Superstore Sales Analysis

In today's hyper-competitive landscape, data is the new frontier. It's the untapped goldmine that can propel businesses to unprecedented heights. To strike it rich, we must possess a robust, data-driven infrastructure. Think of it as building a high-performance engine: powerful databases are the core, analytical departments are the ignition, and insightful interpretation is the fuel.

We're in a race against time. The market is evolving at breakneck speed, demanding innovation and agility. To stay ahead, we must transform data into actionable intelligence. By harnessing the power of Excel, SQL, and Tableau, we'll embark on a data mining expedition. We'll extract, refine, and visualize our treasure trove of information, uncovering hidden patterns and opportunities.

Our journey will follow a proven roadmap: question, prepare, process, analyze, share, and act. This systematic approach will ensure we maximize the value of our data, ultimately delivering exceptional customer experiences.

1. Defining the Business Objective:

In this step we'll define certain business objectives which will reflect on our objective that is to identify optimal product, regional, and customer segments for Superstore to maximize profitability and answer the question "How can we optimize Superstore's product mix, geographic focus, and customer targeting to drive profit growth?"

Objectives:

- How can we optimize our profits? What are the emerging trends that we can we identify?
- How can we take these insights to build recommendations

For the scope of this project, we'll be only delivering a data exploration analysis using SQL, and processing our data and deriving insights from the same.

2. Assessing features from Data:

Our Superstore Dataset offers a snapshot into four years of business activity, spanning from January 2014 to December 2017. This meticulously recorded chronicle captures the transactions of 793 customers across the United States, represented by a robust collection of 9994 data points distributed across 21 key attributes.

From order details and shipping logistics to customer demographics and product specifics, the dataset provides a granular view of the business landscape. While its currency is limited to a period ending nearly six years ago, its reliability, comprehensiveness, and original nature make it a valuable resource for retrospective analysis and trend identification.

Essentially, this dataset serves as a historical record, offering insights into past performance and potential benchmarks for future operations.

3. Processing the Data:

We used Microsoft Excel to get one big overview of the data.

Our dataset appeared initially clean and organized, promising a smooth analytical journey. To ensure data integrity, we employed a dual-pronged approach.

Unmasking Missing Values: First, we cast a wide net using conditional formatting. By highlighting empty cells in yellow, potential missing values were brought into sharp focus. A subsequent manual scan through the filtered dataset confirmed the absence of these elusive gaps.

Duplicate Detection: To rule out redundant entries, we leveraged Excel's 'Remove Duplicates' function. The lack of any matches indicated data uniqueness across all customer parameters.

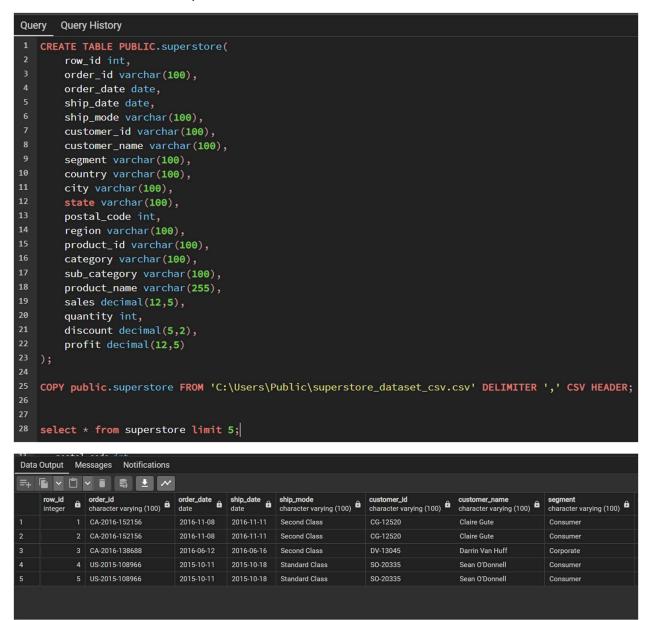
Formatting for Clarity: Finally, we refined the dataset's visual appeal and interpretability. Numeric columns representing monetary values were formatted as currency, while the discount column, inherently a ratio, was prepared for percentage conversion. Dates were verified to be in their correct format.

