

OLIST MARKETPLACE

PERFORMANCE ANALYSIS

SELLER DISTRIBUTION AND PERFORMANCE WITHIN OLIST MARKETPLACE



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CLASS :

DAB-16



WHO ARE WE



ClearPath

We are a Data analytics team from Company called Clearpath, hired by Olist, a leading e-commerce platform, to analyze and **evaluate** the distribution and **performance** of sellers across different States.

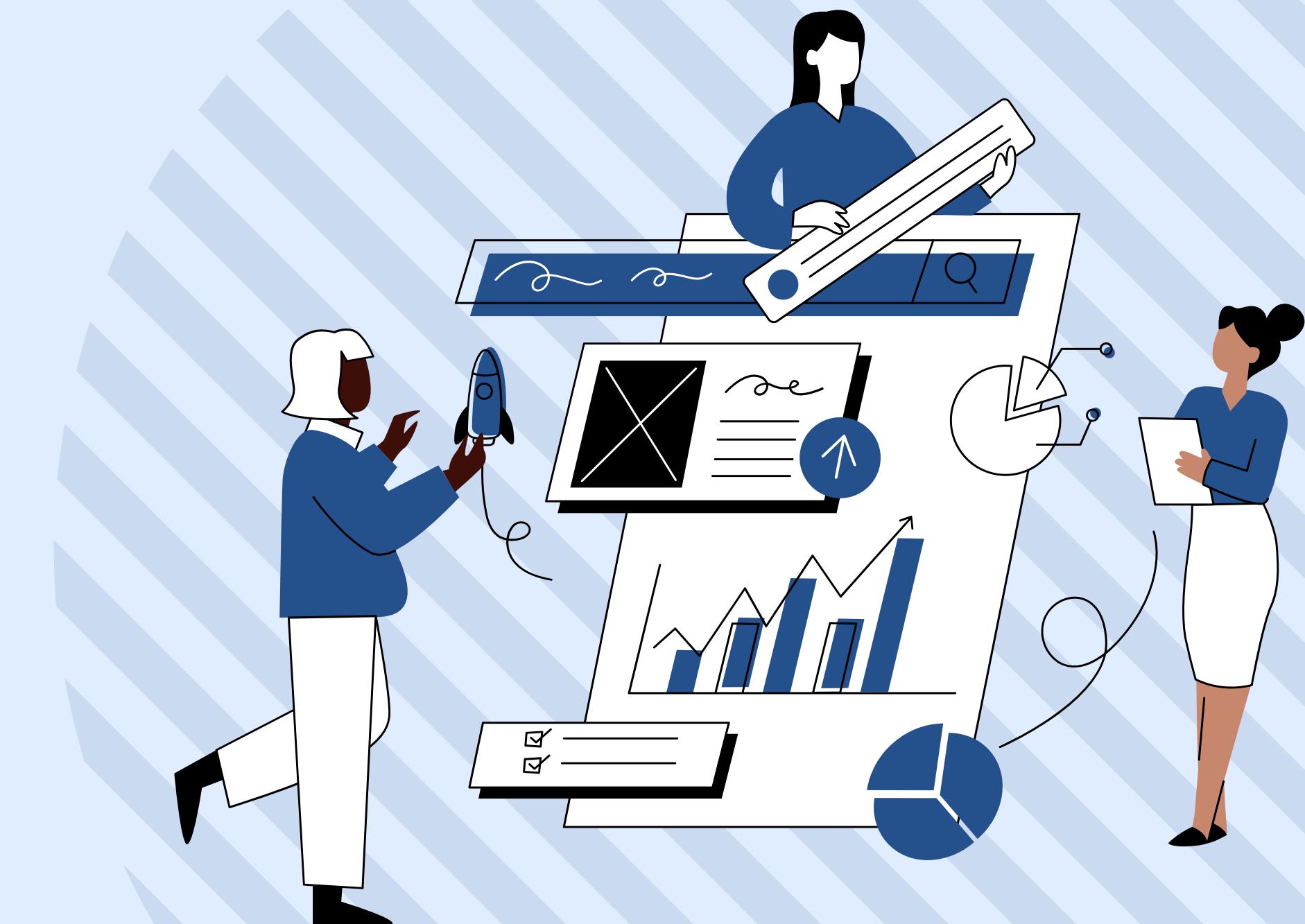


WHAT IS E-COMMERCE

E-COMMERCE REFERS TO THE PROCESS OF BUYING AND SELLING PRODUCTS OR SERVICES OVER THE INTERNET. IT TAKES PLACE BETWEEN BUSINESSES AND CONSUMERS.

CARRIED OUT THROUGH PLATFORMS LIKE:

- ✓ Website
- ✓ Mobile applications
- ✓ Online marketplace



B2B MODEL: OLIST IMPLEMENTS

OLIST PROVIDES SERVICES TO SMALL, MEDIUM, AND BIG BUSINESSES, ACTING AS A BRIDGE TO MULTIPLE MARKETPLACES.

CORE SERVICES INCLUDE:

- Managing Online Sales
- Shipping Logistics
- Payment Processing



OBJECTIVES

OUR ANALYSIS FOCUSES ON THE FOLLOWING:

- ★ WHAT IS THE **DISTRIBUTION** OF SELLERS & CUSTOMERS IN EACH STATE?
- ★ WHICH STATES HAVE CUSTOMERS WITH **NO SELLERS**?
- ★ WHAT ARE THE NUMBERS OF **ACTIVE** AND **INACTIVE** SELLERS?
- ★ WHERE ARE THE **TOP SELLERS** LOCATED?
- ★ WHAT ARE THE **WORST** AND **BEST** SELLERS?
- ★ WHAT IS SELLERS AND CONSUMER **RATIO**?
- ★ EVALUATING THE **PERFORMANCE** ACROSS BUSINESS TYPES?



