

Discounts

Are they beneficial?

Let's look at the numbers

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Current Concerns

Marketing

Beneficial

- in the long run
- Customer acquisition
- Retention
- Satisfaction

Investors

Worried about

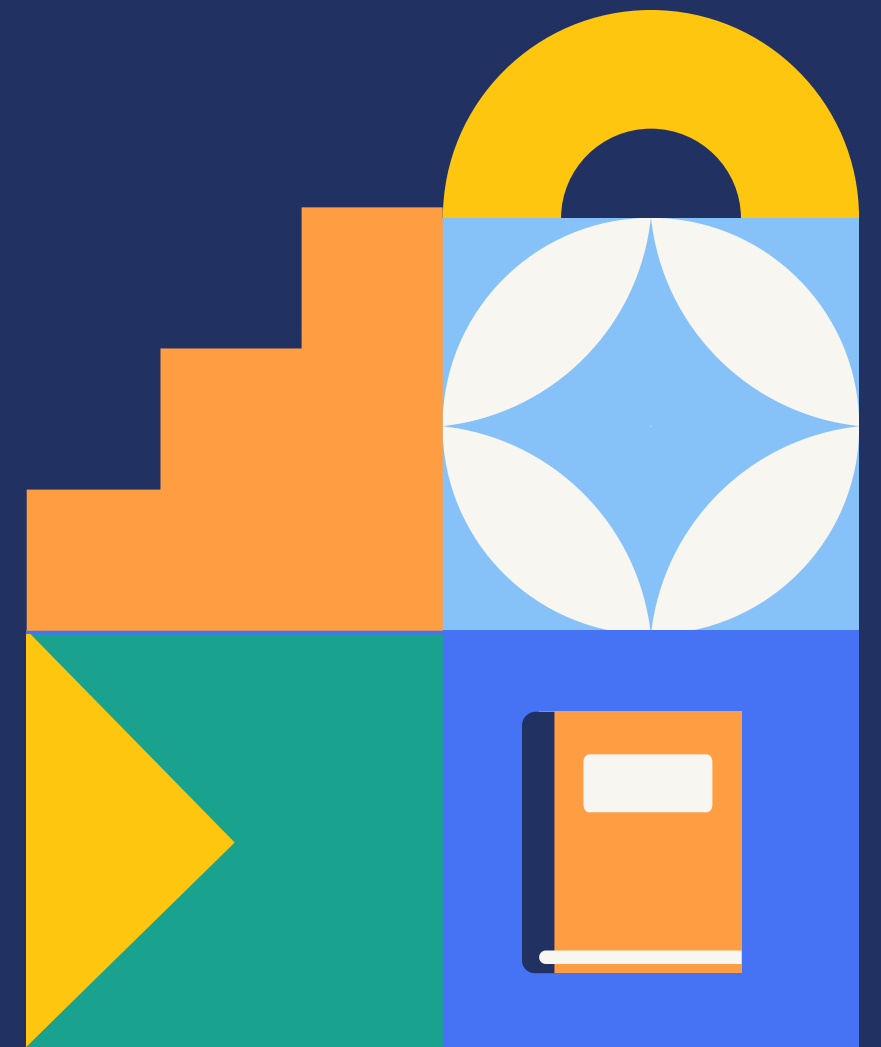
- Aggressive discounts
- Increased orders but decreasing revenue
- Position in the premium segment



Key Questions

Are discounts beneficial?

- Do discounts influence sales?
 - First time purchases
 - repeat purchases
 - Cross-sales
- Are there specific conditions for success?
 - Certain seasons or times
 - Specific high-performing categories
- Can increased revenue offset lower profit margins?



