

Group study project

Eniac's Discount Strategy

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Conclusions

1. Discounts Are the Default:

93%

of order lines are sold at a discount, signaling permanent markdowns rather than tactical promotions.

3. Revenue Is Event-Led:



Sales spikes are driven by calendar moments (Black Friday, Q4), not discount depth.

2. Sweet Spot at 20-25%:

~25%

Revenue peaks at moderate discounts; deeper cuts (>30%) fail to deliver incremental gains.

4. Weak Daily Impact:



Outside peak events, discount size has little influence on day-to-day revenue.

Eniac Performance Overview

Analysis Period: 2017 – 2018

179

Total Brands

Representing the full portfolio of brands sold by Eniac

46.6k

Completed Orders

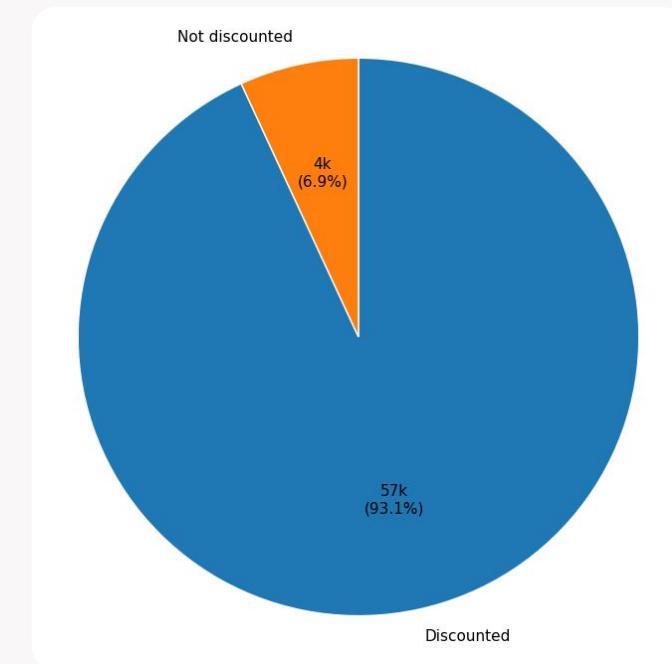
Total number of successfully processed transactions

12.9M

Total Revenue

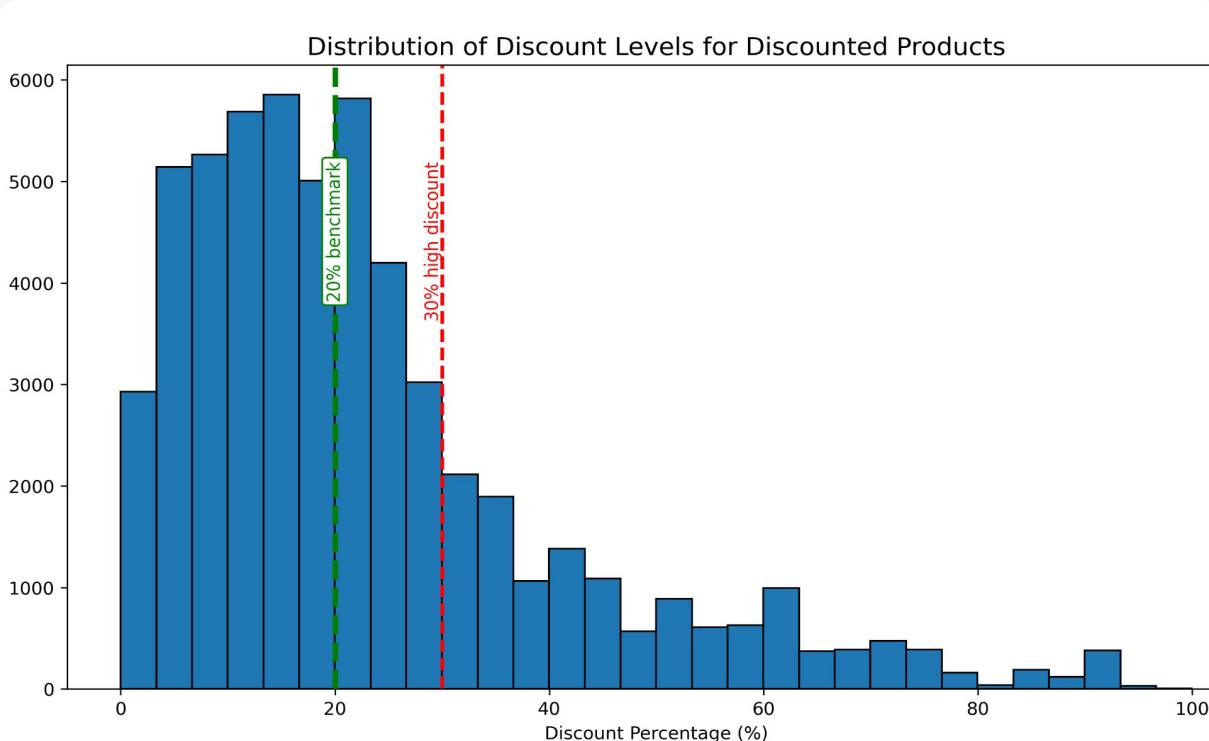
Gross sales generated during the analyzed period

93% of all items were sold at a discount, with an average discount depth of 21%.