Sellers & Customers Presence by State

Total Sellers

3,095

Total Cutomers

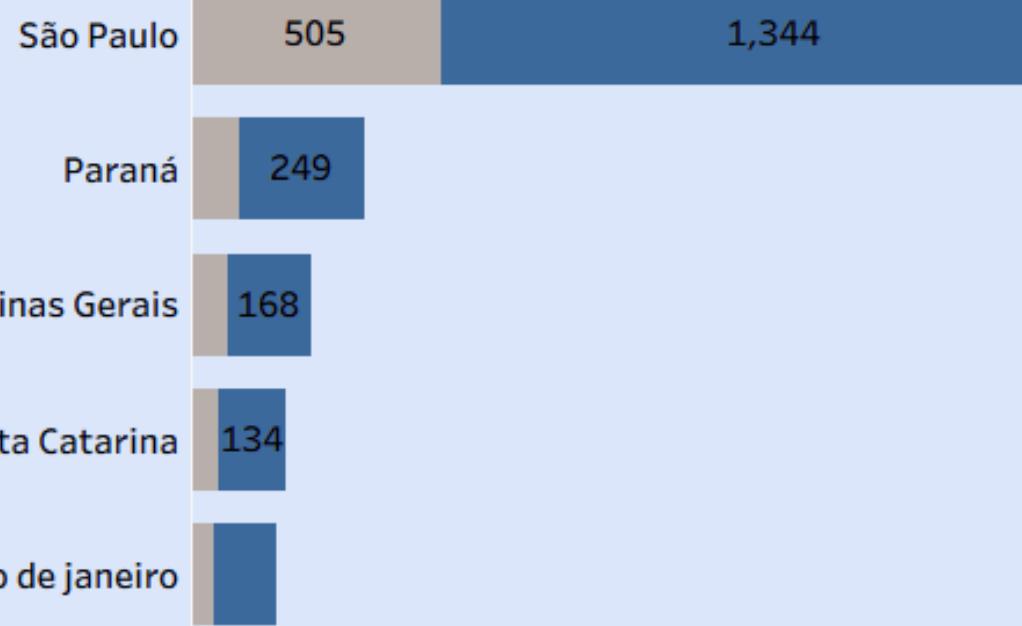
99,441

Active and inactive

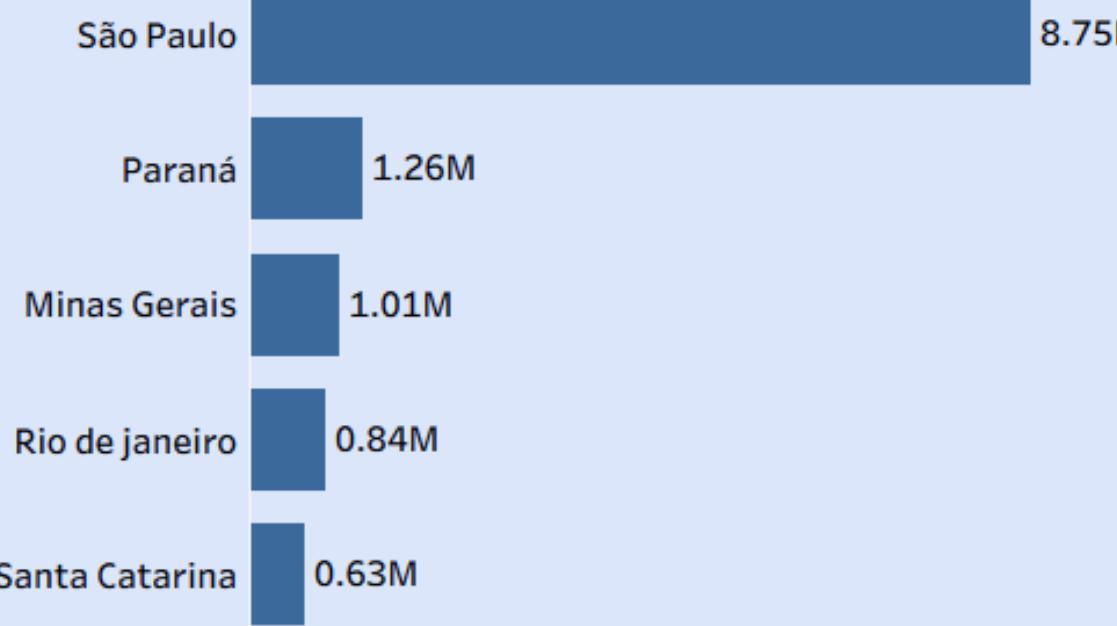
Active

Inactive

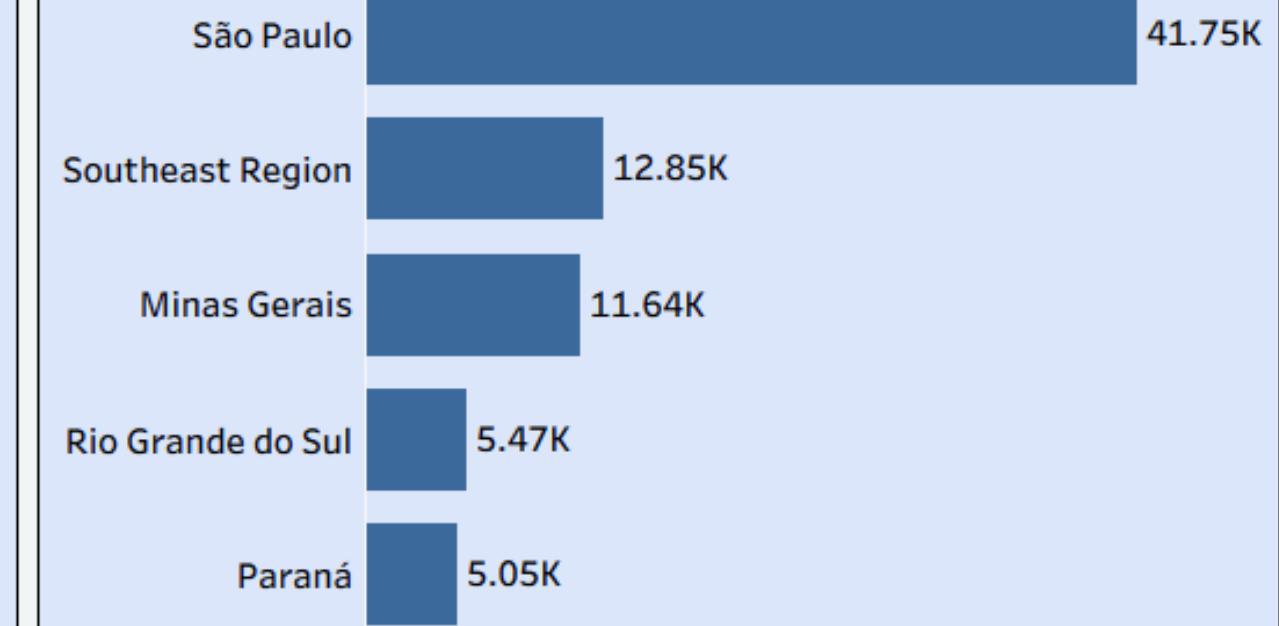
Numbers of Sellers By State



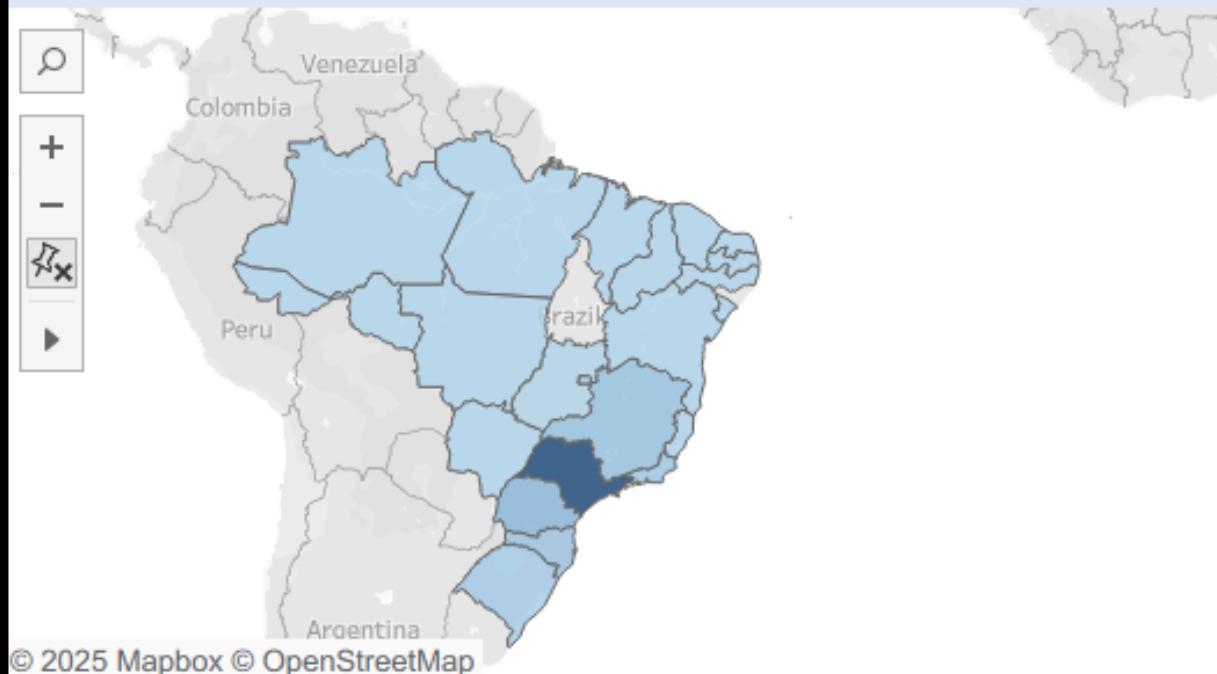
Top sellers located



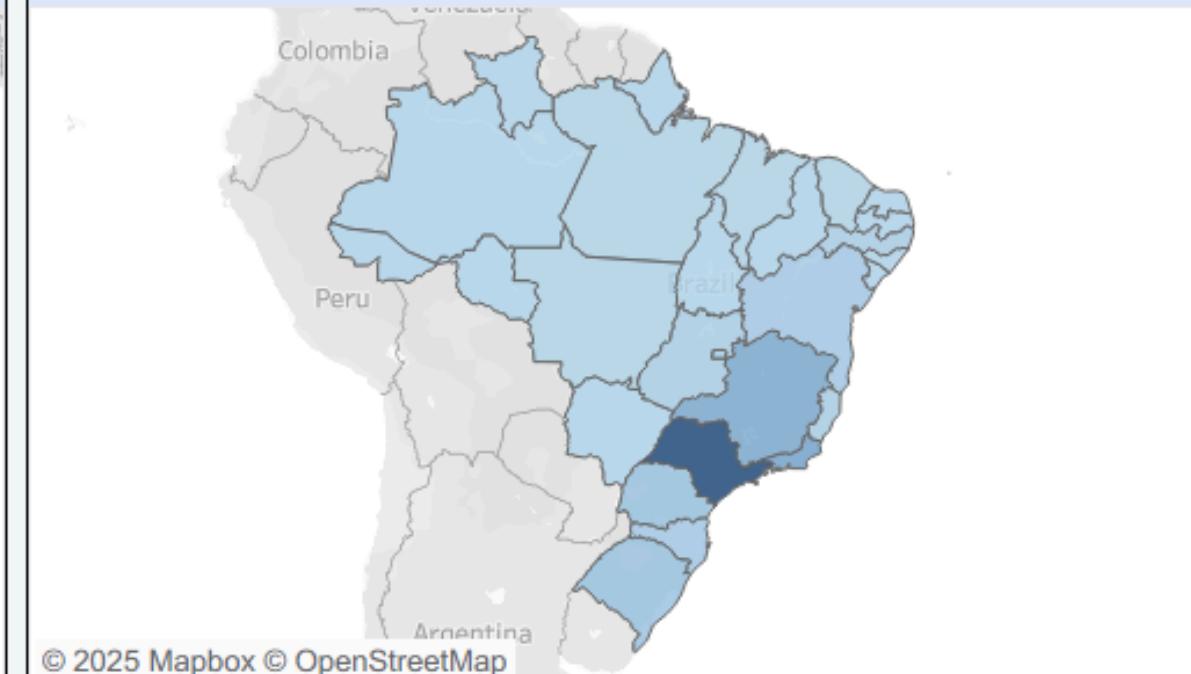
Numbers of Customers in Each State



