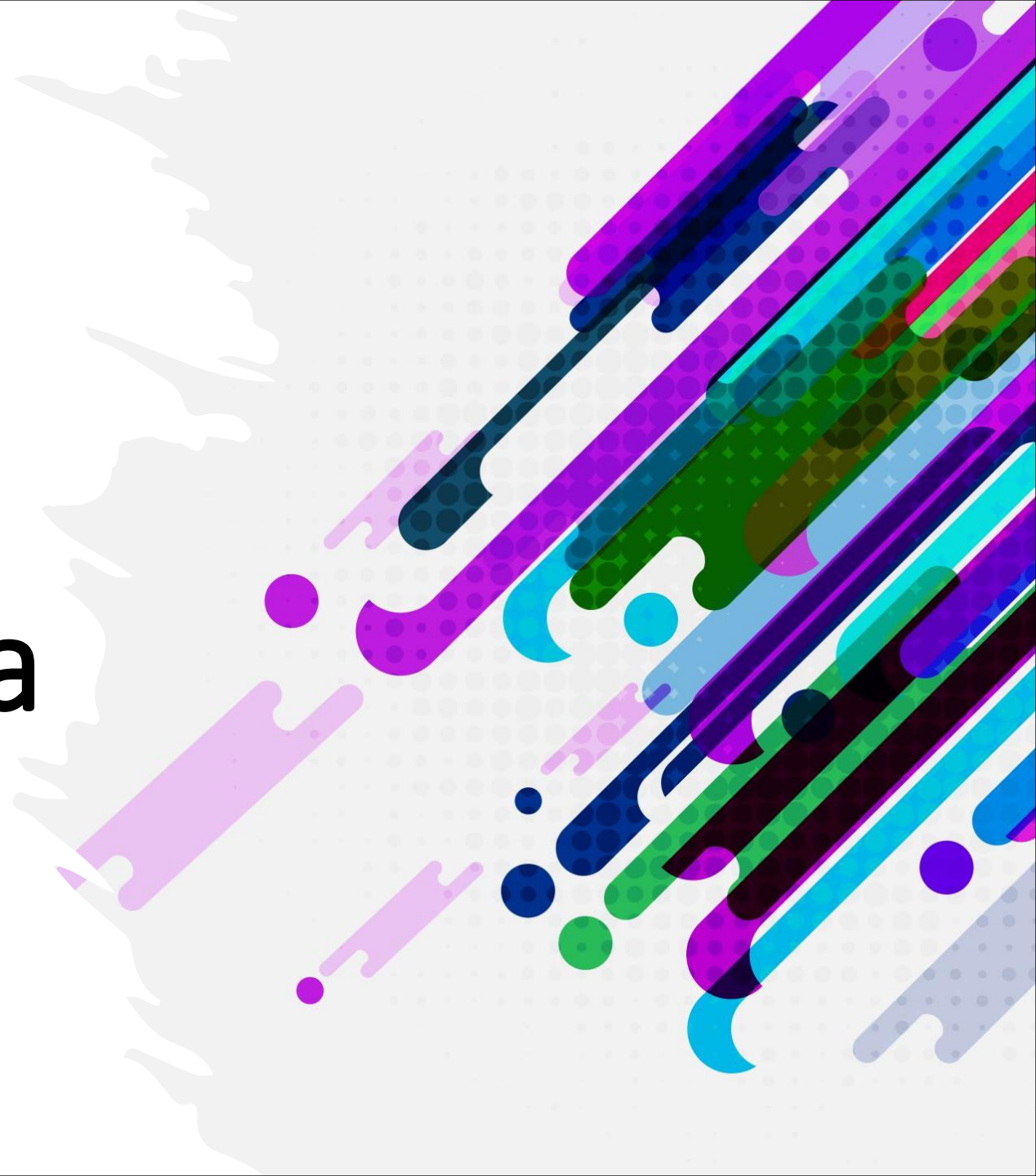
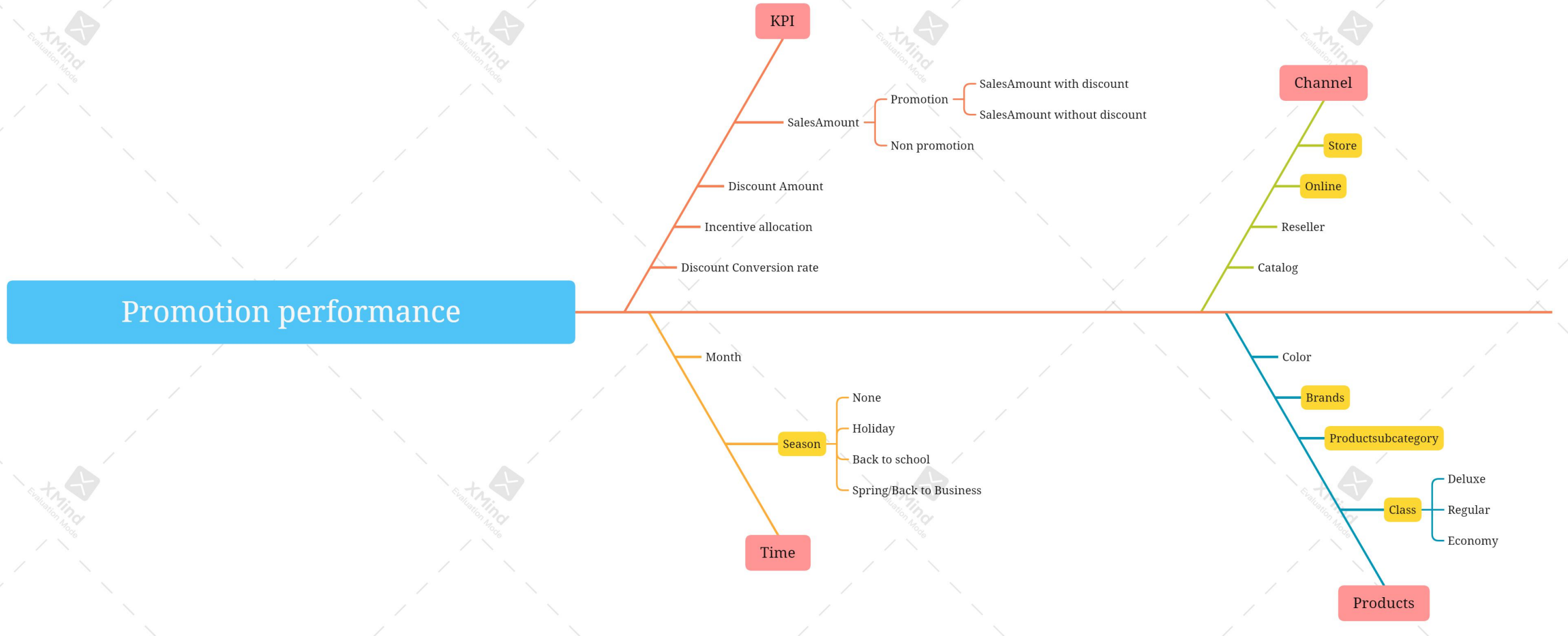


