Product sales analysis

Introduction

Product sales analysis is a critical business practice that involves the systematic examination of sales data to gain insights into the performance of products in the market.

This analysis provides valuable information that empowers businesses to make data-driven decisions, refine strategies, and ultimately maximize profitability.

From data collection to actionable insights, this overview will guide you through the key components and steps involved in product sales analysis.

COMPONENT

- 1. Data Collection
- 2. Data Cleaning and Preparation
- 3. Key Performance Metrics
- 4. Key Performance Metrics
- 5. Key Performance Metrics
- 6. Product Performance Analysis
- 7. Customer Analysis
- 8. Sales Channel Analysis
- 9. Competitive Analysis
- 10. Inventory Management
- 11. Forecasting and Planning
- 12. Data Visualization

- 13. Actionable Insights
- 14. Continuous Monitoring

1. Data Collection

The first step in product sales analysis is gathering comprehensive sales data. This data includes sales transactions, product details, customer information, and sales channels. It is collected from various sources such as point-of-sale (POS) systems, e-commerce platforms, and CRM software. High-quality data is the foundation of effective analysis.

2. Data Cleaning and Preparation

Once the data is collected, it must be cleansed and prepared for analysis.

This involves removing duplicates, correcting errors, and ensuring data consistency.

Data should also be formatted appropriately, with standardized product names, dates, and currency to facilitate meaningful analysis.

3.Key Performance Metrics

Define the key performance metrics (KPIs) that will be used to assess sales effectiveness.

These metrics include total revenue, gross profit margin, sales growth rate, average order value (AOV), customer acquisition cost (CAC), customer lifetime value (CLV), and inventory turnover rate.

Establishing clear KPIs is essential for measuring success.

4.Segmentation and Categorization

Segment sales data based on various criteria such as product categories, customer demographics, geographic regions, and sales channels. Categorize products based on attributes like popularity and seasonality.

This segmentation allows for more granular analysis and targeted decision-making.

5.Trend Analysis

Analyze historical sales data to identify trends over time. Look for patterns, seasonality, and cyclical trends that impact product sales.

Understanding these trends helps in forecasting and adapting strategies to market dynamics.

6. Product Performance Analysis

Evaluate the performance of individual products or product categories. Identify best-sellers and slow-moving inventory. Examine factors contributing to the success or failure of specific products, guiding decisions on product development and marketing strategies.

7. Customer Analysis

Understand customer behavior, preferences, and buying habits. Segment customers into groups based on their purchasing history. Identify high-value customers and those at risk of churn. Tailor marketing and retention efforts accordingly.

8.Sales Channel Analysis

Evaluate the effectiveness of different sales channels, such as online, retail, and wholesale. Determine which channels generate the highest sales and profitability.

Optimize resource allocation based on channel performance.

9.Competitive Analysis

Compare your product sales performance with that of competitors. Analyze market share, pricing strategies, and customer perception. This analysis helps refine pricing and positioning strategies.

10.Inventory Management

Optimize inventory levels to meet demand without overstocking or understocking. Identify slow-moving inventory that may require promotions or clearance.

Efficient inventory management ensures resources are used effectively.

11. Forecasting and Planning

Use historical sales data to forecast future sales. Plan inventory, marketing campaigns, and resource allocation based on sales projections. Accurate forecasting minimizes risks and maximizes opportunities.

12.Data Visualization

Create visual representations of sales data, such as charts, graphs, dashboards, and reports. Visualization makes complex data more understandable and facilitates quicker decision-making.

13.Actionable Insights

Extract actionable insights from the analysis. Use these insights to make informed business decisions. Implement strategies to improve sales performance, such as pricing adjustments, marketing campaigns, and product launches.

14.Continuous Monitoring

Regularly update and monitor sales data to track the impact of implemented strategies. Adapt strategies as market conditions change. Continuous monitoring ensures agility and responsiveness.

Conclusion:

Product sales analysis is a dynamic and iterative process that empowers businesses to optimize operations, increase revenue, and enhance customer satisfaction. By harnessing the power of data, organizations can stay competitive, adapt to market shifts, and drive long-term success. It is an essential practice for any business committed to thriving in a constantly evolving marketplace.

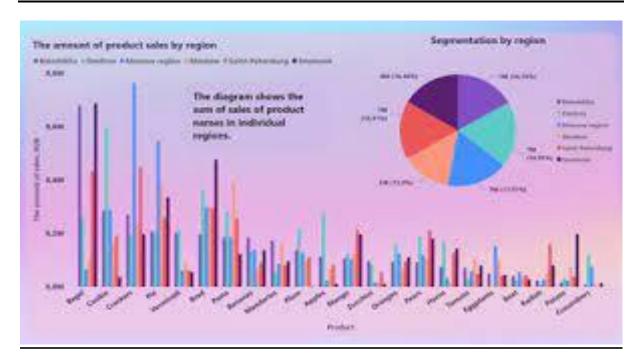
PRODUCT SALES ANALYSIS

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Phase 2 submission document

Project Name: product sales analysis



INTRODUCTION:

Product sales analysis is a crucial process for businesses to understand their sales performance and make informed decisions.

