SALES ANALYSIS

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OVERVIEW

01 Objectives

02 TIMELINE

03 INSIGHTS

04 INSIGHTS

05 INSIGHTS

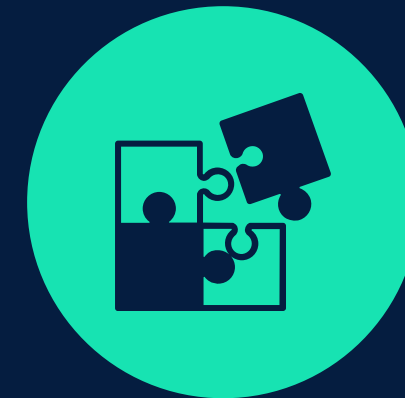**06** INSIGHTS

07 RECOMMADATIONS

08 END

01 OBJECTIVES

DEVELOP METRICS

1. Price per unit
2. Average unit sales price
3. % gross profit daily
4. % gross profit per unit
5. 3 periods when product is on promotion

ABOUT THE DATA

The data contains no null values, and there are 1054 distinct rows.

02

TIMELINE

THE TIME-FRAME IS BETWEEN 2013-DECEMBER-30 TO 2016-NOVEMBER-16 WITH ABOUT 1053 DAYS.

03 | INSIGHTS

- Total daily sales for each day of the week with Saturday being the highest.
- Since the dataset goes over many years, the approach is to narrow it down by looking at days of the week, monthly, and years.

