Superstore Profitability and Performance Report

This report analyzes the Superstore sales data to identify key business drivers, areas of underperformance, and actionable strategies for improving net profitability, optimizing inventory, and enhancing customer targeting.

1. Overall Sales and Profit Summary

The Superstore business demonstrates robust revenue generation but a modest profit margin, indicating significant room for operational efficiency improvements.
- **Total Sales Revenue** reached approximately **$2.30 Million**, generated across **9,995 Total customer orders**.
- **Total Profit** stands at **$0.29 Million**
- The **Overall Profit Margin** is low at **12.47%**. This means that for every dollar of sales, only
  12.5 cents are retained as profit.
- The Average Order Value (AOV) is **$229.86**, yielding an average profit of **$28.66** per order.

Visual:

2. Top and Bottom Product and Categories

The analysis reveals a critical disconnect: the category with the highest sales volume is the least profitable, while the most profitable category is not the largest in sales.

Profitability Leaders and Laggards

- **Technology is the Profit Engine:** This category generates the highest total profit, contributing over **$0.15 Million (50.79%)** of the company's total profit, despite only accounting for **$0.84 Million (36.40%)** of sales volume.
- **Office Supplies** is also highly efficient, contributing **$0.12 Million (42.77%)** of total profit with the Total Sale of **$0.72 Million (31.30%).**
- **Furniture is a Major Problem:** This category generates a high volume of sales **$0.74 Million (32.30%)** of Total Sales but delivers only 0**.02 Million (6.44%)** of the company's total profit.

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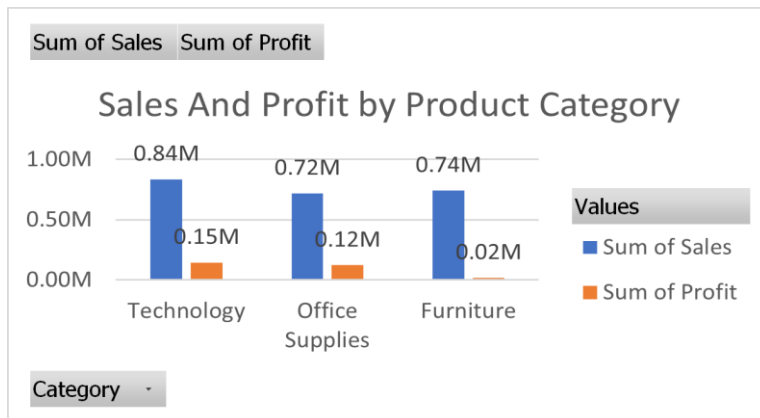
Loss-Making Product's

Two specific Product's are actively destroying the company's profit:
- **Tables** are the biggest drain, operating at a net loss of **-6.19%** and costing the business over -**$17.73K** in total.
- **Bookcases** also run at a loss, showing a negative profit margin of **-1.21%** and Costing the business over **-$3.47k**. These low-performing furniture Product are the primary reason for the overall low company profit margin.

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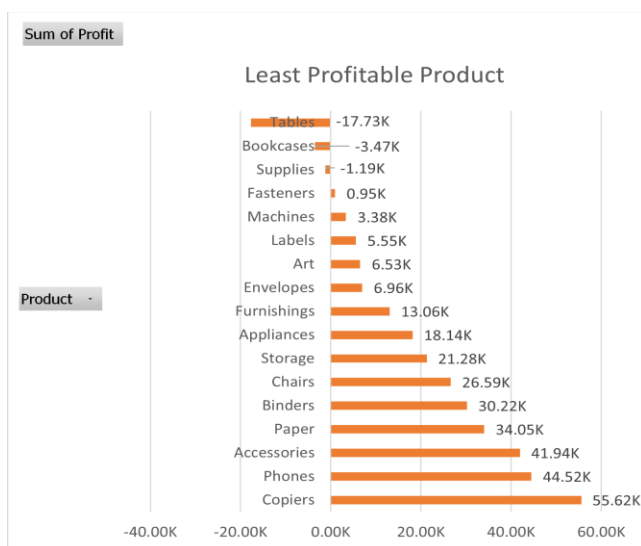
3. Time-Based Trends and Seasonality

Sales performance is highly seasonal, peaking sharply in the final months of the year, which is crucial for inventory and marketing planning.

