

SHARED REALITY

External Factors

- In the period around 2018 -2019, in Europe, e-commerce was emerging (containing 11.9% of the market in 2018 and 14% in 2019)

Product

- The top products that contributed more than 200,000 revenue each (1)

| ItemDescription | OrderValue | NumberOfItemsPurchased |
|------------------------------------|------------|------------------------|
| REGENCY CAKESTAND 3 TIER | 872332 | 54000 |
| WHITE HANGING HEART T-LIGHT HOLDER | 421435 | 109536 |
| PARTY BUNTING | 292573 | 42834 |
| JUMBO BAG RED RETROSPOT | 232407 | 82050 |
| ASSORTED COLOUR BIRD ORNAMENT | 229905 | 98250 |

Geography

- UK is the major market with the following of Germany, France and EIRE

| CountryCoded | OrderValue | Percent |
|--------------|------------|---------|
| UK | 119109917 | 94.73% |
| Other | 2825262 | 2.25% |
| Germany | 1387440 | 1.10% |
| EIRE | 1213855 | 0.97% |
| France | 1197564 | 0.95% |

Customer

- There are 40% of customers considered "Hibernating" and 19% considered "About to sleep" (2)

| RFM Segment | RFM Logic (Scores) | Behavior Characteristics | % of Customers |
|----------------|-----------------------------|--|----------------|
| Hibernating | R = 1 F = 1-2 M = 1-2 | Haven't purchased for a long time => High-risk group — requires reactivation | 40% |
| About to Sleep | R = 2 F = 1-2 M = 1-2 | High-risk group — requires reactivation => Need reminder or small promo | 19% |

- The peak spending season is Dec and Jan (3)

KEY INSIGHTS

- The emergence of e-commerce threatened the profit margin of traditional retailer, pressuring traditional retailers to go omnichannel

- regency cakestand 3 tier, white hanging heart t-light holder, party bunting jumbo bag red retrospot, assorted colour bird ornament** are the important products that need to be always available

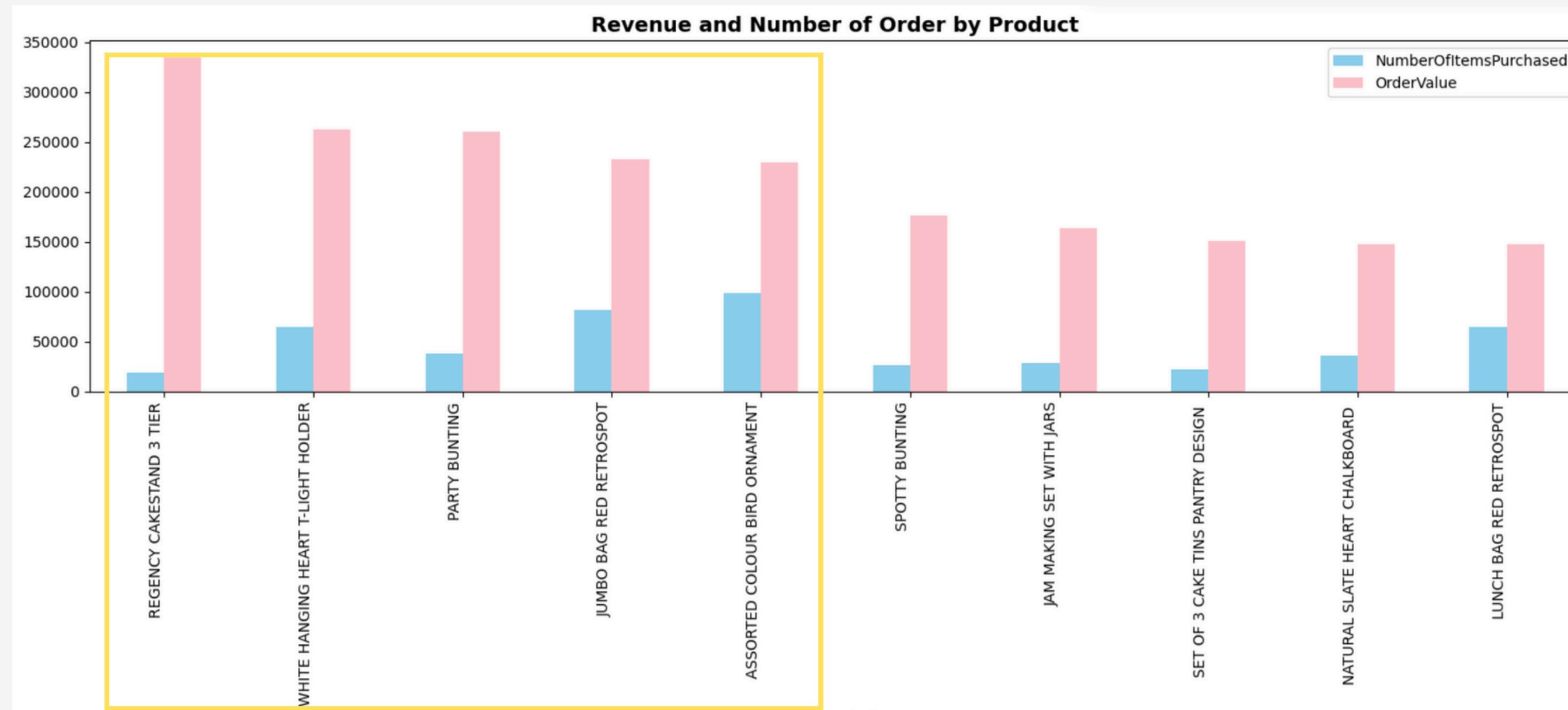
- UK is the most important market that needs special treatment.
- Regarding the geographical distance and revenue, Germany, France and EIRE could be developed to become the successor

