

Weather's Effect on Ice Kitchen and Competitors' Sales



Swaraag Sistla



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We analyzed the sales of 97 businesses in the United Kingdom, focusing on an ice lolly business called Ice Kitchen. Using normalized slopes and R^2 scores of sales versus temperature with thresholds of 0.03 and 0.4 respectively, we found strong relationships for 18 businesses to determine at what temperature a business starts seeing a reliable slope of sales versus temperature. The slope of Ice Kitchen sales crossed its threshold at 17°C and the R^2 scores crossed its at 15°C.

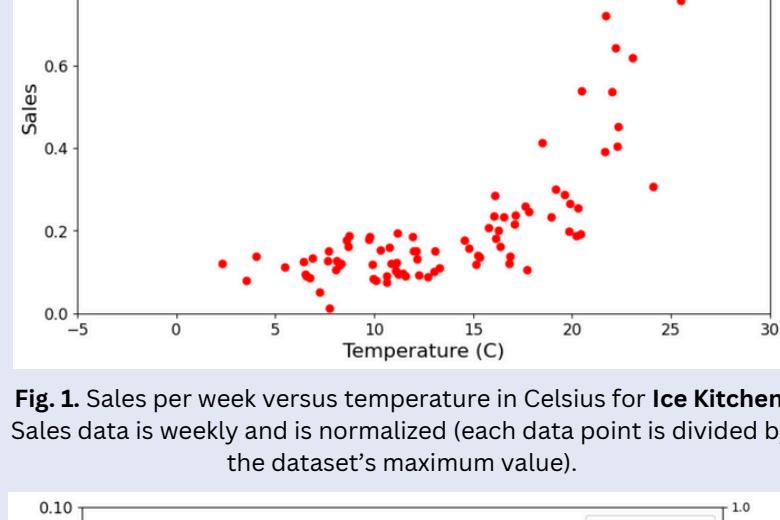


Fig. 1. Sales per week versus temperature in Celsius for **Ice Kitchen**. Sales data is weekly and is normalized (each data point is divided by the dataset's maximum value).

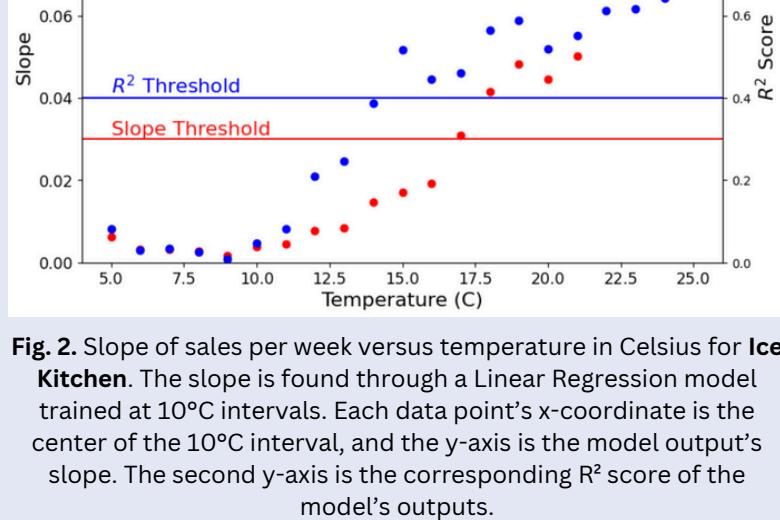


Fig. 2. Slope of sales per week versus temperature in Celsius for **Ice Kitchen**. The slope is found through a Linear Regression model trained at 10°C intervals. Each data point's x-coordinate is the center of the 10°C interval, and the y-axis is the model output's slope. The second y-axis is the corresponding R^2 score of the model's outputs.

I attempted to replicate this work on other business sales data and began to see interesting patterns.

- Rowntree's demonstrates a **noticeable increase in sales after ~15°C** and steadily climbs thereafter in Figure 3.
- The slope of Rowntree's sales **crosses the threshold at 15°C**, while the R^2 scores **pass the threshold at 12°C** in Figure 4.

