

# DISCOUNT STRATEGY REVIEW

## Impact on Sales and Revenue

ENIAC'S DATA ANALYST TEAM:  
SAHAND, MARCO, VICTORIA  
MAY 2025



## Background

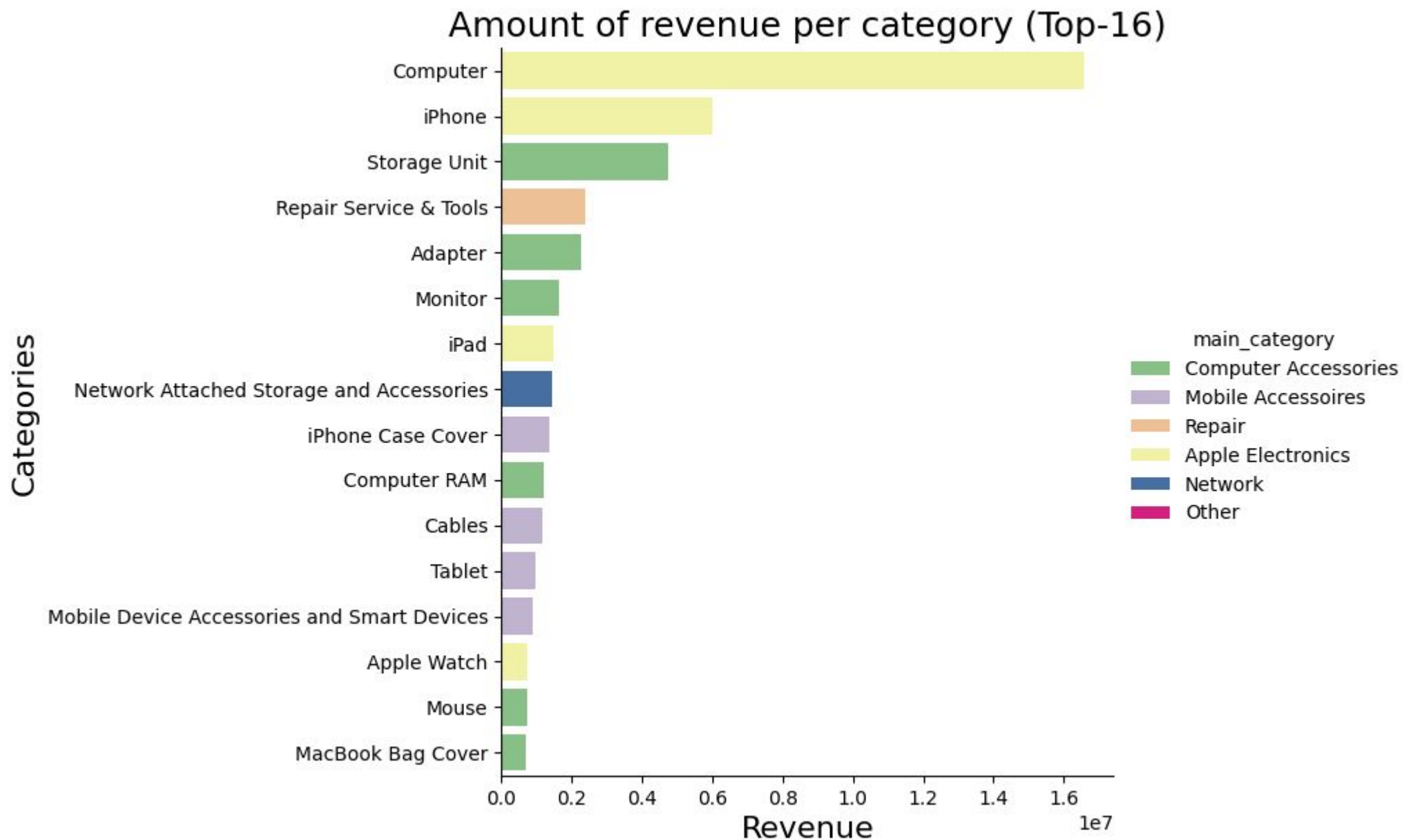
Recent growth in sales volume has not translated into higher revenue.

## Focus Areas

- **Revenue Impact:** Are discounts driving revenue growth?
- **Trend Over Time:** Do higher sales volumes actually lead to higher revenue?
- **Discount Penetration:** How widespread are discounts across categories?
- **Strategic Implications:** What risks does discount saturation pose?

