

# Boosting Sales: The Impact of Promotions at Rossmann

An in-depth analysis for corporate stakeholders and decision-makers.



## Agenda

# Navigating Today's Discussion

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### Introduction & Objective

Setting the stage for our analysis.

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### Key Findings: Sales Uplift

Unpacking the core data and observed effects.

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### Statistical Interpretation

Understanding the robustness of our results.

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### Business Implications & Next Steps

Translating insights into actionable strategies.

# Objective & Context

Our primary goal was to rigorously assess whether promotional activities at Rossmann stores lead to a statistically significant increase in average daily sales. This analysis provides an evidence-driven foundation for marketing and sales strategy.



# Key Findings: Sales Performance

Promotions demonstrably drive significant sales uplift.

Without Promotions

€4,177

Average daily sales per store on non-promotion days.

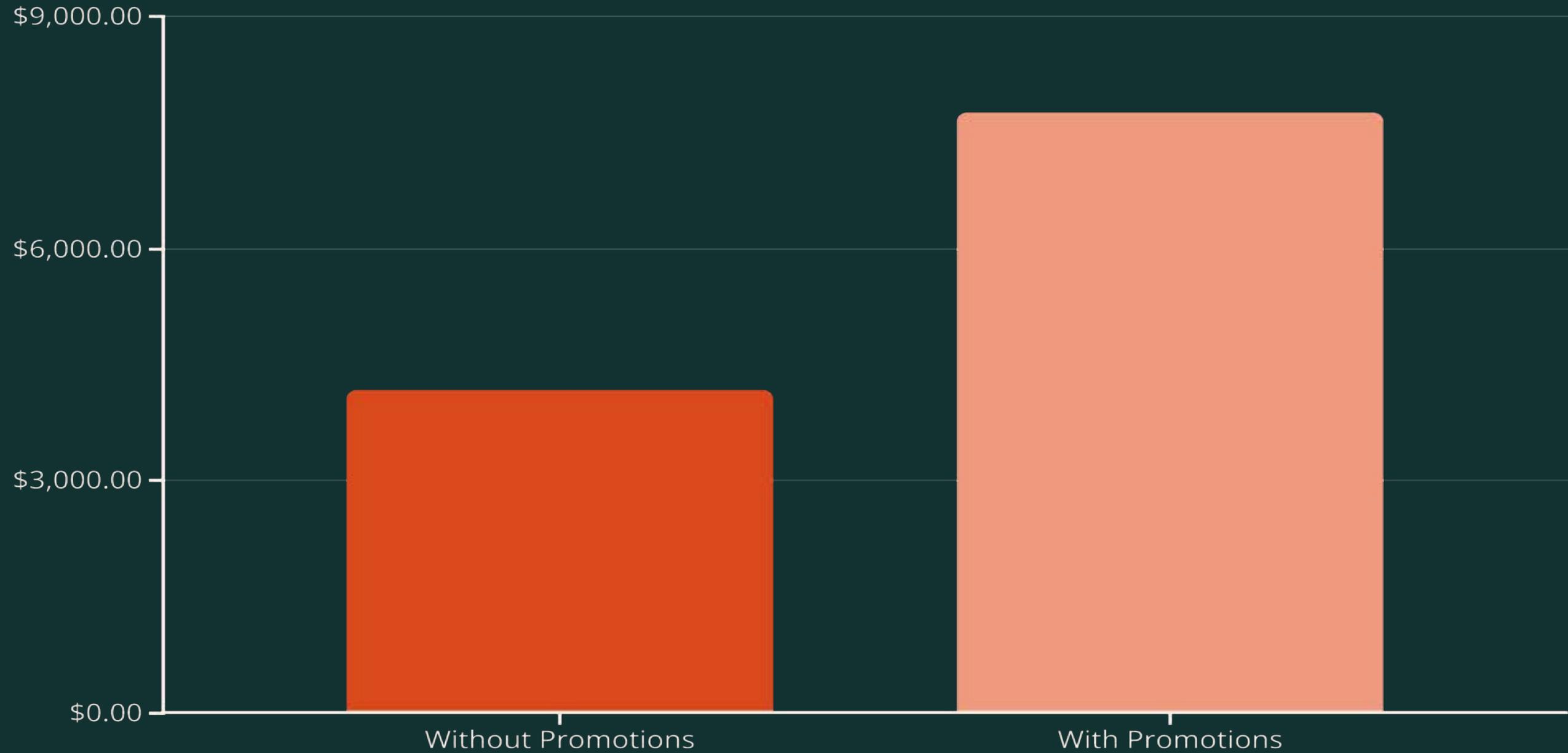
With Promotions

€7,767

Average daily sales per store on promotion days.

# Uplift in Daily Sales

Promotions nearly double average daily sales.



The data clearly illustrates a substantial increase of over **€3,500** in average daily sales per store when promotions are active. This represents an 86% increase compared to non-promotion days.

# Statistical Robustness

Our analysis used a t-test to compare sales data, yielding a robust statistical outcome that strongly supports the positive impact of promotions.


$$\frac{f}{dx}$$

## High t-statistic

A t-statistic of **-178** indicates a very large difference between the two groups (promotion vs. non-promotion sales).



## Near Zero p-value

A p-value effectively **< 0.01** means there is virtually no chance the observed sales difference is random.



## Confidence Level

With **95% confidence**, we affirm promotions have a real, positive effect on sales performance.

# Strategic Business Implications

These findings provide clear direction for future marketing and sales strategies.

## Confirmed Revenue Driver

Promotions are a verified mechanism for generating additional revenue.

## Confident Budget Allocation

Decision-makers can confidently allocate marketing budgets towards promotional activities.

## Foundation for Optimisation

The current analysis sets a strong baseline for further investigation into promotion effectiveness.

# Optimizing Promotion Strategies

To maximize return on investment, we recommend deeper dives into specific areas.

- **Promotion Type Analysis:** Identify which specific promotion types (e.g., discounts, bundles, loyalty points) yield the highest sales returns.
- **Regional/Store Performance:** Investigate if certain regions or store types respond better to promotions than others.



# Holistic Impact Assessment

Beyond direct sales uplift, consider the broader financial picture.

## Net Profitability

Evaluate the net impact of promotions after accounting for their direct costs and any potential impact on margins.

## Cannibalization Effects

Assess if promotions merely shift sales from non-promotion days or truly generate incremental purchases.

## Customer Lifetime Value

Analyse how promotions influence customer retention and long-term spending habits.

# Next Steps & Recommendations

Translating insights into actionable strategies for continuous improvement.

- **Optimise Promotion Strategies:** Use detailed ROI analysis to refine and tailor promotional campaigns.
- **Ongoing Monitoring:** Continuously track promotion effectiveness to ensure sustained uplift and adapt to market changes.
- **Integrate Findings:** Incorporate these insights into broader sales planning, marketing campaigns, and inventory management.
- **Further Research:** Explore customer segmentation and behavioural responses to promotions.