3/20/2023

PROJECT 1 -Business Case: Target SQL



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1 Usual exploratory analysis

1.1 Data type of columns in a table

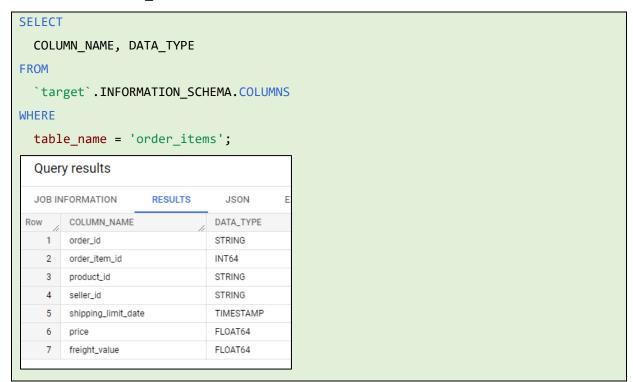
- Approach:
 - o Exploration of Data and Data type using 'INFORMATION.SCHEMA'
 - o As per the question, extracted the data type for all the table's columns.
- ✓ **Table Name:** customers



✓ **Table Name:** geolocation



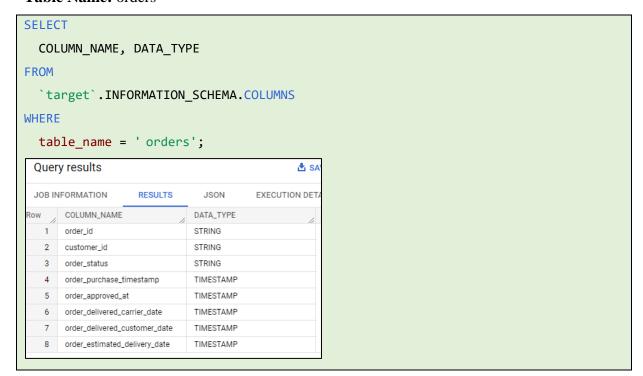
✓ **Table Name:** order_items



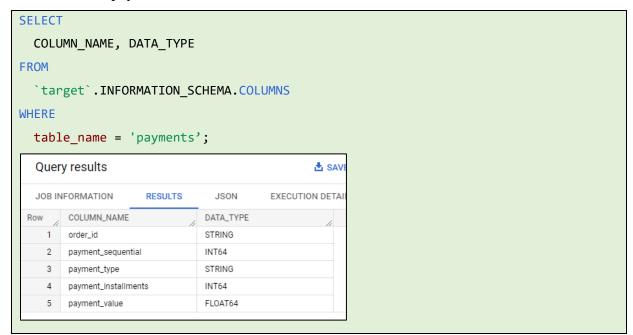
✓ **Table Name:** order_reviews



✓ **Table Name:** orders



✓ **Table Name:** payments



✓ **Table Name:** products



✓ **Table Name:** sellers



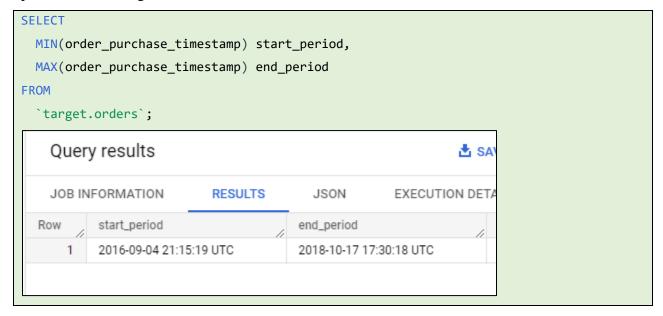
✓ Observations

- It Looks data is in a correct format
- There are null values present and missing data in some columns that need to be taken care

1.2 Time period for which the data is given

Approach:

Minimum date of purchase from the orders table as a Starting Period, and the Maximum date of purchase as Ending Period.