- Hibernating and "About to sleep" groups of customer contain for such a huge ratio. There should be strategy to lower these groups
- The peak season correlate to the holiday season

| | | | |
|---|--|--|--|
| Project Name | Objective | | |
| Decoration Retail Dataset | Increase the yearly revenue and monthly retention rate of customer | | |
| Goal | Strategy | Measurement | |
| KPIs | | Action Plan | Metrics |
| <ul style="list-style-type: none"> Increase the overall yearly revenue by 10%, Germany, France and EIRE market by 30% Increase the monthly retention rate to at least 30% | Strategy 1. Increase customer retention and loyalty  | <ul style="list-style-type: none"> Deliver personalized promotion to “Hibernation” and “About to sleep” Launch loyalty program | <ul style="list-style-type: none"> Monthly retention rate > 30% Redemption rate, CLV Loyalty participation rate |
| Current | Strategy 2. Ensure stable supply and distribution for core products | <ul style="list-style-type: none"> Strengthen local supplier partnerships Set up backup suppliers | <ul style="list-style-type: none"> Stockout rate On-time delivery rate |
| <ul style="list-style-type: none"> UK's current overall yearly revenue is 34.3 mil, Germany, France and EIRE market is 3.4 mil (4) Current month retention rate varies from 14%-47% (5) | Strategy 3. Maintain growth in the UK, grow revenue in Germany, France, and EIRE | <ul style="list-style-type: none"> Launch targeted local campaigns Customized promotions | <ul style="list-style-type: none"> 10% revenue growth for the UK, 30% for the others Market ratio of GE, FR, EIRE increases from 8.5% to 15% |
| | Strategy 4. Adopt an omnichannel model, activate monthly sales campaign for low season period | <ul style="list-style-type: none"> Integrate sales platforms Deliver monthly sales campaigns | <ul style="list-style-type: none"> Conversion rate (offl to onl) Percent of new users on onl channels Redemption rate, campaign ROI |

