

Oscar Lopez

Lab/Superstore Analysis/1

The Analyzed Dataset is: Superstore.xlsx

Proposed Question to ask: Why are sales/profits stagnating or dropping beginning 2016? What can be done to improve profits? Are discounts effective to boost sales and boost profits?

Questions to be Answered:

1. Where are the Store's biggest markets in terms of sales.
2. Are discounts effective at boosting our sales and profits?
3. What are the best/worst selling items?
4. What actions can be done to help move profits/sales in a positive trend.

The Store's Biggest Markets in terms of Sales are in California, Texas, and Massachusetts with sales going near or above 1 million. As observed in the data Sales Numbers by State.

Based on the data We can see discounts were very effective at boosting sales from 2014 – 2016 However the trend slowed down as discounts were slowed down in 2016 moving forward.

Based on the analysis of the discounts data, it would be straightforward to simply suggest boosting our ads/sales campaigns to boost sales/profits. However, upon inspecting the items sold to determine what are the best-selling items and worst-selling items, I discovered a significant amount of items are greatly mispriced selling below costs, To be exact, 1019 items throughout the store are underpriced and 862 of those items are causing the company to operate at a loss where profits are negative. The company's most profitable product is the

'Sanyo 2.5 Cubic Foot Mid-Size Office Refrigerator' with a net profit of \$16332. However, the real intriguing product is the company's less profitable item 'Item 10631' with a net loss of \$16447, However the unit price of this item is at 176 with only a shipping cost of 5 so pricing seems adequate at 35x the cost, this may be an item that either needs more sales numbers or a much higher price. Currently this product is being sold in North Carolina where sales numbers are around 200,000, my recommendation would be to market this product strongly in one of the Company's stronger markets in California, Texas, or Massachusetts, where sales numbers are around 1 million.

In Conclusion I believe mismarked Inventory is causing a negative trend in our Profits And Sales Numbers. To answer how the Company may move profits/sales in a positive direction, I strongly believe correcting the prices of mispriced items can help keep Profits in a positive direction and stop the company from operating at a lost for certain items, In terms of moving sales in a positive trend, Id recommend marketing certain items in stronger markets to help sales compensate for losses, for example we still have to account for around 300-400 items sold below shipping costs yet still having a profit these may be items worth looking into shifting into different markets.

Sales

3,543 1M

Mexico

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The chart displays three metrics over a four-year period. The Sales line (yellow) starts at 0M in 2014 and reaches 3M in 2017. The Profit line (green) starts at 100K in 2014 and reaches 450K in 2017. The Discount line (red) starts at 0 in 2014 and reaches 200 in 2017.

Order Date	Sales	Profit	Discount
2014	0M	100K	0
2015	1M	350K	80
2016	2.5M	450K	200
2017	3M	450K	200

		Item																							
		3M Office Air Cleaner				3M Organizer Strips				3M Polarizing Light Filter Sleeves				3M Polarizing Task Lamp with Clamp Arm, Light Gray				6" Cubicle Wall Clock, Black				9-3/4 Diameter Round Wall Clock			
Value	100K																								
	0K																								
		Profit	Sales	Shipping Cost	Unit Price	Profit	Sales	Shipping Cost	Unit Price	Profit	Sales	Shipping Cost	Unit Price	Profit	Sales	Shipping Cost	Unit Price	Profit	Sales	Shipping Cost	Unit Price	Profit	Sales	Shipping Cost	