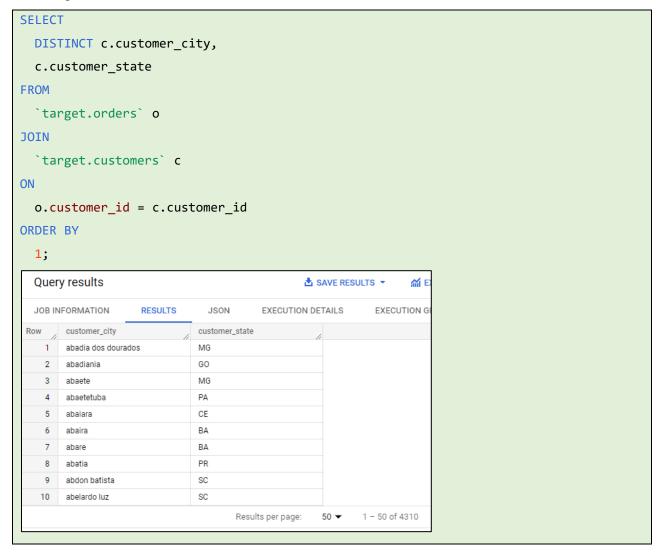
✓ Observations

- The data shows we have around two years of data starting from Sep'16 to Oct'18.
- For 2016 and 2018, we don't have full year's data.

1.3 Cities and States of customers ordered during the given period

Approach:

The 'orders' table has the details of customers who ordered during the period. As the 'customers' table contains the details of the states and cities of customers, I have joined 'customers' with that to get the cities and states of the same customers.



✓ Observations

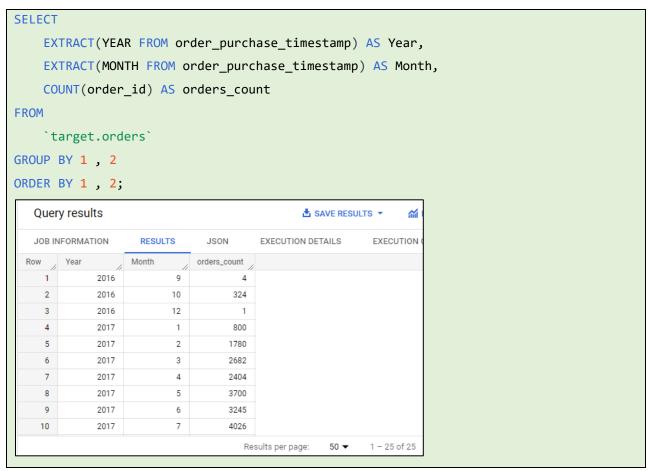
• There are 4,310 cities in 27 States from where the customers have placed an order during the given period.

2 In-depth Exploration

2.1 Is there a growing trend on e-commerce in Brazil? How can we describe a complete scenario? Can we see some seasonality with peaks at specific months?

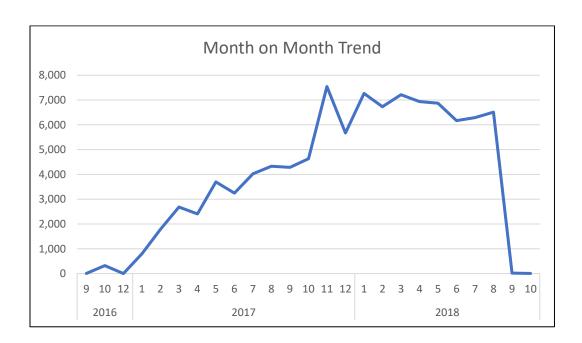
Approach:

- 1. To analyze the trend, I have calculated the total count of orders monthly.
- 2. First, I have extracted the year and months from the orders table.
- 3. For each extracted period, I have aggregated the count of orders for that period
- 4. Finally, I have arranged it like a time-series data to see the trend and seasonality.



