Target SQL Business Case

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Get the time range between which the orders were placed.

Row	purchasetime_starts ▼	purchasetime_ends ▼	total_days ▼
1	Sep 2016	Oct 2018	772

Inference: Orders were placed between September 2016 and October 2018. Data of 772 days is available.

Count the Cities and states of customers who ordered during the given period.

Row	customer_city ▼	customer_state ▼	order_count ▼
1	sao paulo	SP	15540
2	rio de janeiro	RJ	6882
3	belo horizonte	MG	2773
4	brasilia	DF	2131
5	curitiba	PR	1521
6	campinas	SP	1444
7	porto alegre	RS	1379
8	salvador	BA	1245
9	guarulhos	SP	1189
10	sao bernardo do campo	SP	938

Inference: Sao Paulo and Rio de Janeiro led online retail sales in Brazil from 2016 to 2018.

Conclusion: The southern region is the richest in Brazil with a high population. While the Northeast region exhibits growth potential, representing about 13% of Brazil's e-commerce market, it faces challenges in terms of lower per capita income compared to the southern states. (1)

Is there a growing trend in the no. of orders placed over the past years?

Select extract(year from order_purchase_timestamp) as year,
extract(quarter from order_purchase_timestamp) as quarter,
count(distinct order_id) as order_num

from target.orders

group by 1,2

order by 1,2

Row	year ▼	quarter ▼	order_num ▼
1	2016	3	4
2	2016	4	325
3	2017	1	5262
4	2017	2	9349
5	2017	3	12642
6	2017	4	17848
7	2018	1	21208
8	2018	2	19979
9	2018	3	12820
10	2018	4	4

Inference: Monthly orders typically remain low during business setup and winding-down periods, so quarterly data is used for accuracy.

Conclusion: Order numbers showed consistent growth until the first quarter of 2018, with slight fluctuations in the second quarter. Growth was evident in every quarter from 2016 to 2017. However, assessing business growth solely based on profits may overlook non-monetary factors. So, the customer cart abandonment rate is estimated; however, it is approximate and not precise due to data limitations.

Approx. shopping cart abandonment rate

Shopping cart abandonment rate = (no. of unfinalized purchases/no. of total orders) * 100

Unfulfilled orders comprise those not delivered or 'processing' orders. This includes items that were created but not delivered, shipped but not received (and assumed canceled post-shipment), canceled but not delivered, and invoiced but not delivered (interpreted as abandoned shopping cart items). Processing orders are excluded as they are nearing delivery. Additionally, orders marked as unavailable and undelivered are considered unfinalized.

select ROUND((a.unfinalized_orders/b.total_order* 100),2) as shopping_cart_abandoned_rate from (select count(order_id) as unfinalized_orders from `target.orders` o where order delivered customer date is null and order status != 'processing')a,



(select count(order_id) as total_order from `target.orders`)b

Inference: The approximate shopping cart abandonment rate is 2.68%, comparatively low, but lacks precise data.

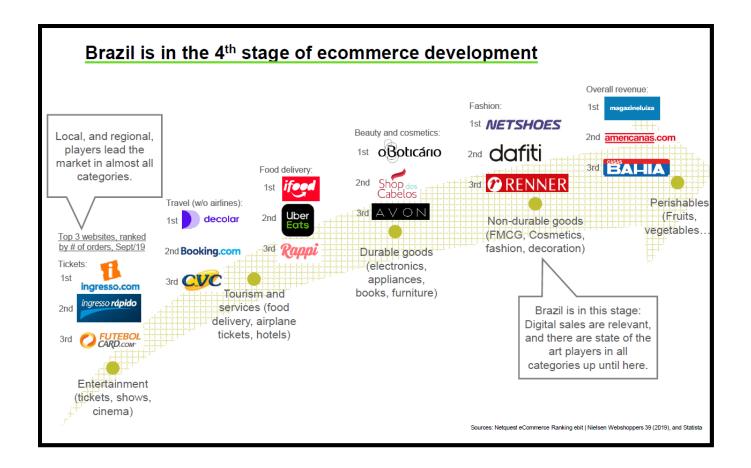
Conclusion: In Brazil, around 15% of customers frequently abandon carts, with 72% due to high shipping costs (2). Further analysis is required to understand the shipping cost impact on cart abandonment and business growth.

