Project Summary: Vendor & Product Purchase Analysis

This project is based on the sales and purchase activities of products by vendors on an online vendor portal. It involves analyzing vendor performance, product sales trends, and purchase contributions to gain business insights. The goal is to understand which vendors and products contribute most to the overall business, identify areas for cost optimization, and make data-driven decisions related to pricing, freight, and inventory. The analysis also helps uncover hidden opportunities, such as high-margin products with low sales, and potential risks like over-dependence on a few vendors.



Key Questions Addressed in This Project

- 1. What are the key metrics that define our vendor and product performance on the platform?
- 2. Which vendor and product performs best in terms of sales value?
- 3. Which products have high profit margins but low sales and may need price adjustment or promotion?
- 4. Which vendor has the highest purchase value, and what risks or dependencies does this create?
- 5. What does a detailed analysis of our top vendor reveal about SKU performance and freight cost alignment?

Platform analysis

Sales Value

441.41M

Purchase Value

307.34M

Gross Profit

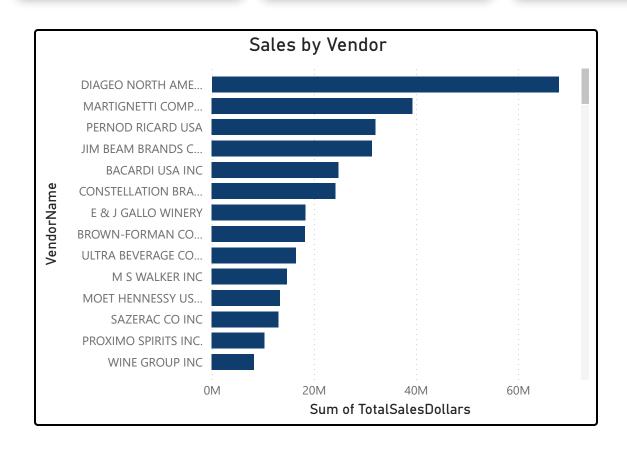
134.07M

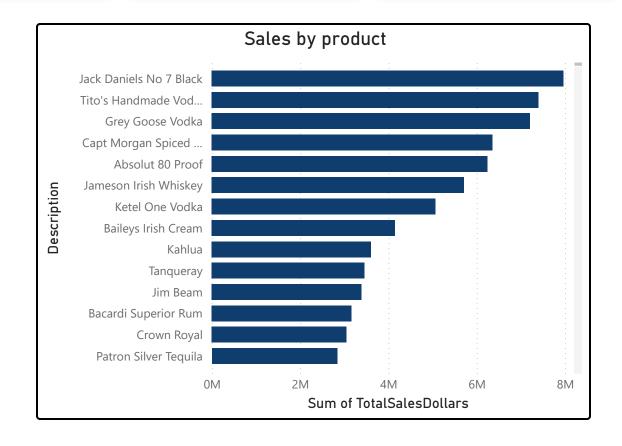
Profit Margin

38.72

Unsold Inventory

2.71M





Top 10 products with high profit margin but less sales.

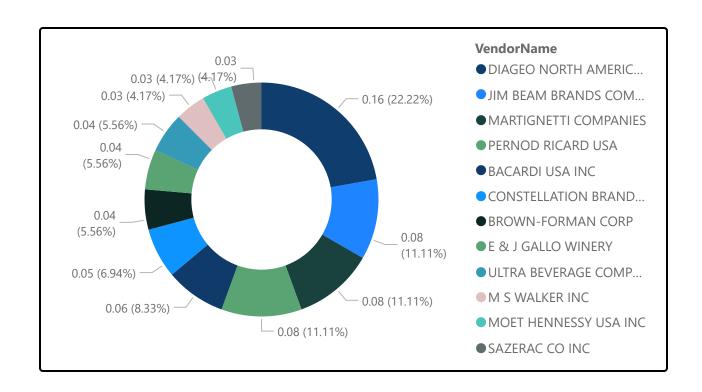
Description	Average of ProfitMargin	Sum of TotalSalesDollars
Bacardi Oakheart Spiced Trav	98.13	399.60
Barbarossa Spiced Rum	98.22	945.14
Cecchi Natio Organic Chianti	98.58	735.08
Chi Chi's Chocolate Malt RTD	98.11	461.58
Dom Janasse Terre d'Argile	98.68	1,019.49
Kesselstatt Piesporter Gold	97.81	929.69
M Chiarlo Gavi Wh	99.39	1,208.90
Penfolds B28 Shiraz/Kalimna	97.78	890.73
Skinnygirl Cucumber Vodka	98.56	779.48
The Club Strawbry Margarita	98.97	143.28

<u>Insight</u> - "We identified the **Top 10 products with high profit margins but low sales volume**.