APPENDIX - SHARED REALITY

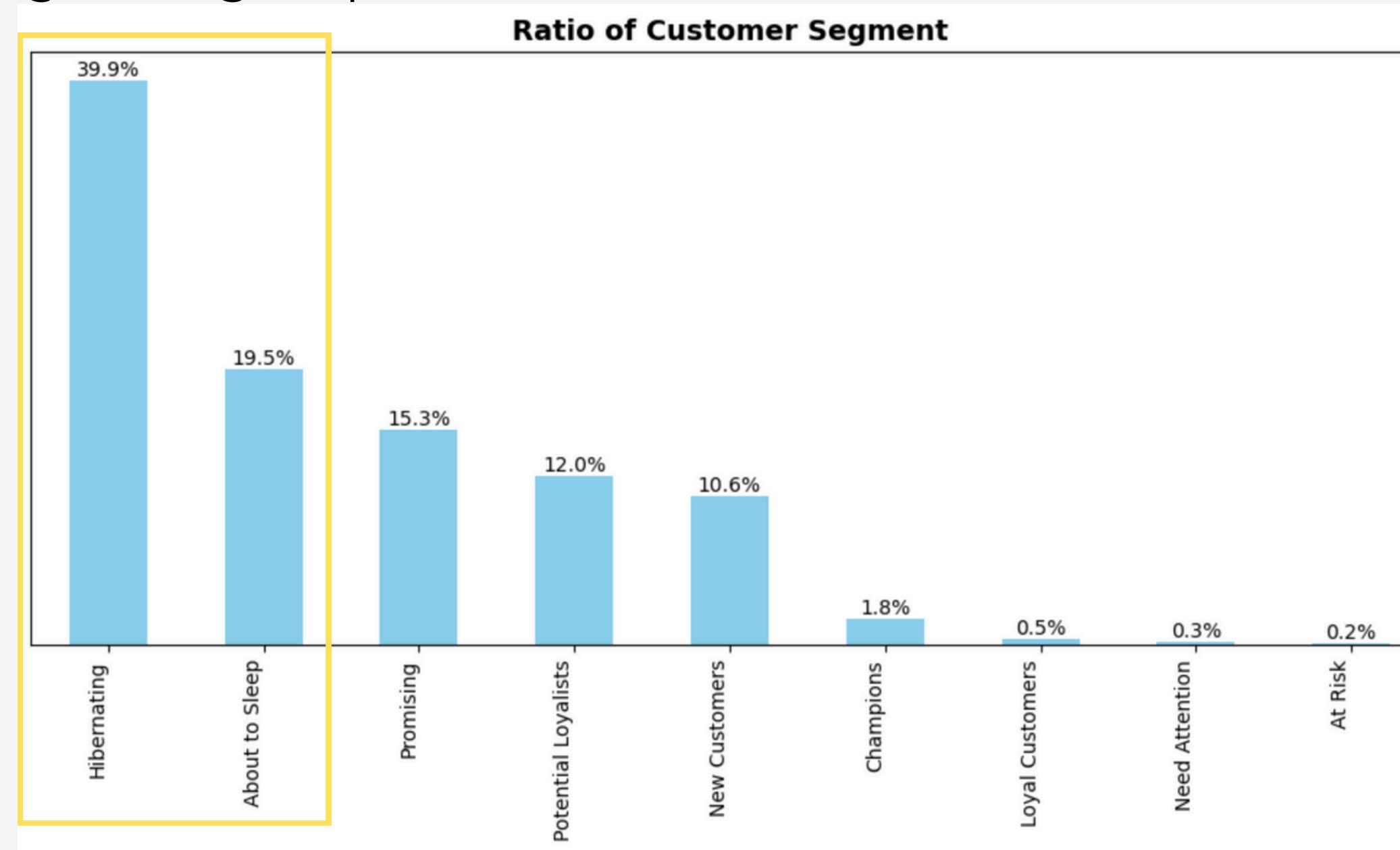
Recency cakestand 3 tier, White hanging heart T-light holder, Party bunting, Jumbo bag red retrosport are the top products that contributed more than 200,000 revenue each



