Nova Mart Business Report

CONTENTS

01 Executive Summary.

02 Insights & Root Causes.

03 Proposals.





01

Executive Summary.

Main Issues

Discrepancy between production costs and selling prices, affecting profitability.

Returns reduced profitability by incurring costs without generating revenue.

Corporate Segment is concentrated in only one region.

Proposals

New Pricing Strategyto compensate for the productions' cost.

Enhance Quality of products & performing periodic check-ups to minimize financial & reputational losses.

Increase targeting of corporate clients in other regions to expand the company's market presence and drive revenue growth.



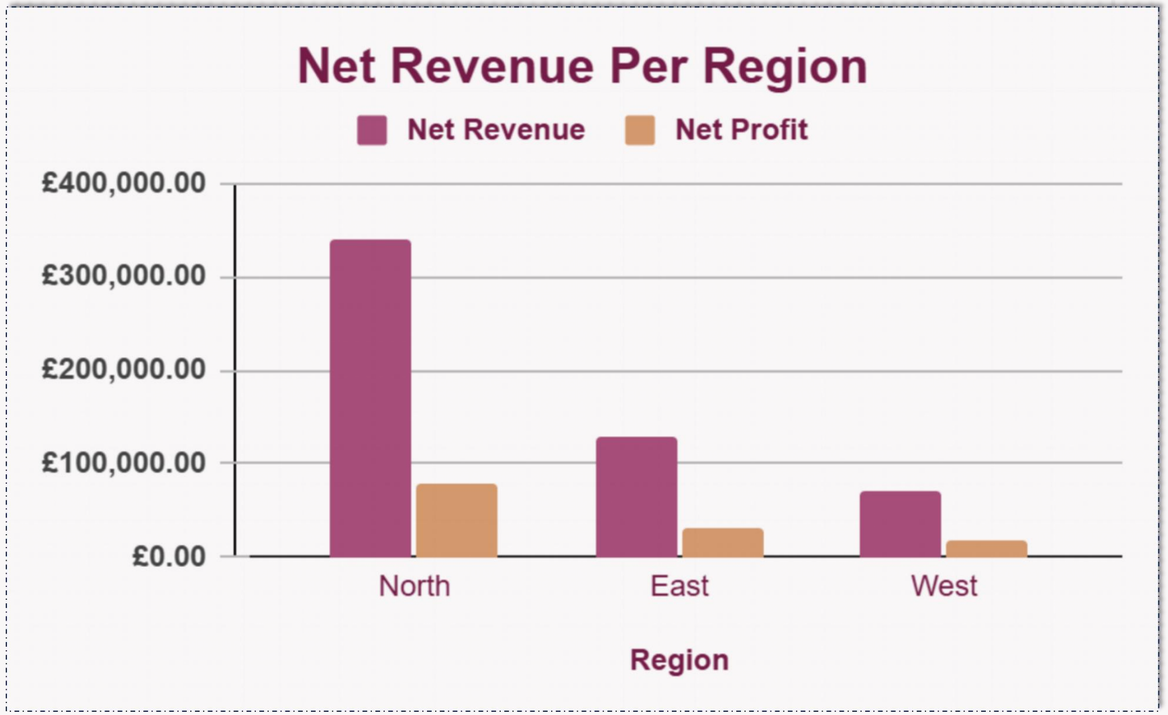
02

Insights & Root Causes.

1. Revenue Per Region.

- North generates the highest revenue (£340,079) and the highest profit (£78,659) making it the core growth engine of the business.
  Further analysis will explore the factors contributing to this performance.

