



Contoso Promotions Analysis

Highest Average Sales Comparatively to Lowest Returns: North America Holiday



The sales promotion with the highest average relative to the lowest returns ratio was North America Holiday. Average sales during the North America Holiday promotion exceeded average sales with no discount while it's returns ratio was second to lowest at roughly 0.75%.

←

North America Holiday

Sales Quantity

6.05M

Returns Quantity

45.35K

Net Sales Quantity

6.00M

Sales Amount

\$1.41bn

Returns Amount

\$14.73M

Cost of Goods

\$619.5...

Net Profits

\$776.5...

Year

All

Is Workday?

All

Continent

All

Region / Country

All

State / Province

All

Product Category

All

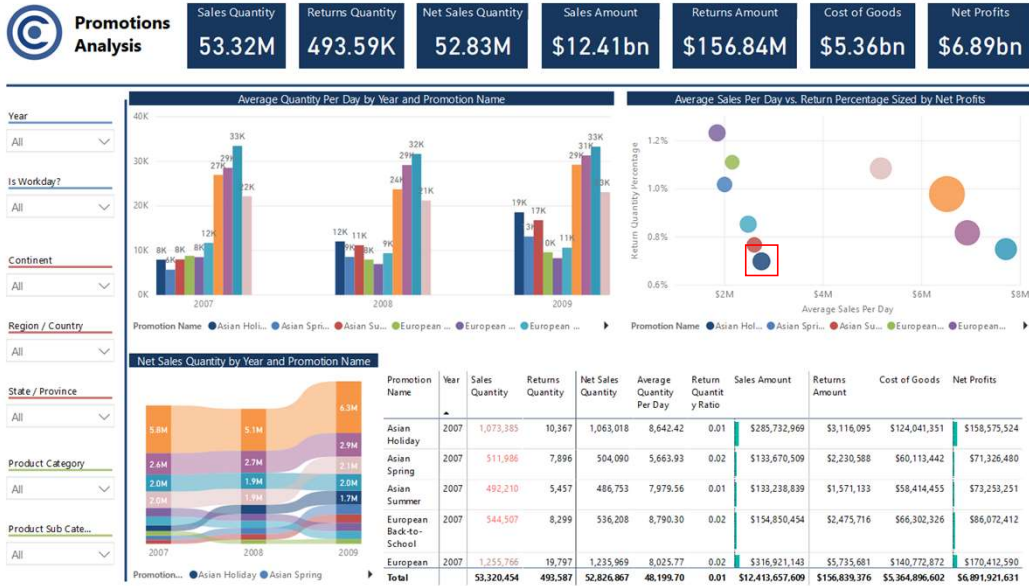
Product Sub Category

All

Product Category	Sales Quantity	Returns Quantity	Net Sales Quantity	Average Quantity Per Day	Return Quantity Ratio	Sales Amount	Returns Amount	Cost of Goods	Net Profits
Home Appliances	1,158,894	11,818	1,147,076	6,268.17	0.01	\$434,396,929	\$5,283,261	\$196,350,546	\$232,763,122
Washers & Dryers	69,946	1,149	68,797	375.94	0.02	\$110,855,789	\$1,943,917	\$53,857,089	\$55,094,783
Refrigerators	163,586	1,552	162,034	885.43	0.01	\$98,264,560	\$988,547	\$41,706,309	\$55,569,704
Lamps	298,118	3,026	295,092	1,612.52	0.01	\$59,664,321	\$627,855	\$25,995,144	\$33,041,322
Water Heaters	61,703	574	61,129	334.04	0.01	\$45,775,475	\$443,656	\$19,680,372	\$25,651,447
Coffee Machines	130,693	1,333	129,360	706.89	0.01	\$42,143,759	\$472,530	\$19,457,985	\$22,213,243
Air Conditioners	110,405	1,090	109,315	597.35	0.01	\$35,859,285	\$370,379	\$16,536,582	\$18,952,324
Microwaves	191,930	1,876	190,054	1,038.55	0.01	\$33,758,424	\$354,278	\$15,222,981	\$18,181,165
Fans	132,513	1,218	131,295	717.46	0.01	\$8,035,316	\$82,099	\$3,894,083	\$4,059,134