Discounts & Sales Correlation

Avg Disc, Revenue and Product Sales (Normalized) - All Discount types

— Avg Disc — Revenue — Product Sales

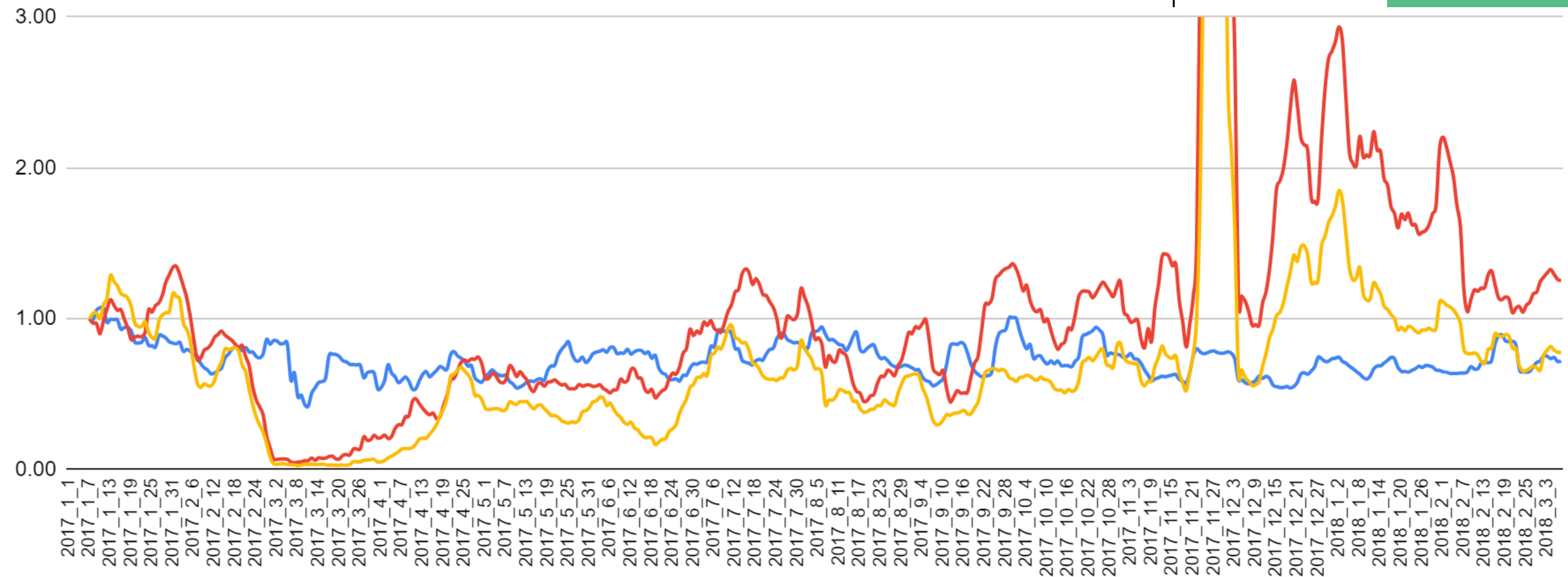
Correlation (Pearson)

vs Rev

6.18%

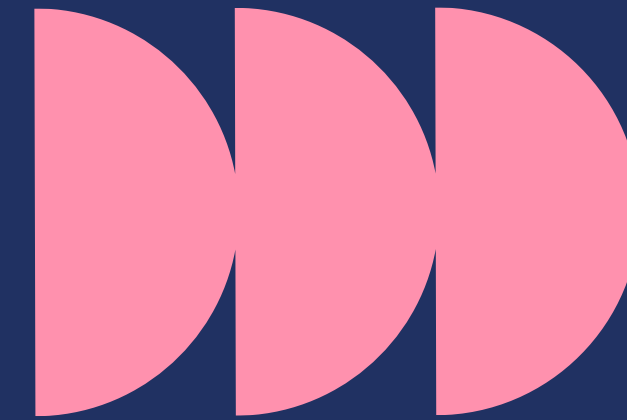
vs Sales

17.42%

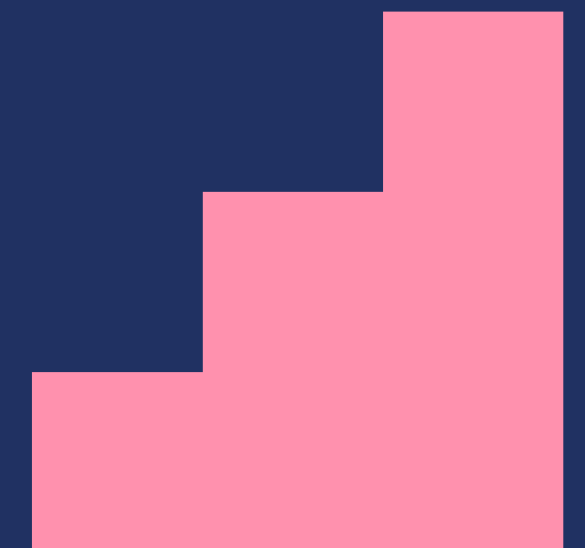


Year-Month-Day

Correlation (Jan-Mar 2017)		
vs Rev		49.32%
vs Sales		55.60%
Correlation (Apr-Jun 2017)		
vs Rev		9.72%
vs Sales		8.20%
Correlation (Jul-Sep 2017)		
vs Rev		-5.18%
vs Sales		40.15%
Correlation (Oct-Dec 2017)		
vs Rev		-28.51%
vs Sales		-29.48%
Correlation (Jan-Mar 2018)		
vs Rev		-43.15%
vs Sales		-9.69%