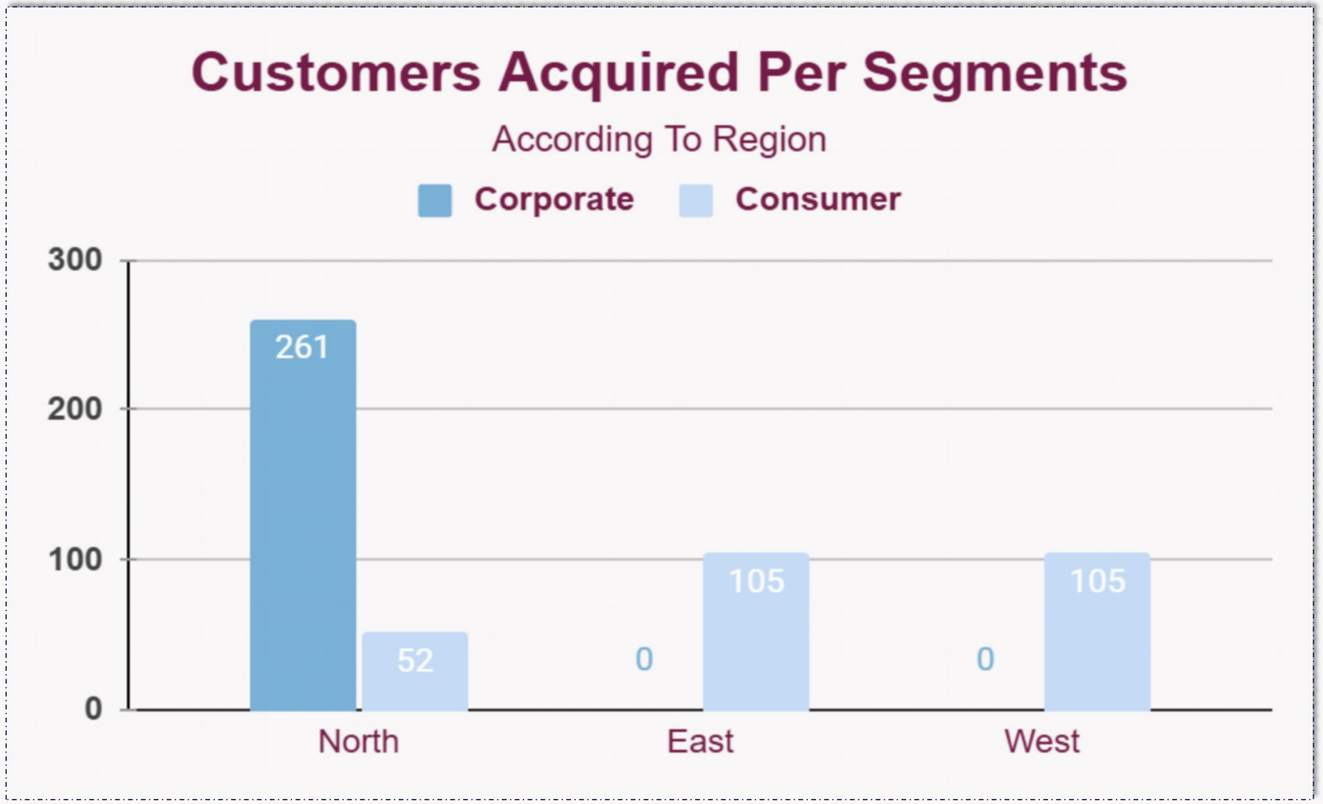
- While North leads in both revenue and profit, the overall decline in profitability suggests that growth alone is not efficient and may be driven by discounts or cost-heavy operations.



