

SALES STRATEGY

**SIGNIFICANT ROOM FOR
REVENUE BOOST EXCEPT
NEW PRODUCT AT
DEPARTMENT STORES**



1

Audience

Sales Department

2

Type of analysis

Sales Strategy (YoY)

3

Context

Which **Product/ Market** to focus on to **improve Revenue** from **Department Stores**?

4

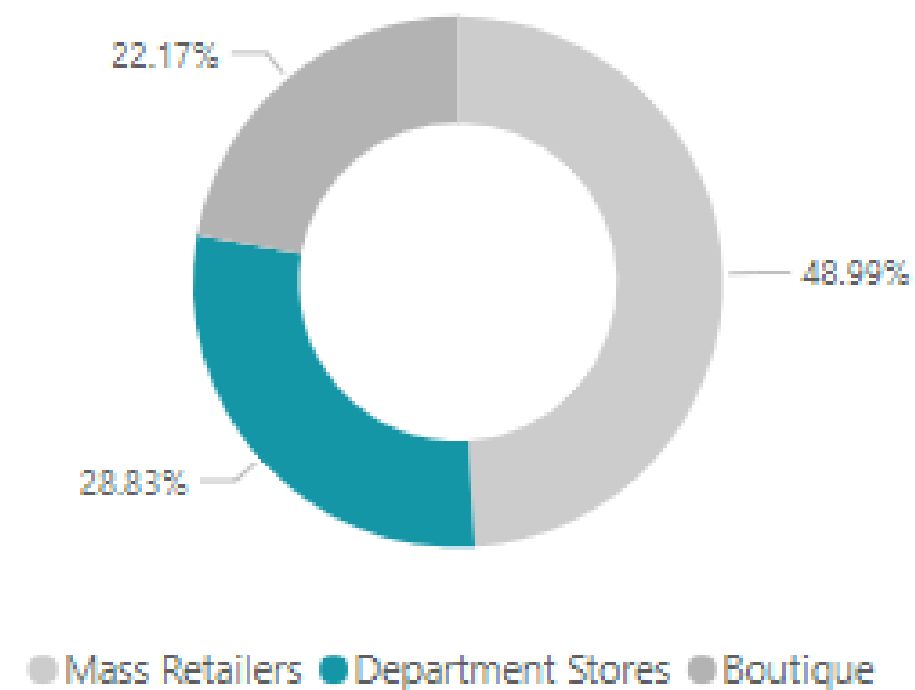
Aha Moment

Focus on key products & markets, profit margin could **an incremental \$4M**, contribute **19% Target Revenue 2015 except New Product**

