



# 3M ADHESIVE **SALES REPORT**



# Hello!

## I am Adrian Clark M. Dela Cruz

Using historical data from 3M Adhesive Sales from 2009 to 2011, I will create a data story to assist them in making decisions about the different marketing strategies to implement to increase sales and minimize losses.



Hello!

I am Adrian Clark M. Dela Cruz, a student of SP 503: Data Storytelling under Data Scientist Pathway.

Today, Using historical data from 3M Adhesive Sales from 2009 to 2011, I will create a data story to assist them in making decisions about the different marketing strategies to implement to increase sales and minimize losses.

So join me into this journey as we tackle the problems at 3M Adhesive and how we can help them using data.

# Our **process** is easy

First

Second

Last

We'll explore the  
**Present Situation** at  
3M Adhesive.

We'll discuss **different**  
**Marketing Strategies**  
used by 3M Adhesive.

I'll give 3M Adhesive  
recommendations to  
**Increase Revenue and**  
**Reduce losses.**

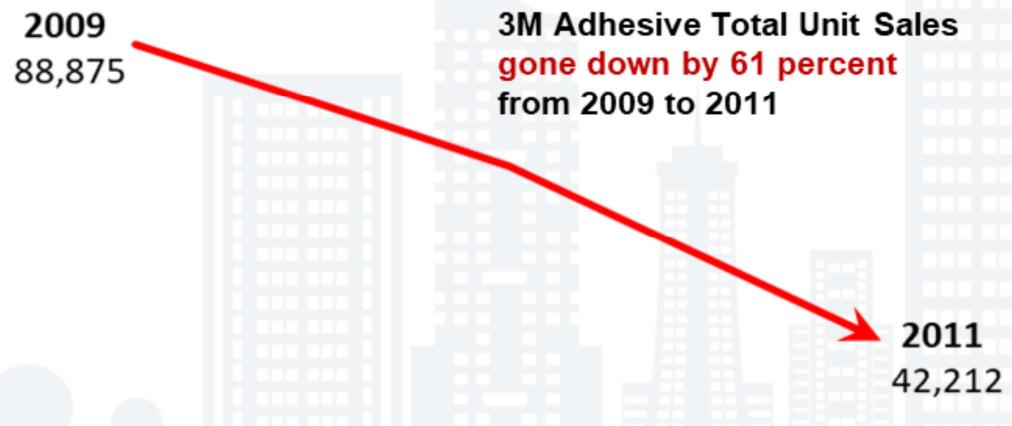
We have a simple 3-step process for today's presentation.

First, we'll look at 3M Adhesive's current situation, specifically where they stand in terms of sales.

Second, we will examine the various marketing strategies employed by 3M Adhesive over the last three years to determine whether they are effective and should be continued by the company in order to increase sales.

Finally, based on all of the data collected from 3M Adhesive, I will make recommendations to increase revenue and reduce losses. I will also provide different points that they can investigate further to confirm their effects on company sales.

# Present Situation at 3M Adhesive



Things does not seem good at 3M Adhesive right now.

As shown in the graph, the total unit sales of 3M Adhesive are declining at an alarming rate. Their average annual growth rate of negative 30.53 percent, resulting in a 61 percentage decrease in sales by 2011.

To learn more about the cause of the decline and potential solutions for increasing total sales, we will investigate the effects of the company's various marketing strategies over the last three years.

# Marketing Strategies used by 3M Adhesive



Price Change



Ad Campaign



End Cap

Over the last three years, 3M Adhesive has primarily used these three marketing strategies. This includes Price Change, Ad Campaign, and End Cap.

The following slides will examine each of these strategies, their effects on company sales, and whether 3M Adhesive should continue to use them.