By following these steps, you can conduct a thorough product sales analysis that helps your business make data-driven decisions and improve sales performance.

STEP 1: Gather Data

Collect all relevant data about your product sales. This includes sales records, transaction data, customer information, and any other relevant data sources. Ensure data accuracy and completeness.

STEP 2: Define Objectives

Clearly define the objectives of your sales analysis. Are you trying to identify top-selling products, understand seasonality, or optimize pricing strategies? Having clear objectives will guide your analysis.

STEP 3: Data Cleaning and Preparation

Clean and preprocess the data to remove errors, duplicates, and inconsistencies. Make sure all data is in a consistent format. This may involve data normalization, handling missing values, and data transformation.

STEP 4: Segmentation

Divide your sales data into meaningful segments. This can include product categories, geographical regions, customer demographics, or any other relevant factors. Segmentation helps identify trends and patterns.

STEP 5: Calculate Key Metrics

Calculate essential sales metrics, such as total revenue, sales volume, average order value, and gross margin. These metrics provide a baseline for your analysis.

STEP 6 : Time Series Analysis

Analyze sales data over time to identify trends, seasonality, and growth patterns. Use techniques like moving averages and time series decomposition to gain insights.

STEP 7: Product Performance Analysis

Evaluate the performance of individual products. Identify best-selling products, slow-moving items, and those with the highest profit margins. This helps in inventory management and product development decisions.

STEP 8 : Customer Analysis

Analyze customer behavior. Identify your top customers, their purchasing habits, and lifetime value. This can help in customer retention and acquisition strategies.

STEP 9: Market and Competition Analysis

Research the market and your competitors. Compare your product sales with market trends and competitor performance to identify opportunities and threats.

STEP 10: Pricing Analysis

Analyze the impact of pricing on sales. Determine if price changes affect sales volumes and margins. Test different pricing strategies if needed.

STEP 11: Promotions and Campaign Analysis

Analyze the impact of marketing promotions and campaigns on product sales. Identify which marketing efforts are the most effective in driving sales.

STEP 12: Inventory Management

Use sales analysis to optimize inventory levels. Ensure that you have enough stock of popular products and minimize excess inventory of slow-moving items.

STEP 13 : Visualize Data

Create charts, graphs, and visual representations of the data to make it easier to understand and share insights with stakeholders. Tools like Excel, Tableau, or Python libraries like Matplotlib and Seaborn can be useful for this.

STEP 14: Draw Insights and Conclusions

Based on your analysis, draw meaningful insights and conclusions. Use statistical analysis, correlation tests, and other relevant methods to support your findings.

STEP 15 : Recommendations

Provide actionable recommendations based on your insights. These recommendations should be aligned with the objectives you defined in the beginning.

STEP 16: Report and Presentation

Create a comprehensive report or presentation to share your findings and recommendations with relevant stakeholders

such as management, marketing teams, and sales teams.

STEP 17 : Monitor and Iterate

Sales analysis is an ongoing process. Continuously monitor sales data, and iterate your analysis to adapt to changing market conditions and business goals.

Sales Analysis

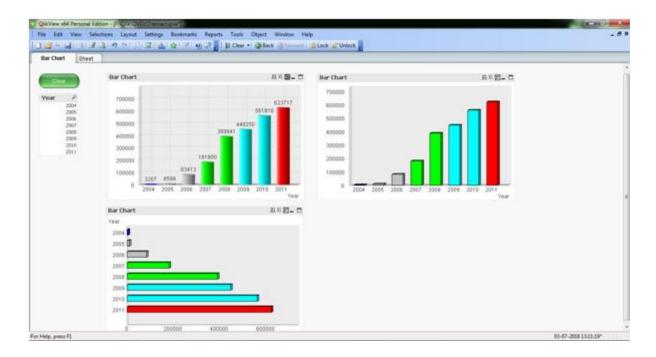
The main aim of developing this Product sales analysis application is to analyze the total sales data in a company year wise, month wise and week wise and day wise.

This analysis includes the ratio of sales data, profit maximization, etc.