Promotion performance in North America (2007-2009)

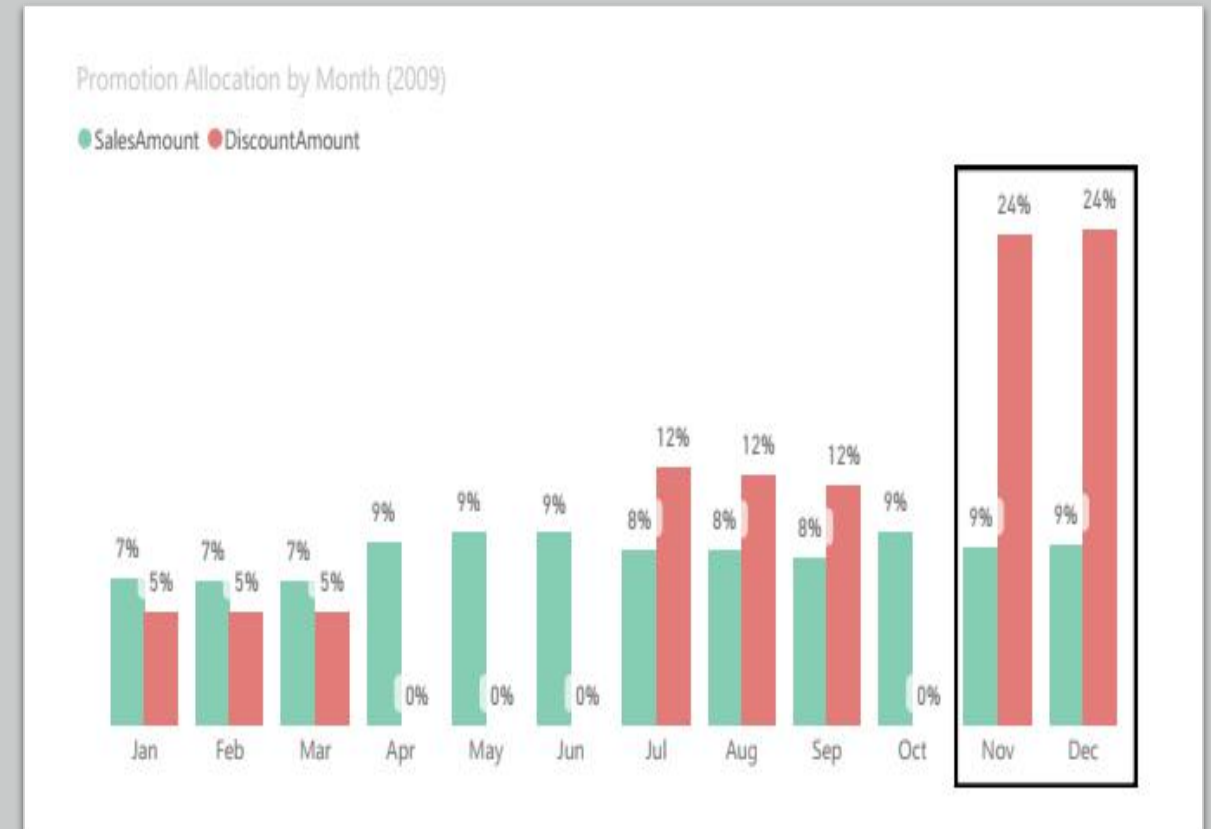
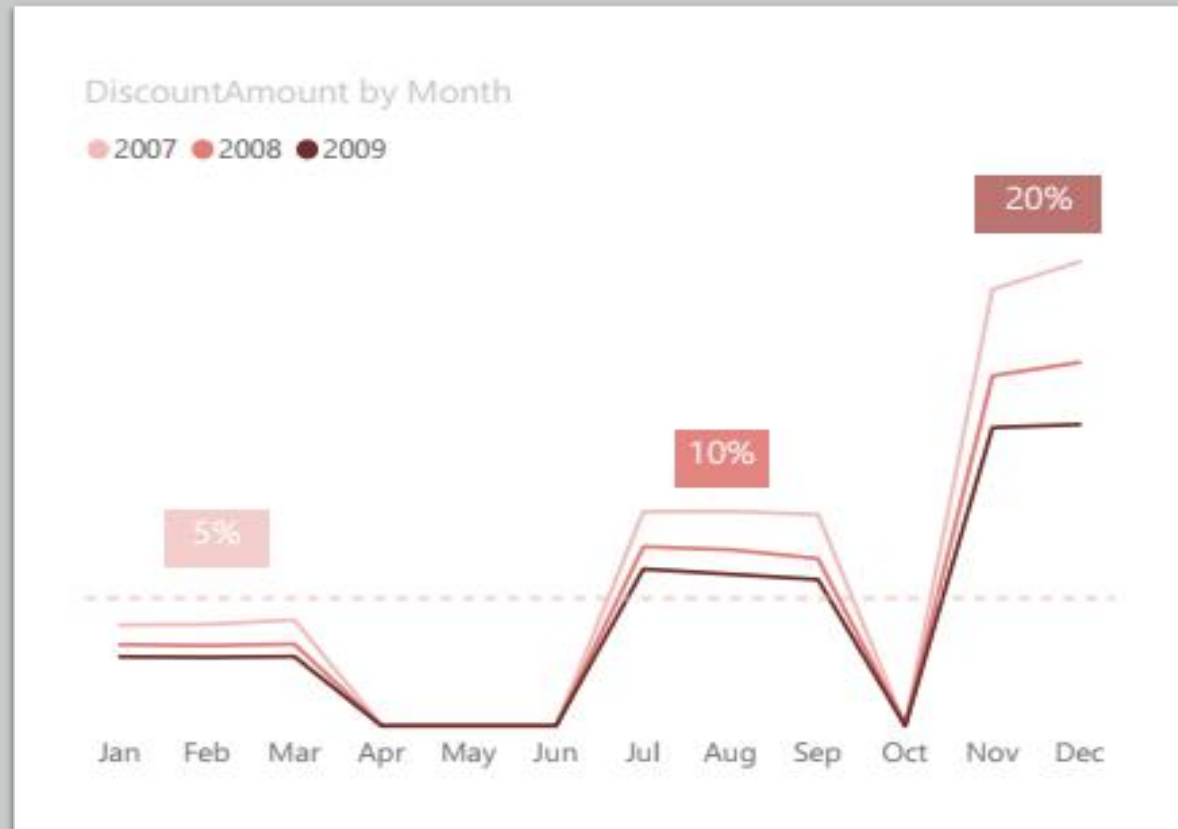


Analysis Framework



Overview

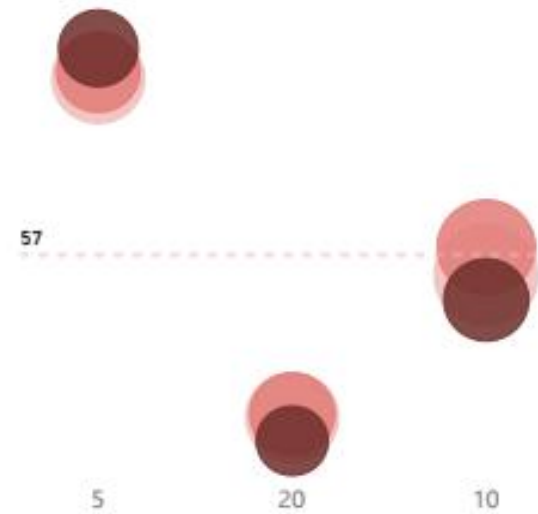
- Discount Amount had seasonality trend with fixed scheme and decreased yearly.
- High incentive contribution (10% and 20%) didn't get the relative Sales Amount on Back to school/ Holiday season.



