ProfitVista:

Driving Business Insights for Higher Profitability

Data-Driven Analysis of Sales, Profit, and Product Performance

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PROBLEM STATEMENT:

THE COMPANY WANTS TO IMPROVE ITS PROFITABILITY BY IDENTITFYING *UNDERPERFORMING PRODUCT CATEGORIES* AND *CITIES* THIS ANALYSIS WILL EXPLORE <u>TRENDS IN SALES, PROFIT</u> AND <u>QUANTITY SOLD</u> TO HIGHLIGHT OPPURTUNITIES AND RISKS. ALSO HIGHLIGTING *BEST SELLING PRODUCTS* AND *CITIES* THAT DRIVE REVENUE

OBJECTIVE :

- Improve profitability by identifying underperforming products and cities

- Highlight top-performing products and cities driving revenue

- Analyze trends in sales, profit, and quantity sold

- Suggest actionable strategies for improvement
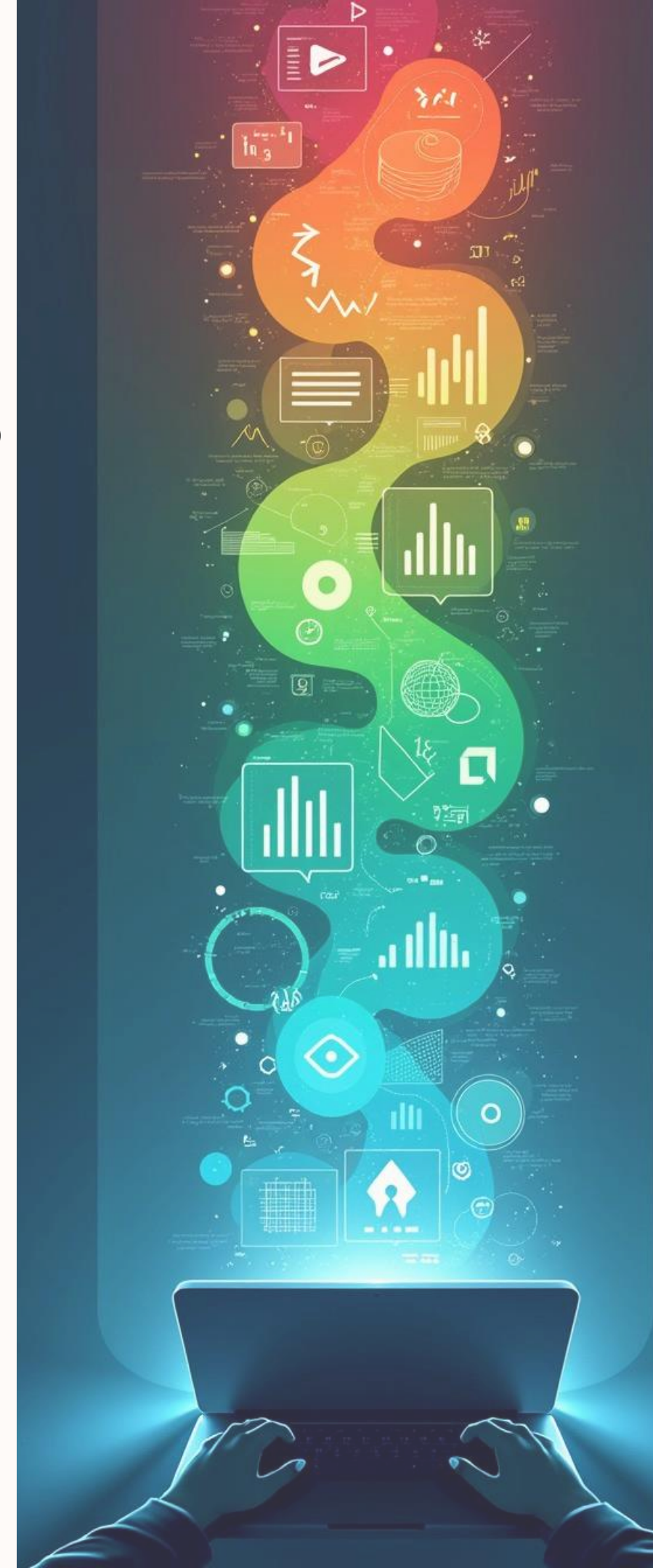
OVERALL SALES AND PROFIT PERFORMANCE:

Business Performance Overview

- Total Sales (Amount): ₹75,000
- Total Profit: ₹14,000
- Profit Margin: ~18-20%

Observation:

Profit is significantly smaller compared to the total sales amount (only about 18-20%), suggesting profit margins could be improved. Maybe costs are too high or discounts are impacting profitability.

$$\text{Profit Margin} = \left(\frac{\text{Profit}}{\text{Sales Amount}} \right) \times 100$$

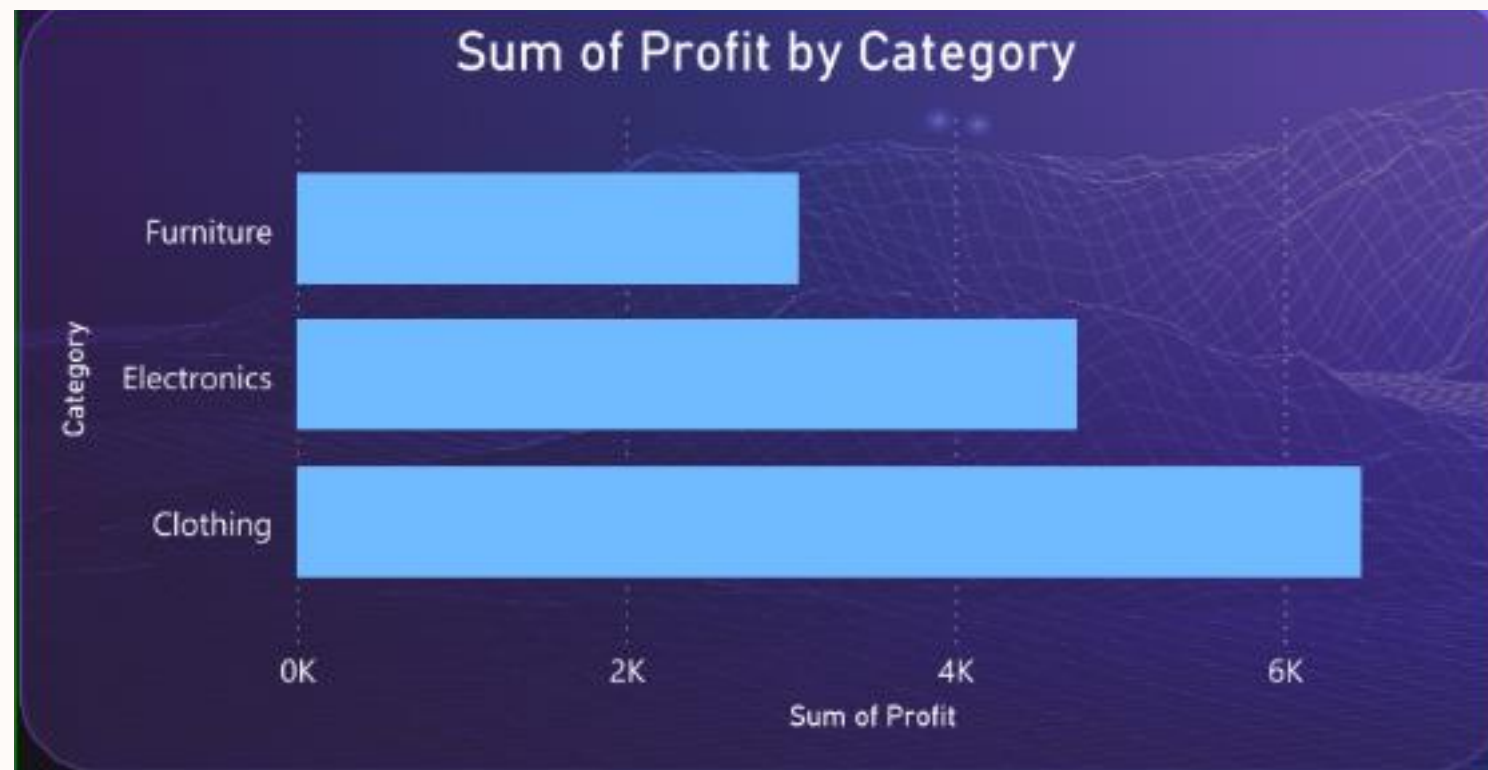$$\text{Profit Margin} = \left(\frac{14,000}{75,000} \right) \times 100$$