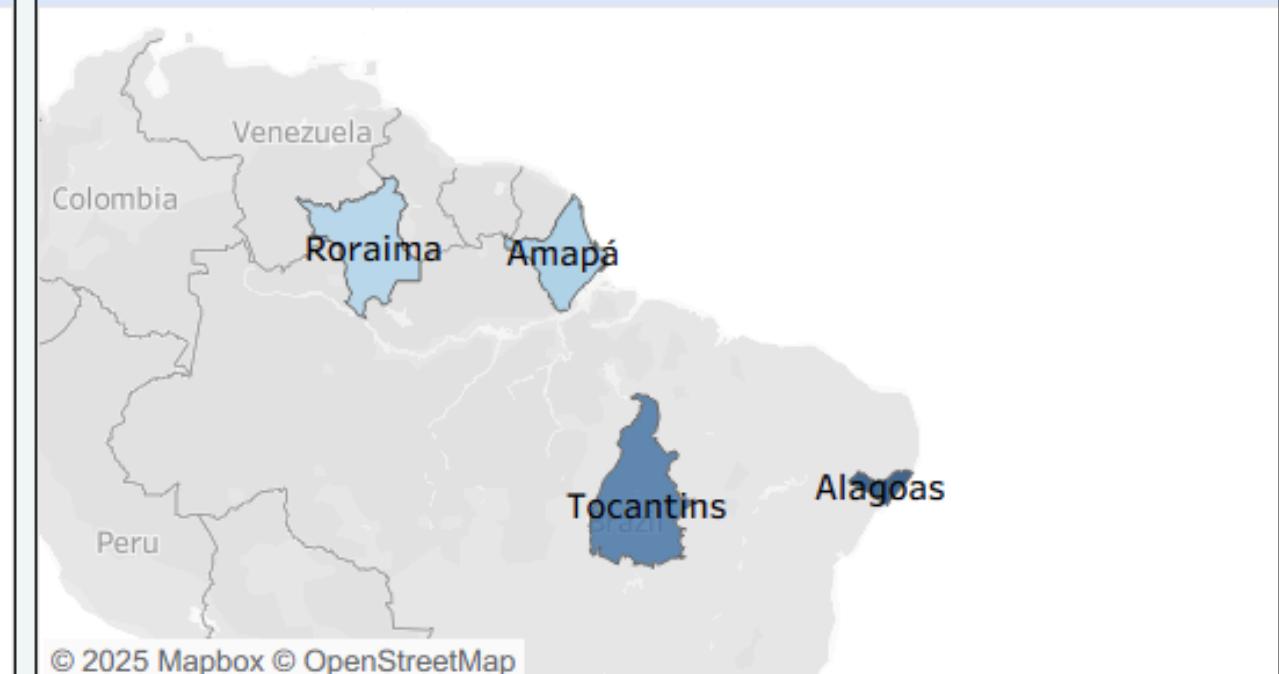
Sellers Distribution In Each State



Customers Distribution In Each State



States Have Customers With No Sellers



Olist has a strong presence in states like São Paulo, Paraná, and Minas Gerais, where both sellers and customers are highly concentrated. However, states such as Roraima, Amapá, Tocantins, and Alagoas have customers but no sellers, highlighting clear market gaps.

