Business Analysis Report: Walmart Operational Performance

Objective

To analyze Walmart's transactional data in order to understand variations in sales performance, payment behavior, and category profitability across branches, and to recommend practical, data-driven actions for improving revenue, operational efficiency, and customer experience.

Key Insights

1. Payment Behavior and Customer Preference

- **Credit Card emerged as the most preferred payment method**, leading in both number of transactions and total items sold.
- **E-Wallet ranked second**, reflecting growing digital adoption among customers.
- **Cash usage was significantly lower**, indicating a clear shift toward digital payments in organized retail.

This pattern suggests that branches relying heavily on cash are likely underperforming relative to those with stronger digital payment adoption.

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2. Customer Basket Pattern

- Customers using **Credit Cards and E-Wallets consistently purchased more items per transaction** than cash users.
- This indicates that digital payment users tend to engage in more planned or bulk shopping, directly influencing revenue per transaction.

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3. Category-Level Profitability

- **Fashion Accessories and Home & Lifestyle were the top profit-generating categories**, significantly outperforming others.
- **Electronics showed weak profitability**, despite being a high-demand category, pointing toward margin pressure from pricing or supplier costs.
- **Health & Beauty was the lowest-performing category**, indicating potential overstocking or weaker customer demand.

Overall, Walmart’s profitability appears concentrated in a few high-performing categories, while others require strategic correction.

Recommendations

1. Strengthen Digital Payment Adoption

Walmart should actively promote Credit Card and E-Wallet usage through targeted incentives such as cashback, EMI options, and loyalty rewards, as digital payments are clearly associated with higher basket sizes and overall revenue. Additionally, upgrading POS infrastructure in cash-heavy branches would reduce friction in digital transactions and gradually shift customer behavior toward more profitable payment modes.

2. Optimize Inventory Allocation

Inventory levels for **Fashion Accessories and Home & Lifestyle** should be increased, since these categories consistently deliver the highest profits and represent the strongest revenue drivers for the business. At the same time, excess stock in **Health & Beauty** should be reduced and realigned toward high-demand subcategories to prevent margin leakage and unnecessary holding costs.

3. Reevaluate Electronics Strategy

Walmart should revisit pricing and supplier agreements for Electronic Accessories, as current margins appear too low relative to sales volume. Moving away from heavy blanket discounts toward value-based bundling (such as pairing accessories with primary products) can help protect margins while still maintaining customer appeal.

4. Branch-Level Prioritization

Branches that demonstrate strong digital payment adoption should be prioritized for premium product placement and targeted marketing, since these locations already show higher purchasing power and revenue potential. Conversely, branches with high cash usage should receive digital payment awareness programs and improved payment infrastructure to gradually align them with higher-performing locations.