

MARKET BASKET ANALYSIS

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Table of Contents

1. Problem Statement
2. Objective
3. Data Description:
4. URL for the assignment Submission

PROBLEM STATEMENT:

In the highly competitive grocery retail industry, understanding customer buying patterns is crucial for enhancing sales, increasing customer satisfaction, and improving profitability. By identifying frequently purchased item combinations, grocery stores can craft effective marketing strategies, optimize inventory management, and tailor promotions to meet customer needs. Leveraging Point of Sale (POS) data can unlock valuable insights that drive customer-centric offerings, such as combo packs, discounts, and targeted promotions, which can increase basket size and improve customer retention. This analysis aligns with business goals by maximizing revenue, reducing operational costs, and boosting customer loyalty.

Objective

As a business analyst, the goal is to analyze the POS transactional data to identify frequently purchased item combinations. Using association rule mining or similar techniques, the aim is to uncover patterns that will help the store create targeted combo offers and discounts, ultimately driving revenue growth by increasing customer purchases and average basket size.

Data Description:

The dataset consists of transactional data from a grocery store, where each row represents a product purchased in a specific order. The columns in the dataset are as follows:

- **Date:** The date when the transaction took place.
- **Order_id:** A unique identifier for each customer order.
- **Product:** The individual item purchased in the transaction.

URL for the assignment submission

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