Targeting Success:

A Case Study of Expansion into Brazil

-By Samarth Kolge

Overview of Target:

Target Corporation stands as one of the premier retail giants in the United States. Originating in 1902 as the Dayton Company, it rebranded to Target Corporation in 1962. Target distinguishes itself by offering stylish and affordable products, often collaborating with designers and brands to provide exclusive collections. With a robust online presence via its website and app, Target facilitates seamless online shopping, delivery and in-store pickup services, catering to the evolving needs of modern consumers.

Purpose of Case Study:

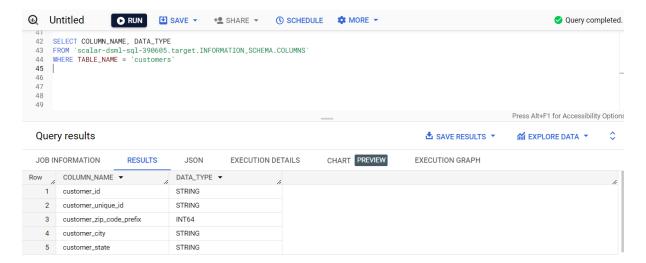
In its expansion endeavours, Target has ventured into the vibrant market of Brazil, sharing invaluable insights from a dataset comprising 100,000 orders spanning 2016 to 2018. The objective of this case study is to extract meaningful insights and provide actionable feedback based on the shared dataset. Through meticulous analysis and interpretation, we aim to unveil opportunities for optimization and strategic growth, driving Target's continued success in the dynamic landscape of retail.



1. Import the dataset and do usual exploratory analysis steps like checking the structure & characteristics of the dataset:

1. Data type of all columns in the "customers" table.

```
Ans- SELECT COLUMN_NAME, DATA_TYPE
    FROM `scalar-dsml-sql-390605.target.INFORMATION_SCHEMA.COLUMNS`
    WHERE TABLE_NAME = 'customers'
```



• INSIGHTS:

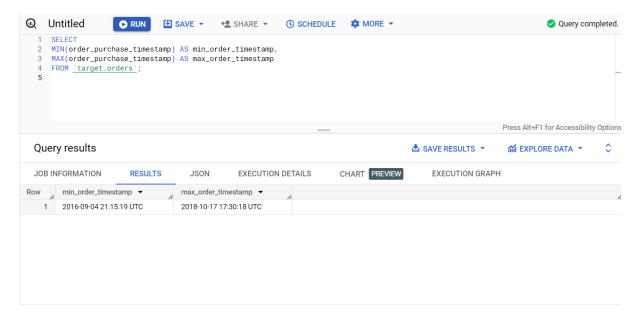
Understanding datatypes is essential for correct interpretation and analysis. Its helps ensure that we are working with appropriate manner.

• RECOMMENDATIONS:

Ensure that datatype of the customer table matches nature of the data they contains. Incorrect datatypes may occurs errors or inaccurate analysis.

2. Get the time range between which the orders were placed.

```
Ans- SELECT
    MIN(order_purchase_timestamp) AS min_order_timestamp,
    MAX(order_purchase_timestamp) AS max_order_timestamp
    FROM `target.orders`;
```

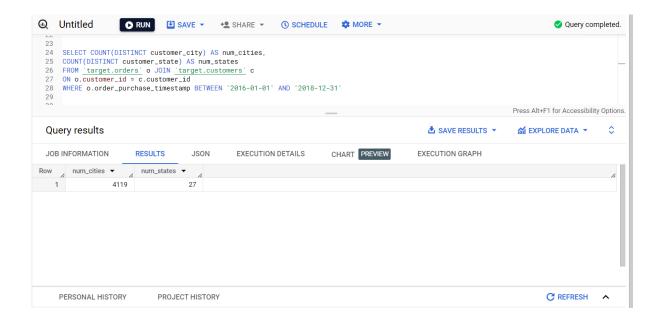


• INSIGHTS:

Target's order history spans a period of two years, beginning with their first order on **September 4th, 2016**, and concluding with their most recent order on **October 17th, 2018**. This indicates a consistent customer relationship over a significant duration.

