



DATA ANALYSIS FOR BUSINESS

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OBJECTIVES

The metrics that you need to develop are:

1. What is the daily sales price per unit?
2. What is the average unit sales price of this product?
3. What is the daily % gross profit?
4. What is the daily % gross profit per unit?
5. Pick any 3 periods during which this product was on promotion/special:





INSIGHTS SUMMARY

Pricing

Moved from unstable/promotion-heavy to more consistent and higher pricing.

Profitability

Improved significantly after 2015; fewer loss-making days observed.

Cost vs. Price

Early data shows potential misalignment; corrected over time.

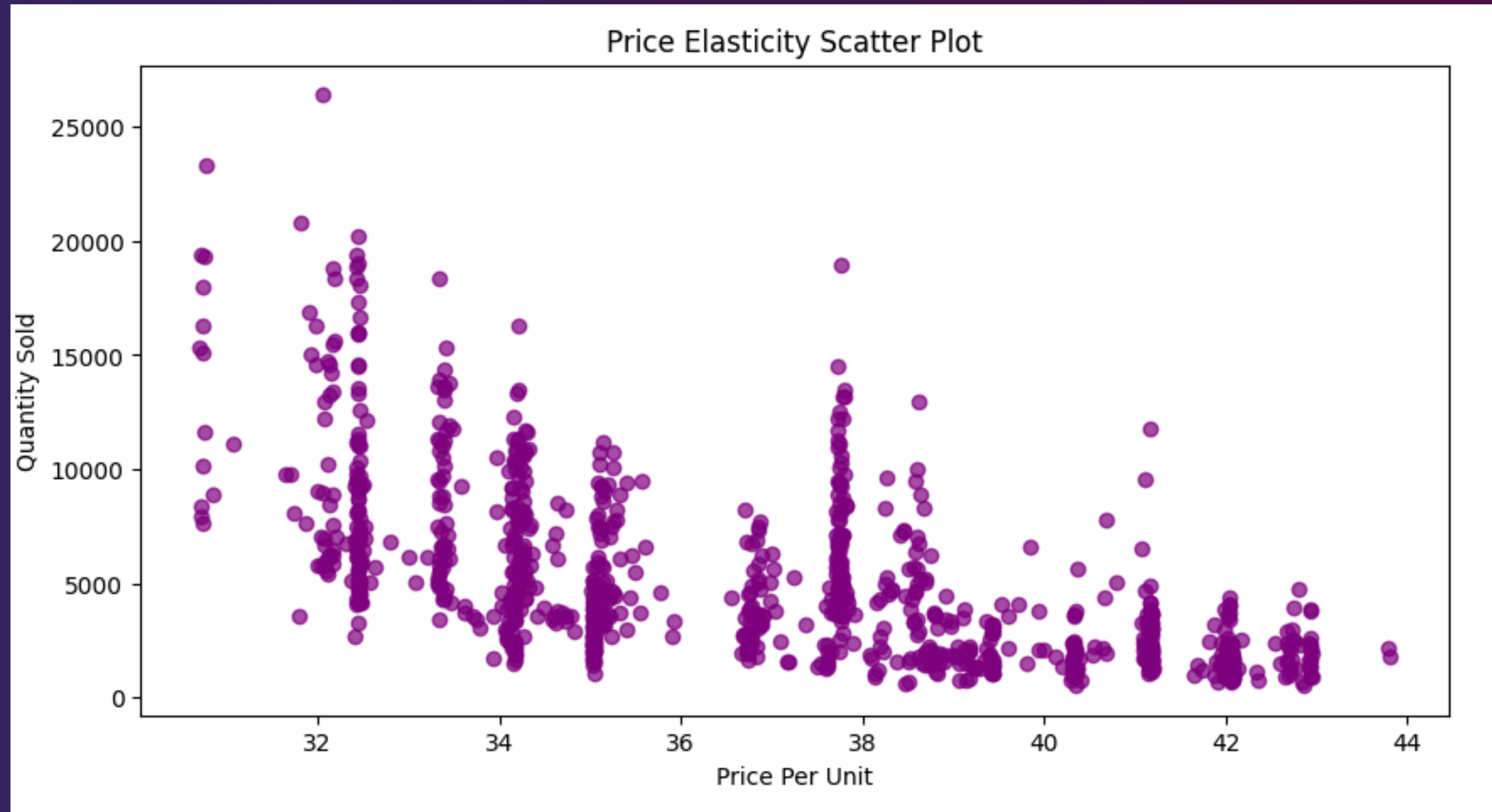
Strategy Shift

Possibly better pricing discipline and cost control in later periods.



