

Olist Documentation

Business Performance: The Executive Overview

Workflow:

- **KPI Construction:** Established core business health metrics: *Total Orders (99K)*, *Average Order Value (\$160.58)*, and *Total Revenue (\$15.84M)*.
- **Financial Segmentation:** Integrated a *Payment Type Tree Map* to visualize revenue distribution across credit cards, boleto, and vouchers.
- **Trend Mapping:** Developed a *Revenue by Month* time-series to identify peak sales periods and seasonal dips.

Findings & Insights:

- **Revenue Engines:** "*Health & Beauty*" and "*Watches/Gifts*" are the primary drivers, contributing significantly to the \$15.84M total.

Market Concentration: Geospatial analysis confirms a heavy concentration of sales within South America, specifically major Brazilian hubs.

Customer Analysis: Understanding the Buyer

Workflow:

- **Loyalty Modeling:** Calculated the split between Repeat vs. One-Time Customers, finding a massive 93.93% reliance on new acquisitions.
- **Regional Spend Profiling:** Aggregated spend data to identify that regions like PB and AC have the highest average spend per customer (~\$250+).

Findings & Insights:

- **Retention Opportunity:** With only 6.07% repeat customers, the business is in a "growth-by-acquisition" phase rather than a "loyalty" phase.
- **Price Sensitivity:** The Price Distribution Histogram shows most orders are under \$100, despite an average spend per customer of \$166.

Product Analysis: Inventory & Sales

Workflow:

- **Volume vs. Value:** Compared Top Selling Products (by count) against Top Selling Categories (by revenue).
- **Inventory Health:** Tracked 113K total items sold, identifying Garden Tools as the volume leader.

Findings & Insights:

- **Efficiency Gap:** Only 45.89% of products are currently meeting optimal delivery efficiency targets.
- **Category Dominance:** While Garden Tools lead in item count, Health & Beauty dominates in total revenue contribution.

Seller Analysis: Supply Chain Health

Workflow:

- **Activity Audit:** Identified 3,095 Active Sellers out of a total pool of 3.10K.
- **Performance Ranking:** Ranked sellers by both Revenue and Order Count to identify high-value partners.

Findings & Insights:

- **Category Concentration:** The supply side is heavily skewed toward Sports/Leisure and Toys, suggesting a specialized seller base.
- **Stability:** Retention and performance over time (2016-2018) remain remarkably flat, indicating a stable but non-growing seller ecosystem.

Operational Metrics: Logistics & Cost

Workflow:

- **Tier Categorization:** Segregated logistics into Rapid (8.07K), Standard (42.51K), and Late (59.62K) deliveries.
- **Cost-Weight Correlation:** Analyzed the relationship between product weight and freight value to find shipping inefficiencies.

Findings & Insights:

- **The Late Crisis:** 54.11% of all orders are categorized as "Late," creating a major operational bottleneck.
- **Freight Outliers:** The scatter plot shows significant freight cost variation for items between 20K and 30K grams, suggesting inconsistent shipping partner pricing.

Final Recommendations for the Presentation

1. **Prioritize Retention:** Launch a loyalty program targeting the 93.93% one-time buyers to increase repeat purchase rates.
2. **Fix the Logistics Bottleneck:** Address the 54.11% late delivery rate by incentivizing sellers in high-volume categories like Health & Beauty to ship faster.
3. **Optimize High-Weight Freight:** Audit shipping contracts for items over 20kg to standardize freight costs and improve margins.
4. **Capitalize on "Rapid" Delight:** Since the review scores plateau at 4.1 for most deliveries, focus on growing the 7.32% "Rapid" tier to push the brand toward 5-star excellence.

Cleaning

Translation Table

Header Promotion: Promoted first rows to headers for mapping Portuguese to English.

Data Typing: Standardized category columns as Text.

2. Location & Geolocation

Zip Codes: Set to Text to preserve leading zeros; applied Trim to remove whitespace.

Text Normalization: Standardized cities (Capitalize Each Word) and states (Uppercase) for consistent grouping.

