

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

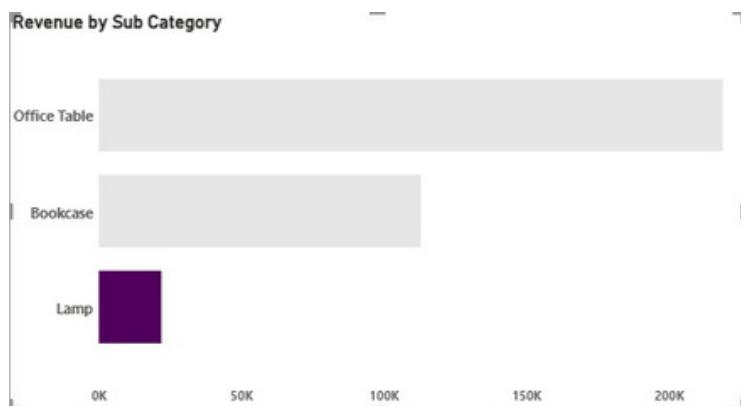
This highlights a common retail insight: high sales volume does not necessarily translate into high business value.

Furnishings Deep Dive: Why Lamps Outperform Strategically

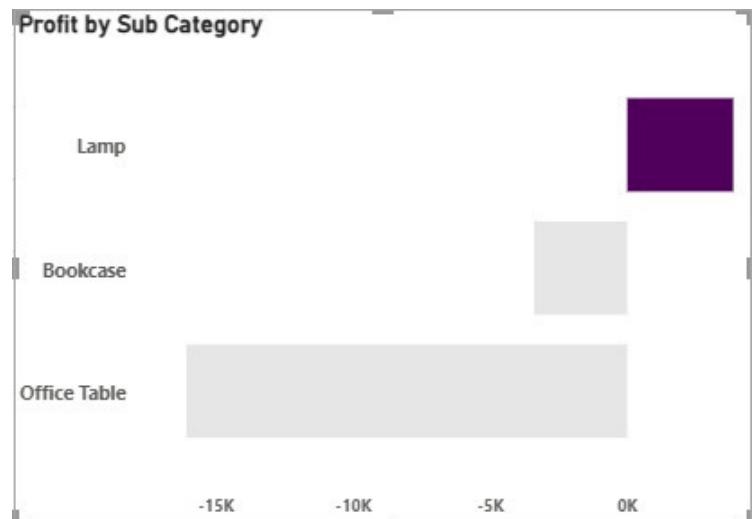
Key Metrics

- 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 low 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

state
Arizona
California
Colorado
Florida
Illinois
Massachusetts
Michigan
Minnesota
New York
Ohio
Oregon
Texas
Washington

High-Value Bundling States

state
Arizona
California
Colorado
Florida
Illinois
Michigan
New York
Ohio
Pennsylvania
Texas
Virginia
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 ≠ Business success
- Profit stability and repeat behavior matter more
- Furnishings should be treated as a long-term growth lever, not a secondary category