- Sales with incentive decreased continuously from '07 – '09, which contributed Total Sales' reduction in North America.
- 5% is the most effective incentive.
- "Economy" was effected the most by promotion in 2009.
- Promotion impacted differently between Class (Price factor?).

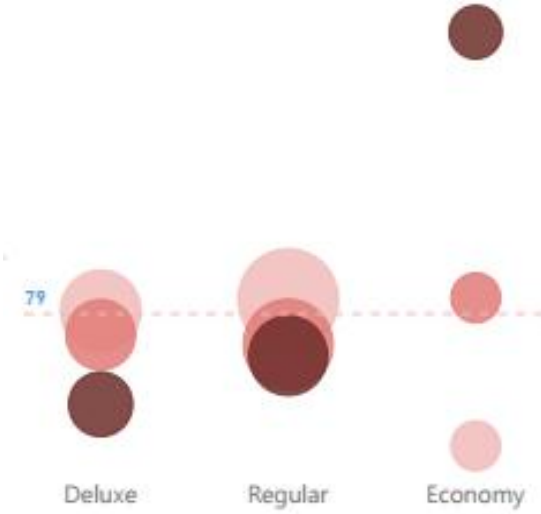
Discount Conversion Rate by Incentive

● 2007 ● 2008 ● 2009



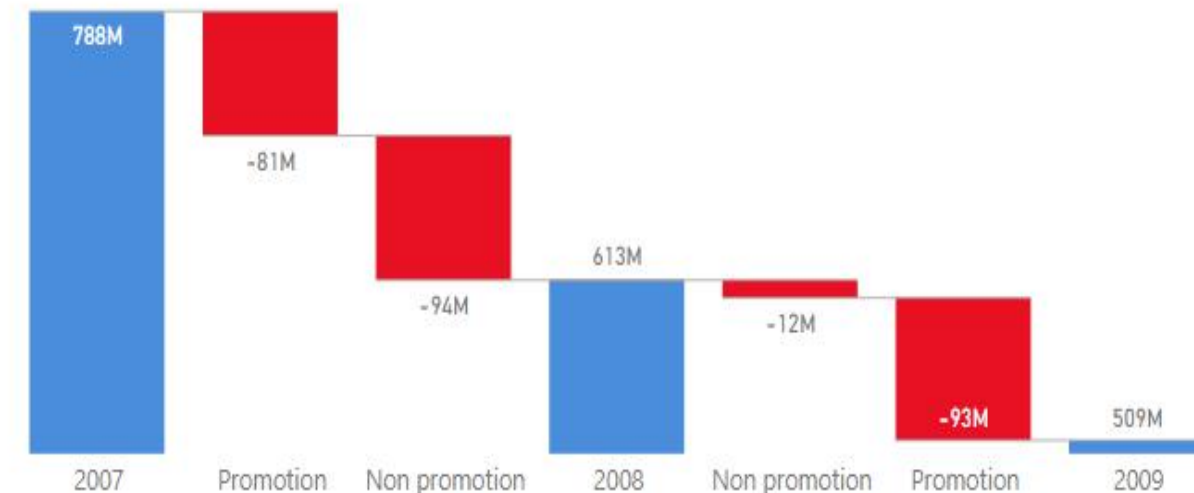
Discount Conversion rate by Class

● 2007 ● 2008 ● 2009

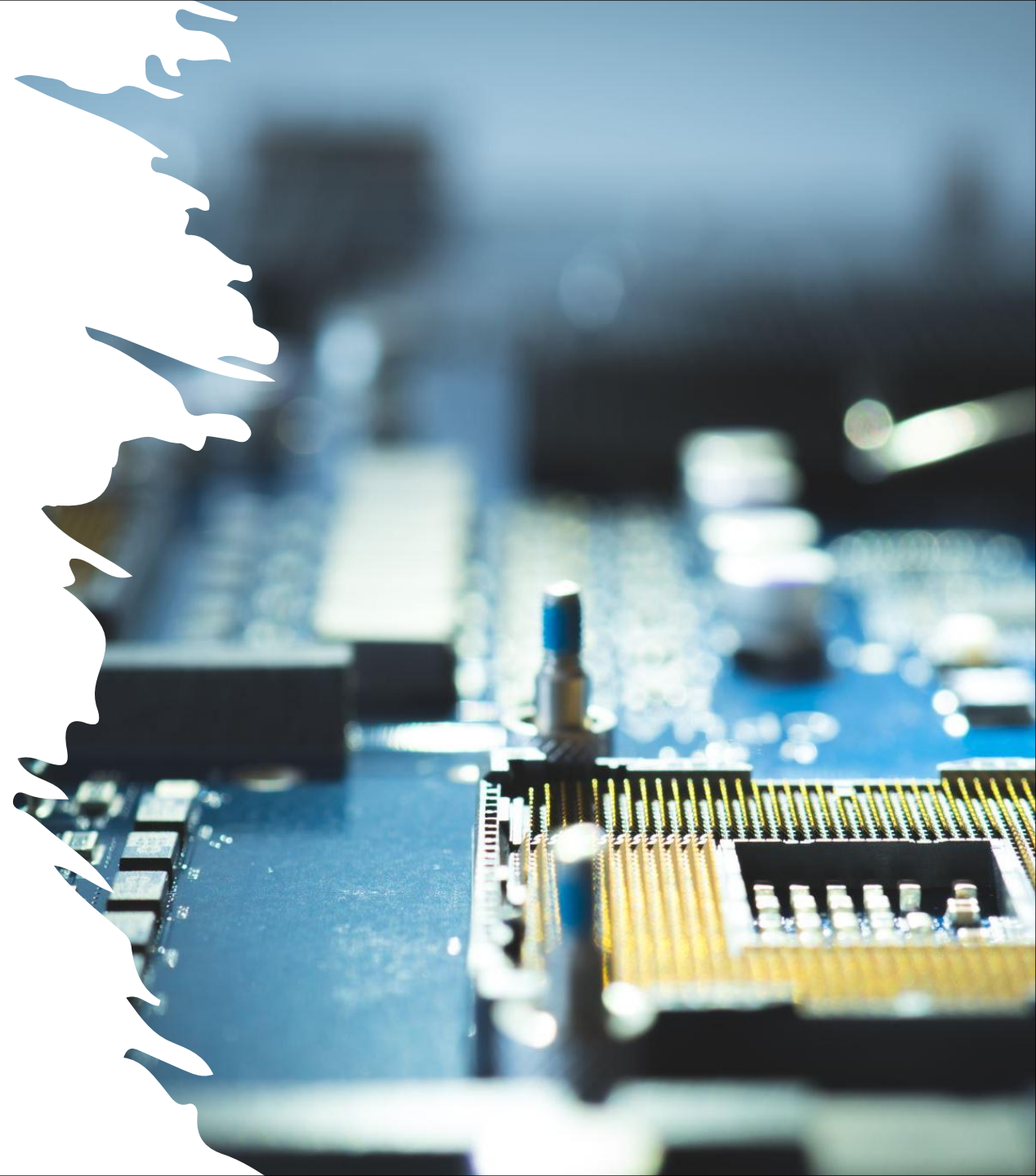


SalesAmount by Year and Promotion

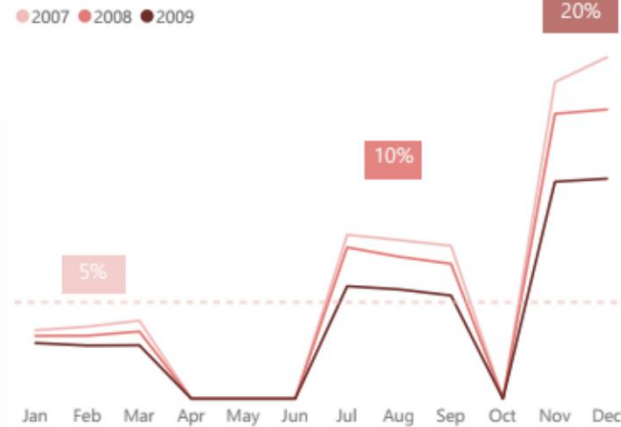
● Increase ● Decrease ● Total ● Other



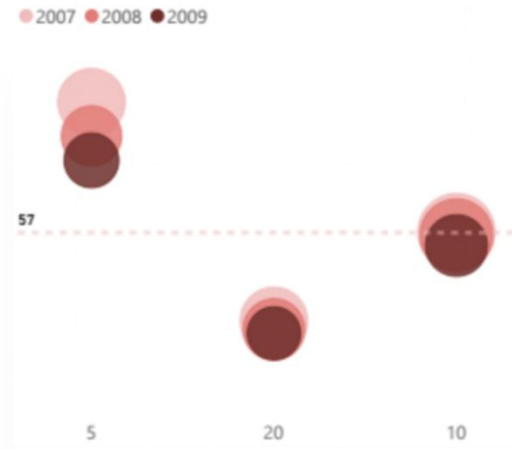
Regular
products



