

Acme's MositurePlus Increase Sales Project

Problem Definition

Acme Cosmetics' best-selling skincare line, "MoisturePlus Lotion", is experiencing a significant decline in sales.

Do a data analysis and come up with recommendations to increase sales.

Data Overview

Dataset: Acme Cosmetics' MoisturePlus Lotion Sales Data

Description: This dataset contains information on sales data made over a 6-month period. It includes:

- Gross Sales: The total amount of money earned from sales before any deductions or expenses.
- Target Sales: Projected or Desired Sales Revenue.
- Ad Costs: AKA Advertising Expenses. The amount of money incurred by Acme Cosmetics to promote its Moisture Plus Lotion through various advertising channels.

Data Overview Cont'd

- Social media costs: The amount of money incurred by Acme Cosmetics to promote its Moisture Plus Lotion on social media.
- Unit Prices (per oz): Represents the price of Moisture Plus Product divided by its weight or volume in ounces

Source: ACME Cosmetics

Date Range: September 1, 2022 - February 29, 2022.

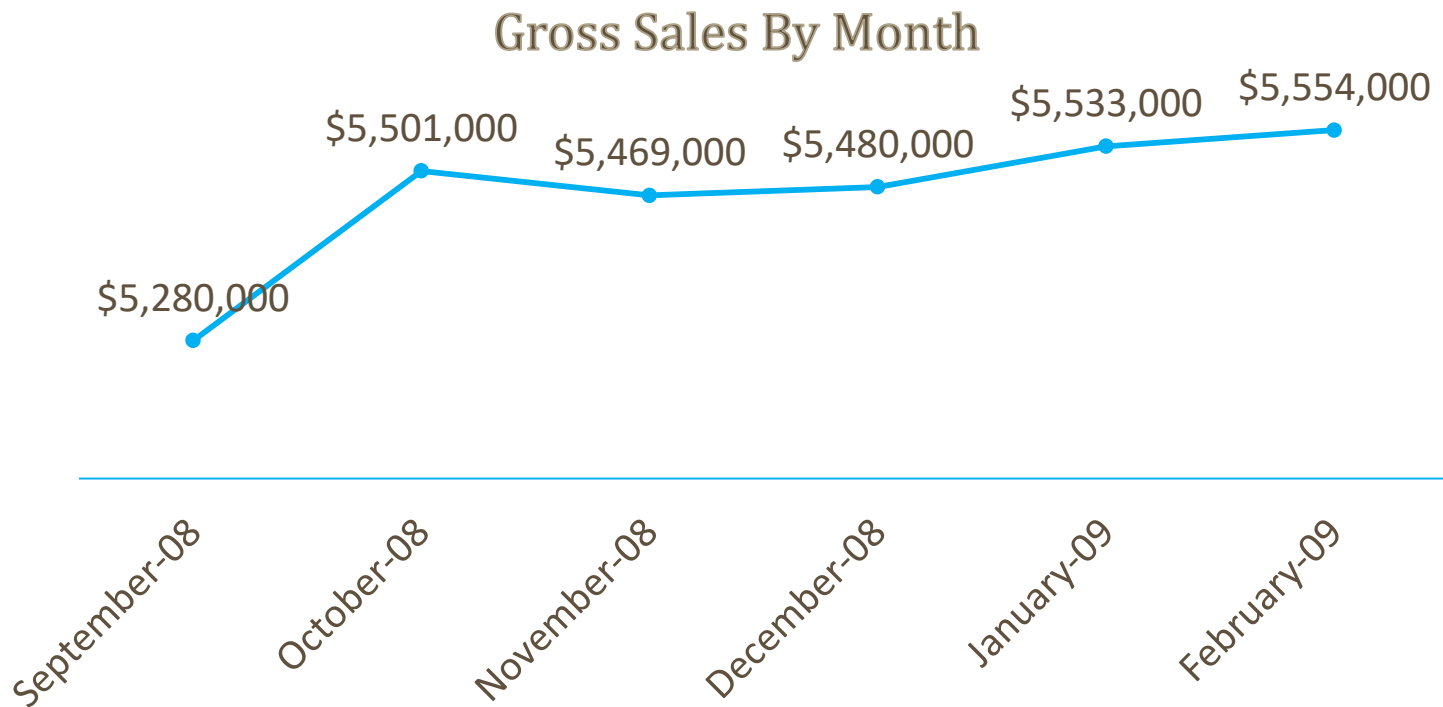
Access the Full Dataset [Here](#)

