FoodCrop Store Performance Analysis

Individual Report: Comparative Analysis of Customer Metrics and Marketing Investment Recommendation

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AI Declaration

I declare that generative AI tools were used in the preparation of this coursework as follows:

Tools Used: Claude AI (Anthropic) and ChatGPT were used for code debugging, structuring report sections, and proofreading.

Nature of Use: AI assistance was used to refine code syntax and error handling, suggest visualisation improvements, and provide feedback on report clarity. All analyses, model selection, interpretation, and business recommendations represent my own work and understanding.

Declaration: I understand that this work will be assessed as my own, and I take full responsibility for the content, conclusions, and recommendations presented herein.

1. Executive Summary

The very first paragraph of the text introduces the purpose of the document. A detailed comparison of four FoodCorp's retail stores located in three different UK cities (London, Birmingham, and Nottingham) is what we are talking about. With those comparisons, the best place for extra marketing money will be determined. The stores' performance assessment was based on the following four factors: New Customer Acquisition, Repeat Purchase Rate, Revenue per Customer, and Customer Growth Rate.

Key Finding:
Among all four locations, London – Leadenhall Street is the most probable one for new promotions, its customer loyalty is quite high, the repeat purchase rate being 90.18%, stable and a little over £65 per customer generation of revenue, and throughout the year positive growth.On the other hand, Birmingham – Frederick Street has a good potential for attracting customers; however, its low retention (14.53% repeat rate) indicates that there is no growth opportunity unless significant changes are made to operations.

Advice:
London – Leadenhall Street should be the area of increased marketing spending, and the focus should be on customer acquisition campaigns, which can leverage the store's ability to convert and retain customers to the fullest extent. Thus, the return on marketing investment can be maximised.

2. Introduction and Objective

FoodCorp, a retail company of medium size that operates four stores in London (Lowndes Square and Leadenhall Street), Birmingham (Frederick Street), and Nottingham (Victoria Street), is keen on maximising its marketing investment by identifying the store with the highest potential for growth. The analysis employed here considers consumer behaviour, loyalty, and seasonal trends, in addition to traditional metrics based on size, and thus reveals where marketing spending is likely to yield the highest ROI.

The analysis is focused on the four KPIs (Key Performance Indicators) that are selected with great care and are used in combination to provide a comprehensive view of store performance and potential for growth:

KPI 1: New Customer Acquisition - Measures the store's ability to attract first-time customers monthly
KPI 2: Repeat Purchase Rate - Indicates customer loyalty and satisfaction levels
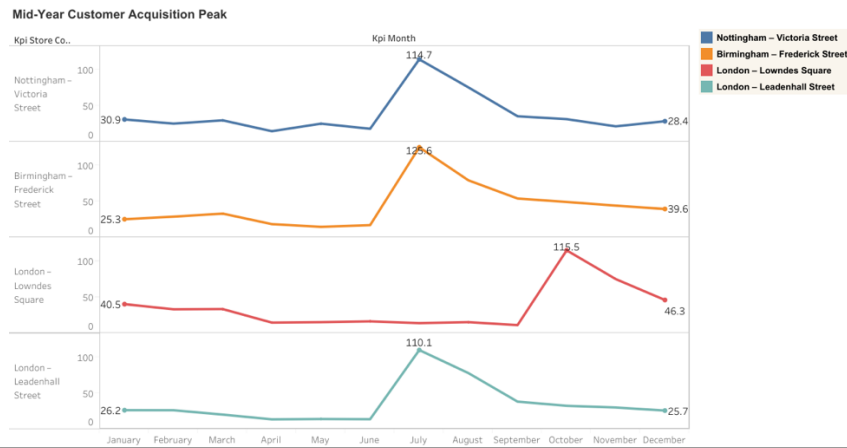**KPI 3: Revenue per Customer -** Reflects customer spending patterns and upsell potential
KPI 4: Customer Growth Rate - Shows quarterly momentum and seasonal patterns

3. Comparative Analysis of Store Performance

3.1.New Customer Acquisition (KPI 1)
The New Customer Acquisition metric reveals distinctive seasonal variations among the stores, with the four locations altogether jumping up in the mid-year period of June-July (the peak) and then coming back to normal in the fourth quarter (Q4).