No. of products sold in product category.

Row	product_category ▼	unit_sold ▼
1	bed table bath	3029
2	sport leisure	2867
3	Furniture Decoration	2657
4	HEALTH BEAUTY	2444
5	housewares	2335
6	automotive	1900
7	computer accessories	1639
8	toys	1411
9	Watches present	1329
10	telephony	1134

Inference: Here top categories were home and décor, cosmetics, and sports leisure, which indicates that Brazilians purchase non-durable goods online and that places them in the 4th stage of e-commerce development (NetquesteCommerce Ranking ebit| Nielsen Webshoppers39 (2019), and Statista)

Conclusion: Based on the top-selling product, one can plan the inventory of those products and they may help in driving growth



Growth of product category based on revenue

```
select p.product_category,
    sum(pa.payment_value) as total_revenue

from `target.payments` pa

join `target.order_items` o

on

pa.order_id = o.order_id

join `target.products` p

on

o.product_id = p.product_id

group by p.product_category

order by total revenue desc
```

Row	product_category ▼	total_revenue ▼
1	bed table bath	1712553.669999
2	HEALTH BEAUTY	1657373.120000
3	computer accessories	1585330.450000
4	Furniture Decoration	1430176.390000
5	Watches present	1429216.680000
6	sport leisure	1392127.559999
7	housewares	1094758.130000
8	automotive	852294.3300000
9	Garden tools	838280.7500000
10	Cool Stuff	779698.0000000

Inference: Health and beauty ranks 4th by units sold but 2nd by total revenue.

Conclusion: Assessing product categories by revenue helps in identifying the most profitable products for planning purposes. While the factors mentioned indicate positive signs of business growth over the given period, metrics such as customer retention rate, customer lifetime value, customer churn rate, and conversion rate are necessary to confirm growth definitively.

Can we see some kind of monthly seasonality in terms of the no. of orders being placed?

Row	month ▼	order_count ▼
1	8	10843
2	5	10573
3	7	10318
4	3	9893
5	6	9412
6	4	9343
7	2	8508
8	1	8069
9	11	7544
10	12	5674

Inference: High order volumes occurred in the 8th, 5th, and 7th months and lower-order volumes in the 11th and 12th months.

Conclusion: Seasonal patterns influence order numbers

July and August: Strong sales due to Father's Day and mid-month vacations. (htt3)

May and June: High sales for Mother's Day and Lovers' Day.

March: Promotions on International Women's Day and Consumer Day drive sales.

November-December: Typically, high sales for Cyber Monday and Black Friday; however, here the sales are low, which can be due to unknown micro or macro factors.

Macro factors can have an impact on the seasonality. For example, Black Friday is a big day sale but on the last Friday of November; in 2022, about 6.5 million checkouts were made on Black Friday in Brazil, which was fewer than the year before. This drop was because the Brazilian national team played their first World Cup game in Qatar on Thursday, November 24, which affected sales. (4)

During what time of the day, do the Brazilian customers mostly place their orders? (Dawn, Morning, Afternoon or Night)

0-6 hrs : Dawn
 7-12 hrs : Mornings
 13-18 hrs : Afternoon
 19-23 hrs : Night

```
select count(order_id) as order_num,
    case
        when extract(hour from order_purchase_timestamp) between 0 and 6 then 'dawn'
        when extract(hour from order_purchase_timestamp) between 7 and 12 then 'mornings'
        when extract(hour from order_purchase_timestamp) between 13 and 18 then
'afternoon'
        when extract(hour from order_purchase_timestamp) between 19 and 23 then 'night'
    end as time_of_day
from `target.orders` o
group by time_of_day
order by order_num desc
```

