

Yandex

February 2022 (Prepared by Darragh Caffrey)

LA Restaurant Analysis

Data origin and confidence score

Reliable data source - not so reliable data - final score 7/10

- **Data Source:** We investigated an open source data set obtained from Yandex Practicum 100 by way of the city of Los Angeles open data platform released under the Public Domain U.S. Government license
- **Confidence Score:** The preprocessing of the data was quite incisive and some error were noted and corrected to the best of our ability most notably incorrect Business Type categories (Juice Bar categorized as Restaurant etc...)

LOS ANGELES OPEN DATA

Explore the City of Los Angeles' Open Data

🔍 Search for Data

Executive Summary

Business Type

Cafe

Seats

20 to 25

Location

317 S Broadway

Key Takeaways

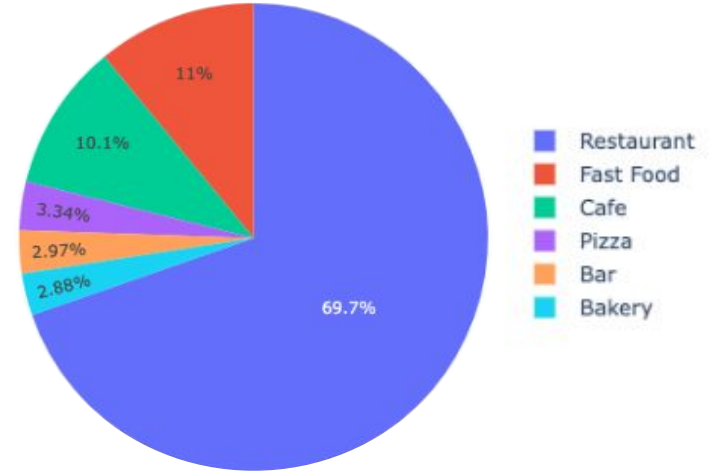
- Independent restaurants dominate every street and competition would be extreme. Cafe and Fast Food are the only other viable options who are already jockeying for second place across several streets.
- With Fast Food having a higher volume of well known chains (McDonalds, Subway etc...) there would also be huge competition. 61.4% of cafes on the other hand independently owned with the possibility for expansion (38.6% chains) among successful brands.
- When it comes to seating approx 50 seats is the norm with most distributions falling under 100 before we see outliers upto 250.
- When we look closer into cafes we can see that cafes on busy streets have fewer seats, approx 25, than cafes on quieter streets, approx 50 seats. We suggest 20-25 seats for our street suggestion.
- As our cafe is a first of its kind in the locale we would need to open in a highly trafficked area so I would propose 317 S Broadway AKA Grand Central Market a trendy and vibrante market in the heart of downtown LA close to major Hollywood landmarks and LA's financial district.
- This location currently has 2 cafes among 22 restaurants, 2 Fast Food, and 1 Bar.

What are the dominant food & beverage businesses in Los Angeles?

Restaurants make up an overwhelming amount of the businesses.

- Our data shows that Restaurants are the most common business type in Los Angeles with making up 70% of our dataset.
- Fast Food and Cafes are next making up around 10% each.
- Pizza Parlours, Bars, and Bakeries making up the final 10%
- It's clear that there is serious competition among restaurant types but are they ready for a robot revolution? – let's dive a little deeper.

