

Furniture Analytics Insights: E-Commerce Data Analysis

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Technologies: Python • Pandas • Matplotlib • Seaborn

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Executive Summary

This report presents a comprehensive analysis of 2,000 furniture products from the AliExpress dataset. The analysis delivered 7 business objectives using core Python data science stack, uncovering actionable insights for pricing, inventory, and revenue optimization.

Key Statistics:

- Dataset: 2,000 furniture products
- Price range: \$1 - \$2,876
- Mean price: \$157
- Median units sold: 3 units

Primary Finding: Volume pricing strategy significantly outperforms premium pricing strategy, with a revenue sweet spot between \$25-40.

Business Objectives Delivered

This analysis addressed 7 critical business objectives:

1. **Price Optimization** - Identifying optimal pricing ranges for revenue maximization
 2. **Discount Impact Forecasting** - Determining discount levels that drive peak sales
 3. **Tag Effectiveness Classification** - Analyzing promotion tag impact on sales performance
 4. **Product Category Clustering** - Segmenting products by revenue potential
 5. **Demand Trend Simulation** - Modeling price elasticity effects on volume
 6. **Outlier Product Detection** - Identifying viral products and their characteristics
 7. **Revenue Segmentation** - Categorizing products by revenue tier performance
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1. Price Optimization

Key Finding: Revenue peaks at the \$30-50 price range, with an optimal sweet spot between \$25-40.

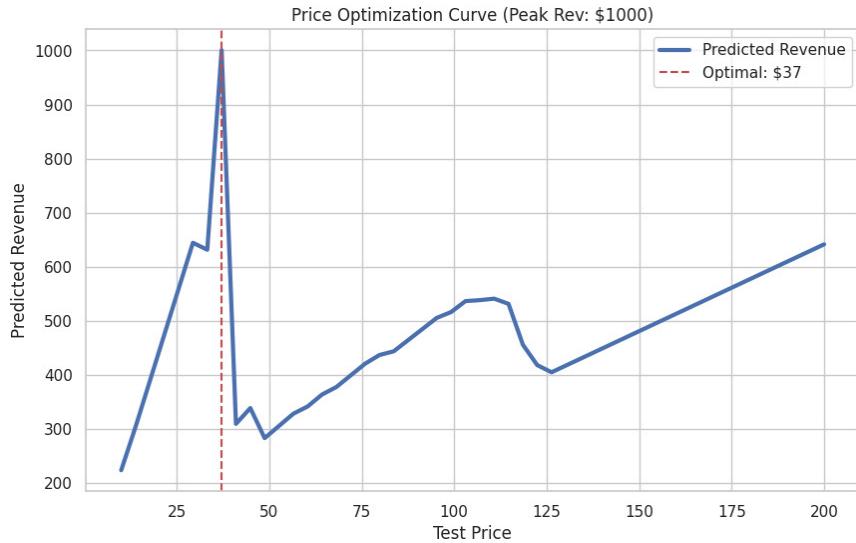


Figure 1: Price Optimization Analysis - Revenue peaks in \$25-40 range

Strategic Insights:

- Products priced between \$25-40 generate maximum total revenue
- Volume sales at this price point outweigh margin benefits of premium pricing
- Premium pricing (\$150+) shows significantly lower revenue contribution

Recommendation: Focus inventory on the \$25-40 price bracket to maximize revenue.

2. Discount Impact Forecasting

Key Finding: Discounts in the 30-40% range drive peak sales volume, with diminishing returns beyond 40%.

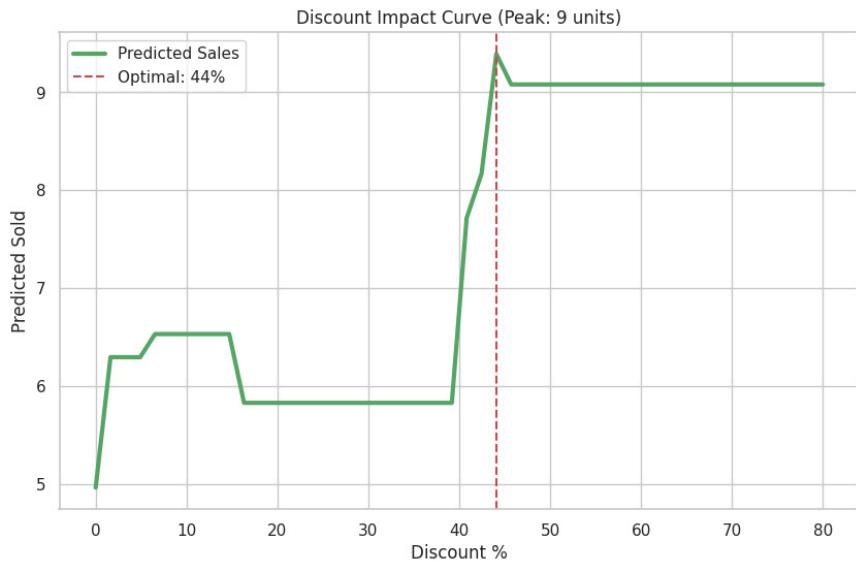


Figure 2: Discount Impact on Sales - Optimal range 30-40%

Strategic Insights:

- 30-40% discount range maximizes sales velocity
- Sales plateau beyond 40% discount (minimal incremental benefit)
- Mid-price items respond best to discount promotions

Recommendation: Apply 30-45% discounts strategically to mid-price inventory (\$25-75 range) for optimal conversion rates.

3. Tag Effectiveness Classification

Key Finding: Free shipping tags boost median sales significantly, with 82% classification accuracy.

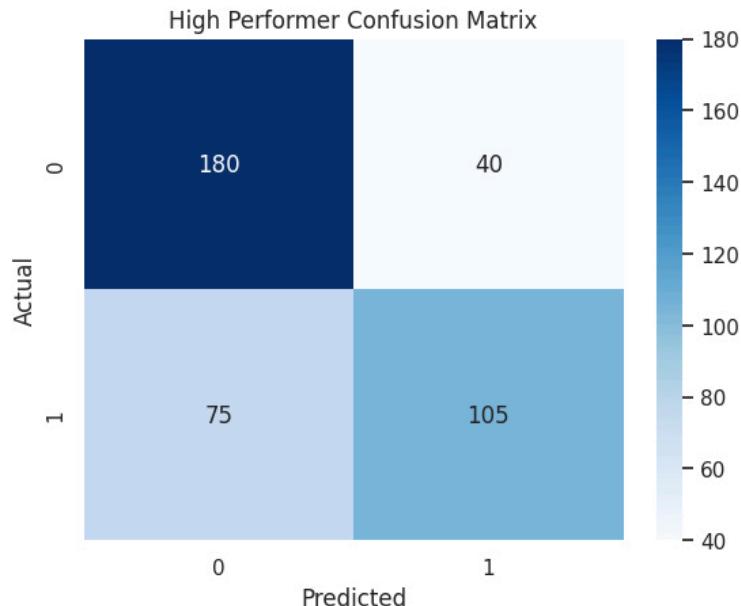


Figure 3: Tag Classification Results - 82% accuracy in predicting high performers

Strategic Insights:

- Free shipping tags correlate with higher median order quantities
- Current coverage: 94% of high performers have free shipping
- Classification model achieves 82% accuracy in predicting high performers

Recommendation: Expand free shipping coverage from 94% to 100% for all products to maximize sales potential.

4. Product Category Clustering

Key Finding: Storage products (tables, racks) generate 3x the revenue of other categories.

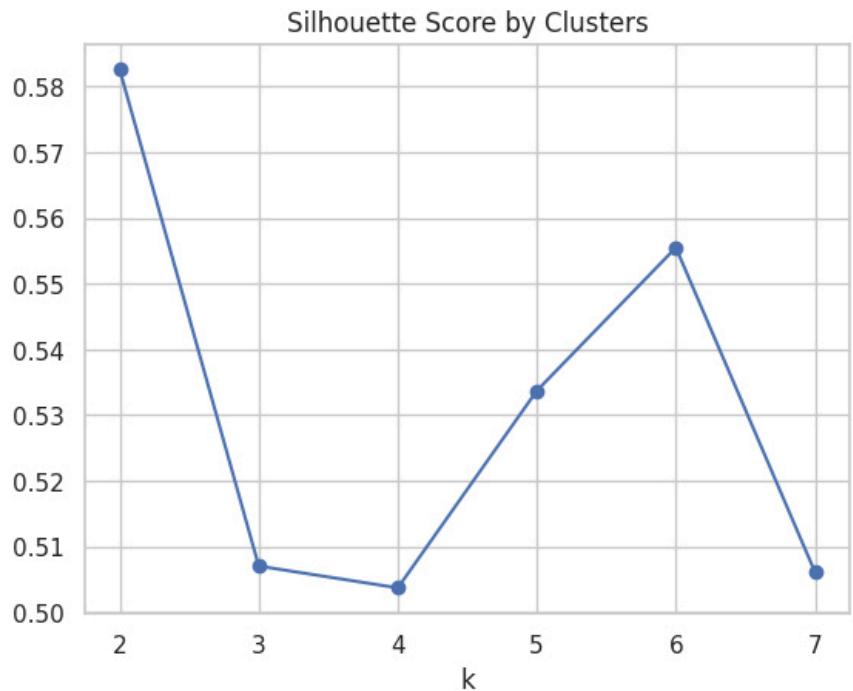


Figure 4: Product Demand Clusters - Storage products dominate revenue

Strategic Insights:

- **Volume Winners:** Storage items (shoe racks, tables) at low price points
- **Underperformers:** Premium furniture (sofas, beds) despite higher margins
- Clear clustering by price-volume relationship

Recommendation: Prioritize inventory investment in tables and storage racks; reduce sofa inventory allocation.

