

BUISNESS ANALYSIS CASE STUDY

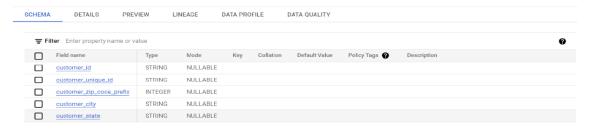
ABSTRACT

The purpose of the paper is to present a structural analysis of market research of TARGET.

Manjunatha B B

1. <u>Usual Exploratory Data Analysis</u>

1.1 Data type of all columns in the "customers" table.



- By looking into the schema of "customers" table it is understood that, the customer_id, customer_unique_id, customer_city and customer_state are of string data type and null values are allowed.
- Where in customer_zip_code_prefix is integer data type and nullable

1.2 Get the time range between which the orders were placed.

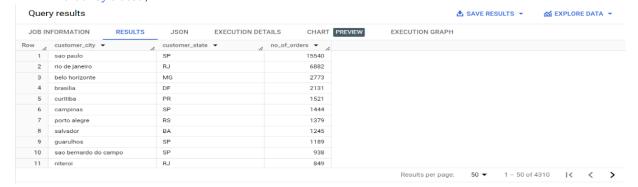
select min(order_purchase_timestamp) start_date,
 max(order_purchase_timestamp) end_date
from `brazilian_market.orders`;

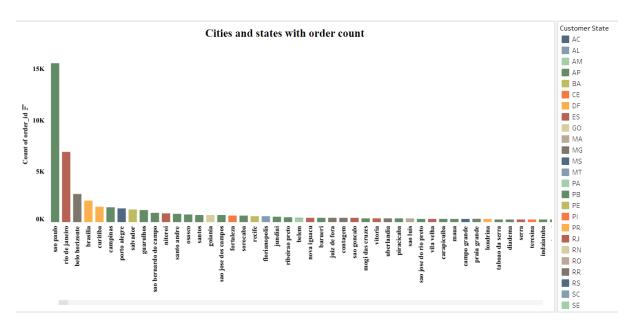


- The dataset that we are analysing in the range of dates between $04^{\rm th}$ September 2016 and $17^{\rm th}$ October 2018

1.3 Count the Cities & States of customers who ordered during the given period.

select distinct C.customer_city, C.customer_state,
 count(O.customer_id) no_of_orders
from `brazilian_market.orders` O
left join `brazilian_market.customers` C
on O.customer_id = C.customer_id
group by 1,2
order by 3 desc;



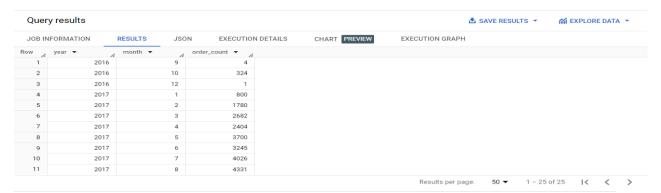


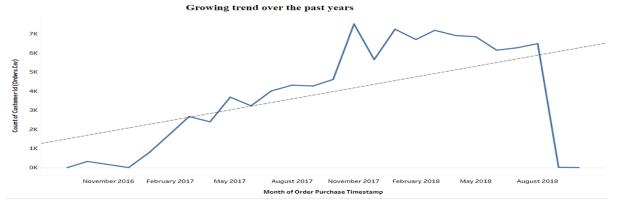
• Here, Sao Paulo city from SP state alone itself have orders more than the following five cites combined. This is because of Sao Paulo is the most populated and richest state in Brazil.