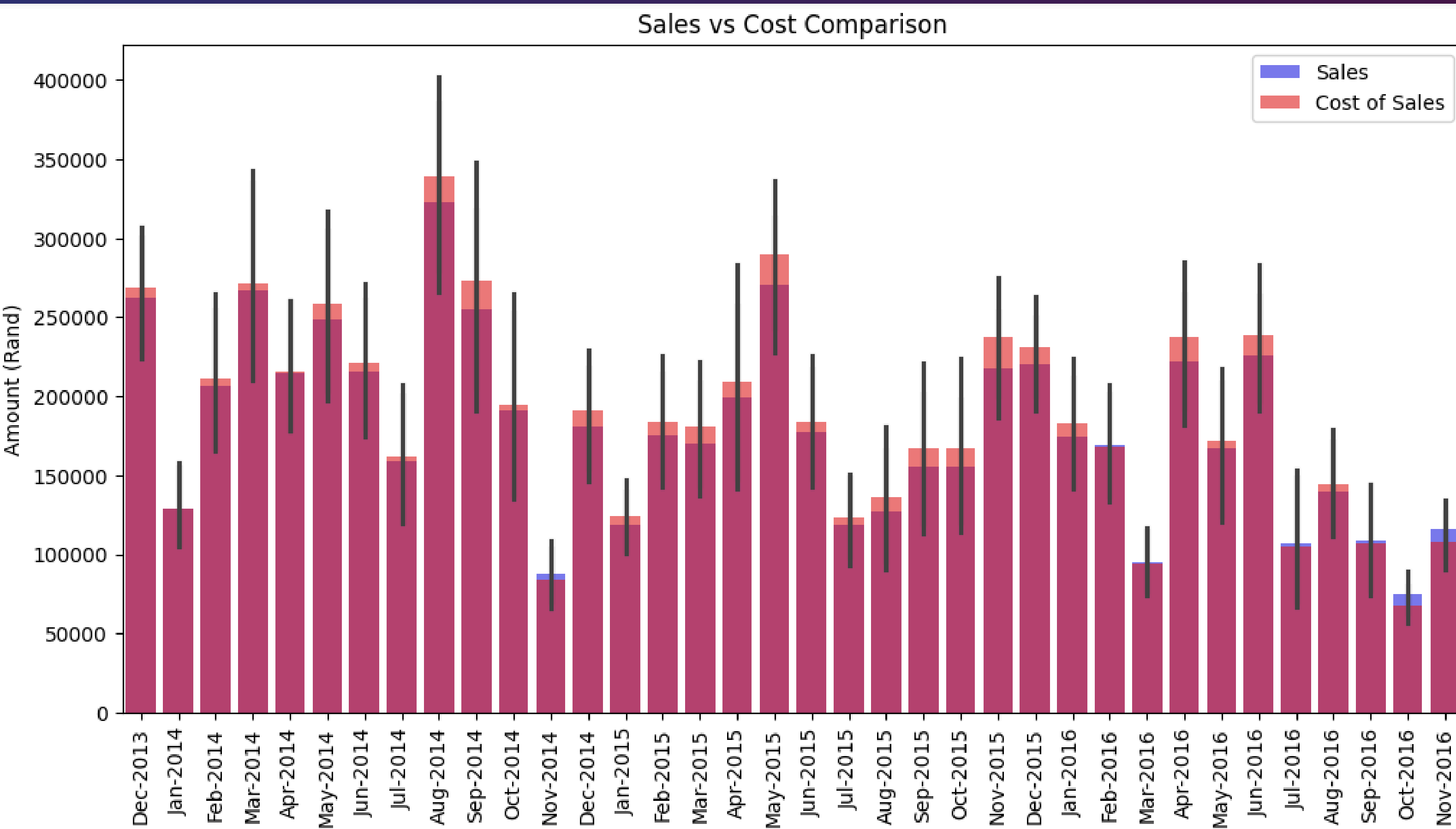
PRICE ELASTICITY

- When the quantity sold spikes it was during the times, where promotions were effective in driving demand.
- The scatter points form a steep downward trend, it suggests high elasticity—meaning that when prices increase, demand drops significantly, and vice versa.
- Price sensitivity varies over different months, it could indicate:
- Holiday-driven demand (higher elasticity during peak seasons).
- Stable demand across months (suggesting essential products).





SALES VS COST COMPARISON