Or This:

<https://1drv.ms/x/c/b0bdac3f1690d582/EWlgB1Si-X9JqnkmS6bcKjIBQB62VTwBFdXvrD7GeZHplQ?e=O2FUp8>

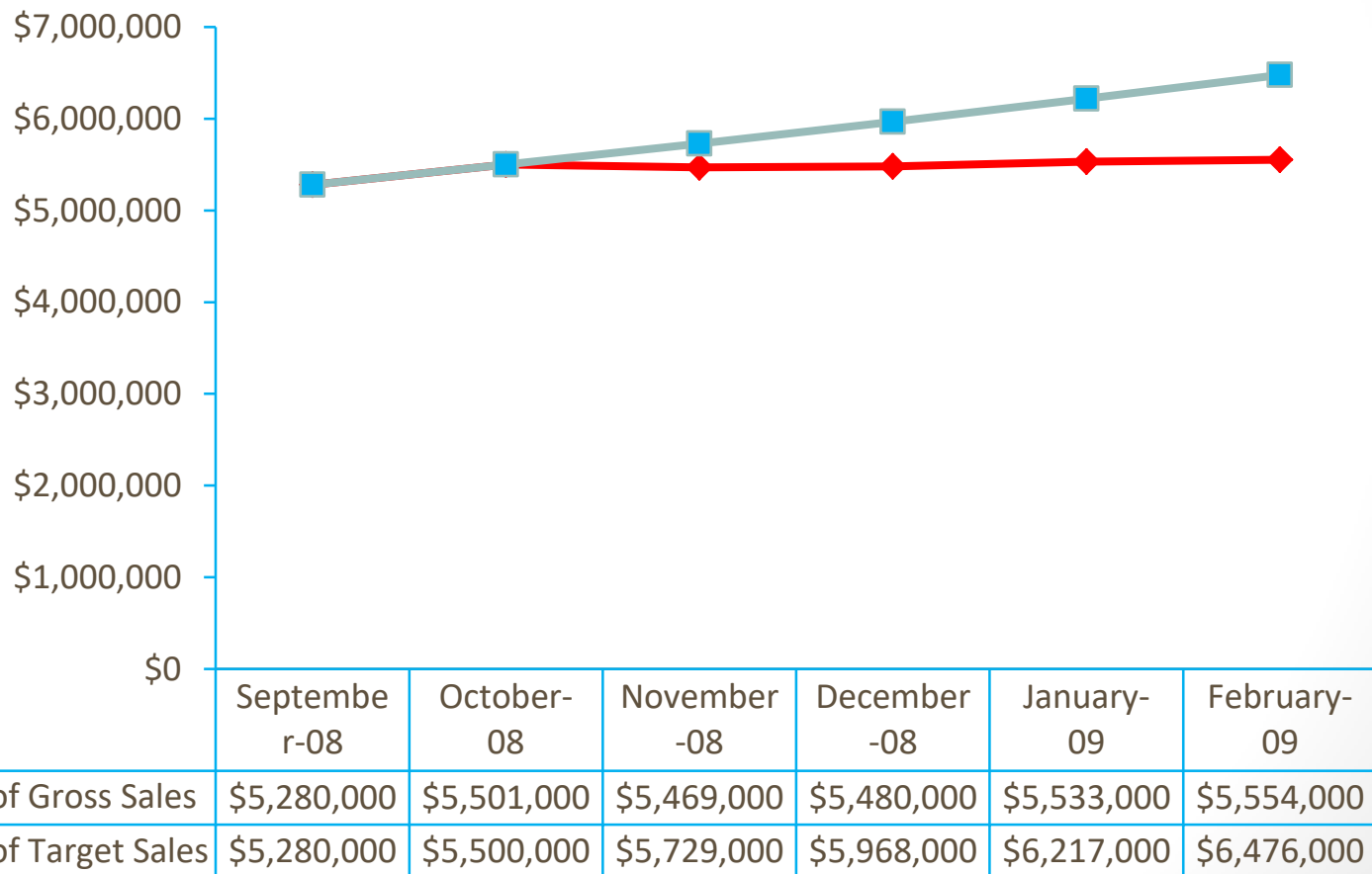
Analysis and Results

- Acme's MoisturePlus Lotion's Gross sales fluctuated over six months, increasing in October, December, January and February.