Recommendations

- Add sellers in states with customers but no seller
- Continue strong support in major states like São Paulo and Paraná
- Regularly monitor distribution to reduce gaps

Top 5 Number of Seller per Business segment

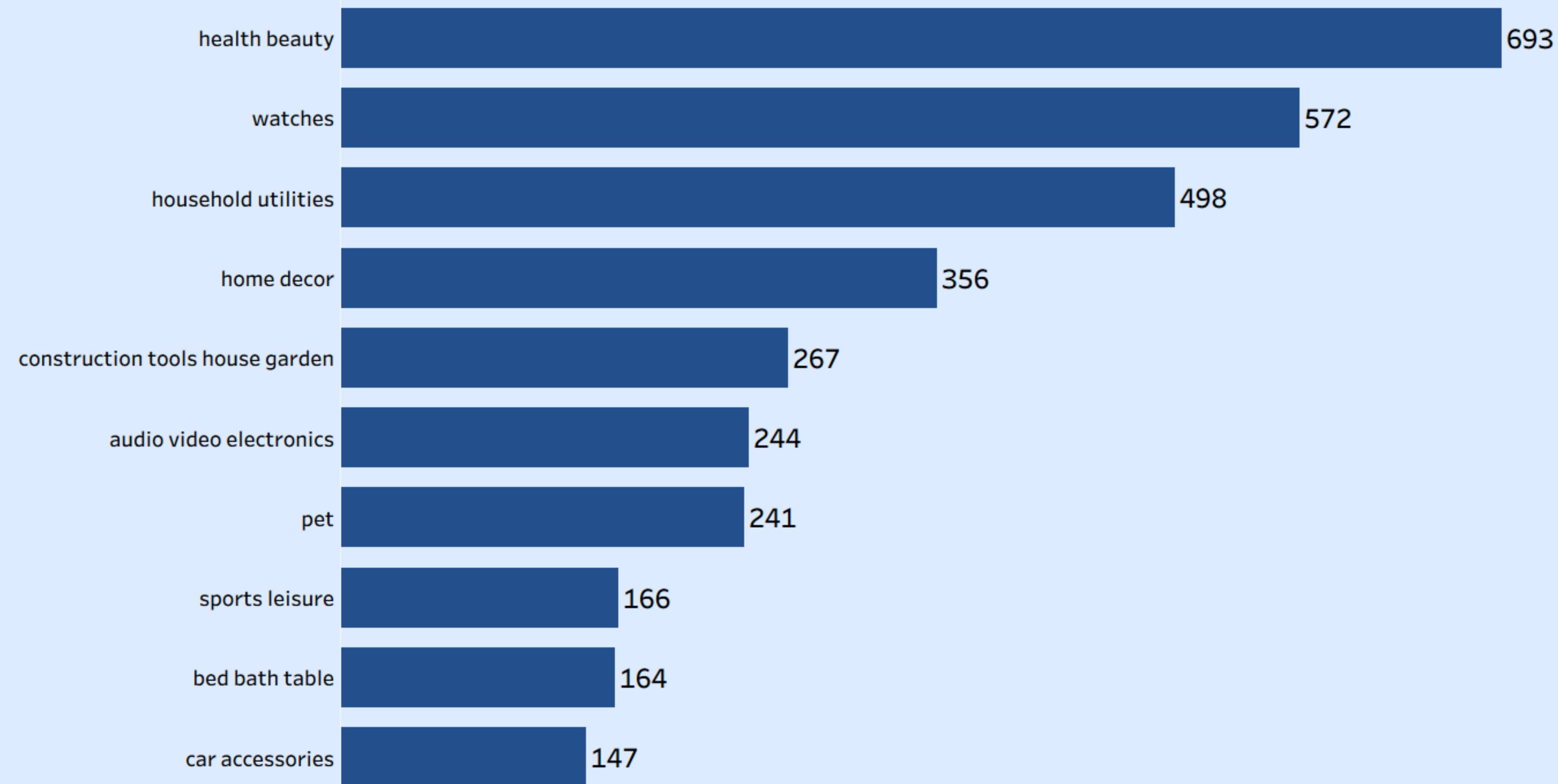


Olist has a strong presence in the Home Decor, Health & Beauty, and Car Accessories segments, with a high concentration of sellers. These categories appear to be highly competitive, and Olist needs to ensure that it continues to provide support to sellers in these segments to maintain market competitiveness.

Recommendations

- Focus on Growth in Low-Seller Segments
- Maintain Strong Seller Support in Popular Segments
- Monitor Seller Distribution

Top 10 Business segments based on Number of orders



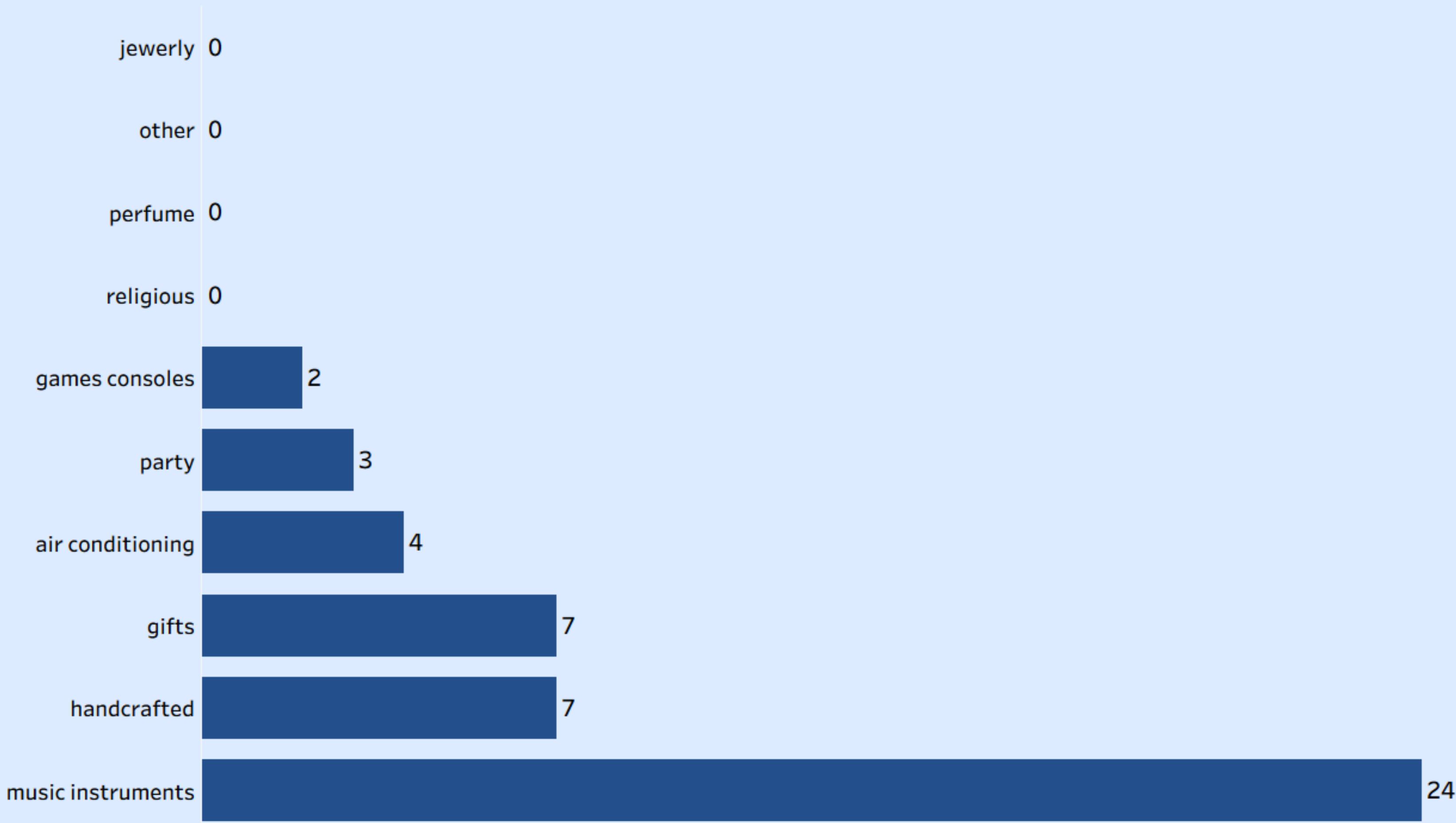
Based on the number of orders, amongst all business segments, Health and beauty, watches and household items are the top performers.

Olist needs to continue providing support for sellers in those segments to ensure they maintain their performance. As well as attract new sellers from the same categories to meet the customer's demand.