RECOMMENDATIONS : N/A

3. Count the Cities & States of customers who ordered during the given period.



INSIGHTS:

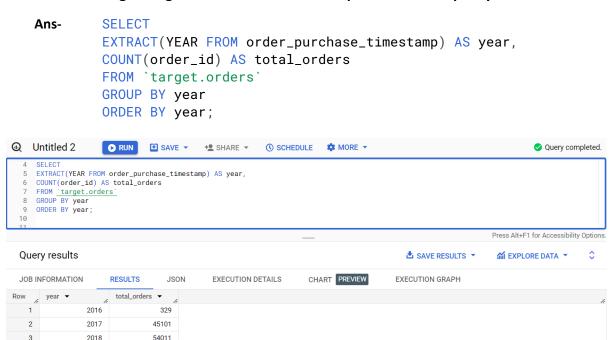
The dataset reveals that customers have placed orders from **4,199 cities across 27 states**. This demonstrates a widespread customer base and potential for further growth.

• RECOMMENDATIONS:

- i. To expand into new states and cities, we can introduce **exclusive offers** and implement targeted strategies to **attract new customers**.
- ii. Conduct **advertisement campaigns** in cities where brand awareness is low. This will help capture the attention of potential customers and increase market reach.

2. In-depth Exploration:

1. Is there a growing trend in the no. of orders placed over the past years?



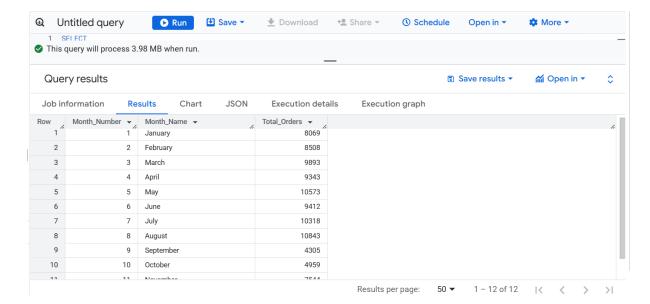
• INSIGHTS -

- The order trend shows a **steady increase** over the past three years:
 - i. In **2016**, customers placed **329 orders**.
 - ii. In **2017**, the number jumped significantly to **45,101 orders**.
 - iii. In **2018**, the trend continued upward with **54,011 orders**.
 - iv. This indicates that the company has implemented effective strategies to drive growth, leading to a significant rise in order volume.

RECOMMENDATIONS –

To maintain and further enhance sales trends, the company should focus on **regularly updating inventory**. Since many brands frequently launch new products, ensuring that these trending items are readily available can attract more customers. Staying ahead of the competition by offering the latest products will help sustain customer interest and drive sales growth.

2. Can we see some kind of monthly seasonality in terms of the no. of orders being placed?



INSIGHTS -

Analyzing monthly seasonality reveals that **May, July, and August** are **peak months** for customer orders, likely influenced by events such as **Black Friday** and other festivals when people stock up. In contrast, **September and October** record the **lowest sales**, possibly because customers still have ample stock from previous festive purchases.

• RECOMMENDATIONS -

Peak Months:

- i. Ensure inventory is **well-stocked** to meet high demand.
- ii. Consider **increasing staffing** to maintain a seamless shopping experience.

Low-Sales Months:

 Introduce special deals like "Buy 1 Get 1 Free" or free home delivery to encourage purchases.

Unique Strategy:

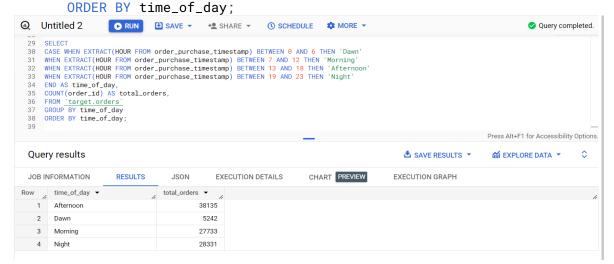
i. During festivals, customers often buy items they don't end up using. To minimize waste and reduce inventory loss, introduce a buy-back program where customers can return unused items at half price. These items can then be refurbished or resold, allowing the company to recover value and reduce wastage.

