



Is it beneficial to give discounts?

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Recommendation



Yes, but only during peak sale season of November.



Avg. **85%** of Products sold Discounted Year–Round!

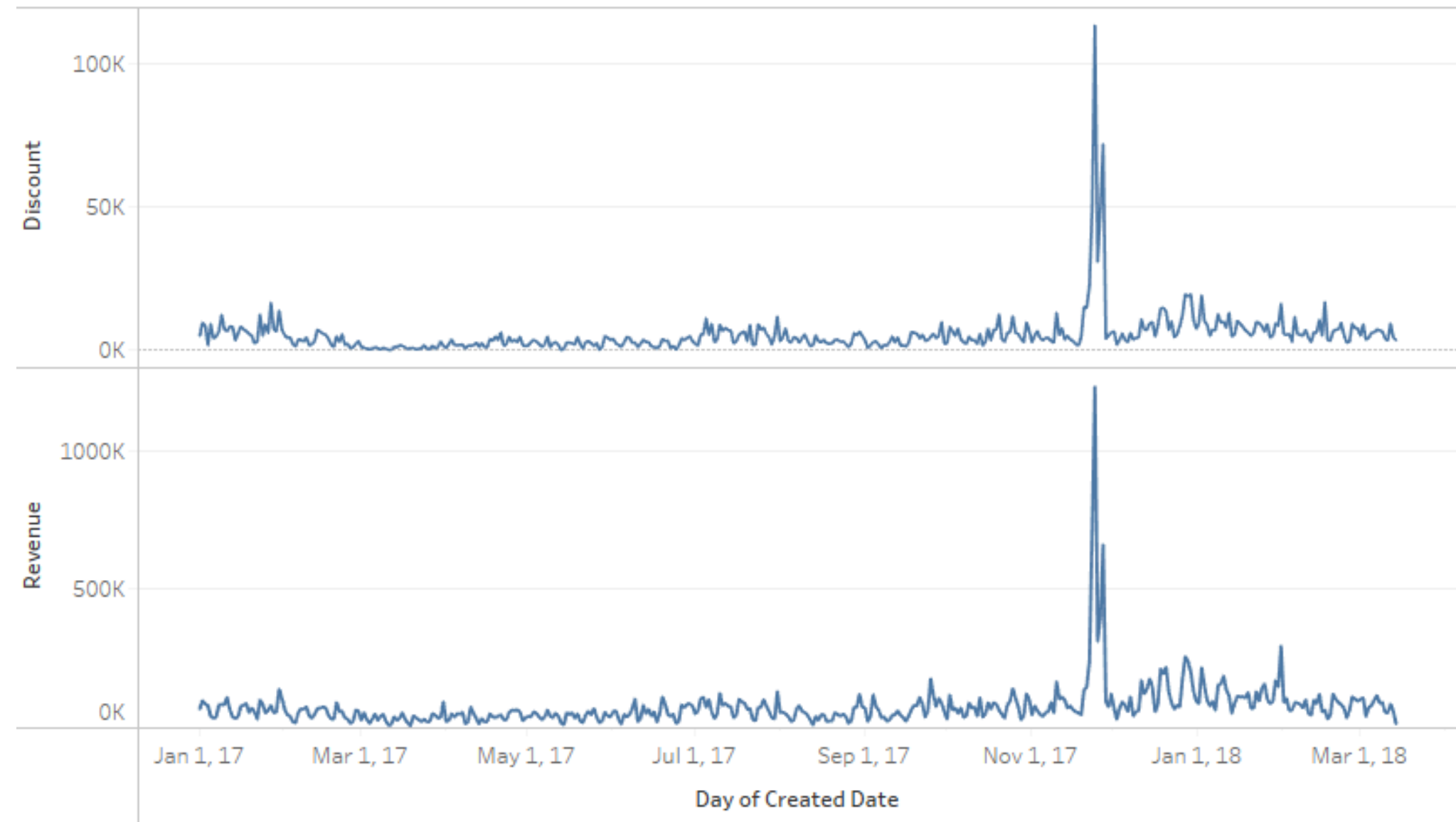
- From Jan 2017 to Apr 2018, at any given time of the year, Eniac has an average of 85% of the products being sold at a discounted price
- This probed us to investigate and check if the sales are high throughout the year

Source: Eniac sales data

Sales peak during Nov'17

Discounts and revenue trends over time exhibit considerable similarity.

Sales PEAK
during
BLACK FRIDAY!