Fig 1. Proportions of Business Types

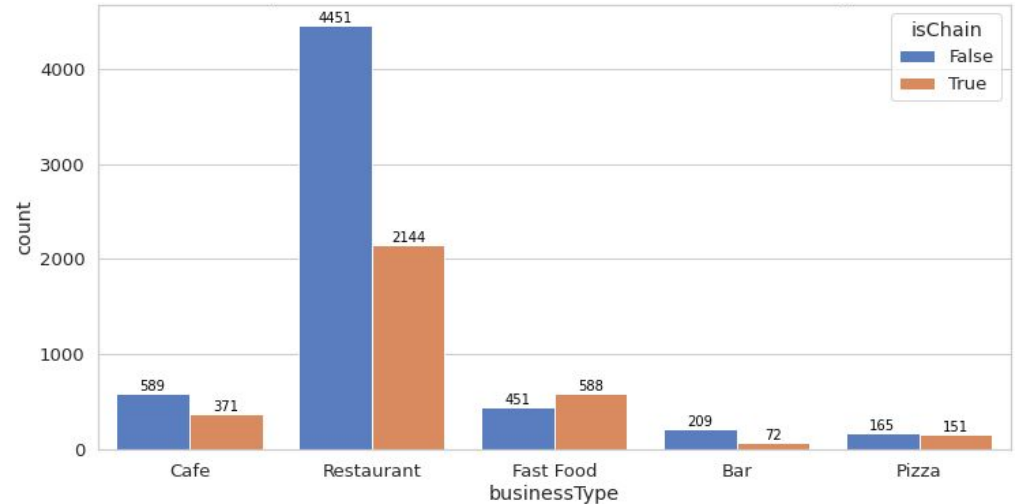


What Proportion Of These Businesses Are Chains?

In general there are fewer chains than independent businesses.

- Our data shows 62% of the businesses are independently owned versus 38% chains
- Restaurants and Bars have approx 2x more independently owned businesses than chains
- Fast Food is the only business type to have more chain than independent brands. Pizza Parlour also quite evenly distributed
- Cafe's have potential with third highest volumen overall and
- Note, we dropped Bakeries at this point as the attribution of chain vs independent was inaccurate and would distort our upcoming seating count analysis

Fig 2. Chain vs Independent Business By Type

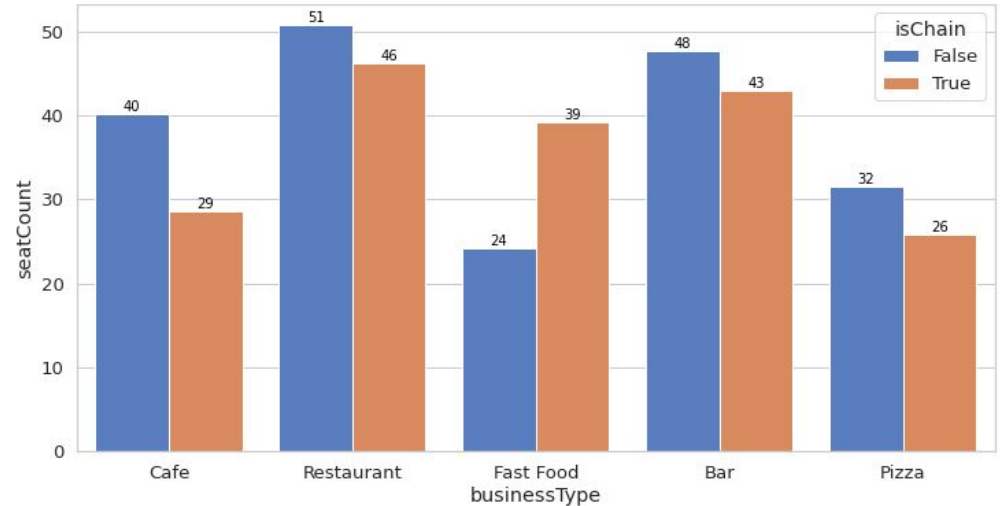


What is the average seat count for each type of business?

Less than 50 with chain businesses usual 10 seats fewer.

- A comparable trend can be seen here with regard to business count by chain status
- On average chain businesses have fewer seats than their independently owned competition
- Fast Food again is the only exception with its chains having just over 30% more seats on average than independent Fast Food businesses
- With Restaurants being so even lets take a look at the distributions that led to these averages they are, most likely highly skewed