2. In-depth Exploration

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

```
select extract(year from order_purchase_timestamp) year,
    extract (month from order_purchase_timestamp) month,
    count(distinct order_id) order_count
from `brazilian_market.orders`
group by 1,2
order by 1, 2;
```



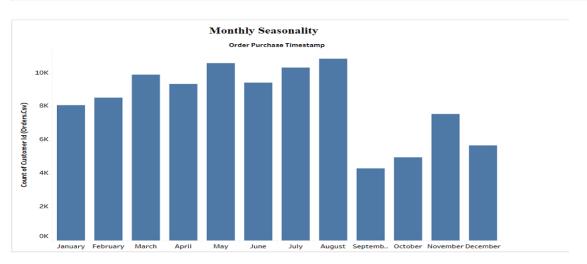


• By analysing count of orders, we observed that there is a growing trend in Brazil E-commerce market. The count of orders shows overall upward trend with some fluctuations

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

select extract(month from order_purchase_timestamp) month,
 count(distinct order_id) order_count
from `brazilian_market.orders`
group by month
order by month;

Query results						▲ SAVE RESULTS ▼	₩ E	XPLORE	DATA	1 +
JOB INFORMATIO	N RESULT	TS JSON	EXECUTION DETAILS	CHART PREVIEW	EXECUTION GRAPH					
ow _ month ▼	order.	_count ▼								
1	1	8069								
2	2	8508								
3	3	9893								
4	4	9343								
5	5	10573								
6	6	9412								
7	7	10318								
8	8	10843								
9	9	4305								
10	10	4959								
11	11	7544								

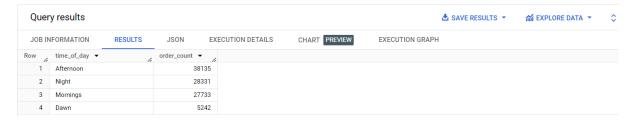


- By analysing and visualizing the graph, we can understand that there is some seasonality in E-commerce in Brazil over the months.
- The count of orders generally increases from March to August with some fluctuations, But the highest number of orders(peak) recorded in August month its because of the festival de cachaca dedicated to national liquor.
- It is also noted that there is an increase in order count in February and March, it's because of Carnival season in Brazil.

2.3 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
    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'
    else 'Night' end time_of_day,
    count(order_id) order_count
from `brazilian_market.orders`
group by 1
order by 2 desc;
```

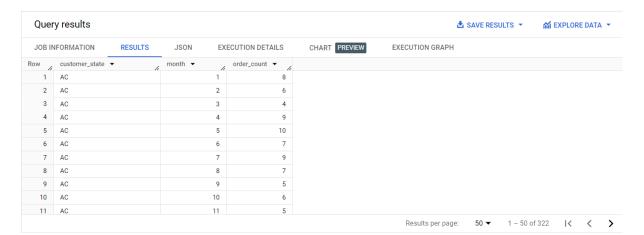


- We found that Brazilian customers tends to order more on Day time, special in afternoon and night.
- This shows that customers prefer to shop when they have leisure time or after finishing there daily
 activities.

3. Evolution of E-commerce orders in the Brazil region

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

```
select C.customer_state,
    extract(month from O.order_purchase_timestamp) month,
    count(O.order_id) order_count
from `brazilian_market.orders` O
left join `brazilian_market.customers` C
on O.customer_id = C.customer_id
group by 1, 2
order by 1, 2;
```



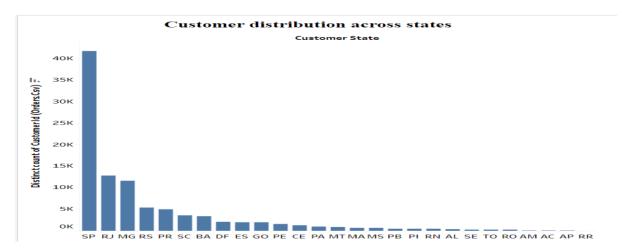


• By illustrating the month-on-month number of orders placed in different states in Brazil, it is evident that Sao Paulo (SP) has the highest orders in every month followed by Rio de Janeiro (RJ) and Minas Gerais (MG).

3.2 How are the customers distributed across all the states?

select customer_state ,
 count(distinct customer_id) customer_count
from `brazilian_market.customers`
group by 1
order by 2 desc;

Quer	y results						₫ SAVE RESU	LTS ¥	⋒ EXI	PLORE DA	ATA 🕶
JOB IN	NFORMATION	RESULTS	JSON	EXECUTION DETAILS	CHART PREVIEW	EXECUTION GRAPH	-1				
Row	customer_state	- //	customer_count	- / ₁							
1	SP		41746	5							
2	RJ		12852	2							
3	MG		11635	5							
4	RS		5466	5							
5	PR		5045	5							
6	SC		3637	7							
7	BA		3380)							
8	DF		2140)							
9	ES		2033	3							
10	GO		2020)							
11	PE		1652	2							
						Results per pa	age: 50 ▼	1 - 27 o	f 27	l< <	>



- The data revels that Sao Paulo state has the highest number of customers since it is a most populated state in the country.
- 4. <u>Impact on Economy: Analyse the money movement by e-commerce</u> by looking at order prices, freight and others
- 4.1 Get the % increase in the cost of orders from year 2017 to 2018 (include months between Jan to Aug only)

Percentage increase over the months