# Categorizing Products

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## Categorization Structure

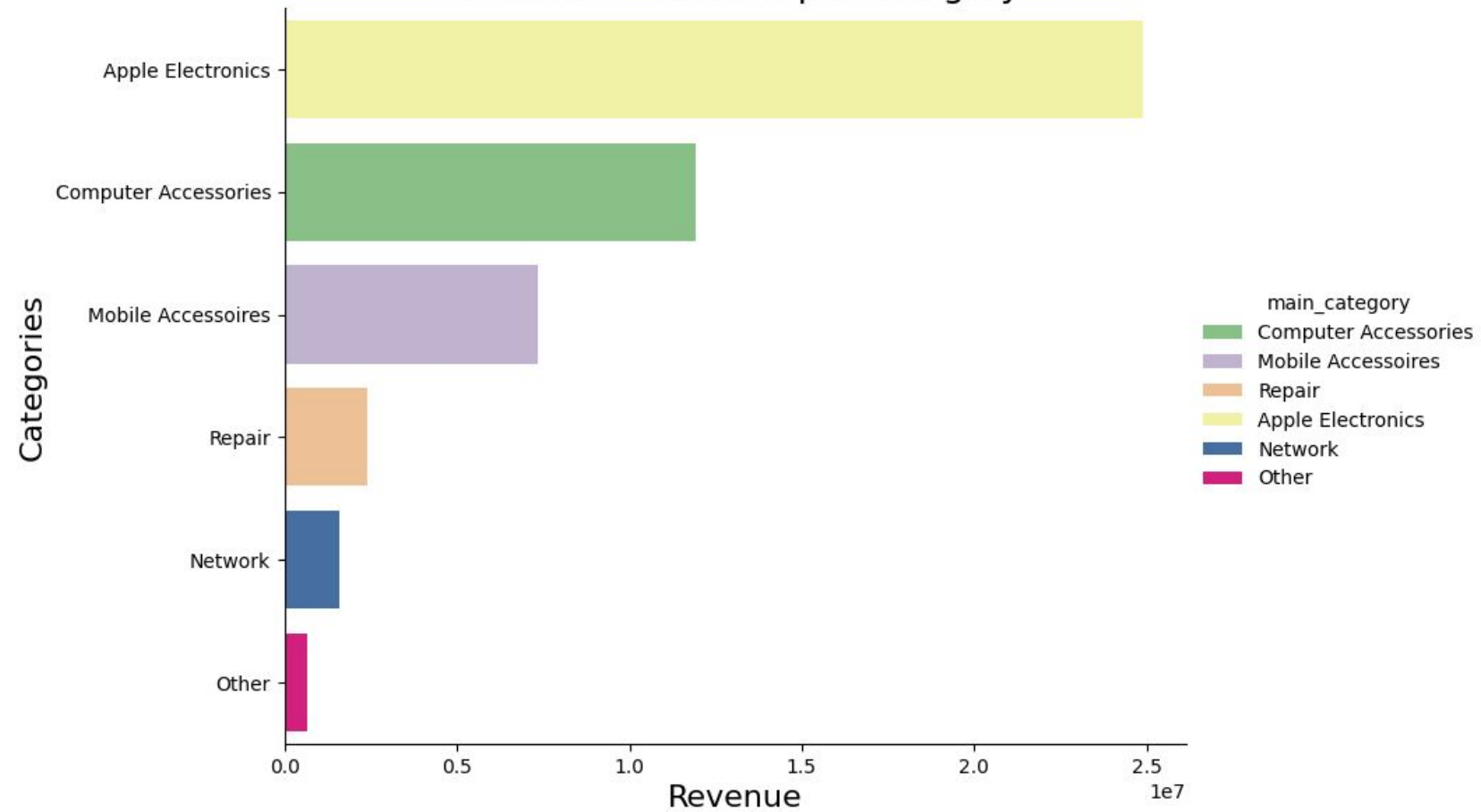
- Total: **6 Main Categories**
- Detailed into: **46 Sub-Categories**

We have categorised products with combining type and extracting letters from names and descriptions of products.

