as a whole, the sales performance rose in all three categories. Technology products have the highest total sales, accounting for $271K, which was higher than office supplies and furniture, accounting for $246K and $215K, respectively. For technology products, despite the sales plunged to $6K in February and $22K in December, it hit a peak of $33K in March and reached the highest of $50K in November. This potentially caused by consumer spending on technology products during Thanksgiving, especially on Black Friday more than usual. For office supplies, there was a slight fluctuation month over month, however, in August and September, sales increased considerably and hit the peak of $32K in September. This is due to the fact that consumers spending more on office supplies during the back-to-school season. Lastly, furniture sales showed an upward trend, starting the period at just over $5K, and ending the period higher than where it began, at approximately $31K. It hit a high of $29K in September and peaked at $37K in November. This is because of the back-to-school season when consumers buy furniture for dorms or accommodations in September, while in November, consumers spend on furniture and home decorations during Thanksgiving similar to technology products.

For all the above reasons, it is undeniable that seasonal factor has had a considerable impact and changed the trend of sales over the period.

In terms of sales by segment, it is obvious to note that the greatest sales are derived from the consumer segment across all three categories. The sales proportion of the consumer segment was about twice higher than that of the home office, whereas the corporate segment was in the middle.

Sales by sub-category

Turning to sales by sub-category, the most remarkable sub-category is phones which had the highest sales among others, amounting to $105K, followed by chairs and binders, amounting to $96K and $73K, respectively. Although binders had the highest number of orders and the number of units sold almost twice higher than that of phones, their total sales still lower than phones. This is because of the difference in product categories and unit price which serve different purposes. Therefore, it will be more insightful to analyze by category.

As for the technology products, the largest phone sales were found in the east region, accounting for 34% of total phone sales. In the west, central, and south, the proportion for phone sales was

approximately the same number with around 20%. The second greatest sales were accessories which had the highest proportion of 43% in the west region.
As for the furniture, chairs made a remarkably sales proportion in the east region, with approximately 33%. Although furnishings had a higher number of orders than tables, table still had the highest sales, especially in the west region, with approximately 40%.

The last category, office supplies, binders had the greatest sales proportion in the west and central region, with approximately 36% and 29%, respectively followed closely by storage which had the highest sales in the west region.

With regard to future trends, it is no doubt that the pandemic which was declared in March 2020 will have a huge impact on consumer spending. However, the sales forecast based on historical data still beneficial in providing a rough idea of what happened in the past so that it will help reduce purely guesswork. To begin, overall phone sales are likely to increase along with some fluctuate, while accessories sales are likely to fluctuate with a slight increase. However, due to the pandemic, it is highly likely that consumers will have to study or work remotely which will increase the demand for IT gadgets accordingly. For furniture, the trend of chairs sales is predicted to hit a peak of $14K in September and the overall trend is predicted to fluctuate. While tables sales are expected to slowly drop, it is interesting to note that furnishings sales are forecast to gradually rise. Lastly, binders sales are predicted to remain the same at around $7K, whereas storage is predicted to significant growth.

Advertising budget allocation

With all things taken into consideration, phones, accessories, chairs, and storage represented the most noticeable sales among other sub-categories. Therefore, 80% of the advertising budget will be allocated to promote IT gadgets for both phones and accessories in high potential cities including New York City, Philadelphia, Los Angeles, and Seattle, particularly in the consumer segment which had the highest sales proportion. Another 15% of the advertising budget will be allocated to advertise chairs, especially in New York City. The last 5% of the advertising budget will be allocated to advertise office supplies, storage, in Seattle, New York City, and Los Angeles equally.

Additionally, the advertising budget in each sub-category will also be spent on the seasonal advertising campaigns, especially Thanksgiving in order to boost sales during the special time. Also, the back-to-school campaign aimed to promote products in office supplies.

Another special consideration in this case is that consumers purchasing behavior potentially impacted by the pandemic. As mentioned earlier, the demand for products related to technology and home office tend to increase, especially during the pandemic lockdown. This is another reason why it would be worth spending more advertising budget on technology products. In contrast, the demand for products that are used in the office such as paper or photocopiers potentially decrease, so it would be beneficial to switch the advertising budget from these products to high potential products such as IT devices, chairs, and desks.