Through these steps, we've established a solid foundation for our analysis, with data that is accurate, complete, and ready for deeper exploration.

Now our dataset is ideal for analysis to discover relationships, trends and patterns that will give us a competitive edge and completely solve our business objectives

4. Analyze:

For the analysis part, we will string out the most important components of our data to answer our business objectives. Let's load our data into PostgreSQL and check the first 5 rows to make sure it imported well.



So the data is loaded and set up in the SQL environment for further analysis.

Let's uncover certain insights first:

1. What are total sales and total profits of each year?

We selected sum of sales and profit grouped by year to find sum of sales and sum of profits for each year.



The data above shows how the profits over the years have steadily increased with each year being more profitable than the other despite having a fall in sales in 2015, our financial performance

2. What are the total profits and total sales per quarter?

Upon running the above query, we get the below result:

| | year numeric | quarter text | total_sales | total_profit numeric |
|----|-----------------|-----------------|-------------|-------------------------|
| | 2014 | Quarter-1 | 74447.80 | 3811.23 |
| | 2014 | Quarter-2 | 86538.76 | 11204.07 |
| | 2014 | Quarter-3 | 143633.21 | 12804.72 |
| | 2014 | Quarter-4 | 179627.73 | 21723.95 |
| | 2015 | Quarter-1 | 68851.74 | 9264.94 |
| | 2015 | Quarter-2 | 89124.19 | 12190.92 |
| | 2015 | Quarter-3 | 130259.58 | 16853.62 |
| | 2015 | Quarter-4 | 182297.01 | 23309.12 |
| | 2016 | Quarter-1 | 93237.18 | 11441.37 |
| 10 | 2016 | Quarter-2 | 136082.30 | 16390.34 |
| 11 | 2016 | Quarter-3 | 143787.36 | 15823.60 |
| 12 | 2016 | Quarter-4 | 236098.75 | 38139.86 |
| 13 | 2017 | Quarter-1 | 123144.86 | 23506.20 |
| 14 | 2017 | Quarter-2 | 133764.37 | 15499.21 |
| 15 | 2017 | Quarter-3 | 196251.96 | 26985.13 |
| 16 | 2017 | Quarter-4 | 280054.07 | 27448.73 |

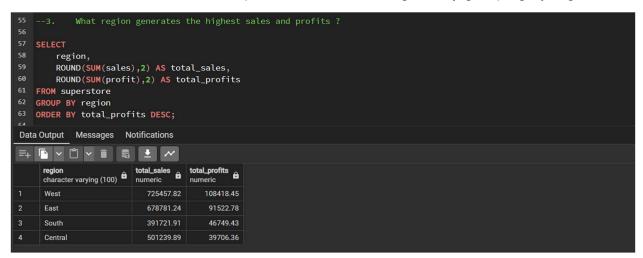
If we extract the quarterly sum of sales and profits for all the years, we get:



The data above shows that the period of October, November and December are our bestselling months and our months where we bring in the most profit. Just by seeing this table, we can develop operation strategies pretty nicely as there is a clear buildup like a stock market rally from January to December then it dumps around the first 3 months.

3. What region generates the highest sales and profits?

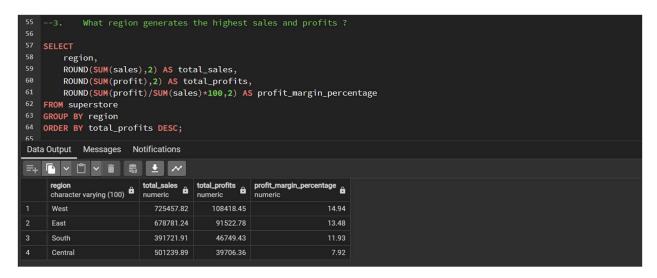
We found out the total sales and profits for individual regions by grouping by regions as:



The West region emerges as a clear sales and profit leader. The East also contributes significantly to our bottom line. These two regions represent prime opportunities for growth and profit maximization.