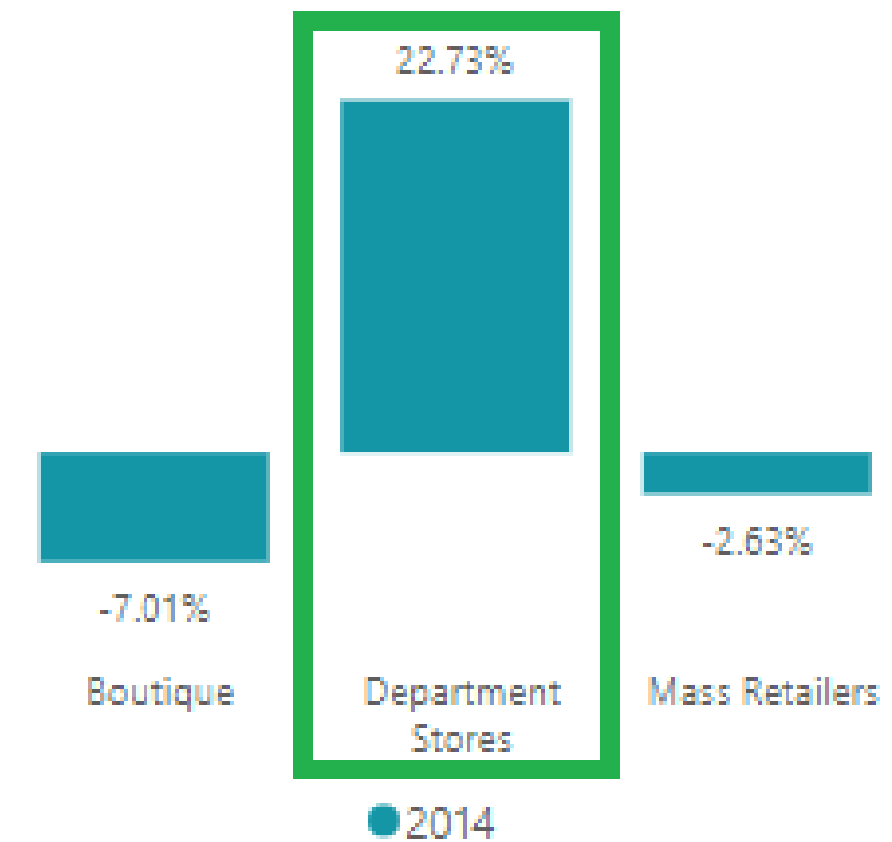


Department Stores increased significantly YoY

Contribution of Department Stores
in Gross Sales 2 years



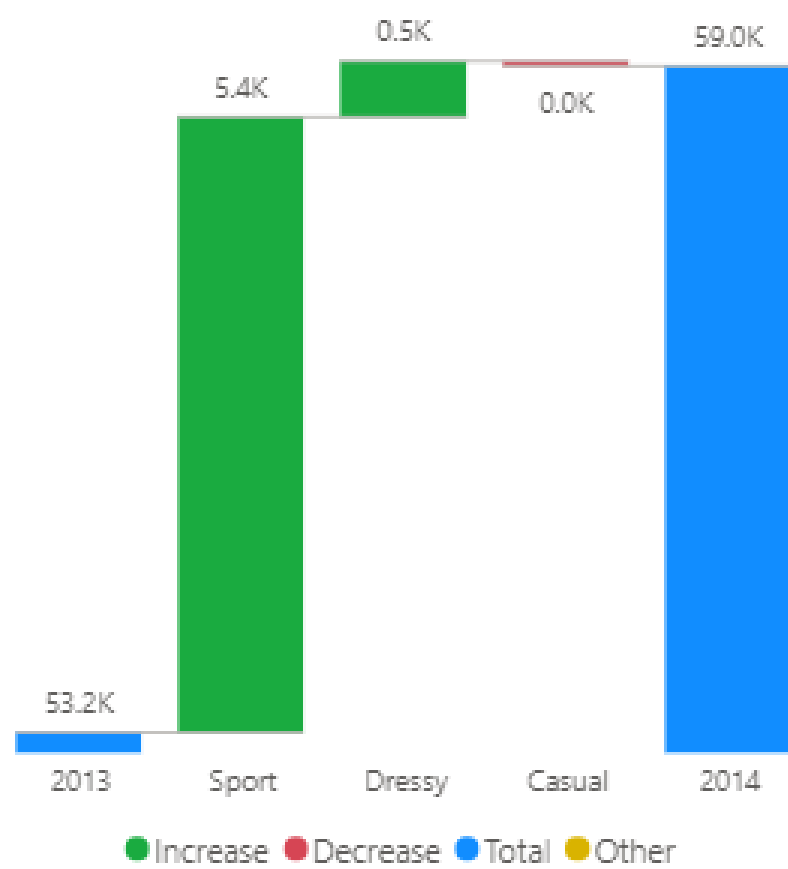
Gross Sales YoY
(Except New Product)



