**Skin Care Brand Online Sales Analysis**

Sidhesh Chavan

March 5, 2020

**1.Introduction**

* 1. **Background**

India skin care market stood at $ 1.6 billion in 2017 and is projected to grow at a CAGR of 9% to reach $ 2.7 billion by 2023, on the back of rising disposable income, increasing demand for skin care products across all age groups, especially young population, and growing awareness among consumers about various skin care products. Moreover, rising number of working women is leading to higher demand for personal care product. Emergence of online brands such as Nykaa and Purplle along with increasing internet users is resulting in growing presence of online retail in the country’s skin care market. Additionally, rising consumer demand for skin care products is pushing manufacturers to come up with new product launches, thereby further propelling growth in India skin care market.

* 1. **Objective**

To analyse the given sales data for a skin care product being sold using multiples distribution channels (AdWords, Direct, Facebook, Twitter) on various websites (Amazon, Flipkart, Snapdeal).

To compare sales data for products being sold on regular price of $55 against promotional value with a discount of 50%.

To determine which channels and website are most preferable to maximize total $ sales.

**2.Data Acquisition**

**2.1 Data Sources**

3 Data sets were provided for the analysis,

* Data set I – Channel
* Data Set II – Website
* Data set III – Sales

**3.Data Analysis**

**3.1 Channel Sales**

A screenshot of a cell phone

Description automatically generated

Figure Total $ Sales across all Channels

Maximum sales were generated through **Twitter ($15.2M),** followed by **Direct ($12.8M)** distribution channels. Surprisingly, Facebook generated the least sales amongst all channels. These sales figures are for both, promotional and non-promotional sales.

Another interesting observation is that on an average 40% of the inventory was sold at a discounted rate. We can reduce that number too by another 10-15% and drive some more revenue through non-discounted sales.

Further analysing the data for revenue generated through the product being sold at regular price against revenue generated through discounting (50%) across distribution channels (Figure 2), we can observe that across all channels discounted products didn’t even generate half the revenue coming from products being sold at regular price. We could perhaps lower the discount rates along with the lowering the proportion of inventory being sold as discounted price as mentioned earlier.

A screenshot of a cell phone

Description automatically generated

Figure Split of Promo and Non-Promo Sales across Channels

Since Twitter is the best performing channels for us, we could revaluate the marketing spends on other channels and push for more sales through Twitter. Also, we need to re-check our campaigns for Facebook Ads its very unusual for Facebook to be the least performing amongst all channels.

A close up of a logo

Description automatically generated

Figure Comparison of Promo and Non-promo Sales

For Promotional sales **AdWords** generated **29%** of the total Promotional sales, whereas **Twitter** was the leading distribution channel for Regular sales with **33%** of the revenue coming through it. **Direct** distribution was the **2nd** best channel for both categories of sales.

**3.2 Website Sales**

**Amazon** is the leading revenue generator amongst all websites with **$21M** in total sales used for selling our skin care products, followed by **Flipkart** with **$15.8M** in total sales.

**A screenshot of a cell phone

Description automatically generated**

Figure Total $ Sales across all Websites

Further comparing revenue for Promotional and Non-Promotional sales (Figure 5) we can see that revenue generated through Non discounted products was nearly **4x** greater than revenue generated through discounting, we can check what is driving these sales on Amazon and implement same strategies on other websites.

A screenshot of a cell phone

Description automatically generated

Figure Split for Promo Sales and Non-Promo Sales across Channels

Revenue generated through **Amazon** was the highest for both, Promotional **(41%)** and Non-Promotional sales **(45%).** Nearly half of the revenue is coming from Amazon, a combination of promoting Amazon listings on Twitter would be a profitable combination which we can try over the next cycle.

A close up of a logo

Description automatically generated

Figure Comparison of Promo and Non-Promo Sales

4. **Conclusions**

In this analysis we can conclude that Twitter and Direct Sales were our top 2 distribution channels for overall sales. Whereas, AdWords was the best performing distribution channel for Promotional Sales, Twitter was the best performing distribution channel for Regular Sales.

Amongst the Websites Amazon was driving nearly 50% of the revenue generation for both promotional and Non-Promotional sales.

**5. Future Directions**

Promoting Amazon listings on Twitter is something we can push for in future as data suggests it would be a profitable combination of sales distribution channel and website. We could also reduce the total number of products sold on discounted rates which is currently ~40% of total products sold.

**6. References and Appendix**

Tech Sci Research, 2019, India skin care market

Retrieved from, <https://www.techsciresearch.com/report/india-skin-care-market/3753.html>

**7. Miscellaneous**

GitHub link for [Jupyter Notebook](https://github.com/Sidhesh427/Skin-Care-Brand-Online-Sales-Analysis/blob/master/Skin_Care_Brand_Online_Sales.ipynb).