Bright Clothing Analysis

Timeless

elegance

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<u>OVERVIEW</u>

The project involves analyzing daily sales data for bright clothing which is one of the large retail stores in the clothing industry. Using snowflake for data storage and management, I developed a code to extract insights from the raw data provided and export results to excel in the for Visualization of the and analysis through this analysis the purpose of this project is to turn raw and car sales information into in to actionable strategies to understand revenue trends, and analyze customer behavior and forecast for future sales and provide insights and recommendations to develop the metrics

Daily sales trends

The daily sales trends line graph shows that Friday and Saturday have the highest sales, indicating that customers tend to shop more on weekends. This trend is likely due to people having more free time on weekends and often receiving their salaries or wages on Fridays, making it a popular time for shopping.

DAILY SALES TRENDS
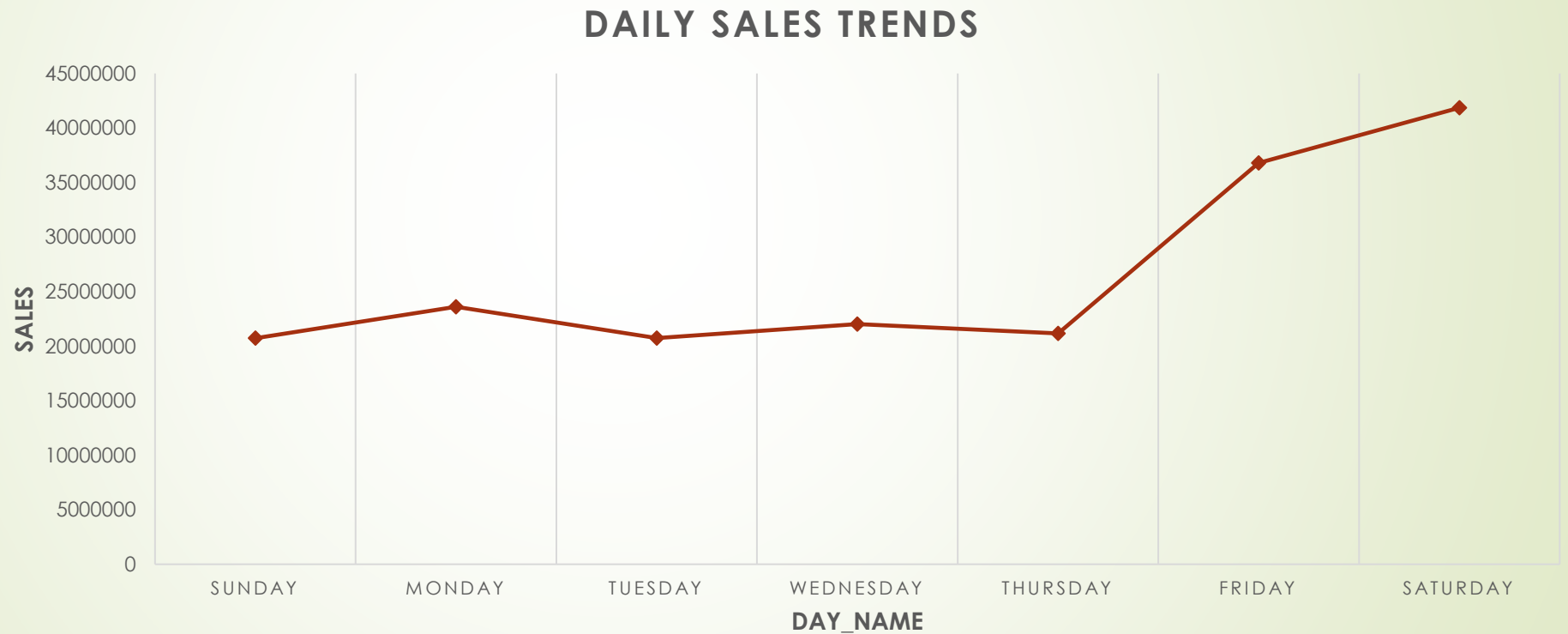
High margin/Low Margin Products

low margins on high-volume products and high margins on low-volume products is a common and intentional business strategy in the clothing industry, known as the margin-volume trade-off.