Daily sales per unit grouped by day of the week

Total daily sales for each day of the week
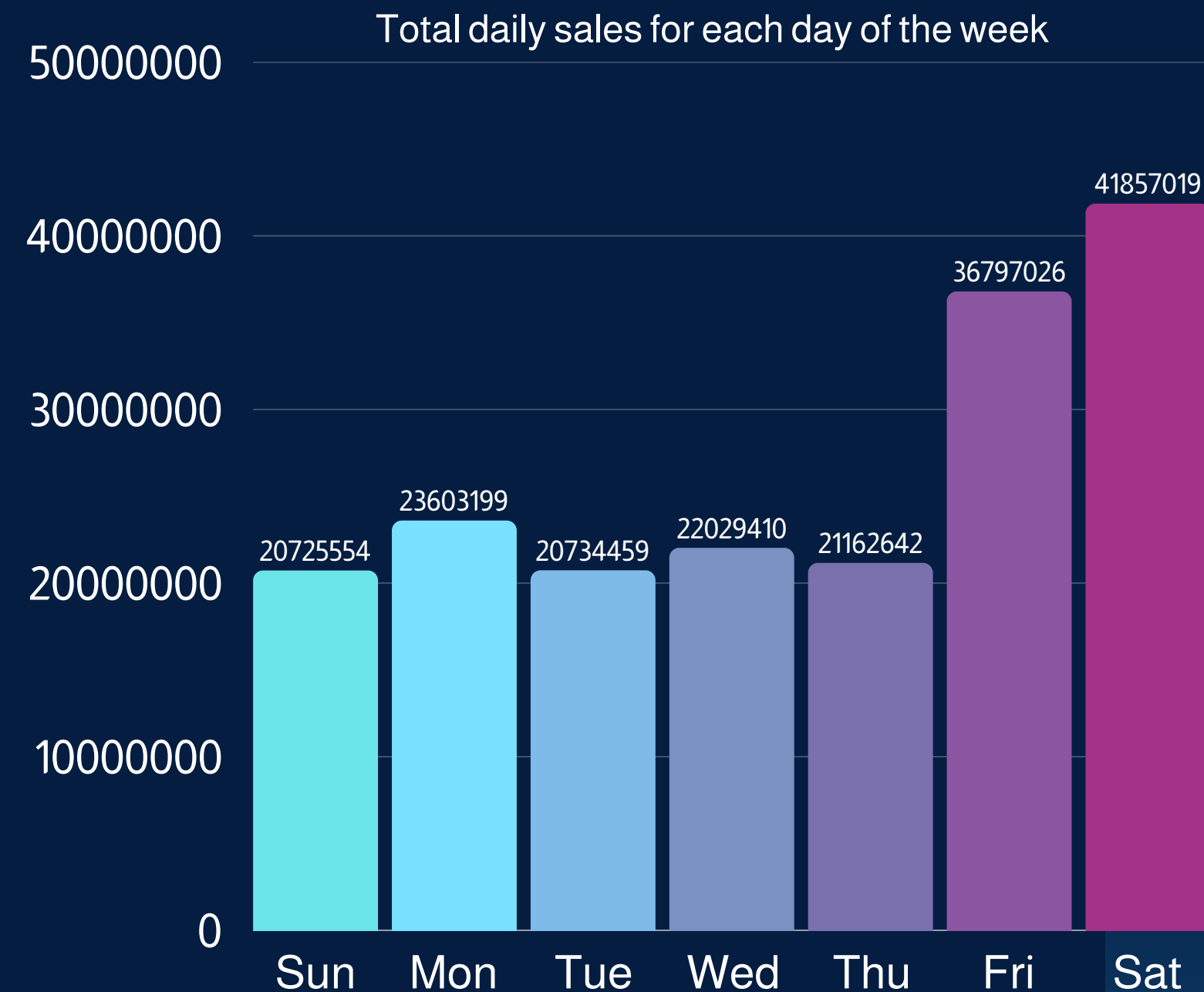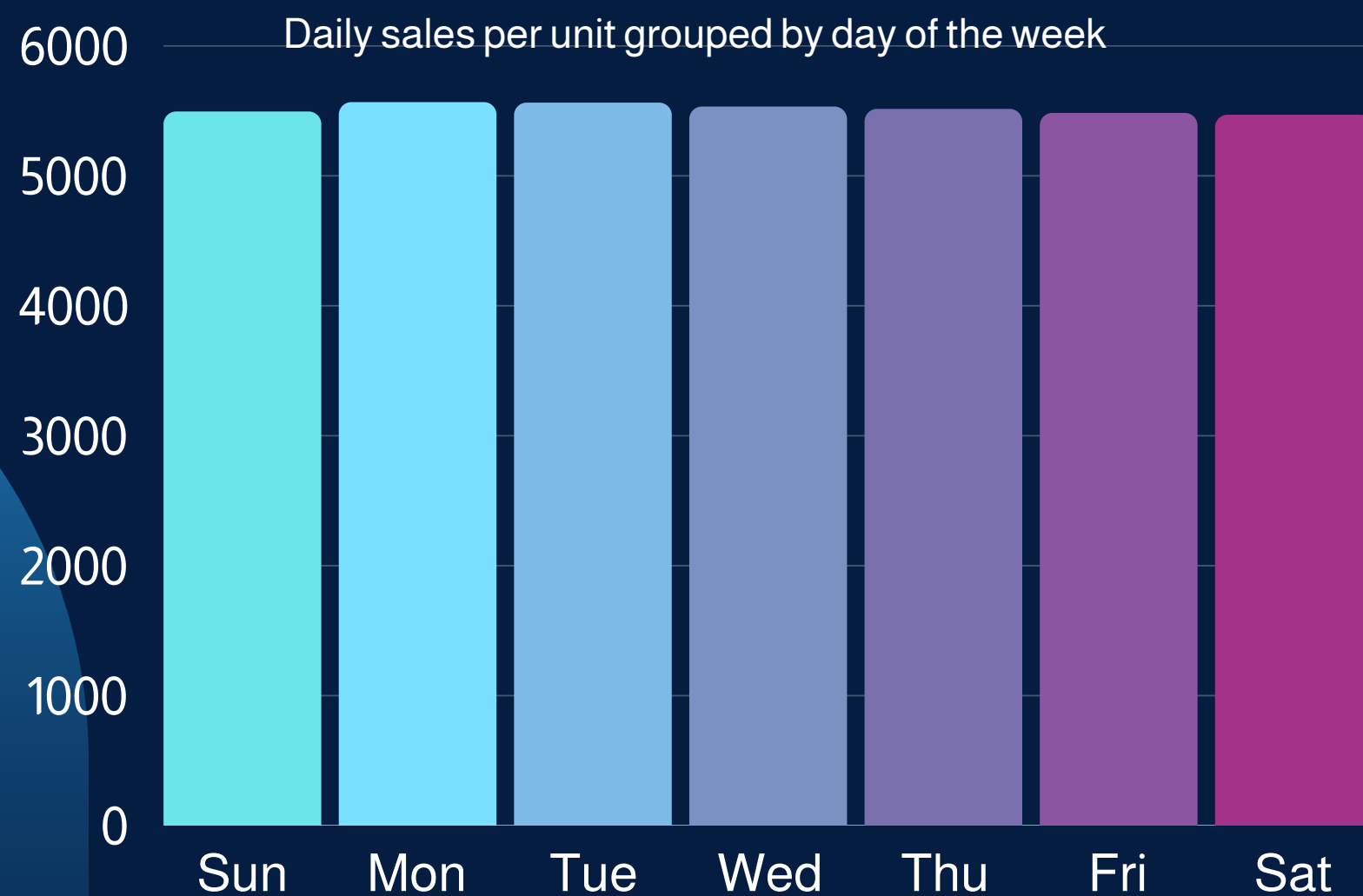
- On average the sales per unit are consistent to each other throughout the week.
- This also indicates that Saturday makes the most revenue because more products are sold rather than that the price per unit is higher.