The Analysis has done with the below 4 Charts namely Bar Chart, Pie Chart, Pivot Table and Straight Table.,

Bar Chart:

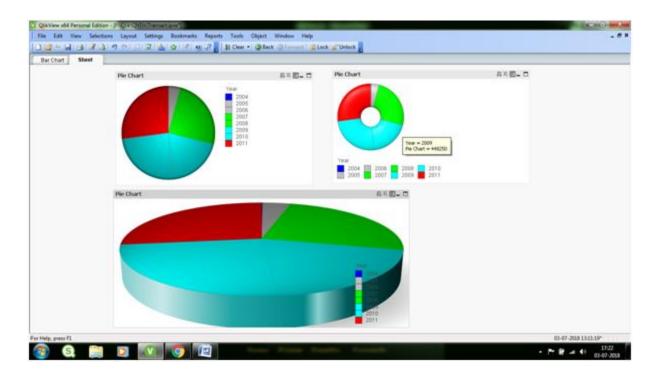
A bar graph shows comparisons among discrete categories. One axis of the chart shows the specific categories being compared, and the other axis represents a measured value.



In the above screen, it shows the different types to represent the Bar Chart (Sum of Sales per Year)

Pie Chart:

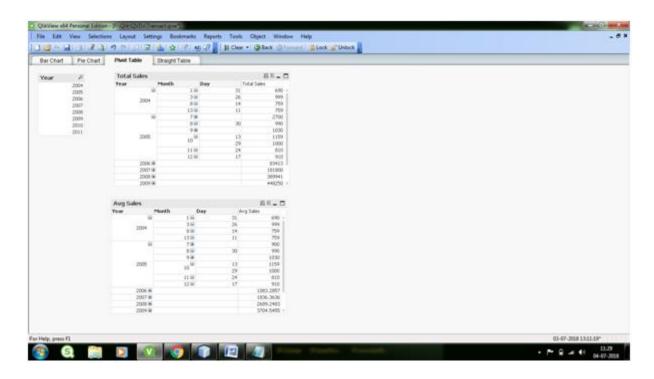
A pie chart (or a circle chart) is a circular statistical graphic which is divided into slices to illustrate the numerical proportion



In the above Screen, it shows the different ways to represent the Pie chart (Sales per Year)

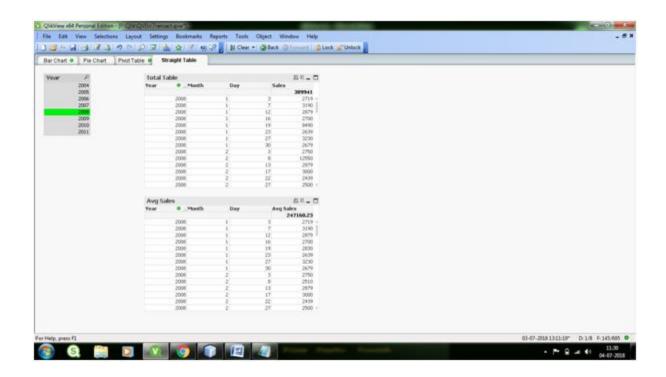
Pivot Table:

Pivot Tables are widely used in data analysis to present the sum of values across many dimensions available in the data.



Straight Table:

Straight Tables are the most widely used sheet object to display data in QlikView. They are very simple yet powerful with features like column rearrangement, sorting and coloring the background etc.



Conclusion:

Product sales analysis is a dynamic and iterative process that empowers businesses to optimize operations, increase revenue, and enhance customer satisfaction. By harnessing the power of data, organizations can stay competitive, adapt to market shifts, and drive long-term success. It is an essential practice for any business committed to thriving in a constantly evolving marketplace

PRODUCT SALES ANALYSIS

PHASE-3

Introduction:

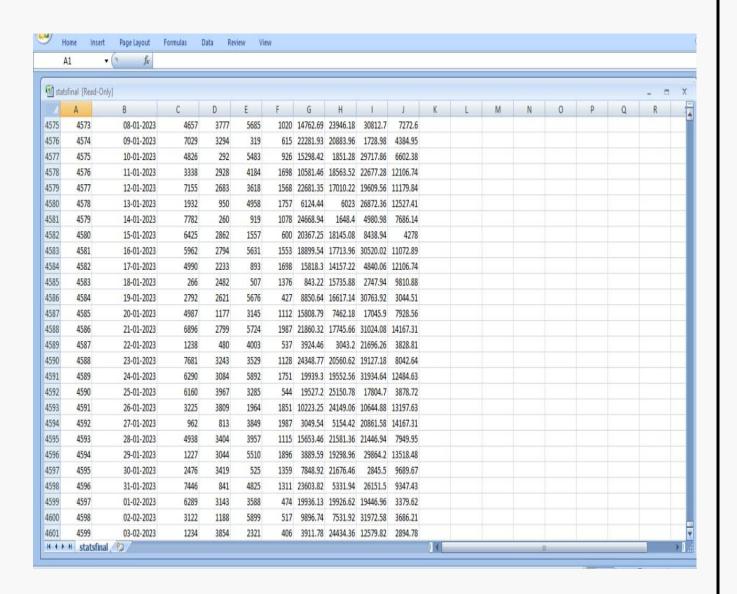
In this section we are presenting the data set for my **Product Sales Analysis** projects. And development the phase 2 section also. We are attaching the data set link in below content.

