How to **Derive Actionable Data Insights** using data science and python Here are snippets from my project "Sales and Profitability Analysis on Amazon Store Data" take a look at how I derived valuable insights.

```
import seaborn as sns
import matplotlib.pyblot as plt

plt.figure(figsize-(12,6))
sns.countplot(data-df, x='sub-category', order-df['sub-category'].value_counts().index)
plt.title('Number of Orders per Sub-Category')
plt.xtlabel('Sub-Category')
plt.xlabel('Sub-Category')
plt.ylabel('Count')
plt.show()

Number of Orders per Sub-Category

Number of Orders per Sub-Category
```

Key Insights:

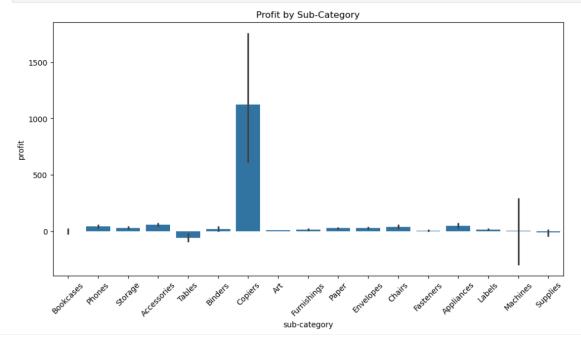
- 1. Binders and Paper are the top-selling sub-categories, with over 900 and 800 orders respectively.
- 2. Other popular categories include Furnishings, Phones, and Storage, all exceeding 500 orders.
- 3. Sub-categories such as Copiers, Machines, and Supplies have the lowest order volumes, indicating lower demand or possibly higher product cost limiting purchases.

Business Implications:

- 1. We should prioritize stock availability and marketing efforts for high-demand items like Binders, Paper, and Phones.
- 2. For low-demand items, consider reviewing pricing, customer feedback, or bundling strategies to boost movement.
- 3. This data can also be cross-analyzed with profit margins to identify which low-volume categories are still profitable.



```
3]: # Profit by Sub-Category
plt.figure(figsize=(12,6))
sns.banplot(data=df, x='sub-category', y='profit')
plt.title('Profit by Sub-Category')
plt.xticks(rotation=45)
plt.show()
```



Key Insights:

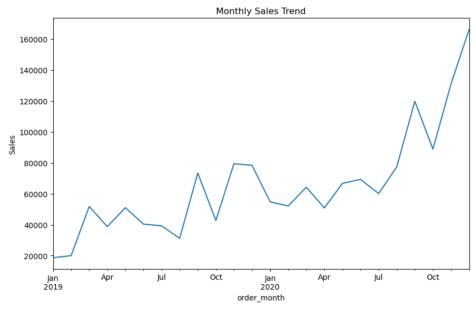
- 1. Copiers stand out with exceptionally high profits, despite having one of the lowest order volumes (from previous chart). This indicates a high profit margin per unit sold.
- 2. Other moderately profitable sub-categories include Accessories, Appliances, and Fasteners.
- 3. Interestingly, despite their high order volume, Binders and Paper have low profit contributions, suggesting these are high-volume, low-margin products.
- 4. Tables show a negative profit, which indicates losses potentially due to high shipping costs, returns, or aggressive discounting.
- 5. Sub-categories like Machines, Supplies, and Labels have very low or negative profitability as well.

Business Implications:

- 1. We should promote and protect high-margin products like Copiers, possibly offering service add-ons or warranties to boost value.
- 2. For low-profit, high-volume items (Binders, Paper), we should:
 - a) Explore cost reduction strategies.
 - b) Consider bundling or cross-selling with profitable items.

P. Smeod 27/07/2021

```
idf['order_month'] = df['order_date'].dt.to_period('M')
monthly_sales = df.groupby('order_month')['sales'].sum()
monthly_sales.plot(kind='line', figsize=(10,6), title='Monthly Sales Trend')
plt.ylabel('Sales')
plt.show()
```



Key Insights:

- 1. There is a clear upward trend in sales from early 2019 to late 2020, indicating overall growth in business performance.
- 2. Notable sales spikes are observed during:
 - a) October 2019
 - b) November 2020
 - c) December 2020 with December showing the highest sales peak, exceeding 160,000 in revenue.
- 3. Sales tend to rise significantly towards the end of each year, suggesting strong holiday season demand.

