

Simple Threads

Rethinking Growth: An Analysis of Simple Threads' Q1 2025 Performance

Identifying Our True Sales Drivers Beyond Discounts

Our Q1 analysis reveals that organic factors—product popularity and regional demand—are our primary growth drivers, not promotional campaigns.



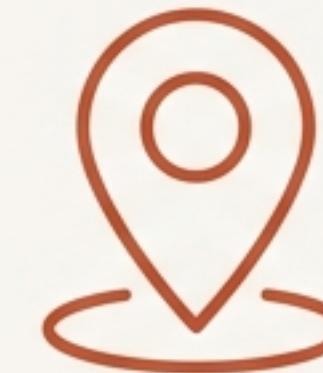
Ineffective Promotions

The year-end discount campaign had a negligible impact on average customer spend.



Product is King

Skirts and Trousers overwhelmingly led sales, demonstrating strong existing product-market fit.



Regional Powerhouse

Jaipur has emerged as our highest-performing market, presenting a clear opportunity for focused growth.

The Bottom Line: We recommend pivoting our strategy from broad discounts to amplifying our proven strengths in key products and regions.

The core objective was to measure the true ROI of our year-end discount campaign.

Simple Threads launched a year-end discount email campaign to boost sales and customer engagement.

We conducted a deep-dive analysis of our Q1 2025 performance data to answer a critical question:

Should discount campaigns be a core part of our future growth strategy?



The campaign successfully converted
15 of 36 targeted customers.



36 → 15

Customers Received
Discount Emails

Customers Made a
Purchase Using a Discount

Conversion Rate: 41.7%

Takeaway: While the campaign generated transactions, its true value depends on whether it influenced customers to spend **more**.

Discount users spent only marginally more than non-discount customers per transaction.

Average Spend Per Transaction: Discount vs. Non-Discount



Takeaway: The campaign did not meaningfully increase the average transaction value, suggesting it primarily discounted sales that would have happened anyway.

Deeper discounts show virtually no correlation with higher customer spending.

0.036

Correlation between Discount Percentage and Purchase Amount



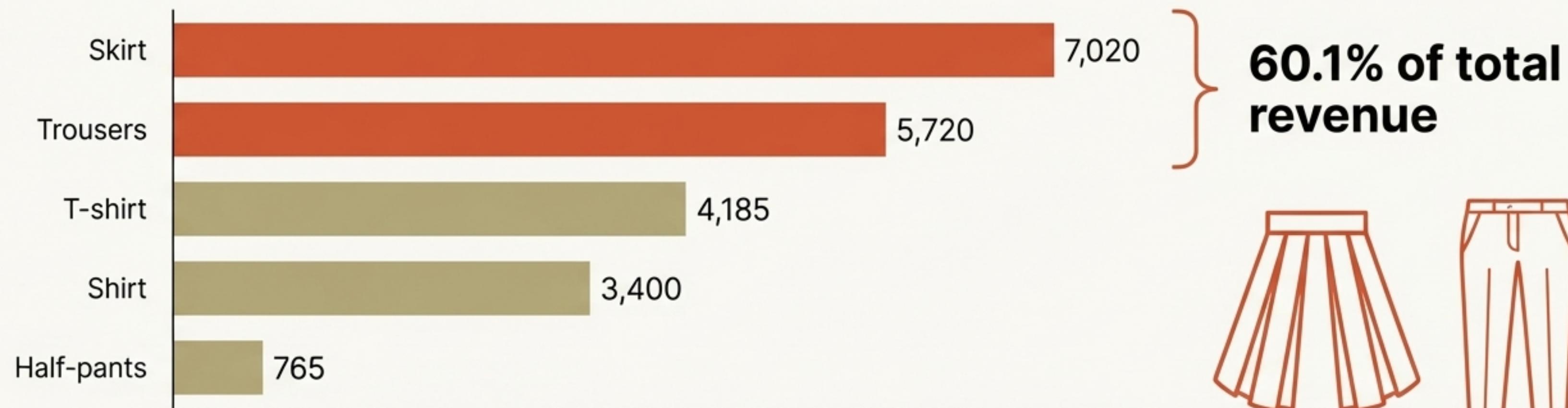
Our statistical analysis confirms that the size of the discount offered had a negligible impact on how much a customer spent.

Takeaway: Investing marketing budget into higher discount percentages yields diminishing returns and is not an effective lever for increasing order value.

If Not Discounts, What Truly Drives Our Sales?

Skirts and Trousers are our revenue powerhouses, generating over 60% of product sales.