Row	order_num ▼	time_of_day ▼
1	38135	Afternoon
2	28331	Night
3	27733	Mornings
4	5242	Dawn

Inference: The highest number of orders are placed during the afternoon and night.

conclusion: Given the peak traffic during these times, effective order management is essential. To attract more customers during low-order time slots, consider utilizing email marketing with countdown timers. For instance, offering deals with a countdown timer indicating "offer ends in 4 hours". it can generate interest, create urgency, and trigger quick responses due to the fear of missing out (FOMO). A case study found that integrating countdown timers into emails during the Black Friday sale resulted in a 400% higher conversion rate . (5)

Get the month on month no. of orders placed in each state.

```
with cte as (select c.customer state,
                  extract(month from order purchase timestamp) as month,
                  count(order_id) as present_order_value
                  from `target.orders` o
                  join `target.customers` c
                   on
                  o.customer_id = c.customer_id
                  group by 1,2)
select customer state,
      month,
      present_order_value,
      lag(present order value) over(partition by customer state order by month) as
previous order value,
      present order value - (lag(present order value) over(partition by customer state order
by month)) as mom count,
      round(((present_order_value - lag(present_order_value) over(partition by
customer_state order by month)) / lag(present_order_value) over(partition by customer_state
order by month))* 100,2) as mom percentage
from cte
order by 1,2
```

Row	customer_state ▼	month ▼	present_order_value	previous_order_value	mom_count ▼	mom_percentage
1	AC	1	8	nuli	nuli	nuli
2	AC	2	6	8	-2	-25.0
3	AC	3	4	6	-2	-33.33
4	AC	4	9	4	5	125.0
5	AC	5	10	9	1	11.11
6	AC	6	7	10	-3	-30.0
7	AC	7	9	7	2	28.57
8	AC	8	7	9	-2	-22.22
9	AC	9	5	7	-2	-28.57
10	AC	10	6	5	1	20.0
11	AC	11	5	6	-1	-16.67
12	AC	12	5	5	0	0.0
13	AL	1	39	nuli	nuli	nuli
14	AL	2	39	39	0	0.0
15	AL	3	40	39	1	2.56
16	AL	4	51	40	11	27.5

Inference: Each state has month-wise some fluctuation in number of orders. No single state has a continuous growth trend.

Conclusion: During high-order month, implement customer retention strategies like personalized customer experiences, loyalty programs, and social media engagement. During low-demand months, provide offers and discounts, offer more delivery and return options, and run limited-period offers.

How are the customers distributed across all the states?

Row	customer_state ▼	customer_count ▼
1	SP	41746
2	RJ	12852
3	MG	11635
4	RS	5466
5	PR	5045
6	SC	3637
7	ВА	3380
8	DF	2140
9	ES	2033
10	GO	2020
11	PE	1652

Inference: State SP has the highest number of customers followed by RJ and MG.

Conclusion: For the state with the lower number of orders, better logistic planning is required to ship products on time and at very low or no shipping cost at all. Geographic segmentation may help when combined with other customer attributes and psychographic segmentation as well

Get the % increase in the cost of orders from year 2017 to 2018 (include months between Jan to Aug only).

```
select *,
    round(((cost_of_goods2-cost_of_goods1)/cost_of_goods1)*100,2) as yoy_growth
from
(select
    extract(year from order_purchase_timestamp) as year_2017,
    extract(month from order_purchase_timestamp) as months_2017,
    round(sum(p.payment_value),2) as cost_of_goods1
```

```
from `target.orders` o
join `target.payments` p
on
o.order_id = p.order_id
where (extract(year from order purchase timestamp) = 2017) and extract(month from
order_purchase_timestamp) between 1 and 8
group by 1,2)t1
join
(select extract(year from order purchase timestamp) as year 2018,
   extract(month from order_purchase_timestamp) as months_2018,
   round(sum(p.payment value),2) as cost of goods2
from `target.orders` o
join `target.payments` p
on
o.order id = p.order id
where (extract(year from order purchase timestamp) = 2018) and extract(month from
order purchase timestamp) between 1 and 8
group by 1,2)t2
on
t1.months_2017 = t2.months_2018
order by t1.months 2017
```

