

Business Performance Analysis in Global Superstore

Problem	Insight	Recommendation
Business performance in the period 2011-2014	<p>-Overall, it can be seen that the profit margin = 12.89%, this is lower than the industry average at 24.27% (for in-store sales) and 42.53% (for online sales)=> Profit not yet effective</p> <p>- The number of returned orders is 877 (3.5%) => This rate is still relatively high, not considering the total value of the returned goods, causing a return shipping fee.</p> <p>- The highest gross margin is in the Technology industry (45.44%), followed by 35.82% in the Office Supplies and Furnitures industries, the lowest is 19.29%</p> <p>- Sales from 2011 to 2014 tended to increase (\$1.7M), but profit increased very little. \$0.1M increase each year.</p> <p>- By region, APAC, EU, US are dominating</p> <p>- Main revenue comes from customers who choose standard shipping method and order priority is medium</p>	<p>Improve business performance</p> <p>- Improve profit margin: Check the list of products by industry group, sub-section currently selling at a loss (net sales is negative; total valid product is negative) with suppliers, survey market prices. -> Make a decision to continue selling or cut from the product catalog -> Redo product selling price Check the list of returned products located in 3 regions APAC, EU, LATAM with the following criteria: + Product quality + Product selling price + Why did the customer decide to return the goods? Where is the top cause? - Cost optimization: Survey the average cost by area to find out the average cost, average delivery time => Find a more optimal solution for delivery costs</p>
	<p>By category</p> <p>- Total negative profit is relatively high (\$888.02K)</p> <p>- Furniture industry group has the lowest profit rate. In which, the Tables subsection has the highest level of sales correlated with the highest negative profit (\$140K). The Chairs and Bookcases subsections also fall into the same situation with a loss of ~\$100K - From the scatter chart model, it is possible to extract a list of product categories that are suffering losses and corresponding product codes including :</p> <p>+ Furnitures: Furnishing, Tables, Chairs, Bookcases</p> <p>+ Technology: Machine, Storage, Phones, Accessories</p> <p>+ Office Suppliers: Copiers, Appliances, Binders, Arts, Supplies, Fastener, Papers, Labels</p> <p>- Because Technology group is still leading with high sales and high profit margin. The highest is in the Copier and Phones groups (~0.31M)</p> <p>- Following is the Furnitures group with 2 prominent sub-sectors: Bookcases and Chairs (~0.25M).</p> <p>- The average year belongs to the Office Supplies group with the main products being Storage, Appliances; Technology group with 2 products Accessories, Machine (~ 0.15M)</p>	<p>Market expansion strategy</p> <p>Based on sales and profits in markets in the period 2011-2014:</p> <p>+ The company continues to maintain market share and improve profit margins, minimizing return rates in dominant markets such as: APAC, EU, US</p> <p>APAC needs to pay attention to developing countries such as: China, Australia, India, Japan; check the countries that are having strong losses such as Philippines, Thailand, Vietnam, South Korea, Pakistan;</p> <p>EU: need to pay attention to reduce the return rate and check again Netherlands, Sweden are selling at a big loss</p> <p>For market expansion: In 2014, the market witnessed profit growth from EMEA countries, the highest growth rate was 113.25%, while the rest of the markets tended to move sideways or down => proposed building develop an expansion strategy in the EMEA market</p>

Deeply analyze each specific aspect to find out potential markets and strategic products

<p>Depending on the record of order being returned</p> <ul style="list-style-type: none"> - For returned orders: + The most returned orders are also in 2/3 of the most profitable markets (APAC, EU) and LATAM + The most returned items belong to the groups of Technology, and Furniture. Items with high profit margins and medium to high sales have a high return rate + The reason for the refund and the costs incurred due to the returned order is unknown 	<p>Strategic products</p> <p>In the list of 3 categories, it can be seen that Technology has both the highest sales and profit rates. When going into in-depth analysis over time, this is also the only industry group with significant growth from 2013 to 2014, profit growth significantly,</p> <p>Meanwhile, Furniture and Office Supplies share the same downward trend.</p> <p>=> It is proposed to put the industry group in the following order of priority: Tech, Office Supplies, and Furniture</p> <p>=> Strategic products will be high-margin products belonging to 2 groups of Tech and Office Supplies (based on the extraction table system item 3.)</p> <p>In addition to strategic products, the list of products in the Furniture group needs to be restructured and an effective sales strategy.</p>
<p>By region</p> <ul style="list-style-type: none"> - 3 main markets leading in terms of profit: APAC, EU, US + For the US market, the main profits come from the East and West regions (over 50% compared to 2013). In the East, New York is the city with the highest rate of return. For West, Cali and Washington are two big cities that are also in the list of cities with the highest profit rates + The APAC market is considered an emerging market with great potential. In which Central Asia is always the highest ~18%. North Asia and Oceania both achieved equal sales in 2012, however, North Asia's profit has always been higher than Oceania's over the years despite Oceania's sales increasing strongly year by year. In which China accounted for the weight in the rate of gain in North Asia, South Korea was losing, and Hong Kong accounted for a very small weight. + Southeast Asia sales increase but profit is very low + For EU market: Central area has high sales volume but profit growth rate in 2014/2013 is only 0.39% <p>Cities that are experiencing negative profits are listed in the table</p>	
<p>By the time</p> <p>Problem 2</p> <p>In terms of 3 main industries</p> <ul style="list-style-type: none"> - Sales volume and profit ratio increase over time in all 3 product groups. However, + Furnitures industry: sales are high but the profit rate is almost flat ~ \$0.08 + While the furniture and office supplies industry tended to decrease sharply in growth rate from 2013 to 2014, the Technology industry showed the opposite trend. At the same time, the profit of this group also increased the most by 36.31% in 2014 <p>In terms of regional trends</p> <p>Besides the 3 main markets, EMEA is the only market that saw a sudden growth of 2.64% in 2012, 95.55% in 2013, 113.25% in 2014</p>	