Analysis:

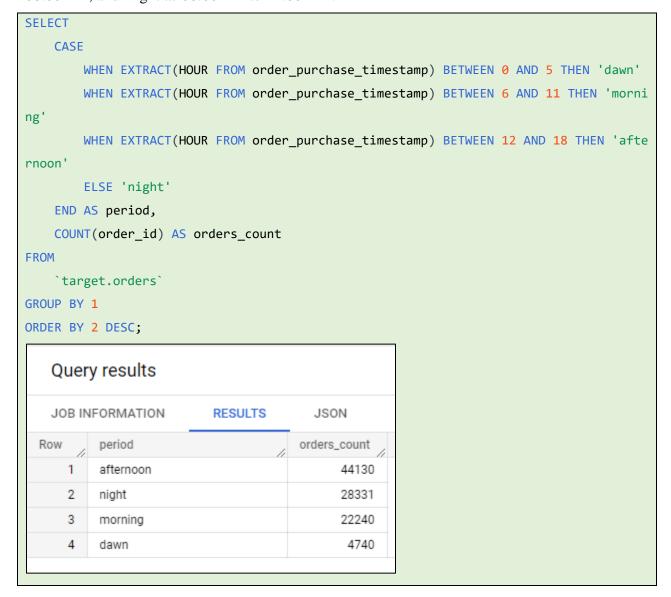
- 1. The data shows a trend during the 2016-17, which flattened during 2018.
- 2. We have a seasonality present (peaks available) during November, but it can't be concluded due to insufficient data.
- 3. Overall Scenario is not going as it should be. The orders are dropping, which needs to be analysed and resolved.



2.2 What time do Brazilian customers tend to buy (Dawn, Morning, Afternoon or Night)?

Approach

Created cases on purchase_time and counted total orders during those time frame, considering Dawa as 12:00 AM to 06:00 AM, Morning as 06:00 AM to 12:00 PM, Afternoon as 12:00 PM to 06:00 PM, and Night as 06:00 PM to 12:00 AM.



Analysis:

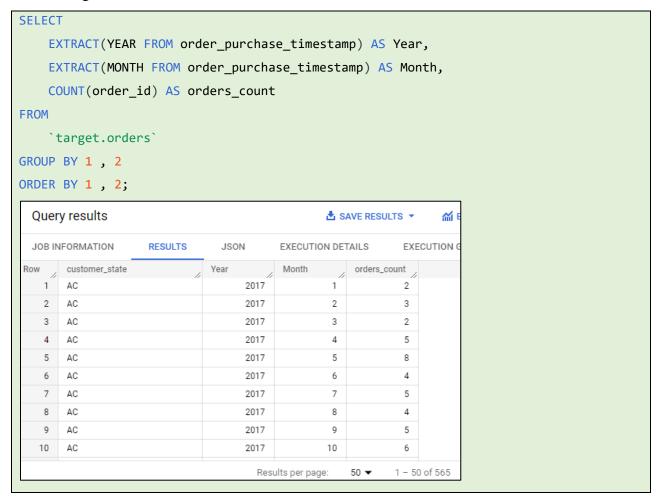
Majority of the orders placed during Afternoon (12 PM- 6 PM) and Night (6 PM – 12 AM)

3 Evolution of E-commerce orders in the Brazil region:

3.1 Get month on month orders by states

Approach

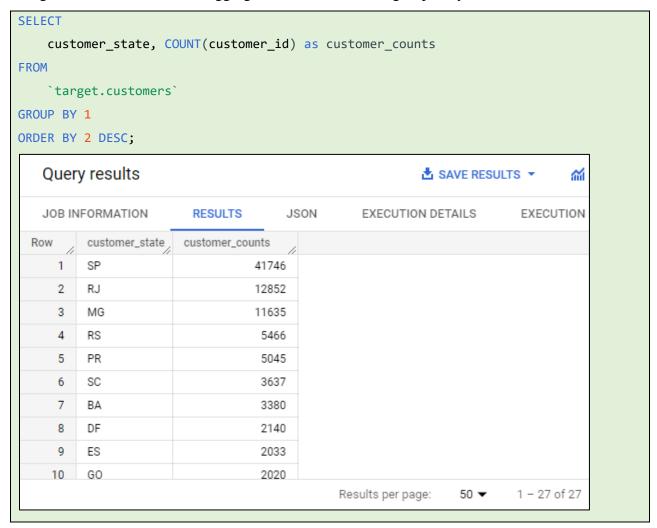
Extracted Year and month and Aggregared (Count) the Order_id and grouped by Year and Month to get the Month on Month orders data for different states



3.2 Distribution of customers across the states in Brazil

Approach:

To get the distribution, count aggregated customer_id and grouped by state.



