

Does Discount Increase Sales?



DISCOUNT VS NO DISCOUNT

- **Sales = Quantity * Unit Price**

- **Levels:**

- No Discount
- Discount :
 - 1 - 5%
 - 5 - 10%
 - 10 - 15%
 - 15 - 20%
 - 20 - 25%



61%

39%

Discount 28% higher

GM = 407

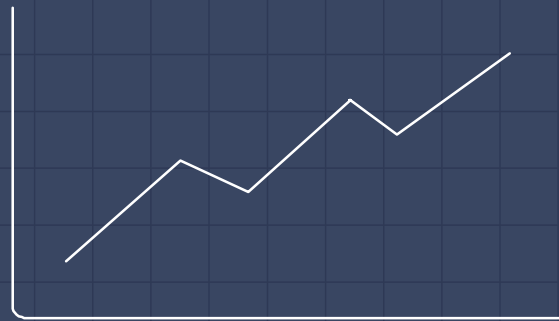
VS.

No Discount

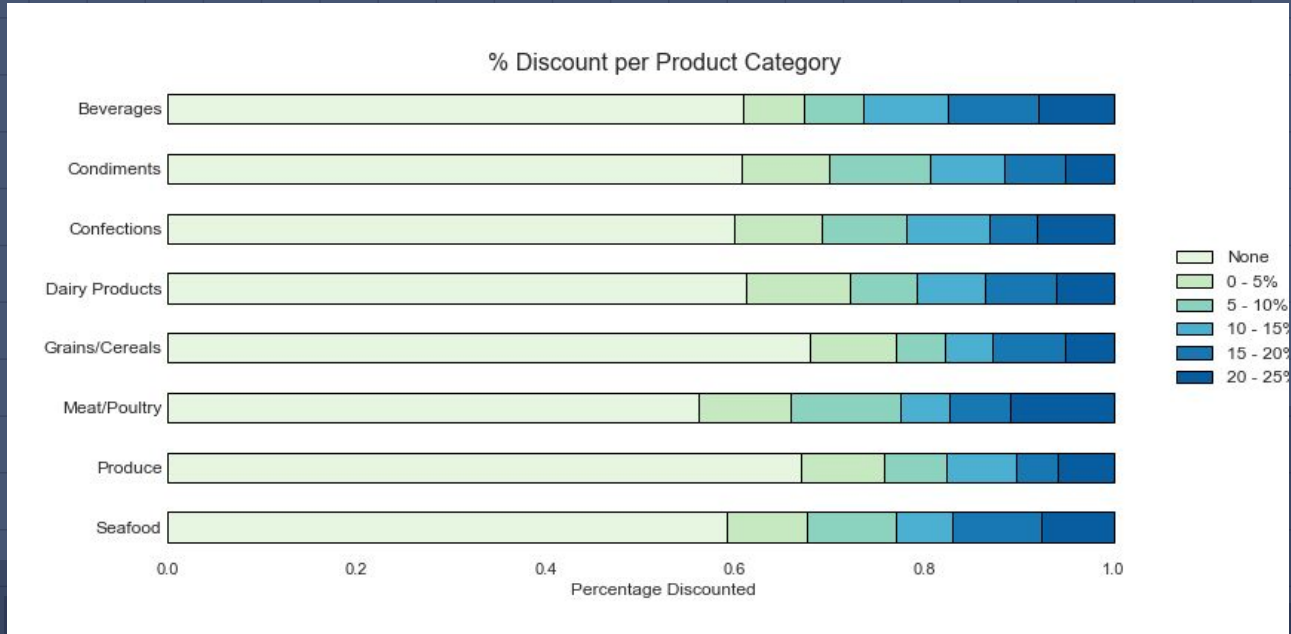
GM = 319

Detailed Analysis of:

- Product Categories
- Shipping Regions
- Employees



PRODUCT CATEGORIES



Impact of Discount per Product Category

Beverages

No discount 25% less

1 - 5% highest

Dairy Products

No discount 24% less

20 - 25% highest

No Difference in Sales

Confections , Grains/Cereals

Meat/Poultry & Produce

Condiments

No discount 22%

20 - 25% highest

Seafood

No discount 23%

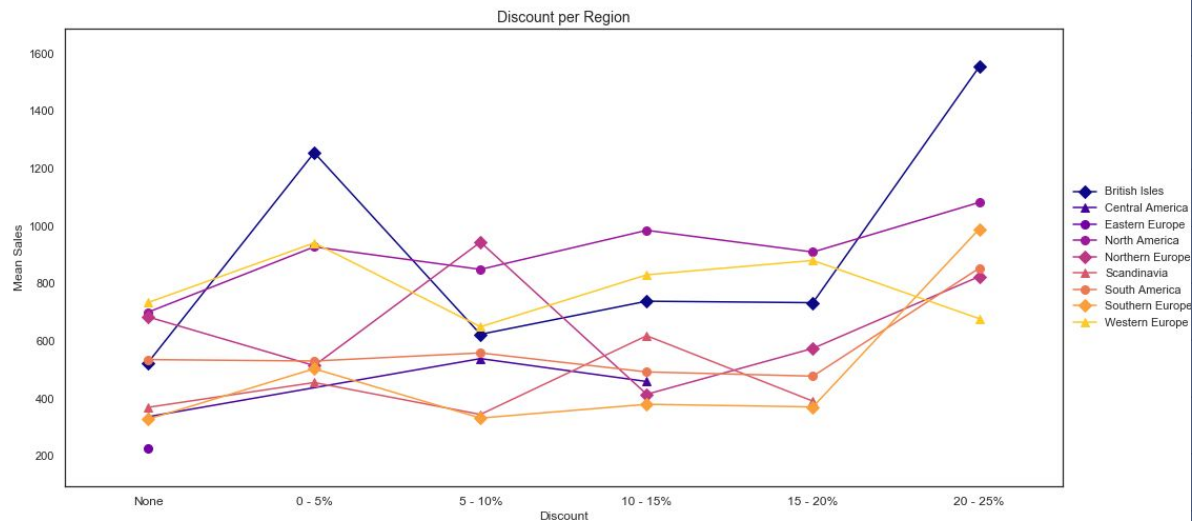
10 - 15% & 20 - 25% highest



REGIONS



CONSISTENCY ACROSS LEVELS



North America:

10 - 15%

20 - 25%

Southern Europe:

1 - 5%

20 - 25%

British Isles

1 - 5%

5 - 10%

20 - 25%

EMPLOYEE * DISCOUNT

Employee 1

→ 20 - 25%

Employee 2

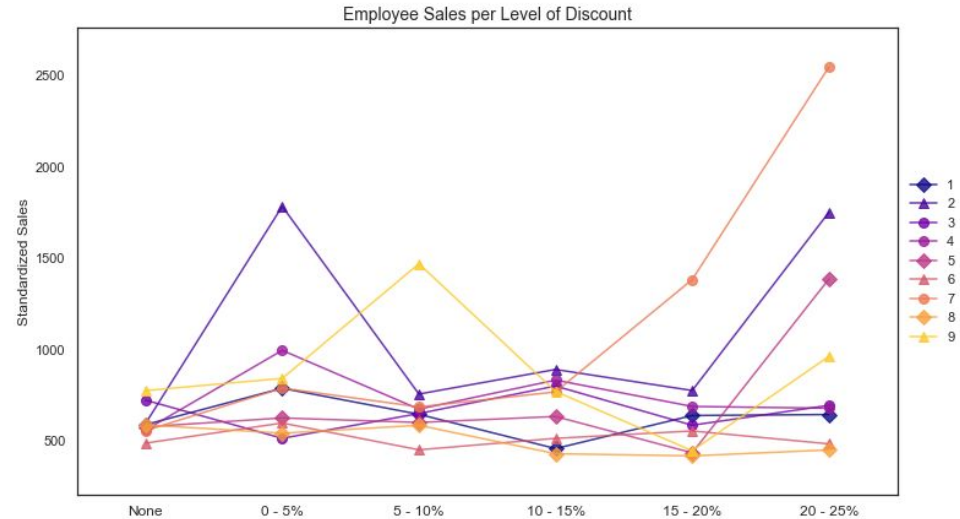
→ 1 - 5% / 10 - 15% / 20 - 25%

Employee 4

→ 1 - 5% / 10 - 15% / 15 - 20%

Employee 7

→ 1 - 5% / 20 - 25%



IN CONCLUSION

Despite discount overall increasing sales, on closer inspection this was only the case for **3 regions**, **4 product categories**, and **2 non-managerial employees**.

Further Analysis:

INCREASE SALES?

Can discount be used to increase individual sales?

Discount may not be being used strategically or consistently to increase sales.

INCENTIVIZE SALES?

Is discount being used to incentivize *more* sales?

Both no discount vs discount sales are substantial; it may be the case that discount is being used to incentivize sales *over and above* the non discounted sales.

REDUCE DISCOUNTS > 5%?

Would it be detrimental to reduce discounts?

Lower discounts appeared to drive high sales for certain categories and regions.

THANK YOU

Questions?