3. During what time of the day, do the Brazilian customers mostly place their orders? (Dawn, Morning, Afternoon or Night)

0-6 hrs : Dawn
7-12 hrs : Mornings
13-18 hrs : Afternoon
19-23 hrs : Night

Ans- SELECT

CASE WHEN EXTRACT(HOUR FROM order_purchase_timestamp) BETWEEN 0 AND 6 THEN 'Dawn'
WHEN EXTRACT(HOUR FROM order_purchase_timestamp) BETWEEN 7 AND 12 THEN 'Morning'
WHEN EXTRACT(HOUR FROM order_purchase_timestamp) BETWEEN 13 AND 18 THEN 'Afternoon'
WHEN EXTRACT(HOUR FROM order_purchase_timestamp) BETWEEN 19 AND 23 THEN 'Night' END AS time_of_day, COUNT(order_id) AS total_orders, FROM `target.orders`
GROUP BY time_of_day



INSIGHTS:

Analyzing order data by time reveals that customers place the **highest number of orders in the Afternoon**, followed by **Night, Morning, and Dawn**. This pattern highlights a preference for shopping during midday, with relatively lower activity during the early morning hours.

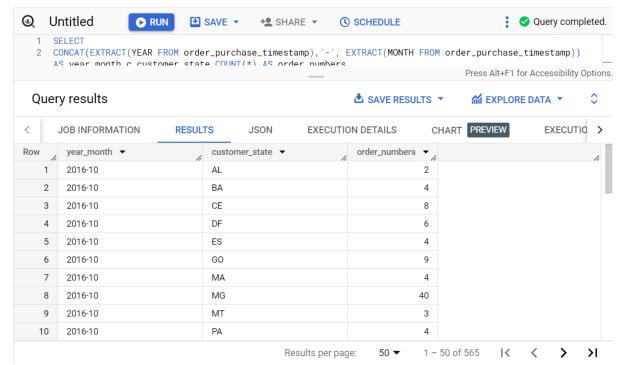
RECOMMENDATIONS:

To make the most of customer behavior patterns, we can implement targeted strategies based on peak and low-activity times. During peak hours, especially in the afternoon when orders are highest, we can introduce attractive offers to further boost sales. For instance, during the summer season, offering a free cold drink with every order can draw more customers. On the other hand, during low-activity times like dawn, we can reduce late-night charges to encourage more purchases. Additionally, offering quick delivery of essential medical products during these early hours can cater to emergency needs, fostering customer loyalty and trust. By aligning our strategies with customer ordering patterns, we can maximize engagement and revenue throughout the day.

3. Evolution of E-commerce orders in the Brazil region:

1. Get the month on month no. of orders placed in each state.

Ans
SELECT CONCAT(EXTRACT(YEAR FROM order_purchase_timestamp), '-',
EXTRACT(MONTH FROM order_purchase_timestamp)) AS year_month,
c.customer_state,COUNT(*) AS order_numbers
FROM `target.orders` o JOIN `target.customers` c
ON o.customer_id = c.customer_id
GROUP BY year_month, c.customer_state
ORDER BY year_month, c.customer_state;



INSIGHTS -

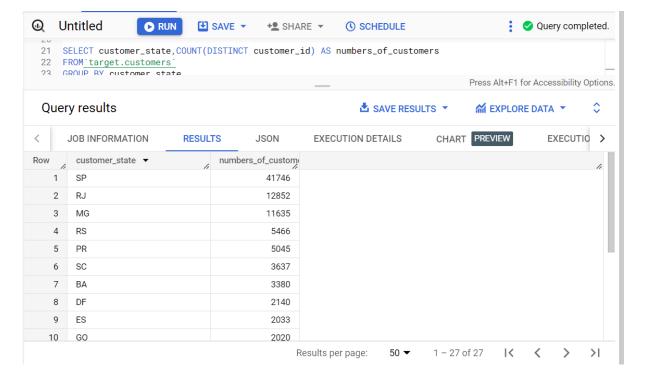
In October 2016, states like MG (Minas Gerais) and MT (Mato Grosso) had low order numbers, with MG at 40 orders and MT at 3. By August 2018, SP (São Paulo) saw a significant surge with 3,253 orders, followed by RJ (Rio de Janeiro) with 745 orders. States like RS (Rio Grande do Sul) and SC (Santa Catarina) showed consistent orders, while PE (Pernambuco) and PB (Paraíba) had fewer orders, especially in 2016.