✓ Observations

- The distribution of customer is fairly skewed.
- SP is the state with highest customer's base and it has more than 3x customer base to the next highest (RJ)
- Top 3 states have more than 65% of customer's base. This shows the scope of expansion

4 Impact on Economy

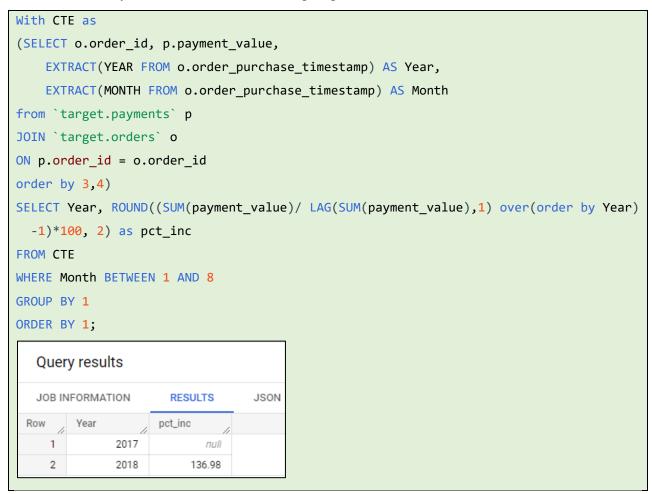
- Analyze the money movement by e-commerce by looking at order prices, freight and others.

4.1 Get % increase in cost of orders from 2017 to 2018.

- (include months between Jan to Aug only) - You can use "payment_value" column in payments table

Approach:

Firstly, Using CTE, get the table of MoM payment value, then filter it for month 1 to 8 (Y2016 excluded). Finally calculated % increase using Lag window function.



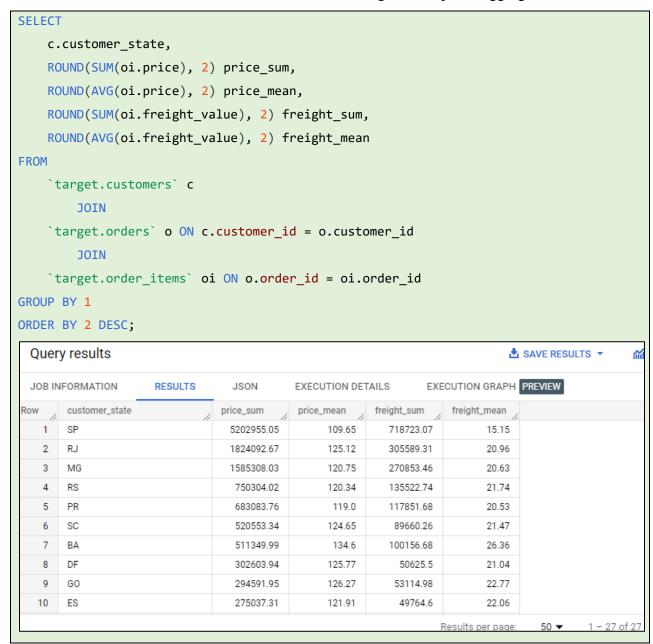
Analysis:

1. The order cost has seen a huge increase of 137% YoY during the first 8 months. This shows considerable growth.

4.2 Mean & Sum of price and freight value by a customer state

Approach:

Joined the customers, orders, and order_items table and get the required aggregations.