Data Set:

A data set is a collection of the whole data. Whether you want to work with predictions or classification, these datasets are both interesting and helpful for machine learning projects. The data is relatively clean and lends nicely to machine learning. Plenty of variables that can help make predictions for the target column.

CLICK HERE,

Dataset Link: https://www.kaggle.com/datasets/ksabishek/product-sales-data



Necessary step to follow:

1. Import Libraries:

Start by importing the necessary libraries,

PROGRAM:

```
from tabulate import tabulate

table=[['SERIAL NUMBER','PRODUCTS','PRODUCT SOLD
PERCENTAGE','PRODUCT STOCK PERCENTAGE','LOACATION'],

['1','Grocery',19,81,'Tirupattur']

['2','Vegetables',89,11,'Tirupattur']

['3','Fruits',58,42,'Tirupattur']

['4','Cosmetics',0,0,'Tirupattur']

['5','Home Expenditure',42,58,'Tirupattur']]

Print(tabulate(table))
```

```
In [11]: runfile('C:/Users/SMILEYROCKE/Downloads/project.py', wdir='C:/Users/SMILEYROCKE/Downloads')
                                PRODUCT SOLD PERCENTAGE PRODUCT STOCK PERCENTAGE AVAILABLE
SERIAL NUMBER PRODUCTS
                                                                                   Tirupattur
               Grocery
                                                         81
              Vegetables
                                                                                   Tirupattur
                                                         11
               fruits
                                                         42
                                                                                   Tirupattur
              Cosmetics
                                                                                   Tirupattur
                                                                                   Tirupattur
              Home Expenditure 42
```

2. Product sold detail,

We are using the bar chart for this **product** Sales

Analysis. This is very useful to analyze the product details.

PROGRAM:

```
Import matplotlib.pyplot as plt

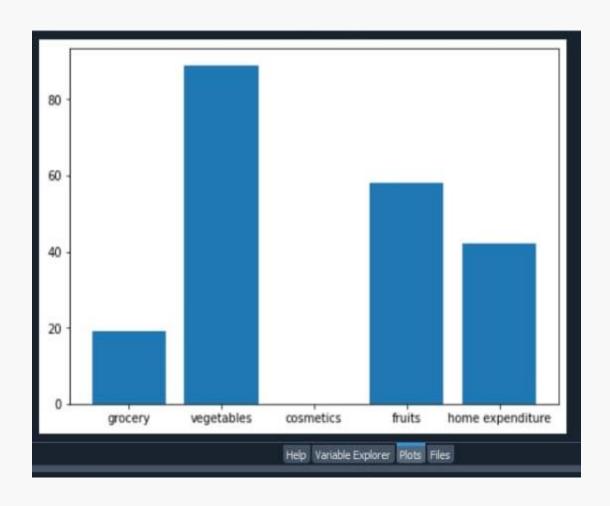
Fig=plt,figure()

ax =fig.add_axes([0,0,1,1])

products=['Grocery','Vegetables','Fruits','Cosmetics','Home Expenditure']

product sold=[19,89,58,0,42]

plt.show ( )
```



