Individual Insights Summary - For Product Performance Analyst:

Best performers product sub-category with respect to profit are Copiers (18%), Phones (14.4%), Accessories (13.6%), paper (11%). Loss leader product sub-category are Tables (79%), Bookcases (15%), Supplies (5.3%). Every product is profitable without Discounting. Hence, main driver of **Profitability is discounting for promotion. Un-targeted discounting has led to losses; Hence, losses can be controlled by targeted discounting strategy. Result is based on following DIVE analysis.**

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| S. No | Discover | Investigate | Validate | Extend |
| 1 | “Tipping points” on discount after which Loss is incurred and yet Quantity sale growth is nominal. | H: Limiting discount can reduce loss having low price elasticity. | Price Elasticity of items are close to zero for Binders, Machines, Tables, phone.   |  |  |  | | --- | --- | --- | | Sub -category | Tipping Discount  (refer Pivot table) | Segment as per Sub-category vs Return on Discount | | Bookcases | 0.2 | Bleeder | | Chairs | 0.2 | Bleeder | | Furnishing | 0.2 |  | | Tables | 0.0 | Bleeder | | Appliances | 0.2 |  | | Binders | 0.2 | Bleeder | | Storage | 0.0 |  | | Supplies | 0.0 |  | | Machines | 0.3 | Bleeder | | Phones | 0.2 | Bleeder | | **Immediate Action** – Limit max discount on Binders = 0.2, Machines = 0.3, Tables = 0.0, Storage = 0.0, phone = 0.2, to cut losses.  **Future Investigation** – Trend discount analysis of chairs and Bookcases. Perform Competitive analysis of discounts on all sub-categories.  **Risk Mitigation** – Offer discount beyond Tipping point during Q4 “holiday bump” to retain discount impression for competitive advantage.  **Quantified Business Impact** – Considering loss of year 2022 only, these limits could USD 57,772. |
| 2 | High sales in Q4, Low sales in Jan | H: Increasing discounts in Q4 can bring more growth  H: Decreasing discount in Q1 to reduce loss | Monthly Sales Peaks in Quarter 4 and then drops to lowest in Feb  refer chart Monthly sales by Year | Provide Heavier discount and Promotions for Q4 to attract more traffic; Retract discount in January and Feb to cut losses as traffic is low during off-season. |
| 3 | Cash cows = Fasteners and Envelopes have discounts | H: Limit Discounts on Cash cows | Fasters and Envelopes exhibit negative YoY growth; however, they have high Profit Margin.  Refer Market vs Growth chart | Limit Discount on Cash cows = Fasteners and Envelopes to zero.  They do not exhibit growth and hence do not need promotion. |
| 4 | High Growth and High Profit Margin | H: Promote Star sub-categories | Art, Accessories, copiers, paper. Labels exhibit more than 20% profit margin and 20% YoY sales growth. Refer Market vs Growth chart | Increase discount to promote Star product sub-category to increase their YoY sales |