1. Revenue Per Region.

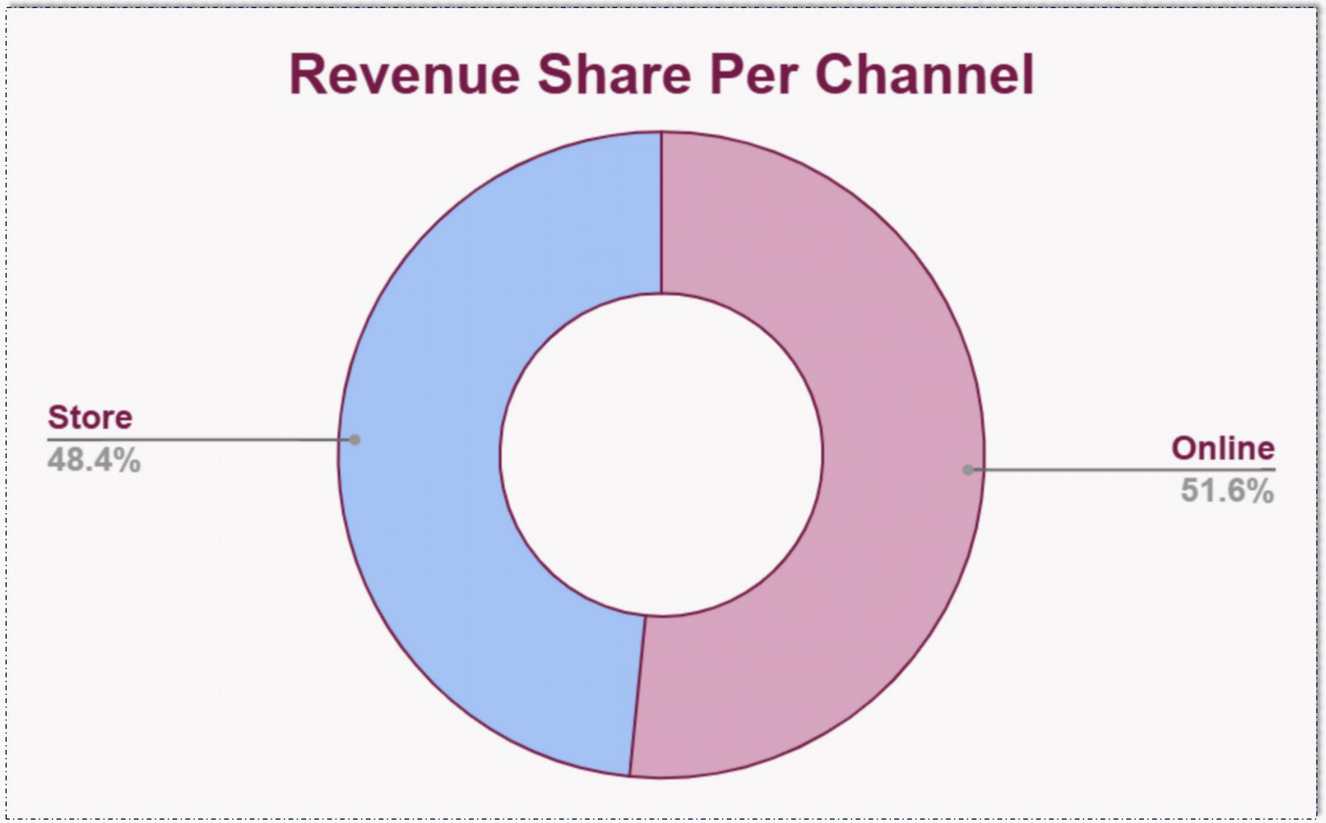
- Corporate segment is only concentrated in north region. Having both segments in North region explains why it's the highest.

- Revenue in the top-performing region relies heavily on Corporate clients, creating a risk of over-dependence on one segment and highlighting an opportunity to grow the Consumer base.



