Business Problem Statement: Sales & Customer Intelligence Optimization

Background

The business operates in a highly competitive retail environment and holds vast sales and customer data. However, decision-makers face challenges in identifying sales trends, customer behaviors, and product performance effectively due to unstructured and fragmented insights.

Business Challenge

How can the company use data to:

- Understand sales performance trends over time?

- Track customer acquisition and segment customers based on behavior?

- Identify underperforming and high-performing products?

- Determine the contribution of product categories to total revenue?

- Generate actionable KPIs for reporting and strategy?

Project Goals & Objectives

1. Sales Trend Analysis:

   - Analyze monthly and yearly sales growth.

   - Monitor cumulative sales trends to assess business direction.

2. Customer Insights & Segmentation:

   - Track new customer additions yearly.

   - Segment customers into VIP, Regular, and New based on spending and lifespan.

   - Group customers into age brackets to analyze purchasing behavior.

3. Product & Category Performance:

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- Compare product sales against historical averages and prior year sales.

- Segment products based on cost ranges.

- Identify top-performing product categories contributing most to revenue.

4. KPI Reporting & Dashboard Readiness:

  - Calculate and monitor metrics such as:

    - Total Orders, Sales, Quantity

    - Customer Recency

    - Average Order Value (AOV)

    - Average Monthly Spend

  - Build a foundation for regular business performance reporting.

Business Value

By uncovering trends, segmenting customers, and benchmarking performance, the company can:

- Optimize inventory and marketing spend.

- Improve customer retention and loyalty strategies.

- Identify high-value products and remove low-performing SKUs.

- Enable data-driven decision-making across sales and strategy teams.