RECOMMENDATIONS –

From the data, we observe that in October 2016, several states, such as MG (Minas Gerais) and MT (Mato Grosso), contributed to the order numbers, with MG having 40 orders and MT having 3. As time progresses, the order volume increases significantly, particularly in August 2018, where SP (São Paulo) stands out with a total of 3,253 orders, followed by RJ (Rio de Janeiro) with 745 orders. Other states such as RS (Rio Grande do Sul) and SC (Santa Catarina) show consistent order numbers in the later months. In contrast, some states, such as PE (Pernambuco) and PB (Paraíba), show fewer orders, especially in earlier months like October 2016.

2. How are the customers distributed across all the states?

```
Ans-
SELECT customer_state,
COUNT(DISTINCT customer_id) AS numbers_of_customers
FROM`target.customers`
GROUP BY customer_state
ORDER BY numbers_of_customers DESC;
```



INSIGHTS:

Our analysis of customer distribution across Brazilian states reveals that São Paulo (SP), Rio de Janeiro (RJ), and Minas Gerais (MG) are the top states with a significant customer base, while Acre (AC), Amapá (AP), and Roraima (RR) have fewer clients.

RECOMMENDATIONS:

To increase the customer base in states with fewer clients like Acre (AC), Amapá (AP), and Roraima (RR), we should conduct targeted marketing campaigns to boost brand awareness. Offering special promotions and localized deals can help attract new customers and build a stronger presence in these regions.

- 4. <u>Impact on Economy: Analyze the money movement by</u>
 e-commerce by looking at order prices, freight and others.
- 1. Get the % increase in the cost of orders from year 2017 to 2018 (include months between Jan to Aug only).



INSIGHTS:

There was a **134.07% increase** in the cost of orders from **2017 to 2018**, indicating substantial growth in revenue.

• RECOMMENDATIONS:

Given this impressive increase, we should aim for a **160% growth** next year by focusing on **high-value product expansion**, **customer loyalty programs** and **targeted marketing strategies** to sustain the upward trend.

2. Calculate the Total & Average value of order price for each state.

```
Ans-

SELECT customer_state,

ROUND(SUM(p.payment_value),2) AS total_order_price,

ROUND(AVG(p.payment_value),2) AS average_order_price

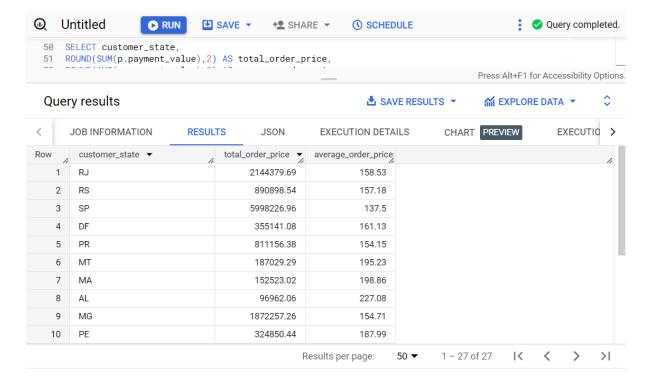
FROM `target.payments` AS p JOIN `target.orders` AS o

ON p.order_id = o.order_id

JOIN `target.customers` AS c

ON o.customer_id = c.customer_id

GROUP BY customer_state;
```



INSIGHTS:

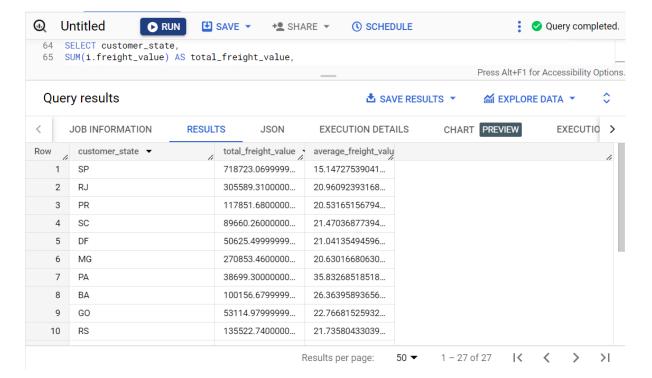
The **São Paulo (SP)** state shows **high sales** compared to other states. However, the **average price** per order is **significantly lower** than in other states.

