

SALES ANALYSIS

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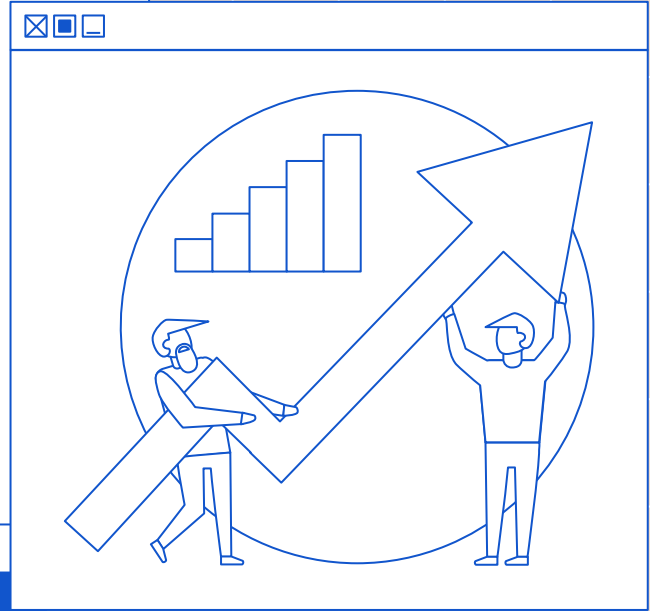




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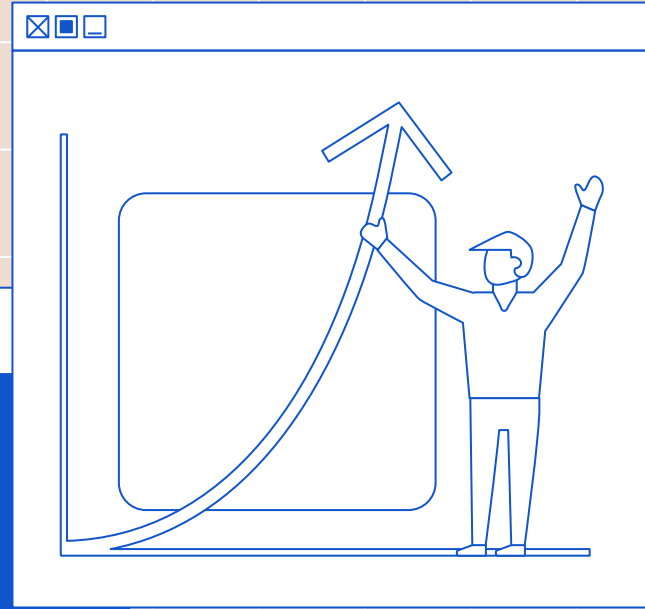
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Objective

Develop key metrics that will help analyse sales performance and profitability for a single product in a large retail store. By examining daily pricing, profit margins.



