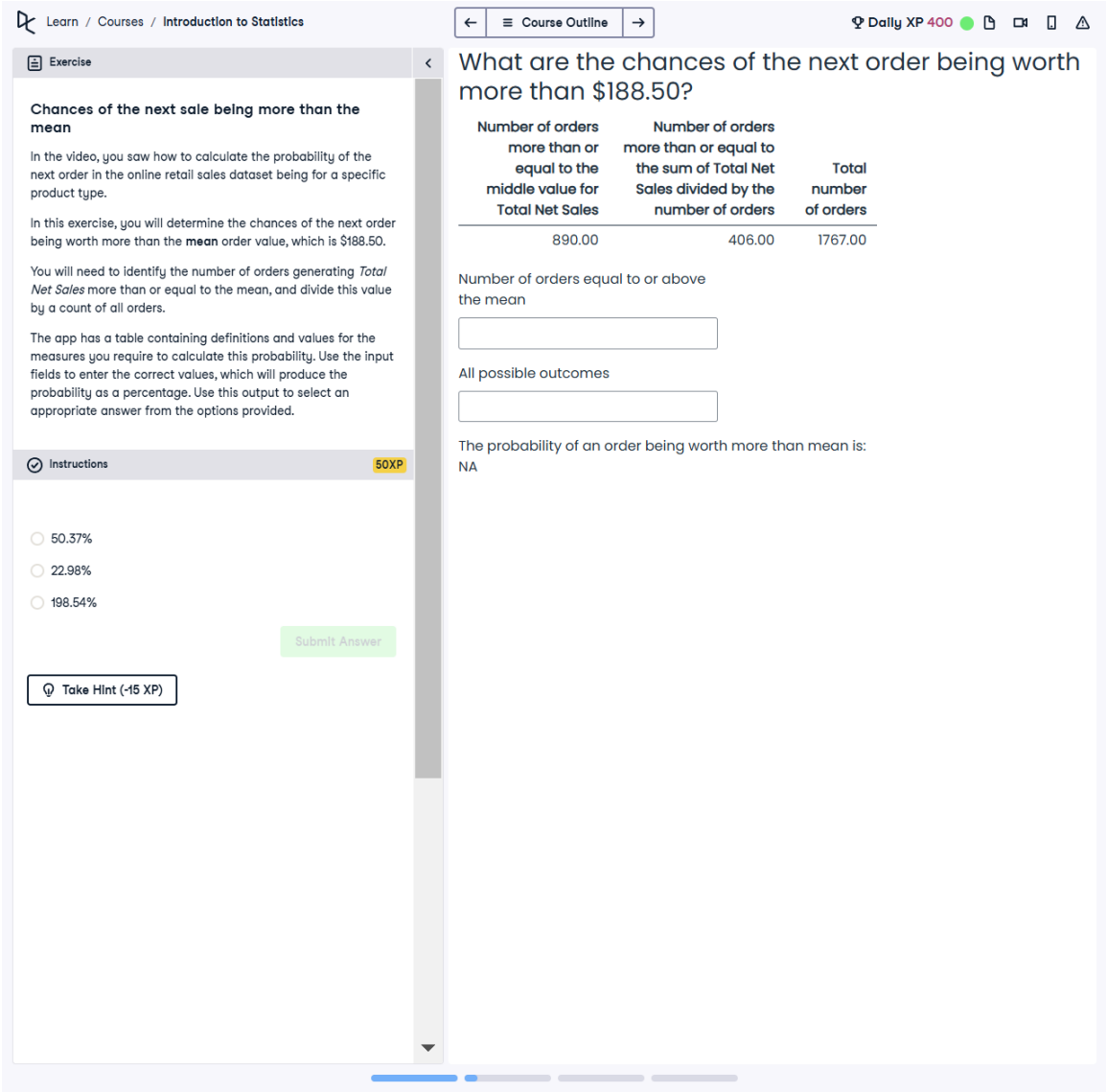
Chances of the Next Sale Being More Than the Mean

In the video, you saw how to calculate the probability of the next order in the online retail sales dataset being for a specific product type.

In this exercise, you will determine the chances of the next order being worth more than the mean order value, which is $188.50. You will need to identify the number of orders generating Total Net Sales more than or equal to the mean and divide this value by a count of all orders.

Use this output to select an appropriate answer from the options provided.



Answer

Answer: 22.98%
Explanation: The probability is calculated by dividing the number of orders worth more than or equal to the mean (406) by the total number of orders (1767):

Probability = (406 / 1767) * 100 = 22.98%.
This calculation shows that approximately 23% of the orders have a value greater than or equal to the mean.

Explanation of the Answer

To calculate the probability of an order being worth more than the mean:
1. Identify the number of orders worth more than or equal to the mean: 406.
2. Divide this value by the total number of orders: 1767.
3. Multiply the result by 100 to express it as a percentage.

The formula used is:
Probability = (Number of orders >= mean / Total number of orders) * 100.

Using this method, the probability of an order being worth more than the mean is 22.98%.