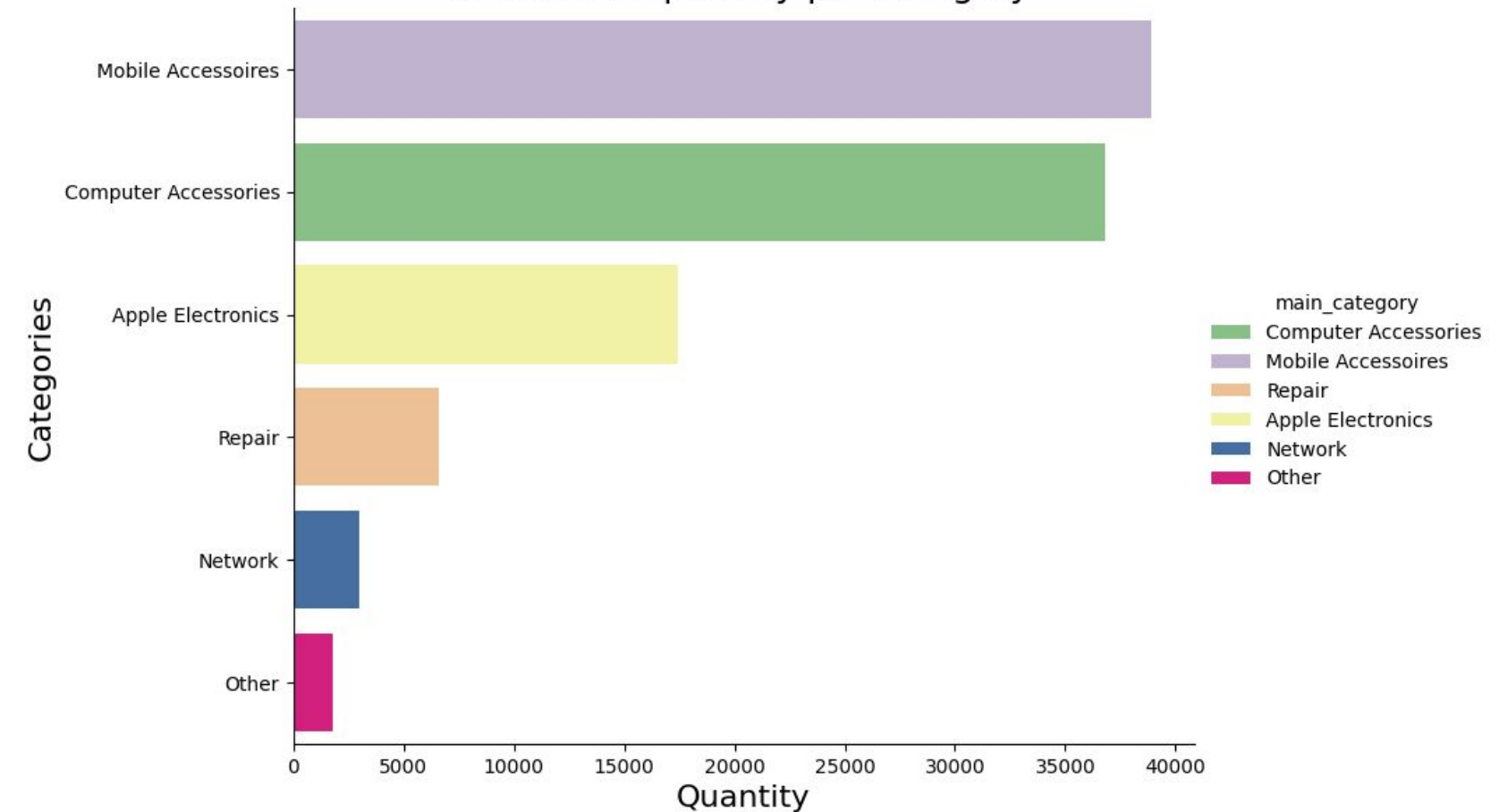
# Sale based on categories

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Amount of revenue per category



