

Coffee Shop Chain Sales Analysis

Data-Driven Insights and
Recommendations

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Project Overview

Objective

- Analyze sales data to identify trends and provide actionable recommendations.

Dataset

- 149,456 transactions with store, product, and time details.

Tools

- Excel (Pivot Tables, Charts, Slicers)

Methodology

- Data Cleaning: Removed duplicates, standardized formats, added Total Revenue, Day, and Hour columns.
- Analysis: Created KPIs (e.g., Total Revenue, Top Store), visualized via Bar, Pie, Line Charts.

Initial Insights

Total Revenue

\$698,812.33

Top Store

Hell's Kitchen - \$236,511.17

Peak Hour

10 AM - \$88,673.39

Avg Items / Transaction

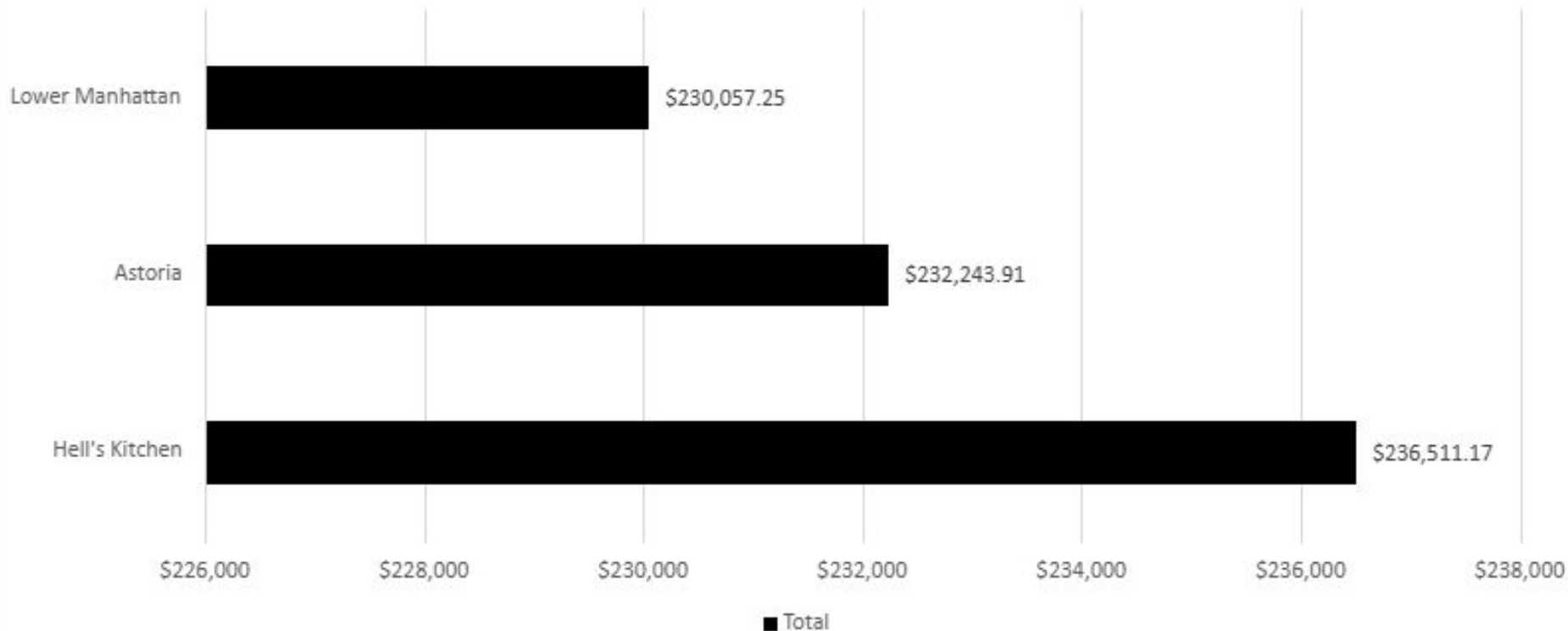
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Store Location Breakdown

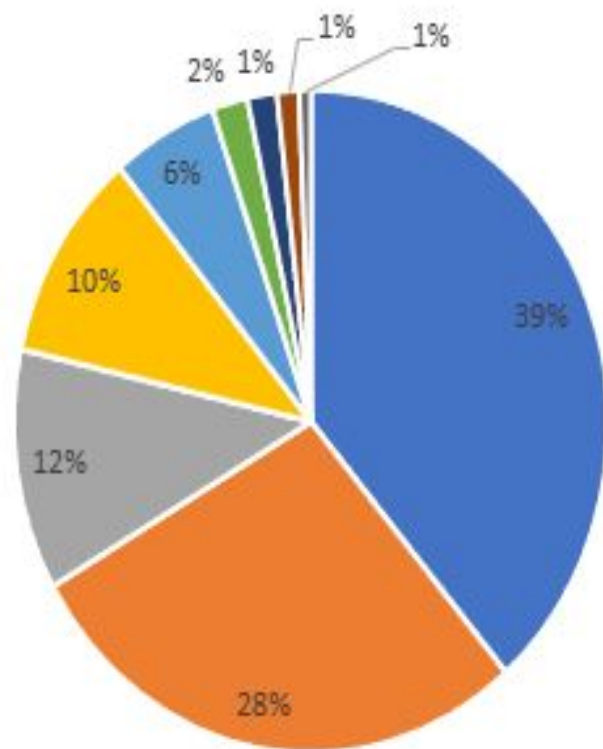
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Very close revenues with Hell's Kitchen edging out Astoria and Lower Manhattan