Recommendations

- Maintain Strong Seller Support in top performing Segments
- Attract new sellers from top performing segments.

Lowest 10 Business segments based on Number of orders



Lowest performing business segments are Jewelry, perfume, and religious which could be due to issues in the way they display their orders on the website or low customer demand for these categories.

Olist needs to focus on these categories and by providing extra support to boost their performance such as improving how products are listed on the website, and utilizing Search Engine Optimization (SEO) to increase traffic to those specific segments.

Recommendations

- Improve how products are listed on the website.
- Provide Extra Seller Support in lower performing Segments
- Utilize SEO to increase website traffic.

Top 5 Sellers by revenue



We can see in the previous visual that highly revenue distribution where Seller189 generates the majority of the revenue, accounting for the largest portion in this group. This creates a lack of revenue diversification in Olist

Recommendations

- Encourage Revenue Diversification
- More Support to High Potential Sellers
- Secure Relationships with Top Sellers

Number of seller for each Business Type

Business Type

580



242

3

reseller

manufacturer

other

The resellers make up the bulk of Olist's seller base, comprising about 70% of the total seller count. This suggests that Olist's market is largely driven by businesses that purchase products for resale rather than by companies that produce them.

Recommendations

- Enhance Support for Resellers
- Encourage Manufacturers.

Number of orders for each business type

Business Type

4,314



677

0

reseller

manufacturer

other

We can conclude that resellers dominate in terms of order volume, with a huge gap between them. Resellers contribute the vast majority of orders, while manufacturers account for just 14% of the total orders. This reinforces the earlier finding that resellers are the primary drivers of sales within Olist's ecosystem, while manufacturers play a much smaller role in the order volume.

Recommendations

- Focus on Increasing Manufacturer Orders
- Continue Supporting Resellers
- Address the Other Category

Total Revenue for each business type

Business Type

\$50.8M



\$10.3M

\$0.6M

manufacturer

reseller

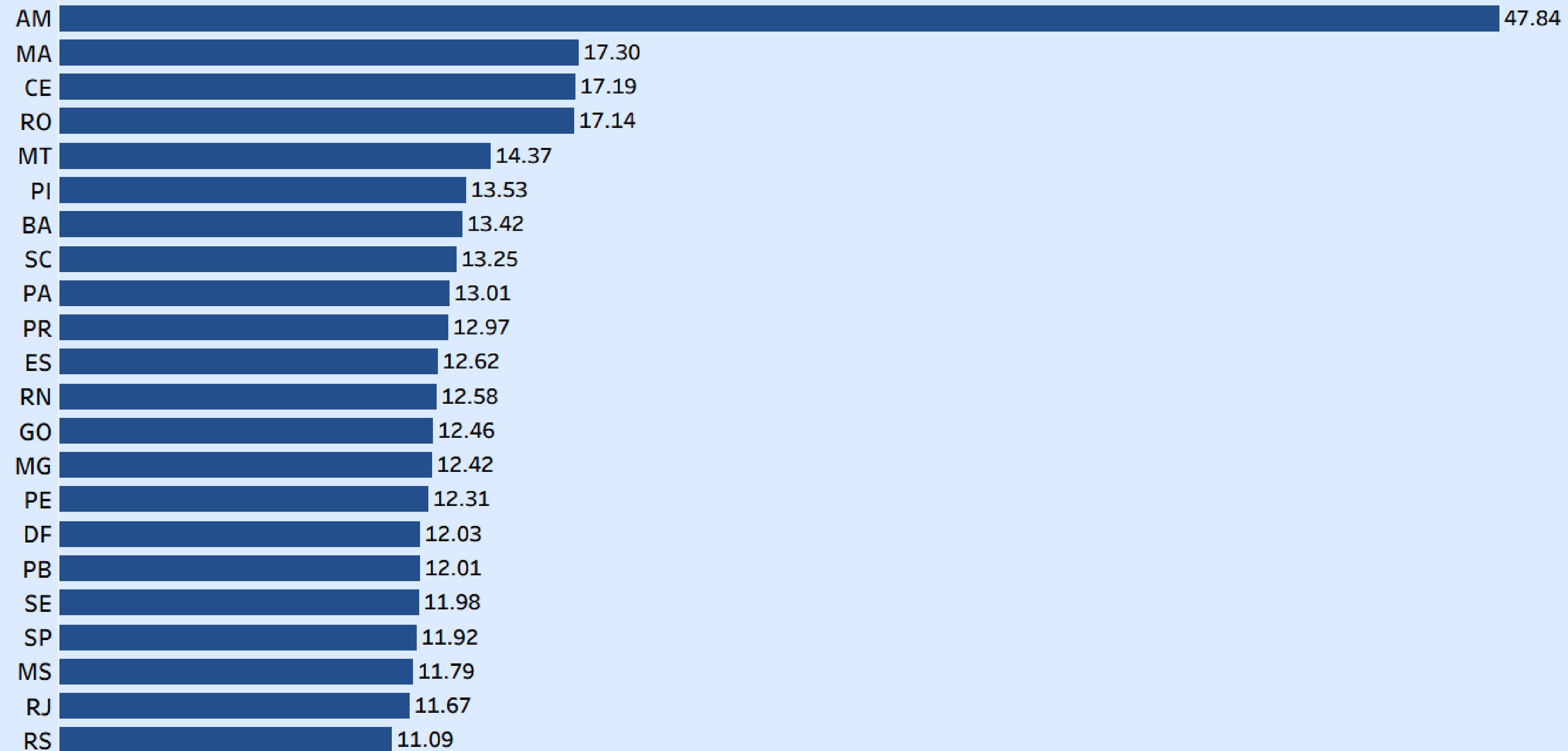
other

Manufacturers are likely selling higher-value products or have better profit margins on the products they sell. On the other hand, resellers may be working with lower-cost or lower-margin goods, which explains their higher order volume but comparatively lower revenue.

Recommendations

- introduce programs aimed at helping resellers diversify their offerings
- Diversify Product Offerings for Higher Revenue
- introducing new product categories

Seller Location vs Delivery Time



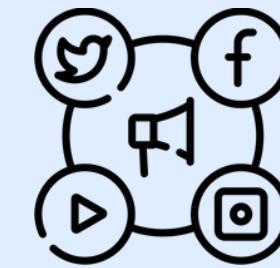
We can conclude that a significant disparity in delivery times across Brazilian states, with AM standing out due to its substantially longer delivery duration. This suggests that logistical challenges or geographical factors in AM contribute significantly to delays in deliveries.