Fig 3. Average Seat Count By Business Type & Chain Status

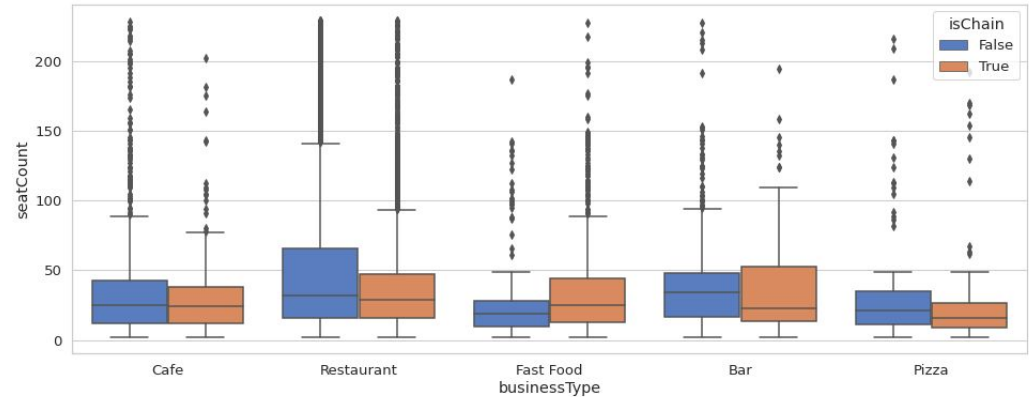


What is the seat count distribution for each type of business?

Despite the outliers the average seat count pattern is closely reflected in the IQR of boxplot distributions.

- A comparable trend can be seen here with regard to business count by chain status
- On average chain businesses have fewer seats than their independently owned competition
- Fast Food again is the only exception with its chains having just over 30% more seats on average than independent Fast Food businesses
- With Restaurants being so even lets take a look at the distributions that led to these averages they are, most likely highly skewed

Fig 4. Seat Count Distribution By Business Type & Chain Status

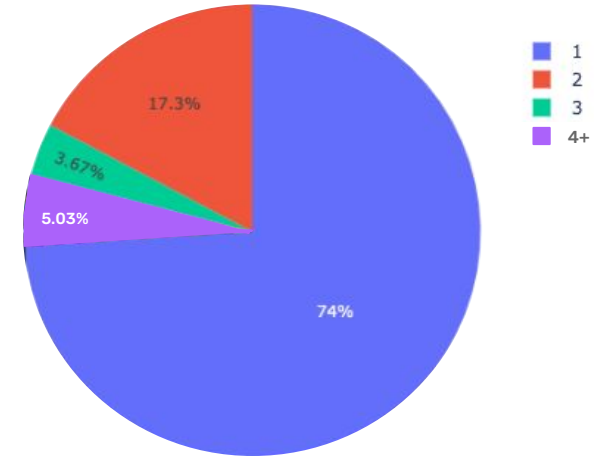


How many stores do the chain business have?

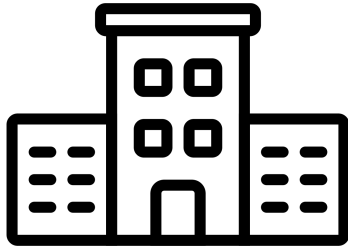
Most chains have just 1 store in the LA area.

- Our data shows that 74% of chain businesses only have one store. Another 21% of businesses have between 2-3 stores
- Overall 95% of chains have fewer than 4 stores while the remaining 5% have between 4 & 47 stores
- While we dropped all bakeries based on misattribution It appears as though the remaining chain attributions are correct from our analysis but we must assume some margin of error

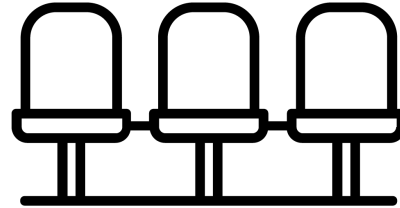
Fig 5. Store Count Among Chain Businesses



What defines a chain restaurant?



Few Stores (Less Than 4)



Less 50 seats

What are the top ten streets by number of restaurants?

10250 Santa Monica and 3rd Street have the highest business count with 61 and 57 respectively

- While we should ideally use a busy street these first two streets may have too much competition for the foot traffic we will breakdown the business type next