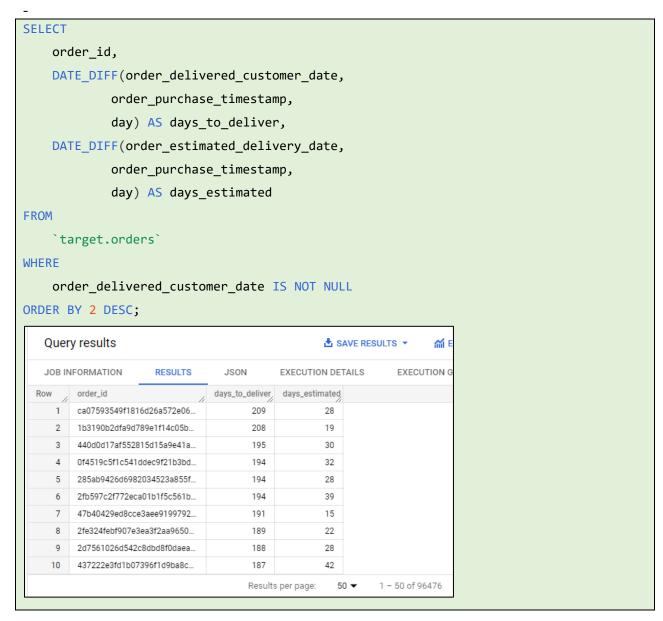


5 Analysis on sales, freight, and delivery time

5.1 Calculate days between purchasing, delivering, and estimated delivery

Approach:

- By analysing the data, there are 2,965 transactions in the orders table where order_delivery_customer_date is NULL. We need to eliminate these transactions for our calculations to avoid misrepresentation.
- There are 8 transactions where order status is delivered but order_delivery_customer_date is NULL shows missing data



5.2 Find time_to_delivery & diff_estimated_delivery.

Formula for the same given below:

time_to_delivery = order_purchase_timestamp-order_delivered_customer_date
diff_estimated_delivery = order_estimated_delivery_date-order_delivered_customer_date



5.3 Group data by state, take mean of freight_value, time_to_delivery, diff_estimated_delivery

```
SELECT
     c.customer_state,
     AVG(oi.freight_value) mean_freight_value,
     AVG(DATE_DIFF(o.order_purchase_timestamp,
                o.order_delivered_customer_date,
                day)) AS mean_time_to_delivery,
     AVG(DATE_DIFF(o.order_estimated_delivery_date,
                o.order_delivered_customer_date,
                day)) AS mean_diff_estimated_delivery
FROM
     `target.orders` o
          JOIN
     `target.customers` c ON o.customer_id = c.customer_id
     `target.order_items` oi ON o.order_id = oi.order_id
WHERE
     o.order_delivered_customer_date IS NOT NULL
GROUP BY 1
ORDER BY 1;
   Query results
                                                                                          ▲ SAVE RESULTS ▼
                                                                                                               M
                                                                     EXECUTION GRAPH PREVIEW
   JOB INFORMATION
                        RESULTS
                                    JSON
                                               EXECUTION DETAILS
 Row
         customer_state
                                  mean_freight_va mean_time_to_d mean_diff_estim
         AC
                                   40.0479120...
                                               -20.329670...
                                                            20.0109890..
     2
         ΑL
                                   35.8706557...
                                               -23.992974...
                                                            7.97658079...
     3
                                               -25.963190...
                                                            18.9754601...
         AM
                                  33.3106134...
     4
         AΡ
                                  34.1604938...
                                               -27.753086...
                                                            17.4444444...
     5
         ВА
                                               -18.774640...
                                                            10.1194678...
                                  26.4875563...
         CE
                                  32.7344950...
                                               -20.537166...
                                                            10.2566619...
     6
         DF
                                                            11.2747346...
                                  21.0721613...
                                               -12.501486...
     8
                                  22.0289797...
                                               -15.192808...
                                                            9.76853932...
         ES
     9
         GO
                                  22.5628678...
                                               -14.948177...
                                                            11.3728590...
                                  38.4927124...
                                                            9.10999999..
    10
         MA
                                              -21.203749...
                                                                               Results per page:
                                                                                               50 ▼
                                                                                                       1 - 27 of 27
```

5.4 Sort the data to get the following:

Approach:

- Created a view with the required parameters which will be used in subsequent questions to sort the data.

```
CREATE VIEW `target.states_wise_data` as
(SELECT
    c.customer_state as cust_states,
    ROUND(AVG(oi.freight_value), 2) AS avg_freight_value,
    ROUND(AVG(DATE_DIFF(o.order_purchase_timestamp,
            o.order_delivered_customer_date,
            day)),2) AS mean_time_to_delivery,
    ROUND(AVG(DATE_DIFF(o.order_estimated_delivery_date,
            o.order_delivered_customer_date,
            day)),2) AS mean_diff_estimated_delivery
FROM
    `target.customers` c
        JOIN
    `target.orders` o ON c.customer_id = o.customer_id
        JOIN
    `target.order_items` oi ON o.order_id = oi.order_id
WHERE
   o.order_delivered_customer_date IS NOT NULL
GROUP BY 1);
```