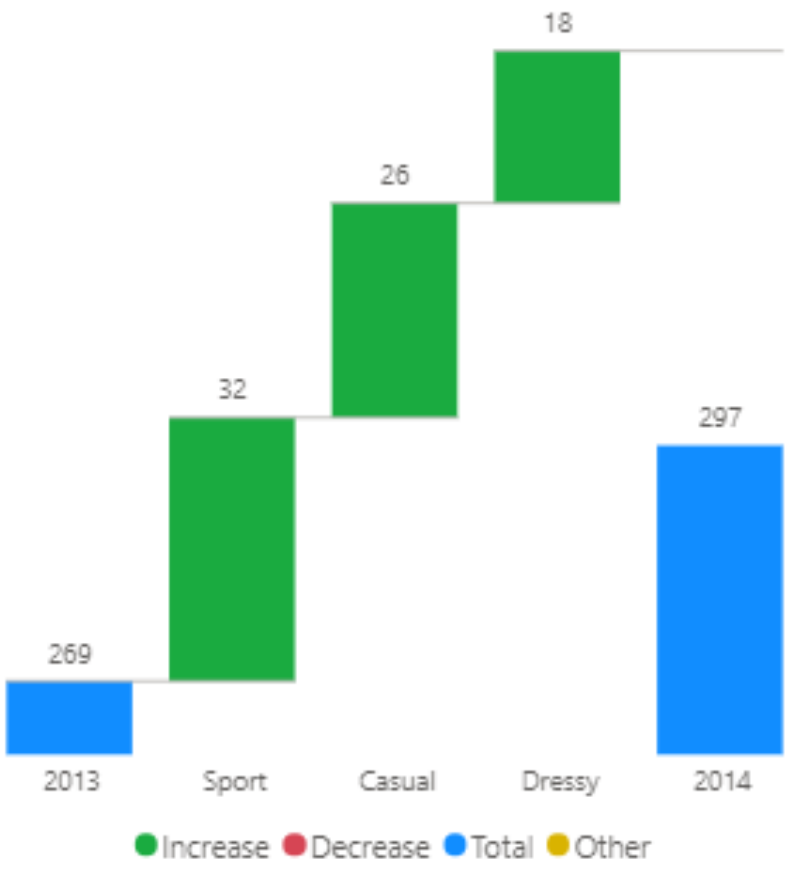
Although **Department Stores** are not the main distribution Channel (contributed **~29%** total Gross Sales in the last two years), **they increased 22,73% for 2014 except New Product.**

Revenue increased because of ...

SalesKey by Year & Product Group
(Except New Product)



AVG Gross Sales Amount by Year & Product Group
(Except New Product)

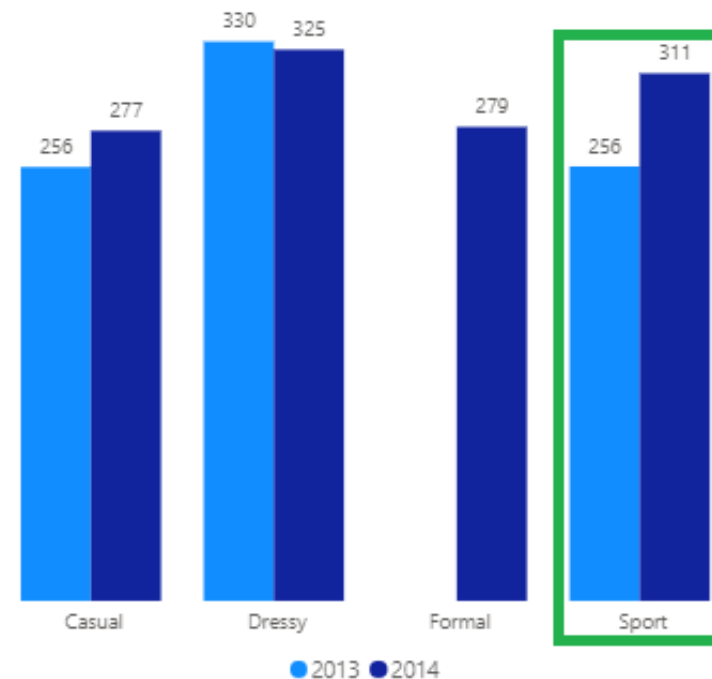


Except New Product, Gross Sales Amount YoY at Department Stores increased because of **the massive growth in Sales Key of Sport** and **strong increase in AVG Sales Amount across all of Product Groups**.