DiscountAmount by Month (Regular)



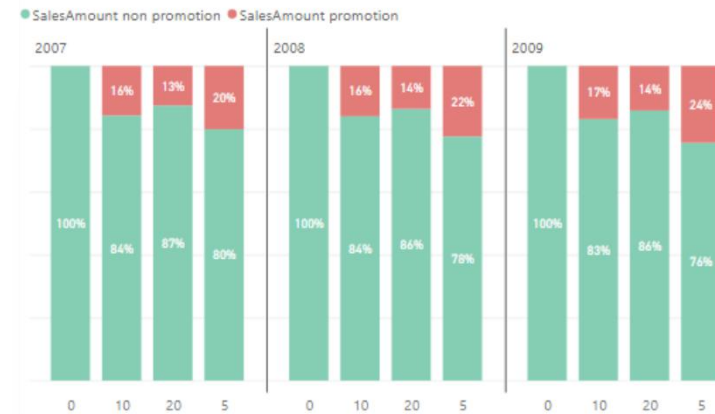
Discount Conversion Rate by Incentive (Regular)



SalesAmount by Month (Regular)



SalesAmount by Incentive, Regular



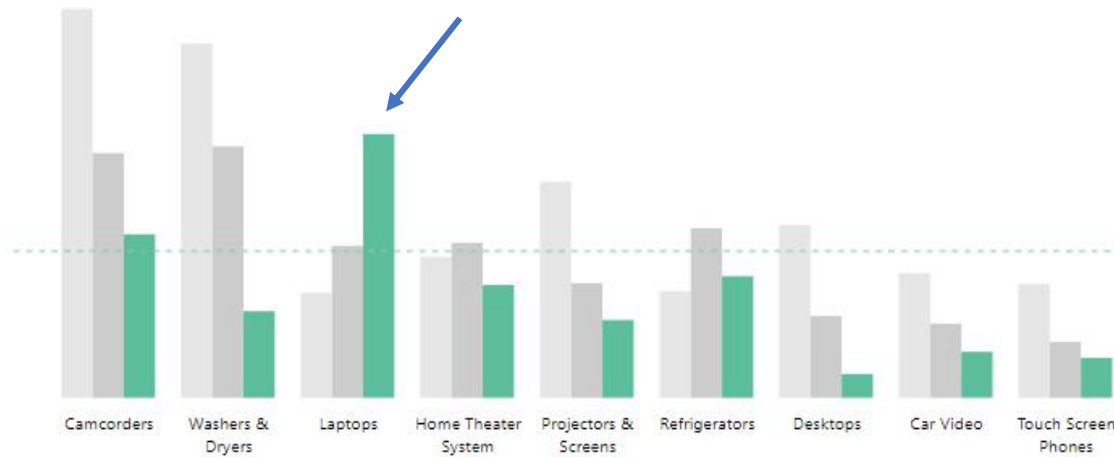
- Sales decreased from both none and promotion, **main reason was the transfer from Regular to Economy products.**
- The impact of promotion to Sales was nearly stable. (more reducing for 5%)

Only Laptops increased Sales
(no Economy Laptops).

Others: transfer from Regular to
Economy products (except
Desktops, Washers & Dryers).

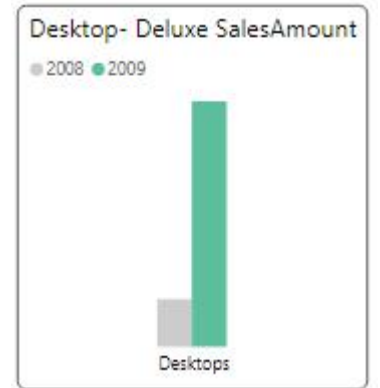
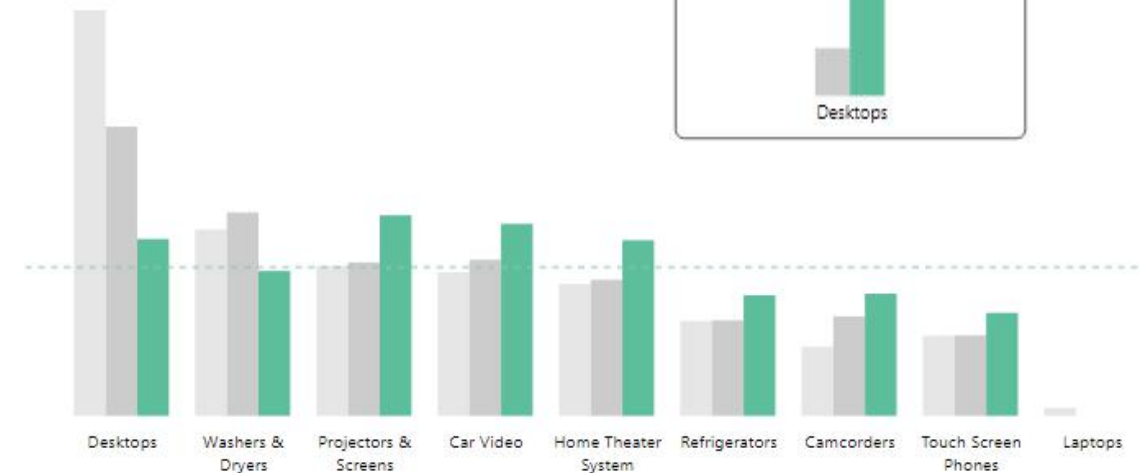
SalesAmount by ProductSub - Regular

