

Amazon Revenue Report

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Problem Statement:

- I am assigned with the task to come up with new strategies to match current level of performance and also do advancements in sales for coming year. I am in the team which is exploring new ways to benefit customers and I need to devise new strategies such as offering more discounts and Prime membership perks and also need to suggest additional method to identify and reward customers to enhance their shopping experience.

Once the product is ready,
amazon delivery partner
will collect the order from
seller and will deliver it to
customers all around the
world

Amazon provides platform
for Interested sellers to list
their products and grow
their business and also
give them presence in
E.comm market

How Amazon Works

Amazon transfers this
order to seller and seller
starts packaging of order

Customers filter the
required products and
place their orders on
amazon



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Introduction:

- Did you know, amazon sales over 350 million different products, making it a true everything store?
- In this presentation we are going to explore Revenue report and different factors which affect our sales.
- We will analyse how different factors like age, gender, locations etc contribute to sales of products, what are the obstacles and how are we going to overcome those obstacles to reach greater heights.

So let's dive right into the analysis.

Data Optimisation

Data Cleaning:

- For cleaning I used power query editor. I first found columns Order Date and Delivery Date which had wrong data type, I changed it to date data type. I also found few null values in columns Customer age, Customer gender, Product category and Unit price, I removed null values to optimise the data.

Adding Columns:

- There were few columns required for analysis purpose, I created columns Delivery days, Spending category, Age group, Delivery days group and Price group, which were needed for key insights from our data.

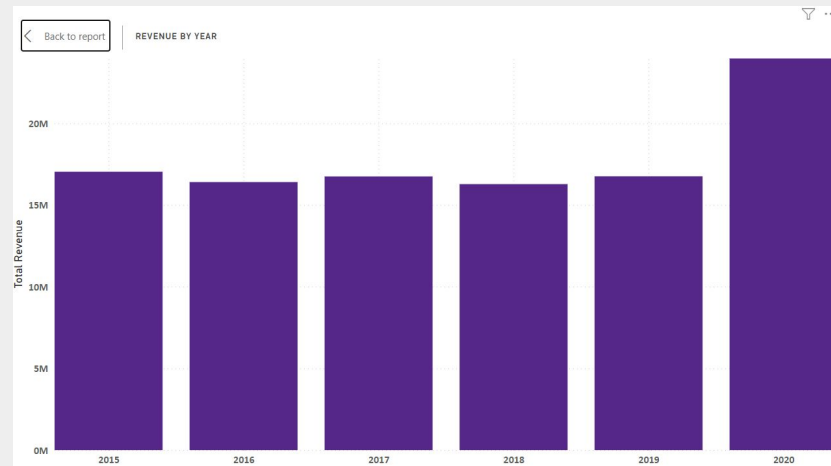
Report Overview:

Objective:

- I have collected few insights from the previous sales data and found few key insights on how we have performed in last year compared to previous years.
- The revenue stands at 107.23 million from 2015 to 2020. The average revenue per year stands at around 17.87 million. After few years of stagnant sales we were able to increase our revenue to 23.98 million which was par average revenue.