```
with cte as
      (select year, month, sum(payment_value) Tot_sum
      (select O.order_id, P.payment_value, O.order_purchase_timestamp,
          extract(month from 0.order_purchase_timestamp) month,
          extract(year from O.order_purchase_timestamp) year
      from 'brazilian_market.orders' 0
      join 'brazilian_market.payments' P
      on O.order_id = P.order_id
      where extract(month from 0.order_purchase_timestamp) between 1 and 8)A
      group by 1,2
      order by 1,2),
      cte1 as
      (select *,
          lead(Tot_sum,8) over(order by year,month) lead_sum
      from cte
      order by year, month)
      select month,
         round(((lead_sum - Tot_sum)/Tot_sum) * 100,2) as percent_increase
      from cte1
      limit 8;
Query results
                                                                                                 ▲ SAVE RESULTS ▼
JOB INFORMATION
                                          EXECUTION DETAILS
                                                              CHART PREVIEW
                                                                                  EXECUTION GRAPH
                   RESULTS
                                JSON
                            705.13
                            239.99
                            157.78
                            177.84
                             94.63
                            100.26
                             80.04
                             51.61
```

Percentage increase over the year

```
join `brazilian_market.orders` 0
on P.order_id = 0.order_id
where 0.order_purchase_timestamp between '2017-01-01' and '2017-08-31'
or 0.order_purchase_timestamp between '2018-01-01' and '2018-08-31')A
group by year ),
appended_value as
(select *, lead(total_value) over( order by year) app_total_value
from cte )
select year ,
round(((app_total_value - total_value) / total_value) * 100,2) as perc_increase
from appended_value;
```

Quer	y results					▲ SAVE RESULTS ▼
JOB IN	NFORMATION	RESULTS	JSON	EXECUTION DETAILS	CHART PREVIEW	EXECUTION GRAPH
Row	year ▼	perc_increase	1			
1	2018	n	ull			
2	2017	138.	53			

The overall percentage increase in the cost of orders from 2017 to 2018, only including the months
from January to August, is 138.53%. where in month wise January shows the highest percentage
increase followed by February and April.

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

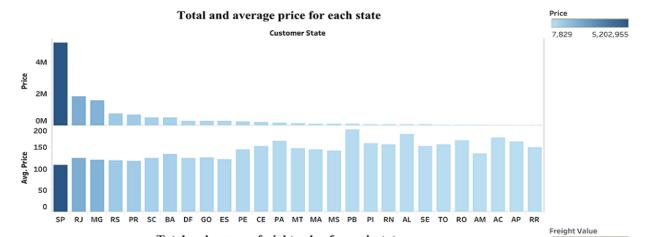
```
select customer_state, round(sum(price),2) Toatal_price,
    round(avg(price),2) Average_price
from
(select O.order_id, I.price, I.freight_value ,C.customer_state,
from `brazilian_market.orders` O
join `brazilian_market.order_items` I
on O.order_id = I.order_id
join `brazilian_market.customers` C
on O.customer_id = C.customer_id)A
group by 1;
```



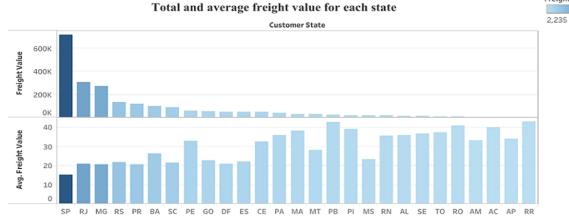
4.3 Calculate the Total & Average value of order freight for each state.

