



HOME DECOR FULL STACK DATA ANALYSIS REPORT

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Executive Summary

This report analyzes the **Home Decor category performance** for a major retail chain at the end of the fiscal year, with a **strategic deep-dive into the Furnishings sub-category**.

The brand is undergoing a strategic shift:

from selling a wide assortment of home products
to **modern, functional, premium pieces designed for small urban apartments**.

While Furniture was reviewed at a high level to establish context, this report **intentionally prioritizes Furnishings**, as it demonstrates **stronger profitability, customer loyalty signals, and alignment with the brand's future positioning**.

Key outcome:

Furnishings—especially Lamps—emerge as the **most strategically valuable sub-category**, outperforming other segments on margin, profit stability, and repeat customer potential.

Business Context & Strategic Objective

Business Role Perspective

The analysis is conducted from the viewpoint of a **Category Manager – Home Decor**.

Strategic Objectives

- Improve profitability without sacrificing brand positioning
- Reduce dependency on low-margin, high-volume products
- Strengthen customer loyalty through complementary purchases
- Focus on **modern, modular, space-efficient furnishings**

Key Business Questions

1. What is the overall financial performance of the Home Decor category?
2. Which sub-category contributes the most sustainable profit, not just revenue?
3. Why does Furnishings outperform other sub-categories?
4. Which Furnishing products are expensive but underperforming on profit?
5. Where do Furnishings show strong geographic demand?
6. Which regions are suitable for bundle-based promotions?

High-Level Category Context

At a category level, Home Decor demonstrates healthy revenue generation. However, profitability varies significantly across sub-categories, making it essential to evaluate where value is truly created.

This insight prompted a deeper Furnishings-focused analysis rather than a broad Furniture expansion.

Furnishings Performance Overview

Why Furnishings Were Chosen for Deep Analysis

- Higher margin stability
- Stronger alignment with modern urban living
- Natural cross-sell potential with Furniture
- Lower operational complexity compared to bulky items

Revenue vs Profit Disconnect: Sub-Category Analysis

Key Observation

Tables and Bookcases:

- High revenue
- Frequent losses due to returns and cancellations

Furnishings (Lamps)

- Lower revenue
- Consistently profitable
- Minimal loss exposure

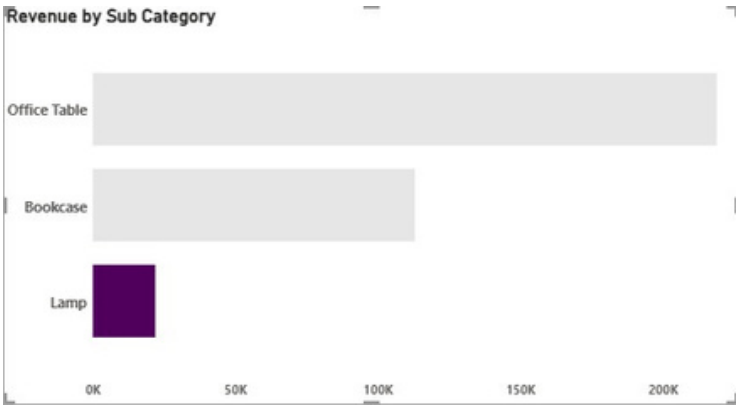
This highlights a common retail insight: high sales volume does not necessarily translate into high business value.