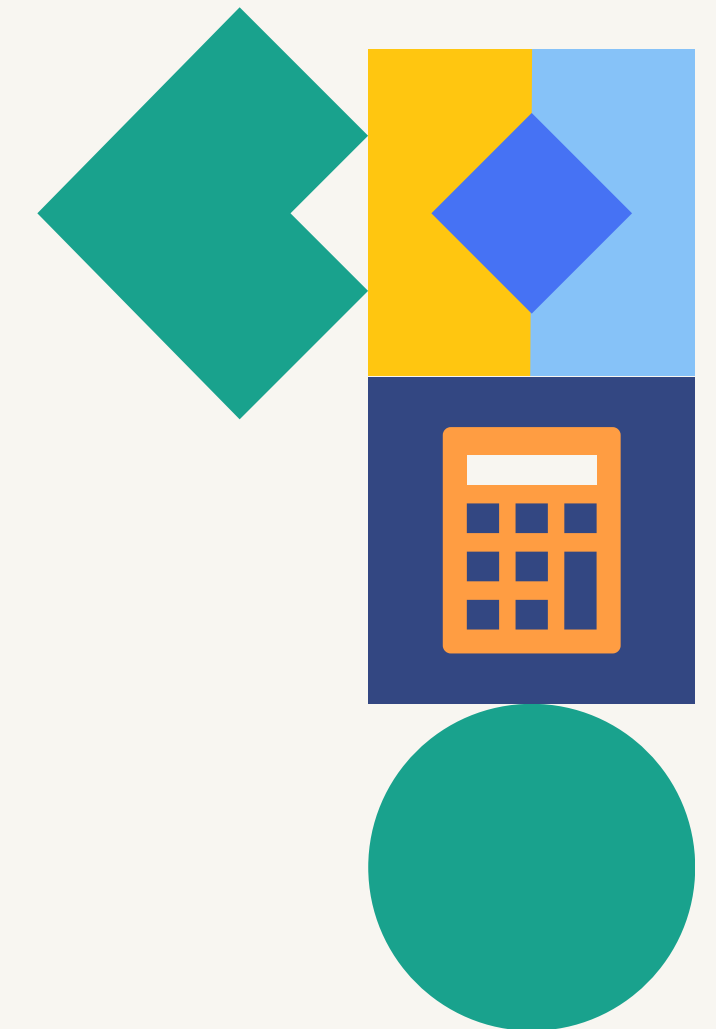
Time Correlation



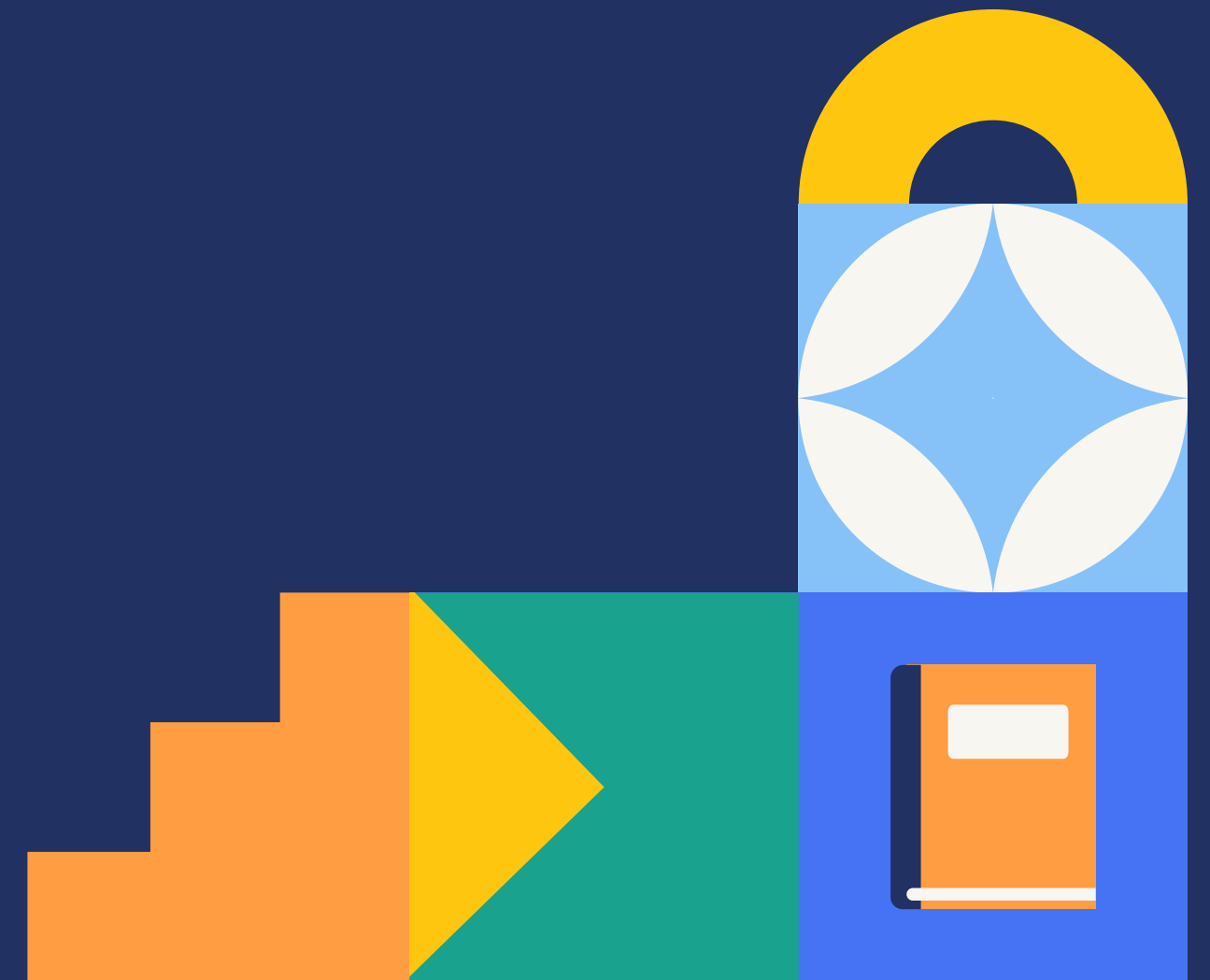
Defining Discounts

High > 20% > **Low**

Avg Discount	High Disc	Low Disc
Computing Devices	26.99%	8.88%
miscellaneous	35.71%	7.16%
Mobile Accessories	38.96%	11.97%