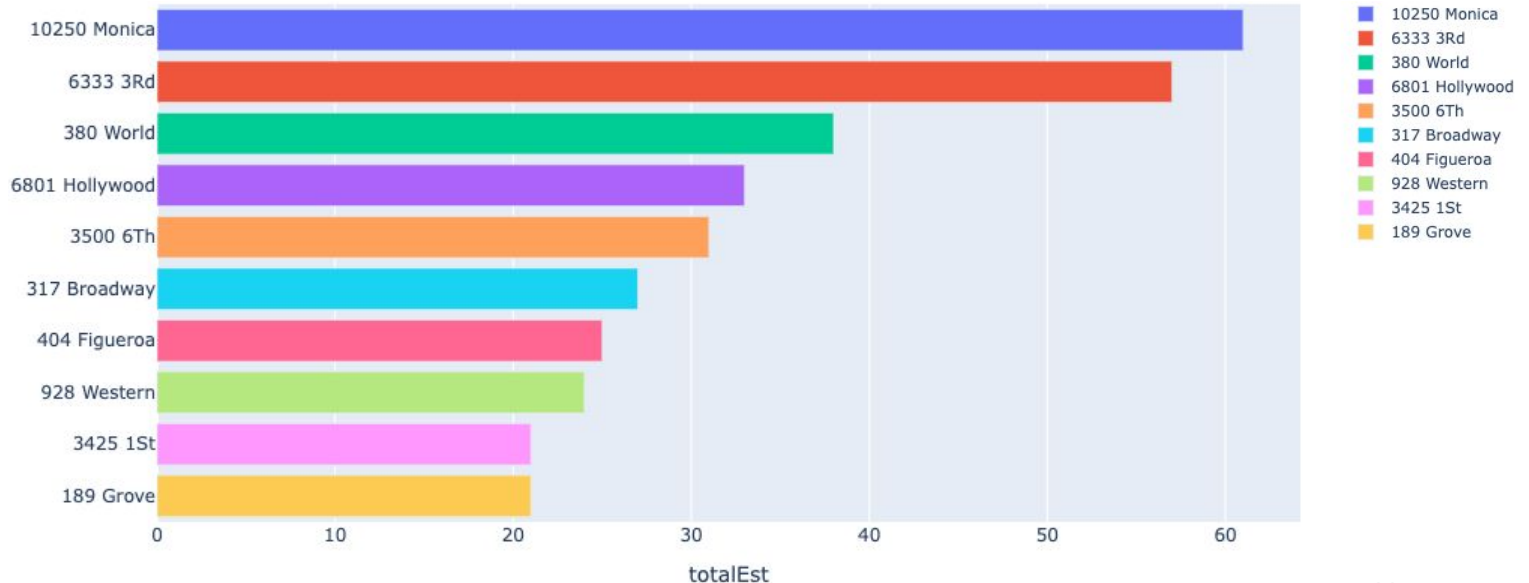


Fig 6. Business Count By Street

What are the business type proportions of the top ten streets?

Restaurants dominate with Fast Food and Cafe's jockeying for second place from street to street.

- 317 S Broadway, Los Angeles or 928 Western have some potential, residential, limited competition, still being centrally located, close to well known landmarks and LA's financial district