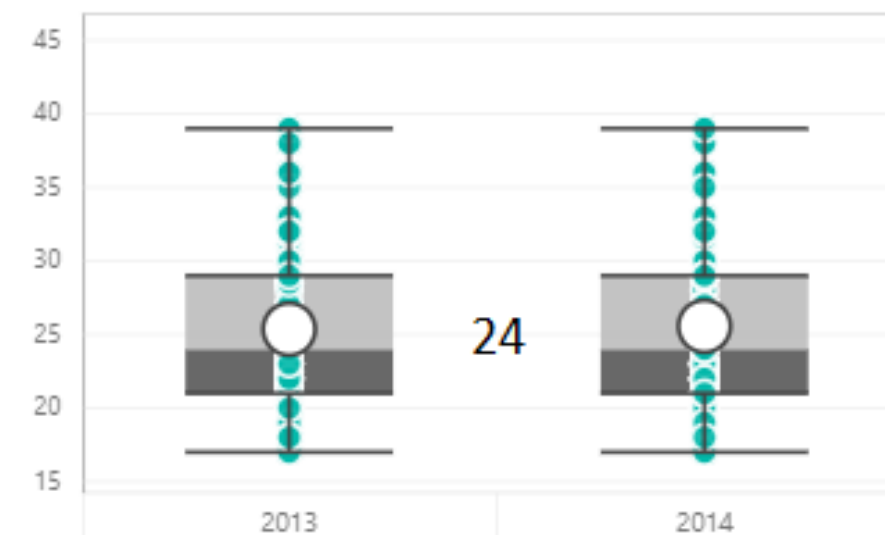
1. Increase Unit Price of Sport at Florida, Michigan, New York, Texas

$$\text{AVG Sales Amount per Transaction} = \frac{\sum (\text{Shipped Quantity} * \text{Unit Price})}{\sum \text{Shipped Quantity}}$$

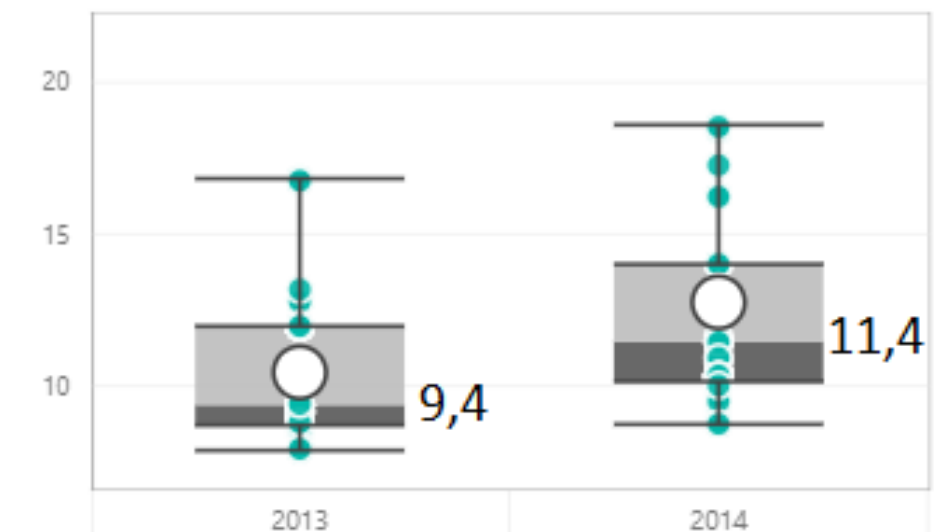
AVG Sales Amount at Department Stores by Product Group



