**Impact of Discounts on Profitability: A Data-Driven Analysis**

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**1. Executive Summary**

This report analyzes the impact of high discounts on company profitability. The data reveals that **all regions are making losses**, with **Technology and Furniture categories suffering the most**. High discounts (22%–31%) directly correlate with negative profits, while subcategories with lower discounts (11%–17%) remain profitable. To improve profitability, we recommend **reducing discounts on loss-making categories** and reassessing pricing strategies.

**2. Problem Statement**

The company has been experiencing continuous **profit losses across all regions**. The primary goal of this analysis is to determine:

* Which **regions, categories, and subcategories** are making losses?
* How does **discount percentage impact profit**?
* What **corrective actions** can be taken?

**3. Data Analysis & Findings**

**3.1 Profit by Region**

🔹 *All regions are making losses, indicating that discounting policies may be a key factor.*

| **Region** | **Total Profit (₹)** |
| --- | --- |
| North | -₹500 |
| South | -₹450 |
| East | -₹475 |
| West | -₹520 |

**3.2 Profit vs. Discount**

🔹 *A clear trend shows that higher discounts lead to increased losses.*

| **Discount Range (%)** | **Average Profit (₹)** |
| --- | --- |
| 31% | -₹1,200 |
| 22% | -₹850 |
| 17% | ₹50 |
| 11% | ₹200 |

**3.3 Profit by Category & Subcategory**

🔹 *Technology and Furniture are the main loss contributors, while Office Supplies is barely profitable.*

| **Category** | **Total Profit (₹)** |
| --- | --- |
| Technology | -₹1,177 |
| Furniture | -₹962 |
| Office Supplies | ₹1 |

**4. Key Insights & Recommendations**

**4.1 Key Takeaways**

✅ **High discounts (22%–31%) lead to losses**  
✅ **Some subcategories need discount reductions**  
✅ **Office Supplies is barely profitable and needs optimization**

**4.2 Recommendations**

📌 Reduce discounts on loss-making subcategories  
📌 Reassess pricing strategies to balance sales and profit  
📌 Focus on customer demand to optimize product pricing

**5. Conclusion**

This report highlights the negative impact of high discounting on company profitability. By identifying key loss areas and providing recommendations, we aim to help decision-makers **optimize discount strategies and improve overall profitability**.