While the South generates consistent profits, its revenue is comparatively lower. However, the Central region is a cause for concern. Despite higher revenue than the South, profit margins are unsatisfactory. A strategic reallocation of resources from the Central region to other areas could potentially enhance overall profitability.

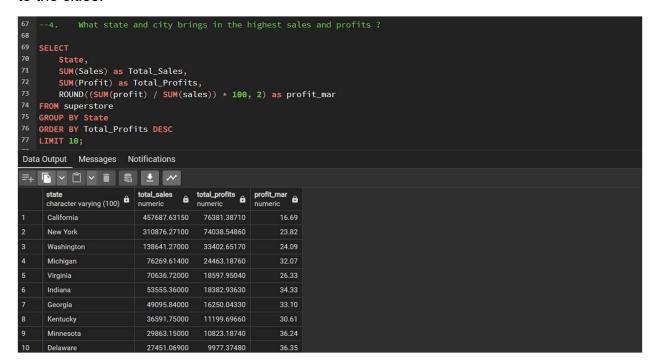
We also found out the profit margins for different regions:



Profit margin, a key indicator of profitability, reveals the percentage of revenue retained as profit. The West and East regions exhibit strong performance in this metric. Surprisingly, the South, despite generating roughly half the revenue of the West, boasts an impressive 11.93% profit margin. However, the Central region's performance remains underwhelming. To gain deeper insights, let's delve into the regional data.

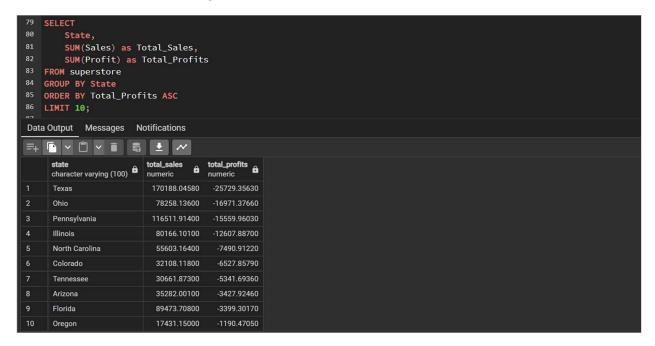
4. What state and city bring in the highest sales and profits?

Let's discover what states are the top 10 highest and lowest and then we will move on to the cities.



In terms of profits, California, New York and Washington are our most profitable markets and most present ones especially in terms of sales. Which, are so high that it would take so much for the profit margins to be higher. However, the profits are great and the total sales show that we have the best part of our business share at those points so we need to boost our resources and customer service in those top states

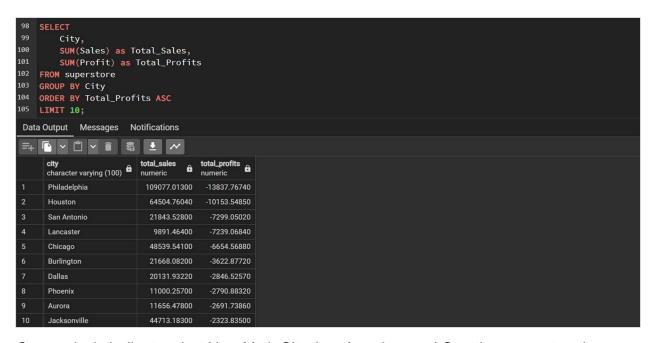
Let's observe our bottom 10 states:



The top 3 are Texas, Ohio and Pennsylvania. Texas and Pennsylvania are especially alarming as they have more than 100,000 in sales with Texas having more sales than Washington (which made \$33402.70 in profits) but made a loss of \$25729.29.