Computers	1,195,412	10,578	1,184,834	6,474.50	0.01	\$355,580,172	\$3,313,537	\$156,043,243	\$196,223,392
Projectors & Screens	18,849	1,801	184,027	1,005.61	0.01	\$125,565,564	\$1,300,383	\$51,300,324	\$72,964,857
Laptops	169,408	1,540	167,668	916.22	0.01	\$99,483,589	\$986,286	\$45,184,370	\$53,312,934
Desktops	155,225	762	154,463	844.06	0.00	\$57,260,908	\$294,771	\$28,012,926	\$28,953,211
Printers, Scanners & Fax	198,906	1,839	197,067	1,076.87	0.01	\$30,387,934	\$289,849	\$13,142,956	\$16,955,129
Monitors	126,420	1,228	125,192	684.11	0.01	\$29,689,922	\$308,515	\$12,046,054	\$17,335,353
Computers Accessories	359,825	3,408	356,417	1,947.63	0.01	\$13,192,255	\$133,732	\$6,356,613	\$6,701,909
Cameras and camcorders	770,406	7,311	763,095	4,169.92	0.01	\$305,641,526	\$3,030,063	\$124,285,459	\$178,326,004
Camcorders	230,666	2,259	228,407	1,248.13	0.01	\$167,337,648	\$1,694,224	\$68,253,915	\$97,389,516
Digital SLR Cameras	211,515	1,958	209,557	1,145.12	0.01	\$80,265,022	\$873,829	\$35,463,332	\$44,927,862
Digital Cameras	205,623	1,939	203,684	1,113.03	0.01	\$40,848,644	\$398,573	\$17,542,410	\$22,907,661
Cameras & Camcorders Accessories	122,602	1,155	121,447	663.64	0.01	\$6,190,212	\$63,438	\$3,025,803	\$3,100,971
Total	6,048,564	45,349	6,003,215	32,804.45	0.01	\$1,410,825,426	\$14,725,161	\$619,561,280	\$776,538,985

Here we see the breakdown of the promotion. Profits during the promotion totaled \$776.5 million, where home appliances have the largest total sales at around \$434.4 million.

Promotion with Lowest Return Ratio: Asian Holiday



The sales promotion with the lowest return ratio overall was Asian Holiday, with a ratio right around 0.7%.

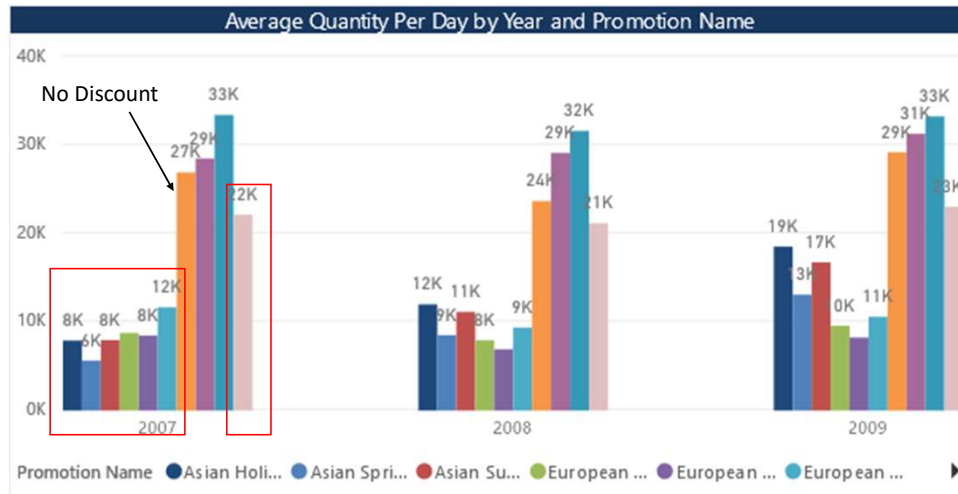
Expand	Asian Holiday	Sales Quantity	Returns Quantity	Net Sales Quantity	Sales Amount	Returns Amount	Cost of Goods	Net Profits
		1.18M	6,098	1.17M	\$194.90M	\$2.21M	\$87.44M	\$105.2...

