Performance of

Unicorn GmbH

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An investigation on
correlation between Discount and Deficit
for Unicorn operations in the USA from 2015 to 2018

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Introduction

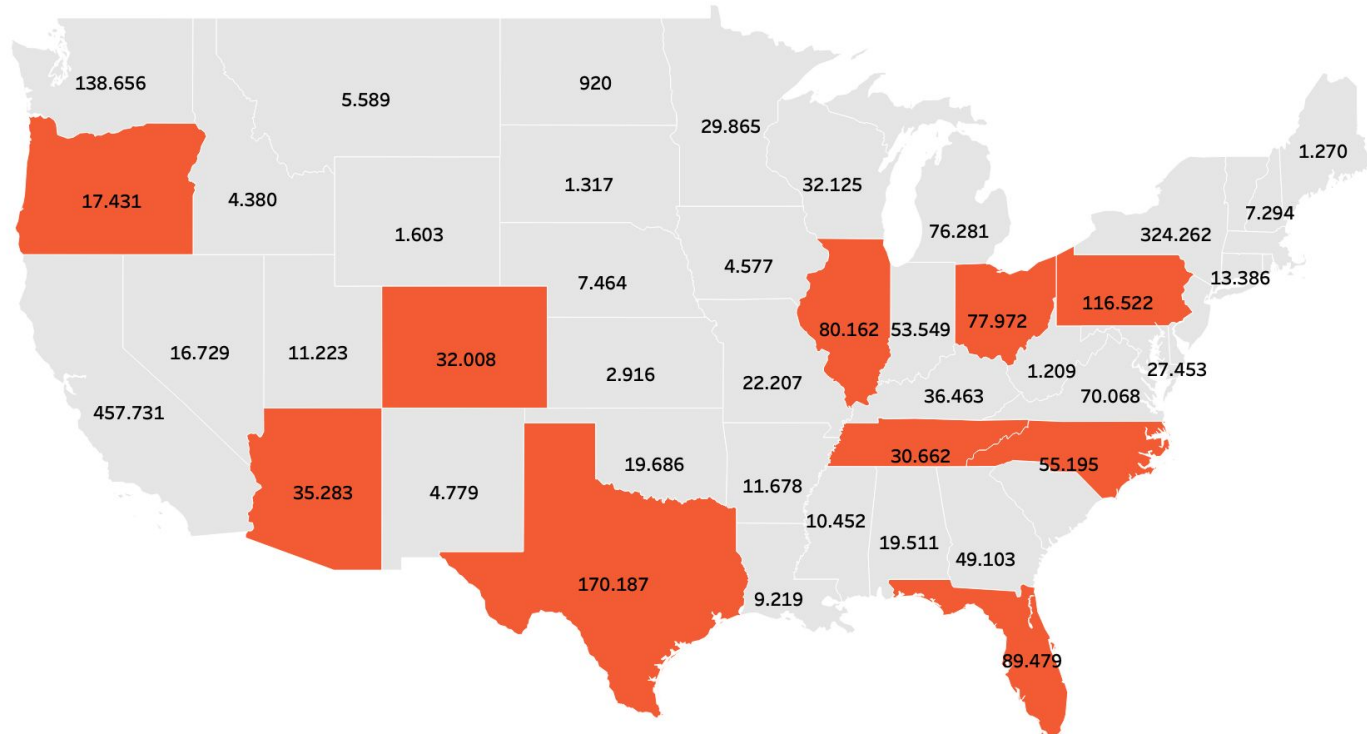Investigation on correlation between Discount and Deficit (negative profit) at:
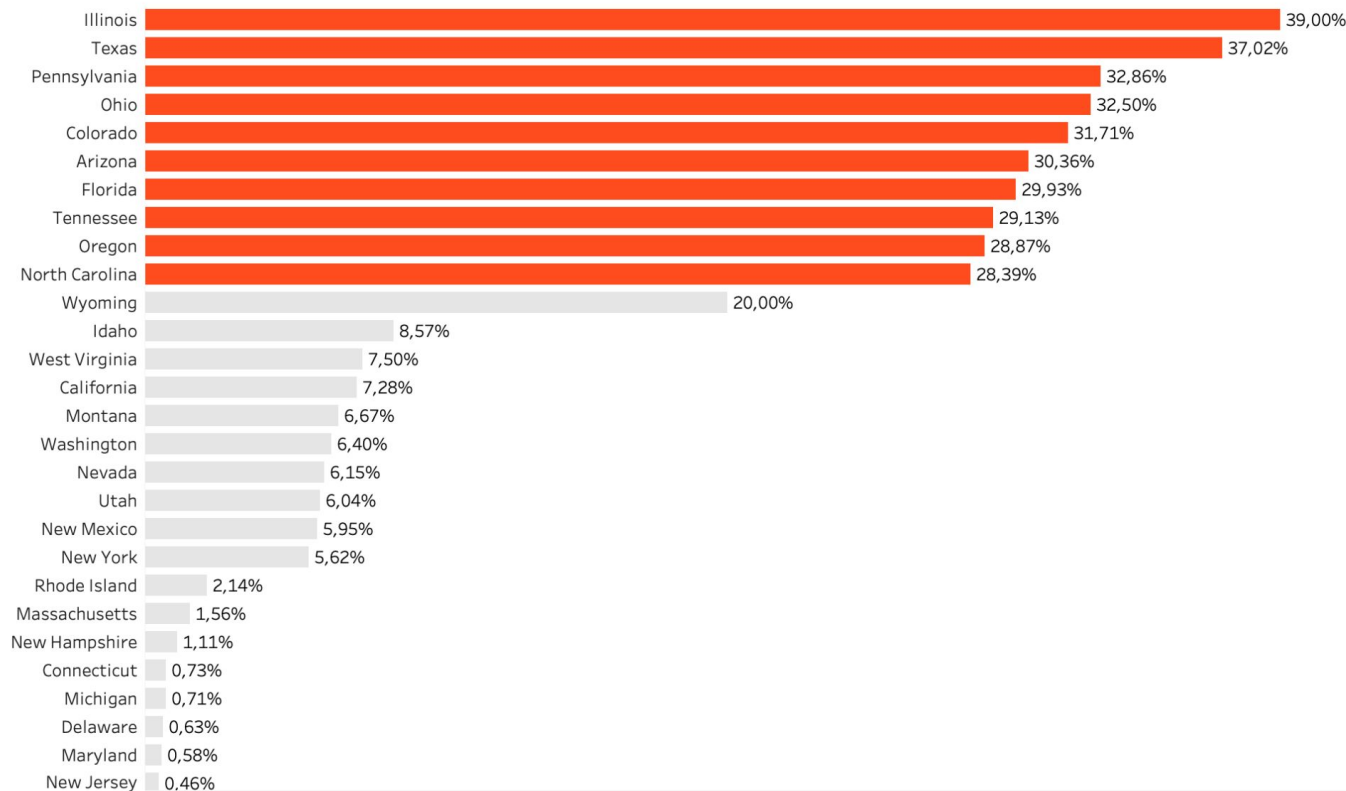- state
- city
- subcategory/product