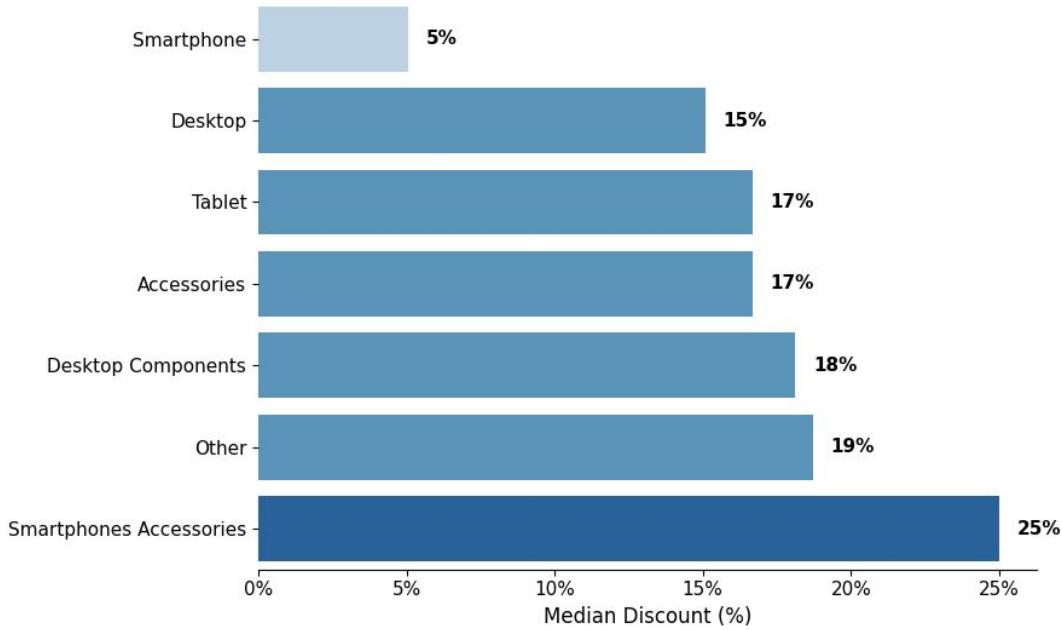
Source: Eniac Historical Sales Database (2017–2018)

Low discount levels dominate, while high discounts are uncommon.



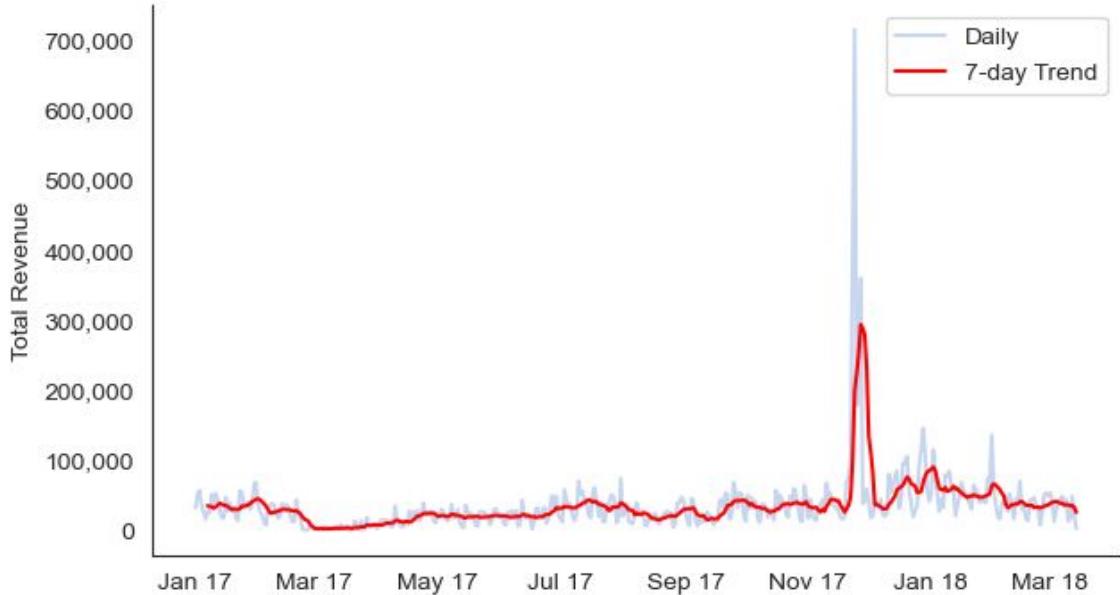
- Healthy Discounting: Most clusters below 20%
- Rare Extremes: Discounts >30% form a thin long tail
- Risk: High-discount promotions are exceptional and pose margin risks

Pricing power stays with core products while accessories drive demand.