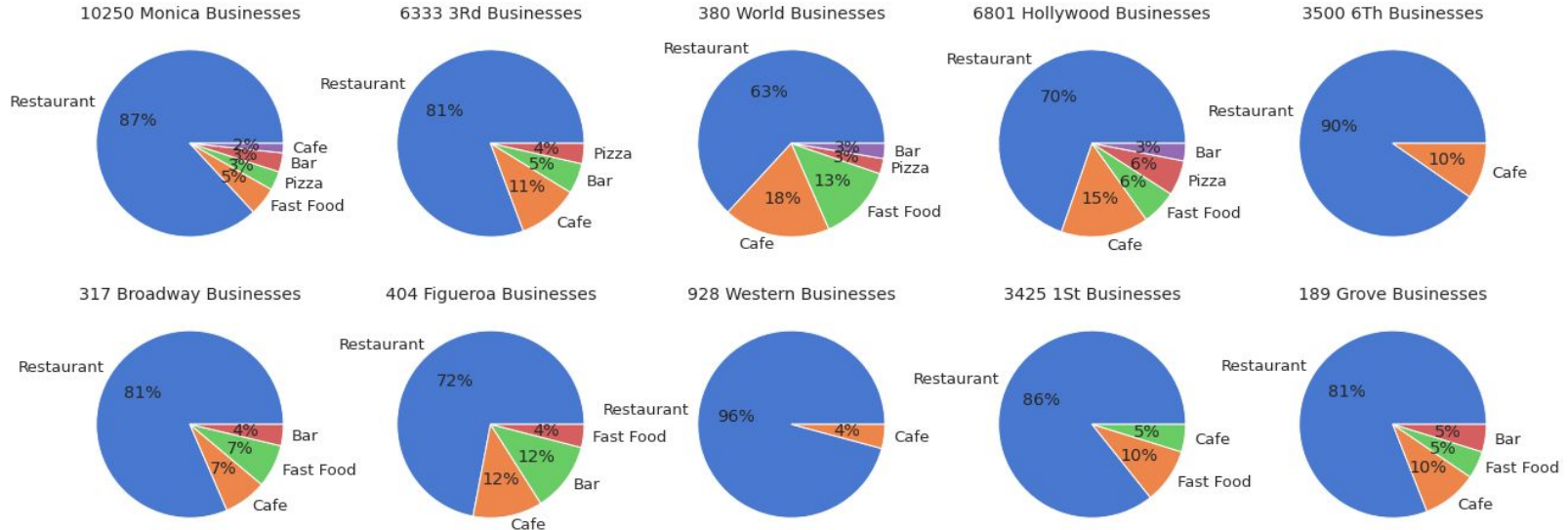


Fig 7. Business Proportions By Street

What is The top ten streets seat count distribution?

Seat distribution varies across streets and chain vs independent businesses

- Some distributions have too few <50 businesses to visualize a proper distribution however
- We can still see that there are fewer businesses with high seat counts and outliers than with the unfiltered dataset

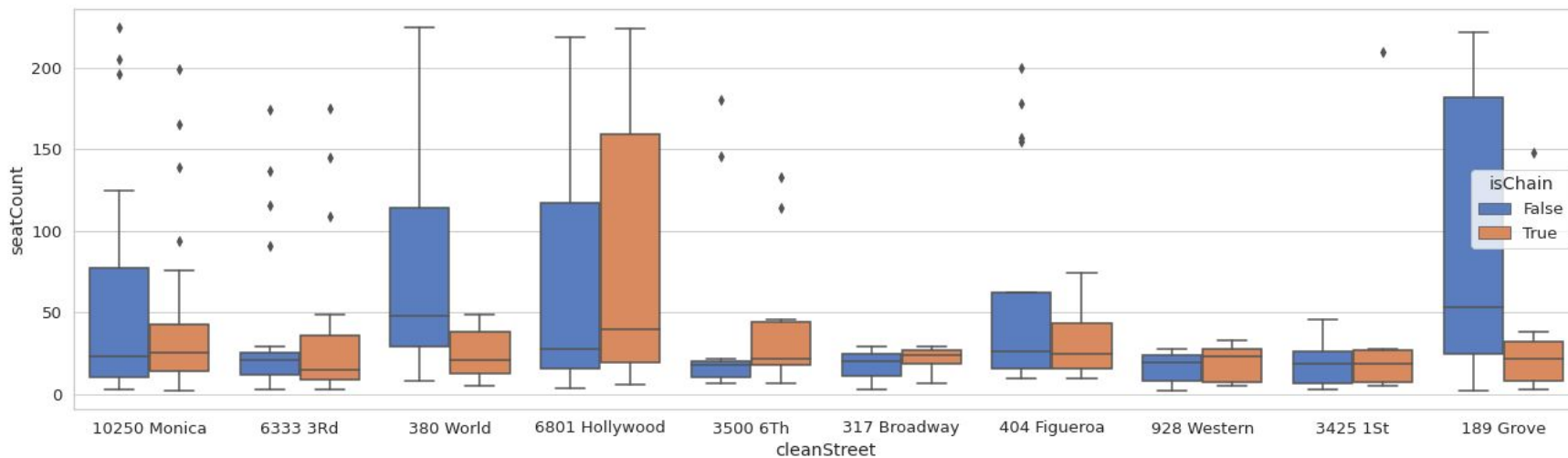


Fig 8. Seat Count By Street & Chain Status
(Among Top10 Streets)

The top ten streets seat count distribution By Business Type

Top 10 street seating pattern by business similar to unfiltered dataset.