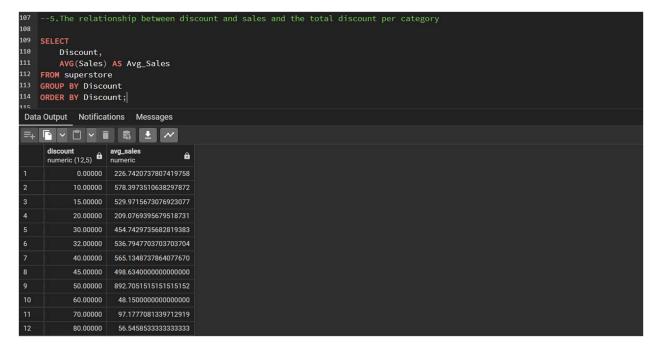
Now let's observe our top 10 cities and bottom 10 cities:

```
SUM(Sales) as Total_Sales,
90
       SUM(Profit) as Total_Profits,
      ROUND((SUM(profit) / SUM(sales)) * 100, 2) as profit_marg
93 FROM superstore
  GROUP BY City
95 ORDER BY Total_Profits DESC
  LIMIT 10
Data Output Messages Notifications
city character varying (100) â total_sales numeric numeric numeric numeric numeric numeric
    New York City
                      256368.16100 62036.98370
                   175851.34100 30440.75790
   Los Angeles
               119540.74200 29156.09670
    Seattle
                                                   24.39
                112669.09200 17507.38540
    San Francisco
                                                   15.54
    Detroit
                       42446,94400
                                                   31.05
                                   13181.79080
                     25036.20000
                                                   40.02
     Jackson
                        24963.85800
                                    7581.68280
                                                    30.37
                       17197.84000 6993.66290
                                                   40.67
    Atlanta
     Minneapolis 16870.54000 6824.58460
   San Diego 47521.02900 6377.19600
                                                   13.42
```



Our analysis indicates that New York City, Los Angeles, and Seattle are our top three priority markets, while Philadelphia, Houston, and San Antonio rank lowest. The significant presence of two Texas cities in the top tier highlights a strategic opportunity. We must carefully evaluate our current approach in these markets and consider implementing revised strategies.

The relationship between discount and sales and the total discount per category

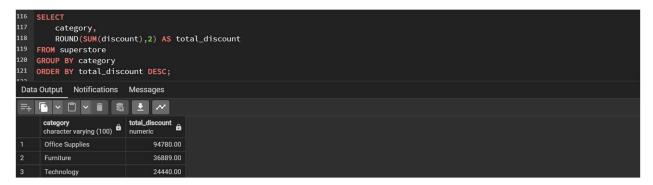


Upon plotting the above data in excel, we found that:

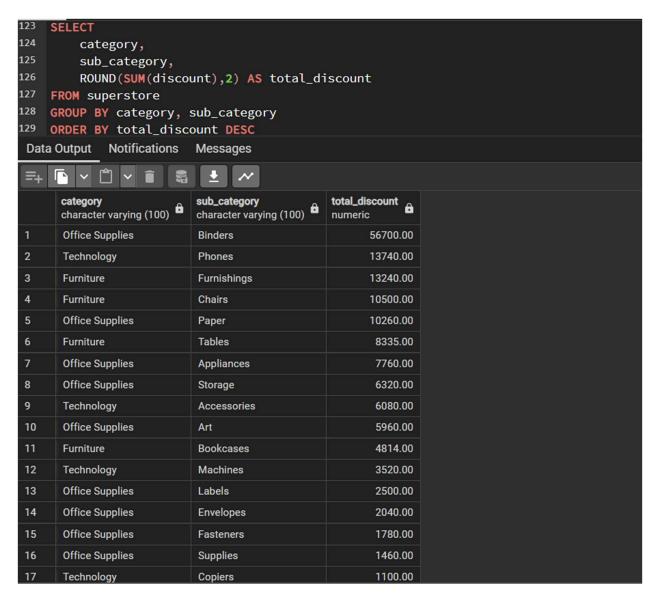


There appears to be a negligible linear correlation between the variables, as indicated by a correlation coefficient of -0.3 and the scatterplot's shape. Intriguingly, we observe a peak in average sales at a 50% discount. This phenomenon could be attributed to psychological factors influencing consumer behavior or the specific product category being discounted.

Let's observe the total discount per product category.



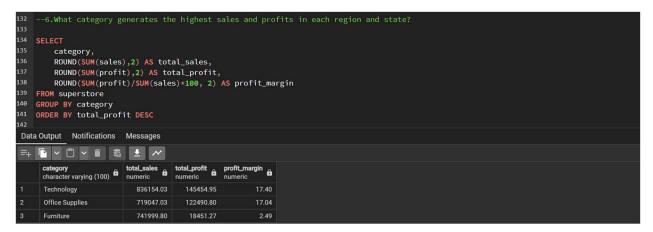
So, office supplies are the most discounted items followed by Furniture and Technology. We will later dive in into how much profit and sales each generate. Before that, let's zoom in the category section to see exactly what type of products are the most discounted



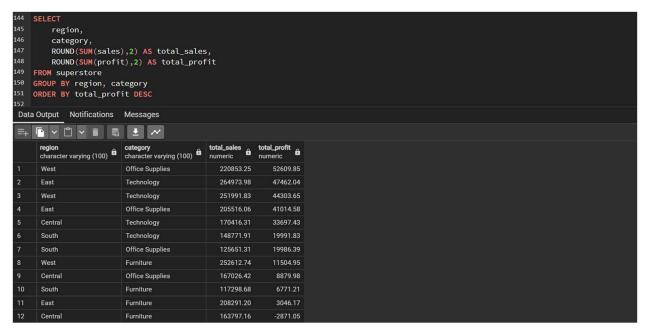
Binders, Phones and Furnishings are the most discounted items. But the gap between binders and the others are drastic. We should check the sales and profits for the binders and other items on the list. But first let's move on to the categories per state.

6. What category generates the highest sales and profits in each region and state?

First, let's observe the total sales and total profits of each category with their profit margins:

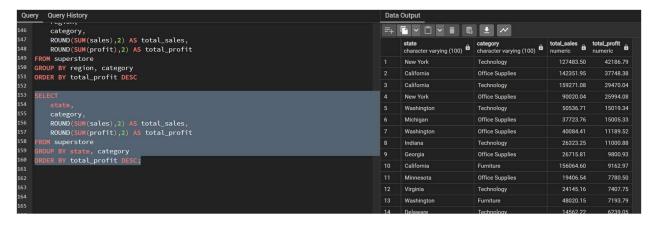


Out of the 3, it is clear that Technology and Office Supplies are the best in terms of profits. Plus, they seem like a good investment because of their profit margins. Furniture is still making profits but do not convert well in overall. Let's observe the highest total sales and total profits per Category in each region



Office Supplies and Technology are the top-performing categories across regions, with the West excelling in both. While the East also thrives in Technology, the Central region faces challenges, particularly with Furniture, where it's the only category operating at a loss.

Now let's see the highest total sales and total profits per Category in each state



The table above shows the most performing categories in each of our states. Technology in New York and Washington and Office Supplies in California. The 3 categories are all around good for our top 3 markets except the furniture category in Washington which is good but not as great as the others.

Let's check the least profitable ones by just changing our 'ORDER BY' clause too ascending (ASC).



Office supplies in Texas, Technology in Ohio and Furniture in Texas and Illinois are our biggest losses. Let's move on to subcategories.

