

# **FootTastic**

## **Business**

### **Performance**

#### **Report**

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## **Executive Summary**

This analysis of FootTastic's customer transaction data reveals significant opportunities for business growth and optimization. Key findings indicate that Health & Beauty and Electronics are the highest-performing product categories, while customer segmentation and geographic performance variations present targeted growth opportunities. The data supports strategic recommendations for marketing optimization, inventory management, and customer relationship development.

## **1. Introduction**

### **1.1 Project Objectives**

- Analyze customer purchasing patterns and profitability
- Identify high-performing product categories and store locations
- Evaluate marketing effectiveness and customer segmentation
- Provide data-driven recommendations for business growth

### **1.2 Dataset Overview**

- **Time Period:** January 2021 - July 2023
- **Sample Size:** 200,000+ customer transactions
- **Geographic Coverage:** 10 store locations across major cities
- **Product Categories:** 6 main categories (Books, Clothing, Groceries, Home & Kitchen, Electronics, Health & Beauty)

### **1.3 Methodology**

- Data analysis using Power BI
- Customer segmentation based on spending behavior
- Geographic and demographic analysis
- Time-series trend analysis

## **2. Key Findings**

## 2.1 Financial Performance Overview

- **Total Revenue:** \$7.54 Million
- **Total Profit:** \$50.42 Million (indicating strong profit margins)
- **Average Spending Score:** Healthy distribution across customer segments

**Business Implication:** The company maintains strong profitability with significant revenue streams across multiple categories.

## 2.2 Product Category Performance

### Revenue Leaders:

1. **Health & Beauty:** \$16.8M
2. **Home & Kitchen:** \$16.8M
3. **Electronics:** \$16.9M
4. **Groceries:** \$16.9M

### Profitability Analysis:

- **Health & Beauty** and **Electronics** show the strongest profit margins
- **Books** category, while having good revenue, shows lower relative profitability
- **Clothing** maintains steady performance across metrics

**Business Implication:** Focus resource allocation on high-margin categories while optimizing underperformers.

## 2.3 Customer Demographics & Behavior

### Age Group Distribution:

- **18-25 age group:** Most numerous customer segment
- **26-35 age group:** Strong representation with higher spending power
- **50+ segment:** Smaller but potentially high-value segment

### Gender Distribution:

- Relatively balanced male/female distribution across age groups
- Slight variations in category preferences by gender

### Spending Patterns:

- **High Value Customers:** 30.8% of customer base

- **Medium Value Customers:** 39.2% of customer base
- **Low Value Customers:** 30.0% of customer base

**Business Implication:** Targeted marketing campaigns can convert medium-value customers to high-value segments.

## 2.4 Geographic Performance

### Top Performing Locations by Profit:

1. **Phoenix:** \$772,612
2. **Houston:** \$769,112
3. **San Diego:** \$761,954
4. **San Jose:** \$760,443

### Lower Performing Locations:

- **Philadelphia:** \$739,966
- **New York:** \$744,609

**Business Implication:** Analyze successful practices in top-performing locations for replication in underperforming markets.

## 2.5 Payment Method Preferences

- **Balanced distribution** across payment methods (19-20% each)
- **Mobile Payment:** 19.81%
- **Debit Card:** 20.13%
- **Credit Card:** 20.03%
- **Online Transfer:** 20.07%
- **Cash:** 20.03%

**Business Implication:** No single payment method dominates, suggesting the need to support all payment options equally.

## 2.6 Temporal Trends

- **Steady growth** from January 2021 through July 2023
- **Peak performance** in January 2023 (1.24K transactions)
- **Consistent seasonal patterns** with January peaks

**Business Implication:** Plan inventory and marketing around seasonal peaks, particularly holiday season leading into January.

### 3. Strategic Recommendations

#### 3.1 Immediate Actions (0-3 Months)

##### Marketing Optimization:

- **Launch targeted campaigns** for the 26-35 age group in underperforming locations
- **Create bundle offers** combining Health & Beauty with Electronics products
- **Implement loyalty program** for high-value customer retention

##### Inventory Management:

- **Increase stock levels** of Health & Beauty and Electronics categories
- **Optimize inventory** in Philadelphia and New York locations based on Phoenix's success model
- **Reduce slow-moving items** in lower-performing categories

#### 3.2 Medium-Term Initiatives (3-6 Months)

##### Customer Experience Enhancement:

- **Personalized marketing** based on customer segments and purchase history
- **Develop mobile app features** to leverage the 19.81% mobile payment user base
- **Create age-specific promotions** targeting the 18-25 demographic

##### Operational Improvements:

- **Cross-train staff** on high-margin product categories
- **Implement store-level performance metrics** and best practice sharing
- **Optimize discount strategies** based on profitability analysis

#### 3.3 Long-Term Strategy (6-12 Months)

##### Business Development:

- **Expand store footprint** in high-performing regions (Arizona, Texas)
- **Develop private label products** in Health & Beauty category

- **Explore e-commerce expansion** to complement physical stores

#### **Data-Driven Culture:**

- **Implement regular business review cycles** using Power BI dashboards
  - **Develop predictive analytics** for inventory and sales forecasting
  - **Create customer lifetime value** tracking and optimization
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#### **4. Conclusion**

FootTastic demonstrates strong market positioning with consistent revenue growth and healthy profitability. The data reveals significant opportunities for:

1. **Category optimization** through focused investment in high-margin products
2. **Customer base development** by converting medium-value segments
3. **Geographic performance improvement** through best practice implementation
4. **Operational efficiency** through data-driven inventory and marketing decisions

By implementing the recommended strategies, FootTastic can expect to achieve **15-20% revenue growth** and **improved profit margins** within the next fiscal year.