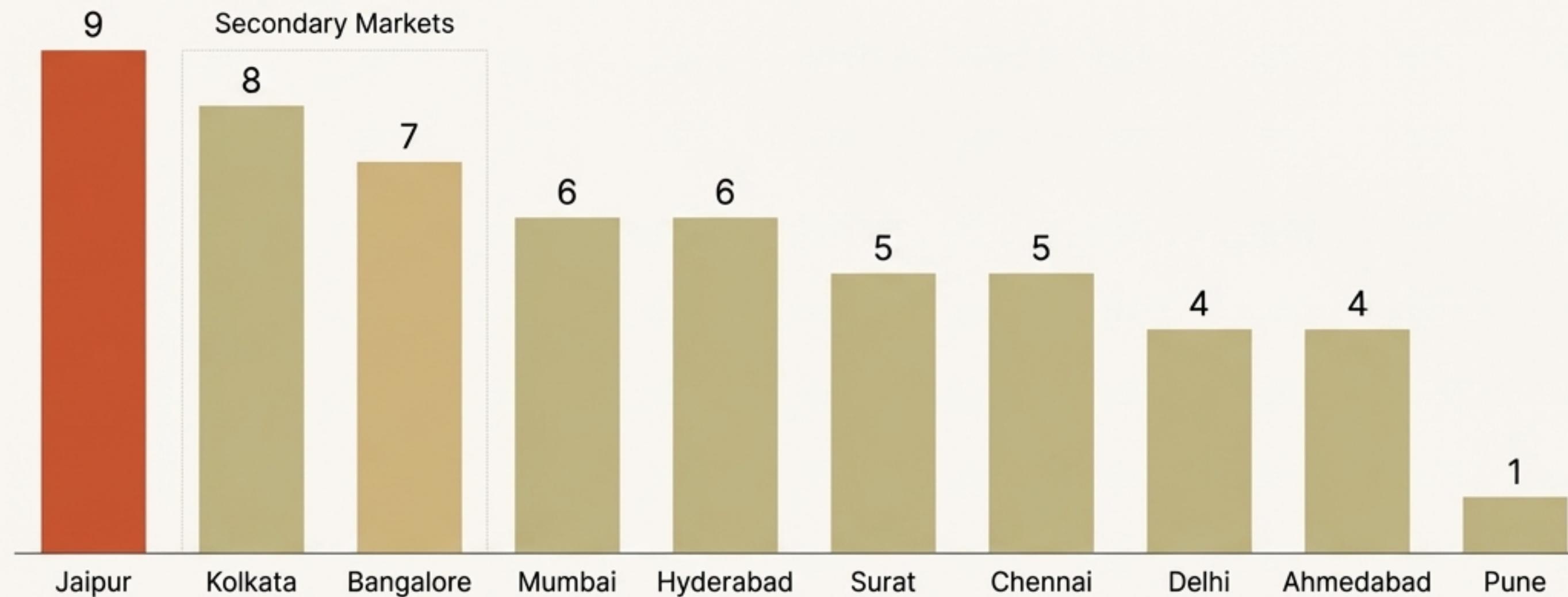
Q1 2025 Sales Revenue by Product Category



Takeaway: Our customers have clear preferences. Focusing marketing and inventory on our top two categories presents the most direct path to revenue growth.

Jaipur has emerged as our top-performing market, leading all other regions in customer purchases.

Regional Distribution of Customer Purchases (Q1 2025)



Takeaway: The strong performance in Jaipur indicates a significant, untapped opportunity. We must understand **why** this market is succeeding and replicate it.

Our insights are built on a meticulously cleaned and standardized dataset.

To ensure the accuracy of our findings, four distinct datasets (Customer, Product, Purchase, Discount) were integrated and rigorously pre-processed.



Customer Data

Merged names, standardized addresses (e.g., 'delhii' to "Delhi"), and removed duplicate records.