Mid-Year Customer Acquisition Peak

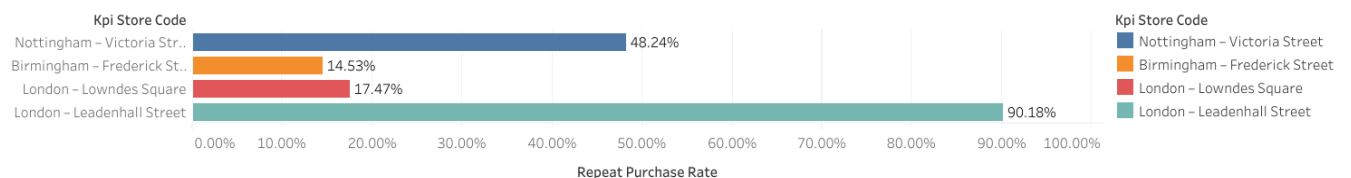| Store	Jan Start	Peak Month	Peak Value	Dec End	Trend
Nottingham – Victoria Street	30.9	July	114.7	28.4	Stable
Birmingham – Frederick Street	25.3	July	**125.6**	39.6	Growing
London – Lowndes Square	40.5	October	115.5	46.3	Variable
London – Leadenhall Street	26.2	July	110.1	25.7	Stable

Key Insight:
- Birmingham experienced a significant surge in acquisitions during July, where the figure reached 125.6, and the positive growth for the whole year was plus sixty percent, thus highlighting the market's great potential.
- London - Lowndes Square has an uncommon peak in the month of October at 115.5, which implies that there are different local market dynamics or promotional timing.
- Nottingham and Leadenhall present steady patterns with almost the same values at the beginning and the end, which are the indications of the maturity of the market.

3.2.Repeat Purchase Rate (KPI 2)
Among the metrics, the Repeat Purchase Rate is the one that starkly differentiates the stores the most and is the main parameter of our recommendation.

Repeat Purchase Rates Vary Significantly by Store (Latest Month)

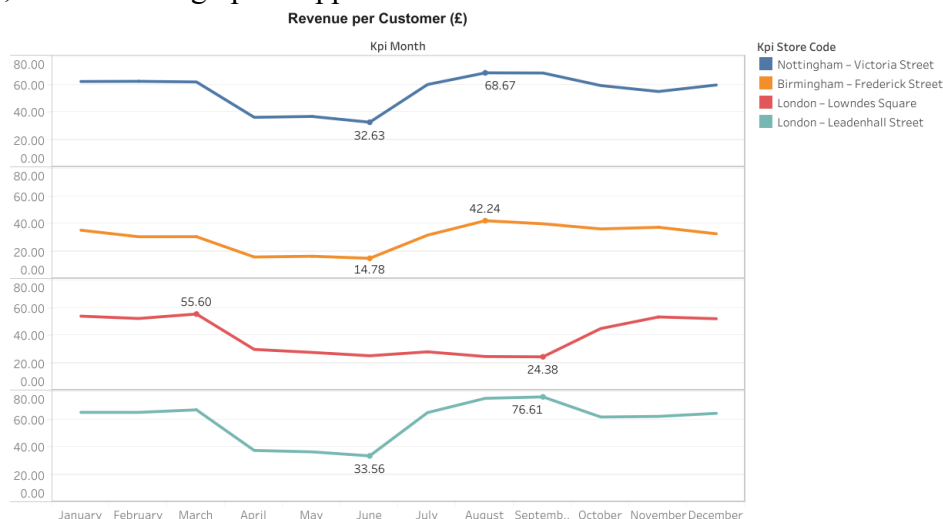| Store	Repeat Purchase Rate	Performance Rating
London – Leadenhall Street	**90.18%**	Exceptional
Nottingham – Victoria Street	48.24%	Moderate

