

# SHOPIFY SALES & CUSTOMER FUNNEL ANALYSIS REPORT

## Executive Summary

This report provides a comprehensive analysis of Shopify sales and customer behaviour based on data visualized through a Power BI dashboard. The analysis covers transaction performance, customer purchase patterns, retention metrics, and regional sales trends. Key insights reveal a robust sales performance with \$4 million in net sales, a strong repeat customer base, and regional hotspots driving revenue. The findings aim to support data-driven decision-making for stakeholders.

## 1. Transaction Performance

The dashboard highlights the overall effectiveness of sales operations with the following key performance indicators (KPIs):

- **Net Sales:** Total revenue generated stands at \$4 million, reflecting strong sales activity.
- **Total Quantity:** 7,534 products have been sold, indicating a healthy volume of transactions.
- **Net Average Order Value:** The average revenue per transaction is \$562.6, suggesting customers are purchasing higher-value items.

These metrics demonstrate a solid foundation for revenue generation, with opportunities to optimize order values through targeted promotions.

## 2. Customer Purchase Behaviour

Understanding customer interactions is critical for business growth. The analysis reveals:

- **Total Customers:** 4,431 unique customers have made purchases, showcasing a broad customer base.
- **Single Order Customers:** 2,392 customers have placed only one order, indicating potential for retention strategies.
- **Repeat Customers:** 2,039 customers have returned, achieving a repeat rate of 46%, which highlights strong customer loyalty.

The significant number of repeat customers suggests effective engagement, though efforts to convert single-order customers could further enhance loyalty.

## 3. Retention & Value KPIs

Long-term customer value is a key focus, with the following insights:

- **Lifetime Value (LTV):** The average LTV is \$943.6, reflecting substantial revenue potential from existing customers over time.
- **Repeat Rate:** At 46%, nearly half of the customers return, indicating a stable retention trend.
- **Purchase Frequency:** Customers place orders 1.68 times on average, suggesting room to encourage more frequent purchases.

These metrics underscore the importance of retention strategies to maximize long-term revenue.

#### **4. Regional Overview**

The dashboard provides a detailed geographic analysis of sales performance:

- **Province-Level Filled Map:** Sales are distributed across the United States, with color saturation indicating performance. States like California and Texas show high activity.
- **City-Level Bubble/Density Map:** Cities such as Oklahoma City, Inglewood, and Sacramento are key revenue drivers, with bubble size reflecting sales volume. Tooltips provide detailed metrics like net sales and customer counts.
- **City-Level Bar Chart:** Top cities like Houston, New York, and Los Angeles lead in sales, with the chart dynamically updating based on selected measures (e.g., net sales or total customers).

This regional breakdown helps identify high-performing markets for targeted marketing efforts.

#### **5. Sales Trend Over Time**

Temporal analysis reveals purchasing patterns:

- **Daily Trend (Area Chart):** Daily net sales and customer trends fluctuate, with peaks around the 20th of each month, suggesting seasonal or promotional influences.
- **Hourly Trend (Bar/Line Chart):** Peak activity occurs between 10 AM and 3 PM, providing insights for optimizing operational and marketing schedules.

These trends can guide timing for campaigns and inventory management.

#### **6. Payment Gateway Preferences**

The dashboard analyses payment methods:

- **Dominant Gateways:** Shopify Payments and Amazon Payments account for \$24,370 (58.45%) and \$7,365 (17.62%) of net sales, respectively.
- **Customer Preferences:** Shopify Payments is widely used across regions, while gift cards and PayPal show niche usage.

This data suggests a reliance on major gateways, with potential to expand payment options for broader appeal.

#### **7. Product Type Performance**

Product categories drive varying revenue levels:

- **Top Performers:** Running Shoes (\$1,470K) and Tennis Shoes (\$484K) lead in net sales, reflecting high demand.
- **Other Categories:** Climbing Shoes (\$398K) and Walking Shoes (\$344K) also contribute significantly, while niche items like Sandals and Gift Cards have lower sales.

Focusing on high-demand products can optimize inventory and marketing strategies.

## **8. Detailed Transaction Data**

A dedicated page allows drilling into individual transactions:

- **Granular Exploration:** Users can view order details, including order numbers, customer IDs, and product types.
- **Validation:** This feature supports validating summary trends with raw data, ensuring accuracy in aggregated metrics.

This level of detail aids in troubleshooting and personalized customer service.

## **Recommendations**

- **Retention Strategies:** Target single-order customers with loyalty programs to boost repeat purchases and increase the repeat rate.
- **Regional Focus:** Invest in marketing campaigns in high-performing cities like Houston and Los Angeles to sustain growth.
- **Product Optimization:** Prioritize stock and promotions for Running Shoes and Tennis Shoes, while exploring ways to increase demand for lower-performing categories.
- **Timing Adjustments:** Schedule marketing and sales efforts during peak hours (10 AM - 3 PM) to maximize engagement.

## **Conclusion**

The Shopify Sales & Customer Funnel Analysis reveals a thriving business with strong sales, a loyal customer base, and clear regional opportunities. By leveraging these insights, stakeholders can enhance decision-making, optimize operations, and drive future growth.