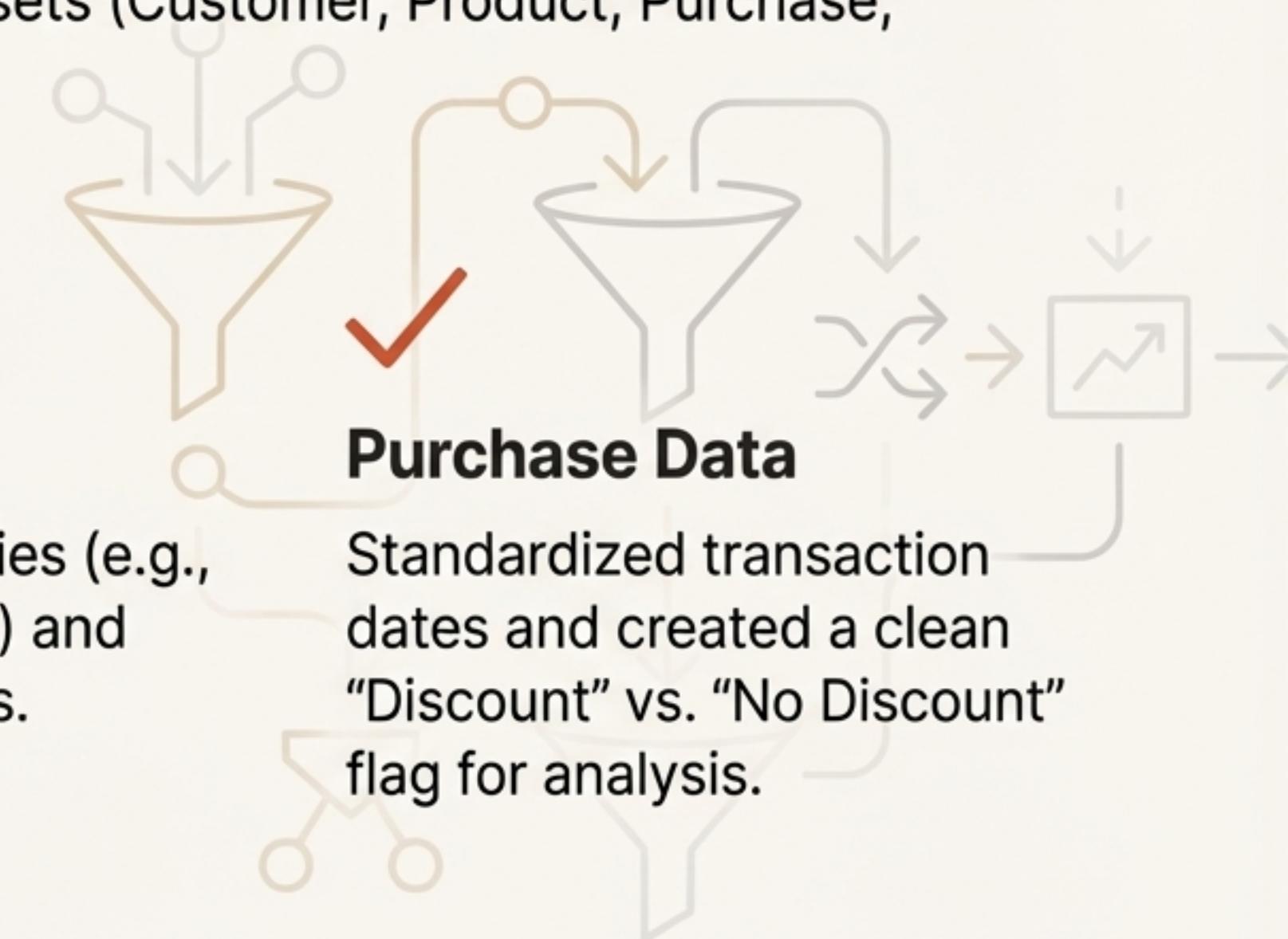
Product Data

Standardized categories (e.g., "shirt (men)" to "shirt") and unified pricing formats.



Purchase Data

Standardized transaction dates and created a clean "Discount" vs. "No Discount" flag for analysis.



Takeaway: This rigorous preparation ensures that the strategic insights presented are reliable and trustworthy.

Strategic Recommendations for Sustainable Growth



1. Refine Promotion Strategy

- Move away from broad, deep discount campaigns.
- Experiment with value-based incentives like loyalty rewards, combo offers, or free shipping to build long-term value.



2. Amplify Product Winners

- Increase marketing visibility and inventory for top-sellers: Skirts and Trousers.
- Evaluate underperforming categories like Half-pants for improvement, repricing, or discontinuation.



3. Capitalize on Regional Strength

- Double down on Jaipur with targeted marketing and enhanced product availability.
- Analyze the Jaipur market to understand the drivers of its success and identify patterns to apply to other moderate-performing regions like Kolkata and Bangalore.



The Path Forward: Grow with Our Strengths

Q1 2025 has provided a clear lesson: our growth is not bought with discounts, but earned through desirable products and strong regional connections. By shifting our focus from broad promotions to amplifying what our customers already love, we can build a more profitable and sustainable future for Simple Threads.