Shipped Quantity for each Transaction



Unit Price for each Product

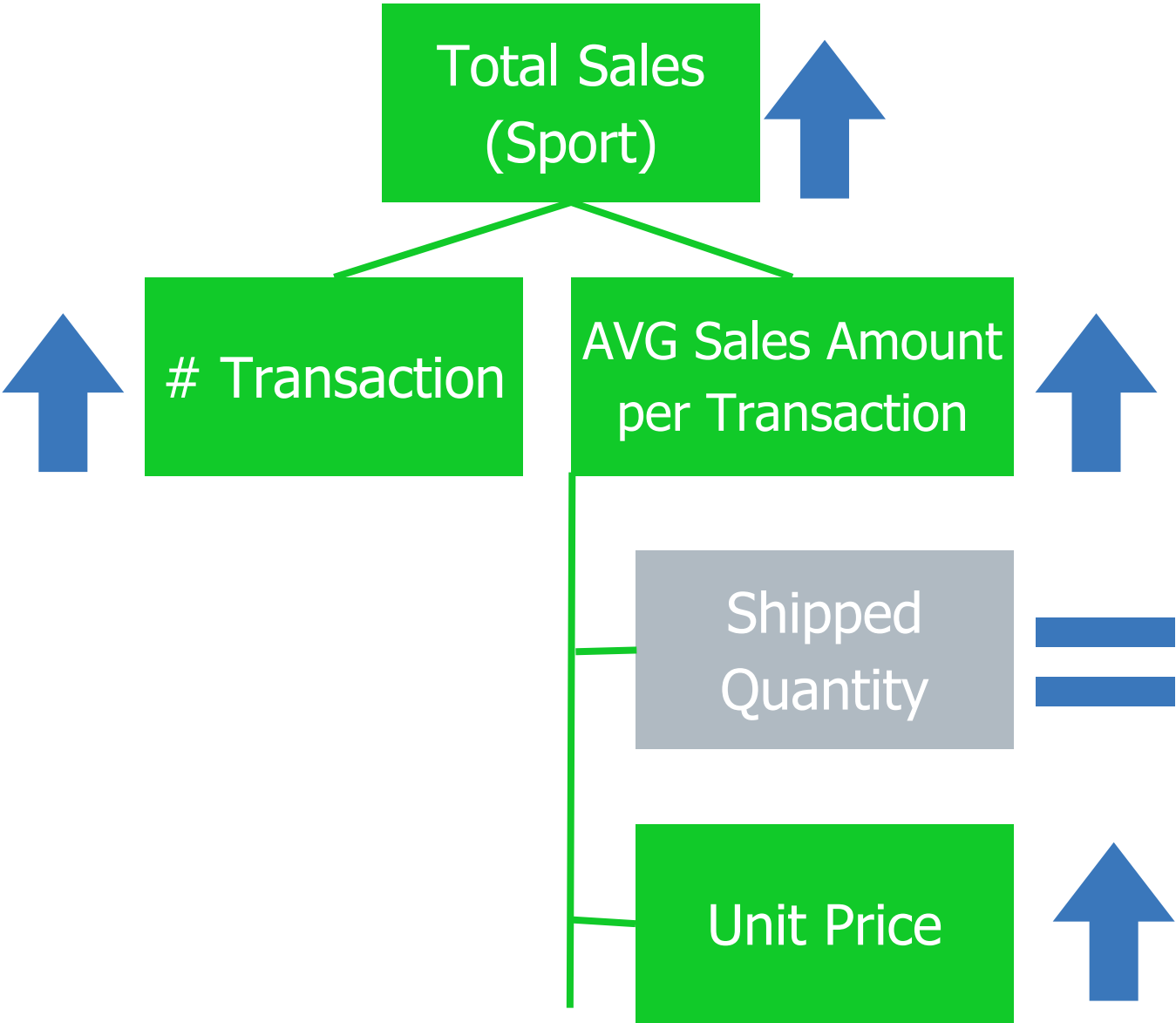


In 2013, Casual and Sport had the same AVG Sales Amount at FL, MI, NY, TX. However, AVG Sales Amount of Sport completely surpassed Casual in 2014 (311-277).

During obesity trends in America, customers tend to **buy expensive products of Sport**. Shipped Quantity per Transaction in Sport almost did not change.

