To discount
or
not to discount
-
that is the question

Introduction

- Eniac’s strategy: Continue discounting policy or change something?
- Metrics: discount vs. sales, revenue, over time (seasonality)
- Problem: messy data; collection should be improved

Discounts

~ 53.000 analyzed products sold Jan 2017 - Mar 2018:

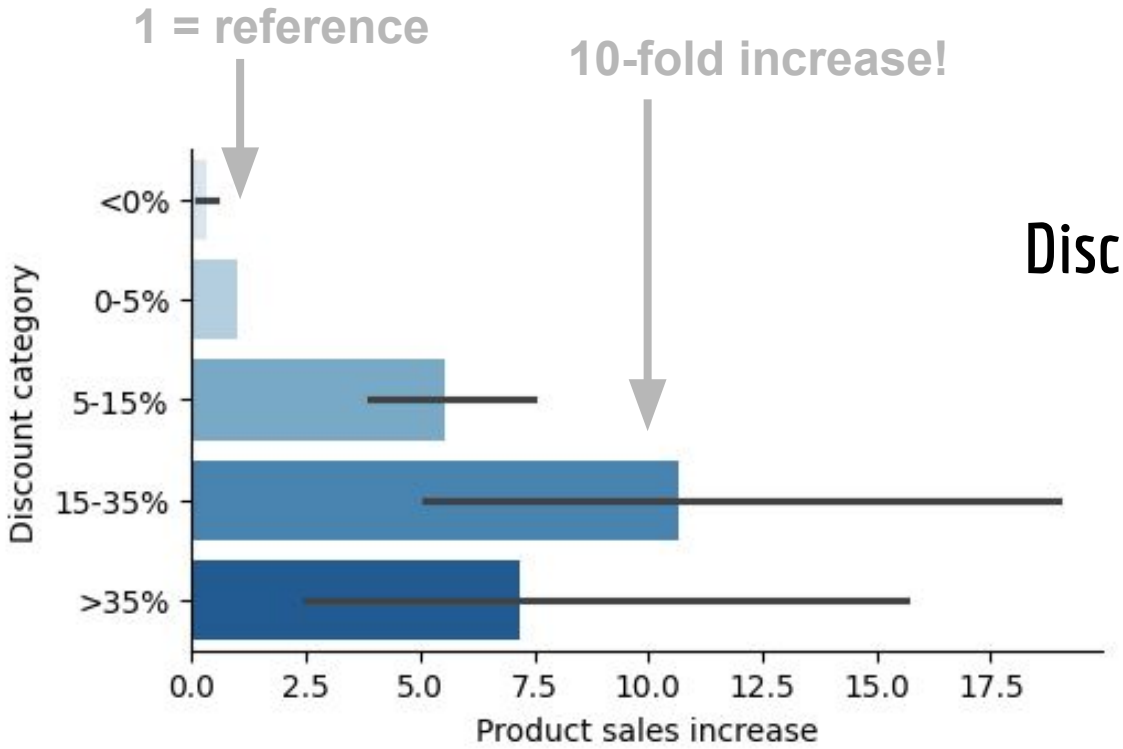
- 85% with discount
- 15% without discount or with surcharge (= neg. discount)

- discounts up to 97% (almost for free)