#Sales and cost typically follow a parallel trend, but in some periods, the gap widens significantly—indicating higher profitability.

#Some months show strong profitability, where sales substantially exceed cost—this can be due to effective pricing strategies or seasonal demand spikes.

#Some periods show declining sales, despite costs remaining stable—this may highlight periods of low demand where stock and costs need to be better managed.

DAILY SALES PRICE

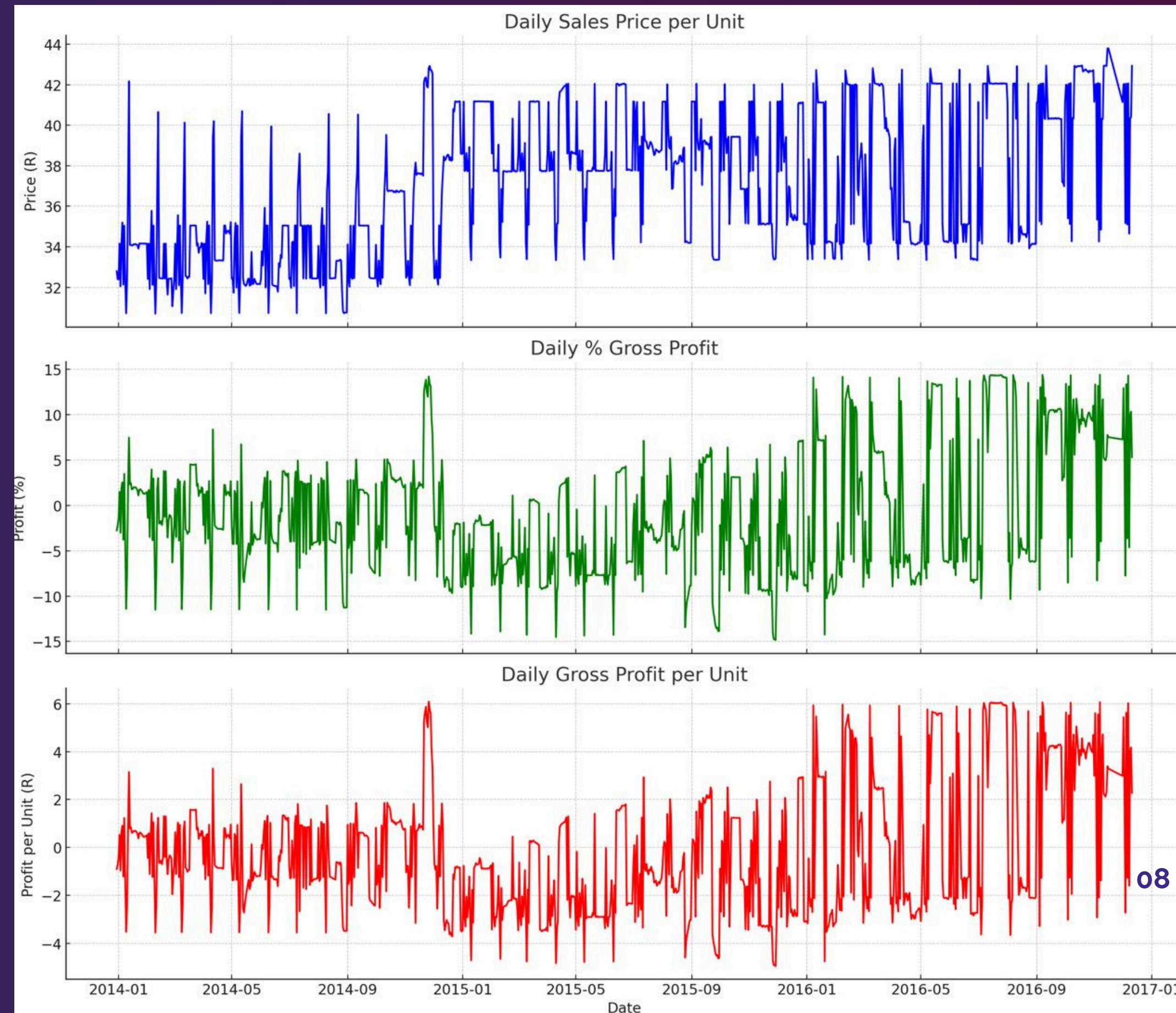
1. Daily Sales Price per Unit (Blue)