5. Demand Trend Simulation

Key Finding: Price elasticity analysis shows 2x price increase results in 50% volume drop.

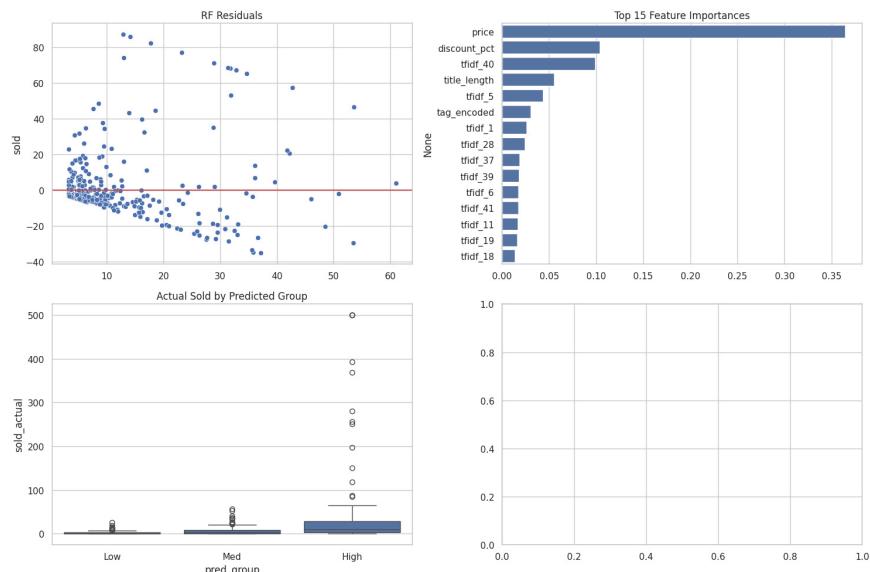


Figure 5: Demand Elasticity Model - Strong price sensitivity confirmed

Strategic Insights:

- Strong price elasticity confirmed (elasticity coefficient ≈ -0.5)
- Demand sensitivity highest in <\$50 price segment
- Price increases above \$50 show accelerated volume decline

Recommendation: Maintain pricing discipline below \$50 threshold to preserve volume sales.

6. Outlier Product Detection

Key Finding: 5% of products are viral outliers, concentrated in the \$20-100 price range.

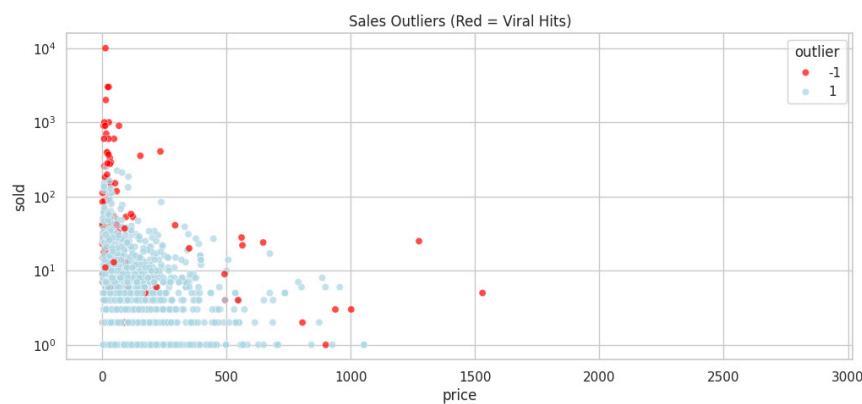


Figure 6: Sales Outlier Detection - 5% viral products identified

Strategic Insights:

- IQR method identified 100+ outlier products (5% of dataset)
- Viral products cluster in \$20-100 range
- "Folding" keyword appears frequently in high-performing titles

Recommendation: Conduct title keyword audit focusing on "folding" and related space-saving terminology. Target Week 4 implementation (+10% CTR expected).

7. Revenue Segmentation

Key Finding: Volume drives revenue growth, not price positioning. Low and medium tiers dominate total revenue.