5.5 Top 5 states with highest/lowest average freight value - sort in desc/asc limit 5

Note: Calculation is done on orders delivered to customers (where cust. delivery date is not null)

✓ Top 5 states with highest average freight values:



✓ Top 5 states with lowest average freight values:



5.6 Top 5 states with highest/lowest average time to delivery

✓ Top 5 states with highest average time to delivery:

```
SELECT
  s.customer_state, s.mean_time_to_delivery
FROM
  `target.states_wise_data` s
ORDER BY 2 DESC
LIMIT 5;
  Query results
  JOB INFORMATION
                       RESULTS
                                    JSON
        customer_state
                                  mean_time_to_d
    1
                                        -27.83
    2
        AΡ
                                        -27.75
                                        -25.96
    3
        AM
                                        -23.99
        ΑL
        PΑ
                                         -23.3
```

✓ Top 5 states with lowest average time to delivery:



5.7 Top 5 states where delivery is really fast/ not so fast compared to estimated date

✓ Top 5 states with fastest delivery:



✓ Top 5 states with slowest delivery:

```
SELECT
  s.customer_state, s.mean_diff_estimated_delivery
  `target.states_wise_data` s
ORDER BY 2
LIMIT 5;
  Query results
  JOB INFORMATION
                      RESULTS
                                  JSON
        customer_state
                                 mean_diff_estim
                                       7.98
    1
        SE
                                       9.17
        ES
                                       9.77
                                      10.12
```

	Avg. Freight	Avg. Time to Delivery	Avg. Diff. Estimated Delivery
Top 5	PB, RR, RO, AC, PI (Higher Freight Cost)	RR,AP,AM,AL,PA (Higher Avg time to deliver)	AC, RO, AM, AP, RR (Fastest compared to Estimated date)
Bottom 5	SP, PR,MG, RJ, DF (Lower Fright Cost)	SP, PR, MG, DF, SC (Lower time to deliver)	AL, MA, SE, ES, BA (Not so fast compared to Estimated date)

Analysis:

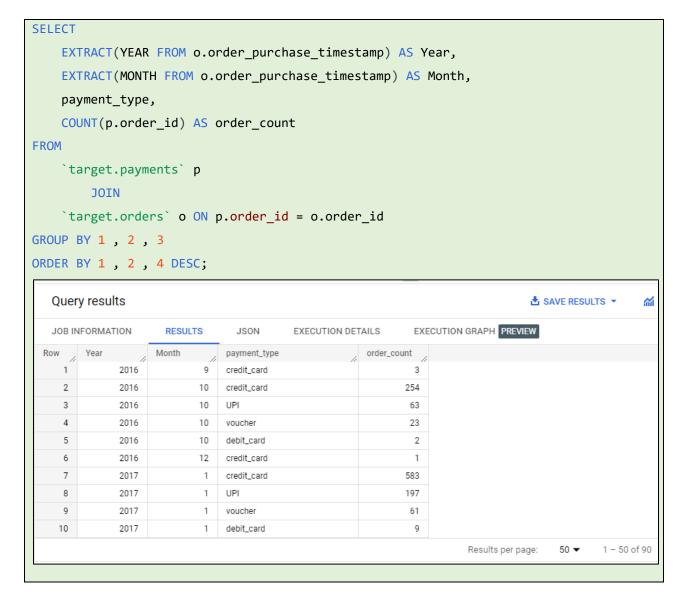
- There is a major gap between the estimated delivery time and the actual delivery time.
- Data represents and suggests scope of improvements in delivery estimation and time to delivery, which can be improved by data analytics algorithms and models.
- Company could think of strenthening its position in the cities were they have better freight value, lesser time to delivery, and predictable delivery time. But should strongly focus on the cities where the order delivery service is worst. There are many instances were actual delivery date is much higher than estimated delivery date. These instanses affects customer loyality and satisfaction.