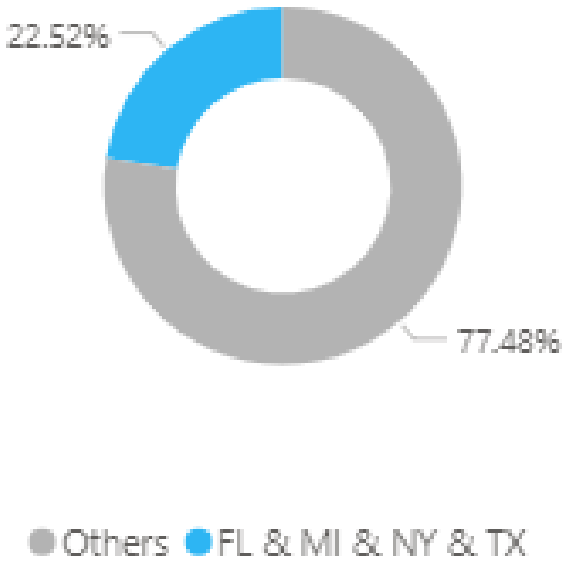
1. Increase Unit Price of Sport at Florida, Michigan, New York, Texas

Sales Growth Model

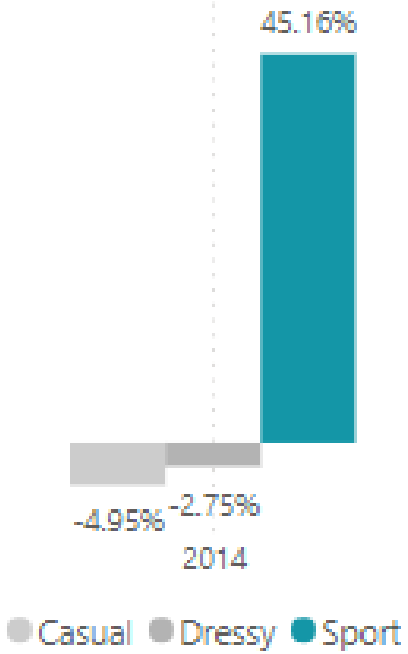


Year	SalesKey	Average of Gross Sales Amount	SalesAmount
2014	6230	310.99	1,937,490.36
Sport	6230	310.99	1,937,490.36
2013	5145	256.11	1,317,709.12
Sport	5145	256.11	1,317,709.12
Total	11375	286.17	3,255,199.48