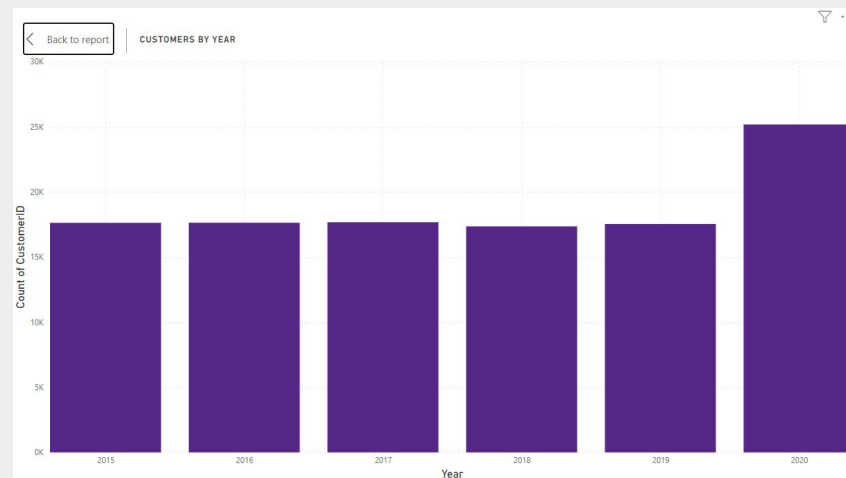
Revenue

107.23M



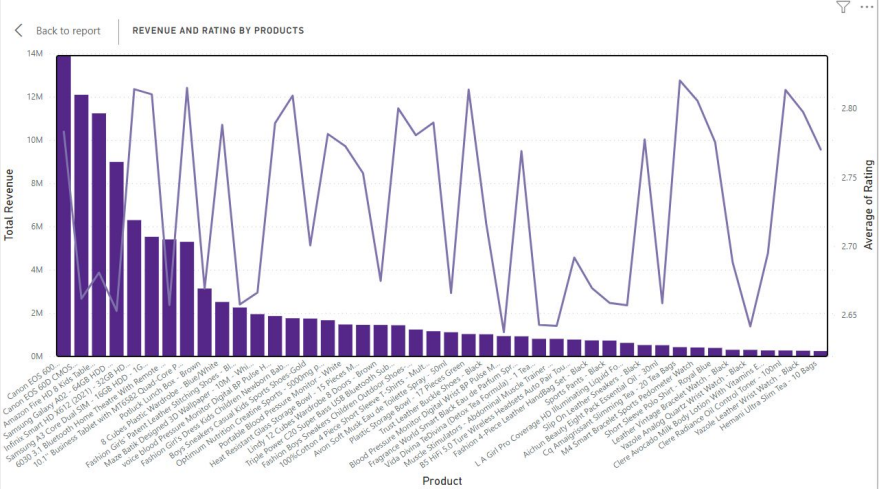
Objective(Contd.)

- The same trend can be seen in total Orders placed.
The Orders stood at 112.99K from 2015-2020 and average orders per year were around 18.83K orders.
Last year our order count reached 25.18K.
- The no. of customers also show same trend. We had stagnant customers for previous few years and last year we were able to break through consolidation to increase total customers. The no. of customers stood at 25.18K for the year 2020.



Objective(Contd.)

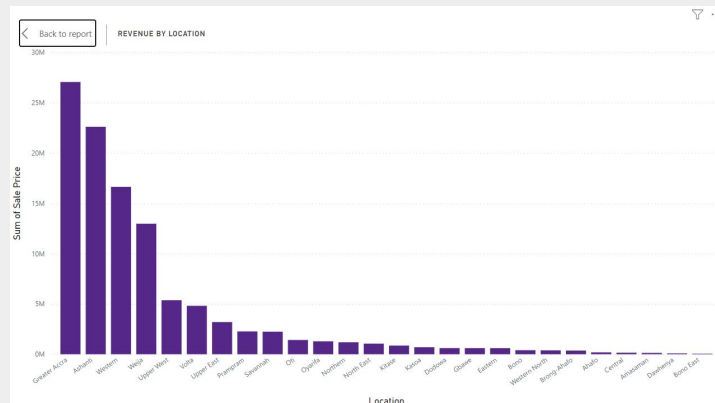
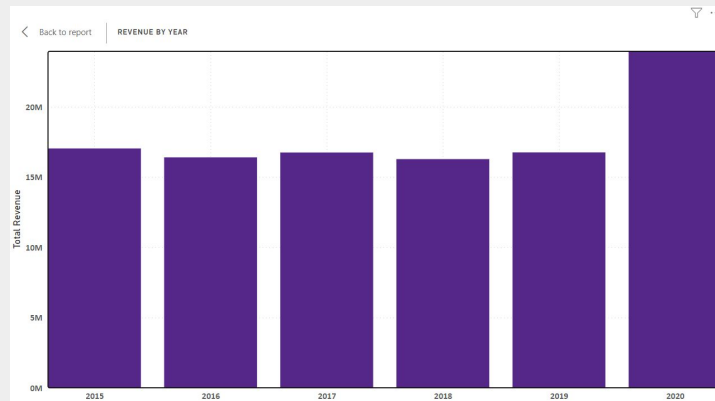
- Best selling Products are ‘Canon EOS 600D 18MP CMOS DSLR camera - Black’, ‘Canon EOS 60D 18MP CMOS DSLR camera Bundle - 18-55 mm lens - Black’ and ‘Amazon Fire HD 8 kids Tablet 32GB HDD - 2GB Ram - 8” Blue’.
- The most popular subcategories and product categories respectively are ‘Digital Cameras’ and ‘Phones and Tablet’.