- **Accessories** show the widest discount spread (up to ~80%), indicating aggressive pricing for traffic acquisition and upselling.
- **Smartphones** have minimal discounts (median ~5%), acting as premium anchor products with strong turnover even at near-full price.

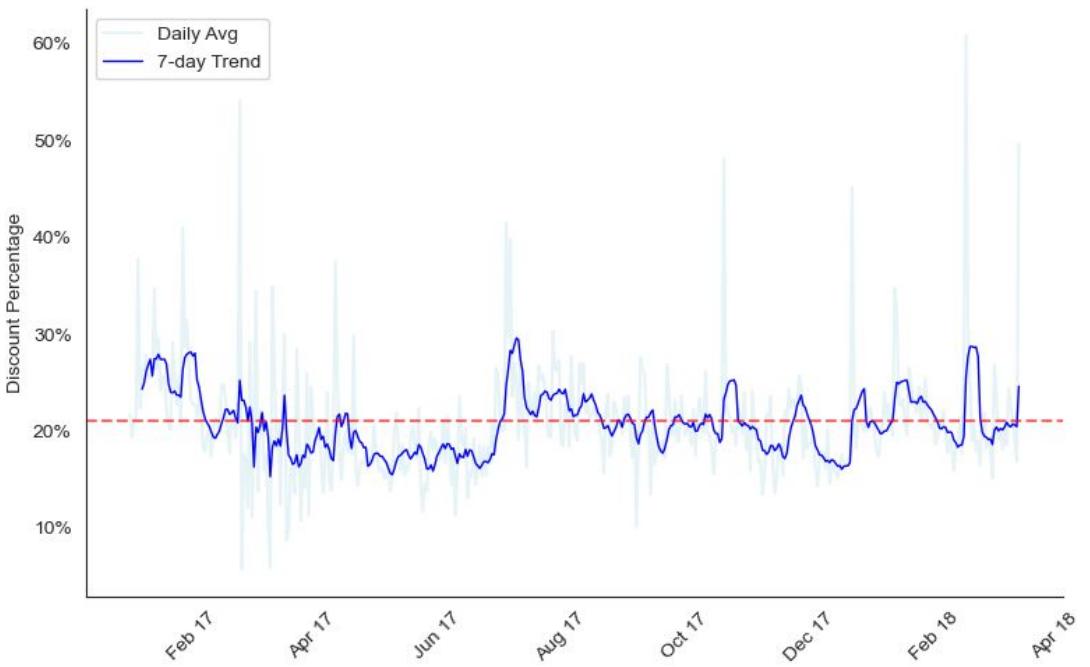
Black Friday spike dominates annual sales, highlighting high seasonal dependency.



Off-season demand remains flat despite high discount levels.

Promotional resources should be concentrated on seasonal peaks rather than year-round discounting.

Revenue growth stems from event timing rather than discount depth. Success lies in the tandem of seasonal demand and tactical discounting.