levels.

Profit vs. Deficit and Total Sales by State
between 2015 and 2018

- Despite good sales performances some states are in deficit
- What had be the reasons to their underachievement?

Average Discount in Profitable and Deficitary State
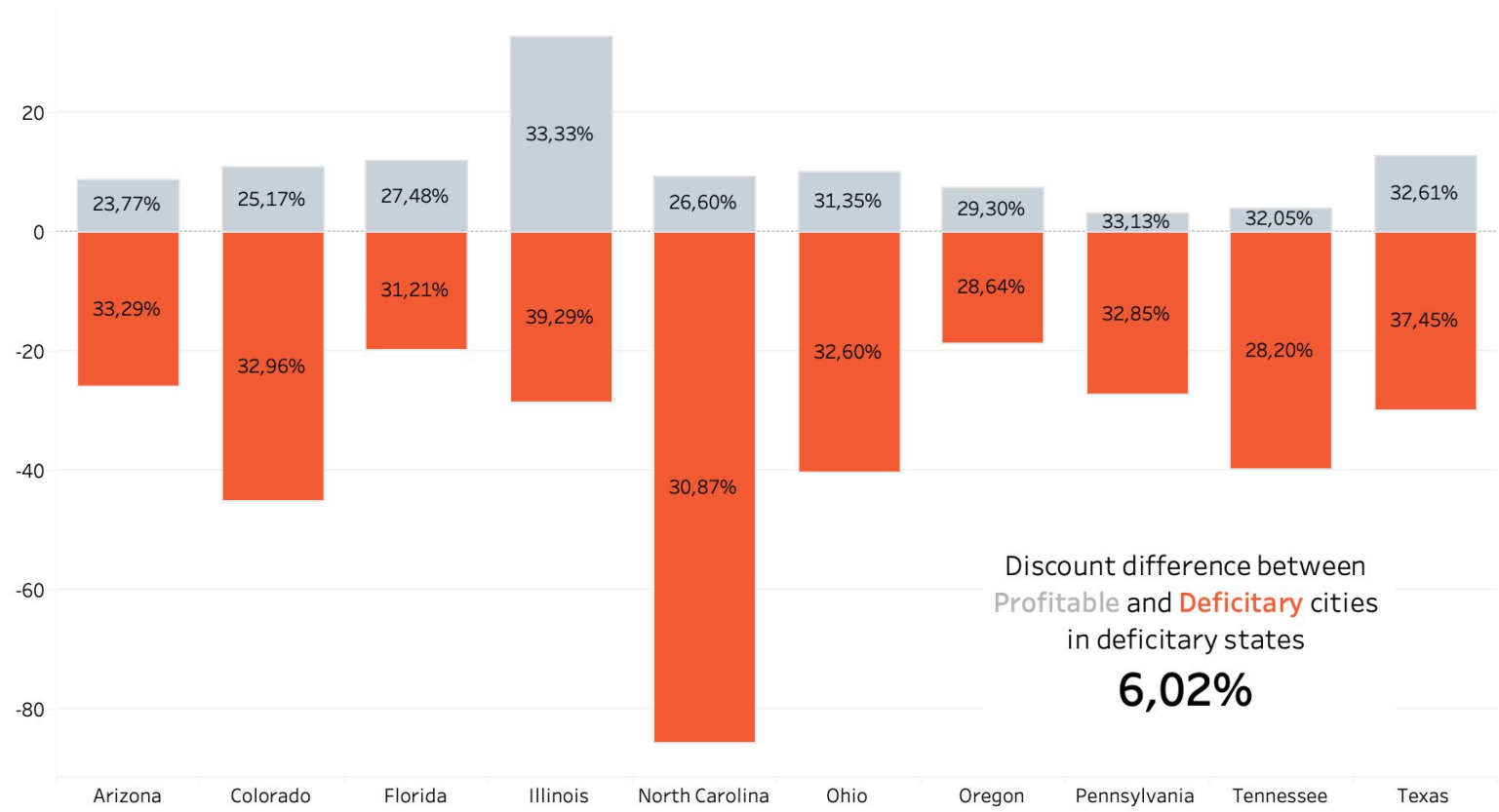
- Correlation Between Discount offers and Deficit/Profit

