Business Insights Report

1. Executive Summary

- This report analyzes sales, customer behavior, and product performance data to uncover key insights that will inform strategic decisions. It highlights regional sales trends, top products, and customer acquisition and retention patterns, aiming to identify growth opportunities and optimize business strategies.
- Key highlights of findings:
    - South America has the largest customer base and also is the most revenue generating region.
    - Biggest Product Categories are Books followed by Electronics,Home Decor and Clothing in order.
    - Most Selling product is ActiveWear SmartWatch as well most revenue generating.
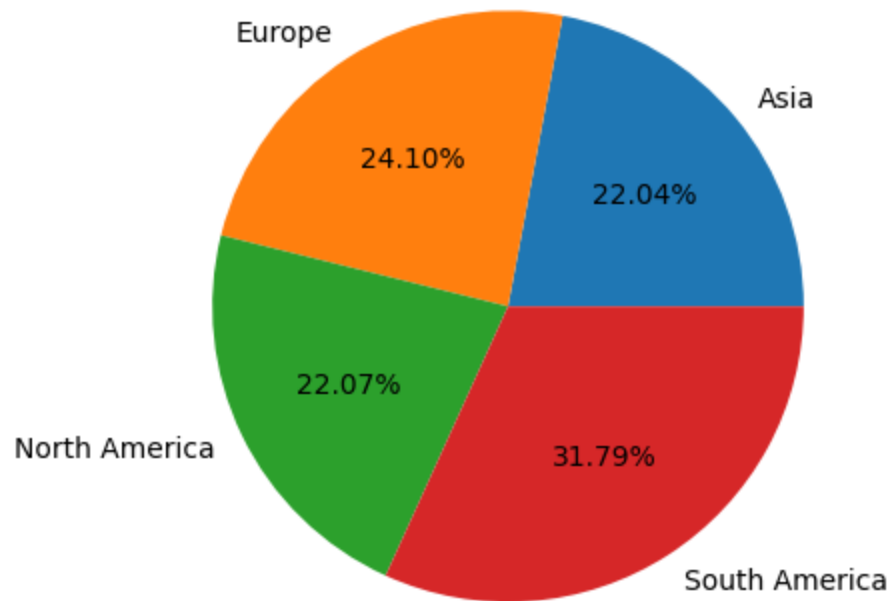
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2. Objective

- To identify sales trends, customer behavior patterns, and revenue drivers to inform business strategy and decision-making.

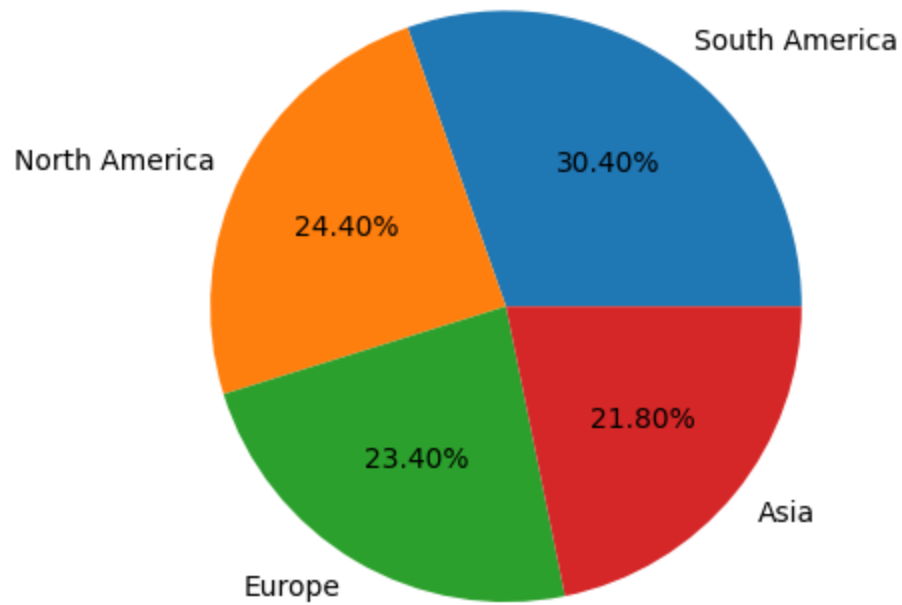## 3. Key Business Insights

3.1 Revenue Analysis

- **Regional Performance**:

    - Top revenue-contributing region: South America.
    - Followed by Europe,North America and Asia in order.
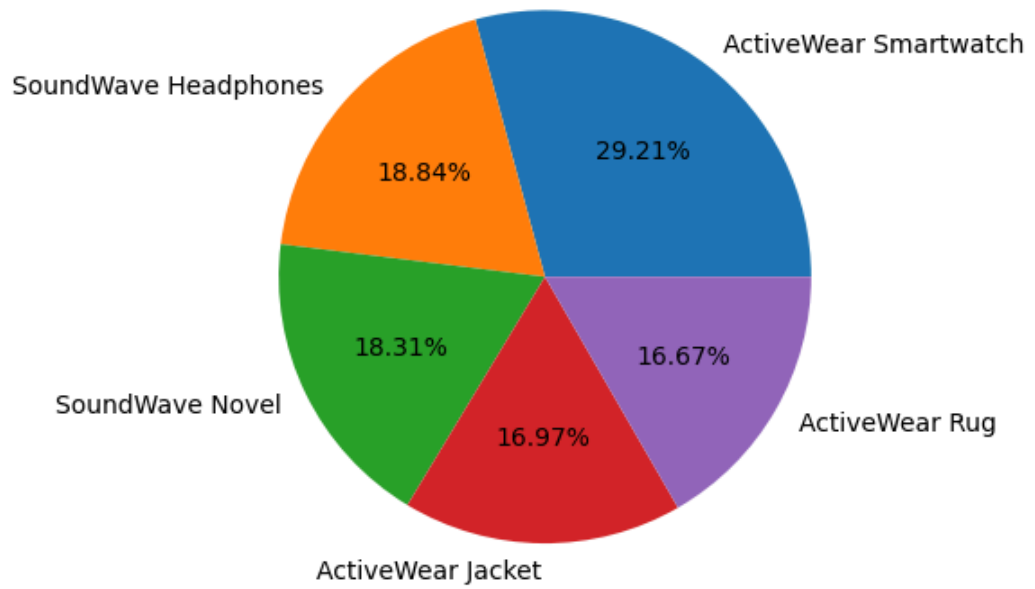
Region wise Revenue

- ○
- ○ South America has largest Customer Base followed by North America,Europe and Asia
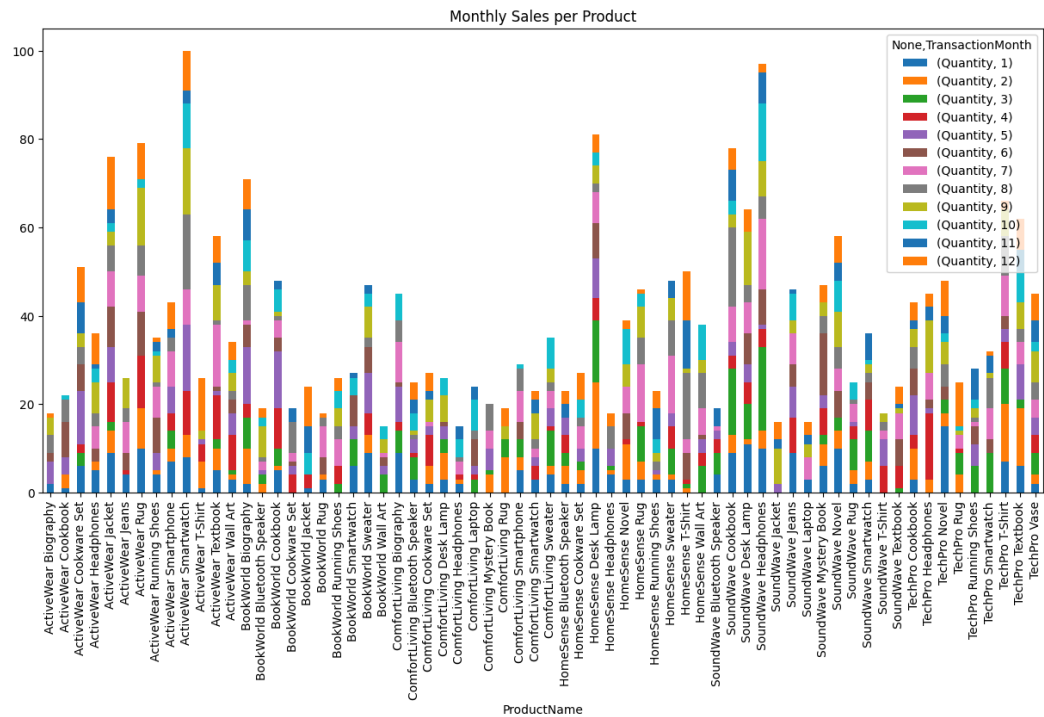
Region Wise Customer Base

- ○
  - ○ Insights: Asia market is untapped, an expansion in Asia could be considered.
- **Product Analysis**:

  - ○ Top revenue-generating product: Active Wear SmartWatch:

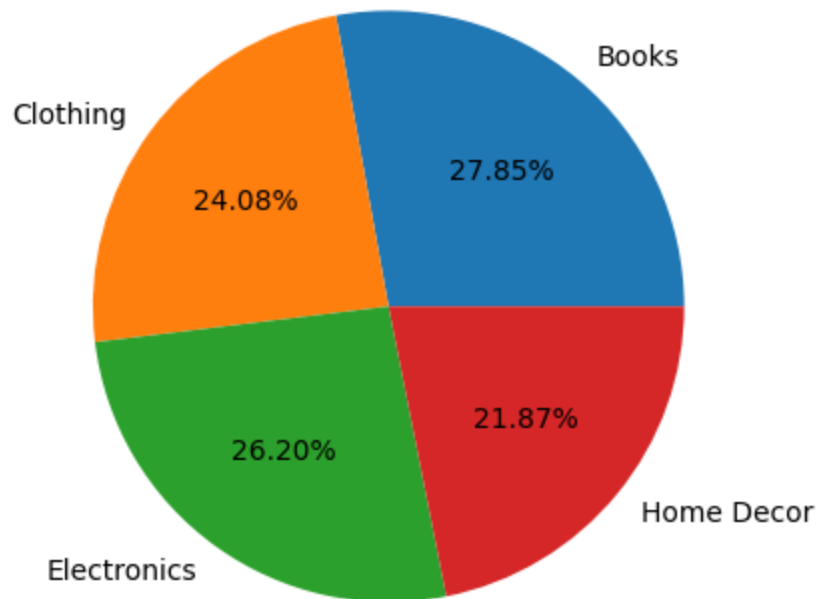## Top 5 Revenue Generating Products

○
○ Product Wise Monthly Sales:


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○ Category-wise performance:

Category Wise Revenue

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  - Percentage contribution of the top 5 products:19.39%
  - Insights:
    - ActiveWearBrand is trending; consider increasing its stock to meet demand.
    - Expand the inventory of books and run targeted promotions to capitalize on their strong performance.
    -

**3.2 Customer Behavior Analysis**

- **Customer Acquisition Trends**:
  - Growth in new customers over the years.
  - Customer Acquisition has gone up by 37.7% in the year 2024, but the year 2023 saw a decline of 15%.
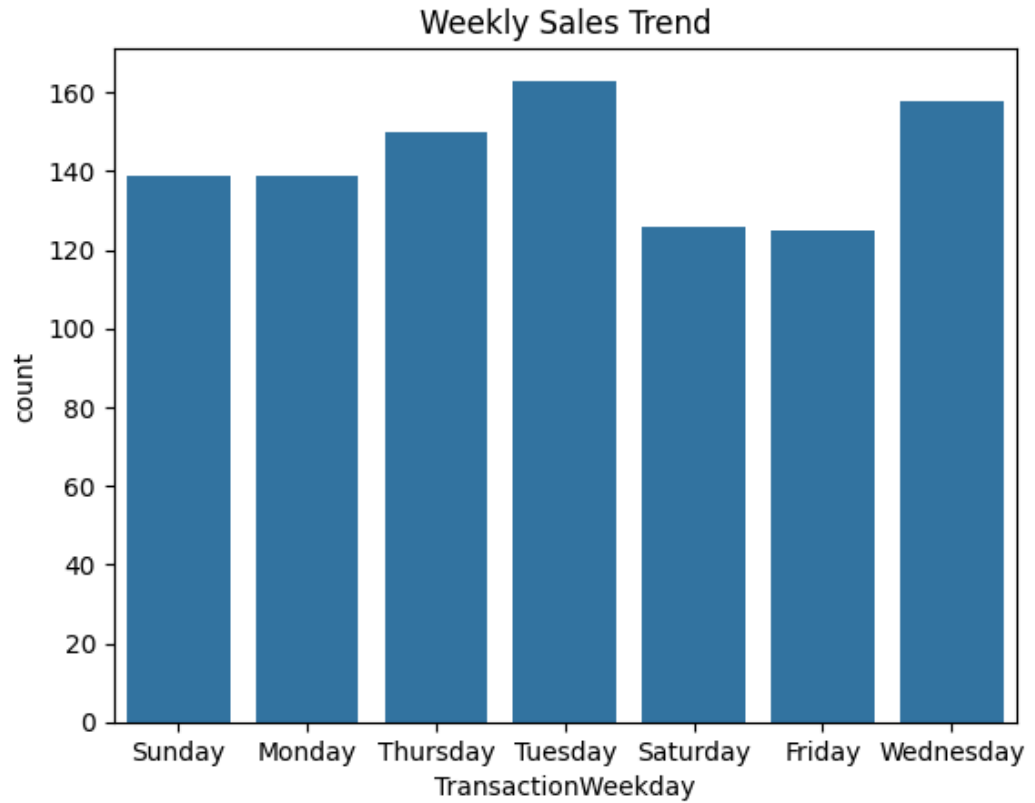
Customer Acquistion
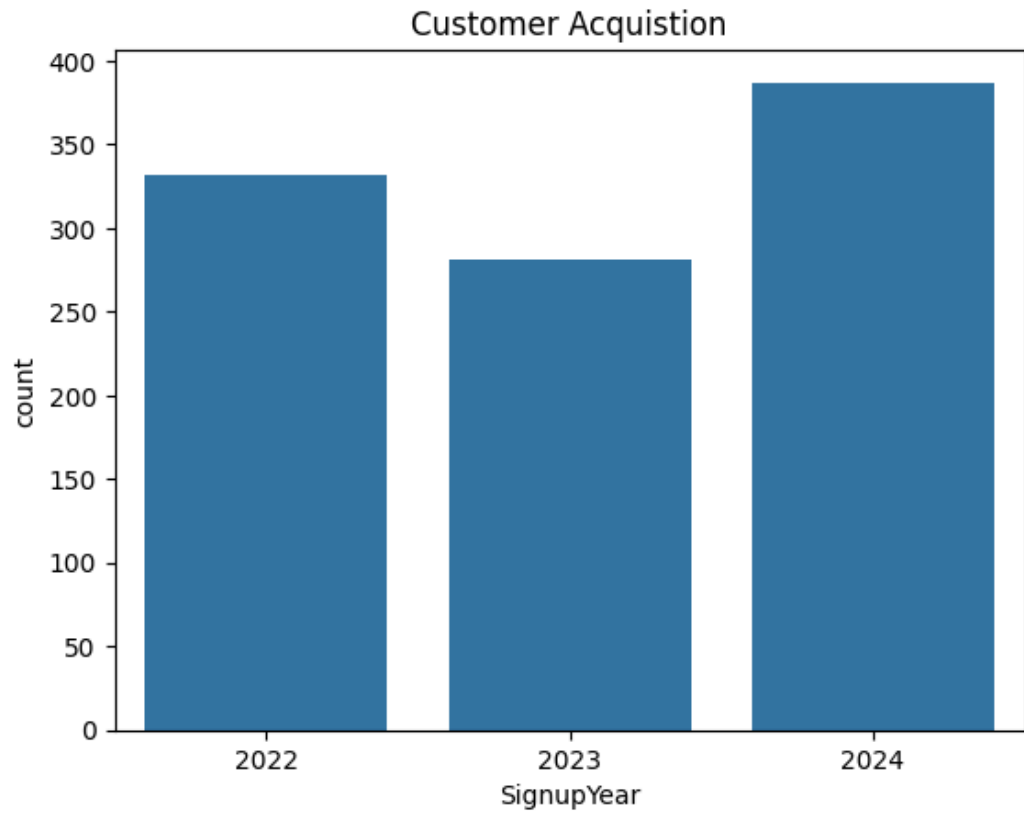
- ○
- ○ Insights:
  - ■ Focus on strategies that sustained the 37.7% growth in 2024 to counteract the previous year's 15% decline.
- ● **Customer Value Distribution:**

