We observe that when discounts are optimized, we see higher expected revenue improvements, as compared to when the discounts are not optimized. The Expected Revenue Improvement Ratio is close to negligible ~1 when the discounts are not optimized while, with the discounts optimized, the ratio is high ~1.6 .

Specifically, use Logit Models while excluding or including the product/channel level, for significant improvement in expected revenue. We see an average revenue improvement ratio of 1.6 for all models, for optimized discounts and 1 for unoptimized discounts.

Based on the expected revenue improvements from the optimized discounts, we can make the following recommendations for the new discounts' strategy:

Overall:
The expected revenue with optimized discounts significantly outperforms the unoptimized discounts strategy.

Partner Prem, Direct Prem, Partner Cloud, and Direct Cloud:
For all these product channels, the expected revenue with optimized discounts is higher compared to unoptimized discounts.

Based on these findings, it is recommended to implement the new discounts strategy that optimizes discounts using the respective models for each product channel. This strategy can lead to substantial improvements in revenue generation.

The new approach ensures that discounts are tailored to each specific product channel and customer, taking into account various factors such as the amount, billing plan, new logo, depth, and end of quarter. By optimizing discounts based on these factors, the new strategy aims to strike a balance between maximizing revenue and providing competitive pricing.

As compared to the old approach of using only the 'End-of-Quarter' to adjust discounts can be replaced with the use of above models that consider multiple factors.