- Cafes tend to have 20-40 seats depending on weather its a chain or independent store
- Pizza Parlour seating is much high especially among chains with a number of “California Pizza Kitchen” stores located among these streets

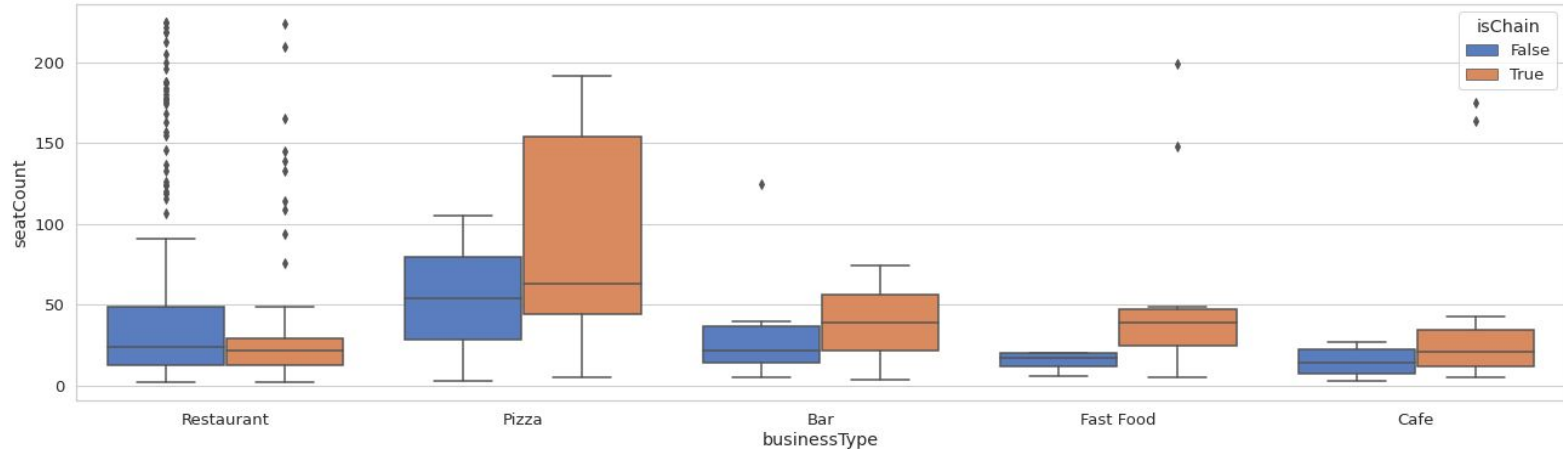


Fig 9. Seat Count By Business Type
(Among Top10 Streets)

What are the proportions of business types on quiet streets?

Over 4800 streets have just one business - However should bring our cafe to a busier more trafficked location

Proportion of Establishment Type On Quiet Streets

Total Establishments: 4879

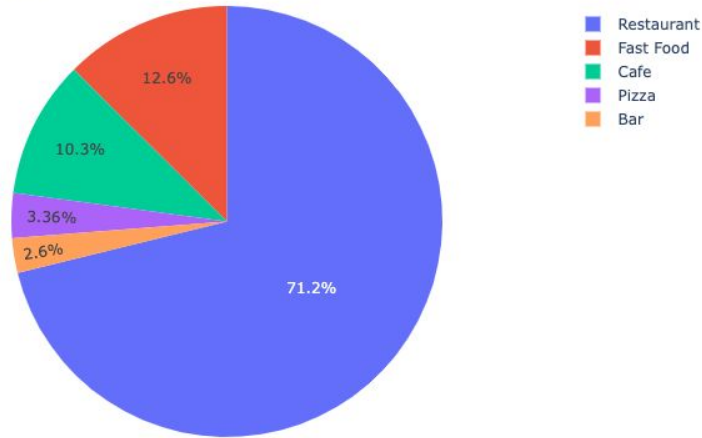


Fig 9. Proportions of Business Types Among Quiet Streets

What is the seat count distribution among quiet streets?