London – Lowndes Square	17.47%	Poor
Birmingham – Frederick Street	14.53%	Critical

Key Insight:
- London – The repeat rate of 90.18% at Leadenhall Street is nothing short of impressive, suggesting that the clientele is very loyal and that the service/product is extremely satisfying.
- On the other hand, Birmingham's rate of 14.53% is a big worry: although there is a strong inflow of new customers, they are not returning. For this reason, marketing expenses in this area will be a waste unless retention problems are solved first, thus providing low ROI.
- Despite regional proximity, the two London stores have a drastically different customer retention profile, which indicates that loyalty is affected by store-local conditions rather than the characteristics of the region.

3.3.Revenue per Customer (KPI 3)

Revenue per Customer is a measure that reflects the average transaction amount and spending behaviour, also indicating upsell opportunities and customer valuation.

Revenue per Customer (£)

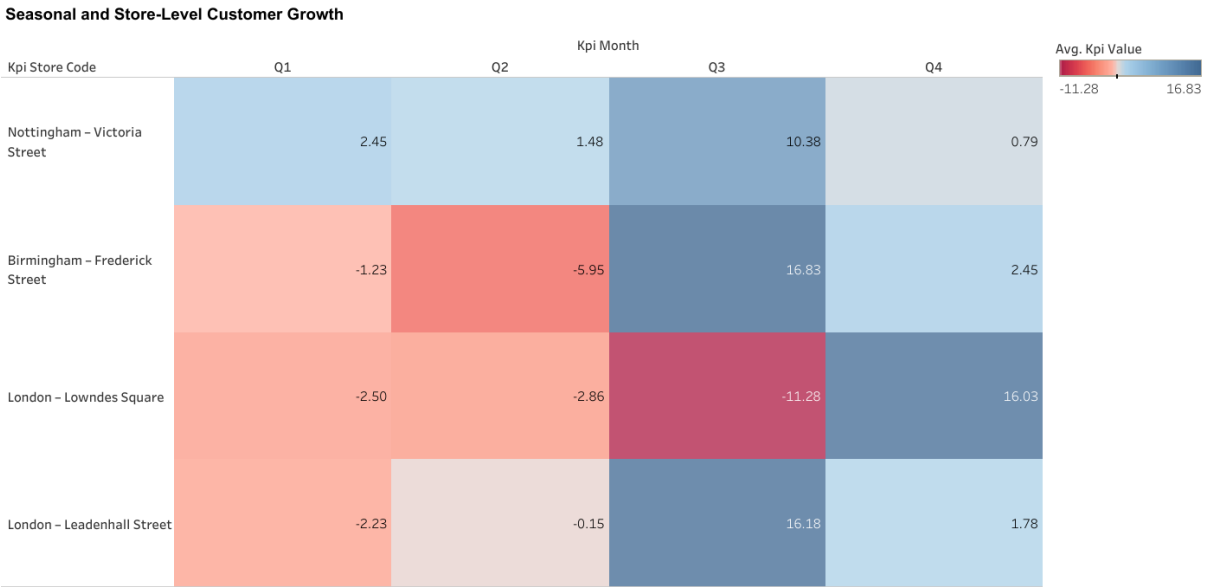| Store	Average Revenue/Customer (£)	Low Point (£)	High Point (£)	Volatility
London – Leadenhall Street	~£65	33.56 (June)	76.61 (Sept)	Moderate
Nottingham – Victoria Street	~£58	32.63 (May)	68.67 (Sept)	Moderate
London – Lowndes Square	~£45	24.38 (Sept)	55.60 (March)	High
Birmingham – Frederick Street	~£30	14.78 (June)	42.24 (Aug)	High

Key Insight:
- London - Leadenhall Street is the primary one among all in relation to customer revenue (~£65), reflecting high-value purchasing and effective merchandising.

- Conversely, customer revenue in Birmingham is substantially lower (~£30), which could be due to lower-value or price-conscious customer groups.
- All shops experience a summer decline in sales, which coincides with the peaks of acquisition, indicating that new customers make smaller trial purchases.