- On both the graphs, the average is used to try depict the day to day percentages for gross profit and price per unit. With the data that has about 1053 days, it is impossible to create visuals that can accommodate individual days.
- This insights aims to show the relationship between the price per unit and gross profit using a percentage.

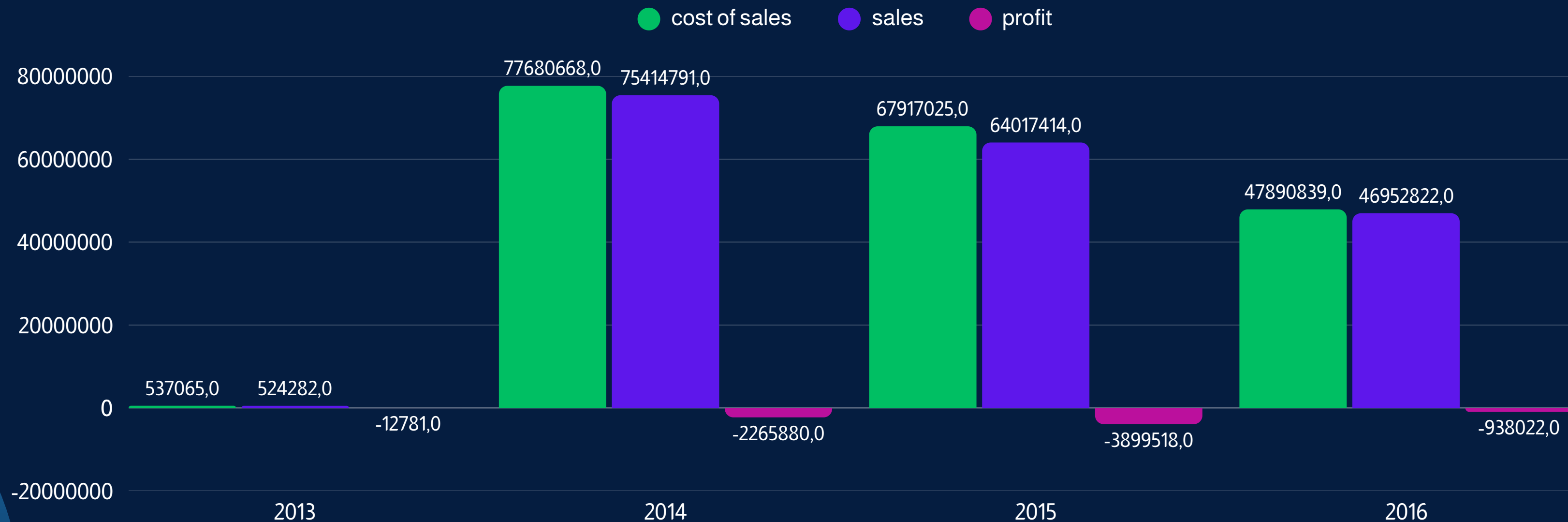**Average of daily percentage price per unit**
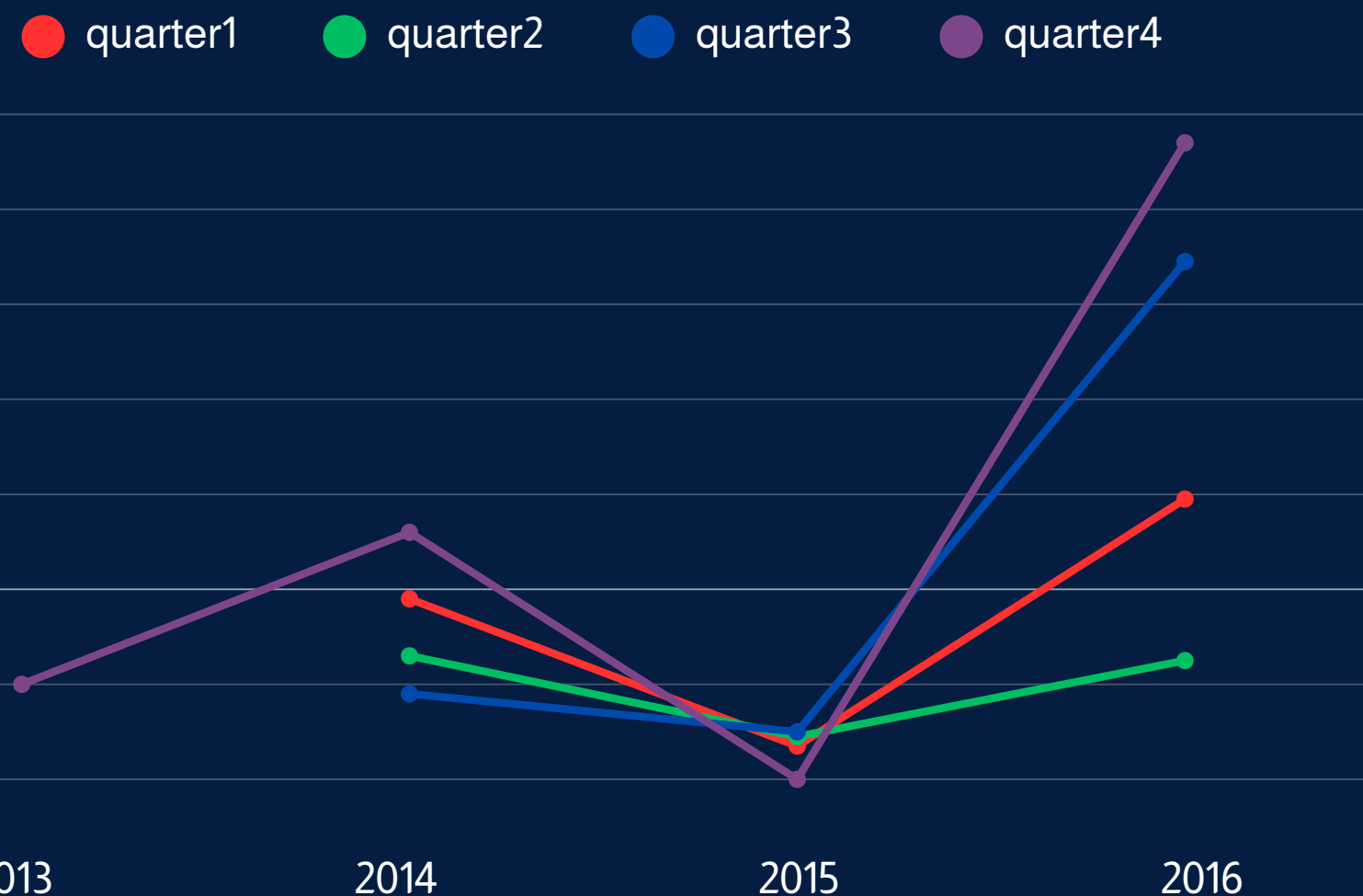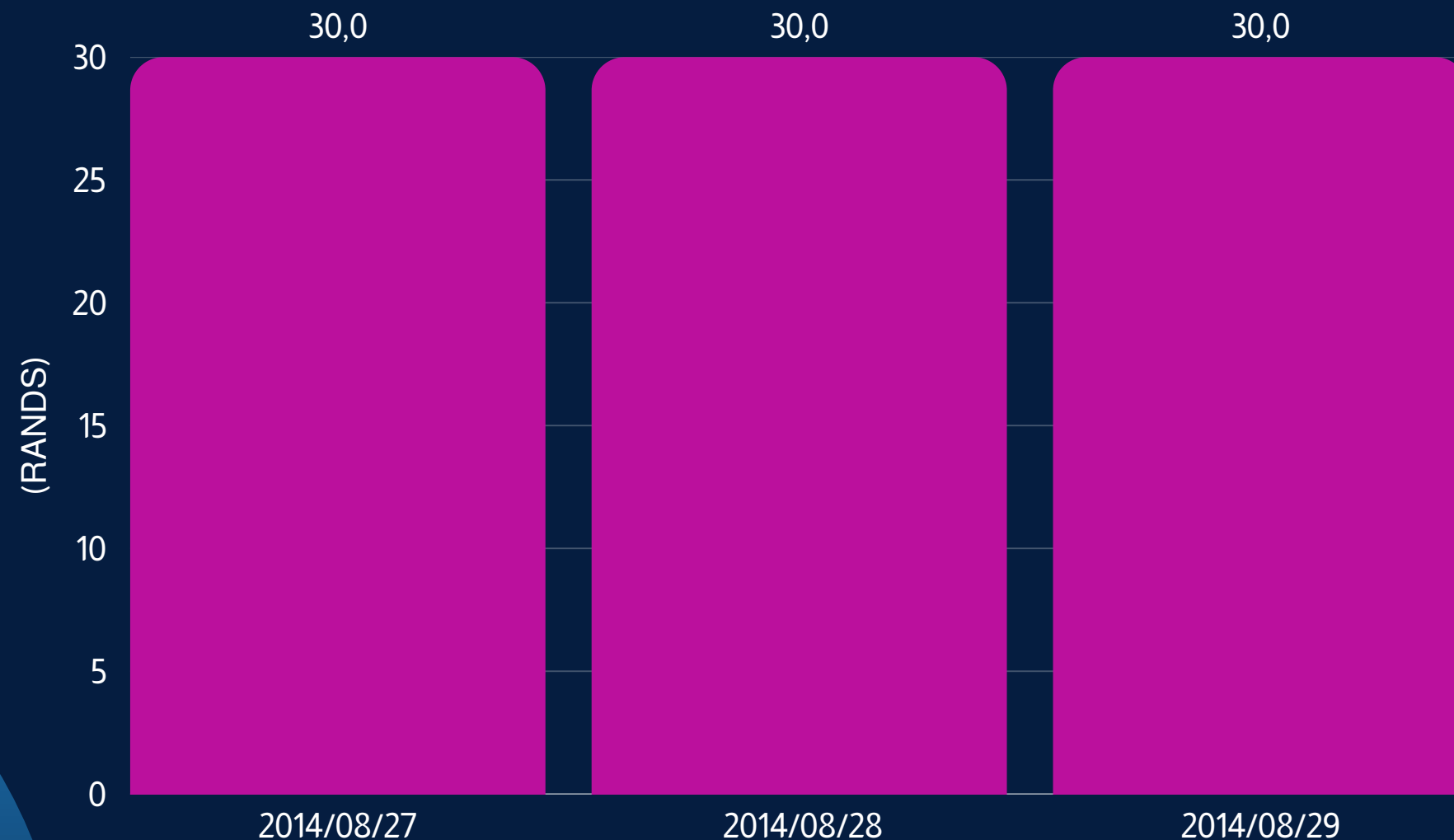