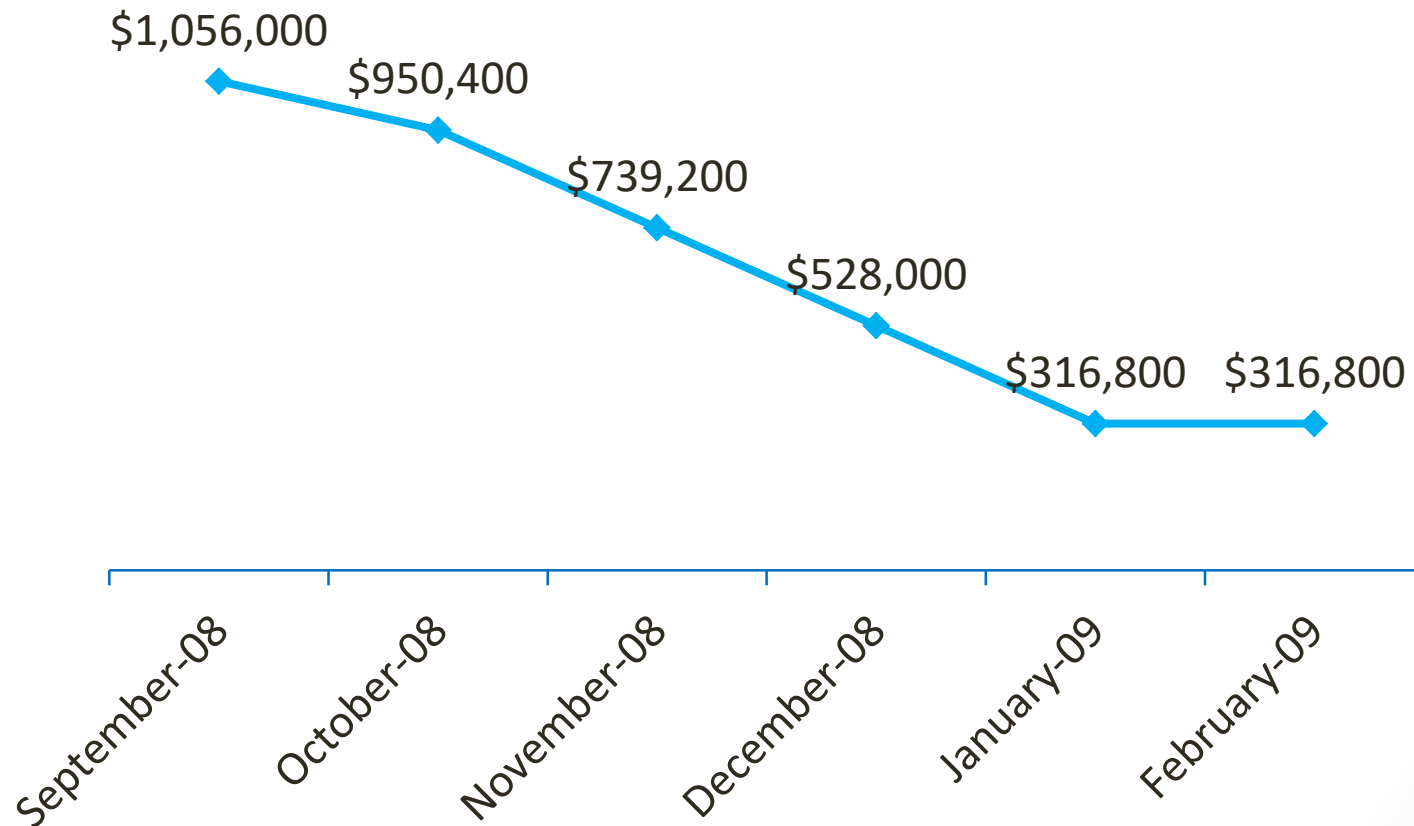
- Acme Cosmetics missed their target sales from November to February, with increasing shortfalls each month.

