

Data Tool Proposal

Problems:

Pastas R Us Inc. has been the go-to restaurant for many people. As you may know, our company's business development team tried to open new restaurants in areas with target demographics such as median age from 25 to 45 years old, Household median income being above the national wage and at least fifteen percent of adults being college-educated within a three-mile radius. I analyzed key available information to determine whether the current business strategy for the restaurant's expansion criteria and our loyalty card strategy was successful. As you may know, the marketing team released this loyalty card strategy last year to help increase sales. Furthermore, the expansion criteria was the target demographic. The analysis included collecting key metrics from 74 restaurants such as average spending per person, sales growth over the previous year, loyalty card usage as a percentage of sales or loyalty card percentage of net sales, annual sales per sq ft, median household income within a three-mile radius, median age within a three-mile radius, percentage of people with bachelor's degree within a three-mile radius. And total annual sales. After analyzing the metrics there were several conclusions. One is that as the percentage of people with bachelor's degrees increases the number of annual sales increases. The increase seemed to start at 15%. This indicated that sales increased with at least fifteen percent of adults being college-educated within a three-mile radius. The increase in sales due to an increase in median income indicated that sales increased as household income was above the national wage. Finally, sales increased as the median age increased significantly from age 30 to 43. This observation indicated that sales increased with a median age of 25 to 45.

Overall this indicated that the strategy for the expansion criteria had a positive outcome, however, there were some issues when it came to the loyalty card strategy. Based on the case study report, the data indicated that loyalty card usage had a negative impact on sales growth. This means that based on the data there is a negative relationship between the rate of loyalty card usage and sales growth. This leads me to address the problems. One problem is that the loyalty card was fairly new and there was not enough data to properly judge the performance of the loyalty card and the sales growth data had some negative values. So this means more relevant data is needed. The chart created showed a negative correlation. Now some of the key information needed to assess the performance of the loyalty card are enrollment rate, engagement rate, repeat purchase rate, redemption rate, customer lifetime value, customer

retention rate, churn rate, net promoter score, and referral rate(Seshadri, 2024). These are not only key information but also KPIs. This information can help us uncover more insights about how to increase sales. With the current issue of the loyalty card strategy, it would be difficult for the marketing team to gain new members.

Proposed Solution(s):

To solve this loyalty card issue we would need to build an in-house clear and easy-to-use dashboard that assesses the effect of sales growth between each of the additional information instead of using loyalty usage rate. An alternative would be to use a third-party loyalty program software that helps track rewards, engagement rates, redemption rates, and manages campaign data automatically. This alternative is a possible solution because of the automation feature. It can automatically track the performance of the strategy, membership, and adoption rates, and easy integration with CRM systems. It also has an intuitive interface that's straightforward to use and set up. So with the in-house dashboard, the plan is to create an interactive dashboard in Excel or a visualization tool like Power BI. To do this I will first update the Excel file containing the original data with the additional information. Then look at the metrics and decide what type of charts are appropriate for the dashboard on Excel. In addition to that, there may be interactive slicers on the charts. With tools such as Power BI, the data would be imported as a CSV, and then the charts would be created. In terms of analytical value, the dashboard will help the marketing team understand what promotions need to be released and which products need exclusive rewards. The dashboard will change the marketing team's strategy by providing a dynamic interface that helps them find trends. This dashboard lets the team explore and manipulate the data to find key insights. Now this dashboard will help the team better understand how engagement rate or referral rate affects sales. The team would also get valuable insights on what type of rewards or promotions keep customers. 3 months after the tool is implemented, there may be different promotions running or exclusive rewards released for members. For instance, earning points for purchasing an item, early access to new products, or no delivery fees.

Exclusions and Limitations:

Creating interactive Excel dashboards or Power BI can improve the way users visualize data in real time. It also helps track key performance indicators as well as help get insights from data that is important. Apart from this, there are some limitations. In terms of productivity costs, it is not as expensive as using a third-party software program. If we use Excel, the cost would be free, however, Power BI is not. Users may need to pay for additional features. There are some potential limitations such as potential human error. As the amount of data grows, it is possible

that there could be formula errors especially if it is an Excel dashboard. There may be data processing issues, especially if you are dealing with large data sets or complex queries on Power BI. Another limitation of Power BI is the customization capabilities. There may be limited ability to create unique charts or graphs.

So in today's data-driven world, it is important to have the right tools when analyzing and interpreting data for a successful business strategy. To summarize this, the proposal highlights two kinds of strategies for Pastas R Us Inc. The business strategy and the loyalty card strategy. It particularly highlights the problems with the loyalty card strategy and how to improve it. After analyzing the current loyalty strategy, it was determined that there was a negative relationship between sales growth and loyalty card usage rate. This means that additional metrics such as enrollment rate, engagement rate, repeat purchase rate, redemption rate, and customer lifetime value are needed. The goal is to analyze the effects of the sales with those metrics and gather insights on what type of strategy is needed for a sales increase. The proposed solution is to develop an interactive dashboard that lets the marketing team gather those insights. This can be done by creating the dashboard through data tools like Excel and Power BI or use a third-party software that automatically tracks the metrics. Furthermore, when using these tools there may be limitations.

Reference:

Seshadri, A. (2024, May 27). *How To Measure the Success of Your Customer Loyalty Program*. Mailmodo. <https://www.mailmodo.com/guides/measure-loyalty-program-success/>