2007 2008 2009

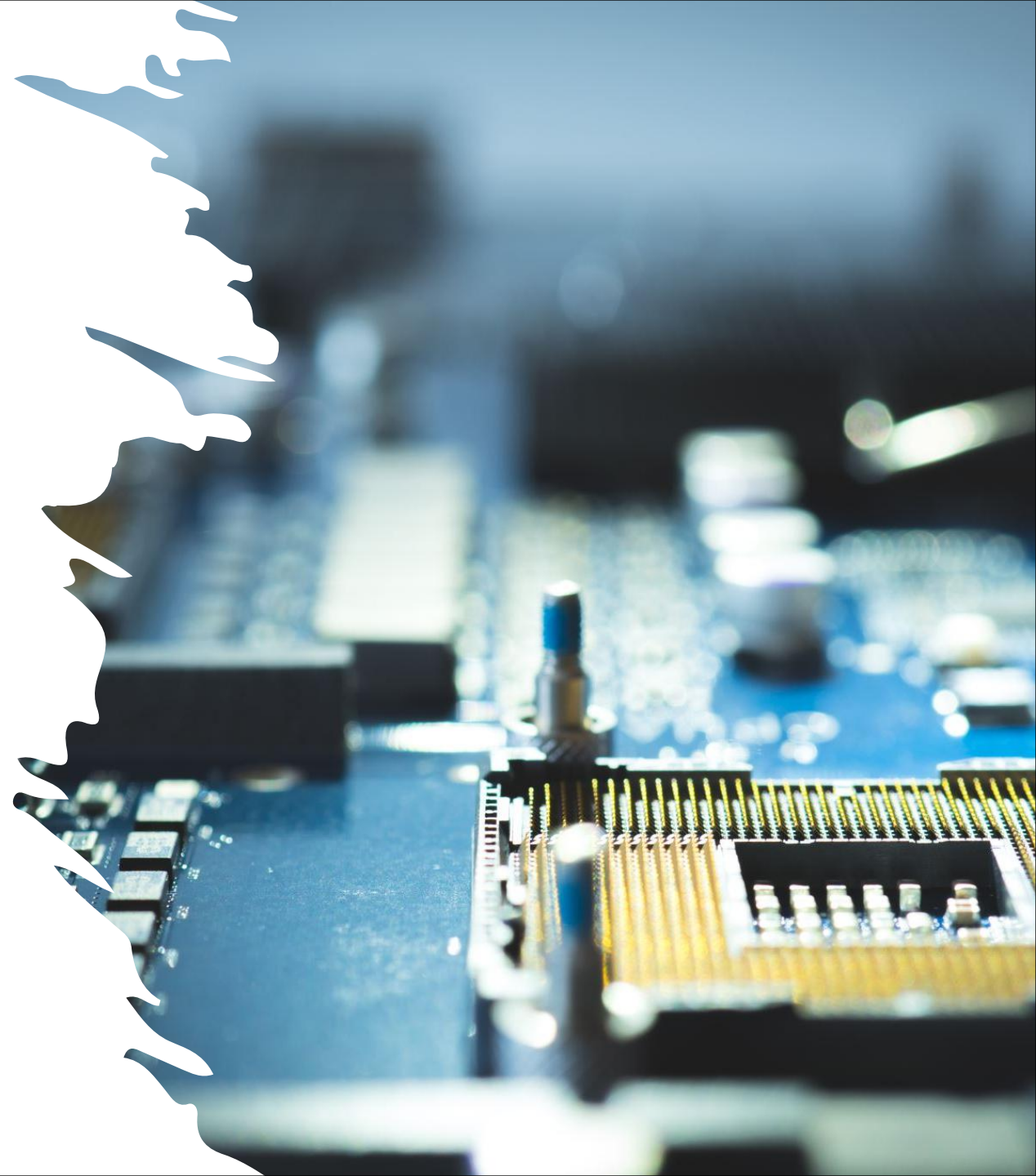


SalesAmount by ProductSub - Economy

2007 2008 2009

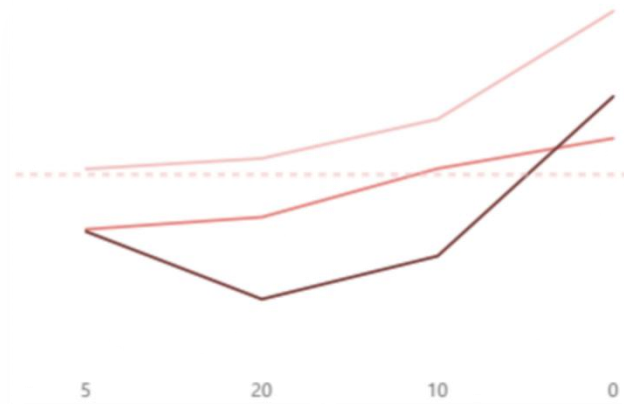


Deluxe products



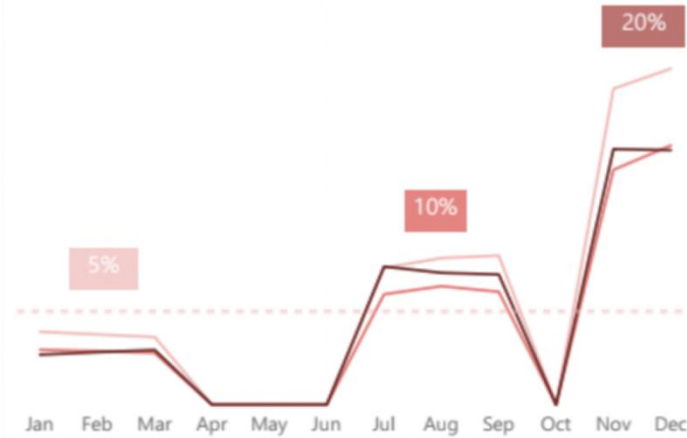
SalesAmount by Incentive (Deluxe)

