[Company name]  [Company address]

Business Management Sample 1

**Recommendation for increasing sales**

**Insert name**

**Insert institution**

**Task 3 (RECOMMENDATIONS)**

In order to improve sales, it is necessary to study the past, understand the present and predict the future. This information plus the associated statistics is important in decision making and recommendations for better sales. Fortunately, the company has the required data to handle the situation and provide informed decision regarding the issues at stake. From the sales data provided by the updated supermarket transactions, some useful conclusions can be arrived informing appropriate strategies for future operations (Habiyaremye, 2011).

It was established that there was a great link between the sales and the customer loyalty rewards program. It is obvious that the highest contributors of revenue to the company are families with annual incomes of $90K - $110K (33%) and $10K - $30K (22%). Also food purchases recorded higher sales than any other product category. We can also see that majority of the shoppers are from the state of WA. This data specific to this sector is significant not only for successful operations of the company, but as a key point of commencing the strategizing on the way forward



**Key to the chart**

1. [$10K - $30K], 2. [$30K - $50K], 3. [$50K - $70K] 4. [$70K - $90K], 5. [$90K - $110K], 6. [$110K - $130K], 7. [$130K - $150K], 8. 150K

*A pie chart showing the proportions of the different categories families based on their annual incomes versus their revenue contribution in the company’s total sales.*

This information will be used to infer some logical conclusions that could be implemented to increase sales. First, it has been seen that the customer loyalty program worked and in business, one should capitalize on their strengths. If a strategy works we should strive to make it work even better ensuring significant outputs and associated positive outcomes of the business strategy. If we could enhance the loyalty rewards program to cover the whole range of our clientele, the company could possibly drive more sales through the program. Ensuring customers remain loyal would be a key strategy, especially if the company will have to deal with the imminent challenge of increasing competition (Stanford, 2012).

Based on total purchases from the different categories of families, it would be logical to prioritize customers in the lowest income category in the strategy as well as those earning $90K - $110K who are most likely busy families and lifestyle shoppers. In the revenue collected from the total sales this category of shoppers accounts for 55% of the total purchases. This is the group with the ready potential for increasing sales and hence revenue to the company. Customers in the lowest income category need affordable items. We can consider stocking more affordable alternative products so that they can purchase more with the same amount of money they have available for spending. In this case stocking more affordable products does not mean lower profit margins on those products, but products with significantly lower value. By doing this we are going to create trust between the business and them. If they are able to shop more at the same value it means they will be happy to shop at Walton. If they shop more revenues will increase automatically from high turnover.

This category of shoppers will also be interested in offers and discounts. Therefore, we should introduce offers and discounts on some of the products they buy less often to encourage them to buy those products. The offers and discounts can be on semi-luxury products such as low cost snack foods and canned foods. This strategy will give this category of shoppers more purchasing power and more confidence to shop at Walton Supermarket. By ensuring the acquisition and retention of this lot of shoppers, the company can have surety of better and sustained client base. It will also offer a benchmark for expansion both in the short and long term approach to business operations within the specified sector.

For the customers in the category of annual income between $90K -$110K, we can consider providing an even wider variety of products that suit their lifestyle. From the BI reports, the popular lifestyle products purchased were mainly pizza, carbonated beverages and canned foods. If these shoppers are exposed to a wider choice of those products, it is very likely that they are going to shop more just to quench their satisfaction (Hess & Liedtka, 2012). Lifestyle shoppers normally want to try out new products and they are difficult as maintaining brand loyalty. This group of customers forms a formidable client group as they can assure the purchase of orders in the short and long term, hence the company can bank on them with a target of ensuring continued support.

From experience, shoppers buying products in such categories are also lovers of the shopping experience. Besides, what they buy, they also think of how they buy them as a lifestyle attribute. To enhance their experience, we could work with the suppliers of various customizable products like pizza and treat the customers with a completely new experience. For example, we could start a custom pizza request service where a client does not just order for the pizza, but selects the ingredients to make it. Then the request is submitted to the supplier and the supplier delivers it to Walton where the client gets to pick it. The approach would not only ensure satisfaction, but add the aspect of brand loyalty and intimate connection with the product both in the short and long term.