Subjective:

Revenue:

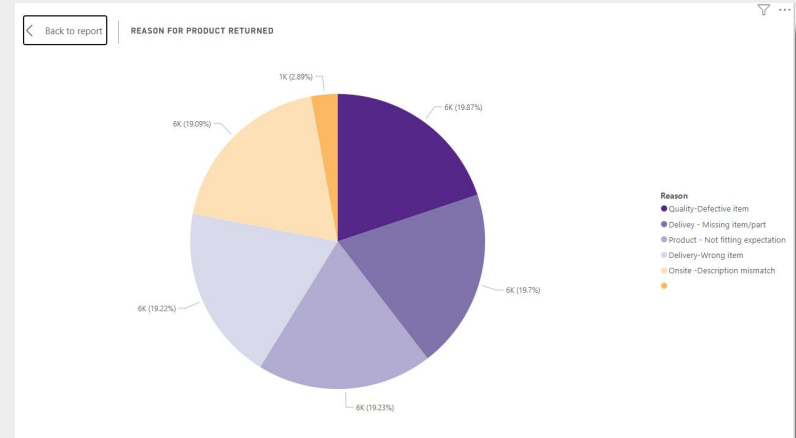
- Revenue by Year: The chart shows Revenue breakdown by years. As we can see, after few years of consolidated sales we were able to break through stagnant sales.
- Revenue by location: The chart shows Revenue breakdown by different locations. We can see locations Greater Accra, Ashanti, Western, Weiija are biggest wealth creators for us.



Subjective(contd.)

Returned Products:

- The total no. of orders returned are 31K.
- The reasons for returned are categorized in the chart based on percentage of overall returns. We came to know that distribution is almost evenly spread between different reasons. The reasons are defective item, missing item, not fitting expectation, wrong item, description mismatch.
- There are few orders which are returned and reasons are not mentioned. This orders are around 881 in nos.



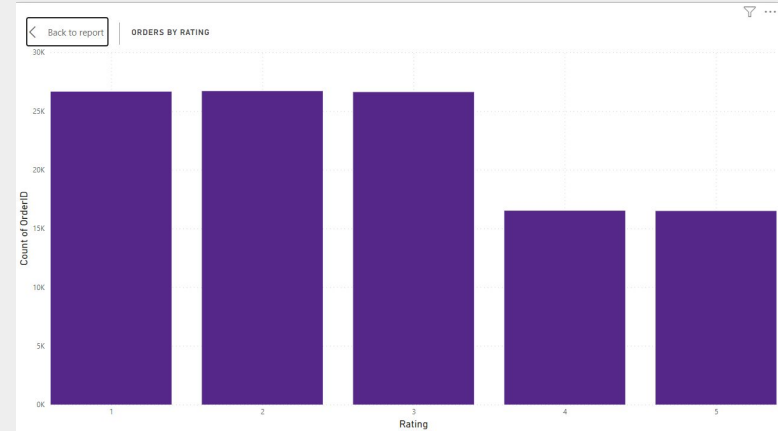
Returned Products

31K

Subjective(contd.)

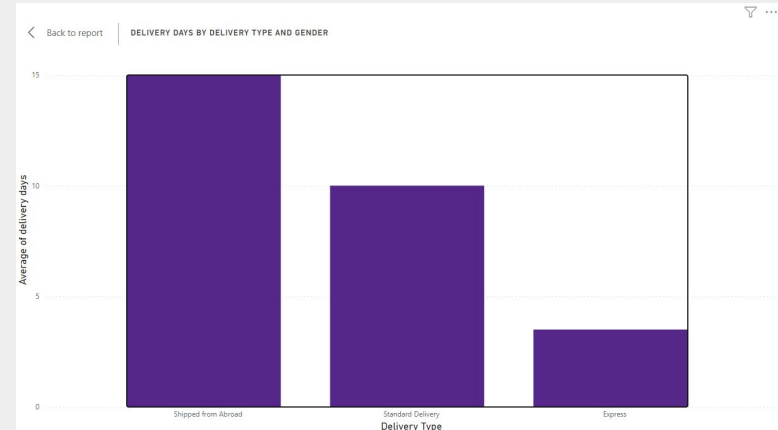
Rating:

- From Orders by Rating chart, I found out that the maximum no. of orders had rating below 4. Total of 33k orders have rating 4 and 5 out of 112.99K orders.



