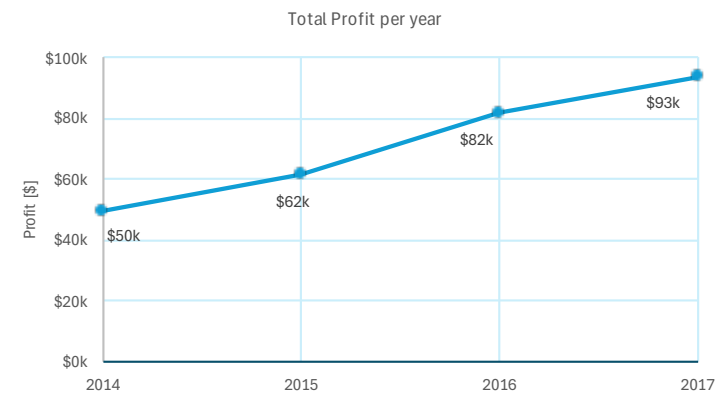# Superstore Profitability Analysis

UNCOVERING KEY DRIVERS OF PROFIT AND RECOMMENDING ACTIONS TO IMPROVE PROFITABILITY
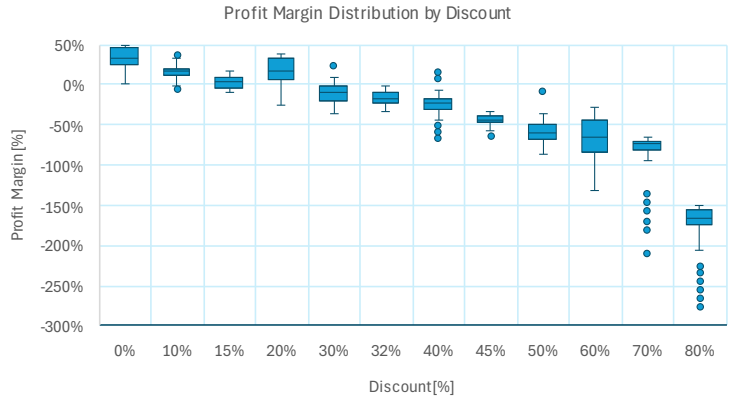
PROFIT INCREASED FROM $49.5K (2014) TO $93.4K (2017)
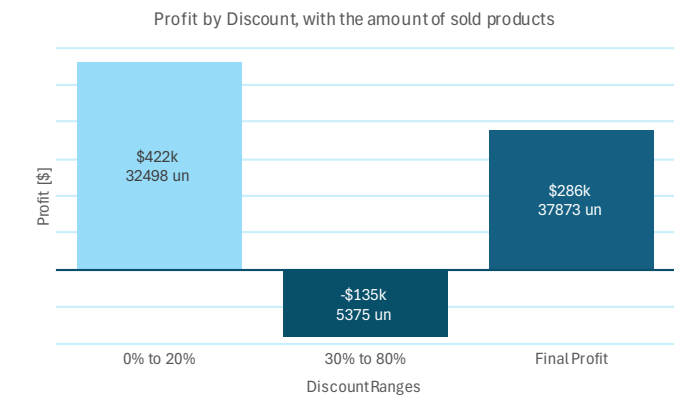Even in years with lower sales, likely due to improved cost

Total Profit per year

THE AVERAGE PROFIT MARGIN IS ONLY 12%
Under the 20-30% goal, with overly negative margins starting at 30% discount.

Profit Margin Distribution by Discount
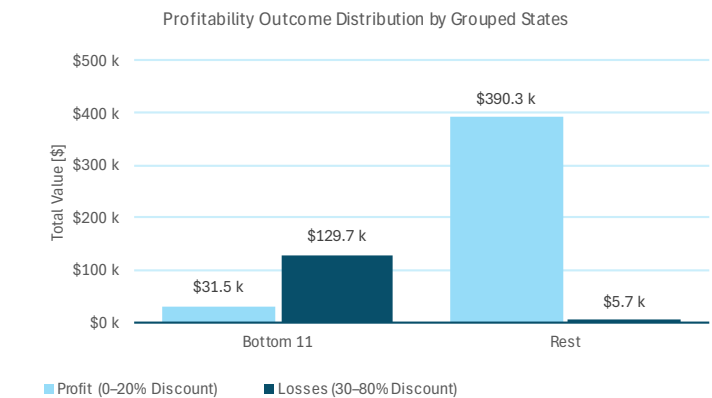
HIGH DISCOUNTS (30–80%) GENERATED A NET LOSS OF $135K
While discounts of 0–20% brought $422k in profit

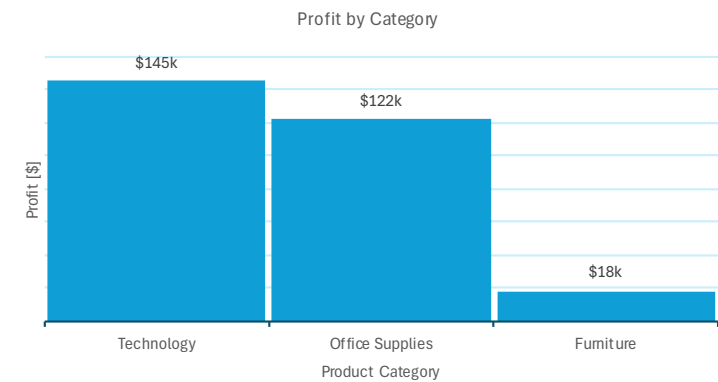Profit by Discount, with the amount of sold products

$422k
32498 un

-$135k
5375 un

$286k
37873 un

0 to 20%   30% to 80%   Final Profit
Discount Ranges

A FEW STATES ARE RESPONSIBLE FOR A LARGE SHARE OF LOSSES
Mostly due to excessive discounts only applied on them.

Profitability Outcome Distribution by Grouped States

$31.5 k
$129.7 k
$390.3 k
$5.7 k

Bottom 11   Rest

■ Profit (0–20% Discount)   ■ Losses (30–80% Discount)

FURNITURE IS THE WEAKEST CATEGORY WITH THE HIGHEST LOSSES
Mainly concentrated in Tables and Bookcases

Profit by Category

$145k
$122k
$18k

Technology   Office Supplies   Furniture
Product Category

RECOMMENDATIONS

Reassess discounts above 30%: they consistently lead to losses
Investigate pricing strategy and costs to increase the margin
Build a dashboard for constant monitoring
Monitor margin monthly: aim to raise average above 20%
Promote top-performing sub-categories and reduce their discounts
Increase sales on Central and South regions
Investigate possible decline and customer churn

All findings were statistically validated using ANOVA and t-tests where applicable.
Analysis performed using Excel Pivot Tables, Charts, and custom banding logic.
Data source: Superstore sales data (2014–2017).   Available on Kaggle.