Power and Charging	47.29%	11.07%
Repair and Upgrades	26.12%	15.02%
Smart Gadgets	32.90%	11.81%
Storage Solutions	27.11%	10.41%
Grand Total	30.79%	8.90%



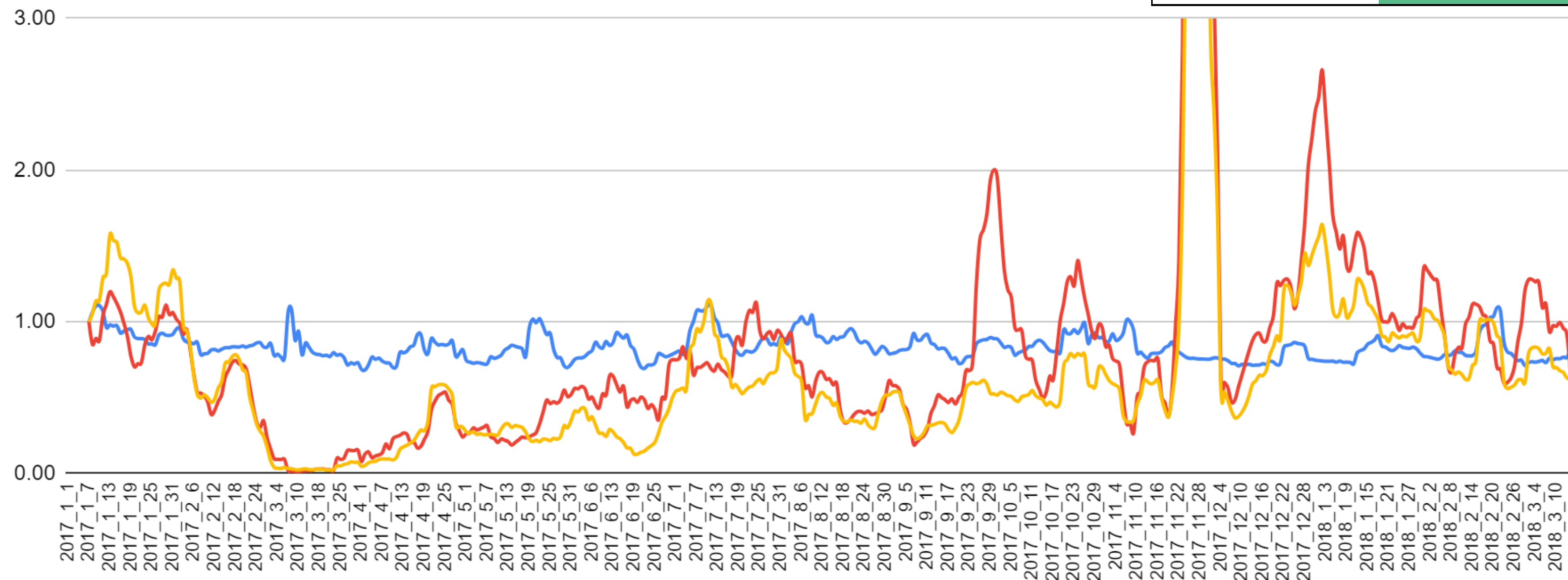
**Is there a
correlation
between
different
discount levels
and sales?**