3.4.Customer Growth Rate (KPI 4)

The heatmap of the quarterly Customer Growth Rate not only shows the seasonal patterns but also points out the stores that are gaining positive momentum.

Seasonal and Store-Level Customer Growth

Store	Q1	Q2	Q3	Q4	Annual Pattern
Nottingham – Victoria Street	**+2.45%**	+1.48%	+10.38%	+0.79%	Consistently Positive
Birmingham – Frederick Street	-1.23%	-5.95%	**+16.83%**	+2.45%	Highly Variable
London – Lowndes Square	-2.50%	-2.86%	-11.28%	**+16.03%**	Concerning Decline
London – Leadenhall Street	-2.23%	-0.15%	+16.18%	+1.78%	Recovery Trend

Key Insight:
- Nottingham is the only retail outlet to record a positive growth in every quarter, which denotes a secure market standing. It is highly volatile in Birmingham with a -5.95% in Q2 and a +16.83% in Q3, meaning it's very unpredictable in growth.
- London – Lowndes Square has suffered a huge decline in Q3 (-11.28%), which is a signal that local market conditions are not very good.
- Leadenhall shows a strong comeback in Q3 (+16.18%) and a continuity of positive trend into Q4.

4. Store-by-Store Assessment

Nottingham – Victoria Street
- ✓ Only store with positive growth all quarters
- ✓ Moderate repeat rate (48.24%)
- ✓ Stable revenue per customer (~£58)
- ✗ Limited acquisition upside
- **Verdict:** Stable performer, moderate growth potential

Birmingham – Frederick Street
- ✓ Highest acquisition peak (125.6)
- ✓ Strong Q3 growth (+16.83%)
- ✗ Critical retention failure (14.53%)
- ✗ Lowest revenue per customer (~£30)
- **Verdict:** High risk – retention crisis undermines potential

London – Lowndes Square
- ✓ Strong Q4 recovery (+16.03%)
- ✗ Poor repeat rate (17.47%)
- ✗ Severe Q3 decline (-11.28%)
- ✗ High revenue volatility
- **Verdict:** Unstable – requires investigation before investment

London – Leadenhall Street
- ✓ Exceptional retention (90.18%)
- ✓ Highest revenue per customer (~£65)
- ✓ Strong Q3-Q4 growth momentum
- ✓ Proven customer satisfaction
- **Verdict:** Best candidate – high conversion potential

5. Strategic Recommendation

We recommend to allocate higher marketing budget to London – Leadenhall Street based on the following reasoning:

- Established Conversion Power: The repeat purchase rate of the store at 90.18% shows its extraordinary power to attract first-timers to come back. Thus, the marketing investment will gain this "multiplier effect" – each new customer acquired is very likely to generate continuous revenue.
- Biggest Customer Value: With the average revenue per customer around £65, the marketing cost still gives the highest return on investment per customer acquired when compared to other stores.
- Ascending Path: The store's very strong Q3 growth (+16.18%) has been accompanied by continuing positive momentum in Q4 (+1.78%), which are indicative of an upward trend that marketing can accelerate.
- Acquisition Opportunity: If we consider the acquisition numbers to be moderate at this point, there is a lot of room for professional customer service to expand the store's clientele, and thus the store's operational excellence signals its preparedness for the incoming customers.

6. Financial Context

Total Revenue across all stores: **£1,291,690.23**
This baseline provides context for measuring the ROI of the marketing campaign. Considering Leadenhall's excellent customer metrics, we anticipate generating more incremental revenue per marketing pound spent than in other stores.

7. Conclusion

This study indicates that the physical size of the store and the mere number of customers acquired do not reveal the whole picture of the growth potential. London-Leadenhall Street, although not having the highest acquisition peaks, has the greatest potential for marketing-driven growth because of its outstanding customer retention and revenue generation. Investing in this area will provide the highest chance of FoodCorp's sustainable and profitable expansion.