3. Product stock details,

PROGRAM:

```
Import matplotlib.pyplot as plt

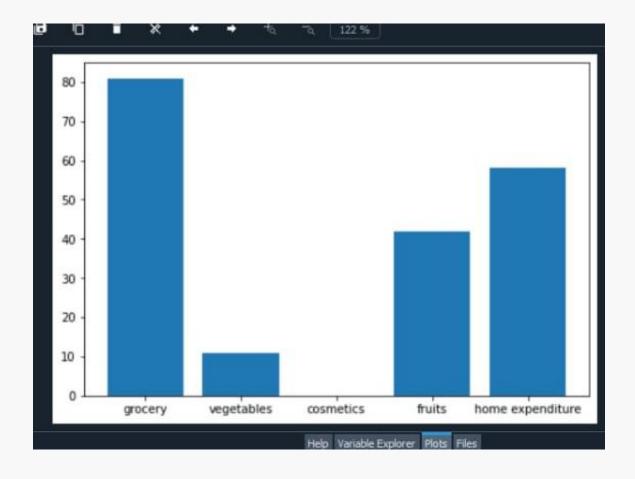
Fig=plt,figure()

ax =fig.add_axes([0,0,1,1])

products=['Grocery','Vegetables','Fruits','Cosmetics','Home Expenditure']

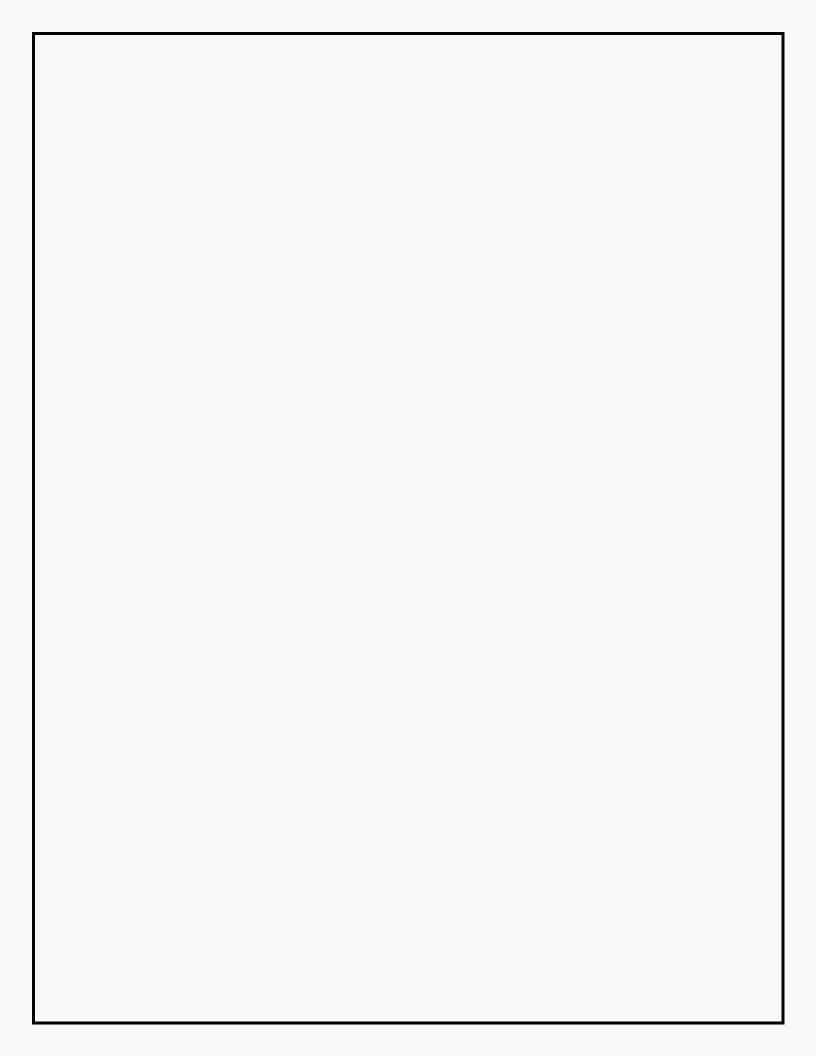
product stock=[81,11,42,0,58]

plt.show ( )
```



Conclusion:

In this section we are develop our ptoject dataset and attaching some files in their section.



PRODUCT SALES ANALYSIS

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Phase 4 submission document

What city sold the most product.

To answer this question, obviously we need to create a new column called "City" column. How do we get that? As usual, we're gonna check the top 5 data in our dataframe to figure out where can we get our "City" column using .head() method.

Question 2: What city sold the most product?

Task 3: Add a "City" Column

1	1 all_data.head()												
	Order ID	Product	Quantity Ordered	Price Each	Order Date	Purchase Address	Month	Sales					
0	176558	USB-C Charging Cable	2	11.95	04/19/19 08:46	917 1st St, Dallas, TX 75001	4	23.90					
2	176559	Bose SoundSport Headphones	1	99.99	04/07/19 22:30	682 Chestnut St, Boston, MA 02215	4	99.99					
3	176560	Google Phone	1	600.00	04/12/19 14:38	669 Spruce St, Los Angeles, CA 90001	4	600.00					
4	176560	Wired Headphones	1	11.99	04/12/19 14:38	669 Spruce St, Los Angeles, CA 90001	4	11.99					
5	176561	Wired Headphones	1	11.99	04/30/19 09:27	333 8th St, Los Angeles, CA 90001	4	11.99					

Figure 16. Showing Our Top 5 Updated Dataframe

As you can see at Figure 16, the "Purchase Address" Column contain the city. We can't get it directly, we need to extract the data. We can use one of most useful function in pandas, .apply() method.

Question 2: What city sold the most product?