Another example of a custom service that could suit this category would be delivering products for events like birthdays and anniversaries. We can establish a supply service for such events where a client can place custom order on products then we request from the different suppliers and have the orders duly delivered. Personalised services can provide a wide berth of client base. The target group would include the loyal clients and busy group of clients unable to visit the premises during the times of need. This provides a unique business strategy not common within the industry, hence reducing competition (Lambert, 2008).

These services will not only impress the lifestyle shoppers, but also the busy families. We will now be able to sell our products, even to shoppers with little or no time for shopping. The biggest challenge in this strategy is establishing the infrastructure and solving the logistics of supply and delivery. But once we set up shop execution will not be much of a problem. In executing this plan just like others, speed and simultaneity will be important if we must avoid competitors taking advantage of the nice set ground and getting ahead of us in our own game.

From the report below, highest revenues per state/ province were noted to be from the state of WA and these shoppers were mainly buying bathroom products, cleaning supplies and snack foods. However, foods in general recorded the highest purchases.



We could consider shoppers from WA as our dearest customers. Hence, we could consider offering customized or personalized services to customers from WA. Of course all customers deserve personalized services and products, but to begin with we should start with the majority block of our customers. The group could act as the testing lot, then on success, the strategy can be implemented across the board. By providing efficient and cost effective strategy within the first tested group, the company can progress and implement related products across other target recipients of the products of the service provider (Sabherwal & Fernandez, 2011).

The company cab commence home delivery solutions to the state of WA and due to the favourable economies of scale it will make economic sense. It could offer an exceptional online shopping experience to broaden our reach and increase access. If shoppers have more access to our products than they have more chance of buying them. The idea here is to be omnipresent. Whereas our competitors may have focused on in-store sales promotions and strategies to bring customers to their stores, we can take our store to the shoppers. Sowell, 2007, describes economies of scale as a key factor that determines the cost of doing business. Furthermore, shoppers from WA spun the whole wide range of categories from low to middle to high income, to the different preferences in products purchased. Therefore, they form a crucial base for expansion of sales.

It cannot ignore the rest of the shoppers from Mexico, DF or Canada. But since growth can only take occur in stages, it would be practical to begin with that in WA and depending on its success, spread it out to the other major cities. However, this may largely depend on our current budget constraints. If budget allows, it would be important to roll out the plan and cover the major cities where most of our shoppers come from before our competition take advantage. If the plan is executed simultaneously across the major targets there will be very little chance for our competitors to imitate. Setting the pace is the first step, maintaining the lead in that field would be the whole task. Therefore, to achieve the institutional goal, strategies must be implemented systematically factoring the core components of the process. Associated monitoring and evaluation of the success, failures and points of improvement must accompany the strategies to avoid cases of massive losses and failures in cases where the strategies might be not meeting the expected plans.

* The assumptions that I made in these recommendations was that the customers being targeted by the sales strategies are loyal. If not, a different approach would have been taken. For example, a plan like personalized home delivery solutions to be implemented in the state of WA would not work out if the customers shop from anywhere.
* The second assumption is that presently, Walton Supermarket does not offer online shopping or home deliveries.

In conclusion, much of the effort to drive the sales up will require that the strategy focuses on a narrow category before expanding. This will ensure a manageable expansion or growth plan in the long term. Also, it requires that the company focus on the already established areas of strengths first before venturing into other possible opportunities for expanding the sales. In addition, it is of importance to note is that just offering quality products might not be enough. Since the company and its competitors could be sourced from the same suppliers, there might not be differences in the quality of products we sell (Laursen & Thorlund, 2010). Therefore, to beat the competition and make sure our customers remain loyal and buy more, we must provide what others do not provide. This is majorly the service accompanying our goods.

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