(1) Revenue and Number of Order by Product

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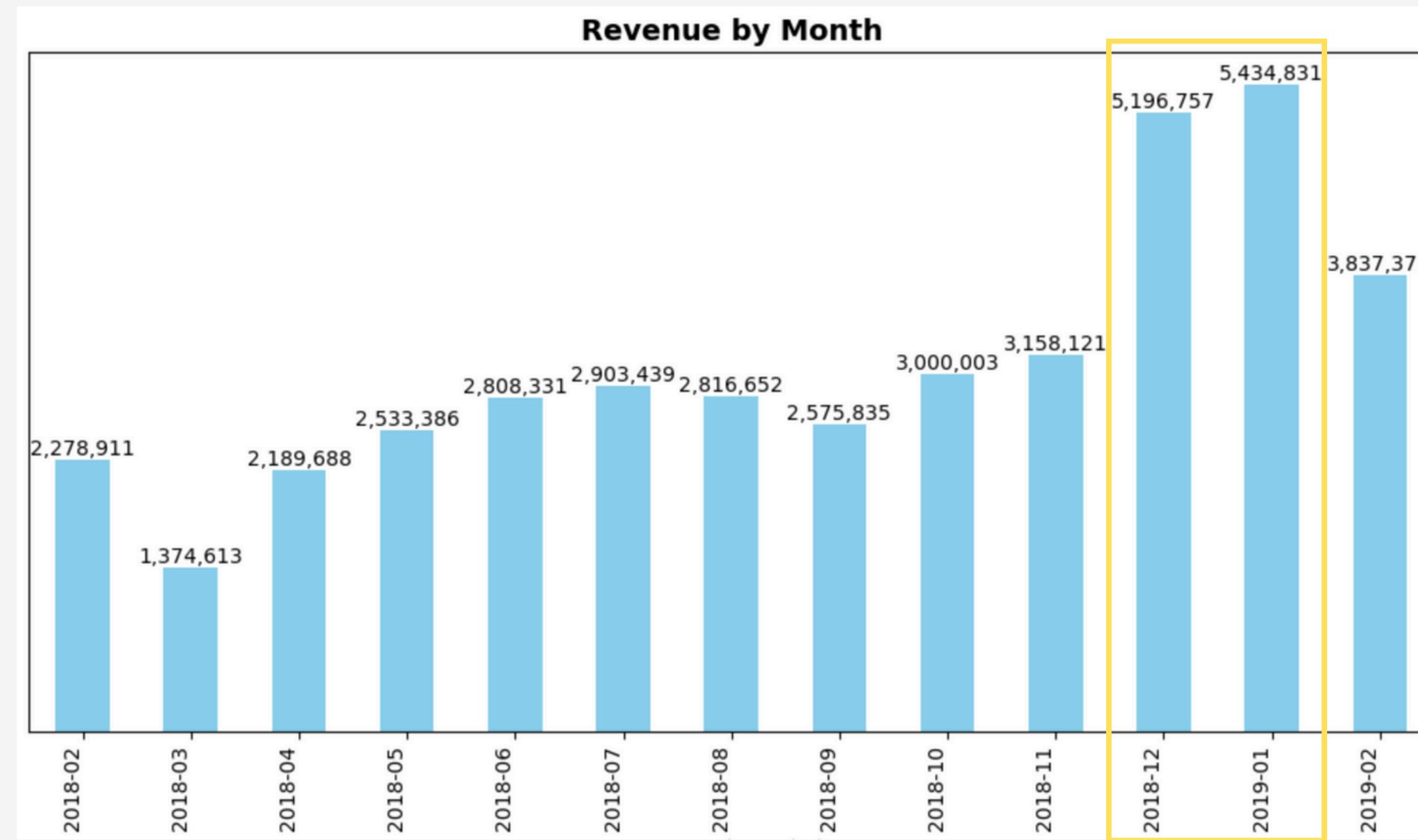
There are 40% of customers considered "**Hibernating**" and 19% considered "**About to sleep**" - becoming Hibernating, the highest among RFM groups