Customer Lifetime Value Distribution
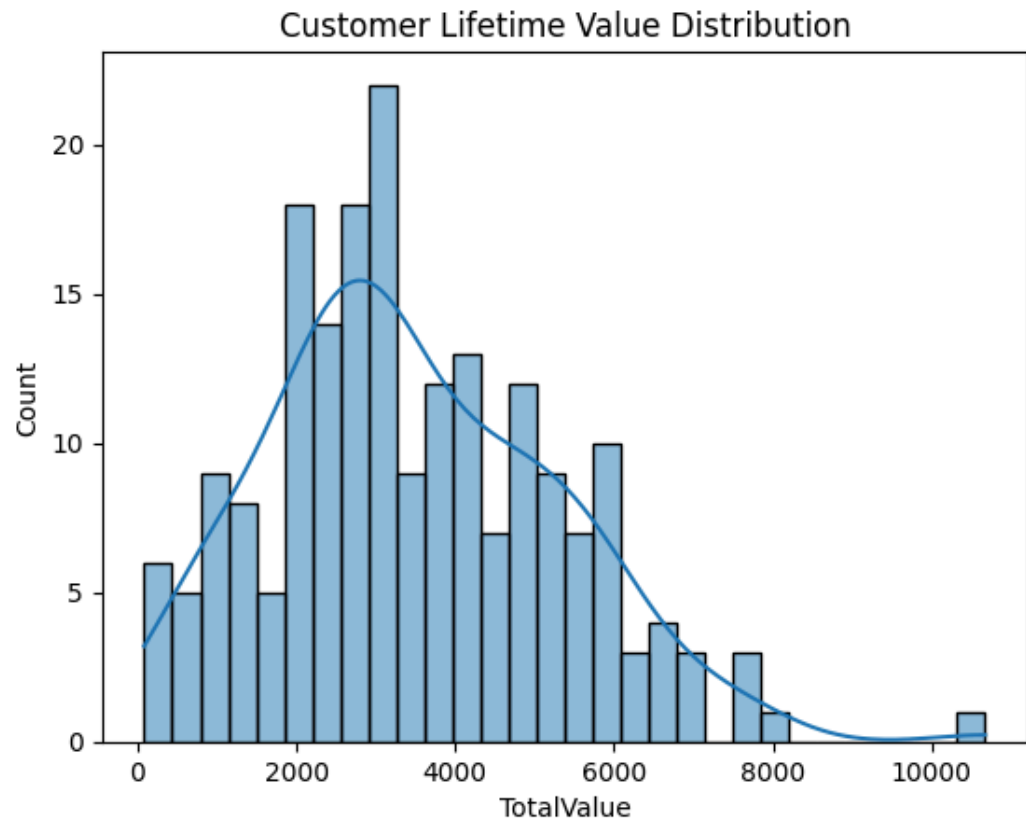
- ○
  - ○ The avg Repeat Purchase Rate: **78.89%**
- **Purchase Patterns**:

  - ○ Monthly and weekday sales trends:

Monthly Sales Trend

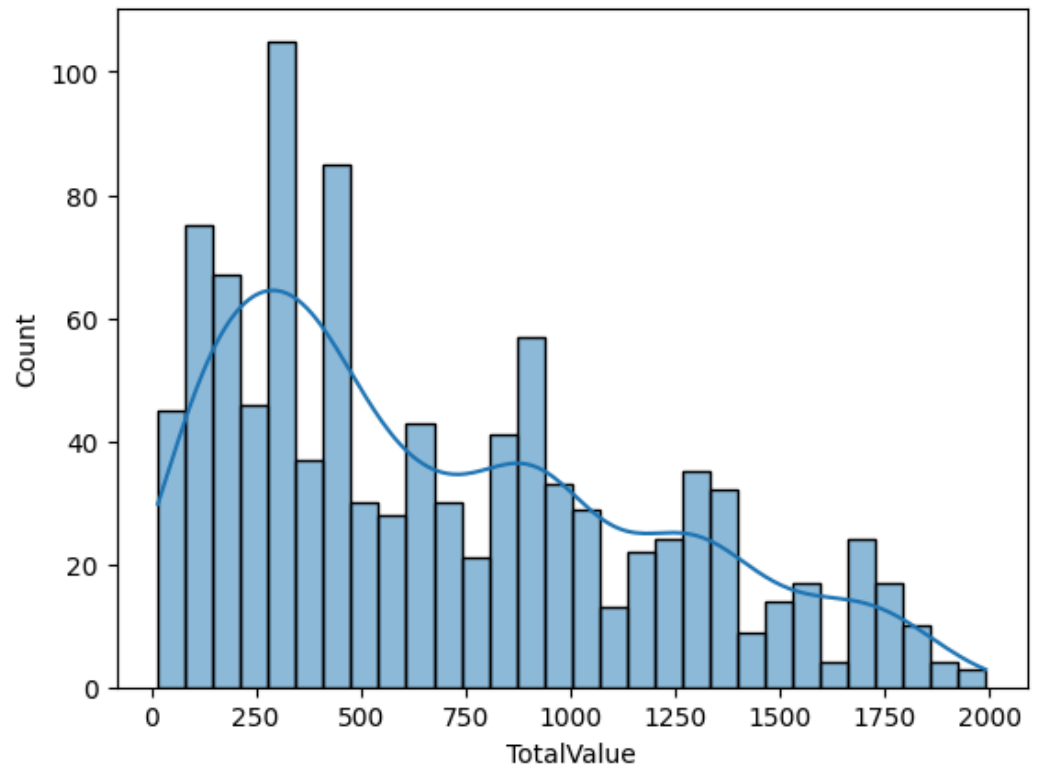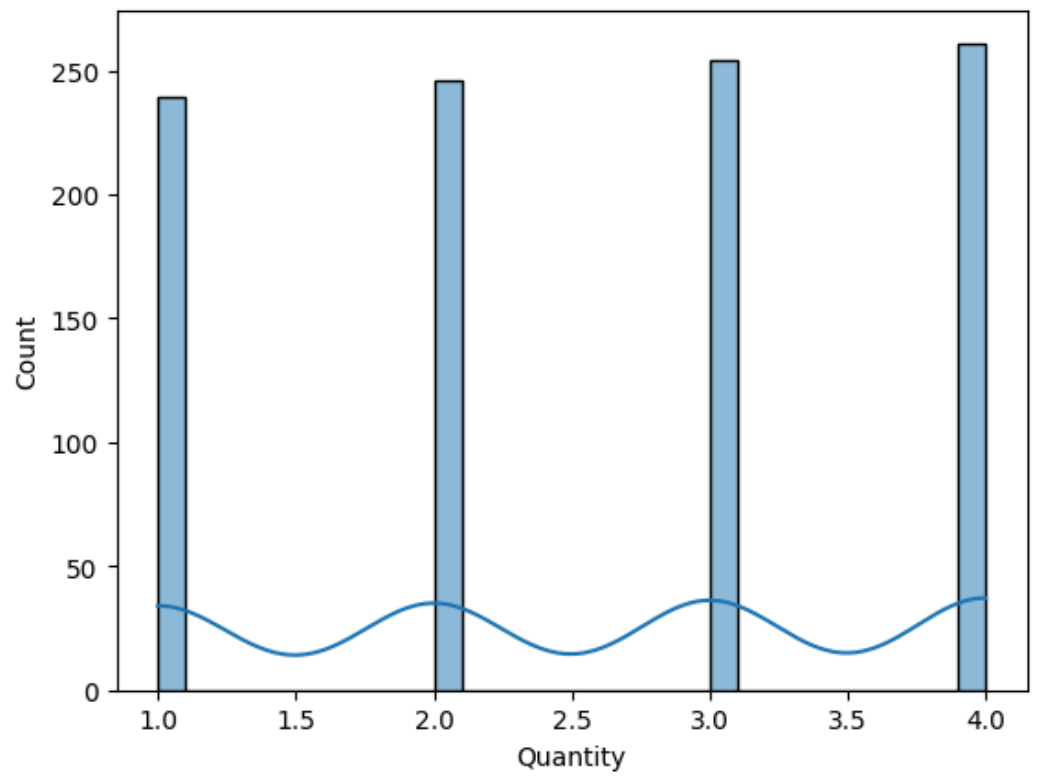
○

