

Module 2 Project: Executive Summary

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Problem Statement

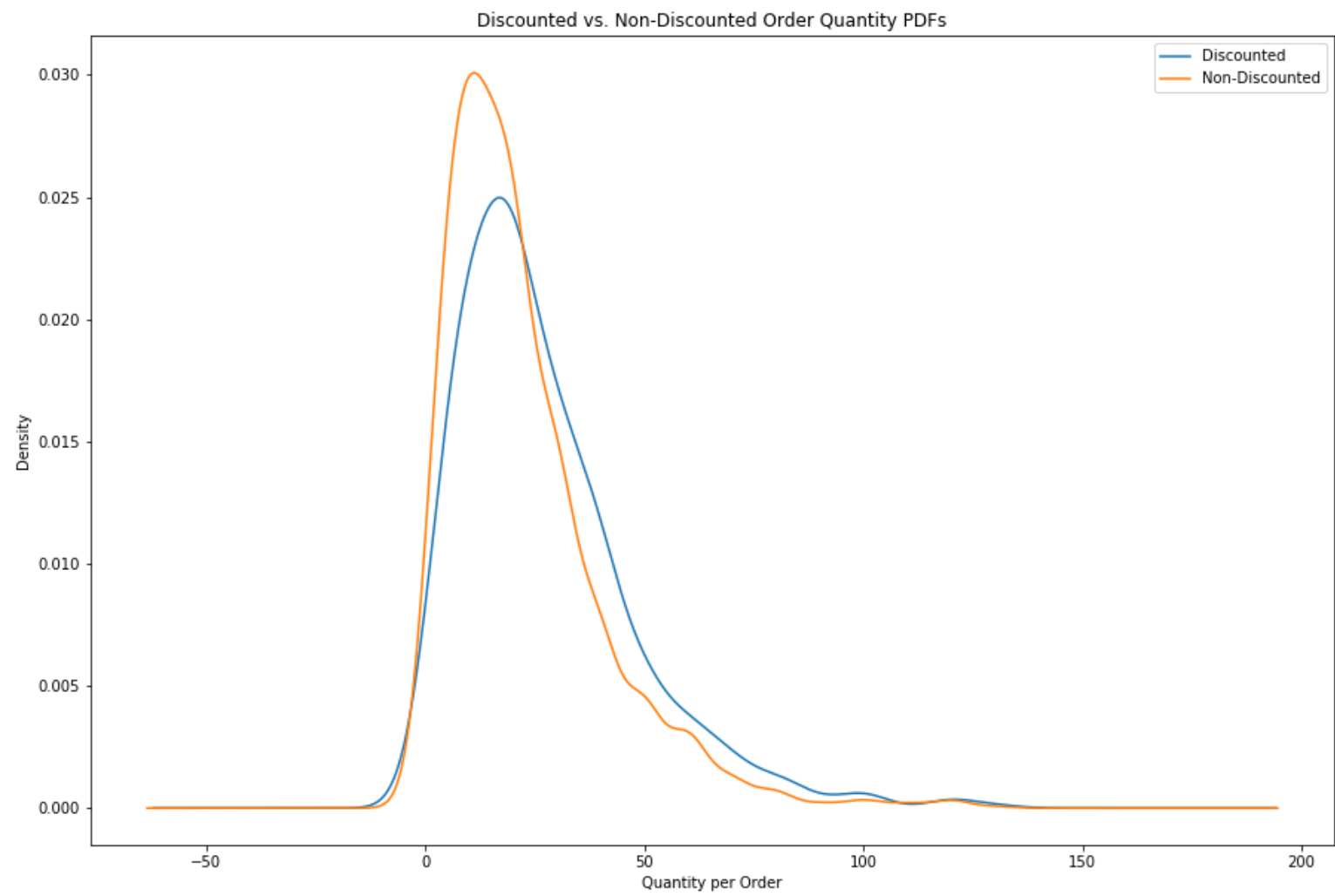
- ▶ Controllable factors impact customer purchases, revenue, and costs.
- ▶ **Discounts**
 - ▶ Order Quantity
 - ▶ Revenue
- ▶ **Shipping Company**
 - ▶ Freight Cost
 - ▶ Order profit

Solution

- ▶ T - tests
 - ▶ Determine if certain groups are statistically different
- ▶ Goal: Confirm or Fail to Reject influences
 - ▶ Discounts
 - ▶ Quantity - items purchased
 - ▶ Order Revenue
 - ▶ Shipping
 - ▶ Freight Cost
 - ▶ Order profit

Results and Recommendations: Discounts

- ▶ **Discounted Orders**
 - ▶ **Increase** quantity of items purchased
 - ▶ **Do not** currently affect revenue
- ▶ **Recommendations**
 - ▶ A/B Test larger discount values
 - ▶ A/B Test increases in price
 - ▶ Goal: Capitalize on discount's affect on quantity



Results and Recommendations: Shipping Company

- ▶ **Shipping Company**
 - ▶ **Speedy Express**
 - ▶ Lower Freight Costs
 - ▶ On Orders that result in losses, lower losses
 - ▶ **Does not** currently affect shipping profit
 - ▶ Shipping Profit = Revenue - Freight Cost
- ▶ **Recommendations**
 - ▶ A/B Test larger % orders w/ Speedy Express
 - ▶ Goal: Capitalize on lower costs & losses / risk