Figure 17. Using .apply() Method to Extract The Data

To make it neater, we can use this

Question 2: What city sold the most product?

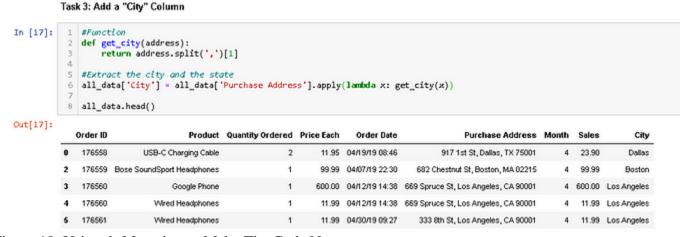


Figure 18. Using def function to Make The Code Neater

apply and lambda usually used to create new column based on other column (example .apply(lambda x: x*2. It means every input x in other column will be changed to x*2 in a new column). In this case

we create "City" column based on "Purchase Address" column and we split the data into 3 part. The first one is before the first comma (index = 0), the second one is between the commas (index = 1), and the third on is after the last comma (index = 2). As we need to extract the city data, we use [1] to state it to index 1.

As you can see at Figure 17, we successfully created a "City" column. So are we ready to answer the second question? Not yet. We get an issue here. It's not error, it's the value of the "City" Column. This is just a rare case when there are 2 cities are named exactly the same. Example someone in New England and someone in West Coast would think Portland in different way. Someone in New England thinks Portland as Portland Maine and someone in West Coast thinks Portland as Portland Oregon. So in our dataset we actually had the overlapping cities between these two. So, we should also grab the state.

Question 2: What city sold the most product?

Task 3: Add a "City" Column

```
In [18]:
           1 #Function
             def get_city(address):
                   return address.split(',')[1]
            5 def get_state(address):
                   return address.split(',')[2].split(' ')[1]
             #Extract the city and the state
              all_data['City'] = all_data['Purchase Address'].apply(lambda x: get_city(x) + ' ' + get_state(x))
           11 all_data.head()
Out[18]:
             Order ID
                                      Product Quantity Ordered Price Each
                                                                           Order Date
                                                                                                    Purchase Address Month Sales
                                                                                                                                             City
           0 176558
                                                                   11.95 04/19/19 08:46
                                                                                              917 1st St. Dallas, TX 75001
                            USB-C Charging Cable
                                                                                                                          4 23.90
                                                                                                                                         Dallas TX
           2 176559 Bose SoundSport Headphones
                                                                    99.99 04/07/19 22:30
                                                                                         682 Chestnut St, Boston, MA 02215
                                                                                                                          4 99.99
                                                                                                                                       Boston MA
                                                                   600.00 04/12/19 14:38 669 Spruce St, Los Angeles, CA 90001
                                                                                                                          4 600.00 Los Angeles CA
                                   Google Phone
             176560
                               Wired Headphones
                                                                    11.99 04/12/19 14:38 669 Spruce St, Los Angeles, CA 90001
                                                                                                                          4 11.99 Los Angeles CA
                                                                    11.99 04/30/19 09:27 333 8th St, Los Angeles, CA 90001
               176561
                              Wired Headphones
                                                                                                                         4 11.99 Los Angeles CA
```

Figure 19. Extracting the state to "City" Column

The function get_state() basically works as explained before. But in this function, we separate the data again become three parts. The first one is before the whitespace (index = 0), the second one is between the whitespaces (index = 1), and the third one is after the last whitespace (index = 2). So that's why we use .split(``)[I] in the second split.

Now we're ready to answer the second question, what city sold the most product? As we did before, we're gonna group it by the city and summing all the values based on the group.

n [19]:	results2 = results2	all_data.groupb	y('City').s	um()	
[19]:		Quantity Ordered	Price Each	Month	Sales
	City				
	Atlanta GA	16602	2.779908e+06	104794	2.795499e+06
	Austin TX	11153	1.809874e+06	69829	1.819582e+06
	Boston MA	22528	3.637410e+06	141112	3.661642e+06
	Dallas TX	16730	2.752628e+06	104620	2.767975e+06
ı	Los Angeles CA	33289	5.421435e+06	208325	5.452571e+06
N	lew York City NY	27932	4.635371e+06	175741	4.664317e+06
	Portland ME	2750	4.471893e+05	17144	4.497583e+05
	Portland OR	11303	1.860558e+06	70621	1.870732e+06
S	an Francisco CA	50239	8.211462e+06	315520	8.262204e+06
	Seattle WA	16553	2.733296e+06	104941	2.747755e+06

Figure 20. Grouping The Dataframe by The City

It's too messy, but if you look carefully you can see that San Fransisco is the highest sold product of all cities with approximately \$8,200,000. We clearly need to visualize it because it's so hard to conclude anything just based on that numbers and also it will make our bussiness partner easier to understand.