# Marketing Strategies used by 3M Adhesive



Price Change

This refers to Adding & Reducing Price to 3M Adhesive Products

6

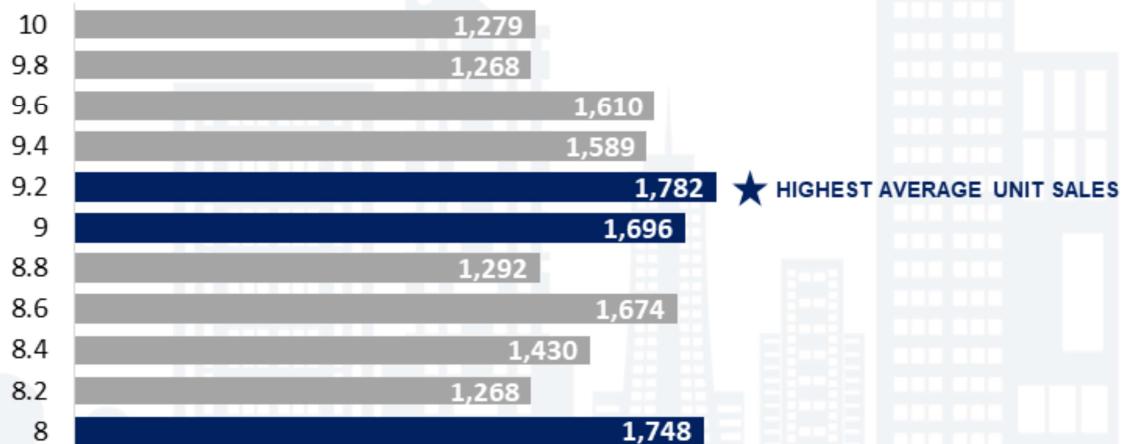
The first strategy is price change. It refers to the addition and reduction of prices for 3M adhesive products. Companies frequently employ this strategy to gauge the best price for the goods they sell based on the reactions of their customers.

On the following slide, we will look at the direct effect of price change on 3M Adhesive sales.



## Price Change

**Unit prices 9.2, 8, and 9 had the highest average unit sales** based on 3M Adhesive's 2009 - 2011 historical data



Over the last three years, 3M Adhesive has used price change meticulously, using a wide range of prices ranging from 8 to 10. The chart shows the unit price vs the average unit sales, with the top three unit prices having the highest average unit sales highlighted.

The top 3 is made up of 9 with 1,696 average unit sales, 8 with 1,748 average unit sales, and 9.2 with 1,782 average unit sales for the top spot. Surprisingly, rather than the lowest price, the highest average unit sales were at the 9.2 price point, which was the highest of the top three.

This is to say that 9.2 is the ideal price for 3M Adhesive because it is neither too low for the company to lose money nor too high for customers to lose interest in the product.

# Marketing Strategies used by 3M Adhesive



Ad Campaign

This refers to the number of weeks that 3M Adhesive used a set of advertisements to boost sales

8

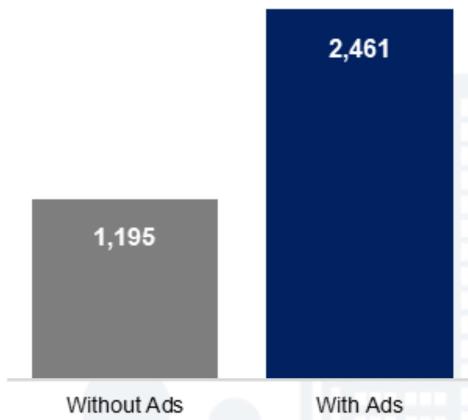
The second strategy is Ad Campaign. It refers to the number of weeks that 3M Adhesive used a set of advertisements to boost sales. Advertisements are frequently used by businesses to introduce their product to customers and to increase its popularity and sales.

On the following slides, we will compare the sales of 3M Adhesive during the weeks when they used advertisements to the weeks when they did not.

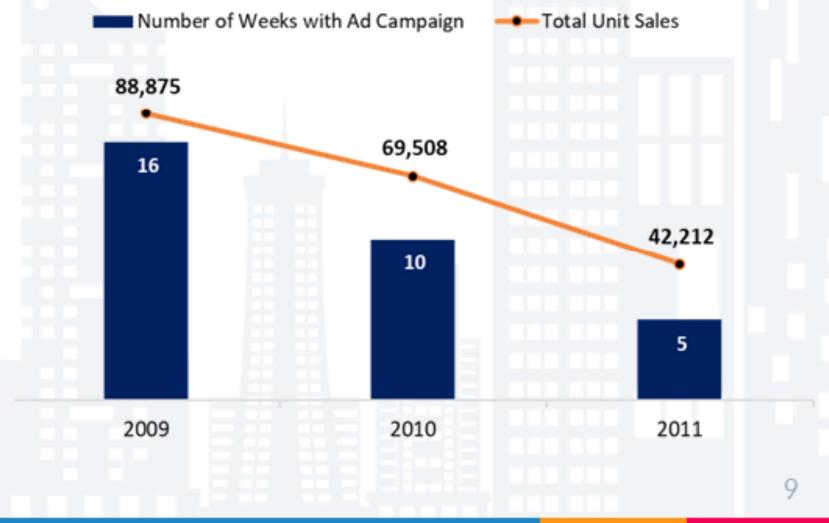


## Ad Campaign

**Ad Campaign increased average unit sales by 106%.** based on 3M Adhesive's 2009 - 2011 historical data



... But despite the success of the Ad Campaign,  
it was used **less frequently each year,**  
resulting in a drop in sales



Overall, unit sales are higher during Ad campaign weeks.