7. What subcategory generates the highest sales and profits in each region and state?

Let's see the highest total sales and total profits per subcategory in each state:



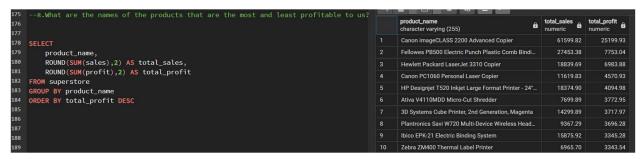
Let's see the lowest sales and profits. Still in order for biggest lost in profits



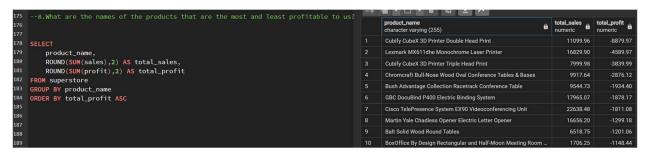
New York demonstrates strong performance for Machines, Phones, and Binders. California and Michigan excel in Accessories and Binders, respectively. Texas and Illinois report significant losses in Binders. Ohio presents a challenge for Machine profitability. A comprehensive review of strategies in these regions is warranted.

8. What are the names of the products that are the most and least profitable to us?

Let's find out the most profitable products from our data



Also let's find out the least profit-making products from our data:



Copiers, machines, and printers are our primary profit drivers. The Canon image Class 2200 Advanced Copier, Fellowes PB500 Electric Punch Plastic Comb Binding Machine, and Hewlett Packard LaserJet 3310 Copier consistently rank as our top three performers. Maintaining adequate stock levels for these products is crucial to our continued success.

The Cubify CubeX 3D Printers (Double and Triple Head) and the Lexmark MX611dhe Monochrome Laser Printer are our most unprofitable products. This should be considered when adjusting inventory levels.

9. What segment makes the most of our profits and sales?

The below query was used to find out required insights:

```
187 --9.What segment makes the most of our profits and sales ?

188 segment character varying (100) û total_sales û numeric û
```

The consumer segment brings in the most profit followed by Corporate and then Home office.

10. How many customers do we have (unique customer IDs) in total and how much per region and state?

The above question can be solved by using the below query:

```
198 --10. How many customers do we have (unique customer IDs) in total and how much per region and state?

199
200
201 SELECT
202 COUNT (DISTINCT customer_id) AS total_customers
FROM superstore;

1 793
```

We've had 793 customers between 2014 and 2017. Regionally, we had the following:

Evaluating region-wise, customer count:

```
285 SELECT
286 region,
287 COUNT (DISTINCT customer_id) AS total_customers
288 FROM superstore
289 GROUP BY region
290 ORDER BY total_customers DESC;
210 ORDER BY total_customers DESC;
211 Select
212 Select
213 Central
214 South
215 SOUTH
216 SELECT
217 In Total_customers â bigint
218 East
219 668
219 686
220 East
230 Central
240 South
251 South
251 Select
260 ABC PROVINCE Varying (100) â bigint
260 ABC
```

Customer mobility across regions likely explains why the total doesn't equal 793. This suggests potential overlap in the data. Despite this, the West remains our most significant market.

State-wise, here are the numbers:

The states with the greatest number of customer counts are:

```
        284
        SELECT
        state
        character varying (100) û
        state
        character varying (100) û
        <
```

Similarly, the states with least number of customer counts are:

```
| SELECT | State | State | Character varying (100) | State | Character var
```

Wyoming, North Dakota and West Virginia are the places where we had the least customers carry on business with us there.