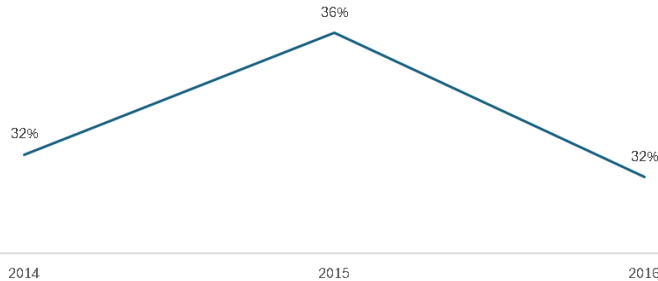
DATA OVERVIEW



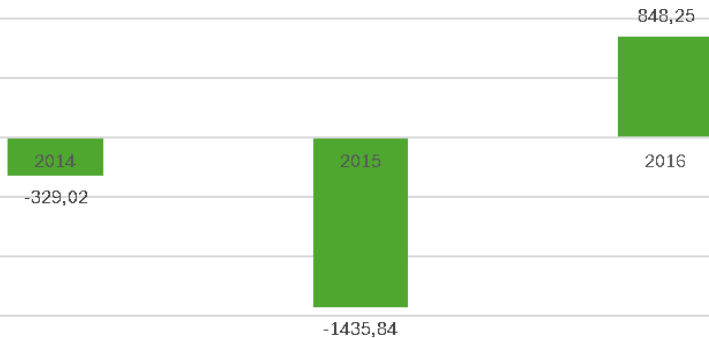
- The dataset provided includes:
- **Date** – The specific trading dates
- **Sales (Rand Value)** – Total revenue generated from this product.
- **Cost of Sales (Rand Value)** – The total cost associated with sell
- **Quantity Sold** – Number of units sold daily.
- The dataset is from the year 2014 to 2016

Sales & Profit Analysis

Sales Price per unit Overtime



Gross % Profit Overtime



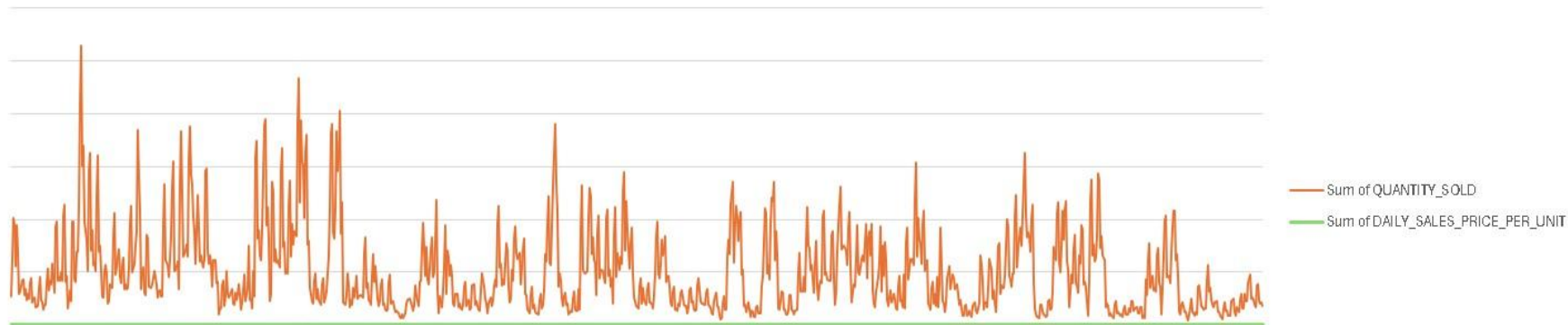
The sales price per unit fluctuates slightly but remains within a close range (32% in 2014, 36% in 2015, and back to 32% in 2016). This suggests that pricing didn't change drastically over these years.

2014 & 2015 were financially challenging years, likely due to high costs, ineffective pricing, or weak demand. 2016 saw recovery, suggesting improvements in pricing strategy, demand management, or cost control.



Promotional Periods

Price vs. Time & Quantity Sold vs. Time



Top 3 selected periods with the highest sales

- 2014/02/18 – 2014/03/06
- 2014/08/29 – 2014/09/14
- 2014/09/30 – 2014/10/16



Price Elasticity Of Demand

Period	PED Value	Elasticity Type
Period 1 (Feb-Mar)	-66.43	Highly Elastic
Period 2 (Aug-Sep)	-6.25	Elastic
Period 3 (Sep-Oct)	-5.76	Elastic



This product is extremely elastic

All periods show high elasticity, meaning price changes strongly affect demand.
When prices drop, demand skyrockets, but when prices rise, demand collapses.