- discount mean and median: ~ 20%

- no product >1000€ is sold *without* discount

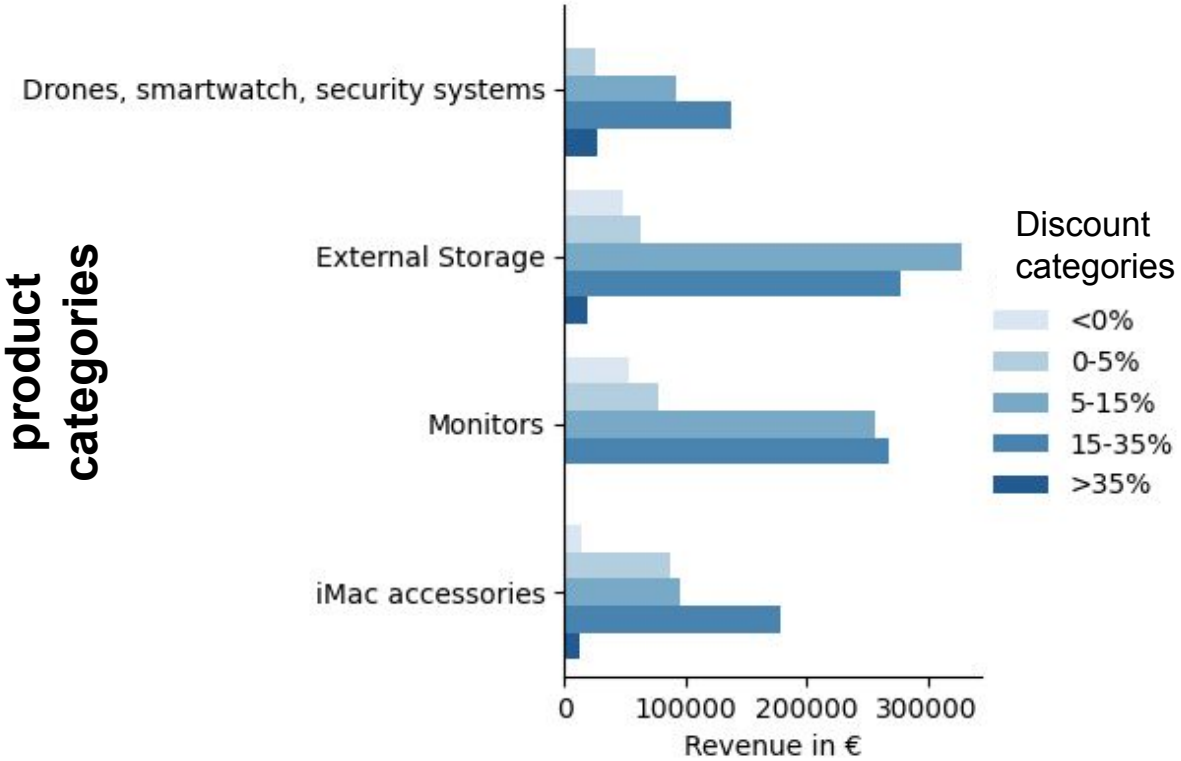
Sales increase for all products



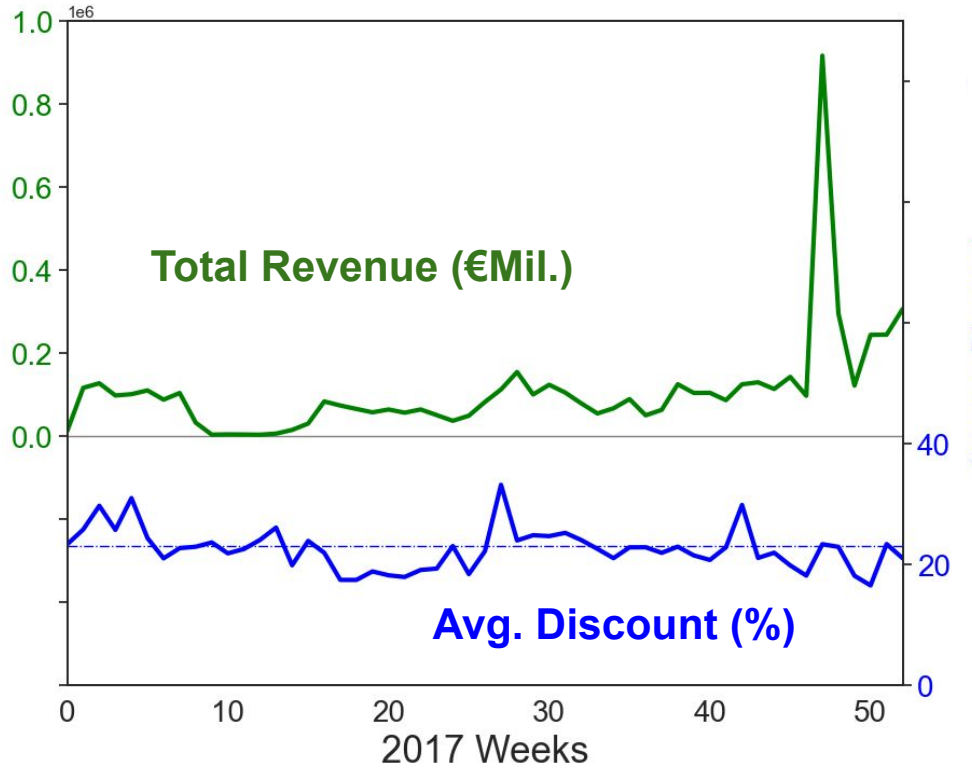
Discounts correlate with sales increase!