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Appendix

Figure 1: Sales overview

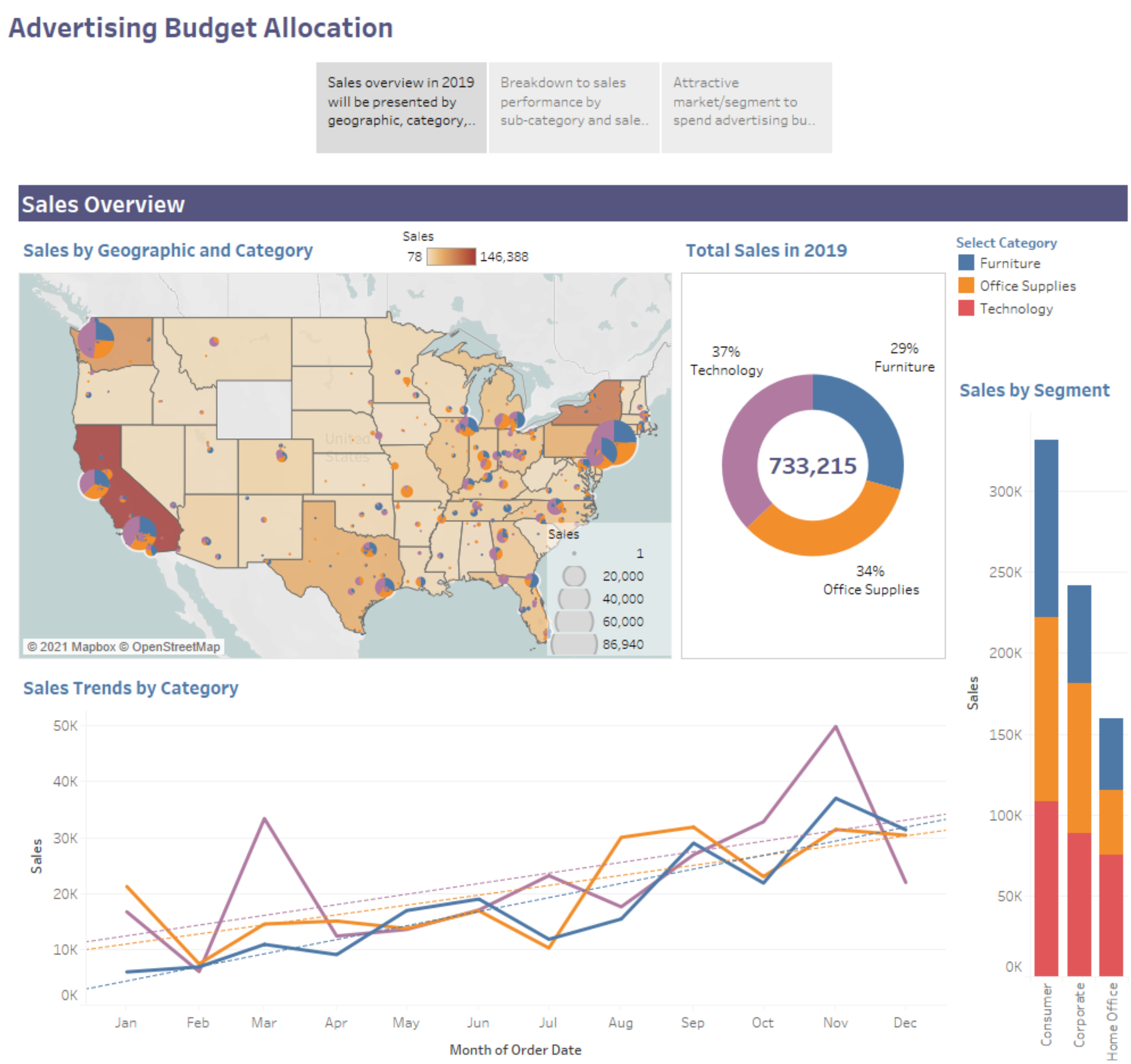

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Figure 2: Sales by sub-category

