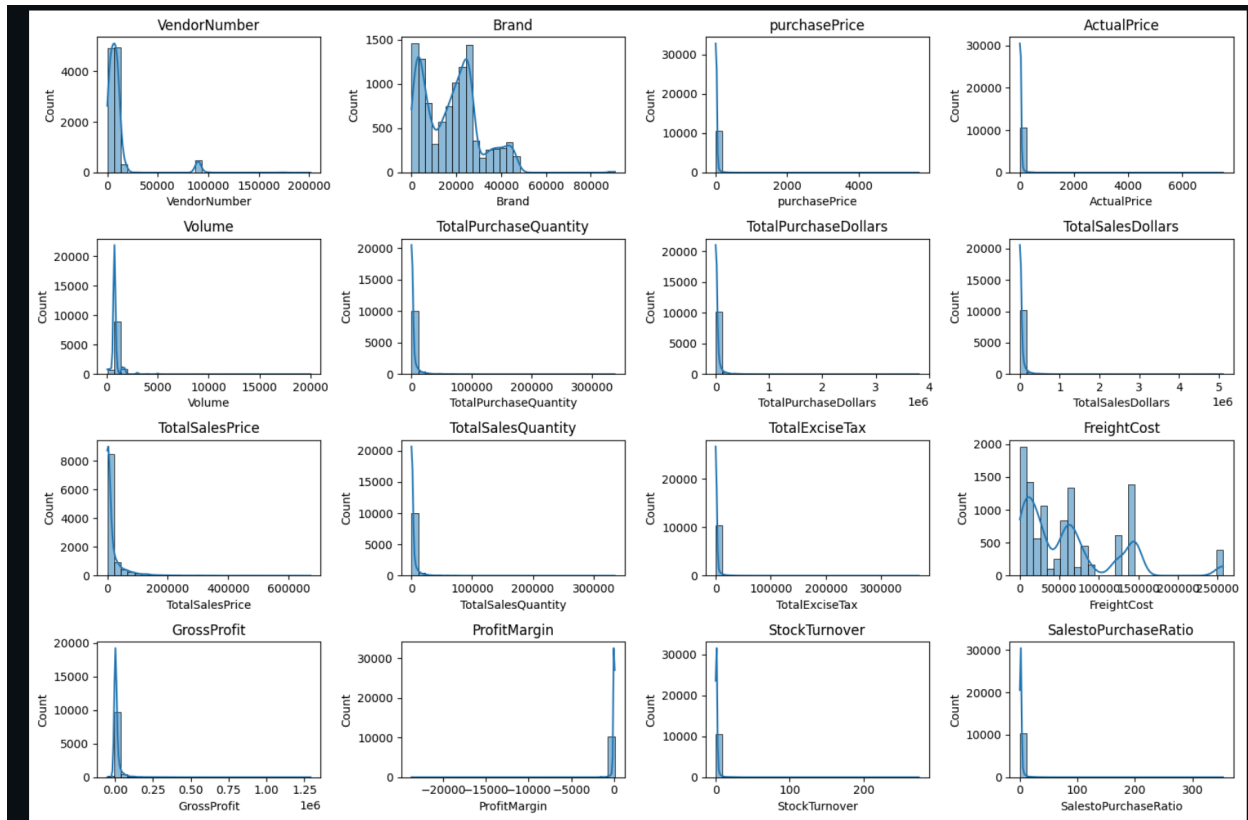


Vendor Performance Report

Summary Statistics:

	count	mean	std	min	25%	50%	75%	max
VendorNumber	10692.0	1.065065e+04	18753.519148	2.00	3951.000000	7153.000000	9552.000000	2.013590e+05
Brand	10692.0	1.803923e+04	12662.187074	58.00	5793.500000	18761.500000	25514.250000	9.063100e+04
purchasePrice	10692.0	2.438530e+01	109.269375	0.36	6.840000	10.455000	19.482500	5.681810e+03
ActualPrice	10692.0	3.564367e+01	148.246016	0.49	10.990000	15.990000	28.990000	7.499990e+03
Volume	10692.0	8.473605e+02	664.309212	50.00	750.000000	750.000000	750.000000	2.000000e+04
TotalPurchaseQuantity	10692.0	3.140887e+03	11095.086769	1.00	36.000000	262.000000	1975.750000	3.376600e+05
TotalPurchaseDollars	10692.0	3.010669e+04	123067.799627	0.71	453.457500	3655.465000	20738.245000	3.811252e+06
TotalSalesDollars	10692.0	4.223907e+04	167655.265984	0.00	729.220000	5298.045000	28396.915000	5.101920e+06
TotalSalesPrice	10692.0	1.879378e+04	44952.773386	0.00	289.710000	2857.800000	16059.562500	6.728193e+05
TotalSalesQuantity	10692.0	3.077482e+03	10952.851391	0.00	33.000000	261.000000	1929.250000	3.349390e+05
TotalExciseTax	10692.0	1.774226e+03	10975.582240	0.00	4.800000	46.570000	418.650000	3.682428e+05
FreightCost	10692.0	6.143376e+04	60938.458032	0.09	14069.870000	50293.620000	79528.990000	2.570321e+05
GrossProfit	10692.0	1.213238e+04	46224.337964	-52002.78	52.920000	1399.640000	8660.200000	1.290668e+06
ProfitMargin	10692.0	-inf	NaN	-inf	13.324515	30.405457	39.956135	9.971666e+01
StockTurnover	10692.0	1.706793e+00	6.020460	0.00	0.807229	0.981529	1.039342	2.745000e+02
SalestoPurchaseRatio	10692.0	2.504390e+00	8.459067	0.00	1.153729	1.436894	1.665449	3.529286e+02



Negative & Zero Values:

Gross Profit: Minimum of -52,002.78, indicating potential losses due to high costs or heavy discounts. This could be due to selling products at lower prices than their purchase costs.

Profit Margin: Has a minimum of $-\infty$, which suggests instances where revenue is zero or even lower than the total cost, leading to extreme negative profit margins.

Total Sales Quantity & Sales Dollars: Some products show zero sales, indicating

they were purchased but never sold. These may be slow-moving or obsolete stock, leading to inventory inefficiencies.

Outliers Detected by High Standard Deviations:

Purchase & Actual Prices: The maximum values (5,681.81 & 7,499.99) are significantly higher than the mean (24.39 & 35.64), indicating premium product offerings.

Freight Cost: Extreme variation from 0.09 to 257,032.07 suggests logistics inefficiencies, bulk shipments, or erratic shipping costs across different products.