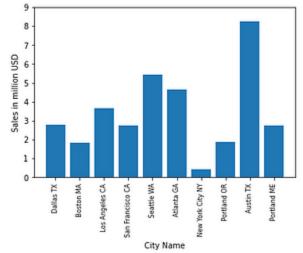
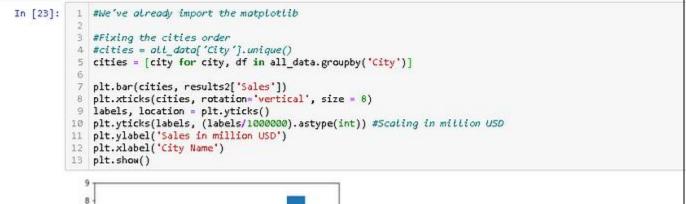


Figure 21. Plotting the Sales Grouped by Cities.

Now we successfully plot it. But there is a big issue here. If you notice that the values (Figure 20) and the plot (Figure 21) are not synchronized. The highest sales should be San Fransisco. What's wrong with our code?

There's an issue between .unique() method and plt.bar(). Their cities order are different. we're gonna syncronized the order by simply fixing the variable 'cities'.



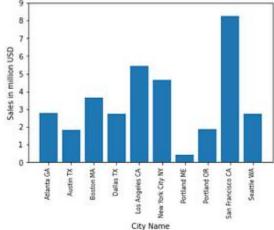


Figure 22. Fixing The Code

Now, we fix the issue and successfully plot it. As a data scientist, we need to figure out why San Fransisco is the highest sale compare to other cities. Maybe Sillicon Valley need more electronic products. Maybe the advertisement is better in San Fransisco.

We can use this data to improve the sales of bussiness.

What Time Should We Display Advertisements to Maximize Likelihood of Customer's Buying Product.

As usual, to remind what our data look like, we use the .head() method to show the top 5 of our updated dataframe.

Question 3: What time should we display advertisements to maximize likelihood of customer's buying product?

L	1	all_da	ta.head()							
	(Order ID	Product	Quantity Ordered	Price Each	Order Date	Purchase Address	Month	Sales	City
1	0	176558	USB-C Charging Cable	2	11.95	04/19/19 08:46	917 1st St, Dallas, TX 75001	4	23.90	Dallas TX
;	2	176559	Bose SoundSport Headphones	1	99.99	04/07/19 22:30	682 Chestnut St., Boston, MA 02215	4	99.99	Boston MA
;	3	176560	Google Phone	1	600.00	04/12/19 14:38	669 Spruce St, Los Angeles, CA 90001	4	600.00	Los Angeles CA
•	4	176560	Wired Headphones	1	11.99	04/12/19 14:38	669 Spruce St, Los Angeles, CA 90001	4	11.99	Los Angeles Ca
	5	176561	Wired Headphones	1	11.99	04/30/19 09:27	333 8th St, Los Angeles, CA 90001	4	11.99	Los Angeles C.

Figure 23. Showing our Top 5 updated dataframe

If we're gonna use our data to answer this question, we need to aggregate the period in 24 hours distribution. Look carefully at Figure 23. In "Order Date" column, there are times data. We could extract it like we did before.

But to make it more consistent, we need to convert the "Order Date" Column into date time object.

We're gonna use *pd.to_datetime()* method.

Task 4: Aggregate the period in 24-hours distribution

9]:	2 3	all_dat	new column in date-t a['Order_Date_DTO'] = a.head()			_data['Onder	· Date'])				
:		Order ID	Product	Quantity Ordered	Price Each	Order Date	Purchase Address	Month	Sales	City	Order_Date_DTO
	0	176558	USB-C Charging Cable	2	11.95	04/19/19 08:46	917 1st St, Dallas, TX 75001	4	23.90	Dallas TX	2019-04-19 08:46:00
;	2	176559	Bose SoundSport Headphones	1	99.99	04/07/19 22:30	682 Chestnut St, Boston, MA 02215	4	99.99	Boston MA	2019-04-07 22:30:00
:	3	176560	Google Phone	1	600.00	04/12/19 14:38	669 Spruce St, Los Angeles, CA 90001	4	600.00	Los Angeles CA	2019-04-12 14:38:00
	4	176560	Wired Headphones	1	11.99	04/12/19 14:38	669 Spruce St, Los Angeles, CA 90001	4	11.99	Los Angeles CA	2019-04-12 14:38:00
	5	176561	Wired Headphones	1	11.99	04/30/19 09:27	333 8th St, Los Angeles, CA 90001	4	11.99	Los Angeles CA	2019-04-3 09:27:0

Figure 24. Converting the "Order Date" Column into Date-Time Object

It will take a little bit longer because of the heavy calculation. Now we can create a new column called "Hour" contain the extraction of "Order Date DTO" data.

