**Yerlan Karassay 17/07/2025**

**VitaSip: 2024 Performance Review & 2025 Strategic Plan**

**Task 1: Business Performance Report (2024)**

**1.1. Executive Summary: Knowledge, Comprehension & Evaluation**

This report presents a comprehensive analysis of VitaSip's 2024 business performance, culminating in a strategic roadmap for 2025. The analysis of the provided sales data reveals a successful year, with **total sales reaching £15,958** and a **healthy overall profit of £7,620**, yielding a **gross profit margin of 47.8%**.

Our performance report highlights two flagship products, **GlowTonic** and **FocusFizz**, and the success of the **Online sales channel**, which accounts for nearly 70% of total revenue. While this concentration is a testament to a strong product-market fit, it also highlights a need for diversification and risk mitigation. Key opportunities have been identified in optimizing our less profitable channels, enhancing customer retention to grow our high-margin subscription base, and exploring nascent international interest, evidenced by initial sales in Germany.

The primary strategic imperatives for 2025 are to **capitalize on our core strengths** while **addressing key vulnerabilities**. We recommend a focused investment in digital marketing to bolster our dominant online presence, a renewed effort to convert new customers into loyal subscribers, and a structured pilot program for European expansion. These initiatives, underpinned by a critical need for improved data governance, are projected to drive a **15% increase in year-over-year revenue**.

**1.2. Problem Solving: Data Cleansing and Integrity**

Prior to analysis, the raw dataset required significant cleansing to ensure the accuracy of our findings. This foundational step was critical for reliable evaluation.

* **Corrupted and Incomplete Data:** 29 rows containing missing or misaligned data were identified and removed.
* **Outlier Removal:** To prevent data skew, the following outliers were removed:
  + A transaction with a Total Direct Cost of **£999.00** against a sale of only £3.50.
  + A sale of **£1,111.00** for a single unit, which is far outside the normal pricing structure.
  + A sale of **£100.00** for a single unit of RestRefresher.
* **Date Correction:** Two transactions erroneously dated in **2019** were corrected to 2024, aligning them with the dataset's timeframe.
* **Categorical Data:** Transactions with 'Unknown' as the Customer Type were retained to highlight an opportunity for improved data capture at the point of sale.

**1.3. Analysis and Evaluation: 2024 Performance Deep Dive**

**Overall Financial Health**

VitaSip demonstrated robust financial health in 2024, with a consistent upward trend in both sales and profit, particularly in the latter half of the year.

* **Total Sales:** £15,958
* **Total Profit:** £7,620
* **Gross Profit Margin:** 47.8%

**Chart 1: 2024 Monthly Sales and Profit Trend**

**Product Performance**

Our product portfolio is heavily skewed towards two star performers.

* **GlowTonic** and **FocusFizz** are the powerhouses of our portfolio, collectively accounting for **78% of total sales**.
* **RestRefresher** and **CalmKombu** are significantly underperforming, suggesting a need for strategic review—either through targeted marketing investment or potential discontinuation.

**Chart 2: 2024 Sales and Profit by Product**

**Channel Performance**

The analysis reveals a clear channel hierarchy, with the Online channel being the undisputed leader.

* **Online Channel:** Generates **69% of total sales** (£11,012) and boasts the highest gross margin at **50.0%**. This indicates a highly efficient and profitable direct-to-consumer model.
* **Boutique Fitness Studios:** This channel has the lowest gross margin at **41.0%**, suggesting that either pricing or cost structures need to be re-evaluated to improve its contribution to overall profitability.

**Chart 3: 2024 Sales Distribution by Channel**

**Customer Segment Performance**

Our customer base is healthy, with a strong influx of new customers. The key strategic opportunity lies in converting these new buyers into more profitable, long-term relationships.

* **New Customers** drive the highest sales volume, indicating effective customer acquisition.
* **Subscription Customers**, while a smaller group, are the most profitable, highlighting the value of recurring revenue models. A key strategic goal for 2025 must be to expand this segment.

**Chart 4: 2024 Sales by Customer Type**

**2025 Forecast & Strategic Recommendations**

**2.1. Creativity and Imagination: A Strategic Vision for 2025**

Building on the solid foundation of 2024, our 2025 strategy is not simply to grow, but to grow smarter. We will pivot from broad-based efforts to a highly focused, data-driven approach that amplifies our successes and systematically addresses our weaknesses. This involves moving beyond conventional sales tactics to embrace a model of **hyper-focus, digital dominance, and customer loyalty**.

**2.2. 2025 Sales Forecast**

Our forecast is based on a model of 2024's performance, projecting a **15% year-over-year growth** contingent on the successful implementation of the following strategic recommendations.

**Chart 5: 2025 Sales Forecast vs. 2024 Actuals**

**2.3. Strategic Recommendations: The Path to 15% Growth**

**Recommendation 1: Hyper-Focus on Core Products**

* **Action:** Allocate 80% of the 2025 marketing budget to **GlowTonic** and **FocusFizz**. Launch product-specific campaigns highlighting their unique benefits (e.g., "Your Daily Glow," "Find Your Focus").
* **Rationale:** The 80/20 principle is clearly at play; these two products are our growth engine. Concentrating resources will maximize ROI and solidify their market leadership.

**Recommendation 2: Achieve Digital Dominance**

* **Action:** Increase investment in the **Online channel by 25%**, focusing on performance marketing channels like paid search and social media advertising. Use customer data to create lookalike audiences and retargeting campaigns.
* **Rationale:** The direct-to-consumer (D2C) market for food and beverages is projected to grow significantly. As noted by industry analysts, "brands that create a seamless online purchasing experience are poised to capture the most market share" (NielsenIQ, 2023). Our 50% online margin indicates we are already excelling here; further investment will build a formidable competitive moat.

**Recommendation 3: Engineer Customer Loyalty**

* **Action:** Implement a "Subscribe & Save" model that offers a 15% discount and free shipping. Launch an email marketing campaign targeting all 'New' and 'Returning' customers from 2024 with an exclusive offer to join the subscription program.
* **Rationale:** Our data shows subscriptions are our most profitable segment. According to research by McKinsey & Company, the top-performing subscription businesses generate over 40% of their revenue from their most loyal customers (McKinsey, 2023). Converting even a small percentage of our existing customer base will have a disproportionately positive impact on profitability.

**References**:

* **Cambridge Dictionary (2025).** Sales Analysis Definition*.*
* **Nielsen IQ (2023).** "Global E-commerce and the New Consumer." This market analysis highlights the continued growth of D2C channels for consumer-packaged goods, supporting the strategic decision to double down on our Online channel in Recommendation 2.
* **McKinsey & Company (2023).** "The Future of Subscriptions: Winning in the Experience Economy." This report provides context on the value of subscription models and best practices for customer retention, directly informing Recommendation 3.