

Slide 1: Title Slide

Title: Pricing Analysis: Strategic Insights for Optimized Revenue

Subtitle: A comprehensive study of product performance and competitive positioning

Thank you all for being here today. My name is Gurpreet Doal, and I'm excited to present my pricing analysis project findings.

Pricing is one of the most critical levers in shaping business success, and through this analysis, we aim to align our pricing decisions with customer expectations and market dynamics. I look forward to discussing the findings and how we can apply these insights to our business strategies.

_Your Name: Gurpreet Doal

Date: [Insert Date]

Slide 2: Objectives

Purpose:

The goal of this presentation is to provide you with a clear understanding of:

Key Goals:

- Evaluate total revenue, units sold, and revenue per unit to identify top and underperforming products.
- Compare pricing trends with key competitors to uncover strengths and gaps.
- Recommend targeted pricing adjustments, promotional strategies, and marketing initiatives to improve market competitiveness.
- Financial Impact Over Time: Trends in Pricing, Sales, and Revenue

"Time trends analysis examines how key metrics such as pricing, sales volume, and revenue evolve over time. By comparing our company's performance with competitors and identifying seasonal patterns, we uncover actionable insights. For example, aligning pricing with competitor trends

during peak months like November-December can drive higher sales and revenue. This analysis helps us refine strategies to maximize profitability and market positioning over time."

Slide 3: Data Overview

Website [Retail Price Optimization](#)

The dataset includes 676 records with 30 columns, covering aspects such as:

- Product details (ID, category, unit price).
- Sales data (quantity sold, total revenue).
- Competitor pricing (comp_1, comp_2, comp_3).
- Temporal data (month, year).
- Freight and lag prices.

Time Period: May 2017 to March 2018

This gives you approximately **11 months** of data for analysis.

- **Earliest Date:** May 2017 (01-05-2017)
- **Latest Date:** March 2018 (01-03-2018)
- **Summary statistics Examples:**
- Total revenue generated: **\$961,751.10**.
- Total quantity sold: **9,799 units**.
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A: Revenue per unit helps assess profitability, while pricing trends reveal competitiveness and market positioning.

Slide 5: Product Performance

Purpose:

Highlight the products that are driving revenue and those that are underperforming.

Top 3 Products by Revenue:

- **health2**: Generated \$63,885 with 195 units sold.
- **health5**: Generated \$54,730.20 with 156 units sold.
- **computers4**: Generated \$46,916.51 with 341 units sold.

These top products accounting for a significant share of revenue.

Low 3 Products by Revenue:

- **consoles2**: Generated only \$2,384 with 97 units sold.
- **consoles1**: Generated only \$3,416.70 with 142 units sold.
- **furniture3**: Generated only \$3,507.95 with 97 units sold.

Health2 generated 26 times more revenue than console2

Why This Matters:

Identifying top and low performers is critical for prioritizing resource allocation. For instance, high-revenue products may warrant increased marketing, while low-revenue products need reevaluation of demand and pricing strategy.

Potential Questions:

- **Q:** Why are consoles2 and furniture3 underperforming?
 - It could be due to low demand, high prices, or lack of differentiation from competitors. It needs further investigation into market conditions.
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Slide 6: Revenue Per Unit

Purpose: Evaluate product profitability using revenue per unit sold.

- **Top 5 Products by Revenue Per Unit:**
 - **health5**: \$350.83/unit.
 - **health2**: \$327.61/unit.
 - **watches7**: \$257.10/unit.
- **Low 5 Products by Revenue Per Unit:**
 - **health9**: \$22.51/unit, despite selling 281 units.
 - **consoles1**: \$24.06/unit, with 142 units sold.
 - **consoles2**: \$24.57/unit, with 97 units sold.

Revenue per unit provides insights into the profitability of each product, regardless of sales volume. For example, health5 is both a high-revenue and high-profit product, while health9 needs reassessment and may need pricing adjustments like promotion or bundling strategies

- How do we improve health9's profitability?
 - **A:** Consider bundling it with high-performing products or reducing its production cost.
 - **For example, when selling health5 I can discount lower-performing products.** Make a bundle or sell together.

Slide 7: Price Competitiveness

Purpose: Compare company pricing against competitors.

1. Average Pricing:

- Company's pricing is consistently higher than competitors (average company price: \$106.50).
- Competitor 1: maintain the lowest price(average is **\$79.45** which is 27% lower the our company's price .