(2) Ratio of Customer Segment

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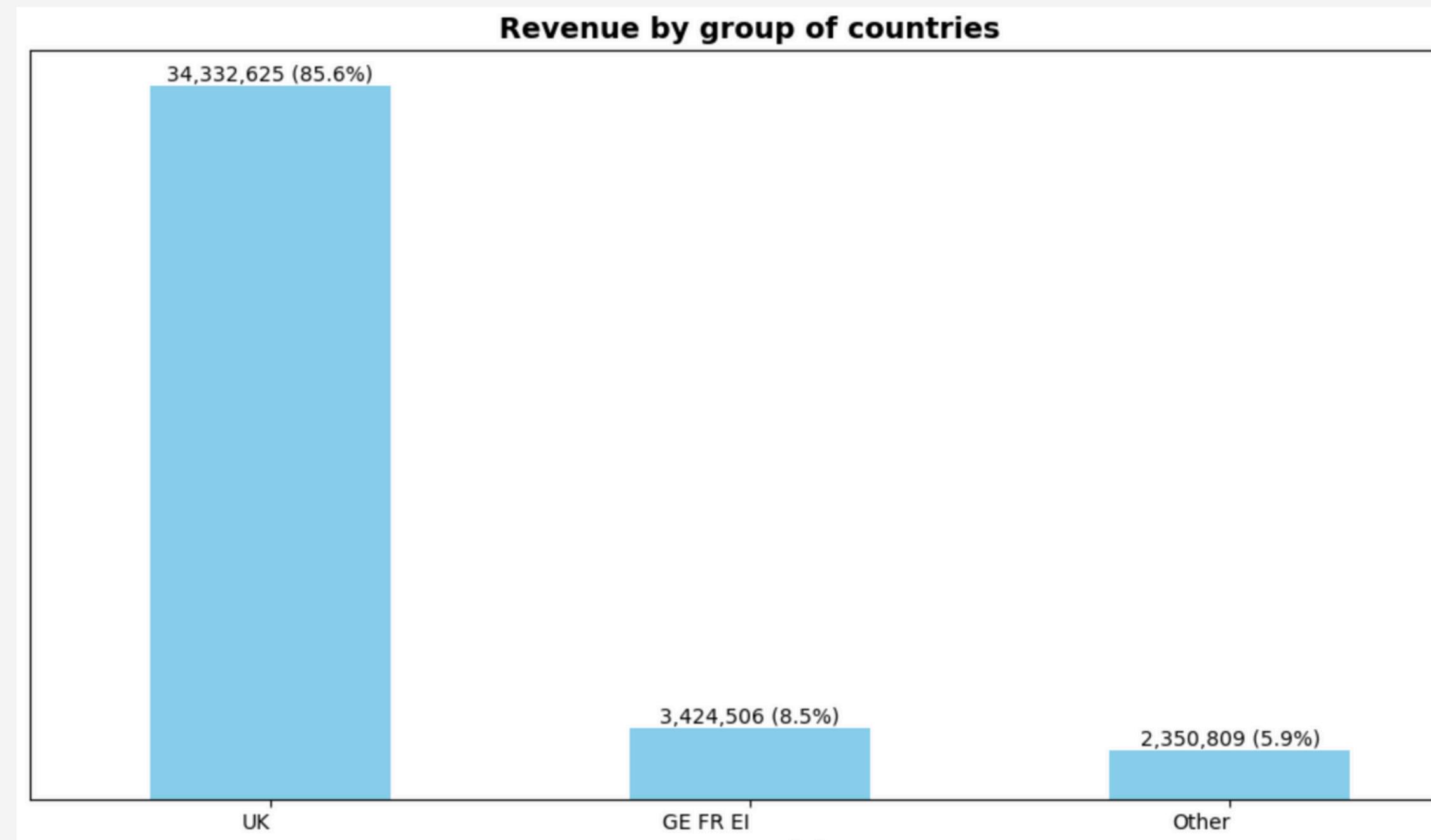
The peak spending season is from **Dec to Jan**