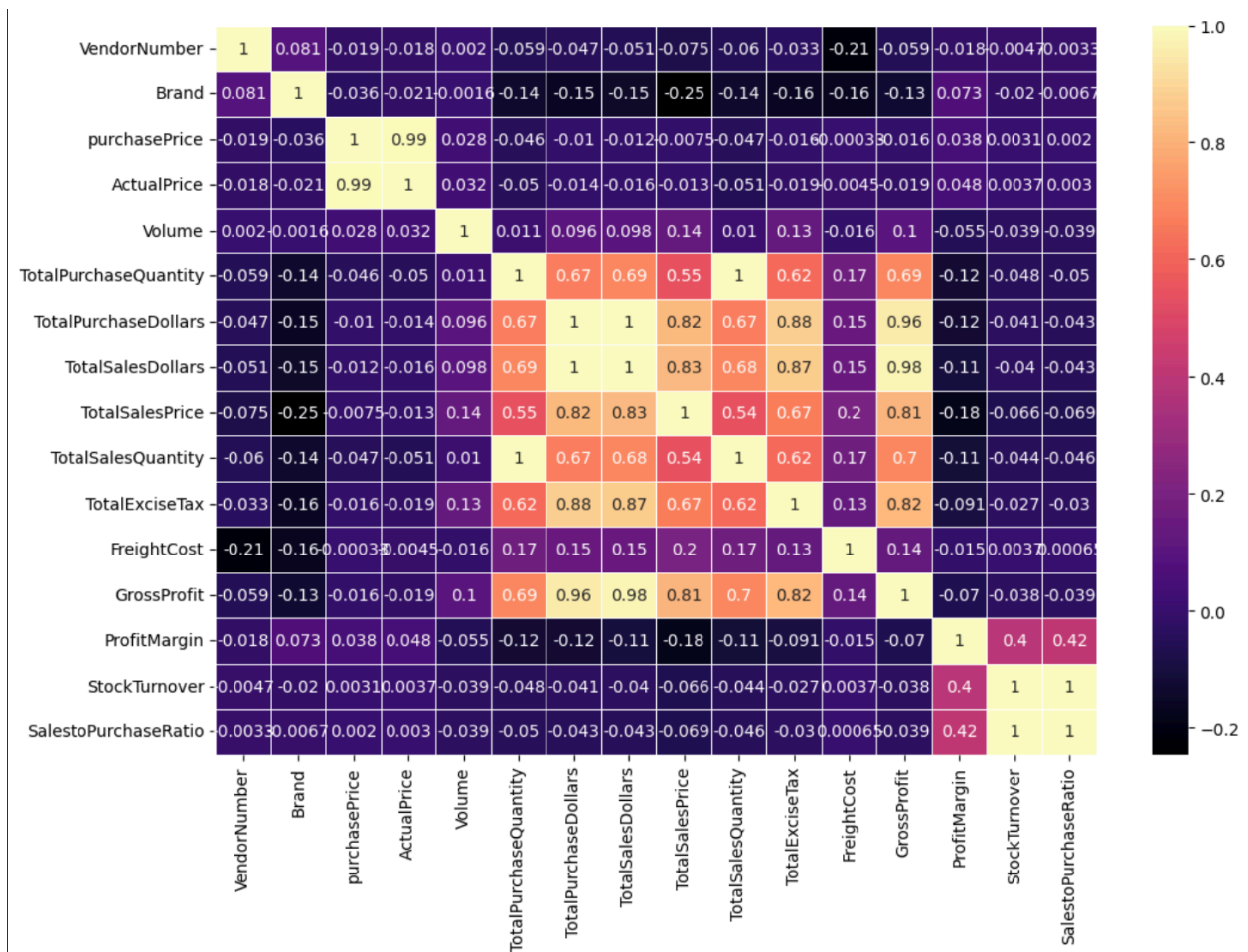
Stock Turnover: Ranges from 0 to 274.5, suggesting some products sell rapidly while others remain unsold for long periods. A value greater than 1 indicates that sales for a product exceed the purchased quantity due to older stock fulfilling orders.

DATA FILTERING:

To enhance the reliability of the insights, we removed inconsistent data points where:

- Gross Profit ≤ 0 (to exclude transactions leading to losses).
- Profit Margin ≤ 0 (to ensure analysis focuses on profitable transactions).
- Total Sales Quantity = 0 (to eliminate inventory that was never sold).

Correlation Insight:



Purchase Price vs. Total Sales Dollars & Gross Profit: Weak Correlation (-0.012 and -0.016), indicating that price variations do not significantly impact sales revenue or profit.

Total Purchase Quantity vs. Total Sales Quantity: Strong correlation(0.999), confirming efficient inventory turnover.

Profit Margin vs. Total Sales Price: Negative correlation (-0.179), suggesting

increasing sales prices may lead to reduced margins, possibly due to competitive pricing pressures.

