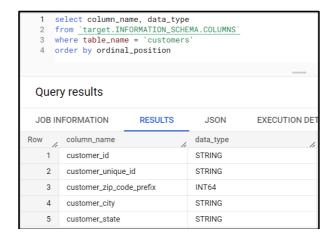
# **Business case study: Target**

1. Structure & characteristics of the dataset:

## 1.Data type of columns in a table:

> Customers:



> Geolocations:

Field name	Туре
geolocation_zip_code_prefix	INTEGER
geolocation_lat	FLOAT
geolocation_lng	FLOAT
geolocation_city	STRING
geolocation_state	STRING

Orders\_items:

Field name	Туре
order_id	STRING
order_item_id	INTEGER
product_id	STRING
seller_id	STRING
shipping_limit_date	TIMESTAMP
price	FLOAT
freight_value	FLOAT

# Order\_reviews:

Field name	Туре
review_id	STRING
order_id	STRING
review_score	INTEGER
review_comment_title	STRING
review_creation_date	TIMESTAMP
review_answer_timestamp	TIMESTAMP

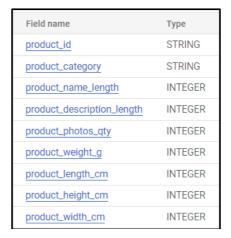
# Orders:

Field name	Туре
order_id	STRING
customer_id	STRING
order_status	STRING
order_purchase_timestamp	TIMESTAMP
order_approved_at	TIMESTAMP
order_delivered_carrier_date	TIMESTAMP
order_delivered_customer_date	TIMESTAMP
order_estimated_delivery_date	TIMESTAMP

# > Payments:

Field name	Туре	
order_id	STRING	
payment_sequential	INTEGER	
payment_type	STRING	
payment_installments	INTEGER	
payment_value	FLOAT	

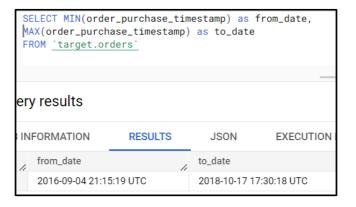
# > Products:



## > Sellers:

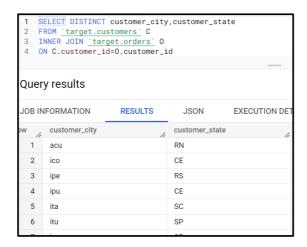
Field name	Туре	
seller_id	STRING	
seller_zip_code_prefix	INTEGER	
seller_city	STRING	
seller_state	STRING	

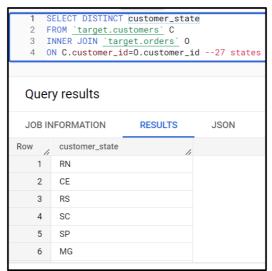
## 2.time period for which the data is given:



> Data is present for range : sept 2016 -oct 2018

## 2. Cities and states of customers ordered during the given period:

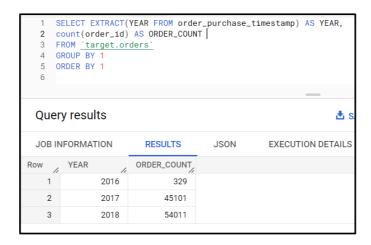




> Total 27 states from where orders have been placed.

## 2. In-depth exploration:

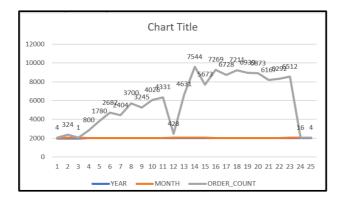
- 1. Is there a growing trend on e-commerce in brazil? How can we describe a complete scenario? Can we see some seasonality with peaks at specific months?
  - > To check growing trend lets first find out count of orders per year:



> And count of orders per month -year:

YEAR	MONTH	ORDER_COUNT
2016	9	4
2016	10	324
2016	12	1
2017	1	800
2017	2	1780
2017	3	2682
2017	4	2404
2017	5	3700
2017	6	3245
2017	7	4026
2017	8	4331
2017	9	428
2017	10	4631
2017	11	7544
2017	12	5673
2018	1	7269
2018	2	6728
2018	3	7211
2018	4	6939
2018	5	6873
2018	6	6167
2018	7	6292
2018	8	6512
2018	9	16
2018	10	4

- > It can be observed that time period for which the data is given is 25 months.
- ➤ There is a increasing trend in orders , trend sustains during 2018. There a slight fall we can observe during october 2017 following with a great hike in november month and again a fall in end of december 2017 and january 2018.