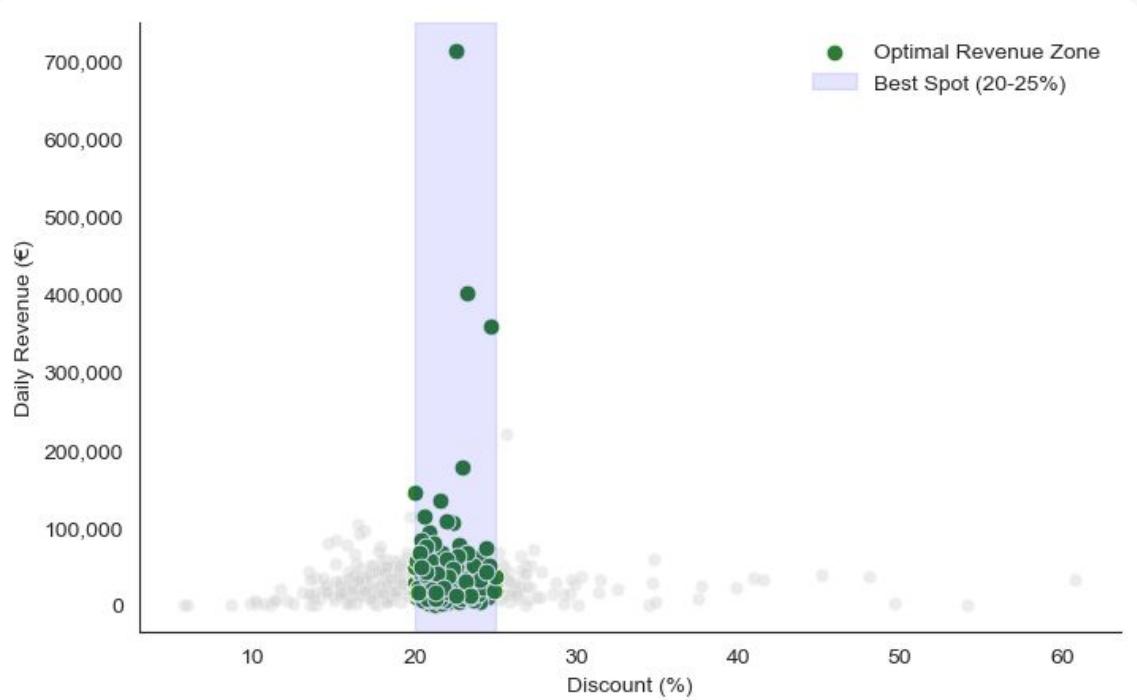


Discounts act as **constant demand management**, peaking in effectiveness during Q4.

Recommendation:

Lower off-peak discounting to **reclaim margin**, as daily volume is insensitive to price depth.

Discounts drive volume primarily during high-seasonality peaks, while everyday correlation remains low.



- Maximum revenue is achieved at **20-25%** discount depth.
- Going beyond 30% does not yield proportional growth.

Recommendations

Event-Driven Strategy: Shift budget to high-seasonality events (Black Friday, Q4) where discounts are most effective.

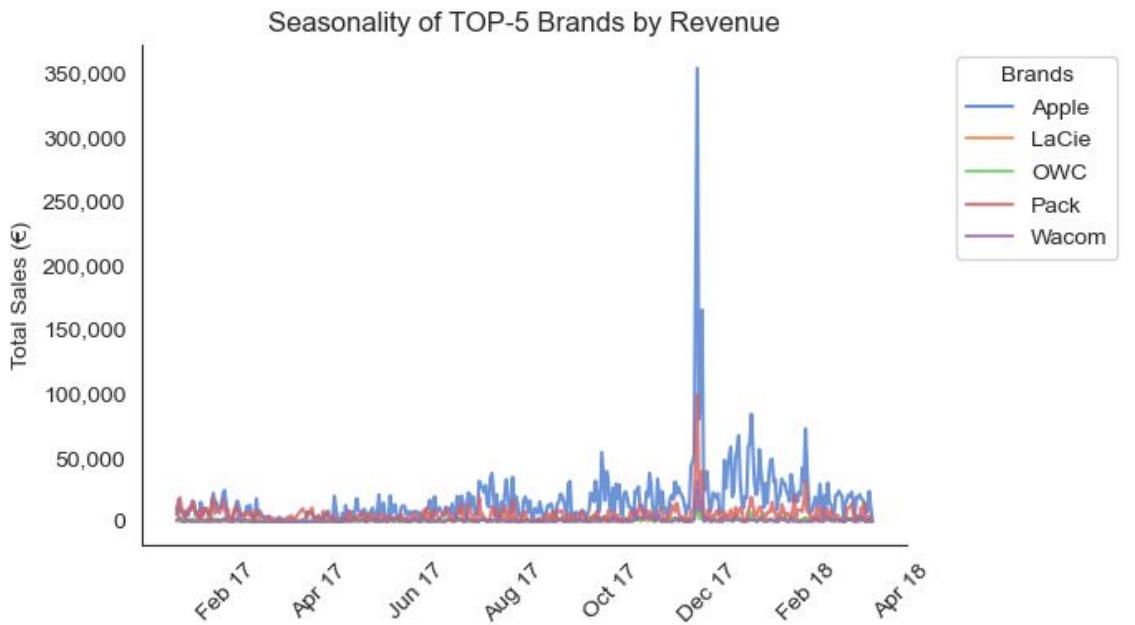
Reduce "Always-On" Discounts: Lower the 30% discount coverage during off-peak periods and concentrate on the 20-25 % range which has the highest revenue, to protect our profit margins.

Tiered Approach: Maintain Smartphones as premium margin anchors (min. discounts) while using Accessories as the actual traffic magnets and upselling tools (aggressive discounts).

High collaborative work with marketing: Identify trends, ebbs and flows through the data with marketing to implement high impact discount strategies.

thank you

Apple products are the main driver of revenue throughout the year and the seasonal period



- Apple's main sources of revenue - **desktop and tablet** categories.
- During non-seasonal periods, the emphasis on categories is little blurred.