Observations:

- 2014: Price was relatively stable in the range of R32–R36, with periodic sharp drops (likely promotions).
- 2015: A gradual shift upward in average price begins mid-year (hovering around R36–R40).
- 2016: Prices consistently trend higher, frequently reaching R42–R44.

Interpretation:

- The product underwent price increases over time, potentially due to demand strength or inflation.
 - The sharp dips are likely promotions or markdowns.
- The consistency in price after mid-2015 suggests better pricing control or standardization.





DAILY GROSS PROFITS

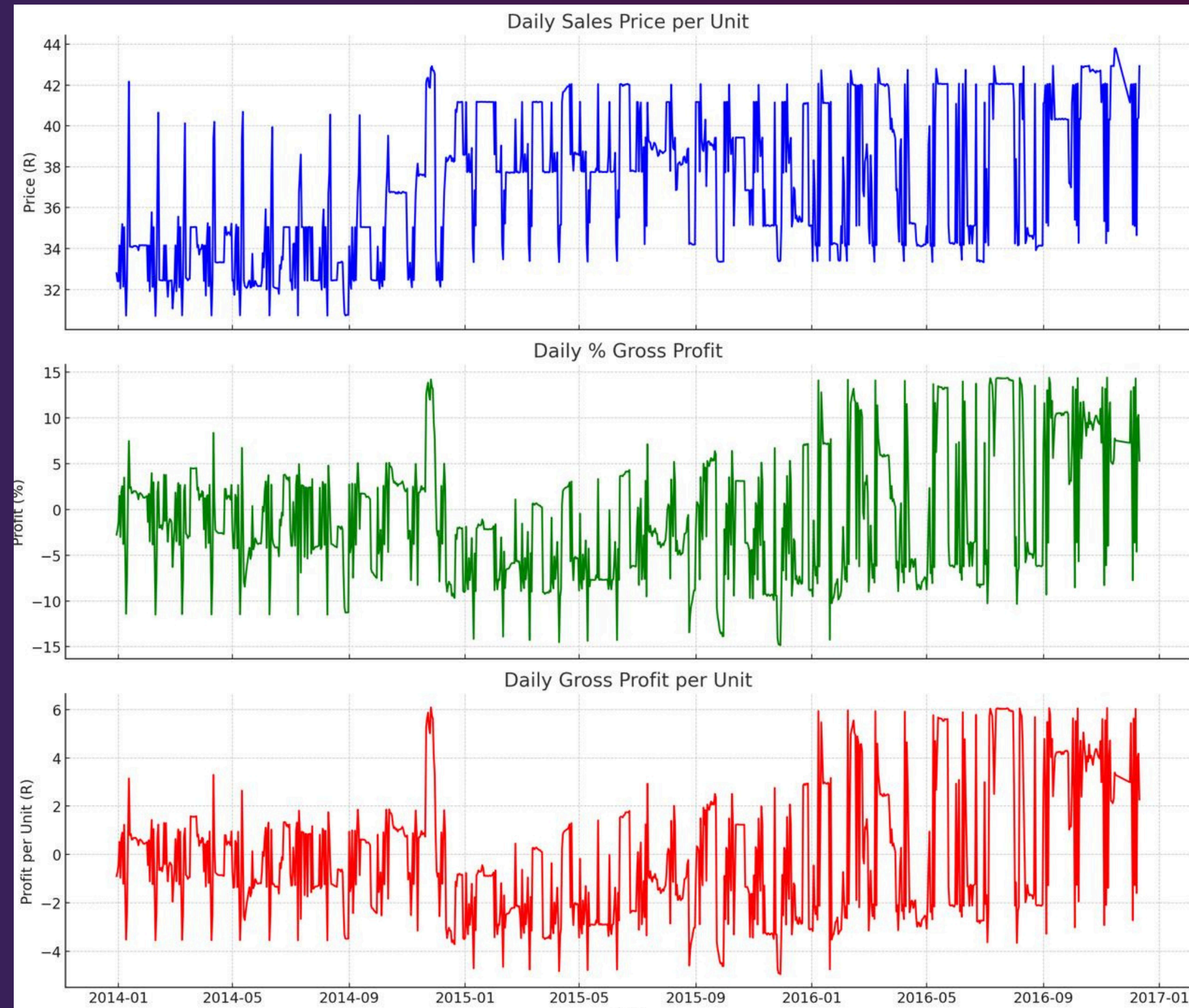
💰 Daily % Gross Profit (Green)

Observations:

- Volatility is significant in 2014–2015, with frequent negative profit days (below 0%).
- Post-2015, there's an upward trend, with % Gross Profit mostly staying positive.

Interpretation:

- Earlier in the period, cost of sales may have been too high relative to pricing.
 - As prices increased and perhaps costs stabilized, profitability improved by 2016.
 - The company may have refined its cost control or pricing strategy mid-2015 onward.





