



SUPERSTORE SOLUTIONS


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**SUPERSTORE'S
MANAGEMENT
WANTS TO KNOW THE
IMPACT OF RETURNS AND
DISCOUNTS ON THE PROFITS
ON THEIR PRODUCTS**

**HYPOTHEISIS : GIVING
MORE DISCOUNTS ON
FURNITURE WILL INCREASE
PROFITS**

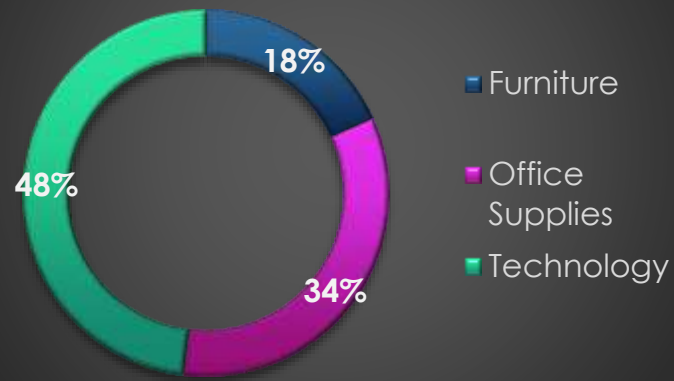
BACKGROUND

FRAMING

- ▶ **HOW CAN SUPERSTORE INCREASE PROFITS AND MITIGATE RETURNS?**
 1. **DETERMINE WHICH PRODUCTS MAKE THE MOST PROFIT AND WHEN?**
 2. **WHEN ARE PRODUCT RETURNS THE HIGHEST?**
 3. **WHAT IS THE RELATIONSHIP BETWEEN DISCOUNTS AND RETURNS?**
 4. **DO MORE DISCOUNTS MEAN A HIGHER PROFIT?**
 5. **WHICH PRODUCTS NEED MORE DISCOUNTS AND WHICH NEED LESS?**
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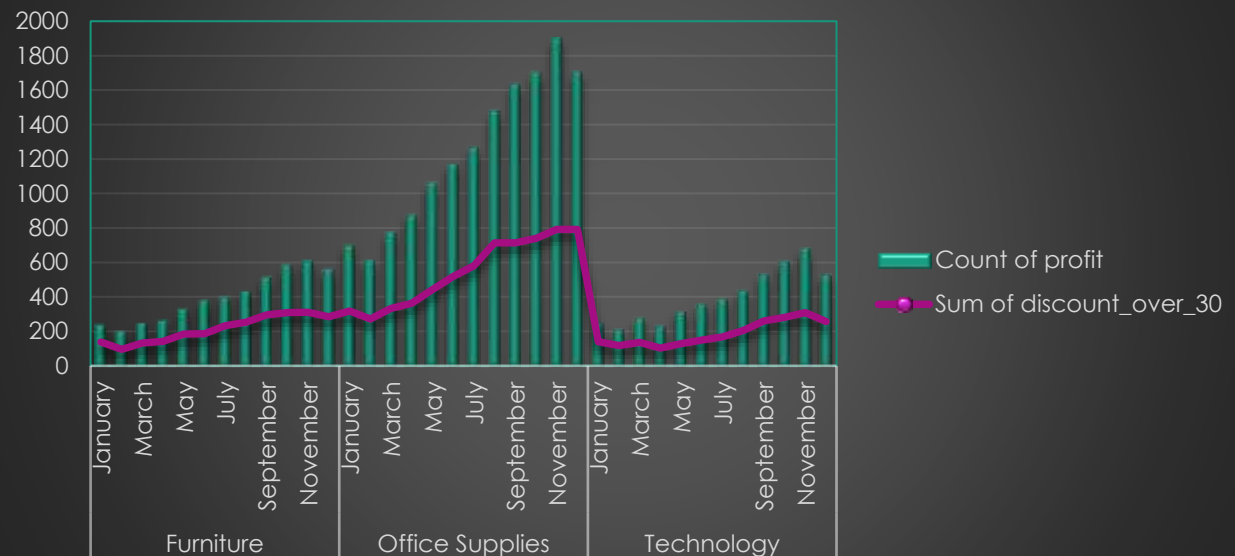
DATA ANALYSIS WORKFLOW