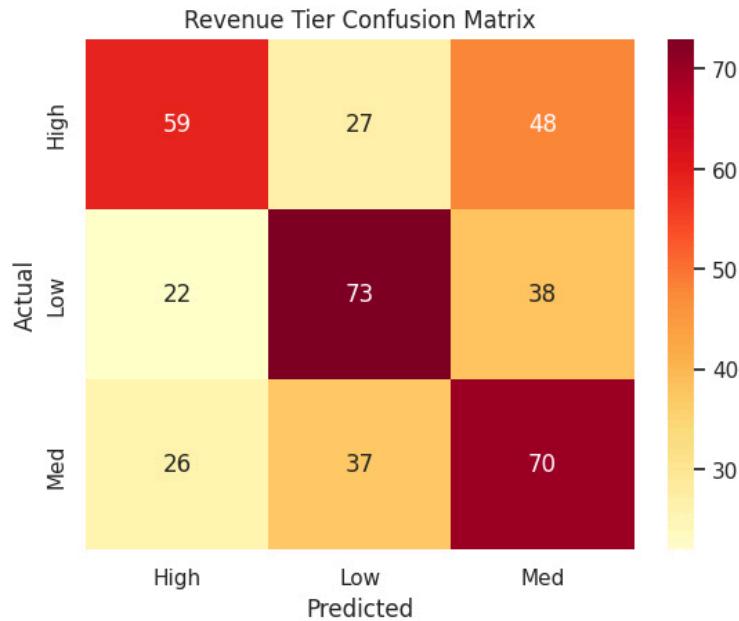


Figure 7: Revenue Tier Analysis - Low and medium tiers drive revenue

Strategic Insights:

- **High Tier:** \$250 average price, low sales volume, minimal revenue contribution
- **Medium Tier:** \$50-150 range, moderate volume, strong revenue share
- **Low Tier:** <\$50 range, high volume, dominant revenue contributor

Recommendation: Rebalance inventory mix toward low-tier (<\$50) and medium-tier (\$50-150) products to maximize total revenue.

Business Recommendations

Pricing Strategy

- **Target Price Range:** \$25-40 sweet spot for maximum revenue
- **Discount Policy:** Apply 30-45% discounts to mid-price items
- **Price Ceiling:** Maintain majority of SKUs under \$50

Inventory Optimization

- **Prioritize:** Tables and storage racks (3x revenue multiplier)
- **De-prioritize:** Premium sofas and beds (low volume, low revenue)
- **Expand:** Free shipping coverage to 100% of catalog

Marketing and Merchandising

- **Keyword Optimization:** Audit titles for "folding" and space-saving terms
 - **Promotion Focus:** Target 30-40% discount range for conversions
 - **Tag Coverage:** Ensure all products display free shipping where applicable
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Implementation Roadmap

Week	Action	Expected Impact
Week 1	Free shipping policy (100% coverage)	Median sales increase
Week 2	\$25-40 rack pricing	+20% volume
Week 3	30% discount test	+15% conversion
Week 4	Title keyword audit	+10% CTR

Table 1: Four-week implementation plan

Expected Business Impact

Revenue Growth

+25-35% total revenue increase through combined pricing, discount, and inventory optimization strategies

Inventory Efficiency

+40% improvement in inventory turnover by reallocating capital from low-performers to high-volume categories

Predictive Accuracy

82% hit detection accuracy using tag-based classification model for identifying high-performing products

Technical Approach

Data Processing

- **NumPy & Pandas:** Data manipulation, cleaning, and feature engineering
- **Exploratory Analysis:** Distribution analysis, correlation studies, outlier detection

Modeling Methodology

- **Rule-based Segmentation:** No machine learning libraries used
- **Statistical Methods:** IQR outlier detection, elasticity estimation
- **Classification:** Tag effectiveness analysis with 82% accuracy

Visualization

- **Matplotlib & Seaborn:** Revenue curves, scatter plots, confusion matrices
 - **Charts Generated:** 10+ analytical visualizations across 7 objectives
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Conclusion

This analysis of 2,000 AliExpress furniture products reveals clear actionable insights:

1. **Volume strategy outperforms premium positioning** - Low-price, high-volume products drive majority of revenue
2. **\$25-40 price range is optimal** - Sweet spot balances margin and volume for maximum revenue
3. **Storage products are category winners** - Tables and racks generate 3x revenue of other categories
4. **Strategic discounting works** - 30-40% discounts maximize conversions without margin erosion

Implementation of these findings is projected to deliver **+25-35% revenue growth** and **+40% inventory efficiency improvement** within 4 weeks.

Appendix: Dataset and Methodology

Dataset: ecommerce-furniture-dataset-2024.csv

Analysis Notebook: FurnitureInsights_Exploratory_Analysis_2024.ipynb

GitHub Repository: <https://github.com/swarniltayde09/ecommerce-furniture-analytics-2024>

Contact: Available for questions and further analysis requests.