We only need the hours data, so we can extract them by doing this.

Task 4: Aggregate the period in 24-hours distribution



Figure 25. Extracting The Hours Data Into The New Column

Now we can answer the third question, what time should we display advertisements to maximize likelihood of customer's buying product? To answer this, we're gonna group it by the hours and counting all of the orders.

]: 1 2 3	result		3 = all_data.groupby(['Mour']).count() 3									
):	Orde	r ID	Product	Quantity Ordered	Price Each	Order Date	Purchase Address	Month	Sales	City	Order_Date_DTO	
Hou	JI.											
	0 3	910	3910	3910	3910	3910	3910	3910	3910	3910	3910	
	1 2	350	2350	2350	2350	2350	2350	2350	2350	2350	2350	
	2 1	243	1243	1243	1243	1243	1243	1243	1243	1243	1243	
	3	831	831	831	831	831	831	831	831	831	831	
	4	854	854	854	854	854	854	854	854	854	854	
	5 1	321	1321	1321	1321	1321	1321	1321	1321	1321	1321	
	6 2	482	2482	2482	2482	2482	2482	2482	2482	2482	2482	
	7 4	011	4011	4011	4011	4011	4011	4011	4011	4011	4011	
	8 6	256	6256	6256	6256	6256	6256	6256	6256	6256	6256	
	9 8	748	8748	8748	8748	8748	8748	8748	8748	8748	8748	
1	10 10	944	10944	10944	10944	10944	10944	10944	10944	10944	10944	
	11 12	411	12411	12411	12411	12411	12411	12411	12411	12411	12411	
-	12 12	587	12587	12587	12587	12587	12587	12587	12587	12587	12587	
1	3 12	129	12129	12129	12129	12129	12129	12129	12129	12129	12129	
1	4 10	984	10984	10984	10984	10984	10984	10984	10984	10984	10984	
1	5 10	175	10175	10175	10175	10175	10175	10175	10175	10175	10175	
1	6 10	384	10384	10384	10384	10384	10384	10384	10384	10384	10384	
1	7 10	99	10899	10899	10899	10899	10899	10899	10899	10899	10899	
1	8 12	280	12280	12280	12280	12280	12280	12280	12280	12280	12280	
1	9 12	905	12905	12905	12905	12905	12905	12905	12905	12905	12905	
2	0 12	228	12228	12228	12228	12228	12228	12228	12228	12228	12228	
2	1 10	921	10921	10921	10921	10921	10921	10921	10921	10921	10921	
2	2 8	322	8822	8822	8822	8822	8822	8822	8822	8822	8822	
2	3 6	275	6275	6275	6275	6275	6275	6275	6275	6275	6275	

Figure 26. Grouping the data by the hours

If we want to answer the third question, we only need the "Quantity Ordered" column. Now let's visualize it. We want it to be the line chart because this spesific data (hours) are more logical to show using line chart than bar chart because the data has to be continue.

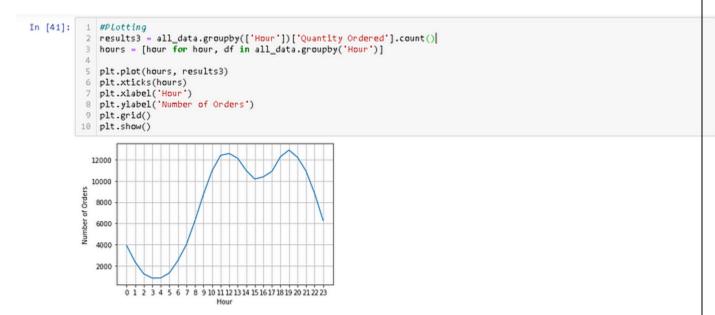


Figure 27. Visualizing the Number of Orders in 24 hours format

As you can see from Figure 27, there are approximately 2 peaks at the data. They are 12 (12 PM) and 19 (7 PM). It makes sense since most people shopping during the day.

From this data, we can suggest to our bussiness partner to advertise their product right before 12 PM and/or 7 PM. It could be 11.30 AM and/or 6.30 PM.

Remember, this chart is the total orders of **all cities**. Maybe you could make a spesific chart for a spesific city and planning the advertisement better for that city.

Conclusion:

In this phase ,which city may sold most products and What Time Should We Display Advertisements to Maximize Likelihood of Customer's Buying Product. for further queries we may answer in next phase which is gonna final phase in the project. In that final phase this section you will document the complete project and prepare it for submission.