● 2007 ● 2008 ● 2009



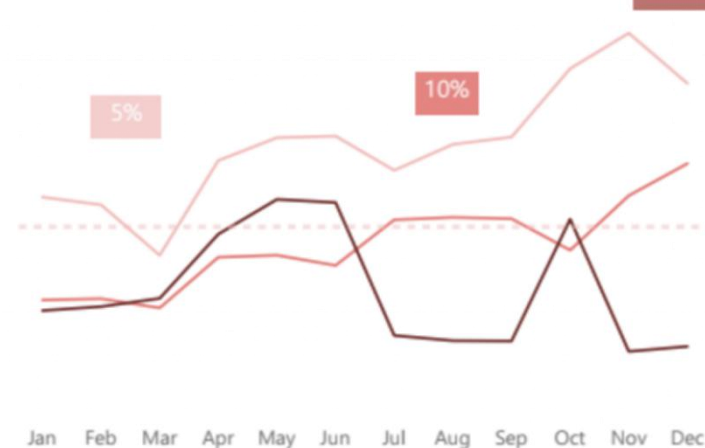
DiscountAmount by Month (Deluxe)

● 2007 ● 2008 ● 2009



SalesAmount by Month (Deluxe)

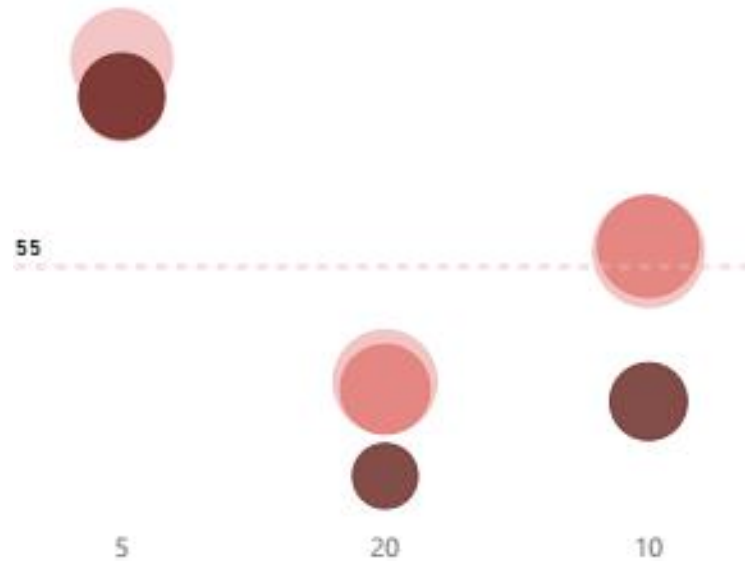
● 2007 ● 2008 ● 2009



- More Discount Amount in '09 vs '08 due to **some new Deluxe products launched.**
- But Sales dropped significantly during Back to school (10%) and Holiday (20%) in '09.

Discount Conversion Rate by Incentive (Deluxe)

● 2007 ● 2008 ● 2009



SalesAmount by Incentive, Deluxe

● SalesAmount non promotion ● SalesAmount promotion

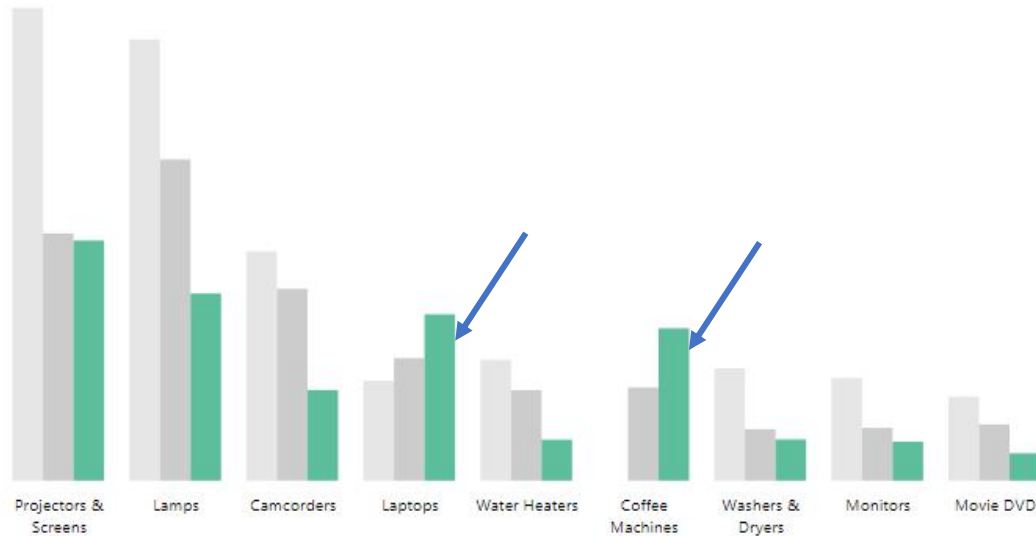


Lower promotion impact on Back to school (10%) and Holiday (20%) in 2009 when Sales dropped significantly.

--> Moved to other class products (price driven) on these two seasons in 2009?