Businesses can afford more seats on quiet streets

- Interestingly we don't see chain vs independent having much effect on seating distribution between busy and quiet streets
- Pizza Parlours have lower seats on average on quiet streets, however there are greater numbers of Pizza Parlours bringing the distribution closer to a realistic population distribution

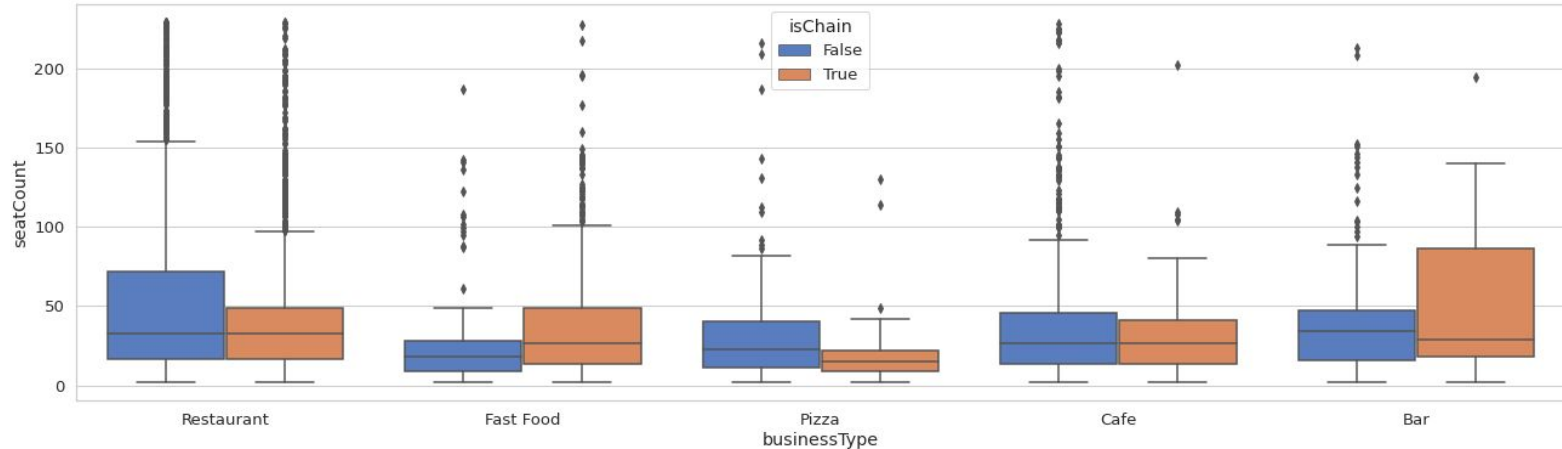


Fig 10. Quiet Street Seat Count Distribution
By Business Type & Chain Status

Executive Summary

Business Type

Cafe

Seats

20 to 25

Location

317 S Broadway

Key Takeaways

- Independent restaurants dominate every street and competition would be extreme. Cafe and Fast Food are the only other viable options who are already jockeying for second place across several streets.
- With Fast Food having a higher volume of well known chains (McDonalds, Subway etc...) there would also be huge competition. 61.4% of cafes on the other hand independently owned with the possibility for expansion (38.6% chains) among successful brands.
- When it comes to seating approx 50 seats is the norm with most distributions falling under 100 before we see outliers up to 250.
- When we look closer into cafes we can see that cafes on busy streets have fewer seats, approx 25, than cafes on quieter streets, approx 50 seats. We suggest 20-25 seats for our street suggestion.
- As our cafe is a first of its kind in the locale we would need to open in a highly trafficked area so I would propose 317 S Broadway AKA Grand Central Market a trendy and vibrant market in the heart of downtown LA close to major Hollywood landmarks and LA's financial district.
- This location currently has 2 cafes among 22 restaurants, 2 Fast Food, and 1 Bar.

Contact

Darragh Caffrey

darraghcaffrey@hotmail.com

Yandex

DISCLAIMER

Nothing contained in this document is intended to be, nor should it be construed as being, investment, legal, financial or tax advice by Darragh. The views, statements, projections, forecasts and anticipated future performance are based upon various assumptions and analysis and which are subject to uncertainties and contingencies; actual results could differ materially from those set forth in such projections, views, statements, forecasts and anticipated future performance. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, views or forecasts, and no responsibility is accepted by the Firm in respect thereof.