- **Peak Season:** The **fourth Quarter (Q4: October, November, December)** is the most Critical Period in fours year's of Combine data we saw that **Quarter 4** have highest Sales over **$0.70 Million (30.68%).**

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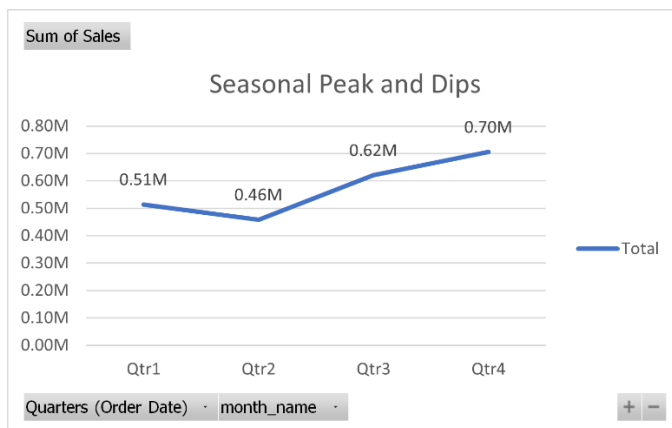
- **Busiest Month: November** is consistently the strongest sales month, generating over **$0.25 Million (11.83%)** of annual revenue, driven by major shopping events.
- **Slowest Period:** The business experiences a noticeable dip after the holiday season, with **February** typically being the slowest month, responsible for less than **$0.13 Million 5.78%** of annual sales.

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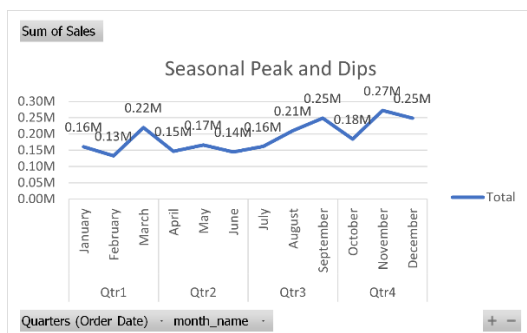
- **Highest Sales Year:** From **2014 To 2017 the highest** sales are happens in the **2017** that is **733.22K (31.92%)** in 2015 sales lower than othe year that is **470.53K (20.48%).**

Visual:

Sum of Sales

Yearly, Quarterly, Monthly Sales Trend

800.00K
700.00K
600.00K
500.00K
400.00K
300.00K
200.00K
100.00K
0.00K

484.25K   470.53K   609.21K   733.22K

2014   2015   2016   2017

Years (Order Date) · Quarters (Order Date) · Months (Order Date) ·   + −

4. Region and Location Analysis

Profitability is heavily concentrated in the coastal regions, with the Central region being a major area of concern.
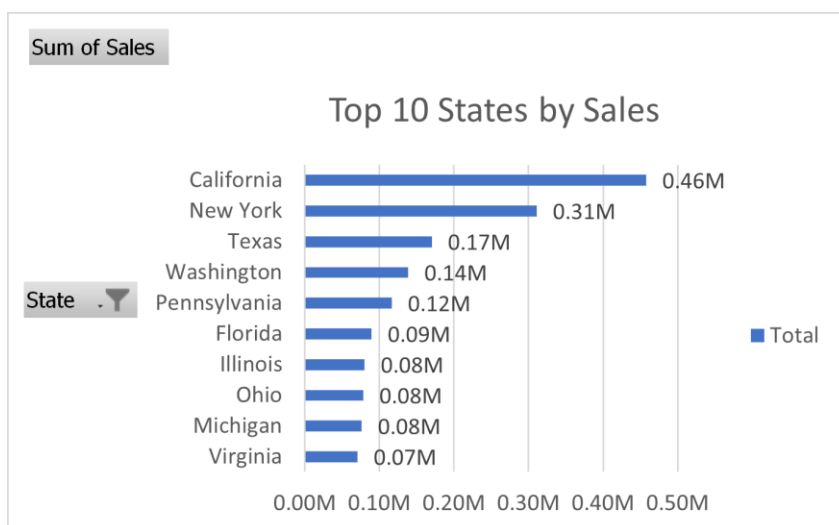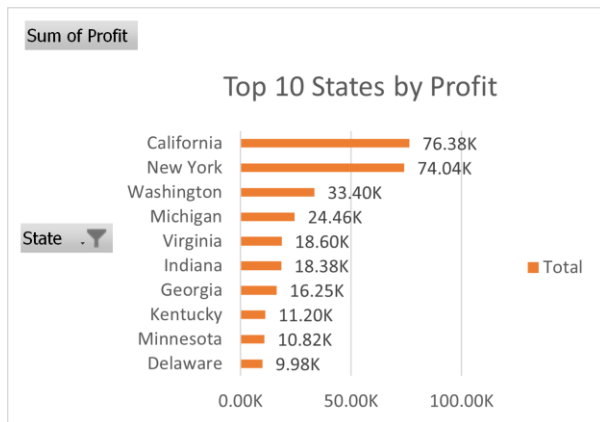- **Top Performing Regions (Coasts):** The **West** and **East** regions are the dominant contributors, driving over **$1.41 Million (69.82%)** of the company's total profit combined.
- **Underperforming Region (Central):** The **Central region** is inefficient. It accounts for **$0.50 Million (21.82%)** of sales volume but only manages to deliver **$0.04 Million (13.86%)** of the total profit, indicating high costs, heavy discounting, or unfavorable product mix in this geography.
- **South Region** maintains a decent margin but only contributes **$0.39 Million (17.05%)** of total sales, **0.05 Million (16.32%)** of Total Profit suggesting untapped growth potential.

- Visual:

Sales and Profit by Region
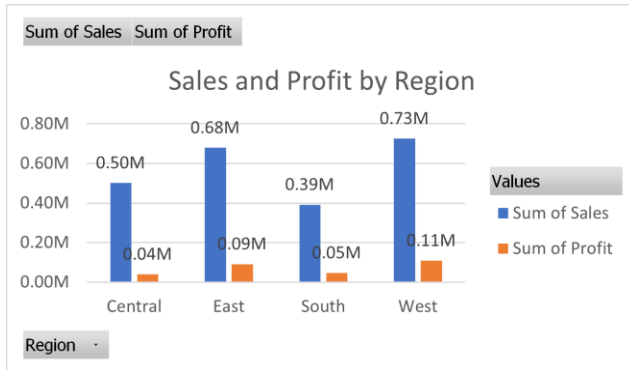
- **Top** performing State: the **California** is the Top Performing State by Sales and by Profit, Total Sales of California is **$0.46 Million (28.81%),** Total Profit Is **$76.38K (26.02%).**

Visual:

Top 10 States by Profit

State	Total
California	76.38K
New York	74.04K
Washington	33.40K
Michigan	24.46K
Virginia	18.60K
Indiana	18.38K
Georgia	16.25K
Kentucky	11.20K
Minnesota	10.82K
Delaware	9.98K

Top 10 States by Sales

| State	Total
California	0.46M
New York	0.31M
Texas	0.17M
Washington	0.14M
Pennsylvania	0.12M
Florida	0.09M
Illinois	0.08M
Ohio	0.08M
Michigan	0.08M
Virginia	0.07M