```
select customer_state, round(sum(freight_value),2) Toatal_freight_value,
    round(avg(freight_value),2) Average_freight_value
from
(select O.order_id, I.price, I.freight_value ,C.customer_state,
from `brazilian_market.orders` O
join `brazilian_market.order_items` I
on O.order_id = I.order_id
join `brazilian_market.customers` C
on O.customer_id = C.customer_id)A
group by 1
```

Quer	y results						≛ SAVE RESU	ILTS *	 EXPLO	RE DATA	4 -
JOB IN	NFORMATION	RESULTS	JSON EXI	ECUTION DETAILS	CHART PREVIEW	EXECUTION GRAPH	H				
Row	customer_state	•	Toatal_freight_value	Average_freight_valu							
1	MT		29715.43	28.17							
2	MA		31523.77	38.26							
3	AL		15914.59	35.84							
4	SP		718723.07	15.15							
5	MG		270853.46	20.63							
6	PE		59449.66	32.92							
7	RJ		305589.31	20.96							
8	DF		50625.5	21.04							
9	RS		135522.74	21.74							
10	SE		14111.47	36.65							
11	PR		117851.68	20.53							
						Results per pa	nge: 50 ▼	1 – 27 of	27 <	<	>



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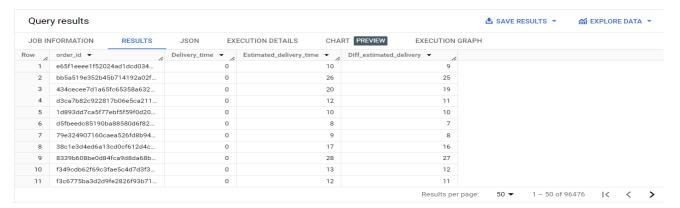


- By analysing and visualizing the graphs it is noticed that, while Sao Paulo has the highest total price value and total freight value, But surprisingly lowest average price value and average freight value.
- Paraiba (PB) has the highest average price value and average freight value.

5. Analysis based on sales, freight and delivery time

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

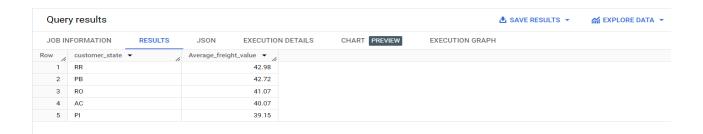
```
select order_id,
    date_diff(order_delivered_customer_date, order_purchase_timestamp, day) Delivery_time,
    date_diff(order_estimated_delivery_date, order_purchase_timestamp, day) Estimated_delivery_time,
    date_diff(order_estimated_delivery_date, order_delivered_customer_date, day) Diff_estimated_delivery
from `brazilian_market.orders`
where date_diff(order_delivered_customer_date, order_purchase_timestamp, day) is not null
order by 2;
```



5.2 Find out the top 5 states with the highest & lowest average freight value

Top 5 highest average freight value

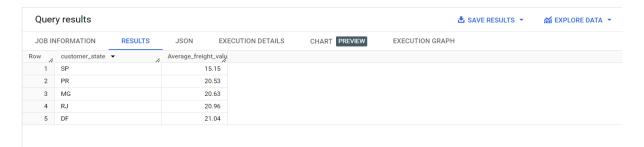
```
select customer_state,
    round(avg(freight_value),2) Average_freight_value
from
    (select O.order_id, I.price, I.freight_value ,C.customer_state,
from `brazilian_market.orders` O
join `brazilian_market.order_items` I
on O.order_id = I.order_id
join `brazilian_market.customers` C
on O.customer_id = C.customer_id)A
group by 1
order by 2 desc
limit 5;
```



• Roraima (RR) and Paraiba (PB) has the highest average freight value.

Top 5 lowest average freight value