Further investigation reveals that the 3M Adhesive Ad Campaign increased average sales by 106 percent, having a significant impact on the company's sales. This supports the conclusion that ad campaign is very effective in driving up unit sales.

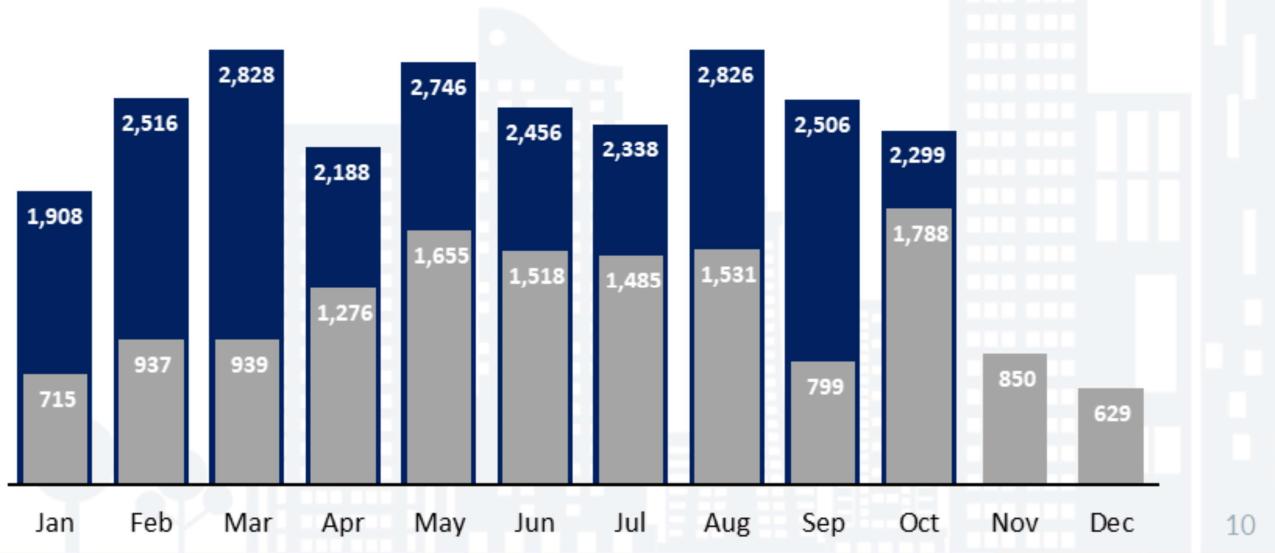
However, despite the success of the Ad Campaign, the company decided to cut its usage by 37.50% in 2010 and 50% in 2011, resulting in a drop in sales.



## Ad Campaign

### Effects of Ad Campaign to Average Monthly Sales

■ With Ads ■ Without Ads



In order to determine whether seasonality had an impact on running an ad campaign, we will look at the monthly average sales of having one.

The chart shows that unit sales increased in every month where the ad campaign was used, with the most impact in February and March. However, there are no records of Ad Campaign usage for November and December.

# Marketing Strategies used by 3M Adhesive



End Cap

An endcap or end cap is a retail marketing strategy in which products are displayed at the end of an aisle

11

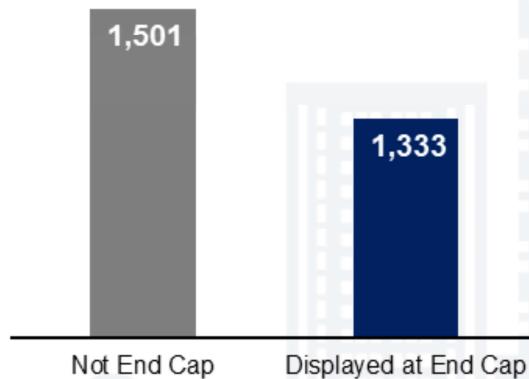
The last strategy is End Cap. It is a retail marketing strategy in which products are displayed at the end of an aisle. End Cap is commonly believed to provide a competitive advantage to a brand.

On the following slides, we will compare 3M Adhesive sales when End Cap was used versus when they were not used.



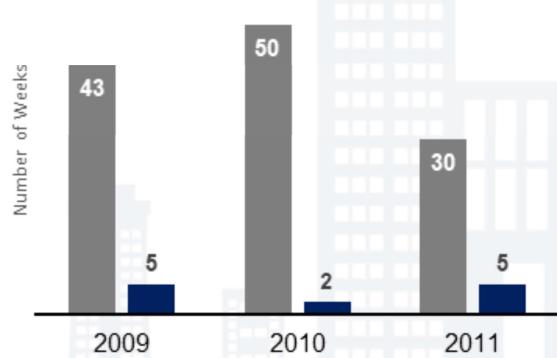
## End Cap

**End Cap reduced average unit sales by 11.20% based on 3M Adhesive's 2009 - 2011 historical data**



### End Cap vs. Not End Cap

■ Not End Cap ■ Displayed at End Cap



Overall, average unit sales are lower when the product is on display at the End Cap.