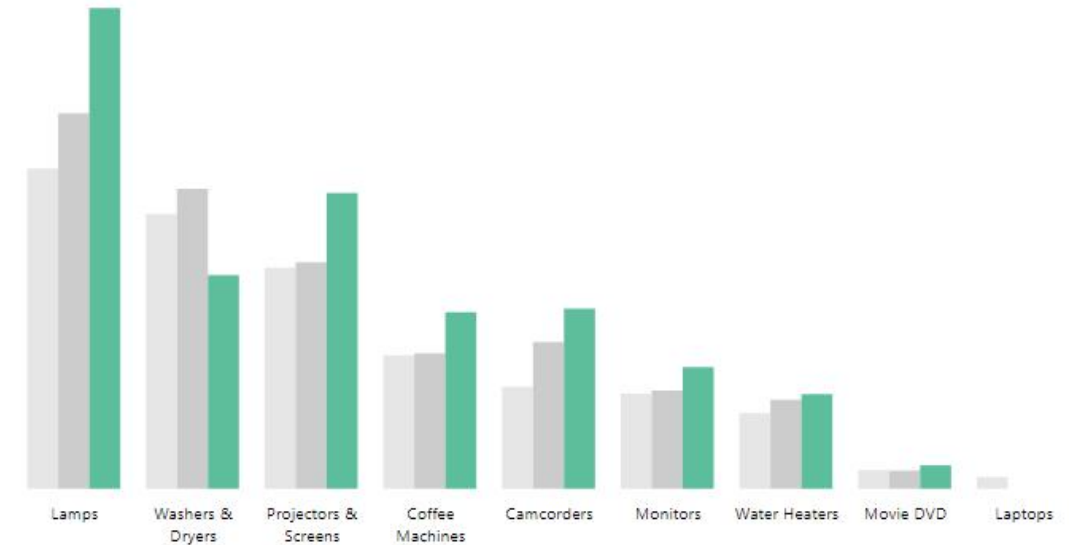
SalesAmount by ProductSub - Deluxe

2007 2008 2009



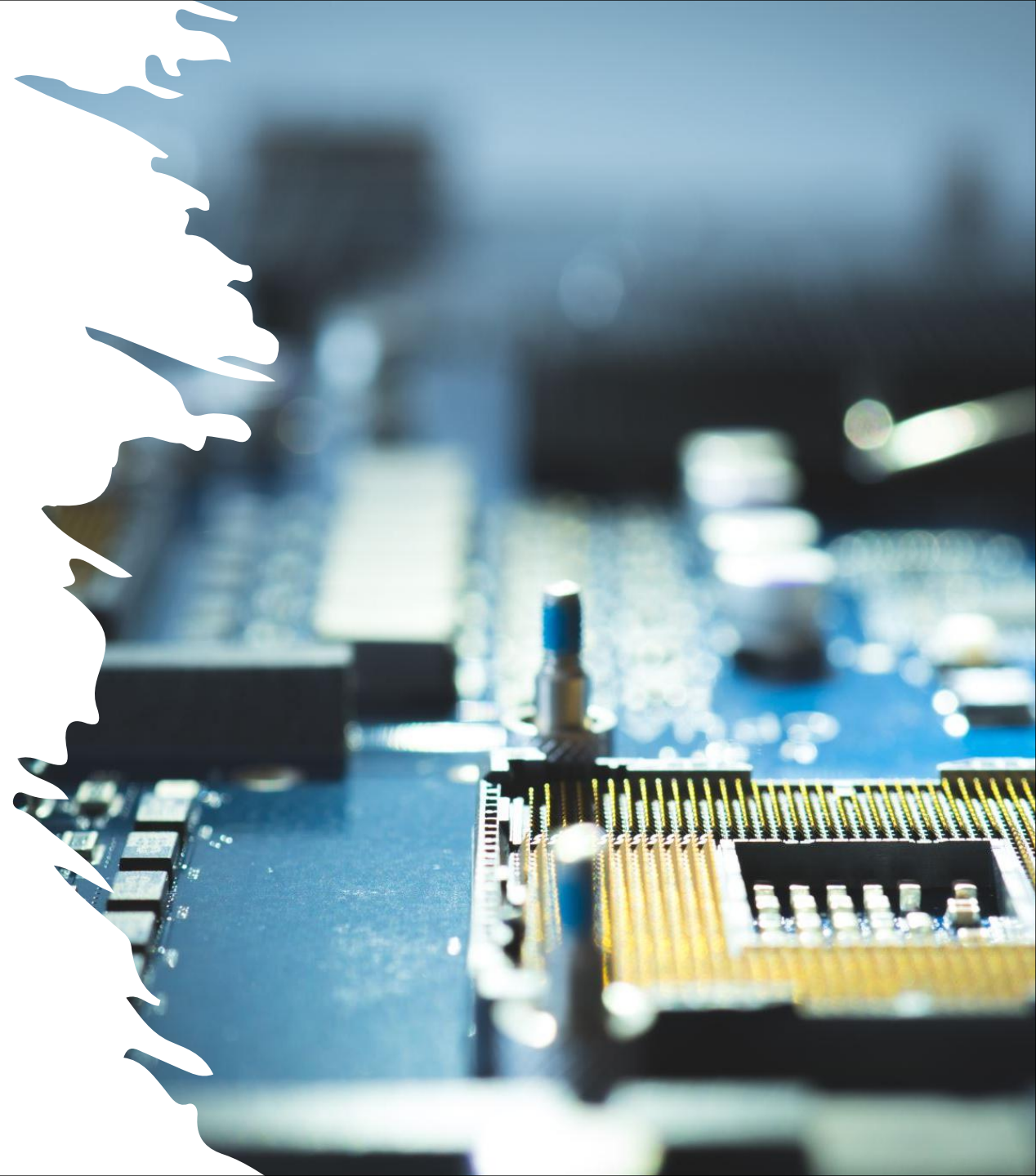
SalesAmount by ProductSub - Economy

2007 2008 2009

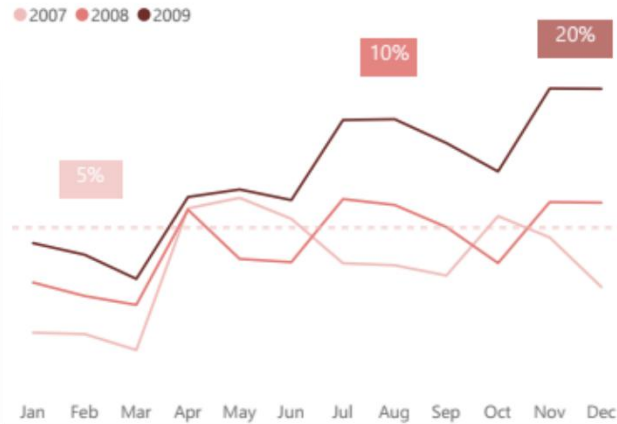


- Reduction: Transfer from Deluxe to Economy products (except Washers & Dryers: reduce).
- Coffee Machines and Laptops and others (new deluxe products launched in '08,'09) increased Sales (increased mainly on Spring/None season)
- Demand for deluxe products (higher quality) for some categories.

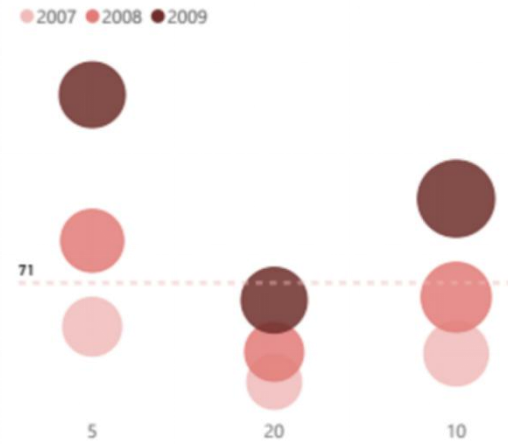
Economy products



SalesAmount by Month (Economy)

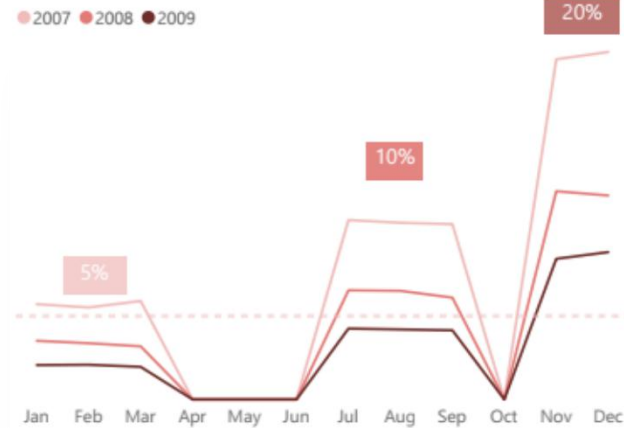


Discount Conversion Rate by Incentive (Economy)



Sales Amount
continue the rising
with or without
promotion

DiscountAmount by Month (Economy)