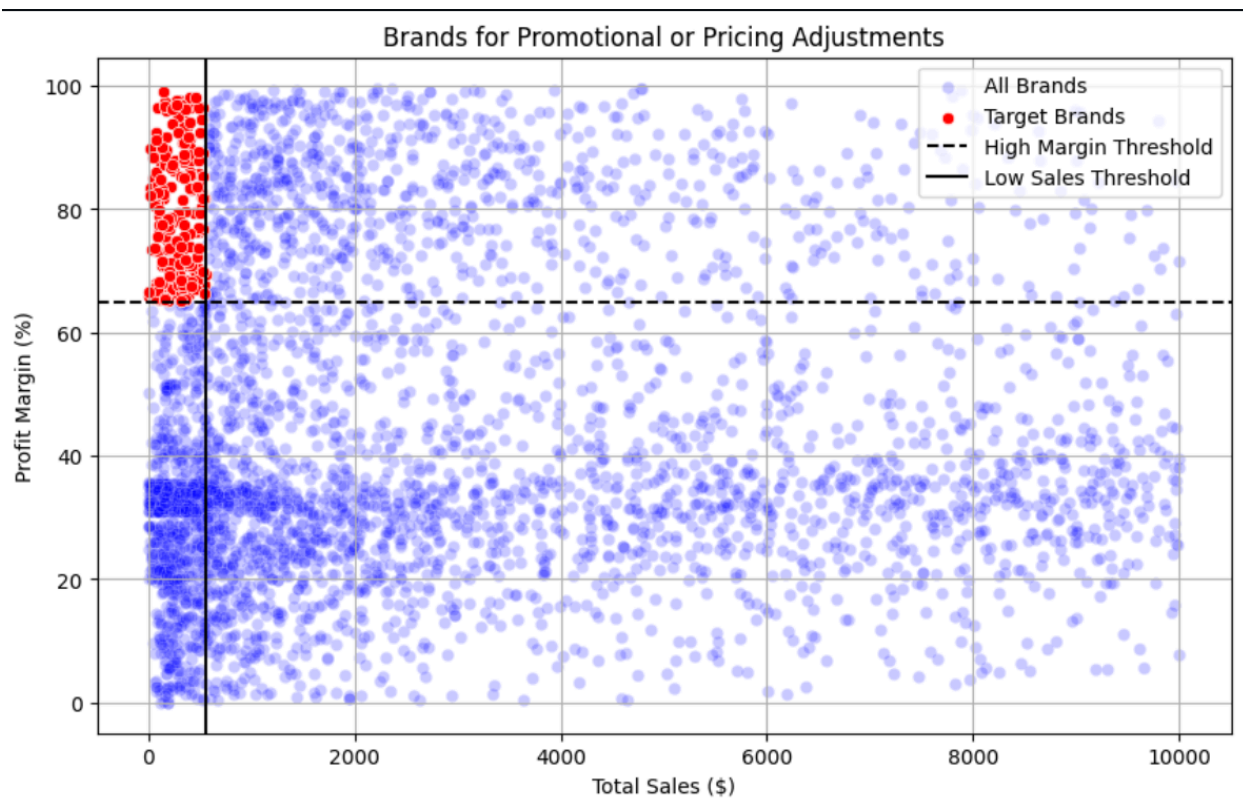
Stock Turnover vs. Gross Profit & Profit Margin: Weak negative correlation (-0.038 & -0.055), indicating that faster stock turnover does not necessarily equate to higher profitability.

Research questions and Findings :