Average of daily percentage gross profit
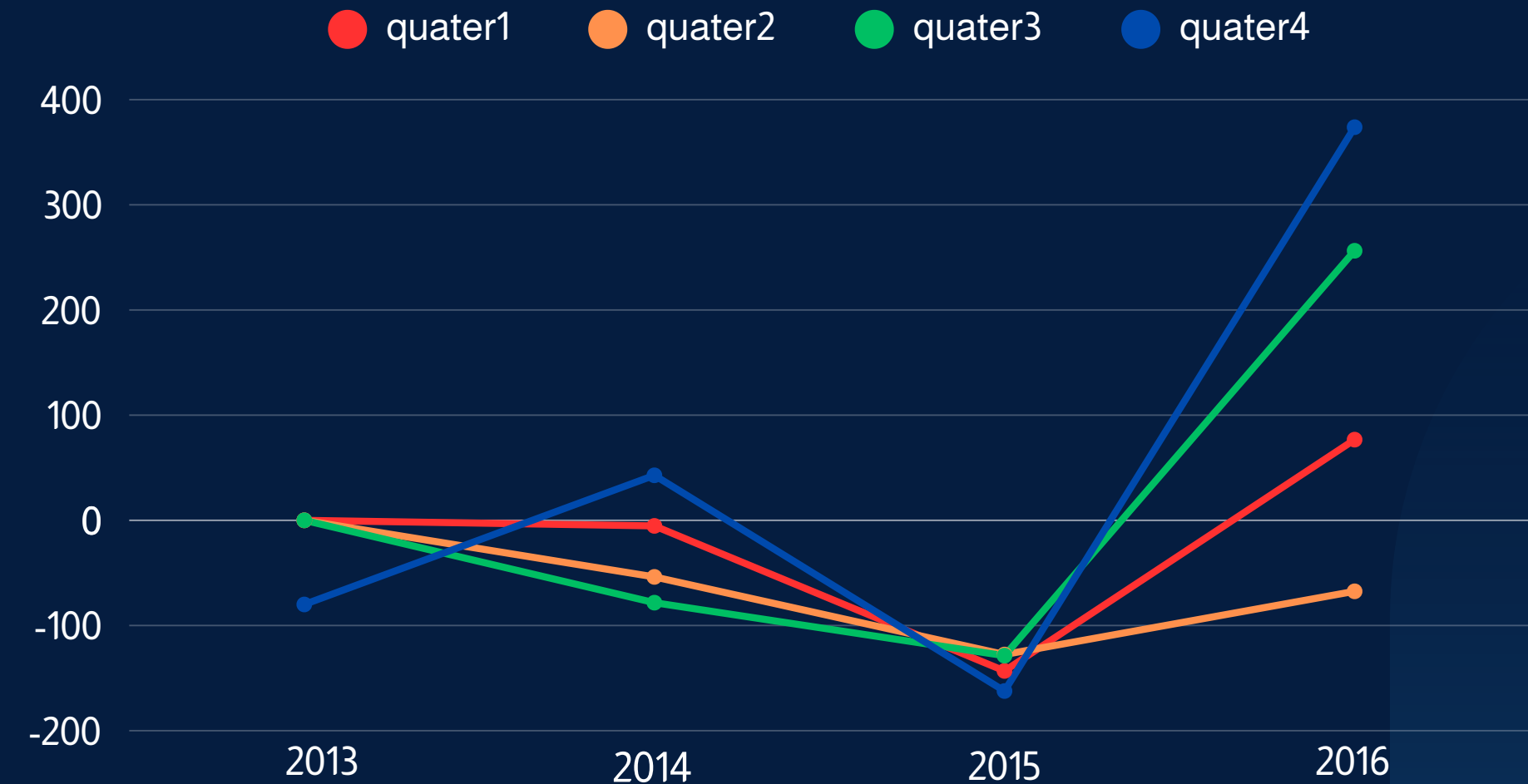
- The rise in percentage price per unit also gives rise to a daily percentage gross profit.
- 2014 is the turning point for both gross profit and price per unit for all 4 quarters.
- The 4th quarter peaks the highest in 2016 for both gross profit and price per unit percentage wise.