Source: Eniac sales data

ENIAC could have been 1.6 m EUR more with seasonal discounts

The total revenue : 33,570,040.2 EUR

Revenue with full sold price? 34,582,760 EUR ✗

5.68%

Black Friday Revenue: 1,905,621.84 EUR



72,625 EUR/ day

476,405.46 EUR/black Friday

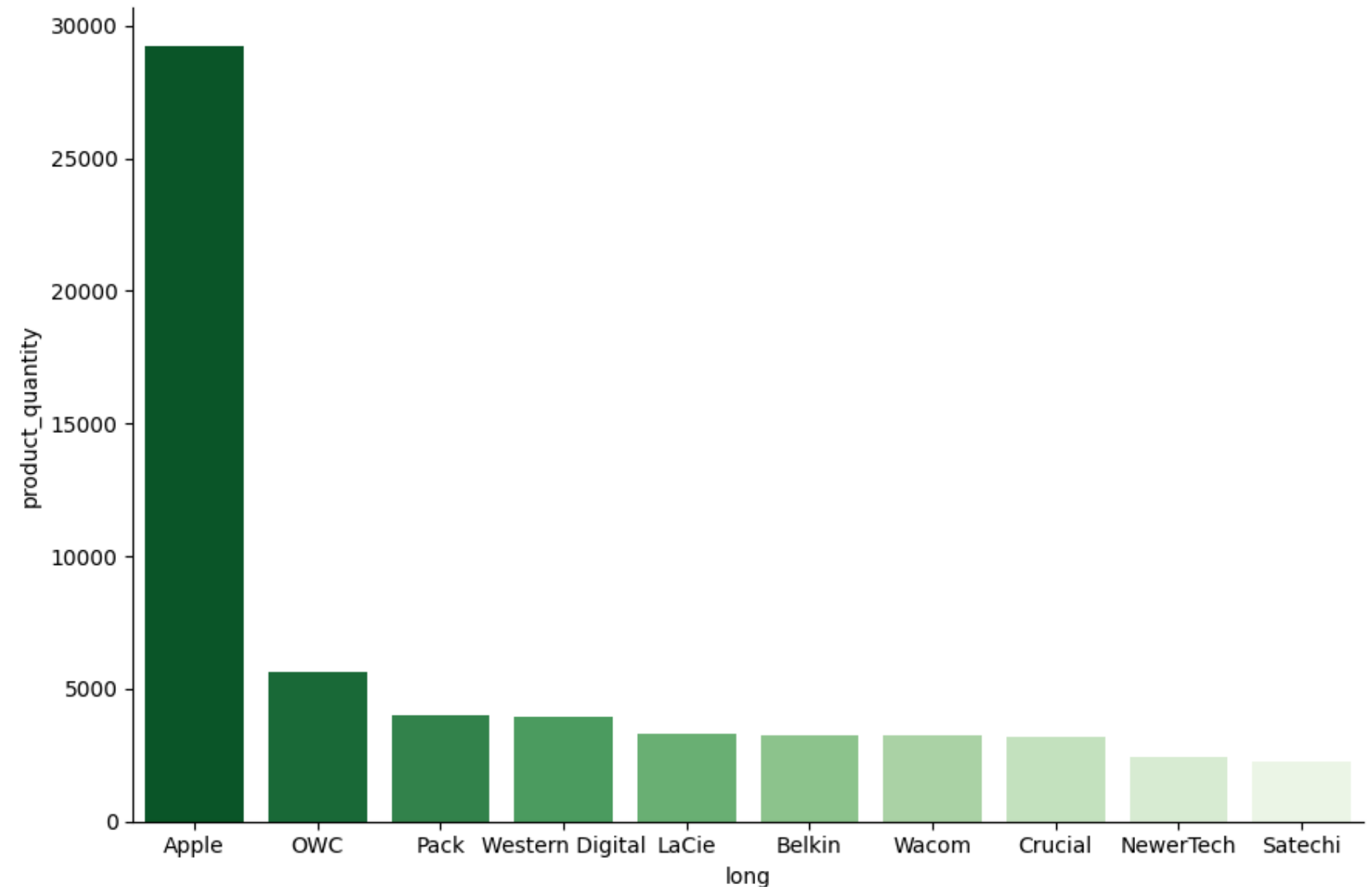
+1,615,122.55 EUR

Costs
Profits
Sales (variable)

Source: Eniac sales data

Apple leads Eniac's top 10 sold brands

- Apple product sales lead the top 10 brands.
- Apple sales are almost 6 times greater than the runner up OWC; while Apple is closing in on 30000 sales, OWC is reaching for 6000.
- All other brands are trailing behind with around 4000 down to 2000 sales throughout the 14 months sales period.