RECOMMENDATIONS:

To increase the **total order value**, we can experiment with offering **similar product pricing in other states** as in São Paulo (SP). This approach will help us determine whether **consistent pricing** across regions can boost overall sales.

3. Calculate the Total & Average value of order freight for each state.

```
Ans-
SELECT customer_state,
SUM(i.freight_value) AS total_freight_value,
AVG(i.freight_value) AS average_freight_value
FROM `target.order_items` AS i JOIN `target.orders` AS o
ON i.order_id = o.order_id
JOIN `target.customers` AS c
ON o.customer_id = c.customer_id
GROUP BY customer_state;
```



INSIGHTS:

The average freight value is significantly higher in RR (Roraima) and PB (Paraíba), possibly because these are remote states, leading to higher delivery costs. In contrast, SP (São Paulo) offers delivery at a much lower freight value.

RECOMMENDATIONS:

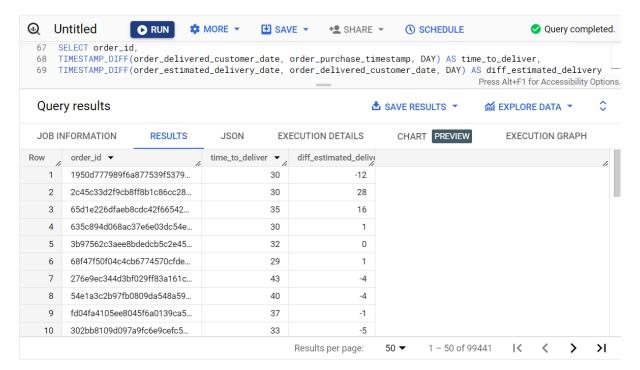
Since **SP** has **high overall sales**, we can consider **waiving the freight value** to encourage more purchases. For other states, **reducing freight costs** could help attract more customers and increase sales.

5. Analysis based on sales, freight and delivery time.

1. Find the no. of days taken to deliver each order from the order's purchase date as delivery time.

Also, calculate the difference (in days) between the estimated & actual delivery date of an order.

AnsSELECT order_id,
TIMESTAMP_DIFF(order_delivered_customer_date,
order_purchase_timestamp, DAY) AS time_to_deliver,
TIMESTAMP_DIFF(order_estimated_delivery_date,
order_delivered_customer_date, DAY) AS diff_estimated_delivery
FROM `target.orders`;



• INSIGHTS -

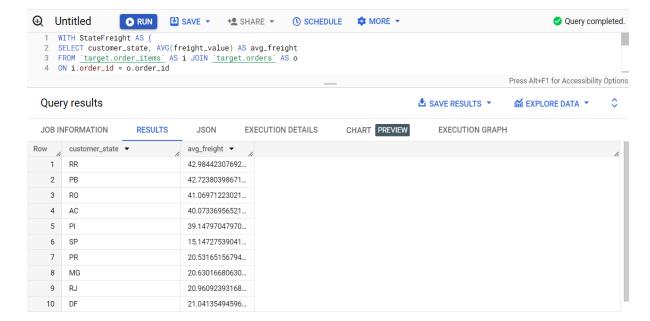
The **delivery time** for products ranges from **0** days to around **209** days, indicating that some items are delivered **immediately**, while others take **over half a year** to reach customers. This inconsistency may impact **customer satisfaction**.

RECOMMENDATIONS –

To enhance the **delivery experience**, we should work on **reducing long delivery times** by possibly **hiring more delivery personnel** and optimizing **logistics processes**. Additionally, we must address discrepancies between **estimated and actual delivery times**. Identifying the **root causes of delays** will help us ensure that products arrive **on or before the promised date**, boosting **customer trust and satisfaction**.