1. Brands for promotional and pricing adjustments

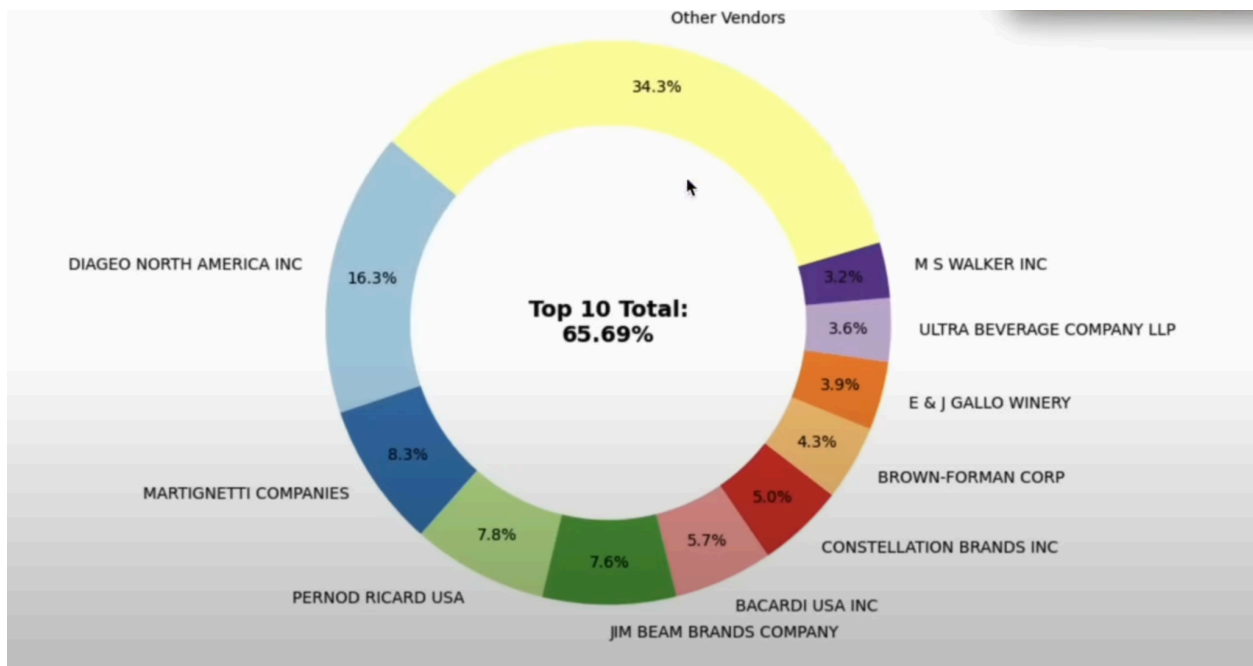
Brand with high profit Margins but low sales			
	Description	TotalSalesDollars	ProfitMargin
6199	Santa Rita Organic Svgn Bl	9.99	66.466466
2369	Debauchery Pnt Nr	11.58	65.975820
2070	Concannon Glen Ellen Wh Zin	15.95	83.448276
2188	Crown Royal Apple	27.86	89.806174
6237	Sauza Sprklg Wild Berry Marg	27.96	82.153076
...
5074	Nanbu Bijin Southern Beauty	535.68	76.747312
2271	Dad's Hat Rye Whiskey	538.89	81.851584
57	A Bichot Clos Marechaudes	539.94	67.740860
6245	Sbragia Home Ranch Merlot	549.75	66.444748
3326	Goulee Cos d'Estournal 10	558.87	69.434752
198 rows × 3 columns			

198 brands exhibit lower sales but higher profit margins, which could benefit from targeted marketing, promotions, or price optimisations to increase volume without compromising profitability.



2. Top Vendors by Sales & Purchase Contribution

The top 10 vendors contribute 65.69% of total purchases, while the remaining vendors contribute only 34.31%. This over-reliance on a few vendors may introduce risks such as supply chain disruptions, indicating a need for diversification.



3. Impact of Bulk Purchasing on Cost Savings

Vendors buying in large quantities receive a 72% lower unit cost (\$10.78 per unit vs. higher unit costs in smaller orders).

Bulk pricing strategies encourage larger orders, increasing total sales while maintaining profitability.

UnitPurchasePrice	
ordersize	
small	39.068186
medium	15.486414
large	10.777625

4. Identifying Vendors with Low Inventory Turnover

Total Unsold Inventory Capital: \$2.71M

Slow-moving inventory increases storage costs, reduces cash flow efficiency, and affects overall profitability.

Identifying vendors with low inventory turnover enables better stock management, minimizing financial strain.

