# SWOT Analysis

## A Local Coffee Shop

**Business**: "The Daily Grind," a small, independent coffee shop.

### Strengths (Internal, Positive):

- **High customer loyalty:**

Our loyalty program data shows that 75% of our customers visit at least once a week.

- **Prime location:**

We are located directly next to a busy public transit hub, resulting in a consistent stream of foot traffic (data from our foot traffic counter).

- **Expert staff:**

All our baristas have received advanced certification and have an average tenure of 3 years, leading to faster service times and better-quality coffee (based on internal staff records and service time metrics).

### Weaknesses (Internal, Negative):

- **Lack of an online presence:**

We have no e-commerce store or mobile app, losing out on potential pre-orders and online sales, a channel that represents 15% of total sales for our competitors.

- **High employee turnover in the past:**

Employee turnover was 50% last year, leading to increased training costs and potential service inconsistencies (based on HR records).

- **Limited menu offerings:**

Our menu is limited to coffee and pastries, while competitors are successfully expanding into lunch items, which account for 20% of their revenue (based on competitor menu analysis).

### Opportunities (External, Positive):

- **Expanding business district:**

A new tech park is being built two blocks away, projected to bring in over 500 new employees who will be potential daily customers.

- **Demand for evening events:**

A recent local survey of residents showed strong interest in "after-hours" events like open mic nights and board game gatherings.

- **Growing trend in ethical sourcing:**

A recent study by a food industry association indicates a 20% increase in consumer demand for ethically sourced coffee beans, a brand value we can easily adopt and market.

## Threats (External, Negative):

- **New competitor opening:**

A major coffee chain is scheduled to open a new location two blocks away within the next six months.
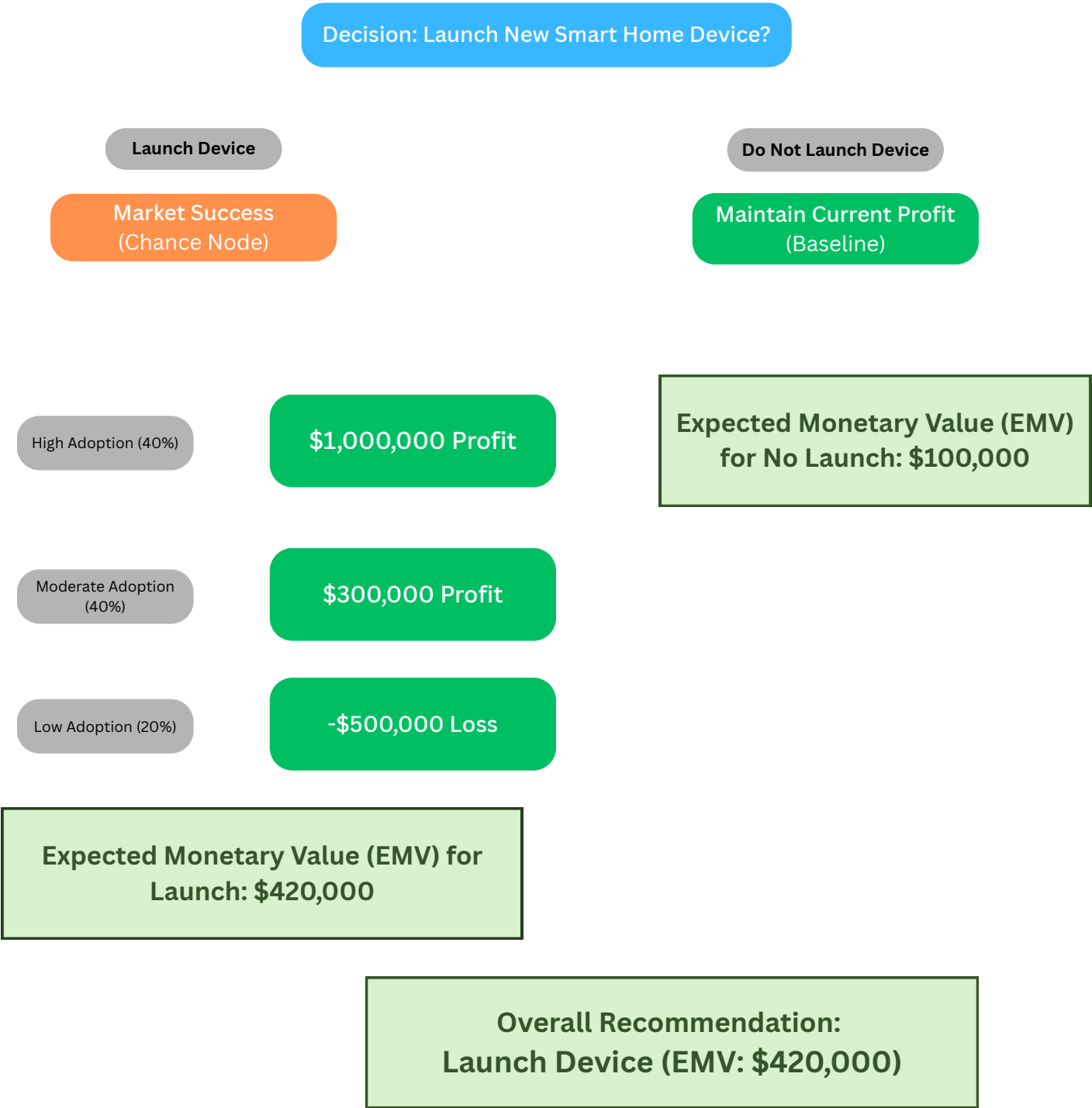
- **Supply chain disruptions:**

Global supply chain issues are causing a 10% increase in the cost of our specialty coffee beans, which could impact our profitability.