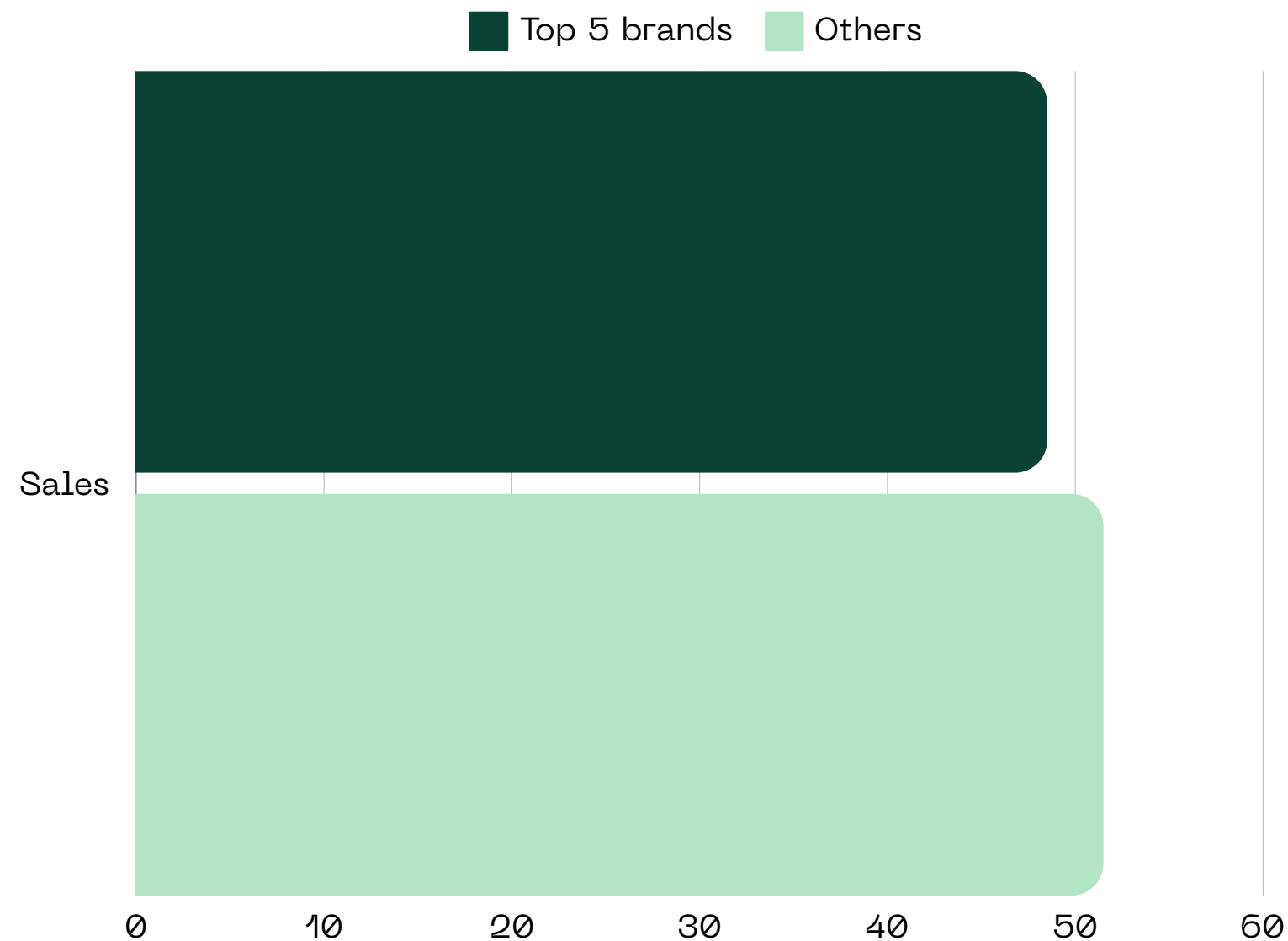
Final thoughts

- Giving discounts is beneficial but only during the peak sale season
- Discounts could promote sales and consumer stickiness
- Continuing discounts throughout the year leads to change in the brand reputation for Eniac: from a platform that sells quality products to one that sells discounted products
- Strategically planning discounts around peak sale season would generate higher revenue. As seen in the example before, we could have earned EUR 1.6 m more
- We also recommend the engineering team to work on correcting price formats for unit price and price column in the database