```
select customer_state,
    round(avg(freight_value),2) Average_freight_value
from
    (select 0.order_id, I.price, I.freight_value ,C.customer_state,
from `brazilian_market.orders` O
join `brazilian_market.order_items` I
on 0.order_id = I.order_id
join `brazilian_market.customers` C
on 0.customer_id = C.customer_id)A
group by 1
order by 2
limit 5;
```

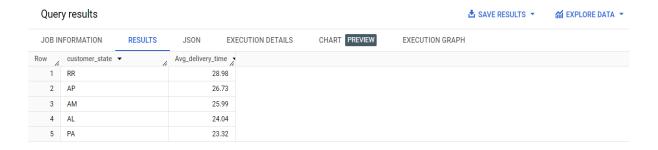


• Sao Paulo (SP) has the lowest average freight value.

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

Top 5 states with the highest average delivery time

select C.customer_state,
 round(avg(date_diff(0.order_delivered_customer_date, 0.order_purchase_timestamp, day)),2)
Avg_delivery_time
from `brazilian_market.orders` O
join `brazilian_market.customers` C
on 0.customer_id = C.customer_id
where date_diff(0.order_delivered_customer_date, 0.order_purchase_timestamp, day) is not null
group by 1
order by 2 desc
limit 5;



• Roraima (RR) has the highest average delivery time. For an improvement of an business delivery time should be as less as possible.

Top 5 states with the lowest average delivery time

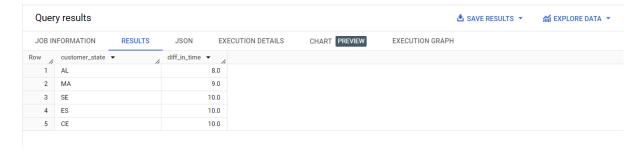
```
select C.customer_state,
    round(avg(date_diff(0.order_delivered_customer_date, 0.order_purchase_timestamp, day)),2)
Avg_delivery_time
from `brazilian_market.orders` O
join `brazilian_market.customers` C
on 0.customer_id = C.customer_id
where date_diff(0.order_delivered_customer_date, 0.order_purchase_timestamp, day) is not null
group by 1
order by 2
limit 5;
```

Quer	y results						▲ SAVE RESULTS ▼	
JOB IN	FORMATION RE	SULTS	JSON EX	ECUTION DETAILS	CHART PREVIEW	EXECUTION GRAP	Н	
Row	customer_state ▼	1	Avg_delivery_time	•				
1	SP		8.3					
2	PR		11.53					
3	MG		11.54					
4	DF		12.51					
5	SC		14.48					

 Sao Paulo (SP) has the lowest average delivery time. This is the good sign of improvement of the business.

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

```
select C.customer_state,
    ceil(avg(date_diff(0.order_estimated_delivery_date, 0.order_delivered_customer_date, day)))
diff_in_time
from `brazilian_market.orders` 0
join `brazilian_market.customers` C
on 0.customer_id = C.customer_id
where date_diff(0.order_delivered_customer_date, 0.order_estimated_delivery_date, day) is not null
group by 1
order by 2
limit 5;
```



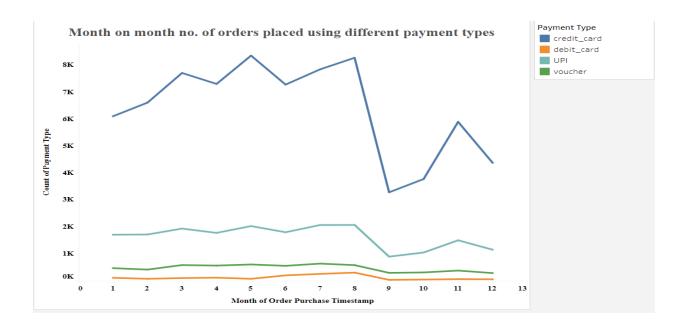
- Alagoas (AL) has order delivered really fast as compared to the estimate date of delivery, followed by Maranhao (MA) and Sergipe (SE).
- This indicates that other than Sao Paulo (SP), another states in Brazil also on the way of improving the business.

6. Analysis based on the payments

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