Types of shipment:

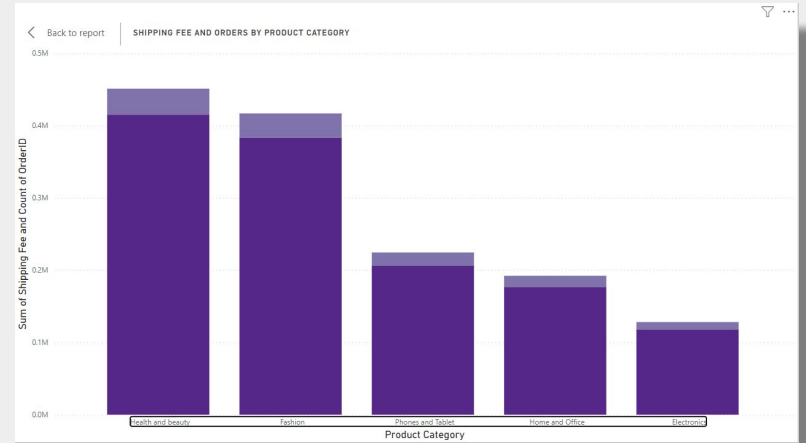
- There are total 3 types of shipment methods: Express, Standard, and Shipped from Abroad.
- Average no. of days each shipping method takes are 3.5, 10, and 15 for Express, Standard, and Shipped from Abroad respectively.



Subjective(contd.)

Shipping Fee:

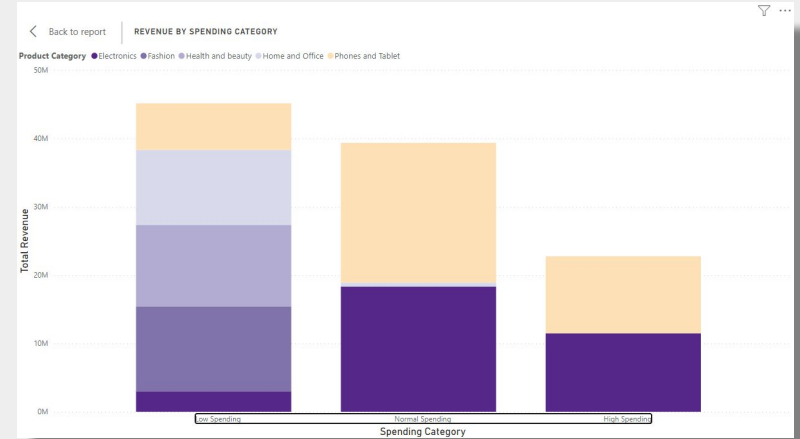
- The chart shows shipping fee and no. of orders for different product categories.
- I found out that maximum shipping fees is for 'Health and Beauty' and 'Fashion'.
- The reason for this is that categories like 'Health and Beauty' and 'Fashion' have less order values than the categories like 'Electronics' and 'Phones and Tablet' and so shipping fee increases for such categories.



Insights:

Spending Category:

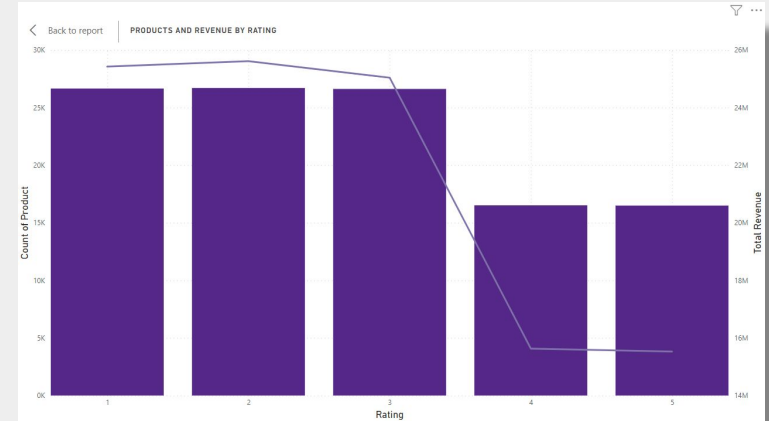
- I created different spending categories for further analysis. The categories are Low Spending, Medium Spending and High Spending.
- We can see Maximum Revenue is generated from Low Spending Customers, and Revenue from High Spendings is least.
- This shows we are not able to convert customers who make big orders.



Insights(contd.)

Revenue by Rating:

- After comparing revenue with different ratings, I came to know that customers have very average ratings for products.
- Maximum Product sales are in rating 1-3 meaning, we have been not able to deliver quality products or services to our customers.
- Factors like Product quality, Waiting time, Wrong products delivered can be the reason for lower ratings.



Strategic Recommendation:

To Reduce Waiting Time:

- After studying and analysing appropriate waiting time charts. I found out that waiting time is much higher than expected.
- Average days for delivery is around 9.41 days. We need to take quick and on point decisions to solve this issue.
- I would recommend opening of more warehouses and deadstores at key locations to increase connectivity and decrease no. of delivery days.
- We can implement new marketing models to join more sellers near locations where the sellers are less and orders have to travel from far to get delivered, this will further increase our connectivity. We will need to make sure all this sellers are authorized sellers and provide quality products or else it will further degrade our ratings.

Strategic Recommendation(contd.)

To increase Spending per Order:

- After analysing charts, I found out that spendings per orders are very less. We are not able to convert customers order lists to get big order quantities.
- There are 3 categories: Less spending, Normal spending and High spending.
- For less and normal spending customers we can come up with strategies like installment payments, easy no cost emis. We can tie up with different banks to provide certain amazon credit cards which will give special offers to the customers.
- We can further introduce few discounts and cashbacks for customers using this cards, we can also introduce this schemes for our own payment wallets and payment gateways.
- We can introduce special cards with some annual fees which customers have to pay initially, and then for that year customers can place order without paying shipping fees.

Strategic Recommendation(contd.)

To Improve ratings:

- After analysing charts, I got the understanding that Product Ratings need to improve in order for us to perform well in future.
- Improving product ratings revolve around two parameters. First is Product quality which is controlled by sellers and second is Service quality which amazon provides.
- First, in order to give high quality products, we need to inspire sellers. We can do this by incentivising sellers whose products get higher ratings than other sellers. This will inspire sellers to give quality products. We can come up with periodic audits to main authenticity of products and sellers.
- Second, in order to provide better services, we can optimise our delivery network which I already discussed 'Reducing waiting time' part.
- We also need to reduce returned products, we can improve our apps to provide better size guides, better product descriptions and optimising our network to reduce missing or wrong item deliveries.