Year	Product Category	Sales Quantity	Returns Quantity	Net Sales Quantity	Average Quantity Per Day	Return Quantity Ratio	Sales Amount	Returns Amount	Cost of Goods	Net Profits
All										
Is Workday?										
All										
Continent										
All										
Region / Coun...										
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State / Province										
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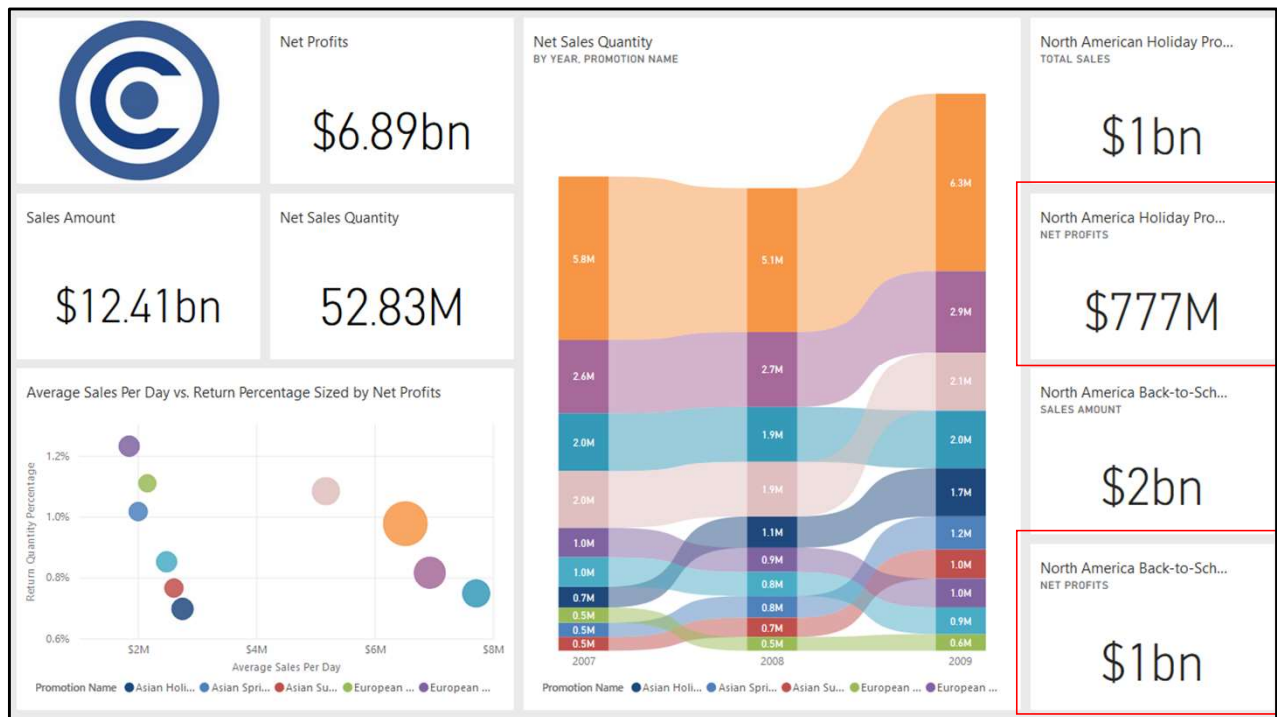
Home Appliances	209,445	1,620	207,825	3,406.97	0.01		\$58,845,826	\$875,306	\$27,043,421	\$30,927,099
Refrigerators	24,626	218	24,408	400.13	0.01		\$13,379,938	\$198,330	\$5,793,585	\$7,388,023
Washers & Dryers	7,163	168	6,995	114.67	0.02		\$10,444,970	\$297,413	\$5,093,499	\$5,054,057
Lamps	57,392	393	56,999	934.41	0.01		\$8,909,413	\$95,662	\$4,137,096	\$4,676,655
Coffee Machines	25,478	166	25,312	414.95	0.01		\$8,323,112	\$100,705	\$3,762,349	\$4,460,058
Air Conditioners	19,407	151	19,256	315.67	0.01		\$5,567,247	\$51,570	\$2,628,467	\$2,887,209
Water Heaters	8,982	70	8,912	146.10	0.01		\$5,472,412	\$53,413	\$2,506,094	\$2,912,905
Microwaves	31,252	248	31,004	508.26	0.01		\$5,066,701	\$60,804	\$2,316,561	\$2,689,336
Fans	35,145	206	34,939	572.77	0.01		\$1,682,033	\$17,408	\$805,769	\$858,856
Computers	212,107	1,548	210,559	2,288.68	0.01		\$50,510,971	\$524,600	\$22,406,387	\$27,579,984
Laptops	34,061	261	33,800	367.39	0.01		\$18,918,506	\$168,898	\$8,702,688	\$10,046,920
Projectors & Screens	29,865	258	29,607	485.36	0.01		\$13,816,153	\$182,403	\$5,736,636	\$7,897,114
Desktops	14,840	124	14,716	241.25	0.01		\$5,357,829	\$60,320	\$2,557,351	\$2,740,158
Monitors	25,981	177	25,804	423.02	0.01		\$5,818,377	\$53,211	\$2,351,997	\$3,413,169
Printers, Scanners & Fax	26,935	223	26,712	437.90	0.01		\$3,716,116	\$35,530	\$1,659,604	\$2,020,982
Computers Accessories	80,425	505	79,920	1,310.16	0.01		\$2,883,992	\$24,238	\$1,398,112	\$1,461,642
Cameras and camcorders	112,998	853	112,145	1,838.44	0.01		\$34,246,780	\$347,325	\$14,425,908	\$19,473,547
Camcorders	27,574	236	27,338	448.16	0.01		\$16,043,706	\$185,077	\$6,836,664	\$9,021,965
Digital SLR Cameras	27,708	233	27,475	450.41	0.01		\$11,297,796	\$106,069	\$4,518,362	\$6,873,365
Digital Cameras	28,055	215	27,840	456.39	0.01		\$5,177,636	\$43,048	\$2,249,151	\$2,885,437
Cameras & Camcorders Accessories	29,661	169	29,492	483.48	0.01		\$1,727,642	\$13,131	\$821,731	\$892,780
TV and Video	66,501	511	65,990	1,081.80	0.01		\$25,692,563	\$258,543	\$11,731,129	\$13,702,892
Total	1,180,963	6,098	1,174,865	12,770.27	0.01		\$194,901,240	\$2,206,972	\$87,443,615	\$105,250,654