Sales Contribution of Sport by State in 2014



Unit Price YoY%



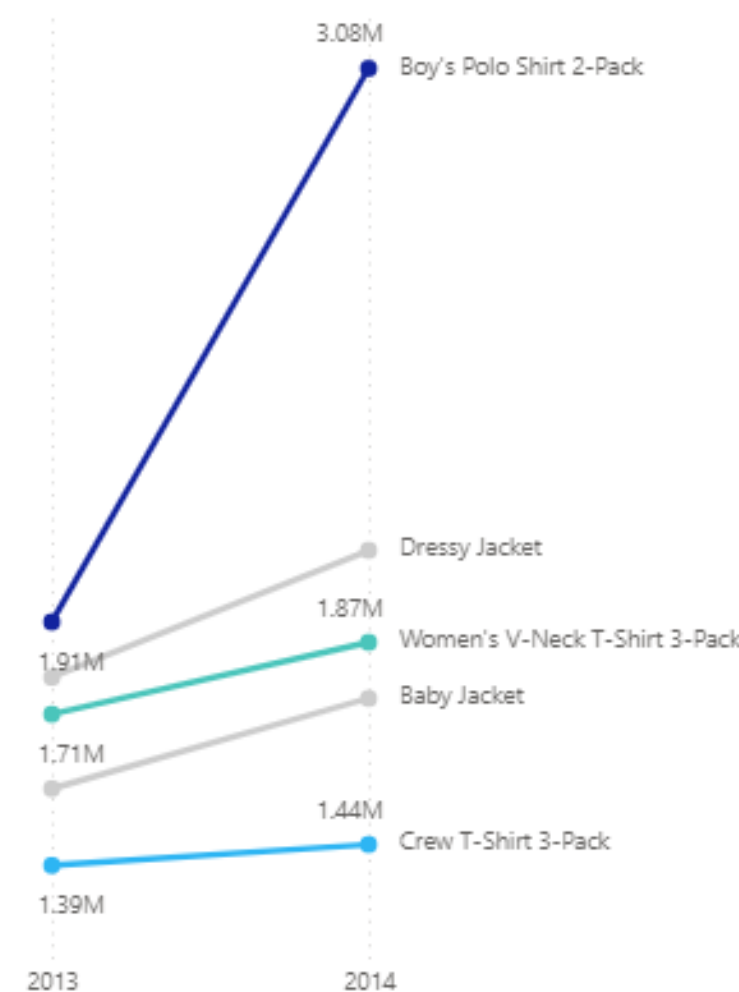
Sport Product Group

Unit Price in 2015 of Sport Product **expected growth 100%** compared to 2014 that will contribute \$2M.

+\$2M

2. Increase Profit Margin for Products whose U/M is not Each

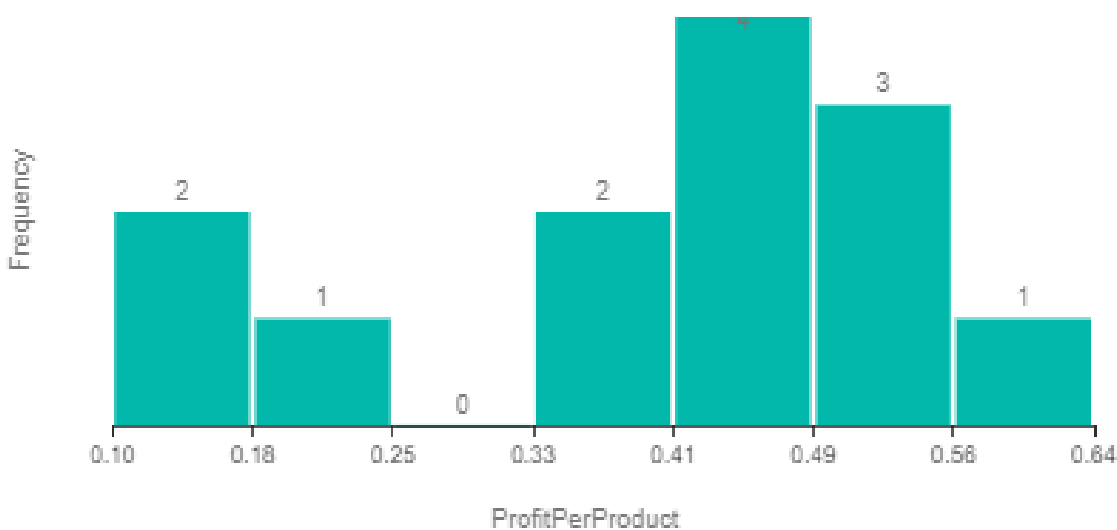
Top 5 Style Description by Revenue in the last two years



Commission in the last two years

Date	Boutique	Department Stores	Mass Retailers
Jan 2013 - Mar 2013	13.00	7.00	5.00
Apr 2013 - Jan 2014	12.50	6.50	4.50
Feb 2014 - Dec 2014	12.00	6.00	4.00

Profit Margin per Style Description



Products whose U/M is not Each

Products in 2- and 3-packs have a profit margin of **less than 0.25**, however **the highest commission rate that may be paid is 0.18, excluding shipping costs**. Profit Margin for products whose U/M is not Each in 2015 **expected growth 30%** compared to 2014 that will contribute \$2M by increase Profit Margin at least 25% and creatively mixing and matching outfits by customer segmentation.

+\$2M

Aha Moment

\$4,000,000

Focus on key products & markets, profit margin could an incremental \$4M, contribute 19% Target Revenue 2015 except New Product



Solution & Next Steps

1. Increase Unit Price of Sport at Florida, Michigan, New York, Texas: Push **Upsell Strategy** for Sport by looking for high-quality materials, impressive designs at FL, MI, NY, TX market (These states is less affected by strong increase in obesity rate in America)

2. Increase Profit Margin for Products whose Unit of Measurement is not Each: Push Profit Margin **at least 25%** for products in 2- and 3-packs and creatively mix and match outfits by customer segmentation.

THANK YOU

