

ShopKart India - Revenue Optimization Analysis

Dataset: 50,000+ Orders | 10,000 Customers | 500 Products | 2023-2024

Project Objective :

To evaluate the revenue stability, identify primary revenue drivers , assess revenue leakage , and analyze customer retention behavior using transactional e-commerce data.

Phase 1 - Revenue Healthy & Stability

~ Seasonal Trends

- 2023 festive season impact was minimal:
Oct 2023 → **+0.47%**
Nov 2023 → **-2.39%**
- 2024 showed stronger impact impact:
Oct 2024 → **+12.35%**
Nov 2024 → **+2.84%**

Insight :

Revenue spikes observed in Oct 2024 indicates improved

~Revenue Drops.

No month experienced a drop greater than **20%**.

Moderate declines observed:

- Feb 2023 → **-12.06%**
- Jan 2024 → **-1.15%**
- Sep 2024 → **-15.94%**

Insights:

Revenue shows moderate fluctuations but no severe structural crash.

~Growth Pattern (2023 → 2024)

Year over year growth in 2024: **0.75%**

Insight:

Revenue growth is stable but marginal, indicating maturity rather than aggressive expansion.

~Growth Consistency

Only two months classified as unstable.

Conclusion:

Revenue trend is largely consistent and predictable.

PHASE 2 - Revenue Drivers

~Category Contribution

- Electronics → **47.31%**
- Home & Kitchen → **16.24%**
- Beauty → **15.32%**
- Grocery → **10.39%**
- Fashion → **10.19%**

Insight:

Revenue moderately concentrated in Electronics but diversified across remaining categories.

~Seller Distribution

- Regular → **65.95%**
- Prime → **24.43%**
- Business → **9.26%**

Revenue aligns closely with customer base distribution.

Insight:

Balance monetization across segments with no extreme dependency

PHASE 3 - REVENUE LEAKAGE ANALYSIS

~ Overall Revenue Leakage

Total Revenue leakage: **16.03%**

Insight:

Moderate financial Impact from returns; optimization opportunity exists.

~ Return Rate by Category

- Home & Kitchen → **8.07%** (Highest)
- Grocery → **7.89%**
- Fashion → **7.89%**
- Electronics → **7.85%**
- Beauty → **7.73%**

Insight:

Return rates are moderate (all below 10%). No critical operational breakdown detected.

~ Refund Share by category

- Electronics → **47.22%**
- Home & Kitchen → **16.36%**
- Beauty → **15.55%**
- Grocery → **10.79%**
- Fashion → **10.07%**

Insight:

Electronics accounts for highest refund share due to revenue dominance, not inefficiency.

~ Average Discount by Category

Discount levels are consistent across categories (~**7.4%-7.5%**).

Insight:

No abnormal discount-driven leakage identified.

PHASE 4 - CUSTOMER RETENTION ANALYSIS

~ Customer Type Distribution

- Repeat Customer → **76.91%**
- One - Time customer → **23.09%**

~ Revenue Contribution

- Repeat Customer → **91.32%**
- One - Time customer → **8.68%**

Insight:

Revenue stability is strongly driven by repeat customers, indicating healthy retention and strong customer lifetime value behavior.

OVERALL BUSINESS ASSESSMENT

ShopKart India demonstrates:

1. Strong geographic diversification.
2. Strong seller diversification.
3. Moderate category concentration.
4. Stable growth pattern
5. Moderate but manageable revenue leakage.
6. Strong repeat-driven revenue structure.

STRATEGIC RECOMMENDATIONS

- Gradually diversify category mix beyond electronics to reduce concentration risk.
- Optimize Home & Kitchen product expectations to reduce return rate.
- Improve return logistics efficiency to lower revenue leakage (**16%**).
- Leverage strong repeat customer base through loyalty incentives.
- Strengthen festive marketing strategy, building on Oct 2024 performance.