Coordinates: Set Lat/Lng to Decimal Number for accurate geographic plotting.

3. Products Table (Null Management)

Strategic Replacement: Handled 3% missing values by replacing null categories with "unknown_category" and dimensions/weights with 0.

Integrity: Ensured all dimensions were set to Whole Number to prevent calculation errors.

4. Financial & Item Tables

Currency Precision: Set Price, Freight, and Payment values to Decimal Number (Total Revenue: \$15.84M).

Payment Type: Applied Trim and Lowercase to standardize methods (e.g., "credit_card").

Sequencing: Set installments and item IDs to Whole Number.

5. Date & Time Standardization

Temporal Logic: Converted all timestamp and shipping limit columns to Date/Time format to enable delivery-tier and monthly trend analysis.

Business Performance

Interpretations:

1. *Revenue Concentration: The marketplace has achieved a massive \$15.84M in Total Revenue, but it is heavily dependent on the Health & Beauty and Watches/Gifts categories as primary drivers.*
2. *Spending Power: The Average Order Value (AOV) of \$160.58 indicates a mid-to-high-tier consumer base, suggesting customers are willing to spend more per transaction than on a typical discount platform.*
3. *Payment Strategy: The Credit Card dominance in the Treemap suggests that installment-based purchasing is the "engine" of the marketplace, making credit availability a key factor for sales growth.*

Recommendation: Diversify the product portfolio. While Health & Beauty is strong, the business should run promotions in underperforming categories (like "Home Appliances") to reduce financial risk if the top categories fluctuate. Customer Analysis

Interpretations:

1. *Retention Gap: A staggering 93.93% of customers are one-time buyers, indicating that Olist is currently a "discovery" platform rather than a "loyalty" platform.*
2. *Regional Spend Paradox: Customers in regions like Paraíba (PB) and Acre (AC) show the highest average spend per customer (~\$250+), despite having lower total order volumes than São Paulo.*
3. *Order Volume vs. Value: Most orders cluster under \$100, meaning high-volume, low-cost items drive the platform's daily traffic.*

Recommendation: Launch a "Second Purchase" discount campaign specifically targeting the 93% of one-time buyers to increase the Lifetime Value (LTV) of the existing customer base.

Product Analysis

Interpretations:

1. **Volume Leader:** Garden Tools lead in item count (over 4K units), proving that household utility items are the most consistent movers in the inventory.
2. **Revenue vs. Quantity:** There is a mismatch between volume and value; categories like Watches/Gifts move fewer units than Garden Tools but contribute more significantly to the total \$15.84M revenue.
3. **Logistics Health:** Only 45% of products are meeting optimal shipping targets, suggesting that product physical characteristics (size/weight) may be slowing down fulfillment.

Recommendation: Bundle high-volume "Garden Tools" with higher-margin accessories to increase the profit-per-box and improve the efficiency of the shipping process.

Seller Analysis

Interpretations:

1. **Supply Stability:** There are 3,095 Active Sellers, showing a robust and mature vendor ecosystem with very little "ghost" account activity.
2. **Niche Dominance:** Sellers are highly concentrated in the Sports/Leisure and Toys sectors, showing that the platform attracts specialized merchants.
3. **Geographic Hub:** The majority of top-performing sellers are concentrated in the South/Southeast (SP/RJ), which explains why delivery to the North is often slower.

Recommendation: Recruit and onboard sellers in the North and Northeast regions to create local fulfillment hubs and reduce the cross-country shipping burden.

Operational Metrics

Interpretations:

1. **The "Late" Crisis:** 54.11% of all deliveries are "Late" (taking 10+ days), which is the single biggest threat to the platform's reputation.
2. **Shipping Rariness:** Only 7.32% of orders are "Rapid," meaning fast shipping is an exception rather than the standard for Olist.
3. **Freight Inconsistency:** The scatter plot shows that high-weight items (20kg+) have unpredictable freight costs, suggesting a lack of standardized shipping contracts for heavy goods.

Recommendation: Standardize freight rates with carriers for items over 20kg to provide customers with more predictable checkout costs and protect seller margins.