The total number of returns for the Asian Holiday promotion was 6,098 amounting to roughly \$2.2 million.

**Promotions With Lower Average Sales Quantity Per Day than No Discount:
Asian Holiday, Asian Spring, Asian Summer, European Back-to-School, European
Holiday, European Spring, and North American Spring**



Asian Holiday, Asian Spring, Asian Summer, European Back-to-School, European Holiday, European Spring, and North American Spring all had average sales quantities that fell below a normal day with no discount. We should consider eliminating a few of these, however we must first consider the effects these promotions have on advertising and bringing in more year-round customers.



The bottom line we need to consider is the profits we make on each promotion. North America Back-to-School has produced the highest total net profits of around \$1 billion, with North America Holiday as a close second around \$777 million.

Conclusions & Recommendations

Promotions are not only about making more profit in the short-term, but also about long-term customer loyalty and company recognition.

- Find what sales tactics are effective for high selling promotions: North America Holiday and Back-to-School.
- Investigate weak spots in low-selling promotions: Asian Holiday, Asian Spring, Asian Summer, European Back-to-School, European Holiday, European Spring, and North American Spring
- Eliminate lowest selling discounts for each region: Asian and North America Spring, and European Holiday.

We should eliminate lowest selling discounts for each region, since they are selling lower than if we have no discount. However, promotions are not only about short-term profits, but are also about long-term customer loyalty and company recognition. Therefore it is important to continue to have promotions in each region and focus our efforts in increasing sales during those promotions.