Higher discount ⟶ higher revenue!

Cash cow product categories



Seasonality



Black Friday:
10% of annual orders
13% of total revenue

Avg. Discount in 2017: 23%

Conclusion

- Moderate discounts (15-35%) correlate with an increase in sales and revenue
- Current discount policy seems reasonable
- Reconsider very high discounts (>35%)
- Seasonality extremely affects sales

Thank you for your attention

Appendix

How could data collection be improved?

1. Standardize and clean the data by applying transformations, such as converting data types and removing unnecessary columns

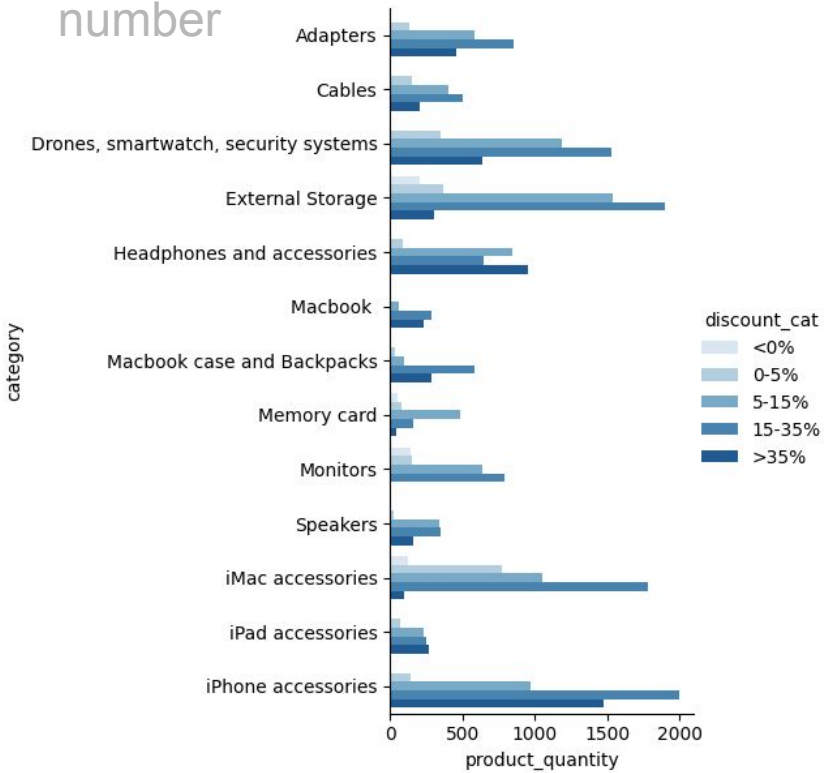
2. Create new variables or features that may be relevant for the data analysis, such as Categories