Recommendations

- Olist could invest in partnerships with regional couriers or logistics companies to improve delivery performance.
- introduce premium delivery options in states like RS & SP



MARKETING CHANNELS



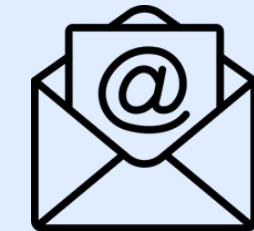
Social Media



Direct Traffic



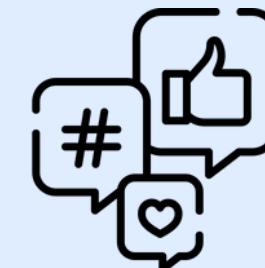
Paid & Organic
Search



Email



Referrals

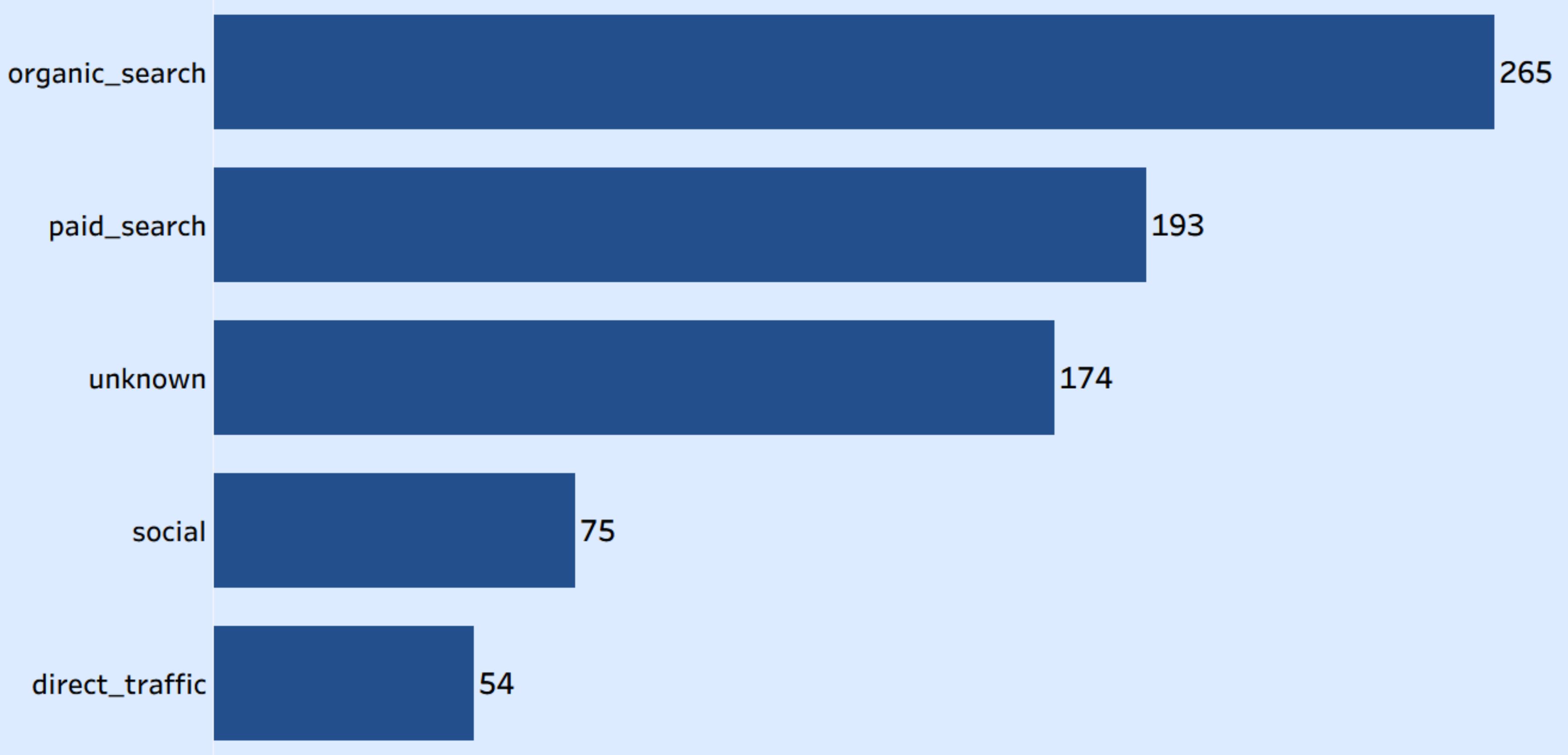


Display



Other Publicties

Top Channel based on Number of Sellers

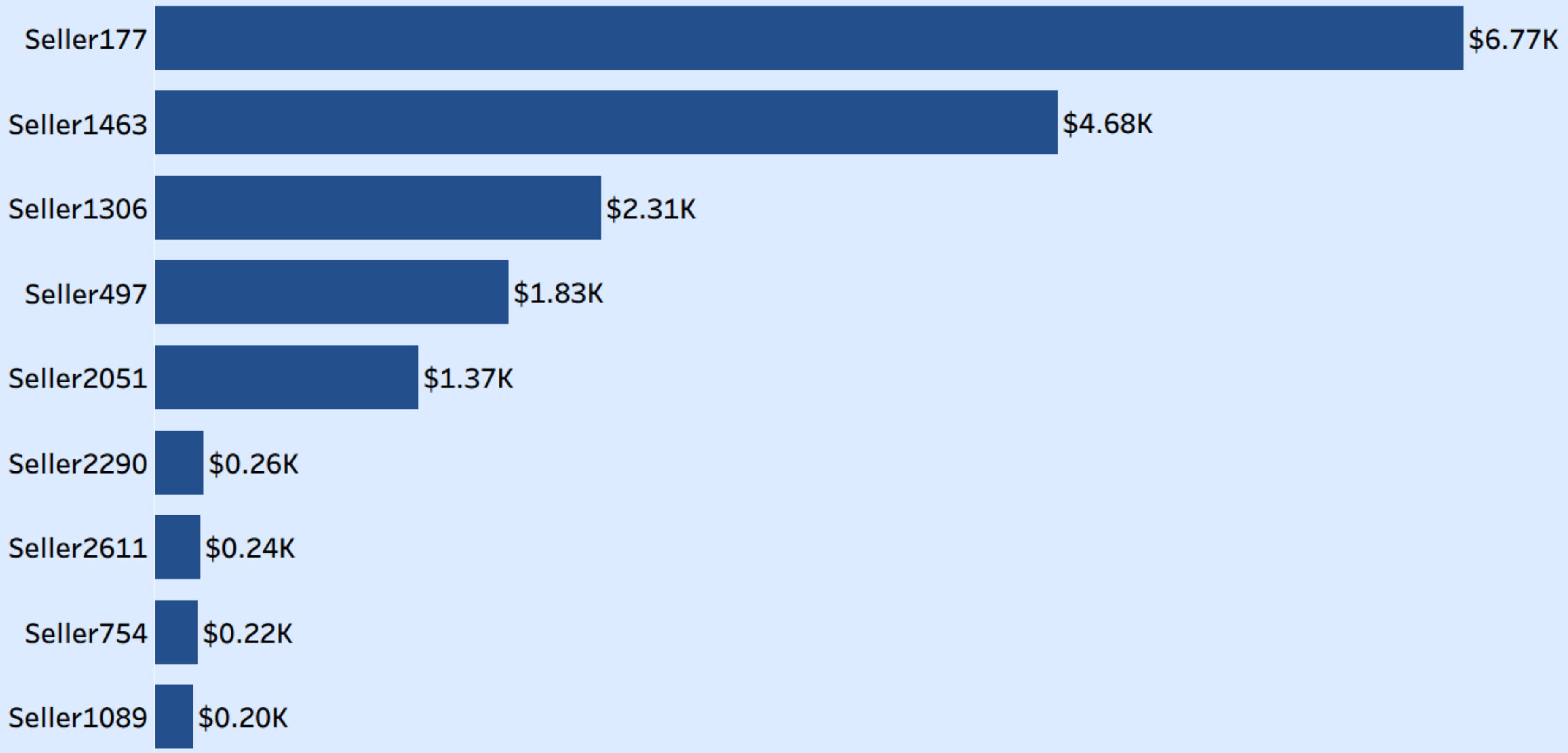


The heavy reliance on Organic Search may indicate that sellers believe that visibility through search engines is one of the most efficient ways. The relatively low use of Social Media and Direct Traffic could suggest that sellers are either not effectively leveraging these channels or don't see as much return on investment in those areas.