The high margin per unit compensates for the lower sales volume. Fewer sales are needed to achieve a substantial profit on these items. These items e.g., designer coats, unique seasonal wear, limited edition accessories are often considered "priority products"
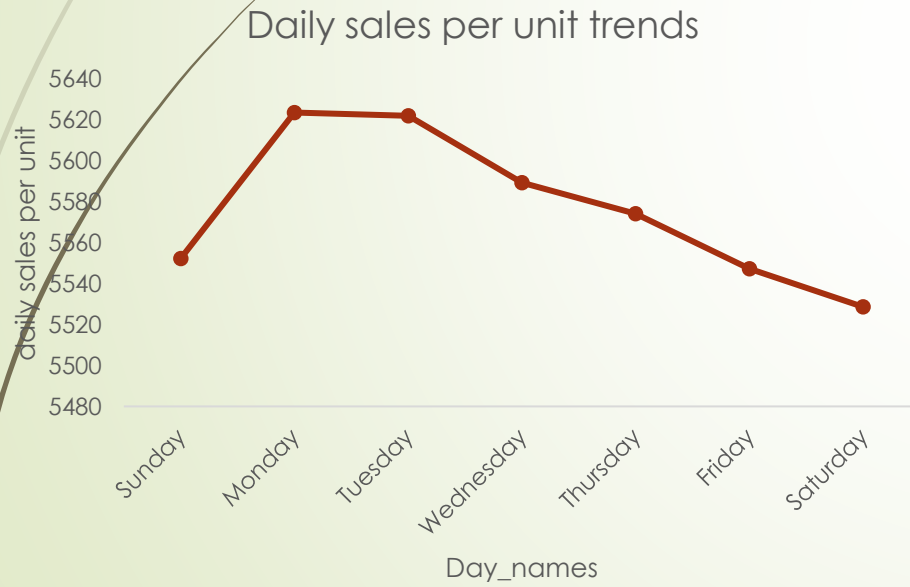

**Margin-volume Trade-off**
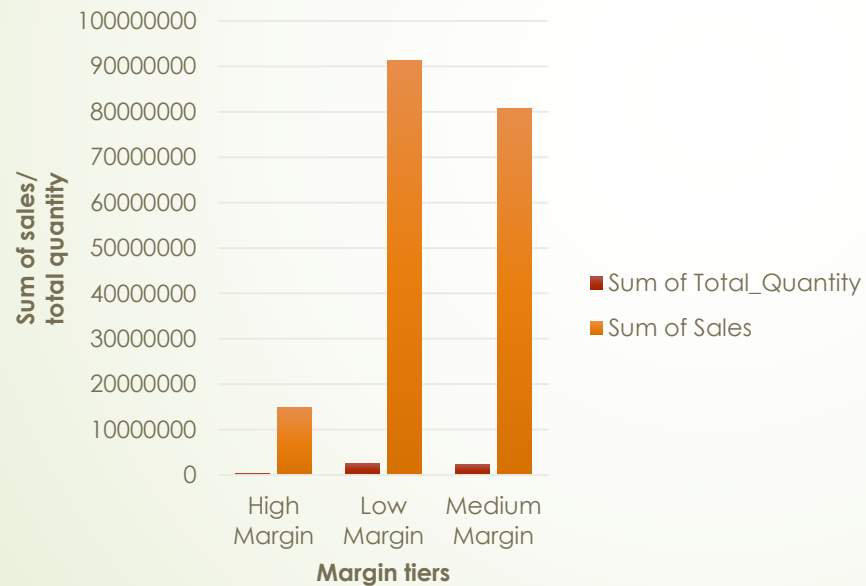
Margin tiers
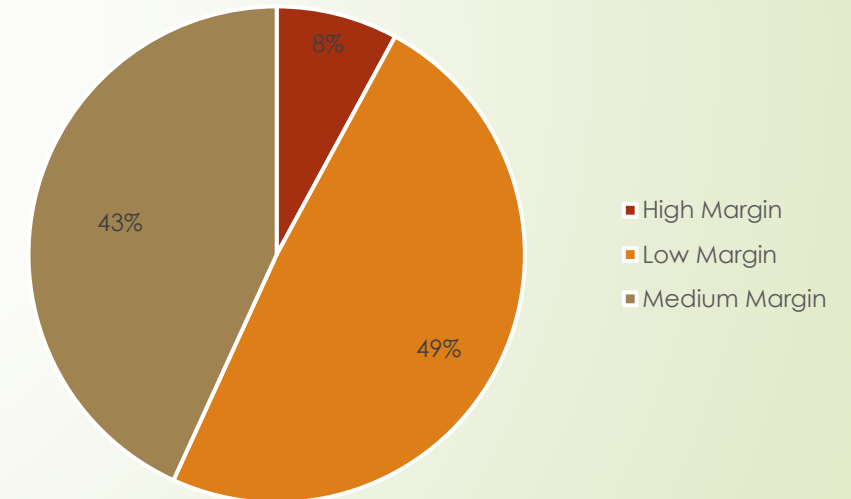
Pricing trends