Revenue Summary

REVENUE SUMMARY

2015

2017

2019

2016

2018

2020

Electronics

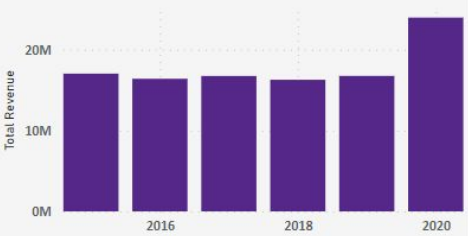
Fashion

Health and
beauty

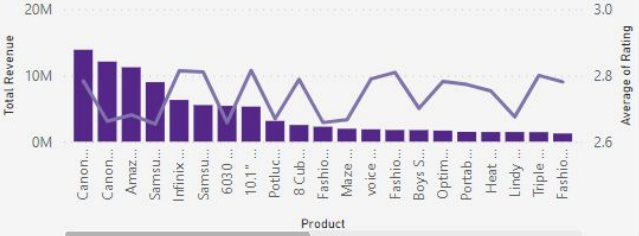
Home and
Office

Phones
and Tablet

Revenue by Year



Revenue and Rating by products



Revenue

107.23M

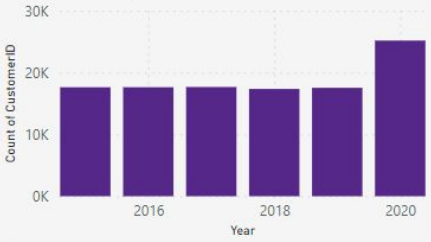
Total Orders

112.99K

Revenue by Location



Customers by Year



Units Sold

603K

January

February

March

April

May

June

July

August

September

October

November

December

Product Summary

Product Summary



Delivery days by Delivery type and Gender



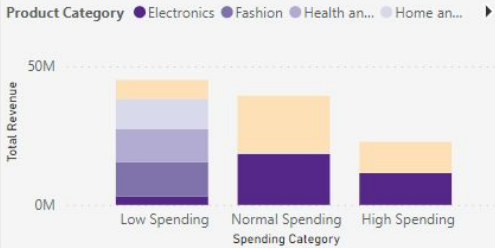
Orders by Rating



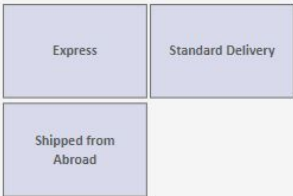
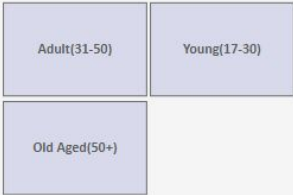
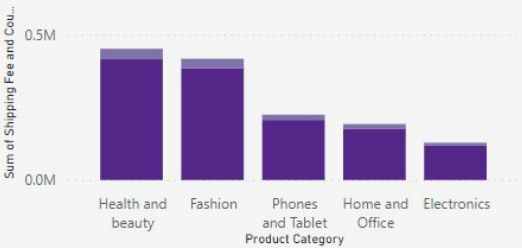
Average Delivery Days

9.41

Revenue by Spending Category



Shipping Fee and Orders by Product Category



Individual Product Summary

Individual Product Summary

End of
Month
Arrival

Mid-Month
Arrival

Next Week
Arrival

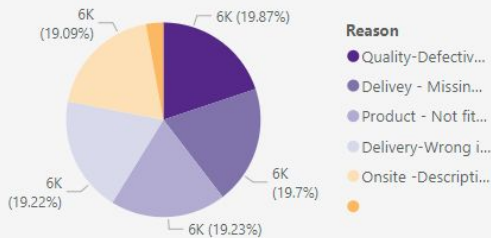
Same Week
Arrival

Affordable

Expensive

Luxurious

Reason for Product Returned



Products and Revenue by Rating



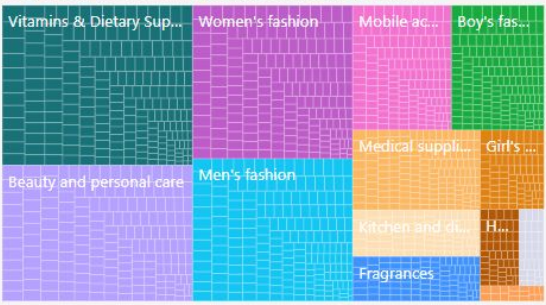
Returned Products

31K

Unique Products

44

Orders by Sale Price and Sub categories



Revenue by Products and Year



- ☐ Beauty and personal care
- ☐ Boy's fashion
- ☐ Digital Cameras
- ☐ Fragrances
- ☐ Girl's fashion
- ☐ Home and Furniture

Conclusion

- After seeing at all reports and data, we can see that we were able to get food sales for the year 2020. We grew at good pace from previous years.
- But there were few key parameters which we need to improve for future growth. Today's market is one of the most difficult markets. With competitions at every place, we need to provide top most quality services and products just to stay in market.
- Areas to focus on are Rating, Waiting time and Increasing Order values.
- For coming times we will have to improve our product ratings to increase customer traffic on our platform. We should only thrive for excellent products and services.
- We will have to reduce Waiting time drastically to deliver orders quickly. Slowness of our Delivery Network impacts drastically to our business.
- We will have to provide customers with better incentives and payments methods to get bigger order values.

***If you can't find it
on Amazon, it
probably doesn't
exist.***