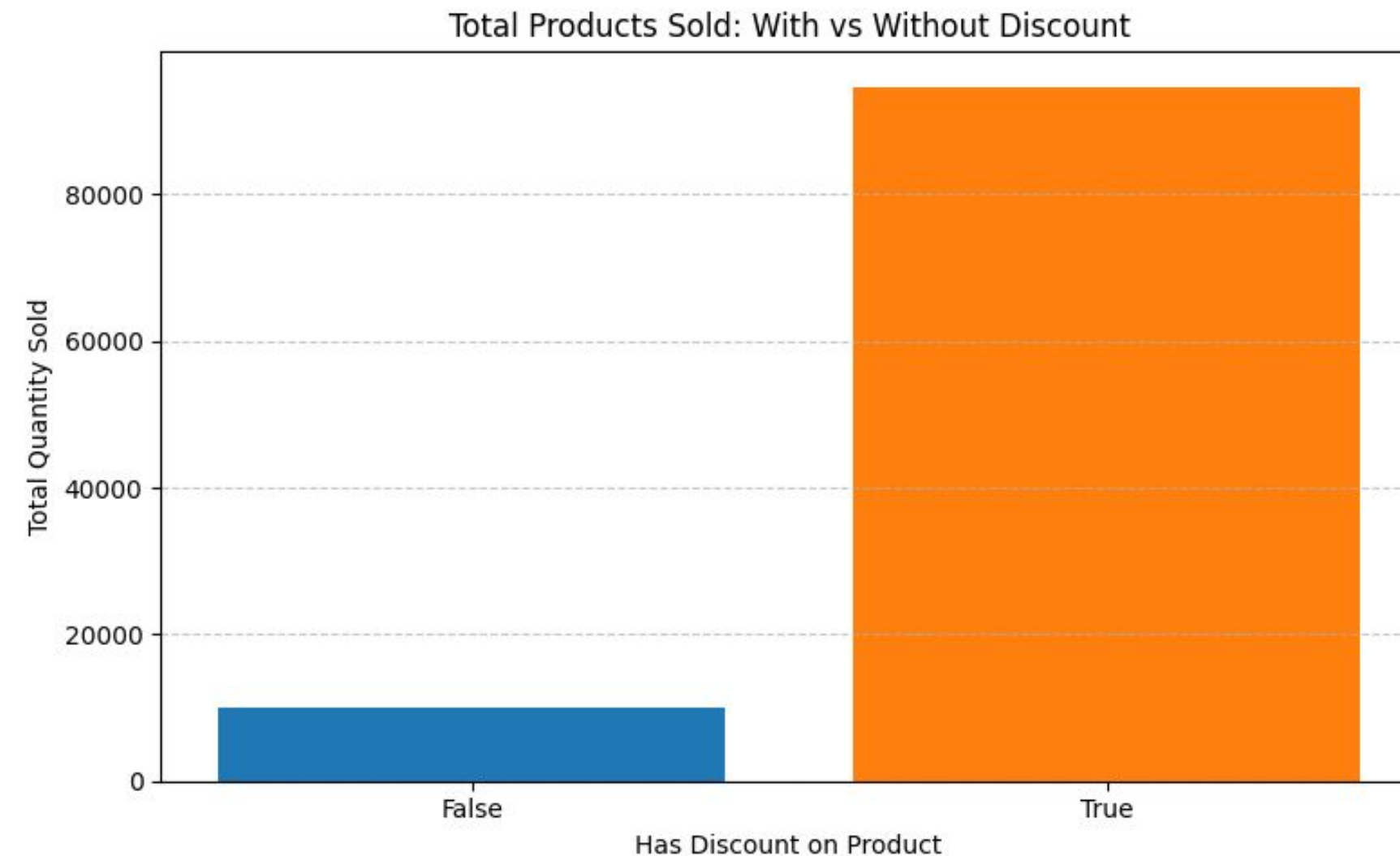
Amount of quantity per category



# THE 90% DISCOUNT PROBLEM

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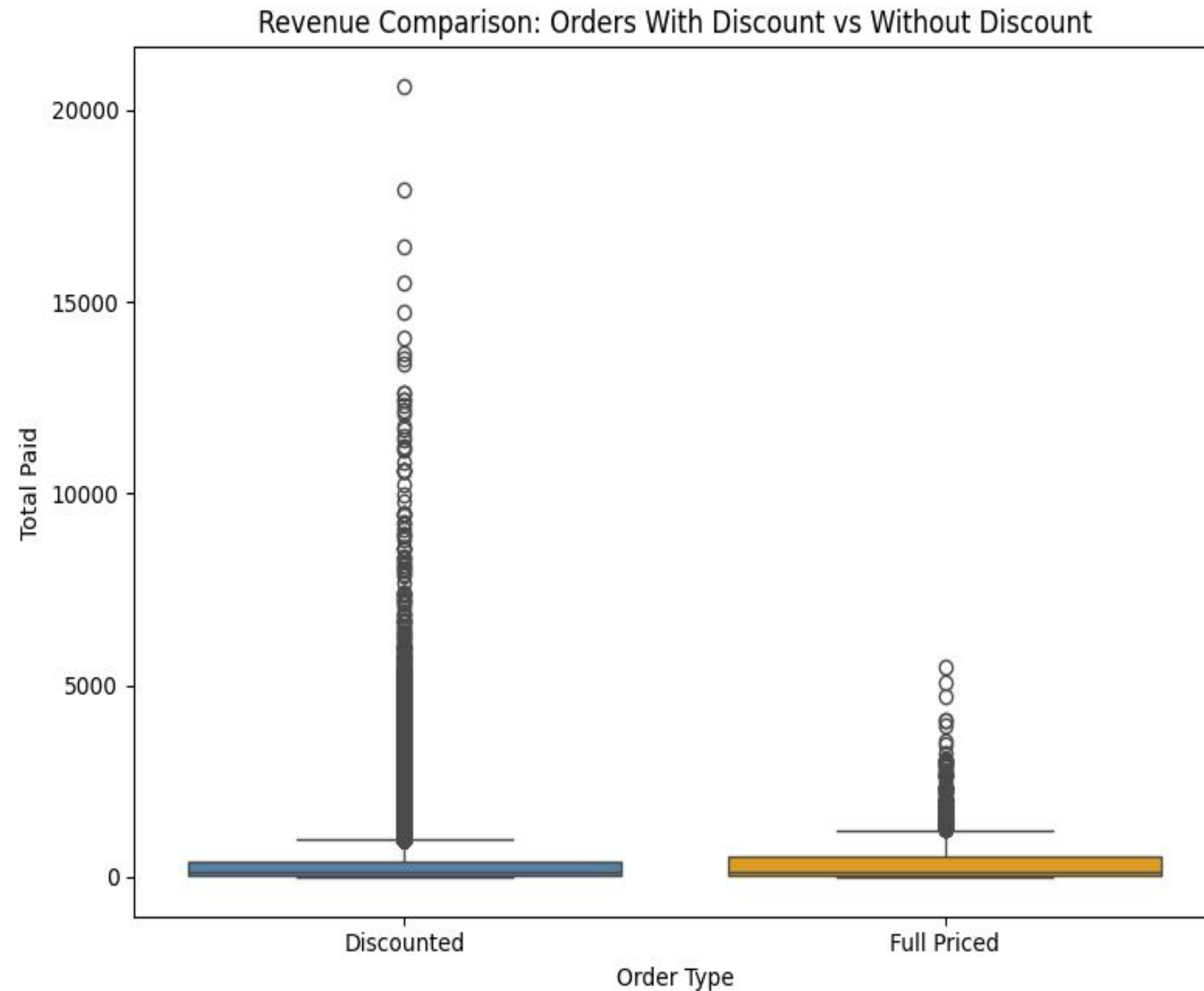
## 90% of Products Sold Are Discounted — Is This Sustainable?



- Discounting is no longer a tactical tool — it's the default
- Risks:
  - Margin erosion
  - Devaluation of brand
  - Reduced customer willingness to pay full price