Gross Sales VS Target Sales By Month



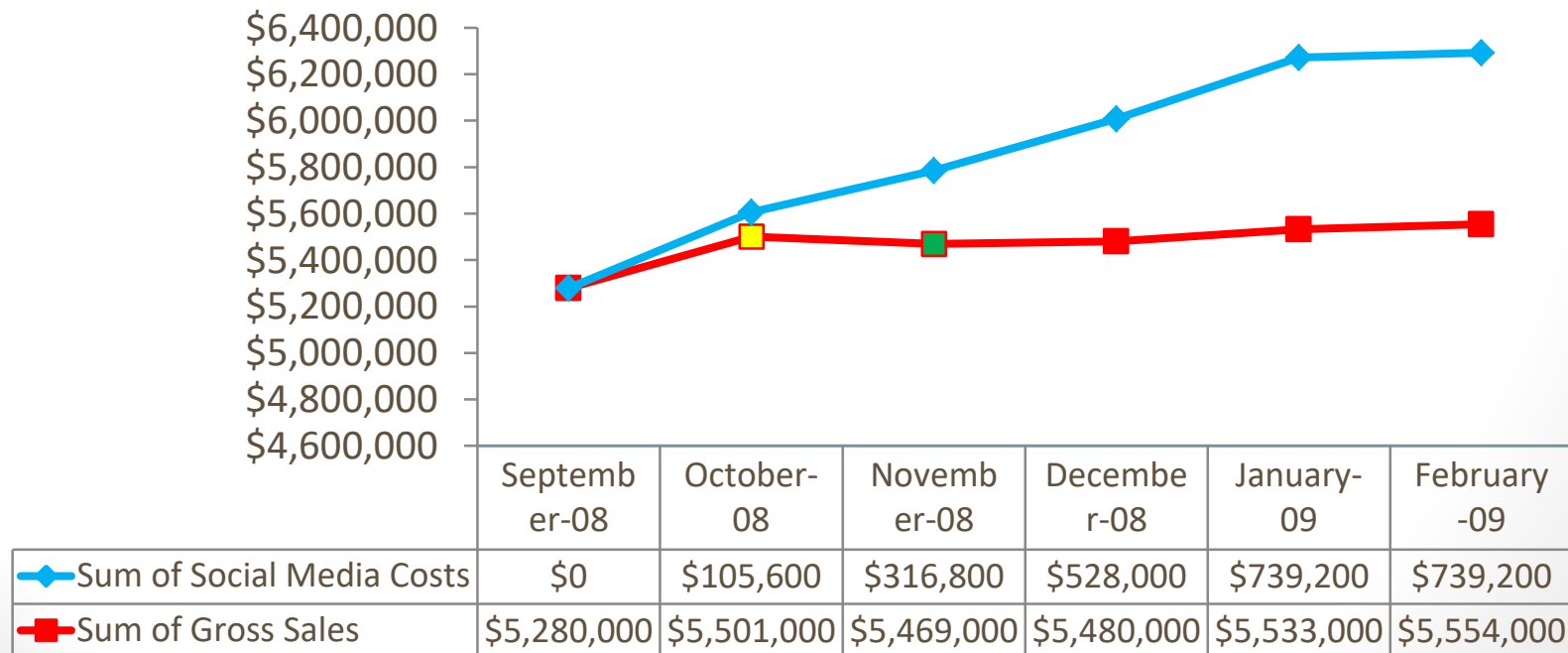
- Acme Cosmetics reduced their ad costs continuously from September to February.