$$\text{Profit Margin} = 0.1867 \times 100$$

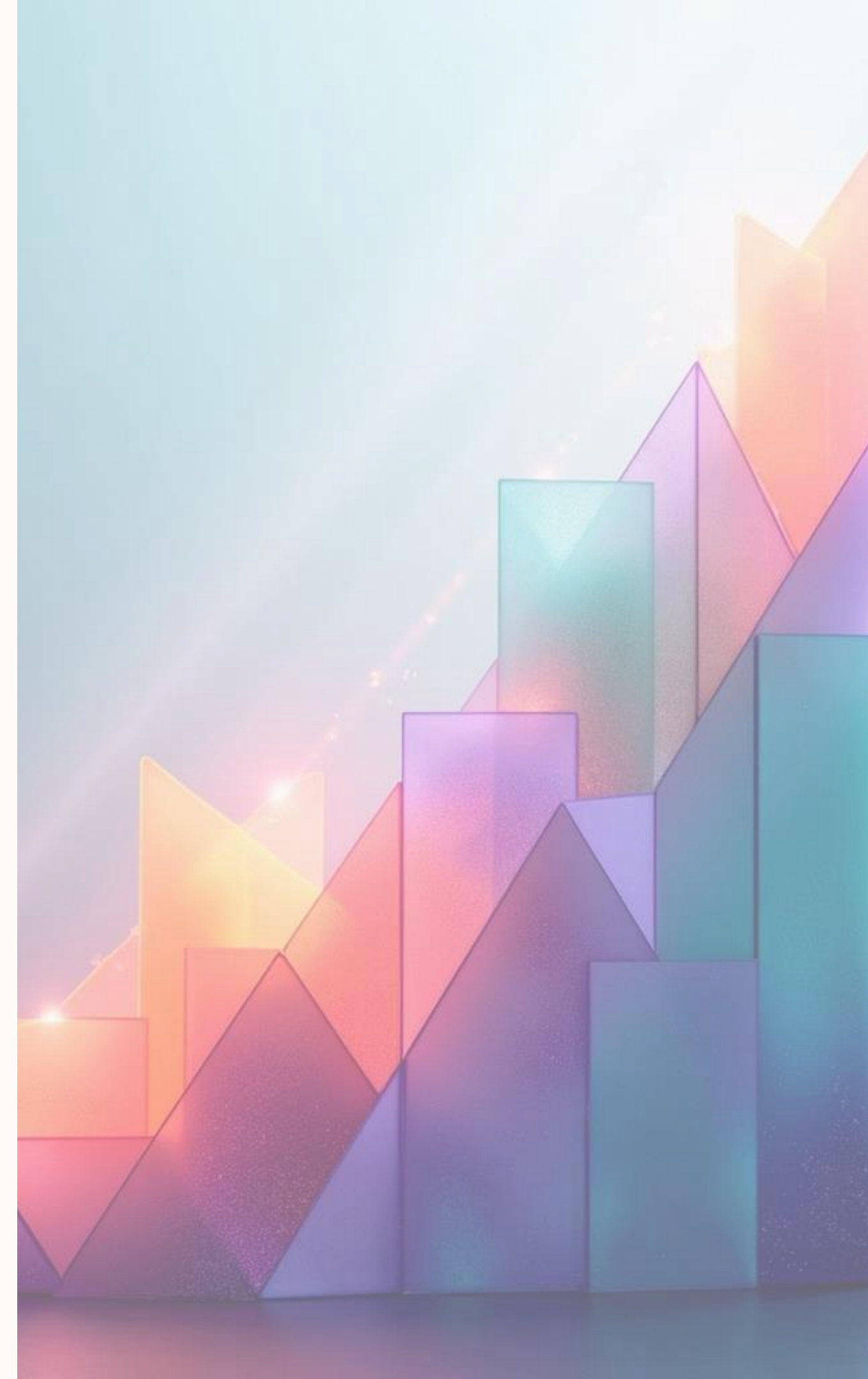$$\text{Profit Margin} = 18.67\%$$

BEST PERFORMING CATEGORIES:

- **Top Categories by Profit (Highest to Lowest):**

=> **Insight:**
- Clothing is currently the most profitable category and should be given more attention for expansion.
- Furniture may need cost control or repositioning because its profitability is lower.