# REVENUE vs VOLUME TREND

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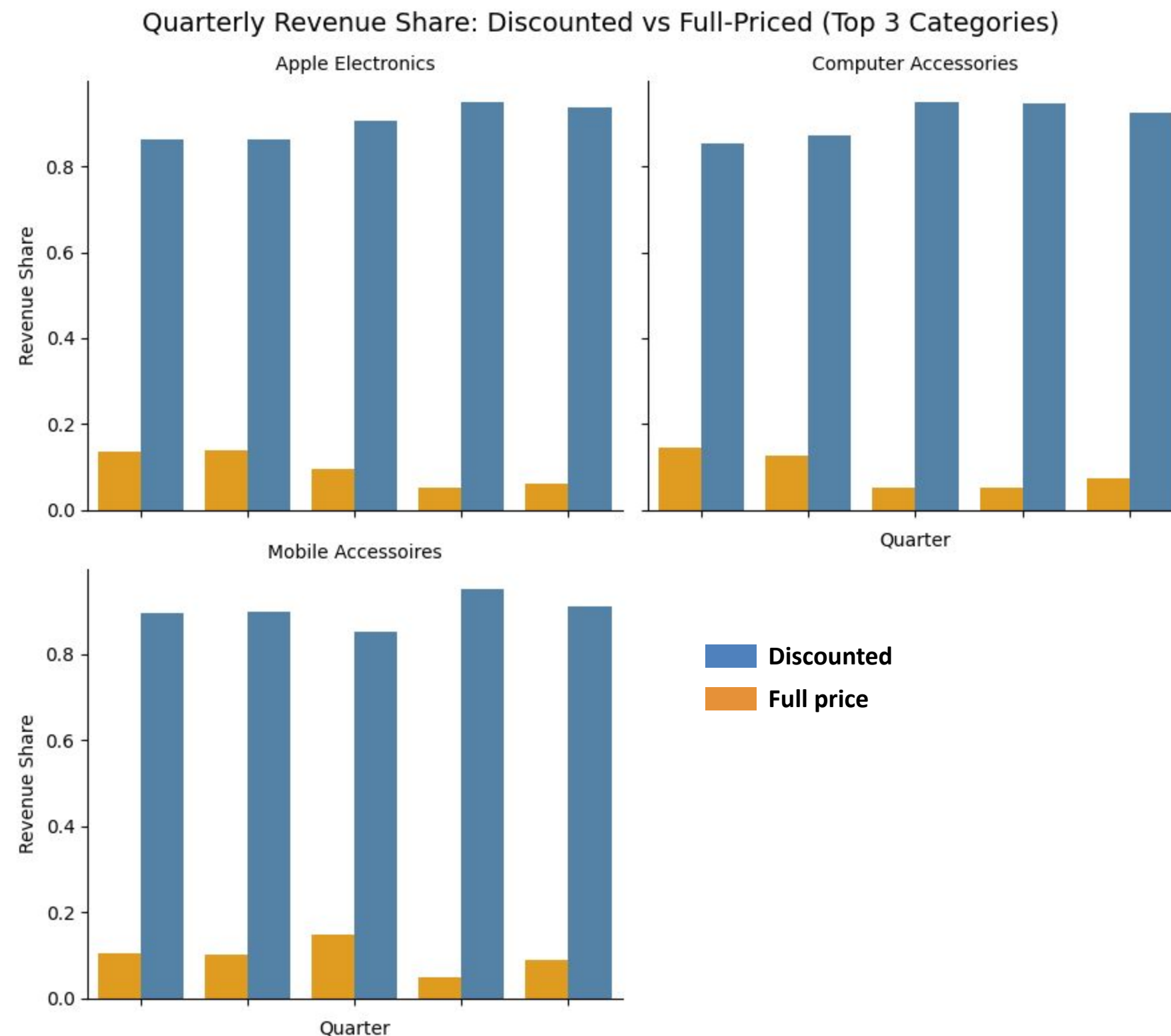


- **Discounted orders** have a lower median revenue per order (**€132**) than **full-priced** ones (**€186**)
- However, orders with discounts have more **high-value outliers**, suggesting that some customers may spend significantly more when discounts are applied