```
select P.payment_type,
    extract(month from order_purchase_timestamp) as month,
    count(payment_type) No_of_orders
from `brazilian_market.payments` P
join `brazilian_market.orders` O
on P.order_id = O.order_id
where payment_type != 'not_defined'
group by 1, 2
order by 1, 2;
```

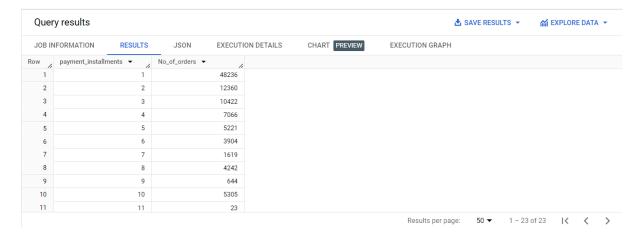
Quer	y results						≛ SAVE RESULTS ▼	M EXPL	ORE DATA	1 +
JOB IN	IFORMATION	RESULTS	JSON E	XECUTION DETAILS	CHART PREVIEW	EXECUTION GRAPH				
Row /	payment_type 🔻	li	month ▼	No_of_orders ▼						
1	UPI		1	1715						
2	UPI		2	1723						
3	UPI		3	1942						
4	UPI		4	1783						
5	UPI		5	2035						
6	UPI		6	1807						
7	UPI		7	2074						
8	UPI		8	2077						
9	UPI		9	903						
10	UPI		10	1056						
11	UPI		11	1509						



- The analysis shows that overall uptrend from January to August and another uptrend from September to November.
- Credit card transactions are the most preferred way of payment method followed by UPI.
- Where in debit cards are the least preferred way of payment method.

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

```
select P.payment_installments,
    count(P.payment_installments) No_of_orders
from `brazilian_market.payments` P
join `brazilian_market.orders` O
on P.order_id = O.order_id
where P.payment_sequential = 1
group by 1;
```



- This is revels that majority of the orders have one payment installation (48236 maximum count).
- The highest number of installments is 24, which is associated with 18 orders.

RECOMMENDATIONS

- The state SP has significantly high number of orders than next five states combined. This indicates that there is an opportunity for improvements in other states. Focusing on these can help to improve the number of orders and also can increase the customer base.
- Monthly variations in sales are observed with high peaks in festival periods. If a
 business can focus on marketing and sales strategies according to enhance the
 business capital at these peak periods will improve the sales growth.
- Reducing the delivery time in areas with the longer delivery duration will have positive impact on customer satisfaction.
- The data indicates that decline in orders during September and October. Offering some discounts in off peak seasons will boost the sales.
- Improve logistics and shipping process to reduce delivery time and enhance the customer satisfaction.

- Evaluate pricing and freight fees to ensure competitiveness in the market while maximizing revenue and profitability.
- Invest in technology and infrastructure to enhance the E-Commerce experience. Like improving website performance and providing some personalized product recommendations based on customer purchase behaviour.
- Utilize social media platforms to improve the brand awareness.
- States like Sao Paulo (SP) and Rio de Janeiro (RJ) have high order count to further boost the sales focus on customer retention strategies like personalized marketing campaigns.
- Monitor compotator activity and adjust the business strategies accordingly, such as
 offering better pricing, expanding product offering or improve customer service to
 stay competitive in market.

By implementing these recommendations, businesses can optimize their operations, enhance customer satisfaction, and drive overall sales growth in the Brazilian ecommerce market.