BEST PERFORMING SUB-CATEGORIES:

- **Top Sub-Categories by Profit:**

=> Insight:

- Products like Stoles, Shelves, and Jackets are top performers.
- Recommendation: Promote these products more through marketing, bundling, or discounts to drive sales even higher.
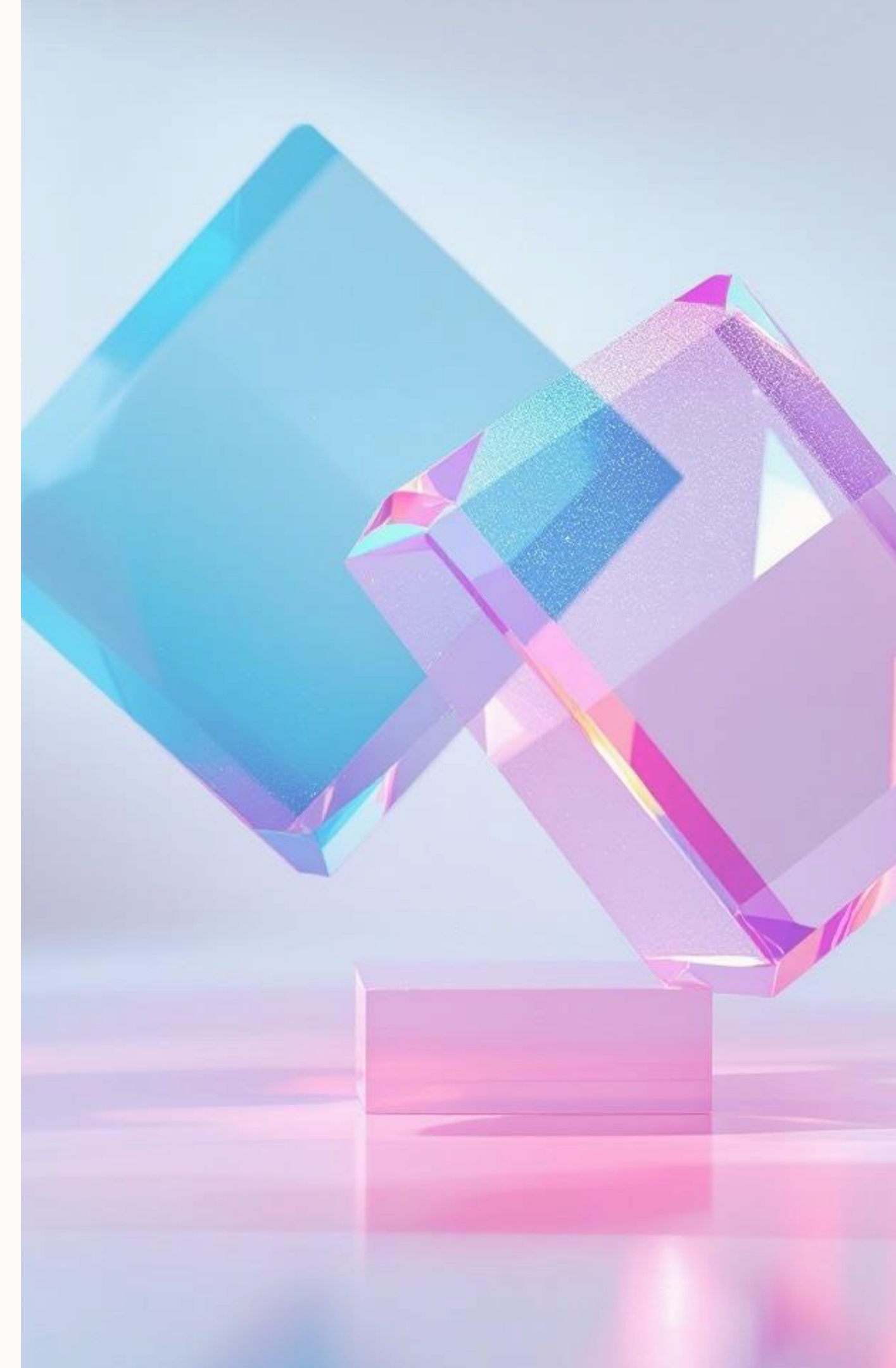
UNDERPERFORMING SUB-CATEGORIES (LOSS-MAKING):

- **Loss-Making Sub-Categories:**

=> **Insight:**

- These products are driving losses.
- Recommendation: Re-evaluate pricing, supplier costs, or even consider phasing them out if profitability cannot be improved.

CITY ANALYSIS:

- **Top Cities by Quantity Sold:**

Sum of Quantity Sold by City

- **Cities with Highest Losses:**

City by LOSS

| Ahmedabad | Chennai | Gurgaon | Pune |

- **Insight**:
- Even though cities like Ahmedabad sell high quantities, they contribute to losses.
- Recommendation: Investigate marketing costs, customer discounts, or supply chain inefficiencies in these cities.

