Product Sales Analysis

1.1. Related Concepts

The foremost effective factors on consumer's sales have been assumed as effective factors of sales and they are classified into three categories of Marketing, Purchasing Power, and Time-effect as follows:

1.1.1. Marketing category

Regarding to Marketing standpoint, one of the critical factors of decision making and business evaluations for companies is the marketing mix from which essential elements for planning and operation process have come; besides, marketing mix elements

Have interdependent factors affected mutually. As a result, making a decision about one of them might profoundly affect others which means if these marketing mix elements combine effectively, it can end up with a decent marketing system Conventionally, the pillars of marketing were known as 4Ps demonstrating Product, Price, Place, and Promotion. However, as the customers are becoming more sophisticated, three further "Ps" were added which are included People, Process, and Physical Environment. These considerations are called 7P's marketing mix, which is related to the company's sales based on marketing strategies raised from them to increase sales.

- Product elements-Service products consist of core and supplementary (value-added) elements
- Place and time-service distribution through physical and non-physical channels
- Price and other user outlays-generation of incomes and profits With consideration of other customer costs
- Promotion and education-Provide information, persuade customers and teach customers to become effective through the service process
- Process-The operation of inputs and outputs from marketers/ sellers to customers.
- Physical environment-design services cape (physical appearance) and provide tangible evidence of service performance
- People-Interactions between customers and contact personnel can affect their satisfaction.

Considering the purchasing power, it should be noted that this criterion determines the value of a currency expressed in terms of the number of services or products that a specific amount of a currency can buy. Purchasing power is considered a relative factor that is significantly influenced by both macroeconomic and microeconomic factors over time. The consumer buying and purchasing decision significantly depends on their purchasing power which is caused by the economic situations of a market. In this regard, whenever a nation's purchasing power is strong it is associated with the country's economic factors including employment, wages, prices/inflation, and so forth. Whereas, a sluggish economy determines a situation in which the purchasing power has been become weak due to poor economic factors. Under these circumstances, companies' sales would experience a drastic decline raised from an incoherent existence between sales and customers' purchasing power; accordingly, the economic factors that most affect the demand for consumer goods directly related to sales are taxation and interest rates, inflation rate and currency exchange. In this study, the most effective economic factors associated with purchasing power consider as a category that correlates highly with a company's sales. The following list is provided for further information about the related factors in purchasing power category.

1.1.2. Purchasing power category

1.1.2.1. Currency exchange

Economists proposed that floating rates have an adverse impact on the economy since every country uses the currency as an intermediate for purchasing goods and services in international

trade. Hence, once the exchange rate becomes volatile, the market is faced with uncertainty regarding the unpredictable changes over time that can be defined as volatility. Generally, the causes of currency exchange rate volatility can be categorized into domestic and external real shocks affecting supply and demand and nominal shocks reflecting changes in the money supply. Therefore, shocks are the main source of unpredictable fluctuations that can affect the price of consumer goods directly influence a company's sales.

2.1.2.2. **Interest rates**

Changes in interest rates contribute to different impacts on consumer purchasing behaviors depending upon a number of factors including current rate levels, short term, and long term, consumer expectations about the future rate, and the healthy economy. Study demonstrates that an increase of basis points in the interest rate on deposits leads to an immediate decline in consumption of household expenditures in which once the interest rates rise, consumers may be more prone to saving costs so as to gain from higher interest rates rather than spend.

2.1.2.3. **Inflation rate**

Inflation demonstrates a decline of purchasing power of people for a given currency over a period of time. Maintains price inflation causes each unit of currency to purchase fewer goods and services; subsequently, inflation reflects that consumers lose purchasing power per unit of money which means a loss of real currency exchange value within the economy.

2.1.2.4. **Tax (goods and services tax)**

Purchasing power has a profound effect on the purchase decisions of consumers; besides, the purchasing power of consumers is affected by taxes imposed on the prices of goods and services. Consequently, taxes have a direct positive correlation with the disposable income of consumers in which it is so crucial that companies develop their marketing strategies and price planning aligned with the changes in the tax policies. This is because often taxes contribute to reducing a consumer's purchasing intention insofar as the company's sales would be influenced by losing customers.

And finally, concerning the Time outlook, it is a paramount element which customers give up so as to purchase goods and services. Time plays an inextricable dimension of consumer behavior and consumer purchasing. Maintained that consumers benefit from time as an available resource for making decisions in their purchases. Time has effects on consumption in two main forms as following which means these forms would indirectly impact on company's sales originating from consumer purchasing behaviors.

2.6. Time Effect

2.6.1. Seasonal factor

One paramount context which has been recognized as a vital factor for modeling consumers purchasing patterns is seasonality effects which refer to the existence of variations that occur at certain regular intervals including weekly, monthly, or quarterly.

Moreover, seasonality is associated with stable patterns and well-established forms in which occasional irregularities have not existed. Various factors might cause seasonality like natural calamities, weather, holidays, vacation, and so forth. Consumers purchasing behavior tremendously has been affected by such a prominent factor-like seasonality that impacts the company's sales.

2.6.2. Time pressure

Most merchants employ sales with limited purchase time to increase sales and boost profits in which they provide customers with deep discounts strategies and promotion plans for a limited time duration. This time limitation makes a sense of urgency for purchasing which drives customers to buy either products or services.

Conversely, exposed to make a purchase decision in a short time, customers are more prone to become anxious and stressed insofar as this perceived time pressure would have a negative impact on their decision making in terms of purchasing; therefore, the time pressure would also have compromising effect on the relationship between sales promotion and purchase intention. Thus, the product category is a relevant factor in determining the time pressure effect on consumer purchasing which indirectly influences a company's sales. The effective factors on sales are summarized and classified as research variables in Table 1