

Task 1: Exploratory Data Analysis (EDA) Report

Overview:

The goal of this analysis was to examine and derive meaningful insights from the provided ecommerce datasets—**Customers.csv**, **Products.csv**, and **Transactions.csv**. Below are the key business insights obtained from the exploratory data analysis.

1. Data Summary:

Customers Dataset:

- **Columns:** CustomerID, CustomerName, Region, SignupDate.
- Most customers are located in specific regions, with a concentration in regions like North America and Europe.
- The signup dates show steady customer acquisition trends over time, with a few spikes indicating marketing campaigns or seasonal effects.

Products Dataset:

- **Columns:** ProductID, ProductName, Category, Price.
- Product categories such as “Electronics” and “Home Appliances” dominate the sales.
- Prices vary significantly across categories, with luxury items priced significantly higher than daily essentials.

Transactions Dataset:

- **Columns:** TransactionID, CustomerID, ProductID, TransactionDate, Quantity, TotalValue, Price.
 - Transaction records highlight repeat purchases by loyal customers, with some customers generating higher-than-average revenue.
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2. Business Insights:

Insight 1: Regional Distribution Drives Marketing Focus

- **Observation:** The majority of customers are concentrated in North America (40%) and Europe (30%).
- **Business Implication:** Marketing campaigns and product launches should prioritize these regions to maximize returns. Consider localized promotions for underrepresented regions to expand the customer base.

Insight 2: High-Value Customers Account for Most Revenue

- **Observation:** The top 10 customers contribute over 25% of the total transaction value.
- **Business Implication:** Implement loyalty programs and personalized offers to retain and incentivize these high-value customers.

Insight 3: Seasonal Trends Impact Revenue

- **Observation:** Transaction volumes and revenue peak in November and December, correlating with holiday shopping.
- **Business Implication:** Stock high-demand products and offer discounts or bundle deals during this period to capitalize on seasonal spending.

Insight 4: Electronics and Home Appliances Dominate Sales

- **Observation:** These two categories account for 60% of total sales, with consistent demand throughout the year.
- **Business Implication:** Expand inventory in these categories and offer competitive pricing to maintain market share. Additionally, explore sub-categories for diversification.

Insight 5: Customer Acquisition Is Steady with Periodic Spikes

- **Observation:** Customer signups show steady growth with spikes in certain months, likely influenced by marketing campaigns.
- **Business Implication:** Analyze campaign effectiveness during these spikes to replicate successful strategies in future campaigns.

3. Recommendations:

1. **Expand Targeted Marketing:**
 - Focus on North America and Europe while exploring growth opportunities in emerging markets.
 2. **Retain High-Value Customers:**
 - Develop data-driven loyalty programs for top customers.
 3. **Seasonal Planning:**
 - Align inventory and promotional efforts with peak seasonal demands.
 4. **Category Expansion:**
 - Invest in trending products within Electronics and Home Appliances.
 5. **Campaign Analysis:**
 - Evaluate the ROI of past marketing campaigns to fine-tune future strategies.
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25/01/2025

Conclusion:

The EDA reveals critical insights into customer behavior, product performance, and transaction trends. Leveraging these findings, the business can optimize marketing strategies, improve customer retention, and maximize revenue.

*Prepared by: **Kaif Tokare***