Weekly Sales Trend

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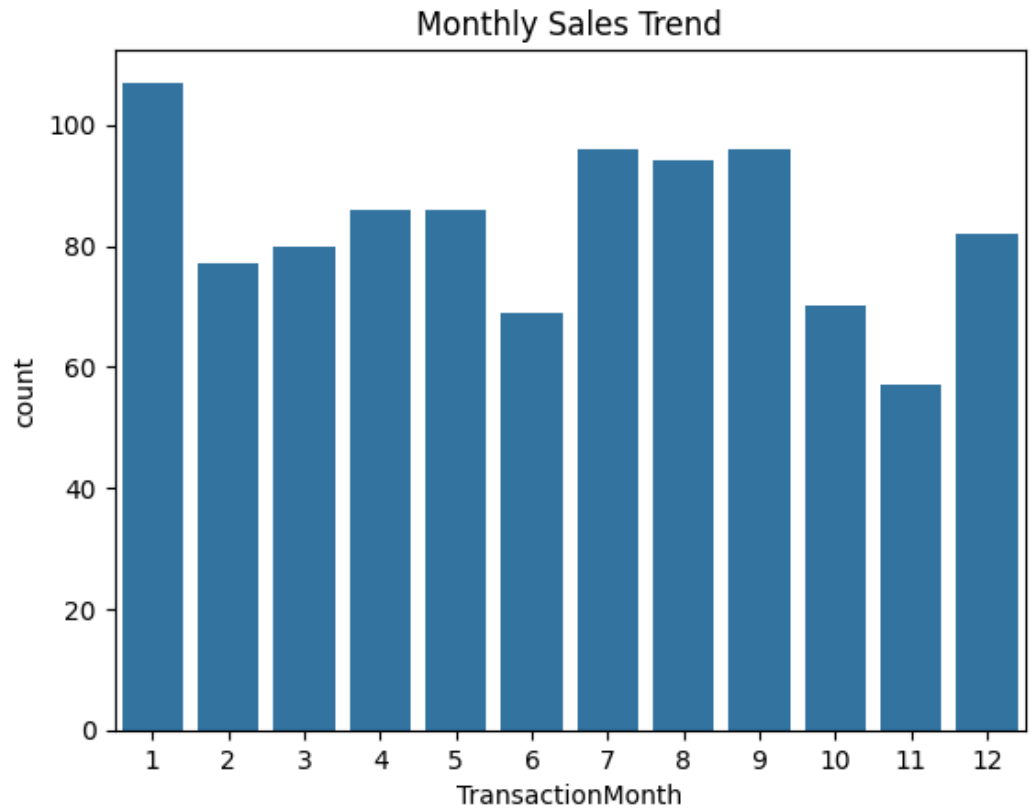
○ Majority of Orders are in the 0-500$ range:

○

○
○ Insight:

- - ■ Highest Sales are seen in January probably due to New Year. July to September is also a great period for sales while November is the worst month for sales in the Year.
    - ■ Weekends see relatively less transactions, whereas Weekdays are quite good for Sales.
- **Retention Trends**:

    - ○ Customers who haven't purchased in over a year:
        - ■ `Potential Churners:`
        - ■ `    CustomerID      TransactionDate DaysSinceLastPurchase`
        - ■ `13        C0014 2024-01-17 18:31:55                  372`
        - ■ `109       C0110 2024-01-02 19:11:34                  387`
    - ○ Suggestion: Target dormant customers with discount coupons or promotional offers.

3.3 Pricing and Quantity Insights

- Correlation between quantity purchased and total value:


Quantity vs Total Value

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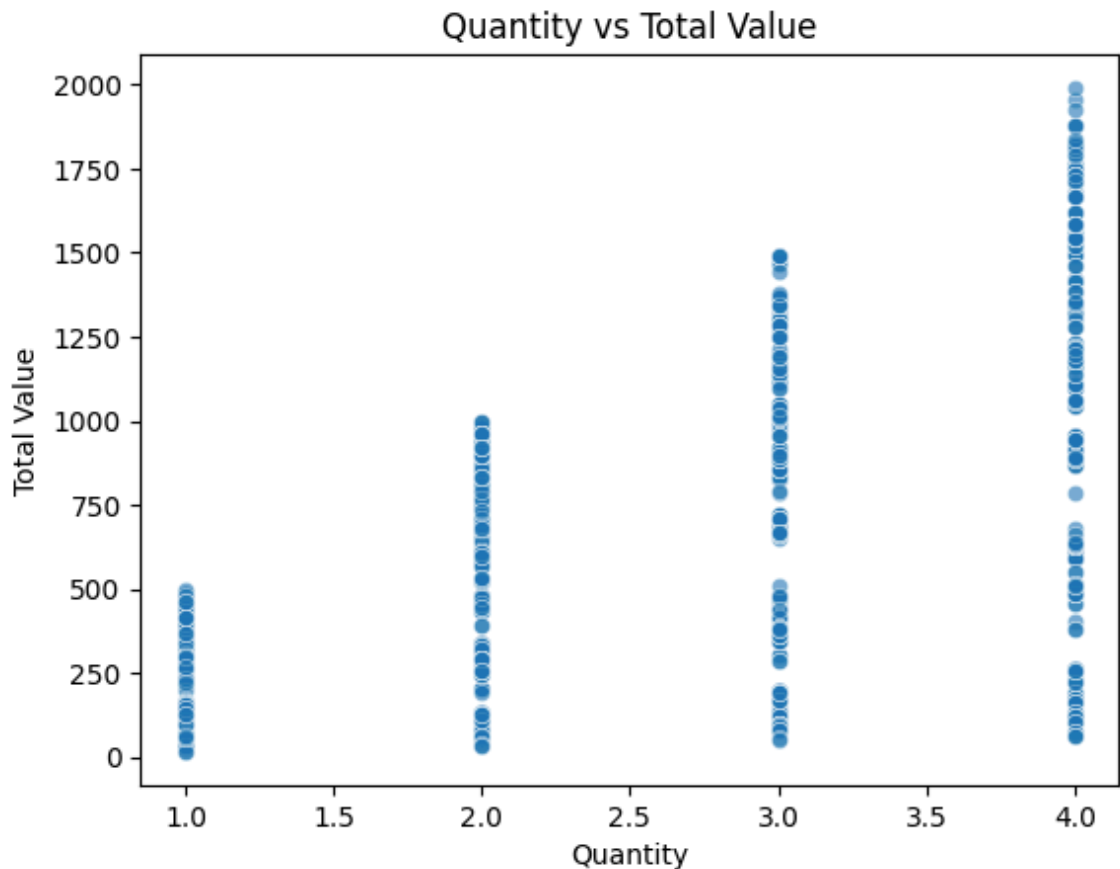
- Insights:
    - Lower prices for bulk purchases could drive higher revenue.
    - Encourage bulk purchase promotions to maximize sales per customer.

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4. Recommendations

- **Targeted Marketing:**
    - Focus marketing efforts in South America, the highest revenue-generating region.
    - Re-engage dormant customers (inactive over a year) with personalized offers (discounts, loyalty points).
- **Product Optimization:**
    - Increase stock of top-selling products like ActiveWear Smartwatch.
    - Expand and promote Home Décor and Books to drive further growth.
- **Seasonal Campaigns:**
    - Launch aggressive marketing campaigns in January and July-September.
    - Run targeted promotions (e.g., Black Friday) to improve November sales.
- **Customer Retention:**
    - Use loyalty programs to retain frequent weekday shoppers.
    - Introduce weekend incentives (e.g., exclusive weekend deals) to boost sales.
- **Pricing Strategies:**
    - Offer bulk purchase discounts to drive higher sales per customer.
    - Run category-based promotions to maintain sales momentum year-round.
- **Behavioral Segmentation:**
    - Segment customers by purchase patterns and tailor offers based on their behavior (e.g., high spenders get VIP discounts).