INSIGHTS

Cost of sale vs Sales vs Profit

Legend: ● cost of sales ● sales ● profit

	2013	2014	2015	2016
cost of sales	537065,0	77680668,0	67917025,0	47890839,0
sales	524282,0	75414791,0	64017414,0	46952822,0
profit	-12781,0	-2265880,0	-3899518,0	-938022,0

- This bar graph aims to show the relationship that exists between cost of sales versus sales versus profit.
- Cost of sales supersedes the revenue collected from sales, leading to a negative profit margin from 2013 to 2019.
- This graph suggests that the cost it takes to produce or purchase the product is high while the price at which the product is sold at is very low.

3 Periods when the product was on promotion

Chart (bar chart, Y-axis labeled (RANDS), values 0 to 30):

2014/08/27	2014/08/28	2014/08/29
30,0	30,0	30,0

- FORMULA F OR PRICE ELASTICITY OF DEMAND

$$\frac{\% \text{ Change in Quantity Demand} / \text{ Quantity}}{\% \text{ Change in Price} / \text{ Price}}$$

- The Price Elasticity of Demand for both periods is 0 .
- This indicates that there is no relationship between the quantity sold and the price per unit.
- Basic economics suggests that the relationship between quantity and price is always negative were the increase in price decreases quantity demand.
- The price of the product is inelastic as it is insensitive to quantity demand increase over the three periods.

- The average price per unit is R37 rounded up to the nearest rand.
- With the average price being R37, the three periods was when the product was on promotion at R30.
- The product performs better when on promotion in terms of quantity sold and not well when it comes to profit and price per unit.
- Since the the Price Elasticity of Demand for both periods is <1, it means that there is no price adjustment to match the demand.
- The product performs worst on promotion because while demand doubles with cost of sales increasing, the price per unit remains unchanged, which is unsustainable.

07

RECOMMANDATIONS

STANDARDISATION

One of the best ways to reduce costs for an entity includes formalising all operations of the entity including a relationships with suppliers to get the best price possible

PRODUCT VARIETY

Producing high cost products requires niche markets with less industry players . The entity must diversify their product range to balance and diversify their target market to collect more revenue than cost to produce or sell.

PRICING STRATEGY

There is need for the product to have a different approach to the way price is done. Pricing strategy must be driven by informed insights to avoid a decrease in demand

MARKETING

The current marketing or reputation suggests that the products is a low cost product rather than the qualities of the product. this is evident by how much is sold when the product is on promotion versus the when it is on a normal.

RECOMMENDED
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08

THANK YOU

SAMKELO XORILE