Exploratory Data Analysis (EDA) and Business Insights

Soundarya A I

Data Overview

- The analysis covered three datasets: Customers, Products, and Transactions.

- Missing data was addressed, and duplicates were eliminated to maintain accuracy.

Data Preparation

- Date columns were formatted consistently to facilitate time-series analysis.

- The data's structure and key characteristics were analyzed to define its scope.

Exploratory Data Analysis (EDA)

- **Customer Insights**:

  o Examined customer details such as location, signup dates, and purchase quantities.

  o Likely identified high-value customer segments based on behaviour.

- **Product Insights**:

  o Assessed product categories, pricing, and performance to identify top-selling and low-performing products.

- **Transaction Trends**:

  o Analyzed revenue, transaction frequency, and seasonal sales patterns.

  o Explored relationships between customer demographics and buying behaviour.

Visualizations

- Trends and relationships within the datasets were visualized using bar charts and time-series graphs.

Business Insights

➢ Based on the top 5 products by total sales

1. **Popularity of ActiveWear Products**: The dominance of ActiveWear products (Smartwatch, Jacket, and Rug) among the top-selling items suggests a strong customer preference for this category. Expanding the ActiveWear product line could capitalize on this demand.
2. **High Demand for Smart Gadgets**: The ActiveWear Smartwatch and SoundWave Headphones indicate a growing trend in smart and wearable technology. This provides an opportunity to introduce complementary products or bundles in this segment.
3. **Consistent Performance of Audio Products**: The SoundWave Headphones and SoundWave Novel highlight a steady demand for audio-related items. Investing in marketing or enhancing features for these products could boost sales further.

4. **Potential for Cross-Selling**: With ActiveWear products and SoundWave items topping sales, cross-promotional strategies (e.g., offering discounts on headphones with the purchase of a smartwatch) could drive higher revenues.

➢ Based on the total sales by region

1. **Strong Market in South America**: South America contributes the highest sales, indicating a strong market presence. Focusing on customer retention strategies and expanding product offerings in this region could further increase revenue.
2. **Growth Opportunities in Europe**: Europe holds the second-highest sales, showing significant potential. Targeted marketing campaigns and localized promotions could help strengthen market share.
3. **North America and Asia Have Comparable Sales**: North America and Asia generate nearly equal sales, suggesting both regions have untapped potential. Identifying regional preferences and tailoring products to local demands can boost sales in these areas.
4. **Focus on Emerging Markets**: Asia, despite its population size, shows a lower contribution to total sales compared to South America and Europe. Targeting this market with affordable product options and region-specific marketing could drive significant growth.

➢ Based on customer signups by month

1. **Peak Months**: April and February show the highest signups, suggesting strong customer interest during these months. Targeted promotions could boost engagement further.
2. **Consistent Growth**: March and September exhibit steady signups, making them reliable months for customer acquisition efforts.
3. **Low Engagement**: June and August have the lowest signups. Focused marketing during these months could address this dip.
4. **Seasonal Patterns**: Signup trends indicate seasonal variations. Aligning campaigns with high-performing months can enhance acquisition rates.

➢ Based on total sales by product category

1. **Books Lead in Sales**: The Books category contributes the highest revenue, indicating strong customer demand. Expanding the catalog or offering bundles could further boost sales.
2. **Electronics as a Key Performer**: Electronics, with the second-highest sales, demonstrates consistent demand. Introducing innovative products or upgrades could drive additional growth.
3. **Clothing Market Potential**: Clothing ranks third, showcasing significant revenue. Targeted promotions or seasonal collections may help capture a larger market share.
4. **Home Decor Opportunity**: Home Decor has the lowest sales but still a notable contribution. Enhanced marketing or partnerships could unlock its growth potential.
5. **Diversification Strategy**: With sales spread across categories, a balanced approach can maintain steady revenue streams while exploring category-specific growth opportunities.