

PROJECT TITLE: A PROFITABILITY ANALYSIS FOR STYLEHUB’S FOOD TRUCK BUSINESS

BUSINESS QUESTION

Which truck location generates the most profitable customers?

OBJECTIVE

StyleHub, a fashion brand targeting customers aged 18–35, operates mobile fashion trucks across multiple locations. With limited marketing budgets and rising competition, the leadership team wants to identify which truck locations bring in the most valuable customers, not just in terms of total sales, but overall customer profitability.

DATASET OVERVIEW

| Column Name | Description |
|-------------------|-----------------------------------|
| Date | Transaction date |
| Truck_location | Physical location of the truck |
| Marketing_channel | Marketing channel driving traffic |
| Customers | Number of customers served |
| Avg_order_value | Average order value per customer |
| Total_sales | Total sales made per day |
| Repeat_customers | Count of customers who came back |
| Weather | Weather condition on that day |

PROFITABILITY LOGIC

To determine customer profitability by location, the analyst created a profitability score that considers:

$$\text{Profitability_score} = (\text{total_sales} / \text{customers}) +$$
$$(\text{avg_order_value} * 0.4) +$$
$$(\text{repeat_customers} / \text{customers})$$

Total _ sales / customers: How much money each customer brings in.

Avg _order_ value: How big the average spend is.

Repeat_ customers / customers: How loyal the customer base is at each location.

KEY INSIGHTS

| Metric | Top Location | Value |
|-----------------------------------|--------------|------------|
| Most profitable customers overall | Suburbia | 8.94 score |
| Highest average order value | Suburbia | \$12.65 |

| | | |
|------------------------------------|----------|---------------|
| Most loyal customers(repeat ratio) | Midtown | Highest Ratio |
| Most total revenue | Downtown | Highest sum |
| Best \$ per customer | Suburbia | highest |

BUSINESS RECOMMENDATION

1. Double down on Suburbia for high value customer campaigns.
2. Leverage Midtown for loyalty programs and retention strategies
3. Optimize pricing and marketing in Downtown, high volume but not as profitable per customer.

TOOLS USED

1. Python (Jupyter Notebook)
2. pandas, matplotlib, seaborn
3. Custom feature engineering(Profitability Score)
4. Grouped aggregations and EDA