These products contribute significantly to profit **per unit**, but they are **underperforming in sales**, which means we're leaving potential profit untapped."

<u>Pricing strategy revisit</u> - "These products may be <u>perceived</u> as too premium or not well-understood by the market. Adjusting the price slightly, or improving product positioning, could increase sales without hurting margin significantly."

Top 10 vendors by purchase contribution.



"We found that just **4 vendors account for over 60% of our total purchases**. This indicates a **high dependency**, which could be a risk in case of pricing disputes, delays, or quality issues. Diversifying vendors might reduce this risk."

Diageo North America

Sales value

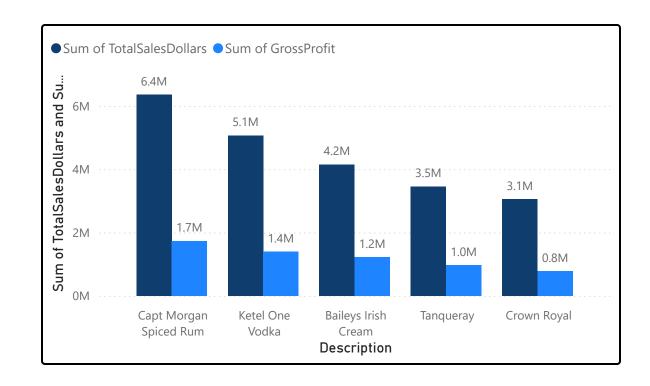
67.99M

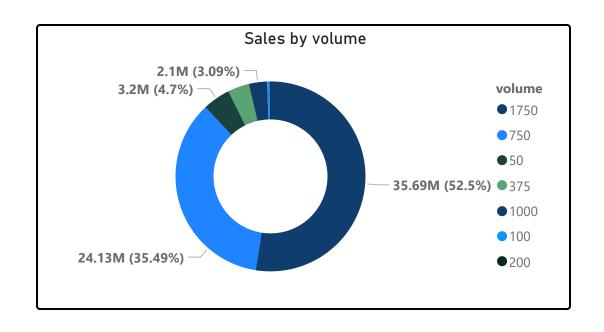
Purchase value

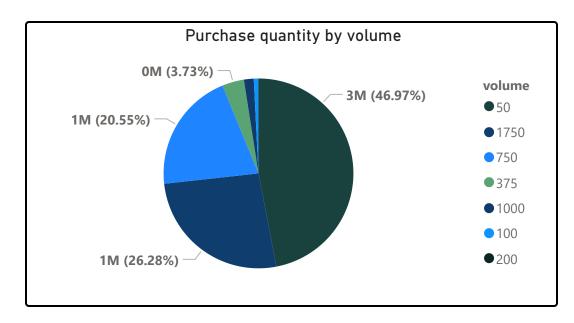
50.10M

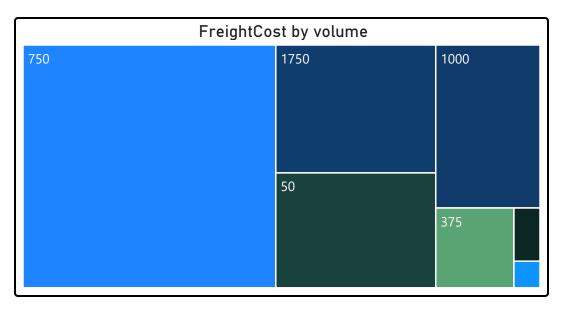
Gross profit

17.89M









Key Business implications

- 1. We may be incurring high freight costs on underperforming SKUs (like 1000ml), eating into margins.
- 2. High-volume, low-size SKUs (like 50ml) could be **leveraged more aggressively for promotions** or bundled to increase overall revenue.
- 3. **750 and 1750** ml volume are our hero SKUs, capitalize more on it.