High Discounts & Sales Correlation

Avg Disc, Revenue and Product Sales (Normalized) - >20% disc

— Avg Disc — Revenue — Product Sales



Year-Month-Day

Correlation (Pearson)

vs Rev

-11.09%

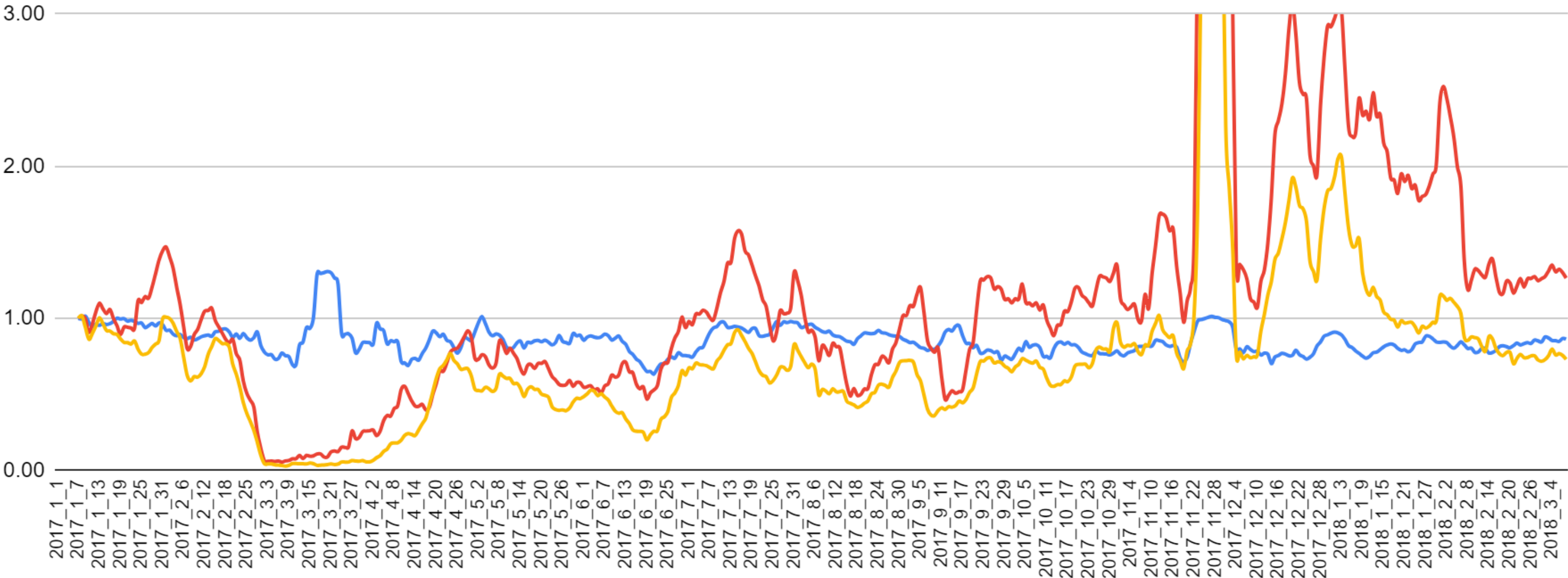
vs Sales

2.00%

Low Discounts & Sales Correlation

Avg Disc, Revenue and Product Sales (Normalized) - <=20% disc

— Avg Disc — Revenue — Product Sales



Correlation (Pearson)

vs Rev 9.50%

vs Sales 10.66%

Year-Month-Day

Therefore
are discounts
driving sales?