Row	year_2017	months_2017	cost_of_goods1	year_2018	months_2018	cost_of_goods2	yoy_growth
1	2017	1	138488.04	2018	1	1115004.18	705.13
2	2017	2	291908.01	2018	2	992463.34	239.99
3	2017	3	449863.6	2018	3	1159652.12	157.78
4	2017	4	417788.03	2018	4	1160785.48	177.84
5	2017	5	592918.82	2018	5	1153982.15	94.63
6	2017	6	511276.38	2018	6	1023880.5	100.26
7	2017	7	592382.92	2018	7	1066540.75	80.04
8	2017	8	674396.32	2018	8	1022425.32	51.61

Inference: The data shows growth for eight months, but it slows down by the end of the second quarter.

Conclusion: It's important to analyze this data for future marketing plans and to tailor marketing strategies locally. For example, Walmart didn't act locally and had to leave the Brazilian retail market.

Calculate the Total & Average value of order price for each state.

```
select customer_state,

avg(price) as avg_price,

sum(price) as total_price

from `target.customers` c

join `target.orders` o

on c.customer_id = o.customer_id

join `target.order_items` oi

on

o.order_id = oi.order_id

group by customer_state

order by avg_price desc, total_price desc
```

Row	customer_state ▼	avg_price ▼	total_price ▼
1	PB	191.48	115268.08
2	AL	180.89	80314.81
3	AC	173.73	15982.95
4	RO	165.97	46140.64
5	PA	165.69	178947.81
6	AP	164.32	13474.3
7	PI	160.36	86914.08
8	ТО	157.53	49621.74
9	RN	156.97	83034.98
10	CE	153.76	227254.71

Inference: Some states with the highest average values of order price aren't the same as those with the most orders, suggesting impact of the factors like higher revenue per customer, profitable product categories, or other factors such as high conversion rates or customer retention.

Conclusion: To improve average order values in states with lower averages, strategies like customer segmentation, cross-selling, upselling, offering low shipping costs or free delivery, and using automated product recommendations can be effective.

Calculate the Total & Average value of order freight for each state.

```
round(sum(freight_value),2) as total_freight_value
from `target.customers` c

join `target.orders` o
  on c.customer_id = o.customer_id
  join `target.order_items` oi
  on
  o.order_id = oi.order_id
  group by customer_state
order by avg_freight_value desc, total_freight_value desc
```

Row	customer_state ▼	avg_freight_value 🔻	total_freight_value
1	RR	42.98	2235.19
2	РВ	42.72	25719.73
3	RO	41.07	11417.38
4	AC	40.07	3686.75
5	PI	39.15	21218.2
6	MA	38.26	31523.77
7	ТО	37.25	11732.68
8	SE	36.65	14111.47
9	AL	35.84	15914.59
10	РА	35.83	38699.3

Inference: Both the top five and bottom five freight values are significantly higher than the average freight value for the years 2017 to 2019, which ranged from 16.87 reals to 19.34 reals. (6)

Conclusion: High shipping costs lead to increased shopping cart abandonment rates and lower conversion rates. To address this, it's essential to either lower shipping costs or offer free delivery

Find the no. of days taken to deliver each order from the order's purchase date as delivery time.