2. Find out the top 5 states with the highest & lowest average freight value.

```
Ans- WITH StateFreight AS (
    SELECT customer_state, AVG(freight_value) AS avg_freight
    FROM `target.order_items` AS i JOIN `target.orders` AS o
    ON i.order_id = o.order_id
    JOIN `target.customers` AS c
    ON o.customer_id = c.customer_id
    GROUP BY customer state
    (SELECT customer_state, avg_freight
    FROM StateFreight
    ORDER BY avg_freight DESC
    LIMIT 5)
    UNION ALL
    (SELECT customer_state, avg_freight
    FROM StateFreight
    ORDER BY avg_freight ASC
    LIMIT 5);
```



INSIGHTS:

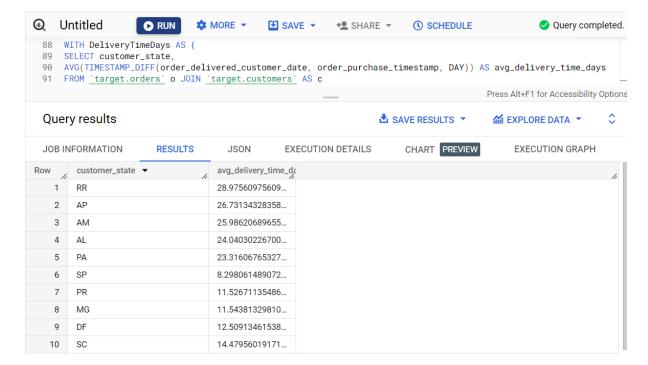
States like RR (Roraima), PB (Paraíba), RO (Rondônia), AC (Acre), and PI (Piauí) have high freight values, while SP (São Paulo), PR (Paraná), MG (Minas Gerais), RJ (Rio de Janeiro), and DF (Distrito Federal) have lower freight values.

RECOMMENDATIONS:

To make products more **affordable** in states with **high freight costs** (RR, PB, RO, AC, PI), we should aim to **reduce freight charges** as much as possible. This strategy will make our products more **accessible** and help **attract more customers** from these regions. Focus efforts on bringing merchants of frequently purchased goods closer to the same zone or plan ahead to preserve storage space for these goods.

3. Find out the top 5 states with the highest & lowest average delivery time.

```
Ans-
         WITH DeliveryTimeDays AS (
         SELECT customer_state,
         AVG(TIMESTAMP_DIFF(order_delivered_customer_date,
         order_purchase_timestamp, DAY)) AS avg_delivery_time_days
         FROM `target.orders` o JOIN `target.customers` AS c
         ON o.customer_id = c.customer_id
         GROUP BY customer_state )
         (SELECT customer_state,avg_delivery_time_days
         FROM DeliveryTimeDays
         ORDER BY avg_delivery_time_days DESC
         LIMIT 5)
         UNION ALL
         (SELECT customer_state, avg_delivery_time_days
         FROM DeliveryTimeDays
         ORDER BY avg_delivery_time_days ASC
         LIMIT 5);
```



INSIGHTS:

States like SP (São Paulo), PR (Paraná), MG (Minas Gerais), DF (Distrito Federal), and SC (Santa Catarina) have shorter delivery times, while RR (Roraima), AP (Amapá), AM (Amazonas), AL (Alagoas), and PA (Pará) experience longer delivery times.

RECOMMENDATIONS:

To reduce delivery times in states with delays (RR, AP, AM, AL, PA), we can consider hiring more delivery personnel or partnering with reliable delivery services. This will help ensure faster and more efficient deliveries, leading to better customer satisfaction.

4. Find out the top 5 states where the order delivery is really fast as compared to the estimated date of delivery.

You can use the difference between the averages of actual & estimated delivery date to figure out how fast the delivery was for each state.

```
Ans-

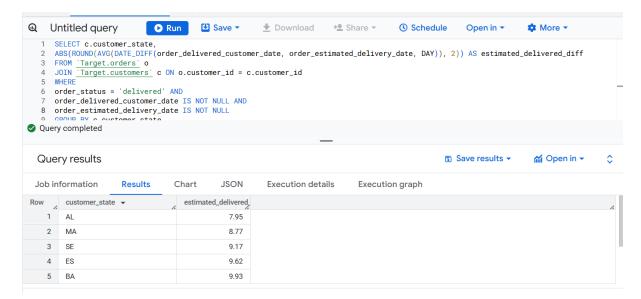
SELECT c.customer_state,

ABS(ROUND(AVG(DATE_DIFF(order_delivered_customer_date,
order_estimated_delivery_date, DAY)), 2)) AS
estimated_delivered_diff

FROM `Target.orders` o

JOIN `Target.customers` c ON o.customer_id = c.customer_id
WHERE

order_status = 'delivered' AND
order_delivered_customer_date IS NOT NULL AND
order_estimated_delivery_date IS NOT NULL
GROUP BY c.customer_state
ORDER BY estimated_delivered_diff
LIMIT 5;
```



INSIGHTS:

The states with the **fastest order deliveries** compared to the **estimated delivery date** are **AL** (**Alagoas**), **MA** (**Maranhão**), **SE** (**Sergipe**), **ES** (**Espírito Santo**), and **BA** (**Bahia**). These states have shown quicker delivery times, indicating efficient logistics and faster fulfillment.

