

Capstone Project – The Battle of Neighborhoods

1. Introduction

1.1 Background

Cafes have been a growing trend amongst youth and working class adults for many years now, and the wave does not seem to be dying down. The popularity of cafes is resonant not just in Singapore, but all over the world. The concept of these trendy cafes has been largely attributed to their origins in London and Melbourne, with these spaces providing a comfortable spot for relaxation, some picture perfect-looking foods, and a great cup of coffee.

With this trend comes along many young entrepreneurs looking to cash in on the hype by wanting to set up their own café. However, setting up a café in the current food and beverage(F&B) environment is not as easy as it sounds.

1.2 Objective and Scope

Setting up a café entails several financial risks, it is thus important to identify the factors that may affect eventual success. In the current environment, there is intense competition from existing players in the market that may kill off your business before it even kicks off. Rental prices are also another major issue when it comes to F&B establishments, as rental is known to be the number one killer of businesses in Singapore. Another one will be the difficulty in attracting customers, or the presence of human foot traffic.

The objective of this project is thus to find an optimal location for opening a new café in the city of Singapore. To do so, we would like to define some factors to guide us in choosing an optimal location:

1. Locations with few or no existing cafes in the vicinity
2. Locations with lower rental prices
3. Locations with decent human foot traffic

These factors were chosen to ensure a higher chance of success and sustainability in opening a café. The results of this project will then serve as a guide to the relevant stakeholders interested in carrying out this endeavor.