Row	order_id ▼	time_to_deliver	diff_estimated_delivery	actual_delivery_compared_to_estimated 🔻
1	b60b53ad0bb7dacacf2989fe2	12	5	delayed
2	276e9ec344d3bf029ff83a161c	43	4	delayed
3	1a0b31f08d0d7e87935b819ed	6	-29	early
4	cec8f5f7a13e5ab934a486ec9e	20	-40	early
5	54e1a3c2b97fb0809da548a59	40	4	delayed
6	58527ee4726911bee84a0f42c	10	-48	early
7	302bb8109d097a9fc6e9cefc5	33	5	delayed
8	10ed5499d1623638ee810eff1	28	-29	early
9	cb837ba275cf8ffa9ded7e18f7	12	4	delayed
10	66057d37308e787052a32828	38	6	delayed

Inference: Some orders were delayed compared to the estimated delivery time, while others arrived early.

Conclusion: Delayed orders can negatively impact customer satisfaction levels and potentially lower the net promoter score, affecting future business growth and customer retention rates. It's crucial to view shipping as a service provided to customers rather than just passing the delivery cost to them. Proper inventory planning and shipping strategies can help mitigate the problem of delayed deliveries.

Find out the top 5 states with the highest and lowest average freight value.

with cte as (select c.customer state,

```
round(avg(freight value),2) as avg freight value,
                  dense_rank()over (order by round(avg(freight_value),2) desc) as
                  highest freight value,
                  dense rank()over (order by round(avg(freight value),2) asc) as
                  lowest freight value
           from `target.customers` c
          join `target.orders` o
          on c.customer id = o.customer id
          join `target.order items` oi
          on
          o.order_id = oi.order_id
          group by customer_state
select customer state,
    avg_freight_value,
    case
      when highest freight value <= 5 then 'TOP 5'
     when lowest freight value <= 5 then 'BOTTOM 5'
    end as value_type
from cte
where highest freight value <= 5 or lowest freight value <= 5
order by avg_freight_value desc
```

Row	customer_state ▼	avg_freight_value 🔻	Value_type ▼
1	RR	42.98	TOP_5
2	PB	42.72	TOP_5
3	RO	41.07	TOP_5
4	AC	40.07	TOP_5
5	PI	39.15	TOP_5
6	DF	21.04	BOTTOM_5
7	RJ	20.96	BOTTOM_5
8	MG	20.63	BOTTOM_5
9	PR	20.53	BOTTOM_5
10	SP	15.15	BOTTOM_5

Inference: SP is a state with significantly high order numbers, and that's why it has the lowest freight value due to the economy of scale, even lower than the average e-commerce freight value from 2017 to 2019, which ranged approximately from 16.87 to 19.34 reals.

Conclusion: To reduce freight costs, consider these strategies:

- 1. Establish collection points midway between distant delivery points for easier customer access.
- 2. Use lightweight packaging to lower shipping costs influenced by item weight.
- 3. Offer reduced shipping costs for multiple-item purchases to decrease the number of deliveries.

Find out the top 5 states with the highest & lowest average delivery time.

```
on c.customer_id = o.customer_id
join `target.order_items` oi
on
o.order_id = oi.order_id
group by customer_state
)
select customer_state,
    avg_delivery_time,
    case
    when highest_delivery_time <= 5 then 'top_5'
    when lowest_delivery_time <= 5 then 'bottom_5'
    end as value_type
from cte
where highest_delivery_time <= 5 or lowest_delivery_time <= 5
order by avg_delivery_time desc, customer_state</pre>
```

Methodology: 1) Here average days values are converted in to the ceiling value, e.g days = 3.34 would be more than 3 days, anything above 3 means 4th day has already been started.

2) Instead of order by , dense_rank() is used , because it should be top 5 states based on the top 5 avg. delivery times.

Here top 5 avg. delivery times are 28,26,24,22,21 days and some of them repeat for more than one state and I wanted to consider all of them. So total 10 states will be qualified for top 5 states.