Period 1 (-66.43 PED) shows extreme price sensitivity

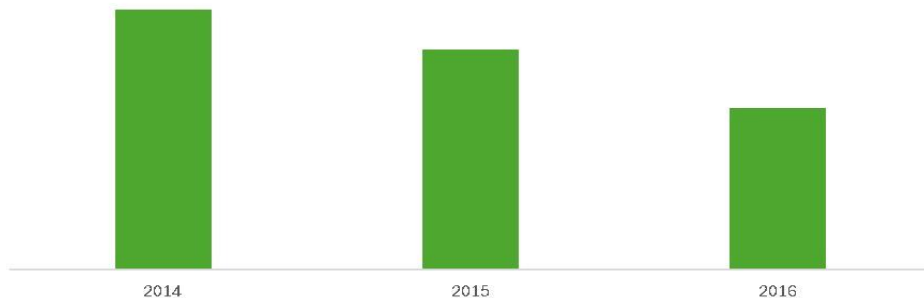
This is highly unusual—a price decrease of 3.19% triggered a 211.78% increase in demand.
This suggests customers react dramatically to price reductions.
This could mean price is the primary factor influencing purchasing decisions for this product.

This product performs significantly better when sold at a promotional price in terms of sales volume.

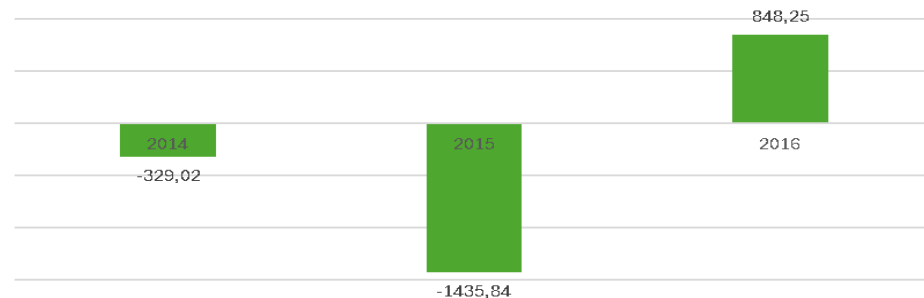


YoY Comparisons

YoY Sales Growth



Gross % Profit Overtime



The business seems to have prioritized growth over profitability in 2014 & 2015, but in 2016, profitability improved while growth slowed. This could mean: Promotions were excessive in previous years, leading to weak profit margins. 2016 was a correction year where discounts were optimized to restore profitability. High sales volume alone didn't guarantee strong profits—balancing pricing & costs was critical.



CONCLUSION : INSIGHTS & STRATIGIC TAKEAWAYS

Through this analysis, we've uncovered critical insights about the role of pricing strategy in driving demand. The findings reveal that price elasticity plays a defining role in customer purchasing behaviour, with promotional pricing significantly boosting sales.

However, while discounts accelerate volume, they must be strategically managed to prevent profit erosion and maintain long-term brand value.

I would recommend the following:

1. Optimized Promotional Strategy

Targeted Pricing Adjustments → Apply discounts only during high-demand periods or to specific customer groups.

Create Value-Added Offers → Instead of direct discounts, bundle products or offer incentives to maintain margins.

2. Dynamic Pricing Adjustments

Monitor Demand Trends → Use past PED insights to adjust prices strategically rather than applying flat discounts.

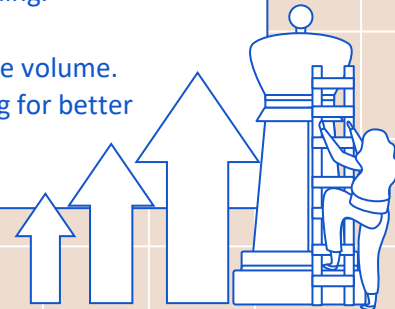
Seasonal Pricing → Identify peak demand periods where price changes will have optimal impact.

Competitive Analysis → Benchmark your pricing against competitors to ensure strategic market positioning.

3. Long-Term Profitability & Sustainability

Avoid Deep Discounts That Shrink Profits → Every price cut should increase overall revenue, not just drive volume.

Test Alternative Pricing Models → Consider subscription-based pricing, loyalty programs, or tiered pricing for better retention.





THANKS!



Do you have any questions?

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