StockTurnover	
VendorName	
ALISA CARR BEVERAGES	0.615385
HIGHLAND WINE MERCHANTS LLC	0.708333
PARK STREET IMPORTS LLC	0.751306
Circa Wines	0.755676
Dunn Wine Brokers	0.766022
CENTEUR IMPORTS LLC	0.773953
SMOKY QUARTZ DISTILLERY LLC	0.783835
TAMWORTH DISTILLING	0.797078
THE IMPORTED GRAPE LLC	0.807569
WALPOLE MTN VIEW WINERY	0.820548

These 10 vendors having lowest inventory turnover

VendorName		UnsoldInventoryValue
25	DIAGEO NORTH AMERICA INC	\$722.21K
46	JIM BEAM BRANDS COMPANY	\$554.67K
68	PERNOD RICARD USA	\$470.63K
116	WILLIAM GRANT & SONS INC	\$401.96K
30	E & J GALLO WINERY	\$228.28K
79	SAZERAC CO INC	\$198.44K
11	BROWN-FORMAN CORP	\$177.73K
20	CONSTELLATION BRANDS INC	\$133.62K
61	MOET HENNESSY USA INC	\$126.48K
77	REMY COINTREAU USA INC	\$118.60K

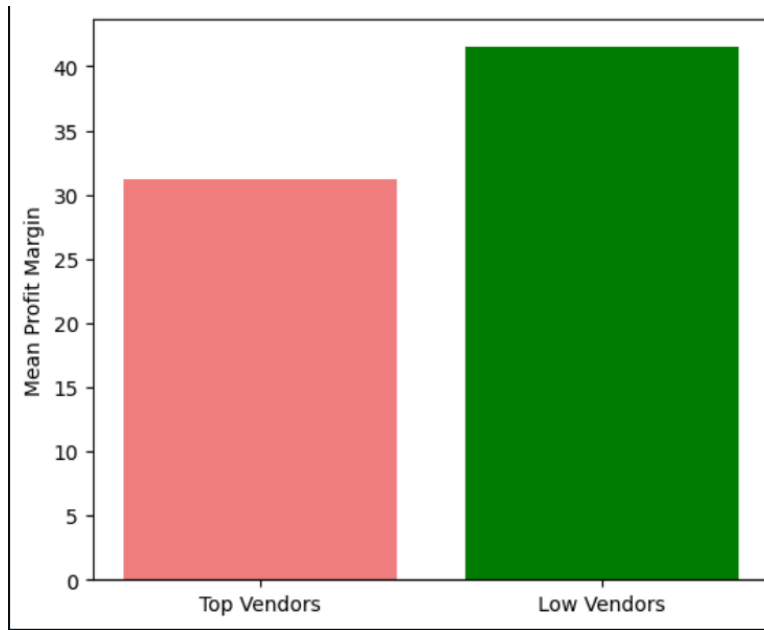
These were the Top 10 vendors with highest Unsold Inventory

5. Profit Margin Comparison: High vs. Low-Performing Vendors

Top Vendors' Profit Margin (95% CI): (30.74%, 31.61%), Mean: 31.17%

Low Vendors' Profit Margin (95% CI): (40.48%, 42.62%), Mean: 41.55%

Low-performing vendors maintain higher margins but struggle with sales volumes, indicating potential pricing inefficiencies or market reach issues.



6. Statistical Validation of Profit Margin Differences

Hypothesis Testing:

Ho (Null Hypothesis): No significant difference in profit margins between top and low-performing vendors.

H1 (Alternative Hypothesis): A significant difference exists in profit margins between the two vendor groups.

Result: The null hypothesis is rejected, confirming that the two groups operate under distinctly different profitability models.

Implication: High-margin vendors may benefit from better pricing strategies, while top-selling vendors could focus on cost efficiency.

FINAL RECOMMENDATIONS:

- **Re-evaluate pricing for low-sales, high-margin brands** to boost sales volume without sacrificing profitability.
- **Use more suppliers** – So the business doesn't get stuck if one supplier has a problem.
- **Buy in bulk** – Buying more at once helps you get lower prices and save money.
- **Fix slow-selling items** – Buy less, offer discounts, or store them better to reduce waste.
- **Support low-selling vendors** – Improve marketing and delivery to help their products sell more.

By implementing these recommendations, the company can achieve sustainable profitability, mitigate risks, and enhance overall operational efficiency.