2. Revenue Share Per Channel.

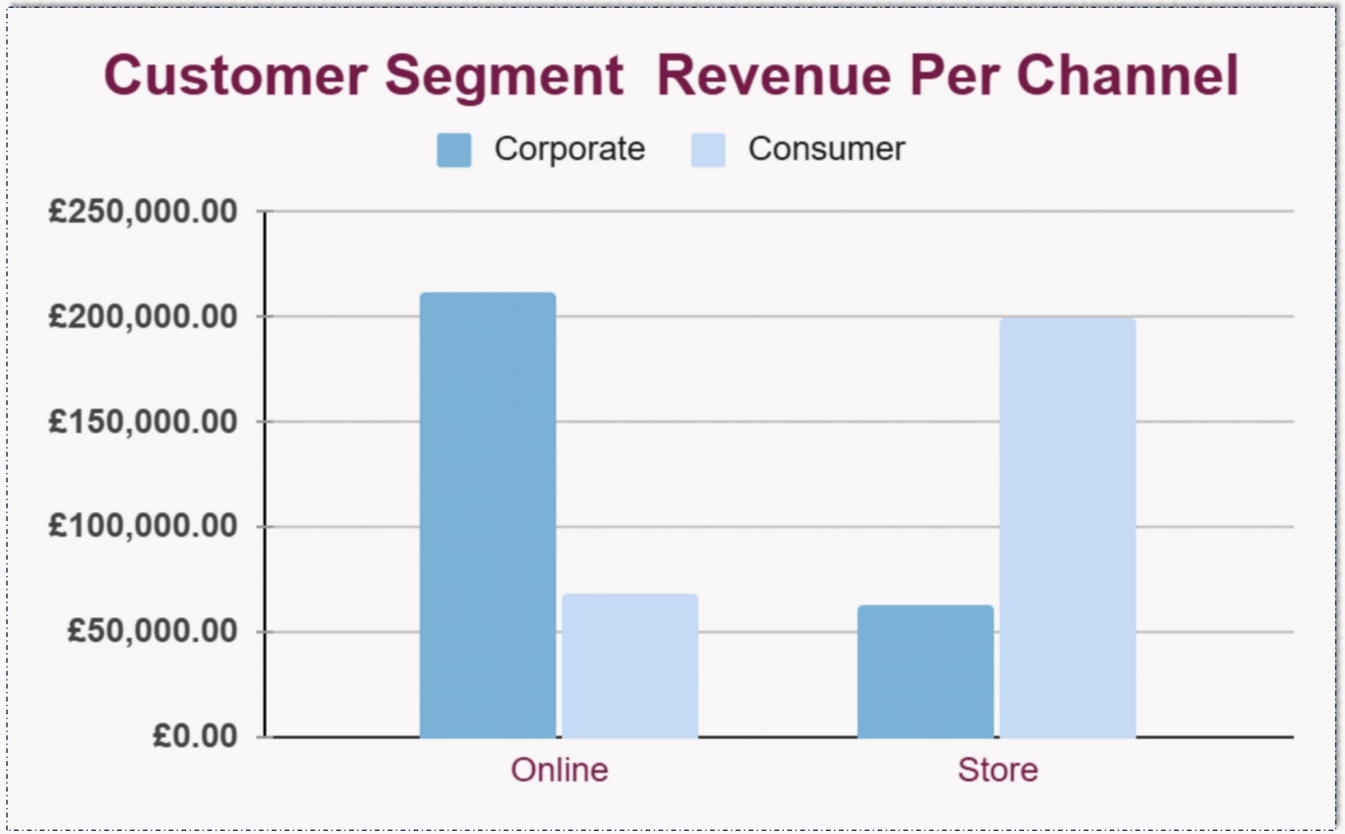
- The slight lead in online revenue suggests a growing customer preference for digital channels, positioning online as a key driver of future growth.



