





Insights:

Enhancing Revenue with Price and Quantity Optimization

Our analysis of customer purchasing patterns highlights key opportunities to improve pricing and sales strategies for higher revenue and customer satisfaction.

1. Diverse Pricing for a Varied Customer Base

The data shows a wide range of product prices, with most purchases happening in the low-to-mid price range. This indicates a volume-driven sales model. To maximize revenue, we should focus on competitively priced products that appeal to the majority while ensuring affordability.

2. Boost Sales with Discounts and Bundles

There's a strong link between transaction value and price (correlation: 0.72) and a moderate link with quantity (correlation: 0.61). However, price and quantity are weakly linked, meaning customers buy more at lower prices. Introducing bulk discounts or bundling complementary products can encourage customers to buy more per transaction, raising overall sales.

3. Market Premium Products Effectively

Higher-priced items significantly contribute to the total value despite fewer transactions. We should target affluent customers with well-crafted marketing campaigns that showcase the value and quality of premium products, potentially improving profit margins.

4. Leverage Psychological Pricing

Sales data reveals popular price points where purchases peak, suggesting psychological pricing works well. Using this strategy for promotions and setting attractive price thresholds can drive more sales.

Recommendations

- Refine Pricing Strategies: Identify competitive price points and adjust prices to balance market reach and profitability.
- Encourage Larger Purchases: Offer bulk discounts, “buy one, get one free” deals, or bundles to increase basket sizes.
- Focus on High-Value Items: Promote premium products with targeted campaigns and exclusive offers.
- Optimize Promotions: Tailor marketing to popular price points to match customer preferences.

By acting on these insights, we can optimize pricing, improve marketing, and grow revenue while keeping customers happy.