Inference: Average delivery time is quite high compared to customer's expectations and prevalent avg.delivery time in brazil.. In 2017 the average delivery time in Brazil was around 8 days. (7)

Conclusion: Brazilian buyers usually have to wait long periods to receive goods as the average delivery time is high, in this scenario delivering excellent shipping service is an opportunity to stand out in a growing and competitive market

Find out the top 5 states where the order delivery is really fast as compared to the estimated date of delivery.

```
where order_delivered_customer_date is not null and order_status = 'delivered'
group by customer_state
    order by avg_speed_of_delivery,customer_state)
select customer_state,
    avg_speed_of_delivery
    from cte
where d rnk <= 5</pre>
```

Row	customer_state	avg_speed_of_delivery
1	AC	-20.0
2	RO	-19.0
3	AM	-18.0
4	AP	-17.0
5	RR	-17.0
6	MT	-13.0
7	PA	-13.0
8	RN	-13.0
9	RS	-13.0

Methodology: 1) Here average days values are converted into the ceiling value, e.g days = 3.1234 would be more than 3 days, anything above 3 means 4^{th} day has already been started.

2) Instead of order by, dense_rank() is used, because it should be top 5 states based on the top 5 avg. speed of delivery.

Here top 5 average speed of delivery times are -20, -19, -18, -17, -13 days and some of them repeat for more than one state and I wanted to consider all of them. So, total 9 states will be qualified for the top 5 states.

Inference: Here the negative value of the average speed of delivery shows that the product was delivered earlier than expected. E.g. earliest delivery is 20 days earlier than expected.

Conclusion: Earlier-than-expected delivery is one of the contributors to a high customer satisfaction rate, though it is not possible to maintain that in every case, so providing different shipping methods for different timeframes can be a win-win for both the customer and the business.

e.g. standard delivery costs 8 reals

premium 3 days business days costs 16 reals

Express delivery 2 business days costs 29 reals

Expediated delivery 1 business day costs 42 reals

Note: costs here are hypothetical figures.

Find the month on month no. of orders placed using different payment types.

```
with cte as (select p.payment_type,
     extract(month from order purchase timestamp) as month,
     count(o.order id) as present order value
from `target.orders` o
join `target.payments` p
on
o.order_id = p.order_id
group by 1,2)
select payment_type,
     month,
     present_order_value,
     lag(present_order_value) over(partition by payment_type order by month) as
previous_order_value,
     present_order_value - (lag(present_order_value) over(partition by payment_type order by
month)) as mom count,
    round(((present_order_value - lag(present_order_value) over(partition by payment_type
order by month)) / lag(present_order_value) over(partition by payment_type order by
month))* 100,2) as mom percentage
from cte
where payment type != 'not defined'
order by 1,2
```

Row	payment_type	month	present_order_value	previous_order_value	mom_count	mom_percentage
1	UPI	1	1715	nuli	nuli	nuli
2	UPI	2	1723	1715	8	0.47
3	UPI	3	1942	1723	219	12.71
4	UPI	4	1783	1942	-159	-8.19
5	UPI	5	2035	1783	252	14.13
6	UPI	6	1807	2035	-228	-11.2
7	UPI	7	2074	1807	267	14.78
8	UPI	8	2077	2074	3	0.14
9	UPI	9	903	2077	-1174	-56.52
10	UPI	10	1056	903	153	16.94

Inference: Order value based on payment type keeps fluctuating over months.

Conclusion: Most of the customers in Brazil either use credit cards or UPI payment methods. Easy payment is one of the important aspects of a high conversion rate in Brazil.

Find the no. of orders placed on the basis of the payment installments that have been paid.

Row	payment_installment	no_of_orders ▼
1	1	52184
2	2	12353
3	3	10392
4	4	7056
5	10	5292
6	5	5209
7	8	4239
8	6	3898
9	7	1620
10	9	638

Inference: Here approx. 49% of total orders are placed using more than one payment installment.

Conclusion: In Brazil, 36% of digital commerce users are from the low-income category and that's why most of all online retailers offer installment options. In 2020, approx. 27% of orders were in the category of 4-12 installments, and 21 % of orders were in the category of 2-3 installments. (9)

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