- **Top 3 Customers by Profit:**

- **Insight:**
- Focus on building loyalty programs or special offers for such high-value customers to increase repeat purchases.
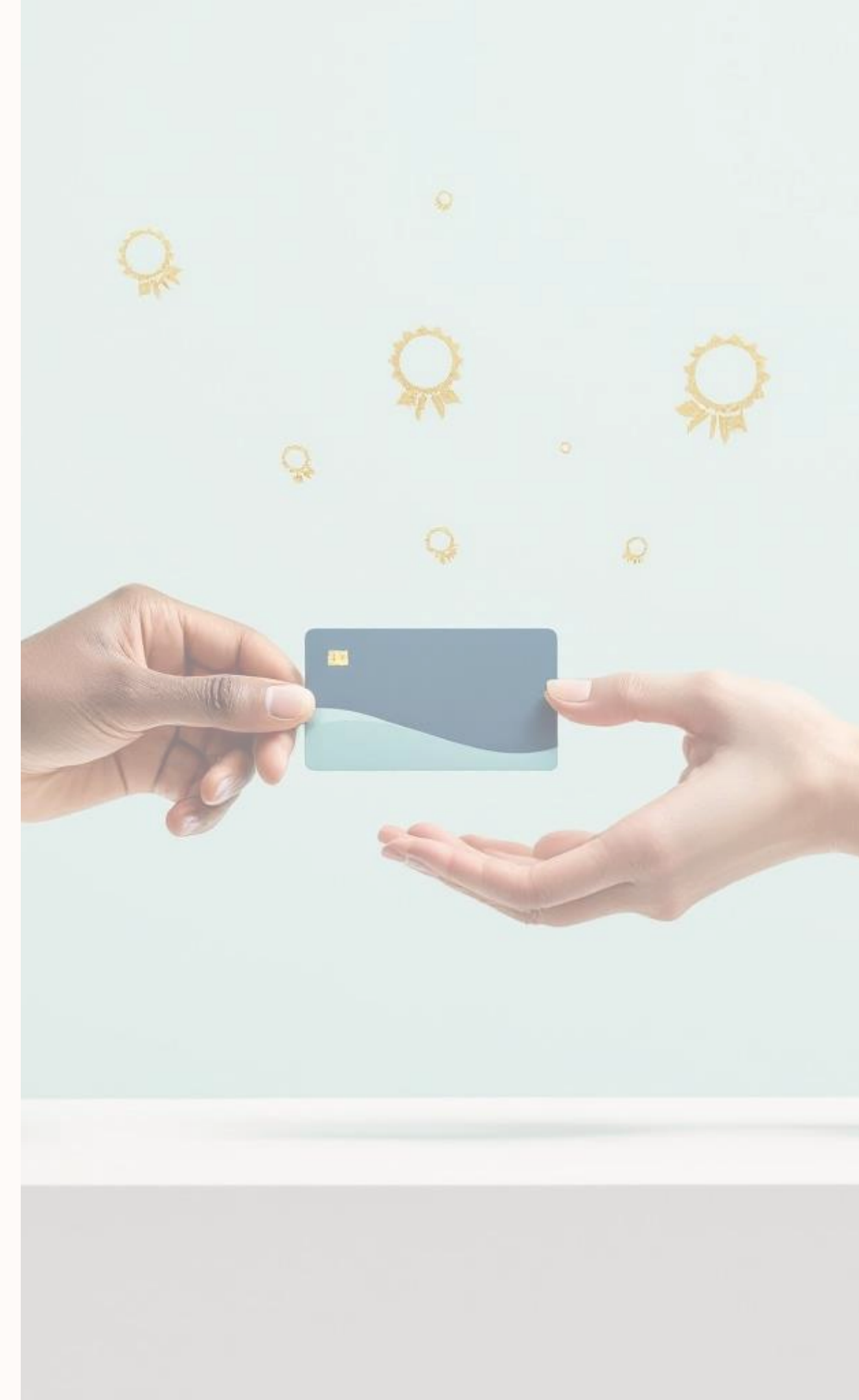
# TIME TREND INSIGHTS:

Sales and Profit by Month:

- Both sales and profit were low at the beginning of the year and then increased steadily month over month.
- Looks like there is a strong seasonality pattern (maybe related to festivals or end-of-financial-year purchases).