5. Customer Segmentation and Behavior

Understanding customer segments reveals that targeting specific customer types can yield higher profit returns.
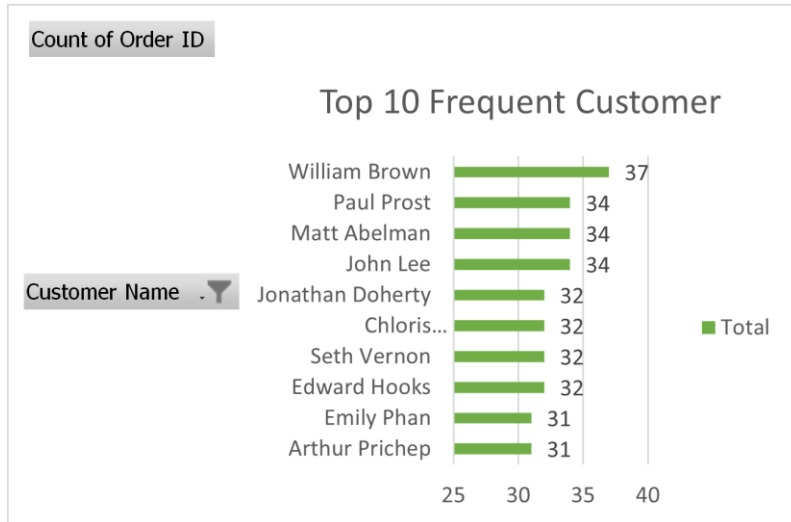
- **Highest Profitable (Consumer):** The Consumer segment is responsible for the largest portion of sales, accounting, and profit for $**1.16 Million (50.56%)** of total revenue, Total Profit **$134.12K (46.83%)**
- **Lowest Profitability (Home Office):** The **Home Office** segment is the Lowest Revenue And Profitable Segment the Total revenue **$0.43 Million (18.70%),** Total Profit **$60.30K (21.05%).**
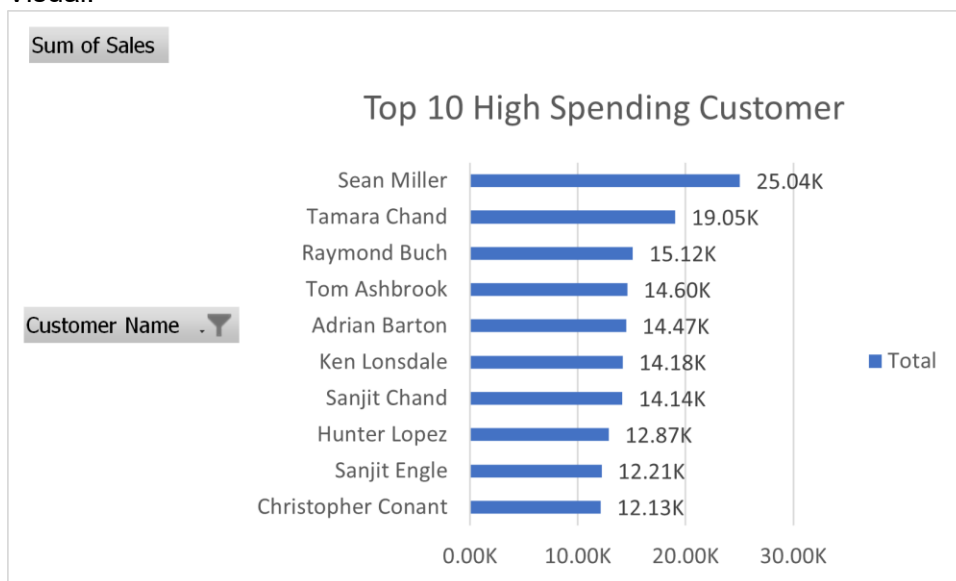
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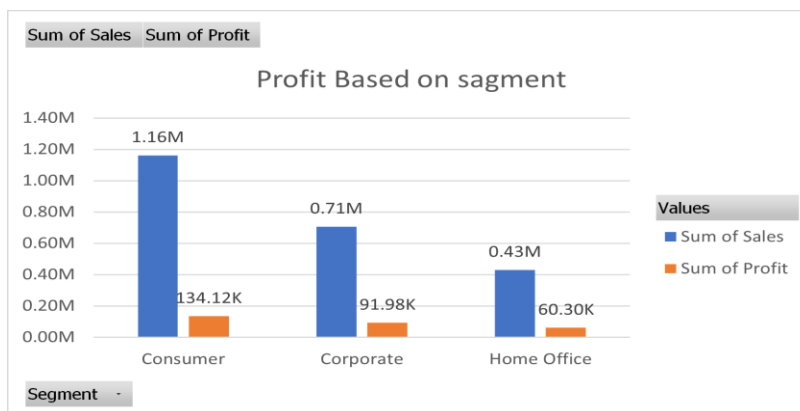
- Frequent Customer: **Willian Brown** is the most Frequent Customer and in this Four Years he Buy things from us more than anyone that is **37 Times**.