DAILY GROSS PROFIT

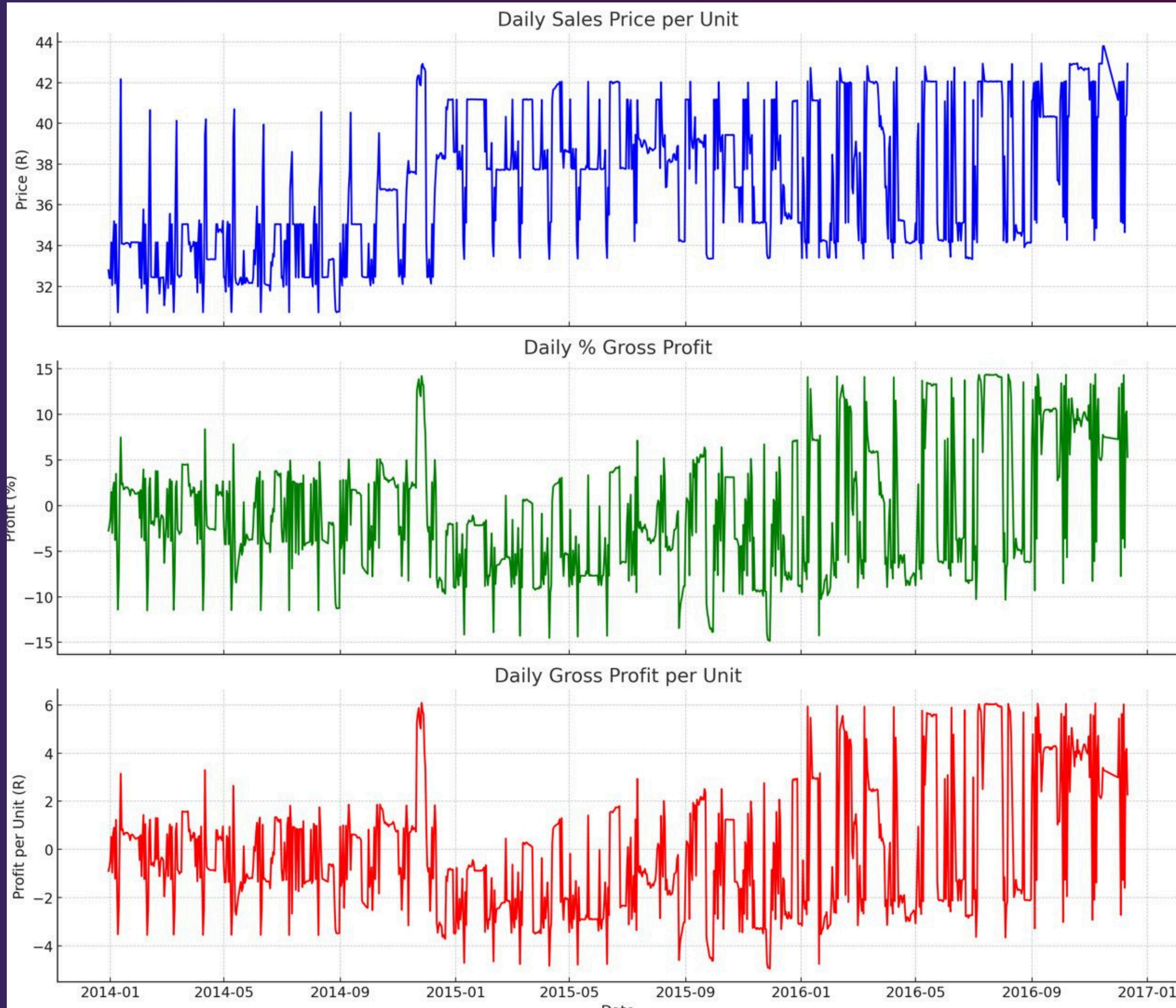
Gross Profit per Unit (Red)

Observations:

- Similar volatility to the % Gross Profit trend.
- In early 2014–2015, profit per unit often dips below zero (i.e., selling at a loss).
- From 2016 onwards, a visible shift upward—most values are positive, consistently above R0.

Interpretation:

- The business was likely losing money per unit during some promotions or poor cost periods.
 - 2016 marks a turning point: most units sold generated positive unit margins, indicating better financial health.
- This aligns with the upward price trend and improved % gross margins.





