Dashboard Insights & Business Analysis

Business Performance Overview

◈ Insight 1:

- **Total Sales:** 2.30M

- **Profit Margin:** 12.47%

Despite strong sales performance, the business faces a profitability issue due to the existence of negative-profit orders, indicating that some products are sold at a loss—likely because of improper pricing or excessive discounts.

Impact:

- Loss-making orders reduce overall profitability and threaten long-term business sustainability.

Recommendation:

- Review pricing and discount strategies, set limits for low-margin products, and monitor negative-profit orders as a key risk indicator.

◈ Insight 2: Technology is the Top-Performing Category

- Technology contributes the highest share of total sales (0.84M)

◈ Insight 3: Sales are Concentrated in Specific States

- Top states include **California, New York, and Texas**

Risk:

High dependency on limited regions increases business risk.

Recommendation:

- Launch targeted campaigns in underperforming regions

- Improve logistics and delivery experience in low-performing states

- Expand fast shipping options and offer multiple shipping methods in high-demand areas to reduce delays caused by order volume pressure.

Customer Analysis Insights

◈ **Insight 4:**

- **Retention Rate:** 54.98%

- **Churn Rate:** 45.02%

Nearly half of customers become inactive, indicating weak long-term engagement.

Recommendation:

- Implement loyalty and reward programs

- Re-engagement campaigns for inactive customers

- Personalized offers based on customer behavior

◈ **Insight 5: Very High Repeat Purchase Rate**

- **Repeat Purchase Rate:** 99.37%

Although customer repeat purchases indicate good retention, declining profitability suggests that prices are being reduced or high discounts are being applied.

Impact:
This approach may boost short-term sales but will lead to long-term financial losses and unsustainable growth.

Recommendation:

Re-evaluate pricing and discount strategies to balance customer retention with healthy profit margins.

◈ **Insight 6: High-Value Customers at Risk of Churn**

Analysis shows that 50% of the top 10 customers by total sales have been inactive for the last 90 days

Recommendations:

- Launch targeted reactivation campaigns for high-value inactive customers

- Offer exclusive incentives and priority support

- Implement early churn detection for top customers

◈ **Insight 7: Heavy Dependence on Very Frequent Customers**

- **Very Frequent Customers:** ~55%

Recommendation:

- Upsell and premium offers for very frequent customers

- Incentivize occasional customers to increase purchase frequency

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◈ **Insight 8: Existing Customers**

- **Old Customers:** ~99%

Existing customers contribute approximately 99% of total sales, indicating a very low share of new customer acquisition.

Impact:
Heavy reliance on existing customers limits growth potential and exposes the business to higher risk if repeat purchases decline.

Recommendation:
Launch targeted marketing and promotional campaigns focused on acquiring new customers, while continuing to retain and engage existing ones to ensure balanced and sustainable growth.

Product & Operations Insights

◈ **Insight 9: Delivery Performance is Acceptable but Can Improve**

- **Average Delivery Time:** 4 days

- Standard Class shipping shows the longest delivery time

Recommendation:

- Encourage faster shipping options for high-value customers

- Optimize logistics for Standard Class shipments

◈ **Insight 10: Higher Sales on Weekdays than Weekends**

- **Weekday Sales:** ~67.6%

- **Weekend Sales:** ~32.4%

The business is currently operating at a loss, and weekend sales are underperforming, indicating untapped market potential.

Recommendation:

- Run targeted marketing campaigns on social media and via email during weekends to increase traffic and sales.

◈ **Insight 10:**

- Top sub-categories include **Phones, Chairs, and Storage**

Recommendation:

- Promote low-performing sub-categories

- Bundle low-demand products with top sellers

◈ **Insight 11: The Top 10 Product**

- Among the top 10 products by total sales, some are generating negative total profit, meaning they contribute to revenue but are actually causing losses.
- High-selling products with negative profit can erode overall profitability, indicating issues with pricing, discounting, or cost management.

Recommendation:

- Review pricing and discounts to improve profitability.
- Bundle or cross-sell with higher-margin items to offset losses.

Key Business Challenges Summary

- Low profit margin due to some high-sales products/orders being unprofitable. High customer churn

- High customer churn and risk of losing top customers.

- Heavy reliance on existing customers, limited new customer acquisition.

- Revenue concentration across specific regions and top categories

Strategic Recommendations Summary

- Optimize pricing and discount strategies to improve profitability Improve customer retention and engagement.

- Implement loyalty programs, re-engagement campaigns, and personalized offers.

- Focus on high-margin and high-demand products; bundle slow-moving items.

- Expand market presence in underperforming regions and acquire new customers.