

Superstore Analysis Report

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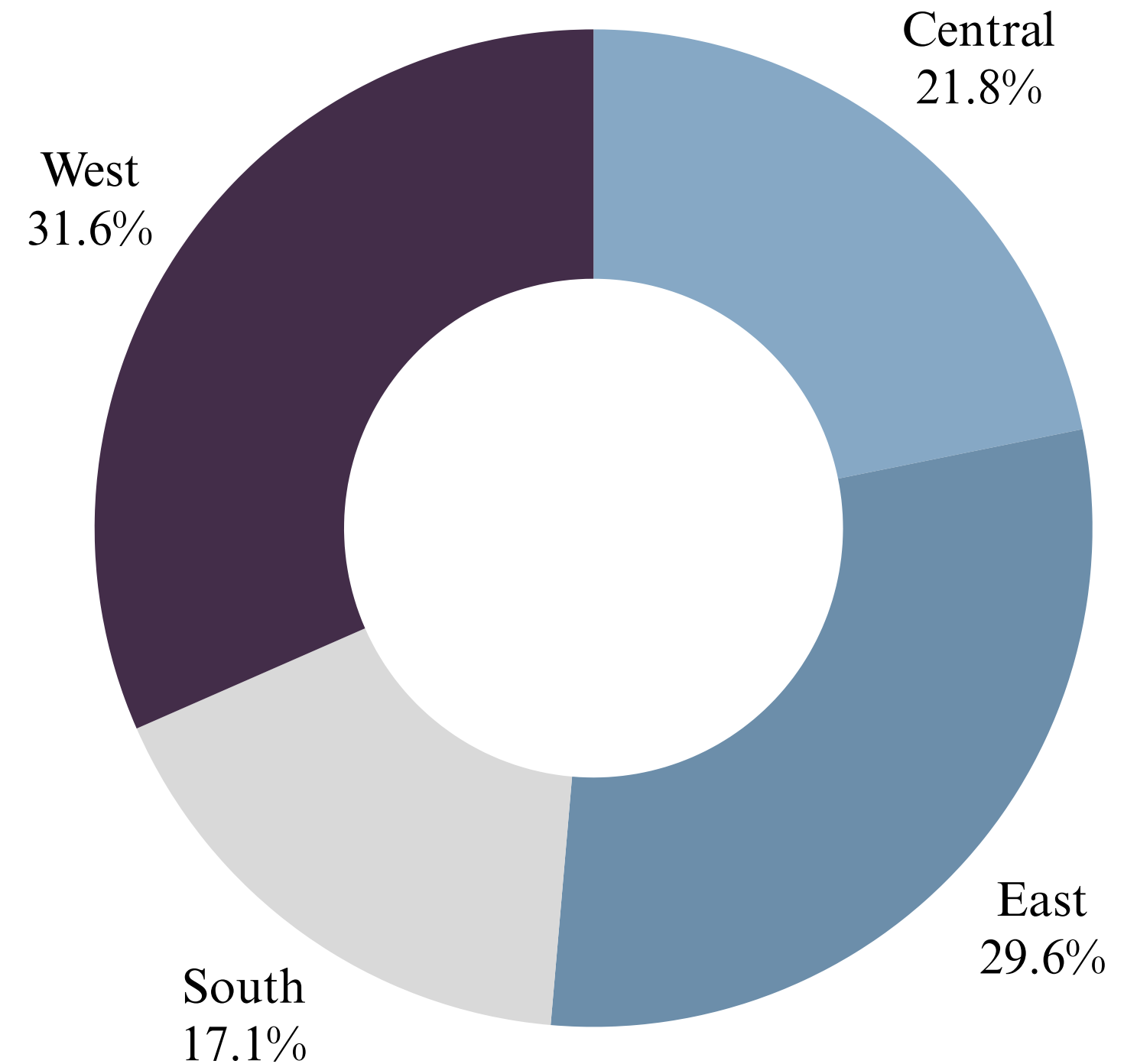


Objective

To analyze the store's sales & profits across time, region, product, and customer to identify opportunities for growth and develop strategies to increase profits.