Ad Costs By Month



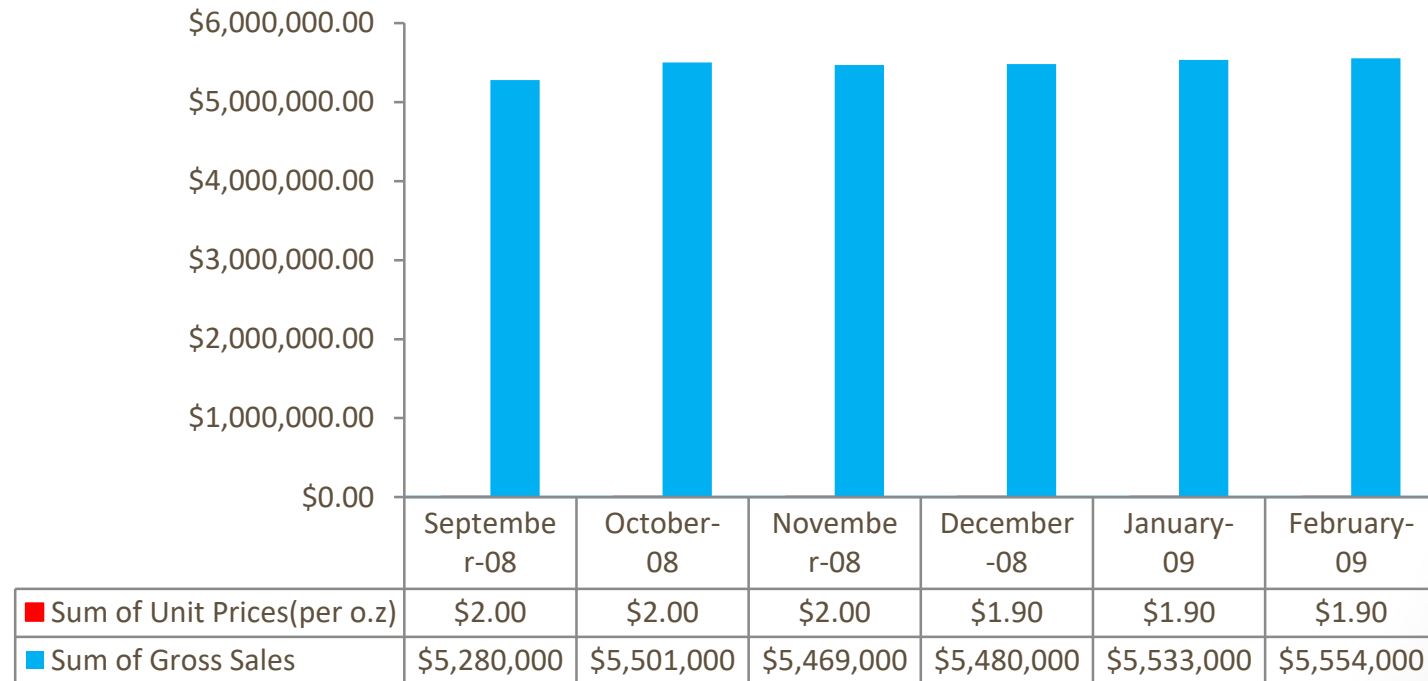
- Acme Cosmetics' social media costs increased significantly over six months, tripling from October to November.
- But it doesn't seem to have so much effect on the gross sales even though the social media cost increased. Infact, from october to November where the social media costs tripled, the gross sales went down by \$31,000.