2. Revenue Share Per Channel.

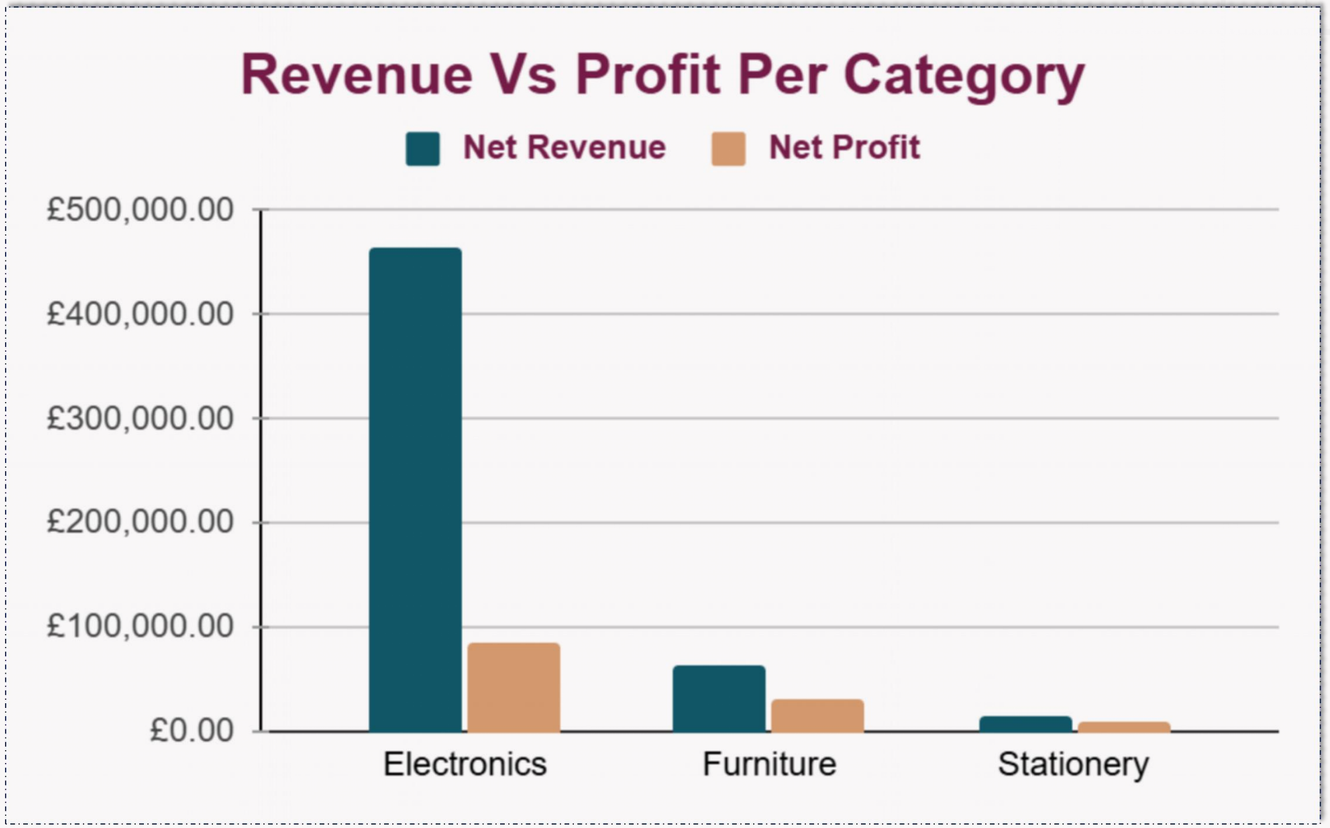
- The trend shows that Corporate customers primarily purchase online, while Consumers favor stores.

- Since the Corporate segment is concentrated solely in the North region, revenue from both channels is relatively balanced.