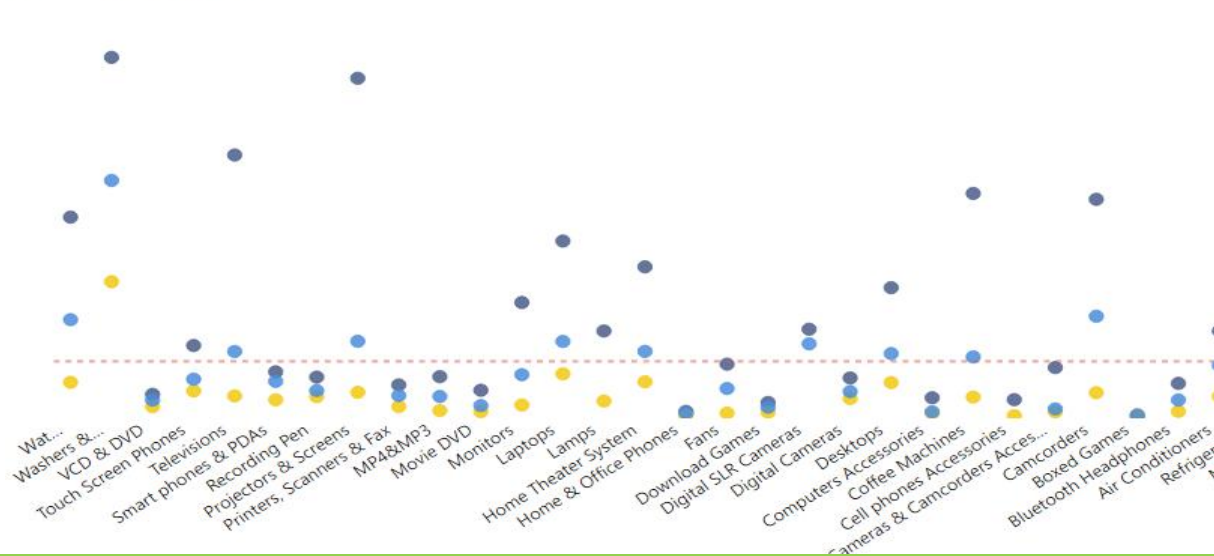


SalesAmount by Incentive, Economy



Average of UnitPrice by ProductSub/Class

Deluxe Economy Regular



Price range is different among products in the same Class

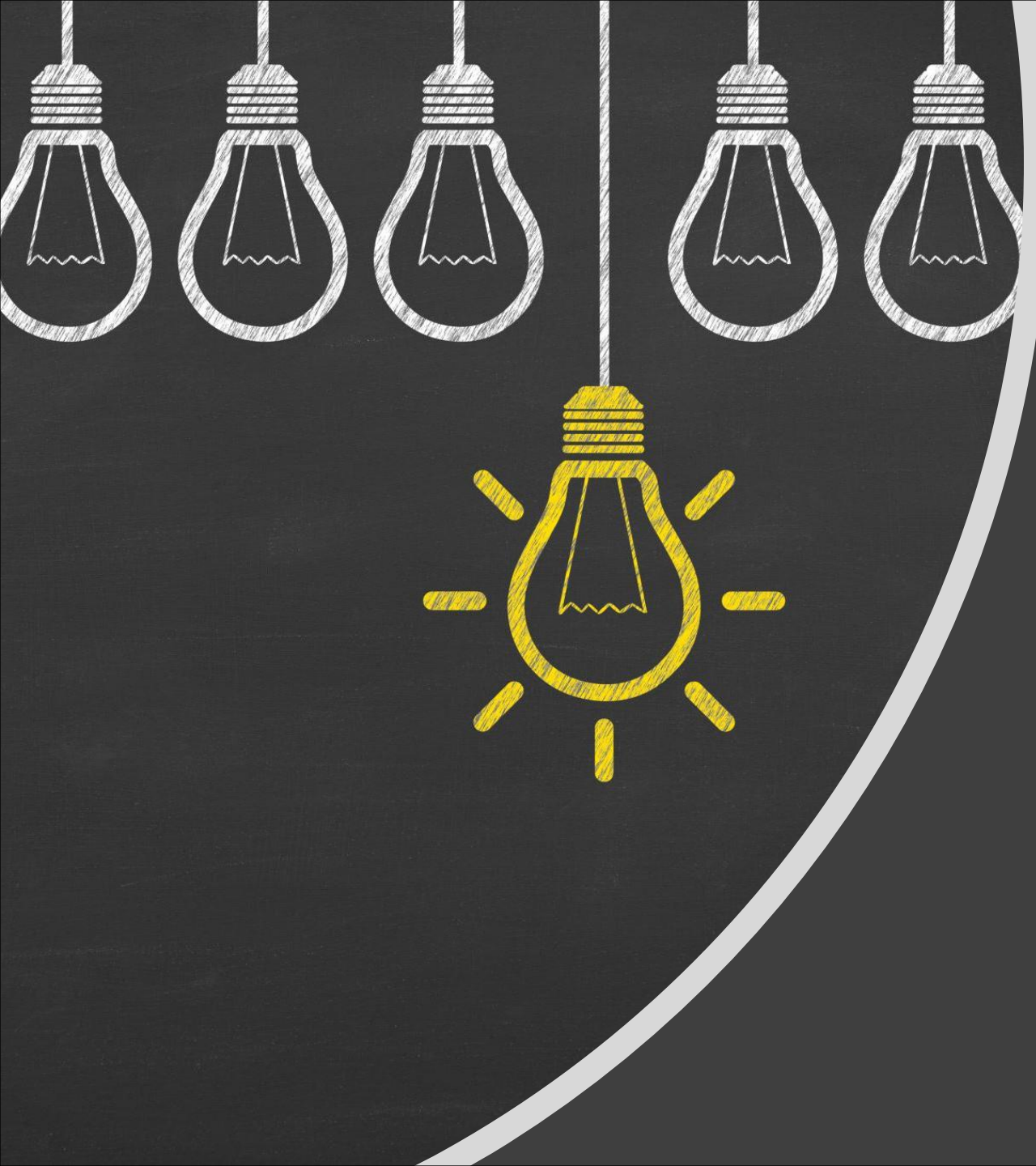
SalesAmount Contribution

Deluxe Economy Regular



In overall, on Back to school/Holiday: mainly spending for low price products

On None and Spring: more spending for High price/new products



ACTION PLAN for 2010

Price strategy

Products defined by Unit Price	Spring/Back to Business	None	Back to School	Holiday
Economy price	None promotion			
Regular price	5%	0%	10%	20%
Deluxe price	5%	None promotion		
Combo Discount (Regular-Deluxe)	Combination of products which have relative benefits to push sale. Example: ✓ Laptop/ Desktop/ Computer Accessories ✓ Coffee machine/ Washers & Dryers ✓ TV/ Monitors/ Lamps			



Otherwise, Need more display in stores and communicate the advantage benefits and quality of Regular/ Deluxe price products to Customers