Appendix



Top 5 brands sell 48% of the products



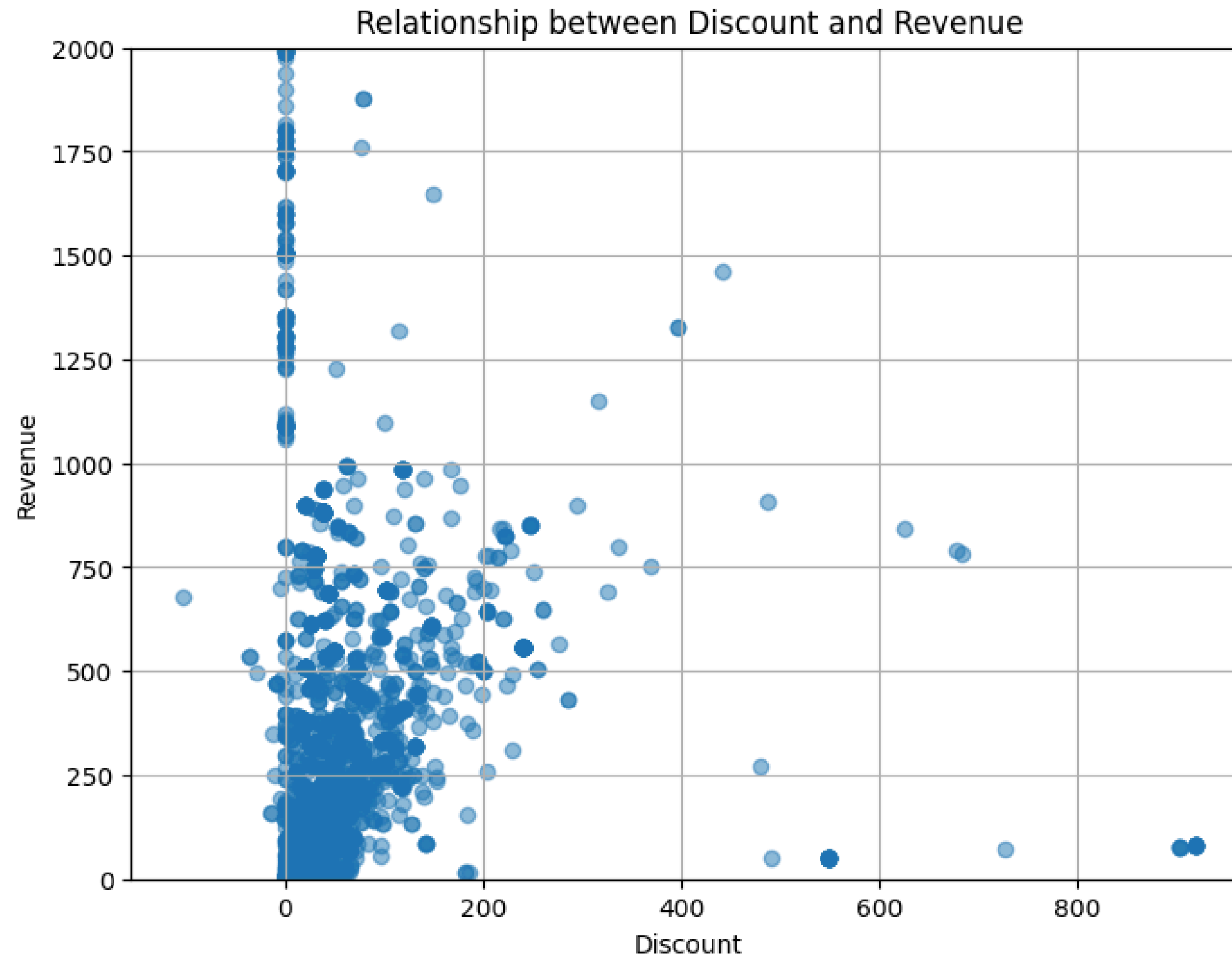
- Apple products and accessories are the most sold products on Eniac
- Apple, OWC, Pack, Western Digital, and Lacie form 48.5% of the products sold on the platform
- While some of the expensive apple products like iMac, MacBook, iPhone were not heavily discounted on their actual price, opened and reconditioned iMacs and iPads were sold at 60% discounts in some cases

Assumptions

For this dataset, we made the following assumptions:

- We only considered the orders that are in 'Place Order' and 'Completed' state
- We only considered SKUs in the orderlines table that exist in products table
- All the negative, 0, and any value below 1 euro in the unit price column in orderlines table to be assigned the actual price mentioned in the products table
- If the price column is empty, drop the rows with blank unit price and blank price values
- All the values above 999 in the unit price column have a dot instead of a comma for thousands. We will drop the dot
- Drop the values above 90000 unit price
- Consider the unit price as the discounted price for the product sold
- Consider price as the actual price of the product sold
- Drop the promo price column as it is of no use

Correlation between revenue and discount



This scatterplot showcases the correlation between revenue and discount.

Discounts are mostly effective in the cheap to median prices products.

Overall, there is little linear correlation of discount and revenue