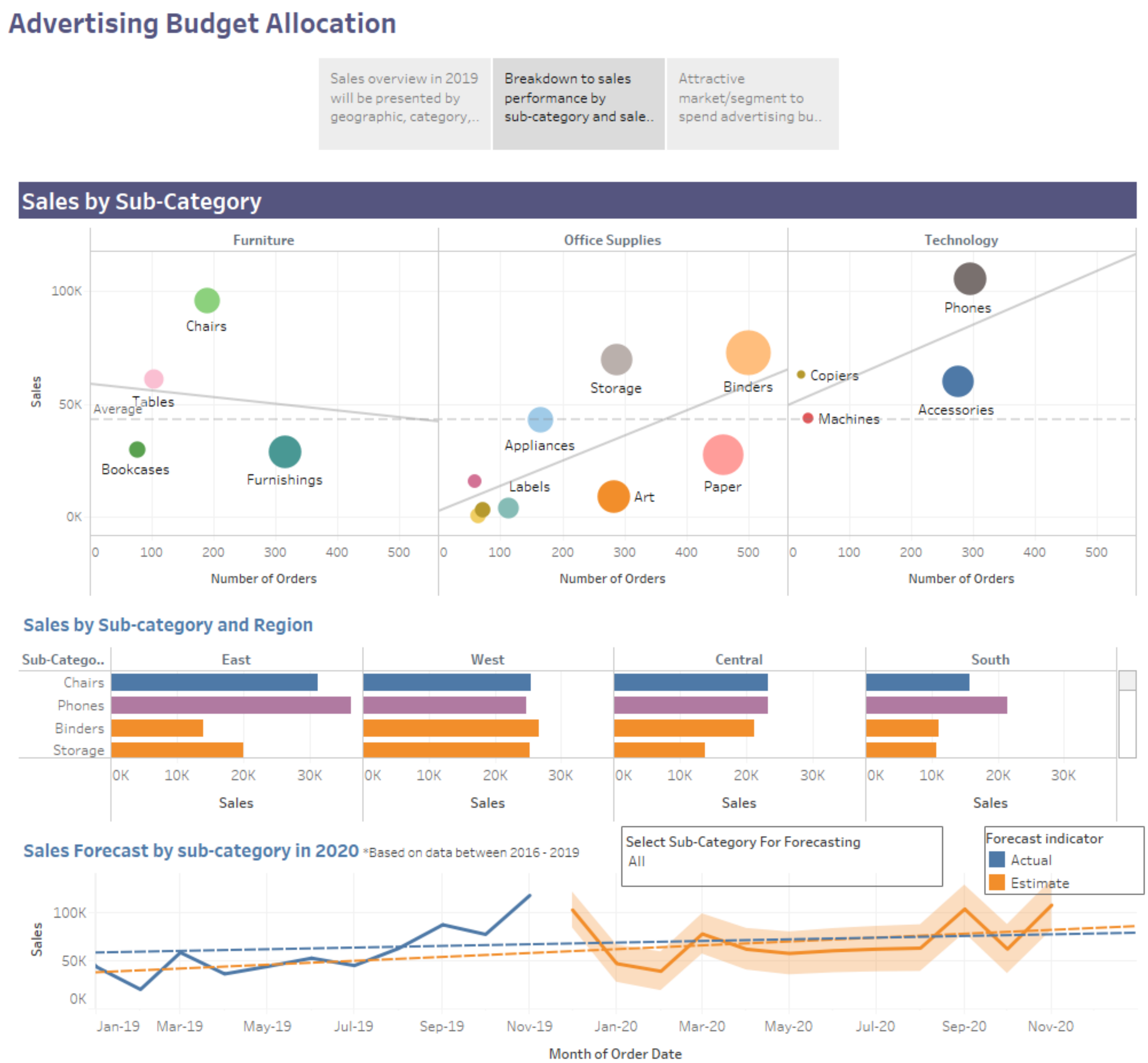

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Figure 3: Advertising budget allocation