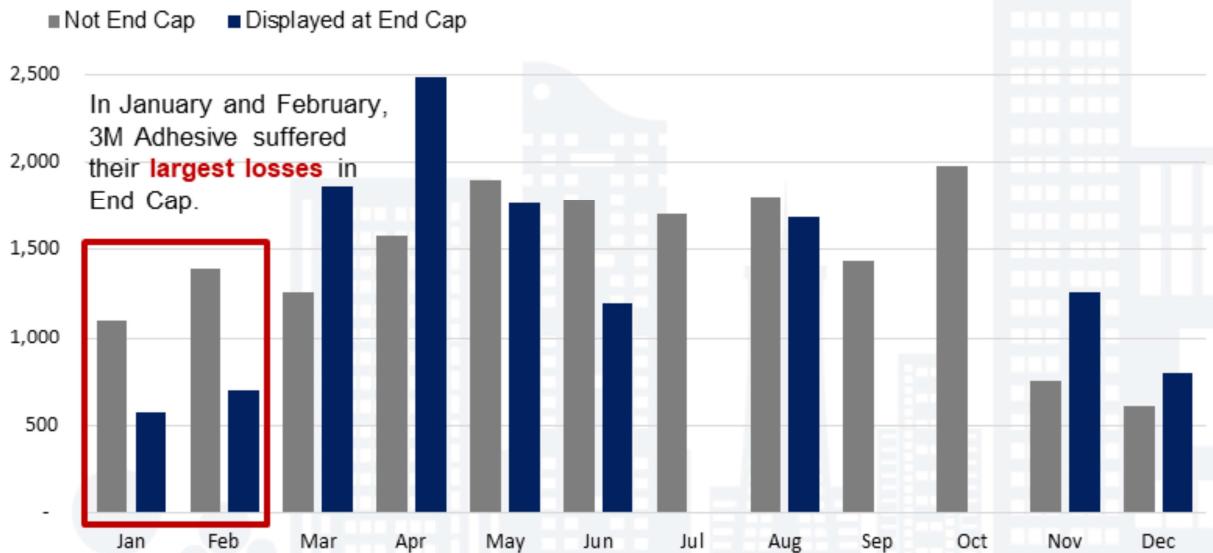
Further investigation shows that when displayed at the End Cap, average sales are reduced by 11.20 percent. This supports the idea that placing the product at the End Cap has a negative impact on unit sales.

However, as the average number of times it was used over a three-year period was only 10.76 percent, which is insufficient to draw any conclusions about its effects on present sales of 3M Adhesive.



## End Cap

### Effects of End Cap to Average Monthly Sales



13

Drilling down further reveals the effect of having the product displayed at the End Cap on monthly average sales.

The graph shows that sales varied over time, with some months having higher sales than others. However, the negative effects of placing the product at the End Cap became more evident in January and February. Furthermore, the company did not explore its impact in July, September, and October.

# Final Thoughts and Recommendations



**Increase** the totals weeks of Ad Campaign especially during **February and March**



Consider **9.2** as the unit cost of 3M Adhesive products.



**Avoid** using End Cap during **January and February**.

They could **try** using End Cap during **March and April**

14

After analyzing various strategies used by the company over the last three years, here are my recommendations for increasing 3M Adhesive sales.

First, I recommend increasing the total number of Ad Campaign weeks to increase total sales. Since this method has been statistically proven to be effective in increasing sales, it is appropriate to use it more frequently.

Second, in order to minimize the losses from the additional Ad Campaign weeks, the company can set the product's price at 9.2 because that was the price with the highest average sales.

Finally, the company should avoid placing the product at the End Cap during January and February because that is when the company experienced a significant drop in sales. That being said, because the response has been positive, the company could also try placing the product at the End Cap in March and April alongside the Ad Campaign.

# For Futher Exploration...



Using Ad Campaign in **November** and **December**



Using End Cap for a **extended period of time.**

End Cap usage during **July, September** and **October.**

15

As a final point, when the company sales stabilizes I advise the company to look into the following points further.

Due to the lack of records in the company's 3-year historical data, the company can first try running an Ad Campaign in November and December.

Furthermore, I recommend that they investigate the effects of keeping the product on the End Cap for longer periods of time in order to draw conclusions about its effects on sales. Additionally, I advise 3M Adhesive to try using End Cap in July, September, and October.

# Thanks!

Let us work together and pass this course together!