Coffee Shop Analysis for The Cozy Cup Coffee House

Introduction

This report provides a detailed analysis of six months of transaction data for The Cozy Cup Coffee House, spanning January to June. With 149,116 recorded transactions, this report explores sales performance, product category insights, customer behavior trends, and provides recommendations for improving operational efficiency and marketing strategies. The aim is to drive increased revenue, customer retention, and optimize the overall customer experience at the coffee house.

Key Findings

1. Sales Performance Overview

- **Total Revenue:** $698,812.33
- **Total Quantity Sold:** 214,470 units
- **Average Revenue per Transaction:** Approximately $4.69
- The data reveals consistent revenue growth from January through June, with the exception of February, which saw a 6.7% drop in revenue.
- **Notable monthly revenues:**
  - **January:** $81,677.74
  - **February:** $76,145.19
  - **March:** $98,834.68
  - **April:** $118,941.08
  - **May:** $156,727.76
  - **June:** $166,485.88

2. Product & Category Insights

- **Top Revenue-Generating Categories:**
  - **Coffee**: Includes Barista Espresso, Drip coffee, Gourmet brewed coffee, Organic brewed coffee, Premium brewed coffee, and various coffee beans.
  - **Tea**: Loose tea and brewed options such as Black tea, Chai tea, green tea, and Herbal tea.
  - **Bakery**: Popular items include Biscotti, Pastry, and Scone.
  - **Other Items**: Drinking Chocolate and Flavors (syrups) are also well-performing, but housewares and branded clothing appear to contribute less to overall revenue.
- **Best Sellers:**
  - **Brewed Chai Tea** and **Gourmet brewed coffee** are among the most popular drinks, indicating strong customer preference for premium beverages.
- **Underperforming Categories:**

o **Packaged Chocolate** and **Branded Clothing** contribute less to total sales, suggesting these items might benefit from better marketing or promotional efforts.

3. Trends and Patterns

- **Time-based Insights:**
  - o Peak sales occur between **9 am and 10 am**, likely coinciding with morning coffee runs. Sales significantly drop at **11 am**, then maintain a steady pace until **5 pm**.
  - o The **Astoria location** shows a steady rate of customers even after 5 pm, possibly due to evening customers or foot traffic after typical work hours.
- **Day-based Trends:**
  - o **Weekends** see a revenue drop of approximately **$1K**, likely due to fewer customers visiting, particularly those who frequent the coffee house during their commute to work on weekdays.
- **Location Insights:**
  - o **Hell's Kitchen** is the most popular location, consistently drawing higher foot traffic and sales compared to other branches.

Operational Recommendations

1. **Improve Weekend Sales:**
   - o To counter the weekend revenue dip, consider launching **weekend specials** or **brunch promotions** targeting families, casual shoppers, and local foot traffic.
   - o Introducing **loyalty programs** or **happy hour discounts** could incentivize more weekend visits.
2. **Leverage Peak Hours:**
   - o With peak sales between **9 am and 10 am**, adding incentives such as **morning combo deals** (e.g., coffee + pastry) or **pre-order options** for regular customers could enhance the customer experience and increase transaction volume.
3. **Extend Astoria's Evening Success:**
   - o Astoria's steady evening sales present an opportunity to introduce **evening events** or partnerships with local businesses to attract additional customers during this time.

Marketing Suggestions

1. **Capitalize on Coffee and Tea Popularity:**
   - o Coffee and tea are key drivers of revenue. **Seasonal campaigns** promoting new coffee and tea flavors could further boost sales, particularly during the colder months.
   - o Introduce **limited edition drinks** or offer special promotions on best-selling items like Brewed Chai Tea and Gourmet brewed coffee.
2. **Promote Underperforming Categories:**

- Increase marketing efforts for **housewares** and **branded clothing**, possibly by bundling these items with popular drinks or offering discounts with purchases over a certain amount.
- Highlight **packaged chocolates** as a great take-home option or gift, especially around holidays.
3. **Focus on Location-Based Marketing:**
    - Given Hell's Kitchen's strong performance, consider further **targeted advertising** in that area, such as offering exclusive deals for local office workers.
    - **Astoria's evening success** could be leveraged with campaigns that appeal to people looking for a post-work drink or snack.

Conclusion

The Cozy Cup Coffee House has demonstrated strong sales growth over the six-month period, with key products like coffee and tea driving much of the revenue. While there are clear patterns in customer behavior—such as morning peaks and steady evening sales in Astoria—there is also room for growth, especially in weekend sales and underperforming product categories.

To optimize performance, the coffee house can introduce targeted promotions, enhance its morning rush offerings, and explore new marketing strategies for slower-moving items. These efforts, coupled with leveraging existing strengths like popular beverages and high-performing locations, will help ensure continued success and expansion of The Cozy Cup Coffee House.

Next Steps

- **Implement weekend marketing strategies** to increase foot traffic and revenue.
- **Expand promotional efforts** around coffee and tea products, capitalizing on existing customer preferences.
- **Enhance product visibility** for underperforming categories like housewares and packaged chocolate to increase sales in those areas.
- Continue **monitoring sales patterns** to refine operational strategies and ensure consistent growth across all locations.