(3) Revenue by month

APPENDIX - OGSM

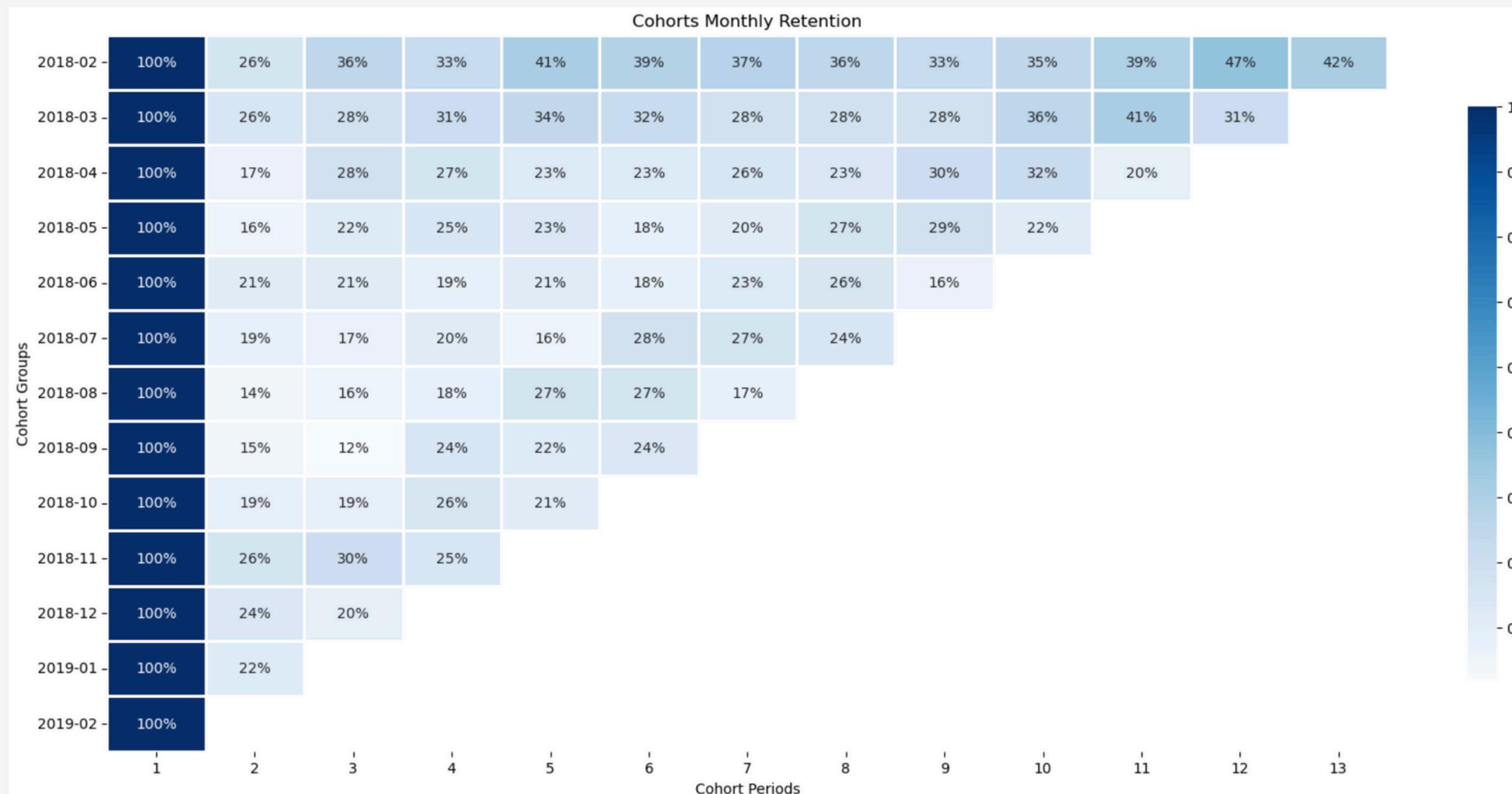
The **UK**'s current overall yearly revenue is 34.3 mil,
Germany, France and EIRE market is 3.4 mil



(4) Revenue by group of countries

APPENDIX - OGSM

Current monthly retention rate varies from **14%-47%**



(5) Cohorts monthly retention