6 Payment type analysis:

6.1 Month over Month count of orders for different payment types

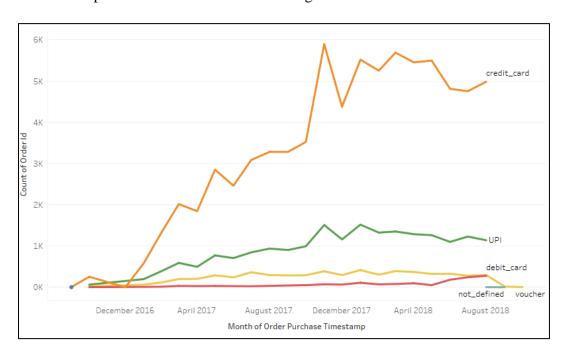
Approach:

- Extracted Year and Month from purchase timestamp and count aggregate on order_id to get Month on Month order counts.



Analysis

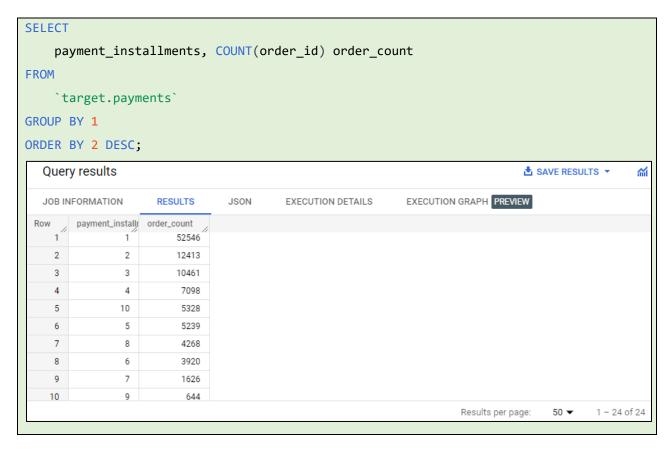
- Credit Card is the most prefered payment method by the customers
- UPI adoption has increase over time along with orders



6.2 Count of orders based on the no. of payment installments

Approach:

- To get the desided data, I've grouped on payment_installments with count aggregation on order_id..



Analysis

- Payment for majority of orders were made on one installments, which ensures cash flows
- Very less payments were done on installments > 12; again good for cash flows

7 Actionable Insights

- 1. The data shows a trend during the 2016-17 period that flattened during 2018.
- 2. We have a seasonality present (peaks available) during November, but it can't be concluded due to insufficient data.
- 3. Overall Scenario regarding order counts looks like something should be going better. The orders are dropping, which needs to be analysed and resolved.
- 4. The majority of orders were placed in the Afternoon and Night.
- 5. Delivery time is much higher.
- 6. The distribution of customers is skewed.
- 7. SP is the state with the highest customer base, and it has more than 3x customer base to the next highest (RJ)
- 8. The top 3 states have more than 65% of the customer base, showing the scope of expansion.
- 9. The order cost has massive increased 137% YoY during the first eight months, showing considerable growth.
- 10. There is a significant gap between the estimated and actual delivery times.
- 11.Data represents and suggests the scope of improvements in delivery estimation and time to delivery, which data analytics algorithms and models can improve.
- 12. Credit Card is the most preferred payment method by customers.
- 13.UPI adoption has increased over time, along with orders
- 14. Payment for most orders was made in one instalment, ensuring cash flows.
- 15. Significantly fewer payments were made on instalments> 12; again suitable for cash flows, but it reflects people are less inclined to purchase higher ticket products.

8 Recommendations

- 1. The company could strengthen its position in the cities with better freight value, less delivery time, and predictable delivery time. But should intensely focus on the cities where the order delivery service is worst. There are many instances where the delivery date is much higher than the estimated delivery date. These instances affect customer loyalty and satisfaction.
- 2. The estimation of delivery time must be improved. Simple statistical models can enhance predictability.
- 3. The customer base is skewed toward some cities. The company has to look for opportunities to expand its customer base.
- 4. Despite lesser growth in order counts, the total order cost has seen a massive 137% increase. The company should maintain the same.
- 5. The company has to look into the flattening trend of order count in 2018. It should improve services in the cities where orders are declining
- 6. The company can plan a Marketing campaign to increase orders from the cities where orders count are declining.