- **Public health regulations:**

Potential new public health regulations regarding indoor seating capacity could limit our ability to serve customers, as seen in past regulations.

# Decision Tree: New Smart Home Device Launch

This model helps "TechGadget Inc." evaluate the decision of launching a new smart home device by considering potential market adoption and financial outcomes.

**Decision: Launch New Smart Home Device?**

**Launch Device**

**Market Success (Chance Node)**

**Do Not Launch Device**

**Maintain Current Profit (Baseline)**

High Adoption (40%)

**$1,000,000 Profit**

**Expected Monetary Value (EMV) for No Launch: $100,000**

Moderate Adoption (40%)

**$300,000 Profit**

Low Adoption (20%)

**-$500,000 Loss**

**Expected Monetary Value (EMV) for Launch: $420,000**

**Overall Recommendation: Launch Device (EMV: $420,000)**

# 1-Page Data-Backed Strategy: Enhancing Customer Lifetime Value

**Business:** "AuraFit" - An online subscription service for personalized fitness and wellness plans.

## Goal:

**Increase customer retention rate by 15% over the next 6 months (Q3-Q4 2025).** *(Current retention rate: 60% after 3 months; Target: 69% after 3 months)*

## Data Used:

- **Churn Analysis (Q1-Q2 2025 Data):**
  - **Finding:** 40% of new subscribers churn within the first 3 months.
  - **Insight:** The highest churn occurs between weeks 4-8, often after initial enthusiasm wanes and before significant results are seen.
  - **Data Source:** Internal CRM and subscription management system.
- **Customer Feedback Surveys (Q2 2025):**
  - **Finding:** 30% of churned customers cited "lack of personalized support" and "difficulty staying motivated" as primary reasons for cancellation.
  - **Insight:** Generic content and infrequent interaction contribute to disengagement.
  - **Data Source:** Post-cancellation surveys and in-app feedback.
- **Engagement Metrics (Q1-Q2 2025 Data):**
  - **Finding:** Users who engage with personalized coaching features at least twice a month have a 25% higher retention rate than those who don't.
  - **Insight:** Active participation in personalized features is a strong predictor of retention.
  - **Data Source:** In-app analytics and user interaction logs.
- **Competitor Benchmarking (Industry Report 2024):**
  - **Finding:** Top competitors average an 80% retention rate after 3 months, often offering more proactive coaching touchpoints.
  - **Insight:** There's a significant gap between our retention and industry leaders, highlighting areas for improvement.
  - **Data Source:** "Fitness Tech Industry Report 2024."

## Actions:

1. **Implement Proactive Onboarding & Check-ins (Weeks 1-8):**
   - **Action:** Assign a dedicated "Success Coach" for each new subscriber for the first 8 weeks.
   - **Action:** Schedule automated personalized check-in messages (email/in-app) at weeks 2, 4, and 6, prompting users to engage with specific features and offering direct support.

- **Data Link:** Addresses high churn in weeks 4-8 and "lack of personalized support" feedback.

2. **Enhance Motivation & Progress Tracking:**

- **Action:** Introduce a gamified "Milestone Achievement" system within the app, rewarding users for consistent engagement and progress.
- **Action:** Develop weekly "Motivation Boost" content (short videos, articles) delivered directly to users based on their fitness goals.
- **Data Link:** Targets "difficulty staying motivated" feedback and aims to increase overall engagement.

3. **Optimize Personalized Coaching Feature Utilization:**

- **Action:** Integrate clear calls-to-action within the app dashboard to encourage users to schedule 1:1 coaching sessions.
- **Action:** Run a targeted in-app notification campaign for users not utilizing coaching features, highlighting their benefits and ease of access.
- **Data Link:** Leverages the insight that active coaching users have higher retention.

# Desired Outcome & Key Performance Indicators (KPIs):

**Desired Outcome:** A more engaged and loyal subscriber base, leading to sustainable revenue growth and improved brand reputation.

**Key Performance Indicators (KPIs) to Measure Success:**

- **Customer Retention Rate:** (Primary KPI) Percentage of customers retained after 3 months, 6 months.
- **Churn Rate:** (Inverse of Retention) Percentage of customers canceling subscriptions.
- **Average Weekly Feature Engagement:** Number of times users interact with personalized coaching, progress tracking, and new motivation content.
- **Customer Satisfaction Score (CSAT):** Measured through in-app prompts and post-interaction surveys.
- **Net Promoter Score (NPS):** To gauge overall customer loyalty and willingness to recommend.