# Discount Dependency Across Top Categories Over Time

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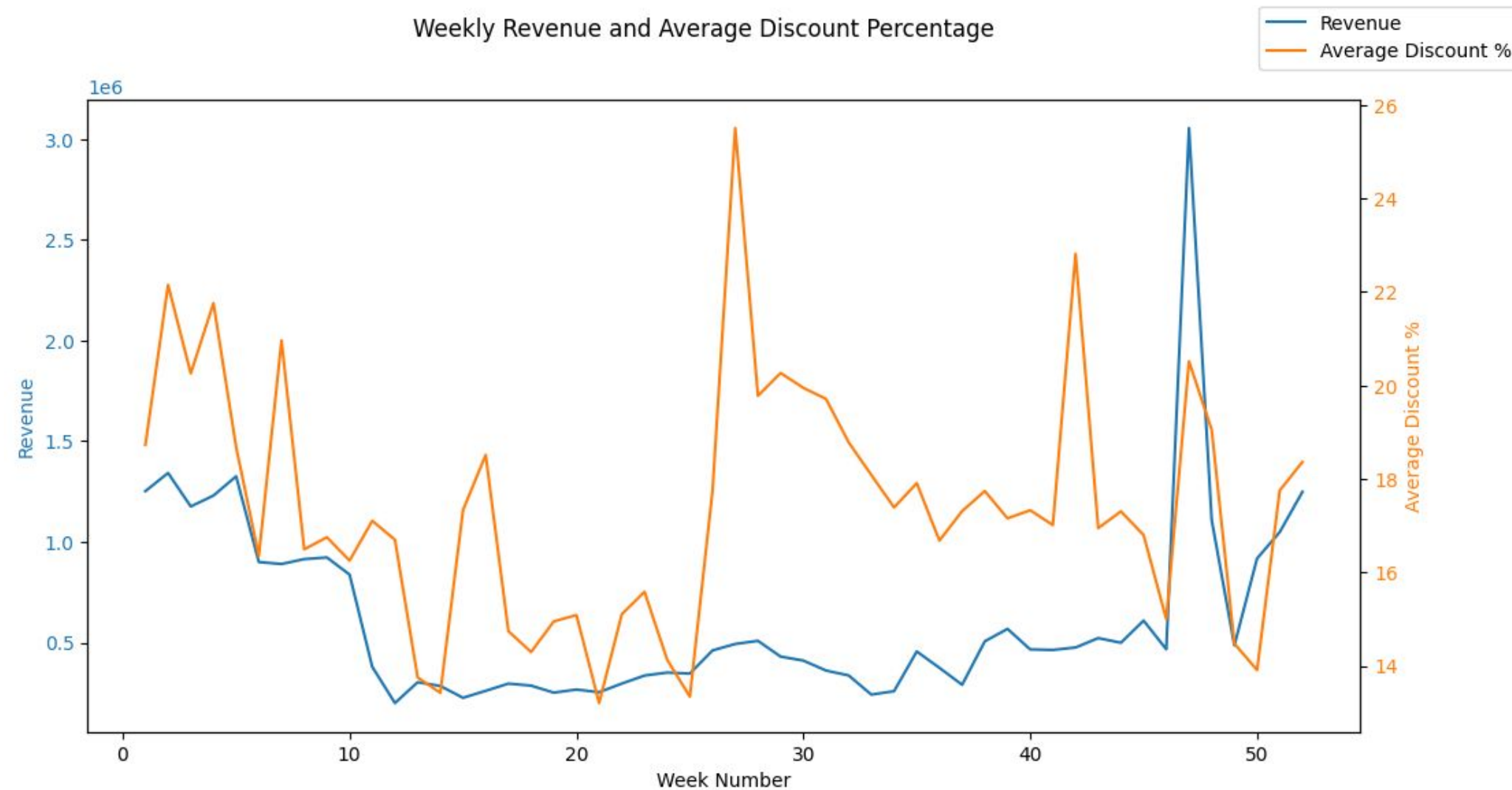


- Across the **top 3 revenue-generating** categories, discounted products consistently contribute the majority of revenue.
- While this pattern has been stable over time, recent quarters show a slight increase in the share of discounted sales — reinforcing the importance of discounts in driving revenue, but also raising questions about **long-term pricing resilience**.

# REVENUE vs DISCOUNT TREND

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Correlation between Revenue and Discount: -0.31



