E-commerce Business Performance Analysis

Executive Summary

Based on the analysis of customer, product, and transaction data, this report presents key business insights and recommendations for strategic decision-making.

Customer Base Analysis

The business has 200 unique customers distributed across four geographical regions, with South America being the dominant market (59 customers). Customer acquisition appears active, with multiple sign-ups occurring on the same dates (up to 3 customers per day in November 2024), indicating successful marketing campaigns or seasonal promotions.

Product Portfolio

The company maintains a diverse product catalog of 100 items with prices ranging from $16.08 to $497.76. The average product price is $267.55, with a significant standard deviation of $143.22, suggesting a broad range of product categories and price points. This pricing strategy allows the business to cater to different customer segments.

Key observations:

- 75% of products are priced below $397.09

- The median price point is $292.88

- There's a balanced distribution between budget and premium offerings

Transaction Analysis

Analysis of 1,000 transactions reveals healthy purchasing patterns:

1. Purchase Quantity

- Average quantity per transaction: 2.54 items

- Maximum quantity: 4 items

- Most common purchase size: 3 items (median)

- Limited bulk purchases suggest B2C focus

2. Transaction Values

- Average transaction value: $689.99

- Highest transaction value: $1,991.04

- 75% of transactions fall below $1,011.66

- Minimum transaction value: $16.08

The relationship between quantity and total value indicates customers are comfortable making substantial purchases, with many opting for higher-priced items even in smaller quantities.

Key Business Insights

1. Strong Market Position in South America

- The high concentration of customers in South America suggests successful market penetration

- Opportunity exists for geographic expansion in other regions

2. Healthy Average Transaction Value

- The average transaction value of $689.99 indicates strong purchasing power

- Premium product strategy appears successful

3. Consistent Purchase Patterns

- The narrow range of quantity per transaction (1-4 items) suggests a stable and predictable demand

- Inventory management can be optimized around these patterns

4. Price Point Strategy

- The wide price range ($16.08 - $497.76) successfully caters to different customer segments

- Mid-range products ($147-$397) form the core offering

Recommendations

1. Geographic Expansion

- Investigate success factors in South America

- Develop targeted strategies for other regions to balance market presence

2. Product Portfolio Optimization

- Focus on mid-range products ($147-$397) where most transactions occur

- Maintain premium offerings to preserve high average transaction values

3. Purchase Pattern Leverage

- Design promotions around typical purchase quantities (2-3 items)

- Implement bundle pricing to encourage slightly larger purchases

4. Customer Engagement

- Analyze recent sign-up patterns to optimize customer acquisition strategies

- Develop retention programs for the existing customer base

Conclusion

The business demonstrates strong fundamentals with healthy transaction values, stable purchase patterns, and a well-distributed product portfolio. The concentration in South America presents both a strength to build upon and an opportunity for geographic diversification. Focus should be placed on strategic expansion while maintaining the successful elements of the current business model.