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5. Other Visual Insights

RFM Segmentation

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Anomaly Detection

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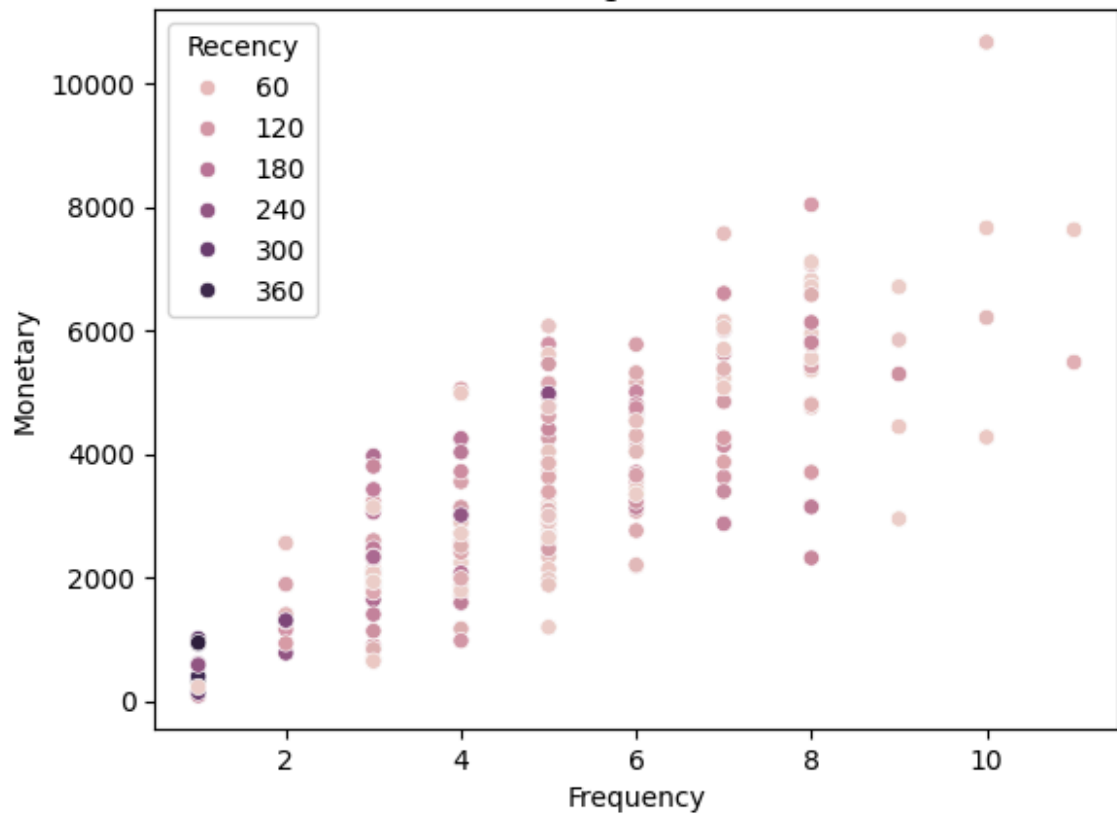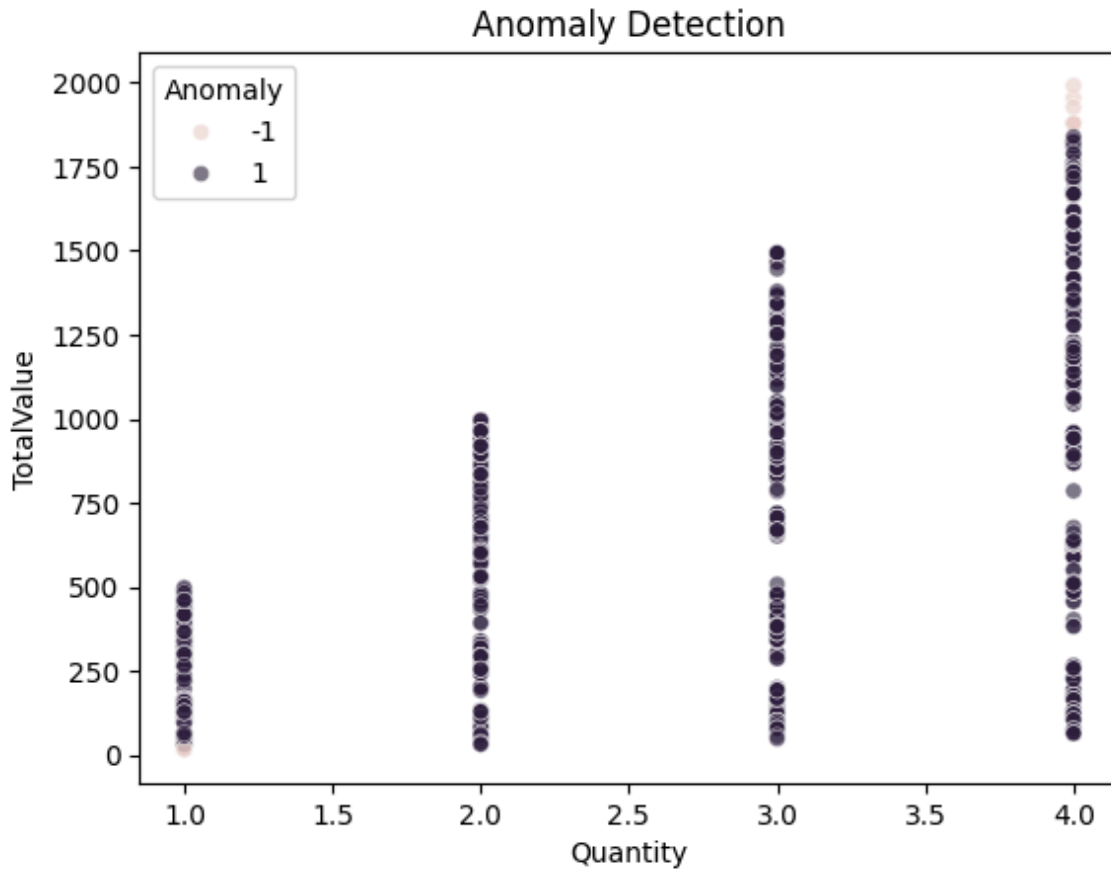
6. Limitations and Future Scope

- Constraints in the data or analysis:
  - Analysis does not include customer feedback or demographic details.

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7. Conclusion

- This analysis highlights significant trends and opportunities for growth. South America remains the strongest market, with potential expansion opportunities in Asia. Books and ActiveWear Smartwatches drive the majority of sales, while customer acquisition has shown positive growth in 2024. Seasonal and bulk purchase patterns also present opportunities to optimize pricing and promotional strategies. By addressing these insights, the business can strengthen its market presence, enhance customer loyalty, and improve overall profitability.

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