Furnishings Deep Dive: Why Lamps Outperform Strategically

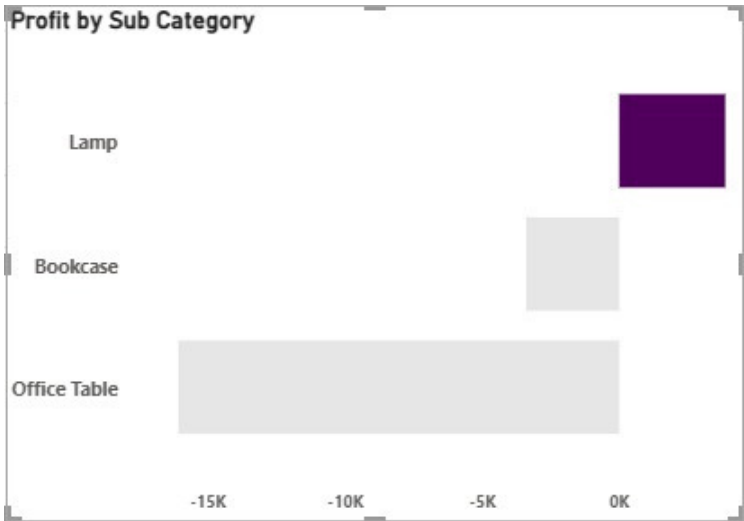
Key Metrics

- Revenue: ₹21.90K
- Profit: ₹3.87K
- Profit Margin: 17.66%

Interpretation



Furnishings deliver a **significantly healthier margin** compared to categories like Bookcases and Tables. Despite lower absolute revenue than large furniture items, Furnishings(lamps) convert sales into **meaningful profit**.



This confirms that **profit efficiency**, not scale alone, is driving category strength.

Customer Loyalty Signal



Unique Lamp Buyers: 124

Repeat Lamp Buyers: 17

What this indicates:

- Lamps are not purely one-time purchases; a measurable share of customers return to buy again.
- Repeat purchases suggest emotional attachment and aesthetic-driven buying behavior, common in furnishing items.
- Lamps function as refresh products—customers upgrade or replace them more frequently than large furniture items.
- In contrast, products like tables or bookcases are typically bought once every few years, limiting repeat engagement.

Business Interpretation:

- Even with lower absolute revenue compared to tables and bookcases, lamps demonstrate strong loyalty potential.
- The presence of repeat buyers validates furnishings as a retention lever, not just an add-on category.
- This supports the brand strategy of using lamps to stay “top of mind” between high-ticket furniture purchases.

Geographic Performance & Market Opportunities

States with Strong Lamp Sales

Lamp sales were recorded across 31 states, including:
California, New York, Texas, Florida, Illinois, Ohio, Michigan, Washington, Massachusetts, Arizona, Colorado, Oregon, Minnesota, and others.

Insight

Lamps have nationwide acceptance, making them scalable.

High-Value Bundling States

States with high furniture demand but loss exposure:
California, Texas, New York, Pennsylvania, Ohio, Washington, Illinois, Michigan, Florida, Colorado, Virginia, Arizona.

- Opportunity:
- Bundle lamps with furniture purchases to:
- Increase order value
 - Reduce cancellation probability
 - Reinforce brand presence

State with Active Lamp Sales	High-Value Bundling States
state	state
Arizona	Arizona
California	California
Colorado	Colorado
Florida	Florida
Illinois	Illinois
Massachusetts	Michigan
Michigan	New York
Minnesota	Ohio
New York	Pennsylvania
Ohio	Texas
Oregon	Virginia
Texas	Washington
Washington	

Loss Drivers: Returns, Replacements & Risk Exposure

Lamp cancellations/replacements were concentrated in:
Texas, Illinois, Pennsylvania, Ohio, Oregon.

Instead of viewing these as failures:

- These customers are still engaged
- Represent a second-chance loyalty opportunity

Recommended Actions:

- Personalized follow-ups
- Replacement discounts
- Design consultation offers

Strategic Recommendations & Business Actions

1. Brand Focus

Position Lamps as the **brand's loyalty anchor product**.

2. Furniture Risk Control

- Introduce pre-order-only rules for tables & bookcases
- No cancellations once material production begins

3. Bundling Strategy

- Bundle lamps with furniture in high-risk states
- Offer post-purchase lamp incentives

4. Product Development

- Gather feedback on:
 1. Design
 2. Size
 3. Durability
 4. Pricing
- Develop signature lamp designs
- Monitor competitors continuously

Executive Summary & Final Takeaways

While furniture drives revenue headlines, **lamps quietly drive profitability, loyalty, and brand consistency.**

This analysis proves that:

- Revenue \neq Business success
- Profit stability and repeat behavior matter more
- Furnishings should be treated as a long-term growth lever, not a secondary category