Recommendations

- partnerships with social media platforms
- Olist should offer guidance on leveraging social media

Sales per seller that came from a referral



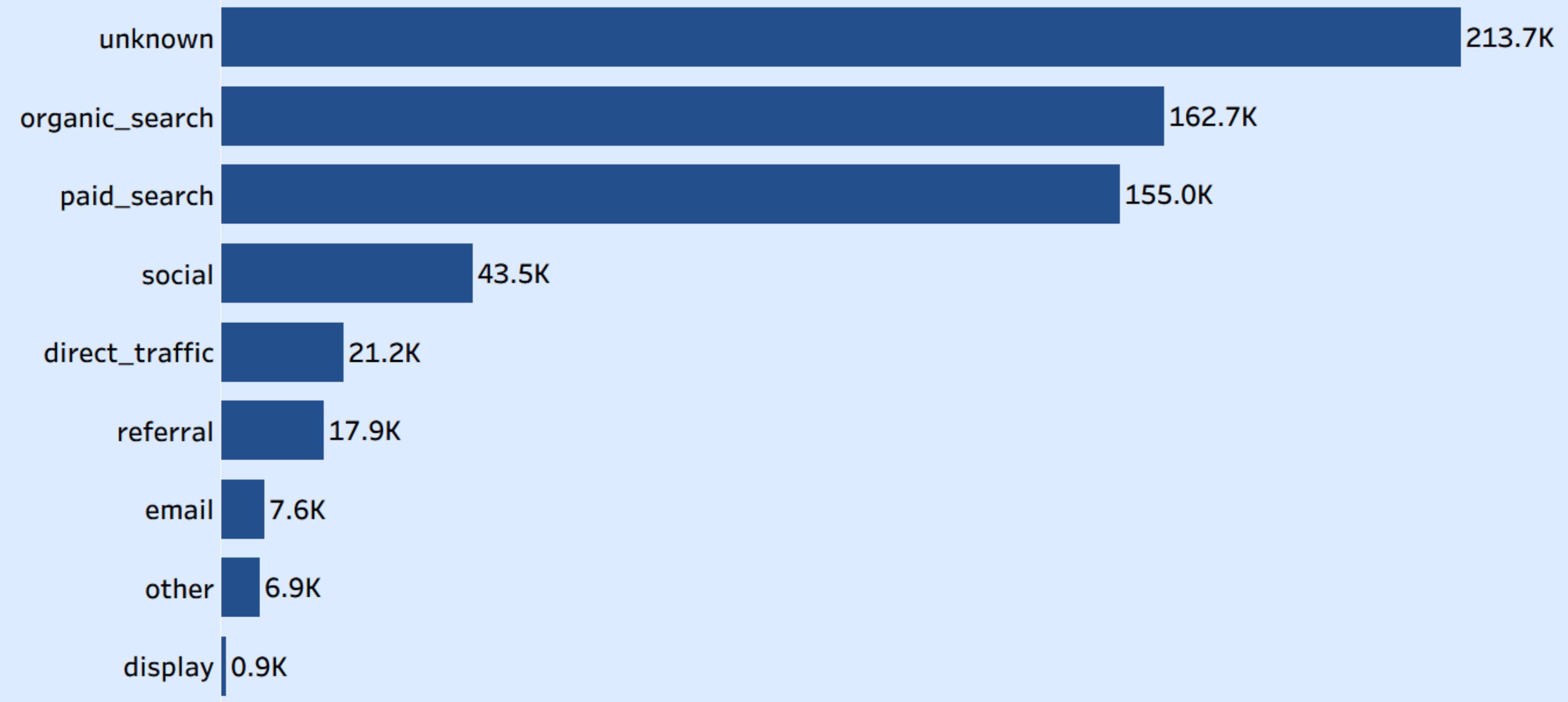
This large variation in results highlights that referral success is not uniform across the seller base. While referrals are clearly an important source of revenue for many sellers.

Recommendations

- Provide Referral Strategy Support to Smaller Sellers
- promoting referral opportunities
- Offering discounts or rewards for referred customers



Total Sales by Channel

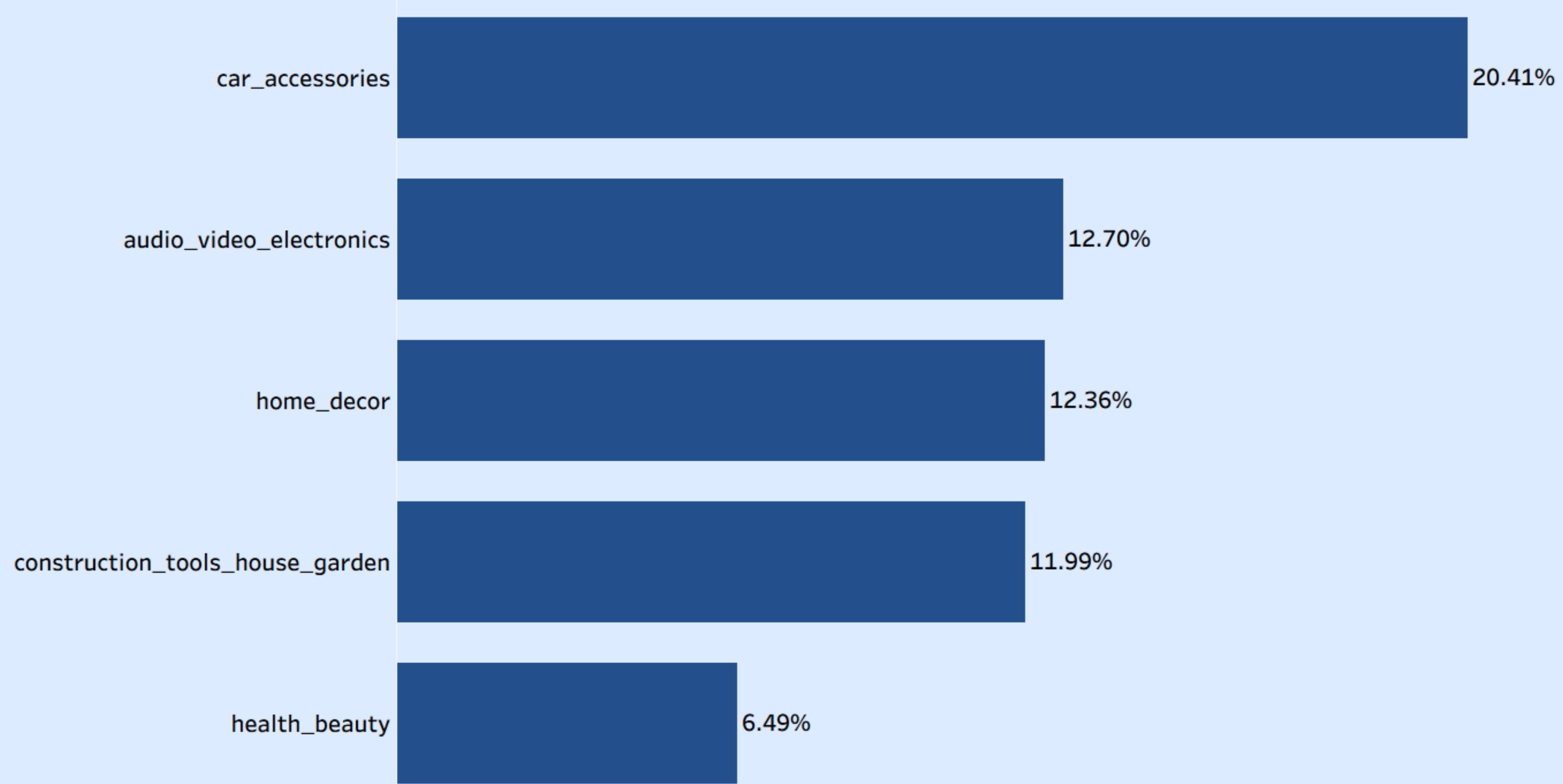


The chart reveals that the Unknown channel leads by a wide margin, contributing the largest portion of total sales other channels like referrals, email, other, and display ads are much lower, indicating that these channels have less impact on the overall sales performance

Recommendations

- Olist must implement better tracking mechanisms
- Invest More in Organic and Paid Search
- Focus on Underperforming Channels

Sellers to customers ratio based on Business Segment



The previous visual reveals that Car Accessories has the highest ratio of sellers to customers, indicating a highly competitive market where there are many sellers but fewer customers. This may result in intense competition, potentially lowering profit margins for sellers.