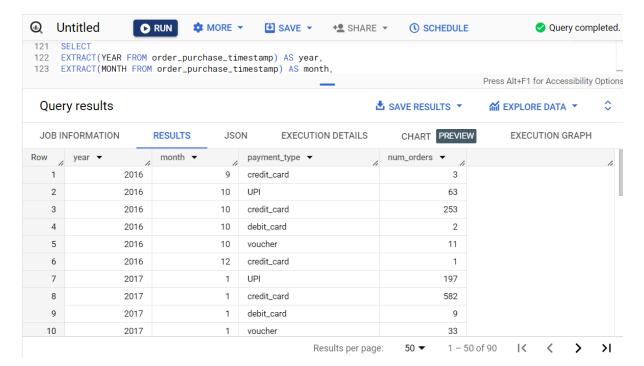
RECOMMENDATIONS:

To further enhance customer satisfaction, we should analyze the logistics strategies in these states and consider implementing similar approaches in regions with slower deliveries. This could help us **reduce delivery times** across the board and improve **overall service efficiency**.

6. Analysis based on the payments:

1. Find the month on month no. of orders placed using different payment types.

```
Ans-
    SELECT
    EXTRACT(YEAR FROM order_purchase_timestamp) AS year,
    EXTRACT(MONTH FROM order_purchase_timestamp) AS month,
    payment_type,
    COUNT(DISTINCT o.order_id) AS num_orders
    FROM `target.orders` o join `target.payments` p
    ON o.order_id = p.order_id
    GROUP BY year, month, payment_type
    ORDER BY year, month, payment_type;
```



INSIGHTS:

Credit card payments are the most dominant across months, especially in **July and August 2018**, with peaks of **4738** and **4963** orders. **UPI** saw significant use in early 2017 but tapered off, while **voucher** payments remained steady, peaking in **July and August 2018**. **Debit cards** had moderate use, and a small number of orders were recorded under "**not defined**" payment type.

RECOMMENDATIONS:

To capitalize on trends, focus on **credit card promotions** and consider offering **UPI incentives** to revive its use. Further, increase **voucher-based campaigns** during peak months and address the **"not_defined"** payment issue to improve data accuracy and customer experience.

2. Find the no. of orders placed on the basis of the payment installments that have been paid.

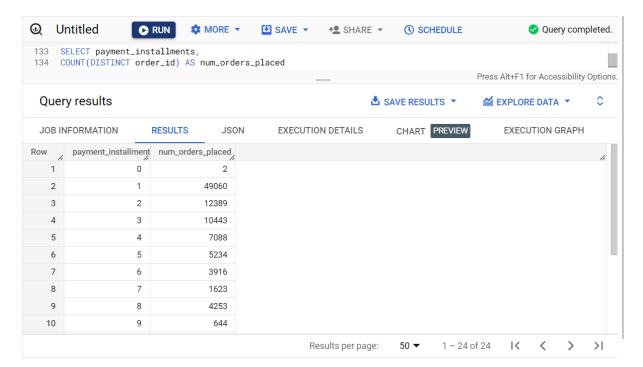
```
Ans-

SELECT payment_installments,

COUNT(DISTINCT order_id) AS num_orders_placed
FROM `target.payments`

GROUP BY payment_installments

ORDER BY payment_installments;
```



INSIGHTS:

The majority of orders are placed with **12 installments** (133 orders), followed by **15 installments** (74 orders). Higher installment plans like **23** and **24 installments** are rarely used, suggesting that customers prefer standard installment options.

RECOMMENDATIONS:

To optimize sales, the company should focus on promoting the **12 installment** option, while also considering offering incentives to encourage customers to choose **higher installment plans**. Additionally, analyzing customer preferences for **lower installment options** can help create more flexible payment plans tailored to customer needs.