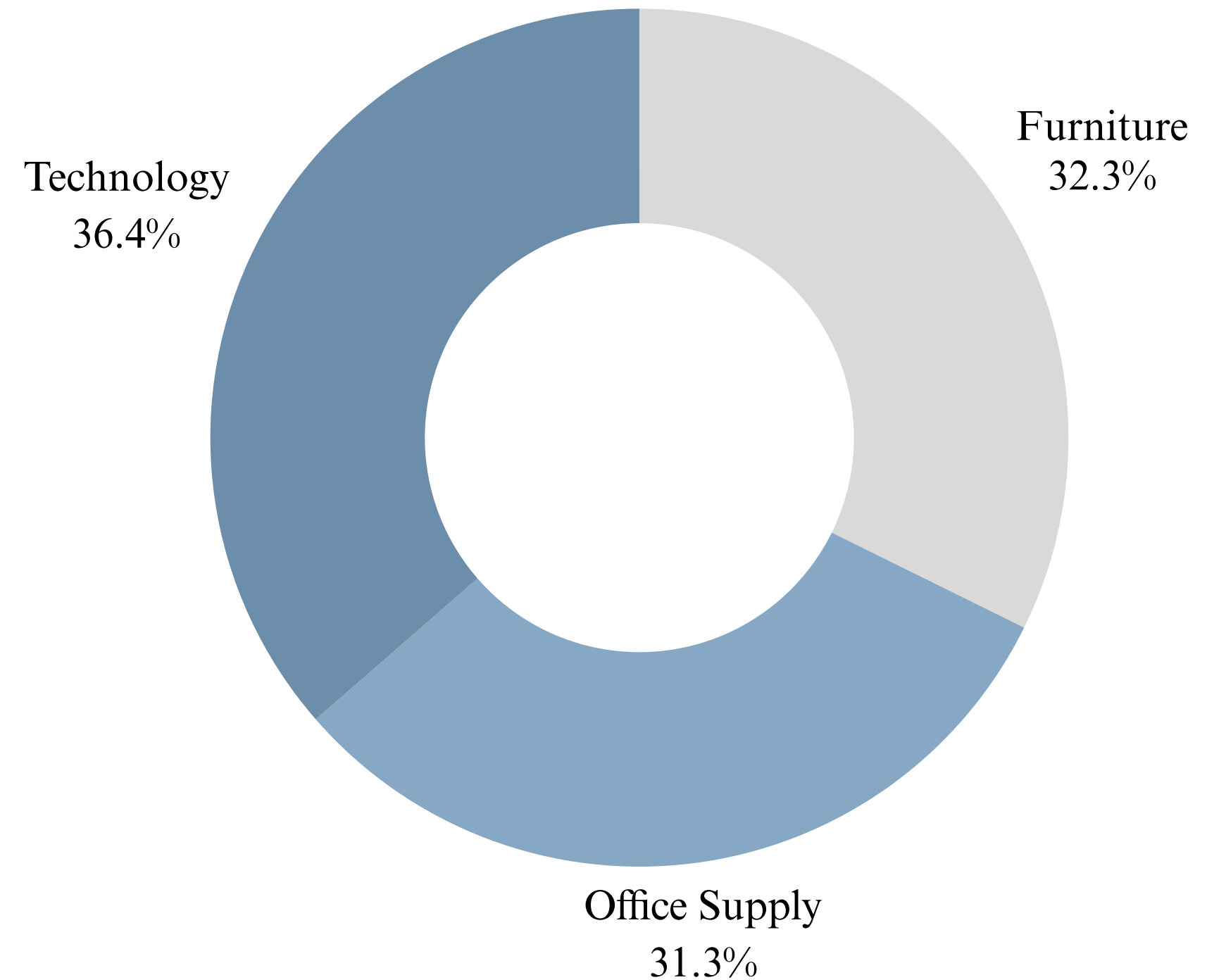
01 Region

- The sales of the store are highest in West and the least in South region.
- The region South despite having less sales, has a profit margin of 11.93% which is almost 4% more than of Central.
- In the central region the consumer segment contributes very little to profits despite having good sales. It can be a cause for concern.



02 Category

- Technology contributed the most to Total Sales followed by Furniture & Office Supply. But these sales figures do not correspond with the profits earned in these categories.
- For instance, the Furniture category ranks second in sales but has a very low profit margin % of approx. 2.49%.
- Office Supply & Technology have significantly more profit margin % with 17.04% & 17.40% respectively.
- Hence, selling more does not guarantee profits.



03 Sales Trend

- There has been a growing trend in sales in the past years.
- Sales are usually down during the start of the year and peak in Q4 i.e. in the months of September, October, November, and December. This indicates a seasonality in sales.