Social Media Costs VS Gross Sales By Month



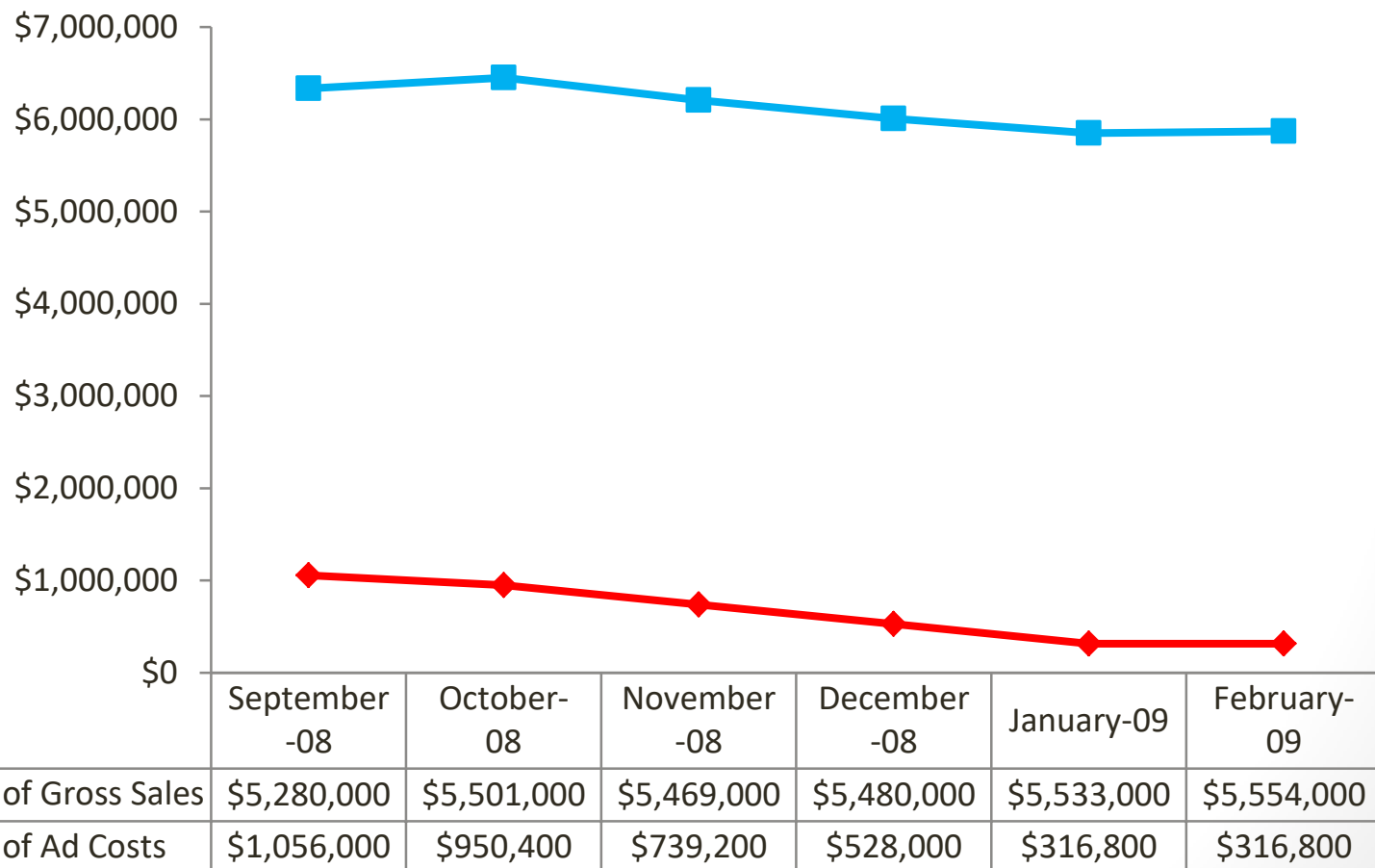
- The Unit price per oz of Acme Cosmetics' MoisturePlus Lotion decreased by \$0.10 in December, possibly due to a price or weight reduction. But sales increased gradually around that time too.

Unit Price VS Gross Sales By Month



- There's a likely correlation between Acme's MoisturePlus Lotion's Ad costs and gross sales, suggesting increased ad spending could boost sales.

Ad Costs VS Gross Sales By Month



Recommendations

To boost sales of MoisturePlus Lotion, acme Cosmetics should:

1. Spend more on ads to reach more customers.

Benefits:

- Increased brand awareness and reach
- Potential increase in sales and revenue
- Competitive advantage in the market.

Risks:

- Increased advertising costs without guaranteed returns.
- Potential waste of resources on ineffective ads.
- Over-saturation of the market, people get tired of seeing our ads and sales will come to an halt.

2. Reassess and potentially suspend MoisturePlus Lotion's social media costs.

Rationale:

Despite a significant increase in social media costs, which tripled from October to November, there has been no noticeable impact on gross sales. This suggests that the current social media advertising strategy may not be effective in driving sales.

Action Steps:

1. Put a hold on further social media advertising spend.
2. Conduct a thorough review of the current social media advertising strategy.
3. Analyze the targeting, ad creative, and messaging to identify potential areas for improvement.
4. Consider alternative marketing channels or tactics that may be more effective in driving sales.

3. Maintain the current pricing strategy for MoisturePlus Lotion.

Rationale:

The \$0.10 decrease in unit price per oz in December, likely due to a price or weight reduction, has yielded positive results. Sales have increased gradually from December to February, indicating that the price adjustment has made the product more competitive and attractive to customers.

Action Steps:

1. Continue to monitor sales and revenue to ensure the price adjustment remains effective
2. Analyze customer feedback and purchasing behavior to identify opportunities to further optimize pricing and product offerings.
3. Consider applying similar pricing strategies to other products in the Acme Cosmetics portfolio.

By maintaining the current pricing strategy, Acme Cosmetics can build on the momentum of increased sales and further establish MoisturePlus Lotion as a competitive product in the market.

QnA