Financial Report Analysis

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Revenue can be termed as the total income earned from goods and services sold. Among the fifteen cars, Toyota Prius generated the highest revenues; thus, it can be referred to as high revenue-generating cars. The average revenue generating car is the BMW series, while the poor revenue generating car is the Toyota Prius plug-in. Though the sales of Toyota Prius decreased between 2015 to 2016, this type of car attracts many customers as compared to other vehicles. Its manufacturers' selling price tends to be $24200. In the year 2015, about 9958, 8822,11921 cars were sold in March April, and May. In 2016 the sales decreased to about 9958,8822 and 11921 for March, May, and April, respectively. On the other hand, BMW series five, which cost $ 51000, also its sales decreased between 2015 and 2016. It is an average revenue generating car as compared to other types of vehicles. It had a percentage decrease of 15.68 percent. Lastly, Toyota Prius plug-in is the poor revenue-generating vehicle. It is priced at $ 29990 and did not have many customers between 2015 and 2016. In 2016 the manufacturing company sold 7,4, 4 cars for March, May, and April, respectively.

Most customers check at the luxury features of a car compared with price. Many customers must have chosen the Toyota Prius because it had useful features compared with its price. This may not have been the case with the Toyota Prius plug-in. Its price might have been far beyond its features. Rather BMW series was priced at $50000 and still attracted several customers. It's luxury options might have contributed to this despite its high cost (Great Britain., & Ellman, 2012). What could have also affected the sales of these cars include the advertising strategies and the outward look of car. The marketing team may have marketed the Toyota Prius more than the rest of the vehicles, thus attracting more customers. Toyota Prius plug-in may have been affected by poor marketing, making it generate poor revenues. This model of a car may have also been affected by market competition where the manufacturer may have priced it at a price higher than the market price of other manufacturing companies, thus generating poor income. Therefore the manufacturing company needs to check various aspects that could have led to poor sales of the Toyota Prius plug-in.

There are various strategies the management can adopt to help in improving and maintaining the sales of the Toyota Prius, which is a high revenue generating car. One primary strategy they can adopt is keeping an eye on the sales of the vehicle. Monitoring the sales of their competitor is one way in which they should maintain and improve their sales. The manufacturer can also choose to come up with modern and optimized solutions. The old office methods, such as the use of excel sheets and cost-plus formulas, should be replaced with dynamic pricing methods which are fitted with data driving strategies that can optimize the price of a car together with its parts. Secondly, the manufacturing company should consider managing the parts inventory effectively. For example, companies such as Amazon have a significant advantage because they deliver products the same day a customer has ordered. Thus, manufacturing companies should have the right parts of a car in-store in case a customer needs them. Therefore, better scientific strategies should be applied in managing inventory. Data management needs to be adopted in a company. The data should range from performance statics, aftersales services, and marketing information. This kind of data helps in coming up with better strategies for managing sales.

For the BMW series, which is an average revenue generating car and Toyota Prius plug-in, which is a reduced revenue generating car, the manufacturing company should adopt cross-selling and add on when selling the cars. The manufacturing may choose to offer a warranty on the vehicle for a certain time or give away any gift for those buying the cars . in Their websites, they should encourage their customers to purchase this type of cars using some attractive terminologies The manufacturer should also consider batching or binding. This involves selling two products together at a fair price. The manufacturing company can choose to be selling two cars together, especially those that are making poor sales at a fair price. This will help to attract more customers as compared to their competitors in the markets. The company should consider prominent merchandising. This involves the proper presentation of a car when it is being sold. The features should be well stated. They should also consider using brochures and testimonials from other customers who have bought the vehicles (Great Britain., & Ellman, 2012). The manufacturer also needs to consider pricing, margins, and discounts. He should check the prices of these types of cars from other manufacturers to assess what could be affecting the sales. If his prices are high, then he should lower the prices. The manufacturer also needs to offer discounts to this kind of car to attract customers and reduce the cost of maintaining inventory. Moreover, they should offer free shipping costs to their customers all across the globe (Great Britain., & Ellman, 2012). This will attract more customers, especially those that are not ready to incur the cost of shipping. Lastly is that the company should come up with a customer loyalty program where buyers of these cars raise their issues. Even members of the public should tell what should be improved in the vehicles and why they are not willing to buy the car.

References

Great Britain., & Ellman, L. (2012). *Plug-in vehicles, plugged in policy?: Fourth report of session 2012-13. London: The Stationery Office.*