Profit by Category



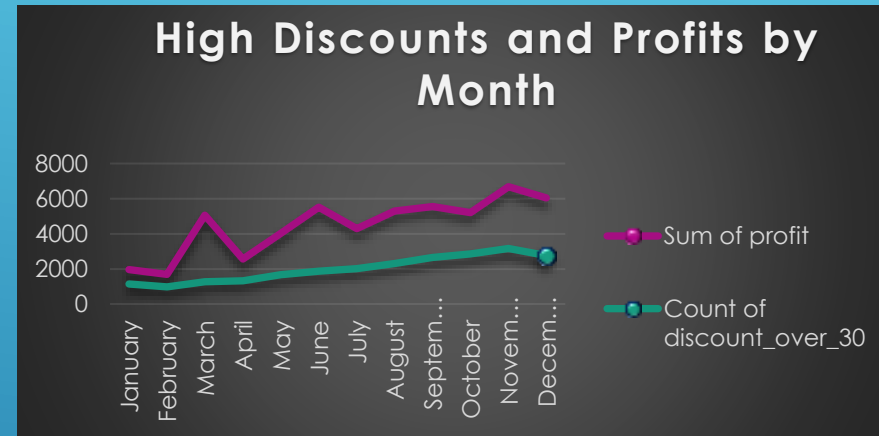
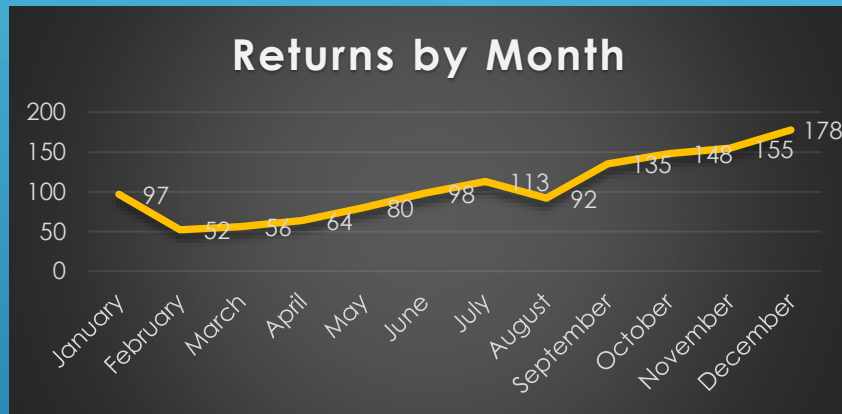
Based on Donut Chart Furniture has the worst performance in terms of profits.

Profits and Discounts by Category in 2019



Per Pivot Table from excel sheet and chart above Superstore`s Furniture is holding back the company`s maximum potential for profit.

DATA ANALYSIS WORKFLOW



Returns, high discounts, and profits all increase in the fall and beginning of winter. These Months can be classified as the fourth quarter of the fiscal year.

DATA ANALYSIS WORKFLOW



Profits and discounts have shown a positive relationship, even though Superstore per the excel gives discounts on nearly all of their products (0.004% of products are sold without a discount)

DATA ANALYSIS WORKFLOW



Profits and discounts have a positive correlation per this scatterplot chart. Trendlines suggest that both profits and discounts have positive trend as the year progresses. This is more true for discounts than profit.

RECOMMENDATIONS

- ▶ To increase profits Superstore should incorporate more discounts, especially of the high variety if they want Furniture to keep up with their other product categories in performance.
- ▶ Forecasting suggest that Superstore may suffer from not giving more discounts on Technology in the future.
- ▶ Returns and discounts are peaking at the same time of year, if given more time more analysis could be down on which types of returns are the most prominent and which products are returned the most.
- ▶ Superstore should also evaluate it`s overall discount distribution strategy, giving discounts on nearly all products even those in high demand is costing the company potential profit.
- ▶ Concluded that hypothesis would be proven true if more discounts are given to furniture that profits will increase, the same can be said for Technology