Recommendations

- Support Sellers in High-Competition Segments
- Offering lower entry barriers, special incentives
- Olist could also help sellers stand out through better visibility in search results

Compare average revenue per order between manufacturers and resellers

Business Type

\$88.1K



manufacturer

\$2.7K

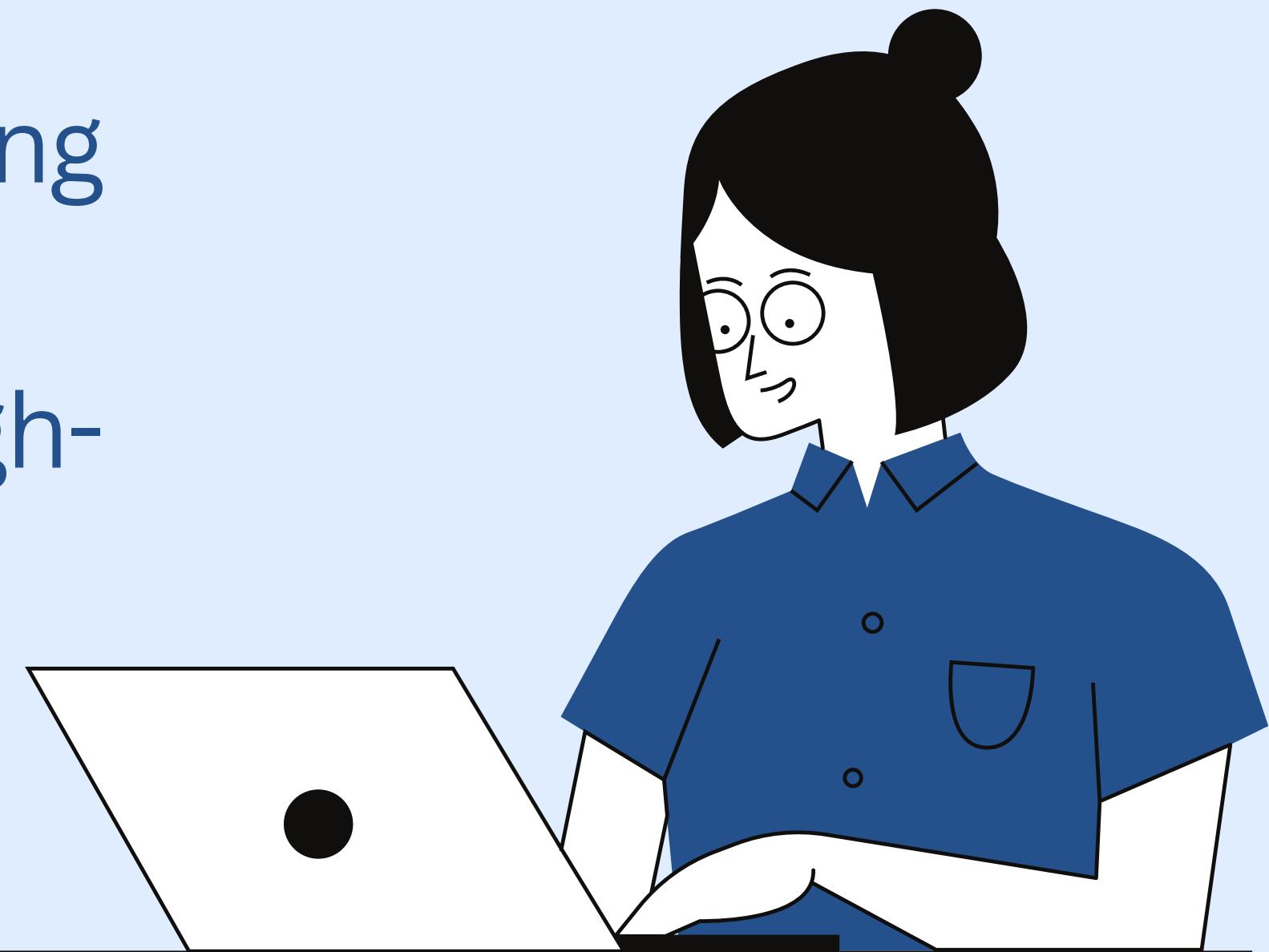


reseller

Manufacturers likely produce or source products at a lower cost and can price them at a higher margin, leading to higher revenue per order. Resellers typically rely on lower-cost products, and often face higher competition, leading them to price more competitively, which results in smaller profit margins and lower revenue per order.

Recommendations

- Offering exclusive marketing opportunities
- Encourage Resellers to Sell High-Value Products



OLIST PLANS TO IMPLEMENT A SELLER VETTING & SCORING SYSTEM

Category	Criteria	Why It's Important	Recommendation
Legal & Registration	Active Registration Status	Ensure that the business is actively registered and operational.	Confirm that the legally recognized procedures are active.
Compliance & Consumer	Clear Terms of Sale (Price, Delivery Time and Fees,)	Align with the Brazilian Consumer Protection Code (CDC), which mandates transparency in transactions.	Ensure terms are transparent, clear, and accessible on the seller's page
Operational Performance	Order Fulfillment Rate (Delivered vs. Cancelled)	A high cancellation rate may indicate operational issues or insufficient capacity.	Track cancellation rates and flag sellers with excessively high cancellations for review.

CONCLUSION

Olist's seller and sales data reveal significant disparities across business types, states, and marketing channels. Resellers dominate in terms of volume, but manufacturers generate much higher revenue per order, suggesting a need for more balanced growth. Geographical differences in delivery times highlight logistical challenges, especially in remote regions like (AM). Marketing channels such as organic and paid search are performing well, but there's underutilization of social media, referrals, and email.



RECOMMENDATIONS

- Add sellers in states with customers but no seller
- Continue strong support in major states like São Paulo and Paraná
- Support Sellers in High-Competition Segments
- invest in partnerships with logistics companies to improve delivery performance.
- Focus on Growth in Low-Seller Segments

LIMITATIONS

The data involves inconsistent relationships between the various datasets. Specifically, some tables lacked clear common keys, which made it challenging to link them accurately. This inconsistency impacted the ability to aggregate and analyze the data across multiple dimensions.

REFERENCES:

1.<https://www.ibm.com/think/topics/ecommerce#:~:text=E%2Dcommerce%2C%20or%20electronic%20commerce%2C%20is%20the%20process,as%20websites%2C%20mobile%20apps%2C%20or%20online%20marketplaces.>

2.https://ftp.ibge.gov.br/Estimativas_de_Populacao/Estimativas_2016/estimativa_dou_2016_20160913.pdf

3- <https://ilmBrazil.com/en/why-online-advertising-is-thriving-in-brazil/>



THANK YOU!!