Business Implications:

- 1. We should capitalize on year-end sales spikes by:
 - a) Launching targeted marketing campaigns around Q4 (October to December).
 - b) Increasing inventory of high-demand items in advance.
 - c) Preparing logistics and customer support for higher order volumes.
- 2. The consistent upward trend suggests our strategies are working but we should continue monitoring for anomalies or external impacts (like promotions or market disruptions).



```
from statsmodels.tsa.api import ExponentialSmoothing

monthly_sales_ts = df.set_index('order_date').resample('M')['sales'].sum()

model = ExponentialSmoothing(monthly_sales_ts, seasonal='add', seasonal_periods=12).fit()

forecast = model.forecast(6)

forecast.plot(title='6-Month Sales Forecast')

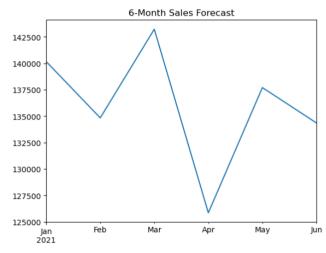
C:\Users\SMARROOP\AppData\Local\Temp\ipykernel_38996\1176643493.py:3: FutureWarning: 'M' is deprecated and will be removed in a future version, please use 'ME' instead.

monthly_sales_ts = df.set_index('order_date').resample('M')['sales'].sum()

C:\Users\SMARROOP\anaconda3\Lib\site-packages\statsmodels\tsa\holtwinters\model.py:918: ConvergenceWarning: Optimization failed to converge. Check mle_retvals.

warnings.warn(
```

<Axes: title={'center': '6-Month Sales Forecast'}>



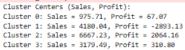
Key Insights:

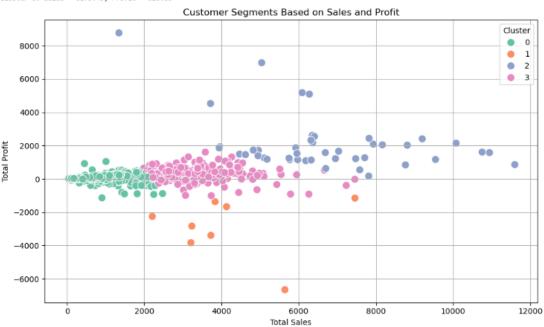
- 1. Forecasted sales for this period range between ₹125,000 and ₹143,000 per month.
- 2. March is expected to experience the highest sales, while April shows a dip-suggesting possible seasonality or post-festival demand drop.
- 3. The sales trend is overall healthy and consistent, showing no signs of sudden decline or volatility.

Business Implications:

- 1. Forecasted growth supports confident planning for Q1 and Q2, such as scaling up promotions or increasing inventory of popular items.
- 2. Given the March peak, we may align product launches or major campaigns in that month to maximize ROI.
- 3. April's dip could be an opportunity to offer discounts or bundle deals to maintain customer engagement.







Objective:

To segment customers into meaningful groups based on their total sales contribution and associated profit, enabling more personalized marketing, retention strategies, and profit optimization.

Approach:

- 1. I used **K-Means Clustering** on customer data using two key features:
 - a) Total Sales per customer
 - b) Total Profit generated by each customer
- 2. The model identified 4 distinct clusters, each representing a unique customer profile.

Cluster	Avg Sales	Avg Profit	Interpretation
0	₹976	₹67	Low sales, low profit — small but stable buyers
1	₹4180	-₹2893	High sales, very low profit — likely due to discounts, returns, or unprofitable deals
2	₹6687	₹2064	High sales and high profit — most valuable customers
3	₹3179	₹311	Moderate sales, low but positive profit — may be growth segment



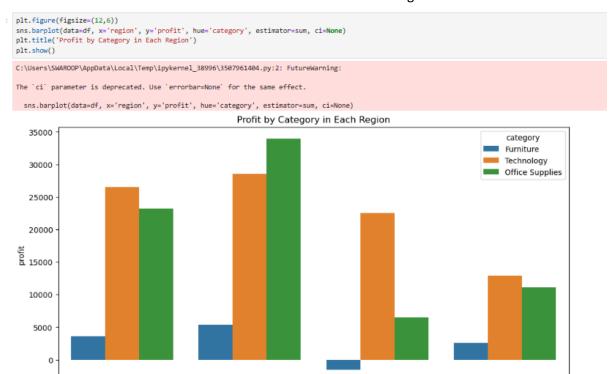
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Business Implications:

- 1. **Cluster 2 (blue)**: Our most profitable customers we should focus on retention, loyalty programs, and upselling to this group.
- 2. Cluster 1 (orange): Despite high sales, this group results in major losses. We need to:
 - a) Audit return/refund rates, discounting strategies, or supply chain costs.
 - b) Possibly restructure pricing or shift focus from these customers.
- 3. Cluster 3 (pink): Potential to become more profitable with targeted promotions or engagement.
- 4. **Cluster 0 (green)**: Stable small buyers ideal for automated email marketing or bundle offers to increase average order value.

Q. Smoot 37/07/2026

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Central

South

Insights:

East

Region	Most Profitable Category	Observations
West	Office Supplies (₹34K+)	Highest total profit across all regions and categories. Technology also performs very well.
East	Technology (₹27K)	Strong profitability for Technology and Office Supplies; Furniture contributes marginally.
Central	Technology (₹23K)	Technology dominates, but Office Supplies and Furniture lag significantly.
South	Technology (₹12K)	Least profitable region overall, but Technology still leads among the three categories.

region

West

THANKYOU