This graph suggests that customers are buying more quantity on Mondays and Tuesdays, but the revenue generated might not be as high. Maybe due to Customers shopping during the week for essentials or Weekday promotions or discounts

This graph suggests that customers are spending more per unit on Fridays and Saturdays, contributing to higher revenue. Customers making more deliberate, higher-value purchases on weekends


Daily sales per unit trends

Pricing trends
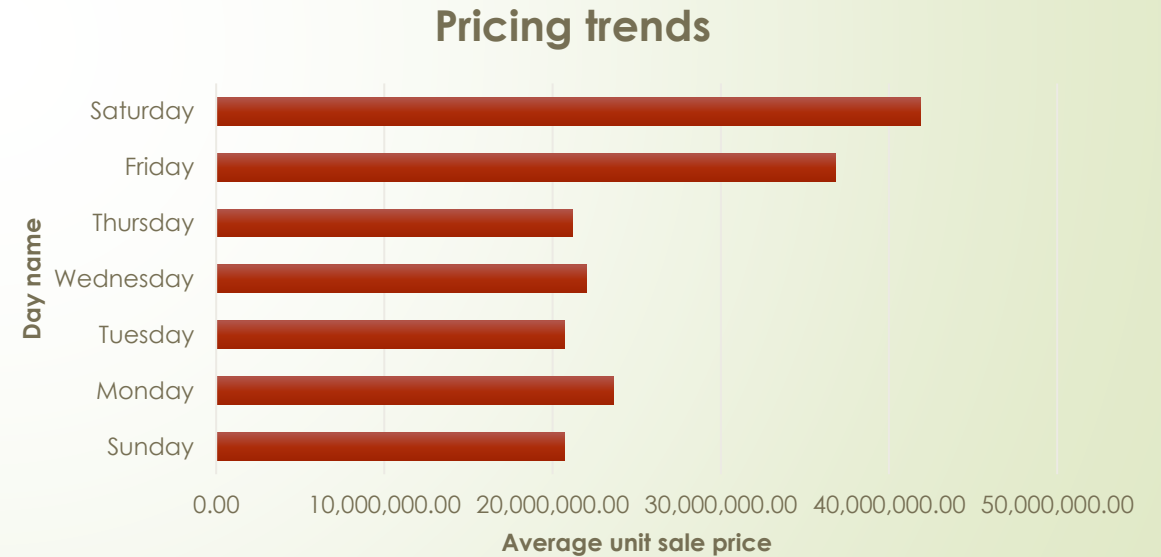
Inelastic demands

The average unit sale price and sales revenue are highly correlated, indicating that customers are insensitive to price changes. This is likely due to the product's unique features or brand loyalty. As a result, we have significant pricing power and can consider price adjustments to optimize revenue.