11. Customer rewards program

To lay the groundwork for a future loyalty and rewards program, let's identify our highest-value customers – those who generate the most sales. Prioritizing these customers is crucial as retaining existing clients is generally more cost-effective than acquiring new ones. To gain a comprehensive understanding, we'll also calculate total profits. The following query will help us uncover these insights:

```
11.Customer rewards program
                                                                                                                                                                                   total_profit
                                                                                                                                                                     total_sales
                                                                                                                                              character varying (100)
         customer_id,
ROUND(SUM(sales),2) AS total_sales,
                                                                                                                                              SM-20320
                                                                                                                                                                         25043.05
                                                                                                                                                                                       -1980 74
         ROUND(SUM(profit),2) AS total_profit
                                                                                                                                              RB-19360
                                                                                                                                                                                       6976.10
GROUP BY customer_id
ORDER BY total_sales DESC
                                                                                                                                                                                       5444.81
221 LIMIT 15
                                                                                                                                              KI-16645
                                                                                                                                                                                        806.86
                                                                                                                                                                         14142.33
                                                                                                                                              HL-15040
                                                                                                                                                                         12873.30
                                                                                                                                                                                       5622.43
                                                                                                                                                                         12209.44
                                                                                                                                                                                       2650.68
                                                                                                                                                                                       2177.05
                                                                                                                                                                                       2163.43
                                                                                                                                                                         11789.63
                                                                                                                                                                                       -1659.96
                                                                                                                                              SV-20365
                                                                                                                                                                         11470.95
                                                                                                                                                                                       1199.42
```

For privacy reasons, customer names have been replaced with unique Customer IDs. While Customer ID 'SM-20320' is our top spender, they unfortunately aren't contributing to our profit margins. Nonetheless, their loyalty warrants recognition. Conversely,

Customer ID 'TC-20980' is our second biggest spender and our most profitable customer. Retaining and rewarding both these high-value customers is crucial for our business

12. Average shipping time per class and in total

We can find the average shipping time in total by using the following query:

```
223 --12.Average shipping time per class and in total

224
225 SELECT
226 ROUND(AVG(ship_date - order_date),1) AS avg_shipping_time
FROM superstore

227 FROM superstore
```

Also, we can find out the average shipping time for different classes as follows:

```
SELECT
Ship_mode,
ROUND(AVG(ship_date - order_date),1) AS avg_shipping_time
ROUND (AVG (ship_date - order_date),1) AS avg_shipping_time
ROUND (Ship_date - order_date),1) AS avg_shipping_time
ROUND (AVG (ship_date - order_date),1) AS avg_shipping_
```

5. Proposed Structure:

Overall Performance

- Positive Trend: Profits and sales have shown consistent growth, with a minor setback in 2015.
- **Seasonal Impact:** Q4 is the most profitable quarter. Focus on inventory, marketing, and customer service for peak performance.

Regional Analysis

- **West Dominance:** The West region is the most profitable, followed by East, South, and Central.
- **Central Region:** Despite high sales, profit margins are lower than the South. Consider resource reallocation to the West.
- Market Focus: Prioritize California, New York, and Washington. Reduce presence or exit Texas, Ohio, and Pennsylvania.

Product Performance

- **Profitable Categories:** Technology and Office Supplies offer high profit margins. Furniture needs improvement.
- **Regional Strengths:** Office Supplies in West and East, Technology in West and East, Furniture in West.
- **Product Focus:** Increase Copiers, Phones, Accessories, and Paper. Discontinue Tables, Bookcases, and Supplies.
- **Top Performers:** Canon imageClass 2200, Fellowes PB500, Hewlett Packard LaserJet 3310.
- Bottom Performers: Cubify CubeX 3D Printers, Lexmark MX611dhe.

Customer Segmentation

- Consumer Focus: Prioritize the consumer segment.
- **Customer Concentration:** California, New York, and Texas have the highest customer base.
- **Texas Challenge:** Despite high customer count, Texas is unprofitable. Reevaluate market presence.

Recommendations

- Capitalize on Strengths: Invest in high-performing regions, products, and customer segments.
- Address Weaknesses: Improve profit margins in the Central region, optimize furniture category, and exit unprofitable markets.
- Data-Driven Decisions: Continuously analyze performance metrics to inform strategic choices.