State	Discount
Illinois	39,00%
Texas	37,02%
Pennsylvania	32,86%
Ohio	32,50%
Colorado	31,71%
Arizona	30,36%
Florida	29,93%
Tennessee	29,13%
Oregon	28,87%
North Carolina	28,39%
Wyoming	20,00%
Idaho	8,57%
West Virginia	7,50%
California	7,28%
Montana	6,67%
Washington	6,40%
Nevada	6,15%
Utah	6,04%
New Mexico	5,95%
New York	5,62%
Rhode Island	2,14%
Massachusetts	1,56%
New Hampshire	1,11%
Connecticut	0,73%
Michigan	0,71%
Delaware	0,63%
Maryland	0,58%
New Jersey	0,46%

Average Discount through years

- Consistent trend of Discount rates throughout the years
- Probable reason for profit or deficit

	2015	2016	2017	2018
Deficitary States	33,27%	33,73%	33,75%	33,54%
Profitable States	4,47%	3,94%	4,56%	4,10%

Average Discount
in Profitable and Deficitary Cities in Deficitary States

	Arizona	Colorado	Florida	Illinois	North Carolina	Ohio	Oregon	Pennsylvania	Tennessee	Texas
Profitable	23,77%	25,17%	27,48%	33,33%	26,60%	31,35%	29,30%	33,13%	32,05%	32,61%
Deficitary	33,29%	32,96%	31,21%	39,29%	30,87%	32,60%	28,64%	32,85%	28,20%	37,45%

Discount difference between
Profitable and Deficitary cities
in deficitary states
6,02%

Product Subcategories Discount and Profit / Deficit in deficitary States

Binders

74,13% discount
-71.0 deficit/profit

Machines

54,79% discount
-612.1 deficit/profit

Appliances

45,60% discount
-43.9 deficit/profit

Bookcases

42,59% discount
-152.9 deficit/profit

Tables

40,70% discount
-200.6 deficit/profit

Furnishings

36,43% discount
-12.8 deficit/profit

Copiers

29,33% discount
295.8 deficit/profit

Paper

20,00% discount
17.2 deficit/profit

Storage

20,00% discount
-14.9 deficit/profit

Accessories

20,00% discount
22.6 deficit/profit

Chairs

27,42% discount
-31.0 deficit/profit

Art

20,00%
discount
3.5

Fasteners

20,00% discount
3.5 deficit/profit

Phones

27,19% discount
1.6 deficit/profit

Supplies

20,00%
discount
-48.9

Labels

20,00% discount
7.5 deficit/profit

Solutioning Profit / Deficit at every level

Average Discount to Reach Profitability by State	Average Discount to Reach Profitability by City	Average Discount to Reach Profitability by Product Category	Average Discount to Reach Profitability For Product
0,16	0,20	0,13	0,08

State

(All) ▼

City

Arlington Heights ▼

Product Category

Technology ▼

Product

#10- 4 1/8" x 9 1/2" Recycled Envelopes ▼

Hands-on solution to reduce deficits at every level:
- Proposed metrics to balance discount offers and generate profit

Conclusion and Recommendation

A clear Discount/Deficit correlation has been noticed at multiple levels within the data.
This correlation spans from to state, city and product subcategory.
It has been concluded to represent a main cause for Unicorn's underperformance in states in deficit.

Therefore we recommend the discount management policy to be investigated further.

To note that our conclusion didn't lead to categorizing a cause for the said correlation.
Hence, considering the positive sales observed sales in deficitory state, we encourage to investigate further the possible role of discounts in these sales as well as factors that may render them effective:

- duration of the discount
- eligibility for the discount
- socio-economics and demographics of targeted populations