

RetalAnalysis_KeyInsights

May 5, 2025

1 Key Insights from the Project Analysis

1.1 1. Profitability Insights (SQL Analysis)

- **Highest Profit Margins:** Product P (74.00%) and Product D (73.34%) show strong profitability.
- **Negative Revenue Concerns:** Product S and certain items under Product D show **negative revenue**, requiring urgent review.
- **Seasonal Influence:** Some high-margin items have **low sales volume**, suggesting seasonal demand adjustments.

1.2 2. Inventory Turnover vs. Profitability Analysis

- **Weak Positive Correlation (0.242):** Faster-moving inventory **tends to be slightly more profitable**, but other factors influence profitability.
- **Beyond Turnover:** Supplier costs, seasonal demand, and discount strategies also affect profitability.
- **Stock Reallocation:** Slow-moving items may still be profitable, requiring **strategic pricing adjustments** rather than immediate removal.

1.3 3. Revenue & Sales Trends (Tableau Insights)

- **January Revenue Decline:** Indicates a need for **inventory & pricing adjustments** in slow months.
- **Profitability by Region:** **West & South** show higher total revenue, suggesting **targeted stock allocation**.
- **Return Rate Concerns:** Some items experience **high return rates**, requiring **quality improvements or better product descriptions**.

1.4 4. Strategic Inventory Optimization Suggestions

- Focus on **high-turnover, high-margin items** for stock prioritization.

- Adjust pricing strategies for slow-moving **but profitable items**.
- Reallocate stock across **regions with higher demand trends**.
- Strengthen seasonal demand strategies to **prevent overstock and maximize turnover**.