Summary

My goal was to focus on the cities where there were less customers and find out why, as well as how sales could be improved in those areas. Based on the graphs, a lot of sales are focused in the south area, where the highest population is. There are a few areas that could be focused on. One area to focus on is the northeastern part of Brazil, which does not have the large population and high GDP of the southern parts of Brazil, but still has potential for growth. The question is: why does the northeastern part have such a low amount of sales? Possibly because the northeastern part has lagged behind the southern part of Brazil in terms of development. However, the northeast has been growing recently[[1]](#footnote-1), and it’s time for sales at Olist to start catching up. The number of customers per capita is much lower than the southern region, and, not surprisingly, the number of sellers is lower too. The average review scores for this region are much lower than the average. 6 out of 9 had below average review scores and the other 3 were roughly average. Overall, the average review score for the northeastern part of Brazil was 3.88, a tenth lower than the Brazil-wide average of 3.98, and even lower than the top 5 cities average of 4.05.

Olist should try to increase the number of sellers in the northeast area, and they should start by selling small, cheap items, focusing on the popular categories of health and beauty, sports and leisure, and electronic accessories. The graph of the median payment value shows that a lot of the higher sales cities have a lower median payment, indicating that a majority of customers buy cheaper items. Although sellers do not necessarily sell to customers in the same state, customers often buy from states near them, so increasing sellers in the northeastern part can cause a decrease in delivery times. Increasing the number of sellers in the northeastern region who sell cheap products in popular categories and emphasizing customer satisfaction can help Olist increase their sales in the northeastern region.

1. <https://www.economist.com/the-americas/2011/05/19/catching-up-in-a-hurry>,

   <https://www.npr.org/2013/09/17/223472674/northeast-brazil-once-seen-as-a-backwater-is-booming-today> [↑](#footnote-ref-1)