

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.