Revenue by Store Location



Revenue by Product Category



Coffee

Tea

Bakery

Drinking Chocolate

Coffee beans

Branded

Loose Tea

Flavours

Packaged Chocolate

This highlights the shop's reliance on Coffee and Tea, with opportunities to grow sales through Bakery upselling or promoting Drinking Chocolate.



Hourly Breakdown

Hours ramp until 10 where the revenue peaks and then has a sharp decline at 11 where it holds flat till the end of the day when it drops off.

Recommendations

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- 01 Optimize Staffing and Operations During Peak Hours
- 02 Increase Average Items per Transaction Through Upselling
- 03 Leverage Top Product for Marketing and Inventory Planning
- 04 Increase Average Transaction Value Through Premium Offerings
- 05 Enhance Product Category Performance

01 Optimize Staffing and Operations During Peak Hours

The peak hour revenue of \$28,673.28 occurs at 10 AM, indicating a significant morning rush.

To capitalize on this:

- Increase staffing levels between 7 AM and 11 AM to reduce wait times and improve customer experience.
- Ensure sufficient inventory of high-demand items like "Sustainably Grown Organic Lg" during this period to avoid stockouts.
- Introduce a "Morning Rush" promotion (e.g., 10% off orders placed between 7-11 AM) to further drive sales during this window.

02 Increase Average Items per Transaction Through Upselling

The average items per transaction is 1.46, suggesting many customers purchase only one item.

To boost this metric:

- Train staff to upsell complementary items, such as pairing a Coffee or Tea with a Bakery product (e.g., "Would you like a scone with your latte for \$2 more?").
- Create bundled offers, such as a "Breakfast Combo" (Coffee + Pastry for \$6), to encourage multi-item purchases.
- Place high-margin Bakery items (e.g., scones, croissants) near the checkout to prompt impulse buys.

03 Leverage Top Product for Marketing and Inventory Planning

"Sustainably Grown Organic Lg" (A Drinking Chocolate) generates \$23,151.75, making it the top product by revenue.

To maximize its impact:

- Highlight this product in marketing campaigns, emphasizing its organic appeal (e.g., "Try Our Best-Selling Sustainably Grown Organic Hot Chocolate!").
- Ensure consistent stock levels, especially at Astoria, where demand for Drinking Chocolate is higher.
- Introduce a loyalty program rewarding purchases of this product (e.g., "Buy 5, get 1 free") to drive repeat sales.

04 Increase Average Transaction Value Through Premium Offerings

The average transaction value of \$4.69 is relatively low for a coffee shop, where premium items can drive higher spend.

To address this:

- Promote higher-priced items like "Sustainably Grown Organic Lg" (\$4.75 based on prior data) or Barista Espresso drinks (e.g., Cappuccino Lg at \$4.25).
- Introduce add-ons like flavored syrups (e.g., Hazelnut syrup at \$0.80) with a small upcharge, encouraging customization.
- Offer a loyalty program where customers earn points toward premium drinks, incentivizing higher spend per visit.

05 Enhance Product Category Performance

Coffee at 39%, Tea at 28%, and Bakery at 12%.

Given "Sustainably Grown Organic Lg" (Drinking Chocolate) is the top product:

- Expand the Drinking Chocolate category by introducing seasonal flavors (e.g., "Peppermint Hot Chocolate" for winter) to capitalize on its popularity.
- Boost Bakery sales by pairing with top beverages (e.g., "Add a Chocolate Croissant to your Hot Chocolate for \$2").
- Analyze underperforming categories (e.g., Flavours, Loose Tea at 1-2%) consider discontinuing low-demand items or bundling them with popular products.

Conclusion

The analysis of 149,456 transactions reveals a total revenue of \$698,812.33, with Coffee (39%) and Tea (28%) driving the majority of sales, followed by Bakery (12%) and the top-performing product, "Sustainably Grown Organic Lg" Drinking Chocolate (\$23,151.75). Revenue peaks at 10 AM (\$28,673.28), highlighting a strong morning rush, while store locations (Hell's Kitchen, Astoria, and Lower Manhattan) show closely competitive performance. However, the average transaction value (\$4.69) and items per transaction (1.46) indicate room for growth.

To enhance profitability, the chain should optimize staffing and inventory during peak hours, leverage upselling and premium offerings to increase transaction values, and capitalize on top products like Drinking Chocolate for marketing and loyalty initiatives. Expanding high-potential categories (e.g., Bakery, Drinking Chocolate) while refining underperformers (e.g., Flavours, Loose Tea) will further strengthen performance. Implementing these actionable recommendations can drive revenue, improve customer experience, and solidify the chain's market position.