MARKET ANALYSIS REPORT ON NATIONAL CLOTHING CHAIN

INTRODUCTION

The National Clothing Chain desires to create a targeted marketing campaign because sales have been flat and they want to lure lost customers back. They are interested in knowing which product to advertise to which customer in which location with three products in mind: shirt, leather bag and sweater. For this reason, data was collected from the US Census Bureau, Business Data, Customer Data and Weather Data ([Average Annual Temperatures by USA State - Current Results](https://www.currentresults.com/Weather/US/average-annual-state-temperatures.php#:~:text=Average%20Annual%20Temperature%20for%20Each%20US%20State%20,%20%2030%20%2012%20more%20rows%20)). These data have been cleaned, modeled and analyzed to solve the problems faced by the National Clothing Chain using Power BI.

FINDINGS

* There is a very strong positive correlation between income sales with a correlation coefficient of 0.78.
* There is a strong negative correlation between customer ratings and product return rate with a correlation coefficient of 0.69.
* Jon Little is predicted to be the highest income earner. This was achieved using the regression formula: x = -722.14 – y / -m
* There has been a 91.35% reduction in sales this quarter (Jan – March 2021) as compared to the last quarter (Oct – Dec 2020)
* About 89% of customers are within the age range of 20 – 50 years.
* About 71% of customers are medium income earners
* Based on customer transaction data from September 2020 to March 2021, 70% of top 10 customers (spenders) are from Illinois and California
* Chronograph Watch is the best rated product while Winter Gloves and Wool Scarf are the least rated products.
* District of Columbia, New Jersey, Maryland, Massachusetts and Hawaii are the top 5 states based on average income while Mississippi, West Virginia, Arkansas, Kentucky and New Mexico are the bottom 5 states based on average income.

RECOMMENDATIONS

Leather bag is one of the least rated products. Customers’ comments and feedbacks should be held succinctly, and efforts geared toward making the necessary improvement. For this reason, I suggest that among the three suggested products, Leather bag should be advertised the most and if possible, the price should be reduced a bit. Again, it should be marketed in the higher income states.

Sweater should be marketed most in the states of Alaska, North Dakota, Maine, Minnesota, Wyoming and the other states marked as coldest states in the analysis.

Shirts, in all have a favorable rating at a fairly good price. Of all the four different kinds of shirts, Polo Shirt is the best rated product. These products could be marketed in almost all the states.

Chronograph Watch is highly rated and should be added to the products.

Fair majority of the customers are in the age range of 20 – 40 years and leather sneakers, another highly rated product is very popular or preferred among this age group so it will be a good business decision to market it alongside the products.