A DTC Brand Case Study

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# Data Analysis: – [SQL Script](https://drive.google.com/file/d/1ZfZmvHO-DMltuRWseyQo2D8tKeOx_gPf/view?usp=sharing)

# Problem Statement 1: Sales and Profitability Analysis

Identify the top-performing and underperforming categories based on these metrics. Also, suggest reasons for their performance differences.

# Numbers on What Happened:

# Clothing:Avg Profit Per Order: 57 units, Profit Margin: 39%.

# Electronics:Avg Profit Per Order: 204 units, Profit Margin: 38%.

# Top-Performing:Electronics (highest average profit per order: 204 units).

# Underperforming:Clothing (lowest average profit per order: 57 units, despite highest margin: 39%).

Possible Reasons for Variations in Performance:

Hypothesis:

* Despite having a slightly lower profit margin (38%) than clothing (39%), electronics' high average profit per order (204 units) indicates higher-ticket items (such as phones and printers) with significant margins.
* Clothing's high margin (39%) and low average profit per order (57 units) suggest large volume but poor profitability per unit, perhaps as a result of low-cost items (like stoles).

New Data Required:

* To verify the impact of item prices, average order value per category.
* To explain the difference between margin and profit, use cost breakdown (e.g., COGS).

Next Steps:

* Increase promotion for electronics to take advantage of high-profit orders.
* To raise the average profit per order for clothing, raise the price of low-margin items or possibly combine them with electronics.

# Problem Statement 2: Target Achievement Analysis

Analyse the trends to identify months with significant target fluctuations. Suggest strategies for aligning target expectations with actual performance trends.

# Numbers on What Happened:

# Average Target % Change:3% across the year

# May and March:Highest Target % Change at 11% (significant vs. average).

Possible Reasons for Variations in Performance:

Hypothesis:

* May’s 11% jump could reflect post-April sales optimism or seasonal demand (e.g., summer Furniture needs).
* External factors (e.g., holidays, promotions) for those months.

New Data Required:

* Actual Furniture sales for May and March to assess target realism.
* To explain the difference between margin and profit, use cost breakdown (e.g., COGS).

Next Steps:

* Set conservative goals based on past sales trends (e.g., 3–5% average increase), accounting for seasonality only when supported by data.

# Problem Statement 3: Regional Performance Insights

Highlight any regional disparities in sales or profitability. Suggest regions or cities that should be prioritised for improvement.

# Numbers on What Happened:

# Order Count:Madhya Pradesh & Maharashtra: ~300 orders each; Gujarat: 87 orders; Rajasthan & Delhi: comparatively lower.

# Total Sales (Products Sold): Madhya Pradesh & Maharashtra: ~1,150 units each; others lower.

# Avg Profit Per Order:Haryana: 152 units; Kerala: 133 units; Madhya Pradesh & Maharashtra: comparatively lower.

# Disparity: High-order states (Madhya Pradesh, Maharashtra) still lag in profit vs. Haryana, Kerala.

Possible Reasons for Variations in Performance:

Hypothesis:

* The higher sales (1,150 units) and poorer profitability of Madhya Pradesh and Maharashtra point to either a concentration on low-margin products (like furniture) or high operating expenses.
* Despite fewer orders, Haryana and Kerala's high average profit (152,133 units) suggests either premium sales (like electronics) or effective logistics.

New Data Required:

* Logistics expenses (like shipping) to evaluate the effect on profitability.

Next Steps:

* Improve a top priority. In Madhya Pradesh and Maharashtra (such as Indore and Mumbai), change the sales mix to include more profitable electronics and cut expenses.

Hoping you find the analysis and business acumen noteworthy. Please feel free to reach out to discuss them further.

I look forward to your feedback.

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