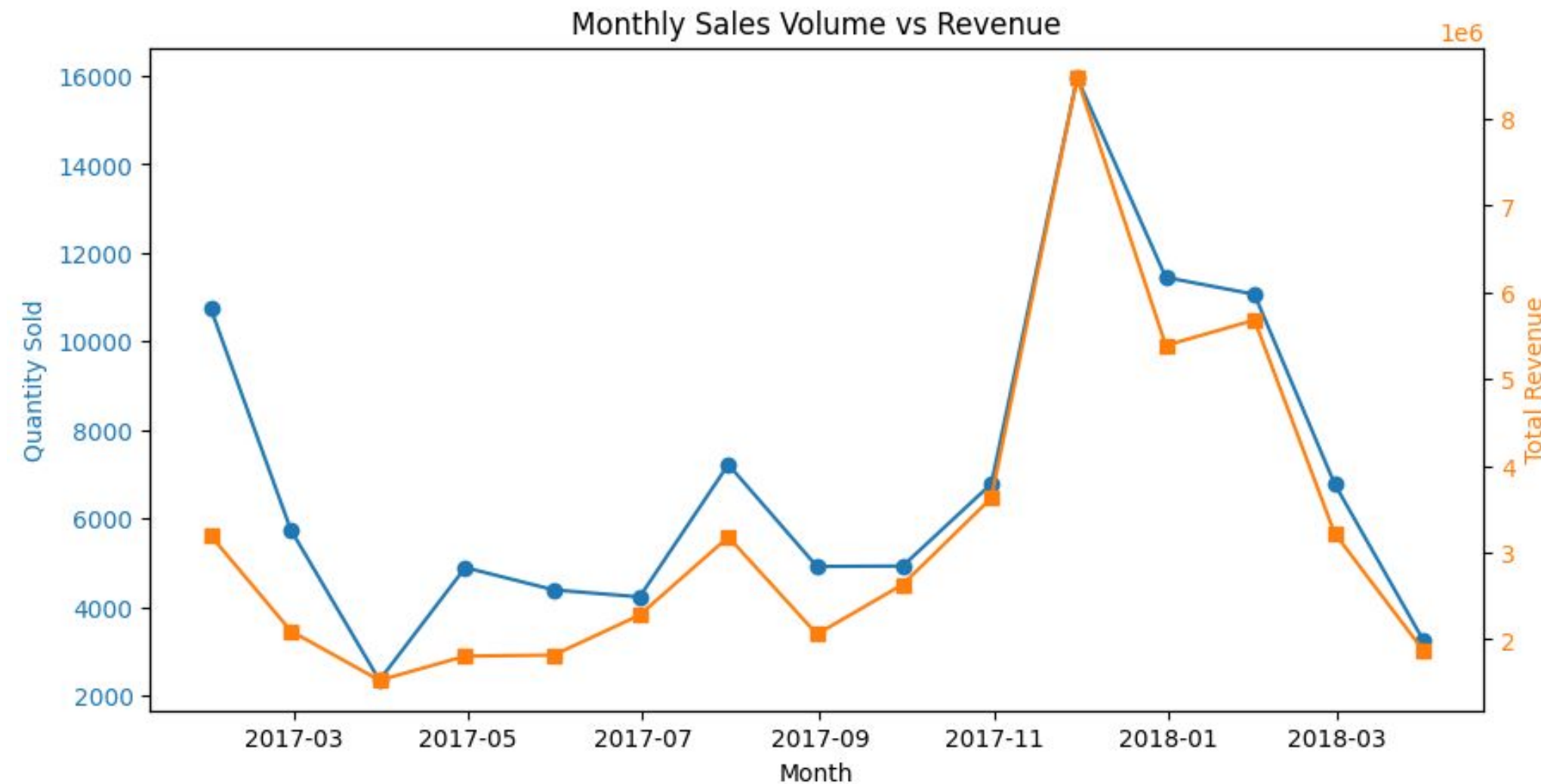
- Our data shows a very **weak negative connection** between how much a **discount** is affecting the **revenue**. This means that if the **discount** gets bigger, the **revenue** usually goes down, but only by a tiny bit.
- Giving **discount** may affect **revenue** positively, **but not always!**



# REVENUE vs VOLUME TREND

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## Board's concern: Revenue falling despite sales volume growth



- The line plot shows that **total orders and total revenue follow the same overall trend over time**. This indicates that revenue is largely driven by **order volume**, and our current level of discounting has **not significantly reduced average order value**.
- However, this also suggests that we're relying heavily on **order growth** to maintain revenue — a strategy that may be difficult to sustain long-term without affecting margins or brand positioning.

# WE HAVE MISSED 4 BLACK FRIDAYS IN 1 YEAR



Week of year	Revenue of week	Probable cause
47	3,534,469	Black Friday
2	1,540,858	New Year's resolution purchase's
5	1,489,161	Valentine's Day
1	1,427,846	Post New Year
52	1,421,682	Christmas

- Instead of applying discount all the time, we can gather our resources to focus on specific period of times.
- If our marketing department could launch targeted campaigns with focused resource and discounts with purpose, we can have multiple black friday like sales special for Eniac and our customers.



**Thank you for your attention!**

Feel free to reach out if you have any questions or need further clarification