3. Document any assumptions or decisions made during the data cleaning process

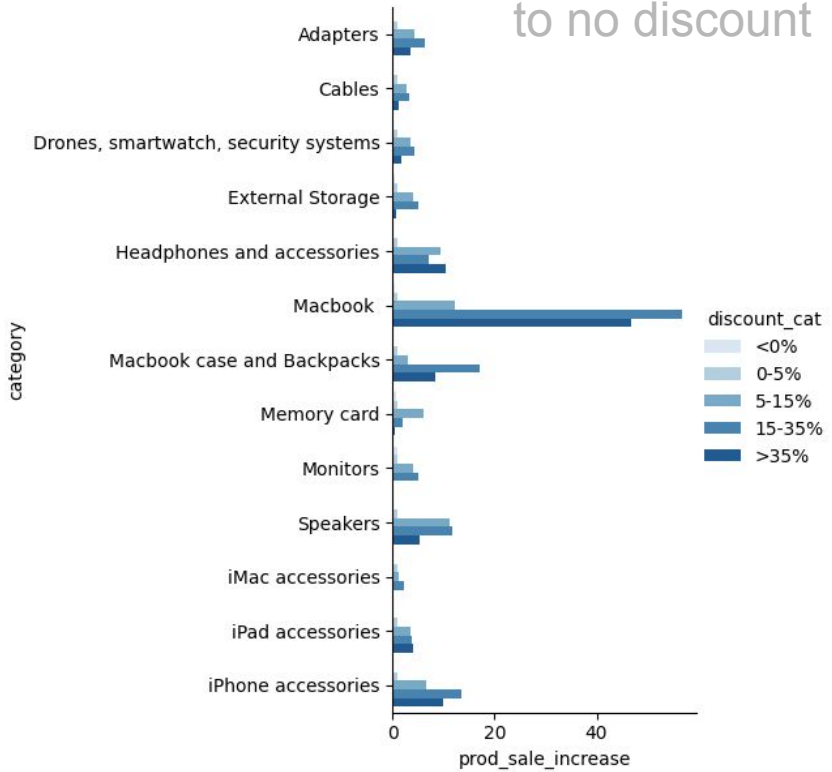
4. Clarify product categorization

Higher discount → more sales!