- 2. What time do brazilian customers tend to buy (dawn, morning, afternoon or night):
- As no time mentioned , i am considering :
  - i. 0-6 as dawn time
  - ii. 6-12 as morning time
  - iii. 12-18 as afternoon
  - iv. And 18 to 00 as night



➤ There are very a smaller number of orders in dawn time.

## 3. Evolution of e-commerce orders in the brazil region

## 1. Get month on month orders by states:

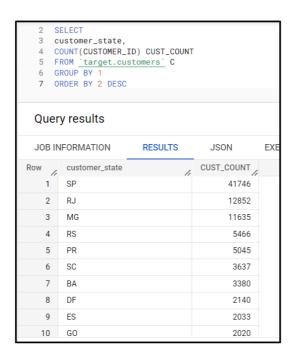
> To get month on month data for orders, orders table can be used and to fetch state data customer table can be used.



➤ We can observe that the state 'SP' has maximum number of orders placed.

#### 3. Distribution of customers across the states in Brazil:

> State wise customer number count can be fetched from customer table directly:



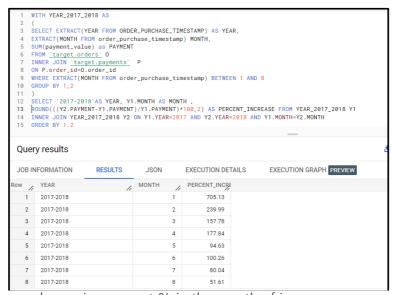
- > The state 'SP' has maximum number of customer i.e. 41746 customers
- 4. <u>Impact on economy: analyze the money movement by e-commerce by looking at order prices, freight and others.</u>

#### 1. Get % increase in cost of orders from 2017 to 2018 (include months between jan to aug only):

➤ Used below query to check percent increase from 2017 to 2018, i have not used filter on year as we have to take 1<sup>st</sup> month to 8<sup>th</sup> month and these month's data for 2016 is not available in dataset so those will not be included in result:



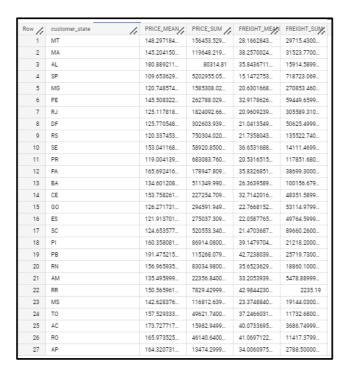
- > There is 136.97 % increase from 2017 to 2018
- Lets check month-wise % increase:



- > There is huge change in payment % in the month of january.
- And lowest in month of august.
- It can be observed than percentage is almost decreasing from january to august.

#### 3. Mean & sum of price and freight value by customer state:

Price and freight value are available in order\_items table, we can join with order and customer table to find customer state to get state data:



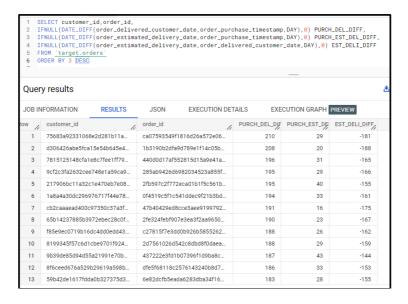
➤ If we combine price and freight value we can observe that pb has highest mean (234.20) and pb has highest sum (5921678.1):



5. Analysis on sales, freight and delivery time:

## 1. Calculate days between purchasing, delivering and estimated delivery:

Purchase date, delivery date and estimated delivery dates are available in orders table and they can be directly accessed to find out the differences:

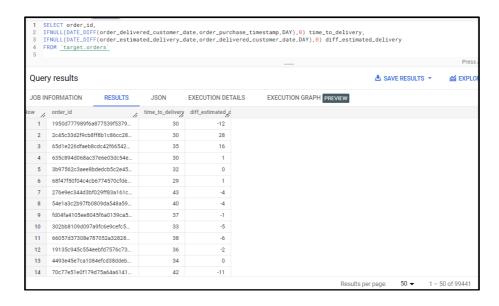


Average difference among dates are:



#### 2. Find time\_to\_delivery & diff\_estimated\_delivery:

> Purchase date, delivery date and estimated delivery dates from orders table can be used to find out time\_to\_delivery and diff\_estimated\_delivery for each orders:



## 3. Group data by state, take mean of freight\_value, time\_to\_delivery, diff\_estimated\_delivery:

- As we have already calculated time to delivery and diff\_estimated\_delivery , we can join this data with order\_items table to get freight value.
- And then this data can be joined with customers table to fetch customers states as following:

```
1 WITH STATE_DELI_DETAIL AS(
2 SELECT customer_state,
3 freight_value,
4 IFNULL(DATE_DIFF(order_delivered_customer_date,order_purchase_timestamp,DAY),0) time_to_delivery,
5 IFNULL(DATE_DIFF(order_estimated_delivery_date,order_delivered_customer_date,DAY),0) diff_estimated_delivery
6 FROM 'target.customers' 0
7 INNER JOIN 'target.orders' 0 ON C.customer_id=0.customer_id
8 INNER JOIN 'target.order_items' 0I ON 0.order_id=0I.order_id
9 )
9 SELECT
10 customer_state,
12 ROUND(AVG(freight_value),2) avg_freight,
13 ROUND(AVG(freight_value),2) avg_freight,
14 ROUND(AVG(diff_estimated_delivery),2) avg_diff_estimated_delivery
15 FROM STATE_DELI_DETAIL
16 group by 1
17 order by 2 desc
```

Row /	customer_state /	avg_freight /	avg_time_to_d/l	avg_diff_estine1
1	RR.	42.98	24.62	15.42
2	PB	42.72	19.58	11.83
3	RO	41.07	18.94	18.74
4	AC	40.07	20.11	19.79
5	PI	39.15	18.27	10.31
6	MA	38.26	20.59	8.84
7	TO	37.25	16.73	11.28
8	SE	36.65	20.43	8.93
9	AL	35.84	23.07	7.67
10	PA	35.83	22.74	13.05
11	RN	35.65	18.59	12.86
12	AP	34.01	27.41	17.23
13	AM	33.21	25.65	18.75
14	PE	32.92	17.2	12.14
15	CE	32.71	19.81	9.9
16	MT	28.17	17.21	13.41
17	BA	26.36	18.2	9.81
18	MS	23.37	14.96	10.24
19	GO	22.77	14.59	11.1
20	ES	22.06	14.98	9.63
21	RS	21.74	14.47	12.99
22	SC	21.47	14.25	10.47
23	DF	21.04	12.24	11.04
24	RJ	20.96	14.25	10.81
25	MG	20.63	11.33	12.2
26	PR	20.53	11.3	12.34
27	SP	15.15	8.08	10.05

## 4. Sort the data to get the following:

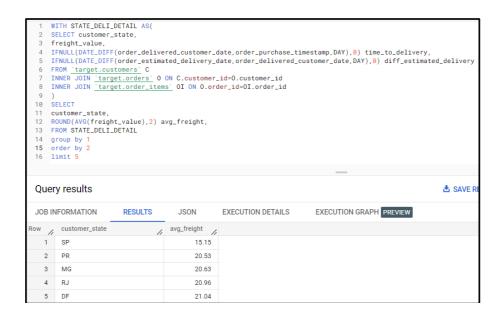
> Data can be sorted based on various columns to get below insights (5<sup>th</sup> and 6<sup>th</sup> points)

## 5. Top 5 states with highest/lowest average freight value - sort in desc/asc limit 5:

> Top 5 states with highest average freight value:



➤ Top 5 states with lowest average freight value:

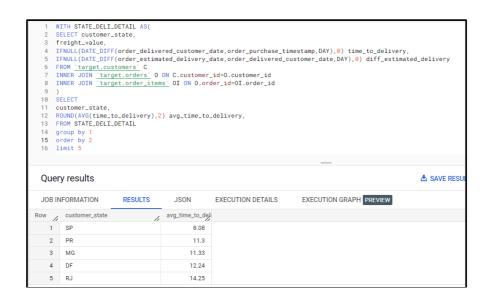


6. Top 5 states with highest/lowest average time to delivery:

➤ Top 5 states with highest average delivery time:



➤ Top 5 states with lowest average delivery time:



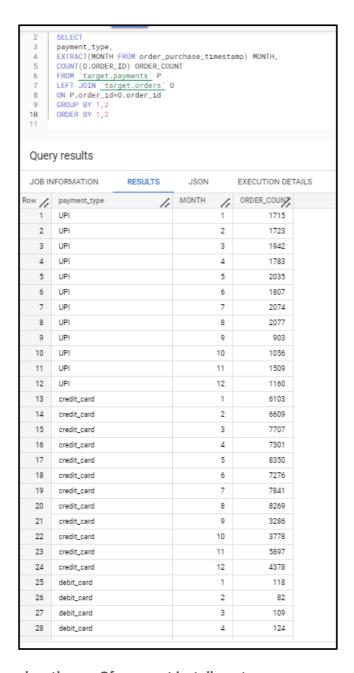
## 7. Top 5 states where delivery is really fast/ not so fast compared to estimated date:

➤ We can filter our data having average delivery time is more then expected delivery time difference and then we will select top 5 among this data set:



## 6. Payment type analysis:

1. Month over month count of orders for different payment types:



## 2. Count of orders based on the no. Of payment installments:

> This can be achieved directly using payments table, i have used below query to get the insight:



## 7. Actionable insights

#### 1. Overview of target data:

- ➤ We have 99.441 customers of data available.
- > 14994 different locations of customers
- Customers are from different 4119 cities and 27 states from brazil.
- From total 99441 orders, 1107 are shipped, 625 were canceled, 96478 are delivered.
- ➤ 68% customers are from southeast brazil , 14% are from south brazil and rest are other other regions of brazil .
- > Total 3095 sellers who are from 611 different cities and 23 states in brazil and from 2246 different areas as per zip-code data.
- > São paulo state has the highest numbers of sellers in country.
- > Time period for which the data is given is 25 months, from sept 2016 -oct 2018

#### 2. Performance of the company:

- ➤ Compare to 2017, no of orders has increased in 2018.
- Average number of order are higher during november month, september and october month average orders are comparatively low, in may and july and august have higher average orders compare to other months.
- Tuesday, monday and wednesdays have relatively higher number of orders.

- There is an increasing trend in orders, trend sustains during 2018. There is a slight fall we can observe during october 2017 following with a great hike in november month and again a fall in end of december 2017 and January 2018.
- ➤ We can observe there is 815% growth increased in terms of orders and 707% growth increment in terms of revenue in January from 2017 to 2018.
- ➤ Growth rate for July and august in 2017 to 2018 is relatively extremely low!
- ➤ 2017-february, 2017-march,2017-november were the highest growing sale month compared to the previous month.
- ➤ In products data, total 32951 different products available in target with 73 different product category. Health and beauty, watches present, bed table bath, sport leisure, computer accessories, furniture decoration, housewares, automotive are some of the top selling product categories.
- ➤ Health and beauty products are top selling having highest orders.
- Pcs and musical instruments category have relatively less number of products, but contributes in a high revenue.

## 3. Delivery time analysis:

- After purchasing, the average time for approving the order by seller is 0.26 days and median time is 0, means within a day.
- Average time taken for a carrier to start the delivery is 2 and a half day, average time taken to complete delivery is 12 days, average estimated time delivery is 23 days.
- There is a positive correlation between freight value and delivery time.
- > States são paulo, paraná, minas gerais, distrito federal ,santa catarina and rio de janeiro are some of the states having faster delivery time relatively.

#### 4. Freight value and delivery time relation:

Average estimated delivery time and delivery time have a positive correlation with avg freight value. States, where orders are taking more delivery time have more freight value. We can say delivery time is proportional to freight value or vice versa.

## 5. Region and state vise analysis:

➤ São paulo ,rio de janeiro , minas gerais ,rio grande do sul and paraná are top 5 highest orders states and also generating highest revenue. More than 80% of orders are coming from south, southeast and northeast brazil. 90% of the revenue is coming from south, southeast and northeast brazil.

## 6. Peak time of the day:

- > There are very less number of orders in dawn time.
- Customers tends to buy mostly in night.

#### 7. Payment analysis:

- Most common mode of payment is using credit card for the payment.
- Number of installments are mostly in the range 0-3.
- Less no of orders can be seen with higher no of installments.

## 8. Recommendations:

- **1.** Lesser Delivery time: From the distribution and statistical analysis we can observe the average time to complete the delivery is 12 days. Which should be reduced to at least half, as due to high competition in e-commerce market, it is vital to do so.
- **2. Region to be focused:** If we look at top states where delivery is really slow compared to estimated date, they are all from north Brazil region. Delivering faster in the north states may create and increase new customers and revenue from north.
- **3.** Increasing network in north Brazil: having small towns can help increase the customer base. As north Brazil has the worlds largest river and most extensive rain forest, must be a good travel destination, introducing necessary survival/ camping/adventure products can help increase revenue and order from northern region . Top selling items are between 10-100 dollars, introducing new different more products from top selling categories can increase revenue more.
- **4. Providing Discounts**: It was observed an increasing trend in revenue and orders over time , yet during October and January sales are decreasing probably after festival sales. Introducing possible discount on not so running product can help sell more products during those low going months.
- **5. Introducing Offers**: Looking at the Analysis we can see that mostly customers tend to shop in Night and reason behind this can be their free time during night, introducing offers during that time can attract more number of customers increasing overall profit of the company.
- **6. Adding more Sellers:** In order to provide diverse range of products more sellers should be added to platform.
- **7. Providing credit card benefits:** As this can be observed that credit card is the most used payment type, providing benefits on different cards can be used to attract customers.
- **8. Increasing Area of service:** There are total 8011 cities available in given data but customers from only 4119 are placing order, which is almost half of total number of cities, finding out reason for same can help to improve area of service.
- **9. Figuring out losses:** Despite having maximum number of customer in SP state. It has low average revenue. Finding out reason and eliminating same can help in Company's performance.