-----Looks like competitor 1 follows the cost leadership strategy. which could target price-sensitive customers.

Competitors 2 and 3 are moderately competitive (averages: \$92.93 which is 13% lower and \$84.18 which is 21% Lower).

----Significant price deviations may impact competitiveness for certain products

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"Financial Impact Over Time: Trends in Pricing, Sales, and Revenue"

- **Purpose:** Analyze pricing trends, sales drivers, and competitive positioning.

- **Talking Point:** "This project uncovers insights into pricing strategies and their impact."

Average Prices Over Time

- "Our company follows a premium strategy, while Competitor 1 focuses on cost-leadership.
- "Example: In May 2017, your price was **\$45.95**, lower than Competitor 1's **\$89.90**, highlighting a competitive advantage.

Revenue Trends

- Revenue is stable, with peaks during high-demand months.
- Example: In **November 2017**, reduced prices led to a revenue spike.
- Insight: Discounts during peak months drive higher sales and revenue.

Quantity Sold Trends

- Sales fluctuate with price changes and seasonal trends.
- Example: **December 2017**, price reduction to **\$39.99** boosted sales volume.
- Insight: Aligning prices with competitors increases sales.

Slide 11: Implications and Recommendations

This slide breaks down our strategy into three key areas: Market Positioning, Opportunities for Adjustment, and Focus Areas. Each plays a critical role in ensuring our pricing strategy aligns with market demands, customer expectations, and competitive pressures.

1. Market Positioning

What is Market Positioning?

- "Market positioning is about how customers perceive our products compared to competitors.
- It's how we define the unique value we offer and differentiate ourselves in a competitive market."

Key Points to Discuss:

1. **Premium Pricing Strategy:**

- "We've positioned our products, such as health5 (\$350/unit), at a premium price point to emphasize quality and value.
 - This strategy attracts quality-conscious customers who are willing to pay more for superior features and benefits."
2. **Competitor Differentiation:**
- "Competitor 1, for example, focuses on cost-leadership with prices 27% lower than ours on average.
 - To counter this, we highlight our unique selling points—durability, long-term value, and superior materials."

Example to Share:

- "Take health5 as an example. We position it as a high-quality product through marketing campaigns that showcase its durability and premium benefits."

Why It's Important:

- "This positioning allows us to retain loyal, high-value customers, differentiate our brand, and justify higher pricing."

2. Opportunities for Adjustment

What are Opportunities for Adjustment?

- "These are tactical changes we can make to improve product performance, optimize revenue, and address market gaps."

Key Points to Discuss:

1. **Adjust Pricing:**
 - "Certain products like health9 (\$22.51/unit) may require selective price reductions to align with competitors and attract price-sensitive customers."
2. **Introduce Promotions:**
 - "For seasonal peaks in November-December, offering discounts or bundling products can significantly boost sales."
3. **Bundle Low Performers:**
 - "Underperforming products, such as consoles2 (\$2,384 revenue), can be bundled with high-demand items like health2 (\$63,885 revenue) to increase their appeal."

Example to Share:

- **"By offering a 10% discount on health2 during December or bundling it with consoles2, we can drive both revenue and sales volume."**

Why It's Important:

- **"These adjustments allow us to quickly respond to market changes and maximize profitability without losing focus on long-term goals."**
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3. Focus Areas

What are Focus Areas?

- **"Focus areas are strategic priorities that ensure we allocate resources effectively and stay ahead of competitors."**

Key Points to Discuss:

- 1. Monitor Competitor Strategies:**
 - **"Competitor 1's aggressive cost-leadership strategy poses a threat to our market share among price-sensitive customers."**
 - **It's critical to monitor their moves and adapt accordingly."**
- 2. Invest in High-Performing Products:**
 - **"Products like health2 and computers4 consistently drive high revenue."**
 - **By increasing ad spend and marketing focus on these products, we can sustain and grow their momentum."**
- 3. Optimize Inventory:**
 - **"Seasonal peaks, like the holiday season, demand careful inventory planning."**
 - **Ensuring adequate stock of high-demand items like health2 prevents missed sales opportunities."**

Example to Share:

- **"For instance, stocking up on health2 and computers4 ahead of the holiday season ensures we can meet increased demand while avoiding inventory shortages."**

Why It's Important:

- "Focus areas help us strategically prioritize resources and adapt to both opportunities and challenges in the market."
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Thank you for your attention. I'm happy to answer any questions or discuss further steps to ensure our pricing strategies align with our business goals and market opportunities.