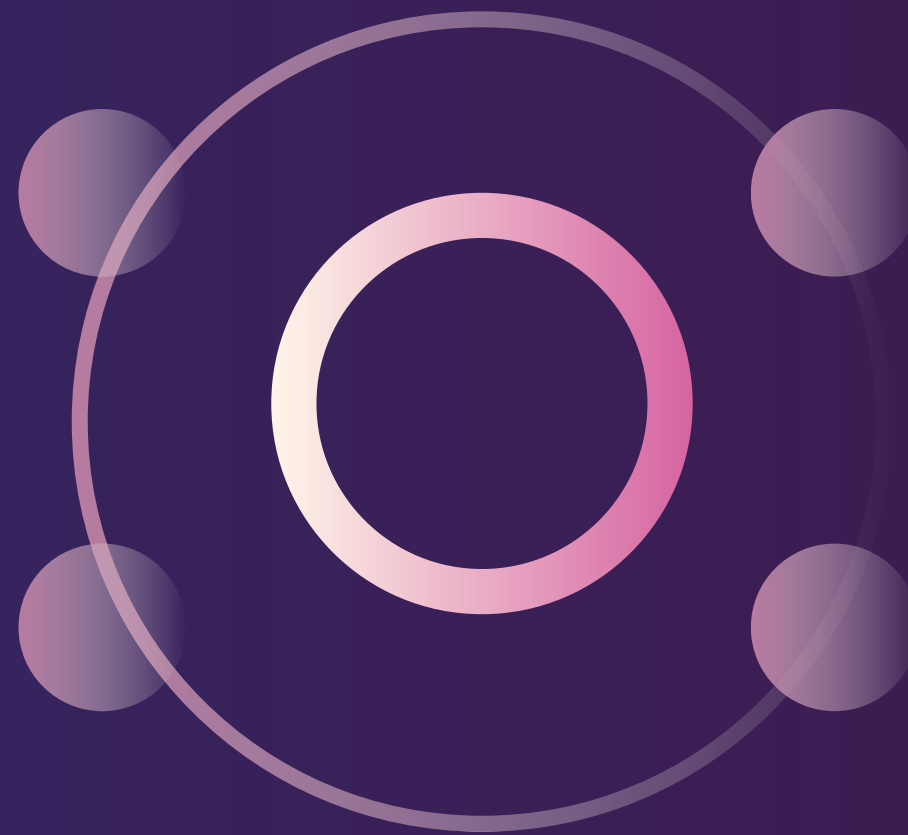
SALES ANALYSIS SUMMARY

1. Overall Sales Performance

- Total sales show an upward trend over time, with seasonal fluctuations.
- The highest sales months appear to coincide with peak shopping seasons.
- Some low-sales periods may indicate reduced demand or pricing inefficiencies.

2. Cost vs. Profitability Insights

- Gross profit margins fluctuate, revealing periods of high profitability and potential inefficiencies.
- Some months show a small gap between sales and cost, indicating tight profit margins.
- Promotional periods likely drive more sales but impact profitability.