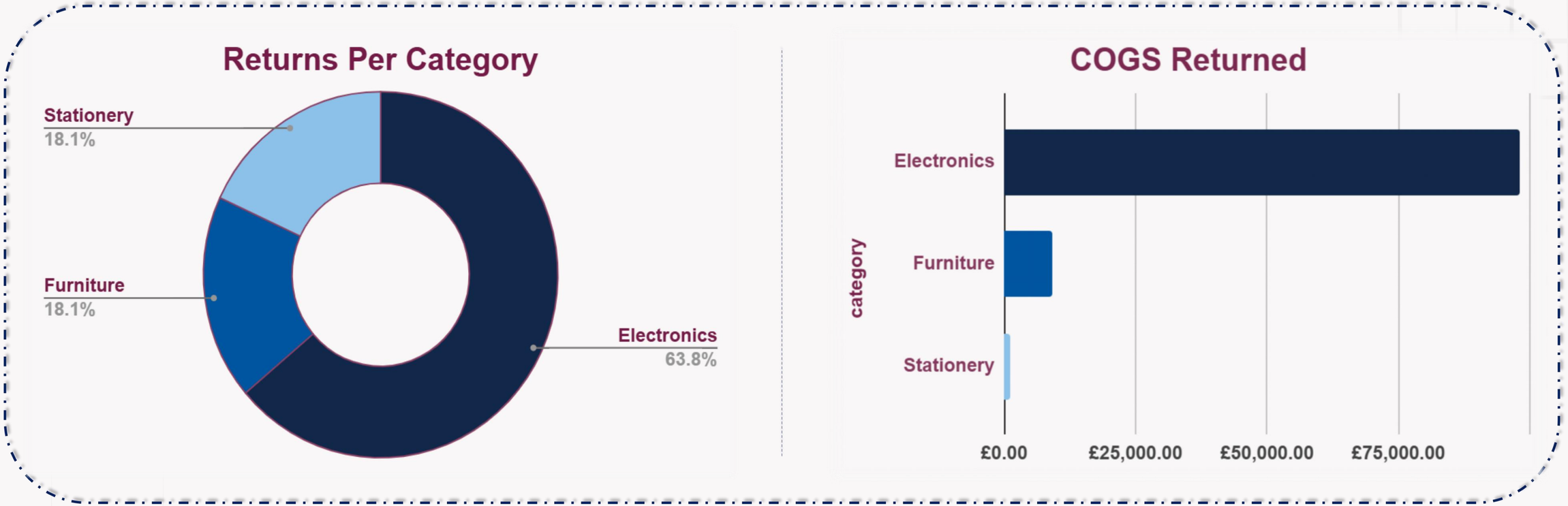


3. Revenue & Profit Share Per Category.

- Electronics leads in revenue but shows a noticeable gap in profitability, suggesting hidden cost factors that will be explored further.



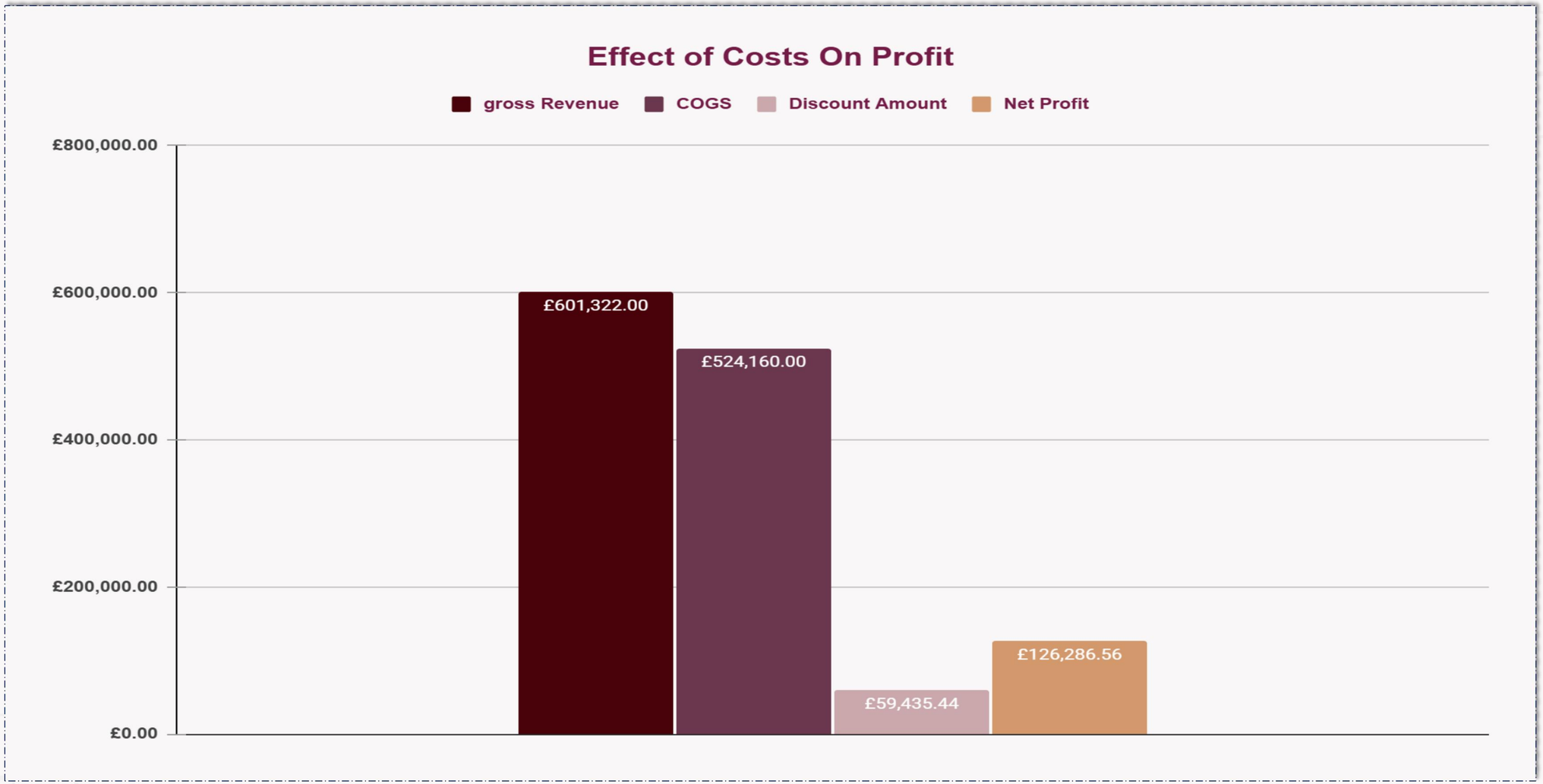
4. Returns Effect.