Recommendations



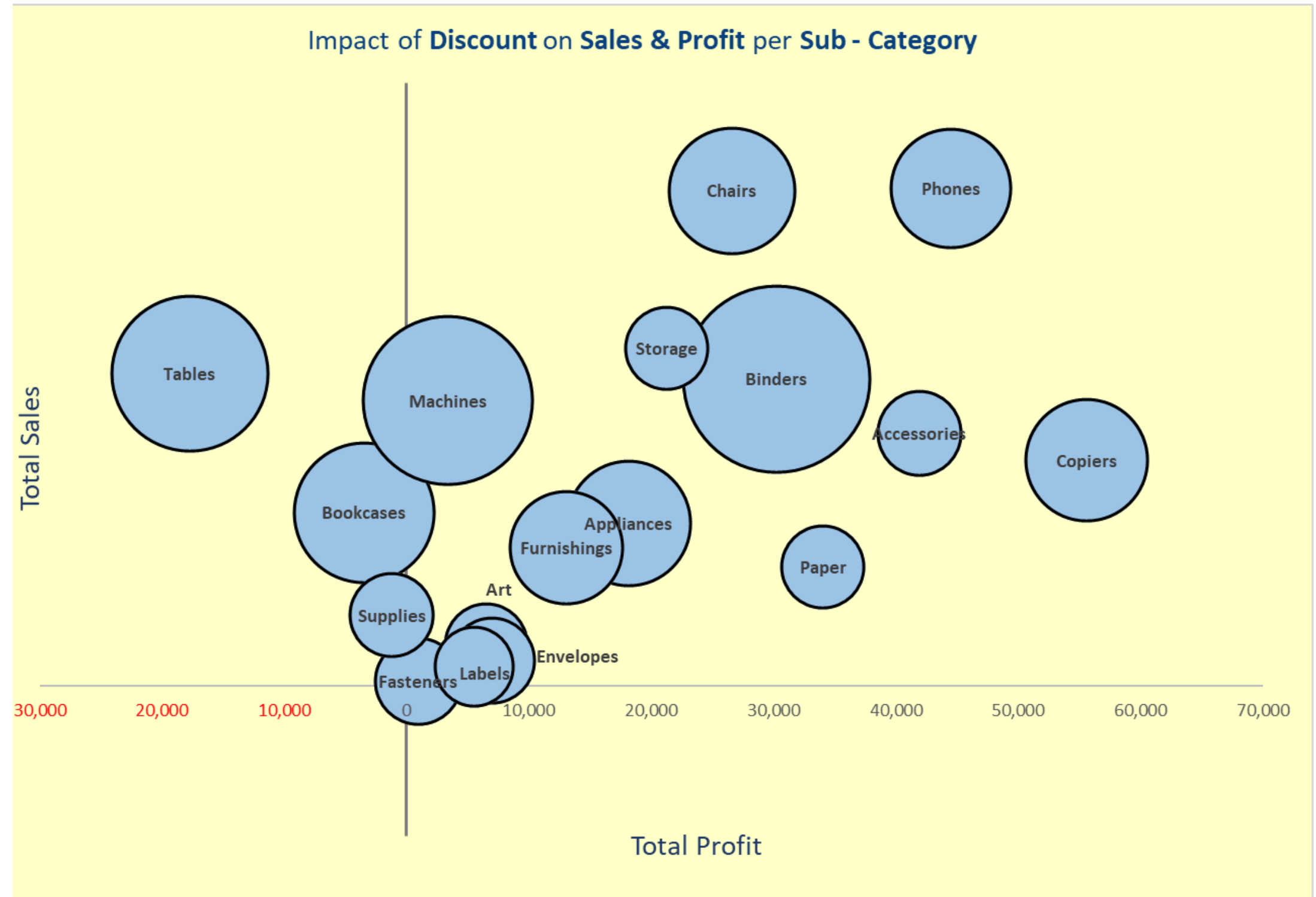
01 Reevaluate Discounts

A reason why the Furniture category is not earning profits as much as it is selling can be linked to the discounts that the store is offering.

The graph on the right shows how much sales and profit each sub - category is making.

It reveals that Tables are generating good revenue but we're leaking the money in terms of incurring losses which can be due to the high discounts with an average of 26%.

Hence, the store should reevaluate its discounting strategies for the furniture category.



****The bubble size indicates the average discount given per sub - category
A bigger bubble means a high discount on average and vice - versa.***

02 Improving Regional Sales

- The **South region** has a good profit margin and has scope for growth. Thoughtful marketing strategies should be formulated to increase sales in the region.
- The store should look into improving the profitability of the **Central region**. After analyzing it closely it appears that the consumer segment forms a major chunk of the sales, but, it is not as profitable as it should be. The profit margin is as low as just 3%.
- Discounts offered to the consumers should be re - evaluated and strategies should be formed to retain these customers even after reducing discounts.
- It is very crucial to ensure that we're not just increasing revenue by discounting but also being profitable as that is the most important aspect for future growth.

03 Product Re - Evaluation

- Certain products which are not selling good should be discontinued after a thoughtful re evaluation.
- Tables are generating good sales but running in losses in most of the regions. Surprisingly, chairs which are often sold with tables are profitable. As a result we cannot completely discontinue tables as it might have a negative impact on the sales of chairs.
- A combination of re-evaluating discounts along with certain cross-selling strategies should be made to improve the sales.

Thank You!



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