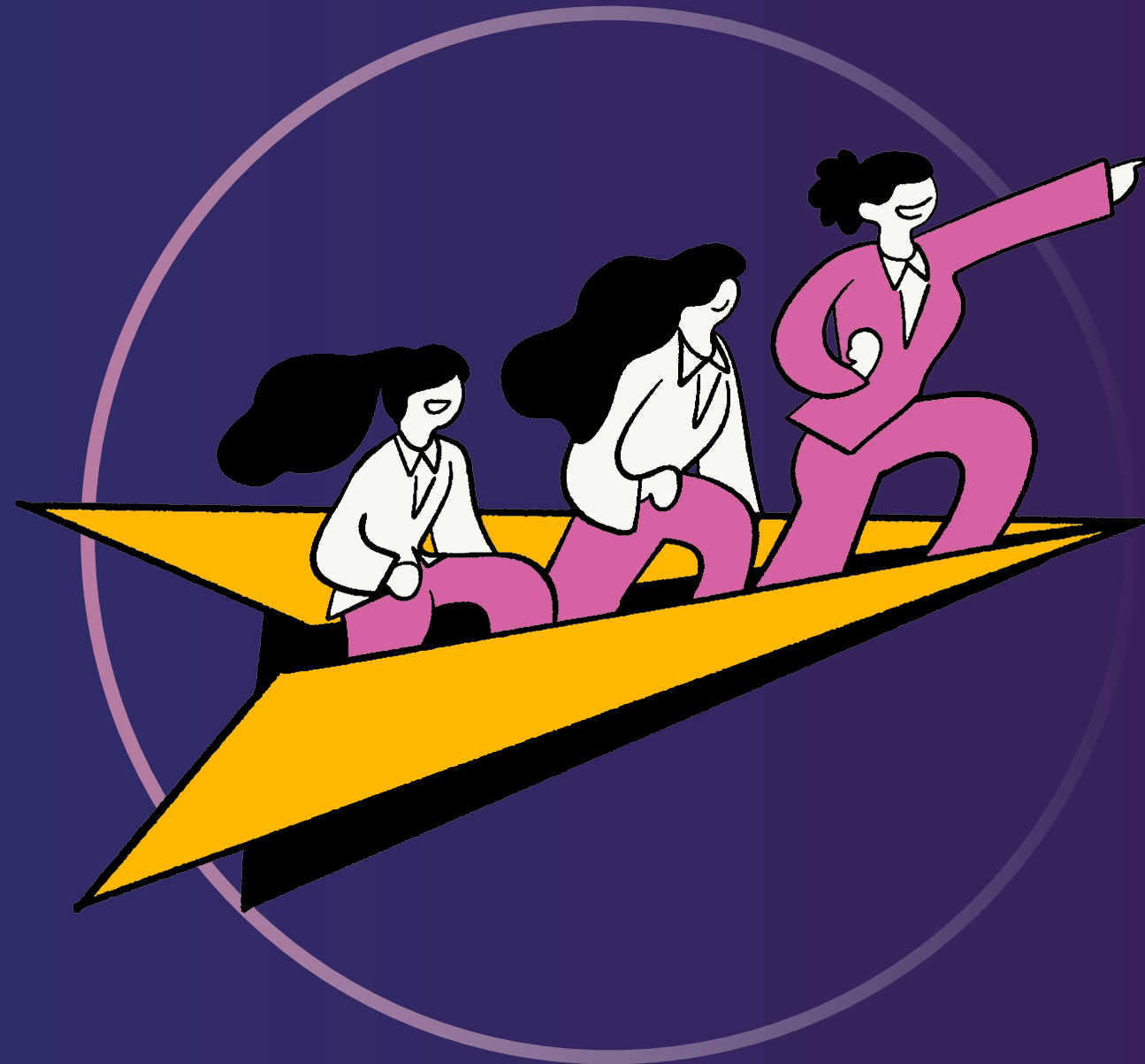


3. Price Elasticity and Demand

- Demand responds to price changes, but the degree of sensitivity varies.
- Some promotional pricing strategies lead to higher demand, while others have minimal impact.
- Products with inelastic demand may maintain steady sales even when prices change.

4. Seasonal and Trend-Based Insights

- Certain months consistently show high sales, suggesting seasonal demand patterns.
- Sales tend to spike in holiday periods, aligning with industry trends.
- Analyzing historical patterns can help forecast future sales trends.



ACTIONABLE RECOMMENDATIONS

- Optimize pricing strategies to balance sales volume and profit margins.
- Analyze cost fluctuations to identify potential inefficiencies.
- Refine promotions by identifying the best-performing discount levels.
- Forecast future sales using historical data to prepare for peak seasons.





KPIS FOR ONGOING SALES MONITORING

- Sales Growth – Measures the percentage increase or decrease in sales over a specific period.
- Lead Conversion Rate – Tracks the percentage of leads that turn into actual sales.
- Customer Acquisition Cost (CAC) – Calculates how much it costs to acquire a new customer.
- Average Deal Size – Helps understand the typical revenue generated per sale.
- Sales Cycle Length – Measures the average time it takes to close a deal.
- Customer Retention Rate – Indicates how well your business retains customers over time.
- Quote-to-Close Ratio – Shows the percentage of quotes that result in closed deals.
- Revenue per Sales Rep – Evaluates individual sales performance.
- Sales Forecast Accuracy – Compares projected sales to actual sales.
- Profit Margin – Assesses the profitability of sales.



SALES ANALYSIS



THANK YOU!