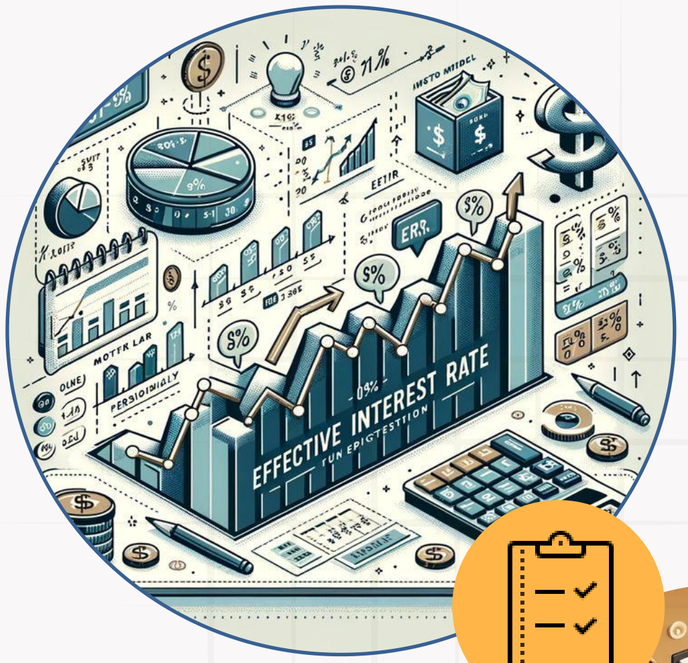
- Although Electronics generated the highest revenue, returns reduced profitability by incurring costs without generating revenue. Returns in other categories should not be overlooked.

- Electronics drives the highest costs, significantly impacting profitability. Return causes should be investigated, especially as Corporate customers heavily purchase this category, posing potential reputational risk

5. Costs & dicounts Impact Comparison.



While discounts impact profit by 32%, production costs—including returned products that may not be restocked—have a significantly greater impact, accounting for approximately 87%.





03 Proposals.

01

New Pricing Strategy (High impact / Low effort)

It is recommended that pricing strategies be re-evaluated to address the discrepancies between production costs and selling prices, ensuring profitability is maintained.



02

Reduce return rates across all categories, with a focus on Electronics (High impact / High effort)

Addressing return issues involves improving product quality, supplier management, and customer expectations, which takes time but significantly reduces hidden costs.

03

Implement Targeted Discount Strategies(High impact / Low effort)

Shifting from broad discounting to targeted promotions can quickly improve profit margins with minimal effort and immediate results.

04

Reduce Store-Related Costs (High impact / High effort)

locations and renegotiating rent can significantly reduce costs but requires strategic decisions and execution.

05 Expanding Corporate Client Outreach in New Regions(High impact / High effort)

Increase targeting of corporate clients in other regions to expand the company's market presence and drive revenue growth.



06 Promote High-Margin Products (High impact / Low effort)

Focusing on high-margin products through marketing and sales efforts can increase average profit per order without major operational changes.

07 Diversify Customer Segments (High impact / Low effort)

Targeting more consumer customers can improve margin balance with minimal implementation effort.

Thank You
For Your Attention

Data is not about numbers,
it's about understanding