When sales and average unit sale price are the same, it indicates that the quantity sold is constant, and the revenue is directly proportional to the price. In this case, the price elasticity of demand is likely to be low, meaning that changes in price have a minimal impact on the quantity demanded.

Inelastic demands
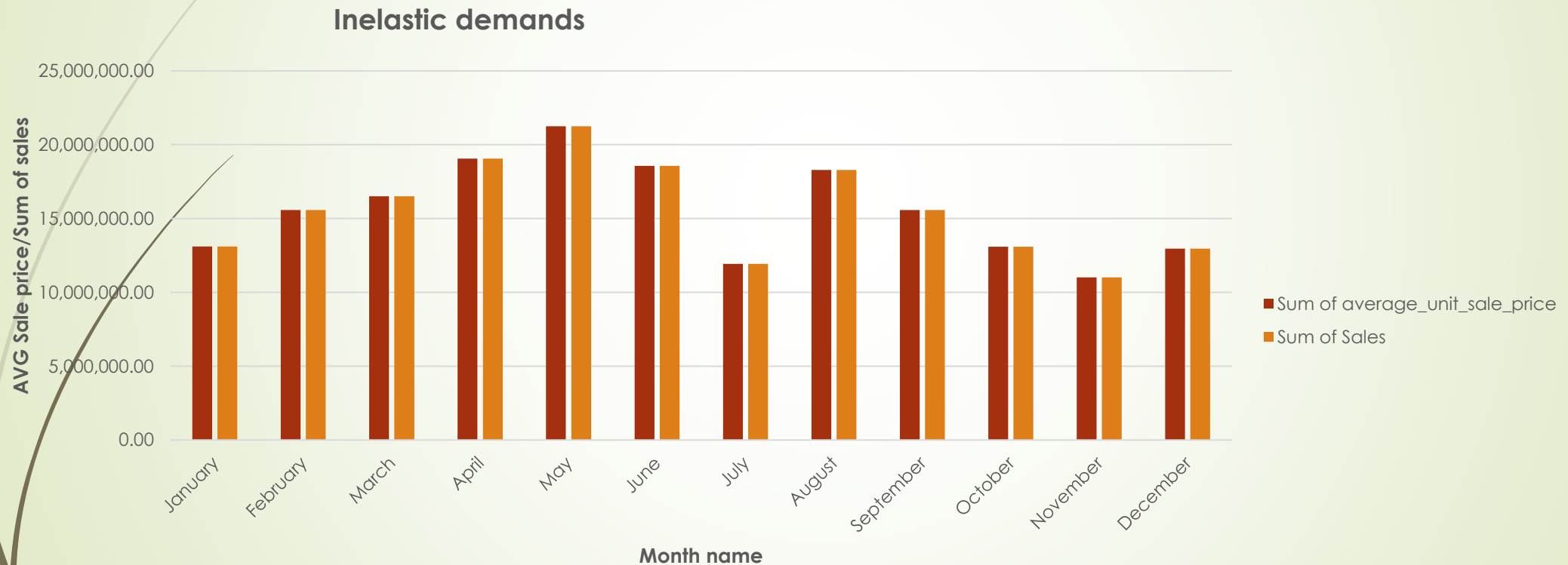
Monthly Sales

Monthly sales arranged in order from lowest sales to highest. May is the highest, and is a popular month for winter clothing sales as it's the peak of autumn and customers are preparing for the upcoming winter, leading to high demand for warm clothing, coats, and accessories , while November is the lowest, it is summer and customers wear few clothes
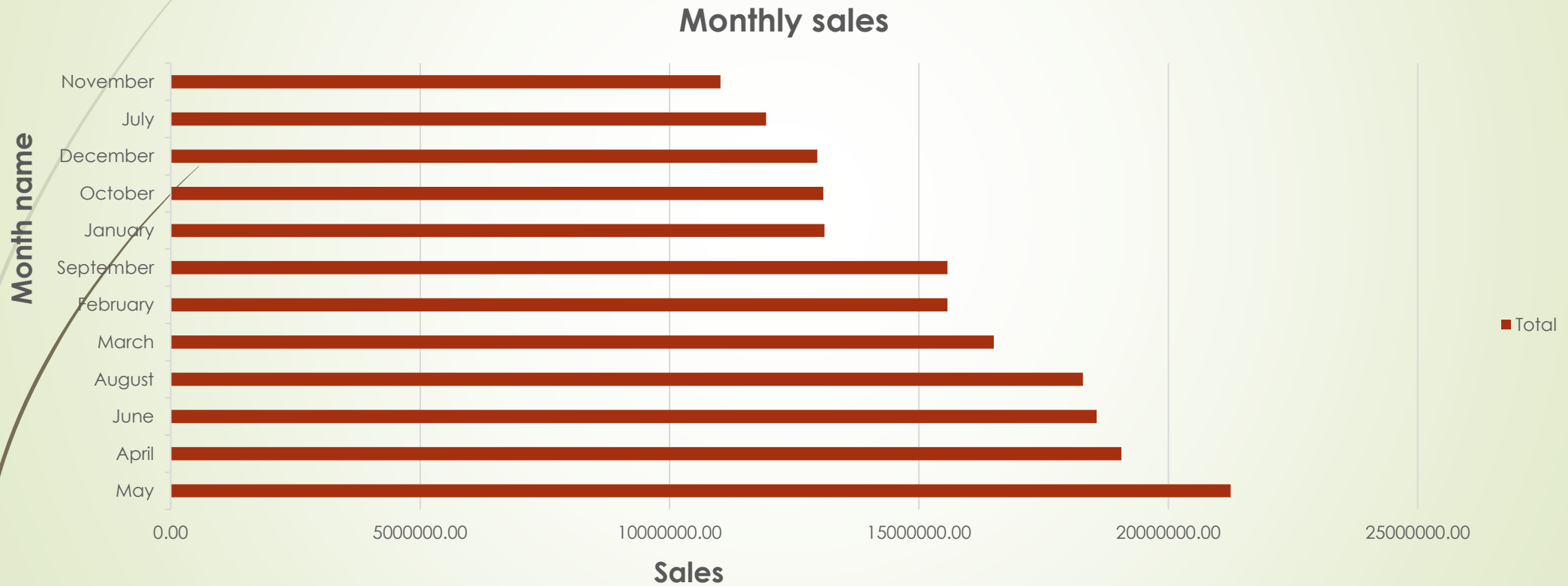
Monthly sales

Monthly Gross Profit Margin (GPM)

The graph shows the **monthly Gross Profit Margin** over twelve months. GPM measures how profitable the company's core sales are after deducting the cost of goods sold (COGS).

Positive values mean profitable months.

Negative values mean the business paid more for its products than it earned from selling them.

Monthly Gross Profit Margin

Recommendations

Focus on High-Margin Products: While low-margin products generate 49% of revenue, the 8% revenue from high-margin products indicates an area for potential growth. Analyze which high-margin items are selling best and strategically promote them to shift the revenue mix towards higher profitability

- **Enhance Inventory Management:** The demand peaks and troughs (May high, November low) are predictable. Optimize inventory levels for seasonal demand to avoid stockouts during peak season and reduce excess inventory carrying costs during off-peak times. Utilize the generated sales forecasts to refine purchasing decisions.

Introduce Summer 'Capsule' Collections: Launch small, high-fashion, high-margin summer collections to generate excitement and drive traffic during the low season. Focus on Non-Clothing Items: Shift some marketing focus to accessories, swimwear, or summer lifestyle products that might have better margins or demand during this period.

- **Implement Dynamic Pricing:** Given the high correlation between average unit price and sales revenue (inelastic demand), leverage this by implementing a dynamic pricing strategy. Increase prices during peak demand periods like May and on high-sales days (Friday/Saturday) to maximize revenue without significantly impacting unit sales.

THANK YOU

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