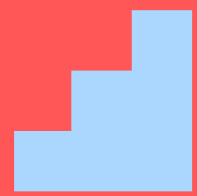
No



Revenue Erosion from Aggressive Discounts

Discount type -->	HIGH		LOW	
	Sales	Revenue	Sales	Revenue
Computing Devices	6%	6%	9%	33%
miscellaneous	15%	4%	16%	26%
Mobile Accessories	7%	1%	4%	1%
Power and Charging	1%	0%	1%	0%
Repair and Upgrades	1%	1%	1%	1%
Smart Gadgets	7%	3%	8%	5%
Storage Solutions	8%	5%	16%	14%
	46%	21%	54%	79%

Potential Areas of Improvement



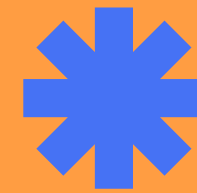
Customer Data

Essential for long term benefit analysis



Margin Data

Operational costs are needed to calculate profit impact



Further Research

Correlation of specific times and categories has further potential

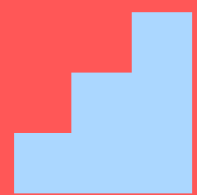


Data Maintenance

The dataset contains some corruption that could be investigated



Recommendations



Sales

Aggressive
discounts do not
increase sales



Margin

Discounts
cut into
profit



Discounts

Reduce
aggressive
discounts



A/B Test

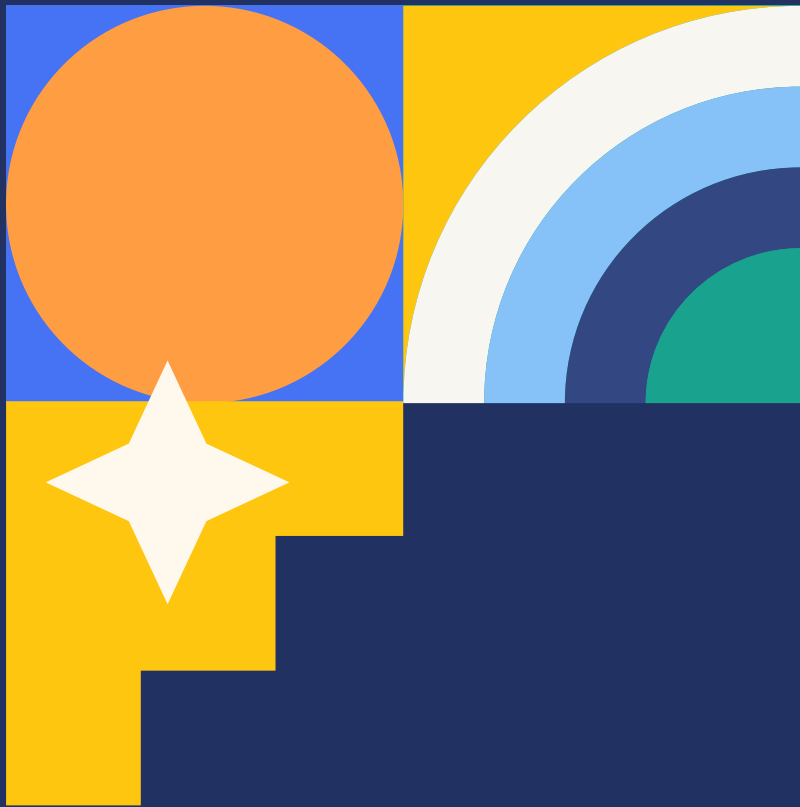
A/B test
aggressive
discounts at
intervals

Thankyou

From

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Brett
Iman
Nikhil





Average Product Price

Avg Price	High Disc	Low Disc
Computing Devices	€332.99	€967.13
miscellaneous	€103.79	€410.26
Mobile Accessories	€56.30	€77.85
Power and Charging	€45.94	€58.72
Repair and Upgrades	€286.44	€274.17
Smart Gadgets	€143.32	€164.40
Storage Solutions	€181.04	€219.75
Grand Total	€148.09	€375.39