Table 1

The temperature values at which the slopes and R^2 scores of a business's sales cross their respective thresholds (0.03 and 0.4)

Business	Reliable Slope At	Reliable R^2 At
The Coconut Collab	12°C	14°C
Nestlé	14°C	14°C
Rowntree's	15°C	12°C
R. White's	14°C	14°C
Jude's	15°C	16°C
Pip Organic	14°C	12°C
Yoomoo	14°C	14°C
Remeo	16°C	15°C
Ice Kitchen	17°C	15°C
LICKALIX	17°C	15°C
Nuii	16°C	16°C
Magnum	14°C	12°C
Cornetto	15°C	12°C
Wall's	15°C	16°C
The Ice Co	16°C	20°C
Smooze	19°C	21°C
Del Monte	21°C	12°C
Northern Bloc	17°C	21°C

- The sales data in Figure 1 begins to **rise at 15°C** and on average increases thereafter.
- The slopes in Figure 2 go **above the threshold at 17°C**, meaning the slopes of sales versus temperature **become reliably high at 17°C**.
- The R^2 scores in Figure 2 **cross the threshold at 15°C**, meaning the slopes are **reasonably reliable after 15°C**.

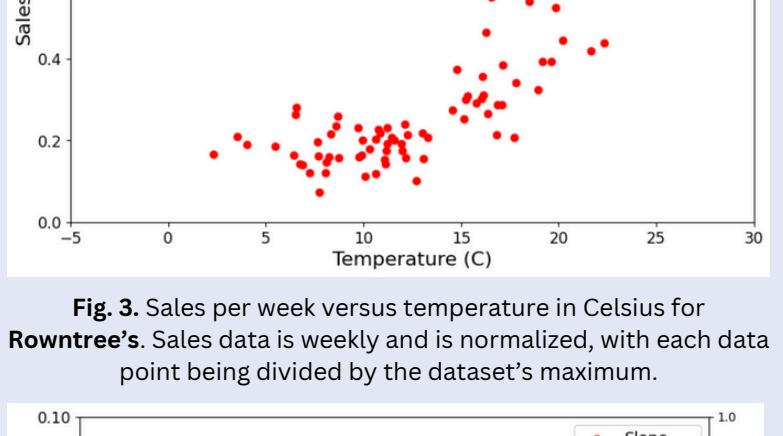


Fig. 3. Sales per week versus temperature in Celsius for **Rowntree's**. Sales data is weekly and is normalized, with each data point being divided by the dataset's maximum.

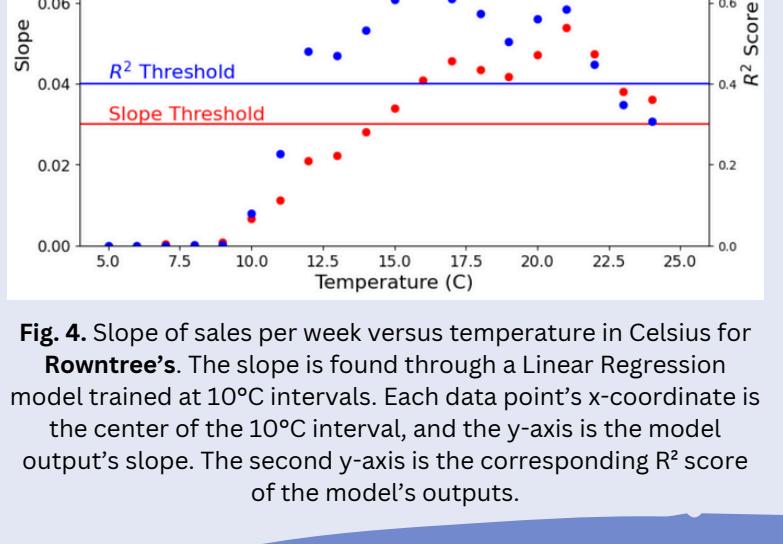


Fig. 4. Slope of sales per week versus temperature in Celsius for **Rowntree's**. The slope is found through a Linear Regression model trained at 10°C intervals. Each data point's x-coordinate is the center of the 10°C interval, and the y-axis is the model output's slope. The second y-axis is the corresponding R^2 score of the model's outputs.

Summary

Seeing that sales data with a threshold-crossing slope but a low R^2 score or threshold-crossing R^2 score and a low slope both **do not suggest a reliable slope of sales vs temperature**, we can conclude that the temperature value at which a business begins having reliable slopes is only when both **the slope and R^2 score thresholds are crossed**. Thus, **it is 17°C at which Ice Kitchen begins seeing a reliably high slope of sales versus temperature**.