absolute sales number

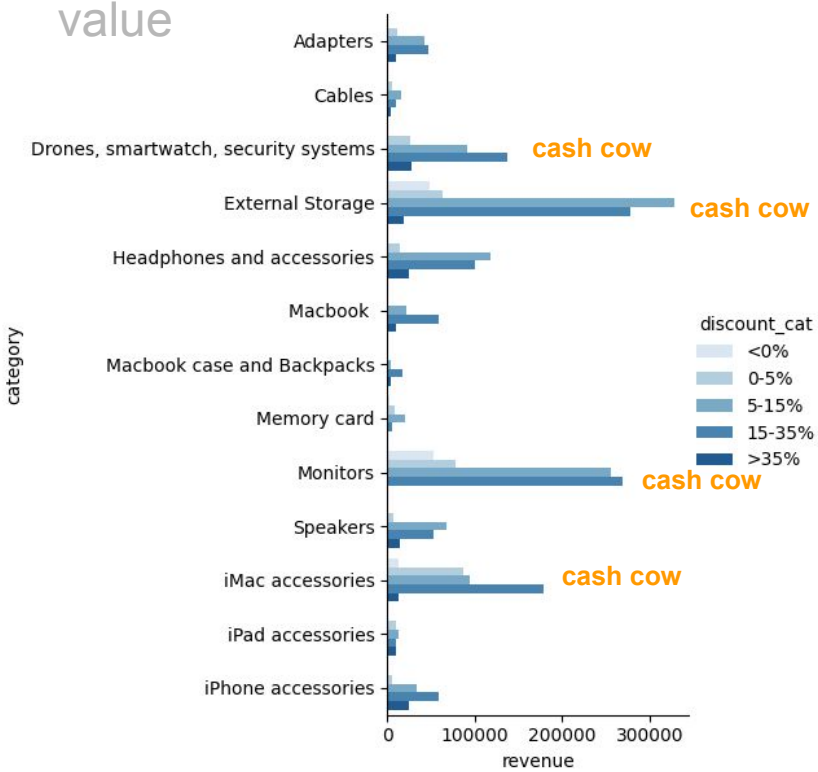


sales change relative to no discount

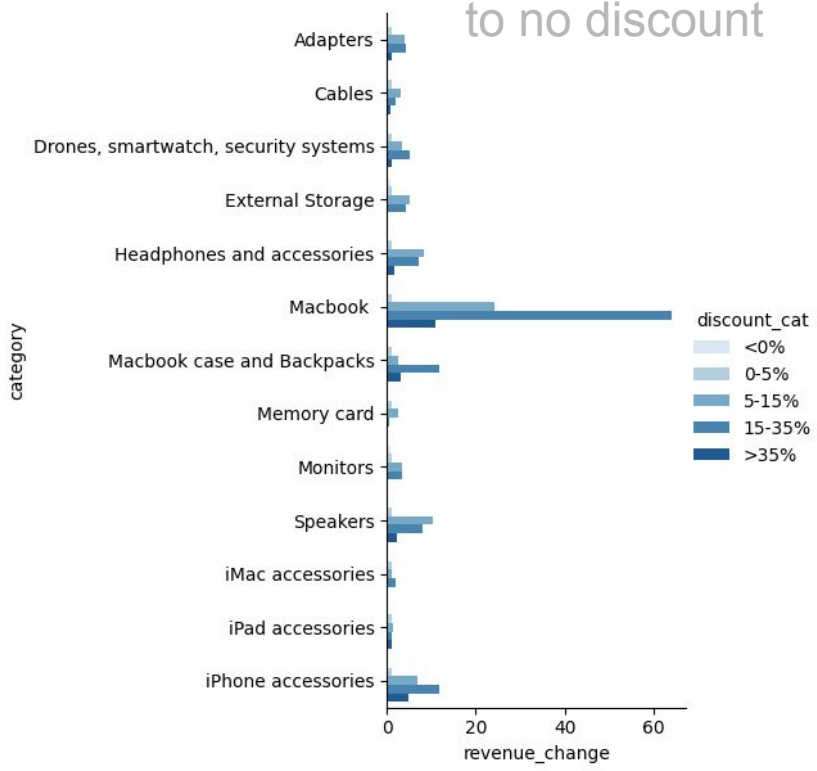


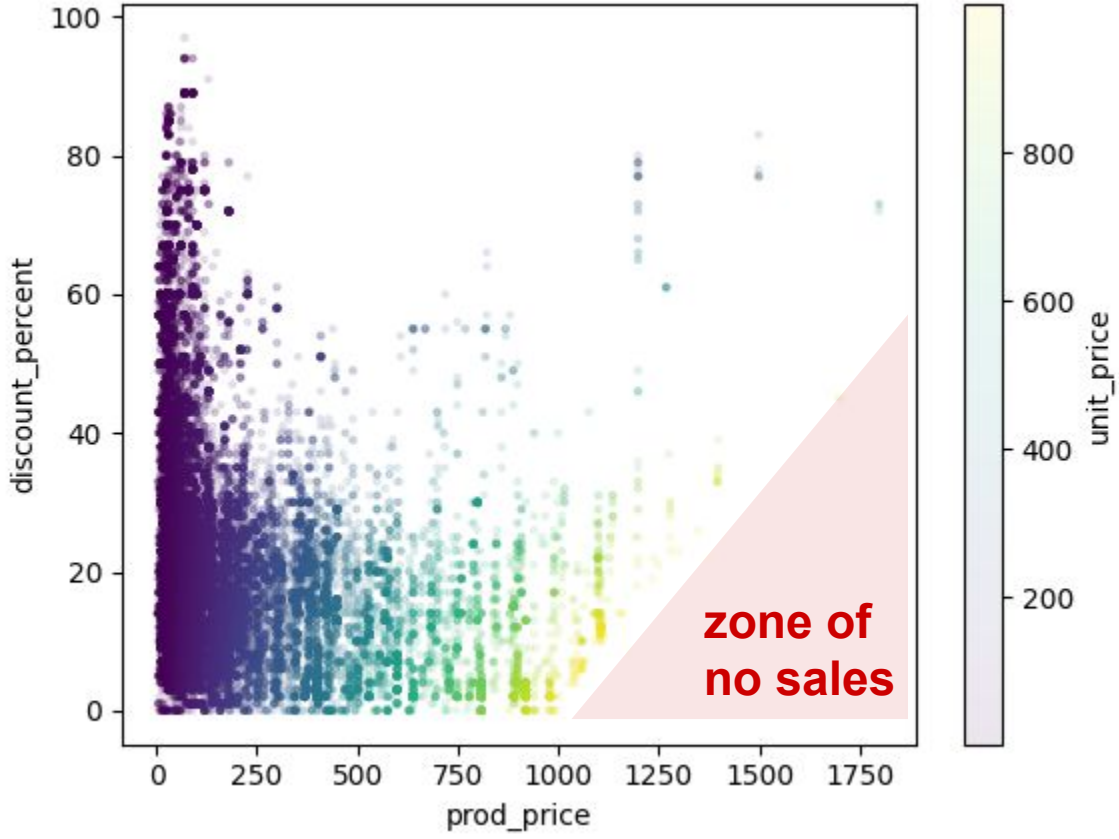
Higher discount ⟶ higher revenue!

absolute revenue value



revenue change relative to no discount




discount_percent
prod_price
unit_price
zone of
no sales
0
20
40
60
80
100
0
250
500
750
1000
1250
1500
1750
200
400
600
800