Visual:

Top 10 Frequent Customer

Customer Name	Count of Order ID
William Brown	37
Paul Prost	34
Matt Abelman	34
John Lee	34
Jonathan Doherty	32
Chloris...	32
Seth Vernon	32
Edward Hooks	32
Emily Phan	31
Arthur Prichep	31

- Highest Spender: **Sean Miller** is the Highest Spender he Spend **$25.04K** to Buy things.

Visual:

Top 10 High Spending Customer

| Customer Name	Sum of Sales
Sean Miller	25.04K
Tamara Chand	19.05K
Raymond Buch	15.12K
Tom Ashbrook	14.60K
Adrian Barton	14.47K
Ken Lonsdale	14.18K
Sanjit Chand	14.14K
Hunter Lopez	12.87K
Sanjit Engle	12.21K
Christopher Conant	12.13K

6. Discount and Profitability Analysis

- Current Strategy Flaw: Applying discounts of **30\%** and higher results in significant net financial losses for the company.
- Profitable Discounts: Discounts of **0\% and 20\%** are highly profitable and drive the company's overall positive earnings.
- Recommendation: Eliminate or drastically limit all discounts **30\%** to stop value destruction and preserve profit margins.

- Action: Continue using strategic low discounts **(20\% or less)** to maintain sales volume while ensuring profitability..

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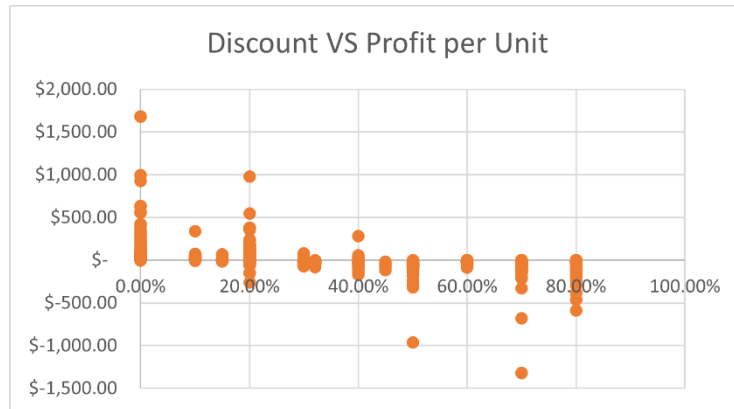
7. Actionable Recommendations for Business

The following are immediate steps to implement based on the data findings:

1. **Product Strategy: Stop the Bleeding.**
   - **De-emphasize/Stop:** Immediately review or discontinue the sale of **Tables** and **Bookcases**, as these are actively causing a net loss and dramatically pulling down the overall profit margin.
   - **Push/Promote:** Focus marketing efforts and sales incentives entirely on **Technology**, the most profitable category (over **50%** of profit).
2. **Discount Strategy: Impose a Hard Cap.**
   - **Fine-Tune:** Implement a policy to eliminate all discounts exceeding **20%**. Discounts should only be used strategically for inventory clearing or targeted promotions, never as a standard operating procedure.
3. **Marketing and Inventory Planning:**
   - **When to Promote:** Plan all major promotional campaigns to coincide with the **Q4 peak (November)** to maximize revenue during the busy season.
   - **Inventory:** Ensure high stock levels for profitable **Technology** items leading into Q4, and use the slow month of **February** for operational reviews and cost reduction.
4. **Customer and Regional Targeting:**
   - **Customer:** Create personalized outreach and loyalty programs aimed at the high-margin **Home Office** segment to increase their already profitable purchasing frequency.
   - **Regions:** Conduct a deep dive into the **Central** region to diagnose whether the low **13.9%** profit contribution is due to competitive pricing, high shipping costs, or excessive local discounts. Target this region with highly profitable **Technology** product promotions to lift the margin.