Sum of Amount and Sum of Profit by Month
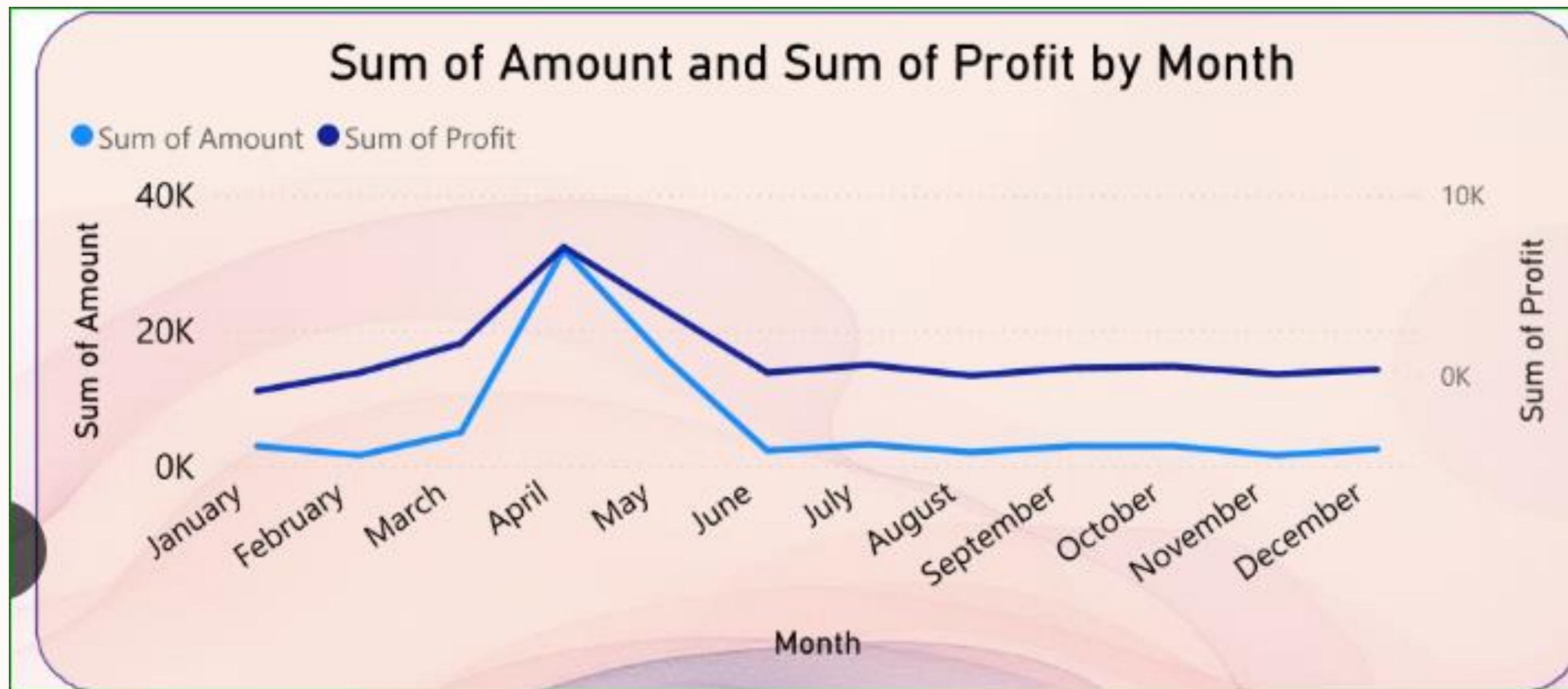
TIME TREND INSIGHTS:

Quantity Sold Over Months:

- Quantity follows the same rising trend as the amount and profit.
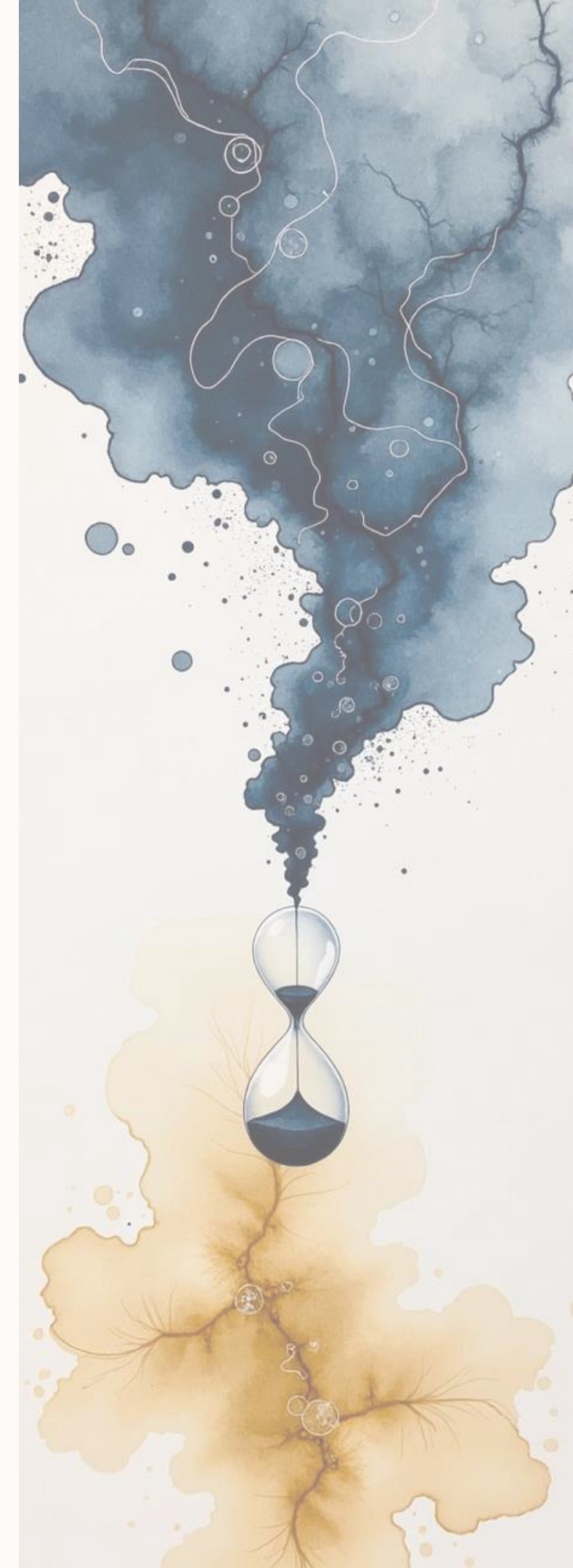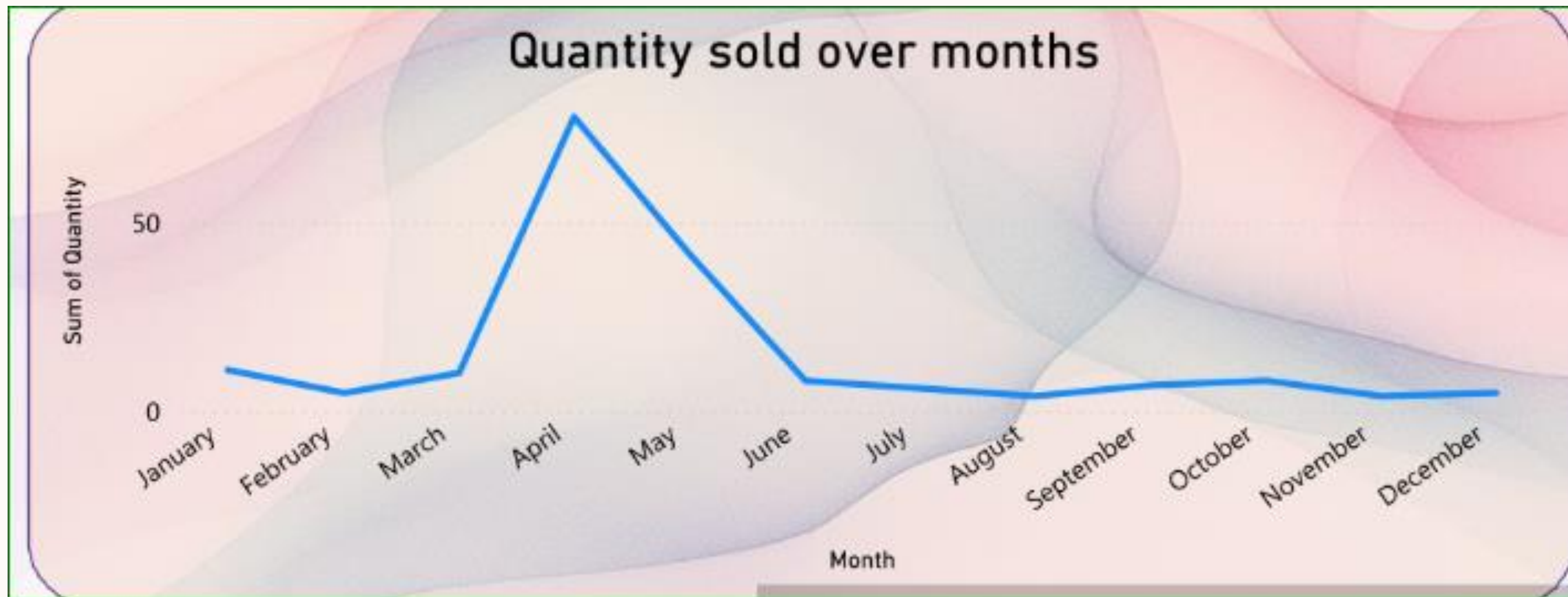
- **<u>Insight:</u>**
- **Plan marketing campaigns around months where there's naturally higher buying interest.**
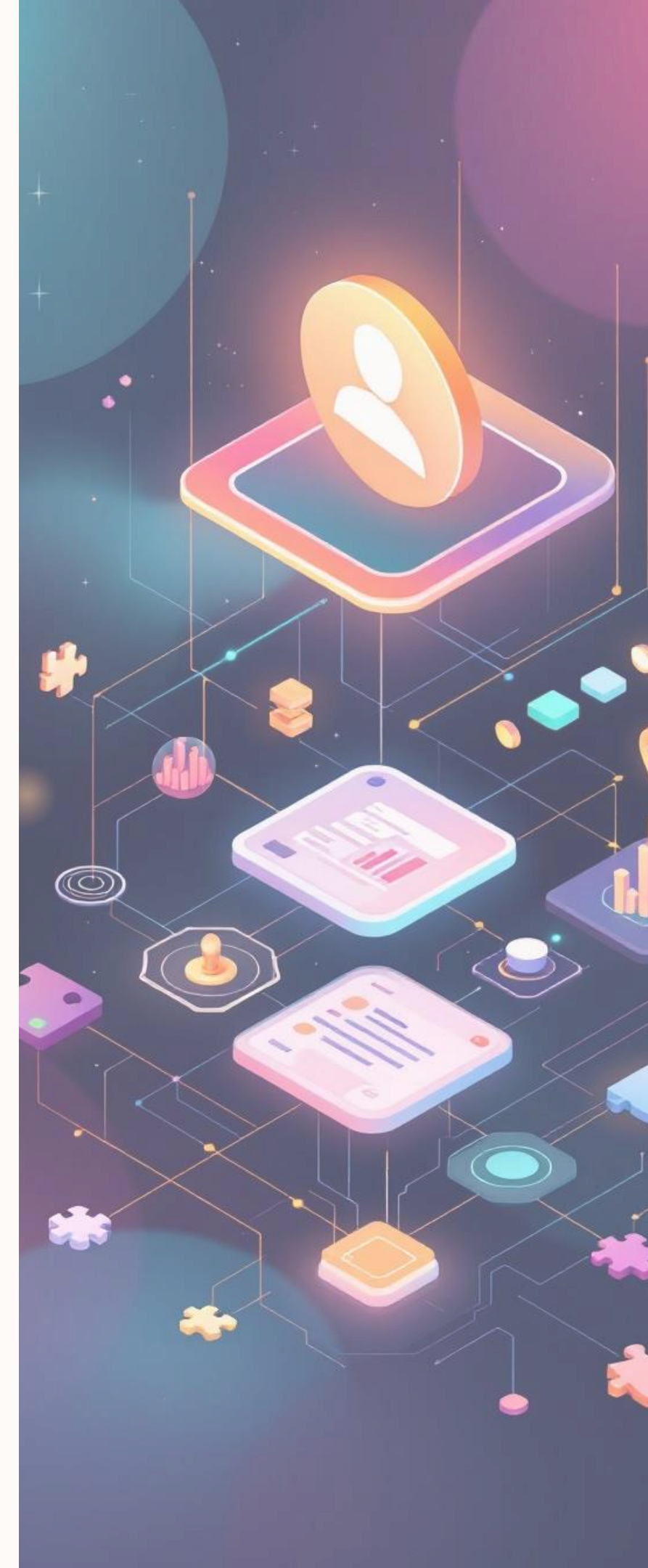
KEY TAKEAWAYS

=> **Summary of Findings**

- Clothing and Electronics drive major profits
- Furniture category and specific products like T-Shirts cause losses
- Ahmedabad and Chennai need focused profitability strategies
- Strong customer base among top customers

RECOMMENDATIONS

Strategic Recommendations

- Focus marketing efforts on Clothing and Electronics
- Address loss-making products through cost/pricing strategies
- Analyze and optimize operations in Ahmedabad and Chennai
- Reward top customers with loyalty programs
- Prepare for seasonal sales spikes earlier

THANK YOU